



2022 MORRIS TOWNSHIP MUNICIPAL BUDGET



MAYOR
Mark Gyorfy

DEPUTY MAYOR
Cathy Wilson

COMMITTEE
Peter Mancuso
Bud Ravitz
Tara Olivo-Moore

2022 BUDGET CHALLENGES

- COVID EXPENSES AND DEFERRED CHARGES
- JOINT COURT
- EMPLOYEE COSTS
 - SALARY AND WAGES
 - HEALTH INSURANCE
 - PENSION
- OTHER INSURANCE COSTS
- SWIM POOL
 - MINIMUM WAGE



CONTINUAL CORONAVIRUS IMPACT

■ REVENUES

- LOSS OF FUND BALANCE AVAILABLE FOR 2022 BUDGET
- 2021 REDUCTION OF GENERAL FEES
 - HOTEL ROOM TAX
 - MUNICIPAL COURT FEES
- 2021 REDUCTION OF INTEREST ON INVESTMENTS
- SWIM POOL FEES
 - REVENUE CONTINUES TO BE LOWER THAN PRE-COVID AMOUNTS
- PARKING LOT FEES REDUCTION – 32% OF PRE-COVID AMOUNTS
 - COMMUTERS WORKING FROM HOME

THE BUDGET PROCESS

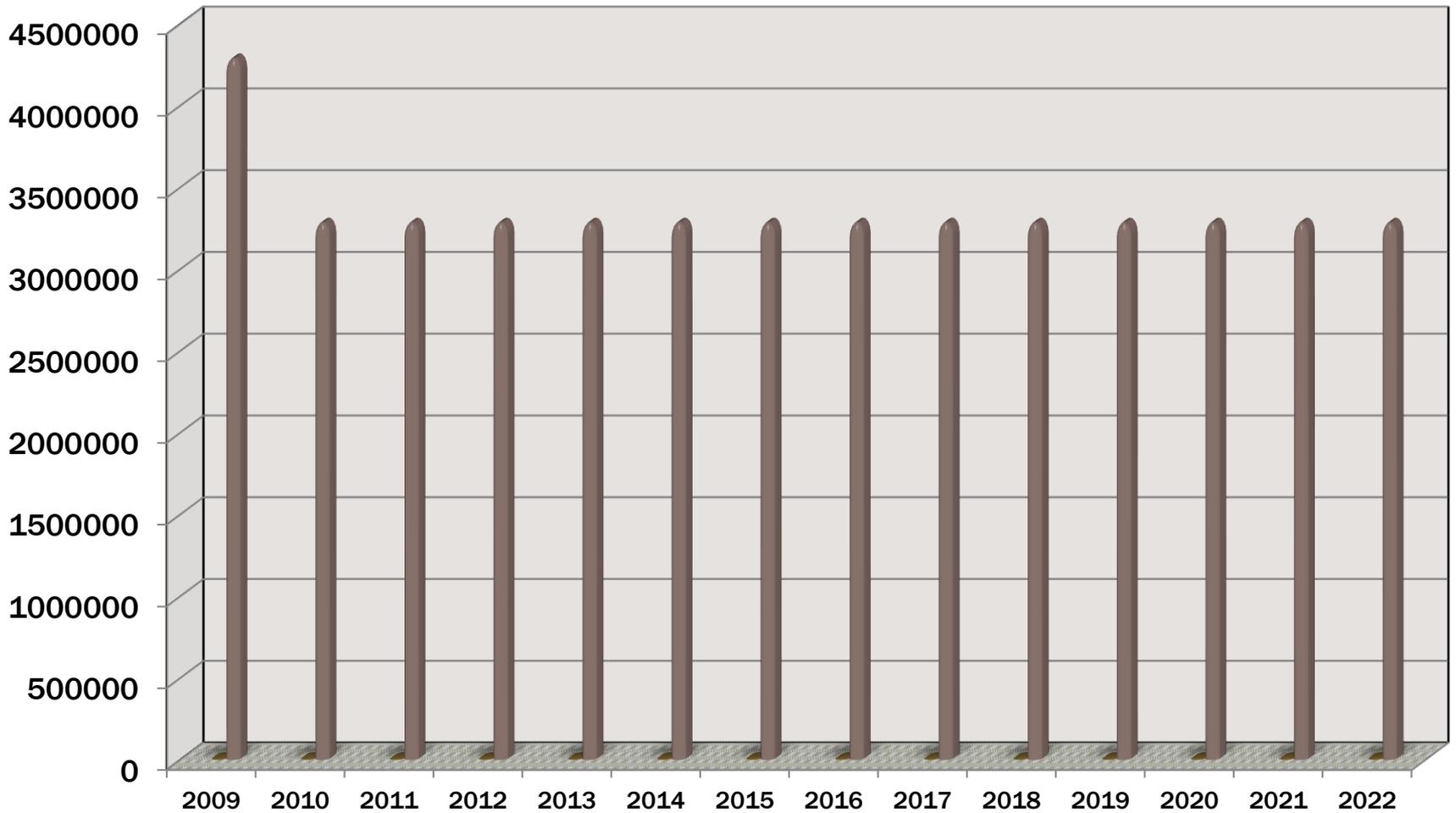


- ❑ **November:** Department Heads put together their Operating Expense Budget and Capital Budget Proposals
- ❑ **December:** The Standing Committees, Department Heads and Administrator review each Departments' Proposals and Requests
- ❑ **January:** The Finance Committee, Administrator and CFO will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

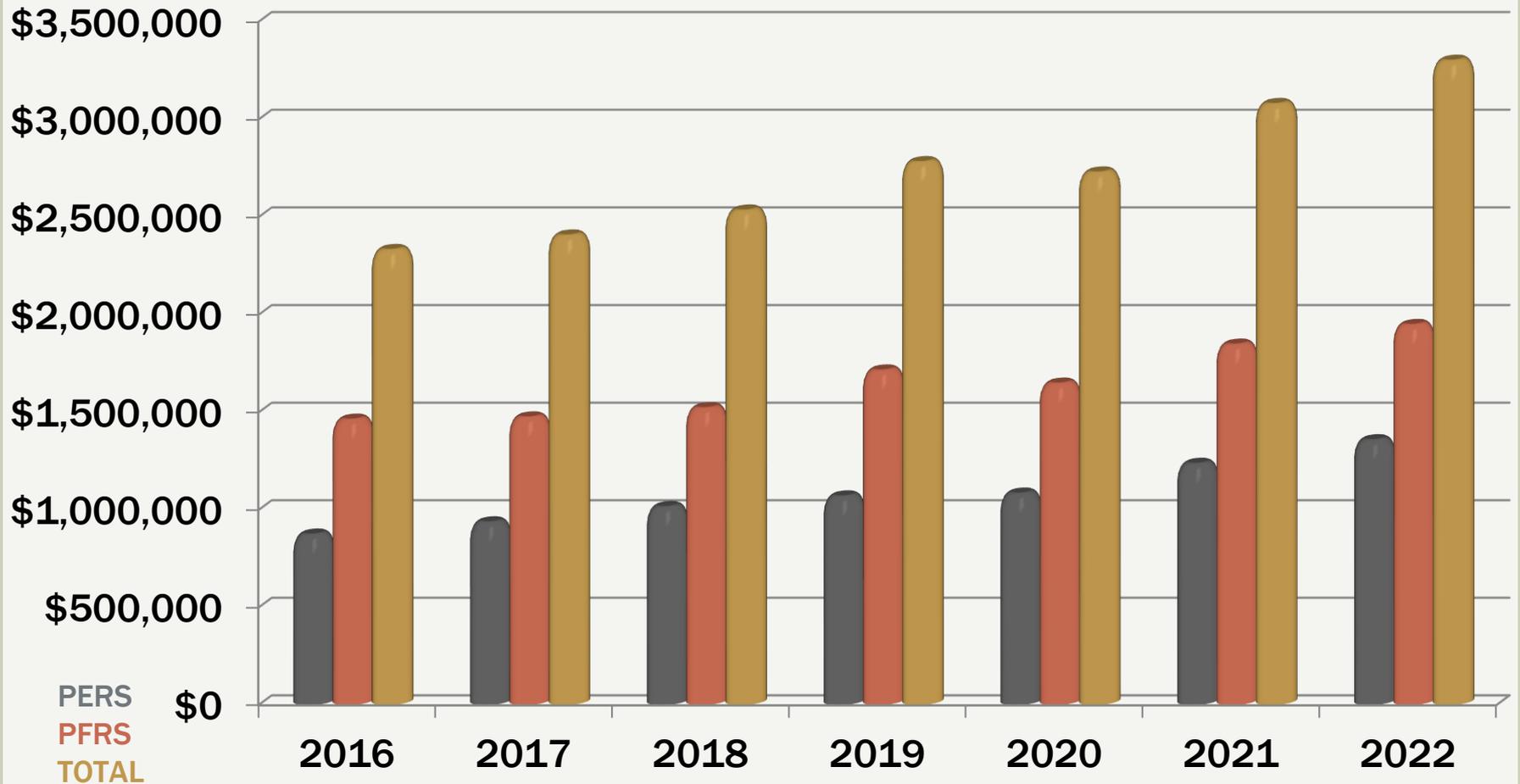
Throughout the year the budget is monitored to assure anticipated revenues are on track, to avoid any over expenditures, and keep compliant with NJ State Statutes.



