

A horizontal band across the center of the slide features a grayscale image of various coins, including a quarter and a dime, with some text like 'ATLANTIC' visible on one of the coins.

2013 Budget Introduction

April 18, 2013

Montgomery Township



A Recent History

- Montgomery's municipal tax levy has minimally changed over the past 4 years (2008 thru 2012)
 - Montgomery's municipal tax bill on the average home has increased by only 2.3%
 - NJ's average change in municipal taxes is +15.7% (based on data for all 565 municipalities)
 - Inflation over this time period is about 8%
- Spending and Headcount have been reduced – finding ways to do more with less:
 - Non-grant spending has been reduced by 18% from it's high of nearly \$31 million
 - Non-grant spending in 2012 was below 2004 levels (8 years ago)
 - Number of township employees have been reduced by over 25% (186 to 138)



A Recent History (cont.)

- Received a “Perfect Score” from Governor Christie’s Best Practices in Local Government program in 2012
 - Only 4% of NJ municipalities achieved a perfect score
 - Program assesses a town’s fiscal and operational management
- Saved \$613,000 with last year’s Debt Refinancing Plan (over the life of the bonds)
 - Preserved our exceptionally high credit rating
- Significant investments in our roads and infrastructure
 - Cherry Valley Road (Phase III), East Mountain Road, Fairview Road, Hollow Road (multi-year project)
 - Continuing to execute our 10-year capital plan
 - Looking for ways to partner with the state and county governments (Route 206 repaving and improvements to 601 CSX train crossing)



2013 Increased Costs

- Projected spending increases for 2013 (totaling about \$674,000)
 - Mandated Cost Increases :
 - Pensions – PFRS
 - Hurricane Sandy Relief Efforts (FEMA aid won't arrive until 2014)
 - Health Care Premiums (17% increase)
 - Statutory and Contractual Salary Increases
 - Added \$130,000 for police recruitment and hiring of cadets
 - Over the next few years, as senior officers retire, this will save us about \$500,000 (due to the lower salaries of newly hired officers)
- Efficiencies and cost reductions have been found to mitigate much of these increases
 - Zero-based budgeting
 - Shared services agreements with many other municipalities
 - Past investments in training and equipment to make employees more productive
 - Reduced headcount through attrition



Balloon Debt Payment

- In 2006, \$22 million of debt was issued to pay for Skillman Village (clean-up costs and dam to create Sylvan Lake)
 - Debt was issued as short-term BANs (Bond Anticipation Notes) to avoid normal debt service payments
 - BANs are allowed to be rolled over for 10 years and then the entire remaining principle payment is due (2017 and 2018)
 - Montgomery was left a \$13.5 million balloon debt payments
- The 2012 Debt Restructuring Plan was to eliminate these balloon payments and finance the \$13.5 million over a long-term period.
 - Additional costs to the township are about \$250,000 per year
 - Much of the increased spending and taxes in the 2013 budget are directly due to this 2006 debt and its associated balloon payments



2013 Budget Summary

- Based on the Christie property tax cap, Montgomery is eligible for a \$129 increase in municipal taxes
 - Includes exemptions and cap bank
 - However, the proposed tax increase is only \$44 per average household
 - Municipal tax rate up \$0.009 (to \$0.321)
- Non-grant spending is up 1.7% but remains less than 2005 levels (8 years ago)
- State Aid – flat compared to 2012
- Impact to services
 - No reduction in core services
 - Returned code department to full-time (due to increased workload/construction activity)
 - Starting annual sidewalk repair program



