



TOWNSHIP OF OLD BRIDGE 2015 MUNICIPAL BUDGET

Mayor Owen Henry

Presented By:

Business Administrator Christopher R. Marion
Chief Financial Officer Himanshu R. Shah

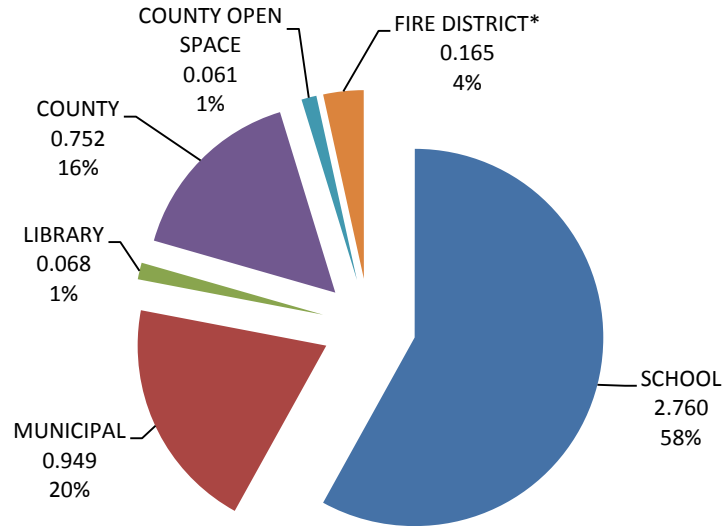
March 23, 2015



2015 MUNICIPAL BUDGET OVERVIEW

- The Municipal Budget represents 20% of the total tax rate and is the only portion of the tax bill that Township Officials can directly control.
- This 20% covers the majority of municipal services that are provided to the residents of the Township of Old Bridge including **code enforcement**, **community development** (engineering, planning and zoning), **health** and **senior services**, **parks and facilities**, **recreation programs**, **public safety** (police protection and emergency management) and **public works** (roads, recycling, snow removal).
- The remaining portion of the tax bill (80%) funds the Old Bridge Public Schools, Old Bridge Public Library, Middlesex County Government, Middlesex County Open Space Program and four Fire Districts (Cheesequake, Laurence Harbor, Madison Park and South Old Bridge).

TOTAL 2015 TAX RATE “BREAKDOWN”



Tax Rate -- In cents per \$100 of Assessed Valuation

	Est. 2015	2014	Change
SCHOOL	2.760	2.706	0.054
MUNICIPAL	0.949	0.949	0.000
LIBRARY	0.068	0.066	0.002
COUNTY	0.752	0.737	0.015
COUNTY OPEN SPACE	0.061	0.061	0.000
FIRE DISTRICT*	0.165	0.162	0.003
TOTAL	4.755	4.681	0.074

* Average rate for all four districts

APPORTIONMENT OF TAX RATE

(PER \$100 OF ASSESSED VALUE)

	2011	2012	2013	2014	Est. 2015
SCHOOL	2.588	2.599	2.635	2.706	2.760
MUNICIPAL	0.907	0.930	0.940	0.949	0.949
MUNICIPAL OPEN SPACE	0.000	0.000	0.000	0.000	0.000
LIBRARY	0.074	0.071	0.067	0.066	0.068
COUNTY	0.682	0.705	0.718	0.737	0.752
COUNTY OPEN SPACE	0.067	0.065	0.061	0.061	0.061
FIRE DISTRICTS*	0.131	0.133	0.158	0.162	0.165
TOTAL	4.449	4.503	4.579	4.681	4.755

* Average rate for all four districts

Fire District	2011	2012	2013	2014	Est. 2015
1	0.099	0.127	0.124	0.130	0.133
2	0.127	0.13	0.151	0.153	0.156
3	0.084	0.083	0.084	0.084	0.086
4	0.214	0.190	0.271	0.279	0.285

2015 MUNICIPAL BUDGET GOALS

- Maintain or improve core municipal services for the citizens of Old Bridge.
- Minimize tax impact and remain under statutory caps.
- Continue to implement a longer term financial plan for the Township.
- Identify potential areas for operational improvements and/or cost savings for 2016 and 2017.



2015 MUNICIPAL BUDGET DEVELOPMENT PROCESS

September 2014

- Memorandum and budget guidelines sent to Department Heads

October 2014

- Department budget requests submitted to Finance Department
- Department budget meetings with Administration

November – December 2014

- Department budget meetings with Administration

January 2015

- Department budget meetings with Administration



February 2015

- Proposed Municipal Budget finalized and transmitted to Council – February 23, 2015
- Municipal Budget Introduction – February 23, 2015
- State Aid Certification

March 2015

- Council Budget Subcommittee Meetings
- *Municipal Budget Public Hearing – March 23, 2015*
- *Municipal Budget Adoption – March 23, 2015*

2015 MUNICIPAL BUDGET SUMMARY

- The 2015 proposed Municipal Budget calls for \$50,282,302.00 in expenditures.
- Revenues include \$6,270,857.00 in municipal state aid, \$1,550,000.00 in uniform construction and code enforcement fees, \$2,941,919.00 in miscellaneous revenue, \$500,000.00 in municipal court fines and costs, \$70,000.00 in interest on investments and deposits, \$30,000.00 in receipts from delinquent taxes and \$32,419,526.00 as the amount to be raised by taxation.
- An anticipation of \$6,500,000.00 from fund balance will be required to bring the 2015 budget into balance. This will leave \$2,385,954.18 in cash fund balance to help stabilize taxes for 2016.
- The proposed municipal tax rate is therefore estimated to be 0.949 in 2015, which reflects no change in the tax rate over 2014.
- For an average home in Old Bridge assessed at \$152,500.00 the proposed municipal tax would be the same as it was in 2014 (\$1,447.00).



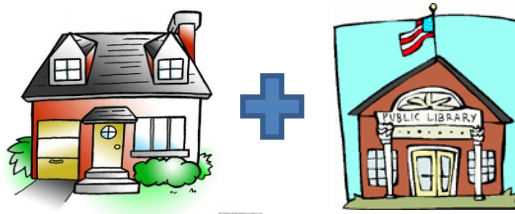
2015 LIBRARY BUDGET SUMMARY

- The Municipal Library Purposes expenditure category is included as an appropriation in the municipal budget. However, since 2011, the amount is deducted from the municipal tax levy in the calculation of the amount to be raised by taxation.
- The 2015 minimum state-required funding for the Old Bridge Public Library is \$2,317,520.00.
- The associated tax rate is estimated to be \$0.068 in 2015 which reflects an increase of \$0.002 in the tax rate over 2014 (\$0.066).
- For an average home in Old Bridge assessed at \$152,500.00 the municipal library tax increase would be \$3.00 (from \$101.00 in 2014 to \$104.00 in 2015).

