

# **HARDING OPEN SPACE TRUST**

## **2015 TAX RATE AND BUDGET DISCUSSION**

# HARDING OPEN SPACE TRUST

1. Review of recent open space acquisitions
2. History of the open space tax
3. Basis for raising the open space tax
4. Revenue comparison of current and proposed tax rate
5. Recommended 2015 Budget
6. Tax on a \$1 million home
7. HOST recommendations
8. Appendix – maintenance and monthly spending estimate

# Recent Open Space Acquisitions

Year	Project	Project Cost	HOST	Morris County	Green Acres	Acreage
2009	Von Zuben – Fee Purchase	\$1	\$1			3.0
2009	Von Zuben - Easement	\$1,500,000	\$500,000		\$1,000,000	9.4
2012	Primrose Farms	\$9,100,000	\$1,097,796	\$5,494,000*	\$2,508,204†	115.2
2012	Frelinghuysen Lot 4.04	\$1,250,000	\$1,250,000			3.6
2013	Frelinghuysen Lot 19	\$2,275,000	\$200,000	\$2,075,000		43.5
2014	Frelinghuysen Lot 4.03	\$1,300,000	\$122,844	\$975,000	\$202,156	3.6
2015	Dear (Pending)	\$2,700,000	\$1,025,000	\$1,000,000	\$675,000	10.6
<b>Total Cost (4 projects):</b>		<b>\$18,125,001</b>	<b>\$4,195,641</b>	<b>\$9,544,000</b>	<b>\$4,385,360</b>	<b>188.9</b>
Average Cost (4 projects)		\$4,531,250	\$1,048,910	\$2,386,000	\$1,096,340	47.2
<b>Funding as % of Cost:</b>		<b>100%</b>	<b>23%</b>	<b>53%</b>	<b>24%</b>	

\* Includes funding received from MCMUA

† Includes Green Acres funding from Trust for Public Lands & Great Swamp Watershed Assoc.

# HOST Open Space Tax Revenue

YEAR	TAX LEVY	RATE
2014	709,761	0.035
2013	715,023	0.035
2012	776,826	0.038
2011	788,840	0.038
2010	791,019	0.038
2009	816,638	0.040
2008	910,606	0.045
2007	897,387	0.046
2006	889,602	0.046
2005	785,747	0.041
2004	396,804	0.021

# Basis for raising the open space tax

1. HOST 2014 review of remaining attractive open space parcels in town still totals in the \$10s of millions
2. Master plan and referendums show continued public support of open space preservation
3. Tax reduced during financial crisis to bear fair share
4. HOST available balance for acquisitions is at a critically low level

# Revenue Comparison

	2014	2015	2016	2017
	Actual	HOST Tax @ \$0.04		
Beginning Balance	<b>\$1,636,136</b>	<b>\$1,933,741</b>	<b>\$1,372,848</b>	<b>\$1,891,955</b>
Obligated Disbursements	\$294,979	\$349,996	\$294,996	\$294,996
Acquisitions	\$122,844	\$1,025,000		
HOST Tax & Interest	\$715,418	\$814,103	\$814,103	\$814,103
Ending Balance	<b>\$1,933,741</b>	<b>\$1,372,848</b>	<b>\$1,891,955</b>	<b>\$2,411,062</b>
		HOST TAX @ \$0.035		
Beginning Balance	<b>\$1,636,136</b>	<b>\$1,933,741</b>	<b>\$1,271,791</b>	<b>\$1,689,841</b>
Obligated Disbursements	\$294,979	\$349,996	\$294,996	\$294,996
Acquisitions	\$122,844	\$1,025,000		
HOST Tax & Interest	\$715,418	\$713,046	\$713,046	\$713,046
Ending Balance	<b>\$1,933,741</b>	<b>\$1,271,791</b>	<b>\$1,689,841</b>	<b>\$2,107,891</b>

