

**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 2nd
- 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

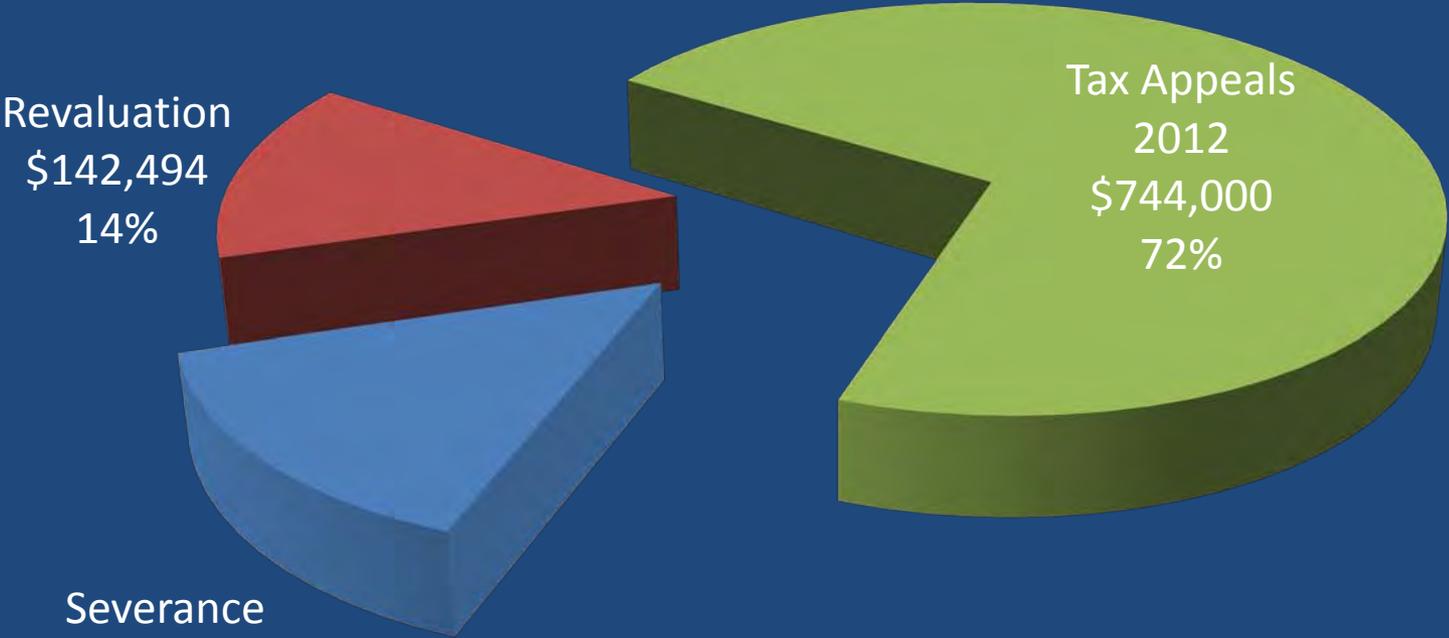
Category	Increase/ (Decrease)
Reserve for Uncollected Taxes	(\$955,927.64)
Other Expenses (Tab 5 less Statutory, Debt Service, Deferred Charges, and Capital Funds)	\$495,651.10
Debt Service/Debt Management Plan	\$123,715.80
Statutory Expenditures/Deferred Charges (PFRS, PERS, SS)	\$677,910.48
Capital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

