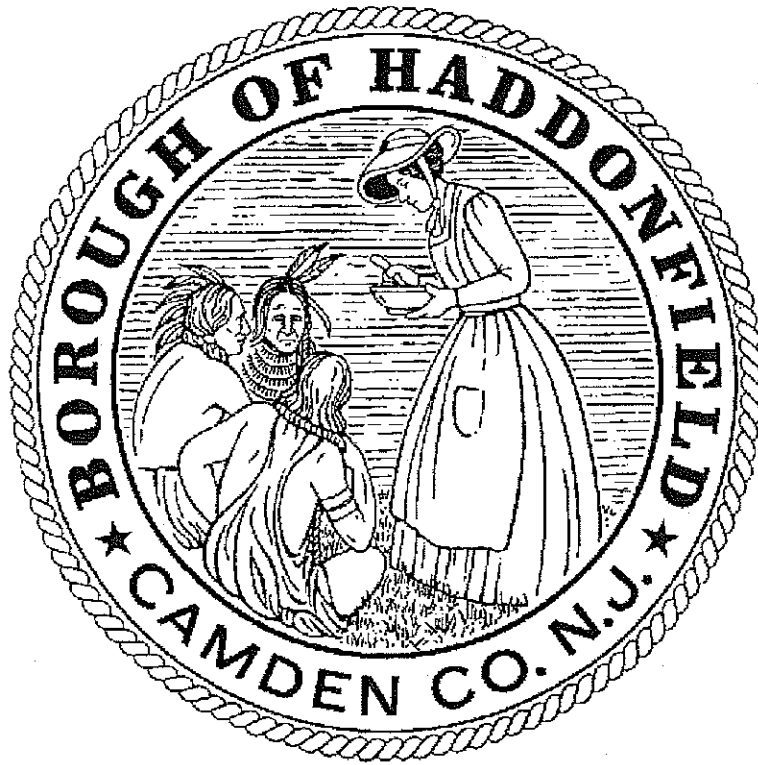


**THE BOROUGH OF HADDONFIELD
RECAPITULATION AND SUMMARY OF
2008 BUDGET**



Introduced: February 12, 2008

2008 BUDGET MESSAGE

This year, based on the new assessments, the Borough Commissioners have proposed a budget with a local purpose tax rate at 37.75 cents per hundred dollars of assessed property valuation. This is 2.11 cents greater than last year's tax rate. The Borough tax is a little less than 15% of your total real estate tax bill. The proposed 2008 Borough budget is \$13,995,675.61 of which \$8,537,973 will be raised in taxes. The overall budget increased 3.39%, excluding grants, yet the Commissioners held daily operating expenses to a 2.89% increase. Employee benefits, utility costs and long range capital planning escalated at a higher rate

After completion of the new reassessment project the average residential assessment in the Borough is assessed at \$491,359. That home will pay a local purpose tax of \$1,855 this year. This is an increase of \$104 for the average property owner. Here are some examples of the effect of this 2008 budget on taxes:

<u>Assessed Value of Property</u>	<u>2007 Borough Taxes</u>	<u>2008 Borough Taxes</u>	<u>\$ Increase from 2007 to 2008</u>
\$245,680	\$ 876	\$ 927	\$ 52
491,359	1,751	1,855	104
737,039	2,627	2,782	156

A recurring theme throughout New Jersey is the dependency on property taxes. Each year the Borough faces increased cost that must be balanced with limited non-tax revenue, stagnant State Aid and property taxes. This proposed budget is based on no increase in State Aid this year. Those numbers have not yet been released, however we were fortunate to receive a small increase in Aid in 2007. Late in 2006 the parking meter fees were increased. A large portion of the additional funds the Borough has received have been budgeted to offset parking improvements in the downtown area.

There will be a 2.31% rate increase for the Water and Sewer Utility Fund in 2008. The water rate will be \$4.50 per thousand gallons used and the sewer rate based on the same usage will be \$2.15. There is a need for significant infrastructure improvements. These added funds will be used to offset the cost of infrastructure improvements. Additionally the Borough will be updating all water meters throughout the community. Many of our meters are old and outdated. The older meters tend to run slow which creates an inequity with those meters that are running properly. It is expected that revenue will increase sufficiently to pay for the cost of the purchase and installation of the new meters.

