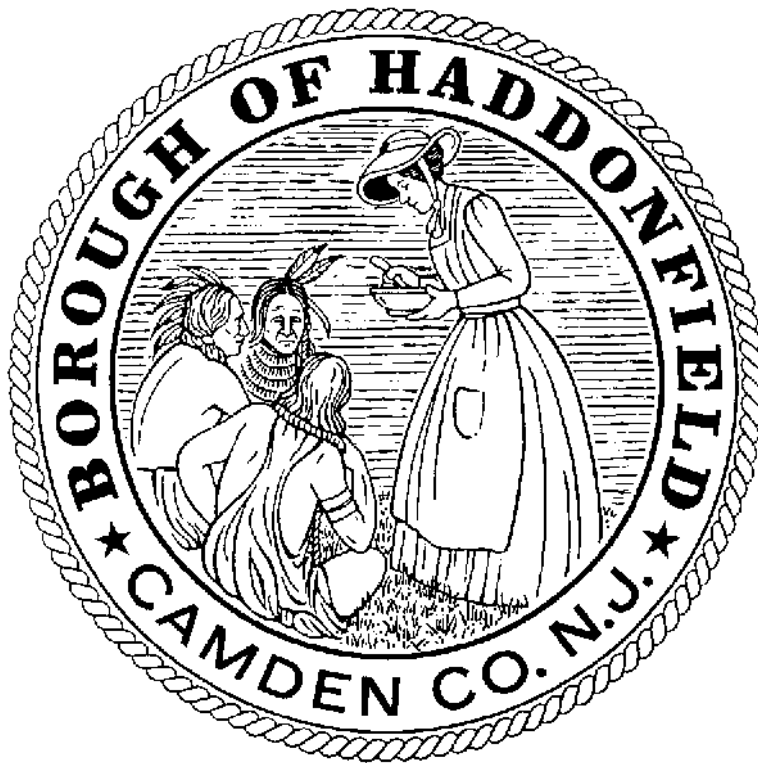


**THE BOROUGH OF HADDONFIELD
RECAPITULATION AND SUMMARY OF
2011 BUDGET**

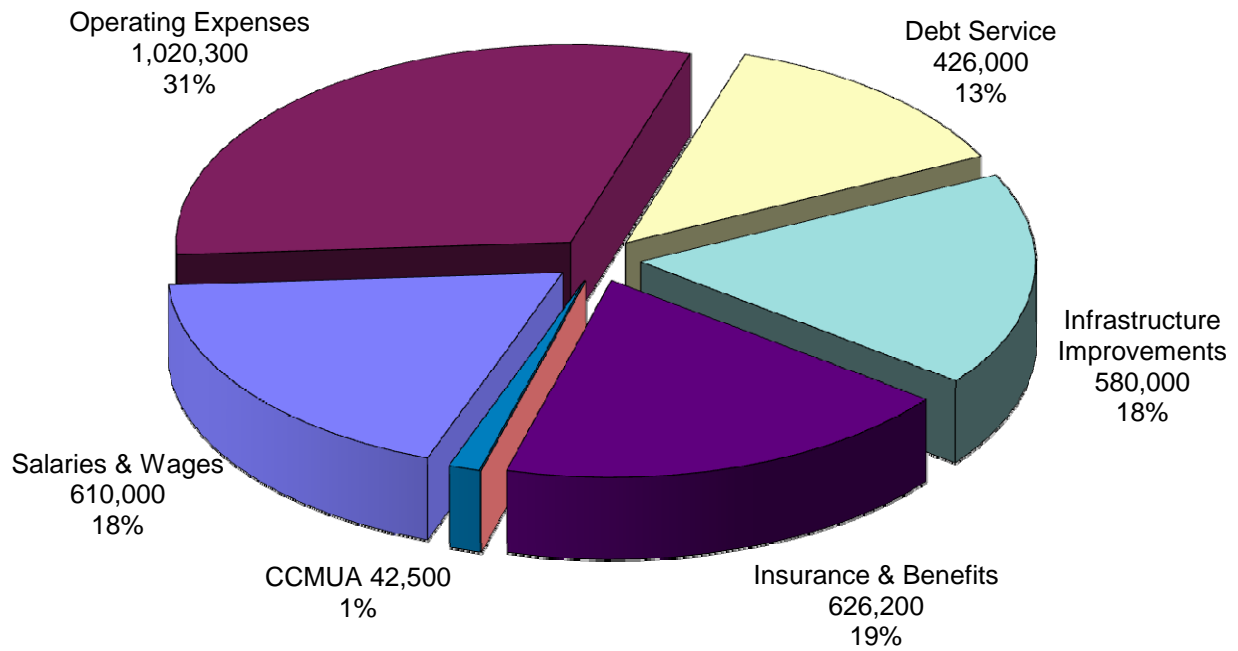


Introduced: April 12, 2011

Amended: April 26, 2011

Adopted: May 10, 2011

**THE BOROUGH OF HADDONFIELD WATER\SEWER OPERATING
BUDGET \$3,305,000**



2011 BUDGET MESSAGE

April 26, 2011

This year, the Borough Commissioners have proposed a budget with a local purpose tax rate of 44.18 cents per \$100 of assessed property valuation. This is 1.79 cents greater than last year's tax rate. The Borough tax is a little less than 17% of your total real estate tax bill. The proposed 2011 Borough budget is \$14,772,238.00 of which \$9,992,651.00 will be raised through property taxes. The overall budget will increase **less than 1%**, excluding grants – daily operating expenses will decrease by **.20%**.

Here are some examples of the effect of this 2011 budget on taxes:

Assessed Property Value	2010 Local Tax	2011 Local Tax	\$\$ Increase
\$ 245,680	\$ 1,041	\$ 1,085	\$ 44
\$ 491,359	\$ 2,083	\$ 2,170	\$ 87
\$ 737,039	\$ 3,124	\$ 3,254	\$ 130

As in past years, all Borough departments were asked to look for cost-savings and efficiencies wherever possible. Faced with a 2 percent cap on the property tax levy increase (with some exceptions), decreases in certain miscellaneous and grant revenues, and a slight decline in the total value of all taxable properties, the Commissioners and Borough department heads have continued to budget for the most basic needs, while eliminating or reducing appropriations for certain programs and services that go beyond those basic needs. Changes in borough staffing, as well as decreases in the Department of Revenue & Finance, Department of Public Works, and Public Library appropriations, are reflected in this year's budget. In addition, reductions and service changes for the Information Center, Summer Recreation programs, Senior Center programs, and fall leaf pick-up are planned. Overall, this budget seeks to provide quality basic services within the constraints of harsh economic and fiscal realities.

After last year's 22% reduction in State Aid, we are anticipating a flat level (\$981,000) in state funding this year. We also have a smaller surplus for use in this year's budget than last year's (from \$2,000,000 down to \$1,700,000).

