

Montgomery Township

2009 PROPOSED FINAL BUDGET



2009 BUDGET POLICY

- **No Tax Increase.**
- **Balance expenditures with current year revenues.**
- **Maintain 10% - 20% Fund Balance in reserve.**
- **Maintain excellent bond rating for Township.**
- **Transfer surplus Fund Balance to Capital Reserve Fund for potential operating deficits and Future Projects.**

REVENUE HIGHLIGHTS

- **No Real Estate Tax Rate Increase for 2009**
 - **General Fund – 0.89 Mills**
 - **Park & Recreation – 0.19 Mills**
 - **Fire Protection – 0.17 Mills**
 - **Debt Service – 0.24 Mills**
- **Total – 1.49 Mills**
- **Increase in Homestead Exemption from \$25,000 to \$30,000.**



REVENUE COMPARISON

2008-2009 General Fund

	2008	2009	Percent Change
Tax Revenues	\$ 9,706,529	\$ 9,852,600	1.5%
Non-Tax Revenues	1,840,441	1,720,475	- 6.08%
Interfund Transfers	187,000	347,830	86.01%
Total Revenues	\$ 11,733,970	\$11,892,905	1.35%



GENERAL FUND REVENUES

- **Real Estate Tax Revenues– Reduced 1.81% due to proposed increase in Homestead Exemption from \$25,000 to \$30,000.**
- **Earned Income Tax - Increase per Berkheimer estimate of 2009 revenues of \$4.350M less allocations to:**
 - **\$100,000 to Park and Recreation Fund**
 - **\$260,000 to Fire Protection Fund**



GENERAL FUND REVENUES

- **Real Estate Transfer Tax - Reduced 5% due to volatility of housing resale market and lower rate of new home construction.**
- **Business Taxes - Overall revenues reduced 10% based on 2008 actual/projected collections.**
- **Permit Fees - Estimated at 75% of average permit fees collected between August 2006 - August 2008.**

