



# Q2 Results and FY 2016 Financial Outlook

Radnor Township | July 10, 2016

# Agenda

- General Fund | 2<sup>nd</sup> Quarter FY 2016 Results  
and full year projection
- Sanitary Sewer Fund Revenue Look
- Stormwater Fund Revenue Look

# General Fund Summary

- **Revenues** | Overall, revenues are expected to meet expectations with mixed results
  - Real Estate Taxes hit their collection targets (with one timing diff. variance)
  - Development (permits/ engineering) revenues continue to be very strong
  - Recreation revenues are hitting their marks
  - Police enforcement and Parking revenues continue to lag expectations
  - BPT/MT: Are ahead of 2015 actuals, but did not hit the growth target budgeted
  - BPT/MT audit revenue is ahead of expectations
- **Expenditures** | Overall, expenditures are in-line with expectations to-date (after timing differences are removed)
  - On the aggregate, departmental spending is less than budgeted
  - Mild winter saves hundreds of thousands in the Highway Department
  - Payroll and related costs are slightly below budget
  - Large variances in some of the departments are the result of timing differences

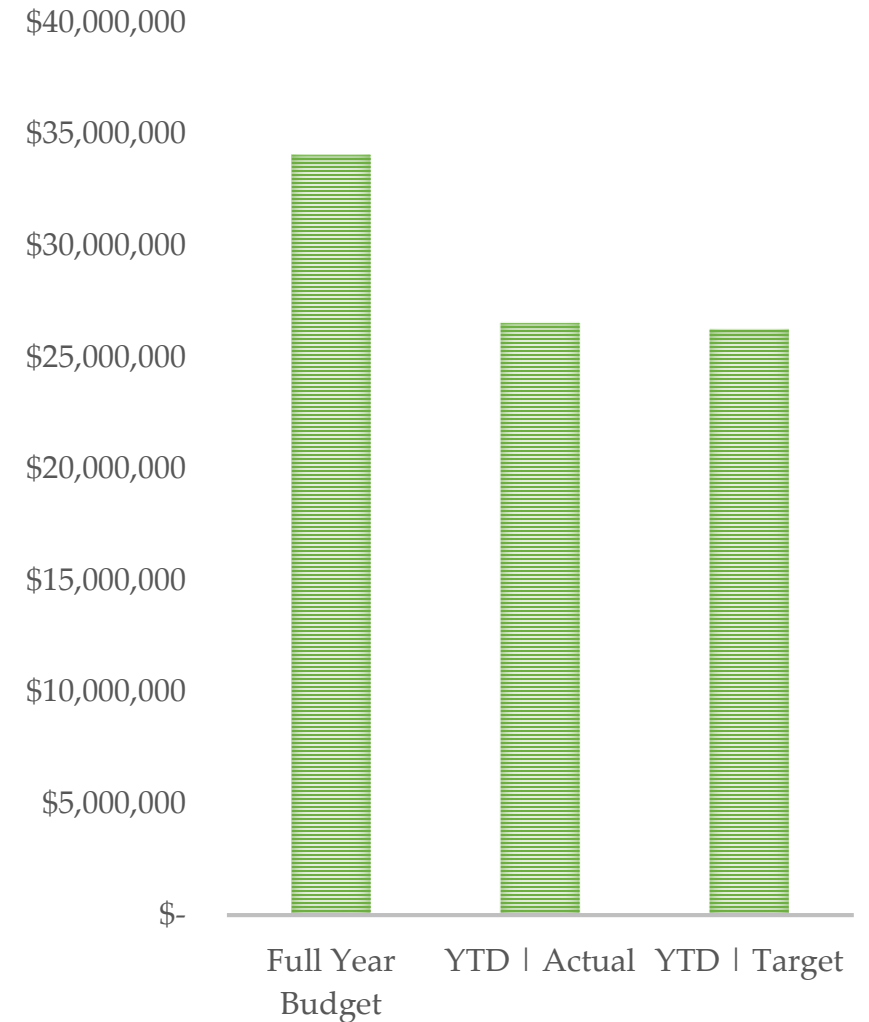
# 2<sup>nd</sup> Quarter 2016 – Highlights

## General Fund Revenues

	1 <sup>st</sup> Quarter		2 <sup>nd</sup> Quarter	
	Target	Amount	Target	Amount
Full Year Budget	100%	\$34,055,204	100%	\$34,055,204
YTD   Actual	36%	12,360,521	78%	26,526,666
YTD   Target	39%	13,281,530	77%	26,233,447
Variance	-3%	(921,009)	+1%	293,219

### Key Points:

- Mixed results in individual areas, but overall revenues are meeting expectations to date
- Full Year Projection | **On Target**
- Significant Dates:
  - Permitting | Summer months
  - Business Taxes | October



