

Haddonfield Municipal Budget Review Committee
Progress on 2010 Recommendations
Drafted February 2011, Revised March 2011

The Budget Review Committee (BRC) submitted a preliminary report in 2010 with two groups of recommendations. The first group included short-term recommendations that could be accomplished in 2010. The second group included long-term recommendations that could be initiated or accomplished in 2011 or beyond.

Here is a list of each recommendation and the actions taken by Borough officials to date:

Short-term Recommendation #1:

During the annual budget planning process, consider having each department head submit an annual spending plan that is lower than the previous year and identifies how services would be affected by potential budget reductions.

Progress:

- The borough administrator and department heads worked together in 2010 (and continue to do so in 2011) to find cost-savings and operational efficiencies that could be instituted without reductions in borough services. These changes have been approved by the commissioners.
- The borough administrator directed department heads to identify budget cuts when submitting requests in 2010 and has done the same for 2011. These were submitted, along with explanations of how these would affect department operations and borough services. Most of these cuts were approved by the commissioners.
- 2010 examples include outsourcing trash collection and eliminating four Public Works employees, eliminating one Revenue & Finance employee, leaving one Public Safety position unfilled, reducing the annual Public Library appropriation, and shifting certain duties and responsibilities within each department.
- The commissioners approved the following 2010 budget amounts, compared to the previous year's budget amounts:
 - Public Safety – 7.75% cut (\$287,254)
 - Revenue & Finance – 10.16% increase (\$250,621), mainly due to increases in borough health benefits and unemployment compensation costs
 - Public Works – 4.27% cut (\$120,000)
 - Public Library – 5% cut (\$47,200) in appropriation
 - Water & Sewer Utility – 6.5% cut (\$209,000)
 - Other Unclassified Appropriations – Increases in state pension and debt services payments

Short-term Recommendation #2:

Explore more sharing of services and expenses with other entities:

Progress:

- In 2010, the commissioners approved a shared services agreement with Audubon Borough for the operation of municipal court services. This went into effect in January, 2011 and is projected to save \$60,000 to \$80,000 in each of the next five years.
- In 2010, the commissioners received an additional \$8,000 from the Partnership for Haddonfield, bringing the Partnership's total contribution to \$15,000 for the operation of the downtown Information Center. In 2011, additional Partnership funds will be provided to cover expenses for holiday lights and hanging flower baskets for downtown.
- Shared service agreements with the state, county, school district and other municipalities for certain expenses (purchasing, office supplies, snow plowing/road salt, field maintenance, equipment, public safety programs, etc.) were renewed in 2010. Estimated savings: \$20,000 to \$40,000 per year.
- Memberships in the South Jersey Joint Insurance Fund (JIF) and Health Insurance Fund (HIF) were renewed in 2010.

Short-term Recommendation #3 (TABLED):

Review financing of road/infrastructure improvements.

We have historically used a mix of current tax and water/sewer revenues (cash), grant money and bond proceeds (debt) to finance road and infrastructure improvements. Several BRC members have advocated adjusting this mix and analyzing the fiscal effect of lowering the annual cash portion and increasing the financed (bonded) portion to see if costs could be spread over the life of these improvements and if annual appropriations could be reduced.

For the record, the 2010 cash portion for Capital Improvements was reduced by 5.38% (\$35,000) and the financed portion has been increasing. This is not the result of a determined policy decision by the commissioners, but more the result of fluctuating amounts of state aid and grant receipts, new infrastructure costs such as the Public Works site remediation and new parking kiosks, and the state 2% property tax cap law.

Long-term Recommendation #1:

Analyze and consider privatizing or outsourcing certain borough services.

Progress:

- In 2010, the commissioners approved a multi-year contract with a private firm to provide trash removal services, for a savings of \$800,000 over the next five years.

- In 2010 and early 2011, the commissioners approved soliciting RFPs for the outsourcing of several borough services, including recycling, vegetative waste collection, landscaping, tree removal, snow removal and crossing guards.
- In 2011, the commissioners may also revisit the idea of selling the Water & Sewer Utility to a private company, although no decision has been made to date.

Long-term Recommendation #2:

Analyze and consider changes in the collection of downtown parking meter revenue.

Progress:

- In 2010, the commissioners authorized the replacement of parking meters with parking kiosks in borough parking lots. The costs for the new kiosks are expected to be financed in 2011, with delivery and installation to be completed later in the year. The kiosks will enable the borough to collect parking revenue in a more cost-efficient manner and will reduce maintenance and collection costs in the long-term. In addition, we will be able to change future parking rates and collection days/hours easily and will enable more convenience for parking patrons through the use of credit/debit cards and paper money, as well as coins.
- In early 2011, the commissioners also authorized the replacement of parking meters with kiosks on Tanner Street. Since the meters will be removed when the street surface and curbs are reconstructed this spring, it makes sense to install kiosks rather than reinstall meters that would have to be removed in the future. This will serve as a test run of the use of kiosks on streets before any decision is made to use them throughout the rest of the borough (on Kings Highway, Haddon Avenue, etc.) in the future.
- Extending the collection of parking fees on weekends and/or past 5 p.m., and the elimination of free parking during the month of December will be considered in 2011, although no decision has been made to date.

Long-term Recommendation #3:

Clearly identify and push strongly for needed changes to collective bargaining agreements during negotiations with union representatives.

Progress:

- In 2010, the commissioners and Borough Administrator identified several changes to the police union (PBA) contract to bargain for, and a new, three-year contract was negotiated. This was done without the use of an outside labor attorney, even though this professional service was approved and budgeted for 2010. The agreement with the PBA prevented the need to utilize the binding arbitration process, which would have dictated the terms of the contract.
- In 2010, the commissioners approved the new contract. A limited cost-of-living increase schedule, favorable to the borough, was agreed to. In addition,

favorable, cost-saving changes to an over-generous sick policy and an increase over time in health insurance premium-sharing were won by the borough.

- In 2011, the commissioners and Borough Administrator will negotiate a new contract with the Public Works union (Teamsters). Potential contract changes have been identified and we will negotiate strongly for them. If needed, the use of an outside labor attorney has been approved.