

A horizontal band across the center of the slide features a grayscale image of various coins, including a quarter and a dime, with some text like 'ATLANTIC' visible on the coins.

# 2011 Budget Introduction

## April 21, 2011

Montgomery Township



# A Recent Record of Success

- Montgomery experienced a decrease in its municipal tax levy over the past 2 years (2009 & 2010)
  - Only 4% of NJ municipalities accomplished this feat (23 out of 566)
  - Montgomery's tax levy change was -0.3% as compared to the state average of +13.5%
  - Montgomery is one of only three Somerset County municipalities to achieve a decline in its tax levy
- Looking only at last year (2010):
  - Non-grant spending was reduced to 2004 levels
  - Montgomery's tax levy change was -0.4% as compared to the state average of +7.3%



# 2011 Budget Summary

- Beginning of the year budget gap = \$761,600
  - Mandatory Cost Increases:
    - Pensions – PERS and PFRS - \$138,700
    - Health Care - \$257,900
    - Statutory and Contractual Salary Increases - \$128,000
  - Decline in revenue of \$237,000
- Non-grant spending has been reduced by \$132K
  - Saved \$125K in health care costs by joining a self-insured fund with other local municipalities
  - Cut our electricity and natural gas bills by \$90-100K by seeking out new suppliers
  - Entered into shared services agreements with Hopewell and Pennington Boroughs to provide them health and animal control services



