

Mayor
David A. Patriarca



Business Administrator
Dennis Gonzalez

February 21, 2018

CY2018 BUDGET MESSAGE

To the Residents of Pemberton Township and Honorable Members of the Township Council

The message that I share with you today is a testament to the quality and quantity of services that our Township employees have contributed to a very productive CY2017. I often ask for more from our workers, but I always appreciate their efforts and what they accomplish for us. In fact, I regularly marvel at their talent and dedication.

In CY2017, we continued our practice to manage the budget throughout the year. Adjusting during the CY2017 budget year to emerging needs and changing obligations prepared us to plan responsibly for CY2018. As with each budget that I have presented to Council over the past ten years, foremost in my mind are the current (and future) needs and desires that you have expressed, as well as the financial impact that fulfilling these requests will have on property owners. I am pleased to report that the fiscal and operational progress that we made in CY2017 also bodes well for CY2018, and beyond.

In every budget message, I recite the challenges that we will face in the year ahead. However, notwithstanding the challenges we have faced, we find solutions. The township-wide real property revaluation ordered by the County Tax Board was successfully conducted and implemented in CY2017, with little impact on our tax rate. I am pleased to report that the Pemberton Township Tax rate is the second lowest in Burlington County. I am even more pleased to report that we have been able to maintain a low tax rate while increasing public services.

In CY2017, we paved 30,491 linear feet of roads. To put it another way, that is nearly 6 miles of new Township roads in CY2017. In total, during the last four (4) years, we have paved 83,644 linear feet of roads, nearly 16 miles. The remarkable success of our in-house paving program has produced a savings of over \$6,700,000 in paving costs.

Although I highlight the paving program, I would be remiss if I did not acknowledge the other work accomplished by our Department of Public Works. We installed road drainage systems. We repaired thousands of potholes. We constructed parks. We remodeled and rehabilitated Township buildings. We demolished unsightly structures. We installed new water mains, water service lines, new water meters, fire hydrants and miles of old iron water lines. We repaired and maintained dozens of Township vehicles and equipment.

In CY2017, we finally received a new police hiring list from the Civil Service Commission, and immediately employed eight (8) new officers. The new officers have completed their academy

training, and are undergoing 'field training' as they prepare for patrol responsibilities. We anticipate that another five (5) officers will be hired in CY2018.

In the Department of Recreation and Senior Services, we embarked on a process of evaluating the quality and quantity of recreational opportunities in the Township, and planning to enhance programs, and collaborate with not-for-profit entities.

I hear you loud and clear when you ask for more aggressive code enforcement. What our Township looks like matters to all of us. I have authorized the hiring of additional staff to enforce the Township's Property Maintenance Code and zoning regulations. I have also directed our Department of Community Development to emphasize compliance from all property owners, and to regularly patrol our neighborhoods to ensure compliance.

In CY2017, The Township realized a surplus of nearly \$3.0 Million Dollars. Again, I extend my thanks to the Township Council and our operational and management employees for their contributions to the financial health of the Township of Pemberton.

But that was CY2017 and your employees do not rest on their laurels. Now, we move on to making CY2018 an even more productive year.

Administration's CY2018 budget proposal was presented to the Pemberton Township Council on February 21, 2018.

I know I say this to you every year, but it is worth repeating. We implement every adopted budget, we continue to evaluate and improve operations. We do not spend tax dollars because there is money in the budget; we spend tax dollars only when there is a need to provide services and meet our obligations. Even after the Township Council adopts the annual budget, all Department Directors and members of my Administration are charged with evaluating and reevaluating budgeted expenses in an effort to save money throughout the year. Adjustments are always made which reflect a responsible approach to spending decisions.

It is important to understand how we again achieved a substantial increase in surplus. First, stabilizing surplus from year to year is critical even though a variety of disparate economic reasons contribute to its increase or decrease from year to year. Second, in CY2017, we spent \$837,295.15 less than the final CY2017 budget through the substantial efforts of Administration and our Department Directors. Most of these unspent funds can be attributed to salaries which must be included in the spending plan but remain unspent due to retirements and payments to employees as part of their salaries from workers compensation insurance. The unspent funds are then carried forward as surplus. Third, we collected \$394,142.99 more in property taxes than was anticipated in the CY2017 budget.

Every year, the Mayor and the Township Council carefully craft the Township's annual spending plan and thoughtfully implement it throughout the year. The need for a very modest tax increase of less than one penny to meet our financial obligations, ensures public safety, provides recreational opportunities, includes care for our senior citizens, continues to support our successful road reconstruction program, and maintains our parks.

I pledge for CY2018 that my administration will endeavor to continue to be fiscally responsible and to maintain municipal services to the greatest extent possible within the CY2018 budget adopted by the Pemberton Township Council.

A. CY2017 vs. CY2018

The proposed CY2018 budget is \$24,468,511.54, a reduction of \$463,554.50 from the final CY2017 budget of \$24,932,066.04.

The Fund balance (surplus) as of December 31, 2016 was \$2,535,906.88 of which we used \$1,500,000.00 in the adopted CY2017 municipal budget to continue our annual efforts to stabilize the tax rate for Pemberton property owners. The Fund Balance as of December 31, 2017 was \$2,967,012.75, an increase in surplus of \$431,105.87. The substantial increase in surplus from last year reflects the effective management practices and fiscal policies that this administration employs with the support of our Township Council throughout the entire budget year. The amount that I propose that we use in the CY2018 budget to offset taxes is \$1,600,000.00. That will leave \$1,367,012.75 of unused surplus, an increase of \$331,105.87 from CY2017.

This administration strives to be thoughtful and prudent in the preparation and implementation of the CY2018 spending plan. The anticipated revenues and expenditures will not only provide the necessary services for which we are responsible to our residents but the plan will produce a consistent and sustainable annual Fund Balance to protect the Township against unanticipated expenses, and the possibility of significant spikes in tax rates in the future. We continue to achieve the consistency that we need for long term planning and tax stabilization.

B. Municipal Tax Rate

If the Township Council adopts the CY2018 budget that I propose, the municipal portion of the tax rate will increase by slightly more than 1/2 penny (0.66 cents), which would result in an increase of approximately \$9.88 of taxes in CY2018 for each \$150,000 of assessed valuation.

The proposed CY 2018 budget is intended to continue to provide the quantity and quality of municipal services in our community while utilizing recurring revenues to stabilize taxes over the next five (5) years. I would like to thank our Township staff for their input and recommendations and acknowledge their dedication and commitment in working responsibly with administration to follow the spending plan and to protect the interests of our residents.

Sincerely,

David A. Patriarca, Mayor