



2018 Budget Presentation

April 05, 2018

Montgomery by the Numbers

- ▶ Montgomery continues to be fully compliant with the Levy Cap Law
- ▶ Spending and Headcount have been reduced – finding ways to do more with less:

3.6%

- ▶ \$1.0 Million Reduction in spending

▶ \$28.5 million in 2009 (\$31.0 Million in 2005)

20.6%

- ▶ Reduction in number of Full-Time Township employees (189 to 150)

Data Source: NJ DLGS (http://www.state.nj.us/dca/divisions/dlgs/resources/property_tax.html); Montgomery Twp Tax Records

By the Numbers (cont.)

- ▶ Significantly reduced use of surplus in annual budgets

16%

- ▶ Amount of surplus used in the 2018 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 2017
- ▶ In 2018, Township maintained Moody’s Investors credit rating of **Aa1**
 - ▶ This reflects the Township's improved financial operations with healthier cash and reserve positions

2018 – Spending Adjustments

- ▶ Projected spending increases for 2018
 - Mandated Cost Increases :
 - Pensions – DCRP (\$158,200) Increase of 11.2%
 - 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
 - Strategic balance sheet management
 - 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

2018 Budget Summary

- ▶ Non-grant spending remains less than 2005 levels (13 years ago)
- ▶ State aid to Township remains flat
- ▶ Municipal tax rate up \$0.014 (From \$0.387 to \$0.401)
 - Municipal tax bill on the avg. assessed home is \$2,035.77 (\$169.65/month)
 - Approximately 12% of total property tax bill
 - Proposed tax increase on the avg. household will be \$69.35 (\$5.78/month)
 - Under the state's property tax cap law, the township is eligible for a \$248.21 increase
 - \$17.28 or 20% lower than the increase in 2017
- ▶ 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
 - **Efficient** funding for critical road projects and infrastructure improvements

