



2016 Budget Introduction

May 05, 2016

Montgomery Township

Montgomery by the Numbers

- ▶ Montgomery's municipal tax levy has minimally changed over the past 6 years (2010 thru 2015)
 - Montgomery continues to be fully compliant with the Levy Cap Law.
- ▶ Spending and Headcount have been reduced – finding ways to do more with less:
 - \$2.5 Million Reduction in Non-grant spending (from its high of nearly \$30 million)
 - Non-grant spending in 2016 was below 2005 levels (11 years ago)
 - Reduction in number of Full-Time Township employees (189 to 163)

By the Numbers (cont.)

- ▶ Significantly reduced use of surplus in annual budgets

17%

- ▶ Amount of surplus used in the 2016 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 2014 and 2015
- ▶ In 2015, Moody’s Investors upgraded Township’s credit rating to **Aa1**
 - ▶ This reflects the Township's improved financial operations with healthier cash and reserve positions

2016 – Spending Adjustments

- ▶ Projected spending increases for 2016
 - Mandated Cost Increases :
 - Pensions – DCRP (\$76,000) Increase of 6.0%
 - Health Insurance (\$186,000) Increase of 7.6%
 - Statutory and contractual salary increases
 - 85% of total spending increases can be attributed to pension, health care, and investments in the police department.

- ▶ Efficiencies and cost reductions have been found to help mitigate increases
 - Shared services agreements with many other municipalities
 - Past investments in training and equipment to make employees more productive
 - Implementation of new General Ledger and Encumbrance System
 - New banking provider leading to increase in interest income and new technology

2016 Budget Summary

- ▶ Non-grant spending remains less than 2005 levels (11 years ago)
- ▶ State aid to Township remains flat
- ▶ Municipal tax rate up \$0.020 (From \$0.351 to \$0.371)
 - Municipal tax bill on the average assessed home is \$1,847.60
 - Approximately 12% of total property tax bill
 - Proposed tax increase on the average household will be \$97.43
- ▶ Impact to services
 - No reduction in any core services
 - Investment in our police, public works, and recreation departments
 - Extra funding for critical road projects and infrastructure improvements

Ongoing Activities for 2016

- ▶ **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

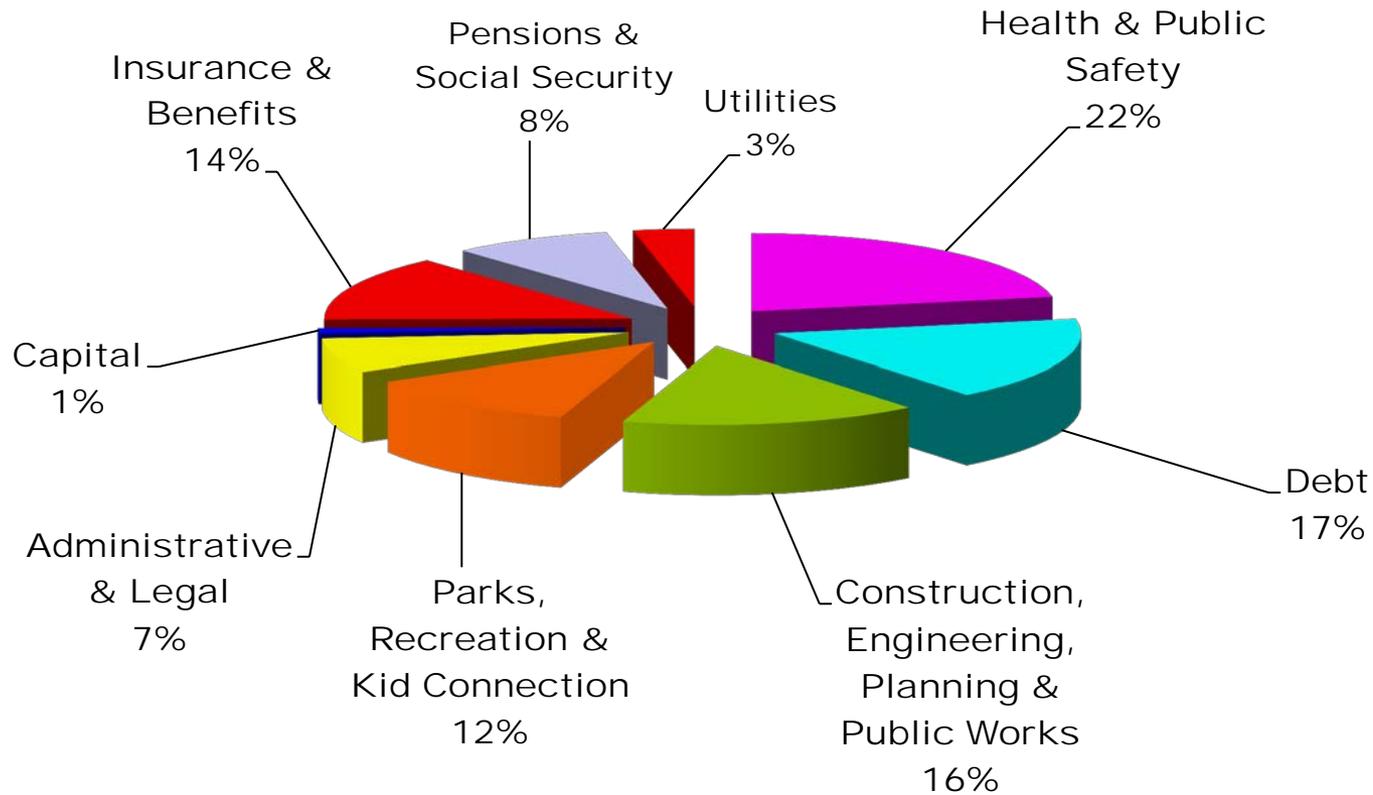
 - ▶ **Continuing to improve the roads and infrastructure**
 - Bridgepoint Road, Williamsburg Neighborhood
 - Sidewalk repair program
 - Sewage treatment plant consolidation
 - Repairs and upgrades to parks and recreation buildings

