



2015 Budget Introduction

April 16, 2015

Montgomery Township

Montgomery by the Numbers

- ▶ Montgomery's municipal tax levy has minimally changed over the past 6 years (2009 thru 2014)...

21.2% ▶ NJ's average change in municipal tax levies (based on data for all 565 municipalities)

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

15% ▶ Reduction in Non-grant spending (from its high of nearly \$31 million)

- Non-grant spending in 2014 was below 2005 levels (9 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

16%

- ▶ Amount of surplus used in the 2015 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 2014
- ▶ Saved \$613,000 with the 2012 Debt Refinancing Plan (over the life of the bonds)
 - Preserved our exceptionally high credit rating

2015 – Spending Adjustments

- ▶ Projected spending increases for 2015
 - Mandated Cost Increases :
 - Pensions – PERS
 - Snow removal for past winter (\$200,000)
 - Statutory and contractual salary increases

- ▶ Efficiencies and cost reductions have been found to help mitigate increases
 - Addition of 2 police recruits replacing higher paid retiring officers (\$130,000)
 - Kid Connection staff efficiencies (\$25,000)
 - Shared services agreements with many other municipalities
 - Past investments in training and equipment to make employees more productive

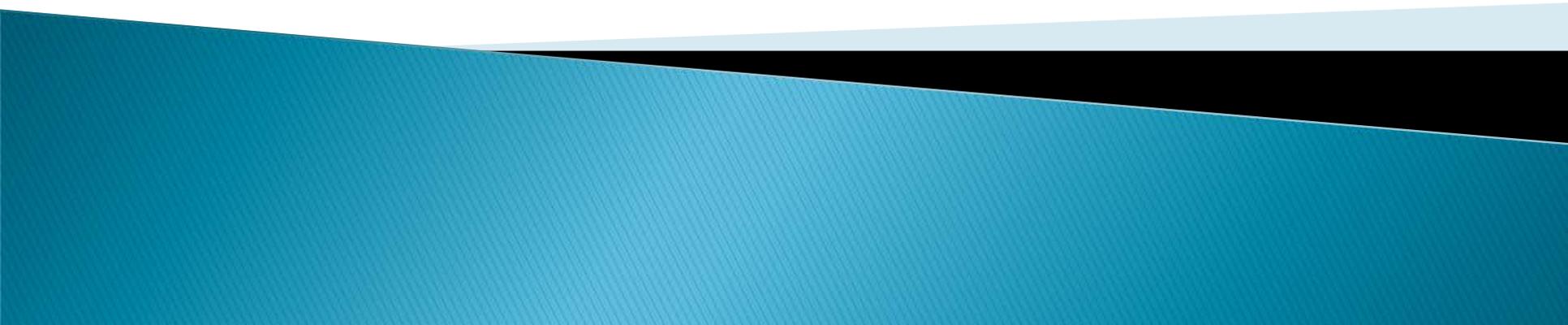
2015 Budget Summary

- ▶ Based on the Christie 2% property tax levy cap, Montgomery is eligible for a \$260.21 increase in municipal taxes
 - However, the proposed tax increase is only \$87.81 per average household (23% of eligible amount)
 - Municipal tax rate up \$0.018 (to \$0.351)
 - Municipal tax bill on the average assessed home is \$1,746.34
 - About 12% of total property tax bill
- ▶ Non-grant spending is up 1.9% but remains less than 2005 levels (10 years ago)
- ▶ State aid to Township remains flat
- ▶ Impact to services
 - No reduction in any core services
 - Investment in our police and recreation departments
 - Extra funding for critical road projects and infrastructure improvements
 - Funding for the sewer consolidation plan

