

TOWNSHIP OF MAHWAH

2012 BUDGET ANALYSIS



Township of Mahwah

Proposed Municipal Budget - April 12, 2012

- **Mayor William C. Laforet**
- **Councilmember Samuel Alderisio**
- **Councilmember H. Lisa Digiulio**
- **Councilmember Charles Jandris**
- **Councilmember Roy B. Larson**
- **Councilmember John F. Roth**
- **Councilmember John A. Spiech**
- **Councilmember Harry Williams**



BUDGET OVERVIEW

- **Chapter 44 of P.L. 2010 (2010 CAP) imposes a 2% cap on local tax levies. The levy cap is in addition to the existing appropriation cap. The cap calculation is subject to various adjustments, including but not limited to the value of increased assessments and other modifications. The 2010 CAP eliminated levy cap waivers approved by the Local Finance Board.**
- **The 2012 budget is subject to the new law.**
- **The Amount to be Raised by Taxation for 2012 is in compliance with the 2% Tax Levy CAP.**
- **The General Appropriations for 2012 are in compliance with the 3.5% Appropriation CAP.**



STEPS TAKEN TO REDUCE SPENDING

- **Reduce Township's work force through attrition.**
- **Negotiate contracts utilizing new interest arbitration statute (tool kit)**
- **Continue to seek new cost-savings opportunities:**
 - Snow Removal**
 - Health Insurance**
 - Recycling**

TAX RATE COMPARISON

In cents per \$100 of Assessed Valuation

	<u>2012</u> <u>(Projected / Estimated)</u>	<u>2011</u> <u>(Actual)</u>
School	.996	.961
County	.235	.228
Municipal	.348	.342
Library	<u>.038</u>	<u>.039</u>
Total Municipal Rate	<u>.386</u>	<u>.381</u>
Municipal Open Space	.010	.010
Total	1.627	1.580

