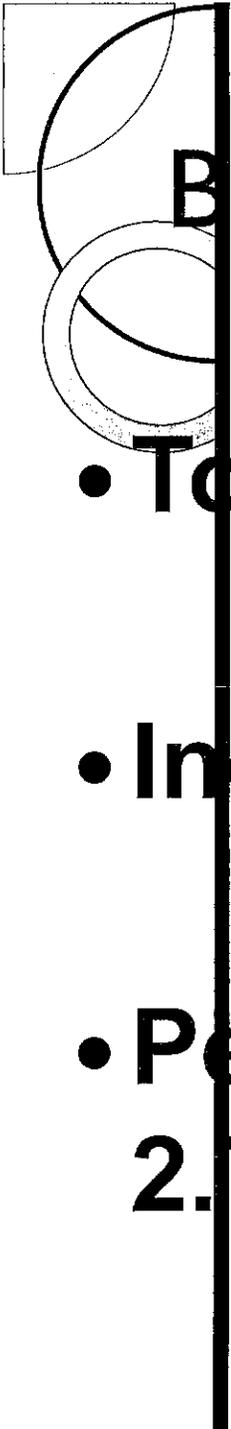


# HARDYSTON TOWNSHIP 2015 Municipal Budget

**Presented at  
Budget Public Hearing  
April 22, 2015**

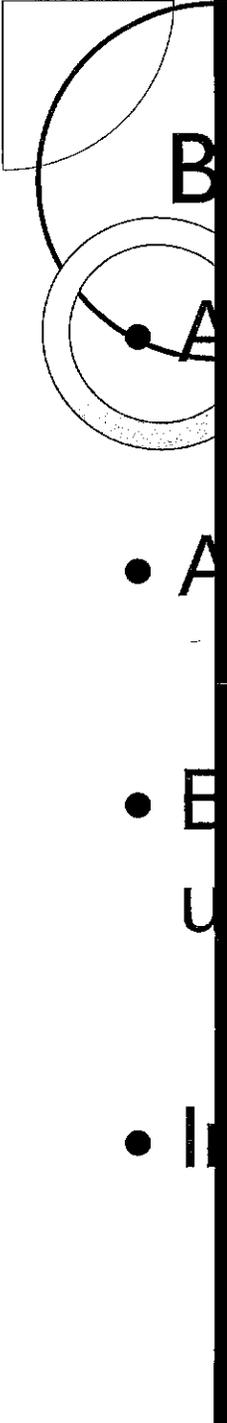


## Budget Highlights

- **Total budget - \$10,871,731**
- **Increase to Budget - \$291,232**
- **Percentage Increase to Budget –  
2.7%**

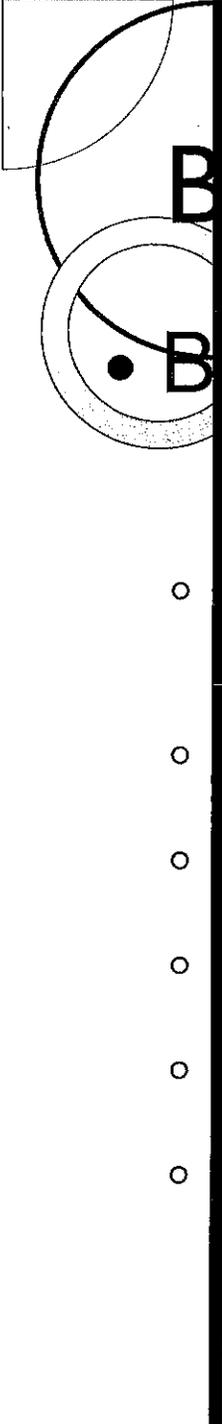
# Budget Highlights (con.)

- ❖ Tax Levy Increase 2014 to 2015 - \$86,663
- ❖ Portion of Levy Increase Absorbed by New Ratable Growth \$37,732
- ❖ Portion of Levy Increase Due to Referendum Passed by Voters to Increase LOSAP Contributions: \$13,000
- ❖ Balance absorbed by general tax base (including LOSAP) \$48,931
- ❖ **General Percent Increase to Tax Levy = 1.2%**
- ❖ Increase to Tax Levy Exclusive of Ratable Growth: 0.7%
- ❖ **Increase to average home valued at \$231,540 = \$19.65**



## Budget Highlights (con.)

- Allowable tax levy increase - \$313,506
- Actual tax levy increase - \$86,663
- Balance of allowable increase not being utilized - \$226,843
- Increase Under State Mandated Caps

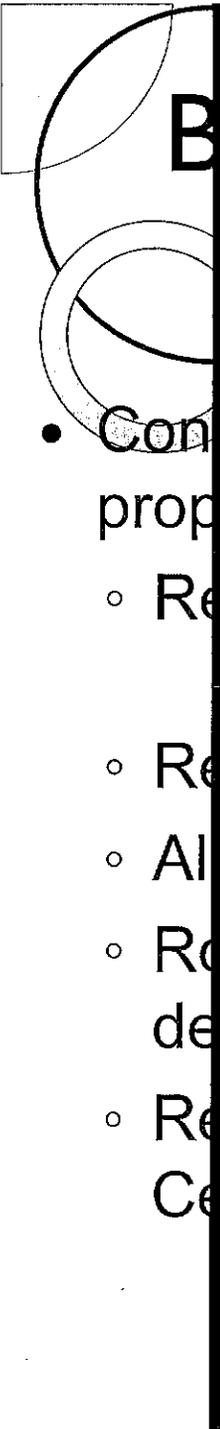


## Budget Highlights (con.)

- Budget impacted by the following:

