

**Finance Committee Meeting Minutes
Montgomery Township
Thursday, March 27, 2014**

The Finance Committee meeting of March 27, 2014 was called to order by John Holsinger at 7:45 pm.

Present at the meeting were:

Committee Members: Jim Kelly, Allan Nappen, John Holsinger, Joe Kobulsky
and Anthony Diasio
Finance Director: Shannon Drosnock
Accounting Supervisor: Vickie Zidek

On a motion by Mr. Kobulsky, seconded by Mr. Holsinger, the Minutes of the February 27, 2014 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, 2014. Listed below is the information from those reports:

- Tax Revenue Collections
 - Real Estate Tax Collections are up \$6.2K, as compared to same period prior year. Tax bills were not mailed to residents until mid to late February and as such, minimal tax revenue is expected in January and February. March through May is known as 'the discount period' where residents receive a 2% discount for payment during that time.
 - Earned Income Tax (EIT) collections in the General Fund are up 14% or \$131K above February of the prior year. This is a significant increase with receipts for February exceeding \$800K. Typically February receipts are in the \$500K range. The attached Earned Income Tax revenue report shows the typical cycle for EIT collections.
 - Real Estate Transfer Tax Revenues are down 23% or \$14K as compared to same period prior year. Receipts reported in February are for January.
 - Mercantile Tax revenue collections are up 34% or \$103K as compared to same period prior year. Analysis has shown that receipts are being received earlier each year. The due date for this tax is March 15th. Revenue collections are highest during the months of February, March and April.
 - Local Services Tax revenue collections are up 4% or \$5K.
 - Amusement tax receipts are down 18.9% or \$2K as compared to prior year. This revenue stream represents only .5% of all tax revenues to the General Fund of the Township.
 - Business Privilege Tax (BPT) receipts are down 67% (\$83K) as compared to same period prior year. Included in this decrease is a refund of a multi-year appeal which was a one-time event. The due date for this

tax is March 15th. Revenue collections are highest during the months of February, March and April.

- Overall tax revenues are up 9.4% or \$146K as compared to same period prior year. This is due mainly to the EIT receipts and Mercantile Tax receipts as above described.

- Other Revenue Sources

- Building Permit revenues are down 9% or \$7.5K compared to same period 2013. The primary season for this revenue source is spring into summer.
- Cable Franchise Fees are up 9.4% or \$12K above same period prior year. The Township is currently in the process of negotiating its Cable Franchise Agreement with Comcast which is set to expire the 4th quarter of this year.
- Overall revenues are up 6.5% or \$120K compared to February 2013. The largest component of this is related to the Earned Income and Mercantile Taxes.

- Expenditures

- Overall year to date expenditures are reporting up 18% or \$207K. The primary factor for this is the Public Works expenses which are significantly higher than prior year as a result of the numerous and severe snow storms that have occurred this winter. Staff is tracking the snow related costs.

In other business, Ms. Drosnack provided updates on the Recreation Center, credit card acceptance in the Park and Rec department, 2013 audit and FDMT, Inc. and Relief Association changes in staff and new internal controls they have put in place.

The next meeting will be held April 21, 2014.

There being no further business, the meeting adjourned at 8:45 pm.

Respectfully Submitted,

Victoria M. Zidek
Accounting Supervisor