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# Mendham Township 2011 Municipal Budget

Mayor, Frank Cioppettini

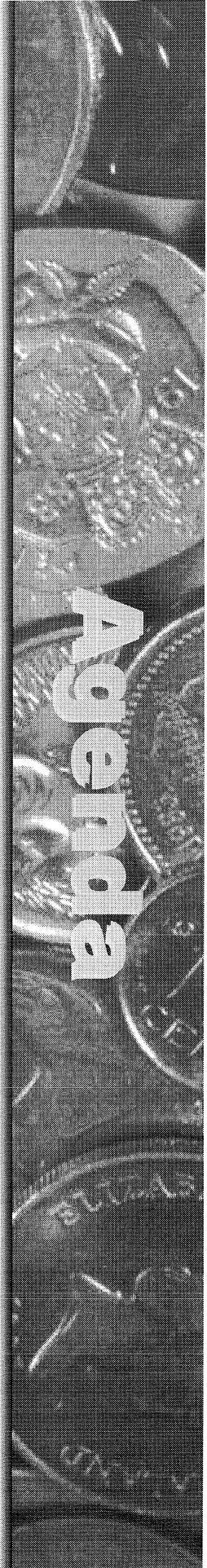
Committee Member, Samuel Tolley

Committee Member, Richard Krieg

Committee Member, Maribeth Thomas

Committee Member, Richard Merkt

Presented by: Township Administrator, Stephen Mountain/Chief Financial Officer, Timothy Day



# Agenda

This evening the Mendham Township Committee will be presenting the 2011 municipal budget for public hearing and adoption.