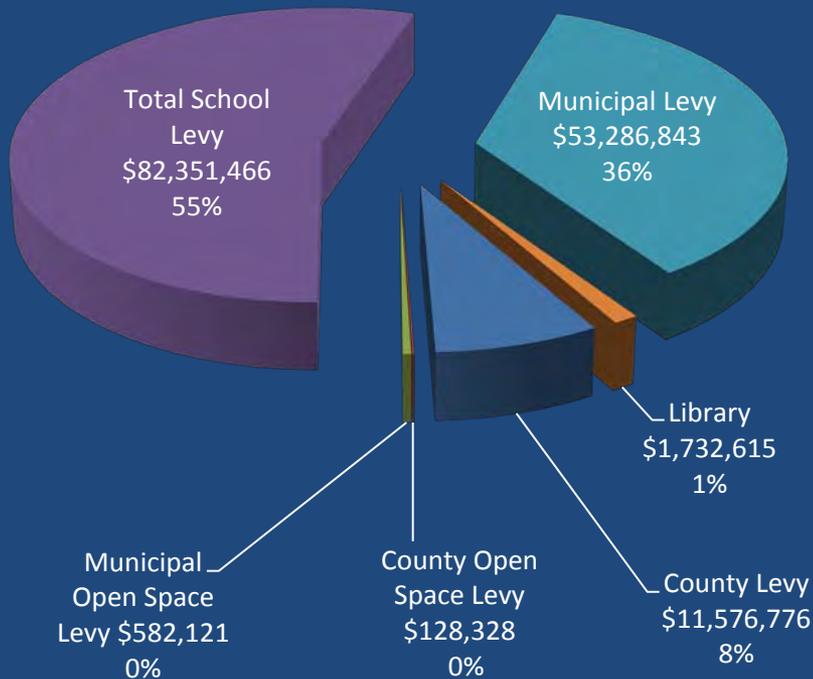


Total: \$1,040,161

2014 Tax Breakdown

Tax Breakdown

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

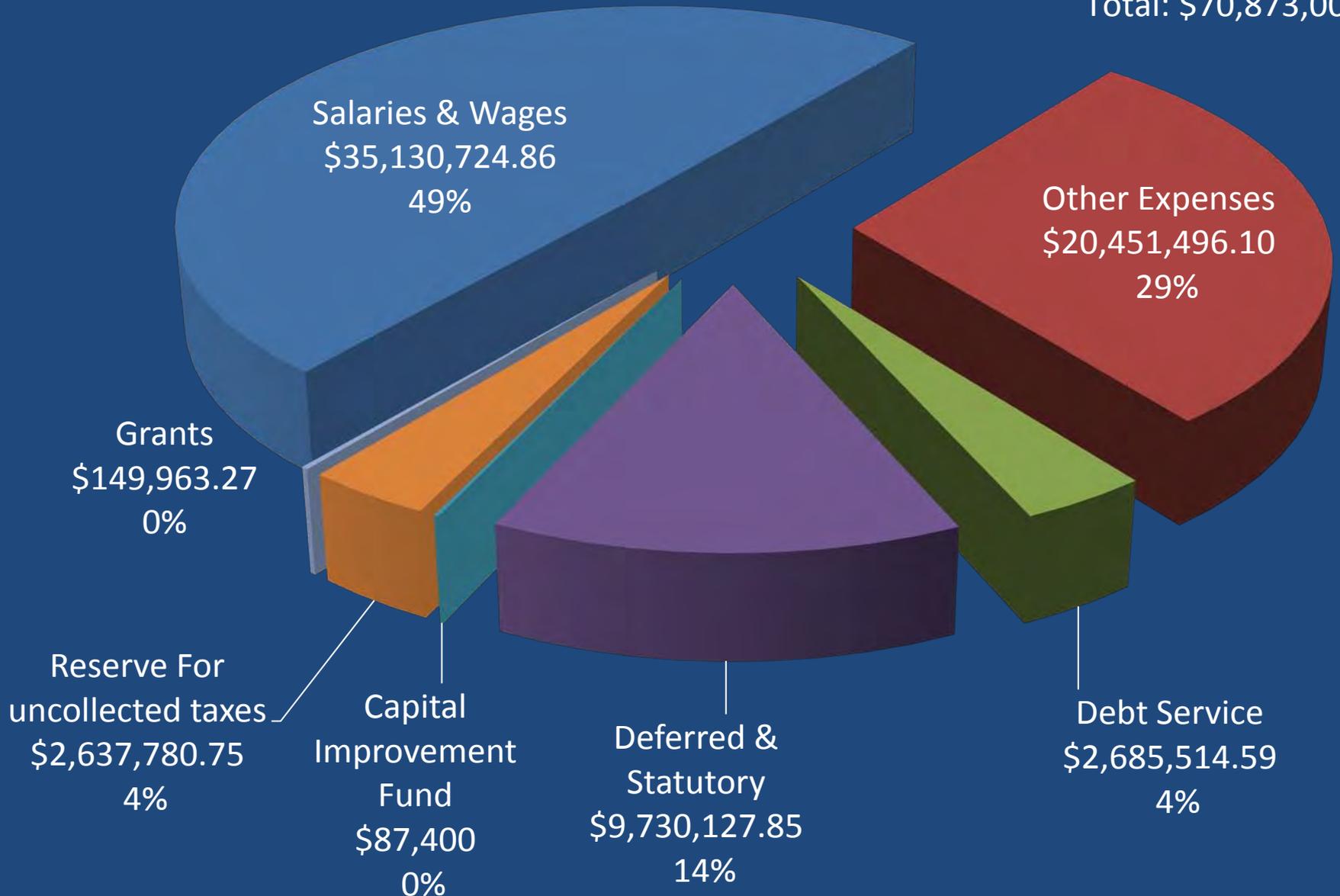


- Proposed budget refers to municipal portion of taxes only
- All taxes collected by the municipality for the taxing entity
- Taxes forwarded to taxing entity biweekly/quarterly