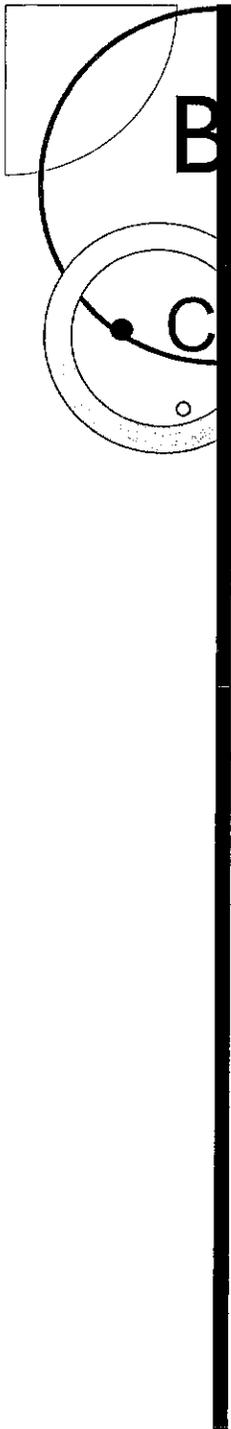
- **POSITIVE REVENUE CHANGES:**

- Municipal Court Fee Collection +\$12,553
- Interest and Cost on Taxes +\$25,000
- Receipts from Delinquent Taxes Due +\$60,000
- Revenue from Shared Services +\$80,971
- Uniform Fire Safety\* +39,233



# Budget Highlights (con.)

- Continue with pay-as-you-go capital improvement plan - proposed purchases in 2015 include:
  - Replacement of Single Axle Truck with New Unit with Wing Plow - \$150,000
  - Replacement of Pick-Up Truck - \$45,000
  - Allocation for Road Resurfacing - \$210,500\* (\$384,500)
  - Routine replacement schedule purchases associated with fire department operations - \$32,265
  - Replacement of Fire Chief First Response Vehicle/Command Center - \$15,000

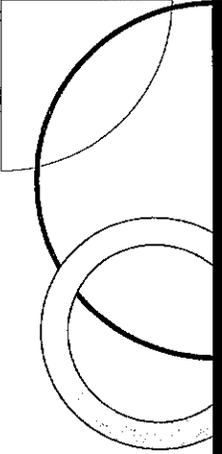


# Budget Highlights (con.)

## Capital projects (con.):

### Technology Projects:

- Replacement of both Municipal and Police Department Servers  
\$16,000
- Various routine and schedule replacements of workstations, MDT laptops, mobile viewing systems and desk telephone unit upgrades  
\$24,400
- Body Cameras (currently participating in pilot program with County law enforcement to assist with the development of protocols for future use – this purchase would not be made until further investigation and development of effective and appropriate protocols have been developed and tested) \$12,063



# Budget Highlights:

- Other capital projects slated for completion in 2015, utilizing alternative funding sources (bond and grants):
  - ❖ Installation of emergency generators at the Municipal/Police Complex
  - ❖ Upgrading of the fuel tanks at the North Church Road DPW fueling facility
  - ❖ Purchase of access property on Wheatsworth Road
  - ❖ Purchase of backhoe to replace existing aged unit
  - ❖ Purchase of Fire Engine
  - ❖ Upgrades to Colson Terrace Fire House
  - ❖ Resurfacing of Bunn Road – NJDOT Grant



## Debt Service

- Funds formerly allocated to deferred charges associated with the Township's revaluation, together with savings procured through the refinancing of existing permanent debt will set the table for low to no net impact to future debt service costs associated with the new bond to be sold in early May of 2015, which is slated to fund the aforementioned projects.



# Budget Highlights (con.)

## Operational Projects:

- Road resurfacing projects slated for portions of the following roads in 2015:
  - Stonehedge Drive
  - Knollwood Lane
  - Bunn Road (NJDOT Grant)
  - 1000 tons of patch to be utilized throughout the Township where found to be needed
  - Tar and Stone Resurfacing: Silver Lake Road and Sand Pond Road



## Budget Highlights (con.)

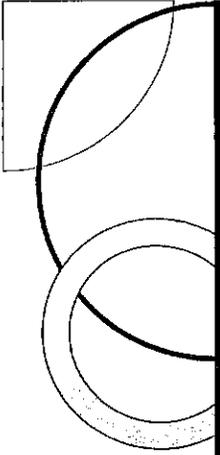
- Operational Projects:

- Increase in the appropriation for Reserve for Uncollected Taxes - \$44,134
- Increase via approved referendum LOSAP \$13,000

## 2015 Municipal Budget

### Comparison of Select Budget Appropriations

	2015	2014	\$ Change	% Change
<b>Exempt Appropriations</b>				
Pension Expenses	\$ 606,773.00	\$ 563,080.00	\$ 43,693.00	7.8%
Capital Improvements	\$ 509,228.00	\$ 454,228.00	\$ 55,000.00	12.1%
Debt Service	\$ 897,170.00	\$ 872,170.00	\$ 25,000.00	2.9%
Health Insurance	\$ 837,881.00	\$ 820,752.00	\$ 17,129.00	2.1%
Subtotal	\$ 2,851,052.00	\$ 2,710,230.00	\$ 140,822.00	5.2%
<b>Non-Exempt Appropriations</b>				
Municipal Salaries (Exclude Police & Dispatch)	\$ 1,280,494.00	\$ 1,219,450.00	\$ 61,044.00	5.0%
Police & Dispatch Salaries	\$ 2,426,897.00	\$ 2,389,487.00	\$ 37,410.00	1.6%
Operating Expenses	\$ 1,949,932.00	\$ 2,019,874.00	\$ (69,942.00)	-3.5%
Statutory Expenses	\$ 294,873.00	\$ 296,688.00	\$ (1,815.00)	-0.6%
Deferred Charges	\$ -	\$ 80,000.00	\$ (80,000.00)	-100.0%
Reserve for Uncollected Taxes	\$ 839,773.00	\$ 795,639.00	\$ 44,134.00	5.5%
Subtotal	\$ 6,791,969.00	\$ 6,801,138.00	\$ (9,169.00)	-0.1%
<b>Total</b>	<b>\$ 9,643,021.00</b>	<b>\$ 9,511,368.00</b>	<b>\$ 131,653.00</b>	<b>1.4%</b>

