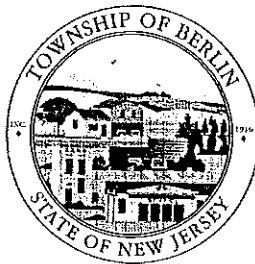


CHRISTOPHER T. MORRIS
Council President

PHYLLIS MAGAZZU
Mayor

Council Members
MARION BODANZA
FRANK EPIFANIO
JEROME McINTOSH



CATHERINE UNDERWOOD
Township Clerk

1437

TOWNSHIP OF BERLIN

MUNICIPAL BUILDING

135 Route 73 South
West Berlin, NJ 08091
Phone (856) 767-1854

Date: 3/16/15

To: Residents of Berlin Township

From: Lori Campisano, CFO

RE: CY 2015 (1/1/15 – 12/31/15) Budget – Introduction 3/9/15 with Public Hearing on 4/13/15

Attached please find a condensed copy of the CY 2015 Budget (pages 4 through 19 of this document) that was introduced on 3/9/15. The CY 2015 will be advertised and a public hearing is scheduled on 4/13/15.

The CY 2015 budget is presented with a 2.05% tax increase. It is also important to note that this budget falls well below all State cap laws for tax levy and appropriations. Various analysis and comparisons are presented for your review, some in accordance with the requirements of the State's **Best Practices Checklist**. Again, as for the last several years, the Township is pleased to inform you that **based on our score on the Checklist that Berlin Township did receive 100% of our State Aid in our last year ended CY 2014.**

If adopted, taxes for the average homeowner will increase from \$1,901.12 in CY 2014 to \$1,940.26 in CY 2015 or \$39.14 per year (\$3.26 per month). The increase is attributed to an increase in the Amount to be Raised by Taxes or Municipal Tax Levy totaling approximately \$167,900.00, which is the net result of an increase in revenues anticipated and appropriations, a detail of which is provided for your review.

The largest area of increase in Revenues is attributed to an item of revenue titled "Surplus" or Fund Balance. This line item of revenue increased \$200,000.00. The additional surplus amount is being used to offset an additional \$300,000.00 being budgeted in the Capital Improvement Fund which will assist in the financing of a planned General Capital Bond Ordinance. The Ordinance will be used to fund various capital

improvements the Township requires to properly maintain its vehicles, equipment, as well as roads and drainage. The last General Capital Bond Ordinance adopted by the Township was over three years ago in December 2011. When anticipating surplus, conservatism is important to ensure that sufficient surplus is available to help support the budgets of 2016 and future years. It is also important to maintain surplus at certain levels, as the Township is constantly being evaluated, and graded by credit rating agencies such as Moody's and S & P.

As far as spending, the budget as presented has been reduced from departmental requests. Provided is an analysis of the increases and decreases in appropriations, which includes a detail and brief reasons for the variances by major budget category. Without considering the Capital Improvement Fund, as mentioned in the previous paragraph, or Grants, the total budget has increased approximately \$208,000.00 or 2.2%, with the largest increase in the insurance category. Insurance costs have increased even though, in accordance with Best Practices guidelines, the Township is currently a member of the State Health Benefits program, and is part of a joint insurance fund for liability and workers compensation insurance. Positively, included in the group insurance budget line item is a credit which is expected to be received from employees for their share of health benefits which totals approximately \$170,000.00. As far as other major budget categories, the analysis of the CY 2015 budget by function provided in this packet details that Police Salaries and Other Expenses comprise the largest percentage or 18.04% of the CY 2015 budget, while Public Works/Engineering/Solid Waste functions comprise 13.16% of the total. Other miscellaneous expenses for the Police Department increased due to the leasing of an additional police vehicle. While other miscellaneous expenses for the Public Works Department increased due to additional funds being budgeted for street patch, signs, and roof replacement of the gazebo at the Luke Avenue Recreation Complex.

As mentioned previously, the **Tax Levy**, in the introduced budget, which totals approximately \$6,398,000.00 falls approximately \$ 288,400.00 below the maximum or cap permitted to be raised according the State Law. This does not include "banked cap" from prior years totaling approximately \$346,000.00 which also could have been used. **The budget is also under the original 1977 appropriations 3.5% cap by approximately \$431,000.00.**

The CY 2015 budget that was introduced may be adopted. As far as appropriations are concerned, it the Township's opinion, that it wouldn't be responsible to reduce anything further. As far as revenues are concerned, it is the Township's opinion that it also wouldn't be responsible to use any more surplus than what is being proposed. **In making budget decisions, the Township must always consider several factors such as the uncertainty of the economy and the fact that the State has significantly cut our Aid in the past, which led to devastating lay offs that occurred in our Police and Public Works Departments. Our State Aid currently stands at \$1.287 million.** This "Aid" is technically not even aid, but is an Energy Receipts Tax imposed on utilities within municipal borders instituted years ago to offset property taxes

for residents within municipalities. However the State, at its discretion, can reduce this Aid at any time.

As mentioned previously, another factor to consider is the opinions of the credit rating companies such as Moody's and S & P. Ratings issued by these companies have a direct effect on the interest rate the Township receives when borrowing. With their constant scrutiny of municipal financial condition, especially the use of surplus, it is important to remain fiscally responsible and as conservative as possible.

Lastly, please remember that this CY 2015 budget, as well as with every budget, your governing body has done its best, when weighing the amount to be raised by taxes against the need to provide essential services to you, the resident.

CURRENT FUND - ANTICIPATED REVENUES

	ANTICIPATED CY 2015	CY 2014	REALIZED IN CASH CY 2014
1) Surplus Anticipated	1,150,000.00	950,000.00	950,000.00

3) MISCELLANEOUS REVENUES
(SECTION A: LOCAL REVENUES)

Licenses:			
Alcoholic Beverages	4,200.00	4,200.00	4,266.00
Other	53,100.00	52,100.00	53,127.00
Fees & Permits	33,700.00	29,100.00	43,745.00
Fines & Costs:			
Municipal Court	162,800.00	167,300.00	162,876.57
Interest and Costs on Taxes	50,000.00	33,000.00	80,690.19
Interest on Investments and Deposits	2,700.00	2,200.00	2,760.09
Franchise Taxes - Cable TV	69,000.00	65,000.00	69,456.54
Total Section A: Local Revenues	375,500.00	352,900.00	416,921.39

(SECTION B: STATE AID WITHOUT

OFFSETTING APPROPRIATIONS)

Energy Receipts Tax 09-202 1,287,847.00 1,287,847.00 1,287,847.00

Total Section B: State Aid Without Offsetting Appropriations 1,287,847.00 1,287,847.00 1,287,847.00

(SECTION C: DEDICATED UNIFORM CONSTRUCTION CODE FEES)

Uniform Construction Code Fees 08-160 127,000.00 110,000.00 152,381.00

Total Section C: Dedicated Uniform Construction Code Fees 127,000.00 110,000.00 152,381.00

(SECTION F: SPECIAL ITEMS OF GENERAL REVENUE ANTICIPATED WITH PRIOR CONSENT OF DIRECTOR- PUBLIC AND PRIVATE REVENUES OFFSET WITH APPROPRIATIONS)

