

Holland Township



2015 Proposed Budget

Committee Objectives

- Provide residents with existing programs and services, reallocating resources as required
- Maintain facilities, infrastructure, and equipment
- Implement year 2 of the Township tax levy plan
- Evaluate new shared services opportunities
- Explore additional revenue sources
- Identify strategies to minimize future budget tax levy increases



Operating Cost Efficiencies Over the Past Few Years

- Eliminate F/T management position at RRCC.
- Contracts for sport league field use so they pay utilities.
- Sgt. position in police department not filled (appointed detective at no change in salary).
- Eliminated 911 Coordinator stipend and assigned duties to police dept.
- Analyzed feasibility of sharing police departments and determined it was not cost effective.
- Hired two P/T police officers to reduce overtime costs and increase coverage.
- Negotiated a lower salary guide for newly hired police officers.
- Reduced hours of deputy clerk.
- Changed contracted IT services to reduce costs.
- Appointed new engineer at lower costs, no longer attends meetings unless requested.
- Added P/T DPW staff to help get more work done.
- Outsourced lawn mowing services.
- Use of cooperative purchasing contracts for the purchase of electricity, natural gas, oil, propane, fuel, and rock salt.
- Share road materials bid with neighboring townships.

Operating Cost Efficiencies – Cont'd.

- Cooperated with Hunterdon County for the upgrade of the main sewer line against infiltration.
- Removed unneeded street lights.
- Restructured finance office.
- Reduced hours in zoning and tax collector offices.
- Adjusted staffing at the recycling center, closing two Wednesdays per month, and charged for construction materials at the dumpster. Added e-waste recycling at no cost.
- Aggressive in obtaining grant funds for roads and building projects, and land preservation.
- Utilized the NJ Direct Install Program to upgrade worn HVAC systems and lighting, paying only 30% of the cost. Utility savings paid for cost after one year.
- Foreclosed on over 40 acres of property that burdened the Township with unpaid taxes. Will be sold or preserved.
- Purchased the 150 acre Bethany Ridge property with the Riegel lodge at a cost of \$1.2M. Received funding of \$1M from the Hunterdon County Open Space Fund, Hunterdon Land Trust, and Victoria Foundation toward the purchase cost.

Summary of Major Budget Changes

| OPERATING EXPENSES | TOTAL CHANGE |
|----------------------------------|-----------------|
| Salaries and Wages | \$11,400 |
| Administration | 1,000 |
| Advisory Boards | -5,000 |
| Public Safety | 20,555 |
| Public Works | -10,000 |
| Building & Grounds | 50,000 |
| Recreation | -37,000 |
| Employee Benefits | 14,968 |
| Reserve Uncollected Taxes | -24,943 |
| Capital Appropriations/Equipment | -25,000 |
| Total Current Fund | -4,020 |
| State & Federal Grants | -226 |
| Total Budget Increase | -\$4,246 |



