



Pride in
Parsippany

2016 Municipal Budget Presentation

Mayor James R. Barberio

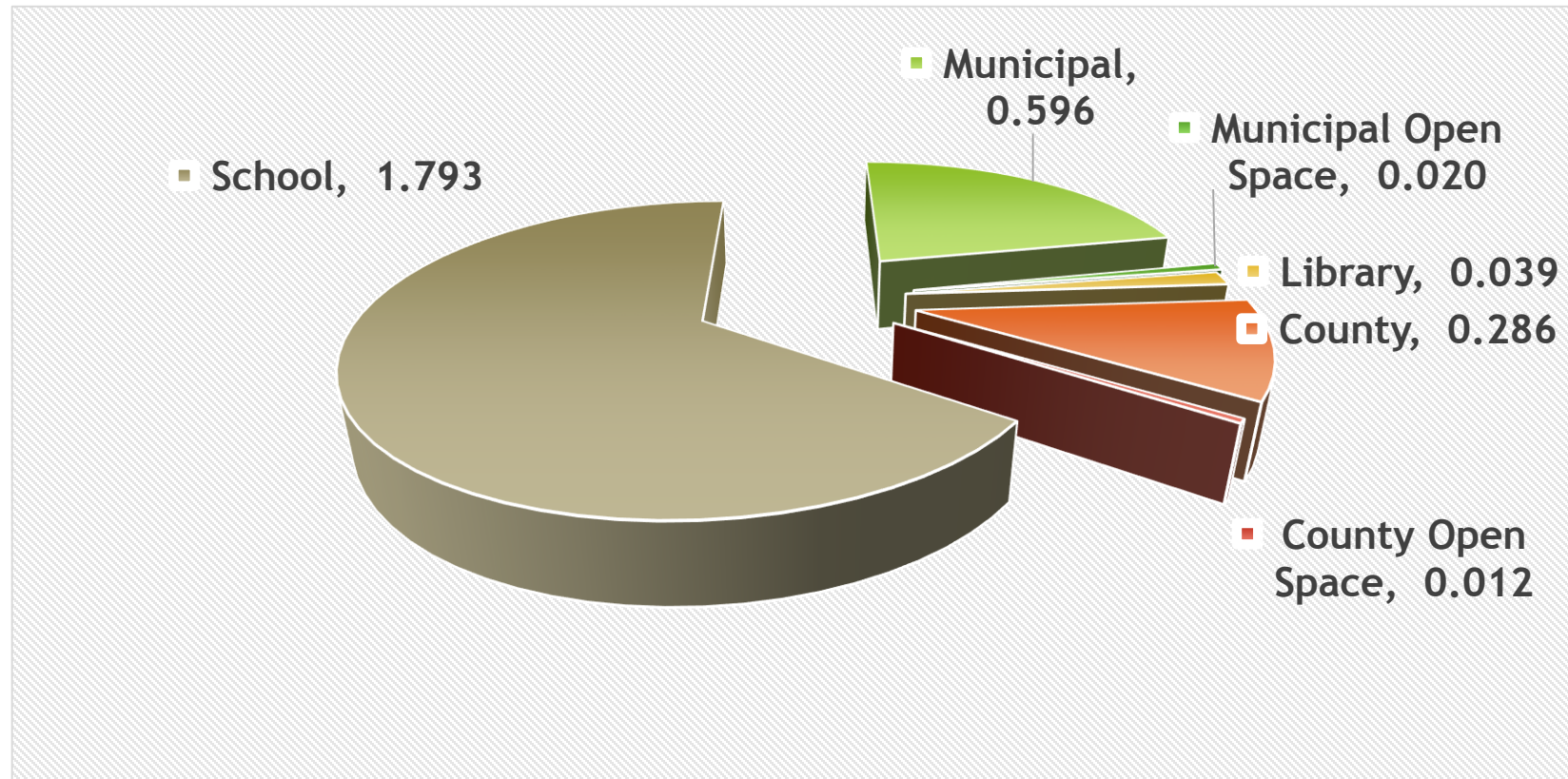
June 9, 2016



Budget Summary Points

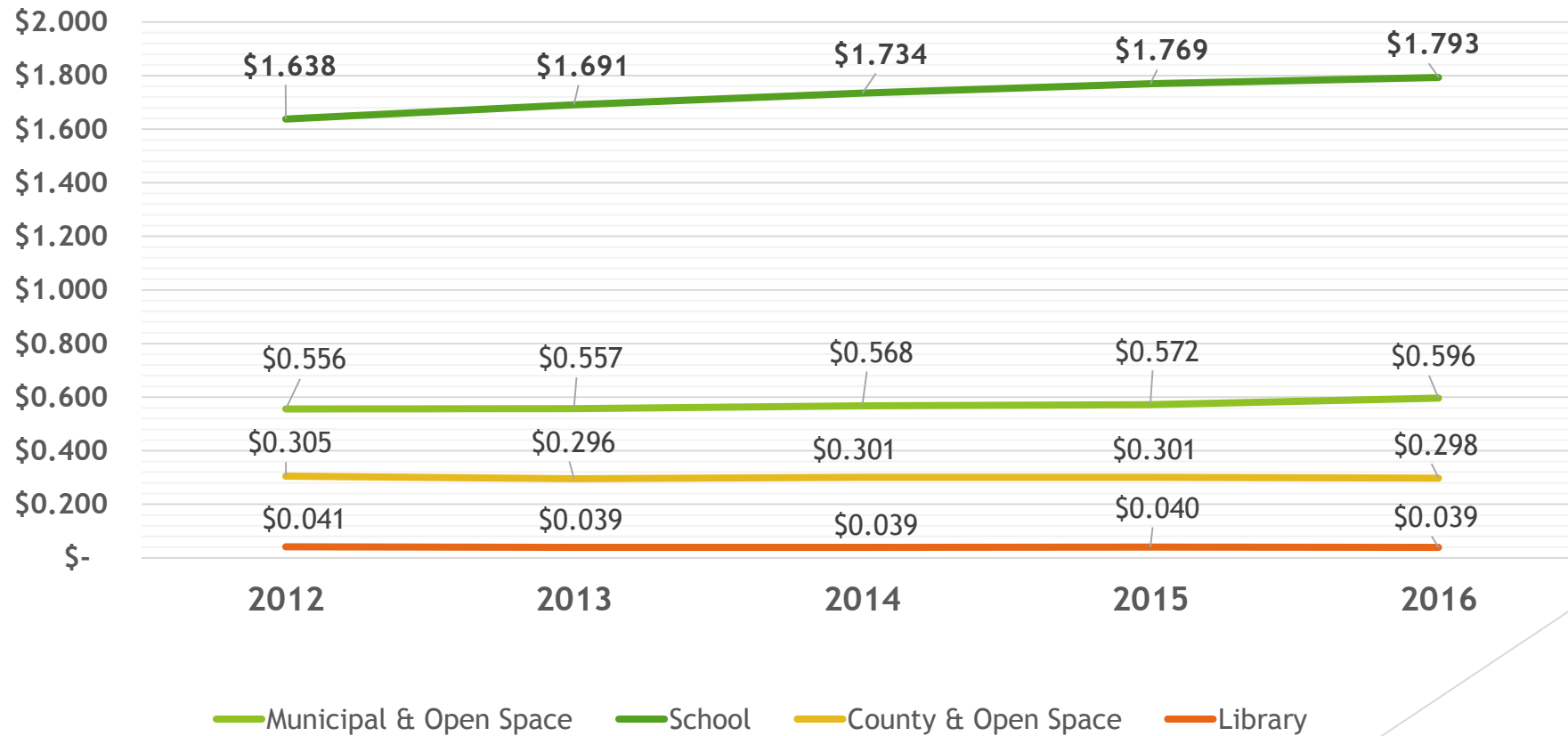
- ▶ Municipal Tax Rate Increase of 2.36 of a tax point
- ▶ Increased Taxable Valuation of \$1,249,950
- ▶ Funding the Unfunded Vacation/Sick Payout Liability
- ▶ Established Self-Insurance Fund Reserve of over \$3,000,000
- ▶ Funded the Library Medical & Pension Deficit 2015/2016 = \$872,000
- ▶ Increased Police Personnel to 104 Officers
- ▶ Shared Services Agreement with the BOE - Security & SRO
- ▶ Emergency Medical Services
- ▶ Health Insurance/Wellness Program

