

BOROUGH OF TENAFLY
2012 MUNICIPAL BUDGET PROPOSAL – PUBLIC HEARING
April 24, 2012 – Council Chambers

BUDGET OVERVIEW

The tax levy for 2012 has increased by \$204,250 from \$21,482,052 in 2011 to \$21,686,302 which equates to 1%. This is substantially lower than the maximum allowable levy of \$22,136,014 permitted by the state based on the local tax levy cap law. This small change includes an increase in revenue (\$82,418) and an increase in appropriations (\$286,668).

The borough wide property assessment valuation for 2012 is \$3,838,392,985; an increase of \$3,985,885 over 2011. The average assessment per home is \$785,326. Based on this assessed valuation, the tax levy increase will result in a change in the municipal tax rate from .560 to .565 or an increase of \$45 in taxes on the average home, based on the 2012 average assessed valuation listed in the chart below.

Description	2012	2011	% Change
Total Assessment Valuation	3,838,392,985	3,834,407,100	<1%
Municipal Tax Rate	0.565	0.560	1%
Average Per Home (\$785,326)	\$4,437	\$4,392	1%

REVENUE

Total anticipated revenue increased by \$82,418 from 2011 or 1.7%

- **State aid** anticipated is \$1,119,801; the same as 2011 as per the Division of Local Government Services.
- **Surplus** appropriated is \$1,544,000; an increase of \$44,000 over 2011. As a result, the surplus balance of \$2.9 million on December 31, 2011 will decrease to \$1.4 million as compared to the \$2.3 million balance in 2005.
- **Grants** anticipated have increased \$19,867.
- A net increase of approximately \$18,551 in **fees & miscellaneous revenue** is anticipated from municipal sources.

APPROPRIATIONS

Total appropriations increased by \$286,668 to \$26,543,678, or 1.1% from \$26,257,010 budgeted in 2011.

INCREASES

- **Salaries and wages** have increased by only \$28,390 or .29% due to staff attrition and proposed zero wage increases for non-uniformed personnel offsetting a 3.75% increase for police covered by the last year of their labor contract.
- **Elections** other expenses have increased \$13,950 due to additional printing expenses anticipated to comply with new directives from the US Department of Justice.
- **Sewerage service** in Tenafly is part of the tax bill and not a separate assessment as in some communities. The 2012 the sewer charges assessed by Bergen County Utilities Authority, is \$1,648,596; an increase of \$67,770 or 4.3% over the 2011 appropriation.
- The Borough is billed by the State for **health insurance** provided to eligible employees. Premiums assessed by the Division of Pension and Benefits for health benefit coverage will increase by approximately 10% in 2012 effective January 1. This increase will be offset partially by additional employee contributions in accordance with recently adopted state pension and health reform legislation. The budget appropriation for this line item has been increased by \$125,000 or 6.6%.
- **JIF insurance** premium assessments in 2012 for liability and workers compensation coverage increased \$19,858 from \$554,328 to \$574,186 or 3.6%.
- **Gasoline and Natural Gas** have increased by \$50,730 to \$321,230 or 18.7 % based on market trends and actual 2011 expenses.
- **Legal Fees** have increased \$25,000 or 39.2% to reflect additional labor attorney fees anticipated for PBA contract negotiations and the other employee bargaining units.
- **Police** other expenses increased \$24,168 or 11.5% due to an appropriation for the purchase of an additional vehicle at an estimated cost of \$30,000.
- **Fire and TVAC** other expenses increased \$23,784 including additional incentive appropriations anticipated in 2012 for new and existing members.
- **Recycling** other expenses increased \$24,825 due primarily to the anticipated rentals of additional equipment for disposal of storm related vegetative waste.
- **Reserve for Uncollected Taxes** has increased by \$80,000 due to a decrease in the borough collection rate to 98.2% from 98.6% in 2011.
- **Reserve for Legal Judgements** in the amount of \$75,000 has been budgeted to provide funding for pending litigation.

- **Municipal Debt Service** has increased \$28,170 to include interest on 2011 and 2012 bond anticipation notes.
- **Capital Improvements** increased \$20,000 to provide down payment funding for anticipated projects in 2012.

DECREASES

- **Other expenses** for Public Works road repairs/maintenance decreased \$69,175 including a reduction of \$44,000 in other contractual items attributable to planned utilization of snow trust funds and FEMA reimbursements for storm related clean-up costs.
- The **Library** appropriation has decreased by \$23,709 from \$1,384,052 to \$1,360,343 due to a decrease in the realized valuation which is the basis for calculating the 1/3 of a mil.
- The **Terminal leave** reserve appropriation has been reduced by \$94,000 due to the availability of sufficient funds required for anticipated retirements in 2012.
- **Pension** contributions for PERS and PFRS have decreased a total of \$139,852 or 7.9% attributable to pension reform at the state level.

BUDGET SCHEDULE

Per the 2012 Municipal Budget Calendar set forth by the State Division of Local Government Services in Local Finance Notice 2011-37, scheduled legislative dates are as follows:

- **Budget Introduction: Tuesday, March 13, 2012.**
- **Budget Hearing: Tuesday, April, 24 2012.**
- **Budget Adoption: May 8, 2012**