

**Harding Township**

# Harding Township, NJ 2021 Preliminary Budget

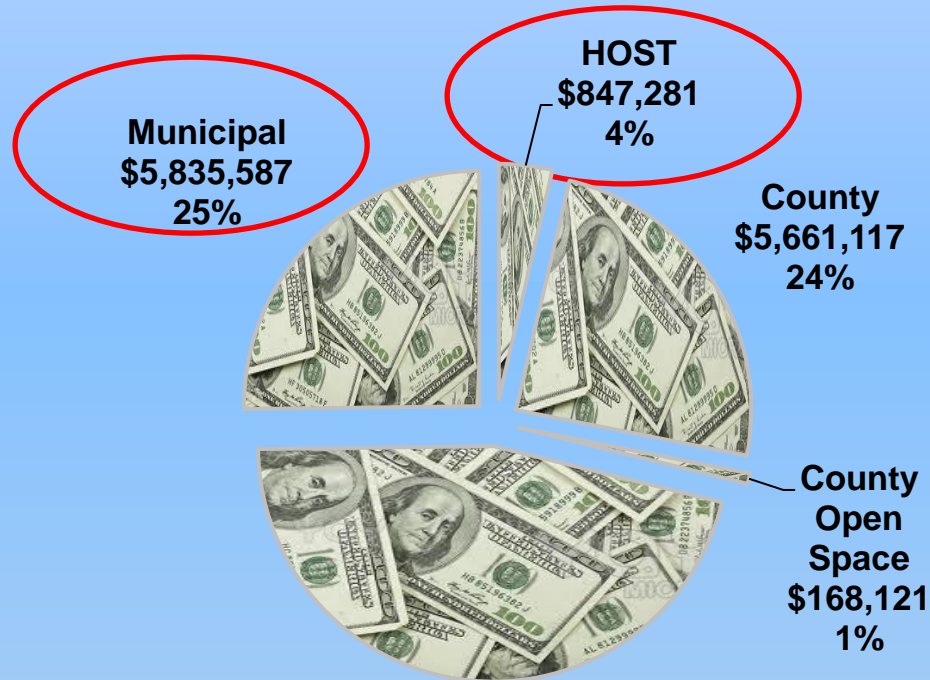
February 8th, 2021

# Presentation

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1. 2020 Taxes & Timeline
2. Township Debt Status – 2021
3. Open Space Tax
4. 2021 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

# 2020 Tax Revenue Allocation



	2020
HOST	\$847,281
County	\$5,661,117
County Open Space	\$168,121
School	\$10,644,662
Municipal	\$5,835,587
<b>Total Taxes</b>	<b>\$23,156,768</b>

**School**  
**\$10,644,662**  
**46%**

## 2020:

<b>Total Taxes</b>	<b>\$23,156,768</b>
<b>Net Taxable Valuation</b>	<b>\$2,118,202,974</b>
<b>Ave. Residential Property Value</b>	<b>\$1,096,946</b>
<b>Average Residential Tax</b>	<b>\$12,001</b>

# Budget Time Line

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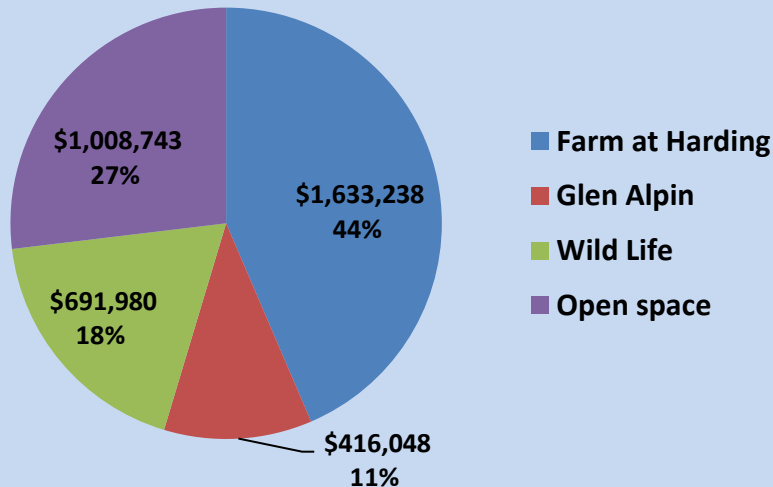
- Preliminary Budget Presentation – February 8<sup>th</sup>
- Preliminary Capital Budget Presentation – February 8<sup>th</sup>
- Introduction of Budget – March 8<sup>th</sup>
- Public Hearing and Adoption of Budget – April 12<sup>th</sup>
- Introduction of Capital Budget – March 8<sup>th</sup>
- Adoption of Capital Budget – April 12<sup>th</sup>
- Cap Bank Ordinance Introduction – March 8<sup>th</sup>
- Cap Bank Ordinance Adoption – April 12<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: \$1,677,850
- 2021 funding sources:
  - Farm at Harding : \$246,423
  - Open Space: \$214,971
  - General Budget: \$104,406

