



2020 MORRIS TOWNSHIP MUNICIPAL BUDGET

MAYOR
CATHERINE WILSON

DEPUTY MAYOR
JEFFREY GRAYZEL

COMMITTEE
JOHN ARVANITES
MARK GYORFY
PETER MANCUSO

2020 PRIORITIES

- FISCALLY RESPONSIBLE
- MAINTAIN/INCREASE SERVICES
- STRENGTHEN AND MAINTAIN INFRASTRUCTURE
- CYBER SECURITY



BUDGET CHALLENGES

- **EMPLOYEE COSTS**
 - SALARY AND WAGES
 - HEALTH INSURANCE
 - PENSION
- **CAPITAL PROJECT FUNDING**
- **TAX APPEALS**
- **DEBT SERVICE**
- **TIPPING FEES FOR RECYCLING**



THE BUDGET PROCESS

November: Department Heads put together their Operating Expense Budget and Capital Budget Proposals

December: The Standing Committees, Department Heads and Administrator review each Departments' Proposals and Requests

January: The Finance Committee, Administrator and CFO will assemble all the department budgets into a comprehensive draft budget for consideration by the Township Committee

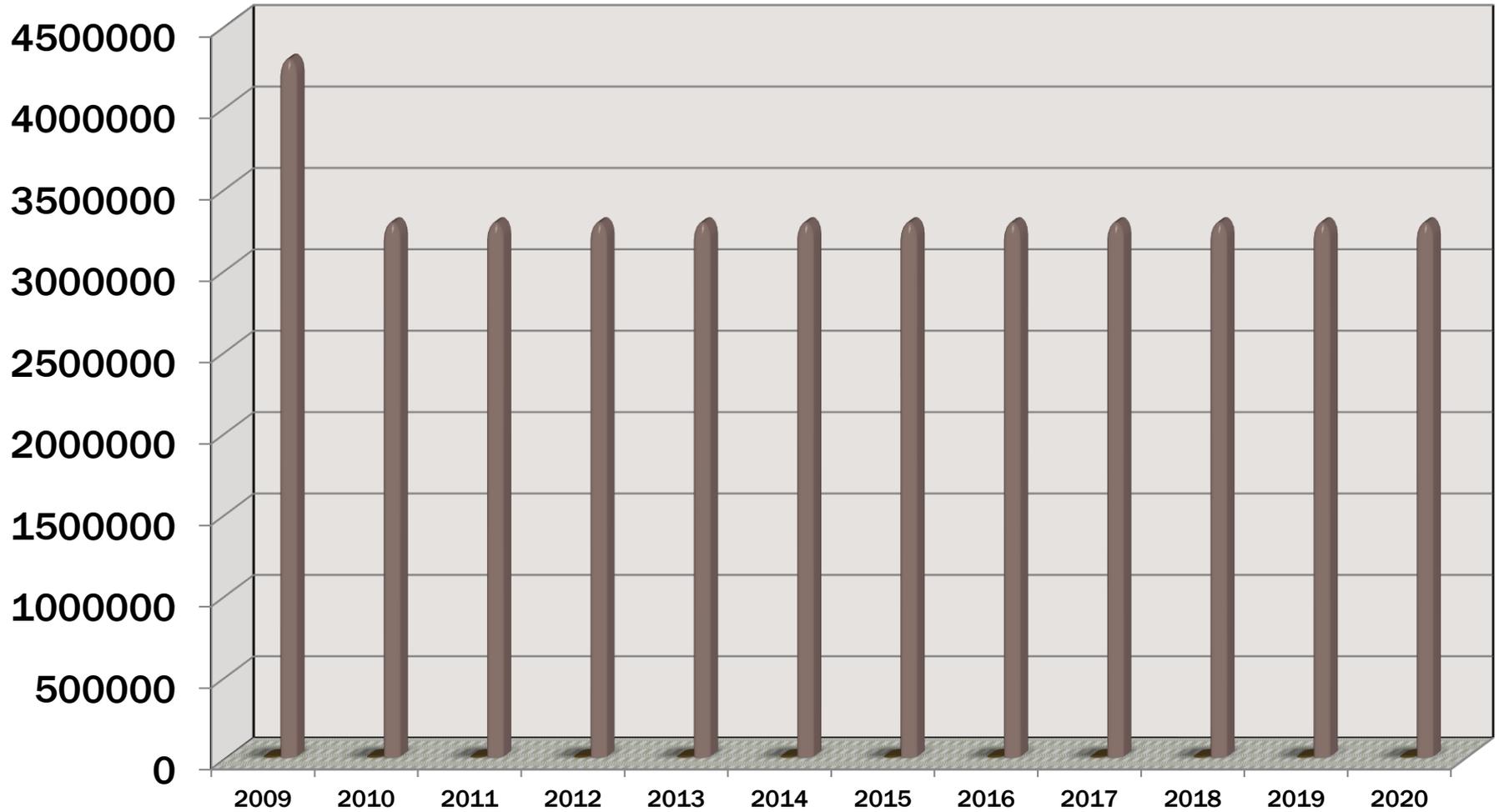
March: Introduction of Budget

April: Adoption of Budget

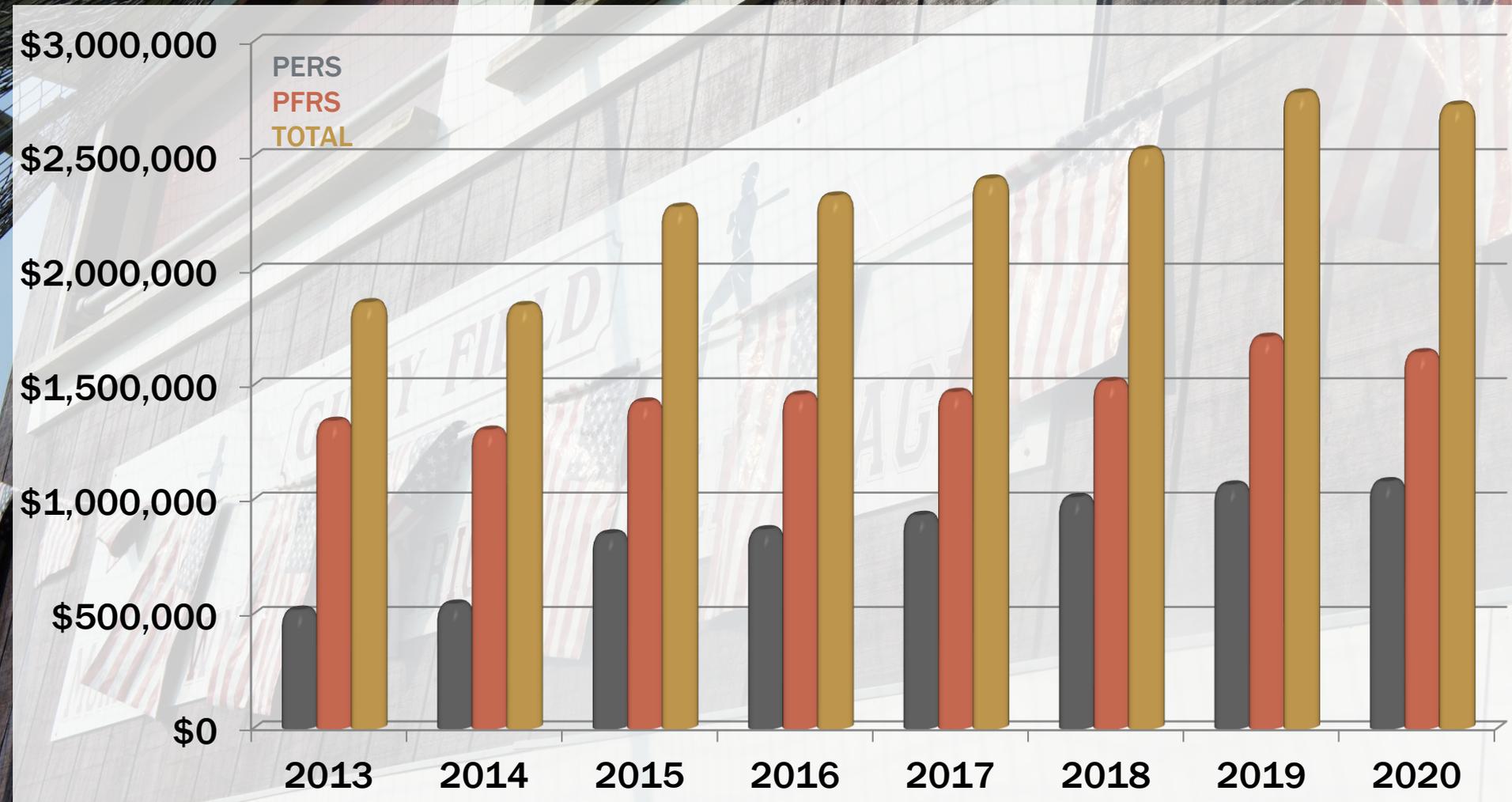
Throughout the year the budget is monitored to assure anticipated revenues are on track, to avoid any over expenditures, and keep compliant with NJ State Statutes.



