



# 2014 Budget Introduction

## April 17, 2014

Montgomery Township

# Montgomery by the Numbers

- ▶ Montgomery's municipal tax levy has minimally changed over the past 6 years (2008 thru 2013)...

19.8%

- ▶ NJ's average change in municipal tax levies (based on data for all 565 municipalities)

5.3%

- ▶ The change in Montgomery's municipal tax bill for the average home
  - Inflation over this time period is about 9%

- ▶ Spending and Headcount have been reduced – finding ways to do more with less:

17%

- ▶ Reduction in Non-grant spending (from its high of nearly \$31 million)
  - Non-grant spending in 2013 was below 2005 levels (8 years ago)

25%

- ▶ Reduction in the number of Township employees (186 to 140)

# By the Numbers (cont.)

- ▶ Significantly reduced use of surplus in annual budgets

12%

- ▶ Amount of surplus used the 2013 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 2012

4%

- ▶ Number of municipalities awarded a perfect score
  - Program assesses a town’s fiscal and operational management
  - Awarded a “near perfect” score in 2013
- ▶ Saved \$613,000 with the 2012 Debt Refinancing Plan (over the life of the bonds)
  - Preserved our exceptionally high credit rating

# 2014 – Spending Adjustments

- ▶ Projected spending increases for 2014
  - Mandated Cost Increases :
    - Health Care premiums and expenses (13% increase, about \$385,000)
    - Pensions – PFRS
    - Snow removal for past winter (\$100,000)
    - Statutory and Contractual Salary Increases
  - Added personnel to the Code Department due to increased workload (\$110,000) (will be offset by future increased permit revenue)
  
- ▶ Efficiencies and cost reductions have been found to help mitigate increases
  - Addition of 3 police recruits replacing higher paid retiring officers (\$130,000)
  - Kid Connection staff efficiencies (\$50,000)
  - Shared services agreements with many other municipalities
  - Past investments in training and equipment to make employees more productive

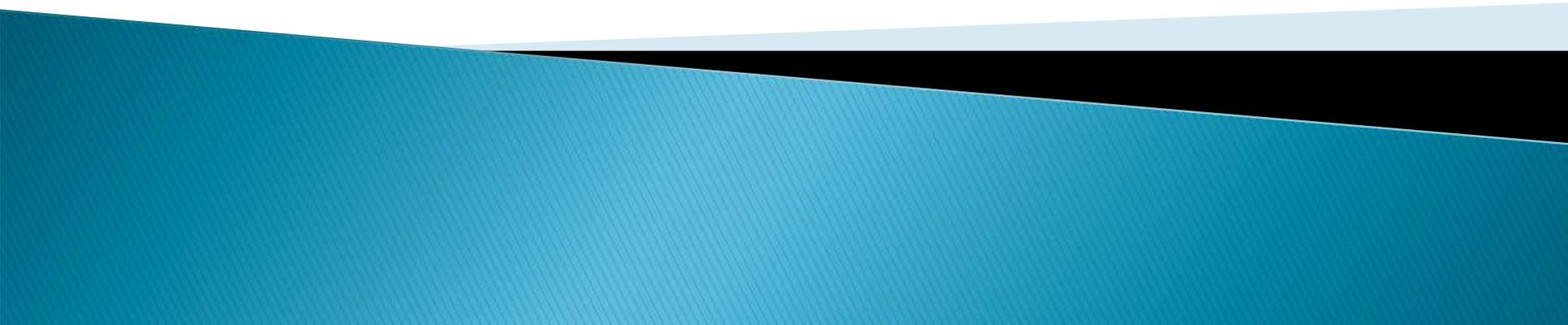
# 2014 Budget Summary

- ▶ Based on the Christie property tax levy cap, Montgomery is eligible for a \$145 increase in municipal taxes
  - However, the proposed tax increase is only \$65 per average household (45% of eligible amount)
  - Municipal tax rate up \$0.013 (to \$0.333)
  - Municipal tax bill on the average assessed home is \$1,658
    - About 12% of total property tax bill
- ▶ Non-grant spending is up 2.4% but remains less than 2005 levels (9 years ago)
- ▶ State aid to Township remains flat
- ▶ Impact to services
  - No reduction in any core services
  - Investment in our police and code departments
  - Funding for critical road projects and infrastructure improvements (including an extra \$300,000 to address damage due to recent snow/winter)