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**

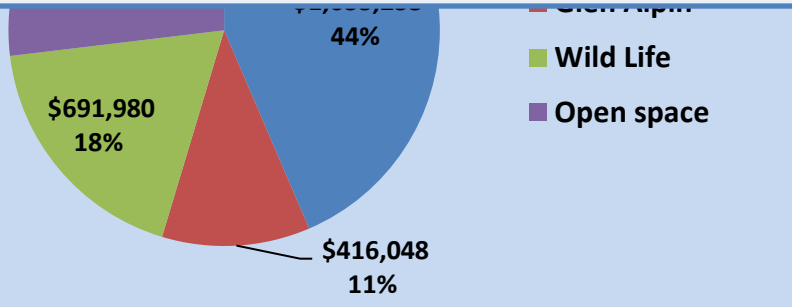
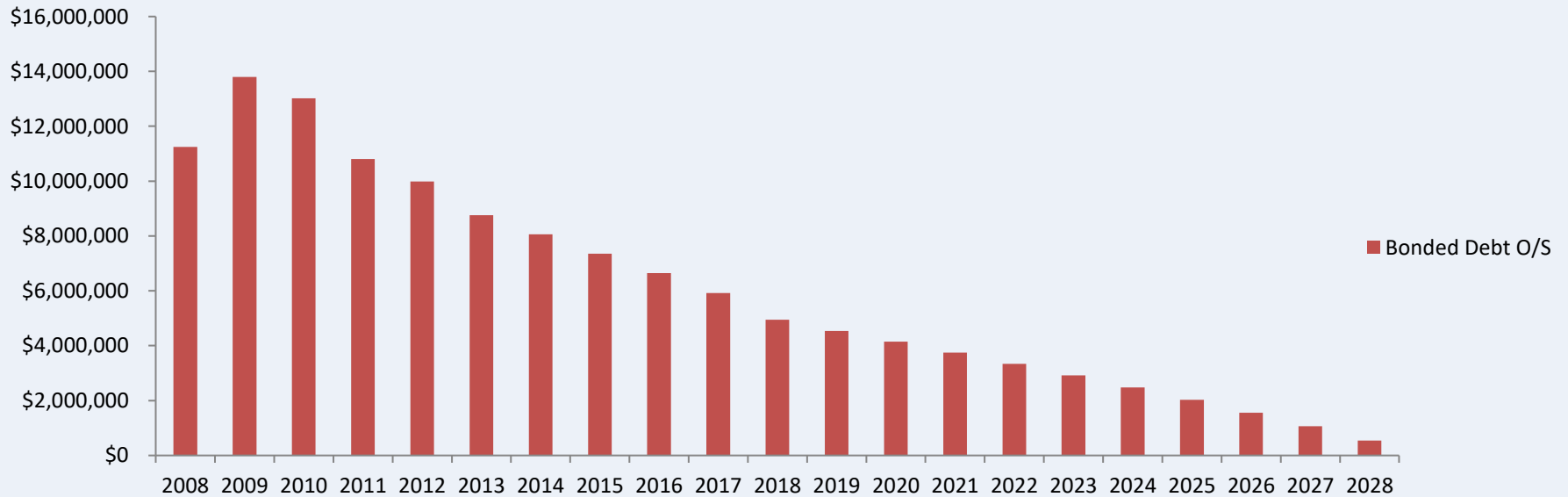


# Township Debt

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

Bonded Debt	Principal	Interest	Servicing
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**Harding Outstanding Debt by Year**



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

# 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
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	0.80	\$ 168,121
2021	4.00	\$842,778	-	-

\* 2021 County Rate has not been finalized

<b>2020 Year End Balance</b>
<b>\$ 2,346,811</b>

# Expenditure (Appropriation) Summary 2021 vs 2020

Current Fund Appropriation	2021 Recommended	2020 Adopted	Chg. Over 2020	% Chg.	% of Total
Salaries & Wages	\$3,528,700	\$3,417,600	\$111,100	3.3%	36.6%
Health Insurance	\$1,357,600	\$1,299,773	\$57,827	4.4%	14.1%
Social Security	\$265,200	\$260,000	\$5,200	2.0%	2.8%
Pension-PFRS	\$413,000	\$338,500	\$74,500	22.0%	4.3%
Pension-PERS	\$172,000	\$155,900	\$16,100	10.3%	1.8%
Pension-DCRP	\$4,000	\$4,000	\$0	0.0%	0.0%
<b>Total Employee Comp</b>	<b>\$5,740,500</b>	<b>\$5,475,773</b>	<b>\$264,727</b>	<b>4.8%</b>	<b>60%</b>
Other Expenses	\$1,661,160	\$1,644,378	\$16,782	1.0%	17.2%
Interlocal Services	\$174,000	\$175,000	(\$1,000)	-0.6%	1.8%
Joint Court	\$178,000	\$100,000	\$78,000	78.0%	1.8%
Capital Improvements	\$587,100	\$585,000	\$2,100	0.4%	6.1%
Debt Service & Def. Charg.	\$372,700	\$383,600	(\$10,900)	-2.8%	3.9%
Emergency Approp.	\$0	\$0	\$0	0.0%	0.0%
Resrv. For Uncoll. Taxes	\$918,708	\$914,741	\$3,967	0.4%	9.5%
<b>Total Non-Employee Comp</b>	<b>\$3,891,668</b>	<b>\$3,802,719</b>	<b>\$88,949</b>	<b>2.3%</b>	<b>40%</b>
<b>Total Appropriations</b>	<b>\$9,632,168</b>	<b>\$9,278,492</b>	<b>\$353,676</b>	<b>3.8%</b>	<b>100%</b>
Public & Private Grants	\$151,161	\$287,086	(\$135,925)	-47.3%	
<b>Total Appropriations+Grant</b>	<b>\$9,783,329</b>	<b>\$9,565,578</b>	<b>\$217,751</b>	<b>2.3%</b>	



# 2021 Other Expenses Breakdown

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Other Expenses	Amount
Building/Road/Park Maintenance	\$229,000
Miscellaneous Other Expenses	\$643,060
Utilities	\$151,500
Joint Insurance Fund	\$150,000
Legal	\$140,000
Technology (MIS)	\$69,100
Engineering	\$50,000
Legal – Tax Appeal	\$30,000
Library	\$40,000
Private Community Reimbursement	\$50,000
Audit	\$31,000
Snow Removal	\$77,500
<b>Total</b>	<b>\$1,661,160</b>

