

Galloway Township, NJ

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Planning the Future... Preserving the Past

GALLOWAY TOWNSHIP

2014

MUNICIPAL BUDGET PRESENTATION

April 22, 2014

*COMMITMENT
TO
COMMUNITY*

INTRODUCTION

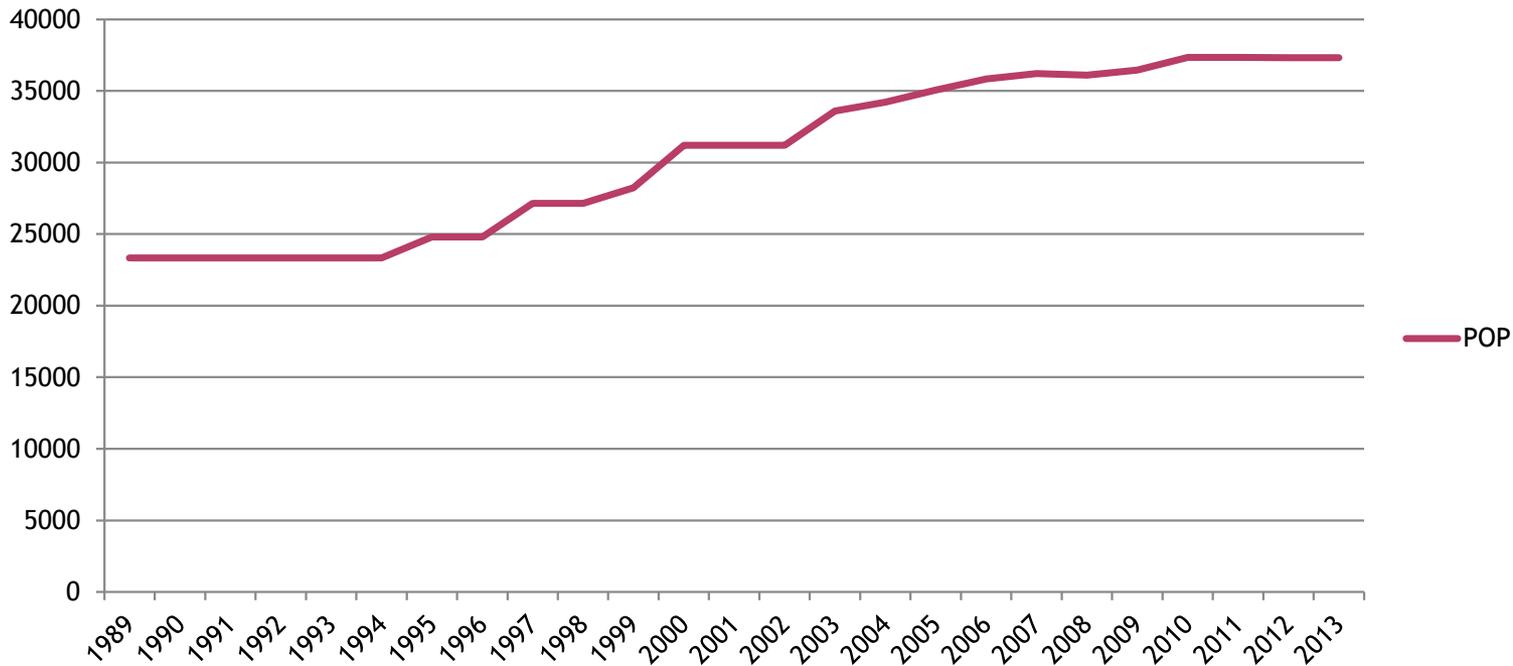
- For the past eight - ten years the Township of Galloway has faced severe economic challenges that not only have mirrored the national economic crisis but have also been exponentially affected by the grave downturn of Atlantic City. In addition to these ongoing difficulties, the storm season of 2014 has already skewed budgeting projections and strategies.

- ① Any municipal budget must prioritize the needs of the municipality without compromising the health, safety, welfare and quality of life of its stakeholders. A proactive budget cannot exist in a vacuum nor can it represent “management by crisis”.

- It is time to address the realities of the economic downturn, the Atlantic City ripple effect and the infrastructure needs of the Township. This budget is the first step in meeting the challenges not only for this year but into the future. Galloway Township must provide the highest quality of services by the most efficient method possible.

POPULATION

GALLOWAY POPULATION



Galloway Township, from 1989 to 2013 has grown in population approximately 60% : from 23,330 residents to 37,998 residents.

GOALS

- Continue to provide a high quality of services to the community in the most efficient manner
- Stabilize budget given the impact of the reassessment
- Institute forward-planning
- Meet the challenges of 2013 - 2014
- Aggressively pursue conscientious development
- Provide an on-going commitment to community

CHALLENGES

- Reassessment
- Decrease in net valuation
- Unprecedented snow/storm season
- Decrease in Revenues
- Abandoned development
- Crumbling Infrastructure

ATLANTIC CITY RIPPLE EFFECT

- ◉ Devaluation of property
- ◉ Loss of jobs for residents
- ◉ With loss of jobs comes less support for the businesses in the community
- ◉ Higher proportion of County taxes
- ◉ Loss of possibility of CRDA funding

