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: October 29, 2014

Re: Treasurer's Report & Cash Statement – ***September 30, 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	Caution & Monitor	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 SEPTEMBER 30, 2014

Revenue or Expense Category

General Fund

Real Estate Taxes - Real estate tax revenues (99.6%) are slightly ahead of last year's pace (98.1%). These collections include current ($3,834,591 or 99.6%) and delinquent ($37,030) 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 already at budget but behind last year's pace (101.0% vs. 132.3%) 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 were at a healthy pace (June - $76,492; July - $88,266; August - $94,433).

Earned Income Taxes - EIT collections (85.5%) are slightly behind last year's pace (86.6%). 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.

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. MCTCC was able to get a quorum of the membership to bring the extension to a vote at the October meeting. The extension was approved at the October meeting. Berkheimer continues to monitor collections for each tax year to better project core collections. In October, Finance staff is visited the Berkheimer site in Bethlehem for a first hand tour of its operations and is investigating a partnership with Berkheimer to further streamline payment processing for Whitpain.

Local Services Taxes (LST) - We are slightly behind (73.9%) last year's pace (75.5%). 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 expect an additional State Aid check in October due to a calculation error by the State.

Licenses, Permits & Fees – We are ahead of (87.4% vs. 74.2%) last year and on budget as we conclude Summer building activities.

Park & Recreation Fees – We are significantly ahead (91.2%) of last year's pace (74.8%) as we conclude Summer recreation season.

Operating Expenses – These departmental expenses include salaries (separately reported below) represent 75% of our annual budget to date. We are significantly behind budget (72.6%) but ahead of last year's pace (70.3%). 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 75% of our annual budget to date, we are over budget (77.9%) and well ahead of last year's pace (69.3%), 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 (77.5%) of last year's pace (75.1%). Currently, we are one month behind in applying rate credits of $20,250, resulting in a net expense ($1,249,849) slightly above (76.2%) budget. This is primarily due to changes in family status for our employee group.

Pension – We are on par (67.7%) with budget but behind last year's pace (85.8%). 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 (62.3%) with last year's pace (63.1%) 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 (54.3%) and Police (60.3%) but are even with Road Maintenance (74.0%) and Snow Removal (76.1%).

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 September 30, 2014.

September 30, 2014	***September 30, 2013***
$6,355,483	$7,740,550

Sewer Fund

Sewer Charges - We are on par (69.7%) with last year's pace (69.8%) 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. 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). This decline will be discussed during the 2015 Budget workshops. Through September, $243,450 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 ahead (62.7%) of last year's pace (63.0%) 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 September 30, 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.

September 30, 2014	***September 30, 2013***
$1,178,280	$905,603

Debt Service Fund

Debt Service Expenses - We are on par (44.3%) with last year's pace (43.7%).