 - ▶ **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
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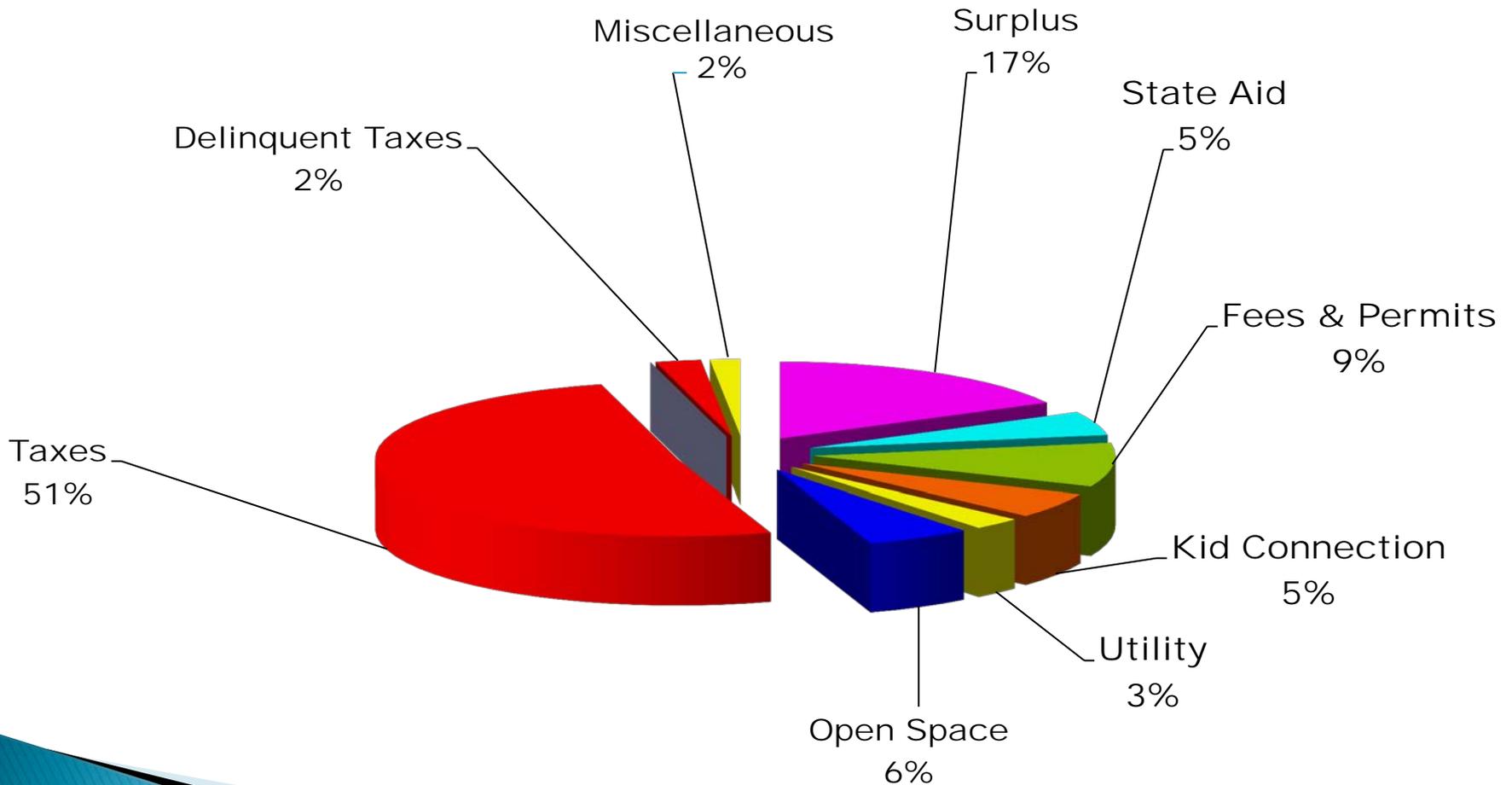


