

# 2011 GLEN RIDGE MUNICIPAL BUDGET PRESENTATION

April 11, 2011

# Budget Calendar

- Budget Process Initiated – 10/1/10
- Department Budget Submittal 12/1/10
- Introduction of Budget 3/11/11
- Assessment Appeal Deadline – 4/1/11
- Budget Hearing 4/11/11
- Budget Amendments Allowed 4/22/11
- Adoption of Municipal Budget – 4/22/11
- Adoption of State Budget - 6/30/10 Deadline

# CAP LAWS

## TAX LEVY/REVENUE “CAP”

- 2% CAP – Based on Prior Year Amount to be Raised by Taxation
- Exceptions: Increases in Health Insurance, Pension Contributions, Debt Services, Capital Expenses & Declared Emergencies

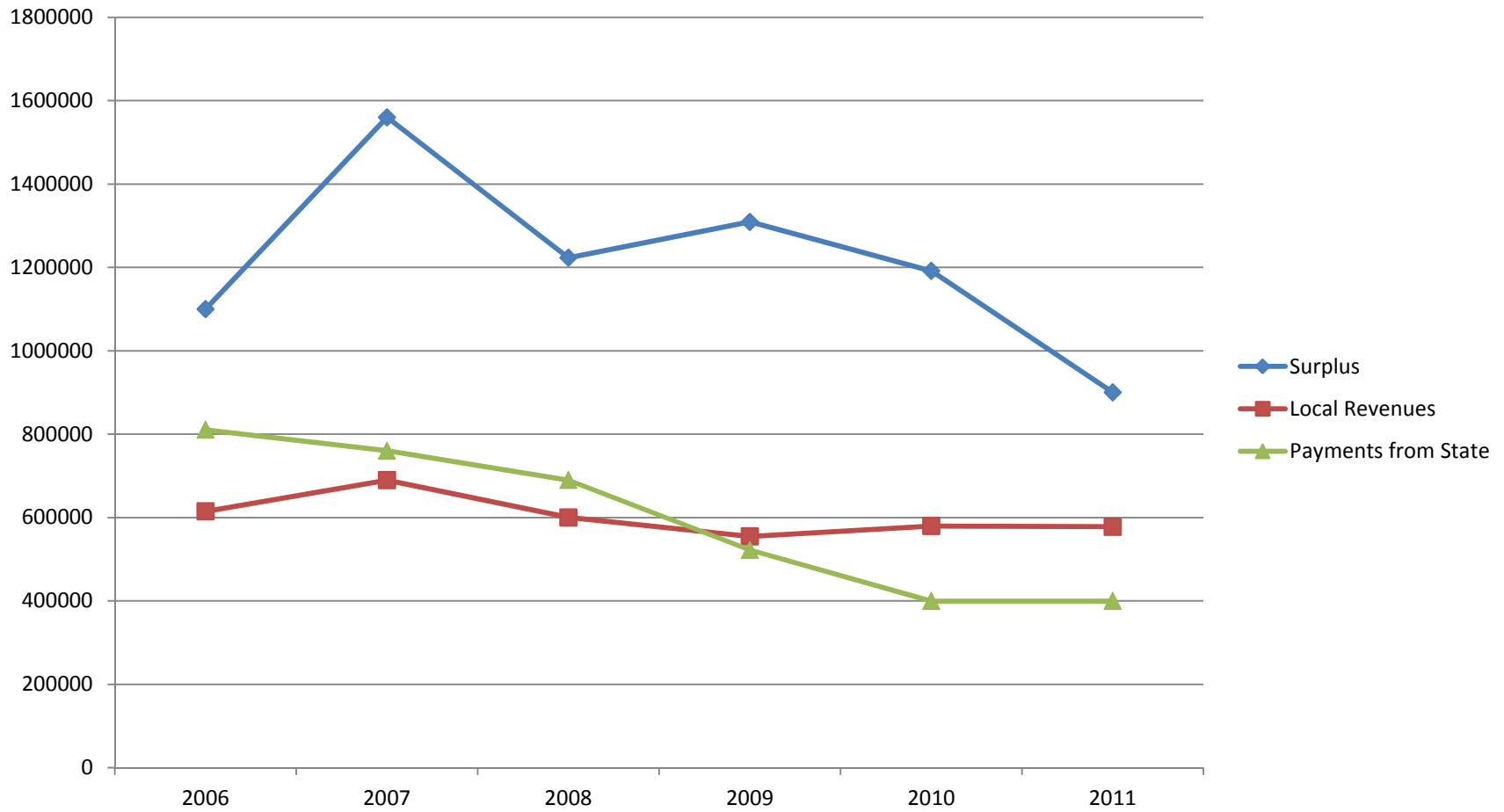
## APPROPRIATION/EXPENDITURE “CAP”

