

**Township of Nutley**  
**2019 Municipal Budget**  
**Introduction: April 2, 2019**  
**Adoption: September 17, 2019**

Prepared by:  
Commissioner Thomas J. Evans  
Department of Revenue & Finance

# 2019 Budget Summary

Budget Item	2019	2018	Change	% Change
Appropriations (Excluding Reserve for Uncollected Taxes)	\$52,423,251.00	\$51,845,861.05	\$577,389.95	1.11%
Reserve for Uncollected Taxes (RUT)	4,451,989.00	4,364,696.00	87,293.00	2.00%
<b>Total Appropriations</b>	<b>\$56,875,240.00</b>	<b>\$56,210,557.05</b>	<b>\$664,682.95</b>	<b>1.18%</b>
Less: Anticipated Revenues	15,002,488.00	15,158,227.00	-155,739.00	-1.03%
<b>Municipal Tax Levy:</b>	<b>\$41,872,752.00</b>	<b>\$41,052,330.05</b>	<b>\$820,421.95</b>	<b>2.00%</b>
Amount to be raised by Taxes - Municipal	\$40,597,138.75		Assessed Valuation	\$3,264,126,800.00
Amount to be raised by Taxes - Library	\$1,275,613.25		Local Tax Rate	1.283

The above 2.00% increase in Tax Levy equates to a \$99.32 increase for the average taxpayer, whose residential property is assessed at \$319,343.

# Summary of Changes in 2019 Budget: Spending to increase \$664,683 million from \$56.2 million, to \$56.9 million.

<b>Changes in Salary:</b>	
Public Safety	\$623,135
Parks & Public Property	122,009
DPW	35,400
Public Affairs	21,307
Revenue & Finance	13,000
Mayor's Office	16,750
<b>Total</b>	<b>\$831,601</b>
<b>Total Changes:</b>	
Salaries	\$831,601
Net other Exp.	-166,918
<b>Grand Total</b>	<b>\$664,683</b>

<b>Changes in Other Expenses:</b>	
Sewer	\$172,000
Pension:	
Police/Fire	268,393
Other	31,779
Water Deficit	-343,000
Medical Insurance	-629,482
Recycling	250,000
Library Services	31,137
Debt Service	-12,505
Reserve Taxes	87,293
Other Expenses	-22,533
<b>Total</b>	<b>\$-166,918</b>

# Summary of Changes in 2019 Budget: Revenues to decrease \$155,739K from \$15.1 million, to \$15.0 million.

2018 Transitional Aid	\$4,100,000
Final Transitional Aid	\$3,250,000
Shortfall	-\$850,000

<b>Other Revenues:</b>	
Grants	\$135,971
Interest Earned	\$45,000
FEMA Reimbursement	\$92,663
Other Revenues	\$420,627

Transitional Aid determination  
is FINAL.

<b>Total Other Revenues</b>	<b>\$694,261</b>
<b>Total Revenue Shortfall</b>	<b>-\$155,739</b>

