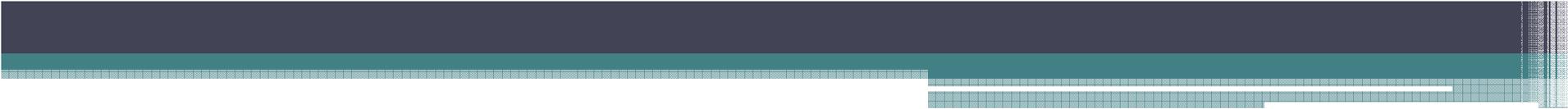


Wall Township Municipal Budget

2009 Report

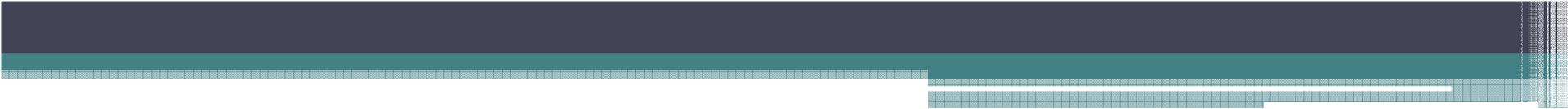
Presented by

Committeeman Hoffman



Agenda

- Foundation Items
 - Understanding tax bill & taxing authorities
 - Important facts about municipal budgets and services
- Understanding municipal budgeting principals
 - Surplus, State Mandates, Pensions, 2008's Budget
- Our 2009 Budget and beyond



Foundation Items to Understand

2008 Tax Facts



- Monmouth County is ranked 13th Nationally for highest Property Taxes
- Monmouth County is ranked 14th Nationally for median homeowner income
- Monmouth County is ranked 8th in NJ for highest Property Taxes
- 13 of the top 20 County's with the highest national Property Taxes are in NJ – 65%
- In NJ Property tax is 5% of personal income – for the rest of the US it is 3.2%
- For 6 straight years the NJ Legislature has under funded key municipal property tax relief programs

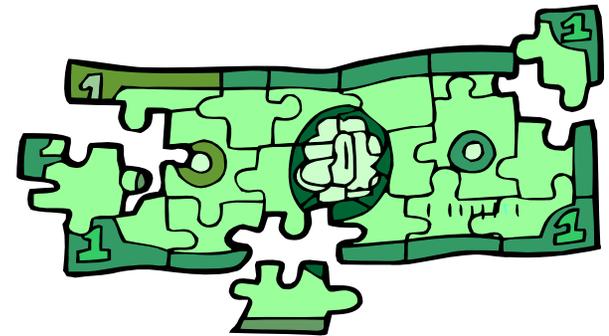
Understanding Your Tax Bill



- 4 Taxing Authorities affect Property Taxes
 - School Board
 - Municipal – Wall Township
 - County
 - County
 - County Library
 - County Health
 - County Open Space
 - Fire Districts
 - Wall – 3 Districts – each independent

Understanding Your Tax Bill

- Township is the Collector and just one piece
- Breakdown of each Dollar paid in 2008
 - 56 cents - School Board
 - 19 cents – County
 - 23 cents – Wall Township
 - 2 cents – Fire District



Understanding Your Tax Bill



- Average home in Wall accessed at \$312,000
- We measure taxes in cents per hundred dollars of valuation
- 1 cent increase for this home equals \$31.20 per year – 1 cent per hundred = 3,120 cents or \$31.20 or \$2.60 a month
- If your home is accessed at \$500,000 – 1 cent increase equals \$50 a year or \$4.67 a month
- Every \$386,000 or so in the budget equals 1 cent to the taxpayers

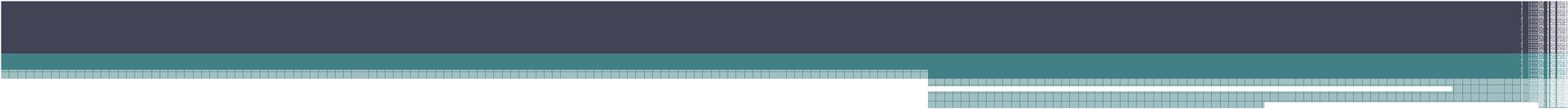
Average Tax Bill - 2008

- Based on \$312,000 assessment = \$7,715.76 a year or \$642.98 a month
 - \$4,320.83 - School Board - \$360.07 a month
 - \$1,465.99 - County - \$122.17 a month
 - \$1,774.63 - Wall Township - \$147.89 a month
 - \$154.31 - Fire District - \$12.86 a month

What do I get?

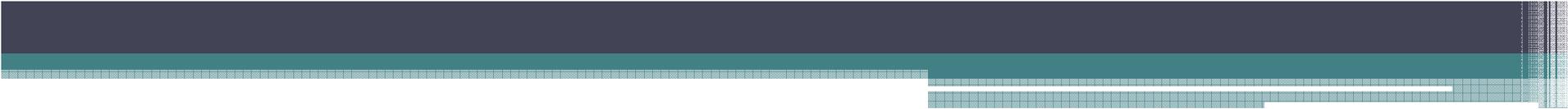
- The average taxpayer in Wall gets the following for \$147.89 a month from the Municipality
 - Twice weekly trash pick up
 - Once a month recycling and bulk pick up
 - Two recycling centers
 - First aid – EMT during the day
 - Police Protection
 - Public Assistance
 - Brush & Leaf pickup
 - Snow Removal
 - Recreation programs
 - Code Enforcement





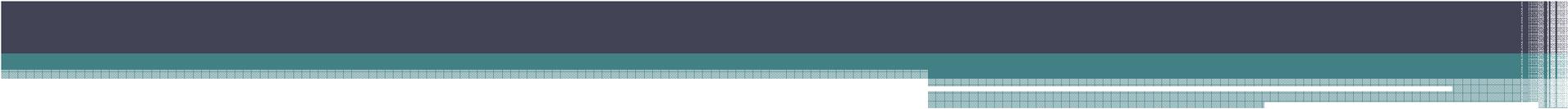
Important Fact About Municipal Budgets

- If you have a municipal government that is providing a certain quantity and level of services to its residents, and you don't add a single additional new person or new service in a given year, taxes are still going to go up.



Important Fact About Municipal Budgets

- The only way they won't go up is if one or more of these three things happens:
 - **Services are cut**
 - **New revenues become available and/or ratables increase significantly**
 - **There is surplus from previous years**



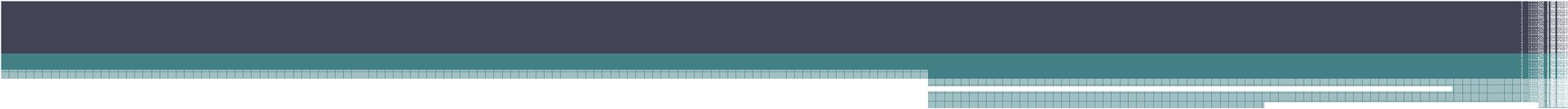
Important Fact About Municipal Budgets

- Why does it have to always go up?
- Gas prices, electrical costs, health insurance premiums – everything increases year to year
- Multiyear contracts & binding arbitration
- For just expenses the Township Committee can control, the budget will inevitably go up roughly between 2.5 cents and 4 cents per year in today's economy.
 - Excluding expenses mandated by the State of NJ

What Can We Do?



- Tighten the belt
 - Freeze spending
 - Encumber Operating Expenses – Deliberate use
- Do more with less
 - Requires a delicate balance between quality of services provided and savings
 - Attrition as a tool
- Negotiate in good faith with the Unions to adjust the changing times



Wall Township Is In The Services Business

- We provide services
 - We do not manufacturer or resell anything
 - We just provide services
- We are responsible to the residents
 - Provide the services they want
 - Do it effectively and well
 - 26,000 plus residents don't all agree on what services are worthwhile, but they all want the quality! Requires that delicate balance.

Services Provided

- Policing
 - Patrol Division
 - Administration
 - Detective Bureau
 - Community Policing
 - School Resource Officers
 - First Aid – EMT's
 - Specialties
 - Canine
 - Special Response Team
 - Hostages Negotiation
 - Dive Team



Policing in Wall



- 1975 – 35 Sworn Officers and 7,500 calls
 - 214 calls per officer
- 2008 – 71 Sworn Officers and over 60,000 calls
 - 845 calls per officer
- New 12 hour shift – Significantly less overtime usage
- 1499 Arrests in 2008
 - 165 Drunk Driving
 - 47 Drug Arrests – 18 Vehicles siezed
 - 13 Burglary Arrests

Policing in Wall



- 1703 Motor Vehicle Accidents
- 14,184 Motor Vehicle Stops
 - 11,441 Enforcement Actions taken on those stops
- 452 Cases investigated by Detective Bureau
 - Chop Shop stopped
 - Bank Robber Caught
- Community Support Unit
 - Knock and Rap Program -protects our families day to day
 - DARE
 - Alive @ 25

Services Provided



- Public Works
 - Trash pick up
 - Recycling – Award winning Program
 - Building and Grounds maintenance
 - 22 Parks
 - 1000's of acres of Open Space
 - Auto Maintenance and Repair
 - Street Maintenance
 - Water and Sewer Maintenance
 - Brush and Leaf pickup
 - Snow Removal

Services Provided



- Tax Collection
- Tax Assessment
- Building Inspection and Permits
- Court
 - As its own entity within our structure
- Finance and Administration
- Recreation
 - Youth Center
- Planning Board & Board of Adjustment – with Volunteers supported by Town funds
- Municipal Clerk
 - Dog and Vendor Licenses
 - Death and Marriage Services
- Public Assistance

Significant Reductions Come Only From Cutting Services

- What can we give up?
 - Trash pick up – still have to pay, just not us
 - Quality?
 - No more Tax Deduction
 - School Resource Officers
 - Many people passionate about them
 - Community Policing
 - Safer streets for our children
 - Future revenue stream – red light cameras
 - Youth Center
 - At what non-monetary cost?
 - Public Assistance – lose control of the cost



Cutting Services-Which Ones?