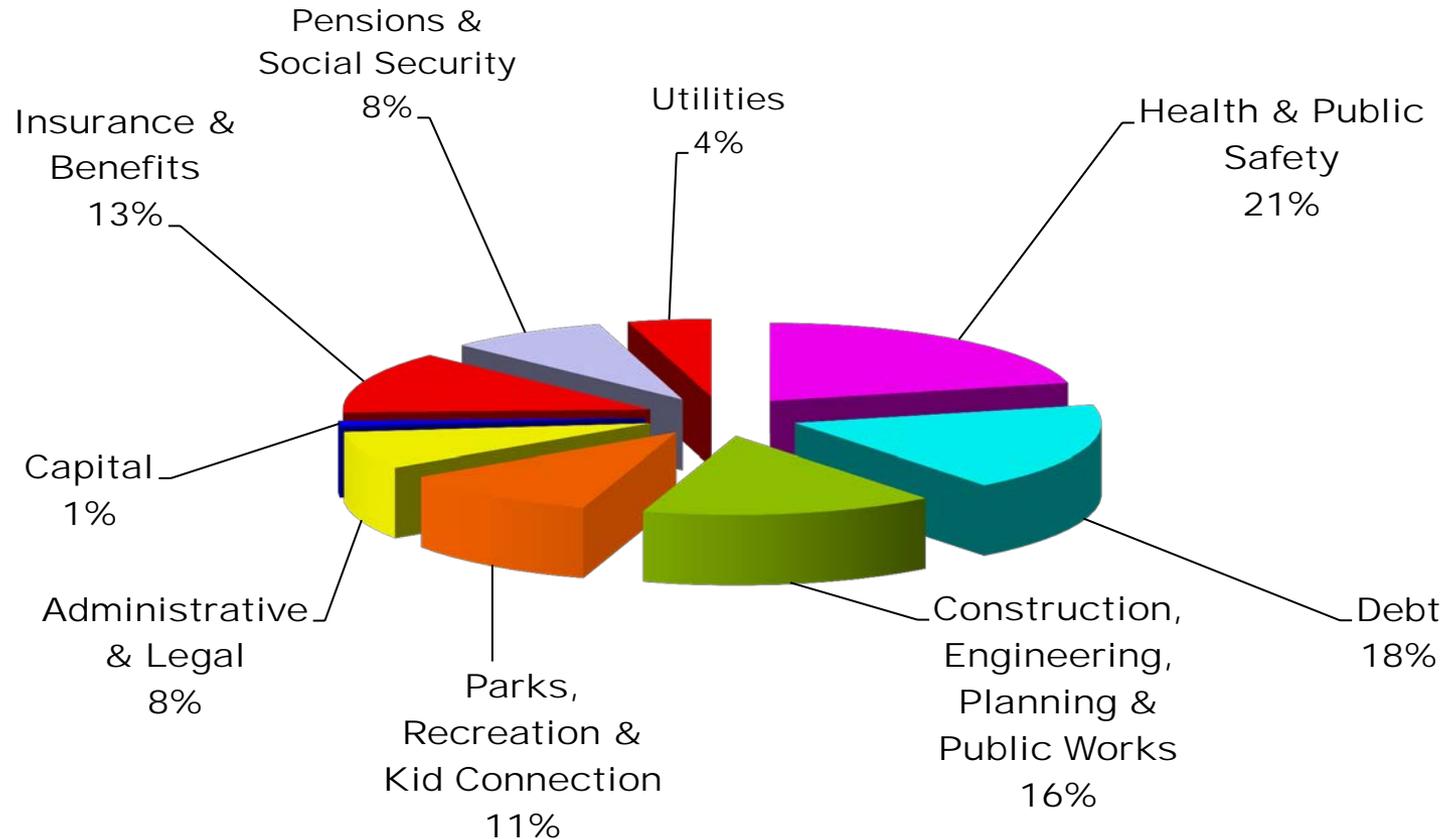
Ongoing Activities for 2015

- ▶ **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
- ▶ **Continuing to improve the roads and infrastructure**
 - Cherry Valley Road, Hollow Road, East Mountain Rd., Reading Boulevard
 - Sidewalk repair program
 - Sewage treatment plant consolidation
 - Repairs and upgrades to parks and recreation buildings
- ▶ **Aggressively analyzing new opportunities for consolidation/sharing services**
 - Public Works, construction code, etc.
 - Potential partnerships with neighboring municipalities and county
 - Health Education services, Animal Control Services

