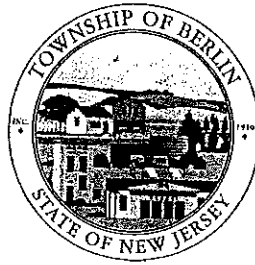


CHRISTOPHER T. MORRIS
Council President



PHYLLIS MAGAZZU
Mayor

Council Members
MARION BODANZA
FRANK EPIFANIO
JEROME McINTOSH

CATHERINE UNDERWOOD
Township Clerk

TOWNSHIP OF BERLIN

MUNICIPAL BUILDING

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

Date: 3/17/16

To: Residents of Berlin Township

From: Lori Campisano, CFO

RE: 2016 Budget – Introduction 3/14/16 with Public Hearing
on 4/25/16

Attached please find a condensed copy of the 2016 Budget (pages 3 through 18 of this document) that was introduced on 3/14/16. The 2016 will be advertised and a public hearing is scheduled on 4/25/16.

The 2016 budget is presented with a 2% tax increase. It is also important to note that the budget falls within all State cap laws for both the Tax Levy and Appropriations. Various analysis and comparisons are attached 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 2015.**

If adopted, taxes will increase from \$1,940.26 in 2015 to \$1,979.23 in 2016 or \$38.97 per year (\$3.25 per month) for the average homeowner with an assessment in 2016 of \$171,214.00. The increase is attributed to an increase in the Amount to be Raised by Taxes or Municipal Tax Levy totaling approximately \$128,100.00, 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 \$130,000.00. The additional surplus amount is being used to offset the costs of a General Capital Bond Ordinance, which was adopted at our meeting on 3/14/16 to fund various capital improvements. Included in the Ordinance was funding for improvements to various roads and drainage systems within the Township, as well as the acquisition of automated trash collection vehicles, public works equipment, public works vehicles, recreation improvements, and the acquisition of an ambulance. The last General Capital Bond Ordinance adopted by the Township was over four years ago in December 2011.

Be advised that **when anticipating surplus, conservatism is important to ensure that sufficient surplus is available to help support the budgets of 2017 and future years.** It is also important to maintain surplus at certain levels, as the Township is constantly being evaluated, and graded by various 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 Reserve for Uncollected Taxes, or Grants, the total budget has increased approximately \$280,000.00 or 3%, 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 \$ 225,000.00. As far as other major budget categories, the analysis of the 2016 budget by function, provided in this packet, details that besides insurances, Police Salaries and Other Expenses comprise the largest percentage or approximately 18% of the 2016 budget, while Public Works/Engineering/Solid Waste functions comprise approximately 13% of the total.

As mentioned previously, the **Tax Levy**, in the introduced budget, which totals approximately \$6,526,000.00 **falls within the 2 % cap with unused banked cap remaining of approximately \$588,000.00 from years 2013 through 2015. Also the budget is under the original 1977 appropriations 3.5% cap by approximately \$196,000.00.**

The 2016 introduced budget 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 2016 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 2016	CY 2015	REALIZED IN CASH CY 2015
1) Surplus Anticipated	1,280,000.00	1,150,000.00	1,150,000.00
08-101			

3) MISCELLANEOUS REVENUES
(SECTION A: LOCAL REVENUES)

Licenses:			
Alcoholic Beverages	3,700.00	4,200.00	3,726.00
Other	51,300.00	53,100.00	51,343.00
Fees & Permits	36,300.00	33,700.00	147,351.00

Fines & Costs:			
Municipal Court	181,000.00	162,800.00	181,927.88

Interest and Costs on Taxes	75,000.00	50,000.00	135,885.86
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Interest on Investments and Deposits	2,000.00	2,700.00	2,089.12
Franchise Taxes - Cable TV.	73,000.00	69,000.00	73,521.01

Total Section A: Local Revenues	422,300.00	375,500.00	595,843.87
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(SECTION B: STATE AID WITHOUT
OFFSETTING APPROPRIATIONS)

Energy Receipts Tax	09-202	1,287,847.00	1,287,847.00	1,287,847.00
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Total Section B: State Aid Without Offsetting Appropriations		1,287,847.00	1,287,847.00	1,287,847.00
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(SECTION C: DEDICATED UNIFORM CONSTRUCTION CODE FEES)				
Uniform Construction Code Fees	08-160	150,000.00	127,000.00	197,011.00

Total Section C: Dedicated Uniform Construction Code Fees		150,000.00	127,000.00	197,011.00
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(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		2,147.98	2,147.98
Clean Communities Program	10-770		13,361.54	13,361.54
Body Armor Replacement Grant	10-755		1,931.30	1,931.30
Click It or Ticket Grant	10-733		4,000.00	4,000.00
Community Development Block Grant - Year 37	10-735		25,800.00	25,800.00
Drive Sober or Get Pulled Over	10-736		5,000.00	5,000.00
Federal - Bulletproof Vest Partnership Grant	10-750		4,149.75	4,149.75
NJ Transportation Trust Fund - Municipal Aid Program - Hazel Avenue	10-865		201,000.00	201,000.00

