

**Township Manager's
Proposed 2024
Municipal Budget
Dean B. Kazinci
Township Manager**

Proposed 2024 Municipal Budget

Budget Preparation Process

1. Department Head Requests (September 2023)
2. Manager/CFO Review (October 2023)
3. Manager/CFO/Department Head Public Hearings
Conducted November 6, 7, 8, 2023
4. Public Input at Council Meeting (2/13, 2/27)
5. Manager/CFO/Auditor budget review
6. Annual Debt Statement Due 1/31

Proposed 2024 Municipal Budget

Budget Preparation Process

6. Annual Financial Statement Due 3/8
7. Manager's Budget to Council rev. statutory 2/27 or next regularly scheduled meeting (3/14)
8. Council review and public hearings (3/21, 3/28)
9. Council introduction of budget by revised statutory date of 3/31 or next meeting (4/2)
10. Hearing and adoption of budget by revised statutory date of 4/28 or next meeting (5/7)

Assumptions

2024 Budget is dependent upon:

- Council determination of 2024 Municipal Budget Appropriations
- Fund Balance (Surplus) available for 2024
- 2023 Municipal Revenues' Analysis and 2024 Revenue Anticipations
- State Aid allocations for 2024
- Special Emergency Financing for Terminal Leave

Appropriation vs. Revenues vs. Rate

- Appropriations – what the municipality intends to spend on operational costs
- 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 – 2024 NVT \$8,472,525,800.00)
- Simply stated, the tax rate is a percentage of your property value that you are taxed on

2023 Revaluation

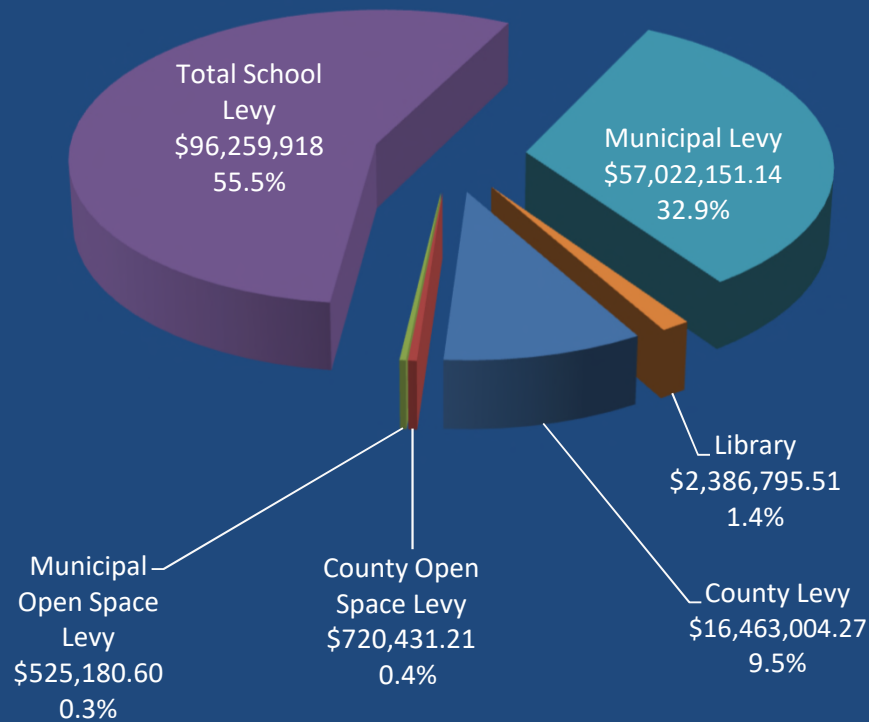
- Ordered by County Board of Taxation in 2022
- Revaluation – conducted by Appraisal Systems Inc.
- All property assessments re-valued to become inline with current market conditions
- Role of Appraisal Systems is strictly to value properties according to market value and has no bearing on municipal budget

	2023	2024	Variance (\$)	Variance (%)
Avg Home Value	\$390,792.13	\$629,779.91	\$238,987.78	61.2%
1 Tax Point	\$525,180.60	\$847,252.58	\$322,071.98	61.3%

2023 Tax Breakdown

Tax Breakdown

**Total Property Taxes:
\$173,377,480.73**



- Proposed budget refers to municipal portion of taxes only
- Board of Education & County Taxes Separate from Municipal Portion
- 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. 33% (2023) 80 Years!

Known Impacts on 2024 Budget

- Reduction of available revenue from American Rescue Plan (ARP) to utilize in budget – (\$1,158,234.02)
- Filling of open positions in Police and Fire Department to meet Authorized Strength per Table of Organization
- Increase in Contractual Obligations to Employees
- Increased Health Insurance Budget based on 2023 Actuals
- Increased operations budgets (DPW Disposal Costs, Crossing Guards)
- Increases to costs of goods sold and services

Known Impacts on 2024 Budget

- Increase of \$4,368,226.59 in expenses beyond the Township's Control

Category	Increase (\$)	Increase (%)
Health Insurance	\$1,340,000	22.6%
Salary & Wages	\$1,036,401	2.8%
Department Exp.	\$569,909	23.1%
Debt Service	\$578,208	13%
Deferred Charges	\$433,000	26.98%
Pension	\$183,851.59	1.8%
BCUA	\$177,000	4%

Known Impacts on 2024 Budget

- Less One-Time Revenues of \$600,000

Category	Decrease (\$)
Res. For Payment of Debt	\$100,000
DPW Grant	\$500,000

- Total of \$4,968,226.59 of increases to 2024 Municipal Budget
- Inflation – 3.2% as of February 2024

Proposed 2024 Municipal Budget

Proposed modified tax rate increase is 6.99%

Estimated annual tax increase:

Average home assessed at \$629,779.91

Increase in Taxes

Per year: \$435.50

Per month: \$36.29

Tax Levy = Budget Appropriations Minus Revenues

Appropriations Cap Issue in 2024 If Cap Bank Ordinance Is
Not Adopted

No Foreseen Tax Levy Cap Issue

Budget to be reviewed by Auditor

Appropriations Cap vs. Levy Cap

Appropriations Cap

- Enacted 1977
- Originally capped budget appropriations increases at cost of living (COLA)
- Maximum COLA Adjustment is 3.5% and Requires Adoption of Cap Bank Ordinance
- Ordinance allows Township to “bank” a cushion if needed for future unanticipated expenditures above appropriations cap

Levy Cap

- Enacted 2007
- Amended in 2010 to 2% and modified exclusions

2024 Local Finance Board Action

- Local Finance Board issued Local Finance Notice 2024-03 on February 23, 2024 that allowed for the following appropriation increases in excess of 3.5% for 2024 budget:
 - Garbage and Trash Removal and Disposal
 - Recycling
 - PERS and PFRS employer contributions
 - Gasoline and Diesel Fuel
 - Worker's Compensation Insurance
 - Not allowed to use same exception used for 2023
(No Exception Used in 2023)

Importance of Appropriations Cap Banking

- The “Cap Bank” Ordinance has two purposes:
 - Allows the Township to budget up to the permitted amount, if needed
 - Allows the Township to carry over unused amounts from the last two prior years
- Adopting the Cap Bank Ordinance does NOT add funds to the budget and the budget can always be reduced by council prior to budget adoption regardless of the Cap Bank Ordinance
- If not adopted, the Township may be required to reduce services in the current year or a future year based upon the Cap Calculation
- Passing the Cap Bank Ordinance provides the Township with budgeting options in the current year and in future years
- The Cap Bank Ordinance needs to be introduced at Budget Introduction

