

Harding Township

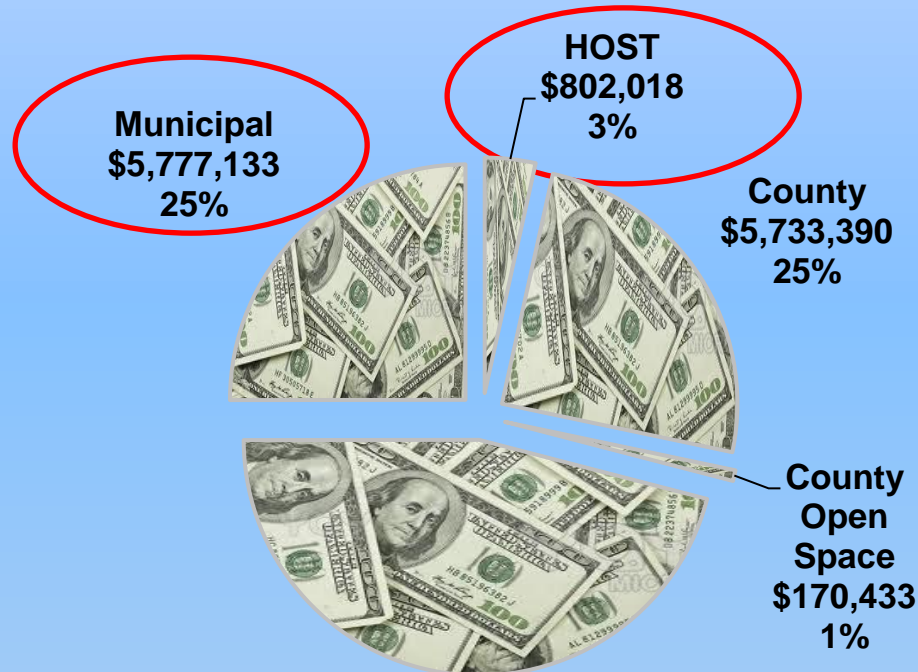
Harding Township, NJ 2020 Preliminary Budget

March 9th, 2020

Presentation

1. 2019 Taxes & Timeline
2. Township Debt Status – 2020
3. Open Space Tax
4. 2020 Budget
 1. Expenditure (Appropriation) Summary
 2. Other Expenses Details
 3. Expenditure (Appropriation) Drivers
 4. Revenue Summary
 5. Revenue Drivers
5. Assessed Value and Tax Rate

2019 Tax Revenue Allocation



	2019
HOST	\$802,018
County	\$5,733,390
County Open Space	\$170,433
School	\$10,610,729
Municipal	\$5,777,133
Total Taxes	\$23,093,703

School
\$10,610,729
46%

2019:

Total Taxes	\$23,093,703
Net Taxable Valuation	\$2,005,044,756
Ave. Residential Property Value	\$1,039,961
Average Residential Tax	\$11,980

Budget Time Line

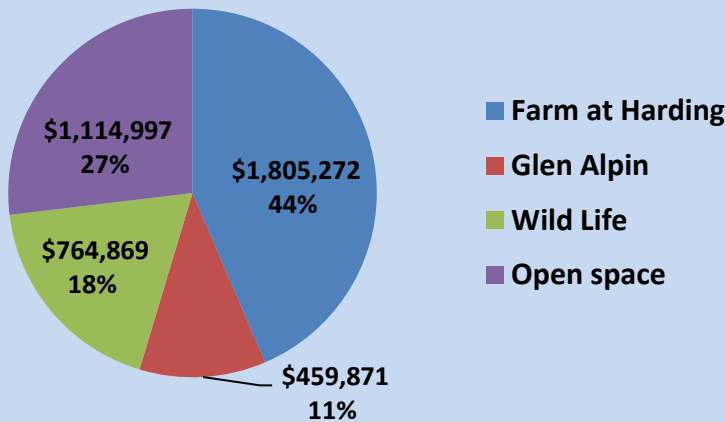
- Preliminary Budget Presentation – March 9th
- Preliminary Capital Budget Presentation – March 9th
- Introduction of Budget – March 9th
- Public Hearing and Adoption of Budget – April 13th
- Introduction of Capital Budget – March 9th
- Adoption of Capital Budget – April 13th
- Cap Bank Ordinance Introduction – March 9th
- Cap Bank Ordinance Adoption – April 13th

Township Debt

- Township policy is to pay down outstanding debt
- Harding debt rating: AAA
- Township's outstanding debt refinanced in 2017
- Savings from refinancing began being realized in 2019
- Outstanding BAN debt: \$1,677,850
- 2020 funding sources:
 - Farm at Harding : \$245,149
 - Open Space: \$213,861
 - General Budget: \$103,865

Year	Bonded Debt O/S	Principal Payment	Interest Payment	Servicing Payments
2008	\$11,252,068	\$333,836	\$283,592	\$617,428
2009	\$13,798,232	\$774,293	\$431,715	\$1,206,008
2010	\$13,023,939	\$779,489	\$406,546	\$1,186,035
2011	\$10,804,450	\$813,730	\$380,455	\$1,194,185
2012	\$9,990,720	\$762,720	\$353,354	\$1,116,074
2013	\$8,758,000	\$695,000	\$326,997	\$1,021,997
2014	\$8,063,000	\$705,000	\$300,457	\$1,005,457
2015	\$7,358,000	\$715,000	\$273,567	\$988,567
2016	\$6,643,000	\$723,000	\$246,327	\$969,327
2017	\$5,920,000	\$400,000	\$218,731	\$618,731
2018	\$4,950,000	\$415,000	\$190,813	\$605,813
2019	\$4,535,000	\$390,000	\$178,675	\$568,675
2020	\$4,145,000	\$395,000	\$167,875	\$562,875
2021	\$3,750,000	\$410,000	\$155,800	\$565,800
2022	\$3,340,000	\$425,000	\$143,275	\$568,275
2023	\$2,915,000	\$435,000	\$128,200	\$563,200
2024	\$2,480,000	\$450,000	\$110,500	\$560,500
2025	\$2,030,000	\$470,000	\$89,750	\$559,750
2026	\$1,560,000	\$495,000	\$65,625	\$560,625
2027	\$1,065,000	\$520,000	\$40,250	\$560,250
2028	\$545,000	\$545,000	\$13,625	\$558,625