The Commissioners have completed a detailed review of expenditures and believe the 2008 budget is a bare-bones budget which has no room for unexpected costs. Many cuts were made to offset increases to the budget that were beyond the borough's control. Salary increases for the Teamsters and the non-represented employees were based on 3.25%. In 2006 the police contract was finally settled through mediation for a 6 year period with an average increase over the 6 years of 3.9%. The salary increase our police will receive in 2008 will be 4%. Other increased employee costs include a \$105,915 (8.21%) increase in the health benefits appropriation and a \$190,928 increase for all

pension payments to the State. The State reinstated contributions from municipalities in 2004 for the Police and Firemen Retirement System (PFRS) and in 2005 for the Public Employees Retirement System (PERS). In 2008 the Borough is required to pay 100% of PFRS annual payment and 80% of PERS annual payment. Utility cost have continued to rise requiring an increase of \$22,500 or 8.74% for the combination of electricity, natural gas and vehicle fuel. The Commissioners have also budgeted \$150,000 as a reserve for tax appeals. Based on the necessity to pay the County, School and Partnership their full levy it was determined that this would be a fiscally prudent measure. This will allow the Borough to process any County appeals through an appropriation rather than have the Borough revenue reduced.

As in past years, the Commissioners will continue to review staffing when vacancies occur in various positions. Those jobs will not automatically be filled. The Borough will evaluate the activities of the work area involved, and wherever possible, devise a way to provide the service with existing employees, as long as the quality of the service can be maintained. The 2008 budget reflects several personnel changes including a new Administrator and new Public Works Superintendent. The Borough was able to take advantage with the new employees coming in at the bottom of a seven step salary range. In addition the position of Assistant Administrator has not been filled. The Commissioners did increase the mechanics position from a half time position to a full time position. Although this is an increase it is believed that the change will result in an overall savings. Many types of jobs currently outsourced will now be done in-house along with additional preventative maintenance.

The Road Program plays a large part in the capital budget. The Commissioners have continued to commit one million dollars per year. The Borough Engineer has created a three phase maintenance plan which will allow the Borough to extend the life of existing streets while continuing to reconstruct others. The Borough started this three phase process in 2005. Each year a number of streets will be microsurfaced, a number of streets will have mill and overlay performed and others will be completely reconstructed. As this process is considered a maintenance plan, we are cautious about funding this project each year with bonds. When this plan was initiated it was anticipated that each year \$150,000 to \$250,000 would be added to the cash portion with the hope that within 5-7 years the entire road maintenance program will be included in the borough budget and not financed. We have included \$500,000 as the cash portion of the 2008 road program. The remaining \$500,000 will be funding through this years bond ordinance. The Borough also received a grant for road work on Chestnut Street. Other items included in the 2008 bond ordinance will include a new bucket truck, a new chipper truck, a vehicle wash structure, parking improvements, improvements to borough buildings, and improvements to the Library building. Capital plans can have a significant impact on the budget, however we feel that investment in our infrastructure must be done now to offset increased costs in the future.

We believe that this year's budget addresses the delicate balance between limiting expenditures as much as possible, while continuing to provide quality services to our residents and visitors, and paying the other obligations of municipal government. This next year will bring many challenges as the State continues to create policy regarding property taxes. We will work hard in 2008 to develop plans to work within the constraints placed on us by the State. Please feel free to contact any Commissioner or the Borough Administrator with any questions you may have about the 2008 budget.

