

**Township Manager's  
Proposed  
2016  
Municipal Budget**

# Proposed 2016 Municipal Budget

## Budget Preparation Process

1. Department Head Requests
2. Manager/CFO Review
3. Manager/CFO/Department Head Public Hearings
4. Public Input at Council Meetings
5. Manager/CFO final review
6. Manager's presentation to Council of proposed budget appropriations and estimated revenues

# Proposed 2016 Municipal Budget

## Budget Preparation Process

7. Council review and public hearings
8. CFO's Revenue and tax levy cap projections
9. CFO's review and recommendations
10. Council introduction of budget by revised statutory date of 3/18
11. Hearing and adoption of budget by revised statutory date of 4/22 or next meeting

# Assumptions

2016 Budget is dependent upon:

- Council determination of 2016 Municipal Budget Appropriations
- Fund Balance (Surplus) available for 2016
- 2015 Municipal Revenues' Analysis and 2016 Revenue Anticipations
- State Aid allocations for 2016
- BCUA Sewer Increase estimated at 2.18%

# Proposed 2016 Municipal Budget

Proposed levy increase 2.26% or \$1,244,683.00

Proposed appropriations decrease 2.36% or \$1,673,029.37

Estimated annual tax increase:

Average home assessed at \$377,800

Increase in Taxes

Per year: \$95

Tax Levy = Budget Appropriations Minus Revenues

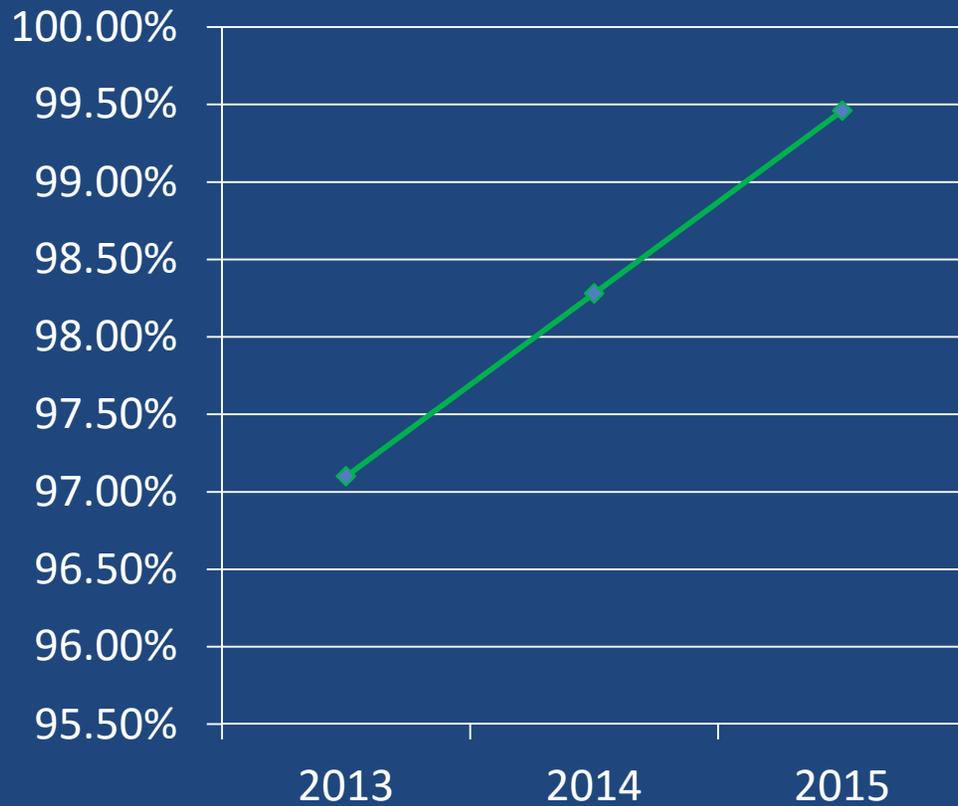
No Tax Levy Cap Issue Expected

# 2016 Budget Preemptive Action

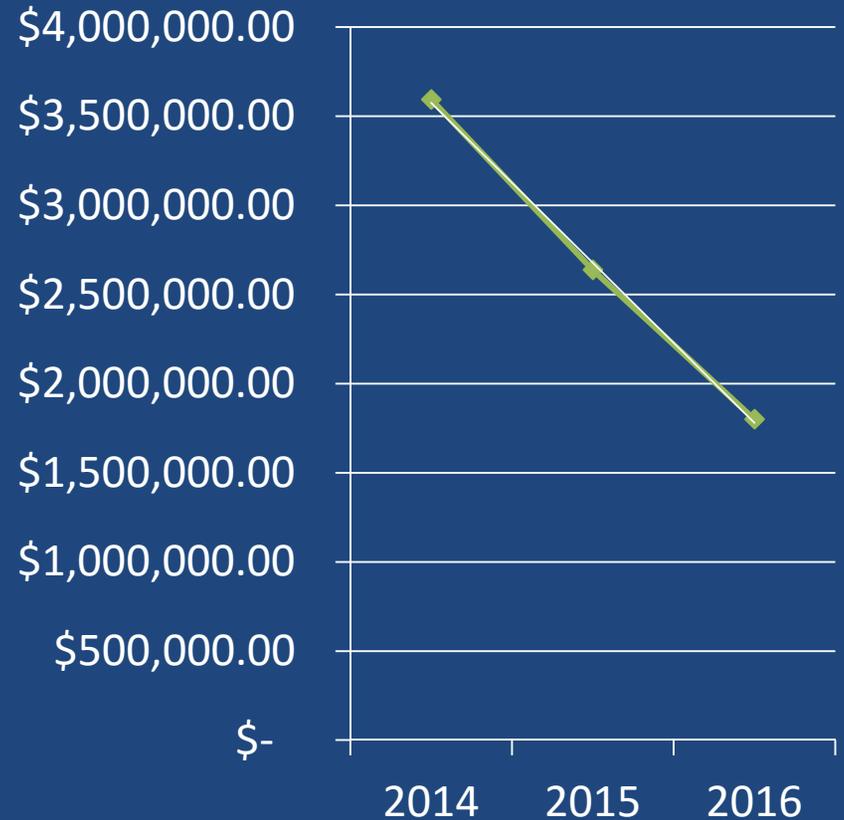
- Estimated levy increase 2016 – 5.00%
- 2016 Tax Sale Date Moved to January 4th
- Tax collection percentage  
2013 (97.10%), 2014 (98.28%) 2015 (99.46%)
- Reserve for uncollected taxes (RUT)  
2014 (\$3,593,708.93), 2015 (\$2,707,885.14),  
2016 (\$1,800,00.00)
- Difference \$907,885.14 (RUT- 33.53%)

# 2016 Budget Preemptive Action

## Tax Collection Rate



## RUT



# Appropriation vs. Levy

- Appropriations – what the municipality intends to spend on operations
  - Levy – what the municipality intends to raise through taxation of property owners
- (Levy = Budget Appropriations Minus Revenues)

# Appropriations Cap vs. Levy Cap

## Appropriations Cap

- Enacted 1977
- Originally capped budget appropriations increases at cost of living (COLA)
- Amended in 2003 to 2.5%
- COLA Ordinance 3.5% and Cap Banking

## Levy Cap

- Enacted 2007
- Amended in 2010 to 2% and modified exclusions

# Exclusions from 2010 Levy Cap

- Increases in Debt Service and Capital Expenditures
- Weather and other “declared” emergencies
- Pension contributions in excess of 2%
- Health benefit cost increases in excess of 2% and limited by the increase in State Health Benefits rate increases

# Appropriations Decrease \$1,673,029.37

Category	Increase/ (Decrease)
Reserve for Uncollected Taxes	(\$907,885.14)
Other Expenses (Tab 5 less Statutory, Debt Service, Deferred Charges, and Capital Funds)	(\$418,525.38)
Debt Service/Debt Management Plan	\$16,823.85
Statutory Expenditures (Tax Refunds) Deferred Charges (Assessment) (PFRS, PERS, SS)	(\$969,692.43)
Capital Improvement Plan	\$225,550
Salaries and Wages	\$380,699.73

# What are Special Emergency Appropriations?

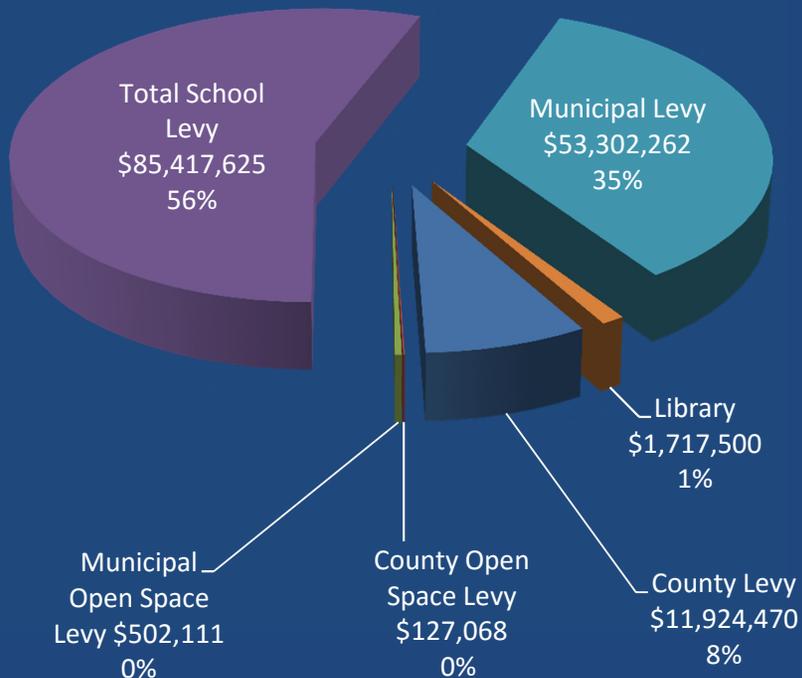
Per N.J.S.A. 40A:4-53:

- Preparation of Tax Maps
- Revaluation
- Codification of Ordinances
- Preparation of Master Plan
- Drainage Maps/Flood Control
- Engineering/Planning of Sanitary Sewer System
- Municipal Consolidation
- Severance Liabilities
- Preparation of Sanitary/Storm System Map
- Tax Appeal Refunds

# 2015 Tax Breakdown

## Tax Breakdown

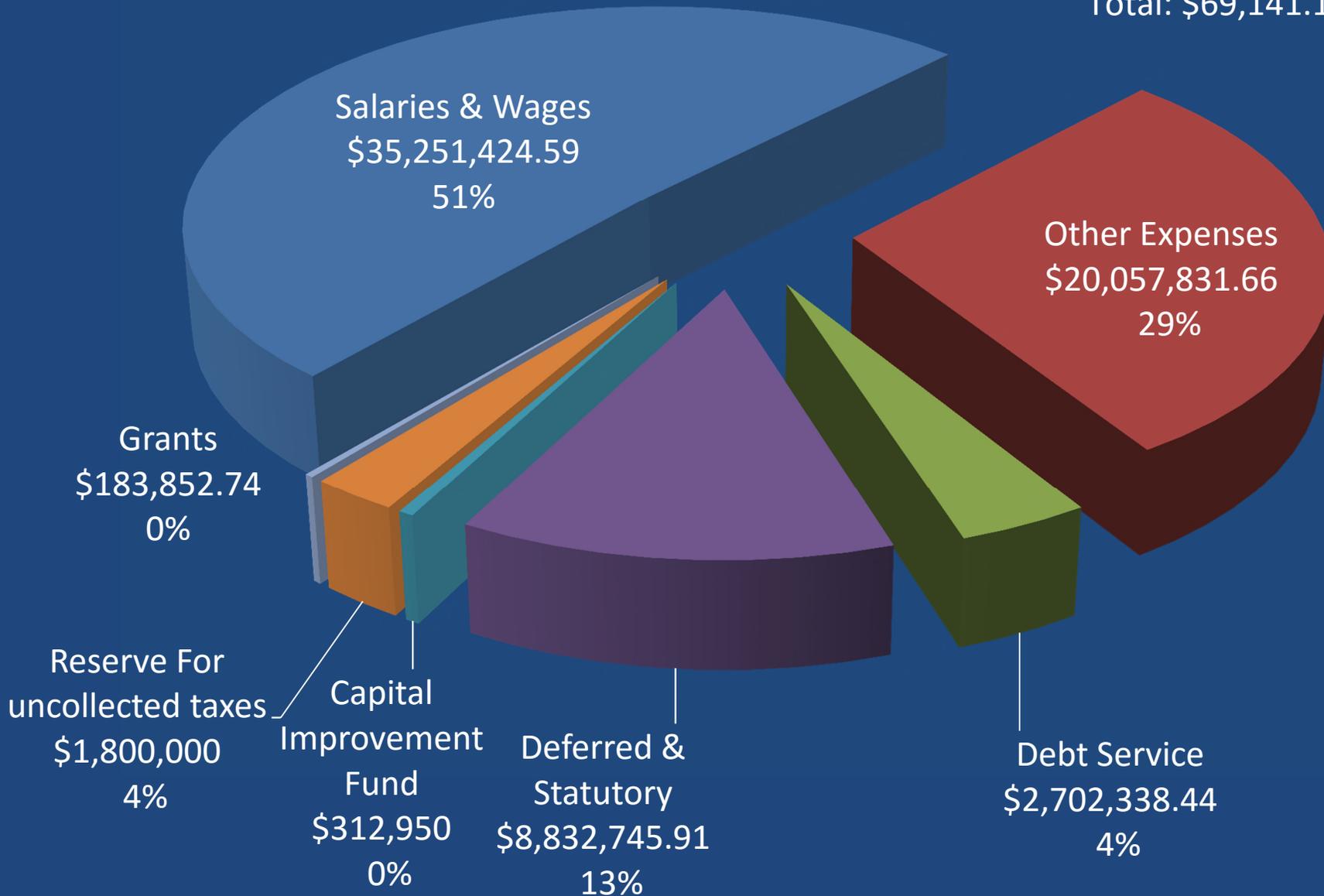
**Total Property Taxes:  
\$152,991,035.94**



- Proposed budget refers to municipal portion of taxes only
- All taxes collected by the municipality for the taxing entity
- Taxes forwarded to taxing entity biweekly/quarterly

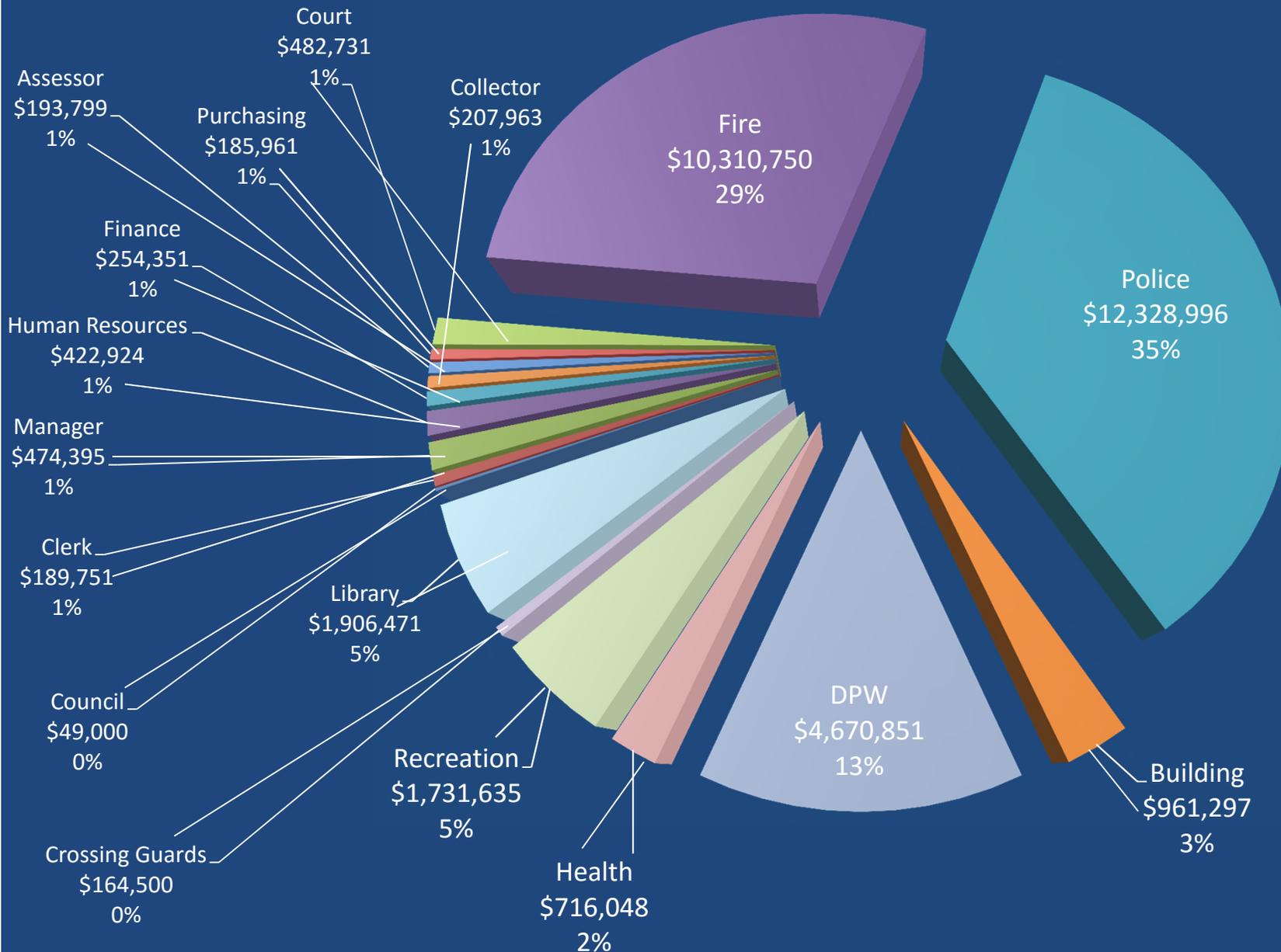
# 2016 Proposed Budget Budget Appropriation Categories

