

April 12, 2021

DELANCO TOWNSHIP

2021 BUDGET MESSAGE

The attached 2021 budget is intended to properly fund all existing Township operations. This budget and tax impact does not include School, County, Fire, Open Space or other taxing entities.

This past year has been impacted by the COVID 19 pandemic with its attendant crash of the economy as well as changes in municipal operations to keep everyone healthy. Most of Delanco was fortunate in coming through this trying period without incurring any major disasters. The only areas of municipal operations to take a revenue hit was the municipal court which was shut down for months. Fortunately, property tax payments were received as normal and construction of new developments were able to continue. Federal aid filtered down through the State to reimburse the Township for virtually all COVID related costs.

Therefore, the 2021 budget was developed under the assumption that Township operations would continue as normal. An important part is being able to provide services to the new housing and commercial developments. While there are costs to increase staff in the Police, Public Works, and Administration departments as well as to cover trash collection & disposal, revenue from construction permits offsets parts of that initially, and the overall increase in what is called "Ratables" and some properties that contribute Payments in Lieu of Taxes (PILOTs) help reduce the tax burden on the existing property taxpayers.

The result is the ability to keep the tax increase low this year with the anticipation of an even better result in 2022. The proposed tax rate increase this year is only 1.38 cents (1.3%) which translates into a \$26.29 increase for the owner of a property with the average residential assessment of \$190,000.

In a review of the budget document, there are a number of line item increases as well as offsetting line item decreases in other areas. To maintain and improve levels of service and continue plans for improving roads and equipment, spending plans require changes as listed on pages 3 & 4 of this message. The attached spreadsheets and addendum give all the details.

The proposed budget requires Appropriations (exclusive of specific project grants) of \$6,462,554. This is \$135,112 greater than last year. This total is still well below the State mandated Spending Cap.

The Available Surplus from 2020 operations was \$2,070,260, an increase of \$215,000 over the previous year. This budget provides for an Appropriated Surplus of \$1,250,000, up from last year by \$200,000, which is consistent with prior year's percentage use. The goal each year is to insure there are sufficient reserves for future years' budgets. This year, the new revenue item listed as Reserve for Debt Service, is only \$23,750 as explained on page 3.

The result is overall Anticipated Revenues of \$842,822 (again exclusive of specific project grants, reserve for debt service and the appropriated surplus). The attached spreadsheets show a calculation of Non-tax Revenues (combining the Appropriated Surplus, Reserve for Debt Service and Anticipated Revenues) totaling of \$2,116,572, which is \$35,960 more than last year.

The difference between the proposed Appropriations and the Non-tax Revenues is the Tax Levy which comes out to \$4,345,982. This is an increase of \$99,151 or 2.33% over the previous year but is still below the State mandated Levy Cap.

To get the proposed tax rate for 2021, the Tax Levy is divided by the Assessed Valuation (ratables) of \$404,426,400. That figure increased by over \$4 million this year due to new construction. The final result of all these calculations is a proposed Local Purpose (Municipal) Tax Rate of \$1.075 per hundred dollars of assessed value, an increase of 1.38 cents or 1.3% greater than the previous year. Consistent with prior years, \$190,000 is used as the average residential assessment, which results in a proposed tax bill for municipal (Township) purposes only, for that average property of \$2,042, an average increase of about \$26.

Questions on any of this information can be addressed to any Committee member or the Administrator. The public hearing is scheduled for Monday, May 17 at 7:00 pm, which will still be a virtual (on-line or call-in) meeting. The Township Committee is looking for reaction and input from the public between now and then. Comments are encouraged at the scheduled public hearing, which may be the last opportunity for such input. Comments may be made via email, regular mail or called into the virtual meeting. This introduced budget can be adopted that evening, with or without amendments.

As has been said in prior years, the Township's financial position remains stable. Due to planned and anticipated development taking place, future revenue from taxes and fees should exceed the costs to service the new streets, businesses and residents. That enables future budgets to control the local tax levy. Continued careful control over spending is also a key to future stability. Delanco is fortunate to have dedicated and talented staff and employees who work every day to ensure this happens.

