



WHITPAIN TOWNSHIP
 MONTGOMERY COUNTY
 COMMONWEALTH OF PENNSYLVANIA

960 WENTZ ROAD
 BLUE BELL, PA 19422-1835
 (610) 277-2400
 FAX: (610) 277-2209

To: Roman M. Pronczak, Township Manager

From: John B. Nagel, Director of Finance 

Date: September 17, 2014

Re: Treasurer's Report & Cash Statement – **August 31, 2014**

FINANCIAL REPORT CARD

CATEGORY	CONDITION	PAGE
General Fund		
Real Estate Taxes	Meets or Exceeds	2
Transfer Taxes	Meets or Exceeds	2
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	Meets or Exceeds	3
Sewer Operating Expenses	Meets or Exceeds	3
Ending Cash Balance	Meets or Exceeds	3
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 AUGUST 31, 2014**

Revenue or Expense Category

General Fund

Real Estate Taxes - Real estate tax revenues (99.3%) are slightly ahead of last year's pace (97.0%). These collections include current (\$3,825,473 or 99.3%) and delinquent (\$37,156) 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 are slightly behind of last year's pace (81.3% vs. 86.7%) as we conclude Summer transfer activities. In May, US Healthcare sold one of its properties to 930 Harvest Drive LLC (Aetna), resulting in taxes of \$84,600. Summer transfers are at a healthy pace (June - \$76,492; July - \$88,266; August - \$94,433 [not reflected in August financials]).

Earned Income Taxes - EIT collections (77.8%) are slightly ahead of last year's pace (74.1%). 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.

At the July MCTCC meeting, it was reported that Montgomery County core collections are up 7.0% (January-June). This number represents only the "current" tax dollars collected in the period and factors out all prior years. For Whitpain specifically, current collections are up 12.0%, from \$2,951,757 to \$3,306,744. While Berkheimer states that it is a great sign, it is not the whole picture. As a result of our 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.

The MCTCC Management Committee met in June and recommended a 3 year contract extension (with a 2 year renewal option) with Berkheimer at a rate of 1.3% (previous rate 1.39%). We are especially pleased because we are unaware of any lower percentage rate in the State. The next step is to bring the extension to a vote at the next meeting. Berkheimer continues to monitor collections for each tax year to better project core collections. Finance staff is planning a visit to the Berkheimer site in Bethlehem for a first hand tour of its operations.

Local Services Taxes (LST) - We are slightly ahead (73.2%) of last year's pace (68.0%). 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.

State Aid (Pensions) – These pension grants are remitted in October of each year. We are at (0.0%) last year's pace (0.0%).

Licenses, Permits & Fees – We are on pace (67.3% vs. 67.5%) and on budget as we conclude Summer building activities.

Park & Recreation Fees – We are significantly ahead (86.3%) of last year's pace (71.2%) as we conclude Summer recreation season.

Operating Expenses – These departmental expenses include salaries (separately reported below) represent 67% of our annual budget to date. We are slightly behind budget (65.6%) but ahead of last year's pace (62.7%). 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 67% of our annual budget to date, we are over budget (69.6%) and well ahead of last year's pace (61.9%), mostly due to the retroactive payment of the recent 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 (68.5%) of last year's pace (66.6%). Currently, we are one month behind in applying rate credits of \$20,250, resulting in a net expense (\$1,102,343) on par (67.2%) with budget.

Pension – We are on par (66.7%) with budget but slightly behind last year's pace (68.9%). 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 (57.6%) with last year's pace (57.9%) 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 (49.0%) and Police (53.7%) but significantly over budget for Road Maintenance (73.8%) and Snow Removal (76.1%).

Transfers Out – Transfers to Capital Reserve Fund are made on a semi-annual basis, which will next be made in September.

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. Please see attached Cash Statement as of August 31, 2014.

August 31, 2014	August 31, 2013
\$7,131,221	\$7,740,863

Sewer Fund

Sewer Charges - We are on par (69.6%) with last year's pace (69.7%) and on budget. Starting with the 3Q2014 sewer bills, residential customers' consumption habits will be monitored and excessive consumption will result in sewer usage charges. 14% of residential customers (770 of 5,823) were assessed the usage charge, resulting in revenues of \$16,362. A full summary of the 3Q2014 billing was included in a July 11 email to the Board. Through August, \$241,087 of \$326,309 (or 73.8%) in delinquent sewer charges (principal, interest and legal) have been collected since we started in April 2012.

Sewer Operating Expenses - We are ahead (65.6%) of last year's pace (62.7%) but 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 August 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. We also need to make our mid year transfer to the Sewer Capital Fund (\$125,000) in September.