# 2019 Municipal Budget Impact on Taxpayers

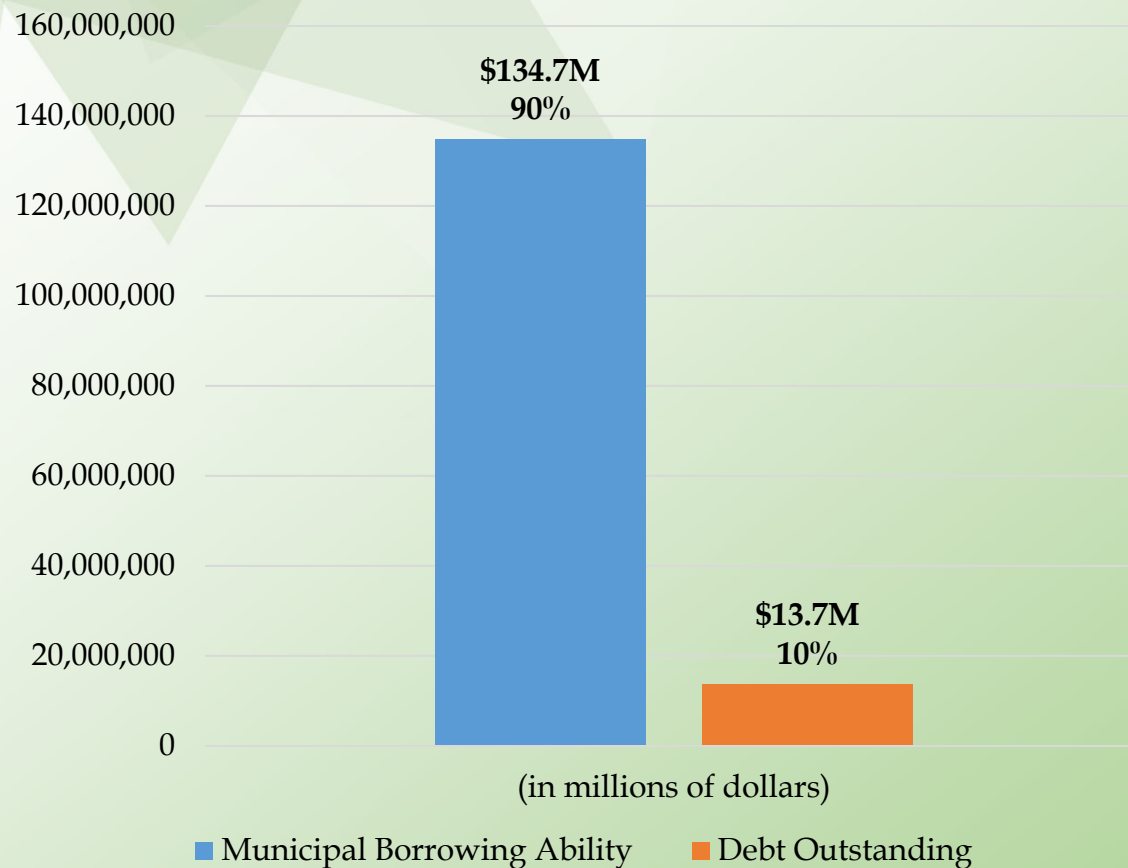
<b>2018 Tax Levy</b>	\$41,052,330.05
• Increase in spending	664,683
• Decrease in revenues	-155,739
<b>2019 Tax Levy</b>	\$41,872,752.00

The above represents a 2.0% increase over 2018.

This equates to a \$99.32 increase for the average taxpayer, whose residential property is assessed at \$319,343.

# Municipal Debt Outstanding

Borrowing Ability vs. Municipal Debt Outstanding



**Aa<sup>2</sup>**  
Moody's  
Investors  
Service Credit  
Rating

- **Average Municipal Debt:  
10 years at 2.52%**

## 2019 WATER UTILITY BUDGET SUMMARY

Budget Item	2019	2018	Change	% Change
<b>Water Billing/2019 Maintenance Fee</b>	<b>\$4,328,000.00</b>	<b>\$4,170,350.00</b>	<b>\$157,650.00</b>	<b>3.64%</b>
Less: Appropriations	4,558,495.00	4,513,350.00	45,145.00	1.00%
<b>Deficit in Operations</b>	<b>-\$230,495.00</b>	<b>-\$343,000.00</b>	<b>-\$112,505.00</b>	<b>-48.81%</b>

