

Where Do My Taxes Go?

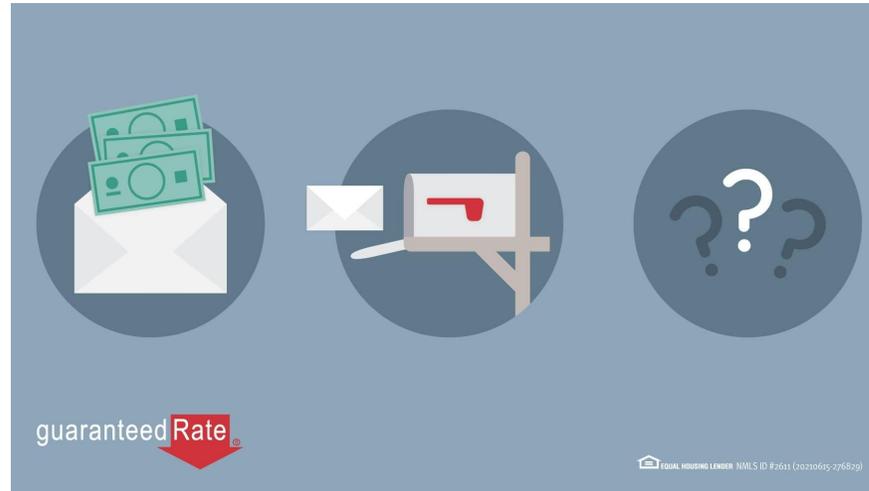
Andrew Tatarenko, Business Administrator & Sherry Kolody, CFO

October 28, 2021



Where Do My Taxes Go - Overview

- ▶ Property tax and budget terminology
- ▶ Factors that determine tax
- ▶ How property taxes are used
- ▶ How the budgeting process works
- ▶ Cost of Municipal Services & Data Review



Property Tax and Budget Terminology

- ▶ Assessed Value - value of your property determined by a Certified Municipal Tax Assessor based on uniform practices, state laws, rules and court decisions
 - ▶ Improvement Value
 - ▶ Land Value
- ▶ Ratable - Total assessed value of all taxable property
- ▶ Tax Levy - the amount of taxes raised needed to fund the budget
- ▶ Tax Rate = Tax Levy divided by (Ratables/100)
- ▶ Tax Bill = (Assessed Value/100) x Tax Rate



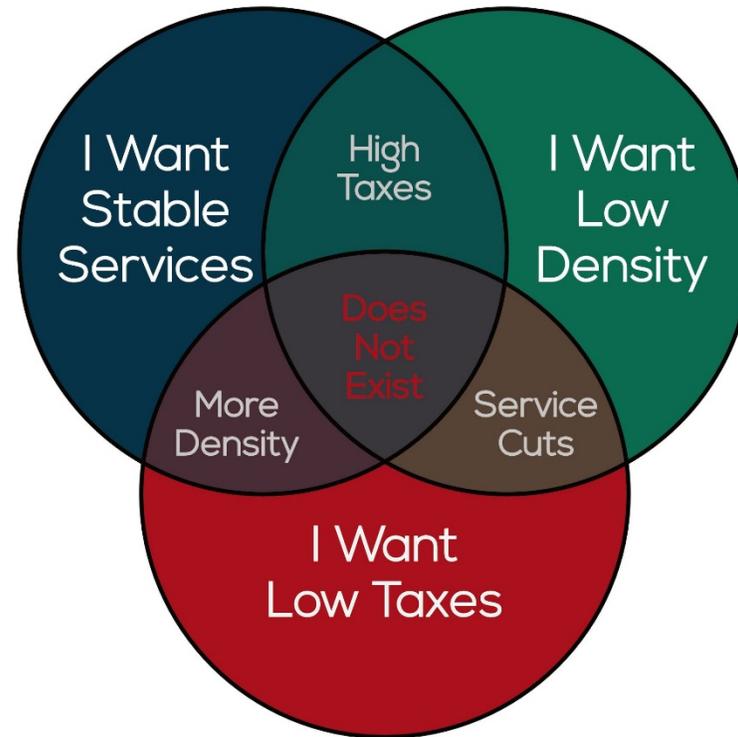
Property Tax and Budget Terminology - Sample Calculations