DATA SLIDES

2016 Preliminary Budget – Appropriations

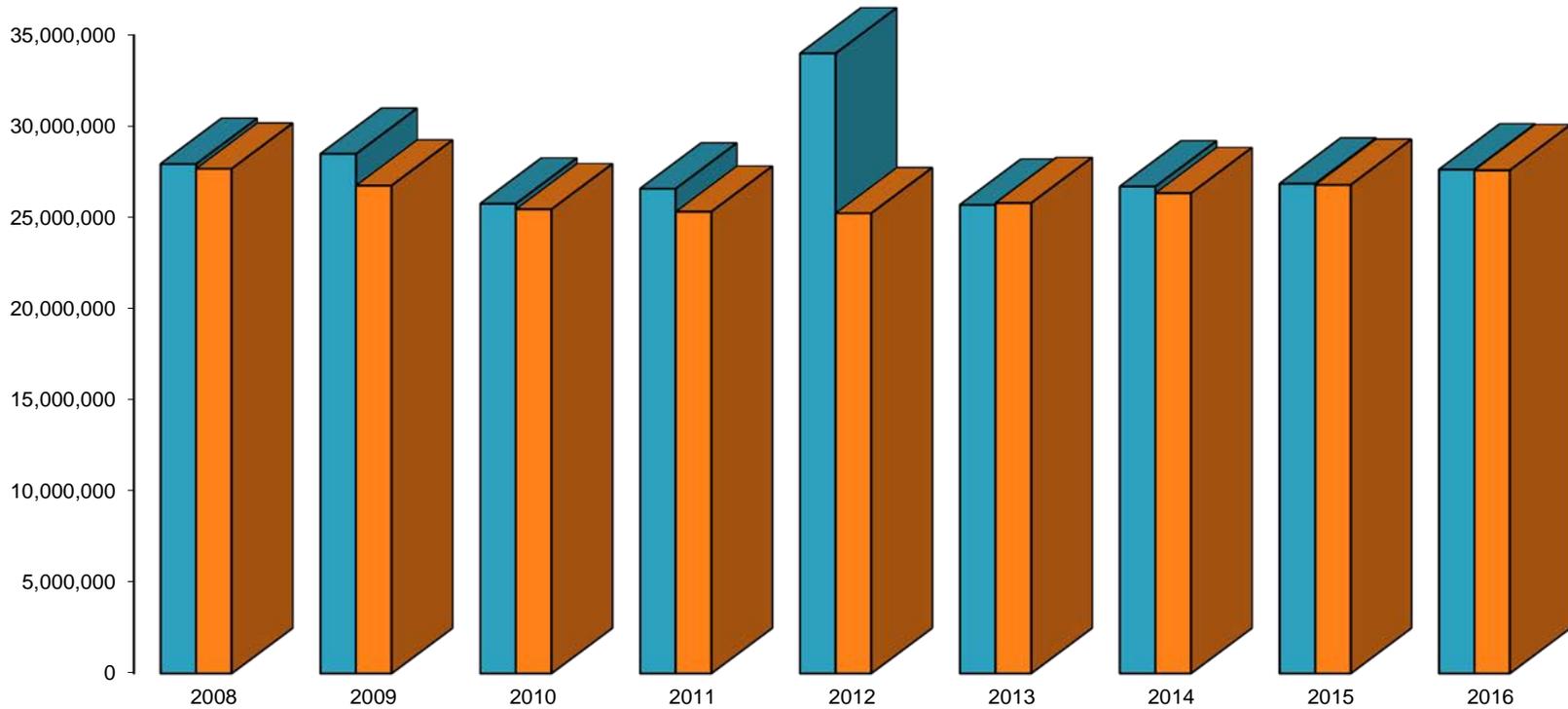


