

**Finance Committee Meeting Minutes
Montgomery Township
Monday, January 19, 2015**

The Finance Committee meeting of January 19, 2015 was called to order by Chairman John Dale at 7:40 pm.

Present at the meeting were:

Committee Members: Allan Nappen, Mary Griffith-Alfarano, Jim Kelly, John Dale,
Anthony Diasio and John Holsinger
Finance Director: Shannon Drosnock
Accounting Supervisor: Vickie Zidek

On a motion by Mr. Kelly, seconded by Ms. Griffith-Alfarano, the Minutes of the September 15, 2014 meeting were approved.

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

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 December 31, 2014. Listed below is the information from those reports:

General Fund 01 – Fund Balance

For the fiscal year 2014, the Township received \$13.39M or 108.82% of 2014 General Fund budgeted revenues, which was within 1% of the revenues received in 2013. General Fund expenditures were \$11.26M or 91.7% of 2014 budgeted expenditures which was also within 1% of the expenditures in fiscal year 2013. At the end of the year 2014 the General Fund balance was \$5.13M prior to any surplus transfer into Capital Reserves for future projects. The various Revenue and Expenditure details are discussed in more detail below.

- **Tax Revenue Collections** – These revenues represent 82% of all budgeted General Fund revenues.
 - Real Estate Tax revenues at the end of 2014 were relatively flat from same period prior year. As of the end of the 4th Quarter, 99.5% of all budgeted tax revenues have been received and processed.
 - Earned Income Tax (EIT) revenues for 2014 were up 9.1% (\$426K) from the prior year. This increase is mainly contributed to the full implementation of Act 32 reflecting more accurate filings and some one-time “catch up” receipts. An additional contributor is an overall increase in individual earned income. Based on analysis this increased rate of tax is the expected new trend and the 2015 budget has been adopted accordingly.

- Business Tax revenues were up 7.5% (\$207K) as compared to 2013 and 9.2% as compared to budget. This is a positive indication of stabilization / growth for the local economy.
 - Permits and License Fees – This collective group of revenues was 16% (\$202K) above the prior year. There are a number of new and re-development projects occurring in the Township contributing to this increase in revenue. This group of revenues completed the year 34% above budget.
 - Other Revenue Sources include fines, interest, grants, etc. These revenues were 10.8% (\$104K) below prior year revenues but 2.8% above budget. This was led primarily by a one-time reimbursement for “State of Emergency/Snow Disaster” funding received from PEMA in 2013 which did not occur in 2014.
- Expenditures
 - Overall expenditures ended the year within 1% of the prior year expenditures and 8% (\$990K) below budget for 2014 as a result of each department’s expenditures reporting under budget for the year.

In other business, Ms. Drosnock provided updates on the 2015 budget, Zehr Tract and Recreation Center.

The next meeting will be held February 19, 2015.

There being no further business, the meeting adjourned at 8:55 pm.

Respectfully Submitted,

Victoria M. Zidek
Accounting Supervisor