REASSESSMENT

- Increase in Tax Appeals

	2010	2011	2012	2013
No. of Appeals	717	1,080	1,891	2,950

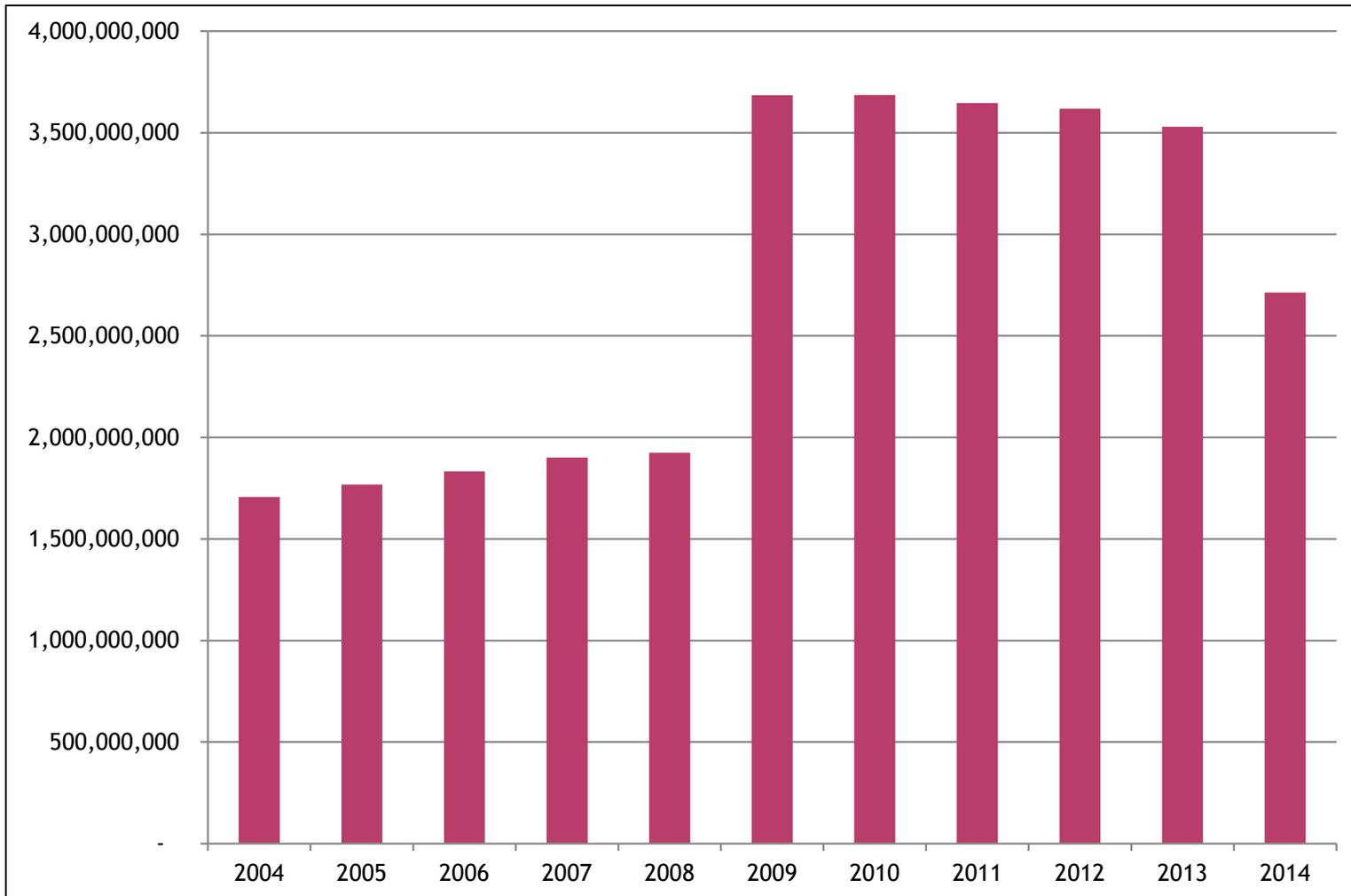
- In order to fund these appeals, the Township issued a TARN (tax appeal refunding note) which, in turn led to the increased debt service items noted within.

DECREASE IN EQUALIZED ASSESSED VALUES

- The net valuation decreased by 23.14%.
- The net valuation decreased from \$3,530,376,887 (2013) to \$2,713,409,772 (2014) - loss of approximately \$817 **MILLION** dollars.

DECREASE IN NET VALUE

(RATABLE VALUE PLUS ASSESSED VALUE PERSONAL PROPERTY)



DECREASE IN “PENNY”



