

**Township Manager's
Proposed 2021
Municipal Budget
Dean B. Kazinci
Township Manager**

Proposed 2021 Municipal Budget

Budget Preparation Process

1. Department Head Requests (September 2020)
2. Manager/CFO Review (October 2020)
3. Manager/CFO/Department Head Public Hearings (November 2020)
4. Public Input at Council Meetings (2/9, 2/23)
5. Manager/CFO/Auditor review
6. Manager's presentation to Council of proposed budget appropriations and estimated revenues

Proposed 2021 Municipal Budget

Budget Preparation Process

7. Council review and public hearings (March)
8. CFO/Auditor's Revenue and tax levy cap projections
9. CFO/Auditor's review and recommendations
10. Manager's Budget to Council rev. statutory 2/26 or next regularly scheduled meeting
11. Council introduction of budget by revised statutory date of 3/30 or next meeting (4/13)
12. Hearing and adoption of budget by revised statutory date of 4/30 or next meeting (5/11)

Assumptions

2021 Budget is dependent upon:

- Council determination of 2021 Municipal Budget Appropriations
- Fund Balance (Surplus) available for 2021
- 2020 Municipal Revenues' Analysis and 2021 Revenue Anticipations (On going)
- State Aid allocations for 2021
- Special Emergency Financing for Terminal Leave

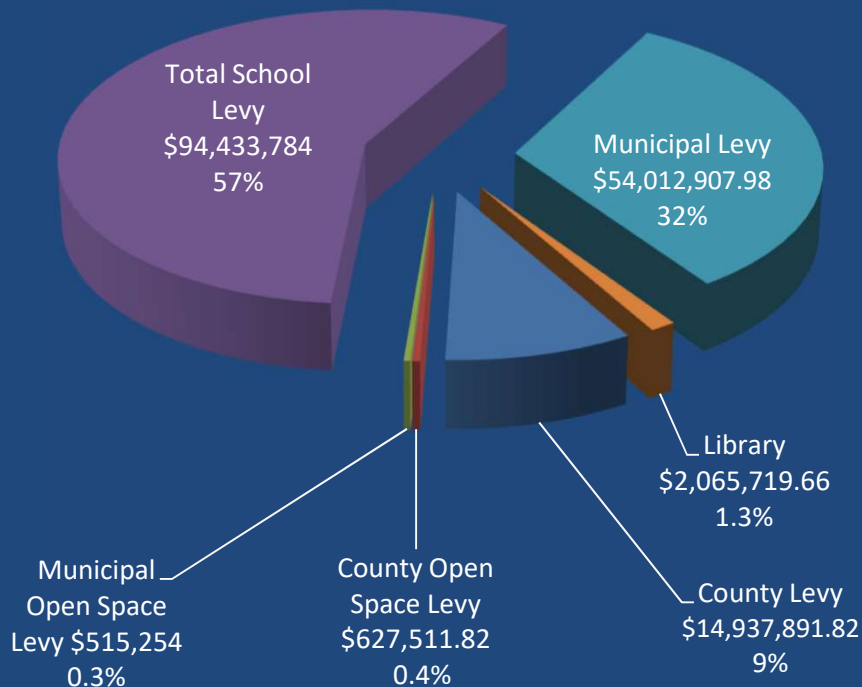
Appropriation vs. Revenues vs. Rate

- Appropriations – what the municipality intends to spend on operations
- Revenues – what the municipality earns through various fees and the collection of taxes
- Rate – the amount of taxes to be raised / the net property valuation (total value of all properties in the Township)
- Simply stated, the tax rate is a percentage of your property value that you are taxed on

2020 Tax Breakdown

Tax Breakdown

**Total Property Taxes:
\$166,593,069.28**



- Proposed budget refers to municipal portion of taxes only
- All taxes are paid to and collected by the municipality's Tax Collection Office
- Taxes are forwarded to all taxing entities biweekly/quarterly
- Tax Breakdown comparison: Municipal – 38% (1943) vs. 32% (2020)

Known Impacts on 2021 Budget

- Increase in PFRS and PERS payments
- Increase in Public Entity Joint Insurance Fund
- Increase in Recycling Disposal Costs, Tree Trimming
- Increase in Contractual Obligations to Employees
- Increase in Debt Service
- Labor Negotiations – 6 unions out of contract on 12/31/21

Proposed 2021 Municipal Budget

Proposed tax rate increase is 2.5%

Estimated annual tax increase:

Average home assessed at \$387,405

Increase in Taxes

Per year: \$105.47

Per month: \$8.79

Tax Levy = Budget Appropriations Minus Revenues

Possible Appropriations Cap Issue If Cap Bank
Ordinance Is Not Adopted

No Tax Levy Cap Issue Expected

How We Arrived at 2.5 % Tax Rate Increase

- Special Emergency Financing for 2021 Terminal Leave Payments
- Reduction in salary and wages by \$387,600 due to breakage/delayed hiring/attrition
- Utilized additional \$1,000,000 in surplus through cancellation of unspent 2020 appropriations

How We Arrived at 2.5 % Tax Rate Increase

- Responsible spending by Department Heads and dedicated attention to procurement by Purchasing Agent (COVID-19 CARES Reimbursement of \$192,635.33)
- Includes funding for potential agreement with Teaneck Swim Club
- Maintained or reduced operating expenses for all departments

How We Arrived at 2.5 % Tax Rate Increase

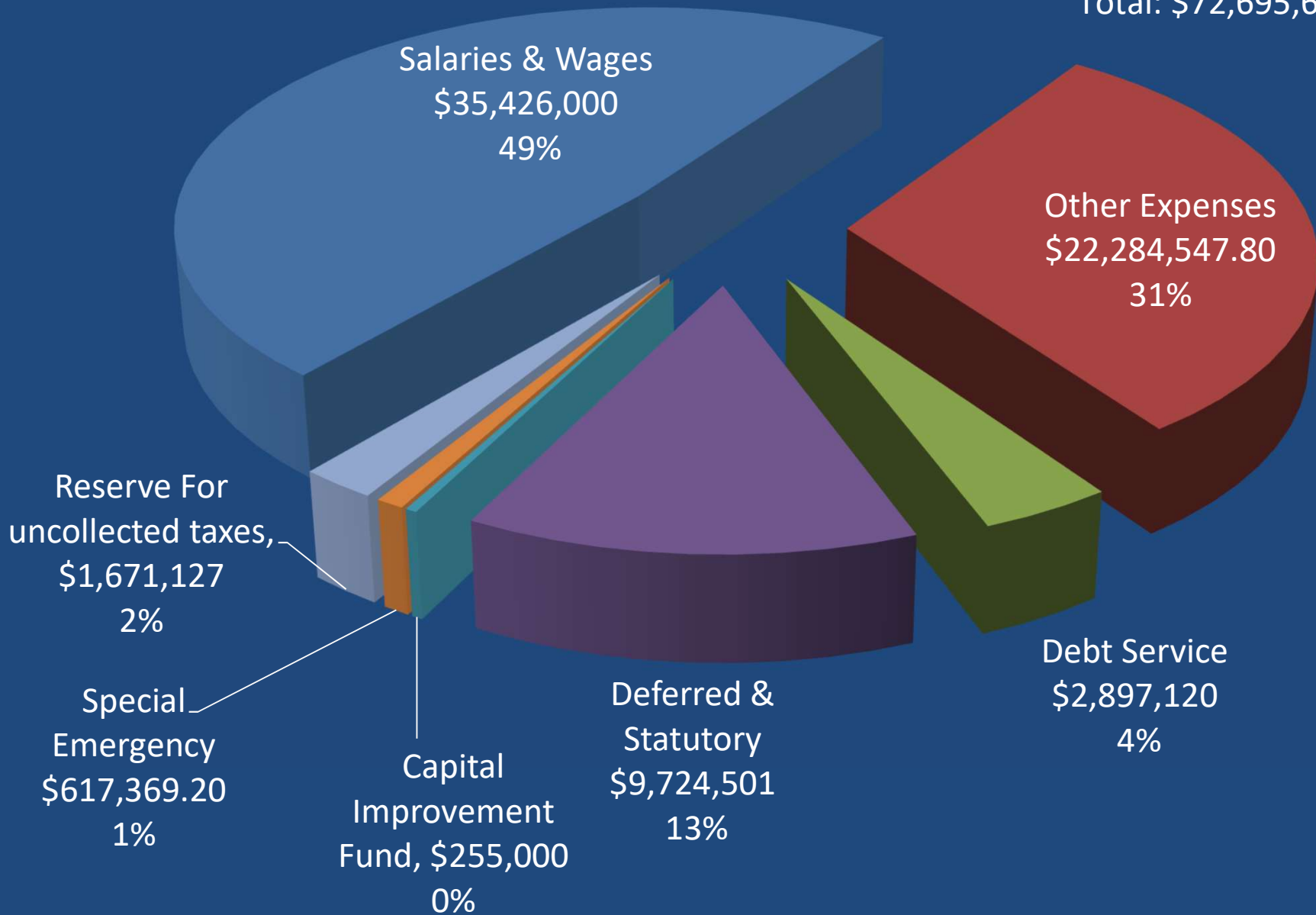
- Reduced 2021 Capital Program
- BCUA bill reduction by 4%
- Negotiated delayed retroactive payments to expired labor contracts (July 1st vs. January 1st)
- Proposed budget includes additional tree removal funds and does not disrupt services

