



WHITPAIN TOWNSHIP
 MONTGOMERY COUNTY
 COMMONWEALTH OF PENNSYLVANIA

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To: Roman M. Pronczak, Township Manager
 From: John B. Nagel, Director of Finance 
 Date: November 24, 2014
 Re: Treasurer's Report & Cash Statement – **October 31, 2014**

FINANCIAL REPORT CARD

CATEGORY	CONDITION	PAGE
General Fund		
Real Estate Taxes	Meets or Exceeds	2
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Earned Income Taxes	Meets or Exceeds	2
Local Services Taxes	Meets or Exceeds	2
Cable Franchise Fees	Caution & Monitor	2
State Aid (Pensions)	Meets or Exceeds	2
Licenses, Permits & Fees	Meets or Exceeds	2
Park & Recreation Fees	Meets or Exceeds	2
Operating Costs	Meets or Exceeds	3
Salaries	Meets or Exceeds	3
Health Insurance	Meets or Exceeds	3
Pensions	Meets or Exceeds	3
Overtime	Meets or Exceeds	3
Interfund Transfers	Meets or Exceeds	3
Ending Cash Balance	Meets or Exceeds	3
Sewer Fund		
Sewer Charges	Caution & Monitor	3
Sewer Operating Expenses	Meets or Exceeds	3
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Debt Service Fund		
Debt Service Expenses	Meets or Exceeds	3

Meets or Exceeds
Caution & Monitor
Action Needed

**WHITPAIN TOWNSHIP
TREASURER'S REPORT
EXECUTIVE SUMMARY
FOR THE MONTH ENDED OCTOBER 31, 2014**

Revenue or Expense Category

General Fund

Real Estate Taxes - Real estate tax revenues (100.1%) are slightly ahead of last year's pace (98.6%). These collections include current (\$3,847,743 or 99.9%) and delinquent (\$44,835) collections and are net of assessment appeal refunds (\$0). Real estate taxes paid in protest placed in restricted funds total \$291,736 (or 25% of \$1,166,944). These properties include Sentry Park West (\$183,363), 980 Harvest Drive (\$45,383) and Latham Realty (\$17,932).

Real Estate Transfer Taxes - We have surpassed budget but behind last year's above average pace (110.3% vs. 147.7%).

Earned Income Taxes - EIT collections (89.8%) are slightly behind last year's pace (91.9%). For 2014, we estimate a further increase in our projection (from \$5,450,000 budgeted) to a higher range of \$6,000,000 to \$6,100,000. Now that Act 32 is fully implemented, we can expect that our core EIT revenues will be more stable and predictable. At the April 2014 Montgomery County Tax Collection Committee (MCTCC) meeting, Berkheimer reported that, of the EIT revenue remitted to Whitpain in 2013, a significant portion included taxes based on 2012 earnings. This was due in part to recognizing past collections of Centax, the tax collection firm chosen by Delaware County, which failed and was subsequently absorbed into Berkheimer during 2013.

As of the end of September, Montgomery County core collections are up 10.0% (January-September). This number represents only the "current" tax dollars collected in the period and factors out all prior years. For Whitpain specifically, core collections are up 10.7%. While Berkheimer states that it is a great sign, it is not the whole picture. As a result of our prior inquiry, as of July 31, 2014, Berkheimer did a more detailed budget projection for Whitpain, which includes much more direct analysis of our collections. Collections for residents earned income are projected to plateau in 2015 while collections for non residents are projected to decline by about \$100,000 in 2015. This decline is primarily due to several factors that will peak in 2014: resolution of Centax payments, faster processing by Berkheimer and clean up of prior year collections.

Local Services Taxes (LST) - We are behind (80.4%) last year's pace (88.1%). For 2014, we estimate a further increase in our projection (from \$750,000 budgeted) to a higher range of \$770,000 to \$790,000.

Cable Franchise Fees – These fees are remitted quarterly. We are at (45.2%) compared with last year's pace (126.4%). Fees received from Comcast and Verizon in 1Q2014 represent revenue from 2Q2013. Fees received in 2Q2014 were received in May 2014. Staff is considering an audit of Comcast and Verizon franchise fees in the near future.

State Aid (Pensions) – These pension grants are remitted in October of each year. We are at (88.8%) last year's pace (146.6%). We received an additional State Aid check in October due to a calculation error by the State.

Licenses, Permits & Fees – We are ahead of (96.4% vs. 78.3%) last year and over budget.