Changes in Budget:	2019	2018	2014	19-18 Change	19-18 % Change	19-14 Change	19-14 % Change
Salaries & Wages	\$1,650,000.00	\$1,610,000.00	\$1,477,000.00	\$40,000.00	2.48%	\$173,000.00	11.71%
N. Jersey District Water	1,200,000.00	1,209,000.00	1,220,000.00	-\$9,000.00	-0.74%	-\$20,000.00	-1.64%
Purchase of Water (P.V./Newark)	855,000.00	835,000.00	770,000.00	\$20,000.00	2.40%	\$85,000.00	11.04%
Debt Service	110,745.00	111,745.00	109,413.00	-\$1,000.00	-0.90%	\$1,332.00	1.22%
Medical Insurance/Other Insurance	285,000.00	285,000.00	340,000.00	\$0.00	0.00%	-\$55,000.00	-16.18%
Social Security/Unemployment/Pension	131,000.00	131,000.00	128,000.00	\$0.00	0.00%	\$3,000.00	2.34%
Other	326,750.00	331,605.00	286,090.00	-\$4,855.00	-1.46%	\$40,660.00	14.21%
<b>Total:</b>	<b>\$4,558,495.00</b>	<b>\$4,513,350.00</b>	<b>\$4,330,503.00</b>	<b>\$45,145.00</b>	<b>1.78%</b>	<b>\$227,992.00</b>	<b>5.26%</b>

Water Utility Distribution Services are provided by the Department of Public Works. Billing and operating costs are billed quarterly through a separate bill, not a part of your tax bill.

# In Summary:

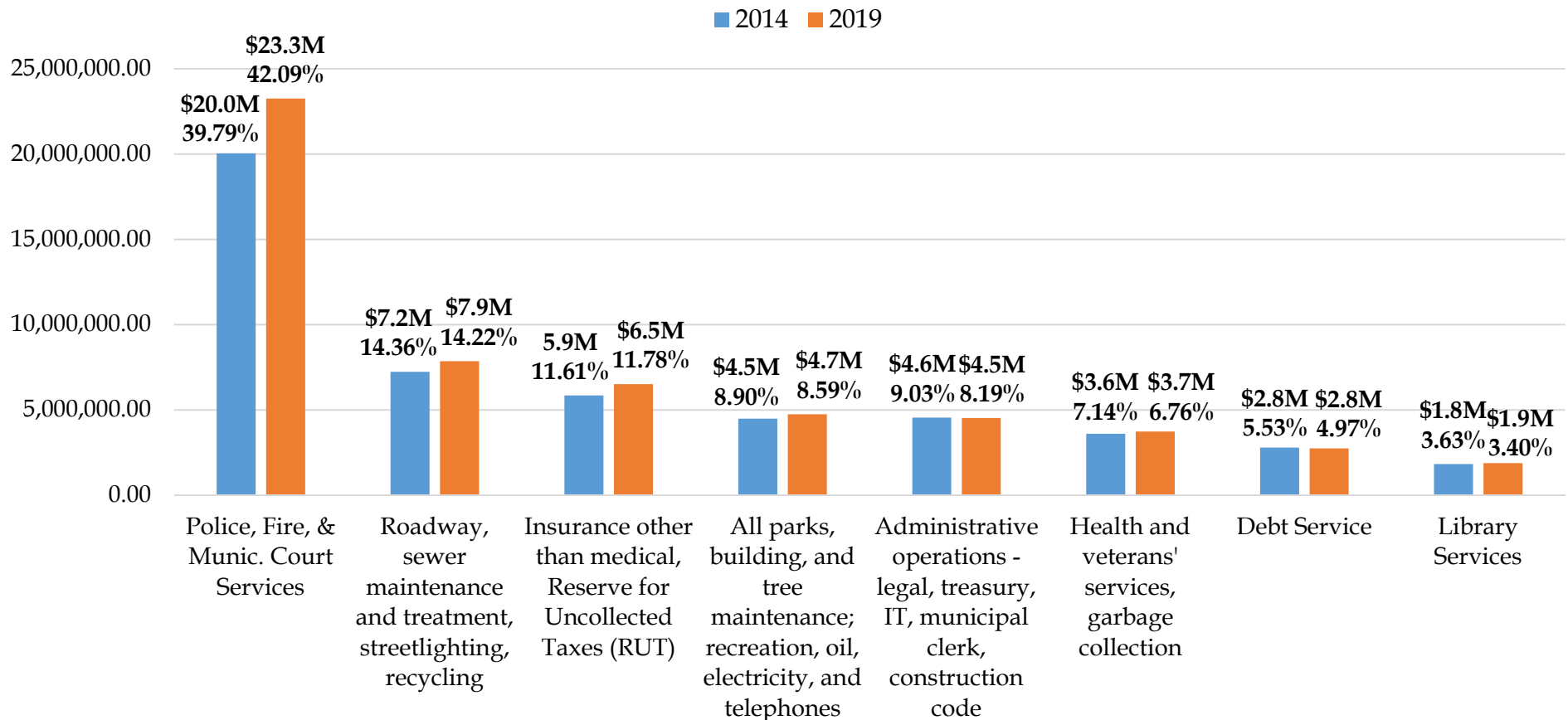
- Tonight, we are introducing our budget in order to meet a statutory State deadline.
- We will hold a Public Hearing on this budget on May 7, 2019.
- Transitional Aid in the amount of \$3,250,000 was finalized and awarded on 09/17/19.
- **The Budget increase was 1.18%.**
- **The Tax Levy increase was 2.0%.**
- **The full budget and these slides will be posted on the Township website.**



