

Lawrence Township



Mayor

Jim Kownacki

Councilmembers

Cathleen Lewis
Dr. David Maffei
Michael Powers
Greg Puliti

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Situation

- **Use and Availability of Surplus**
- **Regeneration of Surplus**
- **Ratables and Loss of Ratables**
- **Change in Assessments by Class**
- **2011 Drop in Tax Collection Rate**
- **Loss/Decline of Revenues**
- **Budget Appropriation Actions**

Alternatives

- **Referendum to Exceed CAP of Tax Levy**
- **Create a Solid Waste Utility**
- **Individual Residential Contracts for Solid Waste Collection**

**Lawrence Township Availability of Surplus
and Surplus Used in Budget Year**

	(A)	(B)	(C)	(E)	= (B/E)	= (B/A)
	Surplus Balance as of 1/1	Surplus Used for Budget in Year	Remaining Balance	Adopted Budget	Surplus used to Support Budget as a % of Adopted	Surplus used to Support Budget as a % of Surplus Balance
Year						
1996	5,677,364.05	3,000,000.00	2,677,364.05	26,014,978.00	11.53%	52.84%
1997	5,487,824.51	3,060,000.00	2,427,824.51	26,505,856.71	11.54%	55.76%
1998	5,786,884.81	3,058,000.00	2,728,884.81	28,264,293.64	10.82%	52.84%
1999	5,706,615.23	3,158,000.00	2,548,615.23	28,298,834.77	11.16%	55.34%
2000	6,500,492.44	3,975,000.00	2,525,492.44	29,557,626.03	13.45%	61.15%
2001	7,922,346.48	4,000,000.00	3,922,346.48	29,600,636.76	13.51%	50.49%
2002	7,984,800.28	4,000,000.00	3,984,800.28	30,555,762.96	13.09%	50.10%
2003	8,152,175.43	4,498,378.73	3,653,796.70	31,394,035.09	14.33%	55.18%
2004	8,229,257.76	4,897,816.00	3,331,441.76	33,213,380.50	14.75%	59.52%
2005	7,930,080.47	4,696,000.00	3,234,080.47	35,145,492.55	13.36%	59.22%
2006	9,514,358.31	5,996,000.00	3,518,358.31	37,287,228.19	16.08%	63.02%
2007	9,455,945.80	6,133,000.00	3,322,945.80	38,935,983.44	15.75%	64.86%
2008	9,542,912.61	6,210,000.00	3,332,912.61	39,783,172.93	15.61%	65.07%
2009	9,366,407.96	6,150,000.00	3,216,407.96	40,841,156.77	15.06%	65.66%
2010	8,242,215.19	5,870,000.00	2,372,215.19	41,126,811.27	14.27%	71.22%
2011	6,985,436.40	5,370,000.00	1,615,436.40	41,876,460.72	12.82%	76.87%
2012	5,020,586.99	4,870,000.00	150,586.99	42,340,689.97	11.50%	97.00%

Regeneration of Surplus (Excess Revenue)

	<u>2008 Totals</u>	<u>2009 Totals</u>	<u>2010 Totals</u>	<u>2011 Totals</u>	
Amount to be Raised by Taxes	2,393,577.74	2,382,908.38	1,762,859.30	1,385,250.21	
Miscellaneous Revenue Anticipated	1,718,198.86	876,896.01	782,435.98	456,648.85	
Delinquent Taxes	571,119.97	546,998.11	767,350.00	601,054.23	
Miscellaneous Revenue Not Anticipated	484,809.59	622,005.23	574,696.14	422,458.55	
Construction Admin Fee, Cell Phone Leases, Light Metal Recycling, Special Duty Admin Fees and Vehicle Use, Prior Year Reimbursements Court Unclaimed Bail, Senior Center Oven Use by Mercer County, Auctions					
Lapse of Appropriation Reserves	756,313.07	499,117.33	756,583.22	547,508.67	
Other	109,476.12	97,882.17	(30,703.43)	(7,769.92)	
Surplus Regenerated	6,033,495.35	5,025,807.23	4,613,221.21	3,405,150.59	
Surplus Remaining	3,332,912.61	3,216,407.96	2,372,215.19	1,615,436.40	
Surplus Balance 1/1	9,366,407.96	8,242,215.19	6,985,436.40	5,020,586.99	①
Surplus used in Adopted Budget	6,150,000.00	5,870,000.00	5,370,000.00	4,870,000.00	
Remaining Surplus After Adopted Budget	3,216,407.96	2,372,215.19	1,615,436.40	150,586.99	
① Agrees to 12/31/11 G/L					

