

**Township Manager's
Proposed
2018
Municipal Budget**

Proposed 2018 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/Auditor review
6. Manager's presentation to Council of proposed budget appropriations and estimated revenues

Proposed 2018 Municipal Budget

Budget Preparation Process

7. Council review and public hearings
8. CFO/Auditor's Revenue and tax levy cap projections
9. CFO/Auditor's review and recommendations
10. Manager's Budget to Council rev. statutory 2/16
11. Council introduction of budget by revised statutory date of 3/16 or next meeting (3/27)
12. Hearing and adoption of budget by revised statutory date of 4/20 or next meeting (30 day extension per Res. 18-2018 or next meeting – 5/29/2018)

Assumptions

2018 Budget is dependent upon:

- Council determination of 2018 Municipal Budget Appropriations
- Fund Balance (Surplus) available for 2018
- 2017 Municipal Revenues' Analysis and 2018 Revenue Anticipations
- State Aid allocations for 2018
- BCUA Sewer Increase estimated at 2.00%

Proposed 2018 Municipal Budget

Proposed levy increase 3.41% or \$1,870,993.24

Proposed appropriations increase 0.29% or \$201,615.52

Estimated annual tax increase:

Average home assessed at \$382,295

Increase in Taxes

Per year: \$128.25

Per month: \$10.69

Tax Levy = Budget Appropriations Minus Revenues

Possible Appropriations Cap Issue

No Tax Levy Cap Issue Expected

2018 Budget Preemptive Action

- Cancelled \$690,000 in unexpended 2017 appropriations (Res. 28-2018)

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

Known Impacts on 2018 Budget

- Less Construction Code Fees Realized vs. Anticipated (\$723,446 reduction)
- Lower Fund Balance (Decreased from \$8,299,832.23 to \$6,139,797.24 (Difference of \$2,160,034.99))
- Appropriations Cap limitations (Did not adopt the cap bank in 2015 and 2016)

How We Arrived at 3.41%

- Cancellation of \$690,000 in 2017 appropriations
- Removed Capital Improvement Fund contribution of \$300,000 (existing funds/open space funds)
- Utilization of Snow Removal Trust Fund (\$190,000)
- Obtain permanent financing on debt obligations to save \$491,000 in note payments
- Reduced Tax Appeal Reserve by \$200,000

Tax Levy Increase Comparison

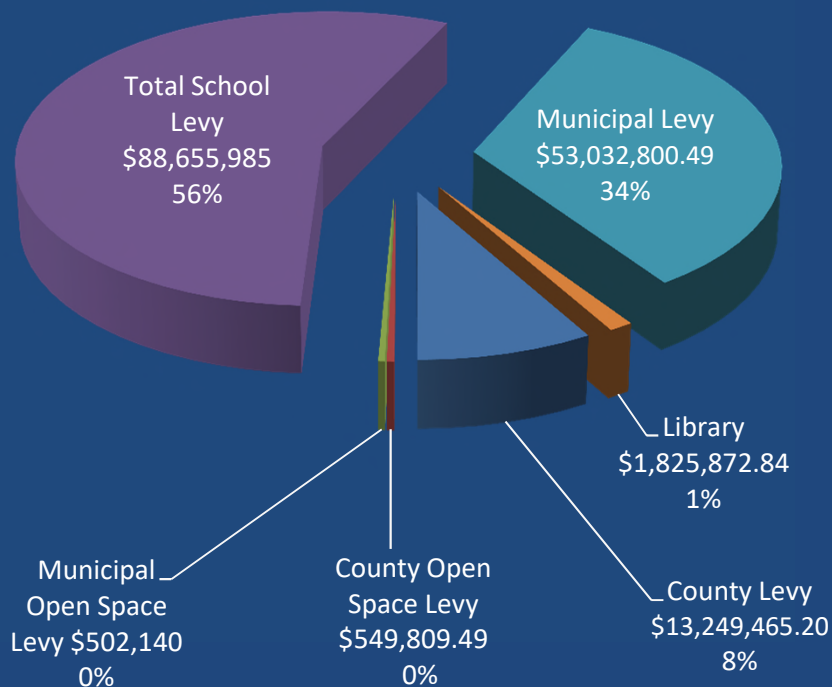
- 2009 Tax Levy Increase was 5.2%
- 2010 Tax Levy Increase was 4.8%
- 2011 Tax Levy Increase was 2.9%
- 2012 Tax Levy Increase was 0%
- 2013 Tax Levy Increase was 3.77%
- 2014 Tax Levy Increase was 3.11%
- 2015 Tax Levy Increase was 0%
- 2016 Tax Levy Decrease was -0.37%
- 2017 Tax Levy Increase was 0%
- 2018 Tax Levy Increase proposed is 3.41%