# How Nutley's Municipal Tax Dollars are Spent

\*2014 Municipal Budget, \$50.4 Million

\*2019 Municipal Budget, \$56.9 Million



\*2019 and 2014 budgets do not include \$2.2 and \$1.8 million respectively in Transitional Aid transfers to the School District and County.

**Board of Commissioners Meeting  
Budget Public Hearing  
May 7, 2019**

**Change in Your Taxes Since 2014**

Prepared by:  
Commissioner Thomas J. Evans  
Department of Revenue and Finance

# Total Property Tax Increase Since 2014

Average Home Assessed For 2019 - \$319,340



<u>2014</u>		<u>Change</u>	<u>2019</u>	
Municipal	\$3,629.64	\$467.49 (12.9%)	Municipal	\$4,097.13
School	\$4,935.98	\$709.96 (14.4%)	School	\$5,645.94
County	<u>\$1,753.44</u>	\$25.28 (1.4%)	County	<u>\$1,778.72</u>
<b>Total</b>	<b>\$10,319.06</b>		<b>Total</b>	<b>\$11,521.79</b>



**\$1,202.73**  
**or 11.66%**

## Your Municipal Tax Increase

5 Year Summary & Impact on an Average Residential Taxpayer

**(Average Home Assessed Value For 2019 - \$319,340)**

	<b>2019</b>	<b>2014</b>	<b>Change</b>
Gross Municipal Budget	\$56,875,240	\$50,445,888	\$6,429,352
Less: General Revenues	(11,752,488)	(11,096,911)	655,577
Less: Transitional State Aid	(3,250,000)	(2,750,153)	499,847
Net Municipal Budget	\$41,872,752	\$38,379,597	\$3,493,155
Nutley Town wide Assessed Value	\$3,264,126,800	\$3,330,180,800	(\$66,054,000)
Increase in Municipal Tax Rate	\$1.283	\$1.153	13.0 cents
Average Assessed Home Value	\$319,343	\$314,800	\$4,543
<b>Average Municipal Property Tax Increase</b>	<b>\$4,097.13</b>	<b>\$3,629.64</b>	<b>\$467.49</b>

