

2011 MUNICIPAL BUDGET



■ TOWNSHIP OF HADDON

Where Community Thrives

Randall W. Teague, *Mayor, Director of Public Works,
Parks and Property*

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INTRODUCTION

- The Mayor and Commissioners proudly present their 2011 Municipal Budget of \$12,085,000 which provides a reduction of \$0.01 in the local tax rate to meet the current needs of the public health, safety, welfare, recreation and infrastructure for the residents of the Township of Haddon.
- Successfully negotiated Shared Service Arrangements continue to play a vital role in the municipal operation and reflects considerable savings in the budget.
- State Aid remained stable; however, Haddon Township's overall Pension liability rose by \$151,218. A favorable score with the State's newly implemented Best Practices Checklist provided 100% funding of 2010 State Aid.

Department of Public Works, Parks and Property

- Contract negotiations are underway with the Streets and Roads Department and it is anticipated that a amicable agreement will be reached.
- Trash removal contract costs saw a reduction of \$11,000 by negotiating a two year contract extension with the vendor, South Jersey Sanitation. Single stream recycling has proven successful, evidenced by increases in tonnage, while solid waste disposals figures continue to decline, helping to offset increases in tipping fees.
- Our Shade Tree Commission has again secured funding for the update of the Township's Shade Tree Management Plan with a \$3,000.00 Green Communities Grant.

Department of Revenue and Finance

- The Department of Revenue and Finance continues to look at ways to contain costs and better serve our constituents.
- A new shared service arrangement with the Borough of Audubon Park to share Tax Collector services will result in savings of \$60,000. Plans to share services such as Municipal Clerk and Chief Financial Officer are under consideration, whereby additional savings can be realized
- The 2010 Tax Collection rate was 99.365%, a result of the Mayor and Commissioners' decision to conduct an accelerated tax sale. The Reserve for Uncollected Tax Appropriation has been reduced by \$350,000, a direct result of the accelerated sale. For 2010, \$250,000 has been provided to help address any tax appeals that may result from last year's property tax revaluation.

Department of Public Safety and Public Affairs

- Savings in the Police Department continue to be realized as a result of the Interlocal Services arrangement with the Borough of Audubon Park. A 3.5% increase in salaries has been provided pursuant to the terms of employment contracts; however, this increase is largely offset through attrition of members that plan to retire in 2011.
- Greater budget controls and spending oversight in the Police Department will provide additional savings of \$27,500.
- The Municipal Court functions efficiently, collecting and turning over in excess of \$326,000 in revenue (up \$10,000 over 2010).

Department of Public Safety and Affairs (contd.)

- Code Enforcement related expenses remain stable. The Township continues to monitor compliance issues and has realized increased revenues as a result of implementing a new permit fee structure and the establishment of non-tax source fees such as sidewalk inspections and pod/dumpster permits.
- The Civic Celebration Committee conducts a number of exciting events such as Movie Nights, the Senior Gala, and Phillies Play-Offs, along with the ever popular July 4th Festivities and Fireworks Display and Annual Block Party. 2010 introduced the 1st Annual Luau which proved to be a huge success. Many of our events are made possible with the generous support of corporate sponsors such as 1st Colonial National Bank.

General Administration and Operations

- The cost of operating our public buildings and equipment continue to escalate. An additional \$25,000 has been budgeted for increases in gasoline and diesel fuel. A new telephone service agreement has been negotiated with Magellan Hill and should provide savings in excess of \$5,000.00.

- Although Liability and Health Insurance Premiums and claims activity continue to rise, the Township's percentage of increase has been below the industry average of 12.2% (State Health Benefits Plan). The negotiation of increased co-pays, the use of generic drugs and the State's imposed 1.5% contribution by employees towards health benefits help to offset premium increases.

- The Township launched a new website and outsourced Channel 19 production which produced savings of approximately \$7,500.00.

Debt Service

- Debt Service Obligations will decrease \$6,143.00 for principal and interest on both long and short term debt. The Township has received extremely favorable interest rates on short term borrowing.
- Net Debt of \$24,136,976, a reduction of \$1,259,218 from 2009, represents 1.71% of Equalized Valuations, well within the 3.50% permitted by state law.
- Deferred Charges for Special Emergency Appropriations includes the second installment of \$110,272 to fund the state-mandated property revaluation project.

Revenue

- Surplus in excess of \$2,699,000 grew considerably (up \$928,000) over 2010. Increased tax collections as a result of the accelerated tax sale, investment income and the cancellation of prior year reserves are several items that contributed to this healthy surplus balance.
- The Township continues to enjoy a favorable interest rate (1.5%) on all municipal funds invested at 1st Colonial National Bank in excess of \$192,000 for 2010. The bank's \$25,000 contribution to underwrite the cost of community-sponsored events in the municipality allows us to continue to offer these popular programs and reinstate production and distribution of a Municipal Calendar.
- The Township has been actively seeking and applying for grant opportunities such as the Economic Development Authority grants, with funding awards now in excess of \$3,009,000. These grant dollars continue to fund the investigation and remediation of the old Dy-Dee building site and surrounding properties located in the Redevelopment Zone.

Water/Sewer Operating Budget

- The 2011 Water/Sewer Operating Budget at \$3,740,000 provides no increase in water and sewer rents or service fees.
- Salaries and Wages realized a net reduction of \$56,733. This was accomplished as a result of staffing reassignments and shared collector services with the Borough of Audubon Park.
- Other Expenses will be increase \$77,454 as a result of insurance premium, fuel and gasoline increases.

Water/Sewer Operating Budget (contd.)