Drunk Driving Enforcement Fund	10-745	7,094.96	7,094.96	7,094.96
Clean Communities Program	10-770	10,958.27	10,958.27	10,958.27
Obey the Signs or Pay the Fines Grant	10-729			
Body Armor Replacement Grant	10-755	1,933.97	1,933.97	1,933.97
Click It or Ticket Grant	10-733			
Community Development Block Grant - Hill Avenue Year 35	10-735			
- Hill Avenue Year 36	10-735	21,000.00	21,000.00	21,000.00
- SC Building Roof - Year 35 Supplemental	10-735	11,760.00	11,760.00	11,760.00
Drive Sober or Get Pulled Over	10-736	7,500.00	7,500.00	7,500.00
Camden County Recreation Enhancement Grant - Round 12 Luke Bandshell	10-738			
- Round 12 - Spruce Courts	10-738			
- Round 14A - Dog Park	10-738	25,000.00	25,000.00	25,000.00
HOME Investment Partnership Program	10-726			
Smooth Operator Grant	10-724			
Over the Limit Under Arrest Grant	10-725			
NJ Transportation Trust Fund - Municipal Aid Program - Edgewood Avenue	10-865			

Total Section F: Special Items of
General Revenue With Prior Consent

-	85,247.20	85,247.20
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(SECTION G: SPECIAL ITEMS OF
GENERAL REVENUE ANTICIPATED
WITH PRIOR CONSENT OF DIRECTOR-
OTHER SPECIAL ITEMS)

Utility Surplus of Prior Year

08-116		
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Reserve for Developers Contribution

08-163	-	-
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Reserve for Developers Contribution -
Walmart - Kelley Drive Stormwater
Basin

08-165	150,000.00	150,000.00
		0.00

Total Section G: Special Items of
General Revenue With Prior Consent
Other Special Items

150,000.00	150,000.00	0.00
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TOTAL MISCELLANEOUS REVENUES

1,940,347.00	1,985,994.20	1,942,396.59
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4) RECEIPTS FROM DELINQUENT TAXES

350,000.00	250,000.00	290,712.68
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5) SUBTOTAL GENERAL REVENUES
(ITEMS 1,2,3, AND 4)

3,440,347.00	3,185,994.20	3,183,109.27
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6) AMOUNT TO BE RAISED BY TAXES

07-190	6,397,858.11	6,229,921.64
		6,689,881.02

10) TOTAL GENERAL REVENUES

	9,838,205.11	9,415,915.84
		9,872,990.29

CURRENT FUND - APPROPRIATIONS

8) GENERAL APPROPRIATIONS
(A) OPERATIONS - WITHIN CAPS

GENERAL GOVERNMENT

	CY 2015	CY 2014	EMERGENCY	TOTAL CY 2014 AS MODIFIED BY TRANSFERS	PAID OR CHARGED CY 2014	RESERVED
Mayor & Council						
Salaries & Wages	57,400.00	56,300.00		56,300.00	56,202.64	97.36
Other Expenses	29,100.00	28,700.00		25,700.00	18,531.36	7,168.64
Township Clerk						
Salaries & Wages	94,400.00	87,700.00		87,700.00	87,563.18	136.82
Other Expenses	37,300.00	36,600.00		38,600.00	34,291.03	4,308.97
Financial Administration						
Salaries & Wages	99,800.00	97,900.00		97,900.00	97,165.81	734.19
Other Expenses	13,400.00	13,200.00		14,200.00	13,974.37	225.63
Audit Services						
Other Expenses	35,700.00	35,000.00		35,000.00	35,000.00	0.00
Revenue Administration						
Salaries & Wages	72,800.00	86,700.00		86,700.00	86,676.98	23.02
Other Expenses	17,500.00	17,200.00		17,700.00	16,315.55	1,384.45
Tax Assessment Administration						
Salaries & Wages	20,000.00	31,200.00		27,200.00	25,148.34	2,051.66
Other Expenses	5,950.00	5,950.00		3,950.00	2,155.08	1,794.92
Legal Services and Costs						
Other Expenses	80,000.00	80,000.00		80,000.00	70,291.52	9,708.48
Engineering Services and Costs						
Salaries & Wages	159,600.00	86,600.00		74,600.00	72,390.56	2,209.44
Miscellaneous Other Expenses	15,370.00	14,350.00		16,350.00	15,813.11	536.89

LAND USE ADMINISTRATION

Planning/Zoning Board

Salaries & Wages	21-180-1	14,100.00	10,000.00	8,000.00	6,500.04	0.00
Other Expenses	21-180-2	10,000.00				1,499.96
INSURANCE						
Liability Insurance	23-210-2	220,000.00	194,000.00	160,000.00	129,853.43	30,146.57
Worker Compensation Insurance	23-215-2	136,600.00	151,800.00	126,800.00	125,694.97	1,105.03
Group Insurance	23-220-2	1,509,976.00	1,418,425.00	1,418,425.00	1,344,884.45	73,540.55
Health Benefit Waiver	23-221-1	26,300.00	20,000.00	17,000.00	15,120.09	1,879.91
Unemployment Compensation Insurance	23-225-2	14,000.00	14,000.00	14,000.00	13,490.57	509.43
PUBLIC SAFETY FUNCTIONS						
Police						
Salaries & Wages	25-240-1	1,629,100.00	1,585,310.00	1,625,310.00	1,598,357.44	26,952.56
Other Expenses:						
Miscellaneous Other Expenses	25-240-2	117,510.00	103,110.00	117,510.00	111,544.25	6,065.75
Police - Homeland Security						
Salaries & Wages	25-240-1					0.00
Other Expenses	25-240-2					0.00
Office of Emergency Management						
Salaries & Wages	25-252-1	2,100.00	2,000.00	2,000.00	1,999.92	0.08
Other Expenses	25-252-2	1,400.00	700.00	700.00	700.00	0.00
Aid to Ambulance Company						
Salaries & Wages	25-260-1					0.00
Other Expenses	25-260-2	33,000.00	31,000.00	31,000.00	30,431.90	568.10
Municipal Prosecutor						
Salaries & Wages	25-275-1	13,400.00	13,200.00	13,200.00	13,107.90	92.10
Other Expenses	25-275-2	500.00	500.00	500.00	275.00	225.00
Municipal Court						
Salaries & Wages	43-490-1	116,600.00	111,500.00	111,500.00	110,879.24	620.76
Other Expenses	43-490-2	50,100.00	49,800.00	49,800.00	44,445.18	5,354.82
Public Defender						

Other Expenses	43-495-2	500.00	500.00	500.00	500.00
PUBLIC WORKS FUNCTIONS					
Streets & Road Maintenance					
Salaries & Wages	26-290-1	44,000.00	84,800.00	64,800.00	8,214.31
Other Expenses	26-290-2	26,500.00	21,200.00	86,200.00	7,247.33
Other Public Works Functions -					
Traffic Signal Monitoring System					
Other Expenses	26-300-2	54,600.00	54,600.00	21,000.00	21,000.00
Solid Waste Collection					
Salaries & Wages	26-305-1	431,700.00	426,000.00	419,000.00	6,855.85
Other Expenses	26-305-2	12,500.00	12,500.00	12,500.00	7,256.05
Buildings and Grounds					
Salaries & Wages	26-310-1	43,700.00	66,000.00	68,000.00	2,209.22
Other Expenses	26-310-2	32,675.00	32,550.00	32,550.00	6,515.16
Vehicle Maintenance					
Salaries & Wages	26-315-1	124,300.00	111,400.00	111,400.00	683.70
Other Expenses	26-315-2	104,500.00	104,000.00	109,000.00	4,683.42
HEALTH & HUMAN SERVICES FUNCTIONS					
Public Health Services					
Salaries & Wages	27-330-1	4,700.00			0.00
Other Expenses	27-330-2	500.00	500.00	500.00	500.00
PARKS & RECREATION FUNCTIONS					
Recreation Services & Programs					
Salaries & Wages	28-370-1	5,200.00	5,200.00	0.00	0.00
Other Expenses	28-370-2	5,200.00	5,200.00	5,400.00	5,400.00
Maintenance of Parks					
Salaries & Wages	28-375-1	0.00	8,400.00	8,400.00	0.00
Other Expenses	28-375-2	36,100.00	33,100.00	33,100.00	8,243.96
EDUCATION FUNCTIONS					

