

VERONA

Township of Verona, New Jersey



2017 Municipal Budget

Budget Workshop
February 21, 2017

First, let's look back at 2016...



2016 Revenue

- Township miscellaneous revenue exceeded budget totals by over \$350,000
 - PILOT Payments Increase \$260,000 (\$1,067,000 total)
 - Municipal Court fines increase \$50,000
 - Increases in Recreation and Parking Meter collections

- Unanticipated Revenue exceeded \$125,000
 - FEMA Reimbursement
 - Interest on Investments (Investors Bank)

2016 Expenses

- Total Municipal Expenses
 - Budgeted

2015 Budgeted	2016 Budgeted	Reduction
22,117,000	21,888,000	(229,000)

- Expended

- Reduction achieved despite average salary increase of 6% for the PBA and 4% for the OPEIU contracts.

2015 Expended	2016 Expended	Reduction
20,358,000	20,236,000	(122,000)

*Majority due to reduction in personnel costs

Verona Personnel Cost Reductions

<u>Department</u>	<u>2014/2015 Salary and Benefits</u>	<u>2016 Salary and Benefits</u>	<u>Year 1 Savings</u>	<u>5 year Savings</u>
Finance				
Total SW Budget	435,014	317,590	(117,424)	(587,120)
Benefits (Estimated)	210,000	140,000	(70,000)	(350,000)
Staffing	7.5	5.5		
*Reorganization of Finance office reduced staff by 2 Employees and close to \$200,000				
Library				
Bookkeeper/Clerk	90,582	-	(90,582)	(452,910)
*Eliminated Bookkeeper position upon retirement. Absorbed by Library and Finance Office				
Fire Official	82,000	50,000	(32,000)	(160,000)
*Full time Official with benefits replaced by part time employees				
Public Works				
Clerk/Planning Board	82,140	22,500	(59,640)	(298,200)
*Full time clerk with benefits replaced with part time employee				
Recreation/Community Center	86,072	45,000	(41,072)	(205,360)
*Full Time community center maintenance employee replaced with part time				
Administration	352,860	232,226	(120,634)	(603,170)
*Township Manager and Municipal Court Administrator Personnel Cost reductions				
Health Benefit Waivers	118,394	33,093	(85,301)	(426,505)
*Implementation of Health Benefit Waiver Payments				

2016 Expenses (Continued)

- Overtime

- Budgeted

2015 Budgeted	2016 Budgeted	Reduction
718,000	600,500	(117,500)

- Expended

2015 Expended	2016 Expended	Reduction
610,002	422,051	(187,951)

*Winter Weather is a significant factor

Moving on to 2017...



