

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

Board of Commissioners Meeting

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)	\$53,048,642.00	\$51,845,861.05	\$1,202,780.95	2.32%
Reserve for Uncollected Taxes (RUT)	4,451,989.00	4,364,696.00	87,293.00	2.00%
Total Appropriations	\$57,500,631.00	\$56,210,557.05	\$1,290,073.95	2.30%
Less: Anticipated Revenues	14,864,374.30	15,158,227.00	-293,852.70	-1.94%
Municipal Tax Levy:	\$42,636,256.70	\$41,052,330.05	\$1,583,926.65	3.86%
Amount to be raised by Taxes – Municipal	\$41,360,643.45		Assessed Valuation	\$3,264,126,800.00
Amount to be raised by Taxes – Library	\$1,275,613.25		Local Tax Rate	1.306

The above 3.86% 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 \$1.290 million from \$56.2 million, to \$57.5 million.

Changes in Salary:	
Public Safety	\$773,135
Parks & Public Property	122,009
DPW	35,400
Public Affairs	21,307
Revenue & Finance	13,000
Mayor's Office	-8,250
Total	\$956,601

Total Changes:	
Salaries	\$956,601
Net other Exp.	333,473
Grand Total	\$1,290,074

Changes in Other Expenses:	
Sewer	\$172,000
Pension:	
Police/Fire	268,393
Other	31,779
Water Deficit	-109,000
Medical Insurance	-529,482
Recycling	250,000
Library Services	31,137
Debt Service	-12,505
Reserve Taxes	87,293
Other Expenses	143,858
Total	\$333,473

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 Earned	\$45,000
OEM 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	1,290,074
• Decrease in revenues	-293,853
2019 Tax Levy	\$42,636,256.70

The above represents a 3.86% 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.

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	14.21%
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:

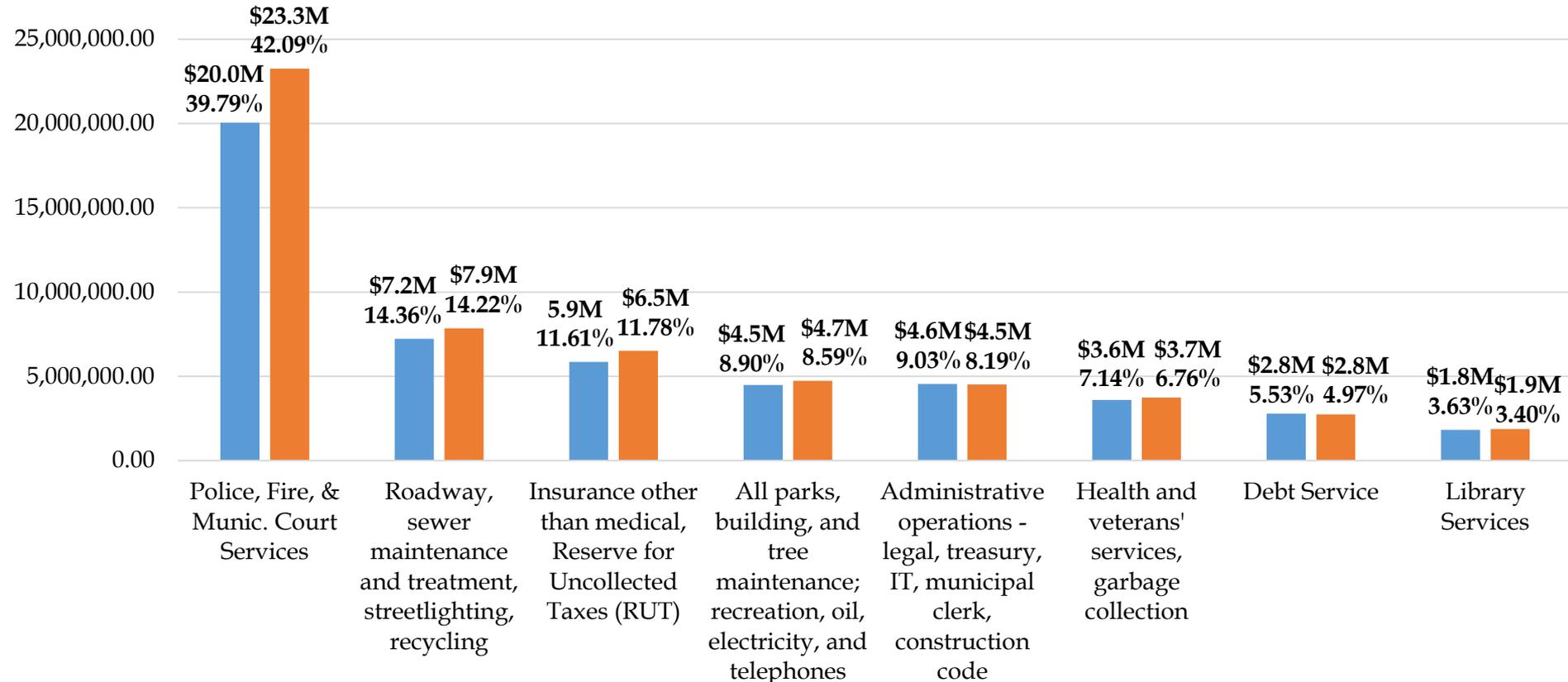
- Tonight, we are introducing our budget in order to meet a statutory State deadline.
- We will hold a Public Hearing on this budget on May 7, 2019.
- Consistent with last year, we cannot adopt this budget until our Transitional Aid is finalized with the State later this summer.
- A 3.86% budget increase 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.**