August 31, 2014	August 31, 2013
\$1,488,613	\$1,059,808

Debt Service Fund

Debt Service Expenses - We are on par (19.7%) with last year's pace (20.5%).

Whitpain Township

Treasurer's Report

	For the Month Ended 8/31/2014						
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	3,862,629	3,888,500	99.33%	3,763,536	3,878,500	97.04%	
TRANSFER TAXES	390,143	480,000	81.28%	389,924	450,000	86.65%	
EARNED INCOME TAXES	4,240,428	5,450,000	77.81%	3,702,923	5,000,000	74.06%	
LOCAL SERVICES TAXES	549,056	750,000	73.21%	492,871	725,000	67.98%	
CABLE FRANCHISE FEES	158,110	350,000	45.17%	278,072	220,000	126.40%	
STATE AID-PENSIONS	0	427,280	0.00%	0	278,250	0.00%	
LICENSES, PERMITS & FEES	224,443	333,500	67.30%	234,635	347,600	67.50%	
PARK & RECREATION FEES	354,354	410,700	86.28%	331,599	465,550	71.23%	
TOTAL REVENUES	9,779,162	12,089,980	80.89%	9,193,559	11,364,900	80.89%	
EXPENSES							
TRANSFERS OUT	0	1,000,000	0.00%	250,000	500,000	50.00%	
SALARIES							
OFFICIALS	13,750	20,625	66.67%	13,750	20,625	66.67%	
EXECUTIVE	235,899	309,957	76.11%	204,417	319,030	64.07%	
FINANCE	192,766	264,470	72.89%	162,280	243,872	66.54%	
TAX COLLECTION	15,833	25,000	63.33%	8,750	15,000	58.33%	
INFORMATION TECHNOLOGY	46,645	70,231	66.42%	38,946	59,965	64.95%	
ENGINEERING	205,848	196,640	104.68%	139,932	185,030	75.63%	
PUBLIC WORKS	738,562	1,054,573	70.03%	639,918	1,061,030	60.31%	
POLICE	2,309,753	3,464,713	66.67%	2,048,566	3,427,876	59.76%	
FIRE	91,907	133,061	69.07%	84,067	151,589	55.46%	
CODE ENFORCEMENT	195,225	287,805	67.83%	203,159	290,233	70.00%	
ZONING	0	10,060	0.00%	3,848	14,998	-25.65%	
PARK & RECREATION	201,918	264,884	76.23%	206,217	263,548	78.25%	
TOTAL SALARY EXPENSES	4,248,107	6,102,019	69.62%	3,746,154	6,052,796	61.89%	
OVERTIME							
POLICE	40,562	75,600	53.65%	50,826	64,480	78.83%	
SEWER	17,577	35,866	49.01%	15,352	40,000	38.38%	
PW SNOW REMOVAL	20,324	26,711	76.09%	10,611	26,795	39.60%	
PW ROAD MAINTENANCE	4,795	6,500	73.77%	3,030	6,609	45.85%	
TOTAL OVERTIME EXPENSES	83,258	144,677	57.55%	79,819	137,884	57.89%	
HEALTH INSURANCE							
SUPERVISORS	46,203	63,888	72.32%	42,933	61,682	69.60%	
ADMINISTRATION	40,156	54,574	73.58%	37,844	57,289	66.06%	
FINANCE	31,252	43,505	71.83%	29,248	48,935	59.77%	
INFORMATION TECHNOLOGY	16,083	22,703	70.84%	15,550	21,769	71.43%	
ENGINEERING	51,589	46,143	111.80%	37,060	44,294	83.67%	
POLICE	458,173	666,935	68.70%	448,083	673,172	66.56%	
FIRE	20,789	30,161	68.93%	20,144	29,286	68.78%	
CODE ENFORCEMENT	52,197	68,742	75.93%	51,275	71,141	72.07%	
ZONING	985	2,380	41.37%	431	1,927	-22.35%	
SEWER	138,145	272,680	50.66%	161,867	280,997	57.60%	
PUBLIC WORKS ADMINISTRATION	230,350	319,167	72.17%	216,372	306,247	70.65%	
RECREATION ADMINISTRATION	36,672	48,954	74.91%	36,684	49,385	74.28%	
TOTAL HEALTH INSURANCE EXPENSES	1,122,593	1,639,832	68.46%	1,096,628	1,646,124	66.62%	

Whitpain Township

Treasurer's Report

PENSIONS

NON-UNIFORM	242,622	363,932	66.67%	266,844	370,500	72.02%
DEFINED CONTRIBUTION	27,210	31,677	85.90%	0	0	0.00%
POLICE	273,669	410,503	66.67%	300,000	450,000	66.67%
SEWER	80,875	121,311	66.67%	83,500	123,500	67.61%
TOTAL PENSION EXPENSES	597,166	895,746	66.67%	650,344	944,000	68.89%

