

**Harding Township**

# Harding Township, NJ 2022 Preliminary Budget

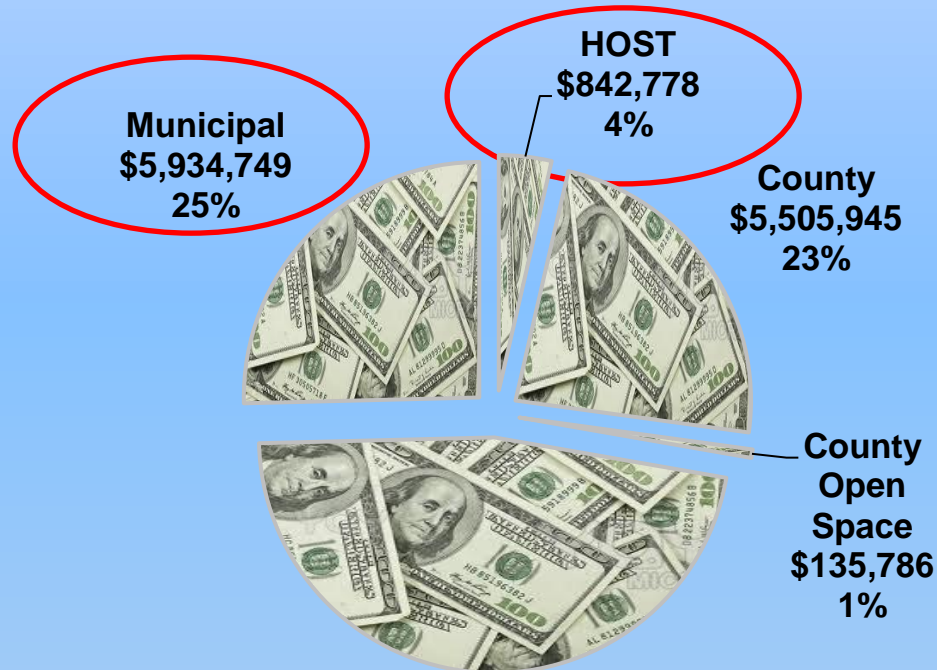
February 14th, 2022

# Presentation

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1. 2021 Taxes & Timeline
2. Township Debt Status – 2022
3. Open Space Tax
4. 2022 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

# 2021 Tax Revenue Allocation



	2021
HOST	\$842,778
County	\$5,505,945
County Open Space	\$135,786
School	\$10,951,845
Municipal	\$5,934,749
<b>Total Taxes</b>	<b>\$23,371,103</b>

## 2021:

<b>Total Taxes</b>	<b>\$23,371,103</b>
<b>Net Taxable Valuation</b>	<b>\$2,106,945,939</b>
<b>Ave. Residential Property Value</b>	<b>\$1,089,988</b>
<b>Average Residential Tax</b>	<b>\$11,924</b>

# Budget Time Line

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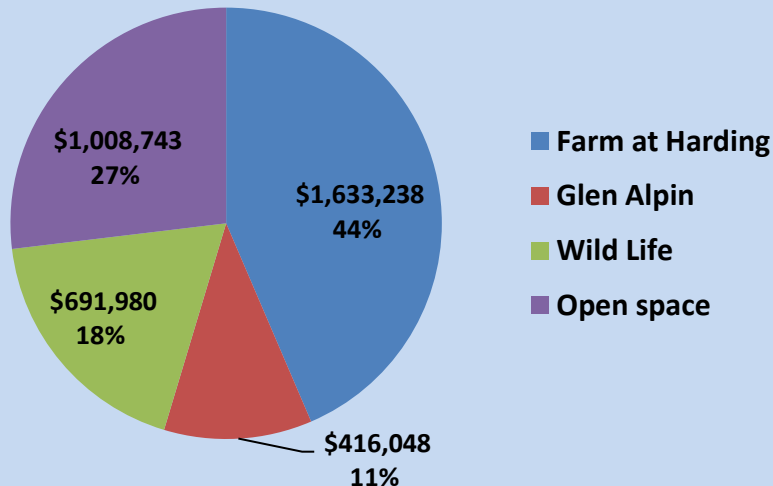
- Preliminary Budget Presentation – February 14<sup>th</sup>
- Preliminary Capital Budget Presentation – February 14<sup>th</sup>
- Introduction of Budget – March 14<sup>th</sup>
- Public Hearing and Adoption of Budget – April 11<sup>th</sup>
- Introduction of Capital Budget – March 14<sup>th</sup>
- Adoption of Capital Budget – April 11<sup>th</sup>
- Cap Bank Ordinance Introduction – March 14<sup>th</sup>
- Cap Bank Ordinance Adoption – April 11<sup>th</sup>

# 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: \$1,662,217
- 2022 funding sources:
  - Farm at Harding : \$247,501
  - Open Space: \$215,913
  - General Budget: \$104,863

