

TOWNSHIP OF BYRAM

NEW JERSEY

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TO: Byram Township Mayor and Council

DATE: March 3, 2015

RE: 2015 Municipal Budget Message

INTRODUCTION

Every year the Township Council is called upon to establish municipal policy through the adoption of the Municipal Budget. While the Manager and staff prepare recommendations in the form of a draft document, the Council must ensure that the adopted budget adequately satisfies the needs of the community and serves the best interests of the Township.

The approval and adoption of the Municipal Budget includes the budget for the Open Space Tax and the Sewer Utility.

The Township's Open Space Dedicated Trust Fund is funded through the dedication of an Open Space Tax that is not to exceed \$0.02 per \$100 of assessed valuation of each annual tax levy. For 2015, the Township anticipates raising \$110,430 or \$.01 for each \$100 of assessed valuation. The Open Space Tax cannot be eliminated as future receipts were committed to cover the debt service of Open Space Bonds that were issued in 2005 and are scheduled to expire in 2024. Also, the funds are used to support the maintenance and development of open space parcels that have been purchased with the open space tax.

The Township's Sewer Utility is supported by fees collected from users of the system. The Sewer Utility has its own separate budget. The 2015 Operating Budget has been restructured reducing the Salary and Wage and Operating Expenses portion of the budget by \$30,244. Also, on the revenue side of the budget the Township is eliminating the dependency of fund balance to cover the operating expenses of the utility. If the budget is approved, there will be a recommendation through ordinance for the Mayor and Council to reduce the user fees by five percent. In 2017, there may be the opportunity for a more significant reduction of the user fees when the legacy debt obligations for the establishment of the utility are fully paid.

The 2015 municipal budget including the Capital Improvement Program and Private Programs Offset by Revenues totals \$10,868,325.

APPROPRIATIONS

Appropriations are the platform that allows local government to deliver services to its residents. Overall, this budget plan is presenting an increase in appropriations totaling \$230,028 after excluding Public and Private Programs (Grants) Offset by Revenues. This includes an increased pay down of debt service of \$100,000.

General Government, Public Safety, Public Works and Community Programs include all the Salary & Wages and Operating Expenses for each of the Township's departments. Overall these categories of expenses resulted in a \$129,880 increase. Summary of changes include:

- Applied Changes to Departmental Salary and Wages:
 - PBA contractually receives an increase of 2.0% in 2015.
 - Clerical and DPW contractually receives an increase of 1.75%. The same increase was applied to non-union employees.
 - Accounted for changes in longevity (PBA) and contractual steps (PBA & DPW).
- Tax Collection Operating Expenses includes Shared Services Agreement with Newton for Tax Collector.
- Anticipated an increased amount of salary for anticipating of hiring or promoting an employee to Tax Collector.
- Applied Changes due to Joint Court:
 - Removed S&W \$92,500 and O&E \$10,100.
 - Added \$125,000 to O&E for agreement with Andover Township for Joint Court.
 - Removed \$25,000 for Prosecutor.

Other expenses of the Township that are not tracked by department include utilities, insurances, statutory expenses, pension expenses, garbage, debt service, deferred charges, capital improvements and the reserve for uncollected taxes. Overall these increased \$67,341.

Significant dollar changes were seen in the following appropriations:

Debt Service	Increased	\$ 99,815
Reserve for Uncollected Taxes	Increased	\$ 12,361
Group Insurance	Decreased	\$ 30,000

REVENUES

Municipal Operations and the Capital Improvement Program are supported by a variety of revenues. These sources include current property taxes (75.03%), Miscellaneous Revenues including State Aid (9.30%), Fund Balance (surplus) 12.33% and Receipts from Delinquent Taxes (3.12%).

The Township received notification that the State Fiscal Year 2016 budget proposes level aggregate funding for Consolidated Municipal Property Tax Relief Aid (CMPTRA) and Energy

Tax Receipts (ETR). The proposed State aid CMPTRA and ETR for 2014 total \$575,475 or 5.30% of the total revenues. Also, we received notification that the Township should anticipate Garden State Trust PILOT (Payment in Lieu of Taxes) funding at the same level. The Township will receive \$41,920 in PILOT funding.

Other Miscellaneous revenues anticipated comprise 3.62% of the revenues. These anticipated revenues include Court Fees, Uniform Construction Fees, Interest on Investments, Interest and Costs on Taxes, and Fees and Permits.

The amount of Fund Balance committed to the 2015 budget is \$1,340,102 an increase of \$100,000.

