

# 2014 Municipal Budget

Borough of New Providence  
April 28, 2014



# 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 2014, the approximate breakdown of the total tax bill between the Municipal, County and School Board is as follows:

– Municipal	19.93%	\$2,563
– Municipal Open Space	.05%	\$ 7
– <u>Library</u>	<u>1.41%</u>	<u>\$ 181</u>
<b>Total Municipal</b>	<b>21.39%</b>	<b>\$2,751</b>
– Union County	21.50%	\$2,765
– <u>Union County Open Space</u>	<u>.66%</u>	<u>\$ 85</u>
<b>Total County</b>	<b>22.16%</b>	<b>\$2,850</b>
– <u>Board of Education</u>	<u>56.45%</u>	<u>\$7,261</u>
– <b>Grand Total</b>	<b>100.00%</b>	<b>\$12,862</b>

# Main Municipal Budget Drivers

- The biggest challenges faced in preparing the 2014 municipal budget are:
  - ▶ Health Insurance Premium Increases – \$60,000
  - ▶ Salary Increases (Union and non-union employees)
  - ▶ Reduction (\$2,000,000) in Assessed Valuation
  - ▶ Restoring two staff positions from previous reductions. 1 police officer and 1 DPW employee

# 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 2014 budget provides foundation for future budgets.

# 2014 Savings & Revenue Enhancements

- ✓ Continuing revenues from Shared Services agreement with Summit for Wastewater services - \$85,000
- ✓ Additional revenue from Summit for services provided through contract with New Providence - \$100,000
- ✓ Continuing Revenues from Lucent Waste Water agreement - \$38,000
- ✓ Realizing the savings from the Reverse Electricity Auction allowing the reduction in the electricity line.
- ✓ Implement Joint Dispatch with Summit and Millburn

# 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
- ✓ Shared Dispatch Center to be operational in 2014

# Municipal Tax Comparison

including Library & Open Space Tax

## 15 Year Impact On Average Assessed Value Home

Avg. Assessed Value	\$282,000
2014 Tax	\$2,752
1999 Tax	\$1,674
15 Year Tax Increase	\$1,078
15 Yr. Avg. Annual Increase	\$ 71

## 1 Year Impact On Average Assessed Value Home

Avg. Assessed Value	\$282,000
2014 Tax	\$2,752
2013 Tax	\$2,706
1 Year Tax Increase	\$48

# County Tax Comparison

including Open Space Tax

## 15 Year Impact On Average Assessed Value Home

Avg. Assessed Value	\$282,000
2014 Tax	\$2851
1999 Tax	\$1288
15 Year Tax Increase	\$1648
15 Yr. Avg. Annual Increase	\$110

## 1 Year Impact On Average Assessed Value Home

Avg. Assessed Value	\$282,000
2014 Tax	\$2851
2013 Tax	\$2713
1 Year Tax Increase	\$138

# School Tax Comparison

## 15 Year Impact On Average Assessed Value Home

Avg. Assessed Value	\$282,000
2014 Tax	\$7261
1999 Tax	\$7110
15 Year Tax Increase	\$3564
15 Yr. Avg. Annual Increase	\$238

## 1 Year Impact On Average Assessed Value Home

Avg. Assessed Value	\$282,000
2014 Tax	\$7261
2013 Tax	\$7110
1 Year Tax Increase	\$ 151

# Total Tax Comparison

## 15 Year Impact On Average Assessed Value

Home	
Avg. Assessed Value	\$282,000
2014 Tax	\$12,863
1999 Tax	\$6,658
15 Year Tax Increase	\$6,205
15 Yr. Avg. Annual Increase	\$414

## 1 Year Impact On Average Assessed Value

Home	
Avg. Assessed Value	\$282,000
2014 Tax	\$12,863
2013 Tax	\$12,530
1 Year Tax Increase	\$333

# APPROPRIATION SUMMARY

			Increase (Decrease)	
	2013	2014	2014 Recommend over 2013 Modified Budget	
Description	Adopted Budget	Proposed	\$	%
<b>SUMMARY</b>				
PUBLIC SAFETY	3,693,386	3,798,696	105,310	0.62%
PENSION, HEALTH INS. & EMPLOYEE BENEFITS	2,900,105	2,845,403	(54,702)	-0.32%
INFRASTRUCTURE - CAPITAL IMPR & DEBT SERVICE	2,193,598	2,192,472	(1,126)	-0.01%
TAX RESERVES	1,825,000	1,875,000	50,000	0.29%
PUBLIC WORKS	1,779,806	1,843,445	63,639	0.37%
GENERAL GOVERNMENT	1,214,328	1,256,785	42,457	0.25%
GARBAGE COLLECTION & RECYCLING	887,300	887,300	0	0.00%
SEWER TREATMENT & DISPOSAL	1,022,974	1,097,205	74,231	0.43%
STREET LIGHTS & UTILITIES	588,000	588,000	0	0.00%
LAND USE & REGULATORY	405,548	412,032	6,484	0.04%
COMMUNITY ACTIVITIES & EVENTS	195,409	199,835	4,426	0.03%
INSURANCE	200,000	245,000	45,000	0.26%
PUBLIC HEALTH	132,961	136,035	3,074	0.02%
GRANTS & DONATIONS	47,385	108,816	61,431	0.36%
<b>TOTAL BUDGET APPROPRIATIONS</b>	<b>17,085,800</b>	<b>17,486,024</b>	<b>400,224</b>	<b>2.34%</b>
MUNICIPAL LIBRARY	841,938	829,188	(12,750)	-0.07%
MUNICIPAL OPEN SPACE	32,560	32,216	(344)	0.00%
<b>TOTAL MUNICIPAL APPROPRIATIONS</b>	<b>17,960,298</b>	<b>18,347,428</b>	<b>387,130</b>	<b>2.16%</b>

# 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.			
Municipal Taxes Per Capita							
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 - 2014

	Estimated Cost	Funding Breakdown for 2014	
		Improvement Fund	Debt
<b>Public Works Total</b>	<b>1,399,500</b>	<b>69,975</b>	<b>1,329,525</b>
<b>Wastewater Treatment Total</b>	<b>100,000</b>	<b>5,000</b>	<b>95,000</b>
<b>Computers &amp; Networking Total</b>	<b>177,000</b>	<b>8,850</b>	<b>168,150</b>
<b>Community Activities - RecreationTotal:</b>	<b>450,000</b>	<b>22,500</b>	<b>427,500</b>
<b>Senior Citizen Center</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fire Department Total</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Borough Clerk Total</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Rescue Squad Total</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Emergency Management Total</b>	<b>60,000</b>	<b>3,000</b>	<b>57,000</b>
<b>Police Total</b>	<b>13,000</b>	<b>650</b>	<b>12,350</b>
<b>TOTAL</b>	<b>2,199,500</b>	<b>109,975</b>	<b>2,089,525</b>