

Q2 Results and FY 2017 Financial Outlook

Radnor Township | July 17, 2017

Agenda

- General Fund
 - 2nd Quarter FY 2017 Results
 - Full year projection
 - Year over Year Comparison Summary Graphs
- Sanitary Sewer Fund Revenue Look
- Stormwater Fund Revenue Look
- Pension Fund Asset Performance (YTD)

General Fund Summary

- **Revenues** | Overall, revenues are trending ahead of expectations with mixed results
 - Taxes, on the aggregate, are at or above targets
 - Development (permits) revenues continue to be very strong
 - Recreation revenues are hitting their marks
 - Police enforcement and Parking revenues continue to lag expectations
- **Expenditures** | Overall, expenditures are in-line with expectations to-date in spite of a large variance in Engineering
 - On the aggregate, departmental spending is less than budgeted
 - Payroll and related costs are below budget by \$253,000
 - Large variances in Engineering department due to catch-up payments in Q1; Escrow reimbursements are lagging but expected to be corrected by year's end.

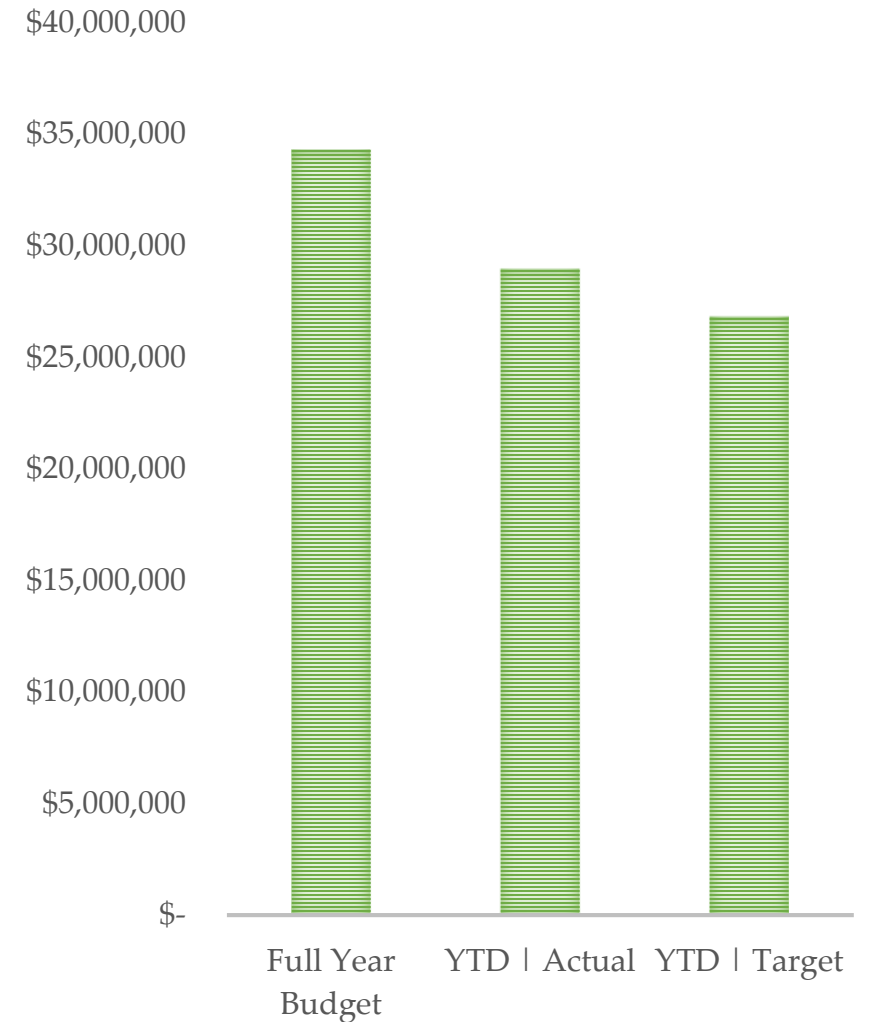
2nd Quarter 2017 – Highlights

General Fund Revenues

	Q1 YTD		Q2 YTD	
	Target	Amount	Target	Amount
Full Year Budget	100%	\$34,299,993	100%	\$34,299,993
YTD Actual	46%	15,936,608	84%	28,964,385
YTD Target	36%	12,279,461	78%	26,825,524
Variance	10%	3,657,147	6%	2,138,861

Key Points:

- Mixed results in departmental areas, taxes are strong almost across the board, permitting strong
- Full Year Projection | **Ahead of Expectations by 6% +/-**
- Significant Dates:
 - Permitting | Summer months
 - Business Taxes | October



2nd Quarter 2017 – Highlights

General Fund Expenditures

	Q1 YTD		Q2 YTD	
	Target	Amount	Target	Amount
Full Year Budget	100%	\$34,851,925	100%	\$34,851,925
YTD Actual	17%	6,086,299	47%	16,090,902
YTD Target	17%	5,892,566	46%	16,013,640
Variance	-0%	(193,733)	-1%	(77,262)

Key Points:

- Large positive variance from payroll savings;
- However, Engineering has a large negative variance due to large catch-up expense in Feb/March to pay for 2016 services. Escrow reimbursement will need to catch up as well, working on that currently.
- Full Year Projection | **On Target**



