



Q3 Results and FY 2016 Financial Outlook

Radnor Township | October 24, 2016

Agenda

- General Fund | 3rd Quarter FY 2016 Results
and full year projection
- Sanitary Sewer Fund Revenue Look
- Stormwater Fund Revenue Look
- Pension Investment Performance

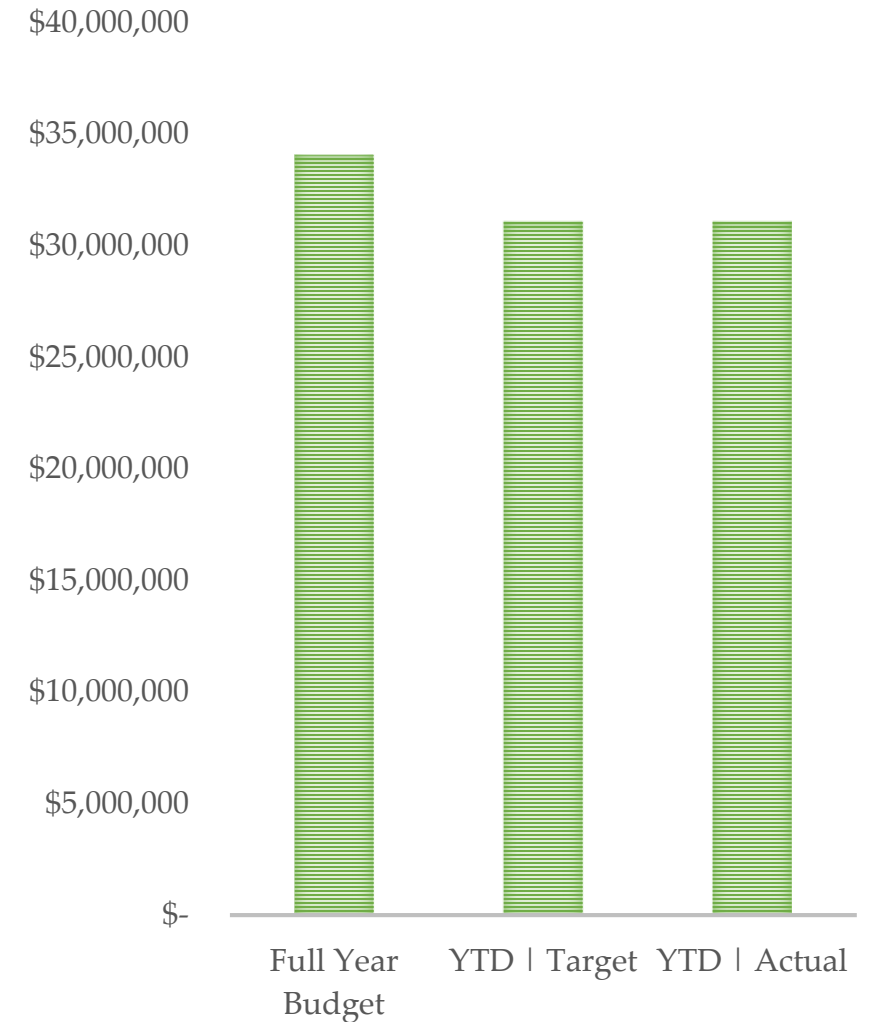
3rd Quarter 2016 – Highlights

General Fund Revenues

	2 nd Quarter		3 rd Quarter	
	Target	Amount	Target	Amount
Full Year Budget	100%	\$34,055,204	100%	\$34,055,204
YTD Actual	78%	26,526,666	91%	30,991,227
YTD Target	77%	26,233,447	91%	31,070,667
Variance	+1%	293,219	(0.3%)	(79,440)

Key Points:

- Permitting & Departmental ahead of expectations
- BPT is further behind; now \$577,000 short of expectations
- Act 511 Audits are making up for some BPT shortfall
- Full Year Projection | **On Target**
- Significant Dates:
 - Business Taxes | October
 - Revenue Target is \$1.0M per month for the 4th QTR



