

2014 MUNICIPAL BUDGET

Municipal Budget of the _____ City _____ of _____ Perth Amboy _____, County of _____ Middlesex _____ for the Year 2014

It is hereby certified that the Budget and Capital Budget annexed hereto and hereby made a part hereof is a true copy of the Budget and Capital Budget approved by resolution of the Governing Body on the _____ 12th _____ day of _____ March _____ 2014 and that public advertisement will be made in accordance with the provisions of N.J.S. 40A:4-6 and N.J.A.C. 5:30-4.4(d).

Certified by me, this _____ 12th _____ day of _____ March _____ 2014

ELAINE M. JASKO
Clerk
CITY HALL, 260 HIGH STREET
Address
PERTH AMBOY, NEW JERSEY 08861
Address
(732) 826-0290
Phone Number

It is hereby certified that the approved Budget annexed hereto and hereby made a part is an exact copy of the original on file with the Clerk of the Governing Body, that all additions are correct, all statements contained herein are in proof, and the total of anticipated revenues equals the total of appropriations.

Certified by me, this _____ 12th _____ day of _____ March _____ 2014
Charles J. Ferraioli, Jr. *Charles J. Ferraioli, Jr.*
Pompton Lakes, N. J. 07442
Address
401 Wanaque Avenue
Address
(973) 835-7900
Phone Number

It is hereby certified that the approved Budget annexed hereto and hereby made a part is an exact copy of the original on file with the Clerk of the Governing Body, that all additions are correct, all statements contained herein are in proof, and the total of anticipated revenues equals the total of appropriations and the budget is in full compliance with the Local Budget Law, N.J.S. 40A:4-1 et seq.

Certified by me, this _____ 12th _____ day of _____ March _____ 2014
JILL GOLDY,
Chief Financial Officer

DO NOT USE THESE SPACES

CERTIFICATION OF ADOPTED BUDGET

(Do not advertise this Certification form)

CERTIFICATION OF APPROVED BUDGET

It is hereby certified that the amount to be raised by taxation for local purposes has been compared with the approved Budget previously certified by me and any changes required as a condition to such approval have been made. The adopted budget is certified with respect to the foregoing only.

STATE OF NEW JERSEY
Department of Community Affairs
Director of the Division of Local Government Services

Dated: _____ 2014 By: _____

It is hereby certified that the Approved Budget made part hereof complies with the requirements of law, an approval is given pursuant to N.J.S. 40A:4-79.

STATE OF NEW JERSEY
Department of Community Affairs
Director of the Division of Local Government Services

Dated: _____ 2014 By: _____

COMMENTS OR CHANGES REQUIRED AS A CONDITION OF CERTIFICATION OF DIRECTOR OF LOCAL GOVERNMENT SERVICES

The changes or comments which follow must be considered in connection with further action on this budget.

 City of Perth Amboy , County of Middlesex

**EXPLANATORY STATEMENT
SUMMARY OF CURRENT FUND SECTION OF APPROVED BUDGET**

	YEAR 2014
General Appropriations For: (Reference to item and sheet number should be omitted in advertised budget)	XXXXXXXXXX
1. Appropriations within "CAPS"	XXXXXXXXXX
(a) Municipal Purposes {(Item H-1, Sheet 19) (N.J.S. 40A:4-45.2)}	56,914,274.67
2. Appropriations excluded from "CAPS"	XXXXXXXXXX
(a) Municipal Purposes {(Items H-2, Sheet 28) (N.J.S. 40A:4-45.3 as amended)}	14,029,977.11
(b) Local District School Purposes in Municipal Budget (Item K, Sheet 29)	
Total General Appropriations excluded from "CAPS" (Item O, Sheet 29)	14,029,977.11
3. Reserve for Uncollected Taxes (Item M, Sheet 29) - Based on Estimated 98.787% Percent of Tax Collections	1,125,000.00
4. Total General Appropriations (Item 9, Sheet 29)	72,069,251.78
5. Less: Anticipated Revenues Other Than Current Property Tax (Item 5, Sheet 11) (i.e., Surplus, Miscellaneous Revenues and Receipts from Delinquent Taxes)	15,999,201.20
6. Difference: Amount to be Raised by Taxes for Support of Municipal Budget (as follows)	XXXXXXXXXX
(a) Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes (Item 6(a), Sheet 11)	54,997,439.40
(b) Addition to Local District School Tax (Item 6(b), Sheet 11)	
(c) Minimum Library Tax (Item 6(c), Sheet 11)	1,072,611.18

EXPLANATORY STATEMENT - (Continued)
SUMMARY OF 2013 APPROPRIATIONS EXPENDED AND CANCELLED

	General Budget	WATER/WASTE	PARKING	MARINA
		WATER Utility	Utility	Utility
Budget Appropriations-Adopted Budget	71,777,564.50	18,067,051.51	886,800.00	206,794.00
Budget Appropriations Added by N.J.S. 40A:4-87	645,330.53			
Emergency Appropriations	0.00	0.00		
Total Appropriations	72,422,895.03	18,067,051.51	886,800.00	206,794.00
Expenditures:				
Paid or Charged (Including Reserve for Uncollected Taxes)	68,414,838.63	16,690,877.54	795,297.32	168,385.82
Reserved	4,008,056.40	491,758.48	76,502.68	28,408.18
Unexpended Balances Canceled		884,415.49	15,000.00	10,000.00
Total Expenditures and Unexpended Balances Canceled	72,422,895.03	18,067,051.51	886,800.00	206,794.00
Overexpenditures*	0.00	0.00	0.00	0.00

*See Budget Appropriations Items so marked to the right of column Expended 2013 Reserved.

Explanations of Appropriations for

"Other Expenses"

The amounts appropriated under the title of "Other Expenses" are for operating costs other than "Salaries & Wages."

Some of the items included in "Other Expenses" are:

Materials, supplies and non-bondable equipment;

Repairs and maintenance of buildings, equipment, roads, etc.,

Contractual services for garbage and trash removal, fire hydrant service, aid to volunteer fire companies, etc.;

Printing and advertising, utility services, insurance and many other items essential to the services rendered by municipal government.

		EXPLANATORY STATEMENT- (Continued)			
BUDGET MESSAGE					
The City has elected to use a 3.50% CAP for 2014		NOT APPLICABLE			
Below is how the CAP is calculated for 2014.					
General Appropriations for 2013	\$ 71,777,564.50	Amount on which 3.5% CAP is applied		57,275,029.50	
CAP Base Adjustment				2,004,626.03	
Subtotal	<u>71,777,564.50</u>	3.5% CAP		<u>59,279,655.53</u>	
Exceptions:		Allowable operating appropriations before additional exception per (NJS A 40A:4-5.2)		59,279,655.53	
Less:		Add on modifications:			
Total Other Operations	1,299,435.00	New Construction		109,529.47	
Total Public & Private Programs - excluded from "CAPS"	152,703.00	2012 CAP Bank		3,148,164.43	
Total Capital Improvements - excluded from "CAPS"	250,000.00	2013 CAP Bank		<u>805,532.62</u>	
Total Municipal Debt Service - excluded from "CAPS"	11,700,397.00	Total allowable appropriations		\$ 63,342,882.05	
Reserve for Uncollected Taxes	1,100,000.00	The total general appropriations for municipal purposes within "CAPS", as indicated at item (H-1) sheet 19 of this budget document.		<u>56,914,274.67</u>	
Total Exceptions	14,502,535.00	Under CAP		<u><u>6,428,607.38</u></u>	

NOTE:

Sheet 3b-1

MANDATORY MINIMUM BUDGET MESSAGE MUST INCLUDE A SUMMARY OF:

- 1 HOW THE LEVY AND APPROPRIATION "CAP" WAS CALCULATED. (Explain in words what the "CAPS" mean and show the figures.)
- 2 A SUMMARY BY FUNCTION OF THE APPROPRIATIONS THAT ARE SPREAD AMONG MORE THAN ONE OFFICIAL LINE ITEM (e.g. if Police S&W appears in the regular section and also under "Operations Excluded from "CAPS" section, combine the figures for purposes of citizen understanding.)

EXPLANATORY STATEMENT- (Continued)	
BUDGET MESSAGE	
SUMMARY TAX LEVY CAP CALCULATION	
Levy Cap Calculation	
Prior Year Budget Amount to be Raised by Taxation for Municipal Purposes	55,459,994
Cap Base Adjustment (+/-)	
Less: Prior Year Deferred Charges to Future Taxation Unfunded	
Less: Prior Year Deferred Charges: Emergencies	
Less: Prior Year Recycling Tax	(52,530)
Less: Changes in Service Provider: Transfer of Service/Function	
Net Prior Year Tax Levy for Municipal Purpose Tax for Cap Calculations	<u>55,407,464</u>
Plus: 2% Cap increase	<u>1,108,149</u>
Adjusted Tax Levy	<u>56,515,613</u>
Plus: Assumption of Service / Function	
Adjusted Tax Levy Prior to Exclusions	<u>56,515,613</u>
Exclusions:	
Allowable Shared Service Agreements Increase	
Allowable Health Insurance Cost Increase	
Allowable Pension Obligation Increase	44,050
Allowable LOSAP Increase	
Allowable Capital Improvements Increase	50,000
Allowable Debt Service and Capital Leases Increase	
Recycling Tax Appropriation	51,603
Current Year Deferred Charges: Emergencies	
Add Total Exclusions	<u>145,653</u>
Less Cancelled or Unexpended Exclusions	
Adjusted Tax Levy	<u>56,661,266</u>
Additions:	
New Ratables - Increase in Valuations (New Construction and Additions)	6,424,016
Prior Year's Local Municipal Purpose Tax Rate (per\$100)	<u>1,705</u>
New Ratable Adjustment to Levy	109,529
CY 2011 Cap Bank Utilized in CY 2014	
CY 2012 Cap Bank Utilized in CY 2014	
CY 2013 Cap Bank Utilized in CY 2014	
Amounts approved by Referendum	
Maximum Allowable Amount to be Raised by Taxation	<u>56,770,796</u>
Amount to be Raised by Taxation for Municipal Purposes	<u>54,997,439</u>
Under Tax Levy CAP	<u>1,773,356</u>

NOTE:

Sheet 3b-2

MANDATORY MINIMUM BUDGET MESSAGE MUST INCLUDE A SUMMARY OF:

- 1 HOW THE LEVY AND APPROPRIATION "CAP" WAS CALCULATED. (Explain in words what the "CAPS" mean and show the figures.)
- 2 A SUMMARY BY FUNCTION OF THE APPROPRIATIONS THAT ARE SPREAD AMONG MORE THAN ONE OFFICIAL LINE ITEM (e.g. if Police S&W appears in the regular section and also under "Operations Excluded from "CAPS" section, combine the figures for purposes of citizen understanding.)

EXPLANATORY STATEMENT- (Continued)

BUDGET MESSAGE

In order to comply with statutory and regulatory requirements, the amounts appropriated for certain department or functions have been split and their parts appear in several places. Those appropriations which have been split add up as follows:

	<u>Within CAP</u>	<u>Operations Outside CAP</u>	<u>Funded by Public and Private Revenues</u>	<u>Total</u>
NONE				
GROUP INSURANCE FOR EMPLOYEES:				
Projected Group Insurance Costs for Employees				11,177,800.00
Less: Employee Contributions				<u>(942,000.00)</u>
Net Budgeted Group Insurance for Employees				<u>10,235,800.00</u>

NOTE:

Sheet 3b-3

MANDATORY MINIMUM BUDGET MESSAGE MUST INCLUDE A SUMMARY OF:

- 1 HOW THE LEVY AND APPROPRIATION "CAP" WAS CALCULATED. (Explain in words what the "CAPS" mean and show the figures.)
- 2 A SUMMARY BY FUNCTION OF THE APPROPRIATIONS THAT ARE SPREAD AMONG MORE THAN ONE OFFICIAL LINE ITEM (e.g. if Police S&W appears in the regular section and also under "Operations Excluded from "CAPS" section, combine the figures for purposes of citizen understanding.)

City of Perth Amboy Recommended Budget **CY2014**

City Of Perth Amboy County of Middlesex

CY 2014 Local Municipal Budget

TABLE OF CONTENTS

BUDGET MESSAGE	2
INTRODUCTION	2
OBJECTIVES.....	2
OVERVIEW.....	3
<i>FINANCIAL OBJECTIVES</i>	4
<i>OPERATIONAL OBJECTIVES</i>	5
<i>The City Government Finances in Context</i>	6
BUDGET LIMITATIONS (CAPS).....	7
<i>Appropriations Cap</i>	7
<i>Tax Levy Cap</i>	8
BUDGETARY ELEMENTS	9
CURRENT FUND	9
COST DRIVERS.....	9
ANTICIPATED REVENUES.....	11
<i>Fund Balance (Surplus)</i>	11
<i>State Aid (or more properly termed State Transfer Payments)</i>	11
<i>User Fees</i>	12
<i>Revenue Offsets</i>	13
<i>Other Revenues</i>	14
APPROPRIATIONS.....	14
<i>Accumulated Leave (Severance) Reserve</i>	14
<i>Salaries and Wages</i>	15
MAJOR LONG TERM CONCERNS.....	16
<i>Assessment (Tax) Appeal Liabilities</i>	16
<i>Severance Liabilities (Accumulated Leave)</i>	16
<i>OPEB (Governmental Accounting Standards Board Rule 45)</i>	16
<i>2009 Postponed Pension Liability</i>	17
WATER AND WASTE WATER UTILITY.....	17
PARKING SERVICES UTILITY.....	18
HARBORSIDE MARINA UTILITY.....	18
<i>Outstanding Debt (All budgets)</i>	19
CONCLUSIONS.....	21
LOOKING AHEAD.....	22
DLGS REQUIREMENTS FOR BUDGET MESSAGE.....	24
<i>2014 Revenues at Risk</i>	24
<i>2014 Non-Recurring Cost Reductions</i>	25
<i>Anticipated 2015 Appropriation Increases</i>	25
<i>Structural Imbalance Offsets</i>	25
BUDGET REVIEW MEETINGS.....	25
EXHIBITS.....	25

City of Perth Amboy Recommended Budget CY2014

Budget Message

Standard & Poor's issued the following statement on 22 November 2013:

Standard & Poor's Rating Services raised its long-term rating on Perth Amboy, N.J.'s general obligation (GO) bonds to 'A+' from 'A-', based on our recently released local GO criteria and the city's ongoing improved current fund balance.

The outlook is stable.

Additionally, S&P stated in terms of their outlook for the City:

The stable outlook reflects Standard & Poor's opinion of Perth Amboy's improved financial management practices as a result of the city's ongoing proactive management practices and ongoing budgetary adjustments. It also reflects our view of the city's very strong liquidity position and strong budgetary flexibility and performances. Additionally, based on the city's track record and projections for break-even or better performance for 2013, we believe that Perth Amboy will maintain reserves at current levels or continue to improve.

Introduction

I herewith present to the City Council the Calendar Year 2014 municipal budget.

N.J.S.A. 40:69A-44 states:

The department [of administration], under the direction and supervision of the Mayor shall

(a) Assist in the preparation of the budget...

N.J.S.A. 40:69A-45 states:

The municipal budget shall be prepared by the mayor with the assistance of the business administrator...

Objectives

Late last year I reviewed the City government's situation and identified the following objectives that this administration must focus on in 2014. These are:

- Continuous advocacy before New Jersey Transit for the required improvements to the Perth Amboy North Jersey Coast Line Train Station
- Completion of the complicated improvements to the City's originally Carnegie-funded Free Public Library with an investment of over \$2 million.
- Restoration of the City's waterfront from the ravages of Super Storm Sandy in accordance with the recommendations of the Waterfront Recovery and Redevelopment Advisory Committee
- Continued and enhanced improvement of the City's business district
- Pursue redevelopment of the Celotex property at Smith St. and Convery Blvd.

City of Perth Amboy Recommended Budget **CY2014**

- Cooperate and work with the County of Middlesex to create a 7 to 8 acre park between High Street and the Arthur Kill, north of Washington Street
- Continue to reduce the debt burden of City residents
- Continue the stabilization of taxes and utility rates while maintaining services at present levels
- Pursue City of Perth Amboy—appropriate development of the Landings at Harborside properties

Last year's budget was a bit of a setback for two of our objectives primarily due to the losses suffered from Super Storm Sandy. Fortunately, this budget will now be able to follow the lead of the 2012 City budget. **The City will once again reduce the municipal tax levy.**

As I stated the year before last:

This budget begins to do what I, as the Mayor, have wanted to do for the City of Perth Amboy since I have taken office. This budget will stabilize property taxes as the result of trimming the cost of governmental services. While we will continue to be plagued by unnecessary debt created during the prior administration due to illicit purposes and mismanagement, the budget is being reduced for the 2nd straight year. **The property tax levy is being reduced for the first time in 14 years...**

This will now be the second time in 16 years that the property tax is being reduced. As stated previously, and as has been a guiding principal during this administration, "This budget again continues to pursue achievement of a **delicate balance** between service demands and financial resources. It attacks as best as possible the capital weaknesses which are rampant in this City due to years of neglect and financial mismanagement."