Whitpain Township
Treasurer's Report

Department	For the Month Ended 9/30/2014 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	3,873,621	3,888,500	99.62%	3,806,364	3,878,500	98.14%
TRANSFER TAXES	484,576	480,000	100.95%	595,359	450,000	132.30%
EARNED INCOME TAXES	4,661,447	5,450,000	85.53%	4,330,563	5,000,000	86.61%
LOCAL SERVICES TAXES	554,023	750,000	73.87%	547,642	725,000	75.54%
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	291,583	333,500	87.43%	257,953	347,600	74.21%
PARK & RECREATION FEES	374,400	410,700	91.16%	348,214	465,550	74.80%
TOTAL REVENUES	10,777,279	12,089,980	89.14%	10,572,024	11,364,900	93.02%
EXPENSES						
TRANSFERS OUT	1,000,000	1,000,000	100.00%	250,000	500,000	50.00%
SALARIES						
OFFICIALS	15,469	20,625	75.00%	15,469	20,625	75.00%
EXECUTIVE	267,024	309,957	86.15%	231,585	319,030	72.59%
FINANCE	222,890	264,470	84.28%	183,020	243,872	75.05%
TAX COLLECTION	17,917	25,000	71.67%	10,000	15,000	66.67%
INFORMATION TECHNOLOGY	52,317	70,231	74.49%	43,528	59,965	72.59%
ENGINEERING	232,728	196,640	118.35%	163,523	185,030	88.38%
PUBLIC WORKS	830,822	1,054,573	78.78%	721,748	1,061,030	68.02%
POLICE	2,573,691	3,464,713	74.28%	2,287,014	3,427,876	66.72%
FIRE	103,683	133,061	77.92%	94,642	151,589	62.43%
CODE ENFORCEMENT	219,891	287,805	76.40%	225,165	290,233	77.58%
ZONING	0	10,060	0.00%	3,848	14,998	-25.65%
PARK & RECREATION	219,362	264,884	82.81%	222,155	263,548	84.29%
TOTAL SALARY EXPENSES	4,755,794	6,102,019	77.94%	4,194,002	6,052,796	69.29%
OVERTIME						
POLICE	45,552	75,600	60.25%	56,452	64,480	87.55%
SEWER	19,486	35,866	54.33%	16,681	40,000	41.70%
PW SNOW REMOVAL	20,324	26,711	76.09%	10,754	26,795	40.14%
PW ROAD MAINTENANCE	4,813	6,500	74.04%	3,157	6,609	47.77%
TOTAL OVERTIME EXPENSES	90,175	144,677	62.33%	87,044	137,884	63.13%
HEALTH INSURANCE						
SUPERVISORS	51,740	63,888	80.99%	48,379	61,682	78.43%
ADMINISTRATION	44,960	54,574	82.38%	42,600	57,289	74.36%
FINANCE	37,013	43,505	85.08%	34,118	48,935	69.72%
INFORMATION TECHNOLOGY	18,247	22,703	80.37%	17,495	21,769	80.37%
ENGINEERING	58,120	46,143	125.96%	43,637	44,294	98.52%
POLICE	520,667	666,935	78.07%	503,634	673,172	74.82%
FIRE	23,240	30,161	77.05%	22,723	29,286	77.59%
CODE ENFORCEMENT	58,398	68,742	84.95%	57,812	71,141	81.26%
ZONING	1,192	2,380	50.10%	260	1,927	-13.51%
SEWER	155,298	272,680	56.95%	179,166	280,997	63.76%
PUBLIC WORKS ADMINISTRATION	259,908	319,167	81.43%	245,304	306,247	80.10%
RECREATION ADMINISTRATION	41,316	48,954	84.40%	41,347	49,385	83.72%
TOTAL HEALTH INSURANCE EXPENSES	1,270,099	1,639,832	77.45%	1,235,955	1,646,124	75.08%

