

2012 Preliminary Budget Discussion

December 22, 2011

Harding Township

2012 Preliminary Budget

Revenue - 3 Year Budget Comparison

General Revenues	2010	2011	10 vs 11	% Difference	2012	11 vs 12	% Difference
Surplus	1,870,000	2,030,000	160,000	8.56%	1,870,000	-160,000	-7.90%
Municipal Revenues	570,300	600,800	30,500	5.35%	472,250	-128,550	-21.40%
Energy Tax Receipts	457,612	454,168	-3,444	-0.75%	454,168	-	-
UCC - Construction	215,000	250,000	35,000	16.28%	250,000	-	-
Delinquent Taxes	135,000	15,000	-120,000	-88.89%	15,000	-	-
Subtotal	3,247,912	3,349,968	102,056	3.14%	3,061,418	-288,550	-8.60%
Taxes	5,297,882	5,435,713	137,831	2.60%			
Total General Taxes	8,545,794	8,785,681	341,943	2.81%			

2012 Preliminary Budget

Revenue - Budget Drivers

<i>Surplus</i>	<i>-\$160K</i>	<i>Fish & Wildlife Revenues and Other Franchise Fees</i>
<i>Municipal Court</i>	<i>-\$95K</i>	<i>Reduced Moving Traffic Violation Tickets</i>
<i>Interest Income</i>	<i>-\$30K</i>	<i>Fed Funds Rate Near Zero - Most banks pay little or no interest on deposits</i>
<i>Permit Fees</i>	<i>-\$4K</i>	<i>Budget cannot exceed 2011 actual</i>
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<i>Total Revenue Drivers</i>	<i>-\$289K</i>	<i>Loss of Revenue 2012</i>

2012 Preliminary Budget

Expenses - 3 Year Budget Comparison

	2010	2011	10 vs 11 Difference	% Difference	2012 Prelim	11 vs 12 Difference	% Difference
Salaries	2,726,200	2,675,025	-51,175	-1.88%	2,705,400	30,375	1.14%
Other Expenses	1,206,180	1,337,045	130,865	10.85%	1,357,063	20,018	1.50%
Insurance	1,481,000	1,471,000	-10,000	-0.68%	1,541,000	70,000	4.76%
Social Security	240,000	215,000	-25,000	-10.42%	215,000	-	-
Pension	468,664	562,126	93,462	19.94%	414,234	-147,892	-26.31%
Inter-local	145,367	245,725	100,358	69.04%	232,425	-13,300	-5.41%
Capital Improvements	450,000	450,000	0	0.00%	450,000	-	-
Debt Service	786,360	788,145	1,785	0.23%	788,957	812	0.10%
Affordable Housing	35,000	35,000	0	0.00%	35,000	-	-
Deferred Charges	125,000	125,000	0	0.00%	125,000	-	-
Reserve For Uncollected Taxes	882,023	881,615	-408	-0.05%	910,045	28,430	3.22%
TOTAL	8,545,794	8,785,681	239,887	2.81%	8,774,124	-11,557	-0.13%

2012 Preliminary Budget

Expenses - Budget Drivers

<i>2012 NJ State Property Tax Relief (PERS / PFRS)</i>	- \$147K	<i>Governor Christie's Pension Reform - Reduced Final Billing on PERS/PFRS</i>
<i>Joint Municipal Court</i>	- \$72K	<i>Municipal Court Budget / % Joint Court</i>
<i>Health Insurance (Net of Non-PBA Employee Contribution)</i>	+ \$70K	<i>9-10.5% Increase in Health Care Premium</i>
<i>PBA Salary Increase</i>	+ \$63K	<i>Per PBA Contract</i>
<i>Non-PBA Salary Increase</i>	+ \$38K	<i>2% Increase for Non-PBA Employees</i>

2012 Preliminary Budget

Expenses - Budget Drivers

<i>Reserve for Uncollected Tax</i>	+ \$28K	<i>Contingent Upon Tax Collection Rate</i>
<i>Miscellaneous OE</i>	+ \$20K	<i>Municipal Service & Human Resource</i>
<i>Engineering</i>	- \$12K	<i>Reduced General Engineering Budget</i>
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<i>Expense Drivers Total:</i>	- <u>\$12K</u>	<i>Expenses Decrease</i>

2012 Preliminary Budget Discussion

Other Expense includes:

Legal Service – 115,000

Joint Municipal Court – 90,000

Engineering – 67,500

Library – 40,000

2012 Preliminary Budget Discussion

Allowable Tax Levy and Budget Gap

Allowable Tax Levy	-222K (4% increase from 2011)
2% Tax Levy Increase \$106,214	
Health Care Cap \$ 98,145	
New Rateable Adjustment \$ 17,010	
Debt Service Cap \$ 812	
Available Levy Cap Bank from 2011	-102K
Total Allowable Tax Increase	324K (6% increase over '11)

TAX LEVY WITH PRELIM EXPENSE VIEW

Loss of Revenue	289K
Expenses Decrease	-12K
Needed Net Tax Increase	277K

2012 Preliminary Budget

Allowable Tax Levy and Budget Gap

	<i>2012 Maximum Allowable</i>	<i>Current Prelim Appropriations (Expense)</i>			
<i>% Increase</i>	6%	5%	4%	3%	2%
<i>\$ Increase</i>	324K	277K	217K	163K	109K
<i>\$ Amount Needed to Close Budget</i>	-	-	60K	114K	168K

What's Next

January/February 2012

Establish target for tax % increase/expense
reduction

Continue Department presentations

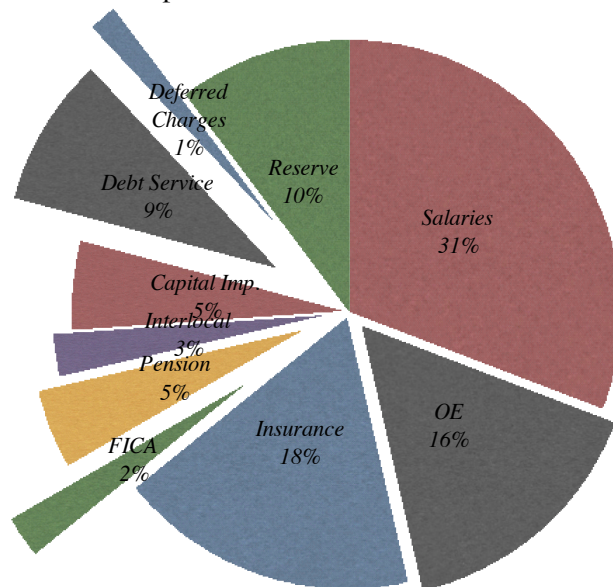
Evaluate impact of expense reductions to
achieve target tax % increase

Open Space Tax Rate and Capital Plan

BACK UP

2012 Preliminary Budget

Expenses - Allocation Pie Chart



2012 Preliminary Budget

Revenue - Allocation Pie Chart

