BUDGET MESSAGE

The 2016 Budget, which is being presented for Council's review, proposes a spending plan of approximately $100.7 million which is $2.8 million more than the 2015 Modified Budget, but within the limits of the State Budget Cap. Additionally, the proposed budget will keep the municipal tax rate flat.

The largest increase as part of the spending plan is $1.4 million for Debt Service to fund past capital projects, especially infrastructure improvements. We will continue to fund these projects in this year's capital budget. The investment in our infrastructure goes hand in hand with the ability to attract commercial ratables.

Another significant increase was in the area of pensions for our police officers for which we are required to appropriate an additional $389,000. This budget also provides funding for an additional police dispatcher, which in the long run will reduce overtime and $100,000 for the online storage of body camera videos. The body cameras were funded in 2015's Capital Budget and a State Grant will be implemented early this year.

Recognizing the increase in private construction, particularly commercial, we are adding a Plumbing Inspector so that Inspections can be completed on a more timely basis.

The increased construction activity is reflected in an increase in ratables of $32.9 million during the past year which also provided $764,000 in added taxes for 2015. In 2016, this growth in ratables will continue as both the new Walmart and a third hotel, Court Yard by Marriott are scheduled for completion.

Turning to revenues, once again the State has informed Hamilton and all municipalities that there will not be any change to the Energy Receipts and COMPTRA, which are distributed to municipalities. For Hamilton State Aid will remain at $19.1 million. By comparison, the city of Trenton receives $48.9 million. Thus the $5 million reduction in this amount which occurred in 2010, will continue; causing a negative impact on our taxpayers. Legislation is pending to gradually restore these revenues. However, the only sure way to guarantee their return and provide property tax relief is by adopting a Constitutional Amendment as I have proposed. If the amendment were in place today, there would be a decrease in our tax levy of $5 million.

Uniform Construction Code Fees have increased by approximately $172,500; further evidence the economy is beginning to rebound as construction activity has increased for the first time in five years.

This Budget appropriates $5.7 million in surplus, as compared to $3.2 million in 2015. This will leave a balance in our surplus account of approximately $2.5 million, which is slightly less than 2.5 percent of our total Budget.

Turning to the Sewer Utility budget, there is a reduction in appropriations of $568,000. The reduction results from reduced expenditures for Bond interest and having completed the payments for the shared Sludge Drying Facility in 2015.

The rates for residential and commercial sewer service will remain the same as in 2015.