

**Township Manager's  
Proposed 2020  
Municipal Budget  
Dean B. Kazinci  
Township Manager**

# Proposed 2020 Municipal Budget

## Budget Preparation Process

1. Department Head Requests (September 2019)
2. Manager/CFO Review (October 2019)
3. Manager/CFO/Department Head Public Hearings (November 2019)
4. Public Input at Council Meetings (1/28, 2/11)
5. Manager/CFO/Auditor review
6. Manager's presentation to Council of proposed budget appropriations and estimated revenues

# Proposed 2020 Municipal Budget

## Budget Preparation Process

7. Council review and public hearings (Feb-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 2/28 or next regularly scheduled meeting
11. Council introduction of budget by revised statutory date of 3/30 or next meeting (4/6)
12. Hearing and adoption of budget by revised statutory date of 4/30 or next meeting (5/19)

# Assumptions

2020 Budget is dependent upon:

- Council determination of 2020 Municipal Budget Appropriations
- Fund Balance (Surplus) available for 2020
- 2019 Municipal Revenues' Analysis and 2020 Revenue Anticipations (On going)
- State Aid allocations for 2020
- BCUA Sewer Increase (Projected @ 4.50%)
- Special Emergency Financing for Terminal Leave

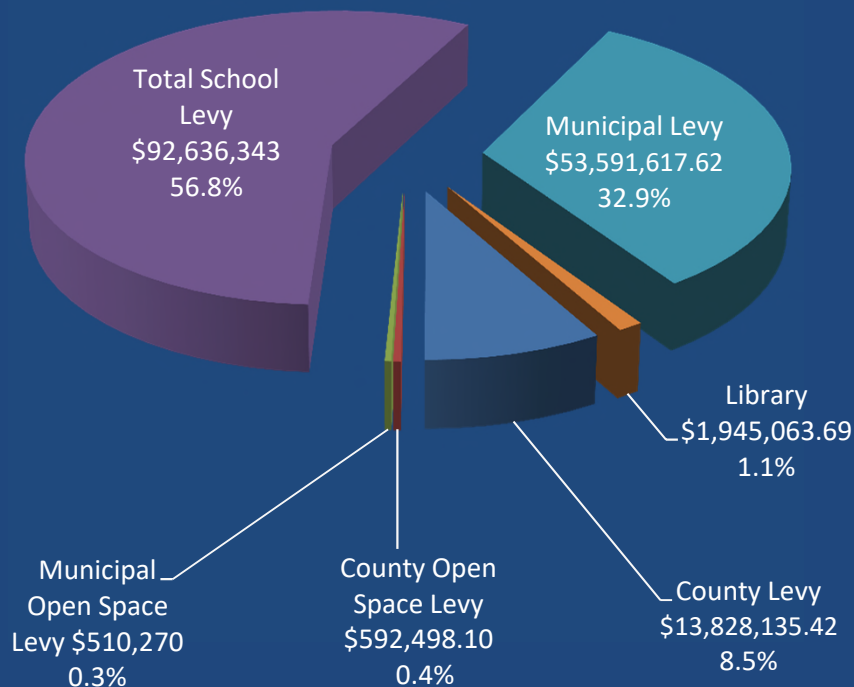
# Appropriation vs. Revenues vs. Rate

- 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

# 2019 Tax Breakdown

## Tax Breakdown

**Total Property Taxes:  
\$163,103,927.83**



- 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. 34% (2019)

# Known Impacts on 2020 Budget

- Terminal Leave payouts due to increased retirements in Police and Fire Departments
- Slight decrease in SHBP (Employee Health Insurance Bill)
- Increase of \$180,000 in Recycling Disposal Costs
- Projected BCUA Increase (4.5%)
- Labor Negotiations – 4 unions out of contract as of 12/31/19

# Proposed 2020 Municipal Budget

Proposed tax rate increase is 0.68%

Estimated annual tax increase:

Average home assessed at \$386,231

Increase in Taxes

Per year: \$26.19

Per month: \$2.18

Tax Levy = Budget Appropriations Minus Revenues

Possible Appropriations Cap Issue If Cap Bank  
Ordinance Is Not Adopted

No Tax Levy Cap Issue Expected

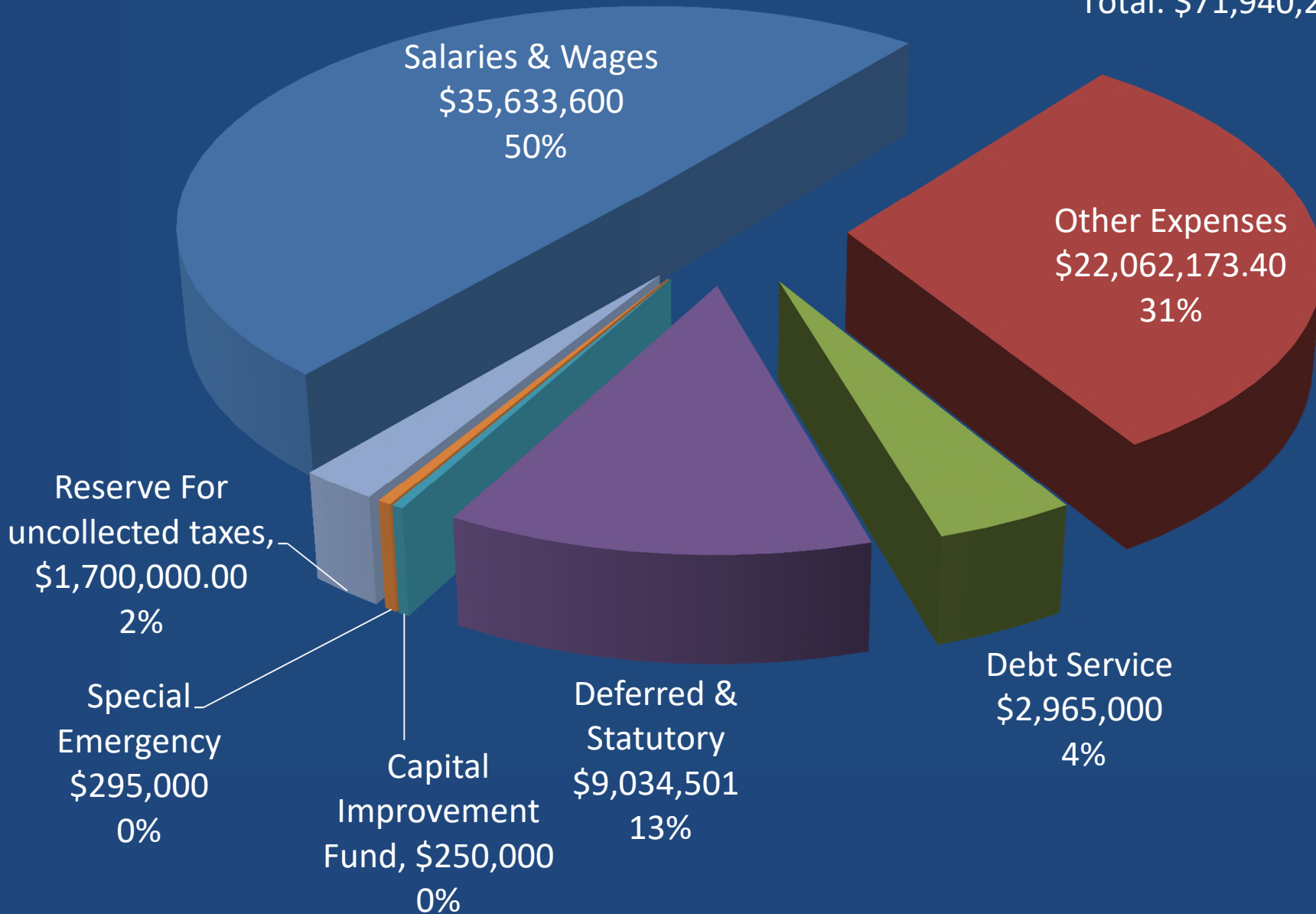


## How We Arrived at 0.68 % Tax Rate Increase

- Special Emergency Financing for 2020  
Terminal Leave Payments
- Police/Fire Department Salary Breakages due to retirements
- Increase in 2019 commercial sewer billing collection
- Maintained or reduced operating expenses for all departments
- Reduced 2020 Capital Program