- Every decision has consequences
 - Youth Center – new problems and complaints?
 - Trash pick up – same
 - School Resource Officer – what level of peace of mind and proactive engagement is right?
- Often you don't see the value until you don't have it anymore.
- The Feel Good items are the ones that might have most value, but are first to go.

Cost Per Taxpayer - 2007 and 2008

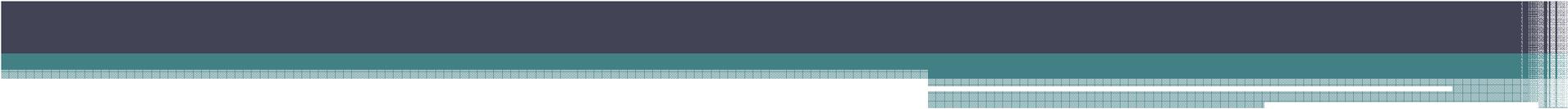
- 2007 – 34 out of 53 - \$1,173.14
 - Low – Millstone – \$760.18
 - High – Deal - \$6,734.71
 - Middle – Long Branch- \$1,305.41
- 2008 – 30 out of 53 - \$1,288.40
 - Low – Millstone - \$690.85
 - High – Deal - \$7,869.71
 - Middle – Long Branch - \$1,404.18
- Tax rates can be different – surplus – not the whole picture

Cost Per Taxpayer - 2007 and 2008

- **2007 –\$1,173.14**
 - Manasquan– \$1,260.33
 - Belmar - \$2,060.06
 - Brielle –\$1,426.82
 - Howell – 1,246.66
 - Tinton Falls - \$1,152.55
- **2008 –\$1,288.40**
 - Manasquan - \$1,303.62
 - Belmar- \$2,157.54
 - Brielle - \$1,433.23
 - Howell - \$1,226.37
 - Tinton Falls - \$1,212.56

Summary So Far

- Taxes will go up each year.
 - The goal should be to have that happen gradually with foresight and planning rather than with huge peaks and valleys. Also - take the politics out of it.
- We provide services – to provide significant savings we need to cut out services
- We can save by doing more with less and working harder to manage expenses.
 - Have to balance this with quality of service
 - Employee morale is tied to quality of service in any service organization



Understanding Municipal Budgets

Understanding Municipal Budgeting Principals

- The bulk of the budget is personnel – we provide services
- The bulk of the personnel are covered by union contracts – 65%
 - Negotiated every 5 years for Public Works and every 4 years for Police (PBA, SOA)– subject to binding arbitration
- We are weighted down further by State Mandates
 - Pension amounts
 - Catch up – Deferral
 - Reserve for Uncollected taxes
 - Affordable Housing - COAH
 - Qualified Purchasing Agents
 - Etc., Etc., Etc.

Surplus



- Probably the most important thing to know about municipal budgeting and how Wall got to the point it is at now is SURPLUS.
- Budgeting is - An Educated Guess
 - Goal – budget as accurately as possible without leaving the Town short
 - Conservative – Aggressive – Human Nature
 - Economic factors
- Left over not spent = Surplus
 - Project did not happen as expected due to DEP
 - Overly conservative
 - New Revenue not originally anticipated

Surplus

- Two fundamental philosophies on surplus
 - If you have it – use it to keep property taxes lower – it is taxpayers money.
 - If you have it – use it for future capital expenses to prevent borrowing (debt) or pay down existing debt so you don't know the budget out of whack.



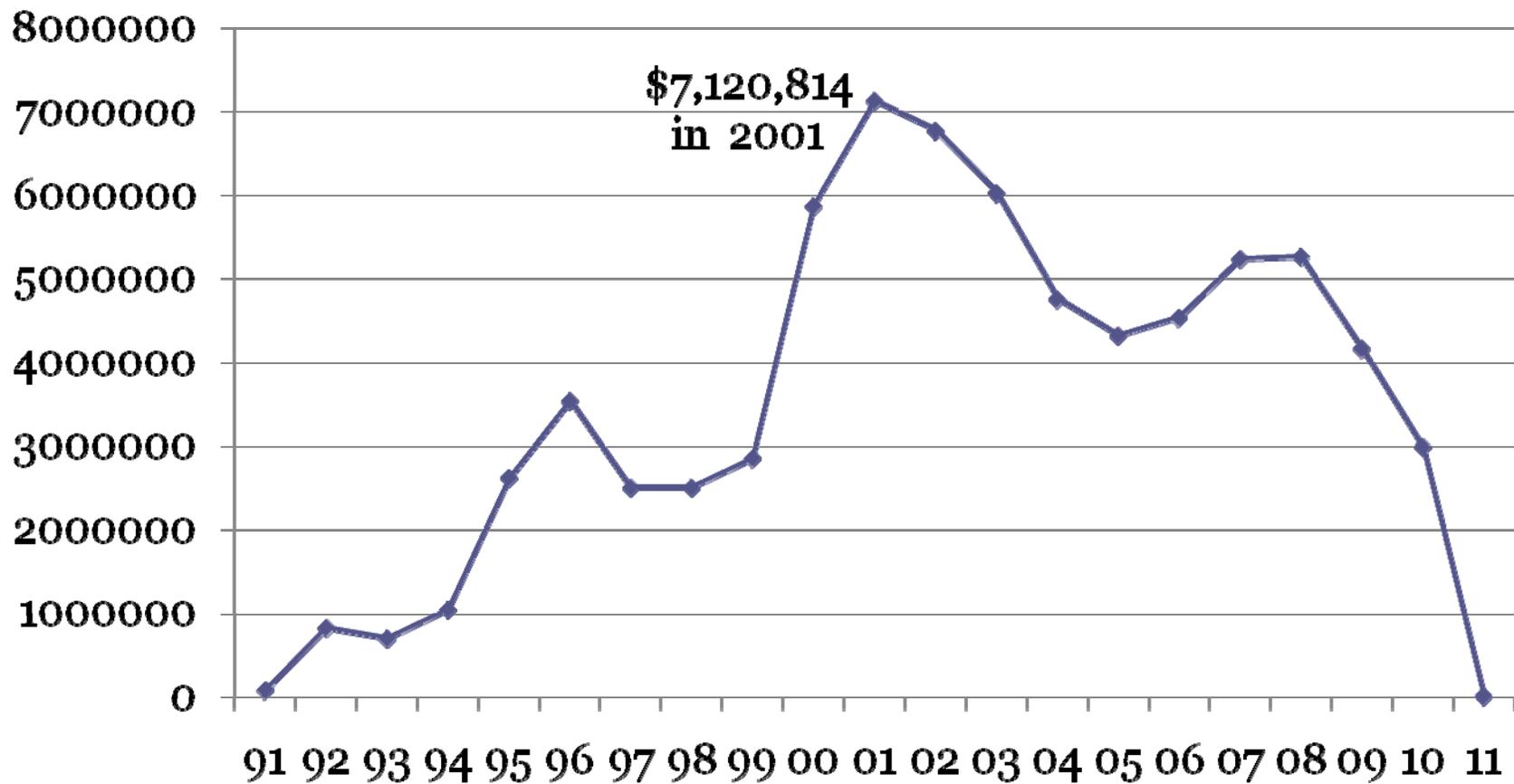
Surplus

- The number one problem with using Surplus in the budget is – It creates an artificial gap between tax revenue and the expenses to provide existing services.
- When an extraordinary event or set of events happens, if you rely too heavily on surplus you have a problem.



Year	Available Surplus	Utilized Surplus	Percent Used	Remaining Surplus
1991	\$72,072.50	\$0	0%	\$72,072.50
1992	\$813,263.32	\$340,000.00	41.81%	\$473,263.32
1993	\$683,726.35	\$367,000.00	53.36%	\$320,726.65
1994	\$1,034,494.59	\$755,000.00	72.98%	\$279,494.59
1995	\$2,612,842.73	\$975,000.00	37.32%	\$1,637,842.73
1996	\$3,531,298.18	\$2,196,000.00	62.19%	\$1,335,298.18
1997	\$2,494,163.59	\$1,250,000.00	50.12%	\$1,244,163.59
1998	\$2,849,108.66	\$1,332,746.15	46.78%	\$1,516,362.51
1999	\$5,868,715.61	\$2,975,000.00	50.69%	\$2,893,715.61
2000	\$7,120,814.74	\$3,350,000.00	47.05%	\$3,770,814.74
2001	\$6,769,729.00	\$3,305,000.00	48.82%	\$3,464,729.00
2002	\$6,024,311.00	\$3,037,505.00	50.42%	\$2,986,806.00
2003	\$4,754,567.00	\$2,350,000.00	49.43%	\$2,404,567.00
2004	\$4,319,280.00	\$2,150,000.00	49.78%	\$2,169,280.00
2005	\$4,533,843.95	\$2,330,000.00	51.39%	\$2,203,843.95
2006	\$5,234,156.47	\$2,708,706.07	51.75%	\$2,525,450.40
2007	\$5,260,771.00	\$2,600,000.00	49.42%	\$2,660,771.00