# RECOMMENDED 2015 BUDGET

	2014 Actual	2015 Budget	2016 Estimate
<b>BEGINNING BALANCE</b>	<b>\$1,636,136</b>	<b>\$1,933,741</b>	<b>\$1,372,848</b>
<b>OBLIGATED DISBURSEMENT:</b>			
\$3,315,000 – 2008 Open Space Bond (maturing 2028)	\$236,977	\$235,857	\$235,857
\$470,000 Bond Anticipation Notes, issued 2012	\$30,000	\$30,000	\$30,000
Principal Payments	\$4,081	\$3,639	\$3,639
Interest Payments			
Glen Alpin Utilities	\$4,219	\$5,000	\$5,000
Maintenance of Open Space Properties	\$3,785	\$15,500	\$15,500
Legal and Consulting Fees	\$4,454	\$5,000	\$5,000
HLT – Reimbursement for Dear Expenses	<u>\$11,472</u>	<u>\$55,000</u>	<u>-----</u>
<b>Subtotal Obligated Disbursements</b>	<b>\$294,979</b>	<b>\$349,996</b>	<b>\$294,996</b>

# RECOMMENDED 2015 BUDGET

	2014 Actual	2015 Budget	2016 Estimate
<b>OPEN SPACE ACQUISITIONS:</b>			
Frelinghuysen – Lot 4.03 (Closed 1/28/15)	\$122,844		
Dear	<u>                    </u>	<u>\$1,025,000</u>	<u>                    </u>
<b>SUBTOTAL ACQUISITIONS</b>	<b>\$122,844</b>	<b>\$1,025,000</b>	<b>-nil-</b>
<b>REVENUE</b>			
HOST Tax Levy	\$709,761	\$808,458	\$808,458
Interest Income	<u>\$5,657</u>	<u>\$5,645</u>	<u>\$5,645</u>
<b>YEAR-END BALANCE</b>	<b>\$1,933,741</b>	<b>\$1,372,848</b>	<b>\$1,891,955</b>



# Tax on a \$1 Million Home

- The Harding Open Space Tax at current rate of \$0.035 per \$100 of assessed value is \$350 per year.
- The Harding Open Space Tax at a proposed rate of \$0.04 per \$100 of assessed value is \$400 per year.

**Increase of \$50 per year on a \$1 million home**

# HOST RECOMMENDATIONS

- Approval of its 2015 Budget; Increase of the Open Space Tax to \$0.04 per \$100 of assessed valuation.
- Continuing support for the Dear acquisition.

# APPENDIX

## Maintenance and Monthly Spend

# MAINTENANCE

Project	Block	Lot	Ownership	Present Management	Estimated Annual Maintenance Cost	2015 HT Estimated Cost
Margetts Field	8	9.01	HT-100.00%	Open Field & Wooded Mow open field 1x per year	<ul style="list-style-type: none"> <li>No cost for mowing, (hay in lieu of \$).</li> <li>DPW to mow field south of woods on Featherbed 1x per year.</li> <li>DPW to mow area along Blue Mill Road at edge of woods.</li> <li>Spray fields for weeds in '15</li> </ul>	\$1,750
Margetts Field	8	22 & 23				
Frelinghuysen	5	13	HT-100.00%	Open Field Mow 1x per year	<ul style="list-style-type: none"> <li>No cost for mowing (hay in lieu of \$)</li> <li>Spray for weeds in '15</li> </ul>	\$200
Roselli	35	14	HT-100.00%	Wooded	<ul style="list-style-type: none"> <li>No Maintenance</li> </ul>	\$0
Waterman	2	18	HT-21.875% HLT-78.125%	Open Field, Wildflowers Mow 2x per year	<ul style="list-style-type: none"> <li>Annual cost for mowing -- \$1,200 per mowing (split based on % of ownership)</li> <li>Tree work \$160</li> </ul>	\$560
Scudder/ Audubon	32	13	Audubon—82.00% HT – 14.28%	Maintenance by Audubon	<ul style="list-style-type: none"> <li>No Maintenance</li> </ul>	\$0