Whitpain Township
Treasurer's Report

PENSIONS						
NON-UNIFORM	242,622	363,932	66.67%	331,238	370,500	89.40%
DEFINED CONTRIBUTION	30,739	31,677	97.04%	0	0	0.00%
POLICE	273,669	410,503	66.67%	375,000	450,000	83.33%
SEWER	80,875	121,311	66.67%	103,500	123,500	83.81%
TOTAL PENSION EXPENSES	627,905	927,423	67.70%	809,738	944,000	85.78%
EXPENSES						
SUPERVISORS	6,554	10,578	61.96%	6,508	14,578	44.64%
ADMINISTRATION	217,129	307,915	70.52%	223,672	313,383	71.37%
FINANCE	60,557	77,681	77.96%	42,126	80,341	52.43%
TAX COLLECTION	78,850	96,693	81.55%	69,185	89,148	77.61%
COMPUTER & INFO, SERVICES	33,615	48,718	69.00%	33,471	45,339	73.82%
PLANNING & ENGINEERING	47,955	82,379	58.21%	51,885	76,385	67.93%
BUILDING MAINTENANCE	149,201	209,867	71.09%	124,287	217,736	57.08%
POLICE EXPENSES	435,293	739,784	58.84%	516,461	732,089	70.55%
FIRE	24,075	45,205	53.26%	23,454	51,940	45.16%
CODE ENFORCEMENT	77,406	96,098	80.55%	72,234	90,313	79.98%
ZONING	31,472	65,554	48.01%	22,995	61,862	37.17%
PUBLIC WORKS ADMINISTRATION	131,795	185,413	71.08%	132,510	182,235	72.71%
PUBLIC WORKS STREET CLEANING	3,366	4,000	84.15%	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	41,518	81,000	51.26%	44,281	84,915	52.15%
PUBLIC WORKS STREET LIGHTING & MARKING	14,199	21,500	66.04%	18,254	21,500	84.90%
PUBLIC WORKS SIDEWALKS & CURBS	16,915	37,000	45.72%	21,544	37,000	58.23%
PUBLIC WORKS STORM SEWER MAINTENANCE	17,471	9,600	181.98%	2,767	9,679	28.58%
PUBLIC WORKS EQUIPMENT MAINTENANCE	192,341	218,079	88.20%	127,930	210,448	60.79%
PUBLIC WORKS ROAD MAINTENANCE	446,313	500,001	89.26%	440,513	484,637	90.90%
RECREATION AND ADMINISTRATION	64,554	89,225	72.35%	71,884	100,015	71.87%
RECREATION AND PROGRAMS	179,221	251,301	71.32%	175,344	222,362	78.86%
PUBLIC WORKS PARK MAINTENANCE	96,151	156,100	61.60%	99,909	156,710	63.75%
SEWER FUND						
REVENUES						
SEWER RENT - CURRENT	2,401,034	3,450,000	69.60%	2,436,666	3,400,000	71.67%
SEWER RENT - PEN & INT	25,507	30,000	85.02%	26,966	130,000	20.74%
TOTAL SEWER CHARGES	2,426,541	3,480,000	69.73%	2,463,631	3,530,000	69.79%
TRANSFERS IN	0	0	0.00%	0	0	0.00%
EXPENSES						
TRANSFERS OUT	250,000	250,000	100.00%	323,250	646,500	0.00%
DEBT SERVICE FUND						
EXPENSES						
DEBT PRINCIPAL	306,000	861,000	35.54%	0	829,000	0.00%
DEBT PRINCIPAL CAPITAL PROJECTS	0	80,000	0.00%	0	55,000	0.00%
DEBT INTEREST	250,944	327,722	76.57%	615,983	361,564	170.37%
DEBT INTEREST CAPITAL PROJECTS	43,273	86,545	50.00%	0	162,645	0.00%
TOTAL DEBT SERVICE EXPENSES	600,217	1,355,267	44.29%	615,983	1,408,209	43.74%

Whitpain Township
Operating Expense Report

	For the Month Ended 9/30/2014					
Department	**YTD Actual**	**Current Year Budget**	**YTD Actual to Budget (%)**	**Prior YTD Actual**	**Prior Year Budget**	**Prior YTD Actual to Budget (%)**
SUPERVISORS	73,763	95,091	77.57%	70,356	96,885	72.62%
ADMINISTRATION	802,475	1,068,055	75.13%	829,095	1,060,202	78.20%
FINANCE	320,460	385,656	83.09%	259,265	373,148	69.48%
TAX COLLECTION	96,767	121,693	79.52%	79,185	104,148	76.03%
LEGAL	172,756	306,000	56.46%	235,919	270,000	87.38%
INFORMATION TECHNOLOGY	104,178	141,652	73.55%	94,494	127,073	74.36%
PLANNING & ENGINEERING	338,803	325,162	104.20%	259,045	305,709	84.74%
PUBLIC WORKS	2,235,838	2,834,011	78.89%	1,995,975	2,813,947	70.93%
POLICE	3,848,872	5,357,535	71.84%	3,738,561	5,347,617	69.91%
FIRE	150,998	208,427	72.45%	140,818	232,815	60.49%
CODE ENFORCEMENT	355,695	452,645	78.58%	355,211	451,687	78.64%
ZONING	32,664	77,994	41.88%	18,887	78,787	23.97%
SEWER	1,961,059	3,126,226	62.73%	1,995,917	3,168,528	62.99%
PARK AND RECREATION	504,454	654,364	77.09%	510,730	635,310	80.39%
TOTAL OPERATING EXPENSES	10,998,782	15,154,511	72.58%	10,583,459	15,065,856	70.25%