2016 Preliminary Budget – Revenues



Total Budget Appropriations

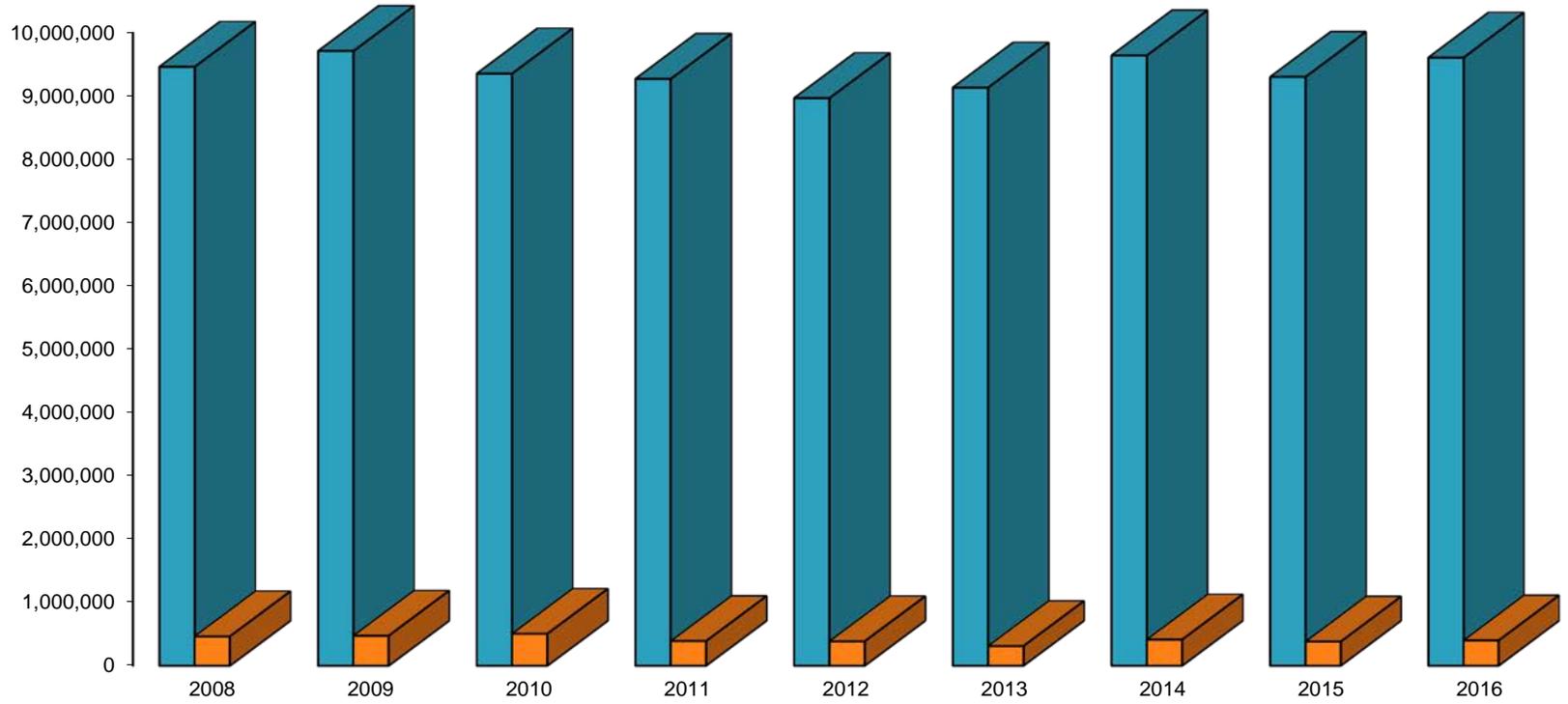
(000's Omitted)



