



TOWN OF NEWTON 2021 Budget

**Thomas S. Russo, Jr., MPA, CPM
Town Manager
4.12.2021**



FISCAL FACTS

YOUR TAX DOLLARS

The property tax is divided among the County of Sussex, County Library, County Open Space, Newton Board of Education, and the Town of Newton. The chart below illustrates the percentage each of the jurisdictions received in 2020 from the average taxpayer in the Town.



Newton Board of Education	50.80%	\$2.247
Town of Newton	33.78%	\$1.494
County of Sussex	14.31%	\$0.633
County Library	1.04%	\$0.046
County Open Space	.07%	\$0.003
Total	100.0%	\$4.423 per \$100 of assessed value



APPROPRIATIONS 2020 vs. 2021



COMPARISON OF APPROPRIATION BUDGETED AMOUNTS FOR 2020 AND 2021

	2020		2021	
Salaries	\$5,056,610	38.1%	\$5,253,451	39.2%
Health/Dental/Vision/Work Comp.	1,712,935	12.9%	1,683,230	12.6%
Pensions	1,084,112	8.2%	1,181,090	8.8%
FICA/SUI	253,800	1.9%	244,000	1.8%
Retirement/LOSAP/Accum. Absence	51,000	.4%	51,950	.4%
Subtotal	\$8,158,457	61.5%	\$8,413,721	62.8%
General Operating Expenses	\$1,932,126	14.5%	\$1,941,355	14.5%
Debt/Capital/Deferred Charges	2,604,473	19.6%	2,465,301	18.3%
Reserve for Tax Appeals	25,000	.2%	25,000	.2%
Reserve for Uncollected Taxes	526,206	3.9%	545,225	4.1%
Grants	37,700	.3%	18,195	.1%
Total	\$13,283,962	100%	\$13,408,797	100%



TOP 10 BUDGET APPROPRIATION INCREASES BY DOLLAR AMOUNT

<u>APPROPRIATION</u>	<u>2020 BUDGET</u>	<u>2021 BUDGET</u>	<u>\$ CHANGE</u>	<u>% CHANGE</u>
Road S&W	560,973	640,427	79,454	14.2
Police Retirement System (PFRS)	774,309	839,704	65,395	8.4
Police S&W	2,911,333	2,970,908	59,575	2.0
Buildings and Grounds OE	94,800	138,200	43,400	45.8
Public Employees Retirement (PERS)	295,703	331,386	35,683	12.1
CENCOM S&W	430,608	461,047	30,439	7.1
Town Manager S&W – K. Alcock FT	137,370	166,848	29,478	21.5
Vehicle Repair + Maintenance OE	106,500	129,500	23,000	21.6
Utilities	406,500	417,000	10,500	2.6
Snow S&W	56,700	65,000	8,300	14.6



REVENUE HISTORY

The chart below tracks revenues over the course of the last five (5) years. As you can see, State Aid has continued to stay flat while the taxpayers of Newton have had to pick up where the State has left off. Local fees continue to fluctuate along with the ability of the Town to create a consistent level of fund balance. Here is a comparison of revenues from the period of 2017 – 2021:

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
State Aid	1,025,916	1,025,916	1,025,916	1,025,916	1,025,916
Local Fees, Fines, Interest	620,003	587,015	647,048	632,470	593,904
Fund Balance (Surplus)	897,000	1,096,000	1,320,000	1,304,500	1,425,200
Delinquent Taxes	359,000	350,000	350,000	420,000	450,000
Municipal Taxes	8,733,000	8,815,313	8,878,190	8,928,098	8,916,873
Interlocal Agreements	123,640	82,000	84,448	90,000	129,500
Grants	38,885	40,179	72,881	37,700	17,050
Spec. Items of Revenue	737,556	769,577	786,517	845,278	850,354
Total	\$12,535,000	\$12,766,000	\$13,165,000	\$13,283,962	\$13,408,797



TAX RATE FOR 2021



With the uncertainty of State Aid payments and the fluctuating prospects of grant funding, coupled with the reality of a tax base that has 1/3 tax exempt properties, it is an ever increasing challenge to maintain appropriate service levels and sound fiscal policies while mitigating any significant municipal tax increases. Furthermore, the Net Taxable Valuation (NVT) for the Town decreased by \$772,965. This makes it even more challenging to manage the fiscal affairs of the municipal organization, but it is a nominal amount considering we are still dealing with the greatest health crisis (COVID-19) in the United States in 100 years, and the fiscal impacts of the same.

Additionally, the new average residential property assessment has gone up slightly from the 2020 level of \$185,150 to the new 2021 level of \$185,221. Therefore, factoring in the budget and tax levy as proposed, the municipal taxes on an average residential property are estimated to go from \$2,767 in 2020 to \$2,779 in 2021 – an increase of only \$1 a month. This excellent budgetary performance is in large credit due to the excellent work performed by all staff members, professionals, and volunteers day in and day out, and they should commended for being excellent stewards of both the public funds and public trust. I am proud of their work on this budget and thank everyone for their efforts.



