

# 2016 Budget

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Introduced by the Township Committee  
February 25, 2016

# 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. The cap has been set by the State at 0% for this year while the levy cap is fixed at 2% over the prior year.

# Appropriation Cap Calculation

- Total General Appropriations for 2015 \$14,513,814
- Exceptions deducted from cap base - \$3,677,425. These are LOSAP, the Library, grants, capital improvement fund, debt service and the Reserve for Uncollected Taxes
- Amount on which 0% cap is applied - \$10,836,389
- 0% Cap - \$0.00
- 2014 Cap Bank available for 2016 = \$316,771.71
- Total increase allowed within Cap = \$316,771.71
- Total increase proposed within Cap = \$179,136.00

# Levy Cap Bank Calculation

- 2013 Levy Cap Bank Available for 2016 - \$366,832
- 2014 Levy Cap Bank Available for 2016-2017 \$423,459
- 2015 Levy Cap Bank Available for 2016-2018 - \$654,345
- Total Levy Cap Bank Available \$1,444,636
- 2016 Levy allowed = \$8,925,216
- 2016 Levy proposed = \$8,164,140
- Additional Available for Banking 2017-2019 = \$761,076
- No bank from prior years is utilized.

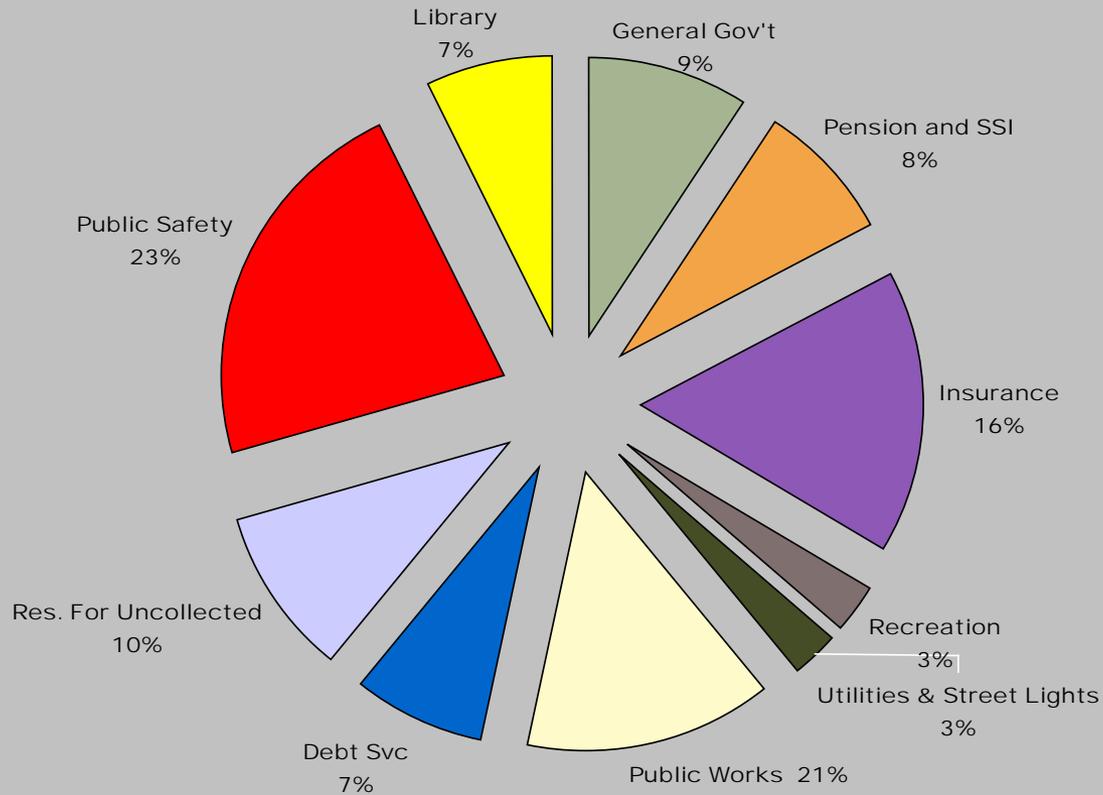
# Budget Highlights

- Total Salaries and Wages are increased by \$18,000.
- Health Insurance costs increase by \$50,000.
- Employees contribution towards health insurance. increases from \$265,000 to \$334,000.
- Pension costs will increase \$109,205.
- Debt Service costs increase by \$114,868.
- Amount To Be Raised by Taxes reduced \$222,000.
- Reserve For Uncollected Taxes reduced by \$185,000.
- Local Purpose Tax Rate reduced one cent, below 2005 rate.

