

SHREWSBURY



Borough Council - Finance Committee

Welcome to the 2019 Borough Budget Workshop

Mayor, Council, and Shrewsbury Residents

March 16th & 18th, 2019

Finance Committee

**Don Eddy - Chairman, Deidre DerAsadourian, and Brendan Gilmartin
Shrewsbury Borough Council**

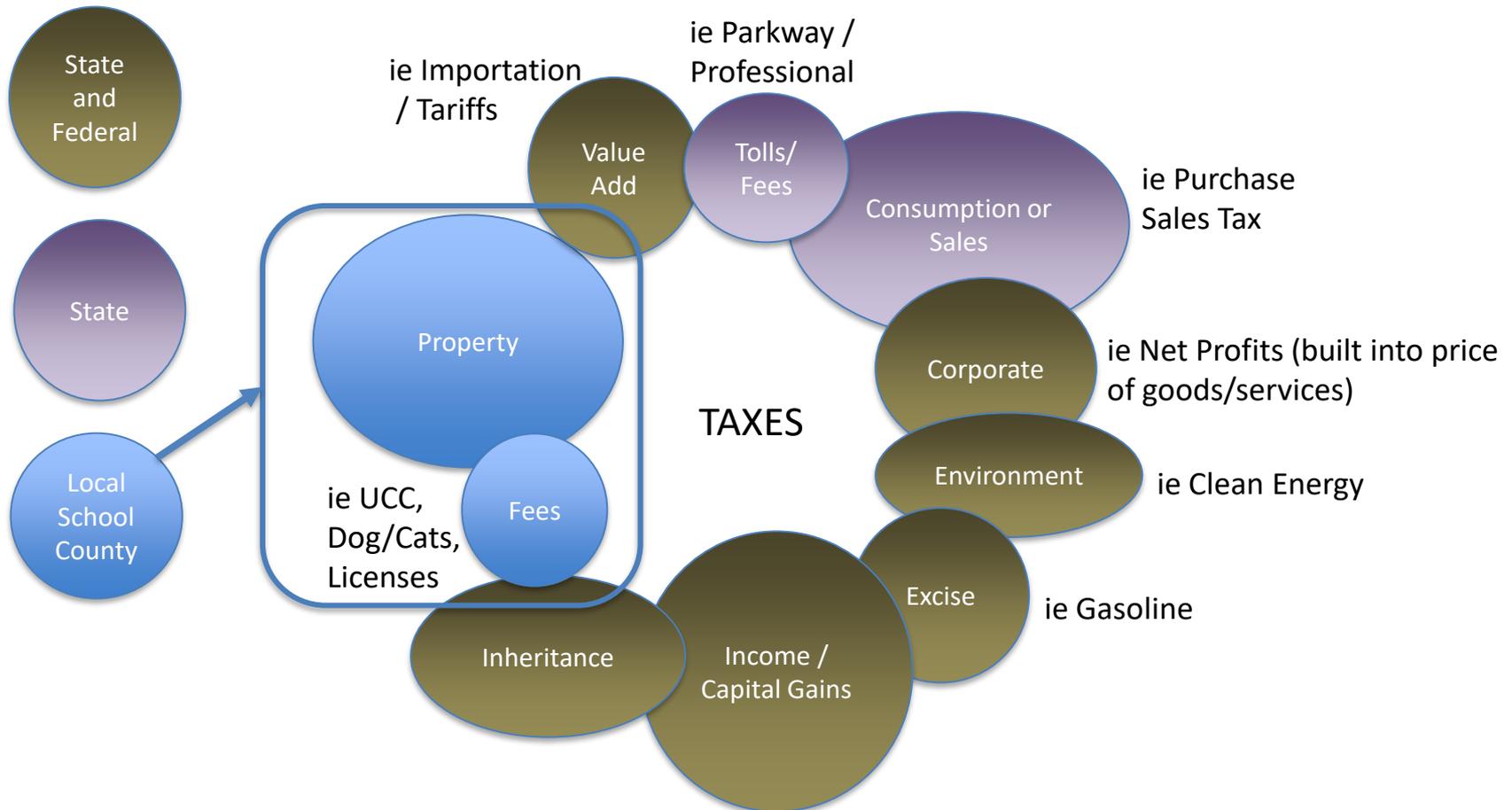
SHREWSBURY



Borough Council - Finance Committee

Basic Concepts

Who Collects Taxes



SHREWSBURY



Borough Council – Finance Committee

Property Tax – Monmouth County Only (ADP)

Assessed value of you Home/Real Estate is used to determine your share of the taxes that need to be raised for: School(s), County, Municipal, and Open Space Taxes. Total market rate assessed value of the properties in the Tax Region are used to determine Cents/\$100 known as a tax rate. That tax rate is then applied to the value of your property to determine your tax.