The 2011 budget, minus grant expenditures, increases \$123,636 over the 2010 budget (0.56%). This limited increase is despite required increases in pension payments (up \$112,000) and debt service payments (up \$36,675), as well as increased legal and redevelopment consulting costs (\$73,000).

Two major changes to Borough operations were instituted in the past year: Operation of the Municipal Court is now a shared service with the Borough of Audubon and Trash pick-up has been outsourced to a private company. The savings for the Municipal Court are expected to be \$60,000 or more for each of the next three years. The savings for the outsourcing of trash are expected to be almost \$800,000 over the next five years. The sharing and outsourcing of other Borough services will continue to be explored in 2011.

Employee salaries, benefits and pension payments (\$7,092,423) now make up almost half of the Borough budget, even as cost of living increases and longevity bonuses were put on hold for non-

union employees for the past several years. This year, cost of living increases averaging to less than 1 percent will be granted to non-union employees and to members of the Police department as stipulated by their union contract (the Teamster contract for Public Works employees ended March 31, 2011).

The Borough's annual Road Program continues to play a large part in the annual capital budget, with the Commissioners continuing to commit close to \$1,000,000 per year for road reconstruction. This includes \$600,000 as the 2011 cash portion, with the balance being funded through grant receipts and an annual bond ordinance. By funding a good portion of the Road Program in the current budget (as a cash appropriation), we are able to not only move forward with the improvements to our roadways, but also limit future debt service payments.

Other items in the capital budget to be funded by the 2011 bond ordinance include kiosks for downtown parking lots and a new Public Works vehicle. Capital expenditures for utility replacements are expected to total \$1,300,000 and are funded from the Borough's Water & Sewer capital fund.

Finally, the 2011 Water & Sewer utility budget comes in at \$3,305,000 – an increase of \$168,552. This includes reductions in certain operational expenses, interest payments, and medical benefit payments, offset by increases in wages, payment of notes, capital outlay expense and the reserve for utility repairs. Rate charges of \$4.80 cents/gallon for water and \$2.30 cents/gallon for sewer, set by the Commissioners earlier this year, are reflected in the Water & Sewer utility budget.

