

# **2016 BUDGET**

## **TOWNSHIP OF LITTLE FALLS**

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### **Budget Presentation**

# TOWNSHIP OF LITTLE FALLS

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2016

Budget Presentation

# Overview

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- Annual Budget Requirement
- Budget Calendar
- Budget Cap
- Revenues and Appropriations
- Transfers
- Emergencies
- Audit
- 2016 BUDGET

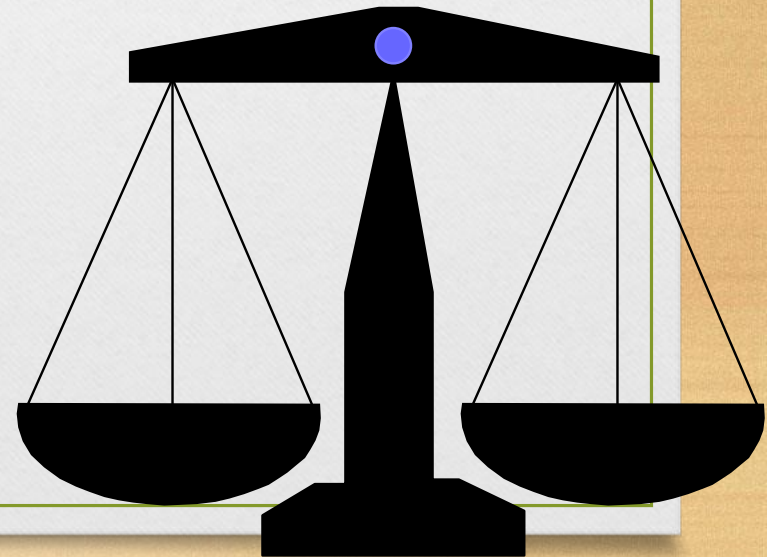




# Annual Budget Requirement

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- Each Year every New Jersey Municipality must Introduce and Adopt a Balanced Municipal Budget. N.J.S.A. 40A:4.
- Municipal Appropriations Only
- Tax Rate Established:
  - Local
  - School
  - County.



# Statutory Requirements:

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- Mayor's Budget to Council-Introduction and Approval
- Public Advertising
- Public Hearing
- Amendments at Public Hearing
  - **If Required**
- Adoption- 3 affirmative votes required to pass the Budget.



# Proposed Budget Calendar 2016

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- February 8, 2016 Mayor's Budget Presented to Council
- Council Review
- March 14, 2016 Formal Budget Introduction
- April 11, 2016 Budget Adoption
- Tax information to the
  - County Board of Taxation
  - 15 days after Adoption

# Budget Cap's

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- Established in 1977- 5% Cap on Appropriations
- Lots of Amendments
- 2016 Appropriations Cap- 0%
- 2016 Tax Levy Cap 2%



# Budget Appropriations Cap Law

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- N.J.S.A.40A:4-45
- Final CAP Appropriations shall be prohibited from increasing by more than 3.5% or the index rate, whichever is less over the previous year.
- 2016 CAP rate 0%
- Exceptions:
  - 3.5% CAP Municipal ordinance
  - Referendum



# TAX LEVY CAP

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- Levy Cap on Municipal Property Tax
- Chapter 44 P.L. 2010
- Property Tax Levy Caps

N.J.S.A. 40A:4-45.44 through .47

2% levy cap on municipal, county, solid waste districts, and fire district tax levies

Introduced budgets must be cap compliant

# LEVY CAP

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- Starting with the prior year amount to be raised by taxation for municipal purposes:  
Deduct:-One-year waivers and exclusions.  
Add/deduct the net cost increase or decrease for debt, pensions and health insurance.  
Add 2% of the prior year amount to be raised by taxation for municipal purposes.  
Add to the CAP the municipal tax value of added assessments.



## LEVY CAP APPROPRIATIONS CAP

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- Levy CAP- \$12,012,830
- 2016 Levy -\$12,009,570
- Amount Below CAP- \$3,260

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- |                           |              |
|---------------------------|--------------|
| • Appropriation CAP-      | \$12,036,124 |
| • 2016 CAP Appropriations | \$12,028,806 |
| • Amount Below CAP        | \$7,318      |

# Revenues and Appropriations

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- Revenues:
  - Fund Balance
  - Miscellaneous Revenues
  - State and Federal Aid
  - Real Estate Taxes

**Rule: Cannot anticipate any miscellaneous revenue greater than what was received in the prior year, unless new revenue is supported by proper documentation and approved by the Division of Local Government services.**



# Appropriations

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- Appropriations are the authorizations to expend budget dollars in support of government operations.

