

Harding Township

Harding Township, NJ 2018 Preliminary Budget

January 15, 2018

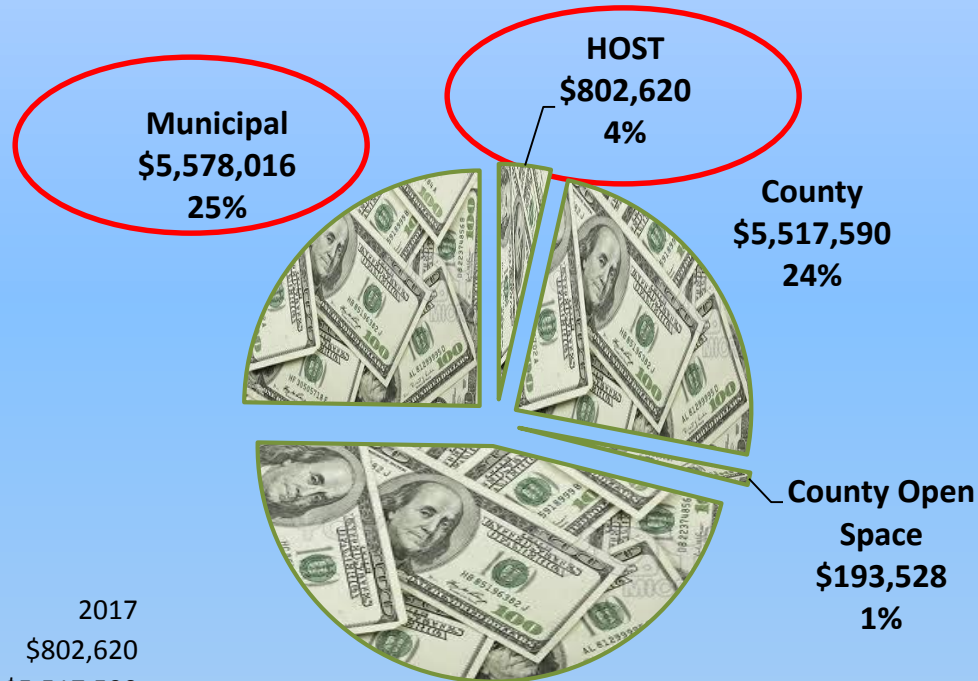
Presentation

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2. Township Debt Status – 2018
3. Open Space Tax
4. 2018 Budget
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 2. Other Expenses Details
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Background

- Under state law, a municipality must pass its annual budget in order to spend money or to tax residents for that year.
- Strict municipal budget form specified by the state:
 - Strict state oversight performed by Division of Local Government Services/Department of Community Affairs.
 - Budget is on a 'modified cash basis' (not GAAP).
 - By law taxes must equal appropriations (spending) less non-tax revenues.
 - Projected budget non-tax revenue cannot exceed last year's actual non-tax revenue.
 - Expenses cannot exceed the budgeted amount.
 - Transfer within "CAP" are only allowed in last two months of the fiscal year (Nov/Dec).

2017 Tax Revenue Allocation



	2017
HOST	\$802,620
County	\$5,517,590
County Open Space	\$193,528
School	\$10,445,696
Municipal	\$5,578,016
Total Taxes	\$22,537,450

School
\$10,445,696
46%

2017:

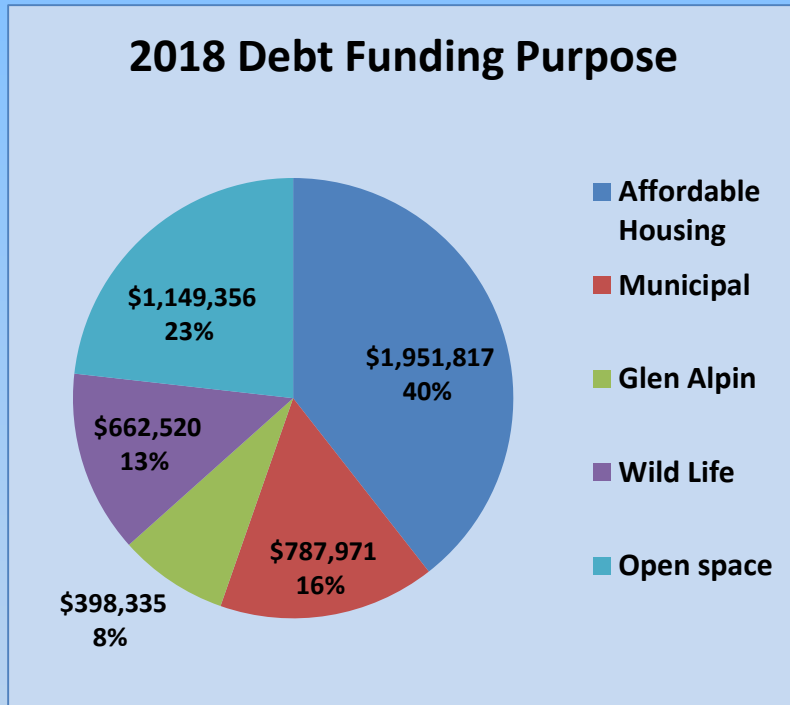
Total Taxes	\$22,537,450
Net Taxable Valuation	\$2,006,548,979
Ave. Residential Property Value	\$1,049,450
Average Residential Tax	\$11,785

Budget Time Line

- Preliminary Budget Presentation – Tonight
- Preliminary Capital Budget Presentation - Tonight
- Introduction of Budget – February 2018
- Public Hearing and Adoption of Budget – March 2018
- Introduction of Capital Budget – February 2018
- Adoption of Capital Budget – March 2018
- Cap Bank Ordinance Introduction – February 2018
- Cap Bank Ordinance Adoption – March 2018

Township Debt

- Township policy is to pay down outstanding debt
- Harding debt rating: AAA
- Township's outstanding debt refinanced in 2017
- Savings from refinancing to begin being realized in 2019



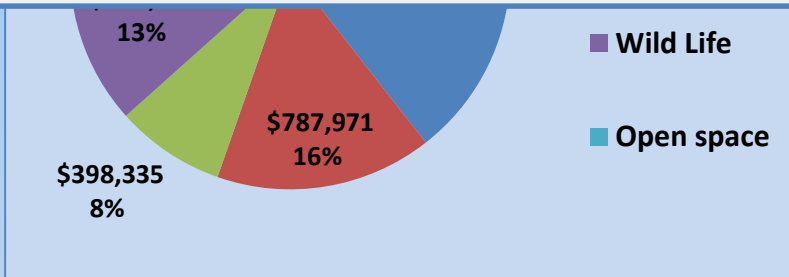
Year	Debt O/S	Principal Payment	Interest Payment	Servicing Payments
2008	\$11,252,068	\$333,836	\$283,592	\$617,428
2009	\$13,798,232	\$774,293	\$431,715	\$1,206,008
2010	\$13,023,939	\$779,489	\$406,546	\$1,186,035
2011	\$10,804,450	\$813,730	\$380,455	\$1,194,185
2012	\$9,990,720	\$762,720	\$353,354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

Township Debt

- Township policy is to pay down outstanding debt
- Harding debt rating: AAA
- Township's outstanding debt refinanced in 2017
- \$

Year	Debt O/S	Principal Payment	Interest Payment	Servicing Payments
2008	11,125,000			
2009	13,800,000			
2010	13,000,000			
2011	10,800,000			
2012	10,000,000			
2013	8,700,000			
2014	8,000,000			
2015	7,300,000			
2016	6,700,000			
2017	6,000,000			
2018	4,900,000			
2019	4,500,000			
2020	4,100,000			
2021	3,700,000			
2022	3,300,000			
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

