



# Byram Township 2011 Budget Discussion September 21, 2010



9/21/2010



## Meeting Agenda:

- 6:00-6:30 Discuss on 10% reduction of budget. (Joe)
- 6:30-6:40 Tax Assessment (Penny)
- 6:40-6:50 Construction Department (Dick)
- 6:50-7:00 Court (Mary Beth)
- 7:00-7:15 Finance and Tax Collection (Terry)
- 7:15-7:30 Recreation (Janet)
- 7:30-8:00 Public Works, Buildings and Grounds, Fleet Maintenance (Adolf)
- 8:00-8:30 Public Safety and Fire Department (Ray and Joe Sedivy)
- 8:30-9:00 Admin, Clerk, Elections and all other departments (Joe and Doris)
- Next Steps



## General Comment

- **10% Reduction Exercise:**

- I was requested to present the DRAFT proposed 2011 budget with a 10% reduction from the final 2010 adopted budget and it was agreed to make it a rudimentary exercise.
- For this exercise, I used the DRAFT 2011 proposed budget that was presented for discussion during the August 30, 2010 budget discussion.
- Also, I have looked at a 10% reduction of the overall budget and a 10% reduction of just the tax levy.

- **Objectives of Meeting:**

- Gain direction from the Byram Township Mayor and Council on areas for potential budget reductions.
  - What are the Council's objectives regarding a potential tax increase or reduction?
  - How do you want to handle a reduction of state aid?
- Schedule additional 2011 Budget Workshops during September and October.
- Next Steps

- **NOTES:**

- The 2011 proposed budget is the best possible representation based on known and estimated expenses which are based on prior years.
- If there is a need for staff reductions, target final plan by November 1, 2010.

## 2011 Proposed Budget Comparison to 2010

	2010 Budget		2011 Proposed Budget	
Salary and Wages	33%	\$3,310,476.00	33%	\$3,438,726.00
Operating Expenses	13%	\$1,315,415.00	12%	\$1,213,145.00
Utilities	5%	\$454,200.00	4%	\$455,620.00
Garbage	6%	\$638,000.00	7%	\$711,200.00
911 Radio Communications	2%	\$165,000.00	2%	\$171,000.00
Health Insurance	14%	\$1,399,000.00	14%	\$1,450,000.00
Liability & WC Insurance	2%	\$250,713.00	3%	\$270,649.00
Statutory Expenses	7%	\$674,859.00	7%	\$723,552.00
PBA Leave Agreement	1%	\$101,466.00	1%	\$106,300.00
Capital Improvements	2%	\$180,000.00	2%	\$200,000.00
Debt Service & Deferred Charges	4%	\$396,947.00	4%	\$403,716.00
Reserve for Uncollected Taxes	12%	\$1,187,639.00	11%	\$1,187,639.00
	<b>100%</b>	<b>\$10,073,715.00</b>	<b>100%</b>	<b>\$10,331,547.00</b>
Public & Private Programs Offset by Revenues - (Grants)		\$17,240.00		\$0.00
		<b>\$10,090,955.00</b>		<b>\$10,331,547.00</b>

Salary and Wages	33%	\$3,310,476.00	33%	\$3,438,726.00
Operating Expenses	13%	\$1,315,415.00	12%	\$1,213,145.00
All Other Expenses	54%	\$5,447,824.00	55%	\$5,679,676.00
	<b>100%</b>	<b>\$10,073,715.00</b>	<b>100%</b>	<b>\$10,331,547.00</b>

Limited to No Control  
 Can be impacted by staff reductions.  
 S&W and O&E - Can be Controlled

## 2011 Proposed Budget Comparison to 2010...continued

- A 10% reduction from the final adopted 2010 Budget translates to a \$1,265,203 reduction of the 2011 DRAFT Proposed Budget.
- The budget reduction of \$1,265,203 is presented as a percentage of the 2011 DRAFT Proposed Budget for Salary and Wages and Operation Expenses.
- This is the percentage of either S&W or OE that will support reducing the budget by 10% from 2010.

	2010 Budget		2011 Proposed Budget	
Salary and Wages	33%	\$3,310,476.00	33%	\$3,438,726.00
Operating Expenses	13%	\$1,315,415.00	12%	\$1,213,145.00
All Other Expenses	54%	\$5,447,824.00	55%	\$5,679,676.00
	<b>100%</b>	<b>\$10,073,715.00</b>	<b>100%</b>	<b>\$10,331,547.00</b>

10% Reduction from 2010 Budget	\$1,007,371.50
Adjusted 2010 Budget with 10% Reduction	\$9,066,343.50
Proposed 2011 Budget less Adjusted 2010 Budget	\$1,265,203.50

<b>Budget Reduction as Percent of Proposed 2011 S&amp;W</b>	<b>37%</b>
<b>Budget Reduction as Percent of Proposed 2011 O&amp;E</b>	<b>104%</b>