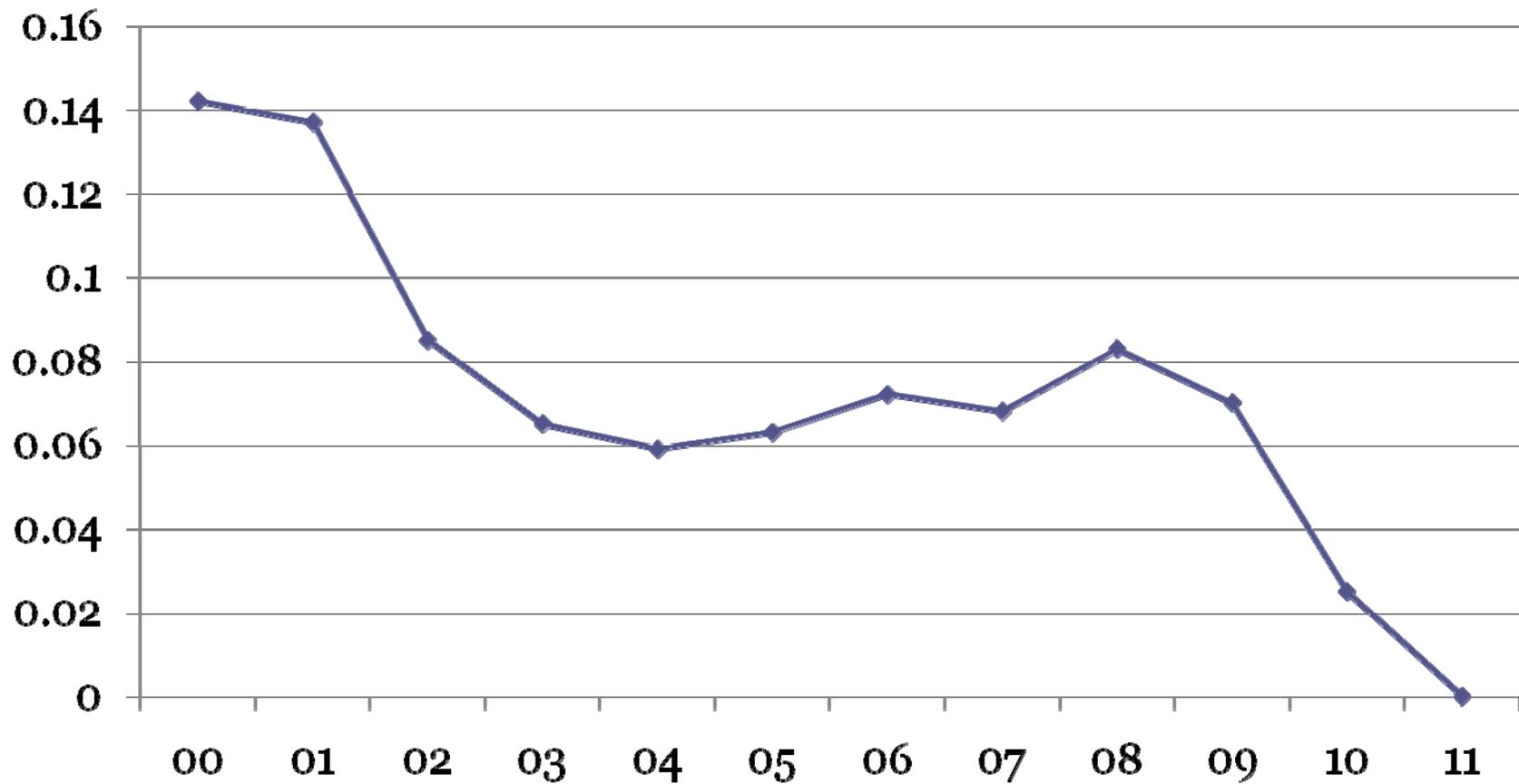
History of Surplus Since 1991



History of Surplus and Tax Rate

Year	Tax Rate Without Surplus	Surplus Used	Actual Rate on Tax Bill After Surplus	Amount of Tax Rate Offset with Surplus
2000	\$.595	\$3,350,000	\$.453	\$.142
2001	\$.587	\$3,305,000	\$.450	\$.137
2002	\$.555	\$3,037,505	\$.470	\$.085
2003	\$.452	\$2,350,000	\$.387	\$.065
2004	\$.482	\$2,150,000	\$.423	\$.059
2005	\$.528	\$2,330,000	\$.465	\$.063
2006	\$.537	\$2,708,706	\$.465	\$.072
2007	\$.557	\$2,600,000	\$.489	\$.068
2008	\$.651	\$3,200,684	\$.568	\$.083

Tax Increase in Cents offset with Surplus



History of Surplus



- It is very important to understand that previous committees had both surplus and increasing revenue, two of the three factors mentioned earlier required for counterbalancing increases.
- Using Surplus is like taking a drug. Once you start it is very hard to quit. When you quit, it is painful.
- Budget accurately – Use Surplus to pay down debt or fund capital projects in order not to borrow

No Surplus - New Cash Flow Management Techniques Required

- Borrowing for Grants
- No temporary financing
- Borrowing for cash flow



Revenues are Fickle or Work Against Us



- Revenues other than taxes or money from the State are sometimes volatile in nature.
- Ticket writing can be off \$100,000 or more
- Construction Fees – go down with economy – opposite of what we need
- Ratables are not as strong a contributor as you may expect.
 - And, they go down with economy too
 - \$120,000 for every \$30,000,000. We average \$30,000,000 in good years
- Reassessments go up in down economy – even less money
- Collection rate goes down – it all goes bad at once

State Aid

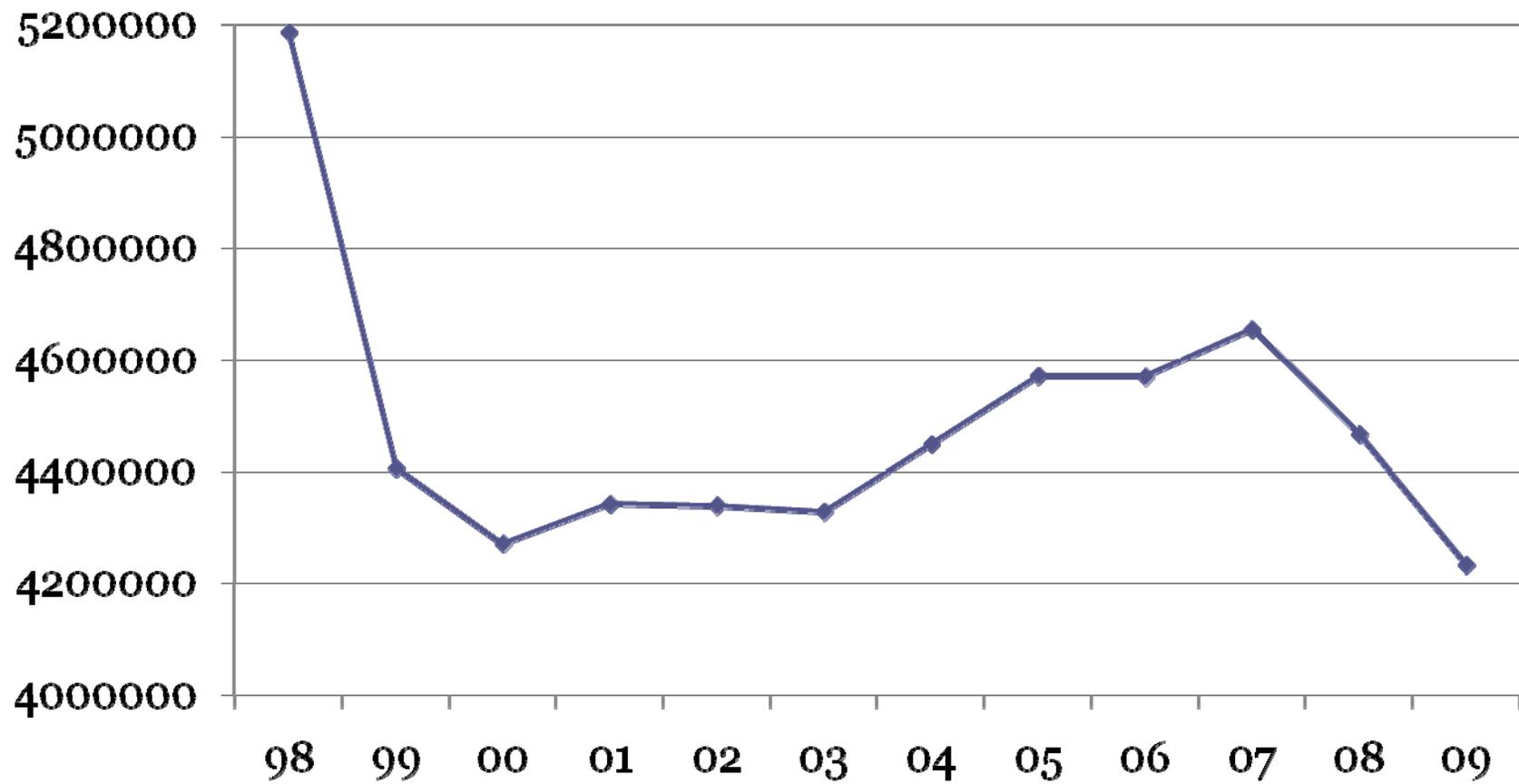


- State Aid is being reduced every year – but what is State Aid?
- Gross Receipts and Franchise taxes – money due the town by utilities operating in the town.
- Little Egg Harbor – Nuclear Reactor
- State steps in to make it fair
- Change name to State Aid
- Decide not send it all back to the towns