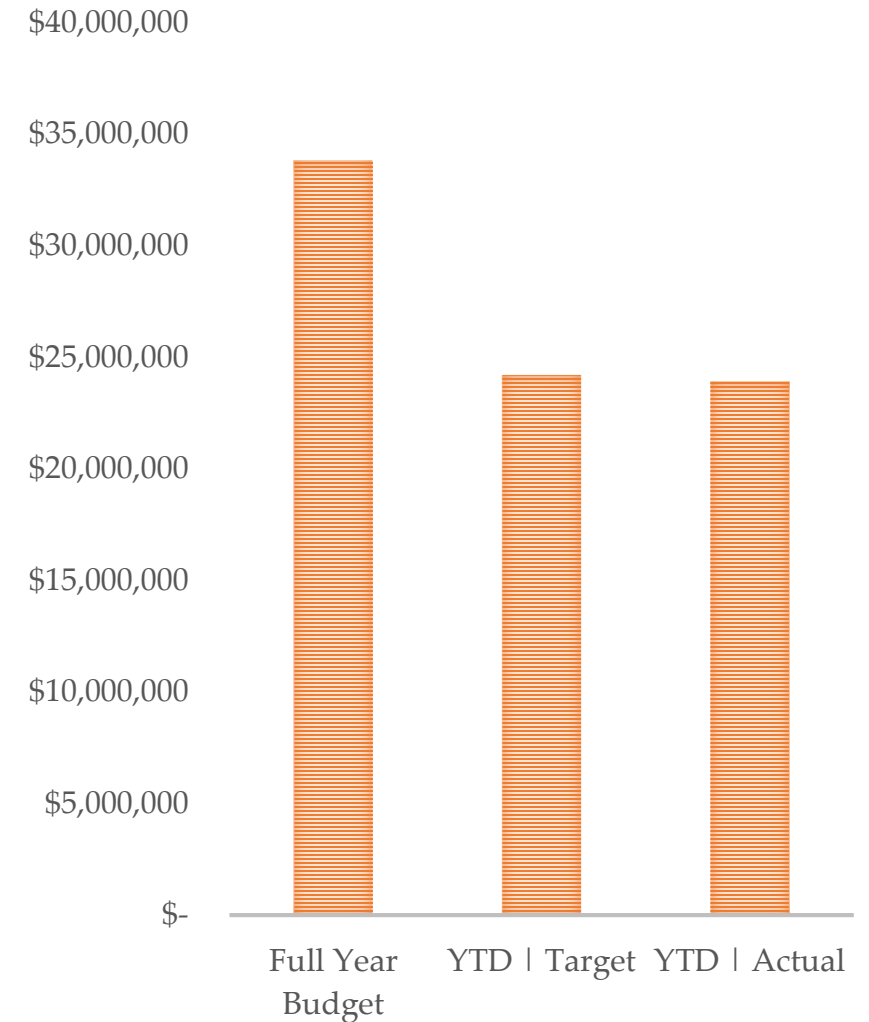
3rd Quarter 2016 – Highlights

General Fund Expenditures

	2 nd Quarter		3 rd Quarter	
	Target	Amount	Target	Amount
Full Year Budget	100%	\$33,520,550	100%	\$33,520,550
YTD Actual	42%	15,239,288	71%	23,927,742
YTD Target	48%	16,275,717	72%	24,204,876
Variance	+6%	1,036,429	+1%	277,134

Key Points:

- Better than expected winter expenses by \$122,000
- Payroll and related under budget by \$213,000
- Legal expenses are exceeding budgets (\$348,000)
 - (Act 511 audit work, Workers Comp Settlement)
- Overtime is exceeding budgets (\$157,000)
- Full Year Projection | **On Target**



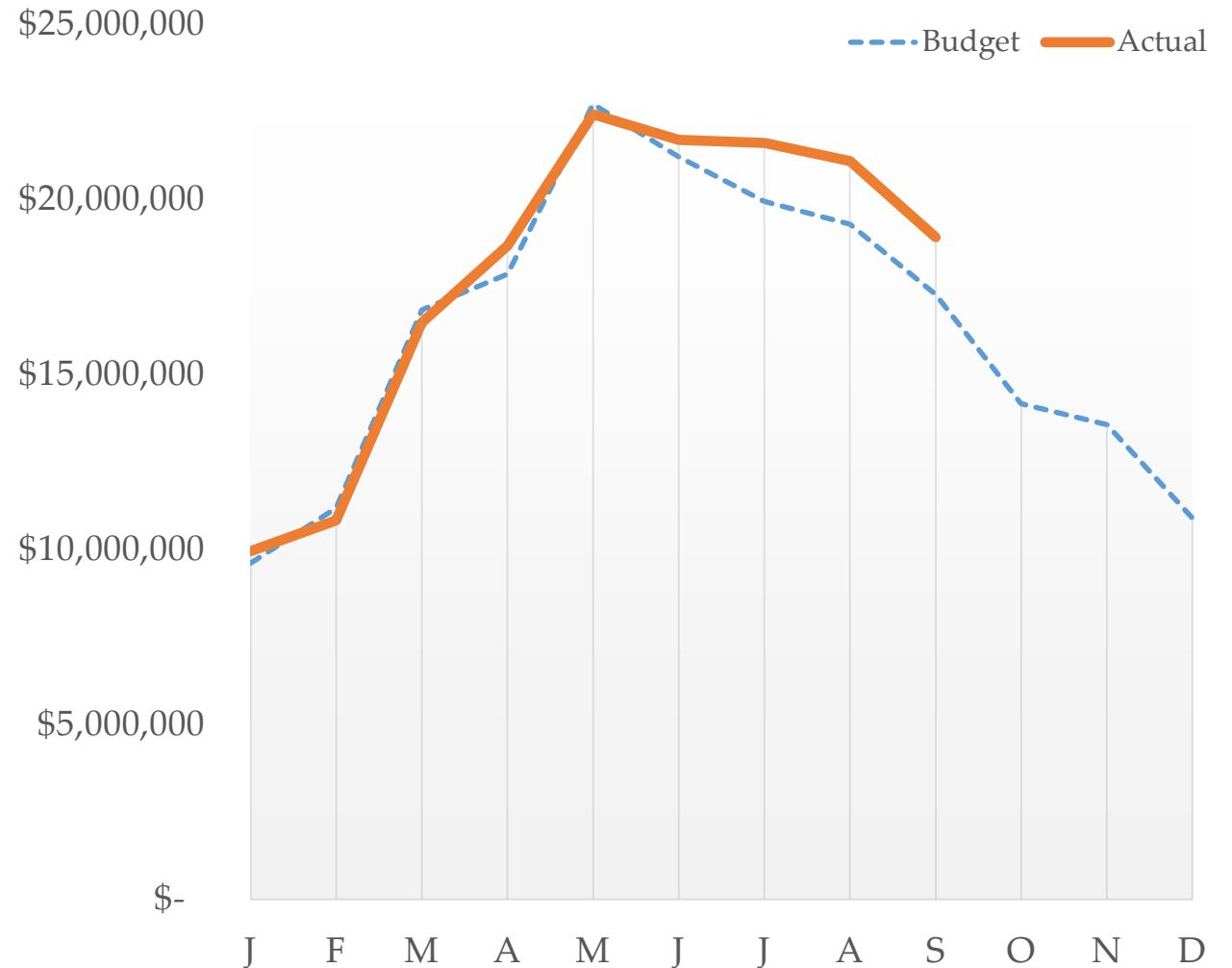
3rd Quarter 2016 – Highlights

General Fund Net Revenues and Cash Balance Projection

	2 nd Quarter	3 rd Quarter
Full Year Budget	\$234,654	\$234,654
YTD Actual	11,287,378	7,063,486
YTD Target	10,801,052	6,865,791
Variance	486,327	197,694

Take Away:

- Net Revenue variance is positive, but pulled back in the 3rd quarter as a result of some sluggish BPT revenues
- Full Year Projection | **On Target**