DESCRIPTION	RATE PER \$100	AMOUNT OF TAX	ASSESSED PROPERTY GROUP
COUNTY TAX	0.250	1,453.50	ALL MONMOUTH COUNTY
LIBRARY TAX	0.018	104.65	LIBRARY DISTRICTS
DISTRICT SCHOOL TAX	0.716	4,162.82	SHREWSBURY ONLY
REGIONAL SCHOOL TAX	0.497	2,889.56	SHREWSBURY, RB & LS
LOCAL MUNICIPAL TAX	0.632	3,674.45	SHREWSBURY ONLY
CNTY OPEN SPACE	0.028	162.79	ALL MONMOUTH COUNTY
MUNI OPEN SPACE	0.010	58.14	SHREWSBURY ONLY
YOUR PROPERTY ASSESSED VALUE:		581,400	/100
PROPERTY VALUE /\$100:		5,814	↩

How do Property Values Affect Taxes:

- Each Tax has a geographic group of property
- Each Tax Entity has an established budget to be raised by taxes
- To get the TAX RATE PER \$100, you divide the budget by the total assessed property value in the group and multiply by 100 to get TAX Rate/\$100 of assessed value
- That rate/\$100 is multiplied by YOUR Assessed Property Value/\$100 to get your portion of the TAX.

EXAMPLE (TAX RATE)

2018 ANTICIPATED TOTAL SHREWSBURY BUDGET:	9,524,233.00
2018 SHREWSBURY BUDGET TO BE RAISED BY TAXES:	7,389,696.18
2018 TOTAL ASSESSED PROPERTY IN SHREWSBURY:	1,169,255,724.68
TAX RATE is $(7,389,696.18 / 1,169,255,724.68) * 100 =$	0.632

ADP Why It is Good - Property Taxes

Net goals: reduce appeals – eliminate complicated equalization efforts done at the County and State levels - make taxes fair across Shrewsbury and the Whole County – make property taxes understandable.

- Annual Reassessments: Ensure that everyone is paying their fair share of taxes (meaning not less and not more than they should) by annually revising every assessment up or down to 100% of current market value. Fairer Tax Distribution (In the old system it could be as long as 10 years of over/under paying if the person didn't make and win an appeal.)
- 5-Year Internal Data Collection Program: Increase the frequency of property data collection/verification so taxpayers aren't unfairly left paying less or more than they should be for a decade or more.
- Remove Fractional Assessments: Improve the TRANSPARENCY of the tax process for taxpayers by doing away with the confusing fractional assessments of the old model. The old system had Chapter 123 which was based on a ratio system which provided a difficult process for the home owner to understand how they were actually assessed – ADP provides a market rate that allows the home owner to compare with other tools like "Zillow".
- Assessment Accuracy: Reduce the need for costly appeals that cost the appealing property owner and the municipality time and money by getting the assessment right the first time.
- The Assessor can legally make adjustments every year without a Tax Appeal: In the old system the taxpayer and municipal government had to engage the costly appeal system to make changes.
- Appeals are over before the budget process is completed: Reduces risk in close budgeting, provided predictability year over year. And under the ADP program appeals are down over 90%.

2019 Borough Budget Objectives

- Balance the service needs of the Community with the cost, budget constraints, and the effect of the Borough Tax Rate.
- Review all Operating Expense line items for all Departments and ensure need – work through Council Committee structure.
- Submit a 2019 Borough Budget that reflects the minimum amount of tax needed to sufficiently operate the Borough.
- Minimize any property tax increases as much as possible (aim for decreases).
- Continue to explore Shared Services where it is beneficial to Shrewsbury.
- Modernize the Borough for better services and cost for those services.

2019 Borough Budget Process

- Individual Borough Committees meet with their departments in November to discuss department needs, roll recommendations and budget requests to Finance Committee by early December 2018.
- Preliminary Budget is prepared for Finance based on initial requests by CFO.
- December 18th, 2018 Finance Committee meets with all Departments to review requested expenditures and ensure need and impact to delivered services to the Taxpayers of Shrewsbury.
- Preliminary Budget is prepared for Finance Committee after department meetings based on closing out the 2018 budget and review of actual expenditures.
- Each department is asked for long term Capital Improvement forecast to develop an accurate Debt program for the Borough.
- Budget is adjusted by CFO for final recommendations based on finance meetings and Finance Committee recommendations.
- Final preliminary budget is developed for review at the budget workshop – March 16th.

The Overall 2019 Budget and Anticipated Taxes

Includes:

Shrewsbury Borough School
Red Bank Regional High School
Shrewsbury Borough

Monmouth County (also includes Library/Health)