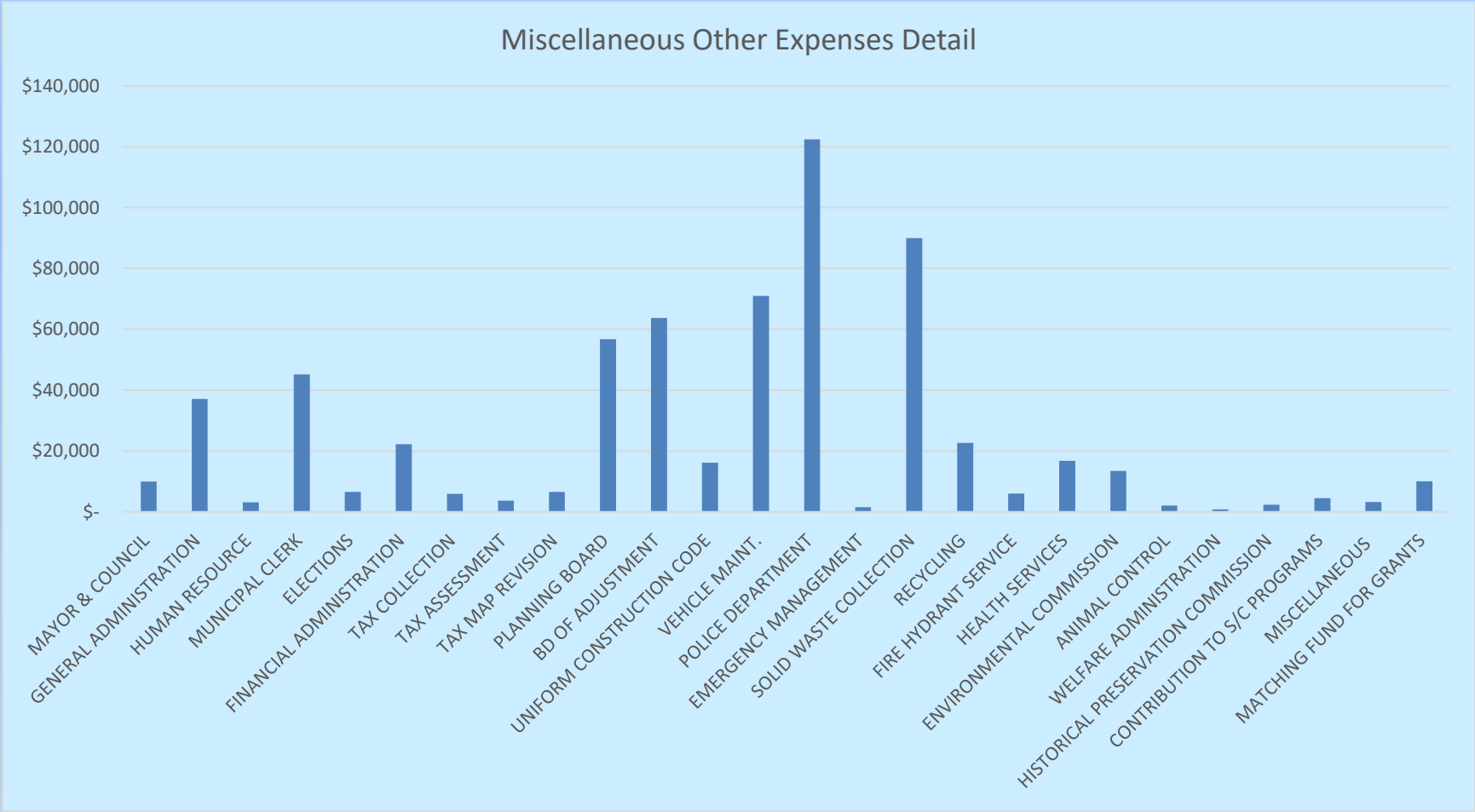
# 2021 Other Expenses Breakdown

Miscellaneous Other Expenses Detail	2021
MAYOR & COUNCIL	\$ 9,900
GENERAL ADMINISTRATION	\$ 37,100
HUMAN RESOURCE	\$ 3,100
MUNICIPAL CLERK	\$ 45,150
ELECTIONS	\$ 6,500
FINANCIAL ADMINISTRATION	\$ 22,250
TAX COLLECTION	\$ 5,900
TAX ASSESSMENT	\$ 3,650
TAX MAP REVISION	\$ 6,500
PLANNING BOARD	\$ 56,700
BD OF ADJUSTMENT	\$ 63,700
UNIFORM CONSTRUCTION CODE	\$ 16,145
VEHICLE MAINT.	\$ 71,000
POLICE DEPARTMENT	\$ 122,465
EMERGENCY MANAGEMENT	\$ 1,500
SOLID WASTE COLLECTION	\$ 90,000