2017 Tax Breakdown

Tax Breakdown

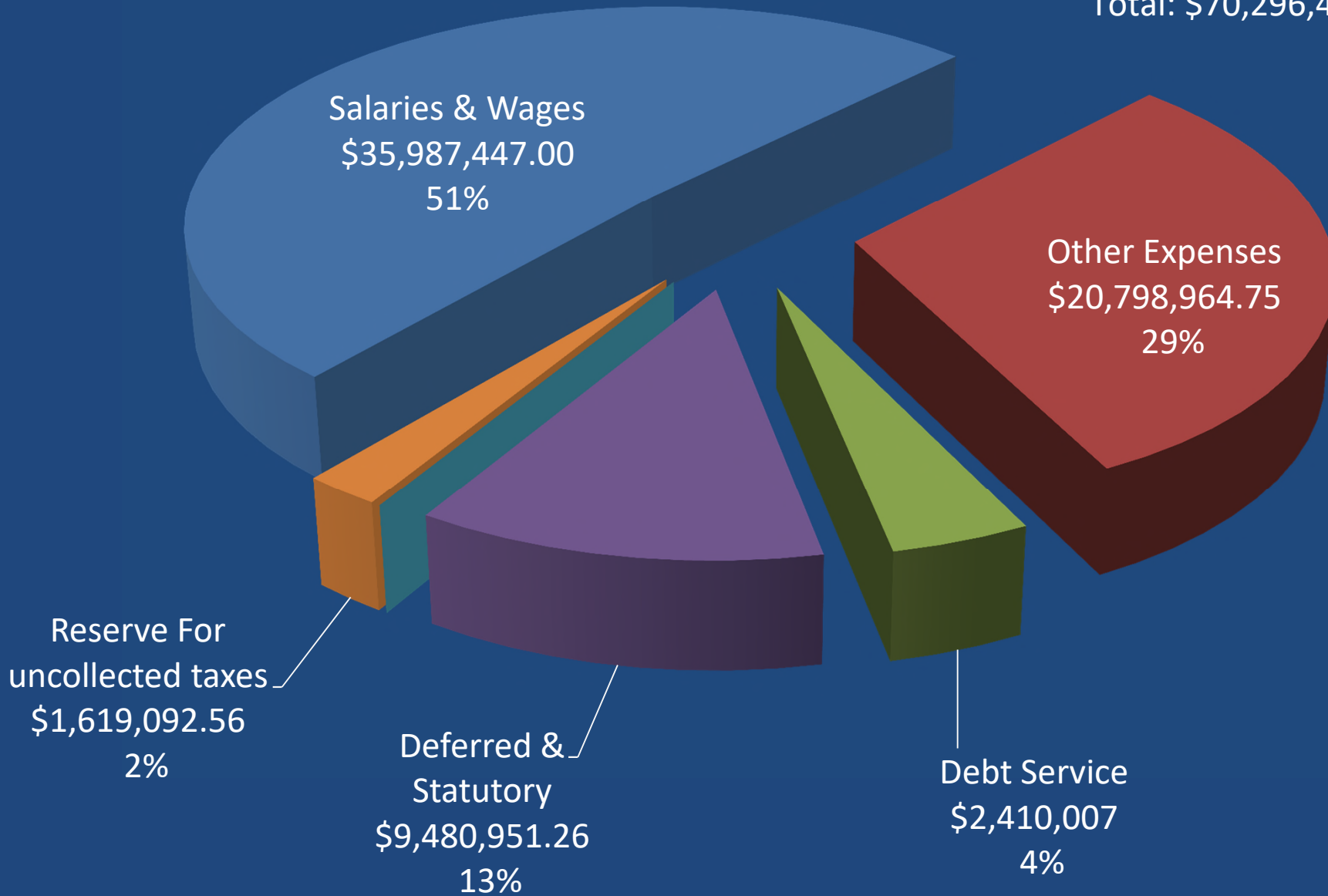
**Total Property Taxes:
\$157,816,073.20**



- 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

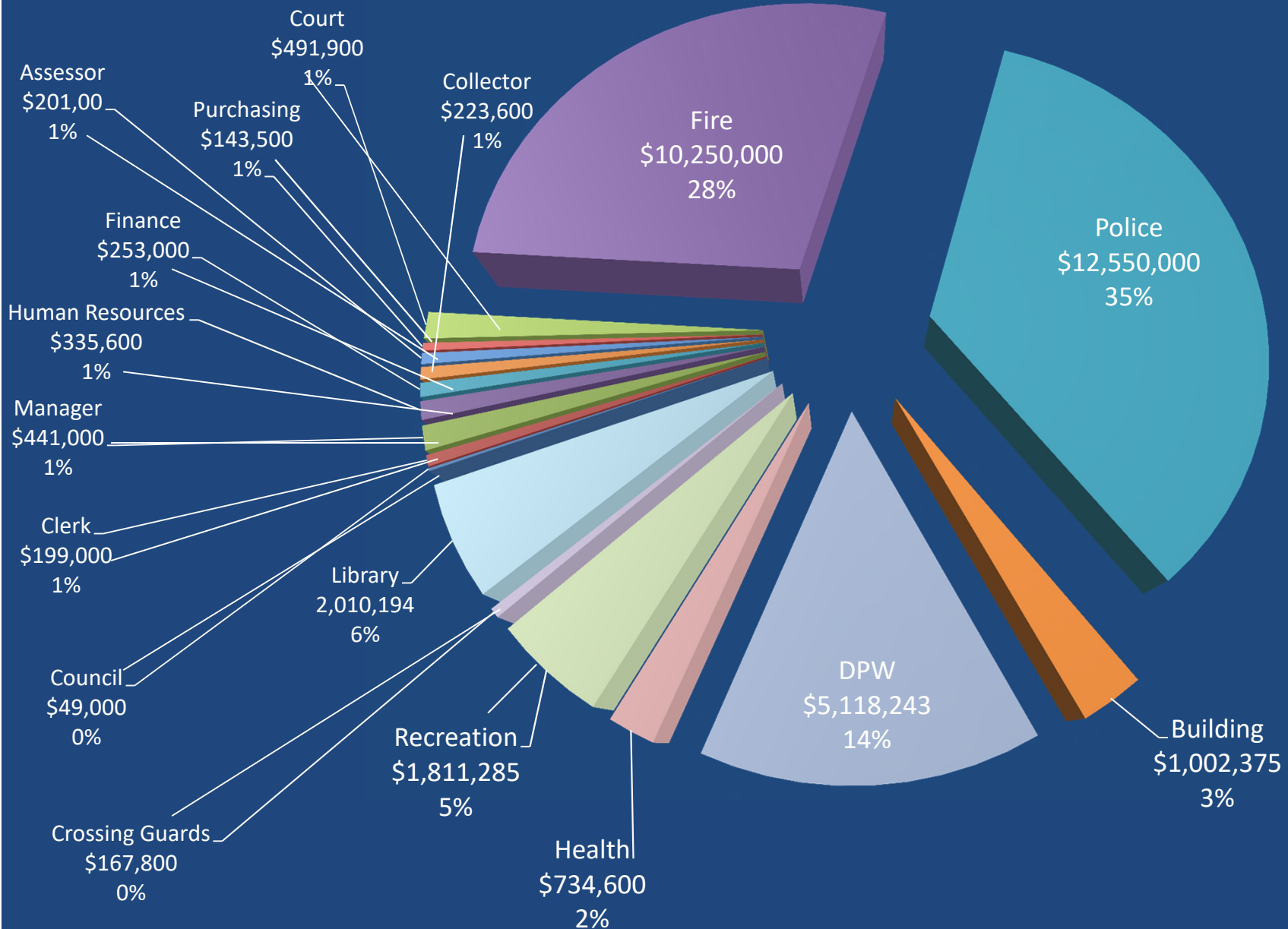
2018 Proposed Budget Budget Appropriation Categories