SHREWSBURY



Borough Council – Finance Committee

Anticipated 2019 Total Tax Bill and Trends

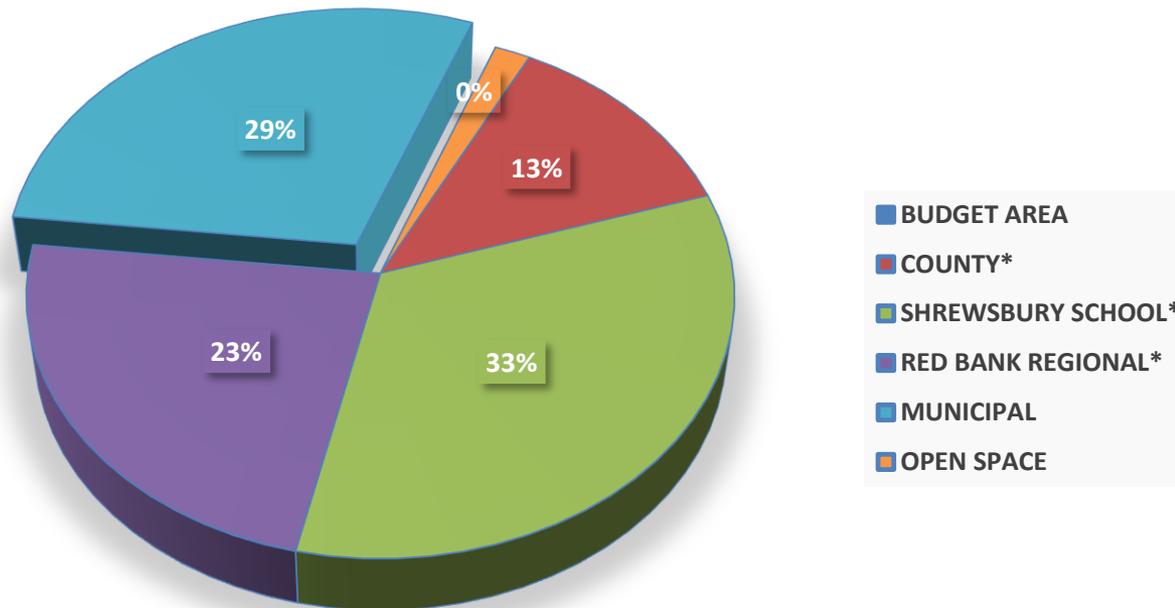
All Taxing Authorities (Dollars)

<u>BUDGET AREA</u>	<u>Actual</u>	<u>Proposed</u>	<u>Increase Y/Y</u>	
	<u>2018</u>	<u>2019</u>	<u>Amount (\$)</u>	<u>(%)</u>
COUNTY*	3,139,190.23	3,170,582.13	31,391.90	1.00%
SHREWSBURY SCHOOL*	8,371,801.00	8,539,237.02	167,436.02	2.00%
RED BANK REGIONAL*	5,808,823.00	5,924,999.46	116,176.46	2.00%
MUNICIPAL	7,392,918.01	7,390,146.90	(2,771.11)	-0.04%
OPEN SPACE	<u>443,146.61</u>	<u>447,578.08</u>	<u>4,431.47</u>	<u>1.00%</u>
	25,155,878.85	25,472,543.58	316,664.73	1.26%

Municipal Increase for 2019 factors pension increase ↑\$52K , Municipal waste increase of ↑\$83, decrease of ↓\$93K in salaries, ↓\$64K in debt service, ↓\$61K in health care expenses and other smaller changes result in a decrease of ↓\$3K for the overall budget. The 2019 Budget result in a decrease of taxes year over year.

*Pure estimates at the 2% CAP – additional guidance will need to be provided by Each Board of Education when they complete their budgets. County budget won't get approved until April/May. School budgets will be summertime.

Composition of Total Taxes – Est. 2019



Estimated – actuals will depend on final County and School budgets. Municipal portion is down from 29.4% in 2018 to 29.04% in 2019 on estimated of the total Property Tax bill.

High Level – for more
information talk with
Frank Neary or Randy
Mendelson and your
state representative

School Funding

- + School Budget (determined by School Board)
- State Aid (determined by New Jersey School funding formula)*
- = Net Budget to be Raised by Property Tax (NBTBRBT)

NBTBRBT is allocated to the municipalities the district covers:

Shrewsbury all funded by Shrewsbury Residents

RBR funded by Shrewsbury, Red Bank, and Little Silver**

* State funding program is based on ability to pay – progressive formula including many factors.

** Allocation formula is current influenced by the State via the State Funding Formula. Result is Shrewsbury Residents pay a higher portion of the RBR budget than Red Bank and Little Silver. Shrewsbury Borough Council has NO jurisdiction for any School Budgets or BOE – we can only advocate for our residents.



Trending Revaluation Impact

(Vacant Land, Residential, Farms, Commercial, Utilities)

<u>Property Type</u>	<u>2018 Actual</u>	<u>2019 Estimated</u>	<u>2018-19 Percent +/-</u>	<u>Percent of Assessment</u>	<u>2016 Actual</u>	<u>2016-19 Percent +/-</u>
Residential	795,060,500	808,288,500	1.66%	68.07%	745,165,300	8.47%
Commercial	361,883,700	369,920,000	2.22%	31.15%	365,694,500	1.16%
Vacant Land	10,320,500	6,992,900	-32.24%	0.59%	5,628,000	24.25%
Farm	1,161,500	1,175,500	1.21%	0.10%	1,126,800	4.32%
Utilities	<u>1,120,813</u>	<u>1,120,813</u>	<u>0.00%</u>	<u>0.09%</u>	<u>1,113,711</u>	<u>0.64%</u>
	1,169,547,013	1,187,497,713	1.53%	100.00%	1,118,728,311	6.15%

Commercial is down due to redevelopment of several large commercial properties. Reduction is done at the state level once demolition starts and before re-evaluation once occupancy is granted. We will start seeing commercial properties increasing now that Shoprite is open and other construction projects underway get completed.

