

# Borough of Florham Park



2011 Budget

# Budget Documents

- State Budget Document
  - (Statutorily Required)
- Budget Comparative
  - Three Years of Budget Information
- PowerPoint Presentation

# Budget Process

- The Borough has worked aggressively on the 2011 Budget to come in with one that is both reasonable and responsible.
- We received budget requests totaling \$18,353,438.87.
- The Mayor and Finance Committee worked with departments resulting in our being able to reduce the requested budget amount down to \$17,612,747.71, for a total reduction of \$740,691.16.

# Budget Obstacles

Obstacles encountered in the budget process.

• Pension Increase (State Bill)	\$ 273,023
• Health Insurance	197,432
• Collective Revenue Loss	187,000
Total of All Obstacles	\$ 657,455

# Responsible Budget

This Budget is consistent with prior budgets in that it:

- Meets our contractual obligations
- Provides no new services
- Maintains a level of service that our residents are all accustomed to with some minor changes.
  - Trash Compactor schedule was modified to close every other weekend to achieve additional savings
- Reductions in staff were achieved through attrition
  - There were two positions eliminated

# State of New Jersey

- In 2008 state aid was reduced by \$140,039 which translated into 1.33% of the tax levy increase.
- In 2009 state aid was reduced by \$55,973 which amounts to a .5% increase in local taxes.
- In 2010 state aid was reduced by \$314,962 which was another 2.75% increase in local taxes
- In 2011 state aid remained the same as in 2010

# Tax Rate Increase

- The total tax levy will be increasing by approximately 0.0087 cents per \$100 of assessed valuation. (Tax Point is equal to \$329,516)
- The total tax levy increase is \$288,683. This includes both the Library Minimum Tax and the Municipal Tax

# Appropriation CAP

- We are \$404,898 under the Appropriation CAP
- This means that the Borough , under state statute has the ability to increase the budget by another \$404,898.
- This demonstrates that the Mayor and Council develop a budget that meets our needs without putting unnecessary pressure on the residents

# Tax Levy CAP

- We are \$456,934 under the Tax Levy CAP
- The Borough did not utilize the full extent of the tax levy CAP
- The Mayor and Council work continually to manage the budget and the impact on our residents

# Municipal Library Tax Law

- Chapter 38 of the Public Laws of 2011 has changed the way we collect taxes for Libraries.
- The 1/3<sup>rd</sup> of a Mil calculation for Libraries will now be shown as a separate line on the Tax Bill and no longer combined with the Municipal Rate
- This is a dedicated tax that is derived from property values and is calculated by the State of New Jersey
- This is not a tax that the public will be allowed to vote on
- The CAP on library taxes is 15<sup>0</sup>%

# Average Property Tax Impact

2010

- Municipal Tax \$2317.13
- Average Resident Property \$665,000

2011

- Municipal Tax \$2391.98
- Average Resident Property \$665,000

This will amount to an average annual increase of \$74.85 in the municipal component of the tax bill.