The key items impacting the spending side of the budget, in addition to general wage rate increases, are:

- Additional funding for the Police Department is included to bring the force up to 13 officers with 4 Sergeants while dealing with anticipated turnover from planned retirements and resignations, resulting in an increase of \$85,000. Operating costs are also up by \$14,900.
- Additional staffing in the Administration office added \$17,500 but was partially offset by reductions in contract staff of \$5,000. The Public Works department was approved to replace a vacant position adding \$11,000.
- Medical benefits costs for employees increased by \$33,640, the first increase in three years, mostly due to the increased number of employees along with some upward movement in rates. Casualty Insurance such as Workers Compensation also had a \$13,500 increase for the first time in many years, due to claims experience.
- State mandated Pension contributions for all employees is up \$66,220 this year related to numbers of employees and total salaries.
- Improvements and added maintenance costs for Public Buildings and replacement of some PW equipment added \$29,000, partially offset by reductions in some related personnel costs of \$5,400.
- Trash collection costs jumped by \$33,000 based mostly on the contractor's 20% bid increase but also due to the increase in stops for collection from new residences. Trash disposal costs are up \$38,000 due to the annual rate increase by the County as well as the added tonnage from new residences.
- As noted on page 1, an amount of \$23,750 is added to the Payment of Notes totals based on the Reserve for Debt Service included in the Revenue listing. This amount is based on borrowing to purchase a property on Hickory after a fire, to re-sell for a new ratable. This amount will be paid off under the Appropriation called Note payments – Principal. By listing this line in the budget, the Note payment will be offset so that there will be no tax impact of the expenditure.
- The Reserve for Uncollected Taxes, a required annual appropriation to cover unpaid taxes for all jurisdictions that the Township collects for (Schools, County, Fire District, Open Space) needed an increase of over \$17,000 based on estimates of all entities' tax bills and the history of collection percentages.

Several areas where there were significant reductions:

- Capital projects continue this year to meet the goals of proper road and facility maintenance plus improvements. To take advantage of low interest rates, most of the non-road work is financed through Capital Notes, requiring just a 5% down payment, resulting in a reduction of \$25,000 in the amount allocated in the Capital Improvement Fund.
- Payment of outstanding Capital Notes, taken out to cover capital improvements, is \$129,980 less this year while maintaining a consistent pay off schedule. Interest due on outstanding Notes is \$8,600 less this year due to the lower outstanding balance and lower interest rates.
- Our Construction Office and Zoning/Code Enforcement (provided for via a shared service agreement with Mt. Holly) is able to be covered by a lower amount budgeted based on our experience last year to reduce several budget lines by a total of \$28,000. Permit fees paid by developers offsets most of these costs.
- Costs for the Township Engineer to develop bid plans and specifications for State Aid funded road work is lower this year or covered by Capital appropriations so the Engineering Other Expense line is \$14,000 less.
- The Delanco Recreation Commission re-allocated funds unfortunately not used in 2020 due to COVID, to cover their planned programming, with a reduced contribution of \$9,317 for this year.
- Savings are also generated by long-term sharing with neighboring Public Works departments for equipment, repairs and leaf composting. Lower fuel costs allow a \$10,000 reduction in that line.

Issues on the revenue side are:

- Another year where State Aid remains flat;
- Fees for Municipal Court is down \$18,000 due to 2020 COVID issues while Construction Code Fees are up \$33,000 due to all the new building activity. Anticipated payment of Delinquent Taxes is down \$15,000 due to the high collection rate in 2020 leaving less to be collected this year.

2021 MUNICIPAL BUDGET

Township of Delanco

Revenues

Revenues

	2020 Adopted Budget	2020 Actual	2021 Proposed Budget	\$ Increase (Decrease)	% Increase (Decrease)
Appropriated Surplus from Operations	1,050,000	1,050,000.00	1,250,000	200,000	19.05%
Increased Use of Deferred School Taxes					
Licenses - Other	27,000	28,700.46	27,000		
Municipal Court	49,000	31,346.29	31,000	(18,000)	-36.73%
Interest on Taxes	41,000	41,123.93	41,000		
Apartment Rental Registration Fee	45,000	55,990.00	45,000		
Municipal Property Tax Relief					
Energy Receipts Tax	403,822	403,821.99	403,822		
Construction Code Fees	117,000	423,920.00	150,000	33,000	28.21%
Click It or Ticket					
Transportation State Aid	303,000	303,000.00		(303,000)	-100.00%
Community Development Block Grant					
County Park Development Grant					
Recycling Tonnage Grant	5,946	5,946.00	7,107	1,161	19.53%
Clean Communities					
DWI Grant			3,300		
Body Armor Replacement Fund Grant	1,507	1,507.00	1,237	(270)	-17.94%
Bullet Proof Vest Grant					
Sale of Property					
Contribution from Delanco Sewer Authority					
Reserve for Debt Service	187,790	187,790.13	23,750	(164,040)	-87.35%
CDBG Grant					#DIV/0!
FEMA Storm Emergency					
Delinquent Taxes	160,000	166,979.48	145,000	(15,000)	-9.38%
Total	2,391,065	2,700,125.28	2,128,216	(262,849)	-10.99%
Tax Levy	4,246,831	4,618,728.78	4,345,982	99,152	2.33%
Total	6,637,896	7,318,854.06	6,474,198	(163,697)	-2.47%