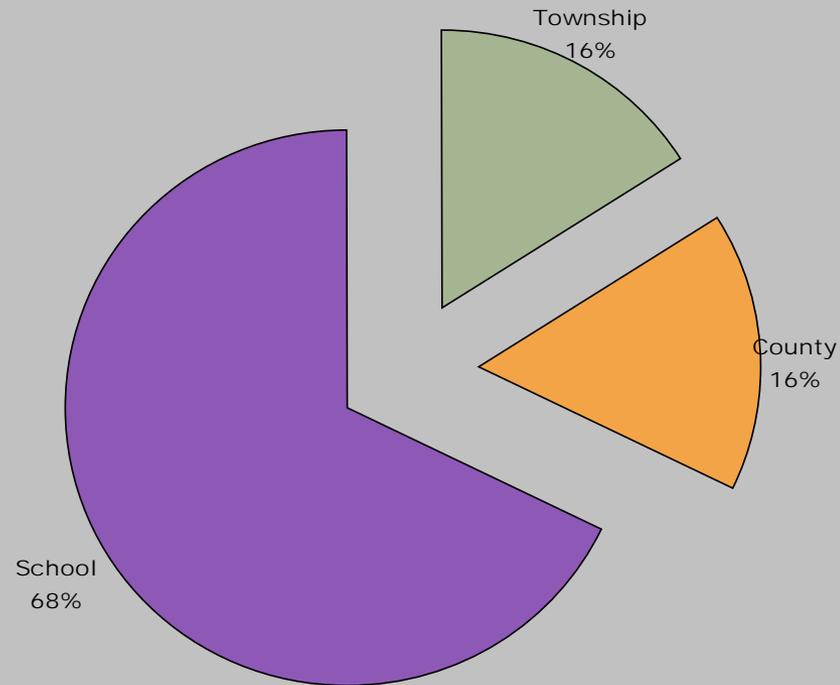
# 2016 Budget Overview

	<b>2015</b>	<b>2016</b>	<b>Diff</b>
Surplus Used	2,800,000	3,100,000	300,000
Local Misc	499,000	547,500	48,500
NJ State Aid	836,467	836,467	0
Public and Private Programs	27,074	688,554	661,480
Delinquent taxes	475,000	450,000	-25,000
Construction Code Fees	475,000	525,000	50,000
Library Taxes	1,015,116	1,041,259	26,143
Local Purpose Taxes	8,386,157	8,164,140	-222,018
<b>Total Revenues</b>	<b>14,513,814</b>	<b>15,352,920</b>	<b>839,106</b>
General Appropriations	12,944,277	13,968,904	1,024,627
Reserve For Uncollected Taxes *	1,569,537	1,384,016	-185,521
<b>Total Appropriations</b>	<b>14,513,814</b>	<b>15,352,920</b>	<b>839,106</b>

# How Local Taxes Are Used (2016)



# Total Tax Distribution in 2015



# 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
2014	\$4,767,030
2015	\$4,888,580

# 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
2014	\$836,467
2015	\$836,467
2016	\$836,467

# Municipal Purpose Tax Rate

Year	Local Rate per \$100 of Assessed Value (Includes Open Space)
2005	.269
2006	.288
2007	.280
2008	.281
2009	.283
2010	.296
2011	.292
2012	.292
2013	.290
2014	.290
2015	.278
2016	.268

# 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 budget utilizes \$100,000 of Capital Surplus. This will likely be the last year that this is used.
- Non-Recurring Cost Reductions: all of the cost reduction measures used in the 2016 budget are permanent in nature.
- Anticipated 2017 Appropriation increases: it is expected that labor costs will increase by approximately 1.0% to 1.5% in 2017; Health Insurance costs in 2017 are likely to rise 7-10% although State action could have a dramatic impact on this projection.
- Structural Imbalance Offsets: Will seek additional shared services and reductions in personnel costs.

# Summary

- After four years in a row with no increase in the Local Purpose Tax Rate and a 1 cent reduction on 2015, the 2016 budget provides for another 1 cent reduction to the rate which is now below the rate in place in 2005, the year the last property revaluation was implemented.
- The Township's contribution to the Joint Library is increased \$26,143 to a total of \$1,041,259. Our share is 54% with the Borough contributing the other 46% or \$886,998.
- 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.
- Surplus has been increased from \$3.4 million dollars in 2007 to \$4.88 million at the end of 2015 and has been used to stabilize taxes and offset the reduction of State Aid in the years in between. The balance remaining is within the guidelines adopted in the Township's surplus policy.

# 2016 Capital Budget

- Various road improvements.
- Capital improvements to the Joint Library of the Chathams
- Purchase of fire safety equipment.
- Various building improvements including repairs to Municipal Building.
- Purchase of DPW equipment.
- Improvements to Colony Pool.