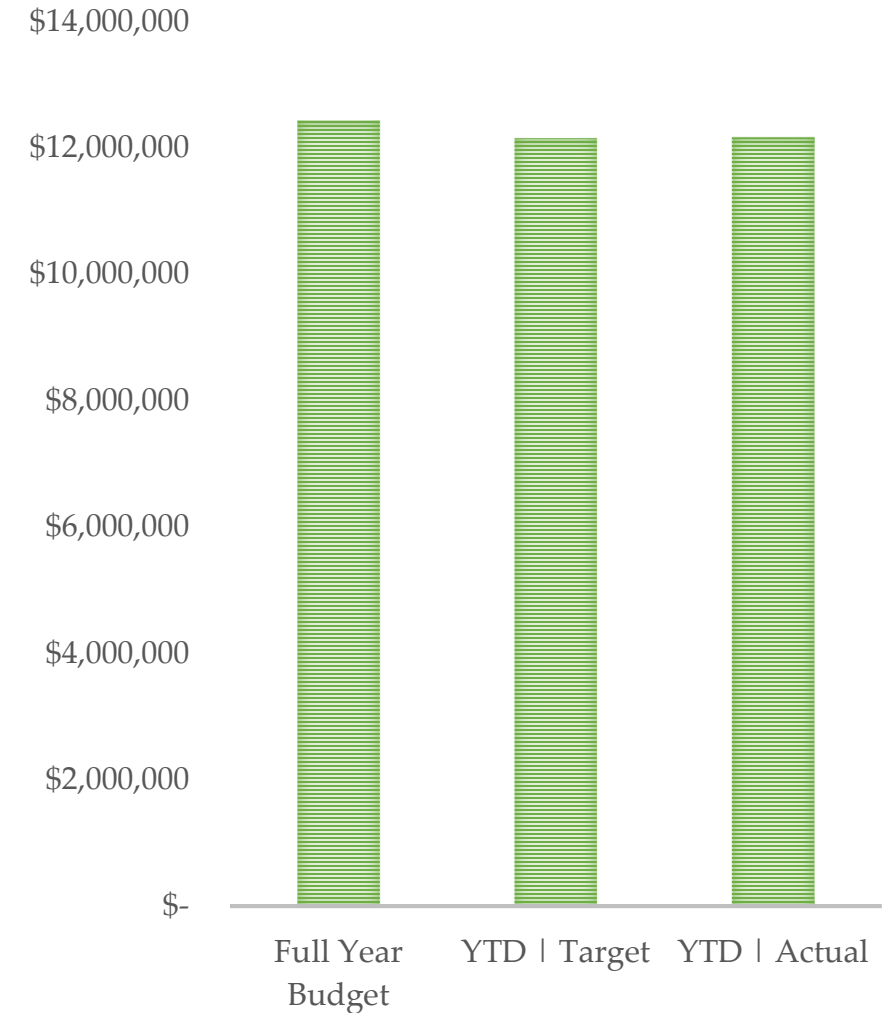
3rd Quarter 2016 – Highlights

Real Estate Taxes

	2 nd Quarter		3 rd Quarter	
	Target	Amount	Target	Amount
Full Year Budget	100%	\$12,430,304	100%	\$12,430,304
YTD Actual	96%	11,993,498	98%	12,165,766
YTD Target	96%	11,946,295	98%	12,151,239
Variance	- %	(47,203)	- %	14,527

Key Points:

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



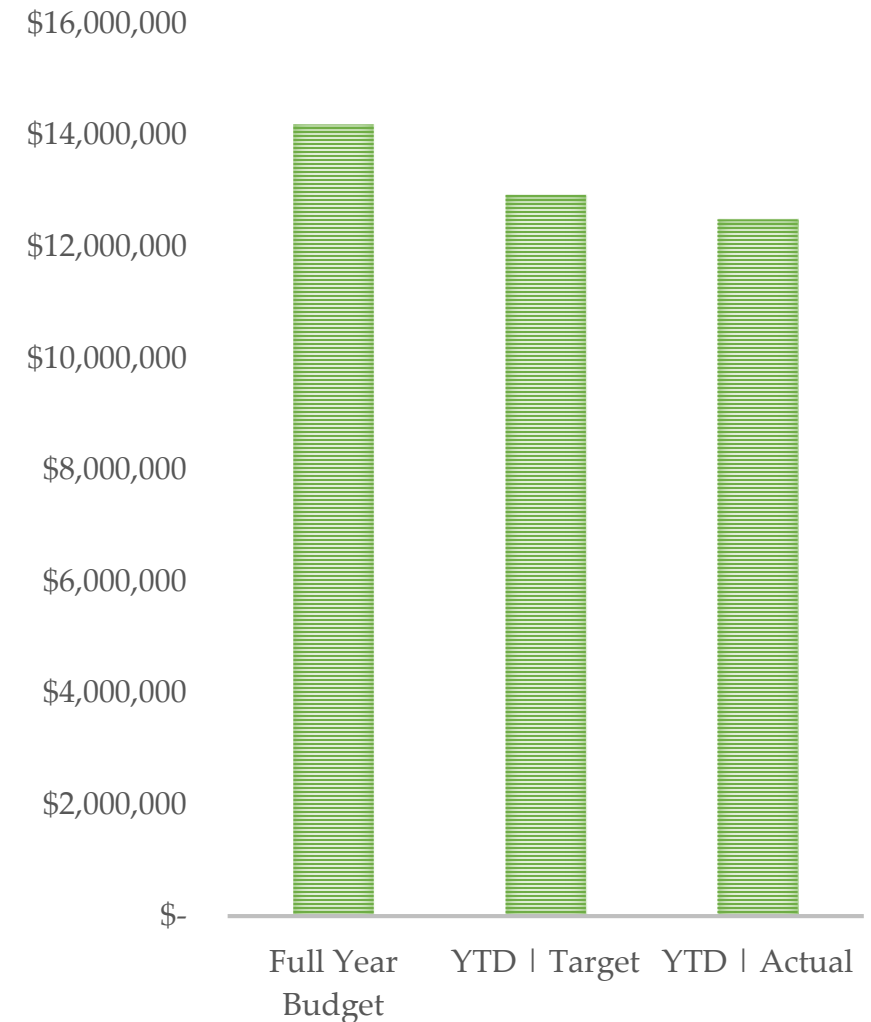
3rd Quarter 2016 – Highlights

Act 511 Taxes

	2 nd Quarter		3 rd Quarter	
	Target	Amount	Target	Amount
Full Year Budget	100%	\$14,188,044	100%	\$14,188,044
YTD Actual	75%	10,693,149	88%	12,492,235
YTD Target	78%	11,016,501	91%	12,928,235
Variance	-3%	(323,352)	-3%	(436,000)

