



# Township of Aberdeen

## Operating Budget

### 2021



*Fred Tagliarini, Mayor*  
*Joseph Martucci, Deputy Mayor*  
*Greg Cannon*  
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*Connie Kelley*  
*Arthur Hirsch*  
*Margaret Montone*  
**June 17, 2021**



To All:

The Township Council and Manager are pleased to present the 2021 Operating Budgets. Detailed explanatory notes of all appropriation accounts are available in the office of the Township Manager upon request. The major items of the Budget are as follows:

### A. General Information

#### 1. Total Appropriation:

The Adopted 2021 Budget appropriation totals \$22,031,961.

#### 2. Assessment:

The Net Valuation Taxable increased from \$2,333,288,090 to 2,368,124,990. A consistently increasing base helps to equalize any tax increases.

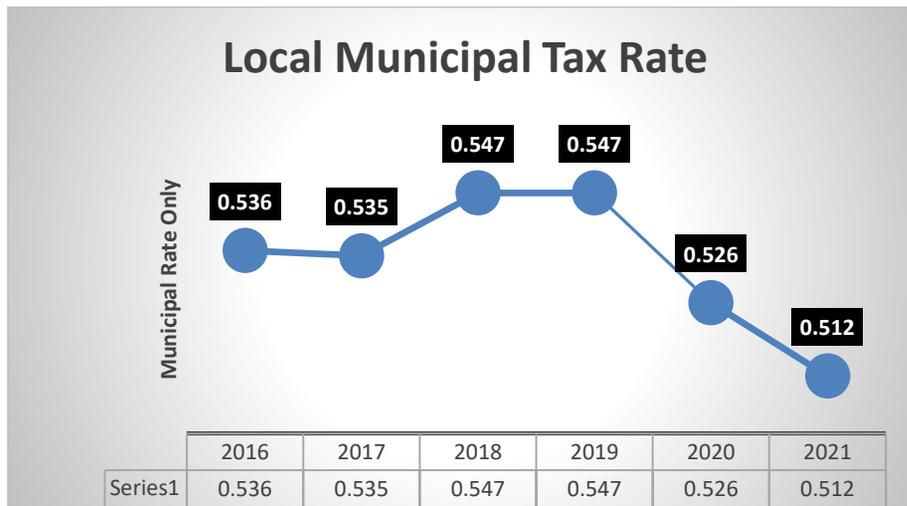
#### 3. Rate of Collection:

In 2020, the rate of collection of taxes 98.63%. Historically, we have maintained a differential in order to protect the Township from any unexpected downturn. We are using a rate of 98.50% for 2021.



#### 4. Tax Rate:

The 2021 municipal purpose tax rate for real estate property will be .512, 2020 rate was .526, this is .014 decrease.



#### 5. Budget Caps:

The 2021 operating expenditures are under the budget cap indexed at 3.5%, which was established by the Division of Local Government Services, the level of appropriations expenditures is \$686,971 under the appropriations cap.

*The 2021 Levy Cap* is \$128,597 under the maximum allowable amount to be raised by taxation. This is the enacted statute from 2010 that is generally referred to as the 2% CAP. We have consistently been under the 2% tax levy CAP.

## Revenues

### 1. Surplus:

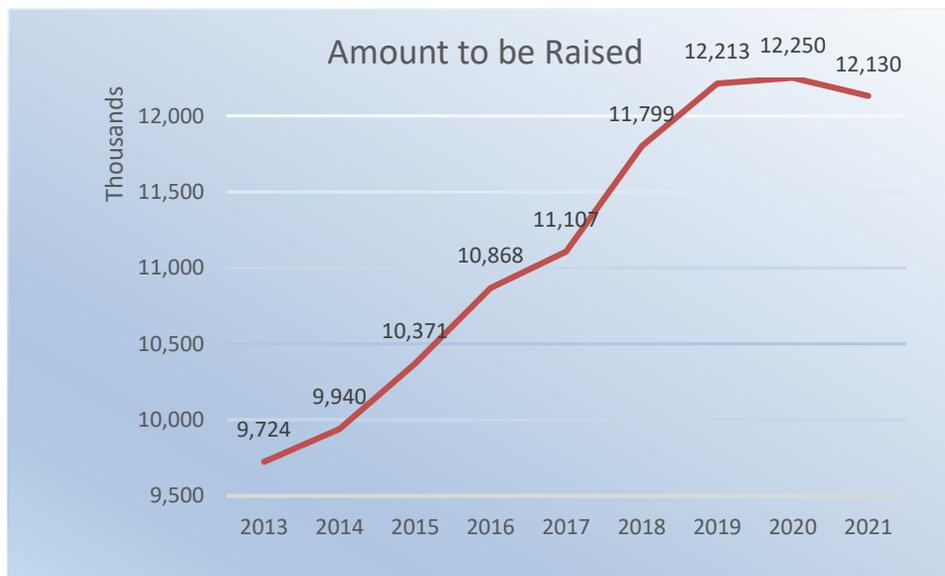
In 2020, the Township resulted in a surplus fund balance of \$2,156,633. The 2021 Operating Budget appropriates \$1,225,000 of the surplus earned in 2020 with the remaining surplus held in reserve. The ability of the Township to regenerate surplus is limited due to budgetary constraints, and budget Caps.