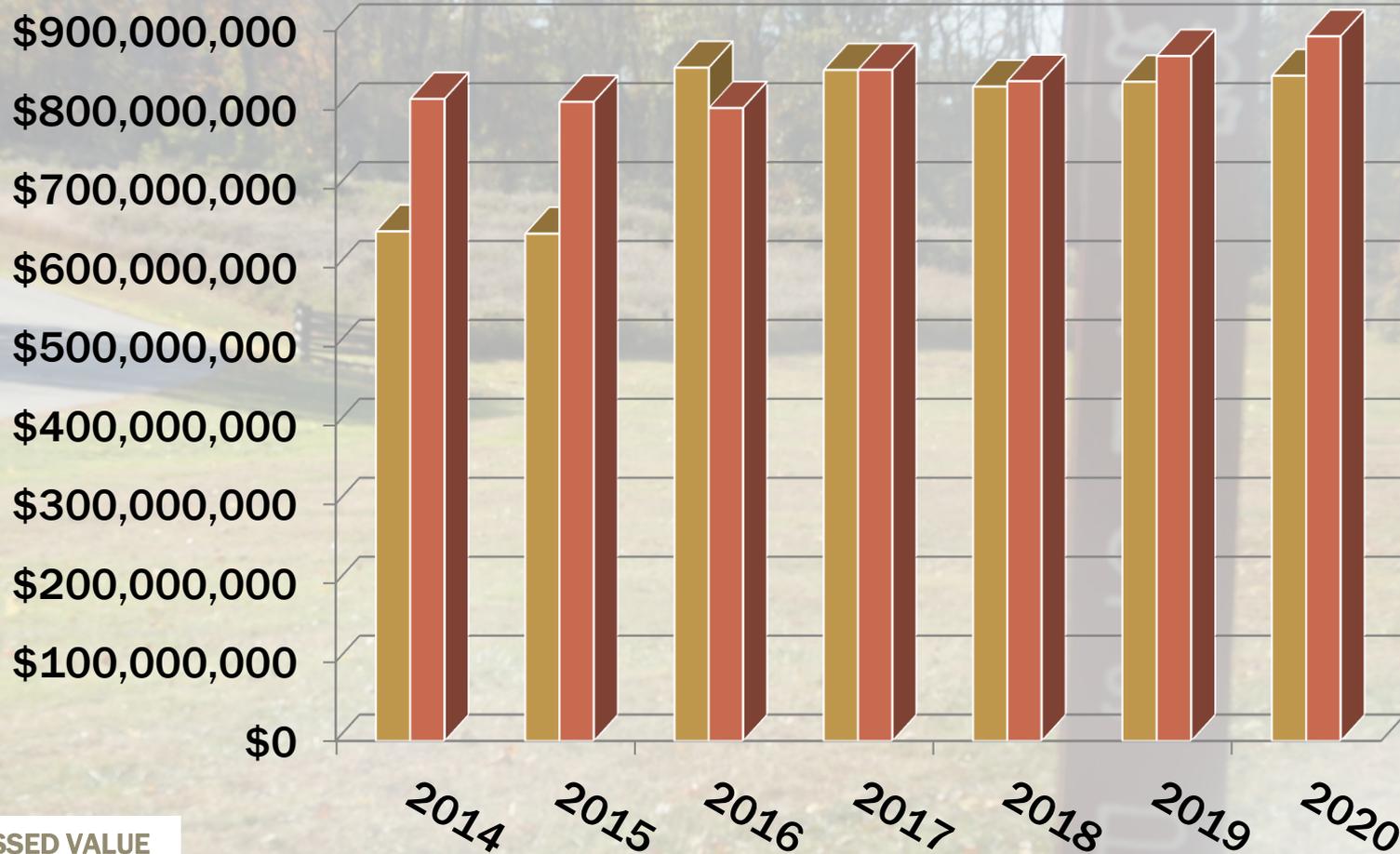
STATE AID STAGNANT



PENSION COSTS



COMMERCIAL ASSESSED PROPERTY VALUES VS EQUALIZED PROPERTY VALUES



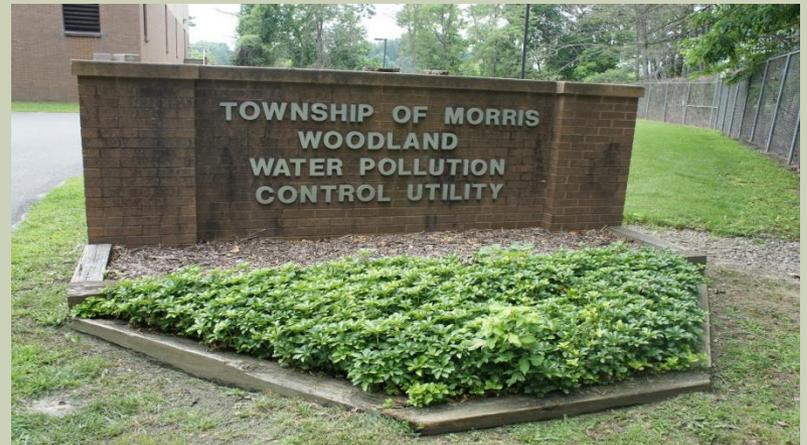
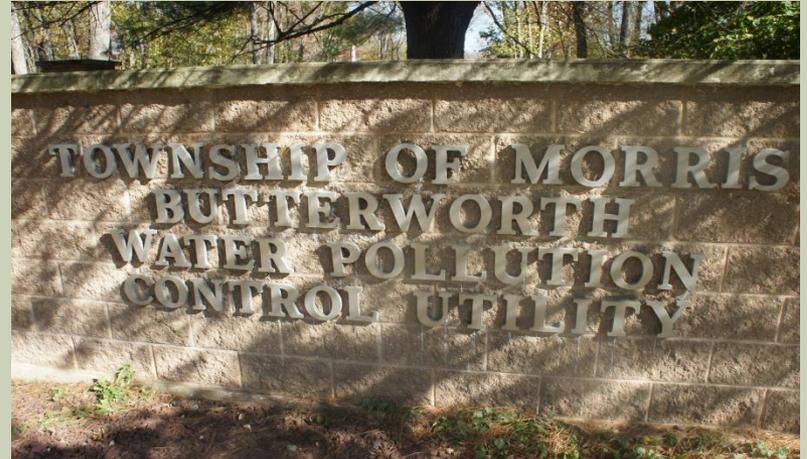
ASSESSED VALUE
EQUALIZED VALUE

COST OF STATE MANDATES

	2014	2015	2016	2017	2018	2019	2020	'19-'20 DOLLAR INCREASE/ DECREASE
PUBLIC EMPLOYEES RETIREMENT FUND	\$544,158	\$657,177	\$671,041	\$719,319	\$777,689	\$821,719	\$832,753	\$11,034
POLICE AND FIRE RETIREMENT FUND	\$1,304,255	\$1,427,100	\$1,458,007	\$1,469,354	\$1,516,823	\$1,710,108	\$1,642,631	\$(67,477)
SOCIAL SECURITY	\$1,008,900	\$1,000,000	\$1,010,000	\$1,020,000	\$1,040,000	\$1,040,000	\$1,085,000	\$45,000
GROUP HEALTH INSURANCE	\$2,335,682	\$2,429,109	\$2,516,000	\$2,545,750	\$2,545,750	\$2,682,500	\$2,682,500	\$0
TOTAL	\$5,192,995	\$5,513,386	\$5,655,048	\$5,754,423	\$5,880,262	\$6,254,327	\$6,242,884	\$(11,443)

