



2024 MORRIS TOWNSHIP MUNICIPAL BUDGET



MAYOR
Donna Guariglia

DEPUTY MAYOR
Jeff Grayzel

COMMITTEE
Mark Gyorfy
Bud Ravitz
Siva Jonnada

2024 BUDGET CHALLENGES

- EMPLOYEE COSTS
 - SALARY AND WAGES
 - HEALTH INSURANCE
- INSURANCE COSTS
- GAS AND DIESEL FUEL COSTS
- RECYCLING AND TIPPING FEES COSTS
- SWIM POOL
 - MINIMUM WAGE
 - LIFEGUARD INCENTIVE
- DEBT SERVICE



THE BUDGET PROCESS

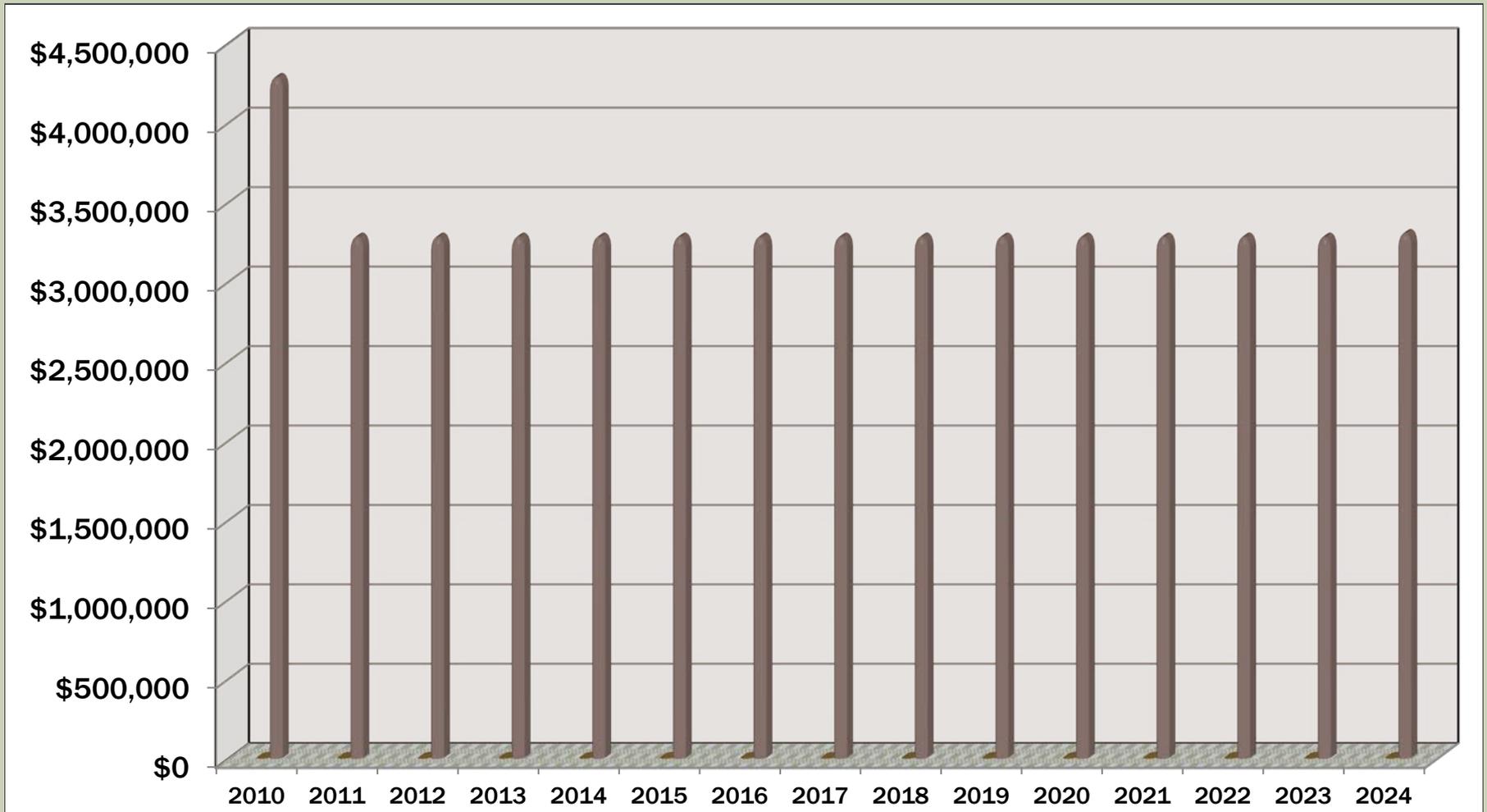


- ❑ **October/November:** Department Heads prepare and submit their Operating Expense Budget and Capital Budget Proposals