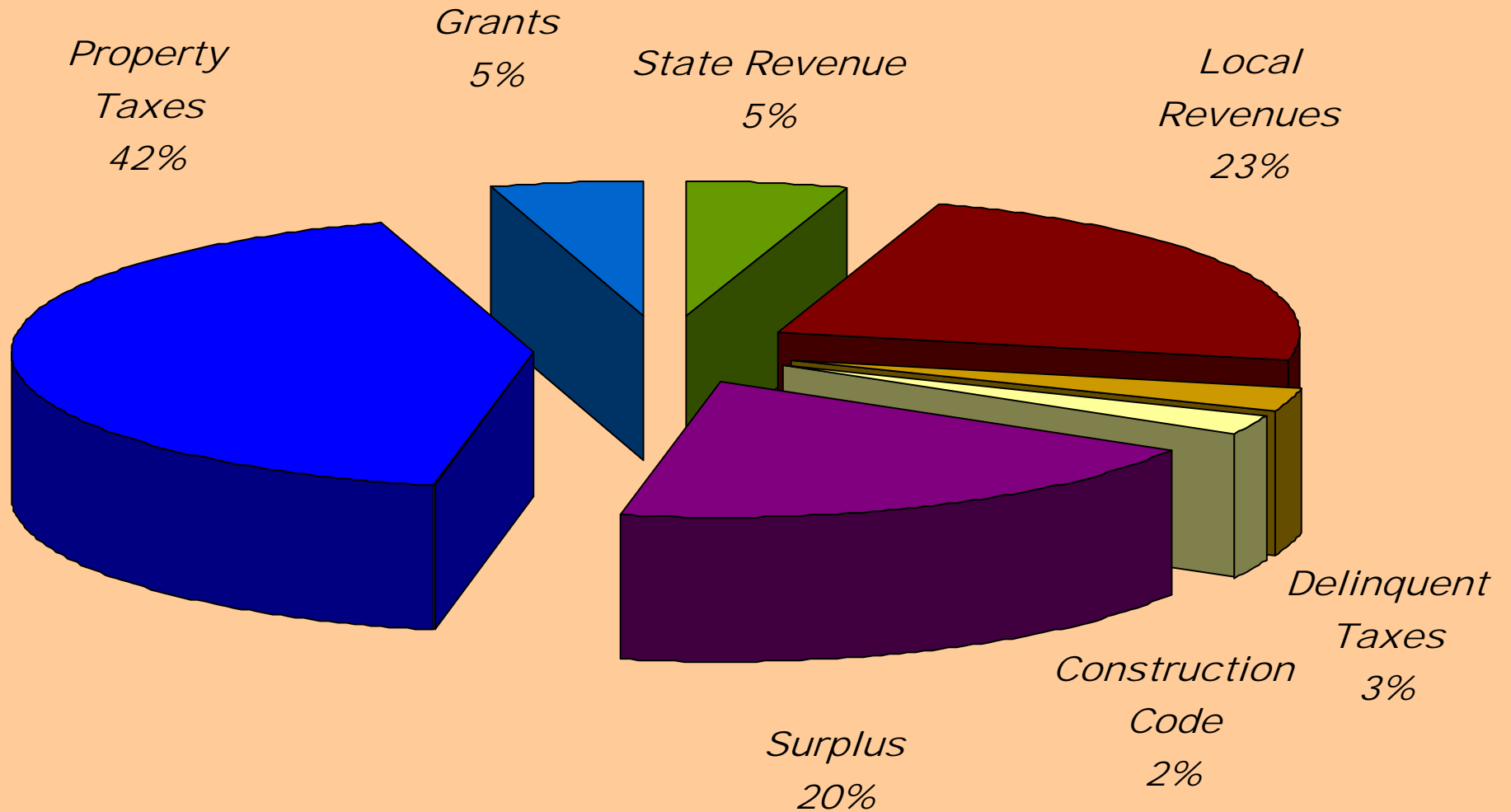
# 2011 Budget Summary

- Based on the new property tax cap (2% + exemptions), Montgomery is eligible for a 3.4% increase in municipal taxes
  - However, the proposed tax increase is **less than 1%**
  - \$24.89 increase per average household (to \$1,537.41)
  - Municipal tax rate up \$0.005 (to \$0.305)
- State Aid – flat compared to 2010
- No reductions in services

