

The Mayor's Statement

Fiscal Year 2009

Tonight I present to Council the introduction of the FY '09 Budget. This is the **first** step in the budgetary process and ultimately leads to Council voting and approving the final budget and final tax rate. The Business Administrator and I met individually with each Department Head to review their proposed budgets. Each was requested to have an efficient and lean budget, but not to adversely impact services to the residents. I have reviewed the budget numerous times for more costs savings, leading to an additional 5 cents decrease. Line items reflect State mandates and what is needed to provide services to the community. Appropriations are cut to the bottom line.

Throughout the year, Trenton has warned Municipalities of new cap and tax levy regulations which would effect fiscal year towns first, and a reduction in State extraordinary aid which resulted in a \$1.7 million dollar cut overall. With this knowledge and no consultation with the administration, the Council set the preliminary tax rate at zero. Since the year 2000, the Council has **never** set a preliminary tax rate of zero; until I became Mayor.

We were faced with two major problems in preparing this budget; loss of revenue and contractual and mandated costs that have escalated. This year the surplus is down \$1,647,604. A major contributing factor in the decrease in surplus was the **failure** of the Township to sell the Nike Phase I site. Last year the Council was told by Mr. Carlamere **not** to anticipate the \$1.2 million dollar sale of the Nike site, but despite this legal recommendation the Council approved it's inclusion as a revenue line item. We were required to receive these monies prior to June 30, 2008. That did not happen! As a result, we suffered a decrease in available year-end surplus of \$1,200,000.00. In addition, I have only been able to anticipate this year \$240,000.00 from the sale of this property leaving a fall off in anticipated revenues for this property of \$960,000.00. I am optimistic that these monies will be received prior to the adoption of the FY2009 budget and request Council to appropriate these monies to further reduce the tax increase. This situation combined with other decreases in revenues including \$581,000.00 in State Aid cuts has resulted in the loss between last year's and this year's available revenue of a combined amount of \$4,411,009.00. **This amount alone contributes to a tax increase of 18.04 cents; with a penny equal to \$244,531.60.**

Another potential source of revenue is the use of unrestricted surplus of the GTMUA. This amount is **\$207,598.00**. Since there has been two rate increases by the MUA in the last few years and the Township buys their recycling trucks and has a contingency fund for their truck repairs; the surplus should be transferred to the Township for tax relief. This is voluntary and has recently been done in Deptford and last year in Washington Township.

Some of the state mandates include Police & Fireman Pension Fund, \$161,138

increase up 8.6%, PERS (Public employees' retirement system) \$126,471.00 increase, up 32%, and utility expenses have increased by \$220,296.00 up 13.0%; to name a few.

Although I am distressed by the 24 cent tax rate increase in this proposal; caused mainly by the Nike Base and cuts in State aid, I believe that this budget provides for the safety, health and welfare of the community, and is fiscally sound. Last year we received State Extraordinary Aid of \$500,000.00 and the prior year \$700,000.00. Although we were informed by the State that aid is drastically cut, I ask Council to join me in meeting with our State legislators and request them to strongly advocate for Gloucester Township to receive aid for our growing community.

To obtain the goal of a zero rate increase, the Council will need additional revenues or cuts of \$5,868,558.40. I am anxious to see your plan to obtain this goal without cutting services. The Department Heads and I are available to meet with you as soon as possible. I request these meetings be at a time convenient for the public. The Mayor's Task Force on Property Tax Reform will also review the budget.

