Borough of Riverdale

County of Morris

State of New Jersey

Budget Analysis

2015

Borough of Riverdale

Governing Body

- **Mayor William Budesheim**
- **Council President Gary Mastrangelo**
- **Councilman Garrett Astarita**
- **Councilman Paul Carelli**
- **Councilman Bradley Clinton**
- **Councilman Vincent Pellegrini**
- **Councilman Stephen Revis**

Budget Overview

- **Chapter 44 of P.L. 2010 (2010 CAP) imposes a 2% cap on local tax levies.**
- **The levy cap is in addition to the existing appropriation cap.**
- **The cap calculation is subject to various adjustments, including but not limited to the value of increased assessments and other modifications.**
- **The Amount to be Raised by Taxation for 2015 is in compliance with the 2% Tax Levy CAP.**
- **The General Appropriations for 2015 are in compliance with the 3.5% Appropriation CAP.**

Steps Taken To Reduce Spending

- Shared Services Agreements
- Alternate Electric Utility Provider
- Alternate Telephone Utility Provider

Steps Being Considered To Reduce Spending

- Continue to seek new cost-savings opportunities
- Reduce Borough's payroll through attrition
- Restructure Health Insurance

Tax Rate Comparison

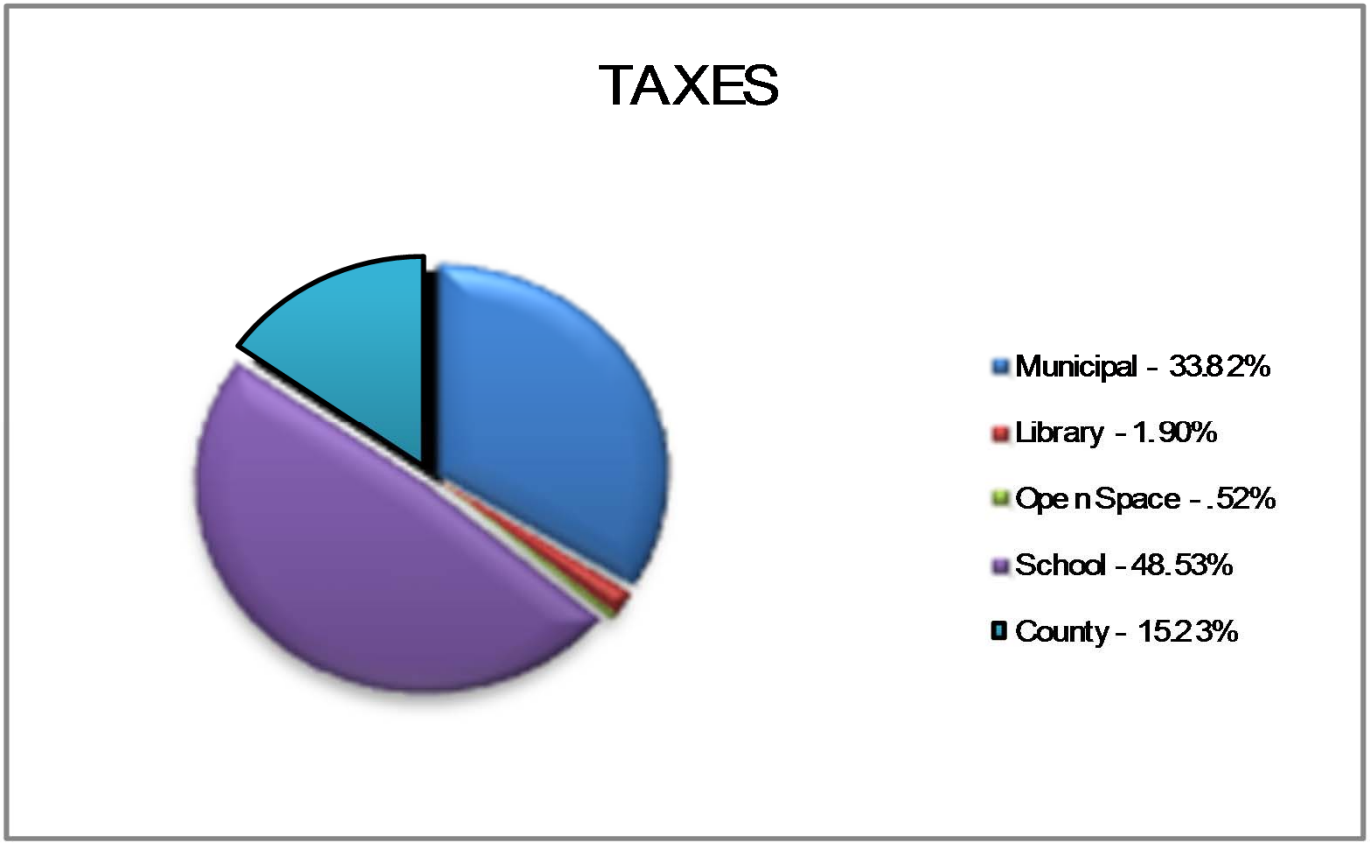
In cents per $100 of Assessed Valuation

	2015 (Projected/Estimated)	2014 (Actual)
School	.917	.881
County	.287	.277
Borough	.639	.639
Library	.036	.036
Municipal	.675	.675
Open Space	.010	.010
TOTAL	1.889	1.843

Overview Of Tax Increase

- The 2015 proposed budget reflects a zero increase in the municipal tax rate.
- The average assessment for a residential home for 2015 is $288,782.01.

2015 Projected Tax Rate Breakdown



What Do You Get for Your Municipal Tax Dollar?

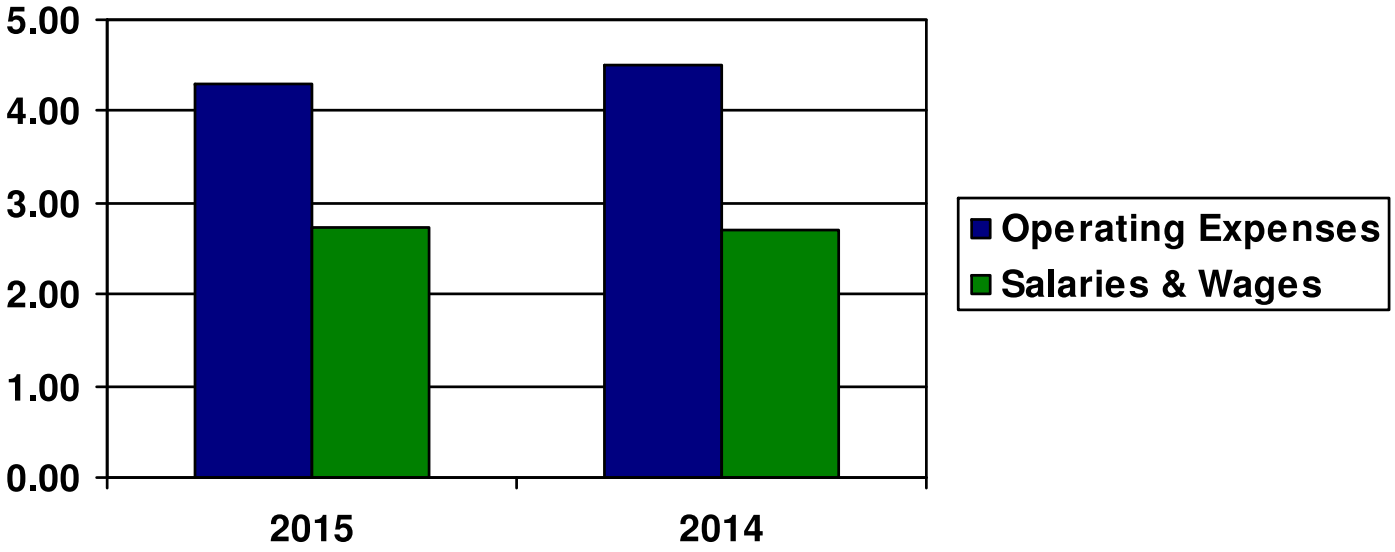
- **Police and Fire Departments – Public Safety**
- **Public Works Department :**

  Maintain roadways, parks, storm water management, leaf collection and snow removal
- **Board of Health / Animal control services**
- **Emergency First Aid**
- **Recreational, cultural and senior citizen events and programs**
- **Garbage Collection / Recycling Program**
- **Open Space acquisition and maintenance**

Ratables

- The ratable base for 2015 is $795,591,500.
- The Borough expects only minimal ratable growth in 2016.

