

March 29, 2016

BOROUGH OF MOUNT EPHRAIM

2016 BUDGET MESSAGE

The annual review of the Borough's financial position and needs has been completed. As a result, local purpose property taxes to support the 2016 Mt. Ephraim budget, which provides for all the operating needs of the Borough, is proposed to increase for the average residential property, by less than a \$1 per week. The budget also is well below all State budget caps.

This budget takes advantage of the financial benefits of renewing of our joint contract with Bellmawr to provide trash collection services for Runnemede at an increased rate for Mt. Ephraim. As part of this arrangement, the Borough is able to lease a new trash truck from Runnemede at a very favorable rate instead of needing to purchase one this year. We also will continue shared services with other neighboring municipalities for vehicle repair, Municipal Court, Municipal Clerk and Ambulance services. A significant change in the budget is due to actions in 2015 to refinance short term debt (notes) into long term debt (bonds) at historically low interest rates. While the annual debt service is higher, funds were set aside to offset this increase allowing a much lower tax rate.

While budgeted expenditures (excluding grants) have actually increased significantly, the non-tax revenues have also gone up enough to offset most of it. However, a major cost that could not be offset is a \$50,000 increase in trash disposal fees. For the past several years savings we have had savings by traveling to the Salem County landfill at rates much lower than the Camden Incinerator. However, that has changed requiring the use of the incinerator at the higher rate. On the positive side, the reserve for uncollected taxes needed to be increased by less than \$4,000 this year to meet obligations thanks to an excellent collection rate.

The budget documents also reflect the need to budget \$89,500 in a one-time unusual expense to replace the Public Works Garage Roof that was blown off during a recent storm. Insurance will cover the cost but the expenditure has to be shown in the budget. Further, additional available surplus had to be used to offset it. When the insurance refund is received, it will offset this expenditure and use of surplus so there is no net impact on this year's or next year's budgets.

This year's assessed valuation is \$276,811,603, a slight decrease of \$1,246,213 or .45% compared to last year. The proposed total municipal property taxes is \$3,562,216. Using the new total assessed value, the proposed 2016 local purpose tax rate is \$1.287 per \$100 in assessed value, a 3.5 cent (2.83%) increase. The total tax levy is \$194,000 below the State mandated tax levy cap, after adjustments.

The average residential property, with an assessed value now calculated as \$145,000, would pay \$1,866 in municipal property taxes, an increase of \$51.32 compared to 2015.

If there are any suggestions or ideas on any other ways to hold down property taxes, or if anyone has any questions about the budget, do not hesitate to contact any Commissioner. The public hearing is scheduled for Thursday, May 5 at 8 pm.