Municipal Library Salaries & Wages	29-390-1	25,000.00	27,900.00	27,900.00	25,273.03	2,626.97
Other Expenses	29-390-2	9,050.00	10,140.00	10,140.00	7,475.41	2,664.59
UTILITY EXPENSES AND BULK PURCHASES						
Electricity & Natural Gas	31-430-2	107,000.00	93,000.00	101,000.00	98,687.28	2,312.72
Street Lighting	31-435-2	109,000.00	103,000.00	108,000.00	105,987.68	2,012.32
Telephone	31-440-2	30,000.00	32,400.00	32,400.00	28,199.07	4,200.93
Telecommunication Charges	31-443-2	3,500.00	3,500.00	3,500.00	3,062.64	437.36
Water	31-445-2	5,000.00	5,000.00	5,000.00	3,724.80	1,275.20
Petroleum Products	31-447-2	103,000.00	103,000.00	104,000.00	76,333.22	27,666.78
Sewerage	31-455-2	6,200.00	6,200.00	6,200.00	5,644.00	556.00
LANDFILL/SOLID WASTE DISPOSAL COSTS						
Landfill/Solid Waste Disposal Costs	32-465-2	178,000.00	190,800.00	170,800.00	155,137.50	15,662.50
CODE ENFORCEMENT AND ADMINISTRATION						
Uniform Construction Code - Appropriations Offset by Dedicated Revenues (NJAC 5:23-4.17)						
Construction Office Salaries & Wages	22-195-1	94,200.00	92,400.00	92,400.00	92,259.96	140.04
Other Expenses	22-195-2	33,200.00	30,050.00	31,050.00	29,771.72	1,278.28
Other Code Enforcement Salaries & Wages	22-200-1	20,800.00	4,480.00	4,480.00	4,473.00	7.00
Other Expenses	22-200-2	1,000.00	1,000.00	1,000.00	394.76	605.24
OTHER COMMON OPERATING FUNCTIONS (UNCLASSIFIED)						
Prior Years Bills						
Other Expenses	30-410-2					0.00

Public Defender Other Expenses	43-495-2								0.00
Liability Insurance	23-210-2								0.00
Worker Compensation Insurance	23-215-2								0.00
Group Insurance	23-220-2	25,024.00	33,475.00	33,475.00	33,475.00				0.00
Police - Homeland Security Salaries & Wages Other Expenses	25-240-1 25-240-2								0.00 0.00
NJPES Stormwater Permit Street Division Salaries & Wages Other Expenses	26-510-1 26-510-2	38,900.00 19,675.00	47,900.00 19,175.00	47,900.00 19,175.00	42,808.70 19,012.35				5,091.30 162.65
Landfill/Solid Waste Recycling Tax Other Expenses	32-465-2	7,500.00	7,200.00	7,200.00	6,897.72				302.28
Public Employees Retirement System	36-471-2								0.00
Police and Firemen's Retirement System	36-475-2								0.00
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES									
Neighborhood Preservation Program Salaries & Wages Other Expenses	41-705-1 41-705-2								0.00 0.00
Drunk Driving Enforcement Grant Police Department Salaries & Wages	41-710-1		7,094.96	7,094.96	7,094.96				0.00
HOME - Neighborhood Preservation Program Other Expenses	41-720-2								0.00
Drive Sober or Get Pulled Over Grant Salaries & Wages	41-723-1		7,500.00	7,500.00	7,500.00				0.00

Clean Communities Program						
Salaries & Wages	41-725-1	10,958.27	10,958.27	10,958.27	0.00	0.00
Other Expenses	41-725-2				0.00	0.00
HOME Investment Partnership Program						
Other Expenses	41-726-2				0.00	0.00
Neighborhood Housing Rehab 2008 Grant						
Other Expenses	41-727-2				0.00	0.00
Over the Limit Under Arrest Grant						
Salaries & Wages	41-728-1				0.00	0.00
Obey the Signs or Pay the Fines Grant						
Salaries & Wages	41-729-1				0.00	0.00
Supplemental Fire Services						
Other Expenses	41-730-2				0.00	0.00
Camden County Recreation Enhancement Grant - Round 14A - Dog Park						
Other Expenses	41-739-2	25,000.00	25,000.00	25,000.00	0.00	0.00
NJ Division of Highway Safety						
Click It of Ticket Grant						
Salaries & Wages	41-734-1				0.00	0.00
NJ Division of Traffic Safety - Buckle Up South Jersey						
Other Expenses	41-750-2				0.00	0.00
Local Match for Grants						
	41-760-2				0.00	0.00
Community Development Block Grant - Yr 36						
Other Expenses	41-765-2	21,000.00	21,000.00	21,000.00	0.00	0.00
Community Development Block Grant Year 35 - Supplemental						
Other Expenses	41-765-2	11,760.00	11,760.00	11,760.00	0.00	0.00
Body Armor Replacement Grant						
Other Expenses	41-755-2	1,933.97	1,933.97	1,933.97	0.00	0.00

TOTAL DEBT SERVICE - EXCLUDED FROM CAPS	1,517,500.00	1,538,400.00	0.00	1,538,400.00	1,538,346.94	0.00
DEFERRED CHARGES - EXCLUDED FROM CAPS						
Emergency Authorizations Special Emergency Authorizations - 5 Yr.	46-870 46-875					0.00 0.00
TOTAL DEFERRED CHARGES EXCLUDED FROM CAPS	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL GENERAL APPROPRIATIONS EXCLUDED (O) FROM CAPS	2,073,599.00	1,896,397.20	0.00	1,896,397.20	1,740,787.91	5,556.23
(L) SUBTOTAL GENERAL APPROPRIATIONS	9,104,080.00	8,696,191.15	0.00	8,696,191.15	8,165,241.28	380,896.81
(M) RESERVE FOR UNCOLLECTED TAXES	734,125.11	719,724.69		719,724.69	719,724.69	0.00
9 TOTAL GENERAL APPROPRIATIONS	9,838,205.11	9,415,915.84	0.00	9,415,915.84	8,884,965.97	380,896.81

DEDICATED SEWER UTILITY BUDGET - ANTICIPATED REVENUES

	ANTICIPATED CY 2015	CY 2014	REALIZED IN CASH CY 2014
SURPLUS ANTICIPATED	58,100.00	57,250.00	57,250.00
RENTS	970,000.00	970,000.00	1,063,726.13
CONNECTION FEES			
MISCELLANEOUS	12,400.00	12,700.00	12,429.64
TOTAL UTILITY REVENUES	1,040,500.00	1,039,950.00	1,133,405.77

