

**Finance Committee Meeting Minutes
Montgomery Township
Monday, January 15, 2018**

The Finance Committee meeting of January 15, 2018 was called to order by Chairperson Mary Griffith-Alfarano at 5:32 pm.

Present at the meeting were:

Committee Members: Mary Griffith-Alfarano, Allan Nappen, Barbara Vinciguerra and John Holsinger
Board of Supervisor: Candyce Fluehr Chimera
Finance Director: Ami Tarburton
Accounting Supervisor: Vickie Zidek

On a motion by Ms. Griffith-Alfarano, seconded by Mr. Nappen, the Minutes of the December 18, 2017 meeting were approved.

The Committee held a reorganization meeting to appoint a new Chairman and Vice-Chairman. Mr. Holsinger was appointed temporary Chairman to entertain nominations for Chairman. Ms. Griffith-Alfarano nominated Mr. Holsinger for Chairman. On a motion by Ms. Griffith-Alfarano, seconded by Mr. Holsinger, Mr. Holsinger was appointed Chairman. Mr. Holsinger entertained nominations for Vice-Chairman. On a motion by Mr. Holsinger, seconded by Ms. Griffith-Alfarano, Ms. Griffith-Alfarano was appointed Vice-Chair.

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 December 31, 2017. Listed below is the information from those reports:

General Fund 01 – Fund Balance

The Township received \$14.8M in total General Fund revenues for 2017 which was ~\$800K more than General Fund Budgeted Revenues of \$14M, and a 6.1% increase over 2016 numbers. Currently, General Fund Expenditures are \$11.2M for 2017, almost \$1M below budget and \$100K below 2016. However, our salary and wage accrual and accounts payable accrual are not yet finalized or recorded. This entry will increase the annual expense by about \$500K. Overall, expenditures in each department should be fairly consistent with the 2017 budgeted expenditures.

At this point, our ending 2017 General Fund Balance is \$4.97M, however once the year end accruals are finalized, we should be in the \$4.4M range, leaving us with a surplus balance of about \$1.4M. The various Revenue and Expenditure details are discussed in more detail below.

- Tax Revenue Collections – These revenues represent 83% of all budgeted General Fund revenues.
 - Real Estate Tax revenues for 2017 are up 33% (\$532K) as compared to prior year due to the shifting of our debt service millage as previously discussed throughout 2017.
 - Earned Income Tax (EIT) revenues for 2016 are down (2.4%) from prior year, mostly due to a one-time windfall of \$200K received in early 2016.

2017 EIT finished just slightly under budget as well. These results reinforce the sense of leveling EIT revenues after the initial increase realized from Act 32.

- Mercantile Tax revenues are down 8% (\$179K) but Business Privilege Tax revenues are up 31% (\$250K) from 2016. Many surrounding municipalities are experiencing similar decreases in Mercantile Tax stemming from the shift to online shopping.
- LST revenues are up 1.4% (\$8.2K) from 2016.
- Permits and License Fees – This collective group of revenues is reporting a 12% (\$164K) increase from prior year, which is mostly attributable to a reduced permit fees in 2016.
- Other Revenue Sources – This includes fines, interest, grants, etc. These revenues make up only 7% of the total budgeted revenues. They are 4% (\$44K) above prior year revenues, mainly due to increased fines and department services.
- Expenditures
 - Overall expenditures for 2017 will be more accurately determined after year-end accruals have been completed, however should still compare well to both 2016 actual expenses and 2017 budgeted expenses.

In other business, Ms. Tarburton discussed making changes to the financial reports the Committee and Board receives, annual audit will be held the week of February 12th, Police Contract Arbitration still pending and review of the CRC Statement of Revenues and Expenditures. The Committee also decided to change the meeting time from 7:00 pm to 6:00 pm on the third Monday of each month.

The next meeting will be held Tuesday, February 20, 2018 at 6:00 pm.

There being no further business, the meeting adjourned at 6:28 pm.

Respectfully Submitted,

Victoria M. Zidek
Accounting Supervisor