



2021 MORRIS TOWNSHIP MUNICIPAL BUDGET



MAYOR
Jeff Grayzel

DEPUTY MAYOR
Mark Gyorfy

COMMITTEE
Bud Ravitz
Cathy Wilson
Peter Mancuso

2021 BUDGET CHALLENGES

- PENSION ASSESSMENT
- COVID EXPENSES
- EMPLOYEE COSTS
 - SALARY AND WAGES
 - HEALTH INSURANCE
- DEBT SERVICE
- TIPPING FEES FOR RECYCLING
- SWIM POOL



2020 CORONAVIRUS IMPACT

■ REVENUES

- LOSS OF FUND BALANCE AVAILABLE FOR 2021 BUDGET
- 2020 REDUCTION OF GENERAL FEES AND UCC FEES COLLECTED
 - Hotel Room Tax
 - Municipal Court Fees
 - Permits
- 2020 REDUCTION OF INTEREST ON INVESTMENTS
- 9% INCREASE OF TRASH TONNAGE
 - Residents working from home
 - Increase in virtual learning days for students
- SWIM POOL FEES - 61% LOST REVENUE
 - Due to capacity limits
- PARKING LOT FEES REDUCTION – 66% LOST REVENUE
 - Commuters working from home

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

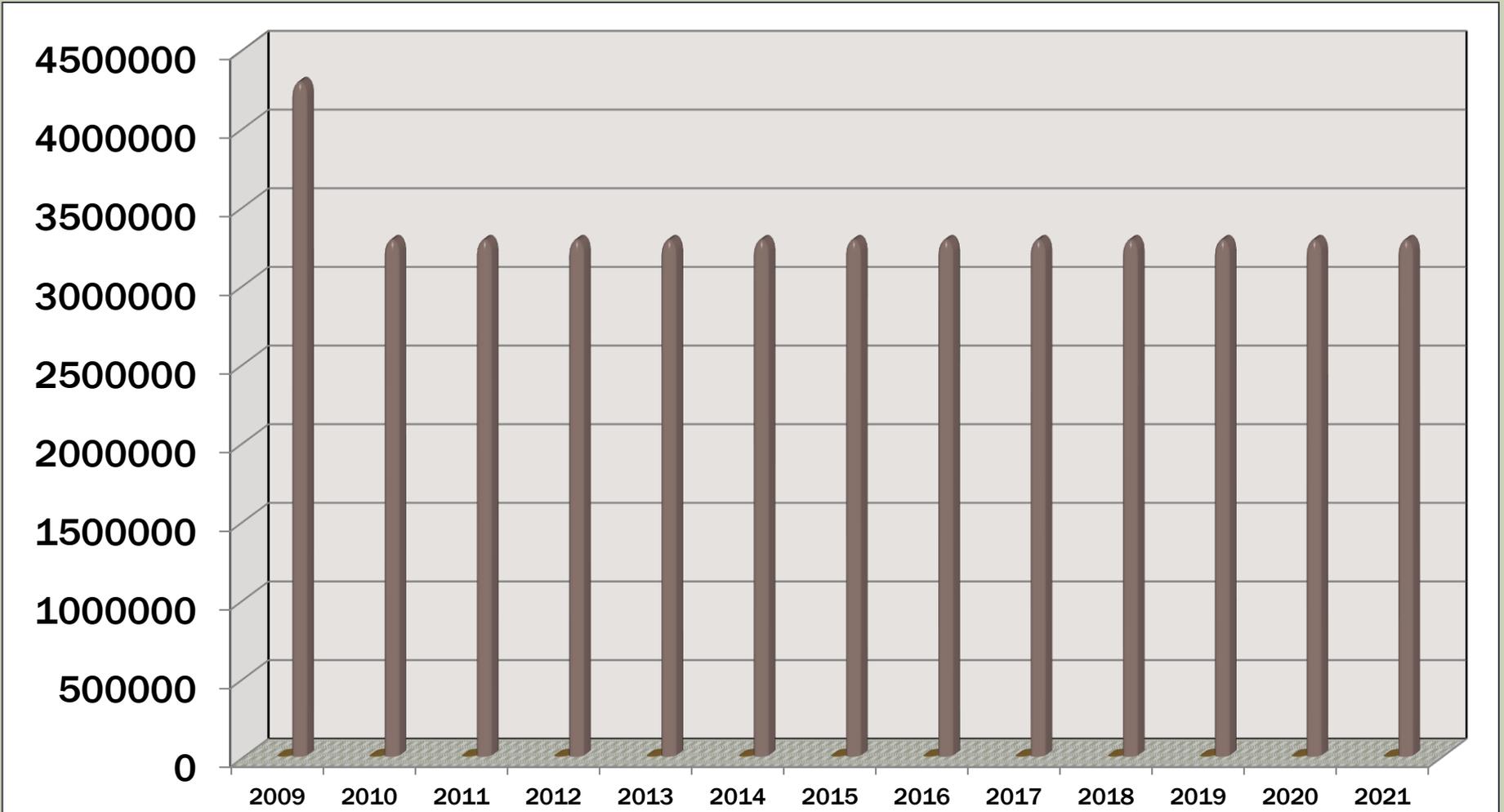
March: Introduction of Budget

April: Adoption of Budget

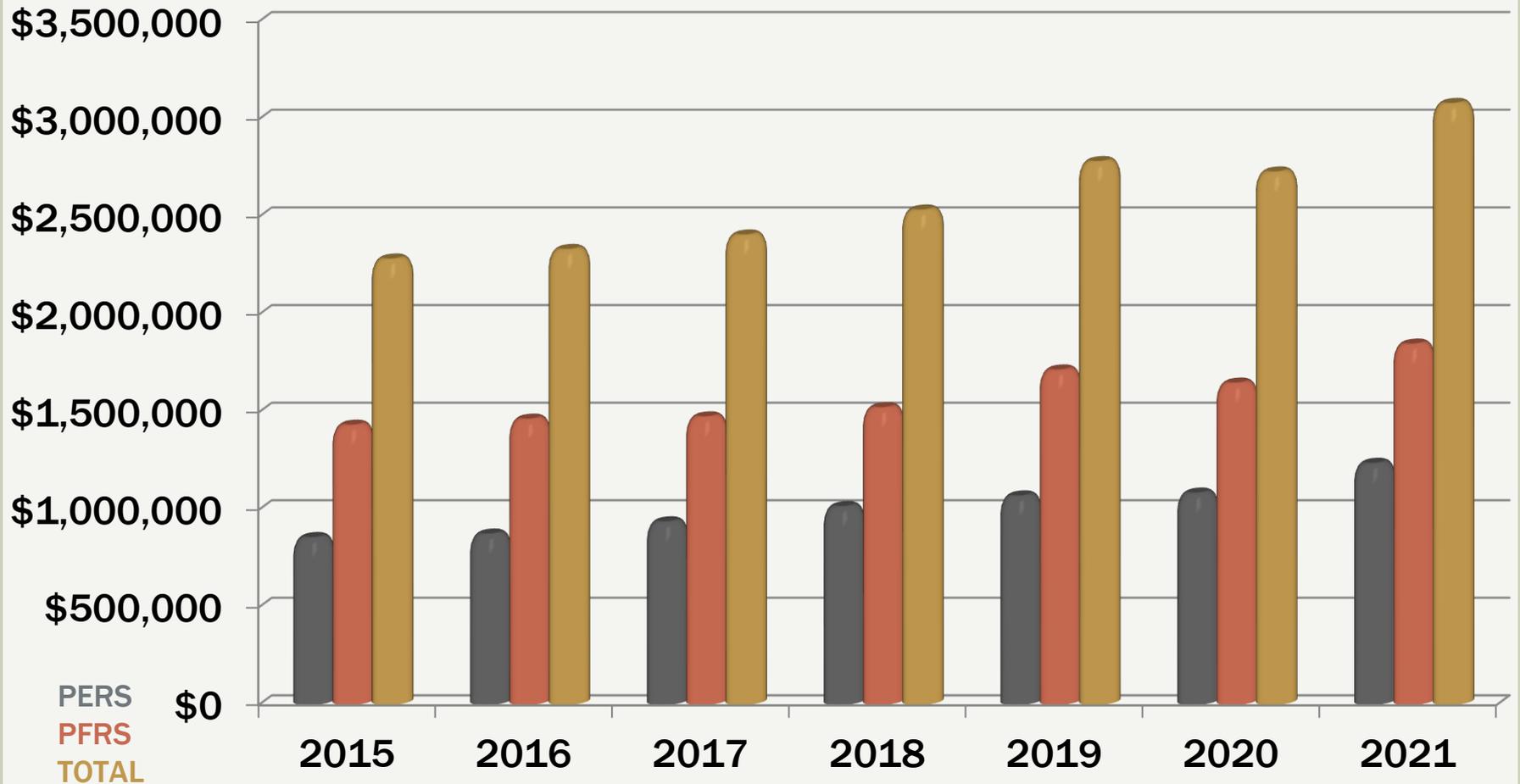
Throughout the year the budget is monitored to assure anticipated revenues are on track, to avoid any over expenditures, and keep compliant with NJ State Statutes.



