

Q3 Results and FY 2017 Financial Outlook

Radnor Township | October 18, 2017

Agenda

- General Fund
 - 3rd 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
 - Department Earnings are on track
 - 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 significantly below budget
 - 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.

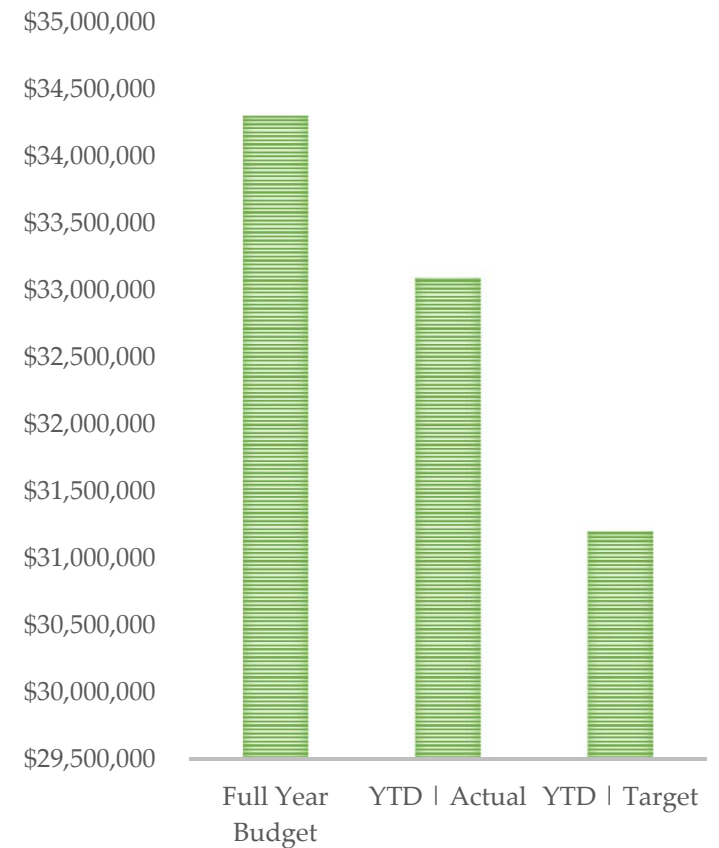
3rd Quarter 2017 – Highlights

General Fund Revenues

	Q2 YTD		Q3 YTD	
	Target	Amount	Target	Amount
Full Year Budget	100%	\$34,299,993	100%	\$34,299,993
YTD Actual	84%	28,964,385	96%	33,090,085
YTD Target	78%	26,825,524	91%	31,200,778
Variance	6%	2,138,861	5%	1,889,307

Key Points:

- Mixed results in departmental areas, taxes are strong almost across the board, permitting strong
- Full Year Projection | **Ahead of Expectations by 5% +/-**
- Significant Dates:
 - Business Taxes | October



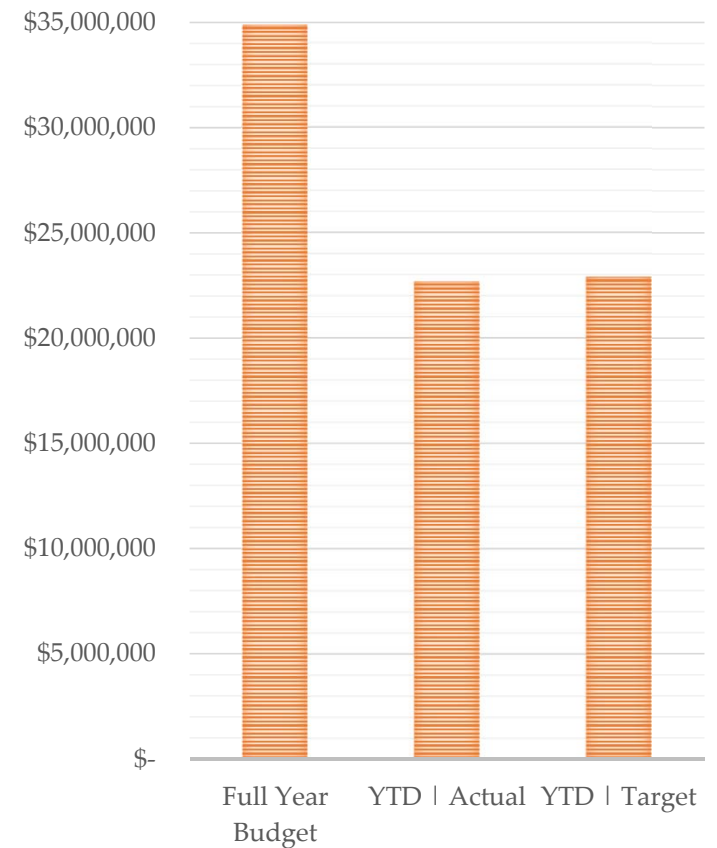
3rd Quarter 2017 – Highlights

General Fund Expenditures

	Q2 YTD		Q3 YTD	
	Target	Amount	Target	Amount
Full Year Budget	100%	\$34,851,925	100%	\$34,851,925
YTD Actual	47%	16,090,902	65%	22,664,693
YTD Target	46%	16,013,640	66%	22,889,519
Variance	-1%	(77,262)	1%	224,826

Key Points:

- Large positive variance from payroll savings in police and public works
- Engineering has a large negative variance due to large catch-up expense in Feb/March to pay for 2016 services.
- Full Year Projection | **On Target**



