

**Township Manager's
Proposed
2017
Municipal Budget**

Proposed 2017 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 2017 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. Manager's Budget to Council rev. statutory 2/17
11. Council introduction of budget by revised statutory date of 3/17 or next meeting
12. Hearing and adoption of budget by revised statutory date of 4/21 or next meeting

Assumptions

2017 Budget is dependent upon:

- Council determination of 2017 Municipal Budget Appropriations
- Fund Balance (Surplus) available for 2017 (AFS)
- 2016 Municipal Revenues' Analysis and 2017 Revenue Anticipations
- State Aid allocations for 2017
- BCUA Sewer Increase estimated at 2.80%

Proposed 2017 Municipal Budget

Proposed levy increase 1.44% or \$791,800.51

Proposed appropriations increase 2.59% or \$1,778,370.87

Estimated annual tax increase:

Average home assessed at \$380,134

Increase in Taxes

Per year: \$57.02

Tax Levy = Budget Appropriations Minus Revenues

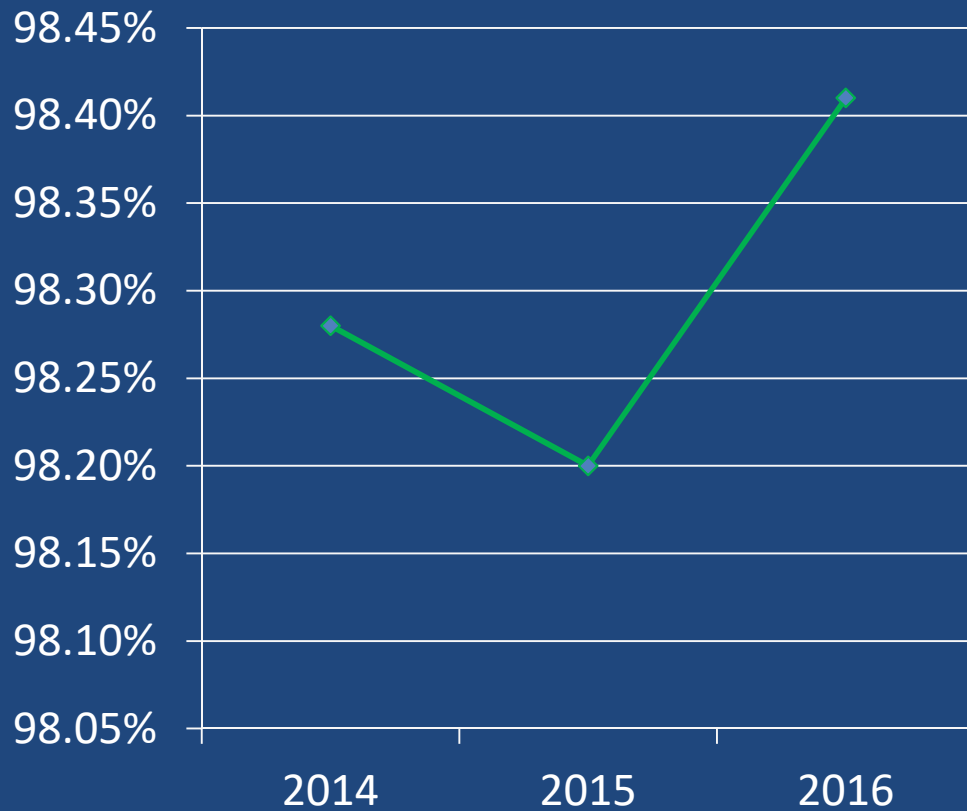
No Tax Levy Cap Issue Expected

2017 Budget Preemptive Action

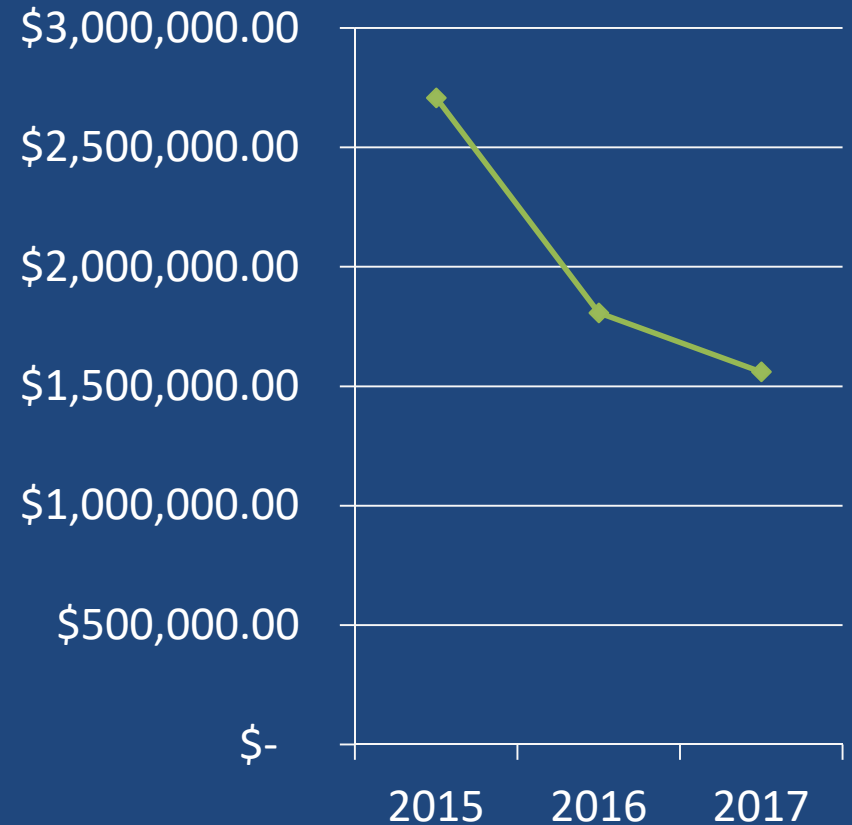
- 2017 Tax Sale Date Moved to January 3rd
- Tax collection percentage
2014 (98.28) 2015 (98.20%) 2016 (98.41%)
- Reserve for uncollected taxes (RUT)
2015 (\$2,707,885.14), 2016 (\$1,807,043.00),
2017 (1,560,000.00)
- Difference \$247,043.85 (RUT- 13.67%)

2017 Budget Preemptive Action

Tax Collection Rate



RUT



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

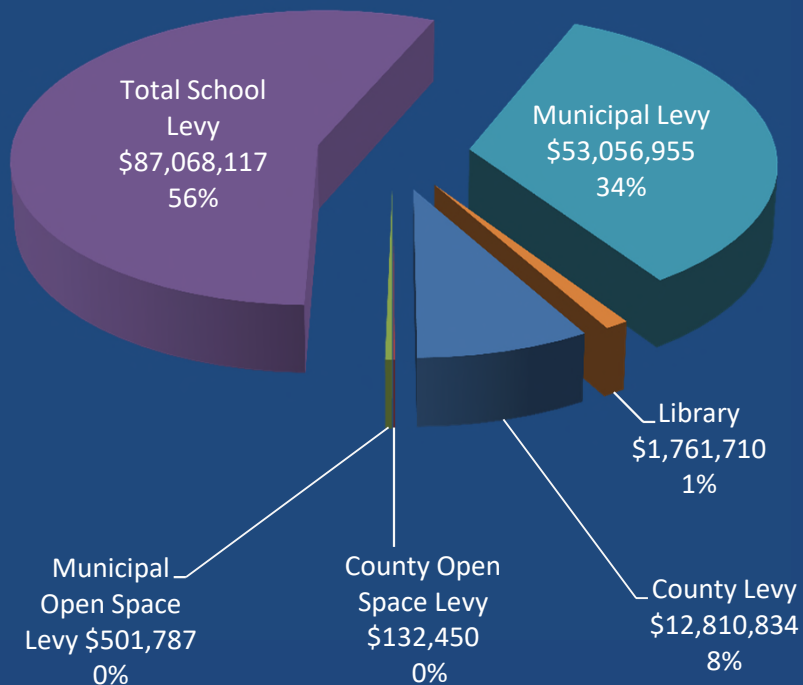
Appropriations Increase \$1,778,370.87

Category	Increase/ (Decrease)
Grants	(\$283,879.64)
Reserve for Uncollected Taxes	(\$247,043.85)
Capital Improvement Fund	\$2,050.00
Deferred Charges	\$46,333.40
Debt Service	\$313,172.56
Salary and Wages	\$600,810.11
Other Expenses (Tab 5 less Statutory, Debt Service, Deferred Charges, and Capital Funds)	\$636,338.32
Statutory Expenditures	\$710,589.97

