

2017 Budget

Introduced by the Township Committee
February 16, 2017

Annual Debt Statement

					Gross Debt	Deduction	Net Debt
Total Bonds and Notes for Local School Purposes					\$ -	\$ -	\$ -
Total Bonds and Notes for Regional School Purposes					\$ 16,119,131.72	\$ 16,119,131.72	\$ -
Total Bonds and Notes for the Sewer Utility					\$ 9,928,810.41	\$ 9,928,810.41	\$ -
Total Bonds and Notes for the Sewer Utility					\$ 106,000.00	\$ 106,000.00	\$ -
					\$ -	\$ -	\$ -
					\$ -	\$ -	\$ -
Municipal/County General Obligations					\$ 11,852,500.00	\$ -	\$ 11,852,500.00
Total					\$ 38,006,442.13	\$ 26,153,942.13	\$ 11,852,500.00

Results of Operations (2016)

- Excess/Deficit of Anticipated Revenues:
- Miscellaneous \$130,031
- Delinquent Taxes \$(14,349)
- Current Taxes \$1,366,541
- MRNA \$959,739
- Unexpended Balances of App
Reserves \$498,462
- Other Credits \$2,149
- Debits (\$1,497)

Summary of Anticipated Revenues (2016)

	Anticipated	Realized
Total Miscellaneous Revenues	2,597,521	2,727,552
Receipts From Delinquent Taxes	450,000	435,650
Amount To Be Raised for Support of Municipal Budget	9,205,399	10,571,940
Minimum Library Tax	1,041,259	1,041,259

Fund Balance (Surplus)

Source – Annual Financial Statement

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	\$4,767,000
2015	\$4,888,580
2016	\$4,719,104

Budget Caps

- Municipalities 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.
- By law the spending cap is tied to the consumer price index for the prior year. The cap has been set by the State at .5% for this year while the levy cap is fixed at 2% over the prior year.

Appropriation Cap Calculation

- Total General Appropriations for 2016 \$15,352,920
- Exceptions deducted from cap base - \$4,337,396.
These are LOSAP, the Library, grants, capital improvement fund, debt service and the Reserve for Uncollected Taxes
- Amount on which .5% cap is applied - \$11,015,524
- .5% Cap - \$55,077.62
- 2016 Cap Bank available for 2017 = \$379,273.62
- Total increase allowed within Cap = \$434,351.24
- Total increase proposed within Cap = \$112,673.00

2017 Budget Overview

	2016	2017	Diff
Surplus Used	3,100,000	3,100,000	0
Local Misc	547,500	573,000	25,500
NJ State Aid	836,467	836,467	0
Public and Private Programs	688,554	9,404	-679,150
Delinquent taxes	450,000	435,000	-15,000
Construction Code Fees	525,000	550,000	25,000
Library Taxes	1,041,259	1,064,612	23,353
Local Purpose Taxes	8,164,140	8,255,055	90,915
Total Revenues	15,352,920	14,823,538	-529,382
General Appropriations	13,968,904	13,407,682	-561,222
Reserve For Uncollected Taxes *	1,384,016	1,415,856	31,840
Total Appropriations	15,352,920	14,823,538	-529,382

Levy Cap Bank Calculation

- 2013 Levy Cap Bank (expired) - \$366,832
- 2014 Levy Cap Bank Available for 2017 = \$423,459
- 2015 Levy Cap Bank Available for 2017-2018 = \$654,345
- 2016 Levy Cap Bank Available = \$720,000
- Total Levy Cap Bank Available = \$1,797,604
- 2017 Levy allowed = \$8,456,880
- 2017 Levy proposed = \$8,255,055
- Additional Available for Banking 2017-2019 = \$201,825
- No bank from prior years is utilized.

Summary of Revenues Proposed

	2017	Change from 2016
Surplus	\$3,100,000	\$0
Total Misc. Revenues(includes grants)	\$1,968,871	(\$628,649)
Receipts From Delinquent Taxes	\$435,000	(\$15,000)
Construction Code Fees	\$550,000	\$25,000
To Be Raised for Support of Municipal Budget	\$8,255,054	90,915
State Aid (estimated)	\$836,467	0
Library Tax	\$1,064,612	\$23,353

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
2017 estimated	\$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	.288
2015	.278
2016	.267
2017	.272

School Taxes

2007	\$25,881,445	
2008	\$27,912,429	Increase of \$2,030,984
2009	\$29,437,896	Increase of \$1,525,467
2010	\$30,228,950	Increase of \$791,054
2011	\$31,923,107	Increase of \$1,694,157
2012	\$32,608,177	Increase of \$685,070
2013	\$33,397,623	Increase of \$789,446
2014	\$34,744,206	Increase of \$1,346,586
2015	\$35,852,245	Increase of \$1,108,039
2016	\$36,461,062	Increase of \$608,817