STATE AID STAGNANT



PENSION COSTS



COST OF STATE MANDATES

	2015	2016	2017	2018	2019	2020	2021	'20-'21 DOLLAR INCREASE/ DECREASE
PUBLIC EMPLOYEES RETIREMENT FUND	\$657,177	\$671,041	\$719,319	\$777,689	\$821,719	\$832,753	\$948,849	\$116,096
POLICE AND FIRE RETIREMENT FUND	\$1,427,100	\$1,458,007	\$1,469,354	\$1,516,823	\$1,710,108	\$1,642,631	\$1,842,430	\$199,799
SOCIAL SECURITY	\$1,000,000	\$1,010,000	\$1,020,000	\$1,040,000	\$1,040,000	\$1,085,000	\$1,100,000	\$15,000
GROUP HEALTH INSURANCE	\$2,429,109	\$2,516,000	\$2,545,750	\$2,545,750	\$2,682,500	\$2,682,500	\$2,706,500	\$34,000
TOTAL	\$5,513,386	\$5,655,048	\$5,754,423	\$5,880,262	\$6,254,327	\$6,242,884	\$6,597,779	\$364,895

COST OF RECYCLING & TIPPING FEES

2016	2017	2018	2019	2020	2021
\$918,000	\$927,250	\$953,750	\$983,750	\$1,083,750	\$1,309,000
	INCREASE \$9,250	INCREASE \$26,000	INCREASE \$30,000	INCREASE \$100,000	INCREASE \$225,000

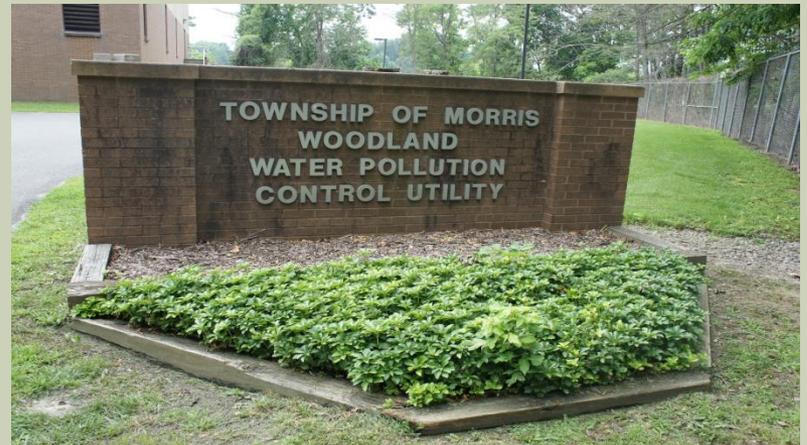
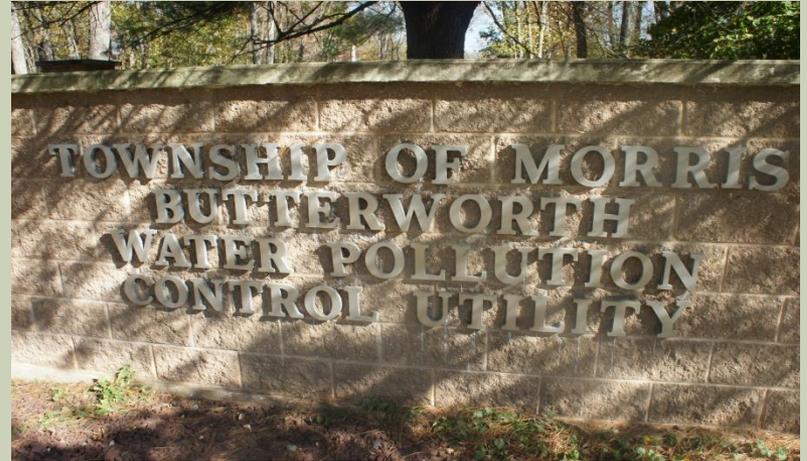
MUNICIPAL DEBT AT YEAR END

