



Mendham Township 2013 Municipal Budget

Mayor, Richard Merkt
Committee Member, Chris Baumann
Committee Member, Robert Strobel
Committee Member, Maribeth Thomas
Committee Member, Samuel Tolley

Presented by: Township Administrator, Stephen Mountain / Chief Financial Officer, Timothy Day

Agenda

This presentation provides an overview of the proposed 2013 municipal budget and of the process the Township Committee followed to assemble the budget introduced on April 1st Committee Meeting.

- **Budget Goals**
- **The Process**
- **Local Tax Climate**
- **Budget Constraints**
- **Cost Reduction Initiatives**
- **Appropriations**
- **Revenues**
- **Capital Expenditures**
- **Township Debt**
- **2013 Budget Highlights**
- **Look Ahead**



2013 Budget Goals

- **Interactive / transparent process involving Department Directors, Volunteer Leaders and other appropriate staff.**
- **Hold the line on operational costs with goal of minimizing the impact on the municipal tax levy.**
- **Maintain service levels in all areas of organization.**
- **Implement a long term strategy for reduction of municipal debt.**
- **Identify potential areas for operational improvements and/or additional cost savings/revenue enhancements for 2013 and beyond.**
- **Stimulate growth in municipal fund balance for future years.**



2013 Budget Development Process

Line Level Review (Department and Staff)

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Finance Committee Analysis/Review

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**Presentations/Discussion (Township Committee and Requesting
Departments/Agencies)**

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Public Input

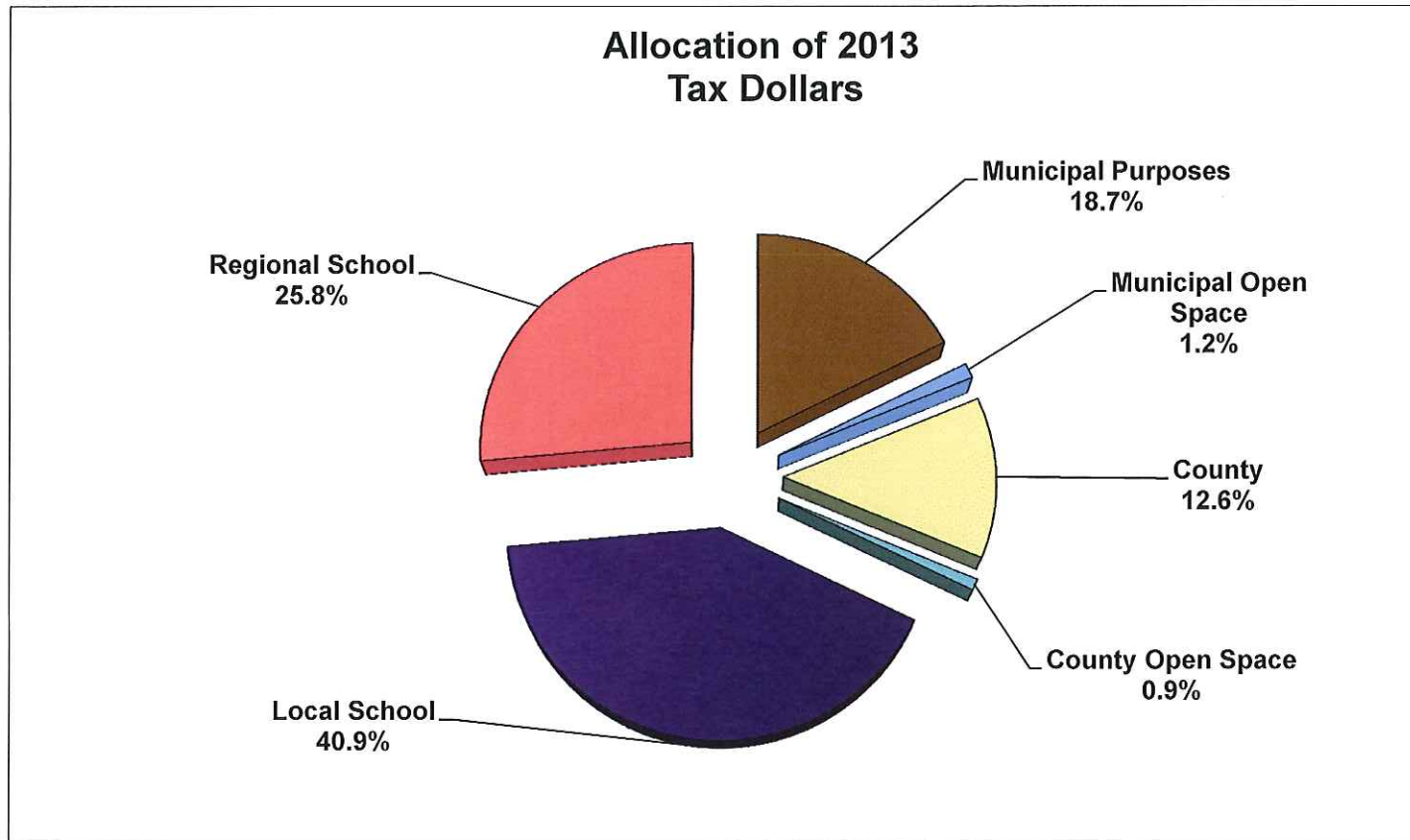
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Informed Finance Committee/Township Committee Deliberation