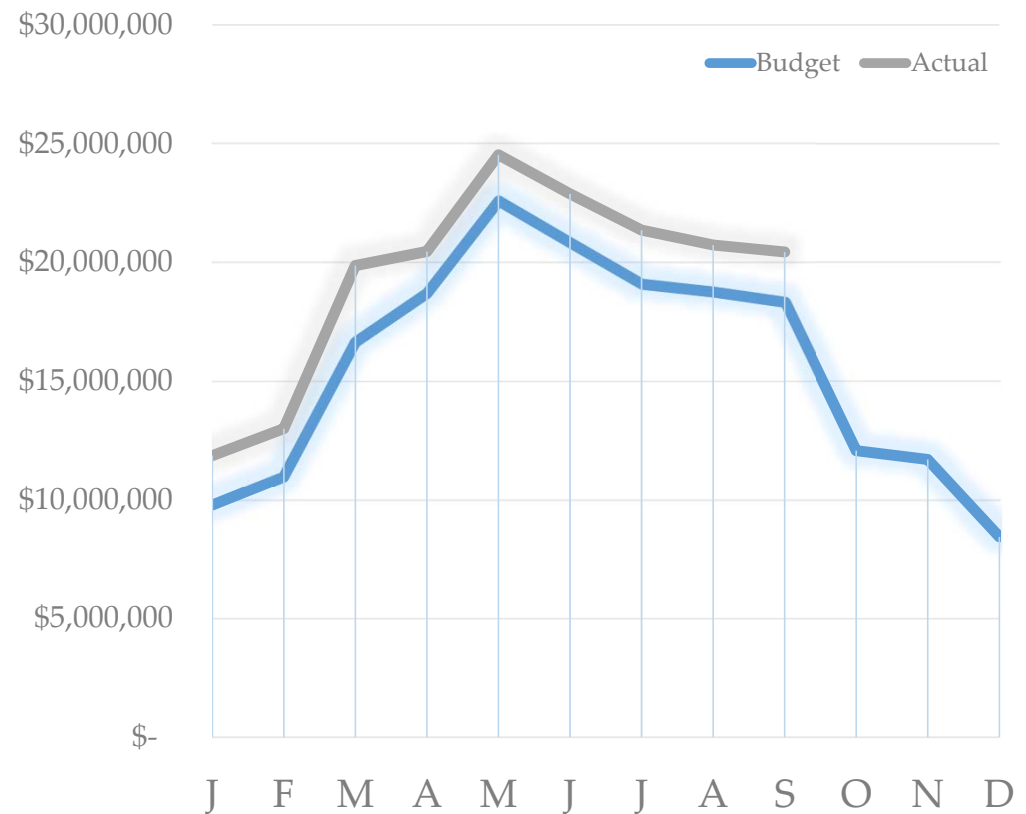
3rd Quarter 2017 – Highlights

General Fund Net Revenues and Cash Balance Projection

	Q2 YTD	Q3 YTD
Full Year Budget	\$(551,932)	\$(551,932)
YTD Actual	22,887,188	20,439,017
YTD Target	19,287,692	18,324,884
Variance	3,599,496	2,114,133

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**



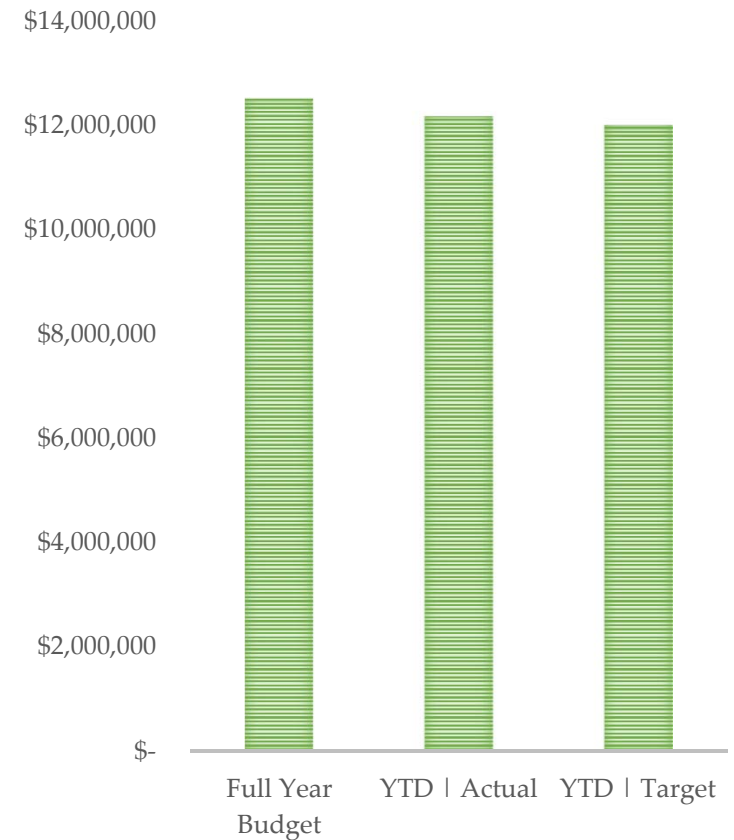
3rd Quarter 2017 – Highlights

Real Estate Taxes

	Q2 YTD		Q3 YTD	
	Target	Amount	Target	Amount
Full Year Budget	100%	\$12,502,305	100%	\$12,502,305
YTD Actual	97%	12,147,197	97%	12,147,197
YTD Target	96%	11,984,032	96%	11,984,032
Variance	1%	163,165	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**



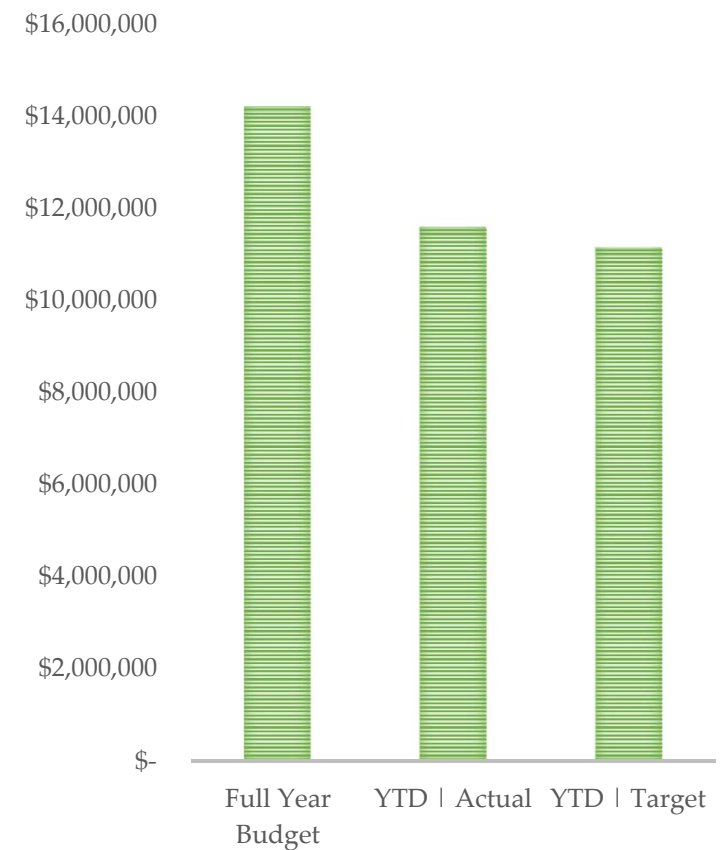
3rd Quarter 2017 – Highlights

Act 511 Taxes

	Q2 YTD		Q3 YTD	
	Target	Amount	Target	Amount
Full Year Budget	100%	\$14,189,788	100%	\$14,189,788
YTD Actual	82%	11,584,702	82%	11,584,702
YTD Target	78%	11,134,464	78%	11,134,464
Variance	4%	450,238	4%	450,238