Park & Recreation Fees – We are ahead of (96.6%) last year (76.7%) and over budget.

Operating Expenses – These departmental expenses include salaries (separately reported below) represent 83% of our annual budget to date. We are at budget (82.9%) and ahead of last year's pace (79.8%). For some departments, we need to reimburse expenses from our Sewer Fund.

Salaries – Personnel includes wages and salaries for full time, part time and seasonal employees. The 2014 budget includes 89 full time employees. Personnel expenses remain relatively flat on a month-to-month basis. As these wage and salary expenses represent 83% of our annual budget to date, we are over budget (89.5%) and well ahead of last year's pace (80.3%), mostly due to the retroactive payment of the 2014 arbitration award. For some departments, we need to reimburse wages from our Sewer Fund. We are nearing hiring expectations as we currently have 87 of 89 positions filled.

Health Insurance - We are over budget and ahead (85.2%) of last year's pace (83.7%). Currently, we are one month behind in applying rate credits of \$20,250, resulting in a net expense (\$1,376,458) slightly above (83.9%) budget. This is primarily due to changes in family status for our employee group.

Pension – We are on par (84.3%) with budget but behind last year's pace (86.2%). We now include employer payments to our defined contribution plan in our pension category. We generally pay our pension expenses on an every other month cycle to gain the value of dollar cost averaging.

Overtime – We are even (70.6%) with last year's pace (70.1%) and for the time being, we are have some room in our overtime budget after incurring significant overtime from the February 2014 weather. We are under budget for Sewer (63.3%), Police (69.4%) and Snow Removal (76.1%). We are over budget for Road Maintenance (102.3%) but this is a small variance.

Transfers Out – Transfers to Capital Reserve Fund are complete for 2014 (100%), compared with this time last year.

Ending Cash Balance - Starting in July 2013, this balance includes both our primary TD Bank and our primary PLGIT account balances for a more accurate picture of our Ending Cash Balances. Our balance is lower than 2013 as we made our Transfers Out ahead of last year's pace. Please see attached Cash Statement as of October 31, 2014.

October 31, 2014	October 31, 2013
\$5,539,532	\$7,366,758

Sewer Fund

Sewer Charges - We are behind (93.9%) last year's pace (94.4%) and short of budget. Starting with the 3Q2014 sewer bills, residential customers' consumption habits will be monitored and excessive consumption will result in sewer usage charges. 18% of residential customers (1,044 of 5,832) were assessed the usage charge, resulting in revenues of \$22,185. A full summary of the 4Q2014 billing was included in an October 2014 email to the Board. Commercial billings continue to decline each year (from \$953,860 in 2012, to \$915,086 in 2013 and \$840,810 in 2014). Finance has requested that PA American Water run a variance report of the top commercial water consumers in Whitpain. Once that report is produced, staff will be better able to identify and confirm the major sources for reduction. This decline was discussed during the 2015 Budget workshops. Through October, \$243,601 of \$326,309 (or 74.6%) in delinquent sewer charges (principal, interest and legal) have been collected since we started in April 2012.

Sewer Operating Expenses - We are behind (73.5%) last year's pace (76.7%) and under budget. For some departments, we need to reimburse General Fund expenses from our Sewer Fund.

Ending Cash Balance - Please see attached Cash Statement as of October 31, 2014. We projected a \$168,247 operating deficit (after transfers) in 2013, explaining the year end variance between 2012 and 2013. For some departments, we need to reimburse General Fund expenses from our Sewer Fund.

October 31, 2014	October 31, 2013
\$1,589,275	\$1,166,726

Debt Service Fund

Debt Service Expenses - We are ahead (87.2%) of last year's pace (83.7%).