Total: \$70,296,462.57

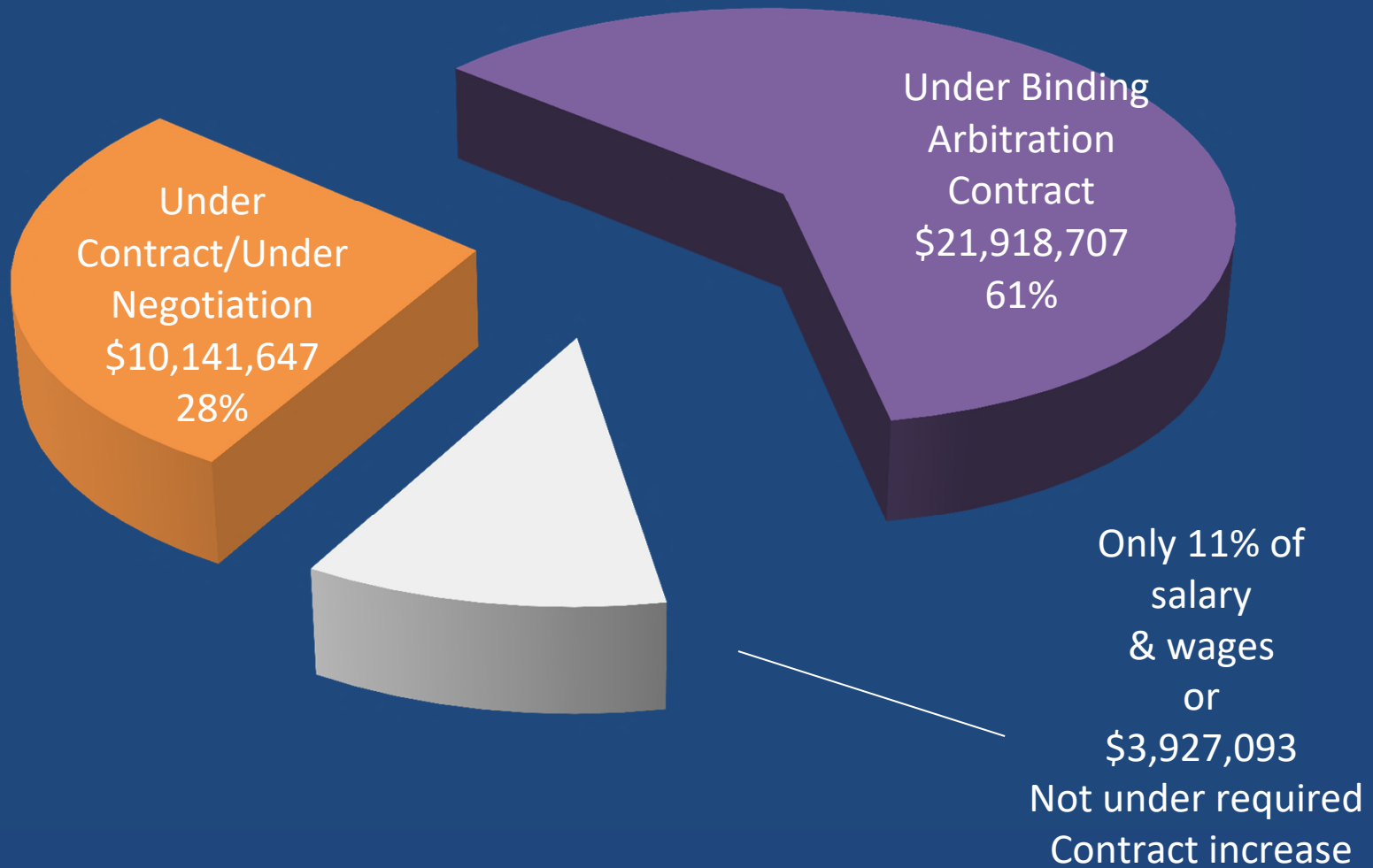


Proposed Salaries & Wages

Total: \$35,987,447



Salary & Wage Increases Required by Union Contract



Total: \$35,987,447

Collective Bargaining Agreements

- SOA Exp. December 31, 2017
- PBA 215 Exp. December 31, 2017
- AFSCME Exp. December 31, 2019
- Library Exp. December 31, 2019
- 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