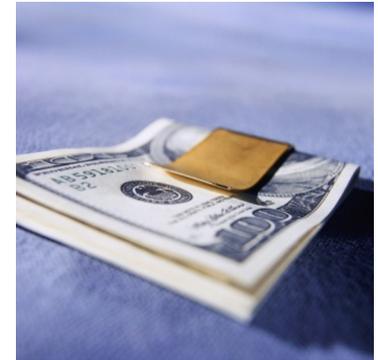
State Aid History

Year	State Aid	Difference
1998	\$ 5,186,084.00	
1999	\$ 4,404,845.49	\$(781,238.51)
2000	\$ 4,269,993.00	\$(134,852.49)
2001	\$ 4,341,015.30	\$ 71,022.30
2002	\$ 4,338,288.30	\$ (2,727.00)
2003	\$ 4,327,821.30	\$ (10,467.00)
2004	\$ 4,448,074.00	\$ 120,252.70
2005	\$ 4,570,176.00	\$ 122,102.00
2006	\$ 4,568,326.00	\$ (1,850.00)
2007	\$ 4,653,681.00	\$ 85,355.00
2008	\$ 4,465,363.00	\$(188,318.00)
2009	\$ 4,231,816.00	\$(233,547.00)

State Aid History



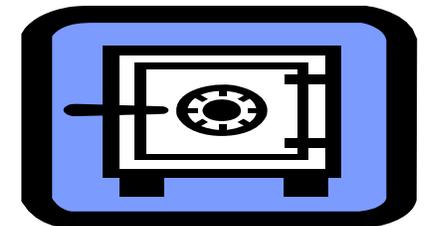
4% State Cap



- State positioning – like State Aid
- 4% cap on Tax Levy
- 2.5% cap on expenses, can be raised to 3.5% by simple vote
- We have a problem with 4% cap
 - With a cap – negative compounding going forward
 - \$22,700,000 – 10 years of 4% = \$33,601,545
 - \$22,000,000 – 10 years of 4% = \$32,565,374
 - Difference of \$1,036,171 total
 - \$28,000 year one grows to \$336,171 year 10

Reserve for Uncollected Taxes

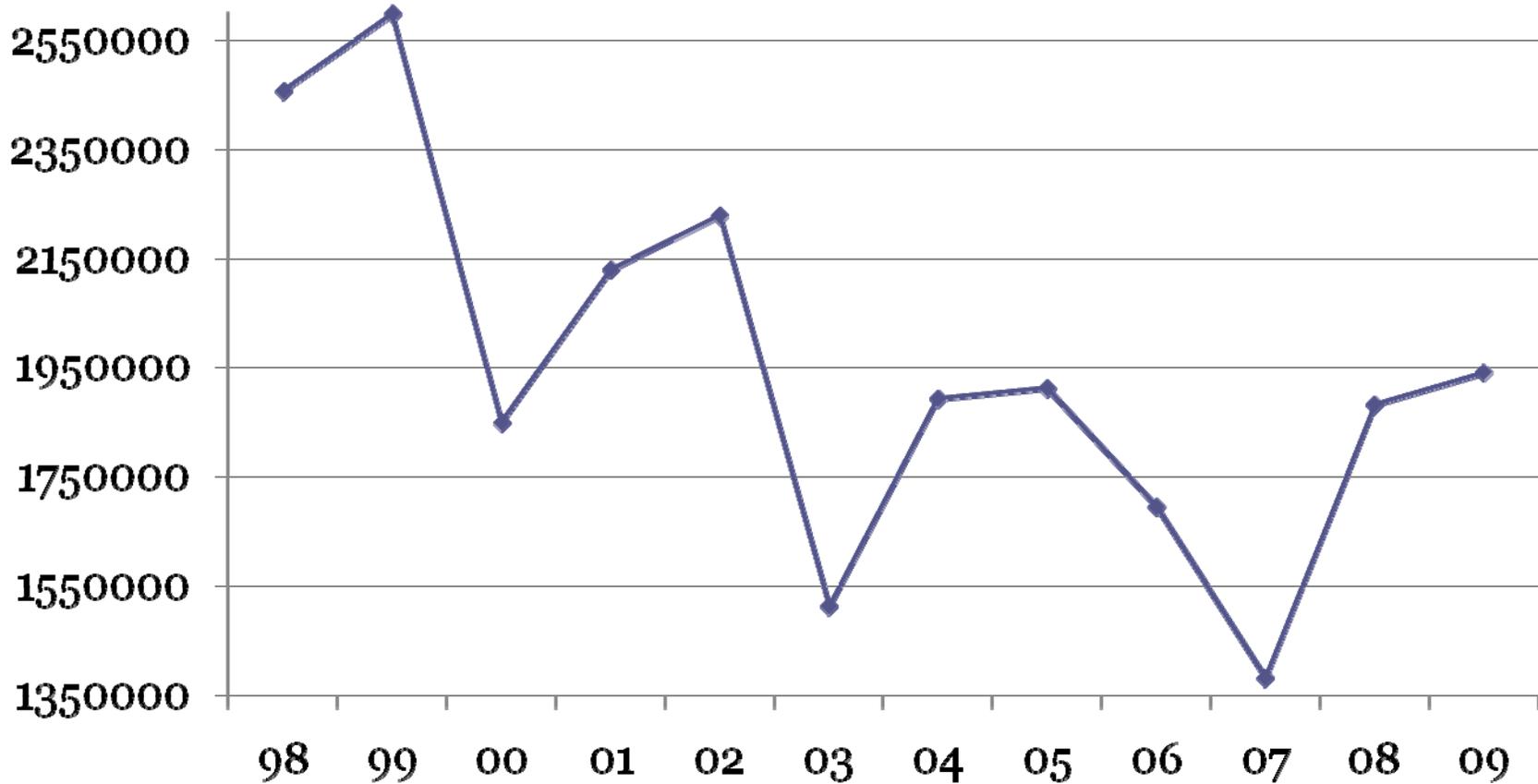
- A killer recently – works against us as the economy goes bad – again the opposite of what we need
- Municipal budget is the only budget exposed to uncollected taxes and we must use a figure, using a calculation, given to us by the State.
- Other authorities get 100% of their budget with no exposure



History of Reserve for Uncollected Taxes

Year	Reserve for Uncollected	Difference
1998	\$ 2,455,857.92	
1999	\$ 2,596,672.44	\$ 140,814.52
2000	\$ 1,846,934.94	\$ (749,737.50)
2001	\$ 2,128,841.08	\$ 281,906.14
2002	\$ 2,227,210.46	\$ 98,369.38
2003	\$ 1,511,572.42	\$ (715,638.04)
2004	\$ 1,891,089.02	\$ 379,516.60
2005	\$ 1,909,832.35	\$ 18,743.33
2006	\$ 1,693,680.07	\$ (216,152.28)
2007	\$ 1,379,569.91	\$ (314,110.16)
2008	\$ 1,880,060.67	\$ 500,490.76
2009	\$ 1,938,958.62	\$ 58,897.95

History of Reserve for Uncollected Taxes



Pension Problems

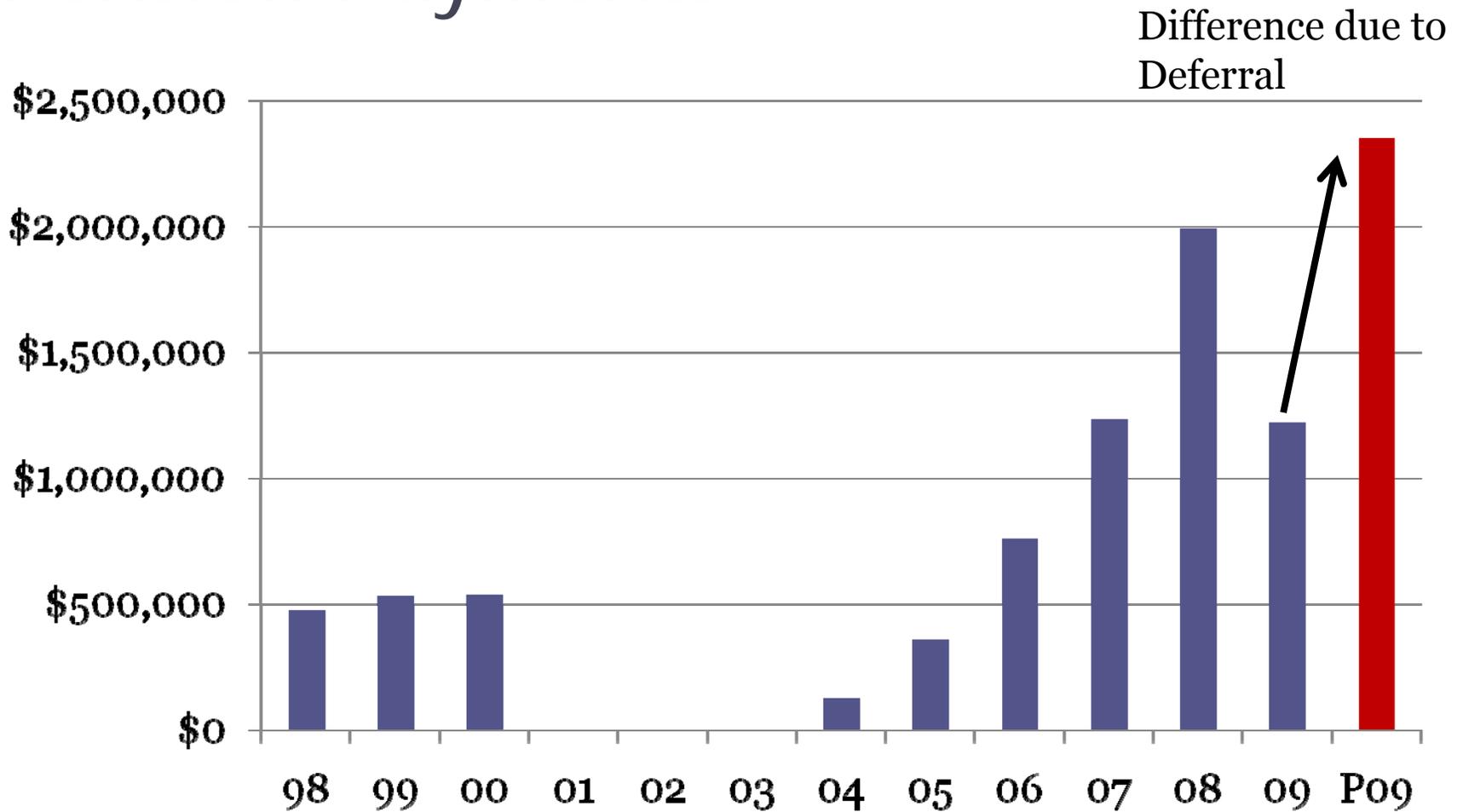
- Pension mismanaged over and over
- Catch up payments
- Economy goes bad
- Holiday on all payments
- Ridiculous
- We hated to do it, but had to do it
 - People and services

