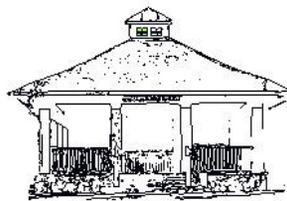


# 2009 Municipal Budget

Borough of New Providence  
June 22, 2008



BOROUGH OF  
NEW PROVIDENCE  
SETTLED IN 1720

# Overview

- Owners of real property in New Providence pay real estate taxes based upon the assessed valuation of their property.
- Municipal governments collect the property tax for the benefit of the municipality, the local schools and the County.
- The municipal government controls only those taxes assessed by the municipality. The school tax is determined by the Board of Education and approved by residents during the school budget elections that were held on April 21st.
- The County budget is established by the County Freeholders.

# Overview Continued

- The Borough of New Providence municipal budget makes up only a portion of the total property tax bills paid by residents.
- In 2008, the approximate breakdown of the total tax bill between the Municipal, County and School Board shares was as follows:
  - Municipal 22% \*\*
  - Union County 18% \*\*
  - Board of Education 60%

*\*\* Includes Municipal and County Open Space Tax*

# Main Municipal Budget Drivers

- The biggest challenges faced in preparing the 2009 municipal budget are:
  - Declining commercial and industrial ratables due to tax appeals.
  - Increased pension contributions.
  - Reduction in State aid to municipalities.
  - Health Insurance Premium Increases
  - Wage increases in previously negotiated union contracts (PBA and Teamsters)

# Objectives

- Maintain essential municipal services.
- Continue to seek out efficiencies to contain operating costs and overhead.
- Keep municipal tax increases within affordable limits.
- Seek grants wherever possible to fund operations and capital improvements.

# Future Investment

The Mayor and Council will continue to invest in the Borough's future through initiatives such as:

- Funding ongoing road and infrastructure improvements (Livingston Ave. Phase 2, Maple Street, Brookside Drive and Division Avenue Sidewalks, Wastewater Treatment Plant clarifier tank, infiltration/inflow reduction);
- Improvements to the Municipal Center including an emergency generator;
- Renovating Lincoln Gym;
- Completing deployment of a document imaging and storage system;
- Courtroom security improvements.

# 2009 Savings and Reductions

- Deferred 2% salary increase for non-union staff effective 7/1/09 (\$10,000 savings);
  - Eliminate overnight stays for League of Municipalities (\$3,000);
  - Reduce employee tuition reimbursement (\$2,500);
  - Eliminated one bulk pickup (\$25,000 savings);
  - Use bagged leaf pick-up in lieu of curbside pickup of loose leaves (\$40,000 savings);
  - Staff reductions (3 by attrition, 1 by outsourcing, 2 layoffs) (\$261,958);
  - Expenses associated with 2 staff charged to Recreation Trust (\$36,108);
  - Turn off non-essential street lights (\$10,000);
  - Reduce Capital Improvement Fund (\$50,000);
  - Replace one police car instead of two (\$25,000).
- 
- **Total 2009 Reductions: \$383,919**

# Revenue Enhancements

- Increase in Parking Fees at Train Stations (\$13,000);
- Commercial Sewer Charges (\$50,000).

# Municipal Tax Rate Over 10 Years

	Year		10 Year Increase	
	2009	1999	\$	%
<b>Municipal Taxes</b>	\$11,129,092	\$7,823,042	\$3,306,050	42.3%
<b>10 Year Average Yearly Increase</b>			\$330,604.95	3.59%
<b>Tax Rate per \$100</b>	0.858	0.600	0.258	43.0%
<b>10 Year Average Yearly Increase</b>			0.026	3.64%

<b>10 Year Impact On Average Assessed Value Home</b>	
Avg. Assessed Value	\$282,000
2009 Tax	\$2,419
1999 Tax	\$1,692
10 Year Tax Increase	\$727
10 Yr. Avg. Annual Increase	\$73

\* 1999 was the first year of the most recent revaluation of all property values in New Providence

# Municipal Tax Rate Over 1 Year

## 10 Year Impact On Average Assessed Value Home

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2009 Tax	\$2,419
1999 Tax	\$1,692
10 Year Tax Increase	\$727
10 Yr. Avg. Annual Increase	\$73

## 1 Year Impact On Average Assessed Value Home

Avg. Assessed Value	\$282,000
2009 Tax	\$2,419
2008 Tax	\$2,326
1 Year Tax Increase	\$94

