

**Township Manager's  
Proposed  
2015  
Municipal Budget**

# Proposed 2015 Municipal Budget

## Budget Preparation Process

1. Department Head Requests
2. Manager/CFO Review
3. Manager/CFO/Department Head Public Hearings
4. Public Input at Council Meetings
5. Manager/CFO final review
6. Manager's presentation to Council of proposed budget appropriations and estimated revenues

# Proposed 2015 Municipal Budget

## Budget Preparation Process

7. Council review and public hearings
8. CFO's Revenue and tax levy cap projections
9. CFO's review and recommendations
10. Council introduction of budget by revised statutory date of 3/13
11. Hearing and adoption of budget by revised statutory date of 4/24 or next meeting

# Assumptions

2015 Budget is dependent upon:

- Council determination of 2015 Municipal Budget Appropriations
- Fund Balance (Surplus) available for 2015
- 2014 Municipal Revenues' Analysis and 2015 Revenue Anticipations
- State Aid allocations for 2015
- BCUA Sewer Increase estimated at 2.5%

# 2015 Budget Preemptive Action

- July 2014 – Projected increase 5.30%
- 2014 Tax Sale Date Moved to January 2<sup>nd</sup>
- Tax collection percentage  
2013 (97.10%) vs. 2014 (98.28%)
- Reserve for uncollected taxes (RUT)  
2014 (\$3,593,708.93) vs. 2015 (\$2,637,780.75)
- Difference \$955,927.64 (RUT- 26.6%)

# Proposed 2015 Municipal Budget

Proposed levy increase 2.99% or \$1,643,027.70

Proposed appropriations increase 0.47% or \$333,692.52

Estimated annual tax increase (absent impact of 2015 Tax Revaluation):

Average home assessed at \$455,000

Increase in Taxes

Per year: \$130

Per month: \$10.83

Per Week: \$2.50

Per Day: \$0.36

Tax Levy = Budget Appropriations Minus Revenues

No Tax Levy Cap Issue Expected

# Appropriation vs. Levy

- Appropriations – what the municipality intends to spend on operations
  - Levy – what the municipality intends to raise through taxation of property owners
- (Levy = Budget Appropriations Minus Revenues)

# Appropriations Cap vs. Levy Cap

## Appropriations Cap

- Enacted 1977
- Originally capped budget appropriations increases at cost of living (COLA)
- Amended in 2003 to 2.5%
- COLA Ordinance 3.5% and Cap Banking

## Levy Cap

- Enacted 2007
- Amended in 2010 to 2% and modified exclusions



# Exclusions from 2010 Levy Cap

- Increases in Debt Service and Capital Expenditures
- Weather and other “declared” emergencies
- Pension contributions in excess of 2%
- Health benefit cost increases in excess of 2% and limited by the increase in State Health Benefits rate increases

# Appropriations Increase \$333,692.52

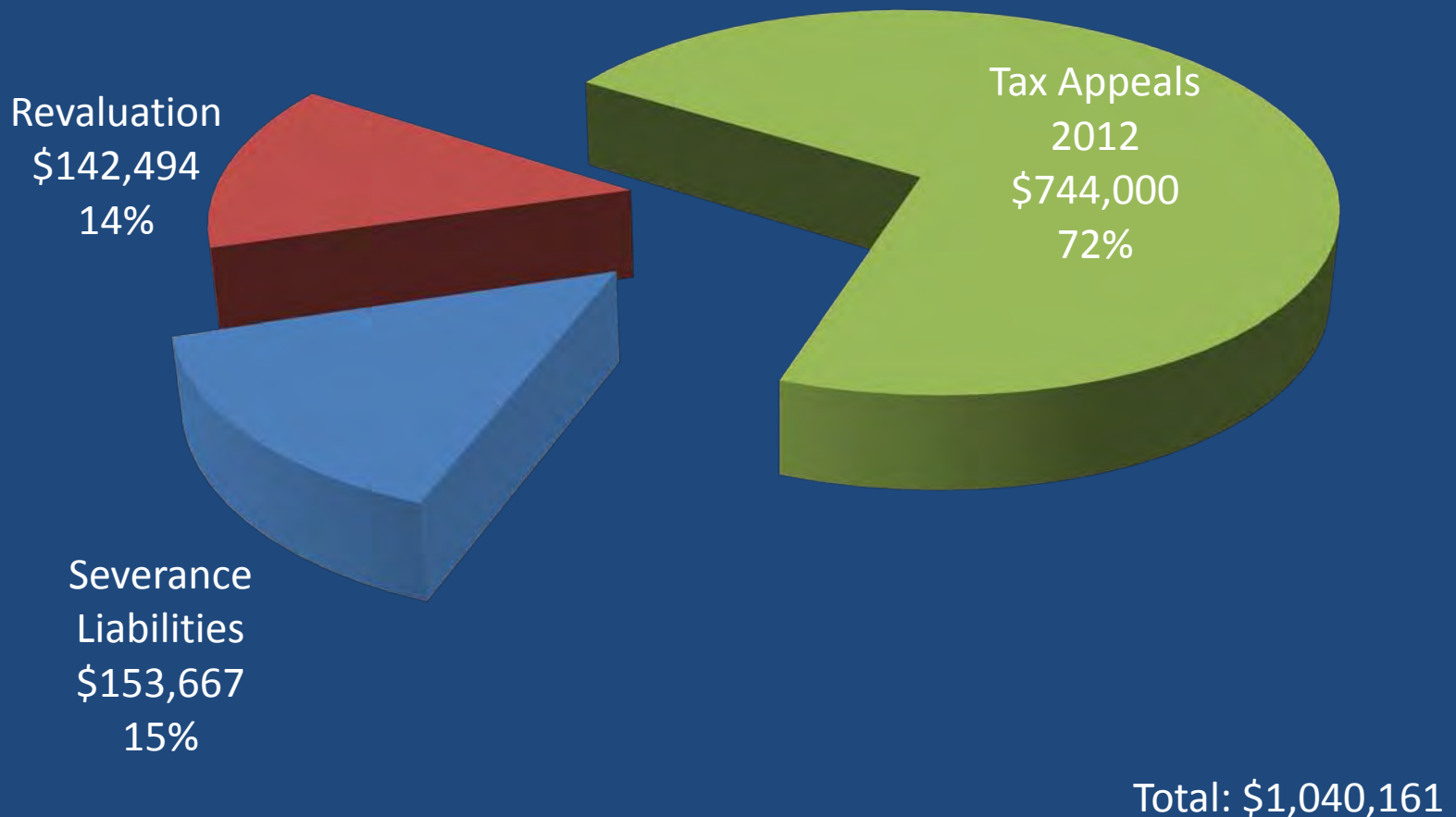
Category	Increase/ (Decrease)
Reserve for Uncollected Taxes	(\$955,927.64)
Other Expenses (Tab 5 less Statutory, Debt Service, Deferred Charges, and Capital Funds)	\$495,651.10
Debt Service/Debt Management Plan	\$123,715.80
Statutory Expenditures/Deferred Charges (PFRS, PERS, SS)	\$677,910.48
Capital Improvement Plan	\$87,400
Salaries and Wages	(\$95,057.22)

# What are Special Emergency Appropriations?

Per N.J.S.A. 40A:4-53:

- Preparation of Tax Maps
- Revaluation
- Codification of Ordinances
- Preparation of Master Plan
- Drainage Maps/Flood Control
- Engineering/Planning of Sanitary Sewer System
- Municipal Consolidation
- Severance Liabilities
- Preparation of Sanitary/Storm System Map
- Tax Appeal Refunds