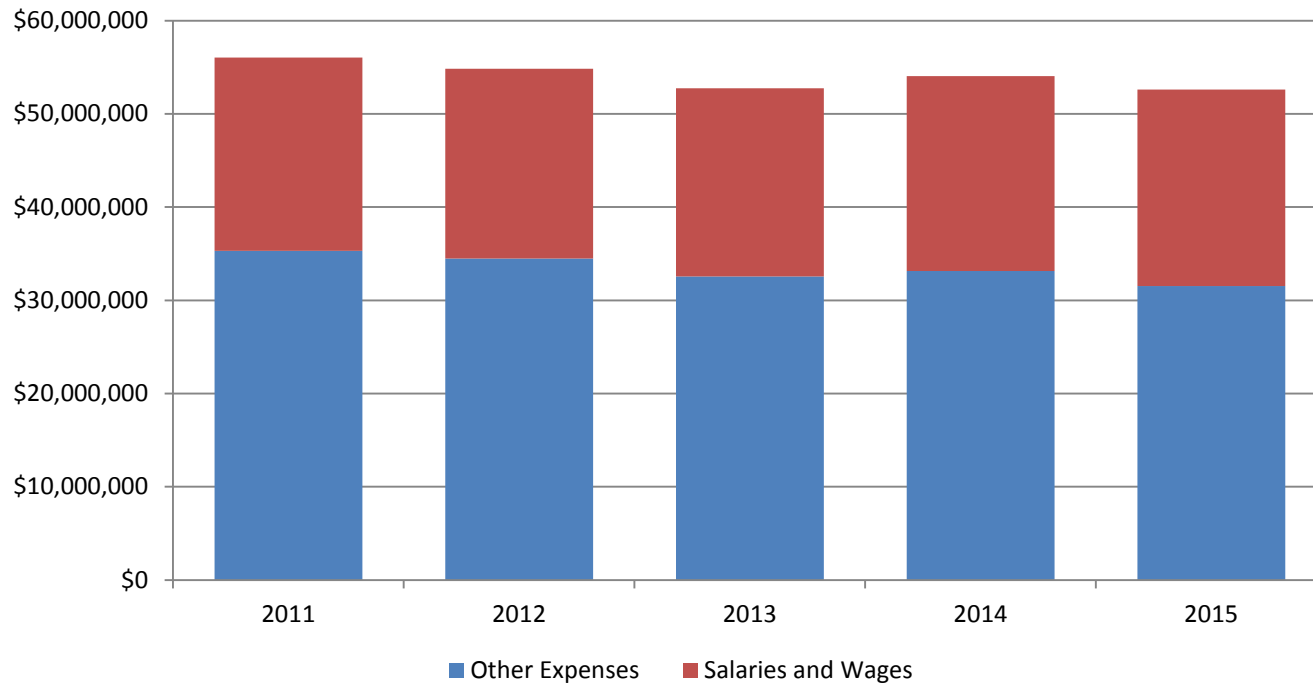


2015 TOTAL BUDGET SUMMARY (MUNICIPAL AND LIBRARY)

- The total general appropriation for 2015, including Municipal Library Purposes, is \$52,599,822.00 compared to \$53,948,529.00 in the 2014 budget as modified.
- This is a total budget decrease of \$1,348,707.00 or 2.50%.
- The proposed tax rate for both Municipal and Municipal Library Purposes for 2015 is therefore estimated to be \$1.017 which reflects a tax increase of one twentieth of one cent over 2014 (\$0.002).
- For an average home in Old Bridge assessed at \$152,500.00 the proposed municipal and municipal library tax increase would be \$3.00 (from \$1,548.00 in 2014 to \$1,551.00 in 2015).



ANNUAL BUDGETS EXPENDITURE COMPARISON 2011-2015



	2011	2012	2013	2014	2015
	Amended	Amended	Amended	Amended	Recommended
Other Expenses	\$35,307,766	\$34,485,536	\$32,549,798	\$33,158,037	\$31,534,689
Salaries and Wages	\$20,739,547	\$20,334,226	\$20,183,978	\$20,890,491	\$21,065,133
Total:	\$56,047,313	\$54,819,762	\$52,733,777	\$54,048,529	\$52,599,822



2015 EXPENDITURES

- The **Salaries & Wages (S&W)** expenditure category has increased by \$174,642.00 (+ 0.84%) from \$20,890,491.00 in 2014 to \$21,065,133.00 in 2015.
 - *In addition to contractual increases, the 2015 budget includes funding for one new full time position in the Police Department (patrol officer), one new full time position in the Public Works Department (building mechanic) and two new full time positions in the Uniform Construction Code Division (one HHS inspector and one assistant uniform construction control person).*
 - *The proposed budget also includes funding for a full time station manager position for Old Bridge Television (OBTv) which will replace the existing part time position.*
- The **Other Expenses (O/E)** expenditure category has decreased by \$1,404,331.00 (- 7.39%) from \$18,997,871.00 in 2014 to \$17,593,540.00 in 2015.
 - *Major decreases under this expenditure category include state and federal grants (- \$1,069,622.00) and group health insurance (- \$476,381.00).*
 - *The major increase under this expenditure category is gasoline/diesel (+ \$60,000.00).*



2015 EXPENDITURES (CONTINUED)

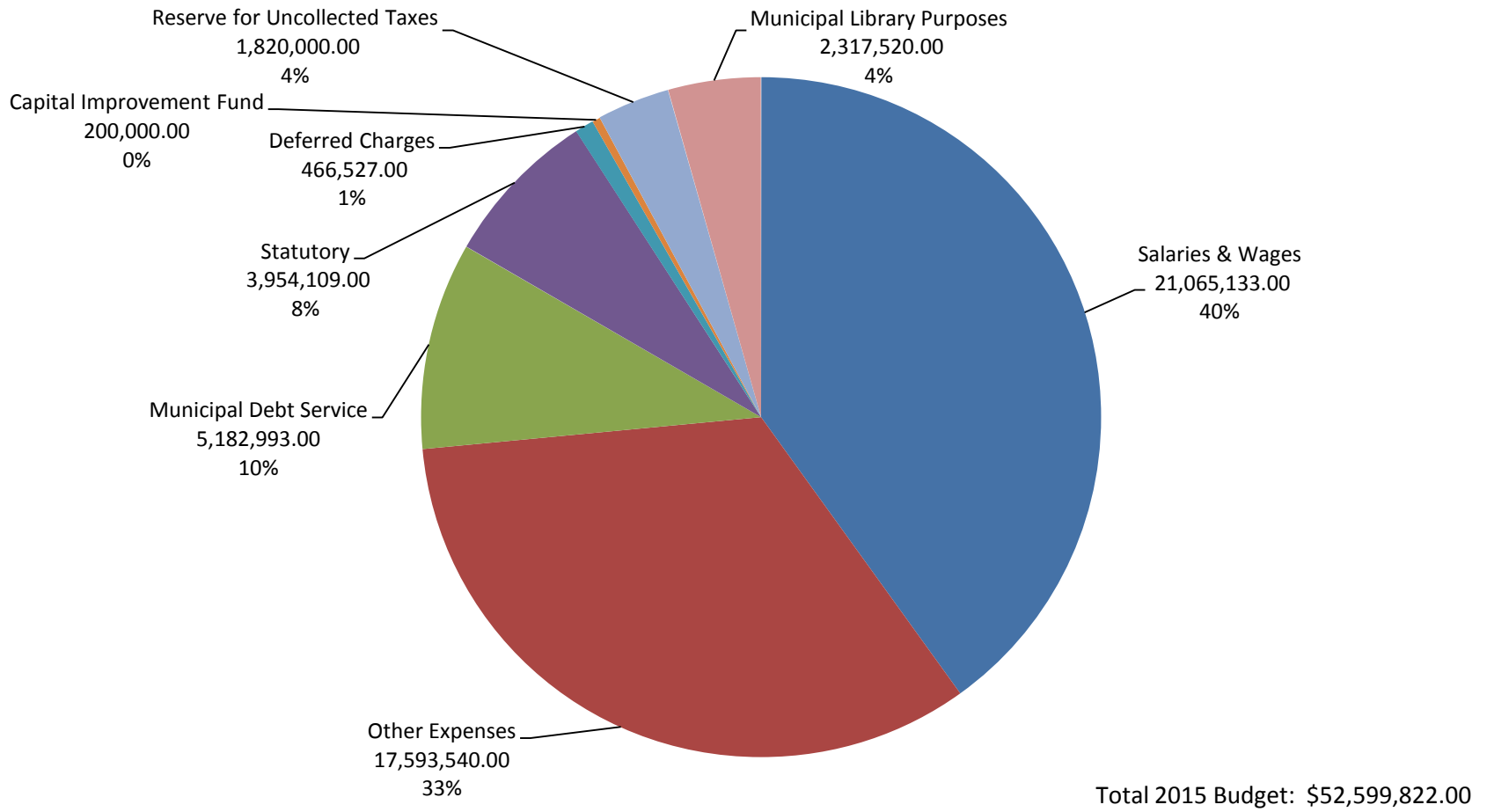
- The **Municipal Debt Service** expenditure category has decreased by \$51,582.00 (- 0.99%) from \$5,234,575.00 in 2014 to \$5,182,993.00 in 2015.
 - *This decrease is the result of the amortization of previously issued bonds.*
- The **Statutory** expenditure category has increased by \$18,071.00 (+ 0.46%) from \$3,936,038.00 in 2014 to \$3,954,109.00 in 2015.
 - *The major increase under this expenditure category is Police and Firemen's Retirement System (+ \$70,826.00).*
 - *The major decreases under this expenditure category include Public Employees' Retirement System (- \$19,545.00) and Social Security (- \$33,210.00).*
- The **Deferred Charges** expenditure category has increased by \$51,502.00 (+ 10.00%) from \$415,025.00 in 2014 to \$466,527.00 in 2015.
 - *This expenditure category includes one fifth of the emergency appropriation approved by the Township Council in 2012 for recovery efforts associated with Super Storm Sandy and an emergency appropriation in the amount of \$100,000.00 for the recent acquisition of the new police radio communications system.*