Year	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total Budget	27,951	28,501	25,773	26,598	34,008	25,712	26,710	26,872	27,646
Budget Less Grants	27,687	26,764	25,464	25,332	25,247	25,689	26,348	26,804	27,606

Budgeted – Total Salaries & OT

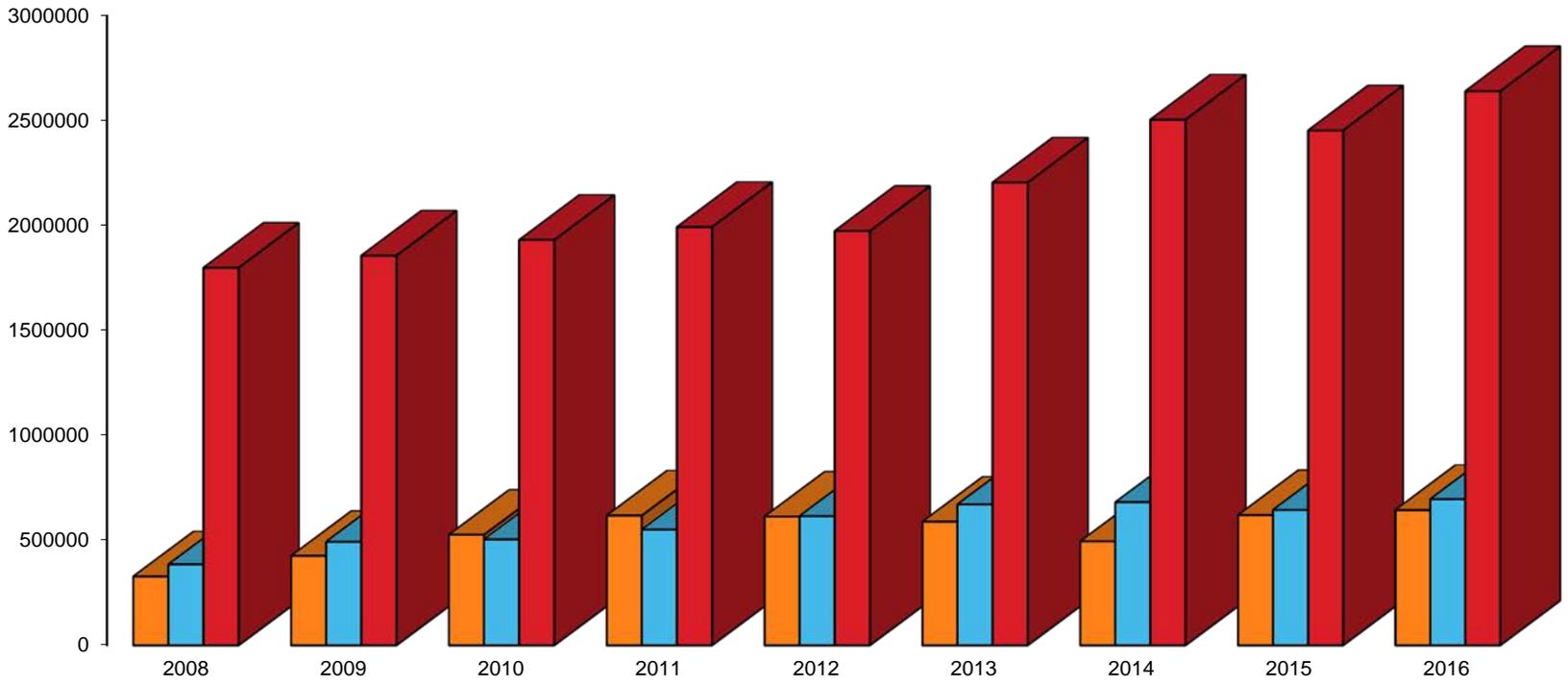
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Year	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total Salaries	9,459	9,693	9,412	9,275	8,970	9,137	9,654	9,686	10,009
Overtime	465	475	506	390	387	311	414	381	399

