

# Montclair, NJ 2016 Budget Review

## 2016 Budget Highlights.

- The 2016 Budget is increasing modestly over 2015-3.0%.
- The 2016 Municipal Tax Levy is increasing by approximately **.73%**. This is \$350,898 increase. The state required Library tax is increasing by \$29,792.
- The public safety and employee health insurance budgets are increasing by the greatest amounts, \$1.2 for public safety (5.5%) and \$1.0 million in health insurance (18%).
- Increase in own source revenues (non-tax revenues) including surplus generated, and PILOT payments (Centro Verde) as well as improvements in reserves are used as budget revenue to off-set the cost increases and stabilize property taxes.

| Montclair Summary of 2016 Budget Revenues - \$ |            |            |            |          |
|--|------------|------------|------------|----------|
| Revenue Category                               | 2016       | 2015       | Difference | % Change |
| Sub-total "Non-Tax" Revenues                   | 20,418,787 | 18,557,103 | 1,711,684  | 10.0%    |
| Library-State Mandated Increase                | 2,273,956  | 2,244,164  | 29,792     | 1.33%    |
| Sub-Total Municipal Component Tax Levy         | 52,801,180 | 52,420,490 | 350,898    | 0.73%    |
| Additional School District Levy                | 7,383,100  | 7,152,026  | 231,074    | 3.23%    |
| Total Revenues                                 | 82,877,024 | 80,373,783 | 2,503,241  | 3.1%     |

| Appropriation/Department              | <b>MONTCLAIR 2016 BUDGET-\$</b> |                   | Change           | %Change      |
|---------------------------------------|---------------------------------|-------------------|------------------|--------------|
|                                       | <u>2016</u>                     | <u>2015</u>       |                  |              |
| Public Safety                         | 25,701,158                      | 24,364,400        | 1,336,758        | 5.5%         |
| Community Services                    | 7,092,512                       | 7,701,888         | -609,376         | -8%          |
| Construction Code                     | 1,166,166                       | 917,675           | 248,491          | 27%          |
| Debt Service                          | 15,567,100                      | 15,538,526        | 28,574           | 0.2%         |
| Health & Human Services               | 1,440,373                       | 1,048,200         | 392,173          | 37.4%        |
| Medical Insurance                     | 6,827,415                       | 5,792,000         | 1,035,415        | 17.9%        |
| Other Insurance and Operations        | 2,103,467                       | 2,110,162         | -6,695           | -.03%        |
| Social Security Contribution          | 1,273,500                       | 1,225,000         | 48,500           | 4%           |
| PFRS (w/CPFPF)                        | 4,960,633                       | 4,810,810         | 149,823          | 3%           |
| PERS                                  | 1,244,976                       | 1,182,184         | 62,792           | 5.3%         |
| Grants                                | 492,990                         | 506,793           | -13,803          | -2.7%        |
| Interlocal Services                   | 901,194                         | 884,744           | 16,450           | 2%           |
| Library Operations                    | 3,302,093                       | 3,212,093         | 90,000           | 3%           |
| Capital Improvement Fund              | 300,000                         | 250,000           | 50,000           | 20%          |
| Other General Government Expenditures | 7,541,929                       | 7,439,536         | 155,393          | 2%           |
| Reserve for Uncollected Taxes         | 3,311,518                       | 3,389,772         | -78,254          | -2%          |
| <b>Total Appropriations</b>           | <b>82,877,025</b>               | <b>80,373,783</b> | <b>2,503,242</b> | <b>3.11%</b> |

Budget headwinds include medical insurance costs, certain labor costs (mandated state arbitrated salaries), funding of ongoing health and property maintenance issues. Municipal revenue sources are mostly stagnant throughout New Jersey.

## Montclair-2016 Tax Levy Profile

|  | Percent Change-2015-2016 | 2016 est.     | 2015          |
|--|--------------------------|---------------|---------------|
| Total Assessed Valuation                           |                          | 5,718,760,800 | 5,743,231,038 |
| Estimated Municipal Tax Levy<br>(Includes Library) | 0.75%                    | 55,075,136    | 54,664,654    |
| School Tax Levy                                    | 3.94%                    | 117,304,698   | 112,856,034   |
| County Tax Levy                                    | 1.90%                    | 35,618,234    | 34,971,400    |
| TOTAL Tax Levy                                     | 2.70%                    | 207,998,068   | 202,492,088   |
|  |                          |               |               |

Note: The state mandated Library tax is increasing by approximately \$30,000.

## 2016 Montclair Budget Overview

### April 19, 2016

The 2016 Montclair Budget is a steady state type budget with little impacts, the budget is increasing by 3% including state mandated costs.

2015 Montclair Budget-\$80,373,783.  
2016 Montclair Budget-\$82,877,024.  
3.0% Increase.

To finance the budget increases the Township is anticipating \$1,711,684 in additional non-tax revenues including PILOT revenues and reserve funds.

Standard and Poors Rated the Township AA+ in 2014. The rating reflects their view of the township's: vibrant economy, strong management, strong liquidity, strong budgetary performance, and Strong institutional framework.

The municipal tax levy is estimated to increase by .75%, less than one (1) tax point. This includes approximately \$30,000 in additional tax funding for the Library, required by state law.

The Township had outstanding debt of \$223,000,000 at year end 2009. At year end 2015 the Township had outstanding debt of \$182,861,896. This is a \$40,000,000 debt reduction, or 19%.