Many elements of the CY 2014 Budget are funded once again at lower levels than they were in CY 2013. However, a few large line items provide a counter balance to the many reductions in this budget. Principally liabilities created in the past that must be satisfied today. While this budget will cause a decrease in the tax levy, it will retain and maintain service levels. It attacks the problems head on, as we have over the past 5.5 years.

Overview

The following are relevant facts about the recommended budget:

- The proposed CY 2014 municipal budget is in the total amount of \$72,069,251 which is about \$248,366 less than the comparable CY 2013 adopted budget (without Section F grants). **This represents a reduction of about 3.1million below the FY 2010 budget.**
- This is a decrease in appropriations of one half of one percent (0.5%) from last year and about 4.1% below the FY 2010 budget. In addition, this is about 1.2%

City of Perth Amboy Recommended Budget **CY2014**

below the FY 2008 budget in place when this administration took office almost six (6) years ago.

- The proposed CY 2014 municipal budget's property tax levy is estimated to be \$56,070,051 which is \$426,804 less than the FY 2013 adopted budget's levy of \$56,546,855.
- Each penny on the tax rate is equivalent to only about \$318,103 in CY 2014. This is down from \$325,145 in CY 2013, \$343,384 in CY 2012, \$350,412 in CY 2011 and \$364,007 in FY 2010 due to successful tax appeals which resulted from mismanagement of the 2006 Revaluation by the prior administration, the current economic recession, the loss of valuation in housing throughout New Jersey and the United States and lastly, success by local advocates for the appeal of assessments.
- While total budget **appropriations decrease** by 0.4%, the tax **levy decreases** by only **0.84%**

My CY 2014 budget objectives and goals include the following:

FINANCIAL OBJECTIVES

- Continued maintenance of service levels while holding the line on cost.
- Continue to be transparent with citizens, taxpayers and the financial community.
- Treat all tax payers equally and fairly, within the restrictions of the law.
- Treat all employees equally and fairly, within the restrictions of the law.
- Continue pursuit of fiscal stability by minimizing the cost of operations, prudently pursuing capital infrastructure improvements and consistently reducing the debt burden on residents.
- Following the rating upgrade from Standard & Poor's Rating Agency, pursue policies that will maintain the City's bond rating to continue to reduce the cost of future debt that will be required to continue to improve the City's infrastructure.
- Strategically seek state aid to offset operating costs where possible and to improve and safeguard the capital infrastructure of the City.
- Stabilize personnel and personnel related costs within the authorities that remain for the City's management, subject to uncontrollable external forces of
 - Civil Service Commission regulations
 - Binding interest arbitration
 - Contractual obligations for severance liabilities and provisions of post employment benefits to employees and retirees
 - Claims incurred by city employees and retirees under current health insurance and workers compensation coverage
- Continue to manage the cost and impact of assessment appeals.
- Pursue alternative funding sources to achieve an aggressive capital improvement program such as from other governmental levels and private foundations.

City of Perth Amboy Recommended Budget CY2014

OPERATIONAL OBJECTIVES

- Continue to set a standard for clean, open and professional government for the residents and taxpayers of our City as the City has cooperated with the Citizen's Campaign in the areas of purchasing, pay-to-play prohibitions, professional services and insurance services.
- Continue to examine every appointment and every contract based on the benefits that will be in the City's overall best interests.
- Make every effort to maintain services at current levels.
- Continue pursuit of cleaner city streets and better maintained public parks.
- Continue pursuit of capital improvements to streets, drainage, utilities, parks and public property.
- Aggressively attack repairs to overcome setbacks by Super Storm Sandy to the City's shoreline, utilizing non-City revenues wherever possible.
- Sufficiently fund operating departments to pursue excellence in service to city residents.
- Continue pursuit of capital improvements that are vital to the city's future:
 - Capital equipment in departments of fire, police and public works
 - Continue to improve city streets and other infrastructure including city's water and waste water system
- Continue development of management capabilities in the Parking Services and Harborside Marina Utilities to maximize revenues to provide for necessary improvements and develop long term plans to support the Downtown Business and Marina Districts.
- Maintain and where possible expand current resident recreational opportunities.
- Complete improvements to the Harborside Marina and Beach Promenade areas in response to Super Storm Sandy damage.

This budget will permit the City to replace vacant positions to provide services demanded and required by city residents. In addition, this budget permits:

- The additions of four (4) firefighter positions funded through the SAFER Grant and replace four (4) firefighters that will be lost through retirement at the end of the year.
- Replace in advance thirteen (13) expected police officers lost through retirement.
- Appoint the City Administrator as an employee and fill the OECD Director position.

Note that departmental staff compliments are far below those that existed in early 2008 and what should exist to provide the levels of service demanded by this City's residents. Maintaining low authorized compliments is a major contributor to achieving financial stability.

When reviewing this budget, readers will see that these understandings and objectives guided the design of this budget.

City of Perth Amboy Recommended Budget | CY2014

The City Government Finances in Context

While the City's fiscal health at the beginning of 2014 is far better than during the past six years, this does not mean that the City is financially stable. The S&P quote at the beginning of the message clearly sets that forth. The City must prove to the financial community that the integrity of its financial condition continues to improve. Many factors must be analyzed to determine the City's fiscal health. Not all of them are related to the current fund, nor can they all be seen in the Annual Financial Statement or the Annual Audits.

The City's fiscal problems arise from many years of imprudent financial practices and general economic conditions that cannot be overcome by a city in a mere few years, surely not when there is continued demand for many municipal services. These factors that were utilized in prior administrations include:

- **Use of non-recurring revenues** to support ongoing operational costs
- **Capital reimbursements funds** used to support ongoing operational costs
- **Postponing payment** for current and capital expenses and improvements for payment in later years, such as postponing debt repayment for nearly 40 years.
- **Incurring large debt burdens** in both the current fund and the water and waste water utility, some of which are back-end loaded – the heaviest costs occurring in later years such as 2015, 2027, etc.
- **Postponing capital infrastructure maintenance** in the current fund (DPW facilities and equipment, road repair and maintenance), water and waste water utility and parking services utility indefinitely, requiring work to be done in the years in which the debt on back-end loaded financing becomes due.
- **Incurring severance liabilities with no funding source**, this includes authorizing payment of health insurance premiums for retirees and their surviving spouse, allowing vacation leave to accrue beyond contractual obligations, accruing compensatory time in the police and fire departments so services could be provided earlier, but paid for by subsequent administrations.
- **Managing assessment of properties** for short term gains and ignoring both property owner equity and long term liabilities.
- Functioning with **short term or annual time horizons** instead of considering the long term view.

This budget and immediately prior budgets made, and make, great strides to shed this past character, incrementally satisfy these prior obligations and pursue the objectives set forth above. However, it does not bring the City to a position of financial independence or financial stability. It is one additional step, as were the last budgets of this administration, toward more prudent fiscal policies which will lead to financial stability, when aggressively and consistently pursued. **The City government must maintain the practices established by this administration if the rating agencies are to maintain the current upgrade or even issue higher ratings on the City's profligate debt.**

City of Perth Amboy Recommended Budget **CY2014**

Alternative Strategies and Approaches

Presentation of alternative strategies to pursue budget objectives is valuable when trying to determine the appropriate course of action.

In this budget, it is difficult to conceive of alternatives as there are so little **discretionary** resources and so many demands for these resources. Questions will probably arise about the propriety of individual appropriations. However, in the greater scheme of things, they will have minimal impact on the essential structure of this budget. The “Big Picture” of this recommended budget is as follows:

- The City Government cannot continue to increase taxes on residents who hold the unenviable position of being one of the most burdened municipal property tax payers in the County.
- The City has significant needs to fund capital infrastructure repairs and improvements that had been ignored over the years.
- The City has significant “legacy liabilities” in the form of millions of dollars in tax appeal refunds and credits that are still due, ongoing Public Safety Complex debt and litigation, debt of all sorts, unfunded severance liabilities for retiring personnel, contractual insurance obligations, including escalating Worker’s Compensation costs, forcibly deferred pension costs and future pension and health insurance costs for retirees (known as Other Post Employment Benefits - OPEB).
- The City must continue to provide basic services to residents and attempt to maintain services that residents have come to expect and depend upon.
- The City must do this with less state aid and less ratables than it has had in the past. Yet the City must also comply with the 2% Tax Levy Cap.

Budget Limitations (Caps)

Appropriations Cap

Under the statutes, municipalities are permitted to increase their annual budgets based on two alternative courses of action. Local Finance Notice 2013-23 provides:

The COLA for CY 2014 budgets is calculated at **one-half percent (0.5%)**. Pursuant to N.J.S.A. 40A:4-45.2, “municipalities and counties shall be prohibited from increasing their final appropriations by more than 2.5%...” unless action is taken by the governing body to increase their final appropriations subject to the cap to the statutorily permitted three and a half percent (3.5%). In the case of counties, the increase applies to the property tax levy, not final appropriations.

In other words, the automatic increase to the “1977” cap base is 0.5% which is less than the statutory maximum of 2.5%. The governing body may pass a COLA ordinance, increasing the cap base to 3.5%.

NJSA 40A:4-45.2 permits municipalities to **increase their final appropriations** over that of the prior year by 3.5%. To do so necessitates the municipal governing body adopting an “ordinance to exceed the municipal budget appropriation limits and to

City of Perth Amboy Recommended Budget **CY2014**

establish a cap bank.” This ordinance also is necessary if the municipality wishes to bank any unused space in the appropriations cap. Historically, municipalities have adopted this ordinance if for no other reason than to provide flexibility for future budgets if conditions necessitated its use.

Again this year, we are recommending that the governing body adopt the COLA Ordinance at the time the budget is introduced for the following reasons:

- Retain flexibility so that this Cap does not limit your budgetary choices in 2014 and future years
- Continue to utilize permitted appropriations cap bank that will evaporate if the ordinance is not adopted.

Later you will find the calculation of the Appropriations Cap utilized for this proposed budget. The recommended appropriations are within this Cap. See **Exhibit B**.

Tax Levy Cap

In 2007, as part of the Special Joint Legislative Session called into session by former Governor Corzine, the legislature imposed on municipalities **a limitation on the extent to which the property tax levy could rise**. This limitation is commonly known as the 4% Cap or the 2007 Cap.

In 2010, Governor Christie and the Legislature reached a compromise that resulted in an amendment to this earlier Tax Levy Cap. The principal changes were to reduce the 4% limit to 2%, eliminate waivers granted by the Local Finance Board of which the City was a recipient in prior years, require referenda to permit future waivers and remove the exclusion for the appropriation to the Reserve for Uncollected Taxes.

It is important however to understand that these caps on the growth of the property tax levy do not permit the final appropriations of the municipal budget to grow by either 2% or 4%. The limit on the growth of the property tax is a limit on the growth of Perth Amboy’s primary revenue source. In this budget, the property tax levy comprises about 77.8% of all revenues. This means that a property tax levy increase of 2% only permits the final appropriations to rise by about 1.56%.

For the complete Tax Levy Cap calculation see **EXHIBIT C** at the end of this message. This budget is far below that statutory limit.

City of Perth Amboy Recommended Budget **CY2014**

Budgetary Elements

Current Fund

While overall budget appropriations have decreased by about \$308,000, non-property tax revenues increased by about \$768,000. This has lessened pressure on the tax levy, which is limited by the above noted 2010 Tax Levy Cap. We expect, under this recommended budget, the property tax levy will drop by \$476,800

Cost Drivers

It is important to understand that there are elements in this budget increasing in cost. Looking at the budget from a big picture perspective we see the following:

- Promises made in the past to pay for severance benefits now must be paid. The Legislature has failed to control this expense and limitations of the collective bargaining process have prevented the City from being able to change this on its own. **Accumulated Leave Liabilities** will outstrip the ability to pay in 2014 by about \$1.52 million or about **\$245,000 more than last year.**
- The **Police Department's** Other Expense account has increased about \$60,000 over last year, though \$35,000 of this, to cover new fees from INFOCOP's E-Ticket program is expected to generate added revenues and reduced annual costs of a greater amount by year end. This added expense needs to be seen as an investment with an expected return far greater than the initial outlay.
- Loss of **CDBG and HOME** funds will account for added costs in OECD, Recreation (impact summer hiring and summer parks programs) and Aging (loss of about \$40,000). We do not know the final amounts, so current reductions are estimates. **BID** funding is down also from last year. This budget anticipates a loss of \$28,800 to support benefits costs for the sweeper operator who supplies annual service to the District, while the salary costs and office operating costs exceed the reimbursement level by at least \$30,000.
- **Department of Public Works - Divisions of Streets and Roads, Buildings and Grounds, Equipment Maintenance and Parks Maintenances** have increases due to winter snow and ice control costs in overtime and materials, primarily salt, sand, calcium chloride and gasoline/diesel fuel. Increased appropriations for overtime are: Street and Road Maintenance - \$28,000; Solid Waste - \$35,000; Buildings & Grounds - \$15,000; Equipment Maintenance - \$5,000; Maintenance of Parks - \$17,000. Increases for snow and ice control materials and pothole patch supplies are up \$58,000. The winter is taking quite a toll on the City's budget.
- **Fire Department** wage increases account for about \$164,000 of the increase. This also is due to the 1% increase in the salary guide and contractual salary increments within the guide for employees subject to binding interest arbitration.

City of Perth Amboy Recommended Budget **CY2014**

- **Municipal Court** Other Expenses are up \$30,000 primarily to replace outdated equipment, but will result in somewhat reduced telecom charges.
- Other enhancements, not mentioned above, have the following added costs: tree planting (\$30,000), Christmas decoration replacement (\$28,000), Fire department volunteer turnout gear (\$15,000); Tidelands and LSRP fees (\$11,000); Library added monies to complete rehabilitation (\$120,000).
- These increases alone account for a total increase of over \$500,000.

We must recognize that these increases have been **offset by numerous reductions in appropriations** of other line items and also by added revenues. Some of these budgetary reductions include:

• Insurances (net)	\$121,000
• Public Safety (net)	\$166,000
• Utilities (net)	\$196,000
• General Government including Legal Services (net)	\$110,000
• Total	\$593,000

The ability to reduce expenses without either reducing service levels or postponing the cost until next year is quite limited. (Note that many other appropriation lines have already been reduced.) We should view the above increases in light of the following:

- **Severance liabilities** are due and payable according to the collective negotiations agreements (CNA's) for most employees and past practice for others. The Legislature has failed to act to permit municipalities to control these costs as these costs are locked up in the strictures of rules governing collective negotiations.
- **Salary and wage increases** must be provided to meet the City's obligations under the collective negotiations agreements. Layoffs in the police, fire and/or public works departments, the City's most expensive departments, would have two effects. First, the least senior, lowest paid and least costly of the employees would be laid off. Second, overtime costs would rise for higher paid and more senior employees. Third, the citizenry would not abide by reductions in services. Layoffs would not be a solution, but rather exacerbate the problems.
- **Grant funding**, such as CDBG and HOME funding is in the hands of the higher governmental units. In OECD, federal compliance requirements and minimal attention to other matters such as PARA, HDSRF grants, hazardous site remediation, planning research and some project management do not permit us to reduce staff below current minimal levels.
 - You might recall that PARA revenues funded a director position until August 2010. In this budget, PARA funds a portion (\$30,000) of the Executive Director position which had been merged with the OECD Director position.
 - A Grants Analyst position created in 2013 is fully funded by grants obtained by this position.

City of Perth Amboy Recommended Budget **CY2014**

Anticipated Revenues

Fund Balance (Surplus)

For the fourth consecutive time, the City will be anticipating prior year fund balance (surplus) to partially fund the City's CY 2014 budget. In 2014 the amount rises from \$1,900,000 to \$2,000,000. These have been very significant steps in the development of self-sufficiency for the City. It results somewhat from the decision to revert to the calendar year cycle for the City's budget in 2010. More importantly, it results from the City's resolve to cease the imprudent fiscal practices of the past. Attached is a fund balance rebuilding chart that should accompany the budget each year so the Mayor and Governing Body have the opportunity to understand the history and anticipated future of the use of fund balance. This is a significant achievement for the City, one which we expect rating agencies will respect. It confirms the significant fiscal improvements achieved in the City's efforts to recover fiscal integrity. This is shown on **EXHIBIT D** at the end of this message.

