

**TOWNSHIP OF BYRAM
TOWNSHIP COUNCIL
TUESDAY, JANUARY 29, 2019
BUDGET WORKSHOP – 7:00 P.M.**

1. Call to Order
2. Roll Call
3. Open Public Meeting Statement
4. Flag Salute
5. Budget Workshop Session
6. Open to the Public
7. Executive Session (if necessary)
8. Adjourn

TOWNSHIP OF BYRAM NEW JERSEY

MAILING ADDRESS:
10 Mansfield Drive
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Phone 973-347-2500
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WEBSITE ADDRESS:
www.byramtwp.org

TO: Township Council
FROM: Joseph W. Sabatini, Township Manager
DATE: January 19, 2019
RE: DRAFT 2019 Municipal Budget – January 29, 2019 Budget Workshop

The 2019 Budget Process started with the initial submissions of the Departmental Budgets from each of the Township's Department Heads. The Department Heads were instructed to prepare budget requests with each sub-starting at zero and were to provide detailed justification of each sub-account request in lieu of pointing to prior years' allocations as the starting point. Individual meetings were held with Department Heads to review budget requests.

Current Budget Plan:

- The current draft budget plan as presented is an increase of \$193,802.60 or 2.27% of the amount to be raised through taxation.
- This budget plan anticipates no decrease in anticipated revenues from 2018.

Salary and Wages:

- Salary and Wages have been populated with contractual obligations (steps and longevity) and anticipated changes for staffing.
 - Police Officers:
 - ✓ 2 employees will receive increased longevity.
 - ✓ 2 employees in steps.
- DPW and PBA Collective Bargaining Groups currently remain in contract negotiations. Collective Bargaining Agreements expired December 31, 2017.
- Adjusted salaries to include 2% increase for both 2018 and 2019.
- Made minor adjustments for recently licensed employees.
- No change to overtime budgets for Police or DPW.

Staff Changes:

- Administration:
 - Included new Full-time Position – offset with funding from elimination of Recreation Director PT position and funding that was included for grant writer 2018. Responsibilities of New Position:
 - ✓ Recreation Administration Functions (Facility Applications, procurement and facilitator interface with Recreation Committee)
 - ✓ Public Information Officer – manage Township Communications: Social Media, Website, Nixle, etc.
 - ✓ If agreed to support Full-Time: Include special projects, facilitator of economic development and future planning, grant writing.

- Construction Department:
 - In 2018, Construction Official and Sub-code employee retired. This individual had all sub-codes. Increase in salaries was offset with funding that had been moved from Construction Salary and Wage account to Capital Improvement Fund account in 2016 when prior staff resigned.
 - New staffing includes.
 - ✓ Part-time Construction Official
 - ✓ 2 – Part-time Sub-code Officials
- Recreation:
 - In 2018, part-time recreation director resigned, and direction received was not to hire replacement.

Comments on Appropriations:

- Department Operating Expenses:
 - General Administration:
 - ✓ Computer services increased to support police department server and workstations.
 - ✓ Includes \$50,000 for research and development for a new building solution.
 - ✓ Includes \$5,000 for QPA services.
 - Planning:
 - ✓ Included an additional \$5,000 for work on the Township's Zoning Ordinance to address signs and cannabis legalization.
 - Finance Administration:
 - ✓ Removed 2018 CFO coverage for maternity leave.
- Shared Service Agreements:
 - Andover Joint Municipal Court – increased assessment 2% or \$2,601.
 - New Agreement with the County for dispatch services effective January 1, 2018:
 - ✓ The new agreement supported a reduction of \$58,284 for 2018 compared to the 2017 contract amount with Sparta.
 - ✓ 2022 contract amount with County = \$133,336 – the budget plan assumes this amount for 2019. Will not need to budget for the 2% budget increases next four years.
 - Shared Service Agreements due for renewal during 2019:
 - ✓ Netcong Construction Services
 - ✓ Andover Joint Municipal Court
- General Liability and Worker's Compensation Assessments increased \$2,698:
 - General Liability (GL) Assessment is \$178,614
 - Workers' Compensation (WC) Assessment is \$93,884
- Group Insurance:
 - Updated employee census, applied 2019 rates (Medical/RX Increase, Dental, Life, LTD and AD&D), and waivers.
 - In 2019, 14 active employees are waiving health benefits.
 - Total change to Group Insurance is an increase of \$27,006.
 - The Township remains liable to provide health benefits if the employee becomes ineligible for coverage from the independent source.
 - Moved \$100,000 to DPW Equipment and \$120,000 to Improvements to Streets and Roads. This will reduce the unexpended balances for the 2019 reserve year by \$220,000.

- Pensions/FICA:
 - Public Employees' Retirement System (PERS) - 2019 Assessment = \$191,180 an increase of \$23,234 or 13.83%.
 - Police and Firemen's Retirement System (PFRS) - 2019 Assessment = \$473,877 an increase of \$48,803 or 11.48%.
 - DCRP - Adjusted to reflect PT workers that are eligible for DCRP and not PERS.