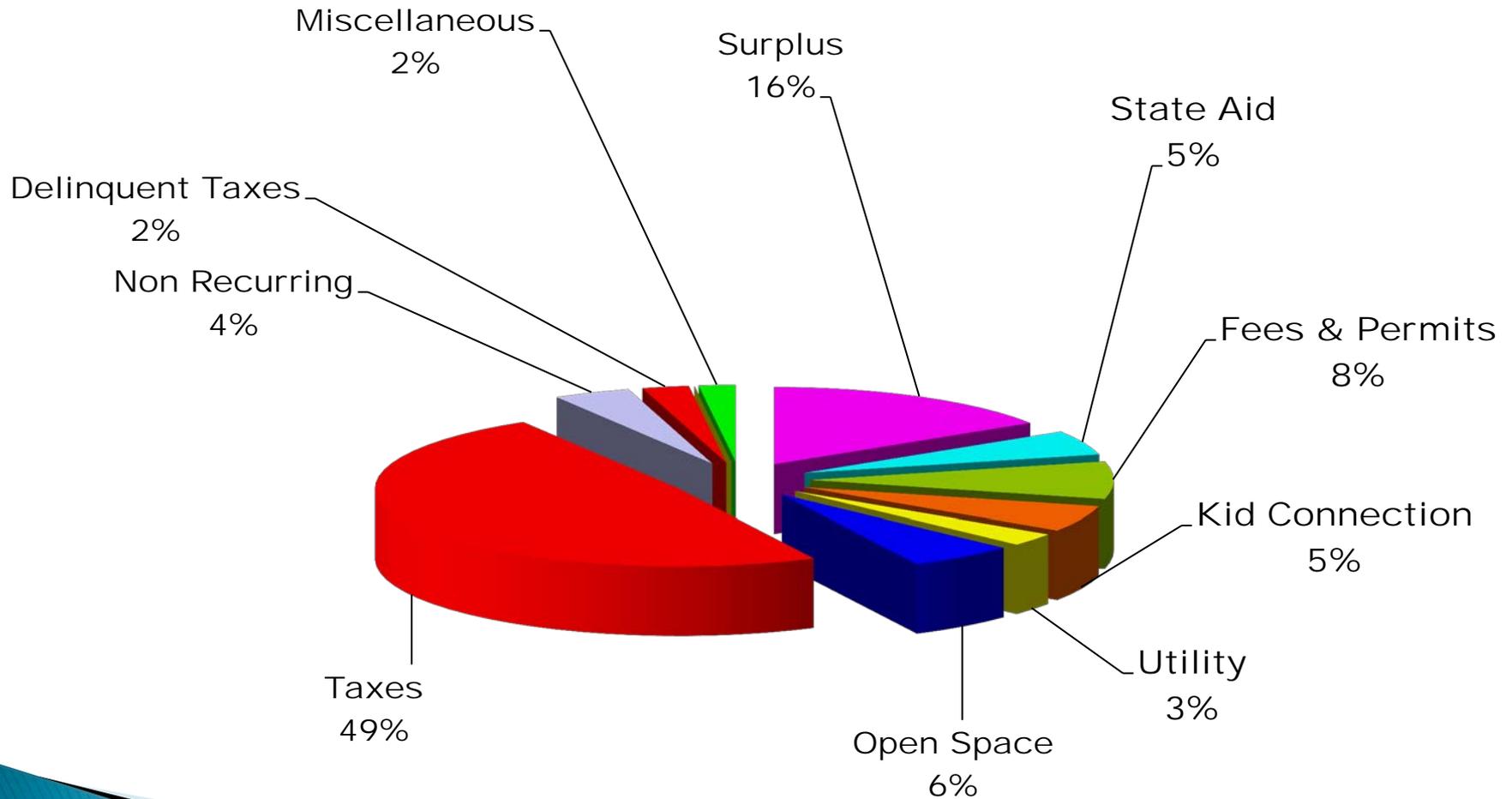
DATA SLIDES



2015 Preliminary Budget – Appropriations

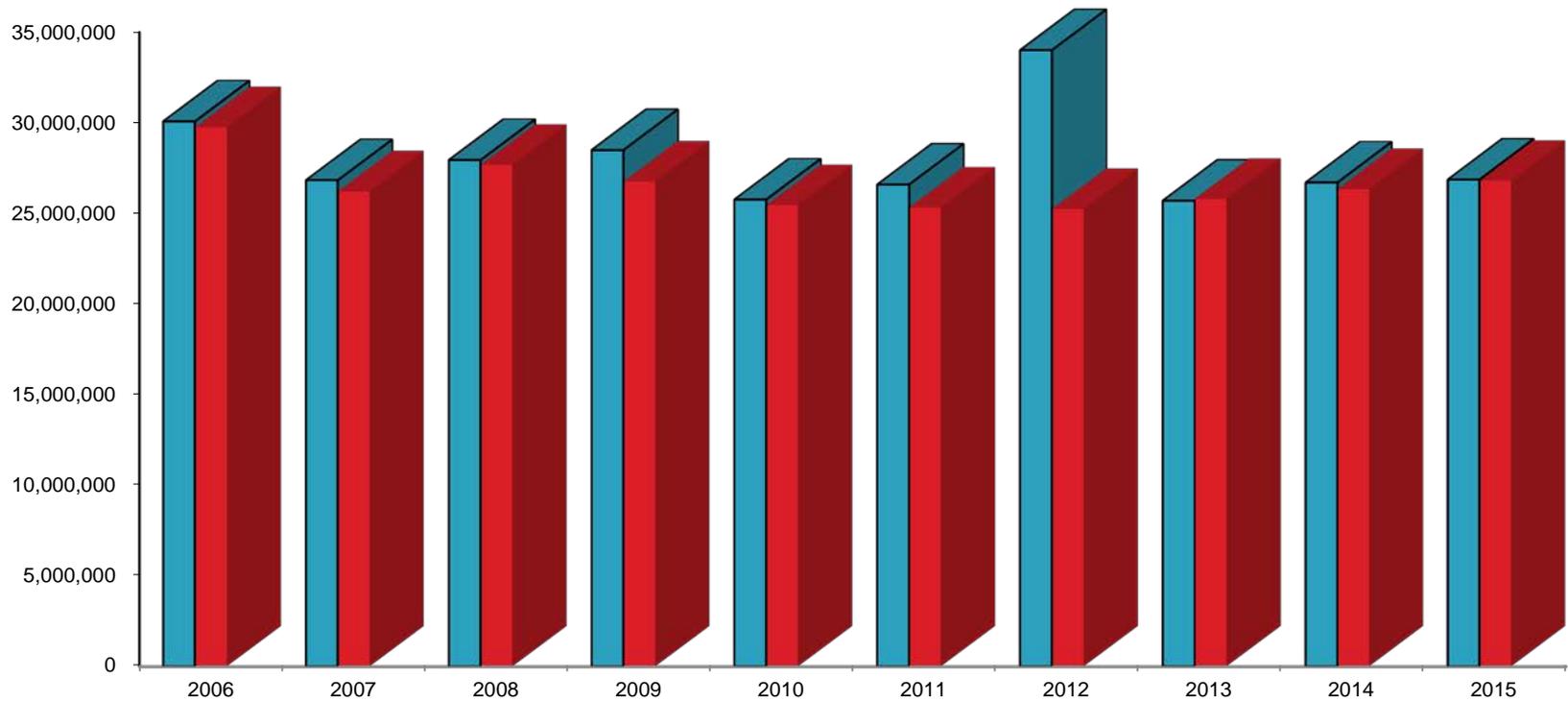


2015 Preliminary Budget – Revenues