You should note the following points regarding this Exhibit:

- Until CY2011, the City had not been in a position to anticipate fund balance during the recent past. In the past, there were actually state policies that encouraged most urban municipalities not to achieve a positive fund balance.
- The CY 2014 budget uses a good deal of fund balance, but retains a sufficient amount of unused fund balance to assist in the rebuilding of fund balance for future years' budgets. Unlike prior years, none of fund balance was dedicated toward partial replenishment of the Reserve for Tax Appeals due to our expectations that these demands will diminish.

State Aid (or more properly termed State Transfer Payments)

The City's receipts from State Aid, as it is often inaccurately called, have decreased significantly over the past several years even when Extraordinary Aid is removed from the calculation. The transfer payments originate from two sources. Energy Receipts Taxes (ERT): In the past the City would have collected these directly from the utility companies as payment for an equivalent property tax. The State decided that they could collect these revenues more efficiently. Initially, the State just collected and distributed the funds on the same basis they were previously received by municipalities. Had this practice continued, municipalities would have no concern. However, over the years the state has retained portions of these revenues so that now instead of steady growth in ERT, it has decreased, or at best remains stagnant.

Consolidated Municipal Property Tax Relief Act (COMPTRA) aid has declined. Legislative Municipal Block Grant and Homeland Security aid have both been eliminated. The chart below shows this recent history.

City of Perth Amboy Recommended Budget **CY2014**

Year	ERT	LIMBG	COMPTRA	HAS (Homeland...)	EOA (ExtraO Aid)	Total	Change
FY 2007	2,009,457	185,476	9,249,559	140,000	700,000	12,284,492	
FY 2008	2,119,977	185,476	9,139,039	140,000	1,000,000	12,584,492	2.4%
FY 2009	2,426,732	0	8,618,822	0	1,700,000	12,743,554	1.3%
FY 2010	3,143,745	0	7,846,581	0	3,500,000	14,490,326	13.7%
TY 2010	5,240,833	0	3,929,191	0	0	9,170,024	(36.7%)
CY 2011	5,484,318	0	3,753,051	0	0	9,237,369	0.7%
CY 2012	5,484,318	0	3,753,051	0	0	9,237,369	0
CY2013	6,049,430	0	3,187,939	0	0	9,237,369	0

CY 2014 is effectively the same as CY 2012 and CY 2013.

It is important to recapitulate the adverse impact of certified State Aid for the City of Perth Amboy, without consideration for the impact on the School District and the County of Middlesex elements of the property tax bill. In CY2011 these impacts were as follows:

	State Aid in FY 2010	State Aid in CY 2011	Change 2010-2011
CMPTRA	\$7,846,581	\$3,753,051	-\$4,093,530
ERT	\$3,143,745	\$5,484,318	+\$2,340,573
Extraordinary Aid	\$3,500,000	\$0	-\$3,500,000
Total	\$14,490,326	\$9,237,369	-\$5,252,957

(CMPTRA = Consolidated Municipal Property Tax Relief Act Aid; ERT=Energy Receipt Taxes, formerly utility property taxes collected by municipalities)

This represented a reduction of 36.25% in state aid from that received in FY 2010. As can be seen above, the trend of reductions in state aid that began several years ago appears to have stabilized. While the state is statutorily obligated to provide for growth in Energy Receipts Tax (ERT) revenue, it has traditionally ignored the law and reduced aid to municipalities in prior years to use the funds for its own purposes.

User Fees

Fees collected from the various activities carried out by municipal employees do not constitute a large percentage of revenues collected by the City, except for UCC services. However, it is necessary to charge fees for service where it is possible to charge a user for the service they are receiving. It is inappropriate to charge those who do not receive the service through the property tax levy.

Based on this approach, the City Council asked department heads to review their operations and the fees they charge for the services they provided in 2011. Departments examined those fees in light of market conditions (what other municipalities charge for the service) and in light of the actual cost of providing the service. They attempted to

City of Perth Amboy Recommended Budget **CY2014**

strike a balance between the two. Typically the cost of providing the service is greater than most if not all municipalities charge for the same service.

These recommendations were then brought before the Council in response to their request for same. A number of public hearings were held on these recommendations. While many fees increased, a review of the actual revenues received shows that the added user fees did not produce much additional revenue for the City's operations.

Revenue Offsets

The City uses grants to underwrite the cost of many programs that it offers. Some of these are shown as actual revenues in the budget and others come from outside sources not included in the budget. While they are accounted for in different manners, they have the same effect, reducing the cost of governmental services for residents and taxpayers. Due to the "fiscal cliff" discussions and debate in Washington, we anticipate losses in Community Development Block Grant and HOME funds. Below is a listing of these offsets:

<u>Department</u>	<u>Function</u>	<u>Offset Source</u>	
Office of Economic and Community Development	CDBG Administration	Com Develop Block Grant	
	BID Administration	Business Improvement Dist	
	NSP Administration	DCA grant for NSP	
	Neighborhood Improvement	HUD grant for High St water	
	Natural Resource Con Serv	DoA grant for waterfront	
	OECD Director	PARA Exec. Director (part)	
Humans Services	Senior Services	CDBG	
	Recreation	CDBG	
	Housing	First Time Homebuyers	HOME
		NSP Administration	DCA grant for NSP
Fire Prevention	Fire Safety Enforcement	Uniform Fire Safety Act	
Public Works	Cleaning & clearing of debris	Clean Communities	
	Education of residents	Clean Communities	
	Recycling	Recycling Grants	
	Recycling Equipment	Recycling Trust	
Fire	Training	Confined Space Serv	
	Confined space equipment	Confined Space Serv Rev	
	Hiring 4 new firefighters	SAFER Grant	
Police	Various Enhancements	Forfeiture funds	
	Operational Supplements	Dedicated grants	

City of Perth Amboy Recommended Budget **CY2014**

Note that in prior years' budgets the following offsets that did occur will not occur in CY 2014 due to lack of funds,

- The Water and Waste Water Utility will not provide any franchise fee funds in CY2014 or future years as there are insufficient funds to do so. Any available funds will be used to defease debt or pursue capital improvements as are desperately needed by the utility.
- Both the UEZ, CDBG and HOME funds have been cut off or substantially reduced by the State and Federal governments respectively.
- With the damage done by Super-Storm Sandy, the Harborside Marina will not provide a contribution toward debt service for the costs incurred by the City in building the original marina. This should change in 2015.
- Safe and Secure funds that previously funded \$60,000 of police services has ceased.

Other Revenues

Easily seen in the Revenue portion of the Current Fund Budget are the changes to revenues, which are summarized below:

• Loss in Interest on Investments	(\$ 51,000)
• Reduction in Rental income*	(\$150,000)
• Loss in Port Authority Loan Repayment	(\$125,000)
• Loss in PILOT from King Plaza**	(\$115,000)
• Additional Fund Balance	\$100,000
• Additional UCC fees	\$170,000
• Additional Municipal Court Funds	\$ 100,000
• Additional Receipts from Delinquent Taxes	\$ 50,000

Several notes on revenues:

*The Reduction in Rental income is the transfer of revenues from cellular telephone antenna facilities on the Albert Street Water Tank and the Runyon Water Treatment Plant. These facilities are under the jurisdiction of the Water and Wastewater Utility. Over the years the rental payments have been received by the Current Fund, but should have been revenue of the Water and Wastewater Utility. In 2014, this error will be corrected.

**PILOT revenues from King Plaza are reduced due to a provision in the PILOT. In 2014, the PILOT has a minimum payment of \$110,000, and higher amounts due to a percentage of gross rents. The amount the City will receive will not be known until after budget approval.

Appropriations

Accumulated Leave (Severance) Reserve

The City, as other municipalities, has severance liabilities that must be paid following the retirement of an employee. The finance officer has estimated the probable personnel departures based on department head projections for 2014. These are the expenses being

City of Perth Amboy Recommended Budget CY2014

funded at a level of nearly \$1,700,000. However, there is the extant liability that could become a current expense if each employee eligible for retirement were to retire. For example, there are currently about 30 employees who have the requisite time in the pension system and are of the requisite age to retire; all of them have just not yet informed us of their intention to do so. At the very least, the Reserve for Accumulated Leave should have sufficient funds to fund these known liabilities. This liability alone is well over \$1,750,000. For all employees the liability exceeds \$6.5 million. The recommended appropriation only funds highly probable retirements, not all possible retirements and utilizes a portion of the accumulated leave reserve to fund these costs.

In the first few pages (Sheet 3c) of the Division of Local Government Services budget form for CY 2014, you will see that as of 12/31/2013, the City total liability for accumulated leave (excluding police compensatory time) approaches \$6.0 million. If police compensatory time is included in the calculation, the liability exceeds \$6.5 million. Yet the reserve is not now nor has it ever been fully funded to meet these obligations. There have been bills before the Legislature, one conditionally vetoed by the Governor for not going far enough in controlling costs. These actions would significantly reduce the ability of employees to seek payment for unused accumulated sick and vacation leave in the future. The State of New Jersey has permitted the funding of reserves for liabilities related to accumulated leave since the early 1990's. Perth Amboy has traditionally followed an effective "pay-as-you-go" policy. Few municipalities, if any, have funded this liability to its true cost.

We must recognize the strenuous efforts of the heads of the various departments, especially Fire and Public Works over the past 3 years to virtually eliminate the excess vacation carryover that had been rampant in the years prior to this administration. At this time, all employees currently are limited to carryovers of vacation leave that do not exceed contractual obligations. The last vestiges of excessive carryovers exist in the abnormally large carryovers of compensatory time in the Department of Police, the vast majority of which precedes this administration.

Salaries and Wages

The past layoffs and reductions in force through attrition reduced the City's work force substantially. A comparison of CY2013 to CY2014 salaries, without the increase in Accumulated Leave, shows an increase of about \$217,000 or 0.77%. This has occurred due to the following factors:

- Negotiating annual increases in salary guides with an annual average of 1%.
- Experiencing turnover in positions with more expensive workers leaving and less expensive employees replacing them.

City of Perth Amboy Recommended Budget **CY2014**

Major Long Term Concerns

Assessment (Tax) Appeal Liabilities

Over the past 5 years, the City's assessed valuation has suffered through a wave of tax appeals first resulting from the mismanagement of the 2006 revaluation then due to the 2008 recession.

During the latter parts of 2012 and 2013, the Assessor pursued, with the guidance of the Middlesex County Board of Taxation, a compliance plan that effectively revalued all remaining properties in the City. At this time all properties in the City have been the beneficiary of a reduction either by an assessment appeal, the compliance plan or a settlement with the Assessor. This should significantly reduce the number of successful appeals this year, leading to stability in the tax base by 2015.

Filings of appeals for 2014 will not begin to be known until April. Nothing is set aside to fund CY 2014 for potential appeals, though there are reserves for anticipated costs.

There is a need to keep these reserves funded at a level consistent with anticipated liabilities. Note that prior unfunded liabilities need to be satisfied with funds obtained from current and future taxpayers. The financial benefit (lower property taxes) of the higher than defensible tax bills in past years was provided to some taxpayers who are no longer residents. Some of the residents of a prior period will not be present in the future to return the monies to the "unfairly" taxed parties who will have won their tax appeals.

Severance Liabilities (Accumulated Leave)

See the above analysis. Because this is not fully funded, this liability continues to be of major concern.

OPEB (Governmental Accounting Standards Board Rule 45)

As of 2009, the City under GASB 45 began the process of declaring and acknowledging the extent of the liability for Other Post Employment Benefits (OPEB) for all eligible employees. Such process should have commenced in 2008, prior to this administration. These benefits are primarily employer funded health insurance for retirees. This is an ongoing contractual liability that the City must declare under GASB 45.

In 2013, the City engaged an outside actuarial services firm (after receipt of proposals for the service). The report presented to the City Council in mid-2013 estimated the City's unfunded OPEB liability at almost \$174,000,000, about \$9,000,000 more than two years prior. This estimate includes an understanding of the current "pay-as-you-go" payments being made by the City and the contributions required by State statute.

Note that **this long term very expensive liability is NOT addressed in the recommended budget.** There is neither the authorization to fund this liability from the State of New Jersey, nor is there the ability to do so at this time. As soon as revenue exist

City of Perth Amboy Recommended Budget **CY2014**

and the State permits placing funds in reserve for this liability, it must be done. In addition, the removal of this benefit from future non-public safety employees must be replicated for police and fire employees in order for the City to survive financially. The resources just do not exist to fund this liability.

2009 Postponed Pension Liability

In FY 2009, the Local Finance Board **required** the City to postpone its scheduled payment on about 50% of that year's pension bill in order to ease the tax burden on tax payers at that time. \$449,568 of the April 1st PERS and \$1,749,055 of the PFRS pension bills totaling \$2,198,623 were deferred for payment over many future years. **City professionals, City Council and I objected strenuously to this postponement of a known liability** as just more of the same, "kicking the can down the road." Nevertheless, the City was denied its choice and was forced to postpone payment of this bill.

This action by the Local Finance Board created yet another unfunded liability for the City. Beginning in CY 2012, the City was obliged to provide an appropriation to fund this \$2.2 million liability. The City has been billed \$324,465 for the CY 2014 Budget to defease the original principal amount of \$2.2 million at an estimated interest rate of 8.25%.

Water and Waste Water Utility

On 1 July 1998, the City entered into a Public Private Partnership with the Middlesex County Improvement Authority (MCIA) and Middlesex Water Company (MWC) as authorized by statute and the Local Finance Board. The former provided financing capabilities that the City did not possess on its own. The latter brought expertise in the management of water and sewer operations.

The agreement, which at the start of this year was midway into its 16th year, will last until 31 December 2018, though debt financed through the MCIA, some of which has been refinanced by the City conventionally, will last until 2038. The City has become dependent upon MWC for the expertise of its personnel to manage and operate the system and turned over to MWC all of the utility's operating assets. Capital fixed assets such as the water treatment plant, watershed, reservoir, distribution system, sewerage collection and transmission system and buildings were retained by the City.

Debt is the most significant financial element of the utility. Thrice in the past 4 years, the City has refinanced portions of debt once held by the MCIA at significant savings. But these savings were in the areas of interest and fees. The principal remains quite substantial. In 2015, there will be a large spike in the debt service for which the City has planned. This plan is shown on **EXHIBIT E**

The earlier mentioned "off the books" debt owed to Middlesex Water Company that was originally \$4.2 million had been completely defeased over the past few years. The

City of Perth Amboy Recommended Budget **CY2014**

balance of this borrowing was defeased in 2012 by effectively borrowing from the reserve held for the 2015 debt service spike. The interest savings contributed to the added funding needed for the 2015 spike.

Operating costs for the utility have been stabilized. The utility is the best example the City has of a well functioning business, though it is arguably expensive. Revenues are also stable as the result of management controls and appropriate rate increases to meet the demands of debt increases. However, even with the savings in debt service and the control of expenses, water and sewer rates must rise as illustrated in **EXHIBIT E** in order to meet the demands of the spike in debt service reference above and in the Exhibit. These rate increases have been stabilized to an expected level not more than 2.5% per year. **However, with the addition of the rental income from Cellular Telephone antennas, the expected rate increase for 2014 will be 1.7%, the lowest annual rate increase since the Public Private Partnership began in 1998.**

Parking Services Utility

This is the second smallest of the City's budgets, but is vital to the success of the business district and the convenience of certain residential neighborhoods. With the assistance of Tim Haahs and Associates, the volunteers of the Parking Services Utility Advisory Committee in addition to staff members serving on a Parking Services Task Committee, the City Council authorized in 2012 a modest rate increase that provides a stream of revenue that supports borrowing of funds for the completed rehabilitation of the Jefferson Street Parking Deck.

Gradual upgrades to the physical plant have been occurring since about mid-2011, which concluded in 2013. Given the fact that this utility operates with the service of only 3 full time employees, 6 part time enforcement personnel and an occasional seasonal employee, it is a significant feat that so much has been accomplished and will be accomplished.

It must be noted that the Parking Enforcement Officers, employed by and funded by the receipts of the parking utility, provide services in residential areas that do not provide funds to the utility. It also must be recognized that the revenues generated by the issuance of parking summons by PEOs is received as municipal court fines and fees. These monies do not in any way support Parking Services except to the extent it funds support services from the Office of the Business Administrator, Personnel and the Division of Finance.

Harborside Marina Utility

In March 2013 this utility began. With the significant losses due to Super-Storm Sandy, it operated on a veritable "shoe-string." A task committee comprised of the Chief Financial Officer, Director of Public Works, Director of Emergency Management, City Administrator, Marina Office Manager and Harbormaster have been meeting weekly, biweekly and monthly with other more frequent communications to make the marina

City of Perth Amboy Recommended Budget **CY2014**

operational for as many 60 users last season. With the completion of improvements this spring, we expect to have 130 slips operational by the time the season arrives. The Committee is also dealing with reimbursement issues with FEMA. The CY2013 budget operated without a deficit.