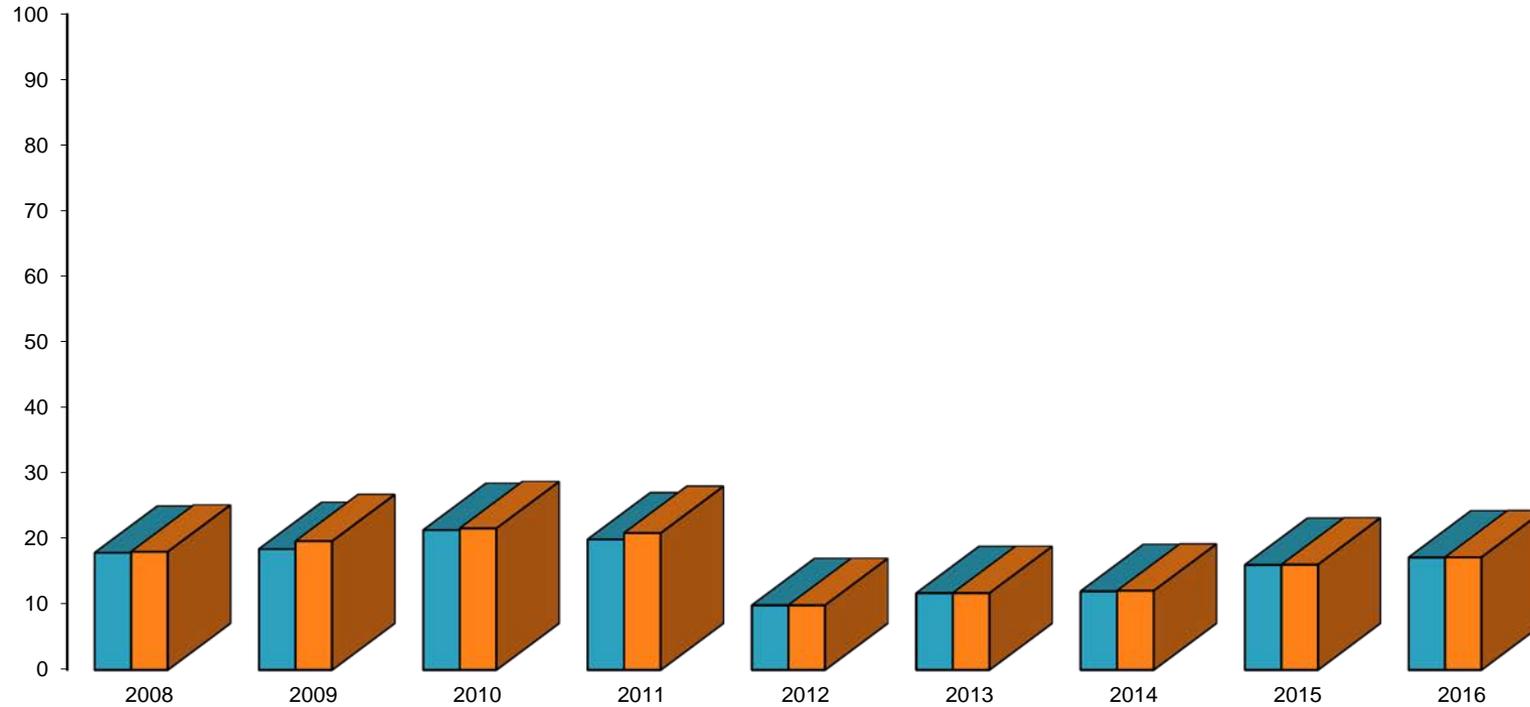
Budgeted – Pensions and Insurance

(000's Omitted)