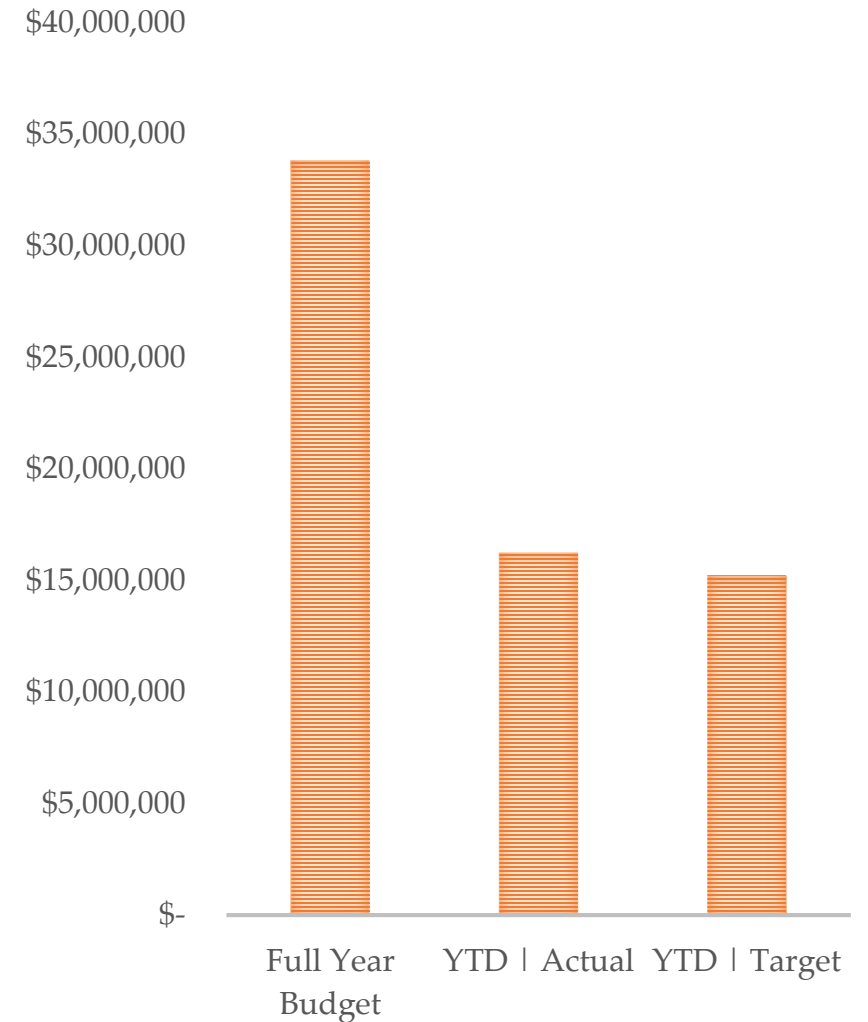
# 2<sup>nd</sup> Quarter 2016 – Highlights

## General Fund Expenditures

	1 <sup>st</sup> Quarter		2 <sup>nd</sup> Quarter	
	Target	Amount	Target	Amount
Full Year Budget	100%	\$33,820,550	100%	\$33,820,550
YTD   Actual	19%	6,291,005	42%	15,239,288
YTD   Target	20%	6,764,110	48%	16,275,717
Variance	1%	473,105	+6%	1,036,429

### Key Points:

- Better than expected winter expenses
- Payroll and related under budget
- Timing difference between budget vs actual in paying retiree healthcare (PAYGO) portion of OPEB; will correct itself in September (this is almost \$900,000 of the variance)
- Full Year Projection | **On Target**



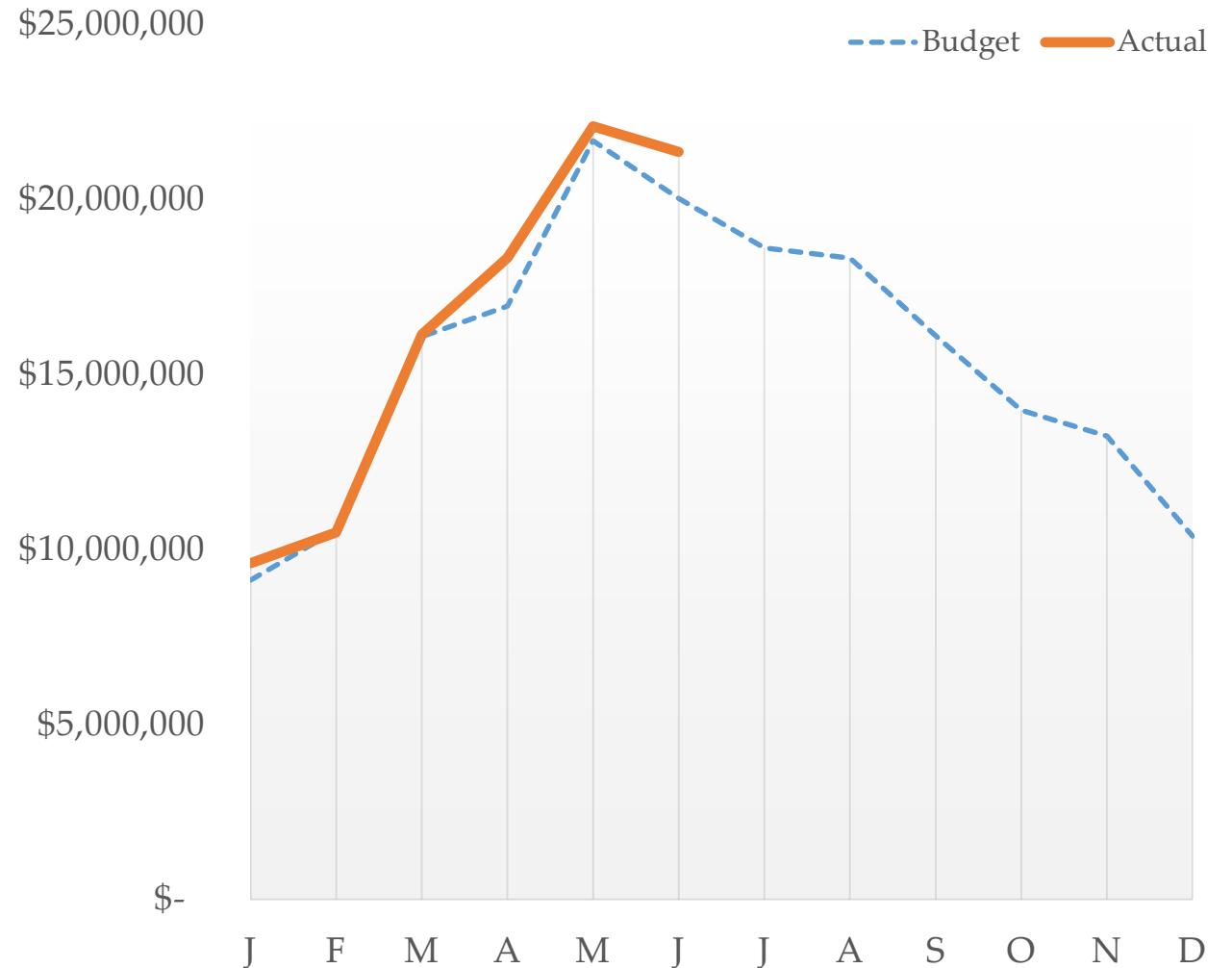
# 2<sup>nd</sup> Quarter 2016 – Highlights

