



Goal and Result of the 2008 Budget Process

- ◆ Goal: Keep Municipal Tax Levy Flat

- ◆ Result:
 - Third Consecutive Tax Levy Decrease
 - Levy \$715,439 Below 2005 Level
 - 2005 Municipal Tax Requirement = \$16,722,978
 - 2006 Municipal Tax Requirement = \$16,439,342
 - 2007 Municipal Tax Requirement = \$16,008,560
 - 2008 Municipal Tax Requirement = \$16,007,539



Of 566 NJ Municipalities, Bernards Township has Reduced the Tax Burden for Municipal Services More Than Any Other

| Municipality | County | 2005 Muni. Tax | 2007 Muni. Tax | 2005 vs. 2007 |
|--------------------------|------------|----------------|----------------|---------------|
| Bernards Township | Somerset | \$ 16,722,978 | \$ 16,008,561 | \$ (714,417) |
| Camden City | Camden | \$ 20,445,761 | \$ 20,265,382 | \$ (180,380) |
| Victory Gardens Borough | Morris | \$ 673,100 | \$ 546,048 | \$ (127,052) |
| Roseland Borough | Essex | \$ 8,119,863 | \$ 7,993,259 | \$ (126,604) |
| Millstone Borough | Somerset | \$ 377,763 | \$ 353,277 | \$ (24,486) |
| South Plainfield Borough | Middlesex | \$ 12,800,910 | \$ 12,778,662 | \$ (22,248) |
| Branchville Borough | Sussex | \$ 48,994 | \$ 40,293 | \$ (8,701) |
| Deerfield Township | Cumberland | \$ 19,629 | \$ 18,498 | \$ (1,131) |
| Morristown Town | Morris | \$ 20,670,468 | \$ 20,670,127 | \$ (341) |
| Walpack Township | Sussex | \$ 908 | \$ 794 | \$ (114) |



2005 vs. 2007 Municipal Taxes for Somerset County Towns

| Municipality | County | 2005 Muni. Tax | 2007 Muni. Tax | 2005 vs. 2007 |
|---------------------------|----------|----------------|----------------|---------------|
| Bernards Township | Somerset | \$ 16,722,978 | \$ 16,008,561 | \$ (714,417) |
| Millstone Borough | Somerset | \$ 377,763 | \$ 353,277 | \$ (24,486) |
| Rocky Hill Borough | Somerset | \$ 424,632 | \$ 446,499 | \$ 21,867 |
| Peapack-Gladstone Borough | Somerset | \$ 3,771,000 | \$ 3,910,623 | \$ 139,623 |
| Far Hills Borough | Somerset | \$ 1,319,378 | \$ 1,463,027 | \$ 143,649 |
| South Bound Brook Borough | Somerset | \$ 2,435,046 | \$ 2,613,634 | \$ 178,588 |
| Watchung Borough | Somerset | \$ 7,047,981 | \$ 7,494,578 | \$ 446,596 |
| Bedminster Township | Somerset | \$ 5,327,699 | \$ 6,001,768 | \$ 674,068 |
| Bernardsville Borough | Somerset | \$ 6,600,417 | \$ 7,291,576 | \$ 691,159 |
| Green Brook Township | Somerset | \$ 4,347,660 | \$ 5,062,524 | \$ 714,864 |
| Bound Brook Borough | Somerset | \$ 5,509,140 | \$ 6,393,358 | \$ 884,218 |
| Bridgewater Township | Somerset | \$ 19,547,568 | \$ 20,504,153 | \$ 956,585 |
| Raritan Borough | Somerset | \$ 5,276,394 | \$ 6,252,791 | \$ 976,397 |
| Branchburg Township | Somerset | \$ 6,473,224 | \$ 7,760,458 | \$ 1,287,235 |
| Montgomery Township | Somerset | \$ 9,745,671 | \$ 11,188,506 | \$ 1,442,835 |
| Somerville Borough | Somerset | \$ 7,354,421 | \$ 8,889,630 | \$ 1,535,209 |
| Manville Borough | Somerset | \$ 5,248,442 | \$ 6,860,701 | \$ 1,612,259 |
| Warren Township | Somerset | \$ 8,618,342 | \$ 10,235,756 | \$ 1,617,414 |
| North Plainfield Borough | Somerset | \$ 11,101,687 | \$ 13,066,158 | \$ 1,964,471 |
| Hillsborough Township | Somerset | \$ 14,598,116 | \$ 16,719,435 | \$ 2,121,319 |
| Franklin Township | Somerset | \$ 25,820,920 | \$ 28,026,620 | \$ 2,205,700 |



