

**Township Manager's
Proposed
2016
Municipal Budget**

Proposed 2016 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 2016 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 3/18
11. Hearing and adoption of budget by revised statutory date of 4/22 or next meeting

Assumptions

2016 Budget is dependent upon:

- Council determination of 2016 Municipal Budget Appropriations
- Fund Balance (Surplus) available for 2016
- 2015 Municipal Revenues' Analysis and 2016 Revenue Anticipations
- State Aid allocations for 2016
- BCUA Sewer Increase estimated at 2.18%

Proposed 2016 Municipal Budget

Proposed levy increase 2.26% or \$1,244,683.00

Proposed appropriations decrease 2.36% or \$1,673,029.37

Estimated annual tax increase:

Average home assessed at \$377,800

Increase in Taxes

Per year: \$95

Tax Levy = Budget Appropriations Minus Revenues

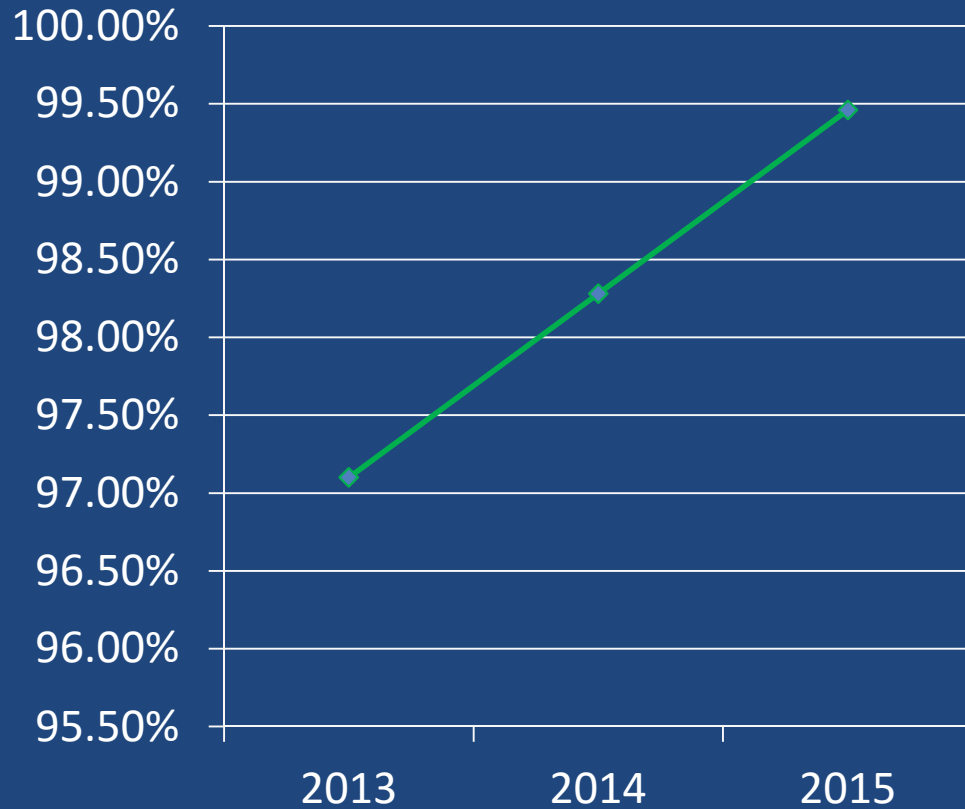
No Tax Levy Cap Issue Expected

2016 Budget Preemptive Action

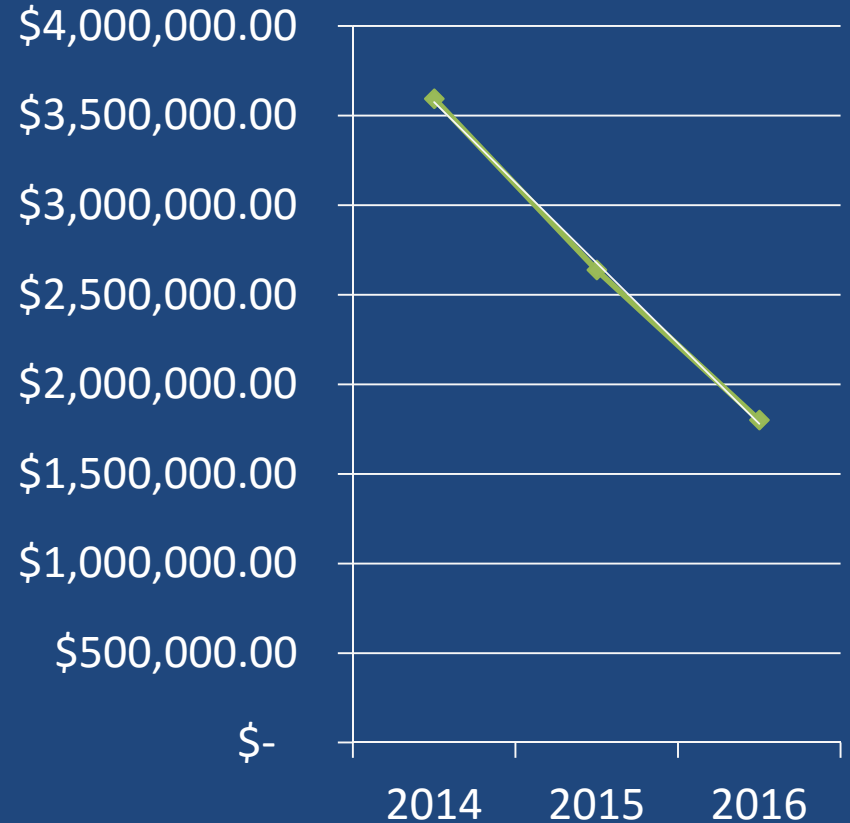
- Estimated levy increase 2016 – 5.00%
- 2016 Tax Sale Date Moved to January 4th
- Tax collection percentage
2013 (97.10%), 2014 (98.28%) 2015 (99.46%)
- Reserve for uncollected taxes (RUT)
2014 (\$3,593,708.93), 2015 (\$2,707,885.14),
2016 (\$1,800,00.00)
- Difference \$907,885.14 (RUT- 33.53%)

2016 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 Decrease \$1,673,029.37

Category	Increase/ (Decrease)
Reserve for Uncollected Taxes	(\$907,885.14)
Other Expenses (Tab 5 less Statutory, Debt Service, Deferred Charges, and Capital Funds)	(\$418,525.38)
Debt Service/Debt Management Plan	\$16,823.85
Statutory Expenditures (Tax Refunds) Deferred Charges (Assessment) (PFRS, PERS, SS)	(\$969,692.43)
Capital Improvement Plan	\$225,550
Salaries and Wages	\$380,699.73

What are Special Emergency Appropriations?

