

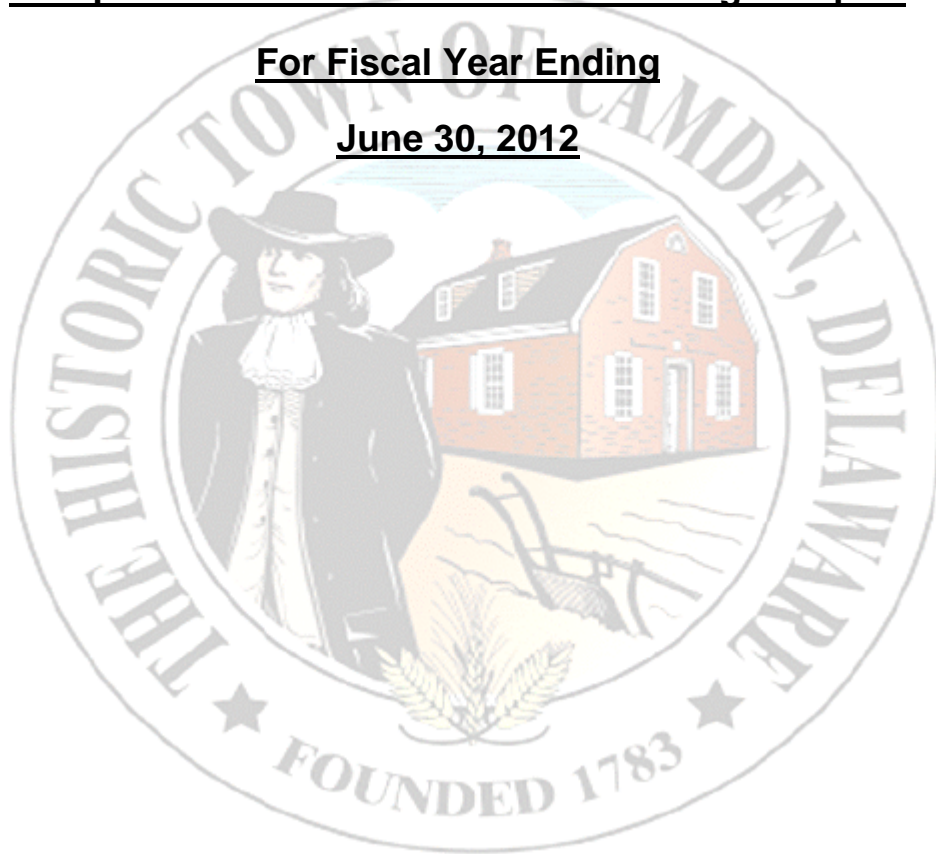
DRAFT
4/4/2011

The Town of Camden

Comprehensive Annual Financial & Budget Report

For Fiscal Year Ending

June 30, 2012



Prepared by:

James O. Plumley, III

Town Manager / CFO



1783 Friends Way
Camden, DE 19934

phone: (302) 697-2299
fax: (302) 697- 9115

www.Camden.Delaware.gov

Mayor:
Richard E. Maly

Council:
Kevin R. Casquarelli
John W. Green, Jr.
Justin T. King
Jeffrey M. Lewin

Town Manager:
James O. Plumley III

The Honorable Mayor, Members of Council and Citizens of Camden, Delaware:

The Town of Camden's charter requires annually each year and not later than sixty (60) days prior to the beginning of the next Fiscal year, July 1, 2011, the Mayor and Council shall prepare a rough draft of the Town budget. From this draft, the Mayor and Council shall, not later than the regular meeting following the presentation of the rough draft prepared of the Town budget, prepare the budget containing the financial plan for conducting the affairs of the Town for the ensuing fiscal year. The report is published to fulfill that requirement for the fiscal year ending June 30, 2012.

My office assumes full responsibility for the completeness and reliability of the information contained in the report, based upon a compressive frame work of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather that absolute, assurance that the financial statements are free of any material misstatements.

Profile of the Government

The Town of Camden, Incorporated in 1783, is located centrally with in Kent County along the Rt. 13 corridor. It currently occupies approximately 3.75 square miles and services a population of appox. 3,500. The Town of Camden is empowered to levy a property tax for property located within its boundaries. It is also empowered, by state statue, to extend its corporate limits by annexation, which it has done from time to time.

The Town of Camden operates under a Council-Manager form of Government. Policymaking and legislative authority are vested in a governing Council consisting of a Mayor and four (4) Council Members, all elected on a non-partisan basis. The Council appoints the government's Manager who in turn manages the daily affairs of the Town. The Council also appoints the Chief of Police who in turn manages the Police Department. The Mayor serves a two (2) year term and Council Members each serve a three (3) year term where at least one is elected each year. The Mayor and Council are elected at-large.

The Town of Camden provides a full range of services, including Police, street maintenance, storm water sewer and waste and recycling collection. Water & sanitary sewer services are provided through the legally separate Camden-Wyoming Sewer and Water Authority. All information relative to that entity must be directed to that Authority at 16 S. West Street, Camden-Wyoming, DE 19934.

Local Economy

Major commercial growth is located within Camden's boundaries or in close proximity and includes Large Box Stores, Automobile Dealerships, Building Supplies, Restaurants, Financial Institutions, and Industrial Plants. The State and Federal Governments are also a significant economic presence thanks to various Government Agencies and The Dover Air Force Base that provides employment to hundreds of residents.

