

2019 Mayor's Budget Presentation  
to the  
Parsippany-Troy Hills  
Township Council

---

**Mayor  
Michael A. Soriano**

**Business Administrator  
Keith Kazmark**

February 19, 2019

# Current Fund vs. Utility Budgets

---

- Current Fund
- Sewer Utility
- Water Utility
- Knoll Golf Utility

Township of  
Parsippany-Troy Hills

---

Current Fund  
Budget  
2019

# Summary of 2019 Current Fund Budget

---

- Total Current Appropriations - \$74,588,190
- Reserve For Uncollected Taxes - \$1,803,502
- Debt Service - \$9,348,775
- Salaries - \$30,424,031
- Budget Revenue - \$25,358,771
- Amount to be Raised by Taxes - \$46,350,188

# Budget Impacts

---

- Police Salaries & Wages are increasing \$868,545.  
(+7%)
- The pension increase, for PERS and PFRS is \$797,071.
- The debt service increase is \$726,755.
- Blue Collar Salaries & Wages are increasing \$307,875.  
(+3.5%)
- The 5-year Emergency for Retirement payouts result in a \$150,426 increase.

# Budget Impacts

---

- Social Security payments are increasing by \$100,000.
- Tipping Fees for Solid Waste Collections are up \$100,000.
- The RUT (Reserve for Uncollected Taxes) is increasing by \$70,000.
- Radio Communication costs to County for the full year increased by \$51,800.
- Due to the State Law increasing the Minimum Wage P/T lines items must be adjusted by \$50,000.

# Budget Impacts

---

- White Collar Salaries & Wages (2%) increase by \$216,000.
- The Public Library increase, above the Statutory required amount is \$367,644.
- The start of the TNR (Trap, Neuter, Release) program is a \$25,000 increase.
- Payroll Processing and Grant Writer equal a \$15,000 increase each (not budgeted for in 2018).

# Budget Highlights

## Budget Adjustments

---

- No merit increases.
- No planned promotions.
- No planned title changes.
- Master Plan costs spread over a 5-year period which is permitted by the State.
- No net increase to the PAL, operational costs will be provided to the PAL as an annual donation.

# Budget Highlights

## Budget Adjustments

---

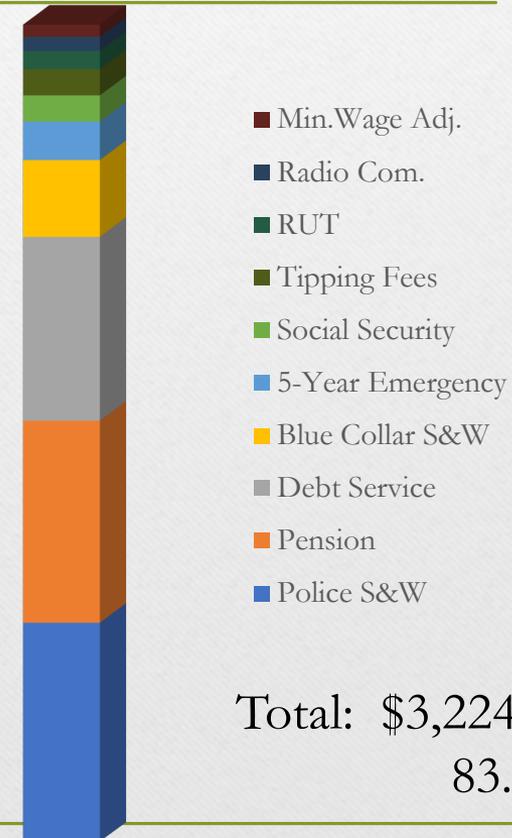
- The Township gained \$40 million in new ratables through assessments.
- Cut to the legal budget by an additional \$10,000, down to \$690,000, down from \$802,000 in 2017.
- Moved some Parks and Forestry and some Recreation expenses to Green Acres Reserve Fund.

# Budget Highlights

## Mandatory Increases

### Mandatory:

• Police S&W	\$868,545	22.42%
• Pension	\$797,071	20.58%
• Debt Service	\$726,755	18.76%
• Blue Collar S&W	\$307,875	7.95%
• 5-Year Emergency	\$150,426	3.88%
• Social Security	\$100,000	2.58%
• Tipping Fees	\$100,000	2.58%
• RUT	\$ 70,000	1.81%
• Radio Com.	\$ 53,875	1.39%
• Min. Wage Adj.	\$ 50,000	1.28%