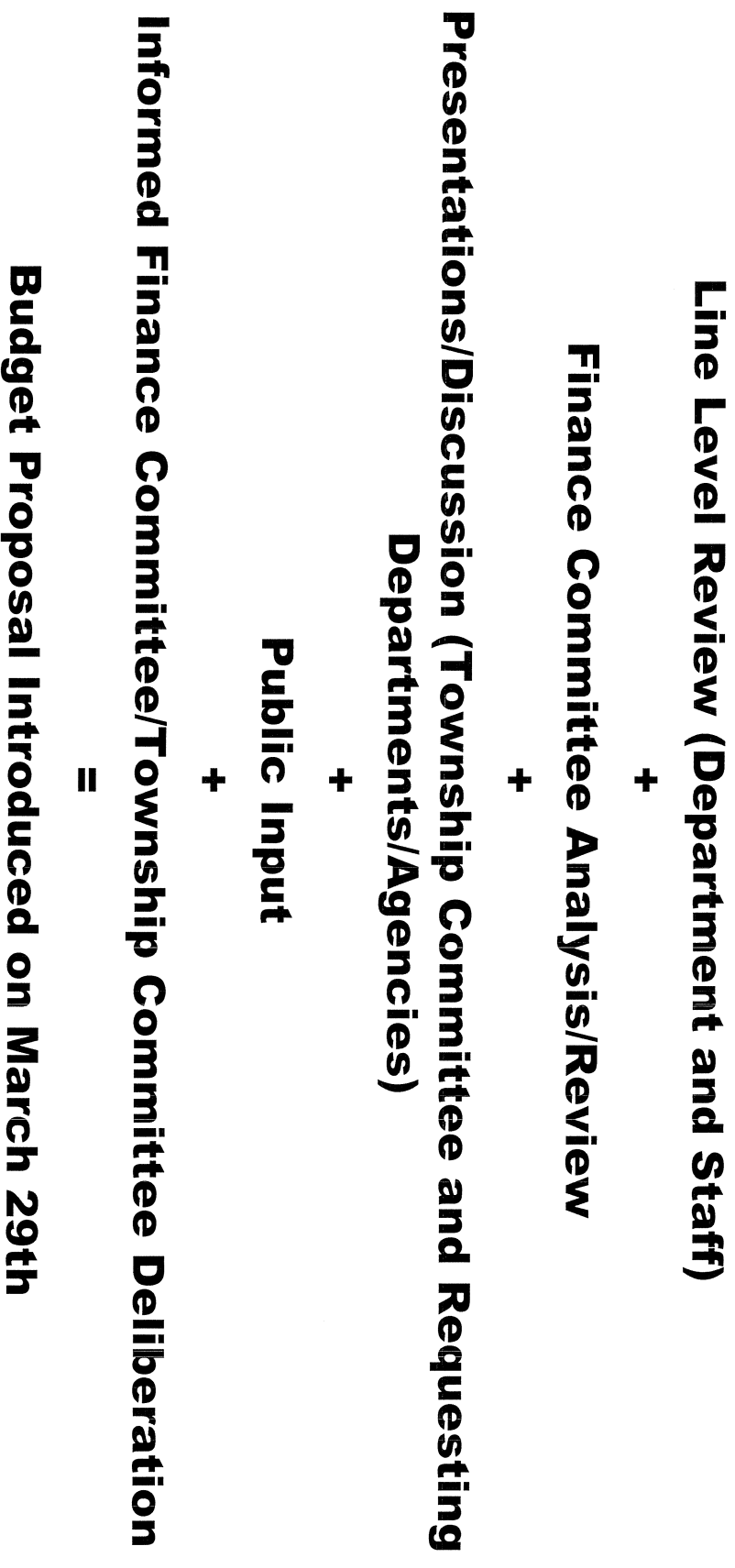
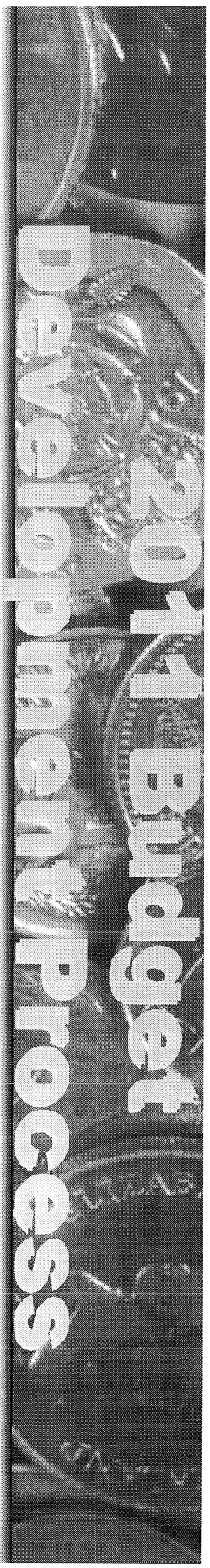
This presentation provides an overview of the proposed budget and of the process the Committee followed to assemble before the public for adoption.

- **Budget Goals**
- **The Process**
- **Local Tax Climate**
- **Budget Constraints**
- **Cost Reduction Initiatives**
- **Appropriations**
- **Revenues**
- **Capital Expenditures**
- **Open Space Tax**
- **2011 Budget Impact/Overview**
- **Look Ahead**