DEDICATED SEWER UTILITY BUDGET

	CY 2014	CY 2014	EMERGENCY	TOTAL CY 2014 AS MODIFIED BY TRANSFERS	PAID OR CHARGED CY 2014	RESERVED
Operating:						
Salaries & Wages	164,200.00	154,200.00		158,200.00	155,882.60	2,317.40
Other Expenses	285,300.00	276,850.00		271,850.00	264,818.43	7,031.57
Debt Service:						
Payment of Bond Principal	365,000.00	360,000.00		360,000.00	360,000.00	0.00
Interest on Bonds	197,100.00	202,800.00		202,800.00	202,760.25	0.00
Interest on Notes	6,000.00					0.00
Deferred Charges:						
Emergency Authorizations	0.00	25,000.00		25,000.00	25,000.00	0.00
Statutory Expenditures						
Contribution to:						
Public Employees Retirement System	9,900.00	9,000.00		9,000.00	8,100.00	900.00
Social Security System	12,600.00	11,800.00		12,800.00	11,081.38	1,718.62
Unemployment Compensation Insurance	400.00	300.00		300.00	88.38	211.62
TOTAL SEWER UTILITY APPROPRIATIONS	1,040,500.00	1,039,950.00	0.00	1,039,950.00	1,027,731.04	12,179.21

MUNICIPAL OPEN SPACE, RECREATION, FARMLAND AND HISTORIC PRESERVATION TRUST FUND
ANTICIPATED REVENUES

	ANTICIPATED CY 2015	CY 2014	REALIZED IN CASH CY 2014
AMOUNT TO BE RAISED BY TAXATION	141,930.00	139,620.00	141,825.41
Reserve Funds:			
Fund Balance Reserve for Future Use	8,430.00	470.00	\$470.00
=====			
TOTAL TRUST FUND REVENUES	150,360.00	140,090.00	142,295.41

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MUNICIPAL OPEN SPACE, RECREATION, FARMLAND AND HISTORIC PRESERVATION TRUST FUND
 APPROPRIATIONS

	CY 2015	CY 2014	EMERGENCY	TOTAL CY 2014 AS MODIFIED BY TRANSFERS	PAID OR CHARGED CY 2014	RESERVED
Maintenance of Lands for Recreation and Conservation						
Salaries & Wages	92,600.00	86,930.00		86,930.00	76,146.92	0.00
Other Expenses	42,200.00	37,600.00		37,600.00	37,600.00	0.00
Debt Service:						
Payment of Bond Principal	12,810.00	12,560.00		12,560.00	12,551.88	0.00
Payment of Bond Anticipation Notes						
Interest on Bonds	2,750.00	3,000.00		3,000.00	2,993.91	0.00
Interest on Notes						
Reserve for Future Use						0.00
TOTAL TRUST FUND APPROPRIATIONS	\$150,360.00	\$140,090.00	\$0.00	\$140,090.00	\$129,292.71	\$0.00

20 46 37

Analysis of the Amount to be Raised by Taxes (Municipal Tax Levy) and Tax Rate
for the CY 2014 Adopted Budget as Compared to CY 2015 Introduced Budget

CY 2014 Municipal Tax Levy as Introduced	\$ 6,229,921.64
Ratables 2014	\$349,053,987.00
2014 Tax Rate per Hundred Dollars of Assessed Valuation (Levy / Ratables)	\$ 1.784
2014 Average Assessment	\$ 106,565.00
2014 Average Taxes (Rate times Average Assessment)	\$ 1,901.12

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CY 2015 Municipal Tax Levy as Introduced	\$ 6,397,858.11
Ratables 2015	\$354,828,443.00
2015 Tax Rate per Hundred Dollars of Assessed Valuation (Levy / Ratables)	\$ 1.803
2015 Average Assessment	\$ 107,613.00
2015 Average Taxes (Rate times Average Assessment)	\$ 1,940.26

Average Increase per Homeowner per Year	\$ 39.14
Percentage Increase per Homeowner per Year	2.05%

Analysis of the Increase in the Amount to be Raised by Taxes for CY 2015 Introduced Budget

Amount to be Raised - CY 2014 Municipal Tax Levy as Adopted	\$ 6,229,921.64
Amount to be Raised - CY 2015 Municipal Tax Levy as Introduced	\$ 6,397,858.11
Increase in Municipal Tax Levy for CY 2015	\$ 167,936.47 or 2.69 %

Breakdown of Increase in Municipal Tax Levy

Revenues:
(Note: A positive amount for revenues indicates a decrease)

	Amount	Percent Change
Surplus Anticipated	\$ (200,000)	
Local Revenues	(39,600)	
Regular State Aid	-	
Receipts from Delinquent Taxes	(100,000)	
Utility Surplus of Prior Year	-	
	<u>\$ (339,600)</u>	10.95% Increase in Revenues

Appropriations (see detail on next page)

(Note: A positive amount for appropriations indicates an increase)

	\$ 507,536	5.44% Increase in Appropriations
Total Increase in Amount to be Raised (Tax Levy)	\$ 167,936	2.69% Increase in CY 2015 Introduced Budget

Note:

The percent increase per homeowner is 2.05 % which differs from this analysis due to the increased overall Ratables by which a tax rate is established and the tax rate as applied to the average assessment.

TOWNSHIP OF BERLIN
 ANALYSIS OF LOCAL MUNICIPAL TAXES
 FOR CALENDAR YEARS 2013, 2014 AND 2015

CY YEAR	AVERAGE ASSESSMENT	AMOUNT OF TAXES TO BE RAISED	RATABLES	TAX RATE PER \$100.00 (Note 2)	AVERAGE LOCAL MUNICIPAL TAX PER YEAR	INCREASE (DECREASE) FROM PREVIOUS YEAR	PERCENT INCREASE (DECREASE) YEAR
2013	\$ 106,008.00	\$ 6,085,361.96	\$ 349,301,628	\$ 1.742	\$1,846.66	\$2.86	0.00
2014	\$ 106,565.00	\$ 6,229,921.64	\$ 349,053,987	\$ 1.784	\$1,901.12	\$54.46	2.94
2015	\$ 107,613.00	\$ 6,397,858.11	\$ 354,828,443	\$ 1.803	\$1,940.26	\$39.14	2.05

Township of Berlin
 Analysis of Increases and Decreases in Appropriations
 Comparing CY 2015 Introduced Budget to CY 2014 Adopted Budget

	CY 2015 Introduced Budget	CY 2014 Adopted Budget	Variance	Percent % Change	Brief Reason for Variance
Police Salaries	\$ 1,630,100	\$ 1,586,310	\$ 43,790	2.76	This line item has increased as a net result of 2% raises as well as two officers who are currently moving up in steps in accordance with their contract.
Police Other Expenses	117,510	103,110	14,400	13.97	This increased due to increased expenses including the cost of the payment for leasing 1 additional vehicle this year and 2 last year.
Public Works/Engineering Salaries	842,200	831,100	11,100	1.34	This budget increase is due to the net result of 2% raises, as well as budgeting for a new position for a full time Engineering Tech, as well as the change in allocation between Planning/Zoning for the Property Maint/Zoning Officer who was moved back to Administration in 2015.
Public Works/Engineering Other Expenses	247,320	236,875	10,445	4.41	This increase is due to the net result of increases in costs anticipated for street patch, signs and roof replacement at the Luke Avenue Gazebo.
Traffic Signal Monitoring System	54,600	54,600	-	-	No change
Landfill	185,500	198,000	(12,500)	(6.31)	This decreased as a net result of a possible cost per ton increase due to a new contract for landfill disposal services and a decrease in tonnage.
Utilities (including Fuel)	363,700	346,100	17,600	5.09	These line items increased as a net result of decreases in fuel and increases in electric costs.
Social Security	221,300	215,000	6,300	2.93	This increase is a net result of salary line item changes and decreases in overall personnel salary costs.
Insurance (Liability, Workers Comp, Group and Unemployment)	1,931,900	1,931,700	100,200	5.47	This increase is the result of increases in premiums of insurances even though we are part of a joint fund and State Health Benefits, as well as our share of costs to insurance company for legal costs.
Other Salaries - Administration	640,500	616,480	24,020	3.90	This increase is the net result of 2% salary increases and the change in allocation between Planning/Zoning for the Property Maint/Zoning Officer who was moved back to Administration in 2015 as well as raises above 2% for Website Designer/IT, Court Administrator and a decrease in costs for the Tax Office due to rehirement and new hire costs being lower.
Other Miscellaneous Expenses	372,500	365,305	7,195	1.97	This increased due to an increase in the ambulance allocation and an increase in utility cost allocations to various departments.
Pensions	614,450	522,964	(9,514)	(1.63)	This decreased as a result of actual bills received from the State.
Capital Improvement Fund	315,000	15,000	300,000	2,000.00	This increased due to an additional amount budgeted to offset costs of a future Bond Ordinance to fund various capital improvements.