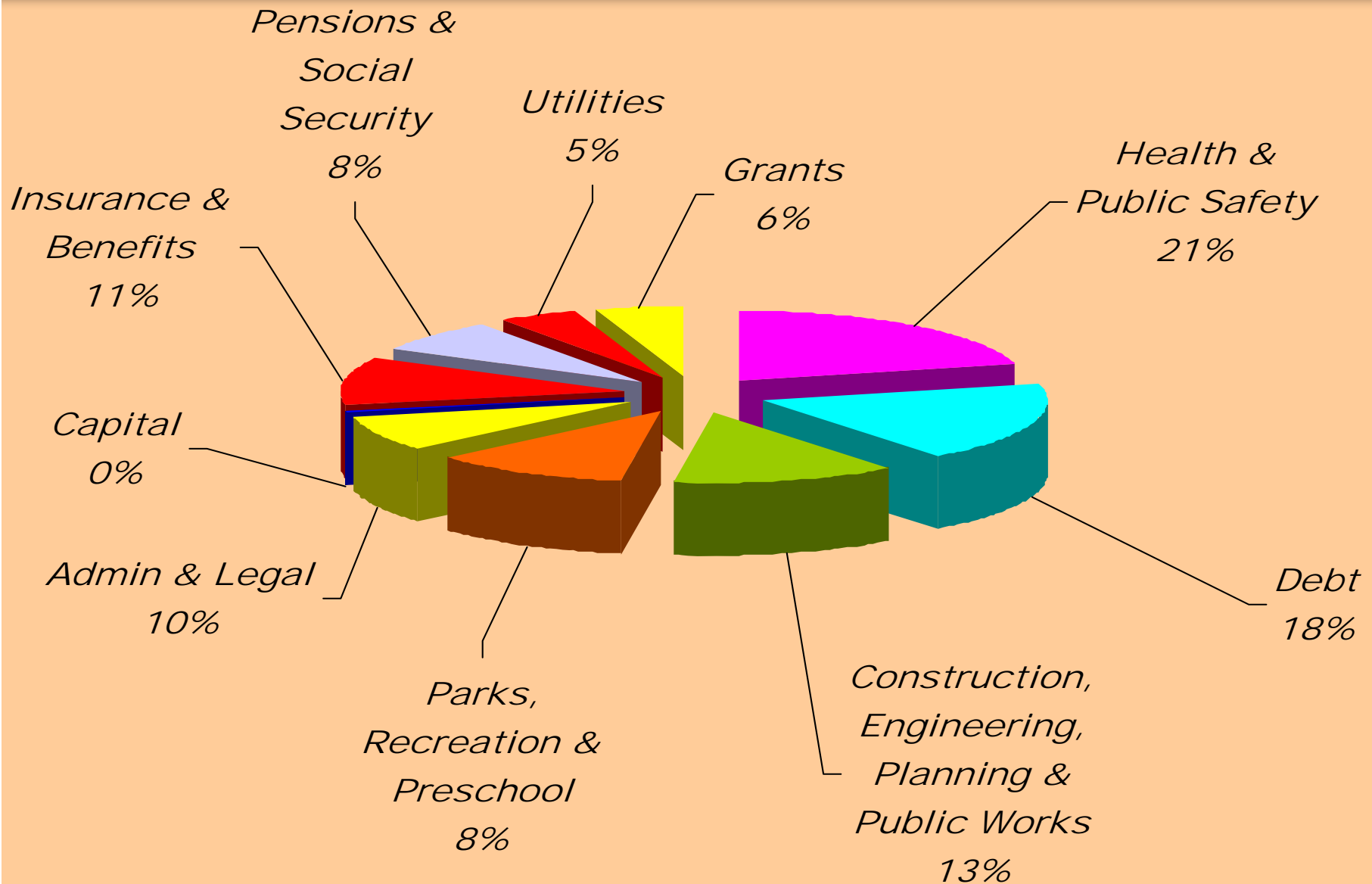


DATA SLIDES

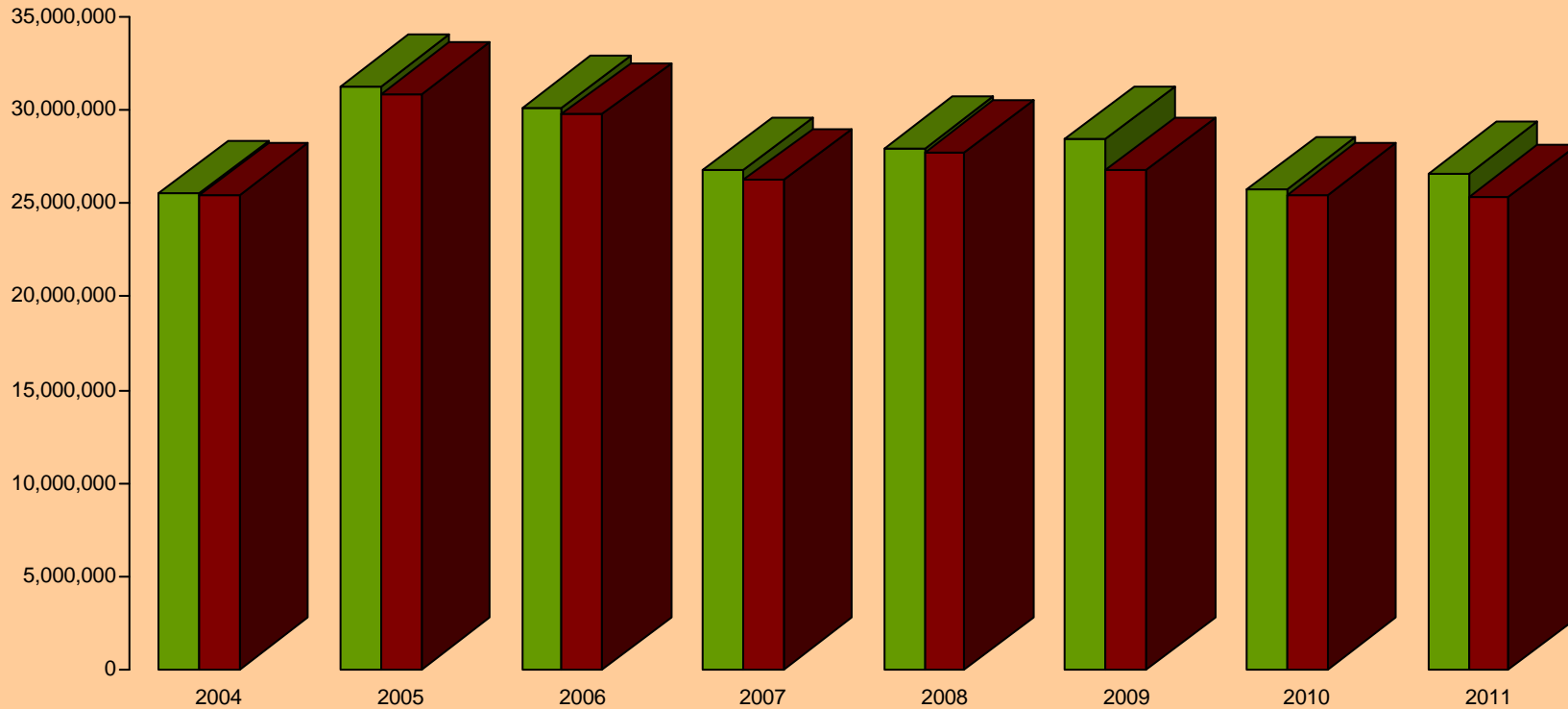
# 2011 Preliminary Budget Revenues



# 2011 Preliminary Budget Expenditures



# Total Budget Appropriations

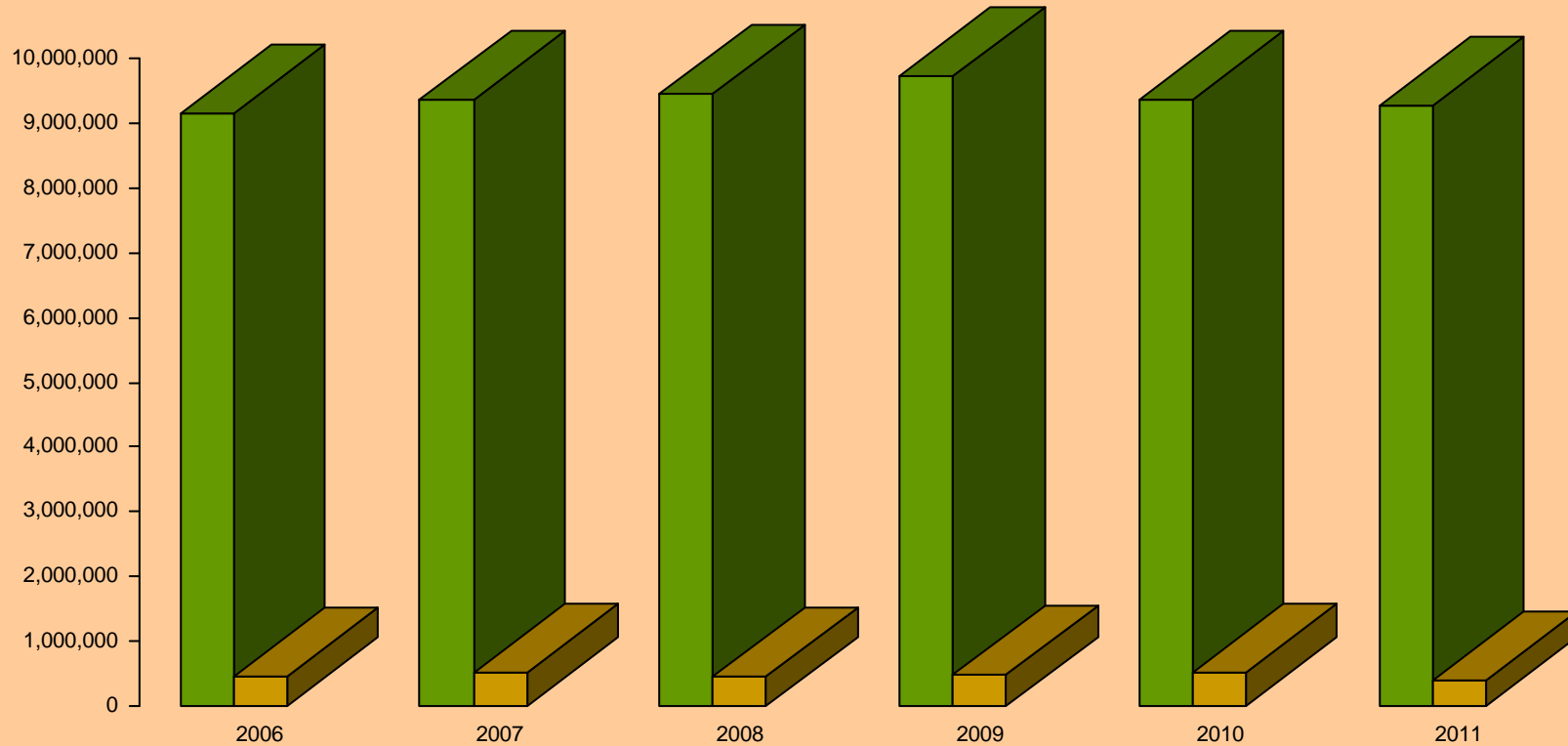


Year	2004	2005	2006	2007	2008	2009	2010	2011
Total Budget	25,502,595	31,261,233	30,080,872	26,838,311	27,950,662	28,501,379	25,772,876	26,598,268
Budget Less Grants	25,421,588	30,867,379	29,754,027	26,220,317	27,687,033	26,763,781	25,463,629	25,332,026