Bonded Debt Funding Purpose

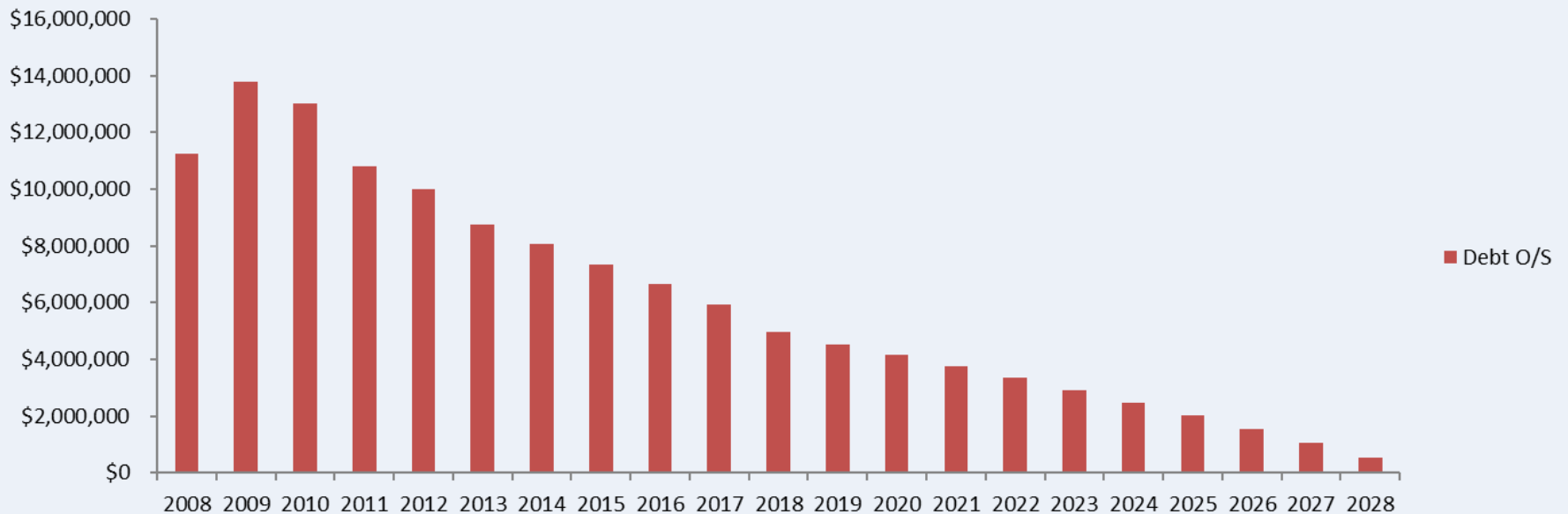


Township Debt

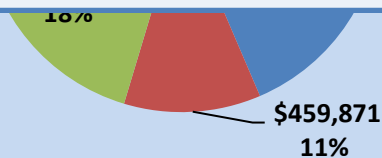
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- Harding debt rating: AAA
- Township's outstanding debt refinanced in 2017

Year	Debt O/S	Principal Payment	Interest Payment	Servicing Payments
2008	\$11,252,068	\$333,836	\$283,507	\$617,428

Harding Outstanding Debt by Year



2027	\$1,065,000	\$520,000	\$40,250	\$560,250
2028	\$545,000	\$545,000	\$13,625	\$558,625



Open Space Finances

Background

- Township Referendum: Open Space tax rate (“OS Rate”) can be set by Township Committee on yearly basis from 0¢ to 5¢ per \$100 assessed valuation.
- Rate History

OS Rates: Cents per \$100				
Year	Harding	Amount	County	Amount
2012	3.80	\$776,826	2.30	\$380,081
2013	3.50	\$715,023	1.90	\$266,809
2014	3.50	\$709,761	1.40	\$222,745
2015	4.00	\$808,458	1.10	\$220,515
2016	4.00	\$802,856	1.10	\$194,490
2017	4.00	\$802,620	1.00	\$193,528
2018	4.00	\$799,809	1.00	\$193,500
2019	4.00	\$802,018	0.90	\$170,433
2020	4.00	\$847,281	?	

* 2020 County Rate has not been finalized

2019 Year End Balance

\$ 3,483,866

Expenditure (Appropriation) Summary 2020 vs 2019

Current Fund Appropriation	2020 Recommended	2019 Adopted	Chg. Over 2019	% Chg.	% of Total
Salaries & Wages	\$3,417,600	\$3,264,600	\$153,000	4.7%	36.8%
Health Insurance	\$1,299,773	\$1,312,439	(\$12,666)	-1.0%	14.0%
Social Security	\$260,000	\$246,000	\$14,000	5.7%	2.8%
Pension-PFRS	\$338,500	\$372,400	(\$33,900)	-9.1%	3.6%
Pension-PERS	\$155,900	\$158,500	(\$2,600)	-1.6%	1.7%
Pension-DCRP	\$4,000	\$2,500	\$1,500	60.0%	0.0%
Total Employee Comp	\$5,475,773	\$5,356,439	\$119,334	2.2%	59%
Other Expenses	\$1,644,378	\$1,695,716	(\$51,338)	-3.0%	17.7%
Interlocal Services	\$275,000	\$258,000	\$17,000	6.6%	3.0%
Capital Improvements	\$585,000	\$616,000	(\$31,000)	-5.0%	6.3%
Debt Service & Def. Charg.	\$383,600	\$377,539	\$6,061	1.6%	4.1%
Emergency Approp.	\$0	\$0	\$0	0.0%	0.0%
Resrv. For Uncoll. Taxes	\$914,897	\$912,403	\$2,494	0.3%	9.9%
Total Non-Employee Comp	\$3,802,875	\$3,859,658	(\$56,783)	-1.5%	41%
Total Appropriations	\$9,278,648	\$9,216,097	\$62,551	0.7%	100%
Public & Private Grants	\$287,086	\$239,675	\$47,411	19.8%	
Total Appropriations+Grant	\$9,565,734	\$9,455,772	\$109,962	1.2%	