- ❑ **December/January:** The Standing Committees, Department Heads, and Administrator review each Departments' Proposals and Requests
- ❑ **January/February:** The Finance Committee, Administrator, and CFO assemble all the department budgets into a comprehensive draft budget for consideration by the Township Committee
- ❑ **March:** Introduction of Budget
- ❑ **April:** Adoption of Budget

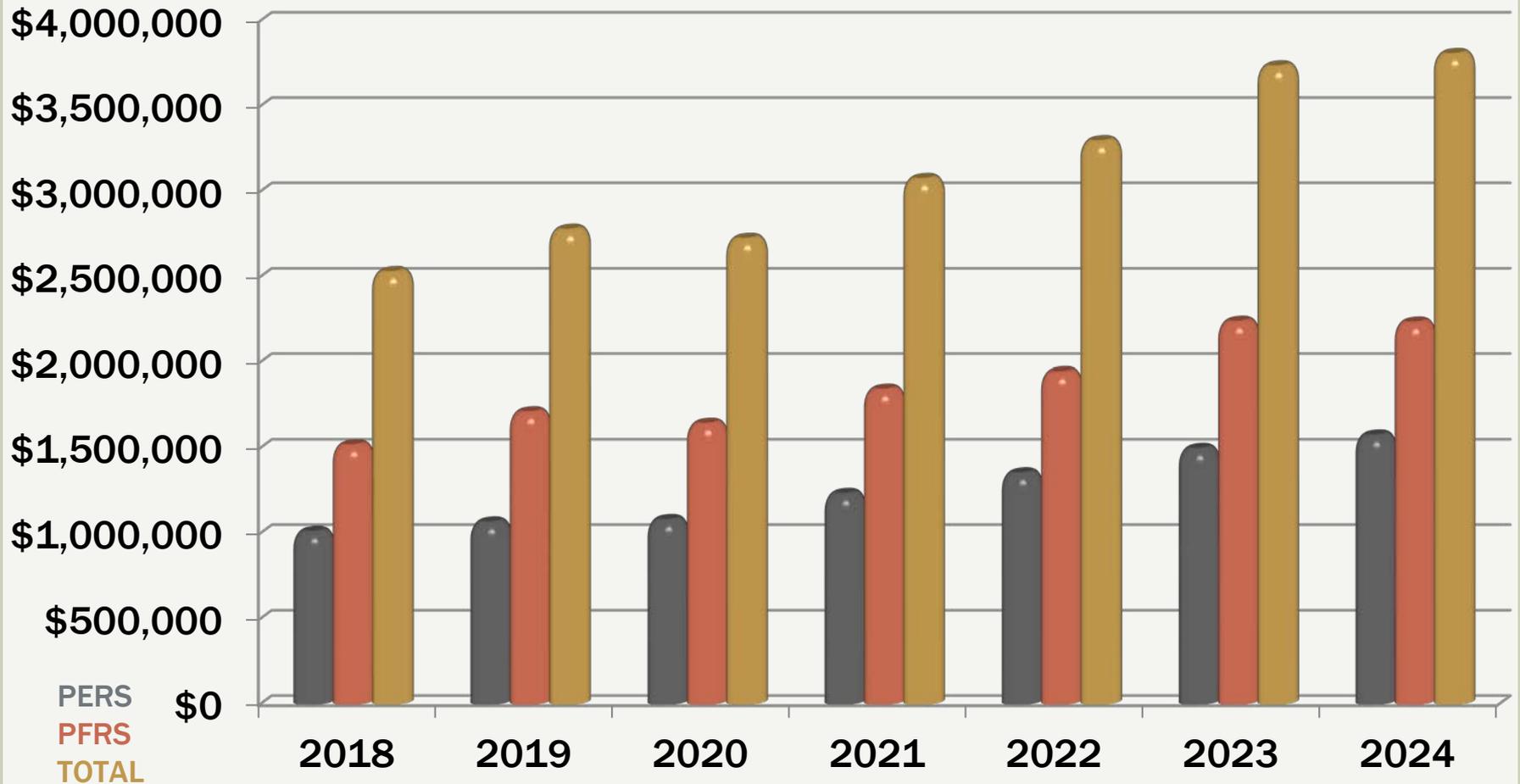
Throughout the year the budget is monitored to assure anticipated revenues are on track to avoid any over expenditures, and to ensure compliance with NJ State Statutes.