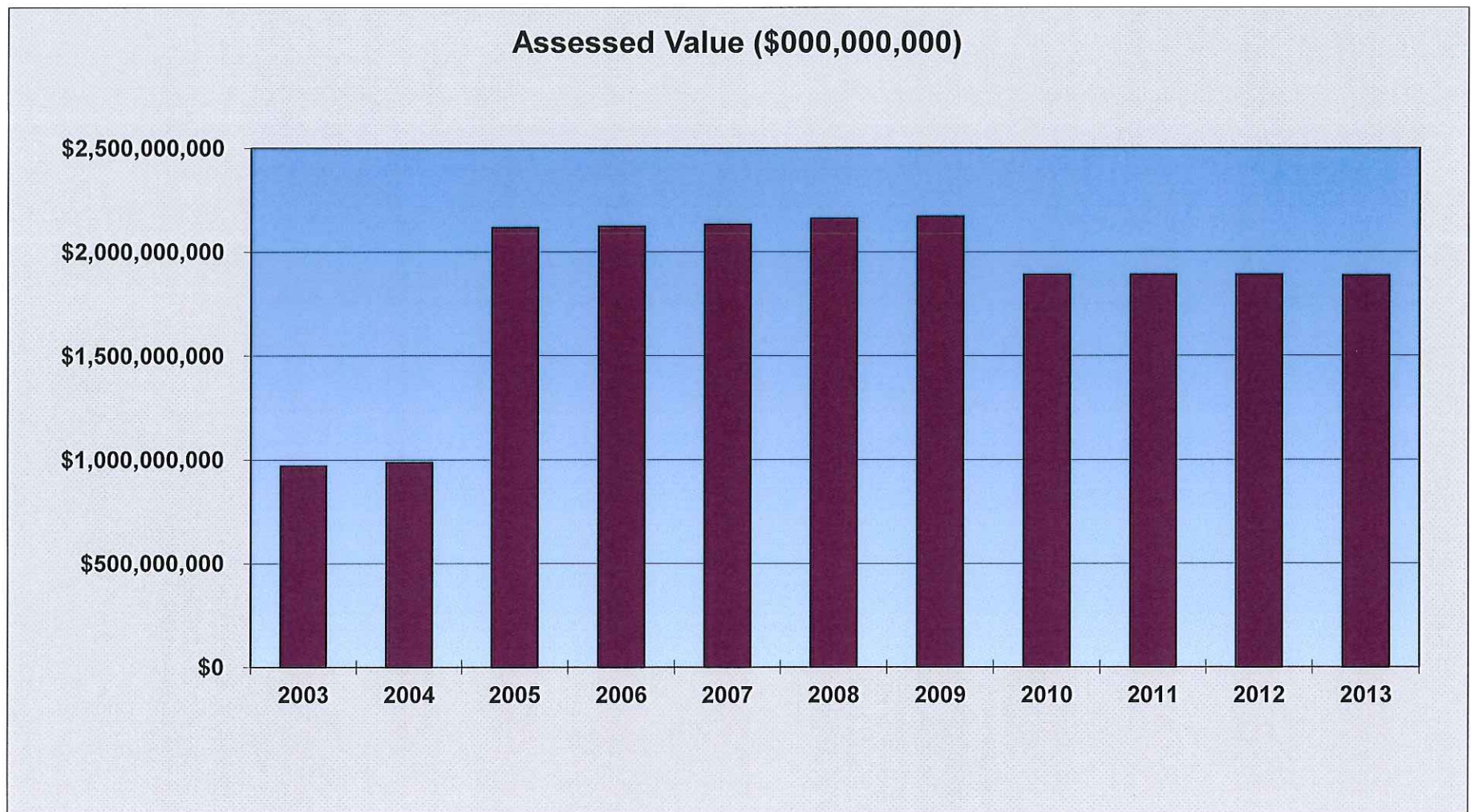
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\$8,964,402 Budget Proposal Introduced on April 1st