2020 Other Expenses Breakdown

Other Expenses	Amount
Building/Road/Park Maintenance	\$217,500
Miscellaneous Other Expenses	\$609,355
Utilities	\$151,500
Joint Insurance Fund	\$150,000
Legal	\$130,000
Technology (MIS)	\$90,523
Engineering	\$50,000
Legal – Tax Appeal	\$30,000
Library	\$40,000
Private Community Reimbursement	\$47,000
Audit	\$31,000
Snow Removal	\$97,500
Total	\$1,644,378

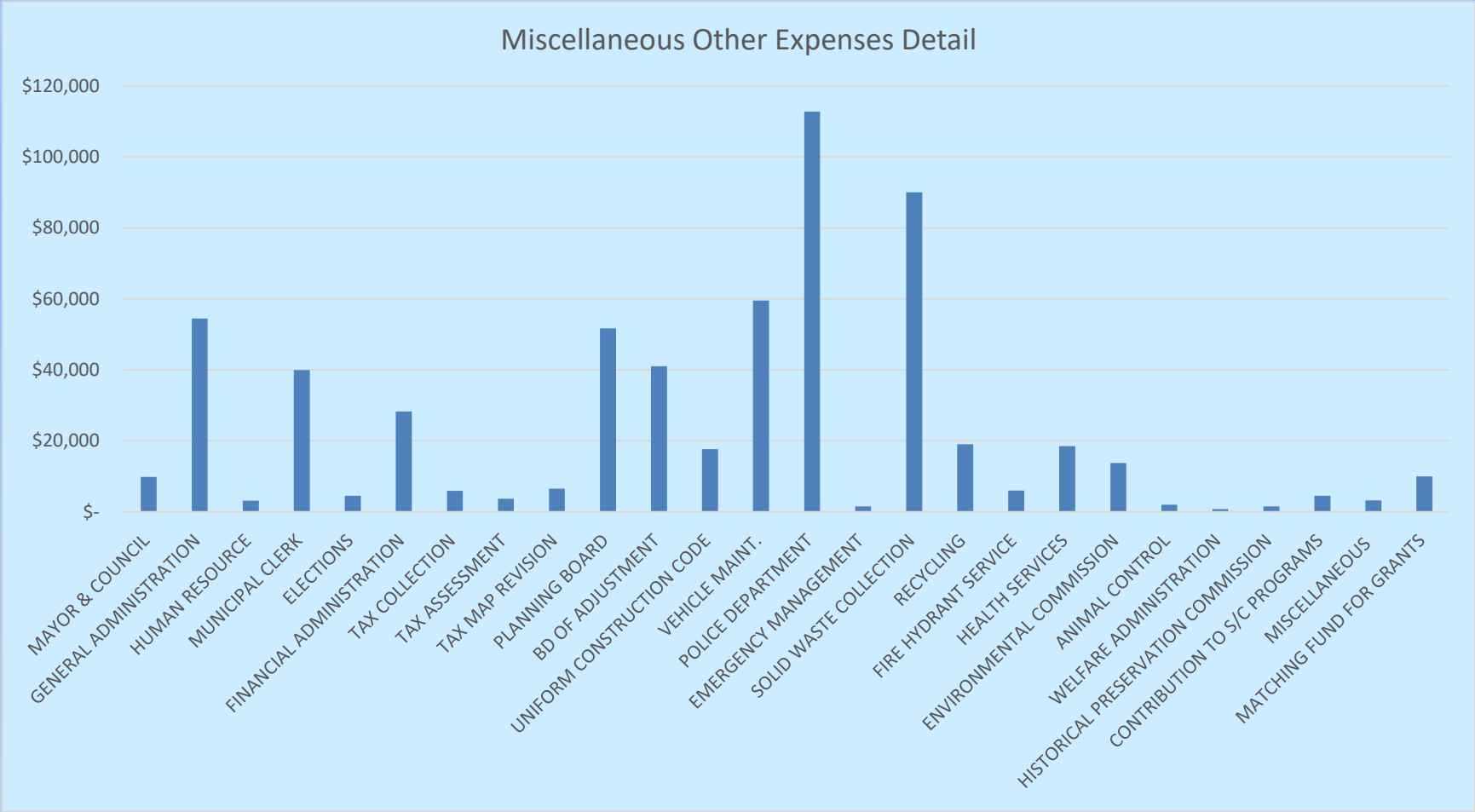
2020 Other Expenses Breakdown

Miscellaneous Other Expenses Detail	2020
MAYOR & COUNCIL	\$ 9,800
GENERAL ADMINISTRATION	\$ 54,450
HUMAN RESOURCE	\$ 3,100
MUNICIPAL CLERK	\$ 39,900
ELECTIONS	\$ 4,500
FINANCIAL ADMINISTRATION	\$ 28,250
TAX COLLECTION	\$ 5,900
TAX ASSESSMENT	\$ 3,650
TAX MAP REVISION	\$ 6,500
PLANNING BOARD	\$ 51,700
BD OF ADJUSTMENT	\$ 41,000
UNIFORM CONSTRUCTION CODE	\$ 17,645
VEHICLE MAINT.	\$ 59,500
POLICE DEPARTMENT	\$ 112,810
EMERGENCY MANAGEMENT	\$ 1,500
SOLID WASTE COLLECTION	\$ 90,000