**•Rule: Expenditures can only be made through valid procedural process, authorized by the Department Heads and the Township Administrator.**

# Transfers

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- Current Budget-November 1 to December 31 of the Budget Year



# Emergencies

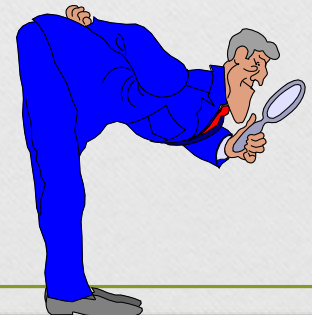
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- Unanticipated events which require expenditures in support of the operation of government.
- Declared by the Mayor or Emergency Management Coordinator
- Funded by the Township Council, through Emergency resolution-passed by 2/3 vote
- Raised in the subsequent years Budget

# Audit

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- Required by N.J.S.A 40A:5-9
- Annual Audit of each Municipality is conducted by an auditor who holds an un-canceled license as a Registered Municipal Accountant of the State of New Jersey.
- Township Auditor- Gary Higgins-RMA





# 2016 MUNICIPAL BUDGET

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## PROPOSED

# Agenda

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The Annual Municipal Budget provides the Spending Authority for all Township Departments

This presentation provides an overview of our 2016 spending plan and estimates the Funding required to support that plan.

Only public information is presented herein, confidential information has been specifically excluded from this presentation.



**Highlights**



**Revenue**



**Appropriations**



**Debt**



**Tax Rate**



# Balance Sheet

## December 31,

| Current Fund ( in thousands) | 2015           | 2014           |  |
|------------------------------|----------------|----------------|--|
| <b>Assets</b>                |                |                |  |
| –Cash                        | \$5,794        | \$5,158        |  |
| –Taxes receivable            | 685            | 611            |  |
| –Inter-funds                 | 506            | 144            |  |
| –Other                       | 917            | 876            |  |
| –Deferred Charges            | 6              | 79             |  |
| <b>Total Assets</b>          | <b>7,908</b>   | <b>6,868</b>   |  |
| <b>Liabilities</b>           |                |                |  |
| –Appropriation Reserves      | \$570          | \$660          |  |
| –Prepaid Taxes               | 181            | 186            |  |
| –Reserve For Receivables     | 2,106          | 1,580          |  |
| –Reserve for Grants          | 225            | 297            |  |
| –Other                       | 4,318          | 3,206          |  |
| <b>Total Liabilities</b>     | <b>\$7,400</b> | <b>\$5,929</b> |  |
| <b>Fund Balance</b>          | <b>\$508</b>   | <b>\$939</b>   |  |

# Budget Highlights

| INTRODUCED BUDGET                  | 2016       | 2015       |  |
|------------------------------------|------------|------------|--|
| Fund Balance Utilized              | \$350,000  | \$538,000  |  |
| Anticipated Revenue                | 3,962,120  | 3,330,157  |  |
| Reserve for FEMA                   | .00        | 2,378,870  |  |
| Receipts From Delinquent Taxes     | 685,000    | 527,841    |  |
| Amount to be Raised by Taxes       | 12,553,753 | 12,113,060 |  |
| Total Budget                       | 17,550,873 | 18,888,028 |  |
| In Cap Appropriations              | 12,028,806 | 11,358,215 |  |
| Out of Cap Appropriations          | 5,522,067  | 7,529,813  |  |
| Overexp. of Capital Ordinance 2013 | .00        | 2,378,870  |  |



# Budget Highlights

- Anticipated Surplus of \$350,000 for the 2016 Budget
- Library taxes are \$544,183 for 2016
- 2016 is the last year of the Ward trucking/MSU PILOT
- Appropriations have been set to reflect salary increases in the Teamsters Bargaining Unit Contract on 1.75% for 2016
- The Budget Anticipates the Hiring of 1 new DPW employee in 2016

# Budget Highlights

- Administrative Salaries have been set to reflect a 1.75% cost of Living Adjustment.
- Public Employees Retirement System cost reflect cost per employee of \$6,725.65.
- New Administrative positions in the 2016 Budget are 1 EMS coordinator, 24 part time EMT's, 1 part time clerk in the Township Clerk's office and 1 part time building inspector in the Construction Code Official's office.