Key Points:

- BPT (non-audit) is lagging now by **\$577,000**
- Mercantile (non-audit) is lagging by **\$244,000**
- Real Estate Transfer is now ahead by **\$72,000**
- Audit is exceeding expectations by **\$254,000** (after refunds)
- LST is exceeding expectations by **\$58,000**
- Full Year Projection | **Will Miss Expectations by 2% +/-**



3rd Quarter 2016 – Highlights

All Other General Fund Revenue

	2 nd Quarter		3 rd Quarter	
	Target	Amount	Target	Amount
Full Year Budget	100%	\$7,136,856	100%	\$7,136,856
YTD Actual	52%	3,900,019	89%	6,332,845
YTD Target	44%	3,270,651	84%	5,991,194
Variance	+8%	629,368	+5%	341,651

\$8,000,000

\$7,000,000

\$6,000,000

\$5,000,000

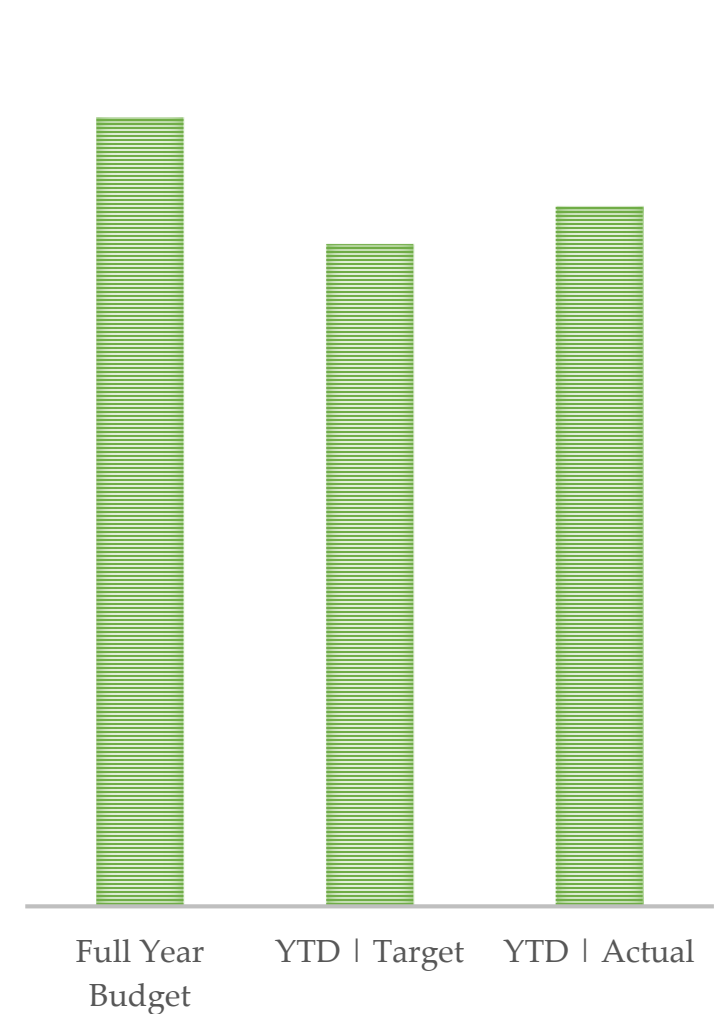
\$4,000,000

\$3,000,000

\$2,000,000

\$1,000,000

\$-



Key Points:

- Building permitting is strong to-date as a result of significant development projects (one-time in nature)
- Parking revenue is now ahead of expectations
- Departmental Earnings and interest are better than expectations
- Other permitting sources are lagging/ offsetting the building permit gains
- Police enforcement and Cable franchise are lagging
- Full Year Projection | **Expected to exceed expectations by 5% +/-** (down from a 10% project at the end of 2nd qtr)