Total Budget Appropriations

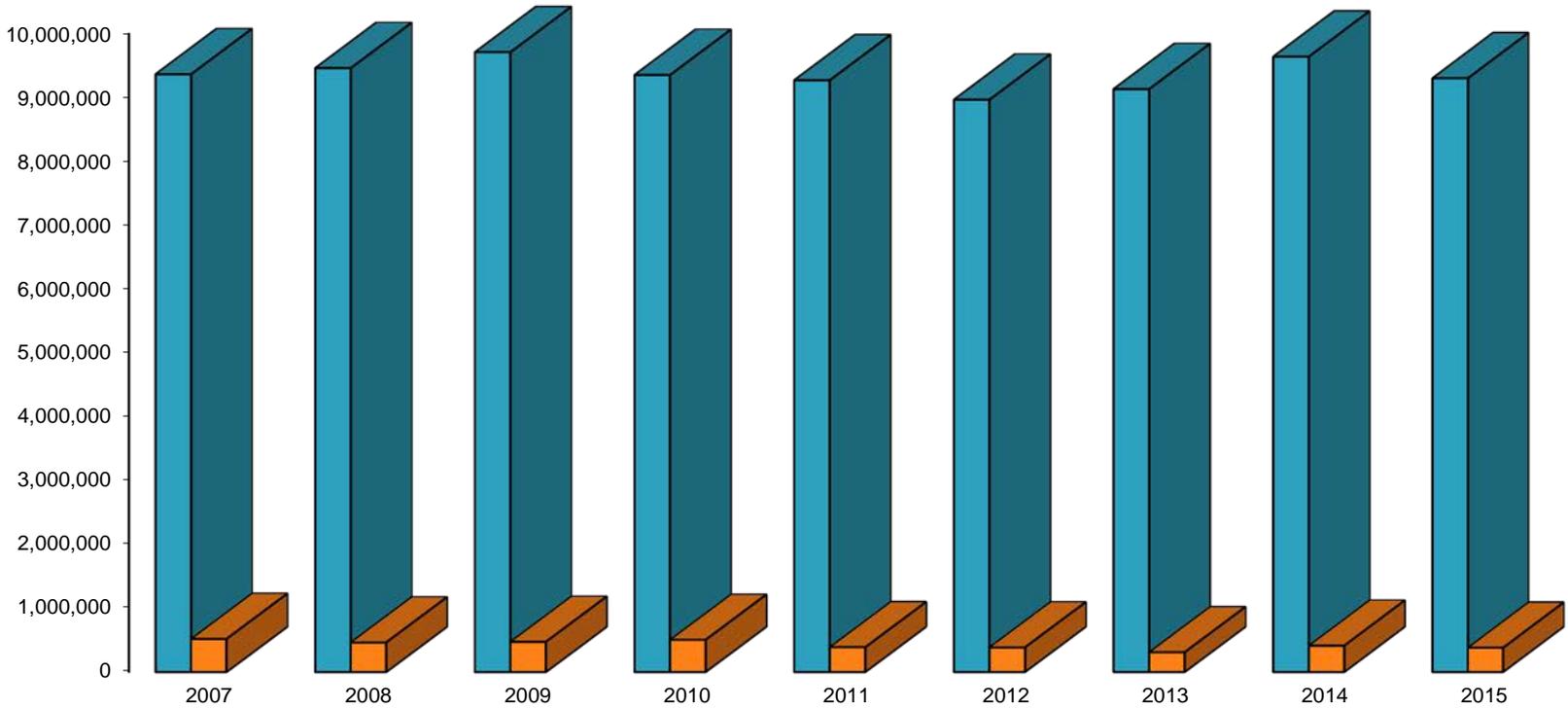
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Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total Budget	30,081	26,838	27,951	28,501	25,773	26,598	34,008	25,712	26,710	26,872
Budget Less Grants	29,754	26,220	27,687	26,764	25,464	25,332	25,247	25,689	26,348	26,804