Decrease of \$131.6K in spending

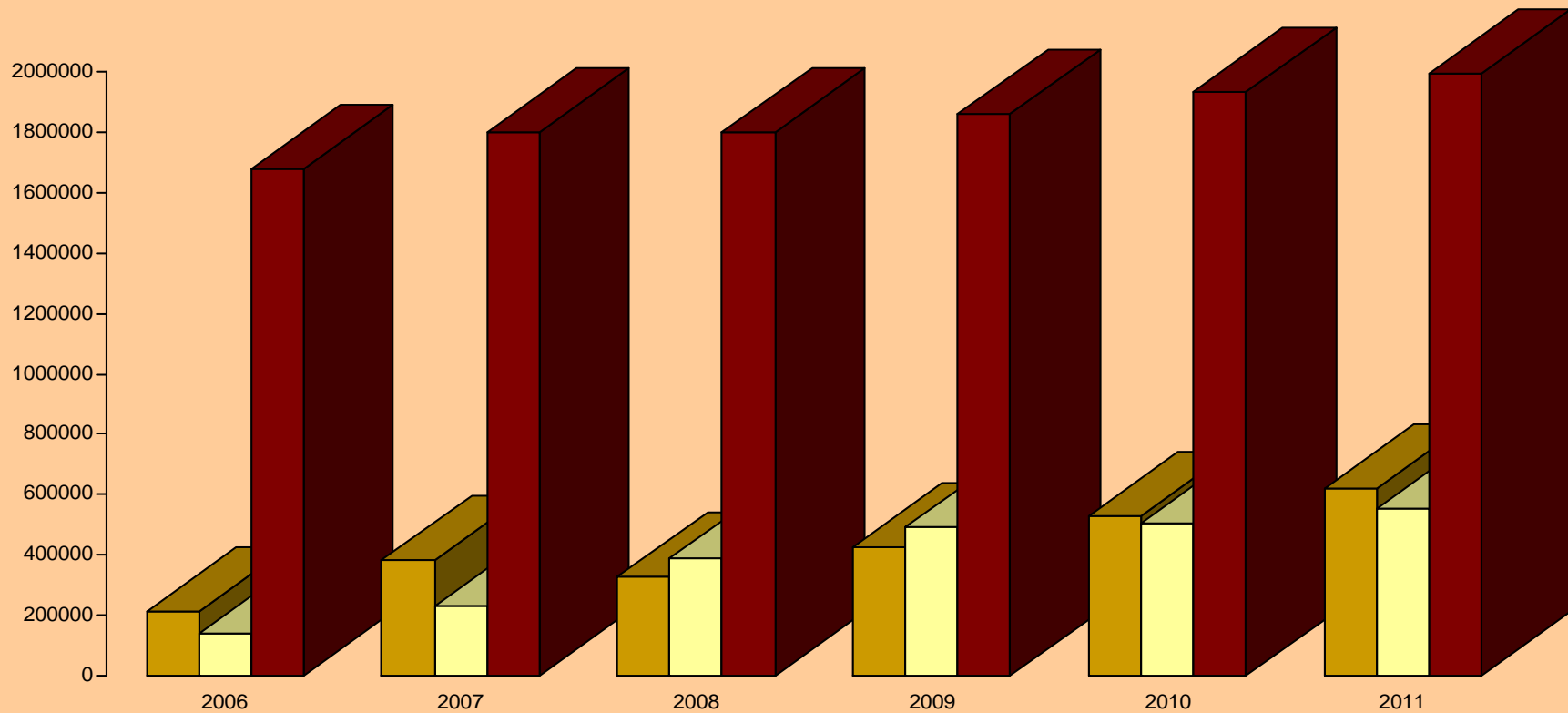


# Budgeted - Total Salaries and Overtime



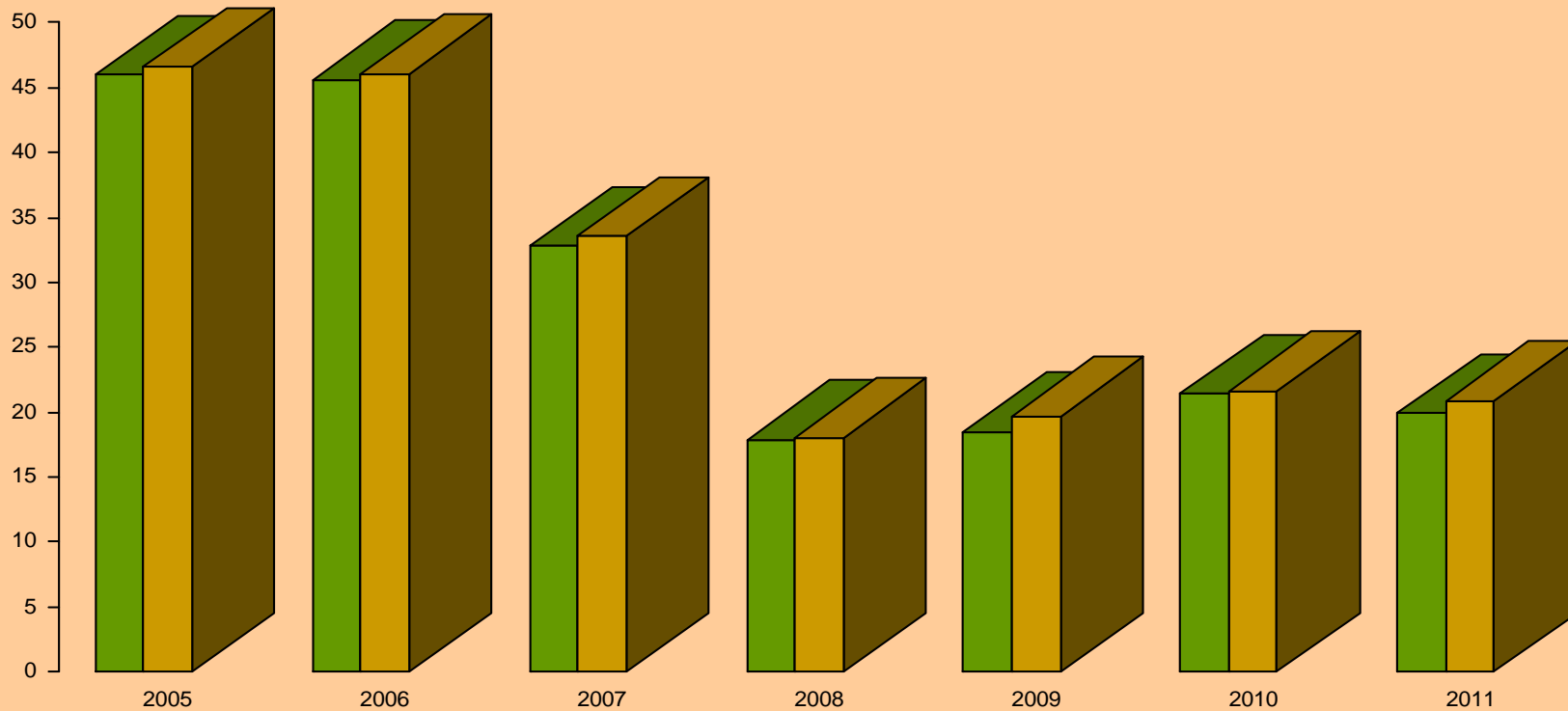
Year	2006	2007	2008	2009	2010	2011
Total Salaries	9,152,300	9,368,306	9,464,072	9,713,100	9,357,180	9,275,000
Overtime	460,400	520,200	465,100	474,600	505,500	389,500