Local Tax Climate



Township Tax Base





Budget Constraints

Revenue:

- **Declining Revenue Base - \$283,801,996 last 5 years, \$4,031,645 past year**
- **Level Fund Balance – after several years of decline**
- **Zero increase in State Aid/Reduced Energy Receipt Tax Revenue - \$112,004 over last 5 years.**

Expenses:

- **Continued high Fuel & Oil Costs - \$57,066 over last 5 years.**
- **Storm Impacts – Hurricane Sandy - \$250,000* impact**
- **Higher Debt Service Costs in short term as Township attempts to restructure debt obligation for long term savings - \$166,735 impact.**
- **Increased Snow Cost - \$41,600 or 60% increase over last year.**

* - estimated amount



Cost Reduction Initiatives

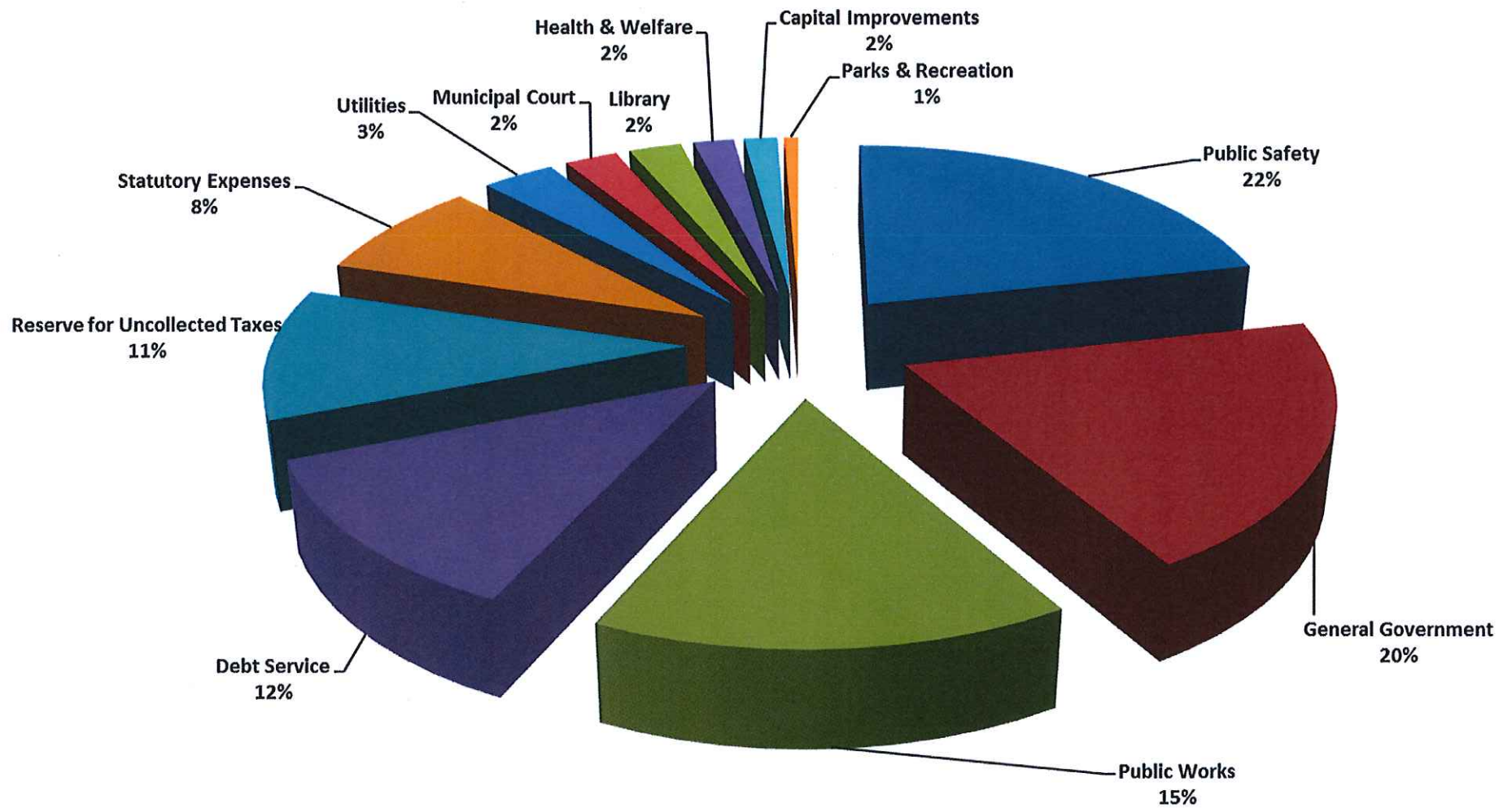
The Township in the past year continued efforts to restructure the municipal operation to reduce expenses without sacrificing services. In the past two years we have implemented changes that have reduced expenditures by over \$200,000.