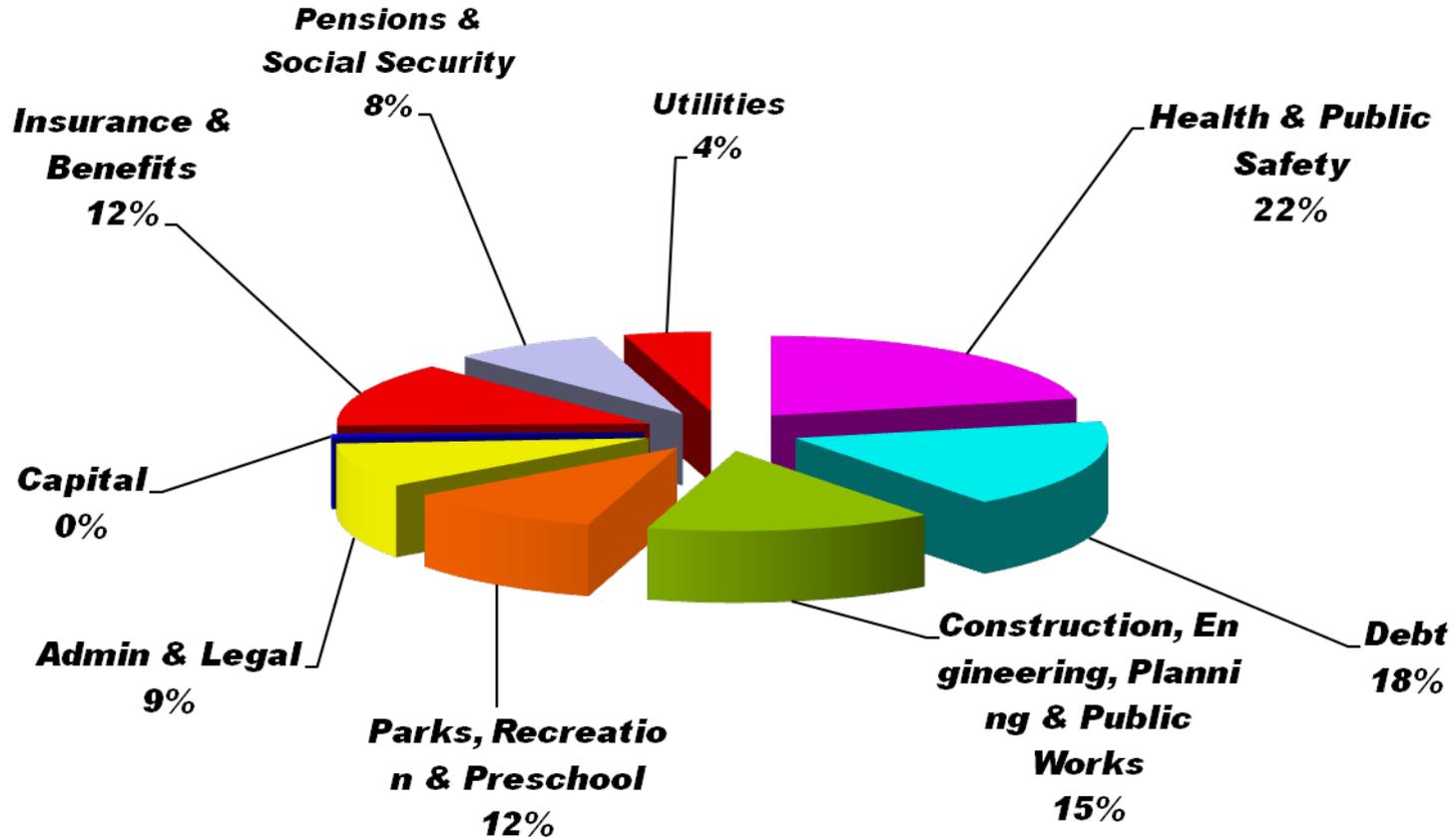
# Ongoing Activities for 2014

- ▶ **Continuing to work on closing our structural budget gap through long-term budget planning**
  - Increase revenue sources thru smart development
  - Evaluate the Township vehicle fleet and maintenance services
- ▶ **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
- ▶ **Continuing to improve the roads and infrastructure**
  - Cherry Valley Road, Hollow Road, East Mountain Rd.
  - Sidewalk repair program
  - Sewage treatment plant consolidation
  - Route 601 Silent crossing, County project
- ▶ **Aggressively analyzing new opportunities for consolidation/sharing services**
  - Public Works, construction code, etc.
  - Potential partnerships with neighboring municipalities and county
  - Health Education services