2015 Proposed Budget

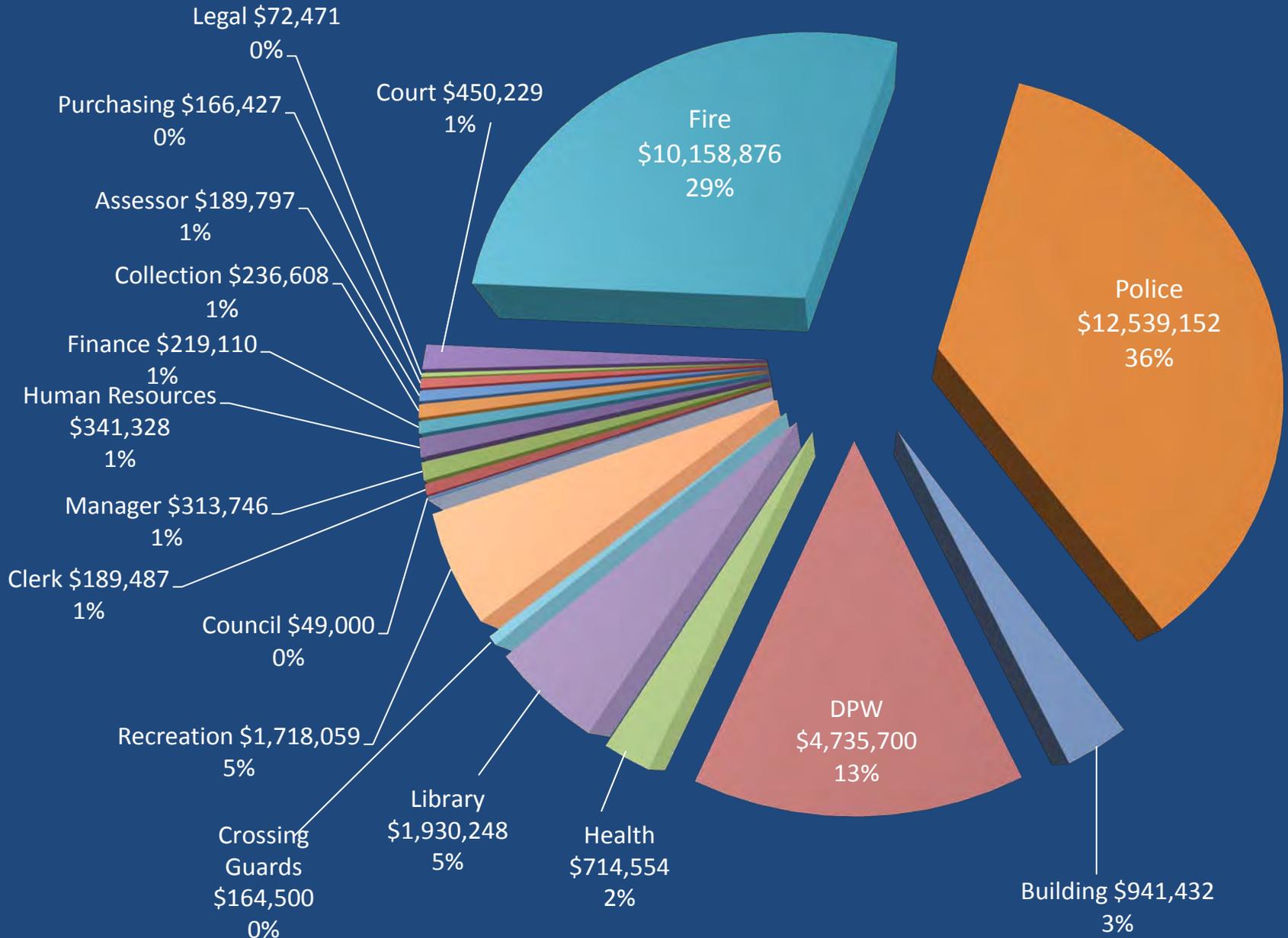
Budget Appropriation Categories

Total: \$70,873,007.42

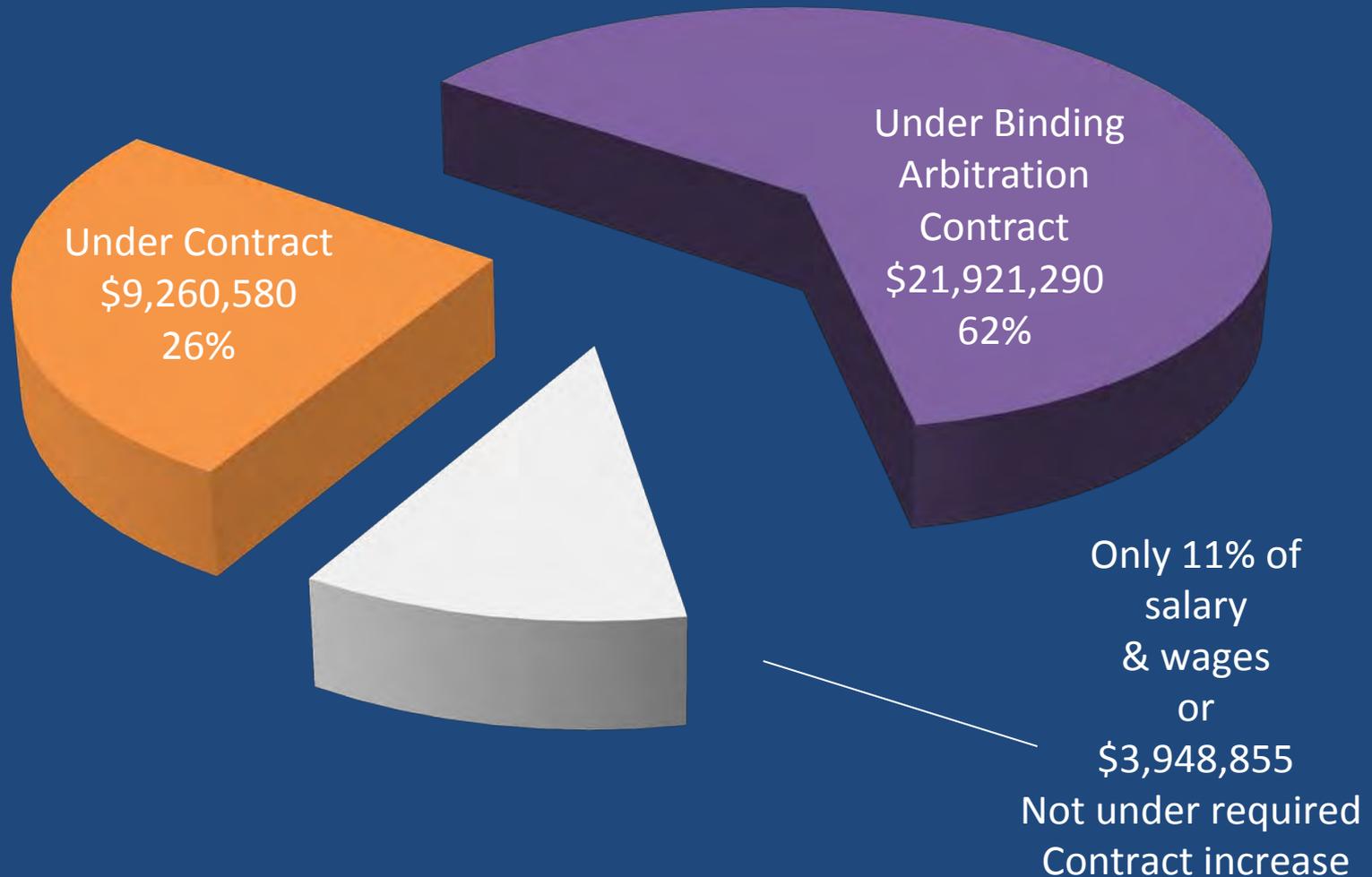


Proposed Salaries & Wages

Total: \$35,130,725



Salary & Wage Increases Required by Union Contract



Total: \$35,130,725

Expiring Contracts

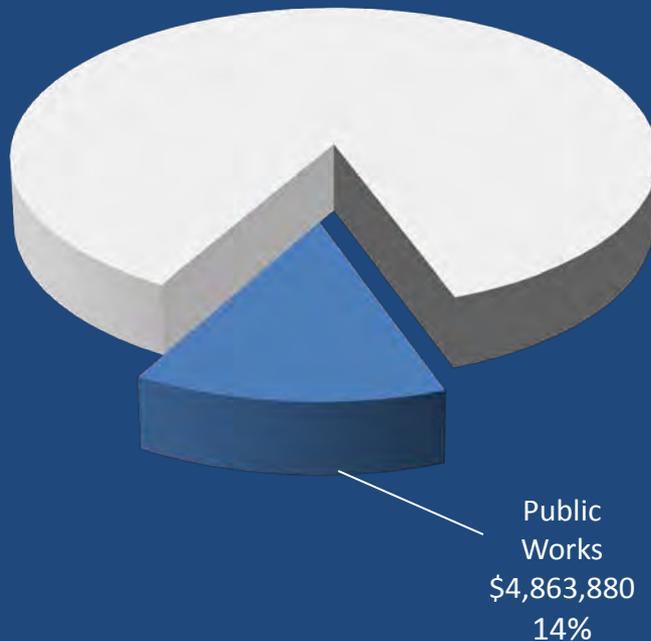
- PBA 215 & SOA Exp. December 31, 2014
- AFSCME Exp. December 31, 2015

Salaries and Wages Summary and Recommendations

Department of Public Works (DPW)

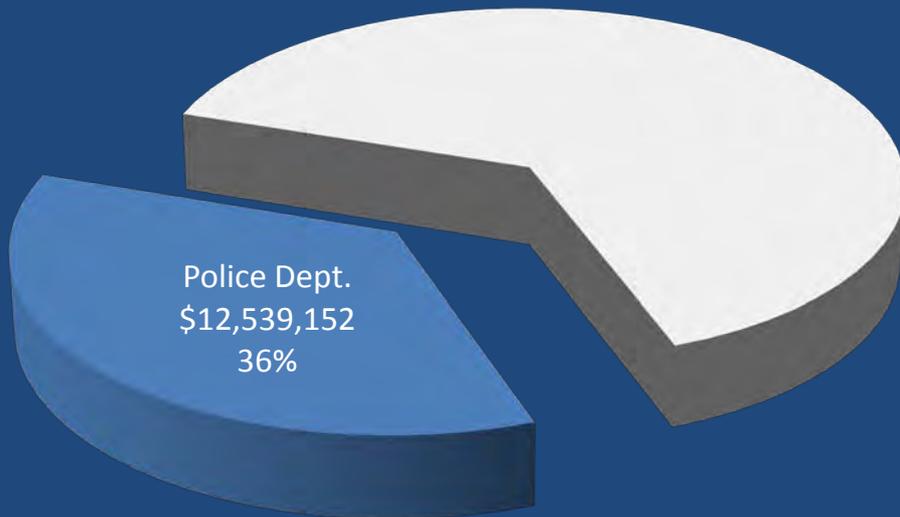
2015 Recommendations

- 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



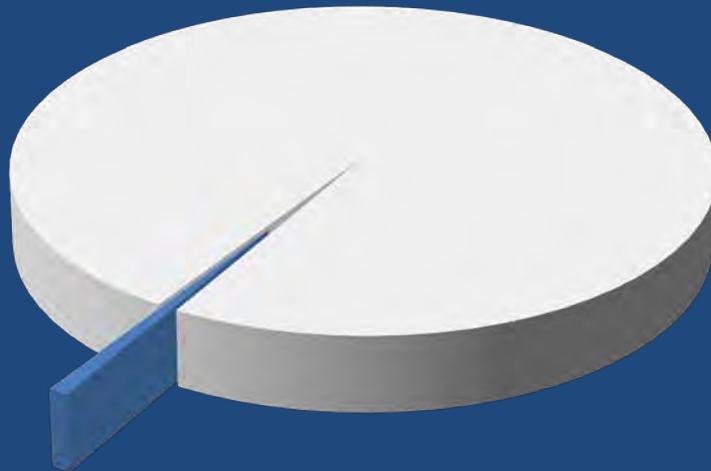
- Maintain Fire Department at 92 uniformed Fire Fighters
- Current strength of 91 uniformed officers
- Fill (1) vacant entry-level Fire Fighter positions

