

2014 Budget

Presented to the Township Committee
February 27, 2014

Budget Caps

- In constructing our municipal budget, we must comply with a State mandated cap on spending known as the appropriations cap as well as a cap on the amount to be raised by taxes known as the levy cap.
- The spending cap is tied to the consumer price index for the prior year while the levy cap is fixed at 2% over the prior year.

Appropriation Cap Calculation

- Total General Appropriations for 2013 \$14,012,069
- Exceptions - \$3,453,012
- Amount on which cap is applied - \$10,611,852
- .5% Cap - \$52,795
- 2012 Cap Bank available for 2014 = \$225,144
- 2013 Cap Bank available for 2014 or 2015 = \$354,887
- Total increase allowed within Cap = \$632,826
- Total increase proposed within Cap = \$334,353

Levy Cap Bank Calculation

- 2011 Levy Cap Bank Available for 2014 \$370,182
- 2012 Levy Cap Bank Available for 2013-2015 \$585,977
- 2013 Levy Cap Bank Available for 2014-2016 \$366,832
- Total Levy Cap Bank Available \$1,322,991
- 2014 Levy allowed = \$8,903,778
- 2014 Levy proposed = \$8,699,573
- No bank from prior years is utilized.

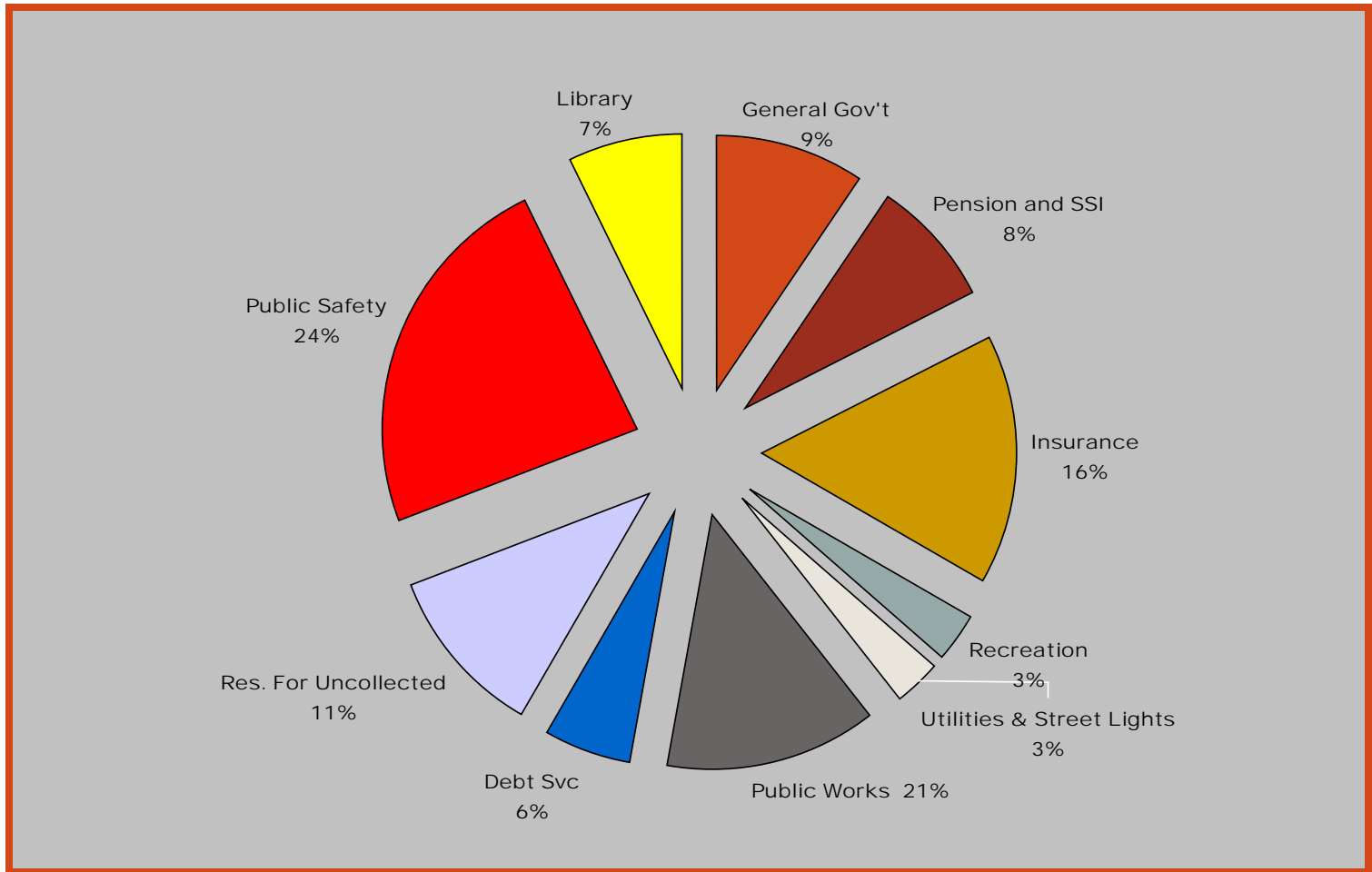
2014 Budget Overview

	2013	2014	Diff
Surplus Used	2,100,000	2,400,000	300,000
Local Misc	432,000	425,000	-7,000
NJ State Payments/Grants	836,467	836,467	0
Public and Private Programs	45,094	27,546	-17,548
Delinquent taxes	575,000	450,000	-125,000
Construction Code Fees	450,000	475,000	25,000
Library Taxes	987,535	994,869	7,334
Local Purpose Taxes	8,585,973	8,698,339	112,366
Total Revenues	14,012,069	14,307,221	295,152
General Appropriations	12,577,795	12,813,547	235,752
Reserve For Uncollected Taxes *	1,434,274	1,493,674	59,400
Total Appropriations	14,012,069	14,307,221	295,152

