

2012

**TOWNSHIP OF MOUNT
OLIVE MUNICIPAL BUDGET**

Robert Greenbaum, Mayor
Sean Canning, Administrator
Sherry Maniscalco, Chief Financial Officer



2012 MUNICIPAL BUDGET

The Process –

Work on the 2012 budget began in September 2011 with requests sent to all departments, boards, and organizations. Departmental budget hearings were held in November 2011 and the Mayor's budget was presented to you on Thursday 1/12.

The municipal budget must be introduced by 2/29 and adopted by 4/20.

We are not eligible for local budget exam so our budget must be reviewed by the Division this year. We will need their approval to adopt.



2012 municipal budget

Laws affecting our budget:

- We are still obligated to comply with the Property Tax (2%) CAP Law as well as the Appropriation CAP. We are well under both of those CAPS.
- Chapter 78, PL 2011 will result in savings to the Township in health benefits; specifically \$119,000 in 2012.
- Pension reform has resulted in a decrease in our annual appropriation of \$89,195.



2012 MUNICIPAL BUDGET

2012 Budget Summary –

- The proposed 2012 budget reflects a increase in overall expenditures by \$208,317 or $\frac{3}{4}$ of 1%.
- The projected municipal tax rate is .588 as compared to .574 in 2011.
- The annual municipal tax increase is \$42.76 for a home assessed at the average of \$310,200.



2012 municipal budget

Summary continued -

- Our ratable base decreased slightly so \$5.34 (or 12.50%) of the \$42.76 increase is directly attributable to that.
- The tax dollar percentage increase is 2.40%.
- There is no increase to the sanitation district tax.

2012 municipal budget

One tax point = \$300,000 or \$30

In order to reduce taxes by \$30, you would need to increase revenues by \$300,000 or reduce expenditures by \$300,000.