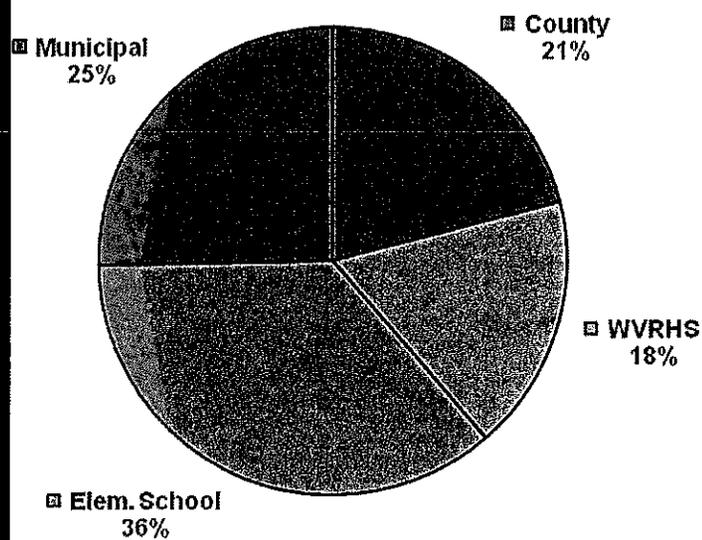


## Major Differences in Operating 2014 - 2015

- Reduction in targeted administrative operating costs associated with various individual departments, including utility costs of between 5% and 27% of savings relating to specific appropriation.
- Health insurance increases were substantially subsidized by the last year of phase in of Chapter 78's required employee premium contribution 4-year phase in.
- Fire Prevention Bureau costs increased; however, increase was completely subsidized by new revenue generated by additional shared service agreements entered into in mid 2014.

# Reserve for Uncollected Taxes

Total Appropriation - \$839,773



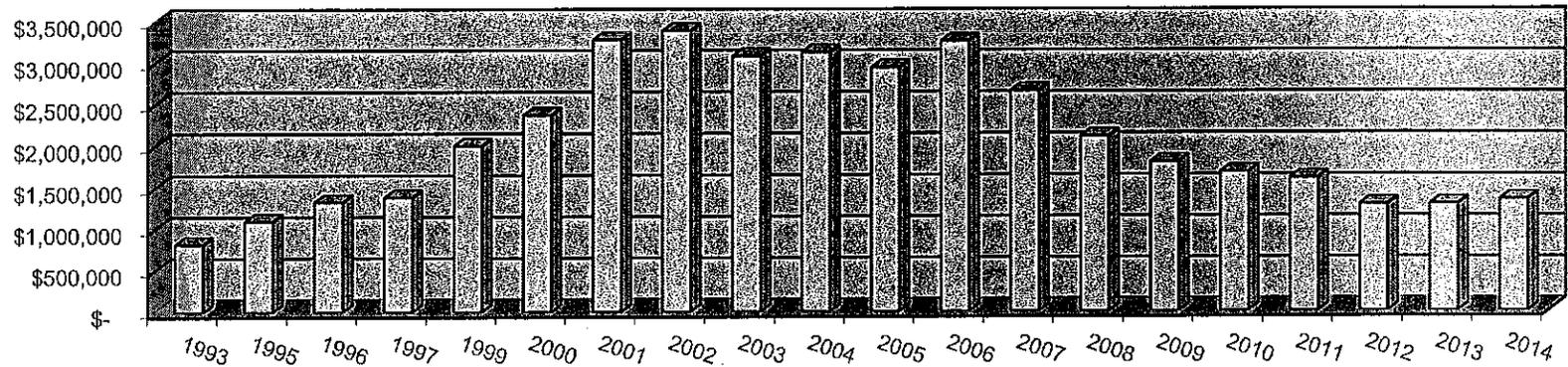
- Elementary School
  - \$302,318
- WVRHS
  - \$151,159
- County
  - \$176,352
- Municipal
  - \$209,943

