

**Township of Nutley
2019 Municipal Budget
Introduction
April 2, 2019**

Board of Commissioners Meeting

Presented by:

Commissioner Thomas J. Evans
Department of Revenue & Finance

2019 Municipal Budget Summary

Budget Item	2019	2018	Change	% Change
Appropriations (Before RUT & Library)	\$51,457,130.00	\$50,288,991.05	\$1,168,138.95	2.32%
Library Appropriation	1,588,007.00	1,556,870.00	31,200.00	2.00%
Reserve for Uncollected Taxes (RUT)	4,451,989.00	4,364,696.00	87,293.00	2.00%
Total Appropriations	\$57,497,126.00	\$56,210,557.05	\$1,286,568.95	2.29%
Less: Anticipated Revenues	14,864,374.00	15,158,227.00	-293,853.00	-1.94%
Municipal Tax Levy:	\$42,632,752.00	\$41,052,330.05	\$1,580,421.95	3.85%
Amount to be raised by Taxes – Municipal	\$41,357,138.75	Assessed Valuation	\$3,264,126,800.00	
Amount to be raised by Taxes – Library	\$1,275,613.25	2018/2019 Tax Rate	1.256/1.307	

The above 3.85% increase in Tax Levy equates to a \$175.92 increase for the average taxpayer, whose residential property is assessed at \$319,340.

Summary of Changes in 2019 Budget: Spending to increase \$1.3 million from \$56.2 million to \$57.5 million.

Changes in Salary:	
Public Safety	\$860,598
Parks & Public Property	122,009
DPW	36,900
Public Affairs	21,307
Revenue & Finance	13,000
Mayor's Office	-8,250
Total	\$1,045,564

Total Changes:	
Salaries	\$1,045,564
Net other Exp.	241,005
Grand Total	\$1,286,569

Changes in Other Expenses:	
Sewer	\$172,000
Pension:	
Police/Fire	268,393
Other	31,779
Water Deficit	-112,505
Medical Insurance	-529,482
Recycling Disposal	250,000
Library Services	31,137
Debt Service	-12,505
Reserve Taxes	87,293
Other Expenses	54,895
Total	\$241,005

Summary of Changes in 2019 Budget: Revenues to decrease \$293.9K from \$15.2 million to \$14.9 million.

2018 Transitional Aid	\$4,100,000
Statutory Allowable Amount in 2019	\$3,485,000
Shortfall	-\$615,000

Other Revenues:	
Grants	\$135,971
Interest	\$45,000
FEMA Reimbursement	\$92,663
Other Revenues	\$47,513

Transitional Aid determination is still pending.

Preliminary negotiations are currently underway.

Total Other Revenues	\$321,147
Total Revenue Shortfall	-\$293,853

2019 Municipal Budget Impact on Taxpayers

2018 Tax Levy	\$41,052,330.05
• Increase in spending	1,286,568.95
• Decrease in revenues	-293,853.00
2019 Tax Levy	\$42,632,752.00

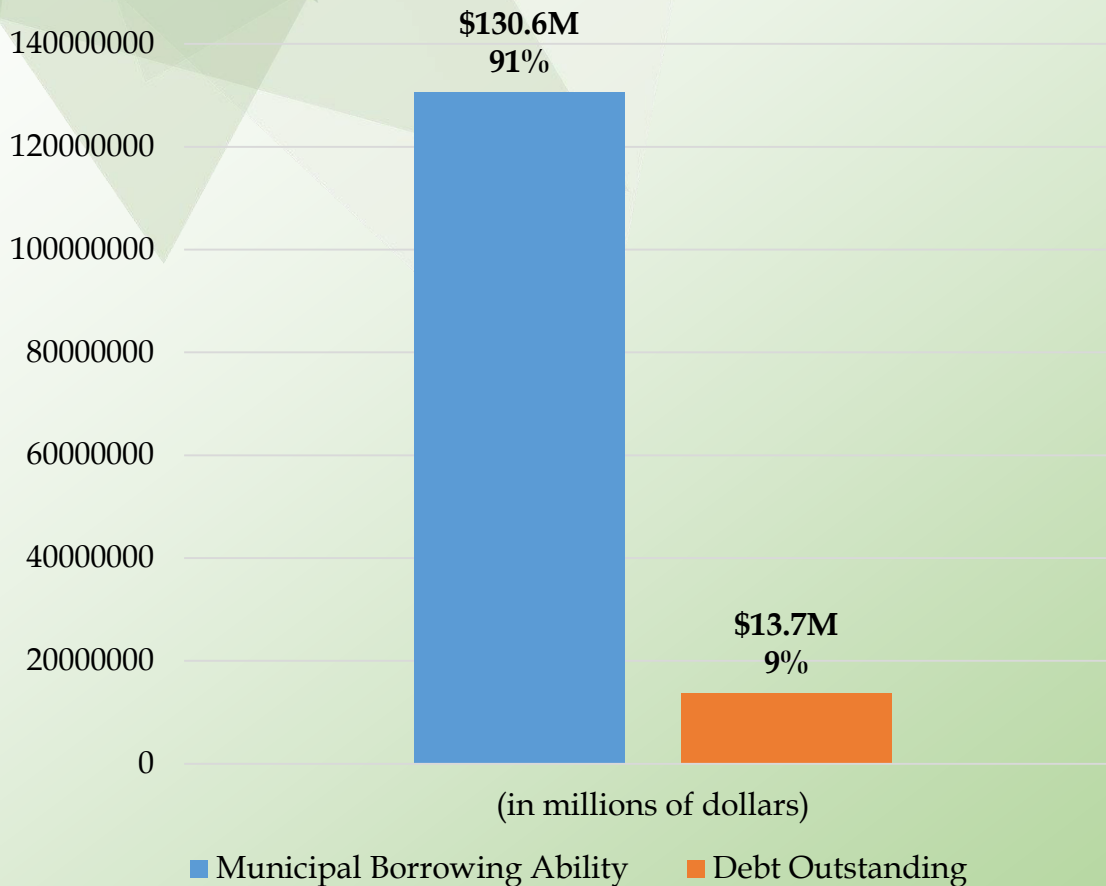
The above represents a 3.85% increase over 2018.