2013: \$353,037



2014: \$271,340

DECREASE IN AVERAGE HOME VALUE



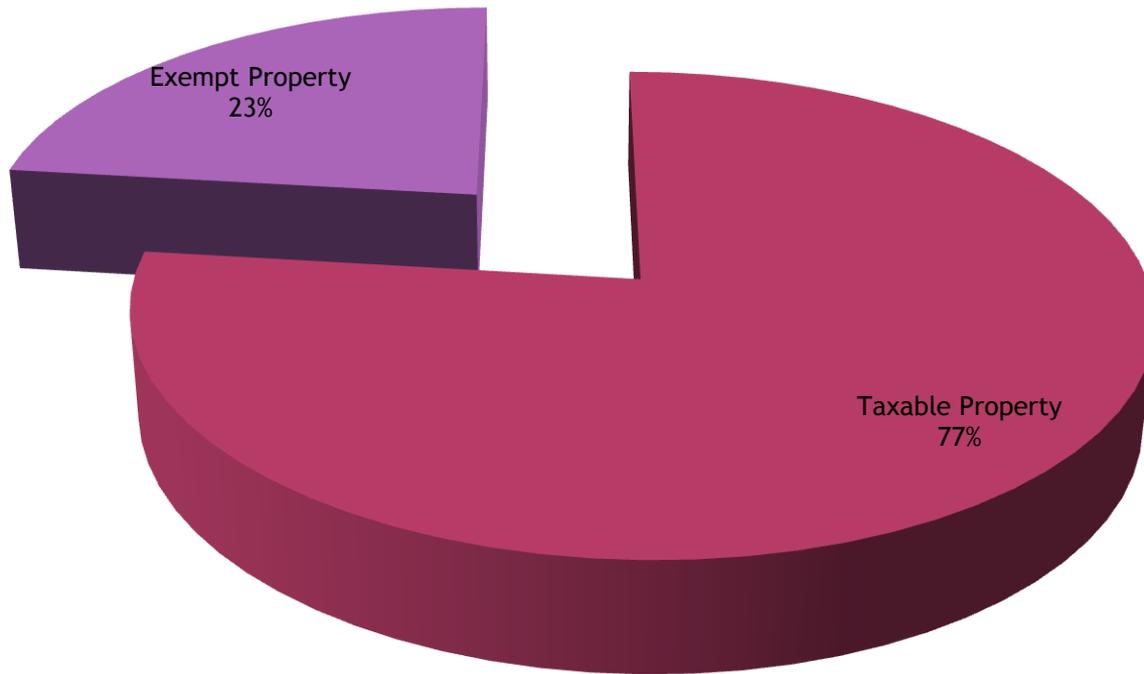
2013: \$236,700



2014: \$167,400

EXEMPT PROPERTY VALUES VS. TAXABLE PROPERTY VALUES

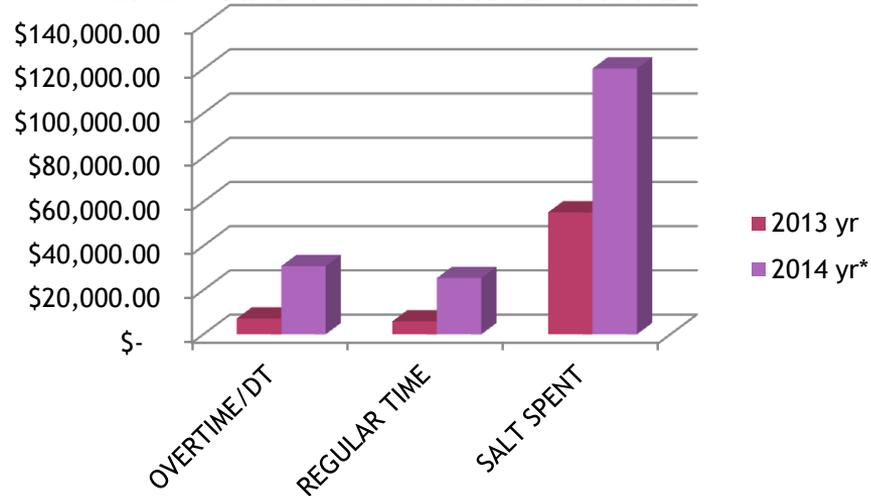
% 2014 Exempt Property Values



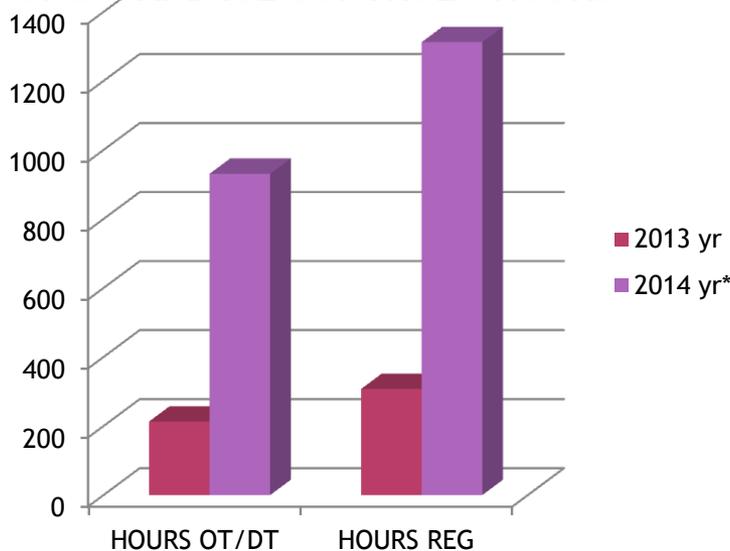
UNPRECEDENTED SNOW/STORM SEASON

The 2014 Snow Season has already wrecked havoc on the budgeting process. As of Budget Introduction on April 8, 2014, the Township has

SNOW AND ICE CONTROL - MONEY



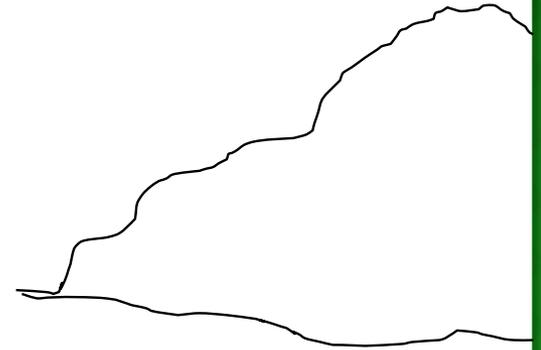
SNOW AND ICE CONTROL - HOURS



spent roughly quadruple in both man hours and overtime and triple in salt supplies than for the entire 2013 season. It is difficult to predict what the remaining nine months will bring.

UNPRECEDENTED SNOW/STORM SEASON

In the first three months of 2014, the Township used 2,159 tons of salt mixture as compared to 990.5 tons for the entire 2013 season.



DECREASE IN REVENUES

- When budgeting, one cannot anticipate more revenue than what was realized in the previous year (with few exceptions).
- The 2014 budget contains very conservative anticipations based on 2013 realizations.

DECREASE IN REVENUES

- ◉ Decrease in State Aid
- ◉ “State Aid” consists of two main components:
 - ◉ CMPTRA (Consolidated Municipal Property Tax Relief Aid)
 - ◉ ETR (Energy Tax Receipts)