(INCLUDING AUTHORIZED BUT NOT ISSUED DEBT)

	2015	2016	2017	2018	2019	2020
GENERAL	\$23,931,500	\$23,655,025	\$23,485,925	\$23,547,425	\$23,274,706	\$22,323,456
SEWER UTILITY	\$15,797,874	\$14,323,809	\$13,350,264	\$12,387,526	\$11,380,788	\$10,359,050
SWIMMING UTILITY	\$3,794,000	\$3,973,000	\$3,885,050	\$3,657,800	\$2,696,300	\$2,466,675
PARKING UTILITY	\$555,000	\$451,500	\$376,500	\$296,500	\$213,000	\$159,000
TOTAL DEBT	\$43,609,874	\$42,402,334	\$41,097,739	\$39,889,251	\$37,564,794	\$35,308,181

OTHER VARIABLES

- UNION LABOR CONTRACTS AND EXPIRATION OF 2% CAP INCREASE ON SALARIES
- UNION LABOR CONTRACTS AND EMPLOYEES' CONTRIBUTIONS TO HEALTH BENEFITS (CHAP 78)
- 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**



**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**

SHARED SERVICES



KEY OFFSETS



- **REDUCTION OF OPERATING EXPENSES**
 - \$314,000
- **REDUCTION OF CAPITAL PROGRAM FUNDING**
 - \$1,000,000
- **INCREASE IN REVENUE FROM NEW CONSTRUCTION**
 - \$420,000

2021 ANTICIPATED REVENUES

FUND BALANCE	\$6.400 MILLION
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MISC. REVENUE	\$5.713 MILLION
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DELINQUENT TAX	\$.550 MILLION
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LOCAL TAX & PILOT	\$23.716 MILLION
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LIBRARY TAX	\$1.915 MILLION
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TOTAL	\$38.294 MILLION
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2021 APPROPRIATIONS

Salary and Wages	\$14.644 million
Operating Expenses	\$9.598 million
Statutory Expenses	\$4.736 million
Capital Improvements	\$.067 million
Debt Service	\$4.134 million
Res. Uncollected Taxes	\$3.200 million
Joint Public Library	\$1.915 million
Total	\$38.294 million