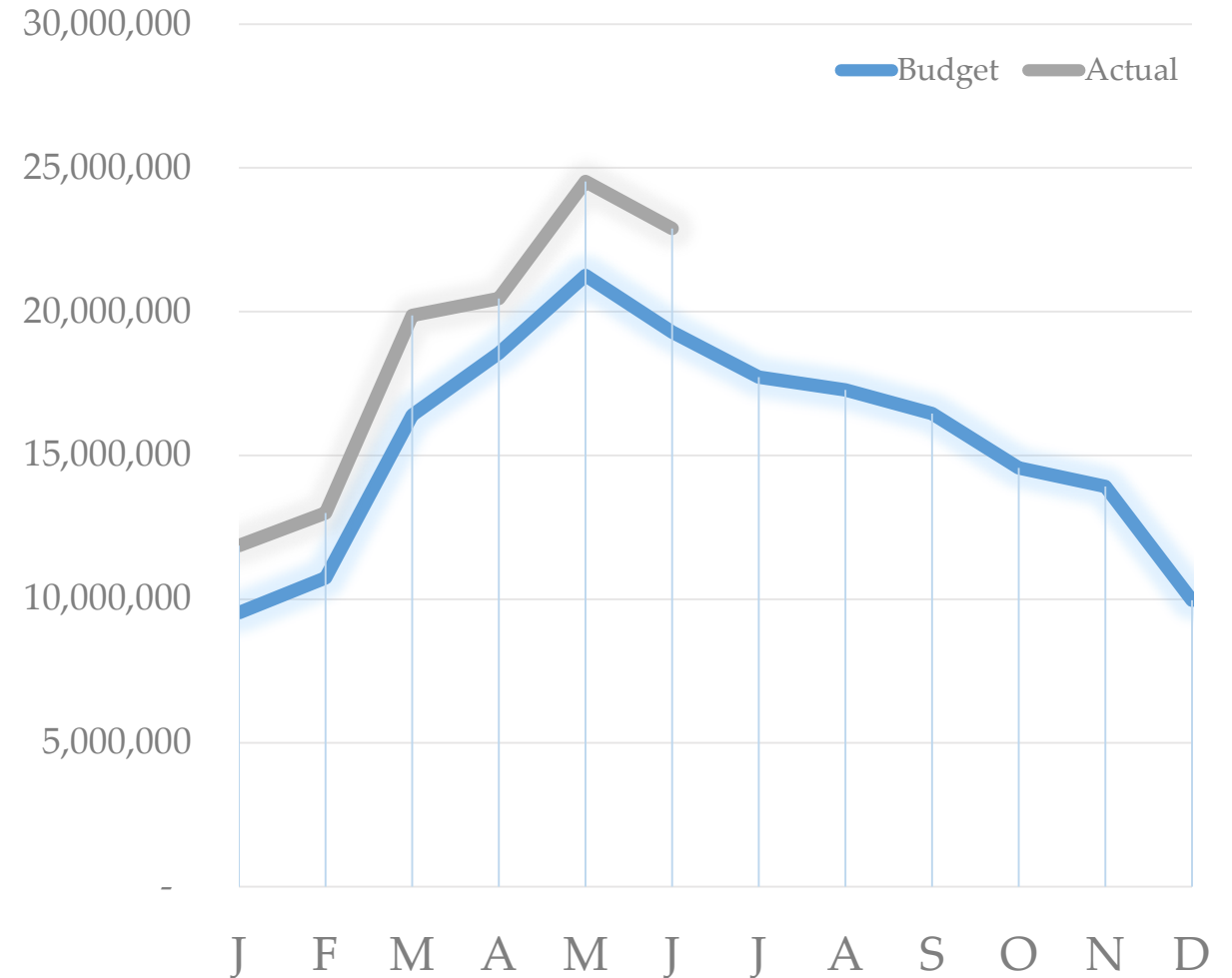
2nd Quarter 2017 – Highlights

General Fund Net Revenues and Cash Balance Projection

	Q1 YTD	Q2 YTD
Full Year Budget	\$(551,932)	\$(551,932)
YTD Actual	19,864,014	22,887,188
YTD Target	16,400,600	19,287,692
Variance	3,463,414	3,599,496

Take Away:

- Note that the negative net revenue is due to carry forward encumbrances from 2016. The 2017 Budget has a positive net revenue of \$84,914
- Full Year Projection | **Ahead of Target**



2nd Quarter 2017 – Highlights

Real Estate Taxes

	Q1 YTD		Q2 YTD	
	Target	Amount	Target	Amount
Full Year Budget	100%	\$12,502,305	100%	\$12,502,305
YTD Actual	87%	10,823,141	97%	12,147,197
YTD Target	70%	8,703,718	96%	11,984,032
Variance	17%	2,119,423	1%	163,165

Key Points:

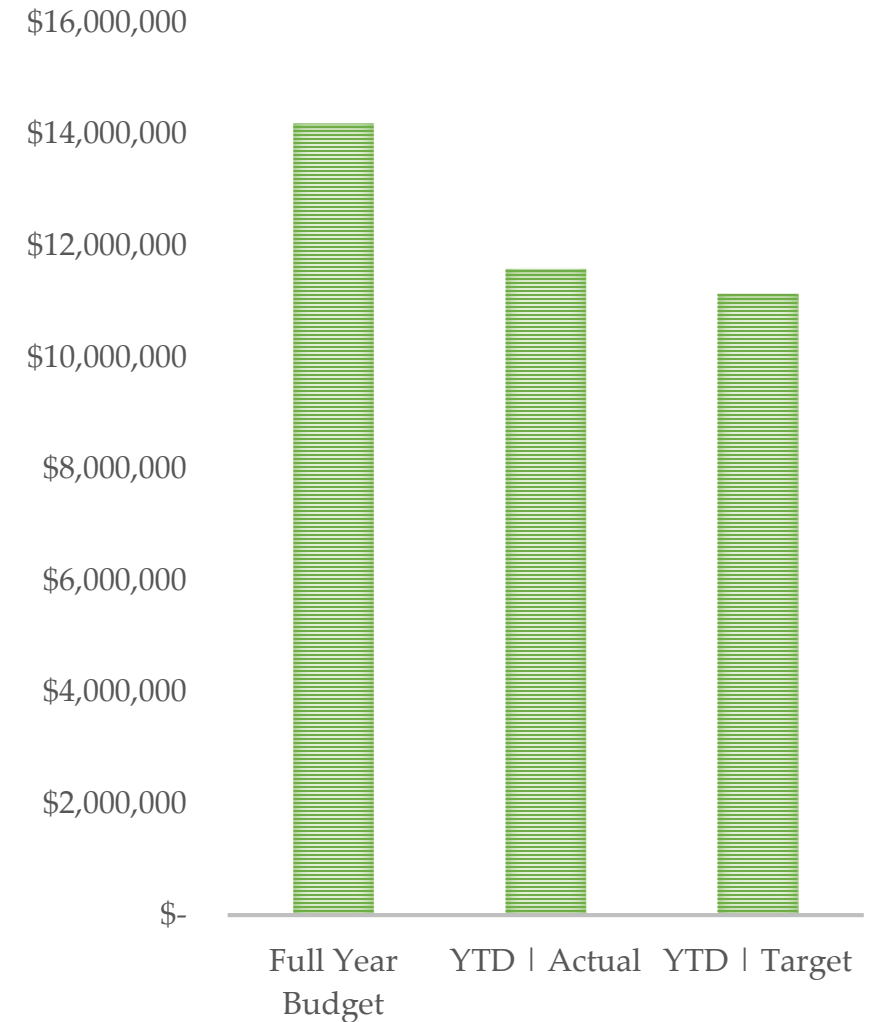
- Collections are meeting expectations
- Large escrow timing difference reported in Q1 corrected
- Due date was May 31
- Full Year Projection | **On Target**



2nd Quarter 2017 – Highlights

Act 511 Taxes

	Q1 YTD		Q2 YTD	
	Target	Amount	Target	Amount
Full Year Budget	100%	\$14,189,788	100%	\$14,189,788
YTD Actual	15%	2,124,237	82%	11,584,702
YTD Target	14%	1,981,328	78%	11,134,464
Variance	1%	142,909	4%	450,238



Key Points:

- BPT (non-audit) is exceeding expectations by **\$174,468**
- Real Estate Transfer is exceeding expectations by **\$274,171**
- Audit is exceeding expectations by **\$210,625** (after refunds)
- LST is exceeding expectations by **\$36,821**
- Mercantile (non-audit) is lagging by **\$227,129**
- Full Year Projection | **Expected to Beat Expectations by 3% +/-**

2nd Quarter 2017 – Highlights

All Other General Fund Revenue

	Q1 YTD		Q2 YTD	
	Target	Amount	Target	Amount
Full Year Budget	100%	\$7,607,900	100%	\$7,607,900
YTD Actual	39%	2,989,230	69%	5,232,486
YTD Target	21%	1,594,415	49%	3,707,028
Variance	18%	1,394,815	20%	1,525,458

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
- Engineering Escrow is lagging (will catch up by year-end)
- Police enforcement and Parking are lagging
- Cable franchise is lagging
- Full Year Projection | **Expected to Beat Expectations by 20% +/-**



