

May 4, 2009

DELANCO TOWNSHIP
2009 BUDGET MESSAGE

Everyone knows that 2008 and 2009 have been the worst years in the US economy in generations. Massive job loss and property foreclosures have swept the nation. Delanco is not immune to this difficult state of affairs.

In putting together this year's municipal budget, the members of the Township Committee have been fully aware of the impact of tax increases on our property owners, many of whom have had financial downturns and many will have financial problems in the near future. The goal was to minimize any tax increase and eliminate any unnecessary spending, understanding that those paying the taxes have had to eliminate spending in their personal budgets.

The municipal budget covering operating costs introduced at the May 4 Township Committee meeting, provides for a continuation of Delanco's fine services in a more efficient way. It requires an increase in the tax rate of only 3 cents which translates into an increase of less than \$73 for a property assessed at \$240,000, the average in Delanco. Taxpayers are reminded that for 2009 the Open Space Tax, that was deferred in 2008, will be reinstated. You will see an adjustment on the third and fourth quarter bills.

Attached is a summary of the revenues and expenditures that have the largest changes in this budget along with a summary of all the line items in the budget. Below is a more detailed analysis of the factors that impacted the budget as proposed.

The economy had a major impact on non-tax revenues. A municipality cannot budget revenue items in an amount that is more than what was received via that item in the prior year. In Delanco those major items were **Interest Income** dropping \$37,000, **State Aid** dropping \$39,000 and **Construction Fees** dropping \$92,000. These items total \$184,000.

Major items of expenditure that required large increases that were beyond the control of the Committee were **Solid Waste Collection** increasing by \$13,000 (including the first year costs of the RecycleBank program that will be offset by future reductions in solid waste disposal), **Pension** payments to the State increasing by \$50,000, **Debt payments** to the Sewage Authority from the Zurbrugg Mansion purchase adding a new item totaling \$91,000, **Professional fees** for Legal, Engineering and Planning related to the affordable housing plan, the master plan and numerous projects that now must be charged to the regular budget adding \$167,000, and finally, **Police salaries** were required to be increased by 4% per the third year of a four year agreement adding \$46,000. Just these items total \$387,000.

The Committee had to offset the combined increase in major expenditure items coupled with the decrease in major non-tax revenues, an amount totaling \$571,000, plus all other revenue and expenditure changes combined which netted an additional \$111,479. Reductions were made in expenditure accounts totaling \$183,000 and an additional \$187,500 in surplus was appropriated, equaling \$370,500. The rest of the needed revenue of \$311,979 had to be raised through taxation which resulted in the tax rate increase.

As part of a plan to keep the tax rate increase to only 3 cents, the majority of the Committee decided to support a budget that does not include funds for wage increases for Township employees, except for sworn Police officers as stated above.

At the May 4 Committee Meeting, the 2009 Municipal Budget was introduced. A public hearing on this proposed budget has been scheduled for Monday, June 8 at 7:30 pm in the Municipal Building as part of the Township Committee's re-scheduled regular first meeting of the month. Any one who has comments or questions should feel free to contact any Township Committee member or the Acting Township Administrator.