

Borough of Hawthorne

BUDGET
BRIEFING

2010 Budget Presentation



Problem – Loss of State Aid:

- 20% loss in State Aid
- **(\$377,000)**
- 2.1% of the entire budget
- Prohibition against making up loss via tax increase

Problem - Surplus

- Operated at a loss for the first time since 2004 (2nd time in 10 years)
- Fund balance down \$678,000
- Negative effect of economy on revenues
- 2010 budget will have \$340,000 LESS surplus to use than in 2009

Problem – Cost Increase

- \$118,000 PBA Contract - 4% Salary Increase
- \$117,000 Employee Health Benefits
- \$ 43,000 Gasoline Prices
- \$100,000 Reserve for Uncollected Taxes (due to lower collection rate)

The Challenge

\$377,000	Loss in State Aid
\$340,000	Less Surplus to Use
<u>\$378,000</u>	Increased Costs
= \$1,095,000	Big Budget Problem

Solution - Revenue

- More Rent from Cell Tower Leases - New Tenants
- Anticipate More Collections from Delinquent Taxes - Larger Pool than Prior Year

Solutions - Expenditures

- Trim other expense budgets
- Minimize amount for salary increases
- Get contribution for health benefits from part-time professionals
- Lower garbage disposal costs, from bid with other towns

Solutions - Staffing

- Cut 2 Police Officers via attrition
- Layoff 2 blue collar workers
- Layoff one part-time clerk
- Reassign duties for 2 clerks
- Reduce Library hours
- Close Recycling Center on Thursdays

Budget Bottom Line

- \$ 90,000 reduction in total budget (-.5%)
(\$18,301,255 vs \$18,389,823)
- \$628,000 increase in municipal tax levy
(+5%) to offset \$717,000 revenue loss

Water Utility

- Spending FLAT at \$2.6 million
- 10% water rate hike effective 7/1 due to reduced metered sales - Utility revenues must cover expenses