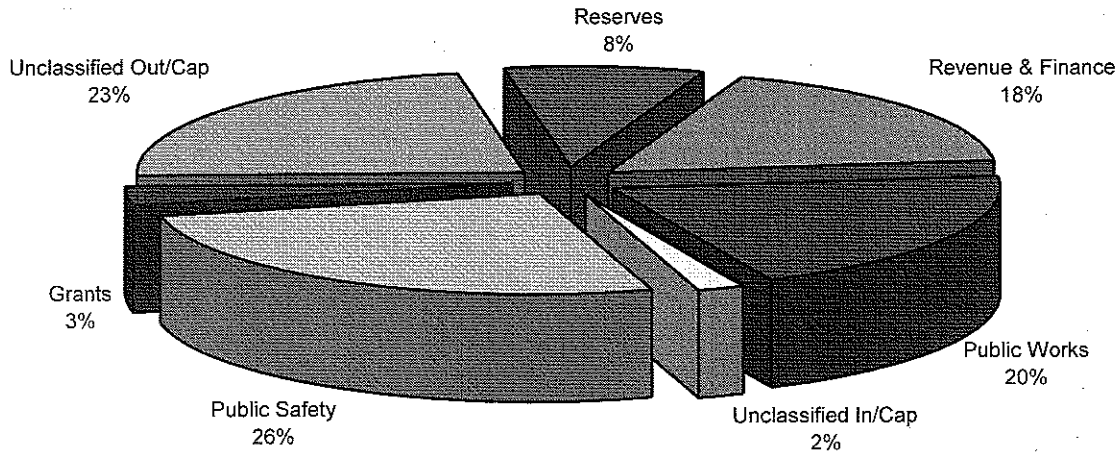
HADDONFIELD 2008 BUDGET

BOROUGH OF HADDONFIELD CURRENT FUND REVENUES	2007 ANTICIPATED BUDGET REVENUES	BUDGET REVENUES REALIZED	ANTICIPATED vs. REALIZED EXCESS OR (DEFICIT)	2,008.00 ANTICIPATED BUDGET REVENUES
FUND BALANCE	2,300,000.00	2,300,000		2,320,000.00
MISC REVENUES				
FEES PERMITS/OTHER	33,500.00	29,702	(3,798)	25,000.00
FINES AND COSTS/COURT	125,000.00	137,872	12,872	125,000.00
INTERESTS & COST ON TAXES	100,000.00	166,395	66,395	100,000.00
PARKING METERS	145,000.00	217,579	72,579	195,000.00
PARKING PERMIT PROGRAM	50,000.00	72,051	22,051	50,000.00
CABLE TV FRANCHISE FEES	26,000.00	43,748	17,748	26,000.00
LINCOLN COMMONS PILOT				
ENERGY RECEIPTS TAX **	859,125.00	859,125		859,125.00
SUPPLEMENTAL ENERGY RECEIPTS TAX	34,806.00	34,806		34,806.00
HOMELAND SECURITY AID	70,000.00	70,000		70,000.00
LEGISLATIVE INITIATIVE MUNICIPAL BLOCK GR	50,903.00	50,903		50,903.00
CONSOLIDATED MUN. PROP. TAX RELIEF AID	413,934.00	413,934		413,934.00
MUNICIPAL PROPERTY TAX ASSISTANCE	26,255.00	26,255		26,255.00
DEDICATED UNIF CONST CODE	175,000.00	185,339	10,339	175,000.00
INTERLOCAL AGREEMENT - CONST. OFFICIAL				
N.J. TRANSPORTATION TRUST FUND	152,000.00	152,000		150,000.00
CLEAN COMMUNITIES	775.06	775		
MUNICIPAL ALLIANCE GRANT				
ALCOHOL EDUCATION & REHAB FUND	88.43	88		253.71
DRUNK DRIVING ENFORCEMENT FUND				
RECYCLING GRANT	35,940.24	35,940		5,837.37
NJDOT LIVABLE COMMUNITIES				
BODY ARMOR REPLACEMENT FUND	2,174.28	2,174		3,838.53
SMART GROWTH GRANT				
DOT - Local Transportation Improvement				50,000.00
LIVABLE COM. - BOROUGH HALL ADA				
LIVABLE COM. - LOCAL LIBRARY				
Livable Com. - Centennial Park Field House				
Statewide Local Dom. Prep. Equip. Grant				
Safe Routes to School				200,000.00
MEDICAL ASSISTANCE FEES	200,000.00	331,003	131,003	200,000.00
RES. FOR INTERFUND TRANSFERS				
RESERVE FOR DRPA FUNDS	30,000.00	30,000		30,000.00
TOTAL MISC REVENUES	2,530,501.01	2,859,689.00	329,189.00	2,790,952.61
RECEIPTS FROM DELINQUENT TAXES	300,000.00	535,087.05	235,087.05	346,750.00
SUBTOTAL (SURPLUS+MISC REV+DELTAX)	5,130,501.01	5,694,776.05	564,276.05	5,457,702.61
AMOUNT TO BE RAISED BY TAXES	7,969,358.00		-7,969,358.00	8,537,973.00
TOTAL (SUBTOTAL REV + TAXES RAISED)	13,099,859.01	5,694,776.05	-7,405,081.95	13,995,675.61

