

Q4 Results and FY2016 Financial Summary

Radnor Township | February 13, 2017

Agenda

- General Fund | Full Year Summary and 4th Quarter FY 2016 Highlights
- Sanitary Sewer Fund Summary
- Stormwater Fund Summary
- Pension Investment Performance

General Fund Summary – Full Year

- **Revenues** | Total revenues ended within 0.2% of budgeted amounts
 - Real Estate Taxes hit their collection targets (w/in 1%)
 - Development (permits/ engineering) revenues finished very strong (+23%)
 - Recreation revenues hit their marks
 - Police enforcement revenues fell short of budgeted revenue estimates (-33.6%)
 - BPT/MT: Declined in 2016 by 1% creating a negative variance of \$646,000
 - BPT/MT Audit: Hit their revenue targets (+16%)
- **Expenditures** | Total expenditures ended 1.5% below budgeted amounts¹
 - On the aggregate, departmental spending is less than budgeted
 - Admin/Finance: Legal expenses exceeded expectations
 - Savings realized in Police and PW | Park Maintenance due to vacant positions
 - Mild winter saves hundreds of thousands in the Highway Department
 - Transfers to other funds were higher than budgeted due to distribution of 2015 excess fund balances

¹ Before transfers to other funds

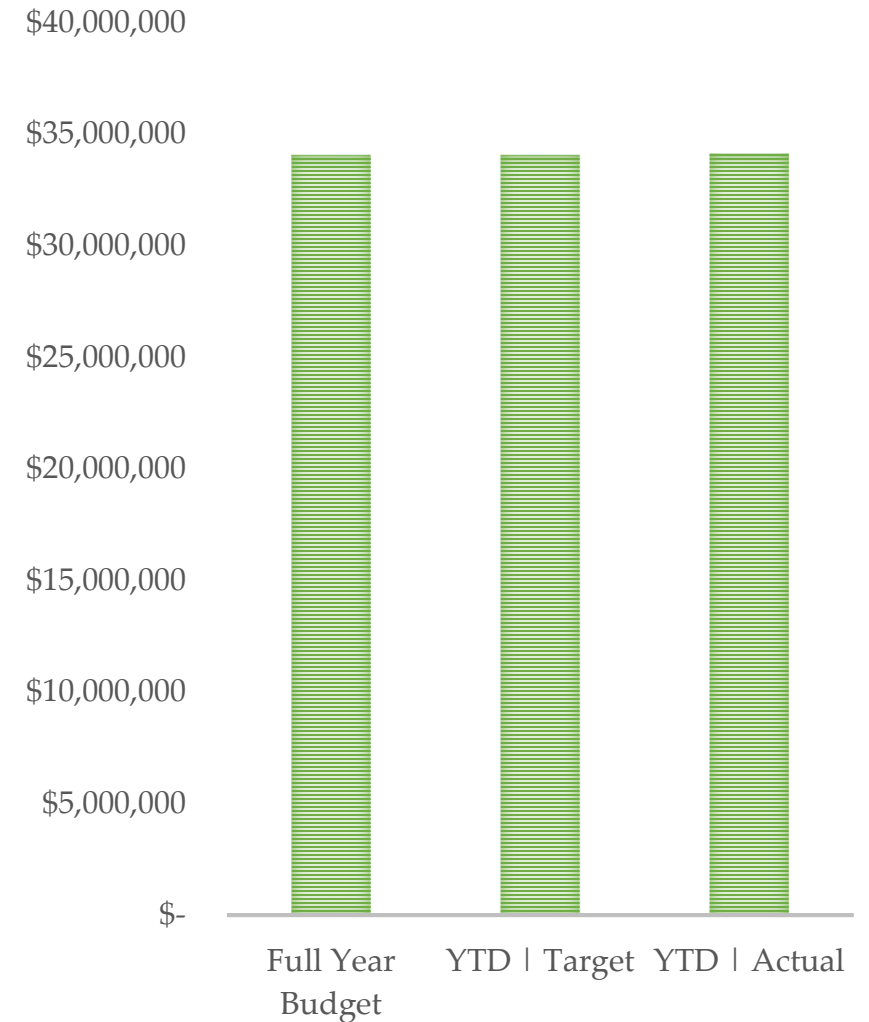
4th Quarter 2016 – Highlights

General Fund Revenues

	3 rd Quarter		4 th Quarter	
	Target	Amount	Target	Amount
Full Year Budget	100%	\$34,055,204	100%	\$34,055,204
YTD Actual	91%	30,991,227	100%	34,112,379
YTD Target	91%	31,070,667	100%	34,055,204
Variance	(0.3%)	(79,440)	0.2%	57,175

Key Points:

- Permitting & Departmental ended \$406,000 ahead of expectations due to VU development and Rec Revenues
- Real Estate Transfer, LST and BPT/MT Audit did \$200,000 better than expectations
- Interest revenue did \$53,000 better than expectations
- BPT|MT ended \$646,000 *behind* expectations
- Full Year | **Met Expectations**



4th Quarter 2016 – Highlights

General Fund Expenditures

Excludes Transfers to Other Funds	3 rd Quarter		4 th Quarter	
	Target	Amount	Target	Amount
Full Year Budget	100%	\$28,690,829	100%	\$28,690,829
YTD Actual	72%	20,742,661	98%	28,256,518
YTD Target	73%	21,088,803	100%	28,690,829
Variance	+1%	346,142	2%	434,311