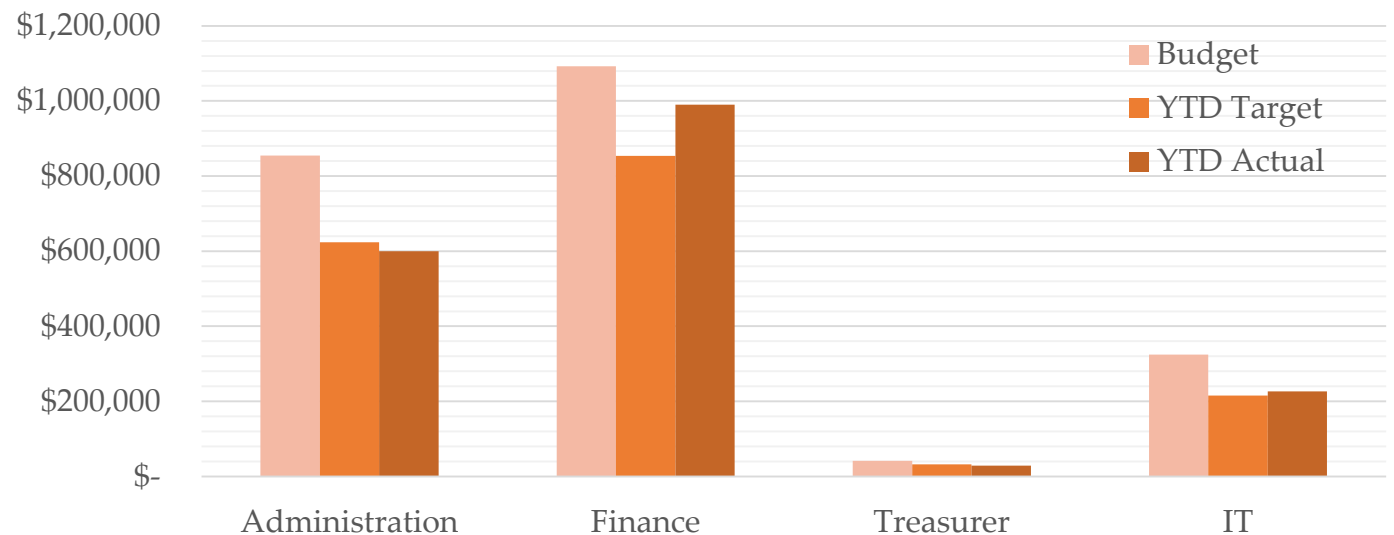
3rd Quarter 2016 – Highlights

General Government Expenditures

	Target %	Budget	YTD Actual	YTD Target	Variance
Administration	73%	\$854,505	\$599,979	\$624,104	\$24,125
Finance	78%	1,092,765	989,843	853,619	(136,224)
Treasurer	78%	41,362	29,110	32,428	3,318
IT	66%	324,627	226,481	215,802	(10,679)

Key Points:

- 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).
- IT** | Variance is the result of higher than budgeted renewal costs and added IT security costs



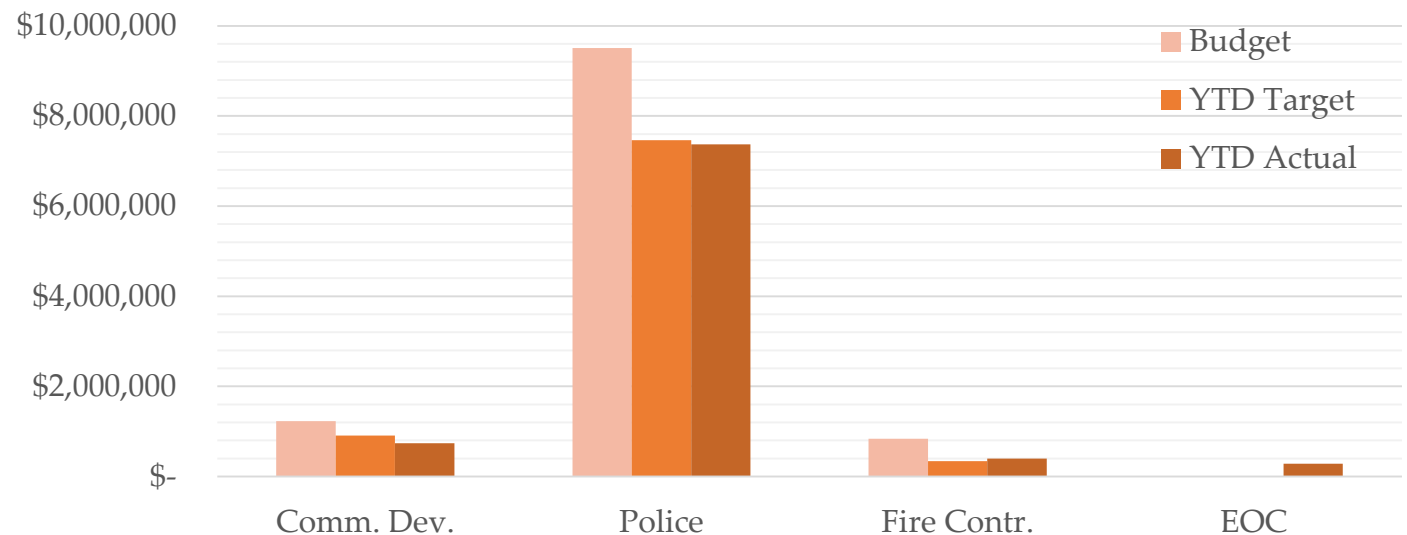
3rd Quarter 2016 – Highlights

Protection to Persons and Property

	Target %	Budget	YTD Actual	YTD Target	Variance
Community Dev.	74%	\$1,228,121	\$740,214	\$910,495	\$170,281
Police	78%	9,509,584	7,369,993	7,459,368	89,435
Fire Contributions	40%	839,855	398,140	337,869	(60,272)
Emerg. Ops. Center	0%	-	280,735	-	(280,735)

Key Points:

- **Comm. Dev** | Still under budget
- **Police** | Vacant position savings has made up for the workers' comp settlement, and variance is now positive
- **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.