Total Section F: Special Items of General Revenue With Prior Consent			257,390.57	257,390.57
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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	74,000.00		
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Reserve for Developers Contribution	08-163	55,266.67	-	
Reserve for Developers Contribution - Walmart - Kelley Drive Stormwater Basin	08-165	150,000.00	150,000.00	
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Total Section G: Special Items of General Revenue With Prior Consent Other Special Items		279,266.67	150,000.00	0.00
TOTAL MISCELLANEOUS REVENUES		2,139,413.67	2,197,737.57	2,338,092.44
4) RECEIPTS FROM DELINQUENT TAXES		340,000.00	350,000.00	427,539.65
5) SUBTOTAL GENERAL REVENUES (ITEMS 1,2,3, AND 4)		3,759,413.67	3,697,737.57	3,915,632.09
6) AMOUNT TO BE RAISED BY TAXES	07-190	6,525,963.01	6,397,858.11	6,591,629.76
10) TOTAL GENERAL REVENUES		10,285,376.68	10,095,595.68	10,507,261.85

CURRENT FUND - APPROPRIATIONS

		CY 2016	CY 2015	EMERGENCY	TOTAL CY 2015 AS MODIFIED BY TRANSFERS	PAID OR CHARGED CY 2015	RESERVED
8) GENERAL APPROPRIATIONS (A) OPERATIONS - WITHIN CAPS							
GENERAL GOVERNMENT							
Mayor & Council							
Salaries & Wages	20-110-1	58,500.00	57,400.00		57,400.00	57,326.10	73.90
Other Expenses	20-110-2	27,900.00	29,100.00		29,100.00	17,413.71	11,686.29
Township Clerk							
Salaries & Wages	20-120-1	98,300.00	94,400.00		94,400.00	94,120.60	279.40
Other Expenses	20-120-2	42,100.00	37,300.00		40,300.00	38,114.35	2,185.65
Financial Administration							
Salaries & Wages	20-130-1	103,100.00	99,800.00		99,800.00	93,442.28	6,357.72
Other Expenses	20-130-2	15,600.00	13,400.00		16,400.00	15,182.11	1,217.89
Audit Services							
Other Expenses	20-135-2	36,600.00	35,700.00		35,700.00	35,700.00	0.00
Revenue Administration							
Salaries & Wages	20-145-1	70,300.00	72,800.00		72,800.00	72,575.59	224.41
Other Expenses	20-145-2	16,700.00	17,500.00		17,500.00	13,163.35	4,336.65
Tax Assessment Administration							
Salaries & Wages	20-150-1	20,400.00	20,000.00		20,500.00	20,384.60	115.40
Other Expenses	20-150-2	5,950.00	5,950.00		5,950.00	1,513.87	4,436.13
Reserve for Reassessment of Real Proper	20-151-2	0.00	0.00	125,000.00	125,000.00	125,000.00	0.00
Legal Services and Costs							
Other Expenses	20-155-2	86,000.00	80,000.00		88,900.00	81,465.52	7,434.48
Engineering Services and Costs							
Salaries & Wages	20-165-1	154,800.00	159,600.00		119,600.00	101,726.72	17,873.28
Miscellaneous Other Expenses	20-165-2	14,550.00	15,370.00		15,370.00	9,819.46	5,550.54
LAND USE ADMINISTRATION							

Planning/Zoning Board										
Salaries & Wages	21-180-1	14,400.00	14,100.00	14,100.00	14,100.00	14,100.00	14,058.46	41.54		
Other Expenses	21-180-2	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	6,500.04	3,499.96		
INSURANCE										
Liability Insurance	23-210-2	255,000.00	220,000.00	220,000.00	220,000.00	220,000.00	214,763.99	5,236.01		
Worker Compensation Insurance	23-215-2	138,000.00	136,600.00	136,600.00	136,600.00	136,600.00	110,221.71	4,378.29		
Group Insurance	23-220-2	1,702,370.00	1,509,976.00	1,509,976.00	1,509,976.00	1,509,976.00	1,416,320.06	93,655.94		
Health Benefit Waiver	23-221-1	39,200.00	26,300.00	26,300.00	26,300.00	27,300.00	26,464.11	835.89		
Unemployment Compensation Insurance	23-225-2	14,000.00	14,000.00	14,000.00	14,000.00	14,000.00	13,006.00	994.00		
PUBLIC SAFETY FUNCTIONS										
Police										
Salaries & Wages	25-240-1	1,692,800.00	1,629,100.00	1,629,100.00	1,629,100.00	1,644,100.00	1,631,327.45	12,772.55		
Other Expenses:										
Miscellaneous Other Expenses	25-240-2	117,800.00	117,510.00	117,510.00	117,510.00	137,510.00	133,907.13	3,602.87		
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	2,100.00	2,100.00	2,100.00	2,100.00	2,039.96	60.04		
Other Expenses	25-252-2	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	174.00	1,226.00		
Aid to Ambulance Company										
Salaries & Wages	25-260-1								0.00	
Other Expenses	25-260-2	34,000.00	33,000.00	33,000.00	33,000.00	33,000.00	30,842.55	2,157.45		
Municipal Prosecutor										
Salaries & Wages	25-275-1	13,700.00	13,400.00	13,400.00	13,400.00	13,400.00	13,369.98	30.02		
Other Expenses	25-275-2	500.00	500.00	500.00	500.00	500.00		500.00		
Municipal Court										
Salaries & Wages	43-490-1	119,000.00	116,600.00	116,600.00	116,600.00	116,600.00	116,207.12	392.88		
Other Expenses	43-490-2	51,900.00	50,100.00	50,100.00	50,100.00	50,100.00	44,323.07	5,776.93		