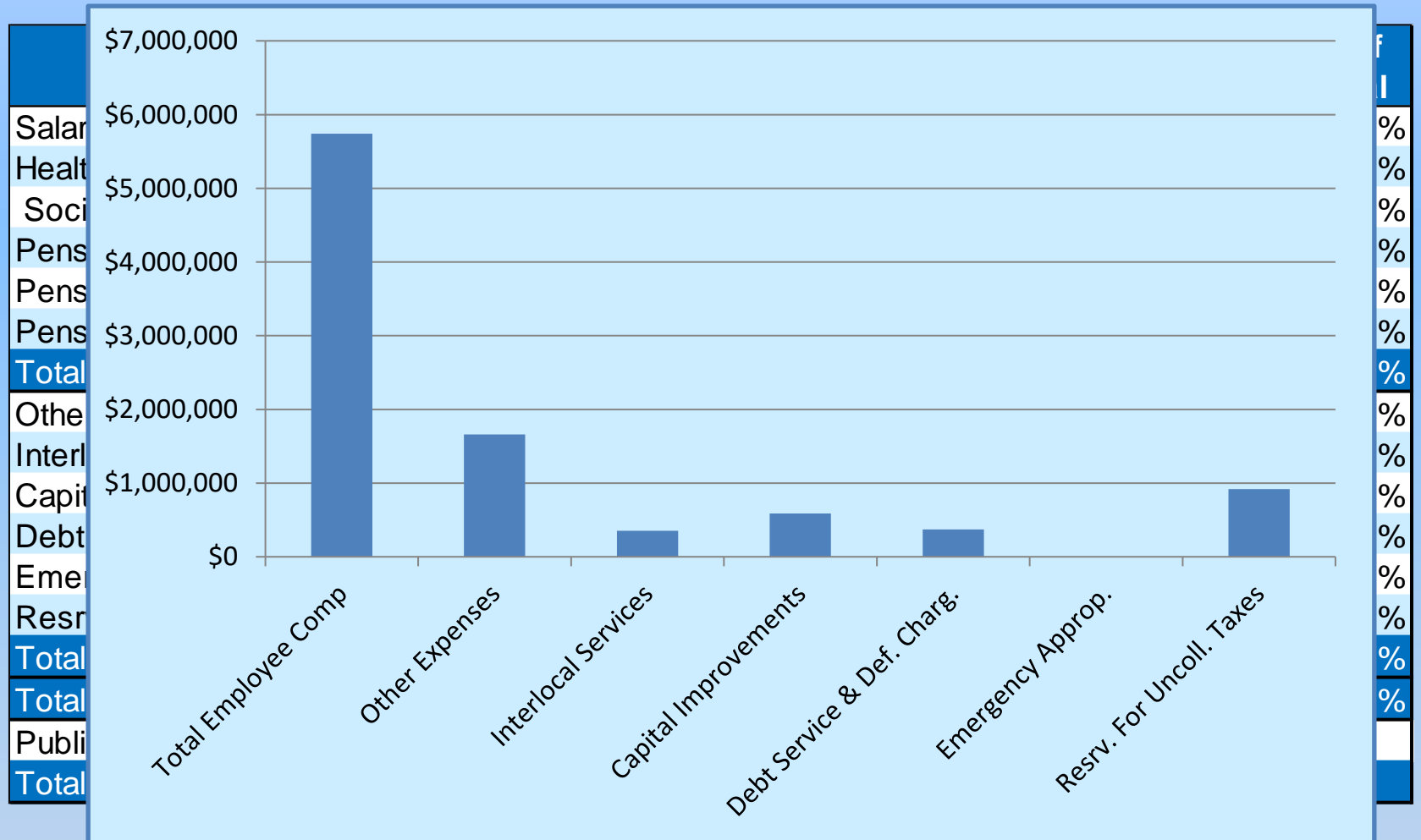
# 2021 Other Expenses Breakdown

Miscellaneous Other Expenses Detail	2021
RECYCLING	\$ 22,650
FIRE HYDRANT SERVICE	\$ 6,000
HEALTH SERVICES	\$ 16,700
ENVIRONMENTAL COMMISSION	\$ 13,400
ANIMAL CONTROL	\$ 2,000
WELFARE ADMINISTRATION	\$ 750
HISTORICAL PRESERVATION COMMISSION	\$ 2,300
CONTRIBUTION TO S/C PROGRAMS	\$ 4,500
MISCELLANEOUS	\$ 3,200
MATCHING FUND FOR GRANTS	\$ 10,000
<b>Total</b>	<b>\$ 643,060</b>