- Debt Service expenses saw a reduction of \$10,704.
- Water/Sewer Fund Balance was restored to a healthy balance of \$409,000 at the end of 2010. \$150,000 will be utilized to support the 2011 Budget.

Capital Projects

- The 2011 Road Program of \$630,000 will address improvements to a number of intersections and streets throughout the municipality, as well as the Resurfacing of Emerald Avenue - Phase IV under the NJDOT State Road Aid program. The Township was awarded \$200,000 in grant funds to offset the cost of this improvement.
- Storm Drainage Projects in the amount of \$200,000 include improvements and repairs to various inlets and storm piping on Briarwood and MacArthur Blvd.
- Equipment purchases of \$170,000 include the acquisition of leafers and a 4wd Vehicle for the Police Department and fire hydrants. In addition, heavy equipment will include the purchase of an excavator.

Capital Projects (contd.)

- \$300,000 is provided for continued upgrades and improvements to Municipal Facilities including roofing, windows, flooring, bathrooms, HVAC and underground storage tank removal.
- 2011 Water/Sewer Capital Improvements include \$770,000 for the acquisition of water meters, pick up truck, dump truck, along with well and water system repairs. Other projects scheduled to be undertaken will be the replacement of water lines on Briarwood Avenue, filter improvements at the water plant and upgrades to sewer pump stations.

SUMMARY

- The current economic climate, along with state-imposed spending and tax levy caps continue to pose greater challenges for municipal officials.
- Long-term planning, prudent budgeting and management of municipal government spending continues to provide positive results, and have offset a potential increase in the local tax rate for a third consecutive year, while maintaining services at their current level.
- A **decrease** in the local tax rate of \$0.01.
- Average home assessed at \$220,000 will pay \$1,275.75 in local purpose taxes, a reduction of approximately \$30 annually.
- Commitment to continue to search for ways to control costs, share services and minimize the impact of municipal government on Haddon Township taxpayers.

TOWNSHIP OF HADDON
ANALYSIS OF BUDGET REVENUES AND EXPENDITURES 2007 TO 2011

	2011	2010	2009	2008	2007	Diff 2007 vs 2011	
REVENUE ANALYSIS:							
Amount to be Raised by Taxation: Local Rate	7,297,220.00	7,383,963.00	7,382,954.00	7,474,494.00	6,638,612.00	658,608.00	
CMPTRA	189,104.00	213,602.00	450,691.00	565,009.00	642,126.00	(453,022.00)	
Energy Receipts Tax	1,073,111.00	1,048,613.00	1,136,002.00	1,062,369.00	999,246.00	73,865.00	
Municipal Efficiency Performance Program	-	-	-	-	64,921.00	(64,921.00)	
Municipal Homeland Security Assistance	-	-	-	-	70,000.00	(70,000.00)	
Municipal Property Tax Assistance	-	-	-	-	32,950.00	(32,950.00)	
Total Formula Aid	1,262,215.00	1,262,215.00	1,586,693.00	1,627,378.00	1,809,243.00	(547,028.00)	
MAJOR EXPENDITURES:							
Health Insurance	1,550,000.00	1,380,000.00	1,480,000.00	1,175,000.00	1,260,000.00	290,000.00	23% vs. 41.70% industry increases
Public Employee's Pension	272,979.23	229,490.50	227,465.14	160,838.44	92,757.72	180,221.51	
Police & Fire Pension	682,052.00	574,323.00	548,409.00	533,930.00	309,142.40	372,909.60	
	955,031.23	803,813.50	775,874.14	694,768.44	401,900.12	553,131.11	
Police Salaries and Wages	2,794,011.00	2,703,578.00	2,556,609.00	2,798,843.00	2,653,298.00	140,713.00	
Public Works Salaries and Wages	915,595.00	921,300.00	921,928.00	927,336.00	929,643.00	(14,048.00)	
Other Staff Salaries and Wages	786,279.00	844,133.00	857,832.00	989,663.00	983,059.00	(196,780.00)	
Total Current Fund Salaries and Wages	4,495,885.00	4,469,011.00	4,336,369.00	4,715,842.00	4,566,000.00	(70,115.00)	
Water/Sewer Utility Salaries and Wages	823,786.00	880,519.00	903,871.00	881,685.00	921,496.00	(97,710.00)	
Trash/Recycling Removal Contract	701,000.00	712,000.00	685,000.00	670,000.00	635,000.00	66,000.00	
Solid Waste/Recycling Disposal Fees	618,300.00	613,100.00	637,800.00	677,800.00	660,300.00	(42,000.00)	
Shared Service Arrangements	417,254.00	428,004.00	226,667.00	-	-	417,254.00	HTBOE Arrangement Termed 7/1/10
Federal and State Grants Appropriated	296,464.81	1,023,708.00	943,390.26	1,005,693.00	805,340.00	(508,875.19)	
Debt Service - Current Fund	1,467,634.00	1,473,778.00	1,459,671.00	1,312,488.00	1,235,475.00	232,159.00	
Debt Service - Water/Sewer Fund	1,100,669.00	1,128,604.00	889,841.00	757,040.00	617,641.00	483,028.00	
Reserve for Uncollected Tax Appropriation	251,254.00	598,534.00	1,080,367.00	1,028,149.00	1,028,357.00	(777,103.00)	
TOTAL - Current Operating Budget	12,085,000.00	13,109,072.00	13,395,763.00	13,292,000.00	11,784,161.00	300,839.00	
TOTAL - Water/Sewer Operating Budget	3,740,000.00	3,725,000.00	3,725,000.00	3,240,000.00	3,055,000.00	685,000.00	NJEIT Project Debt Service