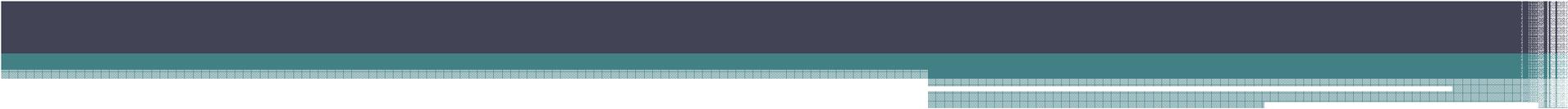


History of Pension Payments

Year	PERS	PFRS	Total	Difference
1998		\$ 470,535.00	\$ 470,535.00	
1999		\$ 527,807.00	\$ 527,807.00	\$ 57,272.00
2000		\$ 532,622.00	\$ 532,622.00	\$ 4,815.00
2001	\$ 42.90		\$ 42.90	\$ (532,579.10)
2002			\$ -	\$ (42.90)
2003			\$ -	\$ -
2004		\$ 122,427.00	\$ 122,427.00	\$ 122,427.00
2005	\$ 45,766.00	\$ 309,543.20	\$ 355,309.20	\$ 232,882.20
2006	\$ 121,138.03	\$ 633,985.80	\$ 755,123.83	\$ 399,814.63
2007	\$ 225,502.83	\$ 1,006,923.20	\$ 1,232,426.03	\$ 477,302.20
2008	\$ 415,781.62	\$ 1,575,712.00	\$ 1,991,493.62	\$ 759,067.59
2009	\$ 325,784.00	\$ 893,156.00	\$ 1,218,940.00	\$ (772,553.62)

Pension Payments





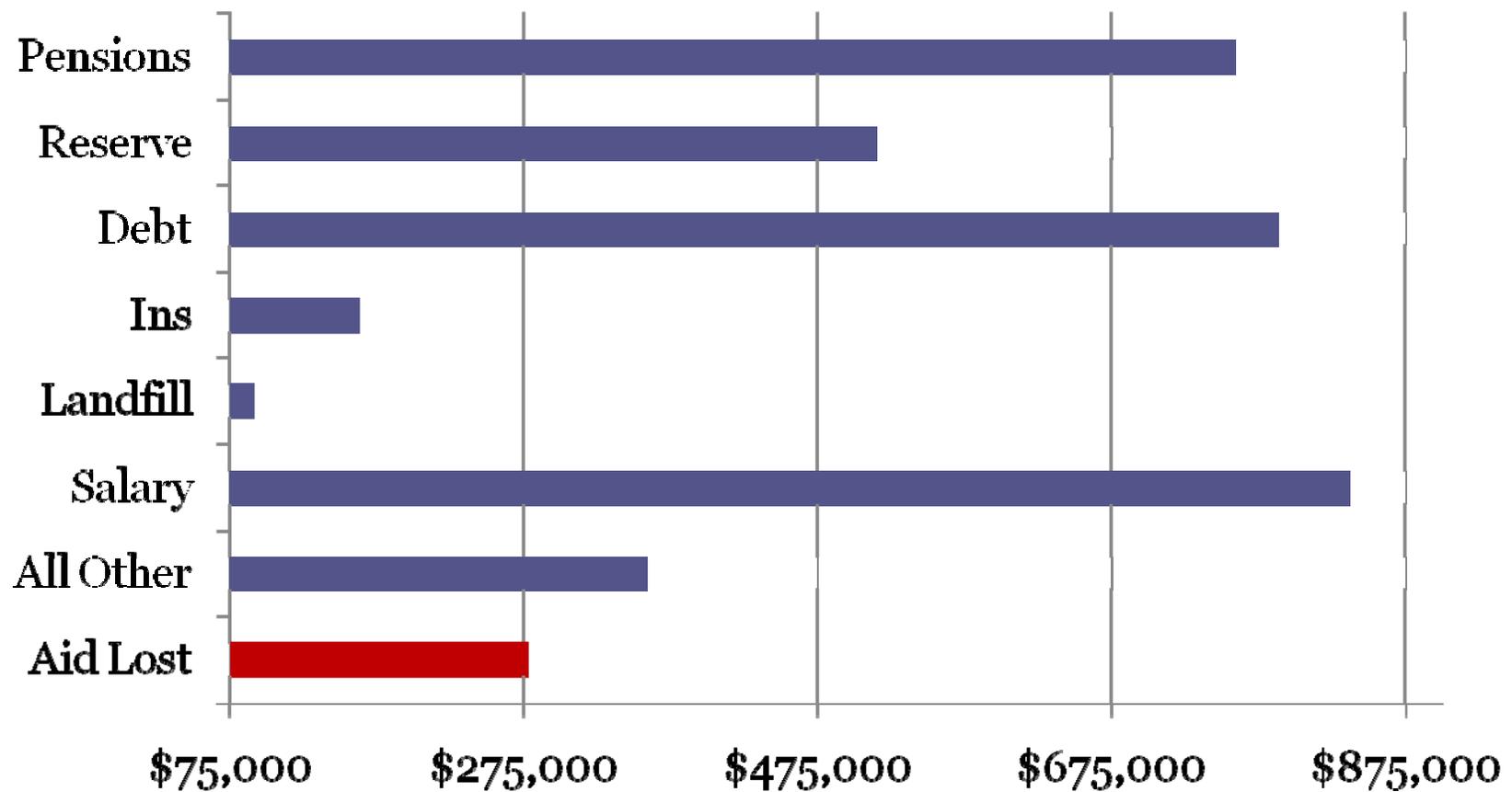
Last Year - 16.2%

- The Perfect Storm was inherited – had to protect services or change the face of Wall
- Pension
- Reserve for uncollected taxes
- Debt Service
- Independent Auditor – No Magic Bullet

Increases in 2008 Budget

Item	2008 Budget	2007 Actual	Difference	Increase
State Pension Contributions	\$1,991,494	\$1,232,426	\$759,068	2 cents
State Reserve for Uncollected Taxes	\$1,897,148	\$1,379,570	\$517,578	1.3 cents
Debt Service – Public Safety Bldg. Renovation	\$4,301,075	\$3,512,196	\$788,879	2 cents
Insurances	\$2,760,914	\$2,598,402	\$162,512	.4 cents
Solid Waste/Landfill	\$1,275,000	\$1,184,063	\$90,937	.2 cents
Salaries and Wages	\$15,852,132	\$15,014,616	\$837,516	2.2 cents
All Other Increases	\$358,740			.9 cents