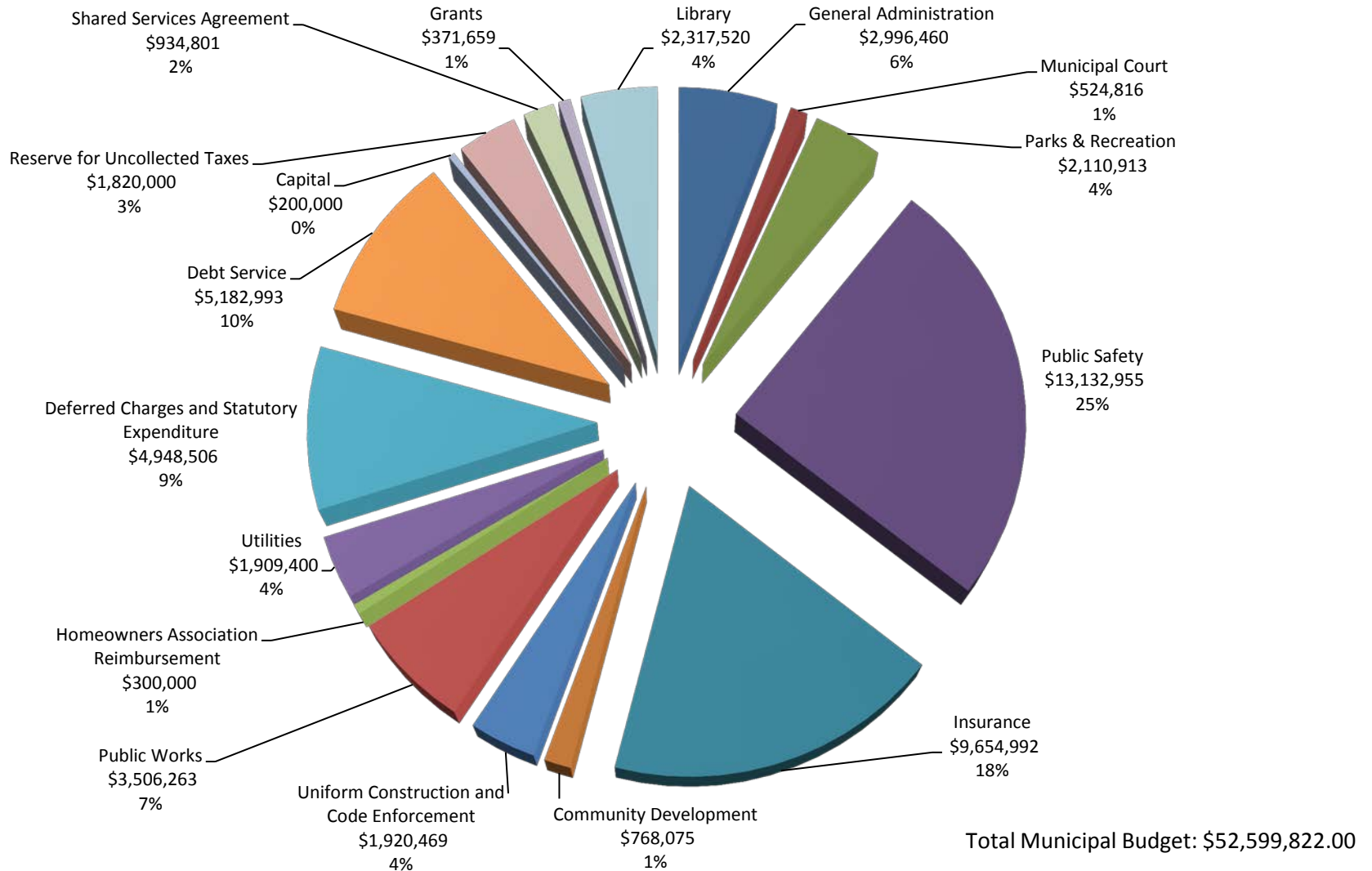
2015 EXPENDITURES (CONTINUED)

- The **Capital Improvement Fund** expenditure category has decreased by \$250,000.00 (- 55.56%) from \$450,000.00 in 2014 to \$200,000.00 in 2015.
 - *The proposed capital budget for 2015 is expected to be \$4,000,000.00 for curbing, drainage, facilities and road improvements and replacement equipment and vehicles for various departments and divisions.*
- The **Reserve for Uncollected Taxes** expenditure category has decreased by \$40,000.00 (- 2.15%) from \$1,860,000.00 in 2014 to \$1,820,000.00 in 2015.
 - *This is a statutory non-spending appropriation.*
 - *The actual tax collection rate for 2014 was 99.79%.*
 - *The projected tax collection rate for 2015 is 98.85%.*

2015 EXPENDITURES



2015 DEPARTMENT/EXPENDITURE PERCENT TO TOTAL BUDGET





2015 REVENUES

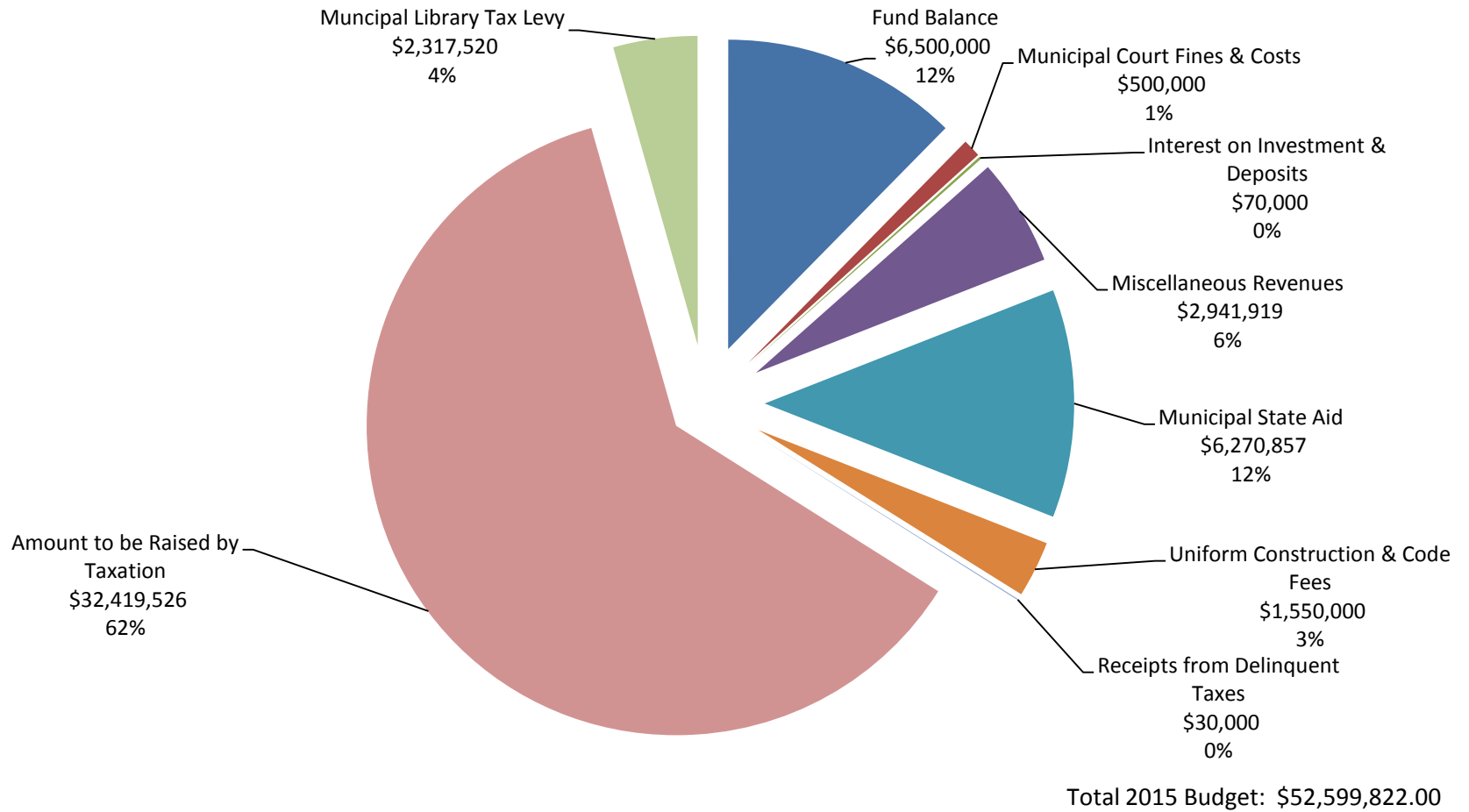
- Total municipal revenue has decreased by \$1,348,707.00 (- 2.50%) from \$51,684,000.00 in 2014 to \$50,282,302.00.00 in 2015.
- The **Municipal State Aid** revenue category has not been changed for 2015 (\$6,270,857.00).
- The **Fund Balance** revenue category has not been changed for 2015.
 - *The fund balance reserve has been set at 4.54% of the total municipal budget for 2015 (compared to 3.68% in 2014).*
- The **Uniform Construction and Code Fees** revenue category has been increased by \$100,000.00 (+ 6.90%) from \$1,450,000.00 in 2014 to \$1,550,000.00 for 2015.