TAX RATE HISTORY - 2012 thru 2021



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Subtotal General Revenues	3,606,835	3,688,513	3,886,569	3,610,984	3,801,500	3,802,000	3,950,687	4,289,312	4,308,997	4,491,924
Amt to be Raised Taxes - Local	7,860,280	7,911,487	8,189,331	8,434,016	8,612,938	8,733,000	8,815,313	8,840,688	8,893,400	8,916,873
Budget as Introduced	11,467,115	11,600,000	12,075,900	12,045,000	12,414,438	12,535,000	12,766,000	13,130,000	13,202,397	13,408,797
Local TAX Increase over prior yr	-1	51,207	277,844	244,685	178,922	120,062	82,313	25,375	52,712	23,473
Local TAX POINT increase over P/Yr	0.96	1.341	Reassess	3.868	3.219	2.610	1.832	0.617	1.704	0.590
Local tax rate	1.1380	1.1514	1.3561	1.3948	1.4270	1.4531	1.4714	1.4776	1.4946	1.501
Assessed valuation / 10,000	69,069	68,709	60,387	60,467	60,357	60,099	59,910	59,832	59,502	59,425
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Net Valuation Taxable	690,686,490	687,090,410	603,870,714	604,669,025	603,569,459	600,989,949	599,101,342	598,318,825	595,022,453	594,248,488
Tax Point	69,069	68,709	60,387	60,467	60,357	60,099	59,910	59,832	59,502	59,425
Municipal Tax Rate	1.1380	1.1514	1.3561	1.3948	1.4270	1.4531	1.4714	1.4776	1.4946	1.501
Amount to be Raised by Taxes	7,860,280	7,911,487	8,189,331	8,434,016	8,612,938	8,733,000	8,815,313	8,840,688	8,893,400	8,916,873
Class 2 Residential Total Taxable	435,739,900	433,661,600	370,357,700	370,575,800	370,400,000	366,298,200	366,024,200	368,018,900	369,930,100	369,516,200
Number of Residential Parcels	1962	1960	1,962	1,969	1,974	1,970	1,972	1991	1998	1995
Average Assessed Home	222,090	221,256	188,765	188,205	187,639	185,938	185,611	184,841	185,150	185,221
Munic Taxes on Avg Assess Home	2,527	2,548	2,560	2,625	2,678	2,702	2,731	2,731	2,767	2,779
Increase in taxes over p/yr	19	20	12	65	53	24	29	0	36	12
Weekly increase	0.36	0.39	0.24	1.25	1.01	0.47	0.56	0.00	0.69	0.230
Daily increase	0.051	0.055	0.034	0.179	0.144	0.066	0.080	0.000	0.099	0.033



Estimated Municipal Tax Increase on Average Assessed Residential Property



- 2003 - \$67.
- 2004 - \$250.
- 2005 - \$247.
- 2006 - \$187.
- 2007 - \$125.
- 2008 - \$298.
- 2009 - \$188.
- 2010 - \$182.
- 2011 - \$80.
- 2012 - \$19.
- 2013 - \$20.
- 2014 - \$12.
- 2015 - \$65.
- 2016 - \$53.
- 2017 - \$24.
- 2018 - \$29.
- 2019 - \$0.
- 2020 - \$36.
- 2021 - \$12.



FUND BALANCE HISTORY



<u>Year</u> <u>January 1</u>	<u>Surplus</u> <u>Available</u>	<u>to Support</u> <u>Budget</u>	<u>Balance</u>
1983	414,784	275,000	139,784
1984	257,385	175,000	82,385
1985	300,547	230,000	125,547
1986	337,382	230,000	107,382
1987	487,335	364,000	123,335
1988	1,028,052	828,775	199,277
1989	610,531	516,407	94,124
1990	315,660	180,000	135,660
1991	406,772	280,000	126,772
1992	366,583	323,000	43,583
1993	616,181	430,000	186,181
1994	500,000	400,000	100,000
1995	910,886	650,000	260,886
1996	666,558	500,000	166,558
1997	458,525	350,000	108,525
1998	583,487	495,000	88,487
1999	584,140	450,000	134,140
2000	595,320	475,000	120,320
2001	758,919	670,000	195,124
2002	750,000	670,000	78,182
2003	774,407	670,000	104,407
2004	755,416	626,000	129,416
2005	726,654	580,000	146,654
2006	909,066	700,000	209,066
2007	1,071,959	721,000	350,959
2008	1,256,151	863,571	392,580
2009	920,307	607,000	313,307
2010	1,112,645	803,000	309,645
2011	859,757	550,000	309,757
2012	979,774	641,000	338,774
2013	1,542,318	776,000	766,318
2014	1,563,752	841,461	722,291
2015	1,498,339	776,048	722,291
2016	1,504,223	810,876	693,347
2017	2,260,302	897,000	1,363,302
2018	2,482,557	1,096,000	1,386,557
2019	2,848,266	1,320,000	1,528,266
2020	2,832,783	1,364,500	1,468,783
2021	2,922,773	1,425,200	1,497,573



