

2006 Budget Public Hearing

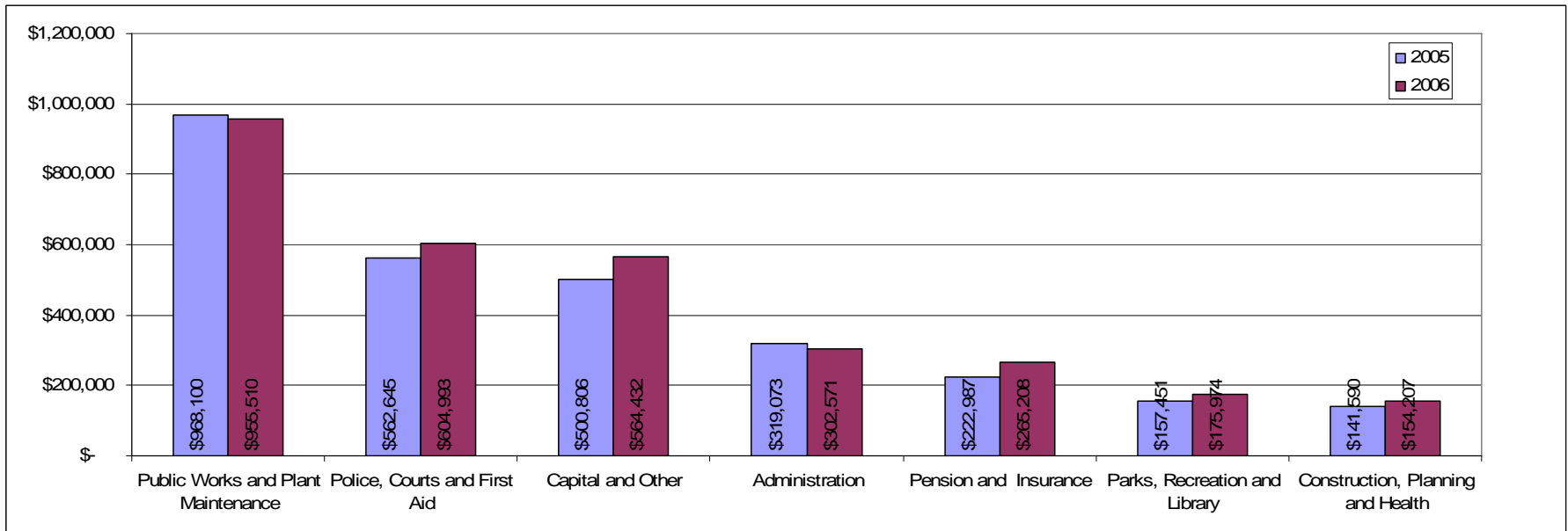
Borough of Pennington

May 1, 2006

Guiding Assumptions

- No programs added or eliminated
- Personnel
 - Up to 3 new crossing guards due to change in HVRSD busing policies
 - No other positions added or eliminated
 - Salary increases limited to 4%
- Hold discretionary expenses to zero growth
- Capital
 - Phase in cost to finance new PW building