STATE AID INCREASE .6%



PENSION COSTS UP 1.9%



COST OF RECYCLING & TIPPING FEES

| 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|-----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|
| \$1,093,750 | \$1,370,000 | \$1,309,000 | \$1,220,000 | \$1,300,000 | \$1,350,000 |
| INCREASE \$118,000 | INCREASE \$276,250 | DECREASE \$61,000 | DECREASE \$89,000 | INCREASE \$80,000 | INCREASE \$50,000 |

COST OF STATE MANDATES

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2023-2024 DOLLAR INCREASE/ DECREASE |
|----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--|
| PUBLIC EMPLOYEES RETIREMENT FUND | \$777,689 | \$821,719 | \$832,753 | \$948,849 | \$1,041,362 | \$1,151,251 | \$1,205,962 | \$54,711 |
| POLICE AND FIRE RETIREMENT FUND | \$1,516,823 | \$1,710,108 | \$1,642,631 | \$1,842,430 | \$1,943,199 | \$2,237,203 | \$2,232,555 | (\$4,648) |
| SOCIAL SECURITY | \$1,040,000 | \$1,040,000 | \$1,040,000 | \$1,100,000 | \$1,145,000 | \$1,190,000 | \$1,275,000 | \$85,000 |
| GROUP HEALTH INSURANCE | \$2,545,750 | \$2,682,500 | \$2,682,500 | \$2,706,500 | \$2,741,500 | \$3,017,020 | \$3,263,000 | \$245,980 |
| TOTAL | \$5,880,262 | \$6,254,327 | \$6,242,884 | \$6,597,779 | \$6,871,061 | \$7,595,474 | \$7,976,517 | \$381,043 |

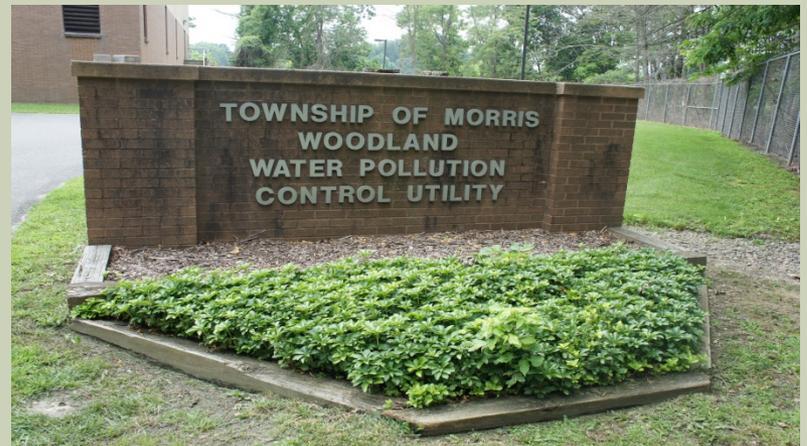
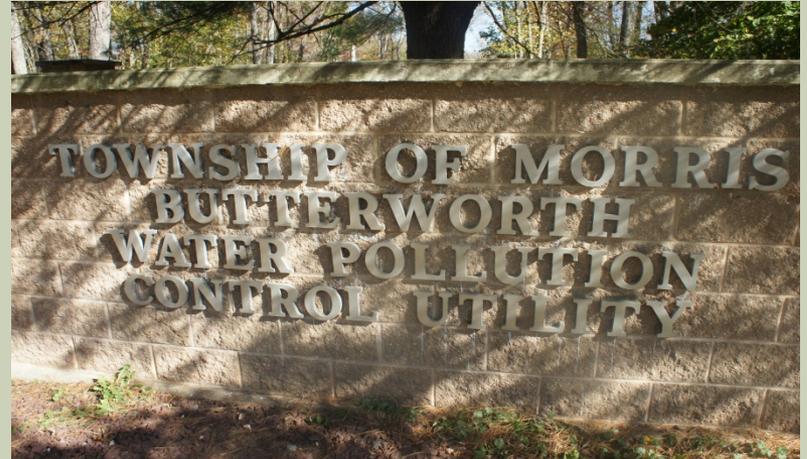
MUNICIPAL DEBT AT YEAR END

