

Readington Township

2011 Budget Highlights

“CAPS”

Types

- ❖ APPROPRIATIONS
- ❖ LEVY



Appropriations Cap

- COLA (COST OF LIVING ADJUSTMENT)
 - NOW REFERRED TO AS “1977 CAP”
 - SET AT 2% – CAN INCREASE TO 3.5% BY ORDINANCE
 - A “PAPER” NUMBER
 - BALANCE IS “BANKED” FOR UP TO 2 YEARS
 - “Banked” amount removed if not utilized within 2 yrs.

Levy Cap

- 2007 CAP
 - REFERS TO 4% LEVY CAP ON LOCAL UNITS
 - SUPERSEDED BY THE 2010 CAP LAW
- 2010 CAP LAW
 - AMENDED 2007 CAP TO A 2% CAP
 - MODIFIED EXCLUSIONS

Appropriations

- **2011 Allowable Operating Appropriations**
 - \$12,737,892.95, plus \$522,562.16 “banked” = \$13,322,671.76
- **Proposed Budget Appropriations (within cap)**
 - \$12,985,800
 - \$336,871.76 under allowable “appropriations” cap

Tax Levy

2010 AMOUNT TO BE RAISED	\$12,191,558.67
2011 PERMITTED	\$12,727,546.48
2011 PROPOSED	\$11,837,590.00

- \$889,956.48 BELOW ALLOWABLE AMOUNT
- \$353,968.67 BELOW 2010 LEVY

Budget History

▶ 2007	\$17,427,967
▶ 2008	\$18,146,082
▶ 2009	\$17,366,970
▶ 2010	\$17,222,039
▶ 2011	\$17,091,039

Changing Assessments

5 yr Assessment History

TAX YEAR	ASSESSMENTS	INCREASE / DECREASE
2011	\$2,740,551,605	- \$101,060,080
2010	\$2,841,611,685	- \$ 4,126,404
2009	\$2,845,738,089	\$ 7,485,767
2008	\$2,838,252,322	\$ 17,341,079
2007	\$2,820,911,243	\$ 2,235,920

Taxes

- Assessed values decreased by \$101,432,188 from 2010 to 2011.
- Municipal tax for 2011 will be \$1,618.52 with a tax rate of \$.43 for average assessed home of \$376,400.
- Compared to the 2010 average assessed home of \$392,400 with a municipal tax of \$1,687.32 and a tax rate of \$.43.



Municipal Tax Rate

- Valuation: \$2,740,179,505 (3.5% drop)
- Budget Requirement: \$11,837,590
- Calculation:
$$\frac{\$11,837,590}{\$2,740,179,505} \div \$100 = .43$$