American Rescue Plan Act of 2021

- Proposed \$1.9 Trillion American Rescue Plan Act of 2021 would potentially provide Teaneck with \$3.957 million
- Half of the funds to be disbursed within 60 days of enactment and other half to be disbursed in 2022
- Funds to be used by 12/31/2024
- Projected that funds will be utilized for revenue shortfalls due to COVID-19 Pandemic
- Conditions subject to change until final guidance is received

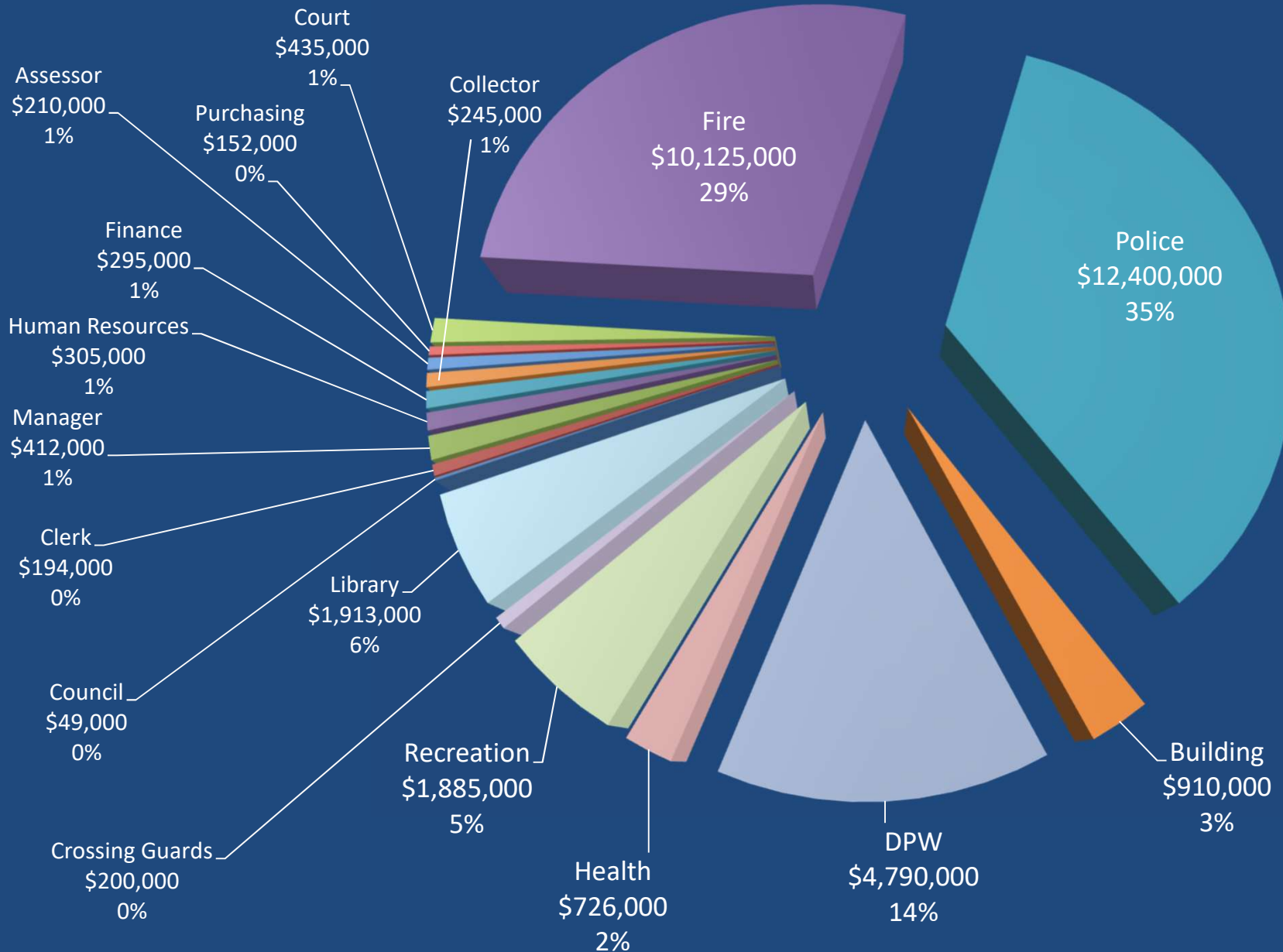
2021 Proposed Budget Budget Appropriation Categories