Because of our location in the region we enjoy a varied economic base, however during the past three (3) years the current economic climate has severely slowed new development construction and unemployment remains around 8.2 percent. Forecasters are expecting the unemployment rate to remain stable and possibly decrease to 7.5 percent over the next several years. A major grocery chain, Redner's, is contemplating opening their new facility in Camden by early 2012 which would employ as many as 400 individuals, many of whom would likely be recruited locally.

During the past four (4) years the Town's expenses related to Public safety, Public Works and Municipal Administration have decreased as a result of employee downsizing. This downsizing followed the regional, public and private trend toward leaner operating expenditures, in effort to resolve a growing deficit.

During the same four (4) year period charges for services have increased. In FY 2008-2009 residential taxes increased 33 % and commercial taxes increased 42 %. On January 10, 2011 Council passed an additional 18 % tax increase across the board and eliminated early payment discount to ensure our citizens receive 24/7 Policing coverage.

Long-Term Financial Planning

The strategic plan is to operate within our means of renewable income and within a balanced budget. The enclosed budget draft does not include revenues from nonrenewable sources such as Real Estate Transfer Taxes and Building Permits fees. These monies will be deposited into investment pools to finance future capital and infrastructure improvements, police vehicles and large facility maintenance projects.

The Town of Camden completed a lengthy process of amending our Zoning Ordinances. We have developed an over view of the future character and image of Camden. As a result, it is our desire for Camden to be a destination point with a look and feel that invites new residents and businesses, a place where people want to be.

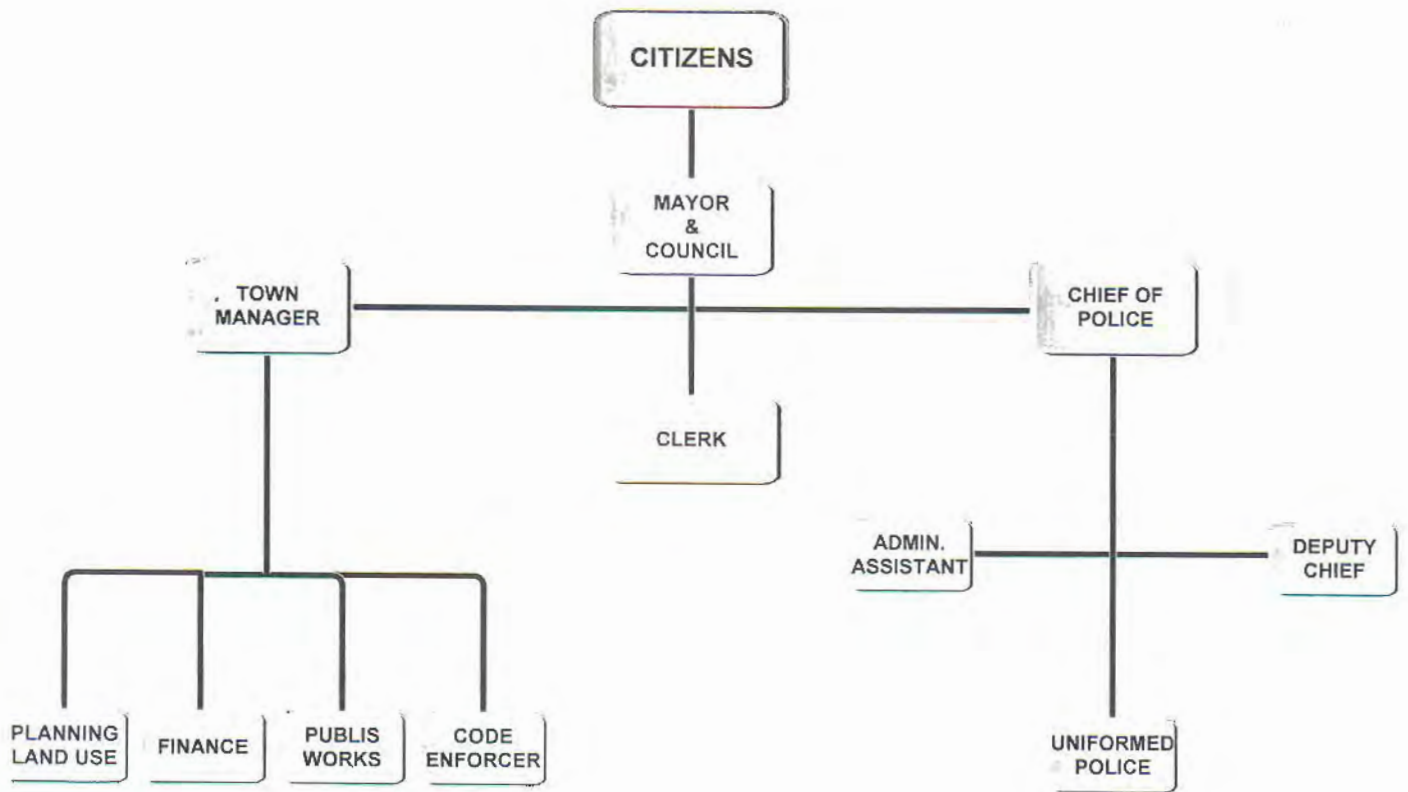
The preparation of this report would not have been possible without the efficient and dedicated service of the Finance and Police Departments. We wish to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. Credit must also be given to the Mayor and Council for their unfailing support for maintaining the highest standards of professionalism in the management of the Town of Camden's finances.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "James O. Plumley, III". The signature is fluid and cursive, with a small "III" written above the end of the name.