Salaries and Wages Summary and Recommendations

Manager's Office

2015 Recommendations

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



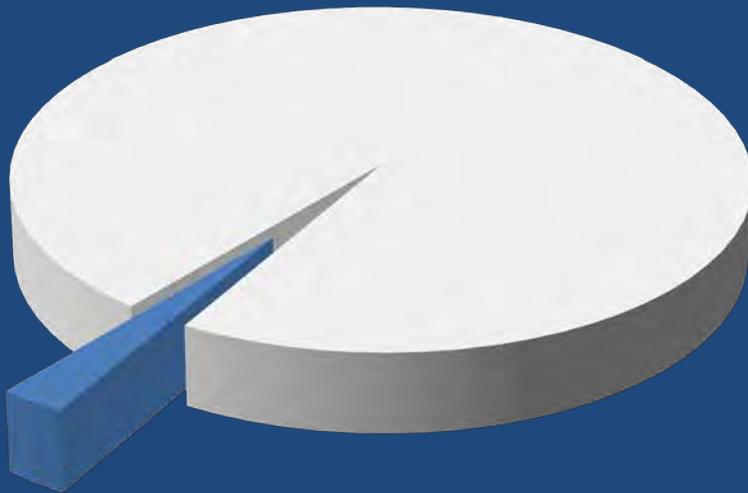
Manager
\$313,746
1%

Salaries and Wages Summary and Recommendations

Building Department

2015 Recommendations

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



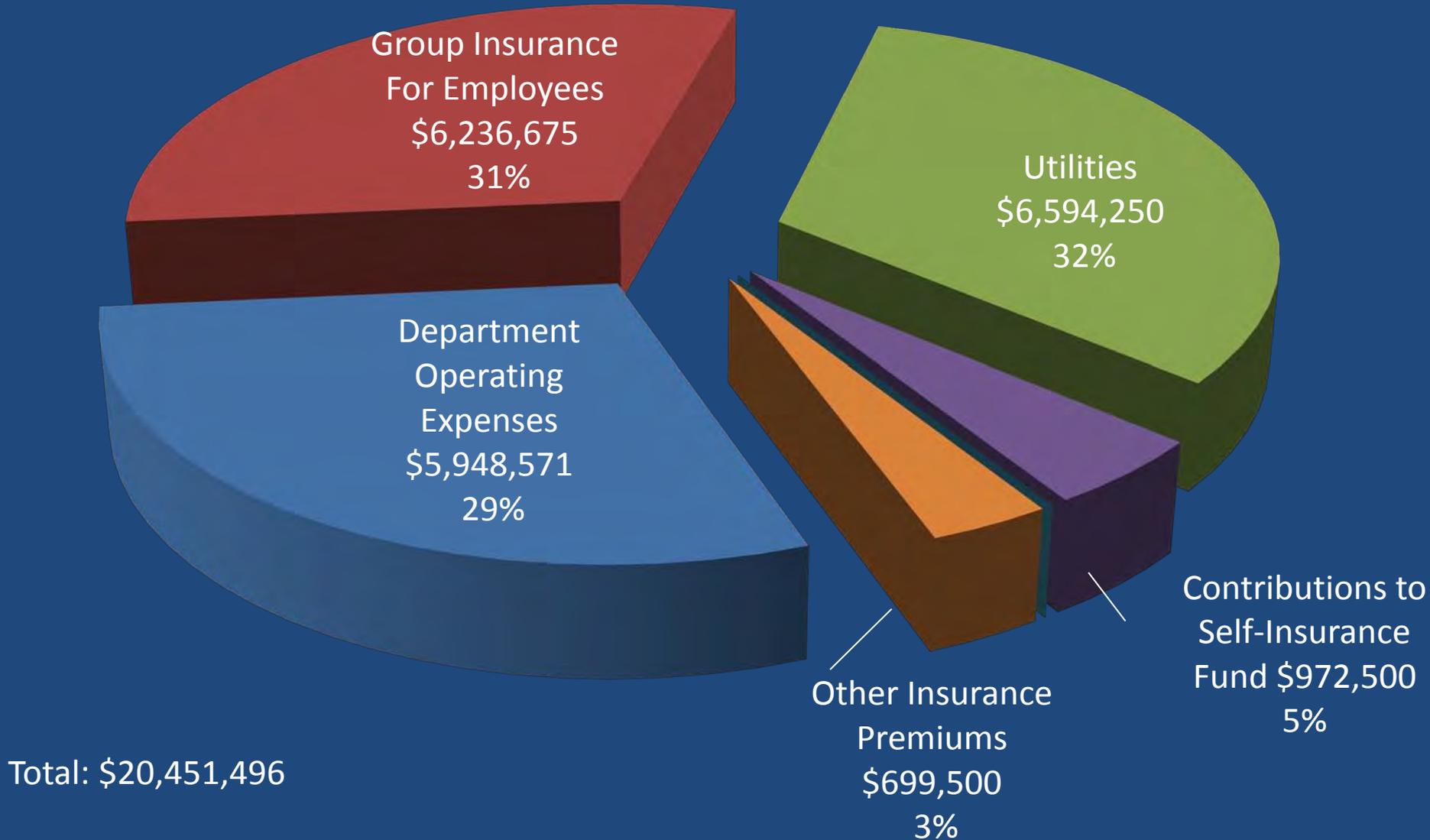
Building
\$941,432
3%

Salaries and Wages Summary and Recommendations

Overtime

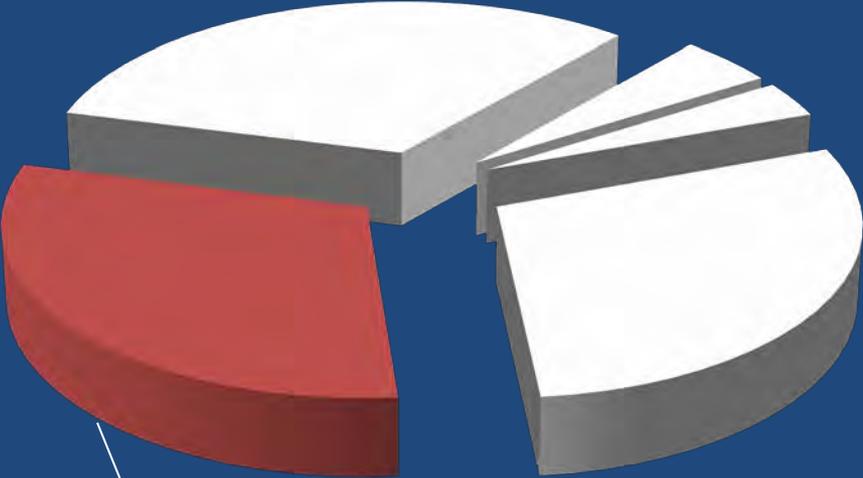
Dept.	2015	2014	Change %	Spent
Fire	\$425,000	\$425,000	0 %	\$420,711.77
DPW	\$320,000	\$320,000	0%	\$384,667.53
Police	\$425,000	\$425,000	0%	\$598,750.31

