

**Finance Committee Meeting Minutes
Montgomery Township
Monday, March 16, 2015**

The Finance Committee meeting of March 16, 2015 was called to order by Chairman John Dale at 7:35 pm.

Present at the meeting were:

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

On a motion by Mr. Diasio, seconded by Mr. Kelly, the Minutes of the January 19, 2015 meeting were approved.

Ed Furman from Maillie presented the 2014 Comprehensive Annual Financial Report (CAFR) Draft to the committee members. Mr. Furman told the committee members that the audit opinion is free of material misstatement and presented fairly and the Township did not receive a SAS 115 letter, which is a communication, in writing, to management regarding significant deficiencies and material weaknesses in internal controls. Mr. Furman also reviewed the government wide financial statements, General Fund Balance, Pension Trust Fund, footnotes and budget to actual with the Committee.

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, 2015. Listed below is the information from those reports:

General Fund Revenues

- **Tax Revenues**
 - Real Estate Tax Collections are down \$7K, 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 April 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 down 1.5% or \$19K below February of the prior year. This is a minor fluctuation and at this time does not present a concern.
 - Real Estate Transfer Tax Revenues are down 18.4% or \$8K as compared to same period prior year. Receipts reported in February are for January.
 - Mercantile Tax revenue collections are up 9.2% or \$37K as compared to same period prior 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 down \$25K or 18.6%. The first due date for 2015 is April 30th.

- Amusement tax receipts are down \$1.7K as compared to same period prior year.
- Business Privilege Tax (BPT) receipts are up 156% (\$63K) as compared to same period prior year. 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 2.3% or \$39K as compared to same period prior year. This is due mainly to Business Tax receipts as above described.
- Other Revenue Sources
 - Building Permit revenues are down 16.7% (\$13K) as compared to same period 2014. The primary season for this revenue source is spring into summer.
 - Cable Franchise Fees are basically flat as compared to same period 2014.
 - Overall revenues are up 1.6% or \$33K compared to February 2014. The largest component of this related to the Business Tax.
 - It is of note that the “current yield” on the investment account has just surpassed the 1% mark. This is a great improvement on interest income over the past year.
- Expenditures
 - Overall year to date expenditures are reporting flat as compared to same period prior year.

The next meeting will be held on April 20th.

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

Respectfully Submitted,

Victoria M. Zidek
Accounting Supervisor