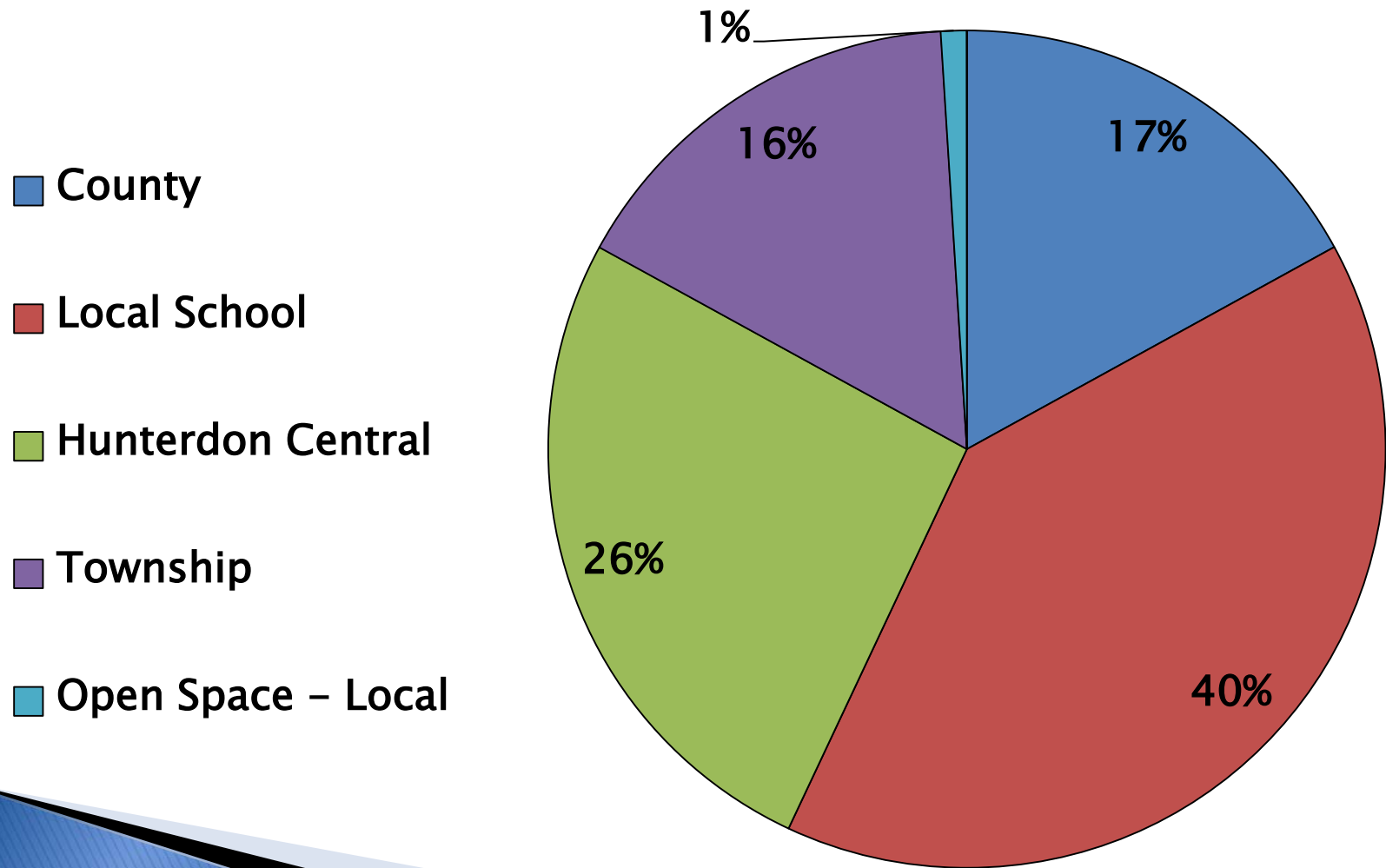
Change in Municipal Rate

2008 RATE	\$.38
2009 RATE	\$.41
2010 RATE	\$.43
2011 RATE	\$.43

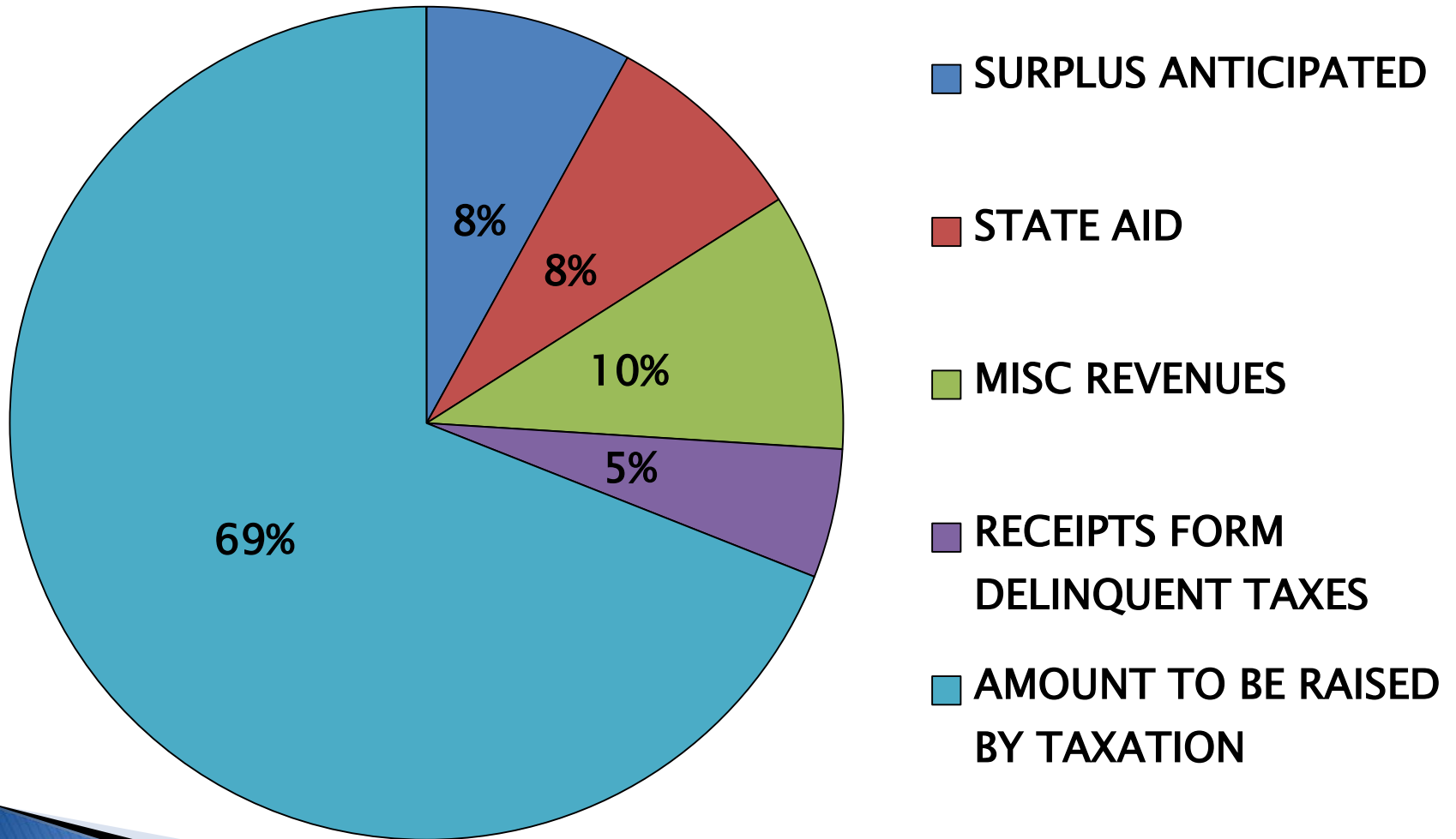
Breakdown of Tax Rate

■ County	.45	17% (approx.)
■ Local School	1.08	40%
■ Hunterdon Central	.71	26%
■ Township	.43	16%
■ Open Space/Local	.02	1%
■ TOTAL	\$2.69 (Estimated)	

Projected 2011 Overall Tax Rate



2011 Revenues by Category



State Aid

- ▶ 2006 \$1,961,844
- ▶ 2007 \$2,061,701
- ▶ 2008 \$1,955,540
- ▶ 2009 \$1,827,570
- ▶ 2010 \$1,429,653
- ▶ 2011 \$1,429,653 (anticipated)