Total: \$69,141.143.34

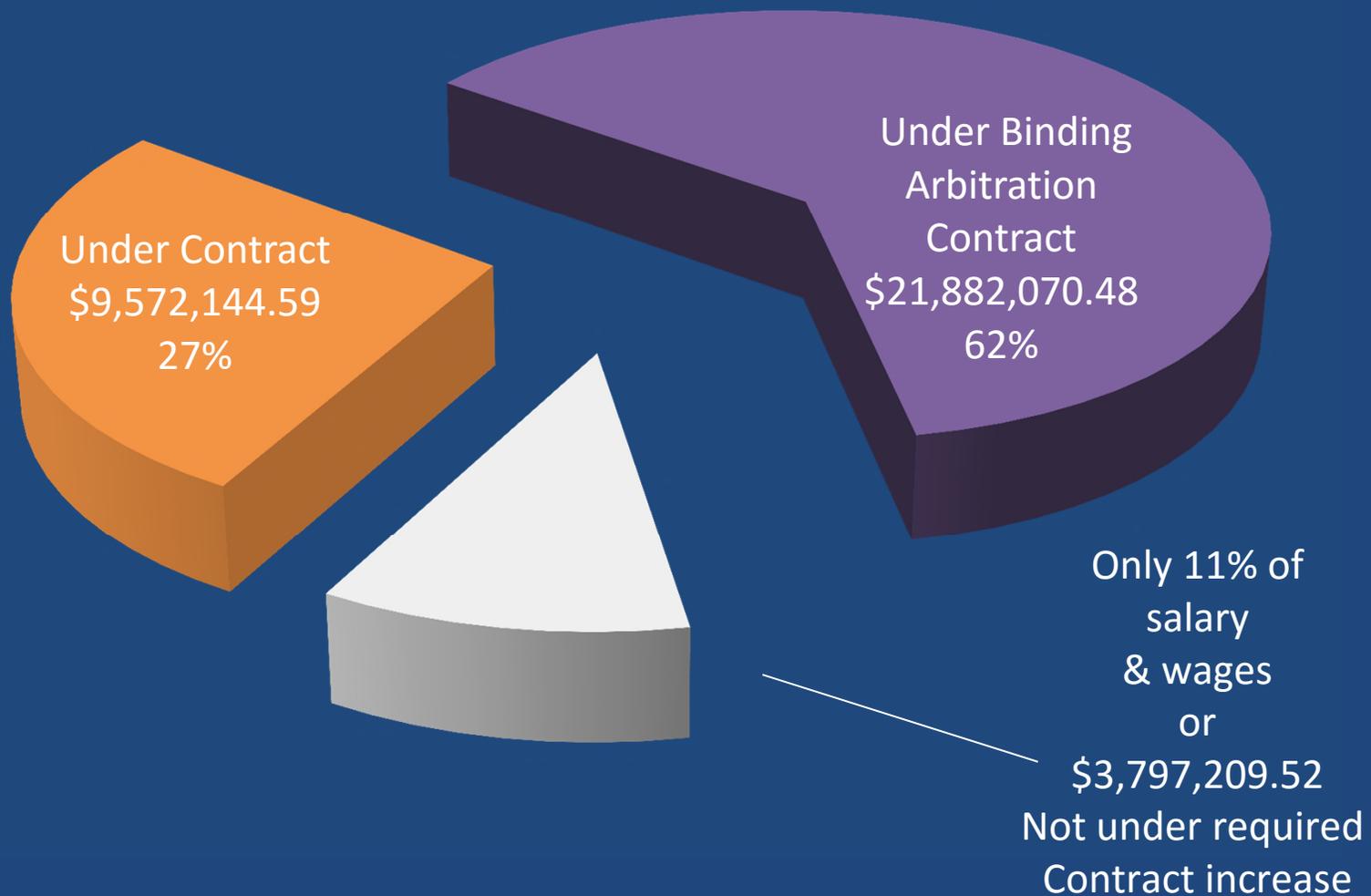


# Proposed Salaries & Wages

Total: \$35,251,424.59



# Salary & Wage Increases Required by Union Contract



Total: \$35,251,424.59

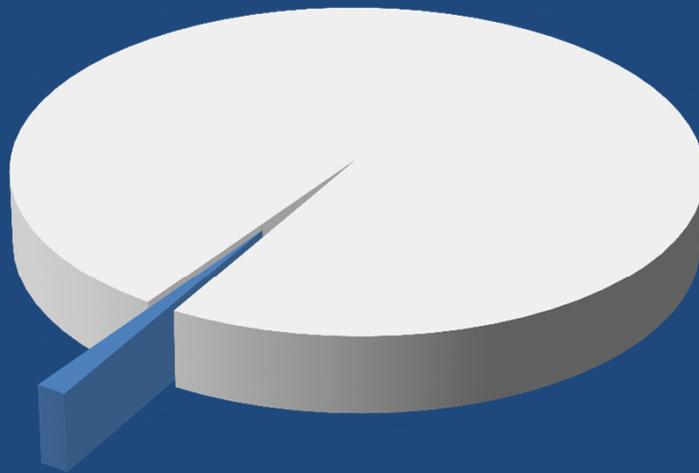
# Expired Contracts

- PBA 215 & SOA Exp. December 31, 2014
- AFSCME Exp. December 31, 2015
- Library Exp. December 31, 2015
- DPW Supervisors Exp. December 31, 2015
- DPW Non-Supervisors Exp. December 31, 2015

# Salaries and Wages Summary and Recommendations

## Manager's Office

## 2016 Recommendations



Manager  
\$474,395  
1%

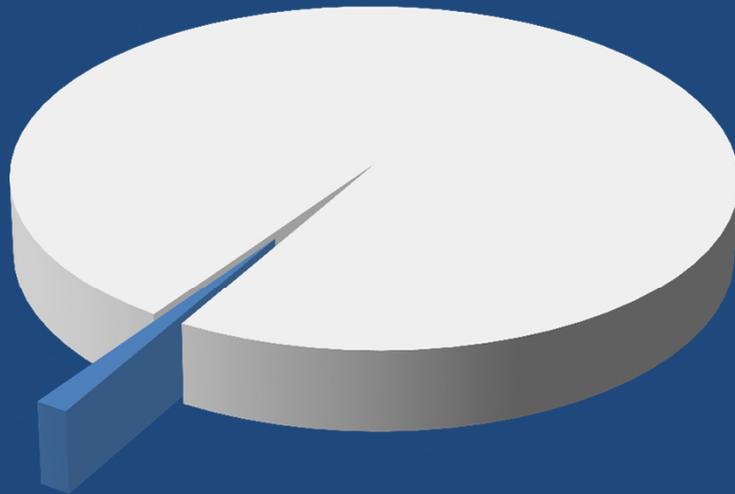
- Fund Deputy Manager position
- Fund Administrative Assistant position
- Fund Economic Development Director position