Harding Outstanding Debt by Year



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

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	County
2011	3.80	2.30
2012	3.80	1.90
2013	3.50	1.40
2014	3.50	1.10
2015	4.00	1.10
2016	4.00	1.00
2017	4.00	1.00
2018	4.00	- *

* 2018 County Rate has not been finalized

Expenditure (Appropriation) Summary 2018 vs 2017

Current Fund Appropriation	2018 Recommended	2017 Adopted	Chg. Over 2017	% Chg.	% of Total
Salaries & Wages	\$3,123,100	\$3,148,554	(\$25,454)	-0.8%	34.5%
Health Insurance	\$1,225,693	\$1,068,025	\$157,668	14.8%	13.6%
Social Security	\$230,000	\$230,000	\$0	0.0%	2.5%
Pension-PFRS	\$336,000	\$305,000	\$31,000	10.2%	3.7%
Pension-PERS	\$161,000	\$140,000	\$21,000	15.0%	1.8%
Total Employee Comp	\$5,075,793	\$4,891,579	\$184,214	3.8%	56%
Other Expenses	\$1,634,680	\$1,561,922	\$72,758	4.7%	18.1%
Interlocal Services	\$291,700	\$264,100	\$27,600	10.5%	3.2%
Capital Improvements	\$750,000	\$700,000	\$50,000	7.1%	8.3%
Debt Service & Def. Charg.	\$380,172	\$383,730	(\$3,558)	-0.9%	4.2%
Emergency Approp.	\$0	\$0	\$0	0.0%	0.0%
Resrv. For Uncoll. Taxes	\$908,326	\$904,438	\$3,888	0.4%	10.0%
Total Non-Employee Comp	\$3,964,878	\$3,814,190	\$150,688	4.0%	44%
Total Appropriations	\$9,040,671	\$8,705,769	\$334,902	3.8%	100%
Public & Private Grants	\$33,307	\$210,120	(\$176,813)	-84.1%	
Total Appropriations+Grant	\$9,073,978	\$8,915,889	\$158,090	1.8%	

* Includes \$174,000 DOT grant

Expenditure (Appropriation) Summary 2018 vs 2017

	Other Expenses	Amount
Current Fu Appropriat	Building/Road/Park Maintenance	\$206,000
Salaries & Wages	Miscellaneous Other Expenses	\$552,455
Health Insurance	Utilities	\$148,000
Social Security	Joint Insurance Fund	\$175,000
Pension-PFRS	Legal	\$150,000
Pension-PERS	Technology (MIS)	\$87,225
Total Employee Co	Engineering	\$52,500
Other Expenses	Legal – Tax Appeal	\$30,000
Interlocal Services	Library	\$40,000
Capital Improveme	Private Community Reimbursement	\$45,000
Debt Service & De	Audit	\$31,000
Emergency Approp	Snow Removal	\$117,500
Resrv. For Uncoll.	Total	\$1,634,680
Total Non-Employe		
Total Appropriation		
Public & Private G		
Total Appropriation		

Expenditure (Appropriation) Summary 2018 vs 2017

Miscellaneous Other Expenses Detail	2018
MAYOR & COUNCIL	\$ 8,450
GENERAL ADMINISTRATION	\$ 65,690
HUMAN RESOURCE	\$ 3,150
MUNICIPAL CLERK	\$ 37,650
ELECTIONS	\$ 3,500
FINANCIAL ADMINISTRATION	\$ 14,750
TAX COLLECTION	\$ 5,050
TAX ASSESSMENT	\$ 2,650
TAX MAP REVISION	\$ 6,500
PLANNING BOARD	\$ 40,250
BD OF ADJUSTMENT	\$ 26,800
UNIFORM CONSTRUCTION CODE	\$ 16,590
VEHICLE MAINT.	\$ 69,500
POLICE DEPARTMENT	\$ 83,500
EMERGENCY MANAGEMENT	\$ 1,000
SOLID WASTE COLLECTION	\$ 92,000