2017 Tax Breakdown

Tax Breakdown

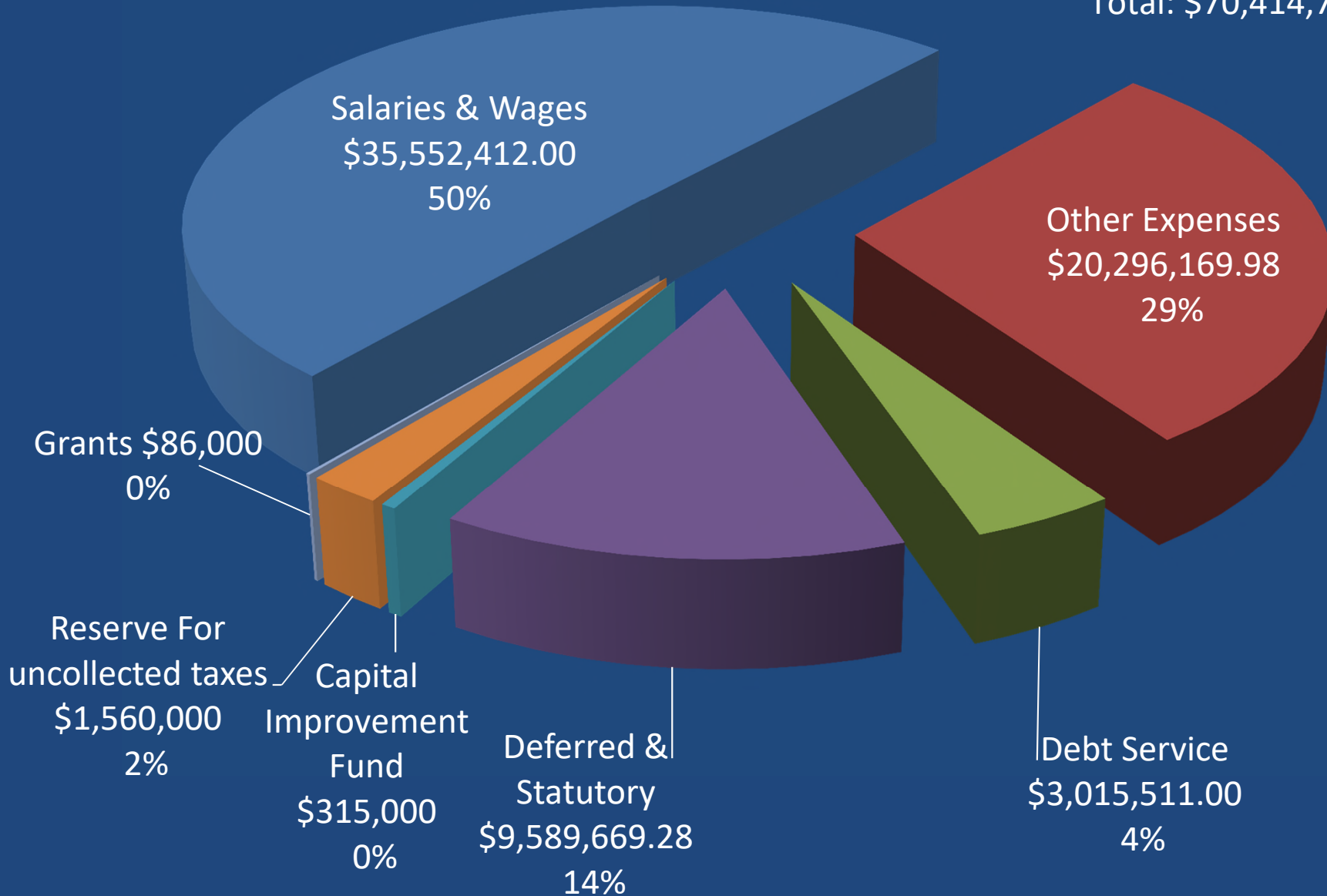
**Total Property Taxes:
\$155,331,854.43**



- 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

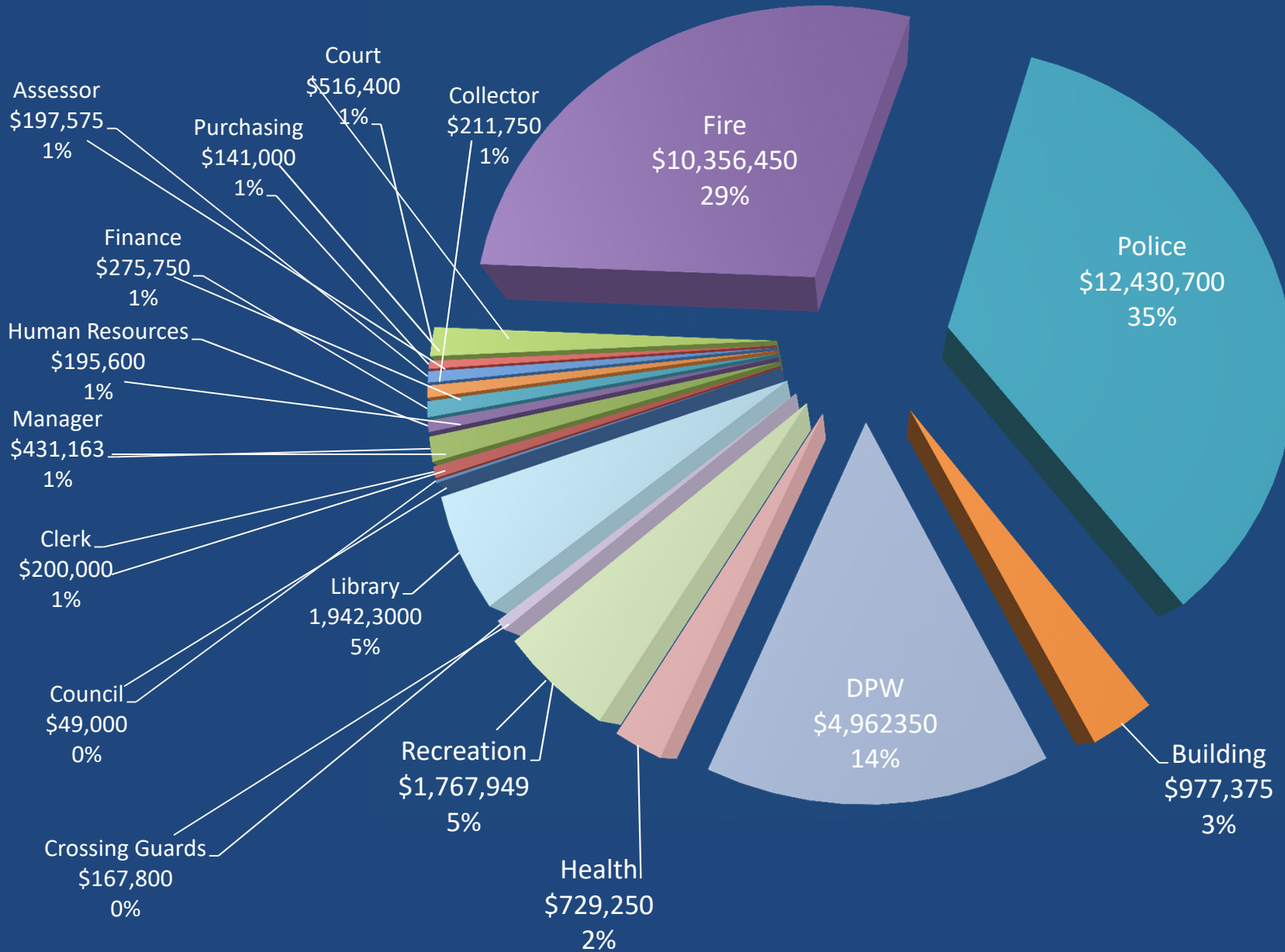
2017 Proposed Budget Budget Appropriation Categories