# Budget Highlights

- Police collective bargaining has not been completed to date.
- Police and Fire Pension costs reflect cost per Officer of \$21,840.28.
- The Budget Anticipates the Hiring of 1 new Police Officer in 2016 to complete the plan to have a fully staffed LFPD.
- Vehicle acquisition program for Police established in 2015, continues with the purchase of 2 new police cars 2016.

# Budget Highlights

- Insurance costs are up \$111,062 over last year.
- EMS program costs are Budgeted at \$364,250 with offsetting revenue of \$275,000.
- In 2016 Debt Service costs for principle are up \$27,000, and interest costs are up \$14,360 over last year.
- Assessed Values have been reduced to reflect the Flood Mitigation program acquisitions by \$567, 200.

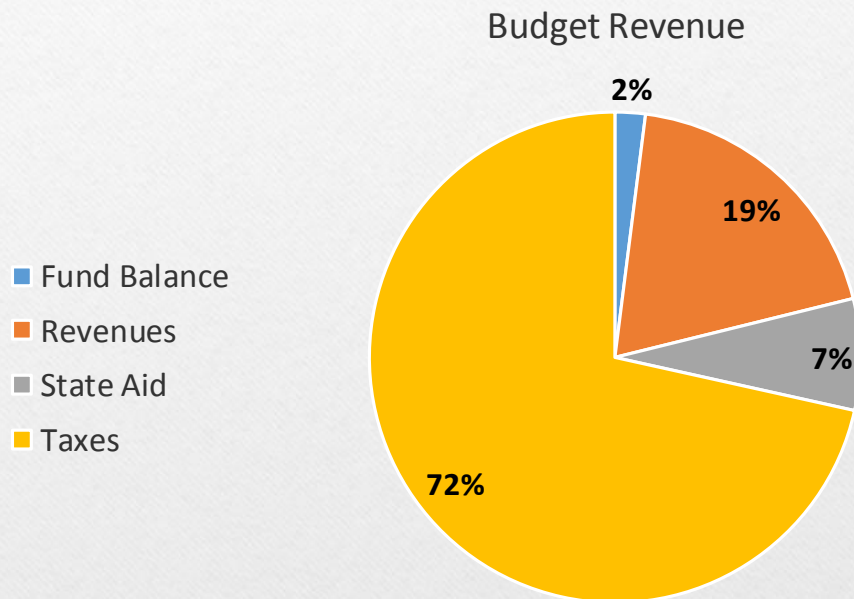


# Budget Highlights

Appropriations increases in 2016 budget

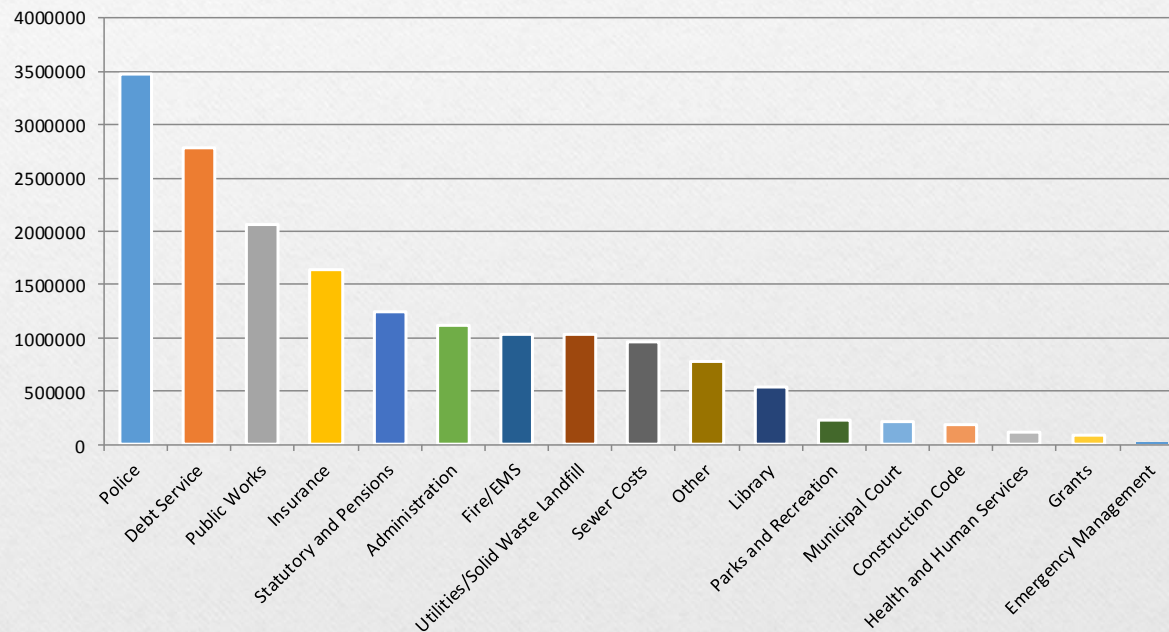
- Insurance costs increases \$111,062.
- Contractual Union increases \$153,000
- EMS program increase \$89,250.
- Police and Fire Retirement System increase 47,000.
- Legal and Engineering increase \$35,000
- Capital Improvement Fund increase \$40,000