Key Points:

- BPT (non-audit) is exceeding expectations by **\$212,000**
- Real Estate Transfer is exceeding expectations by **\$306,000**
- Audit is exceeding expectations by **\$93,000** (after refunds)
- LST is exceeding expectations by **\$46,000**
- Mercantile (non-audit) is lagging by **\$225,000**
- Full Year Projection | **Expected to Beat Expectations by 4% +/-**



3rd Quarter 2017 – Highlights

All Other General Fund Revenue

	Q2 YTD		Q3 YTD	
	Target	Amount	Target	Amount
Full Year Budget	100%	\$7,607,900	100%	\$7,607,900
YTD Actual	69%	5,232,486	69%	5,232,486
YTD Target	49%	3,707,028	49%	3,707,028
Variance	20%	1,525,458	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% +/-**



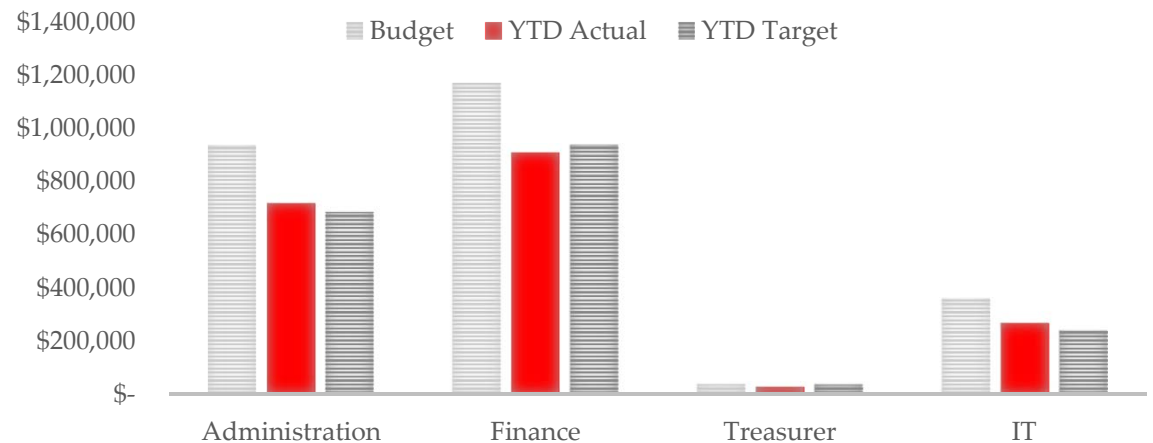
3rd Quarter 2017 – Highlights

General Government Expenditures

	Target %	Budget	YTD Actual	YTD Target	Variance
Administration	73%	\$936,222	\$716,054	\$684,821	\$(31,233)
Finance	80%	1,172,253	909,262	939,260	29,998
Treasurer	96%	38,995	29,264	37,342	8,077
IT	66%	359,983	268,792	239,278	(29,514)

Key Points:

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



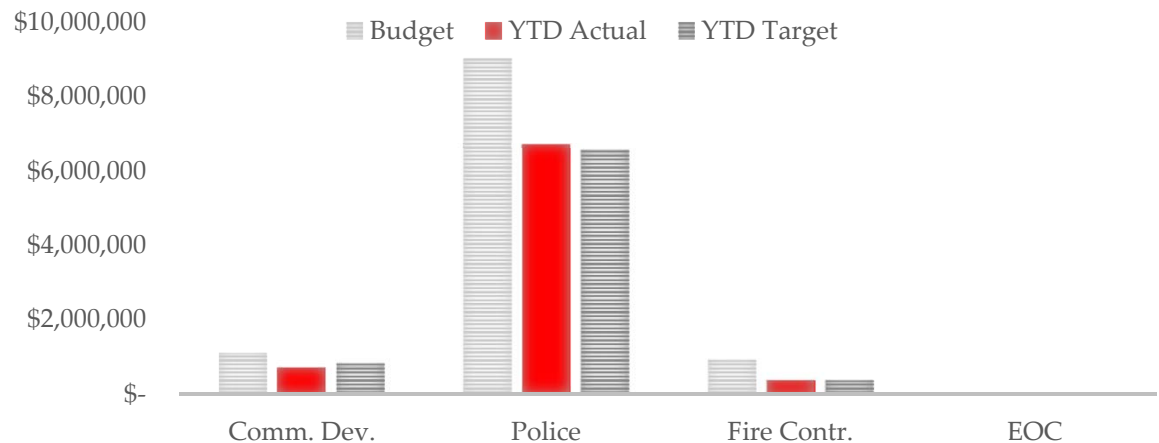
3rd Quarter 2017 – Highlights

Protection to Persons and Property

	Target %	Budget	YTD Actual	YTD Target	Variance
Community Dev.	75%	\$1,107,018	726,727	826,946	100,219
Police	73%	9,018,607	6,711,860	6,575,768	(136,092)
Fire Contributions	41%	923,363	383,001	374,322	(8,679)
Emerg. Ops. Center	n/a	-	-	-	-

Key Points:

- **Comm. Dev** | Payroll and contracted services are below budget
- **Police** | There was a transfer of pension expense in excess of the amount allocated which was fixed in October (\$200,000)
- **Fire Contributions** | Timing diff. in RFC contributions.



