



NEWS

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FOR IMMEDIATE RELEASE: December 18, 2014

Montco Passes Budget with Increased Services, Lower Debt, More Investment, and No Tax Increase

Norristown, PA (December 18, 2014) – The Montgomery County Commissioners unanimously passed a \$371.1 million 2015 budget Thursday that features increased spending on human services, continued robust investment in restoration of county infrastructure, lower projected debt, a third consecutive yearly payment to the employee pension fund, a small surplus, an increased fund balance, and no tax increase.

The proposed budget also provides several benefits for county employees. All non-represented employees would receive a one-percent base pay increase, and due to an anomaly that occurs every 11 or 12 years, employees will receive an “extra” pay check equivalent to an extra 3.9 percent in calendar year 2015. This does not increase the base salary of employees.

In addition, even though the cost of health benefits has increased, the county will continue to absorb 90 percent of the medical costs and there will be no increase in health costs for employees.

The county faced several budgetary difficulties in 2014 including severe winter weather, a sharp decline in revenues related to deed filings as housing sales and mortgage refinancings declined, and the continued failure of the Commonwealth to address shortfalls in the funding system for the county’s 9-1-1 operations.

Despite these and other challenges facing the county in 2015, the 2015 budget provides for the items mentioned above, plus:

- A balanced budget with revenues at or exceeding expenditures

- A fund balance that is above the 10 percent of revenues recommended by the Government Finance Officers Association and Moody's for the second consecutive year. Previously, the fund balance had dropped to less than five percent of revenues.
- A third \$3.5 million payment to the employee pension fund. This is the third consecutive year a contribution has been made to the pension fund after five years without contributions by the previous administration.
- Reduces the county's outstanding debt from \$395 million when this administration took office in 2012 to \$363 million by the end of 2015, despite borrowing significant funds to invest in repairing the county's deteriorating infrastructure.
- Increases spending on human services by \$1 million that will allow the county to leverage an additional \$2.9 million in state funds for increased services.
- An expansion of the county's popular Community Connections program that brings human services closer to the people who need them.
- Numerous departments will be rolling out new mobile technology that will provide easier and more secure data entry from remote locations allowing greater productivity and efficiencies.
- Providing 100 percent of the budget request of the Montgomery County Community College. If the budget is approved, the county would provide an \$18,018,407 subsidy to the college with slightly over \$14 million of that going to operating expenses, and the remainder to county-funded capital debt obligations.

The budget also allows for other initiatives including adding seven new adult probation officers, which will allow for the creation of a new unit and reduce case loads. In other court-related items, the county Court of Common Pleas has proposed a comprehensive study of the potential use of digital recording in the courtrooms with a preliminary deadline of July 1, 2015. Also by July 1, the courts have advised the county they will complete a comprehensive study of courtroom staffing needs.

The budget is posted on the county website. Click here to see the 2015 budget:

<http://montcopa.org/DocumentCenter/View/8297>