

TOWNSHIP OF MAHWAH

2014 BUDGET ANALYSIS

Township of Mahwah

Proposed Municipal Budget – April 24, 2014

- **Mayor William C. Laforet**
- **Councilmember H. Lisa Digiulio**
- **Councilmember Robert Hermansen**
- **Councilmember Charles Jandris**
- **Councilmember Roy B. Larson**
- **Councilmember John F. Roth**
- **Councilmember Steven Sbarra**
- **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 2014 budget is subject to the new law.**
- **The Amount to be Raised by Taxation for 2014 is in compliance with the 2% Tax Levy CAP.**
- **The General Appropriations for 2014 are in compliance with the 3.5% Appropriation CAP.**

TAX RATE COMPARISON

In cents per \$100 of Assessed Valuation

	<u>2014</u> <u>(Projected / Estimated)</u>	<u>2013</u> <u>(Actual)</u>
School	1.044 (1)	1.009
County	.258 (1)	.250
Municipal	.375	.359
Library	<u>.035</u>	<u>.036</u>
Total Municipal Rate	<u>.410</u>	<u>.395</u>
Municipal Open Space	.010	.010
Total	1.722	1.664

(1) The School and County tax rates are estimated based on the prior year tax rates.

The School tax rate is a calendar year tax rate.

The estimated amounts are used to calculate the reserve for uncollected taxes.