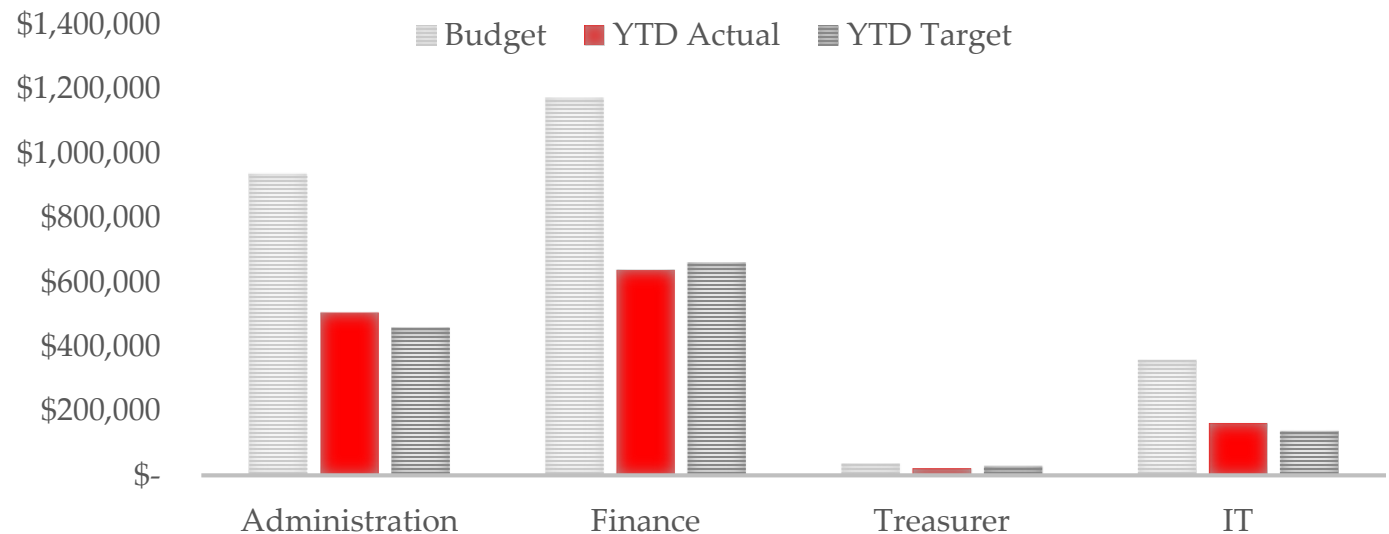
2nd Quarter 2017 – Highlights

General Government Expenditures

	Target %	Budget	YTD Actual	YTD Target	Variance
Administration	49%	\$936,222	\$505,512	\$460,383	\$(45,129)
Finance	56%	1,172,253	637,872	660,617	22,745
Treasurer	76%	38,995	22,774	29,636	6,862
IT	39%	359,983	163,053	139,397	(23,655)

Key Points:

- **Administration** | legal expenses and Miscellaneous are over budget (to date)
- **IT** | As reported in Q1, contracted services incurred an unplanned variance when additional services were needed due to the finance server crash (in January)



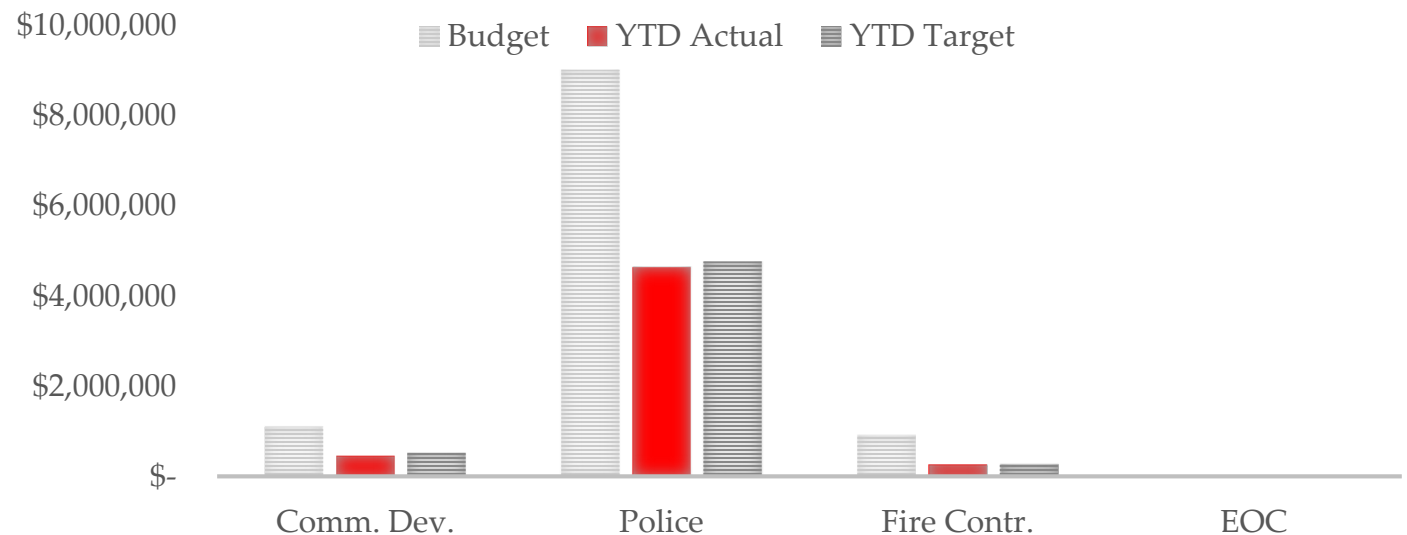
2nd Quarter 2017 – Highlights

Protection to Persons and Property

	Target %	Budget	YTD Actual	YTD Target	Variance
Community Dev.	48%	\$1,107,018	459,654	531,242	71,588
Police	53%	9,018,607	4,644,684	4,771,025	126,341
Fire Contributions	31%	923,363	266,591	282,585	15,995
Emerg. Ops. Center	n/a	-	-	-	-

Key Points:

- **Comm. Dev** | Payroll and contracted services are below budget
- **Police** | Payroll is under budget due to unfilled, budgeted position
- **Fire Contributions** | Timing diff. in RFC contributions.