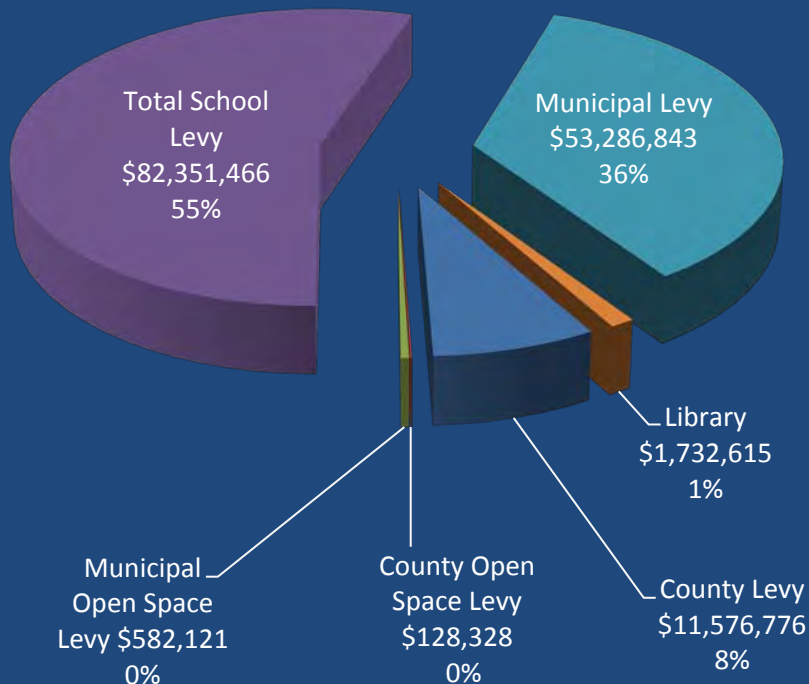
# Budgeted Special Emergencies



# 2014 Tax Breakdown

## Tax Breakdown

**Total Property Taxes:**  
**\$149,658,148.84**

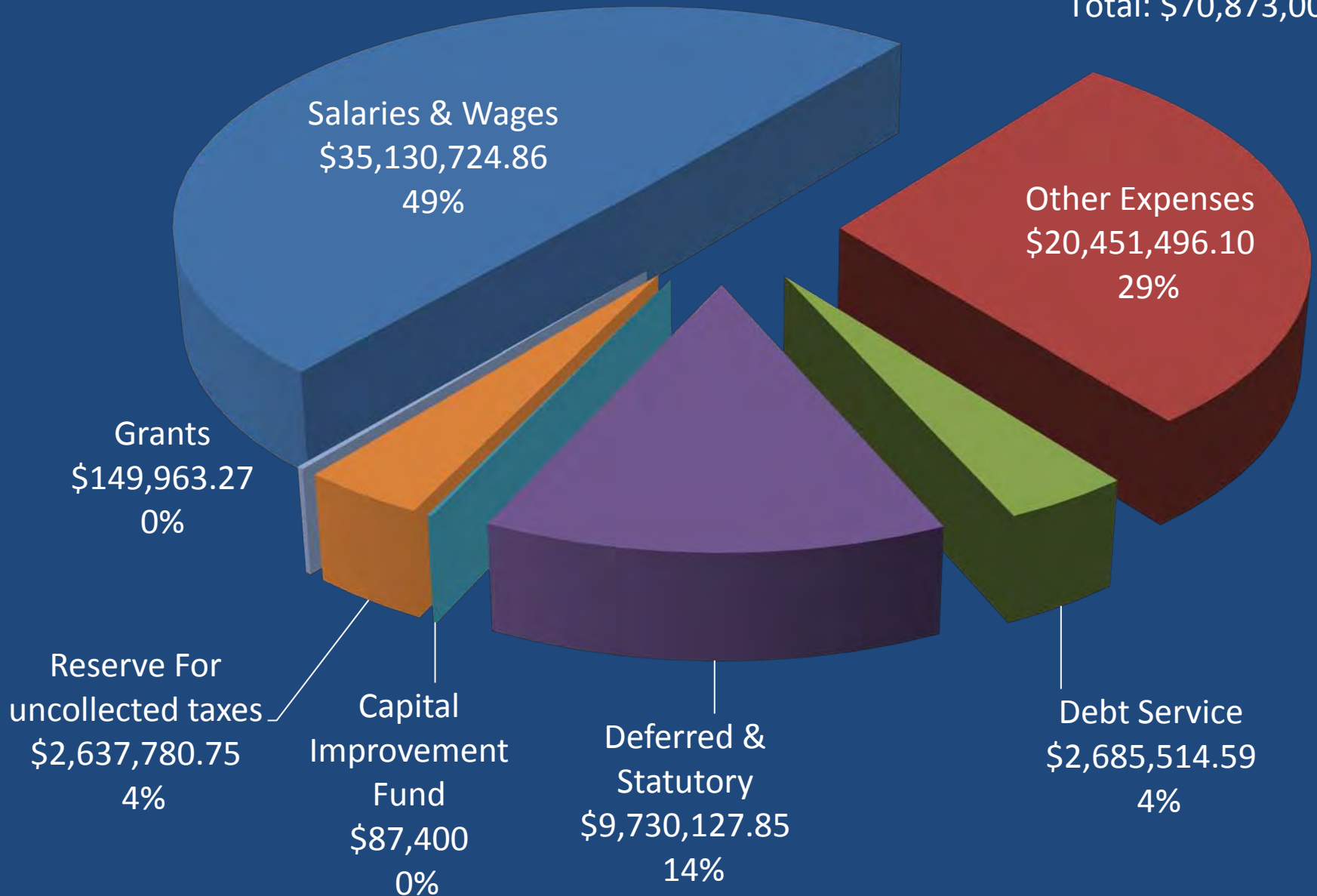


- Proposed budget refers to municipal portion of taxes only
- All taxes collected by the municipality for the taxing entity
- Taxes forwarded to taxing entity biweekly/quarterly

