

Lawrence Township

2010 Municipal Budget



Mayor

Michael Powers

Councilmembers

Robert Bostock

Jim Kownacki

Pamela Mount

Gregory Puliti

March 02, 2010

Agenda

1. Budget Revenues
2. Budget Appropriations
3. Capital Expenditures
4. Township Services
5. Per Capita Costs
6. Real Estate Taxes

Budget Revenues

The Four Categories of Budget Revenues

1. Surplus
2. Miscellaneous Revenues
3. Delinquent Real Estate Taxes
4. Current Real Estate Taxes

Surplus

- The source of anticipated surplus as a budget revenue results from the fiscal activity of the immediate prior fiscal year. The amount of available surplus is a known amount at the close of the preceding fiscal year.

An Example - How Surplus is Generated

	Example: Year 2009
Misc. Revenues Anticipated during Year (A)	15,195,797
Misc. Revenues Realized during Year (B)	16,072,693
Misc. Surplus Generated during Year (=A-B)	876,896

Closed to Operations Balances

	2008 Totals	2009 Totals	Difference
Amount to be Raised by Taxes	2,393,578	2,382,908	(10,669)
MRA	1,718,199	876,896	(841,303)
Delinquent Taxes	571,120	546,998	(24,122)
MRNA	484,810	622,005	137,196
Lapses	756,313	499,117	(257,196)
Other	109,476	97,882	(11,594)
Closed to Operations	6,033,495	5,025,807	(1,007,688)

How Surplus is Utilized

Year	Surplus Balance as of Jan 1 st (A)	Surplus Used in Budget Year (B)	Surplus Regenerated during Budget Year (C)	Surplus Balance as of Dec 31 st = A-B+C	% of Surplus used to Fund Budget	% of Budget funded by Surplus	Surplus available for exigencies during budget year
2005	7,930,080	4,696,000	6,280,278	9,514,358	59.22%	13.36%	3,234,080
2006	9,514,358	5,996,000	5,937,587	9,455,946	63.02%	16.08%	3,518,358
2007	9,455,946	6,133,000	6,219,967	9,542,913	64.86%	15.75%	3,322,946
2008	9,542,913	6,210,000	6,033,495	9,366,408	65.07%	15.61%	3,332,913
2009	9,366,408	6,150,000	5,025,807	8,242,215	65.66%	15.06%	3,216,408
2010	8,242,215	5,900,000			71.58%	14.35%	2,342,215

Tax Increase in Cents offset with Surplus

Year	Surplus Used	Value of one Cent Tax to Budget	Surplus Offset
2006	5,996,000	268,490	22.33 Cents
2007	6,133,000	269,532	22.75 Cents
2008	6,210,000	269,127	23.08 Cents
2009	6,150,000	268,813	22.88 Cents
2010*	5,900,000	260,378	22.66 Cents

* Anticipated

Managing Surplus – New Cash Flow Management Techniques Required

- Anticipated Surplus – amount anticipated for utilization as revenue in budget.
- Excess Surplus – balance remaining after use as budget revenue.

Managing Surplus:

- Surplus provides direct revenue support of operations in the budget.
- Excess Surplus reduces/negates need to borrow to meet cash flow requirements.
- Excess Surplus provides interest income through cash management of available funds.
- Excess Surplus remains available to manage unforeseen fiscal events or operational emergencies.

Miscellaneous Revenues

- Revenues are from known and recurring sources.
- May only be anticipated up to the amount realized in cash from the same source in the preceding fiscal year.
- Sources include locally generated revenues, such as fees, court fines, reserve funds, interest income, state aid and various grants, etc.