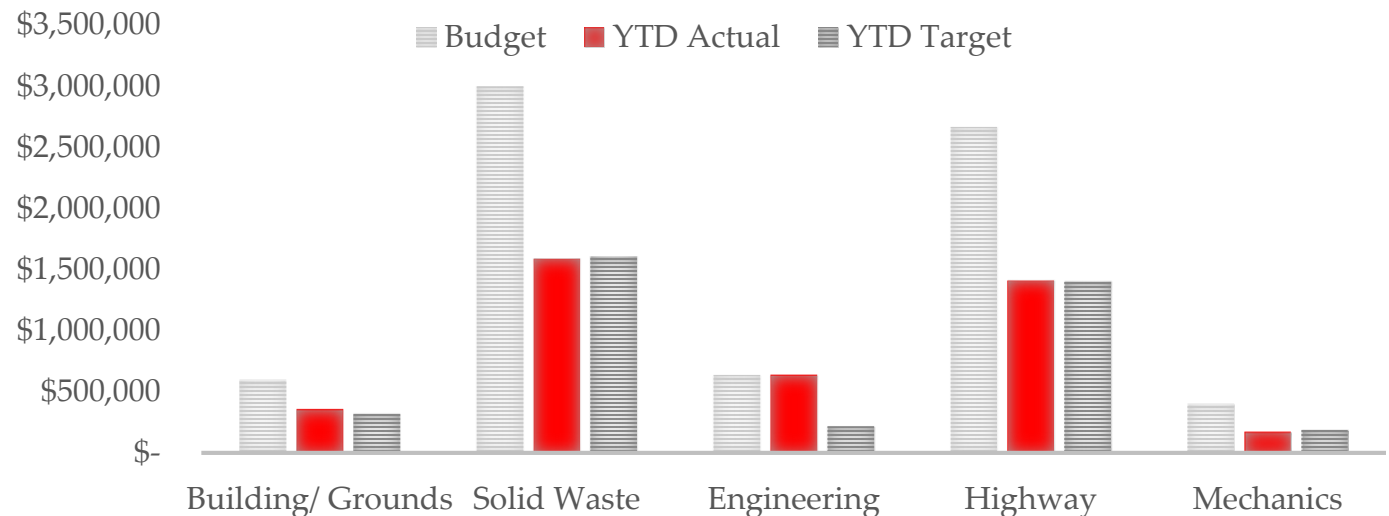
2nd Quarter 2017 – Highlights

Public Works

	Target %	Budget	YTD Actual	YTD Target	Variance
Building/ Grounds	54%	\$597,967	361,765	323,951	(37,814)
Solid Waste/ Recycling	54%	2,998,926	1,587,765	1,604,965	17,200
Engineering <small>(net of escrow)</small>	34%	638,060	641,447	218,979	(419,081)
Highway	53%	2,667,114	1,411,351	1,403,517	(7,833)
Mechanics	48%	403,894	174,144	191,921	17,778

Key Points:

- **Building/Grounds** | Higher overtime for Twp Bldg. cleaning
- **Engineering** | Engineering cont. serv. Catch-up payment Feb/March plus lagging escrow reimb. Causing variance
- **Highway** | Snow/Ice supplies and Traffic signal repairs causing variance



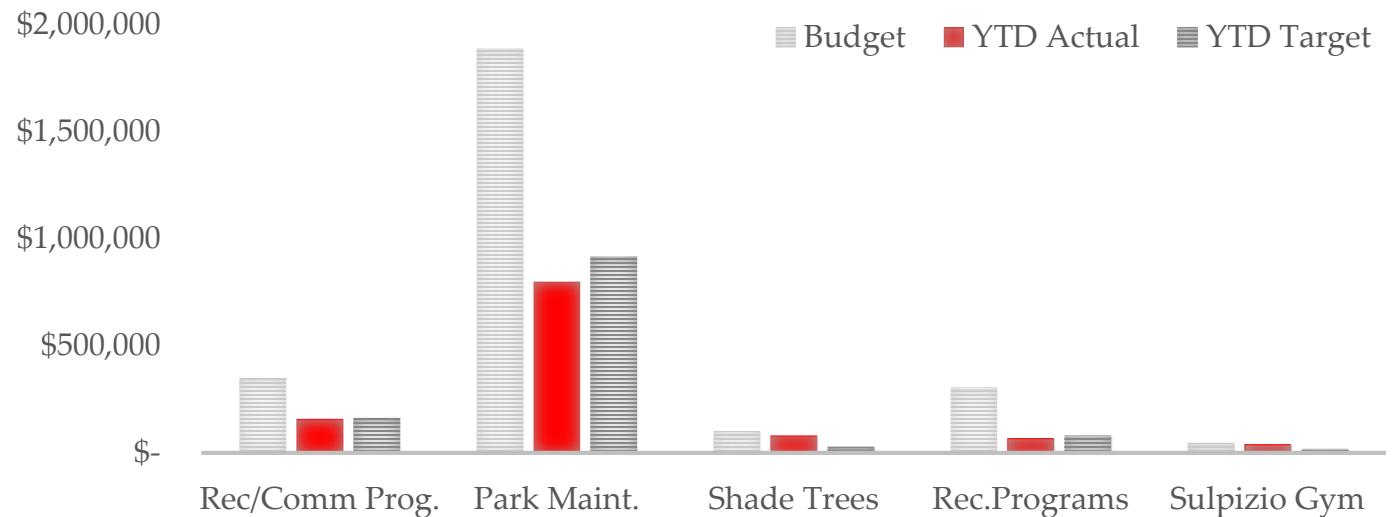
2nd Quarter 2017 – Highlights

Parks and Recreation

	Target %	Budget	YTD Actual	YTD Target	Variance
Recreation / Community Programming Admin.	47%	\$350,843	159,336	165,497	6,161
Park Maintenance	49%	1,887,275	799,390	918,435	119,046
Tree Removal	29%	103,125	81,880	29,697	(52,183)
Recreation Programs	30%	306,712	69,741	82,679	12,938
Sulpizio Gym	43%	48,354	41,840	20,649	(21,191)

Key Points:

- **Park Maint** | lower payroll due to vacant positions
- **Tree Removal** | Var. is from Harford Park project (\$25K) and emerg. tree removals
- **Sulpizio Gym** | Variance is due to overtime for cleaning



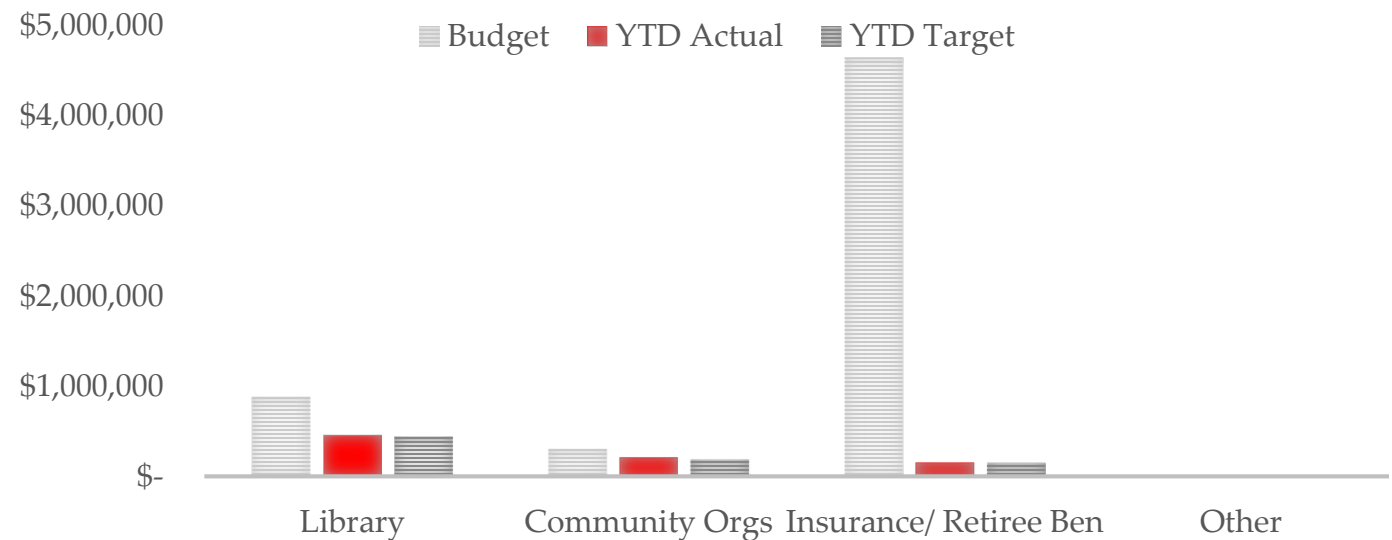
2nd Quarter 2017 – Highlights

All Other General Fund Expenditures

	Target %	Budget	YTD Actual	YTD Target	Variance
Library	50%	\$885,507	456,460	440,253	(16,206)
Community Orgs	62%	308,127	212,252	191,301	(20,951)
Insurance / Retiree Ben.	3%	4,652,449	154,624	152,799	(1,826)
Other	n/a	-	2,532	-	(2,532)

Key Points:

- **Library** | Still waiting on insurance reimb. for mold remediation (expected end of July)
- **Community Orgs** | Variance is from higher than budgeted parking revenue sharing
- **Insurance / Retiree Benefits** | Distribution of these funds will occur from July – December in six installments. Should be monthly, but due to the Munis Go-Live, the contributions were delayed.



