

# **HARDING OPEN SPACE TRUST**

## **2016 TAX RATE AND BUDGET DISCUSSION**

**October 19, 2015**

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# Open Space in Harding

- 217 acres of land have been preserved in Harding with HOST assistance
- Approximately 100 remaining vacant building lots in town
- Over 70 remaining subdividable properties in town
- HOST study has identified over 20 of the remaining properties as worthy of preservation
- HOST tax rate is currently 4 cents per \$100 of assessed value, is set by the Township Committee annually, and can be as high as 5 cents per \$100 according to town ordinance

# History of the Open Space Tax

YEAR	TAX LEVY	RATE
<b>2015</b>	<b>808,458</b>	<b>0.040</b>
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

- Every 1 cent in tax = \$200,000 of HOST funding

# 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 – Blue Mill	\$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	<b>\$1,048,910</b>	\$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.

# Case for Keeping Tax the Same

- All on HOST committee in favor of continued open space purchases - no one in favor of a decrease in the tax
- Dollar amount taxpayers pay toward open space is high enough - \$400 on a \$1 million home
- Optics of a tax increase, since it was raised last year, and the effect it would have on the overall town tax rate
- We should be creative with funding – HOST ordinance says the HOST fund accepts donations and testamentary bequests
- Some in town saying “haven’t we preserved enough open space?”

# Case for Raising the Tax

1. The HOST study of remaining attractive open space parcels in town still totals in the tens of millions of dollars
2. Several attractive properties are currently available and others may be available in near future, as parcels are with longtime owners
3. Master plan and referendums show continued public support of open space preservation
4. Harding will be required to contribute a greater percentage of funding toward future acquisitions as state and local funding sources are waning – we need to build our own reserve to act opportunistically
5. A typical preservation project will likely cost HOST \$1,500,000 going forward (at least 1/3 of total project cost instead of current 1/4), which takes 3 years to fund at the current 4 cent tax rate
6. HOST available balance for acquisitions remains at a critically low level – approximately \$534,000 available for an acquisition today, \$1,087,000 on 12/31/15 – not enough to complete a project in 2016

# Budget Comparison @ 4 and 5 cents

	2014	2015	2016	2017
HOST tax at 4.0 cents	Actual	Estimated	@\$0.040	@\$0.040
<b>Available for Acquisition Jan 1</b>	<b>\$1,341,157</b>	<b>\$1,558,745</b>	<b>\$1,086,491</b>	<b>\$1,639,327</b>
<b>Beginning Balance</b>	<b>\$1,636,136</b>	<b>\$1,933,741</b>	<b>\$1,347,848</b>	<b>\$1,900,684</b>
Obligated Disbursements	\$294,979	\$374,996	\$261,357	\$261,357
Acquisitions	\$122,844	\$1,025,000	0	0
HOST Tax & Interest – Dec 31	<u>\$715,418</u>	<u>\$814,103</u>	<u>\$814,193</u>	<u>\$812,193</u>
<b>Ending Balance</b>	<b>\$1,933,741</b>	<b>\$1,347,848</b>	<b>\$1,900,684</b>	<b>\$2,451,520</b>
HOST tax at 5.0 cents	Actual	Estimated	@\$0.050	@\$0.050
<b>Available for Acquisition Jan 1</b>	<b>\$1,341,157</b>	<b>\$1,558,745</b>	<b>\$1,086,491</b>	<b>\$1,838,852</b>
<b>Beginning Balance</b>	<b>\$1,636,136</b>	<b>\$1,933,741</b>	<b>\$1,347,848</b>	<b>\$2,101,209</b>
Obligated Disbursements	\$294,979	\$374,996	\$261,357	\$261,357
Acquisitions	\$122,844	\$1,025,000	0	0
HOST Tax & Interest – Dec 31	<u>\$715,418</u>	<u>\$814,103</u>	<u>\$1,013,718</u>	<u>\$1,011,218</u>
<b>Ending Balance</b>	<b>\$1,933,741</b>	<b>\$1,347,848</b>	<b>\$2,100,209</b>	<b>\$2,851,070</b>



# 2016 BUDGET

	2014 Actual	2015 Estimate	2016 Estimate
<b>BEGINNING BALANCE</b>	<b>\$1,636,136</b>	<b>\$1,933,741</b>	<b>\$1,347,848</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	0
Principal Payments	\$4,081	\$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 and Frelinghuysen	<u>\$11,472</u>	<u>\$80,000</u>	<u>-----</u>
<b>Subtotal Obligated Disbursements</b>	<b>\$294,979</b>	<b>\$374,996</b>	<b>\$261,357</b>

# 2016 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 (@ ? cents in 2016)	\$709,761	\$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>\$1,347,848</b>	<b>\$?????????</b>

# Tax on a \$1 Million Home

- The Harding Open Space Tax at the current rate of **4 cents** per \$100 of assessed value is **\$400** per year.
- The Harding Open Space Tax at a rate of **5 cents** per \$100 of assessed value is **\$500** per year.

**Difference of \$100 per year on a \$1 million home**

# APPENDIX

## Maintenance

# MAINTENANCE

Project	Block	Lot	Ownership	Present Management	Estimated Annual Maintenance Cost	2016 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 '16</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 fields for weeds in '16</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 -- \$1,400 per mowing (split based on % of ownership)</li> </ul>	\$613
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	2016 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 @ \$900 per cut.</li> <li>Replace gravel walkway \$750? (100% HT)</li> <li>Estimated annual maintenance for lawn mowing &amp; snow removal \$4,000 (100% HT)</li> </ul>	\$6,010
Nagro / Lobel	25.02	10.01	Conservation Easement	SACB Conservation Easement	<ul style="list-style-type: none"> <li>No Maintenance</li> </ul>	\$0
Dear	9	2.01 & 2.02	HT	Open Field	<ul style="list-style-type: none"> <li>Cost of mowing 2x per year @ \$950 per cut</li> </ul>	\$1,900

# MAINTENANCE

Project	Block	Lot	Ownership	Present Management	Estimated Annual Maintenance Cost	2016 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, \$900</li> <li>DPW mows area around house \$120 per cutting estimated annual cost \$1,900 (100% HT); utilities \$5,000 (100% HT)</li> </ul>	\$8,443
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	2016 HT Estimated Cost
Von Zuben	7	4.05	HT-50.00% HLT-50.00%	Open Field, mowed 2x per year	• Mow Open Field - \$520 per cut	\$520
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 2016 HT Stewardship Expense		\$19,436
				Contingency		<u>\$1,064</u>
				<b>Total Estimated 2016 Stewardship Expense &amp; Contingency</b>		<b>\$20,500</b>