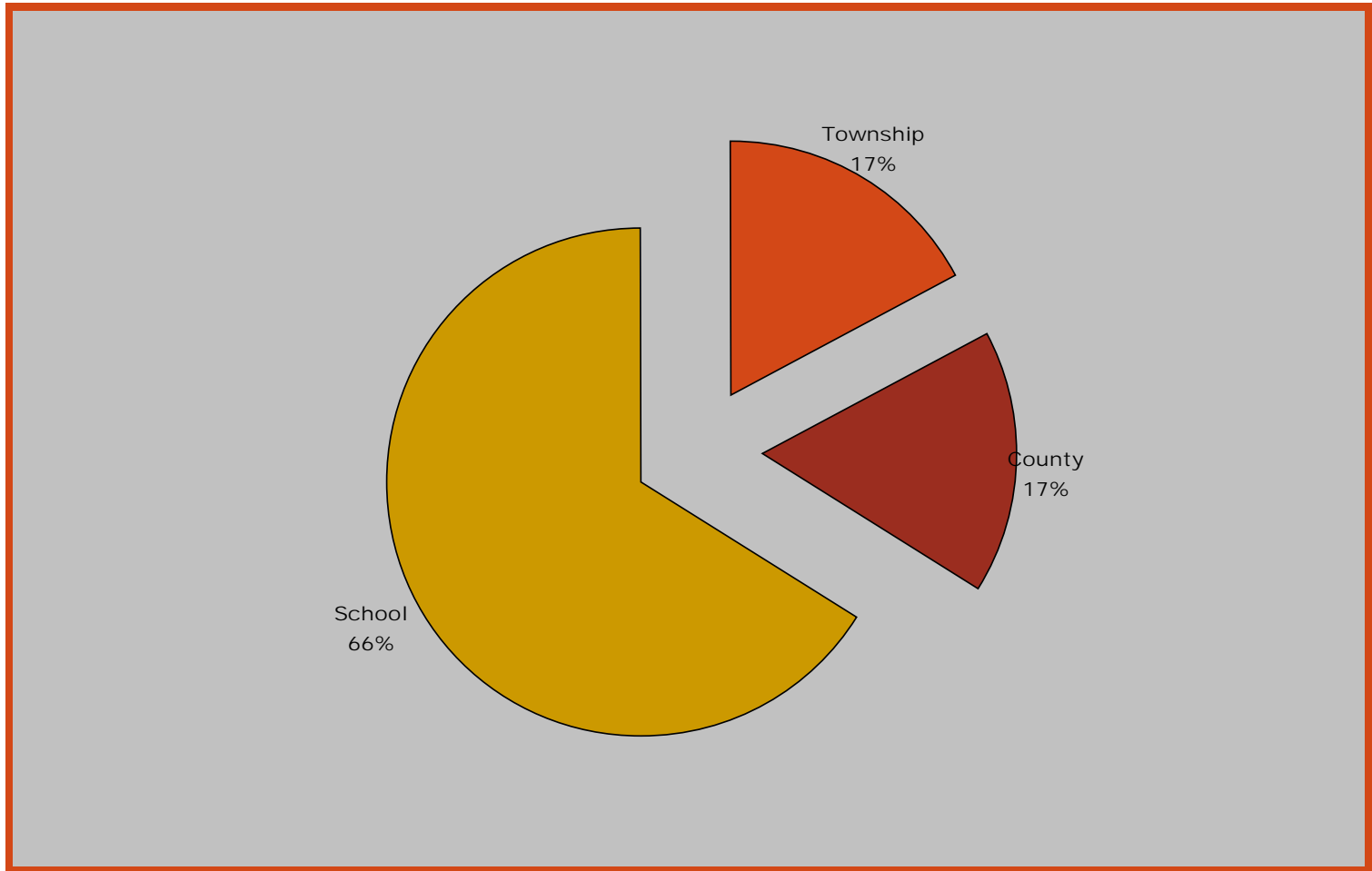
Budget Highlights

- Total Salaries and Wages reduced by \$53,000
- Health Insurance increases by \$150,000
- Employees contribution towards insurance doubles to \$176,000
- There were no emergency appropriations after \$144,000 in 2011 and \$175,000 in 2012
- Pension costs will increase \$44,000 a 5% increase

How Local Taxes Are Used



How Total Taxes are Distributed



Fund Balance (Surplus)

Year Ending 12/31	Balance
2007	\$3,441,648
2008	\$3,191,121
2009	\$2,804,662
2010	\$2,581,415
2011	\$2,746,169
2012	\$3,036,193
2013	\$3,877,000

State Aid

2007	\$1,256,971
2008	\$1,145,215
2009	\$1,077,414
2010	\$790,280
2011	\$836,467
2012	\$836,467
2013	\$836,467

Municipal Purpose Tax Rate

Year	Local Rate per \$100 of Assessed Value (Includes Open Space)
2007	.280
2008	.281
2009	.283
2010	.296
2011	.292
2012	.292
2013	.290
2014	.290

Disclosure of Structural Imbalances

- Municipalities in New Jersey are required to identify any budget issues related to structural imbalances. The budget requires a listing in 4 categories.
- Revenues at Risk: this proposed budget does not anticipate any non-recurring revenues.
- Non-Recurring Cost Reductions: all of the cost reduction measures used in the 2014 budget are permanent in nature.