- **Electric and Natural Gas costs continue to be reduced as a result Township's participation in the NJ SEM and energy reduction initiatives funded by NJ Board of Public Utilities – 2 year reduction in cost - \$22,284**
- **Salaries & Wage continue to be reduced resulting from on-going reorganization, attrition, and negotiated union contracts – Number of FT positions employed by Township reduced by 5 since 2009. S&W costs have been reduced \$270,059 since 2009.**
- **Reduced health insurance and pension cost resulting from State reforms and productive contract negotiations.**
- **Continued shared services with neighboring jurisdictions and local board of education.**
- **Maintained discretionary operating expenses at prior year's levels.**

Appropriation Summary

APPROPRIATION ITEM	ACTUAL 2012	INTRODUCED BUDGET 2013	DIFFERENCE 2012 vs. 2013
Operations within CAP:			
Salaries & Wages	\$3,064,899.66	\$3,063,203.00	(\$1,696.66)
Other Expenses	\$2,400,687.01	\$2,590,857.53	\$190,170.52
Statutory Expenditures	\$772,686.78	\$726,548.00	(\$46,138.78)
Operations outside CAP:			
Salaries & Wages	\$0.00	\$0.00	
Other Expenses	\$433,066.74	\$424,573.94	(\$8,492.80)
Capital Improvements	\$162,950.00	\$137,500.00	(\$24,450.00)
Debt Service	\$966,357.18	\$1,103,599.50	\$137,242.32
Deferred Charges	\$18,120.00	\$18,120.00	\$0.00
Reserve for Uncollected Taxes	\$985,000.00	\$950,000.00	(\$35,000.00)
Total	\$8,803,767.37	\$9,014,401.97	\$211,634.60

