



State of New Jersey

DEPARTMENT OF COMMUNITY AFFAIRS

101 SOUTH BROAD STREET

PO Box 803

TRENTON, NJ 08625-0803

CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

RICHARD E. CONSTABLE, III
Commissioner

June 19, 2014

William Broughton, Township Manager
Teaneck Township
818 Teaneck Road
Teaneck, NJ 07666

Dear Municipal Manager:

Your governing body is one of fewer than 20 throughout the State that has not yet introduced a Calendar Year 2014 Budget. A statutory deadline pursuant to the Local Budget Law as relaxed by the Local Finance Board, required introduction more than three months ago. That is why you, along with similarly delinquent municipalities, are receiving this letter.

You were statutorily required many months ago, in your capacity as municipal manager, to have transmitted a recommended budget to the governing body. Kindly provide the Division with a copy of your recommended budget together with the date it was transmitted.

If you have not transmitted a recommended budget to your governing body as required by law, you should immediately do so or provide the Division of Local Government Services with an explanation as to why you are in gross noncompliance with one of your basic duties as municipal manager.

The failure to meet statutory deadlines relating to the budget preparation and advancement has serious consequences that impact your constituents:

- *Delay causes damage to your financial reputation amongst those who rate and buy short and long term debts.* This, in turn, results in higher than necessary interest rates and taxpayer funds needlessly being wasted. In fact, the Division is aware of one such municipality paying interest for short term debt at a rate that was approximately 5 times what is paid in other communities.
- *Delay causes a needless issuance of estimated tax bills:* Issuance of estimated bills requires the need to later issue corrected bills – a process which can be confusing for your constituents and which needlessly incurs costs and diverts staff time away from more critical functions.
- *Delay reduces your options to achieve a balanced budget:* The later your budget is adopted, the less time you will have to advance necessary resolutions or approvals to implement personnel actions, debt restructurings, or other actions that could serve as alternatives to simply raising taxes as a means to balancing your budget.
- *Delay lessens your constituents' and taxpayers' ability to meaningfully participate in the budget process:* This not only robs your constituents of the opportunity to participate in self-governance, it may result in you not obtaining the benefit of good ideas that would otherwise come to your attention.



The Division intends to issue a letter to your governing body members by the end of June informing them that they are in violation of State law for failing to introduce a budget. The letter will order them to do so by July 23 or face various fines.

If their failure to introduce a budget is due to your own gross noncompliance with one of your basic duties as municipal manager, no fines will be levied against them. If you have any questions about the budget process, please contact the Bureau of Financial Regulations at (609) 292-4806.

Sincerely,

A handwritten signature in black ink, appearing to read 'T. Neff', with a stylized flourish at the end.

Thomas Neff, Director
Division of Local Government Services

C: Jaime Evelina, Clerk
Governing Body Members

From: William Broughton [<mailto:wbroughton@teanecknj.gov>]
To: Thomas.neff@dca.state.nj.us
Cc: 'Jason Castle' [<mailto:jcastle@teanecknj.gov>], 'Alan Sohn' [<mailto:asohn@teanecknj.gov>], Adam Gussen [<mailto:agussen@teanecknj.gov>], Elie Katz [<mailto:katz07666@teanecknj.gov>], Henry Pruitt [<mailto:hpruitt@teanecknj.gov>], Jaime Evelina [<mailto:jevelina@teanecknj.gov>], Lizette P. Parker [<mailto:lparker@teanecknj.gov>], Mark Schwartz [<mailto:mschwartz@teanecknj.gov>], Mohammed Hameeduddin [<mailto:m.Hameed@teanecknj.gov>], 'Stanley Turitz' [<mailto:sturitz@winnebanta.com>], Yitz Stern [<mailto:ystern@teanecknj.gov>]
Sent: Thu, 19 Jun 2014 18:26:59 -0500
Subject: DLGS Letter 2014 Municipal Budget

Mr. Neff:

In response to your letter dated June 19, 2014, I provided the Township Council with budget information as follows:

1. December 26, 2013 – Hand delivered to Township Council members Manager's recommended 2014 Municipal Budget with comprehensive detail (see attachment).
2. January 9, 2014 – PowerPoint presentation to council of proposed 2014 Municipal Budget (see attachment).
3. January 16, 2014 - Budget Hearing - Reviewed with Council our legal services, Police, Public Works and Engineering budgets.
4. January 23, 2014 - Budget Hearing - Reviewed with Council our Fire Department, Recreation and capital budgets.
5. January 30, 2014 - Budget Hearing - Reviewed with Council our Library, Council, Township Manager and Township Clerk's budgets.
6. Forwarded items to Council per their request on February 20th, which included Salary breakage for the Police department, 2013 Police overtime by category, Police department fleet vehicle inventory, Crime statistics from 2010-2013, Fire department response time impact, 2013 Fire Department calls for service to Fairleigh Dickinson

University, County ADA Ramp Installation information, cost specifications for Old Police Headquarters renovation, overtime analysis for major departments from 2008-2013, 2013 Road Resurfacing expenditures, 2014 debt service/pay down schedule, breakdown of current debt, Building department penalty assessment report.