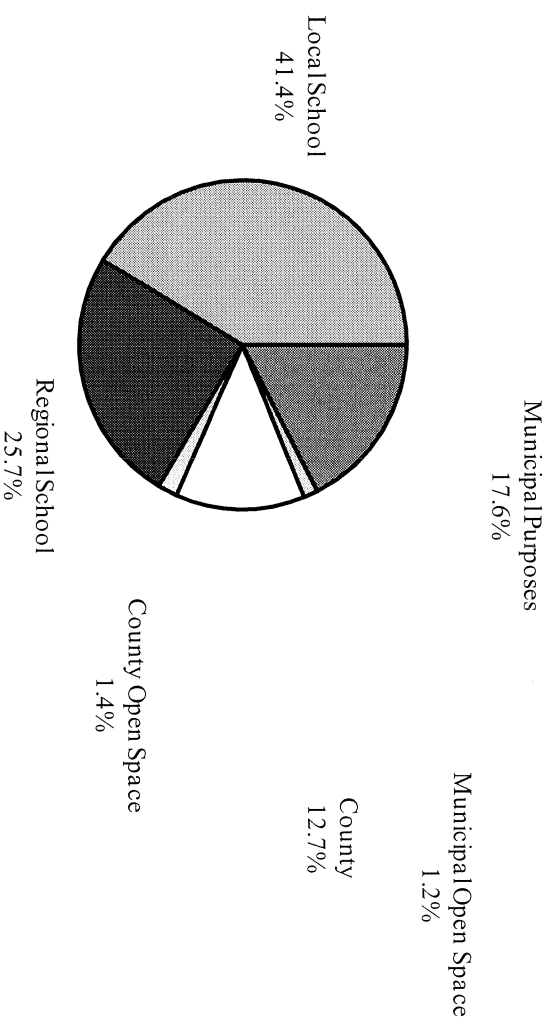
# 2011 Budget Goals

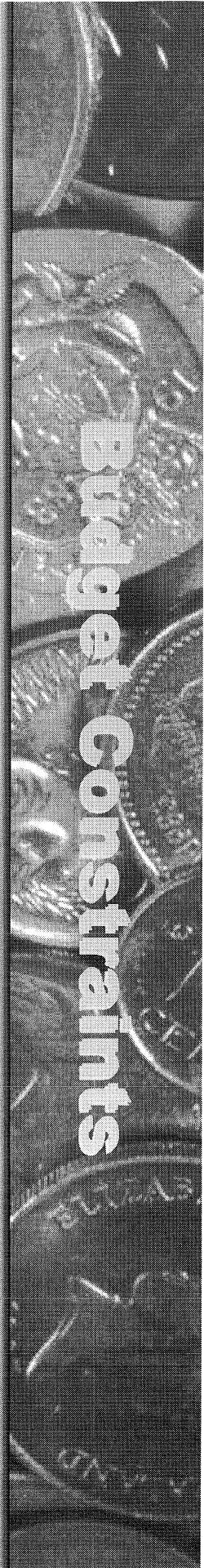
- **Involve Department Directors, Volunteer Leaders and other appropriate staff in an effort to reduce discretionary operating expenditures without reducing the quality of service delivery.**
- **Freeze or reduce expenditures in Salary & Wages (S&W) and other employee benefit line items for 2011 to minimize tax impact and remain under statutory cap(s).**
- **Avoid significant reductions in force (layoffs) that could adversely impact the Township's ability to deliver services efficiently.**
- **Minimize/defer capital expenditures to limit the impact of debt on the operating budget in 2011 and beyond.**
- **Identify potential areas for operational improvements and/or additional cost savings/revenue enhancements for 2011 and beyond.**



# Local Tax Climate

## Allocation of 2011 Tax Dollars





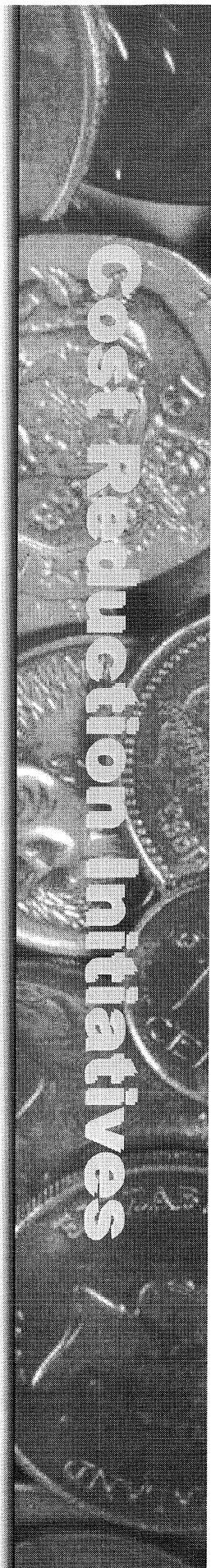
## **Budget Constraints**

### **Declining Revenue:**

- **Reduced State Aid - \$158,333 over the last five years**
- **Reduced Fund Balance - \$780,858 over last five years.**
- **Reduced Ratable Base - \$242,564,915 over the last five years.**

### **Increased Expenses:**

- **Escalating insurance premiums - \$109,038**
  - **Health**
  - **Dental**
  - **Property/Casualty**
  - **Workers Compensation**
- **Escalating Utility Costs - \$39,000**
- **Increased Pension Costs - \$78,622**
- **Increased Snow Removal Costs- \$25,000**



## Cost Reduction Initiatives

The Township in the past year continued efforts to restructure the municipal operation to reduce expenses without sacrificing services. In the past year we have implemented the following changes saving over \$470,526 in the 2011 operating budget.

