

2010 Tenafly Borough Budget:
Date of Introduction: May 18, 2010

Public Hearing Budget Presentation: June 22, 2010

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CONTEXT

- ▶ External limits: State bills and Reduced Aid
- ▶ Significant unfunded liabilities: Terminal Leave, Tax Appeals, OPEB (GASB 45)
- ▶ Multi-year collective negotiations agreements with unions
- ▶ Multi-year commitments for solid waste disposal and recycling services
- ▶ Current Tax Levy Cap inhibits funding liabilities
- ▶ Emergency Appropriations from 2009
- ▶ Less Revenue to appropriate than in 2009
- ▶ County Tax Board directive postponed from 2009

CAUSES FOR INCREASE: EXTERNAL RATE INCREASES & PRIOR DECISIONS

▶ State Aid Reduction	\$343,000
▶ State Health Benefits Program	\$296,000
▶ RUT (Statutory)	\$259,170
▶ Non-Police Salaries & Wages	\$255,000
▶ Reduced use of Fund Balance	\$200,000
▶ BCUA (Sewerage Treatment)	\$161,900
▶ Police Salaries & Wages	\$128,268
▶ DPW – Snow and Wind Storms	\$128,000

CAUSES FOR INCREASE: EXTERNAL RATE INCREASES & PRIOR DECISIONS

Continued

▶ NJ Police Retirement System	\$101,592
▶ Reserve - Tax Appeal	\$ 95,000
▶ Reserve - Terminal Leave	\$ 93,000
▶ NJ Public Employee Retirement System	\$ 76,580
▶ Revaluation of Property Values	\$ 74,000
▶ Prior Year Emergency Appropriation	\$ 49,000
▶ Workers Comp Insurance	\$ 32,531
▶ Unemployment Insurance	\$ 18,500
▶ TOTAL – more than	\$2,300,000

2010 BUDGET OBJECTIVES

- ▶ Maintain fiscal integrity of the municipal corporation
- ▶ Meet obligations
- ▶ Cut all unnecessary expenses and reduce some services
- ▶ Properly position budget for future years

ALTERNATIVE POLICY CHOICES

- ▶ Postpone all of the inevitable cost of terminal leave and tax appeals to future years
- ▶ Ignore significant reductions already made to personnel and therefore services
- ▶ Reduce operations and therefore services further
- ▶ Seek immediate gratification
- ▶ Protect Long Term Fiscal Integrity
- ▶ Position budget for future strength

GOVERNING BODY DECISIONS

With this budget introduction, the Governing Body has:

- ▶ Begun taking actions today to stabilize 2011 budget
- ▶ Continued to meet obligations and maintain most necessary services
- ▶ Directed Staff to plan and take actions for 2011 cutbacks
- ▶ Utilized attrition as the primary method to reduce costs now and in the future
- ▶ Remains unable to fund Other Post Employment Liabilities as recommended by GASB

ACTIONS

Reduced operational costs by \$700,000

▶ Department	Amount
▶ Finance	\$ 91,700
▶ Fire Prevention	\$ 7,370
▶ Insurances	\$ 4,500
▶ Health	\$ 49,000
▶ Police	\$177,500
▶ Public Works	\$318,500
▶ Other Departments	\$ 51,000

ACTIONS

continued

- ▶ Entered into shared services agreement,
- ▶ Through attrition, reduced staff in departments of
 - ▶ Finance
 - ▶ Fire Prevention
 - ▶ Health
 - ▶ Police
 - ▶ Public Works
- ▶ Reduced staff to collect leaves and maintain parks
- ▶ Reduced training and conferences
- ▶ Reduced other expenses accounts across the board

2010 BUDGET STATISTICS

	Dollar Change	Percent Change
▶ Total Appropriations	\$1,316,430	5.3%
▶ Total Appropriations w/o RUT & Grants	\$1,003,158	4.2%
▶ Tax Levy	\$1,773,028	9.0%
▶ Municipal Tax Rate	4.9 cents	7.6%
▶ Overall Tax Rate	8.3 cents	3.1%
▶ Muni Tax Impact – Average Home	\$217	5.2%