2007 - 2012 Change in Assessed Valuation and Impact on Taxes

	<u>Assessed Valuation</u>	<u>Change in Assessed Valuation</u>	<u>Increase in Tax Rate caused by decrease in Assessed Valuation (in cents)</u>	<u>Value of Refunds</u>
2007	2,695,162,162.00			
2008	2,691,265,288.00	(3,896,874.00)	0.14	
2009	2,688,130,426.00	(3,134,862.00)	0.12	(3,432,108.56)
2010	2,603,782,710.00	(84,347,716.00)	3.24	(1,595,323.93)
2011	2,566,192,608.00	(37,590,102.00)	1.46	(1,645,974.10)
2012	2,527,842,792.00	(38,349,816.00)	1.52	
			6.48	(6,673,406.60)
			Cash Refunds	1,600,000.00
			Credit Refunds	(5,073,406.60)
2012 Aggregate Impact				
Total Decrease in Assessed Valuation		(167,319,370.00)		
Loss of Tax Revenue		(1,405,482.71)		
(when applying 2011 Municipal Tax Rate of .84)				

Township of Lawrence

Change in Taxable Value 2007 - 2011

Year	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Tax Rate	3.800	4.005	4.069	4.244	4.292
Class Value (\$)					
Vacant Land-Taxable	47,768,700	43,404,500	41,359,900	41,002,100	36,642,000
Residential-Taxable	1,596,163,750	1,616,593,450	1,618,650,550	1,612,409,550	1,593,565,750
Farm-Taxable	15,897,700	16,267,600	16,984,500	17,192,500	17,729,400
Commercial/Industrial/Apartment-Taxable	1,031,880,073	1,011,758,873	1,007,275,873	929,161,590	914,863,690
Exempt Property	393,828,500	394,445,200	396,344,400	399,782,400	399,876,900
<u>Comparison Years</u>					
		<u>2008 v. 2007</u>	<u>2009 v. 2008</u>	<u>2010 v. 2009</u>	<u>2011 v. 2010</u>
Year-to-Year % Change in Value					
Vacant Land-Taxable		-9.14%	-4.71%	-0.87%	-10.63%
Residential-Taxable		1.28%	0.13%	-0.39%	-1.17%
Farm-Taxable		2.33%	4.41%	1.22%	3.12%
Commercial/Industrial/Apartment-Taxable		-1.95%	-0.44%	-7.76%	-1.54%
Exempt Property		0.16%	0.48%	0.87%	0.02%
Year-to-Year \$ Change in Value					
Vacant Land-Taxable		(4,364,200)	(2,044,600)	(357,800)	(4,360,100)
Residential-Taxable		20,429,700	2,057,100	(6,241,000)	(18,843,800)
Farm-Taxable		369,900	716,900	208,000	536,900
Commercial/Industrial/Apartment-Taxable		(20,121,200)	(4,483,000)	(78,114,283)	(14,297,900)
Exempt Property		616,700	1,899,200	3,438,000	94,500

2007 – 2011 Adopted Revenues

<u>Summary of Revenues</u>		<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
1) Surplus Anticipated		6,133,000	6,210,000	6,150,000	5,870,000	5,370,000
2) Surplus Anticipated with Consent from DLGS		0	0	0	0	0
3) Miscellaneous Revenues Anticipated		XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
A: Local Revenues		6,256,767	6,553,000	6,929,000	6,902,000	7,056,949
B: State Aid without Offsetting Appropriations		5,509,217	5,118,156	5,008,934	3,985,440	3,982,565
C: Dedicated UCC Fees offset with Appropriations		960,000	815,000	970,000	970,000	927,000
D: Revenue with Written Consent from DLGS - Shared Service		0	0	0	0	0
E: Revenue with Written Consent from DLGS - Additional Revenues		150,000	260,000	430,000	600,000	1,093,000
F: General Revenue with Written Consent from DLGS - Public & Private Rev.		669,995	460,048	144,080	270,116	198,767
G: General Revenue with Written Consent from DLGS - Other Special Items		<u>431,449</u>	<u>551,441</u>	<u>1,061,811</u>	<u>1,072,026</u>	<u>754,211</u>
Total Miscellaneous Revenues		13,977,428	13,757,645	14,543,825	13,799,582	14,012,492
4) Receipts from Delinquent Taxes		<u>768,000</u>	<u>768,000</u>	<u>793,000</u>	<u>851,000</u>	<u>939,000</u>
5) Subtotal General Revenues (Items 1,2,3 and 4)		20,878,428	20,735,645	21,486,825	20,520,582	20,321,492
6) Amount to be Raised by Taxes		XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
A: Local Tax for Municipal Purposes including Reserve for Uncollected Taxes		18,057,555	19,107,839	19,354,332	20,310,795	21,554,969
B: Addition to Local District School Tax		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Amount to be Raised by Taxes		<u>18,057,555</u>	<u>19,107,839</u>	<u>19,354,332</u>	<u>20,310,795</u>	<u>21,554,969</u>
Total General Revenues		38,935,983	39,843,484	40,841,157	40,831,378	41,876,461

