



Harding Township

Harding Township, NJ 2025 Preliminary Budget

March 10th, 2025

Presentation

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2. Challenges & Risks
3. Short-term Debt Management for Open Space
4. 2025 Taxes Review
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Budget Development Principles

- Commit significant time reviewing Harding's operating and regulatory environment, challenges, & opportunities to develop a long-term framework for decision making
- Review all services, facilities, & infrastructure we need to or are required to provide
- Deliver these services, facilities, & infrastructure in the most efficient, cost-effective way possible
- Maintain a structural balance – make sure operating expenses are funded with recurring revenues
- Limit the use of non-recurring revenues & expense holidays
- Fund only what's necessary
- Maintain surplus between 12% & 15%
- Continue on path to be debt free in 2028

Challenges & Risks

- Escalating healthcare costs
- Growing state pension costs & poor state management of assets
- Affordable housing obligations
- State mandated storm water management requirements
- Demands from New Jersey for police unfunded mandates
- Burden imposed on residents by increased state taxes
- Cost of new well & water distribution management for municipal building
- Ash tree removal
- Unexpected litigation
- Continued costs to resolve the Glen Alpin property
- Fluctuations in annual municipal revenues received
- Reduced revenues due to changing legislation

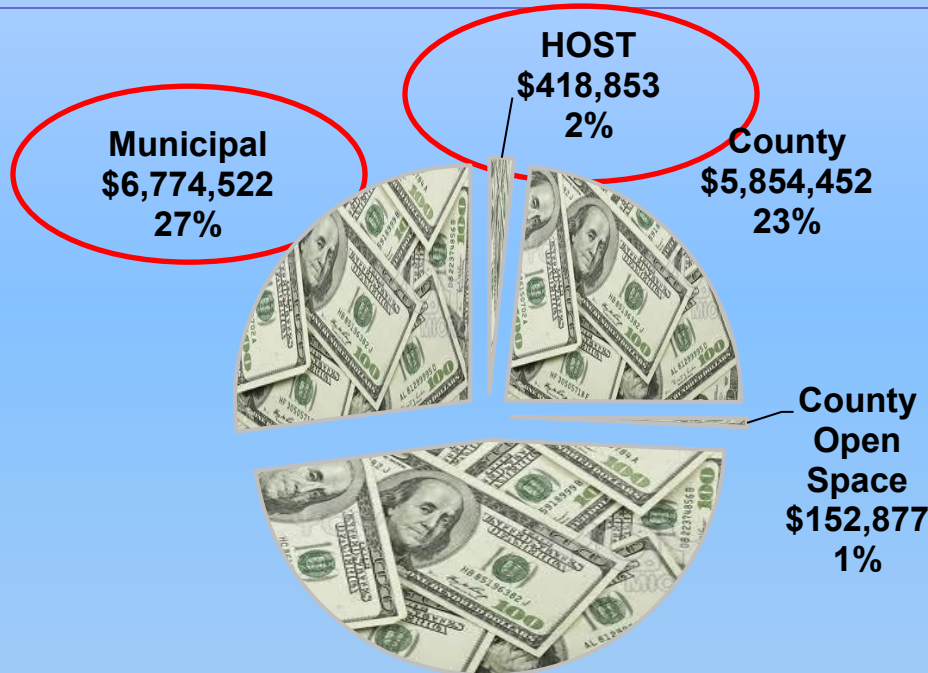
Short-term Debt Management of BANs

- Interest is determined annually as BAN is renewed each year. Current interest is \$48,588.
- Annual interest appropriated in the general budget and funded through general taxation
- Currently, principal of \$1,214,712 remains on the BAN
- Bond Anticipation Note needs to be paid or converted to permanent bonding by May 1, 2029
- Township general debt to be retired in 2028

Short-term Debt Management of BANs

- 4 year principal payoff schedule of \$1,619,617:
 - 2024: \$404,905
 - 2025: \$404,904
 - 2026: \$404,904
 - 2027: \$404,904
- 28 of 39 Morris County municipalities utilize a Municipal Open Space tax
- Harding Township Open Space tax billing by rate for 2025:
 - 2¢ per \$100 of assessed valuation would raise \$419,985

2024 Tax Revenue Allocation



<u>2024</u>	
HOST	\$418,853
County	\$5,854,452
County Open Space	\$152,877
School	\$11,801,111
Municipal	\$6,774,522
Total Taxes	\$25,001,815

School
\$11,801,111
47%

<u>2024:</u>	
Total Taxes	\$25,001,815
Net Taxable Valuation	\$2,094,267,488
Ave. Residential Property Value	\$1,083,989
Average Residential Tax	\$12,954

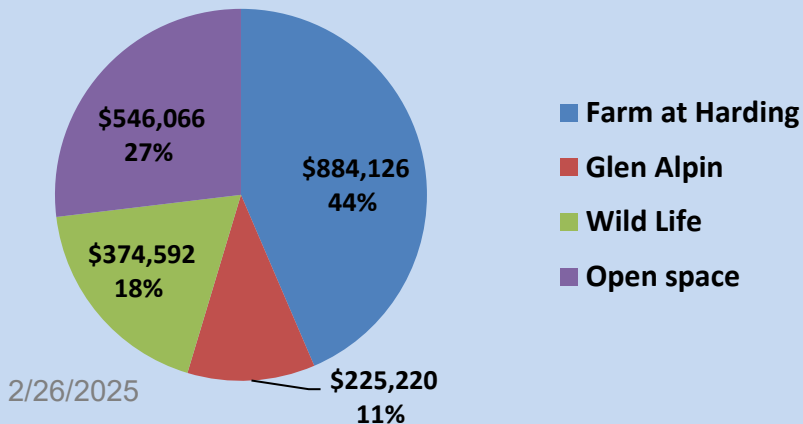
Budget Time Line

- Preliminary Budget Presentation – March 10th
- Preliminary Capital Budget Presentation – March 10th
- Introduction of Budget – March 10th
- Public Hearing and Adoption of Budget – April 14th
- Introduction of Capital Budget – March 10th
- Adoption of Capital Budget – April 14th
- Cap Bank Ordinance Introduction – February 10th
- Cap Bank Ordinance Adoption – March 10th

Township Debt

- Township policy is to pay down outstanding debt
- Harding debt rating: AAA
- Township's outstanding debt refinanced in 2017
- Savings from refinancing realized starting in 2019
- Outstanding BAN debt: \$1,214,712
- 2025 funding sources:
 - Farm at Harding : \$183,804
 - Open Space: \$212,649
 - General Budget: \$103,297
 - COAH Trust \$60,000