- Debt Service:
 - The Township's historical 10 Year Debt Cycle (Average Permanent Debt issue is \$1.9 million) requires an estimated \$550,000 which covers Bond Anticipation Notes (BANS) (P&I) and General Obligation Bond(s) (P&I).
 - Township started a new 10-year cycle (2016), the balance of Debt Service (BANS P&I) was moved into Capital Improvement Fund to support funding Capital Projects.
 - The 2017 and 2018 Capital Projects increased the amount of short-term debt (BANS P&I)
 - Shifted increase of BANS P&I from Capital Improvement Fund.

- Other Notes:
 - Utilities – no changes.
 - Garbage and Recycling (Collection, Disposal and Tipping Fees) – Contractual Increase of \$12,000.
 - Purchase of Vehicles: Budget plan includes \$45,000 to purchase one police vehicle with required equipment.
 - Reserve for Uncollected Taxes – No Change
 - Capital Improvement Fund (CIF) decreased from \$398,453 to \$286,393 or a reduction of \$112,060. This reduction is the result of moving funds back to line items that were reduced in the past with funds put into CIF to fully fund projects. \$25,000 is raised to support down payments for bonding.

Summary of Estimated Revenues:

- Miscellaneous Revenues:
 - In accordance with the Local Budget Law (40A:4-26. – no miscellaneous revenues from any source shall be included as anticipated revenue in the budget in an amount more than the amount realized in case from the same source during the next preceding fiscal year.)
 - NO changes to miscellaneous revenues and anticipated the same revenue amounts from the adopted 2018 Municipal Budget.
 - NOTE: We will need to make minor changes. Interest & Costs on Taxes fell short of anticipated revenues by approximately \$4,000.
 - Assuming same level of State Aid.

- Fund Balance (Surplus):
 - The Township's Fund Balance Policy ensures adequate Fund Balance reserve levels are maintained to provide a stable financial environment for the Township's operations.
 - The general guidelines for maintaining an adequate Fund Balance are subjective and some proposed benchmarks include: one month of payroll costs, one month of budgeted expenses, and one month of the total levy. Another common standard is five percent of annual operating expenses or anywhere from one month's operating expenditures to three month's expenditures. Using these general guidelines, the Township should maintain a Fund Balance reserve of a

minimum of \$468,164 to a maximum of \$1,891,809 (Base of 2018 Budget & Activity Expenditures)

- For 2018, the amount of Fund Balance committed to the 2018 budget totaled \$1,470,102. This left a Fund Balance reserve of \$1,099,461.
- For the Township to ensure it maintains adequate fund balance reserve levels, it needs to regenerate the fund balance committed to each year's budget.
- Fund balance is accumulated from budget revenues more than anticipated amounts, miscellaneous revenues not anticipated, excess receipts of delinquent taxes, cancelling of appropriation reserves (unexpended balances) and added and omitted taxes collected for when construction improvements are deemed completed by the Tax Assessor.
- At the end of 2017 the Fund Balance was \$2,569,563. At this time, Fund Balance is estimated to be \$2,862,283 at 12/31/18 an increase of \$292,723. The final amount of Fund Balance regenerated will be reassessed after the completion of the Annual Financial Statement estimated to be completed by the statutory due date of February 10.
- It is the recommendation of staff not to use Fund Balance to offset the costs of ongoing operations.
- The Amount of Fund Balance committed to current 2019 budget plan totals \$1,470,102 which is the same amount committed to the 2018 budget. The 2018 increase of \$100,000 was to offset the increase of budget appropriations for onetime expenses that were not expected to reoccur in subsequent budgets (Municipal Building Improvements \$50,000, Grant Writer \$30,000, Maternity Leave Coverage \$20,000).