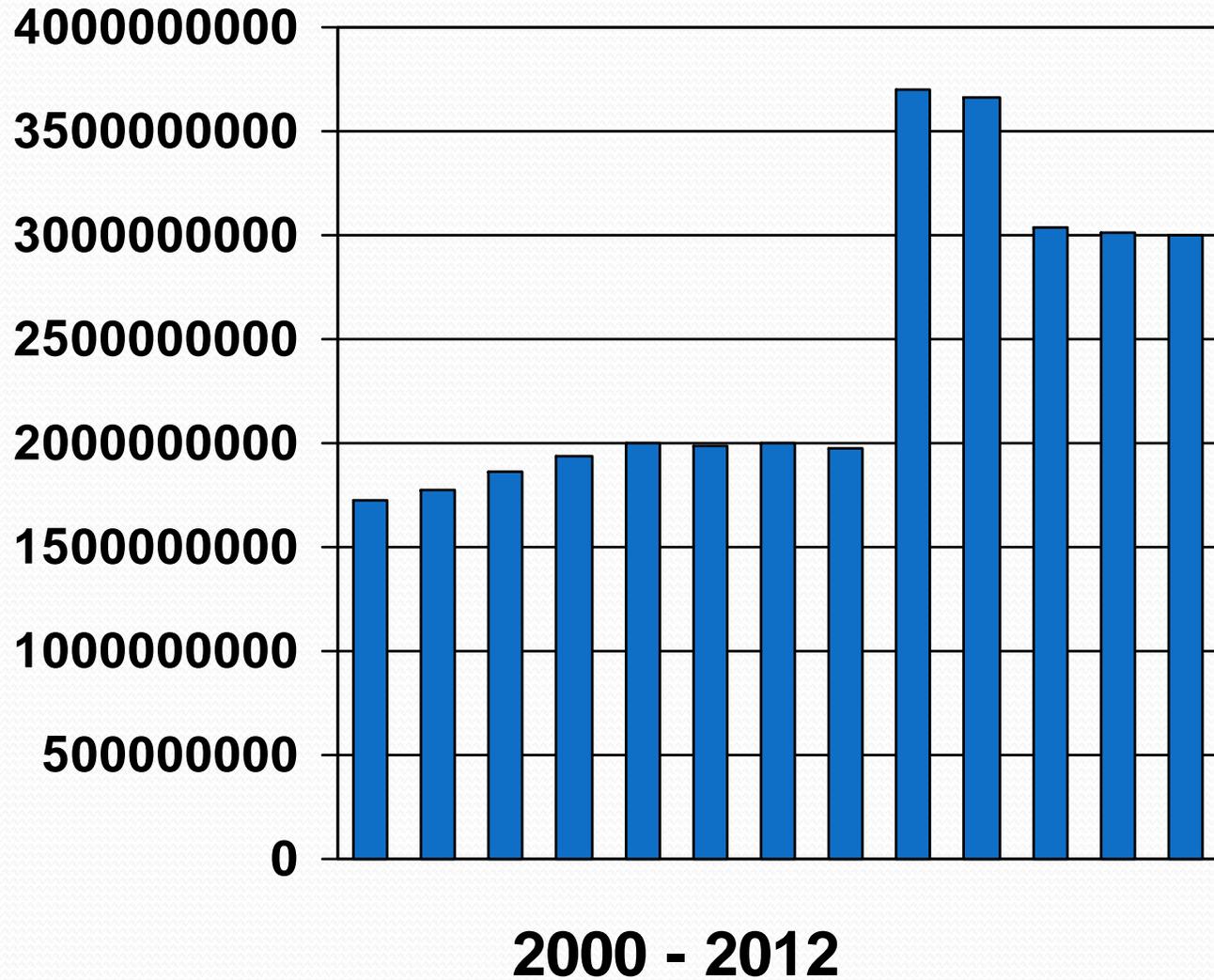


2012 municipal budget

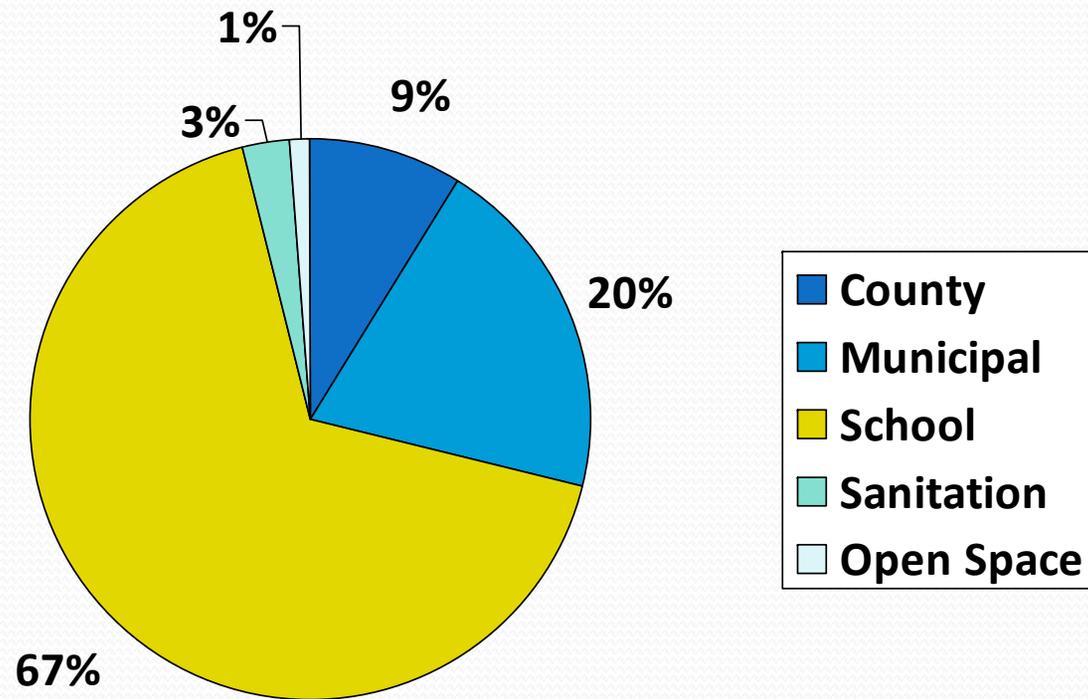
How does this compare to our previous budgets?

