

**Finance Committee Meeting Minutes  
Montgomery Township  
Thursday, March 24, 2011**

The Finance Committee meeting of March 24, 2011 was called to order by Chairman Anthony Diasio at 7:30 pm.

Present at the meeting were:

Committee Members: Anthony Diasio, Jim Kelly, Allan Nappen, Ralph Melone and John Dale

Interim Finance Director: Shannon Q. Drosnock

Accounting Supervisor: Victoria M. Zidek

On a motion by Mr. Nappen, seconded by Mr. Melone, the Minutes of the February 24, 2011 meeting were approved.

Ms. Drosnock reviewed for the committee members the information from the various financial reports prepared for the Committee and the Board of Supervisors as of February 28, 2011. Listed below is the information from those reports:

- Tax Revenues – These revenues represent just slightly less than 85% of all General Fund revenues.
  - Earned Income Tax (EIT) revenues for February are down 21.9% representing a total of \$159,295 from same period prior year. While the 2011 budget anticipated less revenue this year, the Earned Income Tax receipts are below the budgeted amount by 15%. April and May are two of the largest receipts months for EIT and will provide a clearer indication of the revenue to be expected for the 2011 fiscal year.
  - Mercantile Tax revenues are up 112.8% (\$126,760) and Business Privilege revenues are up 3.6% (\$1,924) from February 2010. Additionally, the average dollars per return is up \$532 indicating that this increase could be more than the timing of the filings. The due date for these taxes is March 15<sup>th</sup> and as such only 16% of the returns have been processed. The March report will be a more informative look at the receipts for this year.
  - OPT/LST revenues are down 66% from February 2010; however this was expected because of the changes in collection procedures going from the \$10 OPT tax to the \$52 LST tax. In prior years 55% of the annual OPT receipts were collected by March 31<sup>st</sup>. It is expected that with the new LST tax the revenue stream will be equal throughout the four quarters of the year.
- Permits and License Fees – This collective group of revenues is reporting 38.4% (\$63,334) above the prior year. Building permits have doubled from same period prior year. There have been 114 permits issued this year to date with the largest components being New Construction Residential (28), Residential Addition/Alterations (11), Use and Occupancy (11) and Residential Plumbing (10). Cable Franchise Fees are also up 11.2% from prior year indicating that the budgeted increase for this revenue will be met in 2011.

- Other Sources of Revenue – This includes fines, interest, grants, etc. These revenues are 86.93% (\$23,254) above prior year revenues for February; however, it is too early in the year to determine a trend as only 7.2% of annual receipts have been received.
- Expenditures

Overall expenditures for February are flat compared to February 2010. Expenditures are occurring as anticipated in the 2011 budget.

The next meeting will be held on April 28<sup>th</sup>.

There being no further business, the meeting adjourned at 8:10 pm.

Respectfully Submitted,

Victoria M. Zidek  
Accounting Supervisor