

2013 Municipal Budget

Borough of New Providence
May 13, 2013



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 .*
 - **Union County** - *The County budget is established by the County Freeholders.*

Overview Continued

- In 2013, the approximate breakdown of the total tax bill between the Municipal, County and School Board is as follows:

– Municipal	20.15%	\$2,518
– Municipal Open Space	.06%	\$ 7
– Library	1.46%	\$ 183
– Union County	20.73%	\$2,590
– Union Cnty Open Space	.68%	\$ 85
– Board of Education	57.00%	\$7,113

Main Municipal Budget Drivers

- The biggest challenges faced in preparing the 2013 municipal budget are:
 - ▶ Health Insurance Premium Increases – \$80,000
 - ▶ Salary Increases (Union and non-union employees)
 - ▶ 1% Reduction (\$12,000,000) in Assessed Valuation

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.
- ✓ Assure 2013 budget provides foundation for future budgets.

2013 Savings & Revenue Enhancements

- ✓ Continuing revenues from Shared Services agreement with Summit for Wastewater services - \$100,000
- ✓ Additional revenue from Summit for services provided through contract with New Providence - \$125,000
- ✓ Continuing Revenues from Lucent Waste Water agreement - \$38,000
- ✓ Realizing the savings from the Reverse Electricity Auction allowing the reduction in the electricity line.

Shared Service

- ✓ Continued shared service with Westfield for Board of Health Services - \$24,000
- ✓ Cooperative Purchasing – UC Solid Waste Agreement - \$40,00 annually
- ✓ DPW Equipment Sharing – Brine Machine – Cost savings through sharing and labor hours saved through fewer snow plowing events.
- ✓ Continued Shared Court operation with Berkeley Heights. - \$24,000

Municipal Tax Comparison

including Library & Open Space Tax

14 Year Impact On Average Assessed Value Home

Avg. Assessed Value	\$282,000
2013 Tax	\$2,708
1999 Tax	\$1,674
14 Year Tax Increase	\$1,034
14 Yr. Avg. Annual Increase	\$74

1 Year Impact On Average Assessed Value Home

Avg. Assessed Value	\$282,000
2013 Tax	\$2,708
2012 Tax	\$2,647
1 Year Tax Increase	\$61

County Tax Comparison

14 Year Impact On Average Assessed Value Home

Avg. Assessed Value	\$282,000
2013 Tax	\$2676
1999 Tax	\$1288
14 Year Tax Increase	\$1388
14 Yr. Avg. Annual Increase	\$99

1 Year Impact On Average Assessed Value Home

Avg. Assessed Value	\$282,000
2013 Tax	\$2676
2012 Tax	\$2465
1 Year Tax Increase	\$211

School Tax Comparison

14 Year Impact On Average Assessed Value Home

Avg. Assessed Value	\$282,000
2013 Tax	\$7113
1999 Tax	\$3696
14 Year Tax Increase	\$3417
14 Yr. Avg. Annual Increase	\$244

1 Year Impact On Average Assessed Value Home

Avg. Assessed Value	\$282,000
2013 Tax	\$7113
2012 Tax	\$6968
1 Year Tax Increase	\$ 145

Total Tax Comparison

14 Year Impact On Average Assessed Value

Home

Avg. Assessed Value	\$282,000
2013 Tax	\$12,496
1999 Tax	\$6,658
14 Year Tax Increase	\$5,838
14 Yr. Avg. Annual Increase	\$417

1 Year Impact On Average Assessed Value

Home

Avg. Assessed Value	\$282,000
2013 Tax	\$12,496
2012 Tax	\$12,080
1 Year Tax Increase	\$ 416

APPROPRIATION SUMMARY

			Increase (Decrease)	
			2013 Recommend over 2012 Modified Budget	
	2012	2013		
Description	Adopted Budget	Proposed	\$	%
SUMMARY				
PUBLIC SAFETY	3,594,350	3,695,931	101,581	0.61%
PENSION, HEALTH INS. & EMPLOYEE BENEFITS	2,629,986	2,900,105	270,119	1.61%
INFRASTRUCTURE - CAPITAL IMPR & DEBT SERVICE	2,369,844	2,193,598	(176,246)	-1.05%
TAX RESERVES	1,865,000	1,825,000	(40,000)	-0.24%
PUBLIC WORKS	1,750,350	1,779,806	29,456	0.18%
GENERAL GOVERNMENT	1,217,450	1,214,328	(3,122)	-0.02%
GARBAGE COLLECTION & RECYCLING	887,300	887,300	0	0.00%
SEWER TREATMENT & DISPOSAL	1,008,500	1,022,974	14,474	0.09%
STREET LIGHTS & UTILITIES	625,000	588,000	(37,000)	-0.22%
LAND USE & REGULATORY	312,837	405,548	92,711	0.55%
COMMUNITY ACTIVITIES & EVENTS	184,150	195,409	11,259	0.07%
INSURANCE	170,000	200,000	30,000	0.18%
PUBLIC HEALTH	131,475	132,961	1,486	0.01%
GRANTS & DONATIONS	26,324	47,385	21,061	0.13%
TOTAL BUDGET APPROPRIATIONS	16,772,566	17,088,345	315,779	1.88%
MUNICIPAL LIBRARY	841,938	836,468	(5,470)	-0.03%
MUNICIPAL OPEN SPACE	32,560	32560	0	0.00%
TOTAL MUNICIPAL APPROPRIATIONS	17,647,064	17,957,373	310,309	1.76%

New Providence 2013 Taxes Among the Lowest When Compared to Union County Peer Communities

					Total Municipal Per Capita	Other Costs (b) (Gbge/Swr) Per Capita	Total Mun Tx Per Capita
			Total Municipal Taxes	2010 Pop.			
1	Scotch Plains		14,442,223	23,510	614.30	277.98	892.28
2	New Providence		11,351,858	12,171	932.70	-	932.70
3	Berkeley Heights		10,759,341	13,183	816.15	122.74	938.90
4	Westfield		24,938,065	30,316	822.60	129.96	952.57
5	Cranford		20,892,742	22,625	923.44	189.53	1,112.97
6	Mountainside		7,569,933	6,685	1,132.38	64.98	1,197.36
7	Summit		25,674,484	21,457	1,196.56	63.90	1,260.45
8	Springfield		21,438,717	15,817	1,355.42	-	1,355.42
(b) based on 2.77 persons per household - based on 2010 Union County Censur Demographic Profile							

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.
- ▶ Public Safety – Police Equipment
- ▶ Recreation Improvements
- ▶ Street Sweeper, Ambulance & Sewer Jet

Capital Projects 2013

	Estimated Cost	Funding Breakdown for 2013	
		Improvement Fund	Debt
Public Works Total	1,295,000	64,750	1,230,250
Wastewater Treatment Total	380,000	19,000	361,000
Computers & Networking Total	82,000	4,100	77,900
Community Activities - Recreation Total:	175,000	8,750	166,250
Fire Department Total	105,000	5,250	99,750
Rescue Squad Total	150,000	7,500	142,500
Emergency Management Total	40,000	2,000	38,000
Police Total	33,000	1,650	31,350
TOTAL	2,260,000	113,000	2,147,000