| | 2019 Budget Amounts | | | | 2018 Budget Amounts | | | | Change | % Change | SW & OE | % SW & OE | Total Budget | % Total Budget |
|---|---------------------|--------------------|---------------------|---|---------------------|--------------------|---------------------|---|------------------|---------------|---------------------|---------------|------------------|----------------|
| | S&W | O&E | Total | % | S&W | O&E | Total | % | | | | | | |
| MAYOR/COUNCIL | \$17,500 | \$9,500 | \$27,000 | | \$17,500 | \$8,500 | \$26,000 | | \$1,000 | 3.85% | \$17,500 | 0.23% | \$1,000 | 0.01% |
| ADMINISTRATIVE & EXECUTIVE CLERK | \$263,500 | \$147,050 | \$410,550 | | \$214,500 | \$139,200 | \$353,700 | | \$56,850 | 16.07% | \$214,500 | 3.55% | \$56,850 | 0.50% |
| FINANCE ADMINISTRATION | \$94,800 | \$9,950 | \$104,750 | | \$91,200 | \$9,950 | \$101,150 | | \$3,600 | 3.56% | \$91,200 | 0.91% | \$3,600 | 0.03% |
| COLLECTION OF TAXES | \$121,500 | \$19,085 | \$140,585 | | \$117,000 | \$37,585 | \$154,585 | | -\$14,000 | -9.06% | \$117,000 | 1.22% | -\$14,000 | -0.12% |
| TAX ASSESSMENT | \$83,000 | \$22,959 | \$105,959 | | \$75,500 | \$22,959 | \$98,459 | | \$7,500 | 7.62% | \$75,500 | 0.92% | \$7,500 | 0.07% |
| AUDIT FEES | \$62,010 | \$105,180 | \$167,190 | | \$59,600 | \$43,570 | \$103,170 | | \$2,010 | 1.95% | \$59,600 | 0.91% | \$2,010 | 0.02% |
| LEGAL SERVICES & COSTS | \$0 | \$45,000 | \$45,000 | | \$0 | \$53,650 | \$53,650 | | -\$8,650 | -16.12% | \$0 | 0.39% | -\$8,650 | -0.08% |
| ENGINEERING SERVICES | \$0 | \$115,000 | \$115,000 | | \$0 | \$115,000 | \$115,000 | | \$0 | 0.00% | \$0 | 0.00% | \$0 | 0.00% |
| PLANNING BOARD | \$0 | \$40,000 | \$40,000 | | \$0 | \$40,000 | \$40,000 | | \$0 | 0.00% | \$0 | 0.35% | \$0 | 0.00% |
| ZONING | \$67,250 | \$58,350 | \$125,600 | | \$55,000 | \$101,350 | \$156,350 | | -\$42,750 | -27.34% | \$55,000 | 0.98% | -\$42,750 | -0.38% |
| ENVIRONMENTAL COMMISSION | \$61,500 | \$1,550 | \$63,050 | | \$69,500 | \$1,050 | \$70,550 | | \$2,500 | 4.13% | \$69,500 | 1.30% | \$2,500 | 0.02% |
| BOARD OF HEALTH | \$139,500 | \$11,000 | \$150,500 | | \$87,000 | \$11,000 | \$98,000 | | \$52,500 | 53.57% | \$87,000 | 0.86% | \$52,500 | 0.46% |
| ANIMAL CONTROL | \$1,000 | \$2,600 | \$3,600 | | \$1,000 | \$2,600 | \$3,600 | | \$0 | 0.00% | \$1,000 | 0.03% | \$0 | 0.00% |
| MUNICIPAL COURT | \$9,800 | \$9,250 | \$19,050 | | \$9,800 | \$9,250 | \$19,050 | | \$0 | 0.00% | \$9,800 | 0.16% | \$0 | 0.00% |
| MUNICIPAL PROSECUTOR | \$0 | \$132,651 | \$132,651 | | \$0 | \$130,050 | \$130,050 | | \$2,601 | 2.00% | \$0 | 1.15% | \$2,601 | 0.02% |
| | \$0 | \$0 | \$0 | | \$0 | \$0 | \$0 | | \$0 | #DIV/0! | \$0 | 0.00% | \$0 | 0.00% |
| TOTAL GEN GOVT. | \$911,360 | \$668,515 | \$1,579,875 | | \$787,600 | \$729,114 | \$1,516,714 | | \$63,161 | 4.16% | \$787,600 | 13.86% | \$63,161 | 29.47% |
| POLICE DEPARTMENT | \$1,987,500 | \$98,900 | \$2,086,400 | | \$1,896,500 | \$98,900 | \$1,995,400 | | \$91,000 | 4.56% | \$1,896,500 | 18.04% | \$91,000 | 0.80% |
| EMERGENCY SQUAD | \$0 | \$25,500 | \$25,500 | | \$0 | \$25,500 | \$25,500 | | \$0 | 0.00% | \$0 | 0.22% | \$0 | 0.00% |
| EMERGENCY MANAGEMENT | \$0 | \$3,500 | \$3,500 | | \$3,500 | \$0 | \$3,500 | | \$0 | 0.00% | \$3,500 | 0.03% | \$0 | 0.00% |
| FIRE DEPARTMENT | \$0 | \$64,051 | \$64,051 | | \$0 | \$63,525 | \$63,525 | | \$526 | 0.83% | \$0 | 0.55% | \$526 | 0.00% |
| FIRE PREVENTION/UNIFORM ALLOWANCE | \$0 | \$33,700 | \$33,700 | | \$0 | \$33,700 | \$33,700 | | \$0 | 0.00% | \$0 | 0.29% | \$0 | 0.00% |
| (811) RADIO COMMUNICATIONS | \$0 | \$145,000 | \$145,000 | | \$0 | \$145,000 | \$145,000 | | \$0 | 0.00% | \$0 | 1.25% | \$0 | 0.00% |
| TOTAL PUBLIC SAFETY | \$1,987,500 | \$370,651 | \$2,358,151 | | \$1,899,500 | \$367,125 | \$2,266,625 | | \$91,526 | 4.04% | \$1,899,500 | 20.39% | \$91,526 | 43.99% |
| PUBLIC WORKS DEPARTMENT | \$845,500 | \$291,250 | \$1,136,750 | | \$848,750 | \$291,250 | \$1,140,000 | | -\$3,250 | -0.29% | \$848,750 | 9.83% | -\$3,250 | -0.03% |
| BUILDINGS AND GROUNDS | \$74,000 | \$108,500 | \$182,500 | | \$70,700 | \$108,500 | \$179,200 | | \$3,300 | 3.14% | \$70,700 | 0.94% | \$3,300 | 0.03% |
| RECYCLING | \$0 | \$10,000 | \$10,000 | | \$6,100 | \$10,000 | \$16,100 | | -\$6,100 | -37.89% | \$6,100 | 0.09% | -\$6,100 | -0.05% |
| FLEET MAINTENANCE | \$0 | \$123,500 | \$123,500 | | \$0 | \$123,500 | \$123,500 | | \$0 | 0.00% | \$0 | 1.07% | \$0 | 0.00% |
| TOTAL PUBLIC WORKS | \$845,500 | \$325,250 | \$1,170,750 | | \$854,850 | \$325,250 | \$1,180,100 | | -\$9,350 | -0.72% | \$854,850 | 7.22% | -\$9,350 | -0.05% |
| RECREATION | \$0 | \$9,860 | \$9,860 | | \$36,500 | \$6,560 | \$43,060 | | -\$33,200 | -77.10% | \$36,500 | 0.09% | -\$33,200 | -0.29% |
| SENIOR CITIZEN/HISTORICAL SOCIETY | \$0 | \$9,500 | \$9,500 | | \$0 | \$9,500 | \$9,500 | | \$0 | 0.00% | \$0 | 0.08% | \$0 | 0.00% |
| SENIOR CITIZEN TRANSPORTATION | \$25,100 | \$0 | \$25,100 | | \$24,500 | \$0 | \$24,500 | | \$600 | 2.45% | \$24,500 | 0.22% | \$600 | 0.01% |
| CELEBRATION OF PUBLIC EVENTS | \$0 | \$0 | \$0 | | \$0 | \$3,300 | \$3,300 | | -\$3,300 | -100.00% | \$0 | 0.00% | -\$3,300 | -0.03% |
| TOTAL COMMUNITY PROGRAMS | \$25,100 | \$9,500 | \$34,600 | | \$24,500 | \$3,300 | \$27,800 | | -\$3,300 | -7.72% | \$24,500 | 0.33% | -\$3,300 | -0.32% |
| TOTAL COMMUNITY PROGRAMS | \$3,843,460 | \$1,517,776 | \$5,361,236 | | \$3,673,650 | \$1,574,849 | \$5,248,499 | | \$112,737 | 2.15% | \$3,673,650 | 46.36% | \$112,737 | 0.98% |
| TOTAL BUDGET | \$11,441,500 | \$7,141,236 | \$18,582,736 | | \$10,911,500 | \$7,141,236 | \$18,052,736 | | \$530,236 | 2.91% | \$10,911,500 | 5.97% | \$530,236 | 2.89% |
| GENERAL LIABILITY | \$0 | \$178,614 | \$178,614 | | \$0 | \$177,265 | \$177,265 | | \$1,349 | 0.76% | \$0 | 1.54% | \$1,349 | 0.01% |
| WORKERS COMP | \$0 | \$93,884 | \$93,884 | | \$0 | \$92,535 | \$92,535 | | \$1,349 | 1.46% | \$0 | 0.81% | \$1,349 | 0.01% |
| GROUP INSURANCE | \$0 | \$1,451,422 | \$1,451,422 | | \$0 | \$1,434,922 | \$1,434,922 | | \$16,500 | 1.15% | \$0 | 12.55% | \$16,500 | 0.15% |
| GROUP INSURANCE MEDICARE REIMBURSEMENTS | \$0 | \$20,500 | \$20,500 | | \$0 | \$18,626 | \$18,626 | | \$1,874 | 10.06% | \$0 | 0.18% | \$1,874 | 0.02% |
| GROUP INSURANCE WAIVERS | \$0 | \$67,400 | \$67,400 | | \$0 | \$58,767 | \$58,767 | | \$8,633 | 14.69% | \$0 | 0.58% | \$8,633 | 0.08% |
| PENSIONS/FICA TAX | \$0 | \$955,632 | \$955,632 | | \$0 | \$883,095 | \$883,095 | | \$72,537 | 8.21% | \$0 | 8.26% | \$72,537 | 0.64% |
| ACCUMULATED SICK/VAC LEAVE & UNEMPLOYMENT | \$0 | \$200 | \$200 | | \$0 | \$200 | \$200 | | \$0 | 0.00% | \$0 | 0.00% | \$0 | 0.00% |
| MUNICIPAL SEWER CHARGES | \$0 | \$6,575 | \$6,575 | | \$0 | \$6,575 | \$6,575 | | \$0 | 0.00% | \$0 | 0.06% | \$0 | 0.00% |
| MUSCONETCONG SEWER FEES (VC) | \$0 | \$40,000 | \$40,000 | | \$0 | \$40,000 | \$40,000 | | \$0 | 0.00% | \$0 | 0.35% | \$0 | 0.00% |
| DPW EQUIPMENT | \$0 | \$100,000 | \$100,000 | | \$0 | \$100,000 | \$100,000 | | \$0 | 100.00% | \$0 | 0.86% | \$0 | 0.00% |