Expense by Department

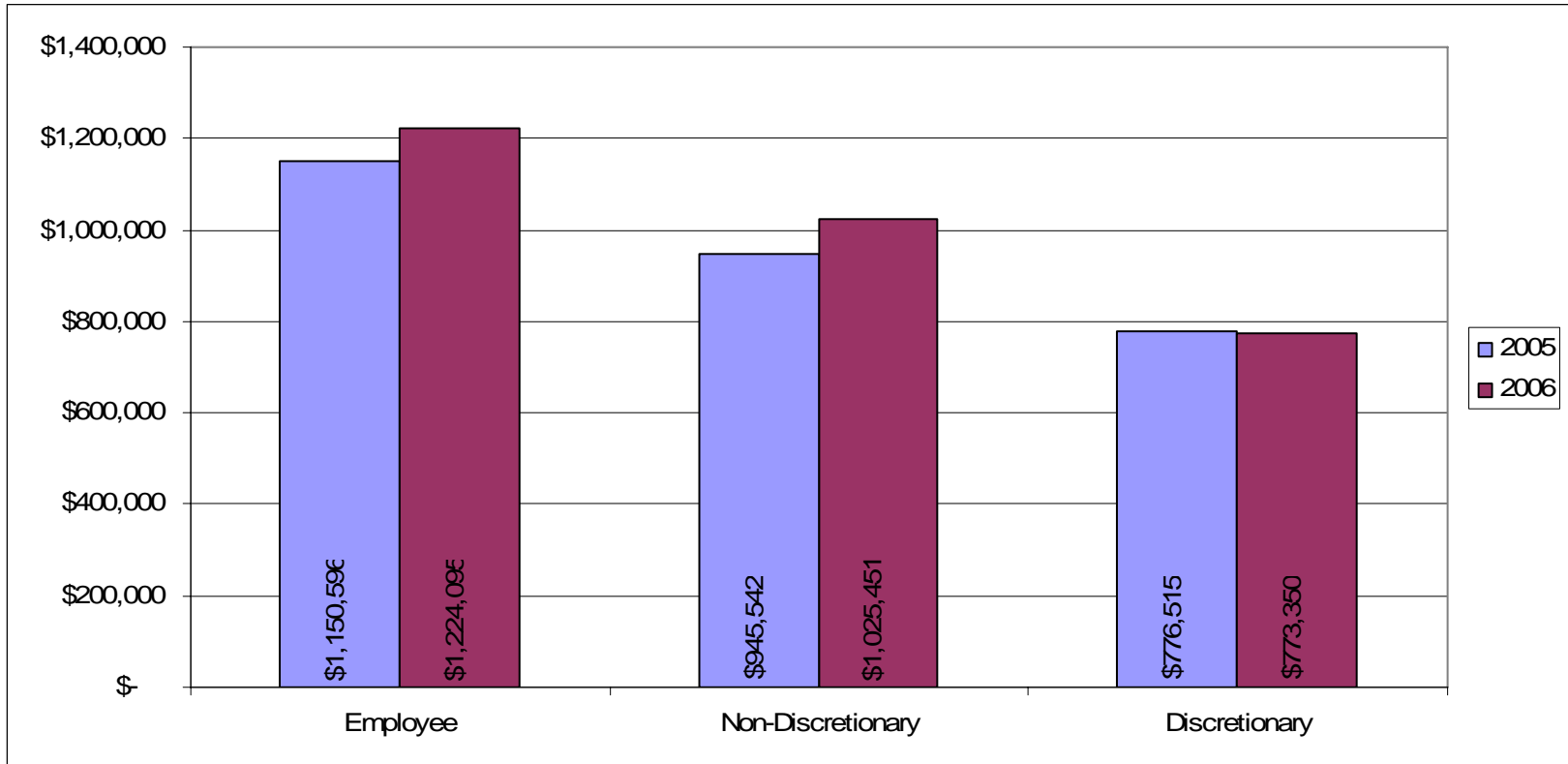


- Total expenses equal \$3,022,895
- 5.2% increase over prior year

Expense by Department

Departments	2005	2006	% Change
Public Works and Plant Maintenance	\$ 968,100	\$ 955,510	-1.3%
Police, Courts and First Aid	\$ 562,645	\$ 604,993	7.5%
Capital and Other	\$ 500,806	\$ 564,432	12.7%
Administration	\$ 319,073	\$ 302,571	-5.2%
Pension and Insurance	\$ 222,987	\$ 265,208	18.9%
Parks, Recreation and Library	\$ 157,451	\$ 175,974	11.8%
Construction, Planning and Health	\$ 141,590	\$ 154,207	8.9%
Total	\$2,872,652	\$3,022,895	5.2%

Expense by Type



- Employee expenses up 6.4%, driven by Pension and Insurance costs
- Non-Discretionary expenses up by 8.5% driven by PW debt service
- Discretionary expenses decreased by 0.4%\

Expense by Type

Employee Expenses	2005	2006	% Change
Salaries, Wages and Overtime	\$ 917,609	\$ 958,887	4.5%
Benefits and Insurance	\$ 154,575	\$ 169,020	9.3%
Pension and Social Security	\$ 78,412	\$ 96,188	22.7%
Total	\$1,150,596	\$1,224,095	6.4%
% of Total Appropriations	40.1%	40.5%	

