



# 2017 Budget Presentation

## March 16, 2017

# Montgomery by the Numbers

- ▶ Montgomery's municipal tax levy has minimally changed over the past 6 years (2011 thru 2016)
  - Montgomery continues to be fully compliant with the Levy Cap Law.
- ▶ Spending and Headcount have been reduced – finding ways to do more with less:
  - ▶ \$2.7 Million Reduction in Non-grant spending
    - High of nearly \$31 million in 2005
  - ▶ Reduction in number of Full-Time Township employees (189 to 159)

12.3%

15.8%

# By the Numbers (cont.)

- ▶ Significantly reduced use of surplus in annual budgets

16%

- ▶ Amount of surplus used in the 2017 budget
  - 46% of 2005 and 2006 budgets were surplus
  - 21% of 2010 budget was surplus
- ▶ Received a “Perfect Score” from Governor Christie’s Best Practices in Local Government program in 2013
  - ▶ Program assesses a town’s fiscal and operational management
  - ▶ Awarded a “near perfect” score in 2016
- ▶ In 2016, Township maintained Moody’s Investors credit rating of **Aa1**
  - ▶ This reflects the Township's improved financial operations with healthier cash and reserve positions



# 2017 – Spending Adjustments

- ▶ Projected spending increases for 2017
  - Mandated Cost Increases :
    - Pensions – DCRP (\$68,500) Increase of 5.1%
    - Health Insurance (\$346,952) Increase of 13.4%
    - Statutory and contractual salary increases
      - 85% of total spending increases can be attributed to pension, health care, and contractual salary increases.
- ▶ Efficiencies and cost reductions have been found to help mitigate increases
  - Shared services agreements with other municipalities
  - Smart debt financing
  - Past investments in training and equipment to make employees more productive
  - Utilizing employees with multiple certificates
  - New banking provider leading to increase in interest income and new technology

# 2017 Budget Summary

- ▶ Non-grant spending remains less than 2005 levels (12 years ago)
- ▶ State aid to Township remains flat
- ▶ Municipal tax rate up \$0.017 (From \$0.370 to \$0.387)
  - Municipal tax bill on the avg. assessed home is \$1,934.28 (\$161.19/month)
    - Approximately 12.7% of total property tax bill
    - Proposed tax increase on the avg. household will be \$86.35 (\$7.20/month)
      - Under the state's property tax cap law, the township is eligible for a \$248.21 increase --- the 2017 increase only represents 35% of this amount
      - 11.4% lower than the increase in 2016
- ▶ Impact to services
  - No reduction in any core services
  - Investment in police, public works, and recreation departments. As well as upgrading our police and municipal building
  - Extra funding for critical road projects and infrastructure improvements