Whitpain Township

Treasurer's Report

For the Month Ended 10/31/2014						
Department	YTD Actual	Current Year Budget	YTD Actual to Budget (%)	Prior YTD Actual	Prior Year Budget	Prior YTD Actual to Budget (%)
GENERAL FUND						
REVENUES						
REAL ESTATE TAXES	3,892,578	3,888,500	100.10%	3,825,504	3,878,500	98.63%
TRANSFER TAXES	529,651	480,000	110.34%	664,810	450,000	147.74%
EARNED INCOME TAXES	4,892,128	5,450,000	89.76%	4,595,208	5,000,000	91.90%
LOCAL SERVICES TAXES	603,083	750,000	80.41%	638,658	725,000	88.09%
CABLE FRANCHISE FEES	158,110	350,000	45.17%	278,072	220,000	126.40%
STATE AID-PENSIONS	379,520	427,280	88.82%	407,858	278,250	146.58%
LICENSES, PERMITS & FEES	321,371	333,500	96.36%	272,103	347,600	78.28%
PARK & RECREATION FEES	396,521	410,700	96.55%	356,975	465,550	76.68%
TOTAL REVENUES	11,172,963	12,089,980	92.42%	11,039,187	11,364,900	97.13%
EXPENSES						
TRANSFERS OUT	1,000,000	1,000,000	100.00%	250,000	500,000	50.00%
SALARIES						
OFFICIALS	17,188	20,625	83.33%	17,188	20,625	83.33%
EXECUTIVE	306,898	309,957	99.01%	271,533	319,030	85.11%
FINANCE	256,241	264,470	96.89%	214,860	243,872	88.10%
TAX COLLECTION	20,000	25,000	80.00%	11,250	15,000	75.00%
INFORMATION TECHNOLOGY	60,056	70,231	85.51%	50,401	59,965	84.05%
ENGINEERING	269,165	196,640	136.88%	199,255	185,030	107.69%
PUBLIC WORKS	960,485	1,054,573	91.08%	843,408	1,061,030	79.49%
POLICE	2,955,795	3,464,713	85.31%	2,641,737	3,427,876	77.07%
FIRE	119,391	133,061	89.73%	110,035	151,589	72.59%
CODE ENFORCEMENT	253,964	287,805	88.24%	257,082	290,233	88.58%
ZONING	0	10,060	0.00%	3,848	14,998	-25.65%
PARK & RECREATION	243,845	264,884	92.06%	245,532	263,548	93.16%
TOTAL SALARY EXPENSES	5,463,027	6,102,019	89.53%	4,858,432	6,052,796	80.27%
OVERTIME						
POLICE	52,458	75,600	69.39%	62,319	64,480	96.65%
SEWER	22,687	35,866	63.25%	18,887	40,000	47.22%
PW SNOW REMOVAL	20,324	26,711	76.09%	10,754	26,795	40.14%
PW ROAD MAINTENANCE	6,652	6,500	102.34%	4,699	6,609	71.10%
TOTAL OVERTIME EXPENSES	102,121	144,677	70.59%	96,659	137,884	70.10%
HEALTH INSURANCE						
SUPERVISORS	56,641	63,888	88.66%	53,825	61,682	87.26%
ADMINISTRATION	49,260	54,574	90.26%	47,310	57,289	82.58%
FINANCE	41,928	43,505	96.38%	38,989	48,935	79.68%
INFORMATION TECHNOLOGY	20,087	22,703	88.48%	19,441	21,769	89.31%
ENGINEERING	63,754	46,143	138.17%	50,214	44,294	113.37%
POLICE	571,829	666,935	85.74%	562,948	673,172	83.63%
FIRE	25,498	30,161	84.54%	25,302	29,286	86.39%
CODE ENFORCEMENT	64,285	68,742	93.52%	63,704	71,141	89.55%
ZONING	1,234	2,380	51.87%	260	1,927	-13.51%
SEWER	170,603	272,680	62.57%	196,465	280,997	69.92%
PUBLIC WORKS ADMINISTRATION	286,104	319,167	89.64%	274,235	306,247	89.55%
RECREATION ADMINISTRATION	45,484	48,954	92.91%	46,010	49,385	93.17%
TOTAL HEALTH INSURANCE EXPENSES	1,396,708	1,639,832	85.17%	1,378,183	1,646,124	83.72%

Whitpain Township

Treasurer's Report

PENSIONS						
NON-UNIFORM	303,277	363,932	83.33%	334,977	370,500	90.41%
DEFINED CONTRIBUTION	35,288	31,677	111.40%	0	0	0.00%
POLICE	342,086	410,503	83.33%	375,000	450,000	83.33%
SEWER	101,093	121,311	83.33%	103,500	123,500	83.81%
TOTAL PENSION EXPENSES	781,744	927,423	84.29%	813,477	944,000	86.17%