# Salaries and Wages Summary and Recommendations

Municipal Court Department

2016 Recommendations

- Fund Deputy Court Administrator position



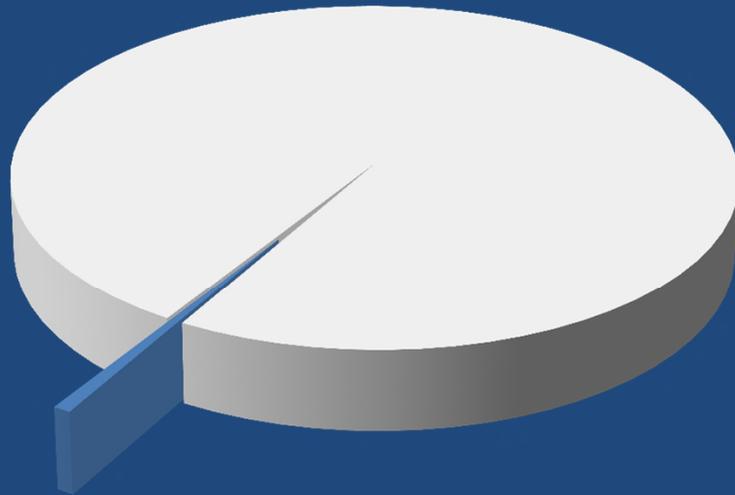
Court  
\$482,731  
1%

# Salaries and Wages Summary and Recommendations

**Finance Department**

**2016 Recommendations**

- Add Accountant position



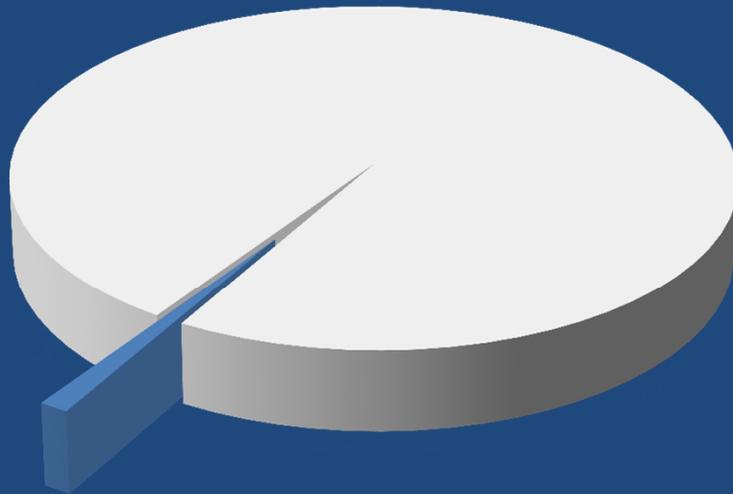
Finance  
\$254,351  
1%

# Salaries and Wages Summary and Recommendations

Human Resources Department

2016 Recommendations

- Fund Police MIS Technical Assistant Position



Human  
Resources  
\$422,924  
1%

# Salaries and Wages Summary and Recommendations

## Terminal Leave Trust

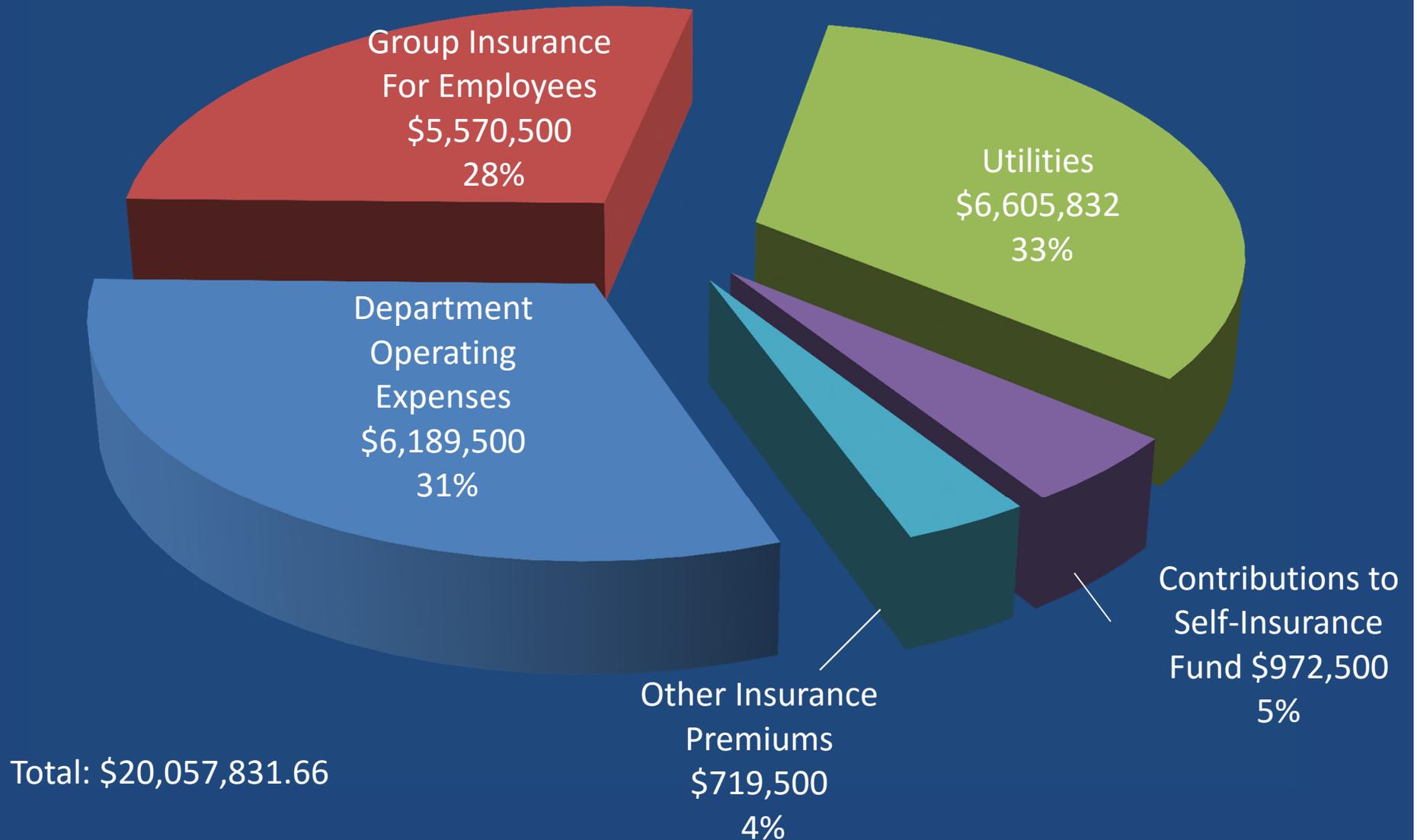
- Funding @ \$300k due to past and future retirement obligations

# Salaries and Wages Summary and Recommendations

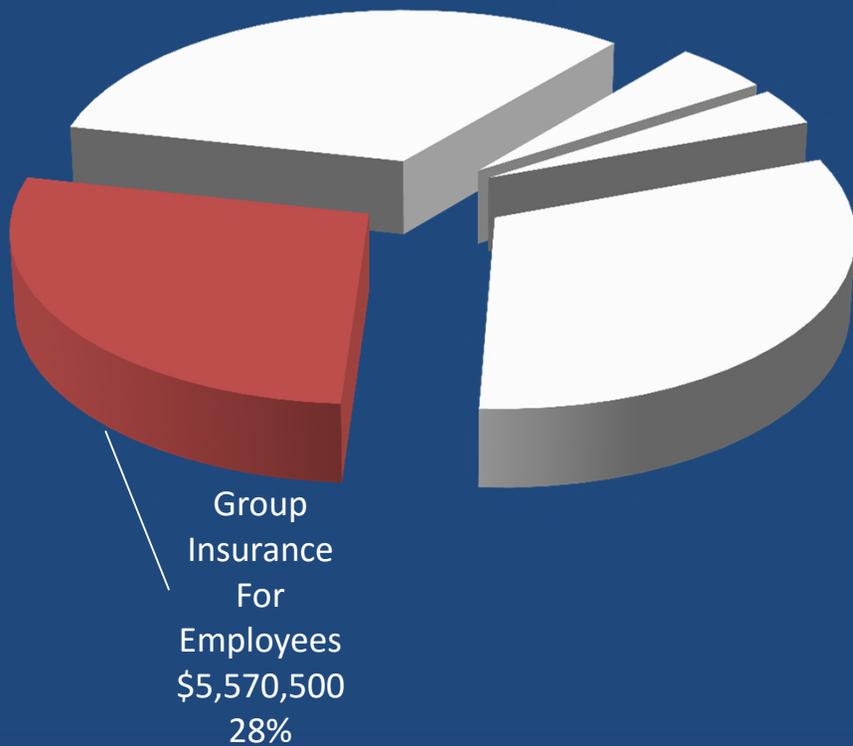
## Overtime

Dept.	2016	2015	Change %	Spent
Fire	\$440,000	\$425,000	3.53 %	\$437,777.81
DPW	\$326,400	\$320,000	2.00%	\$405,460.48
Police	\$500,000	\$425,000	17.65%	\$526,057.62