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**

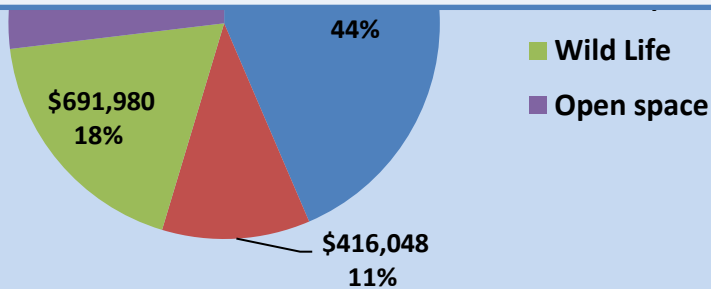
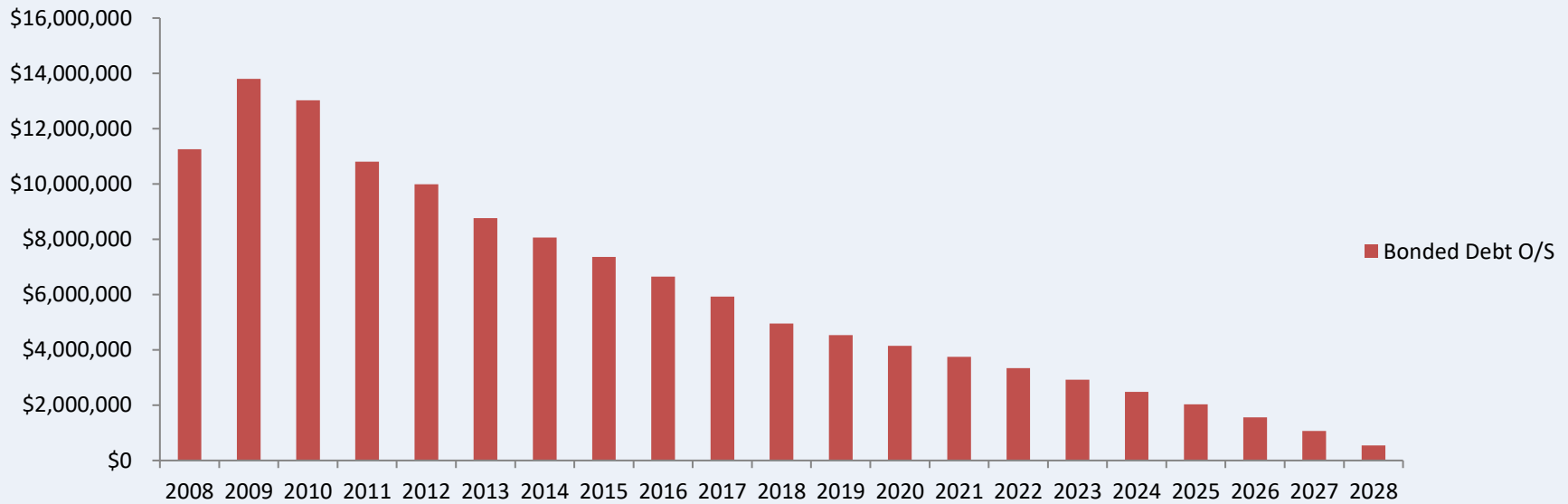


# Township Debt

- Township policy is to pay down outstanding debt
- Harding debt rating: AAA

Year	Bonded Debt O/S	Principal Payment	Interest Payment	Servicing Payments
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### 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
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	0.80	\$ 168,121
2021	4.00	\$ 842,778	0.70	\$ 136,456
2022	4.00	\$ 840,606	-	\$ -

\* 2022 County Rate has not been finalized

<b>2021 Year End Balance</b>
<b>\$ 2,727,825</b>

# Expenditure (Appropriation) Summary 2022 vs 2021

Current Fund Appropriation	2022 Recommended	2021 Adopted	Chg. Over 2021	% Chg.	% of Total
Salaries & Wages	\$3,757,600	\$3,529,700	\$227,900	6.5%	36.7%
Health Insurance	\$1,403,183	\$1,341,967	\$61,216	4.6%	13.7%
Social Security	\$308,000	\$265,200	\$42,800	16.1%	3.0%
Pension-PFRS	\$447,000	\$413,000	\$34,000	8.2%	4.4%
Pension-PERS	\$184,000	\$172,000	\$12,000	7.0%	1.8%
Pension-DCRP	\$4,000	\$4,000	\$0	0.0%	0.0%
<b>Total Employee Comp</b>	<b>\$6,103,783</b>	<b>\$5,725,867</b>	<b>\$377,916</b>	<b>6.6%</b>	<b>60%</b>
Other Expenses	\$1,799,600	\$1,670,410	\$129,190	7.7%	17.6%
Interlocal Services	\$271,000	\$338,000	(\$67,000)	-19.8%	2.6%
Capital Improvements	\$773,600	\$587,100	\$186,500	31.8%	7.5%
Debt Service & Def. Charg.	\$379,600	\$388,333	(\$8,733)	-2.2%	3.7%
Emergency Approp.	\$0	\$0	\$0	0.0%	0.0%
Resrv. For Uncoll. Taxes	\$920,000	\$918,707	\$1,293	0.1%	9.0%
<b>Total Non-Employee Comp</b>	<b>\$4,143,800</b>	<b>\$3,902,550</b>	<b>\$241,250</b>	<b>6.2%</b>	<b>40%</b>
<b>Total Appropriations</b>	<b>\$10,247,583</b>	<b>\$9,628,417</b>	<b>\$619,166</b>	<b>6.4%</b>	<b>100%</b>
Public & Private Grants	\$207,847	\$162,250	\$45,597	28.1%	
<b>Total Appropriations+Grant</b>	<b>\$10,455,430</b>	<b>\$9,790,668</b>	<b>\$664,763</b>	<b>6.8%</b>	



# 2022 Other Expenses Breakdown

Other Expenses	Amount
Building/Road/Park Maintenance	\$255,050
Miscellaneous Other Expenses	\$747,700
Utilities	\$162,000
Joint Insurance Fund	\$150,000
Legal	\$140,000
Technology (MIS)	\$83,850
Engineering	\$32,500
Legal – Tax Appeal	\$30,000
Library	\$40,000
Private Community Reimbursement	\$50,000
Audit	\$31,000
Snow Removal	\$77,500
<b>Total</b>	<b>\$1,799,600</b>

# 2022 Other Expenses Breakdown

Miscellaneous Other Expenses Detail	2022
MAYOR & COUNCIL	\$ 26,400
GENERAL ADMINISTRATION	\$ 138,400
HUMAN RESOURCE	\$ 4,150
MUNICIPAL CLERK	\$ 41,650
ELECTIONS	\$ 6,500
FINANCIAL ADMINISTRATION	\$ 22,250
TAX COLLECTION	\$ 5,900
TAX ASSESSMENT	\$ 3,650
TAX MAP REVISION	\$ 3,500
PLANNING BOARD	\$ 40,700
BD OF ADJUSTMENT	\$ 61,700
UNIFORM CONSTRUCTION CODE	\$ 18,375
VEHICLE MAINT.	\$ 75,500
POLICE DEPARTMENT	\$ 128,475
EMERGENCY MANAGEMENT	\$ 1,500
SOLID WASTE COLLECTION	\$ 90,000