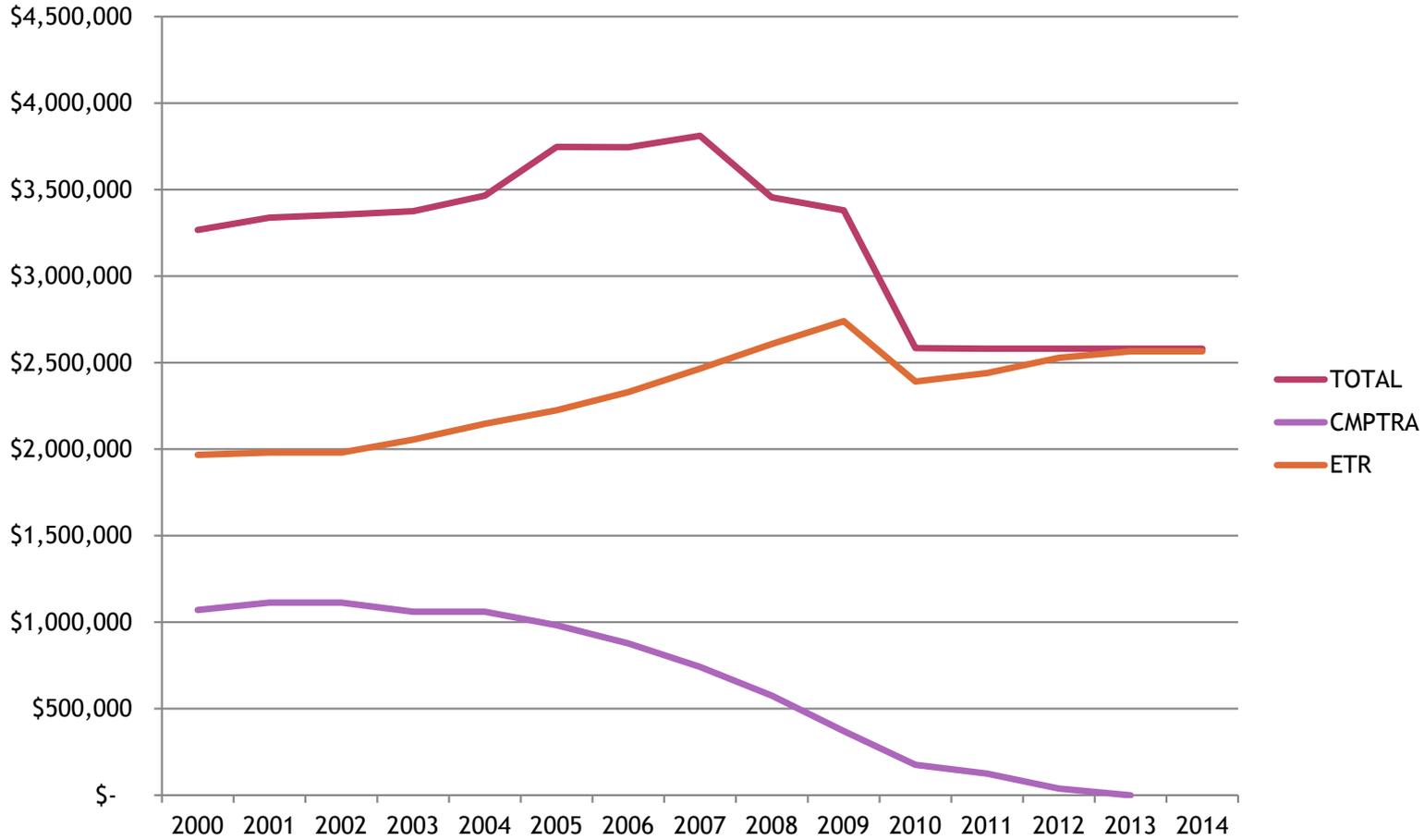
STATE AID

- **ETR-** The Energy Tax, as we know it today, is an offshoot of the Public Utility Gross Receipts and Franchise Tax (PU-GRAFF) that was once collected at the municipal level (early 1980s), with funds going to the municipalities to take care of business at the local level.
- **CMPTRA** - In the 1990s, the State also decided to consolidate other assorted taxes, including the Financial Business Tax, Business Personal Property Tax, Corporate Business Tax on Banking Corporations, and State Payments in Lieu of Taxes or PILOTS, into one “consolidated” menu known as CMPTRA. (16 taxes)
- Both taxes supposed to be returned to the municipality to help alleviate property taxes.

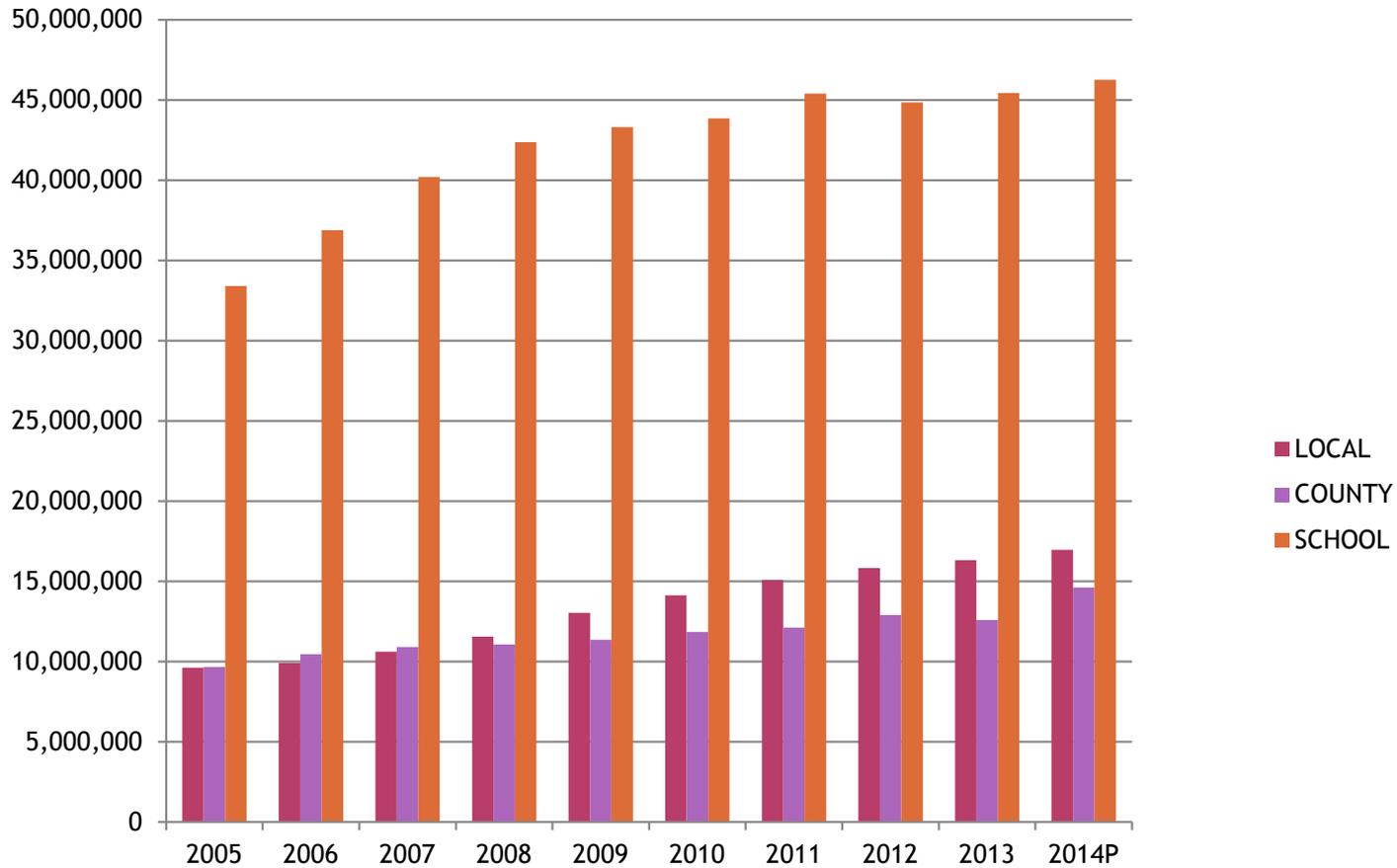
STATE AID DECLINE

STATE AID										
	TOTAL	CMPTRA	ETR	Leg InitiativeBlock Grant	Supp Energy Receipts	Garden State Trust	Homeland Security	Pinelands Prop Tax Stabilization	Watershed Moratorium	Muni Prop Tax Assistance
2000	\$ 3,267,216	1,071,116	1,967,394	102,085	115,387	-			11,234	
2001	\$ 3,338,956	1,113,961	1,981,279	102,085	115,387	14,673			11,571	
2002	\$ 3,355,163	1,113,961	1,981,279	122,371	115,387	22,165				
2003	\$ 3,375,531	1,061,544	2,055,187	122,371	115,387	21,042				
2004	\$ 3,466,004	1,061,544	2,146,360	122,371	115,387	20,342				
2005	\$ 3,747,383	982,383	2,225,521	122,371	115,387	19,148	140,000	134,865	7,708	
2006	\$ 3,746,016	877,042	2,330,862	122,371	115,387	17,781	140,000	134,865	7,708	
2007	\$ 3,811,048	742,498	2,465,406	122,371	115,387	16,099	140,000	134,865	7,708	66,714
2008	\$ 3,456,120	575,664	2,608,079	-	115,387	14,417	-	134,865	7,708	
2009	\$ 3,381,030	371,038	2,739,649	-	115,387	12,383	-	134,865	7,708	
2010	\$ 2,584,901	175,851	2,390,491	-	-	10,851	-	-	7,708	
2011	\$ 2,581,284	125,698	2,440,644	-	-	7,234	-	-	7,708	
2012	\$ 2,581,284	38,438	2,527,904	-	-	7,234	-	-	7,708	
2013	\$ 2,581,284	-	2,566,342	-	-	7,234	-	-	7,708	
2014	\$ 2,581,284	-	2,566,342	-	-	7,234	-	-	7,708	