*MOU forthcoming in 2018 for contract renewal through 12/31/20

Salaries and Wages Summary and Recommendations

Terminal Leave Trust

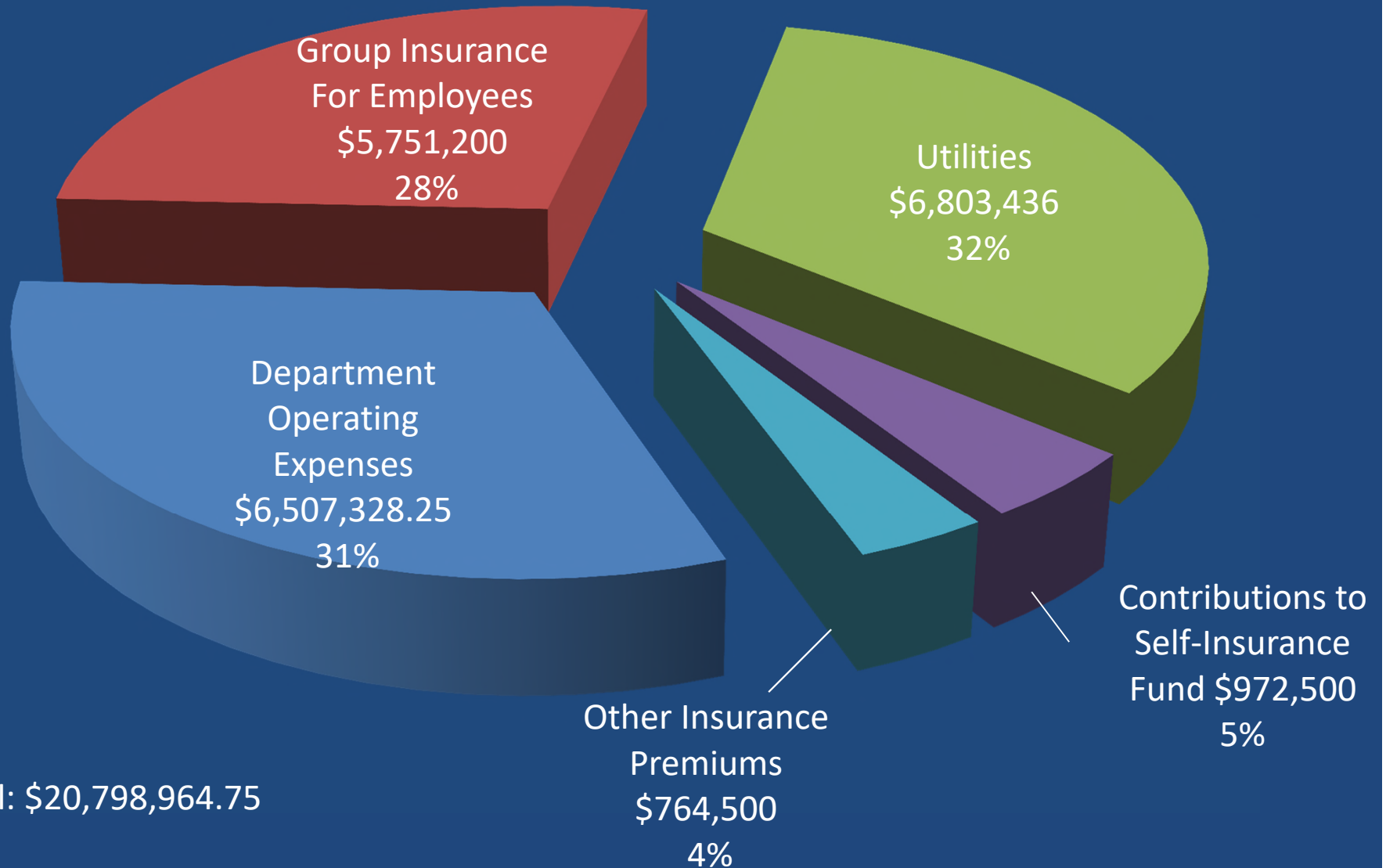
- Funding @ \$750k due to past and future retirement obligations

Salaries and Wages Summary and Recommendations

Overtime

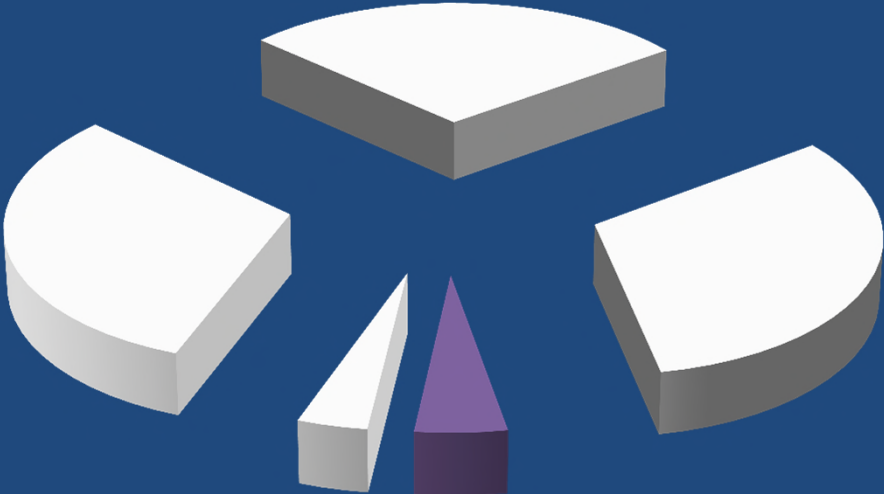
Dept.	2018	2017	Change %	Spent
Fire	\$500,000	\$500,000	0%	\$422,939.40
DPW	\$326,400	\$326,400	0%	\$318,953.64
Police	\$600,000	\$600,000	0%	\$618,608.47

