

# TOWNSHIP OF BYRAM

## NEW JERSEY

MAILING ADDRESS:  
10 MANSFIELD DRIVE  
STANHOPE, NJ 07874  
Phone: 973-347-2500  
Fax: 973-347-0502



WEBSITE ADDRESS:  
[www.byramtwp.org](http://www.byramtwp.org)

TO: Byram Township Mayor and Council

DATE: March 14, 2014

RE: 2014 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 2014 municipal budget including the Capital Improvement Program and Private Programs Offset by Revenues totals \$10,689,336.

### **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 \$29,667 after excluding Public and Private Programs (Grants) Offset by Revenues.

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 \$71,500 increase. Summary of changes include:

- All Salary and Wages - added 1.5% increase in salaries (contract obligation), employees' eligible for steps and changes to longevity.
- Budget plan does not include replacement of a police officer that retired December 31, 2012. Police OT budget was increased \$20,000.
- Administrative Office of Courts is requesting the Township to implement wandering for court security. Added \$20,000 to Court OT Budget.
- Increased DPW Snow OT Budget and Salt Budget a total of \$15,000 due to 2014 early snow storms.
- Increased the amount raised for Improvements to Streets and Roads under the operating budget by \$15,000.

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 decreased \$41,833.

Significant dollar changes were seen in the following appropriations:

Debt Service	Increased	\$ 83,703
Utilities	Decreased	\$ 85,000
Group Insurance	Decreased	\$ 34,688
Solid Waste (Garbage Contract)	Decreased	\$ 20,000

## **REVENUES**

Municipal Operations and the Capital Improvement Program are supported by a variety of revenues. These sources include current property taxes (75.58%), Miscellaneous Revenues including State Aid (9.65%), Fund Balance (surplus) 11.60% and Receipts from Delinquent Taxes (3.17%).

The Township received notification that the State Fiscal Year 2015 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 5.38% 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 as received in October 2012. The Township will receive \$41,920 in PILOT funding.

Other Miscellaneous revenues anticipated comprise 3.44% of the revenues or \$368,000 which is a reduction of \$28,500 from 2013. These anticipated revenues include Court Fees, Uniform Construction Fees, Interest on Investments, Interest and Costs on Taxes, and Fees and Permits. The Township is realizing a reduction of revenues in the following categories:

- Municipal Court Fees reduced \$26,500
- Interest & Cost on Taxes reduced \$5,000 (increased collections lowering delinquents)

The amount of Fund Balance committed to the 2014 budget is \$1,240,102.

This budget plan has property taxes representing 75.58% or \$8,078,681 in revenues. In 2013, budgeted property taxes totaled \$8,020,514 of the revenues. This budget plan is a .7% or \$58,167 increase of the tax levy.

## **TAX RATE**

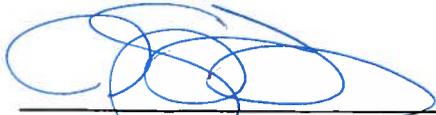
The 2014 municipal budget calls for an estimated municipal rate increase of .007 for each \$100 of assessed value using the net valuation of \$930,101,451. This increase represents an estimated \$20.69 annual municipal tax increase for the average assessed home of \$253,458.

**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 2014 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,



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Joseph W. Sabatini, Township Manager