

2018 Budget

Public Hearing and Amendment
by the Township Committee
March 22, 2018

Annual Debt Statement

					Gross Debt	Deduction	Net Debt
Total Bonds and Notes for Local School Purposes					\$ -	\$ -	\$ -
Total Bonds and Notes for Regional School Purposes					\$ 24,636,146.70	\$ 24,636,146.70	\$ -
Total Bonds and Notes for the Sewer Utilities					\$ 9,112,452.11	\$ 9,112,452.11	\$ -
Municipal/County General Obligations					\$ 14,485,750.00	\$ -	\$ 14,485,750.00
<u>Total</u>					\$ 48,234,348.81	\$ 33,748,598.81	\$ 14,485,750.00

Results of Operations (2017)

• Excess/Deficit of Anticipated Revenues:	
• Miscellaneous	\$78,788.63
• Delinquent Taxes	\$(11,285.22)
• Current Taxes	\$970,695.67
• MRNA	\$974,976.86
• Unexpended 2016	
Reserves	\$486,508.05
• Other Credits	\$1,217.96
• Other Debits	(\$30,890.84)

Summary of Anticipated Revenues (2017)

	Anticipated	Realized
Total Miscellaneous Revenues	2,309,478	2,388,266
Receipts From Delinquent Taxes	435,000	423,715
Amount To Be Raised for Support of Municipal Budget	9,315,634	10,286,329
Minimum Library Tax	1,064,312	1,064,312

Fund Balance (Surplus)

Source – Annual Financial Statement

Year Ending 12/31	Balance
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
2017	\$3,973,188

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 2.5% for this year while the levy cap is fixed at 2% over the prior year.

Appropriation Cap Calculation

- Total General Appropriations for 2017 \$14,938,189
- Exceptions deducted from cap base - \$3,809,992 These are LOSAP, the Library, grants, capital improvement fund, debt service and the Reserve for Uncollected Taxes
- Amount on which 2.5% cap is applied - \$11,128,197
- 2.5% Cap - \$278,204.93
- 2016 Cap Bank available for 2018 = \$379,273.62
- 2017 CAP Bank Available for 2018 = \$390,167.00
- Total increase allowed within Cap = \$1,047,646
- Total increase proposed within Cap = \$422,692

2018 Budget Overview

	2017	2018	Diff
Surplus Used	3,216,500	3,000,000	-216,500
Local Misc	573,000	566,800	-6,200
NJ State Aid	836,467	836,467	0
Public and Private Programs	11,588	471,898	460,310
Delinquent taxes	435,000	550,000	115,000
Construction Code Fees	550,000	550,000	0
Library Taxes	1,064,612	1,086,073	21,461
Local Purpose Taxes	8,251,022	8,826,769	575,747
Total Revenues	<u>14,938,189</u>	<u>15,888,007</u>	<u>949,818</u>
General Appropriations	13,526,366	14,308,402	782,036
Reserve For Uncollected Taxes *	1,411,823	1,579,605	167,782
Total Appropriations	<u>14,938,189</u>	<u>15,888,007</u>	<u>949,818</u>

Levy Cap Bank Calculation

- 2014 Levy Cap Bank (expired) - \$423,459
- 2015 Levy Cap Bank Available for 2018 = \$654,345
- 2016 Levy Cap Bank Available for 2018-2019 = \$720,076
- 2017 Levy Cap Bank Available for 2018-2020 = \$322,358
- Total Levy Cap Bank Available = \$1,696,774
- 2018 Levy allowed = \$8,641,053
- 2018 Levy proposed = \$8,826,769
- Bank Utilized = \$185,716

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	\$836,467
2018	\$836,467

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
2017	\$37,591,701	Increase of \$1,130,639