Top Ten Miscellaneous Revenues during 2009

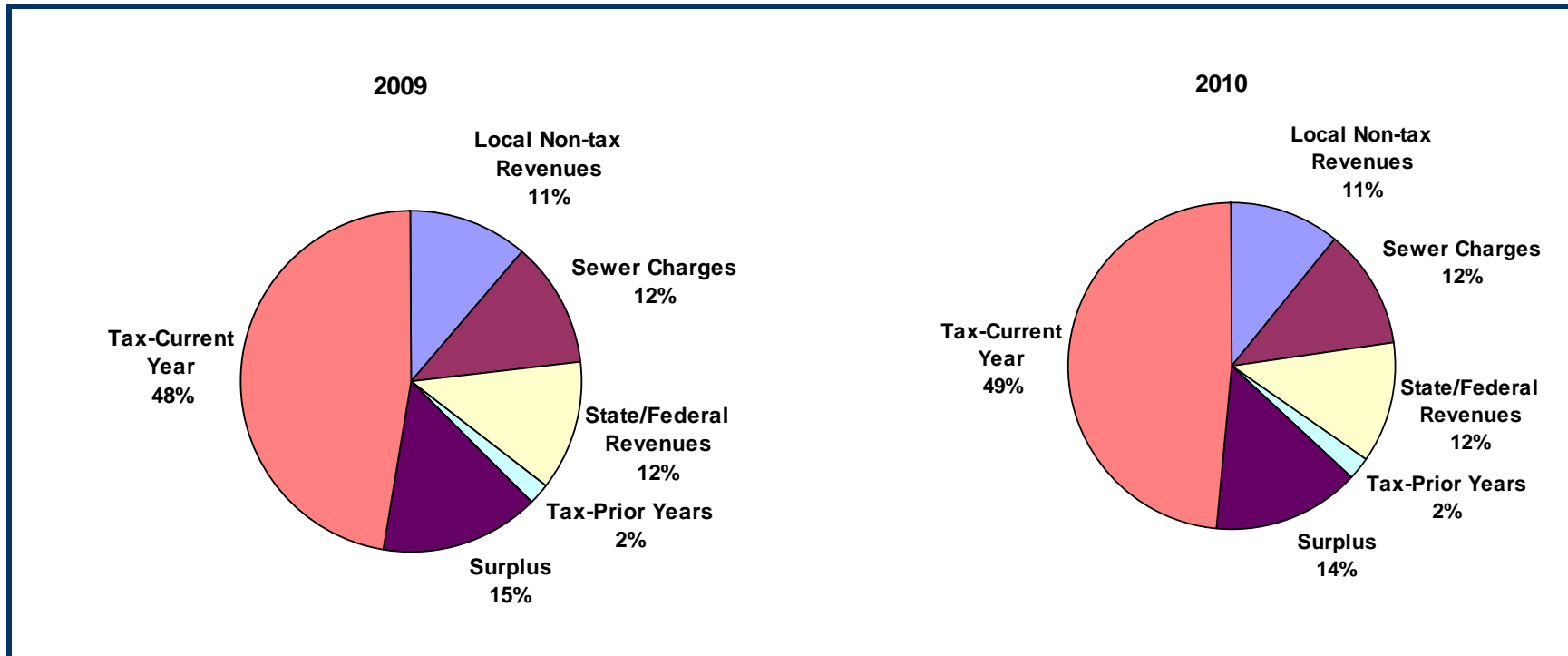
Item	Amount
Sewer Charges	5,069,629
Energy Receipts Tax	4,329,722
Construction Code Fees	1,065,254
Court Fines/Costs	751,438
CMPTRA Allocation	487,610
Ambulance Service Fees	479,572
Interest & Costs-Taxes	433,932
In Lieu-Non Profit	362,292
Recreation Fees	325,800
Other Fees & Permits	208,767