Property Tax Rate





Property Tax Rates - Trend





Tax Bill Comparison (Avg. Residential NAV - \$309,206)

	<u>2015</u>	<u>2016</u>	<u>Difference</u>	<u>Tax Points</u> <u>(716,183)</u>
School Tax *	\$ 5,361.63	\$ 5,469.85	\$ 108.22	4.15
Municipal Tax	1,768.66	1,842.87	74.21	2.36
Morris County Tax *	958.54	921.43	(37.10)	(0.08)
Library Tax	123.68	123.68	-	-
Fire Districts (Average)	154.60	154.60	-	-
Municipal Open Space Tax	61.84	61.84	-	-
Total Tax Bill	\$ 8,428.96	\$ 8,574.28	\$ 145.33	\$ 6.43
* 2016 Estimated				

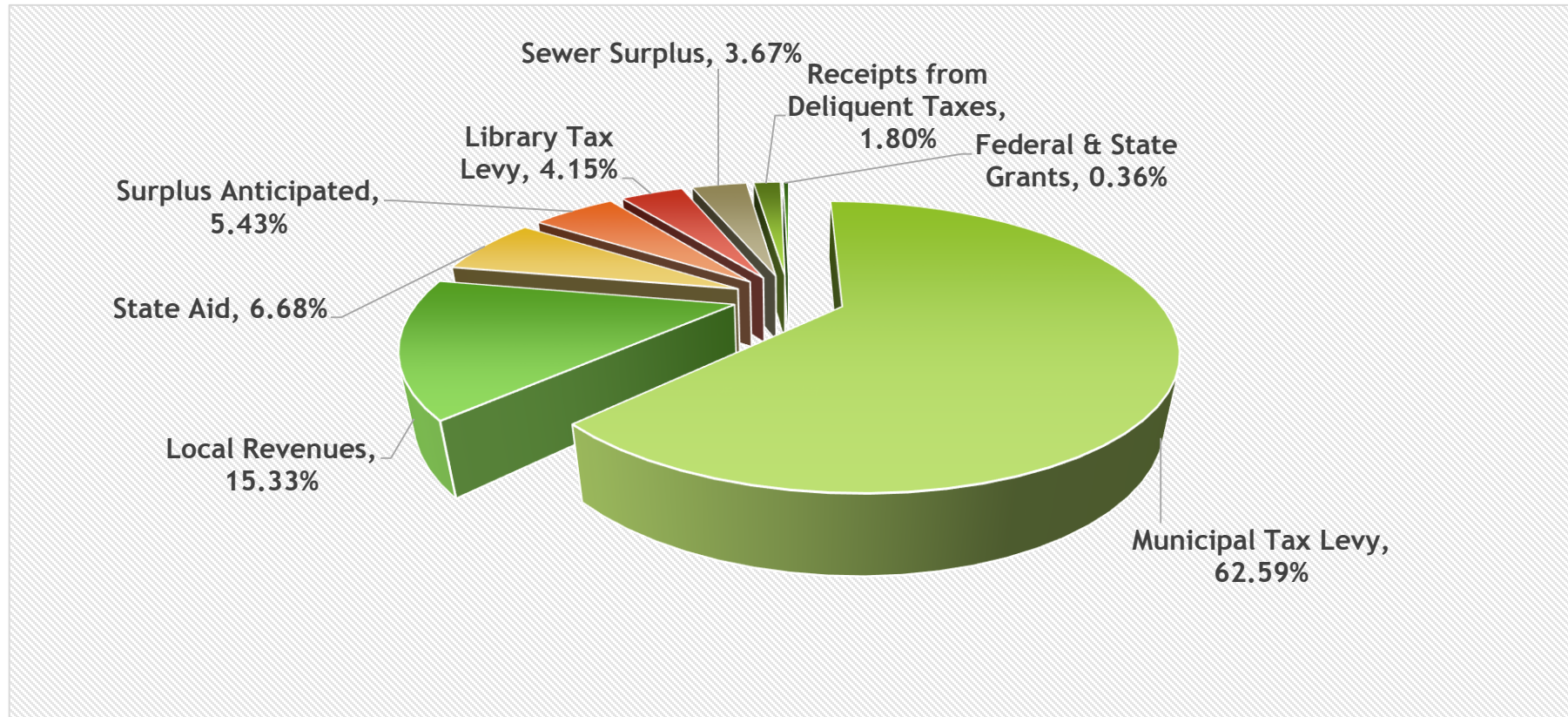