Bonded Debt Funding Purpose



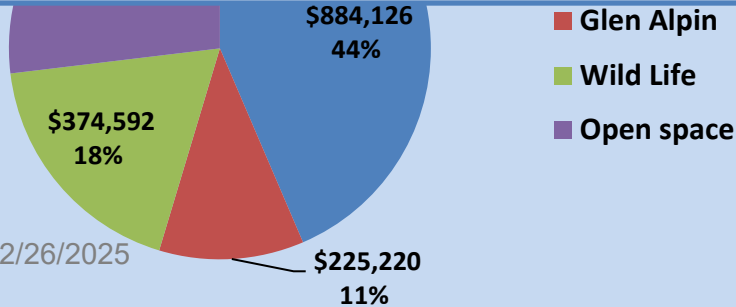
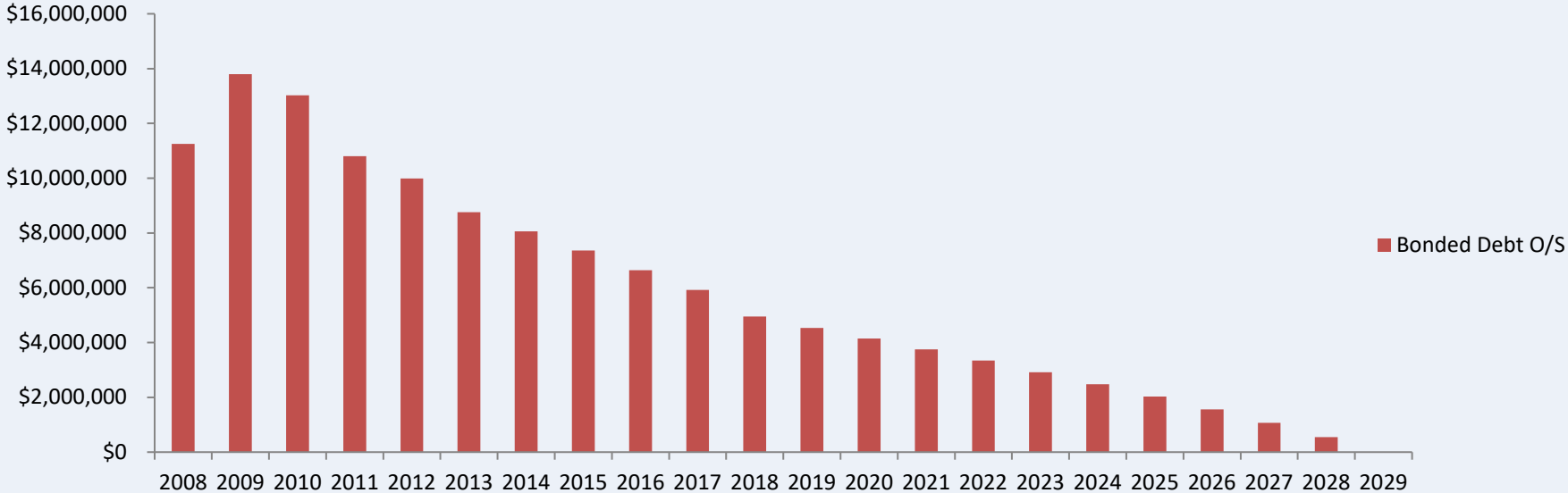
Year	Bonded Debt O/S	Principal Payment	Interest Payment	Servicing Payments
2008	\$11,252,068	\$333,836	\$283,592	\$617,428
2009	\$13,798,232	\$774,293	\$431,715	\$1,206,008
2010	\$13,023,939	\$779,489	\$406,546	\$1,186,035
2011	\$10,804,450	\$813,730	\$380,455	\$1,194,185
2012	\$9,990,720	\$762,720	\$353,354	\$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
2029	\$0	\$0	\$0	\$0

Township Debt

- Township policy is to pay down outstanding debt

	Bonded Debt	Principal	Interest	Servicing
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Harding Outstanding Debt by Year



2024	\$2,400,000	\$450,000	\$110,000	\$500,000
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
2029	\$0	\$0	\$0	\$0

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
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	0.80	\$ 168,121
2021	4.00	\$ 842,778	0.70	\$ 136,456
2022	4.00	\$ 840,606	0.70	\$ 138,189
2023	4.00	\$ 843,356	0.70	\$ 146,488
2024	2.00	\$ 418,853	0.80	\$ 152,877
2025	2.00	\$ 419,985	-	\$ -

2024 Year End Balance
\$ 1,510,789

* 2025 County Rate has not been finalized

Expenditure (Appropriation) Summary 2025 vs 2024

Current Fund Appropriation	2025 Recommended	2024 Adopted	Chg. Over 2024	% Chg.	% of Total
Salaries & Wages	\$4,234,925	\$3,993,199	\$241,726	6.1%	37.8%
Health Insurance	\$1,665,198	\$1,412,970	\$252,228	17.9%	14.9%
Social Security	\$320,000	\$310,500	\$9,500	3.1%	2.9%
Pension-PFRS	\$458,452	\$589,786	(\$131,334)	-22.3%	4.1%
Pension-PERS	\$227,775	\$255,528	(\$27,753)	-10.9%	2.0%
Pension-DCRP	\$4,500	\$4,000	\$500	12.5%	0.0%
Total Employee Comp	\$6,910,850	\$6,565,983	\$344,867	5.3%	62%
Other Expenses	\$1,903,000	\$1,911,475	(\$8,475)	-0.4%	17.0%
Interlocal Services	\$261,500	\$255,632	\$5,868	2.3%	2.3%
Capital Improvements	\$350,000	\$435,000	(\$85,000)	-19.5%	3.1%
Debt Service & Def. Charg.	\$800,594	\$825,285	(\$24,691)	-3.0%	7.1%
Emergency Approp.	\$0	\$80,000	(\$80,000)	-100.0%	0.0%
Resrv. For Uncoll. Taxes	\$978,000	\$958,800	\$19,200	2.0%	8.7%
Total Non-Employee Comp	\$4,293,094	\$4,466,192	(\$173,098)	-3.9%	38%
Total Appropriations	\$11,203,944	\$11,032,175	\$171,769	1.6%	100%
Public & Private Grants	\$62,067	\$256,375	(\$194,308)	-75.8%	
Total Appropriations+Grant	\$11,266,011	\$11,288,550	-\$22,539	-0.2%	

2025 Other Expenses Breakdown

Other Expenses	Amount
Building/Road/Park Maintenance	\$219,470
Miscellaneous Other Expenses	\$780,570
Utilities	\$194,000
Joint Insurance Fund	\$191,600
Legal	\$140,500
Technology (MIS)	\$94,150
Engineering	\$37,500
Legal – Tax Appeal	\$30,000
Library	\$50,000
Private Community Reimbursement (snow plow / street lighting)	\$40,000
Audit	\$38,000
Snow Removal	\$87,210
Total	\$1,903,000