STATE AID DECLINE



HISTORICAL TAX LEVY AMOUNTS

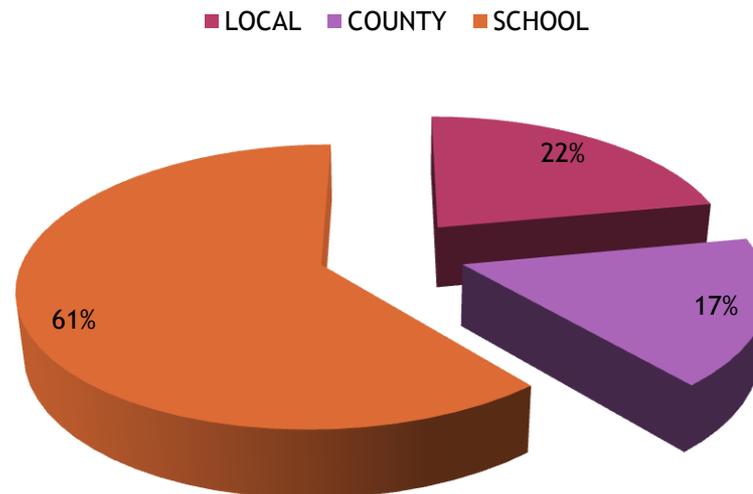


HISTORICAL TAX LEVY AMOUNTS 2005 - 2014P

APPORTIONMENT OF TAX BILL 2013

Although the municipal budget is composed of the local appropriations and revenues, the Township must collect County, School and local taxes. The municipal taxes are approximately 22% of the total taxes. The school taxes (including local and regional portions) are approximately 61% of the total tax bill and the county taxes are approximately 17% of the total taxes billed.

2013 TAX APPORTIONMENT

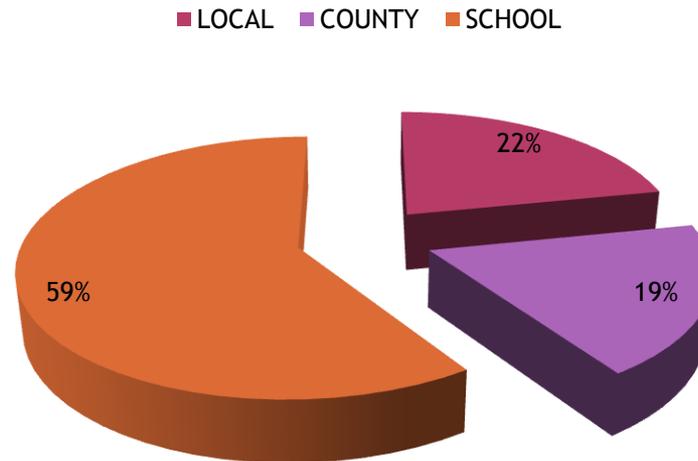


APPORTIONMENT OF TAX BILL 2014P

The 2014p Apportionment of taxes indicates that the local municipal taxes stay at 22%; while the county taxes increase from 2013's 17% to 19% in 2014; and the school apportionment decreases from 61% in 2013. This figure uses last years figure - school percentage will change with their adopted budget.

This also reflects that ripple effect of Atlantic City with the increase of apportionment of the County taxes

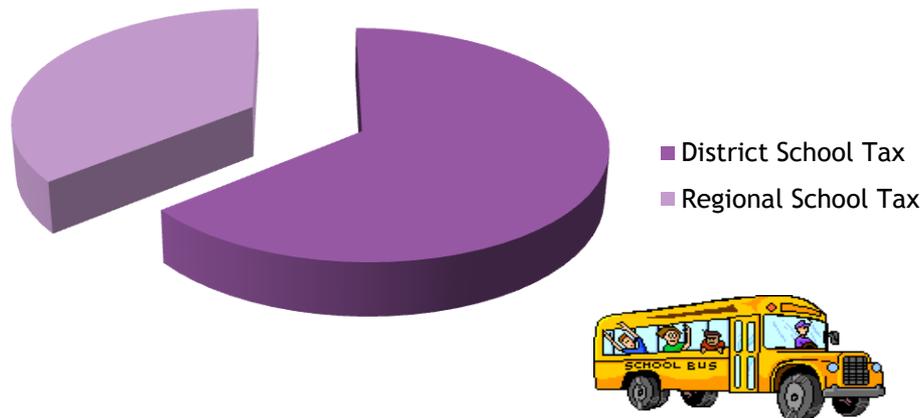
2014P APPORTIONMENT



WHERE DO YOUR SCHOOL TAX DOLLARS GO?

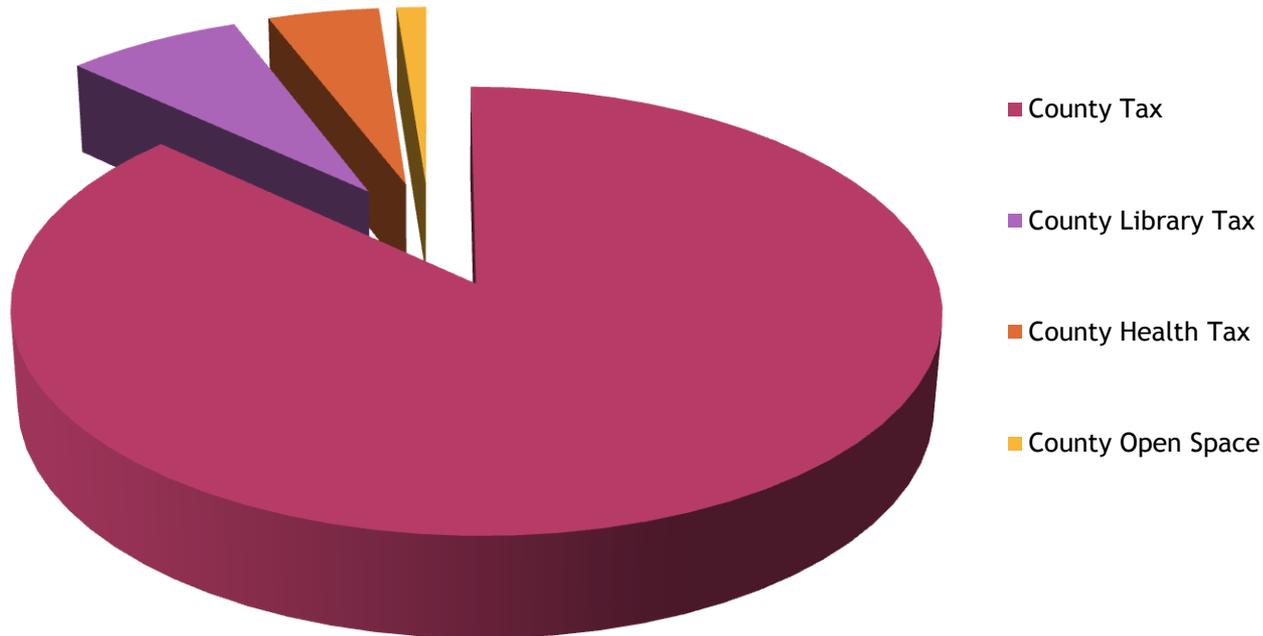
- Of the Schools' 59% of your tax bills, approximately 2/3 remains locally to support District school students. Approximately 1/3 goes to support the Regional school system.