(INCLUDING AUTHORIZED BUT NOT ISSUED DEBT)

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| GENERAL | \$23,547,425 | \$23,274,706 | \$22,323,456 | \$21,322,956 | \$20,020,381 | \$21,311,353 |
| SEWER UTILITY | \$12,387,526 | \$11,380,788 | \$10,359,050 | \$9,326,312 | \$8,496,574 | \$7,656,836 |
| SWIMMING UTILITY | \$3,657,800 | \$2,696,300 | \$2,466,675 | \$2,334,150 | \$2,149,450 | \$2,324,700 |
| PARKING UTILITY | \$296,500 | \$213,000 | \$159,000 | \$105,000 | \$70,000 | \$35,000 |
| TOTAL DEBT | \$39,889,251 | \$37,564,794 | \$35,308,181 | \$33,088,418 | \$30,736,405 | \$31,327,889 |

OTHER VARIABLES

- UNION LABOR CONTRACTS
- INCREASE IN SHARE OF LIBRARY COSTS
- STATE AID – ENERGY TAX RECEIPTS
- 7 MILLION INCREASE IN RATABLE BASE



2024 GRANTS

| GRANT | AMOUNT | COST SHARE |
|----------------------------|-------------|------------|
| National Opioid Settlement | \$21,471,22 | |
| Municipal Alliance | \$16,640.00 | \$4,150.00 |
| DHAS Municipal Alliance | \$3,900.00 | |
| Bulletproof Vest – State | \$3,379.47 | |
| Bulletproof Vest – Federal | \$5,546.26 | |
| TOTAL | \$50,936.95 | \$4,150.00 |

POLICE, FIRE, EMS, OEM

HEALTH SERVICES

**WASTE DISPOSAL, RECYCLING,
ROAD MAINT.**

**RECREATION –
ENHANCED PROGRAMS**

PROFESSIONAL SERVICES



**HIGH LEVEL
SERVICES**



**JOINT MUNICIPAL COURT WITH
MADISON, CHATHAM TOWNSHIP,
AND CHATHAM BOROUGH**

**SEWER CONTRACTS WITH
NEIGHBORING TOWNS**

JOINT PUBLIC LIBRARY

**PUBLIC SAFETY-
COMMUNICATIONS, MUTUAL AID,
AND SHARED RESOURCES**



**SHARED
SERVICES**



KEY OFFSETS



- INCREASE IN REVENUE FROM PILOTS
- INCREASE IN FEES, LICENSING, AND PERMITS
- INCREASE IN FUND BALANCE USED
- INCREASE IN INVESTMENT INCOME



2024 ANTICIPATED REVENUES

| | |
|---------------------|------------------------|
| FUND BALANCE | \$6.590 MILLION |
|---------------------|------------------------|

| | |
|----------------------|------------------------|
| MISC. REVENUE | \$8.525 MILLION |
|----------------------|------------------------|

| | |
|-----------------------|------------------------|
| DELINQUENT TAX | \$0.550 MILLION |
|-----------------------|------------------------|

| | |
|------------------|-------------------------|
| LOCAL TAX | \$24.875 MILLION |
|------------------|-------------------------|

| | |
|--------------------|------------------------|
| LIBRARY TAX | \$2.162 MILLION |
|--------------------|------------------------|

| | |
|--------------|-------------------------|
| TOTAL | \$42.702 MILLION |
|--------------|-------------------------|

2024 APPROPRIATIONS

| | |
|-------------------------------|-------------------------|
| Salary and Wages | \$16.456 million |
| Operating Expenses | \$10.926 million |
| Statutory Expenses | \$5.541 million |
| Capital Improvements | \$.758 million |
| Debt Service | 3.659 million |
| Res. Uncollected Taxes | \$3.200 million |
| Joint Public Library | \$2.162 million |
| Total | \$42.702 million |