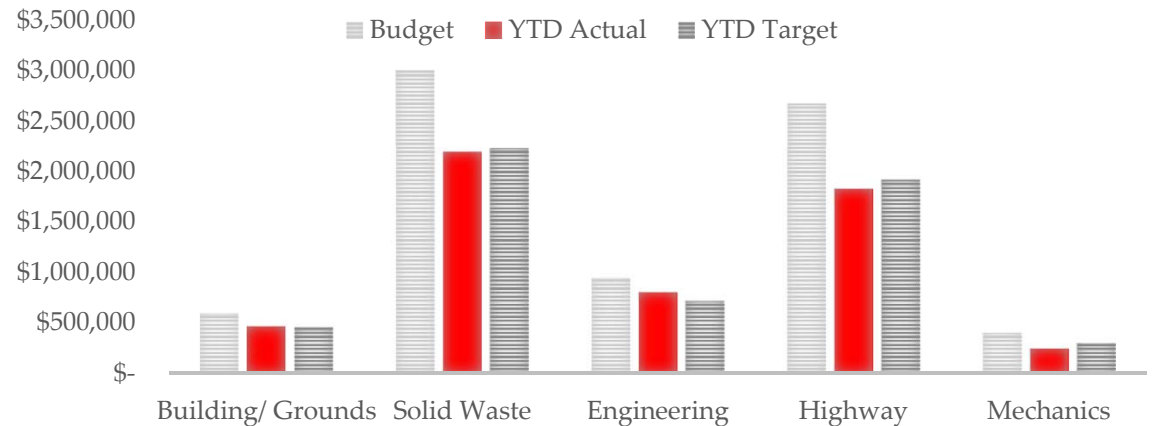
3rd Quarter 2017 – Highlights

Public Works

	Target %	Budget	YTD Actual	YTD Target	Variance
Building/ Grounds	77%	\$597,967	468,254	459,083	9,171
Solid Waste/ Recycling	74%	2,998,926	2,192,699	2,228,839	36,140
Engineering	76%	638,060	804,539	719,823	(84,716)
Highway	72%	2,667,114	1,827,879	1,915,290	87,411
Mechanics	75%	403,894	251,829	302,149	50,320

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



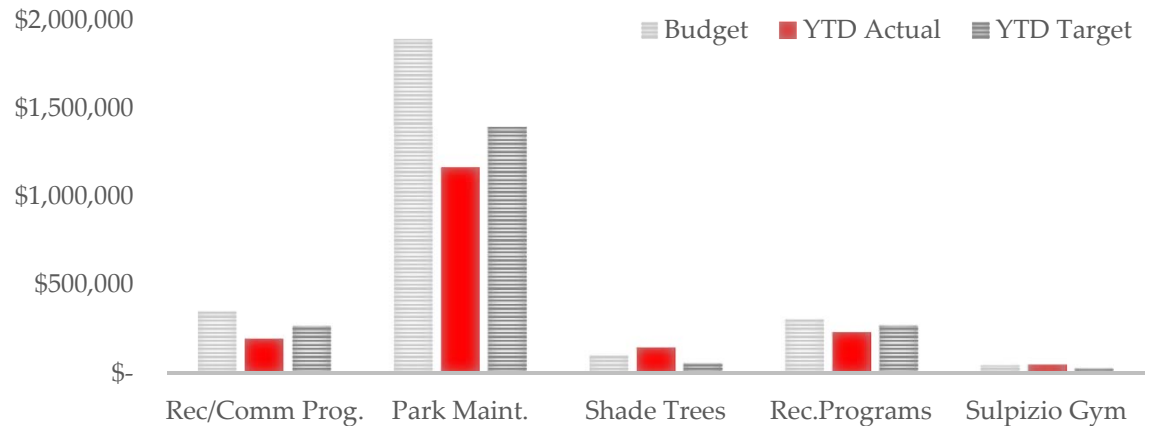
3rd Quarter 2017 – Highlights

Parks and Recreation

	Target %	Budget	YTD Actual	YTD Target	Variance
Recreation / Community Programming Admin.	76%	\$350,843	198,932	267,490	68,558
Park Maintenance	74%	1,887,275	1,164,460	1,394,041	229,581
Tree Removal	55%	103,125	149,030	56,911	(92,119)
Recreation Programs	89%	306,712	236,239	271,691	35,452
Sulpizio Gym	56%	48,354	52,612	27,127	(25,485)

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



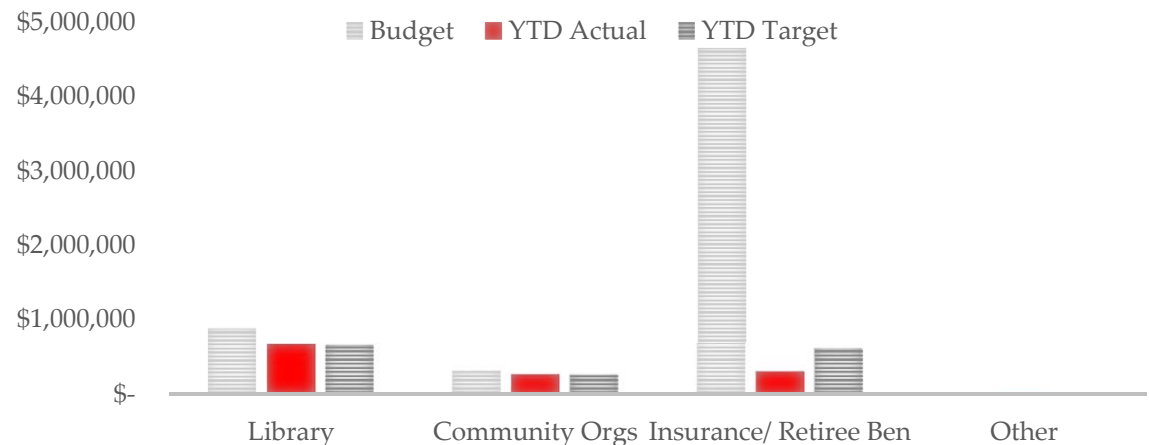
3rd Quarter 2017 – Highlights

All Other General Fund Expenditures

	Target %	Budget	YTD Actual	YTD Target	Variance
Library	75%	\$885,507	676,586	660,380	(16,206)
Community Orgs	83%	308,127	265,424	254,714	(10,710)
Insurance / Retiree Ben.	13%	4,652,449	305,335	601,507	296,172
Other	n/a	-	3,179	-	(3,179)

Key Points:

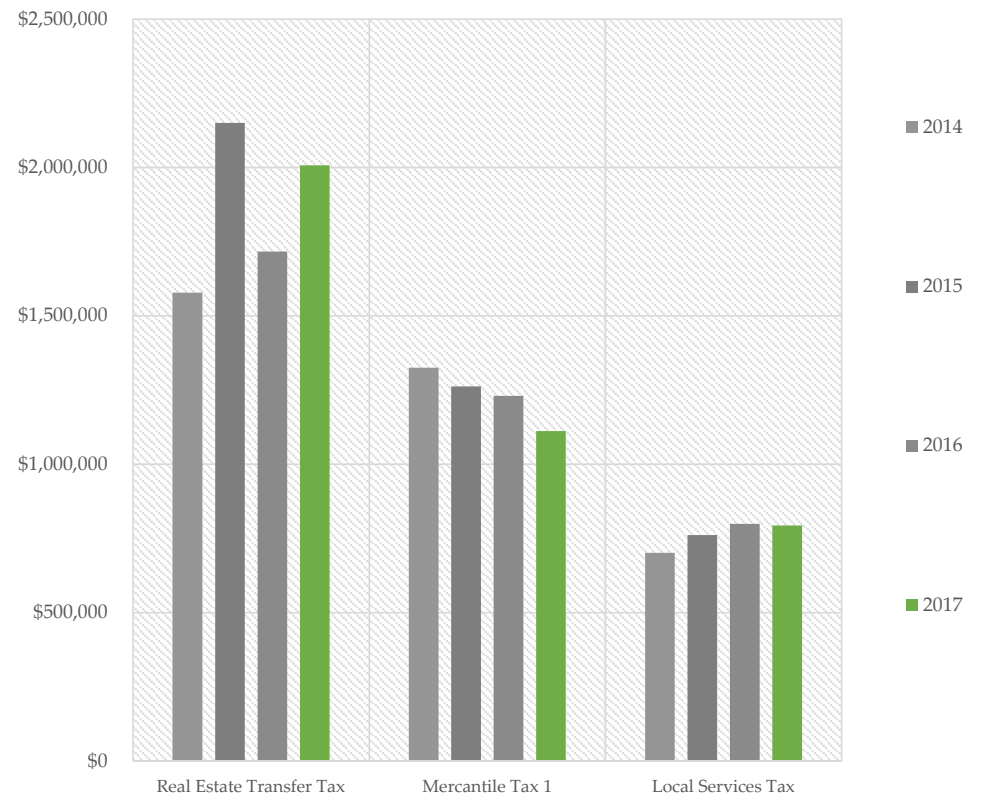
- **Library** | Still waiting on insurance reimb. for mold remediation (expected end of July)
- **Community Orgs** | Variance is from higher than budgeted parking revenue sharing
- **Insurance / Retiree Benefits** | Distribution of these funds will occur from July – December in six installments. Should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



General Fund (#01)
Q3 Financial Summary
YTD Comparison Graphs

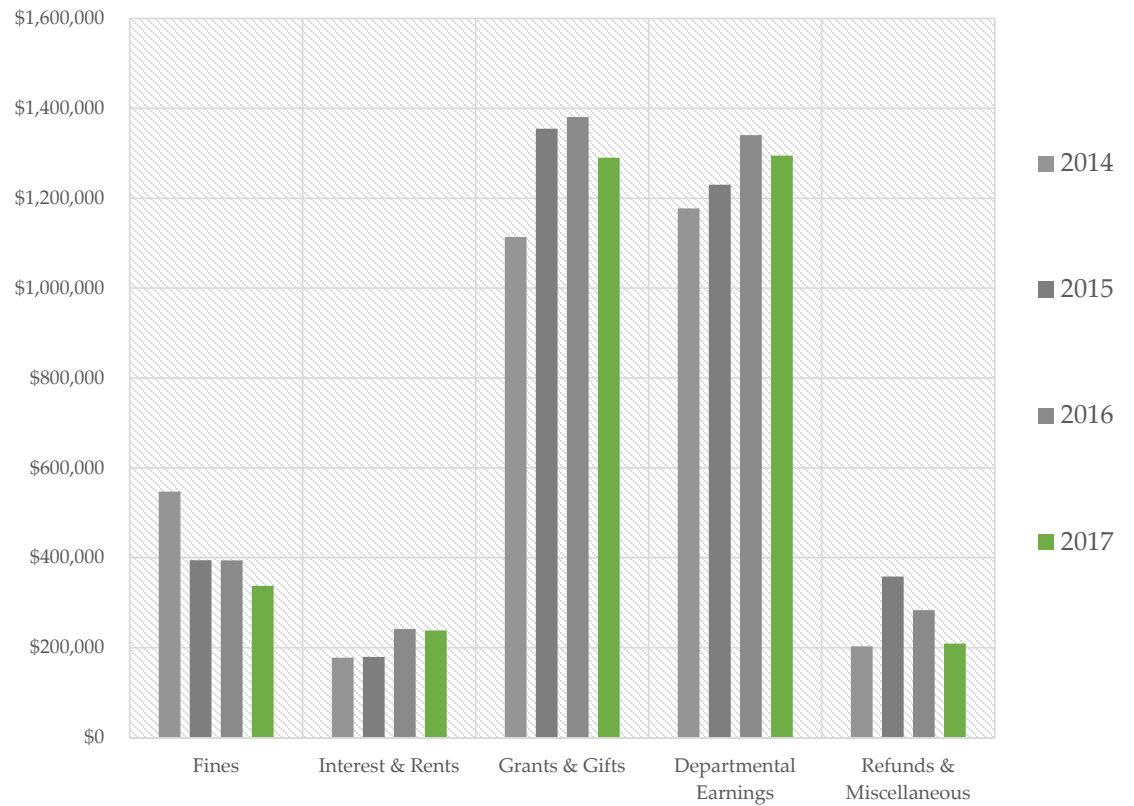
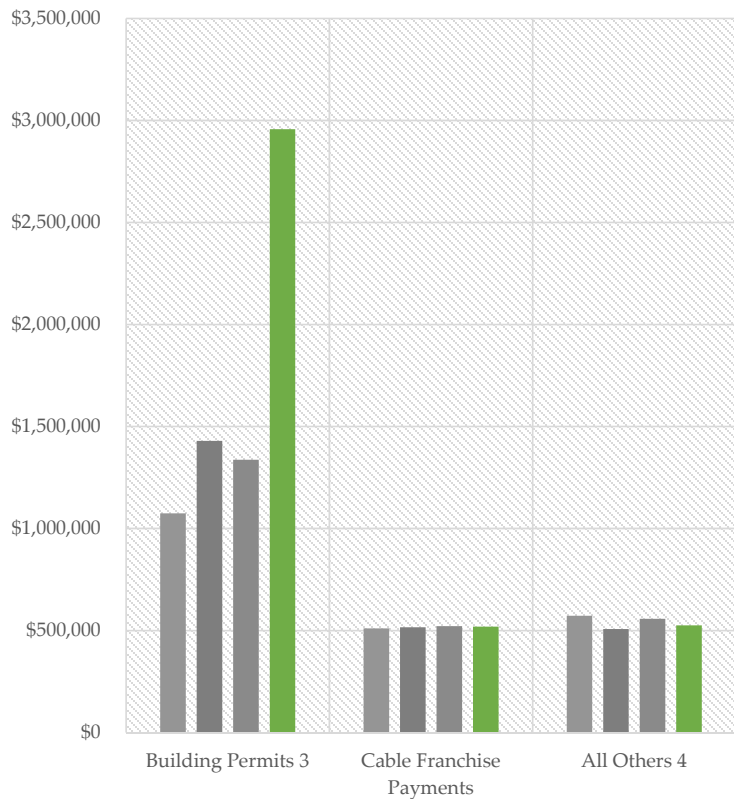
3rd Quarter 2017 – Highlights