STATE AID STAGNANT



PENSION COSTS



COST OF STATE MANDATES

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | '21-'22 DOLLAR INCREASE/ DECREASE |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--|
| PUBLIC EMPLOYEES RETIREMENT FUND | \$671,041 | \$719,319 | \$777,689 | \$821,719 | \$832,753 | \$948,849 | \$1,041,362 | \$92,513 |
| POLICE AND FIRE RETIREMENT FUND | \$1,458,007 | \$1,469,354 | \$1,516,823 | \$1,710,108 | \$1,642,631 | \$1,842,430 | \$1,943,199 | \$100,769 |
| SOCIAL SECURITY | \$1,010,000 | \$1,020,000 | \$1,040,000 | \$1,040,000 | \$1,085,000 | \$1,100,000 | \$1,145,000 | \$45,000 |
| GROUP HEALTH INSURANCE | \$2,516,000 | \$2,545,750 | \$2,545,750 | \$2,682,500 | \$2,682,500 | \$2,706,500 | \$2,741,500 | \$35,000 |
| TOTAL | \$5,655,048 | \$5,754,423 | \$5,880,262 | \$6,254,327 | \$6,242,884 | \$6,597,779 | \$6,871,061 | \$273,282 |

COST OF RECYCLING & TIPPING FEES

| 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|-----------|----------------------|-----------------------|-----------------------|----------------------|----------------------|
| \$992,250 | \$975,750 | \$1,093,750 | \$1,370,000 | \$1,309,000 | \$1,217,500 |
| | DECREASE \$16,500 | INCREASE \$118,000 | INCREASE \$276,250 | DECREASE \$61,000 | DECREASE \$91,500 |

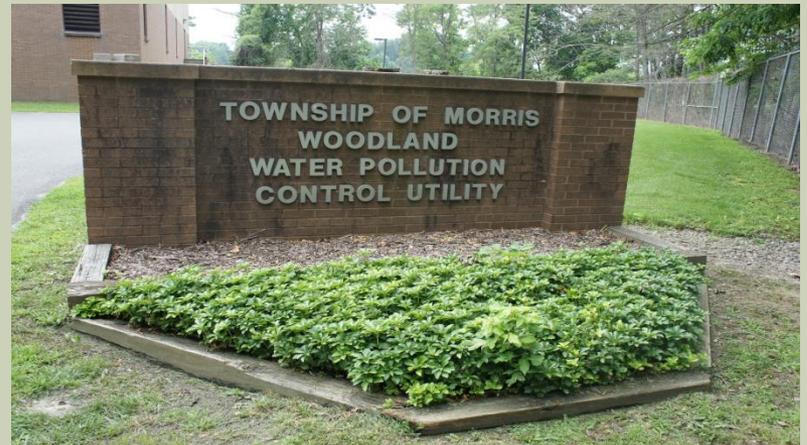
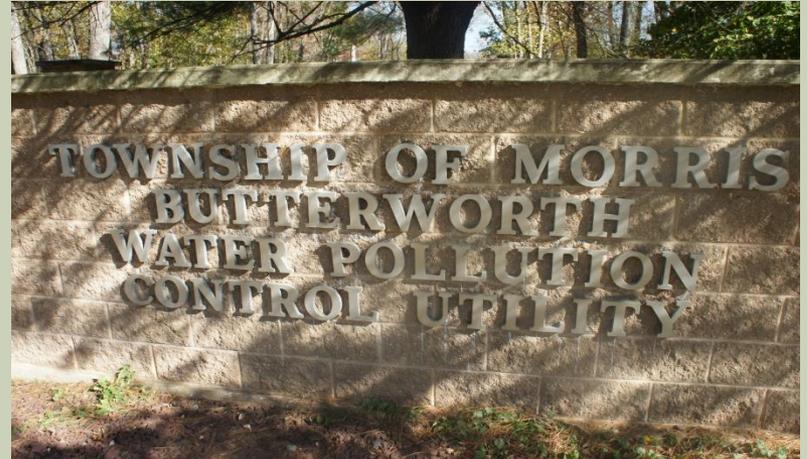
MUNICIPAL DEBT AT YEAR END