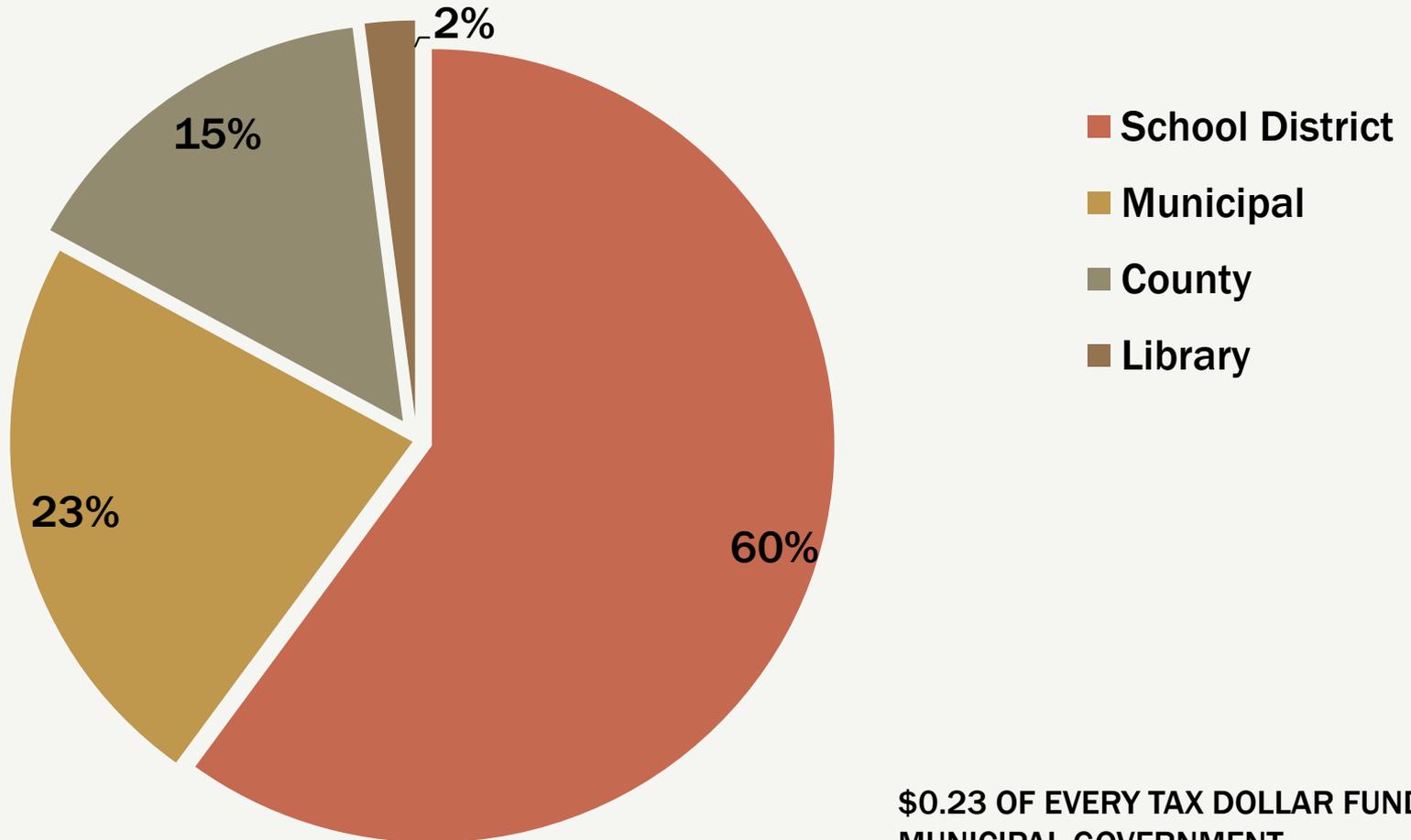
PROPERTY VALUES

	ASSESSED PROPERTY VALUE	EQUALIZED RATIO	EQUALIZED VALUE
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
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