YTD Year over Year Comparisons | Tax Revenue



3rd Quarter 2017 – Highlights

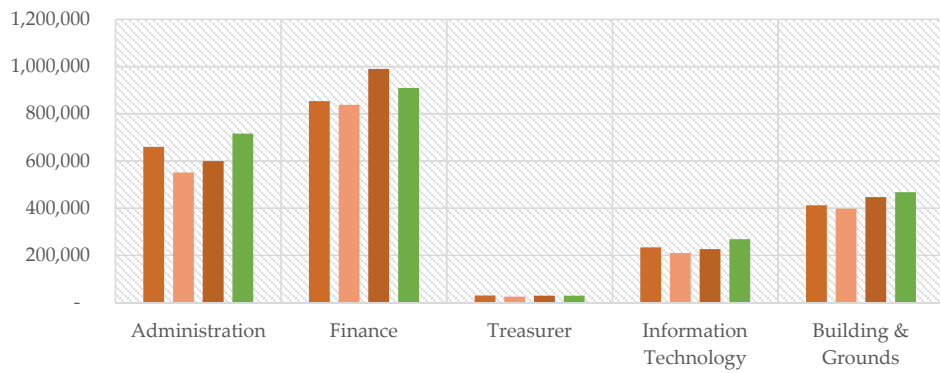
YTD Year over Year Comparisons | Non-Tax Revenues