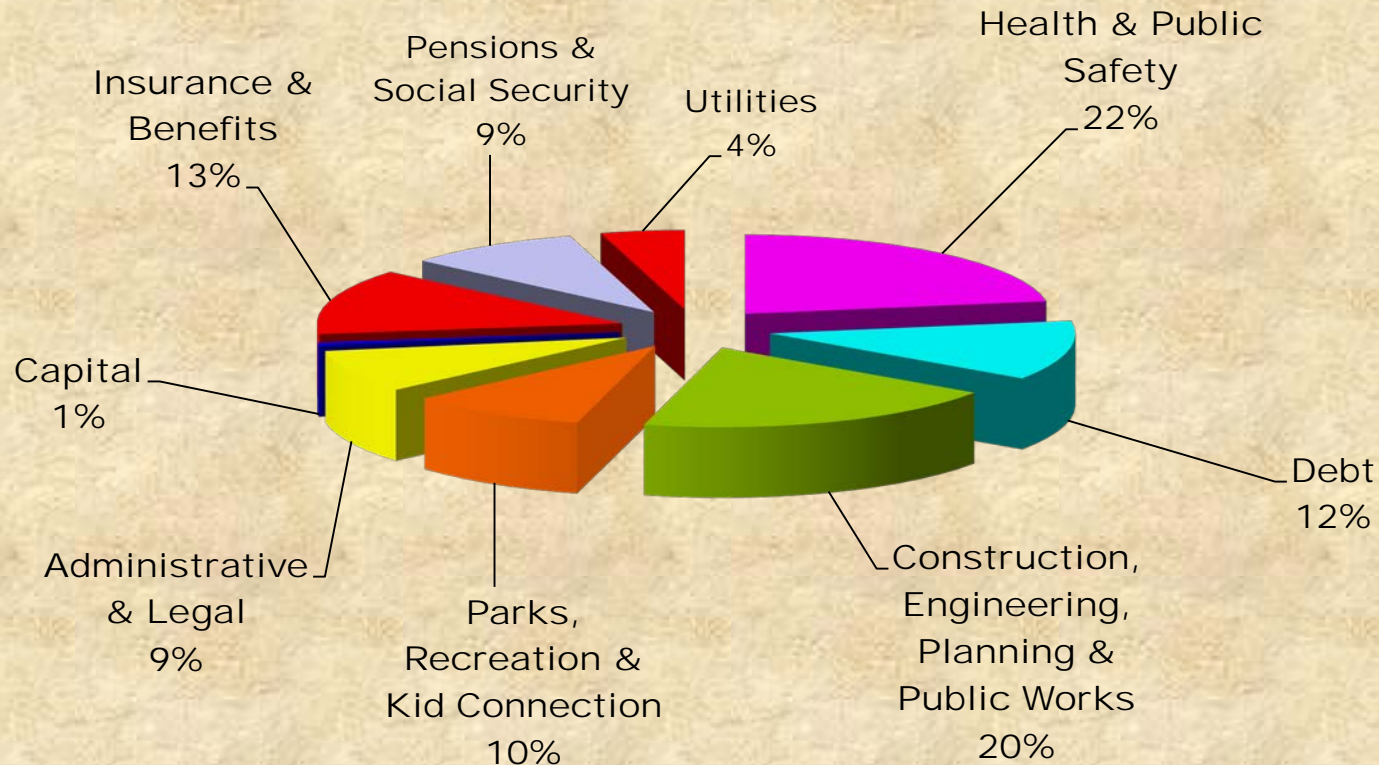
Ongoing Activities for 2018

- ▶ **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, Electronic Tax Sales, Lockbox Services)
- ▶ **Continue to revamp the municipal government organizational structure to optimize head count, responsibilities, and efficiencies**
 - Reevaluate positions and tasks to economize cost
 - Stress the importance of customer service, mission statement & values
- ▶ **Continuing to improve the roads and infrastructure**
 - Elm, Van Pelt, Grist Mill, Hoagland, Poling Farm, Riversedge, Van Doren, Edgewood, Canterbury, Cobblestone, Wilshire, Ridgeview, Silverthorn, & Spruce to name a few
 - Sidewalk repair program (Woodsedge area)
 - Sewage treatment plant consolidation and flood mitigation
 - Repairs and upgrades to parks and recreation buildings – Montgomery & Hobler Parks
- ▶ **Aggressively analyzing new opportunities for consolidation/sharing services**
 - Public Works, construction code, etc.
 - Potential partnerships with neighboring municipalities and county
 - Public Nurse, Health Education services, Animal Control Services, Finance