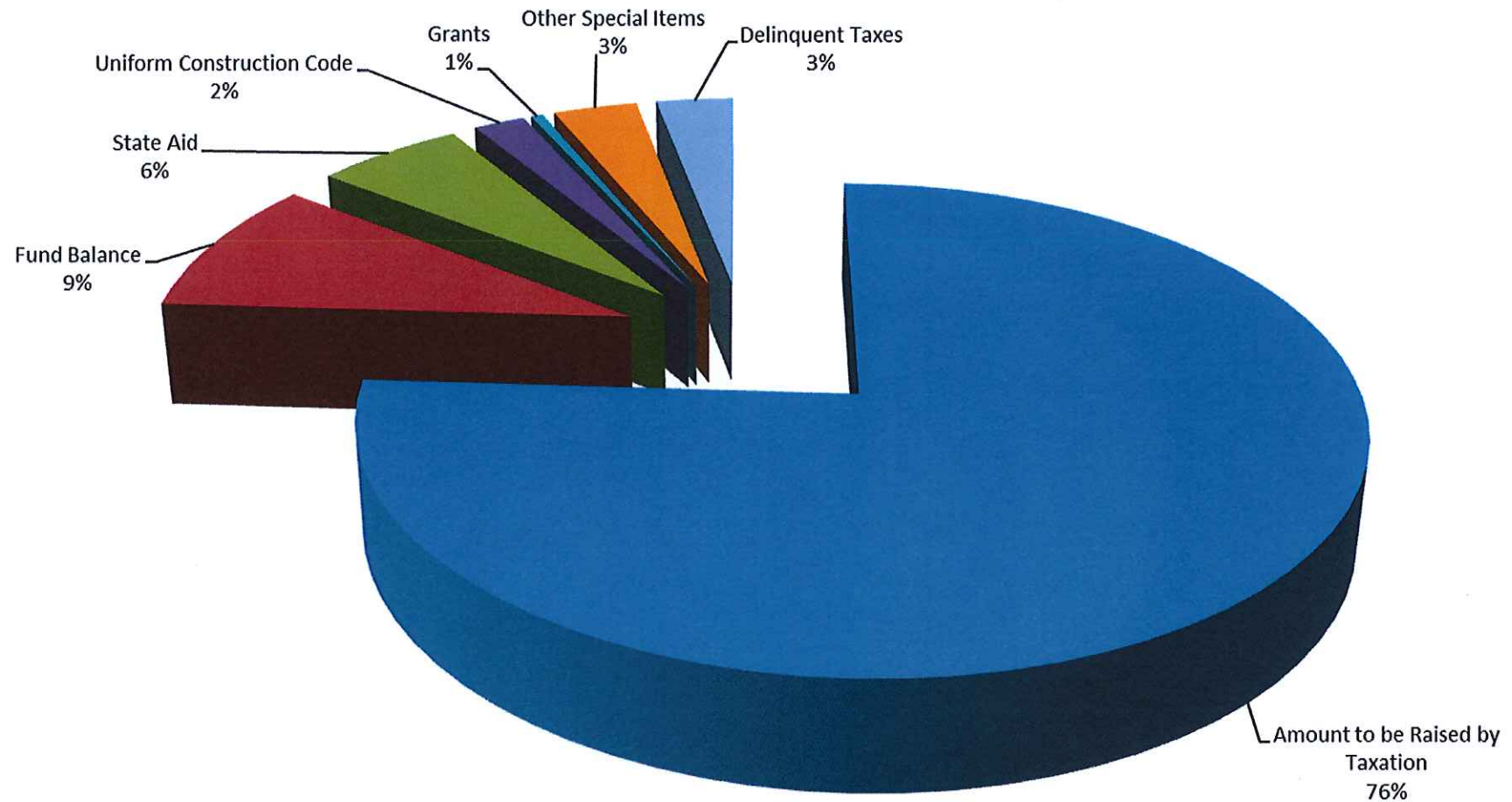
2013 Appropriations



Revenue Summary

REVENUE ITEM	ACTUAL 2012	INTRODUCED BUDGET 2013	DIFFERENCE 2012 vs. 2013
Amount to be Raised by Taxation	\$6,064,433.04	\$6,412,801.90	\$348,368.86
Fund Balance	\$834,136.37	\$798,631.00	(\$35,505.57)
State Aid	\$487,059.00	\$487,059.00	\$0.00
Uniform Construction Code	\$169,650.00	\$169,650.00	\$0.00
Grants	\$13,872.26	\$39,333.94	\$25,416.68
Other Special Items	\$227,128.90	\$277,161.95	\$50,033.05
Delinquent Taxes	\$209,050.00	\$254,855.23	\$45,805.23
Total	\$8,005,329.57	\$8,439,493.02	\$434,163.45

