

# TOWNSHIP OF BYRAM NEW JERSEY

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TO: Township Council  
FROM: Joseph W. Sabatini, Township Manager   
DATE: September 18, 2012  
RE: DRAFT (ESTIMATED) 2013 Municipal Budget

### Disclaimer:

This 2013 proposed budget is the best possible representation based on ESTIMATED expenses. It is too early in the budget process to provide a more accurate view of the budget since most of the items identified below will not be known until the end of the year.

### Summary of Estimated Expenses and Updates since my Memorandum of June 19:

- Applied no changes to Departmental Salary & Wages. Does not include any current contract obligations, i.e. increase for longevity.
- Applied Medical/Rx Increase of 10% and estimated increased contributions for collective bargaining unit employees (Chapter 78 Healthcare and Pension Reform). Included employee change of status from Parent/Child to Family.
- Dental, Life, LTD and AD&D – updated using new rates (Renewed Effective August 1).
- General Liability and Workers' Compensation Insurance – applied a 2% increase.
- Dispatch Services Agreement – No Change from 2012.
- Garbage and Tipping Fee – applied an increase of \$50,000. This was based on the 2011 garbage contract increase and SCMUA tipping fee increase. Bid opening is scheduled for November 1.
- Animal Control Agreement – applied a 2% increase (Mt. Olive).
- Pensions – prior to Chapter 78, 2012 pension amounts for PERS and PFRS were scheduled to increase 6.3% and 14.1% respectively. Not knowing what to expect for 2013, I have applied a 5% increase for PERS and a 10% increase for PFRS.
- Police Operating Budget – reduced \$3,000 (Police Fire and Training reduced \$5,000 and Cars/Public Safety increased \$2,000). Decreased budget for specials (matron) by \$3,500.
- Elections Operating Budget – reduced \$500
- Applied reductions assuming closing of Consolidated School:
  - Buildings and Grounds reduced \$2,600 (fire alarm system)
  - Sewer Charges – reduction of \$8,626
  - Possible Other Reductions:
    - Fuel Oil: Estimated \$10,000
    - Electric: Estimated \$8,000
    - Phone Service: Estimated \$600

- I APPLIED NO CHANGES TO UTILITIES - with the exception of phone expenses. Applied a reduction of \$5,000 based on switch to Xtel under the Middlesex Regional Education Services Commission (MRESC).
- Auditing Fees – applied estimated 2% increase.
- As referenced in the 2012 Budget Message, deferred charges were reducing \$74,000 since 2012 was the last year the Township needed to budget for the special emergency due to the result of the 2007 ordered revaluation. The plan was to restore the capital program in 2013 when the deferred charges reduced. I decreased the deferred charges expense \$74,000, increased drainage improvements \$4,000 and increased Streets and Roads \$70,000.

**Summary of Estimated Revenues:**

- As referenced in the 2012 Budget Message, surplus anticipated in the 2012 budget was increased \$40,000 from 2011. This increase was the result of a one-time dividend that was received as miscellaneous revenue in 2011 from the North Jersey Health Insurance Fund. It was expected that the dependency on surplus for the 2013 budget cycle would minimally be reduced by this amount.
- Reduced surplus anticipated by \$40,000. This proposed budget plan still anticipating \$1,200,102 in surplus balance which is 11.6% of the total revenues.
- Increased amount to be raised by taxes - \$40,000
- Made no changes to other miscellaneous revenues and anticipated the same amounts in the adopted 2012 Municipal Budget. Interest income is expected to be down by approximately 50% for the year. At this time the other miscellaneous revenues (Court, Construction) appear to be on target but will require monitoring throughout the remainder of the year.

**Estimated Tax Levy:**

- 2% Cap (Estimated): 2012 Tax Levy (\$7,826,629) X 2% = \$156,533
- The 2010 Cap Law (Levy Cap) general exclusions include:
  - Increases in debt service and capital expenditures
  - Weather and other “declared” emergencies
  - Pension contributions in excess of two percent
  - Health benefit cost increases in excess of two percent and limited by the increase in State Health Benefit rate increase (10.3% for 2012).
- Increased amount to be raised by taxes - \$278,475 (3.6%) – which is the amount of the total estimated increases in expenses and reduction in revenues.

