

2018 Budget Presentation



Budget Goals

- ∞ Transparent Process
- ∞ Minimize increases in operational costs
- ∞ Maintain service levels
- ∞ Identify further operational improvements
- ∞ Identify cost savings /revenue enhancements
- ∞ Stimulate growth in surplus balance.

BUDGET

Municipal budget has two components

- ∞ Operating Budget
- ∞ Capital Budget

The budget is organized into two expense categories;

- ∞ Salary & Wages
- ∞ Other Expenses
- ∞ Budget must balance revenues and expenses

BUDGET

∞ The budget is divided into three sections:

A– General Administration and Services including Sewer

B– Water

C– Community Pool

∞ Water and the Community Pool are utilities

∞ – All costs associated with utilities are paid by user fees. Utilities are not subsidized with property taxes.

BUDGET

- ∞ The Borough collects taxes for the board of education, county and municipality.
- ∞ Borough must guaranteed payment of 100% of board of education and county taxes.
- ∞ Borough covers any shortfall by budgeting a “Reserve for Uncollected Taxes”.

TAX COMPONENTS

- ☞ Glen Ridge's property taxes are distributed as follows:
- ☞ – Board of Education – 59.95 percent
- ☞ – County of Essex – 17.14 percent
- ☞ – Borough of Glen Ridge & Library- 22.91 percent

BUDGET

- ∞ The proposed 2018 municipal budget is \$14,294,871.06
- ∞ The reserve for uncollected taxes is \$652,857.03
- ∞ The amount to be raised by taxes is \$11,103,607.93
- ∞ Taxation covers 81.68% percent of the total budget

BUDGET DRIVERS

PERSONNEL COSTS

Organization / Individuals Eligible for Benefit	# of Full-Time Employees	# of Part-Time Employees	Total Personnel Cost	Base Pay	Overtime and other Compensation	Pension (Estimate)	Health Benefits Net of Cost Share	Employment Taxes and Other Benefits
Governing Body	0.00	7.00	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Supervisory Staff (Department Heads & Managers)	7.00	0.00	846,685.10	\$588,606.51	\$0.00	\$77,637.20	\$135,413.00	\$45,028.40
Police Officers (Including Superior Officers)	23.00	0.00	3,369,085.00	\$2,270,026.00	\$105,974.00	\$670,214.00	\$322,871.00	\$0.00
Fire Fighters (Including Superior Officers)	0.00	0.00	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
All Other Union Employees not listed above	20.00	3.00	1,720,727.15	\$1,097,019.74	\$55,000.00	\$146,015.90	\$334,562.00	\$88,129.51
All Other Non-Union Employees not listed above	3.00	111.00	662,487.90	\$509,213.75	\$0.00	\$67,165.29	\$47,154.00	\$38,954.85
Totals	53.00	121.00	6,598,985.16	\$4,464,866.00	\$160,974.00	\$961,032.40	\$840,000.00	\$172,112.76

BUDGET DRIVERS

- ☞ Two principal pension systems:
 - ☞ – Public Employee Retirement System (PERS)
 - ☞ – Police and Fire Retirement System (PFRS)
- ☞ The Township contributes to two funds:
 - ☞ – PERS - - up \$51,201.00, a 20% increase
 - ☞ – PFRS - - up \$89,865.00, a 15% increase
- ☞ PFRS is more costly than PERS when calculated on a per-capita basis (25.51% vs. 12.91%). Local pension plans are approximately 75% funded.