# Ongoing Activities for 2017

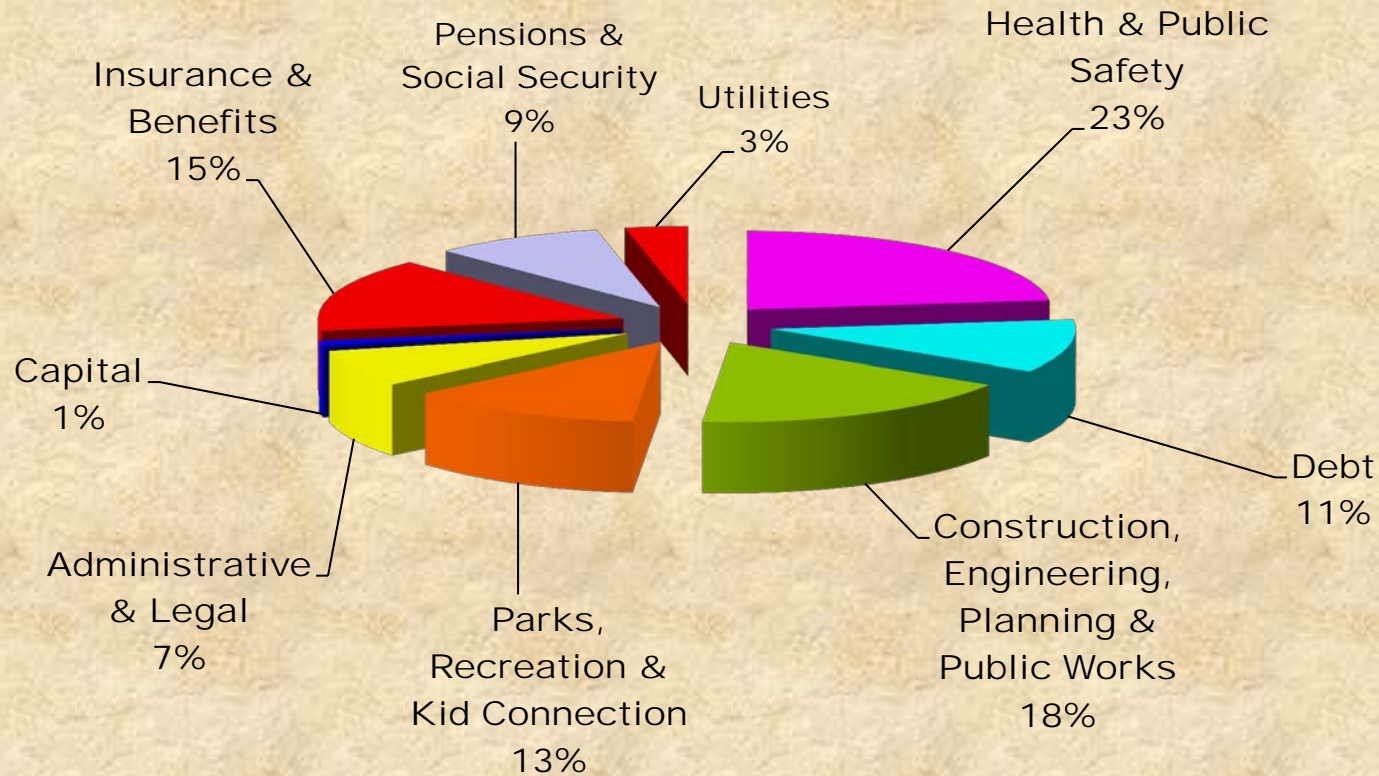
- ▶ **Continuing to work on closing our structural budget gap through long-term budget planning**
  - Increase revenue sources through smart development and shared services
  - Evaluate professional contracts and services to ensure Township is receiving the most cost efficient services (i.e. Banking Services)
- ▶ **Continue to revamp the municipal government organizational structure to optimize head count, responsibilities, and efficiencies**
  - Reevaluate positions and tasks to economize cost
- ▶ **Continuing to improve the roads and infrastructure**
  - Cherry Hill, Cherry Valley, Mountain View, Sunset, Hollow, Opossum, Orchard
  - Sidewalk repair program
  - Parks, Playgrounds and Fields
  - Sewage treatment plant consolidation and flood mitigation
  - Repairs and upgrades to parks and recreation buildings and municipal buildings
- ▶ **Aggressively analyzing new opportunities for consolidation/sharing services**
  - Potential partnerships with neighboring municipalities and county
  - Health Education Services, Animal Control Services, Finance Services, Recreation Services, Court services