Appropriations Other Expenses



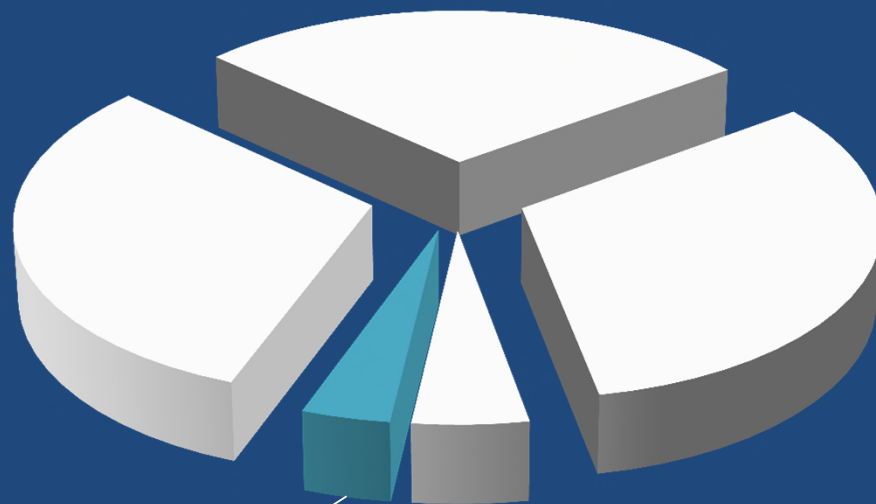
Contributions to Self-Insurance Fund

- No Change



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

Other Insurance Premiums



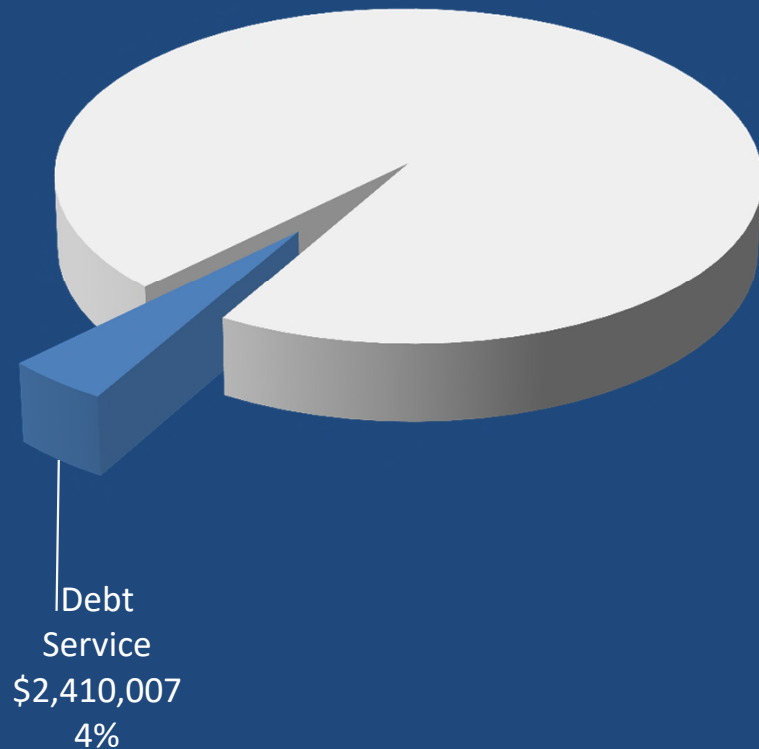
Other
Insurance
Premiums
\$764,500
4%

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

Debt Service

Debt Service

Highlights



- Will seek to permanently finance debt obligations to make a budget reduction in 2018 for principal payments on notes

What are Special Emergency Appropriations?