# 2016 Revenue by Source



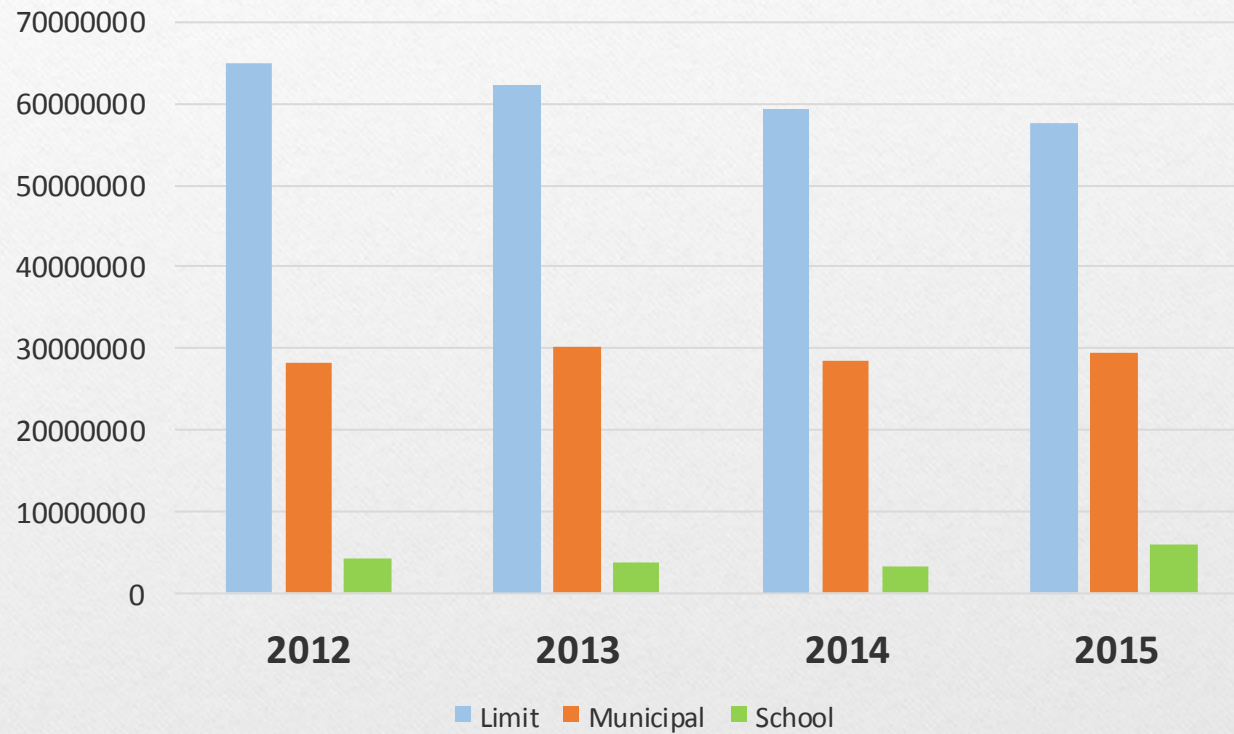


# 2016 Appropriations by Source



# Municipal Debt

## Comparison





## TOTAL TAX RATE

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# How much do I pay?