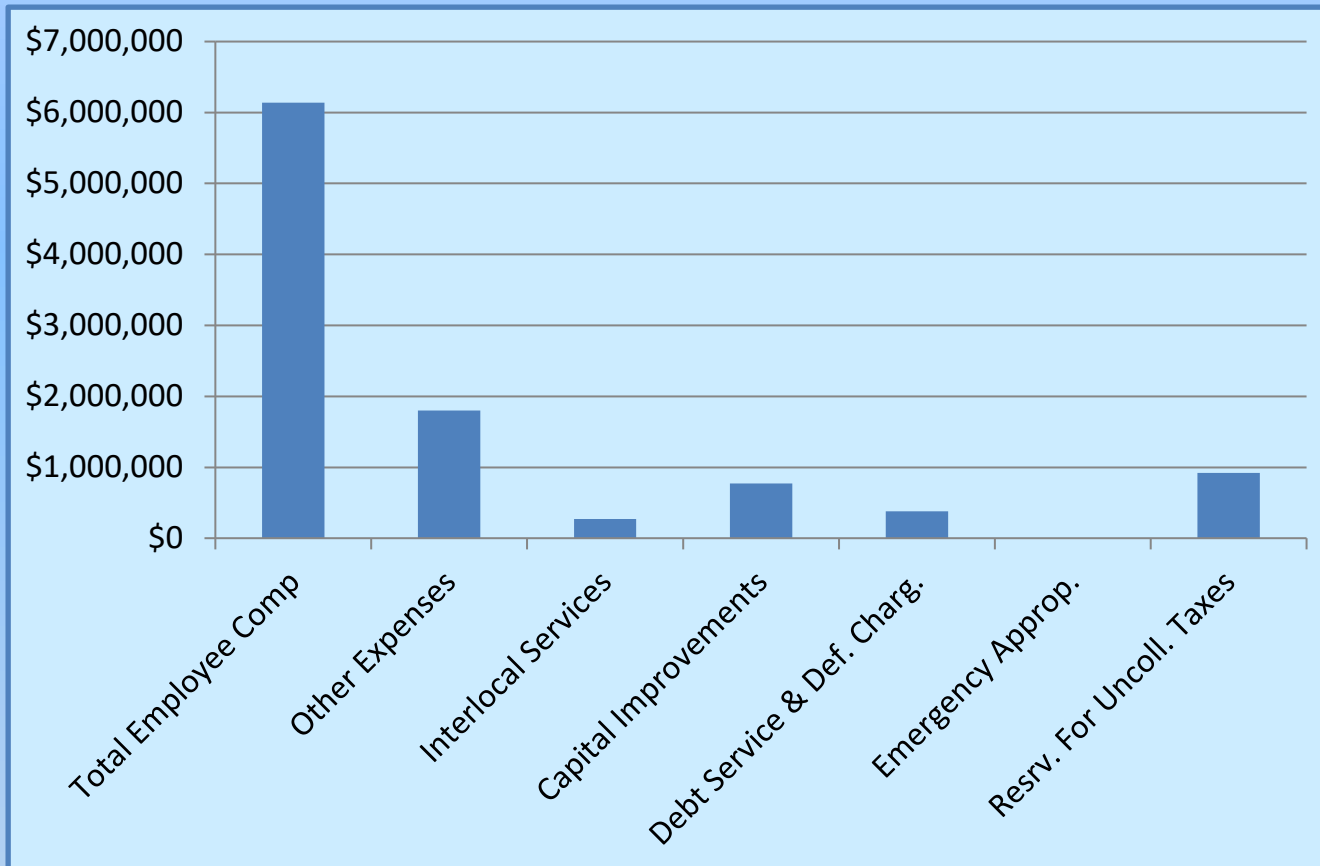
# 2022 Other Expenses Breakdown

Miscellaneous Other Expenses Detail	2022
RECYCLING	\$ 22,750
FIRE HYDRANT SERVICE	\$ 6,000
HEALTH SERVICES	\$ 16,100
ENVIRONMENTAL COMMISSION	\$ 13,400
ANIMAL CONTROL	\$ 1,400
HISTORICAL PRESERVATION COMMISSION	\$ 2,300
CONTRIBUTION TO S/C PROGRAMS	\$ 4,500
MISCELLANEOUS	\$ 2,600
MATCHING FUND FOR GRANTS	\$ 10,000
<b>Total</b>	<b>\$ 747,700</b>