Total: \$72,695,665.00

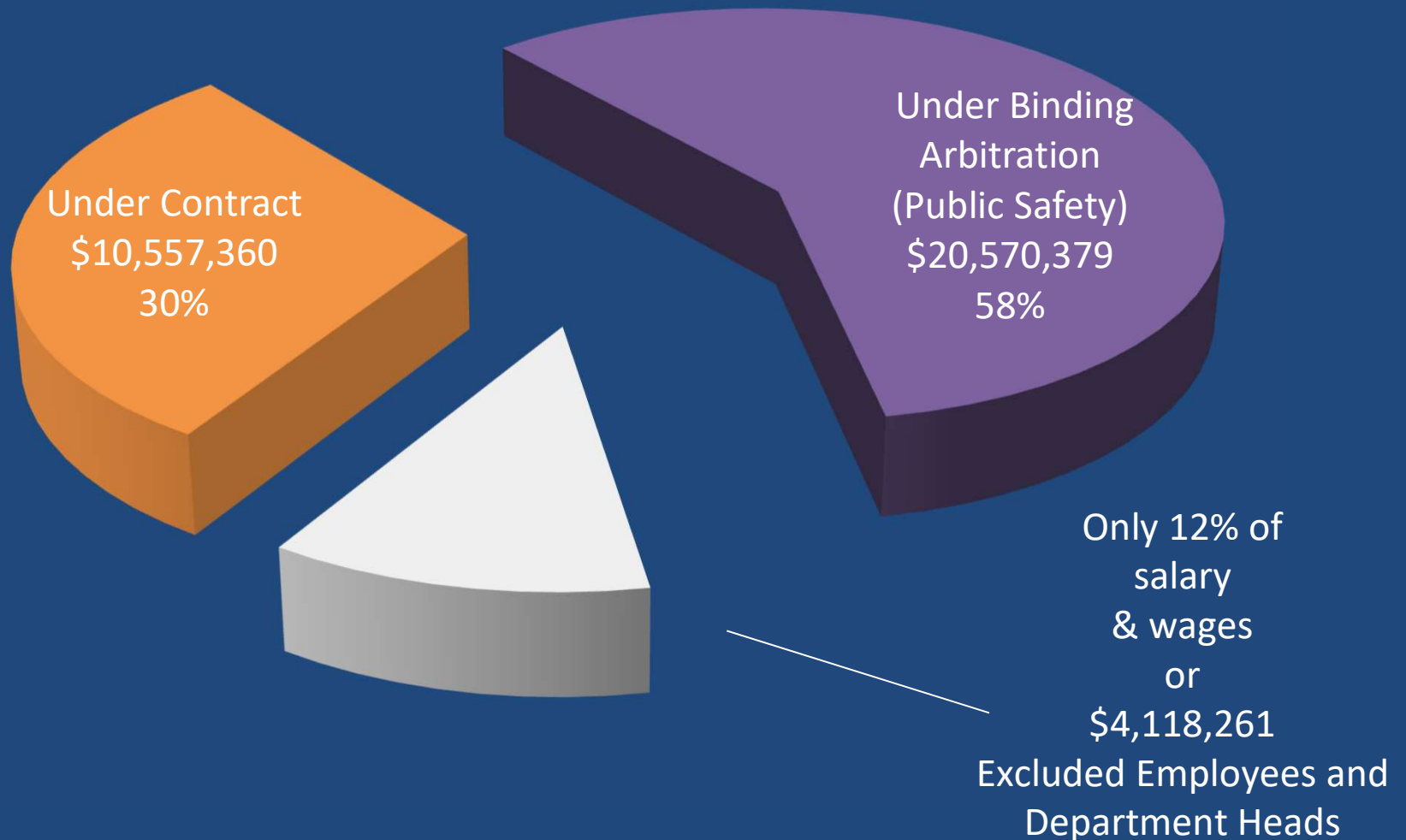


Proposed Salaries & Wages

Total: \$35,246,000.00



Salary & Wage Increases Required by Union Contract



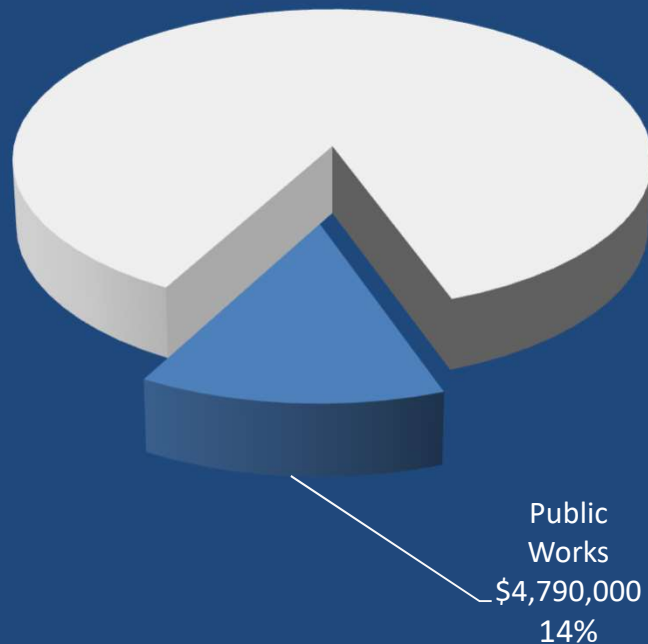
Total: \$35,246,000

Collective Bargaining Agreements

- Police SOA Exp. December 31, 2021
- PBA 215 Exp. December 31, 2021
- AFSCME Exp. December 31, 2021
- Library Exp. December 31, 2021
- DPW Supervisors Exp. December 31, 2020*
- DPW Non-Supervisors Exp. December 31, 2021
- PFOA Local 242 Exp. December 31, 2021
- FMBA Local 42 Exp. December 31, 2023

Salaries and Wages Summary and Recommendations

Department of Public Works (DPW)



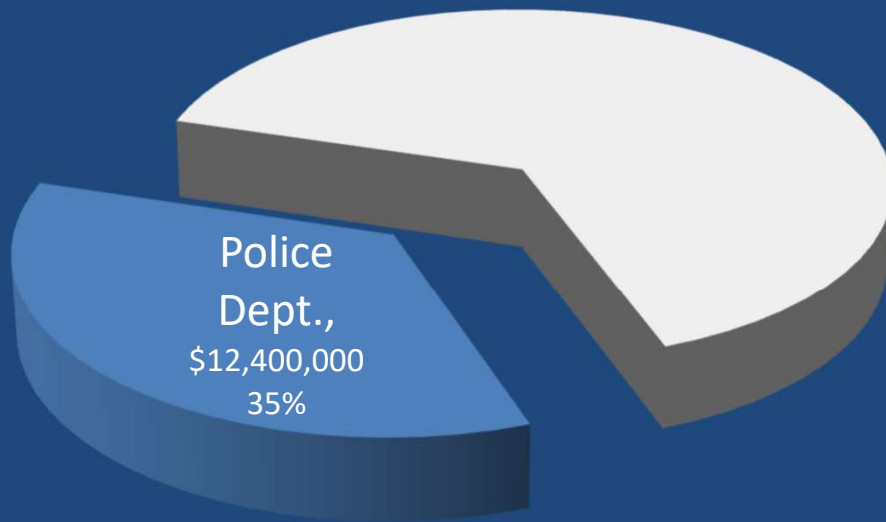
2021 Recommendations

- Fill (2) vacant laborer positions
- Fill (1) vacant position with a plumber
- Fill (1) vacant position with a carpenter
- Fill (1) vacant position with a tree climber

Salaries and Wages Summary and Recommendations

Police

2021 Recommendations



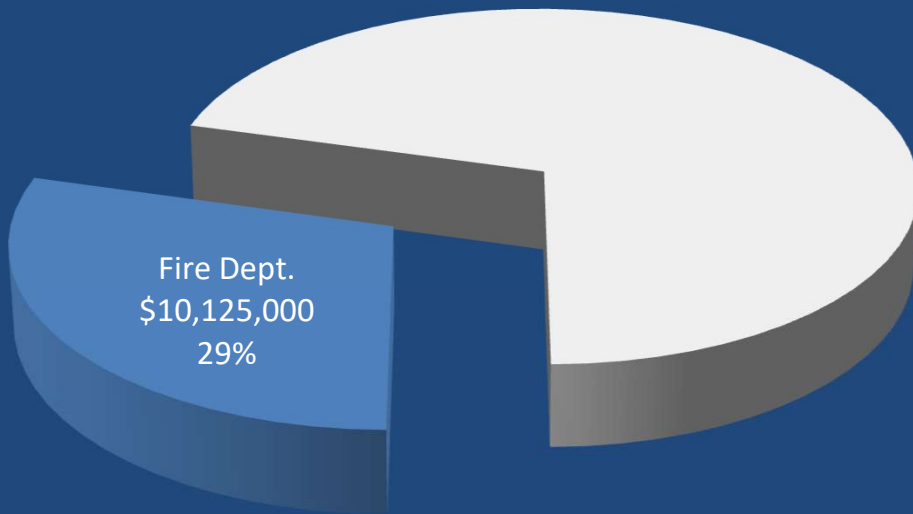
- Authorized strength via ord. (115) uniformed officers
- Current table of organization provides 97 sworn officers
- 5 positions to be filled on or after July 1st to bring table of organization to 95 sworn officers
- 2 officers retiring on 8/1 and will be replaced in January 2022

Salaries and Wages Summary and Recommendations

Fire

2021 Recommendations

- Authorized Strength of 92 uniformed Fire Fighters
- Current table of organization provides 91 fire fighters
- Current strength of 87 fire fighters with 2 positions to be filled on or after July 1st
- 2 fire fighters to be added in January 2022