Total: \$70,414,762.26

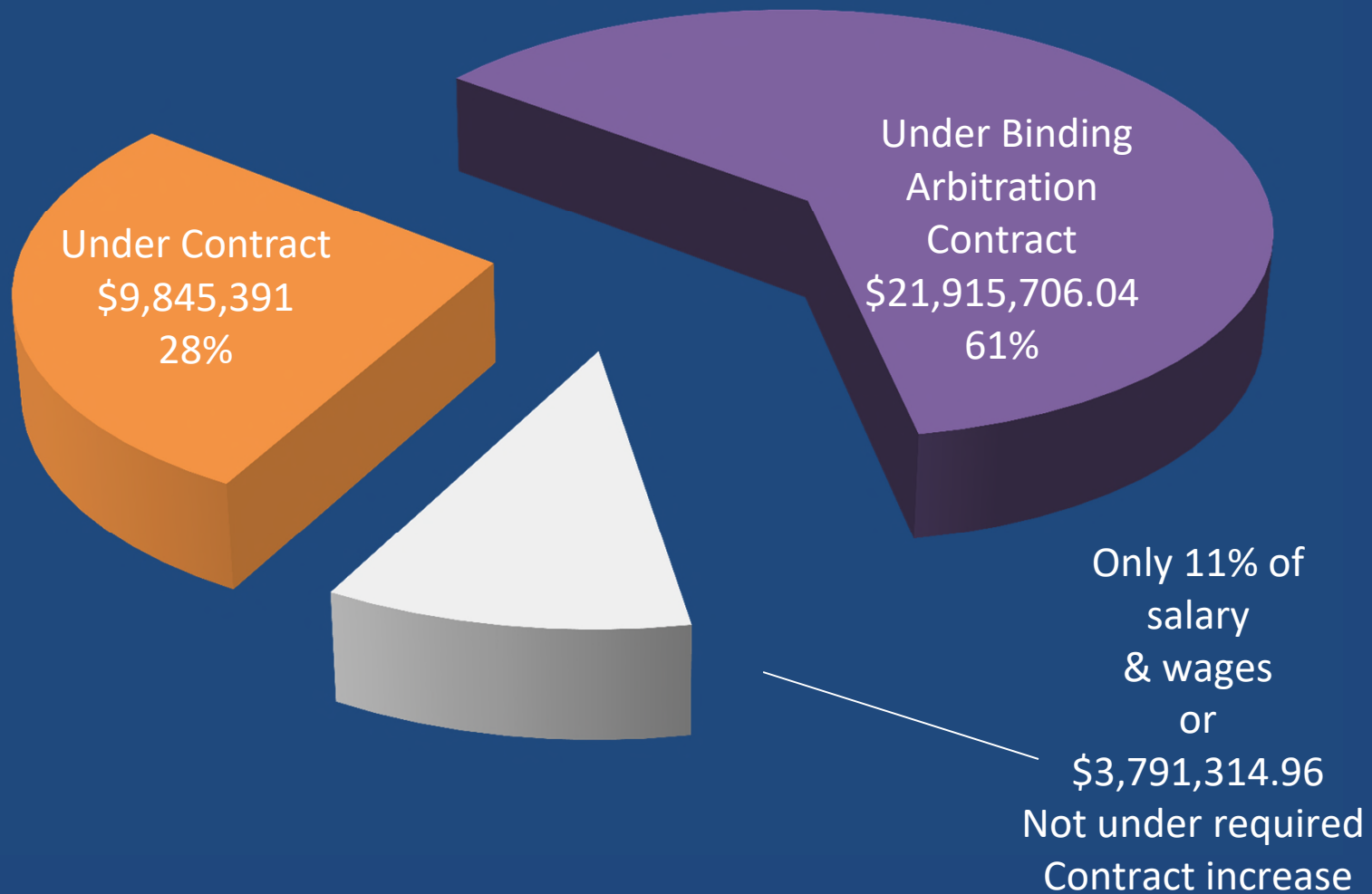


Proposed Salaries & Wages

Total: \$35,552,412



Salary & Wage Increases Required by Union Contract



Total: \$35,552,412.00

Collective Bargaining Agreements

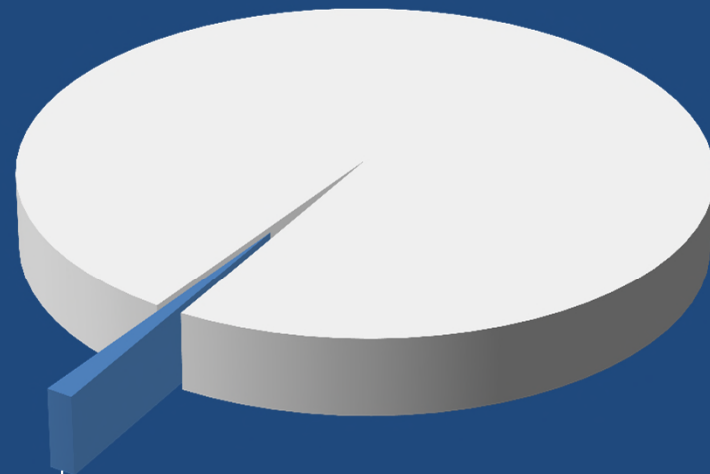
- SOA Exp. December 31, 2017
- PBA 215 Exp. December 31, 2017
- AFSCME Exp. December 31, 2015
- Library Exp. December 31, 2015
- DPW Supervisors Exp. December 31, 2015
- DPW Non-Supervisors Exp. December 31, 2015
- PFOA Local 242 Exp. December 31, 2017
- FMBA Local 42 Exp. December 31, 2016