Proposed 2015 Expense Budget

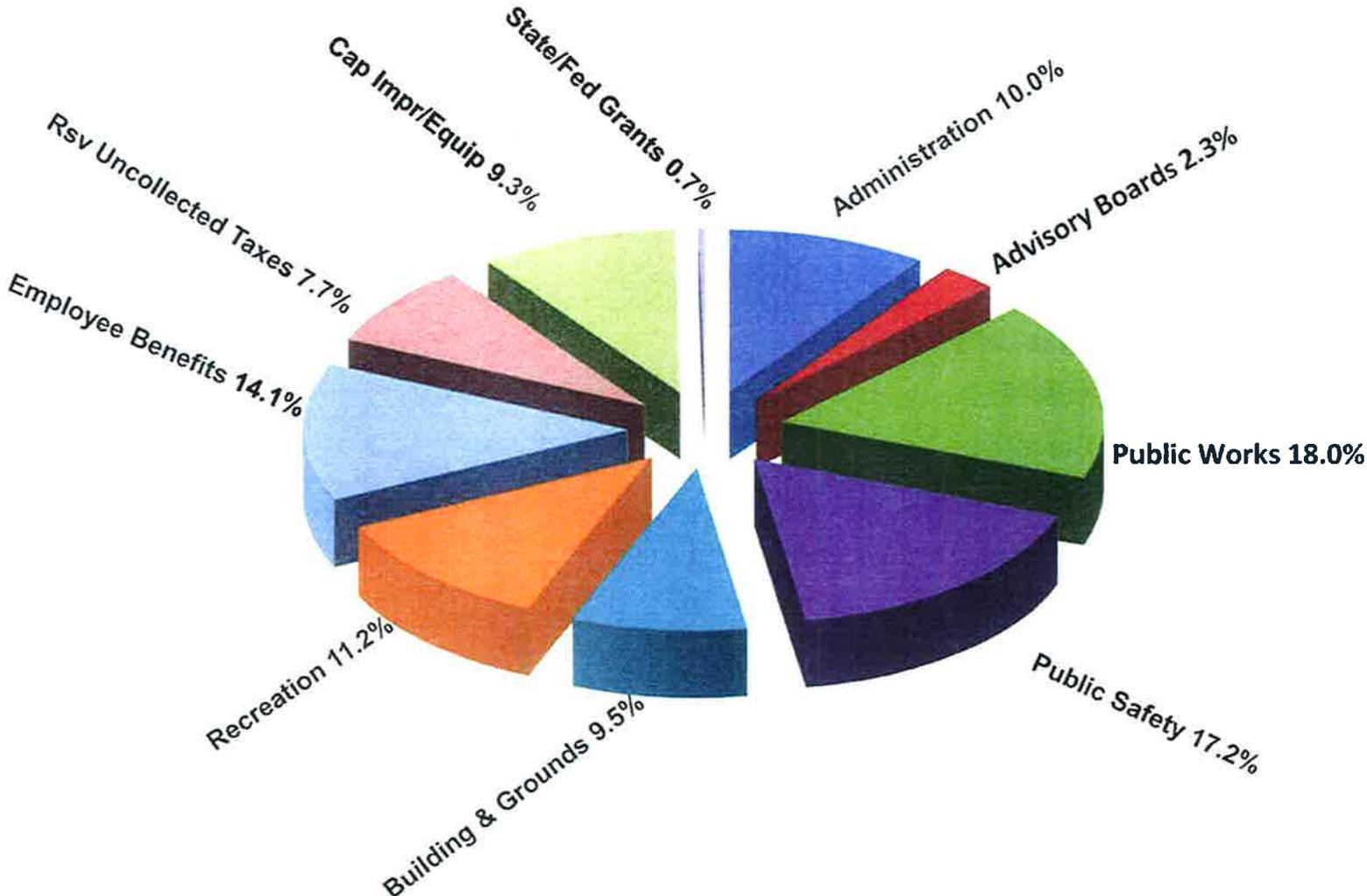
| | 2014 <u>Revised Budget</u> | 2015 <u>Budget</u> | Dollar <u>Change</u> | Percent <u>Change</u> |
|----------------------------------|-------------------------------|-----------------------|-------------------------|--------------------------|
| Administration | \$538,300 | \$539,300 | \$1,000 | +0.2% |
| Advisory Boards | 130,000 | 125,000 | -5,000 | -3.8% |
| Public Safety | \$906,100 | 930,805 | 24,705 | +2.7% |
| Public Works | 981,800 | 971,800 | -10,000 | -1.0% |
| Building & Grounds | \$466,750 | 515,000 | 48,250 | +10.3% |
| Recreation | 630,500 | 602,500 | -28,000 | -4.4% |
| Employee Benefits | <u>743,612</u> | <u>758,580</u> | <u>14,968</u> | <u>-2.0%</u> |
| Total Operating Expenses | \$4,397,062 | \$4,442,985 | 45,923 | +1.0% |
| Reserve for Uncollected Taxes | 443,405 | 418,462 | -24,943 | -5.6% |
| Capital Improvements/Equip | <u>525,000</u> | <u>500,000</u> | <u>-25,000</u> | <u>-4.8%</u> |
| Total Current Fund Budget | \$5,365,467 | \$5,361,447 | -4,020 | -0.1% |
| State & Federal Grants | <u>35,846</u> | <u>35,620</u> | <u>-226</u> | <u>-0.6%</u> |
| TOTAL BUDGET: | \$5,401,313 | \$5,397,067 | -4,246 | -0.1% |