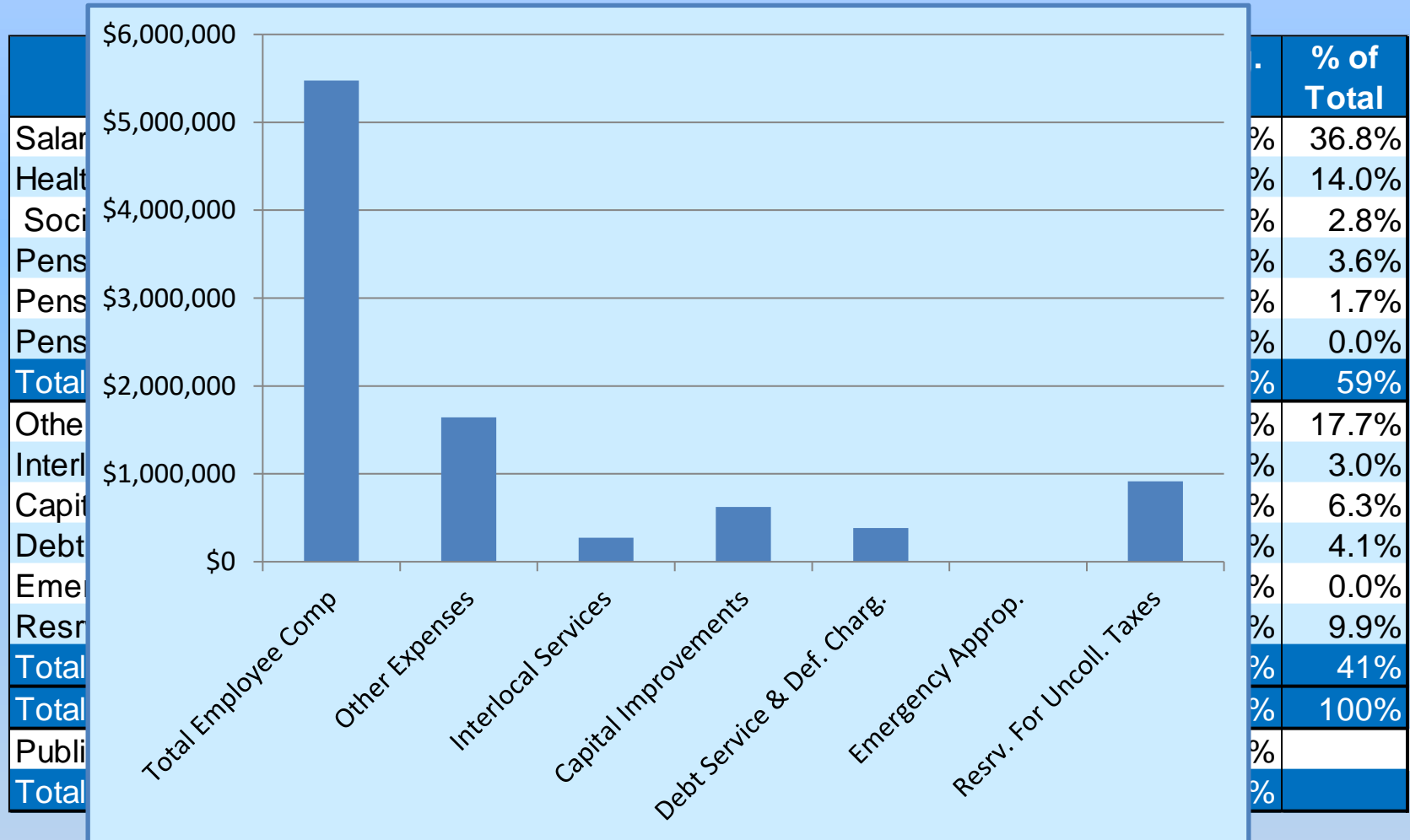
2020 Other Expenses Breakdown

Miscellaneous Other Expenses Detail	2020
RECYCLING	\$ 19,000
FIRE HYDRANT SERVICE	\$ 6,000
HEALTH SERVICES	\$ 18,500
ENVIRONMENTAL COMMISSION	\$ 13,700
ANIMAL CONTROL	\$ 2,000
WELFARE ADMINISTRATION	\$ 750
HISTORICAL PRESERVATION COMMISSION	\$ 1,500
CONTRIBUTION TO S/C PROGRAMS	\$ 4,500
MISCELLANEOUS	\$ 3,200
MATCHING FUND FOR GRANTS	\$ 10,000
Total	\$ 609,355