	Adopted 2020	Proposed 2021		
Municipal Tax Levy	4,246,831	4,345,982	99,152	2.33%
Tax Levy Allowed	4,719,000	4,910,000	191,000	4.05%
(Over)/Under Maximum Tax Levy	472,169	564,018	91,848	19.45%
Net Valuation Taxable (Ratables)	400,355,293	404,426,400	4,071,107	1.02%
Tax Rate	1.061	1.075	0.0138	1.30%
Increase/(Decrease)	0.00	0.0138	0.0099	250.29%
Ave. Assessed Value	190,000	190,000		
Municipal Taxes on Ave. Assessed Home	\$ 2,015.45	\$ 2,041.75	\$ 26.29	1.30%
Tax Increase on Average Assessed Home	\$ 7.51	\$ 26.29	\$ 18.79	250.29%

2021 MUNICIPAL BUDGET

Township of Delanco

Expenditures	2020		2021		\$ Increase (Decrease)	% Increase (Decrease)
	Adopted Budget	2020 Actual	Proposed Budget			
General Administration						
Salaries and Wages	162,500	156,124.91	180,000		17,500	10.77%
Other Expenses	35,150	24,541.60	29,500		(5,650)	-16.07%
Mayor and Township Committee						
Salaries and Wages	15,000	14,400.00	15,000			
Other Expenses	1,615	678.41	1,615			
Township Clerk Office:						
Salaries and Wages	99,500	100,836.74	99,500			
Other Expenses	26,410	13,535.70	25,500		(910)	-3.45%
Financial Administration						
Salaries and Wages	40,000	39,879.88	40,000			
Other Expenses	2,375	1,050.00	2,375			
Audit	29,000	29,000.00	29,000			
Computerized Data Processing	45,000	37,868.79	48,000		3,000	6.67%
Collection of Taxes						
Salaries and Wages	35,000	33,195.92	35,000			
Other Expenses	7,125	6,275.23	6,775		(350)	-4.91%
Assessment of Taxes						
Salaries and Wages	29,700	29,600.74	30,200		500	1.68%
Other Expenses	4,750	3,895.00	3,800		(950)	-20.00%
Legal Services						
Other Expenses	80,000	98,575.22	88,000		8,000	10.00%
Engineer						
Other Expenses	89,000	39,812.00	75,000		(14,000)	-15.73%
Planning Services						
Other Expenses	15,000	405.00	10,000		(5,000)	-33.33%
Aid to Library						
Other Expenses	80,305	80,229.18	80,405		100	0.12%
Joint Land Use Board						
Salaries and Wages	35,000	25,829.95	25,000		(10,000)	-28.57%
Other Expenses	39,250	23,542.33	21,000		(18,250)	-46.50%
Insurance						
Liability Insurance	42,500	42,078.35	40,000		(2,500)	-5.88%
Workers Compensation	91,500	91,281.00	105,000		13,500	14.75%
Employees Group	481,361	465,200.99	502,000		20,639	4.29%
Health Benefits Waiver			13,000			
Municipal Court						
Salaries and Wages	56,000	53,927.90	56,000			
Other Expenses	8,880	4,107.17	8,850		(30)	-0.34%

