

# TOWNSHIP OF BYRAM

## NEW JERSEY

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TO: Township Council

FROM: Joseph W. Sabatini, Township Manager

DATE: September 25, 2015

RE: DRAFT (ESTIMATED) 2016 Municipal Budget

### Disclaimer:

The 2016 Budget Process has started with the Township Department Heads. The Department Heads were instructed not to request any increase to the overall total for departmental operating expenses. Salary and Wages have been populated with contractual obligations and anticipated changes for staffing. I have started to populate the other categories of expenses based on prior year experiences. It is too early in the budget process to provide an accurate view of the budget since most of budget line items will not be known until the end of this year or early 2016.

### Summary of Estimated Expenses:

- Applied changes to Departmental Salary and Wages:
  - Applied all contractually required salary increases, steps, promotions and changes of longevity for Police.
    - ✓ Clerical and Administrative Employees = 2%
    - ✓ DPW and Building and Grounds = 2%
      - 1 employee eligible for promotion.
    - ✓ Police Officers = 2.0% (NEGOTIATIONS – Contract Expires 12/31/15)
      - 1 employee will receive increased longevity.
      - 1 employee in steps.
  - No change to overtime budgets for Police Overtime.
  - Changes to DPW Overtime Budget:
    - ✓ Increased Snow Overtime Budget - \$10,000.
    - ✓ Increased Meal Allowance Budget - \$800
  - Staff Changes Include:
    - ✓ Administration:
      - Deputy Manager Promotion
      - Deputy Clerk Promotion
      - New PT Position – Increase \$18,720 (24 hours per week)
        - NOTE: Staff Changes are the result of a long term employee retiring (August 2015). Using salary expense from this employee's retirement to cover changes in staffing.

- ✓ Finance:
    - Anticipating the promotion of a PT Employee to FT (Approx. \$9,500)
  - ✓ Planning Board:
    - Possible promotion to planning aide.
  - ✓ New PT Position = \$18,720
  - ✓ Tax Collection:
    - Anticipating the promotion of a PT Clerical Employee to PT Tax Collector.
  - ✓ Zoning:
    - Proposing increasing hours of Zoning Officer from 20 hours per week to 28 (Currently, working 24 hours per week)
  - ✓ Police Department:
    - Current view does not take into account any staff changes.
- General Liability and Workers' Compensation Insurance – applied a 2% increase.
- Applied increase of 5% to 2015 total for Group Insurance (Medical/Rx Increase, Dental, Life, LTD and AD&D):
  - 2015 NJHIF rates are not expected until November.
- Pensions:
  - Public Employees' Retirement System (PERS):
    - ✓ Applied NO Change
    - ✓ 2015 increased \$12,983
  - Police and Firemens' Retirement System (PFRS):
    - ✓ Applied NO Change
    - ✓ 2015 decreased \$20,594
  - DCRP:
    - ✓ Increased \$3,000 – increased eligibility of PT workers that are eligible for DCRP and not PERS.
- Other Notes:
  - Utilities – No Changes
  - Garbage – Contractual Increase \$12,000.
  - Statutory Expenses – FICA Tax (will need to increase based on total S&W).
  - Debt Service – No Changes – will need to assess actual P&I payments, use to supplement capital program.
  - Capital Improvements – No Changes. In 2015, \$20,500 was moved from PFRS reduction to Streets and Roads. Would like to keep Streets and Roads Budget at \$105,500 and possibly consider increasing. Fund more under the budget.
  - Reserve for Uncollected Taxes – No Change.
- Items to for Discussion:
  - Recreation Director (Byram Day Committee) – requesting \$13,500 increase of Celebration of Public Events for Byram Day: Fireworks, Rides and Advertising.
  - Fire Department – still need to meet to justify budget request. Chief has requested same budget as last year.
  - Environmental Commission requesting a \$655 increase of budget. Items requesting additional funding include: Rutger's design for detention basins and donations for Amphibian Crossing Project. These are in addition to activities that are already supported.
  - Planning Budget – no changes. Do we need to consider increasing budget for update of Township's Fair Share Housing Plan or Highland's Plan Conformance?

- DPW Budget – requesting an increase of \$8,000. Needs to be reviewed and increase justified.
- Increased budgeting for capital improvements.

**Summary of Estimated Revenues:**

- Fund Balance:
  - The Amount of Fund Balance committed to 2015 budget totaled \$1,340,102 which was an increase of \$100,000 from 2014.
  - For now, assumed no change to amount of fund balance to be committed to 2016 budget.
  - The Township needs to ensure it maintains adequate fund balance reserve levels.
  - The Township needs to regenerate the fund balance committed to each year's budget. Fund balance is accumulated from budget revenues in excess of anticipated amounts, excess receipts of delinquent taxes, budget revenues received that were not anticipated, cancelling of appropriation reserves and added and omitted taxes collected for when construction improvements are deemed completed by the Tax Assessor.
  
- Miscellaneous Revenues:
  - Made NO changes to miscellaneous revenues and anticipated the same amounts in the adopted 2015 Municipal Budget.
  - Assuming same level of State Aid.
  - Interest on Investments is anticipated to fall short of expectations (Approx. \$1,500)
  - Uniform Construction Fees are on target to exceed anticipated revenues of \$125,000.
  - Municipal Court Revenues are expected to fall short approximately 13% (conservative) or about \$11,500.
  
- Amount to be Raised through Taxation:
  - As presented, the increased amount to be raised by taxes is at \$260,789 or 3.2% – which is the amount of the total estimated increase in expenses. Does not consider any reduction of revenues.