Due to the Storm, the utility's annual contribution of \$125,000 toward debt service while not available in CY2014 is expected to be available in CY2015.

Outstanding Debt (All budgets)

Municipalities have the ability to take on large amounts of debt. This debt is much like a mortgage a resident might take on in order to own a home. Other debt might be more similar to a car loan, for a shorter term for a less durable commodity. Still other debt might be like borrowing some money from a friend to make it to payday. This is a bad practice, one which none of us should do. Yet in the City's case, the prior administration incurred all three types of debt in large amounts. Some of this debt was incurred to pay for things that were not durable, such as funding transfers from a utility to the current fund to keep taxes at unnaturally and unrealistically low levels, employee salaries, wages and benefits.

The above liabilities need to be seen in light of the City's total outstanding debt burden. While the City has reduced the debt burden over the past 4.5 years, the City's outstanding debt is still at rather significant levels (we start off January with about \$207,800,000 in outstanding debt of all types). By year end, it is reduced to \$199,800,000. Note that the Annual Debt Statement (ADS) permits debt held by the Middlesex County Improvement Authority (MCIA) to be considered an exclusion from the limits on debt incursion. This is really untrue as the obligation remains the City's debt, but there is no stream of revenue to defease this debt. Under this circumstance, the City's real percentage of debt exceeds the statutory maximum of 3.5% of the average of the past three years of assessed valuations.

The City's outstanding debt is shown on the accompanying **EXHIBIT F** – Overview of Outstanding Municipal Debt.

The Capital Improvement Program which is developing and the Capital Budget set forth a necessary and vital program of improvements that must be pursued if the City is to return to a position of financial stability and operational sufficiency. \$3,600,000 of debt must be incurred to pursue some of these objectives in the current fund and \$4,370,000 will be needed in the Water and Waste Water Utility, in addition to the expenditure of reserves for these two purposes.

Perth Amboy Redevelopment Authority

The prior administration forced the Redevelopment Authority to borrow \$3,800,000 to permit it to buy from the City a parcel of property that was to have been sold but has never been sold. This property is actually the home of the Department of Public Works, the Police Firing Range and the Water Utility operations offices. PARA still holds this

City of Perth Amboy Recommended Budget **CY2014**

liability. PARA reduced the debt in a small way in 2011, by \$100,000. Because of pressure from the Local Finance Board and the Bank of America, the City embarked on an aggressive campaign to reduce this debt. \$500,000 was paid down in 2012 and another \$1.7 million was paid down in January 2013 as a loan to PARA. \$1,000,000 was paid in January 2014 and a final payment of \$500,000 is due in January 2015 along with interest paid by the Current Fund. These last payments will fully defease the debt, though PARA will still be expected to refund the Current Fund once they have received sufficient revenues to do so.

Water and Waste Water Utility

See **EXHIBIT F** for the portions of debt which is a liability of this utility.

Parking Services Utility

In order to complete the improvements to the Jefferson Street Parking Deck that are nearing completion, \$900,000 in debt was created once the administration was confident that a stream of revenue had been created to defease this debt in a ten year period or less. This debt is also included in **EXHIBIT F**.

Salaries and Wages - CNA's (Collective Negotiations Agreements)

The City has been fortunate to have had the cooperation of most of the collective bargaining units to achieve contracts that have frozen salary guides for periods of 12 to 17 months and limited annual salary guide increases to 1-2% per year for 2010-2014 and in some cases beyond. Two labor agreements called for no retroactivity for periods as long as 37 months.

Nearly 70% of the City's budget is composed of personnel and personnel related costs. The only way in which the City will be able to achieve financial stability is to limit the increases in costs of municipal employees. Great strides have been achieved in controlling the cost of health insurance and comprehensive general liability including workers compensation insurance over the past 5.5 years. Some of this occurred due to more prudent management of the programs. Some occurred due to the reasonableness of collective negotiations units. Some occurred as the result of Chapter 78 reforms.

Employee layoffs in 2008-09 and losses of employees through attrition have also reduced the cost of governmental services, but it is necessary to have sufficient personnel to perform required functions. The City's full time workforce has been reduced from about 420 employees in early 2008 to about 345 today. It is not possible to continue to expect to achieve savings through further layoffs and attrition. Therefore, it is only possible to achieve savings through the limitation of personnel and personnel related expenses. In other words, salaries and benefits must be controlled and the total costs must be reduced. In 2011, the police, fire and, most of all, public works departments saw significant reductions in overtime which is a credit to the department heads, division managers and the employees themselves.

City of Perth Amboy Recommended Budget CY2014

Conclusions

The recommended budget continues to reduce appropriations where this is possible. It funds known obligations without creating liabilities for the near future. 2014 or 2015 will be affected by rebuilding costs due to Super Storm Sandy. The Current Fund budget calls for a slight decrease in the property tax levy of less than 1%. However, loss of assessed valuation has once again hindered the City's ability to prevail in its attempts to reduce the tax rate on all property owners, especially residential property tax payers. This budget continues to pursue the fiscal integrity that the past six budgets have focused upon. While this pursuit has been very difficult, it is vital to the long term best interests of this City and its residents. We must:

- Make conservative yet realistic and secure current revenue estimates.
- Continue to be frugal in appropriations and prudent in fiscal policies as recognized by Standard and Poor's Rating Agency.
- Reduce funding and therefore the costs of operations to the extent that services may be maintained at minimum levels or reduce service levels.
 - Recognize that if all municipal operations ceased today and all employees ceased to be paid, the municipality would continue to levy property taxes, even though no services were being supplied because of legacy costs (pension and health insurance), unfunded severance liabilities, outstanding debt, other run out costs such as for comprehensive liability insurance, workers compensation and health insurance, etc. (Just look at the OPEB liability referenced above.)
 - It is necessary to continually examine ways to reduce the daily operating costs of the municipality if property taxes are to remain stable or even to be reduced sometime in the future.
 - Though residents of New Jersey generally and of Perth Amboy specifically have called for reductions in the property tax, the probability of reducing property taxes is the probability of reducing services substantially and reducing costs of items such as debt service, operating expenses, personnel related costs, OPEB and pensions payments into the future.
- Acknowledge, identify, quantify and fund current liabilities
 - Some of these are promises made to employees that must be funded or eliminated through bilateral negotiations (which is highly unlikely when Binding Interest Arbitration is available to public safety units.). These liabilities cannot be ignored hoping they will somehow go away or that the next administration will need to deal with the problem we created as did the last administration.
 - Understand the threat that successful tax appeals present to the ability of any municipality to maintain stable tax revenues, achieve improvements to the capital infrastructure and fund ongoing operating expenses.

City of Perth Amboy Recommended Budget **CY2014**

- Understand the full impact of pension increases, increases in health benefits costs without employee contribution or benefit reductions and OPEB on the municipal budget.

Looking Ahead

Standard and Poor's provided the following stern warning in the Outlook portion of their rating report:

However, should the city's financial position deteriorate and result in reduction in its reserves, we could lower the rating. In spite of future debt plans and future capital needs, we expect that the debt burden should remain manageable. The outlook also reflects the city's stable property tax base and access to, and participation in, the New York City metropolitan area.

While this warning was made in the past two budget messages, it deserves to be put forth once again, especially in light of the S&P report comment above:

Failure to abide by the strict discipline established in the five prior budgets and continued in 2014 budget will result in the need for more drastic actions in future years – higher increases in the tax levy and/or elimination of services.

Current Fund

Today, the Division of Local Government Services encourages municipal executives and governing bodies to consider the ways in which their budget decisions of today will affect their budget conditions of the future. This has not been the case in prior years. Above we have shown that withholding capital investment permits a City to make significant inroads to reduce the enormous debt burden of the City. Also shown, however, is the enormous need to invest in the capital infrastructure of this City.

Likewise, how will this year's fiscal policies affect the next few years? Because of the slow return to normalcy from the recession and the lack of growth and erratic history of state aid, it is difficult to predict with any certainty what conditions next year will really be, let alone farther into the future. However, with labor contracts in place for most non-public safety and most public safety units through 2014, with only the police officer contract (PBA) having expiring at the end of 2013, it would appear that gradual temperate increases in these costs will occur in the near future.

External factors or those factors outside the immediate control of the City that will have significant impacts on any future budget include:

- Major failures in the City's infrastructure beyond that which is currently anticipated
- Continued significant losses in assessed valuation due to successful tax appeals beyond expectations

City of Perth Amboy Recommended Budget CY2014

- Added private sector investment in the community as evidenced by recent actions by Viridian, Gerdau Ameristeel and Buckeye Energy
- Losses in state aid
- Inability to achieve savings in health insurance and/or pension bill increases beyond that anticipated
- Costs resulting from collective negotiations and/or interest arbitration awards beyond that currently anticipated

If the current proposed budget is adopted, current staffing levels are maintained, and revenues remain constant, it is probable that the CY 2015 budget and tax levy will not be much different from CY 2014. Even if an increase in the tax levy is necessary, it will increase over the CY 2014 budget by an amount that can be supported by the limits of the Tax Levy Cap.

Water and Waste Water Utility

So long as the Governing Body authorizes the programmed rate increases recommended for July 2014 through July 2017, the utility should function satisfactorily. This recommendation is for an increase of 1.7% in CY 2014 and between 2.5-3.0% in CY 2015-2019, across the board. As the result of refinancing, the anticipated increases have been reduced from 6.75-8.0%, previously projected. We will need a little more experience watching revenue collections in early 2014 to be sure of the size of the needed 2014 rate increase. Failure to provide for these rate increases will however cause the utility to fail to satisfy debt obligations of the prior administration and/or experience utility deficit conditions in the near future.

Note that the original pro forma used to develop the Public Private partnership, with its underestimate of expenses and over estimate of revenues called for annual increases of 4%, at a minimum through 2018.

Parking Services Utility

Due to change orders and weaknesses in the Jefferson Street Parking Deck due to its age, this utility budget is frail, but functions satisfactorily for now. We will continue to watch operations closely and continue to work on the efficient functioning of this utility to service the needs of businesses and residents alike. At this time the prospects look positive.

Harborside Marina Utility

Staff pursued an efficient and compliant operation of this utility with the same effort that it does so with the other operations of the City. In 2013, the first year of the utility following the dissolution of the Port Authority, sufficient revenues were levied and collected so that little surplus was needed to support 2013 operations. Recognize this happened with only 60 of the 130 slips being available for rental. While there was no contribution to debt service in 2013 and will not be any in 2014, the utility is being developed to contribute at least the \$125,000 for debt service it had previously provided prior to Super Storm Sandy.

City of Perth Amboy Recommended Budget **CY2014**

While the Harborside Marina Utility is not expected to “turn a profit” – cover all operating and capital costs related to the utility – by 2015, the utility will be in far better condition than it was through 2012.

DLGS requirements for Budget Message

Besides the required Appropriations CAP and Tax Levy CAP calculations, the Division of Local Government Services is requiring the City address the following matters this year in the official Budget Message:

2014 Revenues at Risk

Because of the actions taken over the past six years, there are no municipal revenues at risk in the proposed budget, or as best as we are able to predict for 2015, will there be in that budget either. This all depends on a stable or improving economy. Recognize that if the Division had required this analysis in 2007 for the preparation of the 2008 fiscal year budget, the former Administration would have had to have acknowledged more than \$10,000,000 of revenues at risk as they were non-recurring with no ability to rebuild within the foreseeable future. As we know now, these were all pipe dreams.

It is important to note that the federal government has continued to propose cutbacks in a number of areas. The City utilizes federal monies to offset certain municipal services related to Community Development Block Grant (CDBG) funds and HOME funds. In addition, other grant programs offset certain personnel costs. To the extent that the federal government cuts back on these revenues, the City will either need to reduce staff, reduce monies allocated to staff or offset the losses with revenue from other sources. This budget is already affected by this condition to a limited extent. These at risk revenues result from Federal policy.

Urban Enterprise Zone funds have been frozen since 30 June 2011. In CY 2011, the UEZ supported administrative operating costs to fund 50% of the coordinator’s salary. Previously these funds were recurring revenues. This has stopped as a result of state policy. Therefore the City has changed its way of dealing with this grant. Shall the remaining funds be used for administrative costs or be targeted to specific economic development objectives and desired outcomes? While the State continues to require municipalities to administer the program, it does not supply the revenue stream that in the past supported this effort. This budget utilizes tax dollars to support the coordinator position. These at risk revenues result from State policy.

The Business Improvement District (BID) has been funding a portion of the administrative costs incurred by the City to provide administration services to the BID, services offered since the program’s inception. The reimbursement comes to \$89,000 per year. The BID Board of Directors is looking into obtaining these services from another source other than the City. If such a decision is made, the City will in all probability need to lay off at least one staff member to offset this loss in revenue.

City of Perth Amboy Recommended Budget **CY2014**

2014 Non-Recurring Cost Reductions

Likewise, in 2014, the overall appropriations have risen little from 2013 and should continue into 2015. The one possible exception is in the area of public employee pensions. The City will not know the 2015 billing for Consolidated, PERS or PFRS pensions until, at the earliest, August of 2014. In the CY 2014 Budget, the City sees a slight increase in these three bills.

Anticipated 2015 Appropriation Increases

Key appropriation increases in 2015 are likely to be:

Accumulated Leave	\$250,000
WC Insurance	\$100,000
Employee Group Insurance	\$200,000
Department of Police (primarily salaries and wages)	\$140,000
Department of Fire (primarily salaries and wages)	\$100,000
Department of Public Works	\$100,000
Outcome of Public Safety Center Litigation	UNKNOWN

Structural Imbalance Offsets

Premium sharing by employees for health insurance costs, which is the only Structural Imbalance Offset we are able to identify at this time, is expected to provide about \$125,000 per year over the years 2015 to 2018. It must be recognized that this is only about 0.15% of the budget and less than a third of a cent on the tax rate. While it is positive, this added revenue will not have much of an impact on the overall property tax levy.

Budget Review Meetings

The City Council should introduce the Mayor's recommended budget no later than its regular meeting of Wednesday, 12 March 2013 to be in conformance with the regulations and conform to the Best Practices Checklist. This would then have a scheduled public hearing at the meeting of Wednesday, 9 April 2013. If an amendment and a public hearing on the amendment were needed this could take place at the meeting of 23 April 2013 but must occur prior to 25 April 2013 to be in conformance with the regulations and the Best Practices Checklist. Note that failure to satisfy the checklist can result in the loss of state aid. **Budget Review Meetings should be scheduled between introduction and adoption dates above.**

EXHIBITS

- A – HISTORY OF ANNUAL ASSESSEMENT VALUATIONS
- B - TAX LEVY CAP CALCULATION
- C – APPROPRIATIONS CAP CALCULATION
- D – FUND BALANCE REBUILDING TABLE
- E – WATER AND WASTEWATER UTILITY PROJECTION THROUGH 2016
- F - OVERVIEW OF OUTSTANDING MUNICIPAL DEBT

EXHIBIT A
HISTORY OF ANNUAL ASSESSEMENT VALUATIONS
2009-2014

YEAR	TOTAL NET ASSESSED VALUATION
2009	\$3,616,696,812
2010	\$3,623,458,400
2011	\$3,504,124,404
2012	\$3,433,840,161
2013	\$3,251,455,215
2014	\$3,181,032,187

20140301

		EXPLANATORY STATEMENT- (Continued)			
		BUDGET MESSAGE			
The City has elected to use a 3.50% CAP for 2014		NOT APPLICABLE			
Below is how the CAP is calculated for 2014.					
General Appropriations for 2013	\$ 71,777,564.50	Amount on which 3.5% CAP is applied		57,275,029.50	
CAP Base Adjustment		3.5% CAP		2,004,626.03	
Subtotal	<u>71,777,564.50</u>	Allowable operating appropriations before additional exception per (NJSA 40A:4-5.2)		59,279,655.53	
Exceptions:		Add on modifications:			
Less:		New Construction		109,529.47	
Total Other Operations	1,299,435.00	2012 CAP Bank		3,148,164.43	
Total Public & Private Programs - excluded from "CAPS"	152,703.00	2013 CAP Bank		<u>805,532.62</u>	
Total Capital Improvements - excluded from "CAPS"	250,000.00	Total allowable appropriations		\$ 63,342,882.05	
Total Municipal Debt Service - excluded from "CAPS"	11,700,397.00	The total general appropriations for municipal purposes within "CAPS", as indicated at item (H-1) sheet 19 of this budget document.		<u>56,914,274.67</u>	
Reserve for Uncollected Taxes	1,100,000.00	Under CAP		<u>6,428,607.38</u>	
Total Exceptions	14,502,535.00				

NOTE:

Sheet 3b-1

MANDATORY MINIMUM BUDGET MESSAGE MUST INCLUDE A SUMMARY OF:

- 1 HOW THE LEVY AND APPROPRIATION "CAP" WAS CALCULATED. (Explain in words what the "CAPS" mean and show the figures.)
- 2 A SUMMARY BY FUNCTION OF THE APPROPRIATIONS THAT ARE SPREAD AMONG MORE THAN ONE OFFICIAL LINE ITEM (e.g. if Police S&W appears in the regular section and also under "Operations Excluded from "CAPS" section, combine the figures for purposes of citizen understanding.)