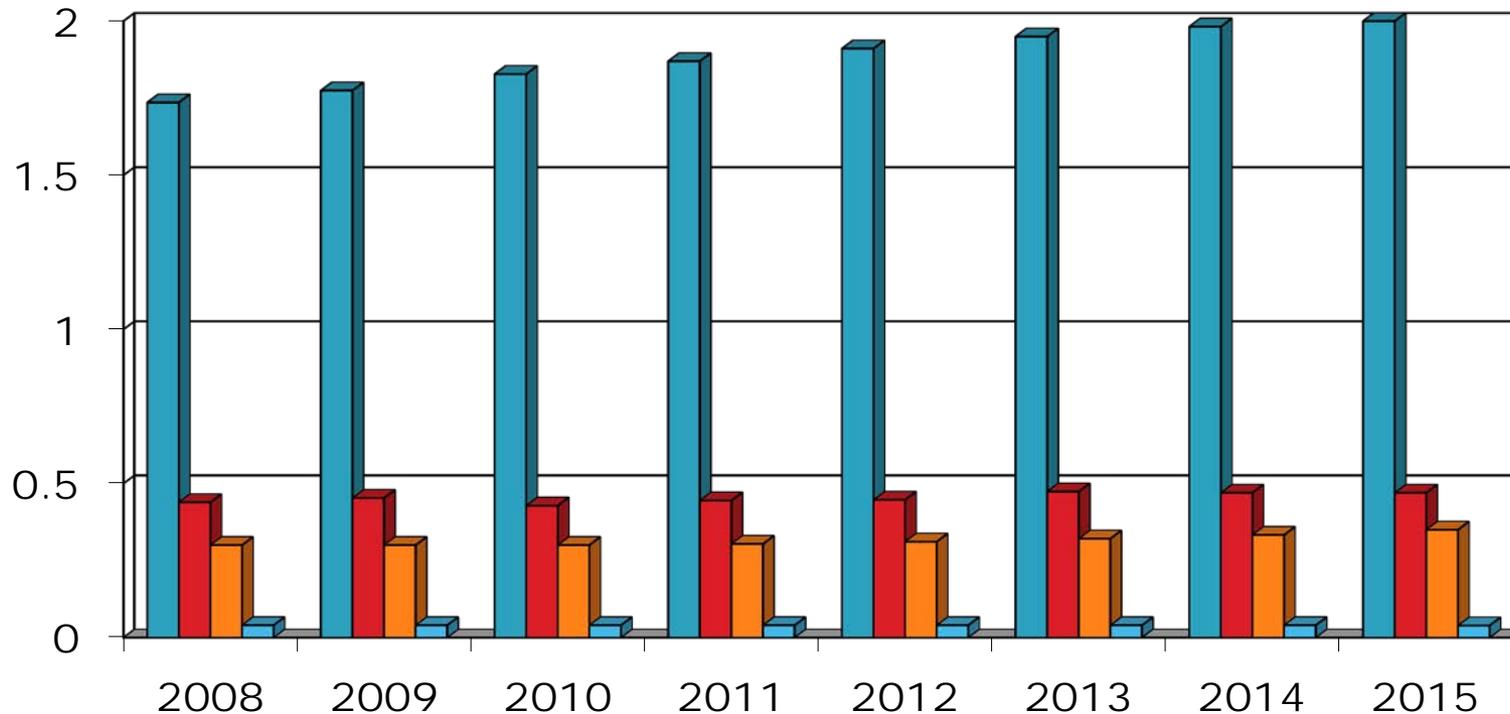
Year	2008	2009	2010	2011	2012	2013	2014	2015	2016
PERS / DCRP	329	427	528	620	615	590	496	621	646
PFRS	386	495	506	553	617	673	682	647	698
Health Insurance	1,800	1,858	1,932	1,994	1,975	2,206	2,505	2,454	2,640