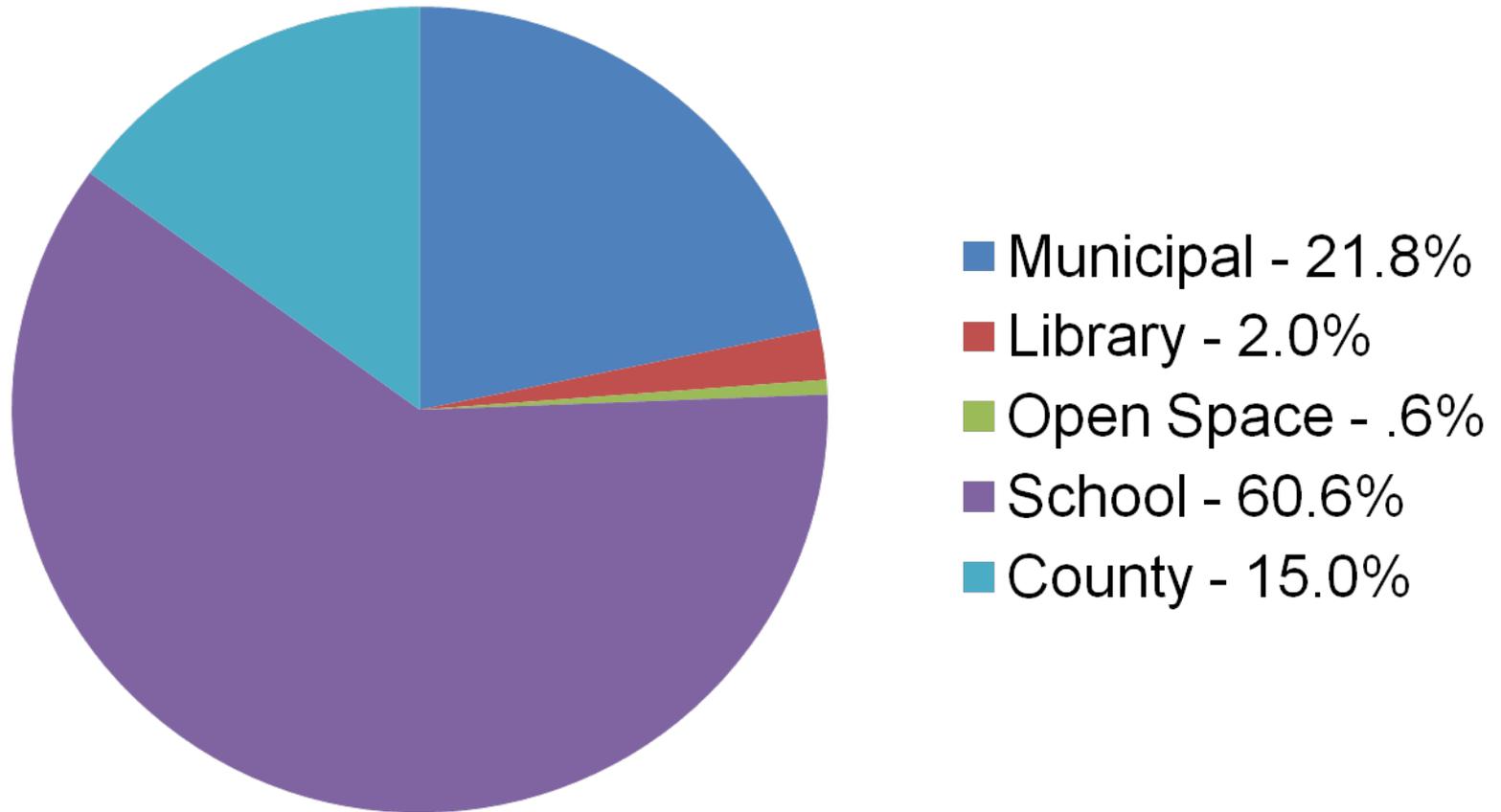


WHAT DO YOUR MUNICIPAL TAX DOLLARS PAY FOR?

- **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**

2014 Projected Tax Rate Breakdown

TAXES



Overview Of Tax Increase

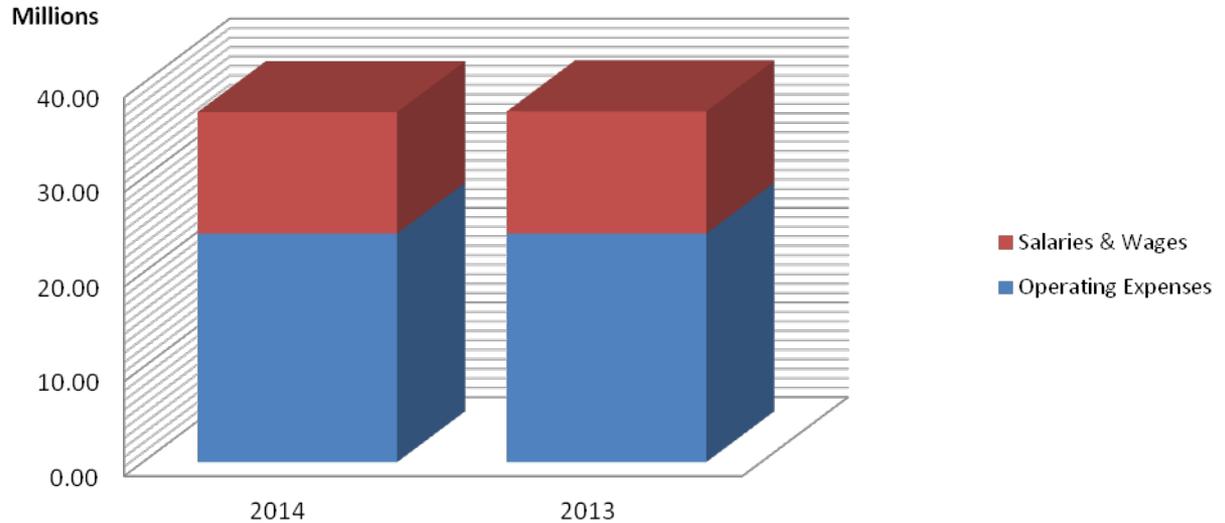
- The proposed increase in the municipal tax levy is \$774,841, which represents a 3.66% increase.
- The projected increase in the municipal tax rate is 1.6 tax points, which represents a 4.45% increase.
- This equates to \$75.04 per year or \$6.25 per month for a home assessed at the approximate average value of \$469,000.00.

Ratables

- The ratable base for 2014 is \$5,634,213,094, a reduction of \$29,531,461, which is a result of various tax appeals and changes in the real estate market.
- The reduction in the ratable base is \$101,162,203 since 2011.
- The decrease in ratables has had a negative affect on the tax rate.
- The Township expects some ratable growth in 2015.

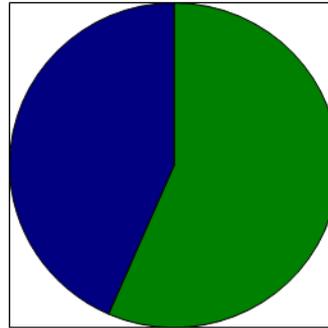
TOTAL BUDGET COMPARISON

Chart Title



	2014 (Proposed)	2013(Final)
Salaries & Wages	\$12,911,550	\$12,834,750
Other Expenses	\$24,150,678	\$23,041,781
Total	\$37,062,228	\$35,876,531

2014 PROPOSED BUDGET



■ Fixed and Statutory Costs - 56.54%
 ■ Department Expenses - 43.46%

Fixed & Statutory Costs

Utilities / Sanitation	\$2,776,710
Insurance	\$6,228,000
Other – Tax Appeals, Library, LOSAP, Grants, etc.	\$2,672,356
Capital Improvement	\$184,000
Debt Service	\$3,778,215
Deferred Charges / Statutory	\$2,648,695
Reserve for Uncollected Taxes	\$2,668,568
Total	\$20,956,544

