



NEWS

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State of the County
Commissioner Josh Shapiro
February 5, 2015

We are three years into our efforts to reform and revitalize our county government in Montgomery County.

The first year of our Administration required triage to stop the financial bleeding, fill the budget holes, and unclog the arteries of our government. The second year continued the first year work, but included several significant advances.

Today, after three years of tough choices and real progress, with our fiscal house in order, *I can state with clarity and confidence that the state of our county government is stabilized and strengthened.*

The other evening I was speaking to a group of constituents and I explained that over the past three years, we were able to fill a \$10 million hole in the budget, significantly reduce a \$47 million structural deficit, rebuild our reserve fund, begin contributing to our pension fund for the first time in five years – all while making our government more effective and efficient. I explained that while we reduced the cost of county government by 10 percent, we actually increased the output of government by expanding the amount of services we provide to our constituents. Of course, we've done all of this without raising taxes.

INFRASTRUCTURE

We significantly increased our attention to and investment in repairing and replacing our aging infrastructure. This Administration has placed a priority on investing in County infrastructure—not ancillary projects. In fact, today, 95.7 percent of the recently approved 2015 capital budget will go towards expenditures relating to existing County infrastructure. In contrast, only 53.4 percent of the 2012 capital budget was slated for similar expenditures.

In 2015, the County will invest more than \$9.8 million into improvements and repairs for County owned roads and bridges. This is a 57% increase from the 2011 funding level. Active bridge projects have

more than tripled for 2015. Currently, there are 24 bridges in design, 3 of which will go to construction this year and 14 will have repairs done to them. By contrast, only 7 bridges were in design in 2011.

It's not just words on a spreadsheet though. Real capital projects are happening because we got our fiscal house in order including—

- Repairs and renovations of Main Street Garage, Courthouse Garage, Juvenile Probation facility, Youth Center, and One Montgomery Plaza.
- The new County emergency radio system.
- A 32 percent reduction in the number of structurally deficient bridges across the County.
- Continued investment in County Information Technology including telephone system upgrade and a Virtual Desktop Infrastructure Initiative.
- Modernizing, minimizing, and making more energy efficient the County fleet.

PARKS, TRAILS, HISTORIC SITES, AND OPEN SPACES

We've demonstrated a clear commitment to investing in parks, trails, historic sites, and open spaces throughout Montgomery County. In 2015, the County will spend over \$4.1 million on County trails improvements; more than doubling the 2011 funding level of \$1.6 million.

In 2015, the County will spend over \$530,000 on County parks improvements; more than doubling the 2011 funding level of \$260,000.

In 2014, our Parks, Trails, & Historic sites welcomed 1,750,000 visitors which is more than a 200,000 visitor increase from 2012. This can be credited to increased funding for maintenance, new publications, and a more coordinated communications effort online and through social media.

PENSION REFORM AND PAYMENTS

We fundamentally changed the way we invested the Montgomery County Retirement Fund and are leading a national discussion on pension reform. We now invest 90 percent of the nearly half-billion-dollars in pension fund assets in a passive model. Since the change in July 2013, the fund has earned nearly 11.5 percent annually; well above the required 7.5 percent rate of return. And we've reduced our fees by two-thirds. We've done this while making payments to our pension fund for the first time in years.

GOVERNMENT ACCESSIBILITY

We made county government more accessible to residents, employers, and workers with the same goal in mind for each—take the burden off of them to access the services that we provide through a one-stop shop.

Community Connections changes the way that the County delivers human services. By establishing service centers around the County – in Norristown, Pottstown, Willow Grove, and Lansdale – the County is bringing services to constituents rather than requiring them to come to us. Through Jan 2015:

- Over 5000 service requests have been handled. These include walk-ins, phone calls, and referrals from social workers and legislative offices, among others.
- Over 7500 referrals have been made. Top services include housing, employment, and basic needs including financial assistance, food cupboards, etc.
- We are now averaging 206 new clients per month over the last 6 months. This nearly doubles the 115 new clients seen per month during the program's first year.

We increased our county share of funding for human services by \$1 million, and this investment allowed us to leverage an additional \$2.9 million in funds from the Commonwealth and provides for increased services for the most vulnerable citizens in the county.

Our *MC2B* initiative through the Commerce Department created a flattened out, centralized system to help employers prosper and workers work. Through a consolidation and coordination of efforts, whether it's a job one seeks, or a grant, loan, or informational service needed, it is now available under one roof.

GOVERNMENT EFFICIENCY

Our government is far more efficient and cost effective today because we made meaningful structural changes. While we have 19 percent fewer departments in government today, we have actually increased the output of services we provide.

We've also saved tax dollars from this approach. Case in point, by restructuring the Solicitor's Office staffing model from a part-time staff to full-time attorneys, we've saved over \$100,000 a year by reducing the county's reliance on outside counsel.

The County has reduced its physical computer server count by approximately 55 percent. What does this mean? 120 server or appliances have been virtualized saving the County over \$300,000 each year. Before the end of 2015 most of these servers will run out of the "cloud," this will have a dramatic impact on our Business Continuance and Disaster Recovery plans.

Our Virtual Desktop Initiative (VDI) allows county employees to access their desktop while offsite, which has enabled employees to complete paperwork and enter data in remote locations enabling them to help more constituents in a more timely manner.

The County continues to roll out its new Voice-over-Internet Phone (VoIP) system. It will be able to make the County's communications more robust and mobile, save the County money – an estimated \$115,000 in the first year alone.

Our Administration partnered with businesses and utilities to reduce the County's energy consumption and make County assets more energy efficient. I pledged that within 5 years we will reduce our county government energy consumption by 50 percent and we are on track to hit that mark. Through an ESCO with Constellation Energy, the County Courthouse is now more energy efficient. We also initiated a Demand Response Program that works with utilities to reduce its power consumption at peak demand times by switching over to generators. In return, the utilities pay the County \$800,000 over five years.

2015

With a stabilized and strengthening foundation, we are now in a position to look ahead and better meet the needs of our constituents in 2015 and beyond.

We will complete the organizational development plan for Human Services that will modernize and maximize the delivery and integration of social services.

We will add four new Community Connections hubs in Lower Merion, Upper Perk Valley, Ambler, and Souderton and establish a state/county pilot program in Lansdale for delivering added services.

In the Public Safety realm we will establish Montco Direct, a plan to deal with disasters in the long term with a multi-disciplinary effort among various County Departments; launch Text to 911 in the spring; and our new emergency radio system will hit the airwaves in 2016. In addition, our Department of Public Safety will be fully engaged in planning for the September visit of Pope Francis.

We will announce plans for a more integrated, modern County campus and improve our Courthouse Complex security.

We will launch an integrated Wellness program that will marry our ongoing expansion of our trails with a series of programs and initiatives by our Health Department, Division of Parks, Trails, and Historic Sites, and the Planning Commission.

We will see through the current active trail projects and complete the missing links along the Schuylkill River Trail in the Pottstown and Schuylkill Canal areas and along the Chester Valley Trail and the Cross County Trail. We'll do the legwork to begin the SunRise Trail, and continue the work on the Wissahickon Trail at Erdenheim Farm. The highlight will be to finish the job to extend the Pennypack Trail from 2 miles to nearly 6 miles. Also coming to our Schuylkill River Trail this spring will be a pilot bike share project that will allow those without a bicycle to enjoy that spectacular trail.

We have come a long way together in 3 years and we have a lot left to do. We welcome Commissioner Arkoosh to the Board and I am confident that with continued collaboration, we will see continued success for Montgomery County.