

**BOROUGH OF TENAFLY**  
**2011 MUNICIPAL BUDGET INTRODUCTION SUMMARY**  
**March 22, 2011**  
**Borough Hall – 8:00 PM**

**BUDGET OVERVIEW**

The tax levy for 2011 has increased by only \$149,298 from \$21,374,225 in 2010 to \$21,523,523 which equates to .7%. The tax levy increase is less than 1%. 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 (\$189,650) partially offset by a decrease in appropriations (\$40,352).

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 .561 and a decrease of \$9 in taxes on the average home, based on the 2011 average assessed valuation in the chart below.

Description	2011	2010	% Change
<b>Total Assessment Valuation</b>	<b>3,834,315,000</b>	<b>3,079,560,394</b>	
<b>Municipal Tax Rate</b>	<b>0.561</b>	<b>0.694</b>	<b>-19%</b>
<b>Average Per Home (\$783,900)</b>	<b>\$4,400</b>	<b>\$4,409</b>	<b>- 0.2%</b>

**REVENUE**

**Total revenue** decreased by \$189,650 from 2010 or 3.8%

- **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 \$40,352 from \$26,338,833 in 2010 to \$26,298,481, or .2%.

**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 \$68,839 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 \$380,531 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 \$24,280 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**
- **Budget Adoption: Tuesday, April, 26, 2011**