How Nutley's Municipal Tax Dollars are Spent

*2014 Municipal Budget, \$50.4 Million

*2019 Municipal Budget, \$55.3 Million

■ 2014 ■ 2019



*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



2014

Municipal	\$3,629.64
School	\$4,935.98
County	<u>\$1,753.44</u>
Total	\$10,319.06

Change

Municipal	\$540.94 (14.9%)
School	\$665.24 (13.5%)
County	\$22.67 (1.3%)

2019

Municipal	\$4,170.58
School	\$5,601.22
County	<u>\$1,776.11</u>
Total	\$11,547.91



\$1,228.85
or 11.91%

Your Municipal Tax Increase

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

	2019	2014	Change
Gross Municipal Budget	\$55,243,365	\$50,445,888	\$4,797,477
Less: General Revenues	(11,379,374)	(11,097,064)	282,310
Less: Transitional State Aid	(1,231,239)	(969,227)	262,012
Net Municipal Budget	\$42,632,752	\$38,379,597	\$4,253,155
Nutley Town wide Assessed Value	\$3,264,126,800	\$3,330,180,800	(\$66,054,000)
Increase in Municipal Tax Rate	\$1.306	\$1.153	15.3 cents
Average Assessed Home Value	\$319,340	\$314,800	\$4,540
Average Municipal Property Tax Increase	\$4,170.58	\$3,629.64	\$540.94

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	(1,684,132)	(1,317,978)	366,154
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	\$57,254,850	\$52,081,835	\$5,173,015
Nutley Town wide Assessed Value	\$3,264,126,800	\$3,330,180,800	(\$66,054,000)
Increase in School Tax Rate	\$1.754	\$1.564	0.19 cents
Average Assessed Home Value	\$319,340	\$314,800	\$4,540
Average School Tax	\$5,601.22	\$4,935.98	\$665.24

Your Essex County Tax Increase

4 Year Summary & Impact on an Average Residential Taxpayer
(Average Home Assessed Value for 2018 - \$318,300)

	2018	2014	Change
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	(669,364)	(462,795)	(206,569)
Nutley Share after Transitional State Aid	\$18,246,723	\$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	\$318,300	\$314,800	\$3,500
Average Combined County Tax	\$1,776.11	\$1,753.44	\$22.67

The County will be updated for 2019 when available

Transitional State Aid Benefit Since 2014

\$25 Million Inclusive of Municipal, School, & County

Average Home Assessed for 2019 - \$319,340



\$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 \$540.94.**

**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)

Total	\$544K	(1.64)	(\$51.63)
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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
Total	\$2,515K	7.55	\$237.67