Municipal Budget Revenues

	Budget Revenues					Year-to-Year Change %			
	2006*	2007*	2008*	2009*	2010**	2006-2007	2007-2008	2008-2009	2009-2010
1 Tax-Prior Years	768,000	768,000	768,000	793,000	851,000	0.00%	0.00%	3.26%	7.31%
2 Tax-Current Year	17,450,573	18,057,555	19,107,839	19,354,332	20,048,275	3.48%	5.82%	1.29%	3.59%
3 Sewer Charges	4,320,000	4,320,000	4,585,000	4,852,000	4,852,000	0.00%	6.13%	5.82%	0.00%
4 State/Federal Revenues	5,407,472	5,509,217	5,118,156	5,008,934	5,008,934	1.88%	-7.10%	-2.13%	0.00%
5 Surplus	5,996,000	6,133,000	6,210,000	6,150,000	5,900,000	2.28%	1.26%	-0.97%	-4.07%
6 Local Non-tax Revenues	3,345,183	4,148,211	4,054,489	4,682,891	4,466,602	24.01%	-2.26%	15.50%	-4.62%
Total	37,287,228	38,935,983	39,843,484	40,841,157	41,126,811	4.42%	2.33%	2.50%	0.70%

*Adopted Budget; **Recommended Budget

Municipal Budget Revenues



State Aid History

Year	State Aid Received	Adopted Budget for Year	State Aid as % of Budget
2002	5,149,461	30,555,763	16.85%
2003	5,183,413	31,394,035	16.51%
2004	5,269,388	33,213,381	15.87%
2005	5,407,472	34,827,380	15.53%
2006	5,406,776	37,287,228	14.50%
2007	5,509,539	38,935,983	14.15%
2008	5,127,320	39,843,484	12.87%
2009	5,008,934	40,841,157	12.26%
2010*	5,008,934	41,126,811	12.18%

* Anticipated

Delinquent Real Estate Taxes

- Delinquent Real Estate Tax receipts are from the outstanding balances of unpaid taxes and municipally held tax title liens at the close of the fiscal year.
- Tax Title Liens are held by the Township against properties that went to tax sale for unpaid municipal charges and the tax sale certificate was not purchased by an outside party.
- Anticipated collections are limited to the percentage of delinquent taxes collected in the prior year. That collection percentage is then applied to the receivable tax balance.

Delinquent Real Estate Taxes History

Year	Receivable Balance (Del.Taxes + Tax Liens)	Delinquent Taxes Limit	Delinquent Taxes Anticipated as Revenue	Delinquent Taxes Realized	Adopted Budget for Year	Anticipated as % of Budget
2003	2,131,691	1,150,047	770,000	1,090,342	31,394,035	2.5%
2004	2,180,147	1,317,888	770,000	1,372,578	33,213,381	2.3%
2005	2,060,747	1,470,727	885,000	1,382,061	34,827,380	2.5%
2006	2,176,937	1,405,224	768,000	921,499	37,287,228	2.1%
2007	2,407,264	1,052,402	768,000	1,175,397	38,935,983	2.0%
2008	2,495,745	1,288,371	768,000	1,339,120	39,843,484	1.9%
2009	2,927,722	1,384,170	793,000	1,339,998	40,841,157	1.9%
2010*		1,469,424	851,000		41,126,811	2.1%

* Recommended

Current Real Estate Taxes

- Current Taxes or more commonly known as property taxes, is the difference between the total of all budget appropriations less the total of all other revenues.
- Revenue from property taxes includes an appropriation known as the “Reserve for Uncollected Taxes”.
- State law prohibits the increase of the municipal amount of taxes to no more than 4% over the prior year amount.

Current Real Estate Taxes

Year	Taxes Anticipated	Taxes Realized	Anticipated as % of Budget	Anticipated Taxes Change from Past Year	
				\$\$	%
2006	17,450,573	20,346,817	46.80		
2007	18,057,555	21,119,304	46.38	606,982	3.54
2008	19,107,839	21,508,439	47.96	1,050,284	5.82
2009	19,354,332	21,718,402	47.39	246,493	1.29
2010*	20,048,275		48.75	693,944	3.59

*Recommended Budget

Understanding Your Tax Bill

3 Taxing Authorities affect Property Taxes.

- School District
- Municipal –Lawrence Township
- County
 - County
 - County Library
 - County Health
 - County Open Space