Public Defender	43-495-2	500.00	500.00	500.00	500.00
Other Expenses					
PUBLIC WORKS FUNCTIONS					
Streets & Road Maintenance					
Salaries & Wages	26-290-1	69,600.00	44,000.00	54,000.00	48,215.61
Other Expenses	26-290-2	25,800.00	26,500.00	46,500.00	38,666.27
Other Public Works Functions -					
Traffic Signal Monitoring System					
Other Expenses	26-300-2	54,600.00	54,600.00	600.00	600.00
Solid Waste Collection					
Salaries & Wages	26-305-1	478,900.00	431,700.00	407,700.00	407,104.44
Other Expenses	26-305-2	12,900.00	12,500.00	12,500.00	5,205.77
Buildings and Grounds					
Salaries & Wages	26-310-1	44,500.00	43,700.00	45,700.00	43,470.55
Other Expenses	26-310-2	37,575.00	32,675.00	32,675.00	28,728.57
Vehicle Maintenance					
Salaries & Wages	26-315-1	68,800.00	124,300.00	105,300.00	276.46
Other Expenses	26-315-2	114,250.00	104,500.00	124,500.00	104,436.43
HEALTH & HUMAN SERVICES FUNCTIONS					
Public Health Services					
Salaries & Wages	27-330-1	4,800.00	4,700.00	4,700.00	4,686.50
Other Expenses	27-330-2	500.00	500.00	500.00	13.50
PARKS & RECREATION FUNCTIONS					
Recreation Services & Programs					
Salaries & Wages	28-370-1	5,200.00	5,200.00	5,200.00	5,200.00
Other Expenses	28-370-2	5,200.00	5,200.00	5,200.00	5,200.00
Maintenance of Parks					
Salaries & Wages	28-375-1	0.00	0.00	0.00	0.00
Other Expenses	28-375-2	36,100.00	36,100.00	36,100.00	9,376.22
					26,723.78

Other Expenses HR Direct PO # 52254	30-410-2									0.00
Accumulated Leave Compensation Salaries & Wages	30-415-1	1,000.00	1,000.00			26,500.00	25,500.00			1,000.00
Celebration of Public Events Other Expenses	30-420-2	9,100.00	9,100.00			9,100.00	170.27			8,929.73
8A TOTAL OPERATIONS WITHIN CAPS		6,675,755.00	6,294,731.00	125,000.00	6,419,631.00	6,419,631.00	6,026,471.42			393,159.58
Detail:										
Salaries & Wages		3,202,200.00	3,100,200.00	0.00	3,072,200.00	3,072,200.00	3,014,739.74			57,460.26
Other Expenses		3,473,555.00	3,194,531.00	125,000.00	3,347,431.00	3,347,431.00	3,011,731.68			335,699.32
		6,675,755.00	6,294,731.00	125,000.00	6,419,631.00	6,419,631.00	6,026,471.42			393,159.58
DEFERRED CHARGES WITHIN CAPS										
Emergency Authorizations	46-870									0.00
Deficit in Open Space Trust Fund	46-885									0.00
Deficit in Animal Control Fund	46-880									0.00
STATUTORY EXPENDITURES WITHIN CAPS										
Public Employees Retirement System	36-471	186,045.00	177,777.00			177,777.00	174,570.68			3,206.32
Social Security System	36-472	240,000.00	221,300.00			221,300.00	208,213.19			13,086.81
Police and Firemen's Retirement System	36-475	354,572.00	331,873.00			331,873.00	331,873.00			0.00
Defined Contribution Retirement System	36-477	5,000.00	4,800.00			4,900.00	4,814.53			85.47
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES WITHIN CAPS		785,617.00	735,750.00	0.00	735,850.00	735,850.00	719,471.40			16,378.60
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN CAPS	H1	7,461,372.00	7,030,481.00	125,000.00	7,155,481.00	7,155,481.00	6,745,942.82			409,538.18
OPERATIONS EXCLUDED FROM CAPS										
MUNICIPAL COURT										
Municipal Court Salaries & Wages	43-490-1									0.00