How We Arrived at 6.99% Tax Rate Increase

- Original increase was 9.97%
- Increased costs beyond our control \$4,368,226.59
- Reduction in one-time Revenues (-\$600,000)
- No new hires budgeted for 2024 across all departments
- Switch back to State Health Benefits Plan on July 1st as private self-insured plan cost annualized was higher due to claims experience

How We Arrived at 6.99% Tax Rate Increase

- Reduced operating budget by \$2,000,000
- Decrease in surplus utilization by \$1,715,641
- Surplus is built two ways:
 - Not spending complete appropriations
 - Realizing higher revenues than anticipated
- Will utilize Special Emergency Financing for Terminal Leave in 2024

How We Arrived at 6.99% Tax Rate Increase

- Increased costs beyond our control \$4,368,226.59
- Reduced Capital Budget from to \$13.5M to \$8.4M
- Hiring Freeze/Delayed Hiring
- Ballfield Maintenance moved from DPW Operations to MOST
- Moved Capital Expenses to Forfeiture Funds (Police)

Future Impact on 2025 Budget

- Terminal Leave may need to be budgeted for in 2025 (+\$750,000)
- Added Special Emergencies
 - Terminal Leave 2024 Estimated (+\$240,000)
- Inflation/State of Economy/Cost of Goods
- Increased Capital Budget to fund projects
- Increased hires assuming retirements in Police and Fire Departments

Future Impact on 2025 Budget

- 2025 Health Benefit Premiums
- 2025 Pension Contributions
- No ARP Funds as Revenue Utilization (-\$950,000)
- Potential Increase in BCUA bill
- New DPW Facility Expenses
- Reduced Capital Surplus (-\$200,000)
- Contractual Increases

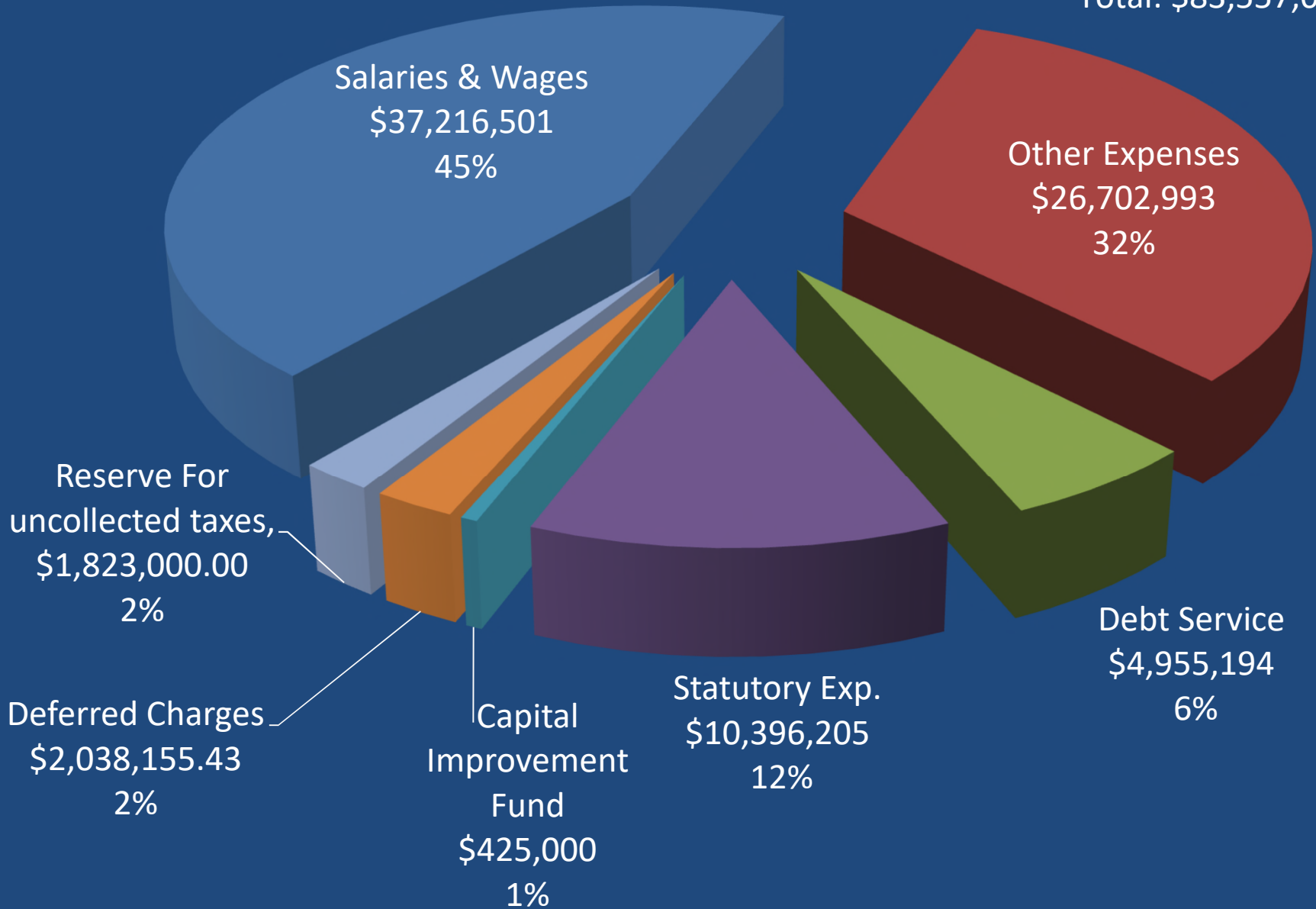
Amount Needed to Reduce Budget

Rate Increase (%)	\$ Needed	Increase to Avg. House/Year
6.49%	\$424,000	\$403.91
5.99%	\$848,000	\$372.47
5.49%	\$1,272,000	\$340.95
4.99%	\$1,696,000	\$309.44