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

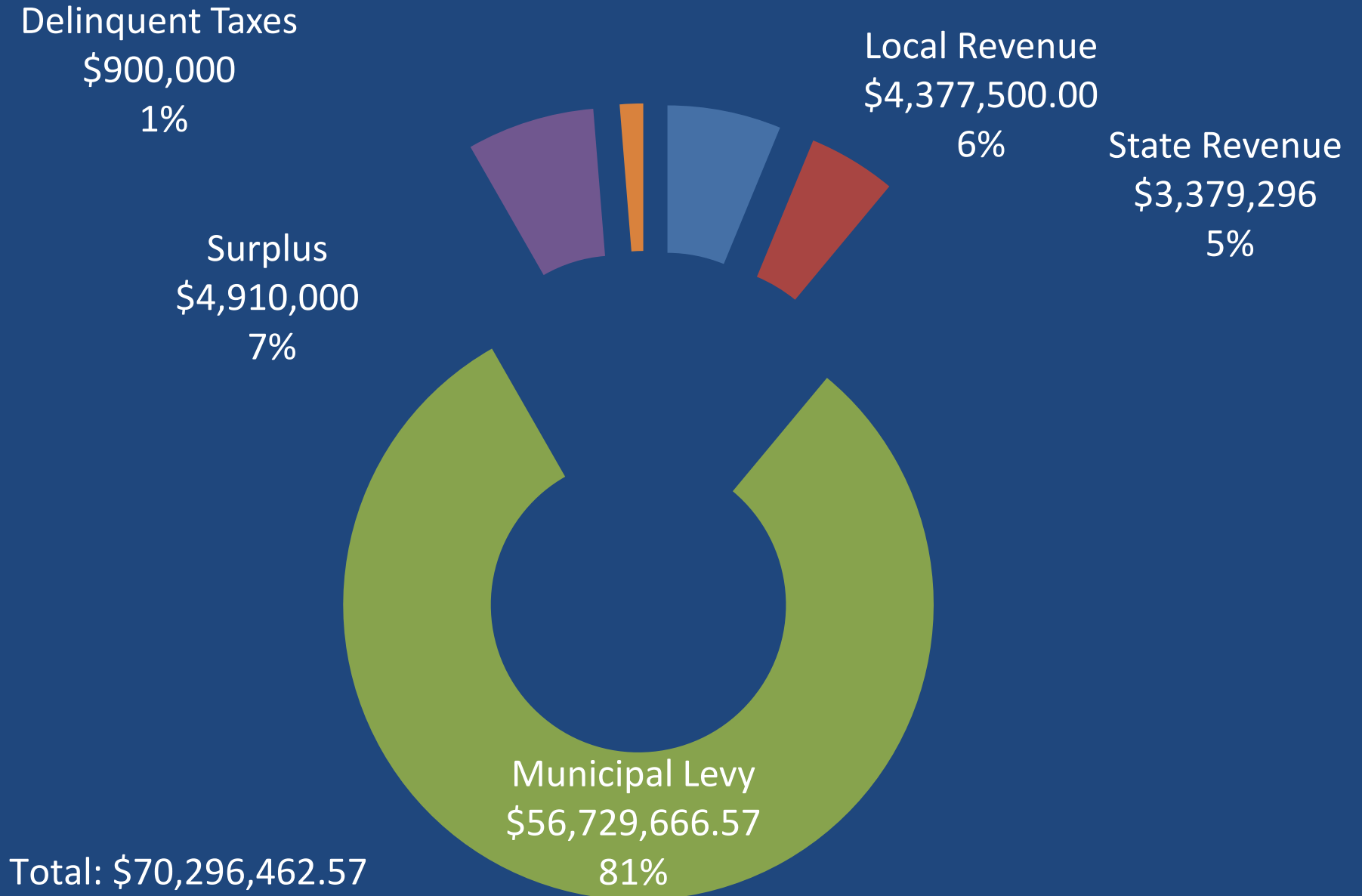
- Preparation of Tax Maps
- Revaluation
- Codification of Ordinances
- Preparation of Master Plan
- Drainage Maps/Flood Control
- Engineering/Planning of Sanitary Sewer System
- Municipal Consolidation
- Severance Liabilities
- Preparation of Sanitary/Storm System Map
- Tax Appeal Refunds