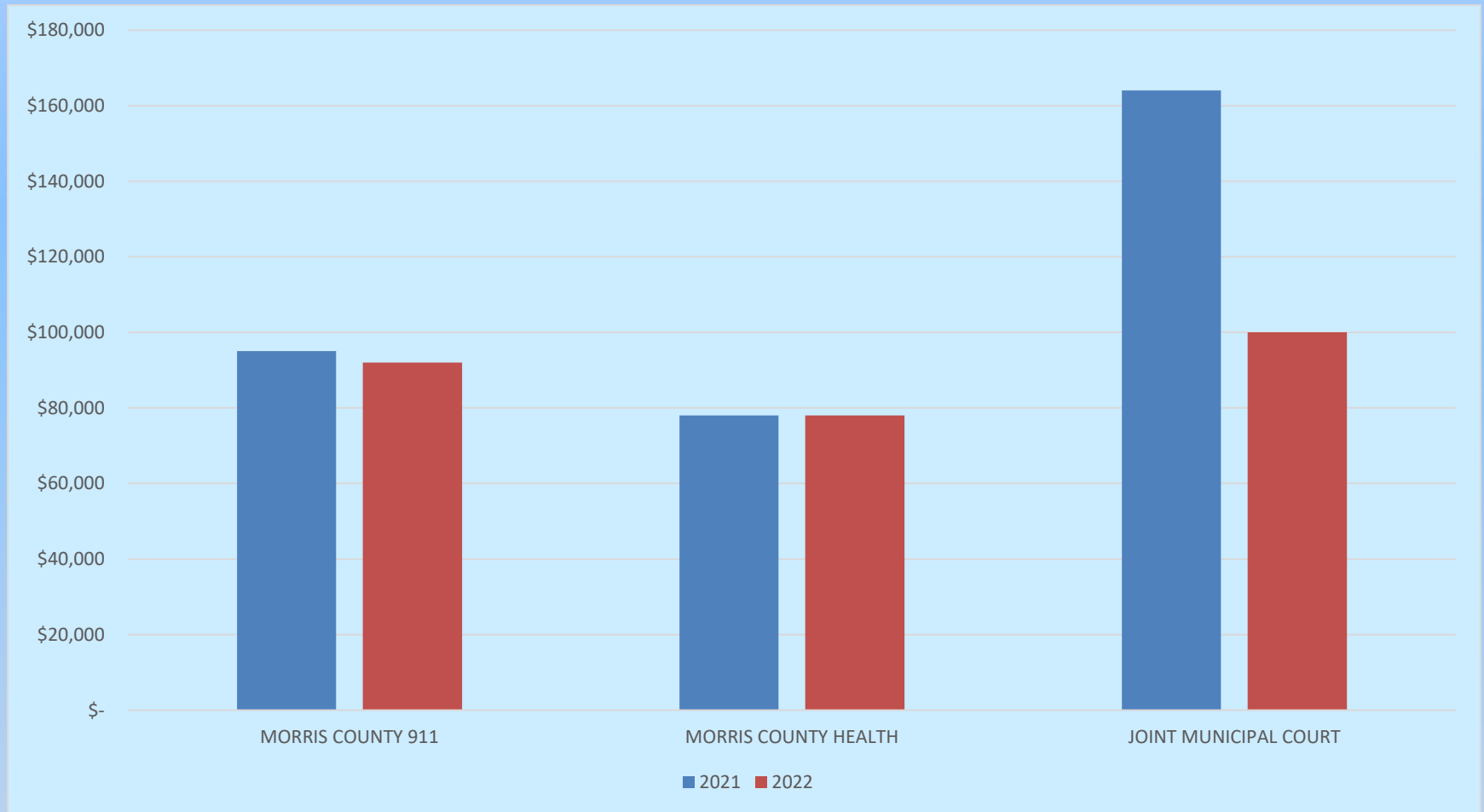
# 2022 Other Expenses Breakdown



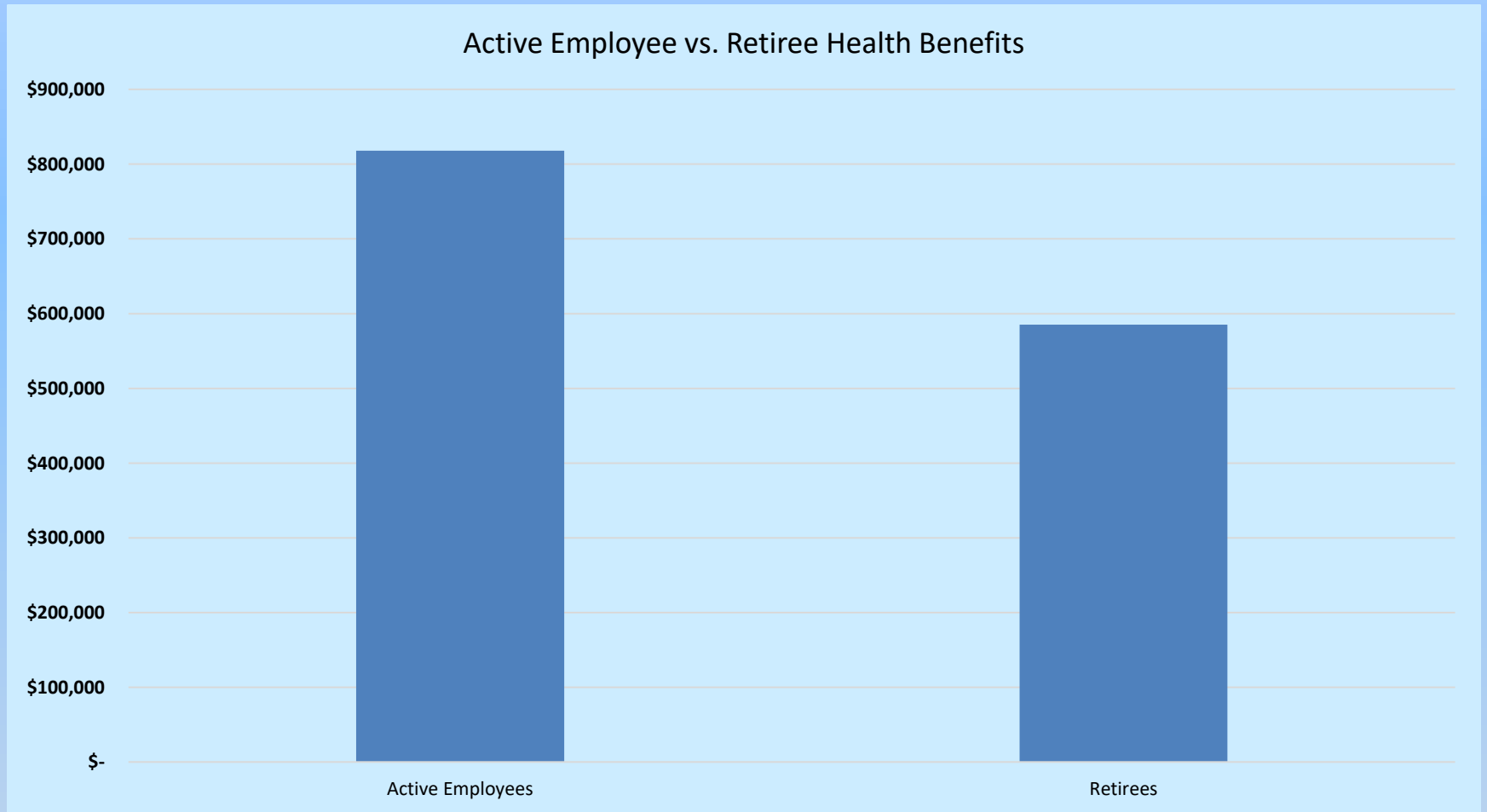
# 2022 Expenditure (Appropriation) Summary