The average annual increase from 1999 to 2012 was \$78 or 6.73%. We are well under that.

2012 MUNICIPAL BUDGET RATABLE ANALYSIS



2012 MUNICIPAL BUDGET - TAX PIE





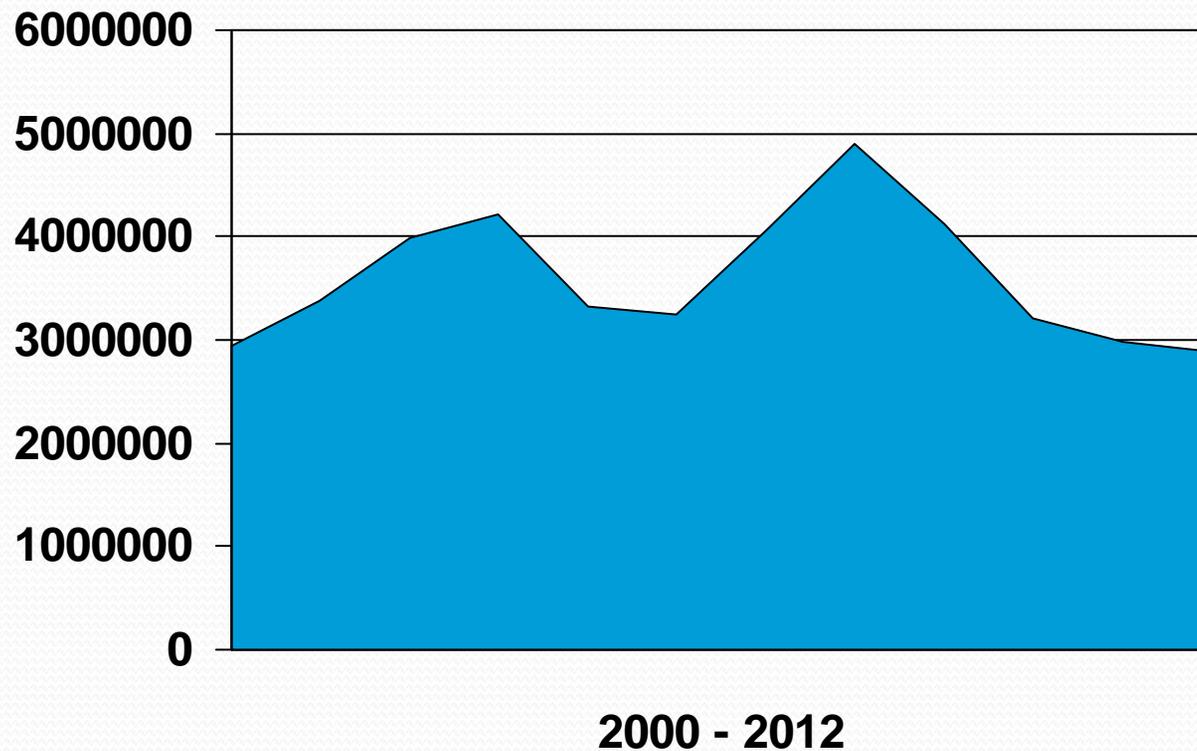
2012 MUNICIPAL BUDGET

Surplus:

- ▶ Our surplus balance at 12/31/11 was \$2,892,649 which was only \$88,389 or 2.9% lower than it was at 12/31/10.
- ▶ The decrease is nominal when you consider the constraints of the operating expenses in 2011.

What helped surplus? Our tax collection rate was 98.77% up from 98.71% in 2010. We also collected \$243,000 more than budgeted in the building dept.