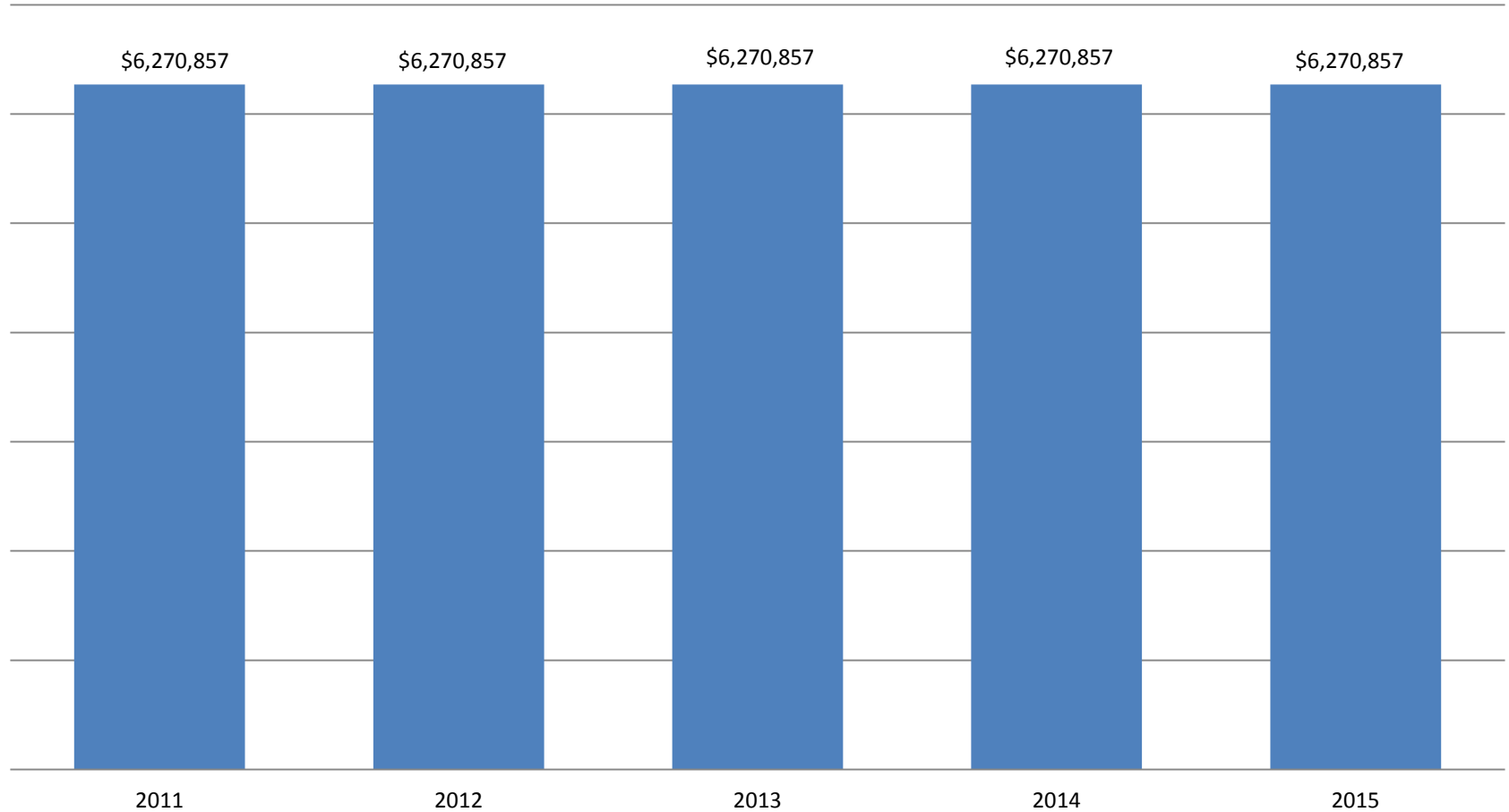
2015 REVENUES (CONTINUED)

- The **Municipal Court Fines and Costs** revenue category has been decreased by \$500,000.00 (- 50.00%) from \$1,000,000.00 in 2014 to \$500,000.00 for 2015.
- The **Interest on Investments and Deposits** revenue category has not been changed for 2015.
- The **Miscellaneous Revenues** category has been decreased by \$1,191,354.00 (- 28.82%) from \$4,133,273.00 in 2014 to \$2,941,919.00 for 2015.
 - *The major decreases under this revenue category include a reduction in state and federal grants (- \$963,636.00) and capital fund surplus (- \$200,000.00).*
- The **Receipts from Delinquent Taxes** revenue category has not been changed for 2015 (\$30,000.00).
- The **Amount to be Raised by Taxation** revenue category has been increased by \$189,656.00 (+ 0.59%) from \$32,229,870.00 in 2014 to \$32,419,526.00 for 2015.