**NOTES:**

- The 2013 proposed budget is the best possible representation based on known and estimated expenses which are based on prior years.
- Budget Salaries have not been adjusted to reflect ANY changes of staff. Down two DPW Employees (1 retired, 1 resigned).
- If there is a need for staff reductions, target final plan by October 19, 2012. Layoff plan requires approval of Civil Service Commission and Employees receive have a 60 day notification period.

	2013 Budget Amounts			2012 Budget Amounts			Change	%	Change	%	Budget SW & OE	%
	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	0.00%	0.25%	
ADMINISTRATIVE & EXECUTIVE	\$197,000	\$69,750	\$266,750	\$197,000	\$68,150	\$265,150	\$1,600	0.60%	\$1,600	0.60%	2.49%	
CLERK	\$74,500	\$0	\$74,500	\$74,500	\$0	\$74,500	\$0	0.00%	\$0	0.00%	0.70%	
ELECTIONS	\$0	\$7,500	\$7,500	\$0	\$8,000	\$8,000	-\$500	-6.25%	-\$500	-6.25%	0.07%	
FINANCE ADMINISTRATION	\$90,000	\$37,826	\$127,826	\$90,000	\$37,411	\$127,411	\$415	0.33%	\$415	0.33%	1.19%	
COLLECTION OF TAXES	\$40,500	\$7,300	\$47,800	\$40,500	\$7,300	\$47,800	\$0	0.00%	\$0	0.00%	0.45%	
TAX ASSESSMENT	\$74,000	\$38,570	\$112,570	\$74,000	\$38,920	\$112,920	-\$350	-0.31%	-\$350	-0.31%	1.05%	
AUDIT FEES	\$0	\$29,660	\$29,660	\$0	\$28,980	\$28,980	\$680	2.35%	\$680	2.35%	0.28%	
LEGAL SERVICES & COSTS	\$0	\$115,000	\$115,000	\$0	\$115,000	\$115,000	\$0	0.00%	\$0	0.00%	1.08%	
ENGINEERING SERVICES	\$0	\$40,000	\$40,000	\$0	\$40,000	\$40,000	\$0	0.00%	\$0	0.00%	0.37%	
PLANNING BOARD	\$19,000	\$41,350	\$60,350	\$19,000	\$41,350	\$60,350	\$0	0.00%	\$0	0.00%	0.56%	
ZONING	\$29,000	\$500	\$29,500	\$29,000	\$500	\$29,500	\$0	0.00%	\$0	0.00%	0.28%	
CONSTRUCTION OFFICIAL	\$128,000	\$7,475	\$135,475	\$128,000	\$7,475	\$135,475	\$0	0.00%	\$0	0.00%	1.27%	
ENVIRONMENTAL COMMISSION	\$0	\$2,600	\$2,600	\$0	\$2,600	\$2,600	\$0	0.00%	\$0	0.00%	0.02%	
BOARD OF HEALTH	\$0	\$400	\$400	\$0	\$400	\$400	\$0	0.00%	\$0	0.00%	0.00%	
ANIMAL CONTROL	\$9,500	\$9,435	\$18,935	\$9,500	\$9,250	\$18,750	\$185	0.99%	\$185	0.99%	0.18%	
MUNICIPAL COURT	\$71,200	\$10,100	\$81,300	\$71,200	\$10,100	\$81,300	\$0	0.00%	\$0	0.00%	0.76%	
MUNICIPAL PROSECUTOR	\$0	\$25,000	\$25,000	\$0	\$25,000	\$25,000	\$0	0.00%	\$0	0.00%	0.23%	
<b>TOTAL GEN GOVT.</b>	<b>\$750,200</b>	<b>\$451,966</b>	<b>\$1,202,166</b>	<b>\$750,200</b>	<b>\$449,936</b>	<b>\$1,200,136</b>	<b>\$2,030</b>	<b>0.17%</b>	<b>\$2,030</b>	<b>0.17%</b>	<b>11.24%</b>	<b>24.46%</b>
