

**BOROUGH OF TENAFLY
2011 MUNICIPAL BUDGET HEARING
April 26, 2011
Borough Hall – 8:00 PM**

BUDGET OVERVIEW

The tax levy for 2011 has increased by only \$107,827 from \$21,374,225 in 2010 to \$21,482,052 which equates to .5%. This is substantially lower than the maximum allowable levy of \$22,310,640 permitted by the state based on the new tax levy cap law. This small change is attributable to a decrease in revenue (\$179,650) partially offset by a decrease in appropriations (\$81,823).

Due to a borough wide property revaluation, the average assessed valuation per home has increased to \$783,900 as compared to the 2010 average of \$635,200. Based on the new assessed valuation, the tax levy increase will result in a net decrease in the municipal tax rate from .694 to .560 and a decrease of \$17 in taxes on the average home, based on the 2011 average assessed valuation in the chart below.

DESCRIPTION	2011	2010	% CHANGE
Total Assessment Valuation	3,834,407,100	3,079,560,394	+24.5%
Municipal Tax Rate	0.560	0.694	-19.3%
Average Per Home (\$783,900)	\$4,392	\$4,409	- 0.39%

REVENUE

TOTAL REVENUE DECREASED BY \$179,650 FROM 2010 OR 3.6%

- **State aid** anticipated is \$1,119,801; the same as 2010. State aid in 2010 was reduced by 21% from 2009.
- **Surplus appropriated** in the amount of \$1,500,000 decreased \$100,000 from the 2010. The Borough surplus has been reduced from \$2.3 million in 2005 to approximately \$1.2 million as of December 31, 2010.

APPROPRIATIONS

TOTAL APPROPRIATIONS DECREASED BY \$81,823 FROM \$26,338,833 IN 2010 TO \$26,257,010, OR .3%.

INCREASES

- **Sewerage service** in Tenafly is part of the tax bill and not a separate assessment as in some communities. In 2011 the Bergen County Utilities Authority, which treats the sewage, has set the billing for the Borough at \$1,580,826 – a budget increase of \$166,426 or 11.8% over the 2010 appropriation.

- The Borough is billed by the State for both **health insurance and pensions** based on eligible employees. The health benefit premium rate increased by 12% in 2011 but has increased by only \$25,000 (1.3%) in the budget due to staff attrition. The 2011 budget appropriation is offset by employee contributions anticipated for premiums in the amount of \$90,000. The pension contribution required for the police (PFRS) and public employees (PERS) retirement system increased by \$258,064 - a combined 17.3%.
- A number of pending **tax appeals** will most likely be adjudicated, or settled, in 2011. An increase in the reserve for tax appeals in the amount of \$50,000 has been budgeted to provide for funding of estimated appeals.
- **Fire hydrant service** charges assessed by United Water have increased by \$9,432 to \$241,982 or 4.1%.
- **Gasoline** has increased by \$50,500 to \$208,500 or 13% based on market trends and actual 2010 expenses.
- **Reserve for Uncollected Taxes** has increased \$68,830 due to a decrease in the borough collection rate used in the calculation formula.
- **Legal Fees** increased \$29,150 to reflect additional labor attorney fees that may be necessary for contract negotiations.

DECREASES

- **Salaries and wages** have decreased by \$422,002 due to staff attrition and a proposed zero wage increase.
- **Other expenses** for Public Works and Police have decreased by \$140,931 including police vehicles, liability insurance, geese police, and other contractual items.
- The **Library** appropriation has decreased by \$24,143 due to a decrease in the realized valuation which is the basis for calculating the 1/3 of a mil.
- **Terminal leave** reserve has been reduced by \$40,000 due to the availability of sufficient funds required for anticipated retirements in 2011.
- Elimination of **emergency appropriations** in the amount of \$49,000 included in the 2010 budget as a deferred charge.
- Statutory charges including **Unemployment & Social Security** have decreased by \$63,750.

BUDGET SCHEDULE

Per the 2011 Municipal Budget Calendar set forth by the State Division of Local Government Services in Local Finance Notice 2011-2R, scheduled legislative dates are as follows:

- **Budget Introduction: Tuesday, March 22, 2011 – Occurred as Scheduled**
- **Budget Adoption: Tuesday, April, 26, 2011**