

**Finance Committee Meeting Minutes
Montgomery Township
Thursday, December 15, 2011**

The Finance Committee meeting of December 15, 2011 was called to order by Chairman Anthony Diasio at 7:35 pm.

Present at the meeting were:

Committee Members: Anthony Diasio, Ralph Melone, Jim Kelly and John Dale
Finance Director: Shannon Q. Drosnock
Accounting Supervisor: Victoria M. Zidek

Approval of the Minutes of the June 23, 2011 meeting will be held off until the next meeting pending consensus of the absent members. On a motion by Mr. Dale, seconded by Mr. Kelly, the minutes of the November 17, 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 November 30, 2011. Listed below is the information from those reports:

- Tax Revenue Collections

- Real Estate Tax Collections are down 2.9%, or \$45.122K, as compared to same period prior year. However, the total assessment of the Township for 2011 is less than 2010 and therefore only \$38,168.30 is outstanding to the Township for 2011 as indicated in the Tax Collector's report attached.

All tax bills must be paid by December 31, 2011 or are turned over to the County for property liens.

- Earned Income Tax (EIT) collections in the General Fund are up .5%, or \$17.7K, above same period prior year. The EIT collections across all funds are projected to be 2.23% above total 2010 collections.
 - Real Estate Transfer Tax Revenues are up 37.3%, or \$167.8K, from same period 2010. Tax receipts reported in November represent real estate transactions that took place in October 2011. While there were no commercial transactions during October, there were 27 residential transactions that led to the receipts of \$40,710.
 - Mercantile Tax revenue collections are up 10.5%, or \$191.9K, as compared to same period prior year. This year to date, 422 returns have been received and processed as compared to 364 the same period prior year.
 - Local Services Tax revenue collections are below budget by 4.1%, or \$19.2K. As this is the first year for the new tax amount and new collection regulations, there is no comparable data for the prior year; therefore the comparison to budget is the benchmark. The final due date for this calendar year was the Quarter 3 filing due October 31, 2011. Staff does not expect to receive many more dollars for this tax before year end.

- Amusement tax receipts are down 33.8% (\$34K) as compared to same period prior year.
 - Business Privilege Tax (BPT) receipts are up .5% (\$3.5K) as compared to same period prior year. The primary cause for the reduction was the Movers Specialty tax appeal award to \$74K. Absent this refund, the BPT collections would be above same period prior year collections.
 - Overall tax receipts are up 6.4%, or \$544.9K, as compared to same period prior year. The largest components of this increase are the Mercantile Tax receipts, the Real Estate Transfer Tax receipts and the increase in Local Services Tax.
- Other Revenue Sources
 - Building Permit revenues are up a significant 26.2%, or \$119.6K, compared to same period 2010 and approximately 14% above budget. This strong trend has been seen each month of the year to date.
 - Cable TV Franchise Fees are up 10.2%, or \$44.7K, as compared to prior year. One more receipt is expected for the year.
 - Overall Revenues are up 8.6%, or \$885K, compared to November 2010. Included in the \$885K is money received in late September from the State for the State Aid funding for the two Pension Systems. The funding was for \$610,010; a 70% increase over the prior year's funding of \$359,000. The increase was a result of a one-time change in the collections procedures at the State level and is a major contributing factor to the increase in overall revenues this year.
- Expenditures
 - Overall year to date expenditures are down .6% (\$49.5K) compared to November 2010. Overall expenditures at the end of November, when adjusted up to include the 2010 year end payroll accruals are at 84% of budget compared to an expected expenditure rate of 91%.

In other business, Ms. Drosnock asked if all the committee members will be returning in 2012. It was with regret Mr. Melone informed staff and committee members that he is unable to return to the committee. The Committee and staff thanked Mr. Melone for his many years of dedicated service and hope he will be able to join the Committee again sometime in the near future.

The next meeting will be held on January 26th.

There being no further business, the meeting adjourned at 8:25 pm.

Respectfully Submitted,

Victoria M. Zidek
Accounting Supervisor