Total Budget Comparison



	2015 (Proposed)	2014 (Final)	Change Increase/<Decrease>
Salaries & Wages	$2,719,990	$2,690,190	**1.11%**
Other Expenses	$4,295,784	$4,505,284	**<4.65%>**
Total	$7,015,774	$7,195,474	**<2.50%>**

2015 Proposed Budget

Fixed & Statutory Costs

Utilities / Sanitation	$485,000
Insurance	$688,000
Other – Tax Appeals, Library, LOSAP, Grants, Shared Service	$516,131
Capital Improvement	$227,500
Debt Service	$567,105
Deferred Charges / Statutory	$729,237
Reserve for Uncollected Taxes	$488,436
Total	$3,701,409

Department Expenses

Public Safety	2,094,705
Public Works	$471,785
Government Services	$480,105
Construction / Land Use	$37,685
Recreation / Celebration	$13,000
Health / Human Services / Senior / Facilities	$100,310
Municipal Court	$116,775
Total	$3,314,365

Budget Appropriations by Category

CATEGORY	AMOUNT	PERCENT OF TOTAL BUDGET
Salaries	$2,719,990	38.77%
Insurance (including health)	$688,000	9.81%
Garbage & Recycling	$265,000	3.78%
Utilities	$205,000	2.92%
Deferred Charges / Statutory Expenditures	$729,237	10.39%
Library	$285,526	4.07%
Interlocal (Shared) Service Agreements	$98,000	1.40%
Grants	$29,587	.42%
Debt Service/Capital Improvement	$795,605	11.34%
Reserve for Uncollected Taxes	$488,436	6.96%
Other	$711,393	10.14%
TOTAL	$7,015,774	100%

Budget Cost Drivers

Description	2015 (Proposed)	2014 (Adopted)	Dollar Increase/ <Decrease>	% Increase/ <Decrease>
Contributions to Retirement Systems	$460,736	$448,678	$12,058	2.69%
Insurance (including Health)	$688,000	$646,525	$41,475	6.41%
Garbage / Utilities	$485,000	$448,500	$36,500	8.14%
Library	$285,526	$288,338	<$2,812>	<.97%>
Municipal Debt Service	$567,105	$578,115	<$11,010>	<1.90%>
Reserve for Uncollected Tax	$488,436	$485,220	$3,216	.66%
Salaries and Wages	$2,719,990	$2,715,190	$4,800	.18%

