

Township of Roxbury

Annual Report and 2015 Budget Message
January 13, 2015

I. 2015 Annual Report

- A. Township Operating Activity
- B. Township Accomplishments
- C. Summary of the 2015 To Do List

II. 2015 Budget Overview

- A. Five year fiscal review
- B. 2015 Budget Objectives
- C. Future Trends and Tax Rate Analysis

I. 2015 Annual Report

- A. Township Operating Activity
- B. Township Accomplishments
- C. Summary of the 2015 To Do List



2015 Annual Report

A. Township Operating Activity

- 39.5% Increase in Construction Permit Fees Collected
- 3.5% Increase in Recreation Program Registration
- 18% Increase in Horseshoe Lake Beach Registration
- Reduction in crime trends as per uniform crime report
- 3.7% Increase in Zoning Permits
- 36% Increase in Fire Prevention Violations Issued
- 7.8% Increase in Court Fines collected
- 11% increase in Local Receipts over anticipated
- General Operating Expenditures were 3% less than budgeted
- Water rents 36% higher than estimated
- Sewer rents 2% higher than estimated

2015 Annual Report

B. Township Accomplishments

- Safewise: 50 Safest Community in New Jersey
- Imagination Station recognized as one of the top 7 playgrounds in the State
- Horseshoe Lake Readers Choice “Best of the Best” parks in Morris County
- Roxbury Library selected “Third Best Library” in Morris County in Readers Choice Poll
- 2014 Outstanding Community Partner by Committee of Housing and Community Development New Jersey
- Statewide Insurance Fund Loss Control Award – Second year in a row
- Received over \$700,000 in grants
- Opened the Ice Age Trail in Landing
- Substantially completed the Fire Company Two Annex on Shippenport Road
- Installed street lights on Main Street in Succasunna
- Roadway/Intersection Improvements
 - Route 10/Commerce Blvd
 - Route 10/Mary Louise
 - Route 10/Hillside Ave

2015 Annual Report

B. Township Accomplishments

And let's not forget:

- Started work on the \$3.5 million Landing Road Park with no tax increase
- Received an increase in Standard and Poor Bond rating to AA+



II. 2015 Budget Overview

- A. Five year fiscal review
- B. 2015 Budget Objectives
- C. Future Trends and Tax Rate Analysis



2015 Budget Overview

A. Five year review

These include:	
Total Operating Revenue	Net Value Property (NVT)
State Aid	Tax Collection Rate
Local Revenues	Total Debt
Operating Expenditures	Total Debt Payment
Operations	Net Debt as Percentage of Equalized Value
Salary Wages	Tax Rate
Fund Balance	Forces Driving the Budget

2015 Budget Overview

Side by Side Review of Key Factors

	2010	2014	Dollar	5 year % Change	Annualized
Total Revenue	\$27,799,605	\$28,626,020	\$826,415	2.97%	0.59%
State Aid	\$2,113,008	\$2,110,960	(\$2,048)	-0.10%	-0.02%
Local Revenue	\$2,369,209	\$2,067,090	(\$302,119)	-12.75%	-2.55%
Total Operating Expenses	\$21,638,488	\$22,545,513	\$907,025	4.19%	0.84%
Operations	\$11,200,971	\$12,844,737	\$1,643,766	14.68%	2.94%
Salary/Wages	\$10,449,407	\$9,700,776	(\$748,631)	-7.16%	-1.43%
Fund Balance	\$995,531	(pending)			
NVT	\$2,069,032,918	\$2,058,131,000	(\$10,901,918)	-0.53%	-0.11%
Tax Collection	97.78%	97.80%*			
Total Debt Owed	\$13,253,243	\$9,023,166*			
Total Debt Payment	\$1,698,900	\$1,764,478*			
Debt as % of Equalized Value	0.35%	0.27%			
Tax Rate	1.010	1.047	0.037	3.66%	0.73%

*2013

2015 Budget Overview

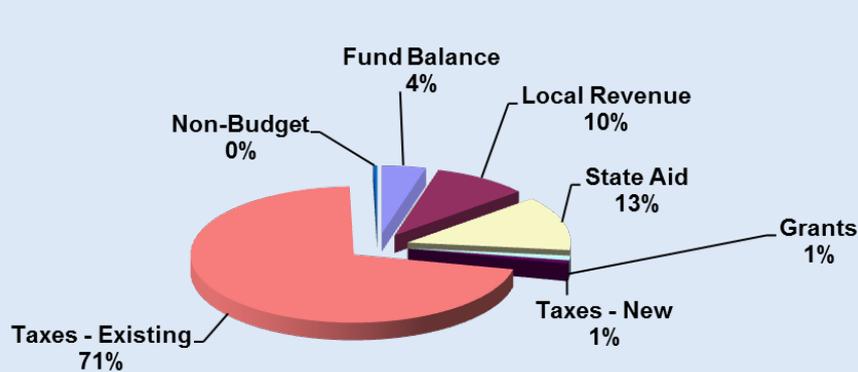
2010 vs 2015 Forces Driving Operating Budget

	2010	Recommended 2015	Total
Total Increase from 2010 to 2015			\$2,062,664
Health	\$3,108,000	\$3,200,000	(\$92,000)
PERS	\$643,289	\$504,306	\$138,983
PFRS	\$1,059,546	\$1,115,718	(\$56,172)
Utility	\$942,900	\$1,081,000	(\$138,100)
Reserve Uncollected	\$1,700,000	\$2,200,000	(\$500,000)
Impact in Discretionary Expense			(\$1,415,375)

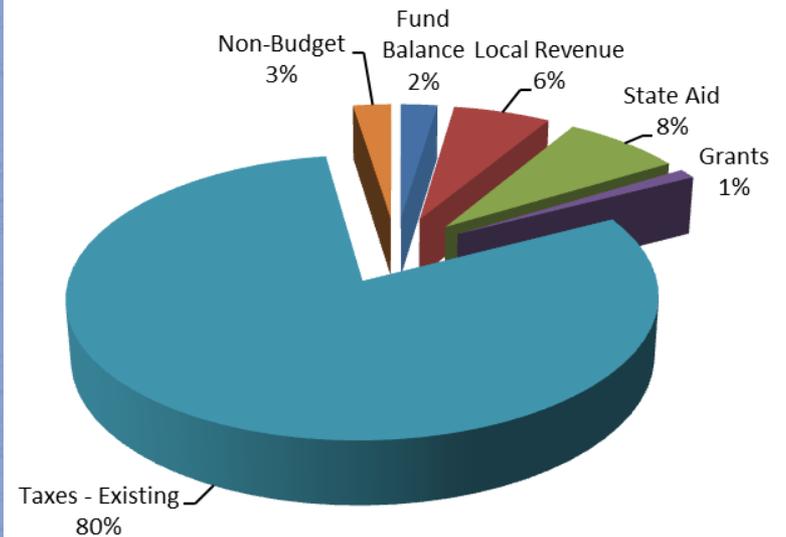
2015 Budget Overview

Revenue

2010 Anticipated Revenue



2014 Sources of Revenue



2015 Budget Overview

Local Receipts

- As detailed in the attached end of the year report, local receipts for 2014 exceeded projections by \$235,000. Receipts from courts, recreation and the construction department accounted for the vast majority of receipts. While this is positive news, the 2015 budget recommendations reflect more conservative numbers. Due in large part to the lack of construction projects on the near horizon.