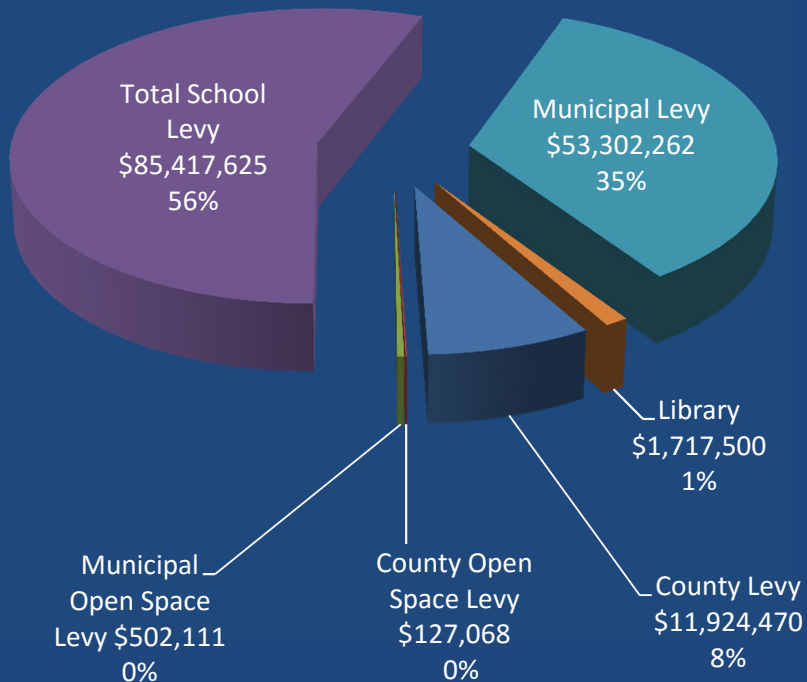
Per N.J.S.A. 40A:4-53:

- 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

2015 Tax Breakdown

Tax Breakdown

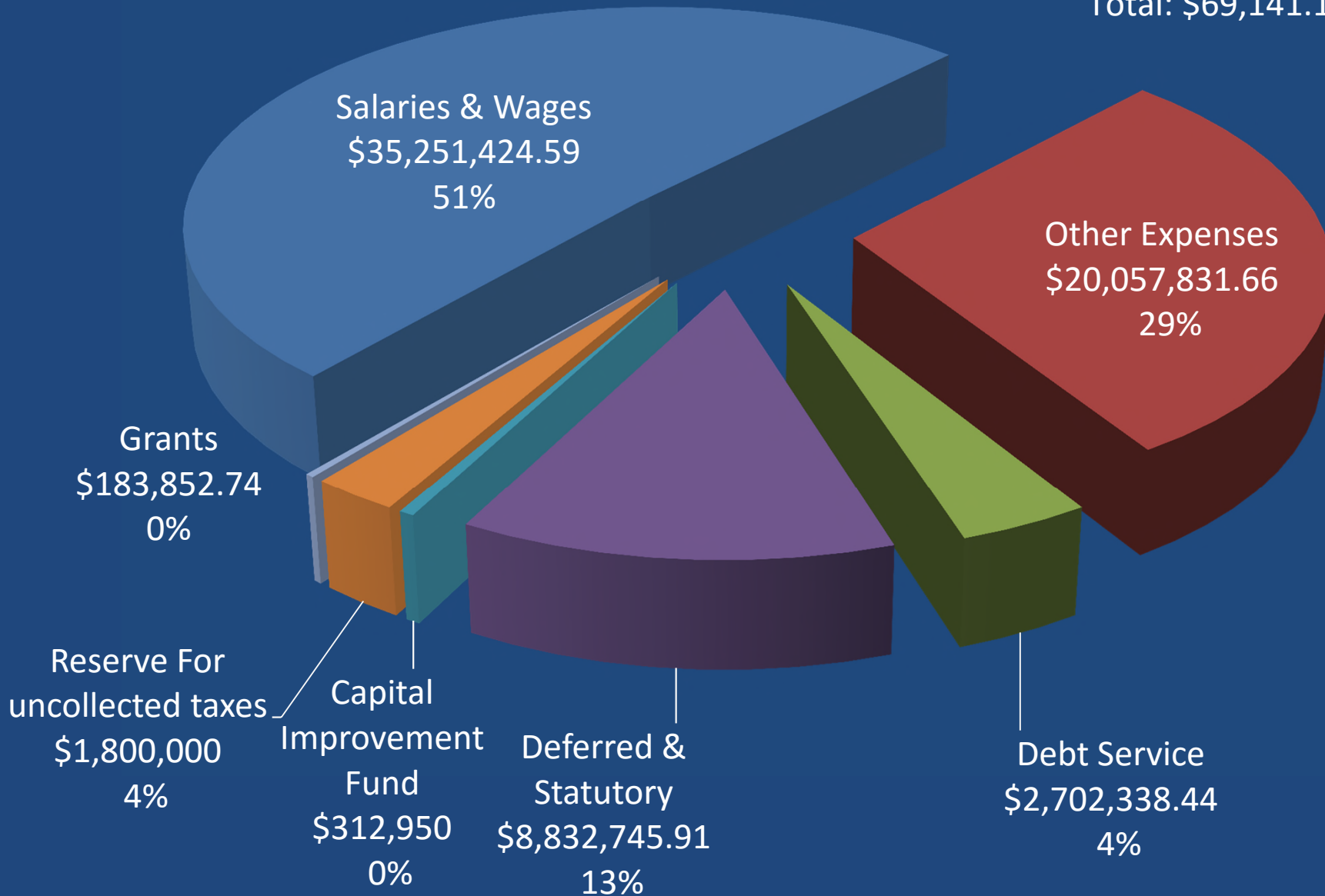
**Total Property Taxes:
\$152,991,035.94**



- 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

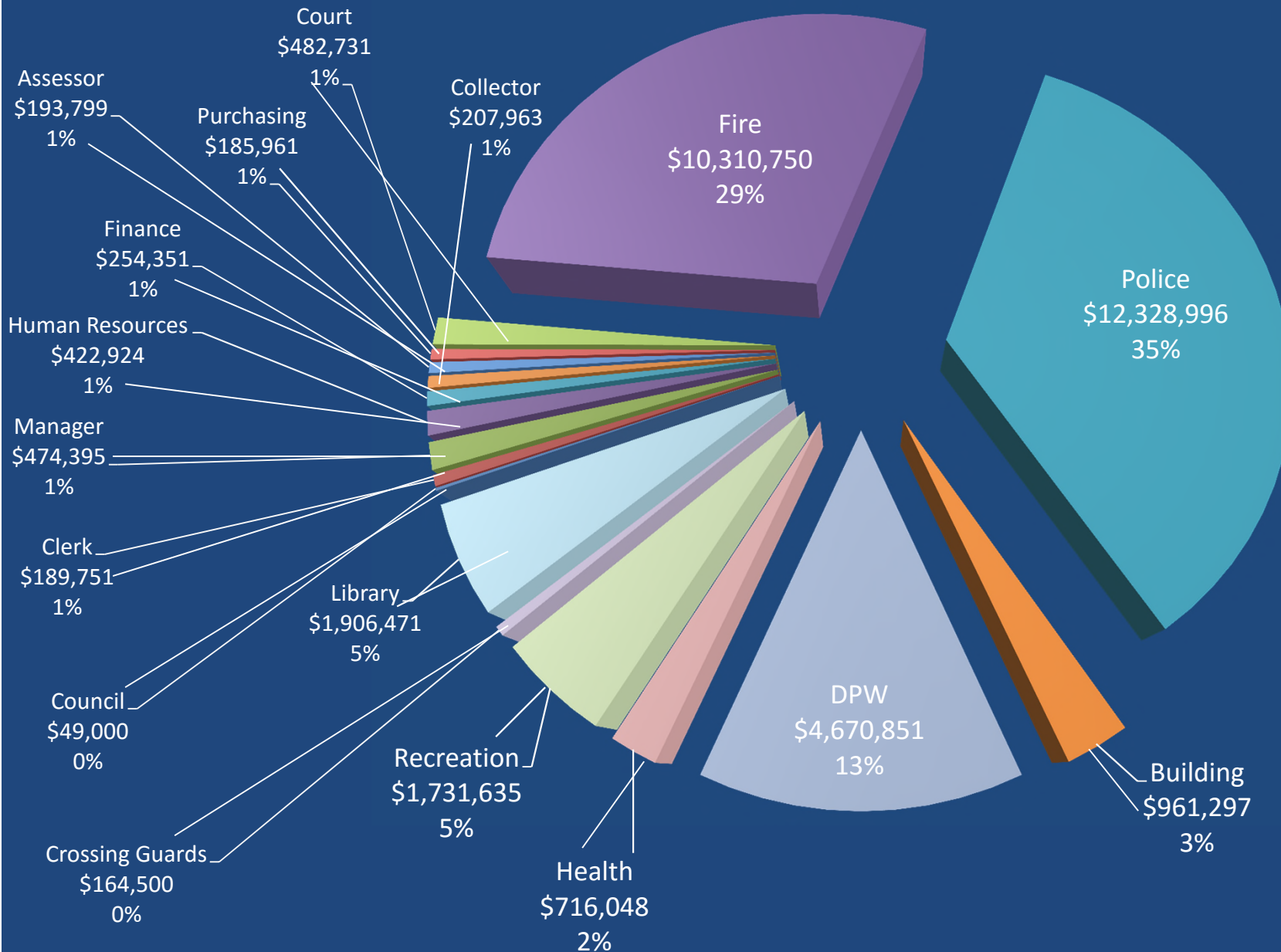
2016 Proposed Budget Budget Appropriation Categories