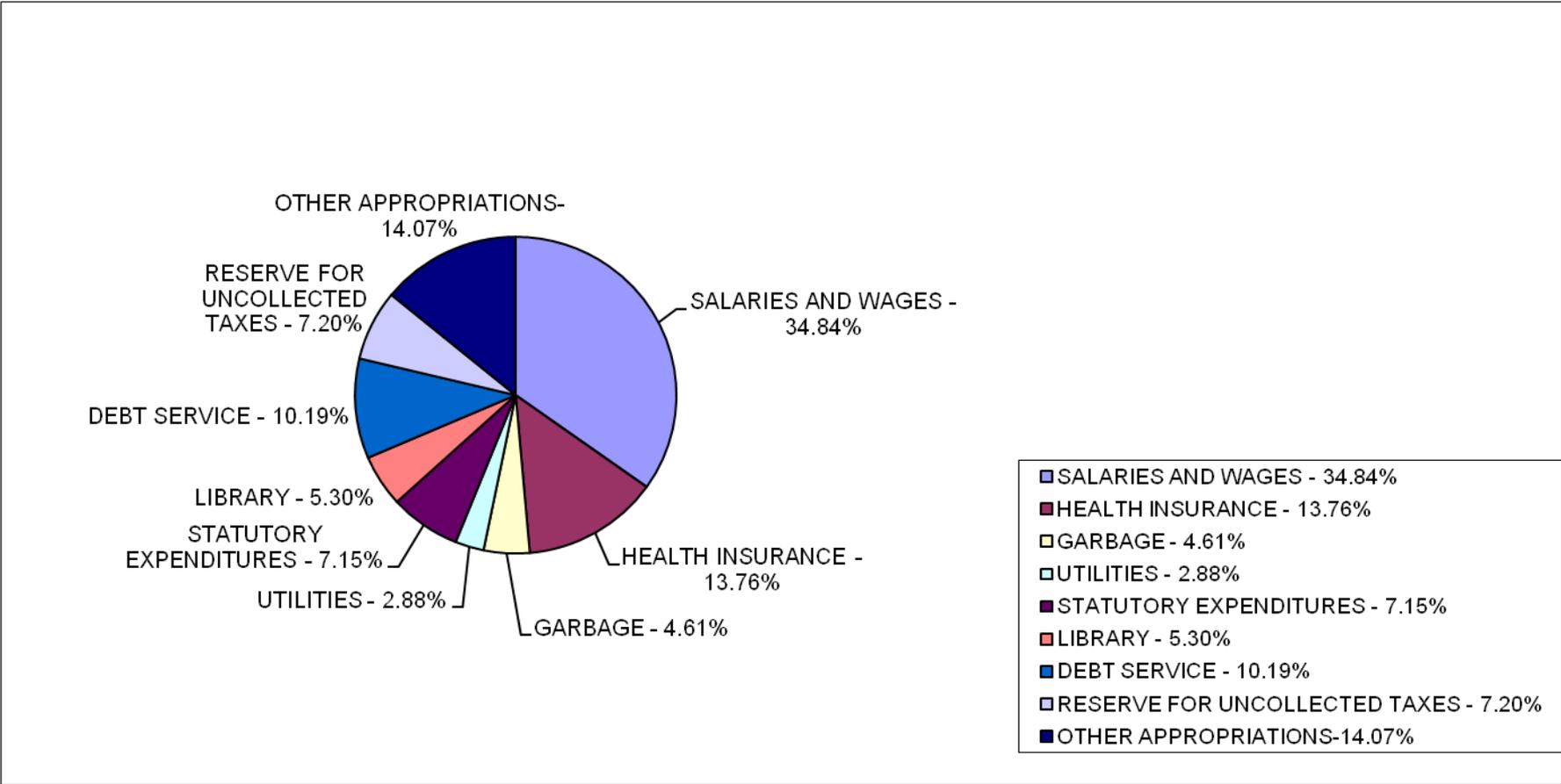
Department Expenses

Public Safety	\$8,512,779
Public Works	\$2,901,605
Government Services	\$2,153,360
Construction / Land Use	\$1,022,400
Recreation and Pool	\$409,625
Health / Human Services / Senior	\$724,165
Municipal Court	\$381,750
Total	\$16,105,684

BUDGET APPROPRIATIONS BY CATEGORY (PERCENT OF TOTAL BUDGET)