State Aid

- The 2015 Budget recommendation projects that State Aid will remain the same as in 2014.

Fund Balance

- Due to the overall improvement in the available Fund Balance, the recommended budget increases the amount utilized of \$650,000 in 2014 to \$750,000 in 2015.

2015 Budget Overview

2015 Expenditures

B. Additional Resources

- The Township Clerk \$10,000 for part-time assistance to be utilized if needed to address OPRA requests.
- Township Clerk \$7,000 for the archiving of minutes including historical books.
- IT \$23,000 to provide hardware/software support on a consulting basis. This is a single person department supporting over 140 units and associated hardware. Since 2010 the social media presence of the Township has significantly increased with limited additional support.
- Planning Department \$35,000 to support the development of the Township's Master Plan Re-Development report. To review plans and documents associated with significant developments.
- Roads \$40,000 in asphalt for spot repairs and crack sealing on various Roadway
- Parks Maintenance \$50,800 – this increase addresses a deficiency in 2014 salary line and provides for a new Laborer 1 position in the Parks Department. Expenses could be offset upon a retirement.

Manager's Impact Recommendations

- The 2015 General Operating Budget increases by \$295,748 or 1.3% from the 2014 budget
- The overall budget increases by \$653,175 or 2.3%
- The overall increase includes \$110,000 in Capital Expenditures and \$175,000 in additional funds for reserve for uncollected taxes.
- Limit Increase in Tax Rate ~ As in past years, the primary objective of this year's budget is to minimize any increase in the tax rate. The Manager's 2015 budget recommendation, if adopted, would increase the rate by .26 or \$52.00 per year for a home with a \$200,000 assessment.

2015 Budget Overview

2014 COMPARISON BETWEEN FIVE COMMUNITIES IN MORRIS COUNTY WITH LIKE POPULATION SIZE SORTED BY AMOUNT TO BE RAISED BY TAXATION

Morris County Municipality	Population	# of Tax Line Items/Parcels	2014 Annual Budget	Amount to be Raised	Per Parcel Cost
Randolph Township*	25,734	8,302	\$28,952,905	\$19,980,980	\$2,406.77
Roxbury Township	23,324	9,093	\$28,626,020	\$22,147,390	\$2,435.65
Mt Olive Township	28,117	8,436	\$26,010,039	\$22,036,208	\$2,612.16
Morris Township	22,306	8,403	\$35,021,946	\$23,684,794	\$2,818.61
Rockaway Township	24,156	10,062	\$38,415,822	\$29,725,312	\$2,954.22

*Township of Randolph utilized \$2,894,000. of surplus to fund the 2014 operating budget.

2015 Budget Overview

- The chart below illustrates the monthly cost per parcel for the associated services for Roxbury Residents:

Service	Per-Capita
24 hour police protection	\$23.83
Trash collection and disposal	\$7.25
Road repair snow and removal	\$6.14
Library Services	\$4.85
Capital Improvements (roads, sidewalks)	\$8.08
Parks and Recreation (maintenance)	\$1.26
Fire/EMS/Fire Prevention	\$1.74
Health + Dial-a-Ride	\$1.64
Total	\$54.79

Trends Analysis



Snap Shot

	PROJECTED IN 2010 FOR 2014	2014 ACTUAL
PROJECTED APPROPRIATIONS	\$28,991,786	\$26,319,023
MUNICIPAL TAX RATE	1.165	1.086
NET VALUATION TAXABLE	2,066,192,754	2,053,180,700

2015 Budget Overview

C. Future Trends

The following reflects positive trends for the Township:

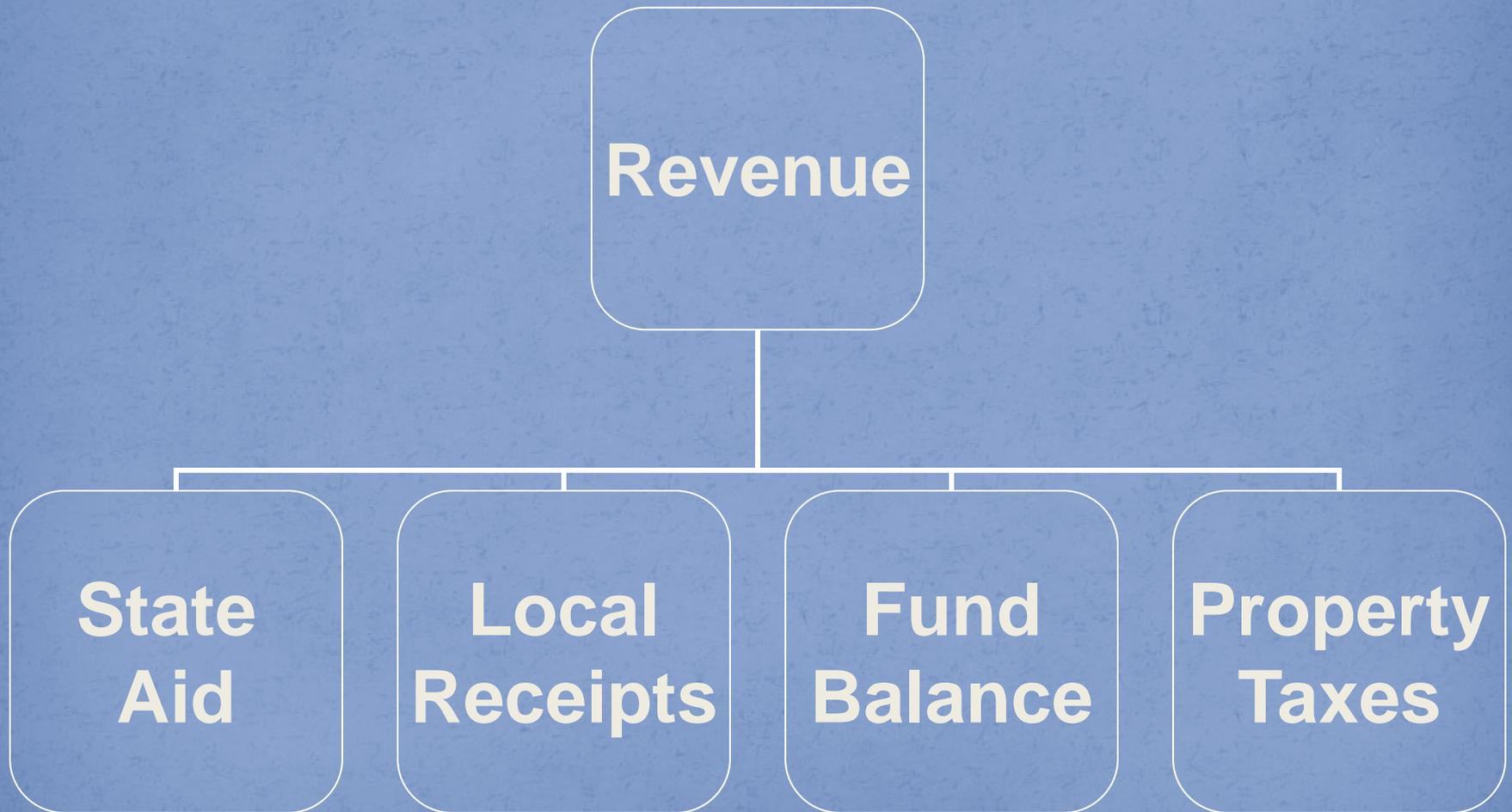
- Elimination of general obligation debt by 2019
- Stable wages due to new wage structure in contracts
- Ability to increase capital expenditures without corresponding tax increase
- Improvement in fund balance
- Modest to moderate tax increase in foreseeable future