2024 CAPITAL PROGRAM

Debt Policy

Capital Bond Program (Debt)

- \$3.3 million
 - Major Projects – Road Reconstruction, Road Overlay, Infrastructure, DPW large trucks

Capital Improvement Fund Program (No Debt)

- \$345,000
 - Smaller infrastructure improvements for facilities. General Services for drainage, curbing, and sidewalk projects.

Capital Outlay Program (No Debt)

- \$240,500
 - Small projects, office renovations, DPW and Parks equipment, tree removal, and replacement trees

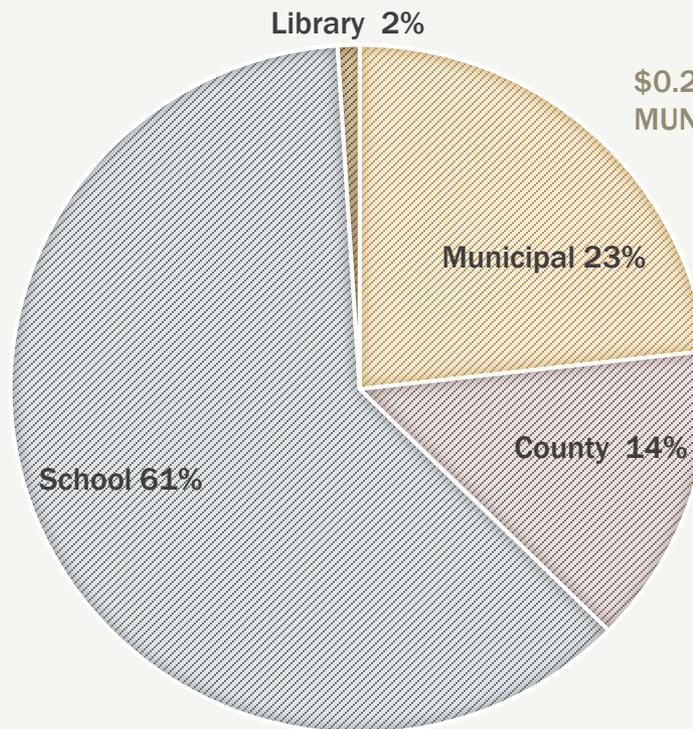
PROPERTY VALUES

| | ASSESSED PROPERTY VALUE | EQUALIZED RATIO | EQUALIZED VALUE |
|-------------|--------------------------------|------------------------|------------------------|
| 2024 | \$5,431,337,038 | 83.70% | \$6,489,052,614 |
| 2023 | \$5,424,267,438 | 89.69% | \$6,047,795,114 |
| 2022 | \$5,426,750,138 | 93.02% | \$5,833,960,587 |
| 2021 | \$5,402,534,838 | 93.92% | \$5,752,273,039 |
| 2020 | \$5,395,254,038 | 94.40% | \$5,715,311,481 |
| 2019 | \$5,316,122,838 | 96.25% | \$5,523,244,507 |

