

2006 Municipal Budget



BOROUGH OF
NEW PROVIDENCE
SETTLED IN 1720

360 ELKWOOD AVENUE / NEW PROVIDENCE, NEW JERSEY 07974

Overview

By law in the state of New Jersey, the Borough of New Providence must collect taxes on the assessed valuation of your property. However also by law, the Borough has direct control over the Municipal portion only.

The school tax is the result of the passage of the annual school budget by the voters on April 18.

The county tax is the result of the passage of the County budget by the Freeholders of Union County in Elizabeth.

Summary

New Providence continues to face financial challenges:

- **Declining commercial and industrial ratables due to state tax appeals**
- **Reduced state aid**
- **Rising contractual personnel costs**
- **Rising garbage disposal & utility costs**
- **Increased pension and health insurance liabilities**

The 2005 Municipal Tax rate was held to a 4.83% from 2005 levels, despite these cost increases.

Objectives

The 2006 budget maintains all municipal services at current levels.

The Borough is seeking the cooperation of all residents to comply with the state-mandated recycling laws. All residents who recycle help to reduce tax dollars by avoiding landfill disposal costs.

The Mayor and Council continue to explore opportunities to reduce operating costs and overhead without jeopardizing services. We have succeeded in the past and will continue with vigor for the future.

Future Investment

The Mayor and Council are also continuing to invest in our infrastructure by

- **Building a much-needed Rescue Squad facility**
- **Funding additional road and infrastructure improvements**
- **Exploring a new Community Center and renovating the Lincoln Gym**
- **Pursuing a unique cogeneration project at the Municipal Center**
- **Energy improvements at Borough Hall and the Fire Department**

Municipal Tax Rate

	2006	1999*	Increase	
			\$	%
Taxes	\$ 9,223,921	\$ 7,823,042	\$1,400,879	17.91%
<i>7 year average</i>				2.56%
Tax Rate (per \$100)	0.707	0.600	\$0.107	17.83%
<i>7 year average</i>				2.55%