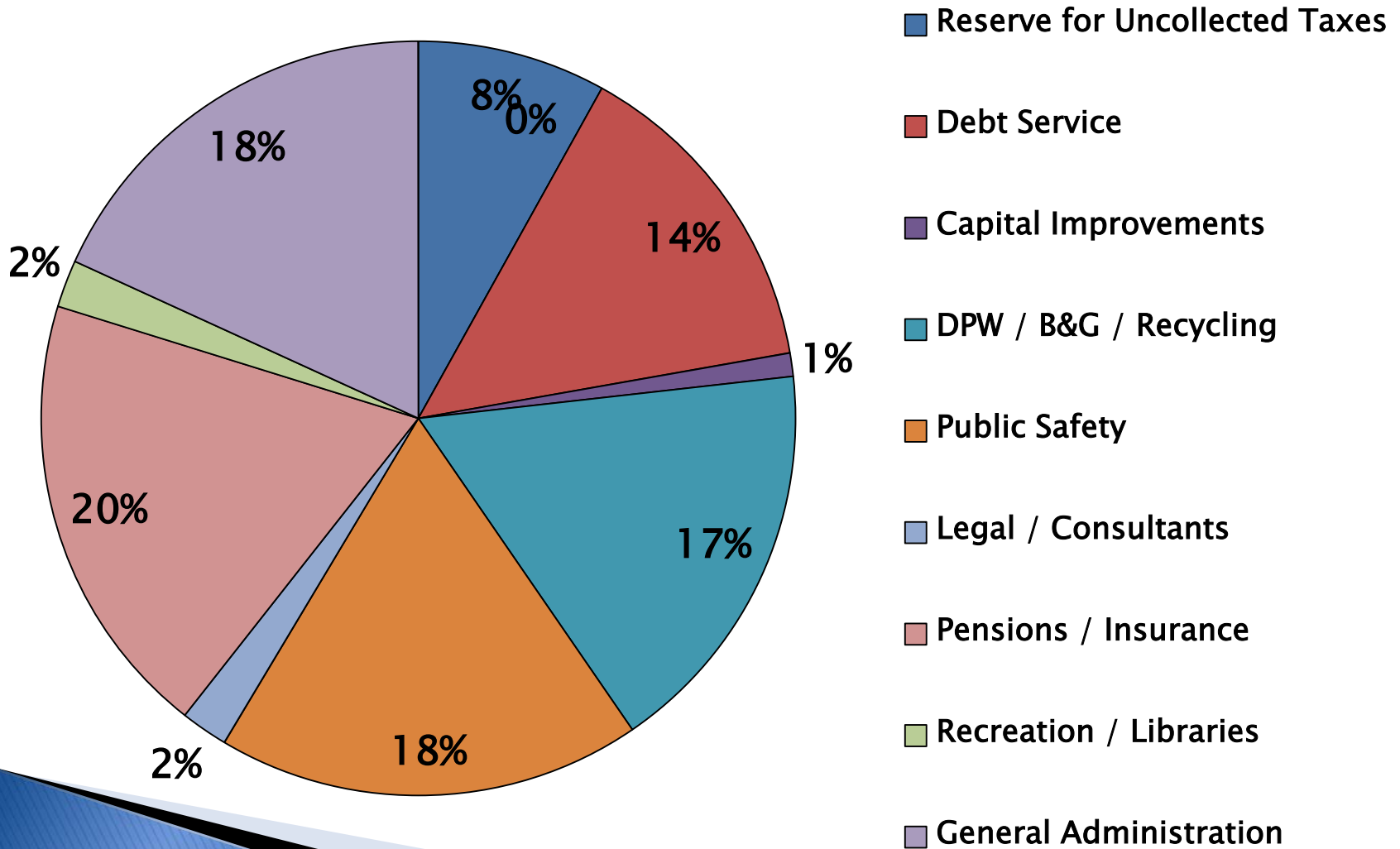
Interest on Investments

2006	\$831,669
2007	\$653,700
2008	\$270,772
2009	\$88,130
2010	\$121,344
2011	\$108,900 (ANTICIPATED)

Municipal Surplus

YEAR	BALANCE 12/31 of previous year	UTILIZED
2007	\$2,774,806	\$1,670,000
2008	\$1,907,958	\$1,150,000
2009	\$1,311,463	\$ 850,000
2010	\$1,587,855	\$ 800,000
2011	\$2,329,748	\$1,293,000

2011 Budget Appropriations Breakdown by Category



Major Decreases from 2010

- Capital Improvement Fund
 - Legal & Consultants
 - Aid to Emergency Services
- 

Uncollected Reserve

Example Calculation:

FUNDS NEEDED	\$70,000,000
EXPECTED COLLECTION RATE	97.9%

$$\$70,000,000 / .98 = \$68,530,000 \text{ (est)}$$

RUT is the difference = \$1,425,000

Municipal Debt

- 2006 \$66.5 million
- 2007 \$60.3 million
- 2008 \$64.2 million
- 2009 \$69.9 million
- 2010 \$64.0 million

Current Debt Breakdown

<i>BONDS/NOTES</i>	<i>BALANCE</i>		
	12/31/10	2011	3/1/11
Serial Bonds	13,501,000	11,000,000	24,501,000
Bond Anticipation Notes	50,200,000	(16,000,000)	34,200,000
State Loans	3,814,678		3,814,678
Authorized but not issued	2,087,261		2,087,261
LESS cash on hand to pay notes	(5,600,533)	5,000,000	(600,533)
TOTAL NET DEBT	64,002,406		64,002,406



The Cost of Running a Municipality

- Average Tax Bill in Readington = \$10,400
- Average Tax Bill for Municipal Services:
$$\$376,400 \times .43 = \$1,618.52$$

What do you get for \$1,619?

- Police Protection
- Road maintenance, snow plowing, paving, drainage maintenance
- Maintenance of Township owned properties
 - *Parks (fields), museums, libraries, open space trails*
- Curbside Garbage & Recycling – Recycling Depot
- Boards – Governing Body, Planning, Zoning, Health, Environmental, Open Space
- Zoning Enforcement
- Code Enforcement / Fire Inspections
- Municipal Court
- Elections
- Aid to Emergency Services
- Animal Control
- Recreation and Museum programs (summer camp, sports/activity coordination)
- Licensing: Marriage, Liquor, Food Handlers
- Affordable Housing Administration
- Senior Citizen services (trips, transportation)
- 8,000 acres of preserved land