Other Expenses	43-490-2								0.00
Public Defender									
Other Expenses	43-495-2								0.00
Liability Insurance	23-210-2								
Worker Compensation Insurance	23-215-2								
Group Insurance	23-220-2	27,630.00	25,024.00	25,024.00	25,024.00				0.00
Police - Homeland Security									
Salaries & Wages	25-240-1								0.00
Other Expenses	25-240-2								0.00
NJPES Stormwater Permit									
Street Division									
Salaries & Wages	26-510-1	41,100.00	38,900.00	38,900.00	38,900.00			14,150.60	24,749.40
Other Expenses	26-510-2	19,075.00	19,675.00	19,675.00	19,675.00			12,008.04	7,666.96
Landfill/Solid Waste Recycling Tax									
Other Expenses	32-465-2	7,500.00	7,500.00	7,500.00	7,500.00			6,704.10	795.90
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	41-705-1								0.00
Other Expenses	41-705-2								0.00
Drunk Driving Enforcement Grant									
Police Department									
Salaries & Wages	41-710-1		2,147.98	2,147.98	2,147.98			2,147.98	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		5,000.00	5,000.00	5,000.00			5,000.00	0.00

Clean Communities Program					
Salaries & Wages	41-725-1	13,361.54	13,361.54	13,361.54	0.00
Other Expenses	41-725-2				0.00
HOME Investment Partnership Program					
Other Expenses	41-726-2				0.00
Neighborhood Housing Rehab 2008 Grant					
Other Expenses	41-727-2				0.00
Over the Limit Under Arrest Grant					
Salaries & Wages	41-728-1				0.00
Obey the Signs or Pay the Fines Grant					
Salaries & Wages	41-729-1				0.00
Supplemental Fire Services					
Other Expenses	41-730-2				0.00
Camden County Recreation Enhancement Grant - Round 14A - Dog Park					
Other Expenses	41-739-2				0.00
NJ Division of Highway Safety					
Click It or Ticket Grant					
Salaries & Wages	41-734-1	4,000.00	4,000.00	4,000.00	0.00
Federal - Bulletproof Vest Partnership Grant					
Other Expenses	41-750-2	4,149.75	4,149.75	4,149.75	0.00
Local Match for Grants					
	41-760-2				0.00
Community Development Block Grant - Yr 37					
Other Expenses	41-765-2	25,800.00	25,800.00	25,800.00	0.00
Community Development Block Grant					
Year 35 - Supplemental					
Other Expenses	41-766-2				0.00
Body Armor Replacement Grant					
Other Expenses	41-755-2	1,931.30	1,931.30	1,931.30	0.00

TOTAL DEBT SERVICE - EXCLUDED FROM CAPS	1,537,000.00	1,517,500.00	0.00	1,517,500.00	1,505,971.51	0.00
DEFERRED CHARGES - EXCLUDED FROM CAPS						
Emergency Authorizations Special Emergency Authorizations - 5 Yr.	46-870 46-875	25,000.00				0.00 0.00
TOTAL DEFERRED CHARGES EXCLUDED FROM CAPS		25,000.00	0.00	0.00	0.00	0.00
TOTAL GENERAL APPROPRIATIONS EXCLUDED (O) FROM CAPS		1,922,305.00	2,330,989.57	0.00	2,330,989.57	33,212.26
(L) SUBTOTAL GENERAL APPROPRIATIONS		9,383,677.00	9,361,470.57	125,000.00	9,486,470.57	442,750.44
(M) RESERVE FOR UNCOLLECTED TAXES	50-899	901,699.68	734,125.11		734,125.11	0.00
9 TOTAL GENERAL APPROPRIATIONS		10,285,376.68	10,095,595.68	125,000.00	9,616,316.75	442,750.44

DEDICATED SEWER UTILITY BUDGET - ANTICIPATED REVENUES

	ANTICIPATED CY 2016	CY 2015	REALIZED IN CASH CY 2015
SURPLUS ANTICIPATED	115,800.00	58,100.00	58,100.00
RENTS	990,000.00	970,000.00	1,071,144.79
CONNECTION FEES			
MISCELLANEOUS	6,900.00	12,400.00	13,805.51
TOTAL UTILITY REVENUES	1,112,700.00	1,040,500.00	1,143,050.30

DEDICATED SEWER UTILITY BUDGET

	CY 2016	CY 2015	EMERGENCY	TOTAL CY 2015 AS MODIFIED BY TRANSFERS	PAID OR CHARGED CY 2015	RESERVED
Operating:						
Salaries & Wages	166,800.00	164,200.00		167,200.00	164,340.56	2,859.44
Other Expenses	301,100.00	285,300.00		280,800.00	245,764.12	35,035.88
Debt Service:						
Payment of Bond Principal	375,000.00	365,000.00		365,000.00	365,000.00	0.00
Principal on Bond Anticipation Notes	55,000.00				0.00	0.00
Interest on Bonds	185,000.00	197,100.00		198,600.00	198,518.93	0.00
Interest on Notes	6,800.00	6,000.00		6,000.00	5,589.92	0.00
Deferred Charges:						
Emergency Authorizations	0.00	0.00		0.00	0.00	0.00
Statutory Expenditures						
Contribution to:						
Public Employees Retirement System	9,800.00	9,900.00		9,900.00	9,400.00	500.00
Social Security System	12,800.00	12,600.00		12,600.00	11,637.86	962.14
Unemployment Compensation Insurance	400.00	400.00		400.00	90.21	309.79
TOTAL SEWER UTILITY APPROPRIATIONS	1,112,700.00	1,040,500.00	0.00	1,040,500.00	1,000,341.60	39,667.25