- **Renegotiated Public Works Teamster's contract for 2011: \$9,308**
- **Deferred replacement of two foreman positions in DPW: \$10,000-\$15,000**
- **Eliminated paid health benefits for Township Committee: \$113,000**
- **Contract Services/Vendors: \$31,800**
  - **Legal**
  - **Engineering**
  - **Trash**
- **Non-replacement of 2 patrolman positions in Police Department: \$124,820**
- **Eliminated a clerical position in Police Department: \$66,223**
- **Expanded shared public works services with Mendham Borough: \$10,000**
- **Reduced discretionary operating expenses across the board by 10%+: \$84,325**

# Appropriation Summary

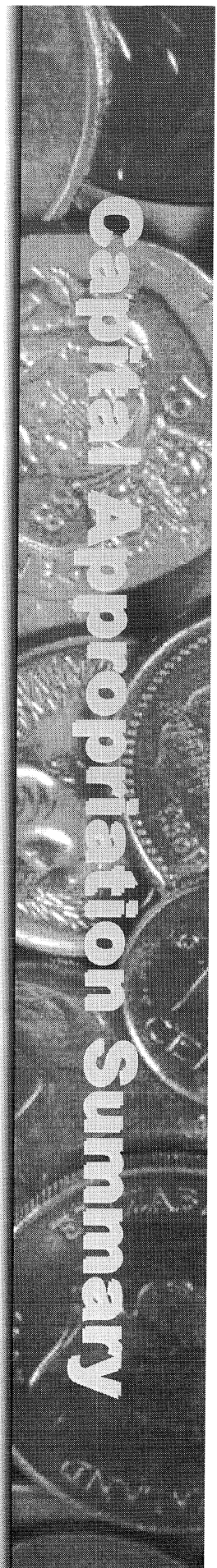
APPROPRIATION ITEM	ACTUAL		INTRODUCED		DIFF
	2010	AMOUNT	2011	AMOUNT	
Public Safety (Police, Dispatch, & Fire Insp.)	\$	1,912,009.26	\$	1,786,100.00	\$ (125,909.26)
Volunteer (EMS Services)*	\$	56,431.35	\$	44,500.00	\$ (11,931.35)
General Government	\$	1,693,717.61	\$	1,507,485.00	\$ (186,232.61)
Public Works	\$	1,300,150.85	\$	1,299,300.00	\$ (850.85)
Debt Service	\$	1,070,967.01	\$	1,033,100.00	\$ (37,867.01)
Reserve for Uncollected Taxes	\$	970,000.00	\$	920,000.00	\$ (50,000.00)
Statutory Expenses	\$	738,062.41	\$	817,457.00	\$ 79,394.59
Utility and Bulk Expenses	\$	269,608.91	\$	308,000.00	\$ 38,391.09
Municipal Court	\$	226,560.99	\$	241,100.00	\$ 14,539.01
Library	\$	180,000.00	\$	200,000.00	\$ 20,000.00
Health and Welfare	\$	158,392.59	\$	162,600.00	\$ 4,207.41
Construction Code Enforcement	\$	131,213.53	\$	129,400.00	\$ (1,813.53)
Public Events & LOSAP & Sick Leave	\$	42,700.00	\$	80,000.00	\$ 37,300.00
Capital Improvements	\$	14,000.00	\$	13,400.00	\$ (600.00)
Recreation and Education	\$	52,146.79	\$	60,700.00	\$ 8,553.21
Public/Private Programs Offset by Revenue	\$	50,799.03	\$	27,419.37	\$ (23,379.66)
Deferred Charges	\$	18,120.00	\$	18,120.00	\$ -
Other	\$	1,000.00	\$	1,000.00	\$ -
<b>TOTAL</b>	<b>\$</b>	<b>8,885,880.33</b>	<b>\$</b>	<b>8,649,681.37</b>	<b>\$ (236,198.96)</b>

\* Brookside & Ralston Engine Company vehicle upgrades & repairs (\$27,000) were included in the 2011 Capital Plan.