There are less positive conditions that may impact our community's fiscal position. This includes:

- Limited growth in the Township NVT. While the NVT has stabilized the slow economy may impact any increase on the overall tax value of our community
- Increase in health care cost – While the 2015 increase for this service is 6.25% over 2014 (well below the national average), the increase is significantly higher than the rate of inflation.

Township of Roxbury

Sources of Revenue



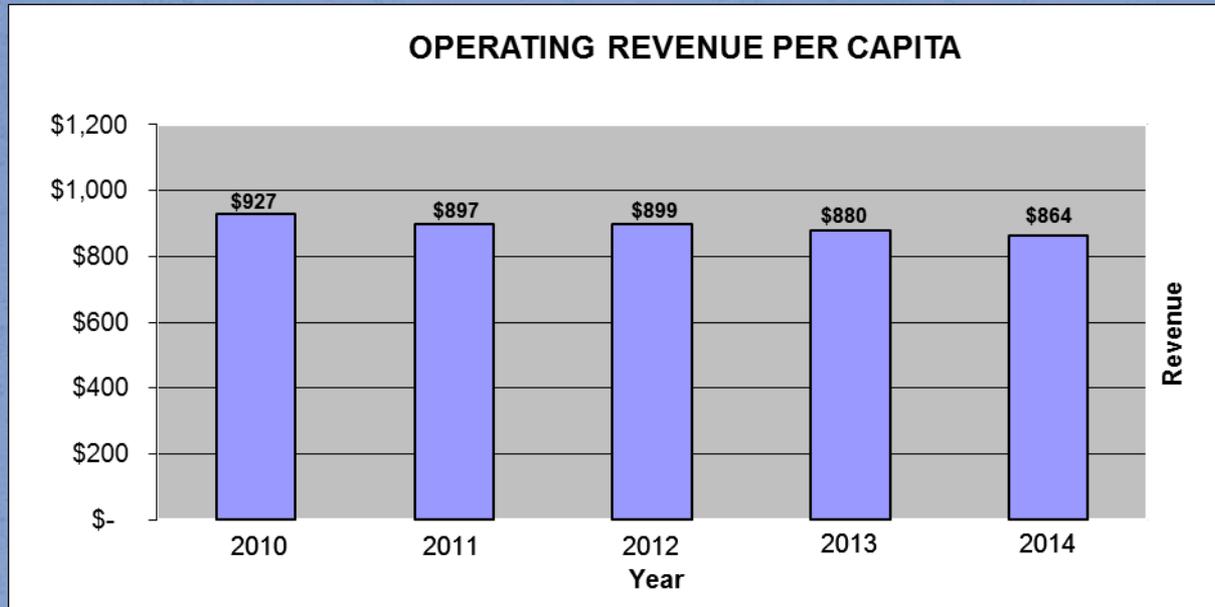
2015 Budget Overview

Township of Roxbury Financial Trend Monitoring System

Warning Trend: Decreasing
Operating Revenue Per Capita

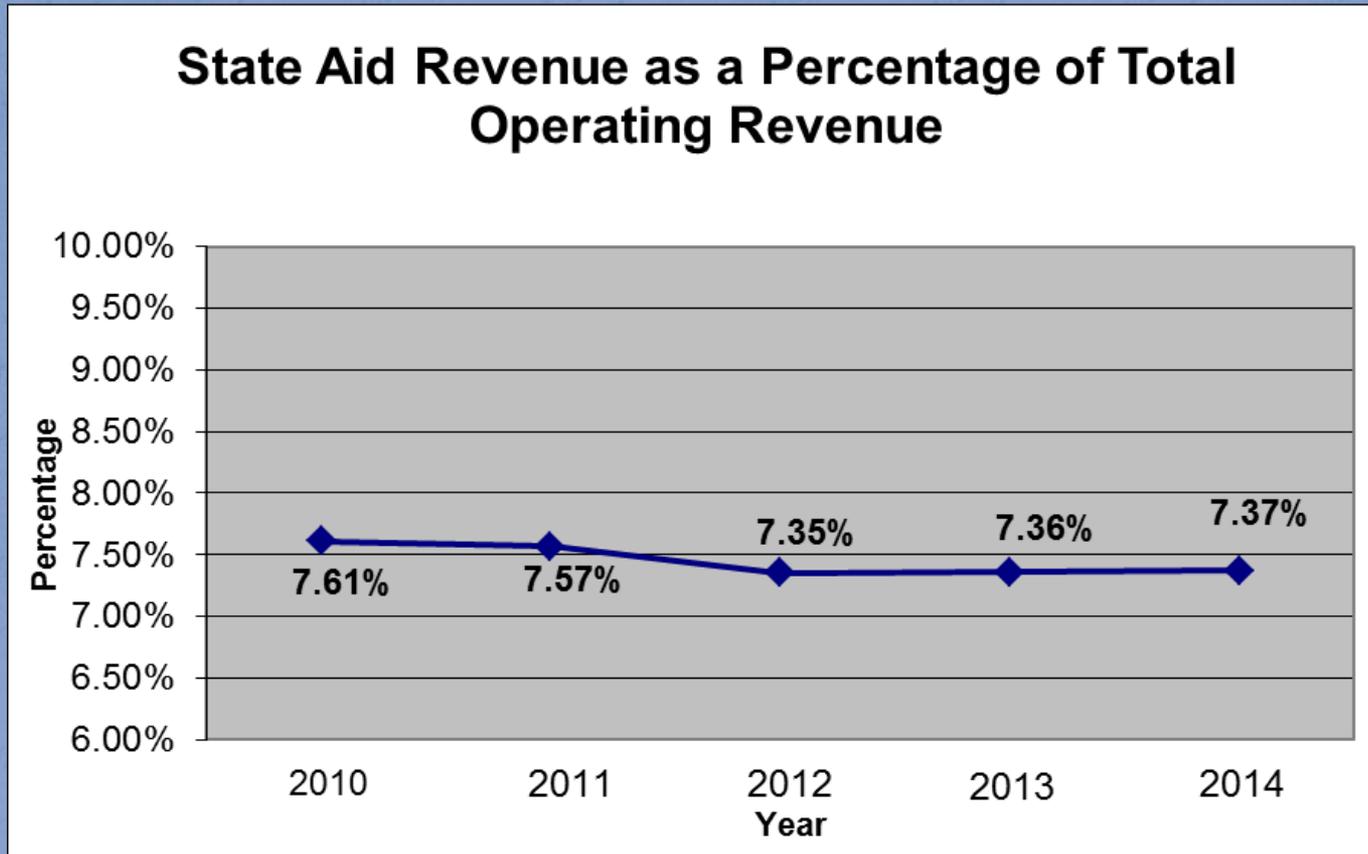
Formula:

$\frac{\text{Net Operating Revenue (Constant Dollars)}}{\text{Population}}$



Year End	2010	2011	2012	2013	2014
Operating Revenue(Actual)	\$ 27,798,831	\$ 27,896,911	\$ 28,706,276	\$ 28,609,895	\$28,626,020
CPI Index	218	225	230	233.1	236.2
CPI Constant	123.16	127.12	129.94	131.68	133.45
CPI In Decimals	1.232	1.271	1.299	1.317	1.334
Operating Revenue(Constant)	\$ 22,570,610	\$ 21,945,570	\$ 22,091,352	\$ 21,727,263	\$ 21,451,336
Population	24,335	24,457	24,579	24,702	24,825
Operating Revenue Per Capita	\$ 927	\$ 897	\$ 899	\$ 880	\$ 864
Dollar Change	\$ (8)	\$ (30)	\$ 1	\$ (19)	\$ (15)
Percent Change	-0.90%	-3.25%	0.16%	-2.14%	-1.76%

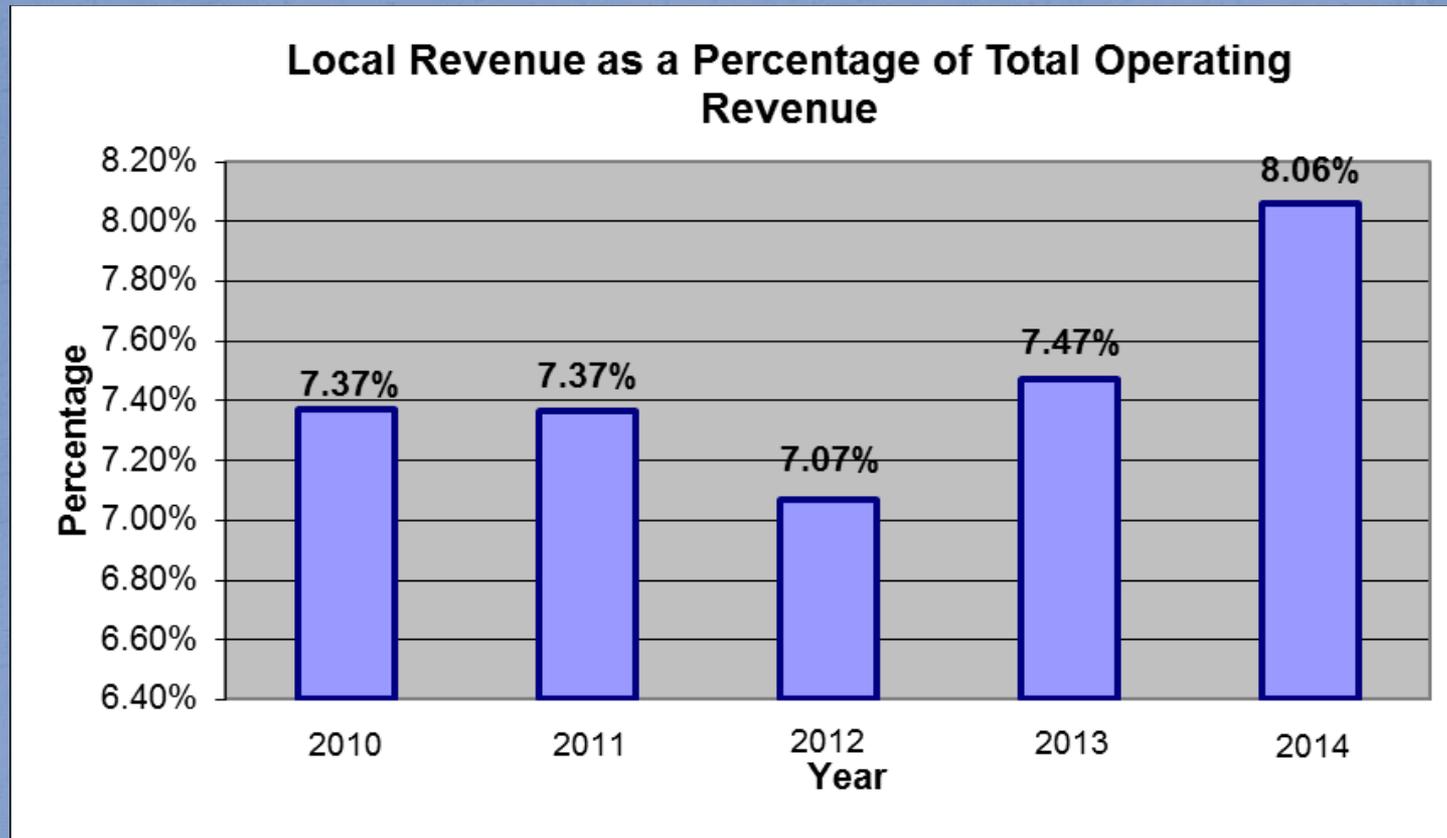
State Aid Revenue as a Percentage of Total Operating Revenue



Fiscal Year	2010	2011	2012	2013	2014
Total Operating Revenue	\$ 27,798,831	\$ 27,896,911	\$ 28,706,276	\$ 28,572,995	\$ 28,626,020
State Aid Revenue	\$ 2,116,232	\$ 2,110,960	\$ 2,110,960	\$ 2,102,463	\$ 2,110,960
Percent of Total	7.61%	7.57%	7.35%	7.36%	7.37%