SHREWSBURY



Borough Council – Finance Committee

Overall Revaluation Impact

(Vacant Land, Residential, Farms, Commercial, Utilities)

<u>Category</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019*</u>	<u>% Chg</u> <u>'18 to</u> <u>'19</u>	<u>%chg '15</u> <u>to '19</u>
Borough Tax Rate (Cents/\$100)	\$0.62	\$0.63	\$0.64	\$0.63	\$0.62	-1.59%	0.00%
Overall Tax Rate (Cents/\$100)	\$2.18	\$2.11	\$2.11	\$2.12	\$2.15	1.18%	-1.61%
Implied Total Tax Obligation (Mil)*	\$23.22	\$23.22	\$24.54	\$25.16	\$25.47	1.23%	9.69%

*Estimated for non-Borough Budgets – we are assuming 2% CAP for schools, but we have no guidance for either School Board. County looks like they might be at 1% increase which would reduce the tax.

SHREWSBURY



Preliminary 2019 Budget

Borough Council - Finance Committee

The 2019 Borough Budget Only

Excludes Schools, County, Open Space

5 Year Revenue Outlook

- **Economy remains “good” – seems to be steady to up**
 - Appeals are down – residential and commercial across Monmouth County
 - Commercial – Ft. Monmouth redevelopment efforts are mixed.
 - Shrewsbury is working hard to redevelop commercial properties before Ft. Monmouth gets in full re-development.
 - Construction for UCC and other fees (revenue) should remain constant to up, but are forecasted to drop in 2020 by up to 50%, but are forecasted to cover the cost of running the construction office.
- **New Development projects outlook – New/Increased Rateables**
 - Shrewsbury Manor redevelopment - Capital Seniors should be opening in April.
 - Approved Development of Catelli Brothers in construction Assisted Living Place – open 2020.
 - Shoprite opens in record time in Nov 2018.
 - QuickChek in construction Gas/Mini Market open – summer/fall 2019.
 - Shadowbrook Expansion/Site Development to start in 2019.
 - Potential for new development on Newman Springs road (unclear).
 - Active working to redevelop vacant/under utilized commercial properties (ongoing).

SHREWSBURY



Preliminary 2019 Budget

Borough Council - Finance Committee

Actions from 2018 Budget Workshop

- Check Shrewsbury Borough General Tax Rate with surrounding Boroughs. Shrewsbury Tax Rate is inline with surrounding Boroughs.

DISTRICT	2015	2016	2017	2018	2018	2018	2018
	GENERAL TAX RATE	GENERAL TAX RATE	GENERAL TAX RATE	GENERAL TAX RATE	RESIDENTIAL ASSESSED VALUE	RESIDENTIAL LINES	AVERAGE VALUE
LITTLE SILVER BORO	2.009	1.984	2.008	1.998	\$1,555,782,800	2,344	\$663,730
MIDDLETOWN TWP	2.136	2.131	2.124	2.167	\$9,501,529,900	22,513	\$422,046
OCEANPORT BORO	2.074	2.143	2.157	1.789	\$1,123,186,400	2,030	\$553,294
RED BANK BORO	2.033	2.107	2.110	2.187	\$124,009,300	3,386	\$366,231
SHREWSBURY BORO	2.176	2.110	2.136	2.151	\$795,060,500	1,440	\$552,125
TINTON FALLS BORO	2.007	2.032	1.987	1.937	\$2,292,710,400	6,672	\$343,632

- Red Bank Regional Tax Rate is Higher for Shrewsbury when compared to Little Silver and Red Bank.

SHREWSBURY



Preliminary 2019 Budget

Borough Council – Finance Committee

Red Bank Regional Sending Districts

Real Estate measurements are healthy – additionally we are inline with Red Bank and Little Silver

	Red Bank		Shrewsbury		Little Silver	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Closed Sales**:	185 Sales	117 Sales	68 Sales	79 Sales	119 Sales	124 Sales
Lowest Sale:	\$80,000	\$130,000	\$242,000	\$150,150	\$301,350	\$259,000
Highest Sale:	\$990,000	\$3,150,000	\$1,350,000	\$1,560,000	\$2,200,000	\$2,600,000
Median Price:	\$348,000	\$445,106	\$503,875	\$548,763	\$600,000	\$676,901
Average Days on Market*:	50 Days	52 Days	58 Days	60 Days	56 Days	64 Days

* Monmouth County 2018 Average Days on Market was 67 Days

** Range of Measurement 1/1/18 to 12/31/2018

Data Obtained from Monmouth-Ocean MLS

RBR School Tax Rate Inequality – Legislative Fix Needed on School Funding Formula

Met with Sen. O’Scanlon
 Met with Asblymn Houghtaling - ongoing
 Met with Asblywmn Downey - ongoing
 Met with Sen. Gopal – ongoing
 Met with RBR BOE and Red Bank and Little Silver BOE/Council representatives

Budgeting

- Philosophy of 10% budget reduction on non-salary/benefits portion of budget.
 - Focus on line item reductions where possible - ongoing
 - Maintain level of service to our residents with fiscal prudence
 - Forecast and plan for major items that impact the budget
 - Health care (down in 2019)
 - Capital budget (flat in 2019)
 - Salary and expenses (down in 2019)
 - Debt service (still servicing old debt, but restricted to reduce payments)