# Appropriations Other Expenses



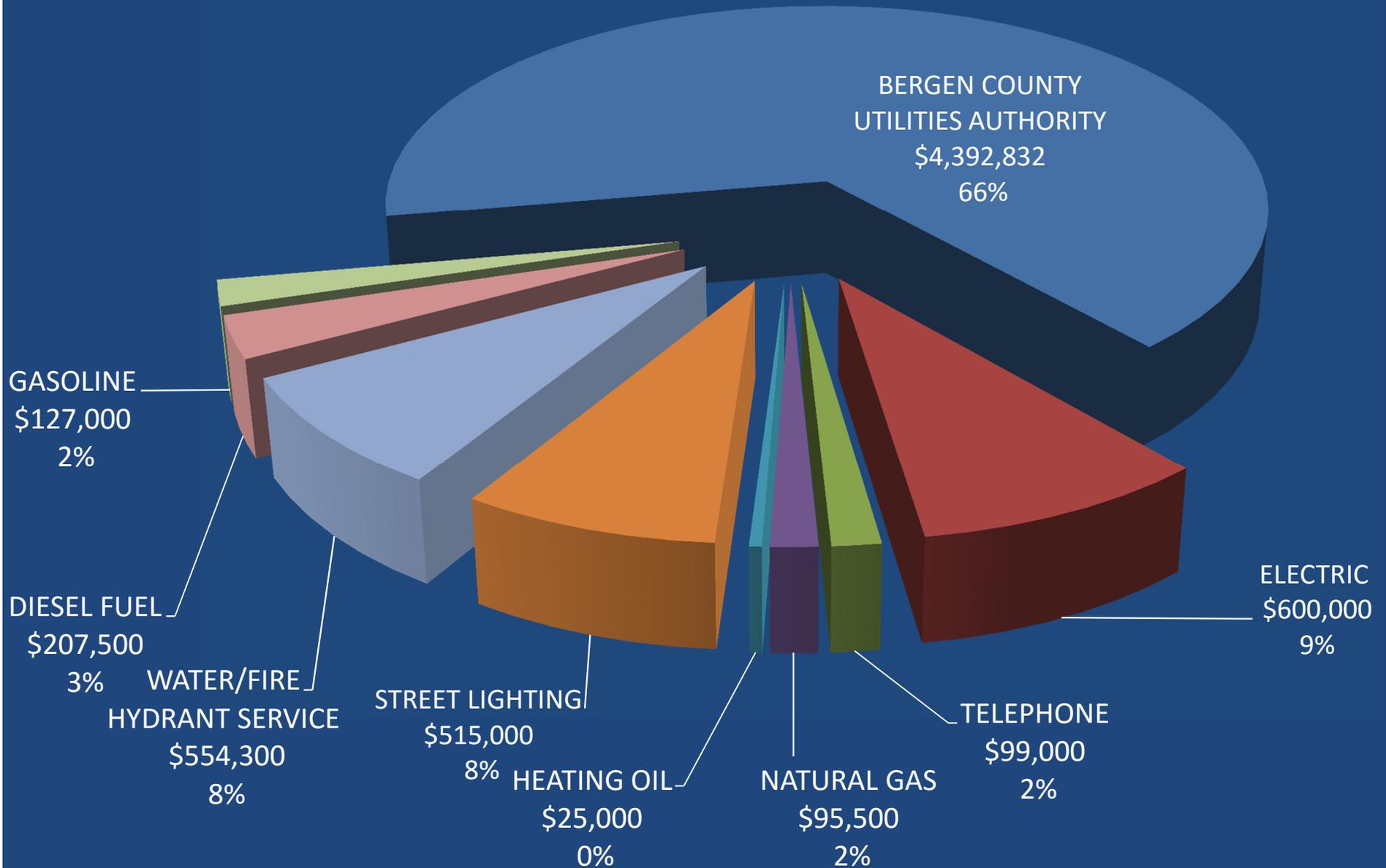
# Group Insurance For Employees



- Net decrease 10.68% or \$666,175

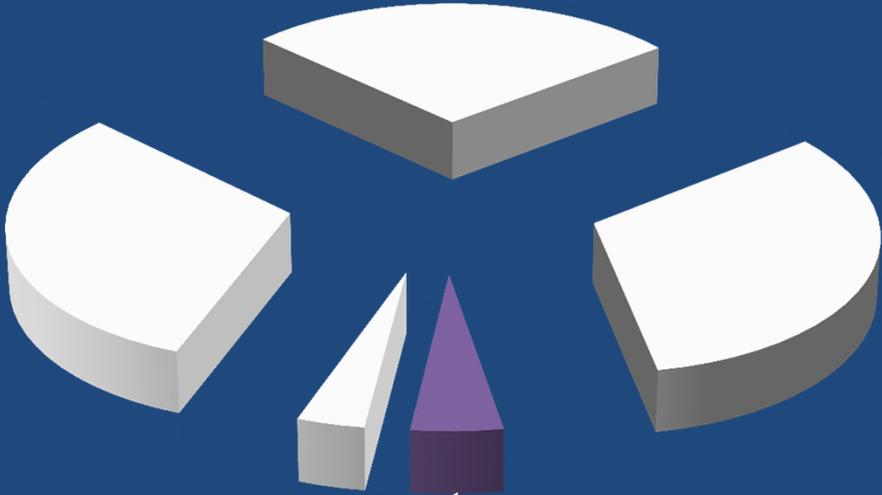
# Utilities

Total: \$6,616,132



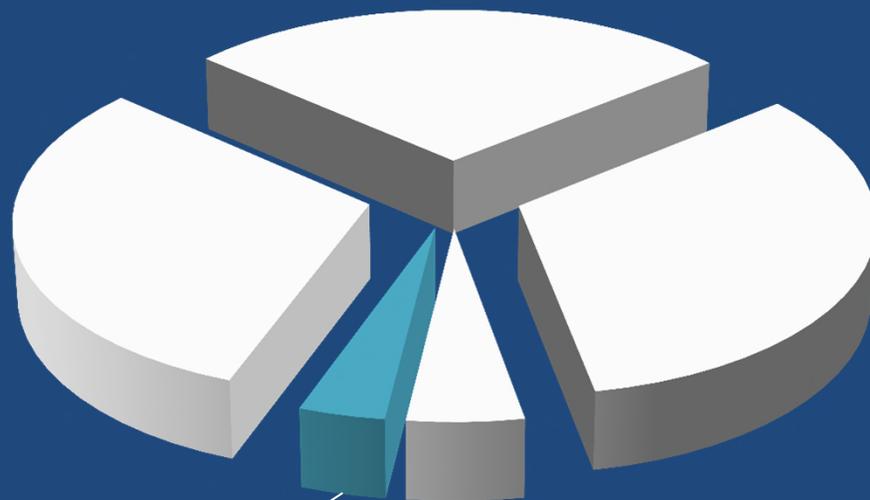
# Contributions to Self-Insurance Fund

- No Change



Contributions  
to Self-  
Insurance  
Fund  
\$972,500  
5%

# Other Insurance Premiums

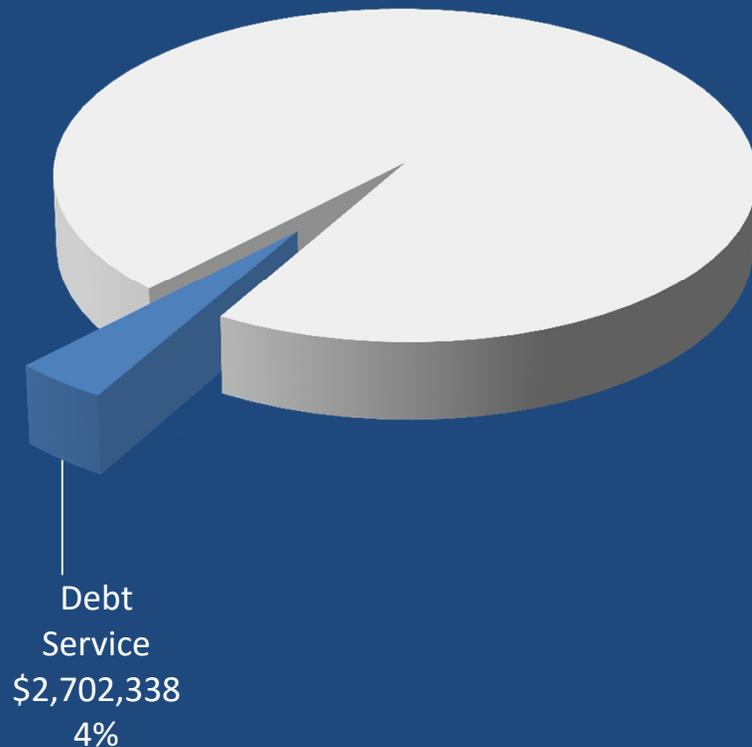


Other  
Insurance  
Premiums  
\$719,500  
4%

- PEJIF Premium
- Auto Liability and collision
- Employment Practices
- Public Officials
- Facilities  
Increase – 2.8%

# Debt Service

## Debt Service

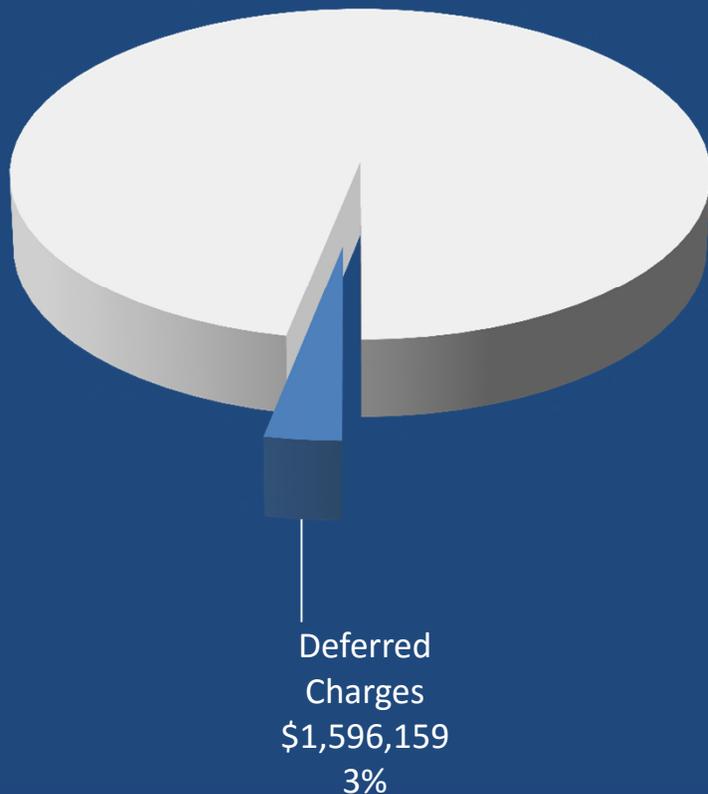


## Highlights

- Note Principal increased \$407,034.10
- Bond principal decreased \$369,000
- Bond Interest decreased \$21,210.25
- After certain reductions, total increase of \$16,823.85 in Debt Service

# Deferred Charges

## Deferred Charges

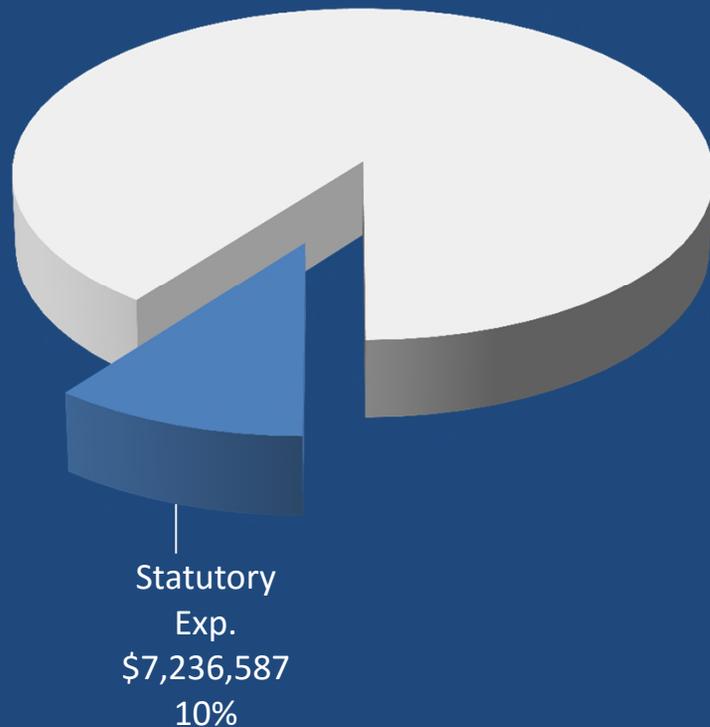


Tax appeal reserve of \$1,000,000 for 2015 appeals (State appeals 2015 \$1,167,000)