Summary of Expenditure Categories

| ITEM | BUDGET AMOUNT | % OF TOTAL BUDGET |
|----------------------------------|--------------------|-------------------|
| Administration | \$539,300 | 10.0% |
| Advisory Boards | 125,000 | 2.3% |
| Public Safety | 930,805 | 17.2% |
| Public Works | 971,800 | 18.0% |
| Building & Grounds | 515,000 | 9.5% |
| Recreation | 602,500 | 11.2% |
| Employee Benefits | <u>758,580</u> | <u>14.1%</u> |
| Total Operating Expenses | \$4,442,985 | 82.3% |
| Reserve for Uncollected Taxes | 418,462 | 7.7% |
| Capital Improvements/Equipment | <u>500,000</u> | <u>9.3%</u> |
| Total Current Fund Budget | \$5,361,447 | 99.3% |
| State & Federal Grants | <u>35,620</u> | <u>0.7%</u> |
| TOTAL BUDGET | \$5,397,067 | 100.0% |

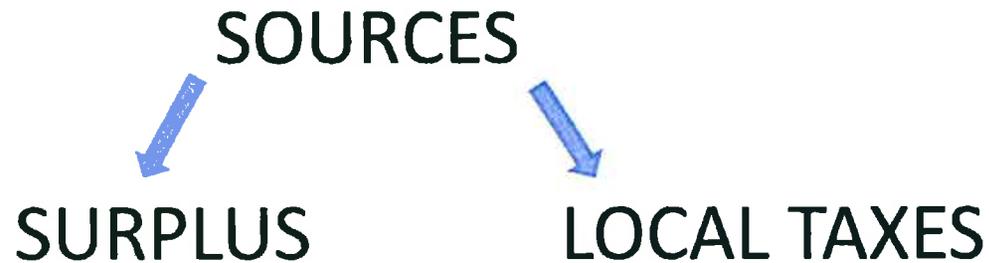
NOTE: Employee salaries are \$1,899,250 and represent 42.8% of the operating expenses. Total salaries and employee benefits are \$2,657,830 and represent 59.8% of the budget.

Expense Budget



Funding Overview

| | |
|--|---------------------------|
| Total Current Fund Budget | \$5,397,067 |
| Less: | |
| State Aid | -2,710,935 |
| Local Revenues (excluding Surplus & Tax Levy) | <u>-761,900</u> |
| Additional Revenues Needed to Balance Budget | <u><u>\$1,888,612</u></u> |





Revenue

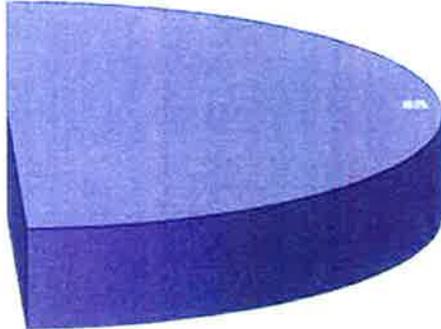
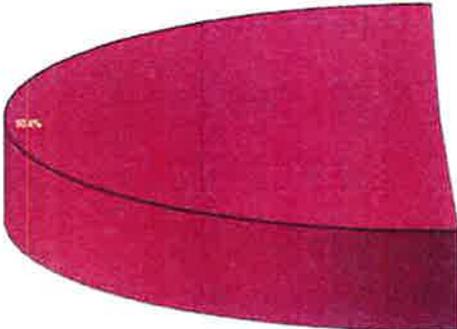
| | <u>Revised Budget 2014</u> | <u>Proposed Budget 2015</u> | <u>\$ Change</u> | <u>% of Total Budget</u> |
|---------------------------|------------------------------------|-------------------------------------|------------------|------------------------------|
| Current Fund | | | | |
| Surplus Anticipated | \$1,346,453 | \$695,000 | -\$651,453 | 12.9% |
| Local Tax Levy | 596,579 | 1,193,612 | 597,033 | 22.1% |
| Liquor Licenses | 5,000 | 5,000 | 0 | 0.1% |
| Recreation | 458,500 | 448,400 | -10,100 | 8.3% |
| Municipal Court | 15,000 | 14,000 | -1,000 | 0.2% |
| Interest/Costs on Taxes | 44,000 | 57,000 | +13,000 | 1.1% |
| Interest | 14,000 | 13,000 | -1,000 | 0.2% |
| Delinquent Taxes | 175,000 | 224,500 | +49,500 | 4.2% |
| Total Local Funds | \$2,654,532 | \$2,650,512 | -\$4,020 | 49.1% |
| State Aid | 2,710,935 | 2,710,935 | 0 | 50.2% |
| Total Current Fund | \$5,365,467 | \$5,361,447 | -\$4,020 | 99.3% |
| State & Federal Grants | 35,846 | 35,620 | -226 | 0.7% |
| TOTAL REVENUES | \$5,401,313 | \$5,397,067 | -\$4,246 | 100.0% |