Total: \$3,224,547  
83.24%

# Budget Highlights

## Discretionary Increases

### Discretionary:

• Library (Tax over Statuary amount)	\$367,644	9.49%
• White Collar S&W	\$216,000	5.58%
• TNR	\$ 25,000	0.65%
• Payroll Processing	\$ 15,000	0.39%
• Grant Writer	\$ 15,000	0.39%
• Daycare Center	\$ 10,400	0.27%



**Total: \$649,044**  
**16.77%**

# Budget Highlights

## Appropriations vs. Budget Increases

---

**Mandatory:**                      \$3,224,547

**Discretionary:**                      \$ 649,044

**Total Increases:**                      \$3,873,591

# Current Fund Budget Surplus

---

- Current Fund Surplus at end of 2018 = **\$5,629,832**
- Surplus utilized for 2019 Budget = **\$3,990,000**  
(same as 2018)
- Healthy Surplus Goal based upon a \$74,588,190  
Current Fund Budget is...

**10% – 15% or \$7.5 – \$11.2 million**

So, How do we get there?

# Long Term Structural Budget Recommendations

---

- Begin to charge the Board of Education for disposal of solid waste (\$75,000 per year, no labor costs).
- Work to expand paid Ambulance Services to neighboring municipalities.
- Adjust Fee Schedules to be competitive with other Morris County municipalities, including:
  - ✓ Construction, Housing, Fire Prevention, Health, Animal Control & Recreation

# Long Term Structural Budget Recommendations

---

- Develop a plan to bring surrounding municipalities onto our Radio Communications System which is currently being developed.
- Propose modifying the Open Space Fund allocation, by ballot referendum, in November of 2019, to allow for improvements and development of parks and fields, rather than acquisition.
- Reduce dependency on Sewer and Water Utilities Surplus (2019 budget reduces use of S&W surplus by \$50,000 each).

Township of  
Parsippany-Troy Hills

---

Sewer Utility  
Budget  
2019

## Summary of 2019 Sewer Utility Budget

---

- Current Appropriations - \$16,728,445
- Debt Service - \$2,537,875
- Salaries - \$3,894,440
- Budget Revenue - \$15,158,445
- Surplus (end of 2018) - \$7,862,536

# History of Sewer Utility Budget Surplus

<u>Year</u>	<u>EOY Surplus</u>	<u>To Current</u>
2012	\$15,202,203	\$ 550,000
2013	\$11,172,677	\$ 550,000
2014	\$10,955,141	\$ 155,000
2015	\$11,340,828	\$1,550,000
2016	\$ 9,799,709	\$2,500,000
2017	\$ 9,850,484	\$2,500,000
2018	\$ 7,862,536 (estimated)	\$2,300,000
2019	-	\$2,250,000 (reduced \$50,000)

Township of  
Parsippany-Troy Hills

---

Water Utility  
Budget  
2019

# Summary of 2019 Water Utility Budget

---

- Current Appropriations - \$9,477,020
- Debt Service - \$1,005,650
- Salaries - \$2,464,075
- Budget Revenue - \$8,026,020
- Surplus (end of 2018) - \$4,938,282

# History of Water Utility Budget Surplus

<u>Year</u>	<u>EOY Surplus</u>	<u>To Current</u>
2012	\$4,002,597	\$ 0
2013	\$4,796,683	\$ 0
2014	\$5,339,046	\$ 0
2015	\$6,142,769	\$ 200,000
2016	\$6,615,064	\$ 0
2017	\$6,301,257	\$ 700,000
2018	\$4,938,282 (estimated)	\$ 655,000
2019	-	\$ 605,000 (reduced \$50,000)

Township of  
Parsippany-Troy Hills

---

Knoll Golf Utility  
Budget  
2019

## Summary of 2019 Knoll Golf Utility Budget

---

- Current Appropriations - \$4,015,846
- Debt Service - \$817,000
- Salaries - \$1,455,676
- Budget Revenue - \$3,154,641
- Surplus (end of 2018) - \$1,368,030 (estimated/O&E cancelled)

# History of Knoll Golf Utility Surplus

---

<u>Year</u>	<u>EOY Surplus</u>
2012	\$ 249,750
2013	\$ 186,585
2014	\$ 170,707
2015	\$ 626,779
2016	\$1,249,271
2017	\$1,561,489
2018	\$1,368,030 (estimated/O&E cancelled)

# Structural Budget Recommendations - Utilities

---

- Adjust Water Rates
  - Rates have not been adjusted since 2010
  - Recommendation: 5 year ordinance, 2% adjustment
- Adjust Sewer Rates, based upon a flat rate modification
- Knoll Golf Club rates were adjusted in December of 2018.

