

**Jenkintown Borough
Financial Report
April 2020**

Date: May 13, 2020

To: Borough Council,
George Locke, Borough Manager

From: Rick Ware, Finance Director

Please note the following related to the attached financial reports:

Cash Analysis

General Fund Cash is greater at April 2020 by \$365,000 due to earlier RE tax mailing.

Fire Apparatus Fund is less at April 2020 by \$266,000, as the majority of payments for the fire apparatus had been made.

Sewer Fund is less at 2020 as disbursements for the Cheltenham sewer project had been made.

Capital Projects Fund is lower by \$301,000 as we have paid for several grant funded projects, particularly the recycle truck, in advance of receiving the grant funds. A temporary transfer of \$120,000 from Street Tax was made to cover the shortage.

Statement of Revenues and Expenditures by Fund

Revenues:

General Fund revenues are greater in 2020 with increases in real estate taxes somewhat offset by shortages in Act 511 taxes. These are anticipated to be timing differences. The property tax increase is represented across all funds and is a response to the earlier mailing date of invoices from the tax collector.

Sewer Fund revenue is less in 2020 due to the receipt of the \$1,400,000 Republic loan in 2019 offset somewhat by earlier collections of 2020 fees.

Solid waste revenue is greater in 2019 due to a recycling grant received of \$18,000.

Street Tax revenue is greater in 2020 due to the receipt of an Aqua payment in lieu of paving amount of \$126,000.

Capital Projects revenue is greater in 2020 due to the receipt of \$43,000 from the RDA for the remediation of the Cedar Street Park.

Revenue in both pension plans is less in 2020 vs. 2019 due to market fluctuation, \$1,050,000 in the police plan and \$157,000 in the non-uniform. These numbers are more favorable than the previous month as the market has partially rebounded from recent lows.

Expenditures:

General Fund expenses are virtually equal between periods.

Fire Apparatus Fund expenses are greater in 2020 due to the payment of a trailing invoice for components for the recently purchased fire apparatus. One more invoice is expected.

Capital Project fund expenses are greater in 2020 by \$395,000 as a result of the purchase of the recycle truck for \$195,000 as well as contractor and engineering payments on the sanitary sewer lining, Cedar Street Park and Gateway projects.

Liquid Fuels payments were greater in 2019 due to the purchase of a pickup truck for \$45,000 and additional road salt of \$15,000.

Notes:

Transition of police employees to the DVHT health plan has been completed.

Due dates for real estate taxes at discount and face were extended from 4/5 and 6/5 to 5/31 and 7/31, respectively. The due date for Act 511 taxes, BCT, MCT & LST were extended from 4/15 to 7/15, as well.

Due to the expected revenue reductions from COVID 19 related issues, we have begun to review all budgeted spending to determine areas where savings may be possible. A note has been sent to all committee chairpersons and department heads. The largest effect is expected to be for budget year 2021, as business taxes are expected to be significantly reduced as a result of continued shutdowns in the 2020 year.

Year to date losses in the pension funds of \$528,000 for the Police and \$84,000 for the Non-Uniform plans at 4/30 due to market fluctuation have reduced with a partial recovery and may be cause for concern for future MMO calculations depending on market rebound and any support from the state. This years MMO is locked in based on the calculation done in September 2019 and is not affected by current valuations.

If you have any questions, do not hesitate to contact me.