

# 2011 BUDGET

## PROPOSED BUDGET ADJUSTMENTS FOR COUNCIL CONSIDERATION

# PROBLEM

- Loss of Revenue of 1.3M from MUA surplus
  - We were notified by MUA that surplus is not available this year. That was affirmed by the introduction of MUA budget without appropriation for contribution to Municipality
- Law adopted by Legislature on 3/17/11 created a separate line on tax bill for Library tax and removed it from the municipal budget. This resulted in a \$52K loss of Levy Cap Increase
- Total Levy CAP problem      \$1.352M
- Budget must be amended to address both problems
  - ***Reduced Expenses or Increase revenue or combination of both***

# Steps taken by Administration to date

- BA and CFO met with the Department Heads.
- All Department Heads were instructed to prepare the a plan to reduce the expenses in their salary budget by 2%,3%,4% & 5%
- They were provided with the total salary and amount for each %.
- They were clearly directed that the reduction must be **practical** and should have a **minimum impact on services** provided by the department
- BA & CFO also met with the representatives of all Bargaining Units and explained the budget problem and process

# POTENTIAL SALARY REDUCTION BY DEPARTMENT

DEPT	SAL AMOUNT	2%	3%	4%	5%
BUSINESS ADMINISTRATOR	529,543.00	10,591	15,886	21,182	26,477
TOWNSHIP CLERK	403,111.00	8,062	12,093	16,124	20,156
DEPARTMENT OF FINANCE	744,494.00	14,890	22,335	29,780	37,225
OFFICE OF TAX ASSESSMENT	439,755.00	8,795	13,193	17,590	21,988
DEPARTMENT OF LAW	184,518.00	3,690	5,536	7,381	9,226
DEPARTMENT OF PARKS, REC & SOCIAL SERV	2,025,759.00	40,515	60,773	81,030	101,288
DEPARTMENT OF PUBLIC SAFETY	12,339,627.00	246,793	370,189	493,585	616,981
MUNICIPAL COURT	353,756.00	7,075	10,613	14,150	17,688
DEPARTMENT OF COMMUNITY DEVELOPMENT	1,880,632.00	37,613	56,419	75,225	94,032
DIVISION OF ROAD REPAIR & MAINTENANCE	1,842,999.00	36,860	55,290	73,720	92,150
TOTAL ALL DEPTS	20,744,194	414,884	622,326	829,768	1,037,210

# PROPOSED BUDGET ADJUSTMENTS FOR COUNCIL CONSIDERATION

<b>Revenue Increases</b>	<b>Amount</b>
<b>Bring surplus back to 2010 level</b>	<b>\$120,651</b>
<b>Recreation Program Fees Increase</b>	<b>\$30,000</b>
<b>Use Parking Utility Surplus</b>	<b>\$150,000</b>
<b>Redevelopment Agency Contribution</b>	<b>\$50,000</b>
<b>Total</b>	<b>\$350,651</b>

# PROPOSED BUDGET ADJUSTMENTS FOR COUNCIL CONSIDERATION

Expense Decrease	Amount
1.5% Salary Increase budgeted	\$205,000
Contribution to EDC	\$46,000
Legal O/E	\$50,000
Reduced Snow Budget for the balance of Year	\$99,000
Reallocate Recycling Cost to Tonnage Grant & Clean Community Grant as permitted by the state	\$40,000
Elimination of Vacant Position (1) Planning & Zoning , (1) Municipal Court	\$58,900
Reduced Arena Deficit by Fees Increase ordinance (Subject to adoption of ordinance)	\$33,000
Discontinue Rideshare Program as of 7/1/2011 (Recommended at the budget workshop)	\$32,000
Restore Payment to First Aid to 2010 Level	\$25,000
Total	\$588,900

# PROPOSED BUDGET ADJUSTMENTS FOR COUNCIL CONSIDERATION

<b>Levy CAP Short fall</b>		<b>\$1,352,000</b>
<b>Less:</b>		
<b>Revenue Increase</b>	<b>\$350,651</b>	
<b>Expenses Decrease</b>	<b>\$588,900</b>	
<b>Total</b>		<b>\$939,551</b>
<b>Salary Reduction required at 70% of Salary (2% of gross salary)</b>		<b>\$412,449</b>

<b>ADJUSTMENT RECAP</b>		
<b>Expense Decrease</b>	<b>\$</b>	<b>1,001,349.00</b>
<b>Revenue Increase</b>	<b>\$</b>	<b>350,651.00</b>
<b>Budget at Cap</b>	<b>\$</b>	<b>1,352,000.00</b>

