

2016 TOWNSHIP OF MOUNT OLIVE MUNICIPAL BUDGET

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2016 MUNICIPAL BUDGET

The Process –

Work on the 2016 budget began in September 2015 with requests sent to all departments, boards, and organizations. Departmental budget hearings were held in November 2015 and the Mayor's budget was presented to you in early January.

The municipal budget must be introduced by 3/18 and adopted by 4/22.

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.

2016 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 have \$938,841.09 available in our appropriation CAP bank and we have \$2,570,508 available in our property tax CAP bank moving into 2016.
- Chapter 78, PL 2011 will result in savings to the Township in health benefits; specifically \$598,000 in 2016. The law will sunset for both unions on 12/31/16.

2016 MUNICIPAL BUDGET

2016 Budget Summary –

- The proposed 2016 budget reflects an increase in overall expenditures by \$340,518 or 1.17%.
- The projected municipal tax rate is .606 which is the same as it was in 2015 so we have no planned tax increase.

2016 municipal budget

Summary continued -

- Our general fund ratable base grew by \$35,623,000 or 1.18%.
- Our sanitation ratable base grew by \$28,235,300 or 1.41%.
- There is no increase to the sanitation district tax for 2016.

2016 municipal budget

One tax point = \$302,000 or \$30

In order to reduce taxes by \$30, you would need to increase revenues by \$302,000 or reduce expenditures by \$302,000.

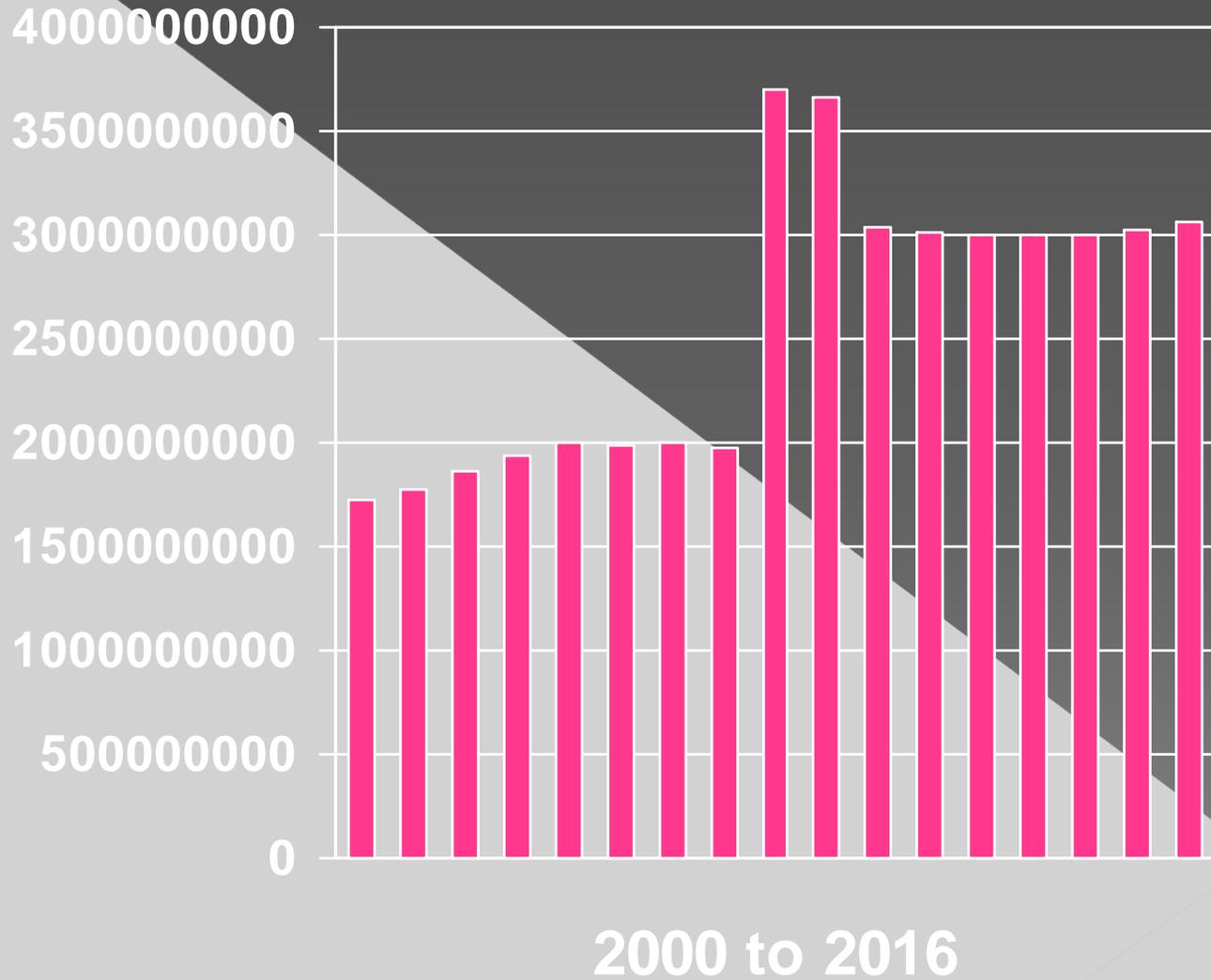
2016 municipal budget

How does this compare to our previous budgets?