TOTAL PROPERTY TAX RATE

| 2021 TAX RATE PER \$100 \$600,000 NAV (AVERAGE) | | 2022 TAX RATE PER \$100 \$600,000 NAV (AVERAGE) | | 2023 TAX RATE PER \$100 \$600,000 NAV (AVERAGE) | | 2024 TAX RATE PER \$100 \$600,000 NAV (AVERAGE) | |
|--|----------|--|----------|--|----------|--|----------|
| DESCRIPTION | AMOUNT | DESCRIPTION | AMOUNT | DESCRIPTION | AMOUNT | DESCRIPTION | AMOUNT |
| MUNICIPAL .432 | \$2,520 | MUNICIPAL .440 | \$2,640 | MUNICIPAL .449 | \$2,698 | MUNICIPAL .459 | \$2,754 |
| COUNTY .279 | \$1,668 | COUNTY .278 | \$1,668 | COUNTY .284 | \$1,704 | * COUNTY .284 | \$1,704 |
| SCHOOL 1.164 | \$6,768 | SCHOOL 1.189 | \$7,134 | SCHOOL 1.224 | \$7,344 | * SCHOOL 1.197 | \$7,182 |
| OPEN SPACE .002 | \$12 | OPEN SPACE .011 | \$66 | OPEN SPACE .011 | \$66 | OPEN SPACE .011 | \$66 |
| LIBRARY .035 | \$204 | LIBRARY .035 | \$210 | LIBRARY .037 | \$223 | LIBRARY .039 | \$234 |
| TOTAL | \$11,472 | TOTAL | \$11,718 | TOTAL | \$12,035 | * TOTAL | \$11,940 |
| 2021 TAX RATE | \$1.912 | 2022 TAX RATE | \$1.953 | 2023 TAX RATE | \$2.005 | * 2024 PROJECTED TAX RATE | \$1.990 |