<u>CATEGORY</u>	<u>AMOUNT</u>	<u>PERCENT OF TOTAL BUDGET</u>
SALARIES AND WAGES	\$12,911,550	34.84%
HEALTH INSURANCE	\$5,100,000	13.76%
GARBAGE / MSA	\$1,710,000	4.61%
UTILITIES	\$1,066,710	2.88%
DEFERRED CHARGES / STATUTORY EXPENDITURES	\$2,648,695	7.15%
LIBRARY	\$1,963,029	5.30%
DEBT SERVICE	\$3,778,215	10.19%
RESERVE FOR UNCOLLECTED TAXES	\$2,668,568	7.20%
OTHER APPROPRIATIONS	\$5,215,461	14.07 %
TOTAL	\$37,062,228	100%

Budget Appropriations - Percentage Of Total Budget



2014 Budget Cost Comparisons

Description	2014 (Proposed)	2013 (Adopted)	Dollar Increase/ <Decrease>	% Increase/ <Decrease>
Contributions to Retirement Systems	\$2,087,548	\$2,118,954	<\$31,406>	<1.48%>
Employee Medical Insurance	\$5,100,000	\$4,400,000	\$700,000	15.91%
Reserve for Tax Appeals	\$250,000	\$300,000	<\$50,000>	<16.66%>
Municipal Debt Service	\$3,778,215	\$3,610,110	\$168,105	4.66%
Reserve for Uncollected Tax	\$2,668,568	\$2,619,272	\$49,296	1.88%
Salaries and Wages	\$12,911,550	\$12,784,750	\$126,800	.99%

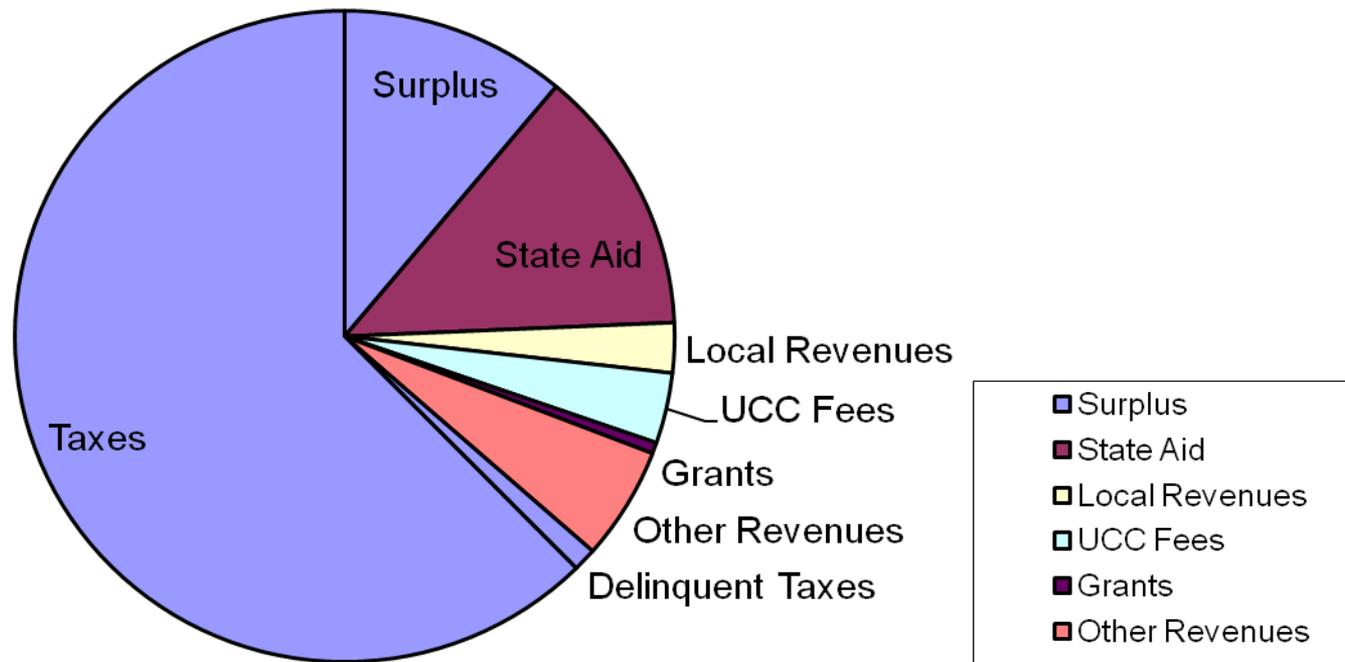
Proposed Changes in Appropriations

- **Salaries and Wages – Increased \$126,800 as a result of projected contract settlements.**
- **Reserve for Tax Appeals – Decreased \$50,000 (The amount determined necessary to fund projected tax appeals).**
- **Library – 1/3 mil requirement decreased \$110,048.**
- **Pension – Decreased \$31,406 as a result of the new actuarial assumptions approved by the State.**
- **Reserve for Uncollected Taxes – Increased \$49,296 as a result of the projected increase in appropriations and projected revenues available to offset taxes.**
- **Health Insurance - Increased \$700,000 as a result of increased claims experience.**