We believe this is a responsible budget that reflects the reality of current state fiscal requirements and the economic conditions facing all taxpayers. We can no longer fund every program, service and initiative that residents desire. Unlike previous years, we are now faced with making significant cuts in programs and services in order to stay within the state-mandated 2 percent property tax increase cap. As always, we strive to provide the best possible level of service within the fiscal constraints of this cap and the uncertainty of some revenue and grant receipts. While this is neither a perfect situation nor a perfect budget, we have made every effort to fund basic, necessary services at the levels supported by taxpayers and state law.

Please feel free to contact any Commissioner or the Borough Administrator with any questions you may have about the 2011 budget.

2010 CAPITAL BUDGET

<i>PROJECT</i>	<i>TOTAL PROJECT EST. COST</i>	<i>CAPITAL IMPROVEMENT FUND</i>	<i>AMOUNT TO BE FINANCED</i>	<i>OTHER SOURCES OF FUNDS</i>	
CURRENT FUND					
2011 Road Program	\$ 1,200,000	\$ 20,000	\$ 380,000	\$ 800,000	Fully Fund Cap/grants
Misc	\$ 800,000	\$ 10,000	\$ 190,000	\$ 600,000	
Centre	\$ 200,000	\$ -	\$ -	\$ 200,000	
Mini mill and overlay areas	\$ 40,000	\$ 2,000	\$ 38,000		
Future Roadway Designs	\$ 160,000	\$ 8,000	\$ 152,000		
Parking Improvements	\$ 65,000	\$ 3,250	\$ 61,750	-	
Kiosks	\$ 65,000	\$ 3,250	\$ 61,750		
	\$ -	\$ -	\$ -		
	\$ -	\$ -	\$ -		
	\$ -	\$ -	\$ -		
Public Works Vehicle	\$ 55,000	\$ 2,750	\$ 52,250		
rolloff truck	\$ 55,000	\$ 2,750	\$ 52,250		
	\$ -	\$ -	\$ -		
	\$ -	\$ -	\$ -		
	\$ -	\$ -	\$ -		
Capital Improvement Fund		\$ -			
TOTAL CURRENT CAPITAL TOTALS	\$ 1,320,000	\$ 26,000	\$ 494,000	\$ 800,000	

WATER/SEWER FUND

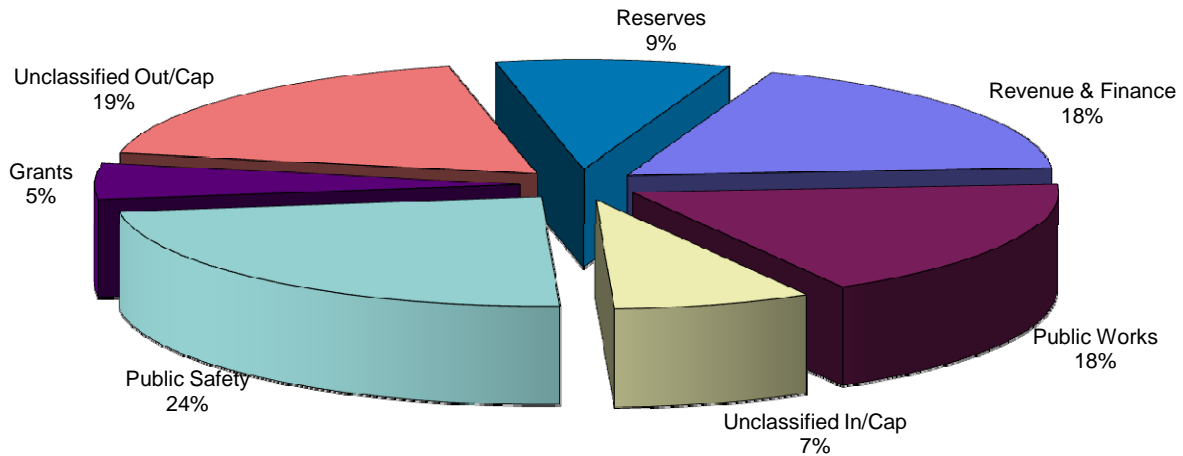
2011 Utility replacement program	\$ 300,000		\$300,000	
Centre Street	\$ 200,000			
misc.	\$ 100,000			
	\$ -		\$0	
	\$ -		\$0	
	\$ -		\$0	
Grove Street Force Main Project	\$ 1,000,000		\$1,000,000	
			\$0	
			\$0	
			\$0	
TOTAL WATER/SEWER FUND	\$ 1,300,000	\$ -	\$ 1,300,000	\$ -