Impact on Average Assessed Value Home

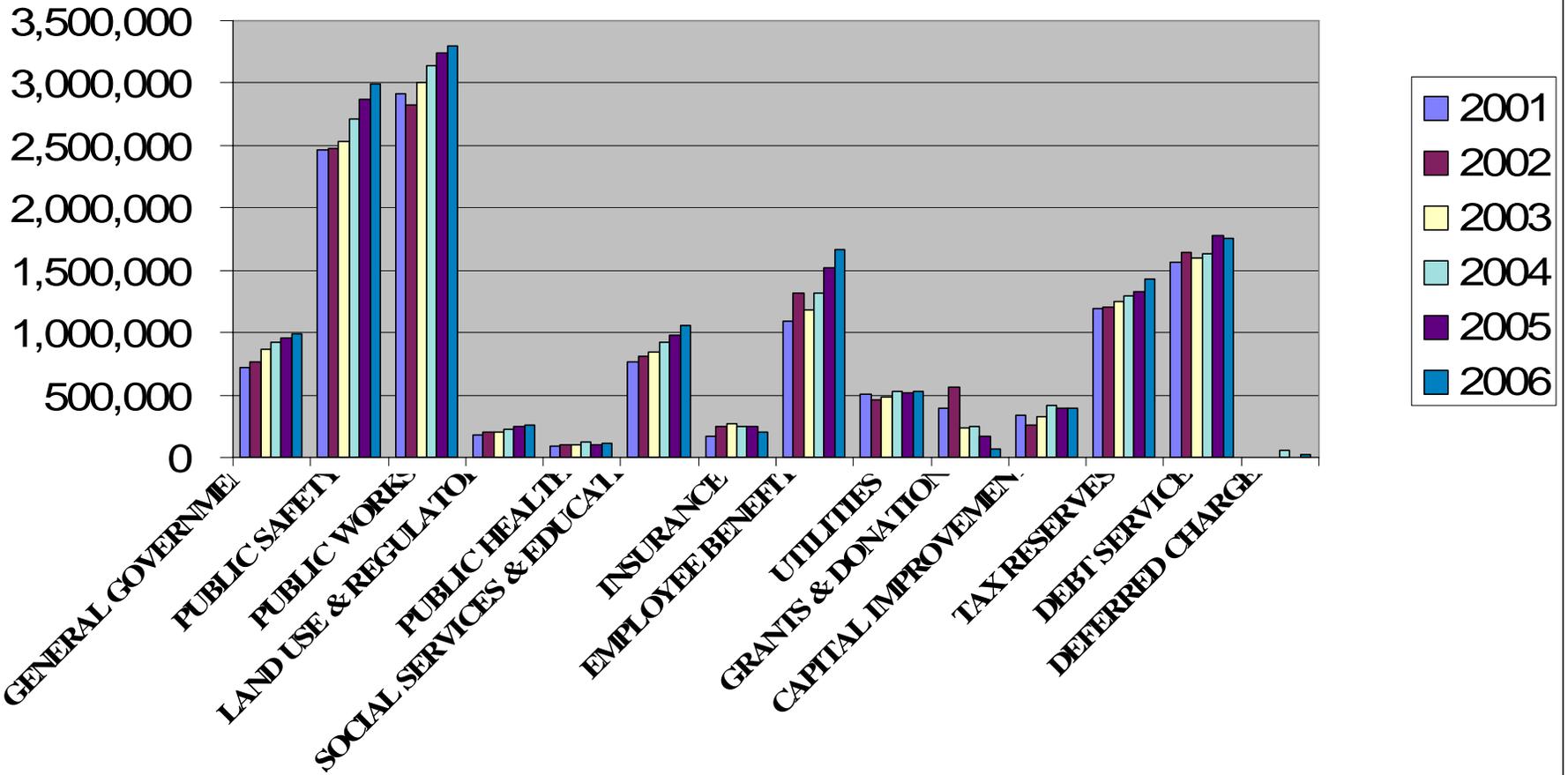
Assessed Value	\$280,000
2006 Tax	\$ 1,979.60
1999 Tax	\$ 1,680.00
Tax Increase	\$ 299.60
7 year average	\$ 42.80

*1999 represents the first year of the most recent revaluation of all property values in the Borough

APPROPRIATION SUMMARY

Description	2001 Budget	2002 Budget	2003 Request	2004 Budget	2005 Budget	2006 Budget	Increase 2006 versus 2005	
SUMMARY								
GENERAL GOVERNMENT	725,397	770,671	867,553	927,589	960,470	991,502	31,032	3.23%
PUBLIC SAFETY	2,465,043	2,470,740	2,536,845	2,707,425	2,871,225	2,995,815	124,590	4.34%
PUBLIC WORKS	2,912,565	2,822,974	3,001,029	3,145,230	3,245,480	3,300,940	55,460	1.71%
LAND USE & REGULATORY	183,682	205,199	204,823	222,922	252,450	262,803	10,353	4.10%
PUBLIC HEALTH	91,700	99,120	99,707	123,916	101,798	107,625	5,827	5.72%
SOCIAL SERVICES & EDUCATION	769,537	811,518	848,397	928,205	982,230	1,056,551	74,321	7.57%
INSURANCE	170,000	245,000	267,000	251,000	246,245	203,000	(43,245)	-17.56%
EMPLOYEE BENEFITS	1,087,504	1,322,240	1,178,286	1,319,369	1,524,351	1,667,090	142,739	9.36%
UTILITIES	503,300	465,000	481,500	531,500	520,000	529,000	9,000	1.73%
GRANTS & DONATIONS	399,144	568,123	238,846	243,877	173,168	72,572	(100,596)	-58.09%
CAPITAL IMPROVEMENTS	337,570	254,055	326,000	418,000	390,000	392,500	2,500	0.64%
TAX RESERVES	1,188,893	1,205,024	1,250,070	1,299,228	1,333,344	1,425,500	92,156	6.91%
DEBT SERVICE	1,566,550	1,639,699	1,594,157	1,631,702	1,780,418	1,750,192	(30,226)	-1.70%
DEFERRED CHARGES	0	0	0	51,000	0	18,500	18,500	100.00%
TOTAL APPROPRIATIONS	12,401,085	12,879,564	12,894,214	13,800,962	14,381,178	14,773,590	392,412	2.73%