SOURCE OF REVENUES TO SUPPORT MUNICIPAL BUDGET

	2014 (Projected)	2013 (Final)
Surplus Utilization	\$4,100,000	\$3,895,000
State Aid	\$4,913,416	\$4,913,416
Local Revenues	\$920,000	\$995,000
Other Revenues	\$2,085,000	\$1,836,282
UCC Fees	\$1,300,000	\$1,055,000
Grants	\$204,328	\$307,142
Delinquent Taxes	\$425,000	\$425,000
Amount to be Raised by Taxes (Including Library Tax)	\$23,114,484	\$22,449,691
Total	\$37,062,228	\$35,876,531

2014 Municipal Revenue Sources



TOWNSHIP OF MAHWAH
ANALYSIS OF BUDGET REVENUES

2010 - 2014

<u>CATEGORY</u>	<u>2010</u>	<u>2011</u>	<u>INCREASE/ -<DECREASE> PERCENT</u>	<u>2011</u>	<u>2012</u>	<u>INCREASE/ -<DECREASE> PERCENT</u>	<u>2012</u>	<u>2013</u>	<u>INCREASE/ -<DECREASE> PERCENT</u>	<u>2013</u>	<u>PROPOSED 2014</u>	<u>INCREASE/ -<DECREASE> PERCENT</u>	<u>CUMULATIVE INCREASE/ -<DECREASE> PERCENT</u>
SURPLUS	4,625,000	3,825,000	(800,000) -17.30%	3,825,000	3,250,000	(575,000) -15.03%	3,250,000	3,895,000	645,000 19.85%	3,895,000	4,100,000	205,000 5.26%	(525,000) -11.35%
LOCAL REVENUE	1,187,500	968,000	(219,500) -18.48%	968,000	930,000	(38,000) -3.93%	930,000	995,000	65,000 6.99%	995,000	920,000	(75,000) -7.54%	(267,500) -22.53%
STATE AID	4,915,338	4,913,416	(1,922) -0.04%	4,913,416	4,913,416	0 0.00%	4,913,416	4,913,416	0 0.00%	4,913,416	4,913,416	0 0.00%	(1,922) -0.04%
UNIFORM CONSTRUCTION CODE	970,000	960,000	(10,000) -1.03%	960,000	875,000	(85,000) -8.85%	875,000	1,055,000	180,000 20.57%	1,055,000	1,300,000	245,000 23.22%	330,000 34.02%
PUBLIC AND PRIVATE (GRANTS)	400,973	209,679	(191,294) -47.71%	209,679	197,922	(11,757) -5.61%	197,922	36,426	(161,496) -81.60%	36,426	204,328	167,902 460.94%	(196,645) -49.04%
OTHER SPECIAL ITEMS	1,711,645	1,601,000	(110,645) -6.46%	1,601,000	1,998,057	397,057 24.80%	1,998,057	1,836,282	(161,775) -8.10%	1,836,282	2,085,000	248,718 13.54%	373,355 21.81%
DELINQUENT TAXES	303,039	375,000	71,961 23.75%	375,000	415,000	40,000 10.67%	415,000	425,000	10,000 2.41%	425,000	425,000	0 0.00%	121,961 40.25%
AMOUNT TO BE RAISED	20,479,801	21,875,231	1,395,430 6.81%	21,875,231	21,985,265	110,034 0.50%	21,985,265	22,449,691	464,426 2.11%	22,449,691	23,114,484	664,793 2.96%	2,634,683 12.86%
	34,593,296	34,727,326		34,727,326	34,564,660		34,564,660	35,605,815		35,605,815	37,062,228		

