

Q1 Results and FY 2016 Financial Outlook

Radnor Township | April 8, 2016

Agenda

- General Fund | 1st Quarter FY 2016 Results
and full year projection
- Sanitary Sewer Fund Revenue Look
- Stormwater Fund Revenue Look

General Fund Summary

- **Revenues** | Overall, revenues are strong against expectations to-date
 - Real Estate Taxes hit their collection targets (with one timing diff. variance)
 - Development revenues continue to be very strong
 - Police enforcement revenues continue to lag expectations
 - Parking revenue continues to lag expectations
 - BPT/MT: Due date is in May, so too early to determine if expectations will be met
- **Expenditures** | Overall, expenditures are in-line with expectations to-date.
 - Legal expenses continue to be a concern / drain on the operating budget
 - Large variances in some of the departments are the result of timing differences
 - Large EOC expense to be reimbursed
 - Township should remain conservative on capital spending until after the Act 511 due date when expectations can be re-evaluated.

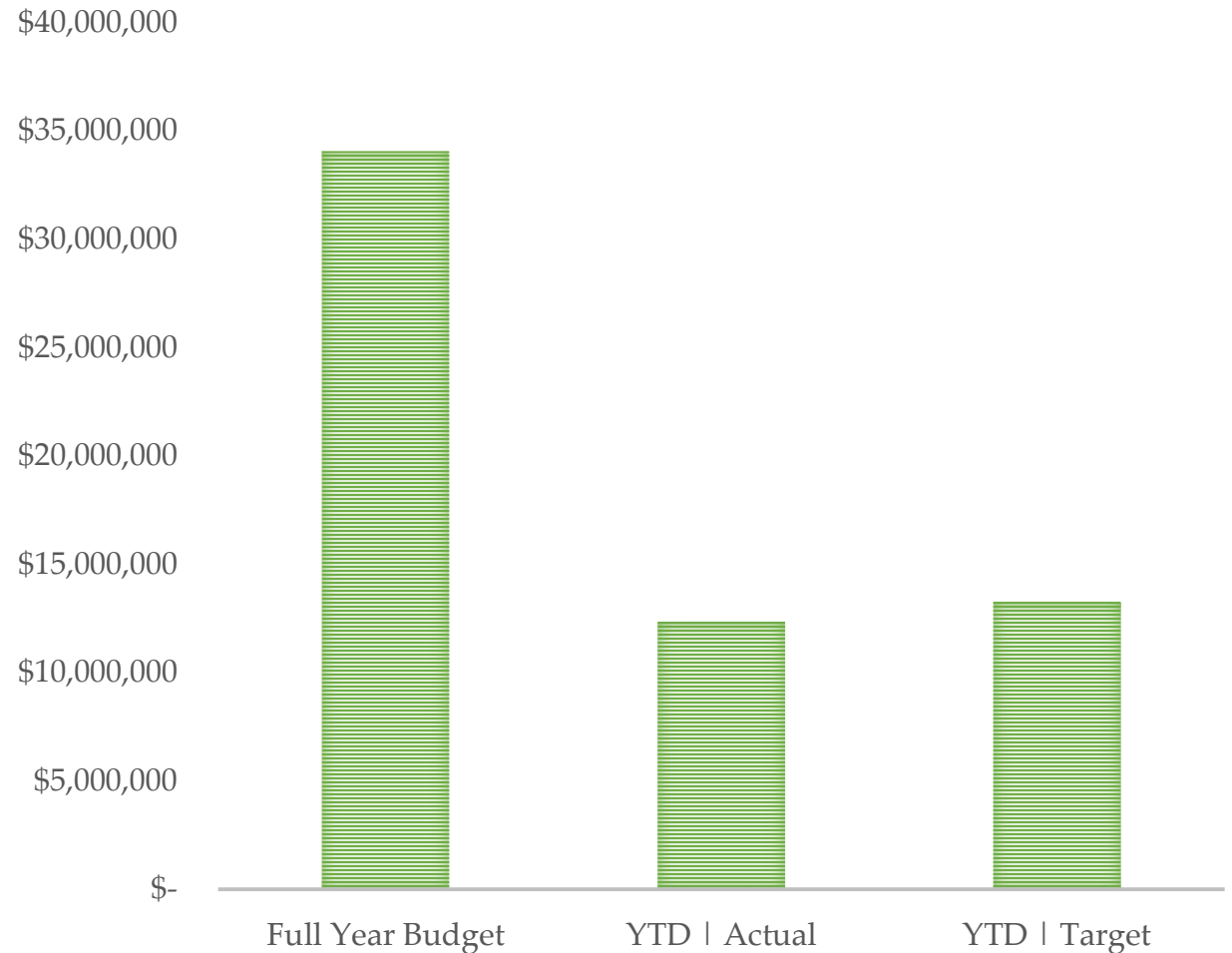
1st Quarter 2016 – Highlights

General Fund Revenues

	Target %	1 st Quarter	
Full Year Budget	100%	\$34,055,204	\$40,000,000
YTD Actual	36%	12,360,521	\$35,000,000
YTD Target	39%	13,281,530	\$30,000,000
Variance	-3%	(921,009)	\$25,000,000

Take Away:

- Large escrow holding transaction (\$1.8M) occurred in April 2016 versus March in prior years represents the entire variance
- Full Year Projection | **On Target**
- Significant Dates:
 - Real Estate Tax | April 30
 - Business Taxes | May 15