## General Fund Net Revenues and Cash Balance Projection

	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter
Full Year Budget	\$234,654	\$234,654
YTD   Actual	6,069,516	11,287,378
YTD   Target	6,517,420	9,957,730
Variance	(447,904)	1,329,648

### Take Away:

- Net Revenue variance grew in the 2<sup>nd</sup> Quarter as a result of positive revenue and expense performance during the quarter
- Note: The OPEB timing difference, expenses are still expected to meet target
- Full Year Projection | **On Target**



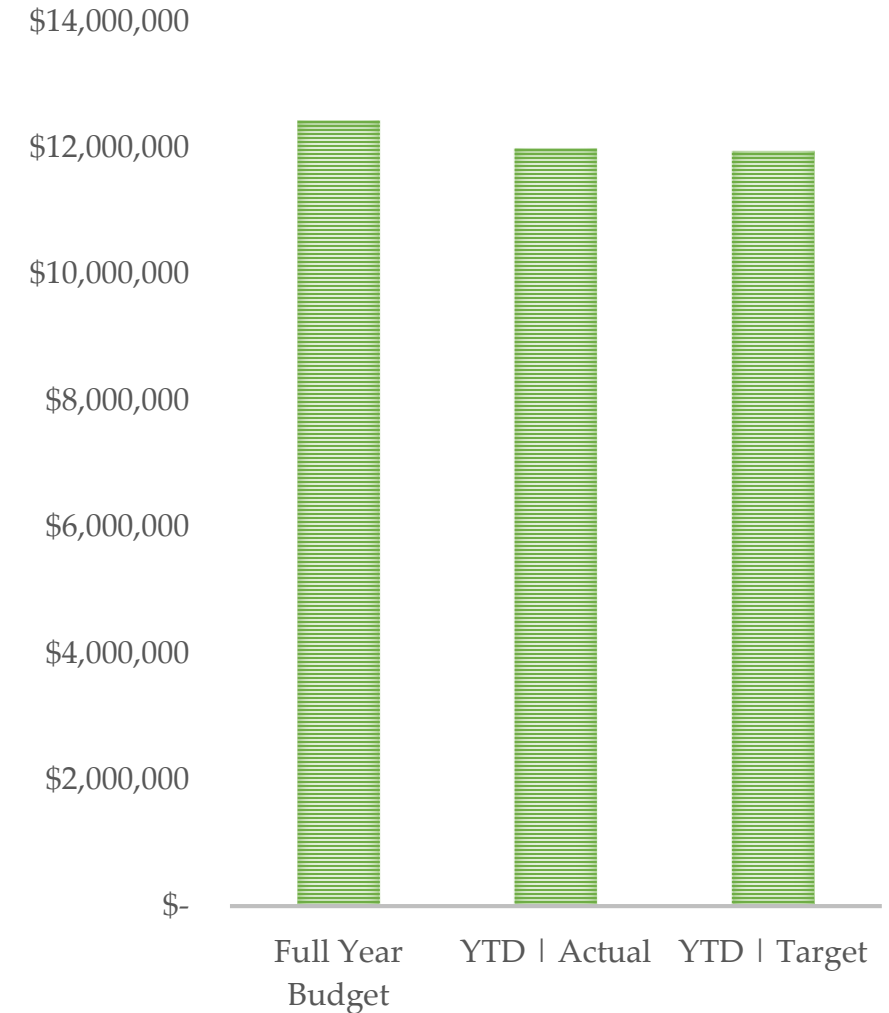
# 2<sup>nd</sup> Quarter 2016 – Highlights