Key Points:

- Better than expected winter expenses by \$122,000
- Vacant positions in Police and PW | Park Maintenance helped generate positive variances of \$287,000
- Comm. Dev contracts were \$223,000 less than budgeted
- Legal expenses exceeded budgets in Admin and Finance causing negative variances of \$227,000
- Full Year | **Below Budget**



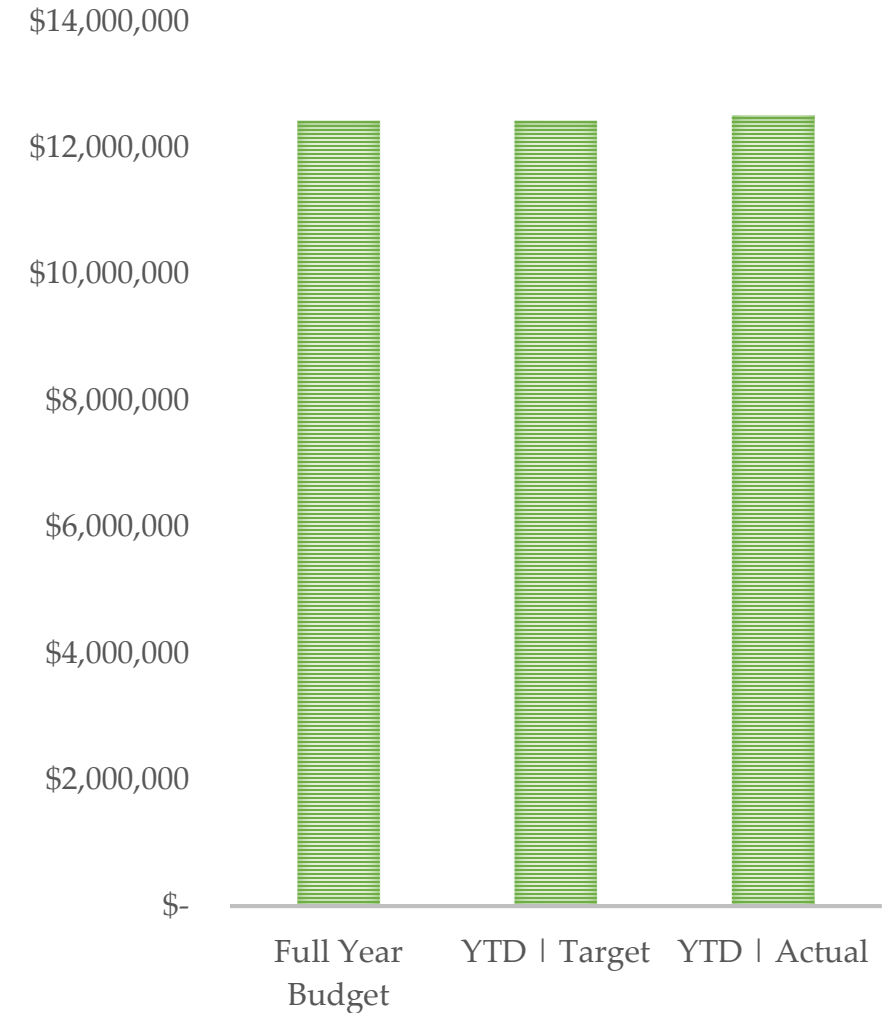
4th Quarter 2016 – Highlights

Real Estate Taxes

	3 rd Quarter		4 th Quarter	
	Target	Amount	Target	Amount
Full Year Budget	100%	\$12,430,304	100%	\$12,430,304
YTD Actual	98%	12,165,766	101%	12,511,317
YTD Target	98%	12,151,239	100%	12,430,304
Variance	- %	14,527	1 %	81,013

Key Points:

- Collections are meeting expectations
- Due date was May 31
- Full Year | **On Target**