## Your School Tax Increase

5 Year Summary & Impact on an Average Residential Taxpayer  
(Average Home Assessed Value for 2019 - \$319,340)

	2019	2014	Change
Gross School Budget	\$72,696,098	\$64,470,662	\$8,225,436
Less: General School Revenue	(12,801,402)	(10,602,838)	2,198,564
Net School Budget	\$59,894,696	\$53,867,824	\$6,026,872
Less: Transitional State Aid	(1,570,850)	(1,317,978)	252,872
Less: Fiscal Year Billing Cycle Adjustment (Sept. to June vs Jan. to Dec.)	(955,413)	(468,011)	487,402
Net School Budget after TSA and adjustment	\$57,368,132	\$52,081,835	\$5,286,297
Nutley Town wide Assessed Value	\$3,264,126,800	\$3,330,180,800	(\$66,054,000)
Increase in School Tax Rate	\$1.768	\$1.564	20.4 cents
Average Assessed Home Value	\$319,343	\$314,800	\$4,543
<b>Average School Tax</b>	<b>\$5,645.94</b>	<b>\$4,935.98</b>	<b>\$709.96</b>

## Your Essex County Tax Increase

4 Year Summary & Impact on an Average Residential Taxpayer

**(Average Home Assessed Value for 2018 - \$318,300)**

	<b>2018</b>	<b>2014</b>	<b>Change</b>
Essex County Net Budget	\$429,955,636	\$404,683,205	\$25,272,431
Essex County Open Space Net Budget	13,452,231	12,266,160	1,186,070
Total County Net Budget	\$443,407,867	\$416,949,365	\$26,458,501
Nutley Percentage Share Of County Budget	4.266%	4.557%	(0.291%)
Nutley Share of Essex County Net Budget	\$18,916,087	\$19,004,011	(87,924)
Less: Transitional State Aid	(516,520)	(462,795)	(206,569)
Nutley Share after Transitional State Aid	\$18,3299,567	\$18,541,216	(294,493)
Nutley Town wide Assessed Value	\$3,264,117,700	\$3,330,180,800	(\$66,063,100)
Decrease in County & Open Space Tax Rate	55.8 cents	55.7 cents	(0.1 cents)
Average Assessed Home Value	\$319,343	\$314,800	\$3,500
<b>Average Combined County Tax</b>	<b>\$1,776.11</b>	<b>\$1,753.44</b>	<b>\$25.28</b>

# Transitional State Aid Benefit Since 2014

\$24.8 Million Inclusive of Municipal, School, & County

Average Home Assessed for 2019 - \$319,343



**\$1,228.85**

*with*  
Transitional State Aid/New  
Development

## Transitional State Aid

has saved you **\$342** or  
**3%** in property taxes in  
2019.

**PLUS**

New Development has  
saved you an additional  
**\$131** or **1%** in property  
taxes in 2019.



**\$1,701.85**

*without*  
Transitional State Aid/  
New Development



**OVER \$2,500** in real tax savings for the  
average residential taxpayer since 2014.

**LET'S TAKE A CLOSER LOOK AT THE  
DETAILS BEHIND YOUR MUNICIPAL TAX  
INCREASE SINCE 2014 OF \$467.49.**

**DETAILS FOR BOTH THE SCHOOL AND COUNTY INCREASES MUST  
BE PROVIDED BY THOSE BOARDS.**



# What Can Trigger an Increase or Decrease in Your Property Taxes?

**A change in 1 or more of the following 5 triggers can increase or decrease in your property taxes:**

- A Change in General Revenues
- A Change in our base State Aid or in our Transitional State Aid
- A Change in spending by the 5 Municipal Departments or the Library
- A Change in the Assessed Value of the **Township**
- A Change in the Assessed Value of your **individual property**

# And, How Have These 5 Triggers Affected Your Taxes?

## Since 2014:

- General Revenues have increased **\$282,000**
- Base State Aid has remained flat, Transitional State Aid increased **\$262,000**
- Spending across the 5 Municipal Departments and the Library increased **\$4,798,000**
- Township wide Assessed Value decreased **\$66,000,000**
- The average Assessed Value of residence increased **\$4,540**

**The above triggers increased the Municipal Tax Rate from 1.153 to 1.306**

**The net decrease in Township wide Assessed Value of \$66.0 million is fully attributed to the closure of Hoffman La Roche**