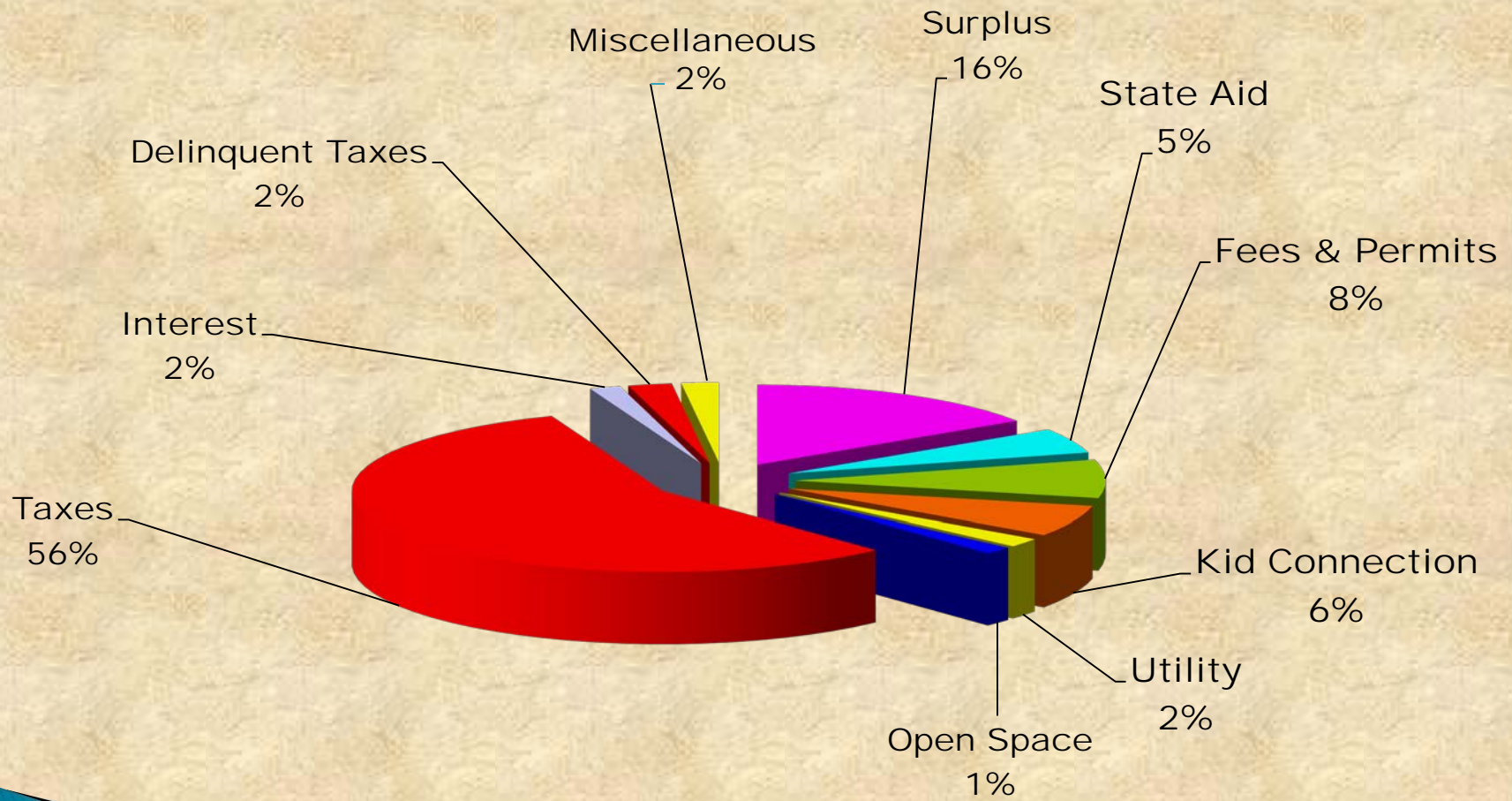


DATA SLIDES

2018 Preliminary Budget – Appropriations

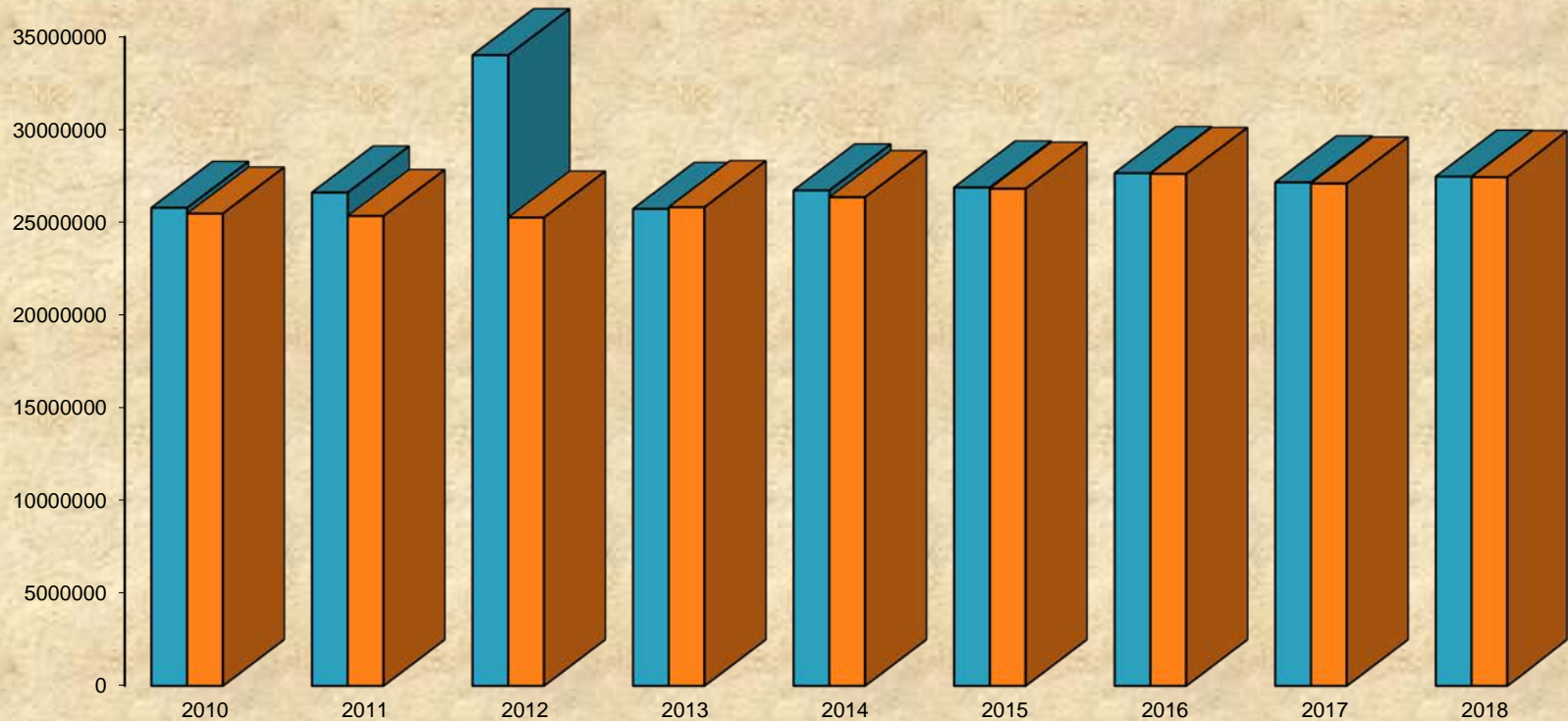


2018 Preliminary Budget – Revenues



Total Budget Appropriations

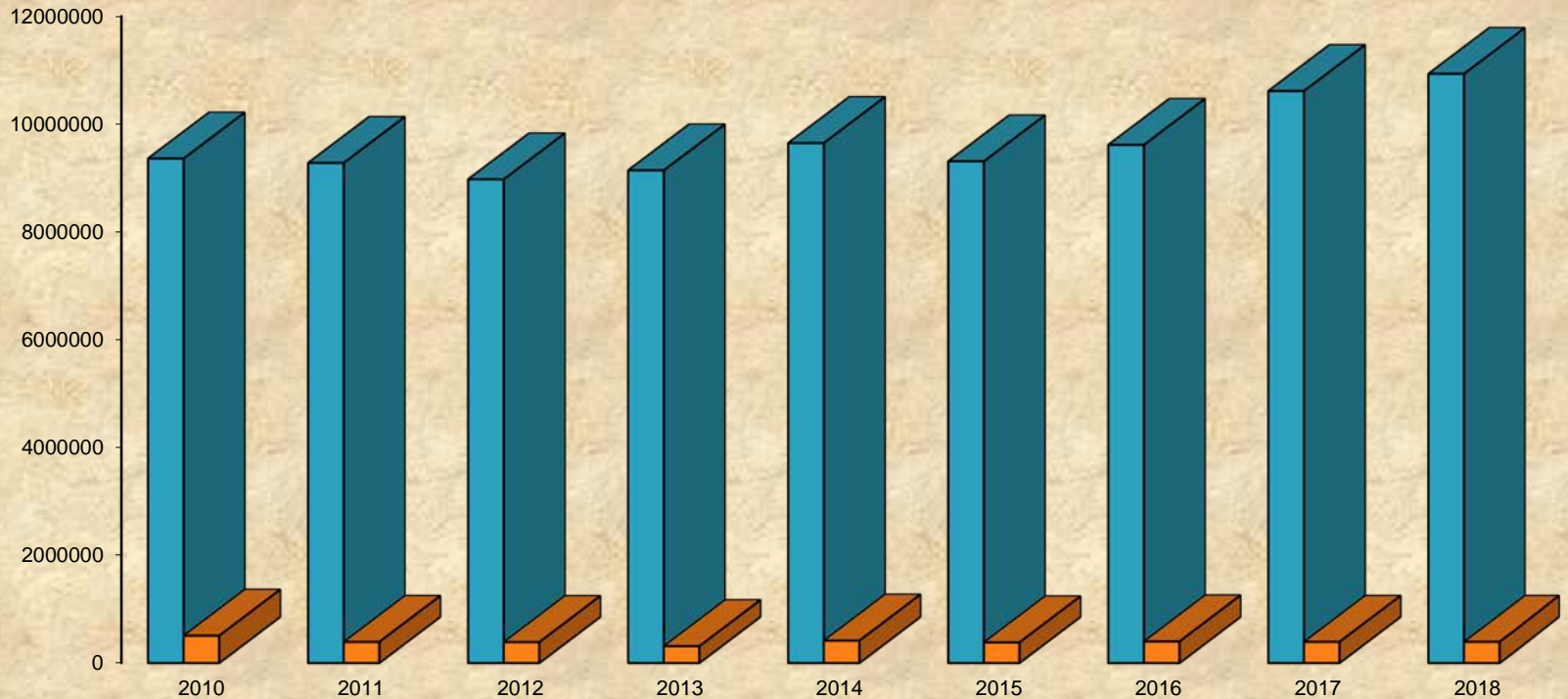
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Year	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total Budget	25,773	26,598	34,008	25,712	26,710	26,872	27,646	27,146	27,457
Budget Less Grants	25,464	25,332	25,247	25,689	26,348	26,804	27,606	27,087	27,426