2024 Proposed Budget

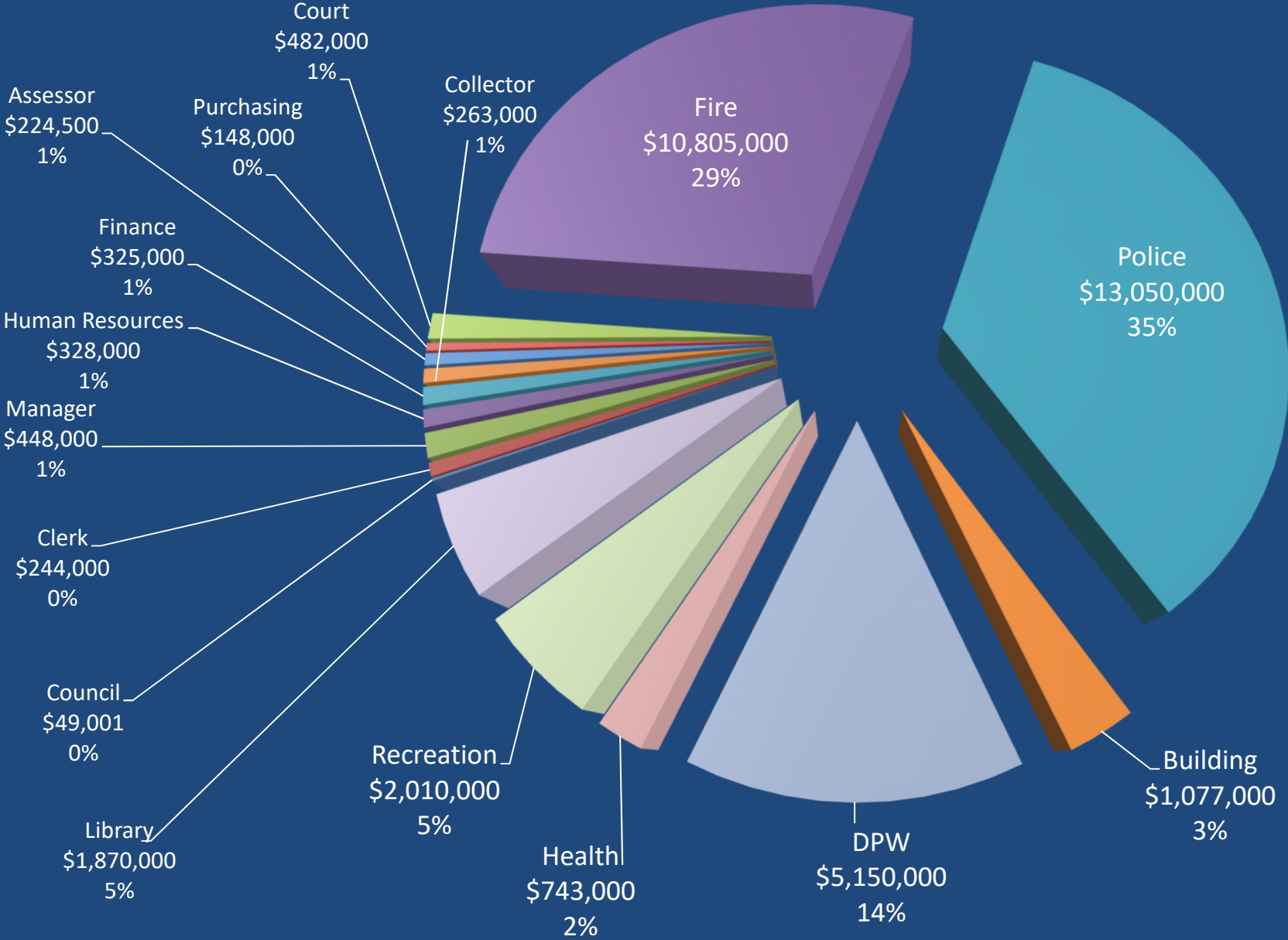
Budget Appropriation Categories

Total: \$83,557,048.43

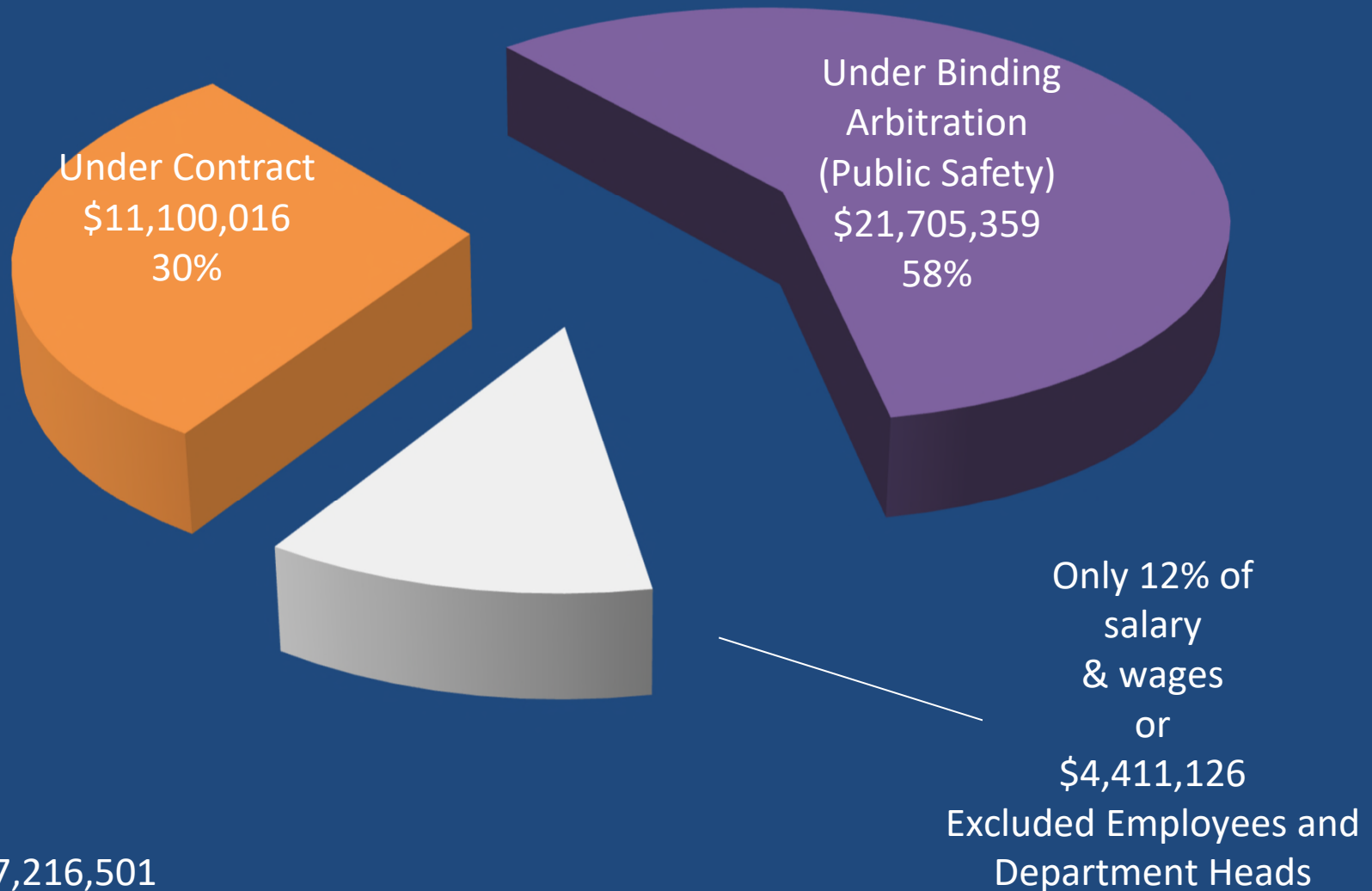


Total: \$37,216,501

Proposed Salaries & Wages



Salary & Wage Increases Required by Union Contract



Total: \$37,216,501

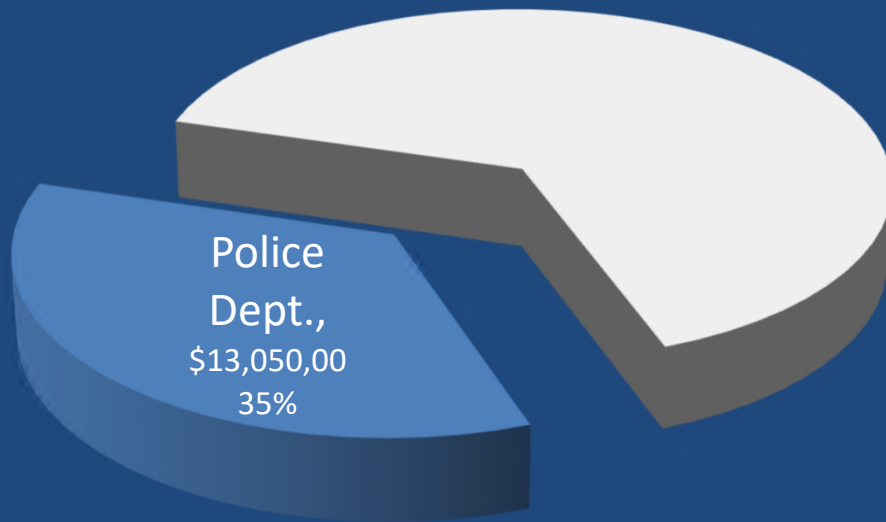
Collective Bargaining Agreements

- DPW Supervisors Exp. December 31, 2024
- Library Exp. December 31, 2025
- Police SOA Exp. December 31, 2026
- PBA 215 Exp. December 31, 2026
- AFSCME Exp. December 31, 2026
- DPW Non-Supervisors Exp. December 31, 2026
- PFOA Local 242 Exp. December 31, 2026
- FMBA Local 42 Exp. December 31, 2027