**2008
BUDGET RECAP**

PUBLIC SAFETY	3,697,835.00
REVENUE & FINANCE	2,488,340.00
PUBLIC WORKS	2,807,945.00
UNCLASSIFIED WITHIN "CAP"	267,600.00
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAP"	<u>9,261,720.00</u>
GRANT APPROPRIATION WITH OFFSETTING REVENUES	<u>409,929.61</u>
OTHER UNCLASSIFIED-EXCLUDED FROM "CAP"	3,176,411.00
SUB-TOTAL GENERAL APPROPRIATIONS	<u>12,848,060.61</u>
RESERVE FOR UNCOLLECTED TAXES	1,147,615.00
TOTAL GENERAL APPROPRIATIONS	<u>13,995,675.61</u>
ANTICIPATED REVENUE	5,457,702.61
TOTAL LOCAL PURPOSE TAX	\$ 8,537,973.00

BOROUGH OF HADDONFIELD GENERAL FUND



<u>Within Caps</u>	<u>2007</u>	<u>2008</u>	<u>% inc/dec</u>
Salary & Wages	4,689,445	4,890,785	4.29%
Other Expenses	4,312,114	4,370,935	1.36%
Deferred Charges/statutory	-	-	0.00%
Total	9,001,559	9,261,720	2.89%
<u>Excluded from Cap</u>			
Salary & Wages	0	0	0.00%
Other Expenses	1,570,946	1,747,511	11.24%
Grants With Offsetting Revenue	0	409,930	#DIV/0!
Capital Improvement	640,200	625,000	-2.37%
Debt Service	750,000	803,900	7.19%
Total	2,961,146	3,586,341	21.11%
General Appropriations	11,962,705	12,848,061	7.40%
Reserve For Uncollected Taxes	1,137,154	1,147,615	0.92%
Total Appropriations - General	13,099,859	13,995,676	6.84%
Total Appropriations - Water/Sewer	2,890,400	3,110,900	7.63%

Description	2006 Adopted	2007 Adopted	2007 Expended Encumb./Res.	2008 Proposed
Department of Public Safety				
Director of Public Safety - S&W	5,240.00	5,425.00	5,418.40	5,610.00
Director of Public Safety - O.E.	1,300.00	1,300.00	1,243.10	1,300.00
Legal - S&W	42,100.00	43,600.00	43,589.39	45,100.00
Legal - O.E.	198,000.00	198,000.00	49,989.60	170,000.00
Planning Board - S&W	61,900.00	27,325.00	27,280.65	28,250.00
Planning Board - O.E.	32,000.00	42,000.00	38,161.24	23,000.00
Fire - S&W	560,000.00	567,000.00	538,166.59	569,000.00
Fire - O.E.	52,015.00	57,000.00	56,402.18	58,000.00
Aid to Volunteer Fire Company	30,000.00	30,000.00	29,977.36	30,000.00
Police - S&W	2,123,027.00	2,169,200.00	2,168,940.69	2,278,800.00
Police - O.E.	120,770.00	140,425.00	179,863.78	145,700.00
Construction Code - S&W	136,000.00	143,450.00	123,812.79	147,600.00
Construction Code - O.E.	9,060.00	5,000.00	4,067.83	5,000.00
Board of Adjustment - S&W	20,000.00	32,530.00	30,124.97	40,875.00
Board of Adjustment - O.E.	2,800.00	3,000.00	2,753.06	3,500.00
Office of Emergency Mgmt - O.E.	500.00	500.00	0.00	500.00
Municipal Court				
Municipal Court - S&W	127,000.00	130,400.00	130,341.63	137,000.00
Municipal Court - O.E.	4,900.00	5,100.00	4,875.55	5,600.00
Public Defender - S & W	2,730.00	2,850.00	2,817.10	3,000.00
Total Public Safety	3,529,342.00	3,604,105.00		3,697,835.00