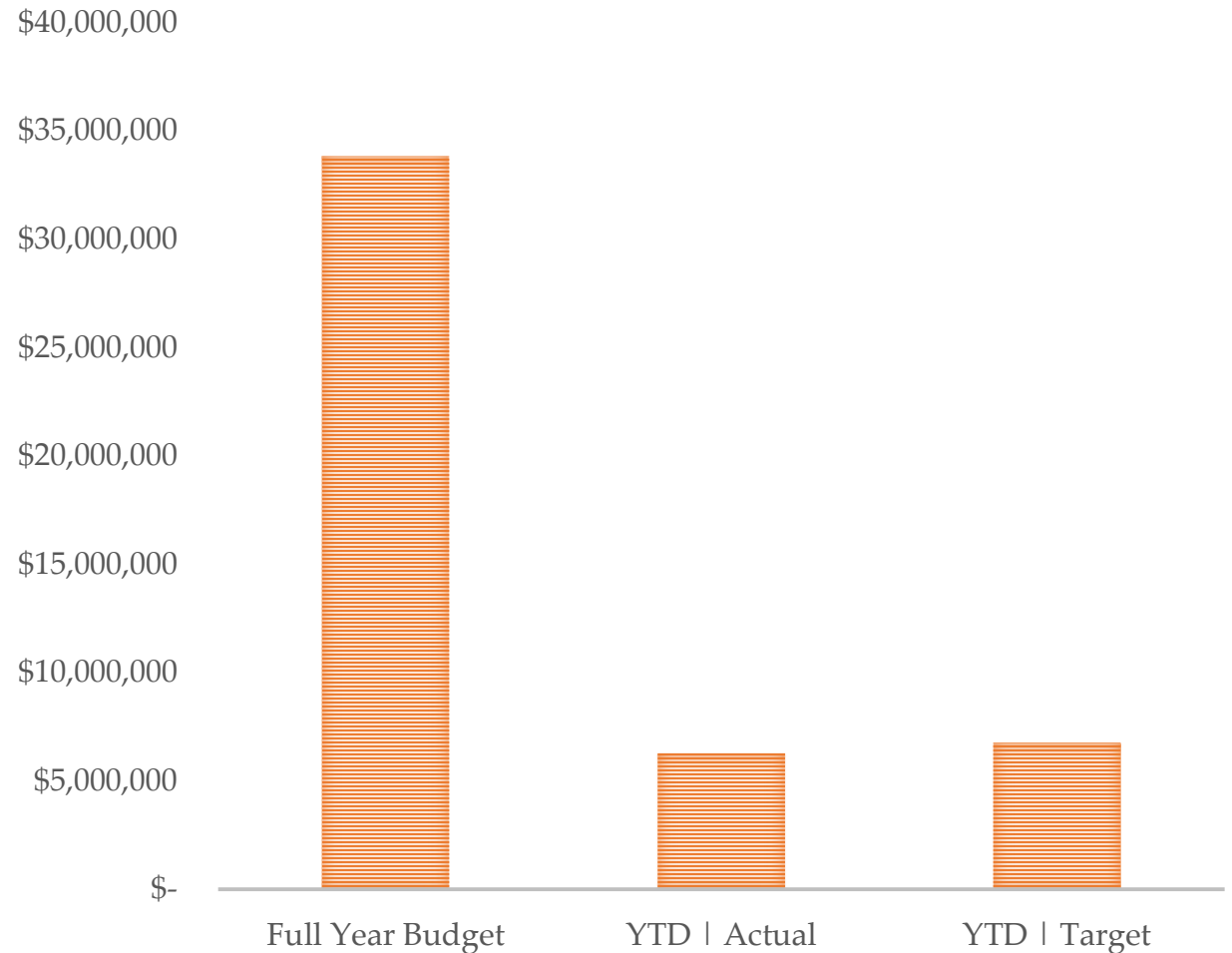
1st Quarter 2016 – Highlights

General Fund Expenditures

	Target %	1 st Quarter	
Full Year Budget	100%	\$33,820,550	\$40,000,000
YTD Actual	19%	6,291,005	\$35,000,000
YTD Target	20%	6,764,110	\$30,000,000
Variance	1%	473,105	\$25,000,000

Take Away:

- Better than expected winter expenses
- VU Final Four costs of \$234,400 not yet reimbursed (as of March)
- Police has several major negative variances (detailed later in presentation)
- Full Year Projection | **On Target**



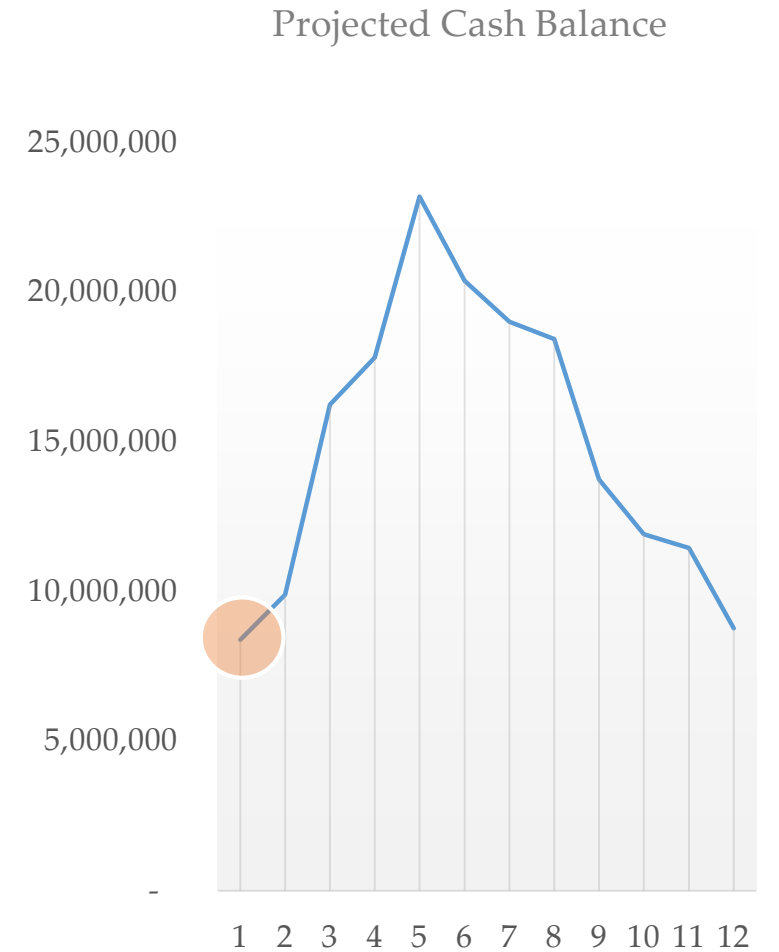
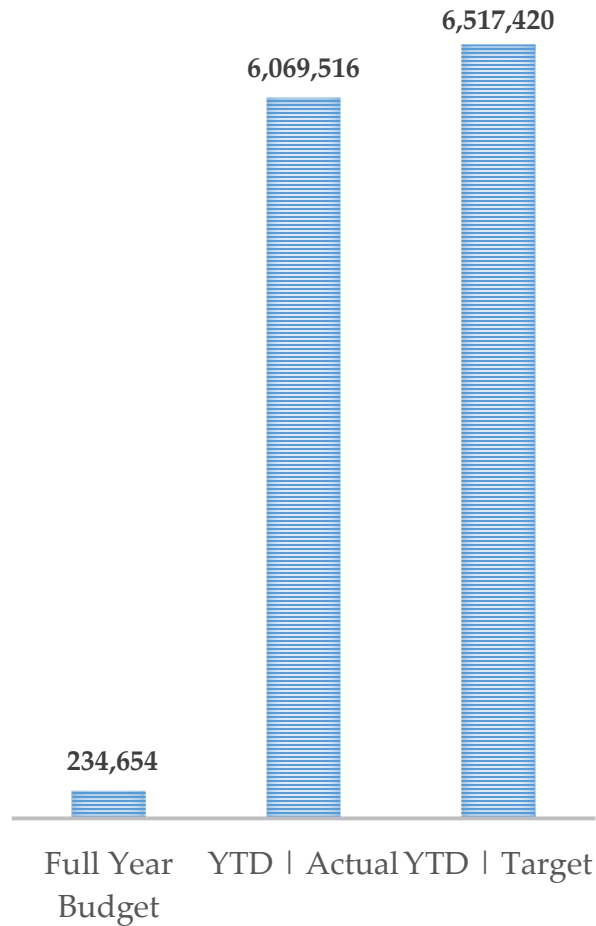
1st Quarter 2016 – Highlights