POLICE DEPARTMENT	\$1,876,000	\$126,250	\$2,002,250	\$1,878,500	\$129,250	\$2,007,750	-\$5,500	-0.27%	-\$5,500	-0.27%	18.72%	
EMERGENCY SQUAD	\$0	\$25,500	\$25,500	\$0	\$25,500	\$25,500	\$0	0.00%	\$0	0.00%	0.24%	
EMERGENCY MANAGEMENT	\$0	\$3,000	\$3,000	\$0	\$3,000	\$3,000	\$0	0.00%	\$0	0.00%	0.03%	
FIRE DEPARTMENT	\$0	\$88,525	\$88,525	\$0	\$88,525	\$88,525	\$0	0.00%	\$0	0.00%	0.83%	
FIRE PREVENTION	\$0	\$3,900	\$3,900	\$0	\$3,900	\$3,900	\$0	0.00%	\$0	0.00%	0.04%	
(911) RADIO COMMUNICATIONS	\$0	\$176,500	\$176,500	\$0	\$176,500	\$176,500	\$0	0.00%	\$0	0.00%	1.65%	
<b>TOTAL PUBLIC SAFETY</b>	<b>\$1,876,000</b>	<b>\$423,675</b>	<b>\$2,299,675</b>	<b>\$1,878,500</b>	<b>\$426,675</b>	<b>\$2,305,175</b>	<b>-\$5,500</b>	<b>-0.24%</b>	<b>-\$5,500</b>	<b>-0.24%</b>	<b>21.50%</b>	<b>46.79%</b>
PUBLIC WORKS DEPARTMENT	\$739,950	\$281,250	\$1,021,200	\$739,950	\$281,250	\$1,021,200	\$0	0.00%	\$0	0.00%	9.55%	
IMPROVEMENTS TO STREETS & ROADS	\$0	\$70,000	\$70,000	\$0	\$70,000	\$70,000	\$0	0.00%	\$0	0.00%	0.65%	
BUILDINGS AND GROUNDS	\$54,000	\$33,000	\$87,000	\$54,000	\$35,600	\$89,600	-\$2,600	-2.90%	-\$2,600	-2.90%	0.81%	
RECYCLING	\$5,600	\$10,000	\$15,600	\$5,600	\$10,000	\$15,600	\$0	0.00%	\$0	0.00%	0.15%	
FLEET MAINTENANCE	\$0	\$113,500	\$113,500	\$0	\$113,500	\$113,500	\$0	0.00%	\$0	0.00%	1.06%	
<b>TOTAL PUBLIC WORKS</b>	<b>\$799,550</b>	<b>\$507,750</b>	<b>\$1,307,300</b>	<b>\$799,550</b>	<b>\$510,350</b>	<b>\$1,309,900</b>	<b>-\$2,600</b>	<b>-0.20%</b>	<b>-\$2,600</b>	<b>-0.20%</b>	<b>12.22%</b>	<b>26.60%</b>
RECREATION	\$65,200	\$6,150	\$71,350	\$65,200	\$6,150	\$71,350	\$0	0.00%	\$0	0.00%	0.67%	
SENIOR CITIZEN CONTRIBUTION	\$0	\$9,000	\$9,000	\$0	\$9,000	\$9,000	\$0	0.00%	\$0	0.00%	0.08%	
SENIOR CITIZEN TRANSPORTATION	\$22,000	\$976	\$22,976	\$22,000	\$976	\$22,976	\$0	0.00%	\$0	0.00%	0.21%	
CELEBRATION OF PUBLIC EVENTS	\$0	\$2,000	\$2,000	\$0	\$2,000	\$2,000	\$0	0.00%	\$0	0.00%	0.02%	
<b>TOTAL COMMUNITY PROGRAMS</b>	<b>\$87,200</b>	<b>\$18,126</b>	<b>\$105,326</b>	<b>\$87,200</b>	<b>\$18,126</b>	<b>\$105,326</b>	<b>\$0</b>	<b>0.00%</b>	<b>\$0</b>	<b>0.00%</b>	<b>0.98%</b>	<b>2.14%</b>
<b>TOTAL</b>	<b>\$3,512,950</b>	<b>\$1,401,517</b>	<b>\$4,914,467</b>	<b>\$3,515,450</b>	<b>\$1,405,087</b>	<b>\$4,920,537</b>	<b>-\$6,070</b>	<b>-0.12%</b>	<b>-\$6,070</b>	<b>-0.12%</b>	<b>45.94%</b>	<b>100.00%</b>