Budgeted Special Emergencies

Deferred Charges

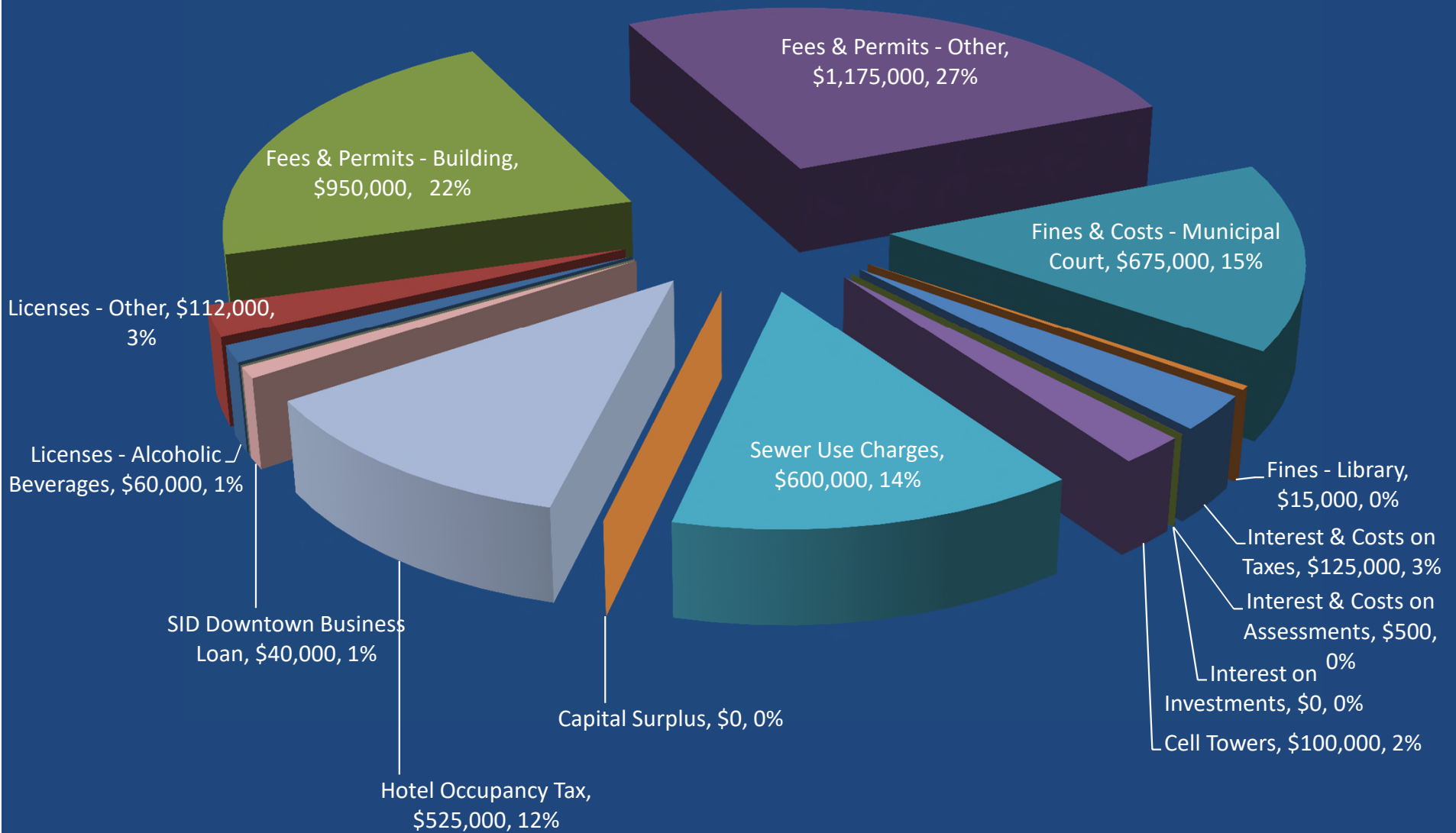


Estimated Revenue



Estimated Local Revenue

Total: \$4,377,500

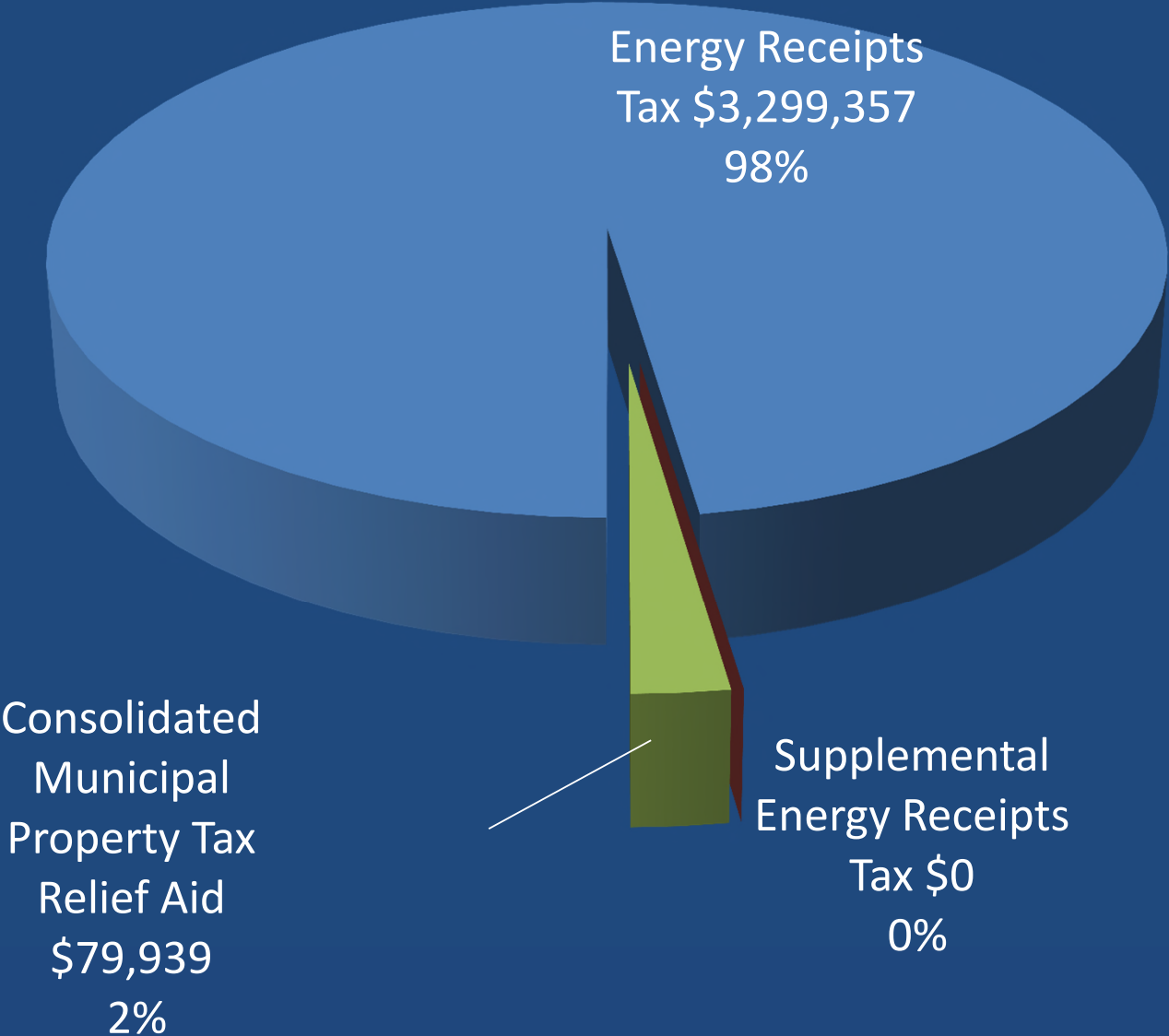


Construction Code Fees

- Revenue down \$700K+
- Canceled appropriations by ~\$700K

Estimated State Revenue

Total: \$3,379,296

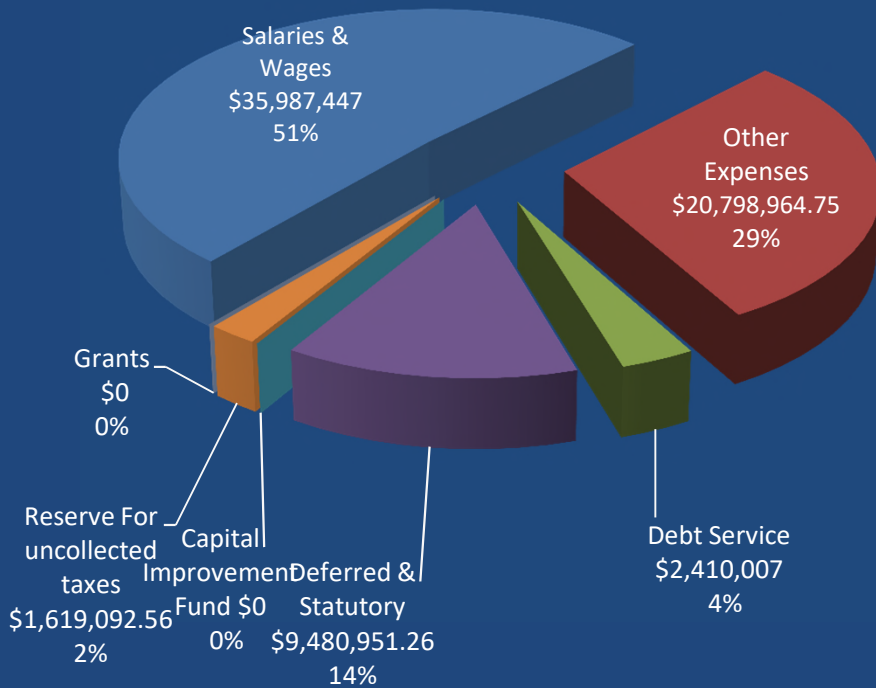


Factors Potentially Impacting Budget

- 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