Salaries and Wages Summary and Recommendations

Police

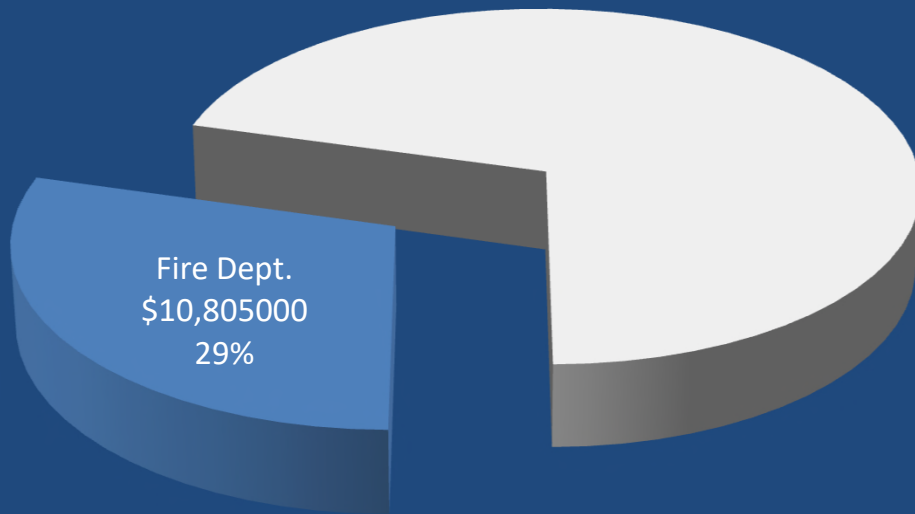
2024 Recommendations



- Current table of organization provides 97 sworn officers with 94 current officers
- No current planned retirements
- Removed P/T Park Rangers beginning July 1st (SLEO 1)

Salaries and Wages Summary and Recommendations

Fire



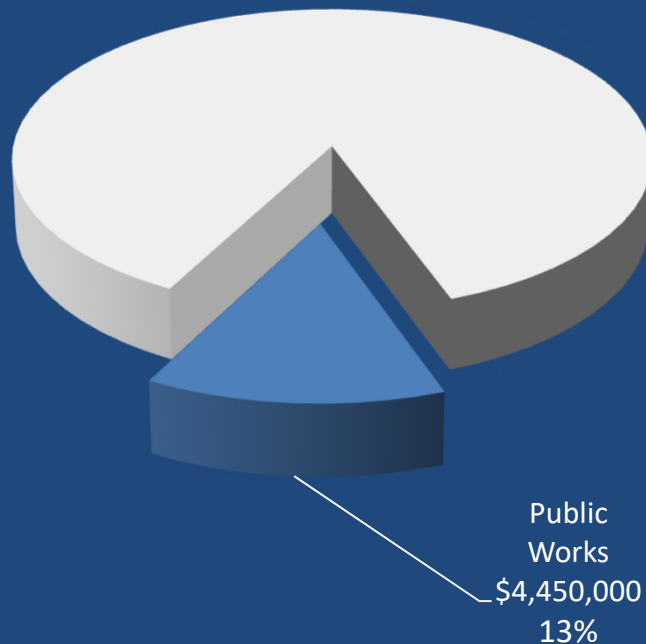
2024 Recommendations

- Current table of organization provides 91 fire fighters
- Current Staffing of 87 Fire Fighters
- 1 Retirement as of July 1st
- Shared Service/Automatic Aid for Dispatch slated to begin on July 1st
- One (1) new hire as of May 1st

Salaries and Wages Summary and Recommendations

Department of Public Works (DPW)

2024 Recommendations



- One (1) vacant Laborer Position
- Field Maintenance to be awarded to vendor at March 19th Meeting

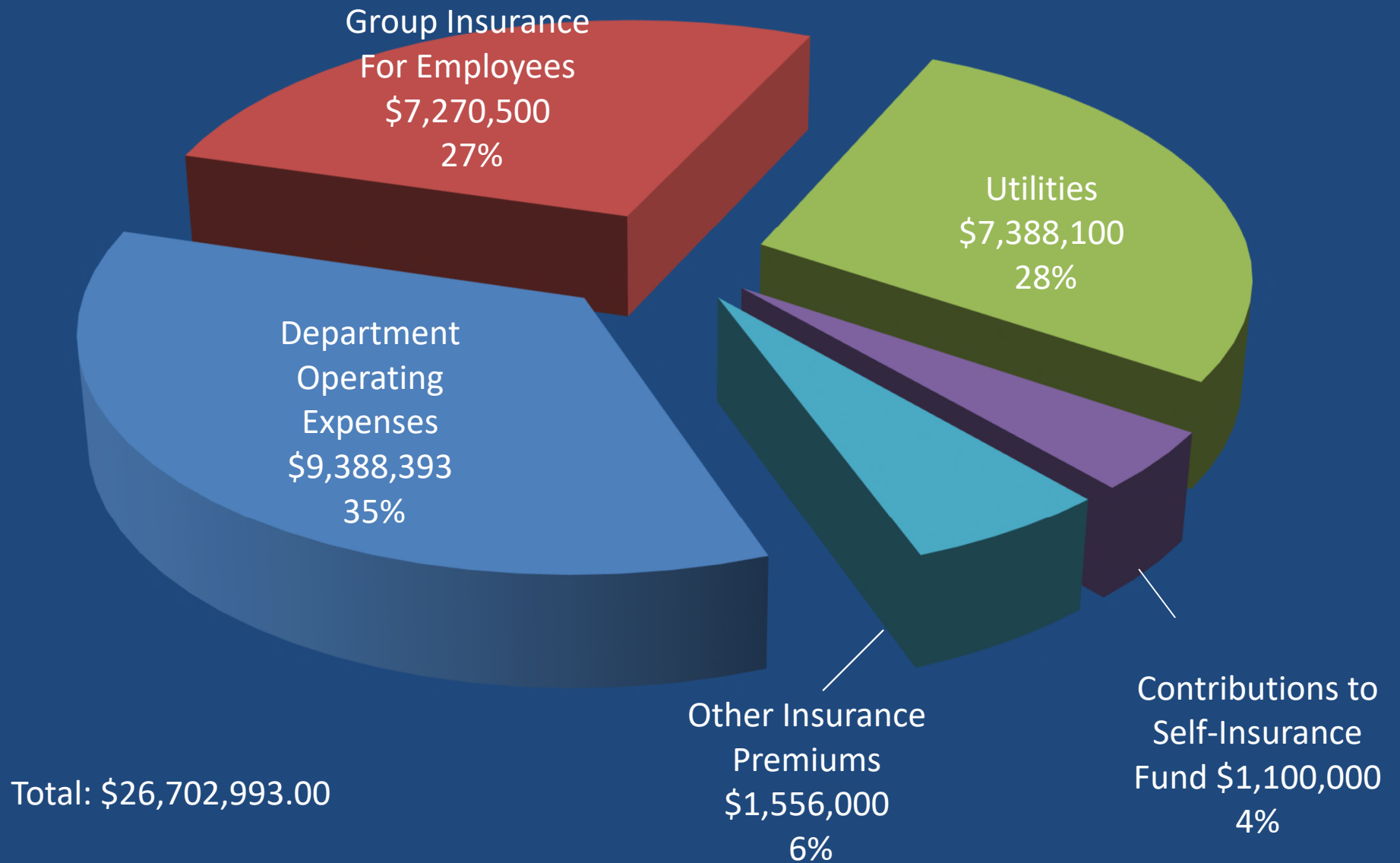
Salaries and Wages Summary and Recommendations