SHREWSBURY



Preliminary 2019 Budget

Borough Council - Finance Committee

Proposed Budget 2019 – All Items

Major Expense Categories

<u>Operating Expenses</u>	Y/Y Growth	Proposed 2019 <u>Budget</u>	2018 <u>Budget</u>
Salary & Wages	-2.34%	3,672,000.00	3,760,097.00
Group Health Insurance & Disability	-4.11%	1,320,145.00	1,376,735.39
Pension, Social Security and Statutory	6.53%	901,958.00	846,663.53
Operating Expenses	6.48%	649,487.00	609,986.47
Total Salaries and Benefits	-0.76%	6,543,590.00	6,593,482.39
Debt Service	-4.99%	1,214,792.50	1,278,608.75
Utilities and Landfill	11.27%	790,000.00	710,000.00
Reserve for Uncollected Taxes	6.55%	407,541.82	382,506.50
Shared Services	0.00%	10,000.00	10,000.00
Capital Improvements	40.00%	70,000.00	50,000.00
Private and Public Programs	15.67%	172,213.69	148,886.54
Other Expenses	-11.78%	313,531.58	355,415.37
Total Non-Operating Expenses	1.45%	2,978,079.59	2,935,417.16
Total Budget	-0.08%	9,521,669.59	9,528,899.55

SHREWSBURY



Preliminary 2019 Budget

Borough Council – Finance Committee

Major Changes to Budget

Revenues	Revenue Increase
Interest on Investment and Deposits	1,000.00
Uniform Construction Code Fees	20,000.00
GRANT CHANGES	15,455.69
Uniform Fire Safety	1,500.00
Receipts for Delinquent Taxes	10,000.00
Total Revenue Increases	47,955.69
Revenues	Revenue Decrease
Surplus Anticipated	20,000.00
Fees and Permits	5,000.00
Fines and Costs:Municipal court	20,000.00
Interest and Costs on Taxes	13,000.00
Total Revenue Decreases	58,000.00
Net Revenue Increase/(Decrease)	-10,044.31

Appropriations	Appropriation Increase
Other Expenses main points	
Solid Waste Collection 43,000.00	
Landfill Costs 40,000.00	
Various increases /dec 21,795.00	104,795.00
PFRS -Police Pension	58,163.00
NJDES Stormwater	3,150.00
Grants CHANGES	17,741.69
CIF	20,000.00
RESERVE FOR UNCOLLECTED TAXES	25,035.32
Net Appropriation Increase to Budget	228,885.01
Appropriations	Appropriation Decrease
Health	61,590.39
Salaries	93,097.00
Prior Year Bill	3,221.83
PERS -pension	6,868.53
LOSAP	4,600.00
DEBT SERVICE	63,816.25
Deferred Charges	8,506.43
Net Appropriation Decrease to Budget	241,700.43
Net Appropriation Increase/(Decrease) to Budget	-12,815.42
TOTAL TAX INCREASE/(DECREASE)	-2,771.11

SHREWSBURY



Preliminary 2019 Budget

Borough Council – Finance Committee

Top Operating (OE) Items – Ex Salary, Pension, and Debt

<u>Operating Expense Line</u>	<u>2019 Budget</u>	<u>% of OE</u>	<u>Running Percentage</u>
Employee Group Insurance	1,025,000	35.54%	35.54%
Solid Waste Collection Contratual	208,000	7.21%	42.75%
Landfill/Solid Waste Dispsal Costs	200,000	6.93%	49.69%
Police Department	165,310	5.73%	55.42%
Workers Compensation Insurance	157,645	5.47%	60.88%
Other Insurance	125,000	4.33%	65.22%
Fire Hydrant Service	100,000	3.47%	68.69%
Legal Services (Legal Department)	85,000	2.95%	71.63%
Electricity	70,000	2.43%	74.06%
Building and Grounds	56,260	1.95%	76.01%
Recreation Services and Programs	53,700	1.86%	77.87%
Engineering Services	50,000	1.73%	79.61%
Street Lighting	48,000	1.66%	81.27%
Gasoline	45,000	1.56%	82.83%
LOSAP	41,400	1.44%	84.27%
Top 15 Operating Expense Items	2,430,315	84.27%	84.27%
All Other Operating Expense Items	453,775	15.73%	15.73%
Total Operating Expense Items	2,884,090	100.00%	100.00%

SHREWSBURY



Preliminary 2019 Budget

Borough Council - Finance Committee

2019 Revenue Budget

	Anticipated <u>2019</u>	Anticipated <u>2018</u>	Realized in <u>2018</u>	<u>Growth</u>	<u>% change</u>
Surplus Anticipated	810,000.00	830,000.00	830,000.00	-20,000	-2.41%
Licenses	474,000.00	511,000.00	492,562.30	-37,000	-7.24%
Alcoholic Beverages	5,000	5,000	5,172	0	0.00%
Other	36,000	36,000	36,873	0	0.00%
Fees and Permits	110,000	115,000	110,497	-5,000	-4.35%
Fines and Costs:Municipal court	165,000	185,000	169,789	-20,000	-10.81%
Interest and Costs on Taxes	32,000	45,000	34,948	-13,000	-28.89%
Interest on Investments and Deposits	16,000	15,000	18,613	1,000	6.67%
Cable Franchise Fee	70,000	70,000	74,229	0	0.00%
Mobile Tower Fee	40,000	40,000	42,440	0	0.00%
State Aid	381,641	381,641	381,641	0	0.00%
Uniform Construction Code Fees	210,000	190,000	287,347	20,000	10.53%
Shared Services - Shrewsbury Township	10,000	10,000	10,000	0	0.00%
Grants	78,382	57,341	57,341	21,041	36.70%
Special Items of revenue	72,500	71,000	87,507	1,500	2.11%
Miscellaneous Revenues	1,226,523	1,220,982	1,316,398	5,541	0.45%
Receipts from Delinquent Taxes	95,000	85,000	110,160	10,000	11.76%
Subtotal General Revenues	2,131,523	2,135,982	2,256,558	-4,459	-0.21%
6.Amount to be Raised by Taxes	7,390,147	7,392,918	7,621,296	-2,771	-0.04%
Total General Revenues	9,521,670	9,528,900	9,877,854	-7,230	-0.08%