- 2.5% CAP
- Maximum 3.5% by Ordinance

# RECENT BUDGET TRENDS

- Decreased Payments from the State
- Decrease of Surplus due to Loss of Payments from the State
- Declining Local Revenues

# BUDGET TRENDS



# 2010 Per Capita Municipal Spending Comparison

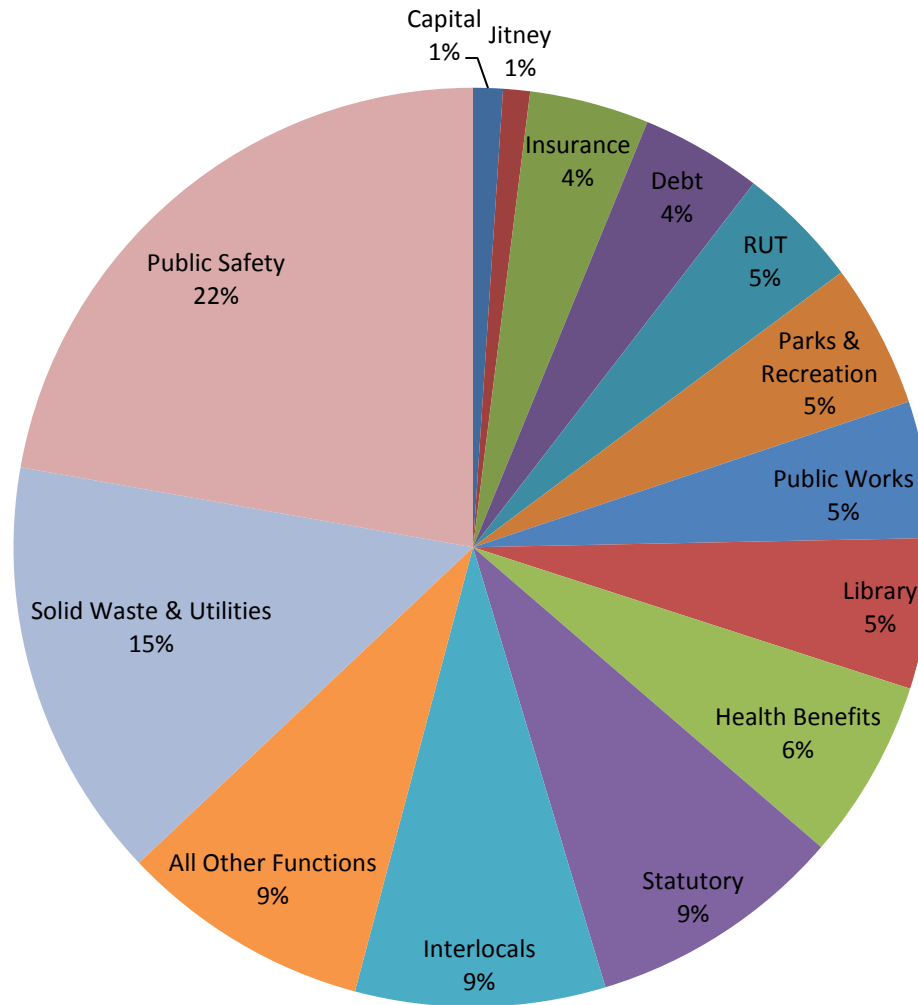
- Millburn \$2,471.25 (Sewer User Charge)
  - Summit \$2,173.96 (Sewer User Charge)
  - South Orange \$1,959.53 (No Municipal Garbage & Sewer User Charge)
  - Tenafly \$1,907.06 (No Career Fire Department & Sewer User Charge)
  - Glen Ridge \$1,640.07
  - Maplewood \$1,558.20 (No Municipal Garbage & Sewer User Charge)
  - Livingston \$1,536.85 (No Career Fire Department & Sewer User Charge)
- 
- Population - 2000 Census