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|       | <u>2009</u>  | <u>2010</u>  | <u>2011</u>  | <u>2012</u>  | <u>2013</u>  | <u>2014</u>  | <u>2015</u>  |
|-------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| LOCAL | <u>.514</u>  | <u>.572</u>  | <u>.549</u>  | <u>.572</u>  | <u>.728</u>  | <u>.759</u>  | <u>.780</u>  |
| TOTAL | <u>1.933</u> | <u>2.062</u> | <u>2.145</u> | <u>2.300</u> | <u>2.845</u> | <u>2.994</u> | <u>3.076</u> |

|       | <u>2016*</u> |
|-------|--------------|
| LOCAL | <u>.810</u>  |
| TOTAL | <u>3.151</u> |

\*Estimate

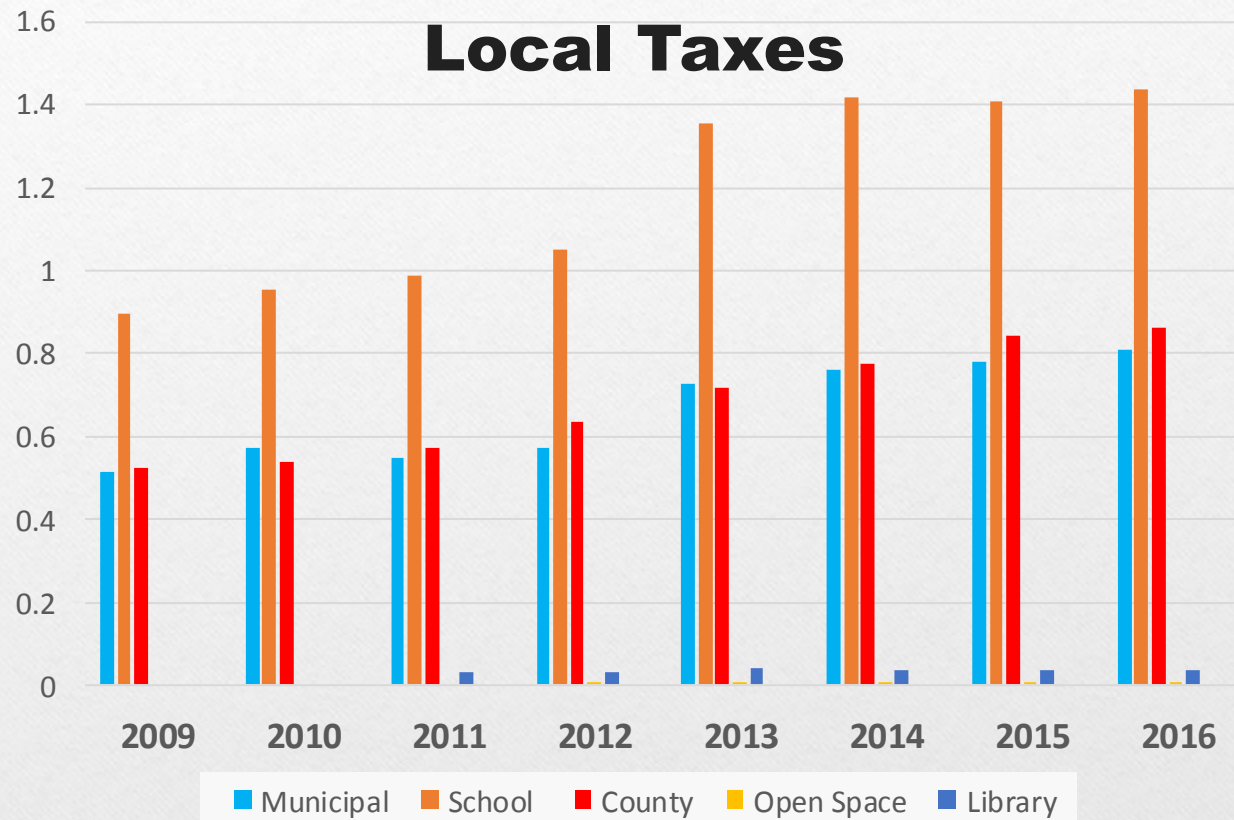


# How much do I pay?

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| Year             | <u>2012</u>  | <u>2015</u>  | <u>2016</u>  |
|------------------|--------------|--------------|--------------|
| Ave. A. V.       | 379,000      | 302,000      | 302,000      |
| <u>Total Tax</u> | <u>8,717</u> | <u>9,289</u> | <u>9,516</u> |
| <u>Municipal</u> | <u>2,167</u> | <u>2,355</u> | <u>2,446</u> |

