

A Taxpayer's Guide to the 2007 Municipal Budget

What is the 2007 municipal budget and how does it compare to the 2006 budget?

The 2007 municipal budget represents a 1.16% increase over the 2006 budget. The 2007 budget is \$39,276,825.81, an increase of \$449,441.10 over the 2006 budget. For a detailed comparison of the 2007 and 2006 budgets, [click here](#).

What is the impact on the tax rate and on the taxes of the average taxpayer?

The 2006 municipal tax rate was \$2.00 and the 2007 rate is \$2.54. This means that a resident with an average assessed value of \$79,288 (market value of \$617,000) will pay \$2,013.11 in municipal taxes in 2007.

If the municipal budget increased only 1%, why are municipal taxes increasing by as much as they are?

The 2007 budget is only slightly higher than the 2006 budget because of a number of cost-saving measures that the Township has implemented. The reason that taxes have risen more than expenses is due to the fact that the Township experienced a decline in general revenues (these are revenues other than property taxes, such as general and capital surplus).

Why have Livingston municipal taxes increased this year?

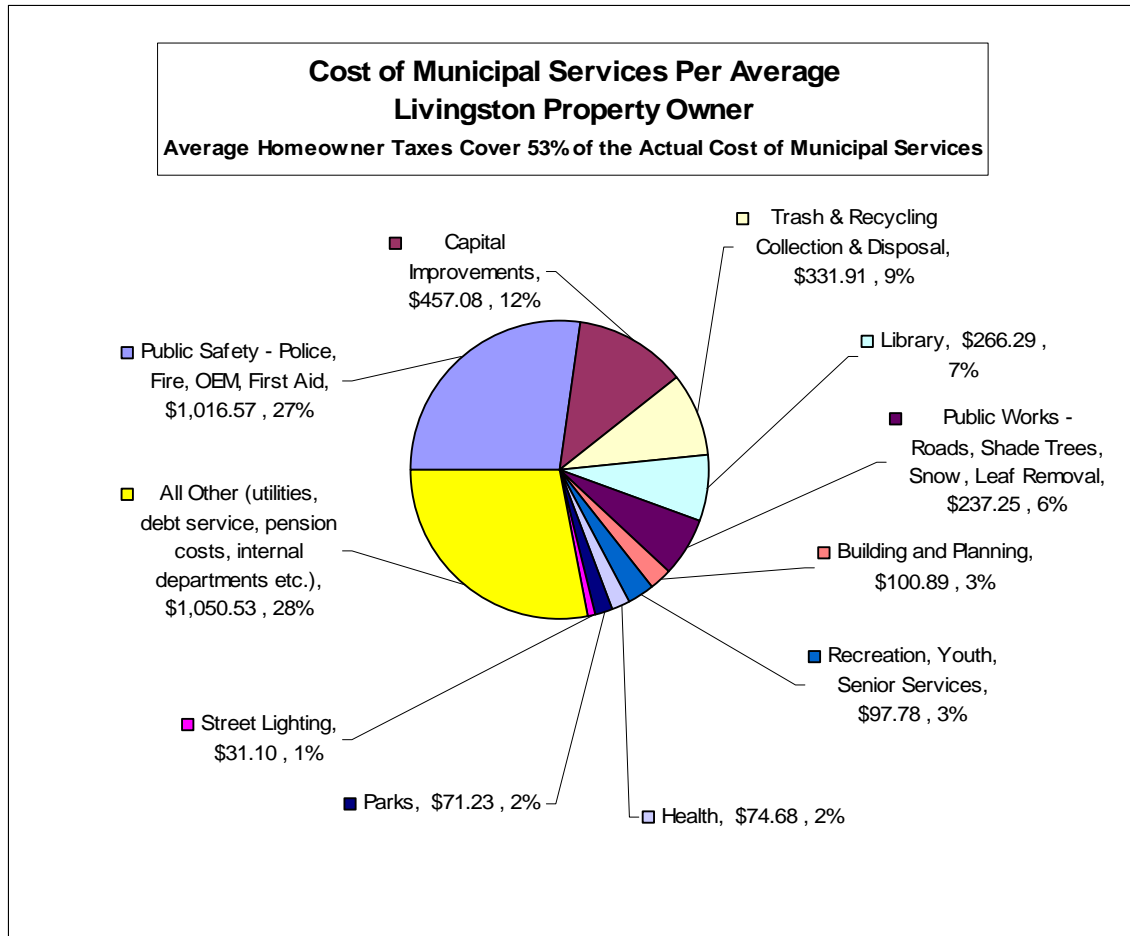
The municipal tax rate was flat in five of the last seven years. Municipal tax increases in 2005 and 2006 were modest. Some short term revenues are no longer available because they were used to keep the taxes down in past years. While the cost for health benefits, some insurance, and leaf collection went down, other expenses such as utilities, employee pensions and debt service increased.

Why don't we cut the budget to reduce taxes?

The only way to cut the budget significantly would be to reduce essential services for public health and safety. Because other programs represent a much smaller part of the budget, cutting them would threaten quality of life in Livingston but would not significantly reduce individual taxpayers' bills.

Specifically, what are my municipal tax dollars buying?

The graph below shows the services included in the municipal budget. While the average municipal tax bill for a Livingston homeowner is \$2,013.11, the municipal services received actually cost \$3,735.31. The difference between what taxpayers pay and what services cost is funded by other revenue sources.



What is the municipal government doing to control costs and keep the budget and tax bills as low as possible?

Here are some of the things the Township has implemented to contain or reduce costs.

- Improved competitive pricing for municipal expenditures by going out to bid for more goods and services
- Created a sewer utility to more accurately capture the costs of sewer services and attribute them to all sewer users, not just taxpayers.
- Restructured municipal departments for greater efficiency and flexibility in the use of staff. The Parks Division was moved into the Public Works Department for this reason.
- Implemented shared services with the Board of Education and other towns to share costs for essential services.
- Purchased equipment to enable town employees to do some road repairs less expensively.
- Left three vacancies in Township departments.
- Negotiated a new contract to receive income for the sale of recyclables.

To hold down costs, a number of municipal department operating budgets will remain flat or will be reduced from 2006. The departments that will have either no increase or a decrease in 2007 include: Comptroller, Legal, Engineering, Homeland Security, Fire, Office of Emergency Management, Snow Removal, Health, Nursing, Senior Citizen Coordinator, Senior Transport, Public Assistance, Shade Tree, Youth Coordinator, Finance, Stormwater, Building, Dispatch, Leaf Collection, Senior Community Center, and Municipal Court.

What is included in the estimated tax bill that I received recently?

The estimated tax bill includes school taxes (determined by the Board of Education budget), county taxes (determined by the Essex County budget), and municipal taxes (determined by the municipal budget). The municipal tax is 18% of the estimated tax bill. Livingston’s municipal tax rate has historically been one of the lowest in Essex County. Even with the 2007 increase, it is still one of the lowest.