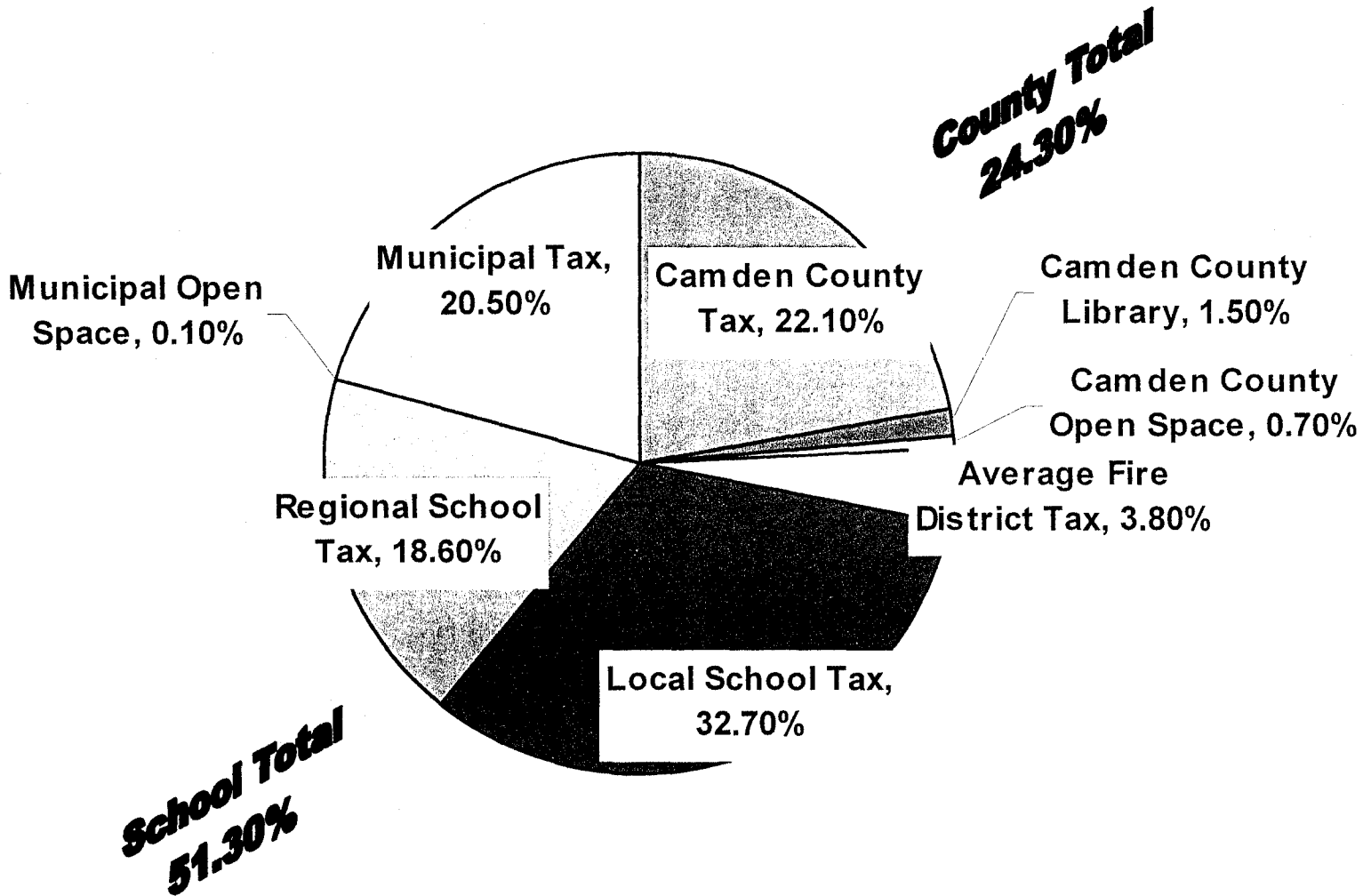
I wish to extend my appreciation to the employees, especially Mr. Cardis, for their efforts. With reduced staffing, they strive to be efficient and provide quality services for our residents.

I request Council tonight to indicate to Mr. Cardis the exact amount to apply for in the Extraordinary Aid application that is due in Trenton by September 26. The administration recommends \$1.5 million. In addition, I would ask that Council approve a resolution to apply for a CAP waiver, which will be prepared by Mr. Cardis.