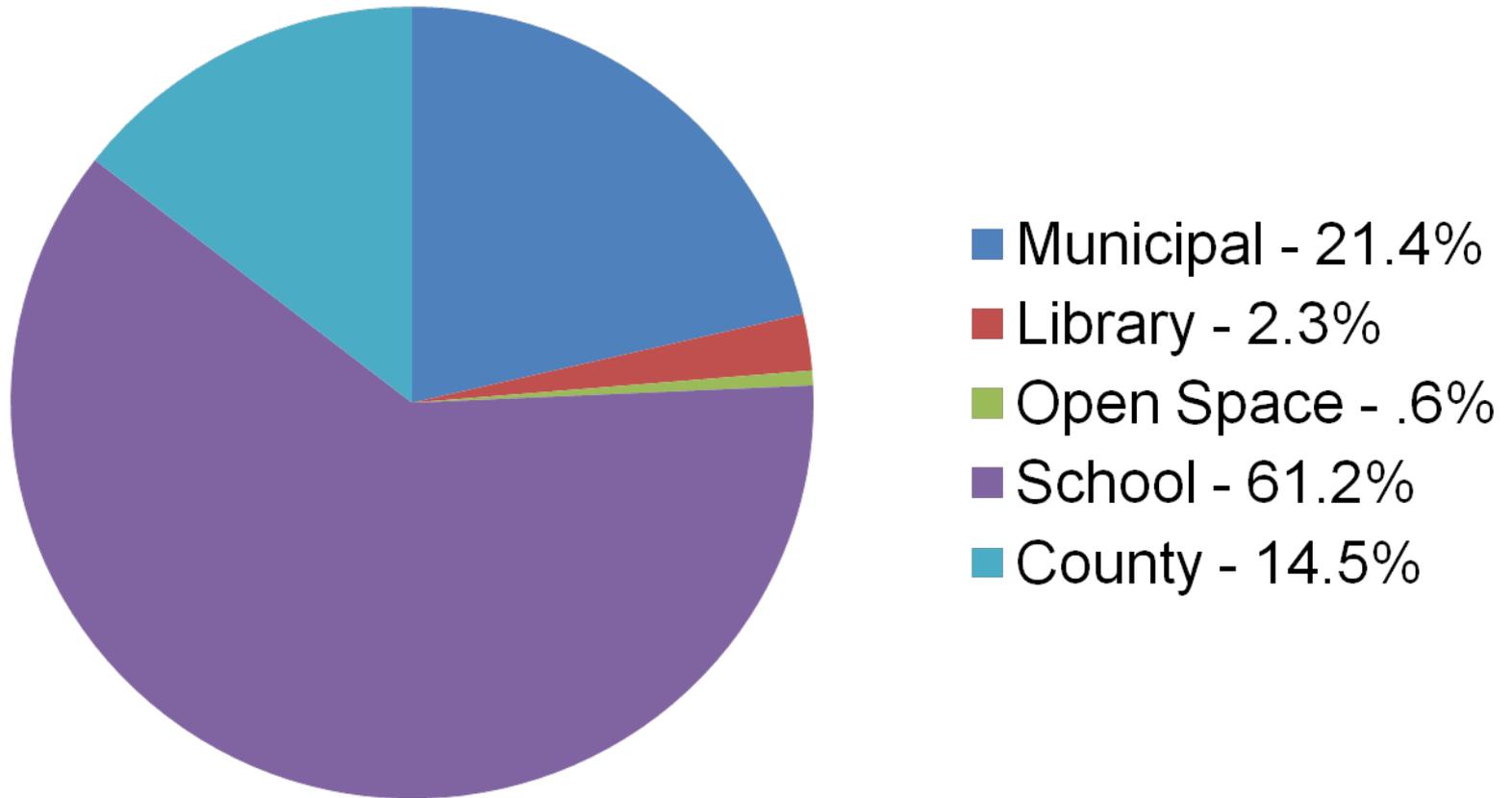


WHAT DO YOUR MUNICIPAL TAX DOLLARS PAY FOR?

- **Accredited Police Department**
- **Public Works Department - maintain roadways, parks, storm water management, drainage, leaf collection, recycling and snow removal**
- **Board of Health and animal control services**
- **Emergency Services**
- **Recreational, cultural and senior citizen events and programs**
- **Garbage Collection and disposal**
- **Open Space acquisition and maintenance**
- **Administrative Departments**

2012 Projected Tax Rate Breakdown

TAXES





Overview Of Tax Increase

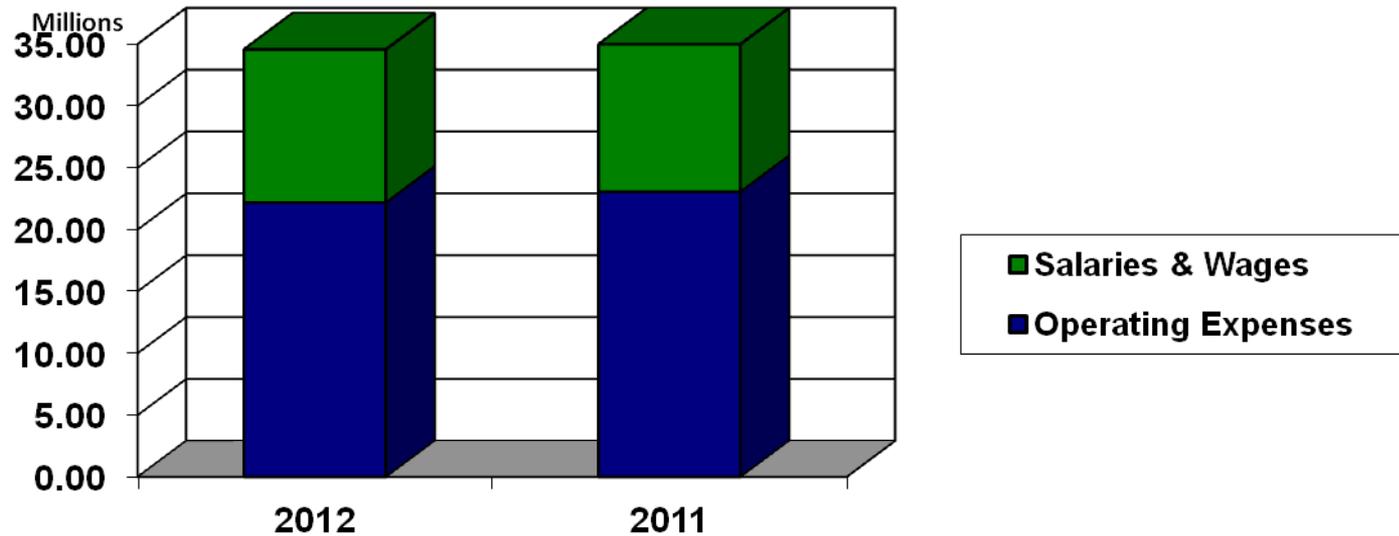
- The projected municipal tax increase is .6 tax points.
- This equates to \$28.20 per year or \$2.35 per month for a home assessed at the approximate average of \$470,000.00



Ratables

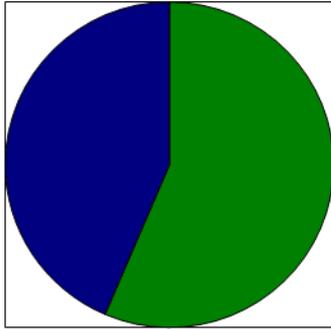
- The ratable base for 2012 is \$5,701,611,777, a reduction of \$33,763,520, which is a result of various tax appeals.
- The Township expects some ratable growth in 2013.