Non-Discretionary	2005	2006	% Change
Free Public Library	\$ 65,051	\$ 72,850	12.0%
Interlocal Agreements	\$ 116,752	\$ 119,169	2.1%
Municipal Aid Programs	\$ 225,000	\$ 250,000	11.1%
Payment of Bond Principal	\$ 200,000	\$ 270,000	35.0%
Interest on Bonds	\$ 85,806	\$ 79,432	-7.4%
Reserve for Uncollected Taxes	\$ 200,000	\$ 200,000	0.0%
Deferred Charges	\$ 52,933	\$ 34,000	-35.8%
Total	\$ 945,542	\$1,025,451	8.5%
% of Total Appropriations	32.9%	33.9%	

Expense by Type

Discretionary Expenses	2005	2006	% Change
Administrator	\$ 12,800	\$ 12,800	0.0%
Mayor and Council	\$ 3,000	\$ 2,500	-16.7%
Municipal Clerk	\$ 16,700	\$ 14,000	-16.2%
Elections	\$ 2,000	\$ 1,800	-10.0%
Financial Administration	\$ 18,450	\$ 17,300	-6.2%
Tax Collection	\$ 6,100	\$ 10,025	64.3%
Tax Map Maintenance	\$ 5,500	\$ 5,000	-9.1%
Tax Assessment	\$ 6,825	\$ 5,650	-17.2%
Legal Services	\$ 80,000	\$ 82,000	2.5%
Engineering Services	\$ 152,000	\$ 110,000	-27.6%
Economic Development Comm.	\$ 1,000	\$ 750	-25.0%
Planning Board	\$ 16,800	\$ 25,975	54.6%
Construction	\$ 1,450	\$ 2,125	46.6%
Police	\$ 35,500	\$ 48,700	37.2%
First Aid	\$ 17,600	\$ 30,000	70.5%
LOSAP First Aid	\$ 7,500	\$ 8,500	13.3%
Streets	\$ 101,300	\$ 92,900	-8.3%
Trash	\$ 127,950	\$ 132,550	3.6%
Borough Property	\$ 22,500	\$ 22,500	0.0%