## 2011 Cost per Capita

- Police – \$354.30
- Fire Suppression Contract – \$129.07
- Pension - \$118.20
- Garbage – \$112.93
- Group Health Insurance - \$100.99
- Recreation & Parks - \$80.84
- Library – \$79.47
- Public Works & Engineering – \$72.57
- Reserve for Uncollected Taxes - \$69.20
- Debt Payment - \$68.02
- Sanitary Sewer – \$64.62
- Utilities - \$59.12
- All Other Services - \$270.54
- **2011 TOTAL –\$ 1,579.87 (2010 Census) \$1,635.49 (2000 Census)**

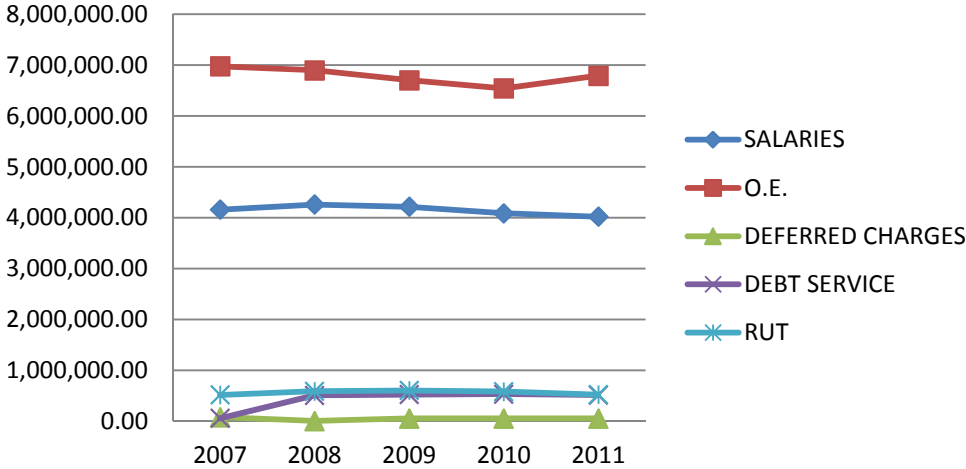
Item	2011 Budget	Percent of Budget	Amount per Capita	Amount per Household
Police	\$2,666,781	22.426%	\$354.30	\$1,150.96
Fire Suppression Contract	\$971,528	8.170%	\$129.07	\$419.30
Pensions	\$889,722	7.482%	\$118.20	\$384.00
Garbage & Recycling	\$850,000	7.148%	\$112.93	\$366.85
Group Health Insurance Premiums	\$760,147	6.392%	\$100.99	\$328.07
Recreation & Park Maintenance	\$608,513	5.117%	\$80.84	\$262.63
Library	\$598,186	5.030%	\$79.47	\$258.17
Reserve for Uncollected Taxes	\$520,869	4.380%	\$69.20	\$224.80
Debt Payments	\$512,017	4.306%	\$68.02	\$220.98
Non-Health Insurance Premiums	\$504,405	4.242%	\$67.01	\$217.70
Sanitary Sewers	\$486,409	4.090%	\$64.62	\$209.93
Utilities	\$445,000	3.742%	\$59.12	\$192.06
Roads	\$296,540	2.494%	\$39.40	\$127.98
FICA & SUI	\$194,688	1.637%	\$25.87	\$84.03
Court	\$182,169	1.532%	\$24.20	\$78.62
Finance	\$171,730	1.444%	\$22.82	\$74.12
Administrative	\$143,200	1.204%	\$19.02	\$61.80
Construction Codes	\$125,799	1.058%	\$16.71	\$54.29
Capital Programs	\$125,000	1.051%	\$16.61	\$53.95
Jitney	\$114,000	0.959%	\$15.15	\$49.20
Engineering	\$104,687	0.880%	\$13.91	\$45.18
Trees	\$81,130	0.682%	\$10.78	\$35.02
Storm Clearance	\$80,000	0.673%	\$10.63	\$34.53
Health & Welfare	\$76,927	0.647%	\$10.22	\$33.20
Legal	\$71,879	0.604%	\$9.55	\$31.02
Tax Collection	\$69,740	0.586%	\$9.27	\$30.10
Public Buildings	\$63,905	0.537%	\$8.49	\$27.58
Grants	\$54,489	0.458%	\$7.24	\$23.52
Revaluation	\$51,000	0.429%	\$6.78	\$22.01
Tax Assessment	\$37,500	0.315%	\$4.98	\$16.18
Community Affairs	\$20,000	0.168%	\$2.66	\$8.63
Municipal Land use Law	\$9,600	0.081%	\$1.28	\$4.14
Elections	\$4,100	0.034%	\$0.54	\$1.77
TOTAL	\$11,891,657		\$1,579.87	\$5,132.35