EXPENSES

SUPERVISORS	6,035	10,578	57.05%	6,384	14,578	43.79%
ADMINISTRATION	184,884	307,915	60.04%	182,398	313,383	58.20%
FINANCE	57,777	77,681	74.38%	38,435	80,341	47.84%
TAX COLLECTION	66,390	96,693	68.66%	64,175	89,148	71.99%
COMPUTER & INFO, SERVICES	30,920	48,718	63.47%	30,013	45,339	66.20%
PLANNING & ENGINEERING	43,954	82,379	53.36%	47,401	76,385	62.06%
BUILDING MAINTENANCE	154,559	209,867	73.65%	110,583	217,736	50.79%
POLICE EXPENSES	368,715	739,784	49.84%	457,972	732,089	62.56%
FIRE	22,849	45,205	50.55%	21,316	51,940	41.04%
CODE ENFORCEMENT	66,819	96,098	69.53%	65,254	90,313	72.25%
ZONING	29,935	65,554	45.67%	21,457	61,862	34.68%
PUBLIC WORKS ADMINISTRATION	122,219	185,413	65.92%	114,594	182,235	62.88%
PUBLIC WORKS STREET CLEANING	3,261	4,000	81.53%	443	3,907	11.34%
PUBLIC WORKS SNOW REMOVAL	10,702	4,500	237.82%	1,862	4,500	41.38%
PUBLIC WORKS TRAFFIC SIGNALS	38,804	81,000	47.91%	36,681	84,915	43.20%
PUBLIC WORKS STREET LIGHTING & MARKING	12,429	21,500	57.81%	14,916	21,500	69.38%
PUBLIC WORKS SIDEWALKS & CURBS	15,065	37,000	40.72%	17,895	37,000	48.36%
PUBLIC WORKS STORM SEWER MAINTENANCE	16,435	9,600	171.20%	2,032	9,679	21.00%
PUBLIC WORKS EQUIPMENT MAINTENANCE	169,780	218,079	77.85%	106,798	210,448	50.75%
PUBLIC WORKS ROAD MAINTENANCE	380,698	500,001	76.14%	422,199	484,637	87.12%
RECREATION AND ADMINISTRATION	61,700	89,225	69.15%	67,252	100,015	67.24%
RECREATION AND PROGRAMS	125,071	251,301	49.77%	124,208	222,362	55.86%
PUBLIC WORKS PARK MAINTENANCE	86,416	156,100	55.36%	94,721	156,710	60.44%

SEWER FUND

REVENUES

SEWER RENT - CURRENT	2,401,034	3,450,000	69.60%	2,436,751	3,400,000	71.67%
SEWER RENT - PEN & INT	22,033	30,000	73.44%	24,797	130,000	19.07%
TOTAL SEWER CHARGES	2,423,067	3,480,000	69.63%	2,461,548	3,530,000	69.73%
TRANSFERS IN	0	0	0.00%	0	0	0.00%

EXPENSES

TRANSFERS OUT	0	250,000	0.00%	0	250,000	0.00%
---------------	---	---------	-------	---	---------	-------

DEBT SERVICE FUND

EXPENSES

DEBT PRINCIPAL	0	861,000	0.00%	0	829,000	0.00%
DEBT PRINCIPAL CAPITAL PROJECTS	0	80,000	0.00%	0	55,000	0.00%
DEBT INTEREST	223,061	327,722	68.06%	289,298	361,564	80.01%
DEBT INTEREST CAPITAL PROJECTS	43,273	86,545	50.00%	0	162,645	0.00%
TOTAL DEBT SERVICE EXPENSES	266,334	1,355,267	19.65%	289,298	1,408,209	20.54%

Whitpain Township

Operating Expense Report

Department	For the Month Ended 8/31/2014		YTD Actual to Budget (%)	Prior YTD Actual	Prior Year Budget	Prior YTD Actual to Budget (%)
	YTD Actual	Current Year Budget				
SUPERVISORS	65,987	95,091	69.39%	63,067	96,885	65.09%
ADMINISTRATION	730,771	1,068,055	68.42%	691,502	1,060,202	65.22%
FINANCE	281,795	385,656	73.07%	229,962	373,148	61.63%
TAX COLLECTION	82,224	121,693	67.57%	72,925	104,148	70.02%
LEGAL	163,795	306,000	53.53%	214,406	270,000	79.41%
INFORMATION TECHNOLOGY	93,648	141,652	66.11%	84,509	127,073	66.50%
PLANNING & ENGINEERING	301,391	325,162	92.69%	224,393	305,709	73.40%
PUBLIC WORKS	2,004,399	2,834,011	70.73%	1,792,655	2,813,947	63.71%
POLICE	3,450,872	5,357,535	64.41%	3,305,447	5,347,617	61.81%
FIRE	135,545	208,427	65.03%	125,527	232,815	53.92%
CODE ENFORCEMENT	314,241	452,645	69.42%	319,687	451,687	70.78%
ZONING	30,920	77,994	39.64%	17,178	78,787	21.80%
SEWER	1,855,569	3,126,226	59.35%	1,871,386	3,168,528	59.06%
PARK AND RECREATION	425,361	654,364	65.00%	434,361	635,310	68.37%
TOTAL OPERATING EXPENSES	9,936,518	15,154,511	65.57%	9,447,007	15,065,856	62.70%