EXPLANATORY STATEMENT- (Continued)

BUDGET MESSAGE

SUMMARY TAX LEVY CAP CALCULATION

Levy Cap Calculation

Prior Year Budget Amount to be Raised by Taxation for Municipal Purposes		55,459,994
Cap Base Adjustment (+/-)		
Less: Prior Year Deferred Charges to Future Taxation Unfunded		
Less: Prior Year Deferred Charges: Emergencies		
Less: Prior Year Recycling Tax		(52,530)
Less: Changes in Service Provider: Transfer of Service/Function		
Net Prior Year Tax Levy for Municipal Purpose Tax for Cap Calculations		<u>55,407,464</u>
Plus: 2% Cap increase		<u>1,108,149</u>
Adjusted Tax Levy		<u>56,515,613</u>
Plus: Assumption of Service / Function		
Adjusted Tax Levy Prior to Exclusions		<u>56,515,613</u>
Exclusions:		
Allowable Shared Service Agreements Increase		
Allowable Health Insurance Cost Increase		
Allowable Pension Obligation Increase	44,050	
Allowable LOSAP Increase		
Allowable Capital Improvements Increase	50,000	
Allowable Debt Service and Capital Leases Increase		
Recycling Tax Appropriation	51,603	
Current Year Deferred Charges: Emergencies		
Add Total Exclusions		<u>145,653</u>
Less Cancelled or Unexpended Exclusions		
Adjusted Tax Levy		<u>56,661,266</u>
Additions:		
New Ratables - Increase in Valuations (New Construction and Additions)	6,424,016	
Prior Year's Local Municipal Purpose Tax Rate (per\$100)	<u>1.705</u>	
New Ratable Adjustment to Levy		109,529
CY 2011 Cap Bank Utilized in CY 2014		
CY 2012 Cap Bank Utilized in CY 2014		
CY 2013 Cap Bank Utilized in CY 2014		
Amounts approved by Referendum		
Maximum Allowable Amount to be Raised by Taxation		<u>56,770,796</u>
Amount to be Raised by Taxation for Municipal Purposes		<u>54,997,439</u>
Under Tax Levy CAP		<u>1,773,356</u>

Sheet 3b-2

NOTE:

MANDATORY MINIMUM BUDGET MESSAGE MUST INCLUDE A SUMMARY OF:

- 1 HOW THE LEVY AND APPROPRIATION "CAP" WAS CALCULATED. (Explain in words what the "CAPS" mean and show the figures.)
- 2 A SUMMARY BY FUNCTION OF THE APPROPRIATIONS THAT ARE SPREAD AMONG MORE THAN ONE OFFICIAL LINE ITEM (e.g. if Police S&W appears in the regular section and also under "Operations Excluded from "CAPS" section, combine the figures for purposes of citizen understanding.)

EXHIBIT D
COMPARATIVE FUND BALANCE (SURPLUS) REBUILDING ANALYSIS
 SFY 2009 - CY 2014

	Estimated CY 2014	Actual CY2013	Actual CY2012	Actual CY2011	Actual T2010	Actual FY 2010	Actual FY 2009
Surplus Balance Remaining 06/30/06							
Tax Levy	250,000.00	705,556.67	476,438.01	(192,762.90)	822,581.61	1,600,167.88	243,503.44
MRA	100,000.00	432,411.70	49,164.40	1,043,478.52	294,618.46	(89,110.98)	(652,207.62)
Delinquent Taxes	75,000.00	202,570.95	126,645.09	694,861.37	13,251.21	87,559.79	(169,432.75)
MRNA	300,000.00	488,549.96	378,188.27	458,156.37	140,935.99	287,573.77	434,205.02
Appropriation Reserves	1,200,000.00	1,519,868.76	2,803,782.90	1,678,796.23	1,809,091.08	524,997.63	72,372.69
Appropriations Cancelled		-	5,447.21	1,611.98	1.57	1.75	1,816.42
Accounts Payable Cancelled		47,582.43		25,988.64	-	8,046.25	166,811.61
Deferred Charges Succeeding Year					-	-	146,923.78
Interfunds		7,772.61	-	32,165.55	-	-	37,028.31
Tax Appeals			(1,100,000.00)	(2,000,000.00)	(1,000,000.00)	-	-
Refund of Prior Years Revenue		(17,081.91)	(56,130.96)	(36,989.60)	(8,513.08)	(46,537.16)	(36,033.20)
Grants Cancelled		(8,512.67)	(27,505.72)	14,264.52	-	(2,300,000.00)	(244,987.70)
Surplus Balance	4,644,484.15	4,719,484.15	3,240,765.65	2,284,736.45	2,265,165.77	193,198.93	120,500.00
Utilized in Succeeding Year Budget	(2,000,000.00)	(2,000,000.00)	(1,900,000.00)	(1,700,000.00)	(1,700,000.00)	-	-
Surplus Balance Remaining	2,644,484.15	2,719,484.15	1,340,765.65	584,736.45	565,165.77	193,198.93	120,500.00

EXHIBIT E
CITY OF PERTH AMBOY
WATER/WASTEWATER UTILITY BUDGET
PROJECTED BUDGETS AND RATES

	Actual <u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Rate Increase:	2.50%	2.50%	2.50%	2.50%	2.50%
REVENUE:					
Rents - "Base"	\$ 19,087,160.17	\$ 19,087,160.00	\$ 19,163,208.00	\$ 19,245,474.00	\$ 19,726,611.00
Rents from Change in Usage					
Miscellaneous (Interest)	265,032.00	216,432.00	216,432.00	216,432.00	216,432.00
Surplus Anticipated	-	1,412,988.99	1,684,922.77	811,043.38	445,996.69
Rents Additional	-	76,048.00	82,266.00	481,137.00	493,165.00
Reserve for Debt Service	106,745.15	-	-	-	-
FEMA Reimbursement	-	-	-	-	-
Total Revenue	\$ 19,458,937.32	\$ 20,792,628.99	\$ 21,146,828.77	\$ 20,754,086.38	\$ 20,882,204.69

APPROPRIATION:

Other Expenses:

Breakdown:

Legal Fees	1,151.15	10,000.00	10,000.00	10,000.00	10,000.00
Financial Advisor	-	10,000.00	20,000.00	20,000.00	20,000.00
Auditor (FERRAIOLI)	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Admin Fee - Current Fund	19,950.00	20,000.00	20,000.00	20,000.00	20,000.00
MCIA Admin Fee	18,841.49	18,840.00	8,625.00	8,625.00	8,625.00
Computer Maintenance	-	-	-	-	-
NJEIT Admin. Fee #1	2,310.00	2,310.00	2,310.00	2,310.00	2,310.00
NJEIT Admin. Fee #2	3,510.00	3,510.00	3,510.00	3,510.00	3,510.00
NJEIT Admin. Fee #3	6,637.50	6,637.50	6,637.50	2,385.00	2,385.00
NJEIT Admin. Fee #4	4,037.13	8,074.26	8,074.26	8,074.26	8,074.26
Bank Service Fees	9,919.44	10,500.00	10,500.00	10,500.00	10,500.00
CSO Permit	19,350.00	19,350.00	19,350.00	19,350.00	19,350.00
Postage	-	-	2,000.00	2,000.00	2,000.00
PMK (Right to Know)	-	-	-	-	-
MCUA Disposal Fee	3,261.20	4,000.00	4,000.00	4,000.00	4,000.00
Floatable Disposal	-	1,000.00	1,000.00	1,000.00	1,000.00
Miscellaneous	617,295.37	-	-	-	-
Total Water Other Expenses	716,263.28	124,221.76	126,006.76	121,754.26	121,754.26

USA/PA, Inc. Fixed Fee

Breakdown:

Schedule H Contract Yr XXXX*	8,654,000.00	8,880,000.00	9,113,000.00	9,352,000.00	9,598,500.00
Revised Schedule N (MCUA)**	416,626.42	428,925.22	441,948.00	455,276.41	475,836.98
	-	-	-	-	-
Contract Prior Yr. True-up (Estimated Shortfall)****	1,566,314.40	1,725,663.40	1,777,433.31	1,830,756.31	1,885,679.00
	10,636,940.82	11,034,588.62	11,332,381.31	11,638,032.72	11,960,015.98

**EXHIBIT F
OVERVIEW OF OUTSTANDING MUNICIPAL DEBT**

1-Jan-14

CATEGORIES OF OUTSTANDING DEBT

Sources - 2011 ADS; MWC; PA CFO; PARA; Audit

Serial Bonds	
General Improvement Bonds - 2001	\$ 4,835,000
Pension Refunding Bonds - 2003	\$ -
General Improvement Bonds - 2007	\$ 44,455,243
Tax Appeal Refunding - 2011	\$ 6,290,000
General Improvement - 2012	\$ 9,725,000
MCA PSC Refunding Bonds - 2012	\$ 35,585,000
Subtotal	\$ 100,890,243
MCA - Borrowing	\$ 137,101
Greent Trust Loan	\$ 1,800,494
Subtotal	\$ 1,937,595
Bond Anticipation Notes	
Public Safety Complex Notes	\$ 4,630,625
Other Improvements	\$ 1,178,191
Subtotal	\$ 5,808,816
Debt Authorized But Not Issued	
General Improvements - 2013	\$ 3,250,000
Waterfront Recovery Improvements - 2013	\$ 10,300,000
Subtotal	\$ 13,550,000
Water and Waste Water Utility	
Serial Bonds - 1999 & 2004	\$ 64,307,050
Refunding Bonds - 1993	\$ -
BANS	\$ 4,305,000
Other	\$ 7,118,087
Subtotal	\$ 75,730,137
Debt Authorized But Not Issued	
W/WW Improvements - 2012	\$ 2,573,000
W/WW Improvements - 2013	\$ 3,420,000
Subtotal	\$ 5,993,000
Parking Utility	
Serial Bonds - 2012	\$ 820,000
Subtotal	\$ 820,000
Other Debt	
2007 Middlesex Water Company Borrowing	\$ -

Perth Amboy Redevelopment Agency	
Subtotal	
Other Outstanding Obligations	
Forced and Required Pension Deferral - 2009	
Subtotal	
Total Est Debt 1 January 2014	

	\$ 1,500,000
	\$ 1,500,000
	\$ 1,570,962
	\$ 1,570,962
	\$ 207,800,753

EXHIBIT F - Page 2

Estimated 2013 Changes to Debt	
Additions to Debt	
2013 Capital Budget Projects - Current Fund	
2013 Capital Budget Projects - WWWU	
New BAN'S Issued	
Green Trust Loans	
WWWU Bonds	
Estimated 2012 WWWU BANS	
Estimated 2013 NJEIT Loan (2011 Bond Ord)	
Subtotal	

	\$ 3,600,000
	\$ 4,370,000
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ 7,970,000

Total Estimated Debt During 2014	
Reductions in Debt	
Forced and Required Pension Deferral - 2009	
Less Payment of 2011 Debt - Bonds	
-BANS- Taxable Notes for Insurance Res.1998	
-BANS	
-MCIA Leases	
-Green Trust Loans	
-WWWU Bonds	
-WWWU BANS	
-NJEIT Loans	
-Parking Utility Bonds	
- Perth Amboy Redevelopment Agency	
-MWC Borrowing (2008)	
Subtotal	
Total Est Debt as of 31 December 2014	

	\$ (324,465)
	\$ (4,498,604)
	\$ -
	\$ (1,342,402)
	\$ (94,987)
	\$ (285,547)
	\$ (5,466,503)
	\$ (2,677,218)
	\$ (444,523)
	\$ (85,000)
	\$ (1,000,000)
	\$ -
	\$ (15,894,784)
	\$ 215,770,753
	\$ 199,875,969

Explanatory Statement - (continued)
 Budget Message
 Analysis of Compensated Absence Liability

Organization/Individuals Eligible for Benefit	Gross Days of Accumulated Absence	Value of Compensated Absences	Legal basis for benefit (check applicable items)		
			Approved Labor Agreement	Local Ordinance	Individual Employment Agreements
Fire	1,320	\$599,579	X		X
Police	6,344	\$3,040,345	X		X
Public Works	3,200	\$687,425	X		
Subtotal	10,864	\$4,327,349			
Administration	1,214	\$367,873	X		X
Assessor	170	\$38,223	X		
Code Enforcement	875	\$237,257	X		
General Government	1,543	\$406,321	X		X
Human Services	735	\$163,706	X		
Law	26	\$6,249	X		
Subtotal	4,563	\$1,219,629	X		
Marina Utility	33	\$5,003			
Water/Waste Water	101	\$32,810			
Parking Utility	149	\$24,860			
Totals	15,710	5,609,651			
Total Funds Reserved as of end of 2013		761,481.24			
Total Funds Appropriated in 2014		1,520,000.00			

CURRENT FUND - ANTICIPATED REVENUES

City of Perth Amboy

GENERAL REVENUES	FCOA	Anticipated		Realized in
		2014	2013	Cash in 2013
1. Surplus Anticipated	08-101	2,000,000.00	1,900,000.00	1,900,000.00
2. Surplus Anticipated with Prior Written Consent of Director of Local Government Services	08-102			
Total Surplus Anticipated	08-100	2,000,000.00	1,900,000.00	1,900,000.00
3. Miscellaneous Revenues - Section A: Local Revenues	XXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Licenses:	XXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Alcoholic Beverages	08-103	120,000.00	100,000.00	120,686.00
Other	08-104	39,000.00	61,000.00	39,220.30
Fees and Permits	08-105	200,000.00	180,000.00	219,587.00
Fines and Costs:	XXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Municipal Court	08-110	1,750,000.00	1,650,000.00	1,775,961.21
Other	08-109			
Interest and Costs on Taxes	08-112	250,000.00	250,000.00	295,283.14
Interest and Costs on Assessments	08-115			
Parking Meters	08-111			
Interest on Investments and Deposits	08-113	44,000.00	95,000.00	44,800.52
Anticipated Utility Operating Surplus	08-114			
Rental of City Property	08-120	120,100.00	255,800.00	270,438.49

CURRENT FUND - ANTICIPATED REVENUES - (Continued)

GENERAL REVENUES	FCOA	Anticipated		Realized in
		2014	2013	Cash in 2013
3. Miscellaneous Revenues - Section C: Dedicated Uniform Construction Code Fees Offset with Appropriations (N.J.S. 40A:4-36 and N.J.A.C. 5:23-4.17):	XXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Uniform Construction Code Fees	08-160	500,000.00	330,000.00	599,264.50
Special Item of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services:	XXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Additional Dedicated Uniform Construction Code Fees Offset with Appropriations (N.J.S. 40A:4-45.3h and N.J.A.C. 5:23-4.17):	XXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Uniform Construction Code Fees	08-160			
Total Section C: Dedicated Uniform Construction Code Fees Offset with Appropriations	08	500,000.00	330,000.00	599,264.50

CURRENT FUND - ANTICIPATED REVENUES - (Continued)

GENERAL REVENUES	FCOA	Anticipated		Realized in
		2014	2013	Cash in 2013
3. Miscellaneous Revenues - Section F: Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Public and Private Revenues Offset with Appropriations:	XXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Public Health Priority Funding	10-765			
New Jersey Transportation Trust Fund Authority Act	10-865		379,744.00	379,744.00
Recycling Tonnage Grant	10-701		52,528.41	52,528.41
Drunk Driving Enforcement Fund	10-745			
Clean Communities Program	10-770		59,462.04	59,462.04
Alcohol Education and Rehabilitation Fund	10-702		1,108.27	1,108.27
Municipal Alliance on Alcoholism and Drug Abuse	10-703	62,143.50	42,081.00	42,081.00
Safe and Secure Communities Program - P.L. 1994, Chapter 220	10-704			
Handicapped Recreation Opportunities Grant	10-706		18,801.00	18,801.00
Assistance to Firefighters Grant	10-707	477,520.00		
Recycling Program-Middlesex County	10-800	41,633.00	42,407.00	42,407.00
UEZ Business Marketing Plan Grant	10-802		25,000.00	25,000.00
Provident Bank Defibrillator Grant	10-708		5,000.00	5,000.00
Emergency Management Grant	10-709		5,000.00	5,000.00
NJ Pedestrian Safety Grant	10-710		15,000.00	15,000.00
Byrne Memorial Justice Assistance Grant	10-804	19,684.00		

CURRENT FUND - ANTICIPATED REVENUES - (Continued)