General Fund (#01)
Q2 Financial Summary
YTD Comparison Graphs

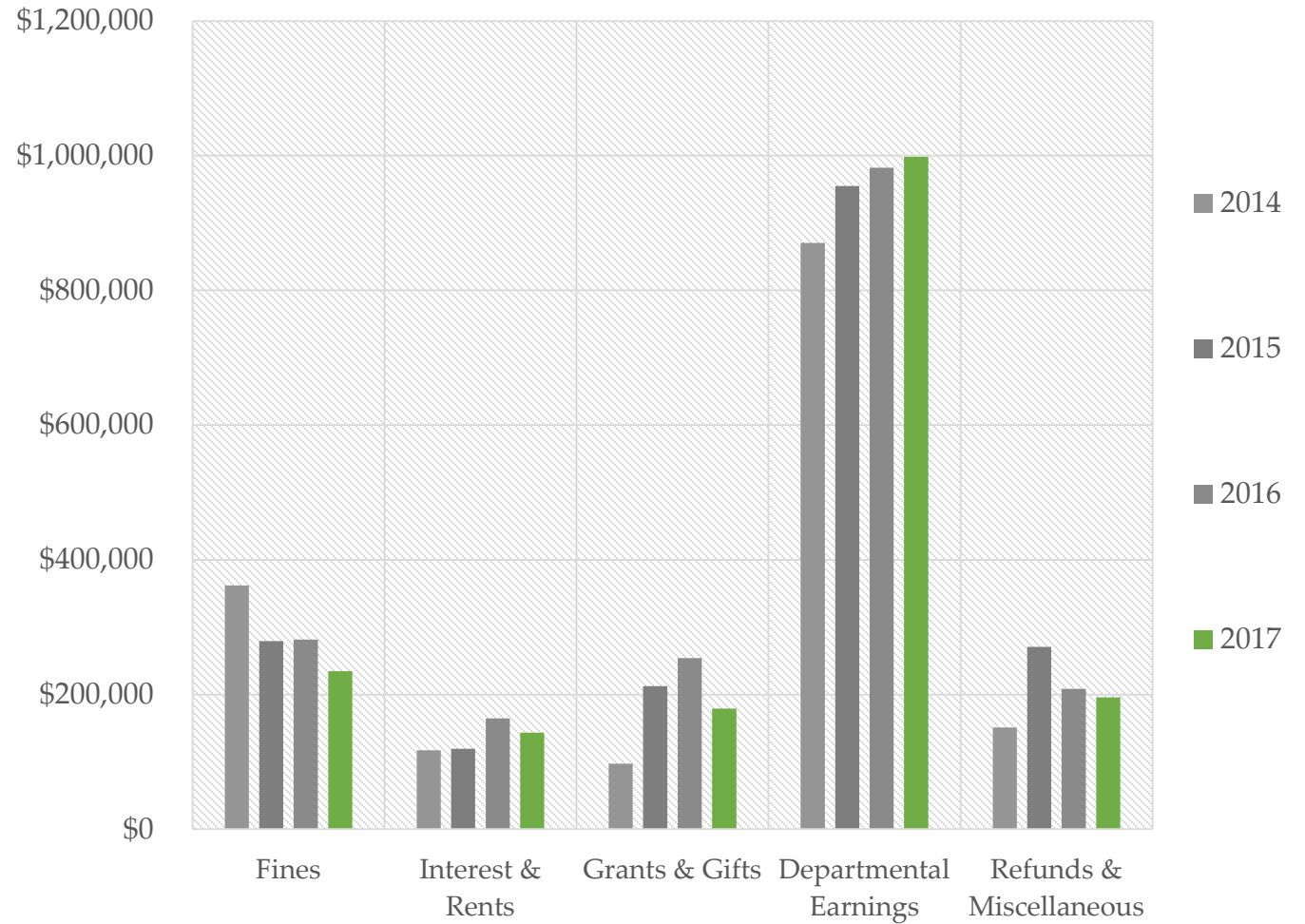
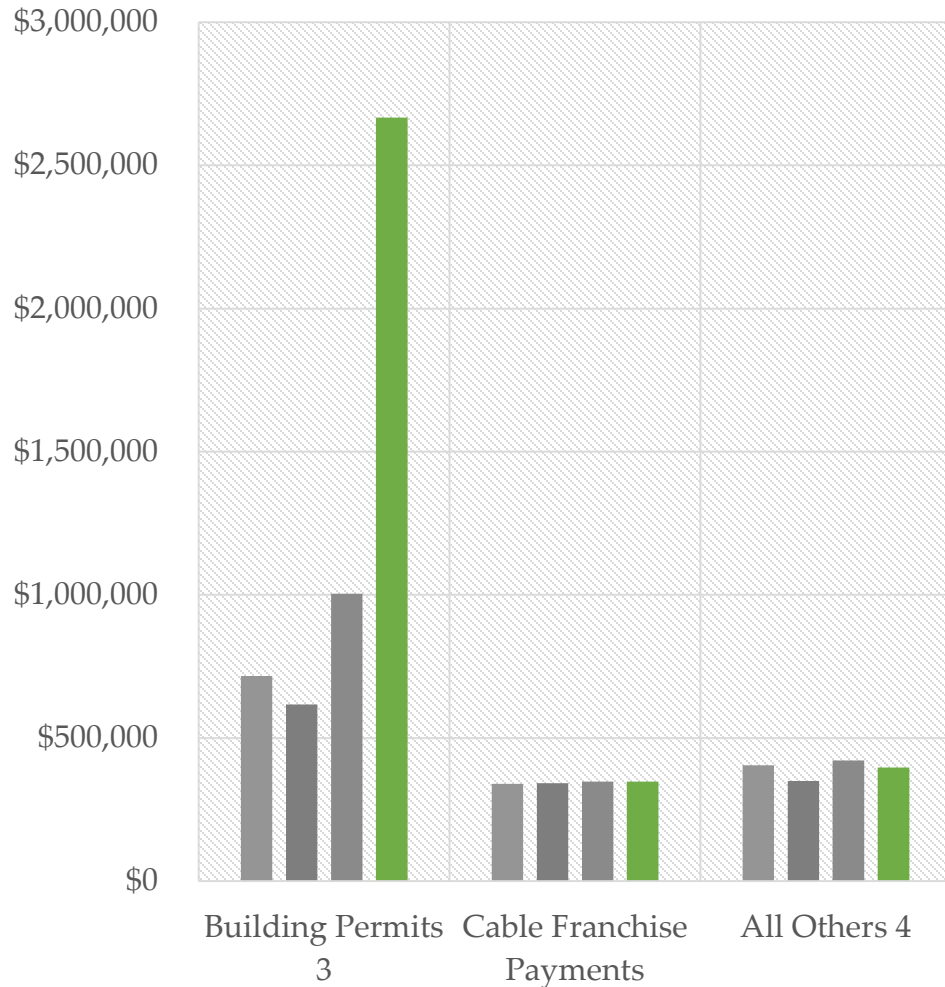
2nd Quarter 2017 – Highlights