This equates to a \$175.92 increase for the average taxpayer, whose residential property is assessed at \$319,340.

In order to reach a 2% Cap, \$600,000 in new revenue or decreases in spending are needed.

Municipal Debt Outstanding

Borrowing Ability vs. Municipal Debt Outstanding



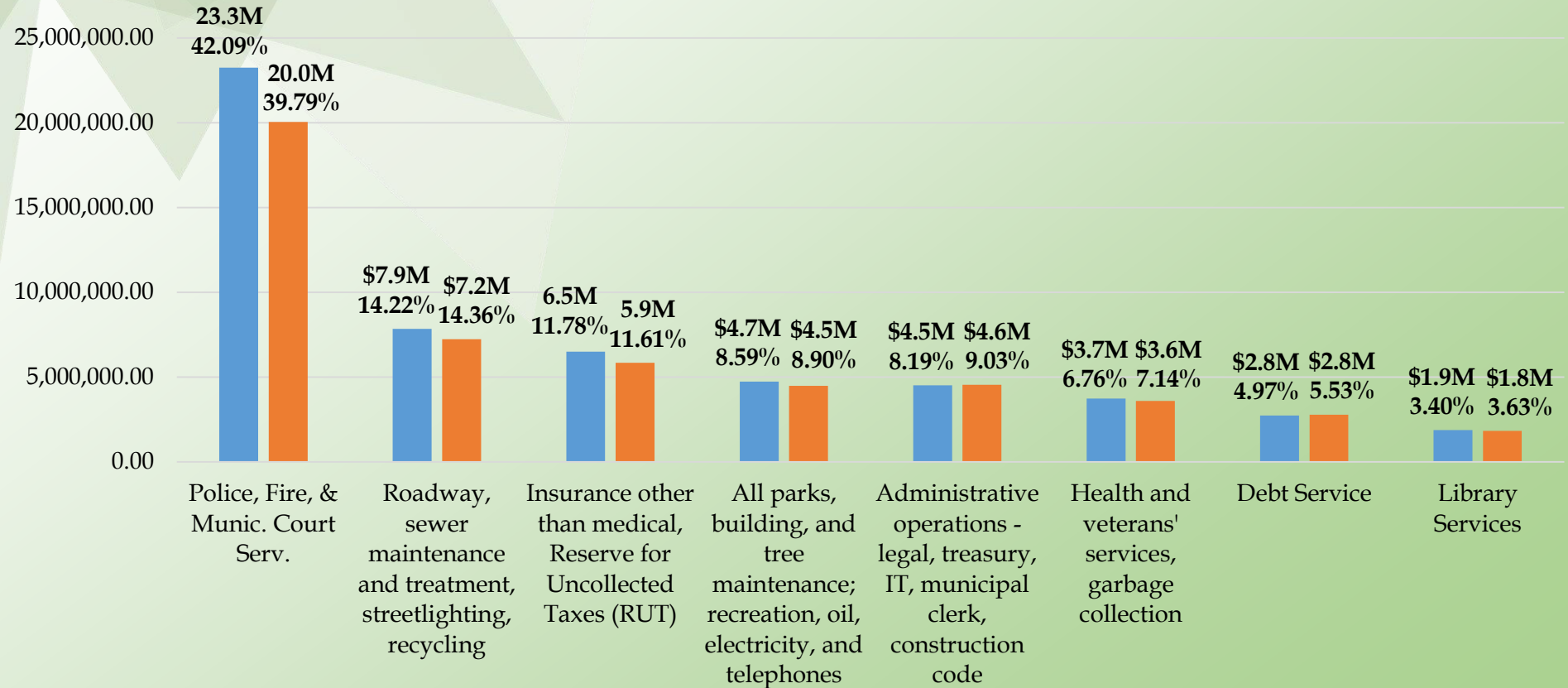
Aa²
Moody's
Investors
Service Credit
Rating

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

How Nutley's Municipal Tax Dollars are Spent

***2019 Municipal Budget, \$55.3 Million**
***2014 Municipal Budget, \$50.4 Million**

■ 2019 ■ 2014



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

2019 WATER UTILITY BUDGET SUMMARY

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

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	14.17%
Total:	\$4,558,495.00	\$4,513,350.00	\$4,330,503.00	\$45,145.00	1.78%	\$227,992.00	5.26%

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.
- Consistent with last year, we cannot adopt this budget until our Transitional Aid is finalized with the State later this summer.
- A 3.86% budget increase is entirely unacceptable.
- **Before we adopt, we must achieve a minimum goal of lowering our budget by at least \$600K to reach a 2% CAP.**
- **The full budget and these slides will be posted on the Township website.**