SHREWSBURY



Preliminary 2019 Budget

Borough Council - Finance Committee

Projected Borough Tax

Home Valuation	Estimated		Estimated
	2019 Municipal	2018 Municipal	Municipal Dollar Increase
100,000.00	622.33	632.12	-9.79
125,000.00	777.91	790.15	-12.24
150,000.00	933.49	948.18	-14.68
175,000.00	1,089.08	1,106.21	-17.13
200,000.00	1,244.66	1,264.24	-19.58
250,000.00	1,555.82	1,580.30	-24.47
300,000.00	1,866.99	1,896.35	-29.37
350,000.00	2,178.15	2,212.41	-34.26
400,000.00	2,489.32	2,528.47	-39.15
450,000.00	2,800.48	2,844.53	-44.05
500,000.00	3,111.65	3,160.59	-48.94
550,000.00	3,422.81	3,476.65	-53.84
600,000.00	3,733.98	3,792.71	-58.73
650,000.00	4,045.14	4,108.77	-63.63
700,000.00	4,356.31	4,424.83	-68.52
750,000.00	4,667.47	4,740.89	-73.42
800,000.00	4,978.63	5,056.94	-78.31
850,000.00	5,289.80	5,373.00	-83.20
900,000.00	5,600.96	5,689.06	-88.10
950,000.00	5,912.13	6,005.12	-92.99
1,000,000.00	6,223.29	6,321.18	-97.89

Average Assessed Home Value in Shrewsbury is \$552,125 →

SHREWSBURY



Preliminary 2019 Budget

Borough Council - Finance Committee

Borough Tax History

	TAXES TO BE RAISED	Total Net Increase	Value of 1 Cent Tax	Actual Cent Increase	Total Assessed Valuation	% Increase
2000	3,578,044.00	220,159.74	42,563.62	5.17	425,636,223	6.56%
2001	3,925,189.00	347,145.00	44,093.86	7.87	440,938,567	9.70%
2002	4,226,481.30	301,292.30	45,187.41	6.67	451,874,073	7.68%
2003	4,431,440.63	204,959.33	78,676.33	2.61	786,763,315	4.85% Revaluation
2004	4,740,636.53	309,195.90	79,198.77	3.90	791,987,690	6.98%
2005	5,064,001.72	323,365.19	79,133.25	4.09	791,332,531	6.82%
2006	5,405,764.34	341,762.62	79,625.44	4.29	796,254,400	6.75%
2007	5,763,338.91	357,574.57	80,742.34	4.43	807,423,411	6.61%
2008	6,052,972.72	289,633.81 *	81,213.86	3.57	812,138,583	5.03%
2009	6,062,972.72	10,000.00	81,367.93	0.12	813,679,312	0.17%
2010	6,268,019.26	205,046.54 *	80,816.66	2.54	808,166,606	3.38%
2011	6,268,019.26	0.00 *	79,158.75	0.00	791,587,495	0.00%
2012	6,393,226.78	125,207.52 *	79,026.83	1.58	790,268,280	2.00%
2013	6,393,226.78	0.00 *	100,142.37	0.00	1,001,423,693	0.00% Revaluation
2014	6,553,387.00	160,160.22	100,360.12	1.60	1,003,601,221	2.51% ADP
2015	6,634,309.29	80,922.29	106,733.31	0.76	1,067,333,117	1.23% ADP
2016	7,137,179.20	502,869.91	111,776.27	4.50	1,117,762,711	7.58% ADP
2017	7,280,243.65	143,064.45	114,916.19	1.24	1,149,161,895	2.00% ADP
2018	7,392,918.01	112,674.36	116,954.70	0.96	1,169,547,013	1.55% ADP
2019**	7,390,146.90	-2,771.11	118,749.77	-0.02	1,187,497,713	-0.04% ADP
	Range	Avg Increase	Avg Cent Inc	% Avg Increase		
10 years	2000-2009	299,454.27	4.27	6.11%		
10 years	2010-2019	133,994.53	1.32	2.02%		

* Year School Tax Deferral was used to balance budget

** Estimated

Managing the Future Needs of the Borough

Key Management Objectives

- Managing Debt (and additional Debt)
- Managing Health Care Expenses
- Manage a long Term Capital Program
- Minimizing Operating Expenses

