

## BUDGET DISCUSSION

1. This was a very tough winter for Union Township, as you all know, and that is reflected in our budget numbers for 2014. Overall, our municipal budget amount to be raised by taxes will increase this year from \$1,396,000 to \$1,553,870.
2. This increase is due to several factors: first, the amount of salt, grit, and overtime by our Road Crew to plow were up severely over prior years. We bought as much salt as we could get, supplemented it with grit, and then had to pay to have the grit removed from the roads. The good news is that the grit is being recycled and we will have it for next year - let's hope that we don't need it.
3. We have budgeted sufficient funds to strengthen staffing in the Roads department to a five man full time crew. At five full time employees, we would still be staffed lighter than the Township was in 2010 when five full timers and a part timer were employed. We have been working with a four full timers supplemented by part time staff for the last few years, and frankly, it has been very difficult. And with 3 of the 4 full timers getting up in years, retirements are going to happen, whether we like it or not. It would probably be best to give our newer hires every opportunity to learn from the masters.
4. We have increased our capital improvement budget over prior years. This Committee has actively maintained a rolling five year capital plan to keep the infrastructure and the property of the Township in good repair. The highlights of this year's capital plan are as follows: This year we will replace an asphalt roller and trailer from 1987. In addition, we will replace a Mason dump truck from 1993 with 96,000 miles. And those weren't highway miles either. In addition, we will spend capital funding to complete the 'missing link' section of Perryville Road in front of our building, which includes some drainage improvements, and have budgeted for emergency repair of three sections of Cooks Cross Road. A fourth section will be completed by our Roads crew, with the help of the new roller we are purchasing. Lastly, we

will be investing in our municipal building by completing drainage improvements around the foundation which will stop moisture egress into the basement. There is more that we would like to do, but we have taken a hard line against borrowing. The Township has not bonded debt since 2001. Many more projects remain for 2015 and beyond.

5. We had a loss in ratables this year of about \$3,000,000, including \$1,900,000 from the fire at Union Hill. Obviously, when we lose a ratable, those tax dollars have to be picked up by the remaining taxpayers within the township, and that has an effect on the tax rate.
6. State aid to the Township remains flat, as it has for the past two years. But state aid is down 24.2% from 2009 – and our state aid per capita is \$67.00 – the average in New Jersey is \$169.00 per resident, or about 2.5 times what we get. There are a few other items, but those are the larger ones worth mentioning. Our municipal rate was 20.4 cents per 100, one of the lowest municipal rates in the county. If this budget is approved, it will be increasing by 2.4 cents to \$22.8 cents per 100 – which will probably still be one of the lowest in the County. This equates to an increase in taxes of \$85.65 per year on an average home in Union Township, which costs about \$350,000.