Description	2006 Adopted	2007 Adopted	2007 Expended Encumb./Res.	2008 Proposed
Department of Revenue & Finance				
Director of Rev. & Fin. - S&W	5,240.00	5,425.00	5,418.40	5,610.00
Director of Rev. & Fin. - O.E.	1,300.00	1,300.00	928.42	1,300.00
Administration - S&W	141,100.00	152,000.00	135,589.05	105,000.00
Administration - O.E.	65,760.00	68,000.00	91,451.17	68,000.00
Assessment of Taxes - S&W	50,100.00	50,900.00	50,825.16	53,000.00
Assessment of Taxes - O.E.	23,000.00	23,000.00	21,214.79	23,000.00
Collection of Taxes - S&W	90,500.00	93,000.00	91,822.97	94,500.00
Collection of Taxes - O.E.	7,550.00	7,700.00	7,695.50	8,950.00
Postage -O.E.	22,000.00	22,000.00	21,999.06	27,000.00
Telephone - O.E.	50,000.00	43,500.00	48,491.52	54,000.00
Audit - O.E.	43,750.00	43,750.00	43,750.00	43,750.00
Blood Bank - O.E.	350.00	350.00	0.00	
Casualty Insurance - O.E.	0.00	148,545.00	144,054.87	164,600.00
Workers Compensation	0.00	181,562.00	181,562.00	197,000.00
Employee Medical Benefits O.E.	0.00	1,290,085.00	1,119,115.76	1,396,000.00
Information Center S/W	28,000.00	31,350.00	27,736.68	32,500.00
Information Center OE	16,700.00	15,500.00	16,522.65	18,750.00
Financial Administration - S&W	55,000.00	57,700.00	54,123.87	58,000.00
Financial Administration - O.E.	6,950.00	7,630.00	6,915.38	7,630.00
Human Resources - S&W	30,700.00	32,700.00	31,794.60	28,500.00
Human Resources - O.E.	3,600.00	3,700.00	3,700.00	3,700.00
Unemployment Insurance	15,000.00	17,000.00	17,000.00	12,000.00
Municipal Clerk's Office - S&W	67,000.00	71,750.00	69,081.48	72,500.00
Municipal Clerk's Office - O.E.	10,650.00	11,650.00	11,592.33	13,050.00
Total Revenue & Finance	734,250.00	2,380,097.00		2,488,340.00

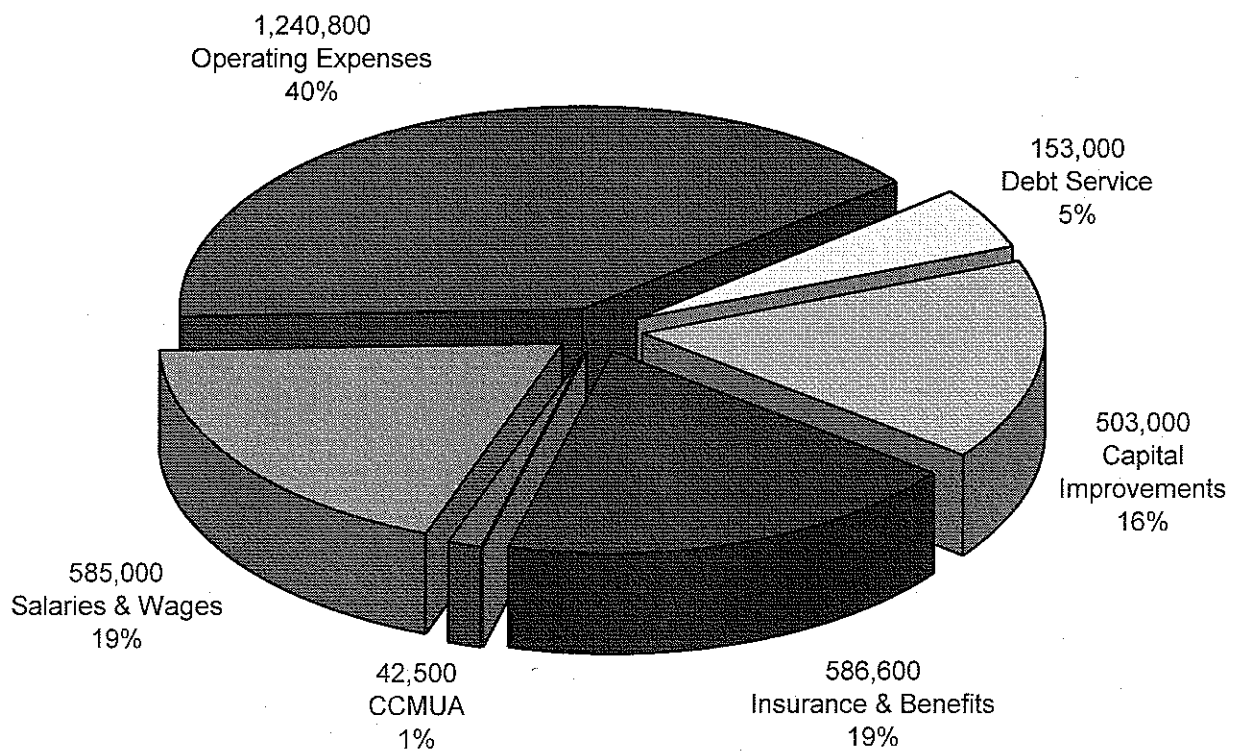
Description	2006 Adopted	2007 Adopted	2007 Expended Encumb./Res.	2008 Proposed