# Interlocal Services



# Health Benefits



# Appropriation Drivers

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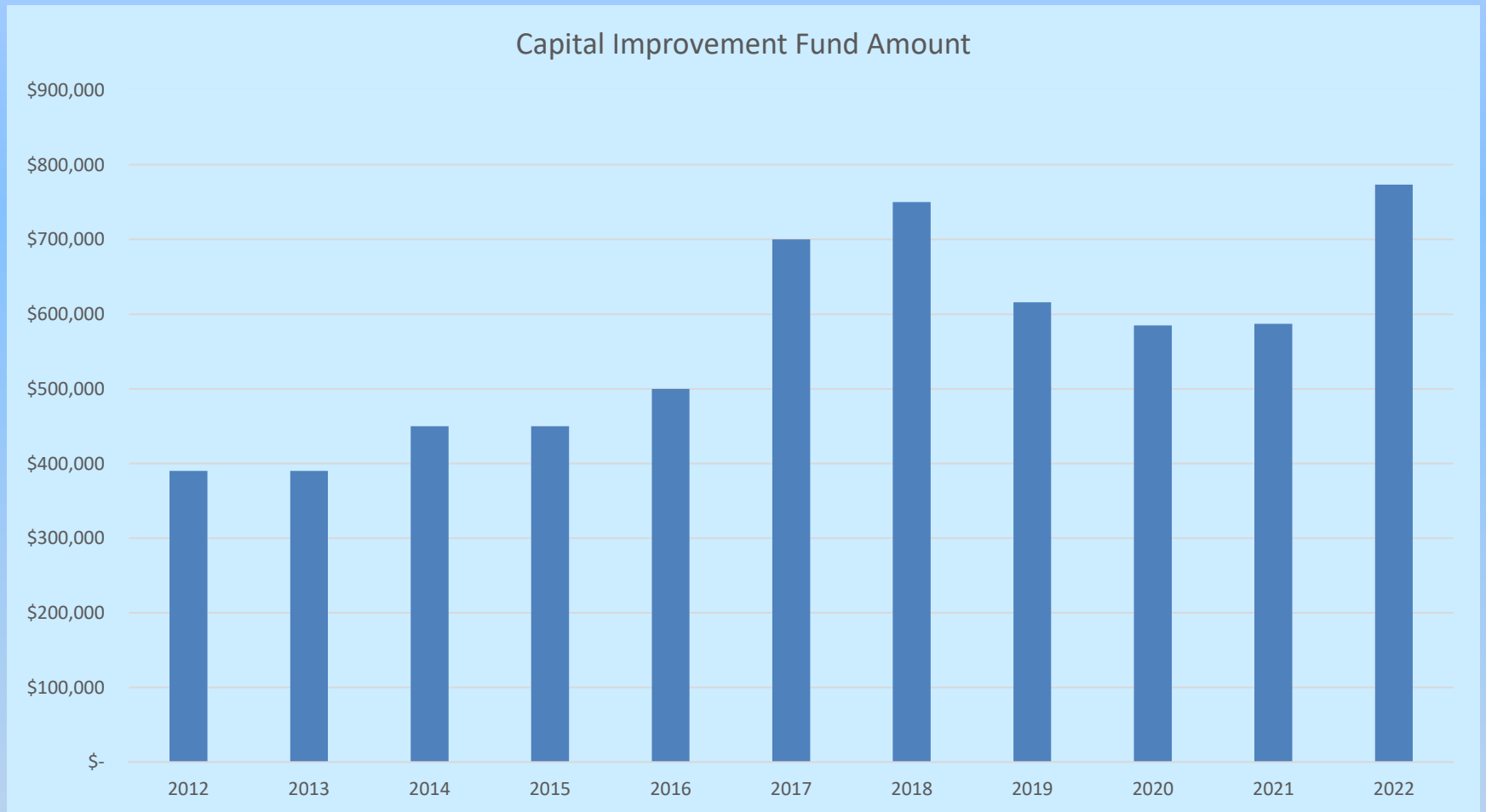
- Full time DPW operator (\$60,000)
  - Approved in 2021
- Full time police administrative assistant employee (\$72,800)
- Health insurance increase (\$61,216)
- Increase funding of annual capital expenses through Capital Improvement Fund (\$186,500)
- One time redevelopment (sale of Glen Alpin) expenses (\$100,000)
  - To be reimbursed by redeveloper
- Pension increase (\$46,000)
- Shared municipal court decrease (-\$67,000)
- Labor contract included



# Capital Improvement Fund

Capital Improvement Fund	
Year	Amount
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
2021	\$ 587,100
2022	\$ 773,600