BOROUGH OF HADDONFIELD CURRENT FUND REVENUES	2009 ANTICIPATED BUDGET REVENUES	2010 ANTICIPATED BUDGET REVENUES	BUDGET REVENUES REALIZED	ANTICIPATED vs. REALIZED EXCESS OR (DEFICIT)	2011 ANTICIPATED BUDGET REVENUES
FUND BALANCE	2,320,000	2,000,000	2,000,000		1,700,000
MISC REVENUES					
FEES PERMITS/OTHER	35,000	35,000	58,352	23,352	35,000
FINES AND COSTS/COURT	115,000	102,000	123,677	21,677	102,000
INTERESTS & COST ON TAXES	100,000	100,000	188,759	88,759	100,000
PARKING METERS	195,000	178,000	200,342	22,342	178,000
PARKING PERMIT PROGRAM	65,000	65,000	88,935	23,935	65,000
FIRE INSPECTION FEES					41,000
CABLE TV FRANCHISE FEES	30,000	30,000	133,980	103,980	30,000
Cost Sharing Partnership		8,000	8,000		15,000
DEDICATED UNIF CONST CODE	155,000	125,000	188,673	63,673	125,000
MEDICAL ASSISTANCE FEES	200,000	200,000	200,000		200,000
Reserve for Payment of Bonds	70,000	70,000	70,000		30,000
RESERVE FOR DRPA FUNDS	30,000	30,000	30,000		30,000
STATE AID					
ENERGY RECEIPTS TAX **	994,726	859,104	859,104		878,203
SUPPLEMENTAL ENERGY RECEIPTS TAX					
HOMELAND SECURITY AID					
CONSOLIDATED MUN. PROP. TAX RELIEF AID	262,191	121,920	121,920		102,821
MUNICIPAL PROPERTY TAX ASSISTANCE					
GARDEN STATE TRUST	1	1		(1)	
GRANTS					
Recycling Grant					87,517
DOT-ARRA Trans. Enhancement Prog.	570,000				
N.J. TRANSPORTATION TRUST FUND	180,000	195,000	195,000		200,000
COMMUNITY STEWARDSHIP INCENTIVE PROGRAM	25,000				
CLEAN COMMUNITIES	14,620	19,422	19,422		18,582
MUNICIPAL ALLIANCE GRANT	14,226				14,226
2009 Business Stimulus Fund	24,408	6,900	6,900		
DEP - GREEN ACRES	500,000				450,000
NJDL&PS - Div of Highway Traffic Safety	450,000	7,018	7,018		
Body Armor		3,275	3,275		2,238
TOTAL MISC REVENUES	4,030,172.00	2,155,640.00	2,503,357.00	347,717	2,704,587.00
RECEIPTS FROM DELINQUENT TAXES	350,000.00	350,000.00	716,538.00	366,538	375,000.00
SUBTOTAL (SURPLUS+MISC REV+DELTAX)	6,700,172.00	4,505,640.00	5,219,895.00	714,255	4,779,587.00
AMOUNT TO BE RAISED BY TAXES	8,868,380.00	9,602,014.00	9,602,014.00		9,992,651.00
TOTAL (SUBTOTAL REV + TAXES RAISED)	15,568,552.00	14,107,654.00		14,107,654	14,772,238.00
BUDGET APPROPRIATIONS	15,568,552.00	14,107,654.00			14,772,238.00

2011 BUDGET RECAP

PUBLIC SAFETY		3,479,890.00
REVENUE & FINANCE		2,707,266.00
PUBLIC WORKS		2,639,380.00
UNCLASSIFIED WITHIN "CAP"		1,113,324.00
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAP"		<u>9,939,860.00</u>
GRANT APPROPRIATION WITH OFFSETTING REVENUES		<u>772,563.00</u>
OTHER UNCLASSIFIED-EXCLUDED FROM "CAP"		2,748,460.00
SUB-TOTAL GENERAL APPROPRIATIONS		<u>13,460,883.00</u>
RESERVE FOR UNCOLLECTED TAXES		1,311,355.00
TOTAL GENERAL APPROPRIATIONS		14,772,238.00
ANTICIPATED REVENUE		4,779,587.00
TOTAL LOCAL PURPOSE TAX	\$	9,992,651.00