# 2015 Proposed Budget

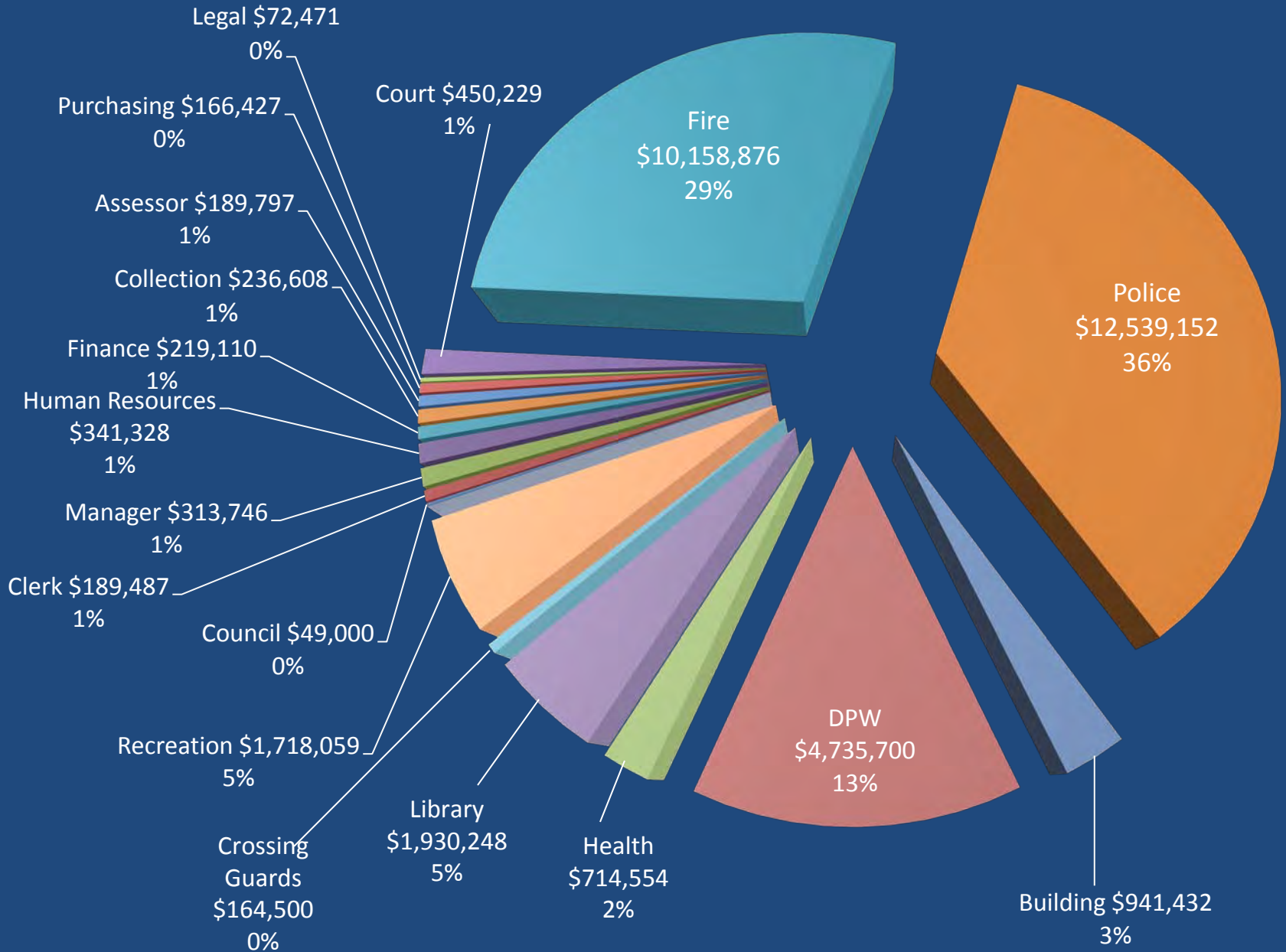
## Budget Appropriation Categories

Total: \$70,873,007.42

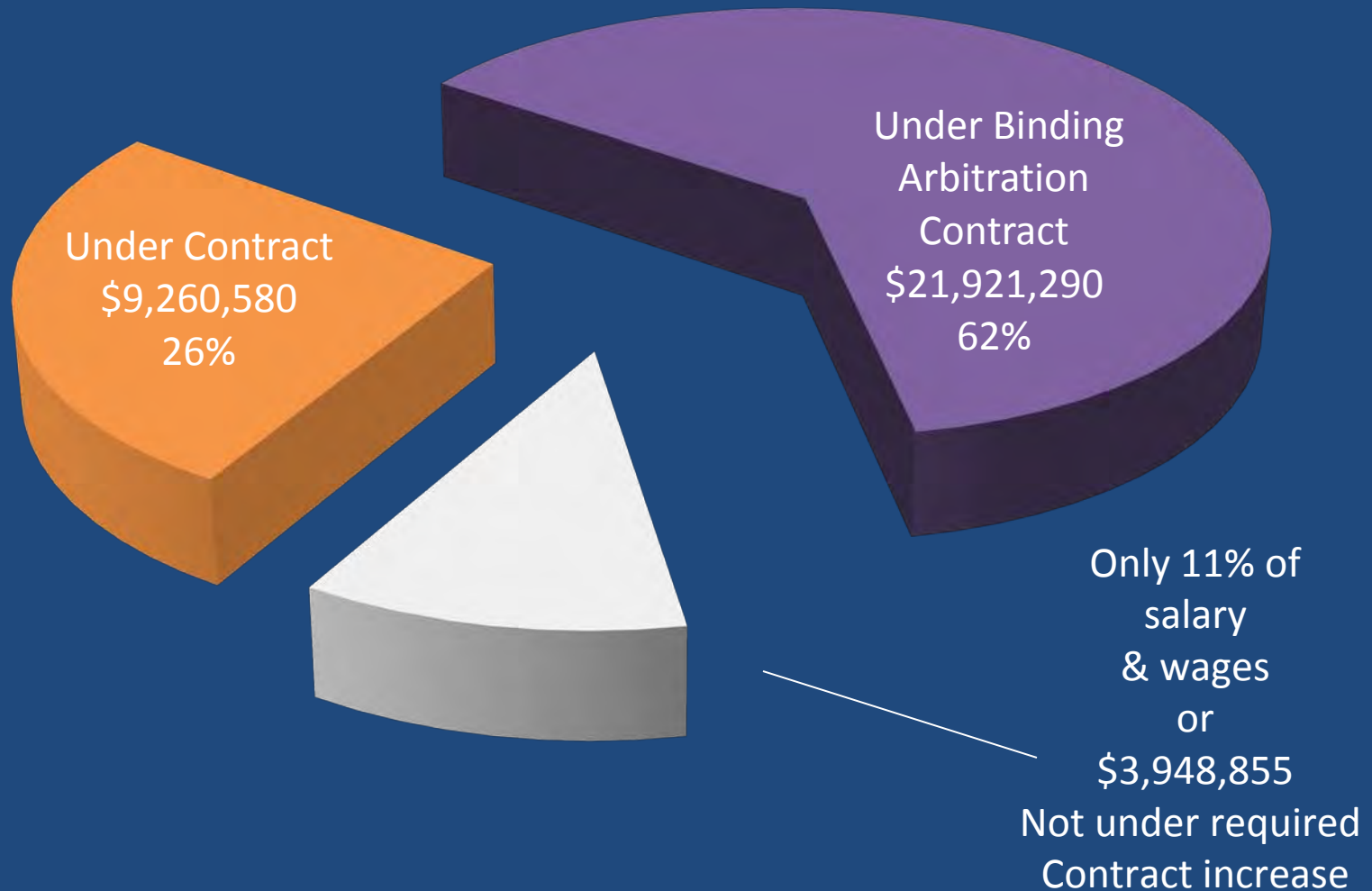


# Proposed Salaries & Wages

Total: \$35,130,725



# Salary & Wage Increases Required by Union Contract



Total: \$35,130,725



# Expiring Contracts

- PBA 215 & SOA      Exp. December 31, 2014
- AFSCME      Exp. December 31, 2015

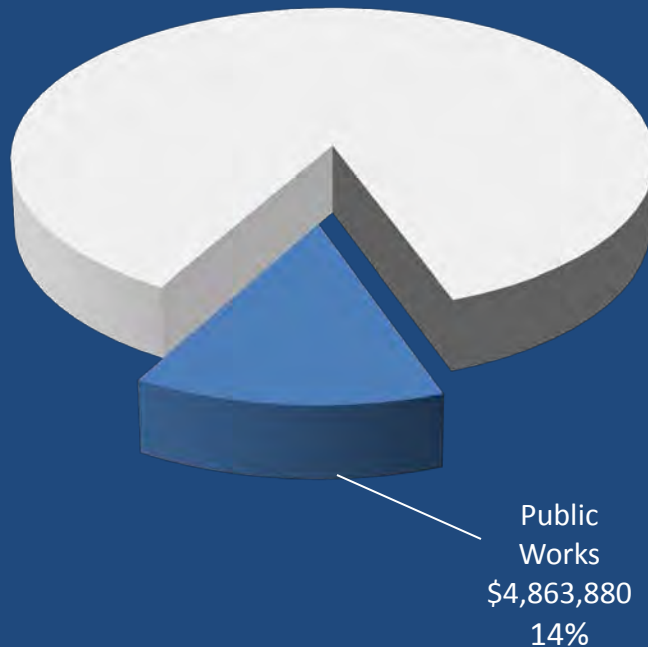
# Salaries and Wages

## Summary and Recommendations

### Department of Public Works (DPW)

### 2015 Recommendations

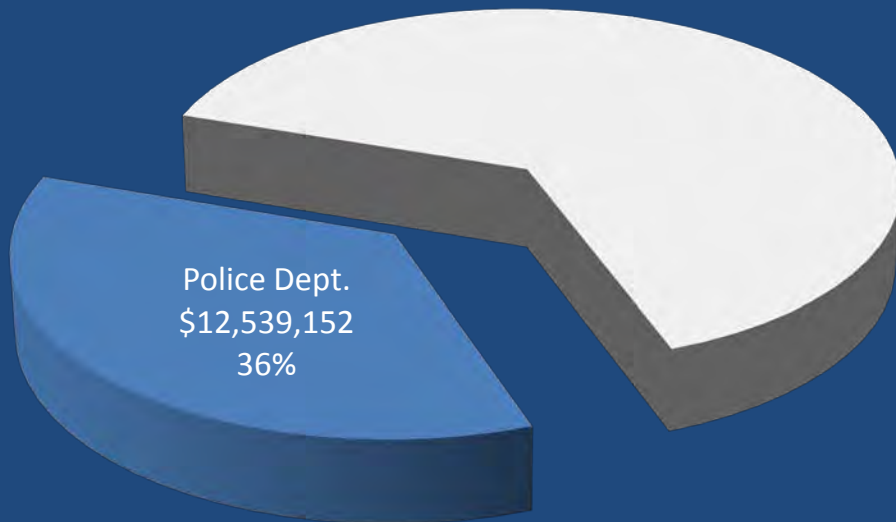
- Fill (4) vacant laborer positions
  - (2) Roads Division Laborers
  - (2) Trees/Parks Laborer