Department of Public Works				
Director of Public Works - S&W	5,640.00	5,840.00	5,838.30	6,040.00
Director of Public Works - O.E.	1,400.00	1,700.00	1,384.80	1,700.00
Streets - S&W	374,500.00	398,000.00	379,263.56	419,500.00
Streets - O.E.	165,100.00	186,450.00	183,370.70	175,000.00
Envir. Comm - O.E.	1,500.00	1,500.00	786.33	6,500.00
Senior Citizens Council - S & W	46,240.00	44,000.00	44,498.03	46,000.00
Senior Citizens Council - O.E.	27,000.00	22,850.00	17,446.63	22,805.00
Recreation - S&W	55,000.00	56,000.00	50,447.89	55,400.00
Recreation - O.E.	7,000.00	12,950.00	4,913.62	14,700.00
Street Lighting - O.E.	92,000.00	100,000.00	98,822.33	104,000.00
Buildings & Grounds - S&W	108,000.00	72,000.00	39,173.10	73,000.00
Buildings & Grounds - O.E.	132,400.00	130,650.00	142,467.38	125,000.00
Shade Tree - S&W	30,000.00	100,500.00	87,165.73	160,000.00
Shade Tree - O.E.	234,000.00	230,500.00	162,841.56	149,750.00
Trash Removal - S&W	361,000.00	349,000.00	348,795.22	354,500.00
Trash Removal - O.E.	42,500.00	43,600.00	39,025.46	41,350.00
Engineering - O.E.	15,000.00	15,000.00	14,923.00	15,000.00
Vehicle and Equipment Repairs - S&W	46,000.00	47,500.00	46,058.60	71,500.00
Vehicle and Equipment Repairs - O.E.	189,500.00	223,250.00	207,144.53	199,700.00
Contribution for Activities. & Celeb.	5,000.00	5,000.00	5,000.00	7,000.00
Solid Waste Disposal Costs	420,000.00	457,500.00	403,856.60	472,500.00
Utilities/Bulk Purchases				
Electricity	89,000.00	75,000.00	82,825.23	84,000.00
Natural Gas	32,000.00	35,000.00	39,649.58	39,000.00
Sewerage disposal	2,856.00	3,000.00	1,617.65	3,000.00
Vehicle Fuel/Gasoline	133,200.00	147,500.00	128,945.36	157,000.00
Payment to Condos for Street Lighti	4,500.00	5,000.00	2,304.38	4,000.00
Total Public Works	2,620,336.00	2,769,290.00		2,807,945.00