GENERAL REVENUES	FCOA	Anticipated		Realized in Cash in 2013
		2014	2013	
3. Miscellaneous Revenues - Section F: Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Public and Private Revenues Offset with Appropriations (continued):	XXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Office on Aging-Transportation	10-864	5,000.00	5,000.00	5,000.00
Office on Aging-Housing	10-866	5,000.00	5,000.00	5,000.00
NJDCA Post Sandy Planning Grant	10-715	30,000.00		
NJDEP - HDSR Grant - Former Municipal Complex	10-711		14,735.00	14,735.00
NJDEP - HDSR Grant - General Cable Property	10-712		79,752.00	79,752.00
NJ Body Armor Replacement	10-735		14,199.81	14,199.81
Middlesex County Title V Delinquency	10-737		32,020.00	32,020.00
Middlesex County 2014 Arts Grant	10-738	1,776.00	1,195.00	1,195.00
NEA - Our Town Grant	10-739	50,000.00		
Total Section F: Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Public and Private Revenues	XXXXXX 10, 12	XXXXXXXXXX 692,756.50	XXXXXXXXXX 798,033.53	XXXXXXXXXX 798,033.53

CURRENT FUND - ANTICIPATED REVENUES - (Continued)

GENERAL REVENUES	FCOA	Anticipated		Realized in Cash in 2013
		2014	2013	
Summary of Revenues	XXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
1. Surplus Anticipated (Sheet 4, #1)	08-101	2,000,000.00	1,900,000.00	1,900,000.00
2. Surplus Anticipated with Prior Written Consent of Director of Local Government Services (Sheet 4, #2)	08-102			
3. Miscellaneous Revenues:	XXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Total Section A: Local Revenues	08	2,889,363.08	2,930,900.44	3,105,077.10
Total Section B: State Aid Without Offsetting Appropriations	09	9,237,369.00	9,237,369.00	9,237,369.00
Total Section C: Dedicated Uniform Construction Code Fees Offset with Appropriations	08	500,000.00	330,000.00	599,264.50
Total Section D: Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Interlocal Muni. Service Agreements	11			
Total Section E: Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Additional Revenues	08			
Total Section F: Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Public and Private Revenues	10, 12	692,756.50	798,033.53	798,033.53
Total Section G: Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Other Special Items	08	429,712.62	479,737.41	468,707.95
Total Miscellaneous Revenues	40004-00	13,749,201.20	13,776,040.38	14,208,452.08
4. Receipts from Delinquent Taxes	15-499	250,000.00	200,000.00	402,570.95
5. Subtotal General Revenues (Items 1,2,3, and 4)	40001-00	15,999,201.20	15,876,040.38	16,511,023.03
6. Amount to be Raised by Taxes for Support of Municipal Budget:				
a) Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	07-190	54,997,439.40	55,459,994.35	XXXXXXXXXX
b) Addition to Local District School Tax	07-191			XXXXXXXXXX
c) Minimum Library Tax	07-192	1,072,611.18	1,086,860.30	XXXXXXXXXX
Total Amount to be Raised by Taxes for Support of Municipal Budget	40002-00	56,070,050.58	56,546,854.65	57,252,411.32
7. Total General Revenues	40000-00	72,069,251.78	72,422,895.03	73,763,434.35

CURRENT FUND - APPROPRIATIONS

8. GENERAL APPROPRIATIONS (A) Operations-within "CAPS"	FCOA	Appropriated				Expended 2013	
		for 2014	for 2013	for 2013 by Emergency Appropriation	Total for 2013 As Modified By All Transfers	Paid or Charged	Reserved
GENERAL GOVERNMENT FUNCTIONS:	20-xxx						
BUSINES ADMINISTRATOR	20-100						
Salaries & Wages	20-100-1	336,325.00	229,757.00		232,757.00	231,839.59	917.41
Other Expenses	20-100-2	119,800.00	251,450.00		248,450.00	181,317.59	67,132.41
CENTRALIZED OFFICE SUPPLIES	20-100						
Other Expenses	20-100-2	149,000.00	155,150.00		155,150.00	146,854.46	8,295.54
OFFICE OF PUBLIC INFORMATION	20-100						
Salaries & Wages	20-100-1	63,843.00	57,652.00		57,652.00	54,673.37	2,978.63
Other Expenses	20-100-2	25,500.00	25,000.00		25,000.00	19,372.75	5,627.25
OFFICE OF THE MAYOR	20-110						
Salaries & Wages	20-110-1	309,612.00	293,209.00		293,209.00	291,610.70	1,598.30
Other Expenses	20-110-2	8,040.00	7,695.00		7,695.00	6,367.83	1,327.17
MUNICIPAL COUNCIL	21-110						
Salaries & Wages	21-110-1	52,000.00	52,000.00		52,000.00	52,000.00	
Other Expenses	21-110-2	4,800.00	3,740.00		3,740.00	2,222.69	1,517.31
Municipal Clerk	20-120						
Salaries & Wages	20-120-1	313,517.00	307,127.00		307,127.00	305,264.87	1,862.13
Other Expenses	20-120-2	33,500.00	31,480.00		31,480.00	24,647.69	6,832.31
ELECTIONS	20-120						
Other Expenses	20-120-2	17,000.00	15,000.00		15,000.00	13,435.82	1,564.18

CURRENT FUND - APPROPRIATIONS

8. GENERAL APPROPRIATIONS (A) Operations-within "CAPS" (continued)	FCOA	Appropriated				Expended 2013	
		for 2014	for 2013	for 2013 by Emergency Appropriation	Total for 2013 As Modified By All Transfers	Paid or Charged	Reserved
GENERAL GOVERNMENT (continued)							
FINANCIAL ADMINISTRATION	20-130						
Salaries & Wages	20-130-1	370,491.00	369,759.00		369,759.00	366,893.69	2,865.31
Other Expenses	20-130-2	51,500.00	69,150.00		69,150.00	42,437.61	26,712.39
AUDITING AND ACCOUNTING SERVICES	20-135						
Other Expenses	20-135-2	65,000.00	60,000.00		60,000.00	1,000.00	59,000.00
COMPUTER DATA PROCESSING	20-140						
Salaries and Wages	20-140-01	59,750.00	54,500.00		54,500.00	52,500.00	2,000.00
Other Expenses	20-140-02	292,300.00	273,600.00		273,600.00	250,184.18	23,415.82
REVENUE ADMINISTRATION	20-145						
Salaries & Wages	20-145-1	222,301.00	217,061.00		217,061.00	214,604.44	2,456.56
Other Expenses	20-145-2	14,050.00	16,450.00		16,450.00	6,535.61	9,914.39
TAX ASSESSMENT ADMINISTRATION	20-145						
Salaries & Wages	20-145-1	208,729.00	199,500.00		199,500.00	197,659.24	1,840.76
Other Expenses	20-145-2	225,000.00	249,450.00		249,450.00	203,470.95	45,979.05
LEGAL SERVICES	20-155						
Salaries & Wages	20-155-1	197,172.00	196,121.00		196,121.00	194,250.83	1,870.17
Other Expenses	20-155-2	965,000.00	1,098,650.00		1,098,650.00	502,777.39	595,872.61
CONSULTANT FEES	20-155-2						
Other Expenses	20-155-2	52,850.00	70,000.00		70,000.00	20,340.21	49,659.79
ENGINEERING SERVICES	20-165						
Other Expenses	20-165-2	32,000.00	38,000.00		38,000.00	19,000.00	19,000.00

CURRENT FUND - APPROPRIATIONS

8. GENERAL APPROPRIATIONS (A) Operations-within "CAPS" (continued)	FCOA	Appropriated				Expended 2013	
		for 2014	for 2013	for 2013 by Emergency Appropriation	Total for 2013 As Modified By All Transfers	Paid or Charged	Reserved
ECONOMIC DEVELOPMENT	20-170						
Salaries and Wages	20-170	99,342.00	69,211.00		69,211.00	53,088.49	16,122.51
Other Expenses	20-170	15,245.00	3,200.00		3,200.00	955.64	2,244.36
HISTORIC PRESERVATION COMMISSION	20-175						
Other Expenses	20175-2	6,800.00	6,800.00		6,800.00	350.00	6,450.00
LAND USE ADMINISTRATION	21-180						
Salaries and Wages	21-180-1	2,105.00	2,105.00		2,105.00	1,594.08	510.92
Other Expenses	21-180-2	24,300.00	24,550.00		24,550.00	12,505.50	12,044.50
ZONING BOARD OF ADJUSTMENT	21-185						
Salaries and Wages	21-185-1	15,189.00	14,485.00		14,485.00	13,890.24	594.76
Other Expenses	21-185-2	3,600.00	3,625.00		3,625.00	268.00	3,357.00
INSURANCE							
General Liability	23-210-2	1,097,665.00	1,155,000.00		1,255,000.00	1,132,150.45	122,849.55
Workers Compensation	23-215-2	2,501,200.00	2,522,000.00		2,422,000.00	1,471,890.48	950,109.52
Employee Group Insurance	23-220-2	10,235,800.00	10,309,200.00		10,309,200.00	10,084,672.19	224,527.81
Health Benefits Waiver	23-221-2	43,000.00	23,000.00		23,000.00	22,679.76	320.24
Unemployment Insurance	23-225	230,000.00	220,000.00		220,000.00	220,000.00	

CURRENT FUND - APPROPRIATIONS

8. GENERAL APPROPRIATIONS (A) Operations-within "CAPS" (continued)	FCOA	Appropriated				Expended 2013	
		for 2014	for 2013	for 2013 by Emergency Appropriation	Total for 2013 As Modified By All Transfers	Paid or Charged	Reserved
PUBLIC SAFETY FUNCTIONS							
POLICE DEPARTMENT	25-240						
Salaries & Wages	25-240	11,627,085.00	11,995,896.83		12,224,896.83	12,178,115.05	46,781.78
Other Expenses	25-240	656,455.00	596,820.00		596,820.00	539,607.10	57,212.90
SCHOOL PATROL	25-240						
Salaries & Wages	25-240-1	460,000.00	460,000.00		460,000.00	439,098.38	20,901.62
Other Expenses	25-240-2	4,100.00	3,520.00		3,520.00	1,250.00	2,270.00
TRAFFIC MAINTENANCE	25-240						
Salaries & Wages	25-240-1	97,009.00	96,286.00		97,286.00	96,953.65	332.35
Other Expenses	25-240-2	45,000.00	42,500.00		41,500.00	25,147.79	16,352.21
POLICE DISPATCH	25-250						
Salaries & Wages	25-250-1	686,488.00	639,965.00		639,965.00	617,138.28	22,826.72
Other Expenses	25-250-2	2,400.00	2,400.00		2,400.00	2,400.00	
EMERGENCY MANAGEMENT SERVICES	25-252						
Salaries & Wages	25-252-1	37,000.00					
Other Expenses	25-252-2	62,200.00	94,860.00		62,860.00	62,724.36	135.64
FIRE DEPARTMENT	25-265						
Salaries & Wages	25-265-1	4,904,829.00	4,740,177.00		4,827,177.00	4,760,130.71	67,046.29
Other Expenses	25-265-2	225,400.00	314,150.00		227,150.00	194,635.79	32,514.21
UNIFORM FIRE SAFETY ACT	22-265						
Salaries and Wages	22-265-1	204,830.00	193,165.00		193,165.00	193,165.00	
Other Expenses	22-265-2	6,700.00	6,350.00		6,350.00	5,715.92	634.08

CURRENT FUND - APPROPRIATIONS

8. GENERAL APPROPRIATIONS (A) Operations-within "CAPS" (continued)	FCOA	Appropriated				Expended 2013	
		for 2014	for 2013	for 2013 by Emergency Appropriation	Total for 2013 As Modified By All Transfers	Paid or Charged	Reserved
PUBLIC WORKS FUNCTIONS:							
OFFICE OF DEPARTMENT DIRECTOR	26-290						
Salaries & Wages	26-290-1	318,314.00	300,708.00		300,708.00	285,181.61	15,526.39
Other Expenses	26-290-2	1,625.00	1,625.00		1,625.00	1,209.45	415.55
STREET AND ROAD MAINTENANCE	26-290						
Salaries & Wages	26-290-1	858,624.00	931,847.00		931,847.00	843,404.90	88,442.10
Other Expenses	26-290-2	261,200.00	162,000.00		176,000.00	175,234.32	765.68
SOLID WASTE	26-305						
Salaries & Wages	26-305-1	1,227,374.00	1,197,939.00		1,197,939.00	1,147,619.46	50,319.54
Other Expenses	26-305-2	1,500,500.00	1,605,450.00		1,578,450.00	1,330,684.59	247,765.41
BUILDINGS AND GROUNDS	26-310						
Salaries & Wages	26-310-1	570,161.00	558,268.00		558,268.00	457,245.74	101,022.26
Other Expenses	26-310-2	788,000.00	714,200.00		764,200.00	711,144.49	53,055.51
EQUIPMENT MAINTENANCE	26-315						
Salaries & Wages	26-315-1	183,108.00	227,600.00		227,600.00	218,537.01	9,062.99
Other Expenses	26-315-2	89,000.00	89,500.00		79,500.00	78,074.20	1,425.80
CONDO MUNICIPAL SERVICE AGREEMENT	26-325						
Other Expenses	26-325-2	100,000.00	100,000.00		100,000.00		100,000.00
PARKS DEPARTMENT	28-375						
Salaries & Wages	28-375-1	495,901.00	488,870.00		488,870.00	423,468.57	65,401.43
Other Expenses	28-375-2	199,500.00	237,650.00		210,650.00	205,432.57	5,217.43

CURRENT FUND - APPROPRIATIONS

8. GENERAL APPROPRIATIONS (A) Operations-within "CAPS" (continued)	FCOA	Appropriated				Expended 2013	
		for 2014	for 2013	for 2013 by Emergency Appropriation	Total for 2013 As Modified By All Transfers	Paid or Charged	Reserved
HEALTH AND WELFARE FUNCTIONS:							
PUBLIC HEALTH SERVICES	27-330						
Salaries & Wages	27-330-1	174,798.00	167,877.00		167,877.00	164,389.80	3,487.20
Other Expenses	27-330-2	224,750.00	227,630.00		227,630.00	222,601.93	5,028.07
ANIMAL CONTROL	27-340						
Salaries & Wages	27-340-1	98,830.00	98,830.00		73,830.00	69,300.72	4,529.28
Other Expenses	27-340-2	22,600.00	21,300.00		21,300.00	19,022.18	2,277.82
PUBLIC ASSISTANCE AND HOUSING	27-345						
Salaries & Wages	27-345-1	110,633.00	93,134.00		93,134.00	90,900.14	2,233.86
Other Expenses	27-345-2	9,855.00	9,855.00		9,855.00	2,125.97	7,729.03
OFFICE ON AGING	28-370						
Salaries & Wages	28-370-1	185,659.00	142,986.00		142,986.00	142,513.92	472.08
Other Expenses	28-370-2	46,200.00	42,800.00		42,800.00	42,466.70	333.30
PARKS AND RECREATION FUNCTION:							
RECREATION SERVICES AND PROGRAMS	28-370						
Salaries & Wages	28-370-1	394,242.00	345,994.00		353,994.00	353,971.54	22.46
Other Expenses	28-370-2	160,180.00	160,125.00		160,125.00	143,068.80	17,056.20

CURRENT FUND - APPROPRIATIONS

8. GENERAL APPROPRIATIONS (A) Operations - Excluded from "CAPS"	FCOA	Appropriated				Expended 2013	
		for 2014	for 2013	for 2013 by Emergency Appropriation	Total for 2013 As Modified By All Transfers	Paid or Charged	Reserved
		XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
INSURANCE: N.J.S.A. 40A:4-45.3e	23-XXX						
Employee Group Insurance	23-220-2						
MAINTENANCE OF FREE PUBLIC LIBRARY (P.L. 1985, CH. 82-541)	29-390						
Salaries & Wages	29-390-1	635,878.00	620,623.00		620,623.00	605,307.60	15,315.40
Other Expenses	29-390-2	436,733.18	466,237.30		466,237.30	466,237.30	
Other Expenses - Additional Aid	29-390-2	156,106.82	160,044.70		160,044.70	144,641.13	15,403.57
Recycling Tax	32-465	51,602.61	52,530.00		52,530.00	52,530.00	
Reserve for Tax Appeals	20-145						