# Salaries and Wages

## Summary and Recommendations

### Police



### 2015 Recommendations

- Authorized strength via ord. (115) uniformed officers
- Maintain strength at (96) sworn officers
- Current staffing level is (95) officers
- Fill (1) vacant Police Officer position, (3) Civilian Dispatcher positions. 9-1-1 to County (\$30k). Cut 5 disp. positions (\$250k).
- 50k for Part-Time Special Law Enforcement Officers (SLEOs)

# Salaries and Wages Summary and Recommendations

## Fire

## 2015 Recommendations



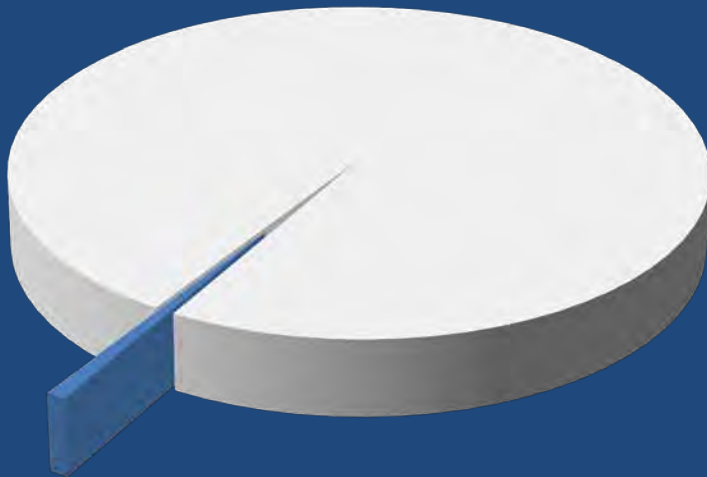
- Maintain Fire Department at 92 uniformed Fire Fighters
- Current strength of 91 uniformed officers
- Fill (1) vacant entry-level Fire Fighter positions

# Salaries and Wages Summary and Recommendations

## Manager's Office

## 2015 Recommendations

- Do not fund Deputy Manager position in 2015, consider for 2016



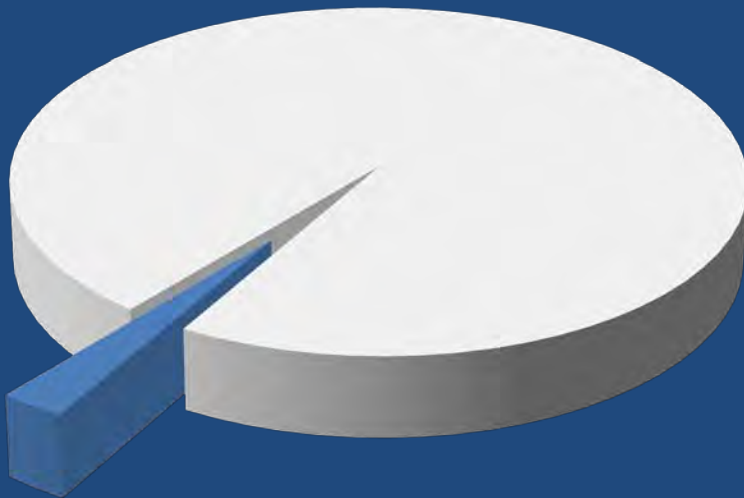
Manager  
\$313,746  
1%

# Salaries and Wages Summary and Recommendations

## Building Department

## 2015 Recommendations

- Do not fund Assistant Construction Official position in 2015, consider for 2016



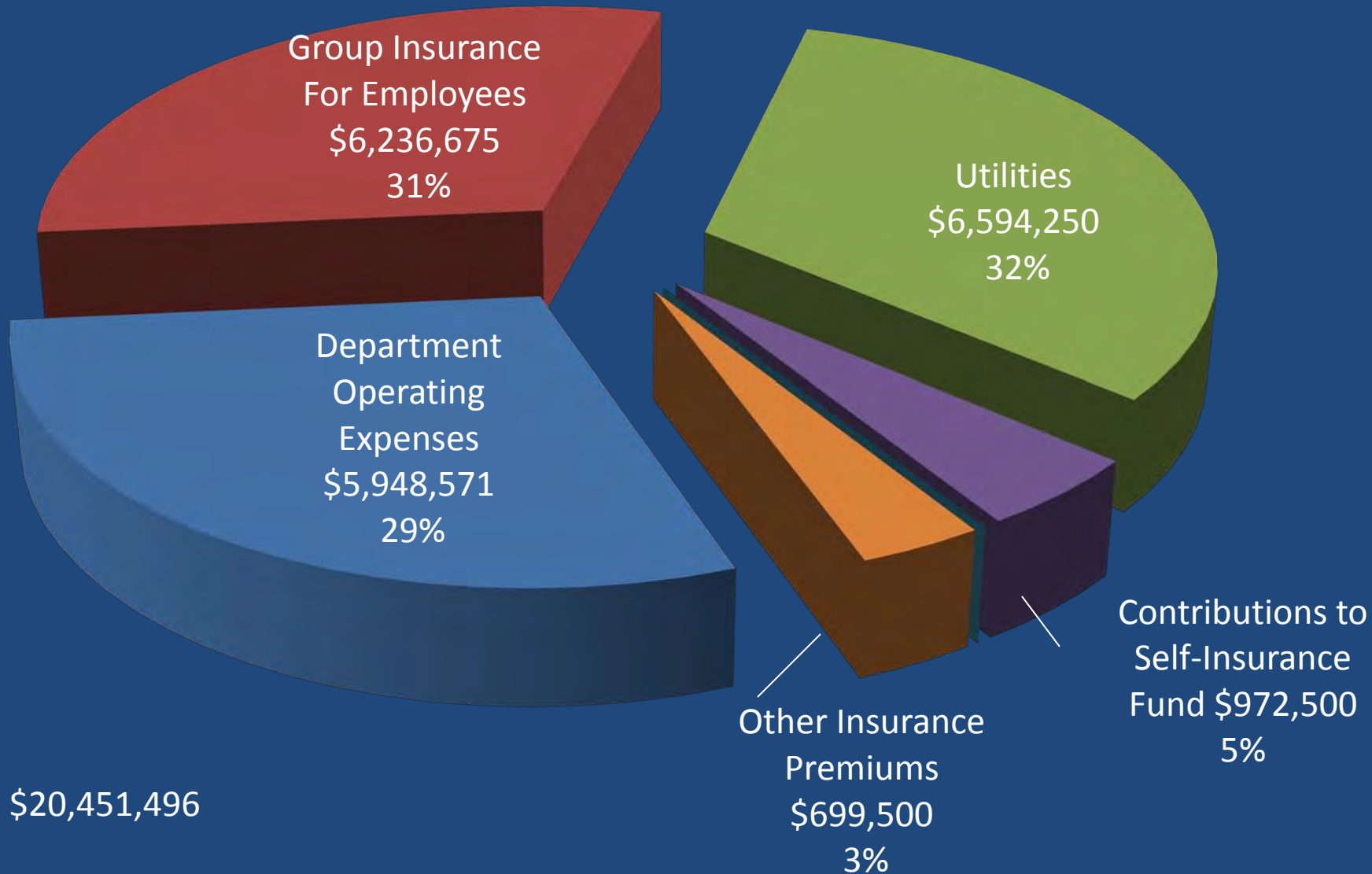
Building  
\$941,432  
3%

# Salaries and Wages Summary and Recommendations

## Overtime

Dept.	2015	2014	Change %	Spent
Fire	\$425,000	\$425,000	0 %	\$420,711.77
DPW	\$320,000	\$320,000	0%	\$384,667.53
Police	\$425,000	\$425,000	0%	\$598,750.31