# Let's Start With Changes in General Revenues and Transitional State Aid

(Average Home Assessed Value for 2019 - \$319,340)

Item	Revenue Increase	Tax Rate Decrease (in cents)	Impact on Taxpayer
General Revenues	\$282K	(0.85)	(\$26.76)

Item	Aid Increase	Tax Rate Decrease (in cents)	Impact on Taxpayer
Transitional State Aid	262K	(0.79)	(\$24.87)

<b>Total</b>	<b>\$544K</b>	<b>(1.64)</b>	<b>(\$51.63)</b>
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**Decrease in  
Municipal Tax**

**Each 1 cent change in the tax rate equals \$31.48 in property tax**

Let's Now Look at Changes in Direct Cost For The  
 5 Municipal Departments and Library  
 (Average Home Assessed Value for 2019 - \$319,340)

Municipal Department	Spending Increase/(Decrease)	Impact on Tax Rate (in cents)	Impact on Taxpayer
Public Safety	\$2,096K	6.30	\$198.32
Parks & Public Property	383K	1.15	36.20
Public Works	301K	0.90	28.33
Mayor's Office	46K	0.14	4.40
Public Affairs	27K	0.08	2.52
Revenue & Finance	(365K)	(1.10)	(34.62)
Library	27K	0.08	2.52
<b>Total</b>	<b>\$2,515K</b>	<b>7.55</b>	<b>\$237.67</b>

Each 1 cent change in the tax rate equals \$31.48 in property tax

Increase in Municipal Tax

## And Beyond These Direct Costs, There Are Common Municipal Costs

**(Average Home Assessed Value for 2019 - \$319,340)**

Item	Spending Increase/Decrease	Impact on Tax Rate (in cents)	Impact on Taxpayer
Employee Pensions, net of Employee Contributions	\$853K	2.56	\$80.59
Sewer Treatment/Garbage Collection	576K	1.73	54.46
Primarily Payroll Taxes and other minor changes in Debt Service and Reserve for Uncollectible Taxes	344K	1.03	32.42
Medical and Other Insurance	509K	1.53	48.16
<b>Total</b>	<b>\$2,282K</b>	<b>6.85</b>	<b>\$215.63</b>

**Each 1 cent change in the tax rate equals \$31.48 in property tax**

**Increase in Municipal Tax**

# And Now Let's Look At How The Township Wide Assessed Value Has Changed

**(Average Home Assessed Value for 2019 - \$319,340)**

Item	Assessed Value Decrease	Tax Rate Increase (in cents)	Impact on Taxpayer
Township wide Assessed Value	(\$66 Million)	2.6	<b>\$81.85</b>

**Each 1 cent change in the tax rate equals \$31.48 in property tax**

**Increase in Municipal Tax**

**The net decrease is Township wide Assessed Value of \$66.0 million is fully attributed to the closure of Hoffman La Roche**