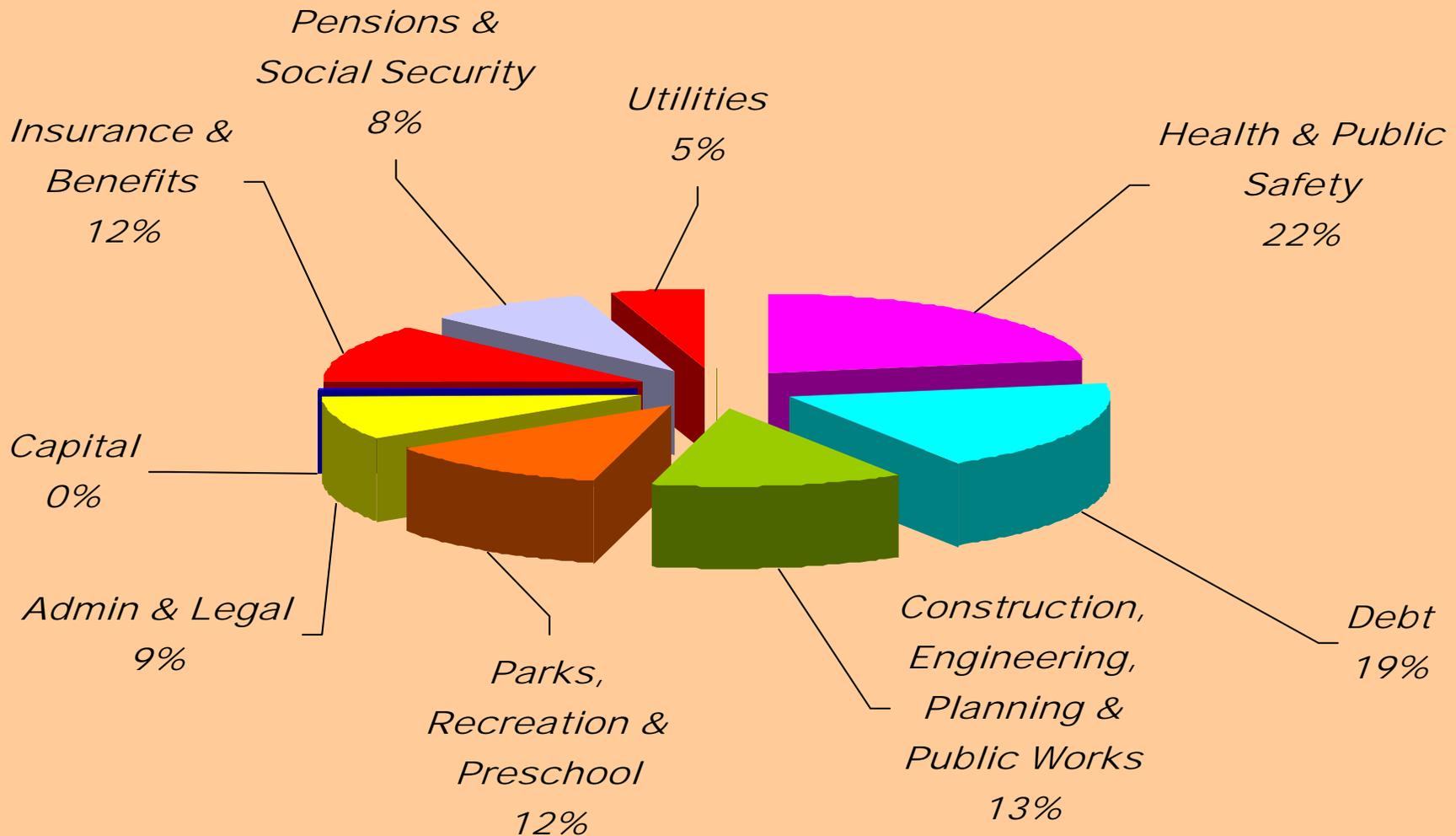
Ongoing Activities for 2013

- Continuing to work on closing our structural budget gap through long-term budget planning
- Revamping the municipal government organizational structure to optimize head count, responsibilities, and efficiencies
 - Positions and tasks will be reevaluated to economize cost
 - 3-5 year process to implement due to labor restrictions
 - Streamlining of permit/approval process for multiple departments
- Seeking additional municipalities to “sell/provide” health and animal control services
 - Currently providing Hopewell and Pennington Boroughs services
- Aggressively analyzing new opportunities for consolidation/sharing services
 - Public Works, construction code, etc.
 - Potential partnerships with neighboring municipalities and county