2007 – 2011 Adopted Appropriations

<u>Summary of Appropriations</u>				<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total General Appropriations for Municipal Purposes in Caps				24,438,929	24,846,893	27,553,871	27,466,814	27,846,266
Operation Excluded from Caps				XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Other Operation				5,431,760	6,336,260	4,786,980	4,860,980	5,110,580
Uniform Construction Code				0	0	0	0	0
Shared Service Agreements				0	0	0	0	0
Additional Appropriations Offset by Revenue				150,000	260,000	345,000	249,000	422,000
Public & Private Programs offset by Revenue (Grants)				<u>675,966</u>	<u>465,603</u>	<u>149,501</u>	<u>275,537</u>	<u>210,086</u>
Total Operations Excluded from Caps				6,257,726	7,061,863	5,281,481	5,385,517	5,742,666
Capital Improvement Fund				100,000	125,000	105,000	75,000	100,000
Municipal Debt Service				4,119,071	3,804,721	3,713,345	3,698,100	3,952,570
Total Deferred Charges				0	0	0	0	0
Judgements				0	0	0	0	0
Cash Deficit				0	0	0	0	0
Local District School Purposes				0	0	0	0	0
Transferred to Board of Education				0	0	0	0	0
Reserve for Uncollected Taxes				<u>4,020,257</u>	<u>4,005,007</u>	<u>4,187,460</u>	<u>4,205,946</u>	<u>4,234,959</u>
Total General Appropriations				38,935,983	39,843,484	40,841,157	40,831,378	41,876,461

Tax Collection Rates

2007 -2011

<u>Year</u>	<u>Collection</u>	<u>Tax Levy</u>	<u>Collection Rate</u>
2007	101,304,333	103,069,578	98.29%
2008	106,109,644	108,201,491	98.07%
2009	107,586,413	109,807,602	97.98%
2010	108,192,247	110,758,573	97.68%
2011	107,259,518	110,341,778	97.21%

Budget Actions

- **Reduction of Employees**
- **Cash Reserves for Tax Appeal Refunds**
- **Increased Various User Fees**
- **Refunding of Outstanding Debt**
- **Bidding of Electricity**
- **Phone / Energy Audits**
- **Bidding of Phone Services**
- **Reduction / Freeze Other Expense Appropriations**
- **Reduction of Capital Expenditures**

Reduction of Employees

	2007	2008	2009	2010	2011
Council	5	5	5	5	5
Manager	1	1	1	1	1
Clerk	3	3	3	3	3
Finance	5	5	5	5	5
Tax Collector	4	4	3.5	3	3
Tax Assessor	4	4	4	4	4
Engineering	5	5	5	4	4
Community Development	2	2	2	2	1
Planning & Redevelopment	2	2	1	1	1
Housing	2	1	1	1	1
Construction	16	16	14.5	13	11
Police Uniformed	70	71	69	68	66
Police Civilian	7	6	6	6	6
Police Dispatch	9	9	9	9	9
Emergency Management	1	1	1	1	1
Fire Services	5	5	5	8	7
Fire Inspection	4	4	4	4	3
Streets & Roads	12	13	13	13	13
PW Administration	2	2	2	2	2
Buildings & Grounds	7	7	7	6	4
Vehicle Maintenance	5	5	5	5	5
Health	7	7	7	7	6
Animal Control	2	2	2	2	2
Recreation	3	3	3	3	3
Office on Aging	3	3	3	3	3
Park Maintenance	11	10	10	9	9
Municipal Court	9	9	8	7	7
Municipal Court O/S Caps	2	2	2	2	2
Legal	1	1	1	1	1
Subtotal:	209	208	202	198	188
Emergency Medical Services	4	4	9	9	9
Total:	213	212	211	207	197

*Public Works Seasonal employees eliminated in 2009

ALTERNATIVES

Referendum To Exceed Cap on Tax Levy

Referendum to exceed cap by 9¢ or \$2,275,000
(At 2012 assessed valuation of \$252,784 per 1¢)

Average 2012 Residential Assessment = \$161,292.08
Cap Increase at 9¢ equates to \$145.16 per year
or \$12.10 per month

