



2014
TOWNSHIP OF MOUNT OLIVE
MUNICIPAL BUDGET

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

2014 MUNICIPAL BUDGET

The Process –

- Work on the 2014 budget began in September 2013 with requests sent to all departments, boards, and organizations. Departmental budget hearings were held in November 2013 and the Mayor's budget was presented to you the second week of January.
- We should look to introduce the budget on 3/11/14.
- We are eligible for local budget exam so our budget does not need to be reviewed by the Division this year. We can adopt without their approval.

2014 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. Preliminary estimates show we are \$3.1 million under the appropriation cap and \$1.6 million under the property tax cap.
- Chapter 78, PL 2011 will result in savings to the Township in health benefits; specifically \$386,000 in 2014.
- Pension reform has resulted in a decrease in our annual appropriation of \$7,847.

2014 MUNICIPAL BUDGET

2014 Budget Summary –

- The proposed 2014 budget reflects an increase in overall expenditures by \$256,429 or .94%.
- The projected municipal tax rate is .607 as compared to .608 in 2013.
- The 2014 budget proposes a decrease in municipal taxes of \$3.12 for a home assessed at the average of \$311,500.

2014 MUNICIPAL BUDGET

Summary continued -

- Our ratable base is expected to increase by \$4,476,018 for 2014.
- There is no increase to the sanitation district tax and no increase proposed for water and sewer rates.

2014 MUNICIPAL BUDGET

One tax point = \$299,000 or \$29

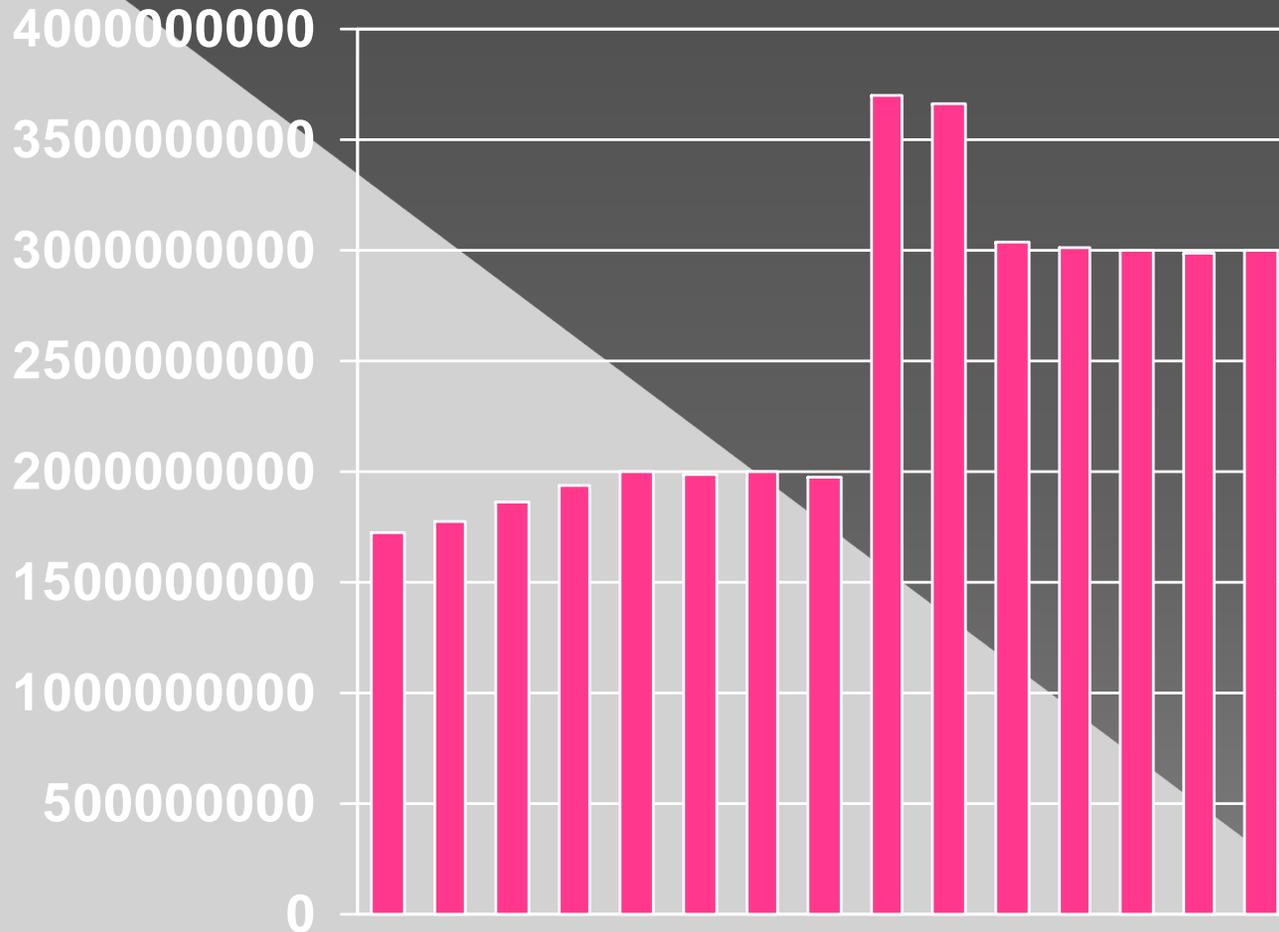
In order to reduce taxes by \$29, you would need to increase revenues by \$290,000 or reduce expenditures by \$290,000.