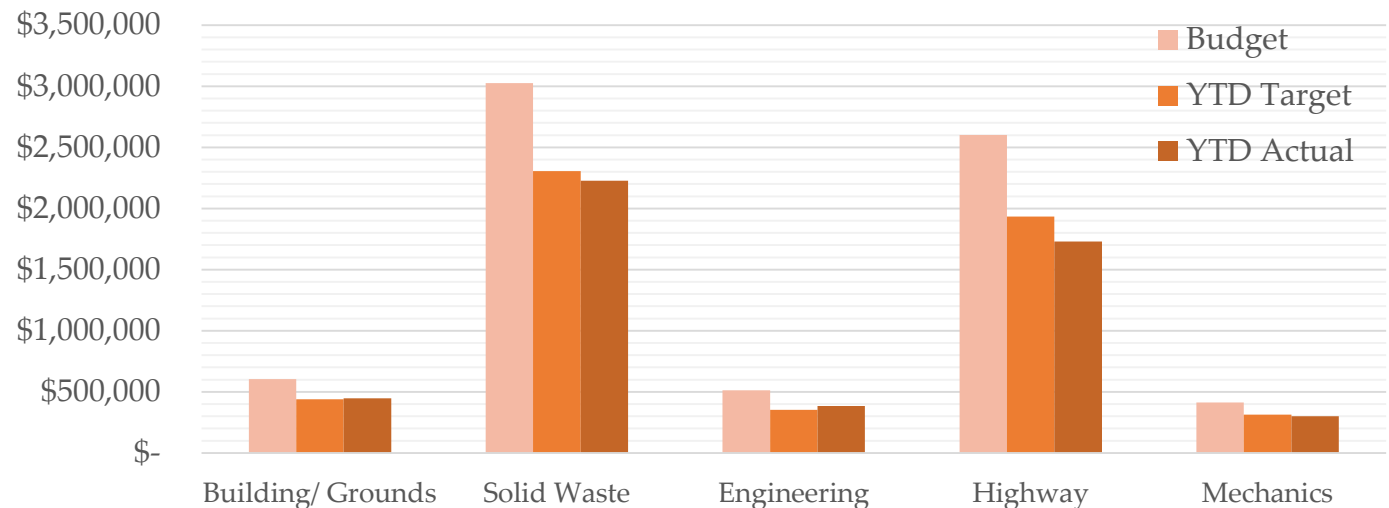
3rd Quarter 2016 – Highlights

Public Works

	Target %	Budget	YTD Actual	YTD Target	Variance
Building/ Grounds	73%	\$604,020	\$447,142	\$439,595	\$(7,547)
Solid Waste/ Recycling	76%	3,025,942	2,227,025	2,306,208	79,184
Engineering <small>(net of escrow)</small>	64%	556,329	384,348	353,985	(30,363)
Highway	74%	2,600,454	1,730,947	1,935,101	204,155
Mechanics	76%	412,541	299,950	313,287	13,337

Key Points:

- **Building/Grounds** | Higher overtime and HVAC repairs
- **Engineering** | Escrow reimb. are behind due to vacant admin. position
- **Highway** | Significantly lower snow/ice costs in 2016 versus prior years (still have \$177K unspent; usually this is already overspent)



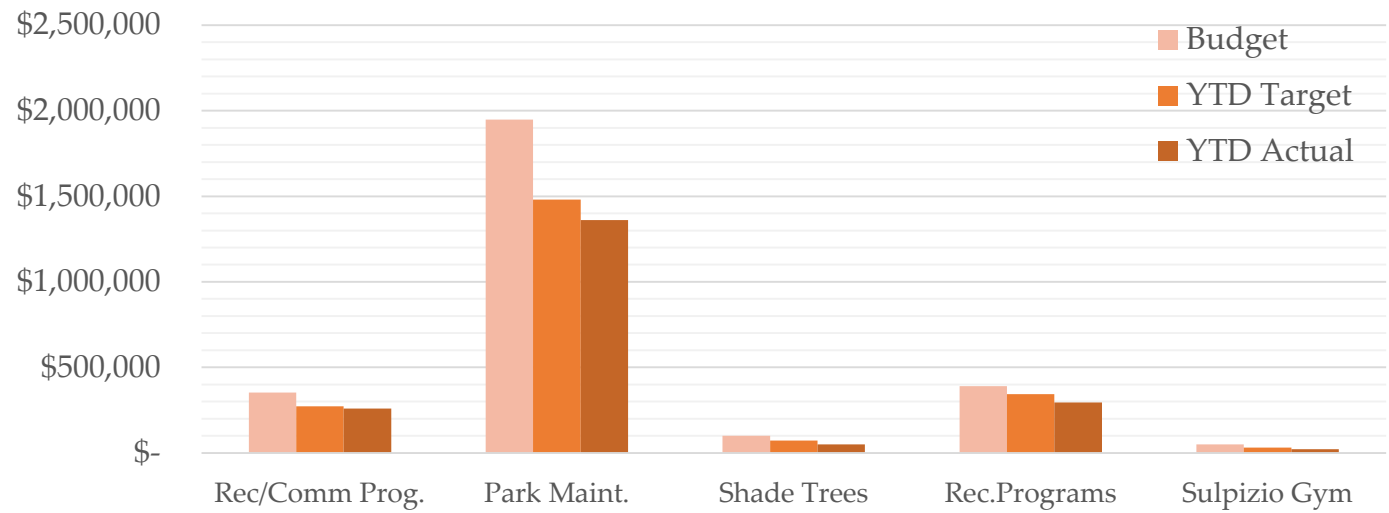
3rd Quarter 2016 – Highlights

Parks and Recreation

	Target %	Budget	YTD Actual	YTD Target	Variance
Recreation / Community Programming Admin.	77%	\$352,376	\$259,800	\$272,487	\$12,687
Park Maintenance	76%	1,947,174	1,360,205	1,480,945	120,740
Shade Trees	72%	100,000	50,305	71,976	21,671
Recreation Programs	88%	391,020	294,689	344,530	49,841
Sulpizio Gym	64%	50,605	21,952	32,276	10,324