Number of appeals and potential refunds TBD

# Statutory Expenditures

## Statutory Expenditures



## Major Adjustments

- PFRS decreased \$446,188.52
- PERS Increased \$63,640.68
- Social Security increased \$10,000
- Total line item decreased \$374,498.33

# Capital Improvement Fund

Total Cost of Improvements

\$4,359,000

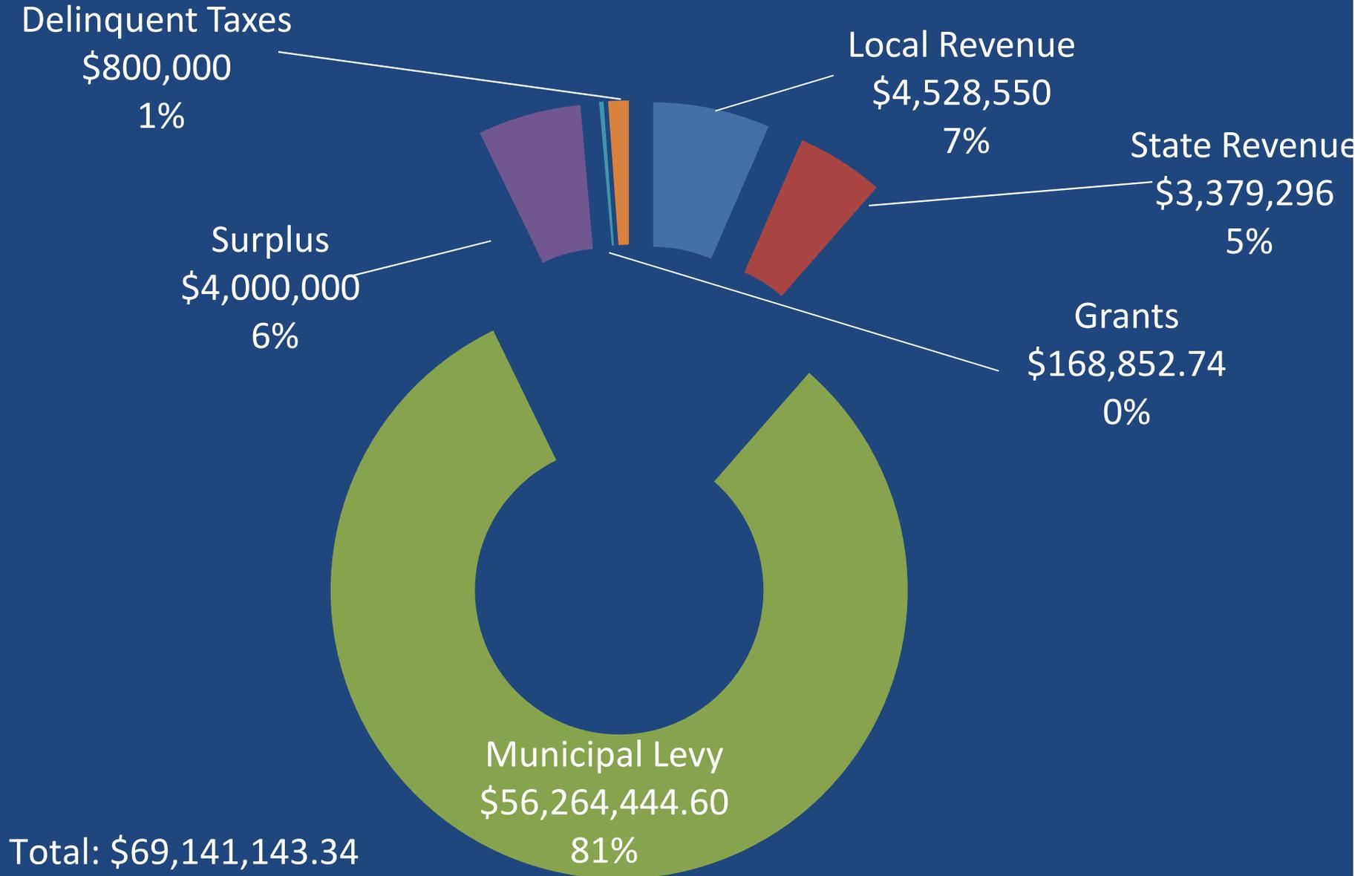
Capital Improvement Fund

\$312,950

Capital Improvement Fund Review

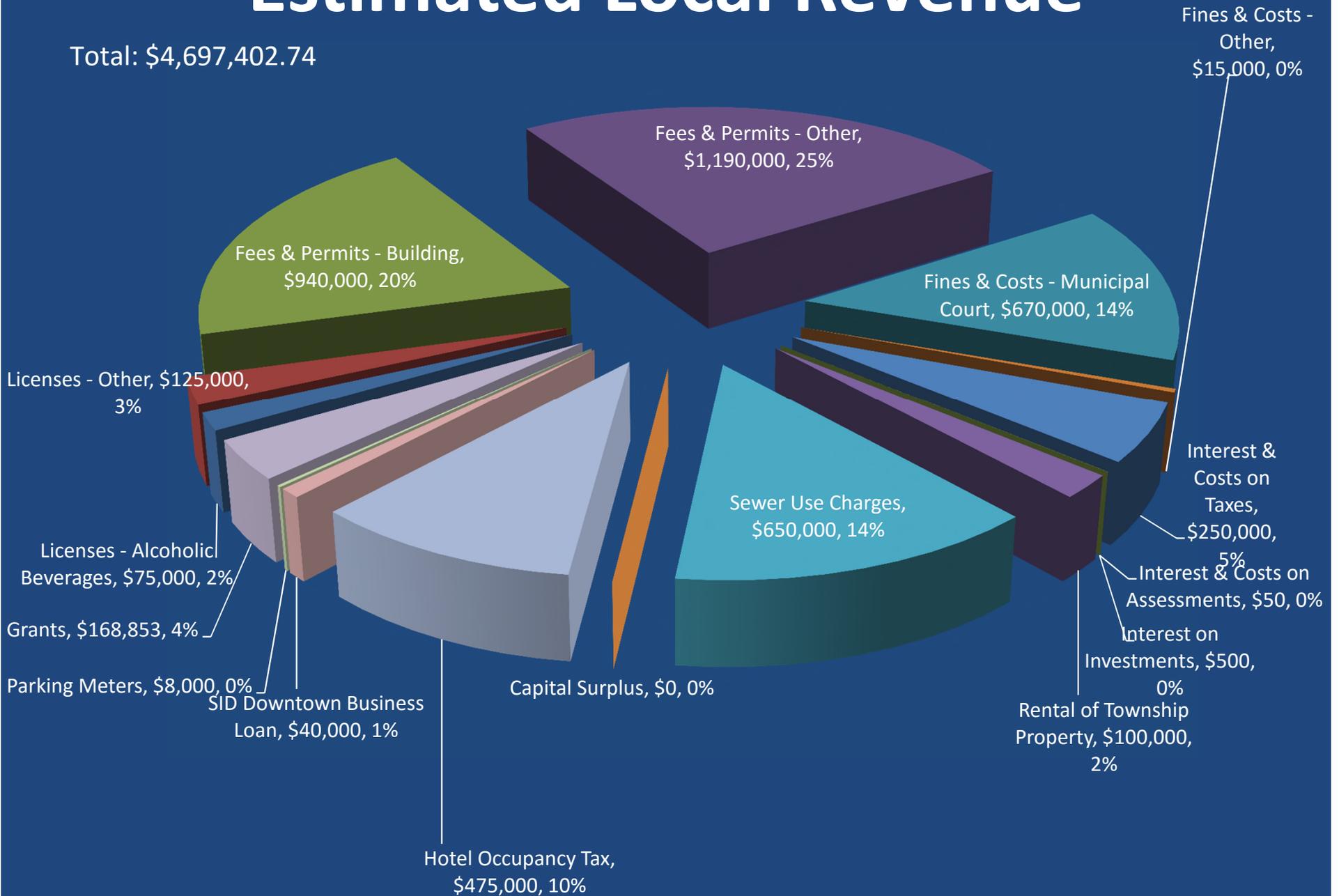
February 11, 2016

# Estimated Revenue



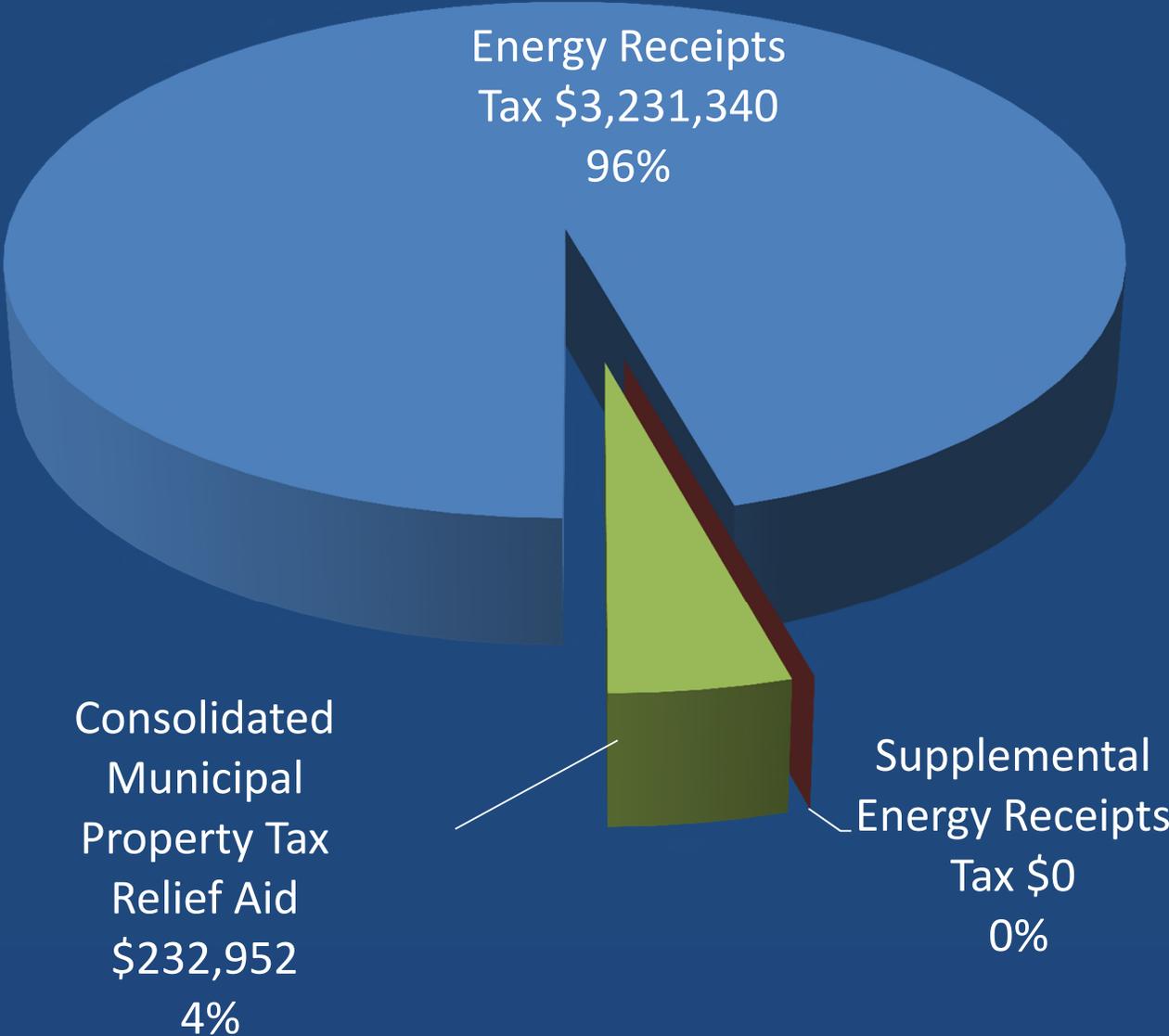
# Estimated Local Revenue

Total: \$4,697,402.74



# Estimated State Revenue

Total: \$3,379,296

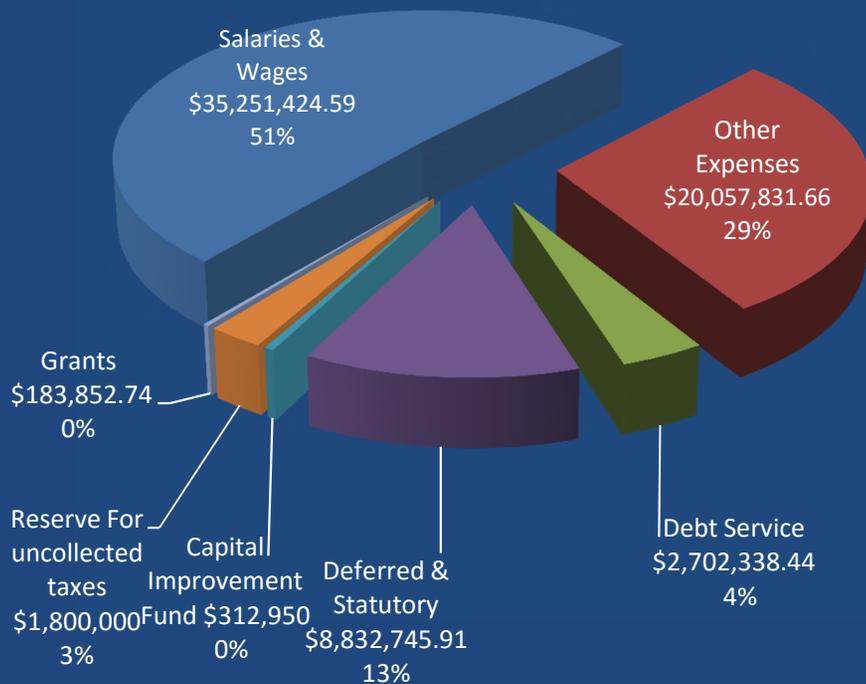


# Factors Potentially Impacting Budget

- General state of economy
- Special Emergencies
- Glenpointe Tax Appeal (Unfunded)
- Impact of tax appeals (State)
- Interest rates