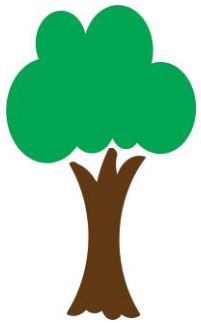
Revenue Summary

<u>Revenues</u>		
Local Tax for Municipal Purposes	\$ 42,649,735	62.59%
Misc. Revenues	10,445,839	15.33%
State Aid	4,550,201	6.68%
Surplus to Support Budget	3,700,000	5.43%
Local Tax for Municipal Library	2,828,004	4.15%
Sewer Surplus	2,500,000	3.67%
Receipts from Delinquent Taxes	1,224,885	1.80%
Federal & State Grants	<u>247,556</u>	<u>0.36%</u>
Total Revenues	<u>\$ 68,146,220</u>	<u>100.00%</u>



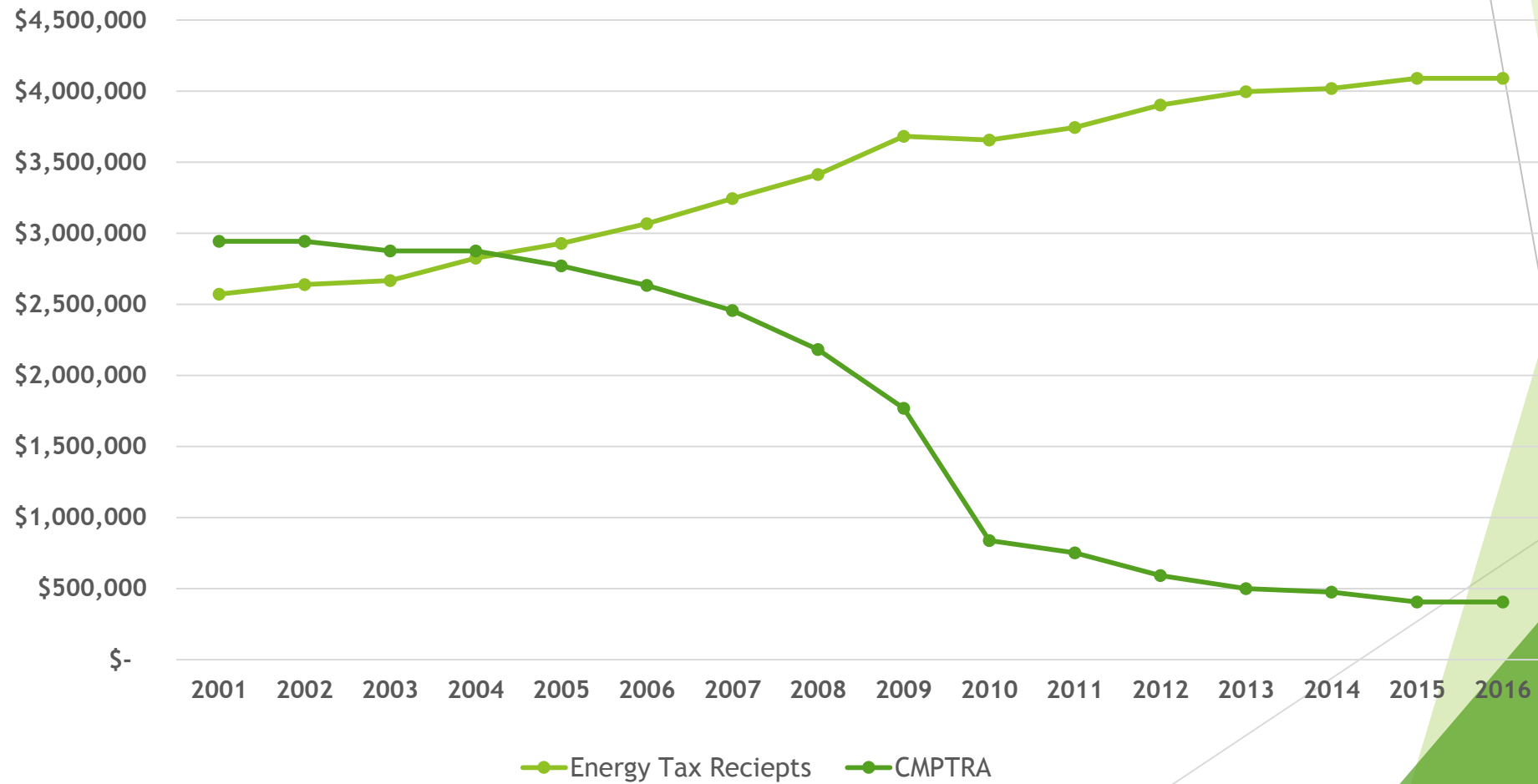
2016 Anticipated Revenues (%)