BOROUGH OF HADDONFIELD GENERAL FUND



<u>Within Caps</u>	<u>2010</u>	<u>2011</u>	<u>% inc/dec</u>
Salary & Wages	4,607,811	4,352,356	-5.54%
Other Expenses	5,238,632	5,587,504	6.66%
Deferred Charges/statutory	-	-	0.00%
Total	<u>9,846,443</u>	<u>9,939,860</u>	0.95%
 <u>Excluded from Cap</u>			
Salary & Wages	0	0	0.00%
Other Expenses	1,001,800	971,800	-2.99%
Grants With Offsetting Revenue	231,615	772,563	233.55%
Capital Improvement	615,000	615,000	0.00%
Debt Service	1,124,985	1,161,660	3.26%
Total	<u>2,973,400</u>	<u>3,521,023</u>	18.42%
General Appropriations	<u>12,819,843</u>	<u>13,460,883</u>	5.00%
Reserve For Uncollected Taxes	<u>1,287,811</u>	<u>1,311,355</u>	1.83%
Total Appropriations - General	<u><u>14,107,654</u></u>	<u><u>14,772,238</u></u>	4.71%
 Total Appropriations - Water/Sewer	 <u><u>3,136,448</u></u>	 <u><u>3,305,000</u></u>	 5.37%

Description	2009 Adopted	2010 Adopted	2010 Expended Encumb./Res.	2011 Proposed
Department of Public Safety				
Director of Public Safety - S&W	5,475.00	5,575.00	5,468.00	5,660.00
Director of Public Safety - O.E.	1,300.00	1,300.00	793.89	1,300.00
Legal - S&W	45,100.00	0.00	0.00	0.00
Legal - O.E.	195,000.00	145,000.00	182,743.65	256,200.00
Planning Board - S&W	28,900.00	23,750.00	20,054.74	17,000.00
Planning Board - O.E.	24,500.00	22,750.00	16,863.59	22,450.00
Fire - S&W	580,000.00	589,000.00	599,450.00	581,000.00
Fire - O.E.	57,000.00	49,100.00	39,491.55	49,100.00
Aid to Volunteer Fire Company	30,000.00	15,000.00	15,000.00	15,000.00
Fire Official - S & W				33,000.00
Fire Official - O.E.				4,800.00
Police - S&W	2,283,929.00	2,174,000.00	2,172,893.55	2,183,000.00
Police - O.E.	128,950.00	122,950.00	119,484.03	94,900.00
Construction Code - S&W	140,750.00	135,200.00	131,921.42	135,000.00
Construction Code - O.E.	6,050.00	5,150.00	3,288.70	5,050.00
Board of Adjustment - S&W	43,290.00	35,250.00	28,471.35	31,050.00
Board of Adjustment - O.E.	4,000.00	3,065.00	17,037.18	3,415.00
Office of Emergency Mgmt - O.E.	500.00	500.00	497.26	500.00
Municipal Court				
Municipal Court - S&W	123,700.00	80,200.00	75,416.13	3,850.00
Municipal Court - O.E.	5,600.00	9,000.00	11,037.23	37,500.00
Public Defender - S & W	3,000.00	3,000.00	2,935.40	115.00
Total Public Safety	3,707,044.00	3,419,790.00	3,442,847.67	3,479,890.00

