

TOWNSHIP OF BYRAM

NEW JERSEY

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TO: Township Council
FROM: Joseph W. Sabatini, Township Manager
DATE: January 15, 2016
RE: UPDATED DRAFT - 2016 Municipal Budget

Summary:

The 2016 Budget Process started with the initial submissions of the Departmental Budgets from each of the Department Heads. The Department Heads were instructed not to request any increase to their overall total for departmental operating expenses and to justify the amounts requested for each of the sub accounts. Individual meetings were held with the Department Heads and any requests for increases of operating expenses were challenged.

Salary and Wages have been populated with contractual obligations and anticipated changes for staffing.

We have populate all know expenses for other categories of the budget and if actual figures are not yet available we have updated based on prior year experiences.

Current Budget Plan:

- The current draft budget plan as presented is an increase of \$202,487 or 2.5% of the amount to be raised by taxes.
- To reduce to only a 2% increase of the amount to be raised by taxes, it will require an additional \$40,000 reduction of the current budget plan.

Summary of Changes since September 25, 2015:

- Negotiated contract extension for Newton Tax Collector requiring update of operating budget of \$43,000 (\$3,570/month).
- Removed promotion of employee to Tax Collector (\$13,500).
- Removed new position for Part-Time Finance Clerk (\$19,000).
- Increased Planning Board Budget (Affordable Housing) estimating approximately \$25,000 for declaratory judgment litigation for 2016 per the Township's Municipal Attorney. Need to complete analysis of Attorney Fees.

Additional Changes since December 17, 2015:

- Police S&W were updated to reflect retirement of Chief of Police, addition of a new hire (academy), and appointment of New Chief. Keeping budget at 2015 amount which is approximately \$35,500 more than actual base salary amount for 2016. This can be used elsewhere in budget for 2016 but recommend keeping in as the new hire will be

experiencing steps over next six years and this amount will help offset these increases. Recommend using to help fund new administrative vehicles for 2016.

- Planning Budget (Affordable Housing) – My need to increase funding to cover expenses for Township Planner to update the Fair Share Housing Plan. Requesting confirmation from Township Planner.
- General Liability – 4.9% Increase
- Workers Compensation – 3.5% Increase -
- Debt Service Allocations were adjusted to reflect the permanent debt issue and elimination of Bond Anticipation Notes. Excess monies were moved to Capital Improvement Fund. Debt Service Payments were increased in 2015 to accommodate larger debt service payments in future years in anticipation of a large issuance. As Township moves toward 10 year debt cycle, will move excess monies from Capital Improvement Fund back to debt payments due in applicable year.
- Reallocated excess monies from Debt Service to the Capital Improvement Fund which is an increase of \$308,388. This increase amount of available for Township to fully fund capital improvement projects before relying on issuing of new debt.

Mayor & Council/Clerk Operating Expenses:

- Shifted expenses from Mayor & Council and Administrative Expenses to establish a Clerk Operating budget which includes election expenses.
 - Moved \$1,250 from Mayor and Council O&E.
 - Moved \$1,000 from Administrative O&E.

Recreation Department Operating Expenses:

- Updated budget request so there was no change from 2015.
 - Requested increase of Youth Guidance Budget.
 - Requested increase of Cell Phone Expenses for a Smart Phone (\$650)

Celebration of Public Events:

- Updated budget to remove requested increase of \$13,500.

Environmental Commission:

- Updated budget to remove requested increase of \$655.

Fire Department (see attached request):

- Eliminated Line 250 – Cell Phone – Fire Dept
- Removed request for IPADs (\$6,500) and annual IPAD 4gLTE Service Apparatus – Active 911 - \$3,360. Assuming this is specific service for IPADs and will require confirmation with Fire Department.
- Removed request for upgrade to Air System on Rescue 3 (\$14,000). This is a capital item.
- Amended budget request for new equipment is \$12,489.
- After referenced changes, overall budget could reduce \$1,080. Kept Operating Budget the same as 2015.

Road Repair & Maintenance (DPW):

- Budget request was included an increase of \$8,000. An additional \$3,000 for crack sealing material and \$5,000 for added maintenance of Tamarack Park playing fields.
- Moved \$3,000 from Radios Repair Upgrades (not being used) to black top to cover crack sealing material.
- History does not support requesting an increase. Requested an itemized budget for both Park Maintenance and Park Operating and Department Head advised to keep line items at current level. Still requesting itemized budget.

Insurance Changes:

- Updated employee census applying new 2016 rates.
- Calculated increased employee contributions. All labor union employees will be starting Tier 4 of Chapter 78 starting January 1, 2016.

Pensions:

- Public Employees' Retirement System (PERS) – increased assessment \$9,126.
- Police and Firemen's' Retirement System (PFRS) – increased assessment \$39,987.
- DCRP - increased \$3,000 – increased eligibility of PT workers that are eligible for DCRP and not PERS.

Summary of Estimated Revenues:

- Interest on Investments is anticipated to fall short of expectations (Approx. \$500)
- Municipal Court Revenues are expected to fall short approximately – currently estimate a shortfall of \$25,000.