This budget plan has property taxes representing 75.03% or \$8,154,343 in revenues. In 2014, budgeted property taxes totaled \$8,036,815 of the revenues. This budget plan is a 1.46 % or \$117,528 increase of the tax levy.

TAX RATE

The 2015 municipal budget calls for an estimated municipal rate increase of .016 for each \$100 of assessed value using the net valuation of \$926,659,300. This increase represents an estimated \$36.57 annual municipal tax increase for the average assessed home of \$253,014.

SUMMARY

In summary, the challenge with this budget and future budgets is to be able to maintain the same level of services for the Township residents while costs continue to increase, the growth of the Township's ratable base remains restricted, and miscellaneous revenues decrease resulting in a higher reliance on property taxes. The Township continues to hold the line on departmental operating expenses.

The 2015 municipal budget plan, as presented, limits impacts to current service levels in a difficult operating environment. These services are being preserved as best they can be in accordance with the expectations of the Township's residents which add to the quality of life for all taxpayers in Byram.

Respectfully Submitted,



Joseph W. Sabatini, Township Manager

	2015 Budget Amounts			2014 Budget Amounts			Change	% Change	Budget SW & OE	% Change	Total Budget
	S&W	O&E	Total	S&W	O&E	Total					
MAYOR/COUNCIL	\$17,500	\$9,500	\$27,000	\$17,500	\$9,500	\$27,000	\$0	0.00%	0.25%	0.00%	\$0
ADMINISTRATIVE & EXECUTIVE	\$216,500	\$80,350	\$296,850	\$204,500	\$79,650	\$284,150	\$12,700	4.47%	2.73%	0.12%	\$12,700
Updating Please Wait...	\$78,000	\$0	\$78,000	\$76,500	\$0	\$76,500	\$1,500	1.96%	0.72%	0.01%	\$1,500
ELECTIONS	\$0	\$7,500	\$7,500	\$0	\$7,500	\$7,500	\$0	0.00%	0.07%	0.00%	\$0
FINANCE ADMINISTRATION	\$116,500	\$38,186	\$154,686	\$95,500	\$54,076	\$149,576	\$5,110	3.42%	1.42%	0.05%	\$5,110
COLLECTION OF TAXES	\$33,000	\$51,340	\$84,340	\$43,500	\$7,300	\$50,800	\$33,540	66.02%	0.78%	0.31%	\$33,540
TAX ASSESSMENT	\$77,500	\$43,570	\$121,070	\$76,000	\$43,570	\$119,570	\$1,500	1.25%	1.11%	0.01%	\$1,500
AUDIT FEES	\$0	\$29,560	\$29,560	\$0	\$29,560	\$29,560	\$0	0.00%	0.27%	0.00%	\$0
LEGAL SERVICES & COSTS	\$0	\$115,000	\$115,000	\$0	\$115,000	\$115,000	\$0	0.00%	1.06%	0.00%	\$0
ENGINEERING SERVICES	\$0	\$52,500	\$52,500	\$0	\$40,000	\$40,000	\$12,500	31.25%	0.48%	0.12%	\$12,500
PLANNING BOARD	\$21,000	\$46,350	\$67,350	\$20,500	\$46,350	\$66,850	\$500	0.75%	0.62%	0.00%	\$500
ZONING	\$30,500	\$500	\$31,000	\$29,800	\$500	\$30,300	\$700	2.31%	0.29%	0.01%	\$700
CONSTRUCTION OFFICIAL	\$134,000	\$7,475	\$141,475	\$131,500	\$7,475	\$138,975	\$2,500	1.80%	1.30%	0.02%	\$2,500
ENVIRONMENTAL COMMISSION	\$0	\$2,600	\$2,600	\$0	\$2,600	\$2,600	\$0	0.00%	0.02%	0.00%	\$0