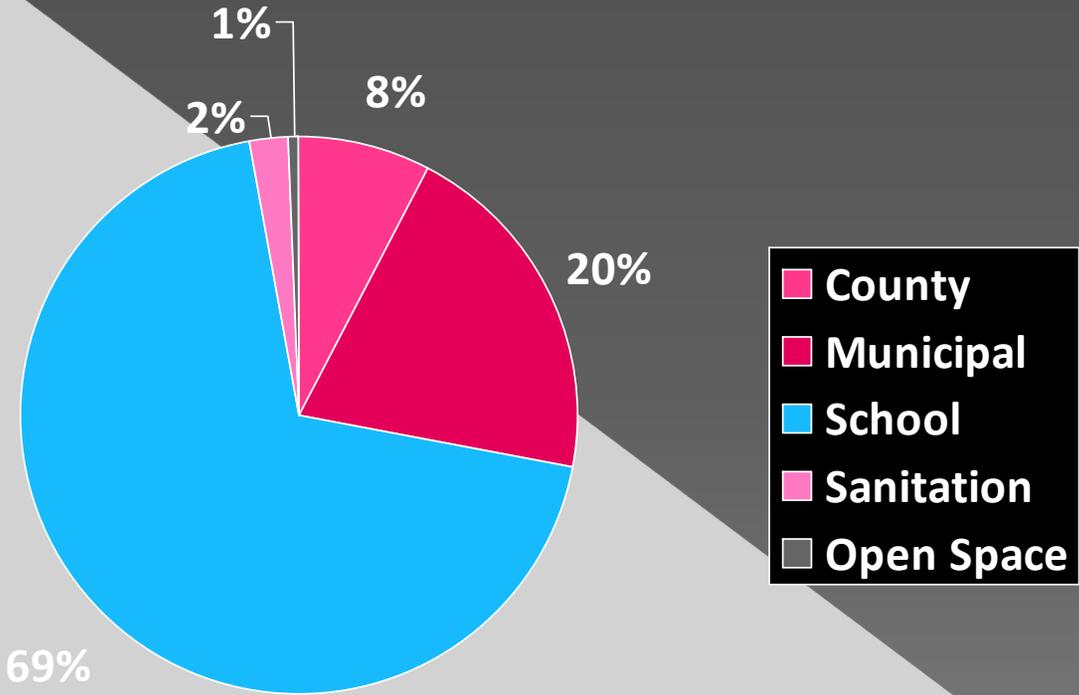
We haven't had a tax increase since 2012.

Open

2016 MUNICIPAL BUDGET RATABLE ANALYSIS



2016 MUNICIPAL BUDGET - TAX PIE



2016 MUNICIPAL BUDGET

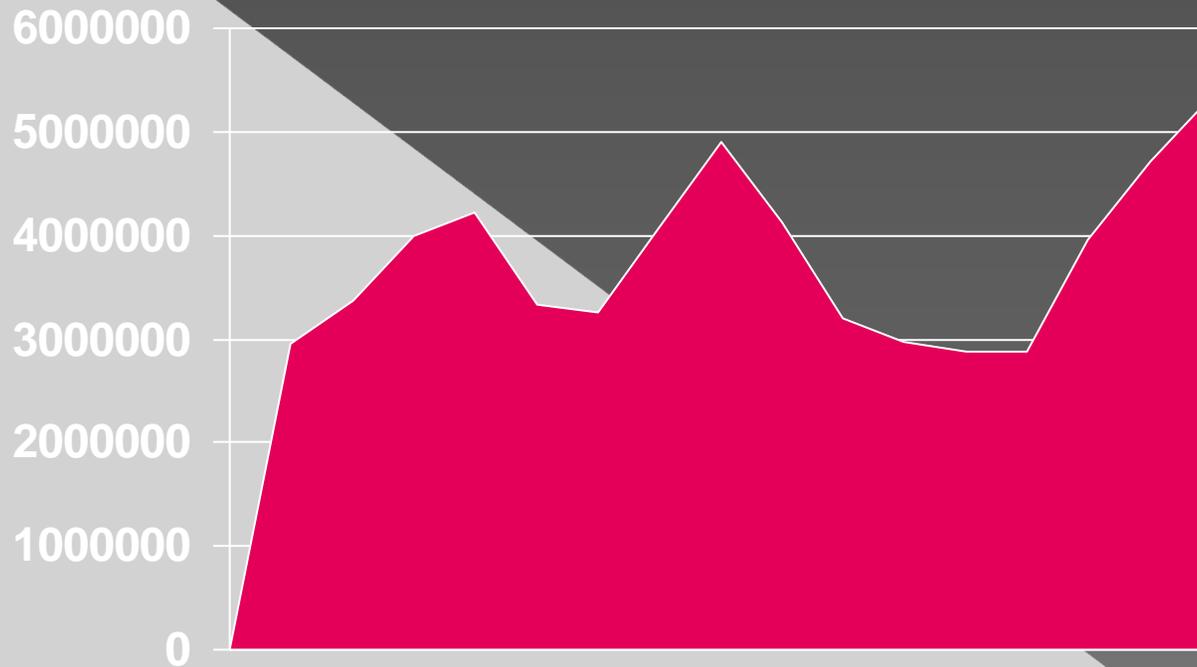
Surplus:

- ▶ Our surplus balance at 12/31/16 was \$5,339,860.71 which was the highest it has been in my 16 year tenure with the Township.

What helped surplus? Our tax collection rate was 99.03%, we had few tax appeal losses and we had added assessments amounting to \$1,639,815.

Open

2016 MUNICIPAL BUDGET – SURPLUS HISTORY



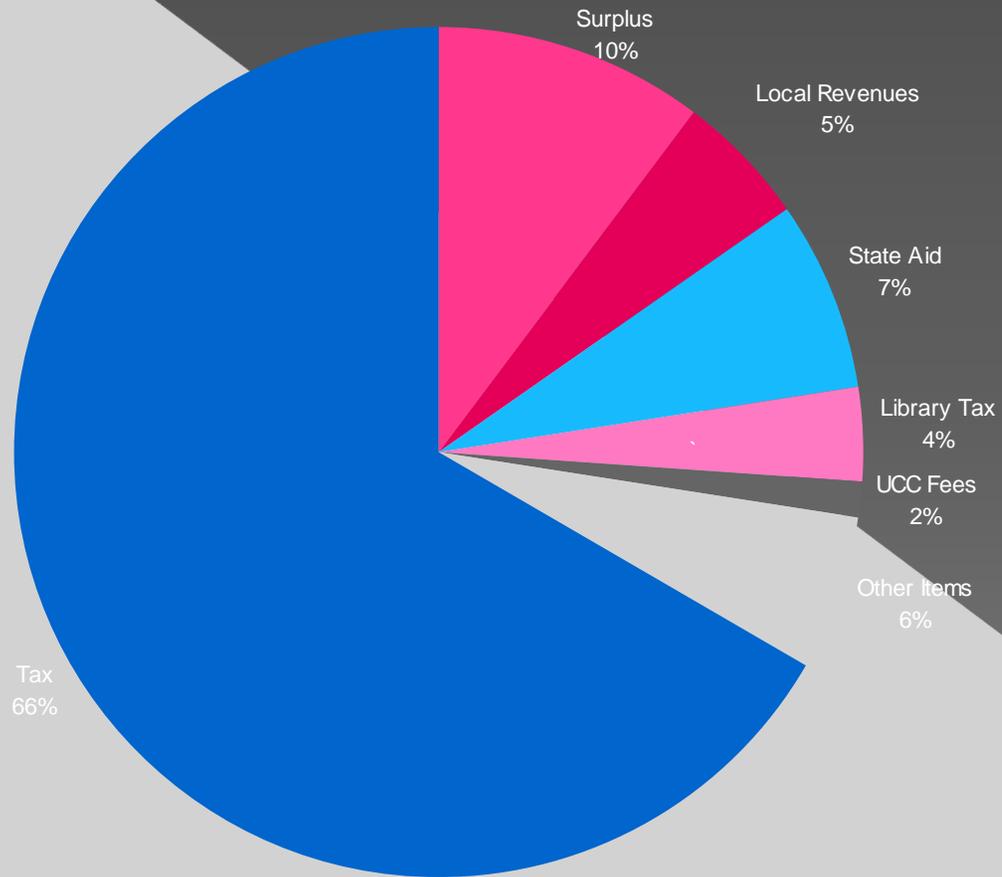
2001 to 2016

2016 MUNICIPAL BUDGET

Revenue Summary –

- Surplus Used– Decreased \$444,493 based upon our calculation of surplus regeneration throughout 2017
- Local Revenues – Decreased \$88,000 which is primarily from the loss of interest and costs on taxes from less delinquencies and water tower rental revenue
- Inter-local Revenues – Increased \$4,615 primarily from annual cost of living increases
- Special Revenue Items – Increased \$18,668 which is primarily hotel tax revenues
- Construction Revenues – Decreased \$40,000 based upon actual revenue collected in 2015
- Grant Revenues – Decreased \$62,907 because most grant awards haven't been announced yet
- Tax Revenues – Increased \$256,689 to balance the budget

