



**TOWNSHIP OF
MOUNT OLIVE
MUNICIPAL
BUDGET – 2019**

**ROBERT
GREENBAUM,
MAYOR**

2019 MUNICIPAL BUDGET

The Process –

Work on the 2019 budget began in September 2018 with requests sent to all departments, boards and organizations. Departmental budget hearings were held in November 2018 and the Mayor's budget was presented to you.

The municipal budget must be introduced by 3/29 and adopted by 4/30.

We are eligible for local budget exam this year so we don't need to get DLGS approval before we adopt. We participated in local budget exam review last year.

The Division's new reporting system called FAST is still "slow" and deadlines for input into that system have been delayed.

2019 MUNICIPAL BUDGET

Laws affecting our budget:

- ⦿ We are still obligated to comply with the Property Tax (2%) CAP law as well as the Appropriation CAP. We have \$952,705 available in our appropriation CAP bank and we have \$1,430,393 available in our property tax CAP bank moving into 2019.
- ⦿ Chapter 78, PL 2011 relating to health benefit contributions has now sunset for all employees however we still expect to recoup \$332,000 from our employees in 2019.

2019 MUNICIPAL BUDGET

2019 Budget Summary –

- The projected municipal tax rate is .606 which is the same as it was in 2018 so we have no planned tax increase.
- There is also no planned tax increase for the sanitation district.
- There are also no planned increases in the water and sewer rates.

2019 MUNICIPAL BUDGET

Summary continued -

- Our general fund ratable base grew by \$23,214,000 or slightly under 1%.
- Our sanitation ratable base grew by \$5,090,000 or less than ½ of 1%.

2019 MUNICIPAL BUDGET

One tax point = \$317,000 or \$31

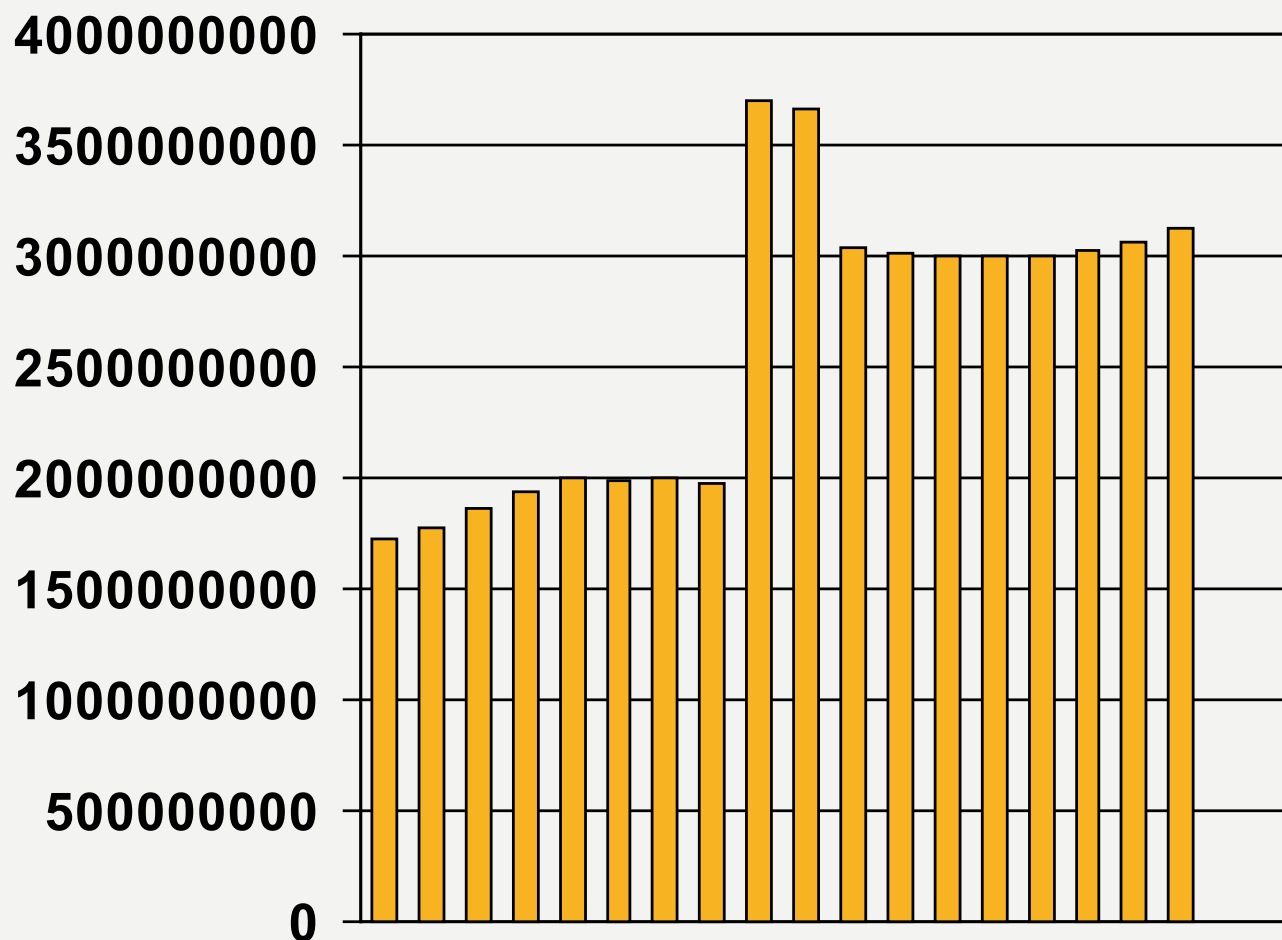
In order to reduce taxes by \$31, you would need to increase revenues by \$317,000 or reduce expenditures by \$317,000.