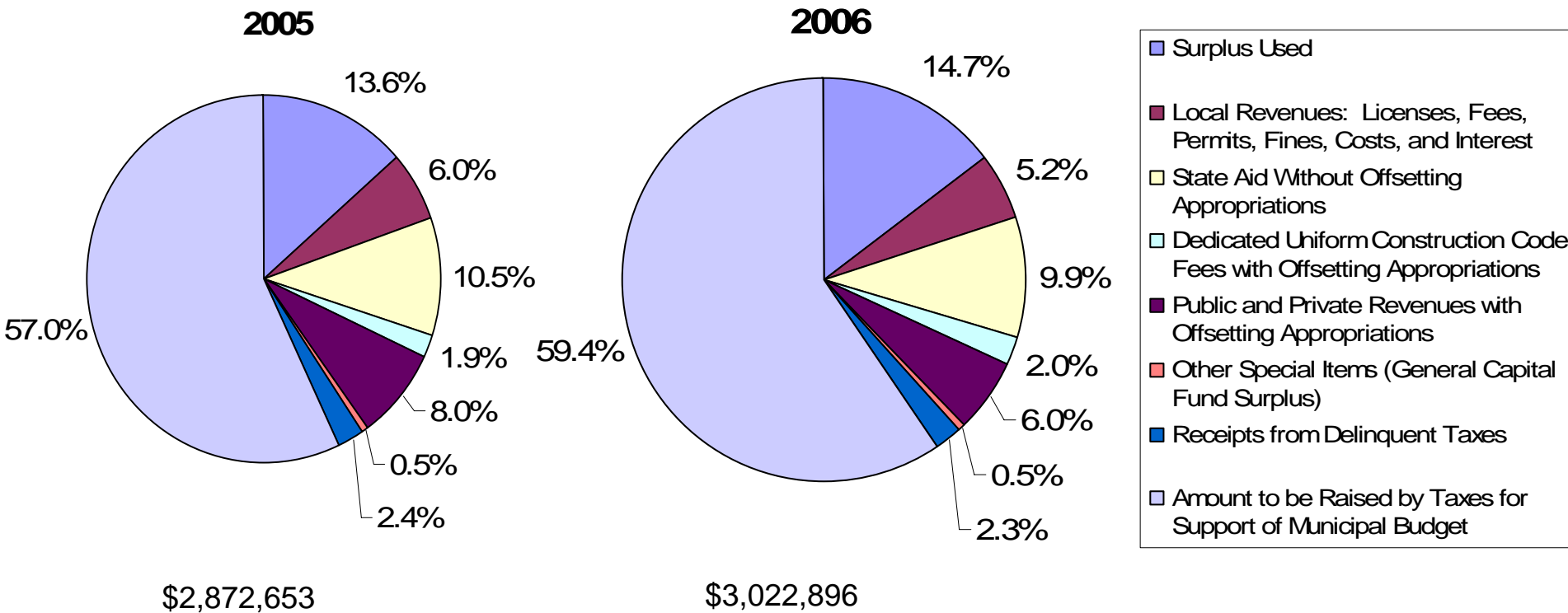
Expense by Type

Discretionary Expenses, cont.	2005	2006	% Change
Shade Tree	\$ 14,900	\$ 12,650	-15.1%
Board of Health	\$ 200	\$ 150	-25.0%
Environmental Commission	\$ 500	\$ 500	0.0%
Recreation	\$ 15,550	\$ 15,550	0.0%
Celebration of Public Events	\$ 1,750	\$ 1,500	-14.3%
Electricity	\$ 16,500	\$ 16,500	0.0%
Street Lighting	\$ 27,000	\$ 27,000	0.0%
Telephone	\$ 9,700	\$ 10,000	3.1%
Gas (Natural/Propane)	\$ 10,800	\$ 14,500	34.3%
Gas Fuel Lubricants	\$ 18,000	\$ 25,000	38.9%
Body Armor	\$ 1,490	\$ -	-100.0%
Clean Communities	\$ 4,000	\$ 4,000	0.0%
Municipal Court	\$ 5,150	\$ 4,925	-4.4%
Public Defender	\$ 1,000	\$ 1,000	0.0%
Capital Improvement Fund	\$ 15,000	\$ 15,000	0.0%
Total	\$ 776,515	\$ 773,350	-0.4%
% of Total Appropriations	27.0%	25.6%	

Capital

- Capital Expenditures
 - \$25,000 for new leaf vacuum
- Debt Service
 - \$50,000 for new PW building
 - Approximately $\frac{1}{2}$ of expected annual rate
 - \$20,000 incremental for outstanding bonds
 - \$6,374 reduction to interest for outstanding bonds