James O. Plumley, III
Town Manager / CFO

Town of Camden Organizational Chart



Town of Camden

List of Elected and Appointed Officials

February 15, 2011

Elected Officials

Mayor.....Richard Maly
Vice Mayor.....Kevin Casquarelli
Councilman.....John Geen
Councilman.....Jeffery Lewin
Councilman.....Justin King

Appointed Officials

Administration

Town Manager /CFO.....James O. Plumley,III
Chief of Police.....William E. Bryson
Clerk.....Charlotte Klauder

Board of Adjustment

Member.....Mark Babbitt
Member.....Michael Prystajko
Member.....Dohn Harshbarger
Member.....Dr. Ernest Cannava
Member.....Open Seat

Planning Commission

Commissioner..... Perry Ehli

Commissioner..... Alfonso Torres, Jr.

Commissioner..... Michael Schock

Commissioner..... Open Seat

Commissioner..... Open Seat

Camden-Wyoming Sewer & Water Authority
(Solely appointed by the Town of Camden)

Commissioner.....Mark Dyer

Commissioner.....Tracy Torres

Commissioner.....Tracey Green

DRAFT 4/14/2011

Management’s Discussion and Analysis

As management of the Town of Camden, we offer readers of the Town of Camden’s financial statements this narrative overview and analysis of the financial activities of the Town of Camden for the fiscal year ending June 30, 2012. We encourage our readers to consider the information presented here in conjunction with additional information that we have furnished in our cover letter.

Financial Highlights

The assets of the Town of Camden exceed its liabilities at the close of the most recent fiscal year by 3.3 million (Net Assets). Of which \$266,000.00 (Unrestricted Net Assets) maybe used to meet the government’s ongoing obligations to citizens and creditors.

We did not achieve a balanced budget for our current 2010-2011 Fiscal Year. As a result of a deficit of \$ 388,050.00, we made adjustments in operating expenses (Reduced Employee Positions and Income, (Raised Property Taxes by 18 percent). Subsequently, in order to meet the demands of our operating expenses for the remainder of this Fiscal Year (until June 30, 2011) we will deplete our Unrestricted Net Assets, \$266,000.00, completely.

Property and Equipment Assets are as follows:

<u>PROPERTY</u>	<u>DEPRECIATED</u>	<u>REPLACEMENT</u>
<u>1.</u> (1)Acre Parcel Caesar Rodney Avenue.....	\$ 75,000.00	
<u>2.</u> South Main Street (Former Town Hall).....	\$ 150,000.00	
<u>3.</u> 261 E. Camden/Wyoming Ave. (Former Police)....	\$ 100,000.00	
<u>4.</u> West Street (Public Works Building).....	\$ 255,000.00	
<u>5.</u> 1783 Friends Way (Municipal Building).....	\$ 4,000,000.00	
Total.....	\$ 4,580,000.00	

ADMINISTRATION

<u>1.</u> Furnishings.....	\$10,000.00	\$ 36,000.00
<u>2.</u> Computers.....	2,000.00	30,000.00
<u>3.</u> Server.....	6,000.00	8,000.00
<u>4.</u> Copies/Printers.....	7,000.00	10,000.00
<u>5.</u> Supplies/Equipment.....	5,500.00	11,000.00
<u>6.</u> Vehicles (1).....	3,200.00	25,000.00
Total.....	\$ 43,700.00	\$ 120,000.00

POLICE

1.	Furnishings.....	\$21,000.00	\$ 75,600.00
2.	Computers (Office).....	22,000.00	70,000.00
3.	Computers (Vehicles).....	19,000.00	72,000.00
4.	Server (AV room).....	6,000.00	8,000.00
5.	Server (Server room).....	9,000.00	12,000.00
6.	Copiers / Printers.....	24,000.00	58,000.00
7.	Supplies/ Equipment(Office).....	15,000.00	33,000.00
8.	Supplies/Equipment (Personnel- Hand Guns,Shot Guns,Belts,Ammo,Flashlights, Cameras,Chargers,First Aid,CPR Masks, Finger Printing,Handcuffs,Mobile Radios,Radar/ Laser,Tasers, Etc.).....	329,683.00	690,000.00
9.	Vehicles (13).....	78,400.00	300,000.00
	Total.....	\$ 524,083.00	\$1,318,600.00

Town of Camden Report of Finances

Assets

<u>PUBLIC WORKS</u>	<u>DEPRECIATED</u>	<u>REPLACEMENT</u>
1. Furnishings.....	\$1,500.00	\$ 5,400.00
2. Computers.....	3,000.00	10,000.00
3. Copiers/ Printers.....	500.00	1,200.00
4. Supplies/ Equipment (Office).....	1,000.00	3,000.00
5. Supplies (Shop- Power Tools,Hand, Tools,Traffic Cones Construction Signs, Etc.).....	8,000.00	29,000.00
6. Street Equipment (Mowers,Bush Hogs,Blowers,Generators, Sprayer,Utility Trailers, Compressors,Forks, Buckets,Plows,Sand Spreaders,Augers,Weed Eaters, Etc.).....	17,000.00	45,000.00
7. Vehicles- (2) Tractors (2) Dump Trucks (1) Skid Steer (2) Pick-up Trucks (1) Street Sweeper.....	99,500.00	490,000.00
Total.....	\$130,500.00	\$583,600.00
Total Assets.....	\$5,378,283.00	\$2,022,200.00

Concerns

Recreational Development

Each of our residential developments offer no planned recreational or play area. Streets become littered with portable Basketball goals during warmer days. This leads to an Ordinance Violation as well as safety concerns. Neighborhood Home Owners Associations (HOA) have either failed or are in trouble of failing. Meanwhile our Public Work personnel are required to maintain the various open spaces associated with the development which cost tax payer dollars, much of which we have difficulty in recuperating.