(INCLUDING AUTHORIZED BUT NOT ISSUED DEBT)

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| GENERAL | \$23,655,025 | \$23,485,925 | \$23,547,425 | \$23,274,706 | \$22,323,456 | \$21,322,956 |
| SEWER UTILITY | \$14,323,809 | \$13,350,264 | \$12,387,526 | \$11,380,788 | \$10,359,050 | \$9,326,312 |
| SWIMMING UTILITY | \$3,973,000 | \$3,885,050 | \$3,657,800 | \$2,696,300 | \$2,466,675 | \$2,334,150 |
| PARKING UTILITY | \$451,500 | \$376,500 | \$296,500 | \$213,000 | \$159,000 | \$105,000 |
| TOTAL DEBT | \$42,402,334 | \$41,097,739 | \$39,889,251 | \$37,564,794 | \$35,308,181 | \$33,088,418 |

OTHER VARIABLES

- UNION LABOR CONTRACTS AND EXPIRATION OF 2% CAP INCREASE ON SALARIES
- EMPLOYEES' CONTRIBUTIONS TO HEALTH BENEFITS (CHAP 78)
- INCREASE IN SHARE OF LIBRARY COSTS
- STATE AID – ENERGY TAX RECEIPTS



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



- REDUCTION FROM PRE-COVID LEVELS OF CAPITAL PROGRAM FUNDING

- \$600,000



- INCREASE IN REVENUE FROM PILOTS

- \$410,000

2022 ANTICIPATED REVENUES

| | |
|---------------------|------------------------|
| FUND BALANCE | \$5.800 MILLION |
|---------------------|------------------------|

| | |
|----------------------|------------------------|
| MISC. REVENUE | \$8.354 MILLION |
|----------------------|------------------------|

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

| | |
|------------------------------|-------------------------|
| LOCAL TAX & PILOT | \$23.913 MILLION |
|------------------------------|-------------------------|

| | |
|--------------------|------------------------|
| LIBRARY TAX | \$1.936 MILLION |
|--------------------|------------------------|

| | |
|--------------|-------------------------|
| TOTAL | \$40.553 MILLION |
|--------------|-------------------------|

2022 APPROPRIATIONS

| | |
|-------------------------------|-------------------------|
| Salary and Wages | \$15.005 million |
| Operating Expenses | \$11.538 million |
| Statutory Expenses | \$4.780 million |
| Capital Improvements | \$.368 million |
| Debt Service | \$3.726 million |
| Res. Uncollected Taxes | \$3.200 million |
| Joint Public Library | \$1.936 million |
| Total | \$40.553 million |