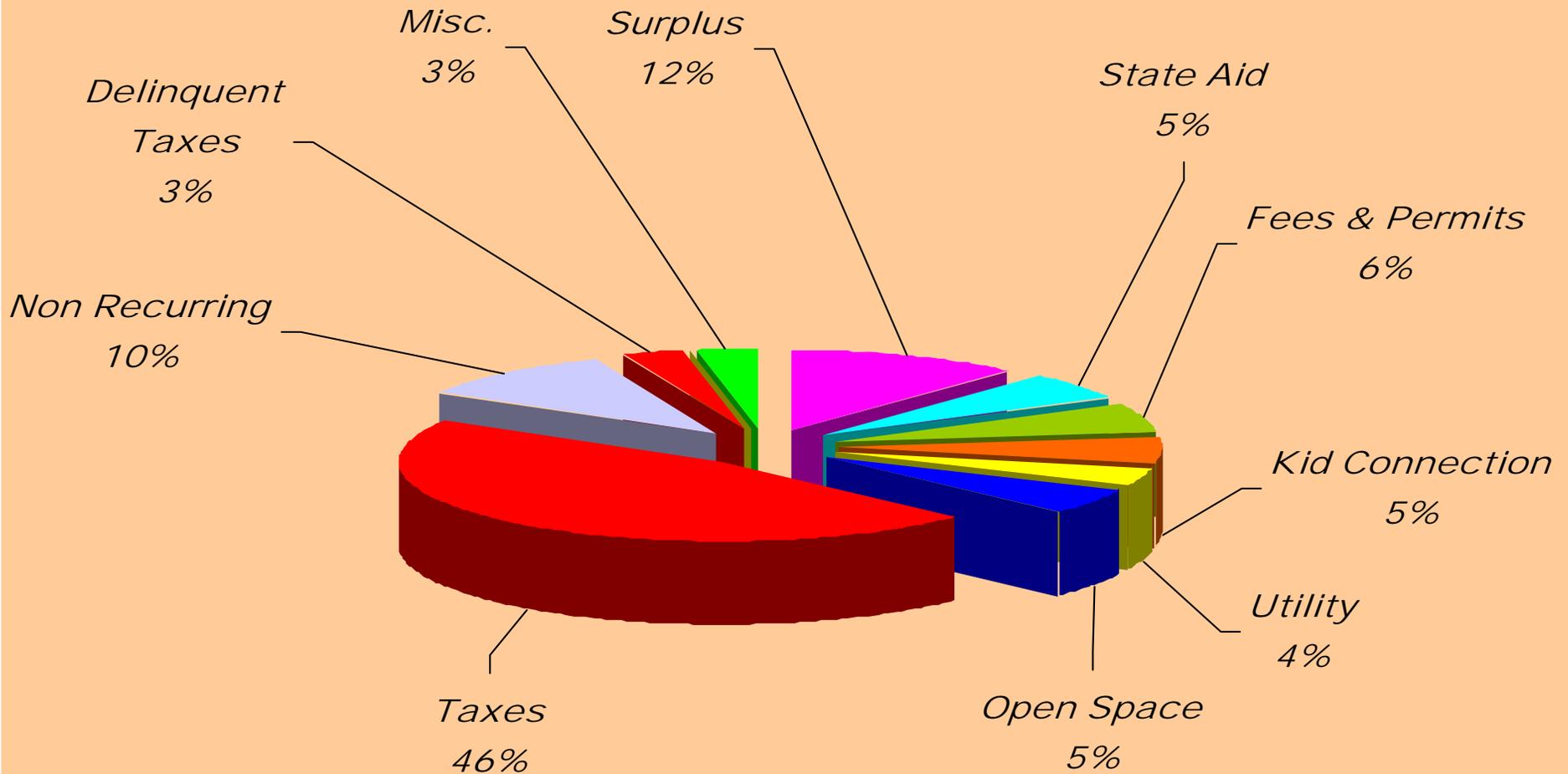


DATA SLIDES

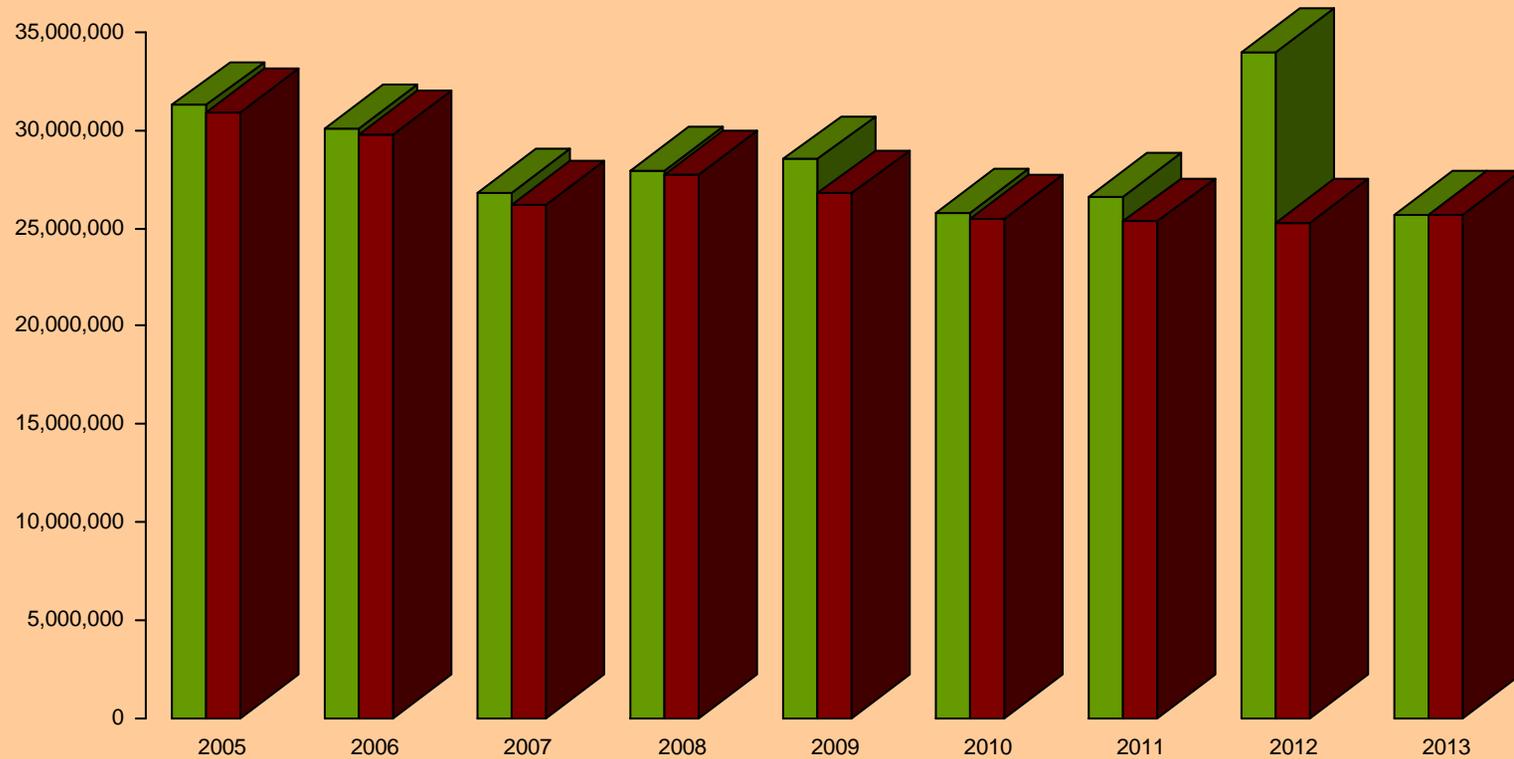