(\$238,568.00)
Reduction of Already Low NJ “State Aid”

Bernards Township

| <u>Year</u> | | <u>State Aid</u> | <u>Population</u> | <u>Per Capita</u> |
|-------------|----|------------------|-------------------|-------------------|
| 2000 | \$ | 2,404,113 | 24,575 | \$ 97.83 |
| 2008 | \$ | 2,408,717 | 27,806 | \$ 86.63 |

Statewide

| <u>Year</u> | | <u>State Aid</u> | <u>Population</u> | <u>Per Capita</u> |
|-------------|----|------------------|-------------------|-------------------|
| 2008 | \$ | 1,590,616,406 | 8,724,560 | \$ 182.31 |

Rest of Somerset County

| <u>Year</u> | | <u>State Aid</u> | <u>Population</u> | <u>Per Capita</u> |
|-------------|----|------------------|-------------------|-------------------|
| 2008 | \$ | 38,003,954 | 297,046 | \$ 127.94 |



Average Residential Assessment, Municipal Tax Rate and Municipal Tax Bill

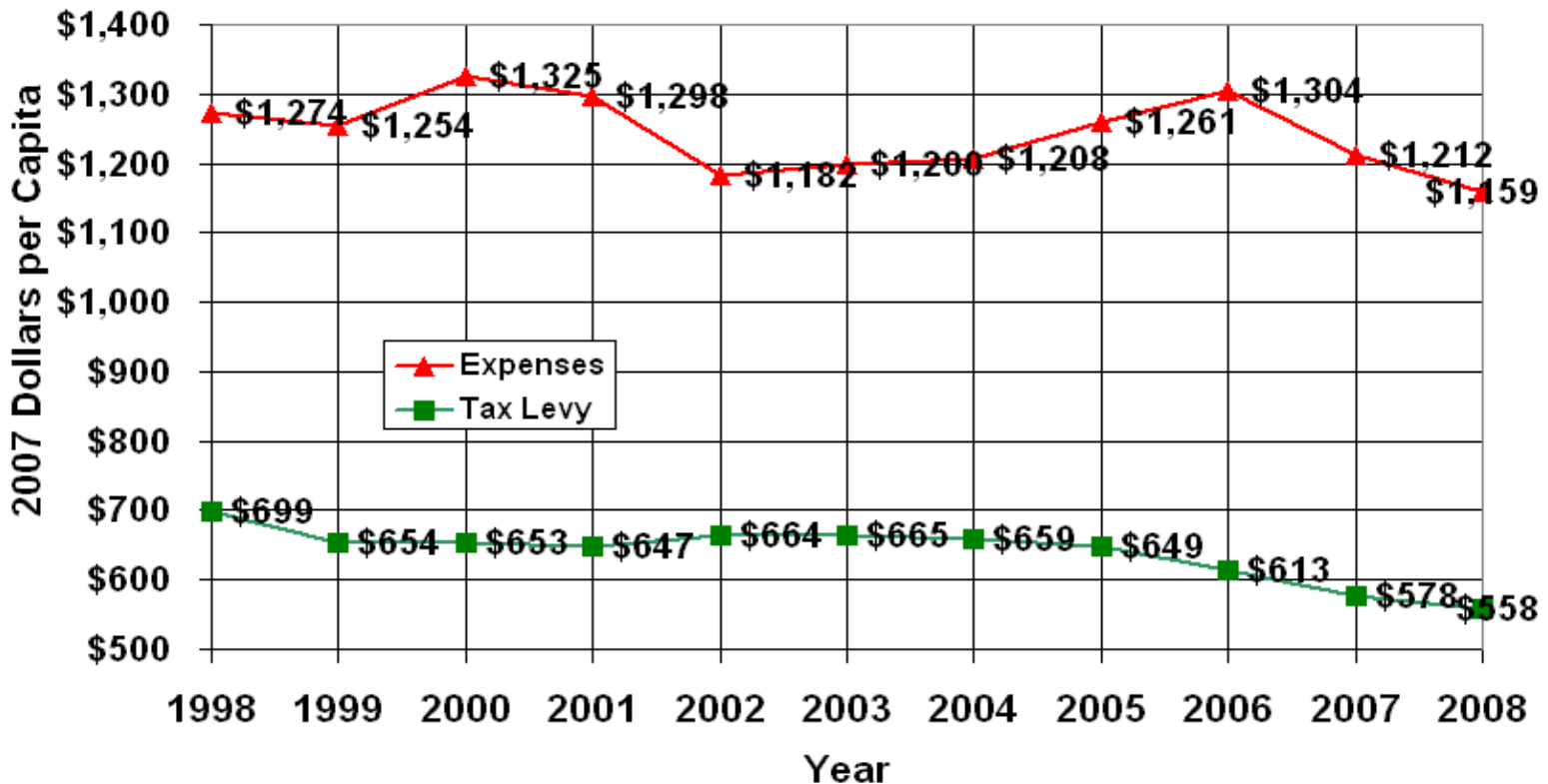
| | <u>2007</u> | <u>2008</u> | <u>% Change</u> |
|--|--------------|--------------|-----------------|
| Average Assessment | \$654,566.00 | \$652,110.00 | - .38% |
| Tax Rate (per \$100) <small>*After County Rounding Estimate (.22403 actual)</small> | \$.226 | \$.225* | - .44% |
| Average Municipal Tax Bill | \$ 1,479.32 | \$ 1,467.25 | - .82% |