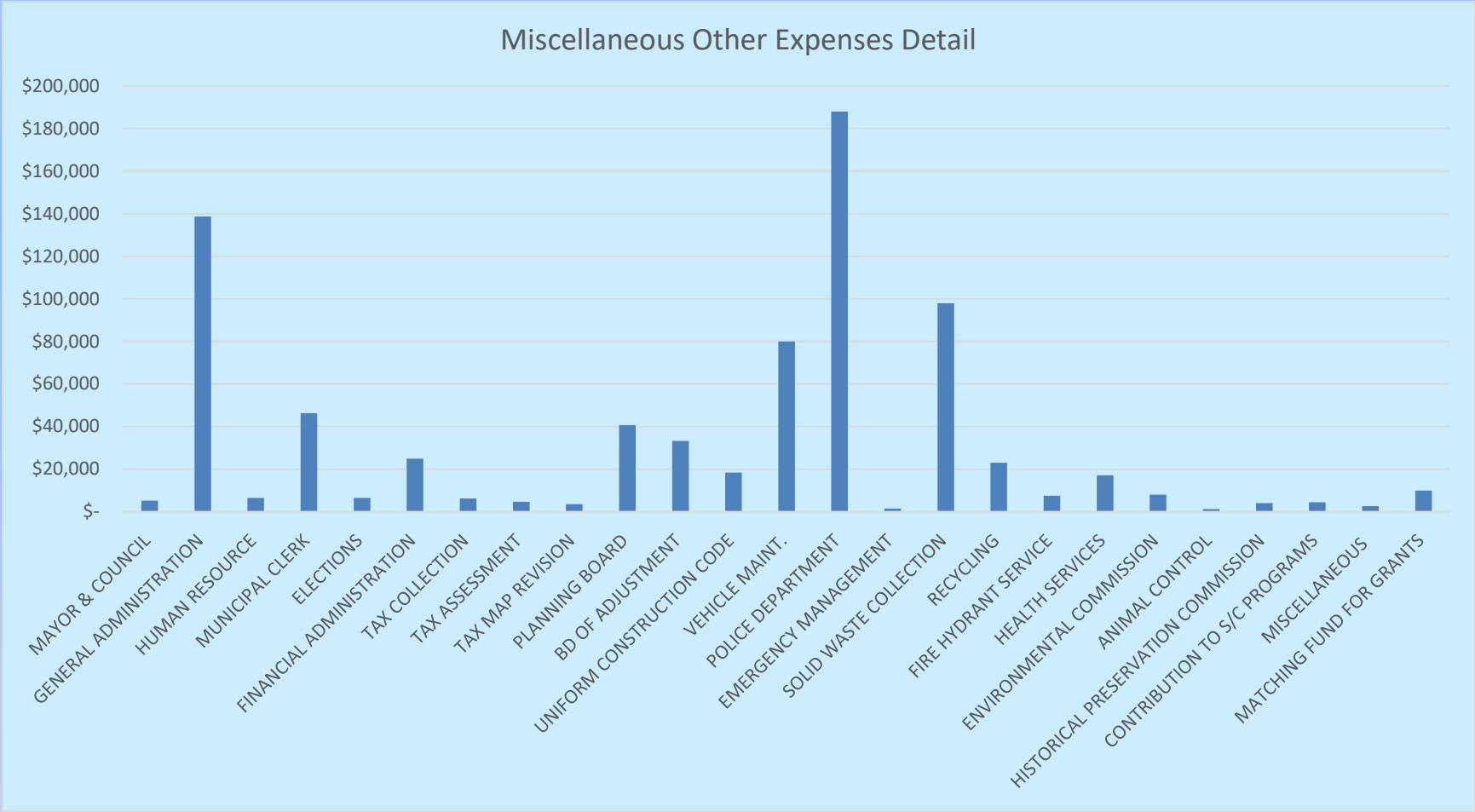
2025 Other Expenses Breakdown

Miscellaneous Other Expenses Detail	2025
MAYOR & COUNCIL	\$ 5,250
GENERAL ADMINISTRATION	\$ 138,700
HUMAN RESOURCE	\$ 6,480
MUNICIPAL CLERK	\$ 46,350
ELECTIONS	\$ 6,500
FINANCIAL ADMINISTRATION	\$ 25,000
TAX COLLECTION	\$ 6,270
TAX ASSESSMENT	\$ 4,650
TAX MAP REVISION	\$ 3,500
PLANNING BOARD	\$ 40,700
BD OF ADJUSTMENT	\$ 33,200
UNIFORM CONSTRUCTION CODE	\$ 18,425
VEHICLE MAINT.	\$ 80,070
POLICE DEPARTMENT	\$ 188,005
EMERGENCY MANAGEMENT	\$ 1,500
SOLID WASTE COLLECTION	\$ 98,000

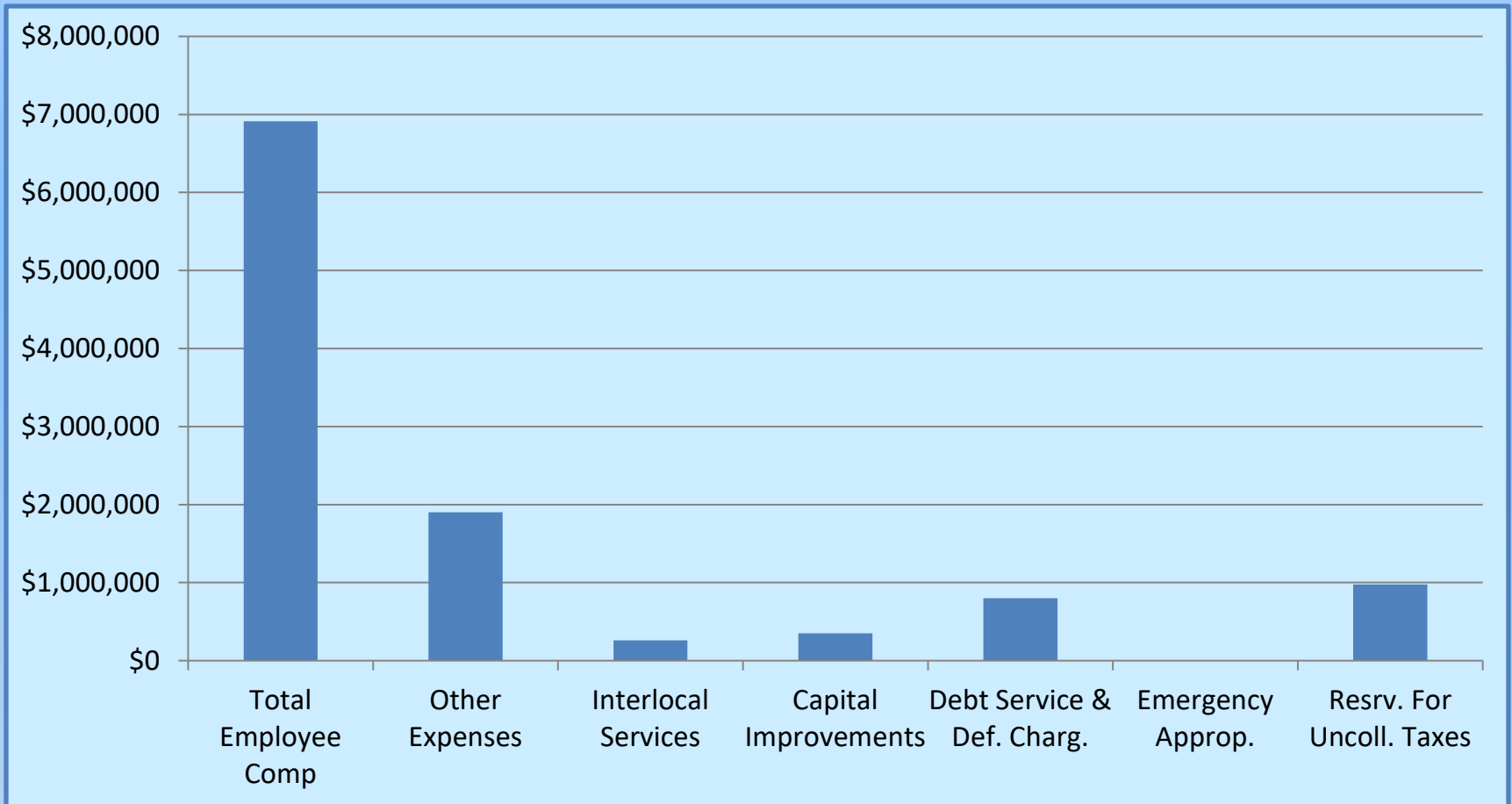
2025 Other Expenses Breakdown

Miscellaneous Other Expenses Detail	2025
RECYCLING	\$ 23,020
FIRE HYDRANT SERVICE	\$ 7,500
HEALTH SERVICES	\$ 17,150
ENVIRONMENTAL COMMISSION	\$ 8,000
ANIMAL CONTROL	\$ 1,200
HISTORICAL PRESERVATION COMMISSION	\$ 4,000
CONTRIBUTION TO S/C PROGRAMS	\$ 4,500
MISCELLANEOUS	\$ 2,600
MATCHING FUND FOR GRANTS	\$ 10,000
Total	\$ 780,570

