

Lawrence Township



Mayor

Jim Kownacki

Councilmembers

Cathleen Lewis
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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 | | 431,449 | 551,441 | 1,061,811 | 1,072,026 | 754,211 |
| Total Miscellaneous Revenues | | 13,977,428 | 13,757,645 | 14,543,825 | 13,799,582 | 14,012,492 |
| 4) Receipts from Delinquent Taxes | | 768,000 | 768,000 | 793,000 | 851,000 | 939,000 |
| 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 | | 0 | 0 | 0 | 0 | 0 |
| Total Amount to be Raised by Taxes | | 18,057,555 | 19,107,839 | 19,354,332 | 20,310,795 | 21,554,969 |
| 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 | Special | | Total Municipal | Effective Municipal | Municipal Taxes |
|-----------|---------------------------------|--------------|-----------|---|------------------|---------------------|------------------------|
| | | Purpose | Taxing | | Purpose Tax Rate | Tax Rate | on Average |
| Rank | Location | Tax Rate | Districts | | | | Residential Assessment |
| 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