

**Finance Committee Meeting Minutes
Montgomery Township
Monday, January 21, 2019**

The Finance Committee meeting of January 21, 2019 was called to order by Committee Member Jeff Thomson at 6:06 pm.

Present at the meeting were:

Committee Members: Barbara Vinciguerra, Jeff Thomson and Allan Nappen
Finance Director: Ami Tarburton
Accounting Supervisor: Vickie Zidek

On a motion by Mr. Thomson, seconded by Ms. Vinciguerra, the Minutes of the December 17, 2018 meeting were approved.

The Committee held a reorganization meeting to appoint a new Chairman and Vice-Chairman. Mr. Thomson was appointed temporary Chairman to entertain nominations for Chairman. Ms. Vinciguerra nominated Mr. Thomson for Chairman. On a motion by Ms. Vinciguerra, seconded by Mr. Thomson, Mr. Thomson was appointed Chairman. Mr. Thomson entertained nominations for Vice-Chairman. On a motion by Mr. Thomson, seconded by Ms. Vinciguerra, Ms. Vinciguerra 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, 2018. Listed below is the information from those reports:

General Fund 01 – Fund Balance

The Township received \$14.4M in total General Fund revenues for 2018 which was ~\$252K more than General Fund Budgeted Revenues of \$14.2M, and a 3% decrease over 2017 numbers. General Fund Expenditures were \$12.3M for 2018, \$224K below budget, and \$560K above 2017 expenses. Expenditures have increased 5% over 2017, mostly attributable to increases in salary/wage and benefit expenses.

Our ending 2018 General Fund Balance is \$3.39M. After accruing for December expenses paid in January of ~\$100K, we will have a surplus balance of about \$250K. 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 2018 are down 1% (\$20K) as compared to 2017 due to the payment of prior year refunds as directed by the courts.
 - Earned Income Tax (EIT) revenues for 2018 are down \$21K (.4%) from prior year. 2018 EIT finished just slightly under budget as well. These results reinforce the fact that EIT revenues have stabilized after the initial increase realized from Act 32.
 - Mercantile Tax revenues are up 6% (\$129K) offset by Business Privilege Tax revenues which are down 4% (\$51K) from 2017, resulting in an overall increase in Business Taxes of 2.5% (\$78K).

- LST revenues are down 6% (\$36K) from 2017, mostly as a result of a large employer leaving the Township.
- Permits and License Fees – This collective group of revenues is reporting a 9% (\$138K) decrease from prior year, which is mostly attributable to higher permit fees recorded in 2017. This category outperformed budget by 9%.
- Other Revenue Sources – This includes fines, interest, grants, etc. These revenues make up only 7% of the total budgeted revenues. They are 2% (\$24K) above prior year revenues, mainly due to increases in interest income and grants.
- Expenditures
 - Overall expenditures for 2018 are 5% more than 2017, but under budget by \$224K.

In other business, Ms. Tarburton reviewed the CRC financials and the Capital Reserve Designation quarterly report. The committee members also discussed ideas on how to increase revenues for future years in hopes of larger surplus transfers to the Capital Reserve Fund.

The next meeting will be held Tuesday, February 19, 2019 at 6:00 pm.

There being no further business, the meeting adjourned at 7:01 pm.

Respectfully Submitted,

Victoria M. Zidek
Accounting Supervisor