



NEWS

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Montco Proposes \$389.7 Million Budget

Norristown, PA (November 19, 2015) – The Montgomery County Commissioners Thursday received a proposed \$389.7 million 2016 budget that is highlighted by an expected full \$8 million payment to the county pension fund, increased staffing for county parks and building security, expanded parks and trails programming and maintenance, improved and expanded adult probation operations, funding for initiatives to improve public transportation in the county, and a 1.5 percent pay increase for unrepresented employees.

Nearly \$10 million in new costs in 2016 have necessitated a modest increase in the county's real estate tax rate, according to Uri Monson, the county's chief financial officer. When he presented the proposed budget Thursday, Monson said that without the additional costs in 2016 the county would not have to raise taxes, but he added that without an increase in revenues significant and undesirable cuts would have to be made to county programs and departments.

The proposed 9.8 percent tax increase would amount to \$51.85 for the average homeowner in Montgomery County, or slightly less than one dollar a week. Even with the proposed tax increase, Montgomery County's real estate taxes are less than the other three suburban Philadelphia counties in Pennsylvania. Under the proposed tax rate, Montgomery County homeowners would be paying \$198.89 in taxes on each \$100,000 of market value of their homes. In Delaware County that figure is \$379.95, in Bucks County it is \$250.56 and in Chester County it is \$240.21.

Some of the new costs the county will incur in 2016 include:

- A \$3.2 million increase in prison health care costs
- \$2.6 million in increased debt service costs

- \$1.3 million increased debt costs for the aggressive infrastructure repair of county roads and bridges
- \$500,000 in interest costs for the emergency radio purchase program
- \$300,000 in initial costs associated with the failed Logan Square investment in 2010 with more to come
- \$1 million for an arbitration award to county correctional officers

Monson also said there was an additional \$2.4 million in costs for various departments for such things as increased voter services costs in a presidential election year; increased costs in software and licensing fees; increased public safety technology costs; replacement of outdated and end-of-useful life equipment across multiple departments; and, increased laboratory fees for the district attorney's office.

Monson told the commissioners that without an increase in revenues the county would be looking at making the following cuts:

- Reducing or eliminating the pension fund payment
- Cutting the capital budget and stalling the county's aggressive and necessary infrastructure improvement program in order to hold down future debt service
- Significant cuts to the Montgomery County Community College
- Across the board cuts to staff and services
- Spending down the county's fund balance below recommended levels after spending three years building it back up from dangerously low levels created by a previous administration

The proposed budget allows the county to continue to provide a wide array of services to the most vulnerable residents, assisting veterans, providing increased public safety, and maintains recommended Reserve Fund levels of at least 10 percent of the total budget.

The county commissioners will conduct hearings on the proposed budget on December 3 at 11:30am and 4:00pm. The hearings will be held in the commissioners' boardroom on the 8th floor of One Montgomery Plaza at Swede and Airy Streets in Norristown. The final budget is scheduled to be adopted at the commissioners' meeting on December 17. The budget is available for review on the county website (www.montcopa.org), and a hard copy is available for review in the office of the county's chief operating office on the 8th floor of One Montgomery Plaza.