2017 Proposed Municipal Budget Summary

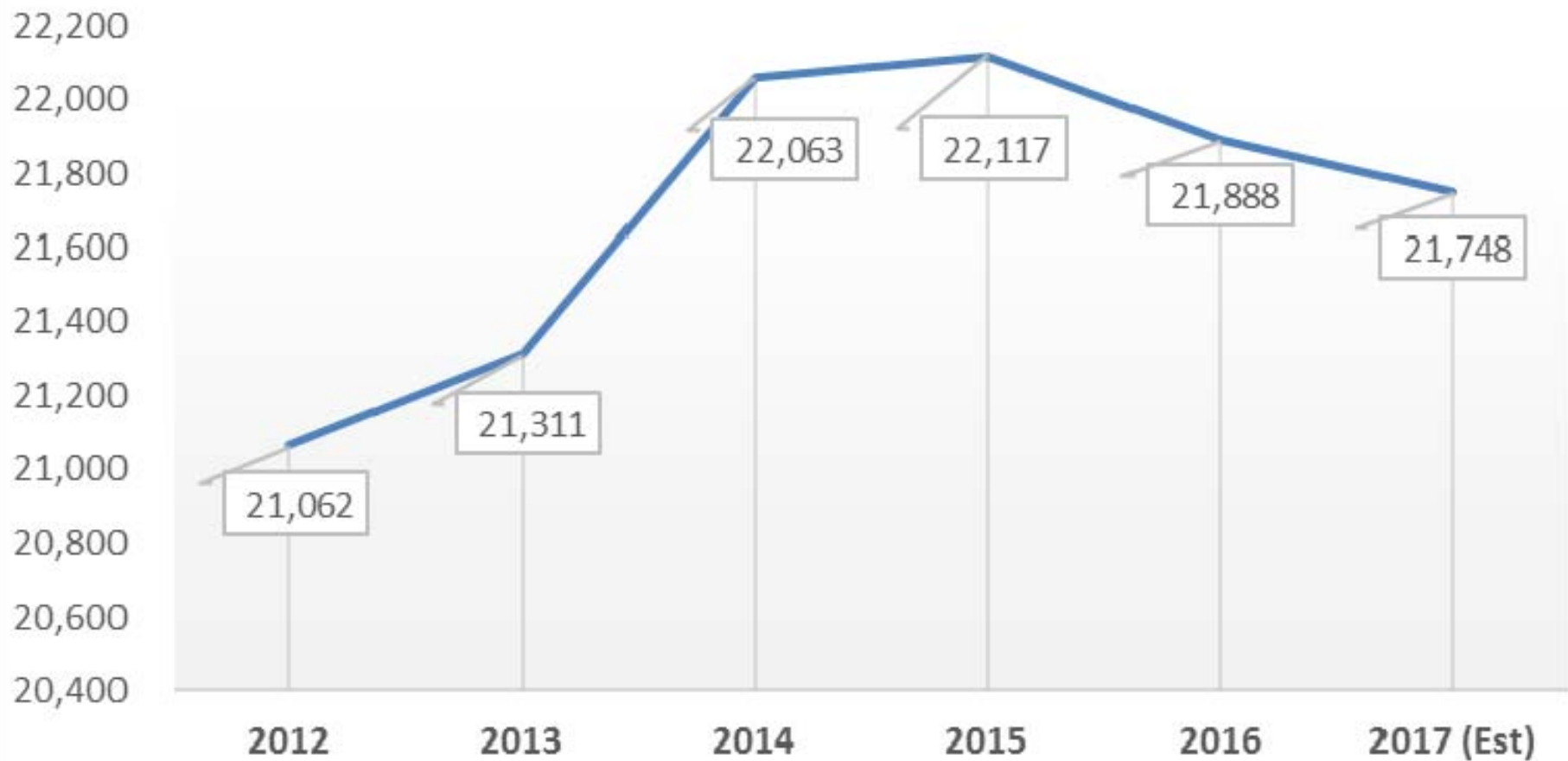
Revenue Source	2017 Budget
Miscellaneous Anticipated Revenue	\$ 3,900,430
Delinquent Taxes	570,000
Fund Balance	2,820,000
Amount to be Raised by Taxation	<u>\$15,885,430</u>
TOTAL	\$23,175,860

Expense Appropriation	2017 Budget
Salary and Wages	\$ 8,243,903
Statutory Expenses	1,730,889
Debt Service	3,321,753
Public Library	890,275
Reserve for Uncollected Tax	1,427,851
Other Expenses	<u>7,561,189</u>
TOTAL	\$23,175,860