## Real Estate Taxes

	1 <sup>st</sup> Quarter		2 <sup>nd</sup> Quarter	
	Target	Amount	Target	Amount
Full Year Budget	100%	\$12,430,304	100%	\$12,430,304
YTD   Actual	70%	8,672,716	96%	11,993,498
YTD   Target	80%	9,944,243	96%	11,946,295
Variance	-10%	(1,271,527)	- %	(47,203)

### Key Points:

- Collections are meeting expectations
- Large escrow timing difference reported in Q1 corrected
- Due date was May 31
- Full Year Projection | **On Target**



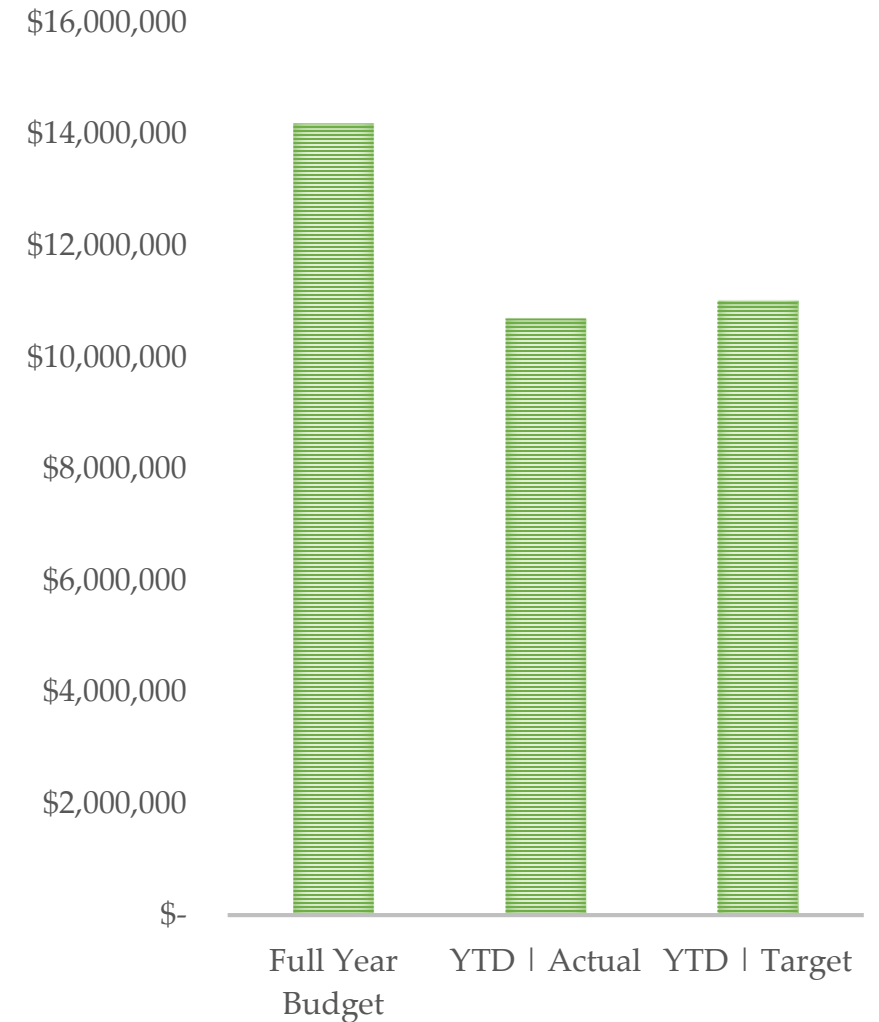
# 2<sup>nd</sup> Quarter 2016 – Highlights

## Act 511 Taxes

	1 <sup>st</sup> Quarter		2 <sup>nd</sup> Quarter	
	Target	Amount	Target	Amount
Full Year Budget	100%	\$14,188,044	100%	\$14,188,044
YTD   Actual	14%	1,987,688	75%	10,693,149
YTD   Target	14%	1,986,326	78%	11,016,501
Variance	- %	1,362	-3%	(323,352)

### Key Points:

- BPT (non-audit) is lagging by **\$280,000**
- Mercantile (non-audit) is lagging by **\$55,000**
- Real Estate Transfer is lagging by **\$97,000**
- Audit is exceeding expectations by **\$200,000** (after refunds)
- LST is exceeding expectations by **\$31,000**
- Full Year Projection | **Will Miss Expectations by 2% +/-**





# 2<sup>nd</sup> Quarter 2016 – Highlights

## All Other General Fund Revenue

	1 <sup>st</sup> Quarter		2 <sup>nd</sup> Quarter	
	Target	Amount	Target	Amount
Full Year Budget	100%	\$7,436,856	100%	\$7,436,856
YTD   Actual	23%	1,613,632	52%	3,900,019
YTD   Target	18%	1,284,634	44%	3,270,651
Variance	5%	328,998	+8%	629,368