Property Tax Levy Per Capita as Adjusted For Inflation At Historic Low

(source: Township Demographer, William Draper)

Municipal Expenses and Tax Levy Per Capita

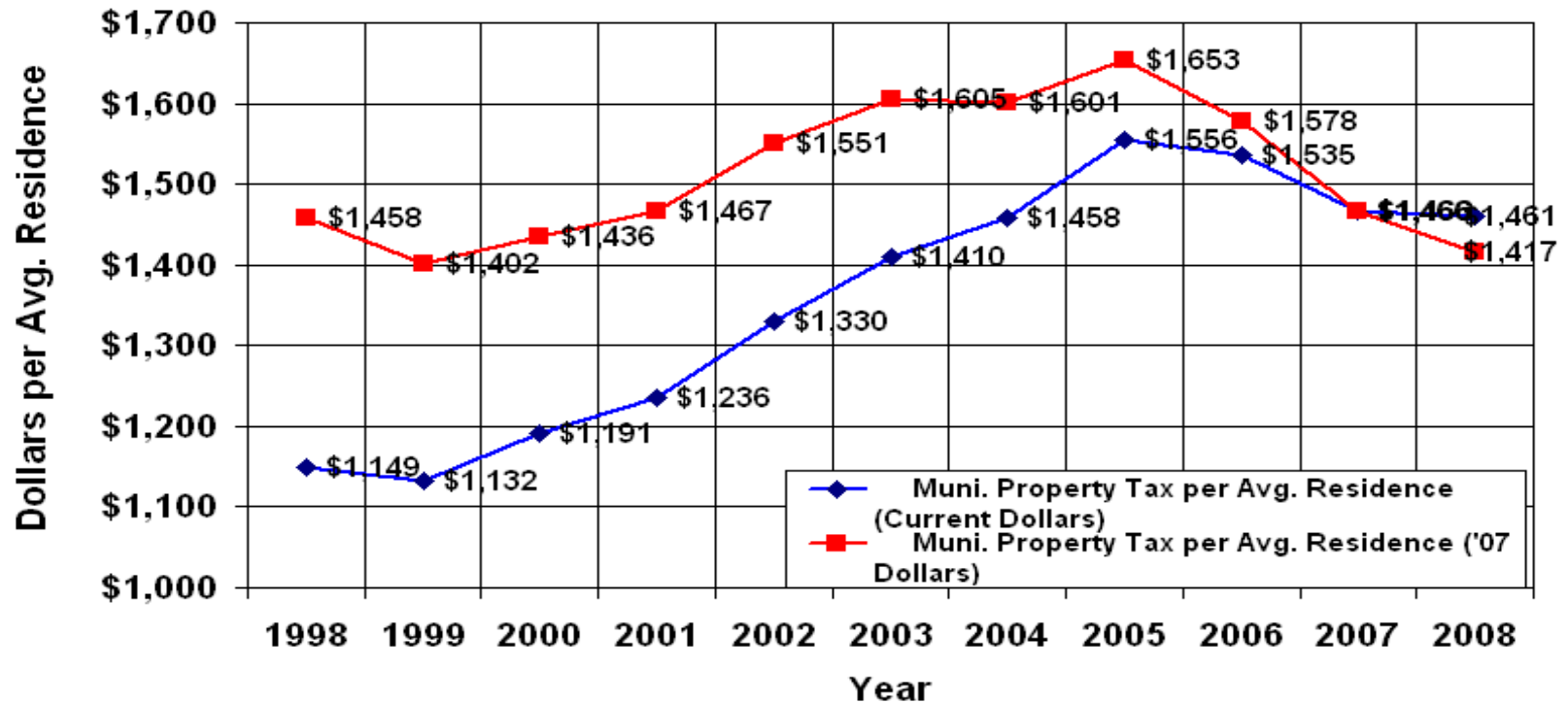




Property Tax Levy Per Average Residence as Adjusted For Inflation

(source: Township Demographer, William Draper)