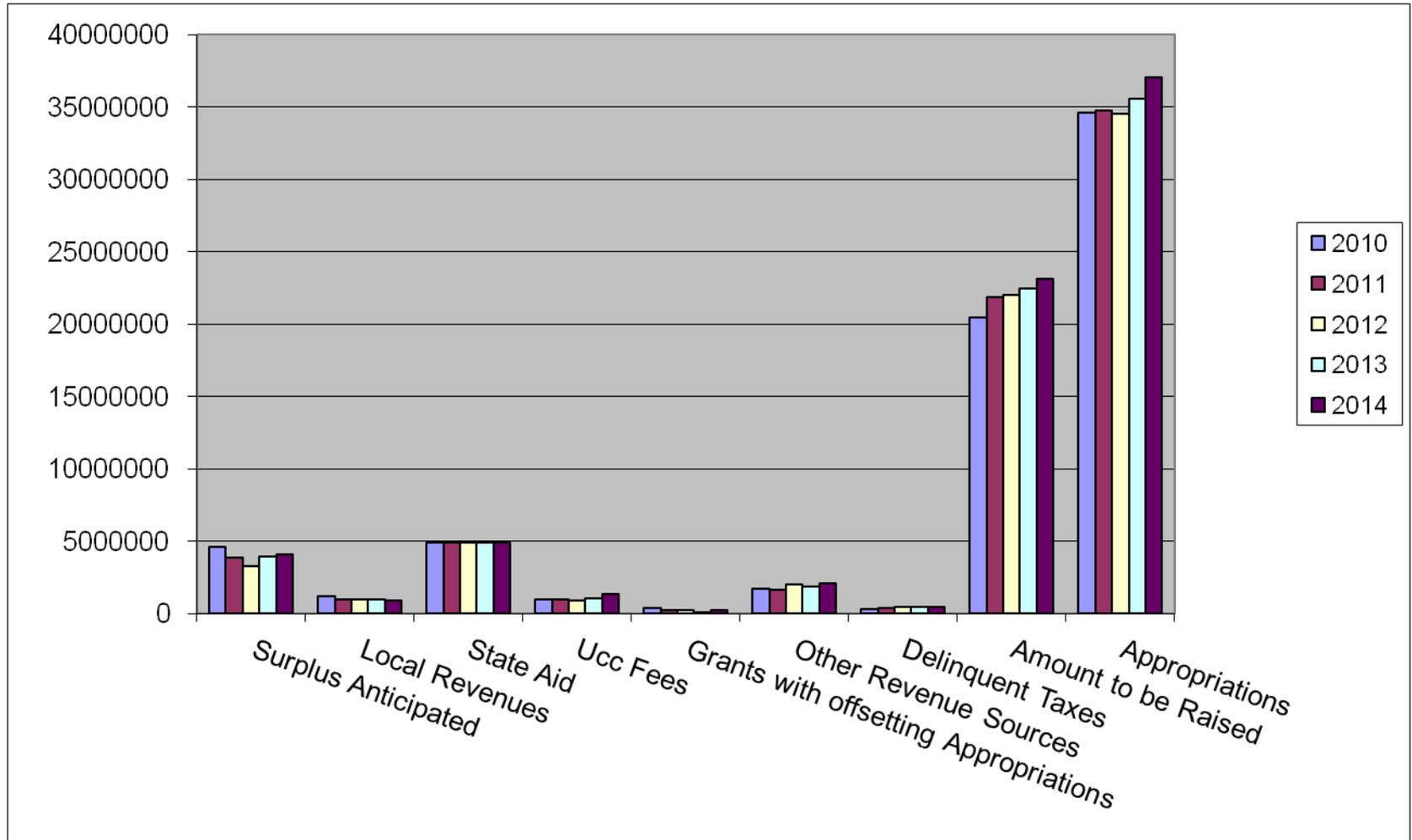
Proposed Changes In Revenue

- **Surplus Anticipated – Increased \$205,000 as a result of the use of nonrecurring revenue available for 2014 and 2015.**
- **Uniform Construction Code Fees – Increased \$245,000 based upon prior year realization and anticipated projects.**
- **Municipal Court Fees – Decreased \$75,000 based upon prior year revenue realized.**
- **Swim Pool Fees - Decreased \$15,000 based upon prior year revenue realized.**
- **Hotel / Motel Tax – Increased \$50,000 based on prior year revenue realized.**
- **Excess Library Funds - Decreased by \$11,282 based on the statutory calculation required by the State.**
- **Sewer Utility Operating Surplus – Anticipated \$225,000.00 as a result of the use of nonrecurring revenue available for 2014 and 2015.**

Municipal Revenues versus Appropriations (Adopted)

	2010	2011	2012	2013	2014 (Proposed)
Surplus Anticipated	\$4,625,000	\$3,825,000	\$3,250,000	\$3,895,000	\$4,100,000
Local Revenue	\$1,187,500	\$968,000	\$930,000	\$995,000	\$920,000
State Aid	\$4,915,338	\$4,913,416	\$4,913,416	\$4,913,416	\$4,913,416
UCC Fees	\$970,000	\$960,000	\$875,000	\$1,055,000	\$1,300,000
Grants with offsetting Appropriations	\$400,973	\$209,679	\$197,922	\$36,426	\$204,328
Other Revenue Sources	\$1,711,645	\$1,601,000	\$1,998,057	\$1,836,282	\$2,085,000
Delinquent Taxes	\$303,039	\$375,000	\$415,000	\$425,000	\$425,000
Amount to be Raised	\$20,479,801	\$21,875,231	\$21,985,265	\$22,449,691	\$23,114,484
Appropriations	\$34,593,296	\$34,727,326	\$34,564,660	\$35,605,815	\$37,062,228