### Key Points:

- Building and related permitting is strong to-date as a result of significant development projects (one-time in nature)
- Recreation revenue is strong to-date
- Police enforcement and Parking are lagging
- Cable franchise is lagging
- Full Year Projection | **Expected to exceed expectations by 10% +/-**



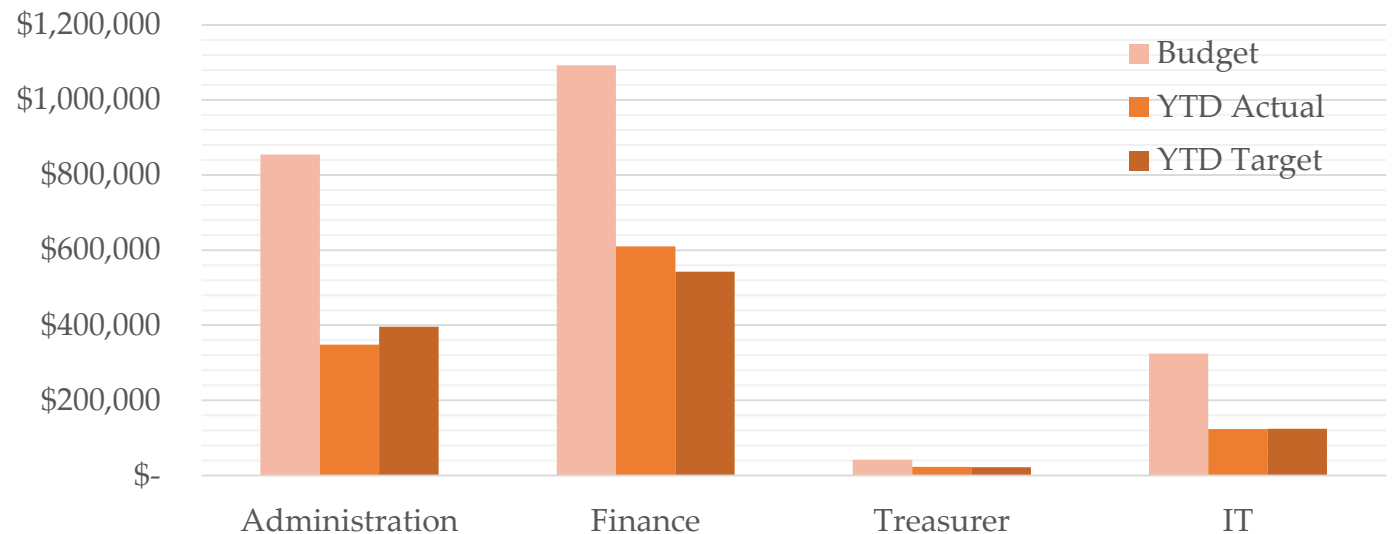
# 2<sup>nd</sup> Quarter 2016 – Highlights

## General Government Expenditures

	Target %	Budget	YTD Actual	YTD Target	Variance
Administration	46%	\$854,505	\$348,313	\$396,557	\$48,244
Finance	56%	1,092,765	609,641	542,382	(67,259)
Treasurer	55%	41,362	22,559	22,270	(289)
IT	38%	324,627	123,363	124,321	959

### Key Points:

- **Administration** | Contractual services are over budget while legal expenses are under budget (to date)
- **Finance** | Act 511 legal and audit expenses are ahead of 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).



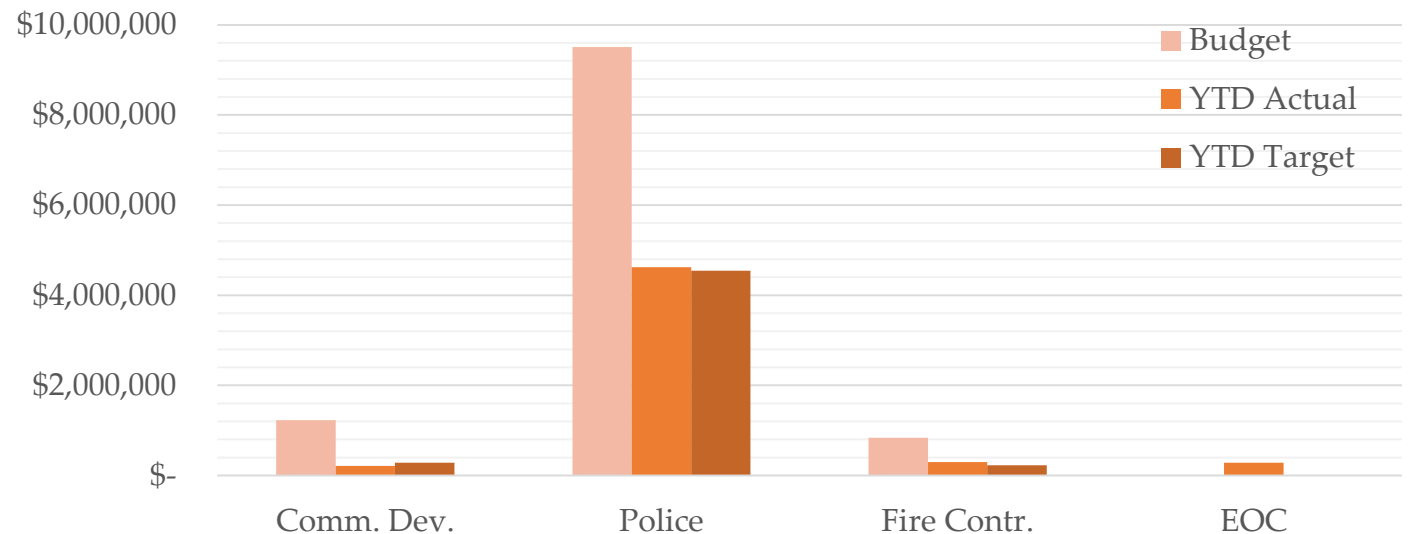
# 2<sup>nd</sup> Quarter 2016 – Highlights