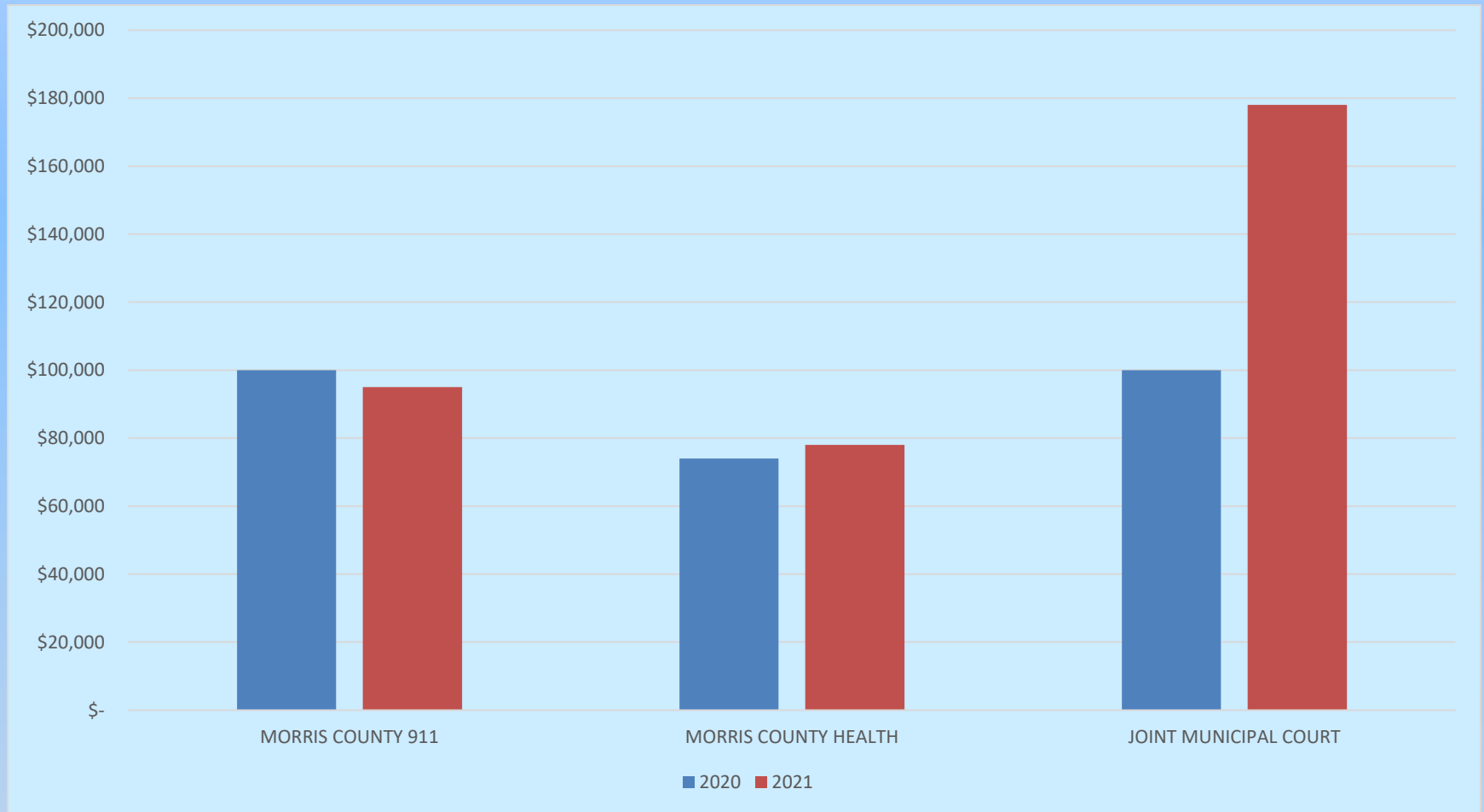
# 2021 Other Expenses Breakdown



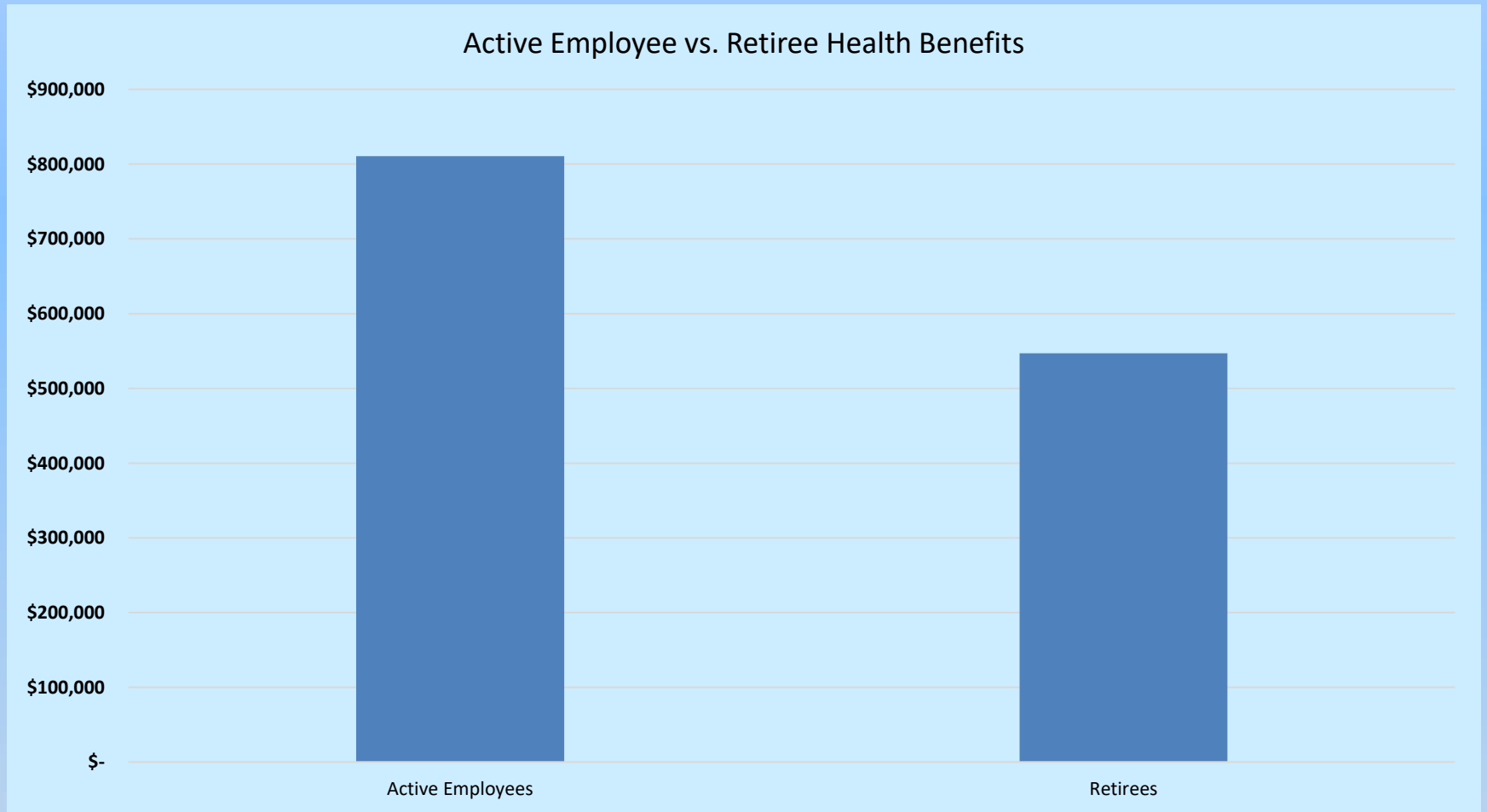
# 2021 Expenditure (Appropriation) Summary



# Interlocal Services



# Health Benefits



# Appropriation Drivers

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- **No change in total number of employees**
- Pension increase of \$95,800
- Joint Court increase of \$78,000; Total annual billing of \$177,143
- Health Insurance Costs increase of \$57,827
  - 2% increase in premiums
  - Decrease in number of employees opting to waive coverage
- Legal services increase in Admin, BoA, & PB of \$40,000
- PBA contract to be determined
- Funding of annual capital expenses through Capital Improvement Fund (\$587,100)

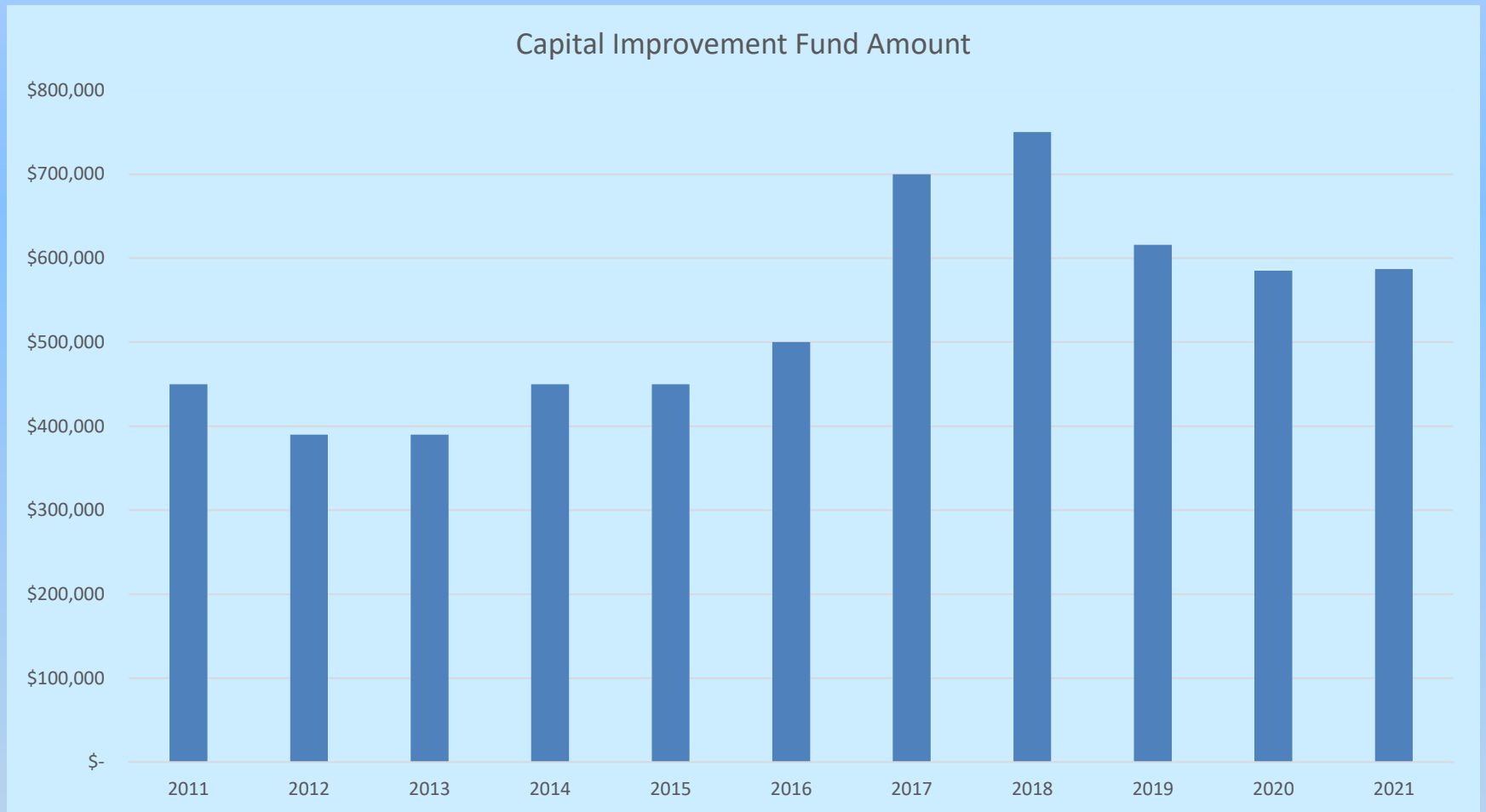


# Capital Improvement Fund

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Capital Improvement Fund	
Year	Amount
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
2021	\$ 587,100