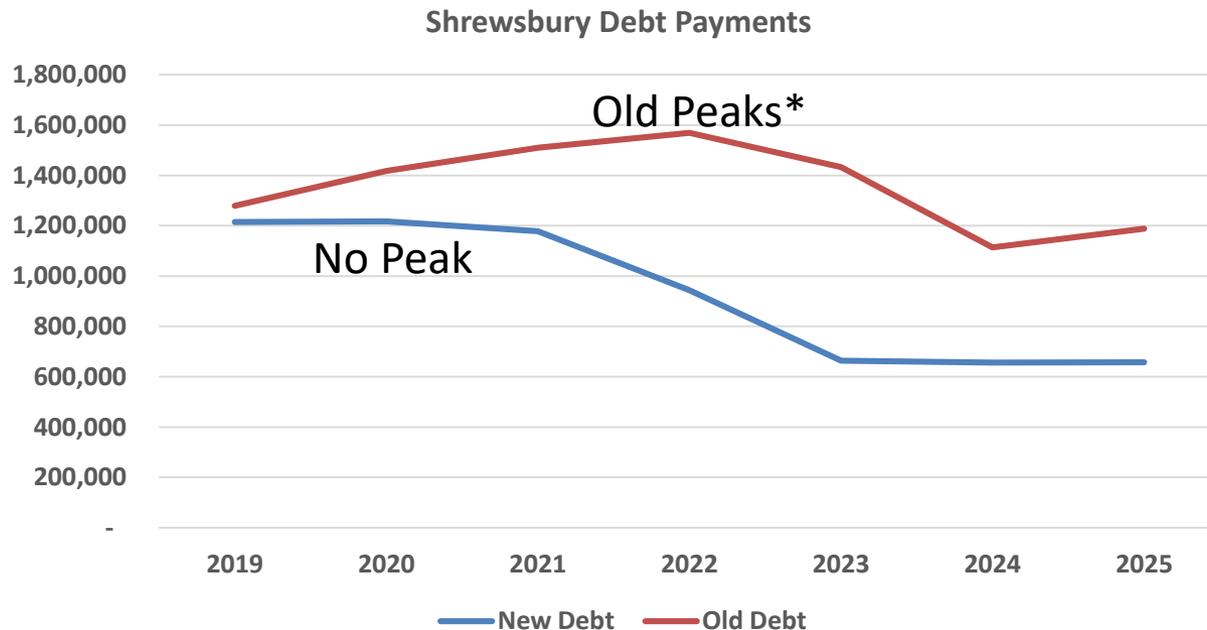
Future Planning Initiatives

- Hold the line on Operating Expenses
- Identify, implement, and invest in productivity enhancing management practices and equipment.
- Consider Outsourcing Opportunities
- Consider and evaluate Shared Services with other Borough and the County (starting to build success – Street Sweeper, Jet Truck, Hot Box, Courts)
- Prepare the community for what lies ahead with greater transparency and communication.

Develop Long Term Capital Program

- Manage the Capital Investment Programs of the Departments
- Spread investments over a period of time to reduce peaks in debt service
- Ensure investments are least cost option:
 - Pay off existing assets and sweat them while they are serviceable
 - Manage cost of maintenance v. replacement
 - Investigate outsourcing of tasks
- Continually investigate share assets with neighboring boroughs
- Forecast Capital Program on a rolling 5 year view (10 years for Streets) with long term 25 year plan

Debt service forecast through 2025



- Worked on a long term debt instrument to even out Fire House/Municipal complex peak. Peak is still there, but the BAN no longer exacerbates the problem.
- Moved BANI roads and fire truck to Long Term Debt Instrument and balanced out payment for long term reasonable payments (no balloon).

SHREWSBURY



Managing Future Needs

Borough Council - Finance Committee

Capital Program 3 Year Projection

PROJECT TITLE	PROJECT NUMBER	ESTIMATED TOTAL COST	ESTIMATED COMPLETION TIME	FUNDING AMOUNTS PER BUDGET YEAR		
				2019	2020	2021
Police Equipment	1	85,000.00	2019-21	45,000.00	10,000.00	30,000.00
Fire Equipment	2	84,000.00	2019-21	48,000.00	18,000.00	18,000.00
Acquisition of DPW Equipment/Vehicles	3	162,000.00	2019	162,000.00		
Improvement to Roads	4	450,000.00	2019	450,000.00		
Improvement to DPW Buildings and Parking	5	100,000.00	2020		100,000.00	
Dump Truck with Plow and Spreader	6	150,000.00	2020		150,000.00	
Improvement to Roads	7	1,000,000.00	2020		500,000.00	500,000.00
Improvements to Municipal Complex	8	20,000.00	2019	20,000.00		
		2,051,000.00		725,000.00	778,000.00	548,000.00

* Future Years are for visibility – full cost benefit needs analysis needs to be completed before scheduled in current year budget.