TOTAL BUDGET COMPARISON



	2012 (Proposed)	2011(Final)
Salaries & wages	\$12,364,550	\$11,917,500
Other Expenses	\$22,200,110	\$23,067,512
Total	\$34,564,660	\$34,985,012

2012 PROPOSED BUDGET



■ Fixed and Statutory Costs - 56.43%
■ Department Expenses - 43.57%

Fixed & Statutory Costs

Utilities / Sanitation	\$2,855,360
Insurance	\$4,810,000
Other – Tax Appeals, Library, LOSAP, Grants, etc.	\$2,841,140
Capital Improvement	\$63,000
Debt Service	\$3,516,110
Deferred Charges / Statutory	\$2,867,134
Reserve for Uncollected Taxes	\$2,550,667
Total	\$19,503,411

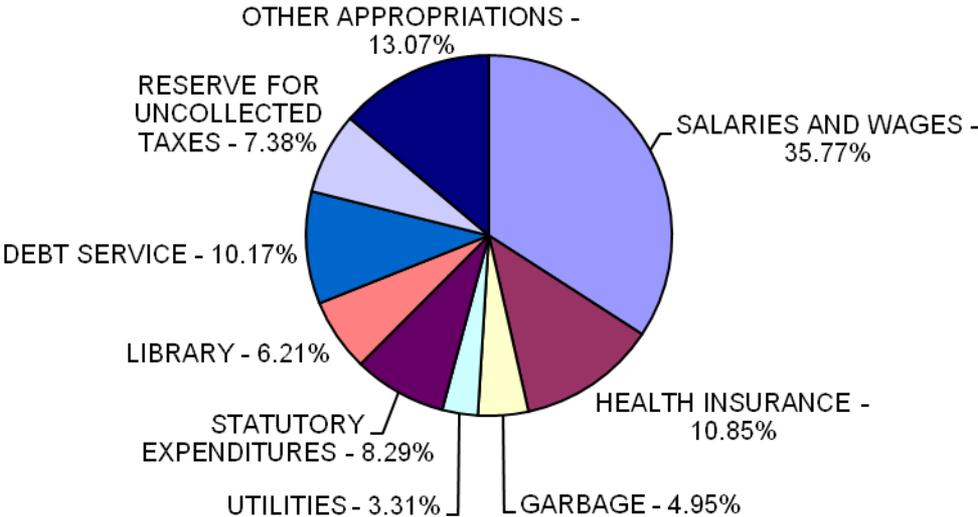
Department Expenses

Public Safety	\$8,094,399
Public Works	\$2,714,337
Government Services	\$1,820,434
Construction / Land Use	\$938,650
Recreation and Pool	\$405,156
Health / Human Services / Senior	\$747,323
Municipal Court	\$340,950
Total	\$15,061,249

BUDGET APPROPRIATIONS BY CATEGORY (PERCENT OF TOTAL BUDGET)

<u>CATEGORY</u>	<u>AMOUNT</u>	<u>PERCENT OF TOTAL BUDGET</u>
SALARIES AND WAGES	\$12,364,550	35.77%
HEALTH INSURANCE	\$3,750,000	10.85%
GARBAGE / MSA	\$1,711,000	4.95%
UTILITIES	\$1,144,360	3.31%
STATUTORY EXPENDITURES	\$2,867,134	8.29%
LIBRARY	\$2,145,178	6.21%
DEBT SERVICE	\$3,516,110	10.17%
RESERVE FOR UNCOLLECTED TAXES	\$2,550,667	7.38%
OTHER APPROPRIATIONS	\$4,515,661	13.07 %
TOTAL	\$34,564,660	100%

Budget Appropriations - Percentage Of Total Budget



- SALARIES AND WAGES - 35.77%
- HEALTH INSURANCE - 10.85%
- GARBAGE - 4.95%
- UTILITIES - 3.31%
- STATUTORY EXPENDITURES - 8.29%
- LIBRARY - 6.21%
- DEBT SERVICE - 10.17%
- RESERVE FOR UNCOLLECTED TAXES - 7.38%
- OTHER APPROPRIATIONS - 13.07%