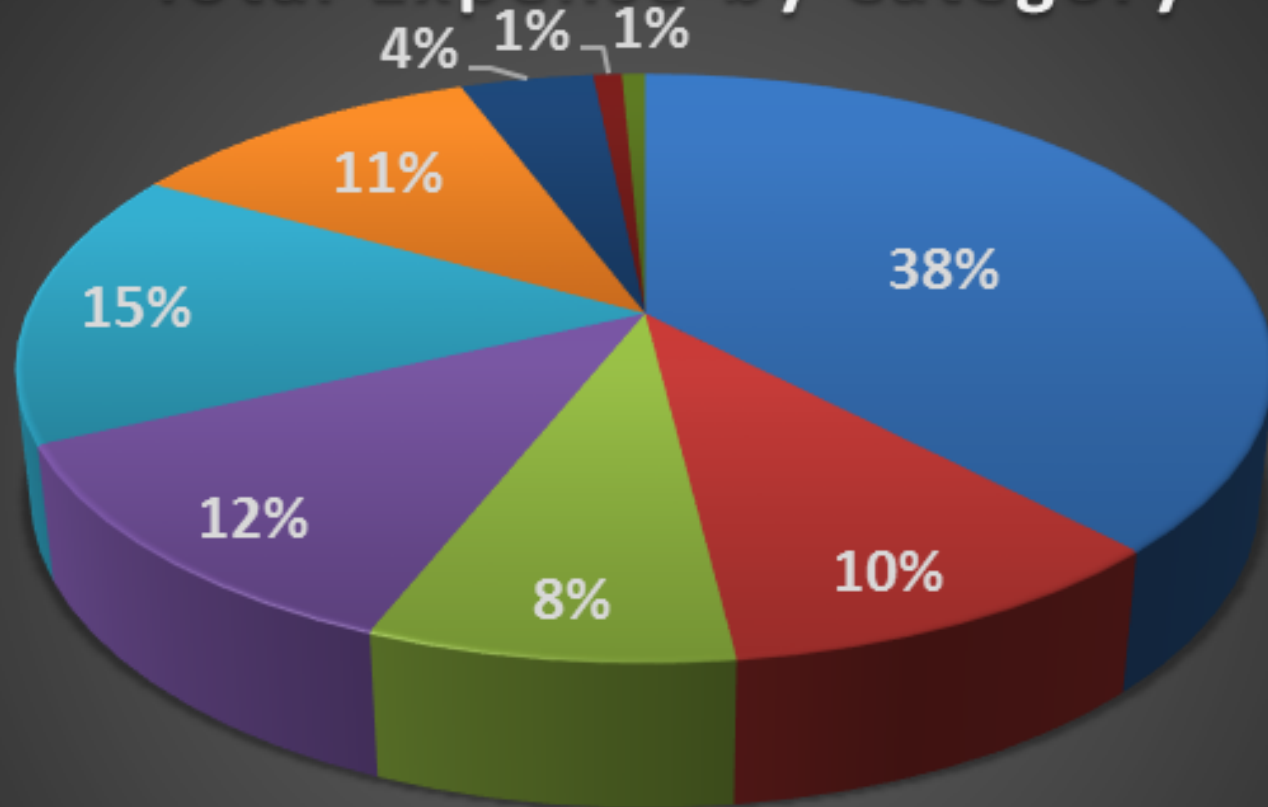
2016 & 2017 Municipal Budget Comparison

	2016 Budget	2017 Budget (Proposed)	Change
Municipal Tax Levy	\$15,842,770	\$15,885,429	0.27%
Municipal Tax Rate	.7852	.7852	0%
Avg. Property Valuation	\$361,700	\$362,000	\$300
Municipal Tax on Avg. Property	\$2,840	\$2,842	\$2
Assessed Valuation	\$2,017,752,400	\$2,023,084,900	0.26%

Total Municipal Budget Expenses (in 1,000's)