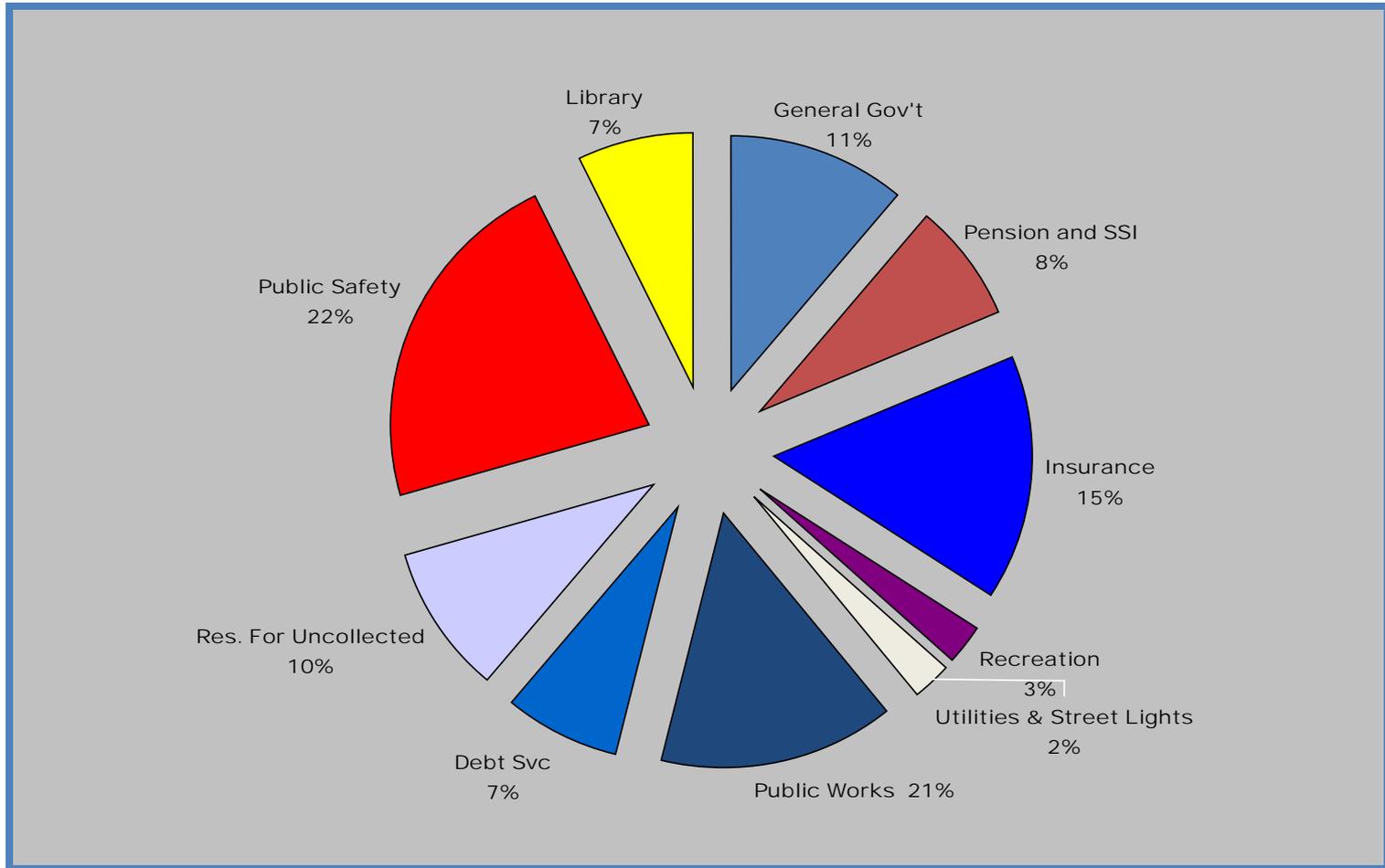
County Taxes (inc. Open Space)

2007	\$7,365,566
2008	\$7,651,567
2009	\$7,460,818
2010	\$7,440,661
2011	\$7,628,571
2012	\$7,819,292
2013	\$8,184,536
2014	\$8,398,554
2015	\$8,409,791
2016	\$8,771,346