Description	2009 Adopted	2010 Adopted	2010 Expended Encumb./Res.	2011 Proposed
Department of Revenue & Finance				
Director of Rev. & Fin. - S&W	5,475.00	1.00	0.91	1.00
Director of Rev. & Fin. - O.E.	1,300.00	1,300.00	635.46	1,300.00
Administration - S&W	94,423.00	95,800.00	83,455.76	87,000.00
Administration - O.E.	61,500.00	52,650.00	48,882.07	47,850.00
Assessment of Taxes - S&W	55,000.00	55,900.00	55,860.60	57,000.00
Assessment of Taxes - O.E.	21,000.00	19,450.00	17,610.61	17,450.00
Collection of Taxes - S&W	78,300.00	77,200.00	77,029.65	78,800.00
Collection of Taxes - O.E.	10,150.00	10,355.00	10,243.73	9,055.00
Postage -O.E.	28,000.00	22,000.00	21,626.92	22,000.00
Telephone - O.E.	56,000.00	53,000.00	52,771.52	58,600.00
Audit - O.E.	32,175.00	32,175.00	32,175.00	34,000.00
Blood Bank - O.E.				
Casualty Insurance - O.E.	176,815.00	190,586.00	179,958.02	194,210.00
Workers Compensation	204,337.00	206,096.00	206,095.98	206,100.00
Employee Medical Benefits O.E.	1,375,816.00	1,635,125.00	1,524,736.09	1,640,000.00
Information Center S/W	29,500.00	25,500.00	25,492.51	19,125.00
Information Center OE	19,750.00	15,000.00	14,546.09	10,400.00
Financial Administration - S&W	59,100.00	60,200.00	59,724.00	60,000.00
Financial Administration - O.E.	7,791.00	9,750.00	7,548.13	8,200.00
Human Resources - S&W	29,310.00	31,200.00	31,034.64	31,925.00
Human Resources - O.E.	3,400.00	3,300.00	2,771.06	3,300.00
Unemployment Insurance	12,000.00	40,000.00	40,000.00	40,000.00
Municipal Clerk's Office - S&W	73,780.00	66,700.00	63,995.84	69,300.00
Municipal Clerk's Office - O.E.	32,670.00	14,925.00	10,883.93	11,650.00
Total Revenue & Finance	2,467,592.00	2,718,213.00	2,567,078.52	2,707,266.00

Description	2009 Adopted	2010 Adopted	2010 Expended Encumb./Res.	2011 Proposed
Department of Public Works				
Director of Public Works - S&W	6,035.00	6,035.00	6,004.90	6,130.00
Director of Public Works - O.E.	1,700.00	1,700.00	728.39	1,700.00
Streets - S&W	400,373.00	489,500.00	448,841.37	459,400.00
Streets - O.E.	262,290.00	188,810.00	209,402.18	185,850.00
Envir. Comm - O.E.	6,500.00	3,150.00	2,396.13	3,150.00
Senior Citizens Council - S & W	49,000.00	45,500.00	47,012.99	38,500.00
Senior Citizens Council - O.E.	22,805.00	16,700.00	16,699.22	13,850.00
Recreation - S&W	61,000.00	61,000.00	61,108.30	12,500.00
Recreation - O.E.	12,500.00	10,450.00	8,994.69	1,000.00
Street Lighting - O.E.	105,000.00	96,000.00	105,469.70	110,000.00
Buildings & Grounds - S&W	42,000.00	42,000.00	38,838.73	41,400.00
Buildings & Grounds - O.E.	155,960.00	124,250.00	91,391.90	110,450.00
Shade Tree - S&W	164,048.00	170,000.00	170,000.00	176,400.00
Shade Tree - O.E.	95,928.00	97,250.00	65,789.62	59,650.00
Trash Removal - S&W	373,303.00	274,100.00	270,241.67	170,700.00
Trash Removal - O.E.	43,150.00	176,250.00	175,624.99	327,200.00
Engineering - O.E.	13,500.00	13,500.00	6,533.50	13,000.00
Vehicle and Equipment Repairs - S&W	57,147.00	61,200.00	52,203.88	54,500.00
Vehicle and Equipment Repairs - O.E.	167,200.00	146,000.00	137,649.73	129,500.00
Contribution for Activities. & Celeb.	7,000.00	7,000.00	7,000.00	7,000.00
Solid Waste Disposal Costs	455,000.00	360,000.00	342,846.76	375,000.00
Utilities/Bulk Purchases				
Electricity	84,000.00	97,000.00	97,770.31	109,000.00
Natural Gas	39,000.00	40,000.00	29,453.09	40,000.00
Sewerage disposal	3,000.00	3,000.00	0.00	3,000.00
Vehicle Fuel/Gasoline	175,000.00	152,000.00	160,184.60	187,000.00
Payment to Condos for Street Lighting	4,000.00	4,000.00	2,946.11	3,500.00
Total Public Works	2,806,439.00	2,686,395.00	2,555,132.76	2,639,380.00