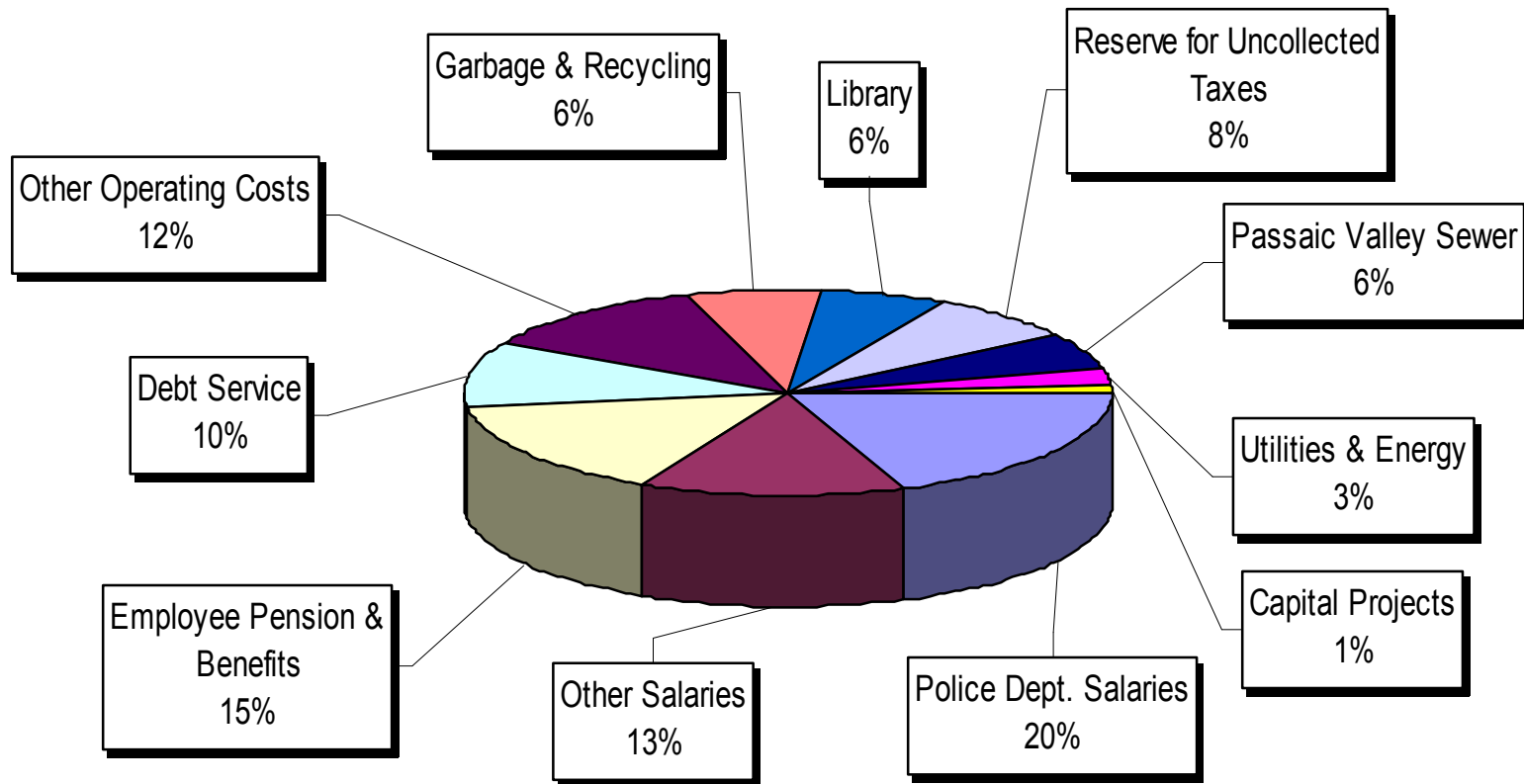


Capital Budget

- \$600,000 Road Improvements
- \$300,000 Street Sweeper/Pool/Oil-Water Separator
- Grants for Handicapped Ramps and Van Winkle Repaving
- \$82,000 Smaller Capital Items NOT Bonded

2010 BUDGET APPROPRIATIONS

BUDGET BRIEFING



Municipal Tax Impact

\$ Increase for the Average Home
Assessed at \$182,000

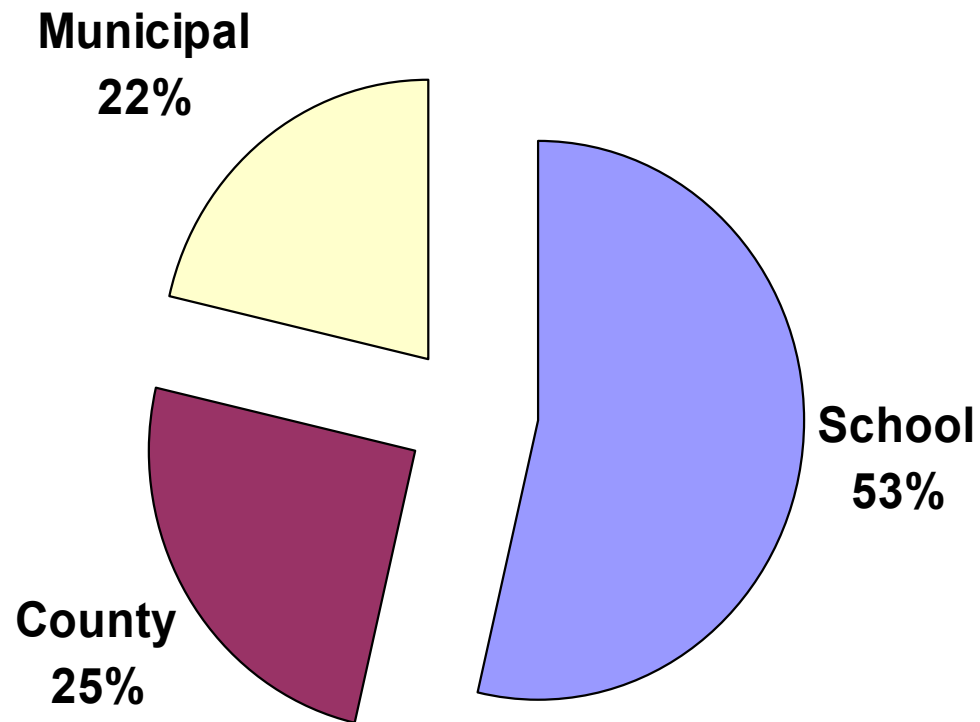
= \$96

or 5.27%

\$ Increase per each \$100,000 of
Assessed Value

= \$53

Distribution of Hawthorne Property Taxes



Breakdown of Average 2010 Tax Bill (Estimated)

BUDGET
BRIEFING

School	\$4,726
County	\$2,192
Municipal	\$1,954
Total	\$8,872

Services Funded From Municipal Taxes

BUDGET
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- Police
- Library
- Garbage, Recycling, Leaf Pick-up
- Sewer Service
- Road Maintenance
 - Cleaning*Snow Plowing*Traffic Lights*Street Lights
- Fire and Ambulance Service
 - Budget Supports Volunteer Services
- Recreation
- Shade Tree
- Code Enforcement
- Court

Municipal Tax Bill for the Average Home Assessed at \$182,000
Per Year: \$1,954 Per Month: \$163

Four-Year Budget Projection

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	2010 Proposed	2011	2012	2013
Total Budget	18,301,255	18,930,835	19,468,523	20,281,238
Tax Levy	13,281,059	13,858,413	14,383,011	15,232,816
Tax Rate	1.074	1.122	1.166	1.236
Increase	5.1%	4.5%	4.0%	6.0%