2014 MUNICIPAL BUDGET

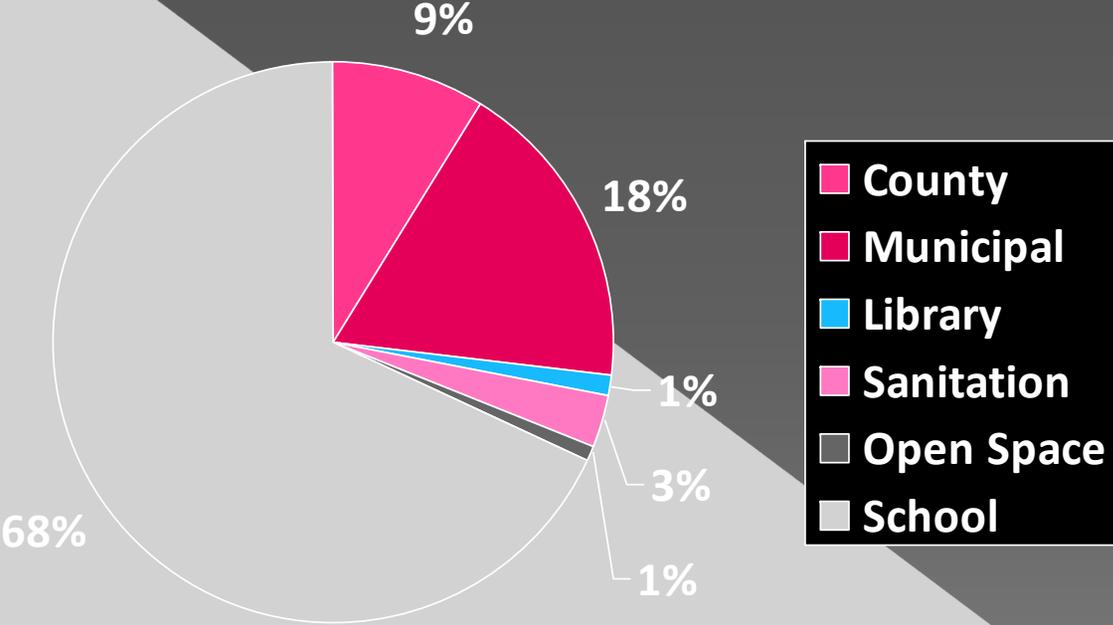
How does this compare to our previous budgets?