Total Expense by Category



Salary and Wage

Health Benefits

Statutory Expenses

Other Expense

Debt Service

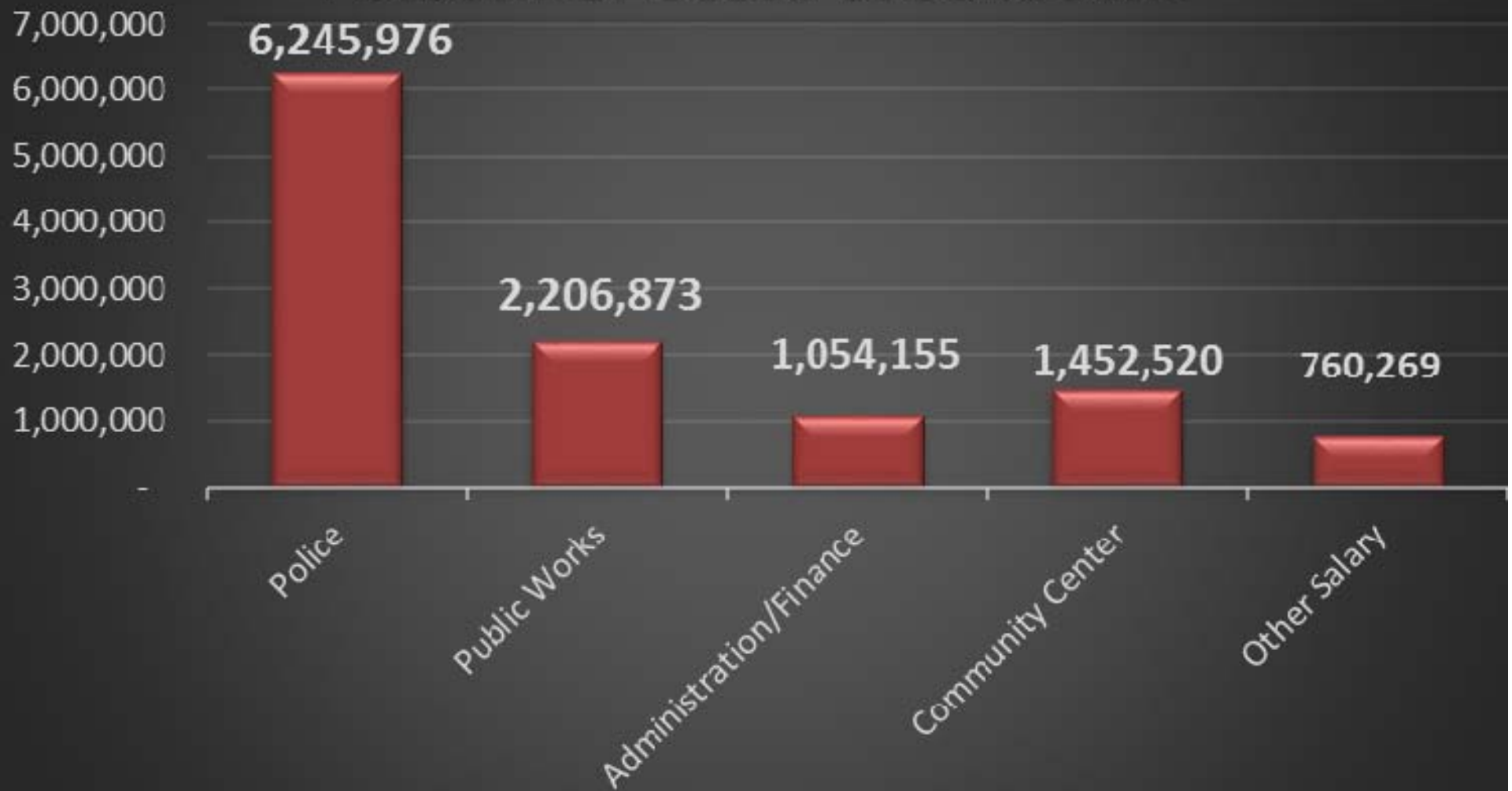