# Functions



Appropriation	2011	2010	2009	2008	2007
Salary & Wages	4,018,087.18	4,083,548.62	4,212,248.00	4,256,750.00	4,154,613.00
Other Expenses	6,789,685.02	6,667,354.59	6,651,270.67	6,896,910.94	7,198,634.14
Deferred Charges	51,000.00	51,000.00	51,000.00	0.00	77,112.80
Debt Service	512,016.61	529,319.01	521,319.01	505,740.00	55,000.00
Reserve for Uncollected Taxes	520,868.89	581,060.74	600,984.51	586,840.55	514,200.97
TOTAL	11,891,657.70	11,912,282.96	12,036,822.19	12,246,241.49	11,999,560.91

# APPROPRIATIONS COMPONENTS



# MAJOR COST CENTERS

	2006	2007	2008	2009	2010	2011
PFRS	185308	315005	450214	297853.5	564995	633,165.00
PERS	32846	58296	144527	87767	182857	235,647.00
Health	815000	773626	801000	850000	867000	760,147
Energy	509000	455000	591200	516000	457000	445000
RUT	490000	514200.97	586840.55	600960	586840.55	520,869
Salaries	3,816,640.00	4,154,613.00	4,256,750.00	4,212,248.00	4,083,548.62	4,018,087.08

# COST DRIVERS

2011

ACCOUNT	PREVIOUS YEAR	PROPOSED	DIFFERENCE	%
Police/Fire Retirement System (PFRS)	564,995.00	633,165.00	68,170.00	12.07%
Public Employees Retirement SYSTEM (PERS)	182,857.00	235,647.00	52,790.00	28.87%
Sanitary Sewers - Other Expense	10,000.00	38,000.00	28,000.00	280.00%
Bond Principal	250,000.00	275,000.00	25,000.00	10.00%
<u>Capital Improvements</u>	<u>100,000.00</u>	<u>125,000.00</u>	<u>25,000.00</u>	<u>25.00%</u>

2010

ACCOUNT	PREVIOUS YEAR	PROPOSED	DIFFERENCE	%
PFRS	297,853.50	564,995.00	267,141.50	89.69%
PERS	87,767.00	182,857.00	95,090.00	108.34%
SUI Fund	0.00	65,000.00	65,000.00	
Liability Insurance	368,730.00	413,460.00	44,730.00	12.13%
Legal Fees	40,000.00	80,000.00	40,000.00	100.00%

2009

ACCOUNT	PREVIOUS YEAR	PROPOSED	DIFFERENCE	%
Capital Improvements	193,700.00	345,000.00	151,300.00	78.11%
Gasoline & Fuel	90,000.00	156,000.00	66,000.00	73.33%
Electricity & Natural Gas	120,000.00	160,000.00	40,000.00	33.33%
Liability Insurance	353,249.00	376,960.00	23,711.00	6.71%
Jitney Operations	62,000.00	82,000.00	20,000.00	32.26%

# COST DRIVERS - continued

2008				
ACCOUNT	PREVIOUS YEAR	PROPOSED	DIFFERENCE	%
Payment of Bond Principal	0.00	225,000.00	225,000.00	
Payment of Bond Interest	0.00	215,500.00	215,500.00	
PFRS	315,005.00	450,214.00	135,209.00	42.92%
PERS	58,296.00	144,527.00	86,231.00	147.92%
Revaluation Note	0.00	51,000.00	51,000.00	
2007				
ACCOUNT	PREVIOUS YEAR	PROPOSED	DIFFERENCE	%
Capital Improvement Fund	150,000.00	500,000.00	350,000.00	233.33%
Parks - Other Expenses	61,200.00	195,300.00	134,100.00	219.12%
PFRS	185,308.00	315,000.00	129,692.00	69.99%
Deficit in Payroll Fund	0.00	77,112.80	77,112.80	
Employee Group Health	815,000.00	867,000.00	52,000.00	6.38%