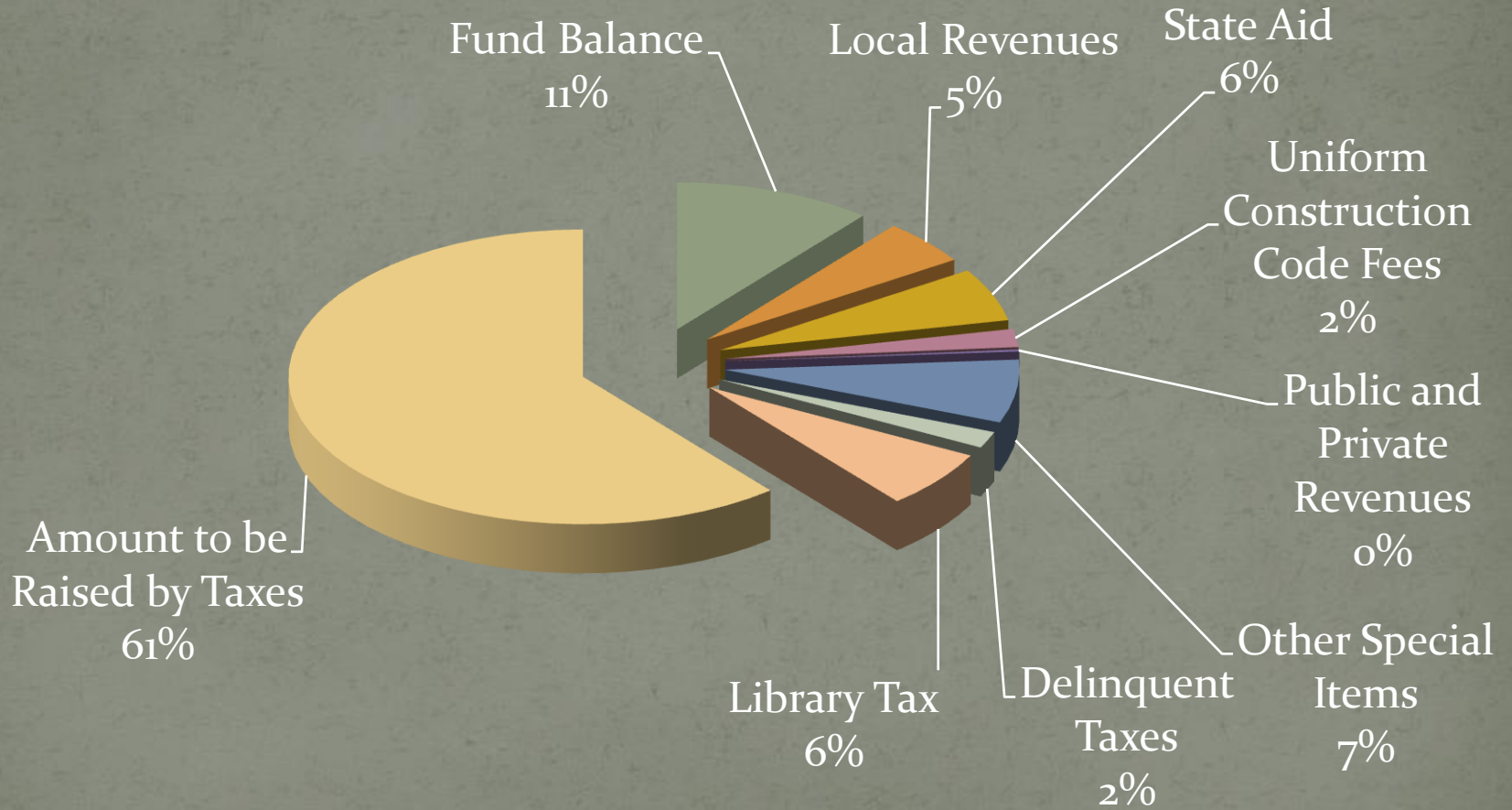
Or

An increase of \$6.24 per month.

# Budget Summary - Revenues

Category	2010	2011
Fund Balance (Surplus)	1,924,265.75	1,924,000.00
Local Revenues	873,750.00	873,750.00
State Aid	1,028,223.00	1,028,158.00
Uniform Construction Code	220,000.00	350,000.00
Grants	75,830.88	34,256.01
Other Special Items	1,270,000.00	1,219,500.00
Delinquent Taxes	300,000.00	320,000.00
Minimum Library Tax		1,121,828.71
Amount to be Raised by Taxation	11,574,400.00	10,741,254.99
Total	17,266,469.63	17,612,747.71