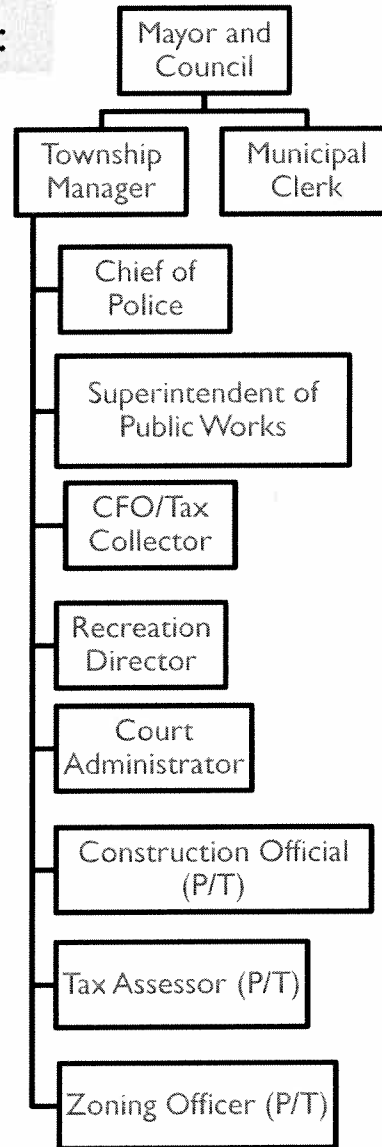


## 2011 Proposed Budget RATE Comparison to 2010

- The 2010 Budget Totaled \$10,090,955 including Public & Private Programs Offset by Revenues (Grants) and required a municipal property tax levy of \$7,418,002.
- The 2010 property tax rate was .669 and the average assessed home in 2010 totaled \$302,795 which results in a municipal tax levy of \$2,025.70.
- A 10% reduction of the 2010 property tax results in a municipal property tax levy of \$6,676,202. The 2010 adjusted property tax rate would be .602 and result in a municipal tax levy of \$1,822.83. This would result in a tax reduction of \$202.87 ( $\$2,025.70 - \$1,822.83$ ) to the average assessed home.
- A 10% reduction of the property tax levy requires a \$741,800 reduction of the budget plus an additional reduction of \$257,832 to offset 2011 proposed increases ( $\$741,800 + \$257,832 = \$999,632$ ).
- A \$999,632 Budget Reduction as Percent of Proposed 2011 S&W = 29%
- A \$999,632 Budget Reduction as Percent of Proposed 2011 O&E = 82%.

# 2010 Organization Chart

## Department Heads:



## Employees within Departments:

- **Municipal Clerk** – 3 Clerks (Share one clerk split between Tax Assessment and Planning)
- **Police Dept** – 14 Officers . 1 FT Clerk, 1 PT Clerk
- **Public Works** – 3 Senior Public Works Repairs, 4 Public Works Repairers, 1 Mechanic, 1 Equipment Operator, 1 Building Maintenance Worker, 1 PT Recycling Attendant, and 1 PT Animal Attendant
- **CFO/Tax Collector** – 1 PT Payroll/Accts Payable Clerk, and 1 PT Tax Clerk
- **Court** – 1 PT Court Clerk and 1 PT Judge.
- **Construction Dept** – 1 PT TACO, 1 PT Electrical Inspector and 1 PT Plumbing Inspector
- **Tax Assessment** – (Share one clerk split between Tax Assessment and Planning)
- **Recreation** – Bus Driver

## Total Number Employees:

- **# Part Time Employees: 14**
- **# Full Time Employees: 35**
  - Police Dept -16 (includes clerk)
  - DPW -11
  - Administration - 8

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## Summary 2011 Estimated Appropriations

	<u>2011 Budget</u>	<u>2010 Budget</u>
<b>Appropriations (Inside CAP):</b>		
Salary & Wages	\$3,438,726	\$3,310,476
Operating Expenses	\$6,252,146	\$6,260,292
<b>Total Appropriations (Inside CAP):</b>	<b>\$9,690,872</b>	<b>\$9,570,768</b>
	<b>CHANGE: (+) \$120,104 or 1.25%</b>	
<b>Appropriations (Outside CAP):</b>		
Grp Insurance – Balance of Increase	\$49,980	
Pensions – Balance of Increase	\$44,779	
Debt Service	\$329,716	\$322,947
Capital Improvements	\$200,000	\$180,000
<b>Total Appropriations (Outside CAP):</b>	<b>\$624,475</b>	<b>\$502,947</b>
	<b>CHANGE: (+) \$121,528</b>	
<b>Total Appropriations</b>	<b>\$10,315,347</b>	<b>\$10,073,715</b>
	<b>CHANGE: (+) \$241,632 or 2.40% of Total Budget</b>	

- Changes since August 30, 2010 Meeting: Adjusted to remove \$15,500 from Elections OE and \$700 from Mayor & Council OE
- In 2011 - The total amount that can be raised by Property Taxes with the 2% cap will be \$7,566,362 or an increase of \$148,360.

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## Summary:

- The Proposed Budget Plan as presented is under CAP, and requires an increase of taxes totaling \$252,998 or 3.19%.
- Any reduction of anticipated or actual revenues will minimally require an equal reduction of appropriations that fall under the 2% Levy CAP. This has a direct impact on services.
- Market Conditions have not been favorable in 2010 which has had a direct impact on Interest on Investments. Since 2008 anticipated interest income has reduced from \$98,000 to an anticipated amount of \$24,000 or less for 2011. (2009 realized \$38,051.57 and anticipated \$36,000 in 2010).
- Anticipated State Aid for 2010 totals \$638,355 or a \$151,792 reduction from 2009. Since 2008 and including 2010, the Township has loss \$367,685 in state aid.
- An additional 20.45% reduction of State Aid in 2011 will require a \$130,544 budget cut.

### KEY FACTS:

- The 2010 Municipal Purpose Property Tax Rate was .669 for every \$100 of assessed value.
- The Averaged Assessed Home in 2010 was \$302,795 resulting in a municipal purpose tax of \$2,025.70.
- A 50% reduction of the Municipal Budget will ONLY result in an estimated \$1,012.85 reduction to the Average Tax Payer in the Township.

# Next Steps:

## Next Steps:

1. Schedule next 2011 Budget Workshop.
2. ?
3. ?
4. ?



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