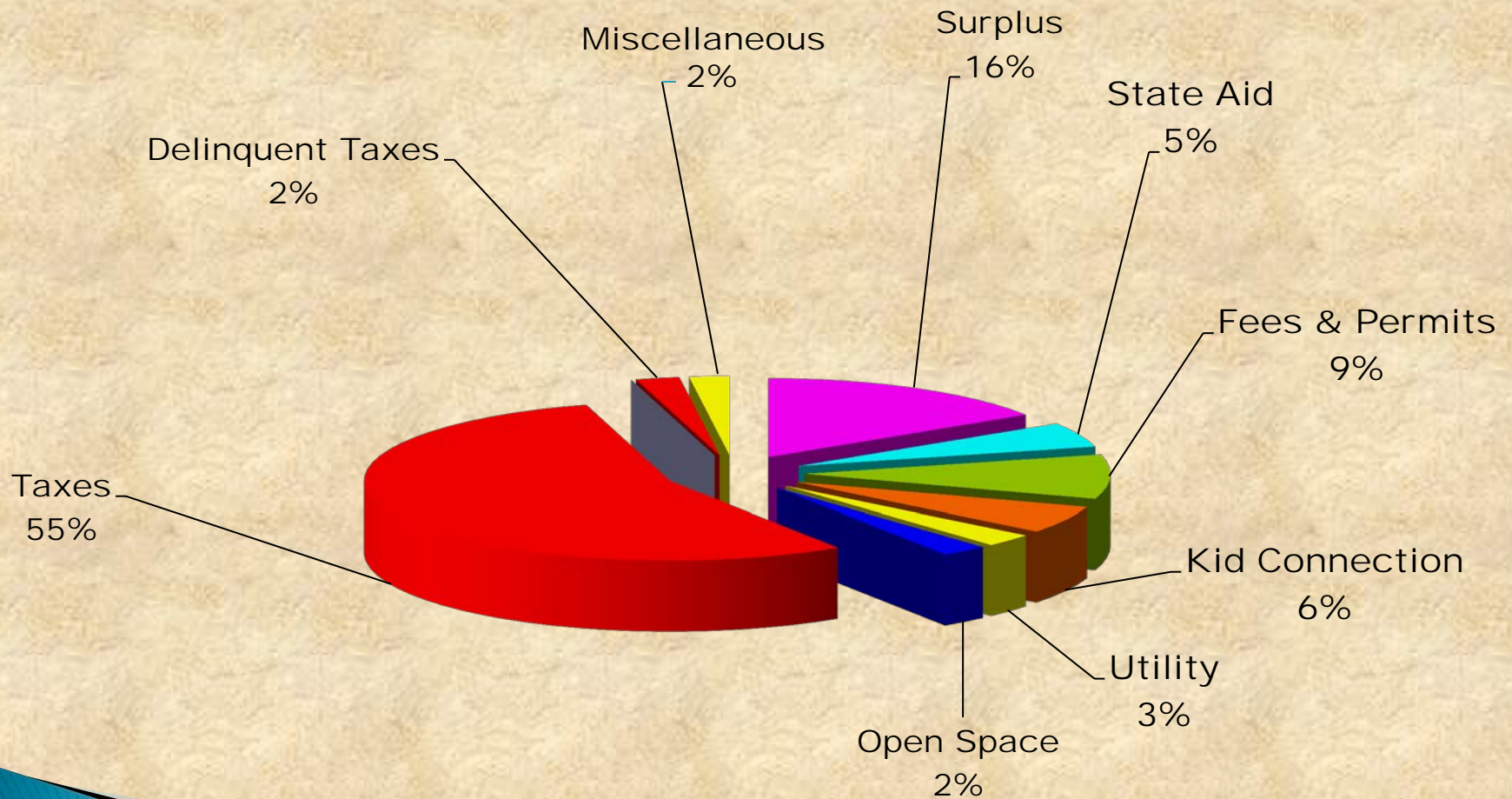
# DATA SLIDES

# 2017 Preliminary Budget – Appropriations



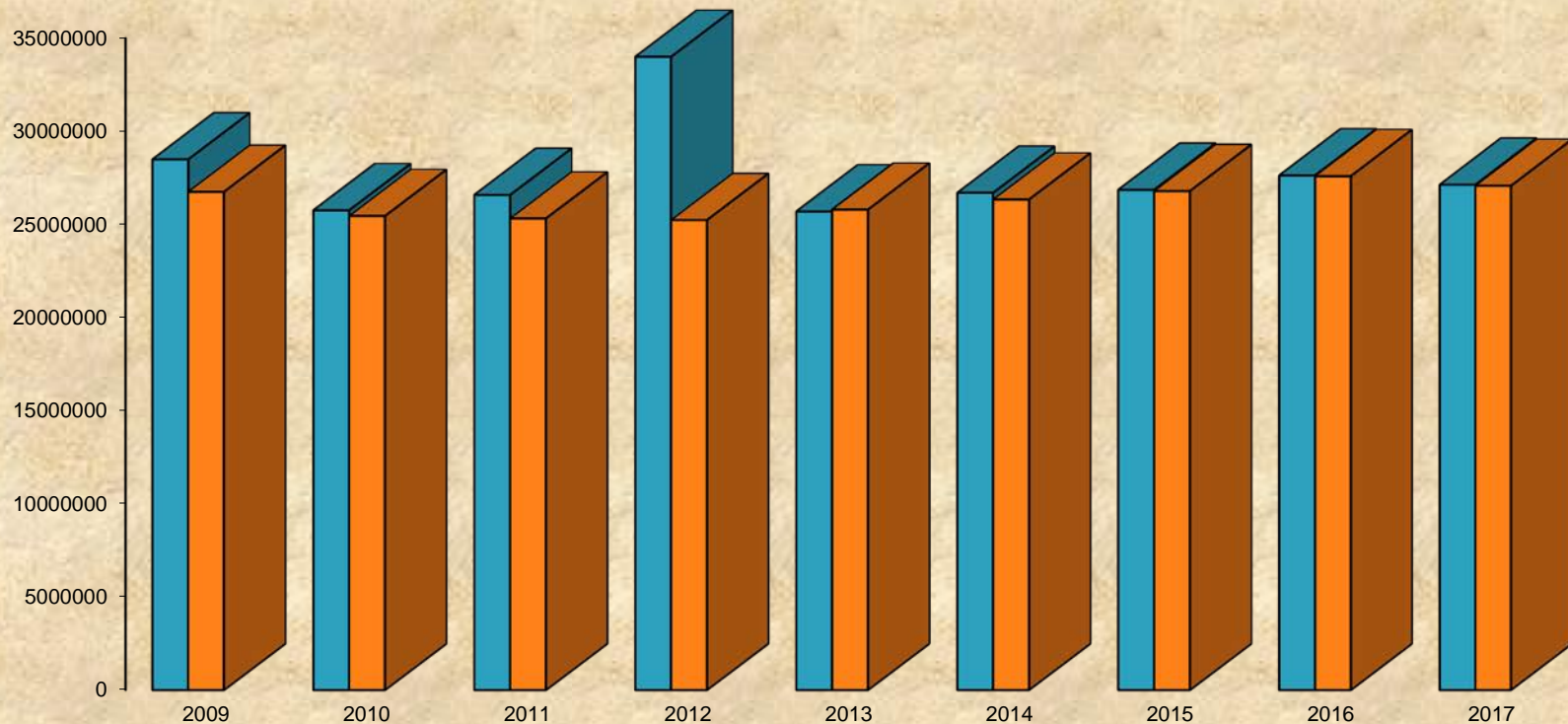


# 2017 Preliminary Budget – Revenues



# Total Budget Appropriations

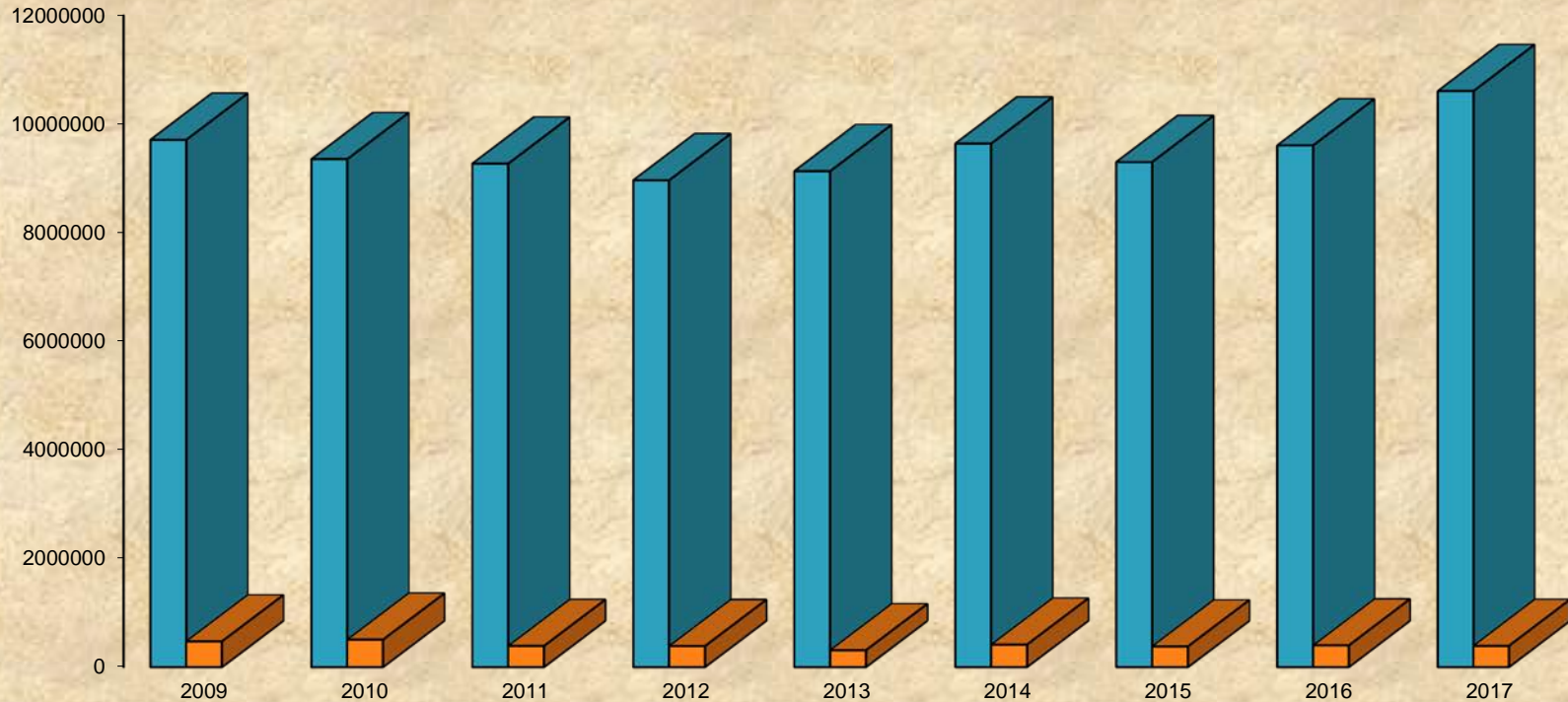
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Year	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total Budget	28,501	25,773	26,598	34,008	25,712	26,710	26,872	27,646	27,146
Budget Less Grants	26,764	25,464	25,332	25,247	25,689	26,348	26,804	27,606	27,087