General Fund Net Revenues and Cash Balance Projection

	1 st Quarter
Full Year Budget	\$234,654
YTD Actual	6,069,516
YTD Target	6,517,420
Variance	(447,904)

Take Away:

- Full year net revenue is budgeted to be \$234,654
- Variance is due to \$1.8M escrow timing difference
- Full Year Projection | **On Target**



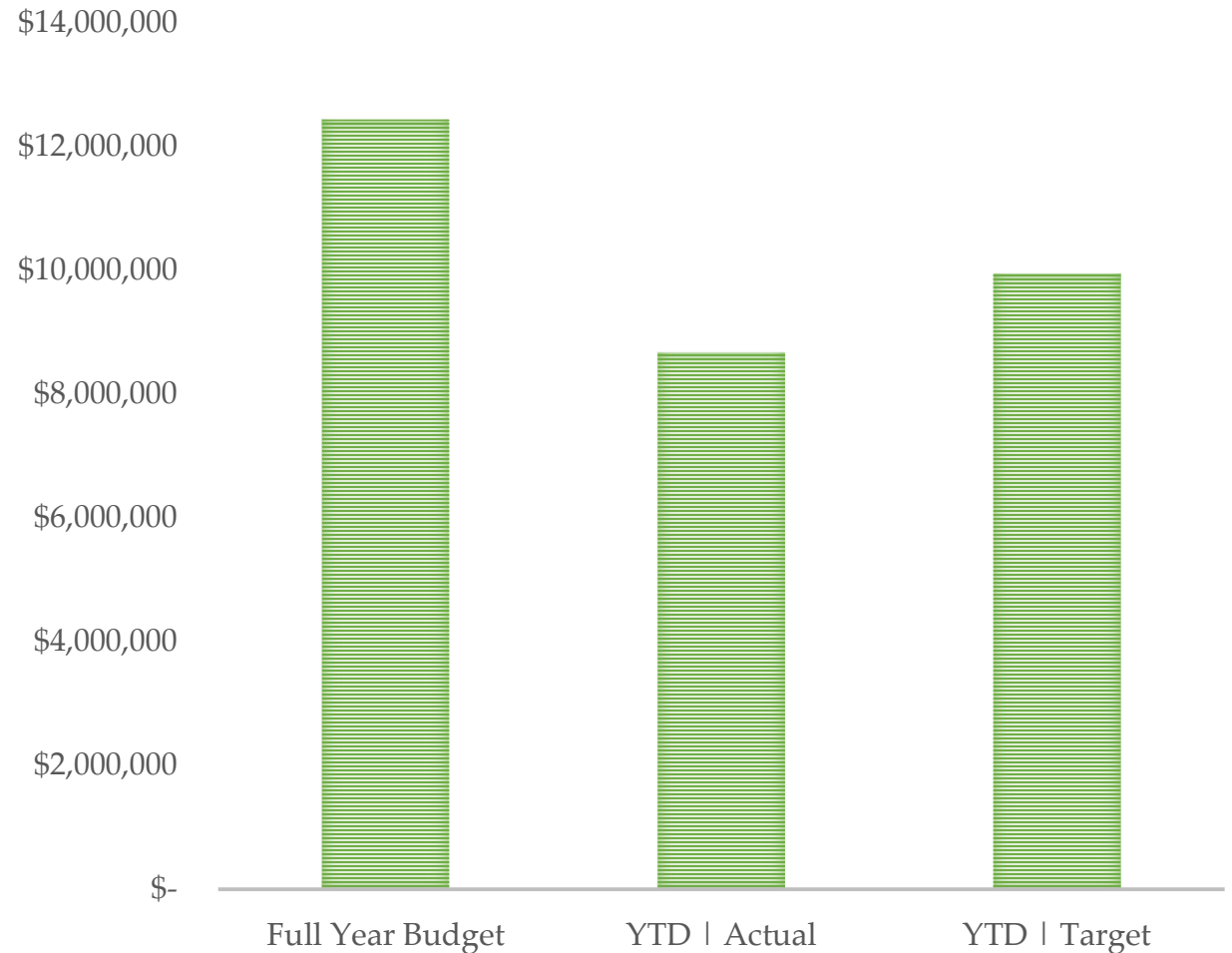
1st Quarter 2016 – Highlights

Real Estate Taxes

	Target %	1 st Quarter
Full Year Budget	100%	\$12,430,304
YTD Actual	70%	8,672,716
YTD Target	80%	9,944,243
Variance	-10%	(1,271,527)

Take Away:

- Collections lag historical trends
- Large escrow holding transaction occurred in April 2016 versus March in prior yrs.
- Due date is April 30
- Full Year Projection | **On Target**