2012 Budget Cost Comparisons

Description	2012	2011 (Adopted)	Dollar Increase/ <Decrease>	% Increase/ <Decrease>
Contributions to Retirement Systems	\$2,155,641	\$2,359,615	<\$203,974>	<8.64%>
Employee Medical Insurance	\$3,750,000	\$4,274,000	<\$524,000>	<12.26%>
Reserve for Tax Appeals	\$250,000	\$200,000	\$50,000	25.00%
Municipal Debt Service	\$3,516,110	\$3,502,615	\$13,495	.39%
Reserve for Uncollected Tax	\$2,550,667	\$2,538,684	\$11,983	.47%
Salaries and Wages	\$12,364,550	\$11,885,000	\$479,550	4.03%

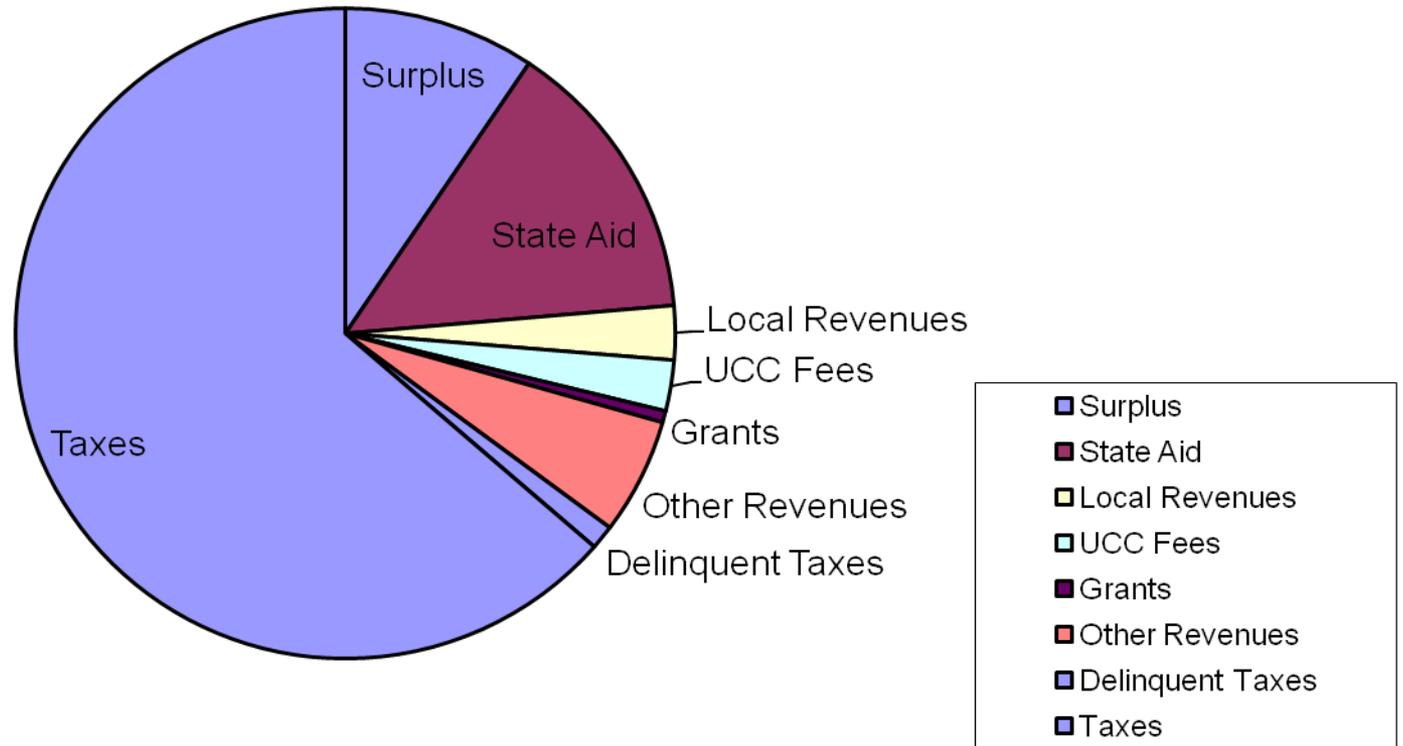
Proposed Changes in Appropriations

- **Salaries and Wages – Increased \$479,550 as a result of negotiated contract settlements.**
- **Tax Appeals – Increased \$50,000 to fund projected tax appeals.**
- **Library – 1/3 mil requirement decreased \$108,334.**
- **Pension – Decreased \$203,974 as a result of the new pension reform statutes approved by the State.**
- **Reserve for Uncollected Taxes – Increased \$11,983 as a result of the projected decrease in revenues available to offset taxes.**
- **Health Insurance - Decreased 524,000 as a result of discounts and decreased claims experience.**
- **Gasoline and Fuel Oil – Increased \$70,100 as result of the increased price of oil.**