## Protection to Persons and Property

	Target %	Budget	YTD Actual	YTD Target	Variance
Community Dev.	23%	\$1,228,121	\$440,629	\$548,922	\$108,293
Police	19%	9,509,584	4,624,740	4,541,029	(83,711)
Fire Contributions	14%	839,855	299,127	227,845	(71,282)
Emerg. Ops. Center	0%	-	280,735	-	(280,735)

### Key Points:

- **Comm. Dev** | Payroll and contracted services are below budget
- **Police** | Workers Comp payout (\$110,000) is causing neg. variance
- **Fire Contributions** | Insurance is higher than budgeted, timing diff. in RFC contributions.
- **EOC** | Includes Blizzard and Villanova Final Four exp: VU has reimbursed Twp. for the overtime costs incurred.



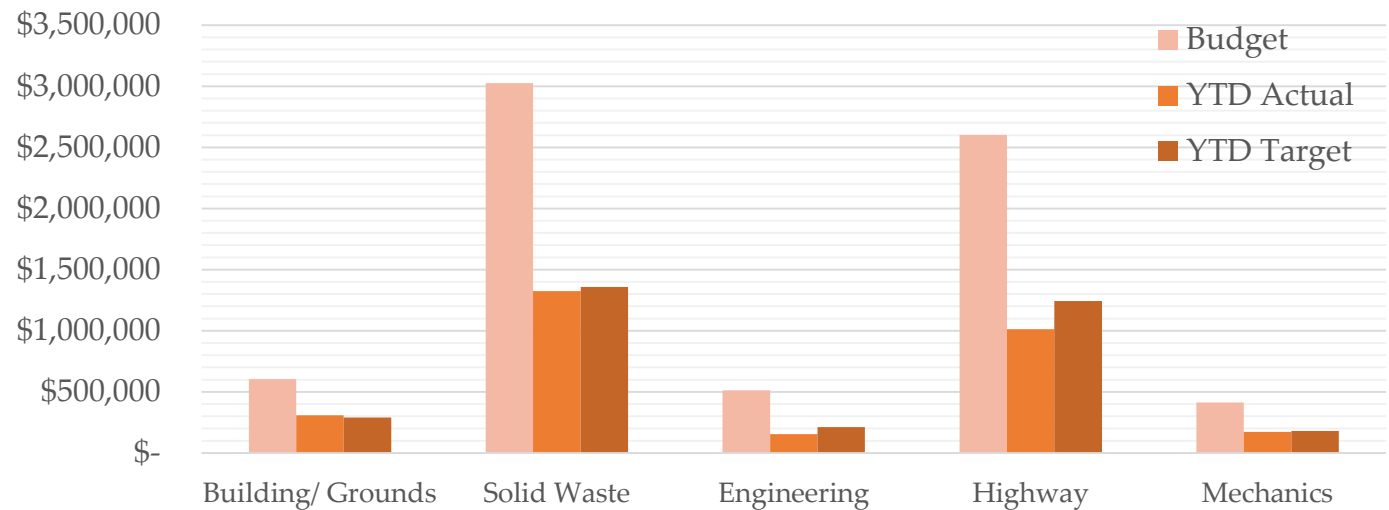
# 2<sup>nd</sup> Quarter 2016 – Highlights

## Public Works

	Target %	Budget	YTD Actual	YTD Target	Variance
Building/ Grounds	28%	\$604,020	\$307,827	\$290,287	\$(17,540)
Solid Waste/ Recycling	21%	3,025,942	1,322,955	1,357,064	34,109
Engineering <small>(net of escrow)</small>	19%	556,329	154,379	211,931	57,552
Highway	25%	2,600,454	1,011,828	1,244,111	232,283
Mechanics	21%	412,541	172,555	181,316	8,760

### Key Points:

- **Building/Grounds** | Higher overtime and Twp. Building repairs to-date
- **Engineering** | Escrow reimb. are better than expected to-date
- **Highway** | Significantly lower snow/ice costs in 2016 versus prior years (still have \$177K unspent; usually this is already overspent)