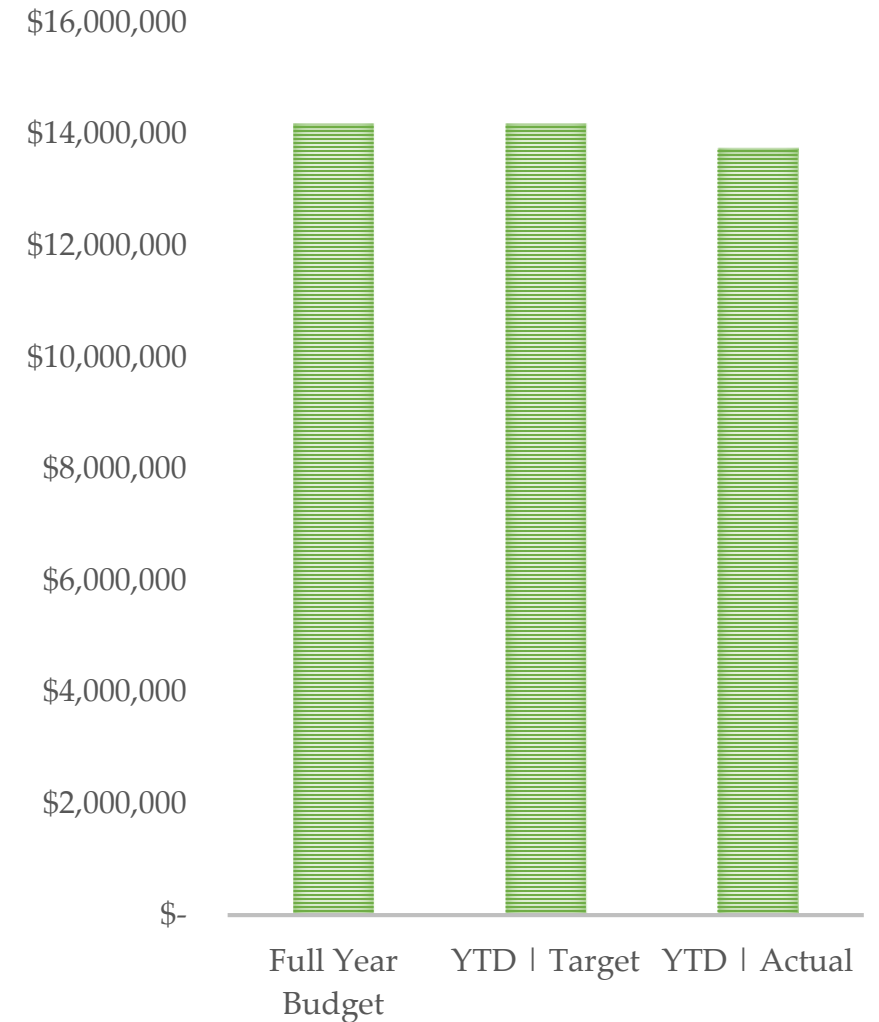
4th Quarter 2016 – Highlights

Act 511 Taxes

	3 rd Quarter		4 th Quarter	
	Target	Amount	Target	Amount
Full Year Budget	100%	\$14,183,044	100%	\$14,183,044
YTD Actual	88%	12,492,235	97%	13,748,575
YTD Target	91%	12,928,235	100%	14,183,044
Variance	-3%	(436,000)	-3%	(434,469)

Key Points:

- Real Estate Transfer exceeded by **\$72,000**
- Audit exceeded exceeded by **\$74,000** (after refunds)
- LST exceeded by **\$59,000**
- BPT (non-audit) lagged by **(\$536,000)**
- Mercantile (non-audit) lagged by **(\$111,000)**
- Full Year | **Missed Expectations by 3%**



4th Quarter 2016 – Highlights

All Other General Fund Revenue

	3 rd Quarter		4 th Quarter	
	Target	Amount	Target	Amount
Full Year Budget	100%	\$7,136,856	100%	\$7,136,856
YTD Actual	89%	6,332,845	106%	7,531,725
YTD Target	84%	5,991,194	100%	7,136,856
Variance	+5%	341,651	+6%	394,869

Key Points:

- Permitting exceeded by **\$340,000**
- Departmental Earnings exceeded by **\$94,000**
- Interest exceeded by **\$53,000**
- Grants and Misc exceeded by **\$240,000**
- Police enforcement lagged by **(\$259,000)**
- Cable franchise lagged by **(\$52,000)**
- Full Year | **Exceeded expectations by 6%**



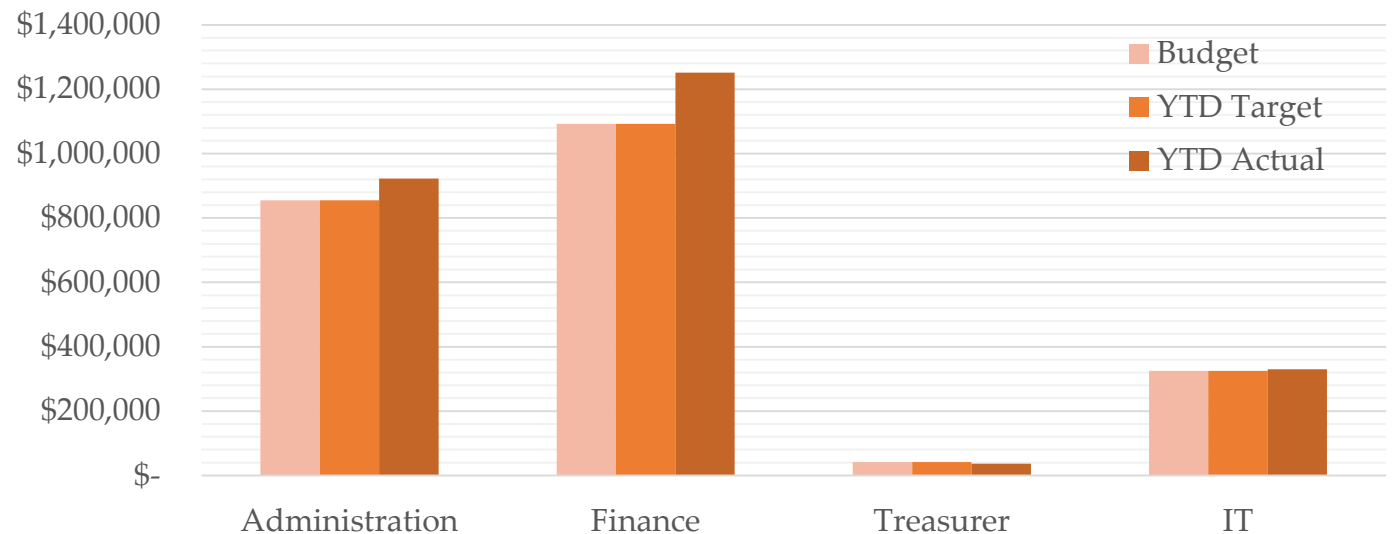
4th Quarter 2016 – Highlights

General Government Expenditures

	Target %	Budget	YTD Actual	YTD Target	Variance
Administration	100%	\$854,505	\$922,828	\$854,505	(\$68,323)
Finance	100%	1,092,765	1,251,359	1,092,765	(158,594)
Treasurer	100%	41,362	36,580	41,362	4,782
IT	100%	324,627	330,196	324,627	(5,568)