- Reduced or flat state aid
- BCUA sewer
- Labor contract negotiations

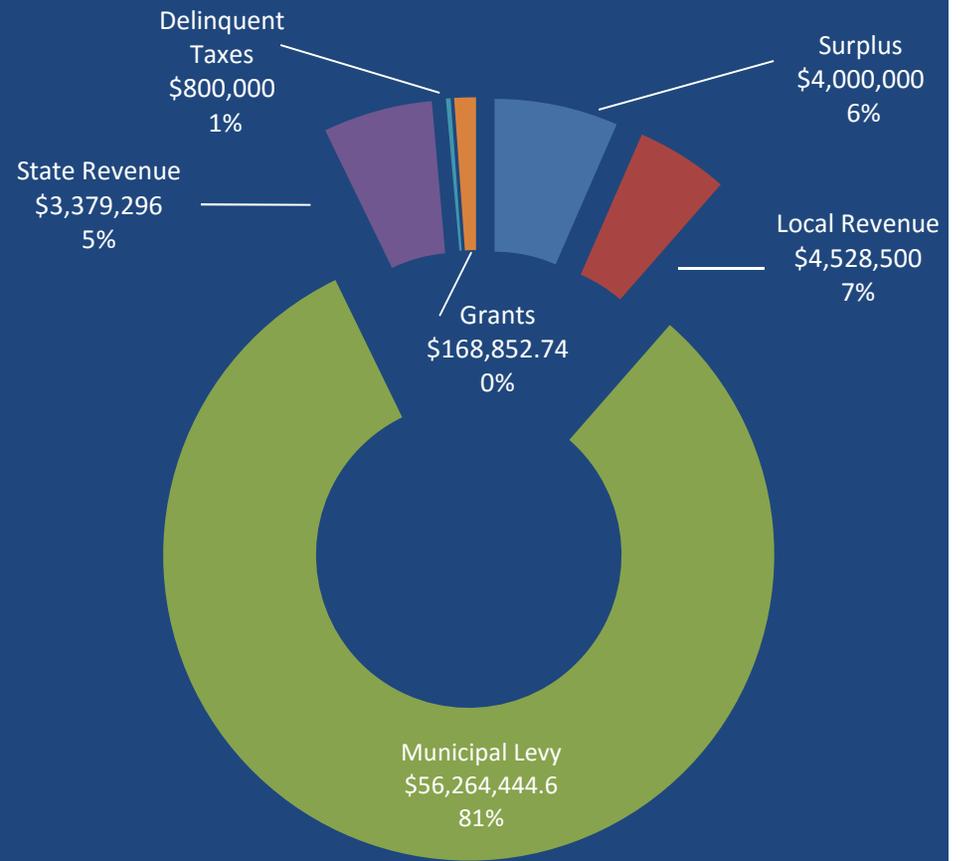
# Budget Wrap - Up

## Appropriations



Total: \$69,141,143.34

## Revenue



Total: \$69,141,143.34

# Strategies

## Short & Long Term

- Develop Strategic Plan
- Shared services
- Cost containment/efficiency/technology
- Police/Fire/EMS Dispatch Consolidation through County
- Power Purchase Agreement/3<sup>rd</sup> Party Energy Supplier
- Sale/development of selected municipally owned property
- Enhance ratables through business attraction and development
- Redevelopment of Alfred Avenue
- CO or Certificate of Inspection upon resale/purchase
- Fee Schedule revision

# Upcoming Budget Meeting Tentative Agenda

Thursday, February 11, 2016

- Review - Police Department budget
- Review - Public Works/Engineering budgets
- Review - Capital budget
- Review - Various budget accounts

