

2019 Mayor's Budget Presentation
to the
Parsippany-Troy Hills
Township Council

**Mayor
Michael A. Soriano**

**Business Administrator
Keith Kazmark**

February 19, 2019

Current Fund vs. Utility Budgets

- Current Fund
- Sewer Utility
- Water Utility
- Knoll Golf Utility

Township of
Parsippany-Troy Hills

Current Fund
Budget
2019

Summary of 2019 Current Fund Budget

- Total Current Appropriations - \$74,588,190
- Reserve For Uncollected Taxes - \$1,803,502
- Debt Service - \$9,348,775
- Salaries - \$30,424,031
- Budget Revenue - \$25,358,771
- Amount to be Raised by Taxes - \$46,350,188

Budget Impacts

- Police Salaries & Wages are increasing \$868,545.
(+7%)
- The pension increase, for PERS and PFRS is \$797,071.
- The debt service increase is \$726,755.
- Blue Collar Salaries & Wages are increasing \$307,875.
(+3.5%)
- The 5-year Emergency for Retirement payouts result in a \$150,426 increase.

Budget Impacts

- Social Security payments are increasing by \$100,000.
- Tipping Fees for Solid Waste Collections are up \$100,000.
- The RUT (Reserve for Uncollected Taxes) is increasing by \$70,000.
- Radio Communication costs to County for the full year increased by \$51,800.
- Due to the State Law increasing the Minimum Wage P/T lines items must be adjusted by \$50,000.

Budget Impacts

- White Collar Salaries & Wages (2%) increase by \$216,000.
- The Public Library increase, above the Statutory required amount is \$367,644.
- The start of the TNR (Trap, Neuter, Release) program is a \$25,000 increase.
- Payroll Processing and Grant Writer equal a \$15,000 increase each (not budgeted for in 2018).

Budget Highlights

Budget Adjustments

- No merit increases.
- No planned promotions.
- No planned title changes.
- Master Plan costs spread over a 5-year period which is permitted by the State.
- No net increase to the PAL, operational costs will be provided to the PAL as an annual donation.

Budget Highlights

Budget Adjustments

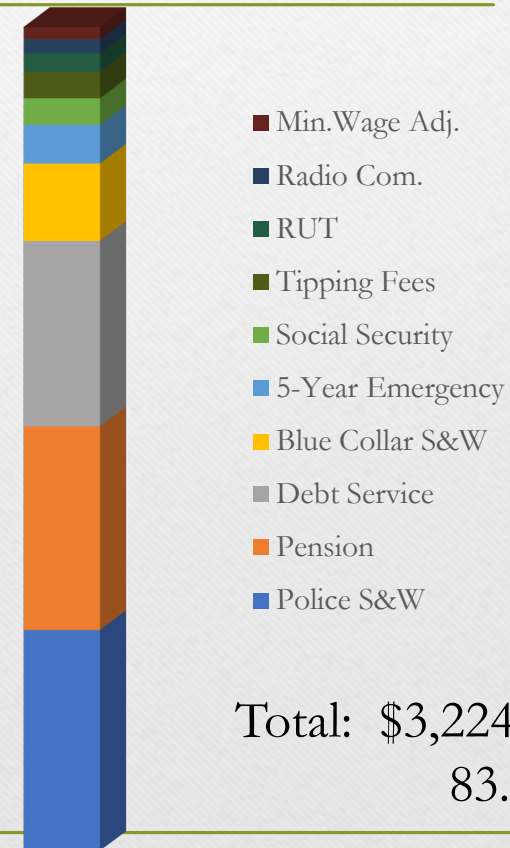
- The Township gained \$40 million in new ratables through assessments.
- Cut to the legal budget by an additional \$10,000, down to \$690,000, down from \$802,000 in 2017.
- Moved some Parks and Forestry and some Recreation expenses to Green Acres Reserve Fund.

Budget Highlights

Mandatory Increases

Mandatory:

| | | |
|--------------------|-----------|--------|
| • Police S&W | \$868,545 | 22.42% |
| • Pension | \$797,071 | 20.58% |
| • Debt Service | \$726,755 | 18.76% |
| • Blue Collar S&W | \$307,875 | 7.95% |
| • 5-Year Emergency | \$150,426 | 3.88% |
| • Social Security | \$100,000 | 2.58% |
| • Tipping Fees | \$100,000 | 2.58% |
| • RUT | \$ 70,000 | 1.81% |
| • Radio Com. | \$ 53,875 | 1.39% |
| • Min. Wage Adj. | \$ 50,000 | 1.28% |