- ▶ Current Average Residential Assessment = \$322,039
- ▶ Mount Olive Ratable = \$3,255,194,000 (as of October 1, 2020)
- ▶ Mount Olive Tax Levy = \$108,215,999 (total amount of money needed to collect from taxation to fund Municipal, Library, Open Space, Sanitation, School and County Services)
- ▶ Tax Rate = $\$108,215,999 / (\$3,255,194,000 / 100) = \$3.33$
- ▶ Tax Bill = $(\$322,039 / 100) \times \$3.33 = \$10,724$



Factors That Determine Tax

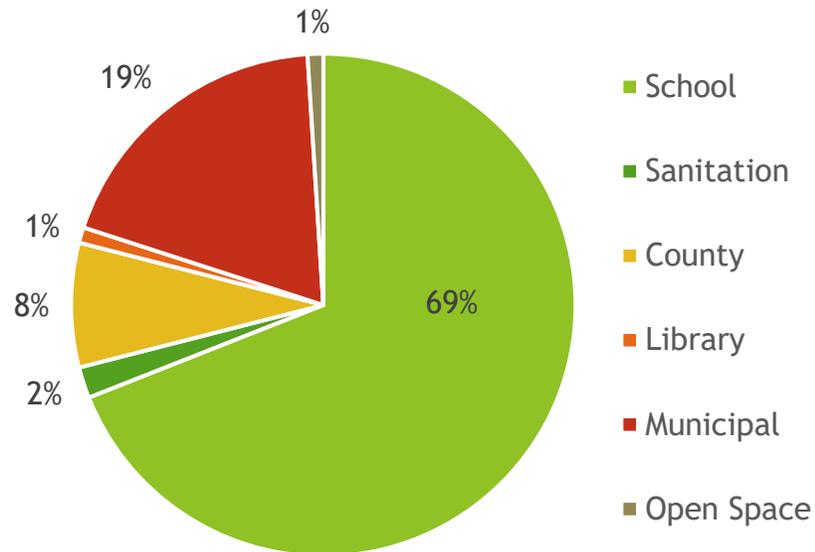
- ▶ Market value of your home
- ▶ Cost of municipal, school and county services
- ▶ Availability of other revenue sources to cover costs and offset the tax levy (fines, permit fees, State Aid, shared services, etc.)
- ▶ Presence of tax exempt properties
- ▶ Ratables



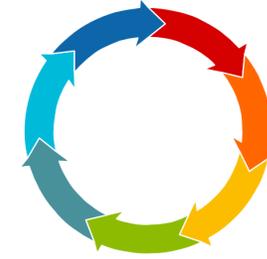
How Property Taxes Are Used

- ▶ Local property taxes are generally raised by three different government agencies: Municipal, County and School
 - ▶ Public K-12 Education
 - ▶ County Programs
 - ▶ Sheriffs Department and County Jail, OEM, Social Services, Housing Assistance, Mosquito Control, County Parks, Veterans, etc.
 - ▶ Municipal Services
 - ▶ Public Safety, Public Works, Library, Infrastructure, Parks & Recreation, Health Services, Snow Plowing, Elections, Construction & Zoning, Senior Services, Capital Improvements

Mount Olive
Tax Bill Breakdown



How The Budgeting Process Works



- ▶ Assessment - A Certified Municipal Assessor establishes the value of your property
- ▶ Budget - Each Government entity sets an annual budget that includes the tax levies for each
- ▶ Calculation - Following State law, a property tax rate is calculated for each tax levy
- ▶ Billing - Using your property assessment, the tax collector uses the tax rate to issue a bill for your property's share of each property tax levy
- ▶ Payment - The tax bill is divided into four installments, due quarterly in February, May, August and November
- ▶ Disbursement - After bills are paid, the Municipality disbursed the levies among the government agencies