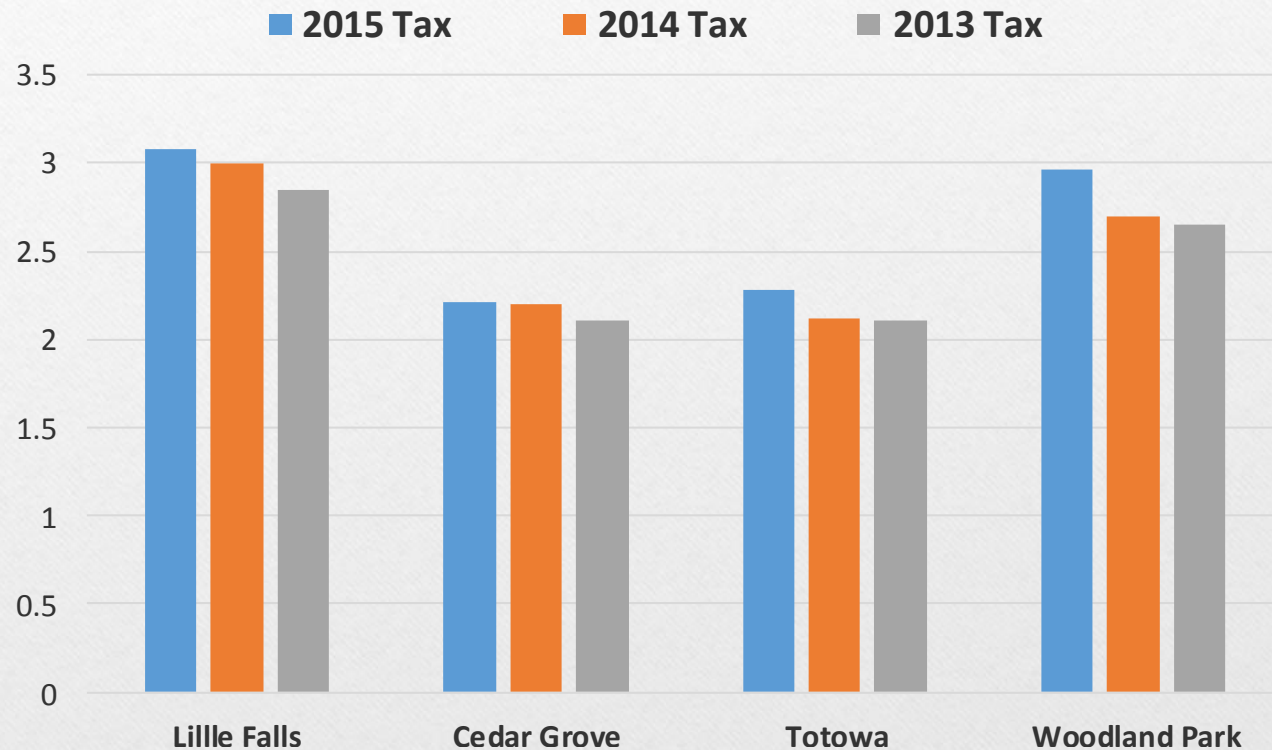
# Municipal Tax Rate





# Municipal Tax Rate

## Comparison Surrounding Towns



# Municipal Tax Rate

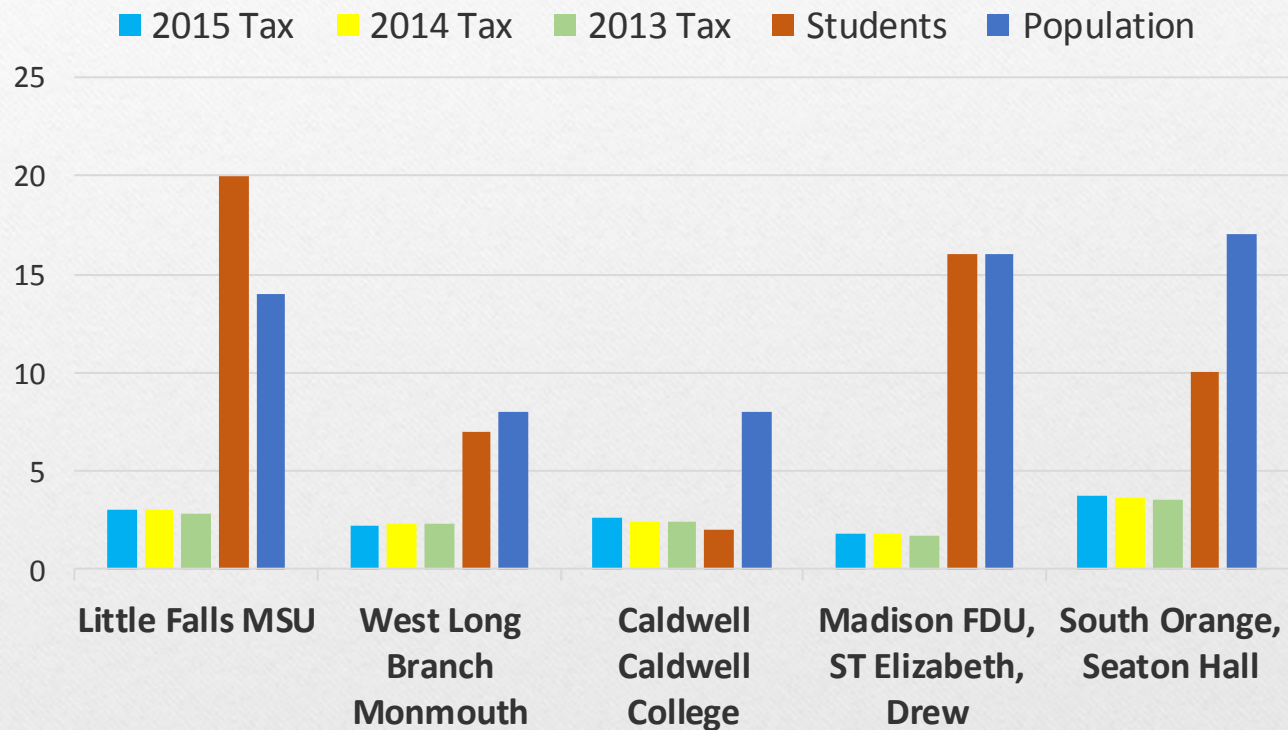
## COMPAISON PASSAIC COUNTY





# Municipal Tax Rate

## Towns with Colleges and Universities



# Budget Highlights

Capital Budget addresses the needs of the Township's infrastructure and equipment requirements and if authorized by Council will reflect a net savings over current debt service payments of \$1,225,000.



# Capital Budget Plan

## 2016

A Capital Budget is a required part of the Annual Budget for all Municipalities in the State of New Jersey. N.J.S.A.40A:4-43 provides that this budget is A plan for the expenditure of public funds for Capital purposes. The Authorization to make the expenditure still requires a Capital Ordinance adopted by the Township Council for each specific project.

## TOWNSHIP OF LITTLE FALLS

## 2016 BUDGET

## CAPITAL BUDGET

## Department

## Capital Project:

|   | Acquisition<br>Year | Estimated<br>Cost   | Current<br>Budget | CIF               | Bonds and Notes     | Grants              |
|---|---------------------|---------------------|-------------------|-------------------|---------------------|---------------------|
| <b>Administration:</b>  |                     |                     |                   |                   |                     |                     |
| Acquisition of Security and network systems                       | 2016                | 25,000.00           | 25,000.00         |                   |                     |                     |
| <b>Police</b>   |                     |                     |                   |                   |                     |                     |
| Integrated Car and Body and Security Cameras                      | 2016                | 150,000.00          |                   | 7,500.00          | 142,500.00          |                     |
| <b>Fire</b>   |                     |                     |                   |                   |                     |                     |
| Acquisition of CAD System   | 2016                | 80,000.00           |                   | 5,000.00          | 75,000.00           |                     |
| Acquisition of Rescue Truck                                       | 2019                | 600,000.00          |                   | 30,000.00         | 570,000.00          |                     |
| Acquisition of New Engine 4                                       | 2018                | 650,000.00          |                   | 32,500.00         | 617,500.00          |                     |
| Acquisition of 2 New Ambulances                                   | 2017                | 270,000.00          |                   | 13,500.00         | 256,500.00          |                     |
| <b>Sub Total Fire</b>   |                     | <b>1,600,000.00</b> | <b>-</b>          | <b>81,000.00</b>  | <b>1,519,000.00</b> | <b>-</b>            |
| <b>Dpw</b>  |                     |                     |                   |                   |                     |                     |
| <b>Equipment:</b>   |                     |                     |                   |                   |                     |                     |
| Acquisition of F550   | 2016                | 150,000.00          |                   | 7,500.00          | 142,500.00          |                     |
| Acquisition of F250   | 2016                | 30,000.00           |                   | 1,500.00          | 28,500.00           |                     |