Total: \$69,141.143.34

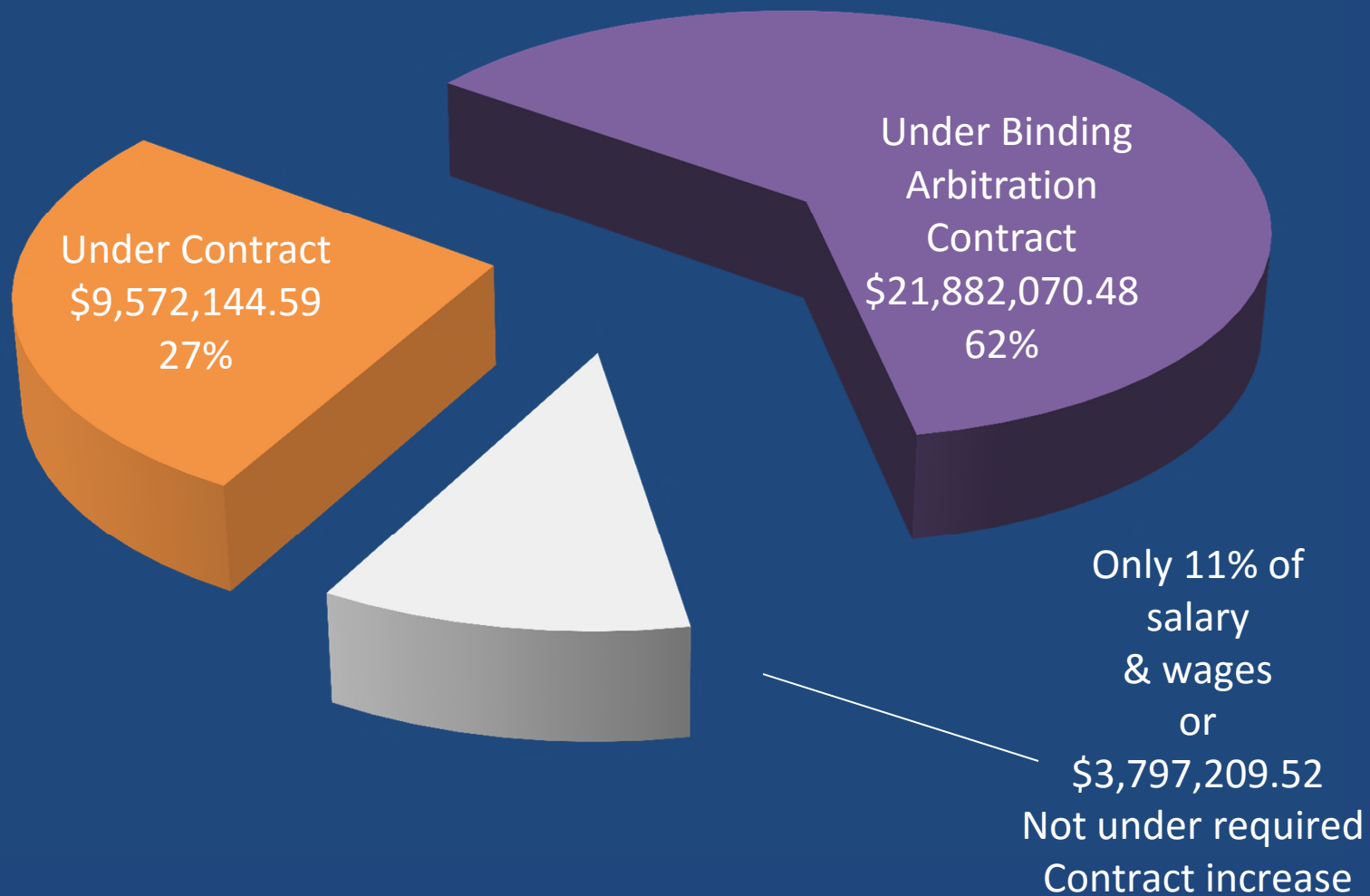


Proposed Salaries & Wages

Total: \$35,251,424.59



Salary & Wage Increases Required by Union Contract



Total: \$35,251,424.59

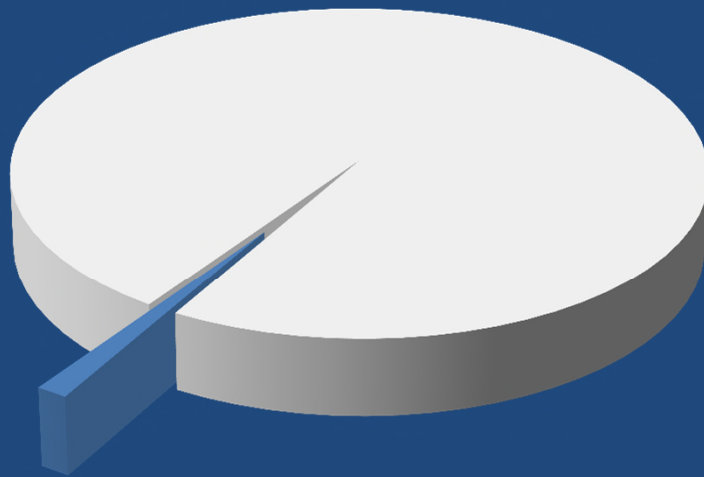
Expired Contracts

- PBA 215 & SOA Exp. December 31, 2014
- AFSCME Exp. December 31, 2015
- Library Exp. December 31, 2015
- DPW Supervisors Exp. December 31, 2015
- DPW Non-Supervisors Exp. December 31, 2015

Salaries and Wages Summary and Recommendations

Manager's Office

2016 Recommendations



Manager
\$474,395
1%

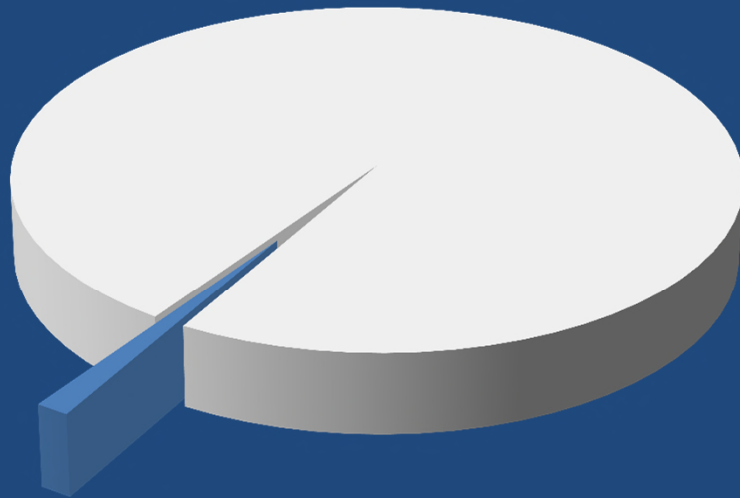
- Fund Deputy Manager position
- Fund Administrative Assistant position
- Fund Economic Development Director position