AUGUST 31, 2014

ACCOUNT	PURCHASE DATE	DUE DATE	PRINCIPAL	INVESTED WITH	INTEREST RATE	TOTAL
GENERAL FUND	VARIOUS	OPEN	819,714	PLGIT	0.03	819,714.00
	VARIOUS	OPEN	6,925	PLGIT PLUS	0.03	6,925.27
	VARIOUS	OPEN	22,432	PLGIT PR	0.03	22,432.44
	VARIOUS	OPEN	3	PLGIT PR PLUS	0.03	3.34
	VARIOUS	OPEN	6,311,507	TD GENERAL FUND	0.10	6,311,507.21
	VARIOUS	OPEN	88,774	TD-E PAYMENTS	0.10	88,774.45
	VARIOUS	OPEN	2,099	TD-PR	0.10	2,099.07
	VARIOUS	OPEN	5,459	PLGIT PROCUREMENT	0.03	5,458.67
	VARIOUS	OPEN	1,771	DRUG ENFORCEMENT	0.10	1,771.32
	VARIOUS	OPEN	571,940	OPERATING RESERVE	0.10	571,939.69
	VARIOUS	OPEN	571,940	POLICE SPECIAL EQUIPMENT	0.10	1,288.96
FIRE CAPITAL FUND	VARIOUS	OPEN	5,284	PLGIT - ARBITRAGE	0.01	5,284.10
DEBT SERVICE	VARIOUS	OPEN	1,313,624	TD BANK	0.10	1,313,623.61
FIRE PROTECTION TAX	VARIOUS	OPEN	759,102	TD BANK	0.10	759,102.27
FIRE CAPITAL FUND	VARIOUS	OPEN	643,183	TD BANK	0.10	643,182.92
FIRE HYDRANT	VARIOUS	OPEN	183,079	TD BANK	0.10	183,079.38
CAPITAL RESERVE	VARIOUS	OPEN	5,162,429	TD BANK	0.10	5,162,429.01
CAPITAL RES - SIDEWALK GRANT	VARIOUS	OPEN	189,778	TD BANK	0.10	189,778.45
MANOR HOUSE	VARIOUS	OPEN	422,702	TD BANK	0.10	422,701.87
OPEN SPACE ACQUISITION	VARIOUS	OPEN	867,892	TD BANK	0.10	867,891.68
OPEN SPACE RESERVE	VARIOUS	OPEN	447,477	TD BANK	0.10	447,476.56
HIGHWAY AID FUND	VARIOUS	OPEN	82,278	TD BANK	0.10	82,277.77
POLICE MED INS RETIREE	VARIOUS	OPEN	352,068	TD BANK	0.10	352,067.96
NON UNIFORM MED INS RETIREE	VARIOUS	OPEN	9,147	TD BANK	0.10	9,146.90
ESCROW	VARIOUS	OPEN	992,447	TD BANK	0.10	992,447.29
RESERVE FOR OUTFALL STORM WT	VARIOUS	OPEN	35,340	TD BANK	0.10	35,340.38
FEE-IN-LIEU OF STORMWATER MNT	VARIOUS	OPEN	65,076	TD BANK	0.10	65,076.47
TRAFFIC IMPROVEMENTS	VARIOUS	OPEN	552,125	TD BANK	0.10	552,125.23
SEWER FUND	VARIOUS	OPEN	281,312	PLGIT PLUS	0.03	281,312.16
	VARIOUS	OPEN	1,207,301	TD BANK	0.10	1,207,300.72
SEWER CAPITAL	VARIOUS	OPEN	412,541	TD BANK	0.10	412,541.23
August 31, 2013				PLGIT	0.01	
General Fund TD Bank	\$6,759,273.02			PLGIT PLUS	0.02	
General Fund PLGIT	\$981,589.61			TD BANK	0.10	
Sewer TD Bank	\$778,565.33					
Sewer PLGIT	\$281,243.01					