Description	2009 Adopted	2010 Adopted	2010 Expended Encumb./Res.	2011 Proposed
Unclassified Appropriations Inside Caps				
Contingent	100.00	100.00		100.00
Public Employees Retirement System				
Social Security System	255,000.00	236,000.00	237,192.53	215,350.00
Police & Firemens' Pension Fund	0.00	468,918.00	468,918.00	502,874.00
Public Employees Pension Fund		317,027.00	317,027.00	395,000.00
Def. Chg. - overexpenditure of approp.				
Def. Chg. - Deficit in Dog Fund	740.00			
Total Unclassified Inside Caps	255,840.00	1,022,045.00	1,023,137.53	1,113,324.00
Total Appropriations Inside Caps	9,236,915.00	9,846,443.00	9,588,196.48	9,939,860.00

Description	2009 Adopted	2010 Adopted	2010 Expended Encumb./Res.	2011 Proposed
Unclassified Appropriations Outside Caps				
Police & Firemens' Pension Fund	391,767.00	0.00	0.00	0.00
Public Employees Pension Fund	279,777.00	0.00	0.00	0.00
Capital Improvement Fund	0.00	0.00		
Debt Service- Principal Payment	584,810.00	734,000.00	733,190.00	793,000.00
Debt Service - Interest Payment	377,810.00	390,985.00	390,897.84	368,660.00
Various Capital Projects	650,000.00	615,000.00	615,000.00	615,000.00
Free Public Library - O.E.	944,000.00	896,800.00	896,800.00	881,800.00
Def. Chg. - emergency approp.	105,000.00	105,000.00	105,000.00	90,000.00
Reserve for Tax Appeals	0.00			
2010 Municipal Aid Program -DOT	450,000.00	195,000.00	195,000.00	200,000.00
Res for recycling tonnage grant				87,517.00
NJ Transportation Trust Fund	180,000.00			
Municipal Alliance Grant	14,226.00			14,226.00
Clean Communities Grant	14,620.00	19,422.00	19,422.00	18,582.00
Alcohol, Educ. & Rehab		7,018.00	7,018.00	
2009 Business Stimulus Fund		6,900.00	6,900.00	
DEP Green Acres Grant	500,000.00			450,000.00
Body Armor Replacement Fund		3,275.00	3,275.00	2,238.00
DOT - ARRA Trans Enhancement Prog	570,000.00			
Community Stewardship Incentive Prog	25,000.00			
SHARE Grant	24,408.00			
Total Appropriations Outside Caps	5,111,418.00	2,973,400.00	2,972,502.84	3,521,023.00
Reserve For Uncollected Taxes	1,220,219.00	1,287,811.00	1,287,811.00	1,311,355.00
TOTAL GENERAL FUND	15,568,552.00	14,107,654.00	13,848,510.32	14,772,238.00

13,460,883.00

Description	2009 Adopted	2010 Adopted	2010 Expended Encumb./Res.	2011 Proposed
WATER/SEWER FUND				
Surplus	525,000.00	400,000.00	400,000.00	400,000.00
Consumer Rents	2,559,000.00	2,475,000.00	2,760,284.00	2,575,000.00
Capital Surplus	0.00	0.00	0.00	200,000.00
Reserve for Payment of Bonds		131,448.00	131,448.00	
Misc. Rev Anticipated:	130,004.00	130,000.00	140,413.00	130,000.00
TOTAL WATER AND SEWER REVENUE	3,214,004.00	3,136,448.00	3,432,145.00	3,305,000.00
Water & Sewer S&W	560,500.00	573,000.00	616,066.69	610,000.00
Water & Sewer O.E.	1,185,300.00	1,062,800.00	935,384.19	1,020,300.00
Reserve for Repairs,Repl,Improve	406,854.00	358,000.00	322,900.63	380,000.00
Capital Outlay - Narberth Ave. Sanitary	0.00	0.00	0.00	200,000.00
Payment of Notes	230,000.00	230,000.00	230,000.00	250,000.00
Interest on Notes	192,050.00	184,000.00	183,996.26	176,000.00
Public Employees Ret	6,000.00	6,000.00	6,000.00	6,000.00
Social Security System	46,000.00	46,000.00	46,743.74	46,000.00
Employee Medical Benefits	445,000.00	530,000.00	471,797.13	460,000.00
Casualty Insurance	94,800.00	99,148.00	99,148.00	99,200.00
Unemployment Insurance	5,000.00	5,000.00	5,000.00	15,000.00
Def. Chg. - overexpenditure of approp.				
Pmt of Senior Citizens CCMUA Bills	42,500.00	42,500.00	38,217.67	42,500.00
TOTAL WATER & SEWER	3,214,004.00	3,136,448.00	2,955,254.31	3,305,000.00