CURRENT FUND - APPROPRIATIONS

8. GENERAL APPROPRIATIONS (A) Operations - Excluded from "CAPS"	FCOA	Appropriated				Expended 2013	
		for 2014	for 2013	for 2013 by Emergency Appropriation	Total for 2013 As Modified By All Transfers	Paid or Charged	Reserved
Public and Private Programs Offset by Revenues	XXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Recycling Tonnage Grant	41-701		52,528.41		52,528.41	52,528.41	
CLEAN COMMUNITIES PROGRAM	41-770		59,462.04		59,462.04	59,462.04	
Assistance to Firefighters Grant	41-707	477,520.00					
MCIA Recycling Grant	41-800	41,633.00	42,407.00		42,407.00	42,407.00	
NJDCA - Post Sandy Planning Grant	41-715	30,000.00					
UEZ Business Management Plan	41-802		25,000.00		25,000.00	25,000.00	
NEA - Our Town Grant	41-739	50,000.00					
Middlesex County TitleV Delinquency	41-737		32,020.00		32,020.00	32,020.00	
Middlesex County 2014 Arts Grant	41-738	1,776.00	1,195.00		1,195.00	1,195.00	

CURRENT FUND - APPROPRIATIONS

8. GENERAL APPROPRIATIONS (A) Operations - Excluded from "CAPS"	FCOA	Appropriated				Expended 2013	
		for 2014	for 2013	for 2013 by Emergency Appropriation	Total for 2013 As Modified By All Transfers	Paid or Charged	Reserved
Public and Private Programs Offset by Revenues (continued)	XXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
MUNICIPAL ALLIANCE ON ALCOHOLISM AND DRUG ABUSE	41-703	62,143.50	42,081.00		42,081.00	42,081.00	
OFFICE ON AGING- Transportation	41-864	5,000.00	5,000.00		5,000.00	5,000.00	
OFFICE ON AGING- Housing	41-866	5,000.00	5,000.00		5,000.00	5,000.00	
Municipal Court Alcohol Education	41-702		1,108.27		1,108.27	1,108.27	
Body Armor Replacement	41-735		14,199.81		14,199.81	14,199.81	
Emergency Management Grant	41-709		5,000.00		5,000.00	5,000.00	
NJ Pedestrian Safety Grant	41-710		15,000.00		15,000.00	15,000.00	
Handicapped Recreation	41-706		18,801.00		18,801.00	18,801.00	
Matching Funds for Grants	41-855	56,500.00					

CURRENT FUND - APPROPRIATIONS

8. GENERAL APPROPRIATIONS (A) Operations - Excluded from "CAPS" (continued)	FCOA	Appropriated				Expended 2013	
		for 2014	for 2013	for 2013 by Emergency Appropriation	Total for 2013 As Modified By All Transfers	Paid or Charged	Reserved
Public and Private Programs Offset by Revenues (continued)	XXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Byrne Mem. Justice Assistance	41-804	19,684.00					
Provident Bank - Defibrillator Grant	41-708		5,000.00		5,000.00	5,000.00	
NJDEP HDSR Grant - Former Municipal Complex	41-711		14,735.00		14,735.00	14,735.00	
NJDEP HDSR Grant - General Cable Property	41-712		79,752.00		79,752.00	79,752.00	
Total Public and Private Programs Offset by Revenues	XXXXXX	749,256.50	418,289.53		418,289.53	418,289.53	
Total Operations-Excluded from "CAPS"	60023-00	2,029,577.11	1,717,724.53		1,717,724.53	1,687,005.56	30,718.97
Detail:							
Salaries and Wages	60023-11	635,878.00	620,623.00		620,623.00	605,307.60	15,315.40
Other Expenses	60023-99	1,393,699.11	1,097,101.53		1,097,101.53	1,081,697.96	15,403.57
	check:	2,029,577.11	1,717,724.53		1,717,724.53	1,687,005.56	30,718.97

CURRENT FUND - APPROPRIATIONS

8. GENERAL APPROPRIATIONS	FCOA	Appropriated				Expended 2013	
		for 2014	for 2013	for 2013 by Emergency Appropriation	Total for 2013 As Modified By All Transfers	Paid or Charged	Reserved
For Local District School Purposes- Excluded from "CAPS"	XXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
(1) Type 1 District School Debt Service	XXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Payment of Bond Principal	48-920						XXXXXXXXXX
Payment of Bond Anticipation Notes	48-925						XXXXXXXXXX
Interest on Bonds	48-930						XXXXXXXXXX
Interest on Notes	48-935						XXXXXXXXXX
							XXXXXXXXXX
Total of Type 1 District School Debt Service-Excluded from "CAPS"	60006-00						XXXXXXXXXX
(J) Deferred Charges and Statutory Expenditures - Local School - Excluded from "CAPS"	XXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Emergency Authorizations - Schools	29-406			XXXXXXXXXX			XXXXXXXXXX
Capital Project for Land, Building or Equipment N.J.S. 18A:22-20	29-407						XXXXXXXXXX
Total of Deferred Charges and Statutory Expendi- tures - Local School - Excluded from "CAPS"	60007-00						XXXXXXXXXX
(K) Total Municipal Appropriations for Local District School Purposes (Items (I) & (J))-Excluded from "CAPS"	60008-00						XXXXXXXXXX
(O) Total General Appropriations-Excluded from "CAPS"	60010-00	14,029,977.11	14,047,865.68		14,047,865.68	14,017,146.71	30,718.97
(L) Subtotal General Appropriations (Items (H-1) and (O))	30009-00	70,944,251.78	71,322,895.03		71,322,895.03	67,314,838.63	4,008,056.40
(M) Reserve for Uncollected Taxes	50-899	1,125,000.00	1,100,000.00	XXXXXXXXXX	1,100,000.00	1,100,000.00	XXXXXXXXXX
9. Total General Appropriations	30000-00	72,069,251.78	72,422,895.03		72,422,895.03	68,414,838.63	4,008,056.40

CURRENT FUND - APPROPRIATIONS

8. GENERAL APPROPRIATIONS Summary of Appropriations	FCOA	Appropriated				Expended 2013	
		for 2014	for 2013	for 2013 by Emergency Appropriation	Total for 2013 As Modified By All Transfers	Paid or Charged	Reserved
(H-1) Total General Appropriations for Municipal Purposes within "CAPS"	30005-00	56,914,274.67	57,275,029.35		57,275,029.35	53,297,691.92	3,977,337.43
	XXXXXX						
(A) Operations Excluded from "CAPS"	XXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Other Operations	XXXXXX	1,280,320.61	1,299,435.00		1,299,435.00	1,268,716.03	30,718.97
Uniform Construction Code	XXXXXX						
Interlocal Municipal Service Agreements	XXXXXX						
Additional Appropriations Offset by Revenues	XXXXXX						
Public and Private Programs Offset by Revenues	XXXXXX	749,256.50	418,289.53		418,289.53	418,289.53	
Total Operations - Excluded from "CAPS"	60023-00	2,029,577.11	1,717,724.53		1,717,724.53	1,687,005.56	30,718.97
(C) Capital Improvements	60002-00	300,000.00	629,744.00		629,744.00	629,744.00	
(D) Municipal Debt Service	60003-00	11,700,400.00	11,700,397.15		11,700,397.15	11,700,397.15	XXXXXXXXXX
(E) Total Deferred Charges - Excluded from "CAPS"	XXXXXX			XXXXXXXXXX			
(F) Judgements	37-480			XXXXXXXXXX			
(G) Cash Deficit	46-885			XXXXXXXXXX			XXXXXXXXXX
(K) Local District School Purposes	60008-00			XXXXXXXXXX			XXXXXXXXXX
(N) Transferred to Board of Education	29-405			XXXXXXXXXX			XXXXXXXXXX
(M) Reserve for Uncollected Taxes	50-899	1,125,000.00	1,100,000.00	XXXXXXXXXX	1,100,000.00	1,100,000.00	XXXXXXXXXX
Total General Appropriations	30000-00	72,069,251.78	72,422,895.03		72,422,895.03	68,414,838.63	4,008,056.40

DEDICATED WATER AND WASTEWATER UTILITY BUDGET - (*Note: Use sheet 32 for Water Utility only.

11. APPROPRIATIONS FOR WATER UTILITY		Appropriated				Expended 2013	
		for 2014	for 2013	for 2013 By Emergency Appropriation	Total for 2013 As Modified By All Transfers	Paid or Charged	Reserved
Operating:	XXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Salaries and Wages	55-501						
Other Expenses	55-502	11,158,810.38	11,353,204.10		11,353,204.10	10,861,445.62	491,758.48
Capital Improvements:	XXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Down Payments on Improvements	55-510						
Capital Improvement Fund	55-511			XXXXXXXXXX			
Capital Outlay	55-512						
Debt Service:	XXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Payment of Bond Principal	55-520	5,466,502.50	4,801,437.20		4,801,437.20	4,741,437.20	XXXXXXXXXX
Interest on Notes	55-523	21,762.76	140,950.04		140,950.04	110,567.81	XXXXXXXXXX
Interest on Bonds	55-522	280,419.97	1,076,820.65		1,076,820.65	346,095.61	XXXXXXXXXX
NJ Environmental Infrastructure Trust	55-523	470,029.98	527,139.52		527,139.52	463,831.30	XXXXXXXXXX
Payment of BANS Principal	55-942	2,895,103.40	167,500.00		167,500.00	167,500.00	XXXXXXXXXX

DEDICATED WATER UTILITY BUDGET - (continued)

*Note: Use sheet 33 for Water Utility only.

11. APPROPRIATIONS FOR WATER UTILITY		Appropriated				Expended 2013	
		for 2014	for 2013	for 2013 By Emergency Appropriation	Total for 2013 As Modified By All Transfers	Paid or Charged	Reserved
Deferred Charges and Statutory Expenditures:	XXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
DEFERRED CHARGES:	XXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Emergency Authorizations	55-530			XXXXXXXXXX			XXXXXXXXXX
Emergency Authorizations (N.J.S.A 40A:4-55)				XXXXXXXXXX			XXXXXXXXXX
Damage by Flood or Hurricane				XXXXXXXXXX			XXXXXXXXXX
				XXXXXXXXXX			XXXXXXXXXX
				XXXXXXXXXX			XXXXXXXXXX
				XXXXXXXXXX			XXXXXXXXXX
STATUTORY EXPENDITURES:	XXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Contribution To:							
Public Employees' Retirement System	55-540						
Social Security System (O.A.S.I.)	55-541						
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et. seq.)	55-542						
Judgments	55-531						
Deficit in Operations in Prior Years	55-532			XXXXXXXXXX			XXXXXXXXXX
Surplus (General Budget)	55-545			XXXXXXXXXX			XXXXXXXXXX
TOTAL WATER UTILITY APPROPRIATIONS	92109-00	20,292,628.99	18,067,051.51		18,067,051.51	16,690,877.54	491,758.48

DEDICATED PARKING UTILITY BUDGET

10. DEDICATED REVENUES FROM PARKING UTILITY		Anticipated		Realized in
		2014	2013	Cash in 2013
Operating Surplus Anticipated	08-501		136,050.00	136,050.00
Operating Surplus Anticipated with Prior Written Consent of Director of Local Government Services	08-502			
Total Operating Surplus Anticipated	08-500	0.00	136,050.00	136,050.00
PARKING RENTS	08-505	701,000.00	750,750.00	737,979.12
	08-505			
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services	XXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Deficit (General Budget)	08-549			
Total Parking Utility Revenues	91 07-00	701,000.00	886,800.00	874,029.12

Use a separate set of sheets for each separate Utility.

DEDICATED PARKING UTILITY BUDGET - (continued)

11. APPROPRIATIONS FOR PARKING UTILITY		Appropriated				Expended 2013	
		for 2014	for 2013	for 2013 Emergency Appropriation	Total for 2013 As Modified By All Transfers	Paid or Charged	Reserved
Operating:	XXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Salaries and Wages	55-501	293,416.00	265,000.00		265,000.00	219,376.56	30,623.44
Other Expenses	55-502	272,446.00	340,375.00		340,375.00	297,988.46	42,386.54
Capital Improvements:	XXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Down Payments on Improvements	55-510						
Capital Improvement Fund	55-511			XXXXXXXXXX			
Capital Outlay	55-512						
Debt Service:	XXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Payment of Bond Principal	55-520	85,000.00	80,000.00		80,000.00	80,000.00	XXXXXXXXXX
Payment of Bond Anticipation and Capital Notes	55-521						XXXXXXXXXX
Interest on Bonds	55-522	27,691.67	45,100.00		45,100.00	45,100.00	XXXXXXXXXX
Interest on Notes	55-523						XXXXXXXXXX

DEDICATED PARKING UTILITY BUDGET - (continued)

11. APPROPRIATIONS FOR PARKING UTILITY		Appropriated				Expended 2013	
		for 2014	for 2013	for 2013 Emergency Appropriation	Total for 2013 As Modified By All Transfers	Paid or Charged	Reserved
Deferred Charges and Statutory Expenditures:	XXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
DEFERRED CHARGES:	XXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Emergency Authorizations	55-530		136,050.00	XXXXXXXXXX	136,050.00	136,050.00	XXXXXXXXXX
Emergency Authorizations (N.J.S.A 40A:4-55)				XXXXXXXXXX			XXXXXXXXXX
Damage by Flood or Hurricane				XXXXXXXXXX			XXXXXXXXXX
				XXXXXXXXXX			XXXXXXXXXX
				XXXXXXXXXX			XXXXXXXXXX
				XXXXXXXXXX			XXXXXXXXXX
				XXXXXXXXXX			XXXXXXXXXX
STATUTORY EXPENDITURES:	XXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Contribution To:							
Public Employees' Retirement System	55-540						0.00
Social Security System (O.A.S.I.)	55-541	22,446.33	20,275.00		20,275.00	16,782.30	3,492.70
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et. seq.)	55-542						
Judgements	55-531						
Deficit in Operations in Prior Years	55-532			XXXXXXXXXX			XXXXXXXXXX
Surplus (General Budget)	55-545			XXXXXXXXXX			XXXXXXXXXX
TOTAL PARKING UTILITY APPROPRIATIONS	92 09-00	701,000.00	886,800.00	0.00	886,800.00	795,297.32	76,502.68

DEDICATED MARINA UTILITY BUDGET

10. DEDICATED REVENUES FROM MARINA UTILITY		Anticipated		Realized in
		2014	2013	Cash in 2013
Operating Surplus Anticipated	08-501			0.00
Operating Surplus Anticipated with Prior Written Consent of Director of Local Government Services	08-502			
Total Operating Surplus Anticipated	08-500	0.00	0.00	0.00
SLIP RENTAL FEES	08-505	198,000.00	178,762.00	198,746.00
MISCELLANEOUS REVENUE	08-505		28,032.00	424.73
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services	XXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Deficit (General Budget)	08-549			
Total MARINA UTILITY Revenues	91 07-00	198,000.00	206,794.00	199,170.73

Use a separate set of sheets for each separate Utility.

