

**Finance Committee Meeting Minutes
Montgomery Township
Monday, April 16, 2018**

The Finance Committee meeting of April 16, 2018 was called to order by Vice Chairperson Mary Griffith-Alfarano at 6:06 pm.

Present at the meeting were:

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

On a motion by Ms. Vinciguerra, seconded by Ms. Griffith-Alfarano, the Minutes of the March 19, 2018 meeting were approved.

Chris Herr from Maillie presented the 2017 draft Financial Report to the committee members. Mr. Herr stated that although the audit is currently in "draft" format, the numbers are solid and will not change. Mr. Herr told the committee members that the audit opinion is free of misstatement and the Township received an unqualified "clean" opinion. Mr. Herr discussed the audit field work, including the initial surplus in the General Fund, which was ultimately transferred to the Capital Reserve Fund for future projects, resulting in an almost break-even outcome in the General Fund. Mr. Herr discussed the Other Post-Employment Benefits (OPEB) liability and the net Pension liability and the fact that the Township's liability is much more favorable than most other townships in the Commonwealth.

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 March 31, 2018. Listed below is the information from those reports:

General Fund Revenues

- Tax Revenues - These revenues represent 90% of all budgeted General Fund revenues.
 - Real Estate Tax revenues as of March 31st are up .4% (\$1K) as compared to same period prior year. The end of April will be a more telling indicator of the revenues for the year as April 30th is the end of the discount period for Real Estate Taxes.
 - Earned Income Tax (EIT) revenues for March are down 1% (\$12K) from same period prior year and are on target with the 2018 budget.
 - Mercantile Tax revenues are up 3% (\$48K) and Business Privilege revenues are up 12% (\$79K) from March 2017. The due date for these taxes was March 15th. About 90% of the anticipated taxes have been received. To date, we have processed tax returns for 828 of our 1309 registered businesses (~63%).

- LST revenues are down 5% from March 2017. The first due date of the 2017 fiscal year is April 30th.

- Permits and License Fees - This collective group of revenues is reporting 25% (\$75K) above the prior year and is slightly ahead of the expected budget for the year. Commercial renovations and development, along with residential new construction permits have contributed to this increase. Permit activities tend to increase entering the late spring/early summer months.

- Other Revenue Sources - This includes fines, interest, grants, etc. These revenues make up only 2% of the total budgeted revenues. They are 28% (\$19K) above prior year revenues for March and slightly ahead of the anticipated budget for this period of time. This is related mainly to the timing of receipts.

- Expenditures

Overall expenditures for the 1st quarter are 3.1% (\$75K) below prior year. As discussed earlier, this decrease is primarily a result of Police Department salary fluctuations. Total General Fund expenditures are in line with the anticipated budgeted expenditures for the 1st Quarter of 2018.

In other business, Ms. Tarburton reviewed the CRC financials with the Committee. The Rec Center financial performance is much improved from the same period last year.

The next meeting will be held May 21, 2018.

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

Respectfully Submitted,

Victoria Zidek
Accounting Supervisor