

# HARDING TWP BUDGET PLANNING 2009/2010/2011

- ALL Major Revenue sources are either FLAT or DOWN in '09 projecting same trend '10 thru '11
  - Surplus ↓
  - State Aid ↓
  - Fees & Permit ↓
  - Interest Income ↓
  - COAH Fees ↓
  - UCC Revenue ↓
- Ratables up 1.0% in 2010
- Projecting Largest **Expense** lines are either FLAT or UP '10 thru '11
  - Increasing: Salaries; Health Benefits; Pensions; Utilities
  - Flat: Debt Service, Capital (based on current borrowing/spending plan)
- **\$1.7M Net Gap** to 0% Growth in Harding Twp's Tax Rate '10 thru '11
  - \$ 923K in 2010 (\$537K Expenses Up - \$386K Revenue Down)
  - + 769K in 2011
  - \$1,692K '10 – '11

## AREAS TO EXPLORE TO ELIMINATE BUDGET GAP

- Several alternative approaches exist to close gap; none are easy and all require immediate action to have impact in 2010
- Drive 4 Key Revenue-Generating Departments to “Revenue Neutral” Position. Maximum annual upside \$794K (Projected thru 12/31/09) if implemented 1/1/10

| Department        | *Revenue  | *Expenses | *Net Result | Result as of 9/30/09 |
|-------------------|-----------|-----------|-------------|----------------------|
| UCC-Fees          | \$135,000 | \$289,670 | (\$154,670) | (\$ 94,562)          |
| Health Department | \$ 30,000 | \$351,660 | (\$321,660) | (\$235,282)          |
| Municipal Court   | \$153,000 | \$255,356 | (\$102,356) | (\$ 60,361)          |
| Planning & Zoning | \$ 10,000 | \$226,207 | (\$216,207) | (\$182,446)          |

\*All amounts are projected thru 12/31/2009

- Furloughs
  - Less than \$10K per day savings
- Layoffs (Current Staffing Levels):
  - PBA Employee: 12 F/T @ avg. salary \$92,206; avg. benefits \$66,146
  - Admin. Employee: 19 F/T @ avg. salary \$61,791; avg. benefits \$29,052  
12 P/T @ avg. salary \$25,700; avg. benefits \$5,573

## AREAS TO EXPLORE TO ELIMINATE BUDGET GAP

- Explore Shared Service or perhaps Consolidation with other Municipalities for highest cost operations
  - Public Safety
  - Public Works
  - Health
  - Court
  - UCC
- Health Dept. contract with Hanover Township is escalating average 36% annually since 2004 (was \$22k in 2004 projected at \$95K for 2010)
- Use more Surplus – creates future surplus dilemma, i.e. how to regenerate (not recommended)
- Apply for Extraordinary Aid? Will not qualify until we use up all surplus and budget reserve
- Reduce Reserve for Uncollected Taxes
- Aggressive School Budget discussion to minimize/eliminate overall tax increase to taxpayers

## OTHER TAX CONSIDERATIONS

| Year  | 2009       | 2010       | 2011       |
|---|------------|------------|------------|
| Open Space Tax @ 4 cents                          | \$808,404  | \$816,315  | \$828,377  |
| Open Space Debt Service                           | \$471,438  | \$406,724  | \$406,135  |
| (Includes Glen Alpin)                             | (\$70,816) | (\$70,118) | (\$69,946) |
| Available Balance<br>(before maintenance expense) | \$336,966  | \$409,591* | \$422,242* |

\* Net 10% Historic Authorized expenditures

- Municipal Budget Revenue:           \$~9M  
   (\$~5M raised from local taxpayers)

# DEBT ANALYSIS

## TOTAL OUTSTANDING DEBT

| Total        | Affordable Housing | Open Space  | Municipal   | Wildlife Preserves |
|--------------|--------------------|-------------|-------------|--------------------|
| \$14,209,656 | \$4,412,576        | \$6,179,575 | \$2,066,554 | \$1,551,146        |
| 100%         | 31.05%             | 43.49%      | 14.54%      | 10.92%             |