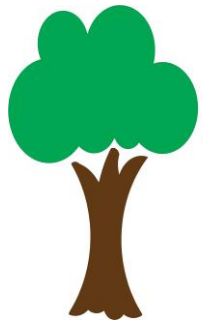




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“State Aid”





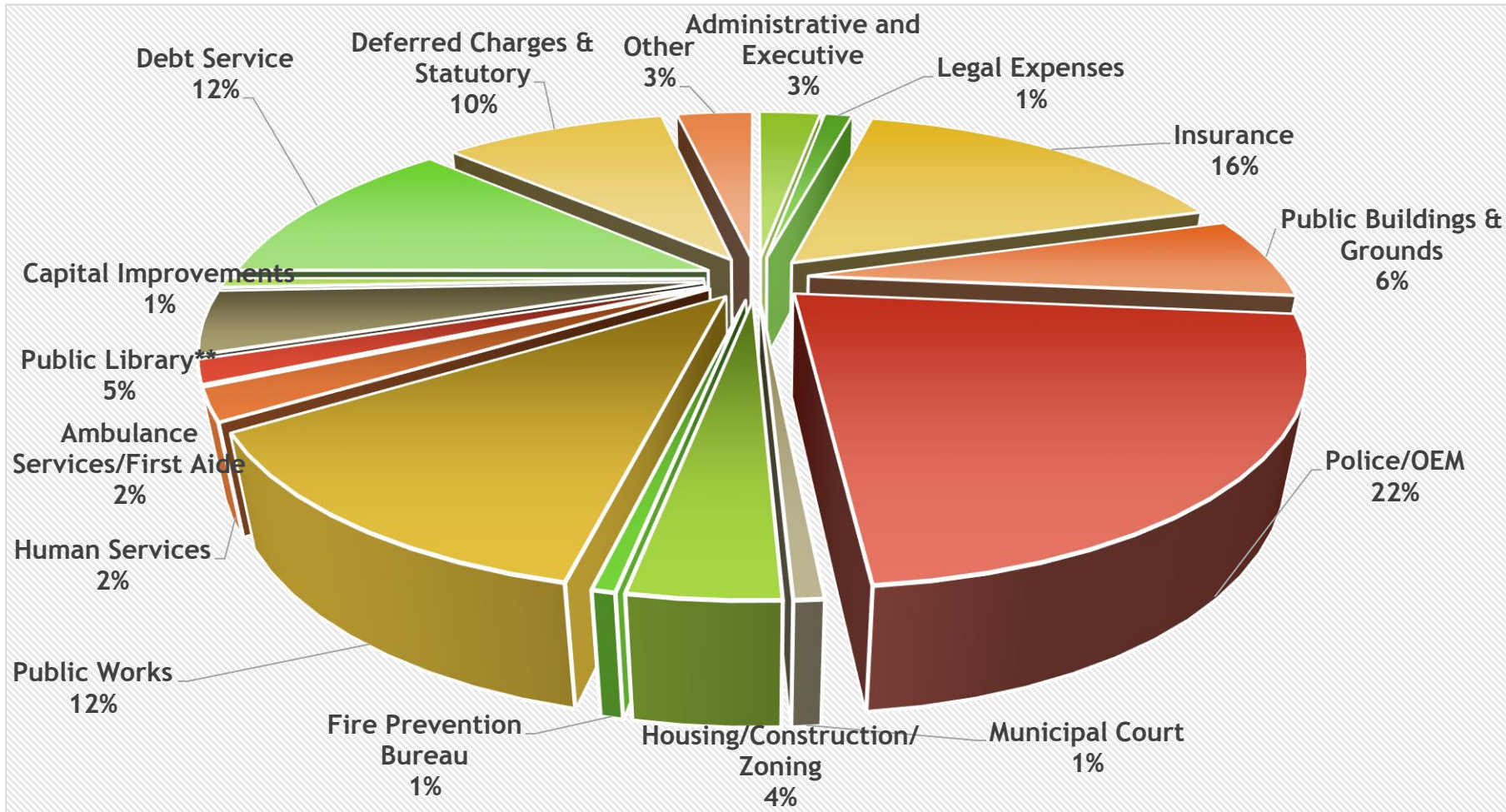
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Appropriations Summary