2013 Preliminary Budget Expenditures



2013 Preliminary Budget Revenues

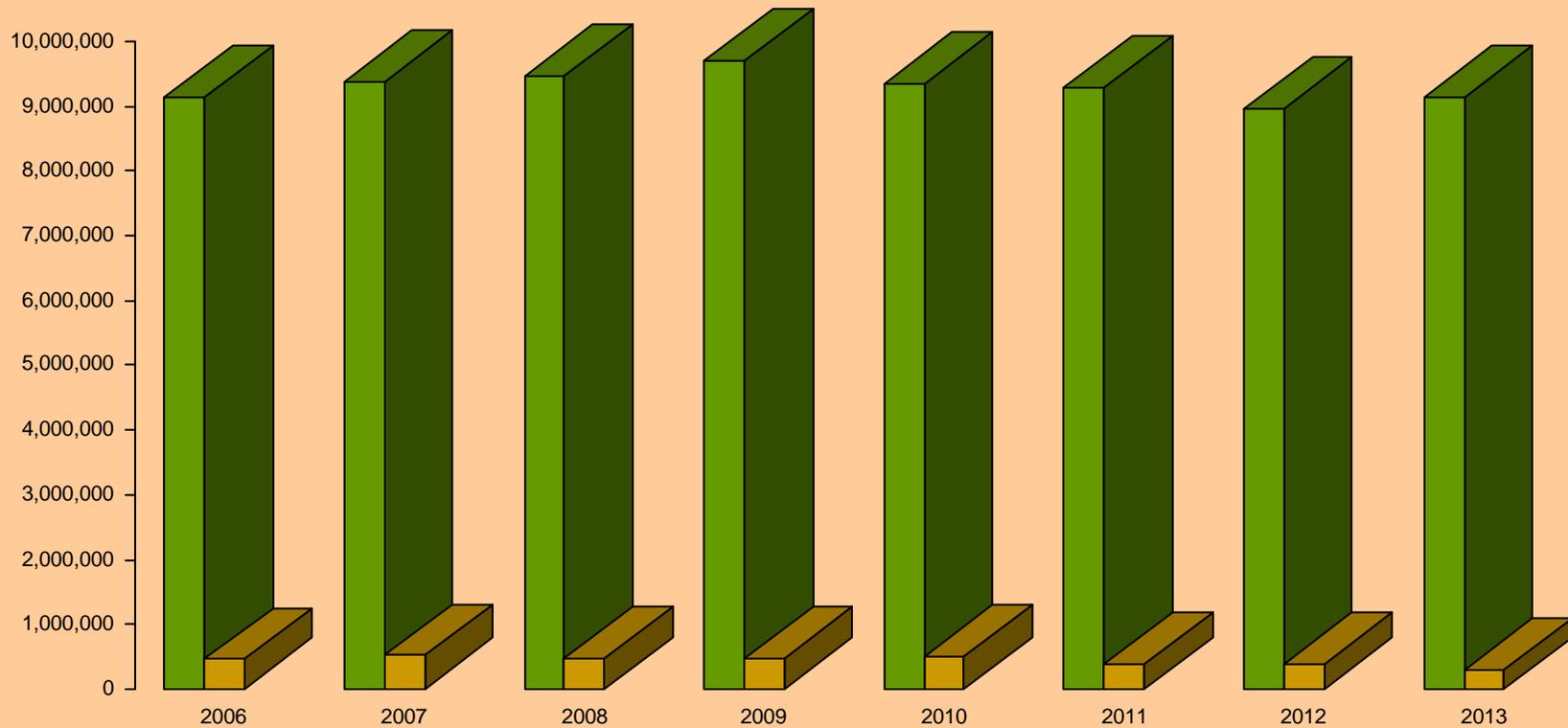


Total Budget Appropriations (000 Omitted)