Key Points:

- **Administration** | Variance is the result of legal costs exceeding expectations
- **Finance** | Act 511 legal and audit expenses exceeded targets as a result of catch up payments to the contracted discovery firm. Auditor payments are higher than budgets as a result of better than expected audit revenue (after refunds).
- **IT** | Variance is the result of higher than budgeted renewal costs and added IT security costs



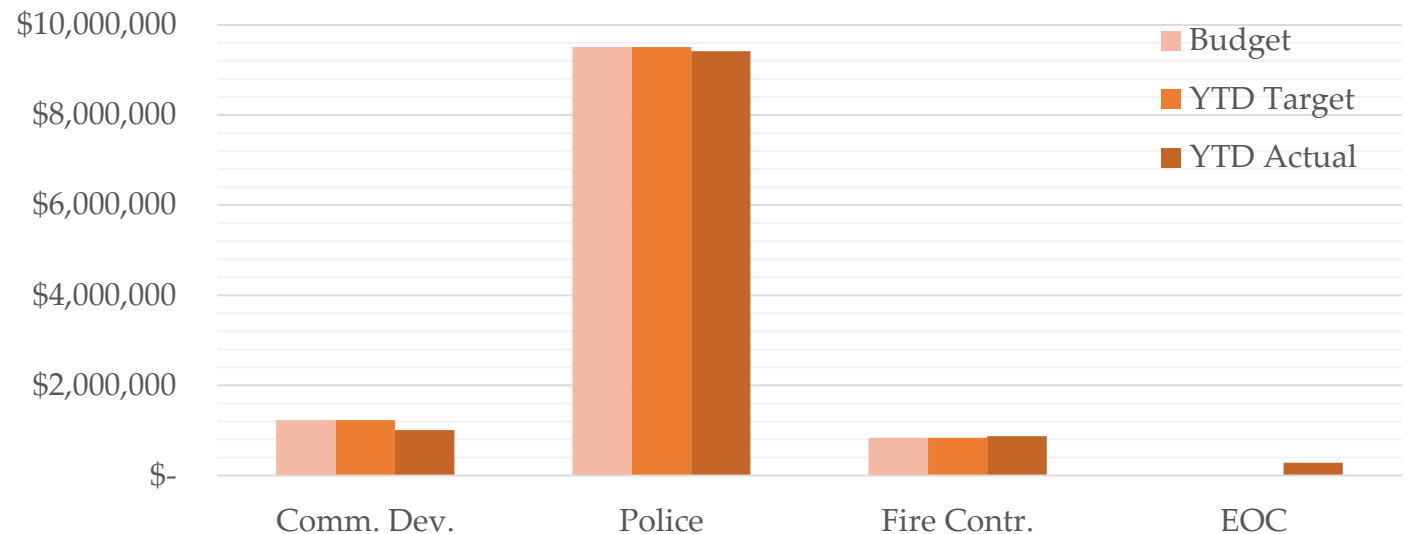
4th Quarter 2016 – Highlights

Protection to Persons and Property

	Target %	Budget	YTD Actual	YTD Target	Variance
Community Dev.	100%	\$1,228,121	\$1,005,323	\$1,228,121	\$222,798
Police	100%	9,509,584	9,416,510	9,509,584	93,073
Fire Contributions	100%	839,855	873,421	839,855	(33,566)
Emerg. Ops. Center	100%	-	280,735	-	(280,735)

Key Points:

- **Comm. Dev** | Positive variance resulting from lower contracted inspection svcs.
- **Police** | Vacant position savings made up for the workers' comp settlement
- **Fire Contributions** | Insurance is higher than budgeted
- **EOC** | Includes Blizzard and Villanova Final Four exp: VU *has* reimbursed Twp. for the overtime costs incurred.



