

**TOWNSHIP OF BYRAM
TOWNSHIP COUNCIL MEETING
JANUARY 10, 2023
BUDGET WORKSHOP MEETING 7:00 P.M.**

CALL MEETING TO ORDER –Mayor Alex Rubenstein called the meeting to order.

OPEN PUBLIC MEETING STATEMENT

This meeting is called pursuant to the provisions of the Open Public Meetings Law. Both adequate and electronic notice of the meeting has been provided, specifying the time, place. In addition, a copy of this notice is available to the public and is on file in the office of the Municipal Clerk, posted on the main door, the bulletin board of the Municipal Building, on the Township website at: https://www.byramtwp.org/index.php/town_hall/township_council, and has been forwarded to those persons requesting notice.

ROLL CALL OF THE TOWNSHIP COUNCIL – Councilman Bonker here; Councilwoman Franco, here; Councilman Gallagher, here (7:15pm); Councilman Roseff, here; Mayor Rubenstein here. Also present was Township Manager Joe Sabatini, Municipal Clerk Cynthia Church and CFO Ashleigh Frueholz.

FLAG SALUTE

APPROVAL OF AGENDA – Motion by Councilman Bonker, second by Councilwoman Franco, to approve the agenda Motion carried.

BUDGET WORKSHOP SESSION – Mr. Sabatini presented a budget message in October 2022 that was posted to the township website. That budget message was not considering the option to remove construction department from the general fund. Under state statute the township can run the construction department out a trust account. If they do that, once the revenues are removed and the appropriations that was part of the budget plan the Township will be looking at \$58,000 net reduction in the general fund.

Mr. Sabatini put together an overview of the changes that were made since the last set of updates that were send out in the previous week.

The Municipal Budget is the Council’s most important annual policy statement. It defines how the local government team will implement the priorities for the next fiscal year.

The 2023 budget process began back in July 2022 while working with the departments.

Over the last couple of days Ashleigh did some preliminary cap calculations. The Township is subject to two caps. The appropriations cap and a levy cap. On an annual basis they do a COLA ordinance that establishes a cap bank. That is strictly focused on the appropriations cap. The cap calculation for this year that was set by the state at 2.5%. Mr. Sabatini is recommending to the COLA ordinance again this year to establish a cap bank. The COLA ordinance will be introduced at the 1/17/2023 meeting.

The Levy cap is more restrictive and is subject to the amount that the levy can increase by. The township is over on the levy cap in this budget plan by \$153,985.00.

The maximum amount the township can raise through taxation is \$194,532.00.

There are exceptions for health care cost increase and pension obligations.

There is a small debt service increase, and the recycling tax appropriations will become exclusions from the cap.

In October 2022, Mr. Sabatini provided a budget message since then some changes have been made and has highlighted changes below that have been made since:

Garbage and Recycling is increasing \$225,000 or 29.61%.

Appropriations:

- Celebration of Public Events – Increased \$6,235
- General Liability – Increased \$9,761 (NOTE: Final assessments for GL and WC was an increase of 7%)
- Workers Compensation – Increased \$3,502
- Pensions (DCRP) – Increased \$1,900
- Musconetcong Sewer Fees – Increased \$3,600
- Telephone – Reduced \$20,000
- Heating Oil – Reduced \$15,000
- Gasoline/Diesel – Reduced \$5,000
 - NET CHANGE – REDUCTION OF \$15,002

Anticipated Revenues:

- Uniform Construction Fees – Increased \$45,000
- Interest and Costs on Taxes – Increased \$9,000

- Interest on Investments – Increased \$20,000
 - NET CHANGE – INCREASE OF \$69,000

Mr. Sabatini is recommending that they anticipate up to \$175,000 for interest on investments. The council agreed and felt comfortable with that amount.

The revised budget plan has property taxes totaling \$9,348,517. This is a 6.00% or \$528,982 increase of the tax levy.

If Construction Department is removed from the General Fund Budget and managed through the UCC Trust, the revised budget plan has property taxes totaling \$9,290,767. This is a 5.34% or \$471,232 increase of the tax levy.

Total Reduction of Appropriations (Salary & Wages, O&E and Fringe Benefits) is \$297,750 and Reduction of Revenues is \$240,000 for an overall Net Reduction of \$57,750.

After extensive conversation, it was the consensus of the council was to move the construction office (UCC) to a trust account. The fund balance will be at 3.1 million dollars. It will be about a \$416,000 increase in the levy.

Mayor Rubenstein asked what the regeneration was from the 2021 budget. Mr. Sabatini said it was the close of the year 2021 plus the excess revenues received in 2022.

Mr. Sabatini recommends increasing the reliance on fund balance to support operations to offset what they are exceeding in the levy cap at approximately \$150,000.00, and then bring in an addition \$150,000 as a one-time influx into the capital account. Of the \$300,000 half will go to offset operations and the other half to capital.

The recommendation for the final adopted budget is to maximize the amount that can be raised under the Levy CAP with the remainder of the increase offset by an increased use of fund balance.

This strategy will carry the liability of being able to regenerate fund balance in future years, so it should be expected to reduce the dependency of the increased fund balance in future budget cycles.

Capital Improvements Program

Mayor Rubenstein said he would like to take more from fund balance to put into the capital budget to get to a 2.99% increase.

Through the 2023 Capital Budget will be fully funding the DPW salt dome improvements through capital improvements program.

When the 2023 Budget is adopted the capital improvement fund will be replenished.

The consensus of the Township Council is to increase Capital Improvements by \$195,000.00

The consensus of the Township Council is to put \$350,000 into capital budget from the fund balance. \$155,00.00 will go into operations and \$195,000 into capital improvements. This will bring the township to a 2.99% increase in the budget.

Motion by Councilman Bonker second by Councilwoman Franco to open to the public.


No comments

Motion by Councilman Bonker second by Councilwoman Franco to close to the public.

ADJOURNMENT

On the motion of Councilwoman Franco, second by Councilman Gallagher, and with all members in favor, the meeting was adjourned at 8:53 p.m. All members were in favor. Motion carried.


Cynthia Church, RMC
Township Clerk


Alexander Rubenstein, Mayor