2019 MUNICIPAL BUDGET

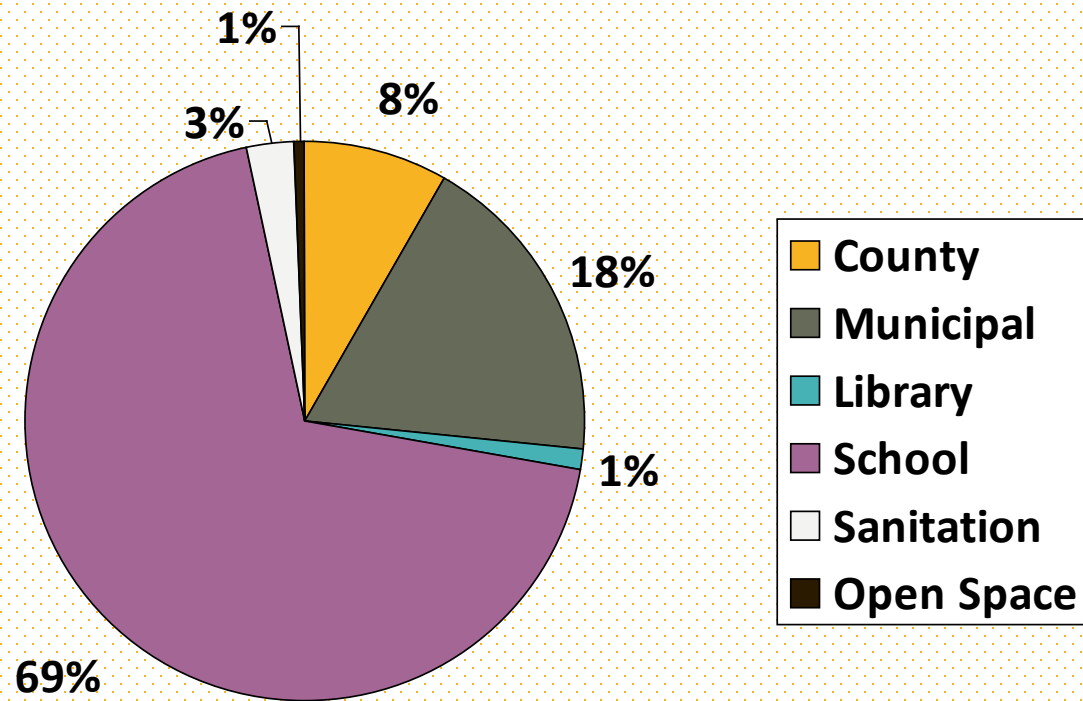
How does this compare to our previous budgets?