Local Revenue as a Percentage of Total Operating Revenue

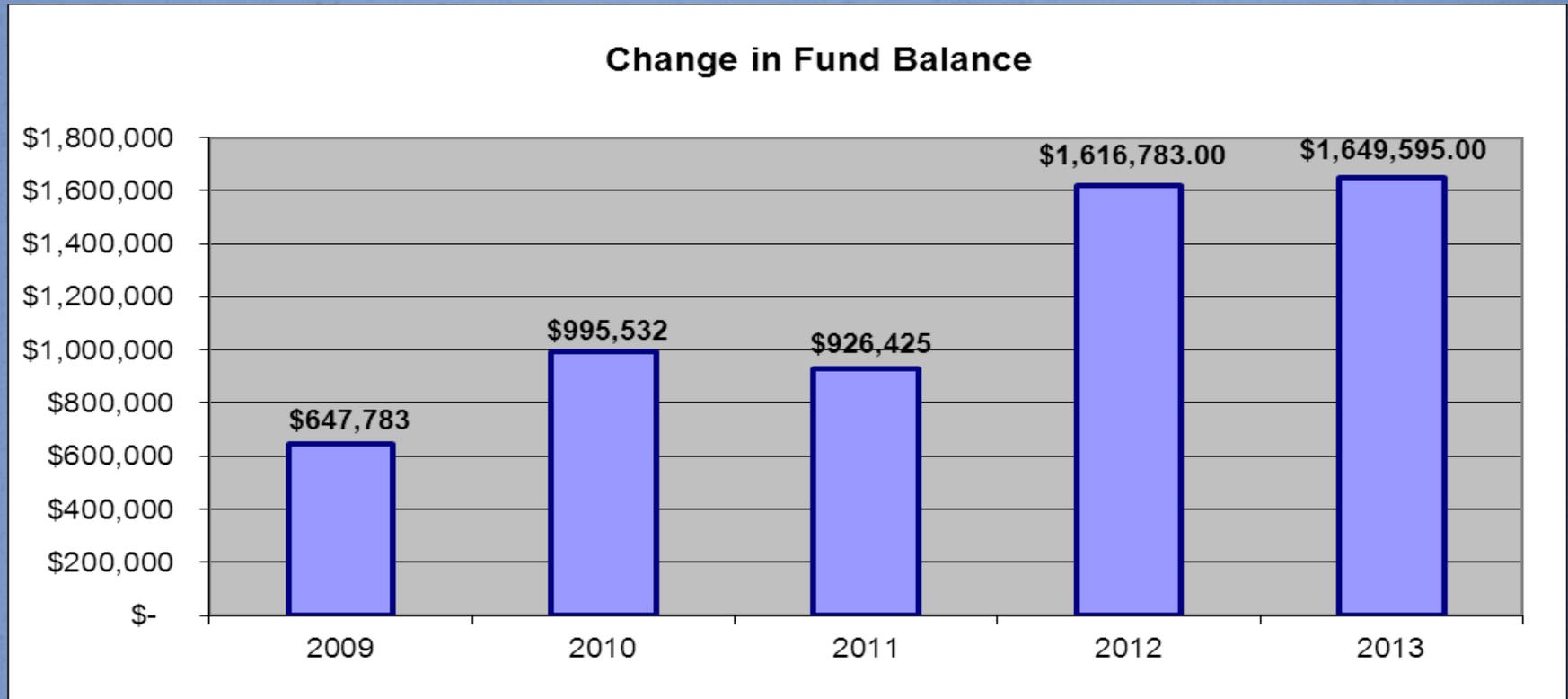
(Fees & Permits, Construction Fees, Traffic Tickets, etc.)



Year End	2010	2011	2012	2013	2014
Total Operating Revenue	\$27,798,831.00	\$28,753,591.05	\$28,706,276.00	\$28,572,995.00	\$28,626,020.00
Local Revenue	\$2,047,811.00	\$2,118,098.55	\$2,028,486.00	\$2,134,387.00	\$2,306,867.00
Percent of Total	7.37%	7.37%	7.07%	7.47%	8.06%

Fund Balance over the last 5 years

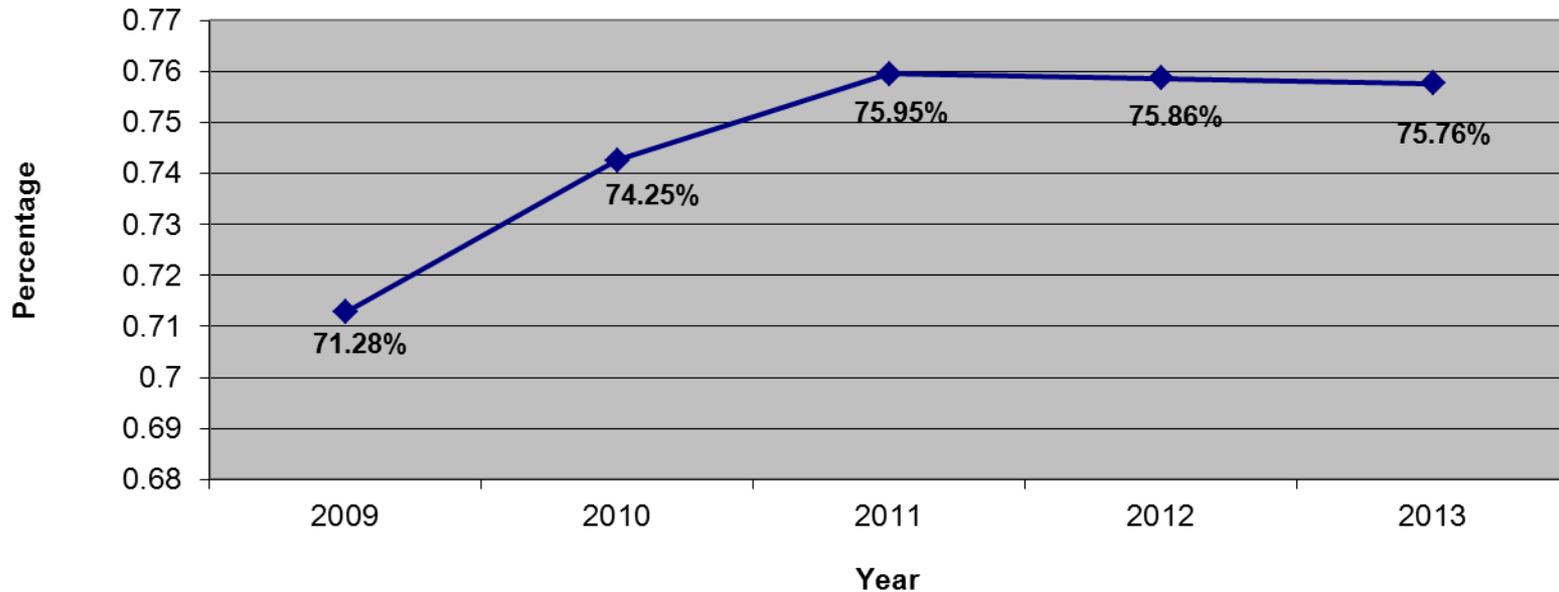
8% increase in operating budget is
the Industry Standard
\$1,920,000



Year End	2009	2010	2011	2012	2013
Fund Bal. January 1st	\$1,419,834.00	\$647,783.00	\$995,531.61	\$926,424.92	\$1,616,783.00
Fund Bal. December 31st	\$647,783.00	\$995,531.61	\$926,424.92	\$1,616,783.00	\$1,649,595.00
Change in Fund Balance	-\$772,051.00	\$347,748.61	-\$69,106.69	\$690,358.08	\$32,812.00
Percentage	-54.38%	53.68%	-6.94%	74.52%	2.03%