Capital Improvement - Improvements to Kelley Drive Stormwater Basin - Walmart Reserve	150,000	150,000	-	-	No change
Debt Service	1,517,500	1,538,400	(20,900)	(1.36)	This is in accordance with our actual debt service obligations.
Reserve for Uncollected Taxes	734,125	719,725	14,400	2.00	This increase is a due to an appropriations and an increase in anticipated levies of other taxing entities such as the Board of Education, County and Fire District.
Total	\$ 9,838,205	\$ 9,330,669	\$ 507,536	5.44	
Grants	\$	\$ 21,000			
Total Budgets	\$ 9,838,205	\$ 9,351,669			

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TOWNSHIP OF BERLIN
ANALYSIS OF THE CY 2015 BUDGET BY FUNCTION

DEPARTMENT	AMOUNT	PERCENTAGE
POLICE SALARIES	\$ 1,630,100	16.83
POLICE OTHER EXPENSES	117,510	1.21
<hr/>		
SUB TOTAL POLICE	\$ 1,747,610	18.04
PUBLIC WKS /ENG. SALARIES (EXCLUDING SOLID WASTE)	\$ 410,500	4.24
PUBLIC WKS/ENG. OTHER EXP (EXCLUDING SOLID WASTE)	234,820	2.42
<hr/>		
SUB TOTAL PUBLIC WKS/ENG. EXCLUDE SOLID WAST	\$ 645,320	6.66
SOLID WASTE COLLECTION SALARIES	\$ 431,700	4.46
SOLID WASTE COLLECTION OTHER EXP (INCLUDE LANDFILL)	198,000	2.04
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SUB TOTAL SOLID WASTE COLL AND LANDFILL	\$ 629,700	6.50
SUB TOTAL PUBLIC WKS/ENG. AND SOLID WASTE	\$ 1,275,020	13.16
UTILITIES (INCLUDING FUEL)	\$ 363,700	3.75
SOCIAL SECURITY	221,300	2.28
INSURANCE (INCLUDES W/C, GROUP AND UNEMPLOYMENT)	1,711,900	17.67
INSURANCE (LIABILITY)	220,000	2.27
OTHER SALARIES (ADMINISTRATION)	640,500	6.61
OTHER MISCELLANEOUS EXPENSES	372,500	3.84
PFRS, PERS AND DCRP (PENSION)	514,450	5.31
TRAFFIC SIGNAL MONITORING SYSTEM	54,600	0.56
DEBT SERVICE	1,517,500	15.66
CAPITAL IMPROVEMENT FUND	315,000	3.25
RESERVE FOR UNCOLLECTED TAXES	734,125	7.60
<hr/>		
TOTAL SUPPORTED BY TAXES.....	\$ 9,688,205	100.00
<hr/>		
RECONCILIATION		
TOTAL BUDGET	\$ 9,838,205	
LESS: GRANTS	0	
RESERVE FROM WALMART FOR BASIN IMPROVEMENTS	(150,000)	
<hr/>		
TOTAL SUPPORTED BY TAXES.....	\$ 9,688,205	
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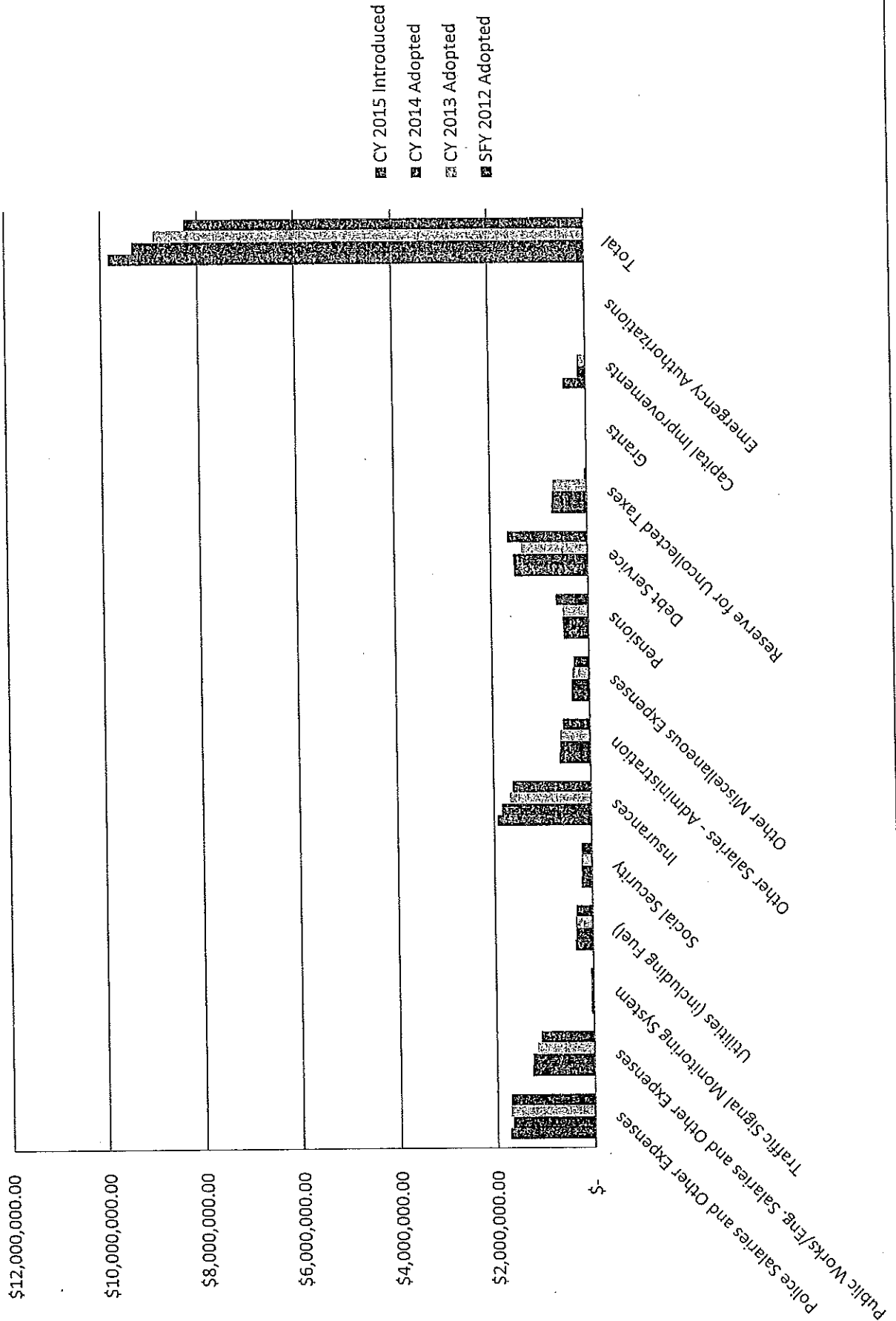
TOWNSHIP OF BERLIN
ANALYSIS OF LOCAL MUNICIPAL TAX DISTRIBUTION
BY SERVICE AREAS
FOR CALENDAR YEAR 2015