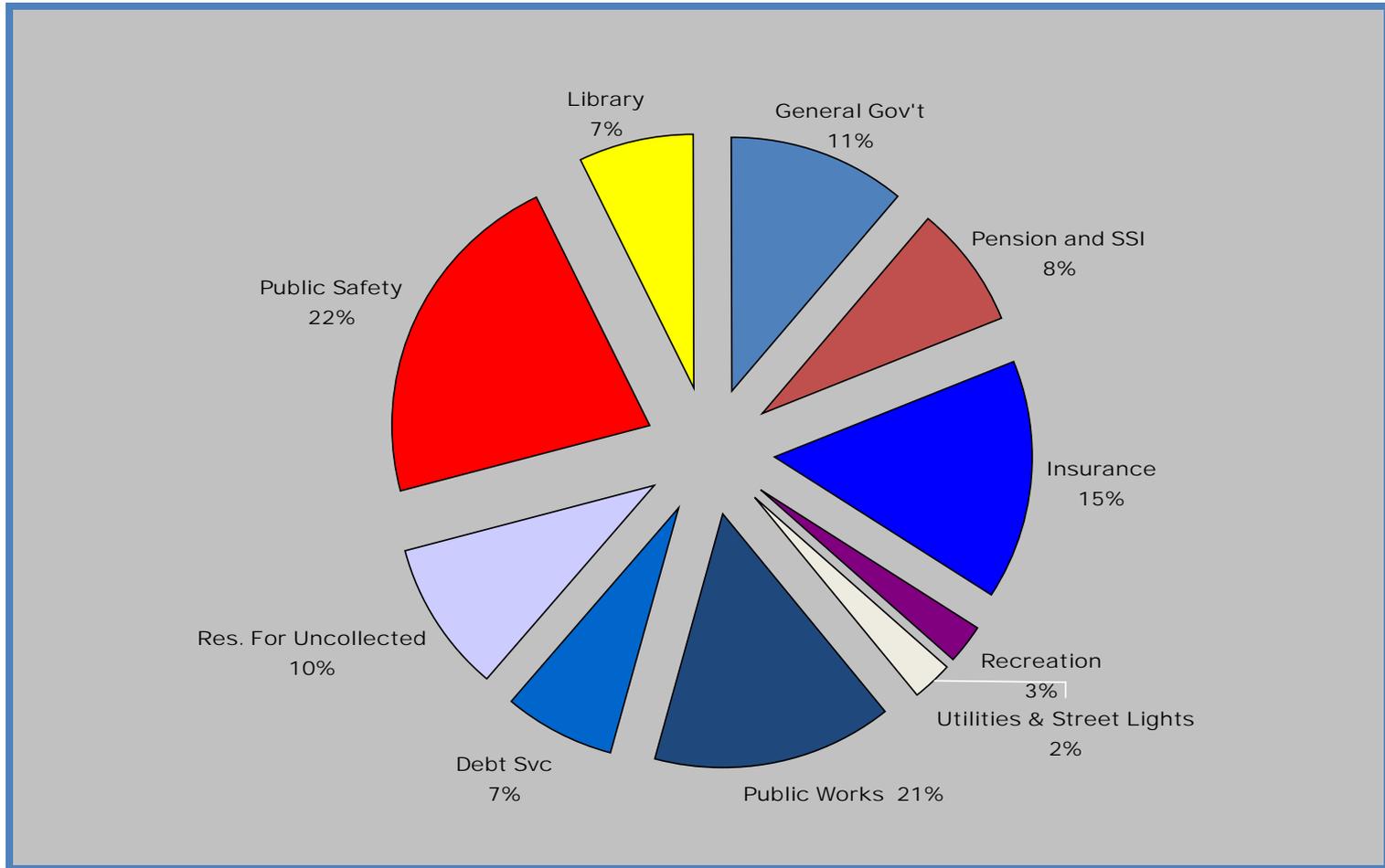
County Taxes (inc. Open Space)