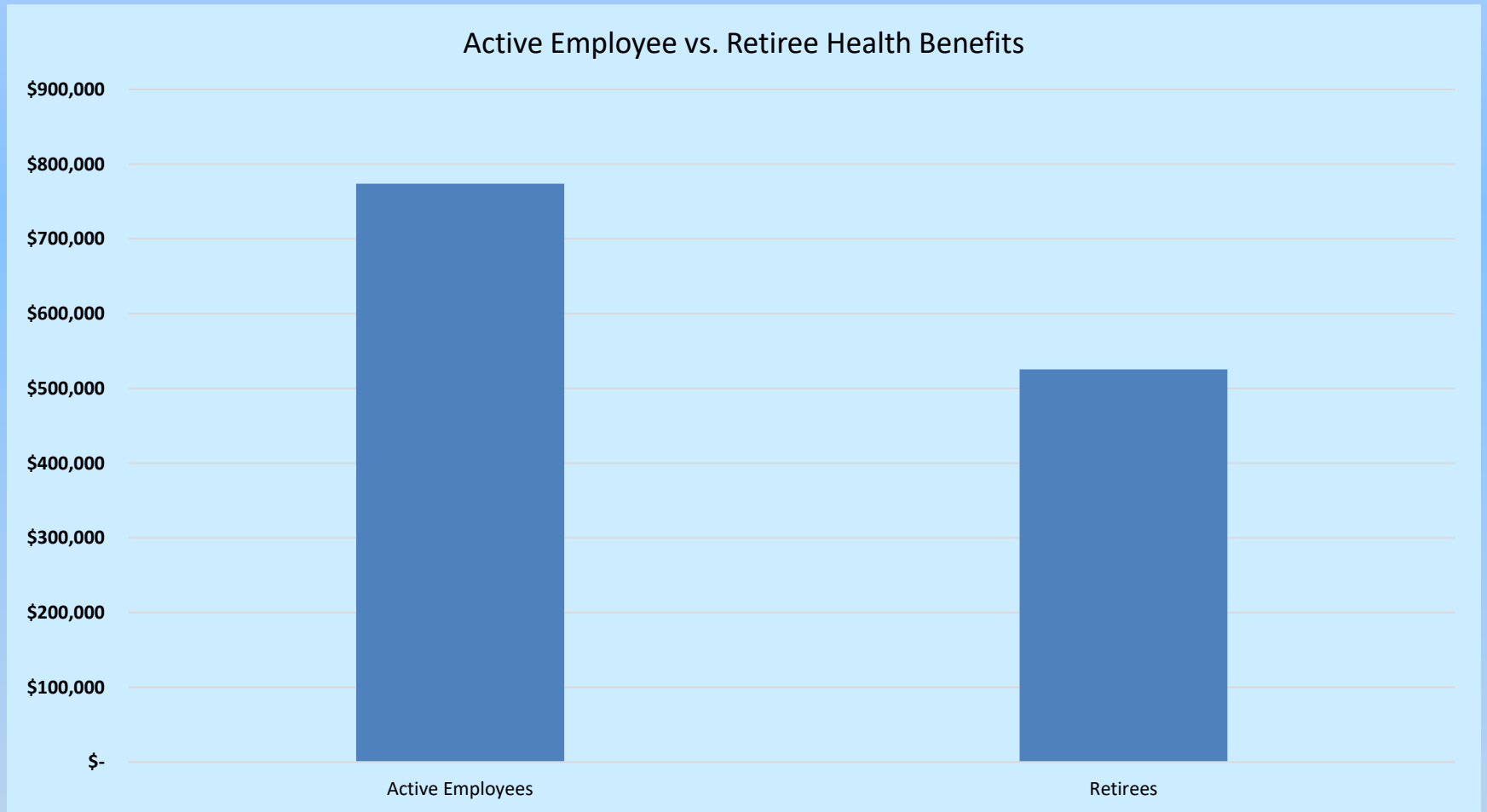
2020 Other Expenses Breakdown



2020 Expenditure (Appropriation) Summary



Health Benefits



Appropriation Drivers

- **No change in total number of employees**
- Health Insurance Costs
 - 2.85% increase in premiums
 - Increase in number of employees opting to waive coverage
- PBA salary and wages increases (\$108,700)
- Non-police 2% cost of living adjustment increase (\$44,300)
- Pension (PFRS) decrease (\$33,900)
- Non-salary “Other Expenses” decrease (\$53,338)
- Funding of annual capital expenses through Capital Improvement Fund (\$585,000)

Capital Improvement Fund

Capital Improvement Fund	
Year	Amount
2010	\$ 450,000
2011	\$ 450,000
2012	\$ 390,000
2013	\$ 390,000
2014	\$ 450,000
2015	\$ 450,000
2016	\$ 500,000
2017	\$ 700,000
2018	\$ 750,000
2019	\$ 616,000
2020	\$ 585,000