### 2. Miscellaneous Revenue:

The net non-property tax revenue increased by some miscellaneous reserve items such as reserve for debt and new interlocal agreements.

### 3. Property Taxes:

The amount of revenues earned from the levying of property taxes for the year 2021 will be \$12,130,365 as compared to \$12,249,525 for a decrease of \$119,160. First time in over 10 years.



## **B. Expenditures**

### **1. Salaries:**

In accordance with contracts, ordinances, state mandates, salaries are increasing in this year by 2-3% on average.

### **2. Operating Expenses:**

Operating expenses will increase by \$519,338 or 3.5% over the 2020 cost of operations. The majority of the increase is public safety and pension costs \$539,000. A savings was obtained in debt service \$437,000.

### **3. Capital Improvements:**

The cost of down payments for capital improvements for this budget funded out of current expenses is \$475,000, down from \$700,000 in 2020.

### **4. Statutory Expenditures:**

Pensions will increase by \$234,500, two-thirds of employees are covered by PERS which increased by \$63,752.

### **5. Debt Service:**

Total debt service will decrease by \$437,000, a decrease in bond interest due to the recent refunding.

### **6. Reserve for Uncollected Taxes:**

The reserve for uncollected taxes in the 2021 budget will decrease by \$42,247. A result of the Tax Collection departments consistent effort in following up on delinquencies, Although the effort was somewhat relaxed during Covid.

## **C. Water Utility:**

### **1. Operations:**

The total appropriations will decrease from \$3,870,670 to \$3,645,262, decreasing by \$225,408.

### **2. Revenues:**

The decrease in revenue is due to a one time revenue item for bond refinance from last year. There is no decrease in water rents, however, we will be looking at water & sewer rates this year, as there are several projects occurring simultaneously.

### **3. Capital Improvements:**

The budget appropriates \$40,000 for improvements to the water system.

### **4. Debt Service:**

The debt service in the water system will decrease by \$170,082, again due to refinancing.

## **D. Sewer Utility**

### **1. Operations:**

The sewer budget for 2021 will decrease \$5,518, the sewer utility continues its generous support of the general budget.

### **2. Revenues:**

It is not anticipated that there will be a need to increase sewer rates at this time, however we will include sewer rates in the study, so we can balance both water & sewer rates.

### **3. Capital Improvements:**

The budget appropriates \$300,000 for improvements to the system.

### **4. Debt Service:**

A decrease of \$100,000 is due to the Township's recent refunding and commitment to maximizing interest rates to the lowest amount possible by maintaining as much short term debt as possible

## **E. Solid Waste District**

### **1. Expenditures:**

The total appropriation will increase from \$2,531,421 to \$2,612,144. The majority of the increase of \$80,723 is attributed to contract and tipping fees at the landfill and insurance costs.

## **F. Capital Improvement Program**

### **Five Year Capital Improvement Program:**

A planning process has been in effect for a very long time. Township staff is directed toward producing a five year capital improvement plan that includes the continued improvement of roads, parks and public buildings, and improvements to all parks, along with equipment needed to be purchased by the various departments of the Township. It is updated every year. The process includes a plan to pay for improvements without impacting the long term ability of the Township to renew those improvements.

### **Conclusion**

The Manager wishes to express his appreciation for a job well done in the preparation of this budget to the Council, Chief Financial Officer, Department Heads and Supervisors, and Independent Boards and to all employees of the Township who will continue to provide the best possible services, maintaining the high quality of life which all in Aberdeen have come to know and enjoy.