Understanding Your Tax Bill

- Township is the Collector and just one piece.
- Breakdown of \$4.069 tax paid per \$100 assessed value in 2009.
 - \$2.209 – School District
 - \$0.951 – County
 - \$0.096 – County Library
 - \$0.063 – County Open Space
 - \$0.720 – Lawrence Township
 - \$0.030 – Municipal Open Space

Average Tax Bill – 2009

- Based on \$164,581 average home assessment = \$6,696.80 a year or \$558.07 a month.
 - \$3,635.59 – School District - \$302.97 a month.
 - \$1,826.86 – County, including Library and Open Space - \$152.24 a month.
 - \$1,184.98 – Lawrence Township - \$98.75 a month.
 - \$49.37 – Municipal Open Space - \$4.11 a month.

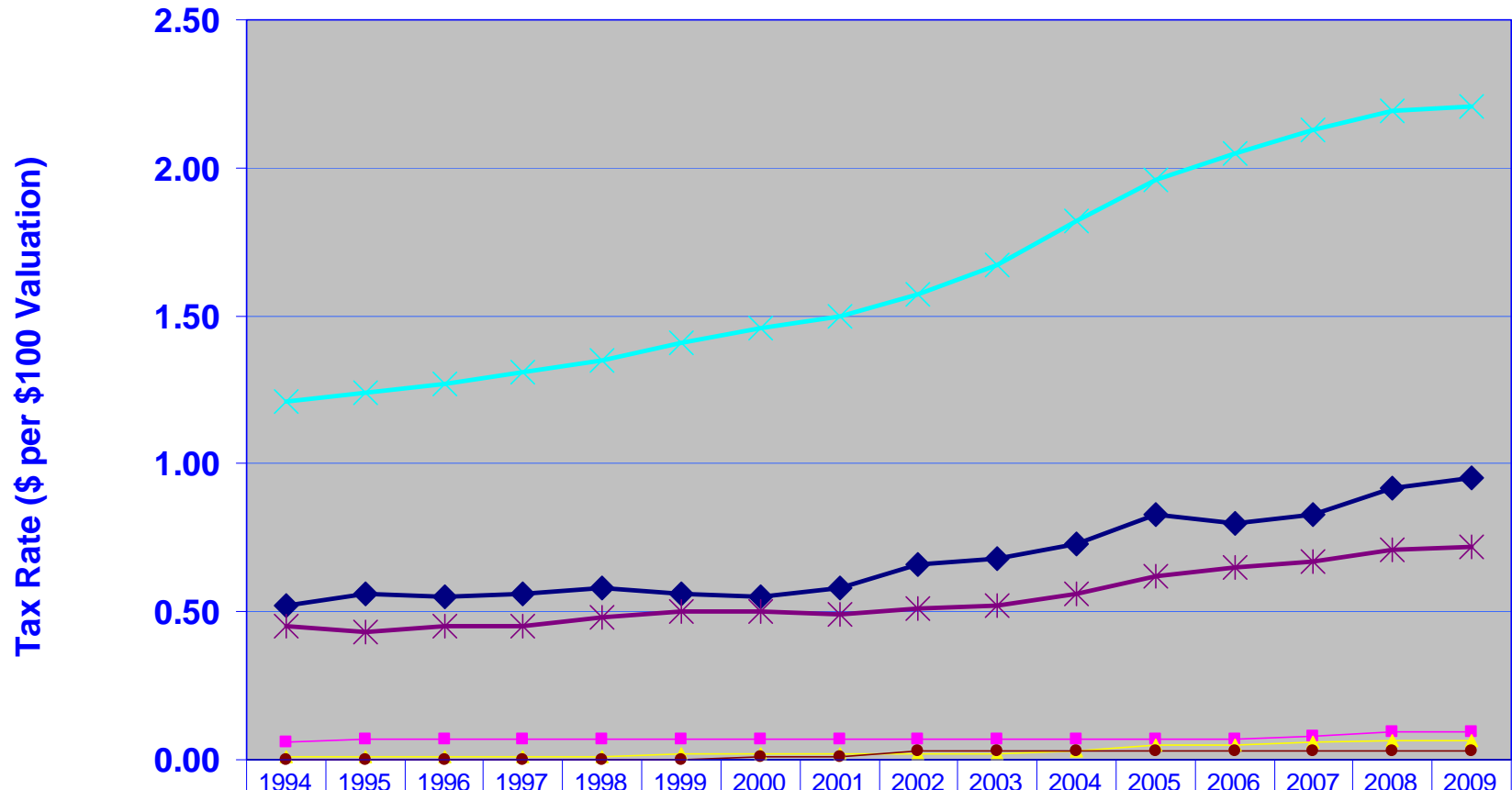
Understanding Your Tax Bill

- Average home in Lawrence assessed in 2010 is \$163,447.
- We measure taxes in cents per hundred dollars of valuation.
- 1 cent increase for this home equals \$15.12 per year or \$1.26 a month.
- Every \$260,378 in the municipal budget equals 1 cent to the tax rate.

2010 Taxpayer Impact

- 2010 Local Tax Rate change from \$0.72 to \$0.77 per \$100 of assessed value
- Residential property at the average 2010 assessed value of \$163,447 will see an increase of \$75.62 or \$6.30 per month
- Average home municipal property tax for 2010 is \$1,258.54 compared to \$ 1,182.92 for 2009

Lawrence Township: Tax Rates Over 1994-2009



◆ County Tax	0.52	0.56	0.55	0.56	0.58	0.56	0.55	0.58	0.66	0.68	0.73	0.83	0.80	0.83	0.92	0.951
■ Library Tax	0.06	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.08	0.09	0.096
▲ County Open Space Tax	0.01	0.01	0.01	0.01	0.01	0.02	0.02	0.02	0.02	0.02	0.03	0.05	0.05	0.06	0.06	0.063
✕ District School Tax	1.21	1.24	1.27	1.31	1.35	1.41	1.46	1.50	1.57	1.67	1.82	1.96	2.05	2.13	2.19	2.209
✱ Municipal Purpose Tax	0.45	0.43	0.45	0.45	0.48	0.50	0.50	0.49	0.51	0.52	0.56	0.62	0.65	0.67	0.71	0.720
● Municipal Open Space Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.030