SOURCE OF REVENUES TO SUPPORT MUNICIPAL BUDGET

	2012 (Projected)	2011 (Final)
Surplus Utilization	\$3,250,000	\$3,825,000
State Aid	\$4,913,416	\$4,913,416
Local Revenues	\$930,000	\$968,000
Other Revenues	\$1,998,057	\$1,601,000
UCC Fees	\$875,000	\$960,000
Grants	\$197,922	\$405,365
Delinquent Taxes	\$415,000	\$375,000
Amount to be Raised by Taxes (Including Library Tax)	\$21,985,265	\$21,875,231
Total	\$34,564,660	\$34,923,012

2012 Municipal Revenue Sources



TOWNSHIP OF
MAHWAH

ANALYSIS OF
BUDGET
REVENUES

2012

CATEGORY	2008	2009	INCREASE/ <DECREASE>	2009	2010	INCREASE/ <DECREASE>	2010	2011	INCREASE/ <DECREASE>	2011	PROPOSED	INCREASE/ <DECREASE>	CUMULATIVE
			PERCENT			PERCENT			PERCENT		2012	PERCENT	PERCENT
SURPLUS	4,750,000	4,750,000	0 0.00%	4,750,000	4,625,000	(125,000) -2.63%	4,625,000	3,825,000	(800,000) -17.30%	3,825,000	3,250,000	(575,000) -15.03%	(1,500,000) -31.58%
LOCAL REVENUE	1,871,500	1,464,000	(407,500) -21.77%	1,464,000	1,187,500	(276,500) -18.89%	1,187,500	968,000	(219,500) -18.48%	968,000	930,000	(38,000) -3.93%	(941,500) -50.31%
STATE AID	5,777,702	5,546,510	(231,192) -4.00%	5,546,510	4,915,338	(631,172) -11.38%	4,915,338	4,913,416	(1,922) -0.04%	4,913,416	4,913,416	0 -0.00%	(864,286) -14.96%
UNIFORM CONSTRUCTION CODE	693,000	700,000	7,000 1.01%	700,000	970,000	270,000 38.57%	970,000	960,000	(10,000) -1.03%	960,000	875,000	(85,000) -8.85%	182,000 26.26%
PUBLIC AND PRIVATE (GRANTS)	381,167	371,686	(9,481) -2.49%	371,686	400,973	29,287 7.88%	400,973	209,679	(191,294) -47.71%	209,679	197,922	(11,757) -5.61%	(183,245) 48.07%
OTHER SPECIAL ITEMS	1,825,250	1,828,190	2,940 0.16%	1,828,190	1,711,645	(116,545) -6.37%	1,711,645	1,601,000	(110,645) -6.46%	1,601,000	1,998,057	397,057 24.80%	172,807 9.47%
DELINQUENT TAXES	275,000	275,000	0 0.00%	275,000	303,039	28,039 10.20%	303,039	375,000	71,961 23.75%	375,000	415,000	40,000 10.67%	140,000 50.91%
AMOUNT TO BE RAISED	18,592,007	19,560,248	968,241 5.21%	19,560,248	20,479,801	919,553 4.70%	20,479,801	21,875,231	1,395,430 6.81%	21,875,231	21,985,265	110,034 .50%	3,393,258 18.25%
	34,165,626	34,495,634		34,495,634	34,593,296		34,593,296	34,727,326		34,727,326	34,564,660		