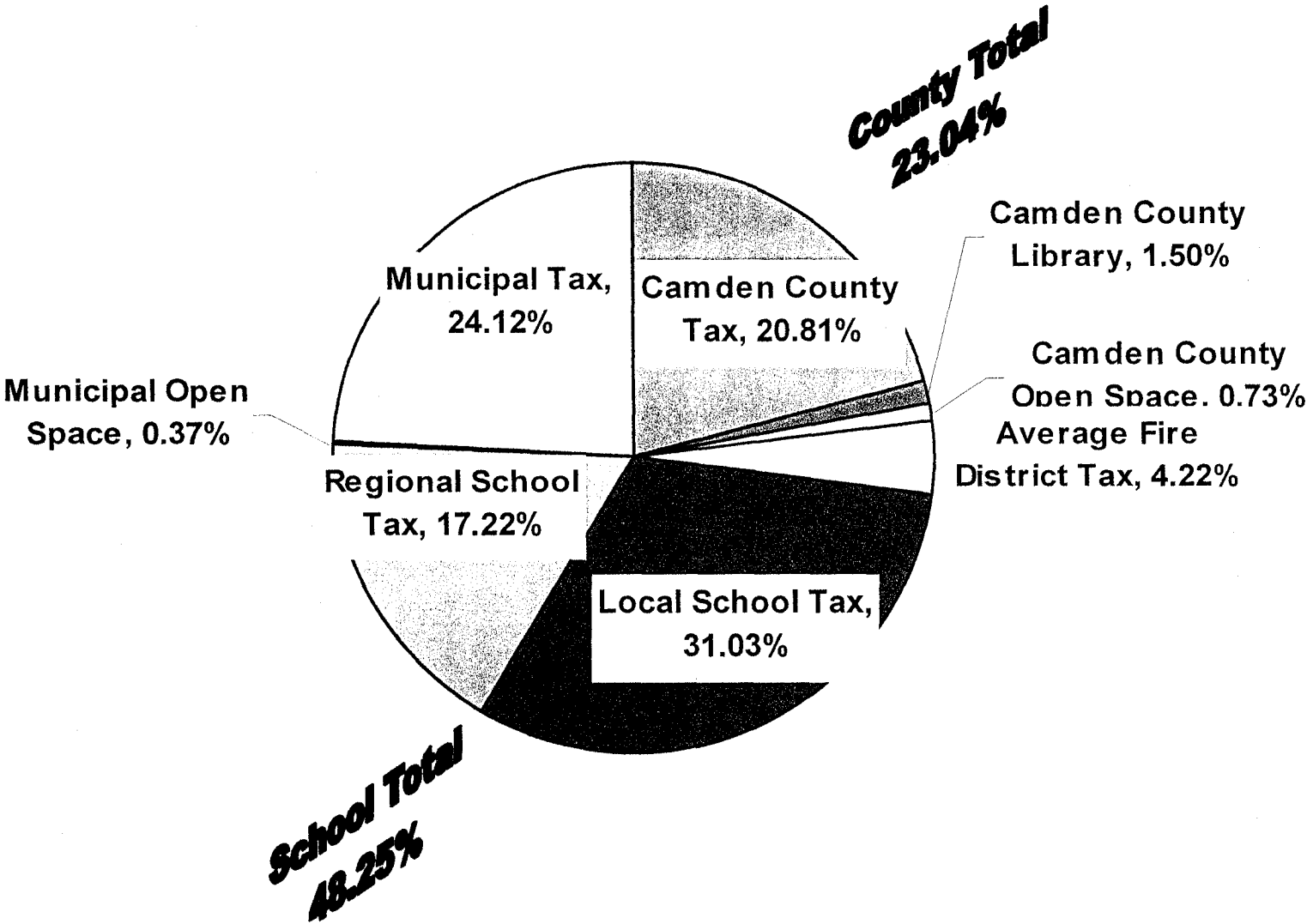
The Township, as in many communities throughout New Jersey, is faced with unprecedented financial pressures due to the state of the economy and the State of New Jersey balancing its budget on the backs of municipalities. The Nike fiasco and State aid cuts is devastating to our tax rate. However, I will not cut services that are essential to the residents of our community. I look forward to working together with Council for the community.

Cindy Gau-Hutter
Mayor
Sept. 22, 2008

FY 08



FY 09



TOWNSHIP OF GLOUCESTER
REVENUES
FY 08 AND FY 09

SOURCE	FY08%	FY08 DOLLARS	FY09 %	FY09 DOLLARS
Surplus Anticipated	6.50%	\$2,829,733.00	2.62%	\$1,188,108.00
Municipal Court Fines	1.80%	\$725,335.00	1.89%	\$856,865.00
Interest on Investments	1.60%	\$680,143.00	1.49%	\$674,297.00
Tax Abatement in Lieu of Billing	2.04%	\$1,042,250.00	2.96%	\$1,341,428.00
Other Miscellaneous Local Revenues	7.20%	\$3,133,390.00	4.01%	\$1,817,176.00
State Aid w/o Offsetting Appropriations	17.30%	\$7,510,381.00	14.17%	\$6,429,216.00
Uniform Construction Code Fees	2.00%	\$868,352.00	1.55%	\$703,283.00
Various Grants with Offsetting Approp.	1.10%	\$481,595.00	0.41%	\$186,434.00
Amount to be Raised by Taxes	60.10%	\$26,079,164.00	70.90%	\$32,157,343.00
TOTAL	100%	\$43,350,343.00	100%	\$45,354,150.00