# Budgeted – Total Salaries & OT

(000's Omitted)

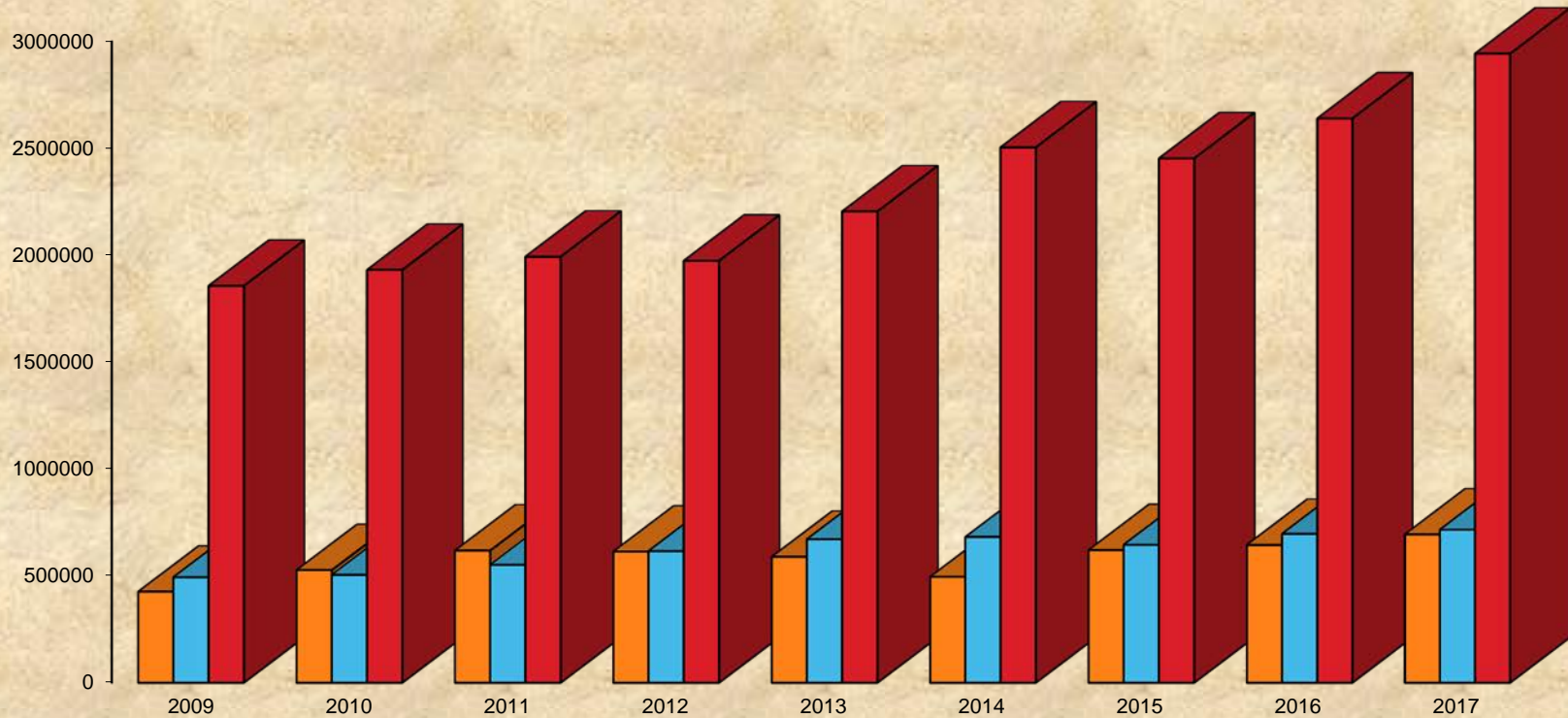


Year	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total Salaries	9,693	9,412	9,275	