7. Forwarded items to Council per their request on February 25th which included Snow removal expenses for 2013-2014 and Joint Insurance Fund information from D&H Alternative Risk Solutions.
8. Forwarded to Council on February 28th preliminary revenue figures for 2014 budget.
9. Listed "2014 Municipal Budget" under Old Business for discussion at the following council meetings:
 - a. February 4th
 - b. February 18th
 - c. March 4th
 - d. March 18th
 - e. April 1st
 - f. April 29th
 - g. May 20th
 - h. June 10th

10. May 22nd – Forwarded to council proposed budget in official State format. Please see attachment.

Based on the above information, I believe it is quite clear that I have exceeded my statutory responsibilities as Municipal Manager. Furthermore, in the 2014 budget process, the Council took great care in examining the proposed budget and deliberated extensively in order to put forth a budget with a minimum financial impact on the taxpayers. Unfortunately, the council was unable to reach a consensus on a final budget within the statutory deadlines.

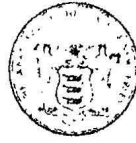
The Teaneck Township council will reorganize on July 1st. I anticipate that the council will introduce a budget on July 15th or prior to your deadline of July 23rd. I will keep you informed of our progress.

Thank you,

William Broughton
Township Manager
Teaneck, NJ 07666

Office - 201-837-1600 ext. 1001

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PO Box 803
TRENTON, NJ 08625 0803

CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

RICHARD L. CONSTABLE, III
Commissioner

July 1, 2014

William Broughton, Township Manager
Members of the Governing Body
Teaneck Township
818 Teaneck Road
Teaneck, NJ 07666

Dear Municipal Manager and Members of the Governing Body:

Our records indicate that you have not yet introduced a Calendar Year 2014 Budget despite more than 4 months since a statutory deadline set forth in the Local Budget Law, and three months since a Local Finance Board relaxed deadline, to do so. Your governing body is only one of approximately 15 that are in this position and this is why you are receiving a copy of this letter which is being sent to all similarly situated governing body members.

The avoidable consequences to your financial situation and to your constituents are substantial.

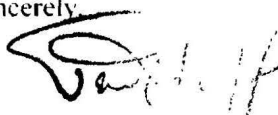
- *Damage to your financial reputation amongst those who rate and buy short and long term debt:* This, in turn, results in higher than necessary interest rates and taxpayer funds needlessly being wasted. In fact, the Division is aware of one such municipality paying interest for short term debt at a rate that was approximately 5 times what is paid in other communities.
- *A needless issuance of estimated tax bills:* Issuance of estimated bills requires the need to later issue corrected bills - a process which can be confusing for your constituents and which needlessly incurs time demands on staff and related costs that could be avoided.
- *Reducing your options to achieve a balanced budget:* The later your budget is adopted, the less time you will have to advance necessary resolutions or approvals to implement personnel actions, debt restructurings, or other actions that could serve as alternatives to simply raising taxes as a means to balancing your budget.
- *Lessening your constituents' and taxpayers' ability to meaningfully participate in the budget process:* This not only robs your constituents of the opportunity to participate in self-governance, it may result in you not obtaining the benefit of good ideas that would otherwise come to your attention.

For these reasons, pursuant to N.J.S.A. 52:27BB-18, you are hereby directed to introduce your budget no later than Wednesday, July 23, 2014.

Failure to comply with the Local Budget Law or with directives set forth in this letter subjects you to penalties under N.J.S.A. 40A:4-84. These penalties consist of a fine, assessed individually against each member, of \$25 for each day a budget remains not introduced after July 23, 2014. The fine is personally assessed and may not be paid from municipal funds. If you choose to appeal this directive, you must notify the Local Finance Board in writing, and request a hearing. Any such application to the Board must give adequate explanation for the delay after July 23, 2014. If you plan to and successfully introduce your budget by July 23, 2014, there is no need to appeal and you will not be subject to any penalty.

If you have any questions about the budget process, please contact the Bureau of Financial Regulations at (609) 292-4806.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas Neff", written over a horizontal line.

Thomas Neff, Director
Division of Local Government Services