Revenue Comparison



State Aid and Local Non-Tax revenues continue to be flat or falling

Revenue Comparison

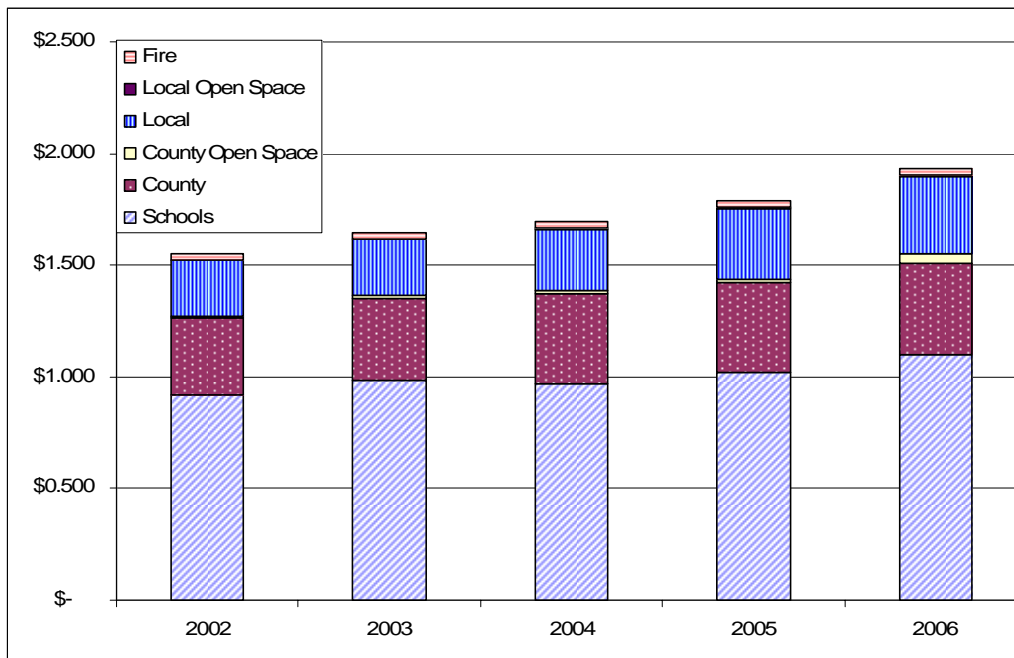
Sources of Revenue	2005	% of Total	2006	% of Total	Change '05 to '06
Surplus Used	\$ 391,900	13.6%	\$ 445,000	14.7%	13.5%
Local Revenues: Licenses, Fees, Permits, Fines, Costs, and Interest	\$ 172,300	6.0%	\$ 156,400	5.2%	-9.2%
State Aid Without Offsetting Appropriations	\$ 300,700	10.5%	\$ 300,700	9.9%	0.0%
Dedicated Uniform Construction Code Fees with Offsetting Appropriations	\$ 54,700	1.9%	\$ 60,000	2.0%	9.7%
Public and Private Revenues with Offsetting Appropriations	\$ 230,490	8.0%	\$ 181,000	6.0%	-21.5%
Other Special Items (General Capital Fund Surplus)	\$ 15,000	0.5%	\$ 15,000	0.5%	0.0%
Receipts from Delinquent Taxes	\$ 70,000	2.4%	\$ 70,000	2.3%	0.0%
Subtotal General Revenues	\$1,235,090	43.0%	\$1,228,100	40.6%	-0.6%
Amount to be Raised by Taxes for Support of Municipal Budget	\$1,637,563	57.0%	\$1,794,796	59.4%	9.6%
Total General Revenues	\$2,872,653		\$3,022,896		5.2%

Notes:

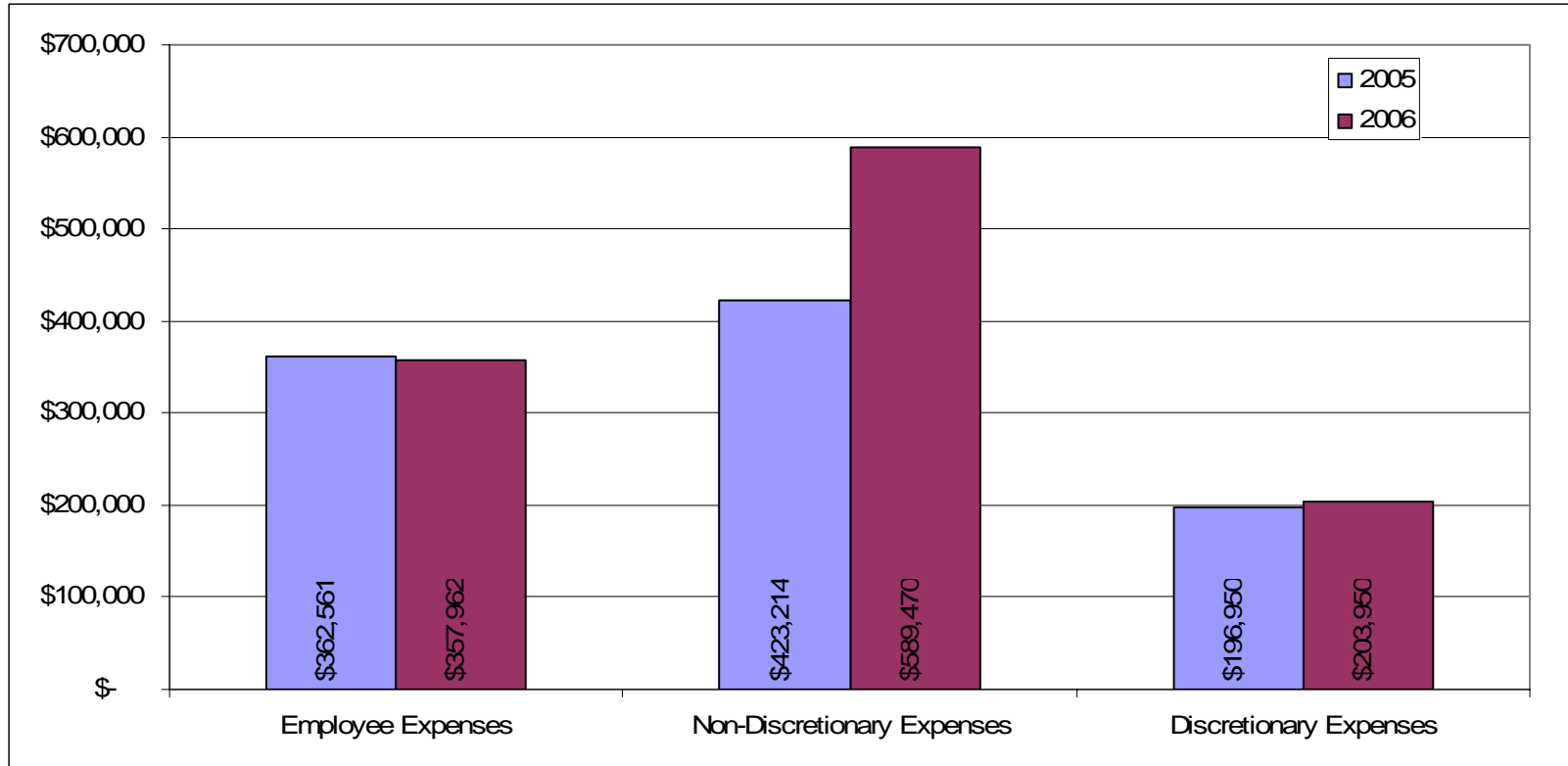
1. Cannot budget Local Revenues in excess of what was collected in prior year.
2. Cannot budget for grant money until it has been awarded