BUDGET DRIVERS

- ☞ Glen Ridge's membership in the New Jersey State Health Benefit Plan helps contain the cost
- ☞ – 2018 health benefit costs are \$840,000
- ☞ – There is no increase in health care insurance premiums for 2018
- ☞ Annually, the decision to continue as a member of the SHBP is reviewed
- ☞ – Health insurance funds (HIFs)
- ☞ – Private insurers

BUDGET DRIVERS

☞ State aid is flat since 2010 as shown in the following table:

☞ STATE AID TO GLEN RIDGE

☞ 2007 \$685,000.00

☞ 2008 \$689,508.00

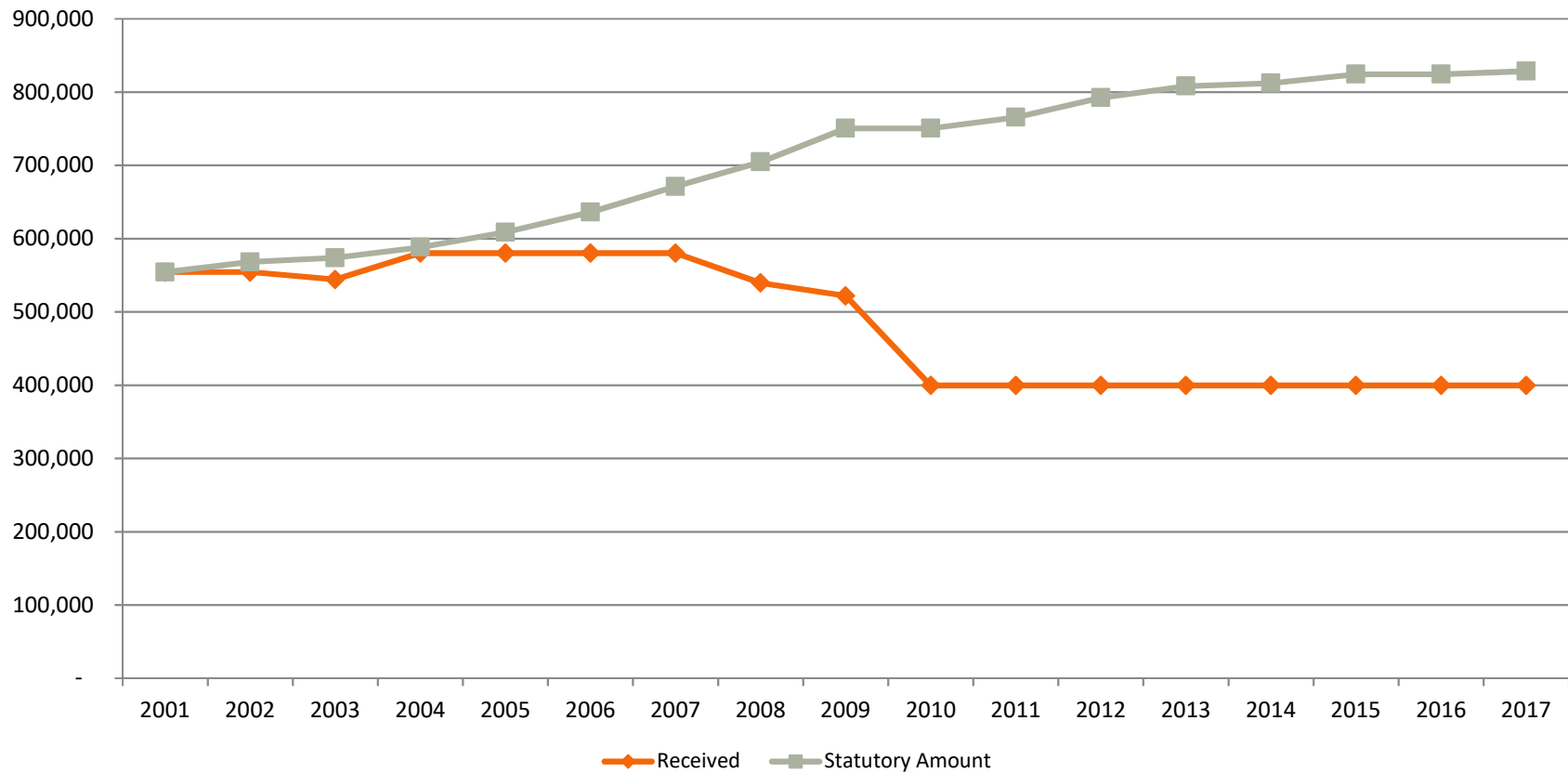
☞ 2009 \$521,935.00

☞ 2010 – 2018 \$399,541.00/YEAR

BUDGET DRIVERS

Source: NJLM

Calculation of State Aid Obligation



BUDGET DRIVERS

Source: NJLM

State Aid Impact Calculation – Consolidated Aid & Energy Receipts				
Year	Actual Amount Received	Implicit Price Deflator	State Aid Formula	Excess/ (Deficit)
2001	554,377		554,377	-
2002	554,377	2.50%	568,236	(13,859)
2003	544,327	1.00%	573,919	(29,592)
2004	580,328	2.50%	588,267	(7,939)
2005	580,328	3.50%	608,856	(28,528)