How The Budgeting Process Works - Continued



- ▶ Before November 1 in each year, each Department Head submits their annual operating and capital budget request for the ensuing budget year.
- ▶ The Mayor, Administrator and CFO compile and evaluate the requests during the month of November by meeting with each Department Head.
- ▶ Before December 15 in each year, the Mayor, Administrator and CFO prepare estimates of property tax revenue and nonproperty tax revenue which may be anticipated to support the budget.
- ▶ Before January 15, the Mayor's budget is submitted to the Council for review.
- ▶ During the months of January and February, the budget is presented to the Council by the Mayor, Administrator, CFO and Department Heads.
- ▶ Before March 20, after public hearings, the budget is approved and adopted



Cost of Municipal Services & Data Review

► Ratables

Property Tax Assessments (October 1, 2020)			
Type	# of Parcels	Assessed Value	% of Total
Vacant	825	\$ 45,876,200.00	1.41%
Residential	6989	\$ 2,250,732,100.00	69.14%
Farm	121	\$ 12,121,600.00	0.37%
Commercial	310	\$ 364,896,900.00	11.21%
Industrial	68	\$ 284,380,900.00	8.74%
Apartments	7	\$ 297,186,300.00	9.13%
Business Personal Property	2	\$ -	0%
Total	8322	\$ 3,255,194,000.00	100.00%
Average Ratio, Assessed to True Value			93.61%



Cost of Municipal Services & Data Review - Continued

► Exempt Properties

Exempt Properties			
Type	# of Parcels	Assessed Value	% of Total
Public School	8	\$ 82,845,300.00	33.47%
Other School	1	\$ 1,099,400.00	0.44%
Public Property	440	\$ 88,182,200.00	35.63%
Church and Charities	33	\$ 22,324,800.00	9.02%
Cemeteries	7	\$ 2,255,600.00	0.91%
Other Exempt	49	\$ 50,814,800.00	20.53%
Total	538	\$247,522,100.00	100.00%



Cost of Municipal Services & Data Review - Continued

► Tax Levy

Tax Levy	
2021	\$ 108,215,998.20
2020	\$ 105,916,206.86
2019	\$ 103,816,211.91
2018	\$ 102,088,098.57
2017	\$ 99,411,619.99
2016	\$ 97,061,651.02



Cost of Municipal Services & Data Review - Continued

- Tax Rate Break Down - For the 9th year in a row there has been NO municipal tax increase

	Total	Municipal	Library	Open Space	Sanitation	School	County	County OS
2021	\$ 3.36	0.606	0.036	0.017	0.098	2.316	0.278	0.007
2020	\$ 3.31	0.606	0.035	0.017	0.098	2.277	0.271	0.009
2019	\$ 3.30	0.606	0.035	0.017	0.097	2.268	0.27	0.009
2018	\$ 3.27	0.606	0.034	0.017	0.097	2.245	0.271	0
2017	\$ 3.21	0.606	0.033	0.017	0.097	2.192	0.258	0.01
2016	\$ 3.21	0.606	0.033	0.02	0.097	2.191	0.252	0.009



Cost of Municipal Services & Data Review - Continued

► Tax Impact

2020 Impact on Avg. Resident	Tax Rate	Tax Levy	% of Total Levy	Avg. Taxpayer Impact
Municipal Tax	0.606	\$ 19,588,057.00	18.25%	\$ 1,951.56
Library Tax	0.035	\$ 1,131,525.00	1%	\$ 112.71
Local Open Space Tax	0.017	\$ 565,204.00	0.50%	\$ 54.75
Sanitation Tax	0.098	\$ 2,090,500.00	2%	\$ 315.60
School Tax	2.277	\$ 73,559,928.00	70%	\$ 7,332.83
County Tax	0.271	\$ 8,721,866.87	8.00%	\$ 872.73
County Open Space Tax	0.009	\$ 259,125.74	0.25%	\$ 28.98
Total	3.313	\$ 105,916,206.61	100.00%	\$ 10,669.16