Budgeted – Total Salaries & OT

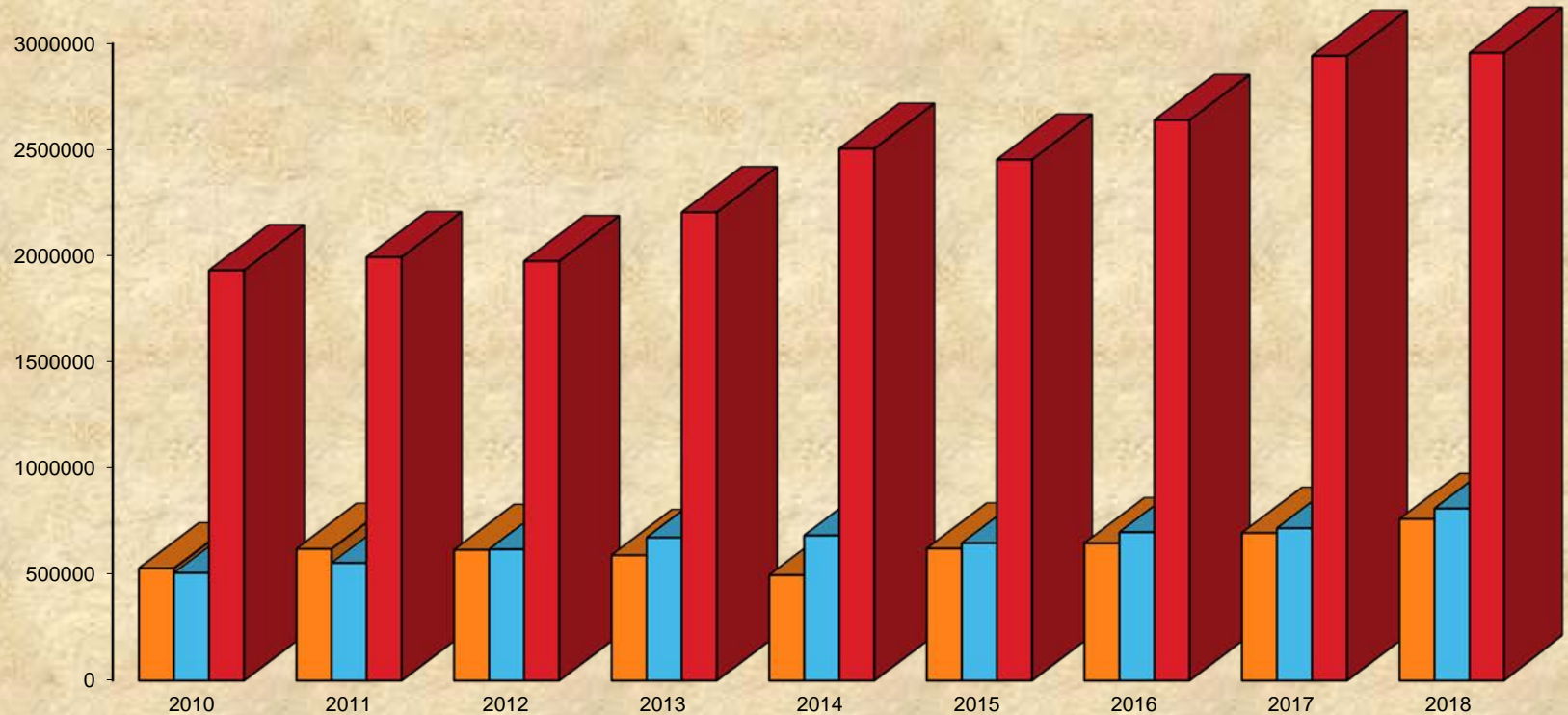
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Year	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total Salaries	9,412	9,275	8,970	9,137	9,654	9,686	10,009	10,610	10,928
Overtime	506	390	387	311	414	381	399	391	391

