

BOROUGH OF TENAFLY
2013 MUNICIPAL BUDGET INTRODUCTION
March 12, 2013

BUDGET GOALS

The 2013 introduced municipal budget submitted to and reviewed by the governing body is scheduled for adoption along with a public hearing on Tuesday, April 30 at 8 PM. The budget has been prepared based on the following set of goals:

- Maintain critical services at current levels;
- Seek operating efficiencies where possible and take advantages of opportunities to save money for the Borough's taxpayers;
- Do so without diminishing services any more than necessary, and if possible, enhance municipal services to residents through improved coordination and technology; and
- Maintain a long-term view that assures stability of the municipal budget and tax rates over future years.

BUDGET OVERVIEW

The proposed tax levy for 2013, based on the attached budget has increased by \$307,277 from \$21,686,302 in 2012 to \$21,993,579 which equates to 1.4%. This is substantially lower than the 2% maximum allowable levy increase permitted by the state based on the local tax levy cap law. This change in the levy includes a decrease in revenue (\$2,468) and an increase in appropriations (\$304,809).

The borough wide property assessment valuation for 2013 is \$3,850,491,900; an increase of \$12,098,915 over 2012. The average assessment per home is \$804,028. Based on this assessed valuation, the \$307,277 tax levy increase equates to a municipal tax rate of .571 which is an increase from .565 in 2012. This would result in an increase of \$65 in taxes on the average home, based on the 2013 average assessed valuation listed in the chart below.

Description	2013	2012	% Change
Total Assessment Valuation	\$3,850,491,900	\$3,838,392,985	
Municipal Tax Rate	0.571	0.565	1.1%
Average Per Home (\$804,028)	\$4,593	\$4,528	1.4%

REVENUE

Total anticipated revenue decreased by \$2,468 from 2012 or .1%

- **State aid** anticipated is \$1,119,801; the same as 2012.
- **Surplus** appropriated is \$1,500,000; \$44,000 lower than the amount utilized in 2012.
- **Grants** anticipated have decreased by \$8,290.
- A net increase of approximately \$49,822 in **fees & miscellaneous revenue** is anticipated from municipal sources.

APPROPRIATIONS

Total appropriations of \$26,848,487 in 2013 compares to \$26,543,678 budgeted in 2012; an increase of \$304,809 or 1.2%.

INCREASES

- **Municipal Debt Service** - \$420,472 attributable to new debt included in 2012 bond sale.
- **Payroll Adjustment** - \$90,000 new line item for deferred police wage increments and longevity increases not included in the police S&W budget.
- **Buildings and Grounds** other expenses- \$41,300 due to additional maintenance attributable to the police HQ expansion.
- **Police / OEM** other expenses - \$63,574 or 25.9% due to an additional police vehicle and increases in contractual vehicle maintenance, clothing and uniforms, education/training/examination expenses for new hires, and OEM other contractual.
- **Volunteer Fire** - \$17,500 for additional incentive payments anticipated.
- **Public Events** - \$25,000 for the cost of fireworks and concerts previously funded by private donations.
- **Utility Expenses** - \$9,520 based on 2012 electricity usage.
- **Reserve for Uncollected Taxes** - \$60,000 based on a decrease in the collection rate.
- **Capital Improvements** - \$30,000 due to an increase in the total capital projects approved for 2013 in the amount of \$1.8 million compared to \$1.2 million in 2012.
- **Deferred Charges** - \$55,920 offset by \$30,993 in revenue for uncollected grants anticipated for previous capital projects funded by bond ordinances.
- **Social Security Taxes and Unemployment Insurance** - \$25,000 based on 2012 actual.

DECREASES

- **Salaries & Wages** reflect a net decrease of \$176,982 or 1.8% primarily due to police officer retirements in 2012 and 2013 (\$369,530). This decrease is partially offset by contractual wage increases to non-uniformed staff of 2.25%, part-time schedule changes in the Finance and Building departments, and wage adjustments for certain staff in Administration, Municipal Clerk and Finance departments.
- **BCUA sewer service charges** decreased \$148,122 based on the 2013 assessment by the Authority that reflects a reduction in usage readings in 2012.
- **Reserve for Terminal leave** has been reduced by \$31,000 due to the availability of sufficient funds required for 2013 retirements.
- **Pension** contributions assessed by the State for PERS and PFRS have decreased a total of \$72,597 or 4.5% attributable to pension reform at the state level.
- **Matching Funds for Grants** decreased \$39,314 based on a preliminary estimate of anticipated grants.
- **Public Works Roads and Recycling other expense** decreased \$45,475 due to reductions in the equipment rental and snow plow equipment line items.
- **Garbage Disposal Fees** decreased \$15,000 based on reported tonnage in 2012.

BUDGET ADOPTION SCHEDULE

Per the 2013 Municipal Budget Calendar set forth by the State Division of Local Government Services in Local Finance Notice 2013-04, scheduled statutory action dates are as follows:

- **Budget Introduction: Tuesday, March 12, 2013.**
- **Budget Adoption: Tuesday, April, 30 2013.**