

Borough of Hawthorne

BUDGET
BRIEFING

2008 Budget Presentation

Challenges for 2008 Budget:

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- 185,000 Reduction in Revenue -
“Reserve for Payment of Debt”
- 279,578 Increase in State Pension Payments
- 255,546 Increase in Salaries
- 203,976 Reduction in State Aid - Unanticipated

These four items alone would increase taxes 7.5 cents or 8.3%

Challenges for 2008 Budget:

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- Maintain surplus regeneration for future years, without using more surplus than can be regenerated
- Minimize deferral of costs into future years (by borrowing, failing to fund liabilities, etc.)
- Maintain desired level of municipal services (current and future)

Budget Process for 2008

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Zero Based Budgeting (ZBB)

- All Departments' Budgets built from zero

Review by Administration

- Administrative budget hearings in November
- Tweaking of budgets by Administration based on review
- Budget documentation submitted to Council and Finance Committee utilizing new format

Review by Council Finance Committee

- Cooperative review with Administration
- All departments and boards given opportunity to meet with the committee

Revisions made to bring tax increase to 5.9%

Council vote to introduce the Budget - 4/2/2008

Public Hearing and Adoption on 5/7/2008

Key Budget Points

Total Budget: \$17,933,059

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Revenues:

- Court revenues higher than projected (and higher than 2006 actuals)
- Significant Reduction in “Reserve for Payment of Debt”
- Significant Reduction in Other Non-Recurring Revenues
- State Aid Reduced 10%

Key Budget Points

Total Budget: \$17,933,059

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Appropriations:

- Pension Costs up \$280,000 (or 50%)
- Lower landfill tipping fees - \$33,000
- Increase of Salaries - \$255,000
- Reduction in Miscellaneous Other Expense - \$116,000

Key Budget Points

Total Budget: \$17,933,059

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Capital:

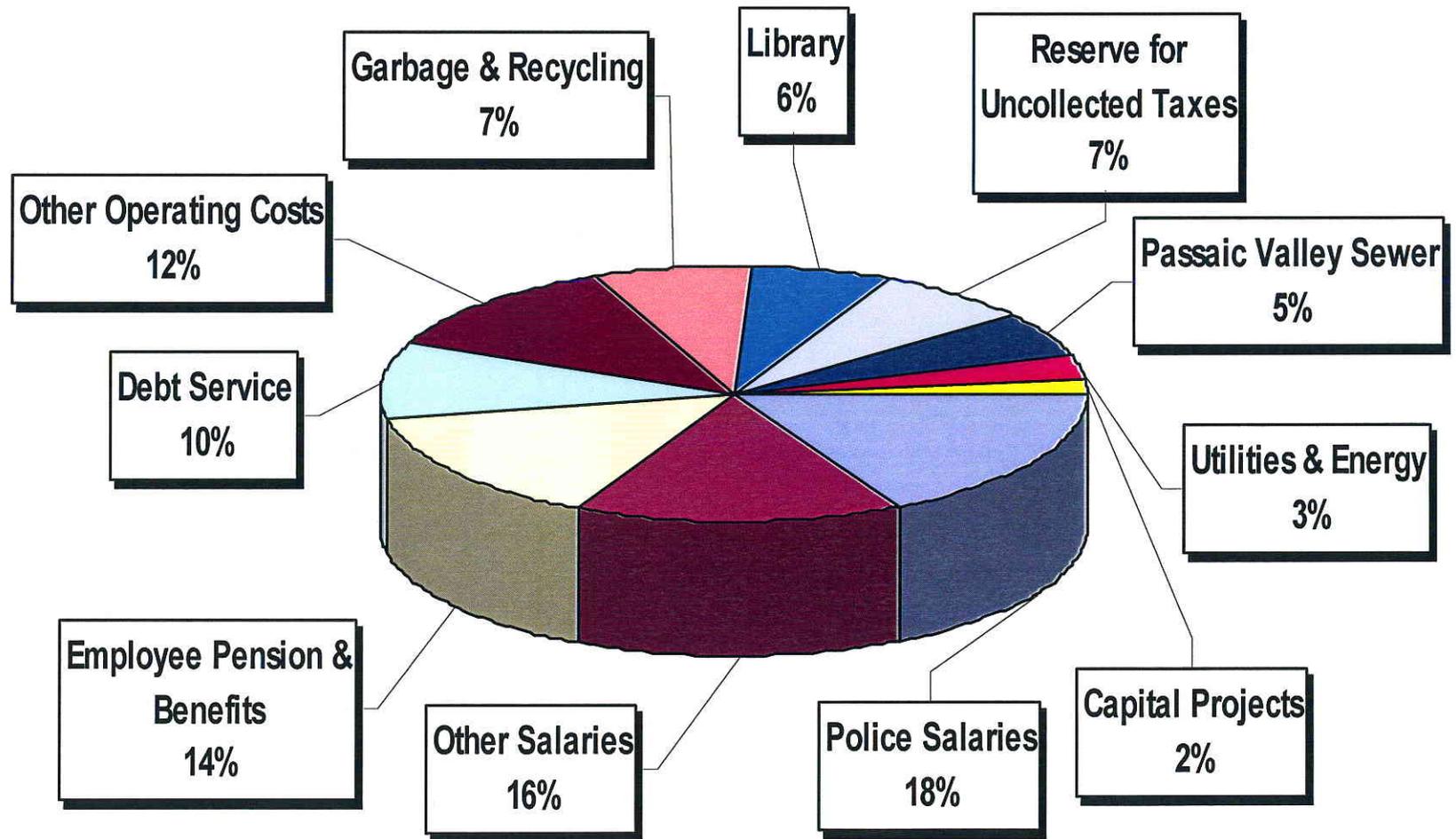
- \$222,000 Smaller capital items funded from surplus rather than taxes or borrowing