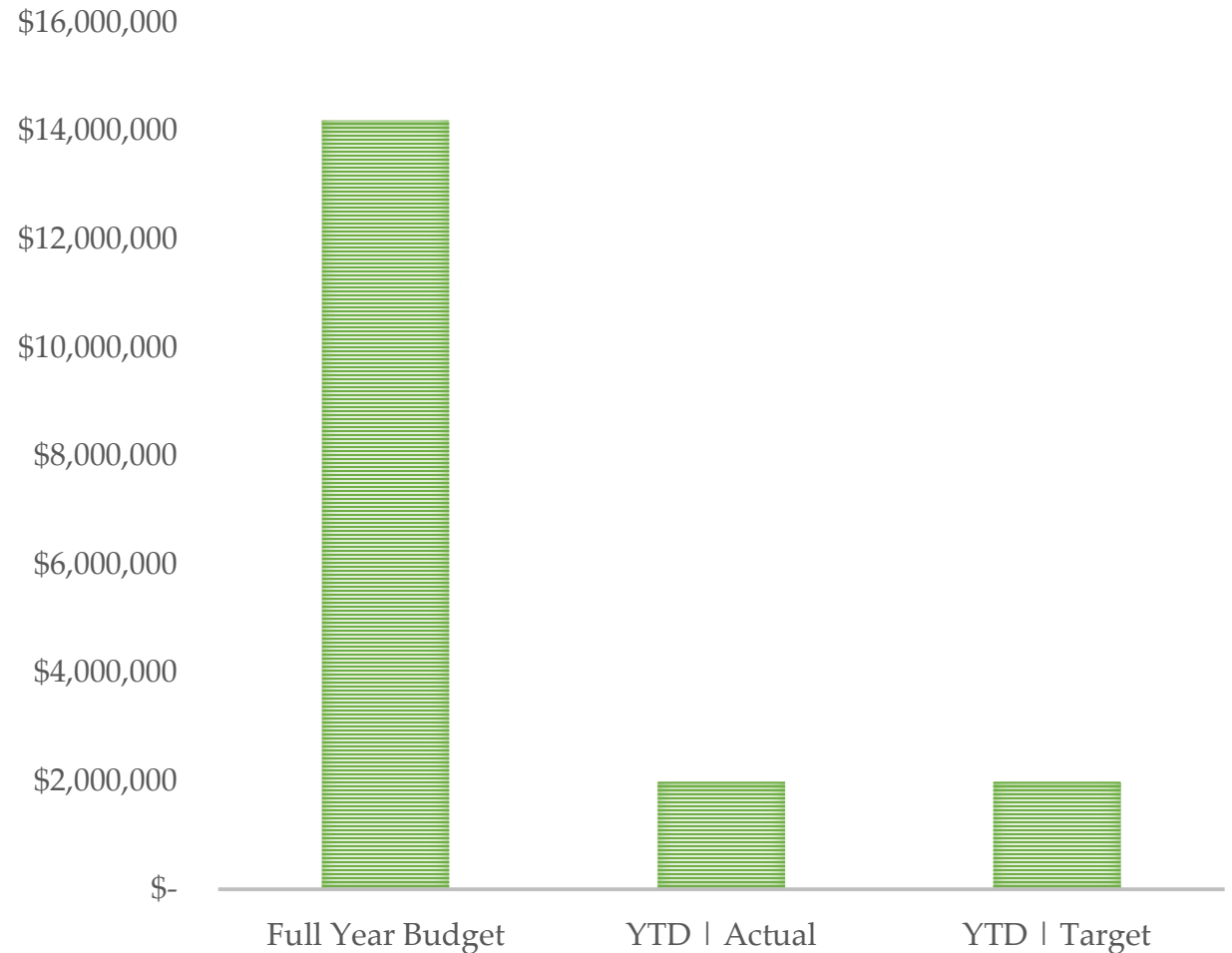
1st Quarter 2016 – Highlights

Act 511 Taxes

	Target %	1 st Quarter
Full Year Budget	100%	\$14,188,044
YTD Actual	14%	1,987,688
YTD Target	14%	1,986,326
Variance	0%	1,362

Take Away:

- Collections to-date met historical trends
- Due date for BPT / MT is May 15th
- RE Transfer is lagging (-6%)
- Full Year Projection | **On Target**