Tax Rate

Property Tax Rates/\$100	2002	2003	2004	2005	2006	1 Yr %	4 Yr %
Schools	\$ 0.922	\$0.987	\$0.970	\$1.017	\$1.100	8.1%	19.3%
County	\$ 0.339	\$0.365	\$0.400	\$0.404	\$0.410	1.4%	20.9%
County Open Space	\$ 0.013	\$0.013	\$0.017	\$0.017	\$0.040	130.0%	206.7%
Local	\$ 0.248	\$0.248	\$0.274	\$0.316	\$0.346	9.6%	39.7%
Local Open Space	\$ 0.004	\$0.004	\$0.004	\$0.004	\$0.010	130.0%	130.0%
Fire	\$ 0.026	\$0.026	\$0.030	\$0.026	\$0.026	0.0%	0.0%
Total	\$ 1.552	\$1.643	\$1.696	\$1.785	\$1.932	8.2%	24.5%
Local Share of Total Property Tax	16.0%	15.1%	16.2%	17.7%	17.9%		
School Share of Total Property Tax	59.4%	60.1%	57.2%	57.0%	56.9%		



Water and Sewer



	2005	2006	Change '05 to '06
Total Expenditures	\$982,725	\$1,151,382	17.2%

Spending increase driven by SBRSA and PW debt service

Water and Sewer Expenses

Employee Expenses	2005	2006	% Change
Salaries, Wages and Overtime	\$ 185,500	\$ 175,500	-5.4%
Benefits and Insurance	\$ 156,961	\$ 161,395	2.8%
Pension and Social Security	\$ 20,100	\$ 21,067	4.8%
Total	\$ 362,561	\$ 357,962	-1.3%
% of Total Appropriations	36.9%	31.1%	

Non-Discretionary Expenses	2005	2006	% Change
SBRSA Treatment Costs	\$ 225,000	\$ 300,000	33.3%
Payment of Water Bonds	\$ 135,000	\$ 217,000	60.7%
Interest on Water Bonds	\$ 63,214	\$ 72,470	14.6%
Total	\$ 423,214	\$ 589,470	39.3%
% of Total Appropriations	43.1%	51.2%	

Discretionary Expenses	2005	2006	% Change
Water Operating	\$ 125,150	\$ 157,950	26.21%
Sewer Operating	\$ 31,800	\$ 46,000	44.65%
Capital Improvement	\$ 40,000	\$ -	N/A
Total	\$ 196,950	\$ 203,950	3.55%
% of Total Appropriations	20.0%	17.7%	-11.61%