# Revenue Comparison 2014-2015

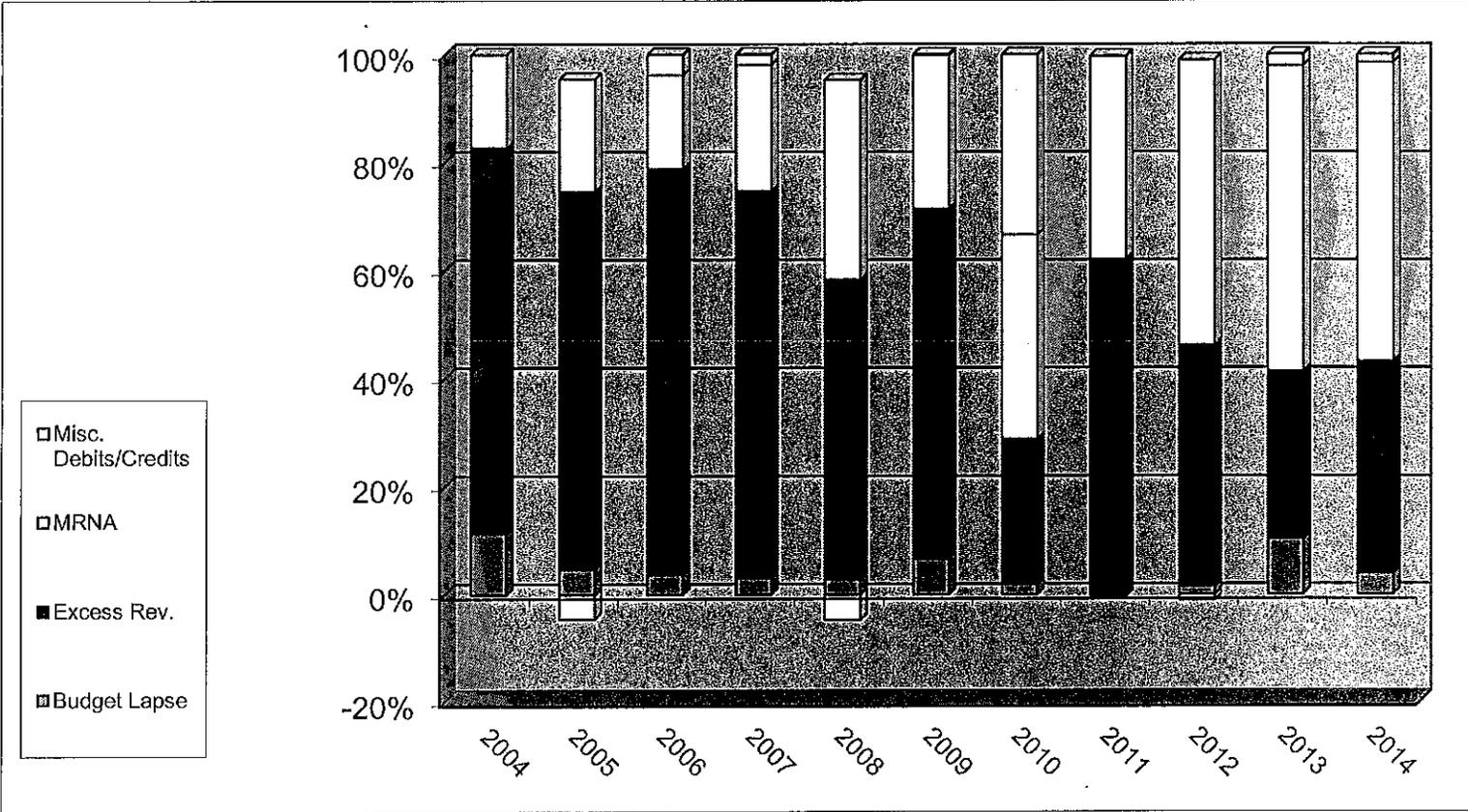
	<u>2015</u>	<u>2014</u>	<u>\$ Change</u>	<u>% Change</u>
Property Taxes	\$ 7,215,286.00	\$ 7,128,623	\$ 86,663	1.2%
Surplus	\$ 680,000.00	\$ 680,000	\$ -	0.0%
State Aid	\$ 725,074.00	\$ 725,074	\$ -	0.0%
Delinquent Taxes	\$ 580,133.00	\$ 520,000	\$ 60,133	11.6%
Grants	\$ 67,140.00	\$ 41,528	\$ 25,612	61.7%
Interlocal Services Revenue	\$ 1,108,567.00	\$ 1,027,596	\$ 80,971	7.9%
Construction Code Fees	\$ 116,000.00	\$ 122,628	\$ (6,628)	-5.4%
Special Items of Revenue	\$ 40,803.00	\$ 38,372	\$ 2,431	6.3%
Local Revenue	\$ 338,727.00	\$ 296,677	\$ 42,050	14.2%
	<b>\$ 10,871,730.00</b>	<b>\$ 10,580,498</b>	<b>\$ 291,232</b>	<b>2.8%</b>