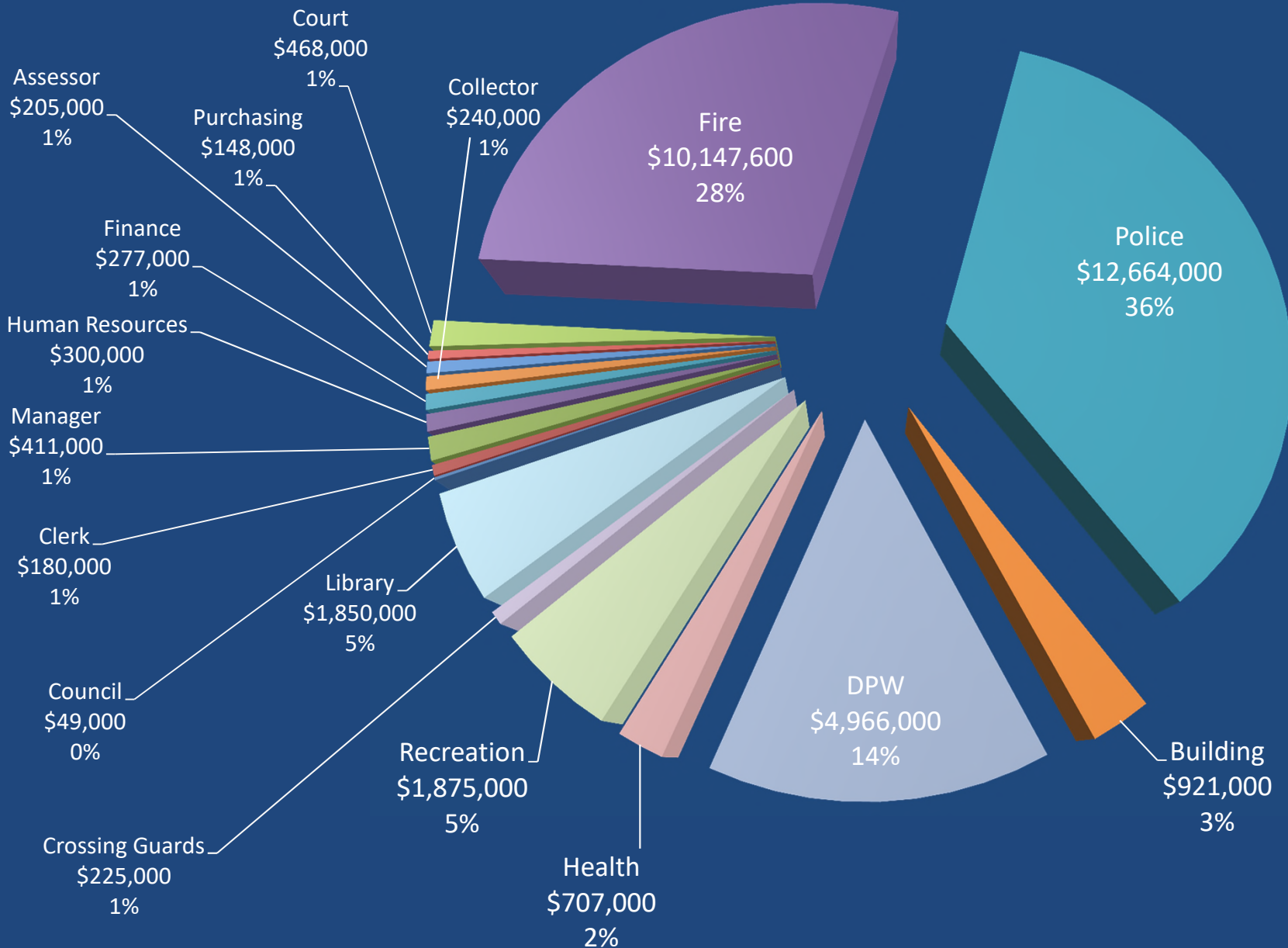
# 2020 Proposed Budget Budget Appropriation Categories