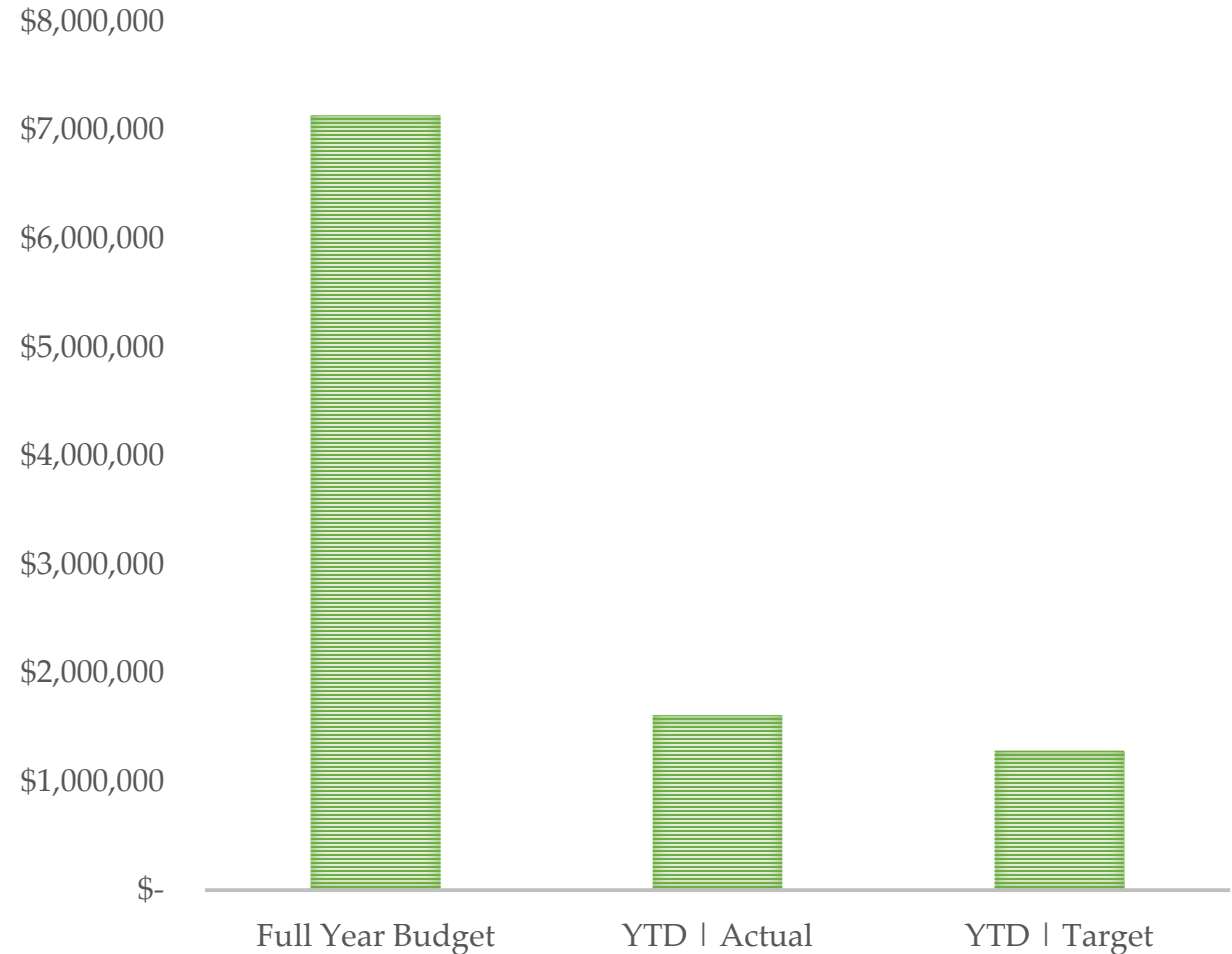
1st Quarter 2016 – Highlights

All Other General Fund Revenue

	Target %	1 st Quarter
Full Year Budget	100%	\$7,136,856
YTD Actual	23%	1,613,632
YTD Target	18%	1,284,634
Variance	5%	328,998

Take Away:

- Collections to-date are ahead of targets
- Building permitting is strong to-date
- Engineering permitting is strong to-date
- Double County Liquid Fuel contr. (+\$32K)
- Full Year Projection | **On Target**



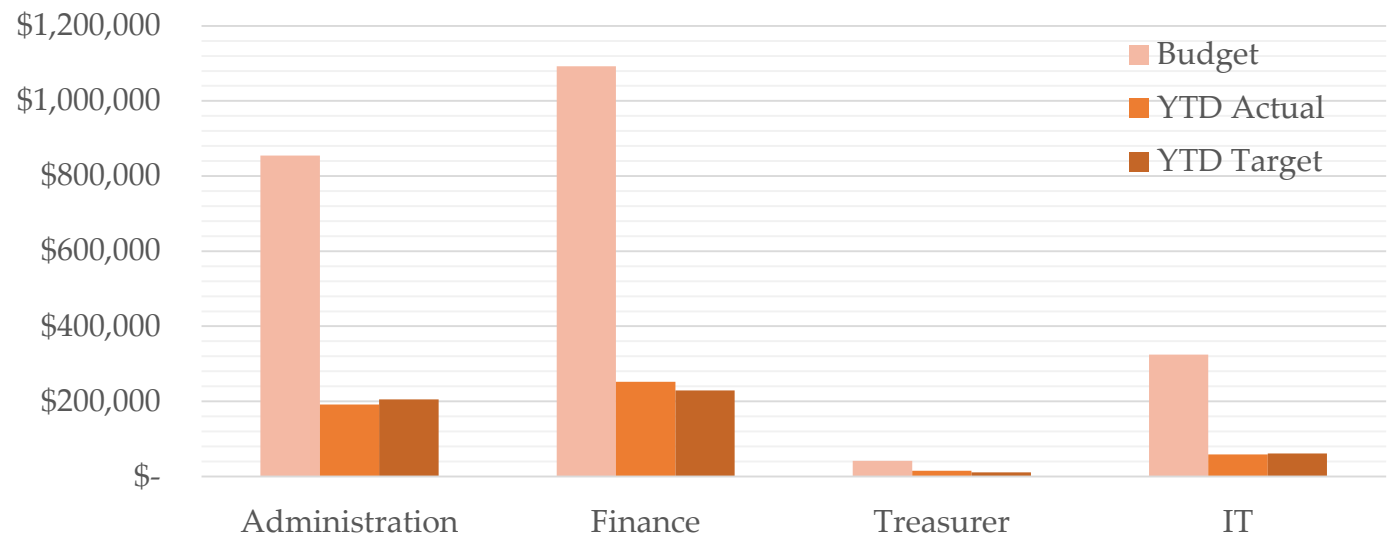
1st Quarter 2016 – Highlights

General Government Expenditures

	Target %	Budget	YTD Actual	YTD Target	Variance
Administration	24%	\$854,505	\$191,483	\$205,081	\$13,598
Finance	21%	1,092,765	252,537	229,481	(23,056)
Treasurer	27%	41,362	14,979	11,168	(3,811)
IT	19%	324,627	58,856	61,679	2,823

Take Away:

- **Administration** | Contractual services are under budget while legal expenses are over budget
- **Finance** | Act 511 legal and audit expenses are ahead of targets (revenue offset)
- **Administration** | Legal expenses are a concern
- **Finance** | Act 511 discovery fees will be higher than budgeted (revenue offset)