# Attrition List\*\*

Department/Division	Employees as of 1/1/2009	Total Attrition	%	2011*	2010
<b>Police Department *</b>	<b>136.5</b>	<b>13.5</b>	<b>9.89%</b>	<b>9</b>	<b>4.5</b>
<b>Public Works</b>	<b>29</b>	<b>6</b>	<b>20.69%</b>	<b>2</b>	<b>4</b>
<b>Clerk's office</b>	<b>6</b>	<b>1</b>	<b>16.67%</b>	<b>1</b>	<b>0</b>
<b>Admin / Legal / Receptionist*</b>	<b>8</b>	<b>3</b>	<b>37.50%</b>	<b>3</b>	<b>0</b>
<b>Human Resources</b>	<b>4</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0</b>
<b>Finance-Tax*</b>	<b>11</b>	<b>1.5</b>	<b>13.64%</b>	<b>0.5</b>	<b>1</b>
<b>MIS</b>	<b>3</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0</b>
<b>Tax Assessor</b>	<b>7</b>	<b>1</b>	<b>14.29%</b>	<b>0</b>	<b>1</b>
<b>Parks &amp; Recreation</b>	<b>18</b>	<b>2.5</b>	<b>13.89%</b>	<b>0.5</b>	<b>2</b>
<b>Office on Aging *</b>	<b>9</b>	<b>0.5</b>	<b>5.56%</b>	<b>0.5</b>	<b>0</b>
<b>Animal Control</b>	<b>2</b>	<b>1</b>	<b>50.00%</b>	<b>1</b>	<b>0</b>
<b>UCC/Code</b>	<b>18</b>	<b>4</b>	<b>22.22%</b>	<b>1</b>	<b>3</b>
<b>Municipal Court*</b>	<b>6</b>	<b>1</b>	<b>16.67%</b>	<b>1</b>	<b>0</b>
<b>Engineering/Planning/Zoning*</b>	<b>14</b>	<b>4</b>	<b>28.57%</b>	<b>1</b>	<b>3</b>
<b>Total</b>	<b>271.5</b>	<b>39</b>	<b>14.36%</b>	<b>20.5</b>	<b>18.5</b>

\*Includes elimination of Vacant Positions & Retirement

\*\*Subject to council approval of the proposed budget changes



# SURPLUS

	2007	2008	2009	TY 2009	CY 2010	CY 2011 Introduced Budget	CY 2011 Proposed Amendment
<b>SURPLUS BALANCE BEFORE BUDGET</b>	9,532,951.68	9,769,599.45	9,373,389.55	6,335,081.19	10,965,284.22	6,662,330.87	6,662,330.87
<b>SURPLUS USED IN CURRENT BUDGET</b>	(7,875,000.00)	(8,087,000.00)	(7,800,000.00)	(271,251.00)	(10,083,605.00)	(5,660,000.00)	(5,780,651.00)
<b>SURPLUS BALANCE AFTER BUDGET</b>	1,657,951.68	1,682,599.45	1,573,389.55	6,063,830.19	881,679.22	1,002,330.87	881,679.87
<b>TOTAL OPERATIONS INCLUDING CONTINGENCY</b>	36,303,785.00	37,475,332.55	38,189,941.00	11,039,224.50	38,213,105.00	39,710,607.00	39,710,607.00
<b>SURPLUS AS A PERCENT OF OPERATIONS INLC CONTING.</b>	4.57%	4.49%	4.12%	54.93%	2.31%	2.52%	2.22%

# Links to Local Finance Notice for 2011

## Budget rules and regulation

- The State Division of Pensions and Benefits has released PERS and PFRS billing amounts for FY 2012 budgets. These amounts are payable in April of 2012 and the obligations must be appropriated in local unit FY 2012 budgets. Additional information and individual agency amounts are online at ([www.state.nj.us/treasury/pensions/2012-employer-billing.shtml](http://www.state.nj.us/treasury/pensions/2012-employer-billing.shtml))
- . CY 2011 Budget Development Information: The following Local Finance Notices have a direct impact on the CY 2011 municipal and county budget cycle. They should be reviewed by all local officials involved in budget planning CY 2011 budgets. They were all revised based on Local Finance Notice 2011-10 ([www.nj.gov/dca/lgs/lfns/11lfns/2011-10.doc](http://www.nj.gov/dca/lgs/lfns/11lfns/2011-10.doc)).
- 2011-4R ([www.nj.gov/dca/lgs/lfns/11lfns/2011-4r.doc](http://www.nj.gov/dca/lgs/lfns/11lfns/2011-4r.doc)), "CY 2011 and SFY 2012 Budget Development Matters" covers a range of issues related to budget development for CY 2011 budgets and includes general information on budget matters that will affect FY 2012 municipal, county, and fire district budgets.
- 2011-2R ([www.nj.gov/dca/lgs/lfns/11lfns/2011-2r.doc](http://www.nj.gov/dca/lgs/lfns/11lfns/2011-2r.doc)), "CY 2011 Budget Deadline Extensions and Changes" sets out changes in budget transmittal, introduction, and adoption dates for CY 2011 municipal and county budgets, and provides preliminary levy cap referendum information
- 2011-3R ([www.nj.gov/dca/lgs/lfns/11lfns/2011-3r.doc](http://www.nj.gov/dca/lgs/lfns/11lfns/2011-3r.doc)), "2010 Levy Cap Law Guidance and CY 2011 Budgets" has immediate impact on CALENDAR YEAR municipalities and counties as it provides guidance and direction on preparing their CY 2011 budgets.