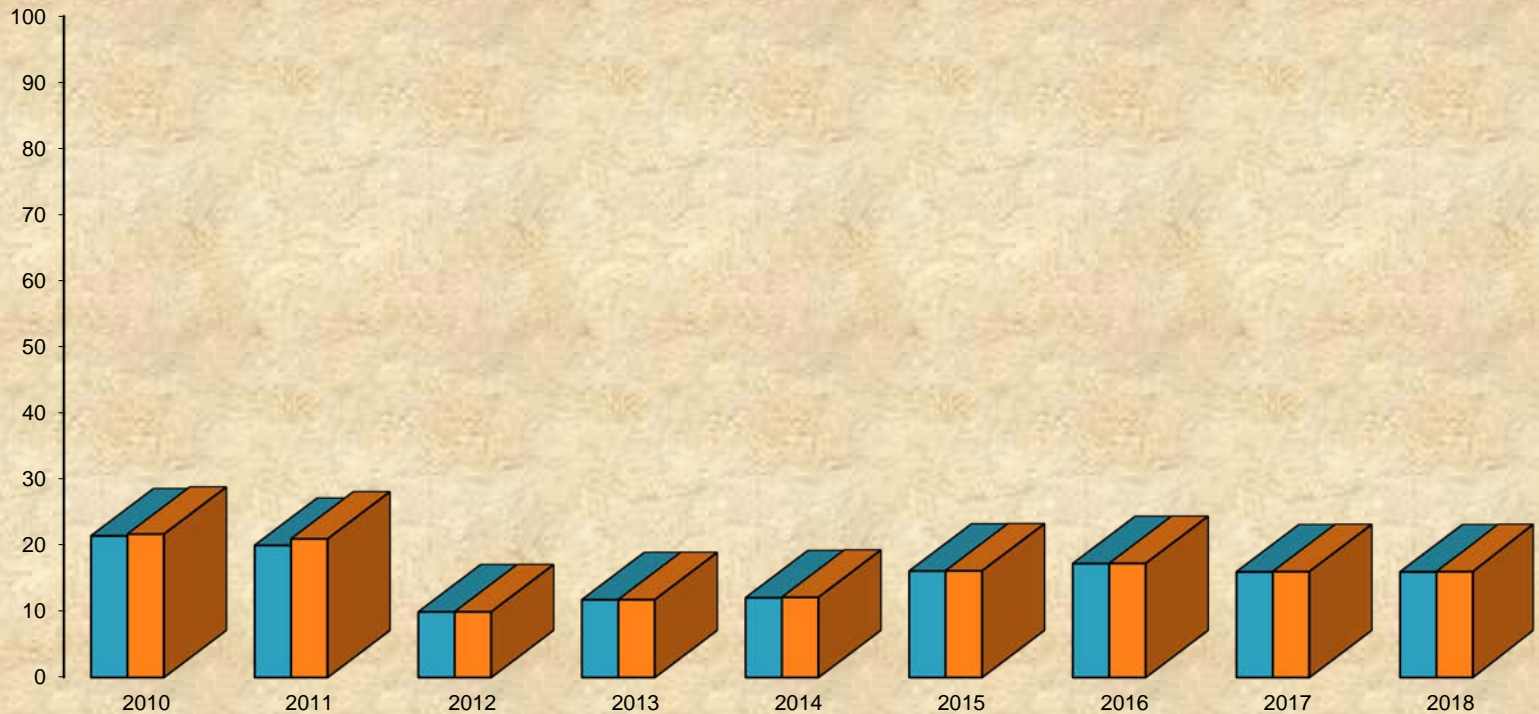
Budgeted – Pensions and Insurance

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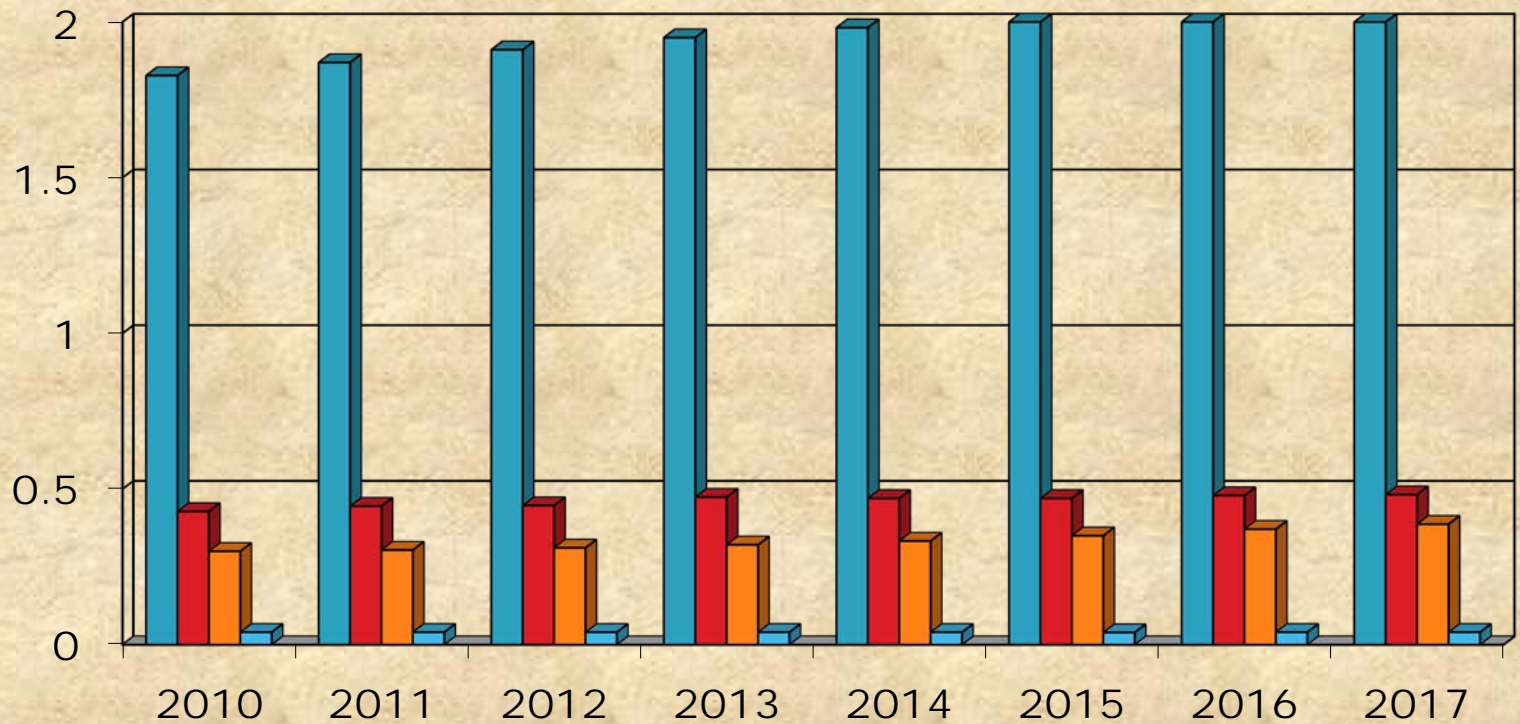
Year	2010	2011	2012	2013	2014	2015	2016	2017	2018
PERS / DCRP	528	620	615	590	496	621	646	695	760
PFRS	506	553	617	673	682	647	698	717	810
Health Insurance	1,932	1,994	1,975	2,206	2,505	2,454	2,640	2,943	2,957