# Budgeted – Pensions and Insurance



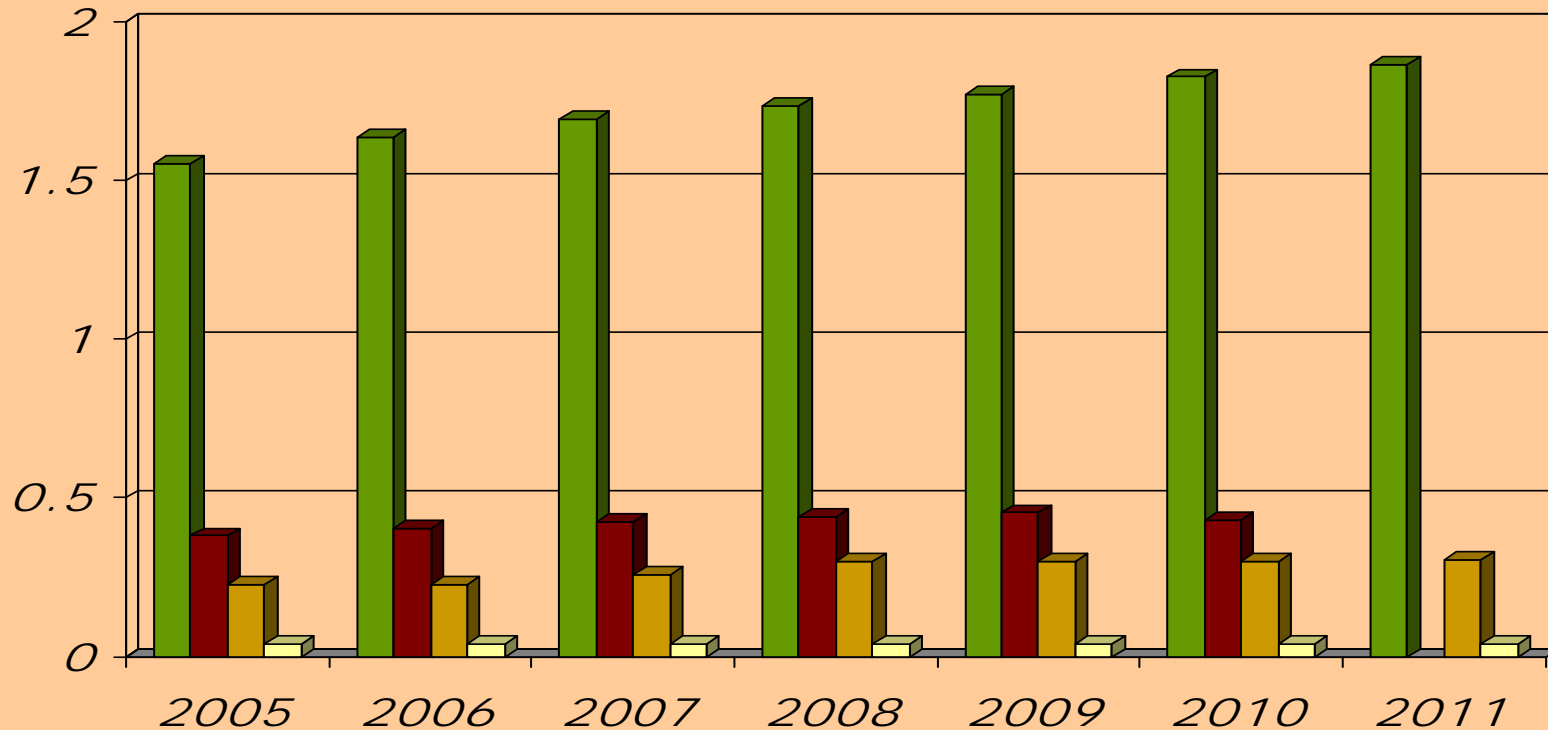
Year	2006	2007	2008	2009	2010	2011
PERS	212,596	384,808	329,000	426,755	527,802	619,520
PFRS	139,861	228,765	386,276	494,689	506,022	553,028
Health Insurance	1,675,000	1,800,000	1,800,000	1,857,750	1,932,060	1,994,000

# Surplus as a % of Revenue



Year	2005	2006	2007	2008	2009	2010	2011
Total Budget	46.02	45.58	32.79	17.89	18.46	21.37	19.93
Budget Less Grants	46.61	46.08	33.56	18.06	19.66	21.63	20.91

# Municipal Tax Rates



Year	2005	2006	2007	2008	2009	2010	2011
School Board*	1.55	1.64	1.70	1.736	1.775	1.828	1.867
County	0.38	0.41	0.43	0.439	0.453	0.428	
Municipal	0.23	0.23	0.26	0.300	0.300	0.300	0.305
Municipal Open Space	0.04	0.04	0.04	0.040	0.040	0.040	0.040

\* 2011 School Board Tax Rate is Preliminary



# What's Next?

- Our pursuit of “Doing More with Less” does not end with this budget – we are actively working on the following items:
  - Shared services agreement with Hillsborough for our municipal courts (potential savings of \$90K+)
  - Finalization of the Skillman Village deal with Somerset County (potential savings of \$120K+ in debt servicing)
  - Review of organizational structure, headcount, and responsibilities
- These items and others will not be in place for the 2011 budget, but are critical for keeping Montgomery’s Record of Success going in 2012