2012 MUNICIPAL BUDGET – SURPLUS HISTORY



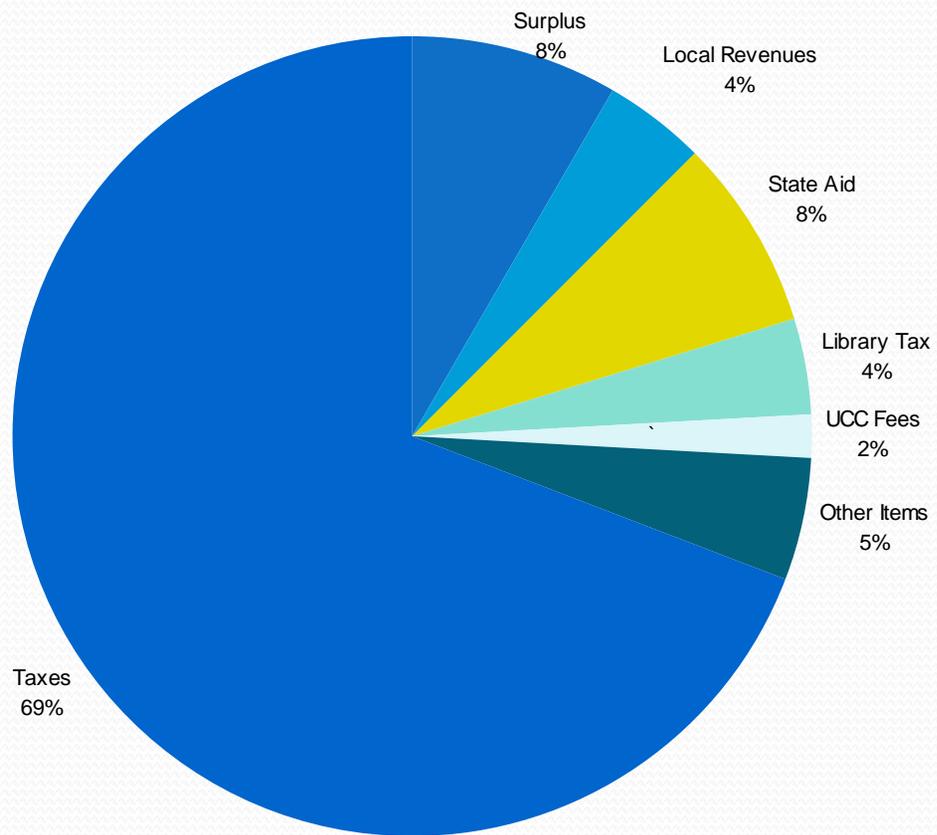


2012 MUNICIPAL BUDGET

Revenue Summary –

- Surplus Used– Decreased \$72,108 because of slightly less available at 12/31/11
- Delinquent Taxes – Decreased \$108,000 because delinquent taxes decreased as of 12/31/11
- Local Revenues – Increased \$30,392 which is the net of gains from tower rentals and general fees and permits against losses in court revenue
- State Aid – Decreased \$9,165 from garden state trust aid
- Interlocal Revenues – Increased \$54,547 primarily from the court interlocal agreement with Netcong
- Building Fees – Increased \$130,000 with continued activity expected this year
- Special Revenue Items – Increased \$87,843 from hotel revenues and surplus from the general capital fund
- Tax Revenues – Increased \$238,721 to balance the budget

2012 MUNICIPAL REVENUES



2012 MUNICIPAL BUDGET

Changes in expenditures:

- Salaries/Wages – Increased \$360,836 due to 3.75% negotiated contract settlements
- Library – 1/3 mil requirement decreased by \$75,172
- Pension Contributions – Decreased \$89,195 as determined by the Division of Pensions
- Debt Service – Increased \$110,179 based upon our schedules for existing debt....we are refinancing this month so savings are expected
- Utilities – Increased \$10,724 primarily because of telecommunication expenses
- Special Emergency – Decreased \$84,155 because we paid off the revaluation