Total: \$71,940,274.40

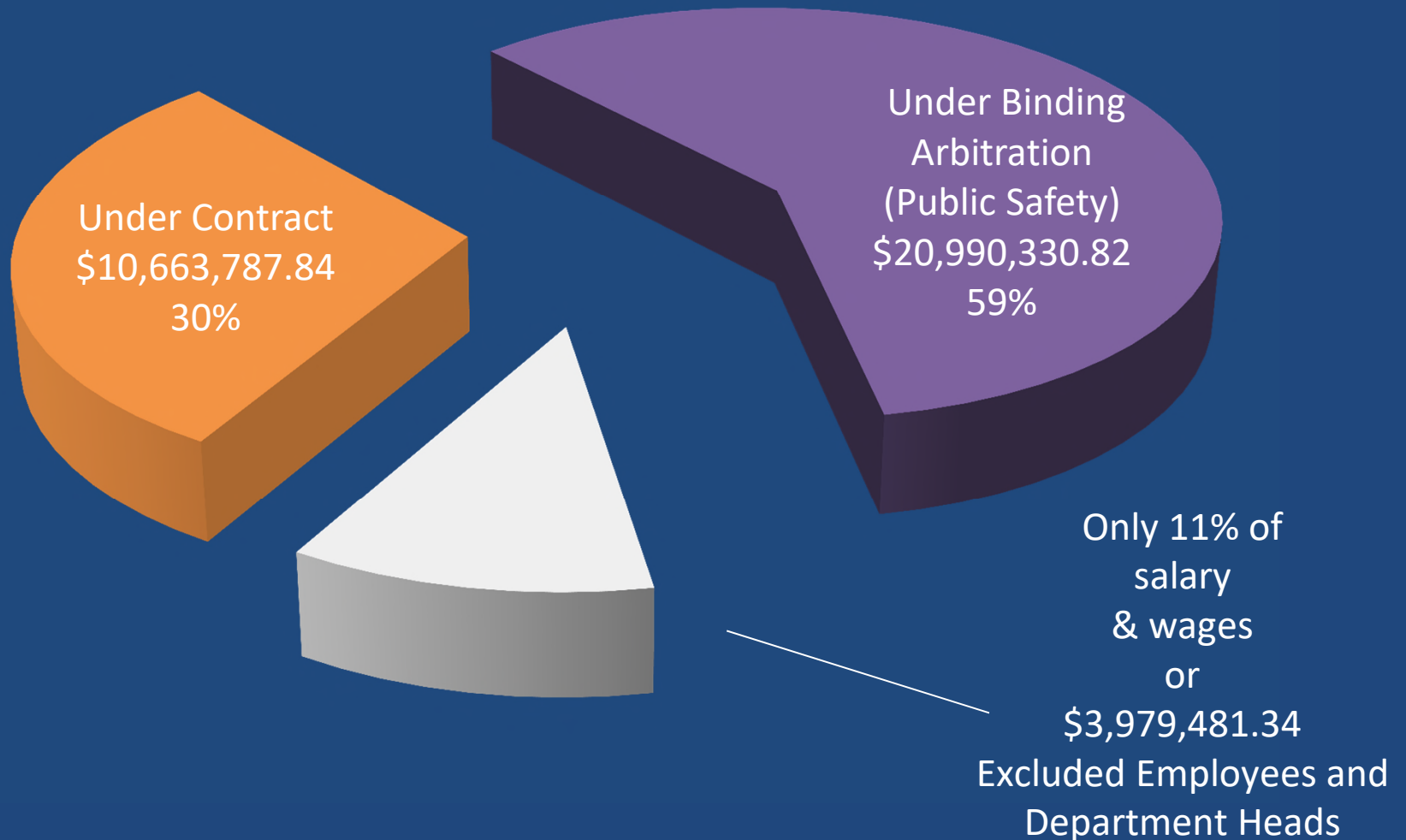


# Proposed Salaries & Wages

Total: \$36,633,600



# Salary & Wage Increases Required by Union Contract



Total: \$35,633,600.00

# Collective Bargaining Agreements

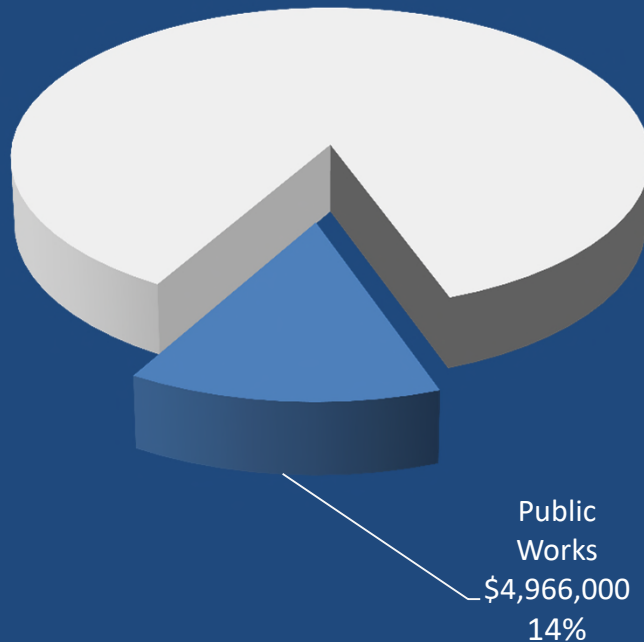
- Police SOA Exp. December 31, 2021
- PBA 215 Exp. December 31, 2021
- AFSCME Exp. December 31, 2019\*
- Library Exp. December 31, 2019\*
- DPW Supervisors Exp. December 31, 2020
- DPW Non-Supervisors Exp. December 31, 2019\*
- PFOA Local 242 Exp. December 31, 2021
- FMBA Local 42 Exp. December 31, 2019\*

# Salaries and Wages Summary and Recommendations

## Department of Public Works (DPW)

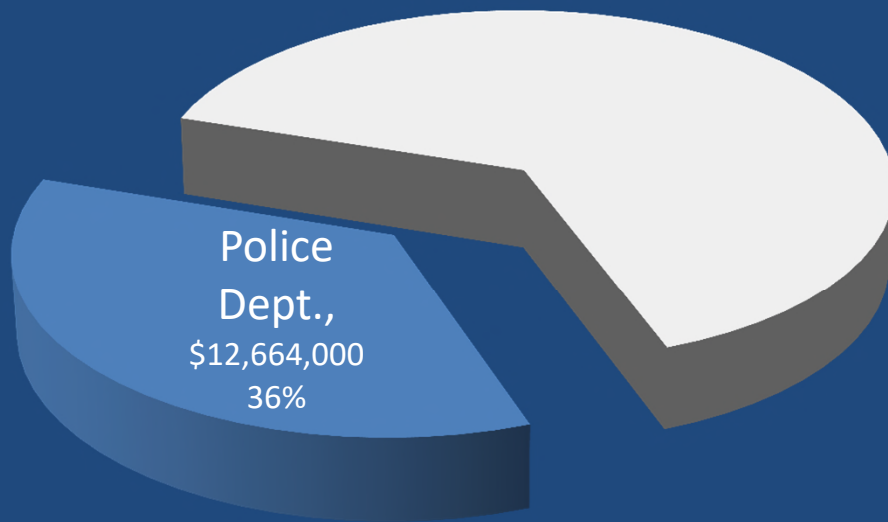
## 2020 Recommendations

- Fill (1) vacant laborer position with a laborer
- Fill (1) vacant laborer position with a plumber



# Salaries and Wages Summary and Recommendations

## Police



## 2020 Recommendations

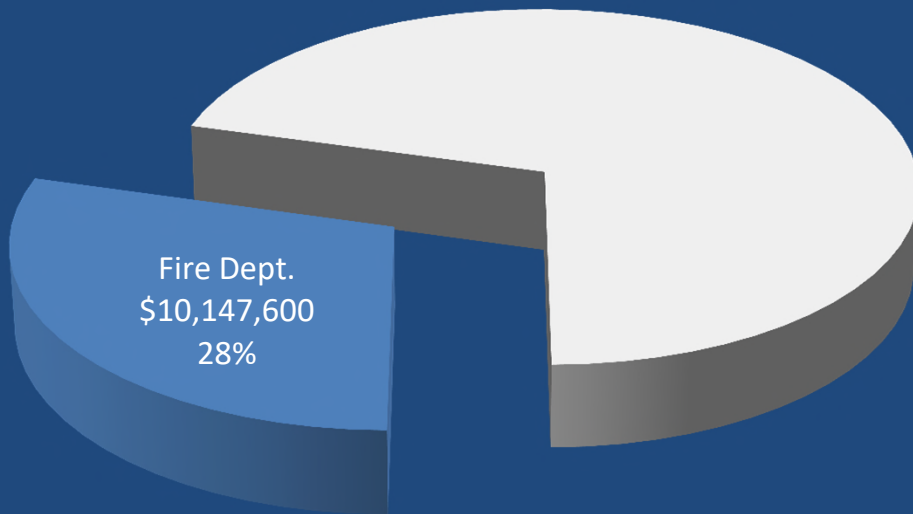
- Authorized strength via ord. (115) uniformed officers
- Increase strength from 95 to 97 sworn officers
- Current staffing level is (91) officers with 6 positions to be filled on or after July 1st
- Fill two (2) Public Safety Telecommunicator Positions due to vacancies

# Salaries and Wages Summary and Recommendations

## Fire

## 2020 Recommendations

- Authorized Strength of 92 uniformed Fire Fighters
- Maintain Fire Department at 91 uniformed Fire Fighters
- Current strength of 87 uniformed fire fighters with 4 positions to be filled
- Convert Training Captain position to Battalion Chief to reduce overtime