Salaries and Wages Summary and Recommendations

Manager's Office

2017 Recommendations

- Fund Deputy Manager position



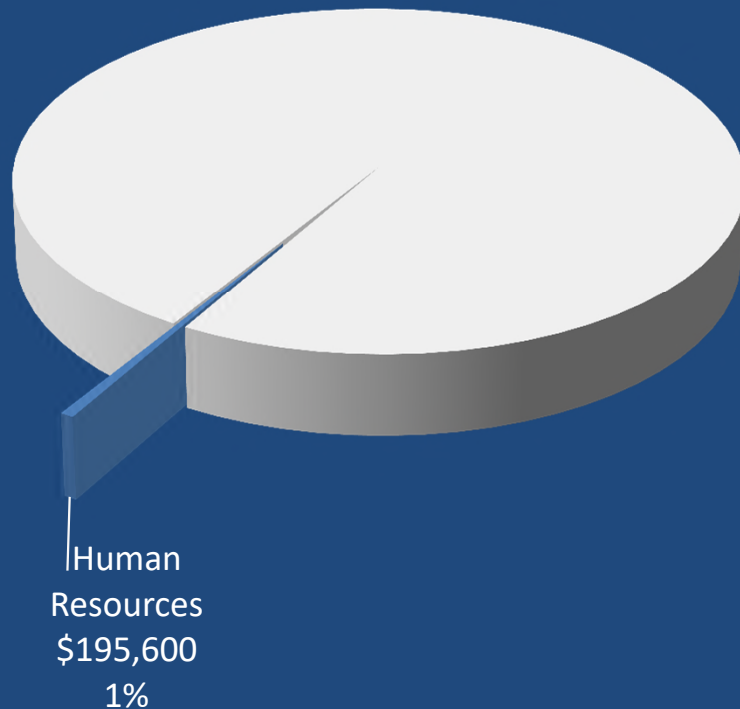
Manager
\$431,163
1%

Salaries and Wages Summary and Recommendations

Human Resources Department

2017 Recommendations

- Fund Personnel Technician Position



Salaries and Wages Summary and Recommendations

Terminal Leave Trust

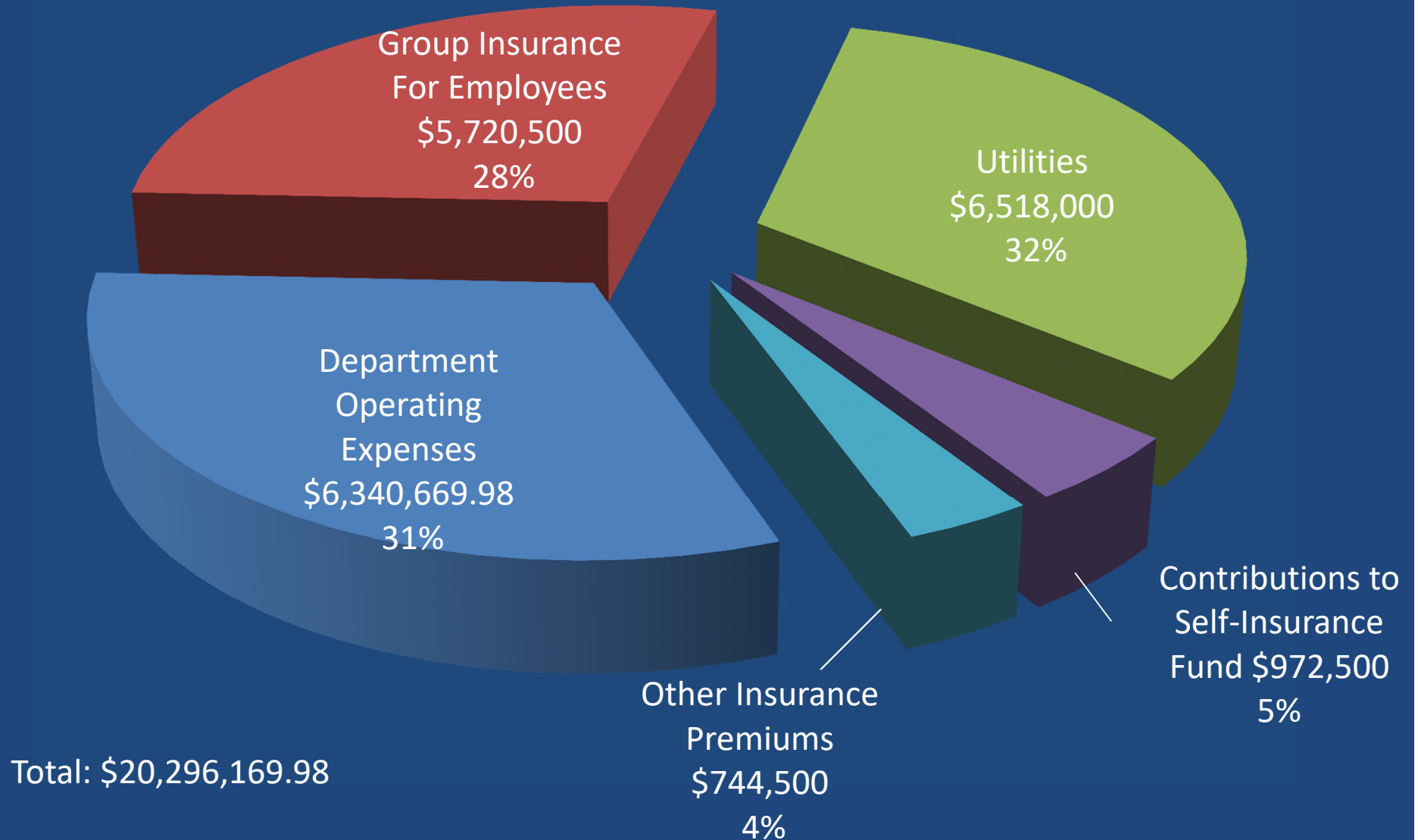
- Funding @ \$750k due to past and future retirement obligations

Salaries and Wages Summary and Recommendations

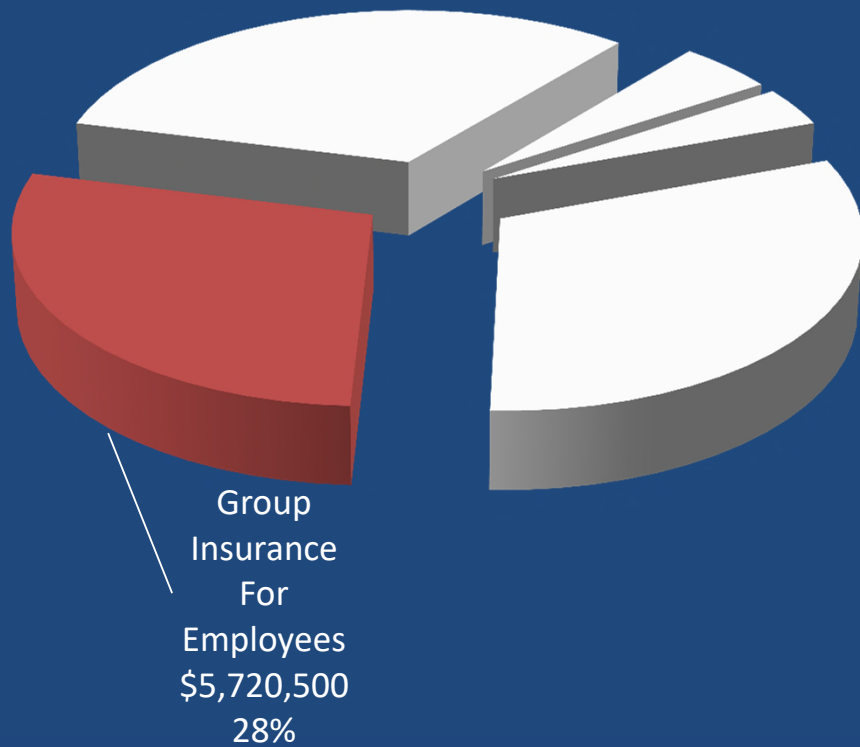
Overtime

Dept.	2017	2016	Change %	Spent
Fire	\$500,000	\$440,000	13.64%	\$472,773.94
DPW	\$326,400	\$326,400	0%	\$244,737.35
Police	\$600,000	\$500,000	20%	\$654,983.39