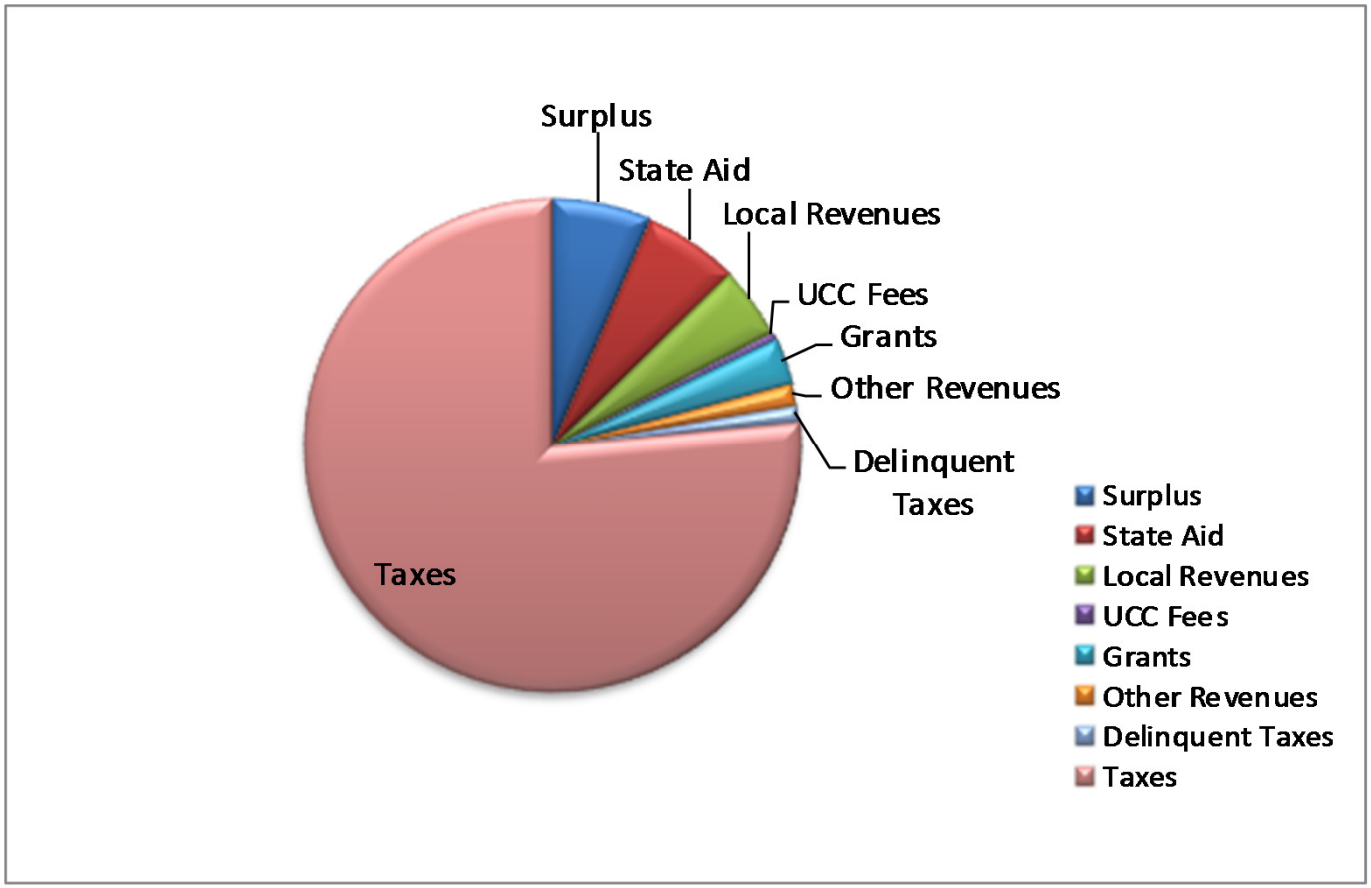
Proposed Changes in Appropriations

- **Salaries and Wages – Increased $4,800 as a result of the net change between the contractual and approved increases in salaries and the reduction in salaries due to attrition.**
- **Library – Decreased $2,812 caused by the decrease in the Borough's equalized value.**
- **Pension Contribution – Increased $12,058 based on the annual employer appropriation invoices received from the State.**
- **Reserve for Uncollected Taxes – Increased $3,216 as a result of the increase in the estimate of school and county taxes.**
- **Health Insurance - Increased $41,475 due to the increase in premiums.**

Source of Revenues to Support Municipal Budget

	2015 (Proposed)	2014 (Adopted)	Increase/ <Decrease>
Surplus Utilization	$450,000	$475,000	<5.26%>
State Aid – Energy Receipts Tax	$439,515	$436,618	.66%
State Aid – CMPTRA	$0	$2,897	<100%>
Local Revenues	$329,000	$261,750	25.69%
Other Revenues	$99,180	$53,000	87.13%
Uniform Construction Code Fees	$40,000	$36,000	11.11%
Grants	$214,587	$454,701	<52.81%>
>Delinquent Taxes	$75,000	$75,000	0%
Amount to be Raised by Taxes	$5,368,492	$5,400,508	<.59%>
Total	$7,015,774	$7,195,474	<2.50%>