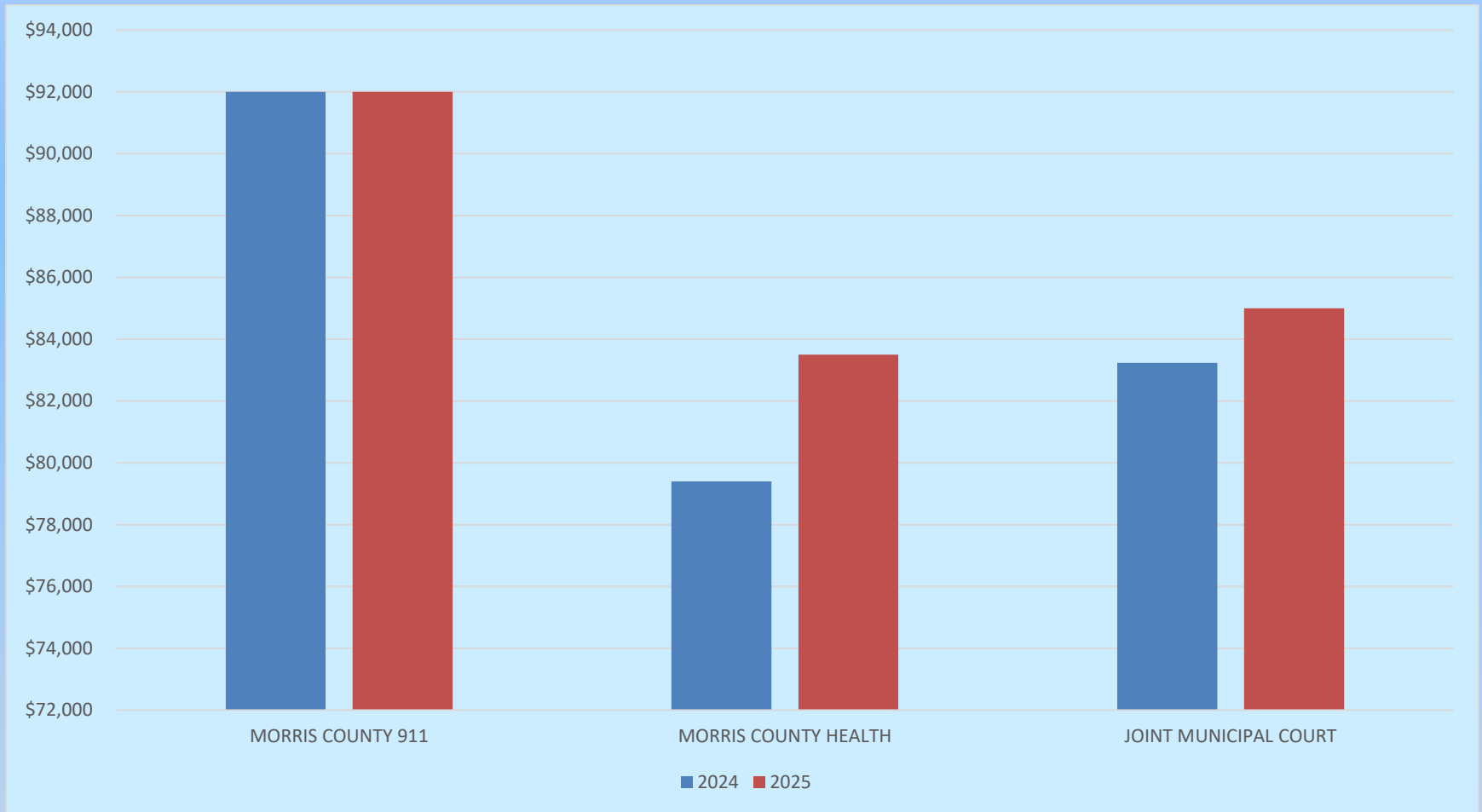
2025 Other Expenses Breakdown



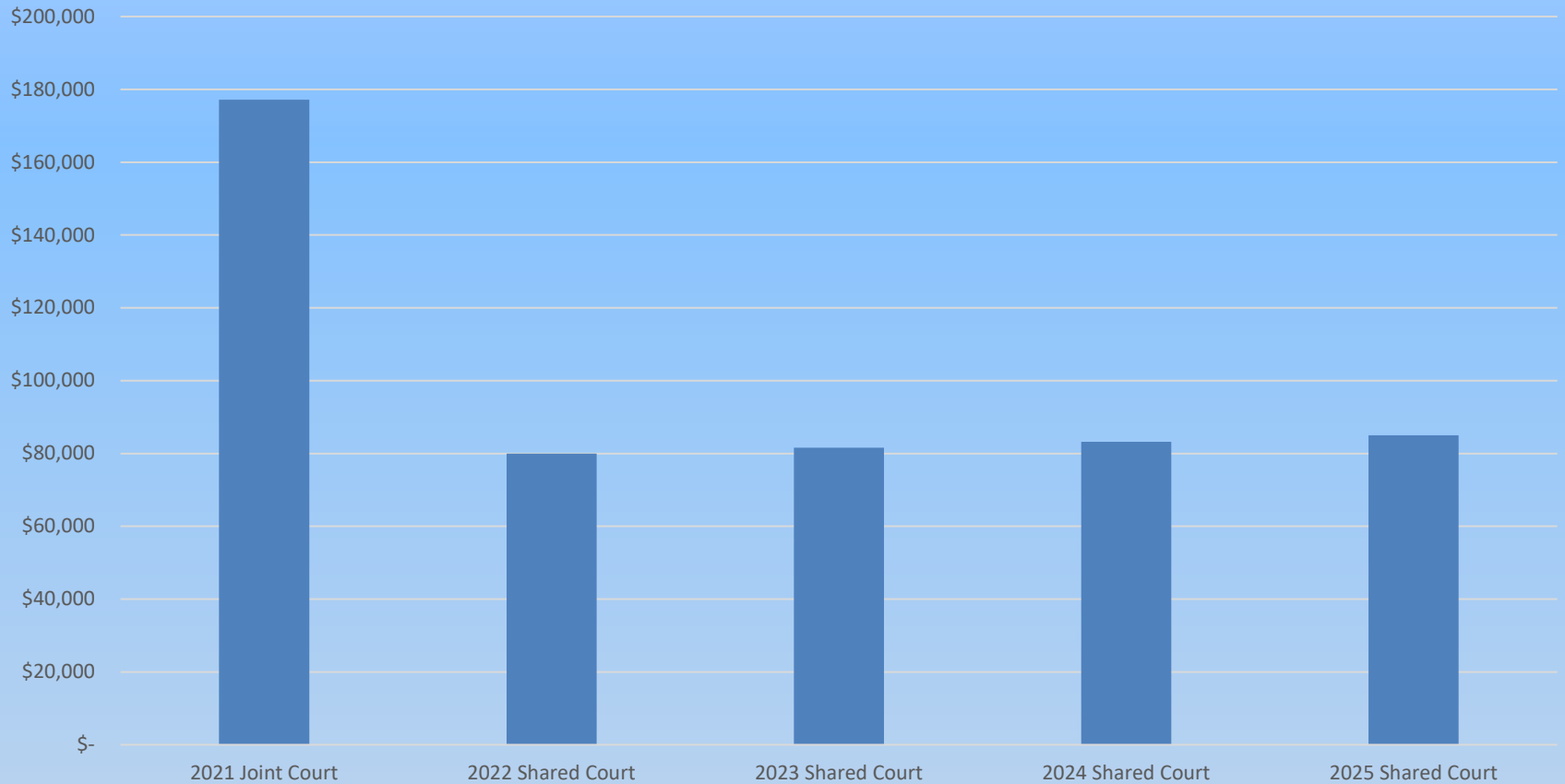
2025 Expenditure (Appropriation) Summary