Appropriations Other Expenses



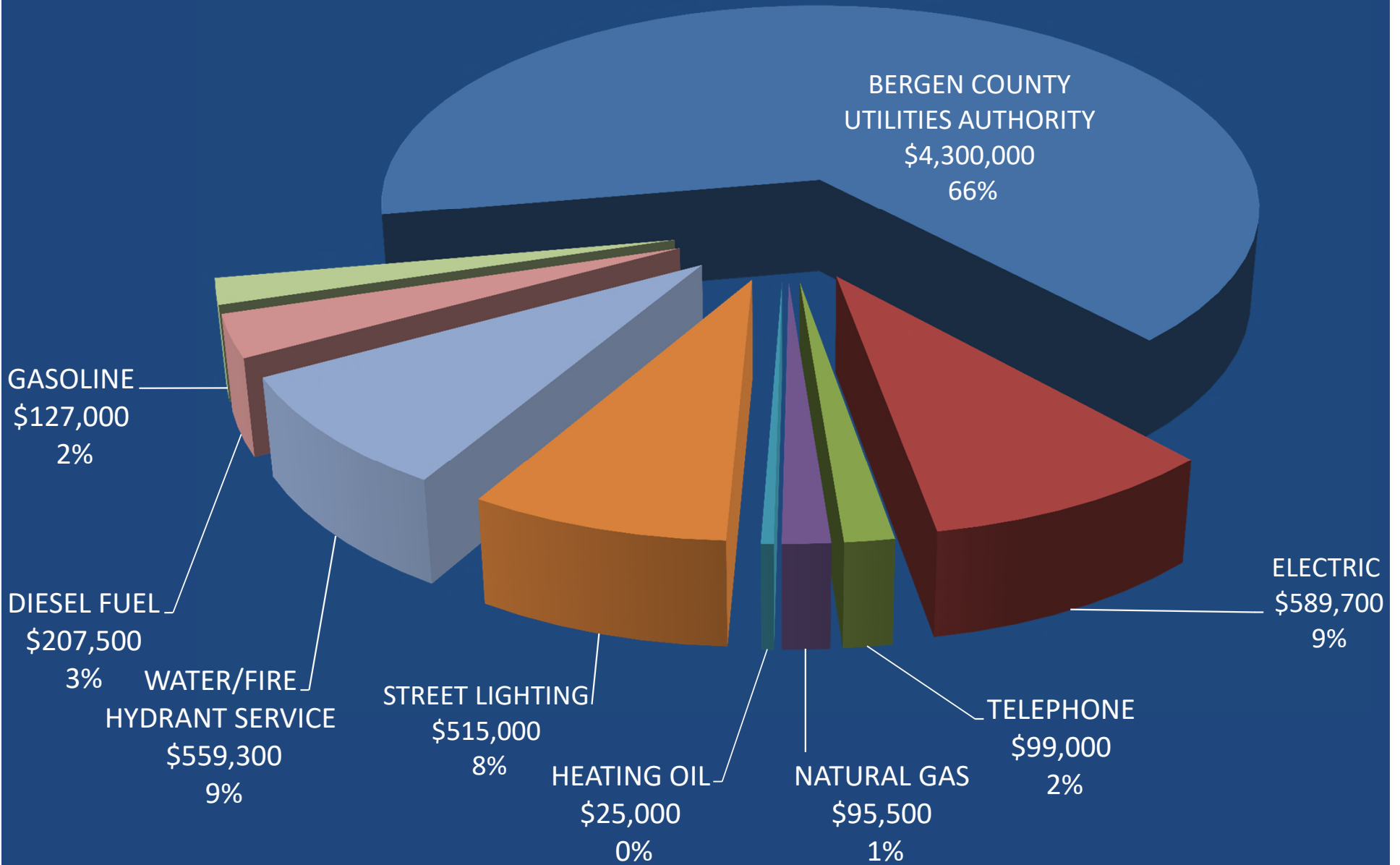
Group Insurance For Employees



- Net Increase 5.53% or \$300,000

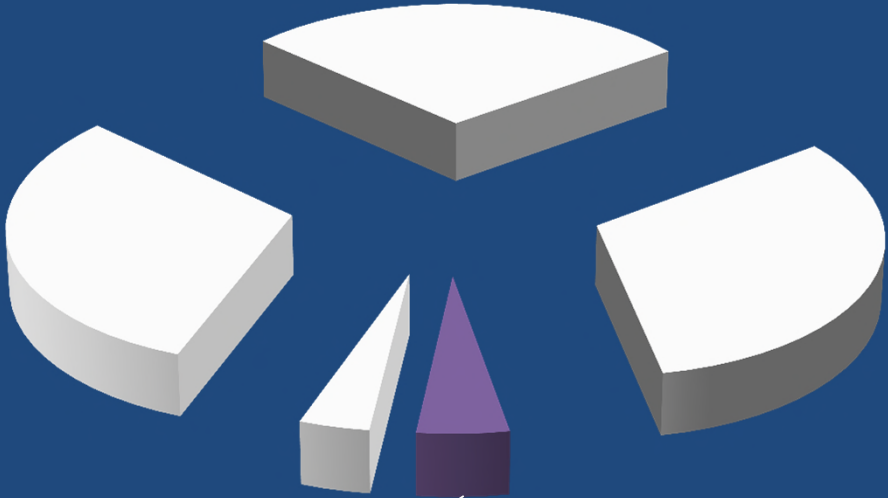
Utilities

Total: \$6,518,000



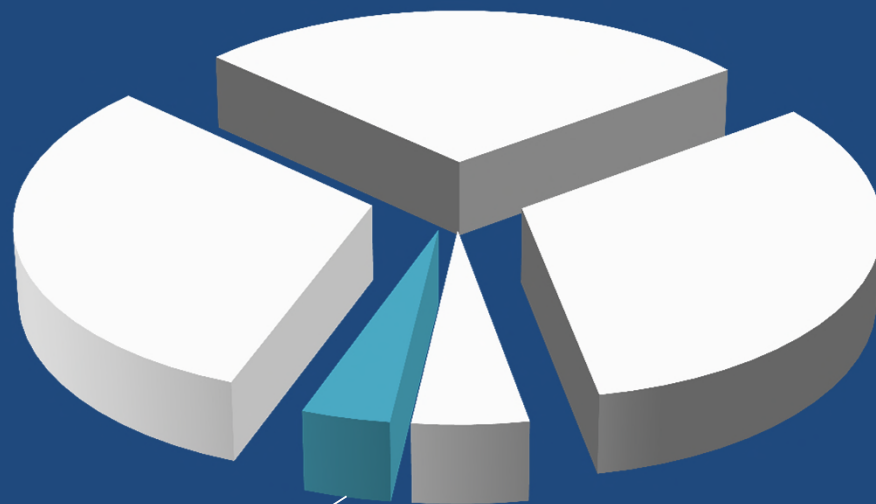
Contributions to Self-Insurance Fund

- No Change



Contributions
to Self-
Insurance
Fund
\$972,500
5%

Other Insurance Premiums

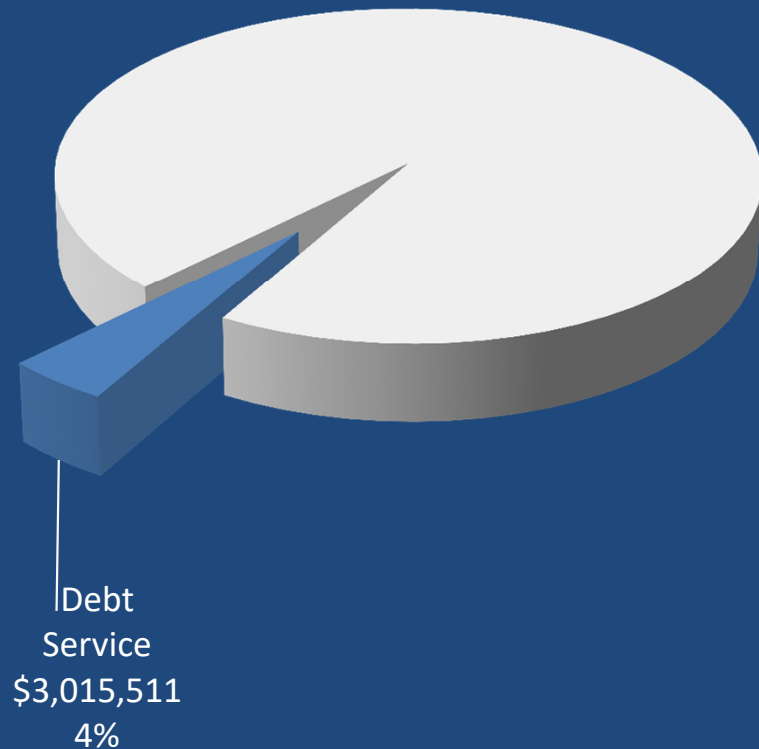


Other
Insurance
Premiums
\$744,500
4%

- PEJIF Premium
- Auto Liability and collision
- Employment Practices
- Public Officials
- Facilities
Increase – 3.73%