Total: \$3,224,547
83.24%

Budget Highlights

Discretionary Increases

Discretionary:

| | | |
|--------------------------------------|-----------|-------|
| • Library (Tax over Statuary amount) | \$367,644 | 9.49% |
| • White Collar S&W | \$216,000 | 5.58% |
| • TNR | \$ 25,000 | 0.65% |
| • Payroll Processing | \$ 15,000 | 0.39% |
| • Grant Writer | \$ 15,000 | 0.39% |
| • Daycare Center | \$ 10,400 | 0.27% |



Total: \$649,044
16.77%

Budget Highlights

Appropriations vs. Budget Increases

Mandatory: \$3,224,547

Discretionary: \$ 649,044

Total Increases: \$3,873,591

Current Fund Budget Surplus

- Current Fund Surplus at end of 2018 = **\$5,629,832**
- Surplus utilized for 2019 Budget = **\$3,990,000**
(same as 2018)
- Healthy Surplus Goal based upon a \$74,588,190
Current Fund Budget is...

10% – 15% or \$7.5 – \$11.2 million

So, How do we get there?

Long Term Structural Budget Recommendations

- Begin to charge the Board of Education for disposal of solid waste (\$75,000 per year, no labor costs).
- Work to expand paid Ambulance Services to neighboring municipalities.
- Adjust Fee Schedules to be competitive with other Morris County municipalities, including:
 - ✓ Construction, Housing, Fire Prevention, Health, Animal Control & Recreation

Long Term Structural Budget Recommendations

- Develop a plan to bring surrounding municipalities onto our Radio Communications System which is currently being developed.
- Propose modifying the Open Space Fund allocation, by ballot referendum, in November of 2019, to allow for improvements and development of parks and fields, rather than acquisition.
- Reduce dependency on Sewer and Water Utilities Surplus (2019 budget reduces use of S&W surplus by \$50,000 each).

Township of
Parsippany-Troy Hills

Sewer Utility
Budget
2019

Summary of 2019 Sewer Utility Budget

- Current Appropriations - \$16,728,445
- Debt Service - \$2,537,875
- Salaries - \$3,894,440
- Budget Revenue - \$15,158,445
- Surplus (end of 2018) - \$7,862,536

History of Sewer Utility Budget Surplus

| <u>Year</u> | <u>EOY Surplus</u> | <u>To Current</u> |
|-------------|--------------------------|--------------------------------|
| 2012 | \$15,202,203 | \$ 550,000 |
| 2013 | \$11,172,677 | \$ 550,000 |
| 2014 | \$10,955,141 | \$ 155,000 |
| 2015 | \$11,340,828 | \$1,550,000 |
| 2016 | \$ 9,799,709 | \$2,500,000 |
| 2017 | \$ 9,850,484 | \$2,500,000 |
| 2018 | \$ 7,862,536 (estimated) | \$2,300,000 |
| 2019 | - | \$2,250,000 (reduced \$50,000) |

Township of
Parsippany-Troy Hills

Water Utility
Budget
2019

Summary of 2019 Water Utility Budget

- Current Appropriations - \$9,477,020
- Debt Service - \$1,005,650
- Salaries - \$2,464,075
- Budget Revenue - \$8,026,020
- Surplus (end of 2018) - \$4,938,282

History of Water Utility Budget Surplus

| <u>Year</u> | <u>EOY Surplus</u> | <u>To Current</u> |
|-------------|-------------------------|-------------------------------|
| 2012 | \$4,002,597 | \$ 0 |
| 2013 | \$4,796,683 | \$ 0 |
| 2014 | \$5,339,046 | \$ 0 |
| 2015 | \$6,142,769 | \$ 200,000 |
| 2016 | \$6,615,064 | \$ 0 |
| 2017 | \$6,301,257 | \$ 700,000 |
| 2018 | \$4,938.282 (estimated) | \$ 655,000 |
| 2019 | - | \$ 605,000 (reduced \$50,000) |

Township of
Parsippany-Troy Hills

Knoll Golf Utility
Budget
2019

Summary of 2019 Knoll Golf Utility Budget

- Current Appropriations - \$4,015,846
- Debt Service - \$817,000
- Salaries - \$1,455,676
- Budget Revenue - \$3,154,641
- Surplus (end of 2018) - \$1,368,030 (estimated/O&E cancelled)

History of Knoll Golf Utility Surplus

| <u>Year</u> | <u>EOY Surplus</u> |
|-------------|---------------------------------------|
| 2012 | \$ 249,750 |
| 2013 | \$ 186,585 |
| 2014 | \$ 170,707 |
| 2015 | \$ 626,779 |
| 2016 | \$1,249,271 |
| 2017 | \$1,561,489 |
| 2018 | \$1,368,030 (estimated/O&E cancelled) |

Structural Budget Recommendations - Utilities

- Adjust Water Rates
 - Rates have not been adjusted since 2010
 - Recommendation: 5 year ordinance, 2% adjustment
- Adjust Sewer Rates, based upon a flat rate modification
- Knoll Golf Club rates were adjusted in December of 2018.