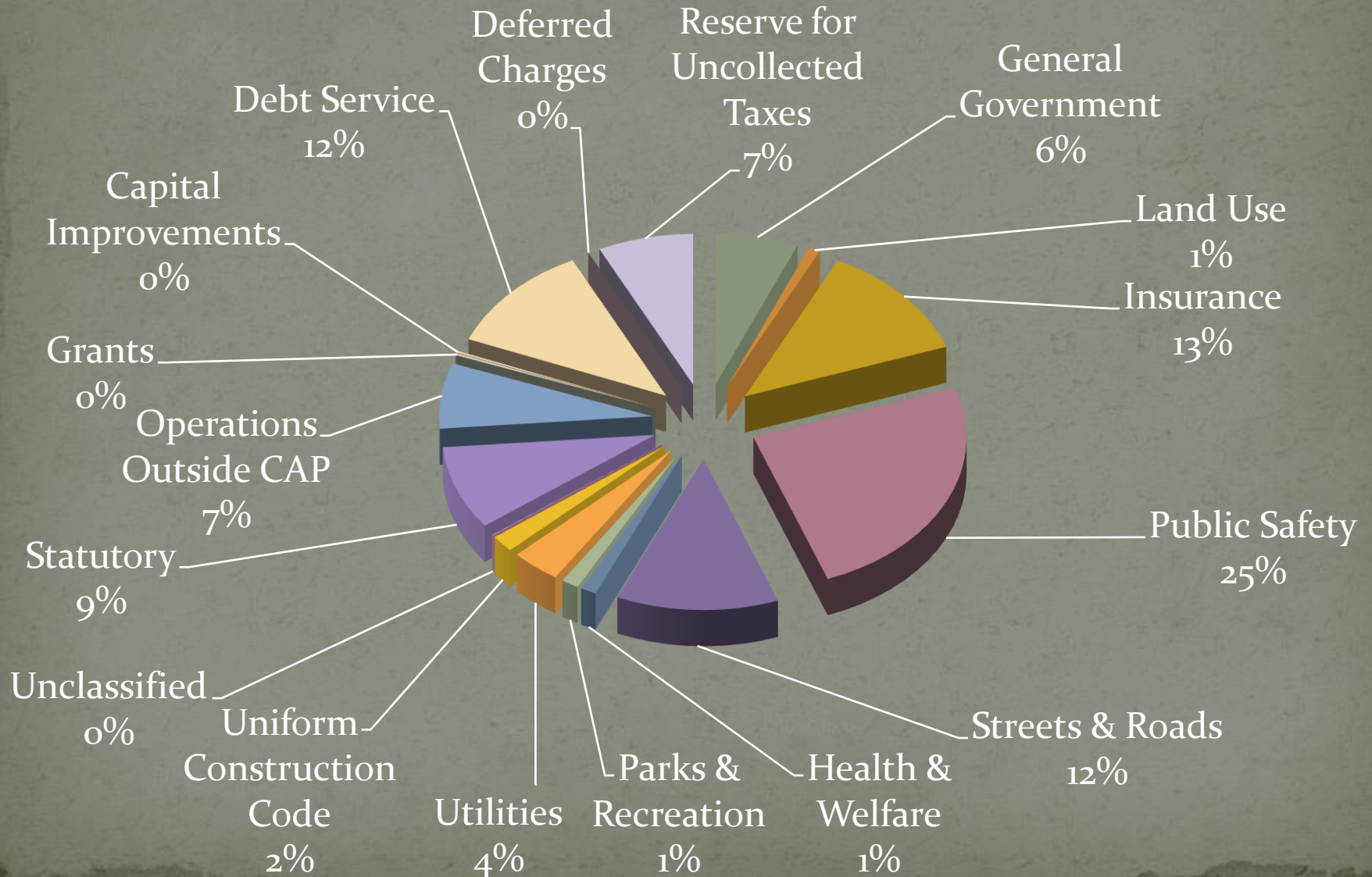
# 2011 Revenues



# Budget Summary - Appropriations

Category	2010	2011
Operations with CAP:		
Salaries & Wages	6,392,020.00	6,541,075.00
Other Expenses	4,770,292.50	4,858,764.50
Statutory Expenditures	1,281,052.00	1,577,795.00
Operations outside CAP:		
Salaries & Wages	373,520.00	
Other Expenses	1,110,480.13	1,272,967.01
Capital Improvements	16,500.00	36,500.00
Debt Service	2,012,605.00	2,050,646.20
Deferred Charges & Judgments	60,000.00	
Reserve for Uncollected Taxes	1,250,000.00	1,275,000.00
Total	17,266,469.63	17,612,747.71

# 2011 Appropriations



# Looking Forward...

- The creation of our budget is something that evolves throughout the year in reaction to the needs of our community.
- Work on the 2012 budget has already begun as we anticipate the changing environment around us.
- Our efforts remain focused on maintaining existing services to residents while keeping the tax effort for these services to a minimum.

Questions

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