Debt Service

Debt Service



Highlights

- Note Principal increased \$88,667
- Bond principal increased \$228,632
- Bond Interest decreased \$5,121
- After certain reductions, total increase of \$313,172.56 in Debt Service

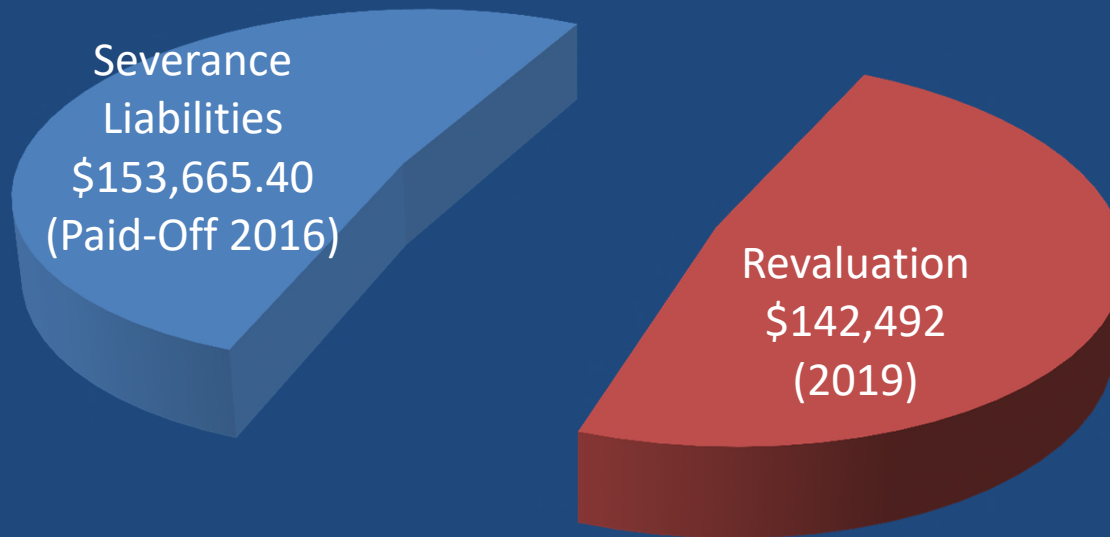
What are Special Emergency Appropriations?

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

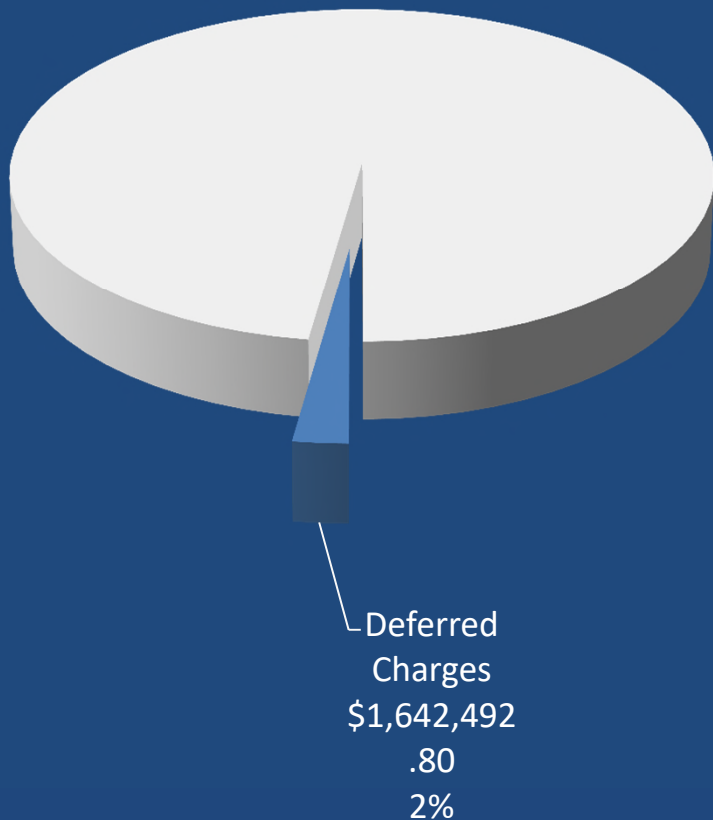
Budgeted Special Emergencies

Deferred Charges



Deferred Charges

Deferred Charges

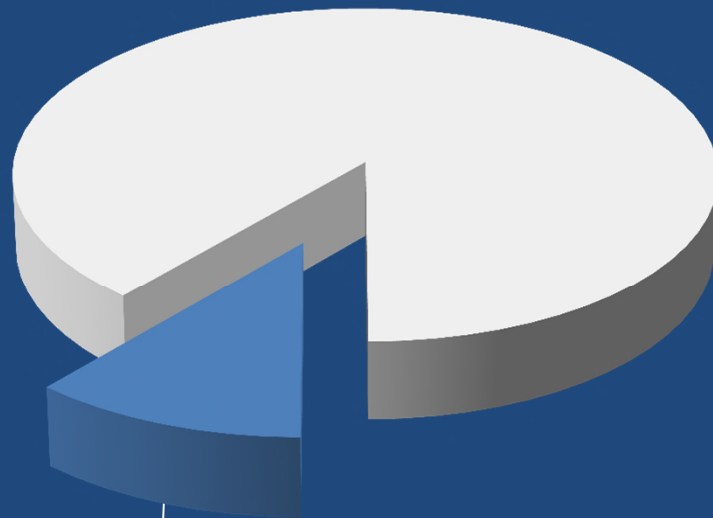


Tax appeal reserve of \$750,000 for 2017 appeals (State appeals 2016 \$519,978.35, County appeals \$12,563.67)

Number of appeals and potential refunds TBD

Statutory Expenditures

Statutory Expenditures



Statutory
Exp.
\$7,947,176.
48
11%

Major Adjustments

- PFRS increased \$603,180.48
- PERS Increased \$106,959
- Total line item increased \$710,589.97