| <b>Sub Total Acquisition of DPW Equipment</b>                     |                     | <b>180,000.00</b>   |                   | <b>9,000.00</b>   | <b>171,000.00</b>   |                     |
| <b>Sanitary Sewers</b>  |                     |                     |                   |                   |                     |                     |
| Improvements to Sanitary Sewer System-Raymor Area                 | 2017-2019           | 500,000.00          |                   | 25,000.00         | 475,000.00          |                     |
| <b>Road Program</b>   |                     |                     |                   |                   |                     |                     |
| 2016 resurfacing program  | 2016-2020           | 1,500,000.00        |                   | 75,000.00         | 1,425,000.00        |                     |
| Road Reconstruction Elm St from Second to the Cul-du-Sac          | 2018                | 200,000.00          |                   | 10,000.00         | 190,000.00          |                     |
| Road Reconstruction Coney Rd. and Veranda Ave                     | 2017                | 200,000.00          |                   | 10,000.00         | 190,000.00          |                     |
|   |                     | 1,900,000.00        |                   | 95,000.00         | 1,805,000.00        |                     |
| <b>DOT Projects-Woodcliff Ave and Stephan Place</b>               | 2017-2018           | 875,000.00          |                   |                   |                     | 875,000.00          |
| <b>Storm Sewers</b>   |                     |                     |                   |                   |                     |                     |
| Replace Storm Drain Riverview Circle                              | 2017                | 400,000.00          |                   | 20,000.00         | 380,000.00          |                     |
|   |                     | 1,275,000.00        |                   | 20,000.00         | 380,000.00          | 875,000.00          |
| <b>Municipal Facilities:</b>                                      |                     |                     |                   |                   |                     |                     |
| Improvements to Municipal Facilities                              | 2016                | 45,000.00           |                   | 2,500.00          | 42,500.00           |                     |
| Improvements to Recreation Fields- Duva Field                     | 2017                | 478,000.00          |                   | 9,000.00          | 169,000.00          | 300,000.00          |
|   |                     | 523,000.00          |                   | 11,500.00         | 211,500.00          | 300,000.00          |
| <b>Traffic Lights:</b>  |                     |                     |                   |                   |                     |                     |
| Upgrade and Improve Main and Union and Francisco and Ridge Lights | 2016                | 25,000.00           |                   | 1,500.00          | 23,500.00           |                     |
| <b>Sub Total DPW</b>  |                     | <b>4,403,000.00</b> | <b>-</b>          | <b>162,000.00</b> | <b>3,066,000.00</b> | <b>1,175,000.00</b> |
| <b>TOTAL Capital Requests</b>                                     |                     | <b>6,178,000.00</b> | <b>25,000.00</b>  | <b>250,500.00</b> | <b>4,727,500.00</b> | <b>1,175,000.00</b> |