| | | | | | | | | | |
|--|-----|--------------------|--------------------|-----|------------------------|------------------|--------------|----------------|----------------|
| GARBAGE CONTRACT | \$0 | \$702,000 | \$702,000 | \$0 | \$690,000 | \$12,000 | 1.74% | 6.07% | 0.11% |
| RECYCLING TAX | \$0 | \$10,500 | \$10,500 | \$0 | \$10,500 | \$0 | 0.00% | 0.09% | 0.00% |
| DEBT SERVICE | \$0 | \$389,200 | \$389,200 | \$0 | \$325,340 | \$63,860 | 19.63% | 3.37% | 0.56% |
| IMPROVEMENTS TO STREETS & ROADS | \$0 | \$225,500 | \$225,500 | \$0 | \$225,500 | \$0 | 0.00% | 1.95% | 0.00% |
| CAP IMPROVEMENT FUND, DRAINAGE, SUPP STREETS | \$0 | \$391,393 | \$391,393 | \$0 | \$503,453 | -\$112,060 | -22.26% | 3.38% | -0.99% |
| FEDERAL AND STATE GRANTS | \$0 | \$16,814 | \$16,814 | \$0 | \$15,641 | \$1,174 | 7.50% | 0.15% | 0.01% |
| MUNICIPAL ALLIANCE | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | #DIV/0! | 0.00% | 0.00% |
| RES FOR UNCOLLECTED TAXES | \$0 | \$1,200,000 | \$1,200,000 | \$0 | \$1,200,000 | \$0 | 0.00% | 10.38% | 0.00% |
| LEASE AGREEMENT - RIVERSIDE PARK | \$0 | \$0 | \$0 | \$0 | \$976 | -\$976 | -100.00% | 0.00% | -0.01% |
| PURCHASE OF VEHICLES | \$0 | \$45,000 | \$45,000 | \$0 | \$29,000 | \$16,000 | 100.00% | 0.39% | 0.14% |
| TOTAL OTHER EXPENSES | | \$6,203,134 | \$6,203,134 | | \$6,120,895.25 | \$82,239 | 1.34% | 53.64% | 100.00% |
| | | | | | \$11,369,394.25 | \$194,976 | 1.71% | 100.00% | 0.72% |