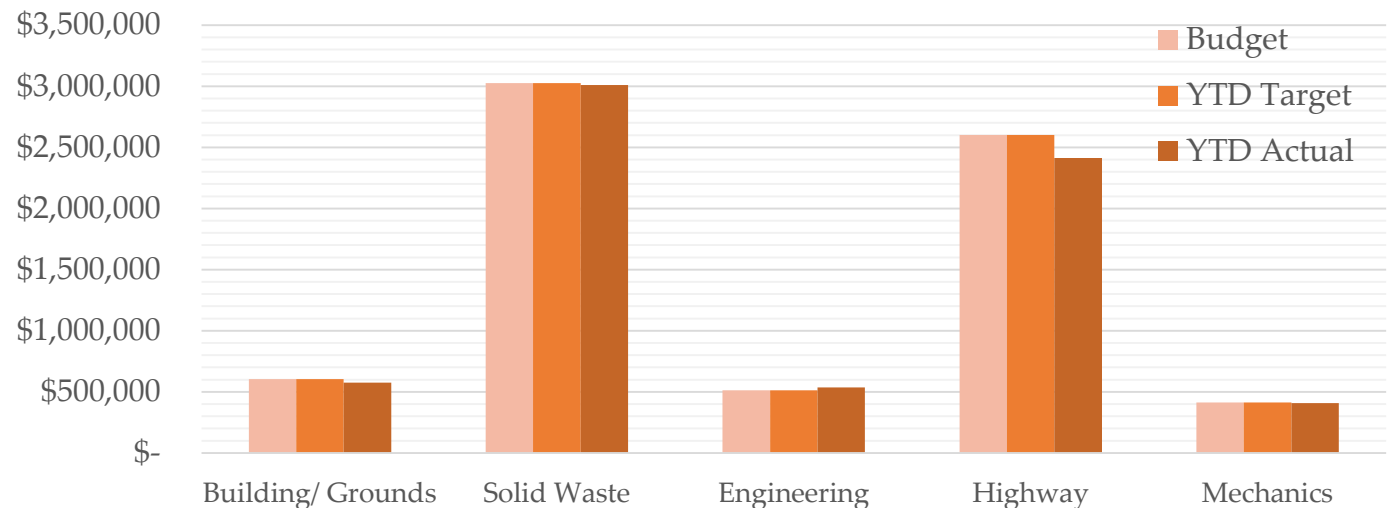
4th Quarter 2016 – Highlights

Public Works

	Target %	Budget	YTD Actual	YTD Target	Variance
Building/ Grounds	100%	\$604,020	\$576,316	\$604,020	\$27,703
Solid Waste/ Recycling	100%	3,025,942	3,008,927	3,025,942	17,014
Engineering <small>(net of escrow)</small>	100%	556,329	537,097	556,329	19,232
Highway	100%	2,600,454	2,411,898	2,600,454	188,556
Mechanics	100%	412,541	407,333	412,541	5,208

Key Points:

- **Building/Grounds** | Utility savings and lower payroll offset other cost overrun, resulting in a positive var.
- **Engineering** | Vacant position generated savings
- **Highway** | Significantly lower snow/ice costs in 2016 versus prior years



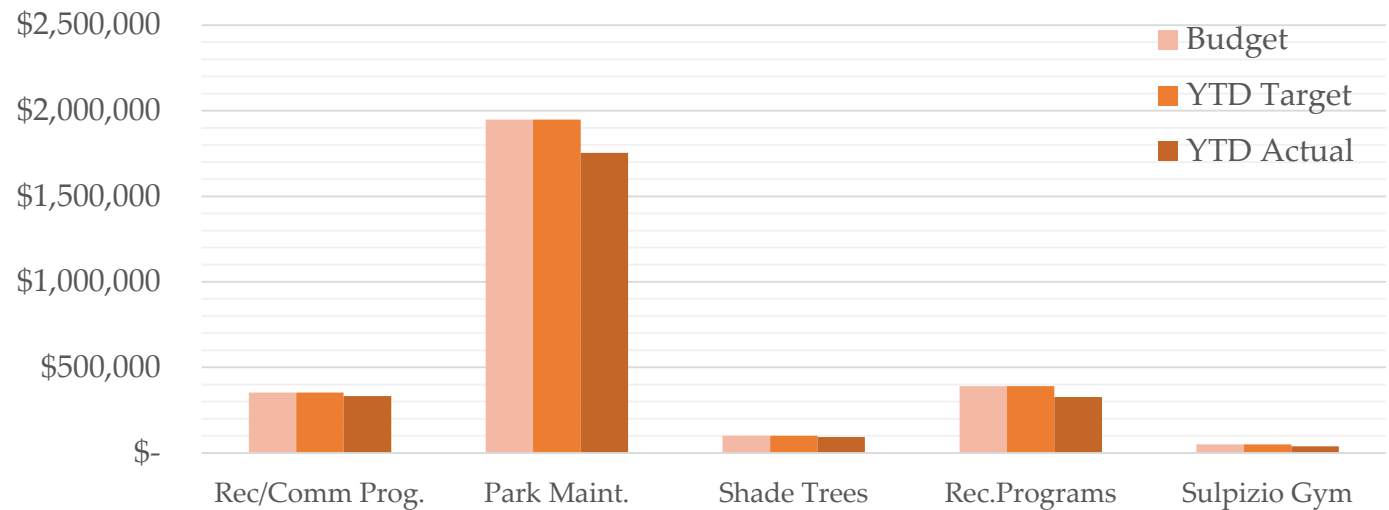
4th Quarter 2016 – Highlights

Parks and Recreation

	Target %	Budget	YTD Actual	YTD Target	Variance
Recreation / Community Programming Admin.	100%	\$352,376	\$332,318	\$352,376	\$20,058
Park Maintenance	100%	1,947,174	1,753,351	1,947,174	193,823
Shade Trees	100%	100,000	93,810	100,000	6,190
Recreation Programs	100%	391,020	327,776	391,020	63,244
Sulpizio Gym	100%	50,605	38,942	50,605	11,662

Key Points:

- **Park Maint** | lower payroll and EE healthcare along with lower supply costs versus expectations
- **Recreation Programs** | Variance is the result of timing diff in program expenses versus prior year trends



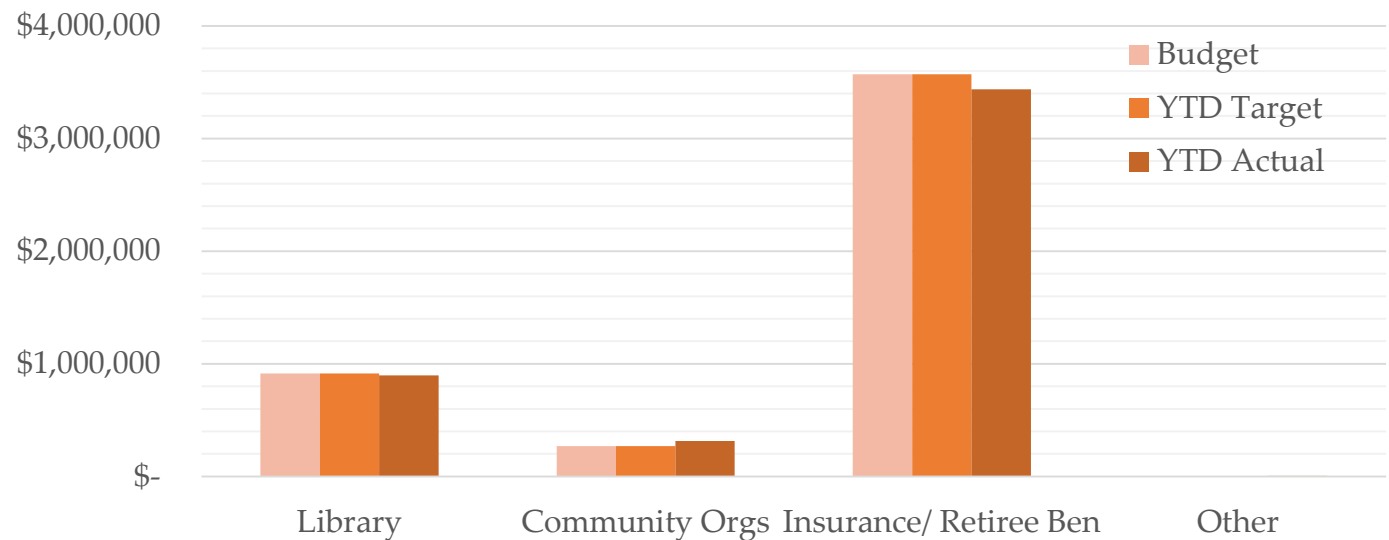
4th Quarter 2016 – Highlights

All Other General Fund Expenditures

	Target %	Budget	YTD Actual	YTD Target	Variance
Library	100%	\$915,221	\$896,770	\$915,221	\$18,451
Community Orgs	100%	270,194	314,367	270,194	(44,173)
Insurance / Retiree Ben.	100%	3,570,535	3,436,559	3,570,535	133,976
Other	100%	3,600	4,101	3,600	(501)

Key Points:

- **Library** | The variance is due to lower building repair costs than budgeted
- **Community Orgs** | A change in accounting treatment of parking revenue sharing is causing negative variance. This is offset by positive revenue variances
- **Insurance / Retiree Benefits** | Variance is the result of lower unemployment and liability insurance costs