# Capital Improvement Fund

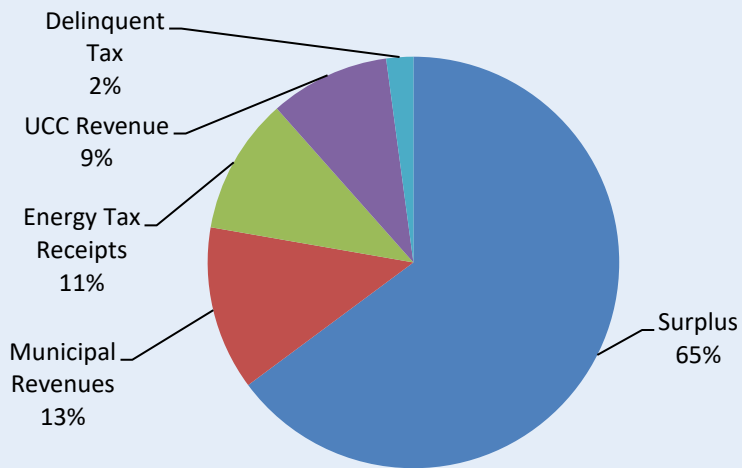


# Budget Revenue - 2022

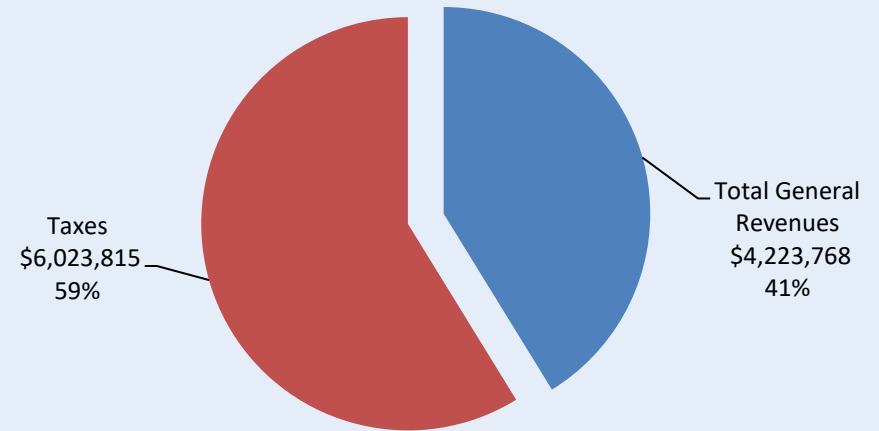
General & Tax Revenues	2022	2021	2022 - 2021	% Chg	% of Total
Surplus	\$ 2,750,000	\$ 2,400,000	\$ 350,000	14.6%	27%
Municipal Revenues	\$ 529,600	\$ 449,500	\$ 80,100	17.8%	5%
Energy Tax Receipts	\$ 454,168	\$ 454,168	\$ -	0.0%	4%
UCC Revenue	\$ 400,000	\$ 300,000	\$ 100,000	33.3%	4%
Delinquent Tax	\$ 90,000	\$ 90,000	\$ -	0.0%	1%
<b>Total General Revenues</b>	<b>\$ 4,223,768</b>	<b>\$ 3,693,668</b>	<b>\$ 530,100</b>	<b>14.4%</b>	<b>41%</b>
Taxes	\$ 6,023,815	\$ 5,934,749	\$ 89,066	1.5%	59%
<b>Total Revenues+Tax</b>	<b>\$ 10,247,583</b>	<b>\$ 9,628,417</b>	<b>\$ 619,166</b>	<b>6.4%</b>	<b>100%</b>
Public & Private Grants	\$ 207,847	\$ 162,251	\$ 45,596	28.1%	2%
<b>Total Revenues + Grant</b>	<b>\$ 10,455,430</b>	<b>\$ 9,790,668</b>	<b>\$ 664,762</b>	<b>6.8%</b>	<b>102%</b>

# Budget Revenue - 2022

## Total General Revenues



## General & Tax Revenues



# Revenue Drivers

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- Energy Tax Receipts – State has not released the amount (\$454,168; unchanged from 2021)
- Increase in surplus anticipated (\$350,000)
- Increase in municipal revenues anticipated (\$80,100)
- Increase of UCC revenues anticipated (\$100,000)

# Assessed Value & Tax Rate

	# of units	Assessed Value
2022 Residential/Commercial	1932	\$2,100,196,800
2022 Utility	1	\$1,318,028
2022 Total	1933	\$2,101,514,828
Average Assessed Value 2022		\$1,087,178
Average Assessed Value 2021		\$1,091,116
2022 Tax Rate / AA Valuation	0.287	\$3,116
2021 Tax Rate / AA Valuation	0.282	\$3,077
Increase (2022 vs. 2021)	0.005	\$39
% Increase	1.77%	1.27%