# Capital Improvement Fund

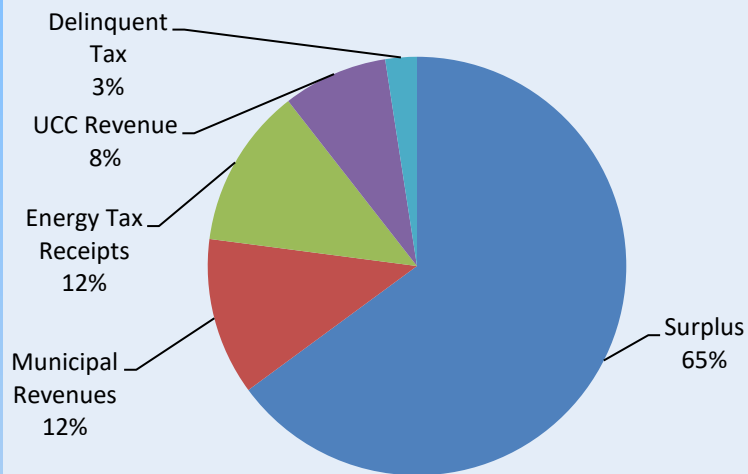


# Budget Revenue - 2021

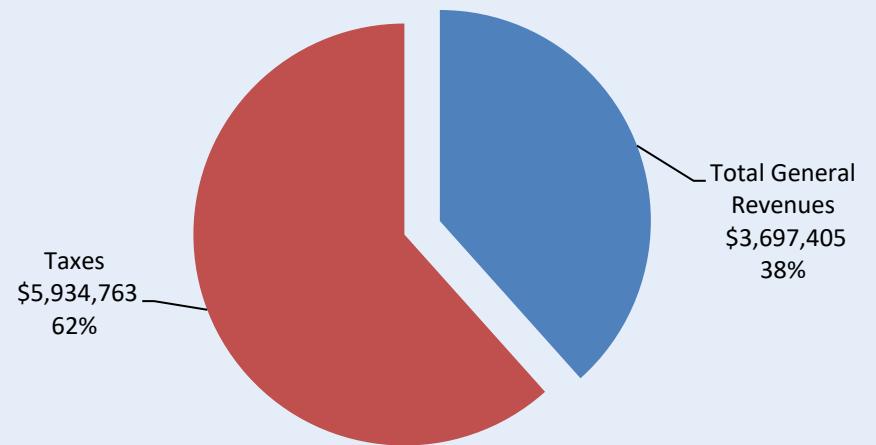
General & Tax Revenues	2021	2020	2021 - 2020	% Chg	% of Total
Surplus	\$ 2,400,000	\$ 2,100,000	\$ 300,000	14.3%	25%
Municipal Revenues	\$ 449,500	\$ 495,000	\$ (45,500)	-9.2%	5%
Energy Tax Receipts	\$ 457,905	\$ 457,905	\$ -	0.0%	5%
UCC Revenue	\$ 300,000	\$ 300,000	\$ -	0.0%	3%
Delinquent Tax	\$ 90,000	\$ 90,000	\$ -	0.0%	1%
<b>Total General Revenues</b>	<b>\$ 3,697,405</b>	<b>\$ 3,442,905</b>	<b>\$ 254,500</b>	<b>7.4%</b>	<b>38%</b>
Taxes	\$ 5,934,763	\$ 5,835,587	\$ 99,176	1.7%	62%
<b>Total Revenues+Tax</b>	<b>\$ 9,632,168</b>	<b>\$ 9,278,492</b>	<b>\$ 353,676</b>	<b>3.8%</b>	<b>100%</b>
Public & Private Grants	\$ 151,161	\$ 287,086	\$ (135,925)	-47.3%	2%
<b>Total Revenues + Grant</b>	<b>\$ 9,783,329</b>	<b>\$ 9,565,578</b>	<b>\$ 217,751</b>	<b>2.3%</b>	<b>102%</b>

# Budget Revenue – 2021

## Total General Revenues



## General & Tax Revenues



# Revenue Drivers

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- Energy Tax Receipts – State has not released the amount (\$457,905; unchanged from 2020)
- Increase in surplus anticipated (\$300,000)
- Decrease in anticipated revenue (\$45,500)

# Assessed Value & Tax Rate

	# of units	Assessed Value
2021 Residential/Commercial	1930	\$2,105,609,600
2021 Utility	1	\$1,336,339
2021 Total	1931	\$2,106,945,939
Average Assessed Value 2021		\$1,091,116
Average Assessed Value 2020		\$1,096,946
2021 Tax Rate / AA Valuation	0.282	\$3,075
2020 Tax Rate / AA Valuation	0.276	\$3,028
Increase (2021 vs. 2020)	0.006	\$47
% Increase	2.20%	1.60%

Year	Municipal Tax	All Agency Tax	%
2016	\$ 5,481,529	\$ 22,180,486	24.71%
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	\$ 5,934,763	-	-