<u>Appropriations</u>		
Public Safety	\$ 16,947,977	24.87%
Public Works	12,545,743	18.41%
Liability and Group Insurance	11,138,973	16.35%
Debt Service	8,164,437	11.98%
Statutory Charges & Deferred	6,531,735	9.58%
Municipal Library	3,139,260	4.61%
General Government	2,621,992	3.85%
Code Enforcement	2,447,269	3.59%
Reserve for Uncollected Taxes	1,900,000	2.79%
Community Programs	1,535,413	2.25%
Capital Outlay	476,430	0.70%
Misc	417,399	0.61%
Federal & State Grants	264,592	0.39%
Contingent	15,000	0.02%
	\$ 68,146,220	100.00%



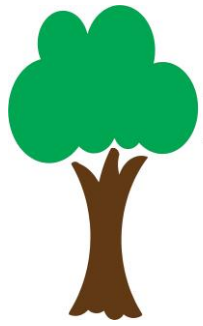
Appropriations %





What Has Changed?

Operating Budget Appropriations		2016 vs 2015
Library Medical & PERS Contribution	\$	872,156
Police Retirement Budgeted Payouts		311,318
Police		281,307
Pension & Statutory Expenditures		280,142
UCC		263,805
Emergency Medical Services		<u>241,225</u>
Total	\$	2,249,953



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Library

	2015
Actual Medical Expenses	\$ 900,804.00
Received from Library	<u>(365,124.00)</u>
Total Medical	535,680.00
PERS Employer Contrib	175,000.00
Received from Library	<u>(110,000.00)</u>
Total PERS	<u>65,000.00</u>
AMT TO BE RAISED BY MUNICIPALITY	<u>\$ 600,680.00</u>
	2016
Maximum Plan Costs-Medical	\$ 622,086.00
Library 2016 Budget	<u>(415,594.00)</u>
Total Medical	206,492.00
PERS Employer Contrib	174,984.00
Library 2016 Budget	<u>(110,000.00)</u>
Total PERS	<u>64,984.00</u>
AMT TO BE RAISED BY MUNICIPALITY	<u>\$ 271,476.00</u>
TOTAL IN MUNICIPAL BUDGET	\$ 872,156.00