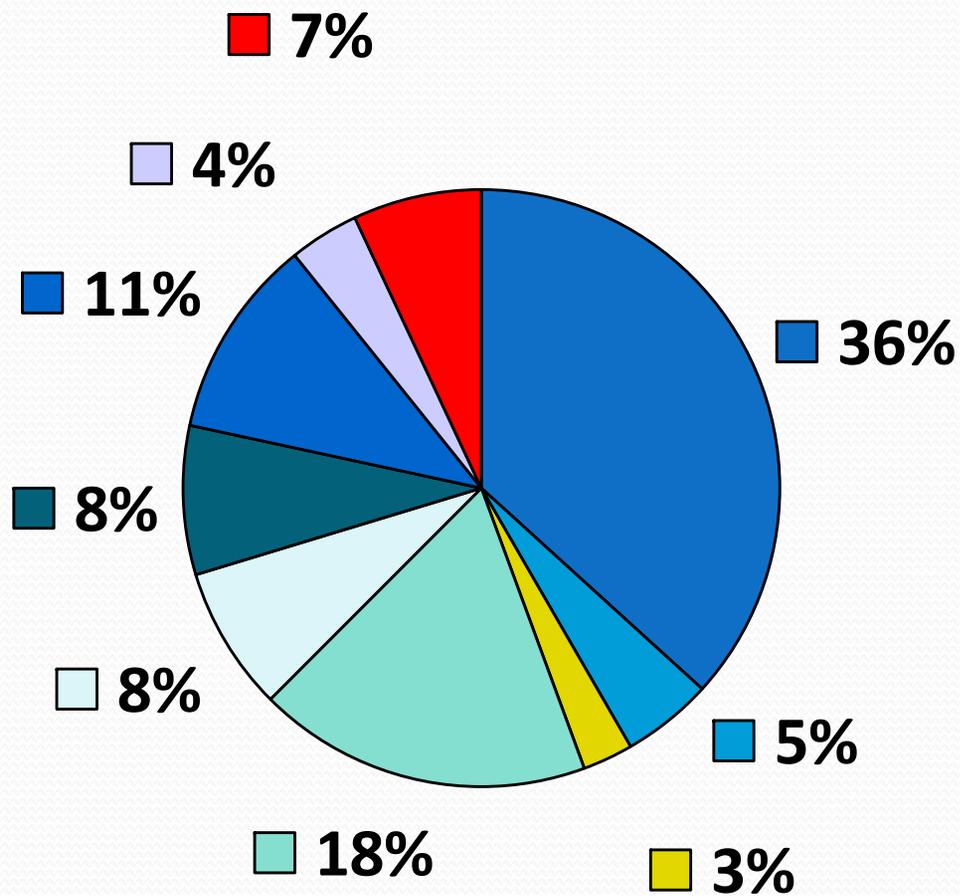


2012 MUNICIPAL BUDGET

Changes in expenditures (continued):

- Capital – Increased \$97,000 based upon our recommended capital plan for 2012
- Departmental Budgets/Fleet – Increased \$25,720 or less than 1/10 of 1⁰% of the entire budget
- Insurance – Increased \$21,574 which was the net savings from unemployment claims versus the increase in our health benefit costs

2012 MUNICIPAL BUDGET



- Salaries
- Dept. Budgets
- Utilities
- Debt Service
- RUT
- Misc
- Insurance
- Library
- Pens/Unemp



2012 MUNICIPAL BUDGET

Moving into 2012:

- We have \$129,734 on hand for tax appeals at 12/31
- We have \$105,915 in our unemployment trust for unemployment claims.
- We have \$48,596 in our snow trust for storm control costs.
- ****Budget hearings are scheduled for 2/11 and 2/18.



2012 municipal budget

My thanks!

To all the departments, Rob and Sean in providing me with all the information I needed to formulate this budget.