Capital Improvement Fund

Total Cost of Improvements

\$11,240,560

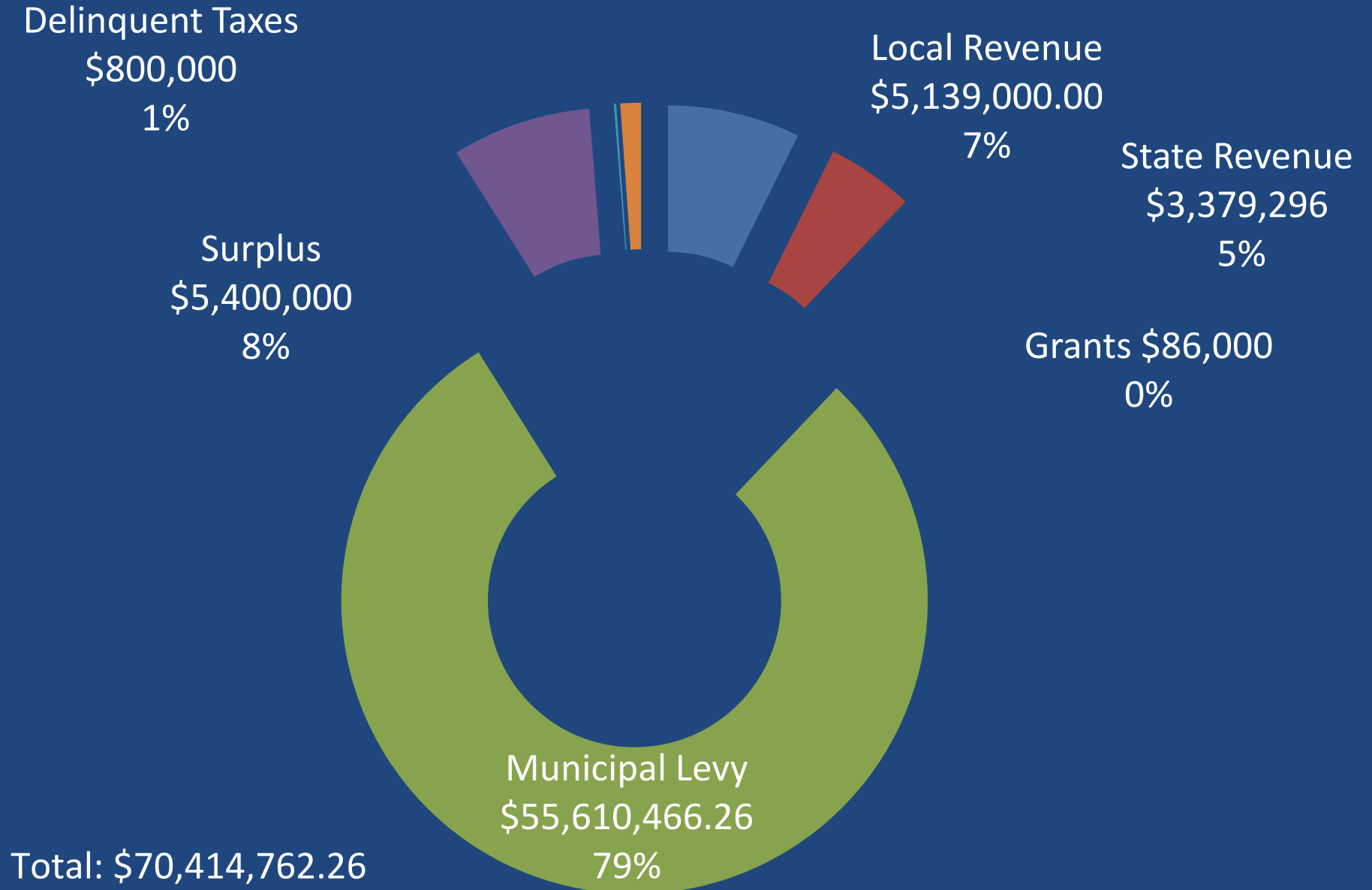
Capital Improvement Fund

\$315,000*

*Balance – existing capital funds & M.O.S.T

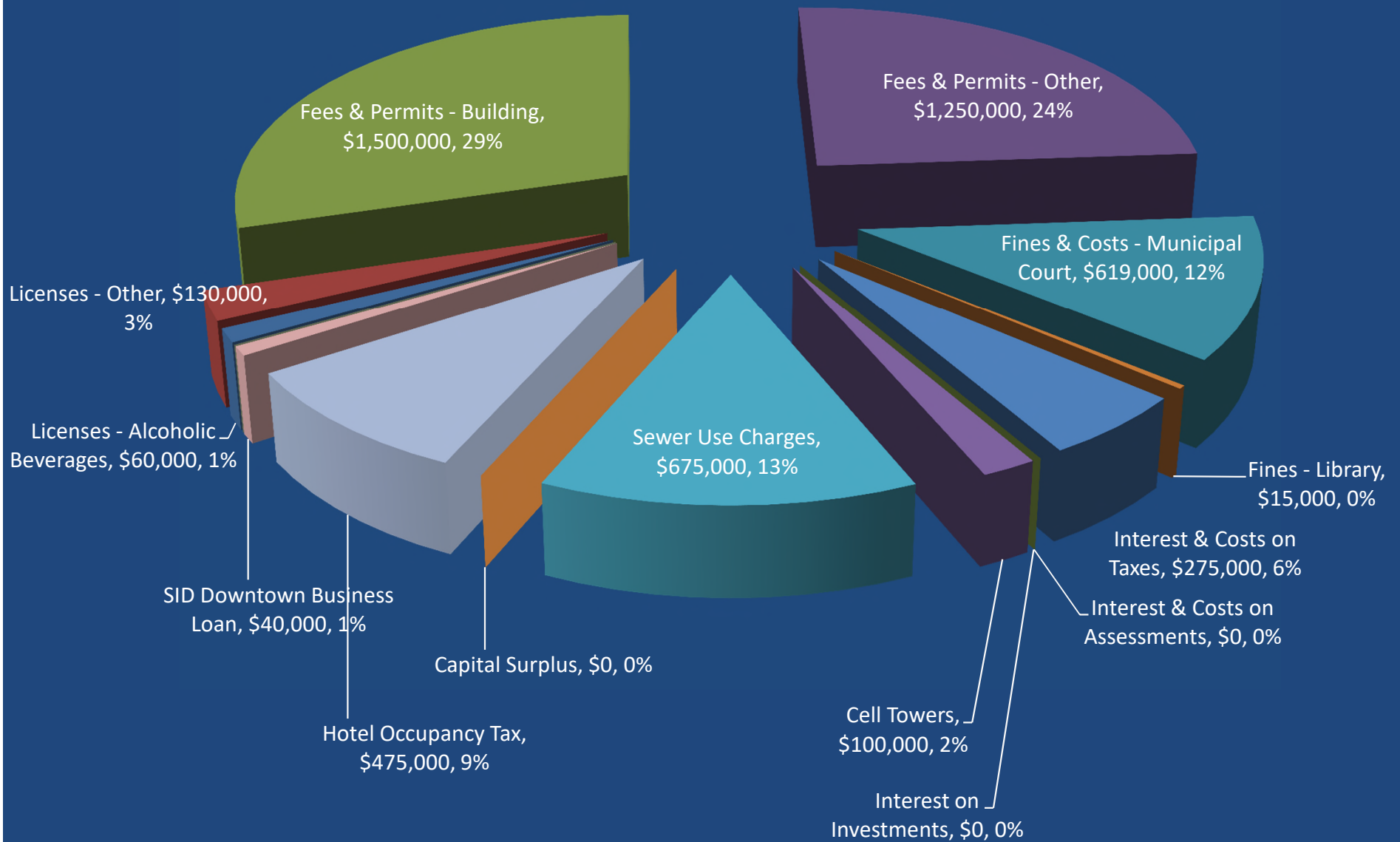
Capital Improvement Fund Review
February 23, 2017