Municipal Budget Expenditures

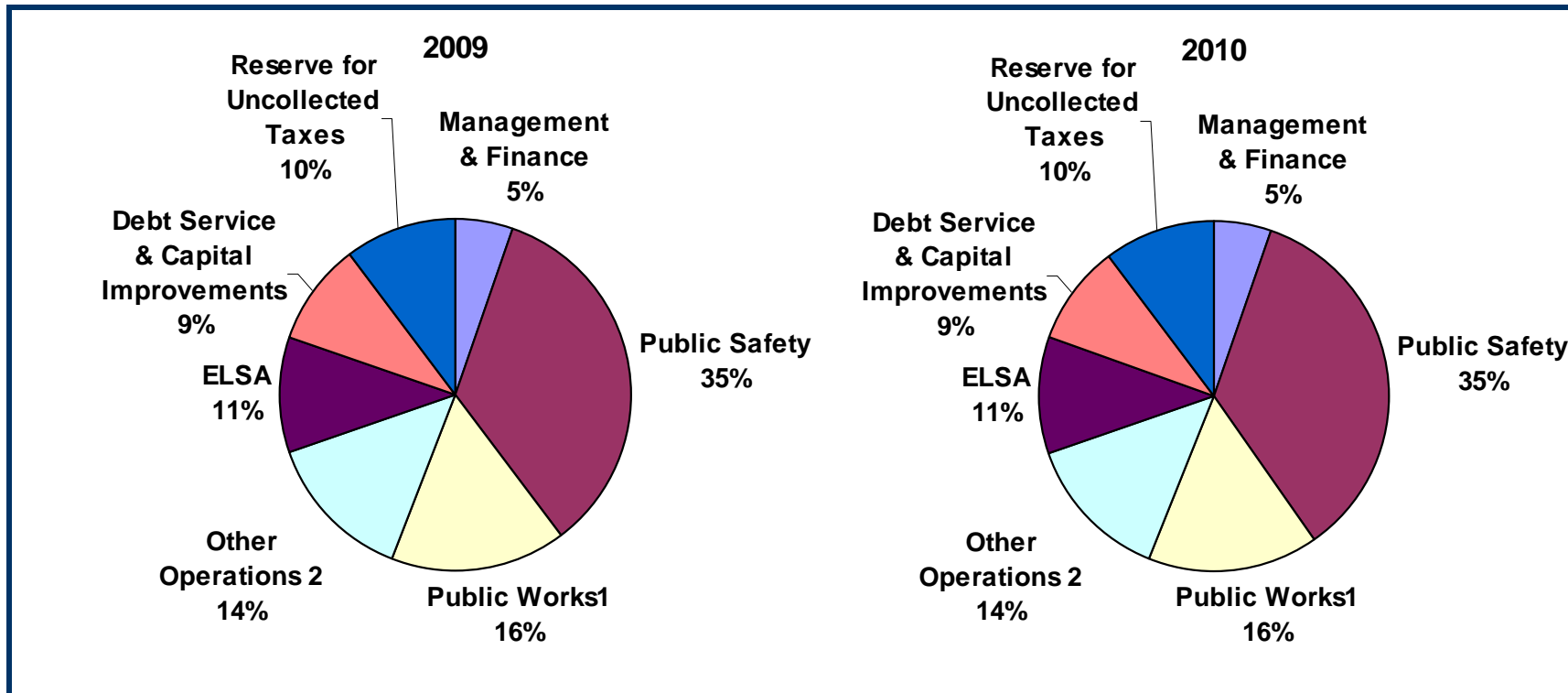
		Budget Expenditures					Year-to-Year Change %			
		2006*	2007*	2008*	2009*	2010**	2006-2007	2007-2008	2008-2009	2009-2010
1	Reserve for Uncollected Taxes	3,871,155	4,020,257	4,005,023	4,187,460	4,277,574	3.85%	-0.38%	4.56%	2.15%
2	Public Safety	11,517,346	11,785,934	13,377,618	14,134,818	14,433,192	2.33%	13.50%	5.66%	2.11%
3	Public Works ¹	6,232,660	6,178,572	6,286,565	6,478,404	6,504,532	-0.87%	1.75%	3.05%	0.40%
4	ELSA	3,930,000	3,930,000	4,135,000	4,405,000	4,405,000	0.00%	5.22%	6.53%	0.00%
5	Management & Finance	1,719,153	2,013,829	2,043,670	2,143,300	2,142,756	17.14%	1.48%	4.88%	-0.03%
6	Debt Service & Capital Improvements	4,243,820	4,219,071	3,929,721	3,818,345	3,773,100	-0.58%	-6.86%	-2.83%	-1.18%
7	Other Operations ²	5,773,093	6,788,320	6,065,887	5,673,831	5,590,657	17.59%	-10.64%	-6.46%	-1.47%
Total		37,287,228	38,935,983	39,843,484	40,841,157	41,126,811	4.42%	2.33%	2.50%	0.70%

*Adopted Budget; **Recommended Budget

¹Public Works: Admin, Streets & Roads, Snow, Vehicle Maintenance, Buildings & Grounds, Park Maintenance, Garbage & Trash Disposal

²Other Operations: Recreation and Community Programs, Health, Community Development, Boards/Committees, Municipal Court, Utilities and Deferred Charges