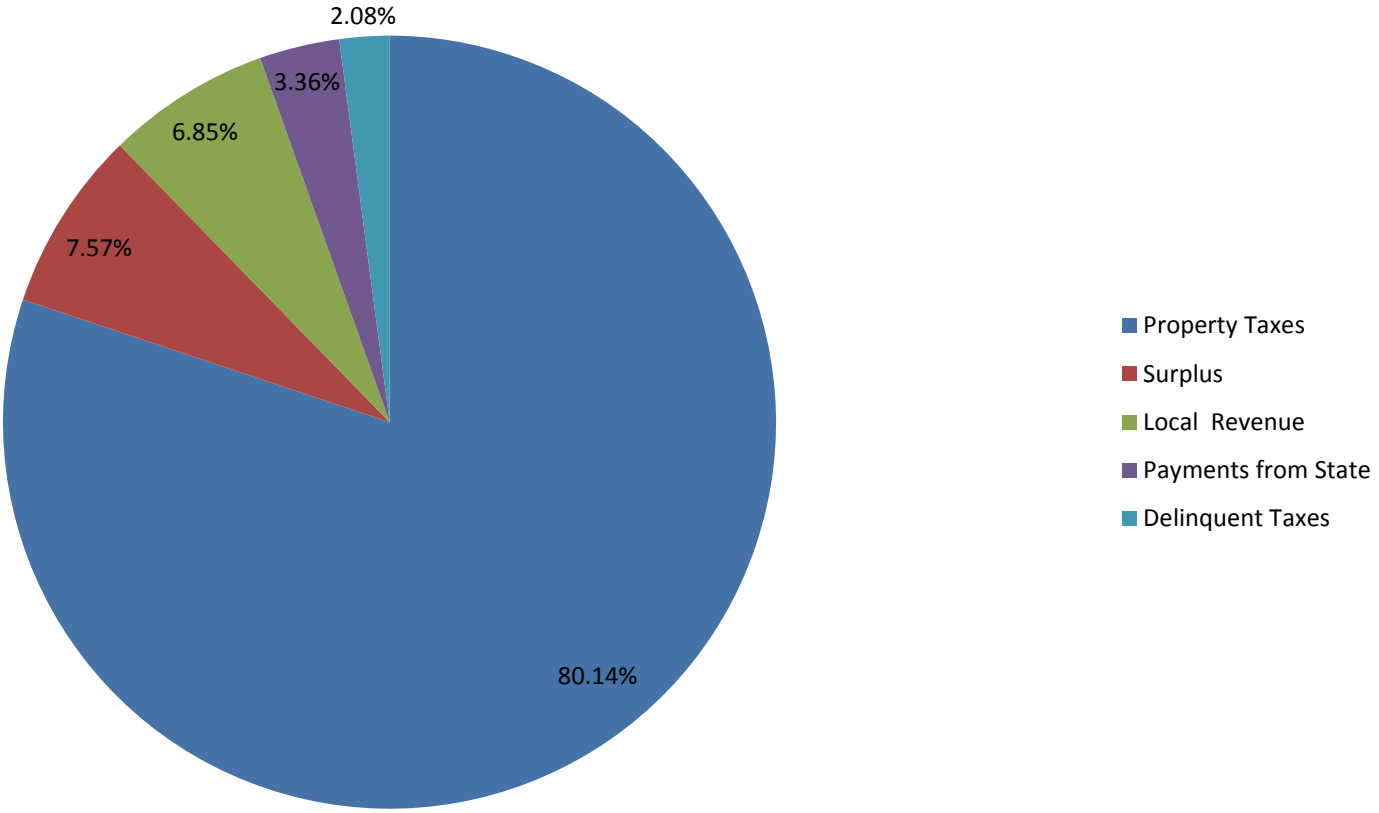
# APPROPRIATIONS RECAP

- Expenses have been reduced by \$20,625.26
- Staff has been reduced by 12.7% during 2010.
- Service Levels remain the same.
- Shared Services account for 9% of the Borough's Budget