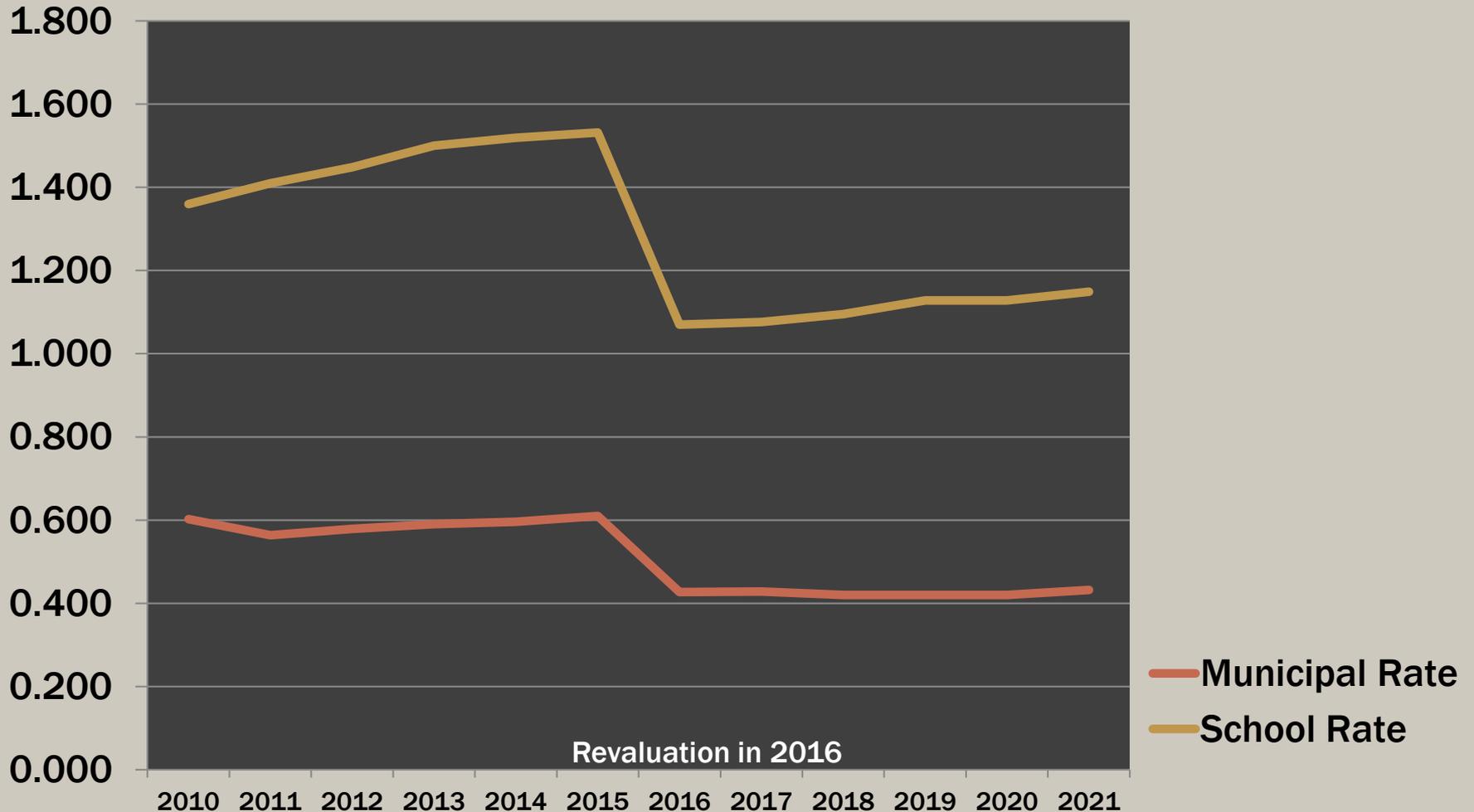
2018 TAX RATE PER \$100 \$560,000 NAV (AVERAGE)		2019 TAX RATE PER \$100 \$560,000 NAV (AVERAGE)		2020 TAX RATE PER \$100 \$560,000 NAV (AVERAGE)		2021 TAX RATE PER \$100 \$560,000 NAV (AVERAGE)	
DESCRIPTION	AMOUNT	DESCRIPTION	AMOUNT	DESCRIPTION	AMOUNT	DESCRIPTION	AMOUNT
MUNICIPAL .420	\$2,352	MUNICIPAL .420	\$2,352	MUNICIPAL .420	\$2,352	MUNICIPAL .432	\$2,419
COUNTY .263	\$1,473	COUNTY .270	\$1,512	COUNTY .278	\$1,557	* COUNTY .278	\$1,557
SCHOOL 1.095	\$6,132	SCHOOL 1.116	\$6,256	SCHOOL 1.128	\$6,317	* SCHOOL 1.164	\$6,518
OPEN SPACE .002	\$11						
LIBRARY .033	\$185	LIBRARY .034	\$190	LIBRARY .034	\$190	LIBRARY .035	\$196
TOTAL	\$10,153	TOTAL	\$10,321	TOTAL	\$10,427	* TOTAL	\$10,701
2018 TAX RATE	\$1.813	2019 TAX RATE	\$1.842	2020 TAX RATE	\$1.862	* 2021 PROJECTED TAX RATE	\$1.911

PROPERTY TAX DISTRIBUTION



**\$0.23 OF EVERY TAX DOLLAR FUNDS
MUNICIPAL GOVERNMENT**

INCREASE IN MUNICIPAL RATE VS INCREASE IN SCHOOL RATE



TAX COLLECTION RATE VS RESERVE FOR UNCOLLECTED TAXES RATE

Tax Collection Rate

2015	99.19%
2016	99.30%
2017	99.33%
2018	99.41%
2019	99.35%
2020	99.30%

Uncollected Taxes Rate

2016	96.18%
2017	96.24%
2018	96.66%
2019	96.71%
2020	96.78%
2021	96.89%

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 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
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
2011	\$6,426,000	\$3,626,000
2010	\$5,504,671	\$3,500,000