2006	580,328	4.50%	636,255	(55,927)
2007	580,328	5.50%	671,249	(90,921)
2008	539,508	5.00%	704,811	(165,303)
2009	521,935	6.50%	750,624	(228,689)
2010	399,541	0.00%	750,624	(351,083)
2011	399,541	2.00%	765,636	(366,095)
2012	399,541	3.50%	792,434	(392,893)
2013	399,541	2.00%	808,282	(408,741)
2014	399,541	0.50%	812,324	(412,783)
2015	399,541	1.50%	824,508	(424,967)
2016	399,541	0.00%	824,508	(424,967)
2017	399,541	0.50%	828,631	(429,090)
	8,232,164		12,063,540	(3,831,376)

CAP LAWS

TAX LEVY/REVENUE “CAP”

- ∞ 2% CAP – Based on Prior Year Amount to be Raised by Taxation
- ∞ Exceptions: Increases in Health Insurance, Debt Service, Capital Expenses & Declared Emergencies
- ∞ Borough has a CAP Bank of \$158,519
- ∞ Expiring Balance for 2018 is \$389,487

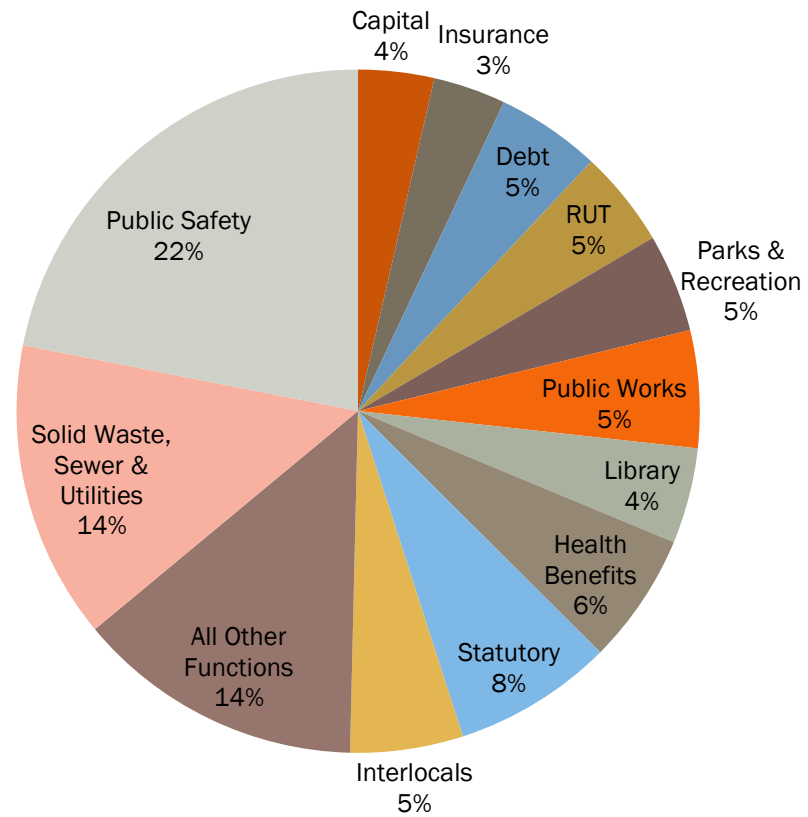
APPROPRIATION/EXPENDITURE “CAP”

- ∞ Maximum 3.5% by Ordinance
- ∞ Borough has Appropriation Bank of \$624,118.44
- ∞ The banks are the result of cost containment measures from previous years.