# CURRENT BUDGET REVENUES

Summary of Revenues		Anticipated	
		2011	2010
1.	Surplus	900,000	1,191,500
2.	Total Miscellaneous Revenues	1,214,803.23	1,239,375.62
3.	Receipts from Delinquent Taxes	247,088.86	259,768.90
4.	a) Local Tax for Municipal Purposes	9,529,765.61	9,234,338.44
	b) Addition to Local District School Tax		
	Total Amount to be Raised by Taxes for Support of Municipal Budget	9,529,765.61	9,234,338.43
	Total General Revenues	11,891,657.70	11,924,982.96

# Revenue Analysis



# REVENUE RECAP

- Payments from State – Same as 2010
- Surplus (Special Items) - \$291,500 decrease

## Five Year Trend

- Payments from State - \$410,631 decrease
- Investment Income - \$181,588 decrease
- Local Revenues - \$64,000 decrease
- Construction Permits – \$53,652 decrease

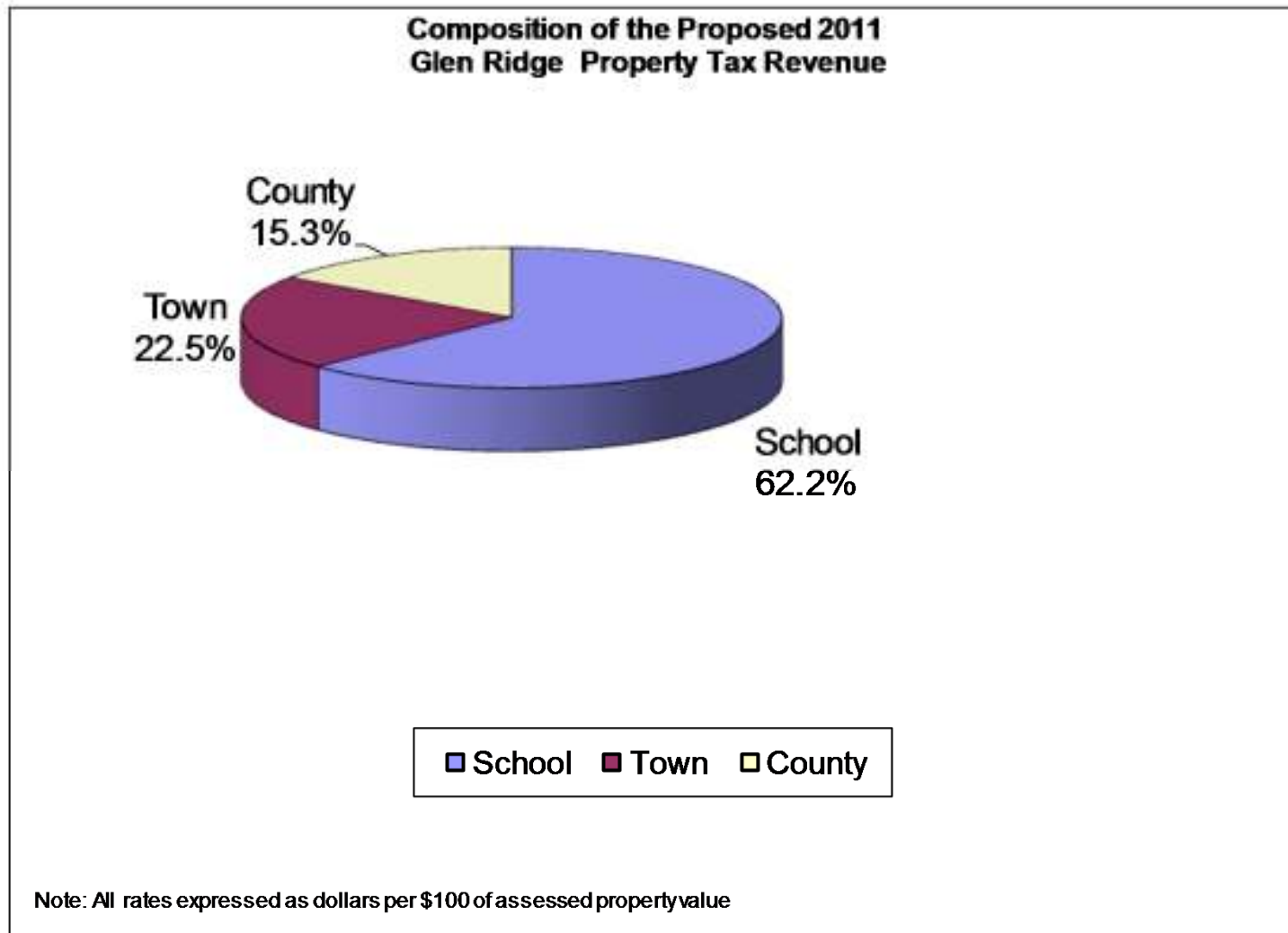
# VALUATION

- 2011 - \$1,419,417,814
- 2010 - \$1,423,126,160
- 2009 - \$1,437,268,029
- 2008 - \$1,443,196,791
- There is a potential for a material reduction in net valuations due to tax appeals in 2011.

# TAX IMPACT

- Average Home Assessment - \$586,000
- 2011 Tax Increase - \$33.70 per quarter or \$134.78 per year

# TAX COMPONENTS



				HISTORY					
		TOTAL PROPERTY TAX RATES FOR GLEN RIDGE							
YEAR	SCHOOL	% change	TOWN	% change	COUNTY	% change	Total Tax Rate	% change	
2011**	\$1.853	2.20%	\$0.672	3.54%	\$2.981	2.50%	\$2.981	2.54%	
2010	\$1.813	4.74%	\$0.649	5.53%	\$2.907	3.50%	\$2.907	4.72%	
2009	\$1.731	3.03%	\$0.615	4.59%	\$2.776	2.38%	\$2.776	3.31%	