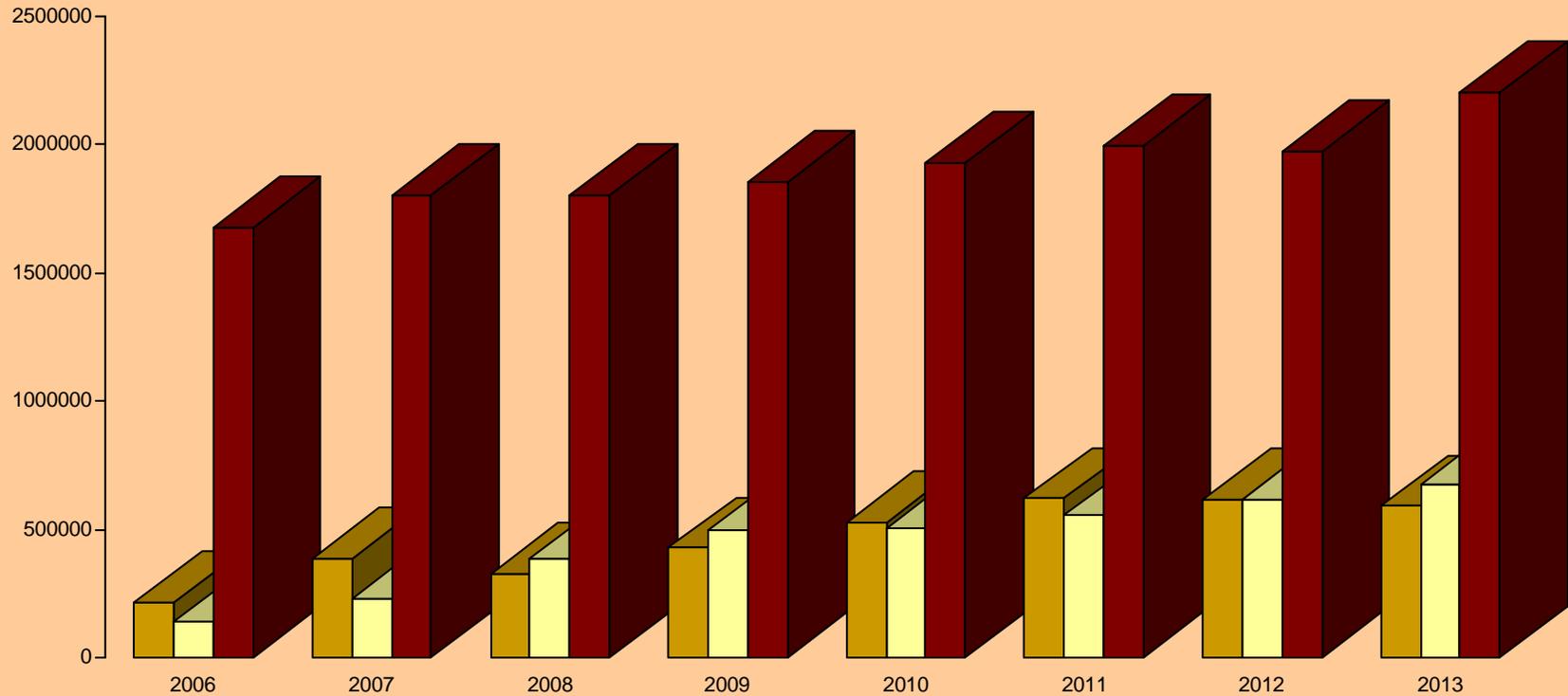
Year	2005	2006	2007	2008	2009	2010	2011	2012	2013
Total Budget	31,261	30,081	26,838	27,951	28,501	25,773	26,598	34,008	25,712
Budget Less Grants	30,867	29,754	26,220	27,687	26,764	25,464	25,332	25,247	25,689

Budgeted - Total Salaries and Overtime (000 Omitted)