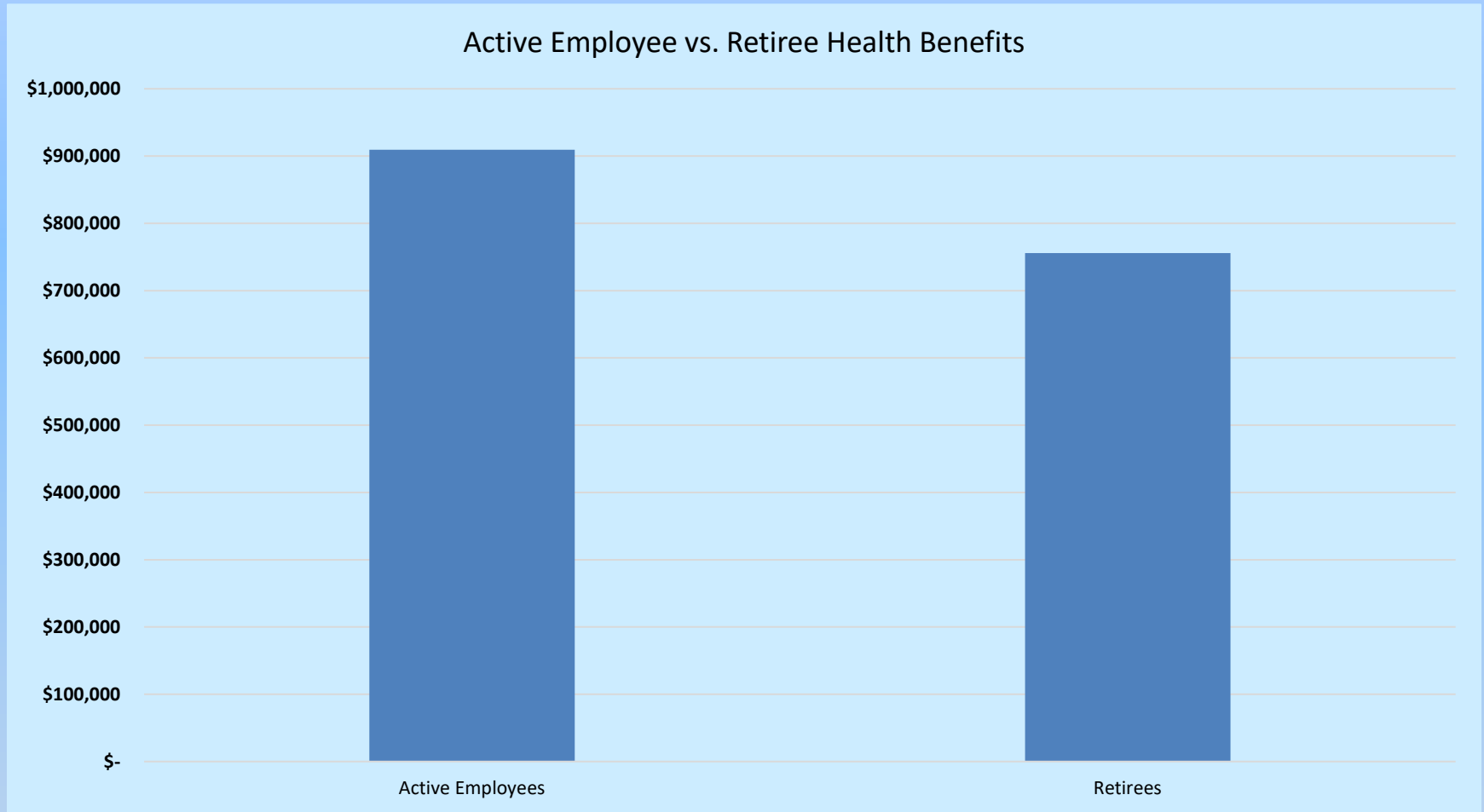
Interlocal Services



Annual Court Budget



Health Benefits



Significant reductions in retiree benefits not fully realized until 2043

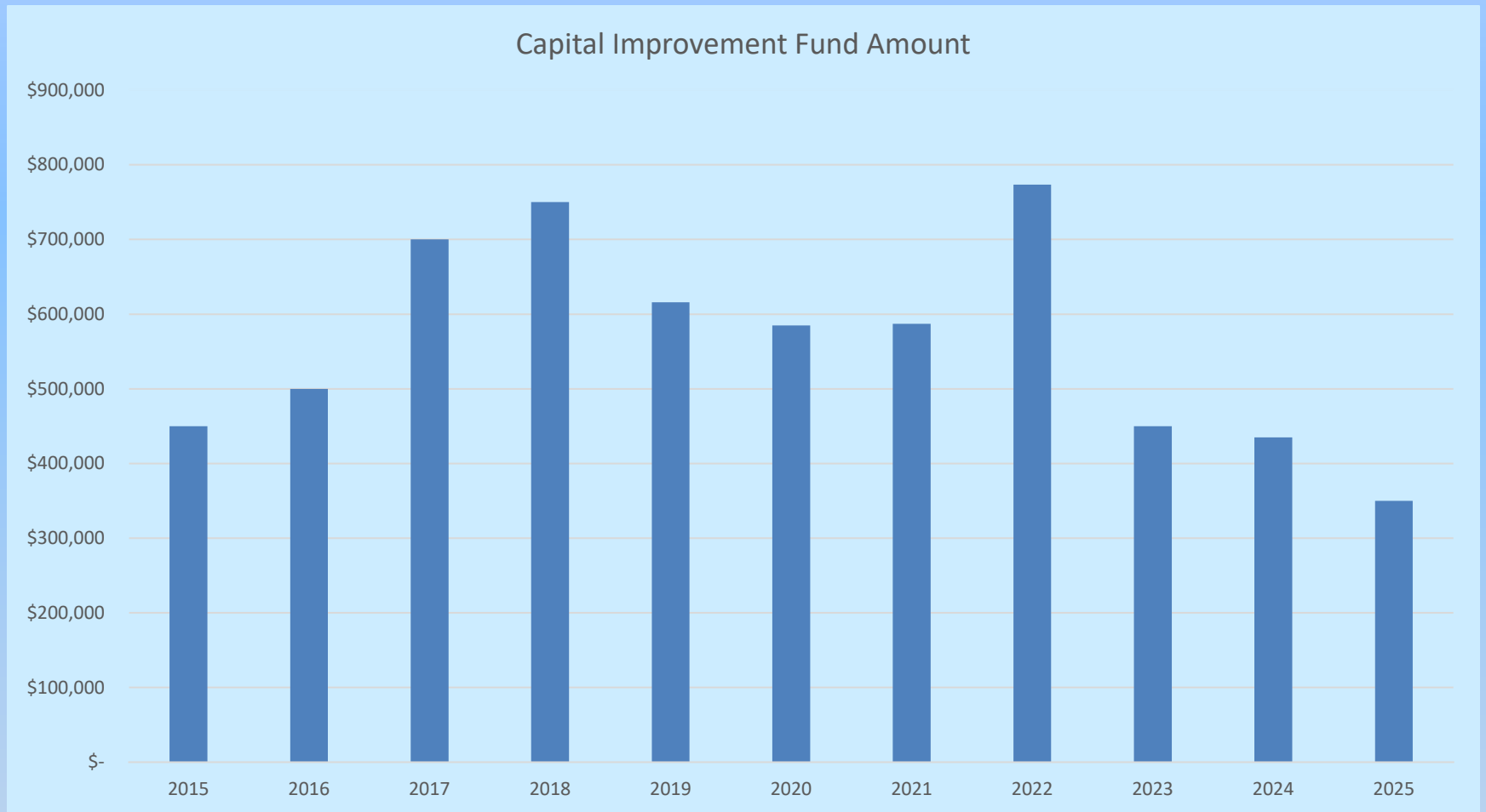
Appropriation Drivers

- 15% increase health benefit premiums
- Additional police officer budgeted
 - Salary of \$118,217
- Year 2 of paydown of BAN principal schedule
- Continued pressure from inflation
- Decrease in employer pension contribution
- Slight decrease in total “other expenses” budget
- Reduced funding of Capital Improvement Fund

Capital Improvement Fund

Capital Improvement Fund	
Year	Amount
2015	\$ 450,000
2016	\$ 500,000
2017	\$ 700,000
2018	\$ 750,000
2019	\$ 616,000
2020	\$ 585,000
2021	\$ 587,100
2022	\$ 773,600
2023	\$ 450,000
2024	\$ 435,000
2025	\$ 350,000