Description	2006 Adopted	2007 Adopted	2007 Expended Encumb./Res.	2008 Proposed
Unclassified Appropriations Inside Caps				
Contingent	100.00	100.00	0.00	100.00
Public Employees Retirement System	5,497.00	5,717.00	5,717.00	6,000.00
Social Security System	240,000.00	240,000.00	237,832.98	260,000.00
Business Development Studies/Exp.				
Business Development O.E.	13,250.00	2,250.00	45.95	1,500.00
Business Development S&W	0.00			
Def. Chg. - overexpenditure of approp.	0.00			
Def. Chg. - expenditure W/O approp.	0.00			
Total Unclassified Inside Caps	258,847.00	248,067.00		267,600.00
Total Appropriations Inside Caps	7,142,775.00	9,001,559.00		9,261,720.00

Description	2006 Adopted	2007 Adopted	2007 Expended Encumb./Res.	2008 Proposed
Unclassified Appropriations Outside Caps				
Police & Firemens' Pension Fund	158,341.00	263,028.00	263,028.00	373,198.00
Public Employees Pension Fund	64,182.00	115,340.00	113,335.20	195,815.00
Capital Improvement Fund	120,200.00	120,200.00		75,000.00
Debt Service- Principal Payment	505,000.00	410,000.00	410,000.00	390,000.00
Debt Service - Interest Payment	375,000.00	340,000.00	339,572.50	413,900.00
Various Capital Projects	150,000.00	520,000.00	520,000.00	550,000.00
Free Public Library - O.E.	876,500.00	896,600.00	896,600.00	923,498.00
Def. Chg. - emergency approp.	115,000.00	105,000.00	105,000.00	105,000.00
Reserve for Tax Appeals				150,000.00
Casualty Insurance - O.E.	141,000.00	0		
Workers Compensation	160,100.00	0.00		
Employee Medical Benefits O.E.	1,192,000.00	0		
State DWI Grant - S & W	2,141.92			
DOT - Local Transportation Improvemnt				50,000.00
Res for recycling tonnage grant	3,465.19	35,940.24		5,837.37
NJ Transportation Trust Fund	150,000.00	152,000.00		150,000.00
Municipal Alliance Grant				
Clean Communities Grant	10,535.09	775.06		
Alcohol, Educ. & Rehab		88.43		253.71
Safe Routes to School				200,000.00
Smart Growth Grant				
Body Armor Replacement Fund	5,201.04	2,174.28		3,838.53
Livable Com. - Centennial Park Field House				
Total Appropriations Outside Caps	4,028,666.24	2,961,146.01		3,586,340.61
Reserve For Uncollected Taxes	1,079,667.00	1,137,154.00		1,147,615.00
TOTAL GENERAL FUND	12,251,108.24	13,099,859.01		13,995,675.61

Description	2006 Adopted	2007 Adopted	2007 Expended Encumb./Res.	2008 Proposed
WATER/SEWER FUND				
Water & Sewer S&W	550,700.00	579,900.00	547,747.42	585,000.00
Water & Sewer O.E.	1,116,700.00	1,166,150.00	1,150,742.26	1,240,800.00
Reserve for Repairs, Repl, Improve	250,000.00	420,000.00	392,050.46	445,000.00
Capital Improvement Fund	7,000.00	0.00		58,000.00
Payment of Notes	25,000.00	73,255.00	72,525.00	15,000.00
Interest on Notes	75,000.00	64,000.00	30,503.01	138,000.00
Public Employees Ret	4,500.00	4,500.00	4,500.00	6,000.00
Social Security System	42,400.00	45,000.00	39,557.62	45,000.00
Employee Medical Benefits	464,000.00	408,195.00	355,688.50	442,000.00
Casualty Insurance	104,100.00	81,900.00	81,900.00	88,600.00
Unemployment Insurance	5,000.00	5,000.00	5,000.00	5,000.00
Def. Chg. - overexpenditure of apprc	0.00	0.00		
Pmt of Senior Citizens CCMUA Bills	39,000.00	42,500.00	38,455.67	42,500.00
TOTAL WATER & SEWER	2,683,400.00	2,890,400.00	2,326,619.48	3,110,900.00

**THE BOROUGH OF HADDONFIELD WATER/SEWER OPERATING
BUDGET \$2,890,400**



HADDONFIELD 2008 BUDGET

PROJECT	2007 CAPITAL BUDGET				OTHER SOURCES OF FUNDS	
	TOTAL PROJECT EST. COST	CAPITAL IMPROVEMENT FUND	AMOUNT TO BE FINANCED			
CURRENT FUND						
Parking Improvements	\$ 50,000	\$ -	\$ -	\$ 50,000		Fully Funded Capita
2007 Road Program	\$ 1,500,000	\$ 32,500	\$ 617,500	\$ 850,000		Fully Fund Cap/grant
Potter/Ellis St. Design	\$ 130,000	\$ 6,500	\$ 123,500			
Purchase of Public Works Vehicles & Equipment	\$ 405,000	\$ 20,250	\$ 384,750			
Kings Court Reconstruction	\$ -	\$ -	\$ -			
Library Repairs/Improvements	\$ 90,000	\$ 4,500	\$ 85,500			
Improvements to Borough buildings	\$ 100,000	\$ 5,000	\$ 95,000			
Capital Improvement Fund	\$ 6,250	\$ 6,250				
TOTAL CURRENT CAPITAL TOTALS	\$ 2,281,250	\$ 75,000	\$ 1,306,250	\$ 900,000		

WATER/SEWER FUND

2008 Road Program Utility work	\$ 1,000,000		\$1,000,000		
Bi-pass pump & emergency generator - pump station	\$ 160,000		\$160,000		
Fencing for pumps stations & wells	\$ 33,000		\$33,000		
Water Meter Replacement	\$ 1,725,000	\$ 86,250	\$1,638,750	\$ -	
TOTAL WATER/SEWER FUND	\$ 2,918,000	\$ 86,250	\$ 2,831,750	\$ -	