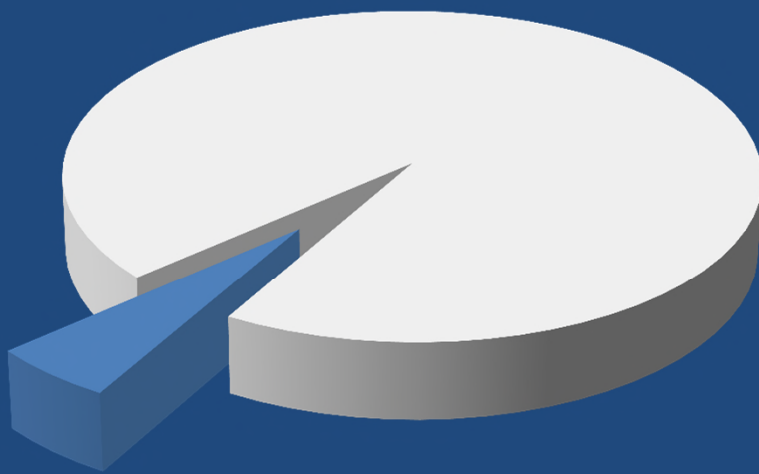


# Salaries and Wages Summary and Recommendations

## Recreation Department

## 2020 Recommendations

- Convert Part-Time employee in Senior Division to Full-Time

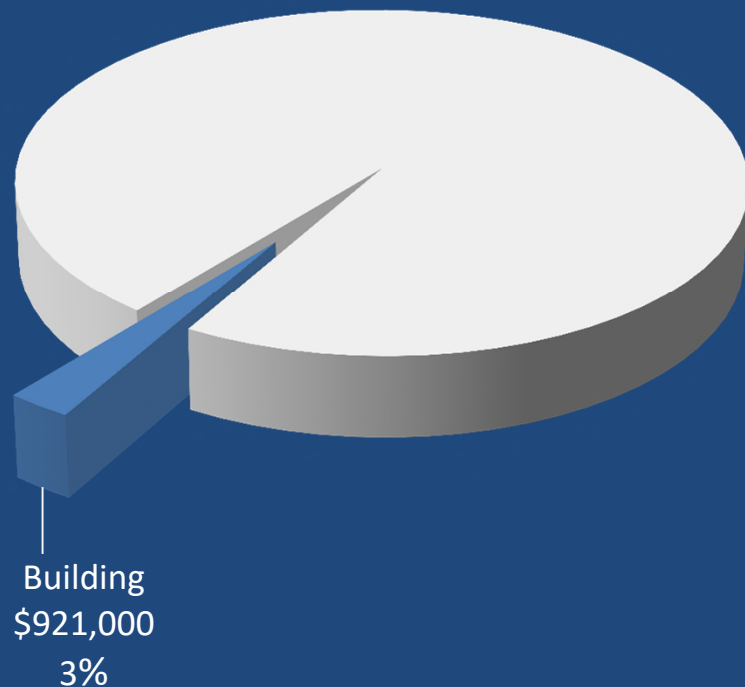


Recreation  
\$1,850,000  
5%

# Salaries and Wages Summary and Recommendations

## Building Department

## 2020 Recommendations



- Add part-time Keyboarding Clerk 1 to assist Technical Assistant to Planning Board/Board of Adjustment

# Salaries and Wages Summary and Recommendations

## Terminal Leave Trust

- Continue to utilize 5-Year Special Emergency Financing to offset terminal leave payments in 2020

# What are Special Emergency Appropriations?

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

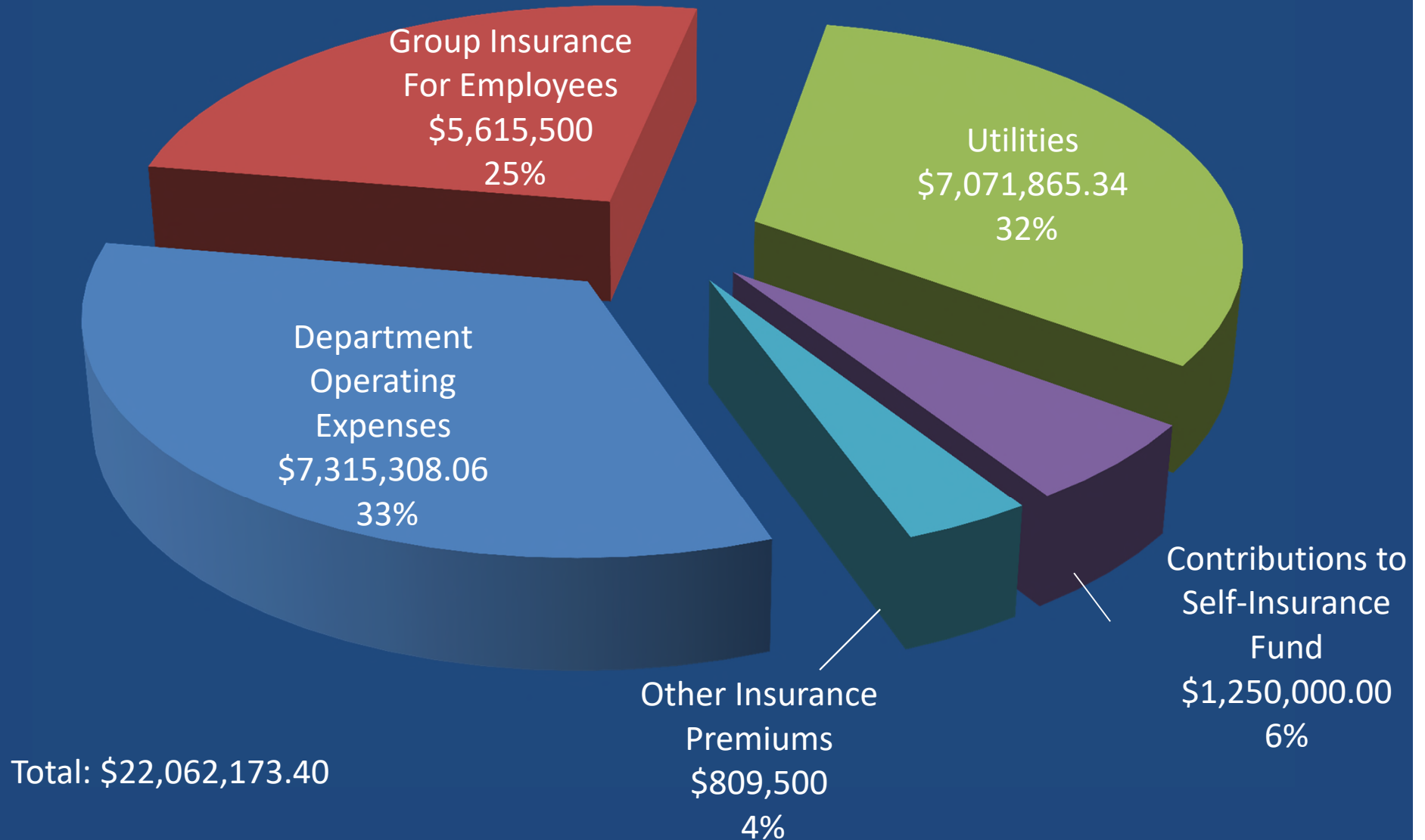
- Preparation of Tax Maps
- Revaluation
- Codification of Ordinances
- Preparation of Master Plan
- Drainage Maps/Flood Control
- Engineering/Planning of Sanitary Sewer System
- Municipal Consolidation
- Severance Liabilities (Terminal Leave)
- Preparation of Sanitary/Storm System Map
- Tax Appeal Refunds