ELECTRICITY	\$0	\$87,000	\$87,000	\$0	\$87,000	\$87,000	\$0	\$0	\$0	0.00%	0.81%
STREET LIGHTING	\$0	\$36,000	\$36,000	\$0	\$36,000	\$36,000	\$0	\$0	\$0	0.00%	0.34%
TELEPHONE	\$0	\$25,000	\$25,000	\$0	\$30,000	\$30,000	-\$5,000	\$0	\$0	-16.67%	0.23%
HEATING OIL	\$0	\$120,000	\$120,000	\$0	\$120,000	\$120,000	\$0	\$0	\$0	0.00%	1.12%
GASOLINE	\$0	\$125,000	\$125,000	\$0	\$125,000	\$125,000	\$0	\$0	\$0	0.00%	1.17%
GENERAL LIABILITY	\$0	\$176,460	\$176,460	\$0	\$173,029	\$173,029	\$3,431	\$0	\$0	1.98%	1.65%
WORKERS COMP	\$0	\$89,232	\$89,232	\$0	\$87,482	\$87,482	\$1,750	\$0	\$0	2.00%	0.83%
GROUP INSURANCE	\$0	\$1,683,000	\$1,683,000	\$0	\$1,531,127	\$1,531,127	\$151,873	\$0	\$0	9.92%	15.73%
STATUTORY EXPENDITURES	\$0	\$836,910	\$836,910	\$0	\$792,792	\$792,792	\$44,118	\$0	\$0	5.56%	7.82%
ACCUMULATED SICK/VAC LEAVE & UNEMPI	\$0	\$200	\$200	\$0	\$100	\$100	\$100	\$0	\$0	100.00%	0.00%
MUNICIPAL SEWER CHARGES	\$0	\$6,574	\$6,574	\$0	\$15,300	\$15,300	-\$8,726	\$0	\$0	-57.03%	0.06%
MUSCONETCONG SEWER FEES (VC)	\$0	\$69,000	\$69,000	\$0	\$69,000	\$69,000	\$0	\$0	\$0	0.00%	0.65%
GARBAGE CONTRACT	\$0	\$752,500	\$752,500	\$0	\$702,500	\$702,500	\$50,000	\$0	\$0	7.12%	7.03%
RECYCLING TAX	\$0	\$10,500	\$10,500	\$0	\$10,500	\$10,500	\$0	\$0	\$0	0.00%	0.10%
DEBT SERVICE	\$0	\$403,970	\$403,970	\$0	\$396,970	\$396,970	\$7,000	\$0	\$0	1.76%	3.78%
DEFERRED CHARGES	\$0	\$30,000	\$30,000	\$0	\$104,000	\$104,000	-\$74,000	\$0	\$0	-71.15%	0.28%
CAPITAL IMPROVEMENTS	\$0	\$130,000	\$130,000	\$0	\$56,000	\$56,000	\$74,000	\$0	\$0	132.14%	1.22%
FEDERAL AND STATE GRANTS	\$0	\$2,235	\$2,235	\$0	\$2,235	\$2,235	\$0	\$0	\$0	0.00%	0.02%
MUNICIPAL ALLIANCE	\$0	\$11,420	\$11,420	\$0	\$11,420	\$11,420	\$0	\$0	\$0	0.00%	0.11%
RES FOR UNCOLLECTED TAXES	\$0	\$1,187,639	\$1,187,639	\$0	\$1,187,639	\$1,187,639	\$0	\$0	\$0	0.00%	11.10%
PBA REPRESENTATIVE CONTRACT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!	0.00%
<b>TOTAL OTHER EXPENSES</b>		<b>\$5,782,639</b>	<b>\$5,782,639</b>		<b>\$5,538,094</b>	<b>\$5,538,094</b>	<b>\$244,545</b>			<b>4.42%</b>	<b>54.06%</b>
			<b>\$10,697,106</b>			<b>\$10,458,631</b>	<b>\$238,475</b>			<b>2.28%</b>	<b>100.00%</b>