Salaries and Wages Summary and Recommendations

Municipal Court Department

2016 Recommendations

- Fund Deputy Court Administrator position



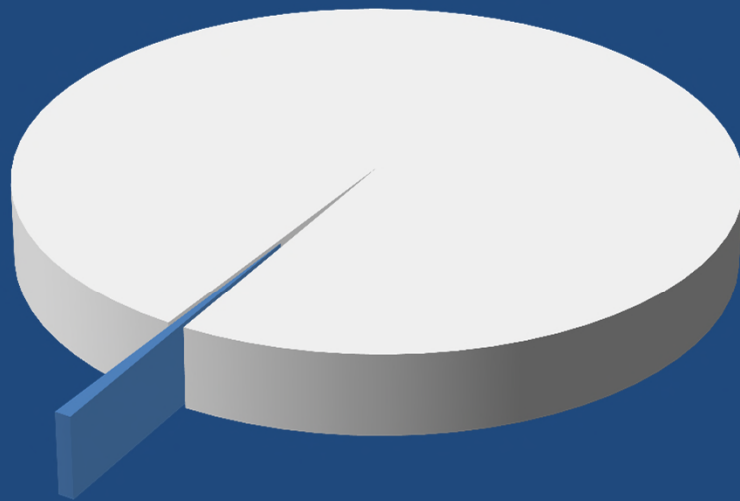
Court
\$482,731
1%

Salaries and Wages Summary and Recommendations

Finance Department

2016 Recommendations

- Add Accountant position



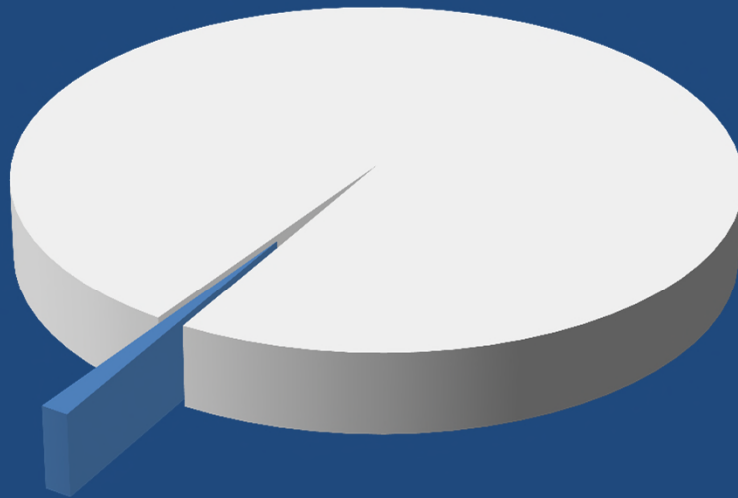
Finance
\$254,351
1%

Salaries and Wages Summary and Recommendations

Human Resources Department

2016 Recommendations

- Fund Police MIS Technical Assistant Position



Human
Resources
\$422,924
1%

Salaries and Wages Summary and Recommendations

Terminal Leave Trust

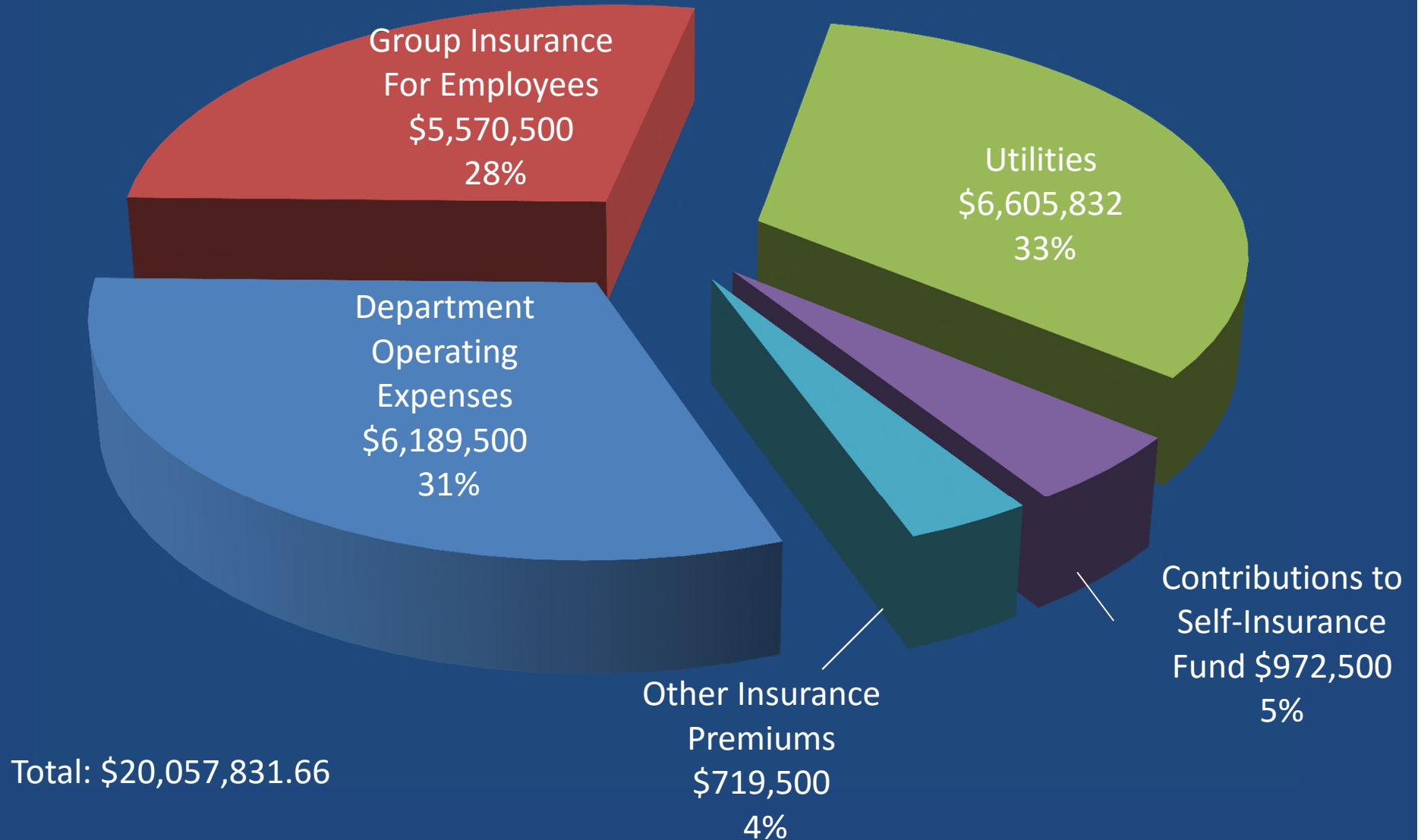
- Funding @ \$300k due to past and future retirement obligations

Salaries and Wages Summary and Recommendations

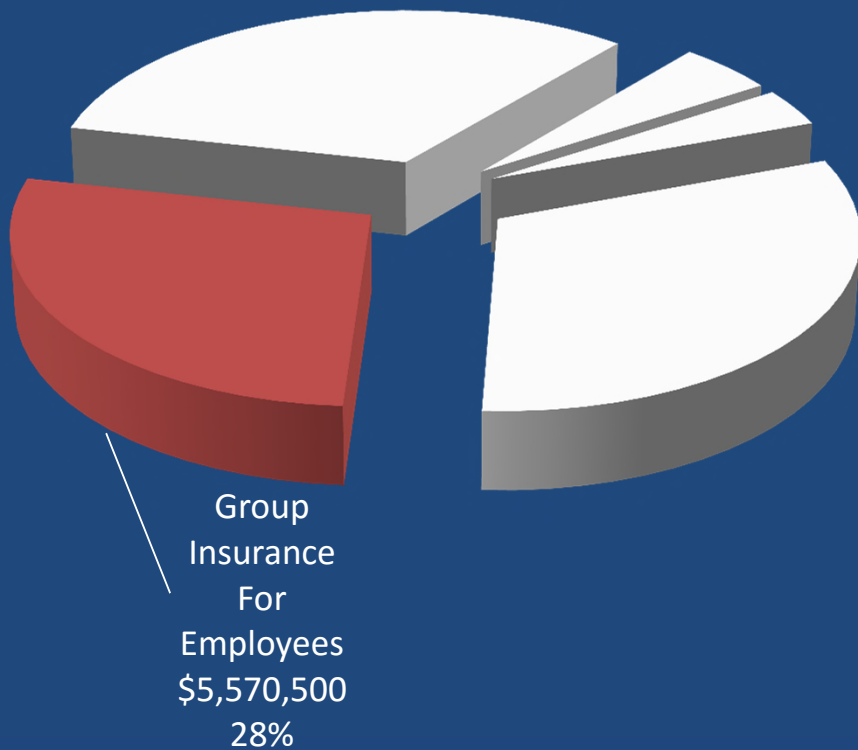
Overtime

Dept.	2016	2015	Change %	Spent
Fire	\$440,000	\$425,000	3.53 %	\$437,777.81
DPW	\$326,400	\$320,000	2.00%	\$405,460.48
Police	\$500,000	\$425,000	17.65%	\$526,057.62