YTD Year over Year Comparisons | Tax Revenue



2nd Quarter 2017 – Highlights

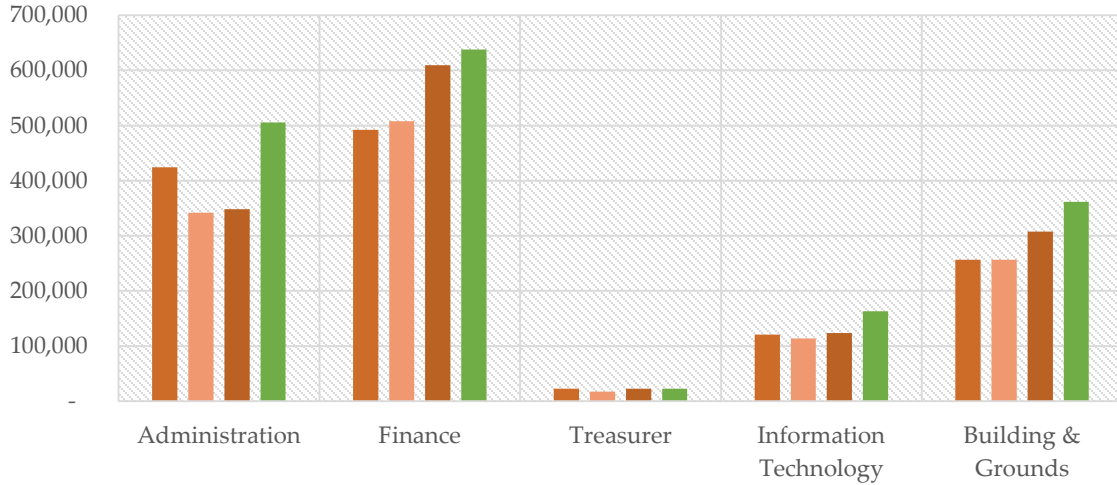
YTD Year over Year Comparisons | Non-Tax Revenues



