

Lower Township Manager's Annual Budget Message 2013 Budget Introduction-February 20, 2013

Council has received a copy of the proposed municipal budget for the year 2013. The total budget is \$25,951,022.76 from \$24,535,193.19 in 2012. Due to several contributing factors there will be a 2.9 cent tax increase. This means a property assessed at \$100,000 will have a \$29 increase for the year or \$7.25 per quarter.

The majority of this budget increase is due to the economy and several sources:

75% of the tax increase is a direct result of an increased amount of unpaid 2012 taxes as well as successful tax appeals that reduced our total assessed valuation by over \$23M. Due to these factors, our tax collection rate decreased from 97.86% in 2011 to 97.21% in 2012. The decreased tax collection rate and revenues affected both our Surplus and the Reserve for Uncollected Taxes:

- Anticipated Surplus decreased by \$440,000.00 [20.77%]
- Reserve for Uncollected Taxes increased by \$384,976.96 [20.83%] -we must pay the County, Schools, and Fire Districts 100% even though we collected 97.21%
- Salary and wages increased by \$222,641.81 [2.31%]-new contracts, will level out over future years

This budget also anticipates increased revenues of:

- Local revenues [7.37%]
- Delinquent tax revenues [6.28%]
- State & Federal Grants (\$600,000 Small Cities grant award)

There has been a tax increase of only one penny since 2009. Council has brought new union contracts into the current economic times in the Township. Our full time employment has been reduced from 144 in 2008 to 129 currently. New negotiated Union Contracts have been reduced substantially to reflect the current economy. Police Officers were starting at \$47,000., with a 7 step guide to reach their top salary. Under the new contract, Police Officer starts at \$33,000., with an 18 step guide before reaching top salary. Public Works employees went from a starting salary of \$42,000. to a new starting salary of \$30,000. Under the new contracts, employees must contribute towards their health insurance coverage.

“These new contracts will reflect a substantial savings in the future years, at the same time providing all the services that the Township currently provides.” An additional Police Officer has been hired to bring our full time sworn officers to 41, with 12 class II officers.

Council has authorized and hired a full time Engineer that will produce a large savings in our engineering cost. The engineer will serve the Planning and Zoning Boards, deal with drainage issues, oversee any and all road and construction projects, meet with new developers to expedite approval process, and to provide inspections on all municipal work.

The Public Hearing is scheduled for April 1st, 2013 at 6pm. A budget summary will be attached and published in the Cape May Star and Wave. Copies will be available on the Township web site as well in the Clerk’s office at Township Hall.

Michael J. Voll, CPM
Lower Township Manager