

2011 Municipal Budget

Borough of New Providence
April 25, 2011



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 three taxing entities;
 - **The municipality** - *The Mayor and Council control only this portion of your taxes.*
 - **Local schools** - *The school tax is determined by the Board of Education and voted on by residents during the school budget elections that will be held on April 27th.*
 - **Union County** - *The County budget is established by the County Freeholders.*

Overview Continued

- In 2011, the approximate breakdown of the total tax bill between the Municipal, County and School Board is as follows:

– Municipal	22%	\$2,582
– Union County	19%	\$2,203
– Board of Education	59%	\$6,894

Main Municipal Budget Drivers

- The biggest challenges faced in preparing the 2011 municipal budget are:
 - ▶ Increased pension contributions - \$184,000
 - ▶ Health Insurance Premium Increases – \$80,000
 - ▶ Snow Removal & Other Public Works Services - \$155,000
 - ▶ State-aid reductions 2008-2011 - **\$419,463**

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.

2011 Savings & Revenue Enhancements

- ✓ Eliminated 2 full-time positions and reorganized department operations, saving \$175,000 in salary and benefits.
- ✓ New Revenues from Shared Municipal Court Services - \$24,000
- ✓ New Revenues from User Fees - \$30,000

Technology Enhancements

- Enhanced web-site provides greater transparency of all borough related activities.
 - Agendas with linked documents available to the public in advance of the council meetings.
 - We expect to launch a portal to view the video recording of the council meetings by the end of the 2nd quarter of 2011.
- Digital Council Packets – A secure portal allows council members to view information to prepare for council meetings. Using a wireless connection in the council chamber, we have eliminated the need to prepare paper council packets, savings hundreds of copies for each meeting.
- ACH Tax Payments via the Borough's web-site – allowing residents to pay at their convenience.
- PNC Processing Center to handle tax payments

On-Line payments for:

- Recreation Programs
 - Parking Permits
 - Leaf Collection Permits
 - Tax Payments

Shared Service

- ✓ Equipment Sharing – Police & Municipal Court
- ✓ Mobil Police Computers w/ Union County Agreement
- ✓ Board of Health Services with Westfield
- ✓ Cooperative Purchasing
- ✓ DPW Equipment Sharing – Brine Machine
- ✓ Board of Education: Technology Services, School Resource Office and Office space in the Municipal Center
- ✓ Finalizing a Shared Waste Water Operation with Summit. - \$110,000
- ✓ Shared Court operation with Berkeley Heights. - \$24,000

Municipal Tax Comparison

12 Year Impact On Average Assessed Value Home

Avg. Assessed Value	\$282,000
2011 Tax	\$2,582
1999 Tax	\$1,692
12 Year Tax Increase	\$890
12 Yr. Avg. Annual Increase	\$74

1 Year Impact On Average Assessed Value Home

Avg. Assessed Value	\$282,000
2011 Tax	\$2,582
2010 Tax	\$2,509
1 Year Tax Increase	\$73

County Tax Comparison

12 Year Impact On Average Assessed Value Home

Avg. Assessed Value	\$282,000
2011 Tax	\$2203
1999 Tax	\$1288
12 Year Tax Increase	\$915
12 Yr. Avg. Annual Increase	\$76

1 Year Impact On Average Assessed Value Home

Avg. Assessed Value	\$282,000
2011 Tax	\$2203
2010 Tax	\$2049
1 Year Tax Increase	\$154

School Tax Comparison

12 Year Impact On Average Assessed Value Home

Avg. Assessed Value	\$282,000
2011 Tax	\$6926
1999 Tax	\$3696
12 Year Tax Increase	\$3230
12 Yr. Avg. Annual Increase	\$269

1 Year Impact On Average Assessed Value Home

Avg. Assessed Value	\$282,000
2011 Tax	\$6926
2010 Tax	\$6824
1 Year Tax Increase	\$ 102

