

**Finance Committee Meeting Minutes
Montgomery Township
Monday, May 15, 2017**

The Finance Committee meeting of May 15, 2017 was called to order by Chairperson Mary Griffith-Alfarano at 7:06 pm.

Present at the meeting were:

Committee Members: Mary Griffith-Alfarano, Jim Kelly, John Holsinger, Allan Nappen and John Dale
Finance Director: Ami Tarburton
Accounting Supervisor: Vickie Zidek

On a motion by Mr. Dale, seconded by Mr. Holsinger, the Minutes of the April 24, 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 April 30, 2017. Listed below is the information from those reports:

General Fund Revenues

- Tax Revenues
 - Real Estate Tax Collections are up 33%, or \$500K, as compared to same period prior year. April ends the 'discount period' where residents receive a 2% discount for payment during that time. The bulk of the real estate tax revenue for 2017 has been collected, although we should see another influx of revenues in August, the due date before penalties are assessed.
 - Earned Income Tax (EIT) collections in the General Fund are down 11% or \$195K from April of the prior year. In 2016, we received a one-time windfall of \$200K not to be repeated in 2017, showing that Berkheimer revenues are starting to level off.
 - Real Estate Transfer Tax Revenues are down 7% or \$12K as compared to same period prior year. Receipts reported in April are for March. This decrease is due to a couple of large commercial real estate transactions that occurred early in 2016.
 - Mercantile Tax revenue collections are down 10% or \$205K as compared to same period prior year. This decrease is mainly due to the timing of receiving some of our larger taxpayers' remittances. The due date for this tax was March 15th. We are still analyzing and testing the integrity of the data from our new software system.
 - Local Services Tax (LST) revenue collections are up \$2K or 1%. The first due date for employer remittances for 2017 was April 30th.
 - Amusement tax receipts are down \$1500 as compared to same period prior year.

- Business Privilege Tax (BPT) receipts are down 1.7% (\$12K) as compared to same period prior year. The due date for this tax was March 15th. Revenue collections are highest during the months of February, March and April.
- Overall tax revenues are up 1%, about \$78K, as compared to the same period last year. Strong real estate tax revenues have helped to offset the delay in business tax revenue receipts.
- Other Revenue Sources
 - Building Permit revenues are down 1% (\$2K) as compared to same period 2016. The primary season for this revenue source is spring into summer.
 - Cable Franchise Fees are up about 2.4% as compared to same period 2016.
 - Overall revenues are up 1% or \$65K compared to April 2016.
- Expenditures
 - Overall year to date expenditures as up slightly as compared to same period prior year (1.6%). Most of this increase can be attributed to salary/wage and benefit expense increases.

In other business, Ms. Tarburton gave a financial update on the CRC, police contract negotiations update, discussed adopting an investment policy and realigning “laddered” CD’s that are invested in the Univest Investment Management Program. Ms. Tarburton will prepare an investment policy for the committee to review and recommend to the Board of Supervisors for approval. The committee is also recommending holding off on the realignment of the “laddered” CD’s and going out for an RFP for a new investment program to see what other options are available for investing.

The next meeting will be held Tuesday, June 20, 2017.

There being no further business, the meeting adjourned at 8:07 pm.

Respectfully Submitted,

Victoria M. Zidek
Accounting Supervisor