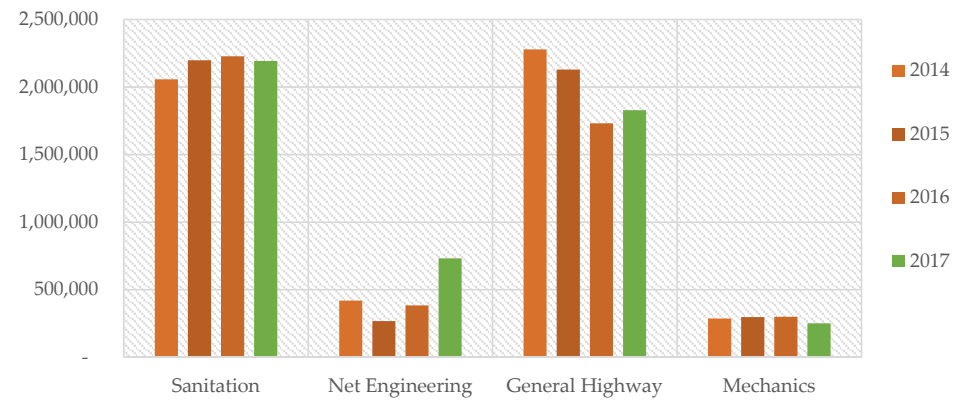
3rd Quarter 2017 – Highlights

YTD Year over Year Comparisons | Expenditures

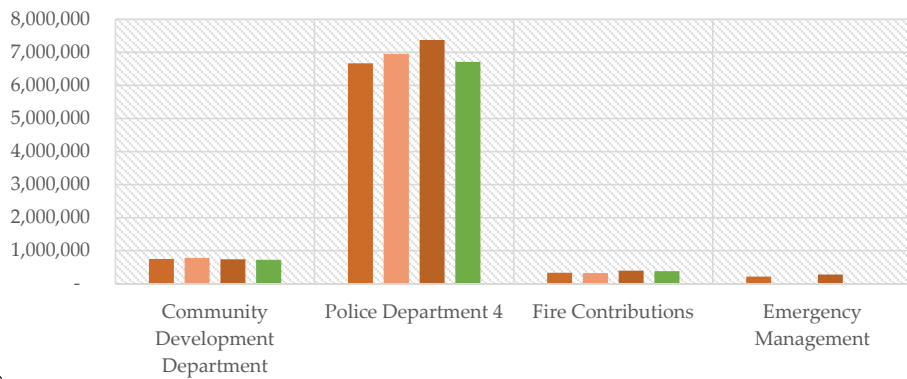
General Government



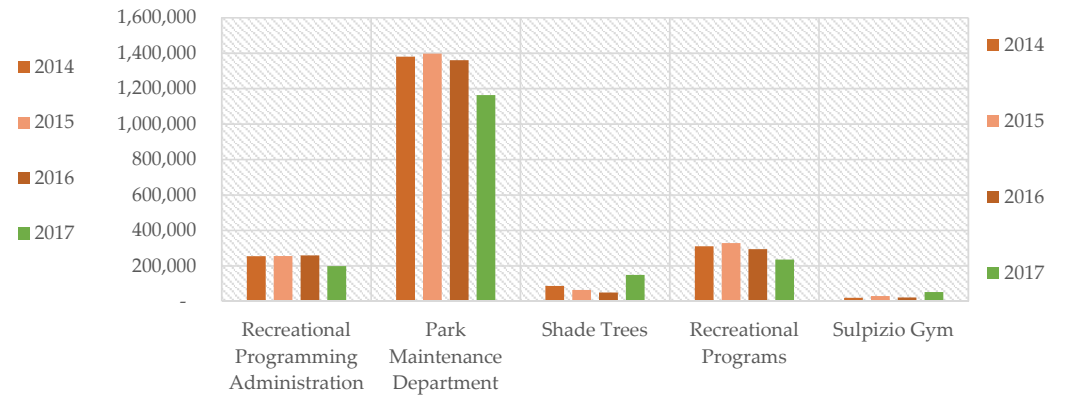
Public Works



Protection of Persons and Property



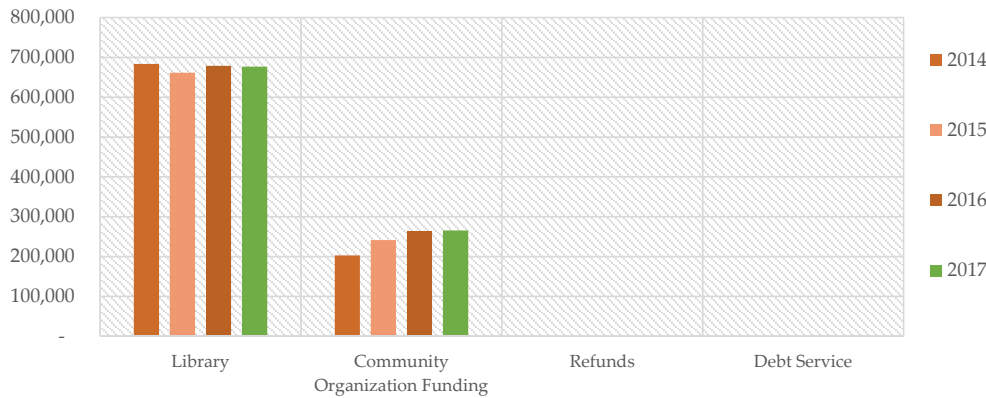
Parks and Recreation



3rd Quarter 2017 – Highlights

YTD Year over Year Comparisons | Expend / Summary

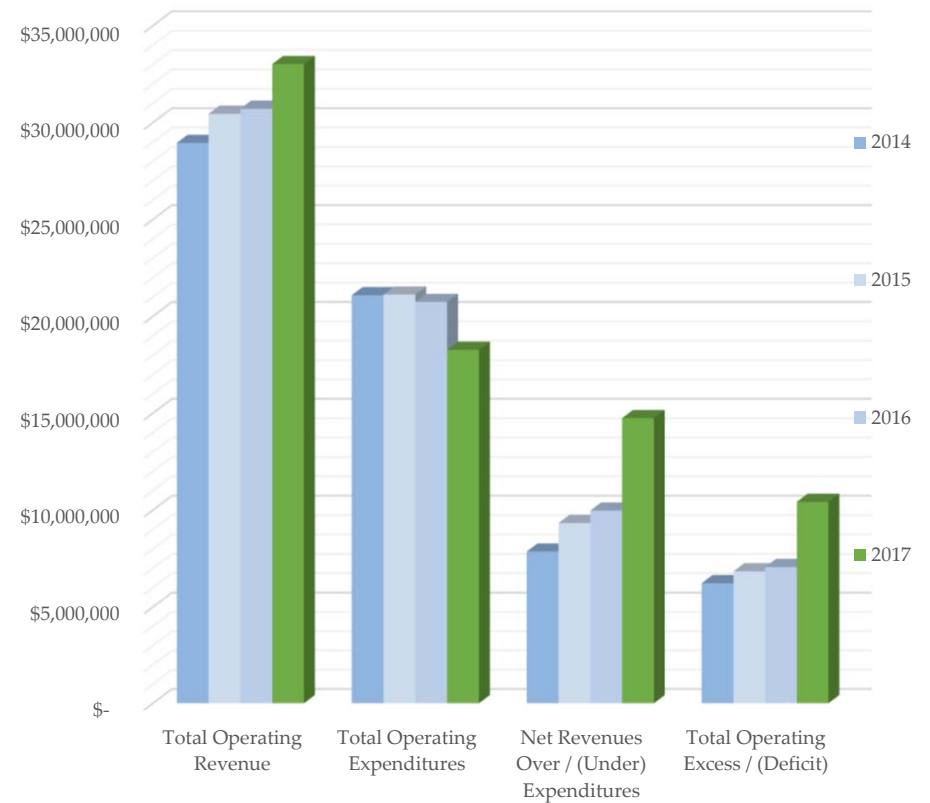
Contributions, Refunds and Debt Service



Payroll Liabilities and Retiree Benefit Cost Center



General Fund
Summary Year to Date Comparison



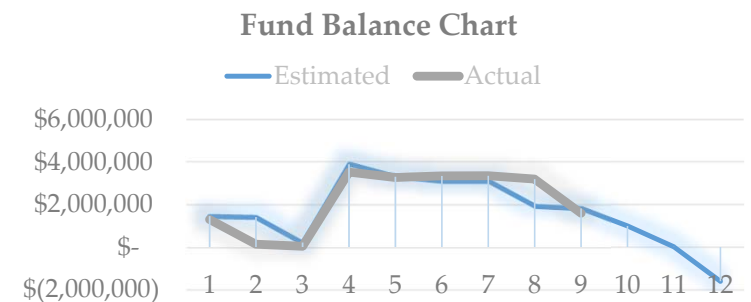
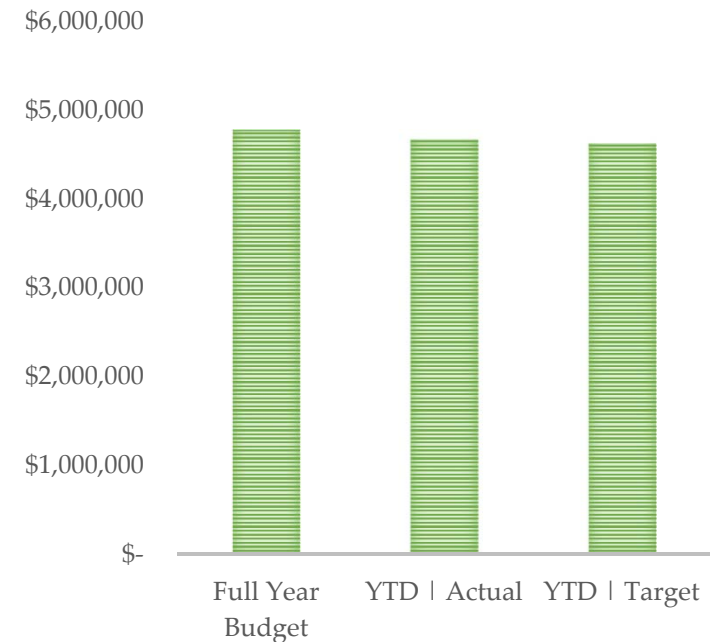
Sewer Fund (#02)
3rd Quarter Financial Summary

3rd Quarter 2017 – Highlights Sanitary Sewer Fund (#02)

	2 nd Quarter		Q3 YTD	
	Target	Amount	Target	Amount
Full Year Budget	100%	\$4,775,588	100%	\$4,775,588
YTD Actual	98%	4,666,441	102%	4,864,914
YTD Target	97%	4,621,476	99%	4,745,765
Variance	1%	44,965	3%	119,149

Key Points:

- Collections are beating expectations
- Billing period is complete
- End of Year Fund Balance has been updated to reflect the KOP and Skunk Hollow emergency pipe repairs. General Fund transfers will be necessary to cover the negative cash balance.