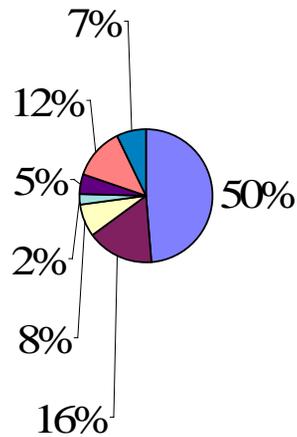
Budget Comparison



Component Analysis Municipal Tax Increase

			<u>Municipal Tax Impact</u>	
Ratables				
Decrease in Ratables			20,539	5.06%
 Appropriations				
Non-Controllable	Increases	Employee Salaries & Benefits	352,000	} 483,000
		Fuel Related Costs	60,000	
		Library Funding	77,700	
		Tax Reserves & Tax Appeals	92,000	
	Decreases	Debt Service	(30,200)	
		Sanitary & Solid Waste Costs	(25,300)	
		Insurance	(43,200)	
Controllable	Increases	Field Maintenance	20,000	} (32,900)
		Miscellaneous	22,600	
	Decreases	Staff changes and Reclassifications	(48,000)	
		Capital Improvements	(27,500)	
	Net		<u>450,100</u>	110.96%
Revenues		Increase from Prior Year Operations	(65,000)	-16.02%
 Total Amount to be Raised By Taxation for Municipal Operations			 405,600	 100.00%

**2006
Capital Projects
Summary
\$2,006,800**



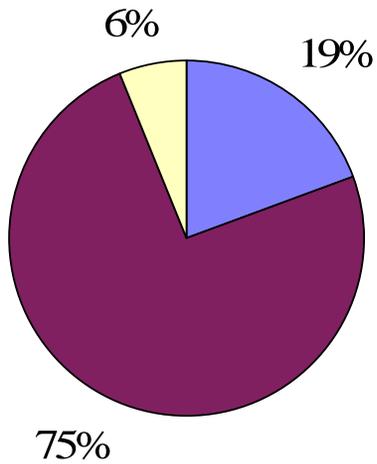
- Building Improvements**
- Road Projects**
- Other**
- Public Works Fleet Upgrade**
- Sanitary Sewer System**
- Rescue Squad Building - Additional Funding**
- Recreation & Community Activities**

Capital Projects 2006

<u>Project Name</u>	<u>Estimated Cost</u>	<u>Funding Source</u>	
Road Projects	325,000	State Grants	170,000
		Future Debt	30,000
		Operating Budget	125,000
Sanitary Sewer System	100,000	Future Borough Debt	
Public Works Fleet Upgrade	47,000	Future Borough Debt	47,000
Recreation & Community Activities	146,500	Future Borough Debt	99,750
		County Grant	46,750
Police & Emergency Management	21,000	Future Borough Debt	
Building Improvements	980,000	Future Borough Debt	760,000
		Federal & State Grants	220,000
Rescue Squad - Completion Financing	250,000	Future Borough Debt	
Fire Department Energy Improvements	35,000	Future Borough Debt	
Technology Upgrades	102,300	Future Borough Debt	82,300
		Operating Budget	20,000
Total	\$ 2,006,800		

2006 Capital Projects Funding Summary

\$2,006,800



-  **Grant, Contributions & Other Sources**
-  **Future Borough Debt**
-  **Operating Funds**