# Upcoming Budget Meeting Tentative Agenda

Thursday, February 18, 2016

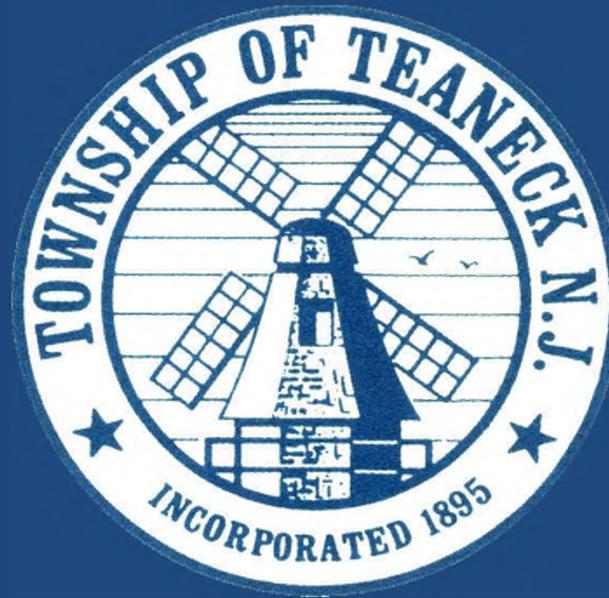
- Review - Fire Department budget
- Review - Recreation Department budget
- Review - Various budget accounts

# Upcoming Budget Meeting Tentative Agenda

Thursday, February 25, 2016

- Presentation - Insurance
- Review – Legal Budget
- Review - Library Budget
- Review - Council budget
- Review - Township Manager's budget
- Review - Township Clerk's budget
- Review - Various budget accounts

Thank you!





**Summary of Township  
Council's Review of  
Proposed  
2016  
Municipal Budget**

# 2016 Municipal Budget

## Budget Preparation Process

- February 4<sup>th</sup> - Manager presented proposed budget to Council for review and public hearings
- Proposed levy increase 2.26% or \$1,244,683.00
- Proposed appropriations decrease 2.36% or \$1,673,029.37
- Estimated annual tax increase:

Average home assessed at \$377,800

Increase in Taxes Per year: \$95

Tax Levy = Budget Appropriations Minus Revenues

# 2016 Municipal Budget

- Council action on proposed budget:

February 11, 2016

- Police Department budget
- Public Works/Engineering budgets
- Comparative analysis
- Search grants for street trees
- Use of M.O.S.T (25k) for planting trees in parks

# 2016 Municipal Budget

- Provide overtime breakdown for Police
- Police Dept. MIS position
- Comparative analysis DPW/Hackensack
- Obtain pricing on Pothole Killer

# 2016 Municipal Budget

February 18, 2016

- Fire Department budget
- Recreation Department budget
- Capital Budget
- Police body cameras and grant funding
- Pilot program (body cameras) using grant

# 2016 Municipal Budget

February 25, 2016

- Presentation – Insurance
- Presentation – Teaneck Comes Together
- Legal Budget (rescheduled)
- Library Budget
- Council budget
- Township Manager's budget
- Township Clerk's budget

# 2016 Municipal Budget

February 25, 2016

- TQM Study
- Council training budget
- Award of \$2,500 scholarship
- Sponsorship of Teaneck Film Festival
- Job descriptions for additional positions
- Prepare 0% tax levy increase budget

# 2016 Municipal Budget

## Summary of Adjustments to the Proposed 2016 Municipal Budget:

	2016	2016	\$	Reason for
	Proposed	As Adjusted	Change	Change
Salaries and Wages - Manager	474,395.12	424,395.12	(50,000.00)	Eliminate the Economic Development Director position
Salaries and Wages - Police	12,398,996.07	12,263,996.07	(135,000.00)	Expected reduction in salary contracts
Other Operating Expenses - Group Insurance	5,570,500.00	5,420,500.00	(150,000.00)	Net impact of eliminating certain health waivers
Other Operating Expenses - Snow Removal	333,435.00	275,435.00	(58,000.00)	Anticipated lower needs
Other Operating Expenses - BCUA	4,392,831.56	4,182,831.56	(210,000.00)	Actual cost information
Reserve for Uncollected Taxes	1,800,000.00	1,806,066.35	6,066.35	Increase after final calculation
Surplus Anticipated	4,000,000.00	4,650,000.00	(650,000.00)	Used to achieve zero increase
			-	
Local Municipal Tax	54,502,734.50	53,255,800.85	<b>(1,246,933.65)</b>	

# 2016 Municipal Budget

Summary of Revenue, Use of Surplus and the Municipal Tax Levy as Adjusted:

	2016	2015	\$	%
	As Adjusted	Adopted	Change	Change
Surplus	4,650,000.00	6,000,000.00	(1,350,000.00)	-22.50%
Miscellaneous Revenues including State Aid	9,062,725.64	9,801,411.11	(738,685.47)	-7.54%
Minimum Library Tax	1,761,710.11	1,717,499.56	44,210.55	2.57%
Proposed Municipal Tax Levy	53,255,800.85	53,302,262.04	(46,461.19)	-0.09%
Total General Revenues	68,730,236.60	70,821,172.71	(2,090,936.11)	-2.95%
Total General Appropriations	68,730,236.60	70,821,172.71	(2,090,936.11)	-2.95%

# 2016 Municipal Budget

## Summary of Impact of Municipal Tax Levy as Adjusted:

	2016	2015	\$	%
	As Adjusted	Adopted	Change	Change
MUNICIPAL TAX LEVY without Library	53,255,800.86	53,302,262.04	(46,461.19)	-0.09%
MUNICIPAL TAX RATE without Library	1.061	1.061	0.00	CENTS
				0.00%
Municipal Tax on Average home of \$377,800	4,008.46	4,008.46	0.00	
MUNICIPAL TAX LEVY with Library	55,017,510.97	55,019,761.60	(2,250.64)	0.00%
MUNICIPAL TAX RATE with Library	1.095	1.095	0.00	CENTS
				0.00%
Municipal Tax on Average home of \$377,800	4,136.91	4,136.91	0.00	

# Surplus History Detail

	2011	2012	2013	2014	2015
Beginning Surplus	\$ 7,051,531.85	\$ 5,629,612.15	\$ 5,165,316.14	\$ 4,319,143.53	\$ 6,956,038.66
Revenues and Taxes (under) over the estimate	\$ (123,766.79)	\$ 729,319.92	\$ (341,253.95)	\$ 1,211,367.58	\$ 2,493,514.15
Revenues not Anticipated in the budget	\$ 719,631.83	\$ 830,115.17	\$ 990,419.93	\$ 736,385.30	\$ 590,294.47
Unspent Balances of Estimated Budget Expenditures	\$ 1,951,350.58	\$ 2,339,777.08	\$ 3,205,789.34	\$ 3,420,040.86	\$ 2,475,953.46
Non-recurring Items	\$ 480,864.68	\$ 86,491.82	\$ (251,127.93)	\$ 319,101.39	\$ (225,500.13)
Surplus Used to Balance Budget	\$ (4,450,000.00)	\$ (4,450,000.00)	\$ (4,450,000.00)	\$ (3,050,000.00)	\$ (6,000,000.00)
Ending Surplus	\$ 5,629,612.15	\$ 5,165,316.14	\$ 4,319,143.53	\$ 6,956,038.66	\$ 6,290,300.61

Further detailed information regarding surplus increases and decreases can be obtained by reviewing sheet 19 of the Annual Financial Statement or Exhibit A-1 of the Annual Audit.

# 2 Year Budget Projection

	2014	2015	2016	2017	2018
	Adopted	Adopted	Proposed	Projected	Projected
Salaries and Wages	35,225,782.08	35,251,424.60	35,066,424.60	35,066,423.58	35,767,752.05
Other Expenses	19,955,845.00	20,476,357.04	19,639,831.66	20,032,628.29	20,433,280.86
Debt Service	2,561,798.79	2,685,514.59	2,702,338.44	2,800,000.00	2,800,000.00
Capital Improvement Fund	-	87,400.00	312,950.00	900,000.00	600,000.00
Grants	149,963.27	190,852.74	369,879.64	369,879.64	369,879.64
Deferred Charges	2,190,161.00	2,191,353.50	1,596,159.40	1,442,494.00	1,442,494.00
Statutory Expenditures	6,862,056.37	7,611,084.84	7,236,586.51	7,615,238.73	7,996,000.67
Reserve for Uncollected Taxes	3,593,708.39	2,637,780.75	1,806,066.35	2,000,000.00	2,000,000.00
Total Expenditures	70,539,314.90	71,131,768.06	68,730,236.60	70,226,664.24	71,409,407.22
Revenues	(8,909,009.27)	(8,401,411.11)	(8,262,725.64)	(8,338,009.27)	(8,338,009.27)
Receipts from Delinquent Taxes	(2,510,847.55)	(1,200,000.00)	(800,000.00)	(800,000.00)	(800,000.00)
Surplus	(4,100,000.00)	(6,000,000.00)	(4,650,000.00)	(4,500,000.00)	(4,000,000.00)
Library	(1,732,615.42)	(1,717,499.56)	(1,761,710.11)	(1,761,710.11)	(1,761,710.11)
Proposed Tax Levy	53,286,842.66	53,302,262.04	53,255,800.85	54,826,944.86	56,509,687.84
	55,019,458.08	55,019,761.60	55,017,510.96	56,588,654.97	58,271,397.95
		303.52	(2,250.64)	1,571,144.01	1,682,742.97
		0.00%	0.00%	2.86%	2.97%

Thank you!