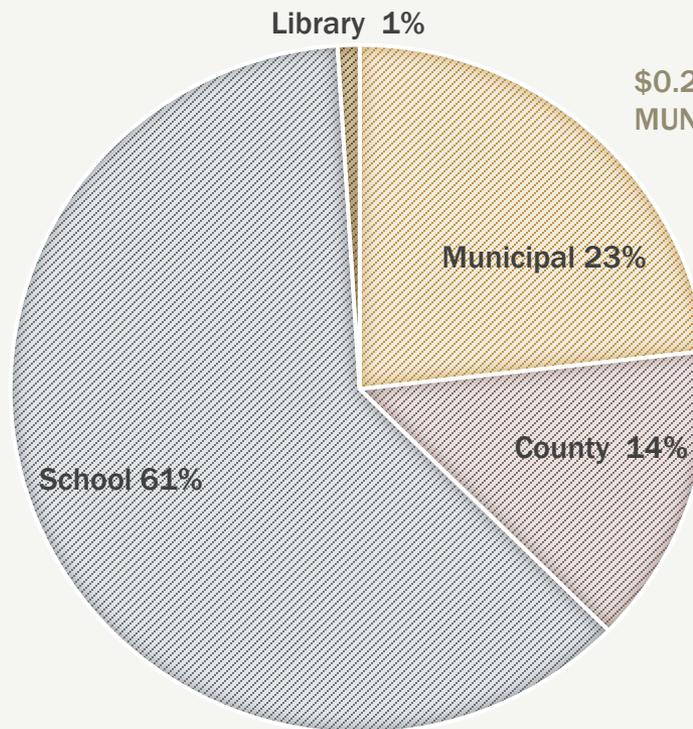
PROPERTY VALUES

| | ASSESSED PROPERTY VALUE | EQUALIZED RATIO | EQUALIZED VALUE |
|-------------|--------------------------------|------------------------|------------------------|
| 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 |
| 2018 | \$5,268,836,538 | 99.19% | \$5,311,862,625 |

TOTAL PROPERTY TAX RATE

| 2019 TAX RATE PER \$100 \$600,000 NAV (AVERAGE) | | 2020 TAX RATE PER \$100 \$600,000 NAV (AVERAGE) | | 2021 TAX RATE PER \$100 \$600,000 NAV (AVERAGE) | | 2022 TAX RATE PER \$100 \$600,000 NAV (AVERAGE) | |
|--|----------|--|----------|--|----------|--|----------|
| DESCRIPTION | AMOUNT | DESCRIPTION | AMOUNT | DESCRIPTION | AMOUNT | DESCRIPTION | AMOUNT |
| MUNICIPAL .420 | \$2,520 | MUNICIPAL .420 | \$2,520 | MUNICIPAL .432 | \$2,592 | MUNICIPAL .441 | \$2,646 |
| COUNTY .270 | \$1,620 | COUNTY .278 | \$1,668 | COUNTY .279 | \$1,674 | * COUNTY .279 | \$1,674 |
| SCHOOL 1.116 | \$6,696 | SCHOOL 1.128 | \$6,768 | SCHOOL 1.164 | \$6,984 | * SCHOOL 1.189 | \$7,134 |
| OPEN SPACE .002 | \$12 | OPEN SPACE .002 | \$12 | OPEN SPACE .002 | \$12 | OPEN SPACE .010 | \$60 |
| LIBRARY .034 | \$204 | LIBRARY .034 | \$204 | LIBRARY .035 | \$210 | LIBRARY .036 | \$216 |
| TOTAL | \$11,052 | TOTAL | \$11,172 | TOTAL | \$11,472 | * TOTAL | \$11,730 |
| 2019 TAX RATE | \$1.842 | 2020 TAX RATE | \$1.862 | 2021 TAX RATE | \$1.912 | * 2022 PROJECTED TAX RATE | \$1.955 |