# Finally, Let's Look at How a Change in Your Individual Assessed Value Can Affect Your Tax

**(Average Home Assessed Value for 2019 - \$319,340)**

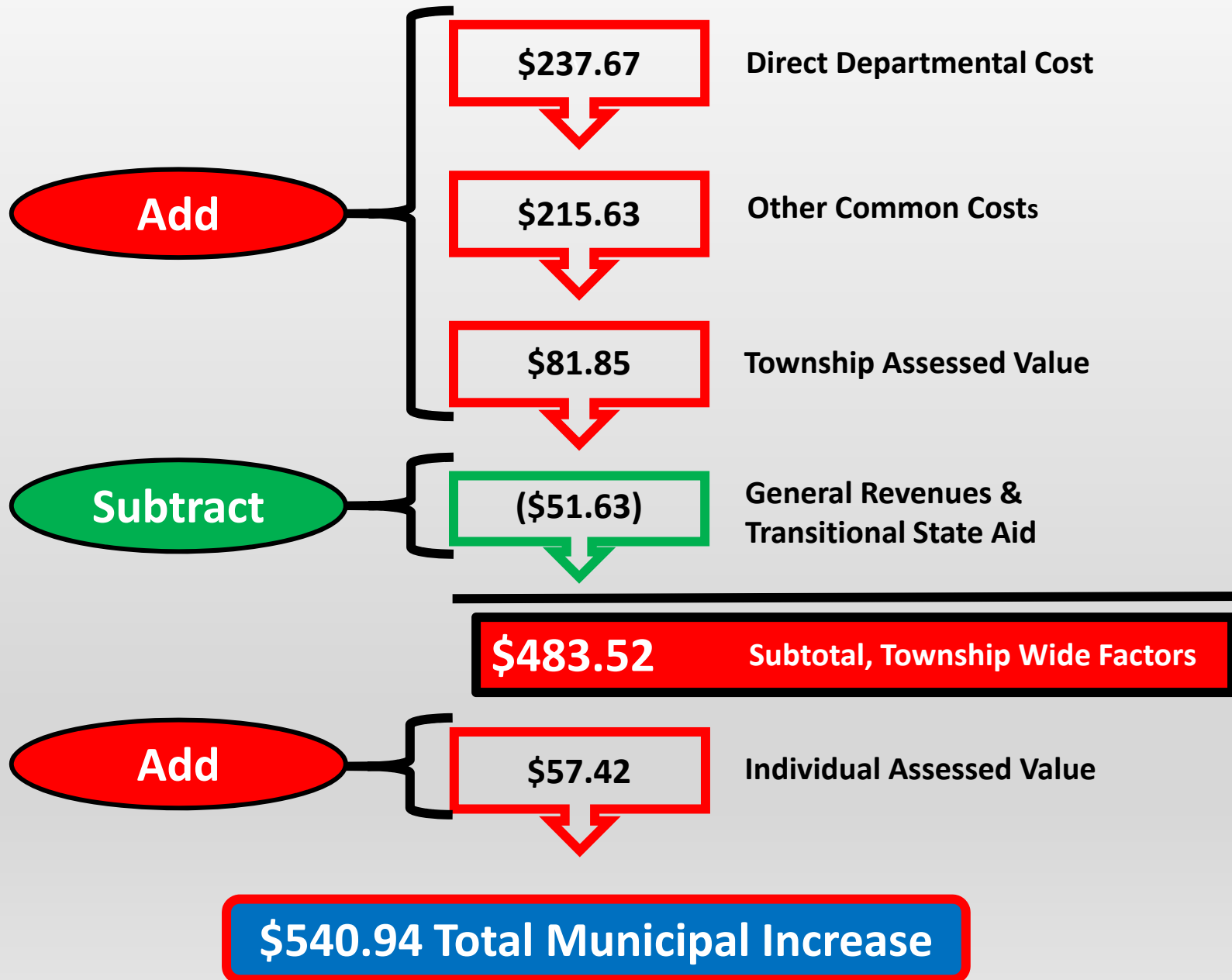
- Up to this point, we have looked at those areas that impact property taxes on a town wide basis.
- This final area will vary from property to property based upon changes in your individual assessed value (eg. renovations)

2019	2014	Change	Impact on Taxpayer
\$319,340	\$314,800	\$4,540	<b>\$57.42</b>

**Increase in  
Municipal Tax**

# Let's Bring It All Together

(Average Home Assessed Value for 2019 - \$319,340)





## **In summary:**

**Since 2014, overall taxes are up on average \$1,228 or about \$245 per year.**

**Municipal taxes are up \$541 or \$108 per year.**

**Our Traditional State Aid benefit has saved every taxpayer \$342 in 2019 and over \$1,850 since 2014.**

**Major new development has similarly saved every taxpayer \$131 in 2019 and \$650 since 2014.**

**Township wide assessed value has decreased a net \$66 million since 2014 as a result of the closure of Hoffman-La Roche.**

**These slides and video will be posted on the Township website.**