BOARD OF HEALTH	\$0	\$3,400	\$3,400	\$0	\$3,400	\$3,400	\$0	0.00%	0.03%	0.00%	\$0
ANIMAL CONTROL	\$9,500	\$9,250	\$18,750	\$9,500	\$9,250	\$18,750	\$0	0.00%	0.17%	0.00%	\$0
MUNICIPAL COURT	\$0	\$125,000	\$125,000	\$92,500	\$10,100	\$102,600	\$22,400	21.83%	1.15%	0.21%	\$22,400
MUNICIPAL PROSECUTOR	\$0	\$0	\$0	\$0	\$25,000	\$25,000	-\$25,000	-100.00%	0.00%	-0.23%	-\$25,000
TOTAL GEN GOVT.	\$734,000	\$622,081	\$1,356,081	\$797,300	\$490,831	\$1,288,131	\$67,950	5.28%	12.48%	26.52%	\$67,950
POLICE DEPARTMENT	\$1,858,500	\$127,525	\$1,986,025	\$1,809,870	\$127,525	\$1,937,395	\$48,630	2.51%	18.27%	0.46%	\$48,630
EMERGENCY SQUAD	\$0	\$25,500	\$25,500	\$0	\$25,500	\$25,500	\$0	0.00%	0.23%	0.00%	\$0
EMERGENCY MANAGEMENT	\$0	\$3,000	\$3,000	\$0	\$3,000	\$3,000	\$0	0.00%	0.03%	0.00%	\$0
FIRE DEPARTMENT	\$0	\$63,525	\$63,525	\$0	\$88,525	\$88,525	-\$25,000	-28.24%	0.58%	-0.23%	-\$25,000
FIRE PREVENTION	\$2,400	\$1,500	\$3,900	\$2,400	\$1,500	\$3,900	\$0	0.00%	0.04%	0.00%	\$0
(911) RADIO COMMUNICATIONS	\$0	\$176,500	\$176,500	\$0	\$176,500	\$176,500	\$0	0.00%	1.62%	0.00%	\$0
TOTAL PUBLIC SAFETY	\$1,860,900	\$397,550	\$2,258,450	\$1,812,270	\$422,550	\$2,234,820	\$23,630	1.06%	20.78%	44.17%	\$23,630
PUBLIC WORKS DEPARTMENT	\$749,950	\$291,250	\$1,041,200	\$734,950	\$291,250	\$1,026,200	\$15,000	1.46%	9.58%	0.14%	\$15,000
IMPROVEMENTS TO STREETS & ROADS	\$0	\$105,500	\$105,500	\$0	\$85,000	\$85,000	\$20,500	24.12%	0.97%	0.19%	\$20,500
BUILDINGS AND GROUNDS	\$68,000	\$33,000	\$101,000	\$66,800	\$33,000	\$99,800	\$1,200	1.20%	0.93%	0.01%	\$1,200
RECYCLING	\$5,900	\$10,000	\$15,900	\$5,800	\$10,000	\$15,800	\$100	0.63%	0.15%	0.00%	\$100
FLEET MAINTENANCE	\$0	\$123,500	\$123,500	\$0	\$123,500	\$123,500	\$0	0.00%	1.14%	0.00%	\$0
TOTAL PUBLIC WORKS	\$823,850	\$563,250	\$1,387,100	\$807,550	\$542,750	\$1,350,300	\$36,800	2.73%	12.76%	27.13%	\$36,800
RECREATION	\$68,000	\$7,860	\$75,860	\$67,000	\$7,860	\$74,860	\$1,000	1.34%	0.70%	0.01%	\$1,000
SENIOR CITIZEN/HISTORICAL SOCIETY	\$0	\$9,000	\$9,000	\$0	\$9,000	\$9,000	\$0	0.00%	0.08%	0.00%	\$0
SENIOR CITIZEN TRANSPORTATION	\$23,500	\$976	\$24,476	\$23,000	\$976	\$23,976	\$500	2.09%	0.23%	0.00%	\$500
CELEBRATION OF PUBLIC EVENTS	\$0	\$2,000	\$2,000	\$0	\$2,000	\$2,000	\$0	0.00%	0.02%	0.00%	\$0
TOTAL COMMUNITY PROGRAMS	\$91,500	\$19,836	\$111,336	\$90,000	\$19,836	\$109,836	\$1,500	1.37%	1.02%	2.18%	\$1,500
TOTAL	\$3,510,250	\$1,602,717	\$5,112,967	\$3,507,120	\$1,475,967	\$4,983,087	\$129,880	2.61%	47.04%	100.00%	\$129,880
ELECTRICITY	\$0	\$57,000	\$57,000	\$0	\$57,000	\$57,000	\$0	0.00%	0.52%	0.00%	\$0
STREET LIGHTING	\$0	\$36,000	\$36,000	\$0	\$36,000	\$36,000	\$0	0.00%	0.33%	0.00%	\$0
TELEPHONE	\$0	\$25,500	\$25,500	\$0	\$25,500	\$25,500	\$0	0.00%	0.23%	0.00%	\$0
HEATING OIL	\$0	\$70,000	\$70,000	\$0	\$70,000	\$70,000	\$0	0.00%	0.64%	0.00%	\$0