Utilities, Recycle, Garbage

Library

Fire and Rescue

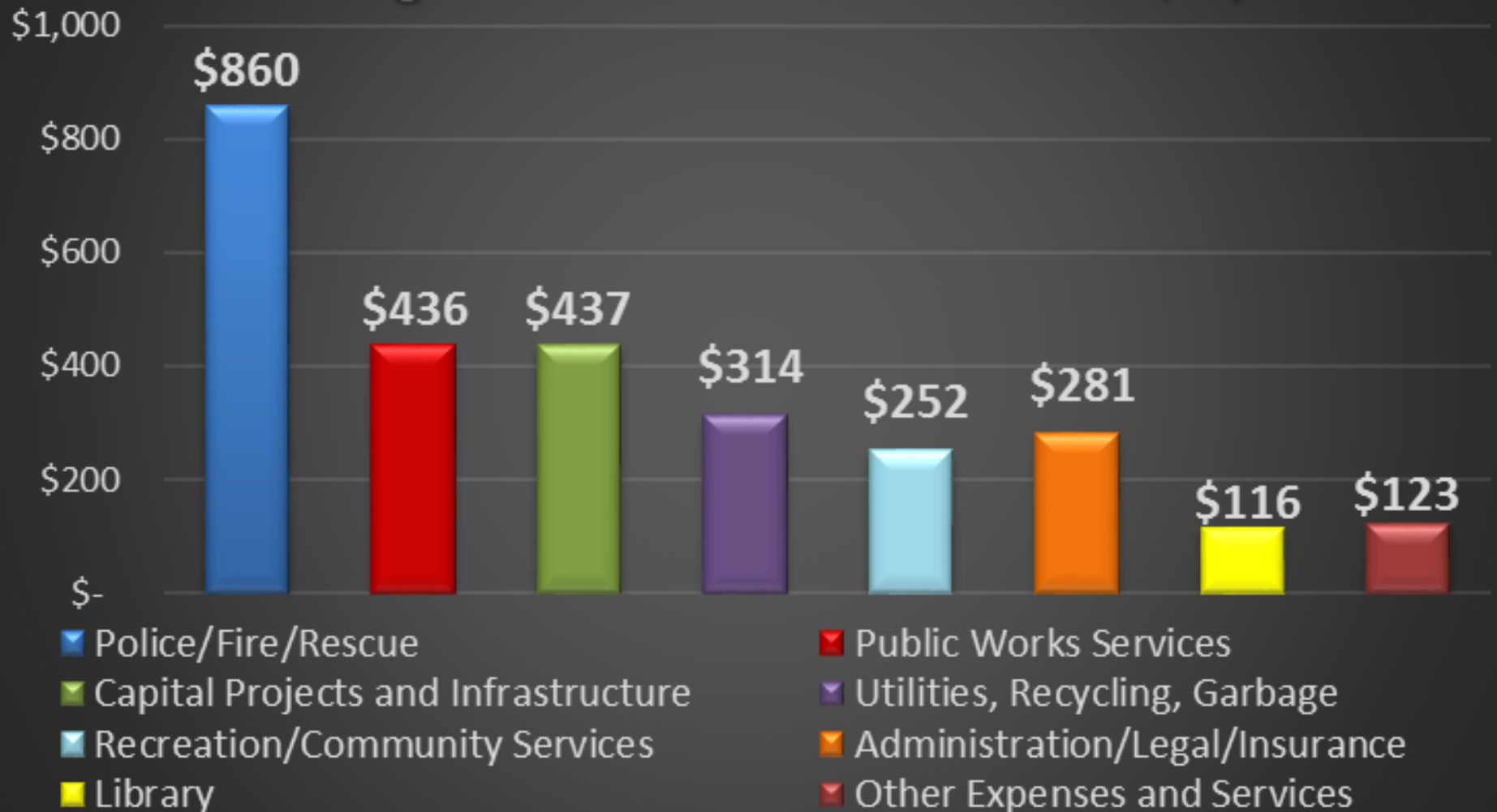
Interfunds and Grants

Personnel Costs Breakdown