Solid Waste Utility

Solid Waste Utility			
		Number of Residential Pickups	8,371
		Cost of Municipal Trash Collection including Start up, Staffing & Administrative (Including Reserve for Uncollected Fees)	\$ 2,812,000.00
		Annual Cost per Individual Residential Pickup	\$ 336
		Monthly Cost per Individual Residential Pickup	\$ 28

Individual Residential Subscriptions

Annual Cost \$360

Monthly Average Fee \$30.00

(1 Cart)

Bulk Pick-up, additional fees apply

(i.e. Sofa \$75, Love Seat \$50, Mattress \$25)

Mercer County Municipalities

Ranking of Municipal Taxes

		Municipal Purpose Tax Rate	Special Taxing Districts		Total Municipal Purpose Tax Rate	Effective Municipal Tax Rate	Municipal Taxes on Average Residential Assessment
Rank	Location						
1	Princeton Township ³	0.434			0.434	0.414	3,566.59
2	Princeton Boro	0.431		2	0.431	0.388	3,222.43
3	Trenton City	3.735			3.735	2.454	2,347.10
4	Highstown Boro	0.876			0.876	0.880	2,337.15
5	Hamilton Township	1.112	0.464	2	1.576	0.830	2,111.68
6	Pennington Boro	0.388	0.030		0.418	0.415	2,107.73
7	West Windsor Township	0.396			0.396	0.385	2,097.61
8	Robbinsville Twp.	0.528			0.528	0.521	2,041.50
9	Hopewell Boro	0.412	0.050	2	0.462	0.511	2,015.00
10	Ewing	1.500			1.500	0.847	1,850.65
11	Hopewell Township ³	0.286	0.062	2	0.348	0.359	1,718.72
12	East Windsor	0.398	0.116	1	0.514	0.473	1,356.09
13	Lawrence Township	0.840			0.840	0.426	1,354.85
					Average	0.685	2,163.62
1	Garbage District				Mean	0.492	2,069.56
2	Fire District						
3	Subscription Trash Service						

Solid Waste Providers of Mercer County Municipalities

Municipal Utility

- East Windsor Township

Municipal Collection

- Ewing Township
- Hightstown
- Pennington Boro
- Robbinsville
- Trenton

Contracted

- Hamilton Township
- Hopewell Boro
- Lawrence Township
- Princeton Boro
- West Windsor

Subscription

- Hopewell Township
- Princeton Township

State of New Jersey Ranking of County Solid Waste Tipping Fees

County	Per Ton Cost
Mercer County	124.96
Union County	100.89
Morris County	95.92
Warren County	95.00
Essex County	86.45
Gloucester County	82.50
Hudson County	77.50
Hunterdon County	77.50
Somerset County	77.00
Burlington County	73.74
Monmouth County	73.50
Ocean County	71.21
Middlesex County	69.00
Salem County	67.55
Cape May County	65.95
Camden County	65.00
Atlantic County	64.98
Cumberland County	59.54

Solid Waste Collection Estimates

Trash Collection Remains as a Municipal Service Referendum to Exceed Levy Cap by .09

Effects on Various Assessment Levels

<u>Assessment</u>	<u>Annual Cost</u>	<u>Monthly Cost</u>
161,292.08	145.16	12.10
150,000.00	135.00	11.25
200,000.00	180.00	15.00
250,000.00	225.00	18.75
300,000.00	270.00	22.50

Residential Solid Waste Utility

Number of Residential Pickups	8,371
Cost of Municipal Trash Collection (including Admin. & Start up Costs)	\$ 2,812,000
Annual Cost per Individual Residential Pickup	\$ 336
Monthly Cost per Individual Residential Pickup	\$ 28

Individual Residential Subscriptions*

Annulized Cost	360.00
Monthly Average (1 cart)	30.00

* Excludes bulk collection (i.e Sofa \$75, Loveseat \$50, Mattress \$25)

Tax Consequences of Solid Waste Alternatives

Referendum to Exceed Levy by .09

<u>Assessment</u>	<u>Monthly Cost</u>	<u>Tax Bracket Percentage</u>	<u>Net Monthly Cost</u>
			<u>Reflecting Tax Deduction</u>
161,292.08	12.10	15%	10.28
		20%	9.68
		25%	9.07
150,000.00	11.25	15%	9.56
		20%	9.00
		25%	8.44
200,000.00	15.00	15%	12.75
		20%	12.00
		25%	11.25
250,000.00	18.75	15%	15.94
		20%	15.00
		25%	14.06
300,000.00	22.50	15%	19.13
		20%	18.00
		25%	16.88

Residential Solid Waste Utility

No Personal Income Tax Benefits

Individual Residential Subscriptions

No Personal Income Tax Benefits