Budgeted – Total Salaries & OT

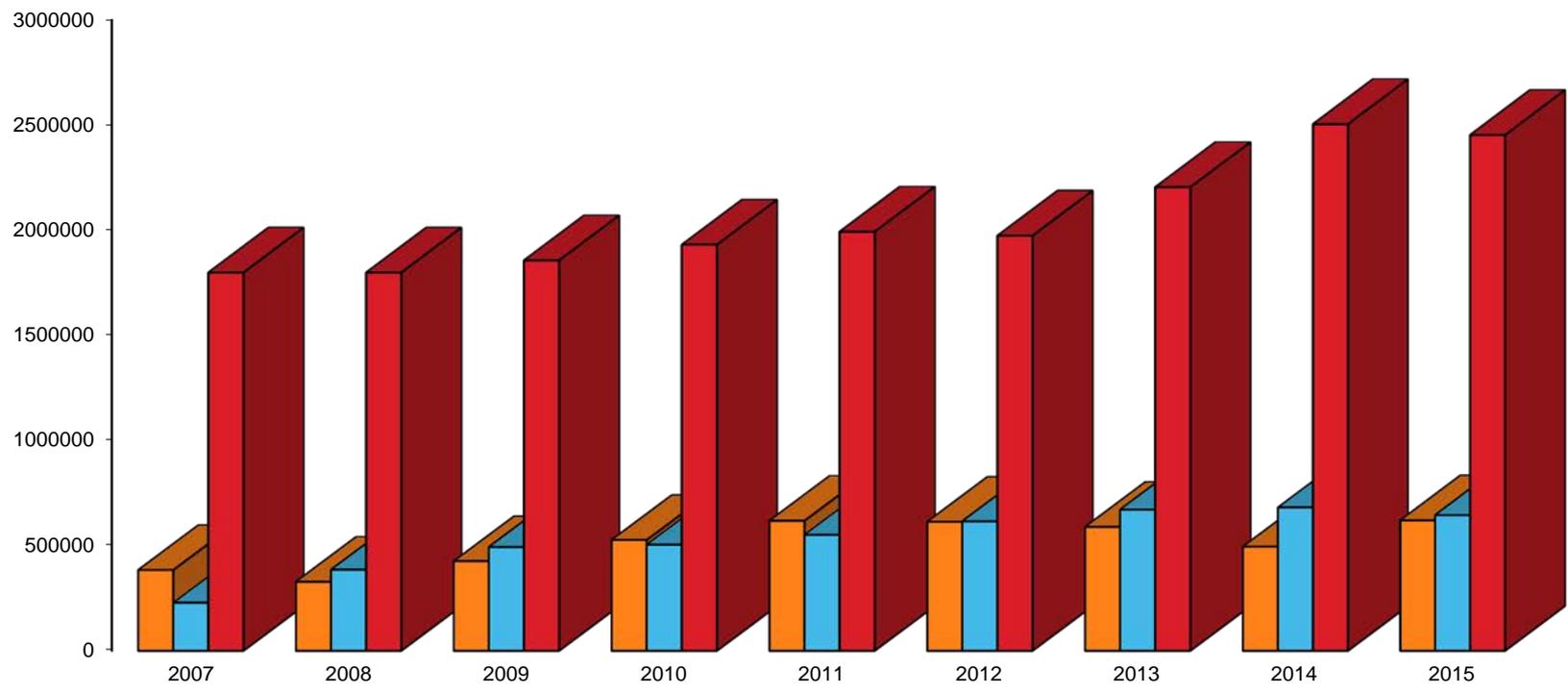
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Year	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total Salaries	9,368	9,464	9,713	9,357	9,275	8,970	9,137	9,654	9,305
Overtime	520	465	475	506	390	387	311	414	381