2013 Revenue

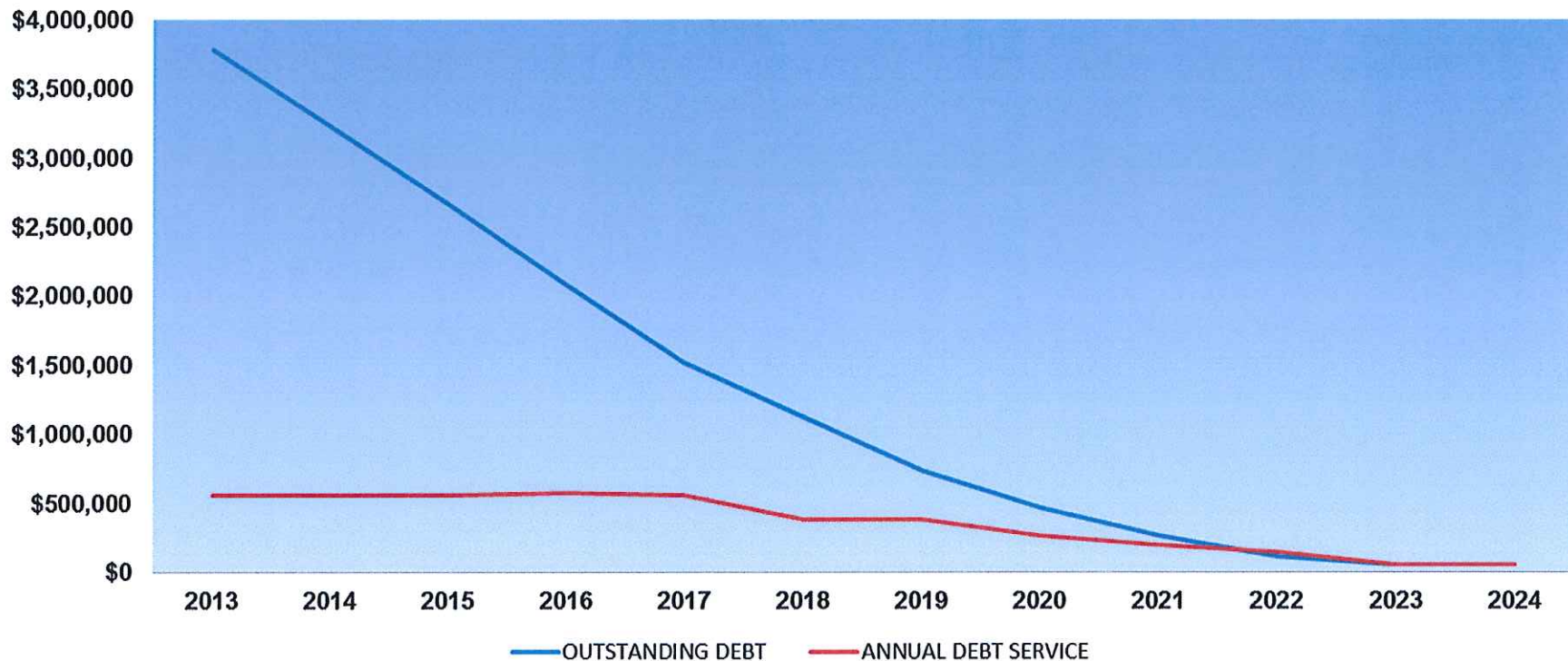


Capital Appropriation Summary

DEPT.	PROJECT	ESTIMATED TOTAL COST	CAPITAL IMPROVEMENT FUND (Downpayment)	CAPITAL IMPROVEMENT OUTLAY	CONTRIBUTION FUNDS	GRANTS / OTHER	DEBT AUTHORIZED
GEN. GOV.	East Main Drainage Project	\$ 370,000	\$ 8,400			\$ 250,000	\$ 111,600
BROOKSIDE ENGINE CO.	Utility 5 Replacement	\$ 80,000	\$ 5,600				\$ 74,400
	PPE Equipment	\$ 8,000		\$ 8,000			\$ -
	Engine Co. Equipment	\$ 4,000		\$ 4,000			\$ -
	Communications Equipment	\$ 2,000		\$ 2,000			\$ -
	Apparatus Upgrades	\$ 14,000		\$ 14,000			\$ -
RALSTON ENGINE CO.	Apparatus Upgrades	\$ 14,000.00		\$ 14,000			\$ -
	Fire Fighting Equipment	\$ 8,000.00		\$ 8,000			\$ -
	Communications Equipment	\$ 2,000.00		\$ 2,000			\$ -
