

# 2012 Municipal Budget

Borough of New Providence  
March 27, 2012



# 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 2012, the approximate breakdown of the total tax bill between the Municipal, County and School Board is as follows:

– Municipal	20.4%	\$2,465
– Library	1.5%	\$ 182
– Union County	20.4%	\$2,465
– Board of Education	57.7%	\$6,968

# Main Municipal Budget Drivers

- The biggest challenges faced in preparing the 2012 municipal budget are:
  - ▶ Health Insurance Premium Increases – \$80,000
  - ▶ Snow Removal & Other Public Works Services - \$155,000
  - ▶ Debt Service Increase - \$175,000
  - ▶ Increase in Legal Fee - \$45,000
  - ▶ Salary Increases (Union and non-union employees)
  - ▶ Reduced Surplus – \$117,000

# 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.

# 2012 Savings & Revenue Enhancements

- ✓ Reorganized department operations, reducing full-time staff by one person saving approximately \$85,000 in salary and benefits.
- ✓ New Revenues from Shared Services agreement with Summit for Wastewater services - \$100,000
- ✓ New Revenues from Lucent Waste Water agreement - \$38,000
- ✓ Reverse Electricity Auction resulting in savings of 28% or \$60,000 annually.

# 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.*
  - *Video recording of the council meetings posted on the web-site.*
- To support enhancements made over the past two years, the Borough Council authorized an upgrade to our servers and network. Last year, the borough launched:
  - *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 and approximately 400 labor hours annually.*
  - *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

- ✓ Board of Health Services with Westfield - \$24,000
- ✓ Cooperative Purchasing – UC Solid Waste Agreement - \$40,000 annually
- ✓ DPW Equipment Sharing – Brine Machine – Cost savings through sharing and labor hours saved through fewer snow plowing events.
- ✓ Board of Education: Technology Services, School Resource Office and Office space in the Municipal Center
- ✓ Shared Waste Water Operation with Summit. - \$100,000
- ✓ Shared Court operation with Berkeley Heights. - \$24,000

# Municipal Tax Comparison

including Library tax

## 13 Year Impact On Average Assessed Value Home

Avg. Assessed Value	\$282,000
2012 Tax	\$2,647
1999 Tax	\$1,674
13 Year Tax Increase	\$973
13 Yr. Avg. Annual Increase	\$75

## 1 Year Impact On Average Assessed Value Home

Avg. Assessed Value	\$282,000
2012 Tax	\$2,647
2011 Tax	\$2,589
1 Year Tax Increase	\$58

# County Tax Comparison

## 13 Year Impact On Average Assessed Value Home

Avg. Assessed Value	\$282,000
2012 Tax	\$2465
1999 Tax	\$1288
13 Year Tax Increase	\$1092
13 Yr. Avg. Annual Increase	\$84

## 1 Year Impact On Average Assessed Value Home

Avg. Assessed Value	\$282,000
2012 Tax	\$2465
2011 Tax	\$2355
1 Year Tax Increase	\$110

# School Tax Comparison

## 13 Year Impact On Average Assessed Value Home

Avg. Assessed Value	\$282,000
2012 Tax	\$6968
1999 Tax	\$3696
13 Year Tax Increase	\$3272
13 Yr. Avg. Annual Increase	\$252

## 1 Year Impact On Average Assessed Value Home

Avg. Assessed Value	\$282,000
2012 Tax	\$6968
2011 Tax	\$6926
1 Year Tax Increase	\$ 42

# Total Tax Comparison

## 13 Year Impact On Average Assessed Value

### Home

Avg. Assessed Value	\$282,000
2012 Tax	\$12,080
1999 Tax	\$6,658
13 Year Tax Increase	\$5,422
13 Yr. Avg. Annual Increase	\$417

## 1 Year Impact On Average Assessed Value

### Home

Avg. Assessed Value	\$282,000
2012 Tax	\$12,080
2011 Tax	\$11,869
1 Year Tax Increase	\$ 211

# APPROPRIATION SUMMARY

		Increase (Decrease)	
	2012	2012 Recommend over 2011 Modified Budget	
Description	Proposed	\$	%
<b>SUMMARY</b>			
PUBLIC SAFETY	3,596,895	136,905	0.82%
PENSION, HEALTH INS. & EMPLOYEE BENEFITS	2,629,986	(58,392)	-0.35%
INFRASTRUCTURE - CAPITAL IMPR & DEBT SERVICE	2,369,844	249,126	1.49%
TAX RESERVES	1,865,000	65,000	0.39%
PUBLIC WORKS	1,750,350	(50,500)	-0.30%
GENERAL GOVERNMENT	1,217,450	42,600	0.25%
GARBAGE COLLECTION & RECYCLING	887,300	(34,066)	-0.20%
SEWER TREATMENT & DISPOSAL	1,008,500	19,600	0.12%
LIBRARY	0	0	0.00%
STREET LIGHTS & UTILITIES	625,000	(53,000)	-0.32%
LAND USE & REGULATORY	312,837	18,000	0.11%
COMMUNITY ACTIVITIES & EVENTS	184,150	1,000	0.01%
INSURANCE	170,000	5,000	0.03%
PUBLIC HEALTH	131,475	(338)	0.00%
GRANTS & DONATIONS	23,779	(203,022)	-1.21%
DEFERRED CHARGES - EMERG AUTHORIZ	0	(100,000)	-0.60%
<b>TOTAL APPROPRIATIONS</b>	<b>16,772,566</b>	<b>37,914</b>	<b>0.23%</b>

# New Providence 2011 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	14,216,121	23,510	604.68	2577.98	882.66
2	<b>New Providence</b>	<b>11,064,597</b>	<b>12,171</b>	<b>909.10</b>	-	<b>909.10</b>
3	Neighboring Community	10,463,308	13,183	793.70	122.74	916.44
4	Neighboring Community	24,109,790	30,316	795.28	129.96	925.25
5	Neighboring Community	20,290,974	22,625	896.84	189.53	1,886.37
6	Neighboring Community	7,279,117	6,685	1,088.87	68.98	1,153.86
7	Neighboring Community	25,663,596	21,457	1,196.05	63.90	1,259.95
8	Neighboring Community	20,790,527	15,817	1,314.44		1,314.44

\*\*\* 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.
- ▶ Technology Improvements
- ▶ Public Safety – Police Equipment
- ▶ Recreation Improvements including Tennis Courts and Playgrounds.

# Capital Projects 2012

	Project Total	5% Down	Debt
Street Overlay Program	\$175,000	8,750	\$166,250
Waste Water	\$200,000	\$10,000	\$190,000
Computers & Networking	\$70,500	\$3,525	\$66,975
Recreation	\$229,000	\$11,450	\$217,550
Rescue Squad	\$50,000	\$2,500	\$47,500
Fire Department	\$820,000	\$41,000	\$779,000
Police/Emergency Management	\$172,000	\$8,600	\$163,400
Fleet – DPW Vehicles	\$295,000	\$14,750	\$280,250
Municipal Center Improvements & Equipment	\$100,000	5,000	\$95,000
	<b>\$2,111,500</b>	<b>\$105,575</b>	<b>\$2,005,925</b>