The average annual increase from 1999 to 2013 was \$69 or 5.37%. We are well under that.

2014 MUNICIPAL BUDGET RATABLE ANALYSIS



2014 MUNICIPAL BUDGET - TAX PIE



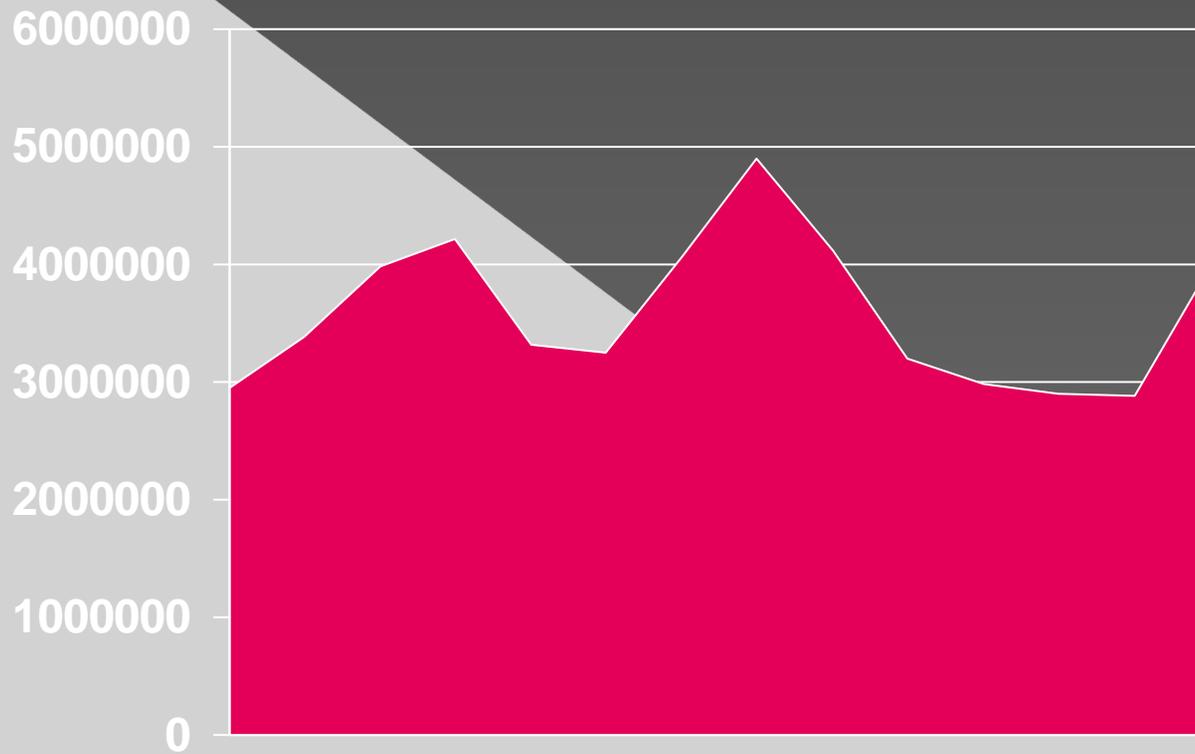
2014 MUNICIPAL BUDGET

Surplus:

- ▶ Our surplus balance at 12/31/13 was \$3,961,877.40 which was \$1,080,083 higher than it was at 12/31/12.
- ▶ This represents a 37% increase from beginning to end of 2013.

What helped surplus? Our tax collection rate was 98.94% in 2013. We also had large refunds from super storm Sandy, higher than anticipated added assessments, building revenue and general revenues.