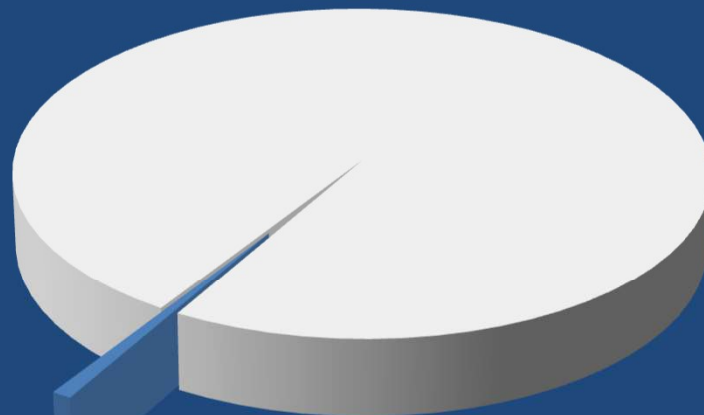


Salaries and Wages Summary and Recommendations

Finance Department

2021 Recommendations

- Convert Accountant position to Deputy CFO

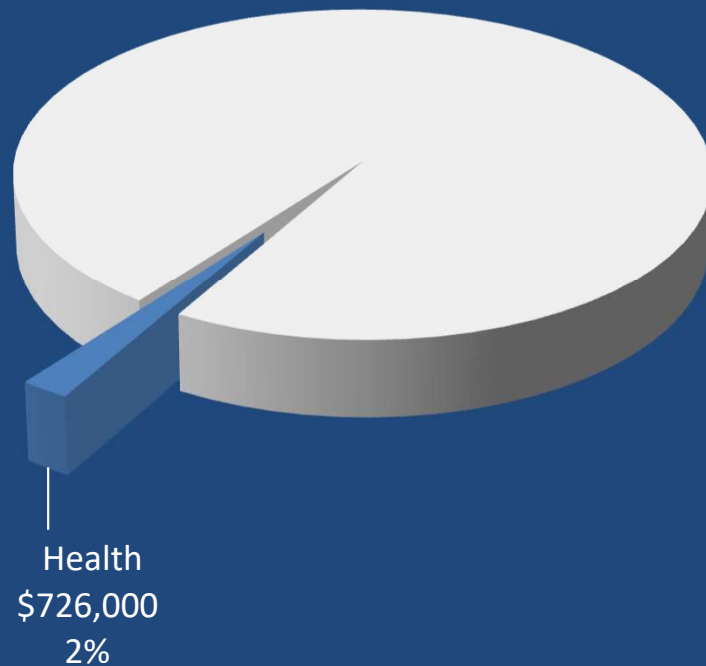


Finance
\$295,000
.08%

Salaries and Wages Summary and Recommendations

Health Department

2021 Recommendations

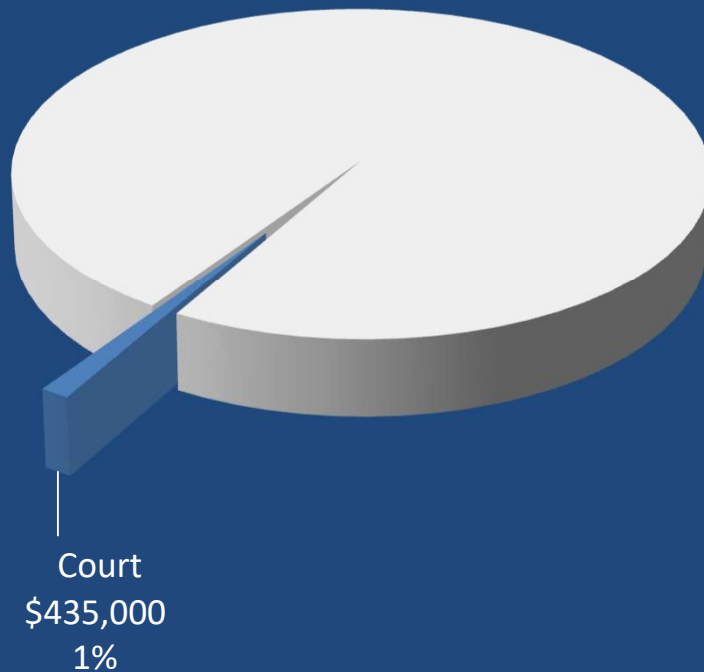


- Due to a retirement and resignation, will be filling Deputy Registrar and a Registered Environmental Health Specialist position on or after July 1st
- Fill Social Services Specialist position on or after July 1st to replace Vantage Social Services

Salaries and Wages Summary and Recommendations

Court Office

2021 Recommendations

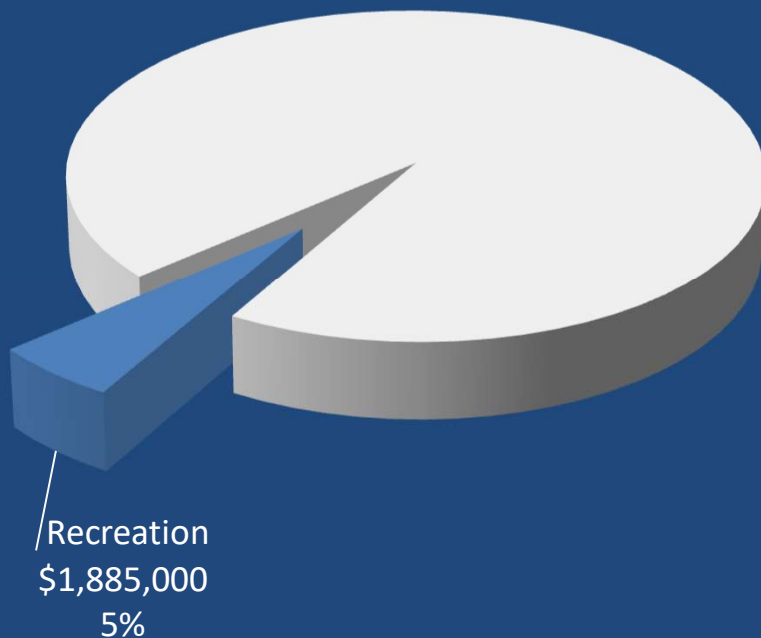


- Due to a resignation, we will be filling vacant Deputy Court Administrator position on or after July 1st

Salaries and Wages Summary and Recommendations

Recreation Department

2021 Recommendations



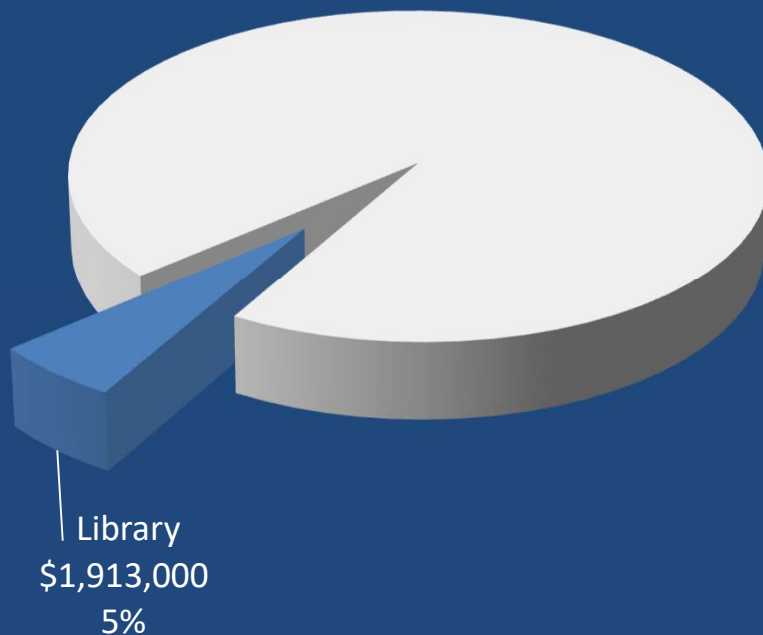
- Fill vacant full-time Senior Center attendant position on or after September 1st
- Position was approved in 2020 Budget

Salaries and Wages Summary and Recommendations

Public Library

2021 Recommendations

- Add Digital Librarian on or after September 1st



Salaries and Wages Summary and Recommendations

Terminal Leave Trust

- Continue to utilize 5-Year Special Emergency Financing to offset terminal leave payments in 2021

What are Special Emergency Appropriations?