We believe it would be prudent to explore the pros and cons of absorbing the neighborhood open spaces as Town property (have them deeded over). We could create a "Park & Recreation" arm to our Public Works Department and add a nominal tax, across the board for the creation and maintenance of planned recreational areas. This has the potential of elevating the major financial burden on HOA's and provide the Town with control in addition to enforcement over a much desired community asset.

Fee Schedules

Currently we do not impose fees for plan reviews. Staff can spend countless hours reviewing plans for content, correctness and preparation for commission or board meetings. Additionally, it would be prudent to collect development impact fees. Developers would pay the impact their development has on our infrastructure rather than have that cost burden the tax payers. These fees would also help support the Parks & Recreation area.

Anticipated Increases in Expenditures

In preparing the budget, FY 2011-2012, it is critical that we consider anticipating inflationary increases over the course of the next several years. Looking ahead we can realistically anticipate rising costs in:

Anticipated Operating Increases

	FY 2012-2013	FY 2013-2014
1- Health care benefits	8,000.00	14,000.00
2- Property & Casualty Insurance	6,500.00	8,000.00
3- Utility Cost	3,500.00	5,000.00
4- Fuel Cost	2,000.00	4,500.00
5- Computer / Software upgrades	8,000.00	15,000.00
6- Street Maintenance	40,000.00	55,000.00
7- Longevity Salary Increases	<u>14,000.00</u>	<u>16,000.00</u>
	82,000.00	104,000.00

* As a result of our aging fleet it will become necessary to replace police vehicles over the next five years. The cost associated with those replacements is:

One vehicle FY 2012/13 \$ 25,000.00
Two vehicles FY 2013/14 \$ 50,000.00

My plan is that the all costs associated with the purchase and subsequent equipping of these vehicles comes from the newly established interest bearing accounts generated by non-renewable income such as Real Estate Transfer Taxes and Building Permits. Taking this more responsible approach would alleviate the burden of such expenditures from the tax payers.

Economic Forecasting

The Unemployment rate for Kent County Delaware is 8.5 percent. The work force, though down from 72,000 in 2007 to 65,000 in 2009, has increased to 66,000 effective December 31, 2010. This is evident by the increase in The Unemployment Trust Fund. The Governor has announced that large major companies are choosing to locate in Delaware as a result of the statigic fund. Our educational structure is proficient and competitive and has scored number 1 nationally in the federal governments "Race to the top" program. Yet revenues are challenged and spending even more challenging. Federal stimulus money has gone, there has been significant increase in the insurance industry including Medicare, and the state is decreasing programs and is down 1004 employment positions.

Our economic climate is most likely to remain steady until the end of our 2011-12 Fiscal Year and possibly the next Fiscal Year as well. It is important however, to note some positive indicators of a rebounding economy in our area:

1. We are experiencing zero inflation
2. There has been a steady slow rise in the stock market
3. Though single family home construction has stalled, commercial construction/development is on the up-swing
4. The number of home foreclosures are reported steady
5. Large area business such as Dover Down's Gaming, Camdel Metals, Wal-mart and the anticipated DNA Labs at The Dover Air Force Base and Redner's all offer employment opportunities over the next few years.

REVENUE FY11/12

DESCRIPTION	OPTION A (18%)	OPTION B (5%)
Residential Property Tax	\$672,588.68	\$598,814.25
Senior Property Tax	\$82,392.00	\$82,392.00
Commercial Property Tax	\$427,588.27	\$379,462.54
Trash Collection	\$375,000.00	\$375,000.00
Franchise Fee-Comcast	\$30,583.00	\$30,583.00
Business Licenses	\$86,045.00	\$86,045.00
Rental licenses	\$43,400.00	\$43,400.00
Rental Income-MPO	\$24,480.00	\$24,480.00
Reimbursement-Tenant	\$2,160.00	\$2,160.00
Code Enforcement Fines	\$5,000.00	\$5,000.00
Sipe Plan Review Fees	\$500.00	\$500.00
Fines & Court Revenues	\$110,000.00	\$20,000.00
Accident Report Fees	\$4,000.00	\$500.00
Alarm Revenues	\$1,300.00	
Grant-Pensions	\$49,000.00	\$18,000.00
School Resourse Officer	\$52,259.53	\$52,259.53
Grant- COPS Hiring	\$69,387.00	
Money Market	\$3,000.00	\$3,000.00
	<u>\$2,038,683.48</u>	<u>\$1,721,596.32</u>