8,970	9,137	9,654	9,686	10,009	10,610
Overtime	475	506	390	387	311	414	381	399	391



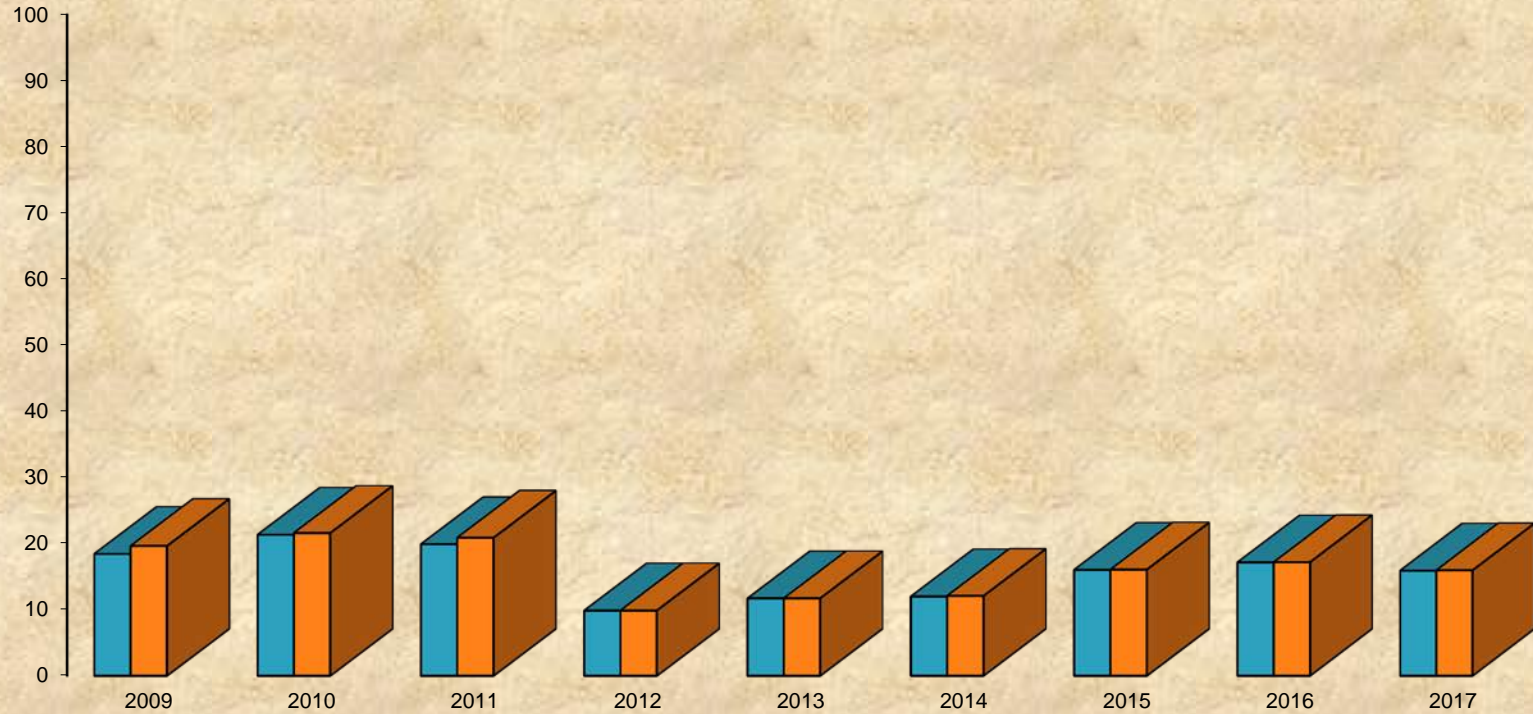
# Budgeted – Pensions and Insurance

(000's Omitted)