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



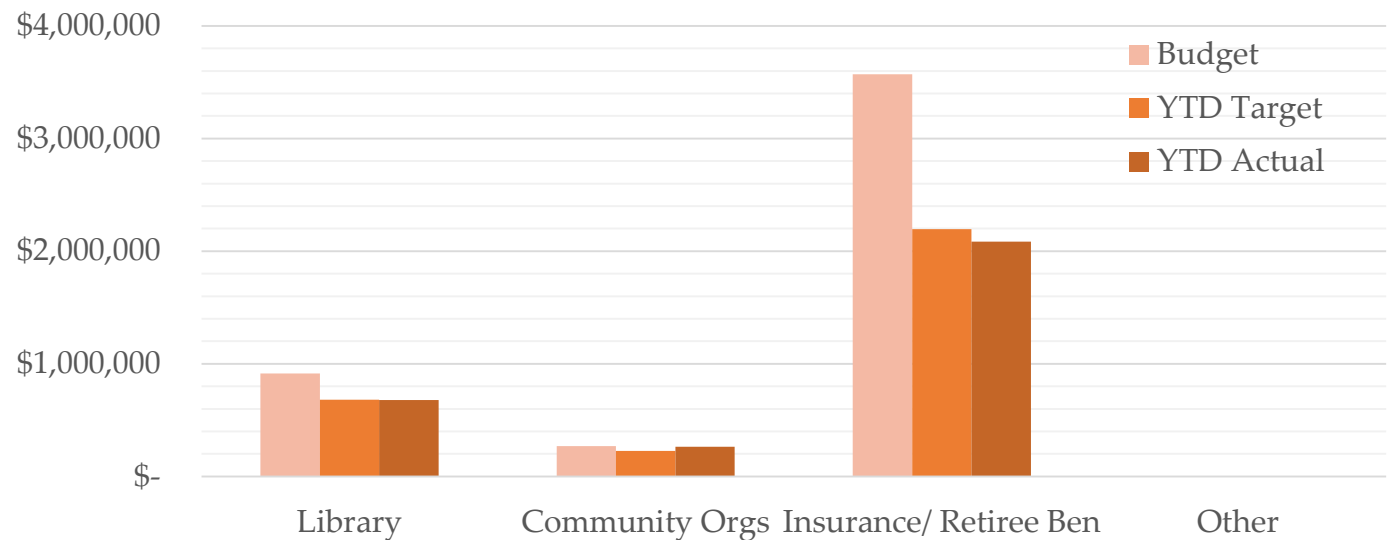
3rd Quarter 2016 – Highlights

All Other General Fund Expenditures

	Target %	Budget	YTD Actual	YTD Target	Variance
Library	74%	\$915,221	\$678,541	\$680,238	\$1,698
Community Orgs	84%	270,194	264,287	227,363	(36,923)
Insurance / Retiree Ben.	2%	3,570,535	2,085,886	2,196,729	110,844
Other	11%	3,600	3,151	397	(2,755)

Key Points:

- **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** | The retiree medical expense is now accounted for out of the OPEB fund instead of General Fund. By year end, actual and budget will be aligned.



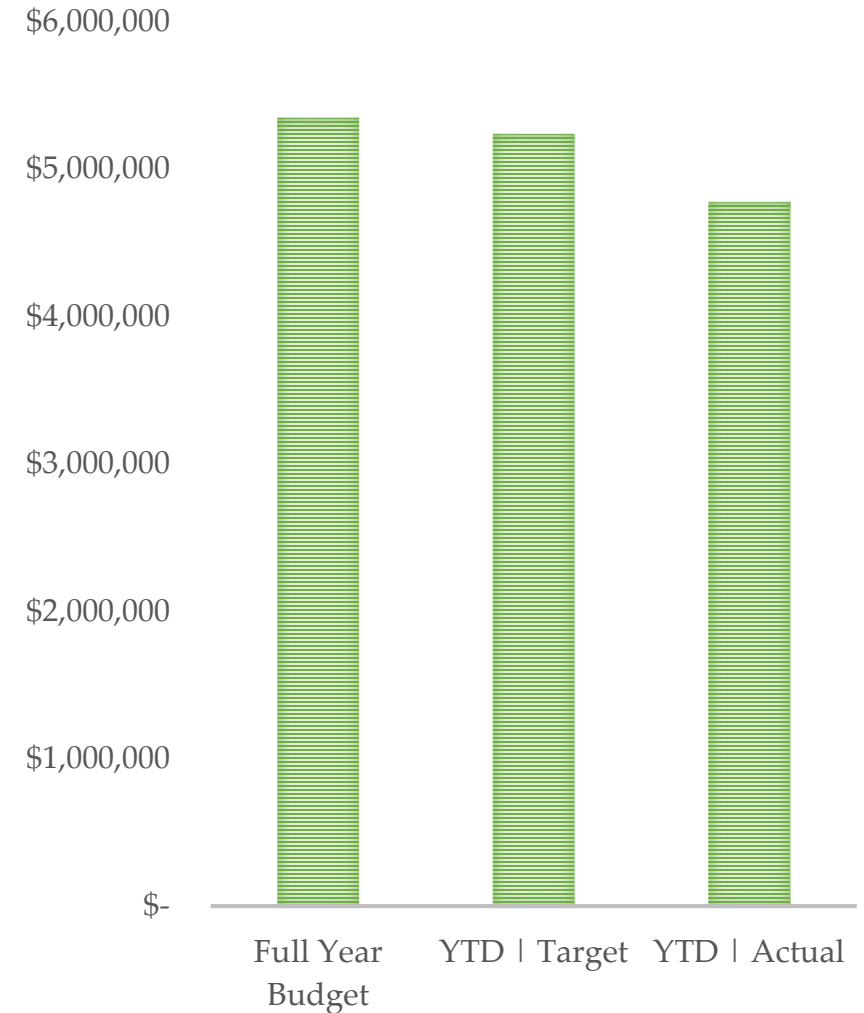
3rd Quarter 2016 – Highlights

Sanitary Sewer Fund (#02) Revenues

	2 nd Quarter		3 rd Quarter	
	Target	Amount	Target	Amount
Full Year Budget	100%	\$5,344,991	100%	\$5,344,991
YTD Actual	87%	4,655,450	89%	4,773,531
YTD Target	95%	5,077,741	98%	5,235,760
Variance	-8%	(422,291)	-9%	(462,229)