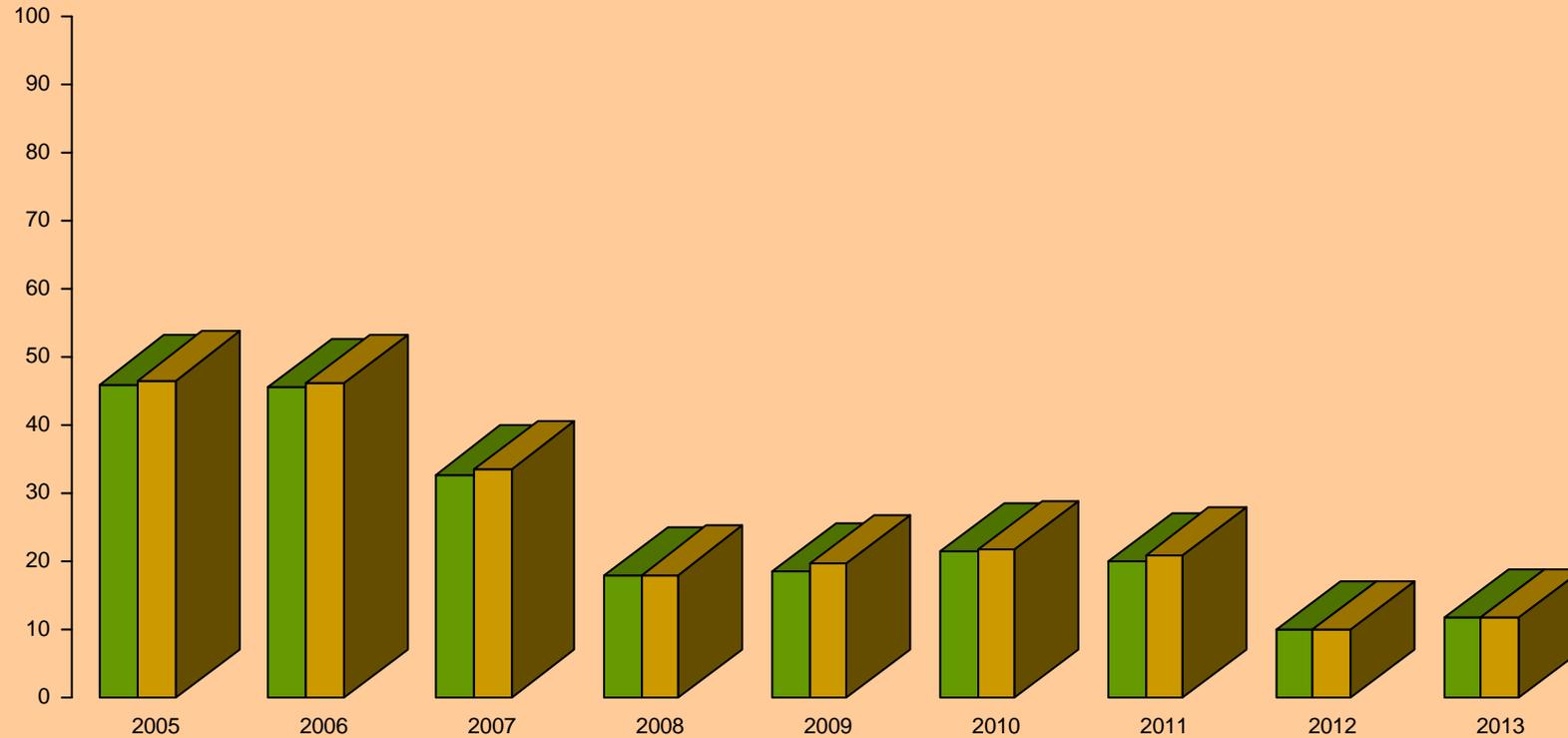
Year	2006	2007	2008	2009	2010	2011	2012	2013
Total Salaries	9,152	9,368	9,464	9,713	9,357	9,275	8,970	9,137
Overtime	460	520	465	475	506	390	387	311

Budgeted – Pensions and Insurance (000 Omitted)



Year	2006	2007	2008	2009	2010	2011	2012	2013
PERS	213	385	329	427	528	620	615	590
PFRS	140	229	386	495	506	553	617	673
Health Insurance	1,675	1,800	1,800	1,858	1,932	1,994	1,975	2,206

Surplus Used - % of Budget



Year	2005	2006	2007	2008	2009	2010	2011	2012	2013
Total Budget	46%	46%	33%	18%	18%	21%	20%	10%	12%
Budget Less Grants	47%	46%	34%	18%	20%	22%	21%	10%	12%