Total Tax Comparison

12 Year Impact On Average Assessed Value

Home

Avg. Assessed Value	\$282,000
2011 Tax	\$11,687
1999 Tax	\$6,658
12 Year Tax Increase	\$5,029
12 Yr. Avg. Annual Increase	\$419

1 Year Impact On Average Assessed Value

Home

Avg. Assessed Value	\$282,000
2011 Tax	\$11,687
2010 Tax	\$11,391
1 Year Tax Increase	\$ 296

APPROPRIATION SUMMARY

Description	2011 Proposed	Increase (Decrease) over 2010 Modified	%
SUMMARY			
PUBLIC SAFETY	3,459,990	69,391	2.05%
PENSION, HEALTH INS. & EMPLOYEE BENEFITS	2,688,378	209,712	8.46%
INFRASTRUCTURE - CAPITAL IMPR & DEBT SERVICE	2,120,718	(303,915)	-12.53%
TAX RESERVES	1,800,000	(8,900)	-0.49%
PUBLIC WORKS	1,819,850	129,668	7.67%
GENERAL GOVERNMENT	1,149,850	(12,074)	-1.04%
GARBAGE COLLECTION & RECYCLING	912,366	2,520	0.28%
SEWER TREATMENT & DISPOSAL	988,900	121,940	14.07%
LIBRARY	845,964	(20,012)	-2.31%
STREET LIGHTS & UTILITIES	693,000	0	0.00%
LAND USE & REGULATORY	294,837	17,442	6.29%
COMMUNITY ACTIVITIES & EVENTS	183,150	(5,104)	-2.71%
INSURANCE	165,000	0	0.00%
PUBLIC HEALTH	131,813	9,918	8.14%
GRANTS & DONATIONS	160,217	70,195	77.98%
DEFERRED CHARGES - EMERG AUTHORIZ	0	0	0.00%
TOTAL APPROPRIATIONS	17,414,033	280,781	1.64%

New Providence 2010 Taxes Among the Lowest When Compared to Union County Peer Communities

			Population	Municipal Taxes Per Capita	Other Costs *** Per Capita	Effective Municipal Taxes Per Capita
1	Neighboring Community	15,090,537	22,732	663.85	250.54	914.39
2	New Providence	11,520,744	11,907	967.56	-	967.56
3	Neighboring Community	11,214,982	13,407	836.50	180.51	1,017.01
4	Neighboring Community	25,333,441	29,644	854.59	259.93	1,114.52
5	Neighboring Community	21,252,904	22,578	941.31	187.73	1,129.04
6	Neighboring Community	7,465,117	6,062	1,231.46	168.95	1,400.41
7	Neighboring Community	27,429,188	21,131	1,298.05	64.98	1,363.04
8	Neighboring Community	18,984,094	14,429	1,315.69	108.30	1,423.99

*** Other costs include sewer charges and garbage collection

Future Investment

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

- ▶ Funding ongoing road resurfacing and infrastructure improvements.
- ▶ Infiltration/inflow reduction.
- ▶ Improvements to Waste Water Treatment Plant – Variable Frequency Drives (VFD)
- ▶ Technology Improvements
- ▶ Public Safety – Police Equipment
- ▶ Recreation Improvements including Playgrounds.

Capital Projects 2011

	Project Total	5% Down	Debt
Street Overlay Program	\$250,000	\$12,500	\$237,500
Waste Water	\$300,000	\$15,000	\$285,000
Computers & Networking	\$36,200	\$1,810	\$34,390
Recreation	\$265,000	\$13,250	\$251,750
Senior Center	\$50,000	\$2,500	\$47,500
Police/Emergency Management	\$40,000	\$2,000	\$38,000
Fleet – DPW Vehicles	\$195,000	\$9,750	\$185,250
Clerk – Administration	\$12,500	\$625	\$11,875
	\$1,145,700	\$57,285	\$1,084,415