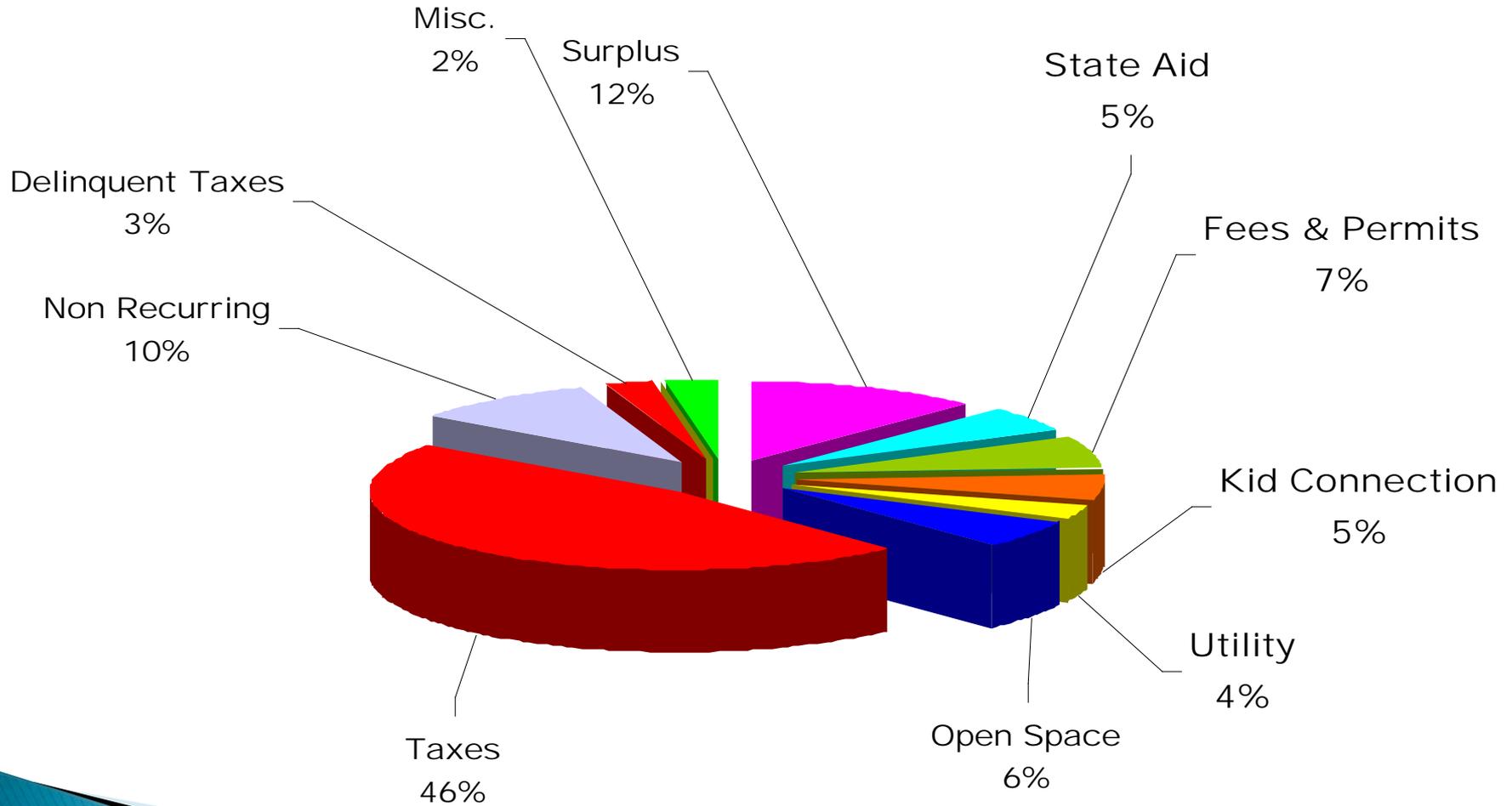
# DATA SLIDES



# 2014 Preliminary Budget – Appropriations

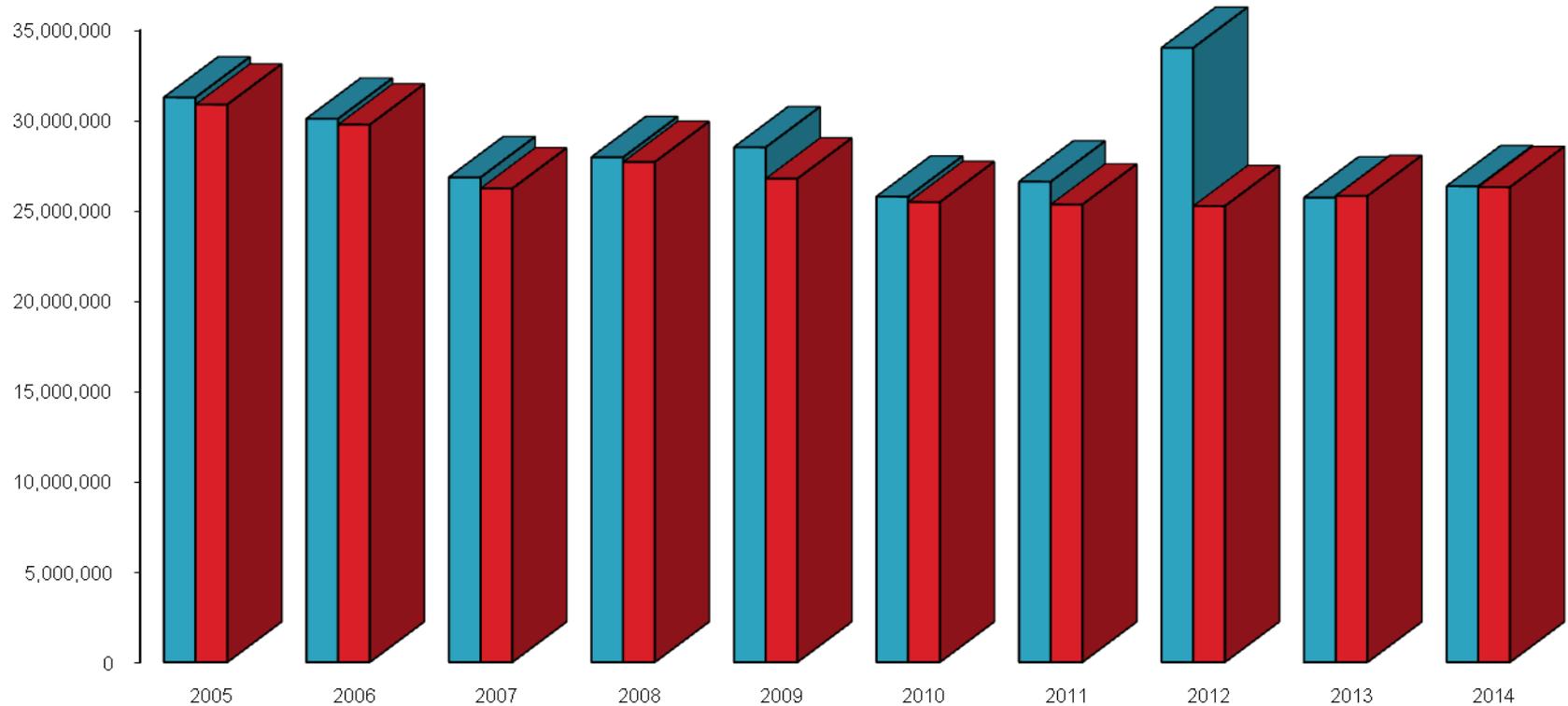


# 2014 Preliminary Budget – Revenues