DEPARTMENT	HOUSEHOLD COST PER YEAR
POLICE SALARIES	\$ 326.55
POLICE OTHER EXPENSES	23.48
<hr/>	
SUB TOTAL POLICE	\$350.03
PUBLIC WORKS /ENG. SALARIES (EXCLUDING SOLID WASTE)	\$ 82.27
PUBLIC WORKS/ENG. OTHER EXPENSES (EXCLUDING SOLID WASTE)	46.95
<hr/>	
SUB TOTAL PUBLIC WORKS/ENG. EXCLUDING SOLID WASTE	\$ 129.22
SOLID WASTE COLLECTION SALARIES	\$ 86.54
SOLID WASTE COLLECTION OTHER EXPENSES (INCLUDING LANDFILL)	39.58
<hr/>	
SUB TOTAL SOLID WASTE COLLECTION AND LANDFILL	\$ 126.12
SUB TOTAL PUBLIC WORKS/ENG. AND SOLID WASTE	\$ 255.34
UTILITIES (INCLUDING FUEL)	\$ 72.76
SOCIAL SECURITY	44.24
INSURANCE (INCLUDES W/C, GROUP AND UNEMPLOYMENT)	342.84
INSURANCE (LIABILITY)	44.04
OTHER SALARIES (ADMINISTRATION)	128.25
OTHER MISCELLANEOUS EXPENSES	74.51
PFRS, PERS AND DCRP (PENSION)	103.03
TRAFFIC SIGNAL MONITORING SYSTEM	10.87
DEBT SERVICE	303.84
CAPITAL IMPROVEMENT FUND	63.06
RESERVE FOR UNCOLLECTED TAXES	147.45
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	\$ 1,940.26
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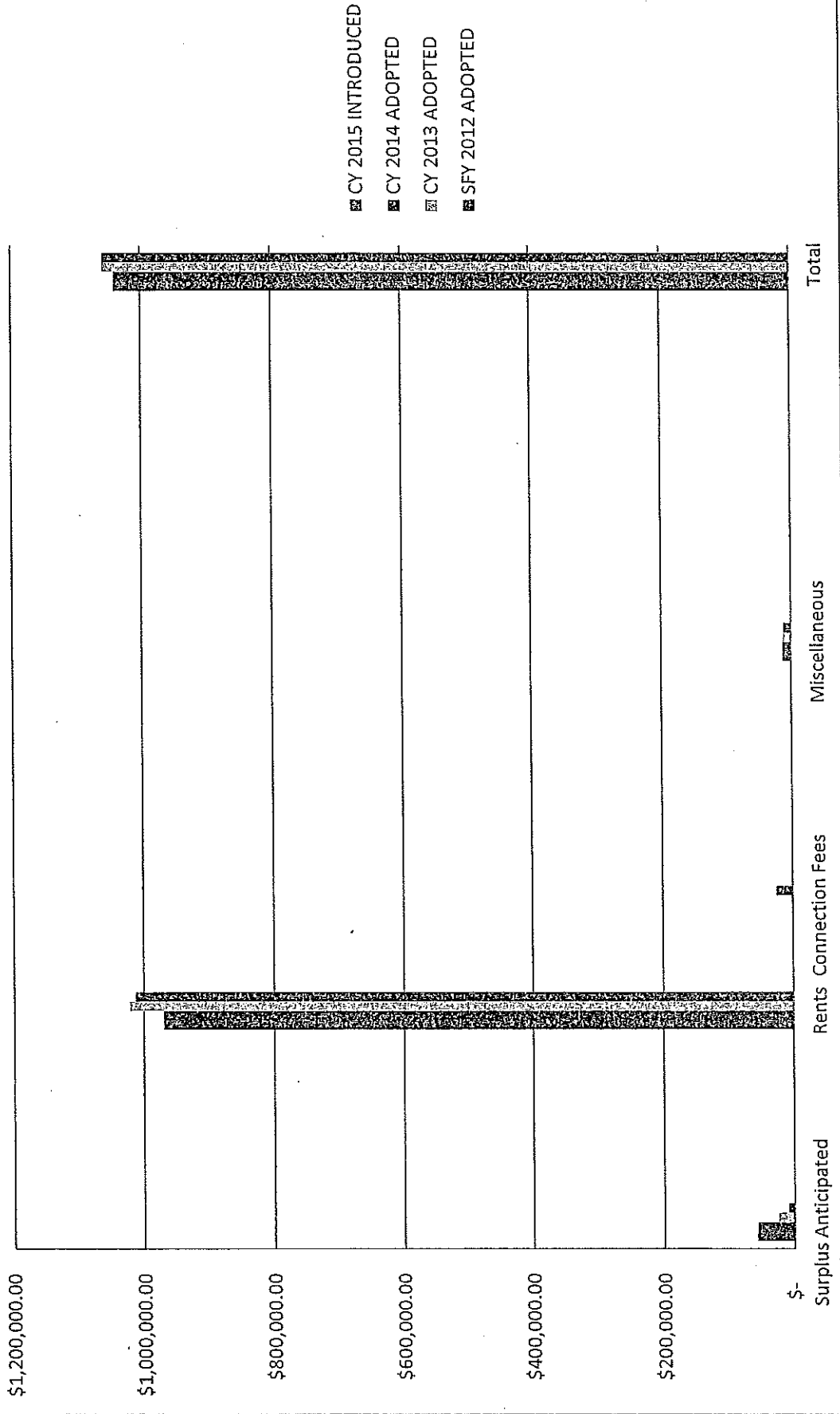
Current Fund - 3 Year Budget Cycle Revenue History and Projection



