

BUDGET MESSAGE

The 2017 Budget proposes a spending plan which will continue and improve upon the services our residents have come to expect while at the same time maintaining taxes at the 2016 rate. Thus, there will be no increase in the municipal tax rate as a result of this Budget. The Budget that we are proposing sets spending at \$101.8 million, an increase of approximately \$1.1 million over last year and represents an increase of 1%, only half of the amount allowed under the Municipal Budget cap. Although the total amount of taxes collected to support this Budget will increase by approximately \$700,000, the rate will not increase since our total property valuations have grown by almost \$45 million and now stand at \$8.5 billion.

The most significant increase in the proposed Budget is for debt service which is used to pay for the capital projects that have been funded in prior years. This year, we will be permanently financing a large portion of our outstanding debt and thus we will begin to pay down principal on that debt. Although the numbers will not be finalized until the bonds are sold later this spring, we are projecting that our debt service will increase by \$1,865,000. It should be noted that the Township's total debt of which \$99.3 million is well within the amounts allowed by law of \$257.7 million. We are also seeing a significant increase in the costs for

collecting and disposing of our solid waste of \$500,000. Utilities are also projected to increase by \$100,000.

The Budget, for the first time, includes the cost for traffic light maintenance of \$20,000. In the past, the Mercer County Traffic Maintenance unit has serviced all municipal traffic lights throughout the County, although we have reimbursed the County for the costs of materials. The County will no longer be providing this service, effective July 1, 2017 and therefore we have added \$20,000 to our Budget for a contract that will be bid later this year.

There are also two major decreases in the Budget. We have had a very good snow season and therefore we have been able to cut \$400,000 from our projected costs in Public Works for snow removal. In addition, our health insurance costs are down by \$2.7 million. This is the result of employee contributions to their healthcare costs which was mandated by State statute Chapter 78, requiring all employees to contribute to their portion of healthcare costs.

The Tax Collector's office has undergone a reorganization which has reduced their overall costs by \$42,000 and allow for the transfer of an employee to the Finance office where additional support was needed.

The Budget is also proposing three additional full-time positions and several part-time positions. Effective this year, the State has implemented a bail reform

program which has necessitated additional staffing for the Municipal Court and an additional part-time Public Defender and a part-time Prosecutor. As a result of the continued construction activity in Hamilton, we are proposing to add a full-time plumbing inspector to the Uniform Construction Code Division. Workload has also increased for the Engineer's office, as a result of the many capital projects that must be undertaken and we are therefore proposing another position of an Assistant Engineer.

The Public Works Department is proposing a reorganization, eliminating one mechanic in the motor vehicle maintenance garage and adding an electrician in the Division of Buildings and Grounds.

On the revenue side of the Budget, based on amounts received in 2016 we are anticipating additional revenues of \$200,000 from interest and costs on tax payments. We are also anticipating, again based on last's year's revenues, an increase in the UCC fees of \$500,000. In 2016, there was new construction of approximately \$40,000,000 which provided increased revenues through various construction permits.

The Township's fund balance (surplus) remains strong, more than \$8 million, allowing for the anticipation of \$4.5 million as revenue.

This year's Capital Budget of approximately \$8.2 million reflects the need to maintain our infrastructure which is essential to continuing the services our residents have come to expect. It is also an important element in attracting new business to our township. We are proposing improvements to our park system of approximately \$1.2 million which will be offset by a \$500,000 matching grant from Mercer County. Among the improvements to be funded are the repaving of six tennis courts and the lighting of two additional soccer fields at Veterans Park.

This Budget provides funding for the reconstruction/overlay of 24 Township roads at cost of \$3.6 million to be offset by a State grant of \$275,000 for the repairs to Whitehorse-Hamilton Square Road. The roads are selected for repair based on a rating system in which all Township streets are evaluated and rated on a scale of 0 to 100, 100 being a newly paved street. The roadways scheduled for repair this year fall within the rating range to 41 to 45.

The proposed spending plan for the Sewer Utility is \$17.9 million represents an increase of \$544,000. Our staffing level will remain the same funding increases as a result of an increase in debt service of approximately \$900,000 since we will be permanently financing outstanding debt from prior years for sewer capital projects.

Also similar to the Current Fund Budget there is a decrease of approximately \$200,000 on employee health benefits as employees' contributions are offsetting the Township's costs.

The Sewer Utility Capital Budget of approximately \$5.8 million represents our continued commitment to ensuring that the sewer plant and collection system will meet State permitting standards.

I thank the Council for the opportunity to present our proposed spending plan for 2017 and along with all of my Administration look forward to working with you to finalize these budgets.