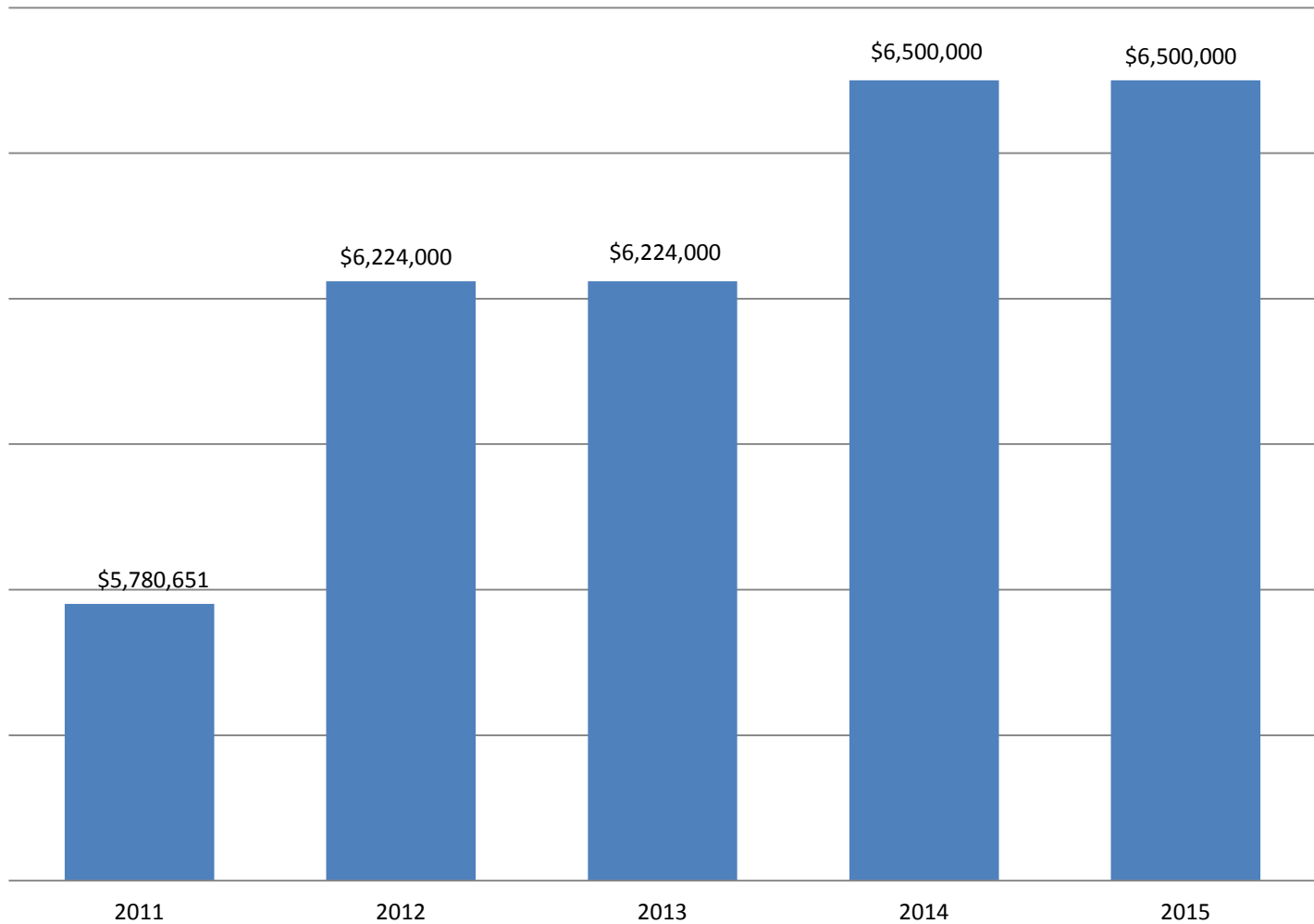
2015 REVENUES



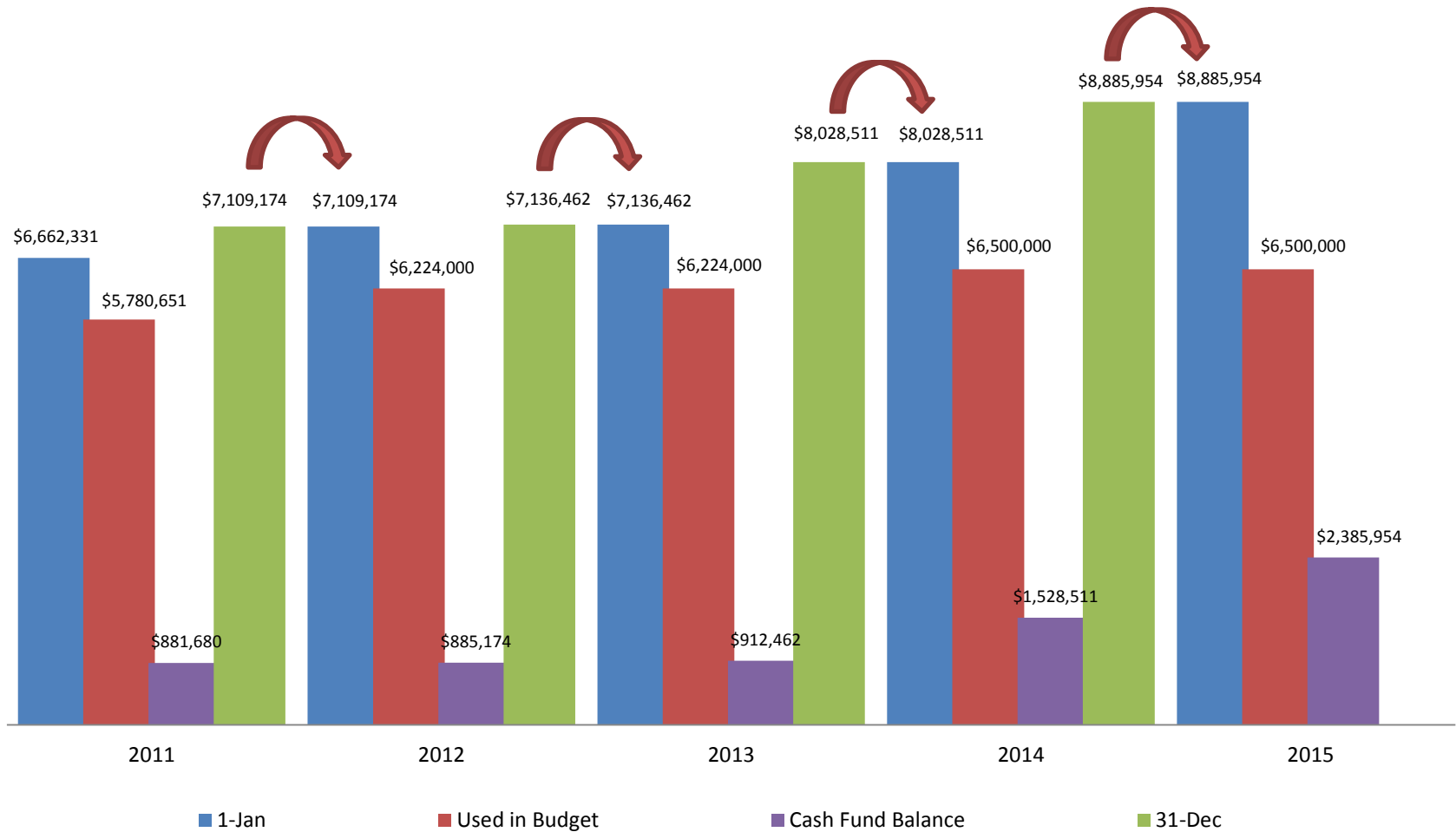
MUNICIPAL STATE AID 2011-2015



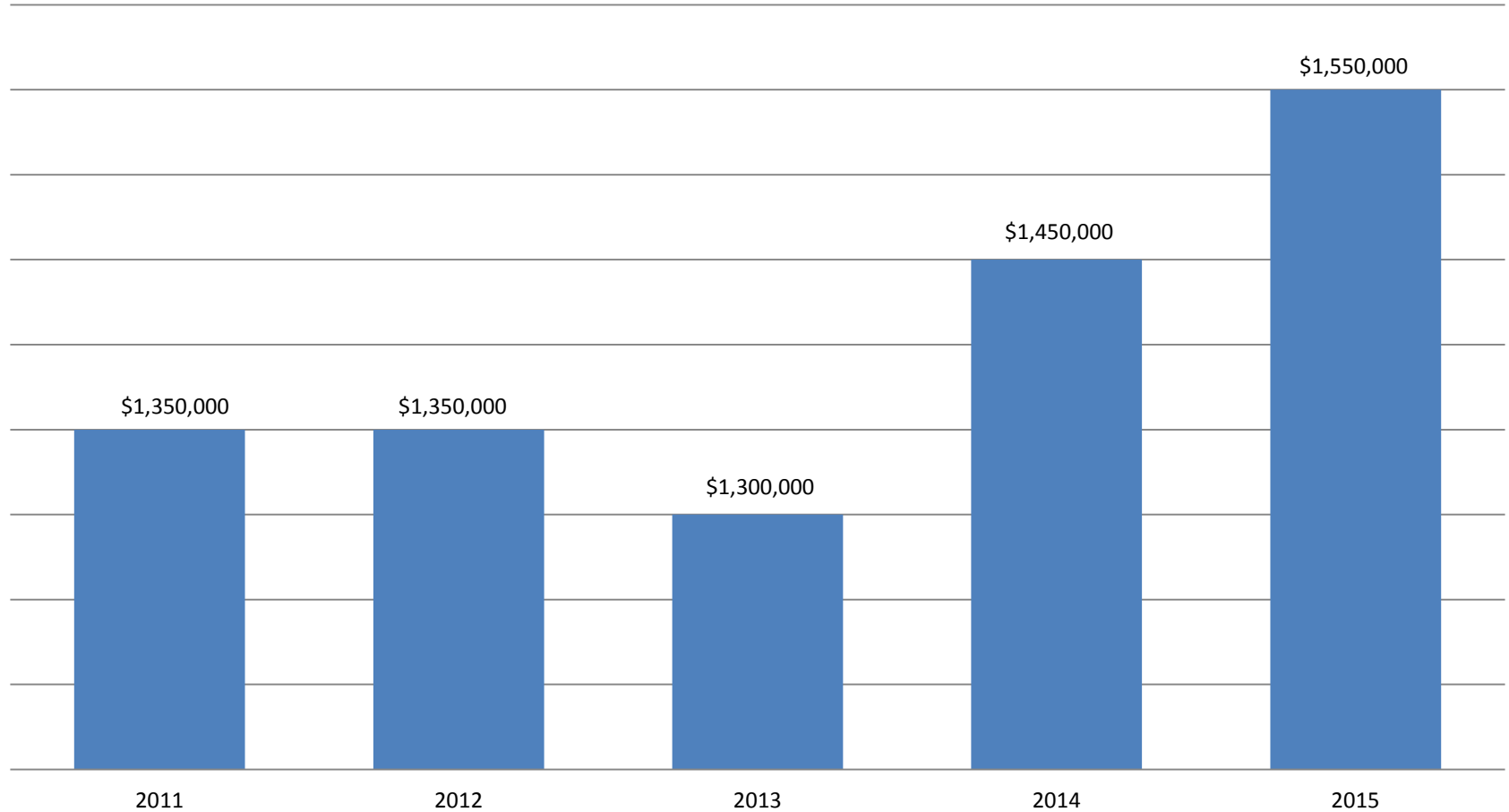