| Council Authorization Requested |              |              |              |            |
|---------------------------------|--------------|--------------|--------------|------------|
| 2016                            | 2017         | 2018         | 2019         | 2020       |
|                                 |              |              |              |            |
| 25,000.00                       |              |              |              |            |
|                                 |              |              |              |            |
| 150,000.00                      |              |              |              |            |
|                                 |              |              |              |            |
| 80,000.00                       |              |              |              |            |
|                                 |              |              | 600,000.00   |            |
|                                 | 270,000.00   | 650,000.00   |              |            |
|                                 |              |              |              |            |
|                                 |              |              |              |            |
| 150,000.00                      |              |              |              |            |
| 30,000.00                       |              |              |              |            |
|                                 |              |              |              |            |
|                                 |              |              |              |            |
|                                 | 150,000.00   | 200,000.00   | 150,000.00   |            |
|                                 |              |              |              |            |
| 300,000.00                      | 300,000.00   | 300,000.00   | 300,000.00   | 300,000.00 |
|                                 | 200,000.00   | 200,000.00   |              |            |
|                                 |              |              |              |            |
|                                 |              |              |              |            |
|                                 | 875,000.00   |              |              |            |
|                                 | 400,000.00   |              |              |            |
|                                 |              |              |              |            |
| 45,000.00                       |              |              |              |            |
|                                 | 478,000.00   |              |              |            |
|                                 |              |              |              |            |
|                                 |              |              |              |            |
| 25,000.00                       |              |              |              |            |
|                                 |              |              |              |            |
| 805,000.00                      | 2,673,000.00 | 1,350,000.00 | 1,050,000.00 | 300,000.00 |

Capital Budget addresses the needs of the Township and if authorized by Council will reflect a net savings over current debt service payments of **\$1,225,000**

|                             |                               |
|-----------------------------|-------------------------------|
| Debt Service Payments 2016- | \$2,030,000.00                |
| 2016 Debt Authorizations-   | <u>\$ 805,000.00</u>          |
| Net Reduction in Debt       | \$ <u><b>1,225,000.00</b></u> |



# TOWNSHIP OF LITTLE FALLS

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## 2016 BUDGET QUESTIONS ?