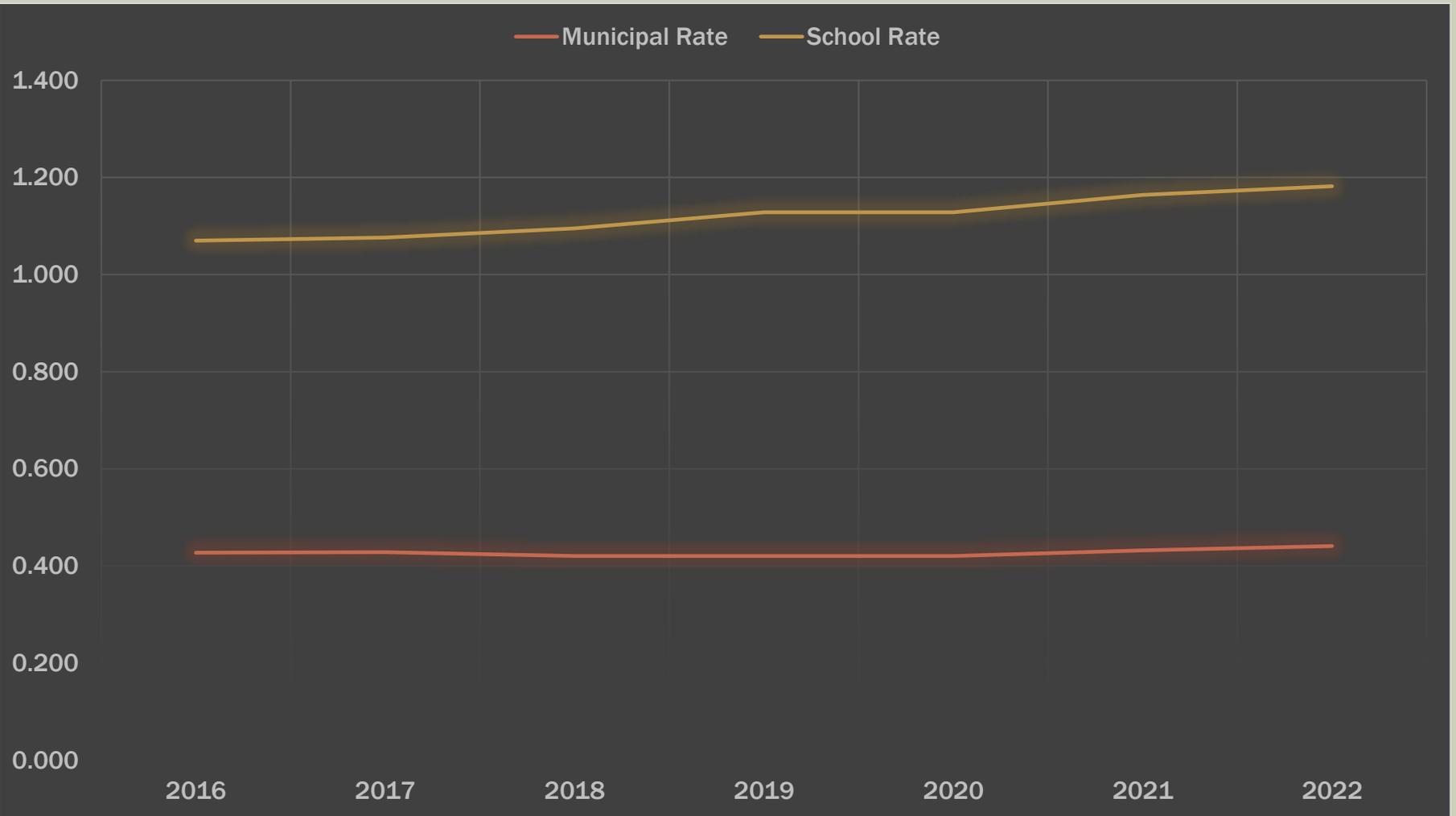
PROPERTY TAX DISTRIBUTION



\$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

| | |
|------|--------|
| 2016 | 99.30% |
| 2017 | 99.33% |
| 2018 | 99.41% |
| 2019 | 99.35% |
| 2020 | 99.30% |
| 2021 | 99.36% |

Uncollected Taxes Rate

| | |
|------|--------|
| 2017 | 96.24% |
| 2018 | 96.66% |
| 2019 | 96.71% |
| 2020 | 96.78% |
| 2021 | 96.89% |
| 2022 | 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 |
|-------------|------------------------------|--|
| 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 |
| 2011 | \$6,426,000 | \$3,626,000 |
| 2010 | \$5,504,671 | \$3,500,000 |