Sewer Fund (#02)
FY2016 Financial Summary

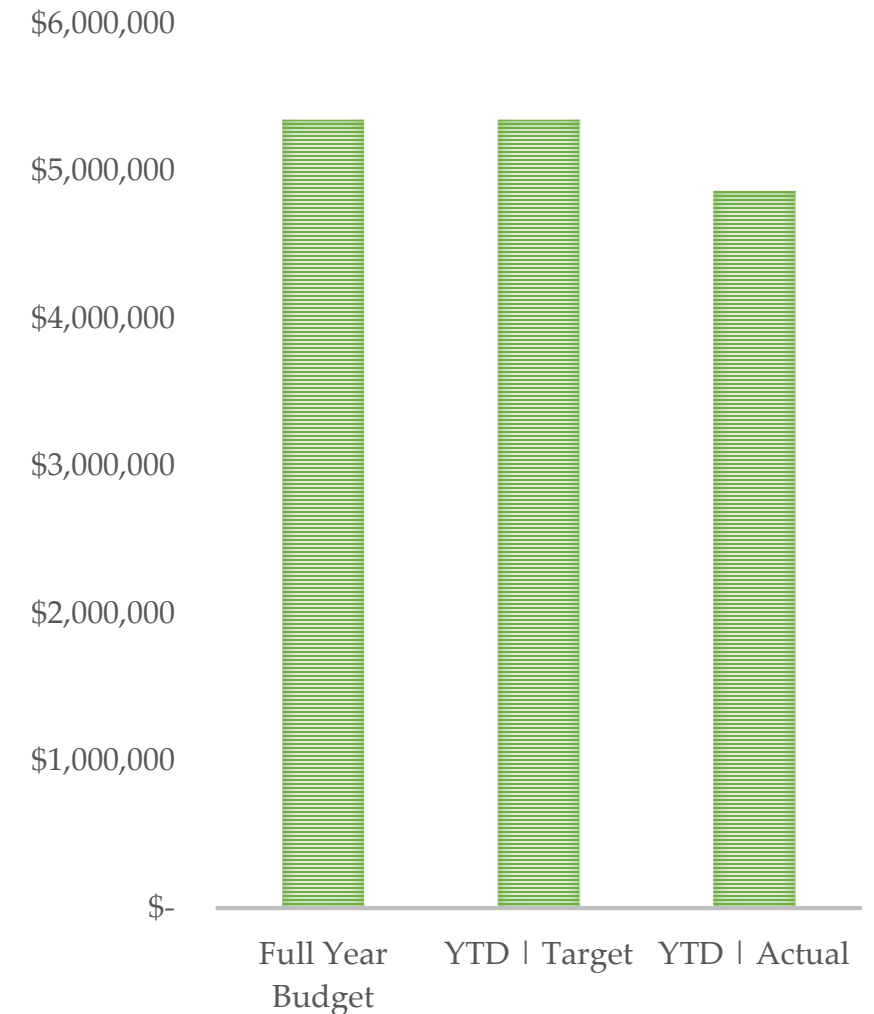
4th Quarter 2016 – Highlights

Sanitary Sewer Fund (#02) Revenues

	3 rd Quarter		4 th Quarter	
	Target	Amount	Target	Amount
Full Year Budget	100%	\$5,343,572	100%	\$5,343,572
YTD Actual	89%	4,773,531	91%	4,863,337
YTD Target	98%	5,235,760	100%	5,343,572
Variance	-9%	(462,229)	-9%	(480,235)

Key Points:

- Collections lagged by a wide margin as a result of lower than budget water consumption in 2015.
- Revenue loss was offset by:
 - Operating positive variance of \$200,532
 - Administration positive variance of \$45,340
 - RHM positive variance of \$140,743



Stormwater Fund (#04)
FY2016 Financial Summary

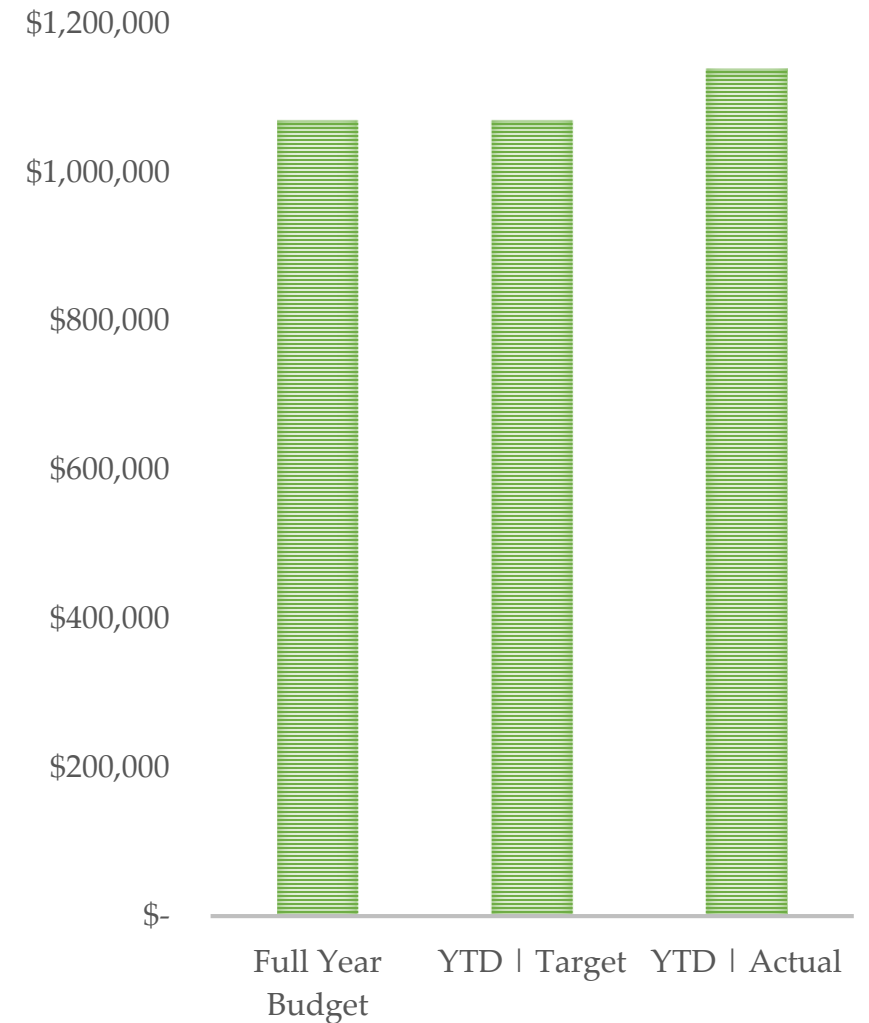
4th Quarter 2016 – Highlights

Stormwater Fund (#04) Revenues

	3 rd Quarter		4 th Quarter	
	Target	Amount	Target	Amount
Full Year Budget	100%	\$1,069,500	100%	\$1,069,500
YTD Actual	104%	1,110,800	104%	1,138,612
YTD Target	100%	1,069,500	100%	1,069,500
Variance	+4%	41,300	+4%	69,112