OTHER VARIABLES

- INCREASE IN REVENUE
- UNION LABOR CONTRACTS AND EXPIRATION OF 2% CAP INCREASE ON SALARIES
- UNION LABOR CONTRACTS AND EMPLOYEES' CONTRIBUTIONS TO HEALTH BENEFITS (CHAP 78)
- CAPITAL PROJECTS
- INCREASE IN SHARE OF LIBRARY COSTS
- POSSIBILITY OF DECREASE IN STATE AID IN FUTURE YEARS



POLICE, FIRE, EMS, OEM

HEALTH SERVICES

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

**RECREATION-ENHANCED
PROGRAMS**

PROFESSIONAL SERVICES

**HIGH
LEVEL
SERVICES**



SHARED SERVICES

**JOINT MUNICIPAL COURT WITH MADISON,
CHATHAM TOWNSHIP, CHATHAM BORO,
AND HARDING TOWNSHIP**

**SEWER CONTRACTS WITH NEIGHBORING
TOWNS**

JOINT PUBLIC LIBRARY

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

KEY SAVINGS



- **\$200,000 JOINT MUNICIPAL COURT**
- **\$1,000,000 EMPLOYEE CONTRIBUTION TO HEALTH CARE**
- **FINAL PAYMENT OF \$160,000 IN 2019 FOR SPECIAL EMERGENCY FOR REVALUATION**
- **INCREASE IN RATABLES OF \$86 MILLION GENERATING AN ADDITIONAL \$361,000 IN REVENUE**