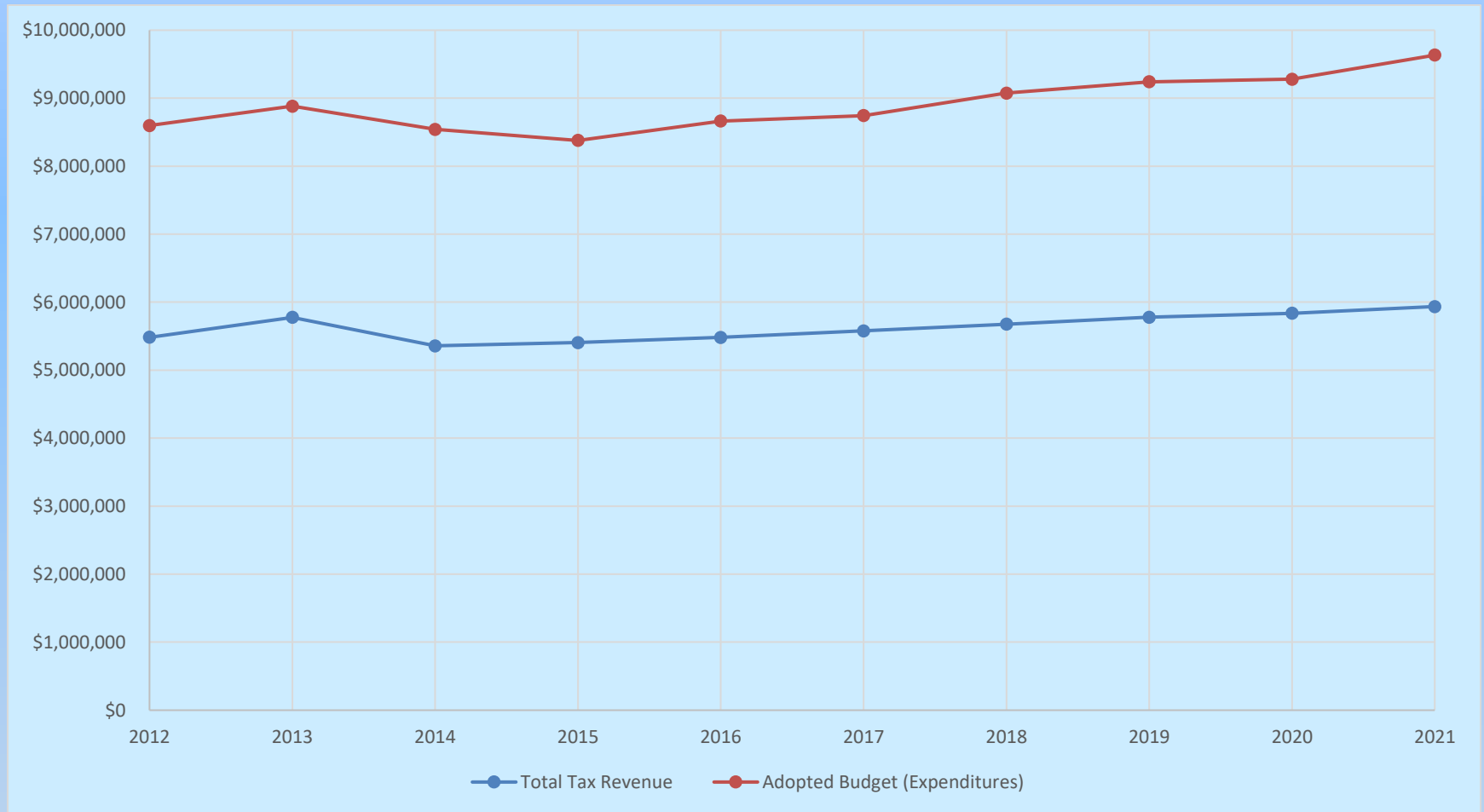
	Assessed Value
2021	\$2,106,945,939
2020	\$2,118,202,974
<b>Change</b>	<b>-\$11,257,035.00</b>
<b>Change %</b>	<b>-0.53%</b>

# Tax vs Expenditure

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Year	Total Tax Revenue	Adopted Budget (Expenditures)	%
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	\$5,835,587	\$9,278,492	62.89%
2021	\$5,934,763	\$9,632,168	61.61%