School Tax Apportionment

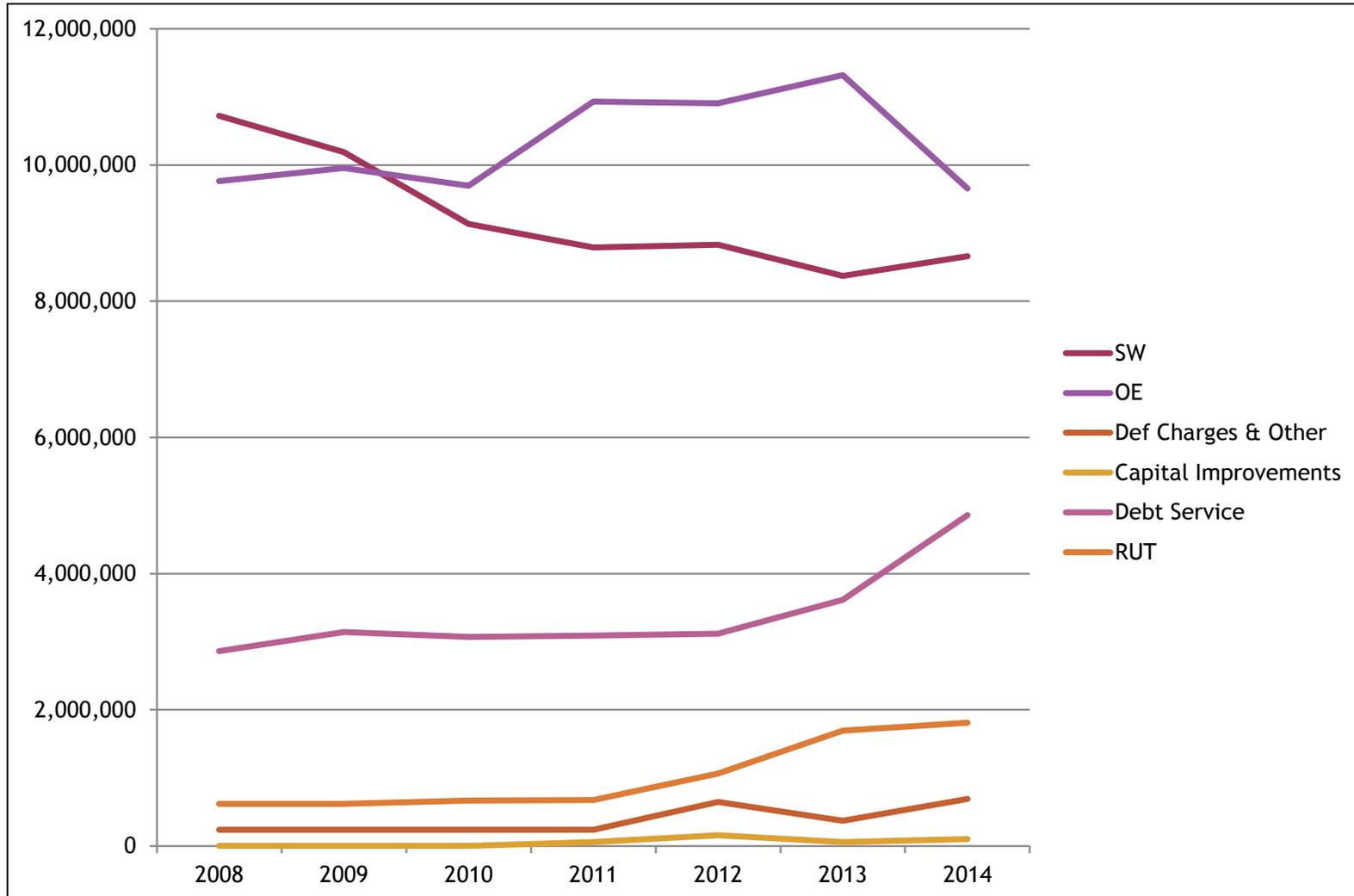


WHERE DO YOUR COUNTY TAX DOLLARS GO?

County Tax Apportionment



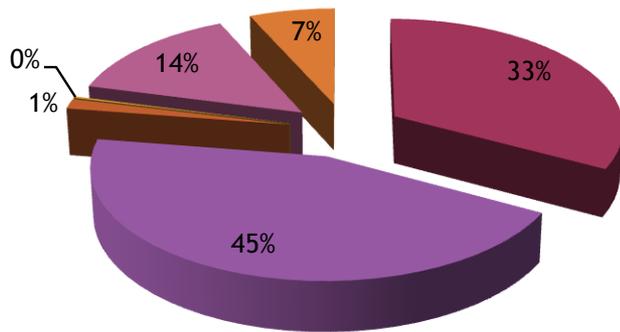
WHERE DO YOUR MUNICIPAL TAX DOLLARS GO?



WHERE DO YOUR MUNICIPAL TAX DOLLARS GO?