OPERATING EXPENSES

DESCRIPTION	FY 2010/11	FY 2011/12
Admin - Salaries	\$276,917.82	\$317,149.77
Part Time	\$7,200.00	
Overtime	\$11,199.89	
Payroll Tax	\$72,450.21	
Social Security Tax		\$58,000.00
Medicare Tax		\$12,500.00
Unemployment Tax	\$5,187.00	\$6,000.00
Health Insurance	\$94,609.00	\$100,000.00
Medical Insurance Deductible		\$10,000.00
Pensions	\$103,906.07	\$97,000.00
	\$571,469.99	\$600,649.77
Continuing Education		\$1,500.00
Operating Expenses	\$20,000.00	\$10,000.00
Advertising		\$500.00
Cleaning Supplies		\$500.00
Clothing Allowance		\$150.00
Computer Maint. & Supplies	\$5,000.00	
Copier Maint. & Supplies	\$1,500.00	\$3,500.00
Maintenance Agreements	\$4,000.00	\$4,000.00
Membership Dues		\$500.00
Maint. Building Inspection Fees	\$3,000.00	
Admin. Fuel	\$1,000.00	\$1,000.00
Maintenance & Repair		\$3,000.00
Meetings		\$1,000.00
Miscellaneous	\$1,000.00	\$6,000.00
Office Supplies		\$4,000.00
Uniforms-Cleaning	\$1,500.00	
	\$37,000.00	\$35,650.00
Trash Vendor	\$369,670.00	\$375,000.00
Audit/Accounting Fees	\$30,000.00	\$30,000.00
Legal Fees	\$10,000.00	\$10,000.00
Computer Consulting	\$5,000.00	\$3,000.00
Engineer Fees		\$10,000.00
	\$414,670.00	\$428,000.00

OPERATING EXPENSES

DESCRIPTION	FY 2010/11	FY 2011/12
Insurance-Disability	\$10,000.00	\$10,000.00
Package Liability	\$20,000.00	\$35,000.00
Police Liability	\$7,000.00	\$12,000.00
Public Official	\$11,431.00	\$6,000.00
Tax Collector	\$140.00	\$140.00
Insurance-Vehicles	\$40,000.00	
Worker's Compensation	\$47,000.00	\$27,000.00
	\$135,571.00	\$90,140.00
Telephone	\$7,000.00	\$7,000.00
Cellular Phones	\$10,000.00	\$10,000.00
Heat & Hot Water	\$7,000.00	\$5,000.00
Sewer & Water	\$6,500.00	\$6,500.00
Electric	\$40,000.00	\$55,000.00
Traffic Lights-Electric	\$8,000.00	\$10,000.00
Municipal Building Mortgage	\$160,000.00	\$160,000.00
2004 Grand Prix #113	\$1,500.00	
	\$240,000.00	\$253,500.00
Maintenance Town Properties	\$7,000.00	\$15,000.00
Code Enforcement Misc.		\$500.00
Council Salaries	\$24,000.00	
Council Advertising		\$1,000.00
Election Expenses	\$600.00	\$500.00
Ordinance Code Codification	\$15,000.00	\$5,000.00
Council Membership Dues	\$1,500.00	\$200.00
Mayoral Fees	\$500.00	\$500.00
Business Meetings	\$1,200.00	\$500.00
Public Notices	\$1,200.00	\$1,200.00
Town Functions		\$500.00
Public Relations		\$1,000.00
	\$51,000.00	\$25,900.00

OPERATING EXPENSES

DESCRIPTION	FY 2010/11	FY 2011/12
Public Works Salaries	\$75,921.34	\$49,824.00
Overtime	\$5,000.00	\$2,000.00
Equipment	\$2,000.00	\$2,000.00
Rental Equipment	\$1,000.00	
Snow Removal	\$10,000.00	\$12,000.00
Fuel	\$2,000.00	\$4,000.00
Maint. & Repairs	\$4,000.00	\$2,000.00
Street Repairs	\$1,000.00	\$10,000.00
Supplies	\$2,000.00	\$2,000.00
Electric	\$47,000.00	
Grounds Upkeep	\$2,000.00	\$15,000.00
Street Sweeper	\$4,000.00	\$2,000.00
Tractors & Mowers	\$1,000.00	\$1,200.00
2005 Pickup #10		\$200.00
2005 Pickup #9	\$1,900.00	\$1,200.00
2002 Dump Truck	\$1,200.00	\$1,500.00
2006 GMC Dump Truck	\$1,200.00	\$500.00
	\$161,221.34	\$105,424.00
Police Salaries	\$666,940.40	\$532,303.78
Special Duty	\$11,427.00	
Special Duty-Town	\$39,462.50	\$30,000.00
Over Time	\$5,000.00	\$7,000.00
Court Over Time	\$3,000.00	\$5,000.00
Equipment	\$10,000.00	\$10,000.00
Fuel	\$22,000.00	\$22,000.00
Supplies	\$15,000.00	\$15,000.00
Training	\$4,000.00	\$2,000.00
Uniforms-Cleaning	\$1,600.00	\$1,600.00
Uniforms-Purchase	\$3,000.00	\$4,000.00
	\$781,429.90	\$628,903.78
2003 Crown Victoria #108	\$1,900.00	\$2,500.00
2003 Crown Victoria #107	\$1,900.00	\$2,500.00
2003 Bonneville #103	\$1,900.00	\$1,900.00
2004 Pontiac Grand Prix #113		
2004 Crown Victoria #114	\$1,900.00	\$2,500.00
2004 Crown Victoria #115	\$1,900.00	