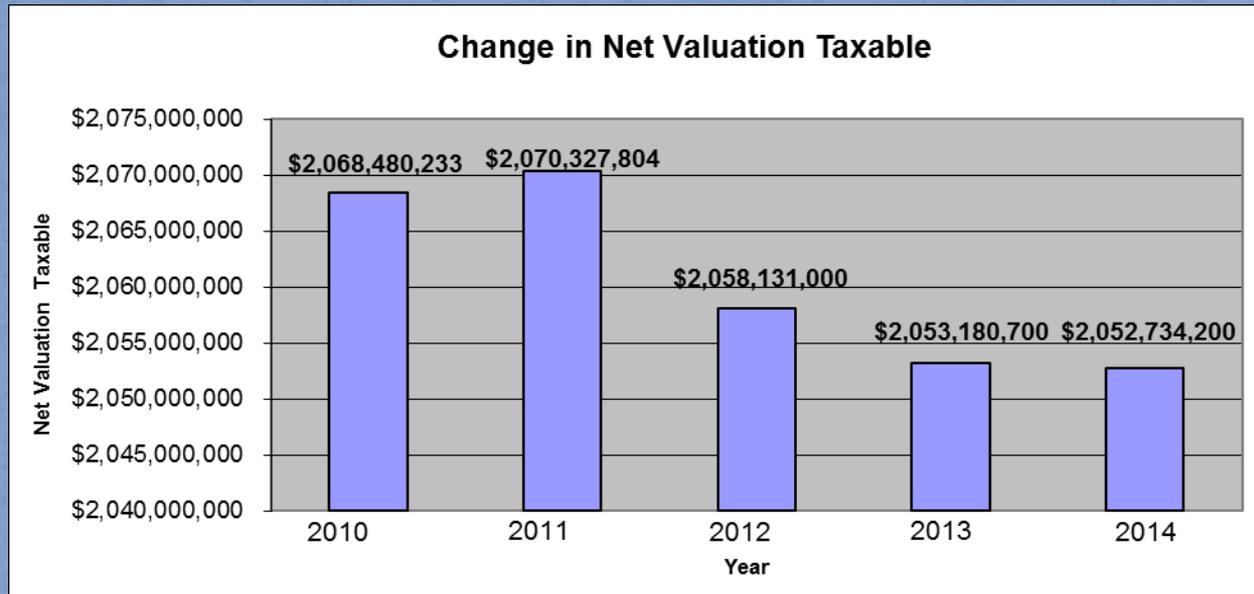
Tax Receipts as a Percentage of Total Operating Revenue

Tax Revenue as a Percentage of Total Operating Revenue



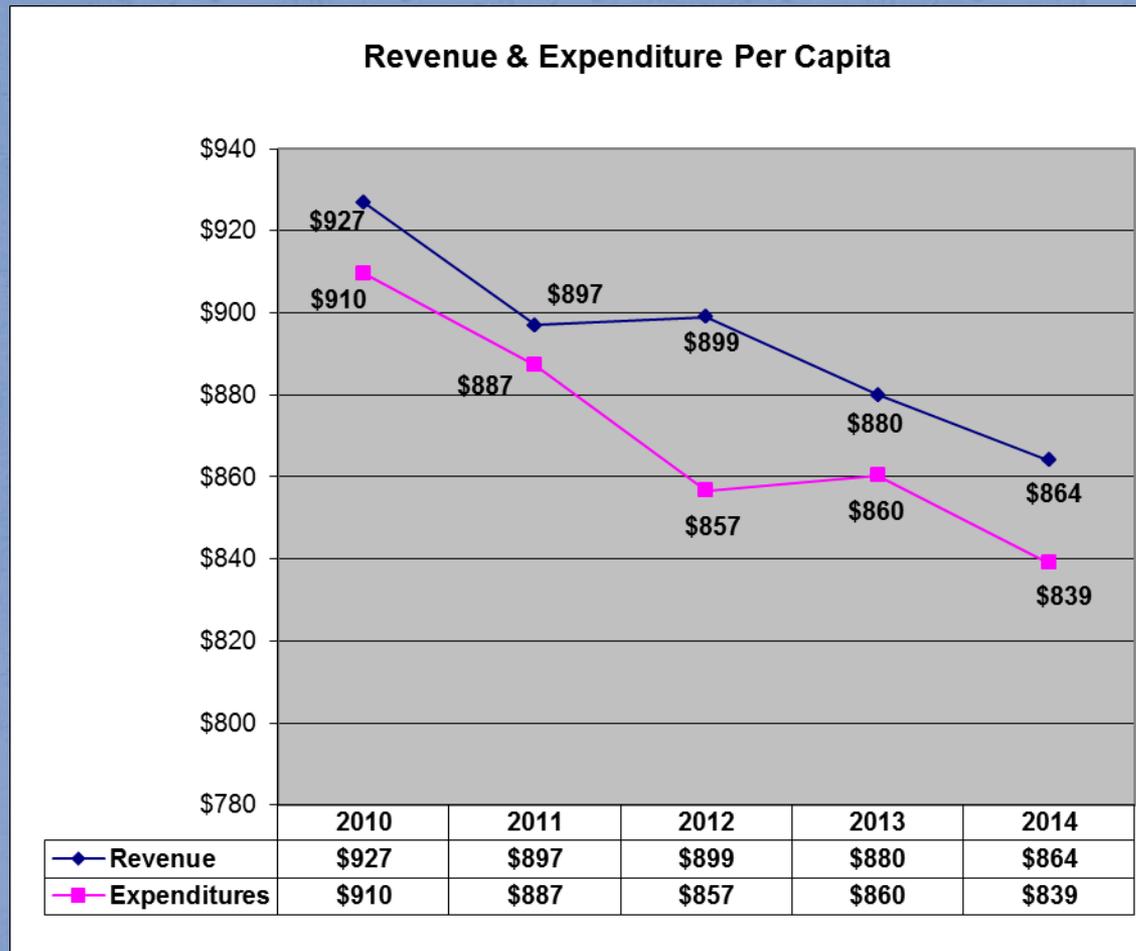
Warning Trend: Steady increase in the reliance of tax revenue to balance the municipal budget