UTILITIES



SEWER UTILITY
\$9,108,737



PARKING LOT UTILITY
\$375,662



SWIM POOL UTILITY
\$1,524,564

AMERICAN RESCUE PLAN FUNDS 2022

| American Rescue Plan (ARP) Funds: | |
|--|---------------------|
| 1st Tranche received 7/2/2021 | \$ 1,159,518 |
| 2nd Tranche to be received in 2022 | \$ 1,159,518 |

| Uses of American Rescue Plan (ARP) Funds: | |
|--|---------------------|
| Reimbursement of Expenses attributed to COVID | \$ 98,994 |
| IT Infrastructure | \$ 100,000 |
| Collinsville-Tucker Redevelopment | \$ 600,000 |
| Fire Apparatus | \$ 1,000,000 |
| Parking 2020 Operating Deficit due to COVID | \$ 85,000 |
| Swim Pool 2020 Operating Deficit due to COVID | \$ 218,000 |

2022 BUDGET

- MAINTAIN ALL SERVICES
- MAINTAIN ANNUAL ROAD OVERLAY PROGRAM
- RECONSTRUCTION OF NORMANDY PARKWAY, SOUTHGATE PARKWAY, AND WALNUT STREET
- ARP MONEY USED TO PURCHASE A FIRE APPARTUS, IT INFRASTRUCTURE, AND COLLINSVILLE-TUCKER REDEVELOPMENT
- NO MUNICIPAL TAX INCREASE FOR 5 YEARS – 2016 to 2020
2% REDUCTION 2018
- INCREASE FOR 2022 WILL BE \$4.33 A MONTH FOR MEDIAN ASSESSED VALUE OF \$600,000 (\$52 a year)
- CONTINUE TO BE FISCALLY RESPONSIBLE

SALARY AND WAGE INCREASES

UNION LABOR CONTRACT NEGOTIATIONS

REVENUE PROJECTIONS

PROJECTED IMPACT OF:

STATE AID

HEALTH BENEFIT COSTS

PENSION COSTS

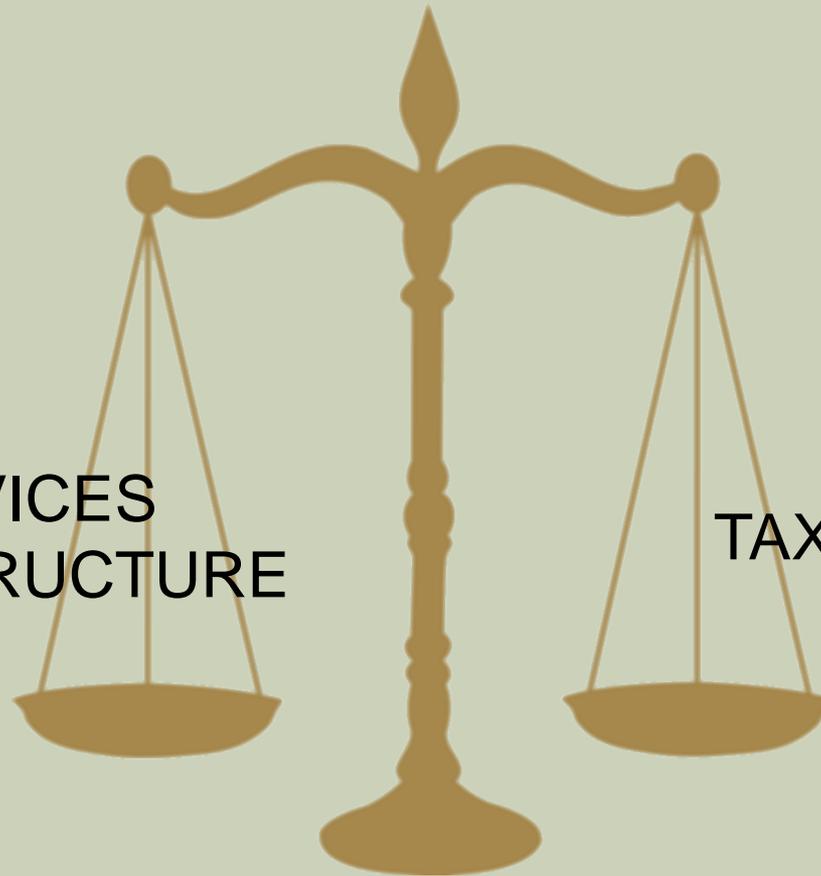


2023



BALANCE

SERVICES
INFRASTRUCTURE



TAXES