

September 30, 2008

Sea Isle City Municipal Budget Projection for 2009

Maximum levy for 2009 = \$13,155,215 (based on the state mandated levy cap)
2008 levy = \$12,134,550

Represents 8.4 % increase = 0.275 local tax rate (compared to 0.254 current tax rate)

Projected 2009 total budget appropriations = ~\$17,600,000
2008 total budget appropriations = \$17,413,341

Represents 1.1 % increase

Projected 2009 budget revenues (excl. property tax levy) = ~ \$4,400,000
2008 total budget revenues (excl. property tax levy) = \$5,278,791

Represents 16.6 % decrease

Positive factors:

Reduction in workforce ~ \$500,000 reduction in salary costs
1/1/08 fulltime employees 119
9/30/08 fulltime employees 106
2009 projected fulltime employees 110

Health insurance program changes ~ \$250,000 in savings

Relatively level debt service

Negative factors:

(these items were identified during the 2008 budget process as shortfalls for 2009)

Revenue loss
Reduction in fund balance surplus ~ \$200,000
Reduction in capital surplus ~ \$220,000
Reduction in reserve for payment of bonds ~ \$160,000
Reduction in assessment trust surplus ~ \$160,000
Reduction in construction fees ~ \$140,000

These projections are based on the best information currently available. To date, we have not received final figures from the state relative to our pension obligation or state aid. Of course, we also have not completed expenditures for 2008.

To exercise good financial management for the long term, the tax levy indicated above should not be reduced. We will have the opportunity to reduce *appropriations* as we move forward through the budget process, but we must use any such reductions to better our surplus position for 2009.

In November, presentations to council will be made by the administration's department heads on their respective operations, including current and future initiatives, and areas of concern.

Also in November, in accordance with state law, department heads will make their budget requests to the Mayor in open public sessions.