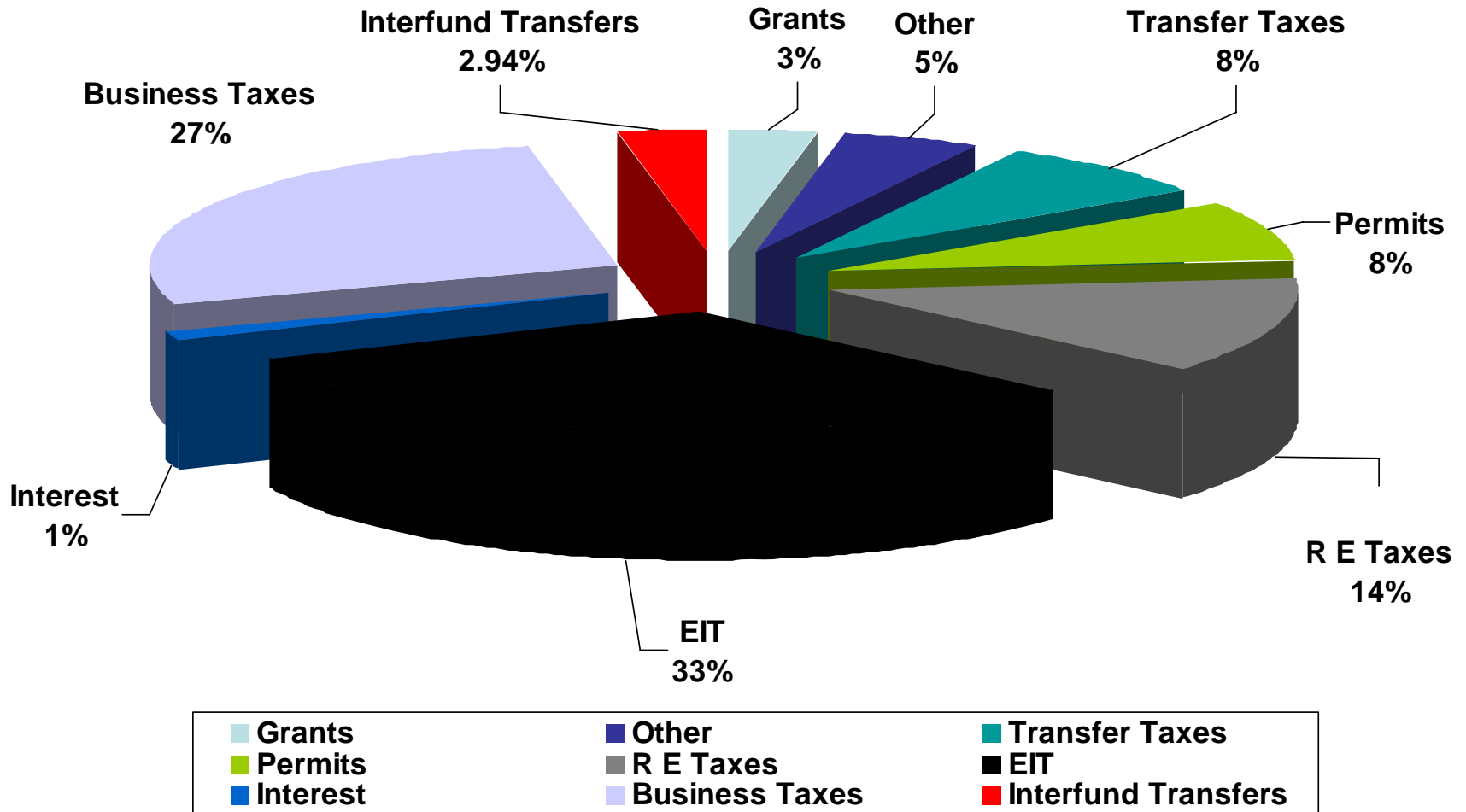


GENERAL FUND REVENUES

- **Interest – Reduced 50% based on projected APY of 2.5% on average monthly Fund Balances in 2009.**
- **Grants – Increased 1.7% due to increase in Act 205 Pension Aid grant funds based on 2008 actual funds received.**
- **Inter-fund Transfers – Increased 86% to match Budgeted Replacement Equipment Expenditures.**



REVENUE COMPONENTS GENERAL FUND - 2009



TOTALS: \$11,928,905



EXPENSE COMPARISON

2008-2009 General Fund

	2008	2009	Percent Change
Personnel Expenditure	\$ 7,549,004	\$ 7,649,965	1.34%
Non-Personnel Expenditures	2,532,217	2,595,100	2.46%
Interfund Transfers	1,247,960	1,350,300	8.20%
Total Expenditures	\$ 11,329,681	\$11,595,365	2.35%



EXPENSE HIGHLIGHTS

- **Salaries/Wages –**
 - **Non Uniformed Employees budgeted with 3.0% increase.**
 - **Uniformed Police budgeted with 4.0% increase per Collective Bargaining Agreement.**



EXPENSE HIGHLIGHTS (Continued)

- **Employee Benefits – Medical and Prescription Premiums Increase by 4.5% Per DVHIT Projection Less 2% Multi Trust Discount and Rate Stabilization fund contribution.**
- **Workers Compensation – 45% Premium Reduction Based on DVWCT Reduced Rates, Continued Low Experience Modification, 2% Multi Trust Discount and Rate Stabilization fund contribution.**



EXPENSE HIGHLIGHTS (Continued)

- **Property & Liability Insurance – 29% Premium Reduction Based on DVIT Premium Projection Less 2% Multi Trust Discount and Rate Stabilization Fund contribution.**
- **Largest departmental budget increases are in areas of:**
 - **Fuel (52%)**
 - **Capital Replacement Equipment (86%)**
 - **Public Works Operating Supplies - anti icing materials (40%)**
 - **Legal Expenses (35%).**



EXPENSE HIGHLIGHTS (Continued)

- **Communication, Public Utility, and Building Maintenance costs generally reduced following detailed analysis of expenditures and implementation of cost reductions in the budget.**
- **Pension Funding**
 - **Police (\$377,000 - Up 16%)**
 - **Non – Uniform (\$213,000- Up 23%)**