Overtime

Dept.	2024	2023	Change %	Spent
Fire	\$500,000	\$500,000	0%	\$656,858.61
DPW	\$326,400	\$326,400	0%	\$328,343.43
Police	\$600,000	\$600,000	0%	\$696,445.55

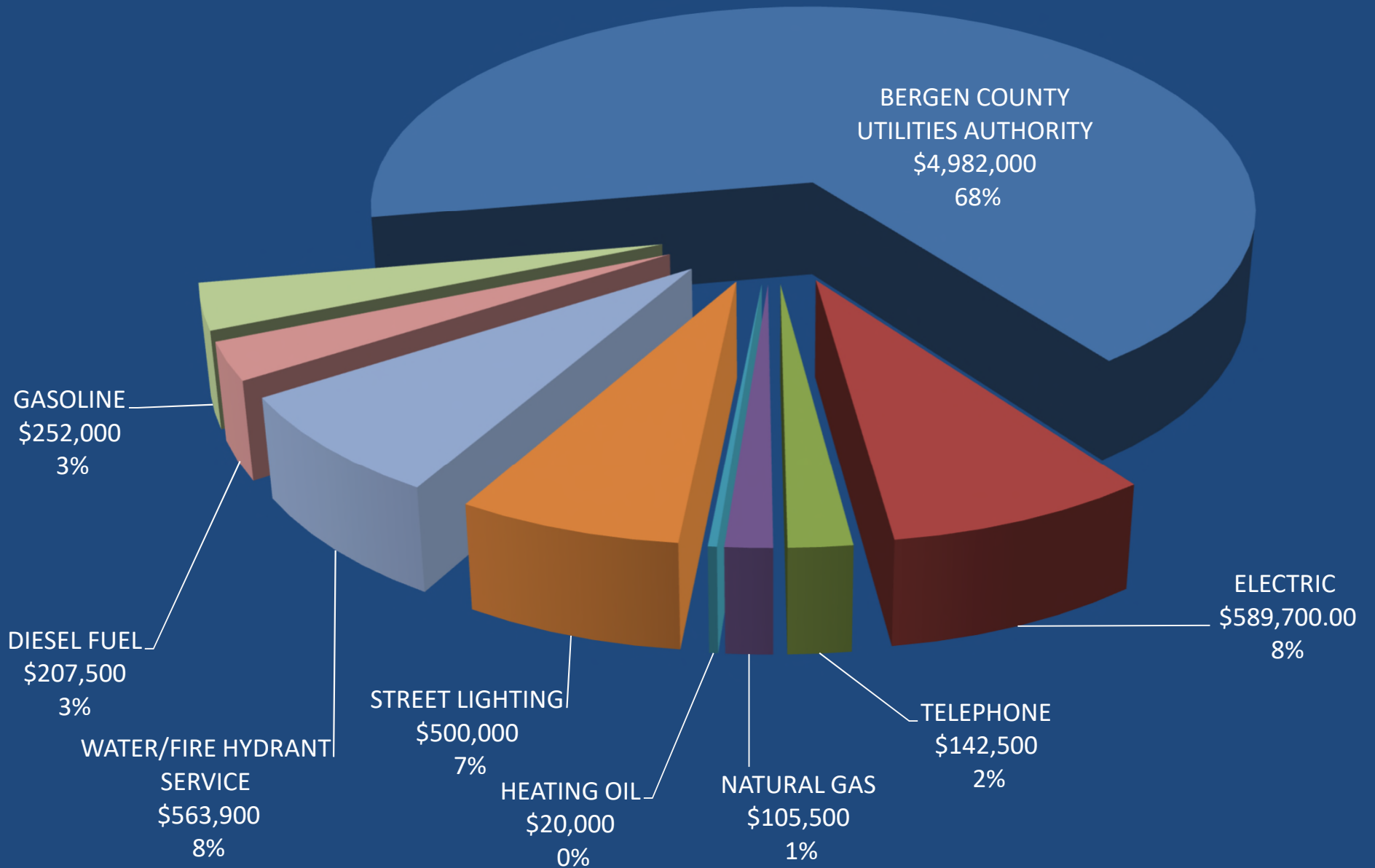
*Police and Fire OT unchanged since 2017 and has not been indexed for inflation

Appropriations Other Expenses



Utilities

Total: \$7,363,100



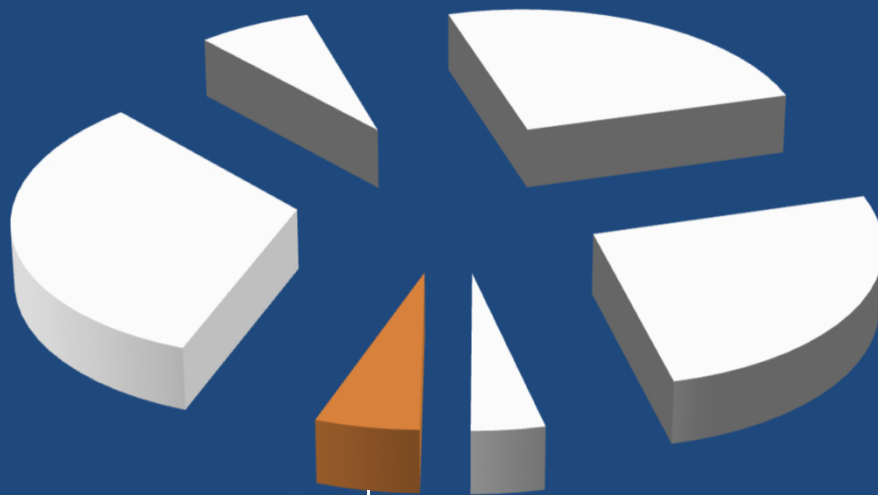
What are Special Emergency Appropriations?

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 (Appraisal Systems to handle for 2024, 2025 Appeals per Contract)

