



**MONTGOMERY**  
TOWNSHIP, NEW JERSEY

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# Quarterly Finance Update

October 06, 2022

# Looking Back: 3rd Quarter 2022

- Revenues
- Appropriations
- Property Tax Bills Mailed Out
- Second Half Sewer Bills
- Moody's Rating Update
- Bond Sale
- County Grant
- Investor's Foundation Grant
- NJ Comptroller Report
- Montgomery Finance @ NJ Municipal Manager's Conference



# Revenues

- Tax Collection
- Interest on Investments
- Other Fees & Permits
- Fines & Costs (Police)
- Construction Code
- State Aid
- Receipts From Delinquent Taxes



# Appropriations

- Department Heads are keeping a close eye on their budgeted expenses.
- As of the third quarter, we have spent approximately 80% of our budget.



# Tax Rate

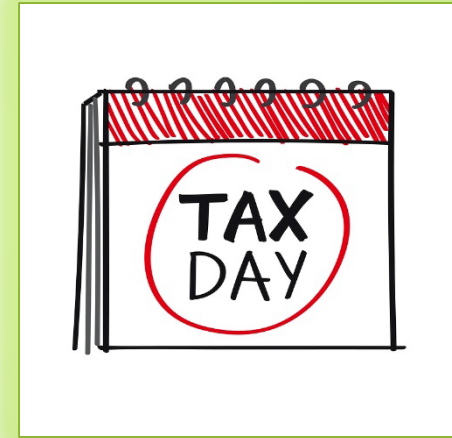
- County Tax Assessor struck 2022 tax rate on 7/15/22.
- 2022 Rate: 3.172 vs 2021 Rate: 3.145.
  - 0.86% Increase.
- 70% related to School, 15% Municipal, 15% County.



# Property Tax Bills

- Property tax bills for the following quarters were sent out in August.

- 2022 – 3<sup>rd</sup> quarter
- 2022 – 4<sup>th</sup> quarter
- 2023 – 1<sup>st</sup> quarter
- 2023 – 2<sup>nd</sup> quarter



- Third quarter due date remains 8/1/22, but grace period extended to 9/15/22.
  - Any payment received after 9/15/22 will be charged interest dating back to 8/1/22.
- Fourth quarter property taxes due 11/1/22.



# Sewer Bills

- Second half sewer bills, which were sent out in May, were due on 9/1/2022.
- Billing information can be found on our website.

| MONTGOMERY TOWNSHIP<br>SEWER RATE HISTORY |          |        |                             |                        |
|---|----------|--------|-----------------------------|------------------------|
| YEAR                                      | BASE FEE |        | USAGE FEE<br>(per 1000 gal) | USAGE FEE<br>(per CCF) |
| 2009                                      | \$       | 200.00 | \$ 9.20                     | \$ 6.88                |
| 2010                                      | \$       | 218.00 | \$ 9.36                     | \$ 7.00                |
| 2011                                      | \$       | 233.00 | \$ 10.76                    | \$ 8.05                |
| 2012                                      | \$       | 256.00 | \$ 11.94                    | \$ 8.93                |
| 2013                                      | \$       | 256.00 | \$ 11.94                    | \$ 8.93                |
| 2014                                      | \$       | 256.00 | \$ 12.73                    | \$ 9.52                |
| 2015                                      | \$       | 261.00 | \$ 13.00                    | \$ 9.72                |
| 2016                                      | \$       | 266.00 | \$ 13.26                    | \$ 9.92                |
| 2017                                      | \$       | 266.00 | \$ 13.50                    | \$ 10.10               |
| 2018                                      | \$       | 266.00 | \$ 13.80                    | \$ 10.32               |
| 2019                                      | \$       | 266.00 | \$ 14.05                    | \$ 10.51               |
| 2020                                      | \$       | 266.00 | \$ 14.30                    | \$ 10.70               |
| 2021                                      | \$       | 266.00 | \$ 14.30                    | \$ 10.70               |
| 2022                                      | \$       | 266.00 | \$ 14.50                    | \$ 10.85               |

# Moody's Updated Rating

- On July 6 2022, Moody's Investors Service has assigned a Aaa rating to the Township of Montgomery.
- The stable outlook reflects the expectation that the township's tax base and finances will remain strong in the near to medium term due to well above-average resident income and wealth and conservative budgeting.





# Bond Sale

- Sale occurred on 7/20/2022
- Closing on 8/19/2022
- Total proceeds of \$22,620,455
  - Current Fund: \$9,498,622
  - Open Space: \$9,500,000
  - Sewer Fund: \$3,621,833
- True Interest Cost: 3.466%
- Year 2023 annual debt service is 1,462,315
- Matures in 2045



# Somerset County ARPA Grant

- Montgomery Township was notified that they will be awarded a \$500,000 grant from Somerset County to implement a waterline down Skillman Road to connect to OKCC.



# Investors Foundation Grant

- Last year the finance department applied for a grant through our banking institution.
- Grant would benefit the construction of an ADA Playground.
- We were notified that the Township was awarded \$50,000 to be used towards an ADA playground.



# NJ Comptroller Report Shines Spotlight on Montgomery's Financial Management

- The Office of the State Comptroller conducted a survey of 60 municipalities and their compliance with payment for accrued sick time to employees. Among those studied, Montgomery was one of three municipalities found to be in compliance with the laws.
- The rules governing annual payouts for unused leave started in 2007 when the state capped some senior employees at \$15,000 in payments for sick time payable only at retirement. In 2010, the law expanded to include all employees hired after May 21, 2010.