2015 Municipal Revenue Sources



BOROUGH OF RIVERDALE

ANALYSIS OF BUDGET REVENUES

2015

CATEGORY	2011	2012	INCREASE/ <DECREASE> PERCENT	2012	2013	INCREASE/ <DECREASE> PERCENT	2013	2014	INCREASE/ <DECREASE> PERCENT	2014	PROPOSED 2015	INCREASE/ <DECREASE> PERCENT	CUMULATIVE INCREASE/ <DECREASE> PERCENT
SURPLUS	800,000	575,000	(225,000)	575,000	572,500	(2,500)	572,500	475,000	(97,500)	475,000	450,000	(25,000)	(350,000)
			-28.13%			-0.43%			-17.03%			-5.26%	-43.75%
LOCAL REVENUE	396,000	271,700	(124,300)	271,700	248,100	(23,600)	248,100	261,750	13,650	261,750	329,000	67,250	(67,000)
			-31.39%			-8.69%			5.50%			25.69%	-16.92%
STATE AID	439,515	439,515	0	439,515	439,515	0	439,515	439,515	0	439,515	439,515	0	0
			0.00%			0.00%			0.00%			0.00%	0.00%
UNIFORM CONSTRUCTION CODE	85,000	89,475	4,475	89,475	88,500	(975)	88,500	36,000	(52,500)	36,000	40,000	4,000	(45,000)
			5.26%			-1.09%			-59.32%			11.11%	-52.94%
INTERLOCAL SERVICE AGREEMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0
			0.00%			0.00%			0.00%			0.00%	0.00%
PUBLIC AND PRIVATE (GRANTS)	21,496	14,231	(7,265)	14,231	46,543	32,312	46,543	275,080	228,537	275,080	214,587	(60,493)	193,091
			-33.80%			227.05%			491.02%			-21.99%	898.27%
OTHER SPECIAL ITEMS	155,500	57,500	(98,000)	57,500	42,500	(15,000)	42,500	53,000	10,500	53,000	99,180	46,180	(56,320)
			-63.02%			-26.09%			24.71%			87.13%	-36.22%
DELINQUENT TAXES	70,000	50,000	(20,000)	50,000	50,000	0	50,000	75,000	25,000	75,000	75,000	0	5,000
			-28.57%			0.00%			50.00%			0.00%	7.14%
AMOUNT TO BE RAISED	4,707,984	4,821,889	113,905	4,821,889	5,317,183	495,294	5,317,183	5,400,507	83,324	5,400,507	5,368,492	(32,015)	660,508
			2.42%			10.27%			1.57%			-0.59%	14.03%
	6,675,495	6,319,310		6,319,310	6,804,841		6,804,841	7,015,852		7,015,852	7,015,774		

Resulting Changes In Revenue

• **Surplus Anticipated**	**Decreased $25,000**
• **Fees and Permits**	**Increased $12,000**
• **Municipal Court Fees**	**Increased $68,500**
• **Interest and Costs on Taxes**	**Decreased $13,250**
• **Uniform Construction Code Fees**	**Increased $4,000**
• **Facility Usage Fees**	**Increased $19,000**
• **Donation – Newsletter**	**Decreased $3,320**

Municipal Revenues versus Appropriations (Adopted)

	2011	2012	2013	2014	2015 (Proposed)
Surplus Anticipated	$800,000	$575,000	$572,500	$475,000	$450,000
Local Revenue	$396,000	$271,700	$248,100	$261,750	$329,000
Energy Receipts Tax	$410,727	$425,759	$434,424	$436,618	$439,515
Consolidated Municipal Property Tax Relief	$28,788	$13,756	$5,091	$2,897	$0
Building Department (UCC Fees)	$85,000	$89,475	$88,500	$36,000	$40,000
Grants with offsetting Appropriations	$21,496	$14,231	$46,543	$275,080	$214,587
Other Revenue Sources	$155,500	$57,500	$42,500	$53,000	$99,180
Delinquent Taxes	$70,000	$50,000	$50,000	$75,000	$75,000
Amount to be Raised by Taxes	$4,707,984	$4,821,889	$5,317,183	$5,400,507	$5,368,492
Appropriations	$6,675,495	$6,319,310	$6,804,841	$7,015,852	$7,015,774