Increases in 2008 Budget



Increases in 2008 Budget

2008 Increases

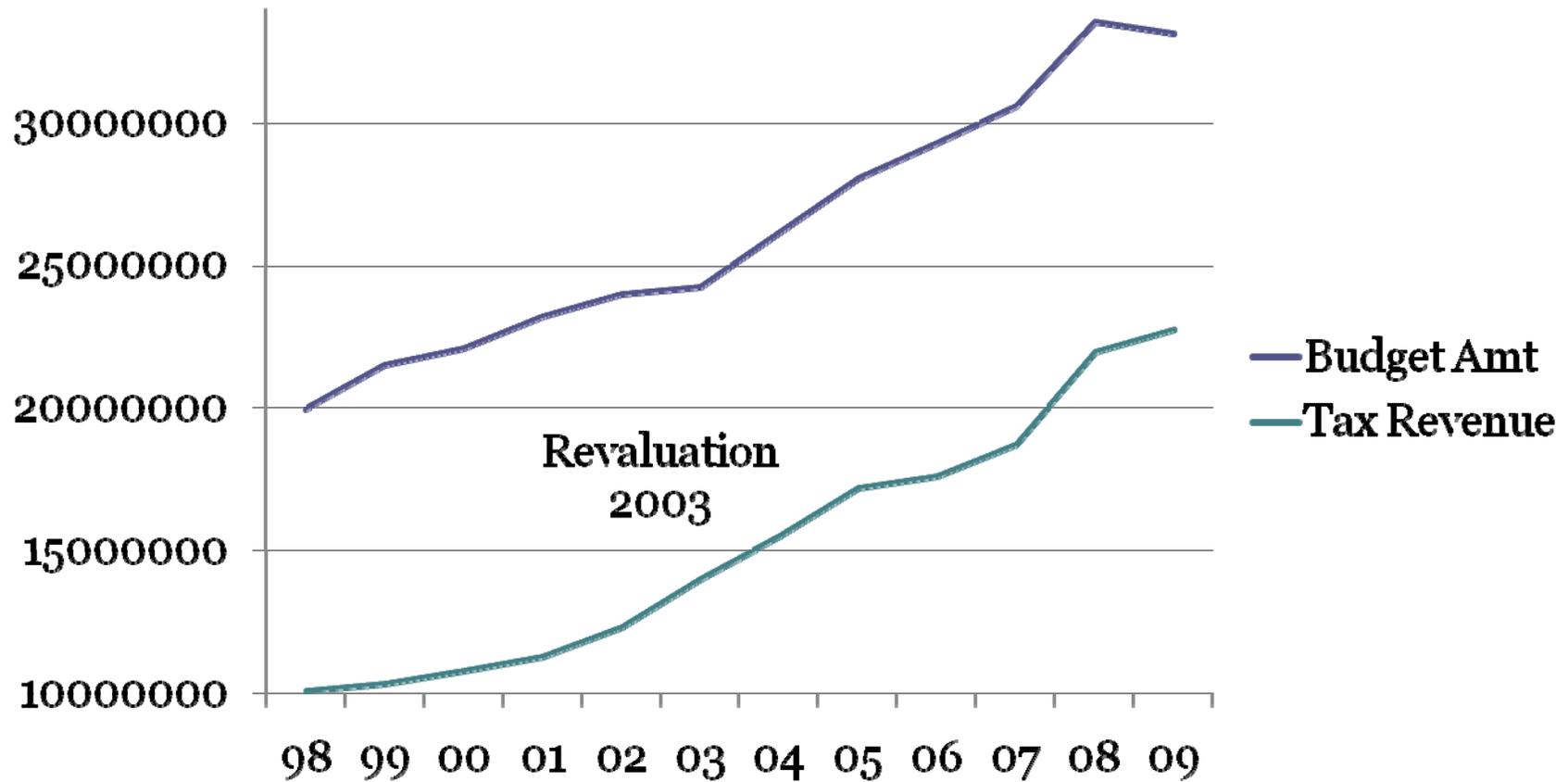
Salaries and Wages	0.02	\$ 680,291.01	
Pension Costs	0.02	\$ 775,532.31	Out Cap
Debt Service	0.02	\$ 688,878.79	Out Cap
Insurance	0.00	\$ 150,000.00	
Reserve for			
Uncollected	0.01	\$ 512,360.77	Out Cap
Loss of State Aid	0.01	\$ 278,045.00	Out Cap
	0.08	\$ 3,085,107.88	

Mandated	\$ 2,254,816.87	73%
Controllable	\$ 830,291.01	27%

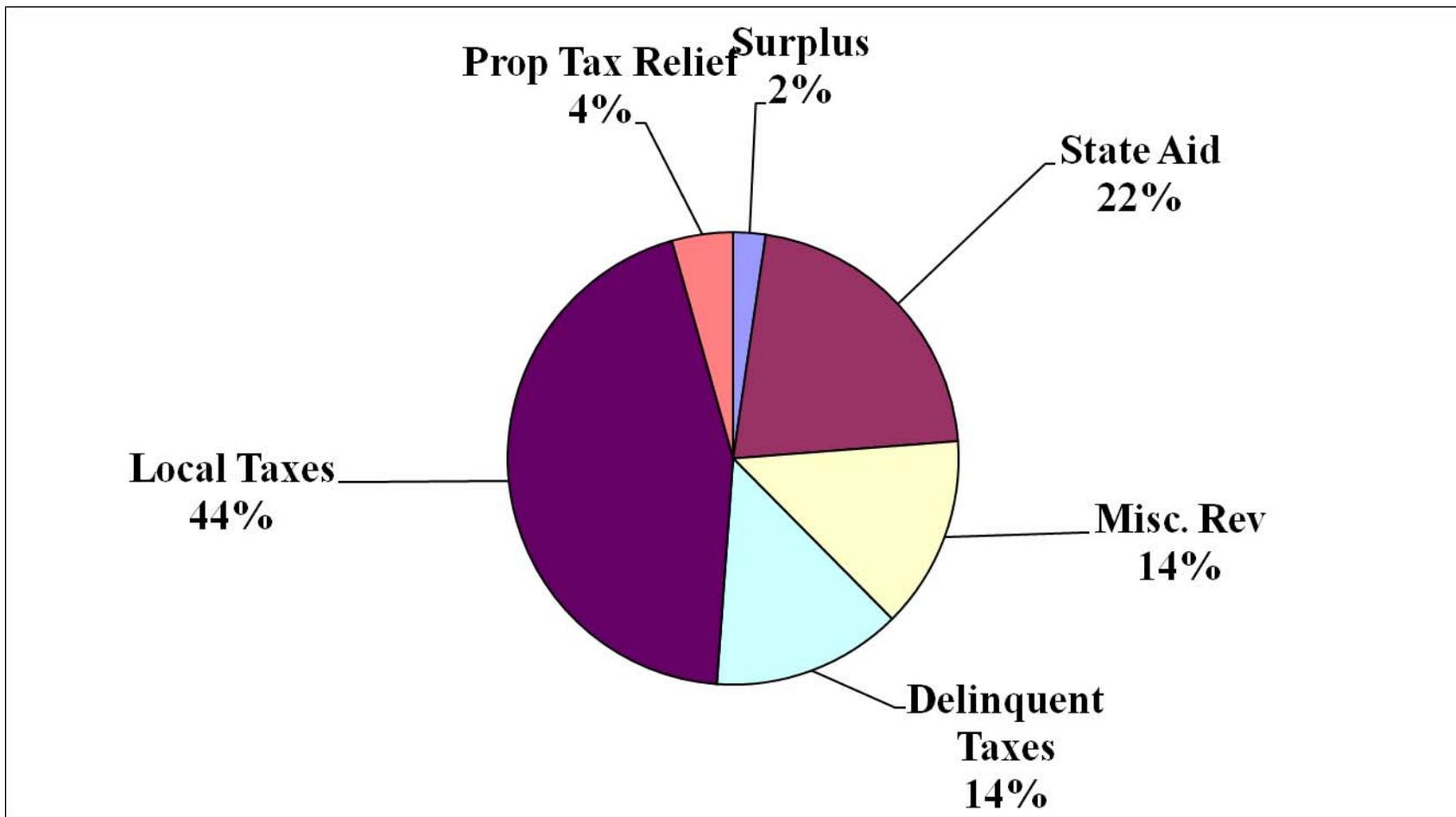
Tax Revenue and Budget History

Year	Tax Revenue	Increase	Total Budget	Difference
1998	\$ 10,032,287.15		19,939,897.84	
1999	\$ 10,298,958.35	\$ 266,671.20	21,456,060.97	1,516,163.13
2000	\$ 10,753,767.30	\$ 454,808.95	22,068,132.66	612,071.69
2001	\$ 11,244,030.93	\$ 490,263.63	23,171,950.02	1,103,817.36
2002	\$ 12,261,552.64	\$ 1,017,521.71	23,940,077.94	768,127.92
2003	\$ 13,978,620.91	\$ 1,717,068.27	24,209,835.21	269,757.27
2004	\$ 15,462,855.95	\$ 1,484,235.04	26,103,912.95	1,894,077.74
2005	\$ 17,166,767.21	\$ 1,703,911.26	27,995,759.21	1,891,846.26
2006	\$ 17,569,503.66	\$ 402,736.45	29,249,388.89	1,253,629.68
2007	\$ 18,715,461.60	\$ 1,145,957.94	30,518,032.30	1,268,643.41
2008	\$ 21,919,853.21	\$ 3,204,391.61	33,516,175.80	2,998,143.50
2009	\$ 22,715,206.44	\$ 795,353.23	33,117,467.72	(398,708.08)