See 2008 Capital Budget Presentation for details

- \$500,000 for Washington Avenue Drainage Improvements
- \$300,000 for Road Improvements

2008 BUDGET APPROPRIATIONS

BUDGET BRIEFING



Municipal Tax Impact

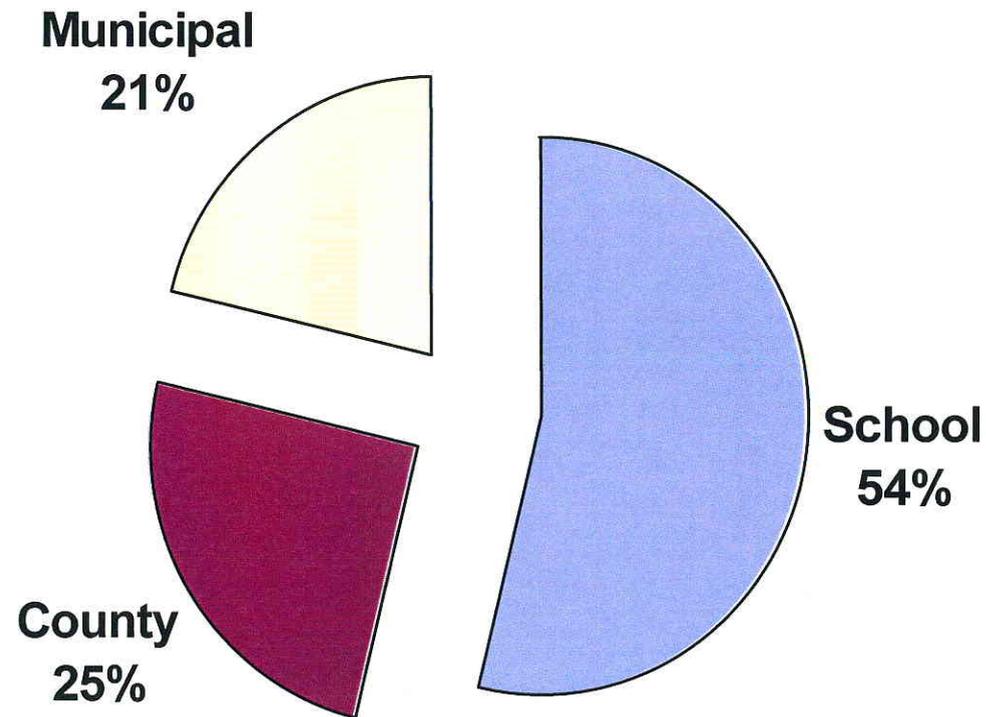
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\$ Increase for the Average Home
Assessed at \$182,000
= \$98

\$ Increase per each \$100,000 of
Assessed Value
= \$54

Distribution of Hawthorne Property Taxes

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Breakdown of Average 2008 Tax Bill

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| | |
|-----------|---------|
| School | \$4,399 |
| County | \$2,071 |
| Municipal | \$1,754 |

| | |
|--------------|----------------|
| Total | \$8,224 |
|--------------|----------------|

Services Funded From Municipal Taxes

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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: \$1,754 Per Month: \$146