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
2017	\$9,130,667

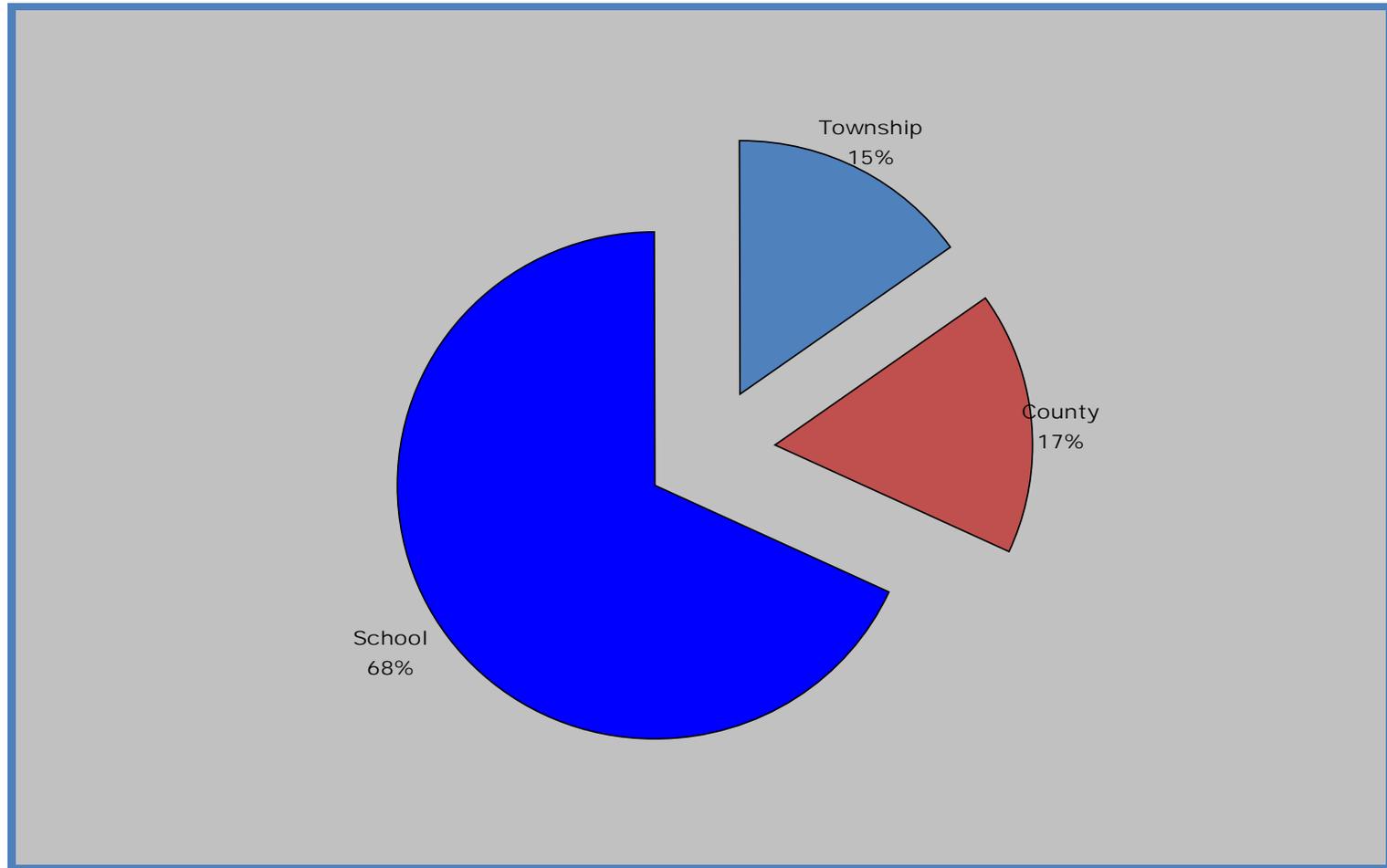
Municipal Purpose Tax Rate

Year	Local Rate per \$100 of Assessed Value (Includes Open Space)
2006	.288
2007	.280
2008	.281
2009	.283
2010	.296
2011	.292
2012	.292
2013	.290
2014	.290
2015	.278
2016	.268
2017	.262
2018	.277

How Local Taxes Are Used (2018)



Total Tax Distribution in 2017



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 2018 budget are permanent in nature.
- Anticipated 2019 Appropriation increases: it is expected that labor costs will increase by approximately 2% in 2019; Health Insurance costs in 2019 are likely to rise between 5-10%.
- Structural Imbalance Offsets: Will seek additional shared services and reductions in personnel costs.

Summary

- This budget requires a one and one half cent increase in the local purpose tax rate, due to a drop in collections for 2017, which reduced the amount of surplus available to use and increases the Reserve for Uncollected Taxes. Additionally, we are adding \$150,000 for storm expenses.
- Surplus at the end of 2017 stood at \$3,973,188 and the Township's financial position remains very strong. It is expected that with a return to the normal tax collection rate, surplus to be used in the 2018 budget will be restored.
- The Municipal Open Space Tax will be set at one cent per \$100 of assessed value. 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 \$21,461 for a total of \$1,086,073.

Summary (continued)

- A modest increase in sewer user fees was adopted in 2017 and is now in effect. This rate should be sufficient for 2-3 years barring any unforeseen operational issues.

2018 Capital Budget

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