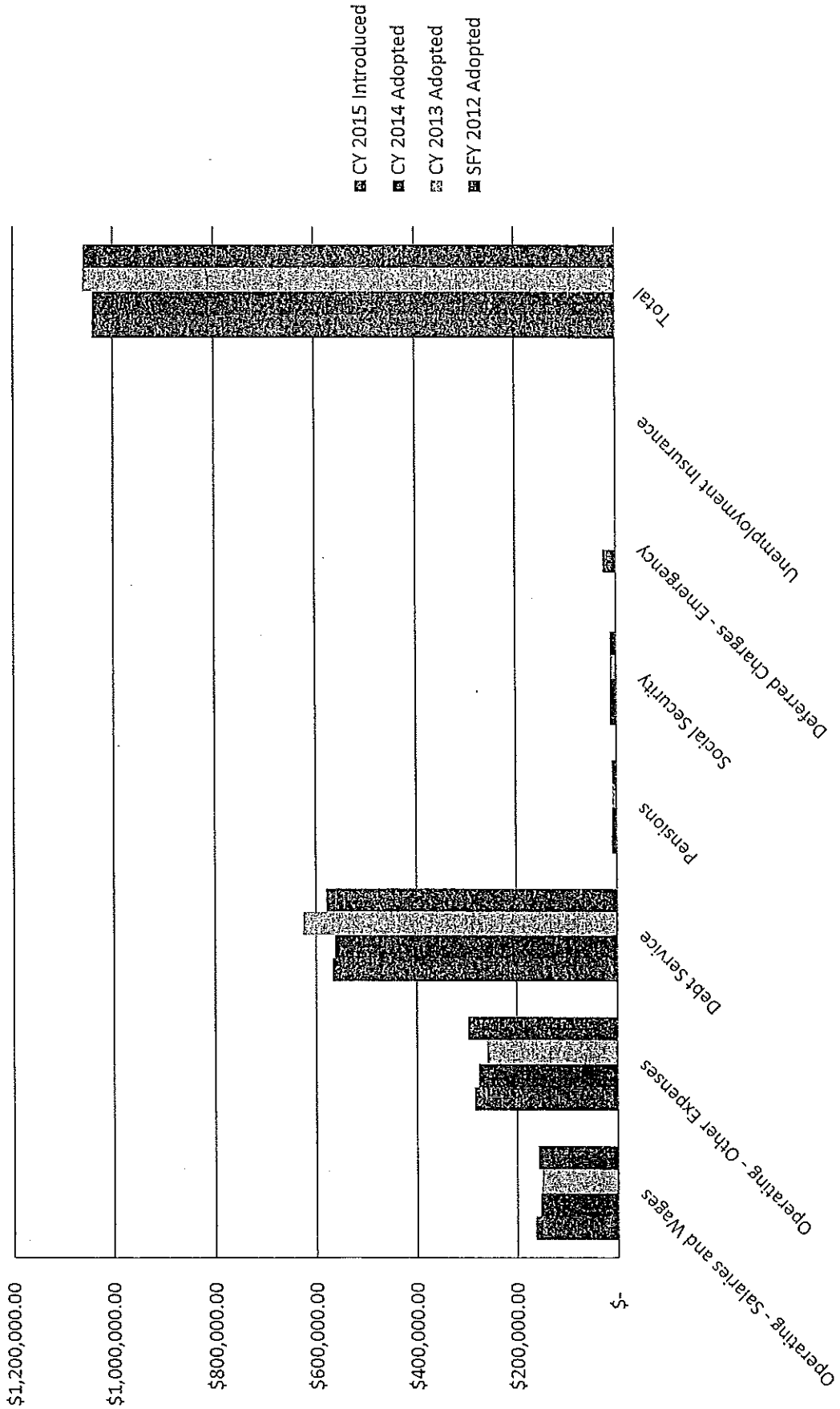
Current Fund - 3 Year Budget Cycle Appropriation History and Projection



Sewer Operating Fund - 3 Year Budget Cycle Revenue History and Projection



Sewer Operating Fund - 3 Year Budget Cycle Appropriation History and Projection



TOWNSHIP OF BERLIN
 ANALYSIS OF TOTAL TAXES BASED ON THE AVERAGE RESIDENTIAL
 PROPERTY ASSESSMENT AND ON COUNTY CERTIFIED TAX RATES
 FOR THE CALENDAR YEAR 2014 (Note 1)

(See Notes at Bottom)	ASSESSMENT	TAX RATE PER \$100.00	TOTAL TAXES	PERCENT OF TOTAL TAXES
COUNTY TAX.....	\$106,565.00	\$ 1.231 \$	1,311.82	21.61
COUNTY LIBRARY TAX.....	\$106,565.00	0.078	83.12	1.37
COUNTY OPEN SPACE TAX.....	\$106,565.00	0.032	34.10	0.56
DISTRICT SCHOOL TAX.....	\$106,565.00	2.392	2,549.03	41.99
LOCAL MUNICIPAL TAX.....	\$106,565.00	1.784	1,901.12	31.32
FIRE DISTRICT TAX.....	\$106,565.00	0.139	148.13	2.45
OPEN SPACE/RECREATION TAX.....	\$106,565.00	0.040	42.63	0.70
TOTALS.....		\$ 5.696 \$	6,069.95	100.00

Notes:

- 1) 2015 Tax Rates have not yet been certified by the County since the County, as well as the Local Schools and the Township have not yet adopted their budgets for 2015. Rather than use projections for tax rates of the Local Schools and the County this analysis presents information for 2014.

TOWNSHIP OF BERLIN
ANALYSIS OF THE TOTAL TAX RATE AND TOTAL TAXES
FOR THE CALENDAR YEARS 2010 THROUGH 2014 (Note 1)

YEAR	TAX RATE *	AMOUNT	INCREASE OR (DECREASE)	PERCENT INCREASE OR (DECREASE)
2010	4.926 \$	5,156.83 \$	186.53	3.75
2011	5.313 \$	5,618.44 \$	461.61	8.95
2012	5.473 \$	5,792.84 \$	174.40	3.10
2013	5.586 \$	5,921.61 \$	128.77	2.22
2013	5.696 \$	6,069.95 \$	148.34	2.51

* BASED ON AN AVERAGE RESIDENTIAL ASSESSMENT OF THE FOLLOWING:

YEAR	ASSESSMENT
2014	\$106,565.00
2013	\$106,008.00
2012	\$105,844.00
2011	\$105,749.00
2010	\$104,686.00

Notes:

- 1) 2015 Tax Rates have not yet been certified by the County since the County, as well as the Local Schools and the Township have not yet adopted their budgets for 2015. Rather than use projections for tax rates of the Local Schools and the County this analysis presents information for 2014.

TOWNSHIP OF BERLIN
 ANALYSIS OF PROPERTY ASSESSMENTS
 FOR THE CALENDAR YEARS 2011 THROUGH 2015

PROPERTY CLASSIFICATION	2015	2014	2013	2012	2011
Vacant Land.....	\$9,925,900	\$10,550,000	\$10,650,400	\$10,898,100	\$10,441,700
Residential.....	191,336,200	186,916,500	184,985,400	183,746,600	182,735,100
Farm (Regular).....	166,400	166,400	166,400	166,400	166,400
Farm (Qualified).....	27,100	27,100	27,100	27,100	43,300
Commercial.....	117,481,900	115,271,200	117,425,300	119,559,500	118,332,800
Industrial.....	30,887,000	30,953,700	31,107,700	31,381,700	31,476,600
Apartment.....	3,955,600	3,955,600	3,955,600	3,955,600	3,955,600
Utilities.....	1,048,343	1,213,487	983,728	733,328	729,225
TOTALS.....	\$354,828,443	\$349,053,987	\$349,301,628	\$350,468,328	\$347,880,725
INCREASE (DECREASE) FROM PREVIOUS YEAR.....	\$5,774,456	(\$247,641)	(\$1,166,700)	\$2,587,603	\$3,055,887
PERCENT INCREASE (DECREASE) FROM PREVIOUS YEAR.....	1.65	(0.07)	(0.33)	0.74	0.89