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

	ANTICIPATED CY 2016	CY 2015	REALIZED IN CASH CY 2015
AMOUNT TO BE RAISED BY TAXATION	225,900.00	141,930.00	142,880.88

Reserve Funds:
Fund Balance Reserve for Future Use - 8,430.00 \$8,430.00

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TOTAL TRUST FUND REVENUES 225,900.00 150,360.00 151,310.88

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

	CY 2016	CY 2015	EMERGENCY BY TRANSFERS	TOTAL CY 2015 AS MODIFIED BY TRANSFERS	PAID OR CHARGED CY 2015	RESERVED
Maintenance of Lands for Recreation and Conservation						
Salaries & Wages	94,400.00	92,600.00		92,600.00	92,134.52	0.00
Other Expenses	46,800.00	42,200.00		42,200.00	42,200.00	0.00
Debt Service:						
Payment of Bond Principal	13,070.00	12,810.00		12,810.00	12,804.18	0.00
Payment of Bond Anticipation Notes						
Interest on Bonds	2,490.00	2,750.00		2,750.00	2,741.62	0.00
Interest on Notes						
Reserve for Future Use	69,140.00					0.00
TOTAL TRUST FUND APPROPRIATIONS	\$225,900.00	\$150,360.00	\$0.00	\$150,360.00	\$149,880.32	\$0.00

Analysis of the Amount to be Raised by Taxes (Municipal Tax Levy) and Tax Rate for the CY 2015 Adopted Budget as Compared to CY 2016 Introduced Budget

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

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CY 2016 Municipal Tax Levy as Introduced	\$ 6,525,963.01
Ratables 2016	\$564,661,568.00 Note 1
2016 Tax Rate per Hundred Dollars of Assessed Valuation (Levy / Ratables)	\$ 1.156
2016 Average Assessment	\$ 171,214.00
2016 Average Taxes (Rate times Average Assessment)	\$ 1,979.23

Average Increase per Homeowner per Year	\$ 38.97
Percentage Increase per Homeowner per Year	2.00%

Note1 - Reassessment in 2016

Analysis of the Increase in the Amount to be Raised by Taxes for CY 2016 Introduced Budget

Amount to be Raised - CY 2015 Municipal Tax Levy as Adopted	\$ 6,397,858.11
Amount to be Raised - CY 2016 Municipal Tax Levy as Introduced	\$ 6,525,963.01
Increase in Municipal Tax Levy for CY 2016	\$ 128,104.90 or 2.00 %

Breakdown of Increase in Municipal Tax Levy

Revenues:

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

	Amount	Percent Change
Surplus Anticipated	\$ (130,000)	
Local Revenues	(69,800)	
Regular State Aid	-	
Receipts from Delinquent Taxes	10,000	
Utility Surplus of Prior Year/Developers Cont.	(129,266)	9.27% Increase in Revenues
	\$ (319,066)	

Appropriations (see detail on next page)

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

Total Increase in Amount to be Raised (Tax Levy)	\$ 128,105	2.00% Increase in CY 2016 Introduced Budget
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TOWNSHIP OF BERLIN
 ANALYSIS OF LOCAL MUNICIPAL TAXES
 FOR CALENDAR YEARS 2013, 2014, 2015 AND 2016

CY YEAR	AVERAGE ASSESSMENT	AMOUNT OF TAXES TO BE RAISED	RATABLES	TAX RATE PER \$100.00	AVERAGE LOCAL MUNICIPAL TAX PER YEAR	INCREASE (DECREASE) FROM PREVIOUS YEAR	PERCENT INCREASE (DECREASE) FROM PREVIOUS 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
2016	\$ 171,214.00	\$ 6,525,963.01	\$ 564,661,568	1.156	\$1,979.23	\$38.97	2.00

Note: Reassessment in 2016

Township of Berlin
 Analysis of Increases and Decreases in Appropriations
 Comparing CY 2016 Introduced Budget to CY 2015 Adopted Budget

	CY 2016 Introduced Budget	CY 2015 Adopted Budget	Variance	Percent % Change	Brief Reason for Variance
Police Salaries	\$ 1,693,800	\$ 1,630,100	\$ 63,700	3.91	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	117,800	117,510	290	0.25	
Public Works/Engineering Salaries	857,700	842,200	15,500	1.84	This budget increase is due to the net result of 2% raises and the retirement of higher salaried employees replaced by lower salaried employees.
Public Works/Engineering Other Expenses	260,250	247,320	12,930	5.23	This increase is due to the net result of increases in costs for permits and vehicle maintenance.
Traffic Signal Monitoring System	54,600	54,600	-	-	No change
Landfill	207,500	185,500	22,000	11.86	This increase is the net result of a cost per ton increase due to a new contract for landfill disposal services.
Utilities (including Fuel)	362,900	363,700	(800)	(0.22)	These line items increased as a net result of decreases in fuel and increases in electric costs.
Social Security	240,000	221,300	18,700	8.45	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)	2,176,200	1,931,900	244,300	12.65	This increase is the result of increases in premiums for insurances even though we are part of a joint fund and State Health Benefits, as well as costs for prescription and dental plans.
Other Salaries - Administration	652,600	640,500	12,100	1.89	This increase is the net result of 2% salary increases and one full time employee replaced by two part time employees.
Other Miscellaneous Expenses	387,710	372,500	15,210	4.08	This increased due to an increase in the codifying the code book, and legal expense due to litigation.
Pensions	545,616	514,450	31,166	6.06	This increased as a result of actual bills received from the State.
Capital Improvement Fund	265,000	315,000	(50,000)	(15.87)	This decrease is due to an additional amount budgeted in 2015 to offset costs of a Bond Ordinance to fund various capital improvements adopted in March 2016.
Capital Improvement - Improvements to Kelley Drive Stormwater Basin - Walmart Reserve	-	150,000	(150,000)	(100.00)	This project and the funds on deposit to offset it were moved to capital.
Special Emergency Authorization	25,000	-	25,000	100.00	This is the first installment of 5 for the costs of the Property