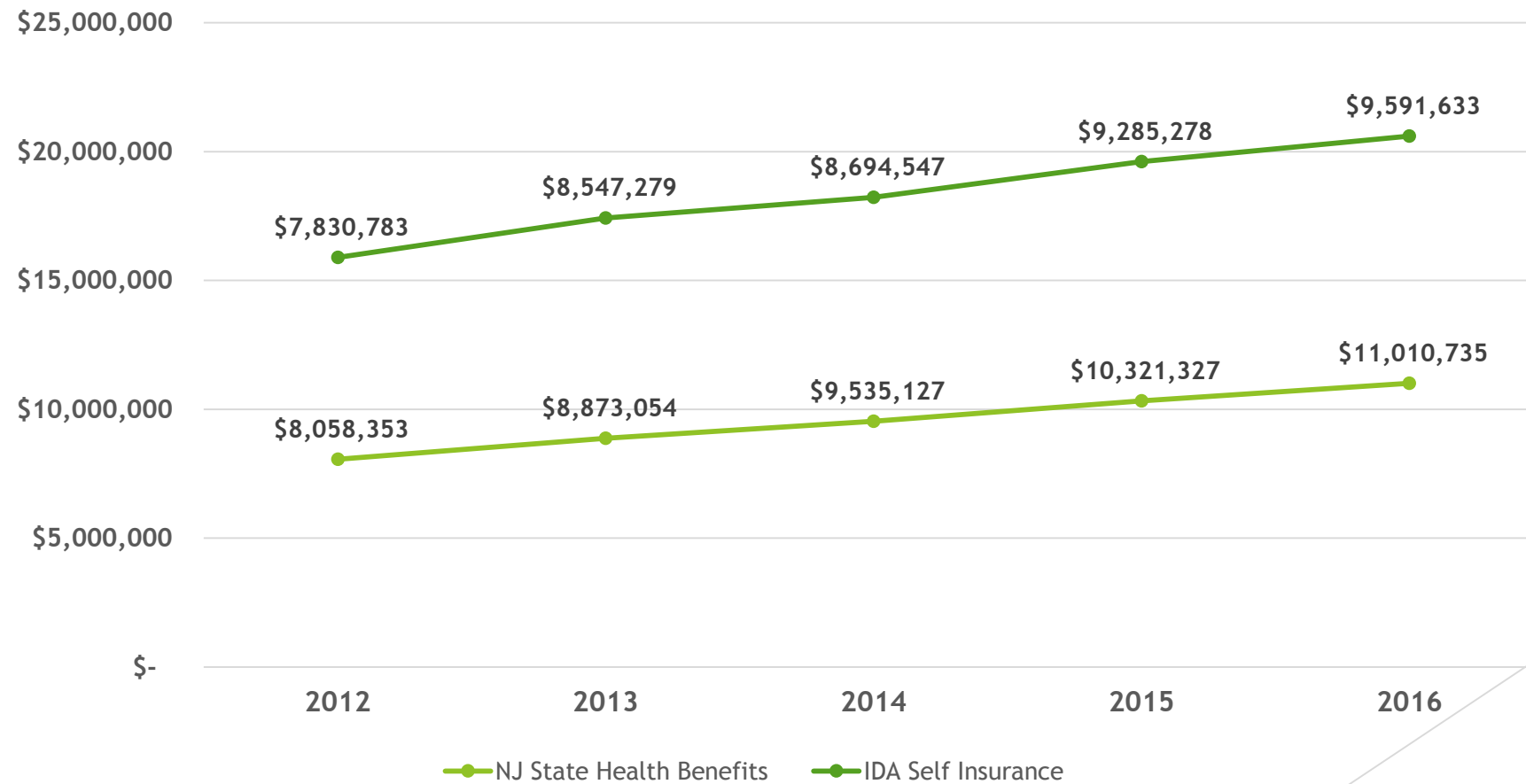


Self Insurance vs NJ State Health Benefits

PLAN	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
NJ State Health Benefits	\$ 8,058,353	\$ 8,873,054	\$ 9,535,127	\$ 10,321,327	\$ 11,010,735
IDA Self Insurance	<u>7,830,783</u>	<u>8,547,279</u>	<u>8,694,547</u>	<u>9,285,278</u>	<u>9,591,633</u>
Savings	<u>\$ 227,570</u>	<u>\$ 325,775</u>	<u>\$ 840,580</u>	<u>\$ 1,036,049</u>	<u>\$ 1,419,102</u>
GRANT TOTAL SAVINGS					<u><u>\$ 3,849,076</u></u>
<i>* as quoted for renewal at 1/1 of each year</i>					



Insurance Savings





Debt Service

- ▶ Standard & Poor's Credit Rating - "AA"
- ▶ Principal Debt Payments Budgeted in 2016 -
 - ▶ Operating = \$5,776,481
 - ▶ Utilities = \$3,078,755
- ▶ Net Debt Outstanding as of 12/31/15 - \$77,859,440
- ▶ Net Debt to Equalized Valuation (\$8,481,985,064) = 0.918%



Water Utility

- ▶ Maintenance & Operation of 37 Facilities by 25 Staff Members
 - ▶ 200 miles of water mains
 - ▶ 14,500 water meters
 - ▶ 1,850 fire hydrants
 - ▶ Average DAILY demand 6.5 million gallons
- ▶ 2015 Results
 - ▶ Total Revenue = \$8,934,708
 - ▶ Surplus Generated = \$1,697,241
 - ▶ Surplus Balance as of 12/31/15 = \$6,136,287
- ▶ 2016 Budget
 - ▶ Total Revenue Anticipated = \$7,925,000
 - ▶ Total Budgeted Appropriations slightly lower in 2016-reduced Capital Down Payment



Water Utility, cont.