Expenditure (Appropriation) Summary 2018 vs 2017

RECYCLING	\$	17,000
AID TO FIRE COMPANIES	\$	1,000
FIRE HYDRANT SERVICE	\$	6,000
HEALTH SERVICES	\$	13,875
ENVIRONMENTAL COMMISSION	\$	3,600
ANIMAL CONTROL	\$	2,500
WELFARE ADMINISTRATION	\$	750
HISTORICAL PRESERVATION COMMISSION	\$	10,500
CONTRIBUTION TO S/C PROGRAMS	\$	4,500
UNEMPLOYMENT COMPENSATION INSURANCE	\$	100
MUNICIPAL ALLIANCE	\$	500
DEFINED CONTRIBUTION RETIREMENT PROGRAM (DCRP)	\$	2,500
CONTINGENT	\$	2,500
JUDGMENTS	\$	100
MATCHING FUND FOR GRANTS	\$	10,000
Total	\$	552,455

Appropriation Drivers

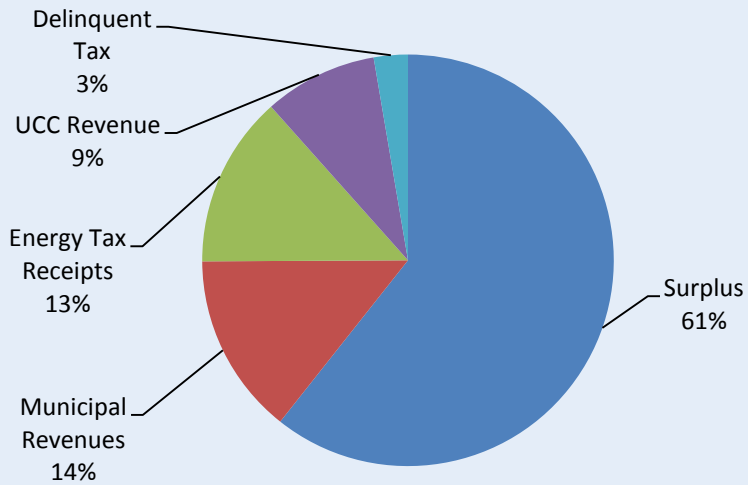
- Health Insurance Cost
 - Budget increase of 15%
- 2% Cost of Living Adjustment
- Potential retirement payouts
- Potential comp time payouts
- Pension (PERS & PFRS) increase
- Health Services inter local increase
- Funding of annual capital expenses through Capital Improvement Fund

Budget Revenue - 2018

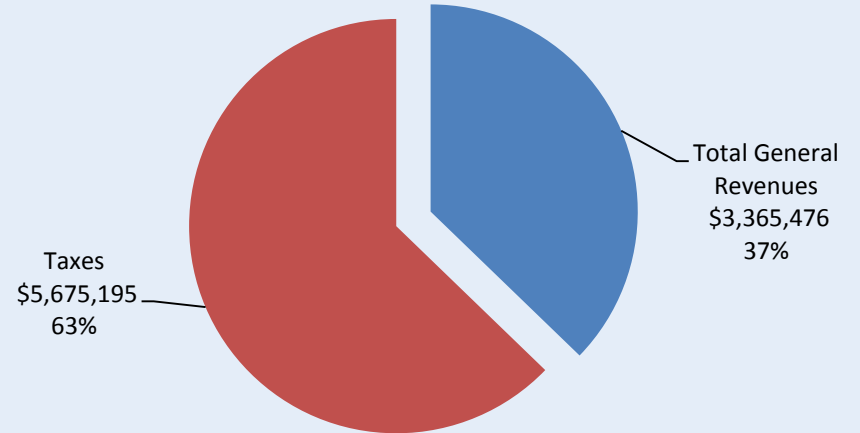
General & Tax Revenues	2018	2017	2018 - 2017	% Chg	% of Total
Surplus	\$ 2,041,512	\$ 1,908,585	\$ 132,927	7.0%	23%
Municipal Revenues	\$ 479,796	\$ 425,000	\$ 54,796	12.9%	5%
Energy Tax Receipts	\$ 454,168	\$ 454,168	\$ -	0.0%	5%
UCC Revenue	\$ 300,000	\$ 250,000	\$ 50,000	20.0%	3%
Delinquent Tax	\$ 90,000	\$ 90,000	\$ -	0.0%	1%
Total General Revenues	\$ 3,365,476	\$ 3,127,753	\$ 237,723	7.6%	37%
Taxes	\$ 5,675,195	\$ 5,578,016	\$ 97,179	1.7%	63%
Total Revenues+Tax	\$ 9,040,671	\$ 8,705,769	\$ 334,902	3.8%	100%
Public & Private Grants	\$ 33,307	\$ 210,120	\$ (176,813)	-84.1%	0%
Total Revenues + Grant	\$ 9,073,978	\$ 8,915,889	\$ 158,089	1.8%	100%