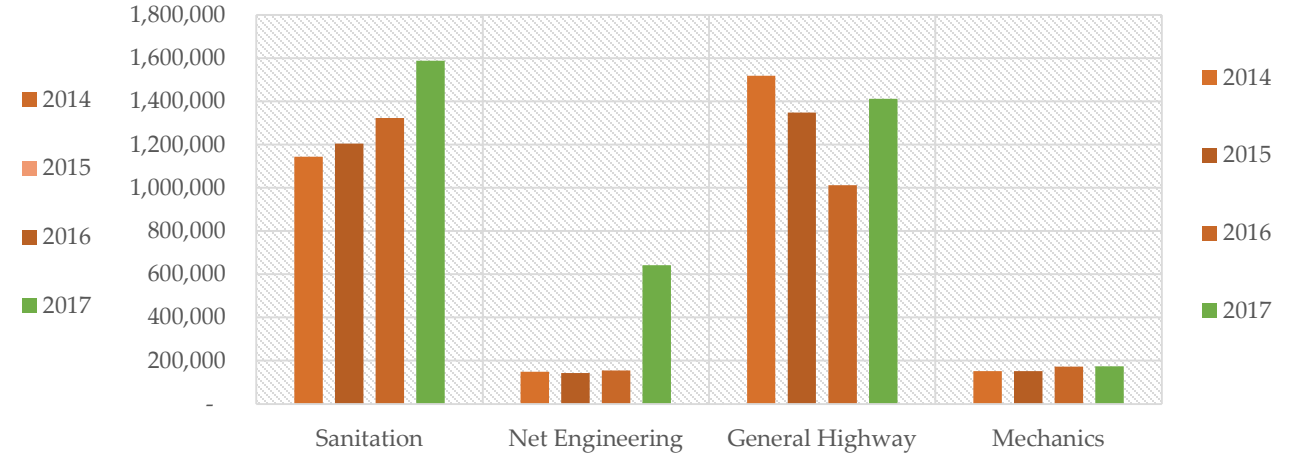
2nd Quarter 2017 – Highlights

YTD Year over Year Comparisons | Expenditures

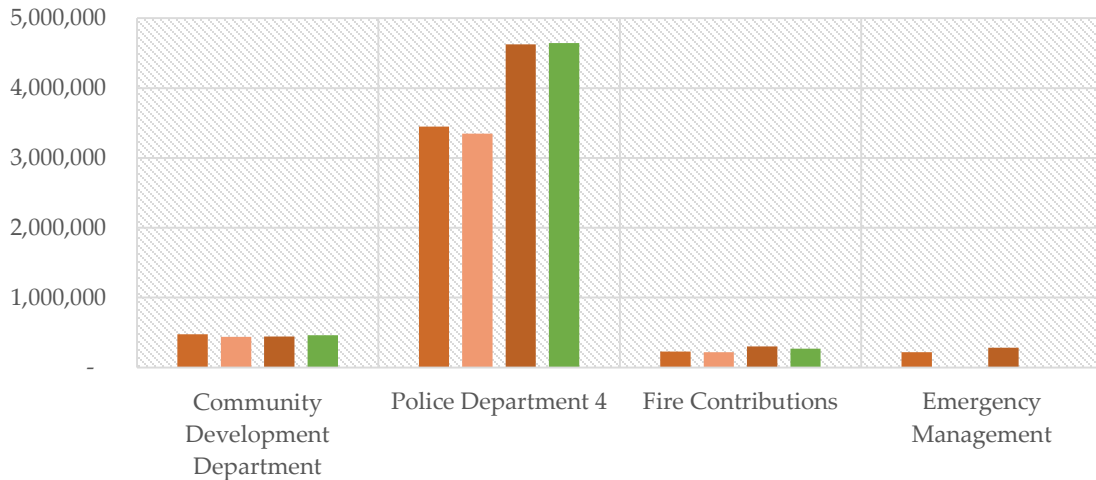
General Government



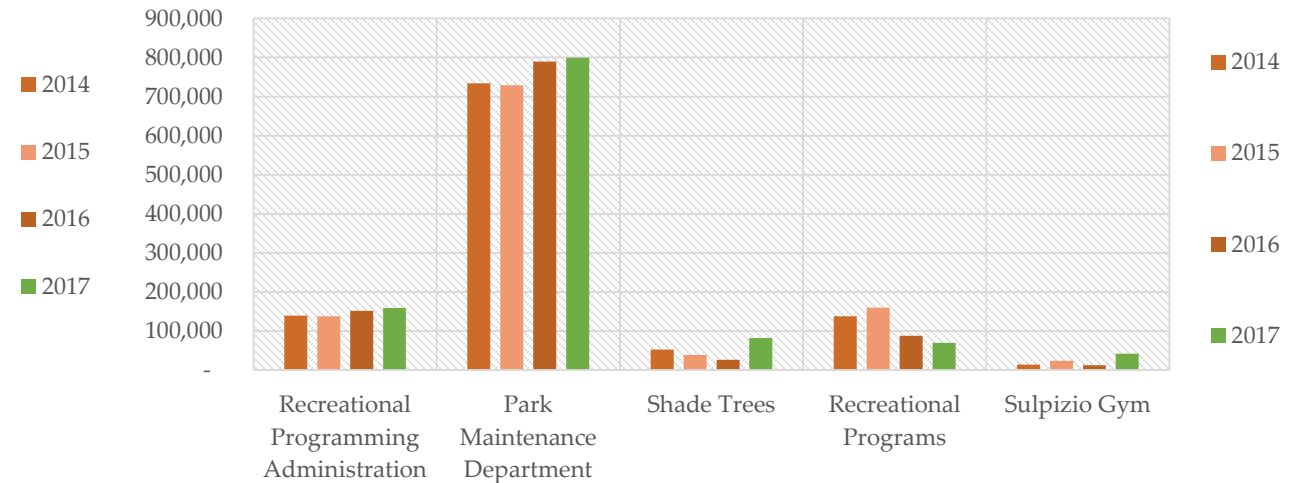
Public Works



Protection of Persons and Property



Parks and Recreation



2nd Quarter 2017 – Highlights

YTD Year over Year Comparisons | Expend / Summary

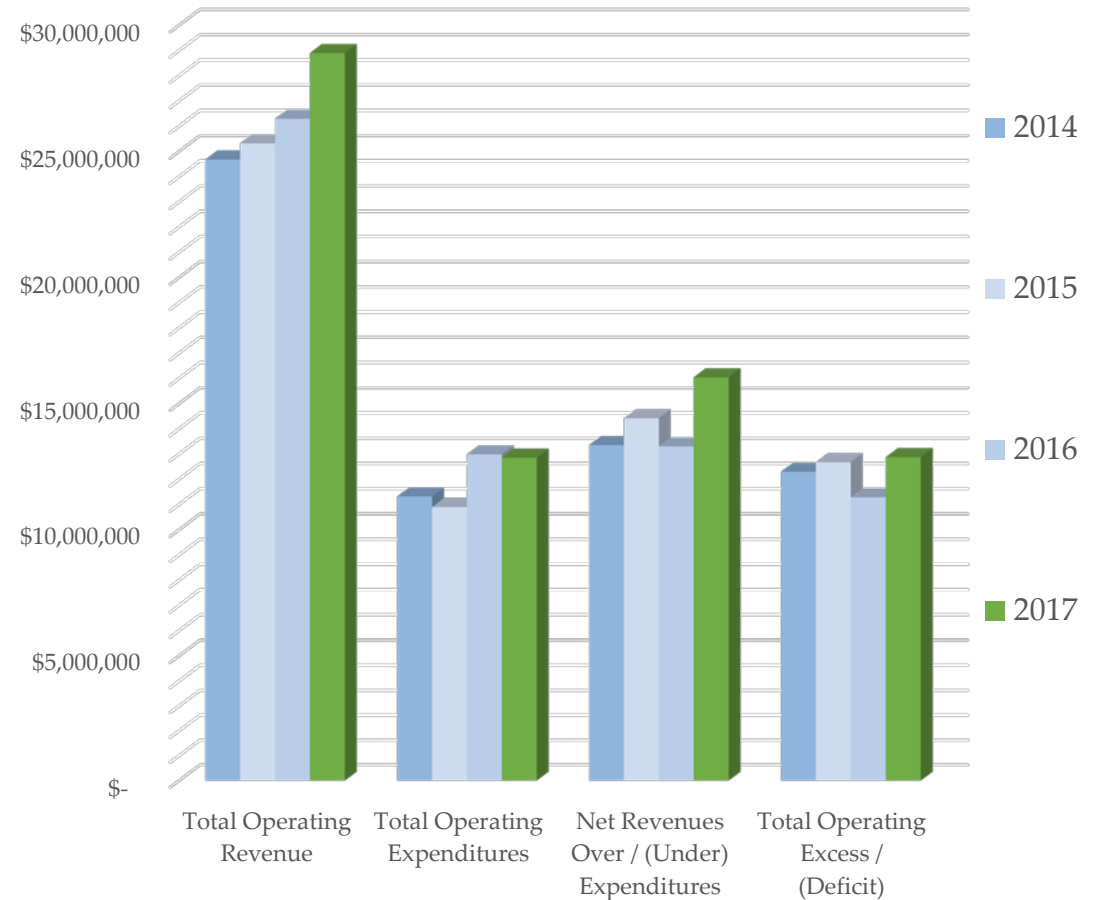
Contributions, Refunds and Debt Service



Payroll Liabilities and Retiree Benefit Cost Center



General Fund
Summary Year to Date Comparison



Sewer Fund (#02)
2nd Quarter Financial Summary

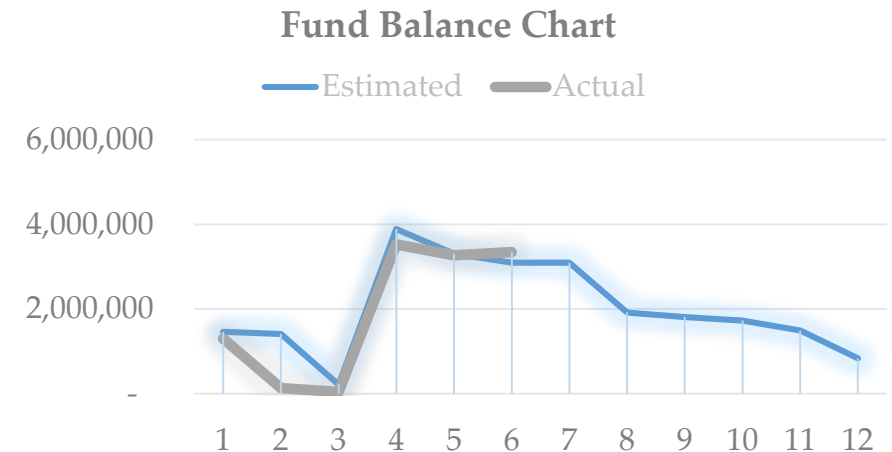
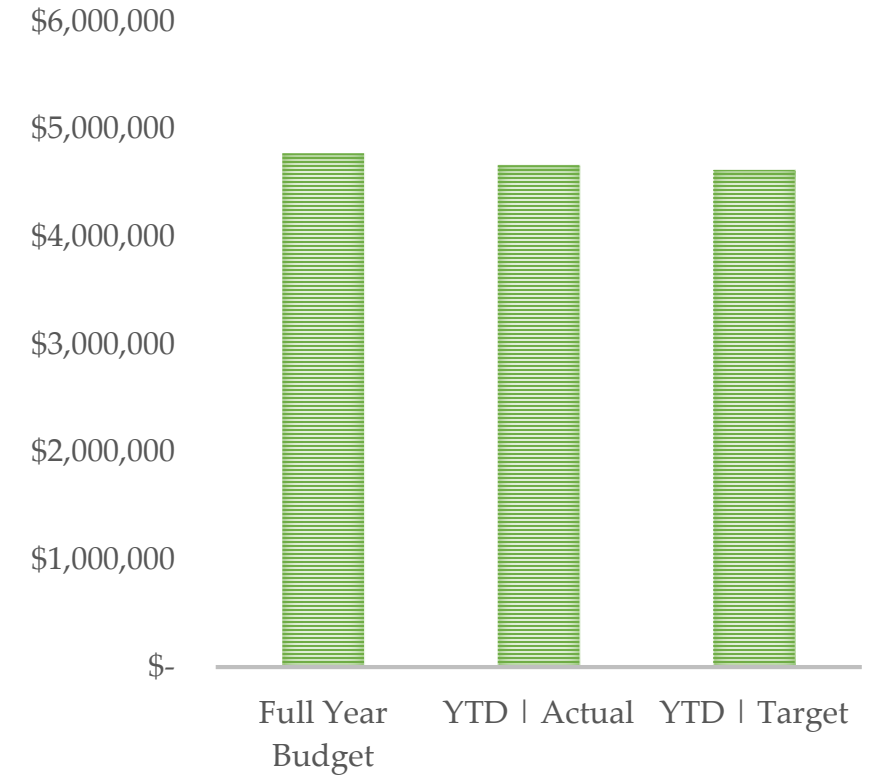
2nd Quarter 2017 – Highlights