Municipal Property Tax per Average Residence

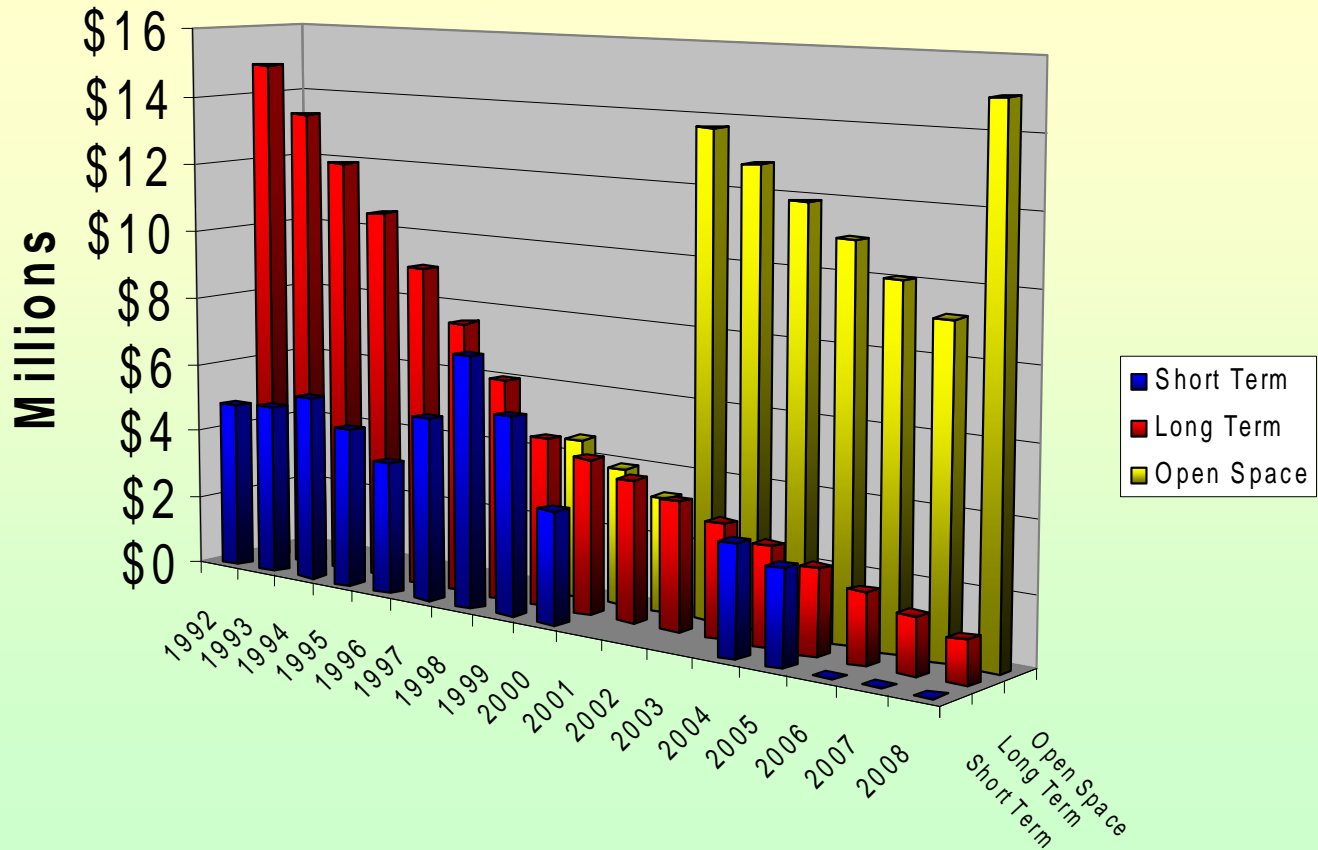


Assessment and Municipal Services Tax Change on Sampling of Unimproved Properties 2005 to 2008

| Property Location | <u>Total Assessments</u> | | | | <u>Tax Rates - Municipal Services (2008 Estimated)</u> | | | |
|--------------------------|--------------------------|-----------|-----------|-----------|--|-------------|-------------|-------------|
| | 2008 | 2007 | 2006 | 2005 | 2008 | 2007 | 2006 | 2005 |
| Potomac Drive | 320,800 | 336,300 | 352,000 | 320,900 | \$ 721.80 | \$ 760.04 | \$ 827.20 | \$ 840.76 |
| % Change: 2005 to 2008 | -0.03% | | | | -14.15% | | | |
| English Place | 337,000 | 346,600 | 365,700 | 307,800 | \$ 758.25 | \$ 783.32 | \$ 859.40 | \$ 806.44 |
| % Change: 2005 to 2008 | 9.49% | | | | -5.98% | | | |
| Roberts Circle | 540,400 | 537,500 | 514,600 | 489,100 | \$ 1,215.90 | \$ 1,214.75 | \$ 1,209.31 | \$ 1,281.44 |
| % Change: 2005 to 2008 | 10.49% | | | | -5.11% | | | |
| Constitution Way | 559,800 | 568,000 | 568,000 | 520,400 | \$ 1,259.55 | \$ 1,283.68 | \$ 1,334.80 | \$ 1,363.45 |