Capital Improvement Fund

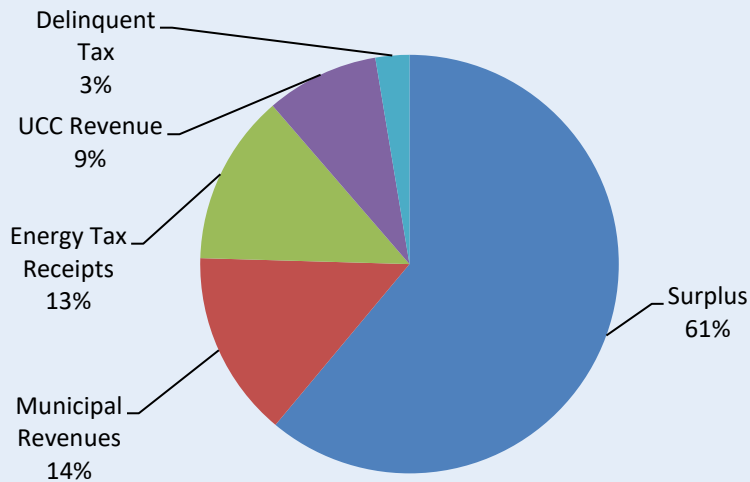


Budget Revenue - 2020

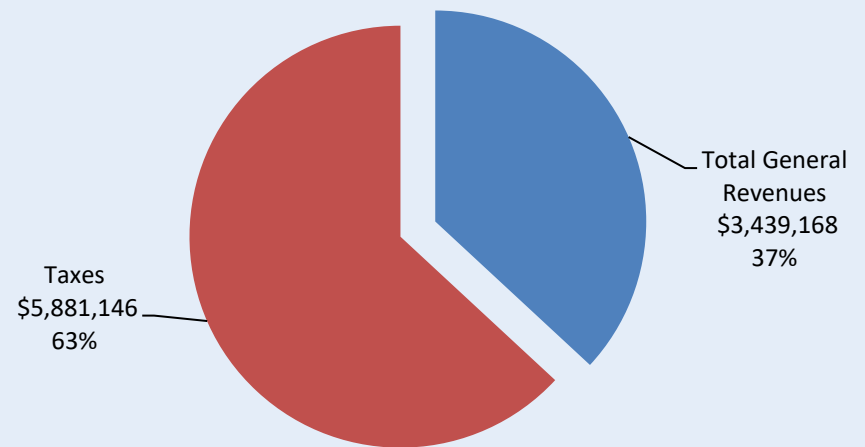
General & Tax Revenues	2020	2019	2020 - 2019	% Chg	% of Total
Surplus	\$ 2,100,000	\$ 2,100,000	\$ -	0.0%	23%
Municipal Revenues	\$ 495,000	\$ 494,796	\$ 204	0.0%	5%
Energy Tax Receipts	\$ 454,168	\$ 454,168	\$ -	0.0%	5%
UCC Revenue	\$ 300,000	\$ 300,000	\$ -	0.0%	3%
Delinquent Tax	\$ 90,000	\$ 90,000	\$ -	0.0%	1%
Total General Revenues	\$ 3,439,168	\$ 3,438,964	\$ 204	0.0%	37%
Taxes	\$ 5,839,480	\$ 5,777,133	\$ 62,347	1.1%	63%
Total Revenues+Tax	\$ 9,278,648	\$ 9,216,097	\$ 62,551	0.7%	100%
Public & Private Grants	\$ 287,086	\$ 239,675	\$ 47,411	19.8%	3%
Total Revenues + Grant	\$ 9,565,734	\$ 9,455,772	\$ 109,962	1.2%	103%

Budget Revenue – 2020

Total General Revenues



General & Tax Revenues



2
3
3
0
0
5
4
0
7
7

Revenue Drivers

- Energy Tax Receipts – State has not released the amount (\$454,168)
- No change in surplus anticipated (\$2,100,000)
- Additional revenue anticipated from Farm at Harding sale proceeds (\$270,000) to offset Farm related debt and other expenses
- Revenue no longer anticipated from COAH Trust

Assessed Value & Tax Rate

	# of units	Assessed Value
2020 Residential/Commercial	1930	\$2,116,832,500
2020 Utility	1	\$1,370,474
2020 Total	1931	\$2,118,202,974
Average Assessed Value 2020		\$1,096,946
Average Assessed Value 2019		\$1,039,961
2020 Tax Rate / AA Valuation	0.276	\$3,024
2019 Tax Rate / AA Valuation	0.288	\$2,995
Increase (2020 vs. 2019)	-0.012	\$29
% Increase	-4.20%	1.00%

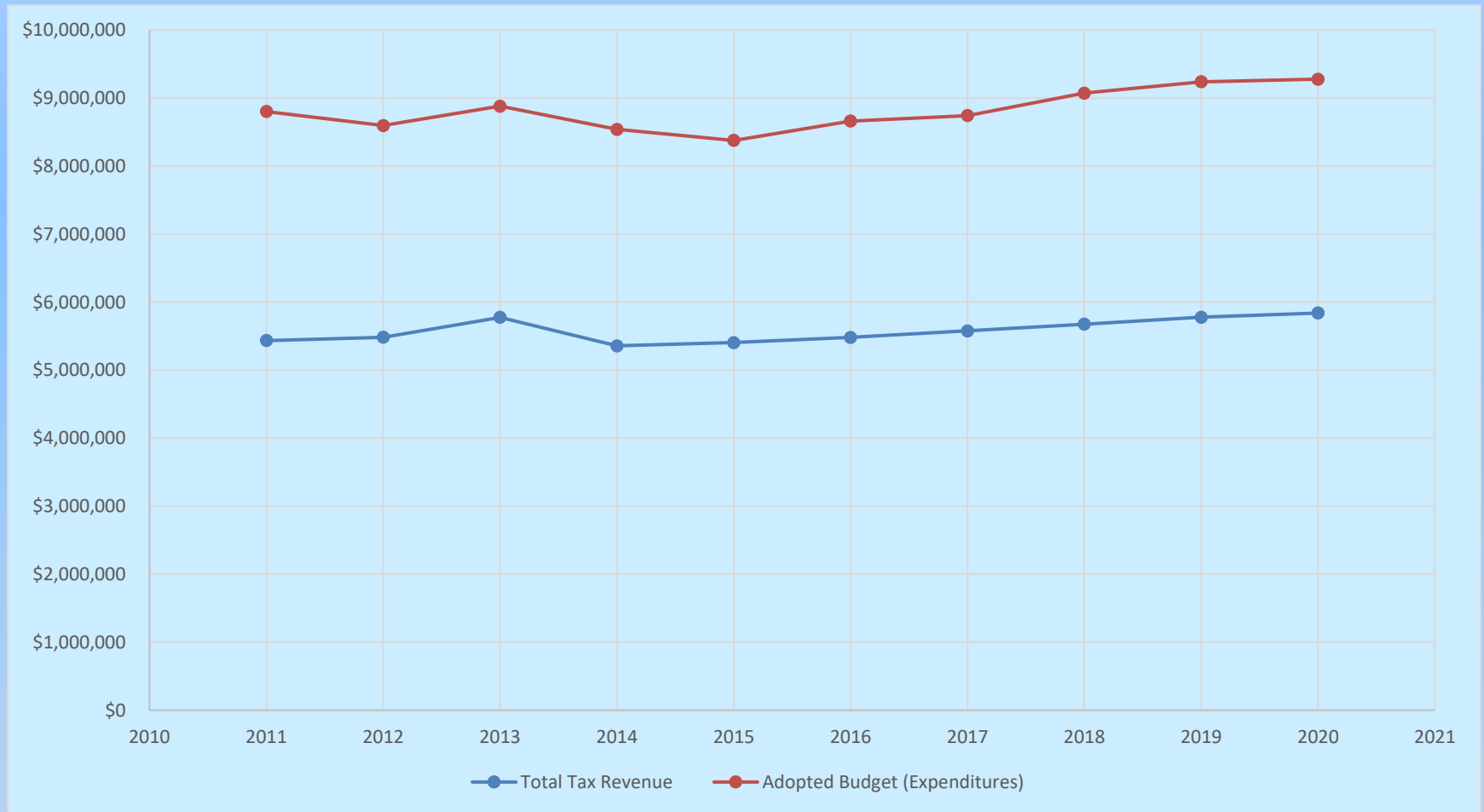
Year	Municipal Tax	All Agency Tax	%
2015	\$ 5,357,091	\$ 21,138,058	25.34%
2016	\$ 5,405,442	\$ 21,809,538	24.78%
2017	\$ 5,578,016	\$ 22,537,450	24.75%
2018	\$ 5,675,194	\$ 22,592,449	25.12%
2019	\$ 5,777,133	\$ 23,093,704	25.02%
2020	\$ 5,839,480		