Per N.J.S.A. 40A:4-53:

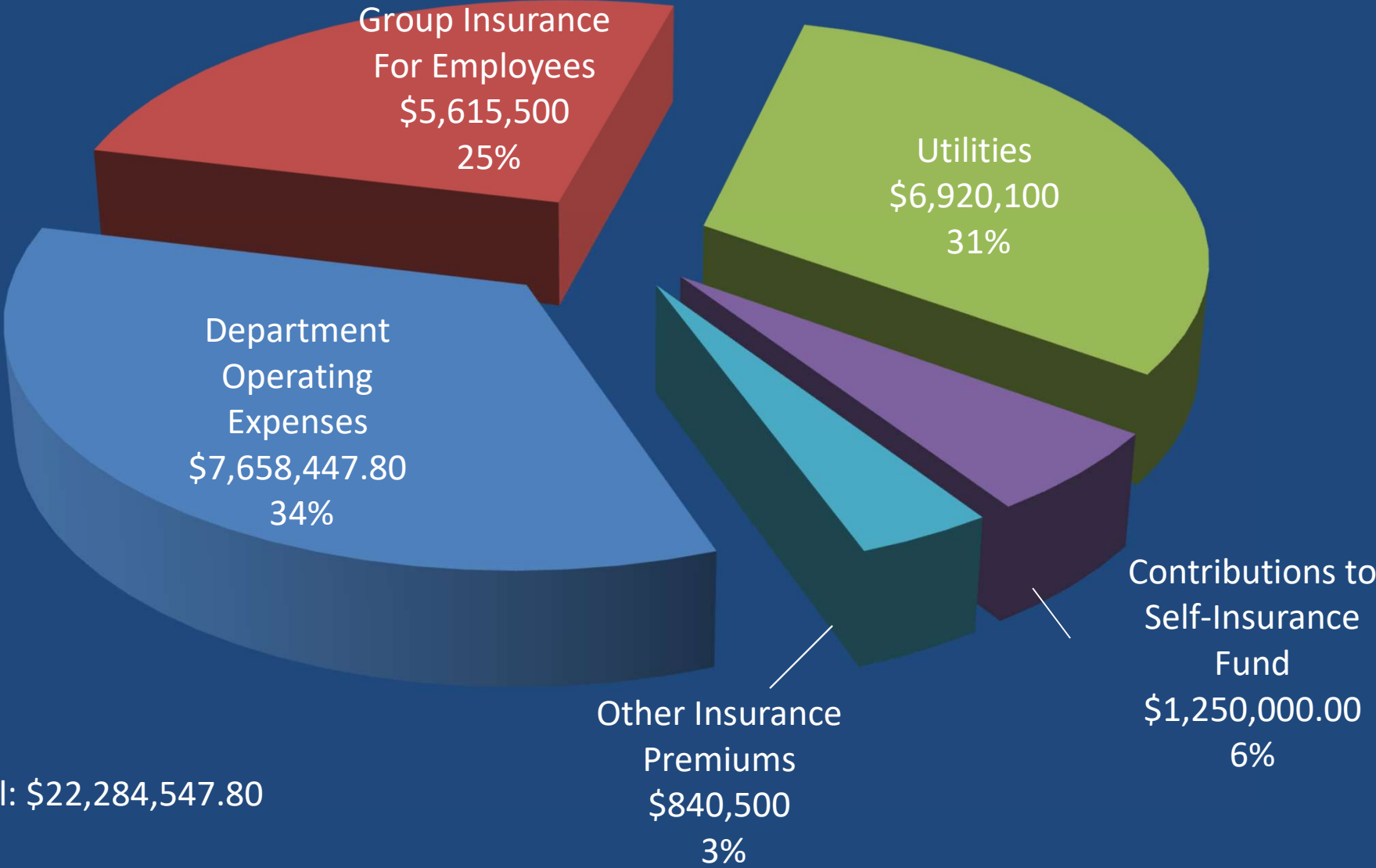
- Preparation of Tax Maps
- Revaluation
- Codification of Ordinances
- Preparation of Master Plan
- Drainage Maps/Flood Control
- Engineering/Planning of Sanitary Sewer System
- Municipal Consolidation
- Severance Liabilities (Terminal Leave)
- Preparation of Sanitary/Storm System Map
- Tax Appeal Refunds

Salaries and Wages Summary and Recommendations

Overtime

Dept.	2021	2020	Change %	Spent
Fire	\$500,000	\$500,000	0%	\$668,854.99
DPW	\$326,400	\$326,400	0%	\$273,303.67
Police	\$600,000	\$600,000	0%	\$794,766.03