SEPTEMBER 30, 2014

ACCOUNT	PURCHASE DATE	DUE DATE	PRINCIPAL	INVESTED WITH	INTEREST RATE	TOTAL
GENERAL FUND	VARIOUS	OPEN	492,594	PLGIT	0.03	492,593.51
	VARIOUS	OPEN	6,926	PLGIT PLUS	0.03	6,925.67
	VARIOUS	OPEN	259,820	PLGIT PR	0.03	259,820.06
	VARIOUS	OPEN	3	PLGIT PR PLUS	0.03	3.34
	VARIOUS	OPEN	5,862,889	TD GENERAL FUND	0.10	5,862,889.48
	VARIOUS	OPEN	88,782	TD-E PAYMENTS	0.10	88,781.75
	VARIOUS	OPEN	5,489	TD-PR	0.10	5,489.15
	VARIOUS	OPEN	5,531	PLGIT PROCUREMENT	0.03	5,531.44
	VARIOUS	OPEN	1,771	DRUG ENFORCEMENT	0.10	1,771.47
	VARIOUS	OPEN	571,987	OPERATING RESERVE	0.10	571,986.70
	VARIOUS	OPEN	571,987	POLICE SPECIAL EQUIPMENT	0.10	1,289.07
FIRE CAPITAL FUND	VARIOUS	OPEN	5,284	PLGIT - ARBITRAGE	0.01	5,284.16
DEBT SERVICE	VARIOUS	OPEN	983,792	TD BANK	0.10	983,791.62
FIRE PROTECTION TAX	VARIOUS	OPEN	722,683	TD BANK	0.10	722,682.78
FIRE CAPITAL FUND	VARIOUS	OPEN	635,595	TD BANK	0.10	635,594.96
FIRE HYDRANT	VARIOUS	OPEN	176,068	TD BANK	0.10	176,068.40
CAPITAL RESERVE	VARIOUS	OPEN	6,135,227	TD BANK	0.10	6,135,227.29
CAPITAL RES - SIDEWALK GRANT	VARIOUS	OPEN	189,794	TD BANK	0.10	189,794.05
MANOR HOUSE	VARIOUS	OPEN	418,114	TD BANK	0.10	418,114.35
OPEN SPACE ACQUISITION	VARIOUS	OPEN	867,963	TD BANK	0.10	867,963.01
OPEN SPACE RESERVE	VARIOUS	OPEN	462,520	TD BANK	0.10	462,519.95
HIGHWAY AID FUND	VARIOUS	OPEN	82,285	TD BANK	0.10	82,284.53
POLICE MED INS RETIREE	VARIOUS	OPEN	385,098	TD BANK	0.10	385,097.98
NON UNIFORM MED INS RETIREE	VARIOUS	OPEN	21,148	TD BANK	0.10	21,148.08
ESCROW	VARIOUS	OPEN	1,031,687	TD BANK	0.10	1,031,686.73
RESERVE FOR OUTFALL STORM WT	VARIOUS	OPEN	43,819	TD BANK	0.10	43,818.91
FEE-IN-LIEU OF STORMWATER MNT	VARIOUS	OPEN	66,106	TD BANK	0.10	66,106.46
TRAFFIC IMPROVEMENTS	VARIOUS	OPEN	553,861	TD BANK	0.10	553,861.41
SEWER FUND	VARIOUS	OPEN	281,329	PLGIT PLUS	0.03	281,328.50
	VARIOUS	OPEN	896,952	TD BANK	0.10	896,952.05
SEWER CAPITAL	VARIOUS	OPEN	677,116	TD BANK	0.10	677,115.83

September 30, 2013			
		PLGIT	0.01
General Fund TD Bank	$6,568,755.00	***PLGIT PLUS***	0.02
General Fund PLGIT	$1,171,794.65	***TD BANK***	0.10
Sewer TD Bank	$624,338.84		
Sewer PLGIT	$281,264.11		