FUND BALANCE (“SURPLUS”) 2011-2015



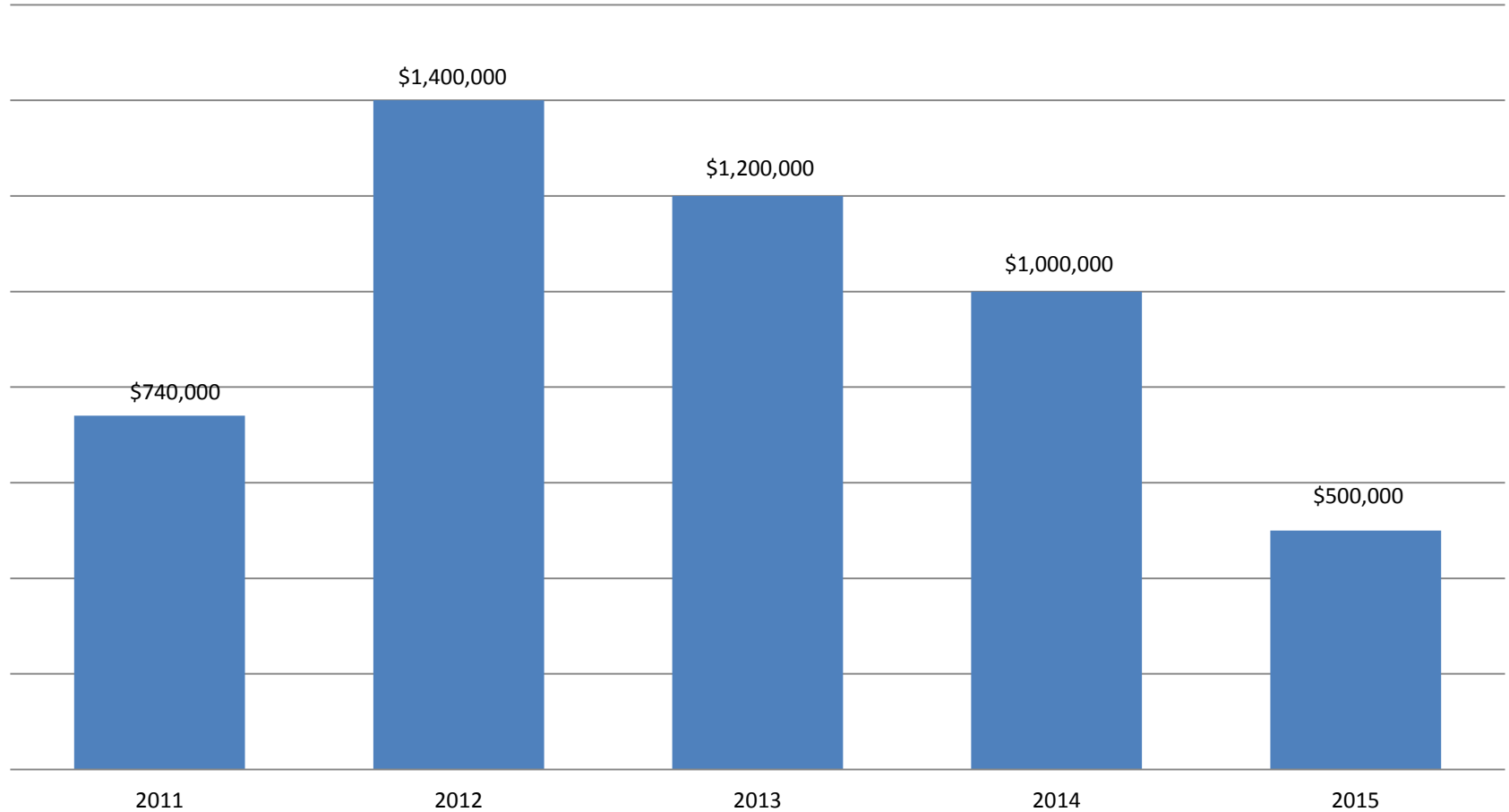
FUND BALANCE ANALYSIS 2011-2015



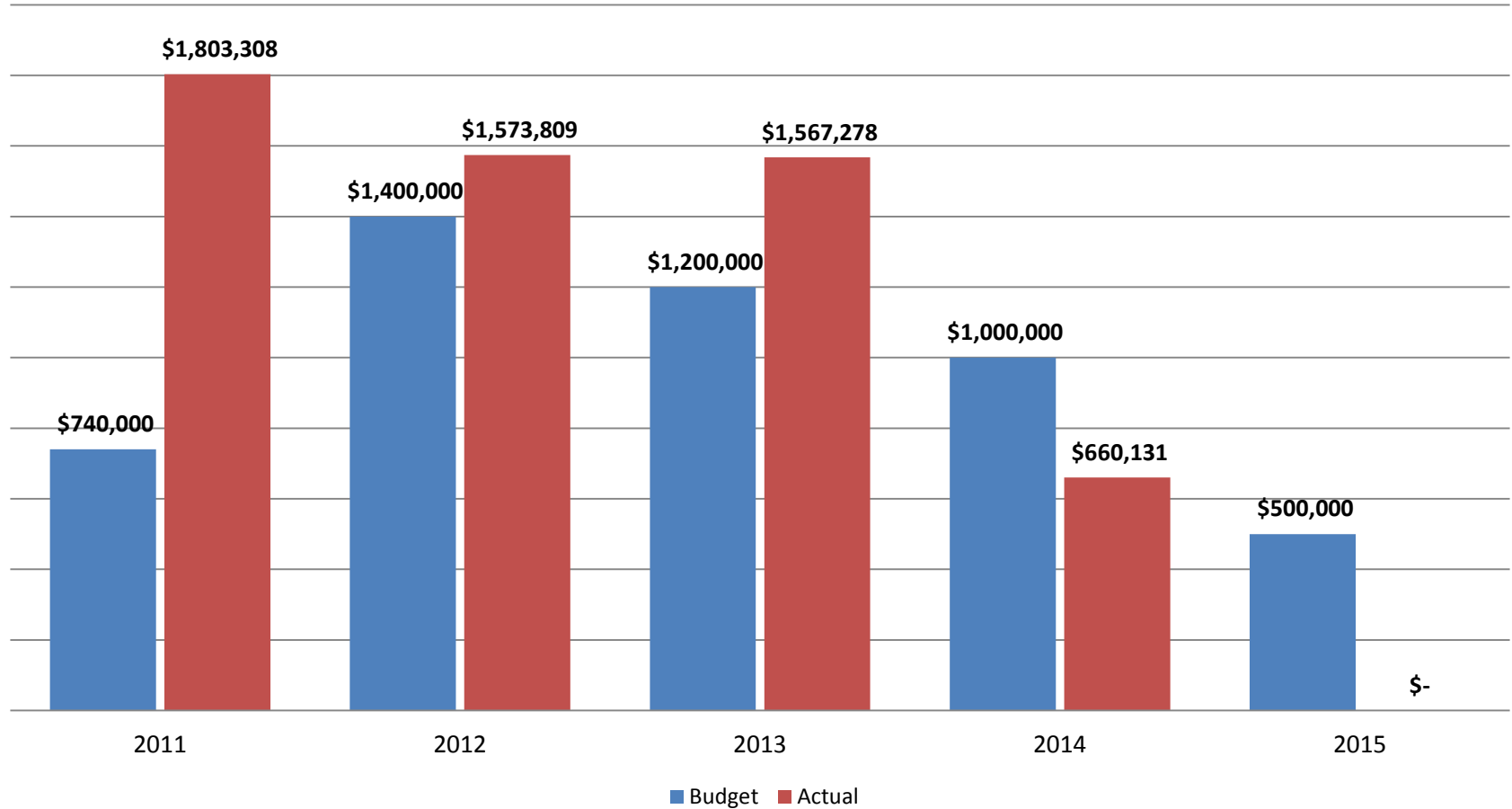
UNIFORM CONSTRUCTION AND CODE FEES 2011-2015