Municipal Budget Expenditures



Changes in 2010 Budgeted Appropriations

	Appropriation	Increase/Decrease from Last Year	Reason
1	Salaries	(\$522,000)	Proposed Wage Freezes; Reductions by Attrition; Workforce Reductions
2	Health Benefits	439,000	State Health Benefits; Increase of Premium; New Personnel
3	Pensions – Police & Fire	514,000	Contribution Increase
4	Pensions – Public Employees	64,000	Contribution Increase
5	Unemployment Insurance	10,000	Experience/Rate Increase
6	Fire Services	44,000	Two Additional Firefighters
7	Apartment Complex Trash	(10,000)	Audit Efficiencies
8	Special Events	(3,000)	Reduction
9	Utilities	(30,000)	Conservation/Fuel Costs
10	Capital Improvement Fund	(30,000)	Decreased Capital Budget
11	Debt Service	(15,000)	Retirement of Debt
12	Emergency Medical Services	(114,000)	Change to Full - Time Service
13	Reserve for Uncollected Taxes	90,115	Increase Amount to be Raised by Taxation

2010 Per Capita Analysis

	2006	2007	2008	2009	2010
Expenditures (Selected Items)					
• Management & Finance	\$55	\$64	\$64	\$68	\$68
• Public Safety	367	375	417	447	456
• Public Works	198	197	196	205	206
• Other Operations	184	195	187	179	177
• Debt Service & Capital Improvements	135	134	122	121	119
• Reserve for Uncollected Taxes	123	128	125	132	135
Revenues					
• Tax Revenue	\$556	\$ 575	\$ 596	\$ 624	\$634
Total Outstanding Debt 12/31 Year Before	\$1,017	\$ 1,361	\$1,343	\$1,517	\$925
Population	31,401	32,081	31,863	31,645	31,645

Detailed Per Capita Analysis of Expenditures

		Year				Year-to-Year % Change			
		2006	2007	2008	2009	2005-2006	2006-2007	2007-2008	2008-2009
Expenditures									
1	Administrative & Executive	22.06	22.98	24.26	23.89	-0.84%	4.21%	5.54%	-1.54%
2	Financial Administration	30.05	30.67	31.55	32.50	-2.59%	2.06%	2.87%	3.02%
Public Safety:									
3.1	Police	260.36	275.04	301.15	313.37	9.91%	5.64%	9.50%	4.06%
3.2	Non-Police	43.73	48.29	50.32	52.79	9.29%	10.44%	4.19%	4.91%
Public Works:									
4.1	Operations	74.95	69.69	66.79	73.09	14.46%	-7.01%	-4.16%	9.44%
4.2	Trash Collection/Landfill	93.86	96.04	102.00	101.66	11.98%	2.32%	6.21%	-0.34%
5	Recreation and Community Programs	28.81	26.46	26.08	25.48	3.00%	-8.17%	-1.43%	-2.27%
6	Health	14.89	14.68	14.49	15.15	8.09%	-1.39%	-1.30%	4.56%
7	Community Development	59.83	77.24	70.38	61.55	12.99%	29.09%	-8.88%	-12.54%
8	Boards & Committees	4.47	4.47	4.75	4.56	16.31%	-0.10%	6.16%	-3.91%
9	Utilities	42.67	43.64	46.61	48.35	11.02%	2.26%	6.80%	3.74%
10	Municipal Court	15.15	15.44	16.20	16.19	21.46%	1.86%	4.97%	-0.09%
11	ELSA	125.16	122.50	129.77	139.20	5.93%	-2.12%	5.94%	7.26%
12	PERS	3.14	6.02	10.69	15.41	178.95%	91.40%	77.76%	44.10%
13	Insurance	97.89	91.83	92.66	94.83	6.18%	-6.20%	0.91%	2.34%
14	Social Security	17.99	17.64	19.02	19.59	5.21%	-1.95%	7.80%	3.02%
15	Capital Improvement Fund	5.57	3.12	4.55	3.32	0.00%	-44.07%	45.99%	-27.09%
16	Debt Service	129.58	128.40	119.41	117.34	-8.18%	-0.91%	-7.00%	-1.73%
17	Reserve for Uncollected Taxes	123.28	125.32	125.69	132.33	14.85%	1.65%	0.30%	5.28%
18	Deferred Charges	3.08	0.00	0.00	0.00	28.78%	-100.00%		
Per Capita Total Budget Amount (sum 1-18)		1,197	1,219	1,256	1,291	7.43%	1.92%	3.03%	2.72%