	Exterior Building Repairs	\$ 8,000.00		\$ 8,000			\$ -
FIRST AID SQUAD	Ambulance Replacement	\$ 145,000	\$ 7,700		\$ 35,000		\$ 102,300
POLICE	Mobile Data Thermanal Upgrade	\$ 16,000		\$ 16,000			\$ -
ROADS	Dump Truck Replacement	\$ 180,000	\$ 12,600				\$ 167,400
	Road Overlay	\$ 250,000	\$ 17,500				\$ 232,500
BUILDINGS & GROUNDS	Leaf Box Trailer	\$ 5,000		\$ 5,000			\$ -
	DPW Garage Repairs	\$ 20,000	\$ 1,400				\$ 18,600
	Town Hall & Rental Property Improvements	\$ 30,000	\$ 2,100				\$ 27,900
RECREATION	Brookside Beach Improvements	\$ 62,000	\$ 1,050		\$ 47,000		\$ 13,950
	TOTALS	\$1,218,000	\$56,350	\$81,000	\$82,000	\$250,000	\$748,650

Township Open Space Debt Summary

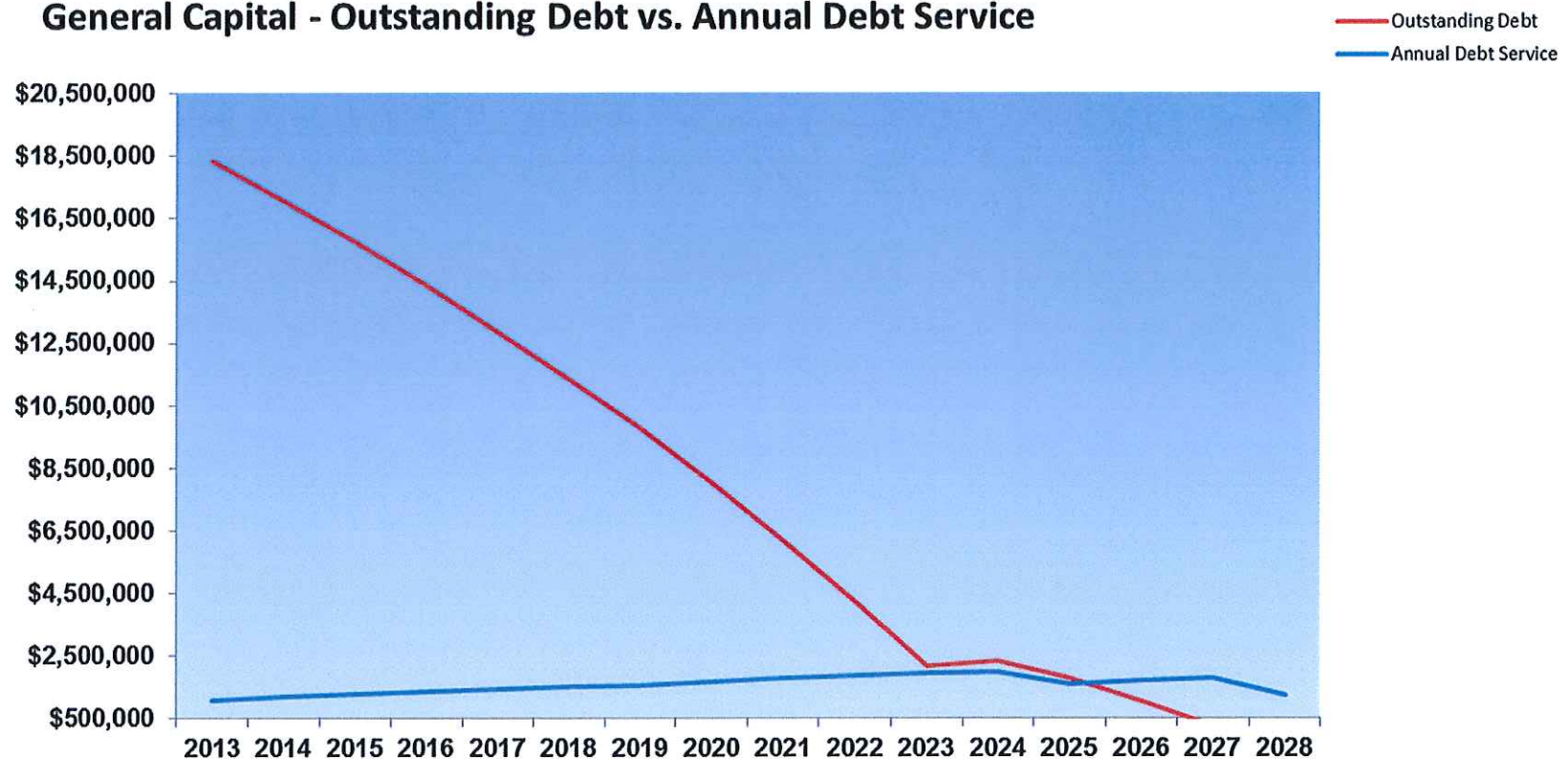
Open Space -- Outstanding Debt vs. Annual Debt Service