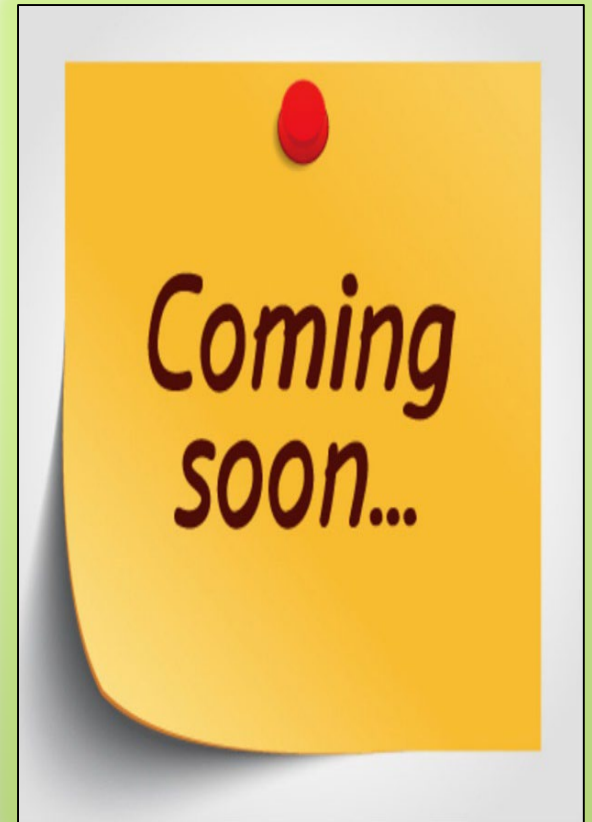
# Finance Department @ NJMMA Conference

- On September 14, 2022 Montgomery Township Finance represented the Township at the NJ Municipal Managers Association's annual conference in Long Branch as a panelist on a shared services seminar.
- The seminar was aimed for Municipal Administrators to get ideas from the panelists who are considered leaders in the state when it comes to shared services.



# Looking Ahead: 4<sup>th</sup> Quarter 2022

- Fourth Quarter Property Taxes
- Added/Omitted Taxes
- Electronic Tax Sale
- State Anchor Program Applications
- 2022 Annual Budget Transfers
- Union Contract Negotiations
- Renewal of Joint Insurance Fund
- Annual Police Vehicle Financing
- Court Shared Services Contract
- 2023 Budget Preparations
- Year-End Closeout





# Coming Due

- November 1, 2002: 4<sup>th</sup> Quarter Taxes.
- November 1, 2022: Added/ Omitted Taxes.

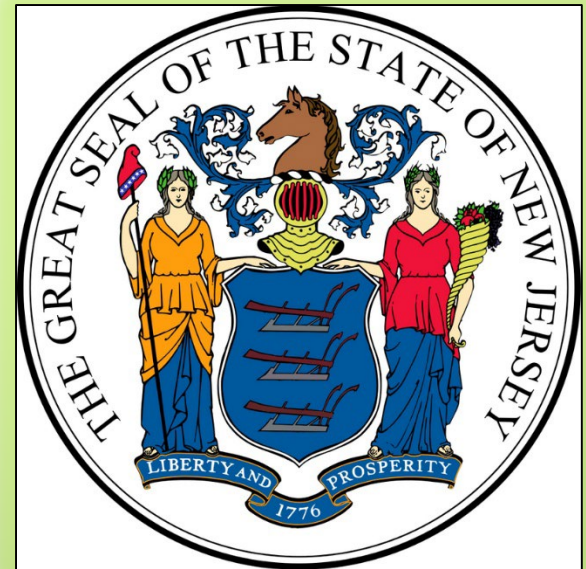


# Tax Sale

- 2022 Tax sale is scheduled for 12/7/2022.
- Tax sale will be conducted online through Real Auction.
- Tax sale is related to 2021 delinquent taxes.

# State ANCHOR Program

- ANCHOR (Affordable NJ Communities for Homeowners & Renters).
- Applications due 12/30/2022.
- Property tax rebates to NJ residents who owned or rented their home as of 10/1/2019.
- Up to \$1,500 rebates to qualified owners.
- Up to \$450 rebates to qualified renters.
- Administered by state, not Township.



# Annual Budget Transfers

- 2022 budget transfers will begin in November.
- \$0.00 impact on budget.
- Moving funds between accounts.



# Contract Negotiations

- American Federation of State, County, & Municipal Employees Union.
- Largest Township union.
- Contract expires 12/31/2022.
- Discussions are commencing.



# Other Upcoming Contracts

- Mid-Jersey Joint Insurance Fund.
  - Liability insurance renewal.
- Hillsborough Court Shared Services.
  - Five year extension with 2% increases.
- Annual Police Vehicle Lease Purchases.
  - Through County Improvement Authority.
  - Electric vehicles always a consideration.





# 2023 Budget Schedule (tentative)

- September 2022: Budget request forms sent to dept. heads
- November 2022: Budget forms completed by dept. heads
- November 2022: Assessor provides preliminary Twp. valuation
- Nov.22 – Jan.2023: Dept. heads meet with BFAC
- December 2022: Preliminary budget drafted
- Jan. – Feb. 2023: Financial statements completed
- February 2023: Final Twp. valuation provided by Assessor
- Feb./March 2023: Introduced budget created
- March/April 2023 – Budget introduced
- April/May 2023 – Budget Adoption

\*BFAC meetings occurring throughout process\*

# 2023 Budget Areas of Concern

- Revenue
- Inflation
- Health benefit premium increases
- Contract Negotiations



# Year End Closing

- Year end closing begins mid-December.
- Systems rolled over early January.
- Financial statements prepared January and submitted to state in February.



# Best Practices Inventory

- Questionnaire from State related to our different areas of operation.
- 56 questions on various topics.
- Due in November.
- A low score = less state aid.





QUESTIONS