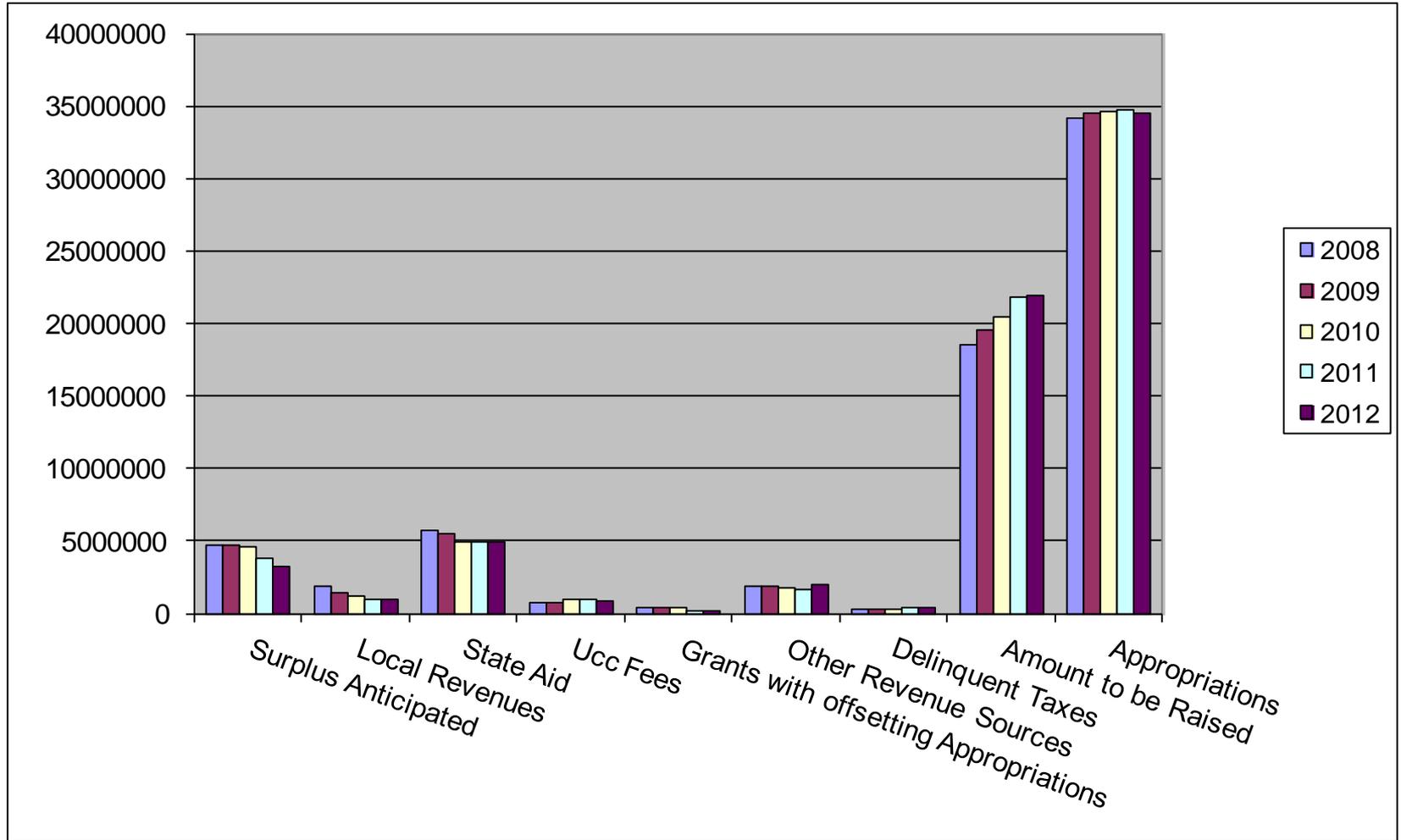
Proposed Changes In Revenue

- **Surplus Anticipated – decreased \$575,000 as a result of the reduction in the amount of surplus available.**
- **Uniform Construction Code Fees – Decreased \$85,000 based upon prior year realization and current economic times.**
- **Interest on Investments – Decreased \$20,000 due to lower interest rates and available balances.**
- **Municipal Court Fees – Increased \$15,000 based upon prior year revenue realized.**
- **Hotel / Motel Tax – Increased \$35,000 based on prior year revenue realized and the construction of additional hotels.**
- **Excess Library Funds - Anticipated \$182,557 based on the statutory calculation required by the State.**

Municipal Revenues versus Appropriations (Adopted)

	2008	2009	2010	2011	2012 (Proposed)
Surplus Anticipated	\$4,750,000	\$4,750,000	\$4,625,000	\$3,825,000	\$3,250,000
Local Revenue	\$1,871,500	\$1,464,000	\$1,187,500	\$968,000	\$930,000
State Aid	\$5,777,702	\$5,546,510	\$4,915,338	\$4,913,416	\$4,913,416
UCC Fees	\$693,000	\$700,000	\$970,000	\$960,000	\$875,000
Grants with offsetting Appropriations	\$381,167	\$371,686	\$400,973	\$209,679	\$197,922
Other Revenue Sources	\$1,825,250	\$1,828,190	\$1,711,645	\$1,601,000	\$1,998,057
Delinquent Taxes	\$275,000	\$275,000	\$303,039	\$375,000	\$415,000
Amount to be Raised	\$18,592,007	19,560,248	\$20,479,801	\$21,875,231	\$21,985,265
Appropriations	\$34,165,626	\$34,495,634	\$34,593,296	\$34,727,326	\$34,564,660