Appropriations Other Expenses



Group Insurance For Employees

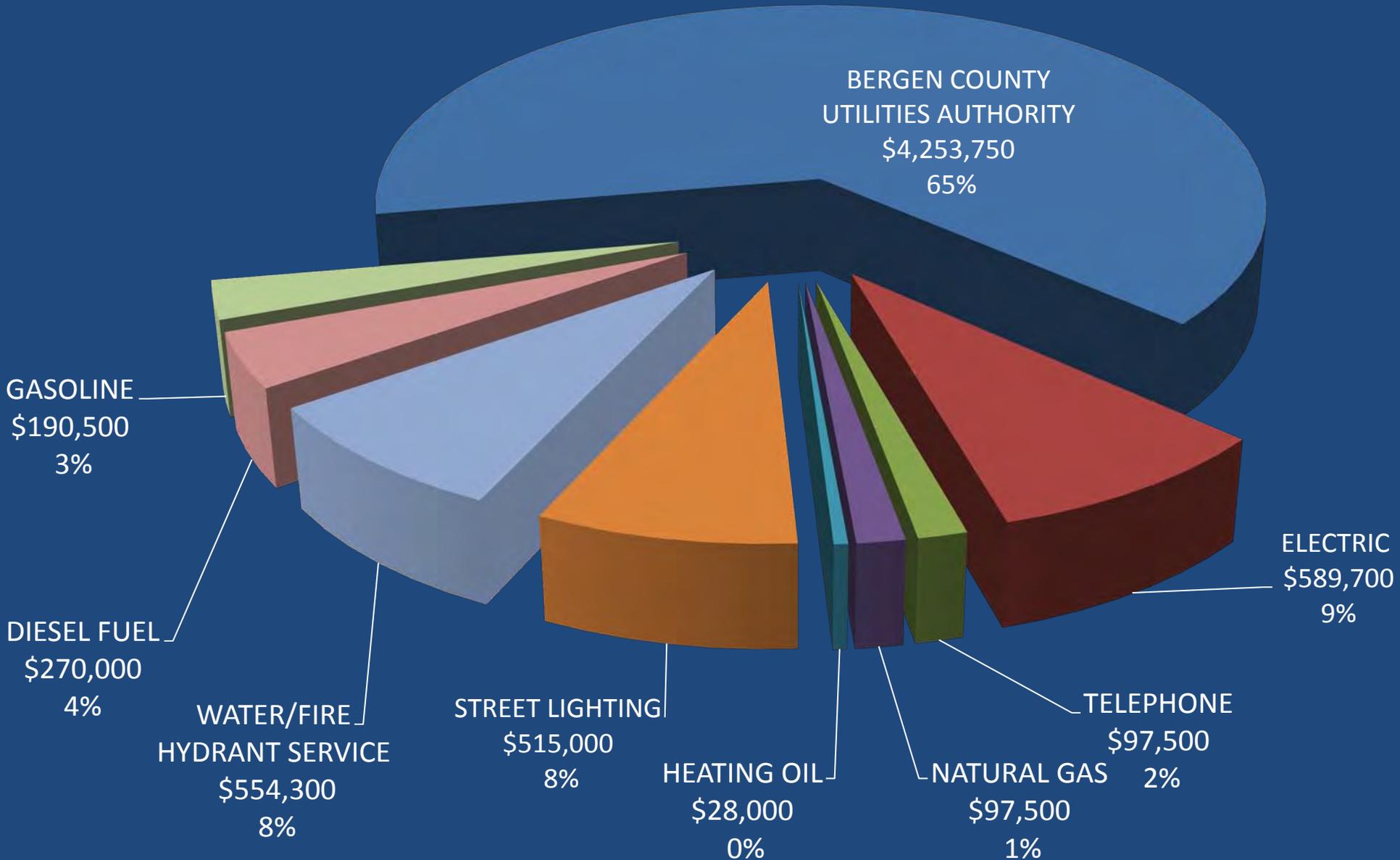
- Decreased 0.53% or \$33,325



Group
Insurance
For
Employees
\$6,236,675
31%

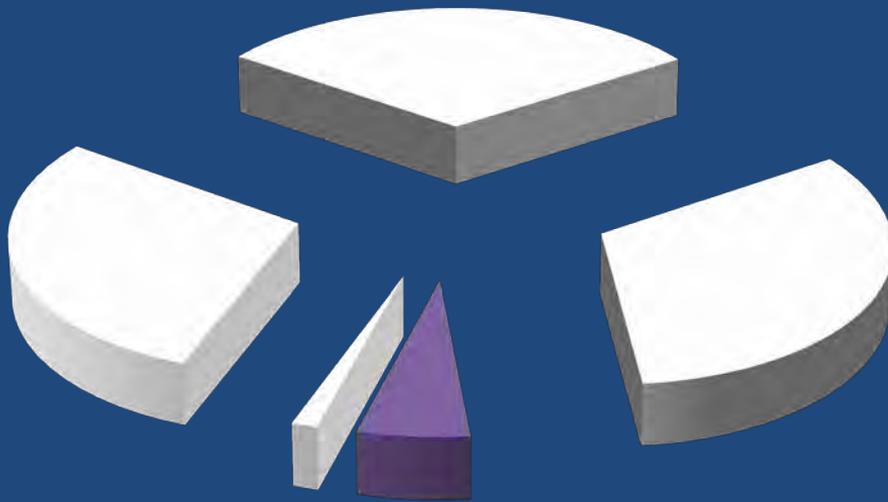
Utilities

Total: \$6,594,250



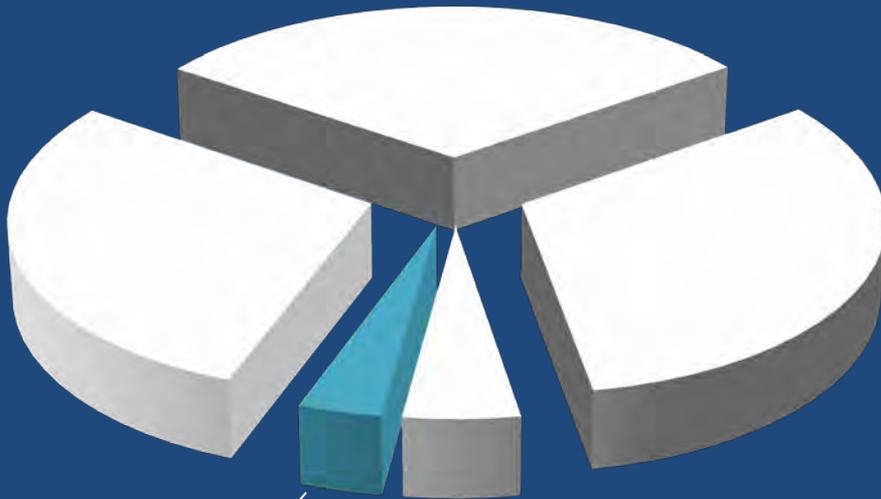
Contributions to Self-Insurance Fund

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



Contributions
to Self-
Insurance
Fund
\$972,500
34.55%

Other Insurance Premiums



Other
Insurance
Premiums
\$699,500
3%

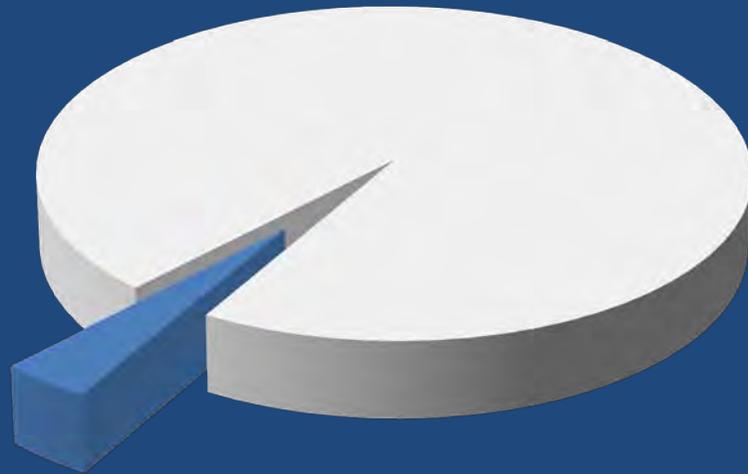
- Auto Liability and collision