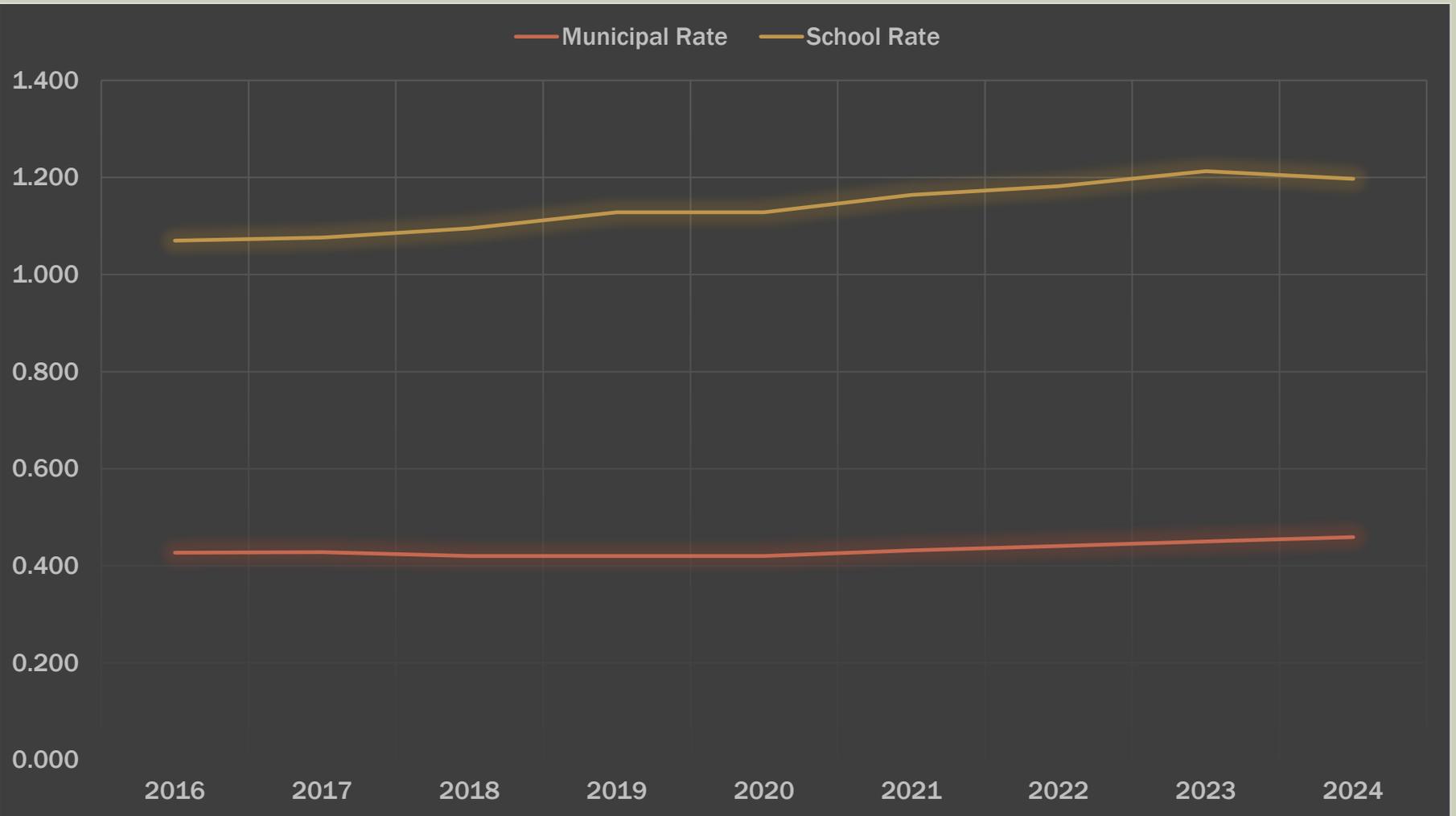
PROPERTY TAX DISTRIBUTION



\$0.23 OF EVERY TAX DOLLAR FUNDS MUNICIPAL GOVERNMENT

■ Municipal ■ County ■ School ■ Library

INCREASE IN MUNICIPAL RATE VS INCREASE IN SCHOOL RATE



TAX COLLECTION RATE VS RESERVE FOR UNCOLLECTED TAXES RATE

Tax Collection Rate

2018 99.41%

2019 99.35%

2020 99.30%

2021 99.36%

2022 99.07%

2023 99.40%

Uncollected Taxes Rate

2019 96.71%

2020 96.78%

2021 96.89%

2022 96.89%

2023 97.04%

2024 97.06%

FUND BALANCE

ROLL FUND BALANCE TO AVOID TAX SPIKE

MAINTAIN TAX LEVY CAP OF 2%

FUND BALANCE IS ALSO INSURANCE AGAINST LOSS OF REVENUE

AVAILABLE FOR EMERGENCY APPROPRIATIONS SUCH AS NATURAL DISASTER AND REVALUATION

TAX APPEALS

FUND BALANCE POLICY



POLICY

The long time position of the Township of Morris is to be fiscally conservative, to preserve our Triple A credit rating, and have funds available for cash flow, emergencies and unanticipated expenditures. Maintaining an adequate Fund Balance from year to year enables the Township to have a stable tax rate without significant fluctuations. This position is supported by the New Jersey Division of Local Government Services and Credit Rating Agencies.

Being fiscally responsible requires the Township to maintain an unreserved Fund Balance of 15% to 20% of the general operating budget appropriations for Salaries, Operating Expenses, Statutory Expenses, Debt Service, and Capital Improvement. Excluded in the calculation are Reserve for Uncollected Taxes and the Municipal Library Appropriation.

Fund Balance provides cash flow liquidity for the Township's operations. Lack of adequate Fund Balance may put the Township at risk of fiscal stress resulting in excessive tax increases. Fund Balance is used as a tool to mitigate and stabilize the Amount to be Raised by Taxation. Fund Balance is considered one-time revenue in the budget in the sense that it will not be available in the future unless it is regenerated.

It is therefore the policy of the Township of Morris Governing Body to maintain a Fund Balance of 15% to 20% of annual appropriations to insure our fiscal responsibility, maintain services for our residents, be prepared for emergencies and major weather events, tax appeals, and ensure we are able to stay within the 2% property tax levy cap.