# Surplus Available (Dec. 31)

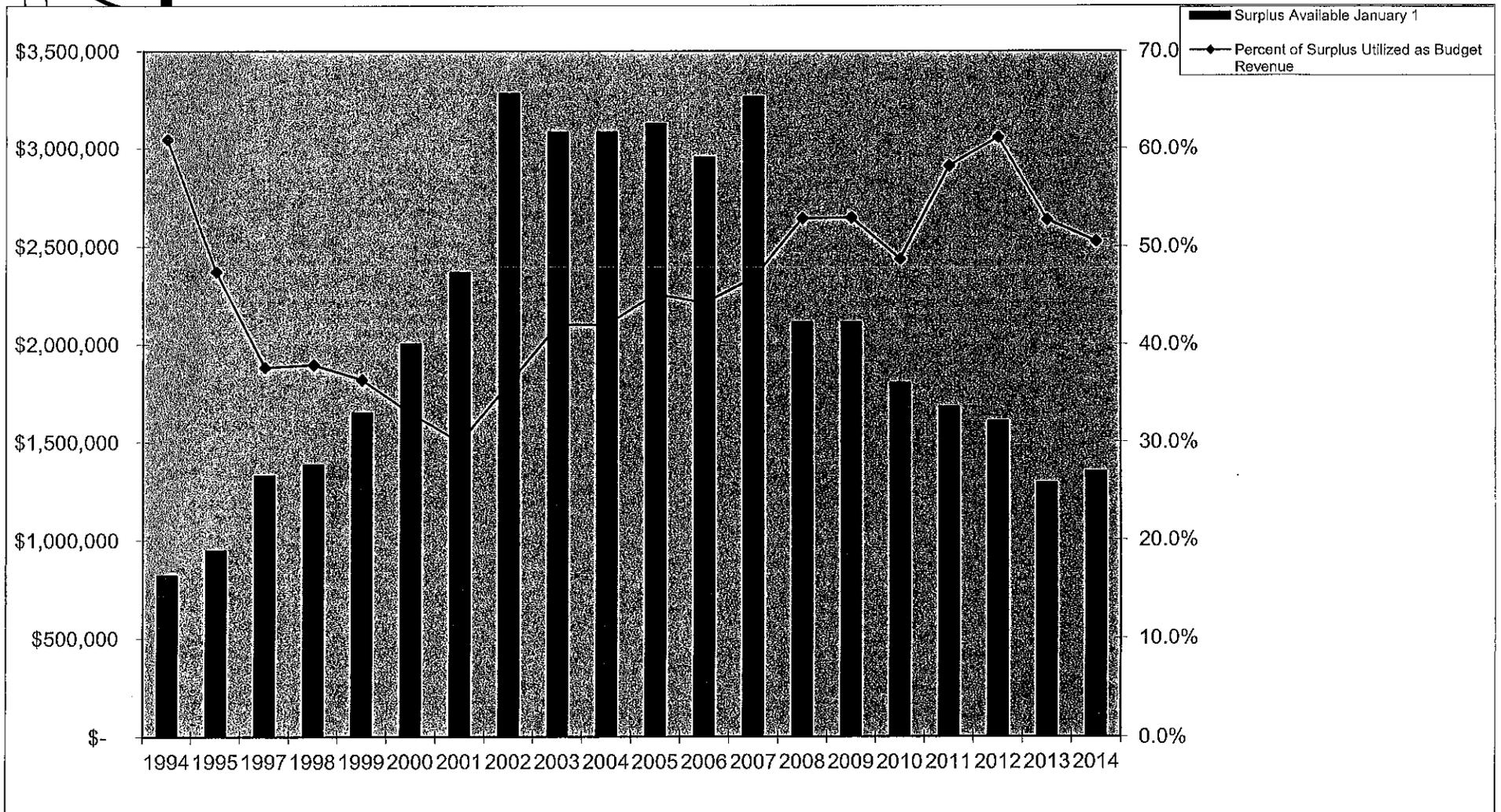
Fund Balance December 31



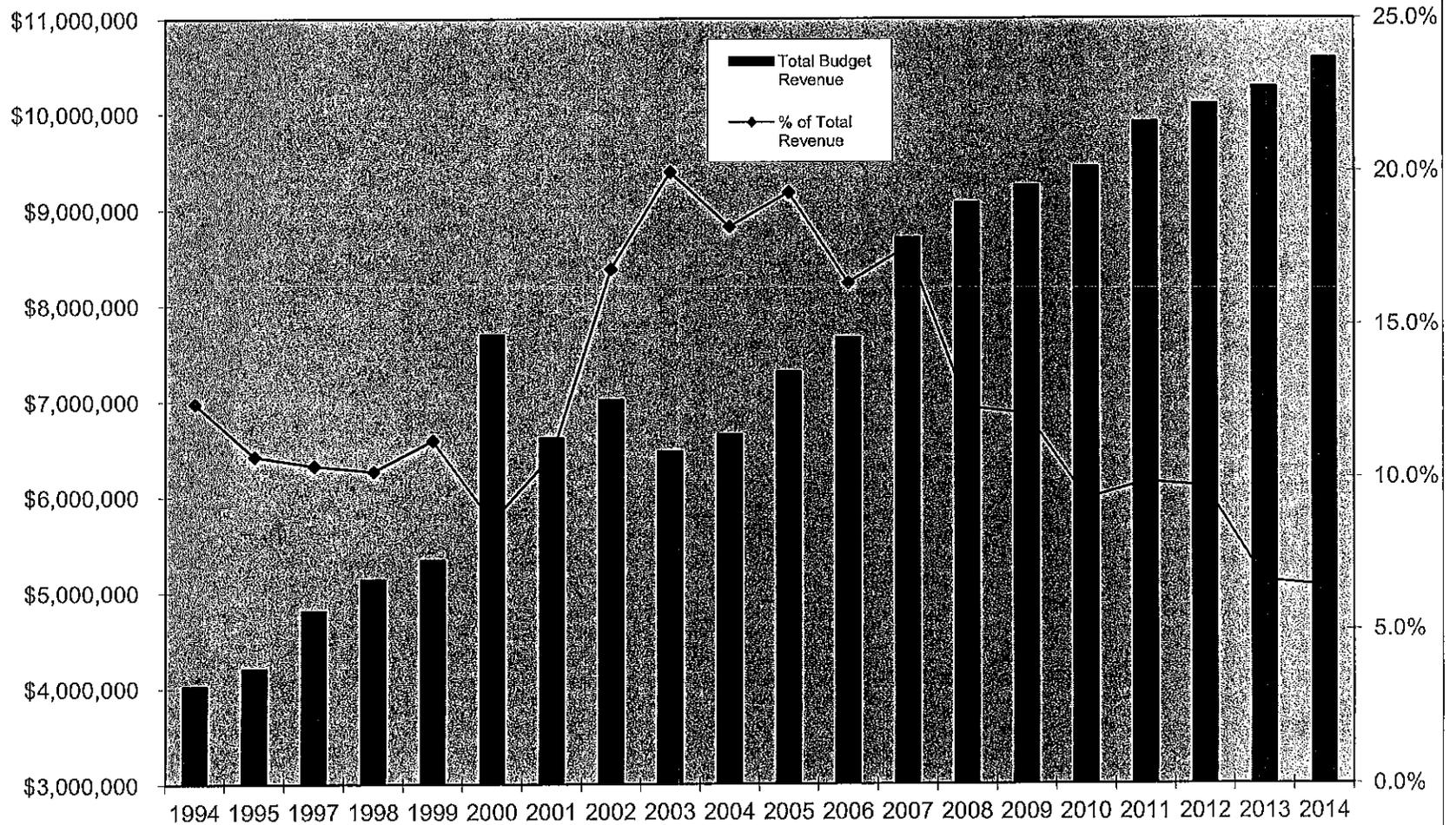
# How Surplus is Generated



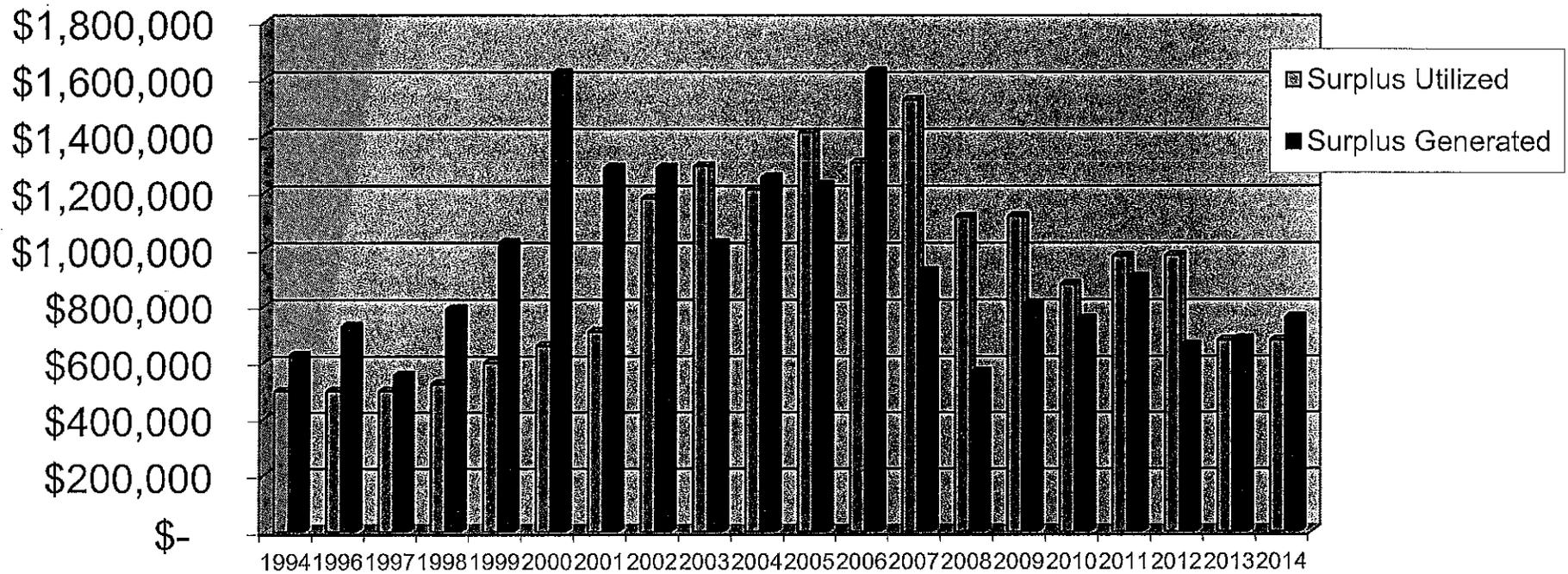
# Historic Change in Surplus



# Historic Use of Surplus



# Surplus Generated vs. Surplus Utilized

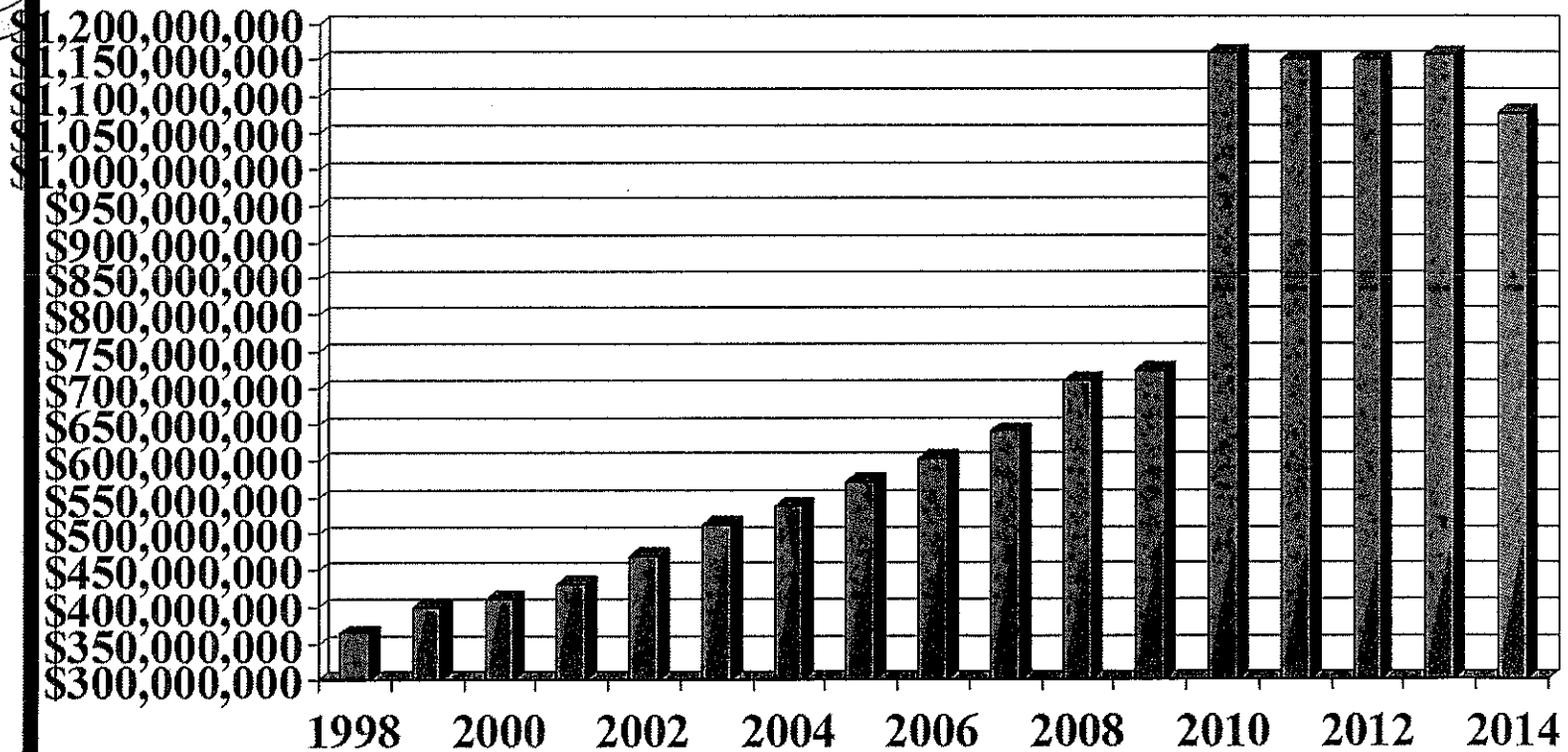




# Change in Use of Surplus

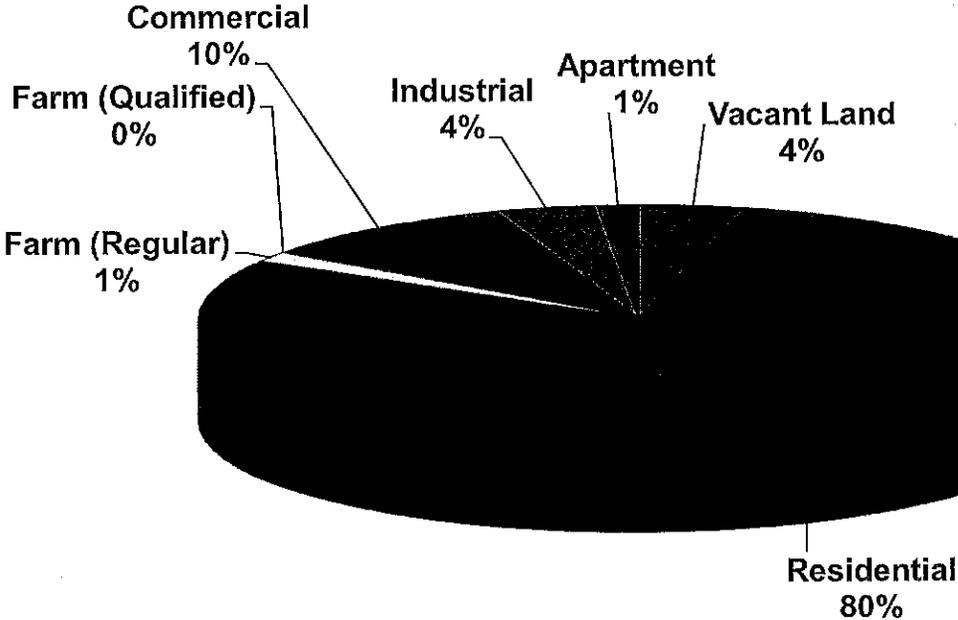
- Review of the year over year trend has supported the fact that the change in surplus policy to