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Annual Debt Service	\$566,561	\$565,913	\$565,095	\$581,609	\$561,506	\$390,133	\$386,441	\$265,586	\$204,935	\$149,309	\$59,153	\$58,069
Outstanding Debt	\$3,787,751	\$3,232,786	\$2,665,962	\$2,086,367	\$1,522,266	\$1,129,538	\$741,651	\$472,605	\$266,531	\$117,221	\$58,069	\$ -

Township General Capital Summary

General Capital - Outstanding Debt vs. Annual Debt Service



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Annual Debt Service	\$1,093,599	\$1,193,934	\$1,267,321	\$1,350,085	\$1,438,085	\$1,503,382	\$1,554,444	\$1,670,295	\$1,783,840	\$1,854,914	\$1,960,743	\$1,996,479	\$1,609,127	\$1,725,073	\$1,779,127	\$1,226,198
Outstanding Debt	\$18,353,390	\$17,062,256	\$15,757,469	\$14,355,185	\$12,858,925	\$11,320,506	\$9,773,708	\$8,044,812	\$6,175,572	\$4,241,125	\$2,194,652	\$2,348,779	\$1,773,852	\$1,052,979	\$244,052	\$0



2013 Budget Highlights

- **The 2013 Municipal Operating budget totals \$8,964,402.**
- **The Tax Levy will increase by just under 1.5% resulting in a municipal tax rate of \$.340/\$100 assessed valuation.**
- **The levy change represents a .6 cent increase on the municipal tax rate. The impact on the average home (valued at \$912,202) will be \$54.55.**
- **The municipal tax levy has been flat the last 3 years and the Township has been well under the State's 2% levy cap since its implementation providing a bank of \$658,772.**

2013 Budget Highlights(Cont.)

The 2013 Budget provides funding for:

- **The maintenance of core public works and police services.**
- **The maintenance of core library and emergency service activities.**
- **Clean-up expenses resulting from Hurricane Sandy.**
- **Capital Funding for infrastructure/vehicles & equipment including:**
 - **Drainage Improvement project on East Main Street.**
 - **Replacement of First Aid Ambulance.**
 - **Replacement of Tandem Dump Truck.**
 - **Repairs to municipal facilities (Library, Public Works Garage)**
 - **Replacement of Brookside Beach Dock.**
 - **Resurfacing of Township Roads**
 - **Replacement of Brookside Fire Utility 5**



2013 Budget Look Ahead

- **Analyze options for increasing revenue generation.**
- **Continued policy actions to minimize the impact of long term debt. Maintain the long term debt plan established by the Township in the past year.**
- **Identify and implement additional shared services outsourcing opportunities to reduce costs.**
- **Maintain efforts to identify optimal organization efficiency through improved work processes and restructuring.**
- **Expand the use of technology with goals of reducing costs.**
- **Utilize the collective bargaining process to negotiate fair, but fiscally responsible union contracts.**



Questions/Comments

- **Thank you again to all who participated in this year's budget process.**
- **We will entertain questions and/or comments on the budget when the Township Committee opens the public hearing.**