Appropriations Other Expenses



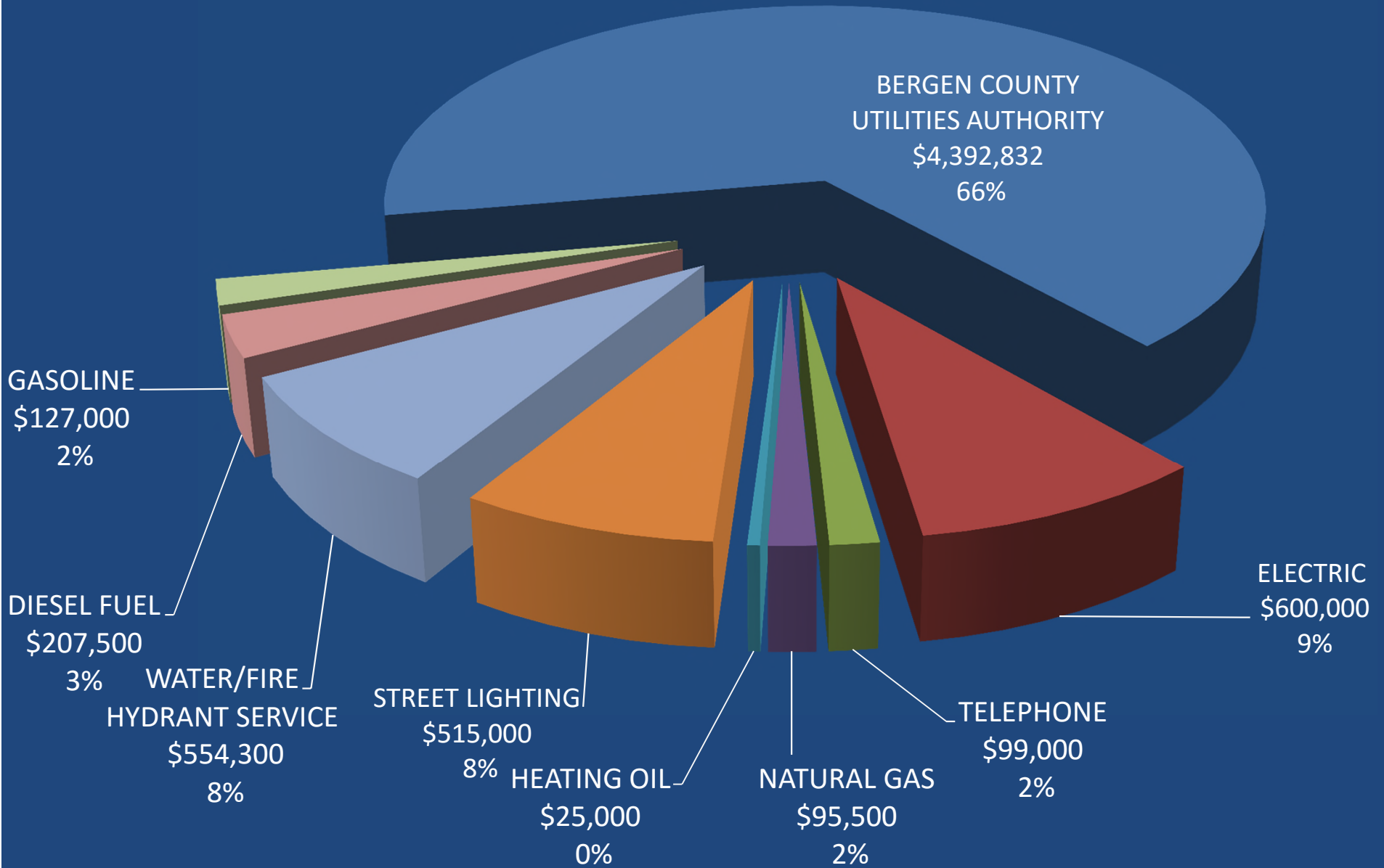
Group Insurance For Employees



- Net decrease 10.68% or \$666,175

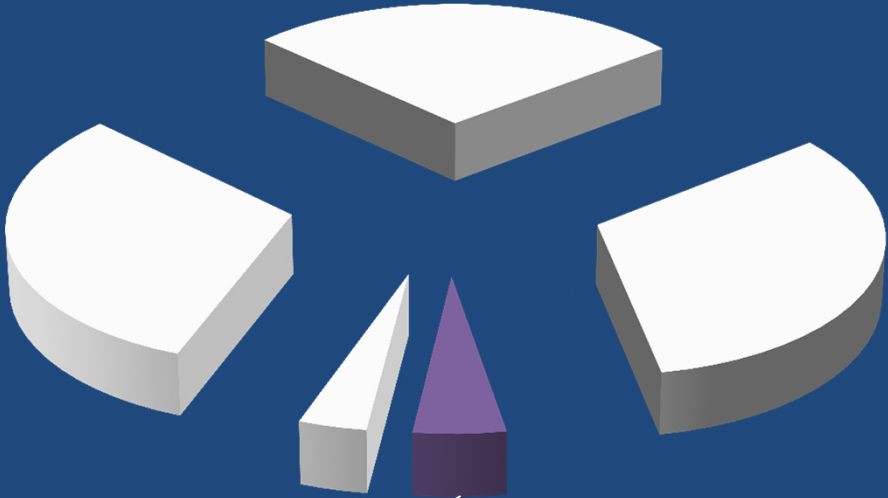
Utilities

Total: \$6,616,132



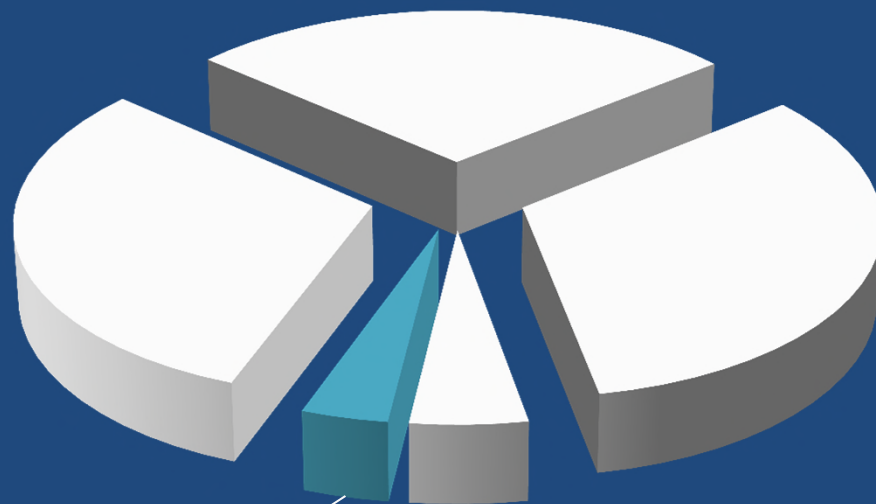
Contributions to Self-Insurance Fund

- No Change



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

Other Insurance Premiums

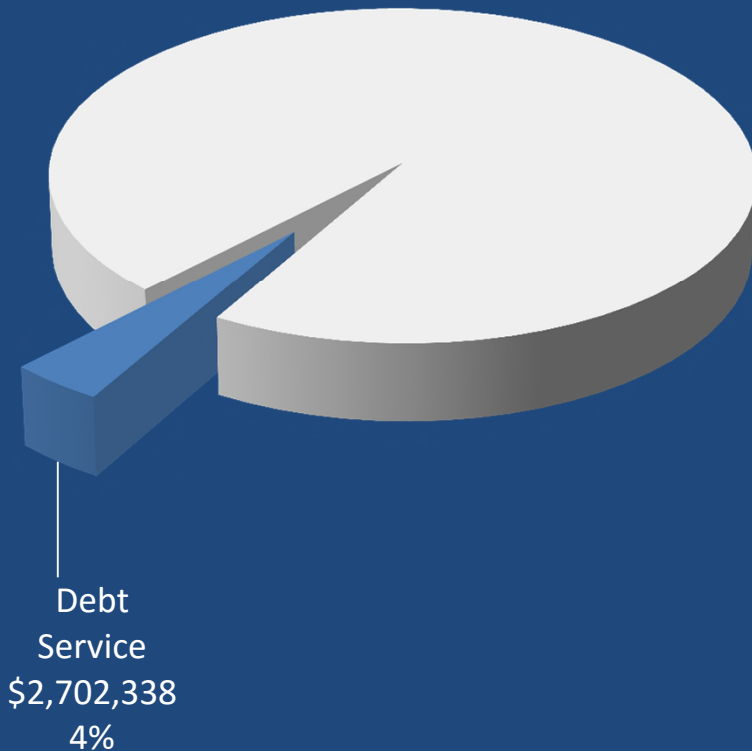


Other
Insurance
Premiums
\$719,500
4%

- PEJIF Premium
- Auto Liability and collision
- Employment Practices
- Public Officials
- Facilities
Increase – 2.8%

Debt Service

Debt Service