Budget Revenue - 2018

Total General Revenues



General & Tax Revenues



Revenue Drivers

- Energy Tax Receipts – State has not released the amount
- Surplus anticipated increase
- Cell tower revenue anticipated in budget
- Additional construction fees revenue
- Additional revenue from Farm at Harding

Assessed Value & Tax Rate

	# of units	Assessed Value
2018 Residential/Commercial	1923	\$1,998,263,260
2018 Utility	1	\$1,258,030
2018 Total	1924	\$1,999,521,290
Average Assessed Value 2018		\$1,039,252
Average Assessed Value 2017		\$1,049,450
2018 Tax Rate / \$100 Valuation	0.284	\$2,951
2017 Tax Rate / \$100 Valuation	0.278	\$2,917
Increase (2018 vs. 2017)	0.006	\$34
% Increase	2.20%	1.20%

Year	Municipal Tax	All Agency Tax	%
2013	5,482,498.15	21,757,727.18	25.20%
2014	5,775,218.51	21,901,302.48	26.37%
2015	5,357,091.15	21,138,058.05	25.34%
2016	5,405,442.00	21,809,538.01	24.78%
2017	5,578,016.00	22,537,449.86	24.75%
2018	5,675,194.28		

	Assessed Value
2018	\$1,999,521,290
2017	\$2,006,548,979
Change	-\$7,027,689.00
Change %	-0.35%

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%

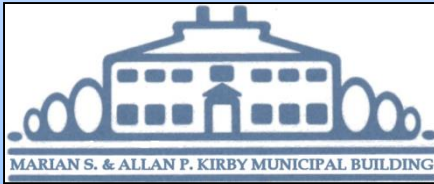
Tax Rate History

Rates

Year	Net valuation	County	County OS	School	Harding	HOST	Total
2013	\$2,042,922,710	0.279	0.014	0.463	0.282	0.035	1.073
2014	\$2,027,888,710	0.269	0.011	0.464	0.264	0.035	1.043
2015	\$2,021,014,691	0.262	0.011	0.499	0.268	0.040	1.080
2016	\$2,007,139,768	0.273	0.010	0.509	0.273	0.040	1.105
2017	\$2,006,548,979	0.275	0.010	0.521	0.277	0.040	1.123
2018	\$1,999,521,290				0.284	0.040	

Taxes

Year	Sample Value	County	County OS	School	Harding	HOST	Total
2013	\$1,000,000	\$2,790	\$140	\$4,630	\$2,820	\$350	\$10,730
2014	\$1,000,000	\$2,690	\$110	\$4,640	\$2,640	\$350	\$10,430
2015	\$1,000,000	\$2,620	\$110	\$4,990	\$2,680	\$400	\$10,800
2016	\$1,000,000	\$2,730	\$100	\$5,090	\$2,730	\$400	\$11,050
2017	\$1,000,000	\$2,750	\$100	\$5,210	\$2,770	\$400	\$11,230
2018	\$1,000,000				\$2,840	\$400	



Harding Township

Thank You