OPERATING EXPENSES

DESCRIPTION	FY 2010/11	FY 2011/12
2005 Pickup #7	\$1,900.00	
2005 Crown Victoria #117	\$1,900.00	\$2,500.00
2005 GMC Van #112	\$1,900.00	\$1,900.00
2005 Crown Victoria #116	\$1,900.00	\$1,900.00
2006 Crown Victoria #118	\$1,900.00	\$2,500.00
2006 Expedition #111	\$1,900.00	\$1,200.00
2007 Crown Victoria #119	\$1,900.00	\$1,900.00
2008 Chev. Impala #120	\$1,900.00	\$1,900.00
	\$24,700.00	\$23,200.00
	\$2,417,062.23	\$2,191,367.55

EXPENSE OPTIONS CONSIDERATIONS

DESCRIPTION	OPTION A FY 2011/12	OPTION B FY 2011/12
Admin - Salaries	\$242,149.77	\$242,149.77
Part Time		
Over Time		
Payroll Tax		
Social Security Tax	\$52,262.50	\$46,000.00
Medicare Tax	\$10,500.00	\$6,300.00
Unemployment Tax	\$5,349.00	\$4,374.00
Health Insurance	\$75,671.67	\$53,687.00
Medical Insurance Deductible	\$10,000.00	\$6,000.00
Pensions	<u>\$77,532.00</u>	<u>\$56,722.58</u>
	\$473,464.94	\$415,233.35
Continuing Education	\$1,000.00	\$600.00
Operating Expenses	\$25,000.00	\$20,000.00
Advertising	\$500.00	\$500.00
Cleaning Supplies	\$500.00	\$500.00
Clothing Allowance	\$150.00	\$150.00
Computer Maint. & Supplies		
Copier Maint. & Supplies	\$3,500.00	\$3,200.00
Maintenance Agreements	\$4,000.00	\$4,000.00
Membership Dues	\$500.00	\$500.00
Maint. Building Inspection Fees		
Admin. Fuel		
Maintenance & Repair	\$3,000.00	\$3,000.00
Meetings	\$1,000.00	\$500.00
Miscellaneous	\$6,000.00	\$4,500.00
Office Supplies	<u>\$4,000.00</u>	<u>\$3,500.00</u>
Uniforms-Cleaning		
	\$49,150.00	\$40,950.00
Trash Vendor	\$375,000.00	\$375,000.00
Audit/Accounting Fees	\$30,000.00	\$30,000.00
Legal Fees	\$13,000.00	\$13,000.00
Computer Consulting	\$3,000.00	\$3,000.00
Engineer Fees	<u>\$5,000.00</u>	<u>\$5,000.00</u>

EXPENSE OPTIONS CONSIDERATIONS

DESCRIPTION	OPTION A FY 2011/12	OPTION B FY 2011/12
	<i>\$426,000.00</i>	<i>\$426,000.00</i>
Insurance-Disability	\$6,698.00	\$5,185.00
Package Liability	\$28,000.00	\$18,000.00
Police Liability	\$14,000.00	\$8,000.00
Public Official	\$8,000.00	\$8,000.00
Tax Collector	\$140.00	\$140.00
Insurance-Vehicles		
Worker's Compensation	<u>\$23,000.00</u>	<u>\$18,290.00</u>
	<i>\$79,838.00</i>	<i>\$57,615.00</i>
Telephone	\$7,000.00	\$7,000.00
Cellular Phones	\$8,000.00	\$5,000.00
Heat & Hot Water	\$5,000.00	\$5,000.00
Sewer & Water	\$6,500.00	\$6,500.00
Electric	\$55,000.00	\$55,000.00
Traffic Lights-Electric	\$10,000.00	\$10,000.00
Municipal Building Mortgage	\$160,000.00	<u>\$160,000.00</u>
2004 Grand Prix #113		
	<i>\$251,500.00</i>	<i>\$248,500.00</i>
Maintenance Town Properties	\$20,000.00	\$20,000.00
Code Enforcement Misc.	\$500.00	\$500.00
Council Salaries		
Council Advertising	\$1,000.00	\$1,000.00
Election Expenses	\$500.00	\$500.00
Ordinance Code Codification	\$5,000.00	\$5,000.00
Council Membership Dues	\$200.00	\$200.00
Mayoral Fees	\$500.00	\$500.00
Business Meetings	\$500.00	\$500.00
Public Notices	\$1,400.00	\$1,400.00
Town Functions	\$500.00	\$500.00
Public Relations	<u>\$1,200.00</u>	<u>\$1,200.00</u>
	<i>\$31,300.00</i>	<i>\$31,300.00</i>