2008*	\$1.680	3.00%	\$0.588	1.90%	\$2.687	6.00%	\$2.687	2.93%	
2007	\$9.810	3.37%	\$3.47	9.81%	\$2.40	0.00%	\$15.68	4.19%	
2006	\$9.490	7.96%	\$3.16	2.60%	\$2.40	0.00%	\$15.05	5.47%	
2005	\$8.79	9.06%	\$3.08	6.21%	\$2.40	0.84%	\$14.27	6.97%	
2004	\$8.06	4.13%	\$2.90	6.23%	\$2.38	3.93%	\$13.34	4.55%	
2003	\$7.74	6.46%	\$2.73	2.25%	\$2.29	9.57%	\$12.76	6.07%	
2002	\$7.27	15.03%	\$2.67	2.69%	\$2.09	6.09%	\$12.03	10.47%	
2001	\$6.32	4.64%	\$2.60	1.96%	\$1.97	2.07%	\$10.89	3.52%	
2000	\$6.04	3.78%	\$2.55	2.41%	\$1.93	0.52%	\$10.52	2.83%	
1999	\$5.82	11.07%	\$2.49	2.05%	\$1.92	4.35%	\$10.23	7.46%	
1998	\$5.24	1.55%	\$2.44	6.09%	\$1.84	2.79%	\$9.52	2.92%	
1997	\$5.16	4.24%	\$2.30	7.98%	\$1.79	-4.79%	\$9.25	3.24%	
1996	\$4.95	3.13%	\$2.13	2.40%	\$1.88	6.82%	\$8.96	3.70%	
1995	\$4.80	5.03%	\$2.08	5.58%	\$1.76	4.14%	\$8.64	4.98%	
1994	\$4.57	6.28%	\$1.97	7.65%	\$1.69	4.32%	\$8.23	6.19%	
1993	\$4.30	10.26%	\$1.83	0.55%	\$1.62	5.88%	\$7.75	6.90%	
1992	\$3.90	15.04%	\$1.82	2.25%	\$1.53	4.79%	\$7.25	9.35%	
1991	\$3.66	7.96%	\$1.82	2.25%	\$1.46	0.00%	\$6.94	4.68%	
1990	\$3.39	15.31%	\$1.78	9.20%	\$1.46	0.00%	\$6.63	9.95%	
1989	\$2.94	12.64%	\$1.63	3.82%	\$1.46	-1.35%	\$6.03	6.54%	
1988	\$2.61	12.99%	\$1.57	33.05%	\$1.48	0.00%	\$5.66	13.88%	
1987	\$2.31	7.44%	\$1.18	6.31%	\$1.48	0.68%	\$4.97	5.07%	
1986	\$2.15	7.50%	\$1.11	7.77%	\$1.47	24.58%	\$4.73	12.35%	
1985	\$2.00	3.09%	\$1.03	5.10%	\$1.18	8.26%	\$4.21	4.99%	
1984	\$1.94	N/App	\$0.98	N/App	\$1.09		\$4.01	N/App	
* Revaluation									
** County Rate is estimated									