# Total Budget Appropriations

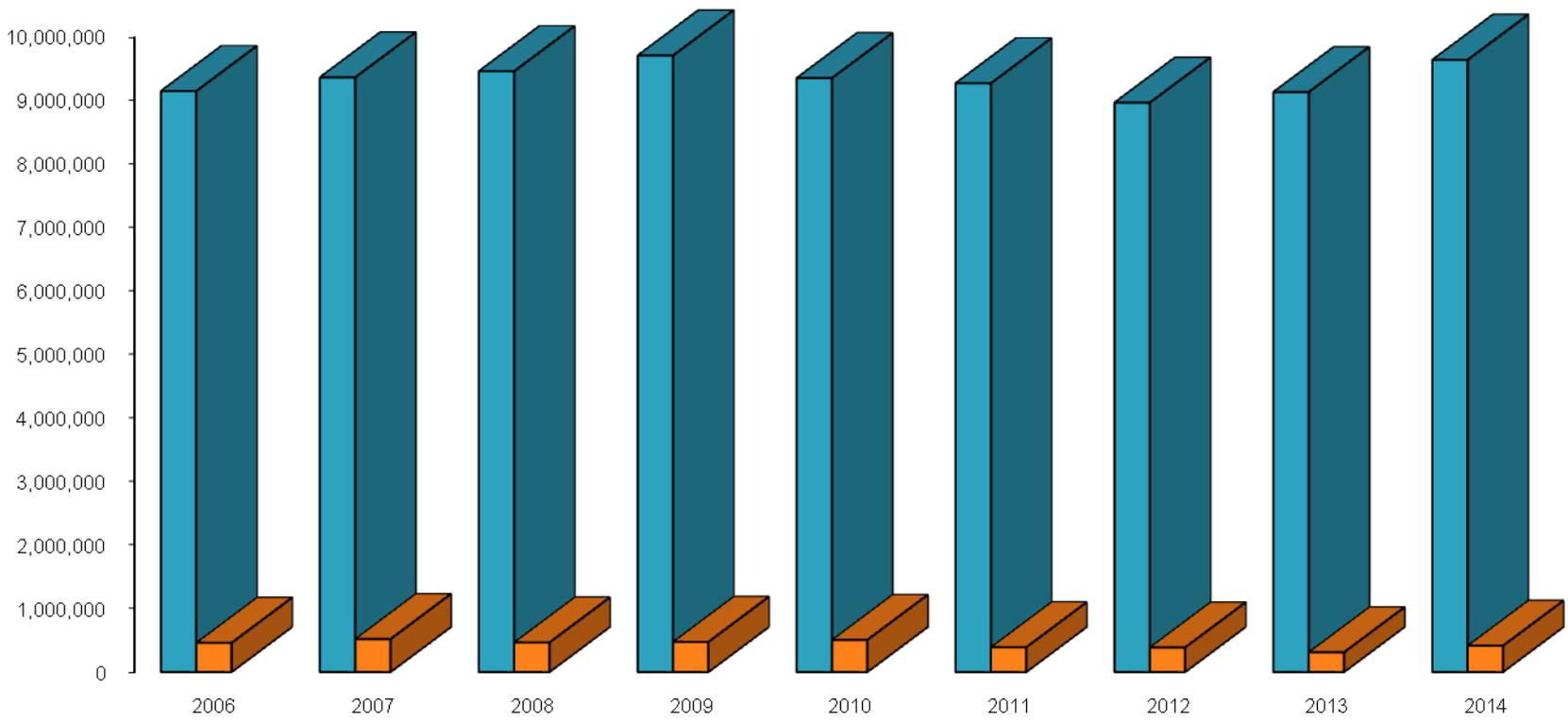
(000's Omitted)



Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total Budget	31,261	30,081	26,838	27,951	28,501	25,773	26,598	34,008	25,712	26,347
Budget Less Grants	30,867	29,754	26,220	27,687	26,764	25,464	25,332	25,247	25,689	26,299

# Budgeted – Total Salaries & OT

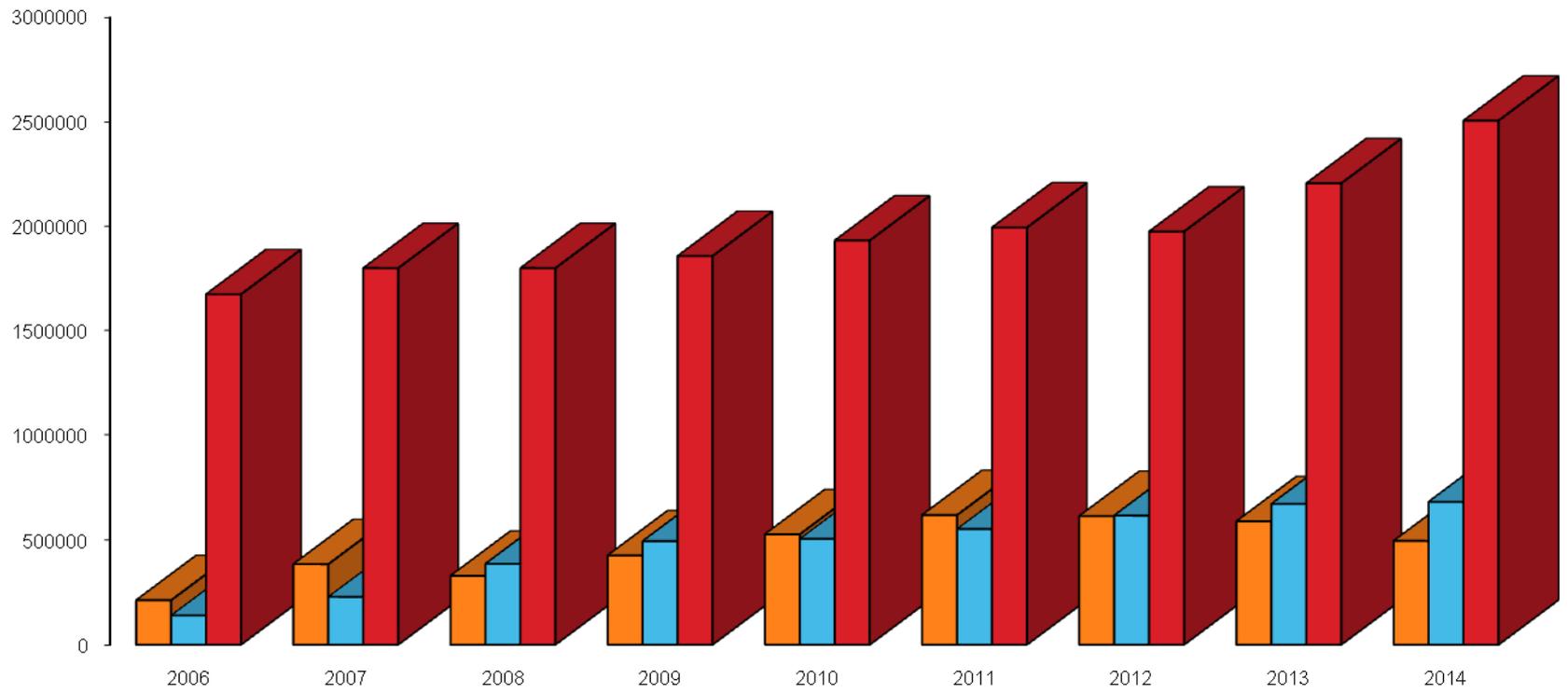
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Year	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total Salaries	9,152	9,368	9,464	9,713	9,357	9,275	8,970	9,137	9,654
Overtime	460	520	465	475	506	390	387	311	414

