

BOROUGH OF TENAFLY
2016 MUNICIPAL INTRODUCED BUDGET
March 22, 2016

2016 Tenaflly Municipal Tax Increase is 1.2%

BUDGET GOALS

The 2016 municipal budget was submitted to the Mayor and Council for introduction. Adoption of the budget is scheduled for April 19. The goals set forth for the budget were achieved and based on the following:

- Maintaining critical services at current levels;
- Seeking operating efficiencies where possible and taking advantage of opportunities to save money for the Borough's taxpayers;
- Enhanced municipal services to residents through improved coordination and technology; without diminishing the current level of services;
- Maintaining a long-term view that assures stability of the municipal budget and tax rates over future years.

BUDGET OVERVIEW AS REVISED

The proposed tax levy for 2016, based on the introduced budget has increased by \$516,545 from \$22,432,837 in 2015 to \$22,949,382 which equates to 2.3% and is within the allowable levy increase permitted by the state based on the local tax levy cap law. As part of the tax levy cap calculation, the total tax levy is subject to adjustments due to exemptions. Exclusions include recycling tax, deferred charges and increases in health insurance costs, pension obligations, debt service, etc. This change in the levy includes a decrease in revenue of \$26,191 and an increase in appropriations of \$490,354.

The total 2016 property assessment valuation for the borough is \$3,920,745,000; an increase of \$38,325,653 over 2015. Based on the 2016 assessed valuation, the \$516,545 tax levy increase equates to a municipal tax rate of .585; an increase of .007 over 2015.

The actual tax impact on the tax payer for the average house is 1.2% or an increase of \$55 per household.

This would result in an average tax per home of \$4,592 based on the 2016 average assessed valuation listed in the chart below.

Description	2016	2015	% Change
Total Assessment Valuation	\$3,920,745,000	\$3,882,419,347	
Municipal Tax Rate	0.585	0.578	
Average Per Home (\$785,000)	\$4,592	\$4,537	1.2%

REVENUE

Total anticipated revenue decreased by \$26,191 as compared to 2015 or .5%

- **State aid** anticipated is \$1,119,801; the same as 2015.
- **Surplus** appropriated is \$1,750,000; an increase of \$82,000 as compare to 2015.
- **Grants** anticipated have decreased by \$14,221.
- **Fees & Miscellaneous Revenue:** a decrease of \$93,970 is anticipated from municipal sources including a \$165,000 reduction in receipts from delinquent taxes and \$23,970 in reserve for payment of debt service, offset in part by an increase of \$45,000 of UCC fees, \$20,000 in fees and permits, \$15,000 in interest on taxes and \$20,000 in fines and court costs.

APPROPRIATIONS

Total appropriations of \$28,114,154 in 2016 compares to \$27,623,800 budgeted in 2015; an increase of \$490,354 or 1.7%.

INCREASES

- **Salaries, \$173,229:** or 1.6% primarily due to contractual step increments for eligible police and public works employees who have not reached the top step of their salary guide; a 2.25% contractual salary increase for all non-uniformed personnel; and a 6.0% estimated net increase in health insurance premiums, offset in part by personnel reductions due to retirement or vacancies in headcount.
- **PERS, \$22,448 and PFRS, \$153,984:** or 4.1% and 17.0%, respectively. The increase is a statutory mandate.
- **Library, \$55,224:** based on 1/3 mil of realized property valuation provided by the State.
- **Liability Insurance, \$30,247:** based on the JIF renewal rates.
- **BCUA Sewer Charge, \$48,655:** an increase of 3.1% over 2015.

- **Reserve for Uncollected Taxes, \$50,000:** CFO and Tax Collector recommendation to increase reserve.
- **Capital Improvements, \$45,000:** for the 5% down payment required to fund approved 2016 capital projects.
- **Deferred Charges, \$53,486:** due to unfunded Grants.

DECREASES

- **Debt Service, \$101,467:** decrease due to pay down of debt and realized savings resulting from a Bond Refunding in 2015.
- **Reserve for Terminal Leave, \$150,000** reserve balance decreased 75% - amount sufficient to cover anticipated retirements in 2016.

BUDGET ADOPTION SCHEDULE

Per the 2016 Municipal Budget Calendar set forth by the State Division of Local Government Services in Local Finance Notice 2016-27, the next scheduled statutory action date is as follows:

- **Budget Adoption: Tuesday, April 19, 2016.**