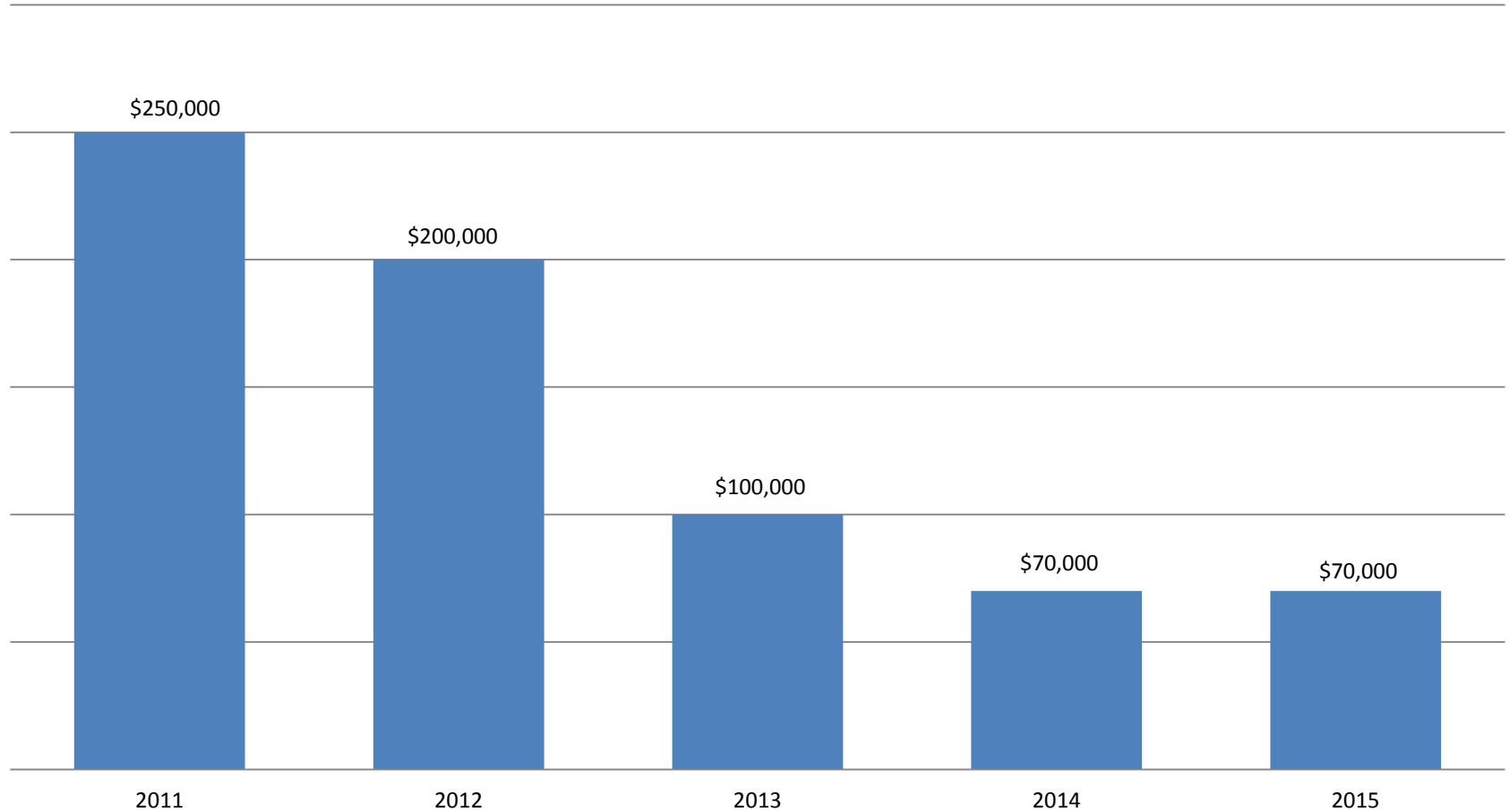
MUNICIPAL COURT FINES AND COSTS 2011-2015



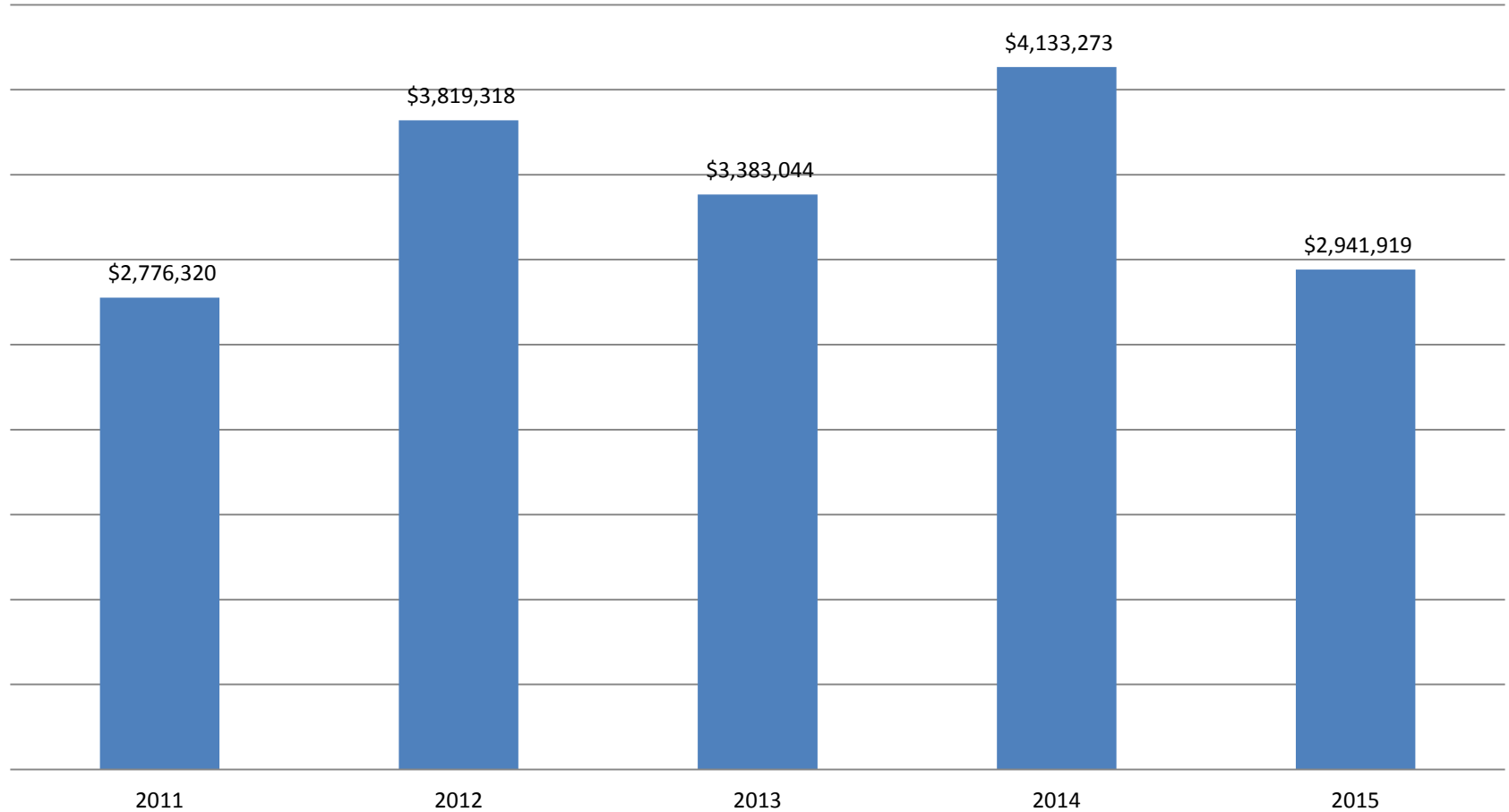
MUNICIPAL COURT FINES AND COSTS ANALYSIS 2011-2015



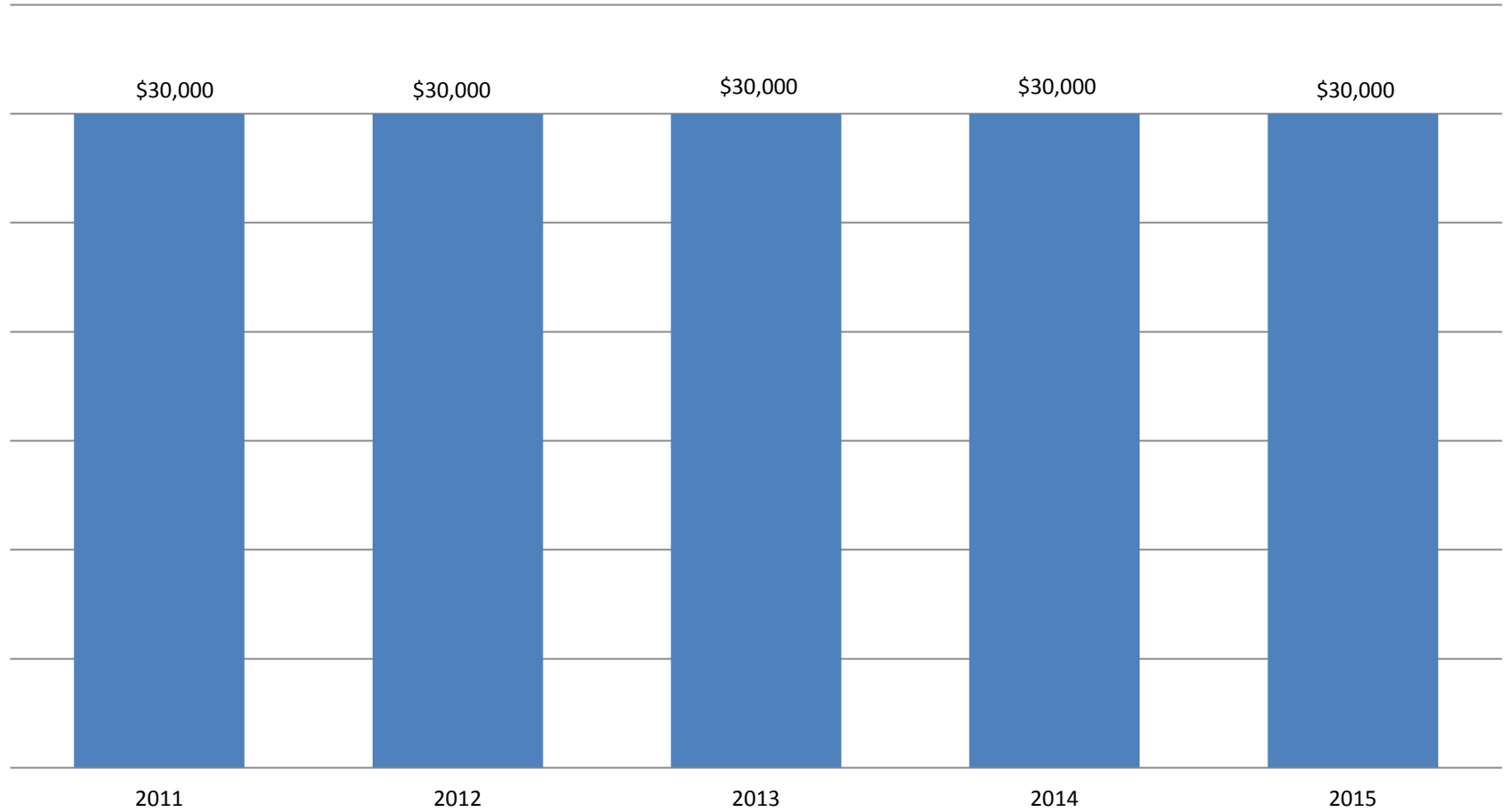
INTEREST ON INVESTMENTS AND DEPOSITS 2011-2015