# Revenue Summary

Account Description	2010	2011
	Actual	Introduced Budget
AMOUNT TO BE RAISED BY TAXES	6,038,054.17	6,312,936.12
Anticipated Surplus - Cash	790,871.00	809,142.00
ABC Licenses - Clerk	2,150.00	2,150.00
Fees & Permits	75,825.41	84,103.00
Uniform Fire Safety	1,770.82	1,770.00
Rents - Twp. Owned Properties	16,600.00	16,600.00
Special Reserves/Savings-General Capital	320,000.00	0.00
Municipal Court Fines	179,119.64	179,119.00
Reserve for Debt Service	110,000.00	24,500.00
Interest & Costs on Taxes	85,004.33	71,326.00
New Recycling Rebates & Fees	4,790.19	15,761.88
Uniform Constr Code Fee	177,847.00	167,508.00
Res for Sale of Mun Asset	17,307.00	19,737.00
Energy Tax Receipts	433,926.00	433,926.00
Spring Supplemental Energy Tax Receipts	25,074.00	25,074.00
Watershed Aid	28,059.00	28,059.00
Reserve for Natural Area Maint. Funds	15,000.00	10,000.00
Recycling Tonnage Grant	0.00	4,917.68
Body Armor Replacement	866.27	866.27
Alcohol Ed Rehab Fund	3,468.84	3,468.84
Health Insurance Contribution	42,321.97	0.00
Highlands Council-Module 2/3 Reimburse	35,866.58	10,866.58
Sustainable Jersey Small Grant	1,000.00	0.00
Drunk Driving Enforcement	8,328.14	0.00
Over the Limit Under Arrest	0.00	4,800.00
Clean Communities Program	16,884.38	0.00
Interlocal Agreement- Court	134,153.50	134,100.00
Interlocal Agreement- Court (Public Defender)	0.00	2,000.00
RECEIPTS FR DELINQUENT TAXES	253,235.89	209,050.00
Misc. - Cable Franchise	70,128.47	77,900.00
<b>TOTAL</b>	<b>\$ 8,887,652.60</b>	<b>\$ 8,649,681.37</b>

4/20/2011



# Capital Appropriation Summary

## **Bond Ordinance - #2-2011 (Various Capital Improvements)**

- **Appropriating \$448,900**
- **Authorizing \$246,600 in Bond Anticipation Notes (BAN)**

## **Resolution - #2011-68 (Canceling Capital Appropriation Balances)**

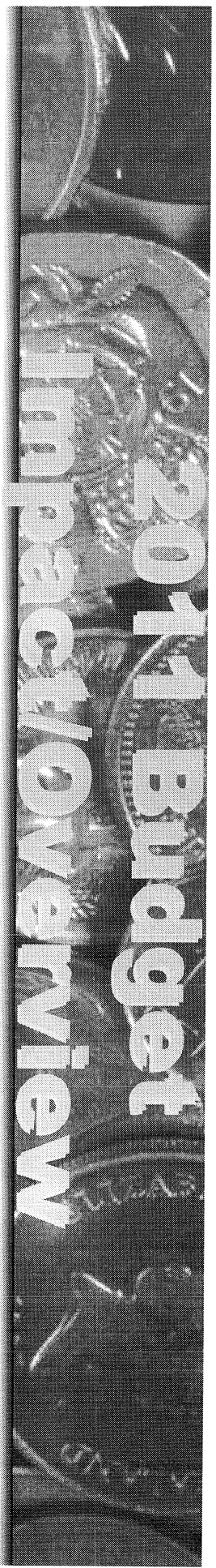
- **Cancelled \$287,827.10 Capital Ordinance Balances**
  - **\$109,855.02 Funded (Capital Surplus)**
  - **\$177,972.08 Unfunded (Capital Debt)**
- **Funded Capital Surplus will pay for \$104,282.49 in Capital Improvements**
- **Unfunded Capital Debt will reduce the Township's Debt Service**