| % Change: 2005 to 2008 | 7.57% | | | | -7.62% | | | |
| Culberson Road | 644,100 | 650,700 | 650,800 | 595,100 | \$ 1,449.23 | \$ 1,470.58 | \$ 1,529.38 | \$ 1,559.16 |
| % Change: 2005 to 2008 | 8.23% | | | | -7.05% | | | |
| Thackeray Drive | 652,900 | 659,500 | 649,500 | 618,100 | \$ 1,469.03 | \$ 1,490.47 | \$ 1,526.33 | \$ 1,619.42 |
| % Change: 2005 to 2008 | 5.63% | | | | -9.29% | | | |
| Dryden Road | 654,300 | 678,300 | 694,500 | 655,700 | \$ 1,472.18 | \$ 1,532.96 | \$ 1,632.08 | \$ 1,717.93 |
| % Change: 2005 to 2008 | -0.21% | | | | -14.31% | | | |
| Riverside Drive | 656,800 | 672,000 | 621,700 | 592,400 | \$ 1,477.80 | \$ 1,518.72 | \$ 1,461.00 | \$ 1,552.09 |
| % Change: 2005 to 2008 | 10.87% | | | | -4.79% | | | |
| Hardscrabble Road | 1,060,100 | 1,032,500 | 1,032,500 | 916,100 | \$ 2,385.23 | \$ 2,333.45 | \$ 2,426.38 | \$ 2,400.18 |
| % Change: 2005 to 2008 | 15.72% | | | | -0.62% | | | |
| Talmadge Lane | 1,076,100 | 1,091,000 | 1,091,100 | 1,008,500 | \$ 2,421.23 | \$ 2,465.66 | \$ 2,564.09 | \$ 2,642.27 |
| % Change: 2005 to 2008 | 6.70% | | | | -8.37% | | | |