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MAILING ADDRESS:
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WEBSITE ADDRESS:
www.byramtwp.org

MEMORANDUM

TO: Township Council

FROM: Joseph W. Sabatini, Township Manager

DATE: January 23, 2019

RE: Proposed DRAFT 2019 Capital Budget

Capital Budget:

- Local Budget Law 40A:4-43 – Capital Budgets, definition.
The governing body may and shall, when directed by the local government board, prepare, approve and adopt a budget for the expenditure of public funds for capital purposes to give effect to general improvement programs. A capital budget shall be a plan for the expenditure of public funds for capital purposes, showing as income the revenues, special assessments, free surplus, and down payment appropriations to be applied to the cost of a capital project or projects, expenses of issuance of obligations, engineering supervision, contracts and any other related expenditures.
- The Governing Body is required to adopt a capital budget and a capital improvement program in conjunction with its annual operating budget.
- The capital budget represents *the current year* of a three-year capital improvement program since the Township is under a 10,000 population.
- The capital improvement program presents the schedule for capital projects showing projected costs and revenue sources.
- The capital budget DOES NOT in itself confer any authority to raise or expend funds.
- The Governing Body may assign the responsibility for preparing the capital budget for the capital improvement program to the administrative staff or the Planning Board, or both. Final content of the plan resides with the Governing Body.
- Municipal Land Use Law permits the Governing Body to request the Planning Board to prepare the proposed capital program. The Land Use Law states that if there is an adopted master plan, the Planning Board must be given 45 days to review any “action necessitating the expenditure of any public fund” affecting the master plan.

- In Byram Township, it has been the responsibility of the Administrative Staff to prepare the capital budget and capital improvement program.

Capital Improvement Fund:

- Within the general fund under general appropriations there is a provision for Capital Improvement appropriations.
- This is for appropriations that have a useful life of 5 years or more.
- The fund permits appropriations to be set aside for purposes that may not be known or specified at time of the budget adoption.
- Municipalities annually may appropriate a fixed sum to this fund permitting it to build up over several years.
- No money may be expended from the Capital Improvement Fund without an ordinance being adopted for a specific purpose.
- The capital improvement fund is used as a means of financing down payments for bond ordinance appropriations. All bondable capital items must have a minimum 5% down payment. Also, the Governing Body can decide to fully fund an ordinance from the Capital Improvement Fund and/or Capital Fund Balance.
- Capital Fund Balance results from the cancelation of unexpended funds in a fully funded debt or mixed funded ordinance. The Governing Body may adopt an ordinance authorizing the funding of a capital project from Capital Fund Balance or it can be anticipated as revenue in the current fund operating budget.
 - As of December 31, 2018, the balance in the Capital Improvement Fund totaled \$937,592.43.
 - *Note: This includes the money that was allocated to support the 5% down payment for the municipal building project. (\$550,000)*
 - As of December 31, 2018, the balance in Capital Fund Balance totaled \$71,691.15.

Capital Planning Process:

- The Township’s Master Plan serves as the blueprint for the future of the community. This is a long-term planning document that can be referenced when completing the capital planning process.
- Departments have been asked to compile their capital project requests. These projects can fall into the categories of being a recurring project such as street maintenance, previously identified projects and new projects which can include acquisition of land or structures, construction, major repairs or rehabilitation, and major equipment.
- Projects should be described with justification, estimated costs and proposed method of financing.