only utilize surplus to extent that it is regenerated each year has stabilized the municipality's fund balance condition – resulting in a favorable rating and outlook by Moody's investor's service in April, who issued a Aa2 rating to the Township, also reiterating their findings that the Township's overall “outlook remains stable” – which is a highly favorable financial review result in today's economy.

# Net Taxable Value 1996-2015



# 2015 Net Taxable Value

## *Hardyston Township 2015 Net Taxable Value*



# Tax Collection Rate

\*The rate of tax collection peaked in 2006 at a rate of 98.1%

\*Thereafter it declined in 2007 to 97%, increasing slightly in 2008 and holding steady in 2009 and 2010.

\*2011 the rate increased to 97.84%

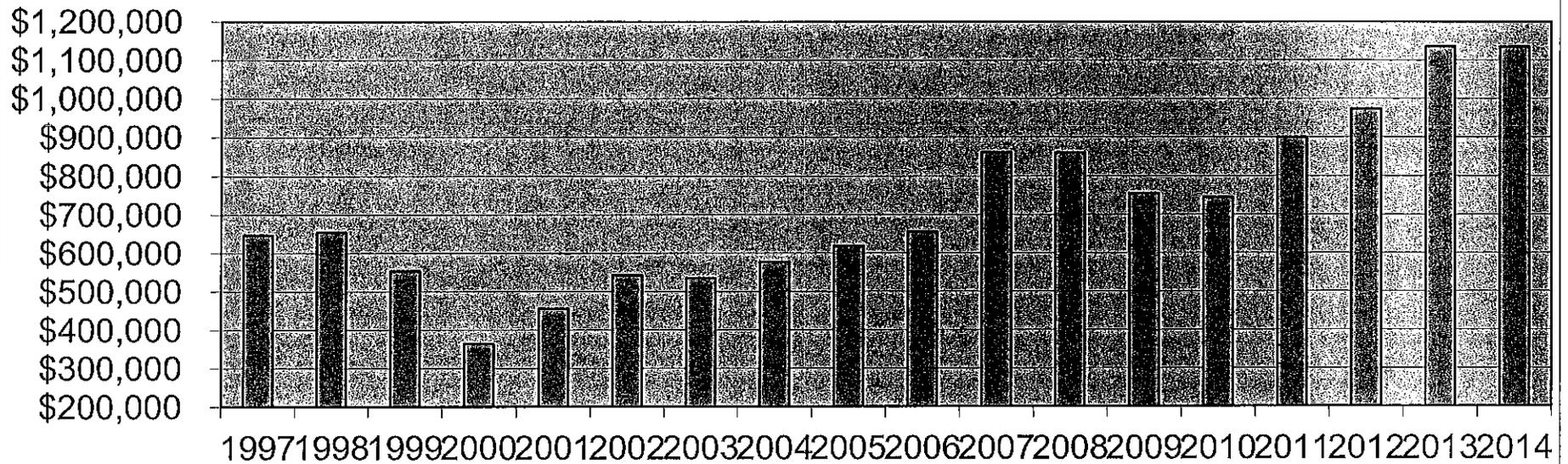
\*In 2012, as result of a significantly lower collection rate of 97.15%, surplus regeneration was further strained

\*In 2013 and 2014 due to large a large taxpayer delinquency, the rate of collection was 96.6% and slightly better in 2014 at a rate of 97.08%