Township Will Be General Fund Debt Free in 2011



| Appropriation Category | 2008 Budget | 2007 Budget | Change | +/- % |
|--|-------------------------|-------------------------|------------------------|---------------|
| Police and Fireman's Retirement System | \$ 773,185.00 | \$ 489,873.60 | \$ 283,311.40 | 57.83% |
| Public Safety Functions | \$ 5,395,371.11 | \$ 5,147,416.24 | \$ 247,954.87 | 4.82% |
| Interlocal Dispatch Services | \$ 430,482.13 | \$ 293,285.94 | \$ 137,196.19 | 46.78% |
| Public Employees Retirement System | \$ 293,855.52 | \$ 162,218.22 | \$ 131,637.30 | 81.15% |
| Reserve for Uncollected Taxes | \$ 3,326,570.26 | \$ 3,242,914.19 | \$ 83,656.07 | 2.58% |
| Library | \$ 2,400,805.00 | \$ 2,321,537.00 | \$ 79,268.00 | 3.41% |
| Community Pool | \$ 481,922.91 | \$ 404,896.95 | \$ 77,025.96 | 19.02% |
| Utility Expenses & Bulk Purchases | \$ 673,111.00 | \$ 624,271.60 | \$ 48,839.40 | 7.82% |
| Public Works Functions | \$ 3,540,334.00 | \$ 3,506,268.00 | \$ 34,066.00 | 0.97% |
| Land Use Administration | \$ 388,190.00 | \$ 355,335.00 | \$ 32,855.00 | 9.25% |
| Interlocal Somerset County Curbside Recycling | \$ 231,000.00 | \$ 201,000.00 | \$ 30,000.00 | 14.93% |
| Social Security Taxes | \$ 721,520.00 | \$ 693,440.00 | \$ 28,080.00 | 4.05% |
| Municipal Court | \$ 366,757.39 | \$ 341,129.67 | \$ 25,627.72 | 7.51% |
| Insurance | \$ 2,058,270.00 | \$ 2,034,140.00 | \$ 24,130.00 | 1.19% |
| Interlocal Health Services | \$ 426,084.00 | \$ 406,472.00 | \$ 19,612.00 | 4.82% |
| Health & Human Service Functions | \$ 451,927.00 | \$ 435,934.00 | \$ 15,993.00 | 3.67% |
| Landfill/Solid Waste Disposal Costs | \$ 229,198.00 | \$ 216,321.00 | \$ 12,877.00 | 5.95% |
| Private Contributions | \$ 28,229.58 | \$ 15,461.40 | \$ 12,768.18 | 82.58% |
| General Government | \$ 2,687,597.43 | \$ 2,679,067.00 | \$ 8,530.43 | 0.32% |
| Interlocal Sewerage Authority Service Contract | \$ 310,733.00 | \$ 303,860.00 | \$ 6,873.00 | 2.26% |
| L.O.S.A.P | \$ 72,820.00 | \$ 70,455.00 | \$ 2,365.00 | 3.36% |
| Other Functions & Deferred Charges | \$ 208,847.50 | \$ 212,708.25 | \$ (3,860.75) | -1.82% |
| Parks and Recreation Functions | \$ 1,321,490.00 | \$ 1,331,960.00 | \$ (10,470.00) | -0.79% |
| Code Enforcement | \$ 788,899.09 | \$ 803,575.77 | \$ (14,676.68) | -1.83% |
| State and Federal Grants | \$ 147,705.97 | \$ 324,962.07 | \$ (177,256.10) | -54.55% |
| Capital Improvements | \$ 2,765,795.00 | \$ 3,127,900.00 | \$ (362,105.00) | -11.58% |
| Municipal Debt Service | \$ 554,896.85 | \$ 1,794,862.50 | \$ (1,239,965.65) | -69.08% |
| SUBTOTAL: Appropriations + RFUT | \$ 31,075,597.73 | \$ 31,541,265.40 | \$ (465,667.67) | -1.48% |
| CAP Adjustment Provision | \$ 5,500,000.00 | \$ 5,500,000.00 | \$ - | 0.00% |
| Total Budget | \$ 36,575,597.73 | \$ 37,041,265.40 | \$ (465,667.67) | -1.26% |