2020 ANTICIPATED REVENUES

FUND BALANCE	\$7.500 MILLION
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MISC. REVENUE	\$5.769 MILLION
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DELINQUENT TAX	\$.490 MILLION
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LOCAL TAX	\$22.660 MILLION
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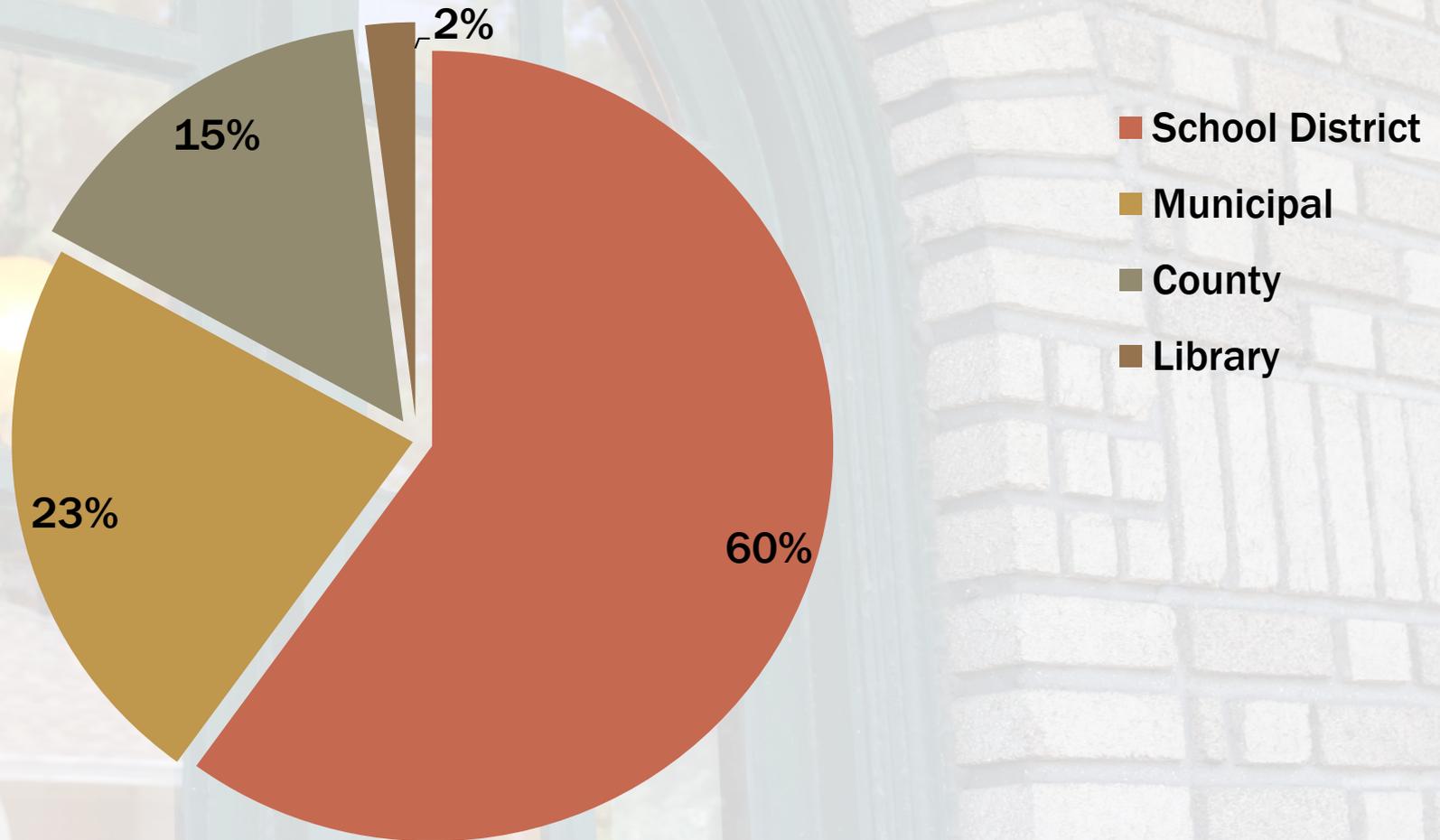
LIBRARY TAX	\$1.877 MILLION
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TOTAL	\$38.296 MILLION
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2020 APPROPRIATIONS

Salary and Wages	\$14.290 million
Operating Expenses	\$9.673 million
Statutory Expenses	\$4.102 million
Joint Public Library	\$1.877 million
Capital Improvements	\$1.077 million
Debt Service	\$4.077 million
Res. Uncollected Taxes	\$3.200 million
Total	\$38.296 million

PROPERTY TAX DISTRIBUTION



\$0.23 OF EVERY TAX DOLLAR FUNDS MUNICIPAL GOVERNMENT

HIGHLIGHTS OF 2020 BUDGET

**\$1.46 MILLION BELOW
THE APPROPRIATIONS
CAP**

**BELOW 2% TAX LEVY
CAP MANDATE BY \$3.6
MILLION**

**THE TAX RATE FOR
2020 IS THE SAME AS
2019**



HIGHLIGHTS OF 2020 BUDGET

CAPITAL PROJECTS

ROAD RECONSTRUCTION

MAINTAIN INFRASTRUCTURE

OVERLAY AND DRAINAGE PROJECTS

PURCHASE OF EQUIPMENT

RECREATION, FIRE DEPT., OEM, POLICE DEPT.

SEWER UTILITY IMPROVEMENTS

SWIM POOLS

IMPROVEMENTS TO TRAIN STATION BUILDING

MUNICIPAL DEBT AT YEAR END

(INCLUDING AUTHORIZED BUT NOT ISSUED DEBT)

	2019	2018	2017	2016	2015	2014
GENERAL	\$23,274,706	\$23,547,425	\$23,485,925	\$23,655,025	\$23,931,500	\$24,381,000
SEWER	\$11,380,788	\$12,387,526	\$13,350,264	\$14,323,809	\$15,797,874	\$16,771,167
SWIMMING UTILITY	\$2,696,300	\$3,657,800	\$3,885,050	\$3,973,000	\$3,794,000	\$4,032,000
PARKING UTILITY	\$213,000	\$296,500	\$376,500	\$451,500	\$555,000	\$664,000
TOTAL DEBT	\$37,564,794	\$39,889,251	\$41,097,739	\$42,402,334	\$43,609,874	\$45,848,167