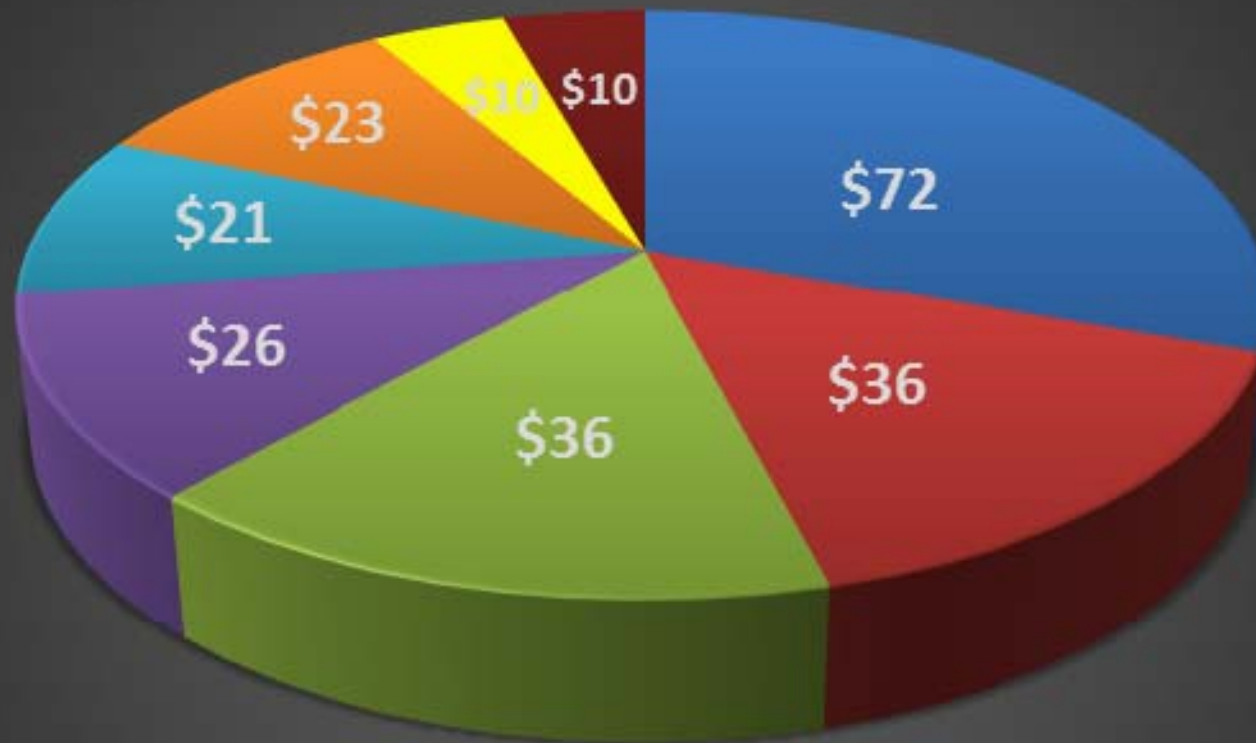
* Estimated cost allocation

Average Annual Service Cost \$2,818



* Estimated cost allocation

Average Monthly Service Cost (\$235)