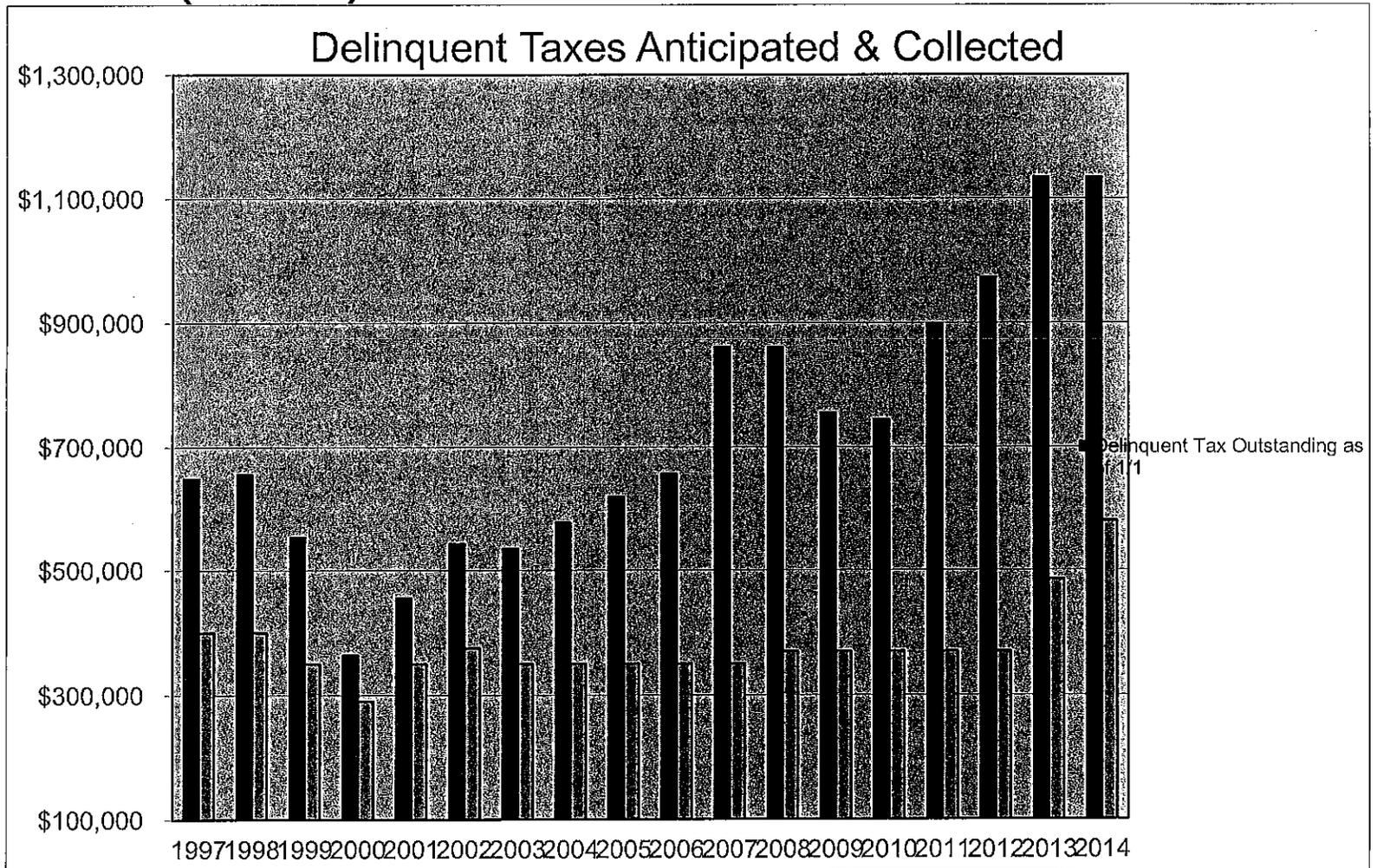
\*Overall however, the Township has maintained a strong and stable tax collection rate in spite of the difficult economy.

# Delinquent Taxes Outstanding as of 1/1

*Delinquent Tax Outstanding as of 1/1*

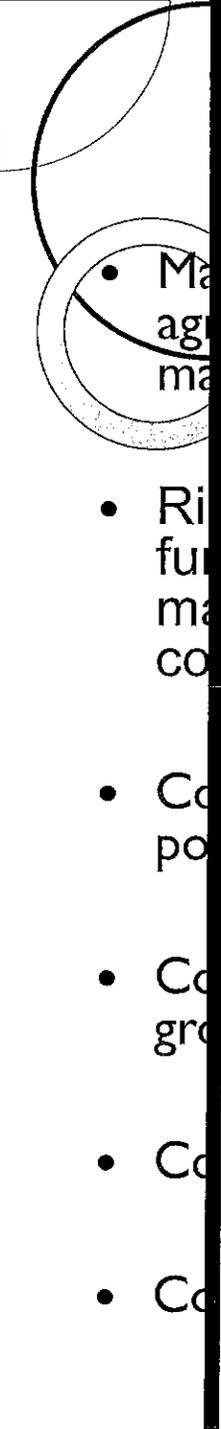


# Delinquent Tax Outstanding as of 1/1 (con.)



## Hardyston Township Tax Rate Analysis

- The **average annual tax rate increase** for the municipal portion of the tax rate for the **past 18 years** (since 1998) has been less than 2%
- The **total increase** in the municipal portion of an average home's property taxes over the **past 19 years** (including this year) was \$390.25 – an average increase of **\$20.54/year**



# Keys to Future Budgets

- Management of large volume of shared service agreements – assessing agreements for their continued value to all parties – attention and maintenance to shared service partnerships
- Rising health insurance costs – particularly with the large hedge funded by employee contributions in accordance with Chapter 78's mandatory premium sharing 4-year phase in having reached its completion.
- Continued consideration of strategies to weather the current and potentially extended period of national and local economic instability
- Conservative and balanced management of resources to provide for the growing needs of an expanding and diversified population and community
- Concern relative to large taxpayer delinquencies
- Continued Economic and Tourism Development