Debt Service:

- Local Bond Law – 40A:2:
 - 40A:2-5. Debt Limitation – no bond ordinance shall be finally adopted if it appears from the supplemental debt statement that the percentage of net debt as stated pursuant to 40A:2-42 exceeds 3.5% (based on the equalized valuations of the taxable real estate, together with the improvement for the last 3 preceding years).
 - Annual Debt Statement (1/31/2018):
 - Total Debt = \$3,070,590.79
 - Percentage of Debt = 0.312%
 - Total allowable debt = \$34,433,842.61 (3.5%)
 - NOTES:
 - Total Debt includes: Bond Anticipation Notes, Bonds, Green Acres Loans, Emergency Notes, Sewer Debt, Open Space Debt and Special Assessment Debt.
 - 40A:2-8.1 Issuance of bond anticipation notes:
 - Issued for a period not to exceed one year.
 - Shall mature and be paid no later than the first day of the fifth month following the closing of the tenth fiscal year next following the date of the original notes.
 - No notes shall be renewed beyond the third anniversary date of the original notes unless an amount of such notes, at least equal to the first legally payable installment of the bonds in anticipation of which those notes are issued, is paid.
- In 2015, the Township was at the end of its ten (10) year permanent debt cycle with the final payment on the outstanding general obligation bonds made on October 1, 2015.
- To continue with a new ten (10) year cycle, the Township took advantage of interest rates and authorized a bond sale to convert all short-term debt (bond anticipation notes) to permanent debt.
- The Township purchased \$1,928,000 in general bonds with a net interest rate of 1.911494%. The final payment on new bonds will be September 1, 2025.
- The 10 Year Debt Cycle (Average Permanent Debt issue is \$1.9 million) requires an estimated \$550,000 which covers Bond Anticipation Notes (P&I) and General Obligation Bond(s) (P&I).
- Average annual debt service obligations should not exceed \$350,000 to keep with the average \$1,900,000 ten (10) year permanent debt cycle.
- At the start of a new 10-year cycle (2016), the balance of Debt Service was moved into Capital Improvement Fund to support funding Capital Projects. As capital ordinances have been adopted (2017 & 2018), portion of the debt service balance that was moved to the Capital Improvement Fund has been moved back to debt service to support BAN principal and interest payments.
- The scheduled payment for 2019 Debt Service is as follows:

| | Principal | Interest |
|--------------------|------------------|------------------|
| Bond | \$200,000 | \$30,520 |
| BAN | \$95,700 | \$19,450 |
| Green Acres | \$38,042 | \$5,486 |
| TOTALS: | \$333,742 | \$55,456 |
| | TOTAL: | \$389,198 |

- Future Debt Obligations (plan):
 - Need to consider plan for capital projects for years 2019-2021.
 - Increasing budget for debt service or capital improvement fund provides opportunity to fund capital projects.

2019 PROPOSED Capital Improvements – funded from Budget:

- Capital Improvement Fund: \$286,393
 - \$25,000 is raised to fund Capital Improvement Fund.
- Drainage Improvements: \$5,000
- Supplement for Streets and Roads: \$100,000

- Budget Appropriation (Streets-n-Roads) \$225,500
- DPW Equipment \$100,000
- Budget Appropriation (Purchase Vehicles) \$45,000

NOTES:

- In 2019, the Township now has 14 active employees that waive health benefits. The Township remains liable to provide health benefits if the employee becomes ineligible for coverage from the independent source.
- Moved \$100,000 to DPW Equipment and \$120,000 to Improvements to Streets and Roads from the Group Health Insurance account. This will reduce unexpended balances which is a source of regenerating fund balance.

2019 DRAFT Capital Budget and 3 Year Capital Improvement Program (FOR DISCUSSION):

- Attached is the draft three-year Capital Program (2019 - 2021).
- Attached is summary of all the requested capital projects for the years 2018 – 2028.
- Attached is a ten-year capital plan for Streets and Roads (2019 – 2028). This plan will be updated during 2019 after completion of 2019 projects.
- Attached are departmental requests and other supporting documentation to support the presented Capital Projects. Not all project requests have been included in the Capital Improvement Program.
- Attached is a December 31, 2018 report regarding road edge maintenance. This is the result of an issue raised that the town needs to better maintain the shoulders and road edges. This will have capital and budget impacts should we adopt a new policy for road edge maintenance.
- Other Items for Discussion:
 - Little Paint Way Drainage Improvements – Funding allocated is at \$165,000 – new expected cost is exceeding \$200,000.

- Mountain Heights Park – Transfer of Funds to Mohawk View - \$29,1000 (Settlement)
- Woods Edge Road – Emergency Access Road (Preliminary Engineering - \$15,000)
- Stag Pond – No improvements included in capital program.
- Remember this capital budget does not in itself confer any authority to raise or expend funds.

