



NEWS

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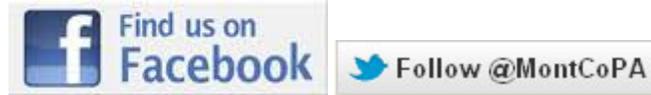
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Montco Adopts Budget That Puts County on Firm Footing, Addresses Infrastructure Needs, and Holds Line on Taxes

Norristown, PA (December 19, 2013) – The Montgomery County Commissioners Thursday adopted a \$375.7 million general fund budget and other associated budgets that include an increase in the county’s reserve fund, increases spending on much-needed infrastructure projects, lowers debt service, provides pay increases to county workers, and contributes to the county pension fund, all without raising taxes.

In addition to the general fund budget, the commissioners also adopted a \$93.1 million capital budget and an \$11.7 million open space budget.

The 2014 budget assumes the completion of the sale of the Human Services Center and the Parkhouse nursing facility. The budget also projects a year-ending fund balance equivalent to 11 percent of revenues, which is consistent with the level recommended by the Government Finance Officers Association. Under the previous administration, the county’s fund balance had been drained from nearly \$100 million to under \$20 million and resulted, in large part, in the county losing its coveted AAA bond rating. The projected fund balance for 2014 is \$41.1 million.

The new budget also assumes a required payment to the county’s pension fund for the second consecutive year after five years of no contributions.

“This is a balanced budget that does not raise taxes, makes critical investments in human services, infrastructure, public safety, and our county workforce,” said Josh Shapiro, chair of the board of commissioners. “It returns our county reserve fund to required levels, lowers our debt service, again makes a payment to the pension fund, continues the process of making our government more effective and efficient, and reduces overall spending.”

“We accomplished this in the face of tremendous obstacles, most notably the fiscal challenges the county faced when we took office in 2012, all of which was exacerbated by increased health care costs, reduced funding from the Commonwealth over the past two years, and the cost of failed economic development deals from years ago,” Shapiro said.

Commissioner Leslie Richards pointed to the fact that the capital budget allocates 95.7 percent of its \$93 million to existing county infrastructure as opposed to the 2012 budget the administration inherited that only allocated 53.4 percent of the funds to county-owned projects. “This is a strong statement that this administration will invest in the county, and make sure that our infrastructure is sound.”

Richards said the capital budget provides funds for repairs of several county structures that had fallen into disrepair; repairs and renovations to structurally deficient bridges; continued investment into information technology; contributions to SEPTA capital projects; and funds for targeted economic development projects.

Commissioner Bruce L. Castor, Jr. noted the speed at which the county was able to turn around its financial ship.

“We have eliminated our deficit, lowered our debt service, increased the fund balance, and we are significantly upgrading our county emergency radio system, all without raising taxes and our tax rate continues to be the lowest of the suburban counties,” Castor said.

All of the budget documents, complete with a comprehensive budget narrative, are available here: <http://www.montcopa.org/DocumentCenter/View/6361>.