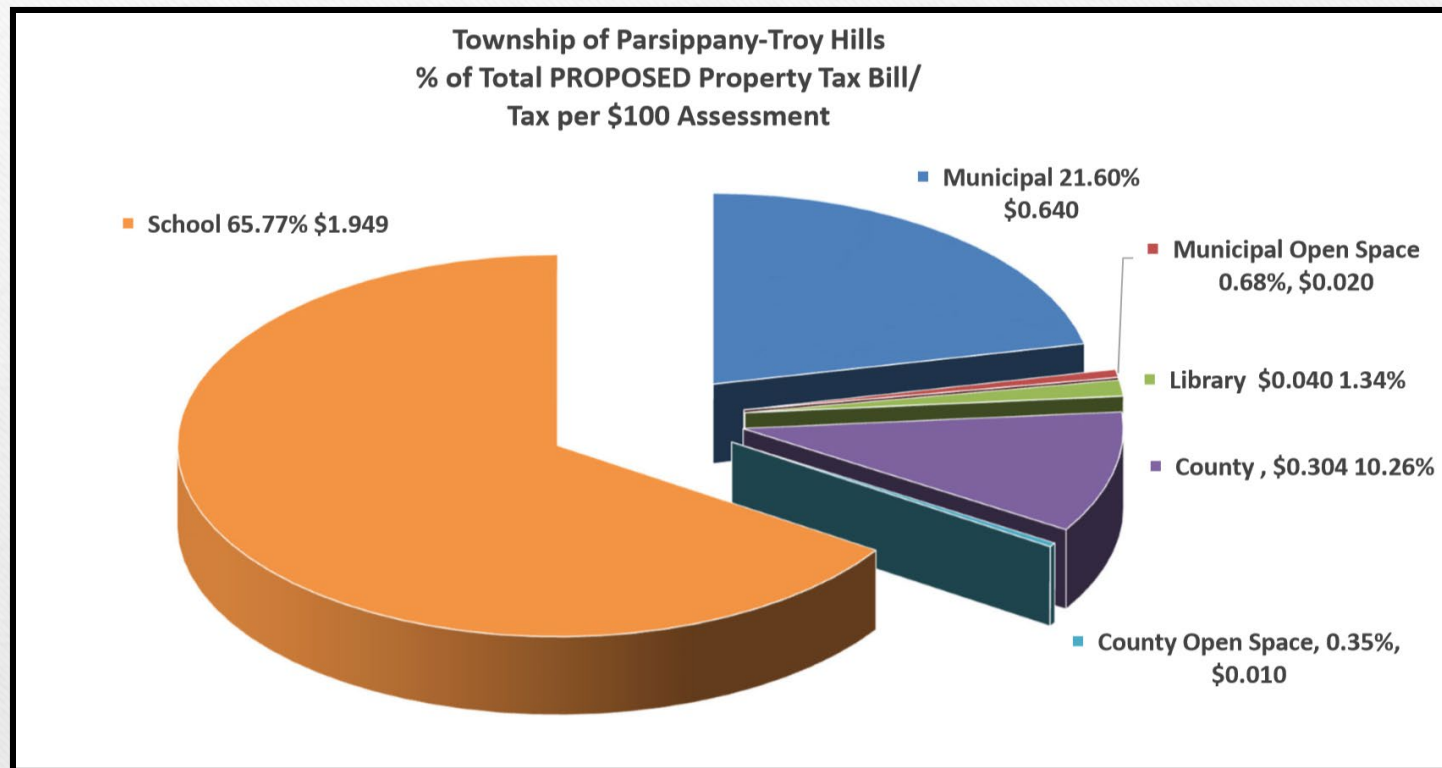
Local Municipal Tax Rate

- 2019 budget is \$39,035 under the Tax Levy Cap and under the Appropriations Cap by \$2,606,261.
- 2019 Assessed Value \$7,244,352,500
- 2018 Assessed Value \$7,203,911,900
- Municipal Taxes are Projected for 2019 at \$0.640
- 2018 Municipal Actual Taxes: \$0.611

Local Municipal Tax Rate

- CHANGE: \$0.029 increase per \$100 of assessed valuation over the 2018 tax rate.
- The 2019 average home in the Township is valued at \$310,736
- Municipal Taxes - 2018 \$1,899., 2019 \$1,988
an increase of \$89.53 (\$7.46/month)
- Municipal Increase of 4.72%

Proposed Property Tax Breakdown 2019



Budget Schedule

Budget Hearings

February 26, 2019 – 6:30 pm March 2, 2019 – 11:00 am

Budget Introduction

March 16, 2019 – 7:00 pm

Public Hearing and Adoption

April 16, 2019 – 7:00 pm