



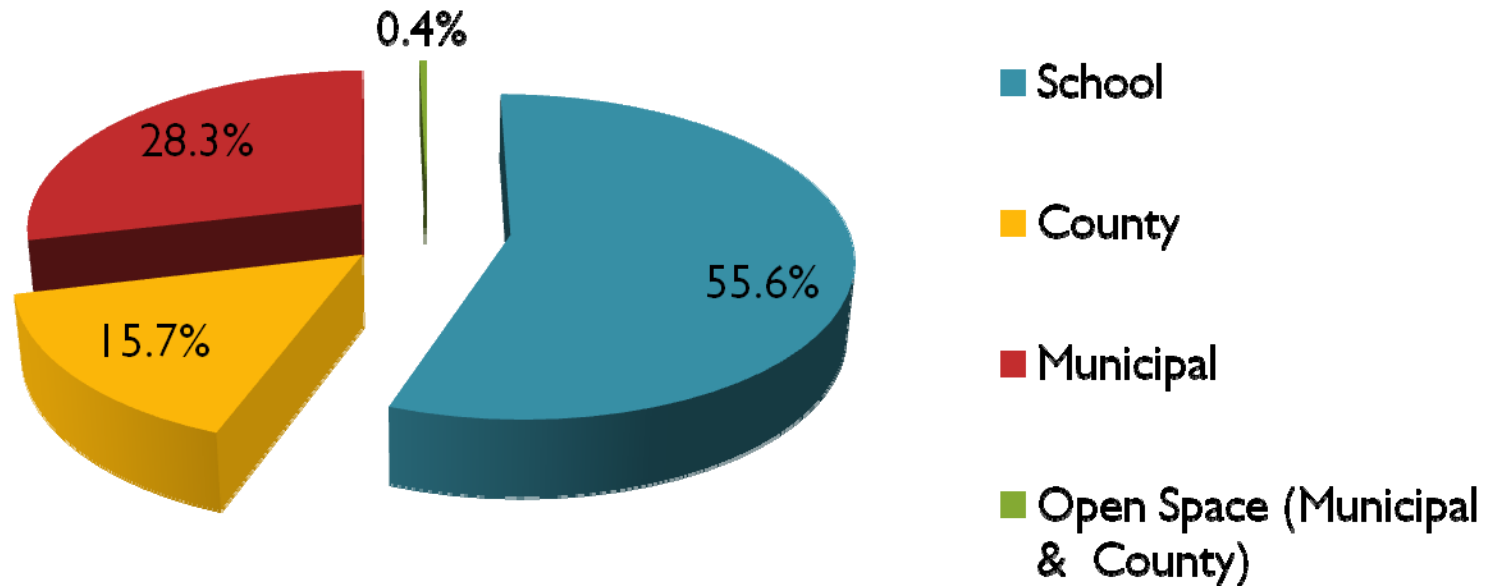
Township of South Orange Village 2010 Budget Overview

April 12, 2010

Tax bill breakdown

- Property taxes are made up of several elements:

Property Tax Breakdown



2010 Budget

- Original projections for 2010 budget showed an increase of 29.4% if no changes were made.
- Largest Drivers of the increase are:
 - \$1.7 million decrease in revenues, attributable to dramatically reduced surpluses and absence of extraordinary aid
 - \$1.3 million in capital improvements and debt service
 - \$1.8 million increase in pension contributions and healthcare benefit costs
 - \$440K increase in Employment Taxes and Insurance
 - \$400K increase in Salaries and Wages
 - \$300K in other increases

Pre-Introduction Actions

- So far, we have identified *\$4.97 million in reductions* to our tax levy, in part by realizing:
 - Identifying and appropriating \$2.42 million in Surpluses and One-time income
 - \$1.46 million by reducing capital improvements and debt service
 - \$1.08 million in reductions to total personnel costs

Pre-Introduction Actions

- On the downside, we lost \$409,000 in State Aid Reductions from Governor Christie's Proposed Budget.

Municipal Operating Budget

- The total Municipal Operating Budget over the past few years was as follows:

2006	\$ 27,002,888
2007	\$ 28,897,242
2008	\$ 30,313,398
2009	\$ 29,745,498
2010 (Introduced)	\$ 31,339,942 + 5.4%

Municipal Operating Budget

- Adjusted to exclude increases in just two categories, Pension and Health Benefits:

2006	\$ 27,002,888
2007	\$ 28,897,242
2008	\$ 30,313,398
2009	\$ 29,745,498
2010 (Introduced)	\$ 29,655,926 – (0.3%)