DEDICATED MARINA UTILITY BUDGET - (continued)

11. APPROPRIATIONS FOR MARINA UTILITY		Appropriated				Expended 2013	
		for 2014	for 2013	for 2013 Emergency Appropriation	Total for 2013 As Modified By All Transfers	Paid or Charged	Reserved
Operating:	XXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Salaries and Wages	55-501	109,909.00	86,881.00		89,381.00	87,194.96	2,186.04
Other Expenses	55-502	88,091.00	119,913.00		117,413.00	81,190.86	26,222.14
Capital Improvements:	XXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Down Payments on Improvements	55-510						
Capital Improvement Fund	55-511			XXXXXXXXXX			
Capital Outlay	55-512						
Debt Service:	XXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Payment of Bond Principal	55-520						XXXXXXXXXX
Payment of Bond Anticipation and Capital Notes	55-521						XXXXXXXXXX
Interest on Bonds	55-522						XXXXXXXXXX
Interest on Notes	55-523						XXXXXXXXXX
							XXXXXXXXXX

DEDICATED MARINA UTILITY BUDGET - (continued)

11. APPROPRIATIONS FOR MARINA UTILITY		Appropriated				Expended 2013	
		for 2014	for 2013	for 2013 Emergency Appropriation	Total for 2013 As Modified By All Transfers	Paid or Charged	Reserved
Deferred Charges and Statutory Expenditures:	XXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
DEFERRED CHARGES:	XXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Emergency Authorizations	55-530			XXXXXXXXXX			XXXXXXXXXX
Emergency Authorizations (N.J.S.A 40A:4-55)				XXXXXXXXXX			XXXXXXXXXX
Damage by Flood or Hurricane				XXXXXXXXXX			XXXXXXXXXX
				XXXXXXXXXX			XXXXXXXXXX
				XXXXXXXXXX			XXXXXXXXXX
				XXXXXXXXXX			XXXXXXXXXX
				XXXXXXXXXX			XXXXXXXXXX
STATUTORY EXPENDITURES:	XXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
Contribution To:							
Public Employees' Retirement System	55-540						0.00
Social Security System (O.A.S.I.)	55-541						0.00
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et. seq.)	55-542						
Judgements	55-531						
Deficit in Operations in Prior Years	55-532			XXXXXXXXXX			XXXXXXXXXX
Surplus (General Budget)	55-545			XXXXXXXXXX			XXXXXXXXXX
TOTAL MARINA UTILITY APPROPRIATIONS	92 09-00	198,000.00	206,794.00	0.00	206,794.00	168,385.82	28,408.18

DEDICATED ASSESSMENT BUDGET

14. DEDICATED REVENUES FROM	Anticipated		Realized in Cash in 2013
	2014	2013	
Assessment Cash			
Deficit (General Budget)			
Total Assessment Revenues	0.00	0.00	0.00
15. APPROPRIATIONS FOR ASSESSMENT DEBT	Appropriated		Expended 2013 Paid or Charged
	2014	2013	
Payment of Bond Principal			
Payment of Bond Anticipation Notes			
Total Assessment Appropriations	0.00	0.00	0.00

DEDICATED WATER UTILITY ASSESSMENT BUDGET

14. DEDICATED REVENUES FROM	Anticipated		Realized in Cash in 2013
	2014	2013	
Assessment Cash			
Deficit (Water Utility Budget)			
Total Water Utility Assessment Revenues	0.00	0.00	0.00
15. APPROPRIATIONS FOR ASSESSMENT DEBT	Appropriated		Expended 2013 Paid or Charged
	2014	2013	
Payment of Bond Principal			
Payment of Bond Anticipation Notes			
Total Water Utility Assessment Appropriations	0.00	0.00	0.00

APPENDIX TO BUDGET STATEMENT

COMPARATIVE STATEMENT OF CURRENT FUND OPERATIONS AND CHANGE IN CURRENT SURPLUS

CURRENT FUND BALANCE SHEET - DECEMBER 31, 2013

ASSETS		
Cash and Investments	1110100	16,234,887.72
Due from State of N.J. (c.20, P.L. 1971)	1111000	43,496.13
Federal and State Grants Receivable	1110200	2,329,320.07
Receivables with Offsetting Reserves:	XXXXXX	XXXXXXXX
Taxes Receivable	1110300	7,339.40
Tax Title Liens Receivable	1110400	1,264,218.87
Property Acquired by Tax Title Lien Liquidation	1110500	
Other Receivables	1110600	1,475,858.00
Deferred Charges Required to be in TY 2014 Budget	1110700	0.00
Deferred Charges Required to be in Budgets Subsequent to TY 2014	1110800	
Total Assets	1110900	21,355,120.19
LIABILITIES, RESERVES AND SURPLUS		
*Cash Liabilities	2110100	15,364,077.77
Reserves for Receivables	2110200	1,271,558.27
Surplus	2110300	4,719,484.15
Total Liabilities, Reserves and Surplus	2110400	21,355,120.19

School Tax Levy Unpaid	2220130	
Less: School Tax Deferred	2220200	
*Balance Included in Above		
"Cash Liabilities"	2220300	0.00

		YEAR 2013
Surplus Balance, January 1st	2310100	3,240,765.65
CURRENT REVENUE ON A CASH BASIS:		
Current Taxes		
(Percentage collected: 2013 99.35%)	2310200	92,088,926.25
Delinquent Taxes	2310300	402,570.95
Other Revenues and Additions to Income	2310400	16,687,535.49
Total Funds	2310500	112,419,798.34
EXPENDITURES AND TAX REQUIREMENTS:		
Municipal Appropriations	2310600	71,322,895.03
School Taxes (Including Local and Regional)	2310700	23,956,568.00
County Taxes (Including Added Tax Amounts)	2310800	11,747,816.93
Special District Taxes	2310900	232,130.00
Other Expenditures and Deductions from Income	2311000	440,904.23
Total Expenditures and Tax Requirements	2311100	107,700,314.19
Less: Expenditures to be Raised by Future Taxes	2311200	0.00
Total Adjusted Expenditures and Tax Requirements	2311300	107,700,314.19
Surplus Balance - December 31st	2311400	4,719,484.15

*Nearest even percentage may be used

Proposed Use of Current Fund Surplus in 2014 Budget

Surplus Balance December 31, 2013	2311500	4,719,484.15
Current Surplus Anticipated in 2014 Budget	2311600	2,000,000.00
Surplus Balance Remaining	2311700	2,719,484.15

(Important: This appendix must be included in advertisement of budget.)

2014

CAPITAL BUDGET AND CAPITAL IMPROVEMENT PROGRAM

This section is included with the Annual Budget pursuant to N.J.A.C. 5:30-4. It does not in itself confer any authorization to raise or expend funds. Rather it is a document used as part of the local unit's planning and management program. Specific authorization to expend funds for purposes described in this section must be granted elsewhere, by a separate bond ordinance, by inclusion of a line item in the Capital Improvement Section of this budget, by an ordinance taking the money from the Capital Improvement Fund, or other lawful means.

CAPITAL BUDGET

- A plan for all capital expenditures for the current fiscal year.
If no Capital Budget is included, check the reason why:

- Total capital expenditures this year do not exceed \$25,000, including appropriations for Capital Improvement Fund, Capital Line Items and Down Payments on Improvements.
- No bond ordinances are planned this year.

CAPITAL IMPROVEMENT PROGRAM

- A multi-year list of planned capital projects, including the current year.
Check appropriate box for number of years covered, including current year:

- 3 years. (Population under 10,000)
- 6 years. (Over 10,000 and all county governments)
- ____ years. (Exceeding minimum time period)
- Check if municipality is under 10,000 has not expended more than \$25,000 annually for capital purposes in immediately previous three years, and is not adopting CIP.

NARRATIVE FOR CAPITAL IMPROVEMENT PROGRAM

The 2014 Capital Plan anticipates capital improvements necessary for maintaining the City's infrastructure and basic provision of services to the community. Grants in Aid and other funds will be maximized to the extent possible to fund these improvements or purchases.

This plan is not an authorization to spend funds, which may only be done through a capital ordinance or direct budget appropriation approved by the Governing Body.

CAPITAL BUDGET (Current Year Action)
2014

Local Unit City of Perth Amboy

1 PROJECT TITLE	2 PROJECT NUMBER	3 ESTIMATED TOTAL COST	4 AMOUNTS RESERVED IN PRIOR YEARS	PLANNED FUNDING SERVICES FOR CURRENT YEAR - 2014					6 TO BE FUNDED IN FUTURE YEARS
				5a 2014 Budget Appropriation	5b Capital Improvement Fund	5c Capital Surplus	5d Grants in Aid and Other Funds	5e Debt Authorized	
Equipment - Fire	1	2,813,000.00			36,000.00			633,000.00	2,144,000.00
OECD - Various Projects	2	3,500,000.00					3,500,000.00		
Library Improvements Renovation	3	10,115,000.00		115,000.00					10,000,000.00
DPW Equipment and Various Improvements	4	17,253,450.00			114,900.00	25,000.00	100,000.00	1,716,000.00	15,297,550.00
IT - Equipment/Improvements	5	934,500.00			22,000.00			272,000.00	640,500.00
Recreation Improvements	6	3,153,200.00	120,000.00		60,000.00		800,000.00	354,000.00	1,819,200.00
Police Vehicles/Equipment	7	1,009,000.00			45,000.00	18,000.00		625,000.00	321,000.00
TOTAL		38,778,150.00	120,000.00	115,000.00	277,900.00	43,000.00	4,400,000.00	3,600,000.00	30,222,250.00
Water and Waste Water Utility Improvements	8	25,412,250.00	108,200.00			608,300.00	783,500.00	4,335,000.00	19,577,250.00
Parking Utility Deck Renovations/Repaving	9	250,000.00							250,000.00
TOTALS - ALL PROJECTS		64,440,400.00	228,200.00	115,000.00	277,900.00	651,300.00	5,183,500.00	7,935,000.00	50,049,500.00

6 YEAR CAPITAL PROGRAM - 2014 - 2019

Anticipated Project Schedule and Funding Requirements

Local Unit City of Perth Amboy

1 PROJECT TITLE	2 PROJECT NUMBER	3 ESTIMATED TOTAL COST	4 ESTIMATED COMPLETION DATE	FUNDING AMOUNTS PER BUDGET YEAR					
				5a 2014	5b 2015	5c 2016	5d 2017	5e 2018	5F 2019
Equipment - Fire	1	2,813,000.00	2018	669,000.00	739,000.00	850,000.00	555,000.00		
OECD - Various Projects	2	3,500,000.00	2017	3,500,000.00					
Library Improvements Renovation	3	10,115,000.00	2019	115,000.00			1,000,000.00	9,000,000.00	
DPW Equipment and Various Improvements	4	17,253,450.00	2019	1,955,900.00	2,384,550.00	2,617,600.00	6,751,500.00	2,130,400.00	1,413,500.00
IT - Equipment/Improvements	5	934,500.00	2019	294,000.00	272,000.00	134,000.00	111,500.00	111,500.00	11,500.00
Recreation Improvements	6	3,153,200.00	2018	1,334,000.00	582,000.00	1,007,200.00	57,500.00	172,500.00	
Police Vehicles/Equipment	7	1,009,000.00	2018	672,000.00	140,000.00	64,000.00	66,000.00	67,000.00	
TOTAL		38,778,150.00		8,539,900.00	4,117,550.00	4,672,800.00	8,541,500.00	11,481,400.00	1,425,000.00
Water and Waste Water Utility Improvements	8	25,412,250.00	2019	5,835,000.00	6,227,750.00	2,216,750.00	3,481,750.00	3,481,750.00	4,169,250.00
Parking Utility Deck Renovations/Repaving	9	250,000.00	2019		50,000.00	50,000.00	50,000.00	50,000.00	50,000.00
TOTALS - ALL PROJECTS		64,440,400.00		14,374,900.00	10,395,300.00	6,939,550.00	12,073,250.00	15,013,150.00	5,644,250.00

6 YEAR CAPITAL PROGRAM - 2014 - 2019
SUMMARY OF ANTICIPATED FUNDING SOURCES AND AMOUNTS

Local Unit City of Perth Amboy

1 PROJECT TITLE	2 ESTIMATED TOTAL COST	BUDGET APPROPRIATIONS		4 Capital Improve- ment Fund	5a Capital Surplus	6 Grants-in- Aid and Other Funds	BONDS AND NOTES		
		3a Current Year 2014	3b Future Years				7a General	7b Self Liquidating	7c Assessment
Equipment - Fire	2,813,000.00			143,200.00			2,669,800.00		
OECD - Various Projects	3,500,000.00					3,500,000.00			
Library Improvements Renovation	10,115,000.00	115,000.00		500,000.00			9,500,000.00		
DPW Equipment and Various Improvements	17,253,450.00			879,800.00	25,000.00	100,000.00	16,248,650.00		
IT - Equipment/Improvements	934,500.00			54,000.00			880,500.00		
Recreation Improvements	3,153,200.00			151,000.00		920,000.00	2,082,200.00		
Police Vehicles/Equipment	1,009,000.00			61,000.00	18,000.00		930,000.00		
TOTAL	38,778,150.00	115,000.00		1,789,000.00	43,000.00	4,520,000.00	32,311,150.00		
Water and Waste Water Utility Improvements	25,412,250.00				608,300.00	891,700.00		23,912,250.00	
Parking Utility Deck Renovations/Repairs	250,000.00		250,000.00						
TOTALS - ALL PROJECTS	64,440,400.00	115,000.00	250,000.00	1,789,000.00	651,300.00	5,411,700.00	32,311,150.00	23,912,250.00	

COUNTY/MUNICIPAL OPEN SPACE, RECREATION, FARMLAND AND HISTORIC PRESERVATION TRUST FUND

DEDICATED REVENUES FROM TRUST FUND	Anticipated		Realized in Cash in 2013	APPROPRIATIONS	Appropriated		Expended 2013	
	2014	2013			for 2014	for 2013	Paid or Charged	Reserved
Amount To Be Raised By Taxation				Development of lands for Recreation and Conservation:	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
				Salaries and Wages				
Interest Income				Other Expenses				
Reserve Funds:				Maintenance of Lands for Recreation and Conservation:	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
				Salaries and Wages				
				Other Expenses				
				Historic Preservation:	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
				Salaries and Wages				
				Other Expenses				
Total Trust Fund Revenues:	0.00	0.00	0.00					
<i>Summary of Program</i>				Acquisition of Lands for Recreation and Conservation:	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
Year Referendum Passed/Implemented:			Date	Acquisition of Farmland				
Rate Assessed:				Down Payments on Improvements				
Total Tax Collected to date				Debt Service:	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
Total Expended to date:								
Total Acreage Preserved to date				Payment of Bond Principal				
Recreation Land Preserved in 2013			(Acres)	Anticipation Notes and Capital Notes				
Farmland Preserved in 2013			(Acres)	Interest on Bonds				
			(Acres)	Interest on Notes				
				Reserve for Future Use	0.00	0.00	0.00	0.00
				Total Trust Fund Appropriations:	0.00	0.00	0.00	0.00

Annual List of Change Orders Approved
Pursuant to N.J.A.C. 5:30-11

Contacting Unit: City of Perth Amboy

Year Ending: December 31, 2013

The following is a complete list of all change orders which caused the originally awarded contract price to be exceeded by more than 20 percent. For regulatory details please consult N.J.A.C. 5:30-11.1 et. seq. Please identify each change order by name of project.

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.

For each change order listed above, submit with introduced budget a copy of the governing body resolution authorizing the change order and an Affidavit of Publication for the newspaper notice required by N.J.A.C. 5:30-11.9(d). (Affidavit must include a copy of the newspaper notice.) If you have not had a change order exceeding the 20 percent threshold for the year indicated above please check here and certify below.

Date

Clerk of the Governing Body

**City of Perth Amboy
COMPUTATION OF APPROPRIATION:
RESERVE FOR UNCOLLECTED TAXES AND
AMOUNT TO BE RAISED BY TAXATION
IN 2014 MUNICIPAL BUDGET**

	Year 2014	Year 2013
1. Total General Appropriations for 2014 Municipal budget Statement Item 8 (L) (Exclusive of Reserve for Uncollected Taxes)	80015- 70,944,251.78	XXXXXXXXXX
2. Local District School Tax-	Actual 80016- Estimate** 80017- 24,435,700.00	23,956,569.00 XXXXXXXXXX
3. Regional School District Tax-	Actual 80025- Estimate* 80026-	XXXXXXXXXX
4. Regional High School Tax- School Budget	Actual 80018- Estimate* 80019-	XXXXXXXXXX
5. County Tax	Actual 80020- Estimate* 80021-	11,720,074.64 XXXXXXXXXX
6. Special District Taxes	Actual 80022- Estimate* 80023-	232,130.00 XXXXXXXXXX
7. Municipal Open Space Tax	Actual 80027- Estimate* 80028-	XXXXXXXXXX
8. Total General Appropriations & Other Taxes	80024-01 107,619,460.78	
9. Less: Total Anticipated Revenues from 2014 in Municipal Budget (Item 5)	80024-02 15,999,201.20	
10. Cash Required from 2014 Taxes to Support Local Municipal Budget and Other Taxes	80024-03 91,620,259.58	
11. Amount of Item 10 Divided by Equals Amount to be Raised by Taxation (Percentage used must not exceed the applicable percentage shown by Item 13, Sheet 22)	98.787% [820064-04] 80024-05 92,745,259.58	
Analysis of Item 11:		
Local District School Tax		* May not be stated in an amount less than 'actual' Tax of year 2013.
(Amount Shown on Line 2 Above)	24,435,700.00	
Regional School District Tax		** Must be stated in the amount of the proposed budget submitted by the Local Board of Education to the Commissioner of Education
(Amount Shown on Line 3 Above)	0.00	
Regional High School Tax		January 15, 2014 (Chap. 136, P. L. 197 Consideration must be given to calendar year calculation.
(Amount Shown on Line 4 Above)	0.00	
County Tax		
(Amount Shown on Line 5 Above)	12,007,379.00	
Special District Tax		
(Amount Shown on Line 6 Above)	232,130.00	
Municipal Open Space Tax		
(Amount Shown on Line 7 Above)	0.00	
Tax in Local Municipal Budget	56,070,050.58	
Total Amount (See Line 11)	92,745,259.58	
12. Appropriation-"Reserve for Uncollected Taxes" (Budget Statement, Item 8 (M) (Item 11, Less Item 10) Computation of "Tax in Local Municipal Budget"	80024-06 1,125,000.00	
Item 1 - Total General Appropriations	70,944,251.78	
Item 12-Appropriation; Reserve for Uncollected Taxes	1,125,000.00	
Sub-Total	72,069,251.78	
Less: Item 9-Total Anticipated Revenues	15,999,201.20	
Amount to be Raised by Taxation in Municipal Budget	80024-07 56,070,050.58	

Note:

The amount of
anticipated revenue
(Item 9) may never
exceed the total of
Items 1 and 12.