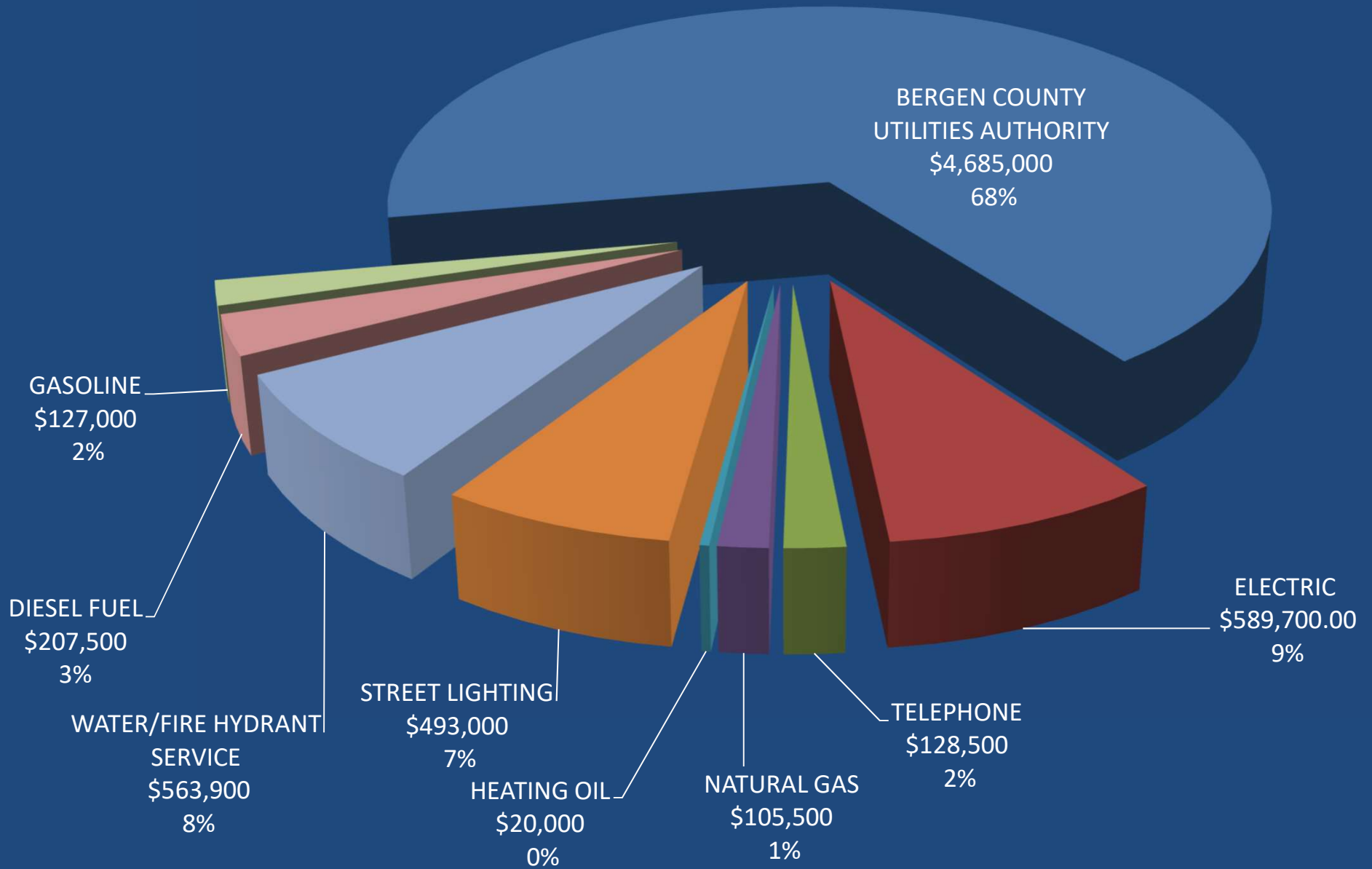
Appropriations Other Expenses



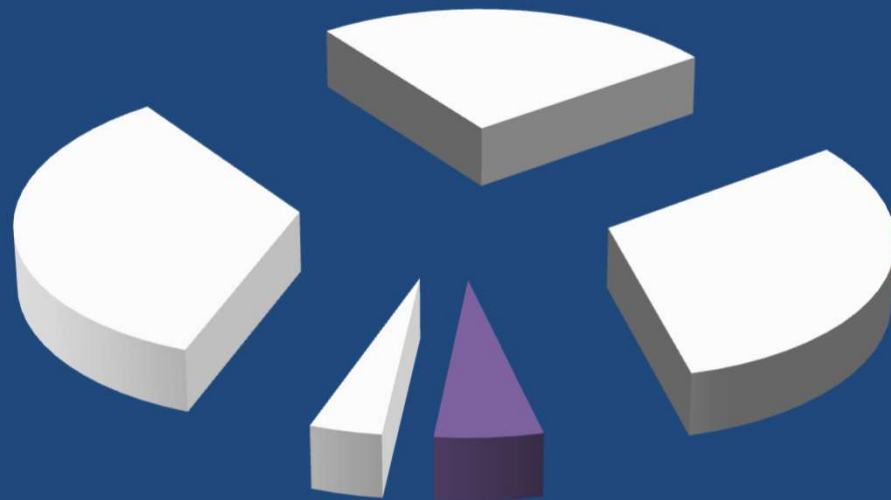
Total: \$22,284,547.80

Utilities

Total: \$6,920,100.00



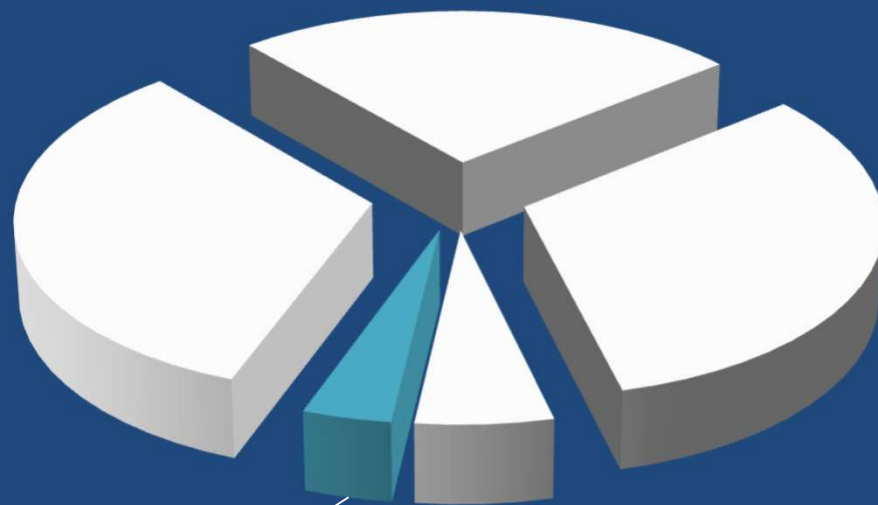
Contributions to Self-Insurance Fund



Contributions
to Self-
Insurance
Fund
\$1,250,000
6%

- Maintain 2020 Appropriation
- Title 59 Tort Claims
- Workman's Compensation Claims
- Proposed Settlements to be funded

Other Insurance Premiums

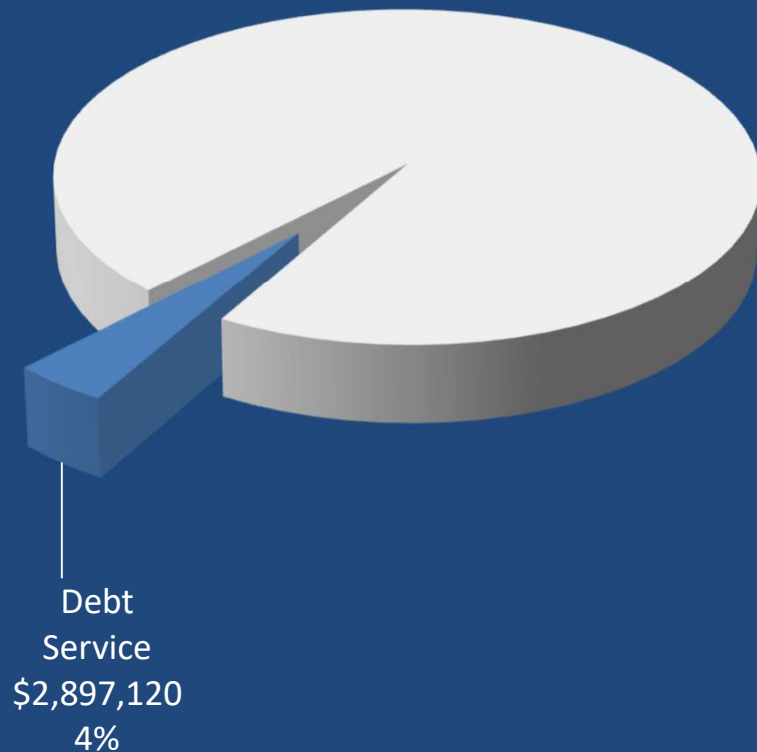


Other
Insurance
Premiums
\$840,500
4%

- PEJIF Premium Increase (\$31,000)
- Auto Liability and collision
- Employment Practices
- Public Officials
- Facilities

Debt Service

Debt Service

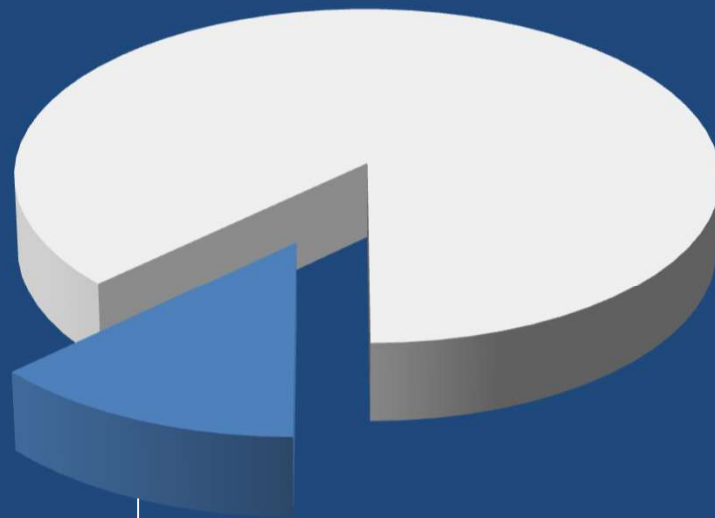


Highlights

- 2020 Bond Sale financed \$13,280,000 at 1.343 % fixed for life of loan (13 years)
- Slight reduction in line item due to payoff in Debt Service

Statutory Expenditures

Statutory Expenditures



Major Adjustments

- PFRS increased \$555,000 (9%)
- PERS increased \$115,000 (8%)
- DCRP increased \$20,000 (100%)
- Total line item increased \$690,000 or 7.9%
- Increases due to new increased life expectancy projections and drop in long term investments by pension funds