Capital Improvement Fund

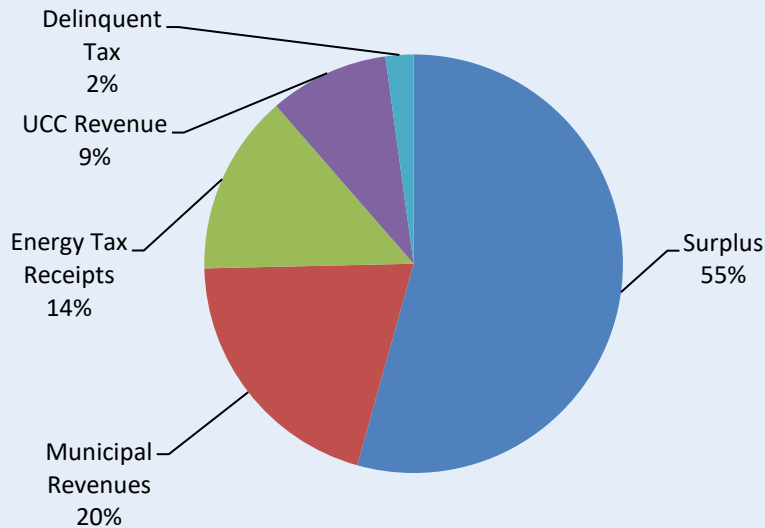


Budget Revenue - 2025

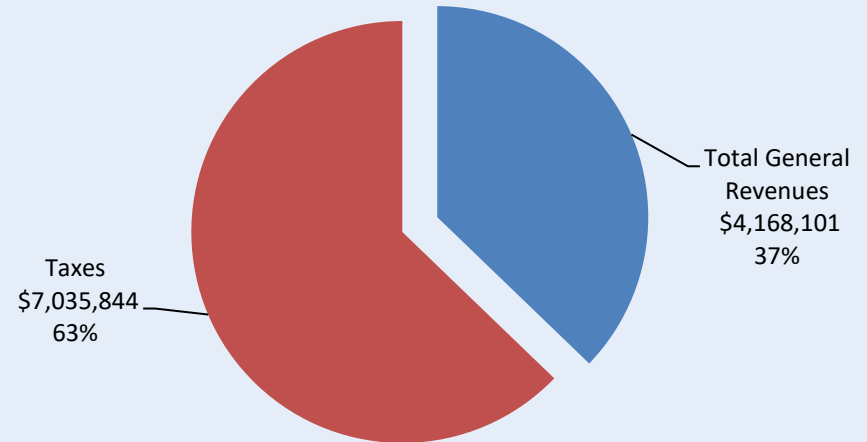
General & Tax Revenues	2025	2024	2024 - 2025	% Chg	% of Total
Surplus	\$ 2,265,000	\$ 2,380,014	\$ (115,014)	-4.83%	19%
Municipal Revenues	\$ 846,316	\$ 856,558	\$ (10,242)	-1.20%	8%
Energy Tax Receipts & State Aid	\$ 581,785	\$ 531,082	\$ 50,703	9.55%	5%
UCC Revenue	\$ 385,000	\$ 400,000	\$ (15,000)	-3.75%	3%
Delinquent Tax	\$ 90,000	\$ 90,000	\$ -	0.00%	1%
Total General Revenues	\$ 4,168,101	\$ 4,257,654	\$ (89,553)	-2.10%	37%
Taxes	\$ 7,035,844	\$ 6,774,521	\$ 261,322	3.86%	63%
Total Revenues+Tax	\$ 11,203,944	\$ 11,032,175	\$ 171,769	1.56%	100%
Public & Private Grants	\$ 62,067	\$ 256,375	\$ (194,308)	-75.79%	1%
Total Revenues + Grant	\$ 11,266,011	\$ 11,288,551	\$ (22,539)	-0.20%	101%

Budget Revenue - 2025

Total General Revenues



General & Tax Revenues



Revenue Drivers

- Surplus anticipated decrease of \$115,000 to offset one time FEMA reimbursement
 - FEMA reimbursement of \$120,689
- Continued anticipated revenue of \$91,500 from redevelopment of Hurstmont
- Cell tower lease revenue anticipated of \$31,512
- Interest on investments anticipated increased by \$143,850
- Court revenue anticipated decreased by \$3,500

Assessed Value

	# of units	Assessed Value
2025 Residential/Commercial	1930	\$2,098,747,900
2025 Utility	1	\$1,179,235
2025 Total	1931	\$2,099,927,135
Average Assessed Value 2025		\$1,087,482
Average Assessed Value 2024		\$1,083,989

	Rate	Annual Taxes
2025 Tax Rate / AA Valuation	0.335	\$3,643
2024 Tax Rate / AA Valuation	0.323	\$3,501
Increase (2025 vs. 2024)	0.012	\$142
% Increase	3.73%	4.05%

	Assessed Value
2025	\$2,099,927,135
2024	\$2,094,267,488
Change	\$5,659,647.00
Change %	0.27%

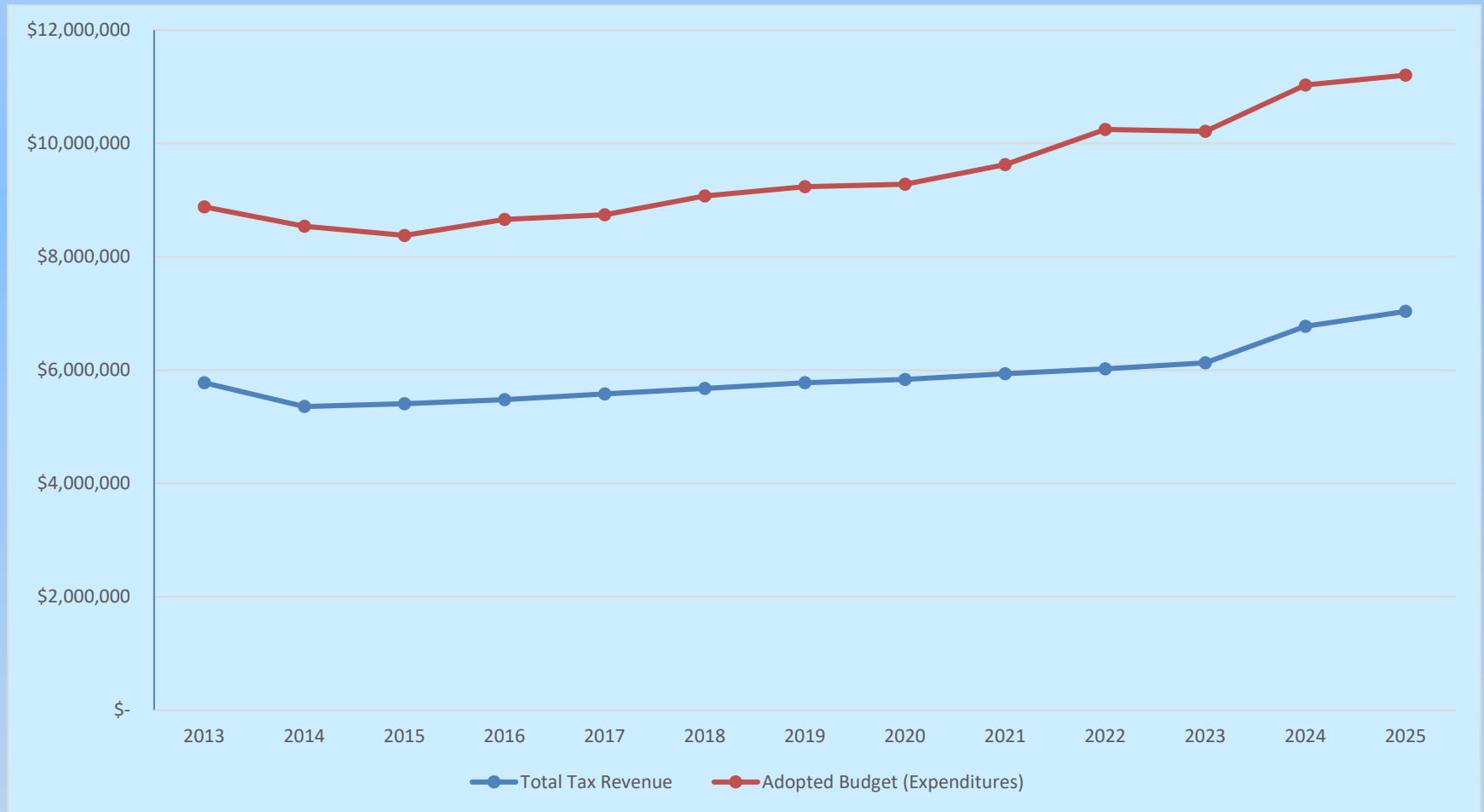
Municipal & All Agency Tax Rate

Year	Municipal Tax	All Agency Tax	%
2020	\$ 5,835,587	\$ 23,093,703	25.27%
2021	\$ 5,934,749	\$ 23,156,767	25.63%
2022	\$ 6,023,815	\$ 23,731,334	25.38%
2023	\$ 6,130,913	\$ 24,371,275	25.16%
2024	\$ 6,774,521	\$ 25,001,815	27.10%
2025	\$ 7,035,844	-	0.00%

Tax vs. Expenditure

Year	Total Tax Revenue	Adopted Budget (Expenditures)	%
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	\$ 5,835,587	\$ 9,278,492	62.89%
2021	\$ 5,934,749	\$ 9,628,417	61.64%
2022	\$ 6,023,815	\$ 10,247,583	58.78%
2023	\$ 6,130,913	\$ 10,214,575	60.02%
2024	\$ 6,774,521	\$ 11,032,175	61.41%
2025	\$ 7,035,844	\$ 11,203,944	62.80%