Capital Expenditures

- Capital expenditures must be authorized by an operating budget appropriation or capital ordinance.
- Debt Service for repayment of borrowed funds is appropriated in the operating budget.
- The amount of authorized debt is limited to 3.5% of the three year average of the equalized assessed valuation of taxable property.

Debt Service

Year	Debt Service Appropriation (DSA)	Adopted Budget	% DSA Change from Prior Year	DSA as % of Adopted Budget
2005	4,431,281	34,827,380		12.72%
2006	4,068,820	37,287,228	-8.18%	10.91%
2007	4,119,071	38,935,983	1.24%	10.58%
2008	3,804,721	39,843,484	-7.63%	9.55%
2009	3,713,345	40,841,157	-2.40%	9.09%

Debt Service

Year	Amount of Debt Permitted	Amount of Debt Authorized and Issued	Debt Ratio	Average Equalized Value
2005	139,188,007	41,328,641	1.039%	3,976,800,210
2006	157,652,290	42,731,805	0.949%	4,504,351,141
2007	175,532,202	35,478,821	0.707%	5,015,205,774
2008	190,535,885	34,934,589	0.642%	5,443,882,420
2009	195,904,489	38,710,604	0.692%	5,597,271,103

Township Provides Essential Services 24-7, 365 Days...

- Police
- Emergency Medical Services
- Fire
- Public Works
- Health
- Animal Control
- Construction

Specific Services Provided

- Police – 50,430 Calls for Service
- Emergency Medical Service – 3,300 Calls for Service
- Public Works
 - Trash pick up – contractor, 8,500 households, 11,500 tons, \$199 cost/ton of pickup/transfer/recycling.
 - Recycling – Award winning Program.
 - Building and Grounds maintenance – 104,410 sq. ft of municipal facilities in addition to recreation, parking & restroom facilities.
 - 22 Parks – total 1,000 acres. 8 employees or 125 acres/employee.
 - Vehicle Maintenance and Repair – 331 vehicles and pieces of equipment.
 - Street Maintenance – 200 lane-miles of road.
 - Brush and Leaf pickup – 6,342 cubic yards of brush & 7,317 cubic yards of leaves processed; Compost facility processed 19,260 cubic yards of brush & 17,237 cubic yards of leaves in 2009.
 - Snow Removal

Specific Services Provided (cont.)

- Tax Collection – Total Levy \$109,807,602; Sewer Billing \$4,403,635
- Tax Assessment – 11,140 Line Items/Taxable Properties Worth \$2,603,782,710
- Building Inspection and Permits – 5,770 Permits
- Court – 11,198 traffic cases and 2,457 criminal cases disposed; \$1,554,344 collected.
- Finance and Administration
 - Payroll, Purchasing, Accounts & Control.
- Recreation – 7 Adult Programs/262 Participants; 32 Youth Programs/3,147 Participants.
- Senior Center Programs 28 Senior Programs/667 Participants; County Nutrition Program/18,612 Meals.
- Planning Board & Board of Adjustment – staffed with Volunteers supported by Town funds.

Specific Services Provided (cont.)

Municipal Clerk

- Dog and Cat Licenses, Vendor Licenses
- Voter Registration, Rental Registrations
- Clerk of Elections
- Public Health
 - Inspections
 - Health Services, Flu Clinics
 - Education Programs

Thank You