Revenue And Appropriation History



Surplus

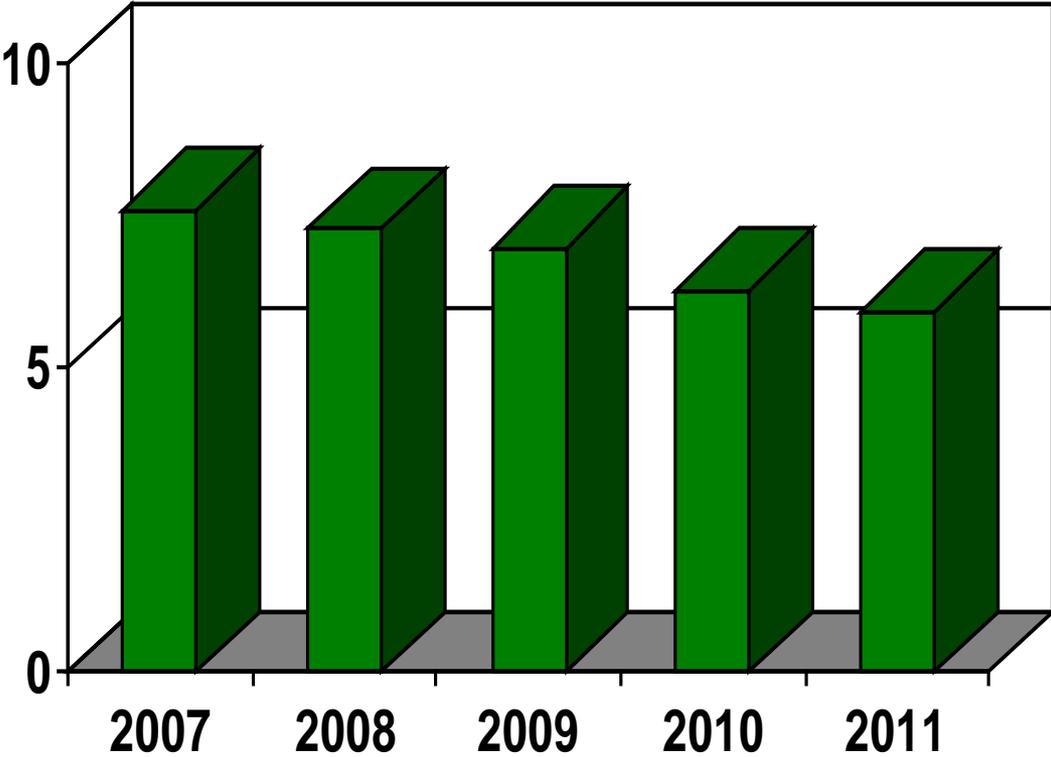
- **The Township's unaudited surplus balance at 12/31/11 is \$5,940,228, which is \$316,592 lower than the balance at 12/31/10.**
- **The decrease in the surplus was a result of the decrease in revenues realized, primarily from uniform construction code fees.**
- **In addition, the prior year budget appropriation balance lapsing to surplus was considerably less and reimbursements anticipated for grant expenditures were not received prior to the year end.**
- **The amount of taxes cancelled as a result of tax appeals was also a major factor in the reduction of the surplus balance.**