# Salaries and Wages Summary and Recommendations

## Overtime

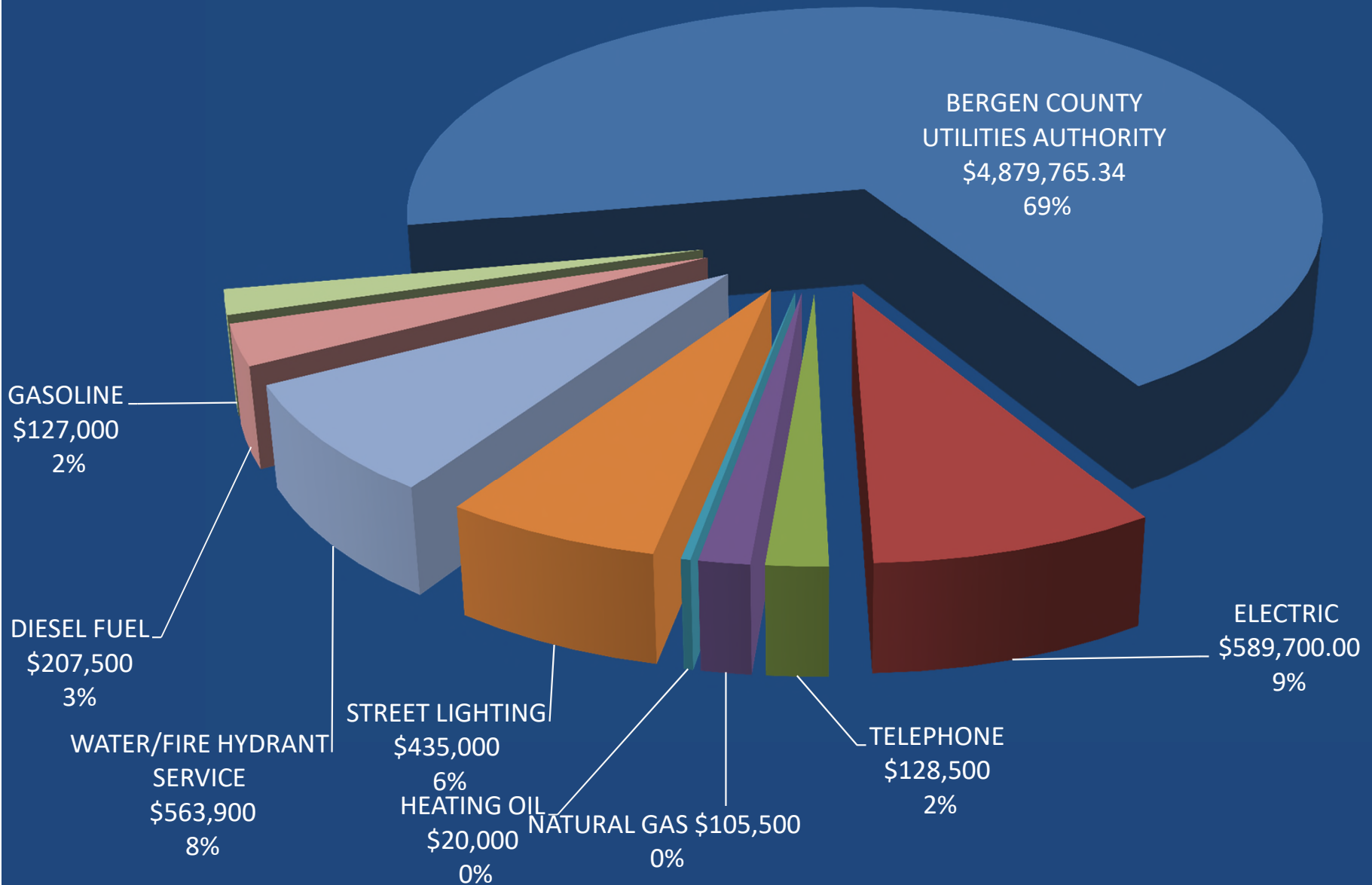
Dept.	2020	2019	Change %	Spent
Fire	\$500,000	\$500,000	0%	\$672,819.69
DPW	\$326,400	\$326,400	0%	\$364,478.37
Police	\$600,000	\$600,000	0%	\$836,960.90

# Appropriations Other Expenses

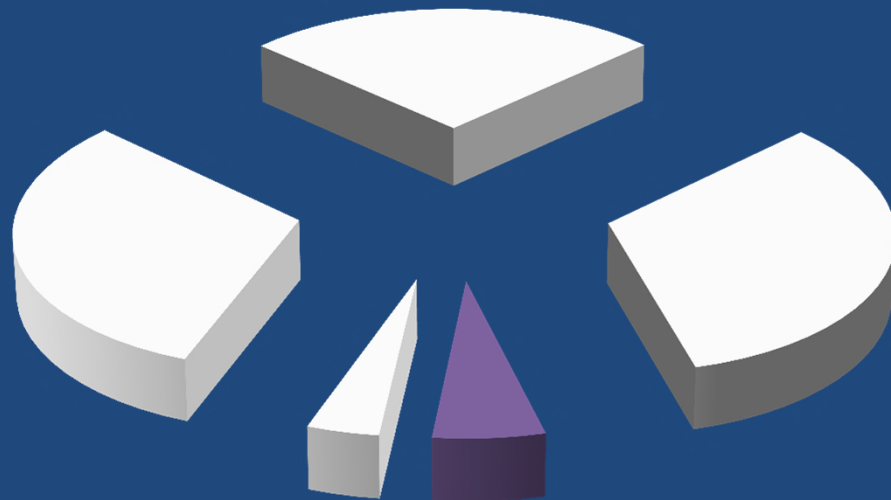


# Utilities

Total: \$7,071,865.34



# Contributions to Self-Insurance Fund

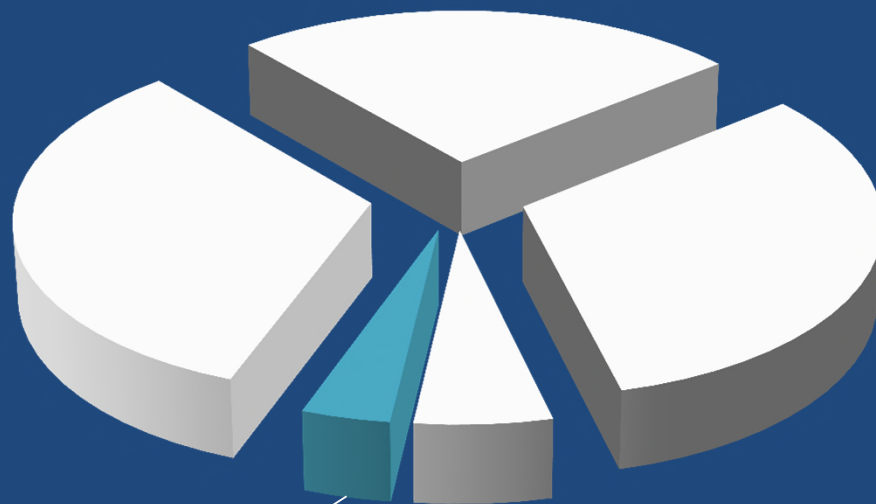


Contributions  
to Self-  
Insurance  
Fund  
\$1,250,000  
6%

- Maintain 2019 Appropriation
- Title 59 Tort Claims
- Workman's Compensation Claims
- Proposed Settlements to be funded