EXPENSES						
SUPERVISORS	6,852	10,578	64.78%	7,059	14,578	48.42%
ADMINISTRATION	237,626	307,915	80.37%	240,219	313,383	76.65%
FINANCE	65,032	77,681	83.72%	46,330	80,341	57.67%
TAX COLLECTION	84,800	96,693	87.70%	78,786	89,148	88.38%
COMPUTER & INFO, SERVICES	36,148	48,718	74.20%	36,495	45,339	80.49%
PLANNING & ENGINEERING	54,957	82,379	66.71%	64,901	76,385	84.97%
BUILDING MAINTENANCE	162,224	209,867	77.30%	135,253	217,736	62.12%
POLICE EXPENSES	518,037	739,784	70.03%	551,554	732,089	75.34%
FIRE	26,739	45,205	59.15%	25,360	51,940	48.83%
CODE ENFORCEMENT	94,543	96,098	98.38%	79,761	90,313	88.32%
ZONING	36,897	65,554	56.28%	25,284	61,862	40.87%
PUBLIC WORKS ADMINISTRATION	144,857	185,413	78.13%	145,521	182,235	79.85%
PUBLIC WORKS STREET CLEANING	5,428	4,000	135.71%	1,155	3,907	29.58%
PUBLIC WORKS SNOW REMOVAL	10,702	4,500	237.82%	1,862	4,500	41.38%
PUBLIC WORKS TRAFIC SIGNALS	47,575	81,000	58.74%	50,076	84,915	58.97%
PUBLIC WORKS STREET LIGHTING & MARKING	15,969	21,500	74.27%	19,940	21,500	92.74%
PUBLIC WORKS SIDEWALKS & CURBS	18,315	37,000	49.50%	22,944	37,000	62.01%
PUBLIC WORKS STORM SEWER MAINTENANCE	18,639	9,600	194.16%	2,767	9,679	28.58%
PUBLIC WORKS EQUIPMENT MAINTENANCE	203,693	218,079	93.40%	139,364	210,448	66.22%
PUBLIC WORKS ROAD MAINTENANCE	453,766	500,001	90.75%	445,586	484,637	91.94%
RECREATION AND ADMINISTRATION	66,649	89,225	74.70%	74,183	100,015	74.17%
RECREATION AND PROGRAMS	213,046	251,301	84.78%	192,880	222,362	86.74%
PUBLIC WORKS PARK MAINTENANCE	106,940	156,100	68.51%	125,005	156,710	79.77%

SEWER FUND

REVENUES						
SEWER RENT - CURRENT	3,240,785	3,450,000	93.94%	3,304,366	3,400,000	97.19%
SEWER RENT - PEN & INT	27,894	30,000	92.98%	26,485	130,000	20.37%
TOTAL SEWER CHARGES	3,268,679	3,480,000	93.93%	3,330,851	3,530,000	94.36%
TRANSFERS IN	0	0	0.00%	0	0	0.00%

EXPENSES						
TRANSFERS OUT	250,000	250,000	100.00%	323,250	646,500	50.00%

DEBT SERVICE FUND

EXPENSES						
DEBT PRINCIPAL	861,000	861,000	100.00%	0	829,000	0.00%
DEBT PRINCIPAL CAPITAL PROJECTS	0	80,000	0.00%	0	55,000	0.00%
DEBT INTEREST	277,929	327,722	84.81%	1,178,799	361,564	326.03%
DEBT INTEREST CAPITAL PROJECTS	43,273	86,545	50.00%	0	162,645	0.00%
TOTAL DEBT SERVICE EXPENSES	1,182,202	1,355,267	87.23%	1,178,799	1,408,209	83.71%

Whitpain Township

Operating Expense Report

Department	For the Month Ended 10/31/2014		YTD Actual to Budget (%)	Prior YTD Actual	Prior Year Budget	Prior YTD Actual to Budget (%)
	YTD Actual	Current Year Budget				
SUPERVISORS	80,681	95,091	84.85%	78,071	96,885	80.58%
ADMINISTRATION	932,350	1,068,055	87.29%	894,039	1,060,202	84.33%
FINANCE	363,200	385,656	94.18%	300,180	373,148	80.45%
TAX COLLECTION	104,800	121,693	86.12%	90,036	104,148	86.45%
LEGAL	189,770	306,000	62.02%	250,993	270,000	92.96%
INFORMATION TECHNOLOGY	116,290	141,652	82.10%	106,337	127,073	83.68%
PLANNING & ENGINEERING	387,876	325,162	119.29%	314,370	305,709	102.83%
PUBLIC WORKS	2,461,673	2,834,011	86.86%	2,222,568	2,813,947	78.98%
POLICE	4,440,205	5,357,535	82.88%	4,193,558	5,347,617	78.42%
FIRE	171,628	208,427	82.34%	160,697	232,815	69.02%
CODE ENFORCEMENT	412,792	452,645	91.20%	400,547	451,687	88.68%
ZONING	38,132	77,994	48.89%	21,176	78,787	26.88%
SEWER	2,297,803	3,126,226	73.50%	2,430,470	3,168,528	76.71%
PARK AND RECREATION	569,025	654,364	86.96%	558,605	635,310	87.93%
TOTAL OPERATING EXPENSES	12,566,224	15,154,511	82.92%	12,021,647	15,065,856	79.79%