2014 MUNICIPAL BUDGET – SURPLUS HISTORY

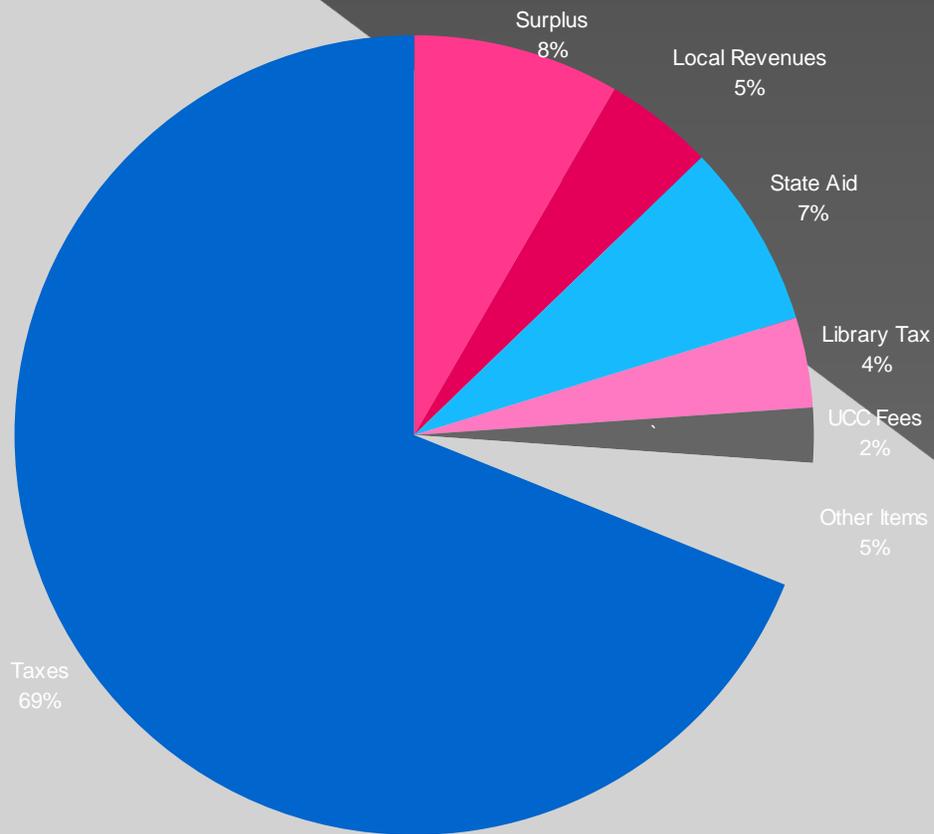


2014 MUNICIPAL BUDGET

Revenue Summary (larger items) –

- ◉ Surplus Used – Increased \$315,000 based upon our calculation of surplus regeneration throughout 2014
- ◉ Delinquent Taxes – Decreased \$150,000 because delinquent taxes decreased at 12/31/13
- ◉ Local Revenues – Increased \$155,324 which is primarily from municipal court revenues, tower rentals and the new fire inspection agreement with Hackettstown
- ◉ Special Revenue Items – Decreased \$126,579 primarily because we are taking less from the open space trust fund to offset open space debt
- ◉ Construction Revenue – Increased \$145,000 to be more in line with recent collections and anticipated development in 2014
- ◉ Tax Revenues – Decreased \$16,747 to balance the budget

2014 MUNICIPAL REVENUES



2014 MUNICIPAL BUDGET

Changes in expenditures:

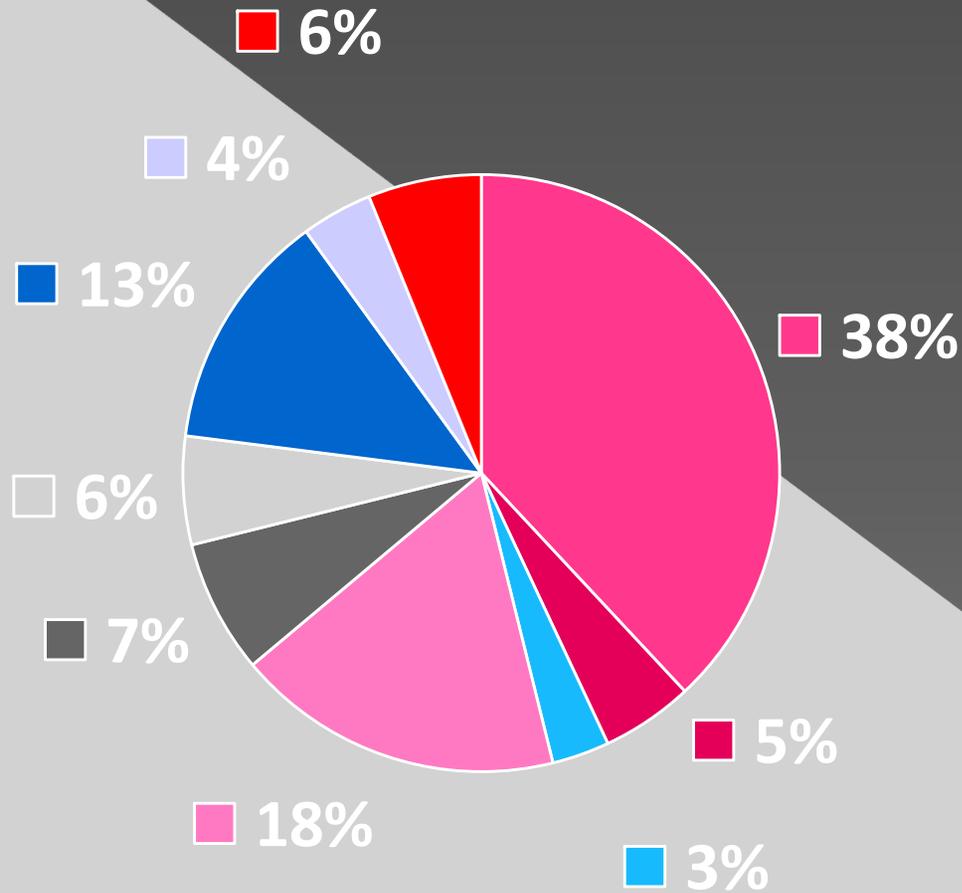
- Salaries/Wages – Increased \$386,158 based upon negotiated salary contracts
- Library – 1/3 mil requirement decreased by \$35,309
- Pension Contributions – Decreased \$7,847 as determined by the Division of Pensions
- Debt Service – Decreased \$278,319
- Utilities – Decreased \$15,000 primarily due to savings from the NJSEM
- Departmental O/E – Increased \$174,577 to restore some of the budgets that had been cut too far previously....i.e. roads was increased \$105,000

2014 MUNICIPAL BUDGET

Changes in expenditures (continued):

- ⦿ Capital – Increased \$32,425 based upon our recommended capital plan for 2014
- ⦿ Insurance – Increased \$130,790 primarily due to increased retiree coverage and then coverage for the replacement personnel as well
- ⦿ Accumulated Absence Trust – reduced \$150,000 since we started off with \$57,000 remaining and retirements are expected to be lighter in 2014

2014 MUNICIPAL BUDGET



- Salaries
- Dept. Budgets
- Utilities
- Debt Service
- RUT
- Misc
- Insurance
- Library
- Pension

2014 MUNICIPAL BUDGET

Moving into 2014:

- We have \$83,533 on hand for tax appeals at 12/31
- We have \$111,715 in our unemployment trust for unemployment claims.
- We have \$11,643 in our snow trust for storm control costs plus an additional \$105,000 in the 2014 budget.
- We have \$57,862 in our accumulated absence trust for retirements.
- Most importantly we have \$1,671,877 remaining in surplus. We achieved our lowest surplus utilization since prior to 2000.

2014 MUNICIPAL BUDGET

My thanks!

To all the departments, boards,
committees and volunteer organizations
for assisting us in preparing the Mayor's
2014 budget.