Budget Amt versus Tax Revenue

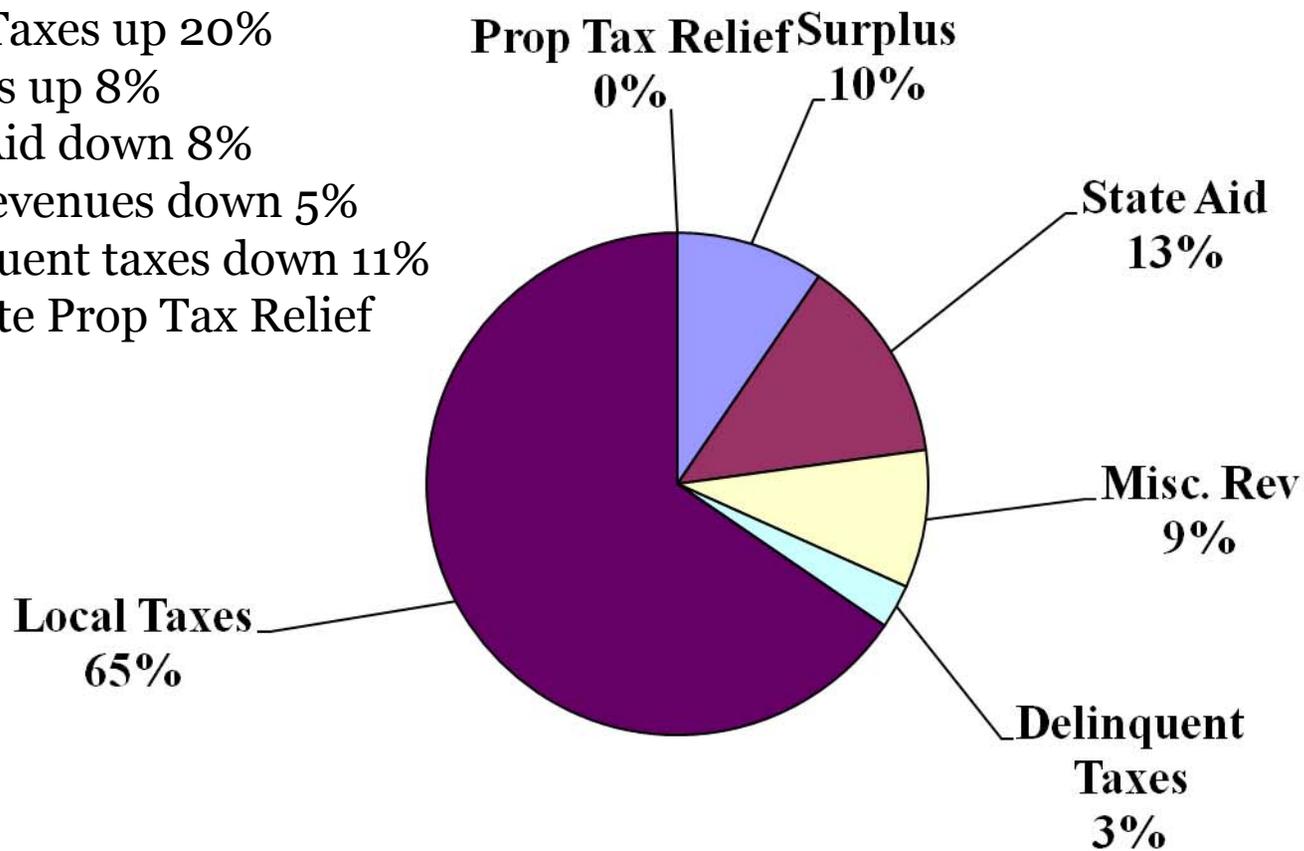


1992 Budget Revenues



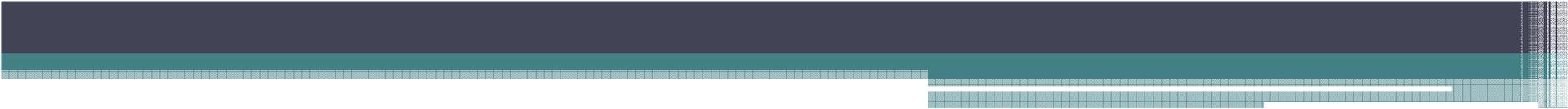
2008 Budget Revenues

- Local Taxes up 20%
- Surplus up 8%
- State Aid down 8%
- Misc revenues down 5%
- Delinquent taxes down 11%
- No State Prop Tax Relief

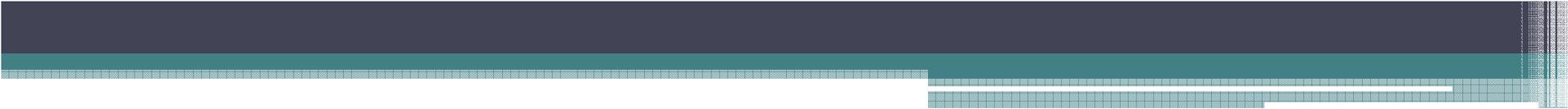


Differences in Expenses 1992 to 2009

Expense	1992 %	2008%	Difference
Administration	3%	2%	-1%
Tax Collection/Assessment	2%	1%	-1%
Public Safety	26%	32%	+6%
Public Works	19%	21%	+2%
Land Use/ Bldg Inspection	4%	4%	None
Insurance/Pension/FICA	14%	18%	+4%
Debt Service	12%	13%	+1%
Health/Community/Rec	3%	2%	-1%
Reserve for Uncollected Taxes	17%	6%	-11%



Our 2009 Budget and Beyond



Now and Tomorrow

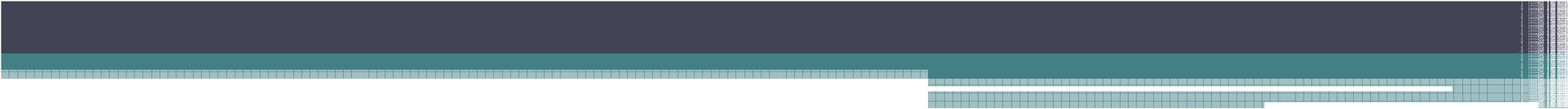
- Last year started the painful righting of the ship
- This year will continue it
- Next year is the biggest hurdle
- If we do what we plan and what I have laid out here (anything can change in government), in 2012 we will settle in for a stronger future regardless of economic swings

What is that Solution

- Simple – Make the tax revenue equal the expenses as close as possible – Be conservative on state aid and other revenues
- Do this over time to improve the future for everyone
- Don't add services that are not supported by tax dollars – give the services desired for the price you can pay and don't get ahead of yourself
- Use surplus once things are on track to pay down debt or fund capital projects so you don't have to borrow.
- It is a philosophy – lasts as long as the people here are around or in charge

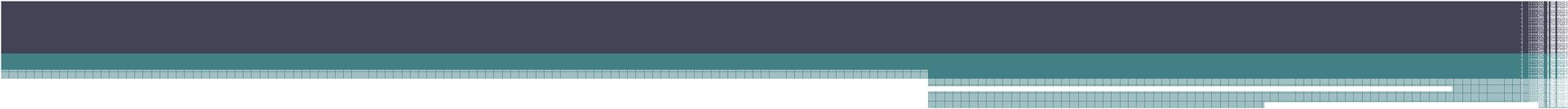
Cost Savings Initiatives Last year

- **Hiring Freeze** - We have put a freeze on all new hires effective April 1 2008
- **Reduce Workforce Through Attrition**
- **Hesitate on Filling Even Necessary Positions**
- **Accelerated Retirement Program**
- **Budget Freeze** – All department operating budgets have been frozen to at least the 2007 and level and most to the 2006 level.
- **No More Take Home Cars**
- **New Budget Controls, Reporting and Restraints** – 10% cap on all operating line items
- **Aggressively Pursue Shared Services**
- **Looking for New Revenues**
 - **Red Light Cameras**
- **Attract New Ratables** – Catch 22 – COAH – bad economy
- **Lobbying the State of NJ and our State Legislators**
- **Independent Audit** – Concluded that our 2007 budget was “tightly constructed” and that the 2008 budget was consistent with the 2007 budget. The independent auditor pointed out that 90% of the increases in 2008 came from the state, the necessity to start paying the bill for the Police Building renovation, insurance, landfill fees and salaries and wages increases.



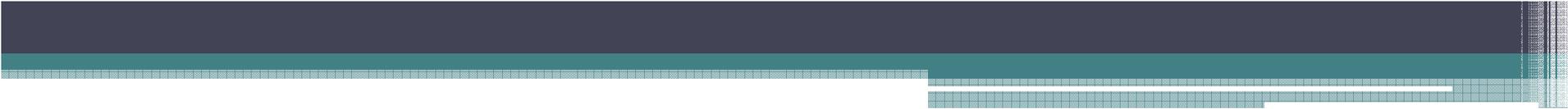
Cost Savings Initiatives this Year

- Citizens Committee
- Salt Barn
- Water Authority
- Recycling changes
- Leaf and Brush pickup changes
- Commercial trash pickup
- Municipal Court fees
- At least 17 positions reduced by end of 2010
 - 7% of the workforce



Cuts in Public Safety

- Suspend Use of Overtime for Specialty Units
 - SRT, Hostage Negotiators, Dive and K-9
- Reduction in Fleet
 - 7 units
- No new hires for retiring officers
- Reduction of one School Resource Officer
- Reduction of a Community Support Unit Officer
- Reduction of a Detective Bureau Assistant
- Reduction of a Captain Position