TAX IMPACT

- 2017 Average Home Assessment - \$545,100.00
- 2018 Average Home Assessment - \$547,956.80
- 2017 Municipal Tax - \$4,267.64
- 2018 Municipal - \$4,338.48
- 2018 Tax Increase - \$70.84 per year (1.66% increase)

FUNCTIONS



OUTSTANDING DEBT

- ☞ Water Utility Fund Debt - \$3,048,892.24
- ☞ Pool Utility - \$700,000
- ☞ Municipal Purposes -\$4,445,561.83
- ☞ Total Debt - \$8,194,454.07
- ☞ Net Debt as % of 3 Year Avg. Property Valuation – 0.272%
- ☞ Allowable Debt as % of 3 Year Avg. Property Valuation – 3.5%

SHARED SERVICES

Receiving	Township of Montclair	Fire Suppression Contract		1/1/1990	12/31/2022	\$650,000.00
Providing	Essex County	Leaf Collection		8/1/2010	12/31/2018	\$15,000.00
Receiving	Township of Bloomfield	Health & Social Services		1/1/2012	12/31/2019	\$26,551.00
Receiving	Township of Bloomfield	Animal Control		1/1/2012	12/31/2019	\$16,000.00
Providing	Township of Montclair	Snow Plowing		1/30/2014	12/31/2018	
Receiving	Township of Montclair	Water & Sewer Maintenance		8/18/2009	12/31/2018	\$70,385.00
Providing	Township of Verona	Qualified Purchasing Services		7/1/2015	12/31/2018	\$5,000.00
Receiving	Woodland Park	Construction & Sub-Code Officials		3/28/2016	12/31/2017	\$15,000.00
Receiving	Township of Bloomfield	Street Sweeping		1/1/2010	12/31/2018	\$8,000.00
	Township of Montclair	Athletic Field	George Washington Field	1/1/2015	12/31/2022	

2017 PROJECTS

- ☞ Road Projects - Douglas Road, Marsten Place, Washington Street (RWA to Montclair Border),
- ☞ Buildings- Municipal Complex & Public Works Generators & Site Work
- ☞ Shade Trees - Planted 200 trees & working toward a comprehensive pruning schedule
- ☞ Public Safety – Continued Community Outreach Program
- ☞ Renewed Train Station Lease
- ☞ Energy Conservation Improvements – Municipal Building & Library
- ☞ Resurface Pool & Replace Sand Filter
- ☞ Asset Management Documentation of Water & Sewer System
- ☞ Continue Water Service Replacement Program
- ☞ Initiate Revaluation Program
- ☞ Central Air Conditioning for Municipal Complex Design
- ☞ Completed War Memorial & David Ginsburg Plaza Projects
- ☞ Expanded Online Payment System

2018 PROJECTS

- ∞ Road Projects -Cambridge Road, Avon Place, Herman Street Edgewood Road, Sommer Avenue, Glen Park Road, Victor Avenue, Cross Place, Willow Street, Cross Street, Reynolds Road, Chestnut Hill Place, Astor Place, Maolis Avenue, Winsor Place, Appleton Road & Place, Clark Street, Old Oak Road, Washington Street (RWA to Bloomfield Border), Avon Place, Sunset Avenue and Dodd Street
- ∞ Public Safety – Continue Community Outreach Program
- ∞ Energy Conservation Improvements
- ∞ Continue Water Service Replacement Program
- ∞ Continue Sewer Relining Program
- ∞ Complete Revaluation Program
- ∞ Central Air Conditioning for Municipal Complex
- ∞ Expand Online Payment System
- ∞ Continue planting of 200 trees per year/address Emerald Ash Borer infestation

BUDGET

- ☞ More information on the 2018 budget is available at www.glenridgenj.org
- ☞ Please contact the Borough Administrator at mjrohal@glenridgenj.org or 973-748-8400, ext. 226 if you have questions or require additional information.
- ☞ Thank You and your input is welcome.