Revenue Sources

State: 50.2%

Grants: 0.7%

Local: 49.1%



Current Fund Surplus Balance

| YEAR | DEC 31 BALANCE | USED IN NEXT BUDGET YEAR | EARNED BACK DURING YEAR | NET CHANGE [DEC 31 CY-PY] |
|------|-------------------|-----------------------------|----------------------------|------------------------------|
| 2014 | \$2,028,482 | \$695,000 | \$693,094 | -\$652,188 |
| 2013 | \$2,680,670 | \$1,346,453 | \$515,488 | -\$949,512 |
| 2012 | 3,630,182 | 1,829,107 | 739,602 | -1,068,052 |
| 2011 | 4,698,234 | 1,884,883 | 860,394 | -1,024,489 |
| 2010 | 5,722,723 | 1,744,520 | 576,389 | -1,168,131 |
| 2009 | 6,890,854 | 1,800,000 | 1,088,263 | -711,737 |
| 2008 | 7,602,591 | 1,700,000 | 764,015 | -935,985 |
| 2007 | 8,538,576 | 1,750,000 | 1,252,697 | -497,303 |
| 2006 | 9,035,879 | 2,000,000 | 1,539,506 | -460,494 |
| 2005 | 9,496,373 | 2,000,000 | 2,666,199 | 666,199 |
| 2004 | 8,830,174 | 1,900,000 | 2,577,202 | 677,202 |
| 2003 | 8,152,972 | 1,600,000 | 2,019,331 | 419,331 |
| 2002 | 7,733,641 | 1,700,000 | | |

Surplus Overview – Cont'd

| Balance 12/31/2014 | \$2,028,482 |
|---|--------------------|
| 2015 Surplus Allocation | -695,000 |
| Balance | 1,333,482 |
| Est Amount Earned Back During Year (Unspent budget \$, Excess revenue) | +500,000 |
| Estimated Balance 12/31/2015 | \$1,833,482 |

Funding Overview

| | |
|---|---------------------------|
| Total Current Fund Budget | \$5,361,447 |
| Less: | |
| State Aid | -2,710,935 |
| Local Revenues | <u>-761,900</u> |
| Additional Revenues Needed to Balance Budget | <u><u>\$1,888,612</u></u> |



Future Impact

| ITEM | 2015 | 2016 | 2017 |
|---|------------|------------|------------|
| Budget (before grants) ¹ | 5,361,447 | 5,361,447 | 5,361,447 |
| Revenues (excl Surplus & Tax Levy) ² | -3,472,835 | -3,472,835 | -3,472,835 |
| | 1,888,612 | 1,888,612 | 1,888,612 |
| Surplus | -695,000 | -630,000 | -570,000 |
| Balance to Tax Levy | 1,193,612 | 1,258,612 | 1,318,612 |
| Tax Rate Est: based on \$62,840 / 1¢ | .190 | .200 | .210 |
| Tax Levy 2% Cap (plus exceptions) | \$23,872 | \$25,172 | \$26,372 |
| | for 2016 | for 2017 | for 2018 |
| Surplus Balance 12/31 | 2,028,482 | 1,833,482 | 1,703,482 |
| Used | -695,000 | -630,000 | -570,000 |
| Earned Back | +500,000 | +500,000 | +500,000 |
| Estimated Balance | 1,833,482 | 1,703,482 | 1,633,482 |

¹ Maintain budget the same ± as 2015.

²Revenues (state aid and local) remain the same as ± 2015.

Select Hunterdon County Municipal Total Local Tax Rates

| <u>Municipality</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
|---------------------|-------------|-------------|-------------|-------------|
| Alexandria | .208 | .208 | .209 | .235 |
| Bethlehem | .364 | .372 | .372 | .377 |
| Delaware* | .303 | .313 | .368 | .408 |
| East Amwell | .189 | .189 | .224 | .224 |
| Franklin* | .307 | .312 | .319 | .325 |
| Frenchtown* | .622 | .655 | .674 | .705 |
| Holland* | 0 | 0 | 0 | .094 |
| Kingwood | .221 | .225 | .231 | .241 |
| Milford | .642 | .649 | .665 | .676 |
| Union | .224 | .225 | .224 | .248 |
| West Amwell* | .282 | .318 | .316 | .249 |

*Municipal police department.