REVENUE COMPARISON – TOWN



REVENUE COMPARISON	(2012 - 2021)									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Fund Balance	1,425,200	1,364,000	1,320,000	1,096,000	897,000	810,876	776,048	841,461	776,000	641,000
Energy Receipts Tax	1,017,377	1,017,377	1,017,377	1,017,377	1,017,377	1,013,467	1,013,467	998,389	993,278	973,105
Supp ERT										
CMPTRA					0	3,910	3,910	18,988	24,099	44,272
Discret. Supp MPTRA										
MPTA										
Legis Init Mun Block Grant										
GSTrust	8,539	13,172	8,539	8,539	8,539	8,539	8,539	8,539	8,539	8,539
Homeland Security										
Subtotal State Aid	1,025,916	1,030,549	1,025,916	1,025,916	1,025,916	1,025,916	1,025,916	1,025,916	1,025,916	1,025,916
Public & Private	17,050	37,700	72,881	40,179	38,885	68,916	51,961	47,083	38,317	45,346
All Other Misc	1,573,758	1,567,748	1,518,013	1,438,592	1,481,199	1,383,416	1,238,059	1,612,109	1,518,280	1,409,948
Del Taxes	450,000	420,000	350,000	350,000	359,000	512,376	519,000	360,000	330,000	440,000
Subtotal General Revenues	4,491,924	4,419,997	4,286,810	3,950,687	3,802,000	3,801,500	3,610,984	3,886,569	3,616,581	3,562,210
Local Taxes	8,916,873	8,928,098	8,843,190	8,815,313	8,733,000	8,612,938	8,434,016	8,189,331	7,911,487	7,860,280
Total Budget Revenues	13,408,797	13,348,095	13,130,000	12,766,000	12,535,000	12,414,438	12,045,000	12,075,900	11,600,000	11,422,490
State Aid	1,025,916	1,030,549	1,025,916	1,025,916	1,025,916					
Total budget	13,408,797	13,348,095	13,130,000	12,766,000	12,535,000					
% State Aid to Total Budget	7.65%	7.72%	7.81%	8.04%	8.18%			STATE AID HAS REMAINED FLAT		
Fund Balance Anticipated	1,425,200	1,304,500	1,320,000	1,096,000	897,000	810,876	776,048	841,461	776,000	641,000
% F/Bal to Total budget	0.11	0.10	0.10	0.09	0.07	0.07	0.06	0.07	0.07	0.06
Fund Balance 1/1	2,922,773	2,832,783	2,848,266	2,482,557	2,260,302	1,504,223	1,498,339	1,563,752	1,542,318	979,774
Fund balance Anticipated	1,425,200	1,364,500	1,320,000	1,096,000	897,000	810,876	776,048	841,461	776,000	641,000
F/Balance after Budget Intro	1,497,573	1,468,283	1,528,266	1,386,557	1,363,302	693,347	722,291	722,291	766,318	338,774
Statutory excess to F/Bal		1,454,490	1,304,517	1,462,631	1,119,255	1,566,955	781,932	776,048	797,434	1,203,544
Fund Balance 12/31		2,922,773	2,832,783	2,849,188	2,482,557	2,260,302	1,504,223	1,498,339	1,563,752	1,542,318



CAPITAL PROJECTS FOR 2021



2021 General Capital Improvement Program					
			Town	Other	Debt
Dept.	Project	Cost	CIF	Funds	Authorized
CIF	Capital Improvement Fund	\$238,610.00	\$238,610.00		
DPW/Eng.	Road Improvements/Resurfacing/Curbing/Sidewalks*	\$327,000.00		\$177,000.00	\$150,000.00
DPW	Tow Behind Screener for Sweepings	\$65,000.00			\$65,000.00
DPW	Refurb of 2004 Elgin Pelican Sweeper	\$50,000.00			\$50,000.00
DPW	Brine System Upgrades	\$75,000.00			\$75,000.00
DPW	Replacement for 2007 Chevy 4500	\$90,000.00			\$90,000.00
	Totals	\$845,610.00	\$238,610.00	\$177,000.00	\$430,000.00
	*Elm Street, Hampton Street, Upper Union Place Includes NJDOT Trust Fund Grant of \$177,000 FY-2021				