## AMORTIZATION OF MUNICIPAL DEBT PAYMENT (OTHER THAN OPEN SPACE)

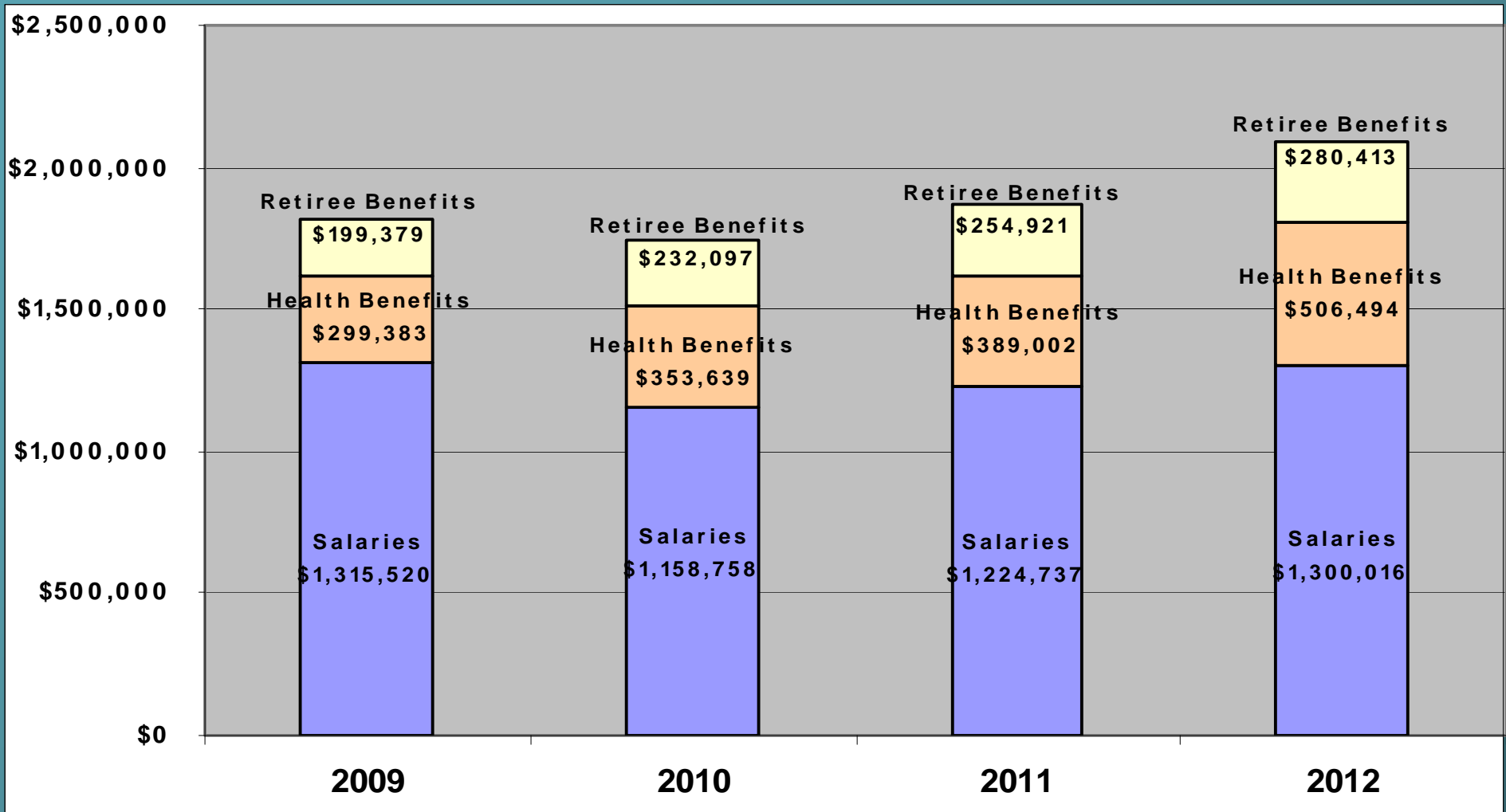
| Year | Total     | Affordable Housing | Municipal | Wildlife Preserves |
|------|-----------|--------------------|-----------|--------------------|
| 2010 | \$786,312 | \$432,358          | \$202,488 | \$151,466          |
| 2011 | \$788,050 | \$433,314          | \$202,935 | \$151,801          |

# STAFFING BY DEPARTMENT

| Department  | 12/31/06 Staffing | Current Staffing |
|---|-------------------|------------------|
| <b>Planning / Zoning</b><br>Planning Board Administrator, Board of Adjustment Administrator, Zoning Officer                                       | 2 FT              | 1.5 FT           |
| <b>Court</b><br>Judge, Prosecutor, Court Administrator, Deputy Court Administrator  | 2 FT<br>2 PT      | 1 FT<br>3 PT     |
| <b>Health Department</b><br>Health Administrator, Senior Environmental Specialist, Administrative Assistant                                       | 2 FT<br>1 PT      | 2 FT<br>1 PT     |
| <b>Finance / Tax</b><br>CFO, Finance Manager, Senior Bookkeeper,<br>Tax Collector, Tax Assessor, Tax Clerk  | 1.5 FT<br>5 PT    | 1 FT<br>5 PT     |
| <b>Administration / Municipal Clerk</b><br>Administrator/Municipal Clerk/Registrar, Deputy Clerk/Receptionist,<br>Assistant to the Administrative | 4 FT              | 2.5 FT           |
| <b>Construction</b><br>Construction Official, Subcode Officials   | 2 FT<br>3 PT      | 2 FT<br>3 PT     |
| <b>Public Works</b><br>Superintendent, Foremen, Laborer/Drivers   | 8 FT              | 8 FT             |
| <b>Police</b><br>Chief, Lieutenant, Sergeants, Patrolmen<br>Secretary   | 15 FT<br>1 FT     | 12 FT*<br>1 FT   |

\*14 officers in 2009 budget

# POLICE PERSONNEL-RELATED COSTS GOING FORWARD



Assumptions: Staffing levels remain at 12 officers  
 Salaries = Per PBA Contract and Accumulated Absences Payout for Retirees.  
 Health Benefits = 2009 Actual Amount ; 2010, 2011 and 2012 – 10% YTY increase.  
 Analysis does not include: Overtime Salaries, Longevity, Pensions, and FICA.

## NEXT STEPS/NOVEMBER UPDATES

- **4 subcommittees to report on progress achieving “Revenue Neutral” operations in 2010 (UCC: Lanzerotti; Health: Rybka; Court: Egea; Planning: Bartlett)**
  - Incl. Hanover contract in Health Dept discussion
- **Liaisons to all other committees, departments (DPW, Finance, Admin.) and School to review 2010 budgets to identify any reductions**
- **Township Administrator to report on any NEW Shared Service potential agreements that could positively impact 2010 budget**