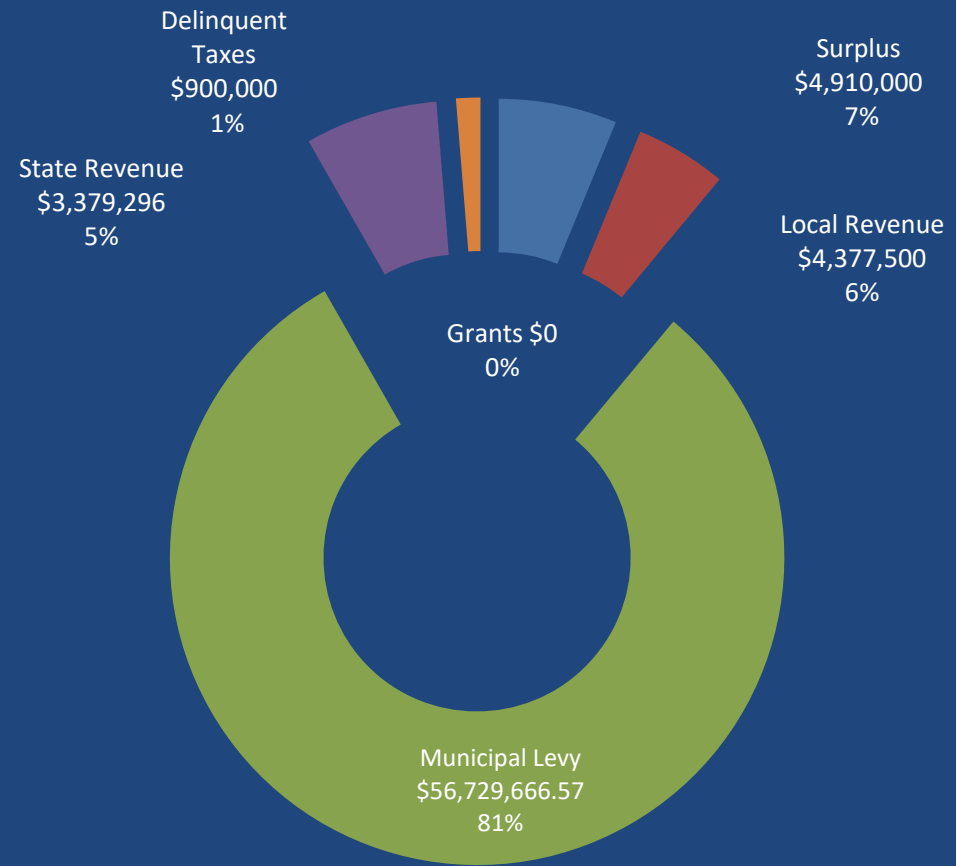
Budget Wrap - Up

Appropriations



Total: \$70,296,462.57

Revenue



Total: \$70,296,462.57

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 22, 2018

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

Upcoming Budget Meeting Tentative Agenda

March 1, 2018

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

Upcoming Budget Meeting Tentative Agenda

March 8, 2018

- 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!