2015 Budget Overview



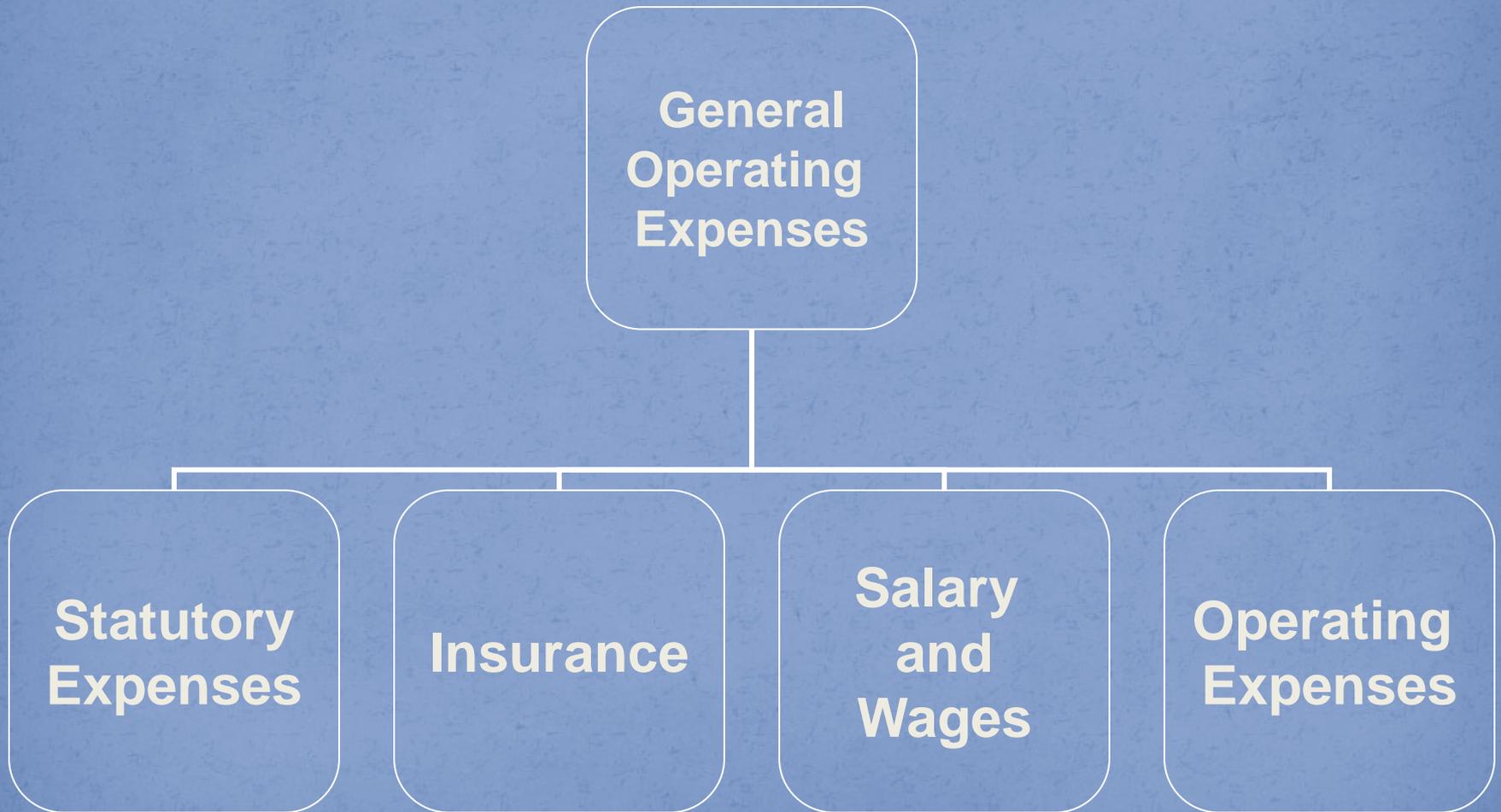
Year End	2010	2011	2012	2013	2014
NVT Bal. January 1st	\$2,069,032,918	\$2,068,480,233	\$2,070,327,804	\$2,058,131,000	\$2,053,180,700
NVT Bal. December 31st	\$2,068,480,233	\$2,070,327,804	\$2,058,131,000	\$2,053,180,700	\$2,052,734,200
Change in NVT	-\$552,685	\$1,847,571	-\$12,196,804	-\$4,950,300	-\$446,500
Percentage	-0.03%	0.09%	-0.59%	-0.24%	-0.02%

2015 Budget Overview



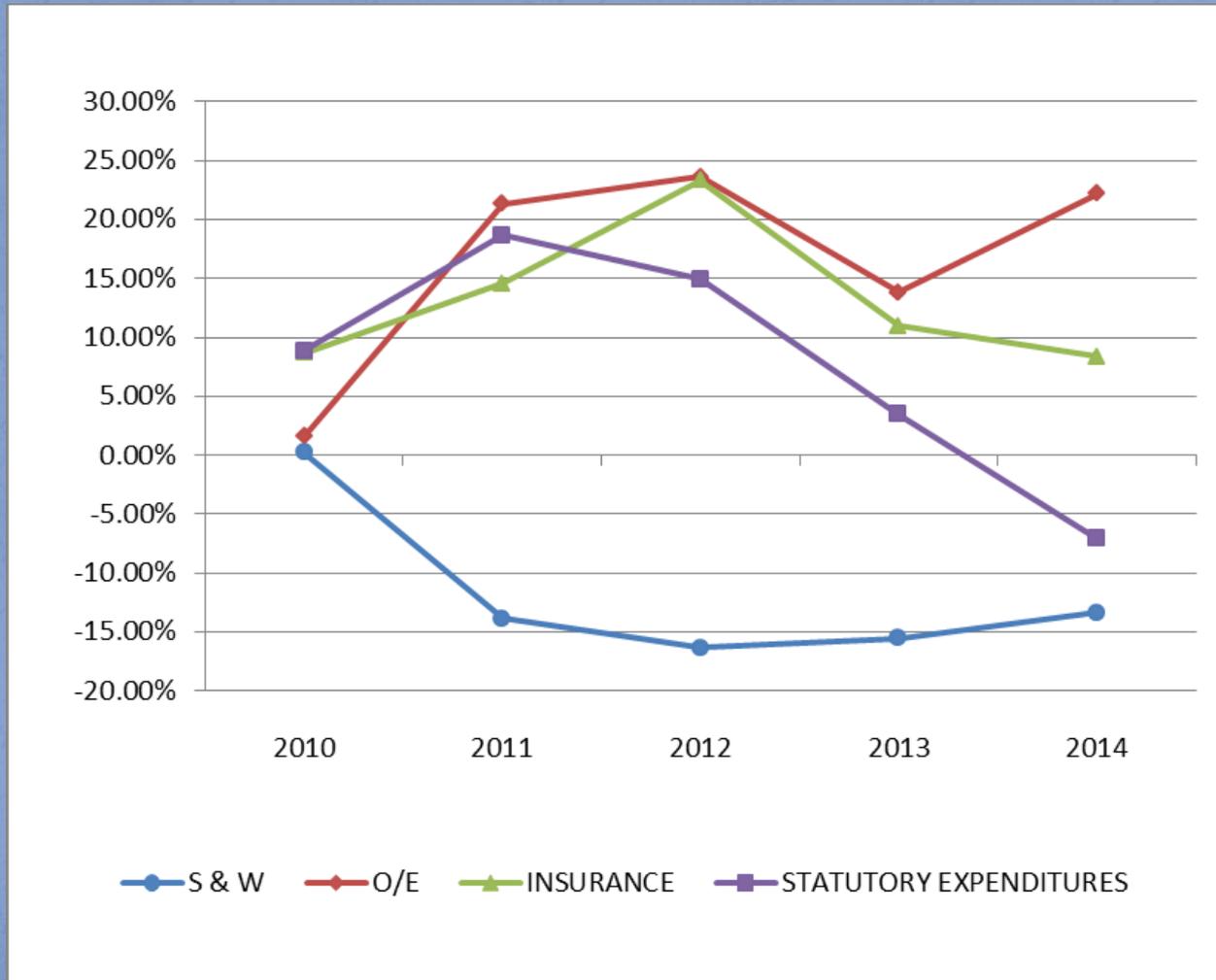
Warning Trend: Expenditure Per Capita greater than Revenue Per Capita

