

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

The Finance Committee meeting of July 16, 2018 was called to order by Chairman John Holsinger at 6:00 pm.

Present at the meeting were:

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

On a motion by Ms. Griffith-Alfarano, seconded by Mr. Holsinger, the Minutes of the June 25, 2018 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 June 30, 2018. Listed below is the information from those reports:

General Fund 01 – Fund Balance

Through the 2nd Quarter of 2018, the Township received \$9.6M or 67% of 2018 General Fund Budgeted Revenues, which was 1.5% more than the \$9.4M in revenues received during the 2nd Quarter 2017, and slightly behind the 2018 expected monthly budget by .7%. General Fund Expenditures during the 2nd Quarter 2018 were \$5.7M which was 5% higher than the \$5.4M Expenditures during the 2nd Quarter 2017. This increase can be mostly attributed to activity in the police salaries line item. Due to the police arbitration award, a retroactive wage payment was made in May covering 16 months of wage increases. Also, Public Works is reporting a 28% increase in expenses due to significant snow removal expenses and traffic signal repairs that have not yet been reimbursed by insurance.

At the end of the 2nd Quarter 2018, the General Fund Balance was \$6.03M, a decrease of 3.5% from the 2nd Quarter 2017 fund balance of \$6.25M. This decrease in fund balance is due to the increase in expenses discussed above with only a slight increase in revenues. The various Revenue and Expenditure details are discussed in more detail below.

General Fund Revenues

- Tax Revenues – These revenues represent 84% of all budgeted General Fund revenues.
 - Real Estate Tax revenues as of June 30th are up .2% (\$4K) as compared to same period prior year. Most real estate taxes have been received but we will continue to see revenues trickle in throughout the remainder of the year.
 - Earned Income Tax (EIT) revenues as of June 30th are up 1% (\$27K) from same period prior year and are slightly ahead of the 2018 budget.

- Mercantile Tax revenues are up 4% (\$86K) and Business Privilege revenues are up 3% (\$30K) from June 2017. The due date for these taxes was March 15th. We have already exceeded 2018 budgeted business taxes. To date, we have processed tax returns for 1054 of our 1337 registered businesses (~78%).
- LST revenues are down .7% from June 2017, showing that the Township's total employed is holding steady for 2018. The first due date of the 2018 fiscal year was April 30th.
- Permits and License Fees – This collective group of revenues is reporting 8% (\$59K) above the prior year and is 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 6% of the total budgeted revenues. They are 14% (\$21K) above prior year revenues for June and behind the anticipated budget for this period of time due to the timing of receipts.

- Expenditures

Overall expenditures for the 2nd quarter are 5.8% (\$310K) above prior year. As discussed earlier, this increase is primarily a result of Police Department salary fluctuations and increased Public Works Department expenses. Total General Fund expenditures are in line with the anticipated budgeted expenditures for the 2nd 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 September 17, 2018.

There being no further business, the meeting adjourned at 6:40 pm.

Respectfully Submitted,

Victoria Zidek
Accounting Supervisor