Capital Improvement Fund

Total Cost of Improvements

\$4,930,000

Capital Improvement Fund

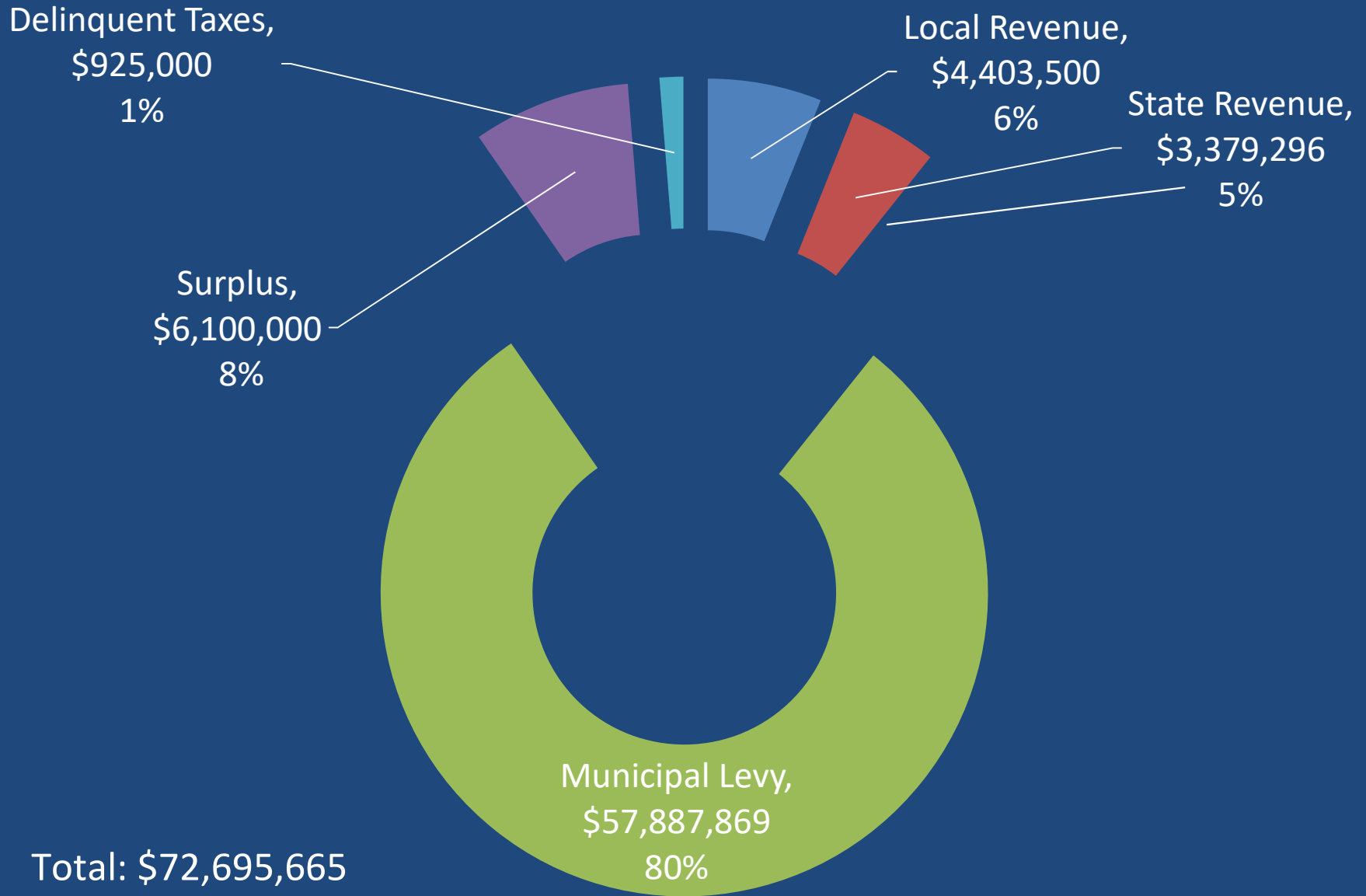
\$255,000

(5% Down payment)