EXPENSE OPTIONS CONSIDERATIONS

DESCRIPTION	OPTION A FY 2011/12	OPTION B FY 2011/12
Public Works Salaries	\$49,824.00	\$49,824.00
Overtime	\$2,000.00	\$2,000.00
Equipment		
Rental Equipment		
Snow Removal	\$12,000.00	\$12,000.00
Fuel	\$4,000.00	\$4,000.00
Maint. & Repairs	\$2,000.00	\$2,000.00
Street Repairs	\$10,000.00	\$10,000.00
Supplies	\$2,000.00	\$2,000.00
Electric		
Grounds Upkeep	\$15,000.00	\$15,000.00
Street Sweeper	\$2,000.00	\$2,000.00
Tractors & Mowers	\$1,200.00	\$1,200.00
2005 Pickup #10	\$200.00	\$200.00
2005 Pickup #9	\$1,200.00	\$1,200.00
2002 Dump Truck		
2006 GMC Dump Truck	<u>\$500.00</u>	<u>\$500.00</u>
	<i>\$101,924.00</i>	<i>\$101,924.00</i>
Police Salaries	\$476,531.31	\$333,309.24
Special Duty		
Special Duty-Town	\$20,000.00	\$15,000.00
Over Time	\$5,000.00	\$5,000.00
Court Overtime	\$3,000.00	\$3,000.00
Equipment	\$6,000.00	\$5,000.00
Fuel	\$17,000.00	\$11,000.00
Supplies	\$9,000.00	\$8,000.00
Training	\$2,000.00	\$2,000.00
Uniforms-Cleaning	\$1,300.00	\$800.00
Uniforms-Purchase	<u>\$3,000.00</u>	<u>\$2,000.00</u>
	<i>\$542,831.31</i>	<i>\$385,109.24</i>
2003 Crown Victoria #108		
2003 Crown Victoria #107		

**EXPENSE OPTIONS
CONSIDERATIONS**

	OPTION A		OPTION B
DESCRIPTION	FY 2011/12		FY 2011/12
2003 Bonneville #103	\$1,900.00		\$1,900.00
2004 Pontiac Grand Prix #113			
2004 Crown Victoria #114			
2004 Crown Victoria #115			
2005 Pickup #7			
2005 Crown Victoria #117	\$2,500.00		
2005 GMC Van #112	\$1,900.00		\$1,900.00
2005 Crown Victoria #116	\$2,500.00		\$2,500.00
2006 Crown Victoria #118	\$2,500.00		\$2,500.00
2006 Expedition #111	\$1,900.00		
2007 Crown Victoria #119	\$1,900.00		\$1,900.00
2008 Chev. Impala #120	\$1,900.00		\$1,900.00
	\$17,000.00		\$12,600.00
	\$1,973,008.25		\$1,719,231.59

Budget Adjustments Considerations FY 2011/12

Option a (18% Tax Increase)

Operating Expenses	\$2,191,367.55	
Revenues	<u>\$2,038,683.48</u>	
	(\$152,684.07)	
Expense Adjustments	\$165,272.47	Salaries-(1) Officer & (2) Administration
	<u>\$65,519.20</u>	Operating Expenses
	\$230,791.67	
	\$230,791.67	
	<u>(\$152,684.07)</u>	
Balanced Budget	\$78,077.60	

This option will still support 24/7 police coverage and maintain the COPS Hiring Grant

Important consideration:

The figures shown above demonstrate a balanced budget with a small reserve for FY 2011/12 only. They do not take into consideration any line item cost increase anticipated for the next fiscal year or beyond.

Anticipated Operating Expense Increases:	FY2012/13	FY2013/14
Health Care Benefits	\$8,000.00	\$12,000.00
Property & Casualty Insurance	\$6,500.00	\$8,000.00
Vehicles	\$25,000.00	\$50,000.00
Utility Costs	\$3,500.00	\$5,000.00
Fuel	\$2,000.00	\$4,000.00
Computer/Software Upgrades	\$8,000.00	\$4,000.00
Street Maintenance	\$40,000.00	\$55,000.00
Salary-Longevity	<u>\$14,000.00</u>	<u>\$16,000.00</u>
	\$107,000.00	\$154,000.00

Additional Operating Expense Adjustments:

1 Additional Officer	\$69,500.00 (will support 20/7 police coverage and maintain COPS Hiring Grant)
Budget Consideration:	\$78,077.60
	<u>\$69,500.00</u>
	\$147,577.60

Budget Option Considerations FY 2011/12

Option B (5% Tax Increase)

Operating Expenses	\$2,191,367.55
Revenues	<u>\$1,728,596.32</u>
	(\$462,771.23)

Expense Adjustments	\$344,133.54
	<u>\$161,802.42</u>
	\$505,935.96
	\$505,935.96
	<u>(\$462,771.23)</u>
Balanced Budget	\$43,164.73

Salaries-(4) Officers & (2) Administration
Operating Expenses

This option will not support 24/7 police coverage or the COPS Hiring Grant.... Coverage may be reduced to 16/5 days

Important Consideration:

The figures shown above demonstrate a balanced budget with a small reserve for FY 2011/12 only. They do not take into consideration any line item cost increase for the next fiscal year or beyond.

Anticipated Operating Expense Increases:	FY2012/13	FY2013/14
Health Care Benefits	\$6,000.00	\$8,000.00
Property & Casualty Insurance	\$5,000.00	\$6,500.00
Vehicles		\$25,000.00
Fuel	\$800.00	\$1,000.00
Utility Costs	\$3,500.00	\$5,000.00
Computer/ Software Upgrades	\$8,000.00	\$4,000.00
Street Maintenance	\$40,000.00	\$55,000.00
Salary-Longevity	<u>\$8,000.00</u>	<u>\$6,000.00</u>
	\$71,300.00	\$110,500.00

Additional Operating Expense Adjustments:

1 Additional Administration Position	\$62,900.00	10% Tax Increase	\$46,584.00
--------------------------------------	--------------------	------------------	--------------------

Budget Consideration:	\$43,164.73	\$43,164.73
	<u>\$62,900.00</u>	<u>\$46,584.00</u>
	\$106,064.73	\$89,748.73

Concerns

\$220,000.00

Understanding the struggles related to balancing the Town's budget, we must first realize one fundamental truth... **the municipal building costs the Town \$220,000.00 per year.** We struggle with various operating expense cuts and tax increases, both of which do not take the building away. It's here to stay.

