

**Finance Committee Meeting Minutes
Montgomery Township
Monday, July 17, 2017**

The Finance Committee meeting of July 17, 2017 was called to order by Vice-chairperson Jim Kelly at 7:04 pm.

Present at the meeting were:

Committee Members: Jim Kelly, John Holsinger, Allan Nappen, John Dale, and Anthony Diasio (via teleconference)
Finance Director: Ami Tarburton
Board Liaison: Bob Birch

On a motion by Mr. Holsinger, seconded by Mr. Dale, the Minutes of the May 15, 2017 meeting were approved.

Ms. Tarburton reviewed for the committee members the information from the various financial reports prepared for the Committee and the Board of Supervisors as of June 30, 2017. Listed below is the information from those reports:

General Fund Revenues

- Tax Revenues - These revenues represent 91% of all General Fund revenues.
 - Real Estate Tax revenues as of June 30th are up 33% (\$528K) as compared to same period prior year. As mentioned above, for 2017, the debt service millage has been directed to the General Fund, rather than the Debt Service Fund, in order to reduce a growing fund balance in the Debt Service Fund.
 - Earned Income Tax (EIT) revenues as of June are down 3.1% (\$92.7K) from same period prior year and but are slightly ahead of the 2017 budget. This decrease is due to a \$200K windfall collection in the 1st quarter of 2016 which will not be repeated in 2017.
 - Mercantile Tax revenues are down 5.9% (\$127K), however Business Privilege revenues are up 15.6% (\$120K) from June 2016. The due date for these taxes was March 15th. To date, we have processed tax returns for 1195 of our 1302 registered businesses (~92%).
 - LST revenues are up 2.3% from June of 2016. This tax is collected by Berkheimer and distributed to the Township. The first due date of the 2017 fiscal year was April 30th.
- Permits and License Fees – This collective group of revenues is reporting 2.3% (\$17K) below the prior year but is within 7% of the expected budget performance for the year. Anticipating a reduction in revenues in 2017 due to larger projects having been completed in 2016, the 2017 budget included a reduction in Permit Fees of 5%. Permit activities tend to increase entering the late spring/early summer months.

- Other Revenue Sources - This includes fines, interest, grants, etc. These revenues make up only 2% of the total budgeted revenues. They are currently 9% (\$15K) below prior year revenues for June. This is related mainly to the timing of receipts.

- Expenditures

Overall expenditures for the 2nd quarter are 0.1% (\$3800) above prior year. As discussed earlier, this increase is primarily a result of typical salary/wage and benefit expense increases, while controlling normal operating expenses. Total General Fund expenditures are in line with the anticipated budgeted expenditures for the 2nd Quarter of 2017.

In other business, Ms. Tarburton gave a financial update on the CRC and informed the committee that the police contract negotiations have stalled and that the township will be going to arbitration this fall. The draft investment policy was approved by the committee – Ms. Tarburton will proceed with management to present the policy to the board for adoption.

The committee reviewed draft RFP's for both banking and investment services. After discussion as to whether to issue both as formal, advertised RFP's vs. professional services contractual agreements, the committee decided that it will recommend to issue formal Requests for Proposals for both banking and investment services. John Dale volunteered to write two separate memoranda to the Board of Supervisors recommending this action.

As we will not be holding a meeting for the month of August, the next meeting will be held Monday, September 18, 2017.

There being no further business, the meeting adjourned at 8:00 pm.

Respectfully Submitted,

Ami Tarburton
Finance Director