# Capital Appropriation Summary

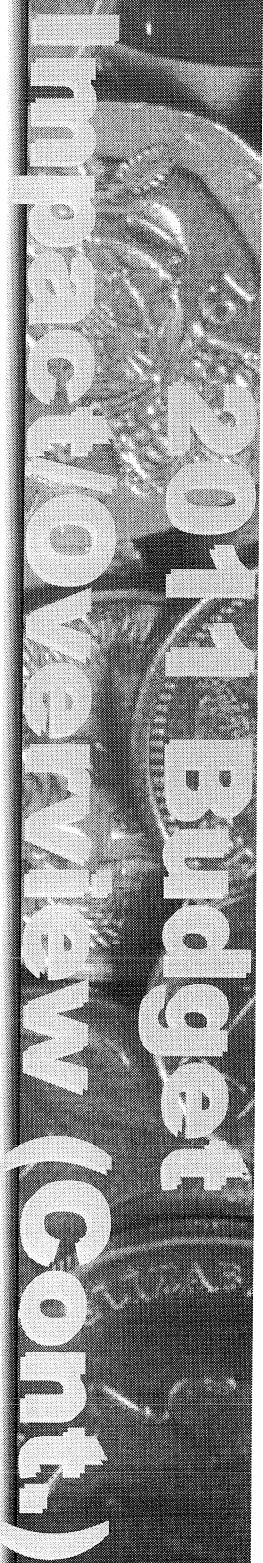
DEPT.	PROJECT	Requested Amount	Capital Impr Fund	Funding Sources	Debt Authorized
GEN. GOVT.	Building Energy Efficiency Improvements	\$84,700.00		Capital Surplus \$14,082.49 Grants/Donations \$70,617.51 Open Space/ Sewer	\$0.00
BRKSIDE ENGINE	Gear Turnout Replacement	\$20,000.00	\$2,000.00	\$12,000.00	\$18,000.00
	Thermal Image Camera	\$12,000.00		\$4,000.00	\$0.00
	New Hose & Equipment (Saws, Lights)	\$4,000.00		\$13,500.00	\$0.00
	Fire Engine Repairs & Upgrades	\$13,500.00			
RALSTON ENGINE	Fire Rescue Saw	\$3,000.00		\$3,000.00	\$0.00
	Eqmnt-Hose Noozles, Saw, Turnout Gear	\$6,000.00		\$6,000.00	\$0.00
	Fire Engine Repairs & Upgrades	\$13,500.00		\$13,500.00	\$0.00
ROADS	Dump Trailer	\$34,000.00	\$3,400.00		\$30,600.00
	Road Overlay Brookrace Drive & Surrounding Roads	\$200,000.00	\$20,000.00		\$180,000.00
BLDGS. & GROUNDS	Scag Turf Tiger Mower	\$14,000.00		\$14,000.00	\$0.00
	Irrigation Ralston Field	\$10,200.00		\$10,200.00	\$0.00
	Air Conditioning Ralston Fire House	\$8,000.00		\$8,000.00	\$0.00
1st AID	Oxygen Containment System	\$6,000.00		\$6,000.00	\$0.00
REC	Brookside Beach Dredging	\$20,000.00	\$2,000.00		\$18,000.00
	Total	\$448,900.00	\$27,400.00	\$104,282.49	\$70,617.51
			\$0.00		\$246,600.00
<b>SOURCE OF FUNDS</b>					
	Down Payment - Capital Improvement Fund		\$27,400.00		
	Capital Funded Surplus - Balance		\$109,855.02		
	Capital Funded Surplus Utilized for Ordinance		\$104,282.49		
	Adjusted Balance		\$5,572.53		
	Bond Anticipation Notes		\$246,600.00		