UTILITIES



SEWER UTILITY
\$9,606,193



PARKING LOT UTILITY
\$305,972



SWIM POOL UTILITY
\$1,294,519

CORONAVIRUS CONCERNS FOR 2021 AND 2022

■ 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
- 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

2021 BUDGET

- MAINTAIN ALL SERVICES
- MAINTAIN ANNUAL ROAD OVERLAY PROGRAM
- RECONSTRUCTION OF KENNEDY ROAD, GREGORY AVENUE AND PINE TREE LANE
- COMPLETE GINTY TENNIS COURT PROJECT
- SIDEWALK IMPROVEMENTS – LAKE VALLEY ROAD
- OFFSET INCREASES FOR PENSION ASSESSMENT AND RECYCLING INCREASED COSTS WITH A REDUCTION IN CAPITAL PROJECT SPENDING ALLOCATION
- NO MUNICIPAL TAX INCREASE FOR 5 YEARS – 2016 to 2020
2% REDUCTION 2018
- INCREASE FOR 2021 WILL BE \$5.66 A MONTH FOR MEDIAN ASSESSED VALUE OF \$560,000 (\$68 a year)
- CONTINUE TO BE FISCALLY RESPONSIBLE

SALARY AND WAGE INCREASES

BEGINNING OF UNION LABOR CONTRACT NEGOTIATIONS

REVENUE PROJECTIONS

PROJECTED IMPACT OF:

STATE AID

HEALTH BENEFIT COSTS

PENSION COSTS

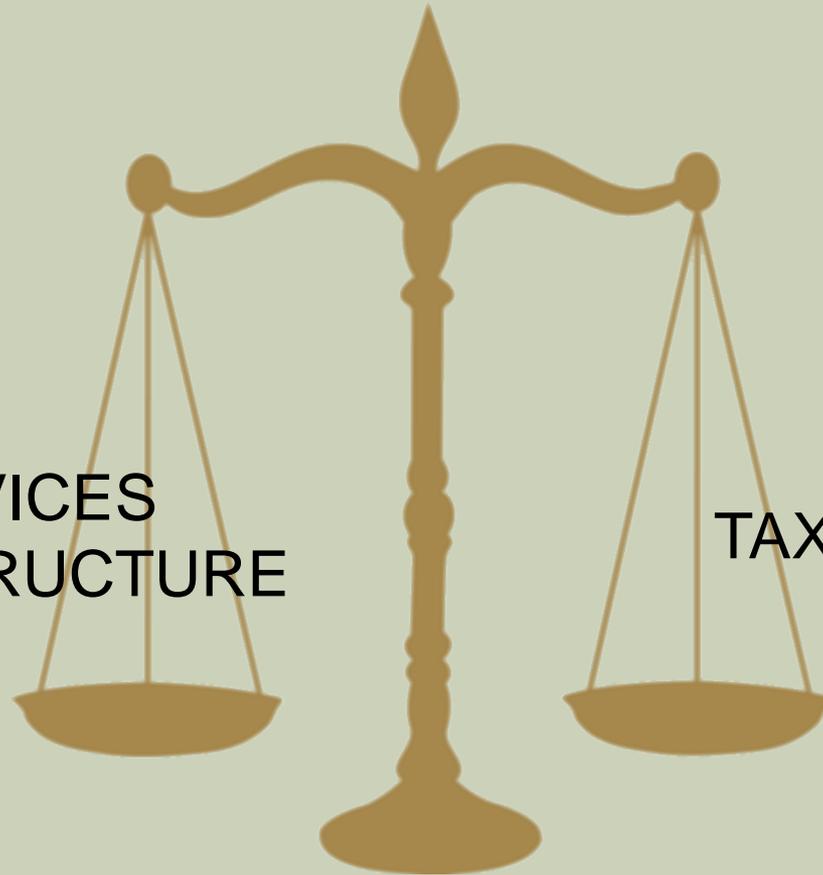


2022



BALANCE

SERVICES
INFRASTRUCTURE



TAXES