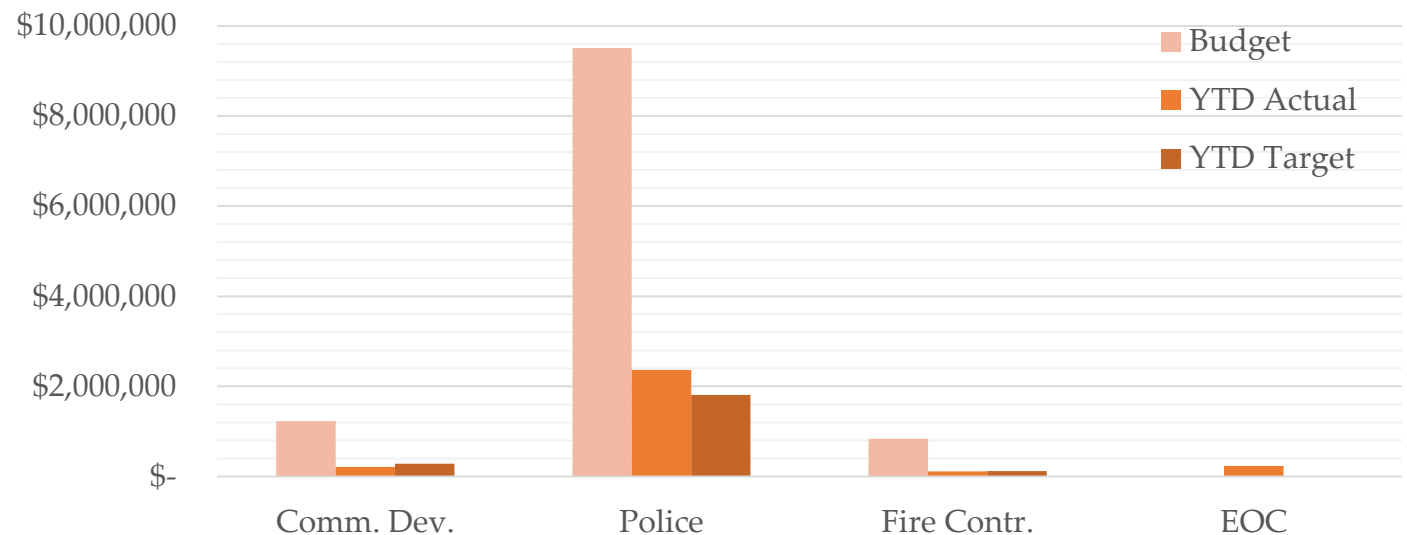
1st Quarter 2016 – Highlights

Protection to Persons and Property

	Target %	Budget	YTD Actual	YTD Target	Variance
Community Dev.	23%	\$1,228,121	\$213,174	\$282,468	\$69,294
Police	19%	9,509,584	2,363,302	1,806,821	(556,481)
Fire Contributions	14%	839,855	115,257	117,580	2,323
Emerg. Ops. Center	0%	-	234,422	-	(234,422)

Take Away:

- **Police** | Paid OPEB (\$374,550) and a portion of MMO (\$210,000) in March 2016 vs Sept in prior years
- **Police** | Paid \$110,000 in a BWC settlement
- **EOC** | Costs incurred will be reimbursed by Villanova (Final Four)



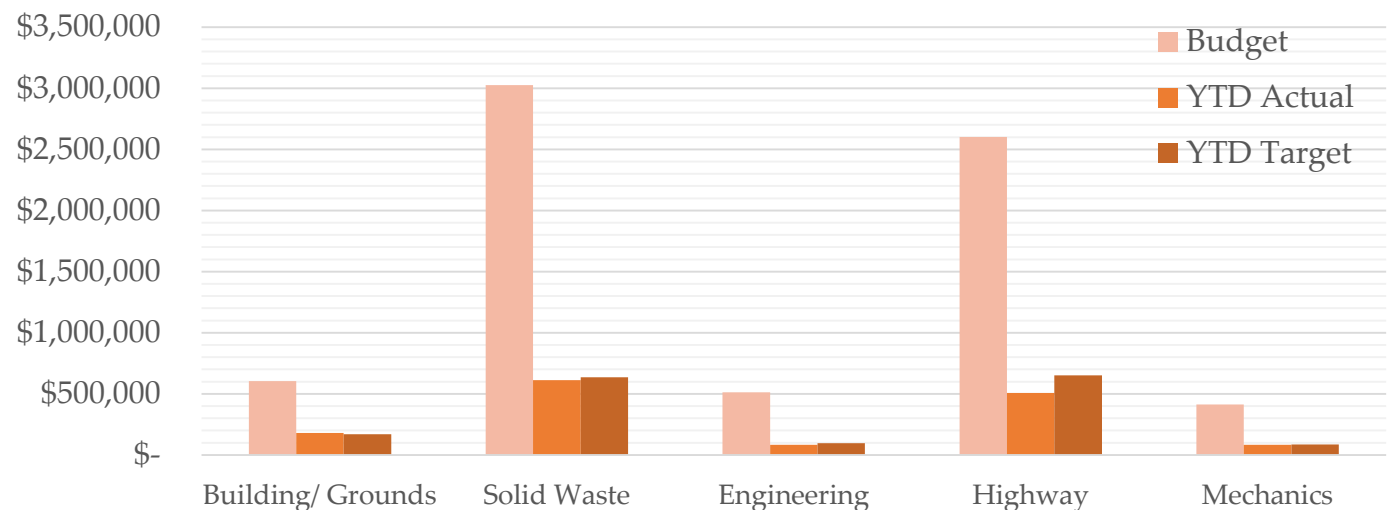
1st Quarter 2016 – Highlights

Public Works

	Target %	Budget	YTD Actual	YTD Target	Variance
Building/ Grounds	28%	\$604,020	\$178,881	\$169,126	\$(9,755)
Solid Waste/ Recycling	21%	3,025,942	613,035	635,448	22,412
Engineering	19%	512,936	84,287	97,458	13,171
Highway	25%	2,600,454	508,430	650,114	141,683
Mechanics	21%	412,541	82,796	86,634	3,838

Take Away:

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



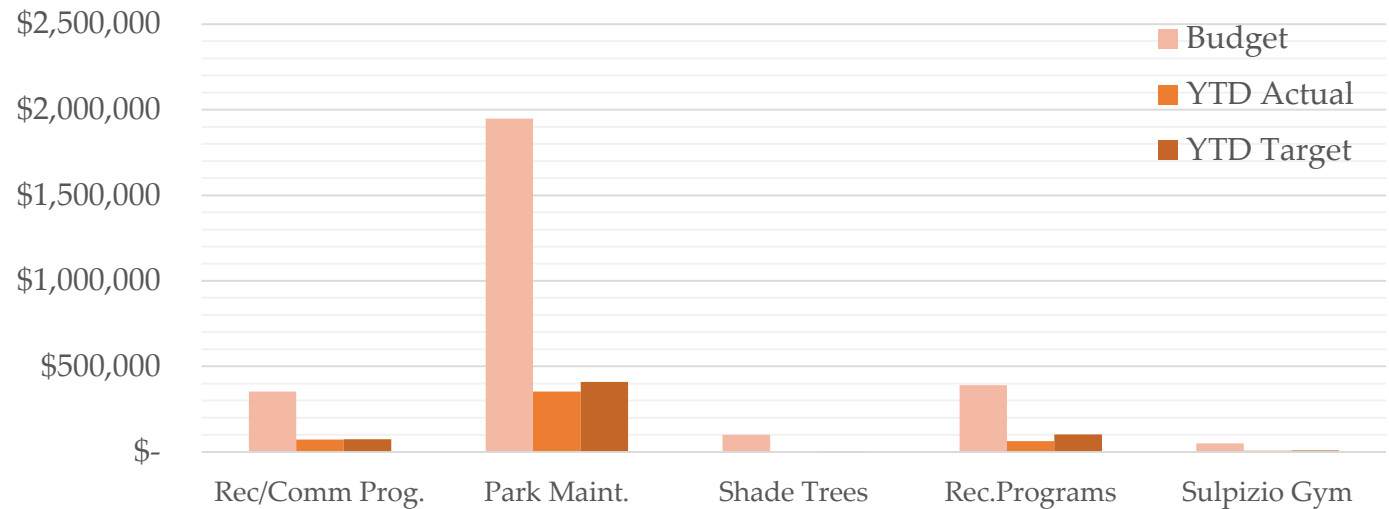
1st Quarter 2016 – Highlights

Parks and Recreation

	Target %	Budget	YTD Actual	YTD Target	Variance
Recreation / Community Programming	21%	\$352,376	\$72,965	\$73,999	\$1,034
Park Maintenance	21%	1,947,174	353,018	408,907	55,889
Shade Trees	4%	100,000	-	4,000	4,000
Recreation Programs	26%	391,020	62,476	101,665	39,190
Sulpizio Gym	17%	50,605	7,846	8,603	757

Take Away:

- **Park Maint** | lower supply costs to date versus expectations
- **Recreation Programs** | Variance is the result of timing diff in program expenses versus prior year trends



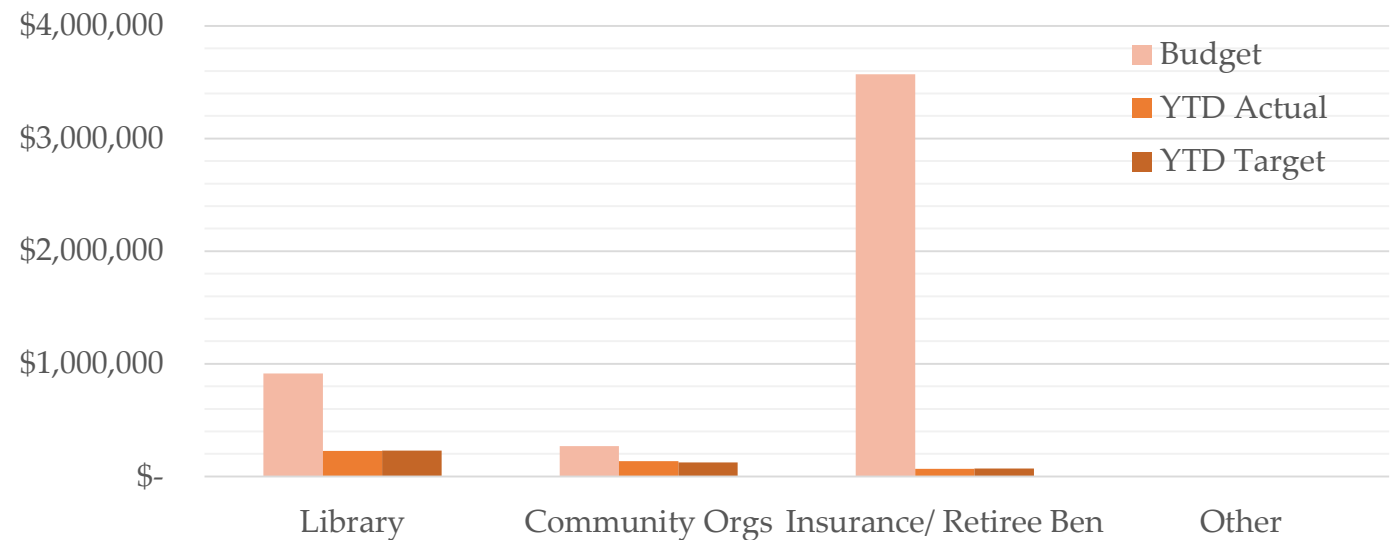
1st Quarter 2016 – Highlights

All Other General Fund Expenditures

	Target %	Budget	YTD Actual	YTD Target	Variance
Library	25%	\$915,221	\$226,180	\$228,805	\$2,625
Community Orgs	46%	270,194	136,123	124,289	(11,834)
Insurance / Retiree Ben.	2%	3,570,535	68,671	71,411	2,739
Other	13%	3,600	539	468	(71)

Take Away:

- **Community Organizations** | Variance is the result of timing differences in when contributions were made in 2016 versus prior years.
- **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 (from General to OPEB, similar to MMO)