FUND BALANCE HISTORY

| YEAR | YEAR END FUND BALANCE | AMOUNT USED FOR FOLLOWING YEAR BUDGET |
|------|-----------------------|---------------------------------------|
| 2023 | \$12,616,654 | \$6,591,225 |
| 2022 | \$11,366,064 | \$6,000,000 |
| 2021 | \$11,182,975 | \$5,800,000 |
| 2020 | \$11,421,774 | \$6,400,000 |
| 2019 | \$12,989,704 | \$7,500,000 |
| 2018 | \$11,325,287 | \$6,250,000 |
| 2017 | \$10,196,834 | \$5,300,000 |
| 2016 | \$9,979,776 | \$5,300,000 |
| 2015 | \$8,884,230 | \$4,900,000 |
| 2014 | \$7,905,615 | \$5,300,000 |
| 2013 | \$8,101,780 | \$5,079,076 |
| 2012 | \$6,946,876 | \$4,100,000 |



UTILITIES



SEWER UTILITY
\$9,164,000



PARKING LOT UTILITY
\$325,000



SWIM POOL UTILITY
\$1,627,528

2024 BUDGET

- MAINTAIN ALL SERVICES
- CAPITAL PROGRAM BACK TO PRE-COVID LEVELS
 - MAINTAIN ANNUAL ROAD OVERLAY AND CRACK SEALING PROGRAM
 - GENERAL SERVICES FOR DRAINAGE, CURBING AND SIDEWALKS
 - INFRASTRUCTURE IMPROVEMENTS / EQUIPMENT AND TRUCKS
- 2% MUNICIPAL TAX LEVY INCREASE
- INCREASE FOR 2024 WILL BE \$4.66 PER MONTH FOR MEDIAN ASSESSED RESIDENTIAL PROPERTY OF \$600,000 (\$56 PER YEAR)
- FISCALLY RESPONSIBLE

SALARY AND WAGE INCREASES

**INSTABILITY OF RECYCLING MARKET
COSTS OF GOODS AND SERVICES (CPI)
INSURANCE PREMIUMS**

REVENUE PROJECTIONS

PROJECTED IMPACT OF: STATE AID

HEALTH BENEFIT COSTS

PENSION COSTS

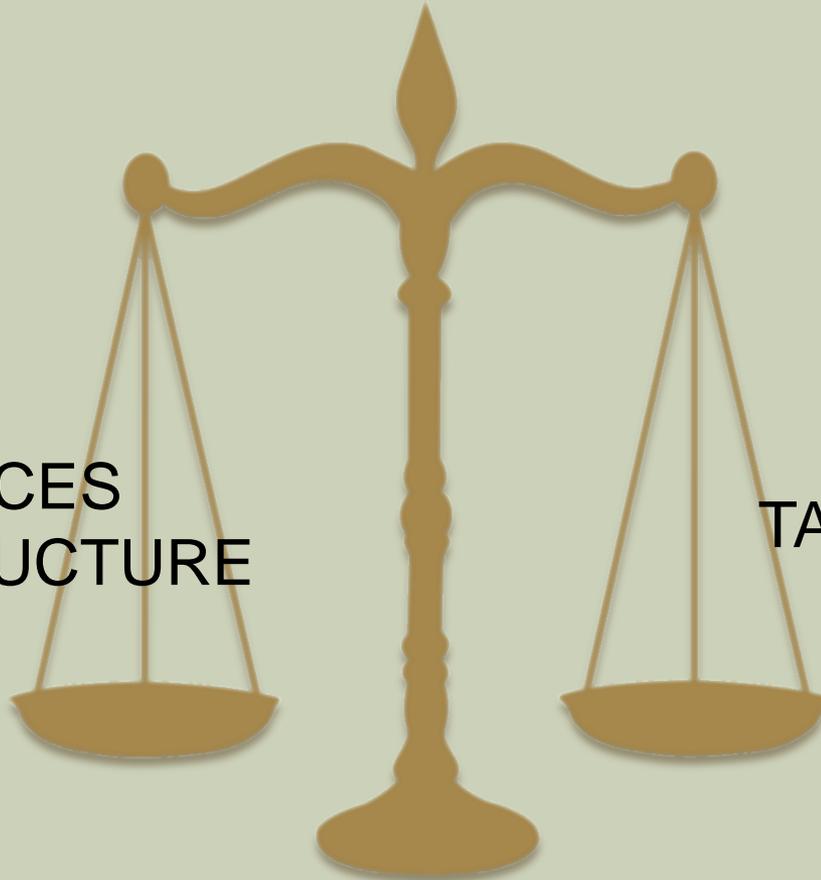


2025



BALANCE

SERVICES
INFRASTRUCTURE



TAXES