SHREWSBURY



Managing Future Needs

Borough Council - Finance Committee

5 Year Road Plan (Projection)

Borough of Shrewsbury Road Program					2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
CENTERLINE MILEAGE	ROAD CENTERLINE LENGTH (FT)	CONDITION RATING	ESTIMATED IMPROVEMENT COST		1	2	3	4	5	6	7	8	9	10
OBRE PL.	0.371	1960	49	\$ 413,520	\$ 413,520									
EAST END AVE.	0.273	1440	50	\$ 228,802	\$ 228,802									
COURT DR.	0.192	1016	51	\$ 127,087	\$ 127,087									
MONROE AVE.	0.197	1040	52	\$ 320,128	*2018*									
DORCHESTER WA	0.652	3445	56	\$ 551,786		\$ 369,697	\$ 182,089							
NORTH MONROE	0.091	480	59	\$ 48,805	*2018*									
OLD FARM ROAD	0.077	405	60.5	\$ 94,546			\$ 94,546							
ALLEN ST.	0.102	540	62	\$ 71,075				\$ 71,075						
PARK AVE.	0.298	1575	62	\$ 448,911			\$ 448,911							
QUEEN ANN DR.	0.203	1070	64.5	\$ 114,009				\$ 114,009						
REGENT DRIVE	0.190	1005	65.5	\$ 141,525		\$ 141,525								
CREST DR.	0.180	950	66.5	\$ 210,665			\$ 210,665							
PATTERSON CT.	0.150	790	66.5	\$ 78,138				\$ 78,138						
THOMAS AVE.	0.175	925	66.5	\$ -				\$ 129,442						
SAMARA DR.	0.352	1860	67	\$ 365,121						\$ 365,121				
GARDEN RD.	0.483	2550	67.5	\$ 211,166					\$ 211,166					
NORTH PARK AV	0.197	1040	69	\$ 237,461			\$ 237,461							
SHADOWBROOK	0.184	970	69	\$ 99,336				\$ 99,336						
GLORNEY ST	0.063	330	69.5	\$ 64,531				\$ 64,531						
BUTTONWOOD C	0.373	1970	71	\$ 292,145							\$ 292,145			
SILVERBROOK RE	0.496	2620	72	\$ -									\$ 500,599	
BEECHWOOD DR	0.514	2713	72.5	\$ 284,256										\$ 284,256
BRADY ROAD	0.211	1115	73	\$ 174,654								\$ 174,654		
WILLIAMSBURG	0.527	2780	74.5	\$ -										
WHITE STREET	0.530	2800	75.5	\$ -						\$ 399,798				
7.081			TOTAL PROJECT COSTS		\$ 769,410	\$ 511,222	\$ 514,097	\$ 659,577	\$ 556,531	\$ 610,964	\$ 365,121	\$ 466,799	\$ 500,599	\$ 284,256
			Funding From Grants		\$ 350,000				\$ 75,000	\$ 250,000			\$ 250,000	
			FUNDING FROM TAXES		\$ 419,410	\$ 511,222	\$ 514,097	\$ 659,577	\$ 481,531	\$ 360,964	\$ 365,121	\$ 466,799	\$ 250,599	\$ 284,256

NOTE: Council works to maximize use of Grants to reduce our cost of Road Projects – which often requires acceleration or delay in road project associated with availability of grants (we constantly monitor available grants). This is balanced with the safety needs of the Borough and Residents regarding timing of the projects.

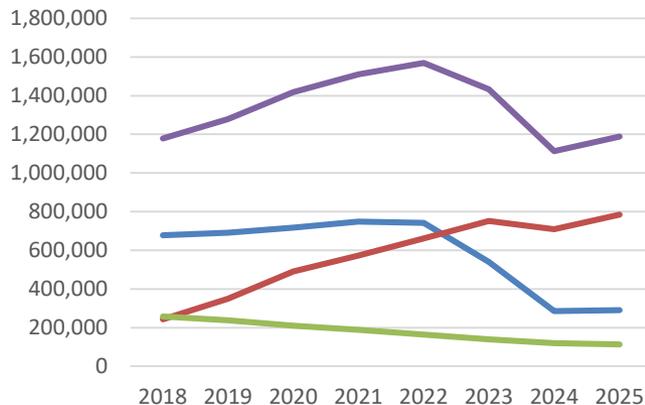


Future Expenses – High on Radar

Health Care Expense

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Active Health	\$680,749	\$714,787	\$750,526	\$788,052	\$827,455	\$868,828	\$912,269	\$957,883
Retires Health	\$480,522	\$610,503	\$613,151	\$714,065	\$805,383	\$864,713	\$907,949	\$953,347
Dental, Vision, Life, Medicare	<u>\$154,079</u>	<u>\$160,141</u>	<u>\$162,852</u>	<u>\$166,613</u>	<u>\$170,625</u>	<u>\$174,490</u>	<u>\$177,607</u>	<u>\$180,379</u>
Total	\$1,315,350	\$1,485,430	\$1,526,529	\$1,668,730	\$1,803,463	\$1,908,031	\$1,997,826	\$2,091,609
	\$1,025,000	Expected in 2019						

Assumptions: Model built in 2017 - have been able to manage cost in 2018 and 2019
 10 Additional Retires over the next 10 years
 5% increase on average for Health Care Premiums



Debt Budget - Fixed

- Get over the “Peak” with as little impact to taxes as possible
- Manage debt burden to reasonable Levels going forward
- Maintain a 25year Debt/Capital Plan – forecast when we can afford to purchase -> Hold the line on Must/Required purchases verse Want to Have
- Tie purchases to services delivered and/or cost avoidance
- Manage Road Improvements to avoid complete rebuilds – and tie spending to Federal/State/County Grants

SHREWSBURY



Borough Council - Finance Committee

Q & A

SHREWSBURY



Borough Council - Finance Committee

Thank You!