

**Finance Committee Meeting Minutes
Montgomery Township
Monday, December 17, 2018**

The Finance Committee meeting of December 17, 2018 was called to order by Chairman John Holsinger at 6:03 pm.

Present at the meeting were:

Committee Members: Mary Griffith-Alfarano, John Holsinger, Allan Nappen, Jeff Thomson and Barbara Vinciguerra
Finance Director: Ami Tarburton

On a motion by Ms. Vinciguerra, seconded by Mr. Thomson, the Minutes of the November 19, 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 November 30, 2018. Listed below is the information from those reports:

General Fund Revenues

- **Tax Revenues**
 - Real Estate Tax Collections are down 1%, or \$17K, as compared to same period prior year. 97% of the 2018 budgeted revenues have been received as of November 30.
 - Earned Income Tax (EIT) collections in the General Fund are up \$59K above November of the prior year. Berkheimer EIT revenues are up 1.1% as compared to 2017.
 - Real Estate Transfer Tax Revenues are down 33% or \$284K as compared to same period prior year. Receipts reported in November are from October transactions. This decrease stems from the lack of commercial real estate transactions in 2018 as compared to 2017.
 - Mercantile Tax revenue collections are up 5% or \$99K 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. We should see additional revenues trickling in as we push for compliance with our delinquent accounts throughout the December.
 - Local Services Tax revenue collections for 2018 are down \$20K, or 3.5%, as compared to 2017 revenues.
 - Amusement tax receipts are down \$8K as compared to same period prior year.
 - Business Privilege Tax (BPT) receipts are up 1% (\$11K) as compared to same period prior year. This increase has been enhanced by the finance department's business tax audit program, maintaining the goal of applying

the township's ordinance fairly and consistently throughout the business community.

- Overall, tax revenues are down about \$160K, as compared to the same period last year. Most tax revenues are showing only a slight increase or decrease. Notably though, Real Estate Transfer Tax is reporting significantly low, but is somewhat offset by Business Taxes which are reporting higher than 2017 revenues.
- Other Revenue Sources
 - Building Permit revenues are up 2% (\$12K) as compared to same period 2017 due to numerous new construction homes and a clothing store relocation in the Mall. The primary season for this revenue source is spring into summer.
 - Cable Franchise Fees are down 5% (\$32K) as compared to same period 2017. This most likely stems from consumers migrating toward satellite television providers and internet streaming services.
 - Overall revenues are down slightly (.9% or \$134K) compared to November 2017. The most significant factors contributing to this reduction in revenue are the Real Estate Transfer Tax revenues, down \$284K, followed by Cable Franchise Fee revenues, down \$32K and LST revenues, down \$20K.
- Expenditures
 - Overall, year-to-date expenditures are up 5% as compared to same period prior year. Most of this increase can be attributed to normal salary/wage and benefit expense increases, along with an increase in capital replacement expenditures.

In other business, Ms. Tarburton reviewed the CRC financials and membership report and discussed changes in the business community. The Committee also recognized and thanked John Holsinger for his years of service on the Finance Committee.

The next meeting will be held January 21, 2019.

There being no further business, the meeting adjourned at 6:52 pm.

Respectfully Submitted,

Ami Tarburton
Finance Director