| CAPITAL IMPROVEMENT PROGRAM 2019-2021 | | | | | | | | | | | |
|---------------------------------------|--|----------------|-------------|---------------|---------------------------------|--------------------------|------------------------|-----------------|---------------|---|-------------|
| TOWNSHIP OF BYRAM | DEPT | Proposed Costs | 2019 Budget | | Amounts Reserved in Prior Years | Capital Improvement Fund | Grants and Other Funds | Debt Authorized | Other Funding | NOTES | |
| | | | O&E | Appropriation | | | | | | | |
| 2019 CAPITAL BUDGET | | | | | | | | | | | |
| | Proposed Projects | | | | | | | | | | |
| | Asphalt Hot Patcher Dump Trailer | \$45,000 | \$0 | \$0 | \$0 | \$2,520 | \$0 | \$0 | \$0 | \$42,480 | \$45,000 |
| | Backhoe | \$110,000 | \$100,000 | \$0 | \$0 | \$10,000 | \$0 | \$0 | \$0 | \$0 | \$110,000 |
| | Tractor - front bucket, snow blower attachment and dragger attachment | \$18,000 | \$0 | \$0 | \$0 | \$1,008 | \$0 | \$0 | \$0 | \$16,992 | \$18,000 |
| | Mower | \$10,000 | \$0 | \$0 | \$0 | \$560 | \$0 | \$0 | \$0 | \$9,440 | \$10,000 |
| | Whitehall Hill Road - Mill, Reconstruction and Resurface | \$290,000 | \$0 | \$0 | \$0 | \$0 | \$250,000 | \$0 | \$0 | Requesting 2019 NJDOT Municipal Aid Grant | \$290,000 |
| | Briar Lane, Joan Drive & Ross Road - Mill and Resurface | \$310,000 | \$175,500 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | \$310,000 |
| | Manu Trail, Hunters Lane, Colby, Old Italian Springs and Ghost Pony - Roadway Repairs/Cape Sealing | \$190,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | \$190,000 |
| | Drainage Inlet and Roadway Repairs - Joan Drive | \$50,000 | \$50,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | \$50,000 |
| | Alcohol Marching - Police Dept | \$20,000 | \$0 | \$0 | \$0 | \$1,120 | \$0 | \$0 | \$0 | \$18,880 | \$20,000 |
| | Fingerprinting System | \$45,000 | \$0 | \$0 | \$0 | \$2,520 | \$0 | \$0 | \$0 | \$42,480 | \$45,000 |
| | Rescue Tool and Air Bag Upgrade | \$75,000 | \$0 | \$0 | \$0 | \$4,200 | \$0 | \$0 | \$0 | \$70,800 | \$75,000 |
| | Upgrade to High Band Pagers (40 pagers) | \$15,800 | \$0 | \$0 | \$0 | \$885 | \$0 | \$0 | \$0 | \$14,915 | \$15,800 |
| | Drainage Improvements | \$5,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | Annual approp. to reserve | \$5,000 |
| | Capital Improvements | \$25,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | Annual approp. to fund | \$25,000 |
| | TOTAL | \$1,208,800 | \$325,500 | \$0 | \$0 | \$287,313 | \$250,000 | \$0 | \$0 | \$1,208,800 | \$1,208,800 |
| 2020 CAPITAL BUDGET | | | | | | | | | | | |
| | | | | | | | | | | | |
| | Proposed Projects | | | | | | | | | | |
| | North Shore Road - Mill and Resurface | \$332,000 | \$82,000 | \$0 | \$0 | \$0 | \$250,000 | \$0 | \$0 | 2019 NJDOT Municipal Aid Grant | \$332,000 |
| | Road Resurface Program - (Mill & Pave) | \$149,500 | \$49,500 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | \$149,500 |
| | Road Resurface Program - (Cape Seal) | \$155,000 | \$94,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | \$155,000 |
| | DPW Equipment | \$160,000 | \$109,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | Roll Off Truck | \$160,000 |
| | DPW Vehicle - (Truck \$50) | \$75,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | \$75,000 |
| | Exhaust System For Apparatus | \$47,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | \$47,000 |
| | Drainage Improvements | \$5,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | Annual approp. to reserve | \$5,000 |
| | Capital Improvements | \$25,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | Annual approp. to fund | \$25,000 |
| | TOTAL | \$948,500 | \$325,500 | \$0 | \$0 | \$243,000 | \$250,000 | \$0 | \$0 | \$948,500 | \$948,500 |