\$220,000.00 represents the salaries and taxes of four (4) employees. Like it or not in order for this Town to function within its means, four positions may need to be eliminated just to offset that expense. To properly function, with preparation and anticipation of future years, more position may need to be considered.

We may also wish to consider a percentage in payroll reductions; for example, a **30% pay cut**, though extreme, across the board **will net approx. \$240,000.00.** This will perhaps save positions but with any percentage of salary cut; employees will be seeking part time work in order to make their own ends meet. This may have a negative effect on work performance relative to their duties and responsibilities here. Additionally, the Camden Police Officers Association's (CPOA) contract may not permit salary reductions.

Another cost saving consideration may be related to our health care benefits. Currently each employee participates in this benefit by contributing 15% toward the cost and the Town pays 85%. The employee's contribution could be increased which would lower the operating expenses; however, the CPOA's contract may not permit additional contributions.

It is also important to realize that \$220,000.00 is equivalent to 22% in taxes.

Tax Increase Considerations:				Salary Reduction Considerations:		Health Care Contributions:	
5%	\$46,585.00	14%	\$130,437.00	5%	\$40,000.00	20%	\$8,000.00
6%	\$55,902.00	15%	\$139,754.00	10%	\$80,000.00	25%	\$14,000.00
7%	\$65,218.00	16%	\$149,070.00	15%	\$120,000.00		
8%	\$74,535.00	17%	\$158,388.00	20%	\$160,000.00		
9%	\$83,852.00	18%	\$167,705.00	25%	\$200,000.00		
10%	\$93,169.00			30%	\$240,000.00		
11%	\$102,486.00						
12%	\$111,486.00						
13%	\$121,120.00						

Concerns/Resolutions

I have a thought which might very well resolve our dilemma. It would be to our best interest to sell the Municipal Building and get this albatross from around our collective necks. It is the root of our financial woes. Without a doubt it was a financial blunder which we can all agree should never have happened...but it did. We cannot take it back; however, we can take immediate action to change it.

One thought would be to sell to Troop 3.

1. The troop is currently reviewing options of expansion, relocating or both
2. Our building would facilitate many of their expansion requirements
3. It might be quite cost effective for the State to consider the purchase vs. purchasing undeveloped land and building.

I have spoken with Senator Bushweller, who received the idea favorably and will bring it to the Secretary of Public Safety for consideration. If this idea has a chance in moving forward it would realistically be at least 2 years before we see any action. Currently the State has no monies budgeted for Troop 3 expansion.

Another thought would be to put the building on the open market.

1. It is marketable as office space
2. The property offers expansion possibilities
3. Renovations will be minimal

I have met with Mike Harrington, Sr. who indicated that though the market is sluggish now, there are buyers interested in improved properties which are ready for leasing.

If we were to realize the current appraised value in the sale of the building, the Town would net \$1,000,000.00. We would have the opportunity to completely demolish both the former Town Hall and Police Station buildings and rebuild realistic, responsible replacements, on their respective sites, for less than the Million dollars. This would also lend itself greatly in the overall enhancement of that important corner of Camden. We would, of course, need to terminate the current efforts toward selling the former Town Hall.

I have also met with Chief Bryson relative to combining our administration offices with his admin. offices on the second floor. This would allow us to lease out the remainder of the third floor. This could bring in an additional \$30,000.00 per year. Consideration of a short term lease may be prudent especially if we pursue the building sale.

Budget Draft FY 2011/12

Recommendations

It is my recommendation that we:

First, move forward with the sale of the municipal building. Understanding it may very likely take two or more years to realize that sale it does give us light at the end of a long tunnel. Realizing also, the sale and consequent replacement of the Town Hall and Police Station will render the Town debt free. This would allow for possibly lowering taxes, at that time, as a result.

Second, by embracing the first, I recommend that Council approve the FY 2011/12 budget as submitted including the Budget Adjustment Considerations as presented under Option A to also include the Additional Operating Expense Adjustments.

It best addresses the three fundamental questions:

1. **Will it work?**
2. **Are we happy with this and can we live with it?**
3. **Is it the best solution for the Town?**

It will work best as it offers the least effect on staffing and police coverage. It also offers a greater opportunity to build our contingency/asset replacing account.

Perhaps we will not be ecstatic over this, as it includes the recently approved 18% tax increase. Yet, as we look toward to reducing taxes, as a result of the building sale, it might make this more palatable and easier for the tax payers to live with.

It is the best solution for the Town as it:

- Reduces fewer officers enabling the Department to continue 24 hour coverage
- Reestablish a sense of security for all employees; assures we can retain, and later solicit, the best qualified individuals; we don't become a revolving door particularly within the police department.
- Enables us to maintain the COPS Hiring Grant which in turn saves a police position
- Accommodates, as a result of the building sale, lowering taxes and maintaining police coverage while still living within our means.
- Provides the best alternative to build our contingency/asset replacing accounts which will enable us to responsibly plan for anticipated operating expense increases including the much needed street maintenance/infrastructure repairs.
- Will enable us to properly respond to the potential of providing police coverage to the Town of Wyoming on an out sourcing basis.
- We have a great, well organized, police force. To reduce it more would be a mistake.