- ▶ Capital Projects - 2015 \$2,120,000
 - ▶ Exterior Building & Parking Lot Lights (\$20,000 fully funded)
 - ▶ 2 million gallon Knoll Water Tank Cleaning & Painting (awarded 5/16)
- ▶ Capital Projects - 2016 \$170,000 fully funded
 - ▶ Replacement of 400 feet of Water Main on Edwards Road
 - ▶ Rehabilitation of Well 13
 - ▶ Installation of new Transfer Switch at South Powdermill Booster Station.



Sewer Utility

- ▶ Maintenance & Operation of 27 Pump Stations with 37 Staff Members
 - ▶ 350 Miles of Sewer Mains and greater than 6,000 manholes
 - ▶ Services Parsippany, Montville, East Hanover, Denville & Mountain Lakes
 - ▶ Average Daily Flow 9.5 million gallons per day with a capacity of 16mgd
- ▶ 2015 Results
 - ▶ Total Revenue = \$16,439,903
 - ▶ Surplus Generated = \$2,927,570
 - ▶ Surplus Balance as of 12/31/15 = \$11,332,711
- ▶ 2016 Budget
 - ▶ Total Revenue Anticipated = \$16,015,000
 - ▶ Total Budgeted Appropriations are higher due to “pay-as-you-go” Capital Budget



Sewer Utility, cont.

- ▶ Capital Projects - 2015 \$600,000 fully funded
 - ▶ Sewer Main Replacement - Old Bloomfield Ave (\$500,000)
 - ▶ Flow Magmeters & Trailer Replacement Camera
- ▶ Capital Projects - 2016 \$1,087,000 fully funded
 - ▶ Sewer Main Replacement - Old Bloomfield Ave (\$400,000)
 - ▶ Pump Station Equipment - (\$87,000)
 - ▶ Collection System Upgrades - (\$530,000)
 - ▶ Telephone System - (\$25,000)
 - ▶ Road Crew Utility Vehicle - (\$45,000)
- ▶ Capital Projects - Ongoing
 - ▶ Lake Hiawatha Flow Study to be completed in 2016
 - ▶ Skyview Pump Station and Force Main Project - Bid in 2016
 - ▶ Improvements to address the excessive rags & grit
 - ▶ Troy Meadow Inceptor - 2 miles w/diameter 48-72inches will be cleaned & inspected.



Knoll Golf Utility

- ▶ 36 Hole Golf and Banquet Facility run by 16 Employees
 - ▶ Parsippany's "GEM"
 - ▶ New Website Development
 - ▶ Attracted Women's Amateur Public Links Championship
 - ▶ Long Range Plan to make the Knoll Utility a "Family" Golf Recreational Facility
- ▶ 2015 Results
 - ▶ Total Revenue = \$3,799,051
 - ▶ Surplus Generated = \$452,265
 - ▶ Surplus Balance as of 12/31/15 = \$622,971
- ▶ 2016 Budget
 - ▶ Total Revenue Anticipated = \$3,278,000
 - ▶ Total Budgeted Appropriations remain stable



Knoll Golf Utility, cont.

- ▶ Capital Projects - 2015
 - ▶ Driving Range - designed by Stephen Kay - bid 7/2016 start construction 8/16 scheduled to open by Memorial Day 2017
 - ▶ Long-range Master Plan - Stephen Kay scheduled to be completed by 8/16
 - ▶ Irrigation System - to be incorporated in the Master Plan
- ▶ Capital Projects - 2016 \$119,177
 - ▶ Purchase equipment
- ▶ Goals/Items of Concern
 - ▶ Promoted Matt Siegrist to Greens Superintendent - East
 - ▶ GolfNow Online Tee Time Provider reaching millions of golfers worldwide
 - ▶ Include construction of a Miniature Golf Course near the Driving Range
 - ▶ Caterer contract to be bid in 2016.
 - ▶ Knoll West Building needs Major Renovations \$8,000,000
 - ▶ Knoll East Building - Repair to steps and construct a canopy for outside dining.