- Employment Practices
- Public Officials
- Facilities

Budgeted 5.47%
decrease (\$40,502)

Debt Service

Debt Service

Highlights



- 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

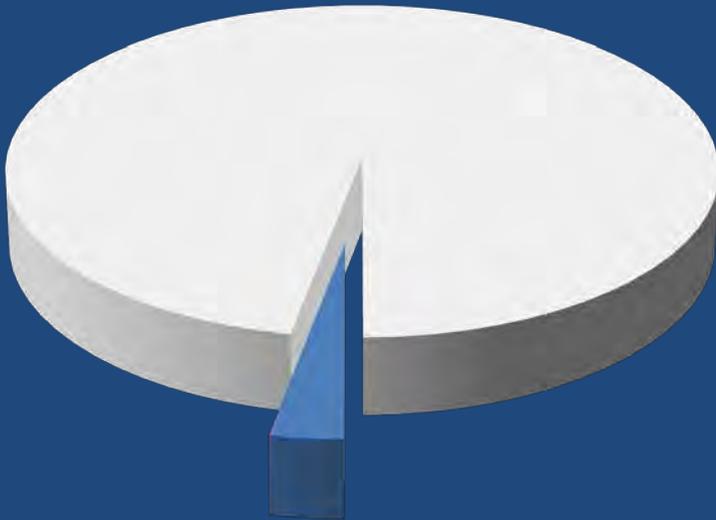
Debt
Service
\$2,685,515
4%

Deferred Charges

Deferred Charges

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

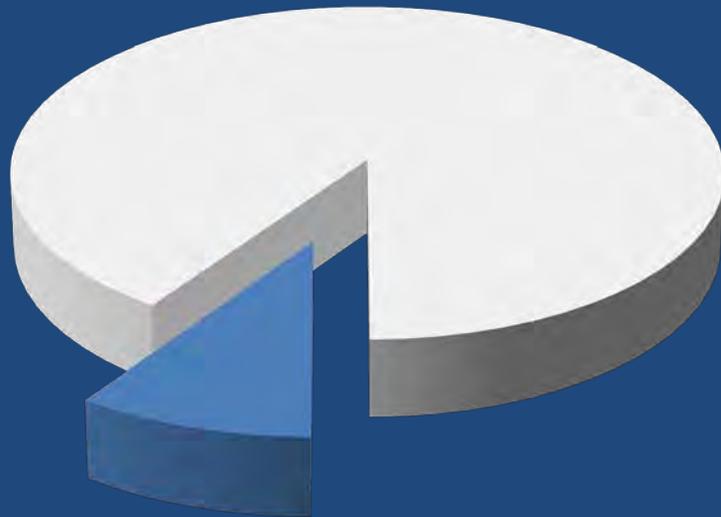
Number of appeals and
potential refunds TBD



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

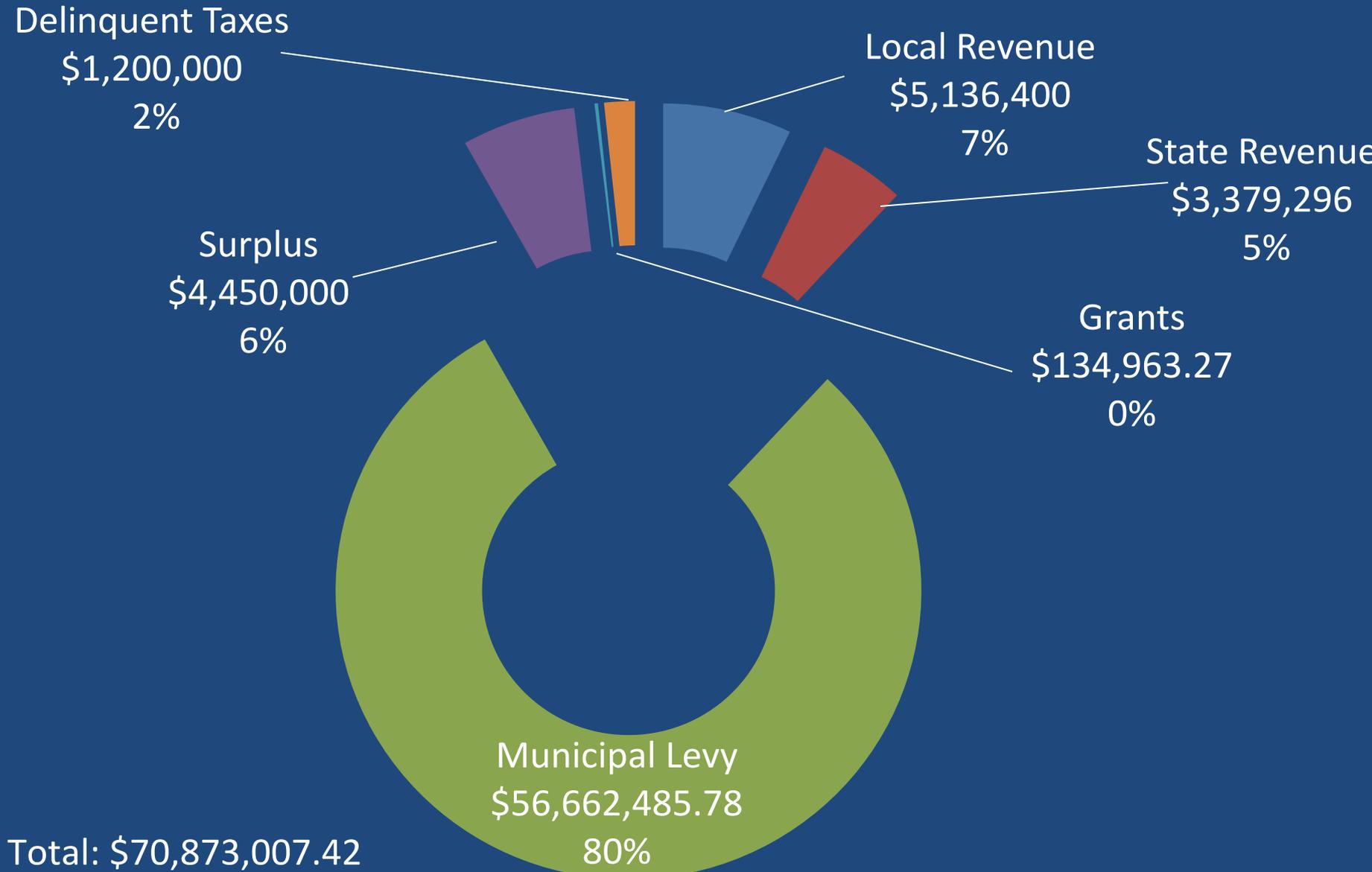
Projects Not Included in 2015:

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

Capital Improvement Fund Review

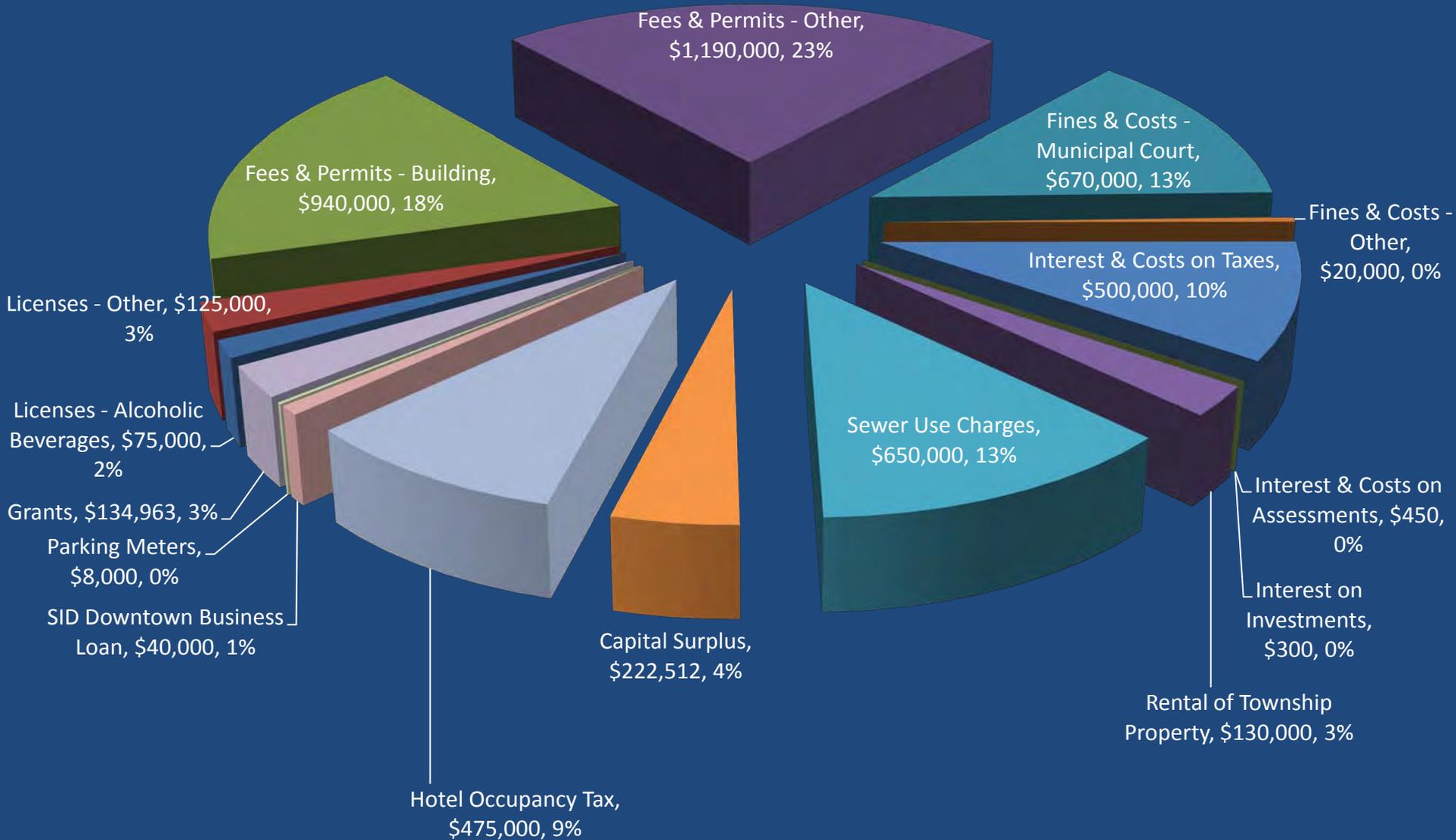
February 5, 2015

Estimated Revenue



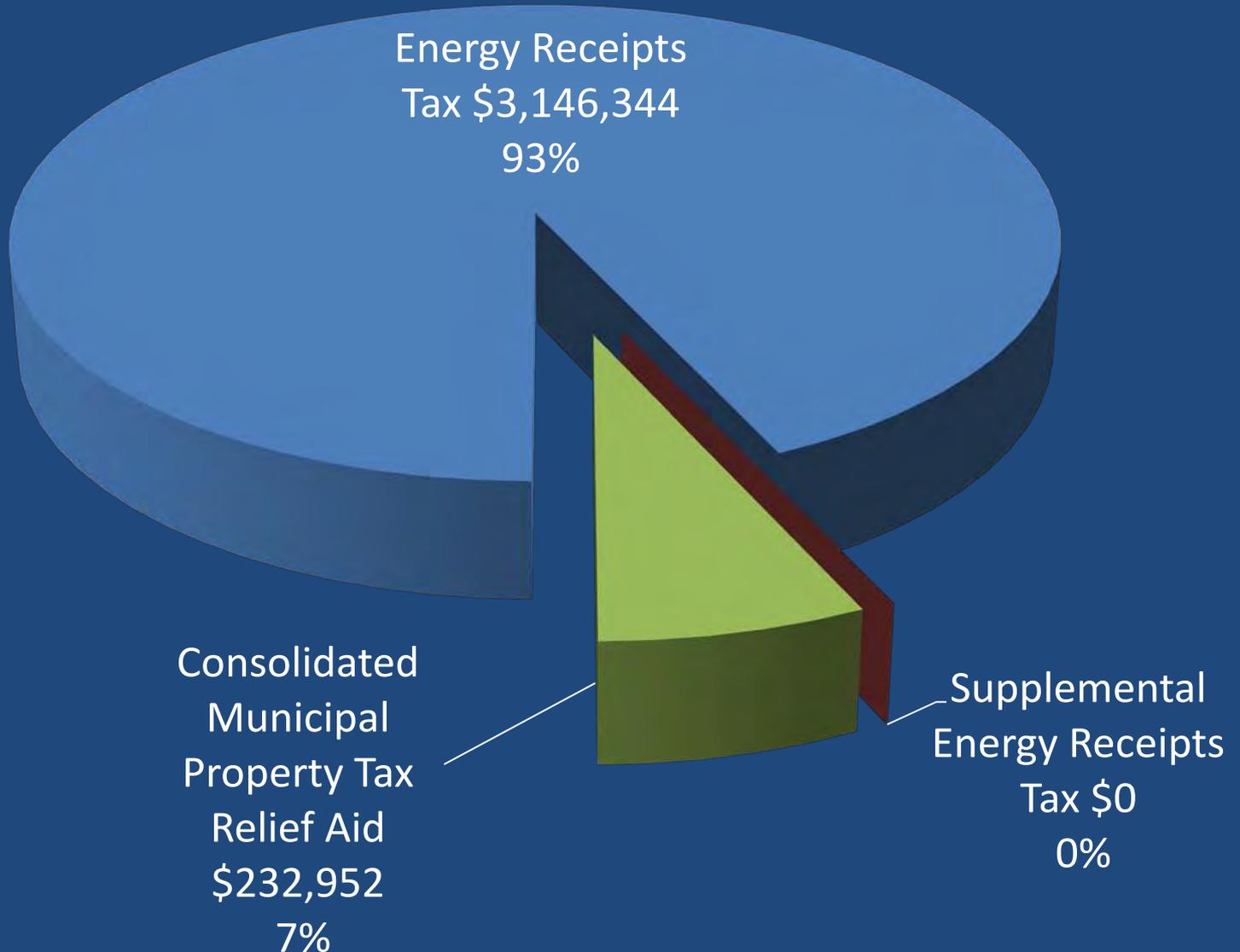
Estimated Local Revenue

Total: \$5,181,225.64



Estimated State Revenue

Total: \$3,379,296

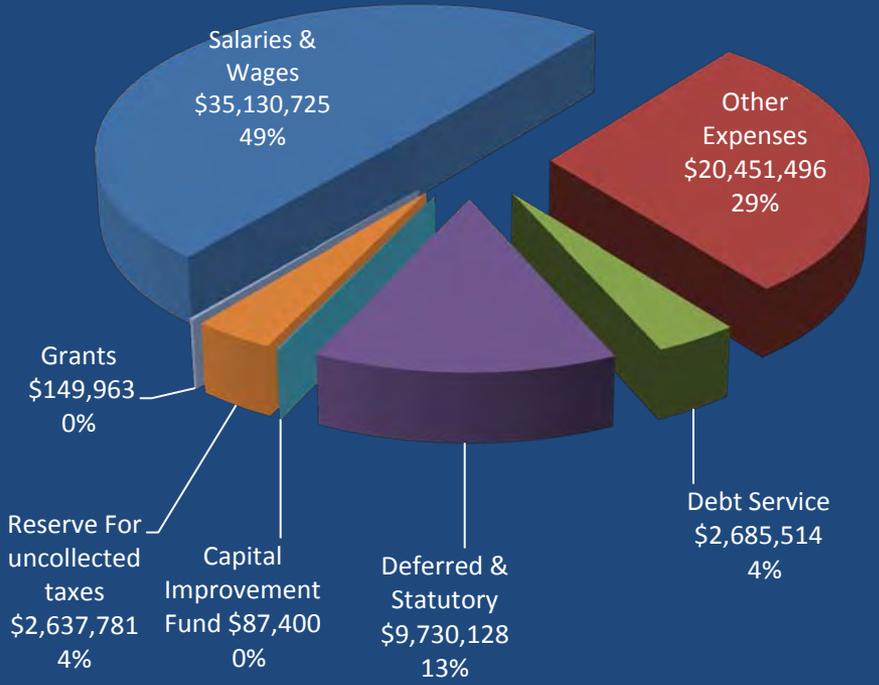