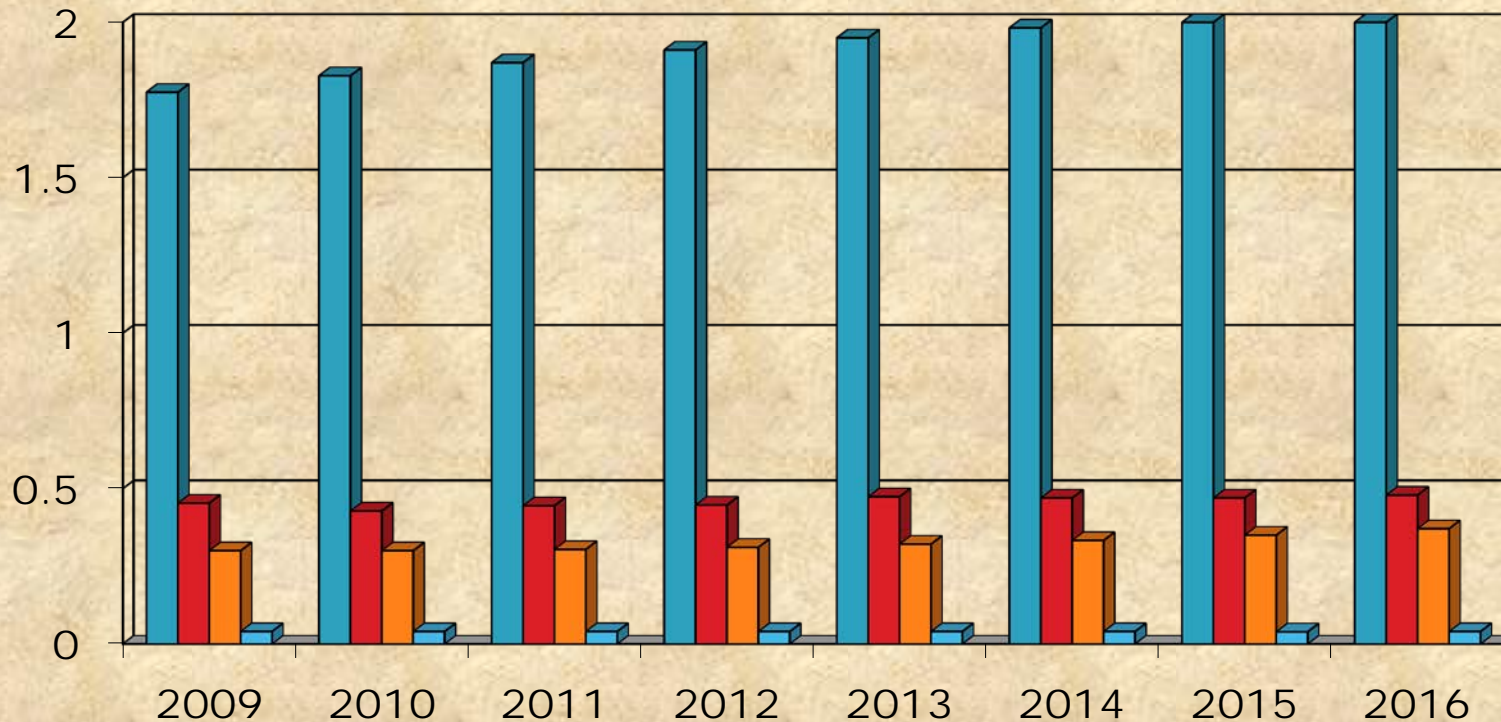
Year	2009	2010	2011	2012	2013	2014	2015	2016	2017
PERS / DCRP	427	528	620	615	590	496	621	646	695
PFRS	495	506	553	617	673	682	647	698	717
Health Insurance	1,858	1,932	1,994	1,975	2,206	2,505	2,454	2,640	2,943