MISCELLANEOUS REVENUES 2011-2015

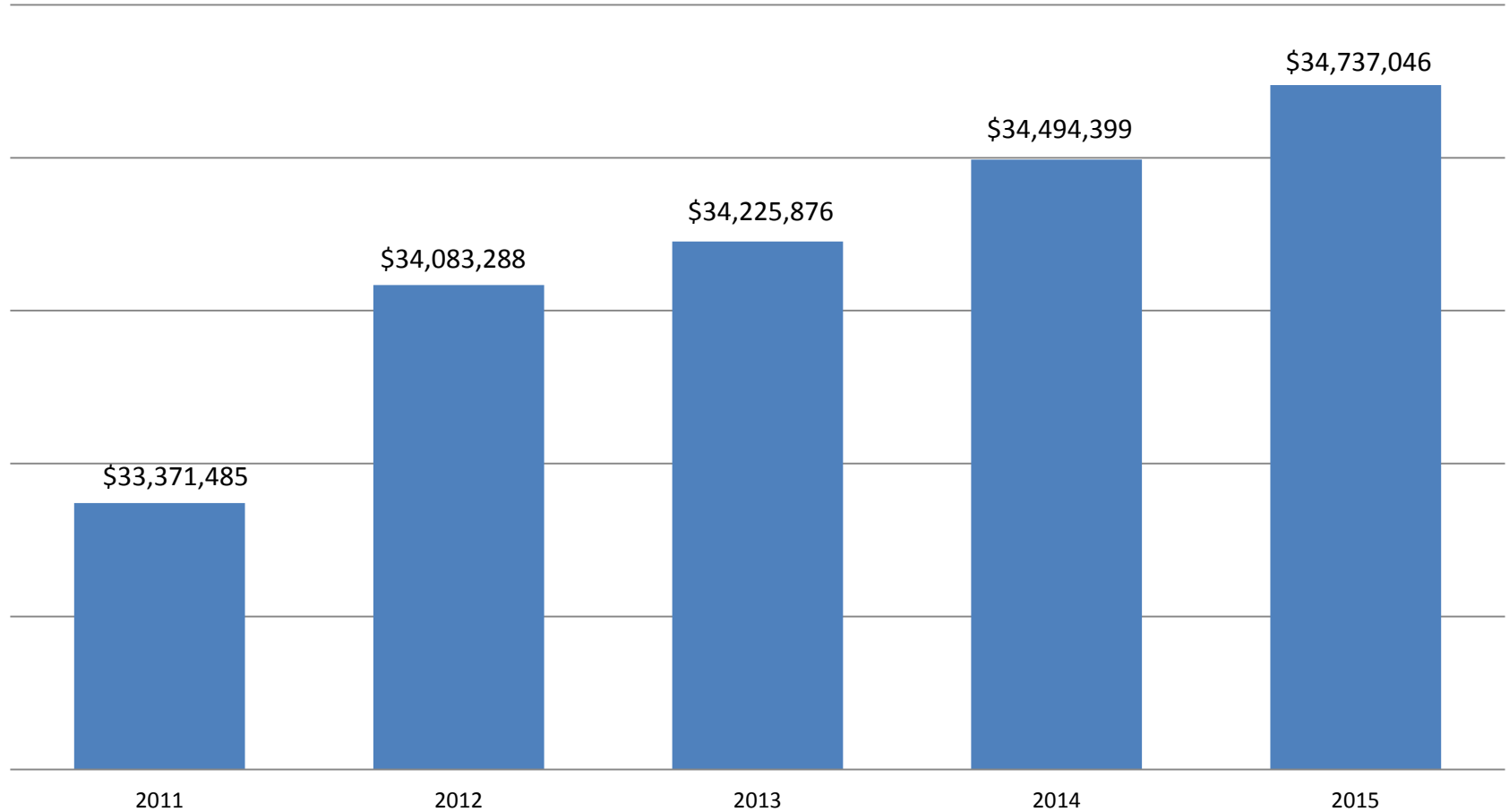


RECEIPTS FROM DELINQUENT TAXES 2011-2015



AMOUNT TO BE RAISED BY TAXATION 2011-2015

(MUNICIPAL AND MUNICIPAL LIBRARY TAX LEVY)



STATUTORY CAPS

- The “**Cost of Living Cap Adjustment**” enacted by the State requires each municipality to limit the local government unit’s final budget appropriation to no more than 3.5% with the adoption of a COLA or “Cap Index” Ordinance.
- For Old Bridge Township, the proposed final budget appropriation for 2015 is \$41,330,372.73 which is \$1,786,992.01 below the state mandated cap base of \$43,117,364.74.
- The “**Property Tax Levy Cap**” enacted by the State requires each municipality to limit the local government unit’s amount to be raised by taxation to no more than 2% over the prior year’s levy. *The State allows specific exceptions for health benefits, pensions, Length of Service Awards Program (LOSAP) for volunteers, capital improvements and debt service.*
- For Old Bridge Township, the proposed municipal tax levy for 2015 is \$32,419,526.00 which is \$1,045,210.00 below the state mandated property tax levy cap of \$33,464,736.00.



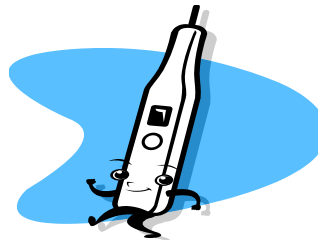
A Quick Look “Back to...”



“FISCAL HEALTH FACT CHECK”

2015 vs. 2011

- **Total Appropriations** (Expenditures) for 2015 are **LOWER** than total appropriations for 2011 by **\$3,447,491.00** or **6.15%** (\$52,599,822.00 in 2015 vs. \$56,047,313.00 in 2011).
- **Non-Recurring Revenues** are **LOWER** than non-recurring revenues for 2011 by **\$5,560,000.00**. (**\$0.00** in **2015** vs. \$5,560,000.00 in 2011).
- **Fund Balance** is **HIGHER** by **\$1,504,274.00** or **171%** (\$2,385,954.00 in 2015 vs. \$881,680.00 in 2011).
- **The Municipal Portion of Real Estate Taxes** has been stabilized with annual increases limited to 1.15% from 2011 to 2015.



“The Future...”



2015-2016 POTENTIAL CHALLENGES

- National, State and Local Economic Conditions...?
- **Weather Related Emergencies and Related Costs...!?!?**
- Additional Contractual Cost Increases...?
- *Collective Bargaining Agreements and Related Negotiations ...?*
- Accumulated Time Payouts for Retirees...?
- Increasing Number of Tax Appeals...?
- New and Unfunded State Mandates...?
- Further Cuts to Municipal State Aid...?



2015-2016 POTENTIAL OPPORTUNITIES

- Ongoing Cost Containment Strategies
- Competitive Contracting for Services
- Cooperative Purchasing for Goods and Services
- *Collective Bargaining Agreements and Related Negotiations*
- New Technology-Related Initiatives
- Federal, State and Local Grant Programs
- Additional and/or Enhanced Shared Services with the Old Bridge Public Library, Old Bridge Public Schools, Middlesex County Government and/or neighboring municipalities



2015 MUNICIPAL BUDGET ADOPTION

Monday, March 23, 2015



QUESTIONS?



“FIRE” AWAY!