Estimated Revenue



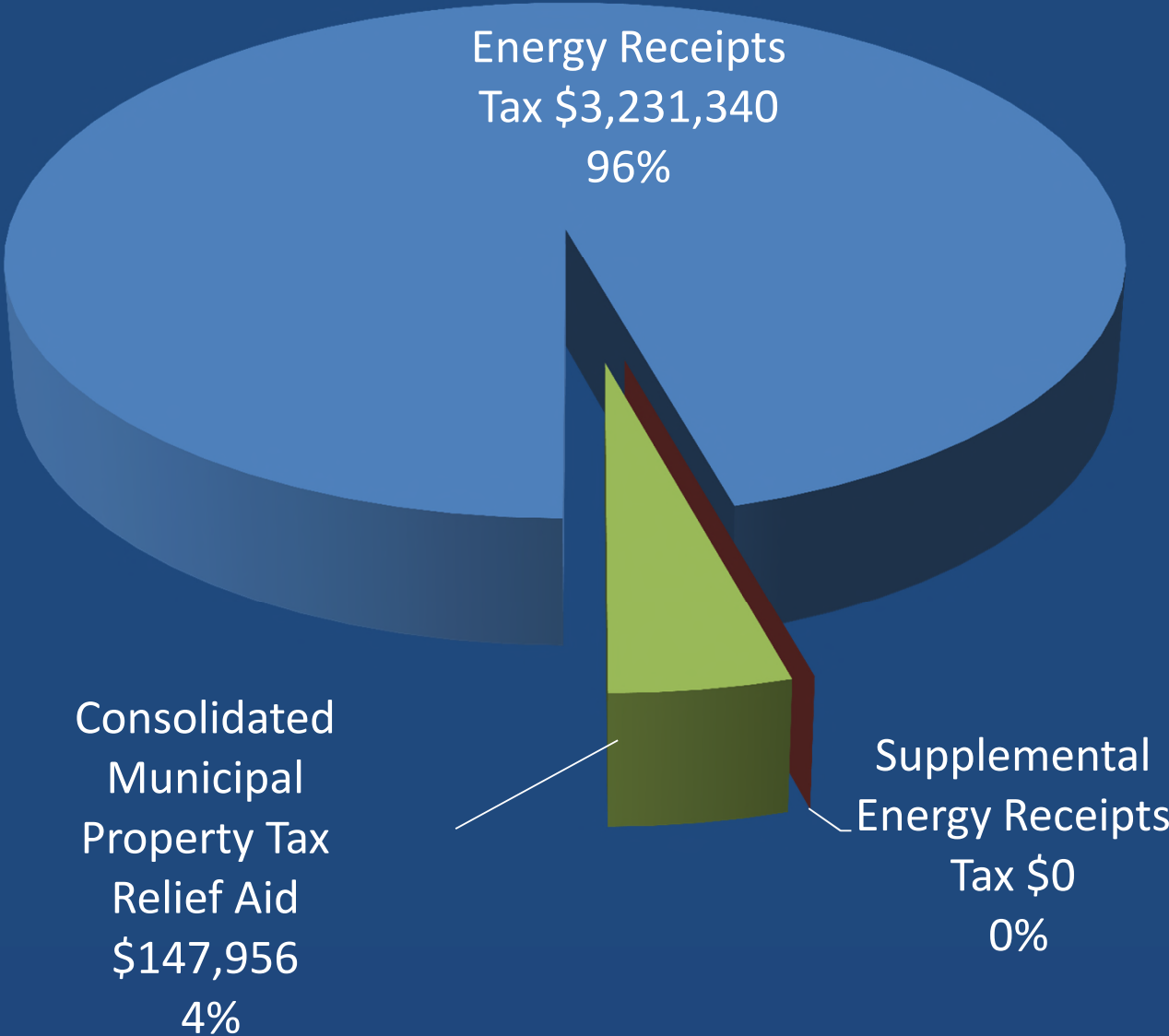
Estimated Local Revenue

Total: \$5,139,000



Estimated State Revenue

Total: \$3,379,296

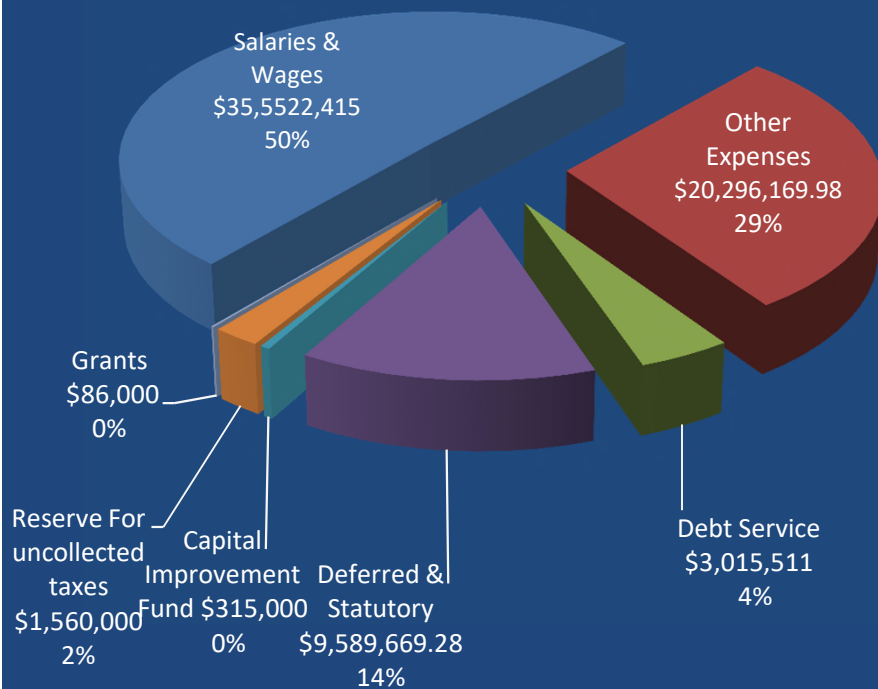


Factors Potentially Impacting Budget

- General state of economy
- Special Emergencies
- Glenpointe Tax Appeal (Unfunded)
- Impact of tax appeals (State/County)
- Interest rates/Bond Rating
- Reduced or flat state aid
- BCUA sewer
- Labor contract negotiations
- Severance Liabilities
- Pension Contributions
- Group Health Insurance
- Bail Reform
- Fund Balance

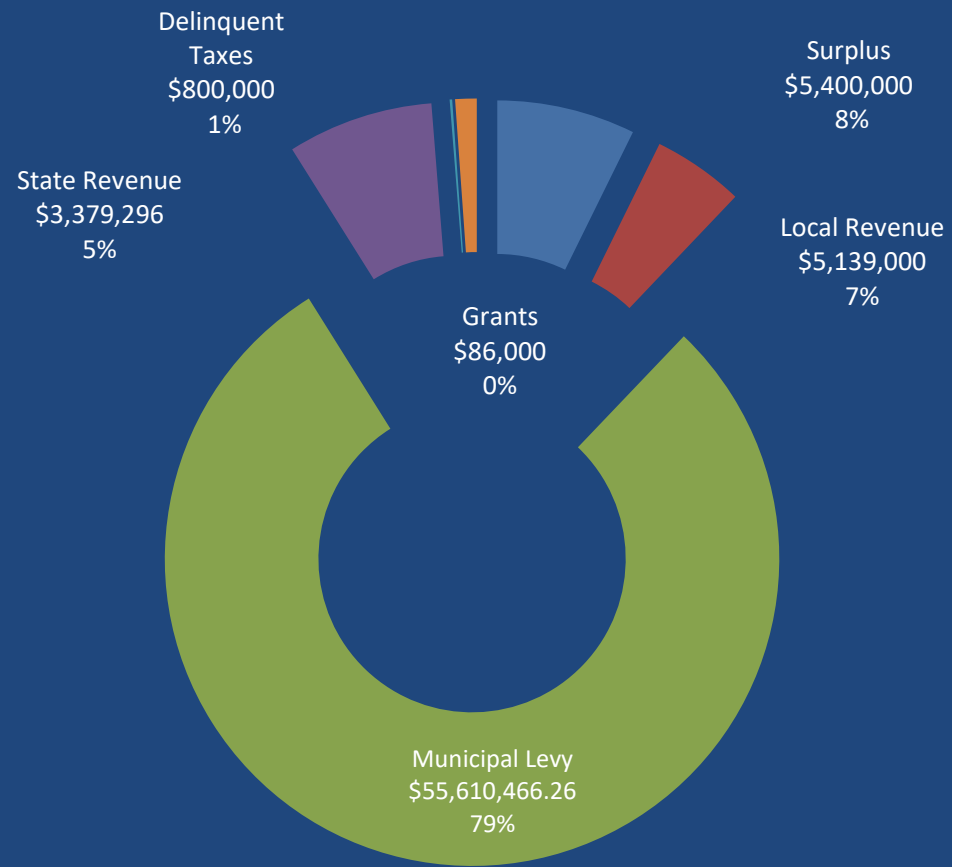
Budget Wrap - Up

Appropriations



Total: \$70,414,762.26

Revenue



Total: \$70,414,762.26

Strategies

Short & Long Term

- Develop Strategic Plan
- Shared services
- Cost containment/efficiency/technology
- Police/Fire/EMS Dispatch Consolidation
- Sale/development of selected municipally owned property
- Enhance ratables through business attraction and development
- Redevelopment of Alfred Avenue
- Fee Schedule revision

Upcoming Budget Meeting Tentative Agenda

Thursday, February 23, 2017

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

Upcoming Budget Meeting Tentative Agenda

March 2, 2017

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

Upcoming Budget Meeting Tentative Agenda

March 9, 2017

- 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!