Key Points:

- Collections met expectations
- Billing period is complete (due date was January 31)

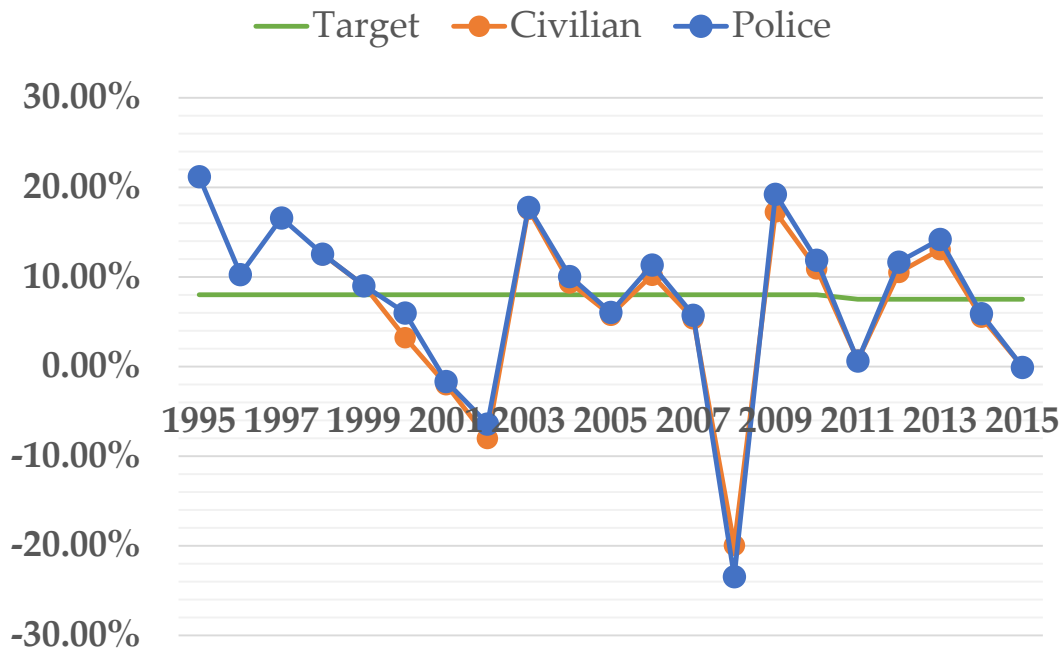


Pension Fund Performance FY2016 Financial Summary

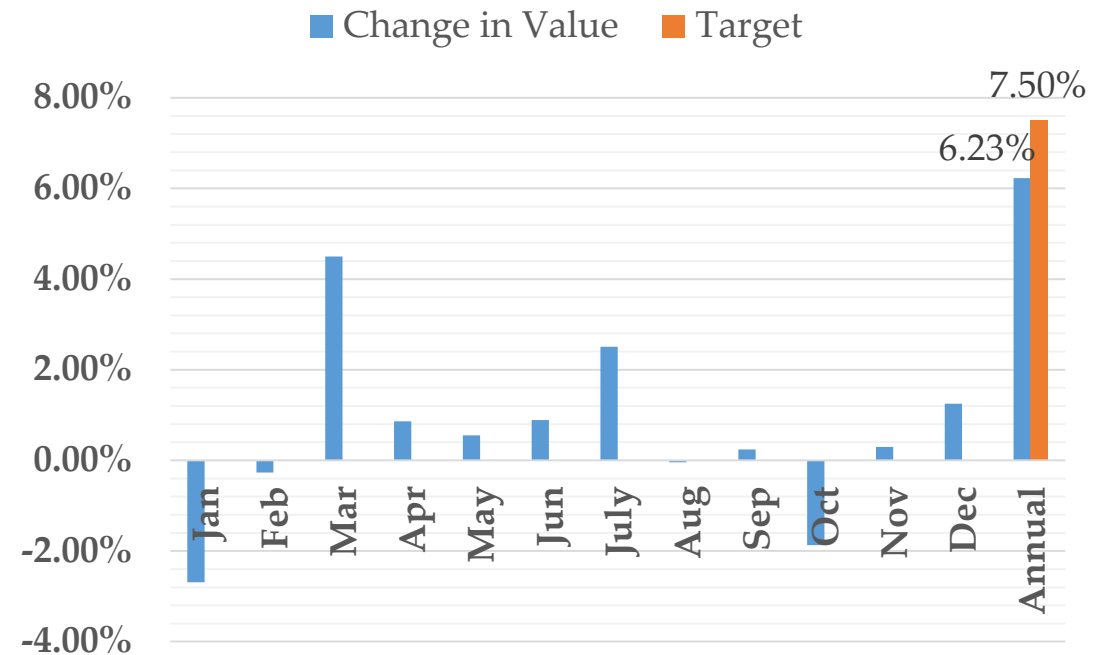
4th Quarter 2016 – Highlights

Pension Market Performance

Pension Funds Investment Returns | 1995 - 2015



Pension Funds Investment Returns | 2016



Key Points:

- 1995-2015 Returns show 12 years of met targets and 9 years of missed targets with 4 of the last 6 missing targets
- 2016 | Missed 7.50% target by 127 basis points; will result in MMO increase of approx. \$58,000

Q4 Results and FY 2016 Financial Summary

Thank you