2010 Total Municipal Budget

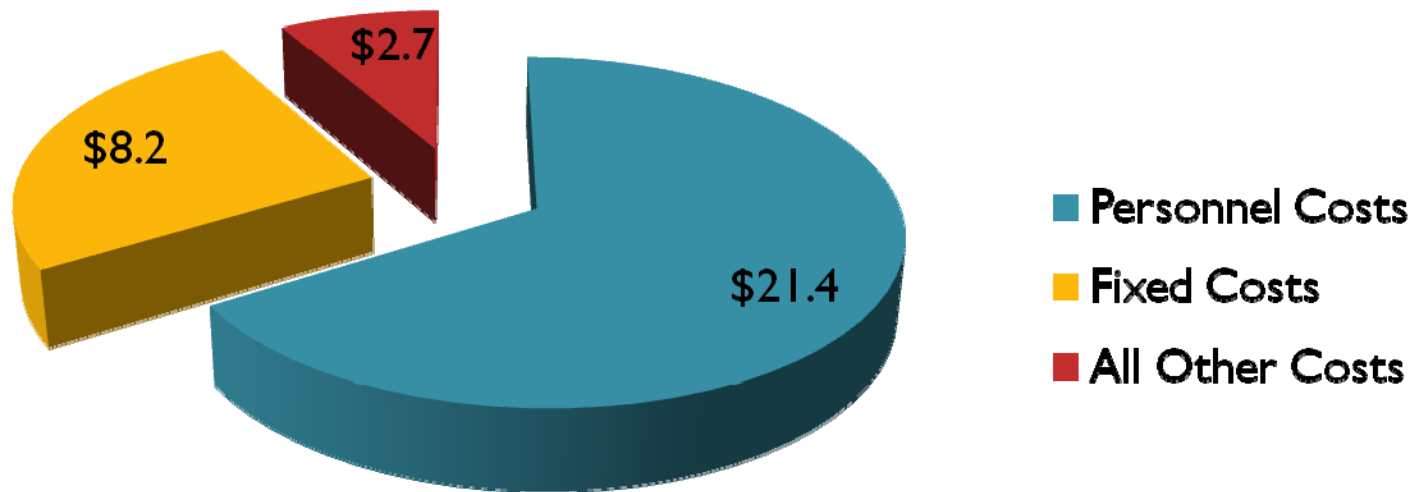
- The Municipal Budget included the following:

2010 Operations	\$ 31,339,942
Grants, Capital Improvement Fund, Contributions and Reserve for Uncollected Taxes	\$ 1,078,488
Total 2010 Municipal Budget	\$ 32,418,431

Municipal Budget

- Municipal expenses consist of many components:

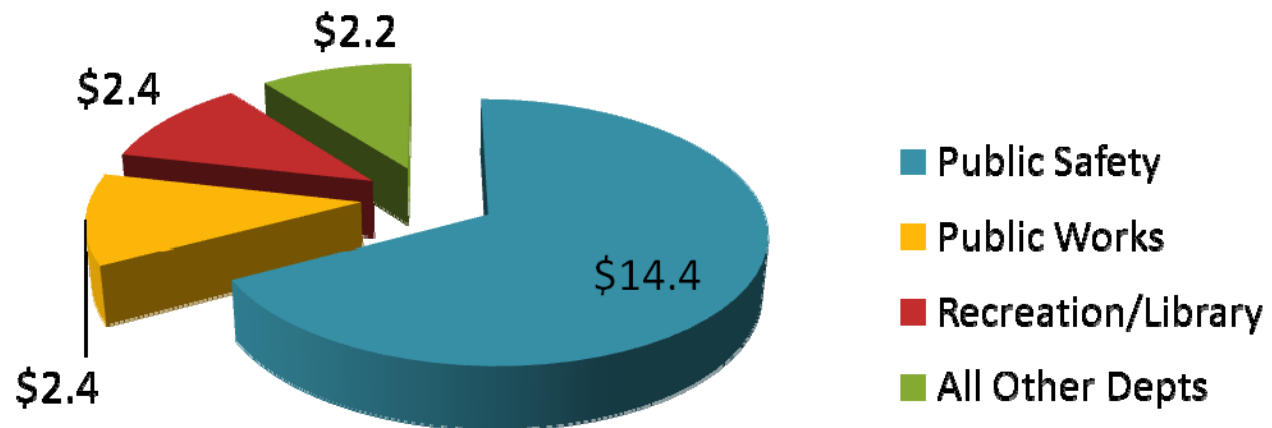
Municipal Expenses (in \$Millions)



Personnel Costs

- Like most service organizations, Personnel costs (including salary, wages, taxes, health benefits and pension benefits) for our 167 FTEs are the largest portion of the expenses.
- The largest portion of our personnel costs come from Public Safety (Police & Fire)

Personnel Cost by Dept. (in \$millions)



Budget Gap Impact

- As introduced, this budget would result in a 6.8% municipal tax increase, if left unchanged.
- The Average Home, assessed at \$580,174, would face a municipal tax increase of \$282, plus any increase from the School District and County levy.

Post-Introduction Actions

- The Board of Trustees now has met numerous times in Budget Workshops, and will continue to meet to address this continuing challenge.

Post-Introduction Actions

- *Potential additional reductions to our tax levy:*
 - Savings by Reducing Energy Costs
 - Other Expense Savings
 - Savings by Creating New Revenues
 - Compliance Savings from New State Statutes