Tax vs Expenditure



Tax Rate History

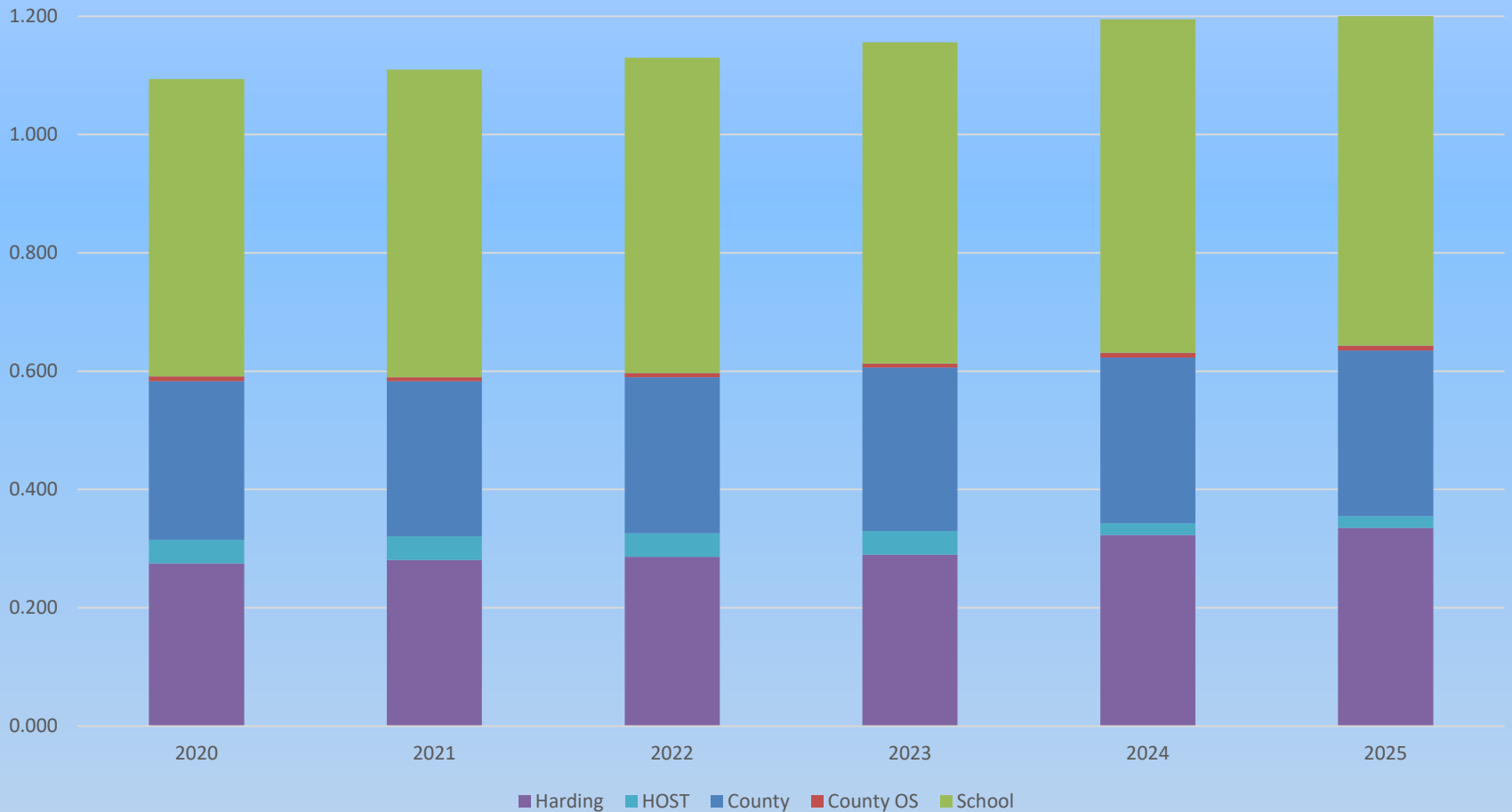
Rates

Year	Net valuation	County	County OS	School	Harding	HOST	Total
2020	\$2,118,202,974	0.268	0.008	0.503	0.275	0.040	1.094
2021	\$2,106,945,939	0.262	0.007	0.520	0.281	0.040	1.110
2022	\$2,101,514,828	0.264	0.007	0.533	0.286	0.040	1.130
2023	\$2,108,391,707	0.276	0.007	0.543	0.290	0.040	1.156
2024	\$2,094,267,488	0.280	0.008	0.564	0.323	0.020	1.195
2025	\$2,099,927,135				0.335	0.020	

Taxes

Year	Sample Value	County	County OS	School	Harding	HOST	Total
2020	\$1,000,000	\$2,680	\$80	\$5,030	\$2,750	\$400	\$10,940
2021	\$1,000,000	\$2,620	\$70	\$5,200	\$2,810	\$400	\$11,100
2022	\$1,000,000	\$2,640	\$70	\$5,330	\$2,860	\$400	\$11,300
2023	\$1,000,000	\$2,760	\$70	\$5,430	\$2,900	\$400	\$11,560
2024	\$1,000,000	\$2,800	\$80	\$5,640	\$3,230	\$200	\$11,950
2025	\$1,000,000				\$3,351	\$200	