	Assessed Value
2020	\$2,118,202,974
2019	\$2,005,044,756
Change	\$113,158,218.00
Change %	5.64%

Tax vs Expenditure

Year	Total Tax Revenue	Adopted Budget (Expenditures)	%
2011	\$5,435,713	\$8,802,024	61.76%
2012	\$5,482,498	\$8,596,921	63.77%
2013	\$5,775,218	\$8,881,140	65.03%
2014	\$5,357,091	\$8,540,273	62.73%
2015	\$5,405,442	\$8,377,044	64.53%
2016	\$5,481,529	\$8,661,656	63.29%
2017	\$5,578,016	\$8,741,889	63.81%
2018	\$5,675,195	\$9,073,978	62.54%
2019	\$5,777,133	\$9,239,014	62.53%
2020	\$5,839,480	\$9,278,648	62.93%

Tax vs Expenditure



Tax Rate History

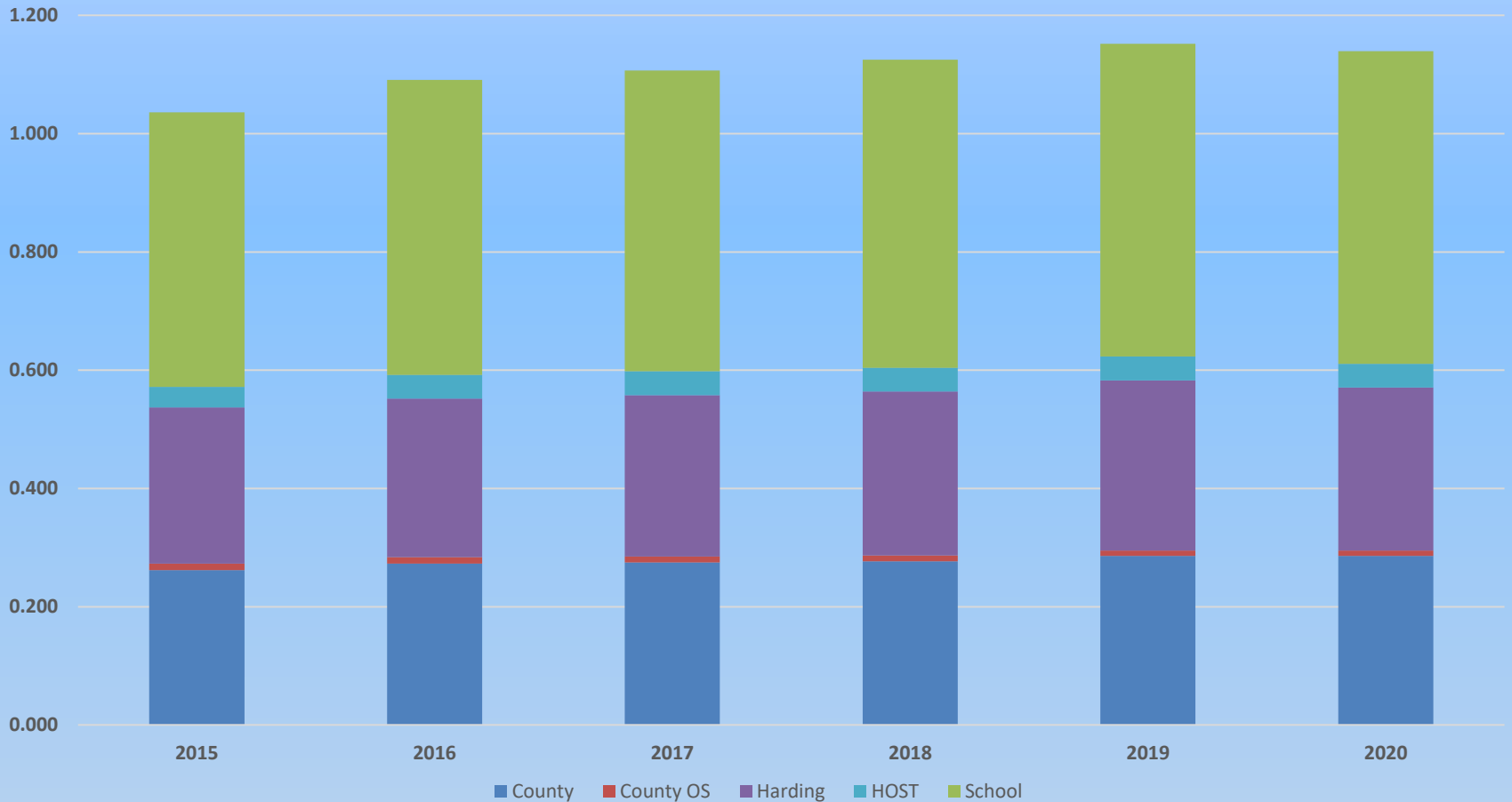
Rates

Year	Net valuation	County	County OS	School	Harding	HOST	Total
2015	\$2,021,014,691	0.262	0.011	0.464	0.264	0.035	1.036
2016	\$2,007,139,768	0.273	0.011	0.499	0.268	0.040	1.091
2017	\$2,006,548,979	0.275	0.010	0.509	0.273	0.040	1.107
2018	\$1,999,521,290	0.277	0.010	0.521	0.277	0.040	1.125
2019	\$2,005,044,756	0.286	0.009	0.529	0.288	0.040	1.152
2020	\$2,118,202,974				0.276	0.040	