- Anticipated 2015 Appropriation increases: it is expected that labor costs will increase by approximately 2.0% in 2015; Health Insurance costs in 2015 are likely to rise 7-10%; debt service is likely to rise in 2015 as we move to pay down Bond Anticipation Notes and also move to additional permanent financing of authorized debt through the sale of Bonds.
- Structural Imbalance Offsets: Appropriation increases will be at least partially offset by increased employee contributions to Health Insurance premiums.

Summary

- For the fourth year in a row there will be no increase in the Local Purpose Tax Rate.
- The levy for the Joint Library is also unchanged from 2013.
- The Municipal Open Space Tax is proposed to remain one half of one cent. The funds raised will continue to be used to fund open space purchases, maintenance and improvement of properties already purchased and payment of debt related to these activities.
- Since 2007, the combined Local Purpose Tax and Open Space Tax has increased just one cent from 28 cents per hundred dollars of assessed value to 29 cents per hundred dollars of assessed value.
- Surplus has been increased from 3.4 million dollars in 2007 to 3.8 million at the end of 2013 and has been used to stabilize taxes and offset the reduction of State Aid in the years in between.

2014 Capital Budget

- Various road improvements.
- Purchase of Police Department equipment related to accreditation program.
- Purchase of fire equipment to support volunteers.
- Various building improvements including repairs to Municipal Building HVAC and Fire Alarm System
- Purchase of DPW equipment.