Budget Summary

	\$0	\$120,000	\$120,000	\$0	\$120,000	\$120,000	\$0	\$120,000	\$120,000	\$0	0.00%	1.10%
GASOLINE	\$0	\$120,000	\$120,000	\$0	\$120,000	\$120,000	\$0	\$120,000	\$120,000	\$0	0.00%	1.10%
GENERAL LIABILITY	\$0	\$184,956	\$184,956	\$0	\$180,500	\$180,500	\$4,456	\$180,500	\$180,500	\$4,456	2.47%	1.70%
WORKERS COMP	\$0	\$97,077	\$97,077	\$0	\$93,000	\$93,000	\$4,077	\$93,000	\$93,000	\$4,077	4.38%	0.89%
GROUP INSURANCE	\$0	\$1,625,312	\$1,625,312	\$0	\$1,655,312	\$1,655,312	-\$30,000	\$1,655,312	\$1,655,312	-\$30,000	-1.81%	14.95%
GROUP INSURANCE REIMBURSEMENTS	\$0	\$40,300	\$40,300	\$0	\$40,250	\$40,250	\$50	\$40,250	\$40,250	\$50	0.12%	0.37%
STATUTORY EXPENDITURES	\$0	\$829,010	\$829,010	\$0	\$810,621	\$810,621	\$18,389	\$810,621	\$810,621	\$18,389	2.27%	7.63%
ACCUMULATED SICK/VAC LEAVE & UNEMPLOYMENT	\$0	\$200	\$200	\$0	\$200	\$200	\$0	\$200	\$200	\$0	0.00%	0.00%
MUNICIPAL SEWER CHARGES	\$0	\$6,575	\$6,575	\$0	\$6,575	\$6,575	\$0	\$6,575	\$6,575	\$0	0.00%	0.06%
MUSCONETCONG SEWER FEES (VC)	\$0	\$40,000	\$40,000	\$0	\$49,000	\$49,000	-\$9,000	\$49,000	\$49,000	-\$9,000	-18.37%	0.37%
GARBAGE CONTRACT	\$0	\$650,000	\$650,000	\$0	\$650,000	\$650,000	\$0	\$650,000	\$650,000	\$0	0.00%	5.98%
RECYCLING TAX	\$0	\$10,500	\$10,500	\$0	\$10,500	\$10,500	\$0	\$10,500	\$10,500	\$0	0.00%	0.10%
DEBT SERVICE	\$0	\$591,293	\$591,293	\$0	\$491,478	\$491,478	\$99,815	\$491,478	\$491,478	\$99,815	20.31%	5.44%
DEFERRED CHARGES	\$0	\$30,000	\$30,000	\$0	\$30,000	\$30,000	\$0	\$30,000	\$30,000	\$0	0.00%	0.28%
CAPITAL IMPROVEMENTS	\$0	\$130,000	\$130,000	\$0	\$130,000	\$130,000	\$0	\$130,000	\$130,000	\$0	0.00%	1.20%
FEDERAL AND STATE GRANTS	\$0	\$11,636	\$11,636	\$0	\$41,732	\$41,732	-\$30,097	\$41,732	\$41,732	-\$30,097	-72.12%	0.11%
MUNICIPAL ALLIANCE	\$0	\$0	\$0	\$0	\$5,710	\$5,710	-\$5,710	\$5,710	\$5,710	-\$5,710	-100.00%	0.00%
RES FOR UNCOLLECTED TAXES	\$0	\$1,200,000	\$1,200,000	\$0	\$1,187,639	\$1,187,639	\$12,361	\$1,187,639	\$1,187,639	\$12,361	1.04%	11.04%
TOTAL OTHER EXPENSES	\$0	\$5,755,359	\$5,755,359	\$0	\$5,691,017	\$5,691,017	\$64,341	\$5,691,017	\$5,691,017	\$64,341	1.13%	52.96%
		\$10,868,326	\$10,868,326		\$10,674,104	\$10,674,104	\$194,221	\$10,674,104	\$10,674,104	\$194,221	1.82%	100.00%
												100.00%
												0.60%

2/27/2015

Budget Summary

TOTAL GEN GOVT.	\$67,960
TOTAL PUBLIC SAFETY	\$23,630
TOTAL PUBLIC WORKS	\$36,800
TOTAL COMMUNITY PROGRAMS	\$1,500
TOTAL OTHER EXPENSES	\$100,148
NET CHANGE:	\$230,028

(Excludes Grants)

\$129,880
\$100,148
\$230,028