UTILITIES



SEWER UTILITY

\$10,422,407



PARKING LOT UTILITY

\$432,569



SWIM POOL UTILITY

\$1,266,382

- SEWER AND PARKING UTILITY HAVE OPERATED AT A SURPLUS FOR OVER 11 YEARS
- ALL EXPECTED TO OPERATE AT A SURPLUS FOR 2020 FOR SALARY AND WAGES AND OPERATING EXPENSES

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 HURRICANE SANDY 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 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 insure 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
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
2011	\$6,426,000	\$3,626,000
2010	\$5,504,671	\$3,500,000
2009	\$6,388,265	\$4,471,000

TAX COLLECTION RATE VS RESERVE FOR UNCOLLECTED TAXES RATE

Tax Collection Rate

2014	99.21%
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2015	99.19%
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2016	99.30%
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2017	99.33%
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2018	99.41%
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2019	99.35%
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Uncollected Taxes Rate

2015	96.15%
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2016	96.18%
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2017	96.24%
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2018	96.66%
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2019	96.71%
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2020	96.78%
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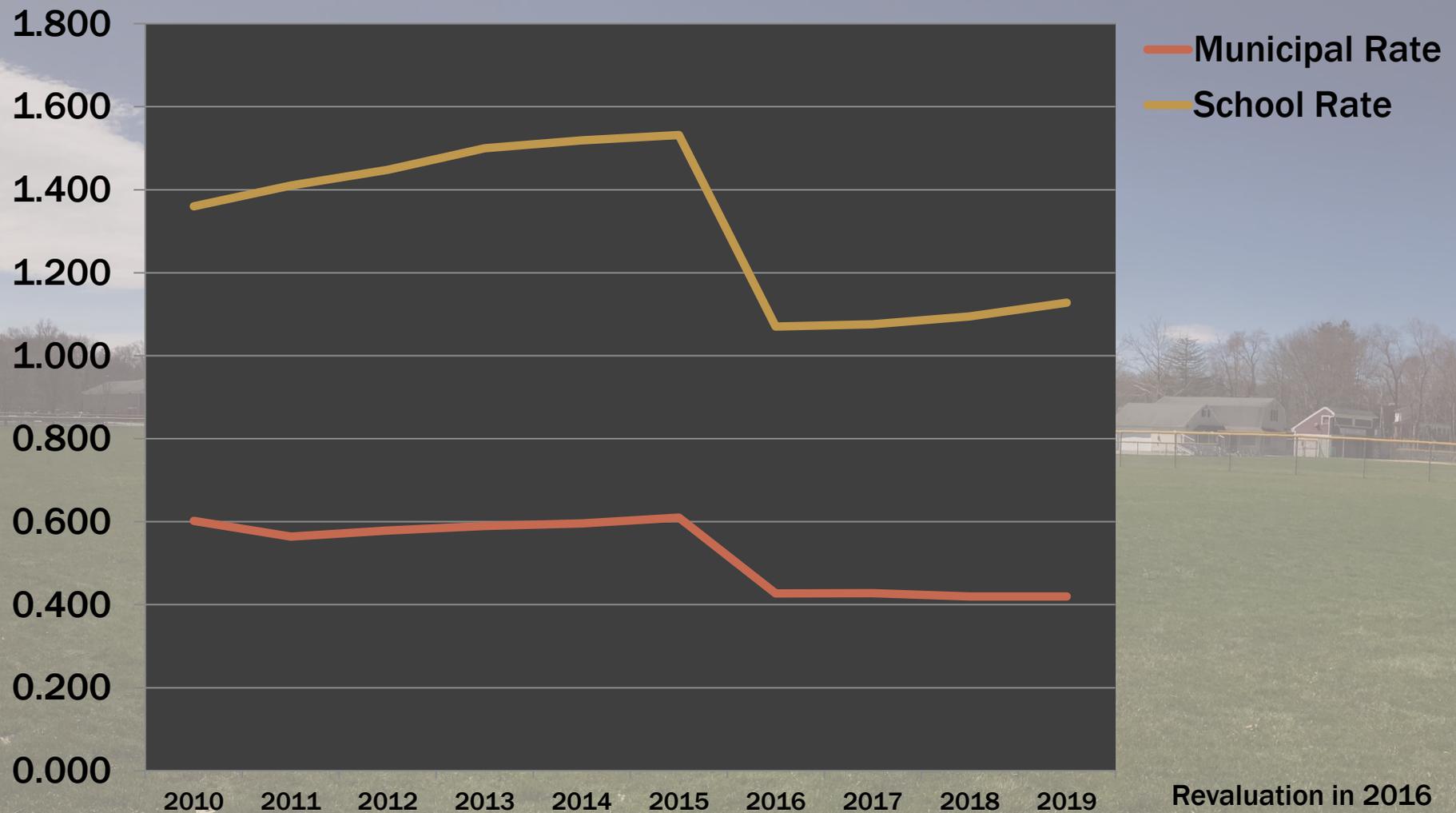
PROPERTY VALUES