Factors Potentially Impacting Budget

- 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

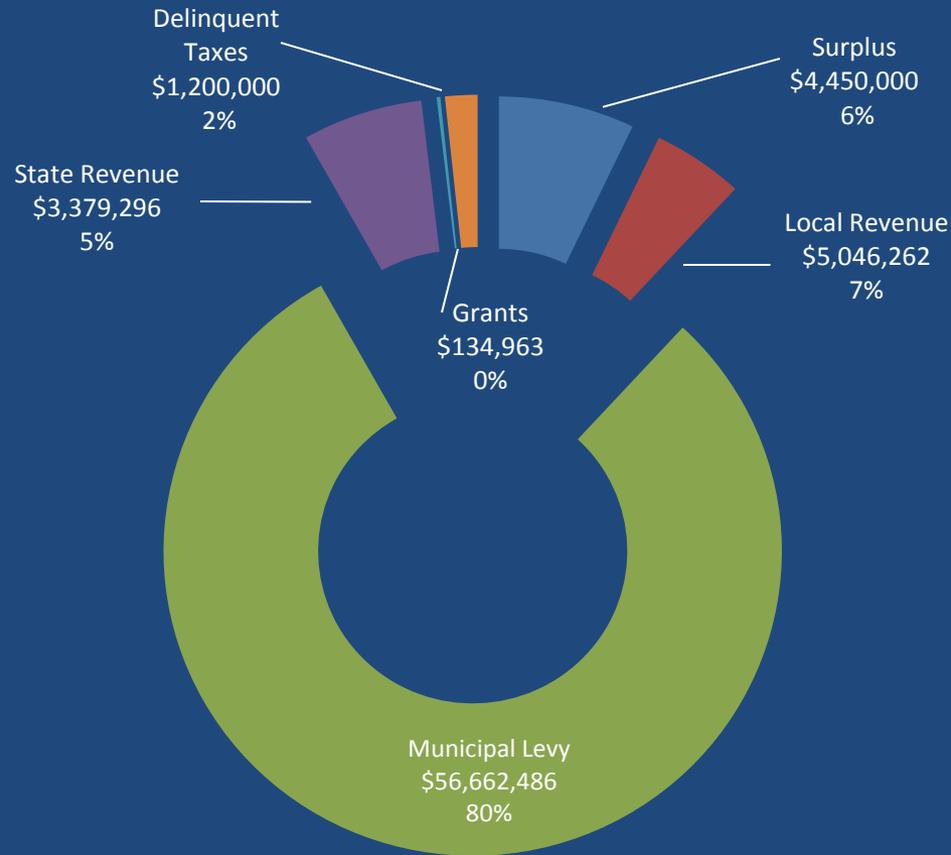
Budget Wrap - UP

Appropriations



Total: \$70,873,007

Revenue



Total: \$70,873,007

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/3rd 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!

