

TOWNSHIP OF BYRAM

NEW JERSEY

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TO: Township Council

FROM: Joseph W. Sabatini, Township Manager

DATE: July 11, 2020

RE: 2021 Municipal Budget – Goals and Objectives

The Manager and staff prepare recommendations in the form of a draft budget document, and the Council must ensure that the adopted budget adequately satisfies the needs of the community and serves the best interests of the Township. The approval and adoption of the Municipal Budget includes the budgets for the Open Space Tax and the Sewer Utility.

The 2021 Budget Process has started with the Township Department Heads. The Department Heads were given the following instructions to complete their 2021 departmental budget requests:

The 2021 budget is expected to a significant challenge. We are still anticipating a large shortfall of revenue for 2020 which may have a direct impact on what may be anticipated in 2021. This will require an offset of expenses in order to keep the budget in check. Also, we may need to plan for a reduction of State Aid for 2021. This will be fluid situation through the remainder of 2020 and into 2021 leading into the budget introduction. We need to remain flexible and prepared for any significant impact.

1. Each sub-account in your operating budget is starting at zero.
2. Provide detailed justification of each sub-account identifying the good or service requested with budgeted expense. Budgets will not be accepted without the detailed justification.
3. No increase from the 2020 budget is expected and we should be targeting any reduction in the budget that can be sustained.
4. Populate the "2021 Requested" column with the total for each sub-account.
5. Identify any discretionary spending or other spending that can be cut from the budget. Prepare a summary impact of the reductions.
6. Meetings will be scheduled in September with each department head to review the budget requests.

Salary and Wage lines will be populated by CFO and Manager. All labor groups have approved Collective Bargaining Agreements and are required to receive a 2% increase in 2021. The same is being assumed for the Administrative Employees.

The municipal budget is the Council's most important annual policy statement. It defines how the local government team will implement its priorities for the next fiscal year, and where the money will come from to carry out that work plan. The budget is,

- A statement of priorities for the community
- A management blueprint for providing services
- The document that translates policies into action
- A tool for protecting the government's long-term financial health
- A communication document for the public.

The Mayor and Council should identify the goals and objectives for 2021 to identify resources including funding needs to carry out the work plan. It is critical to link policies and money through the annual budget.

It is being planned that all budget meetings will be done as advertised meetings of the Mayor and Council. I am planning for the first budget meeting to be scheduled October 2020.