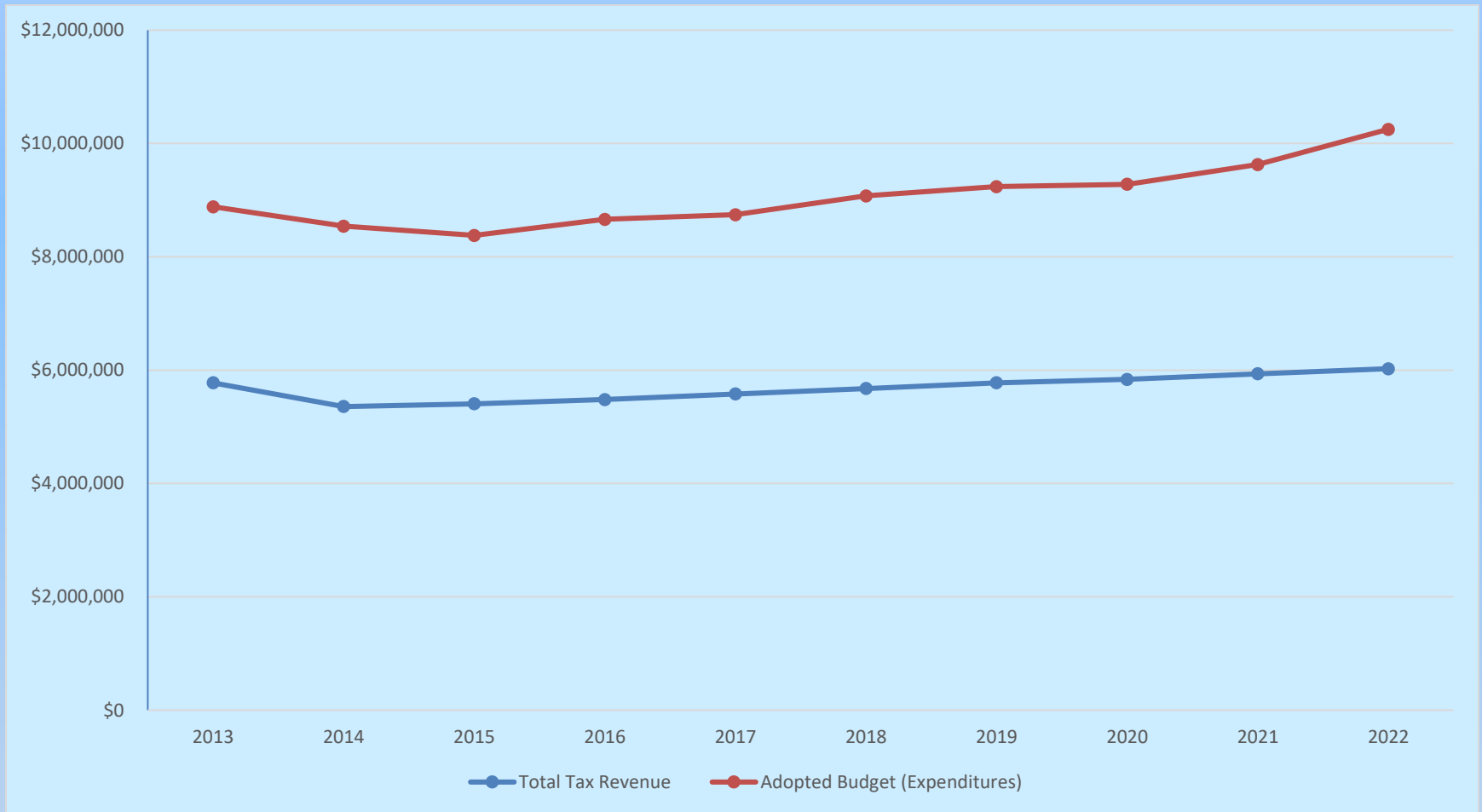
Year	Municipal Tax	All Agency Tax	%
2017	\$5,578,016	\$ 22,537,450	24.75%
2018	\$5,675,195	\$ 22,592,449	25.12%
2019	\$5,777,133	\$ 23,093,703	25.02%
2020	\$5,835,587	\$ 23,156,767	25.20%
2021	\$5,934,749	\$ 23,371,104	25.39%
2022	\$6,023,815	-	-

	Assessed Value
2022	\$2,101,514,828
2021	\$2,106,945,939
Change	<b>-\$5,431,111.00</b>
Change %	<b>-0.26%</b>