Reassessment program, which cost a total of \$125,000.00.

Debt Service	1,537,000	1,517,500	19,500	1.29 This is in accordance with our actual debt service obligations.
Reserve for Uncollected Taxes	901,700	734,125	167,575	22.83 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	\$ 10,285,376	\$ 9,638,205	\$ 447,171	4.54
Grants	\$	257,391		

Total Budgets	\$ 10,285,376	\$ 10,095,596		
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TOWNSHIP OF BERLIN
ANALYSIS OF THE CY 2016 BUDGET BY FUNCTION

DEPARTMENT	AMOUNT	PERCENTAGE
POLICE SALARIES	\$ 1,693,800	16.47
POLICE OTHER EXPENSES	117,800	1.15
SUB TOTAL POLICE	\$ 1,811,600	17.61
PUBLIC WKS /ENG. SALARIES (EXCLUDING SOLID WASTE)	\$ 378,800	3.68
PUBLIC WKS/ENG. OTHER EXP (EXCLUDING SOLID WASTE)	247,350	2.40
SUB TOTAL PUBLIC WKS/ENG. EXCLUDE SOLID WASTE	\$ 626,150	6.09
SOLID WASTE COLLECTION SALARIES	\$ 478,900	4.66
SOLID WASTE COLLECTION OTHER EXP (INCLUDE LANDFILL)	220,400	2.14
SUB TOTAL SOLID WASTE COLL AND LANDFILL	\$ 699,300	6.80
SUB TOTAL PUBLIC WKS/ENG. AND SOLID WASTE	\$ 1,325,450	12.89
UTILITIES (INCLUDING FUEL)	\$ 362,900	3.53
SOCIAL SECURITY	240,000	2.33
INSURANCE (INCLUDES W/C, GROUP AND UNEMPLOYMENT)	1,921,200	18.68
INSURANCE (LIABILITY)	255,000	2.48
OTHER SALARIES (ADMINISTRATION)	652,600	6.34
OTHER MISCELLANEOUS EXPENSES	387,710	3.77
PFRS, PERS AND DCRP (PENSION)	545,616	5.30
TRAFFIC SIGNAL MONITORING SYSTEM	54,600	0.53
DEBT SERVICE	1,537,000	14.94
CAPITAL IMPROVEMENT FUND	265,000	2.58
SPECIAL EMERGENCY AUTHORIZATION	25,000	0.24
RESERVE FOR UNCOLLECTED TAXES	901,700	8.78
TOTAL SUPPORTED BY TAXES.....	\$ 10,285,376	100.00
RECONCILIATION		
TOTAL BUDGET	\$ 10,285,376	
LESS: GRANTS	0	
RESERVE FROM WALMART FOR BASIN IMPROVEMENTS	(150,000)	
TOTAL SUPPORTED BY TAXES.....	\$ 10,135,376	

TOWNSHIP OF BERLIN
ANALYSIS OF LOCAL MUNICIPAL TAX DISTRIBUTION
BY SERVICE AREAS
FOR CALENDAR YEAR 2016

DEPARTMENT	HOUSEHOLD COST PER YEAR
POLICE SALARIES	\$ 325.98
POLICE OTHER EXPENSES	22.76
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SUB TOTAL POLICE	\$348.74
PUBLIC WORKS /ENG. SALARIES (EXCLUDING SOLID WASTE)	\$ 72.84
PUBLIC WORKS/ENG. OTHER EXPENSES (EXCLUDING SOLID WASTE)	47.50
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SUB TOTAL PUBLIC WORKS/ENG. EXCLUDING SOLID WASTE	\$ 120.34
SOLID WASTE COLLECTION SALARIES	\$ 92.23
SOLID WASTE COLLECTION OTHER EXPENSES (INCLUDING LANDFILL)	42.36
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SUB TOTAL SOLID WASTE COLLECTION AND LANDFILL	\$ 134.59
SUB TOTAL PUBLIC WORKS/ENG. AND SOLID WASTE	\$ 254.93
UTILITIES (INCLUDING FUEL)	\$ 69.87
SOCIAL SECURITY	46.12
INSURANCE (INCLUDES W/C, GROUP AND UNEMPLOYMENT)	369.72
INSURANCE (LIABILITY)	49.08
OTHER SALARIES (ADMINISTRATION)	125.48
OTHER MISCELLANEOUS EXPENSES	74.62
PFRS, PERS AND DCRP (PENSION)	104.90
TRAFFIC SIGNAL MONITORING SYSTEM	10.49
DEBT SERVICE	295.70
CAPITAL IMPROVEMENT FUND	51.06
SPECIAL EMERGENCY AUTHORIZATION	4.75
RESERVE FOR UNCOLLECTED TAXES	173.77
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	\$ 1,979.23
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TOWNSHIP OF BERLIN
ANALYSIS OF TOTAL TAXES BASED ON THE AVERAGE RESIDENTIAL
PROPERTY ASSESSMENT AND ON COUNTY CERTIFIED TAX RATES
FOR THE CALENDAR YEAR 2015 (Note 1)