We haven't had a tax increase since 2012.

2019 MUNICIPAL BUDGET RATABLE ANALYSIS



2019 MUNICIPAL BUDGET - TAX PIE



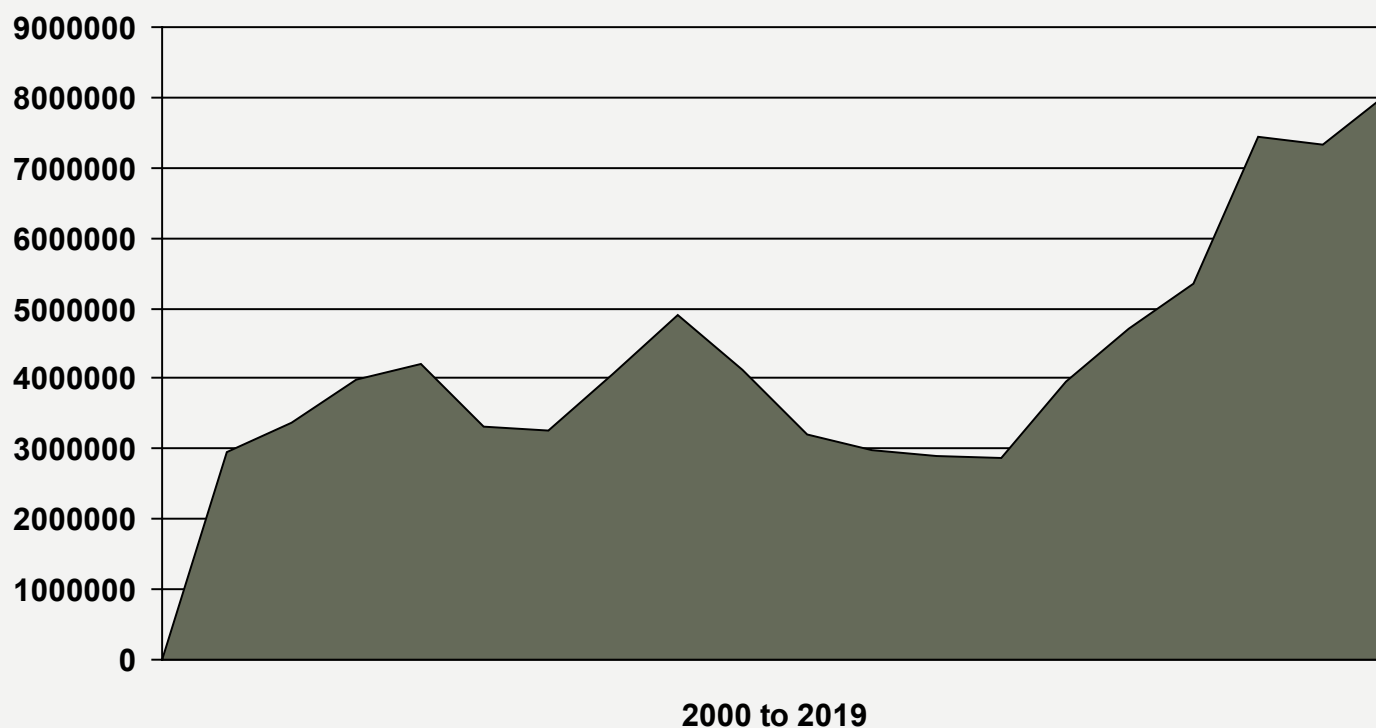
2019 MUNICIPAL BUDGET

Fund Balance:

- Our fund balance at 12/31/18 was \$8,041,000 which was the highest it has been in my tenure with the Township.