# 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%

# Tax vs Expenditure





# Tax Rate History

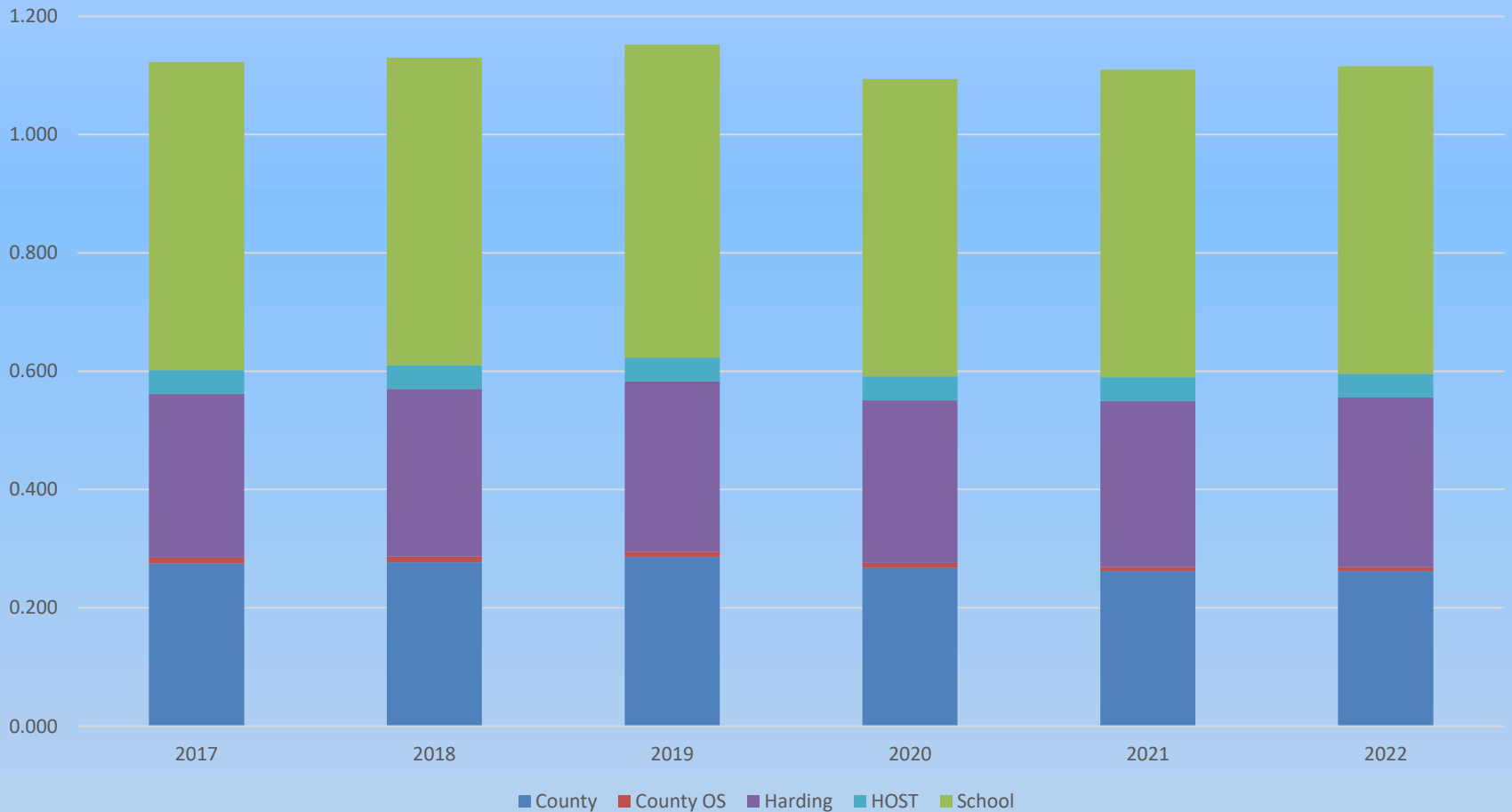
## Rates

Year	Net valuation	County	County OS	School	Harding	HOST	Total
2017	\$2,006,548,979	0.275	0.010	0.521	0.277	0.040	1.123
2018	\$1,999,521,290	0.277	0.010	0.52	0.283	0.040	1.130
2019	\$2,005,044,756	0.286	0.009	0.529	0.288	0.040	1.152
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				0.287	0.040	

## Taxes

Year	Sample Value	County	County OS	School	Harding	HOST	Total
2017	\$1,000,000	\$2,750	\$100	\$5,210	\$2,770	\$400	\$11,230
2018	\$1,000,000	\$2,770	\$100	\$5,200	\$2,830	\$400	\$11,300
2019	\$1,000,000	\$2,860	\$90	\$5,290	\$2,880	\$400	\$11,520
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				\$2,869	\$400	

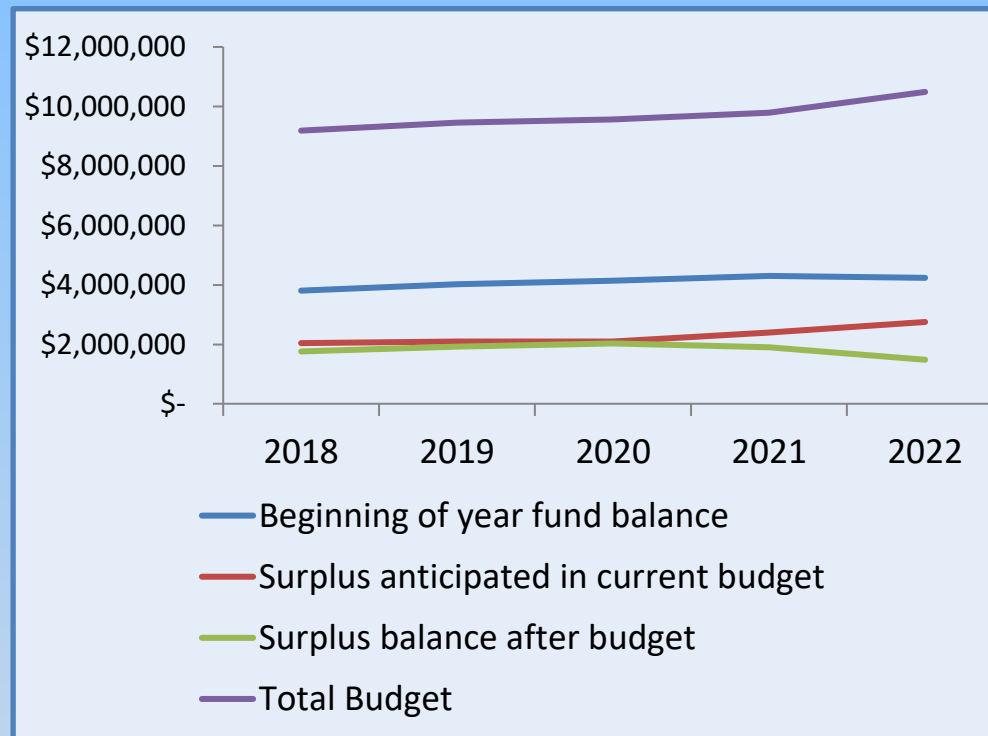
# Tax Rate History

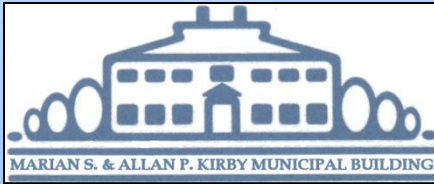


\*For comparison purposes, no change in county, county OS, and school rates assumed in 2022

# Fund Balance & Surplus Analysis

Item	2018	2019	2020	2021	2022
Beginning of year fund balance	\$ 3,804,887	\$ 4,022,213	\$ 4,135,850	\$ 4,300,010	\$ 4,231,741
Surplus anticipated in current budget	\$ 2,041,512	\$ 2,100,000	\$ 2,100,000	\$ 2,400,000	\$ 2,750,000
Surplus balance after budget	\$ 1,763,375	\$ 1,922,213	\$ 2,035,850	\$ 1,900,010	\$ 1,481,741
Total Budget	\$ 9,189,478	\$ 9,455,772	\$ 9,565,578	\$ 9,790,667	\$ 10,455,430
Surplus Balance as a percent of budget	19.19%	20.33%	21.28%	19.41%	14.17%
Total results of current yr operations	\$ 2,258,838	\$ 2,213,638	\$ 2,264,160	\$ 2,331,731	\$ 2,267,091
Ending surplus balance	\$ 4,022,213	\$ 4,135,850	\$ 4,300,010	\$ 4,231,741	\$ 3,748,833





**Harding Township**

**Thank You**