Cost of Municipal Services & Data Review - Continued

► Municipal Revenue Summary

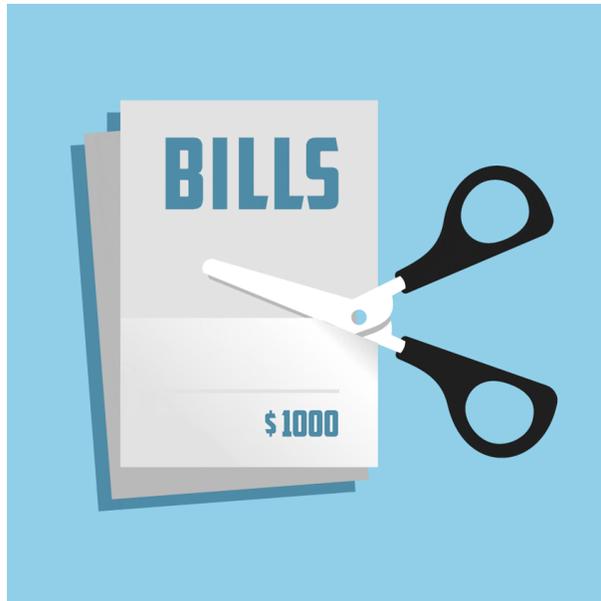


2021 Revenue	
Surplus	\$ 4,550,000.00
Local Revenue	\$ 1,174,400.00
State Aid	\$ 2,042,103.00
Uniform Construction Code	\$ 560,000.00
Shared Services Agreement	\$ 406,510.00
Public and Private Revenue	\$ 186,094.00
Other Special Items	\$ 1,767,050.00
Delinquent Taxes	\$ 610,000.00
Local Municipal Tax	\$ 19,741,655.00
Minimum Library Tax	\$ 1,173,765.00
Total	\$ 32,211,577.00



Cost of Municipal Services & Data Review - Continued

► Municipal Expenditures Summary



2021 Expenses	
General Government	\$ 2,452,655.00
Land-Use Administration	\$ 233,063.00
Uniform Construction Code	\$ 500,342.00
Insurance	\$ 4,298,373.00
Public Safety	\$ 8,401,381.00
Public Works	\$ 3,099,845.00
Health and Human Services	\$ 826,233.00
Library	\$ 1,173,765.00
Unclassified	\$ 293,594.00
Utilities	\$ 920,000.00
Statutory Expenditures	\$ 3,641,637.00
Shares Services	\$ 406,510.00
Capital	\$ 168,008.00
Debt	\$ 3,846,171.00
Reserve for Uncollected Taxes	\$ 1,950,000.00
Total	\$ 32,211,577.00



Cost of Municipal Services & Data Review - Continued

- ▶ An average home valued at \$322,039 receives a municipal property tax bill of \$1,951.56 and receives the following services:
 - ▶ Garbage, Recycling and Yard Waste Pick Up
 - ▶ Road Plowing & Maintenance
 - ▶ Recreation & Park Maintenance
 - ▶ Senior Citizen Services
 - ▶ Library
 - ▶ Public Safety & Crossing Guards
 - ▶ Fire Safety & EMS
 - ▶ Sewage & Water Treatment
 - ▶ Public Health Services
 - ▶ Election Services



Cost of Municipal Services & Data Review - Continued

► Summary

- Mount Olive is well positioned and financially sound to undertake future obligations and for the 9th year in a row has not had a municipal tax increase.
- Rating from the S&P is AA+ which is based on financial stability, policies and procedures. This great rating reduces our interest on debt.
- Financial audit was completed with no recommendations for the 12th year in a row.
- Tax Collection rate exceeds 99% year after year.
- Fund balance regenerates year after year providing for a stable tax rate.



Thank You!

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