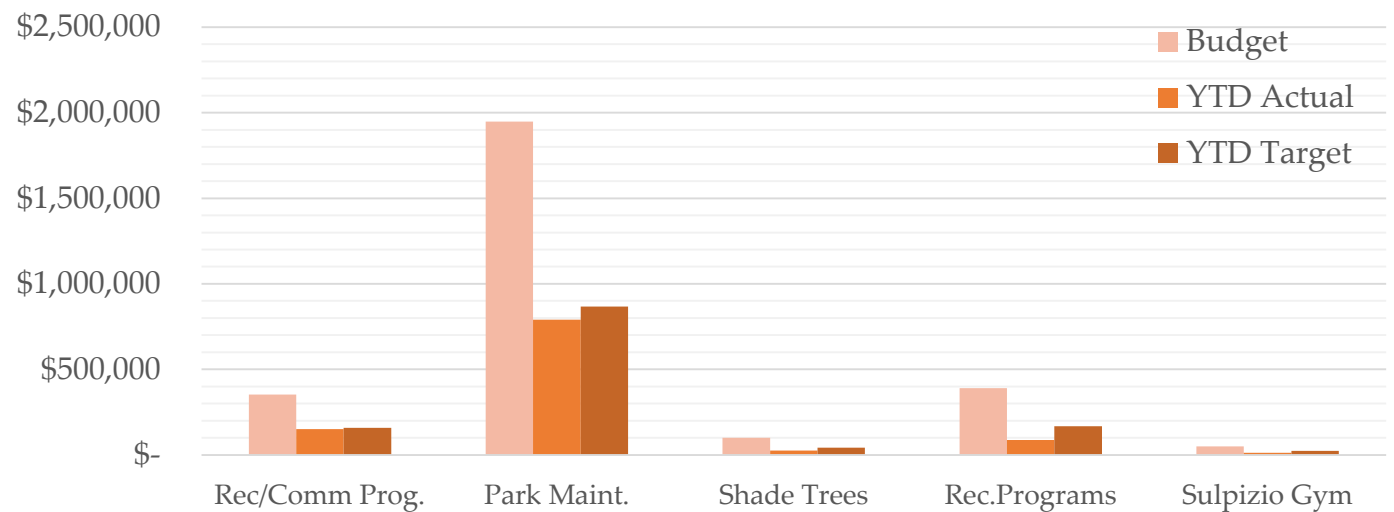
# 2<sup>nd</sup> Quarter 2016 – Highlights

## Parks and Recreation

	Target %	Budget	YTD Actual	YTD Target	Variance
Recreation / Community Programming Admin.	21%	\$352,376	\$151,539	\$158,260	\$6,721
Park Maintenance	21%	1,947,174	790,010	867,537	77,527
Shade Trees	4%	100,000	26,250	43,091	16,841
Recreation Programs	26%	391,020	87,549	167,721	80,173
Sulpizio Gym	17%	50,605	12,465	23,234	10,770

### Key Points:

- **Park Maint** | lower payroll and EE healthcare along with lower supply costs to date versus expectations
- **Shade Trees** | Actual exp. is dependent on the timing of dangerous trees
- **Recreation Programs** | Variance is the result of timing diff in program expenses versus prior year trends



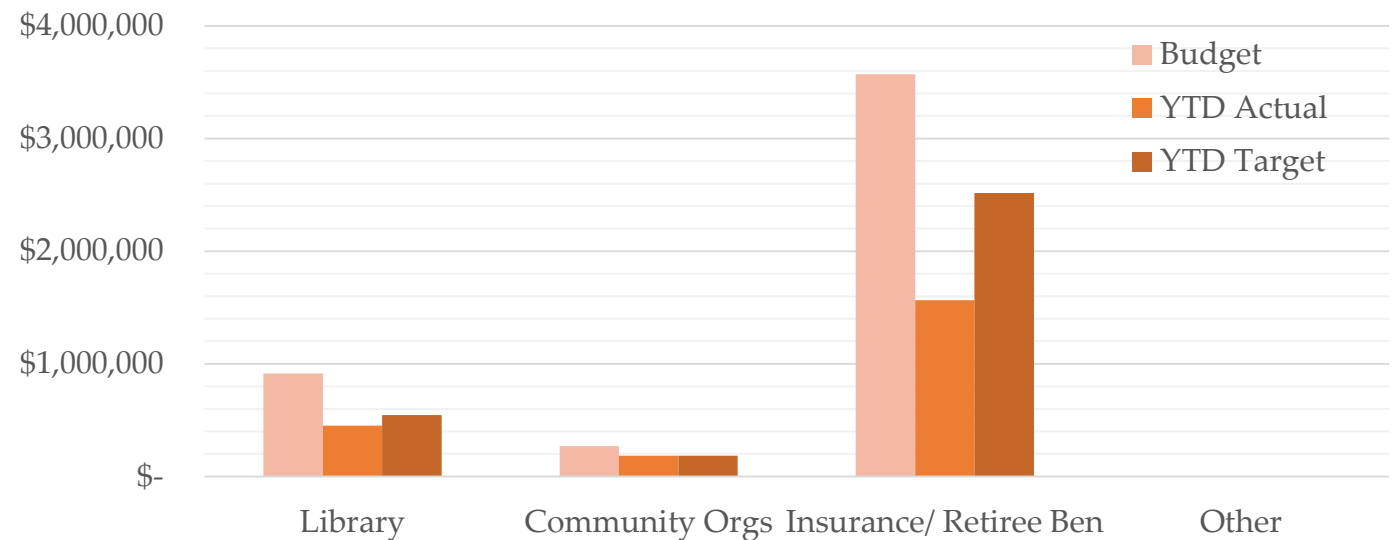
# 2<sup>nd</sup> Quarter 2016 – Highlights