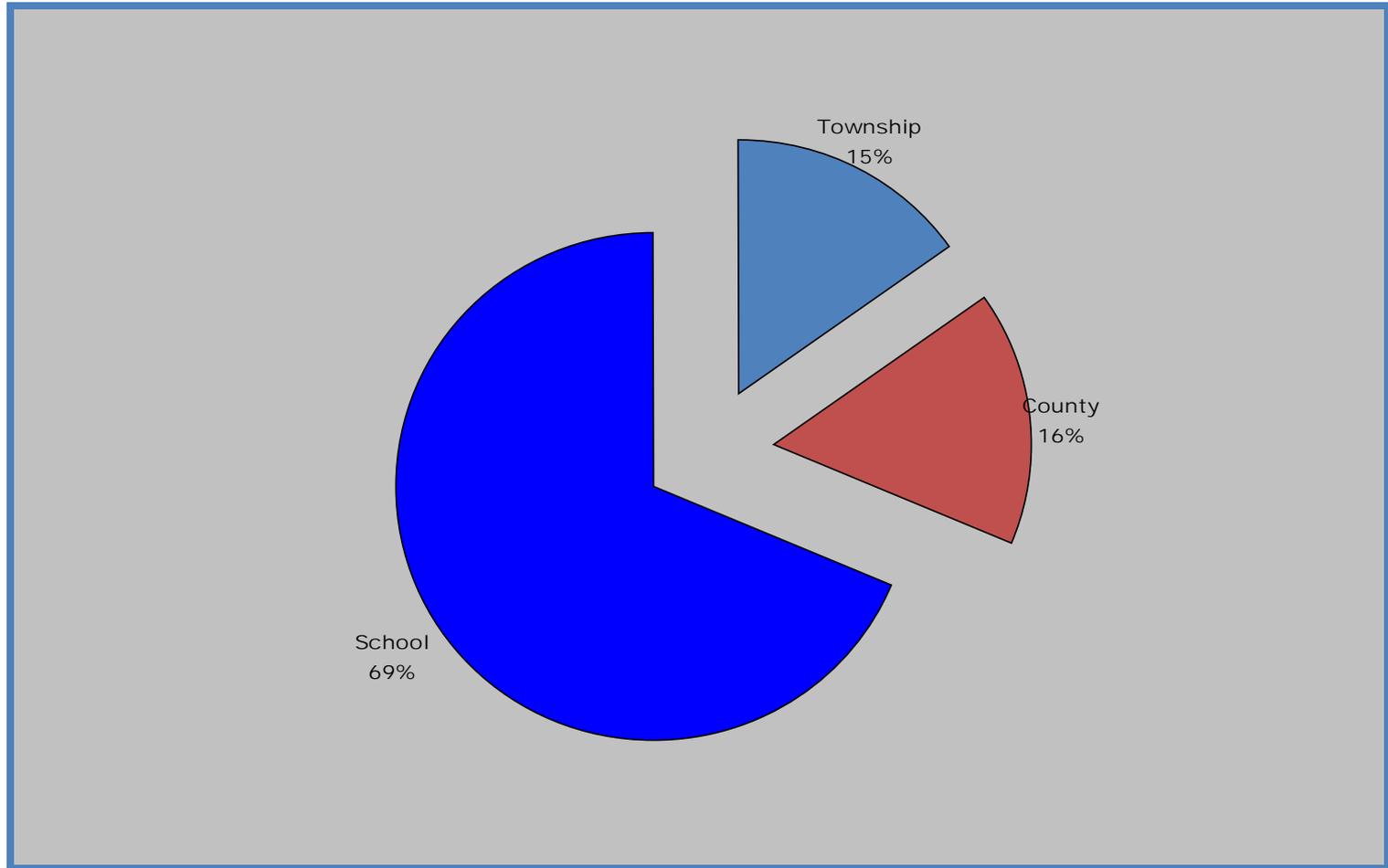
Tax Comparison

Year	School	Rate	County (Inc. open space)	Rate	Township (Inc. open space)	Rate
2007	25,881,445	.928	7,365,566	.266	7,719,546	.28
2008	27,912,429	.975	7,651,567	.269	8,075,182	.281
2009	29,437,896	1.003	7,460,818	.255	8,342,625	.283
2010	30,228,949	1.021	7,440,661	.252	8,780,113	.296
2011	31,923,107	1.071	7,628,571	.257	8,736,100	.292
2012	32,608,176	1.094	7,819,292	.263	8,752,914	.292
2013	33,397,622	1.109	8,184,536	.273	8,736,522	.290
2014	34,744,206	1.141	8,298,954	.276	8,781,573	.288
2015	35,852,245	1.167	8,409,791	.274	8,539,766	.277
2016	36,461,062	1.175	8,771,346	.283	8,319,690	.263

How Local Taxes Are Used (2017)



Total Tax Distribution in 2016



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
2017	.272

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 be the last year that this is used.
- Non-Recurring Cost Reductions: all of the cost reduction measures used in the 2017 budget are permanent in nature.
- Anticipated 2018 Appropriation increases: it is expected that labor costs will increase by approximately 1.5% in 2018; Health Insurance costs in 2018 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

- This budget provides the fourth year in a row with no increase in the Local Purpose Tax Rate. This will result in a decrease to the average home owner of about \$4.75 for the year.
- The Municipal Open Space Tax is proposed to double to one full cent. The rate had stood for a number of years at one half of a cent. The funds raised will continue to be used to fund open space purchases and payment of debt related to these activities.
- The Township's contribution to the Joint Library is increased \$23,352.53 for a total of \$1,064,612.
- Surplus has been increased from \$3.4 million dollars in 2007 to \$4.72 million at the end of 2016 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.

Summary (continued)

- There will not be a need for a rate increase in the Sewer Utilities this year. However, a modest rate increase is likely to be proposed in the fall to be effective for 2018

2017 Capital Budget

- Various road improvements.
- Purchase of fire safety equipment.
- Various building improvements including repairs to Municipal Building.
- Purchase of DPW equipment.
- Purchase of Open Space.