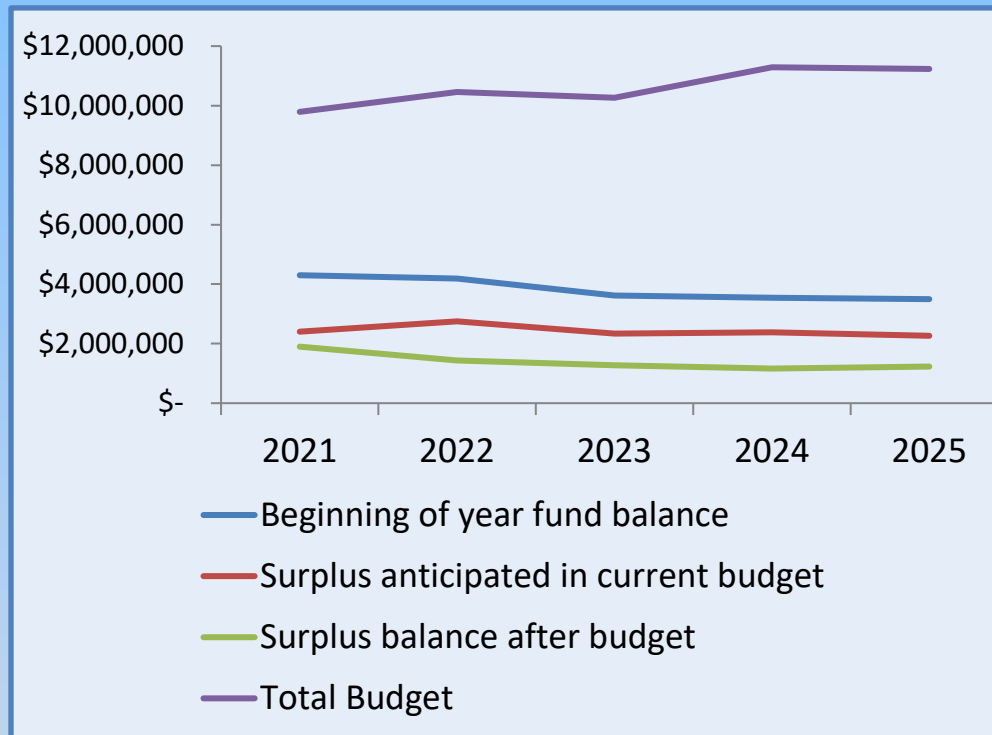
Tax Rate History



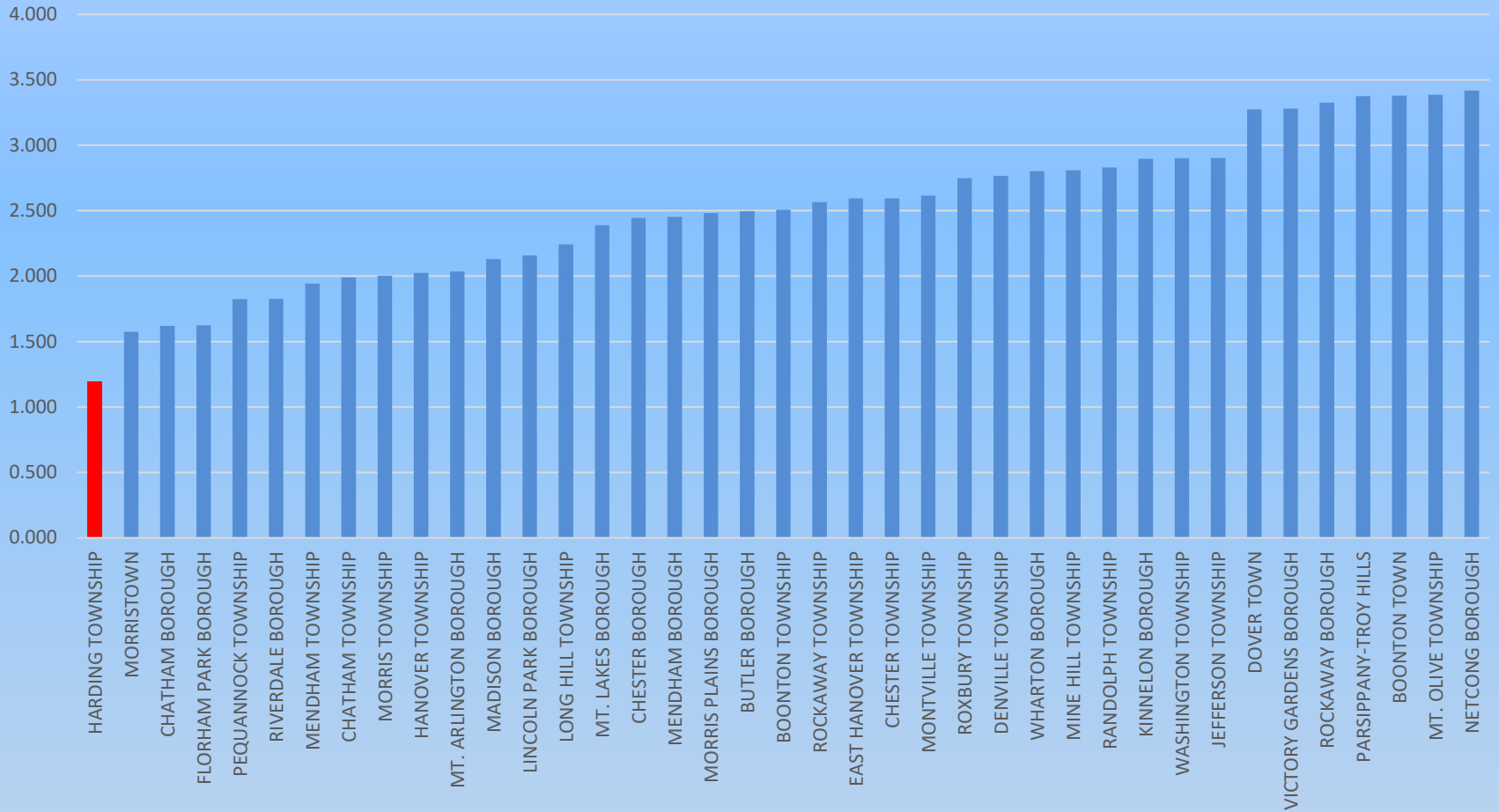
*For comparison purposes, no change in county, county OS, and school rates assumed in current year

Fund Balance & Surplus Analysis

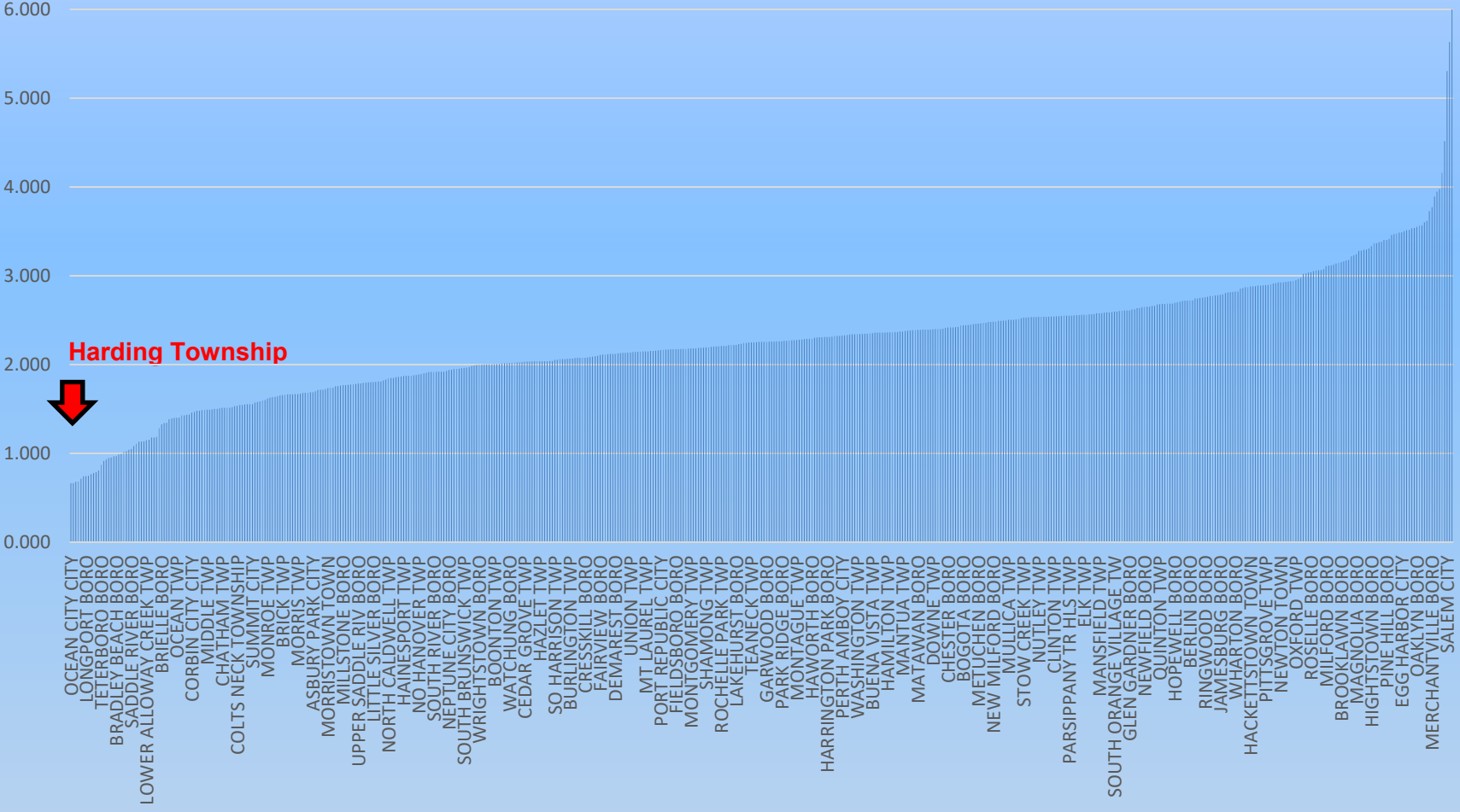
Item	2021	2022	2023	2024	2025
Beginning of year fund balance	\$ 4,300,011	\$ 4,190,081	\$ 3,616,857	\$ 3,543,682	\$ 3,496,019
Surplus anticipated in current budget	\$ 2,400,000	\$ 2,750,000	\$ 2,342,617	\$ 2,380,014	\$ 2,265,000
Surplus balance after budget	\$ 1,900,011	\$ 1,440,081	\$ 1,274,240	\$ 1,163,668	\$ 1,231,019
Total Budget	\$ 9,790,667	\$ 10,455,430	\$ 10,265,660	\$ 11,288,550	\$ 11,266,011
Surplus Balance as a percent of budget	19.41%	13.77%	12.41%	10.31%	10.93%
Total results of current yr operations	\$ 2,290,071	\$ 2,176,776	\$ 2,269,442	\$ 2,332,352	\$ 2,267,160
Ending surplus balance	\$ 4,190,081	\$ 3,616,857	\$ 3,543,682	\$ 3,496,019	\$ 3,498,179



2024 Morris County Municipality Tax Rate Comparison



2024 Statewide Effective Tax Rate





Harding Township

Thank You