

2018 Budget Frequently Asked Questions (FAQs)

1) What is the municipal budget, and is it required?

The municipal budget provides financial and operational direction for the community. It is required by state law. The budget includes but is not limited to, salary and wages for municipal employees and operating expenses for each department to maintain facilities and equipment, debt service obligations, statutory expenses (insurance, pension) and contributions to the volunteer Fire Companies, First Aid Squad and the Library. (Detailed budget documents are available online at www.mendhamtownship.org.)

2) What is the proposed total municipal budget for 2018?

The total proposed municipal budget is \$10,720,077. This represents a 5.8% increase over 2017.

3) Are taxes increasing?

The municipal portion of Mendham Township property taxes is increasing by 1.4% (municipal and open space combined). This is accomplished by increasing the municipal tax rate by 3.95%, while reducing the open space tax rate by 45.78%.

4) What is the tax impact on the average home in Mendham?

The average Mendham home assessed at \$900,000 and will see a \$53.18 increase in the municipal portion of their property tax bill. This is the net of the municipal and open space tax.

5) How much of my property taxes goes to fund the municipality, schools and county?

Mendham Township's property tax bills are allocated to the following entities:

- 20% to the Township
- 1% to Municipal Open Space
- 39% to the Local School District
- 27% to the Regional High School
- 13% is Morris County (includes County Open Space)

6) What are the strategic priorities reflected in this budget?

The 2018 budget is focused on:

- Keeping a tax increase to a minimum
- Increasing reserves
- Reducing the Township's debt
- Providing more capital funding for infrastructure upkeep and equipment for Fire Companies, the Police Department and the Department of Public Works
- Investing in recreation, such as maintenance of Brookside Beach and rebuilding the Ralston Playground

7) What is the difference between the operating budget and capital budget?

An operating budget includes routine expenditures, including employee salaries, snow removal, insurance, park upkeep, pension costs, social security.

A capital budget is for long-term, capital improvements to facilities, and equipment with a useful life of 5 years or more. Capital expenditures includes purchase of fire apparatuses, DPW equipment, road improvements, new facilities.

8) How much of the budget is to pay for salaries/benefits of municipal employees?

30% of the budget is allocated for salary and wages. 8% of the budget is allocated for statutory expenses which include pension contributions and social security. 9% of the budget is allocated for insurance which includes health benefits, workers' compensation and liability insurance.

9) What is debt service?

The funding necessary to pay principal and interest on outstanding bonds and bond anticipation notes (BANs).

10) How much is the township's debt?

The Township's debt as of 12/31/17:

- Current/General Fund - \$10,097,868
- Open Space - \$1,302,046

The Township's long-term plan includes paying off all municipal and open space bonds by 2024 and Bond Anticipation Notes by 2035.

11) How much debt is being paid off in 2018?

In 2018, the township will pay off \$296,000 in Current/General Fund debt and \$397,308 in Open Space debt.

12) How much did the town receive in pre-payment of taxes and where is that being invested?

The town received \$8 million in pre-paid taxes for 2018. The money is being invested in a high interest money market account and short-term certificate of deposit.

13) Does the town receive any funding from the state and/or federal government, such as grants? If so, how much?

In 2017 Mendham Township received the following grants:

- \$5,500 – Distracted Driving Grant
- \$2,000 – Radon Awareness
- \$4,389.77 – Drunk Driving Enforcement Fund
- \$21,472.32 – Clean Communities Grant
- \$1,930.20 – Municipal Court Alcohol Education Rehab Fund
- \$3,719.23 – Recycling Tonnage Grant

14) How was the budget developed?

The budget was developed through an open process administered by the Finance Sub-Committee. The members of the Finance Sub-Committee include Karen Fornaro, Township's Chief Financial Officer, Frank Cioppettini, Deputy, Warren Gisser, Deputy Mayor, and Deborah Bonanno, Township Administrator. The process included seven public meetings in which the budget was openly discussed. The meetings included presentations by township departments and volunteer groups seeking funds. Time was also allocated for public input and questions.

15) How can residents get more involved or learn more about the budget before it is introduced and adopted?

Residents can attend Township Committee meetings on the budget to ask questions and offer input. They are also always welcome to contact elected Township Committee members.

16) When did the town begin working on the budget?

Typically, the CFO sends out operation and capital requests to all departments and volunteer organizations in August. All requests are due back to the CFO in October. The first public budget session begins in November.

17) What are the procedural steps for adopting the budget?

After the seven public sessions, the budget will be introduced at a Township Committee meeting on Tuesday, March 27, at 7:30 p.m. The adoption and a public hearing will take place on Tuesday, April 24, at 7:30 p.m.

18) How can I get more information?

Residents are encouraged to attend the budget introduction on Tuesday, March 27, at 7:30 p.m. They are invited to review budget documents posted on the www.mendhamtownship.org Website. They can also contact members of the Township Committee with any questions.