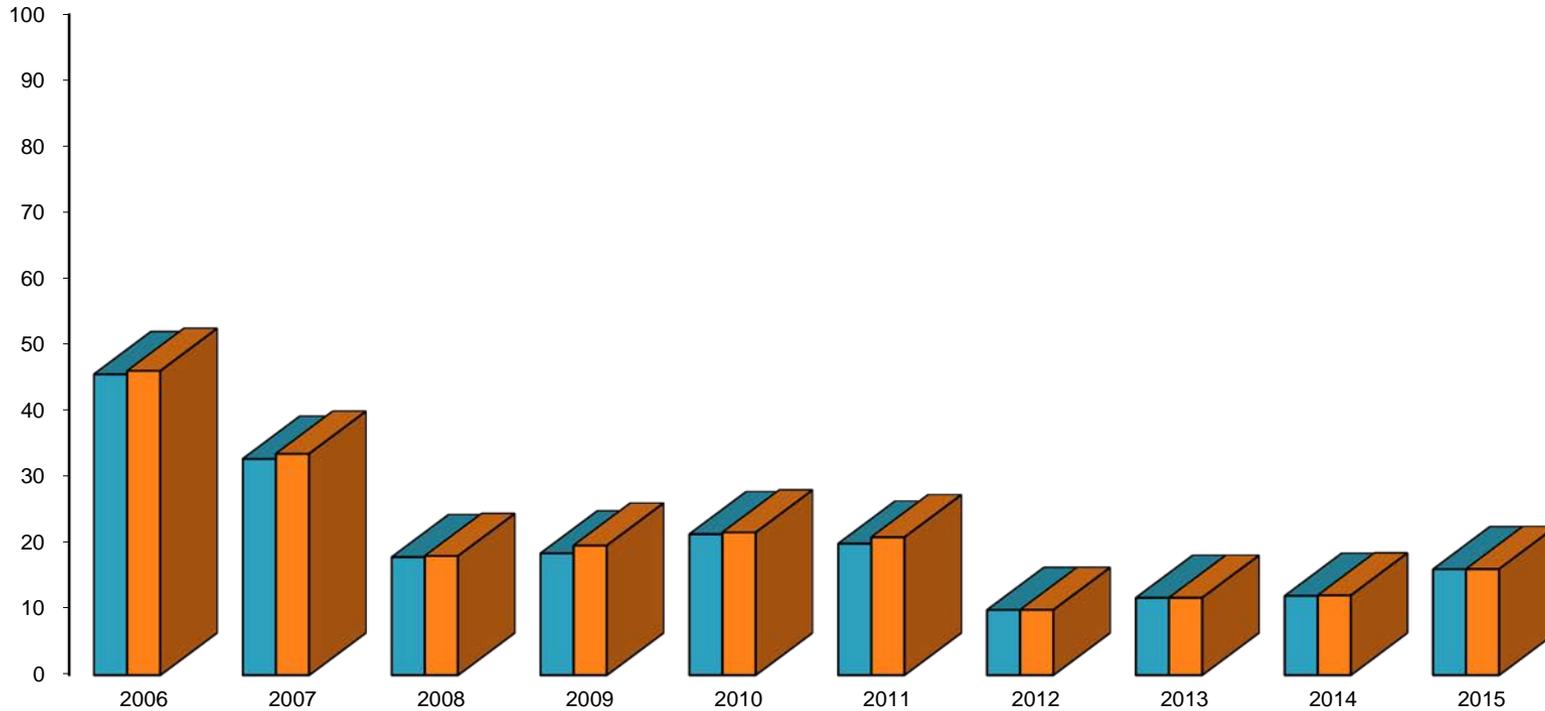
Budgeted – Pensions and Insurance

(000's Omitted)