Operating Expenses Summary

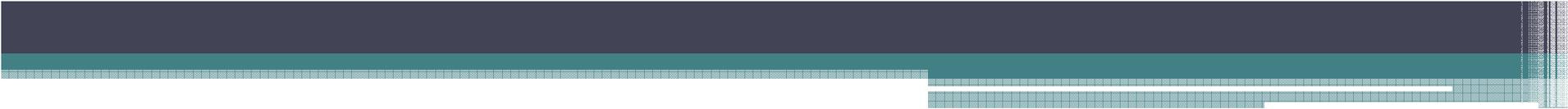
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Admin Other Expense	49,200.00	49,200.00	49,200.00	49,200.00
Finance Other Expense	60,000.00	60,000.00	60,000.00	60,000.00
Assessment Other Expense	21,000.00	21,000.00	21,000.00	21,000.00
Collection Other Expense	19,000.00	19,000.00	19,000.00	19,000.00
Legal Other Expense	192,000.00	223,000.00	200,000.00	227,500.00
Engineering Other Expense	50,000.00	50,000.00	50,000.00	50,000.00
Land Use Other Expense	305,000.00	310,000.00	310,000.00	310,000.00
Youth Center Other Expense	10,000.00	10,000.00	10,000.00	10,000.00
Police Other Expense	634,000.00	634,000.00	634,000.00	634,000.00
Bldg. Inspector Other Expense	19,000.00	19,000.00	19,000.00	19,000.00
Bd of Health Other Expense	2,000.00	3,000.00	3,000.00	3,000.00
Public Assistance Other Expense	3,700.00	3,700.00	3,700.00	3,700.00
Opertation Other Expense	251,000.00	296,000.00	296,000.00	296,000.00
Rd. Repair Other Expense	225,000.00	265,000.00	265,000.00	265,000.00
Sanitation Other Expense	160,000.00	180,000.00	180,000.00	180,000.00
Vehicles	45,000.00	45,000.00	45,000.00	45,000.00
Computer/Technolgy Maintenance	25,000.00	25,000.00	25,000.00	25,000.00
Parks Other Expense	49,500.00	49,500.00	49,500.00	49,500.00
Volunteer Day	2,000.00	2,000.00	2,000.00	2,000.00
Senior Citizen Other Expense	10,000.00	10,000.00	10,000.00	10,000.00
Historical Other Expense	3,000.00	3,000.00	3,500.00	3,500.00
Environmental Other Expense	3,000.00	3,000.00	3,000.00	3,000.00
Court Other Expense	22,000.00	22,000.00	22,000.00	22,000.00
Housing Element Other Expense	32,000.00	32,000.00	32,000.00	32,000.00
TOTAL - Other Expenses	2,192,400.00	2,334,400.00	2,311,900.00	2,339,400.00
Difference		142,000.00	(22,500.00)	27,500.00

History of Salaries & Benefits in Wall

2000	10,466,878.28		
2001	11,044,569.79	577,691.51	5.52%
2002	11,460,969.00	416,399.21	3.77%
2003	12,043,879.25	582,910.25	5.09%
2004	13,292,072.00	1,248,192.75	10.36%
2005	13,933,228.00	641,156.00	4.82%
2006	14,540,956.59	607,728.59	4.36%
2007	15,352,140.82	811,184.23	5.58%
2008	15,904,431.78	552,290.96	3.60%
2009	16,082,111.54	177,679.76	1.12%

2009 Budget Increases and Decreases

Item	Change	Change in \$	Cap
Salaries and Wages	\$.005	\$177,679.76	
Pensions Costs	(\$0.020)	(\$772,553.62)	
Debt Service	(\$0.009)	(\$367,001.00)	Out of Cap
Insurance	\$.005	\$174,874.74	
Reserve for Uncollected	\$.007	\$285,962.95	Out of Cap
Loss of State Aid	\$.006	\$233,820.00	Out of Cap
Lack of Surplus	\$.012	\$480,683.00	
Loss of Revenue	\$.012	\$453,000.00	
Total	\$.017	\$666,465.83	

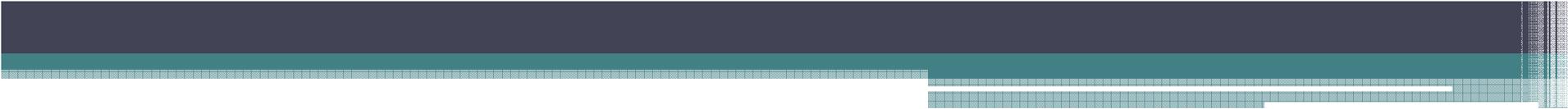


2009 Budget Situation

- Could see 2009 problem coming in 2008
- \$1,200,000 problem
- Pension Deferral - in March of 2009 approved by State
- Take the deferral or cut serious services

2010 Budget Preview

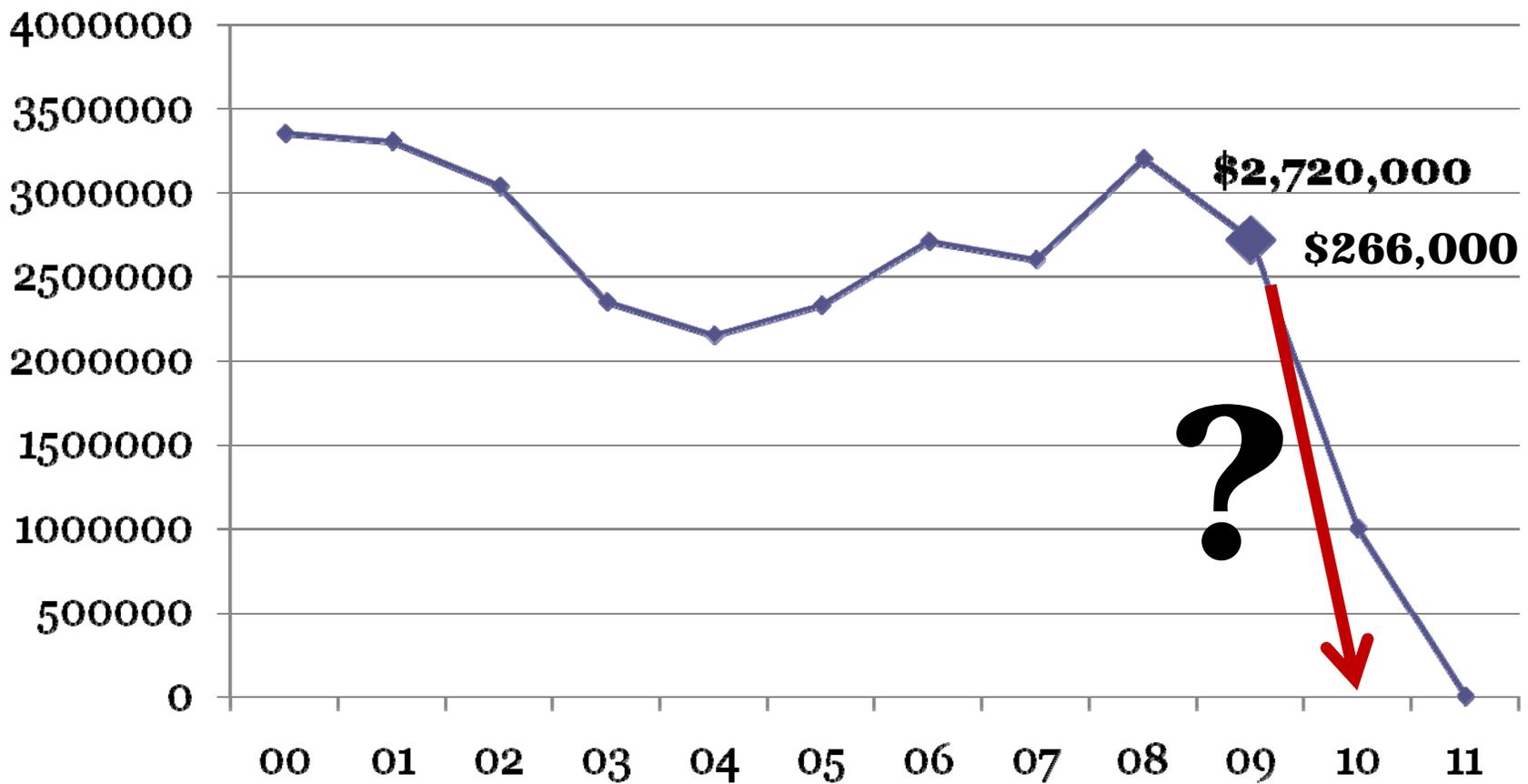
- 2010 Budget is projected to be \$2,400,000 over the tax cap levy
- This projection only includes small increases for insurances, Salaries and Wages and pension payment, at 2008 level
- Deficit can be affected more
 - Additional drops in revenue
 - Changes in the tax cap levy
 - Decreases in state aide
 - Decrease in the tax collection rate



Why The \$2,400,000 Problem?

- History of Surplus and its Use
- Tax Cap
- Increasing Reserve for Uncollected Taxes
- Decreasing Misc. Revenues
- Decreasing State Aid
- Increasing Pension Obligations
- Increases Costs – Insurance, Gas, Electric, Etc.
- All of these reasons lead to this:

Surplus Use since 2000



What Will Happen

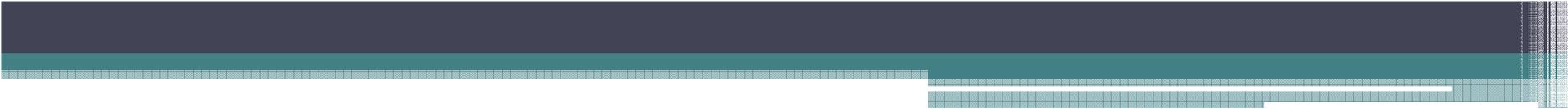
- Could be \$0 – Could be higher
- If we conserve through the year, every dollar saved makes that number down– Surplus
- New Revenues Possible
 - Liquor License
 - Property Sale
 - ?????

Other Actions We May Need to Consider

- Because of this gap for all the reasons listed, we may have to make personnel moves
 - If so, we prefer furloughs
- We have reduced significantly as you see
 - Operating Expenses Frozen, most since 2006
 - Smallest Salary and Wage increase in years
 - Economizing everywhere we can
- If we use furloughs because they are necessary, they stop the minute something positive offsets their need
 - Enough new revenue
 - Greater than expected savings
- There may be no other way to close the gap other than Nuclear Options – Job cuts, eliminate trash pick up, other!

Summary

- We have inherited problems in a Perfect Storm of problems
 - Last year – 16.2% mostly out of our hands
 - Next year – could be \$2,400,000 give or take
- We are on top of it
 - We know and understand the history
 - We know what needs to be done – now and in the future – we have a complete grasp on it
 - We are doing what needs to be done – but it will take a while
- We need your help – Residents AND Employees together – The Wall Township Family



Thank You!