Sanitary Sewer Fund (#02)

	1 st Quarter		2 nd Quarter	
	Target	Amount	Target	Amount
Full Year Budget	100%	\$4,775,588	100%	\$4,775,588
YTD Actual	0%	13,435	98%	4,666,441
YTD Target	1%	48,200	97%	4,621,476
Variance	-1%	(34,765)	1%	44,965

Key Points:

- Collections are meeting expectations
- Billing period is complete
- End of Year Fund Balance is projected to be \$830,864, *before* the variance for the KOP emergency pipe repair. Consequently, General Fund transfers will be necessary to cover the remaining project cost.



Stormwater Fund (#02)
2nd Quarter Financial Summary

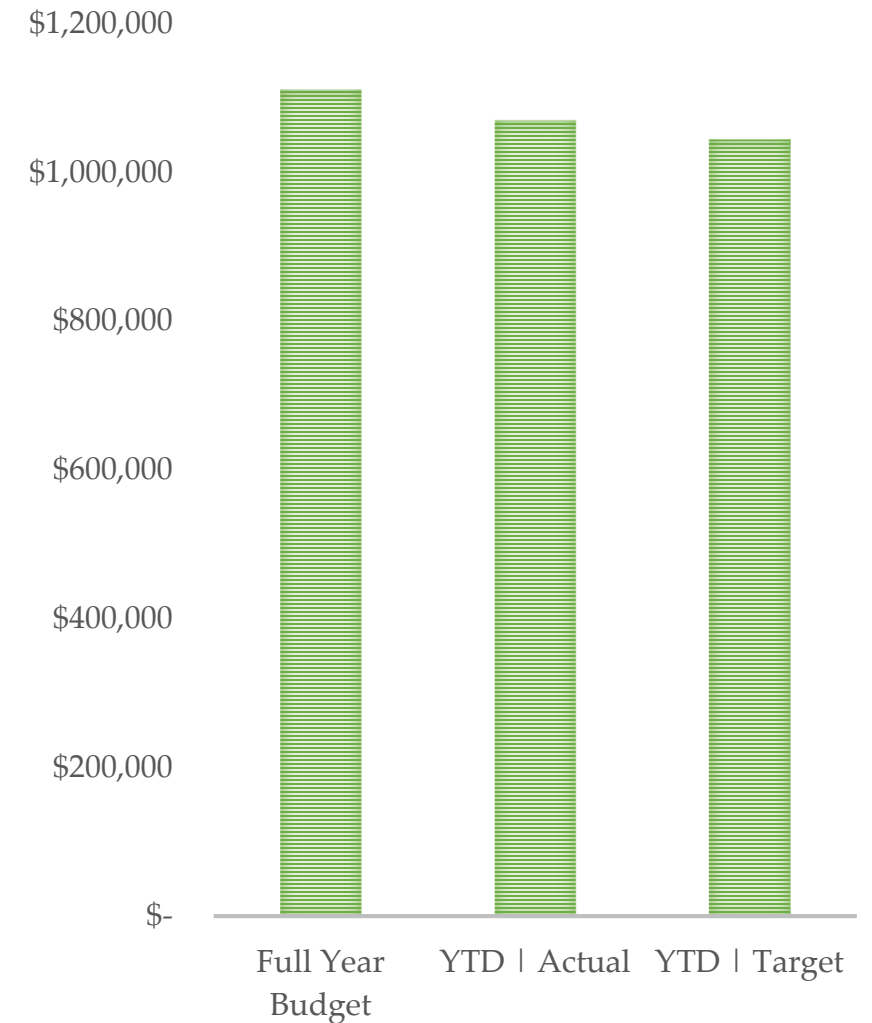
2nd Quarter 2017 – Highlights

Stormwater Fund (#04) Revenues

	1 st Quarter		2 nd Quarter	
	Target	Amount	Target	Amount
Full Year Budget	100%	\$1,110,500	100%	\$1,110,500
YTD Actual	92%	1,019,508	96%	1,069,360
YTD Target	92%	1,021,660	94%	1,043,870
Variance	-0%	(2,152)	2%	25,490

Key Points:

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



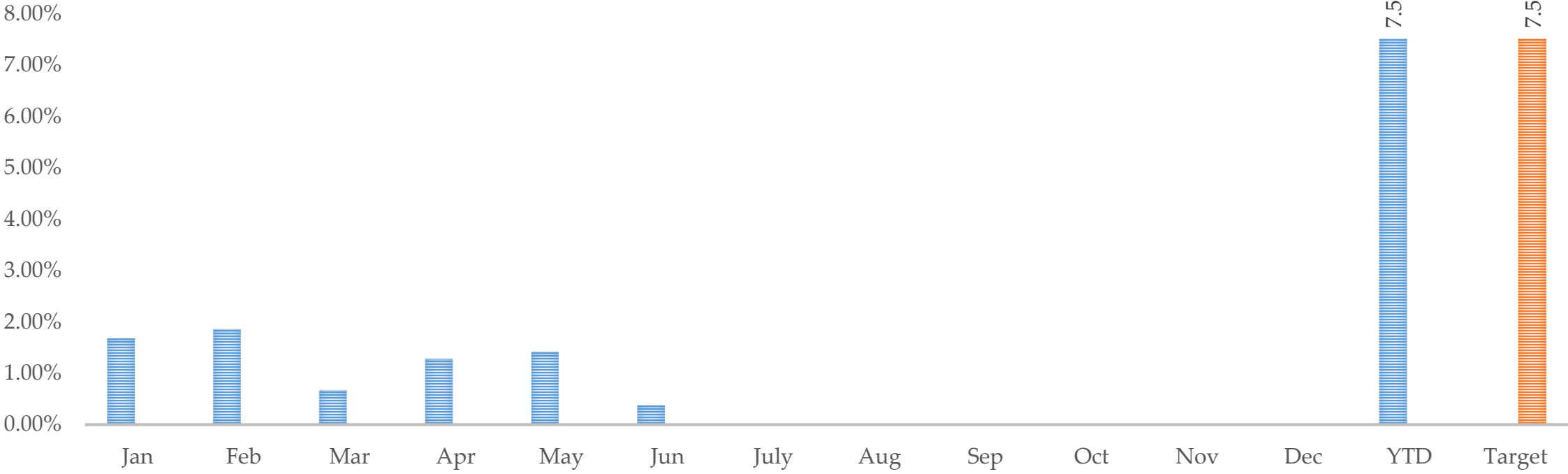
Pension Fund Performance 2nd Quarter 2017 Summary

Q2 2017 - Highlights

Pension Market Performance

PENSION FUNDS INVESTMENT RETURNS | Q2 YTD

Change in Value Target



Q2 Results and FY 2017 Financial Outlook

Thank you