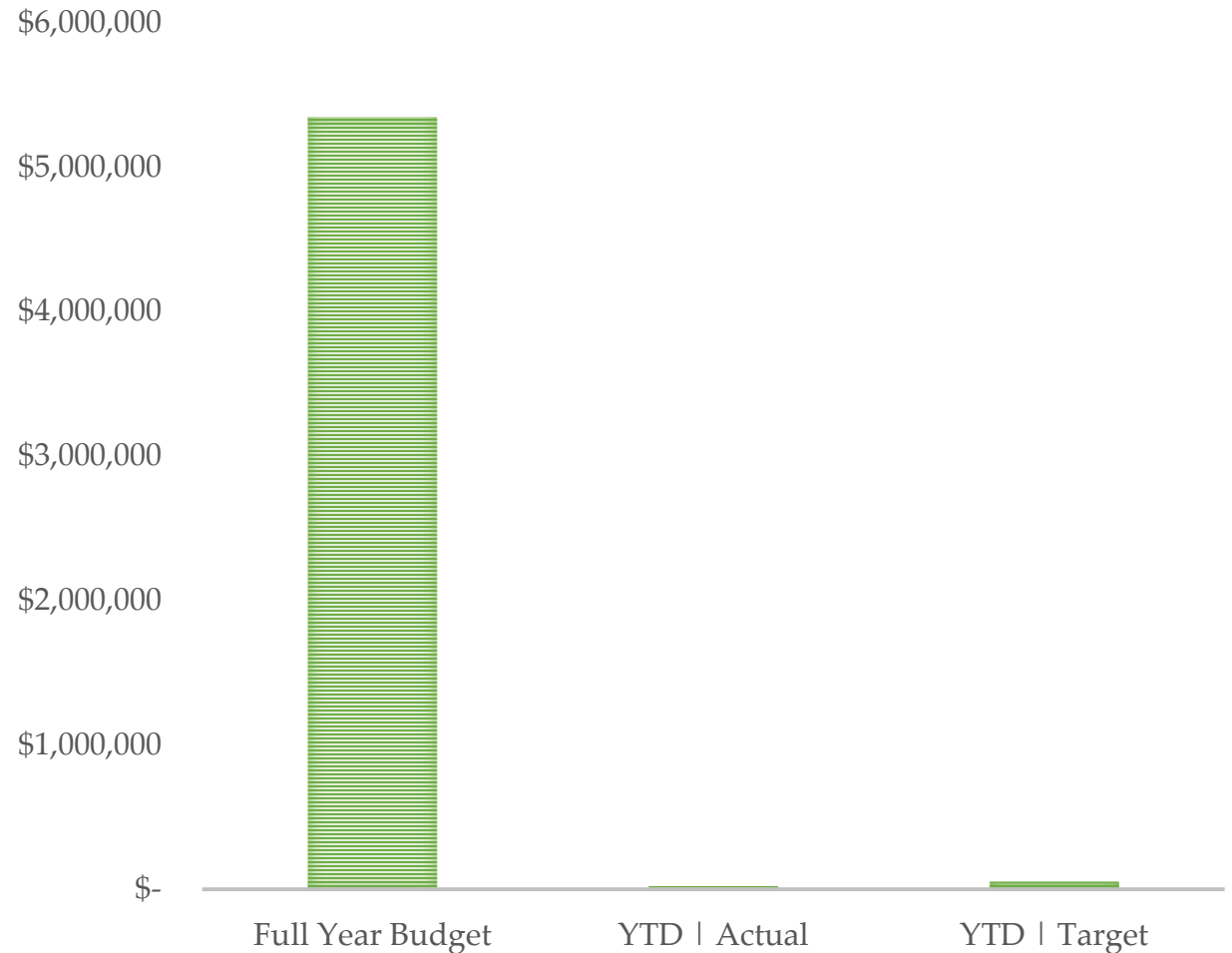
1st Quarter 2016 – Highlights

Sanitary Sewer Fund (#02) Revenues

	Target %	1 th Quarter
Full Year Budget	100%	\$5,344,991
YTD Actual	0%	23,426
YTD Target	1%	53,450
Variance	-1%	(30,024)

Take Away:

- Too early to know collection rate
- Billing period begins April 1 and bills are due April 30



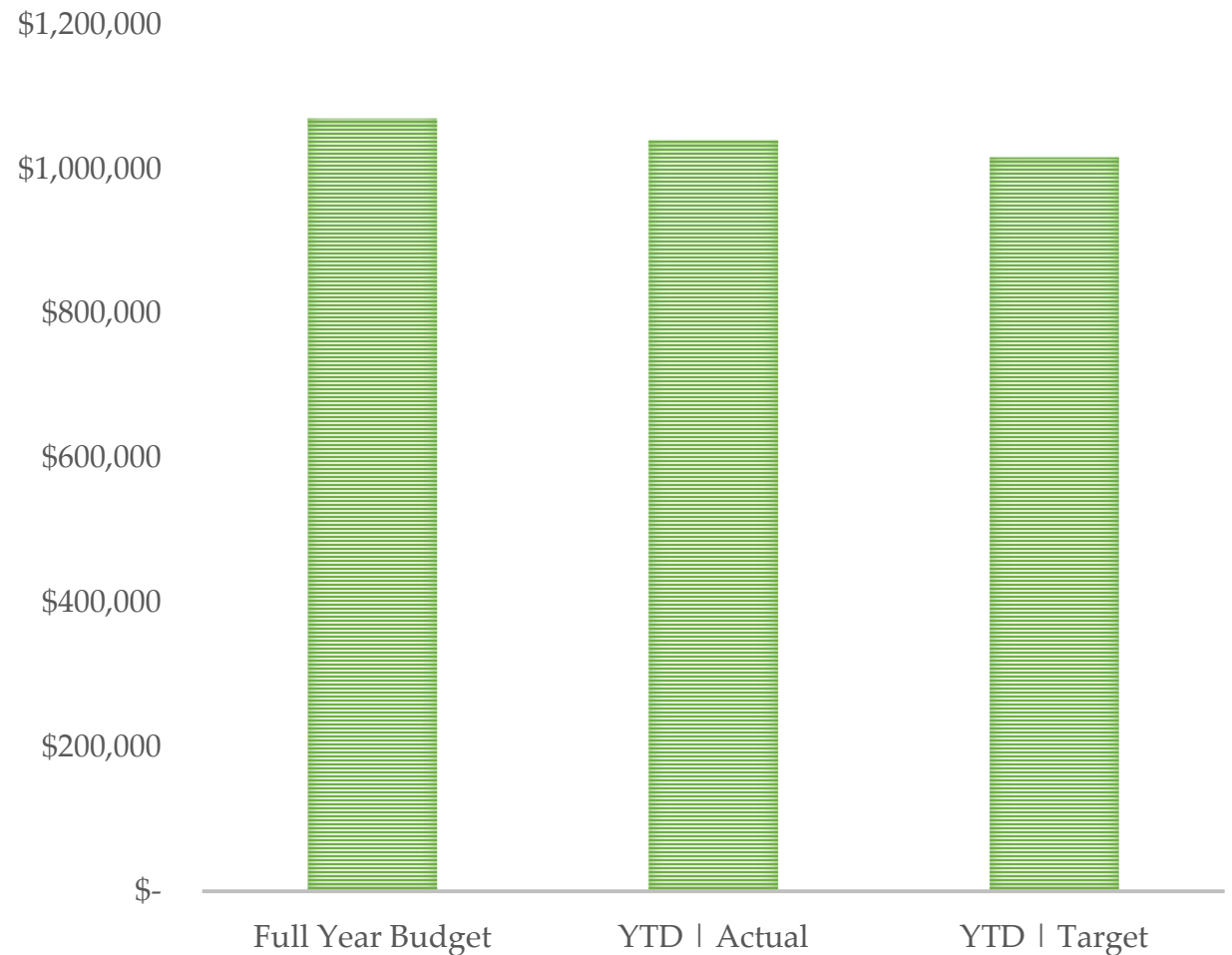
1st Quarter 2016 – Highlights

Stormwater Fund (#04) Revenues

	Target %	1 th Quarter
Full Year Budget	100%	\$1,069,500
YTD Actual	97%	1,039,400
YTD Target	95%	1,016,025
Variance	+2%	23,375

Take Away:

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



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Thank you