## All Other General Fund Expenditures

	Target %	Budget	YTD Actual	YTD Target	Variance
Library	25%	\$915,221	\$452,360	\$454,058	\$1,698
Community Orgs	46%	270,194	182,954	184,533	1,579
Insurance / Retiree Ben.	2%	3,570,535	1,566,084	2,515,545	949,462
Other	13%	3,600	1,078	397	(681)

### Key Points:

- Insurance / Retiree Benefits** | The retiree medical expense is now accounted for out of the OPEB fund instead of General Fund. Therefore, the budgeted amount in this category will be expensed as OPEB contributions are made (from General to OPEB, similar to Pension's MMO). By year end, actual and budget will be aligned.



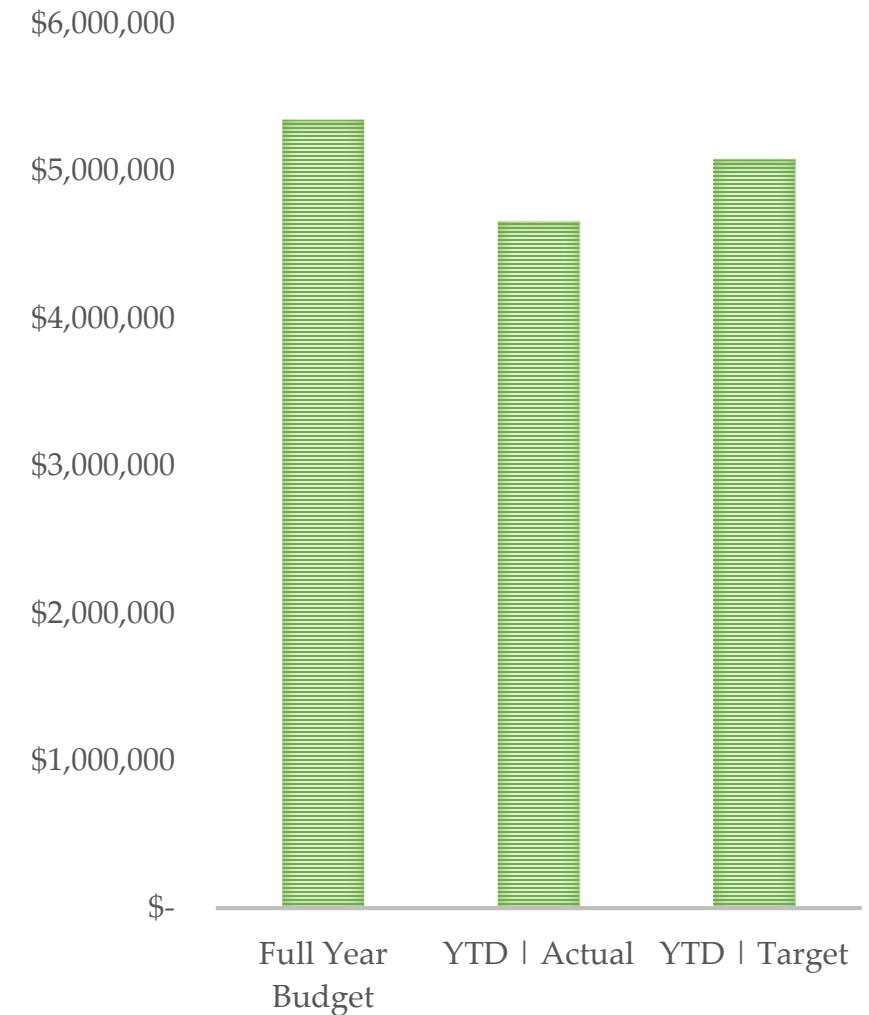
# 2<sup>nd</sup> Quarter 2016 – Highlights

## Sanitary Sewer Fund (#02) Revenues

	1 <sup>st</sup> Quarter		2 <sup>nd</sup> Quarter	
	Target	Amount	Target	Amount
Full Year Budget	100%	\$5,344,991	100%	\$5,344,991
YTD   Actual	0%	23,426	87%	4,655,450
YTD   Target	1%	53,450	95%	5,077,741
Variance	-1%	(30,024)	-8%	(422,291)

### **Key Points:**

- Collections are lagging expectations by a wide margin as a result of lower than budget water consumption in 2015.
- RHM Expenses should trend in the same direction as water consumption which will offset some of the variance
- Remainder of the variance will be made up from pulled back operating or capital spending



# 2<sup>nd</sup> Quarter 2016 – Highlights

## Stormwater Fund (#04) Revenues

	1 <sup>st</sup> Quarter		2 <sup>nd</sup> Quarter	
	Target	Amount	Target	Amount
Full Year Budget	100%	\$1,069,500	100%	\$1,069,500
YTD   Actual	97%	1,039,400	102%	1,086,335
YTD   Target	95%	1,016,025	97%	1,037,415
Variance	+2%	23,375	+5%	48,920

### Key Points:

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





# Q2 Results and FY 2016 Financial Outlook

Thank you