(See Notes at Bottom)	2015 AVERAGE ASSESSMENT	2015 TAX RATE PER \$100.00	2015 TOTAL TAXES	2015 PERCENT OF TOTAL TAXES
COUNTY TAX.....	\$107,613.00	\$ 1.298	\$ 1,396.82	22.43
COUNTY LIBRARY TAX.....	\$107,613.00	0.080	86.09	1.38
COUNTY OPEN SPACE TAX.....	\$107,613.00	0.033	35.51	0.57
DISTRICT SCHOOL TAX.....	\$107,613.00	2.394	2,576.26	41.37
LOCAL MUNICIPAL TAX.....	\$107,613.00	1.803	1,940.26	31.16
FIRE DISTRICT TAX.....	\$107,613.00	0.140	150.66	2.45
OPEN SPACE/RECREATION TAX.....	\$107,613.00	0.039	41.97	0.67
TOTALS.....		\$ 5.787	\$ 6,227.56	100.00

Notes:

- 1) 2016 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 2016. Rather than use projections for tax rates of the Local Schools and the County this analysis presents information for 2015.

TOWNSHIP OF BERLIN
 ANALYSIS OF THE TOTAL TAX RATE AND TOTAL TAXES
 FOR THE CALENDAR YEARS 2011 THROUGH 2015 (Note 1)

YEAR	TAX RATE *	AMOUNT	INCREASE OR (DECREASE)	PERCENT INCREASE OR (DECREASE)
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
2014	5.696 \$	6,069.95 \$	148.34	2.51
2015	5.787 \$	6,227.56 \$	157.61	2.60

* BASED ON AN AVERAGE RESIDENTIAL ASSESSMENT OF THE FOLLOWING:

YEAR	ASSESSMENT
2015	\$ 107,613.00
2014	\$ 106,565.00
2013	\$ 106,008.00
2012	\$ 105,844.00
2011	\$ 105,749.00

Notes:

- 1) 2016 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 2016. Rather than use projections for tax rates of the Local Schools and the County this analysis presents information for 2015.

TOWNSHIP OF BERLIN
 ANALYSIS OF PROPERTY ASSESSMENTS
 FOR THE CALENDAR YEARS 2012 THROUGH 2016 (See Note 1)

PROPERTY CLASSIFICATION	2016(See Note 1)	2015	2014	2013	2012
Vacant Land.....	\$14,792,100	\$9,925,900	\$10,550,000	\$10,650,400	\$10,898,100
Residential.....	306,646,000	191,336,200	186,916,500	184,985,400	183,746,600
Farm (Regular).....	251,200	166,400	166,400	166,400	166,400
Farm (Qualified).....	29,200	27,100	27,100	27,100	27,100
Commercial.....	184,949,200	117,481,900	115,271,200	117,425,300	119,559,500
Industrial.....	49,480,300	30,887,000	30,953,700	31,107,700	31,381,700
Apartment.....	6,848,200	3,955,600	3,955,600	3,955,600	3,955,600
Utilities.....	1,665,368	1,048,343	1,213,487	983,728	733,328
TOTALS.....	\$564,661,568	\$354,828,443	\$349,053,987	\$349,301,628	\$350,468,328
INCREASE (DECREASE) FROM PREVIOUS YEAR.....	\$209,833,125	\$5,774,456	(\$247,641)	(\$1,166,700)	\$2,587,603
PERCENT INCREASE (DECREASE) FROM PREVIOUS YEAR.....	59.14	1.65	(0.07)	(0.33)	0.74

Note 1: A Reassessment was performed in 2016 after over 25 years. The total values of all properties increased approximately 60% over last year. Should the total tax levies remain the same for 2016 then the tax rate would be approximately 40%.