Taxes

Year	Sample Value	County	County OS	School	Harding	HOST	Total
2015	\$1,000,000	\$2,620	\$110	\$4,640	\$2,640	\$350	\$10,360
2016	\$1,000,000	\$2,730	\$110	\$4,990	\$2,680	\$400	\$10,910
2017	\$1,000,000	\$2,750	\$100	\$5,090	\$2,730	\$400	\$11,070
2018	\$1,000,000	\$2,770	\$100	\$5,210	\$2,770	\$400	\$11,250
2019	\$1,000,000	\$2,860	\$90	\$5,290	\$2,880	\$400	\$11,520
2020	\$1,000,000				\$2,760	\$400	

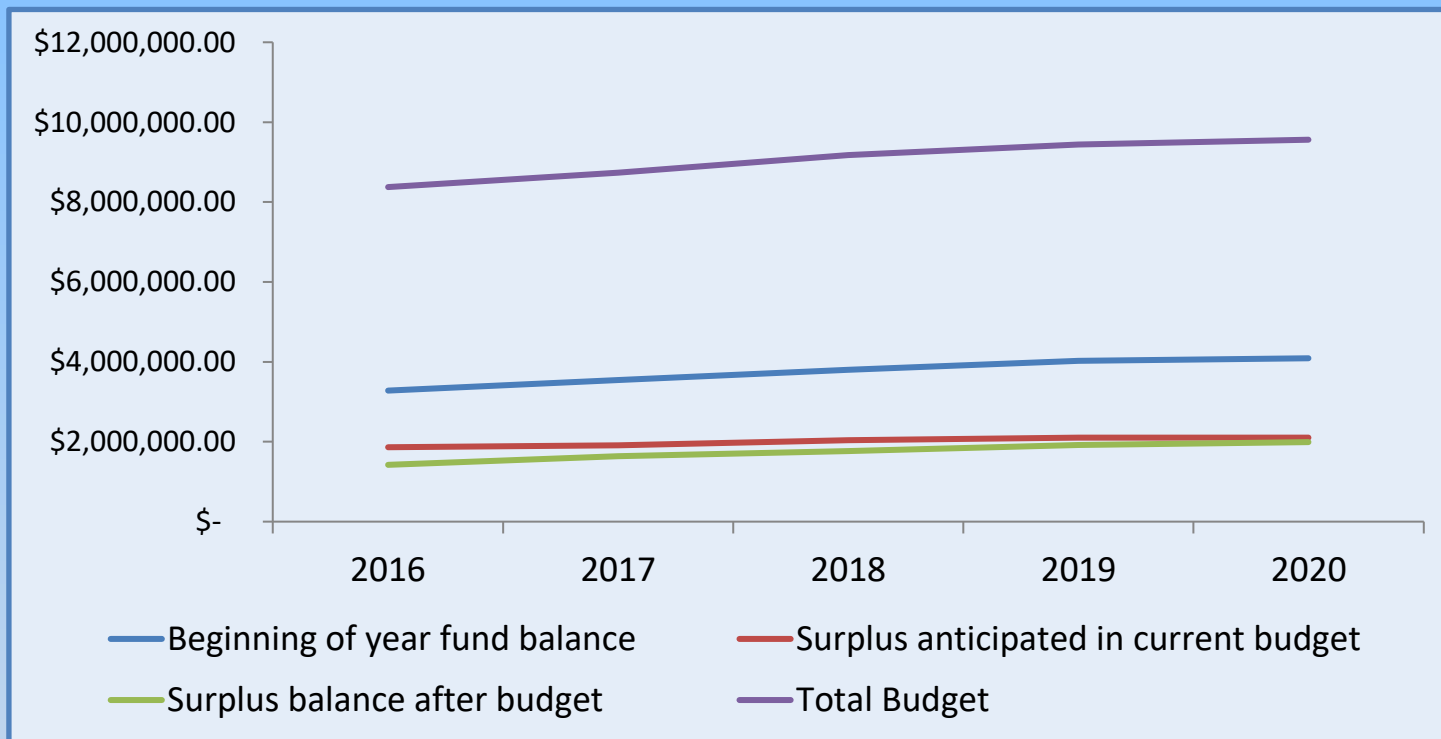
Tax Rate History

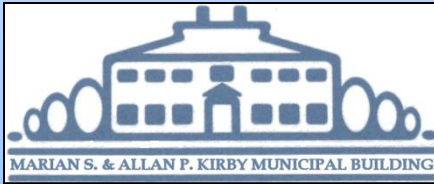


*For comparison purposes, no change in county, county OS, and school rates assumed in 2020

Fund Balance & Surplus Analysis

Item	2016	2017	2018	2019	2020
Beginning of year fund balance	\$ 3,284,410.55	\$ 3,544,100.15	\$ 3,804,887.31	\$ 4,022,212.82	\$ 4,154,314.22
Surplus anticipated in current budget	\$ 1,863,500.00	\$ 1,908,585.00	\$ 2,041,512.00	\$ 2,100,000.00	\$ 2,100,000.00
Surplus balance after budget	\$ 1,420,910.55	\$ 1,635,515.15	\$ 1,763,375.31	\$ 1,922,212.82	\$ 2,054,314.22
Total Budget	\$ 8,377,044.00	\$ 8,736,656.00	\$ 9,179,639.80	\$ 9,245,272.00	\$ 9,565,578.28
Surplus Balance as a percent of budget	16.96%	18.72%	19.21%	20.79%	21.48%
Total results of current yr operations	\$ 2,123,190	\$ 2,169,372	\$ 2,258,838	\$ 2,232,101	
Ending surplus balance	\$ 3,544,100	\$ 3,804,887	\$ 4,022,213	\$ 4,154,314	





Harding Township

Thank You