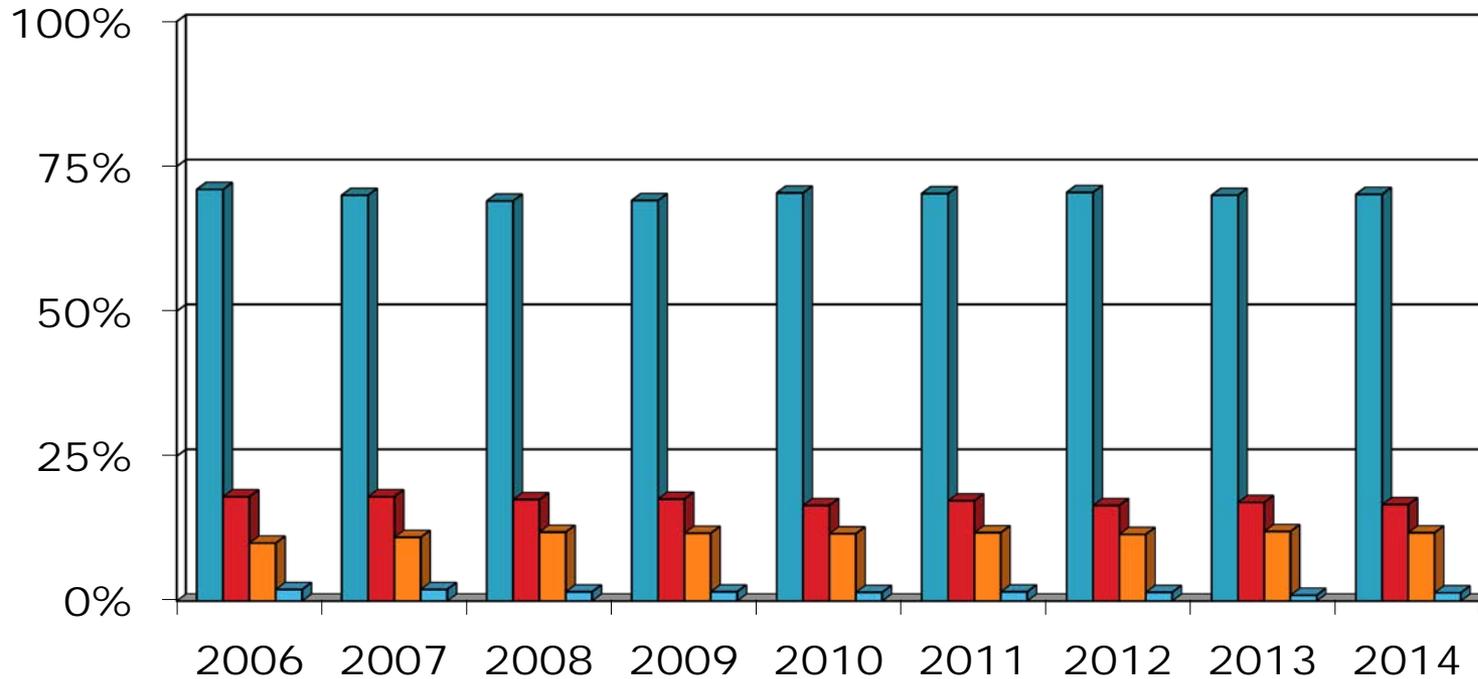
Year	2007	2008	2009	2010	2011	2012	2013	2014	2015
PERS	385	329	427	528	620	615	590	496	621
PFRS	229	386	495	506	553	617	673	682	647
Health Insurance	1,800	1,800	1,858	1,932	1,994	1,975	2,206	2,505	2,454

Surplus Used – % of Budget



Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total Budget	46%	33%	18%	18%	21%	20%	10%	12%	12%	16%
Budget Less Grants	46%	34%	18%	20%	22%	21%	10%	12%	12%	16%

Tax Dollar



Year	2006	2007	2008	2009	2010	2011	2012	2013	2014
School Board	71%	70%	69%	69%	70%	70%	71%	70%	70%
County	18%	18%	17%	18%	16%	17%	17%	17%	17%
Municipal	10%	11%	12%	12%	12%	12%	11%	12%	12%
Municipal Open Space	2%	2%	2%	2%	2%	2%	1%	1%	1%