TOWNSHIP OF BERLIN
 ANALYSIS OF STATE AID RECEIVED EXCLUDING GRANTS
 FOR THE FISCAL YEARS 2011 THROUGH CY 2016

CATEGORY	CY 2016	CY 2015	CY 2014	CY 2013	TY 2012	SFY 2012	SFY 2011
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	\$1,287,847.00
Supplemental Franchise and Gross Receipts/Energy Receipts Taxes.....				53,374.00			
Pineland Tax Stabilization.....							
SUB TOTALS.....	\$1,287,847.00	\$1,287,847.00	\$1,287,847.00	\$1,341,221.00	\$1,287,847.00	\$1,287,847.00	\$1,287,847.00
INCREASE (DECREASE) FROM PREVIOUS YEAR.....	\$0.00	\$0.00	(\$53,374.00)	\$53,374.00	\$0.00	\$0.00	(\$227,741.00)
PERCENT INCREASE (DECREASE) FROM PREVIOUS YEAR.....	0.00	0.00	(3.98)	4.14	0.00	0.00	(15.03)

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 totaled \$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 2012 THROUGH CALENDAR YEAR (CY) 2015

	AS OF 12/31/15 (Note 1)	AS OF 12/31/14	AS OF 12/31/13	AS OF 12/31/12 (Note 2)	AS OF 6/30/12
TAX COLLECTION RATE PERCENTAGES (ACTUAL)	96.75%	97.50%	98.07%	97.53%	99.14%
BALANCES OF DELINQUENT TAXES \$	642,982.60 \$	474,339.29 \$	316,491.83 \$	207,461.10 \$	2,035.29
BALANCES OF TAX TITLE LIENS \$	395,181.88 \$	333,975.09 \$	277,597.28 \$	223,855.68 \$	198,336.78

Notes:

- 1 - From Unaudited Financial Statement for calendar year ended 12/31/15 (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.
- 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 2012 THROUGH CY 2016

	CY 2016 (See Note 2)	CY 2015 (See Note 3)	CY 2014	CY 2013	TY 2012 (See Note 4)	SFY 2012
Surplus/Fund Balance at Beginning of Year (See Note 1)	\$ 2,566,165	\$ 2,535,777	\$ 2,206,474	\$ 1,810,499	\$ 533,357	\$ 517,315
Surplus Generated During Year	912,000	1,180,388	1,279,303	1,345,975	1,277,142	387,742
Sub Total	\$ 3,478,165	\$ 3,716,165	\$ 3,485,777	\$ 3,156,474	\$ 1,810,499	\$ 905,057
Surplus Anticipated to Balance Budget	(1,280,000)	(1,150,000)	(950,000)	(950,000)	-	(371,700)
Surplus/Fund Balance at End of Year	\$ 2,198,165	\$ 2,566,165	\$ 2,535,777	\$ 2,206,474	\$ 1,810,499	\$ 533,357
Total Original Budget Adopted	\$ 10,285,376	\$ 9,838,205	\$ 9,351,669	\$ 8,902,558	\$ 4,282,308	\$ 8,267,007
Percentage of the Budget Represented by Surplus Anticipated	12.44%	11.69%	10.16%	10.67%	0.00%	4.50%

Notes:

- All amounts are Audited unless noted.
- 1 - Only Cash Surplus may be anticipated in the budget of the following year.
- 2 - CY 2016 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 12/31/15
- 4 - Transitional period 7/1/12 to 12/31/12 (6 months)

Comment for CY 2016: A very conservative approach was used when estimating the amount of Surplus to be Generated during CY 2016. TY 2012 resulted in a much higher amount of surplus generated due to the reversion to a calendar year. CY 2015 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 2016 additional surplus of approximately \$130,000.00 is being used to offset an additional \$115,000.00 being budgeted in the Capital Improvement line item used to offset costs of capital improvements to be funded by a bond ordinance.

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 2012 THROUGH CY 2016

	CY 2016 (See Note 2)	CY 2015 (See Note 3)	CY 2014	CY 2013	TY 2012 (See Note 4)	SFY 2012
Surplus/Fund Balance at Beginning of Year (See Note 1)	\$ 670,485	\$ 432,601	\$ 256,434	\$ 194,497	\$ 121,069	\$ 9,417
Surplus Generated During Year	115,000	295,984	233,417	87,127	73,428	121,061
Sub Total	\$ 785,485	\$ 728,585	\$ 489,851	\$ 281,624	\$ 194,497	\$ 130,478
Surplus Anticipated to Balance Budget of Sewer Operating or Current Fund	(189,800)	(58,100)	(57,250)	(25,190)	-	(9,409)
Surplus/Fund Balance at End of Year	\$ 595,685	\$ 670,485	\$ 432,601	\$ 256,434	\$ 194,497	\$ 121,069
Total Original Budget Adopted	\$ 1,112,700	\$ 1,040,500	\$ 1,039,950	\$ 1,058,700	\$ 466,200	\$ 1,058,180
Percentage of the Budget Represented by Surplus Anticipated	17.06%	5.58%	5.51%	2.38%	0.00%	0.89%

Notes:

- All amounts are Audited unless noted.
- 1 - Only Cash Surplus may be anticipated in the budget of the following year.
- 2 - CY 2016 Surplus Generated During Year and Surplus/ Fund Balance at End of Year are estimated. Budget is introduced amount.
- 3 - From Unaudited Financial Statement at 12/31/15
- 4 - Transitional Period 7/1/12 to 12/31/12 (6 months)

Comment for CY 2016: A very conservative approach was used when estimating the amount of Surplus to be Generated during CY 2016.