2021 MUNICIPAL BUDGET

Township of Delanco

Expenditures	Expenditures		2021 Proposed Budget	\$ Increase (Decrease)	% Increase (Decrease)
	2020 Adopted Budget	2020 Actual			
Public Defender					
Salaries & Wages	4,200	1,300.00	4,200		
Police					
Salaries & Wages	1,600,000	1,496,969.37	1,685,000	85,000	5.31%
Other Expenses	112,100	103,197.36	127,000	14,900	13.29%
Office of Emergency Management					
Salaries and Wages	2,160	2,160.00	2,160		
Other Expenses	1,045	10,686.72	1,045		
Aid to Volunteer Ambulance	14,000	14,000.00	14,000		
Prosecutor					
Salaries and Wages					
Other Expenses	9,300	6,916.66	9,300		
Road Repairs and Maintenance					
Salaries and Wages	333,000	321,036.50	344,000	11,000	3.30%
Other Expenses	31,350	28,620.79	47,000	15,650	49.92%
Shade Tree					
Salaries and Wages	1,700	1,681.26	1,715	15	0.88%
Other Expenses	26,600	17,019.91	26,550	(50)	-0.19%
Solid Waste Collection					
Other Expenses	117,000	115,772.75	150,000	33,000	28.21%
Public Buildings					
Salaries and Wages	18,000	15,825.48	12,600	(5,400)	-30.00%
Other Expenses	31,350	38,656.47	45,000	13,650	43.54%
Vehicle Maintenance					
Other Expenses	34,200	31,954.72	40,000	5,800	16.96%
Animal Control Services					
Other Expenses	5,500	5,412.99	5,500		
Registrar of Vital Statistics					
Salaries and Wages	4,650	4,611.33	4,615	(35)	-0.75%
Other Expenses	1,710	75.00	1,615	(95)	-5.56%
Parks and Playgrounds					
Salaries and Wages	2,250	2,280.22	2,285	35	1.56%
Other Expenses	27,387	27,387.00	18,070	(9,317)	-34.02%
Contrib. to Delanco Youth Sports Assoc					
Other Expenses	6,000	6,000.00	6,000		
Utilities:					
Electric	54,000	43,863.59	51,000	(3,000)	-5.56%
Street Lighting	80,000	70,700.25	81,000	1,000	1.25%
Telephone	26,000	25,332.88	30,000	4,000	15.38%
Water	9,500	9,592.19	11,000	1,500	15.79%
Sewerage Disposal Costs	100		100		
Vehicle Fuel	45,000	25,406.88	35,000	(10,000)	-22.22%

2021 MUNICIPAL BUDGET

Township of Delanco

Expenditures	2020		2021		\$	%
	Adopted Budget	2020 Actual	Proposed Budget	Increase (Decrease)		
Landfill Disposal Costs	177,000	192,974.07	215,000	38,000	21.47%	
Construction Office:						
Salaries and Wages	45,750	44,305.09	45,000	(750)	-1.64%	
Other Expenses	99,900	79,084.49	99,500	(400)	-0.40%	
Housing Officer						
Salaries and Wages	6,000	115.14	6,000			
Inspection of Rentals & Cert of Habitabi						
Other Expenses	20,900	8,615.00	20,500	(400)	-1.91%	
Social Security	99,000	94,554.58	99,000			
Accumulated Absences	100	100.00	100			
Contribution to PFRS	330,374	330,374.00	378,872	48,498	14.68%	
Contribution to PERS	94,265	94,265.00	111,983	17,718	18.80%	
Contribution to DCRP	3,000	1,935.33	2,505	(495)	-16.50%	
Total Inside CAP	5,026,312	4,688,655.03	5,304,735	278,423	5.54%	
Outside CAP						
Recycling Tax	6,500	6,894.00	7,500	1,000	15.38%	
Stormwater Management						
Salaries and Wages	48,618	48,618.00	48,618			
Other Expenses	9,480	9,480.00	9,500	20	0.21%	
SFSP Fire District	1,700	1,700.00	1,700			
Clean Communities		2,000.00				
DWI Grant			3,300			
Recycling Tonnage Grant	5,946	5,946.00	7,107	1,161	19.52%	
Body Armor Replacement Fund Grant	1,507	368.00	1,237	(270)	-17.93%	
Transportation State Aid	303,000	7,954.48		(303,000)	-100.00%	
Community Development Block Grant					#DIV/0!	
County Park Development Grant		1,909.33			#DIV/0!	
NJ Sustainable Jersey Grant					#DIV/0!	
Capital Improvement Fund	250,000	250,000.00	225,000	(25,000)	-10.00%	
Bond Principal					#DIV/0!	
Bond Interest					#DIV/0!	
Bond Anticipation Notes						
Principal	487,790	487,790.00	357,810	(129,980)	-26.65%	
Interest	20,100	19,952.66	11,500	(8,600)	-42.79%	
Def. Chge - Revaluation & Tax Map						
Total Outside CAP	1,134,642	842,612.47	673,272	(461,369)	-40.66%	
Subtotal	6,160,954	5,531,267.50	5,978,007	(182,946)	-2.97%	
Reserve for Uncollected Taxes	476,942	476,942.00	496,191	19,249	4.04%	
Total	6,637,896	6,008,209.50	6,474,198	(163,697)	-2.47%	