

BOROUGH OF TENAFLY
2014 MUNICIPAL BUDGET PROPOSAL
March 25, 2014

BUDGET GOALS

The 2014 proposed municipal budget submitted to the Mayor and Council for their review and deliberation prior to introduction and adoption scheduled for March 25 and April 29 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 2014, based on the attached introduced budget has increased by \$314,092 from \$21,993,579 in 2013 to \$22,307,671 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 (\$34,436) and an increase in appropriations (\$279,656).

The borough wide property assessment valuation for 2014 is \$3,863,598,020; an increase of \$11,833,862 over 2013. Based on the 2014 assessed valuation, the \$314,092 tax levy increase equates to a municipal tax rate of .577 which is an increase from .571 in 2013. This would result in an average tax per home of \$4,571, an increase of \$72 based on the 2014 average assessed valuation listed in the chart below.

Description	2014	2013	% Change
Total Assessment Valuation	\$3,863,598,020	\$3,851,764,158	
Municipal Tax Rate	0.577	0.571	1.1%
Average Per Home (\$791,758)	\$4,571	\$4,499	1.6%

REVENUE

Total anticipated revenue decreased by \$34,436 from 2013 or 1.1%

- **State aid** anticipated is \$1,119,801; the same as 2013.
- **Surplus** appropriated is \$1,500,000; the same as 2013.
- **Grants** anticipated have increased by \$6,408
- **Fees & miscellaneous revenue:** a net decrease of approximately \$40,844 is anticipated from municipal sources. Municipal Court fines and costs decreased \$120,000 due to a reduction in the number of summonses issued in 2013.

APPROPRIATIONS

Total appropriations of \$27,128,143 in 2014 compares to \$26,848,487 budgeted in 2013; an increase of \$279,656 or 1%.

INCREASES

- **Salaries & Wages:** \$189,245 or 1.95% primarily due to contractual step increments for police and public works employees who have not reached the top step of the salary guide in addition to an estimated 2% increase for all non-uniformed personnel.
- **Trash Removal:** \$64,200 due to the expiration of the borough's garbage collection contract in December, bids were solicited and received in February for a new contract. Based on the lowest bid, the annual cost for a new five year contract will increase by \$103,800 with the same hauler who extended the contract to April 30 at the previous rate.
- **Statutory Charges:** \$62,919 for PERS, PFRS, DCRP and Social Security taxes due to an increase in employer contributions assessed by the State and payroll increases.
- **Reserve for Uncollected Taxes:** \$50,000 based on the auditor's recommendation.
- **TVAC and Fire Department:** \$45,500 due primarily to the incentive and uniform allowance line items for anticipated new members.
- **Library:** \$33,825 based 1/3 mil of realized valuation provided by the State.
- **Deferred Charges:** \$31,080 offset by revenue of \$32,000 for debt service reserve payment.
- **Public Works other expense:** \$24,815 due to increases in supplies, street signs and, equipment rental, and motor vehicle parts and accessories.

- **Liability Insurance:** \$17,755 based on the JIF renewal rates.
- **BCUA Sewer Charge:** \$13,877, an increase of .9% over 2013.
- **Utility Expenses:** \$13,020 based on estimated increases for electricity usage and fire hydrant charges assessed by United Water.
- **Administration other expenses:** \$10,050 due to an increase in the computer supplies line item reflecting a new service agreement with Xerox.
- **Capital Improvements:** \$5,000 for the 5% down payment required to fund approved 2014 capital projects.

DECREASES

- **Payroll Adjustment:** \$90,000 for deferred 2013 police wage increments and longevity increases not included in the 2013 police S&W budget.
- **Municipal Debt Service:** \$62,672 attributable to the utilization of Open Space Trust Funds for payment of the borough's Green Trust obligations.
- **Garbage Disposal Fees:** \$50,000 savings reflects an anticipated agreement with the BCUA effective May 1, 2014, based on the expected commencement date of the new trash removal contract that expired December 31.
- **Police other expenses:** \$43,110 due primarily to the vehicle purchase line item budgeted for \$70,000 in 2013 for two vehicles and proposed in the 2014 budget for one vehicle as the two new 2013 vehicles were delivered in November.
- **Group Insurance:** \$35,000 based on additional employee premium contributions mandated by the State effective 7/1/2014.

BUDGET ADOPTION SCHEDULE

Per the 2014 Municipal Budget Calendar set forth by the State Division of Local Government Services in Local Finance Notice 2013-25, scheduled statutory action dates are as follows:

- **Budget Introduction: Tuesday, March 25, 2014.**
- **Budget Adoption: Tuesday, April, 29 2014.**