Revenue And Appropriation History



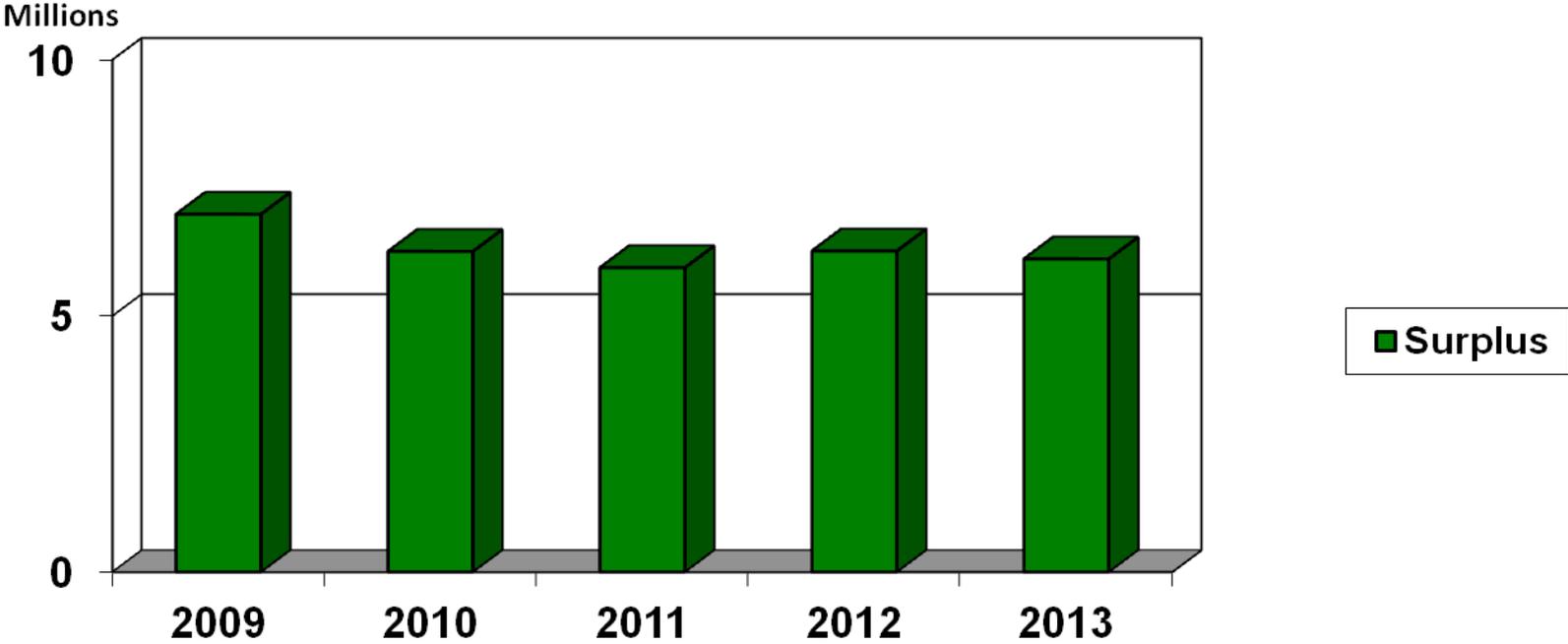
Surplus

- **The Township's unaudited surplus balance as of 12/31/13 was \$6,110,380, which is \$156,066 lower than the balance as of 12/31/12.**
- **The decrease in surplus was a result various factors, including but not limited to, the decrease in revenues realized from municipal court and swim pool fees collected, as well as, a reduction of non-budget revenues realized.**
- **The amount of taxes cancelled as a result of tax appeals also has an affect on the surplus balance.**

ANALYSIS OF SURPLUS

YEAR	AMOUNT
2009	\$6,983,611
2010	\$6,256,820
2011	\$5,940,228
2012	\$6,266,446
2013 (Unaudited)	\$6,110,380