| Revenue Category | 2008 Budget | 2007 Budget | Change | +/- % |
|--|------------------|------------------|-------------------|----------|
| Surplus Anticipated | \$ 12,963,207.70 | \$ 12,579,978.99 | \$ 383,228.71 | 3.05% |
| Local Revenues | \$ 2,468,400.00 | \$ 2,435,900.00 | \$ 32,500.00 | 1.33% |
| State Aid Without Offsetting Appropriations | \$ 2,408,717.00 | \$ 2,647,285.00 | \$ (238,568.00) | -9.01% |
| Uniform Construction Code Fees | \$ 500,000.00 | \$ 500,000.00 | \$ - | 0.00% |
| Interlocal Municipal Service Agreements | \$ 1,167,299.13 | \$ 1,003,617.94 | \$ 163,681.19 | 16.31% |
| Public and Private Revenues | \$ 175,935.55 | \$ 335,060.47 | \$ (159,124.92) | -47.49% |
| Other Special Items: | | | | |
| Capital Fund Balance | \$ 18,802.17 | \$ - | \$ 18,802.17 | |
| Open Space Trust Fund - Debt Payments | \$ - | \$ 1,270,862.50 | \$ (1,270,862.50) | -100.00% |
| Reserve for Sale of Municipal Assets | \$ 550,000.00 | | \$ 550,000.00 | |
| Reserve for Payment of Open Space Debt | \$ 55,696.85 | | \$ 55,696.85 | |
| Receipts from Delinquent Taxes | \$ 260,000.00 | \$ 260,000.00 | \$ - | 0.00% |
| Amount to be Raised by Taxation | \$ 16,007,539.33 | \$ 16,008,560.50 | \$ (1,021.17) | -0.01% |
| Total Revenues | \$ 36,575,597.73 | \$ 37,041,265.39 | \$ (465,667.67) | -1.26% |



Highlights

- ◆ \$2.710 million in Volunteer Fire Co. Capital Equipment (incl. 3 new trucks)
- ◆ \$550K in '07 Liquor License Auction used to help fund shared ladder truck
- ◆ \$1.789 million in infrastructure maintenance
- ◆ “Pay as you go” philosophy – only planned debt is AAA rated OS Tax Funded
- ◆ 0 net employees added, 0 service cuts, efficiencies squeezed
- ◆ -\$238.6K reduction in “State Aid” – among lowest in per capita received
- ◆ Largest Municipal Services Tax Reduction in NJ since 2005