# Other Insurance Premiums



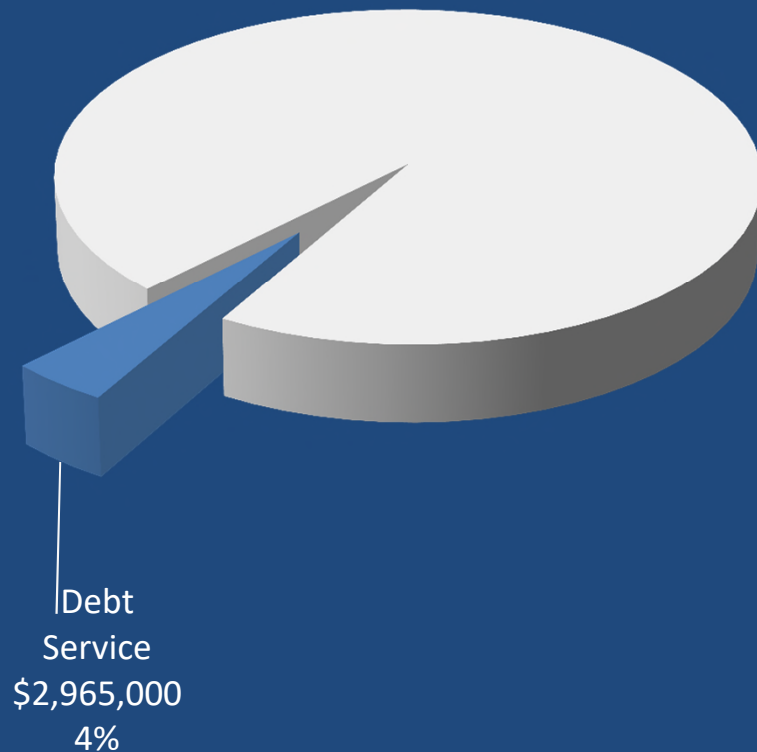
Other  
Insurance  
Premiums  
\$809,500  
4%

- Slight PEJIF Premium Increase (\$11,000)
- Auto Liability and collision
- Employment Practices
- Public Officials
- Facilities

# Debt Service

## Debt Service

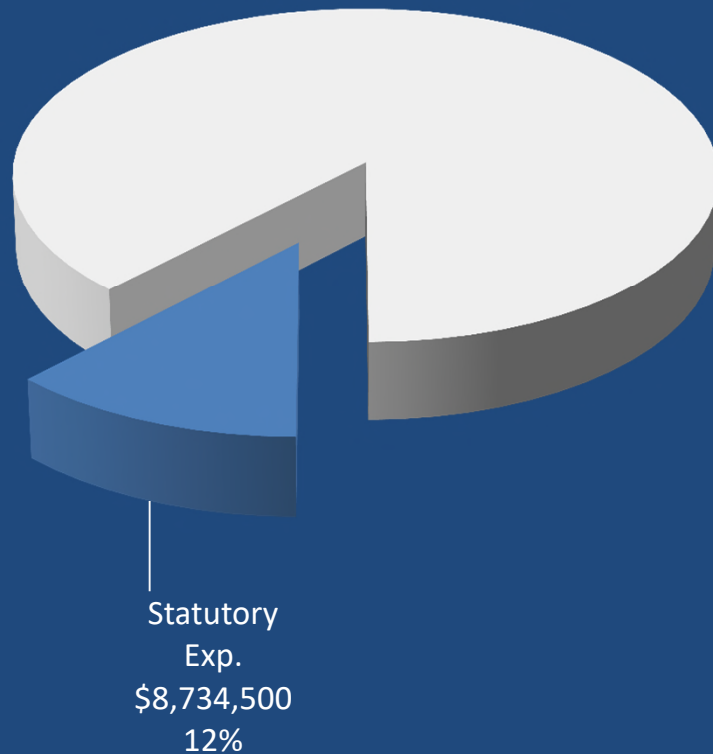
## Highlights



- Manager, CFO, Bond Counsel, Auditor, Council Finance Subcommittee to update Debt Management Plan in 2020

# Statutory Expenditures

## Statutory Expenditures



## Major Adjustments

- PFRS increased \$130,000
- PERS decreased \$65,000
- DCRP increased \$18,500
- Total line item increased \$83,500

# Capital Improvement Fund

## Total Cost of Improvements

\$4,995,000

## Capital Improvement Fund

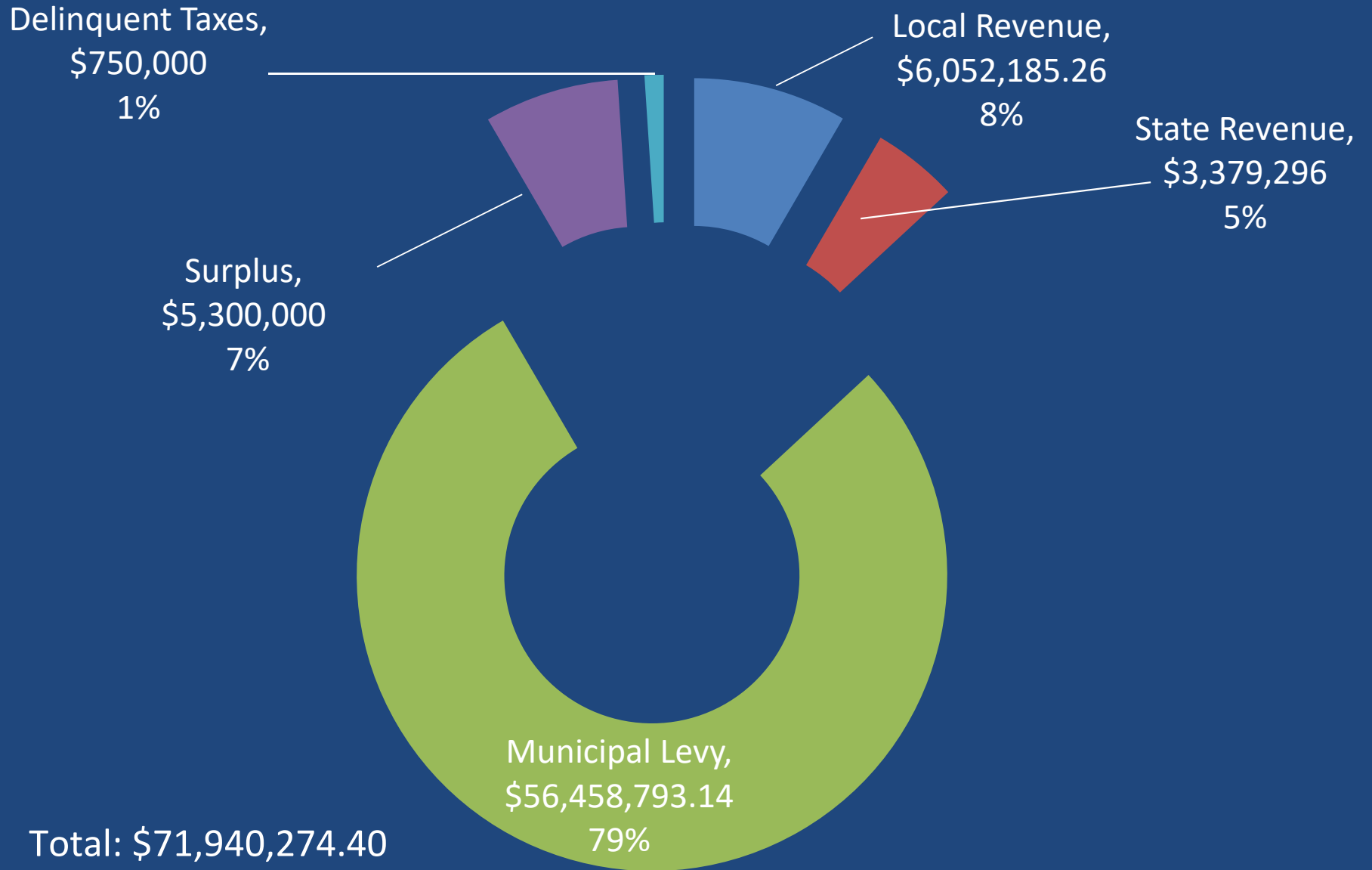
\$250,000

(5% Down payment)