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
Total	\$2,282K	6.85	\$215.63

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	\$81.85

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)

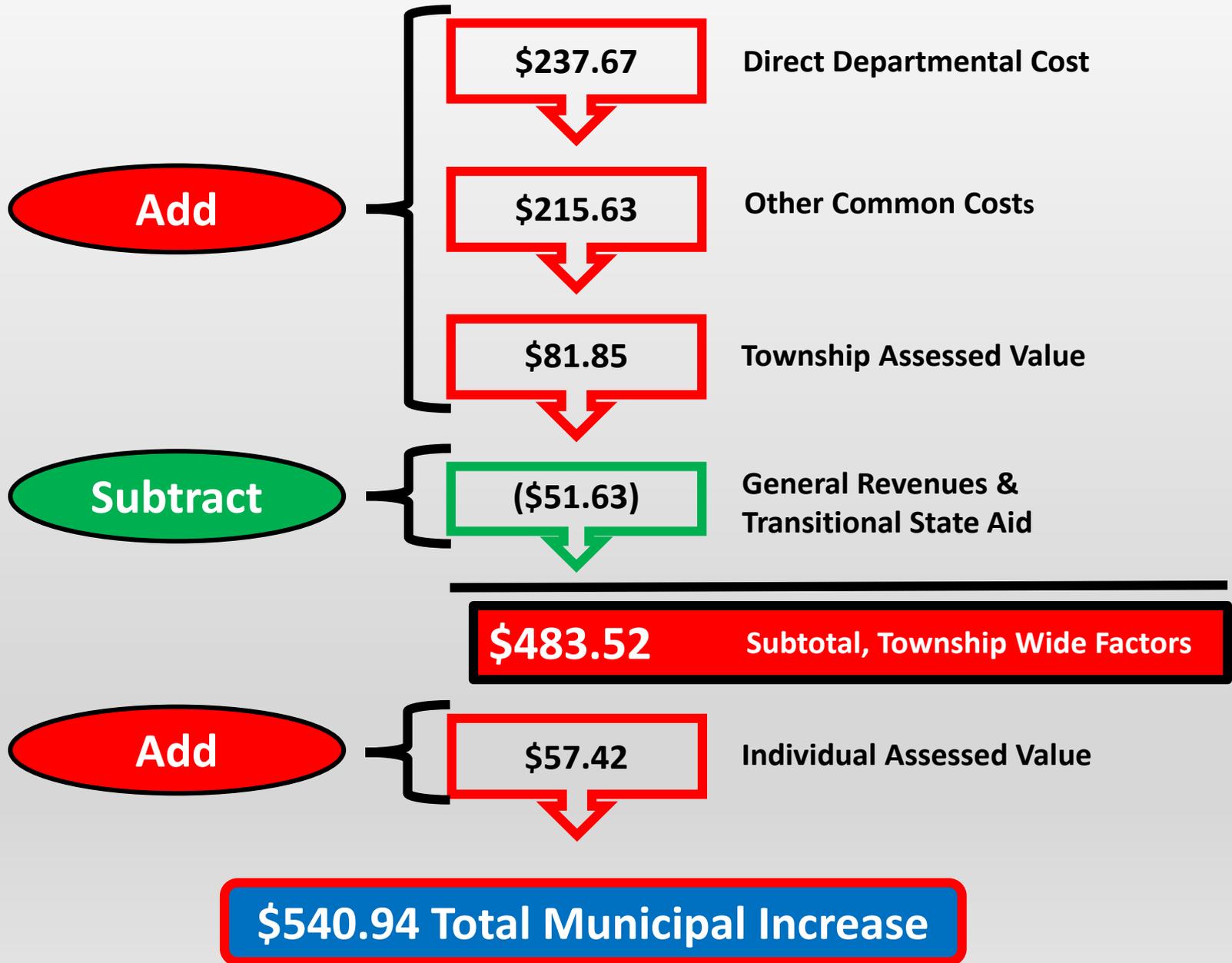
2019	2014	Change	Impact on Taxpayer
\$319,340	\$314,800	\$4,540	\$57.42



**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.

Questions / Contact Info:

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