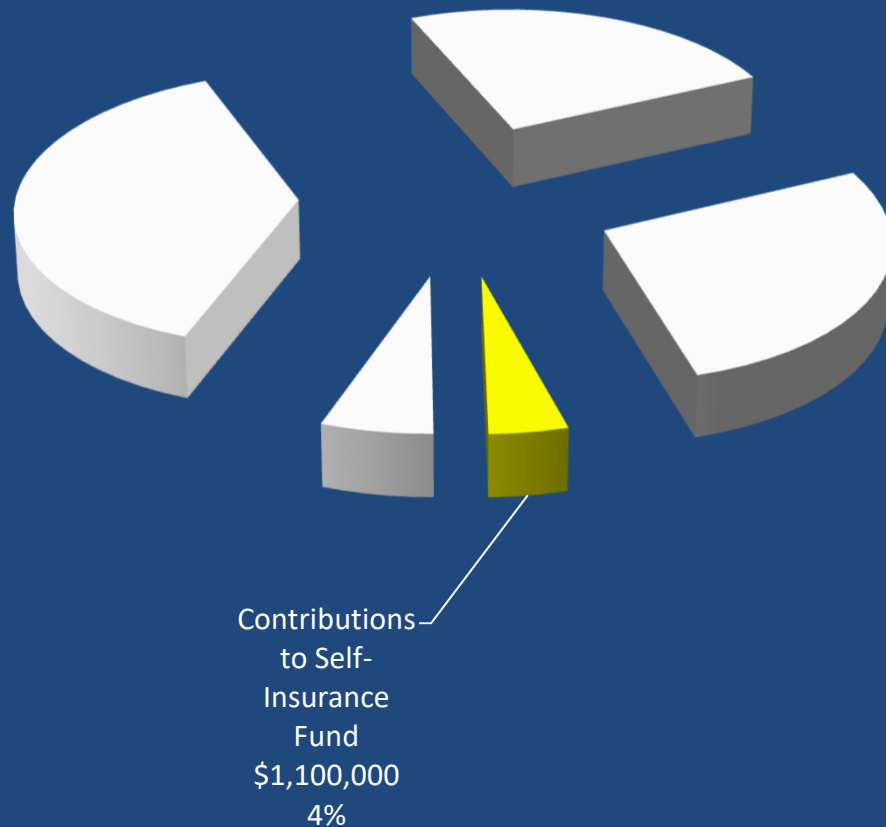
Deferred Charges

- Utilize Special Emergency for 2024 Terminal Leave
- Revaluation Special Emergency included in 2024 budget
- Includes prior Terminal Leave Special Emergencies (2019-2022) and COVID-19 Pandemic Special Emergency



Deferred
Charges
\$2,038,155.43
8%

Contributions to Self-Insurance Fund



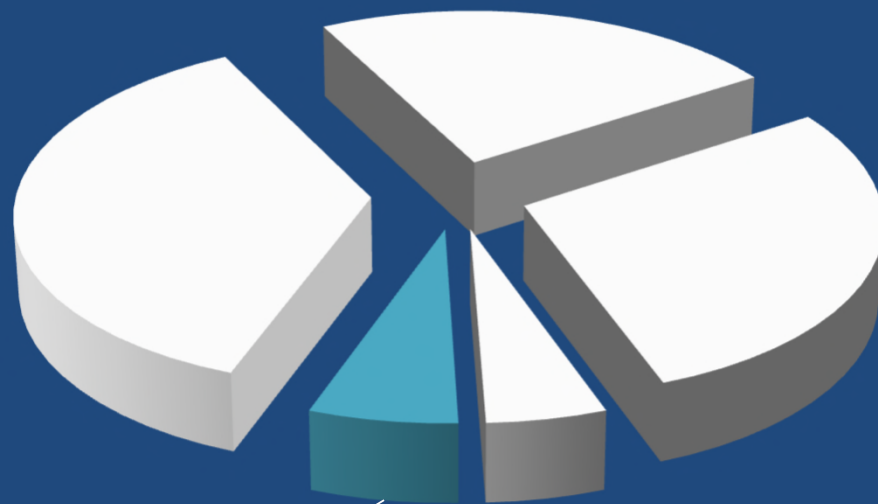
- Decrease to 2023 Appropriation (-\$150,000)
- Decrease through aggressive subrogation efforts
- Workman's Compensation and Title 59 Tort Claims Coverage (i.e. Slip & Falls)
- Proposed Settlements to be funded

Other Insurance Premiums

- PEJIF Premium Increase (\$9,500)

Coverage includes:

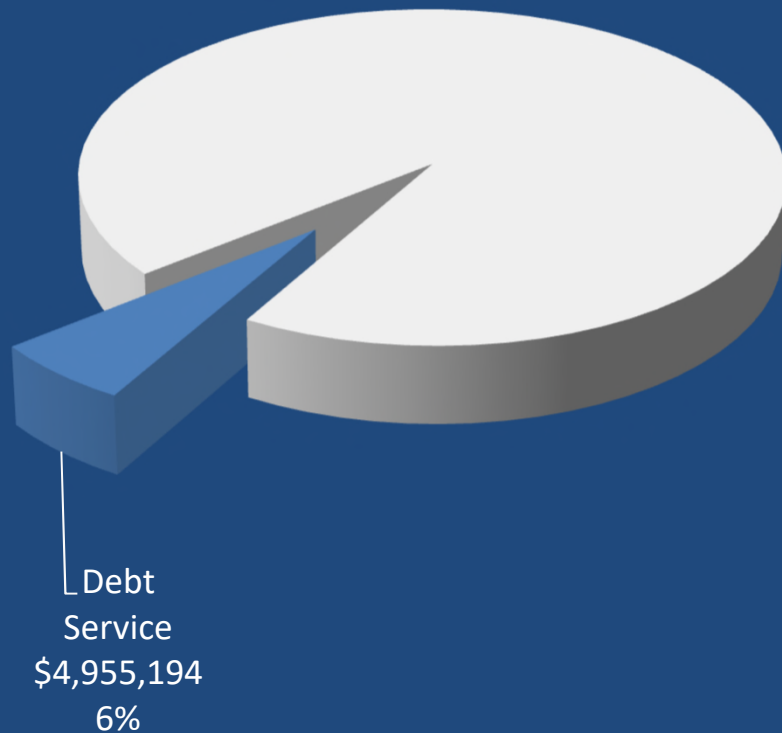
- Auto Liability and collision
- Employment Practices
- Public Officials
- Facilities
- Cybersecurity
- General Litigation/Claims



Other
Insurance
Premiums
\$1,546,500
6%

Debt Service

Debt Service

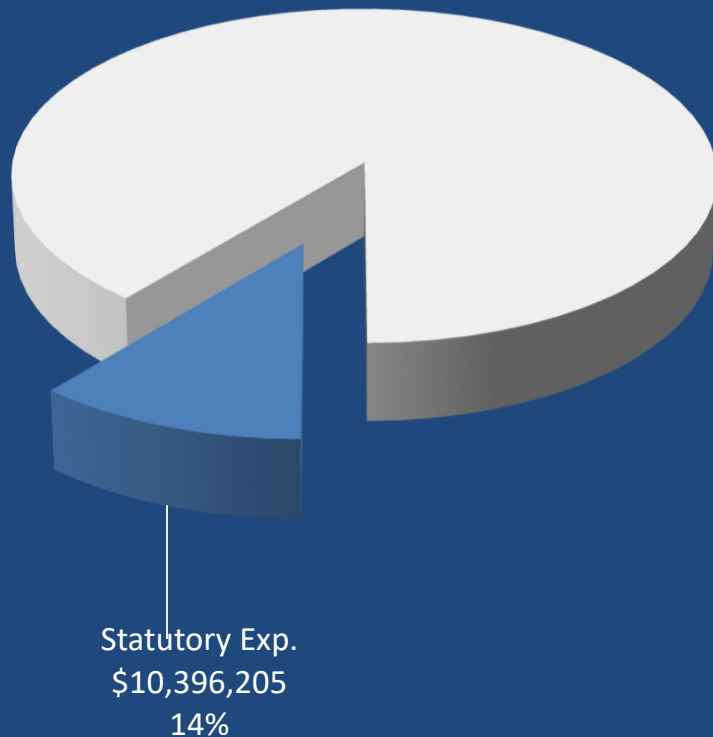


Highlights

- Increased Bond Principal and Bond Interest due to 2023 Bond Sale
- Total line item increased \$578,208 or 13.21% in 2024 budget

Statutory Expenditures

Statutory Expenditures



Major Adjustments

- PFRS increased \$82,518.59 (1.16%)
- PERS increased \$101,333 (5.95%)
- Total line item increased \$183,851.59 or 1.8%