# Surplus Used – % of Budget



Year	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total Budget	18%	21%	20%	10%	12%	12%	16%	17%	16%
Budget Less Grants	20%	22%	21%	10%	12%	12%	16%	17%	16%

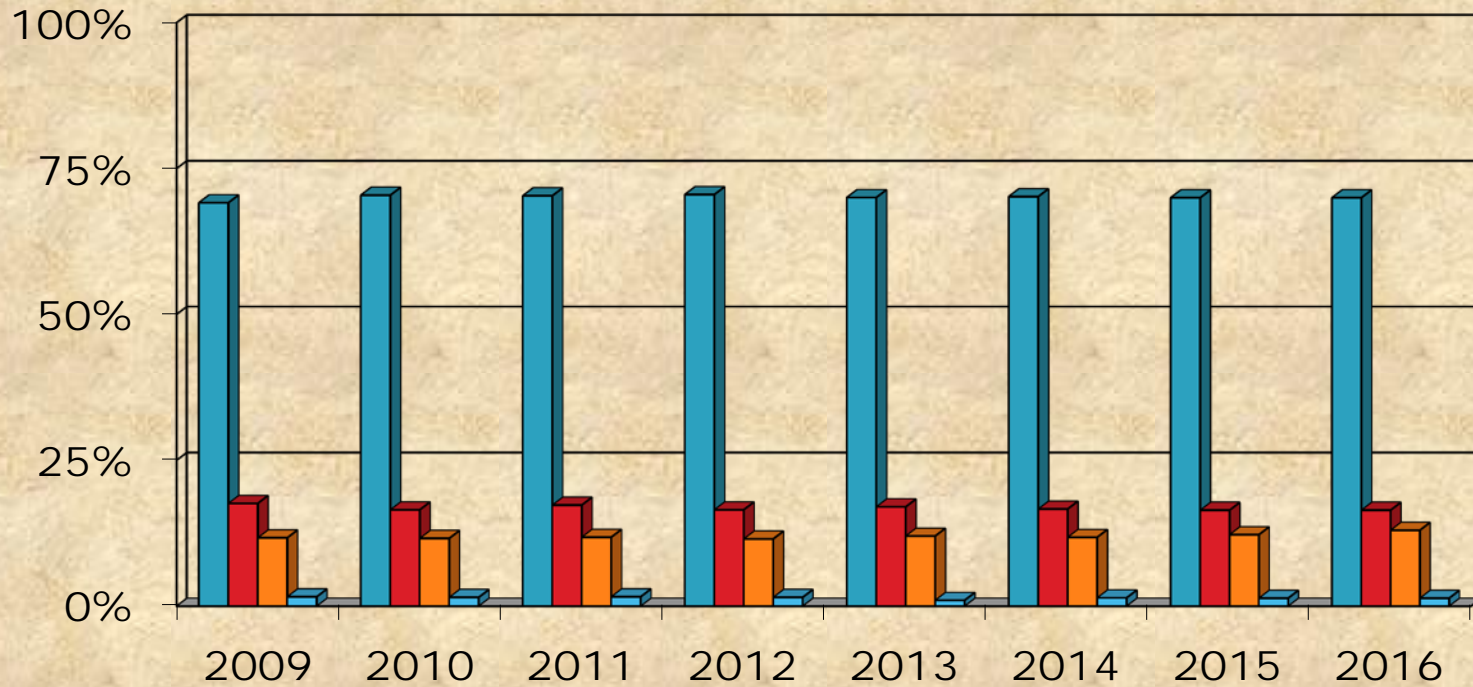
# Tax Rates



	2009	2010	2011	2012	2013	2014	2015	2016
School Board	1.775	1.828	1.870	1.911	1.950	1.982	2.001	2.036
County	0.453	0.428	0.445	0.447	0.474	0.470	0.470	0.479
Municipal	0.300	0.300	0.304	0.311	0.321	0.333	0.350	0.370
Municipal Open Space	0.040	0.040	0.040	0.040	0.040	0.040	0.039	0.040



# Tax Dollar



Year	2009	2010	2011	2012	2013	2014	2015	2016
School Board	69%	70%	70%	71%	70%	70%	70%	70%
County	18%	16%	17%	17%	17%	17%	17%	17%
Municipal	12%	12%	12%	11%	12%	12%	12%	12%
Municipal Open Space	2%	2%	2%	1%	1%	1%	1%	1%

# Thank You!