Surplus Used – % of Budget



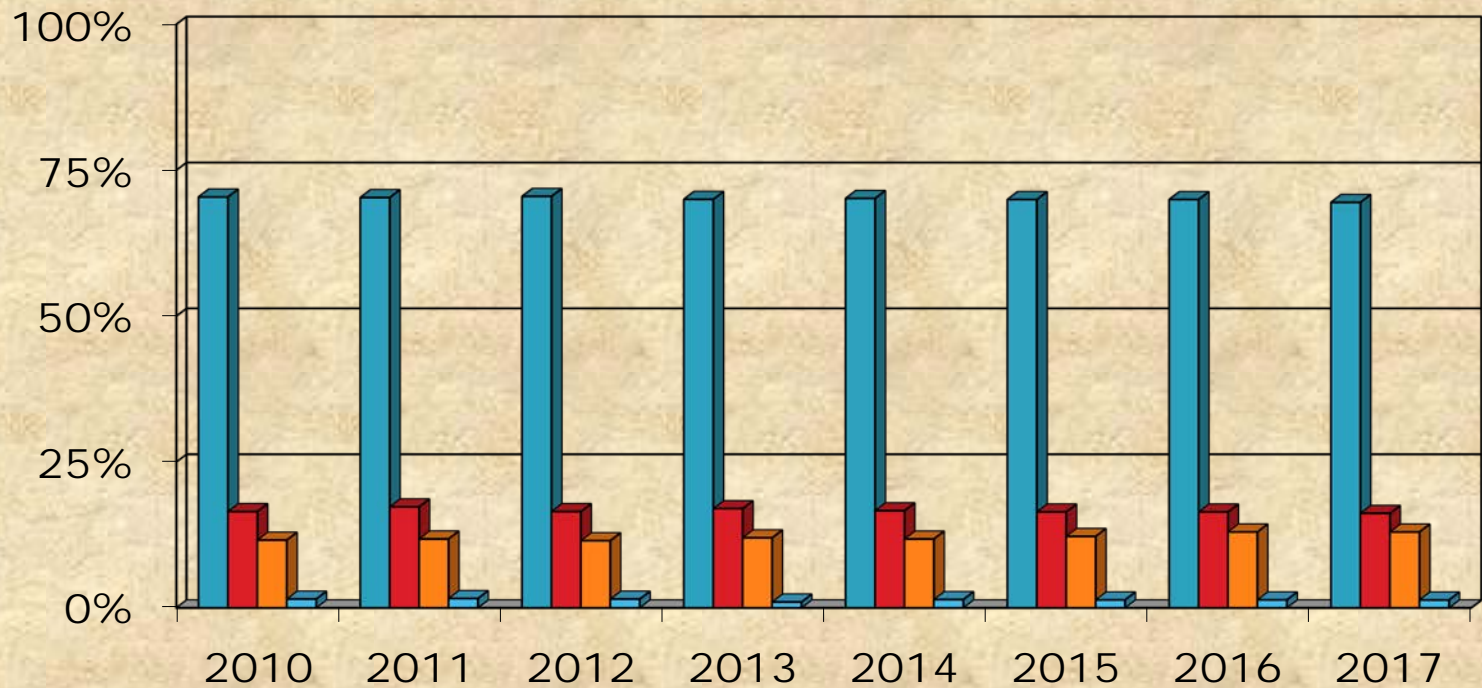
Year	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total Budget	21%	20%	10%	12%	12%	16%	17%	16%	16%
Budget Less Grants	22%	21%	10%	12%	12%	16%	17%	16%	16%

Tax Rates



	2010	2011	2012	2013	2014	2015	2016	2017
School Board	1.828	1.870	1.911	1.950	1.982	2.001	2.036	2.069
County	0.428	0.445	0.447	0.474	0.470	0.470	0.479	0.482
Municipal	0.300	0.304	0.311	0.321	0.333	0.350	0.370	0.387
Municipal Open Space	0.040	0.040	0.040	0.040	0.040	0.039	0.040	0.040

Tax Dollar



Year	2010	2011	2012	2013	2014	2015	2016	2017
School Board	70%	70%	71%	70%	70%	70%	70%	70%
County	16%	17%	17%	17%	17%	17%	17%	17%
Municipal	12%	12%	11%	12%	12%	12%	12%	12%
Municipal Open Space	2%	2%	1%	1%	1%	1%	1%	1%

Thank You!