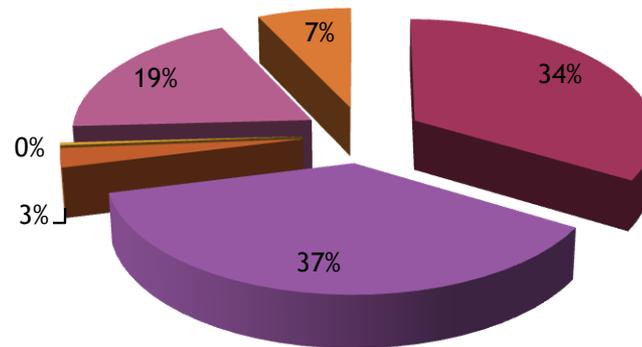
2013 Appropriations

- SW
- Def Charges & Other
- Debt Service
- OE
- Capital Improvements
- RUT

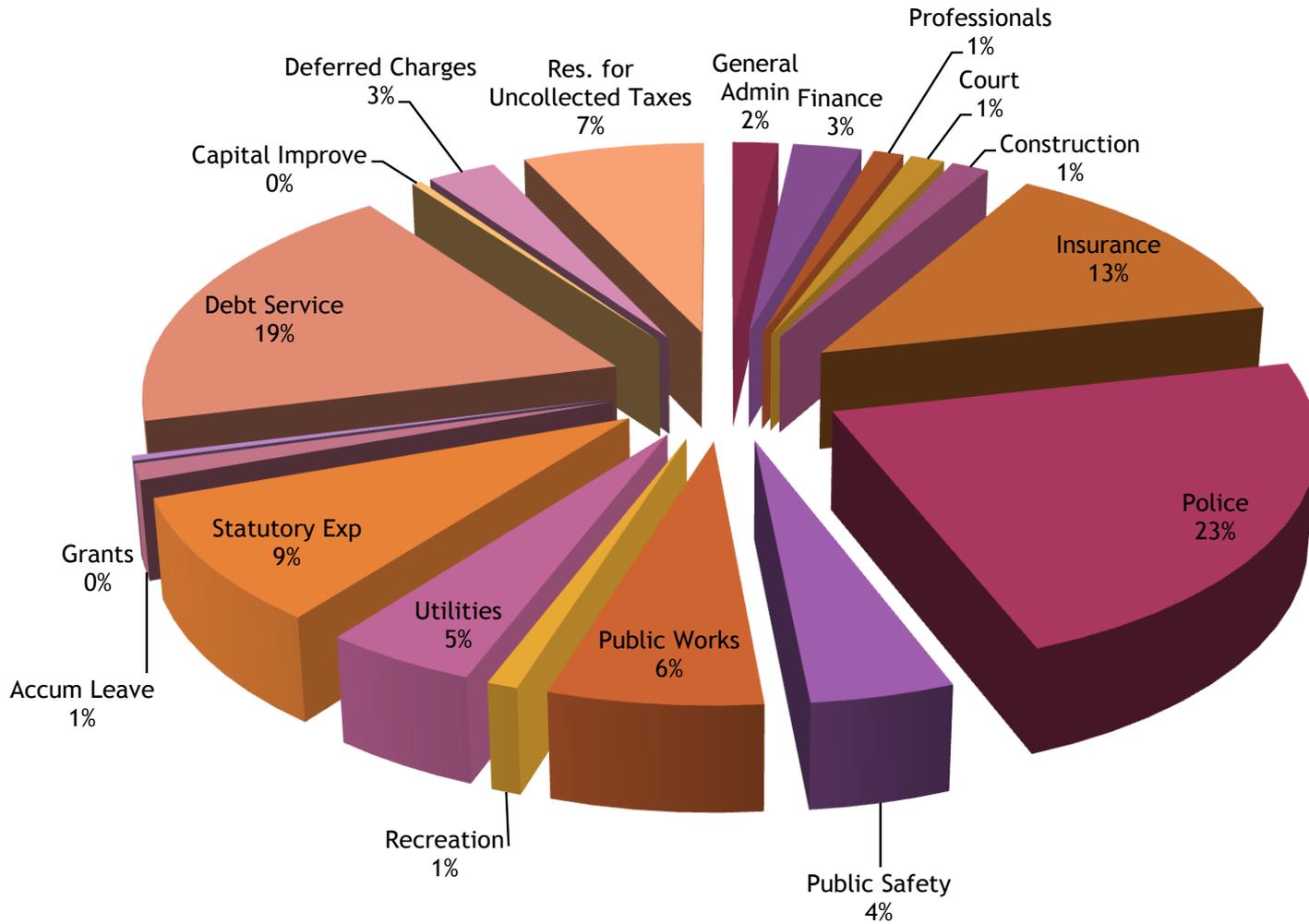


2014P Appropriations

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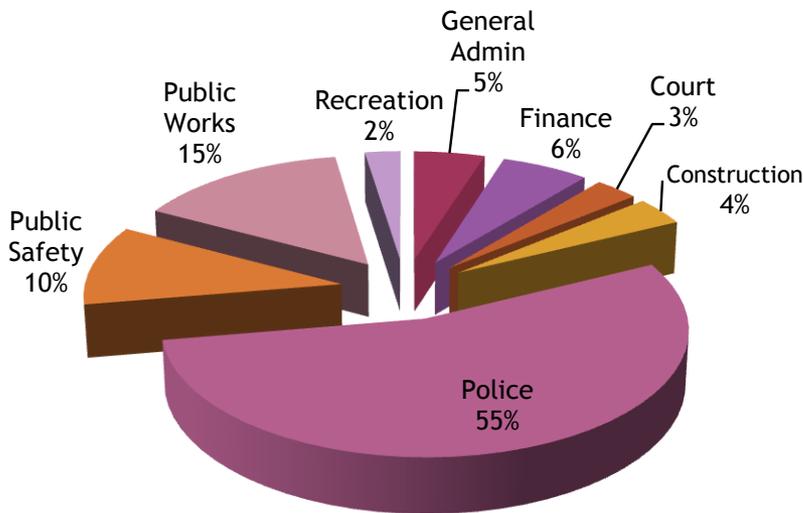