2016 MUNICIPAL REVENUES



2016 MUNICIPAL BUDGET

Significant changes in expenditures:

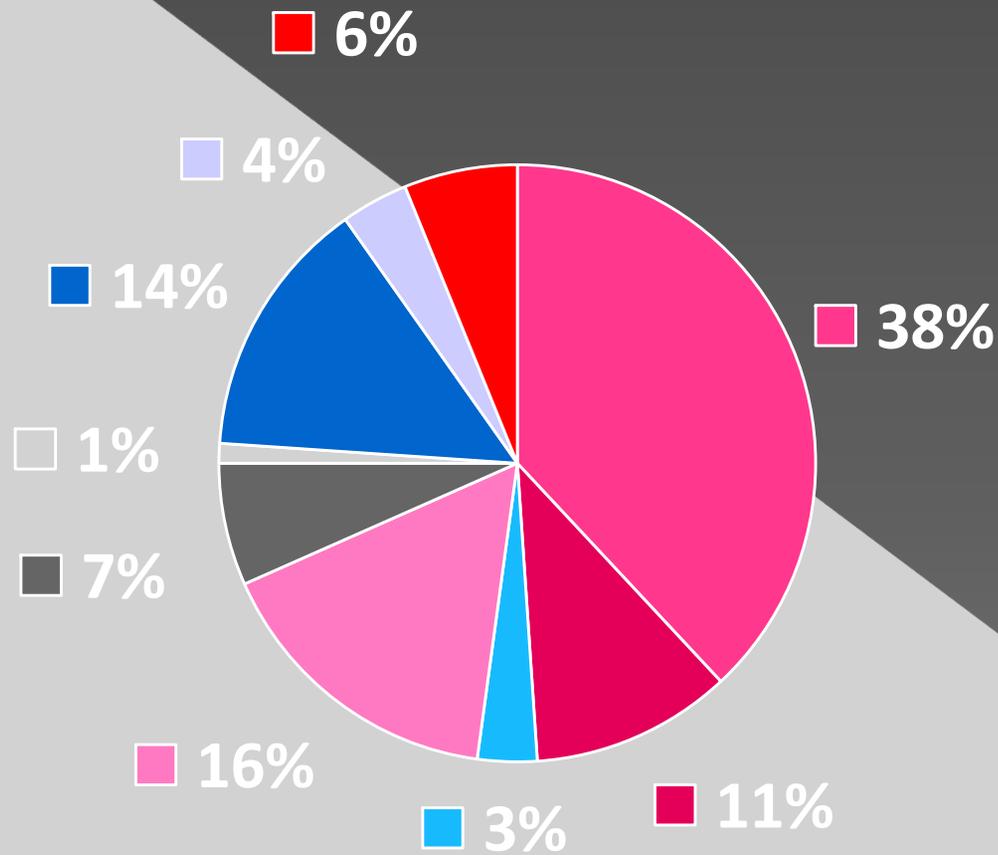
- Salaries/Wages – Increased \$89,905 which is the net effect of retirements plus contractual increases
- Library – 1/3 mil requirement increased by \$51,390
- Pension Contributions – Increased \$93,779 as determined by the Division of Pensions
- Debt Service – Decreased \$611,459 due to various bonds/loans being paid off in 2015
- Legal and Audit – Decreased \$21,209 since miscellaneous litigation has dropped
- Departmental O/E – Decreased \$73,103 from various items

2016 MUNICIPAL BUDGET

Changes in expenditures (continued):

- Capital – Decreased \$27,355 based upon our recommended capital plan for 2016 which is less than our plan from 2015
- Insurance – Increased \$302,925 primarily due to increased retiree coverage and then coverage for the replacement personnel as well as the normal SHBP increase
- Accumulated Absence – Decreased \$50,000 since fewer retirements are expected
- Grants – Decreased \$62,907 because most are not known yet as discussed under revenues
- Reserve for Uncollected Taxes – Decreased \$25,000 because our collection rate is holding strong at over 99%

2016 MUNICIPAL BUDGET



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

2016 MUNICIPAL BUDGET

Moving into 2016 and beyond:

- We have \$105,000 on hand for tax appeals at 12/31.
- We have \$113,580 in our unemployment trust for unemployment claims.
- We have a reduction in debt service in 2017 of \$706,944.
- We will see an increase in health benefit costs from the sunset of Chapter 78 but we can likely mitigate much of that loss from a change in insurance providers.
- We left \$2,339,860 in surplus based upon a conservative regeneration schedule.

2016 municipal budget

My thanks!

To all the departments, boards,
committees and volunteer organizations
for assisting us in preparing the Mayor's
2016 budget.