# Open Space Trust Fund/Tax

MENDHAM TOWNSHIP - OPEN SPACE TRUST FUND			
GENERAL REVENUES	ADOPTED FOR 2010	INTRODUCED FOR 2011	
Amount to be Raised - Taxes	\$ 490,300.00	\$ 435,000.00	
Donations	\$ 400.00	\$ -	
Interest Income	\$ 3,300.00	\$ 1,280.00	
Misc.	\$ -	\$ -	
<b>TOTAL INCOME FROM OPERATIONS</b>	<b>\$ 494,000.00</b>	<b>\$ 436,280.00</b>	
<b>BUDGETARY</b>	<b>ADOPTED FOR 2010</b>	<b>ADMIN. RECMND FOR 2011</b>	
OPERATING EXPENDITURES			
DOWNPAYMENTS ON IMP'S	\$ 2,000.00	\$ 2,000.00	
DEBT SERVICE - PRINC.	\$ 284,100.00	\$ 288,500.00	
DEBT SERVICE - INTEREST	\$ 206,910.00	\$ 190,100.00	
RESERVE FOR FUTURE USE	\$ 990.00	\$ 990.00	
<b>TOTAL EXPENDITURES FROM OPERATIONS</b>	<b>\$ 494,000.00</b>	<b>\$ 481,590.00</b>	
			<b>DEFICIT</b>
OPEN SPACE TRUST BALANCE (12/31/10)			\$ (45,310.00)
ANTICIPATED OPEN SPACE TRUST BALANCE (12/31/11)			\$ 801,169.75
			\$ 755,859.75
OPEN SPACE TAX RATE (2010)	\$ 0.026000		
REDUCTION IN RATE	\$ 0.003000		
INTRODUCED OPEN SPACE TAX RATE (2011)	\$ 0.023000		
ANTICIPATED TAXES COLLECTED	\$ 434,682.60		



- **The 2011 Municipal Operating budget calls for \$8,649,681 in expenditures.**
- **The total appropriations proposed for 2011 are \$361,909 less than the 2010 adopted budget appropriations or a 3.5 percent reduction.**
- **The proposed budget contains significant reductions in appropriations, but maintains the Township fund balance (surplus levels).**
- **The 2011 municipal tax rate will be \$0.333/\$100 assessed valuation, a .03 cent increase from 2010. The Township Open Space tax rate will be reduced by .03 cents resulting in no net increase in the overall Township tax rate for 2011.**
- **2011 – Rate Base (all classes) - \$1,889,924,347**
- **2011 Tax impact on average residential property (\$898,043- class 2) = \$3,196.**



# 2011 Budget Impact/Overview (Cont.)

## 0% Tax Levy Increase

- **Budget provides funding for:**
  - The maintenance of core public works and police services.
  - The maintenance of core library and emergency service activities.
  - Additional recreation programming for all ages.
  - Investment in facilities/Infrastructure:
    - Capital Reserve expenditures:

Matching funds in support of energy efficiency grant for improvements to municipal facilities.

Dredging of municipal pond.

Irrigation system at Ralston Field (partnership with West Morris Soccer Club)

Resurfacing of Township roads.
- **Banking of unused budget cap.**



## 2012 Budget Look Ahead

- **Continued efforts to restructure departmental staffing for optimal efficiencies.**
- **Continued evaluation of current service contracts and existing inter-local agreements to reduce costs/enhance revenues.**
- **Research and implement technology-related solutions to improve organizational efficiency and reduce costs.**
- **Identify and implement additional shared service/service outsourcing to reduce costs.**
- **Continue to utilize cooperative purchasing and competitive contracting as a means of reducing costs.**
- **Continue to exercise fiscal restraint on operating and capital expenditure decisions. Where possible look to finance capital expenditures on a “pay as you go” basis.**
- **Utilize the changes proposed at the state level to manage employee salary and benefit costs through collective bargaining and benefit cost sharing initiatives.**



## Questions/Comments

- **Thank you again to all who participated in this year's budget process.**
- **We will entertain questions and/or comments on the budget when the Township Committee opens the public hearing.**