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



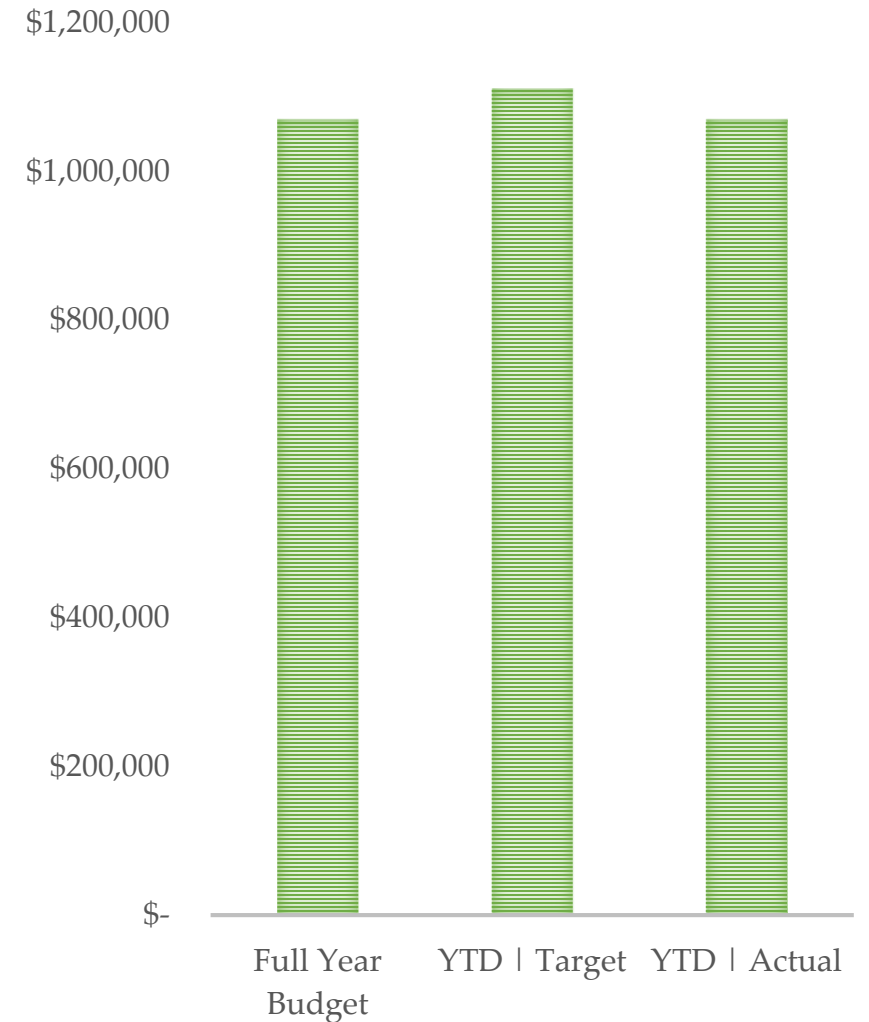
3rd Quarter 2016 – Highlights

Stormwater Fund (#04) Revenues

	2 nd Quarter		3 rd Quarter	
	Target	Amount	Target	Amount
Full Year Budget	100%	\$1,069,500	100%	\$1,069,500
YTD Actual	102%	1,086,335	104%	1,110,800
YTD Target	97%	1,037,415	100%	1,069,500
Variance	+5%	48,920	+4%	41,300

Key Points:

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

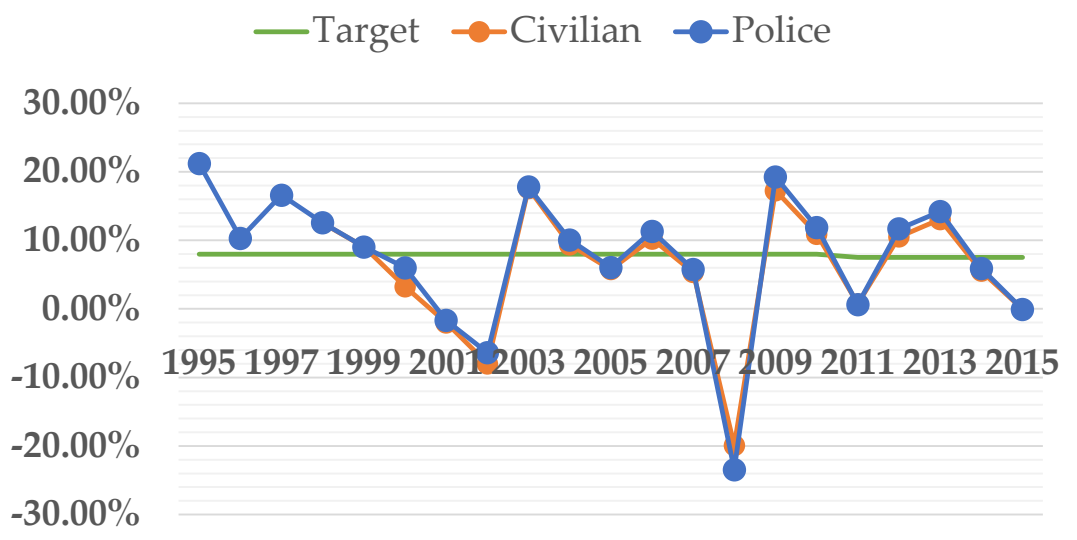


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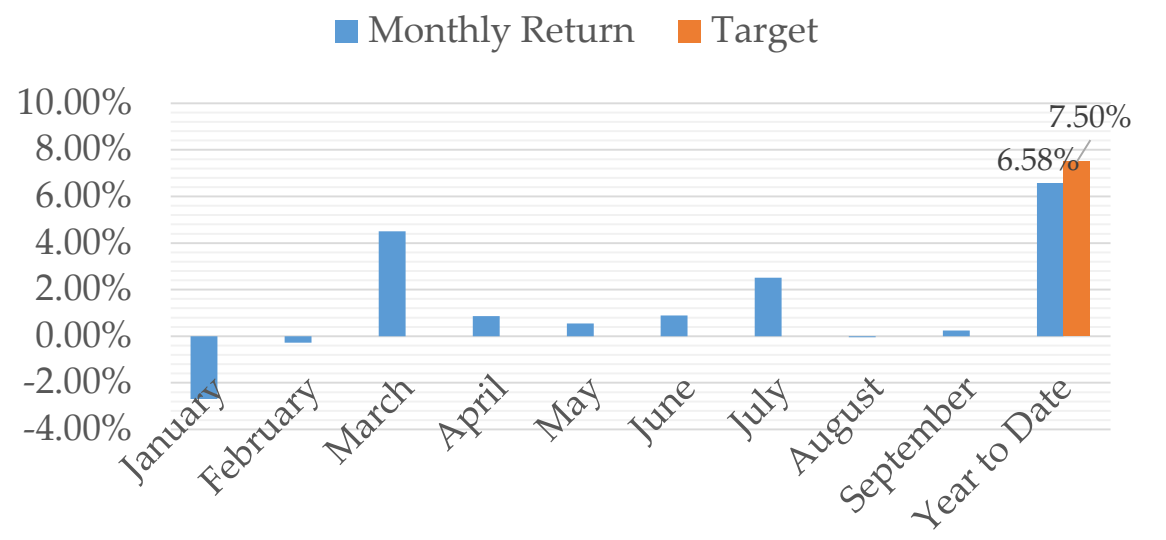
Pension Market Performance

- Adding this to the analysis given the impact of market performance on future budgets through the MMO
- This is also timely given CARFAC's presentation on pension funding

Pension Funds Investment Returns | 1995 - 2015



Pension Funds Investment Returns | 2016 To-Date



Q3 Results and FY 2016 Financial Outlook

Thank you