Surplus Used – % of Budget



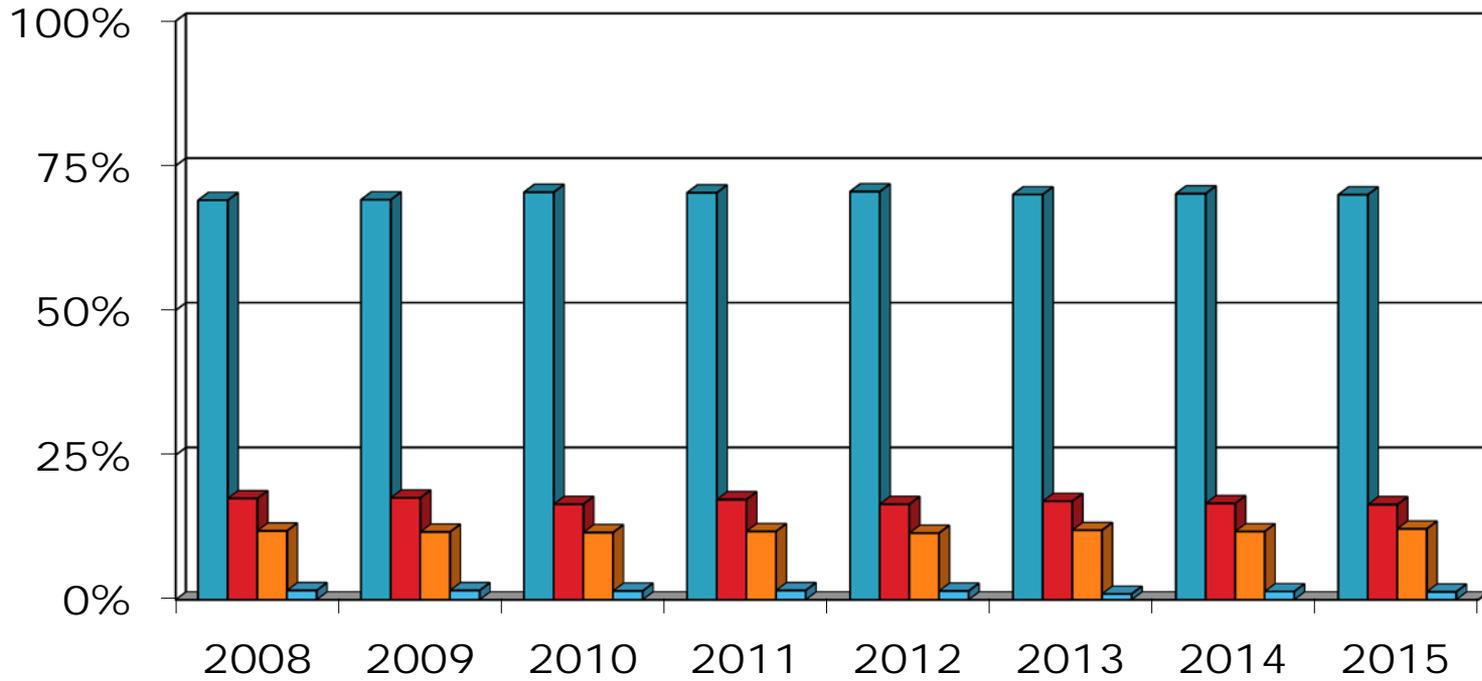
Year	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total Budget	18%	18%	21%	20%	10%	12%	12%	16%	17%
Budget Less Grants	18%	20%	22%	21%	10%	12%	12%	16%	17%

Tax Rates



	2008	2009	2010	2011	2012	2013	2014	2015
School Board	1.736	1.775	1.828	1.870	1.911	1.950	1.982	2.001
County	0.439	0.453	0.428	0.445	0.447	0.474	0.470	0.470
Municipal	0.300	0.300	0.300	0.304	0.311	0.321	0.333	0.350
Municipal Open Space	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.039

Tax Dollar



Year	2008	2009	2010	2011	2012	2013	2014	2015
School Board	69%	69%	70%	70%	71%	70%	70%	70%
County	17%	18%	16%	17%	17%	17%	17%	17%
Municipal	12%	12%	12%	12%	11%	12%	12%	12%
Municipal Open Space	2%	2%	2%	2%	1%	1%	1%	1%