	ASSESSED PROPERTY VALUE	EQUALIZED RATIO	EQUALIZED VALUE
2020	\$5,395,254,038	94.40%	\$5,715,311,481
2019	\$5,316,122,838	96.25%	\$5,523,244,507
2018	\$5,268,836,538	99.19%	\$5,311,862,625
2017	\$5,265,245,538	99.98%	\$5,266,298,798

TOTAL PROPERTY TAX RATE

2020 TAX RATE PER \$100 \$560,000 NAV (AVERAGE)		2019 TAX RATE PER \$100 \$560,000 NAV (AVERAGE)		2018 TAX RATE PER \$100 \$560,000 NAV (AVERAGE)		2017 TAX RATE PER \$100 \$560,000 NAV (AVERAGE)	
DESCRIPTION	AMOUNT	DESCRIPTION	AMOUNT	DESCRIPTION	AMOUNT	DESCRIPTION	AMOUNT
MUNICIPAL .420	\$2,352	MUNICIPAL .420	\$2,352	MUNICIPAL .420	\$2,352	MUNICIPAL .428	\$2,397
*COUNTY .270	\$1,512	COUNTY .270	\$1,512	COUNTY .263	\$1,473	COUNTY .262	\$1,467
*SCHOOL 1.144	\$6,414	SCHOOL 1.116	\$6,256	SCHOOL 1.095	\$6,132	SCHOOL 1.075	\$6,026
OPEN SPACE .002	\$11						
LIBRARY .035	\$196	LIBRARY .034	\$190	LIBRARY .033	\$185	LIBRARY .033	\$185
*TOTAL	\$10,485	TOTAL	\$10,321	TOTAL	\$10,153	TOTAL	\$10,086
*2020 PROJECTED RATE	\$1.856	2019 PROJECTED RATE	\$1.842	2018 TAX RATE	\$1.813	2017 TAX RATE	\$1.801

INCREASE IN MUNICIPAL RATE VS INCREASE IN SCHOOL RATE



CORONAVIRUS IMPACT

■ REVENUES AT RISK

- REGENERATION OF FUND BALANCE FOR 2021 and 2022
- TAX COLLECTION RATE PERCENTAGE DECREASE
- REDUCTION OF GENERAL FEES AND UCC FEES COLLECTED
- REDUCTION OF INTEREST ON INVESTMENTS
- STATE AID DELAY
- SWIM POOL FEES
- PARKING LOT FEES

■ TOWNSHIP PREPAREDNESS

- CONSERVATIVE REVENUE PROJECTIONS
- RESERVE FOR UNCOLLECTED TAXES
- FUND BALANCE AVAILABLE FOR EMERGENCY APPROPRIATIONS
- STORM TRUST FUND FOR EXPENDITURES

SALARY AND WAGE INCREASE

BEGINNING OF UNION LABOR CONTRACT NEGOTIATIONS

REVENUE PROJECTIONS

PROJECTED IMPACT OF:

STATE AID

HEALTH BENEFIT COSTS

PENSION COSTS

2021

BALANCE