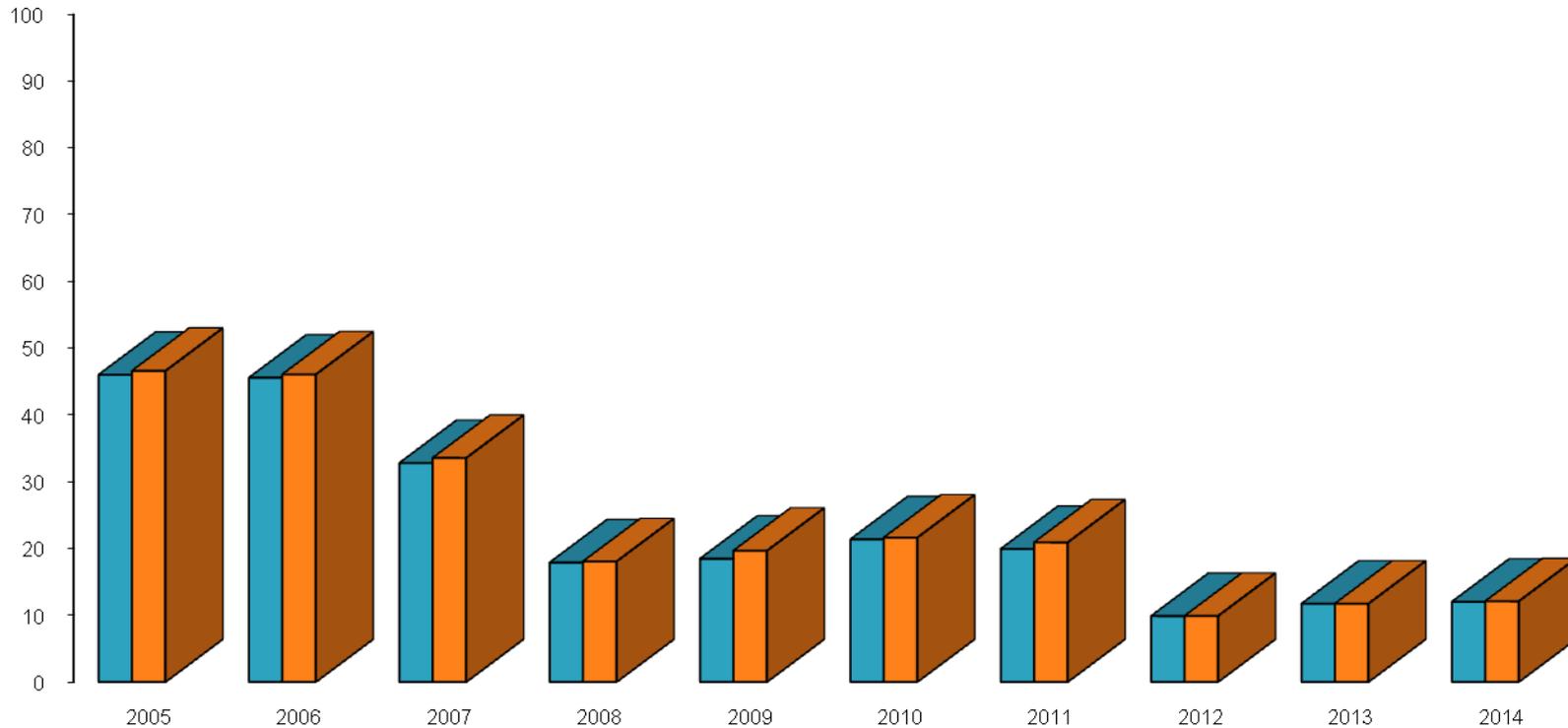
# Budgeted – Pensions and Insurance

(000's Omitted)



Year	2006	2007	2008	2009	2010	2011	2012	2013	2014
PERS	213	385	329	427	528	620	615	590	496
PFRS	140	229	386	495	506	553	617	673	682
Health Insurance	1,875	1,800	1,800	1,858	1,932	1,994	1,975	2,206	2,505

# Surplus Used – % of Budget



Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total Budget	46%	46%	33%	18%	18%	21%	20%	10%	12%	12%
Budget Less Grants	47%	46%	34%	18%	20%	22%	21%	10%	12%	12%