TOWNSHIP OF GLOUCESTER
 APPROPRIATIONS
 FY 08 AND FY 09

DEPARTMENT	FY 08 %	FY 08 DOLLARS	FY 09 %	FY 09 DOLLARS
POLICE	26.80%	\$11,613,404.00	27.28%	\$12,372,489.00
SCHOOL BUSING	1.30%	\$550,000.00	1.21%	\$550,000.00
INSURANCE RETIREMENT	22.30%	\$9,689,255.00	23.41%	\$10,616,313.00
RESERVE	0.60%	\$283,730.00	0.38%	\$173,087.00
SANITATION	13.10%	\$5,615,030.00	12.40%	\$5,622,695.00
DEFERRED CHARGES	0.00%	\$0.00	0	\$0.00
CAPITAL/DEBT SERVICE	14.80%	\$6,394,158.00	14.82%	\$6,721,787.00
RECR, COURT, COM. DEV, CO	4.20%	\$1,819,726.00	4.23%	\$1,916,877.00
LEGAL	0.30%	\$139,466.00	0.31%	\$142,604.00
PUBLIC WORKS	8.40%	\$3,650,596.00	8.21%	\$3,724,685.00
UTILITY EXPENSES	3.90%	\$1,697,536.00	4.23%	\$1,917,832.00
OTHER	4.30%	\$1,897,442.00	3.52%	\$1,595,781.00
TOTAL	100%	\$43,350,343.00	100%	\$45,354,150.00

FY 2009 BUDGET TAX CHANGES
1 CENT = \$244,531.60

REVENUES

	FY2008	FY2009	CHANGE	TAX RATE INCREASE (DECREASE) CENTS
Cash Surplus	2,356,000	708,396	(1,647,604)	6.73
Recreation Fees	154,528	193,695	39,167	(.16)
Nike Base	1,200,000	240,000	(960,000)	3.93
Tax Abatement	1,042,250	1,341,428	299,178	(1.22)
State Aid	7,010,381	6,429,216	(581,165)	2.37
Extraordinary Aid	500,000	- 0 -	(500,000)	2.04
Sale Liquor License	526,000	- 0 -	(526,000)	2.15
Rec. Delinquent Taxes	145,618	182,885	37,267	(.15)
Comcast	-0-	160,000	160,000	<u>(.65)</u>
				15.04

APPROPRIATIONS

Group Insurance	4,924,859	5,533,196	608,337	2.48
Police Salaries	9,990,617	10,941,573	950,956	3.89
Animal Control	43,805	10,000	(33,805)	(.14)
Utility Expenses	1,697,266	1,917,902	220,636	.90
PERS	1,874,971	2,036,109	161,138	.66
PERS	392,827	519,298	126,471	.52
Debt Service	6,244,158	6,521,787	277,629	1.13
Res. For				
Uncollected Taxes	283,730	173,087	(110,643)	<u>(.45)</u>
				8.99

15.04 - 8.99 = 24.03 Cents

<u>TOWNSHIP</u>	<u>POPULATION</u>	<u>CENTS INCREASE PER THOUSAND</u>
Washington Twp. (2004) (2005)	47,114	17 cents or 4.99 cents - 257,355
Deptford Twp.	26,763	8 cents - 170,000
Winslow Twp.	34,611	9.9 cents - 150,000
Monroe Twp.	28,967	6.9 cents - 289,256
Evesham Twp.	42,275	14.9 cents - 283,000
Vineland City	56,271	34 cents - 203,000
Woodbury City	10,307	19.1 cents - 37,500
Cherry Hill Twp.	69,965	23 cents - 460,000
Pine Hill Borough	10,880	21 cents - 25,000

PRELIMINARY TAX LEVY AT ZERO.

ZERO = \$5,868,758.40 IN CUTS

IN APPROPRIATIONS OR

ADDITIONAL REVENUE.