

Memorandum from the Chief Financial Officer

TO: Mayor and Township Council
FROM: Himanshu R. Shah, Director of Finance
DATE: February 15, 2011
RE: CY 2011 BUDGET

The Municipal Tax Rate for the proposed CY 2011 budget will be \$0.984. This rate is in reference to the present assessed values of all taxable properties in the Township. The rate represents is an increase of \$0.060. The net impact to the average taxpayer is approximately \$7.50 per month.

The balanced budget is under the 2% levy cap and spending cap.

The total amount of appropriations, including reserve for uncollected taxes, is \$56,928,119; a decrease of \$681,321 or 1.21% from the CY 2010 amended budget.

The net anticipated revenue decreased by \$624,321. The total 2011 tax levy is projected to be \$33,496,663 which is \$451 below the newly imposed 2% Levy Cap. Please note that Health Benefit and Pension cost increases are an exception to the 2% Levy Cap limit under the law. Statutory Levy cap calculation worksheets provided by the state Division of Local Government Services (DLGS) are attached. The state has not released the final state aid amount but advised municipalities to use the last year's aid amount. The \$5,660,000 surplus used in the budget from the available balance of \$6,662,330 is to minimize the tax increase. The surplus balance after usage is \$1,002,330. It is 2.54% of our operating expense.

As a result of our proactive approach to the economic situation, we have been able to maintain our high bond ratings which have helped the Township save thousands of dollars on interest for bonds and notes sold.

We have attached various statistical current and historical budget data for your information.

The budget process and statutory deadlines are as follows:

- Council to introduce budget by March 11th.
- Township will submit the introduced budget to DLGS for Approval.
- Budget Summary will be published in the Home News Tribune newspaper and detail budget will be available at the Clerk's office, Finance office, Township Library as well as on the Township Website www.oldbridge.com for citizens to review.
- Budget Hearing will be held within a month of the introduction of the budget for public comments.
- Council may choose to amend the budget or adopt the budget after the close of the public hearing. The statutory date that the budget must be adopted by is April 22nd, 2011 as long as the final state aid amount is certified by the state.

Thank you.