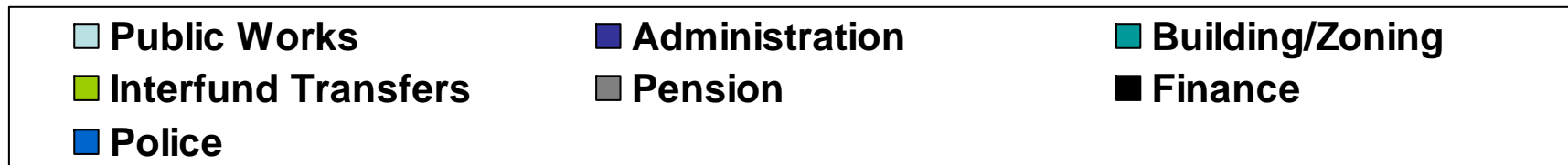
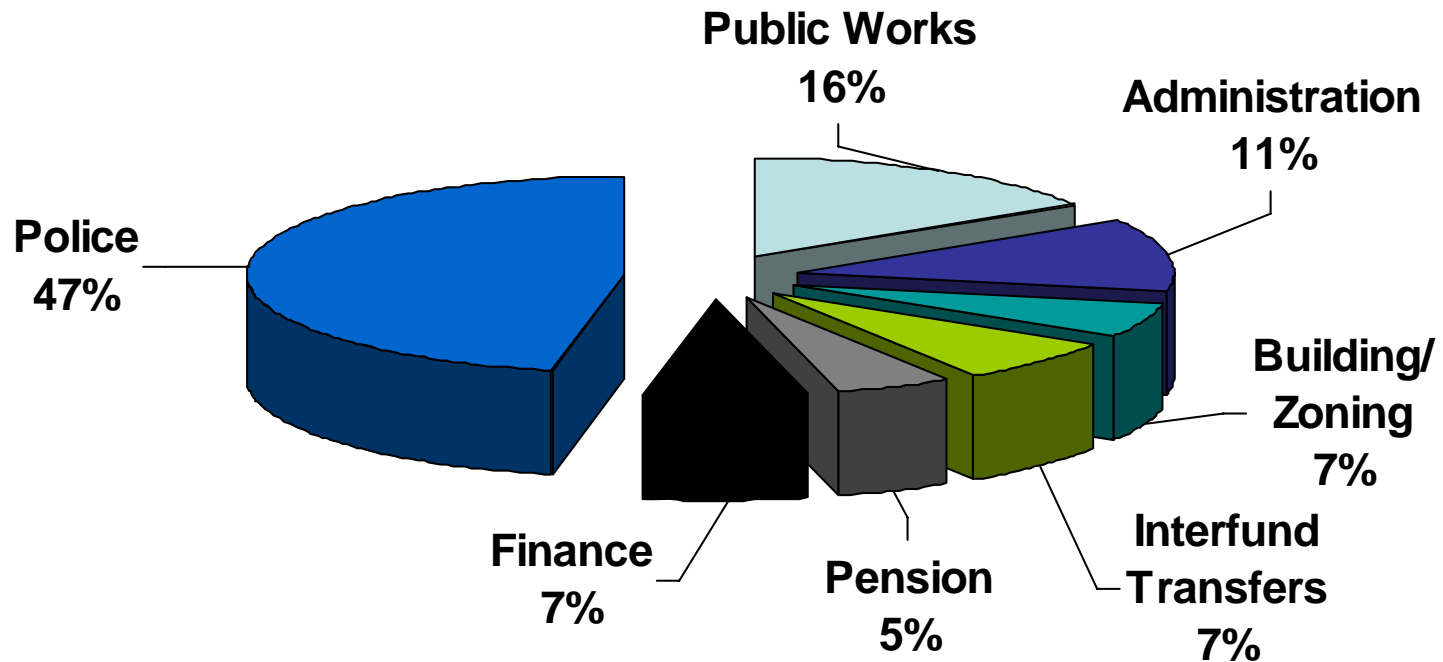
EXPENSE HIGHLIGHTS (Continued)

- **Ten Year Equipment Replacement Plan**
 - **From \$ 402,055 to \$350,000 (Down 13%)**

- **Fourteen Year Road Plan**
 - **From \$ 240,600 to \$300,000 (Up 25%)**



EXPENSE COMPONENTS GENERAL FUND – 2009



TOTAL: \$11,595,365



GENERAL FUND NET SURPLUS

- **Total Revenues - \$11,928,905**
- **Total Expenses - \$11,595,365**
- **Net Surplus - \$ 333,540**



OTHER OPERATING FUNDS

- **Expenditures for Fire Fund (04), Park and Recreation Fund (05), Basin Maintenance Fund (06) and Street Light Fund (07) all balanced utilizing current year revenues and/or dedicated reserves.**



WORK FORCE CHANGES

- **Deferred hiring of one new and one replacement full time employee position until at least 2010.**
- **Expanded Career Fire Department coverage hours to include the hours of 10PM – 8 AM.**
 - **Hire New Firefighter position.**
 - **Expand Part-Time Firefighter Pool to 3,360 Hours.**
 - **Expand Volunteer Firefighter Stipend Hours to 1,880 Hours.**



WORK FORCE CHANGES (Continued)

- **Administration - Eliminated Full Time Management Analyst position - replaced by Part Time Intern Position.**
- **Finance - Eliminated Business Tax Administrator position - replaced by in house promotion of Accounting Supervisor.**



Capital Projects

- **Replacement Equipment - \$375,685**
- **New Equipment - \$614,700**
- **Curb/Sidewalk/Road Program - \$291,250**
- **Traffic Improvement Engineering -\$270,000**
- **Park Capital Plan - \$745,000 with funding to be determined.**
- **Open Space Acquisitions - \$2,250,000 funded from Open Space Reserve Funds**



CAPITAL RESERVE FUND BALANCES

- **Capital Reserve Fund – 30 – Designated and Undesignated fund balances - \$9.3M**
- **Park Development Fund – 31 - Developer Contributions - fund balance of \$385K**
- **Environmental Fund – 93 - Recycling Grant Revenues – fund balance of \$540K**
- **Replacement Tree Fund – 94 – Developer Fee-in-lieu-of plantings contributions – fund balance of \$765K**
- **Restoration Fund – 96 - Developer’s Knapp Farm House Restoration contribution – fund balance of \$232K.**



CONCLUSION

- **NO TAX INCREASE.**
- **CONTINUATION OF LOW REAL - ESTATE TAX RATE UNCHANGES SINCE 2006.**
- **REDUCED TAX ON SINGLE FAMILY RESIDENTIAL DWELLINGS DUE TO INCREASE IN HOMESTEAD EXEMPTION TO \$30,000.**
- **2.35% GENERAL FUND EXPENDITURE INCREASE.**
- **BALANCED BUDGET FOR ALL OPERATING AND CAPITAL FUNDS.**