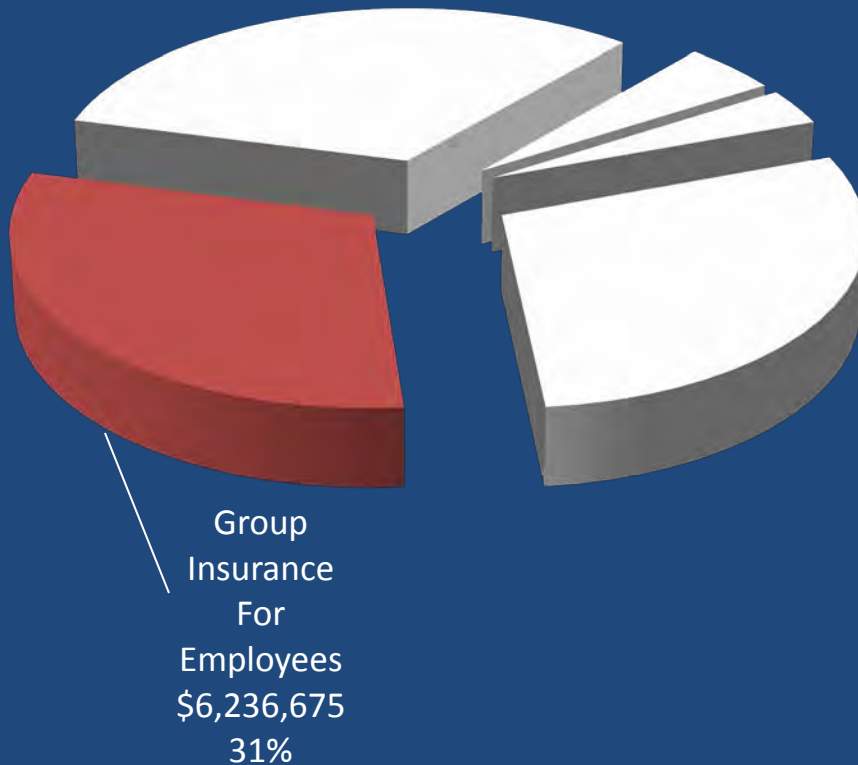
# Appropriations Other Expenses





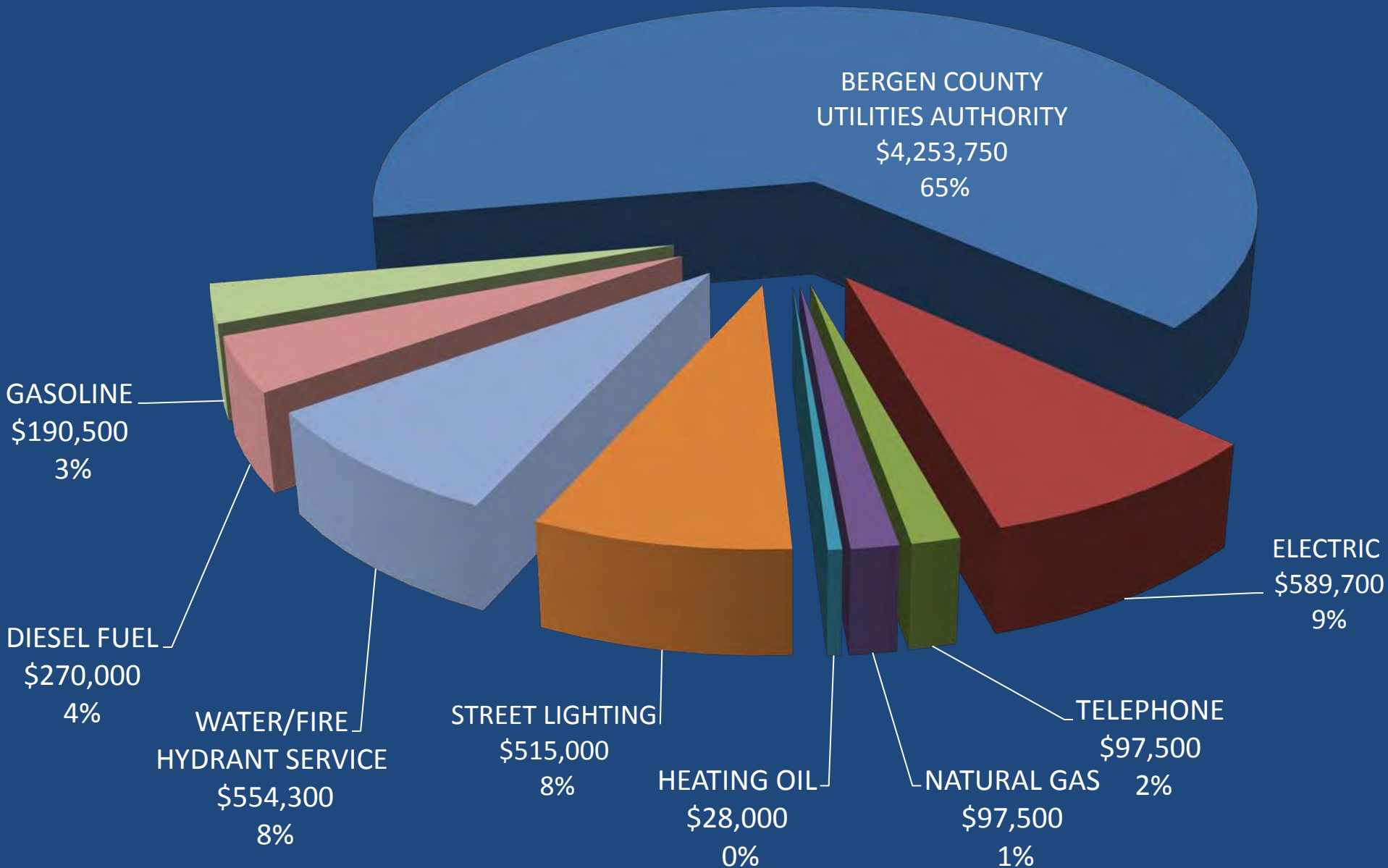
# Group Insurance For Employees

- Decreased 0.53% or \$33,325



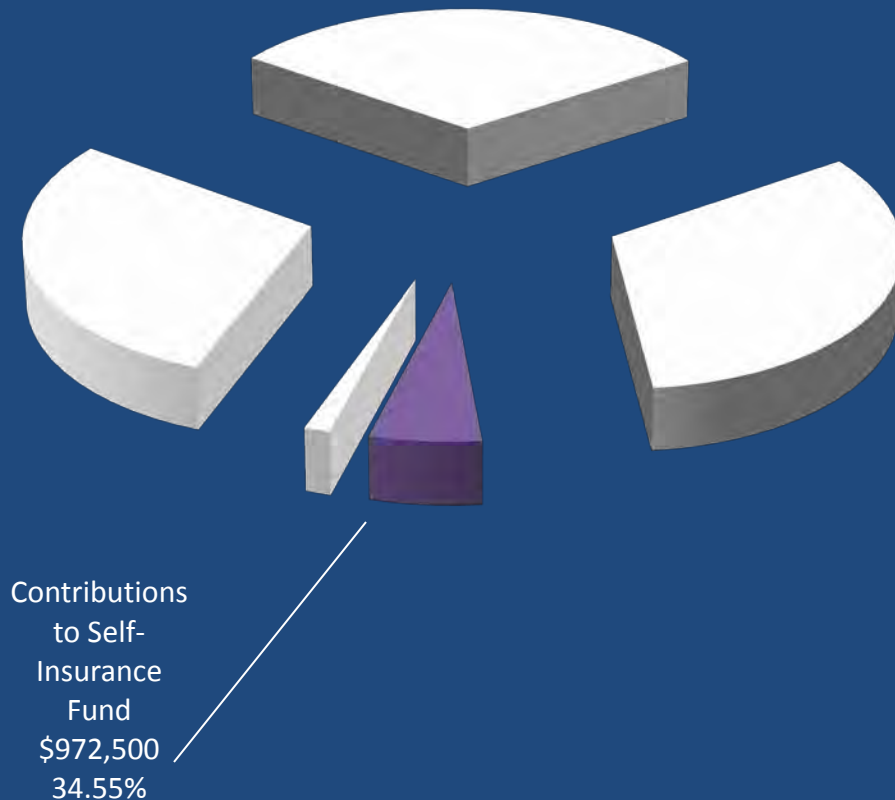
# Utilities

Total: \$6,594,250

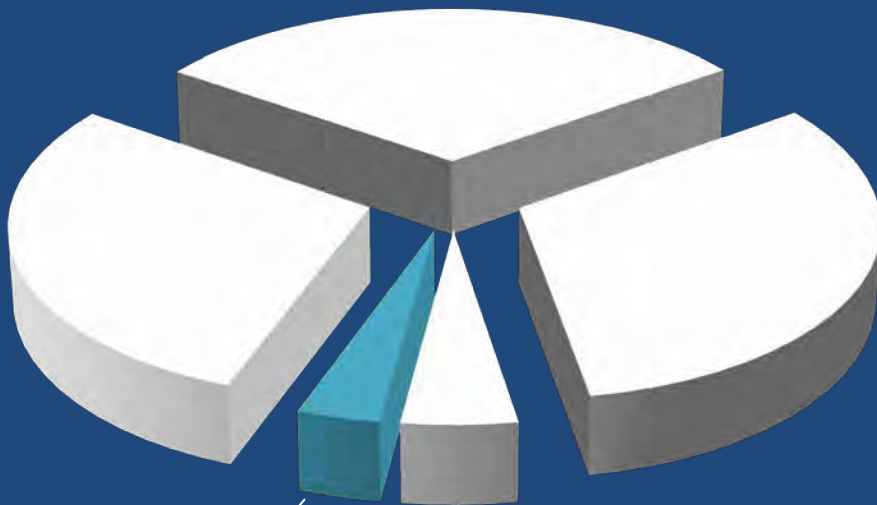


# Contributions to Self-Insurance Fund

- Up 34.55% or \$249,700 from 2014



# Other Insurance Premiums



Other  
Insurance  
Premiums  
\$699,500  
3%

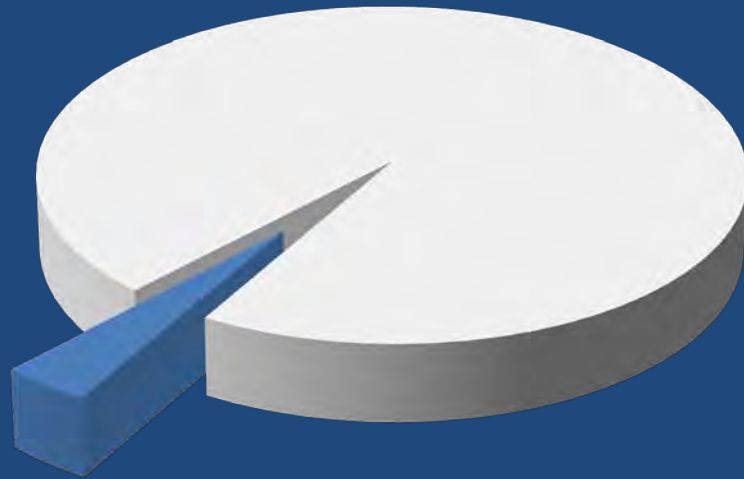
- Auto Liability and collision
- Employment Practices
- Public Officials
- Facilities

Budgeted 5.47%  
decrease (\$40,502)

# Debt Service

## Debt Service

## Highlights



Debt  
Service  
\$2,685,515  
4%

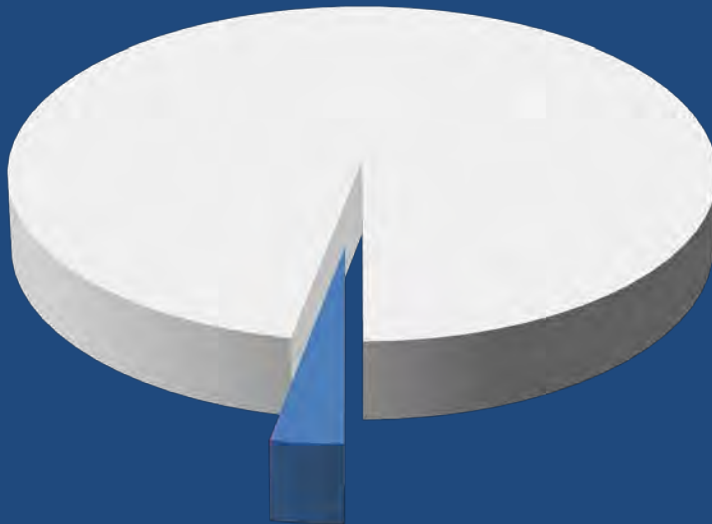
- Bond Interest Decreased \$61,866.50
- Bond principal Increased \$319,000