The Borough Uses Grants & Shared  
Services to Reduce Local Property Tax  
Burden

# 2010 GRANTS

- Borough used grants to accomplish projects minimizing tax impact. Major grants follow:
- NJ Historic Trust - \$664,200
- Department of Transportation - \$360,000
- Community Development Block Grant - \$58,200
- Municipal Alliance Committee - \$38,950
- CDBG Stimulus Grant - \$35,000
- TOTAL – \$1,156,350

# 2011 Grants

- Department of Transportation - \$210,000
- Community Development Block Grant - \$58,200
- Municipal Alliance Committee - \$38,950
- **TOTAL - \$307,150**

# SHARED SERVICES

- Fire Suppression – Township of Montclair
- Sewer & Water Utilities – Township of Montclair
- Health Services - Township of Montclair
- Animal Control Services – Montclair/Nutley
- Parks – Essex County/Montclair
- Field / Building Maintenance – Glen Ridge Board of Education
- Street Sweeping – Township of Bloomfield
- Cooperative Purchasing – Essex, Bergen & Morris Counties
- Leaf Collection for Road Salt – Essex County
- Joint Capital Projects – Glen Ridge Board of Education & Montclair
- Benchmark Consortium

# Sample Savings

- Fire Contract saves at least \$2,500,000 per year.
- Board of Education has saved 40% on paving projects by consolidating program with the Borough.
- ADA Improvements at the High School and Linden Avenue School were provided at no cost due to grants sponsored by the Borough.
- Lighting Upgrades will be made at the Ridgewood Avenue School as part of a grant program with the Borough.
- County provided \$21,300 in road salt to the Borough as the result of eliminating redundant leaf collections.
- Current Health & Animal Control Contracts save \$31,000.
- Board of Education and Borough consolidated building and field maintenance reducing staff by two full time equivalent workers.
- Flushing of hydrants by Montclair saves \$9,000.
- Street Sweeping Contract Saves \$15,000 per annum in Operating Expenses plus Equipment Expense.

# DEBT SCHEDULE

Item	Outstanding Balance
General	\$4,810,515
Water Utility (Self – Liquidating)	\$5,571,278.38
Pool Utility(Self –Liquidating)	\$625,000.00
Green Acres	\$445,496.82

# WATER BUDGET

Summary of Revenues		Anticipated	
		2011	2010
1.	Surplus	27,847.44	0.00
2.	Miscellaneous Revenues	1054500	1,192,000.00
3.	Deficit (General Budget)	0.00	0.00
Total Revenues		1,082,347.44	1,192,000.00
Summary of Appropriations			
		2011 Budget	
1.	Operating Expenses: Salaries and Wages	250,000.00	330,892.66
	Other Expenses	466,243.76	518,180.51
2.	Capital Improvements	0.00	0.00
3.	Debt Service	366,103.68	320,076.83
4.	Deferred Charges and Other Appropriations	0.00	22,850.00
5.	Surplus (General Budget)	0.00	0.00
Total Appropriations		1,082,347.44	1,192,000.00
Total Number of Employees - Full Time		1	2

# POOL BUDGET

Summary of Revenues		Anticipated	
		2011	2010
1.	Surplus	60,000.00	70,577.00
2.	Miscellaneous Revenues	325,250.00	300,700.00
3.	Deficit (General Budget)	0.00	0.00
Total Revenues		385,250.00	371,277.00
Summary of Appropriations		2011	Final
		Budget	2010 Budget
1.	Operating Expenses: Salaries and Wages	100,000.00	95,525.00
	Other Expenses	135,000.00	175,827.00
2.	Capital Improvements	49,808.34	0.00
3.	Debt Service	100,441.66	99,925.00
4.	Deferred Charges and Other Appropriations	0.00	0.00
5.	Surplus (General Budget)	0.00	0.00
Total Appropriations		385,250.00	371,277.00
Total Number of Employees - Full Time		-	-

- Thank You and your input is welcome.
- Please contact the Borough at [info@glenridgenj.org](mailto:info@glenridgenj.org) or 973-748-8400, ext. 226 if you have questions or require additional information.