# Tax vs Expenditure





# Tax Rate History

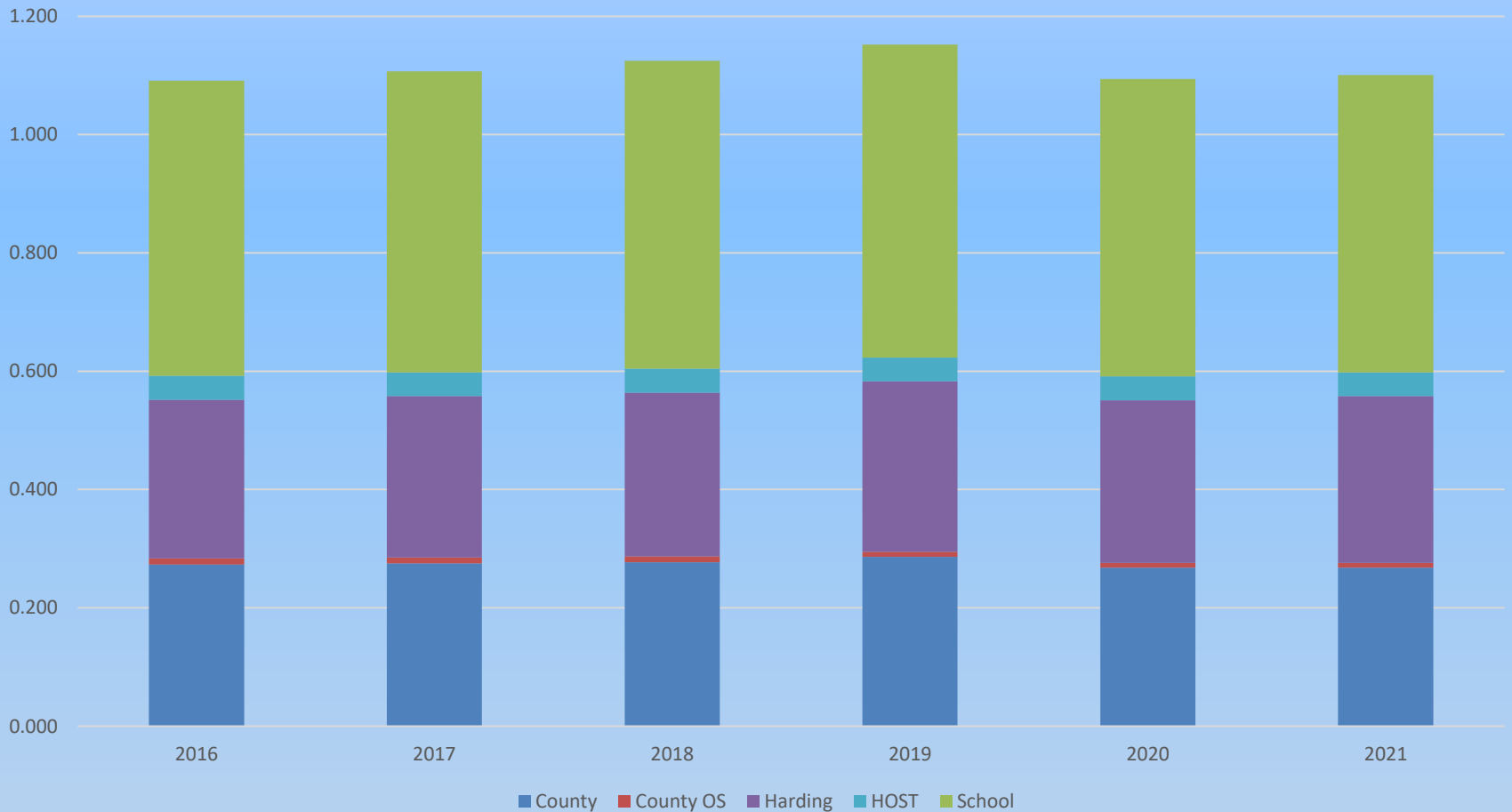
## Rates

Year	Net valuation	County	County OS	School	Harding	HOST	Total
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	0.268	0.008	0.503	0.275	0.040	1.094
2021	\$2,106,945,939				0.282	0.040	

## Taxes

Year	Sample Value	County	County OS	School	Harding	HOST	Total
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	\$2,680	\$80	\$5,030	\$2,750	\$400	\$10,940
2021	\$1,000,000				\$2,822	\$400	

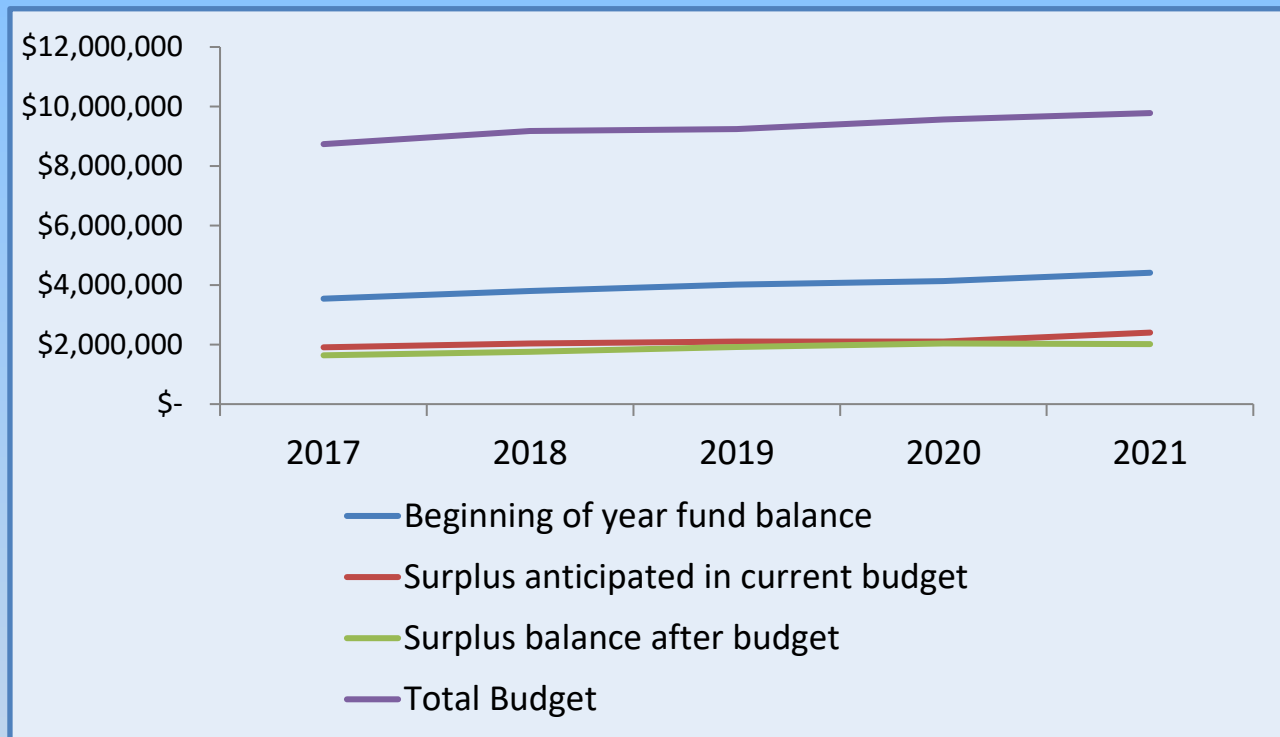
# Tax Rate History

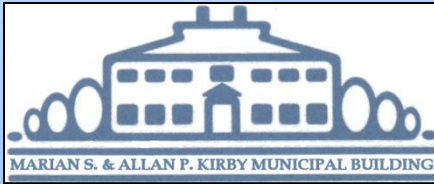


\*For comparison purposes, no change in county, county OS, and school rates assumed in 2021

# Fund Balance & Surplus Analysis

Item	2017	2018	2019	2020	2021
Beginning of year fund balance	\$ 3,544,100	\$ 3,804,887	\$ 4,022,213	\$ 4,135,850	\$ 4,411,849
Surplus anticipated in current budget	\$ 1,908,585	\$ 2,041,512	\$ 2,100,000	\$ 2,100,000	\$ 2,400,000
Surplus balance after budget	\$ 1,635,515	\$ 1,763,375	\$ 1,922,213	\$ 2,035,850	\$ 2,011,849
Total Budget	\$ 8,736,656	\$ 9,179,640	\$ 9,245,272	\$ 9,565,578	\$ 9,783,329
Surplus Balance as a percent of budget	18.72%	19.21%	20.79%	21.28%	20.56%
Total results of current yr operations	\$ 2,169,372	\$ 2,258,838	\$ 2,213,638	\$ 2,375,998	\$ 2,166,443
Ending surplus balance	\$ 3,804,887	\$ 4,022,213	\$ 4,135,850	\$ 4,411,849	\$ 4,178,292





**Harding Township**

**Thank You**

# Post Presentation Adjustments

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- The following adjustments were made after the presentation and prior to budget introduction:
  - Joint court \$178,000 decrease to \$164,000
  - Building improvements \$103,500 increase to \$112,750
  - Garden State Trust revenue \$10,624 decrease to \$6,887
  - Amount to be raised by taxation \$5,934,763 decrease to \$5,934,749