Capital Improvement Fund Review

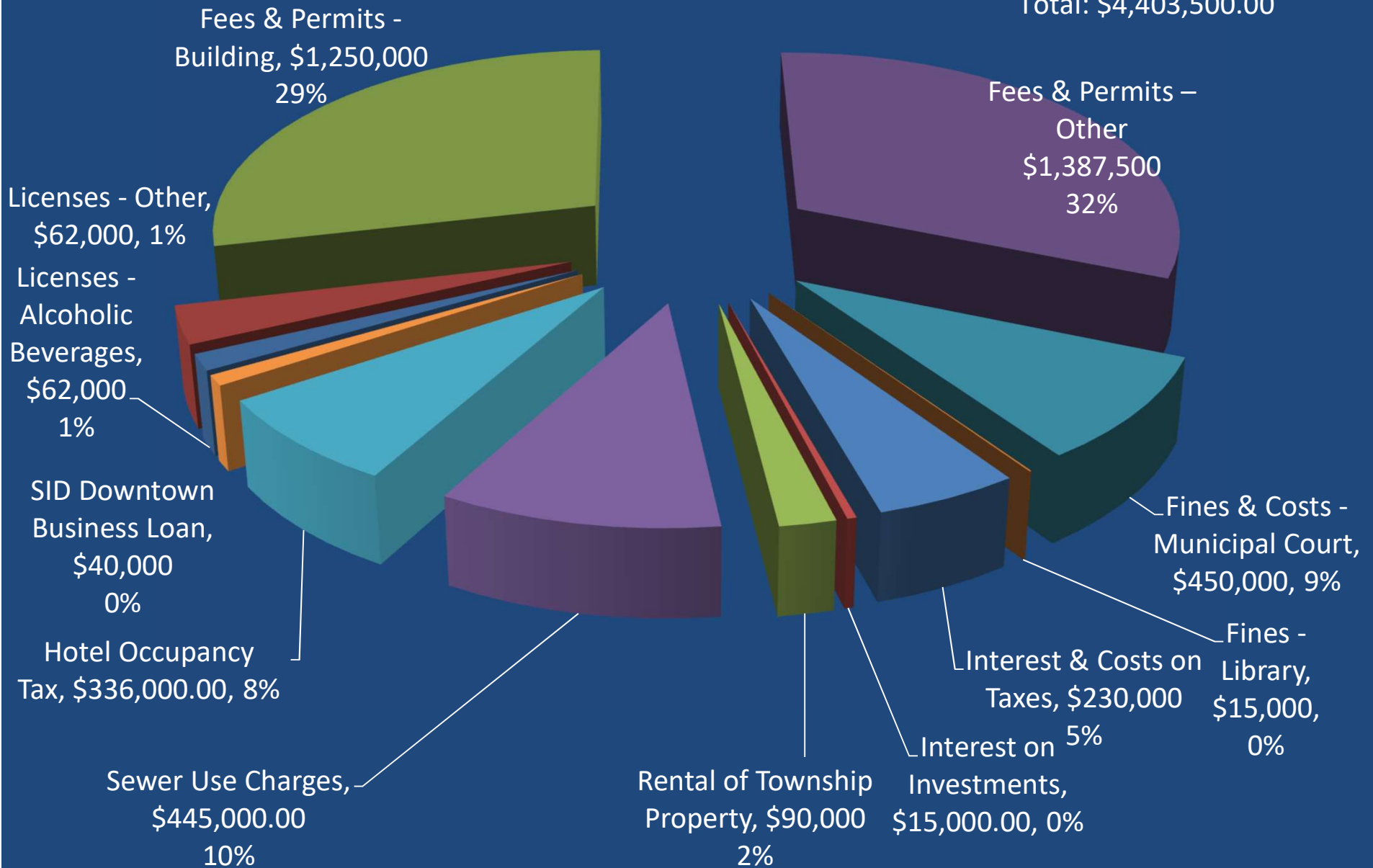
March 25, 2021

Estimated Revenue



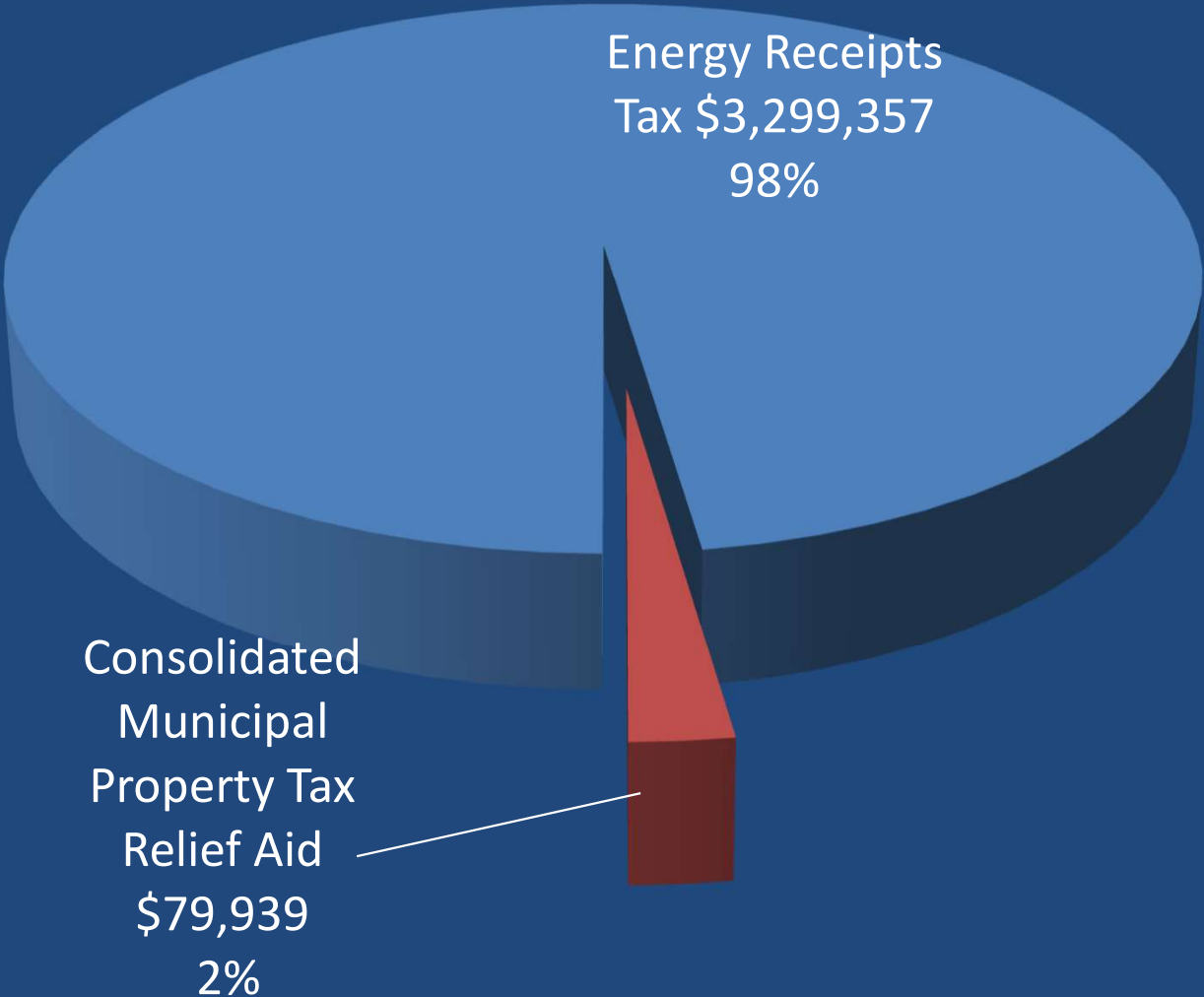
Estimated Local Revenue

Total: \$4,403,500.00



Estimated State Revenue

Total: \$3,379,296.00

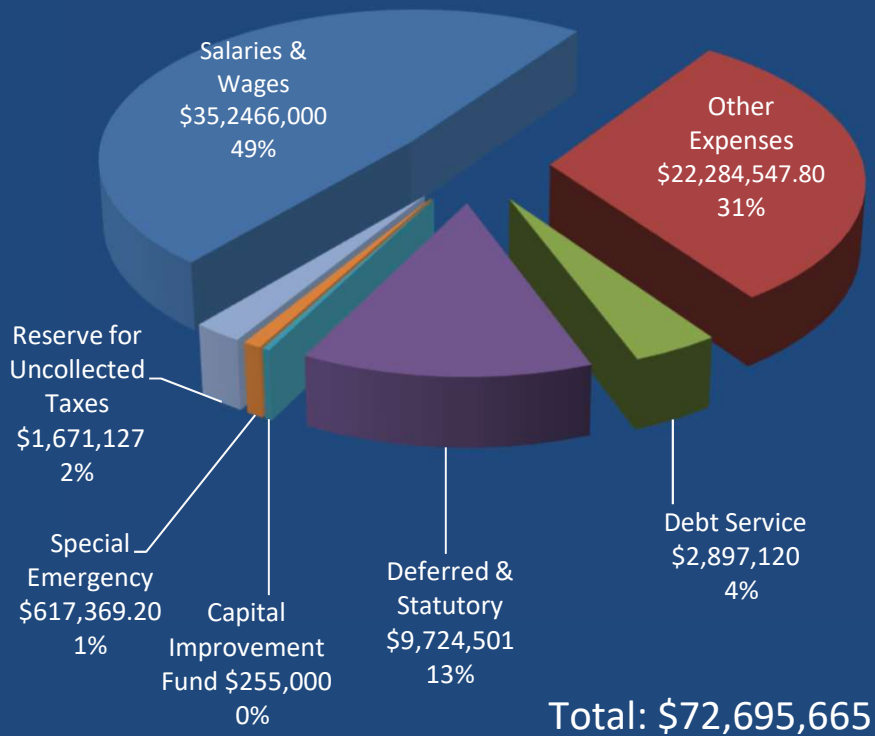


Factors Potentially Impacting Budget

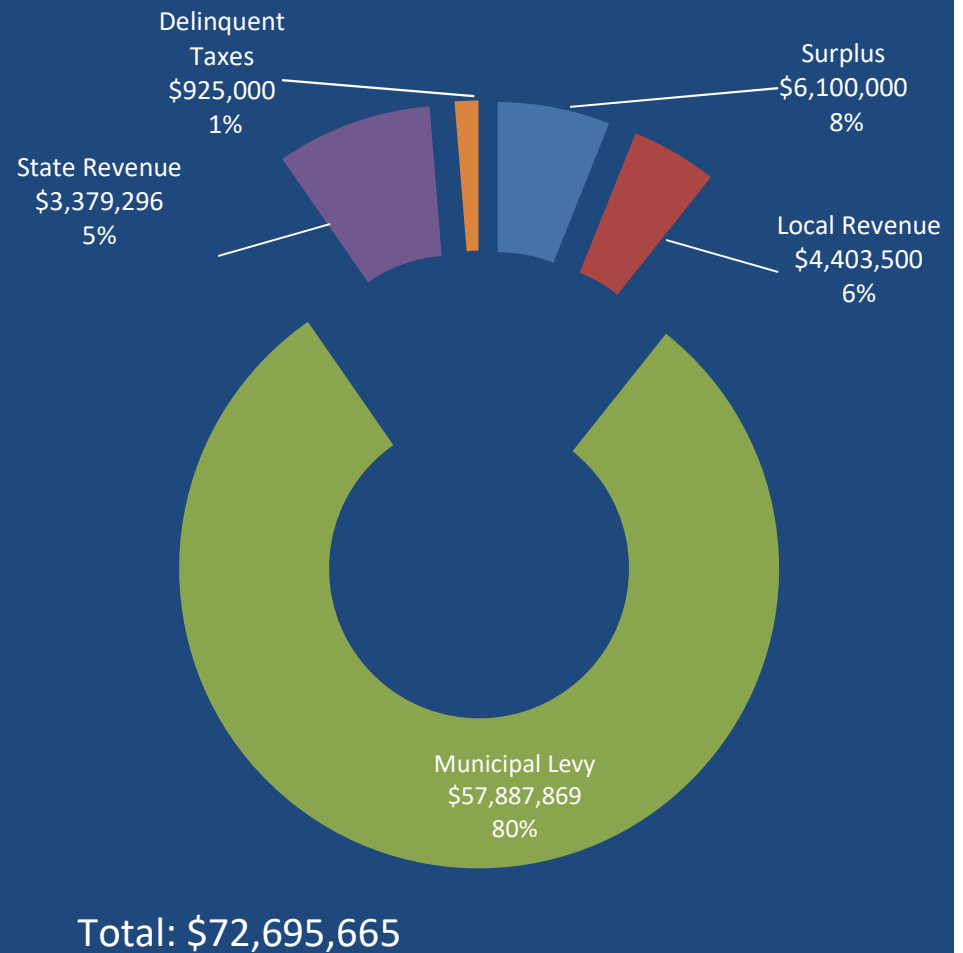
- Special Emergencies – (Terminal Leave Payouts, Tax Map, Code Recodification)
- Glenpointe Tax Appeal Settlement
- Holy Name Medical Center Tax Appeal
- Impact of tax appeals (State/County)
- Interest rates/Bond Rating
- Flat state aid
- Labor contract negotiations (6 contracts expiring 12/31/21)
- Pension Contribution Increases
- New Parking Meter Program
- Credit Card Acceptance through awarding of new Banking Institutions
- Workman's Compensation/Settlement Claims
- Slight increase in Joint Insurance Fund Costs

Budget Wrap - Up

Appropriations



Revenue



Strategies

Short & Long Term

- Credit Card Acceptance for Court and other departments
- Migrate funds to newly contracted banking institutions
- Cost Containment (discretionary spending freeze enacted for 2021)
- Merge Fire Dispatch with City of Hackensack (in progress)
- Sale/development of selected municipally owned property
- Enhance ratables through business attraction and development
- Outsourcing of School Crossing Guards
- Improved Infrastructure to attract economic development
- Redevelopment of Alfred Avenue
- Debt Management Plan
- Pedestrian Safety Measures

Upcoming Budget Meeting Tentative Agenda

Thursday, March 18, 2021

- Review - Police Department Budget
- Review – Fire Department Budget
- Review – Public Works Budget
- Review - Various Budget Accounts

Upcoming Budget Meeting Tentative Agenda

Thursday, March 25, 2021

- Review - Recreation Department Budget
- Review – Library Budget
- Review – Legal Budget
- Review - Capital Budget
- Review – Manager/Council/Clerk
- Review - Various Budget Accounts

Thank you!