Surplus Analysis



TOWNSHIP OF MAHWAH
CURRENT FUND

ANALYSIS OF REVENUES AND EXPENDITURES

2010-2015

	2010		2011		2012		2013		2014		2015	
	<u>ADMITTED</u>		<u>ADMITTED</u>		<u>ADMITTED</u>		<u>FINAL/UNADMITTED</u>		<u>PROPOSED/REOPENED</u>		<u>PROPOSED</u>	
REVENUES:												
SURPLUS	\$4,625,000		\$3,825,000		\$3,250,000		\$3,895,000		\$4,100,000		\$4,000,000	
LOCAL REVENUES	\$1,038,355		\$1,023,326		\$1,199,096		\$1,054,667		\$920,000		\$1,005,000	
STATE AID	\$4,913,416		\$4,913,416		\$4,913,416		\$4,909,572		\$4,913,416		\$4,913,416	
UNIFORM CONSTRUCTION	\$960,138		\$904,623		\$1,078,981		\$1,638,991		\$1,300,000		\$1,200,000	
PUBLIC AND PRIVATE	\$603,956		\$405,366		\$490,066		\$307,142		\$204,328		\$0	
OTHER SPECIAL ITEMS	\$1,839,349		\$1,703,647		\$2,144,074		\$2,044,598		\$2,085,000		\$2,078,000	
DELINQUENT TAX	\$402,432		\$466,446		\$519,115		\$504,679		\$425,000		\$425,000	
AMOUNT TO BE RAISED	\$22,129,896	0.493/	\$23,512,893	0.381	\$23,010,989	0.385	\$23,710,513	0.395	\$23,114,484	0.410	\$24,207,133	0.430
EXCESS REVENUES		0.359							\$2,000,000		\$2,500,000	
MRNA	\$823,367		\$1,091,802		\$980,711		\$699,167		\$950,000		\$650,000	
RESERVES LAPSED	\$1,033,685		\$746,852		\$730,401		\$839,536		\$800,000		\$750,000	
OTHER	\$486,051		\$122,162		\$125,961		\$25,149					
	<u>\$38,855,645</u>		<u>\$38,715,533</u>		<u>\$38,442,810</u>		<u>\$39,629,014</u>		<u>\$40,812,228</u>		<u>\$41,728,549</u>	
EXPENDITURES:												
OPERATING WITHIN CAPS												
SALARIES	\$12,344,750		\$11,917,500		\$12,453,850		\$12,834,750		\$12,851,550		\$13,088,635	
OTHER EXPENSE	\$10,901,963		\$10,796,848		\$10,237,759		\$10,836,372		\$11,994,444		\$12,494,954	
OPERATING EXCLUDED												
SALARIES	\$0		\$0		\$0		\$0		\$60,000		\$0	
OTHER EXPENSE	\$3,034,935		\$3,041,637		\$3,021,783		\$3,088,138		\$2,876,756		\$2,635,629	
CAPITAL	\$250,000		\$200,000		\$209,500		\$243,000		\$184,000		\$184,000	
DEBT SERVICE	\$3,379,015		\$3,502,615		\$3,516,110		\$3,610,110		\$3,778,215		\$3,911,665	
DEFERRED/STATUTORY	\$2,435,865		\$2,987,728		\$2,867,134		\$2,644,889		\$2,648,695		\$2,754,527	
RESERVE FOR UNCOLLECTED	\$2,449,750		\$2,538,684		\$2,550,667		\$2,619,272		\$2,668,568		\$2,759,138	
OTHER	\$161,158		\$284,113		\$9,789		\$13,550					
	<u>\$34,957,436</u>		<u>\$35,269,125</u>		<u>\$34,866,592</u>		<u>\$35,890,081</u>		<u>\$37,062,228</u>		<u>\$37,828,549</u>	
	\$3,898,209		\$3,446,408		\$3,576,218		\$3,738,933		\$3,750,000		\$3,900,000	
ADJUSTMENTS			<u>\$62,000</u>									
	\$3,898,209		\$3,508,408		\$3,576,218		\$3,738,933		\$3,750,000		\$3,900,000	
SURPLUS 1/1	<u>\$6,983,611</u>		<u>\$6,256,820</u>		<u>\$5,940,228</u>		<u>\$6,266,446</u>		<u>\$6,110,380</u>		<u>\$5,760,380</u>	
	\$10,881,820		\$9,765,228		\$9,516,446		\$10,005,380		\$9,860,380		\$9,660,380	
SURPLUS ANTICIPATED	<u>\$4,625,000</u>		<u>\$3,825,000</u>		<u>\$3,250,000</u>		<u>\$3,895,000</u>		<u>\$4,100,000</u>		<u>\$4,000,000</u>	
SURPLUS 12/31	\$6,256,820		\$5,940,228		\$6,266,446		\$6,110,380		\$5,760,380		\$5,660,380	



Other Items of Interest

- Approximately \$2,000,000 of tax appeals pending.
- A decrease in State Aid of \$1,049,000 from 2007 - 2010. State Aid has been funded by the State at the same level since 2010.
- Surplus decreased \$2,570,169 from 2006 to 2011. Surplus increased \$170,152 from 2011 to 2013.



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.