- After certain reductions, total increase of \$123,715.8 in Debt Service from 2014/Debt Management Plan 2012

# Deferred Charges

## Deferred Charges

Tax appeal reserve of  
\$1,000,000 for 2015  
appeals

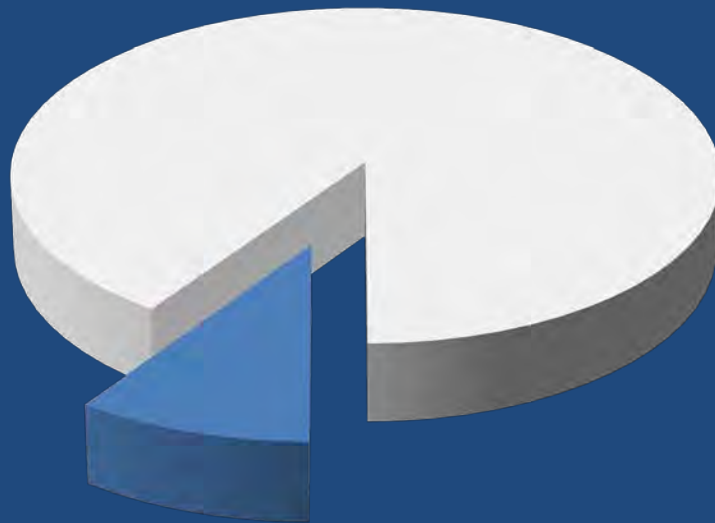
Number of appeals and  
potential refunds TBD



Deferred  
Charges  
\$2,191,354  
3%

# Statutory Expenditures

## Statutory Expenditures



Statutory  
Exp.  
\$9,446,305  
11%

- PFRS Increased  
\$698,974.03  
(\$522,068.03 Retro 08-10)
- PERS Increased  
\$130,643.95
- Social Security Decreased  
\$123,900
- Total line item Increased  
\$676,717.98

# Capital Improvement Fund

## Total Cost of Improvements

\$2,931,000

## Capital Improvement Fund

\$187,400

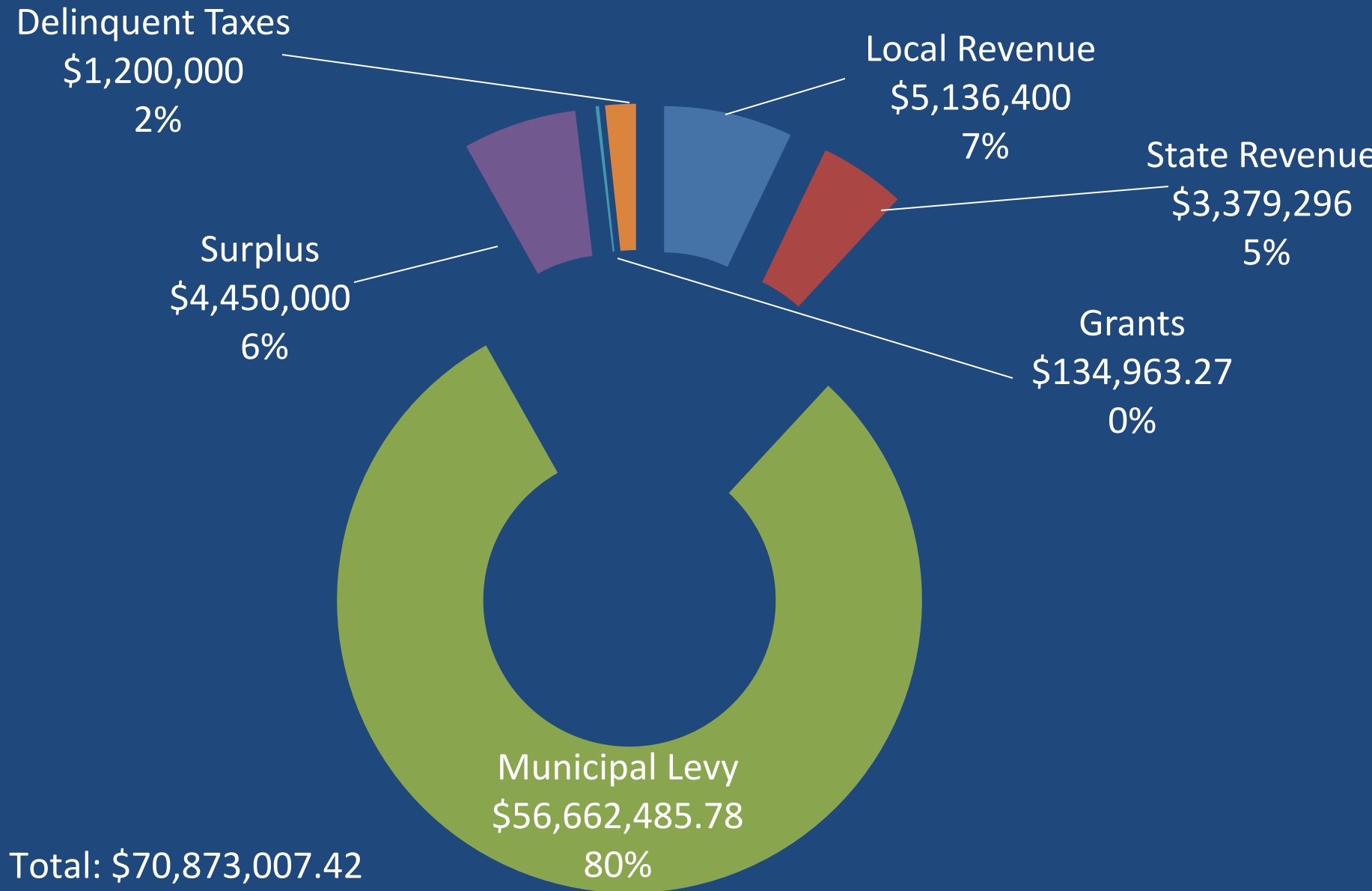
Projects Not Included in 2015:

1. Road Resurfacing
2. Tree Trimming
3. Tree Planting

Capital Improvement Fund Review  
February 5, 2015

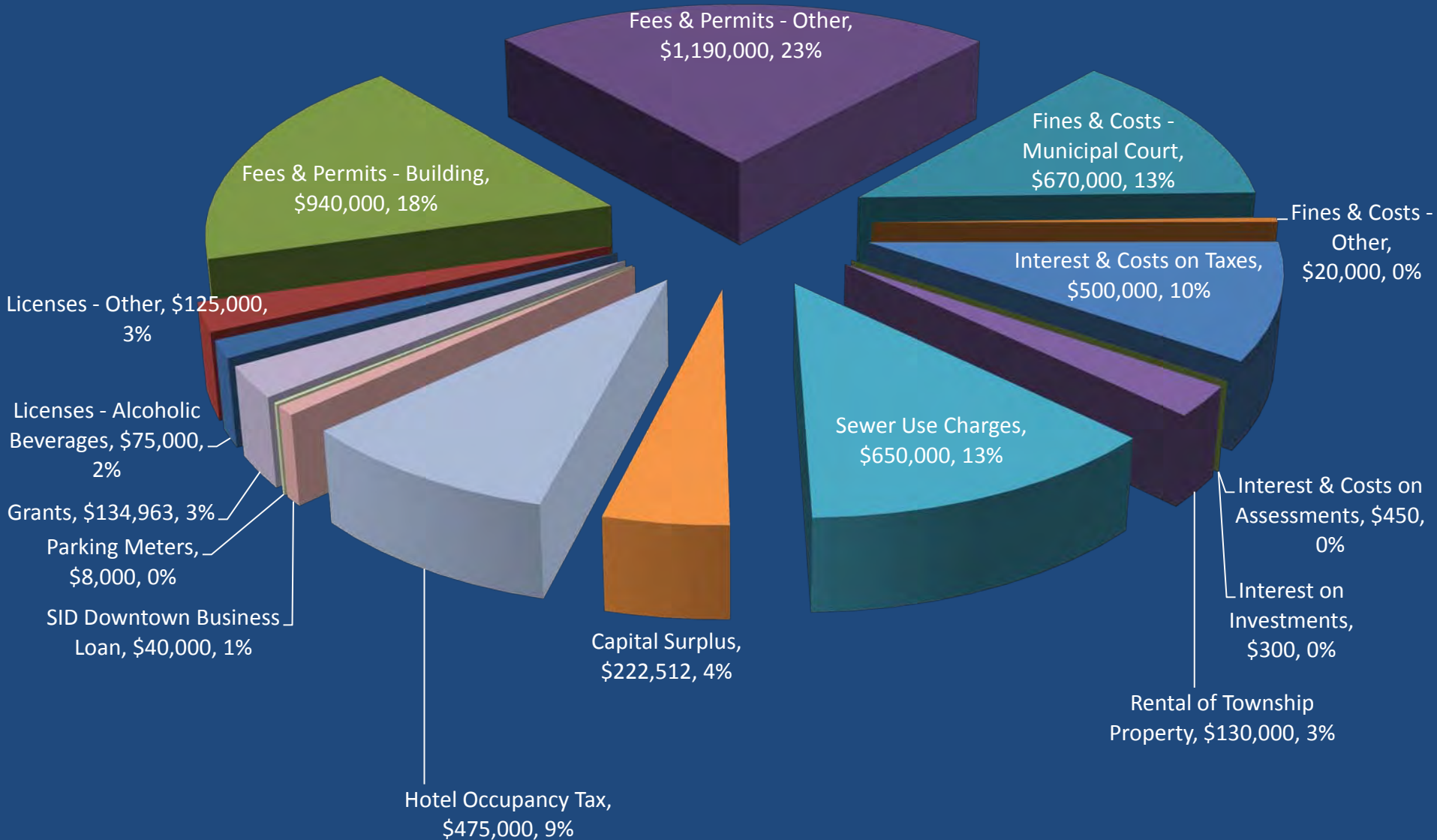


# Estimated Revenue



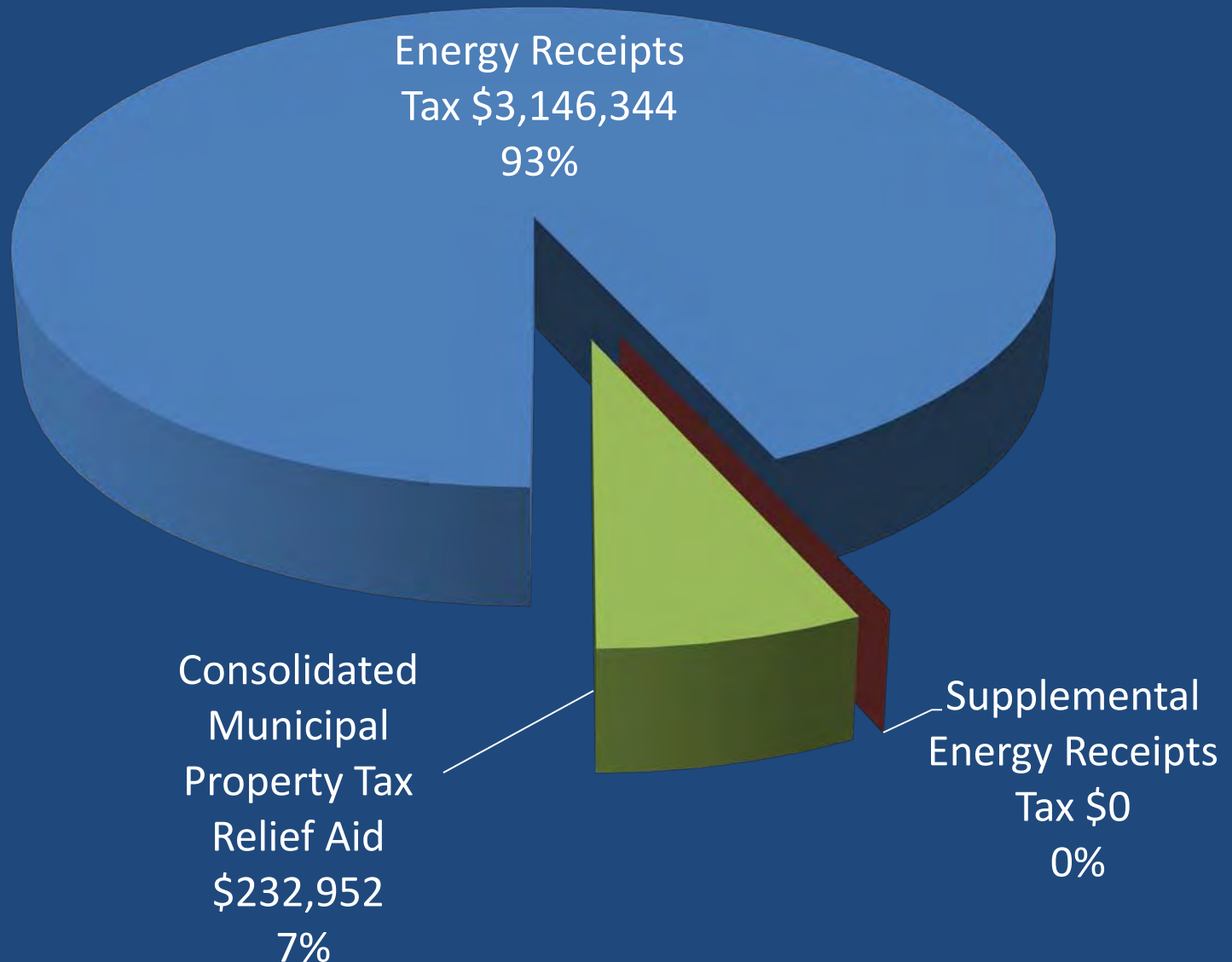
# Estimated Local Revenue

Total: \$5,181,225.64



# Estimated State Revenue

Total: \$3,379,296

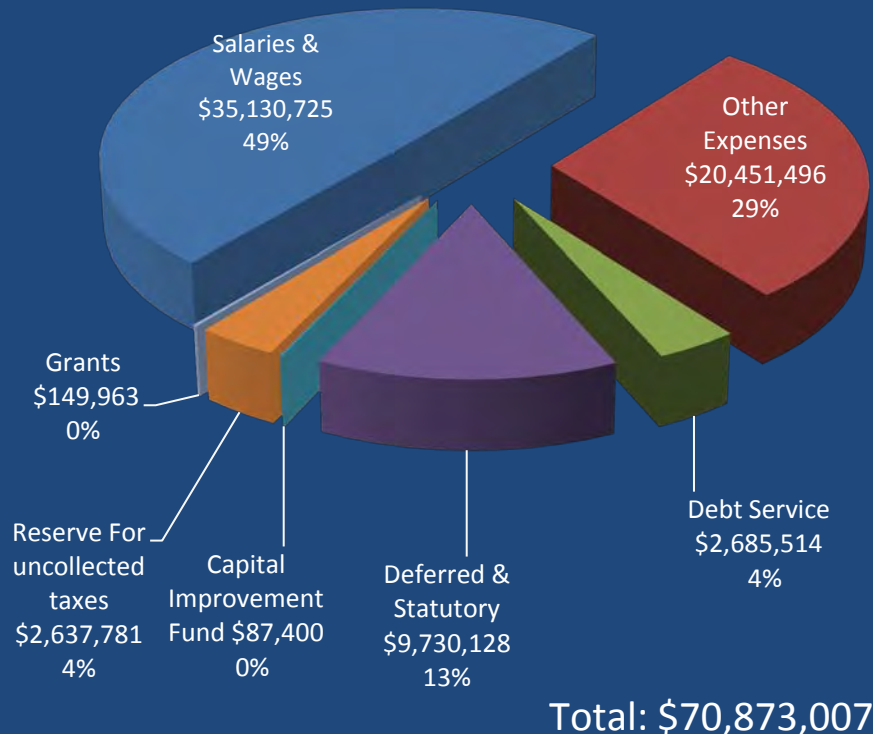


# Factors Potentially Impacting Budget

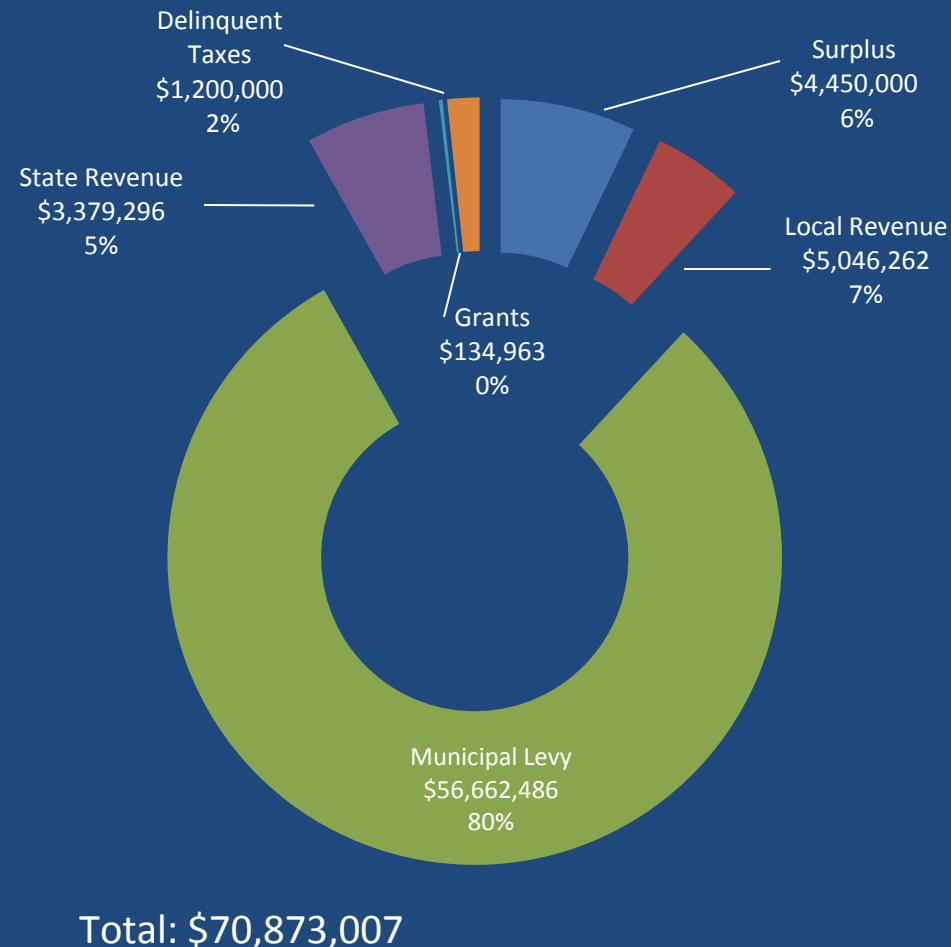
- General state of economy
- Special Emergencies
- Glenpointe Tax Appeal (Unfunded)
- Impact of tax appeals (Revaluation)
- Reduction in Ratable Base
- Interest rates
- Reduced or flat state aid
- BCUA sewer

# Budget Wrap - UP

## Appropriations



## Revenue



# Strategies

## Short & Long Term

- Develop Strategic Plan
- Accelerated tax sale/Tax Sale date change
- Limited hiring freeze
- Shared services
- Cost containment/efficiency
- Police/Fire/EMS Dispatch Consolidation/9-1-1 through County
- Power Purchase Agreement/3<sup>rd</sup> Party Energy Supplier
- Billing for Ambulance Services
- Sale/development of selected municipally owned property
- Redevelopment of Alfred Avenue
- CO or Certificate of Inspection upon resale/purchase

# Upcoming Budget Meeting

## Tentative Agenda

Thursday, February 5, 2015

- Review - Police Department budget
- Review - Public Works/Engineering budgets
- Review - Capital budget
- Review - Various budget accounts

# Upcoming Budget Meeting

## Tentative Agenda

Thursday, February 19, 2015

- Review - Fire Department budget
- Review - Recreation Department budget
- Review - Various budget accounts



# Upcoming Budget Meeting

## Tentative Agenda

Thursday, February 26, 2015

- Presentation - Insurance
- Review – Legal Budget
- Review - Library Budget
- Review - Council budget
- Review - Township Manager's budget
- Review - Township Clerk's budget
- Review - Various budget accounts

# Thank you!