# Local Municipal Tax Rate

---

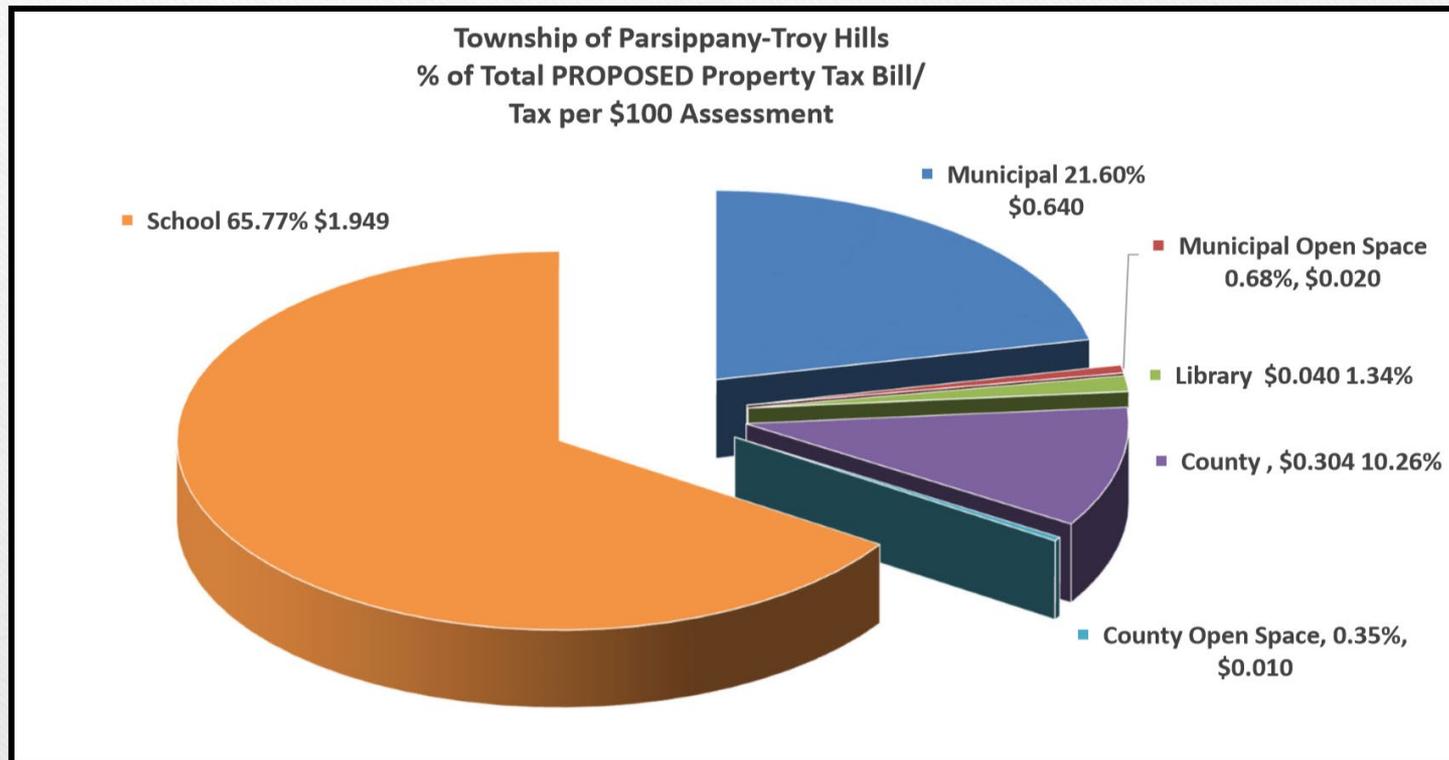
- 2019 budget is \$39,035 under the Tax Levy Cap and under the Appropriations Cap by \$2,606,261.
- 2019 Assessed Value \$7,244,352,500
- 2018 Assessed Value \$7,203,911,900
- Municipal Taxes are Projected for 2019 at \$0.640
- 2018 Municipal Actual Taxes: \$0.611

# Local Municipal Tax Rate

---

- CHANGE: \$0.029 increase per \$100 of assessed valuation over the 2018 tax rate.
- The 2019 average home in the Township is valued at \$310,736
- Municipal Taxes - 2018 \$1,899., 2019 \$1,988  
an increase of \$89.53 (\$7.46/month)
- Municipal Increase of 4.72%

# Proposed Property Tax Breakdown 2019



# Budget Schedule

---

## Budget Hearings

February 26, 2019 – 6:30 pm    March 2, 2019 – 11:00 am

## Budget Introduction

March 16, 2019 – 7:00 pm

## Public Hearing and Adoption

April 16, 2019 – 7:00 pm