# APPROPRIATION SUMMARY

Category	2006 Modified Budget	2007 Modified Budget	2008 Proposed Budget	Increase 2008 versus 2007	
				\$	%
PUBLIC SAFETY	\$2,840,315	\$3,130,675	\$3,254,090	\$123,415	3.94%
PENSION, HEALTH INS. & EMPLOYEE BENEFITS	\$1,657,090	\$1,842,574	\$2,253,550	\$410,977	22.30%
INFRASTRUCTURE - CAPITAL IMPR & DEBT SERVICE	\$1,992,512	\$1,930,032	\$2,130,308	\$200,277	10.38%
PUBLIC WORKS	\$1,533,840	\$1,710,330	\$1,760,040	\$49,710	2.91%
TAX RESERVES	\$1,550,500	\$1,875,500	\$1,607,717	(\$267,783)	-14.28%
GENERAL GOVERNMENT	\$1,164,302	\$1,094,045	\$1,162,602	\$68,557	6.27%
GARBAGE COLLECTION & RECYCLING	\$842,400	\$876,100	\$843,980	(\$32,120)	-3.67%
SEWER TREATMENT & DISPOSAL	\$843,950	\$884,375	\$891,000	\$6,625	0.75%
LIBRARY	\$736,702	\$803,038	\$847,978	\$44,940	5.60%
STREET LIGHTS & UTILITIES	\$509,350	\$584,000	\$668,050	\$84,050	14.39%
COMMUNITY ACTIVITIES & EVENTS	\$294,349	\$276,419	\$270,019	(\$6,400)	-2.32%
LAND USE & REGULATORY	\$257,403	\$276,360	\$294,250	\$17,890	6.47%
INSURANCE	\$203,000	\$200,000	\$195,000	(\$5,000)	-2.50%
PUBLIC HEALTH	\$106,625	\$118,545	\$115,900	(\$2,645)	-2.23%
GRANTS & DONATIONS	\$316,010	\$185,029	\$38,364	(\$146,665)	-79.27%
DEFERRED CHARGES - EMERG AUTHORIZ	\$30,000	\$100,000	\$100,000	\$0	0.00%
<b>TOTAL APPROPRIATIONS</b>	<b>\$14,878,349</b>	<b>\$15,887,021</b>	<b>\$16,432,849</b>	<b>\$545,828</b>	<b>3.44%</b>

## Major Impact Items for 2008 Tax Levy

Item	Addition to Tax Levy vs. 2008	% of Total Increase in Tax Levy vs. 2008	% Increase over 2008 Taxes
Decrease in State Aid	\$100,000.00	23.16%	0.93%
Pension Increases	\$72,472.00	16.78%	0.68%
Employee Insurance	\$53,398.79	12.37%	0.50%
Salaries	\$148,000.00	34.28%	1.38%
Library	\$52,022.00	12.05%	0.49%
Joint Meeting Sewer	\$17,000.00	3.94%	0.16%
Debt Service	\$54,254.69	12.57%	0.51%
Total	\$497,147.48	115.14%	4.65%

# New Providence 2008 Taxes Among the Lowest When Compared to Union County Peer Communities

	Municipal Tax on Avg. Home		Municipal Tax Per Capita		Mun. Cnty. And School Tax Per Capita	
	Municipal Tax	Rank	Municipal Tax	Rank	Tax	Rank
<b>New Providence</b>	\$2,310.89	2	\$887.51	2	4,073.10	3
Community A	\$2,144.14	1	\$919.95	3	4,432.62	5
Community B	\$2,364.40	3	\$847.68	1	3,890.91	2
Community C	\$2,621.96	4	\$1,041.75	5	3,570.03	1
Community D	\$2,674.09	5	\$1,249.98	6	4,363.46	6
Community E	\$2,870.02	6	\$1,004.57	4	4,499.00	7
Community F	\$3,016.78	7	\$1,395.22	8	4,260.01	4
Community G	\$3,554.76	8	\$1,290.92	7	5,162.58	8

All taxes include charges for garbage and sewer collection which are included in New Providence Municipal Budget

# Capital Projects 2008

<b>Project Name</b>	<b>Estimated Cost</b>	<b>Grants</b>	<b>Funding Source</b>	
			<b>Debt</b>	<b>Operating Budget</b>
Livingston Avenue	\$185,000	\$185,000		
Street Overlays	\$150,000		\$142,500	\$7,500
Wastewater Treatment	\$250,000		\$237,500	\$12,500
Computers and Networking	\$30,000		\$28,500	\$1,500
Recreation	\$10,000		\$9,500	\$500
Fire Department	\$50,000		\$47,500	\$2,500
Police	\$11,000		\$10,450	\$550
<b>Total</b>	<b>\$686,000</b>		<b>\$475,950</b>	<b>\$25,050</b>