ANALYSIS OF SURPLUS

YEAR	AMOUNT
2007	\$7,578,924
2008	\$7,287,814
2009	\$6,983,612
2010	\$6,256,820
2011	\$5,940,228

Surplus Analysis

Millions



■ Surplus

TOWNSHIP OF MAHWAH
CURRENT FUND

ANALYSIS OF REVENUES AND
EXPENDITURES

2008-2013

	2008 AUDITED		2009 AUDITED		2010 AUDITED		2011 FINAL / UNAUDITED		2012 PROPOSED / PROJECTED		2013 PROJECTED	
REVENUES:												
SURPLUS	\$4,750,000		\$4,750,000		\$4,625,000		\$3,825,000		\$3,250,000		\$3,250,000	
LOCAL REVENUES	\$1,605,328		\$1,256,662		\$1,038,355		\$1,023,326		\$930,000		\$900,000	
STATE AID	\$5,777,702		\$5,546,510		\$4,913,416		\$4,913,416		\$4,913,416		\$4,913,416	
UNIFORM CONSTRUCTION	\$1,567,785		\$2,044,314		\$960,138		\$904,623		\$875,000		\$875,000	
PUBLIC AND PRIVATE	\$500,644		\$477,227		\$603,956		\$405,366		\$197,922		\$0	
OTHER SPECIAL ITEMS	\$1,848,241		\$1,655,519		\$1,839,349		\$1,703,647		\$1,998,057		\$1,808,500	
DELINQUENT TAX	\$380,285		\$456,429		\$402,432		\$466,446		\$415,000		\$400,000	
AMOUNT TO BE RAISED	\$20,917,882	0.451	\$21,108,206	0.471	\$22,129,896	0.493/ 0.359	\$23,512,893	0.381	\$21,985,265	0.386	\$22,915,652	
EXCESS REVENUES									\$1,875,000		\$1,850,000	
MRNA	\$900,181		\$744,924		\$823,367		\$1,091,802		\$850,000		\$850,000	
RESERVES LAPSED	\$956,074		\$790,001		\$1,033,685		\$746,852		\$650,000		\$650,000	
OTHER	\$22,806		\$776,124		\$486,051		\$122,162					
	<u>\$39,226,928</u>		<u>\$39,605,917</u>		<u>\$38,855,645</u>		<u>\$38,715,533</u>		<u>\$37,939,660</u>		<u>\$38,412,568</u>	
EXPENDITURES:												
OPERATING WITHIN CAPS												
SALARIES	\$12,021,160		\$12,418,800		\$12,344,750		\$11,917,500		\$12,364,550		\$12,611,841	
OTHER EXPENSE	\$10,811,757		\$10,981,629		\$10,901,963		\$10,796,848		\$10,327,059		\$10,602,059	
OPERATING EXCLUDED												
SALARIES	\$0		\$0		\$0		\$0		\$0		\$0	
OTHER EXPENSE	\$4,576,524		\$3,010,993		\$3,034,935		\$3,041,637		\$2,876,140		\$2,683,217	
CAPITAL	\$210,000		\$200,000		\$250,000		\$200,000		\$63,000		\$50,000	
DEBT SERVICE	\$3,361,805		\$3,361,790		\$3,379,015		\$3,502,615		\$3,516,110		\$3,518,106	
DEFERRED/STATUTORY	\$683,007		\$2,502,842		\$2,435,865		\$2,987,728		\$2,867,134		\$2,963,180	
RESERVE FOR UNCOLLECTED	\$2,690,850		\$2,125,121		\$2,449,750		\$2,538,684		\$2,550,667		\$2,634,165	
OTHER	\$482,935		\$558,945		\$161,158		\$284,113					
	<u>\$34,838,038</u>		<u>\$35,160,120</u>		<u>\$34,957,436</u>		<u>\$35,269,125</u>		<u>\$34,564,660</u>		<u>\$35,062,568</u>	
	\$4,388,890		\$4,445,797		\$3,898,209		\$3,446,408		\$3,375,000		\$3,350,000	
ADJUSTMENTS	<u>\$70,000</u>						<u>\$62,000</u>					
	\$4,458,890		\$4,445,797		\$3,898,209		\$3,508,408		\$3,375,000		\$3,350,000	
SURPLUS 1/1	<u>\$7,578,924</u>		<u>\$7,287,814</u>		<u>\$6,983,611</u>		<u>\$6,256,820</u>		<u>\$5,940,228</u>		<u>\$6,065,228</u>	
	\$12,037,814		\$11,733,611		\$10,881,820		\$9,765,228		\$9,315,228		\$9,415,228	
SURPLUS ANTICIPATED	<u>\$4,750,000</u>		<u>\$4,750,000</u>		<u>\$4,625,000</u>		<u>\$3,825,000</u>		<u>\$3,250,000</u>		<u>\$3,250,000</u>	
SURPLUS 12/31	\$7,287,814		\$6,983,611		\$6,256,820		\$5,940,228		\$6,065,228		\$6,165,228	



Other Items of Interest

- Approximately \$2,000,000 of tax appeals pending.
- A decrease in State Aid of \$1,049,000 from 2007 - 2011.
- Surplus has decreased \$2,570,169 from 2006 - 2011



In Summary

- This budget provides for the same level of services that are expected by the citizens of the Township of Mahwah, with a minimal tax increase.
- Thanks to everyone for their input and assistance.