TOWNSHIP OF BERLIN
 ANALYSIS OF STATE AID RECEIVED EXCLUDING GRANTS
 FOR THE FISCAL YEARS 2010 THROUGH CY 2015

CATEGORY	CY 2015	CY 2014	CY 2013	TY 2012	SFY 2012	SFY 2011	SFY 2010
Franchise and Gross Receipts Taxes/Energy Receipts Taxes.....	\$1,287,847.00	\$1,287,847.00	\$1,287,847.00	\$1,287,847.00	\$1,287,847.00	\$1,287,847.00	\$1,515,268.00
Supplemental Franchise and Gross Receipts/Energy Receipts Taxes.....			53,374.00				
Pineland Tax Stabilization.....							320.00
SUB TOTALS.....	\$1,287,847.00	\$1,287,847.00	\$1,341,221.00	\$1,287,847.00	\$1,287,847.00	\$1,287,847.00	\$1,515,588.00
INCREASE (DECREASE) FROM PREVIOUS YEAR.....	\$0.00	(\$63,374.00)	\$53,374.00	\$0.00	\$0.00	(\$227,741.00)	(\$38,853.00)
PERCENT INCREASE (DECREASE) FROM PREVIOUS YEAR.....	0.00	(3.98)	4.14	0.00	0.00	(15.03)	(2.50)

Note:

This schedule highlights that our total State Aid decreased by \$ 227,741.00 in the last 6 years alone. Not shown was the Aid in SFY 2008 which totalled \$2,059,556.00 including Extraordinary Aid. Therefore the total aid decreased from SFY 2008 to CY2015 by a total of \$771,709.00. These massive cuts in State Aid have caused the use of our Surplus to balance the budget in prior years and the layoffs in SFY 2011

The State has continued to "skim" our share of the Energy Receipts Tax that was implemented to offset local property taxes. Our State Aid should currently be well in excess of \$2,000,000.00 based on information supplied by the NJ League of Municipalities, who represents interests of municipalities.

TOWNSHIP OF BERLIN
 ANALYSIS OF TAX COLLECTION RATE PERCENTAGES, BALANCES OF DELINQUENT TAXES AND BALANCES OF TAX TITLE LIENS
 FOR THE FISCAL YEARS 2011 THROUGH CALENDAR YEAR (CY) 2014

	AS OF 12/31/14 (Note 1)	AS OF 12/31/13	AS OF 12/31/12 (Note 2)	AS OF 6/30/12	AS OF 6/30/11
TAX COLLECTION RATE PERCENTAGE (ACTUAL)	97.42%	98.07%	97.53%	99.14%	99.61%
BALANCES OF DELINQUENT TAXES \$	474,339.29 \$	316,491.83 \$	207,461.10 \$	2,035.29 \$	2,134.48
BALANCES OF TAX TITLE LIENS \$	333,975.09 \$	277,597.28 \$	223,855.68 \$	198,336.78 \$	6,977.78

Notes:

1 - From Unaudited Financial Statement for calendar year ended 12/31/14 (12 months). All other years are audited amounts.

Also note that the Township did not conduct and has not conducted an Accelerated Tax Sale since reversion to a calendar year end in 2012.

Also in 2012 the Township acquired a tax lien on a property along Route 73. The Township is moving forward with In Rem Tax Foreclosure as quickly as legally possible, to foreclose and later sell the property. The foreclosure process is in the final stages.

2 - From Audited Financial Statement for transitional period ended 12/31/12 (6 months).

Also note that prior to the transitional year end of 12/31/12, the Township did not and was not permitted by the State to conduct a tax sale due to our reversion to a calendar year.

TOWNSHIP OF BERLIN
 ANALYSIS OF SURPLUS/FUND BALANCE AND THE PERCENTAGE OF THE BUDGET REPRESENTED BY SURPLUS ANTICIPATED - CURRENT FUND
 FOR THE FISCAL YEARS 2011 THROUGH CY 2015

	CY 2015 (See Note 2)	CY 2014 (See Note 3)	CY 2013	TY 2012 (See Note 4)	SFY 2012	SFY 2011
Surplus/Fund Balance at Beginning of Y \$ (See Note 1)	2,535,777	2,206,474	1,810,499	533,357	517,315	410,182
Surplus Generated During Year	815,000	1,279,303	1,345,975	1,277,142	387,742	478,833
Sub Total	3,350,777	3,485,777	3,156,474	1,810,499	905,057	889,015
Surplus Anticipated to Balance Budget	(1,150,000)	(950,000)	(950,000)	-	(371,700)	(371,700)
Surplus/Fund Balance at End of Year \$	2,200,777	2,535,777	2,206,474	1,810,499	533,357	517,315
Total Original Budget Adopted	\$ 9,838,205	\$ 9,351,669	\$ 8,902,558	\$ 4,282,308	\$ 8,267,007	\$ 7,411,814
Percentage of the Budget Represented by Surplus Anticipated	11.69%	10.16%	10.67%	0.00%	4.50%	5.01%

Notes:

- All amounts are Audited unless noted.
- 1 - Only Cash Surplus may be anticipated in the budget of the following year.
- 2- CY 2015 Surplus Generated During Year and Surplus/ Fund Balance at End of Year are estimated conservatively. Budget is introduced amount.
- 3- From Unaudited Financial Statement at 12/31/14
- 4- Transitional period 7/1/12 to 12/31/12 (6 months)

Comment for CY 2015: A very conservative approach was used when estimating the amount of Surplus to be Generated during CY 2015. TY 2012 resulted in a much higher amount of surplus generated due to the reversion to a calendar year. CY 2014 also closed with a higher than anticipated amount of surplus than expected due to a higher than expected tax collection rate for current and delinquent taxes as well as more than anticipated in added taxes for the year. Also for CY 2015 additional surplus of approximately \$200,000.00 is being used to offset an additional \$300,000.00 being budgeted in the Capital Improvement line item used to offset costs of capital improvements to be funded by a bond ordinance.

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TOWNSHIP OF BERLIN
 ANALYSIS OF SURPLUS/FUND BALANCE AND THE PERCENTAGE OF THE BUDGET REPRESENTED BY SURPLUS ANTICIPATED - SEWER OPERATING FUND
 FOR THE FISCAL YEARS 2011 THROUGH CY 2015

	CY 2015 (See Note 2)	CY 2014 (See Note 3)	CY 2013	TY 2012 (See Note 4)	SFY 2012	SFY 2011
Surplus/Fund Balance at Beginning of Y (See Note 1)	\$ 432,601	\$ 256,434	\$ 194,497	\$ 121,069	\$ 9,417	\$ 53,100
Surplus Generated During Year	145,000	233,417	87,127	73,428	121,061	9,317
Sub Total	\$ 577,601	\$ 489,851	\$ 281,624	\$ 194,497	\$ 130,478	\$ 62,417
Surplus Anticipated to Balance Budget of Sewer Operating or Current Fund	(58,100)	(57,250)	(25,190)	-	(9,409)	(53,000)
Surplus/Fund Balance at End of Year	\$ 519,501	\$ 432,601	\$ 256,434	\$ 194,497	\$ 121,069	\$ 9,417
Total Original Budget Adopted	\$ 1,040,500	\$ 1,039,950	\$ 1,058,700	\$ 466,200	\$ 1,058,180	\$ 1,067,900
Percentage of the Budget Represented by Surplus Anticipated	5.58%	5.51%	2.38%	0.00%	0.89%	4.96%

Notes:
 - All amounts are Audited unless noted.
 1 - Only Cash Surplus may be anticipated in the budget of the following year.
 2 - CY 2015 Surplus Generated During Year and Surplus/ Fund Balance at End of Year are estimated. Budget is introduced amount.
 3 - From Unaudited Financial Statement at 12/31/14
 4 - Transitional Period 7/1/12 to 12/31/12 (6 months)

Comment for CY 2015: A conservative approach was used when estimating the amount of Surplus to be Generated during CY 2015.