Township of Roxbury General Operating Expenses Breakdown

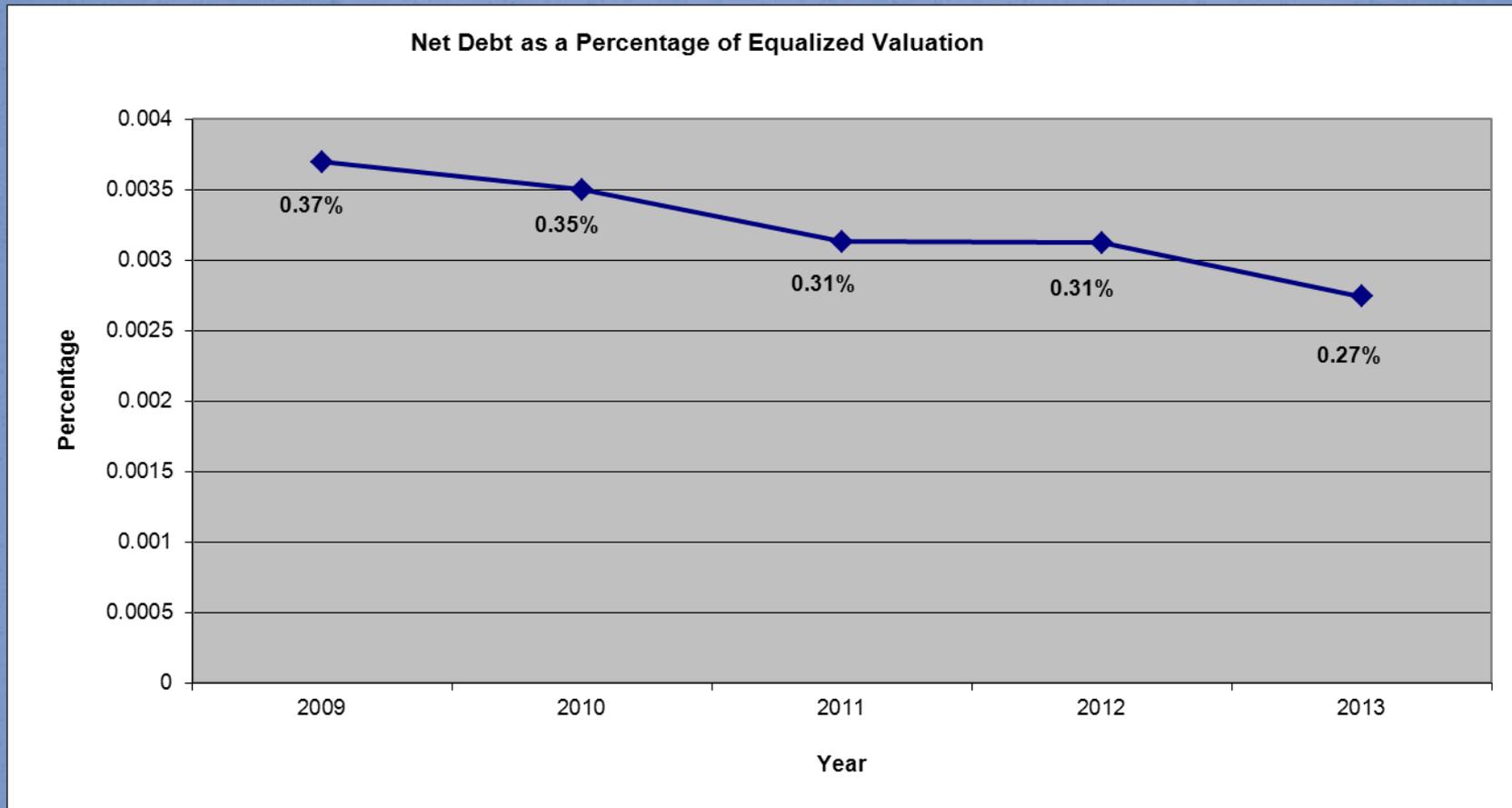


Operating Expense

Percentage Increases over last 5 years

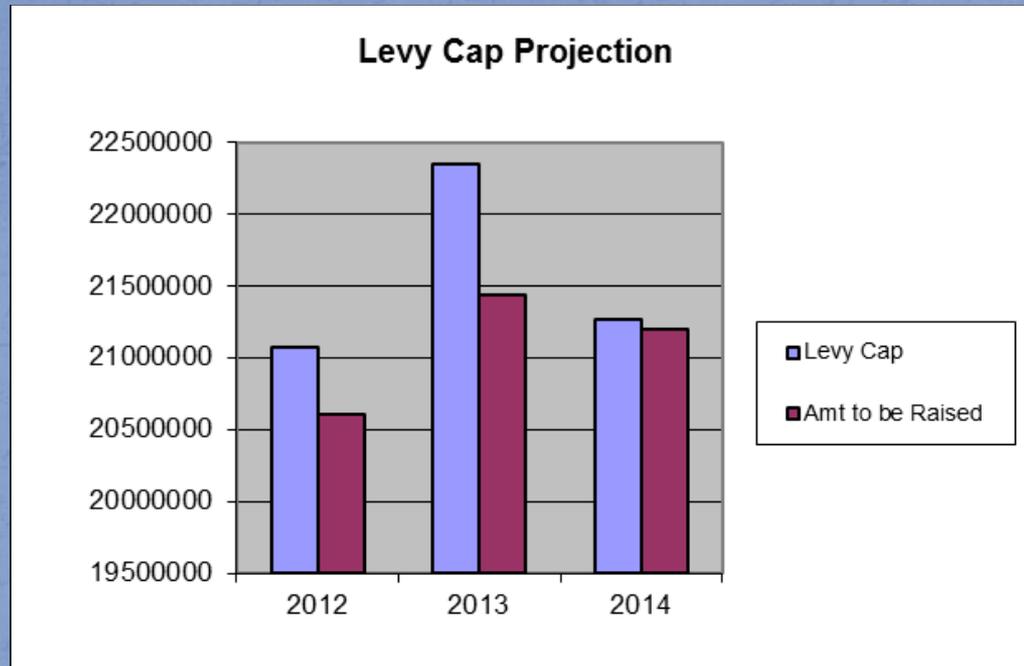


Net Debt as a Percentage of Equalized Valuation



Warning Trend: Increasing Net Debt as a percentage of average equalized valuation

Financial Trend Monitoring System



	2012	2013	2014	2015	2016
Levy Cap	\$21,078,478	\$22,347,088	\$21,267,000	\$22,807,984	\$23,801,567
Amt to be Raised	\$20,611,487	\$21,441,523	\$21,202,802	\$22,848,533	\$23,779,874
Excess/Deficit	\$466,991	\$905,565	\$64,198	-\$40,549	\$21,693
Cap Bank	\$184,200	\$289,720	\$692,145	\$651,596	\$673,289
3 Year Expiration	-384,211	-184,200			
Cap Bank Balance	\$466,991	\$1,188,356	\$1,252,554	\$1,212,005	\$1,233,698
Levy Cap Balance	0	0	\$22,519,554	Levy Cap Balance	
				Difference between Levy Cap Balance minus Amt to be Raised	
				\$1,316,752	

Conclusion

The fiscal prudence shown by the Mayor and Council in previous years has created a financial stable community for the near future. While there may be uncertainty in certain specific areas, the Township of Roxbury is prepared to provide continued excellent service with limited increase in taxes.



