

FINANCIAL CONSIDERATIONS

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A basic objective of every community is to keep the local tax rate as low as possible and at the same time provide its citizens with a high degree of municipal services. The 1978 municipal tax rate is 2.91 per \$100.00 equalized assessed valuation. Compared to other Morris County municipalities Netcong has a very favorable tax rate, being the fourth lowest in the county. Harding Township has the lowest rate of 2.32 while Mine Hill has the highest rate of 6.80 which will be lowered after revaluation of their assessed worth.

A municipality's ability to finance capital improvements can be affected by its legal debt incurring capacity and by its current amount of debt. Chapter 73, Laws of 1964 establishes municipal debt limitations. Municipal debt limitation is calculated by multiplying the average of the preceeding three years' equalized valuations of taxable property by 3-1/2%. The average of the last three years equalized valuations is \$45,192,648.00 which would allow a municipal debt of \$1,581,743.00. The present municipal debt is \$1,199,653.00 as of December 31, 1977, thereby putting Netcong in a limited borrowing position.

The Netcong School District's debt limitation is calculated by multiplying the average of the preceeding three year's equalized

valuations of taxable real property by 3% since it is a K-8 school district. Accordingly the school district's borrowing limit is \$1,355,770.00. As of June 30, 1977 the present school debt is \$65,000.00, therefore the school district is in an excellent borrowing position with a remaining borrowing capacity of \$1,290,779.00. Netcong's share of the Lenape Valley Regional High School debt as of December 31, 1977 is \$967,731.00. Netcong's Regional High School debt limitation is 3% of the average of the last three years equalized valuations of taxable property or \$1,355,779.00.

The per capita income of a municipality is also an indicator of a municipality's financial resources. The New Jersey Office of Demographic and Economic Analysis, Division of Planning and Research has calculated the per capita income for the entire state up to and including 1974. The per capita income is the mean income computed for every man, woman and child. These figures do not accurately reflect the present level of incomes because of the impact of inflation, however they should represent a fairly accurate set of figures for the purpose of comparison. The Borough of Netcong had a per capita income of \$4,543 in 1974. The per capita income in Morris County, Sussex County and the State of New Jersey were \$5,923, \$4,718 and \$5,237 respectively.