Capital Improvement Fund

Total Cost of Improvements

\$8,405,000

Capital Improvement Fund

\$425,000.00

(5% Down payment)

Capital Improvement Fund Review

March 21, 2024

Estimated Revenue

Delinquent Taxes,
\$700,000
1%

Local Revenue,
\$8,241,479.27
10%

State Revenue,
\$3,419,592
4%

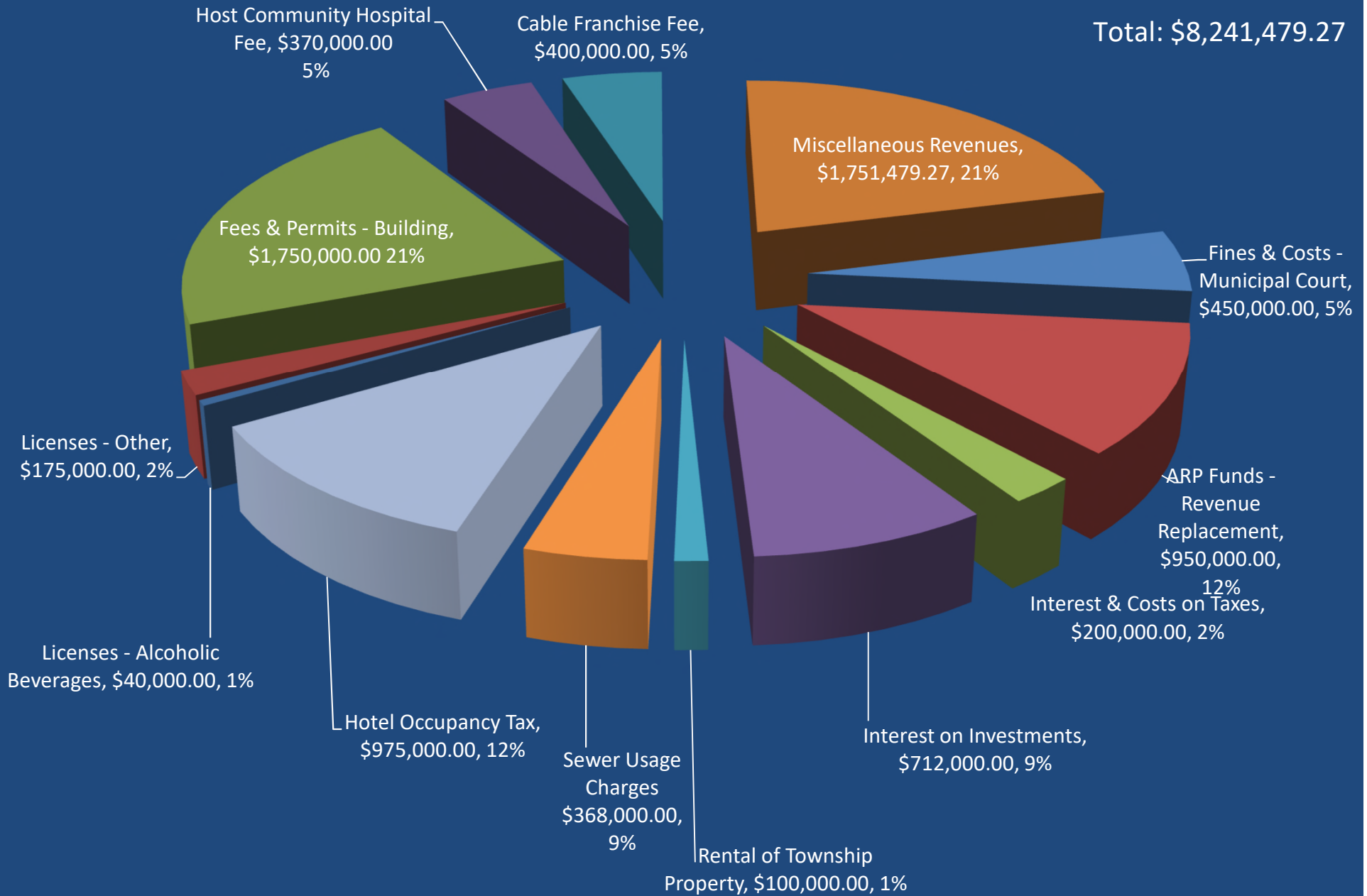
Surplus,
\$5,865,000
7%

Municipal &
Library Levy
\$65,330,977.16
78%

Total: \$83,557,048.43

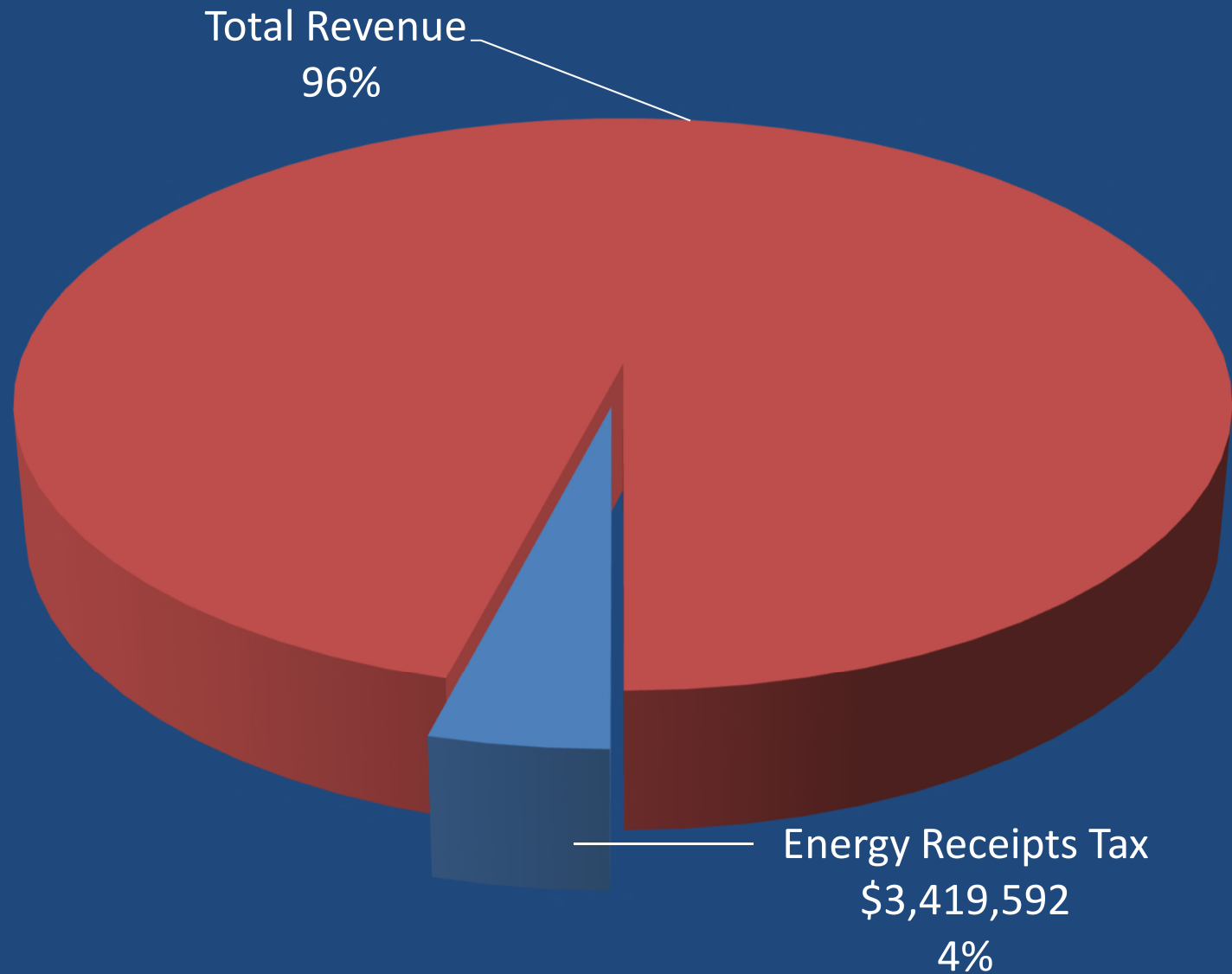


Estimated Local Revenue



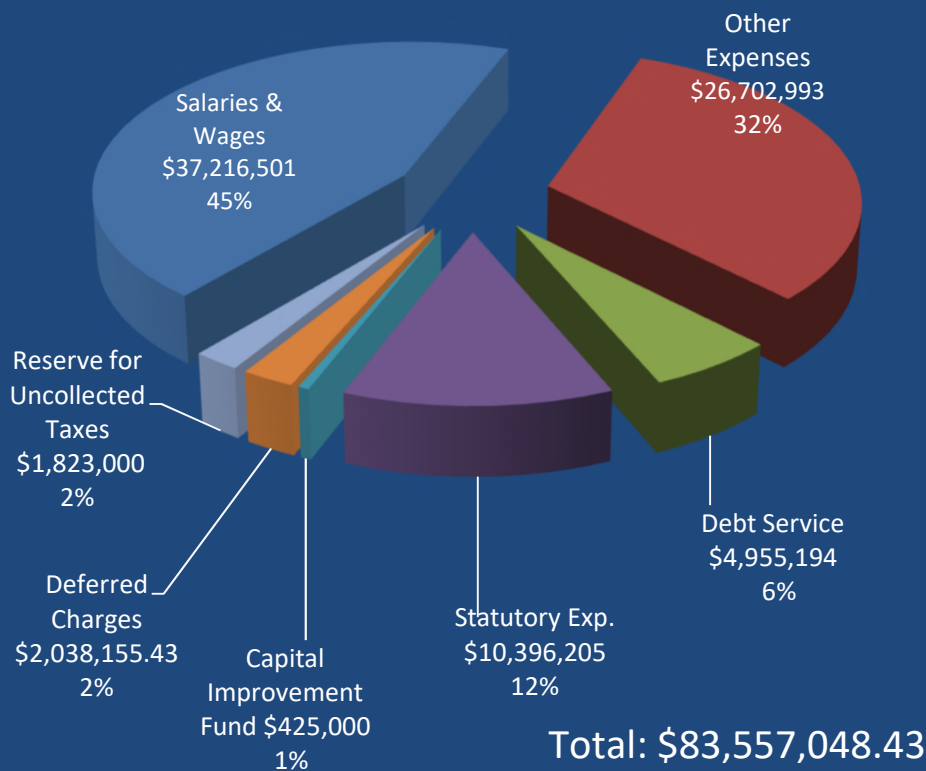
Estimated State Revenue

Total: \$3,419,592

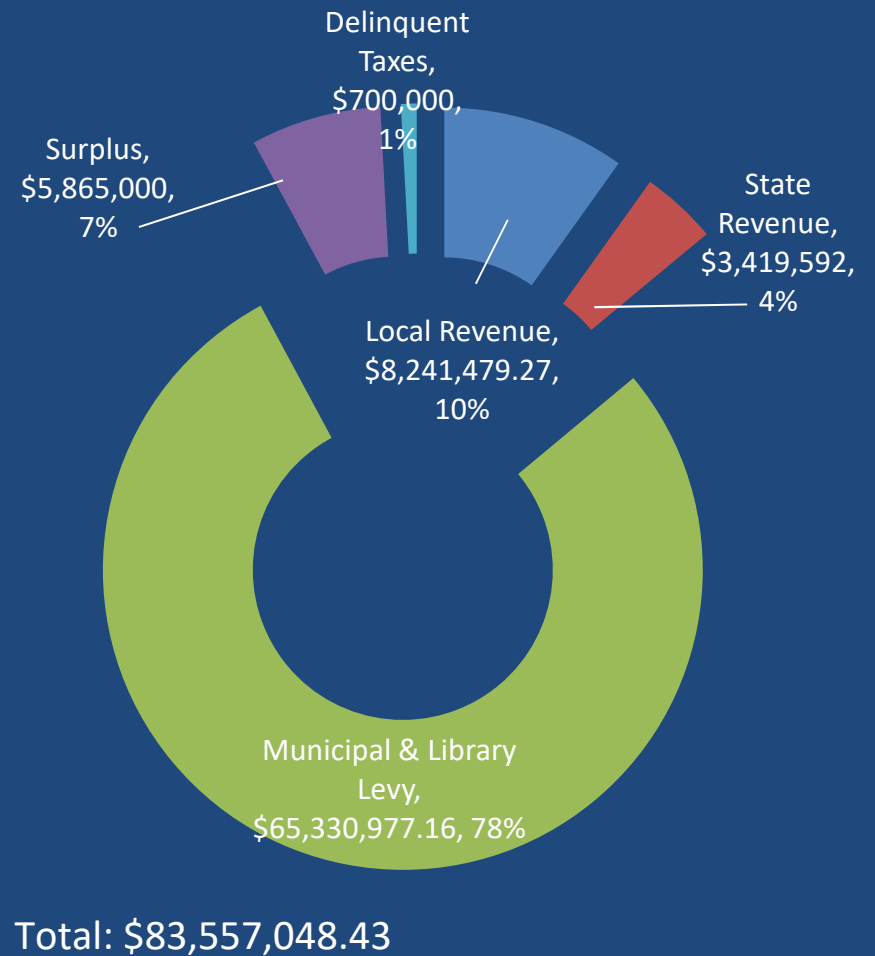


Budget Wrap - Up

Appropriations



Revenue



Strategies

Short & Long Term

- Merge Fire Dispatch with City of Hackensack (ETA July 1st)
- Sale/development of selected municipally owned property
- Improved Police Radio Communications
- Health Department Accreditation
- Enhance ratables through business attraction and development
- Improved Infrastructure to attract economic development
- Continued Redevelopment of Alfred Avenue
- Cannabis re-zoning
- Parking lot Improvements
- Electric Charging Stations

Strategies

Short & Long Term

- Infrastructure Improvements to Fire Headquarters
- Pedestrian Safety Measures, Traffic Calming and striping
- Road Resurfacing
- Municipal Building Basement Renovation and Library Upgrades
- Park Renovations and Park Bathroom renovations (various)
- Consideration for Skate Park (2025)
- Consideration for new Garden Club (2025)
- Development (359 Alfred Ave., 189 The Plaza)
- Potential Development – American Legion Drive
- Continued work on new DPW Facility

Strategies

Short & Long Term

- Website Upgrades
- Community Choice Aggregation (ongoing)
- Additional Field Renovations
- Sewer/Drainage Upgrades
- Community Policing Programs

Upcoming Budget Meeting Tentative Agenda

Thursday, March 21, 2024

- Review - Police Department Budget
- Review – Fire Department Budget
- Review – Legal Department Budget
- Review – Library Budget

Upcoming Budget Meeting Tentative Agenda

Thursday, March 28, 2024

- Review – Recreation Department Budget
- Review – Public Works/Engineering
- Review – Capital Budget
- Review – Manager/Council/Clerk

With Appreciation

Thank you for all your cooperation in the 2024
Budget Process

- Council
- Auditor
- CFO & Deputy CFO
- Department Heads and Assistant Department Heads

Thank you!