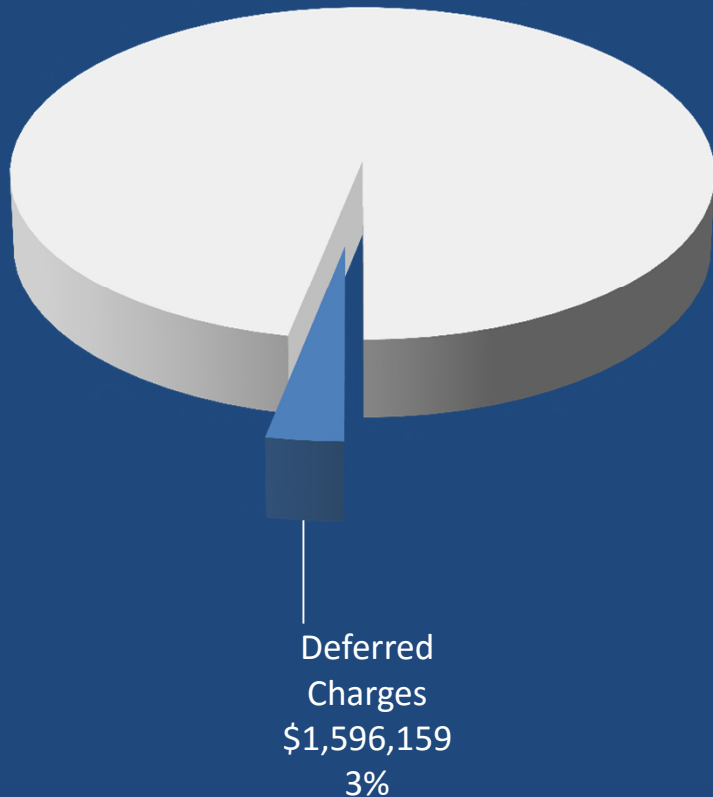


Highlights

- Note Principal increased \$407,034.10
- Bond principal decreased \$369,000
- Bond Interest decreased \$21,210.25
- After certain reductions, total increase of \$16,823.85 in Debt Service

Deferred Charges

Deferred Charges

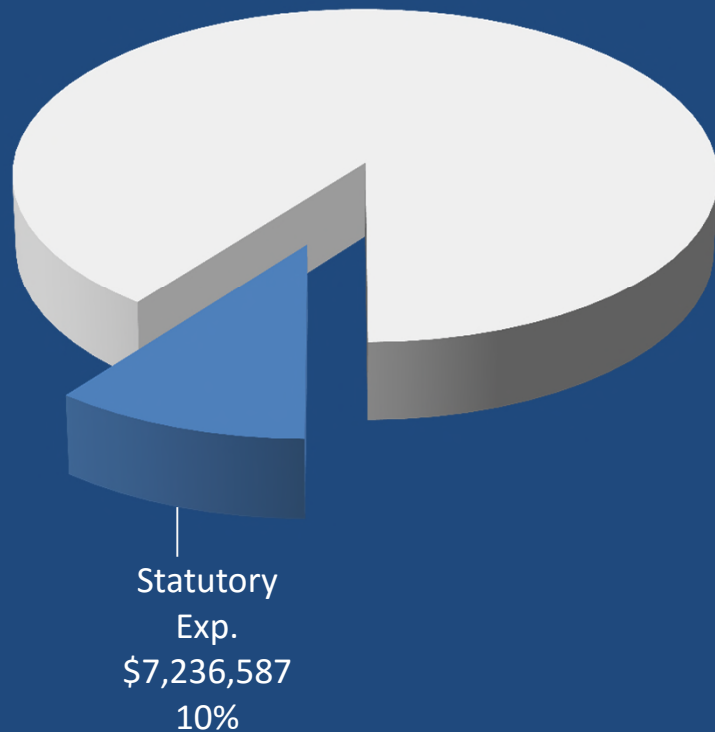


Tax appeal reserve of \$1,000,000 for 2015 appeals (State appeals 2015 \$1,167,000)

Number of appeals and potential refunds TBD

Statutory Expenditures

Statutory Expenditures



Major Adjustments

- PFRS decreased \$446,188.52
- PERS Increased \$63,640.68
- Social Security increased \$10,000
- Total line item decreased \$374,498.33