Capital Improvement Fund Review

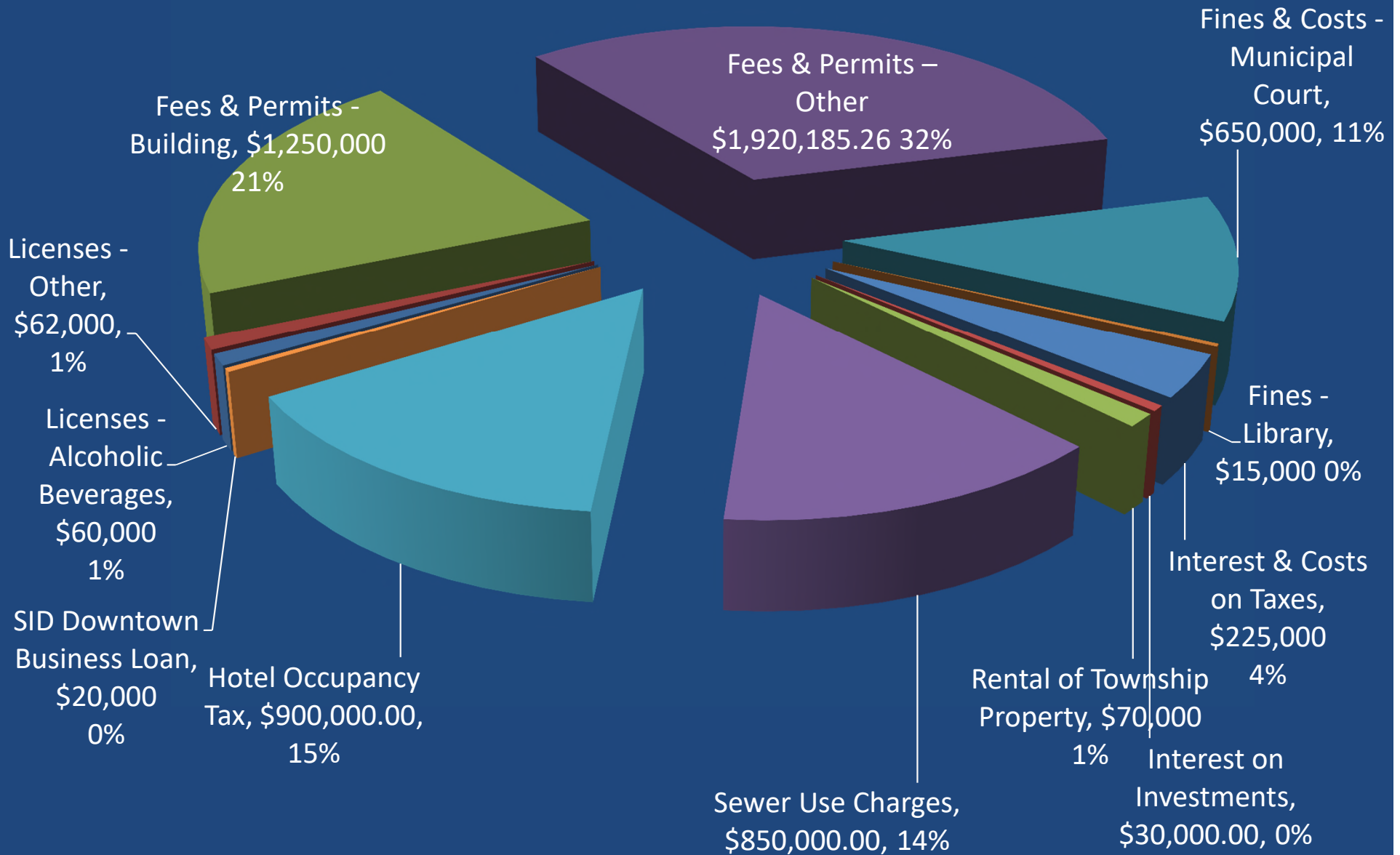
March 12, 2020

# Estimated Revenue



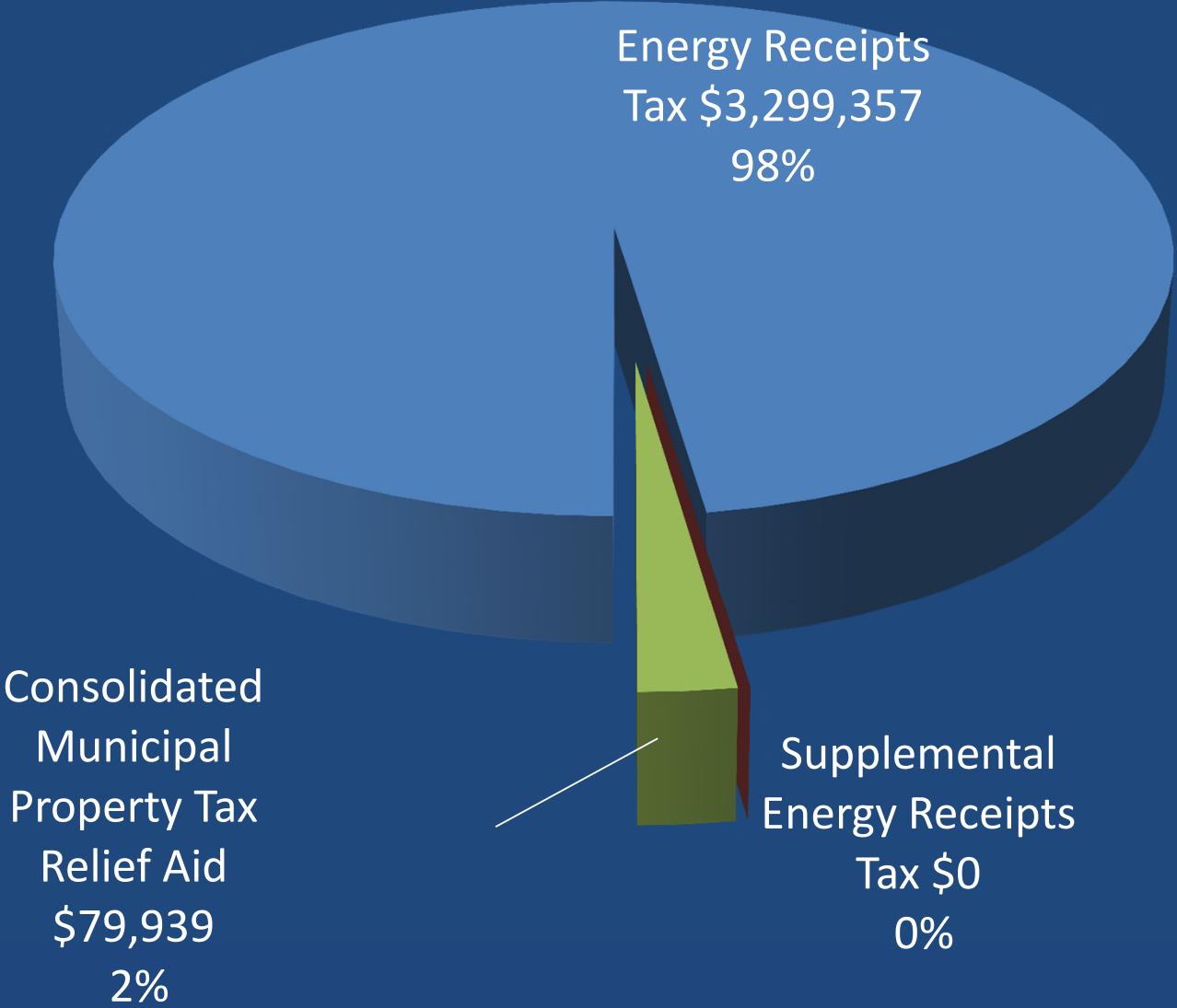
# Estimated Local Revenue

Total: \$6,052,185.26



# Estimated State Revenue

Total: \$3,379,296.00



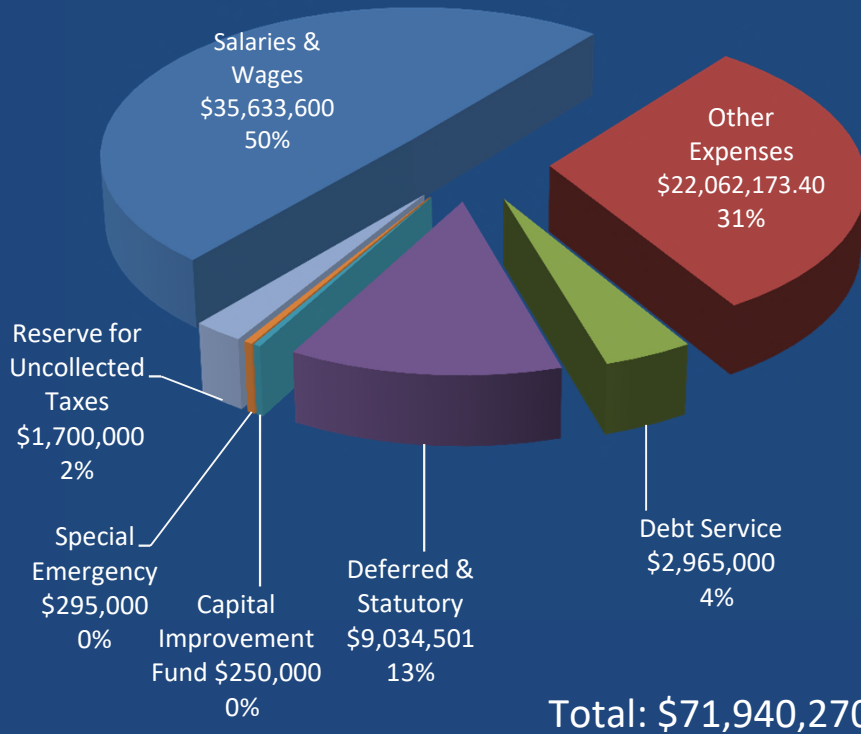
# Factors Potentially Impacting Budget

- Special Emergencies – (Terminal Leave Payouts, Tax Map, Code Recodification)
- Glenpointe Tax Appeal
- Holy Name Medical Center Tax Appeal
- Impact of tax appeals (State/County)
- Interest rates/Bond Rating
- Reduced or flat state aid
- BCUA sewer rate increase (4.50 % projected)
- Labor contract negotiations (4 contracts expired 12/31/19)
- Pension Contribution Increases