OCTOBER 31, 2014

ACCOUNT	PURCHASE DATE	DUE DATE	PRINCIPAL	INVESTED WITH	INTEREST RATE	TOTAL
GENERAL FUND	VARIOUS	OPEN	237,435	PLGIT	0.03	237,434.66
	VARIOUS	OPEN	6,926	PLGIT PLUS	0.03	6,925.67
	VARIOUS	OPEN	1,985	PLGIT PR	0.03	1,985.02
	VARIOUS	OPEN	3	PLGIT PR PLUS	0.03	3.34
	VARIOUS	OPEN	5,302,097	TD GENERAL FUND	0.10	5,302,096.65
	VARIOUS	OPEN	88,789	TD-E PAYMENTS	0.10	88,789.29
	VARIOUS	OPEN	3,937	TD-PR	0.10	3,936.86
	VARIOUS	OPEN	1,072	PLGIT PROCUREMENT	0.03	1,072.06
	VARIOUS	OPEN	1,772	DRUG ENFORCEMENT	0.10	1,771.62
	VARIOUS	OPEN	572,035	OPERATING RESERVE	0.10	572,035.28
	VARIOUS	OPEN	572,035	POLICE SPECIAL EQUIPMENT	0.10	1,289.18
FIRE CAPITAL FUND	VARIOUS	OPEN	5,284	PLGIT - ARBITRAGE	0.01	5,284.21
DEBT SERVICE	VARIOUS	OPEN	408,658	TD BANK	0.10	408,658.17
FIRE PROTECTION TAX	VARIOUS	OPEN	681,668	TD BANK	0.10	681,667.93
FIRE CAPITAL FUND	VARIOUS	OPEN	631,872	TD BANK	0.10	631,872.42
FIRE HYDRANT	VARIOUS	OPEN	173,466	TD BANK	0.10	173,465.60
CAPITAL RESERVE	VARIOUS	OPEN	6,085,170	TD BANK	0.10	6,085,170.26
CAPITAL RES - SIDEWALK GRANT	VARIOUS	OPEN	189,810	TD BANK	0.10	189,810.17
MANOR HOUSE	VARIOUS	OPEN	216,910	TD BANK	0.10	216,910.10
OPEN SPACE ACQUISITION	VARIOUS	OPEN	868,037	TD BANK	0.10	868,036.73
OPEN SPACE RESERVE	VARIOUS	OPEN	396,257	TD BANK	0.10	396,257.30
HIGHWAY AID FUND	VARIOUS	OPEN	82,292	TD BANK	0.10	82,291.52
POLICE MED INS RETIREE	VARIOUS	OPEN	385,131	TD BANK	0.10	385,130.69
NON UNIFORM MED INS RETIREE	VARIOUS	OPEN	19,950	TD BANK	0.10	19,949.87
ESCROW	VARIOUS	OPEN	1,031,083	TD BANK	0.10	1,031,082.70
RESERVE FOR OUTFALL STORM WT	VARIOUS	OPEN	44,823	TD BANK	0.10	44,822.68
FEE-IN-LIEU OF STORMWATER MNT	VARIOUS	OPEN	72,564	TD BANK	0.10	72,564.00
TRAFFIC IMPROVEMENTS	VARIOUS	OPEN	556,861	TD BANK	0.10	556,860.84
SEWER FUND	VARIOUS	OPEN	281,329	PLGIT PLUS	0.03	281,328.50
	VARIOUS	OPEN	1,307,947	TD BANK	0.10	1,307,946.94
SEWER CAPITAL	VARIOUS	OPEN	686,861	TD BANK	0.10	686,861.34
October 31, 2013				<i>PLGIT</i>	0.01	
General Fund TD Bank	\$6,633,118.33			<i>PLGIT PLUS</i>	0.03	
General Fund PLGIT	\$733,639.82			<i>TD BANK</i>	0.10	
Sewer TD Bank	\$885,462.38					
Sewer PLGIT	\$281,264.11					