CIF PROJECTS FOR 2021



2021	CAPITAL IMPROVEMENT FUND	
Department	Item	Amount
CIF	Downpayment	\$40,000.00
DPW	Town Hall Building/Walkway Improvements	\$25,000.00
DPW/Eng.	Dunn Place Improvements	\$8,610.00
Fire	Various Equipment	\$30,000.00
Manager	Munic. Buildings/Facilities Improvements/Upgrades/Renovations/Furniture/Equipment	\$25,000.00
Police	Various Equipment	\$30,000.00
Recreation	Splash Pad Engineering	\$30,000.00
Redevelopment	Redevelopment	\$50,000.00
TOTAL:		\$238,610.00



W/S BUDGET



The Town maintains independent financial records for the Water and Sewer fund. Both functions are supported by customer billings and do not require property tax revenues to meet financial obligations. The Water and Sewer budget is proposed at \$4,781,629 for the 2021 year. The Water and Sewer budget provides service to 2,709 accounts. The current rate structure continues to allow the Town to pay cash for many, but not all, critical infrastructure projects, reserve funds for future capital improvements, and retire existing debt in the most prudent fashion available.



REVENUE COMPARISON – W/S



WATER SEWER REVENUE COMPARISON (2012 - 2021)										
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Fund Balance	593,703	845,972	407,250	407,000	330,000	303,000	357,767	353,424	438,274	371,588
Water & Sewer Rents	4,068,984	4,016,305	3,999,848	4,001,546	3,539,843	3,552,781	3,553,500	3,566,198	3,709,920	3,596,680
Additional Rents					442,000					
Miscellaneous	74,400	43,000	55,000	52,820	55,820	52,808	51,075	47,200	44,470	48,660
W/S Capital Fund Balance	33,200	20,107	50,000	50,000	50,000	50,000	50,000	50,000		
W/S Reserve for Debt Svc									13,668	6,267
W/S Insurance Emerg Fundg										37,805
Interest & Costs on Assessments	11,342	12,138	12,902	13,634	14,337	15,011	15,658	16,278	16,918	
W/S Reserves for Cap Impr		10,000								
Total W/S Utility Revenues	4,781,629	4,947,522	4,525,000	4,525,000	4,432,000	3,973,600	4,028,000	4,033,100	4,223,250	4,061,000
Fund Balance Anticipated	593,703	845,972	407,250	407,000	330,000	303,000	357,767	353,424	438,274	371,588
% F/Bal to Total budget	0.12	0.17	0.09	0.09	0.07	0.08	0.09	0.09	0.10	0.09
Fund Balance 1/1	2,064,276	2,260,713	1,300,236	1,070,766	886,950	842,620	897,441	779,506	931,674	790,635
Fund balance Anticipated	593,703	* 845,972	407,250	407,000	330,000	303,000	357,767	353,424	438,274	371,588
F/Balance after Budget Intro	1,470,573	1,414,741	892,986	663,766	556,950	539,620	539,674	426,082	493,400	419,047
Statutory excess to F/Bal		649,535	1,064,685	636,470	513,816	347,330	302,946	471,359	286,817	512,627
Fund Balance 12/31		2,064,276	1,957,671	1,300,236	1,070,766	886,950	842,620	897,441	780,217	931,674

* balance includes additional \$303,042



CAPITAL PROJECTS FOR 2021

W/S



2021 W/S Capital Improvement Program			
			W/S
Dept.	Project	Cost	CIF
W/S	Capital Improvement Fund	\$82,455.00	\$82,455.00
W/S	Capital Outlay	\$100,000.00	\$100,000.00
W/S	Bridge Q-06 (W)	\$85,000.00	\$85,000.00
W/S	TTHM & HAA5 Mitigation (W)	\$100,000.00	\$100,000.00
W/S	PS Improvement Program Study (S)	\$30,000.00	\$30,000.00
W/S	Plant Power Study (S)	\$70,000.00	\$70,000.00
W/S	Sewer Line Repairs (S)	\$285,000.00	\$285,000.00
W/S	Truck Replacement	\$50,000.00	\$50,000.00
	Totals	\$802,455.00	\$802,455.00



CONCLUSION

RENEWED COMMITMENT TO EFFECTIVE, EFFICIENT, AND LIMITED GOVERNMENT

Now that we have concluded the 2021 budget process, I want to thank all department heads and staff for their invaluable assistance in putting together these important documents. In closing, it is my firm belief the budget appropriations and revenue projections, as contained in the 2021 budget for Newton, will enable the Town to meet the public's demand and need for critical services. Furthermore, the budget is structured as a fiscally responsible document to ensure the financial well-being of our municipal government is preserved.

This 2021 budget as presented will enable the municipal organization to continue mission achievement - achieving the excellence in governance expected by our customers: the taxpayers, businesses, and residents of Newton. Thank you once again for the opportunity to serve the good people of Newton!

Yours for a Better Newton,

Thomas S. Russo, Jr., MPA, CPM
Town Manager