- Group Health Insurance (Reduction of \$70,000 or 1.23%)
- Workman's Compensation/Settlement Claims
- Slight increase in Joint Insurance Fund Costs

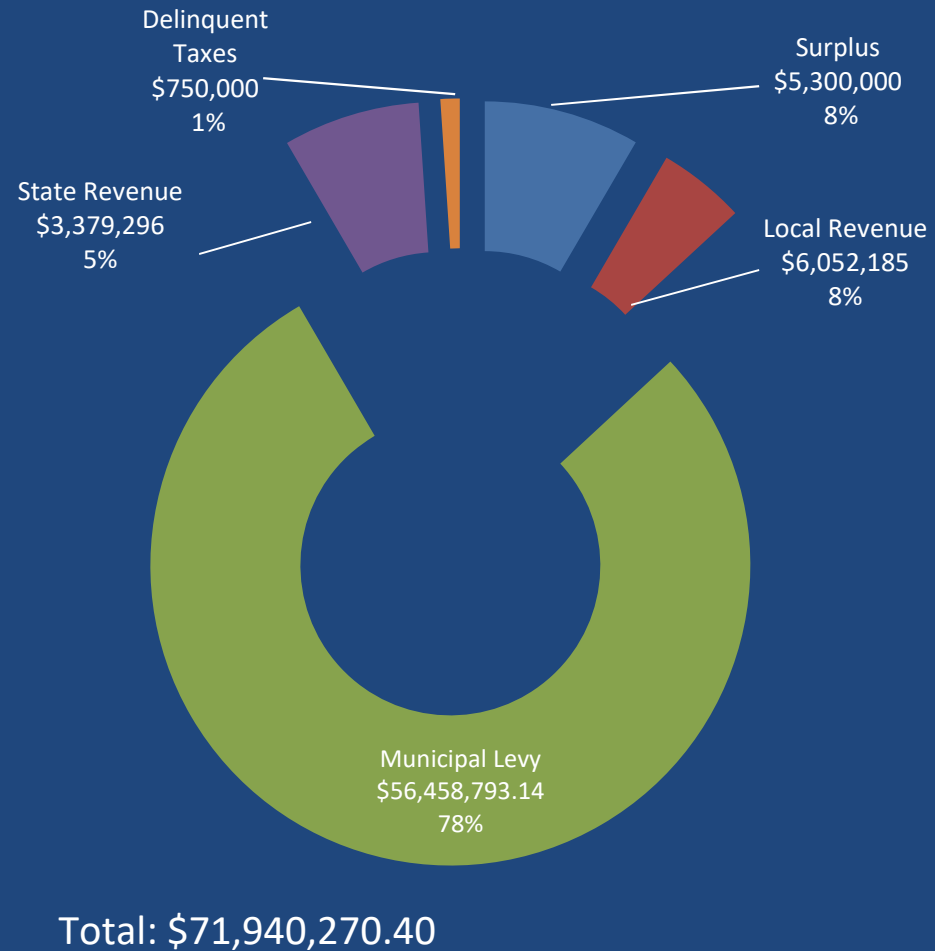


# Budget Wrap - Up

## Appropriations



## Revenue



# Strategies

## Short & Long Term

- Credit Card Acceptance for Court and other departments
- Banking Services RFP
- Cost Containment
- Merge Fire Dispatch with City of Hackensack
- 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 5, 2020

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

# Upcoming Budget Meeting Tentative Agenda

Thursday, March 12, 2020

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

Thank you!