# MAINTENANCE

Project	Block	Lot	Ownership	Present Management	Estimated Annual Maintenance Cost	2015 HT Estimated Cost
Lakeshore	36	1	HT-100.00%	Wooded	<ul style="list-style-type: none"> <li>No Maintenance</li> </ul>	\$0
O'Connor / Gatehouse	23	1	HT-70.00% HLT-30.00%	HT mows open lawn around Gatehouse, maintains wooded portions & performs plowing Co-Tenants Agreement	<ul style="list-style-type: none"> <li>Cost of mowing Open Space 2x per year \$1,200.</li> <li>Replace gravel walkway \$750</li> <li>Estimated annual maintenance for lawn mowing &amp; snow removal \$4,000.</li> <li>Replace furnace, line chimney flue \$4,400 total cost – HT share \$3,080 (This amount is charged to Capital Budget, not HOST).</li> <li>Tree work \$1,340.</li> </ul>	\$7,290
Nagro / Lobel	25.02	10.01	Conservation Easement	SACB Conservation Easement	<ul style="list-style-type: none"> <li>No Maintenance</li> </ul>	\$0

# MAINTENANCE

Project	Block	Lot	Ownership	Present Management	Estimated Annual Maintenance Cost	2015 HT Estimated Cost
Glen Alpin	34	1	HT-85.72% HLT-14.28%	Mow open field in front of house 2x per year, DPW mows around house every other week	<ul style="list-style-type: none"> <li>Mow open field, \$1,714</li> <li>DPW mows area around house \$120 per cutting, estimated annual cost \$1,900; utilities \$5,000</li> </ul>	\$8,614
Lancor / McShane	8	2, 2.01 & 2.02	Conservation Easement	Easement	<ul style="list-style-type: none"> <li>No Maintenance</li> </ul>	\$0
Wilkerson	21	5.02	Conservation Easement	Easement	<ul style="list-style-type: none"> <li>No Maintenance</li> </ul>	\$0
Thebault	25.02	Part of 10.02 & 10.03	Conservation Easement	18 Acres HOST portion wooded	<ul style="list-style-type: none"> <li>No Maintenance</li> </ul>	\$0
Anderson Woods	33	8	HT- 3.39% HLT- 77.97% Audubon- 18.64%	Wooded	<ul style="list-style-type: none"> <li>No Maintenance</li> </ul>	\$0
Eggert	27	3.01	HT	Wooded	<ul style="list-style-type: none"> <li>No Maintenance</li> </ul>	\$0

# MAINTENANCE

Project	Block	Lot	Ownership	Present Management	Estimated Annual Maintenance Cost	2015 HT Estimated Cost
Von Zuben	7	4.05	HT-50.00% HLT-50.00%	Open Field, mowed 2x per year	• Mow Open Field	\$1,600
Von Zuben	7	4.06 Part 4	HT / HLT	Easement	• No Maintenance	\$0
Primrose Farms	46	23	HT	Wooded	• No Maintenance	\$0
Frelinghuysen	22	4.04	HT	Wooded and Open Fields, mowed 1x per year	• No cost for mowing, (hay in lieu of \$).	\$0
Frelinghuysen	5 – HT & 6801 – Morris Twp.	19 – HT & 75 – Morris Twp.	HT	Easement	• No Maintenance	\$0
				Estimated 2015 HT Stewardship Expense		\$20,014
				Contingency		<u>\$486</u>
				<b>Total Estimated 2015 Stewardship Expense &amp; Contingency</b>		<b>\$20,500</b>

# Projected Spending per Month

Month	Amount	Month	Amount
January	\$14,583	July	\$2,771
February	\$236,419	August	\$50,431
March	\$14,583	September	\$2,771
April	\$1,039,583	October	\$2,771
May	\$2,771	November	\$2,771
June	\$2,771	December	\$2,771

Assumes Debt Service in February and August;  
 Glen Alpin Utilities and Legal and Consulting Fees incurred equally over 12 months;  
 HLT reimbursement of Dear expenses incurred equally January to April; and  
 Opens Space Maintenance incurred equally May to December.