What helped fund balance? Our tax collection rate was 99.24%, we had few tax appeal losses and we had added assessments amounting to \$614,000. We had the premium from the bond sale of almost \$500,000 and we had excess revenues in the building department of \$411,000.

2019 MUNICIPAL BUDGET – FUND BALANCE HISTORY

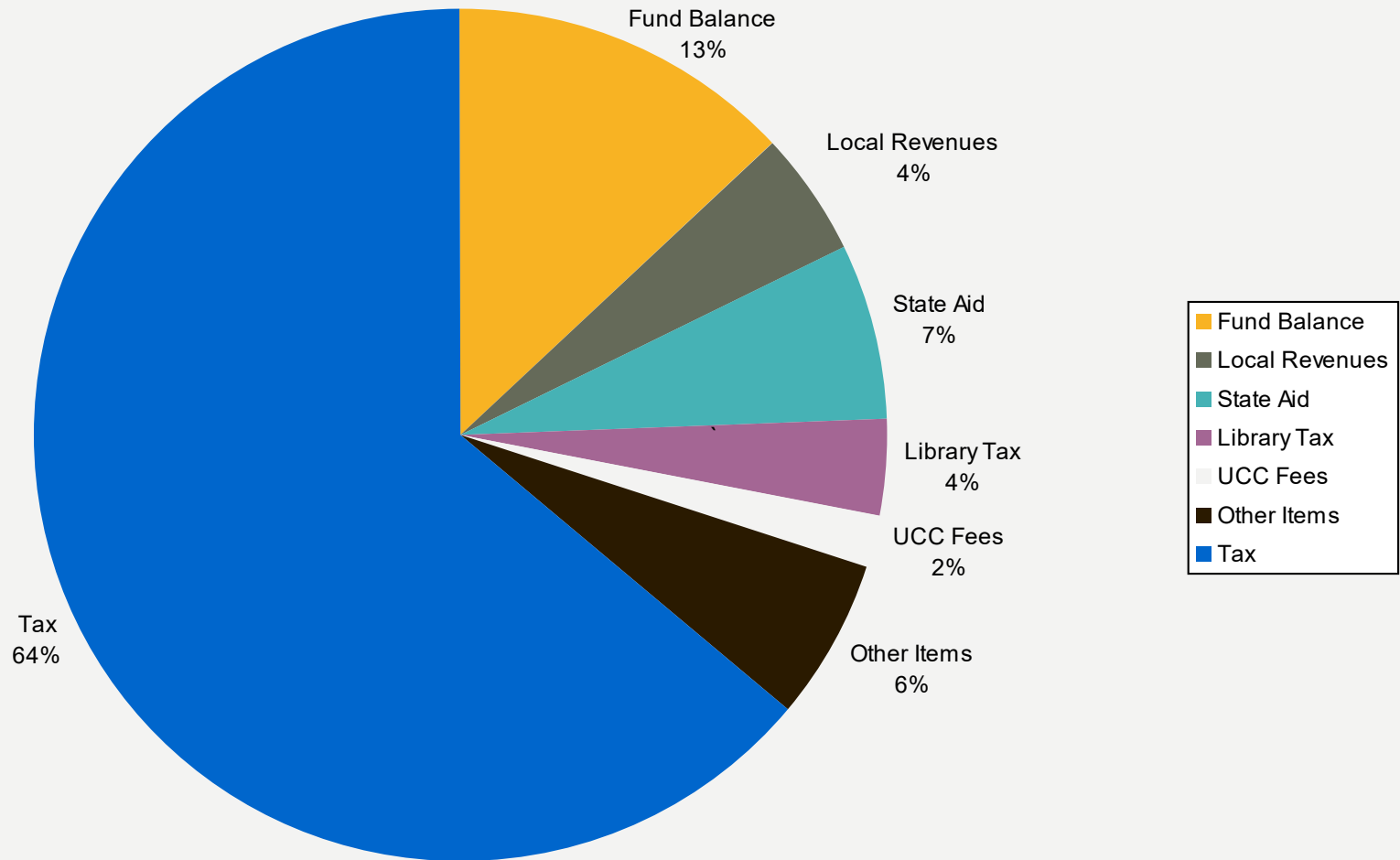


2019 MUNICIPAL BUDGET

Revenue Summary –

- Fund Balance Utilized– Increased \$162,000 based upon our calculation of fund balance regeneration throughout 2020
- Local Revenues – Increased \$156,000 which is primarily from water tower rental revenue and interest on investments
- Inter-local Revenues – Increased \$98,000 from cost of living increases, expanded contracts and new contracts
- Special Revenue Items – Increased \$167,000 from capital fund balance we appropriated from cancelled ordinances
- Construction Revenues – Remained the same and any excess will go to surplus at y/e
- Tax Revenues – Increased \$129,000 to balance the budget

2019 MUNICIPAL REVENUES



2019 MUNICIPAL BUDGET

Changes in expenditures:

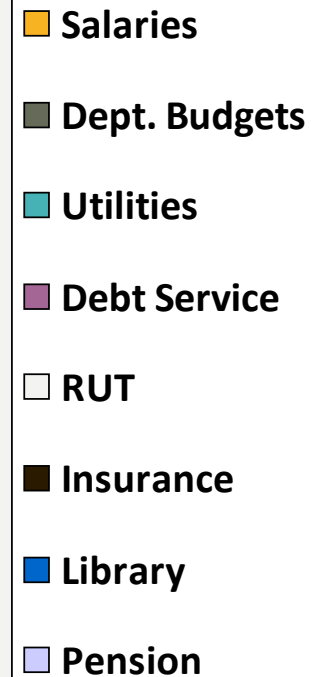
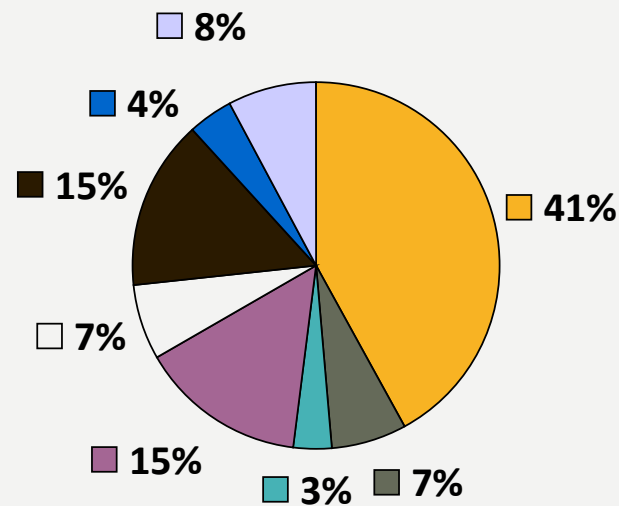
- ◎ Salaries/Wages – Increased \$496,000 as a result of cost of living increases and contractual obligations
- ◎ Pension Contributions – Increased \$190,000 as determined by the Division of Pensions
- ◎ Debt Service – minimal increase at \$31,000 since we timed the 2018 bond sale to occur when our debt service was dropping off
- ◎ Departmental O/E – minimal net increase at \$39,000

2019 MUNICIPAL BUDGET

Changes in expenditures (continued):

- Capital – Decreased \$5,500 based upon our recommended capital plan for 2019
- Insurance – Decreased \$265,000 which is attributable to the State of NJ making adjustments in retirees plans
- Library – minimal increase at \$1,975 since we were previously funding more than the 1/3 mil requirement, in 2019 we are compensating by funding \$28,000 in window repairs

2019 MUNICIPAL BUDGET



2019 MUNICIPAL BUDGET

Moving into 2019 -

- We have \$42,000 on hand for tax appeals at 12/31.
- We have \$116,000 in our unemployment trust for unemployment claims.
- We have \$90,000 in the snow trust fund for snow removal.
- We left \$4,081,000 in fund balance based upon a conservative regeneration schedule.