Police/Fire/Rescue

Capital Projects and Infrastructure

Recreation/Community Services

Library

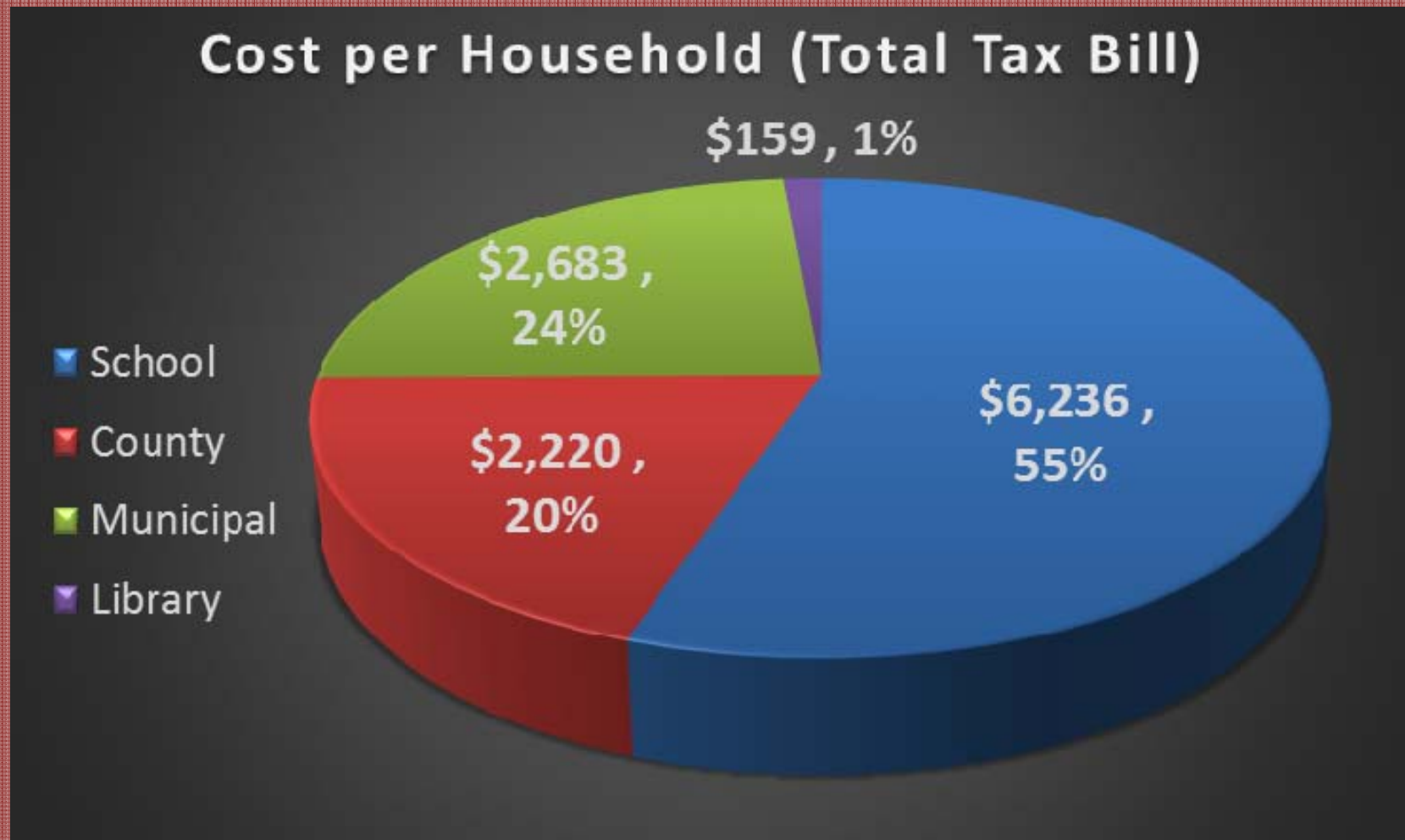
Public Works Services

Utilities, Recycling, Garbage

Administration/Legal/Insurance

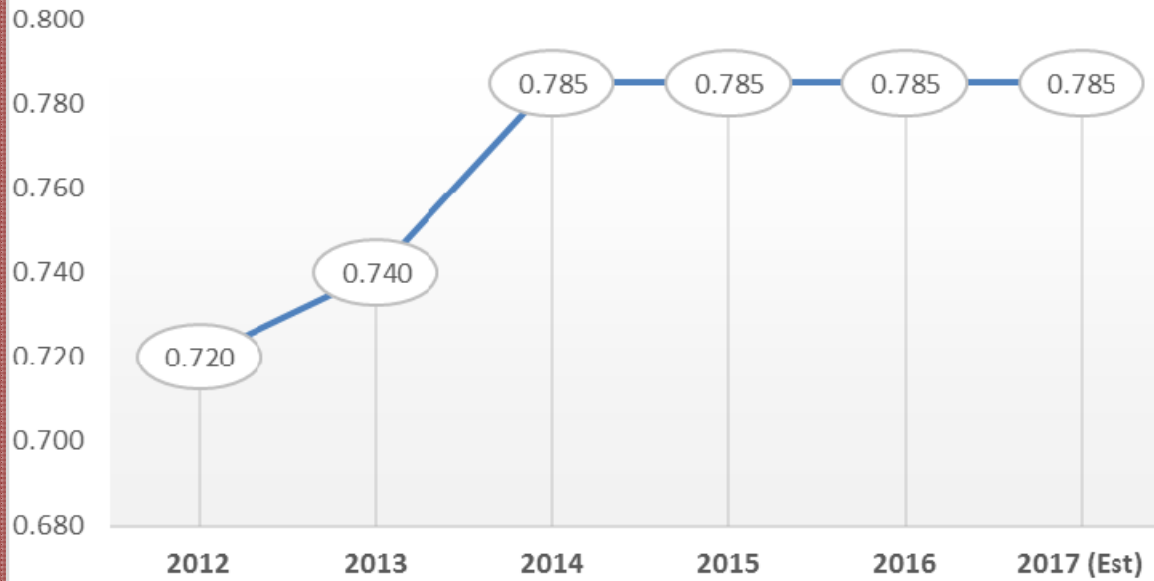
Other Expenses and Services

Let's look at the entire Property Tax bill of a Verona resident

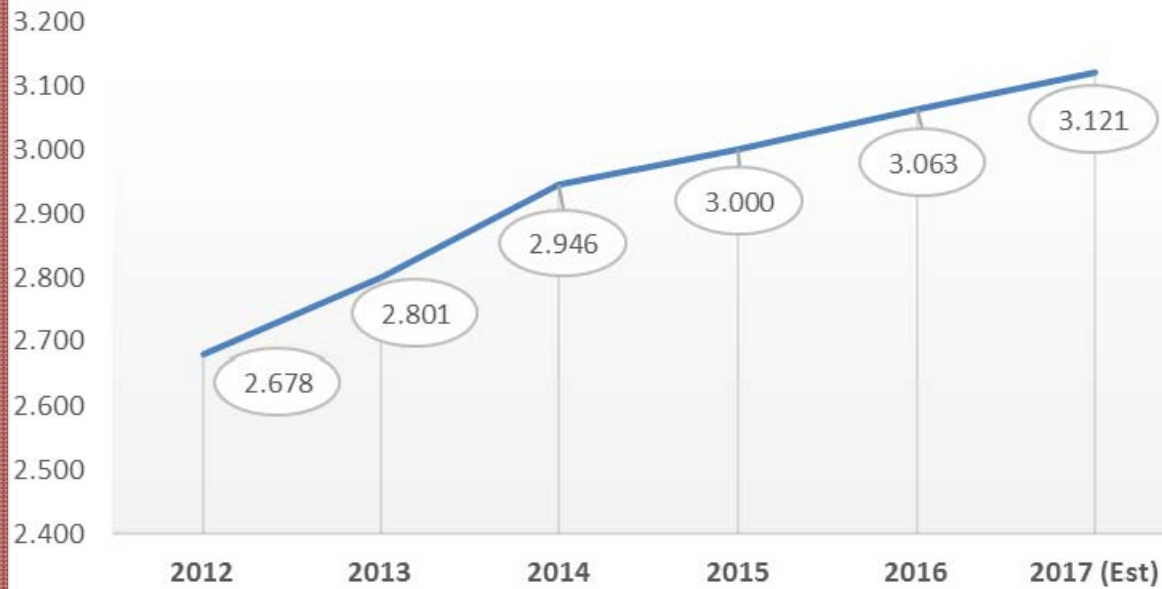


* 2017 School and County estimated based on historical increases

Municipal Tax Rate History



Total Tax Rate History



Verona Tax Levy Five Year Analysis

Year	Municipal Levy	County Levy	School Levy
2013	0%	2.34%	2.35%
2014	5.69%	7.07%	3.61%
2015	0.33%	2.10%	3.13%
2016	0.51%	4.38%	2.99%
2017 (Est)	<u>0.27%</u>	<u>2.50%</u>	<u>3.00%</u>
Total % Increase	6.80%	18.39%	15.07%



Three Major Areas

1. Unsettled Collective Bargaining Agreements

- Both PBA and OPEIU contracts expired as of January 1, 2017
- Negotiations are currently underway
- The result of negotiations will dictate a large portion of the Township personnel expenses

2. Health Benefits

- Health Benefit costs are rising across the nation
- Verona State vs HIF
- Cost of retiree benefits continue to increase

3. Capital Projects and Debt

Capital Projects and Debt

- Major Projects Ahead
 - Library Renovation
 - Fire House 2 Renovation
- Bond Sale Projected for 2017
- Commit to funding Capital Projects annually
 - Long Term approach must be taken
 - Reduce new debt approved
 - Reduce long term interest costs to the Tax Payers

Next Steps...