2014 Appropriation Breakdown



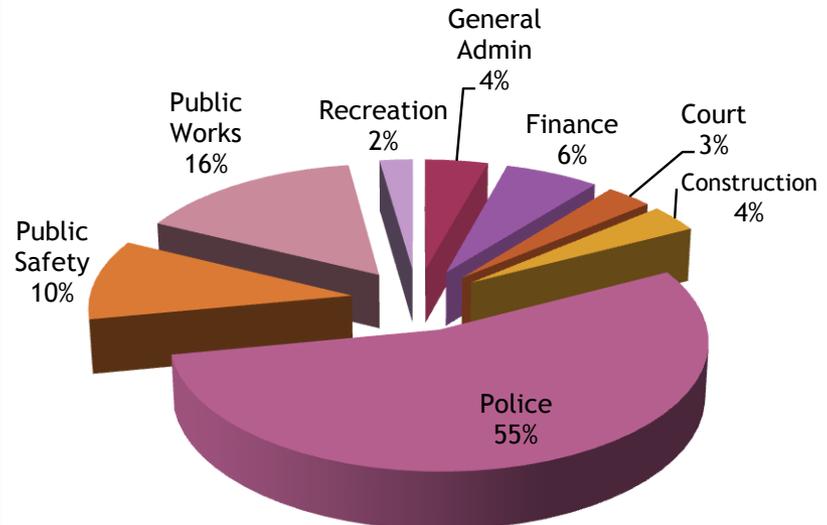
DEPARTMENTAL SPENDS

2013 Departmental Breakdown



\$11,917,783 Total Department

2014 Departmental Breakdown



\$11,877,836 Total Department

WHERE DO YOUR MUNICIPAL TAX DOLLARS GO? 2014



55%: Police

16%: Public Works

10%: Public Safety

6%: Finance

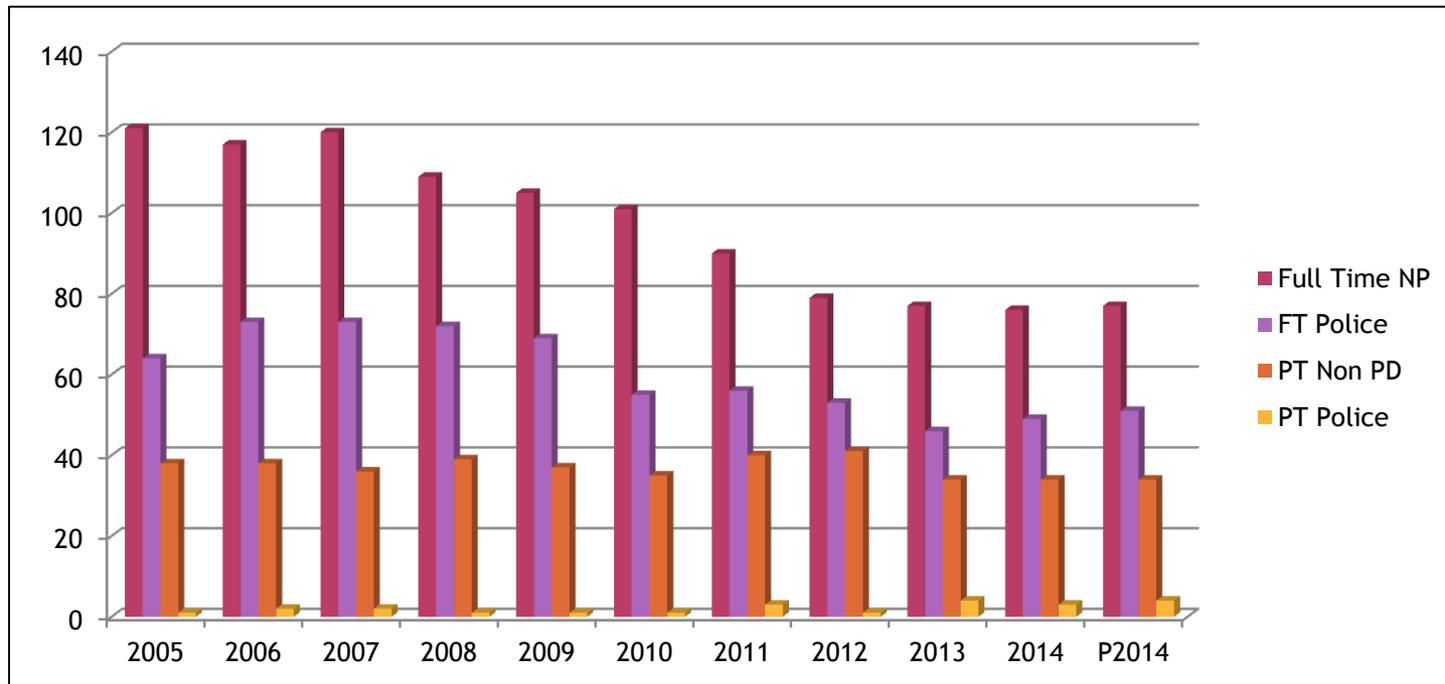
4%: Construction

4%: General Administration

5%: Courts (3%); Recreation (2%)

REDUCTIONS IN FORCE

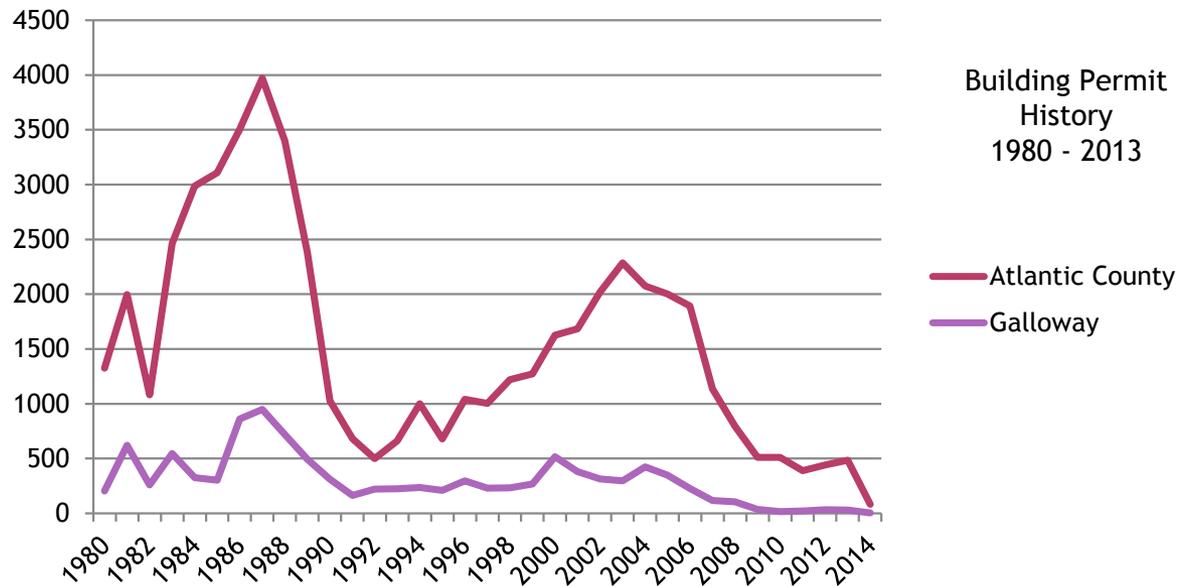
- Galloway Township instituted furloughs in 2010 and through attrition, have achieved a Reduction in Force [RIF] of approximately 30% for all employees since the high employee counts in 2006 - 2007.



WHAT HAS CHANGED FROM 2013? APPROPRIATIONS

- ⦿ Added ONE Police Officer
- ⦿ Added ONE SLEO
- ⦿ Added ONE Dispatcher (replacement)
- ⦿ Added TWO part-time bi-lingual Clerks
- ⦿ Added THREE sessions to Municipal Court
- ⦿ Included Initial Road Program
- ⦿ Included purchase of 7 police vehicles

GOAL: AGGRESSIVELY PURSUE CONSCIENTIOUS DEVELOPMENT (RATABLES)



Building permits have flat lined in Galloway. As a result, there has been declining revenue from Building Permits and the associated inspections.

WRAP-UP

- Galloway lost \$816,967,115 in net assessed valuation
- Appropriation increase of only 1.37%
- 20.3 cent increase (without REASSESSMENT 4 cent increase)
- Adjusted for the 2957 Tax Appeals - the REASSESSMENT current totals are: 7,766 property decreases; 123 properties remain the same (mostly non-assessed); 7,426 property increases