| Projects | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | Comments | | | | | | | | | |
|---|----------|-----------|-----------|----------|-----------|----------|----------|----------|-----------|----------|----------|--|-----------|-----------|-----------|-----------|-----------|----------|-----------|-----------|----------|
| Township Senior Bus | \$75,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | On Order - 2018 | | | | | | | | | |
| Dept | Seniors | | | | | | | | | | | | | | | | | | | | |
| P-1 2012 GMC 3500 EX Cab 4x4 | DPW | | | | \$45,000 | | | | | | | | | | | | | | | | |
| P-2 2017 F-350 4x4 | DPW | | | | | | | | | \$45,000 | | | | | | | | | | | |
| P-3 2007 Dodge 3500 DRW 4x4 | DPW | | | \$45,000 | | | | | | | | | | | | | | | | | |
| P-4 2017 F-350 4x4 | DPW | | | | | | | | | \$45,000 | | | | | | | | | | | |
| P-5 2018 F-350 SRW 4.4 | DPW | | | | | | | | | \$45,000 | | | | | | | | | | | |
| P-6 2017 F-250 ex cab 4x4 | DPW | | | | | | | | | \$45,000 | | | | | | | | | | | |
| M-1 2017 F550 Mason Dump | DPW | | | | | | | \$80,000 | | | | | | | | | | | | | |
| M-2 2009 Sterling bullet | DPW | | | | | \$80,000 | | | | | | | | | | | | | | | |
| M-3 2009 Sterling bullet | DPW | | | | | \$80,000 | | | | | | | | | | | | | | | |
| M-5 2009 Sterling bullet | DPW | | | | | | | | | | | | | | | | | | | | |
| M-6 2006 Ford F550 | DPW | | \$75,000 | | | | | | | | | | | | | | | | | | |
| M-7 2009 Sterling bullet | DPW | | \$160,000 | | | | | | | | | | | | | | | | | | |
| D-1 2001 International Roll Off | DPW | | | | | | | | | | | | | | | | | | | | |
| D-2 2015 Freightliner Dump | DPW | | | | | | | | | | | | | | | | | | | | |
| D-3 1995 International Dump | DPW | \$50,000 | | | | | | | | | | D3 was auctioned March 2018 - broken frame Replacing with smaller truck - ordered December 2018 | | | | | | | | | |
| D-7 2008 International Dump | DPW | | | | | | | | \$200,000 | | | | | | | | | | | | |
| 2017 G521XR Case Loader | DPW | | | | | | | | | | | | | | | | | | | | |
| 1980 Kubota L185 | DPW | \$18,000 | | | | | | | | | | | | | | | | | | | |
| 2001 New Holland LW170 Loader | DPW | | \$150,000 | | | | | | | | | 2018 budget \$180,000 | | | | | | | | | |
| 1999 New Holland 558E Backhoe | DPW | \$110,000 | | | | | | | | | | Auction 2019 | | | | | | | | | |
| 1999 Case Tractor CX 70 | DPW | | | | | | | | | | | New Chipper August 2018 | | | | | | | | | |
| 2003 McCormick CX 70 Tractor | DPW | | | | | \$80,000 | | | | | | | | | | | | | | | |
| Vermet chipper | DPW | \$50,000 | | | | | | | | | | | | | | | | | | | |
| Diamond Mower Attachment | DPW | | | | | | | | | | \$40,000 | | | | | | | | | | |
| 1999 Grounds Master 325-D | DPW | \$10,000 | | | | | | | | | | | | | | | | | | | |
| Smithco Field Dragger | DPW | | | | | | | | \$12,000 | | | | | | | | | | | | |
| 2007 Grounds Master Side Winder | DPW | | | | \$40,000 | | | | | | | Retire 2019 | | | | | | | | | |
| 2016 SCAG CHEETA | DPW | | | | | | | | | | | | | | | | | | | | |
| 2017 SCAG CHEETA | DPW | | | | | | \$15,000 | | | | | | | | | | | | | | |
| 1999 John Deere 4500 Compact Tractor | DPW | | | | | | | \$15,000 | | | | | | | | | | | | | |
| 2004 Elgin Street Sweeper | DPW | | | | | | | | | | | | | | | | | | | | |
| 2001 Landscape Trailer | DPW | | | | \$220,000 | | | | | | | | | | | | | | | | |
| 2008 Landscape Trailer | DPW | | | \$5,000 | | | | | | | | | | | | | | | | | |
| 2017 Equipment Trailer | DPW | | | | | | | | | | \$7,000 | | | | | | | | | | |
| Asphalt Hot Patcher Dump Trailer (NEW) | DPW | | \$45,000 | | | | | | | | | Initially requested a 2-ton model (\$38,000). I would increase the number requested on the hot box if the council decides they want to do the work on road edges. This a \$5,000-\$10,000 increase. | | | | | | | | | |
| Sub Total for DPW | | | | | | | | | | | | \$1,000,000 | \$235,000 | \$201,000 | \$185,000 | \$160,000 | \$315,000 | \$95,000 | \$212,000 | \$135,000 | \$97,000 |
| Replace Engine 6 - 1992 E-One Engine Tender 5 & 7: Update lights to LED | Fire | \$550,000 | | | | | | | | | | | | | | | | | | | |
| Rescue 3: Replace broken Light Tower | Fire | | | | \$550,000 | | | | | | | Moved up from 2022 - was presented as \$500,000 in 2018. | | | | | | | | | |
| Replace Engine 1 1998 E-one Engine | Fire | | | | | | | | | | | 2018 Request was \$30,000 | | | | | | | | | |
| Rescue Tool and Air Bag Upgrade - New Car Fire Technology | Fire | \$75,000 | | | | | | | | | | Fire Dept - Requested AFG Grant 2018 - original price presented as \$97,000. | | | | | | | | | |
| Exhaust System for Apparatus (Cranberry and Lackawanna) | Fire | | \$47,000 | | | | | | | | | | | | | | | | | | |
| Upgrade to High Band Pagers -40 pagers | Fire | | \$15,800 | | | | | | | | | 2018 - Requested \$25,000 in 2020 | | | | | | | | | |
| SCBA Replacement - End Of Life | Fire | | | | | | | | | | | 2018 - Requested \$110,000 in 2023 | | | | | | | | | |
| Sub Total for Fire | | | | | | | | | | | | \$550,000 | \$90,800 | \$47,000 | \$550,000 | \$70,000 | \$70,000 | \$0 | \$0 | \$0 | \$0 |