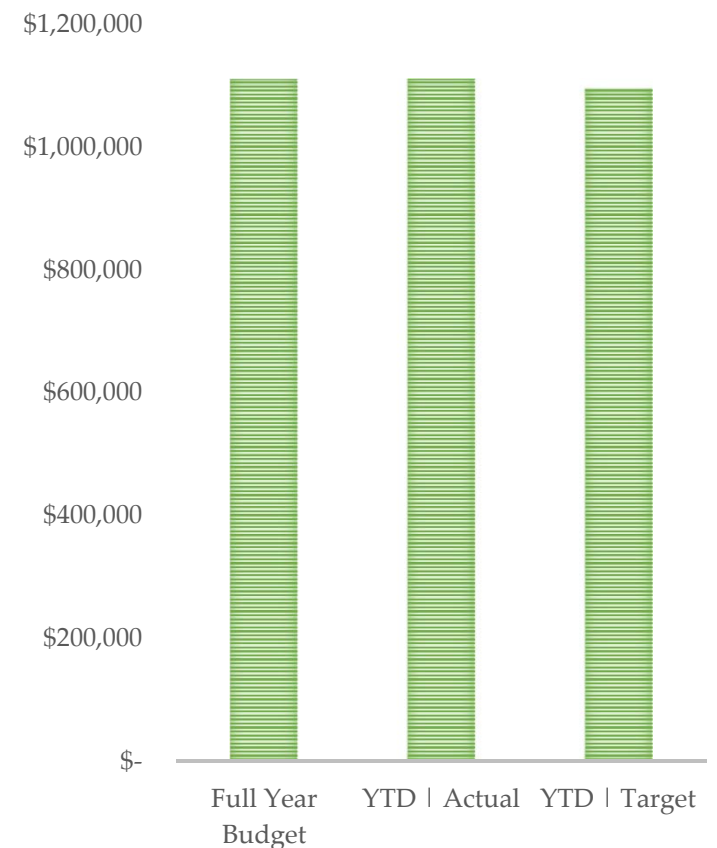
Stormwater Fund (#02)
3rd Quarter Financial Summary

3rd Quarter 2017 – Highlights Stormwater Fund (#04) Revenues

	2 nd Quarter		Q3 YTD	
	Target	Amount	Target	Amount
Full Year Budget	100%	\$1,110,500	100%	\$1,110,500
YTD Actual	96%	1,069,360	100%	1,111,069
YTD Target	94%	1,043,870	99%	1,094,726
Variance	2%	25,490	1%	16,343

Key Points:

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

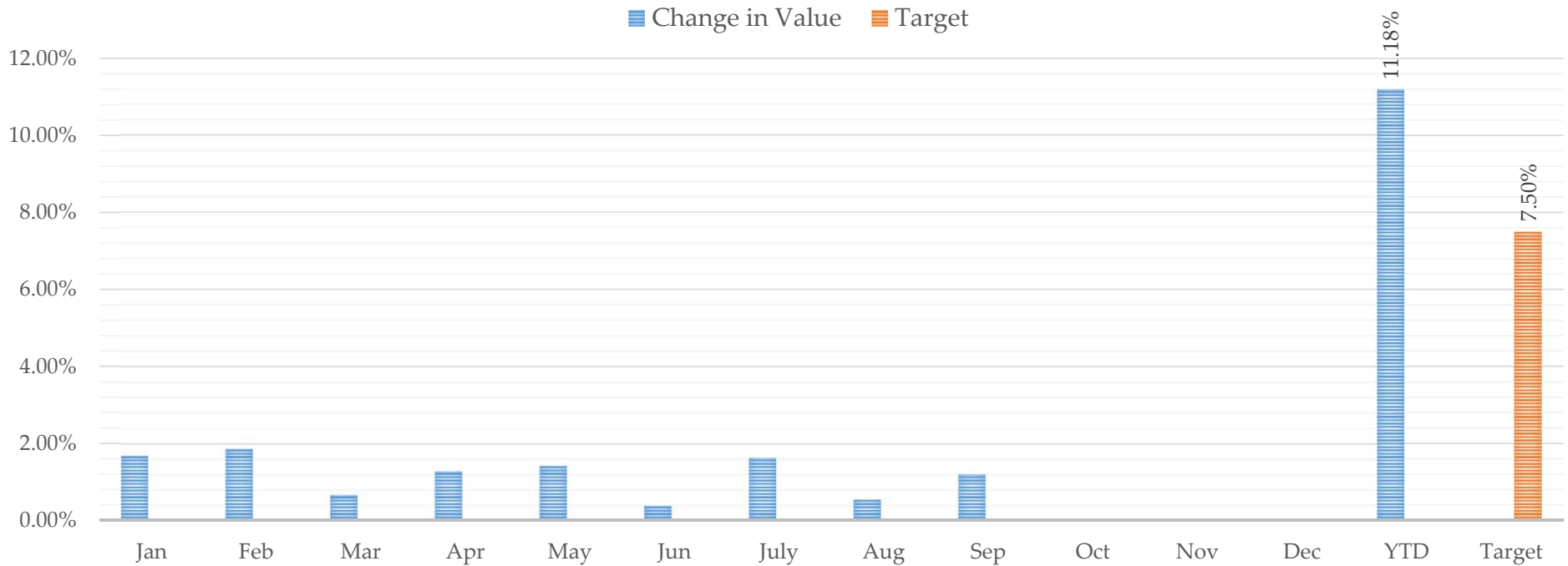


Pension Fund Performance 3rd Quarter 2017 Summary

Q3 2017 - Highlights

Pension Market Performance

PENSION FUNDS INVESTMENT RETURNS | Q3 YTD



Q3 Results and FY 2017 Financial Outlook

Thank you