Capital Improvement Fund

Total Cost of Improvements

\$4,359,000

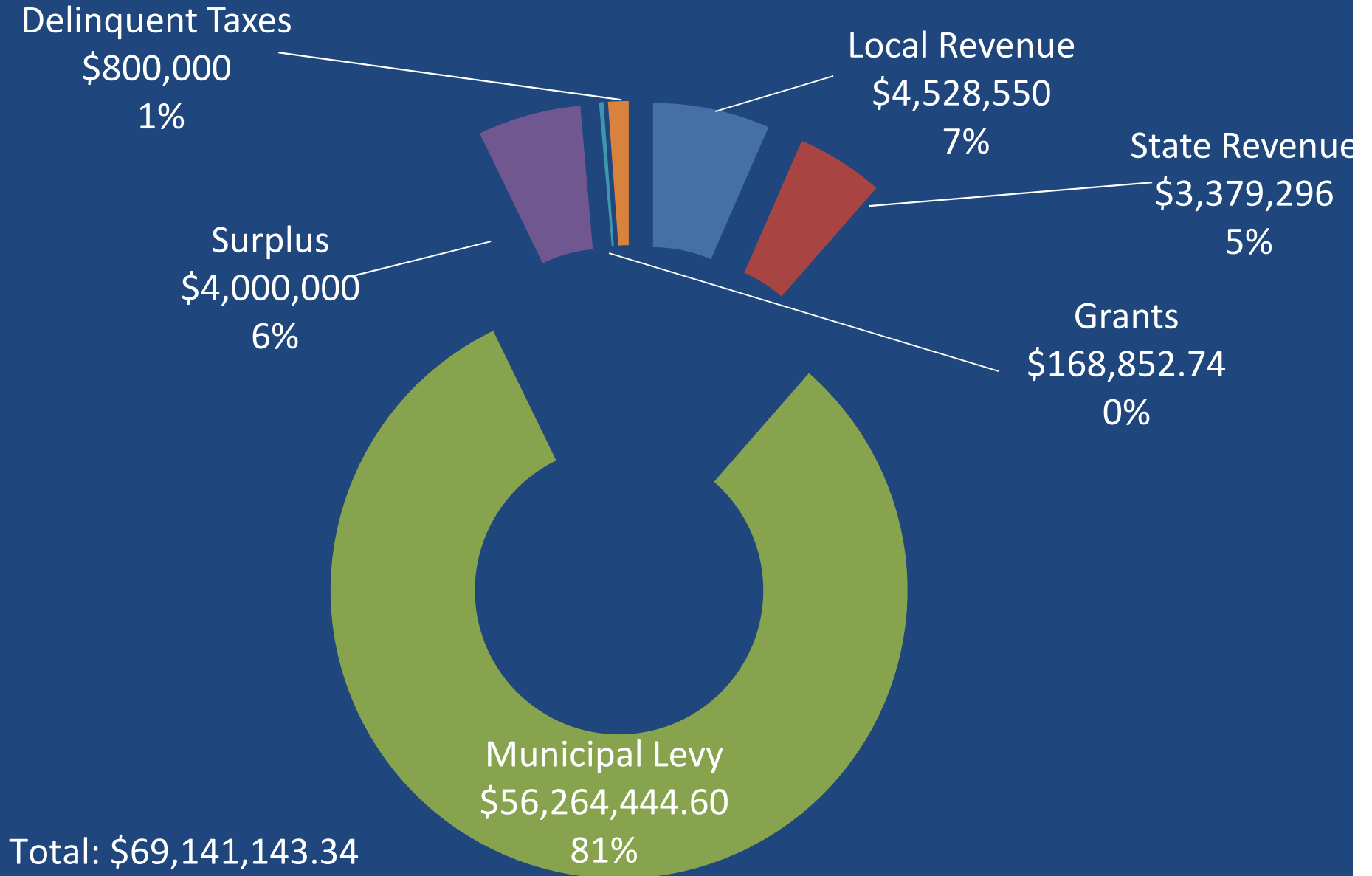
Capital Improvement Fund

\$312,950

Capital Improvement Fund Review

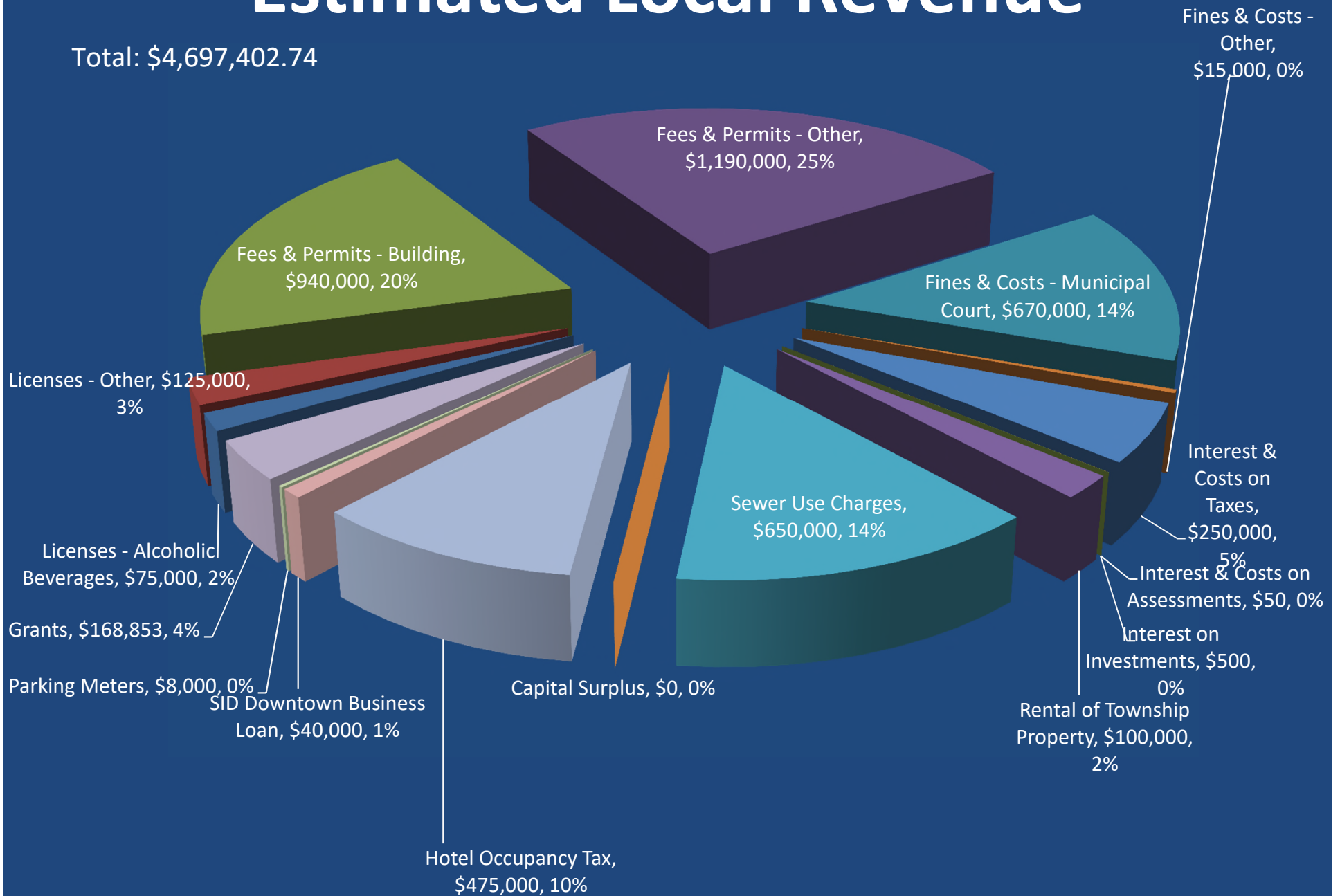
February 11, 2016

Estimated Revenue



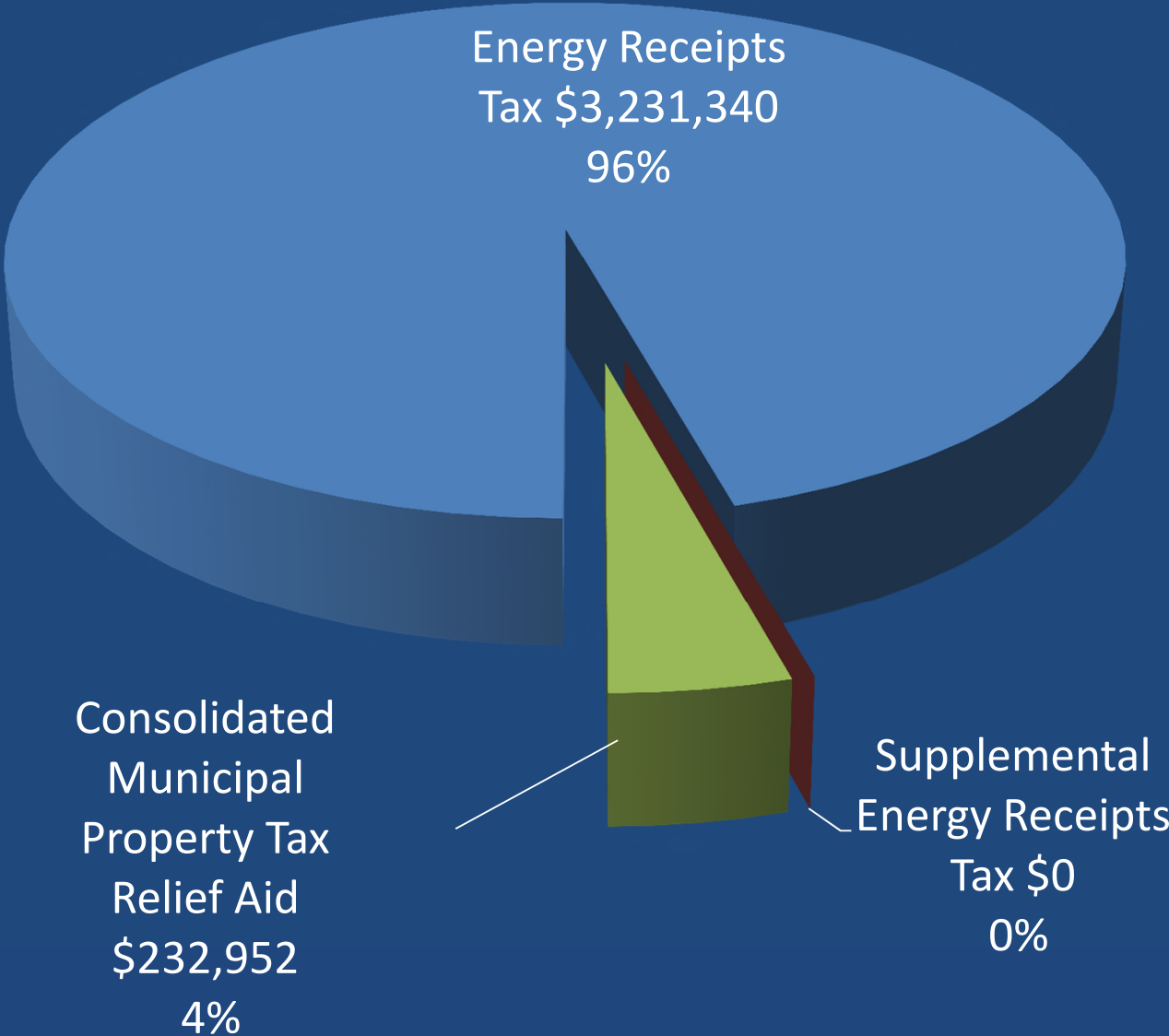
Estimated Local Revenue

Total: \$4,697,402.74



Estimated State Revenue

Total: \$3,379,296

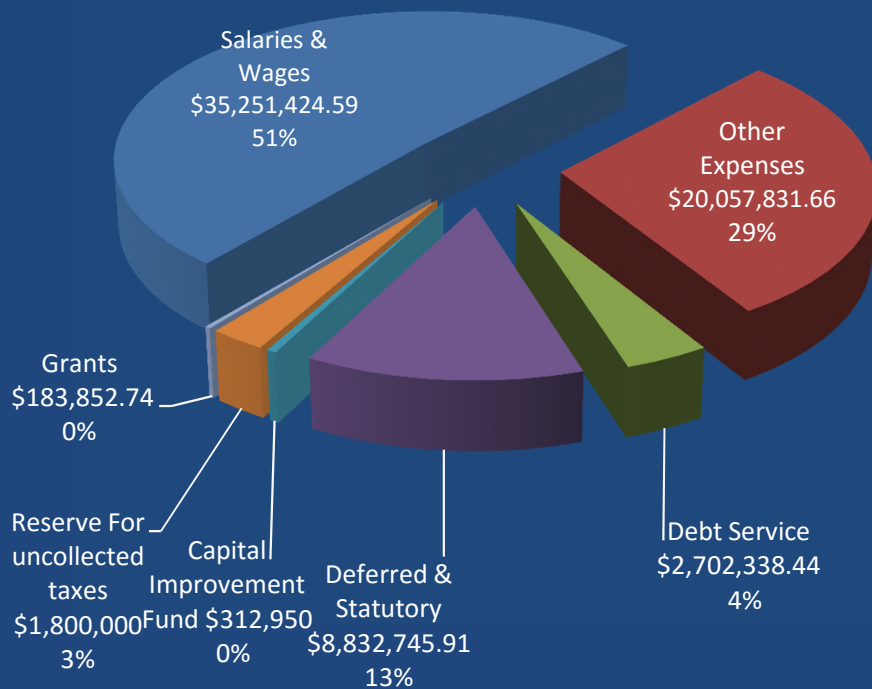


Factors Potentially Impacting Budget

- General state of economy
- Special Emergencies
- Glenpointe Tax Appeal (Unfunded)
- Impact of tax appeals (State)
- Interest rates
- Reduced or flat state aid
- BCUA sewer
- Labor contract negotiations

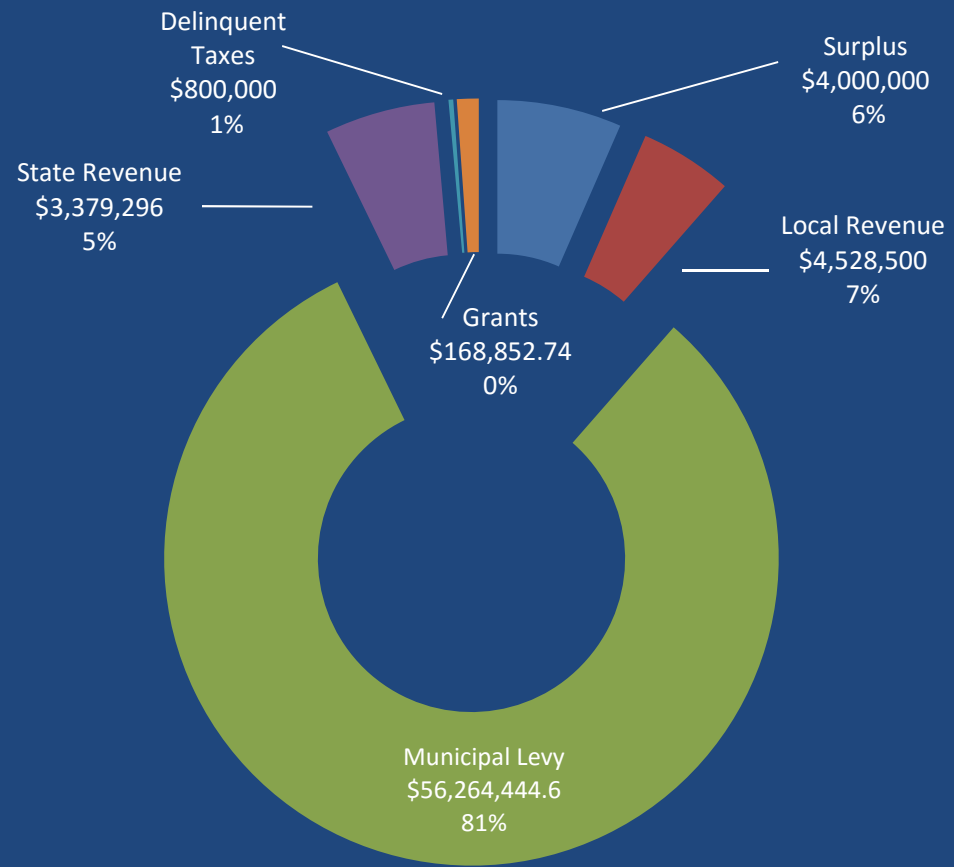
Budget Wrap - Up

Appropriations



Total: \$69,141,143.34

Revenue



Total: \$69,141,143.34

Strategies

Short & Long Term

- Develop Strategic Plan
- Shared services
- Cost containment/efficiency/technology
- Police/Fire/EMS Dispatch Consolidation through County
- Power Purchase Agreement/3rd Party Energy Supplier
- Sale/development of selected municipally owned property
- Enhance ratables through business attraction and development
- Redevelopment of Alfred Avenue
- CO or Certificate of Inspection upon resale/purchase
- Fee Schedule revision

Upcoming Budget Meeting Tentative Agenda

Thursday, February 11, 2016

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

Upcoming Budget Meeting Tentative Agenda

Thursday, February 18, 2016

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

Upcoming Budget Meeting Tentative Agenda

Thursday, February 25, 2016

- 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!