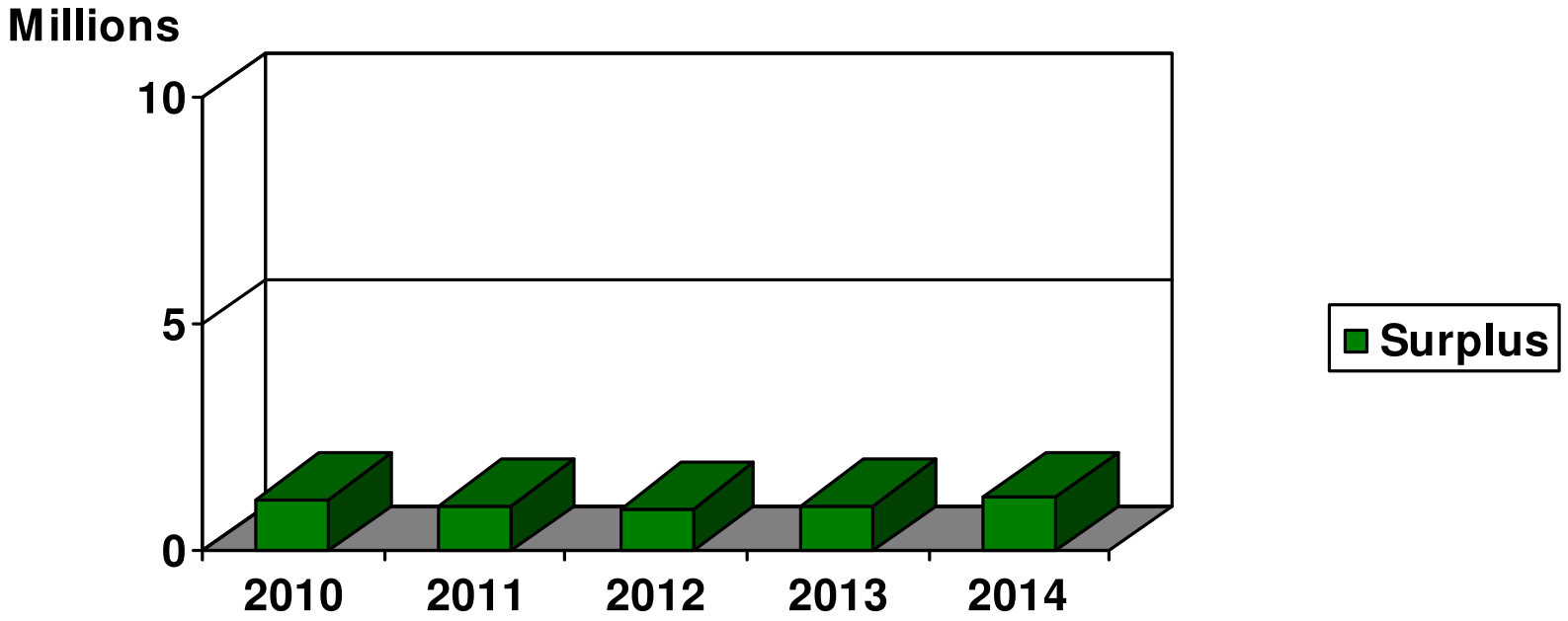
Surplus

- **The Borough's unaudited surplus balance on 12/31/14 was $1,185,284.**
- **The surplus balance is $167,419 higher than it was on 12/31/13.**
- **The increase in surplus was aided by the receipt of non recurring revenues realized, including but not limited to, an old escrow account balance closed, a collection of an outstanding balance for the rental of municipal owned property and a large health insurance reimbursement . Also, revenues realized exceeded the amounts anticipated.**

Surplus

YEAR	AMOUNT
2010	$1,159,907
2011	$983,675
2012	$931,045
2013	$1,017,865
2014 (Unaudited)	$1,185,284

Surplus Realized



BOROUGH OF RIVERDALE
CURRENT FUND

ANALYSIS OF REVENUES AND EXPENDITURES

2011-2016

	2011 AUDITED		2012 AUDITED		2013 AUDITED		2014 ADOPTED/UNAUDITED		2015 PROPOSED/PROJECTED		2016 PROJECTED	
REVENUES												
SURPLUS	$800,000		$575,000		$572,500		$475,000		$450,000		$500,000	
LOCAL REVENUES	$278,993		$266,845		$281,436		$345,734		$329,000		$329,000	
STATE AID	$439,515		$439,515		$439,515		$439,515		$439,515		$439,515	
UNIFORM CONSTRUCTION	$151,485		$101,437		$36,802		$45,495		$40,000		$40,000	
PUBLIC AND PRIVATE	$469,842		$113,066		$278,593		$454,702		$214,587		$0	
OTHER SPECIAL ITEMS	$158,701		$63,256		$54,011		$83,174		$99,180		$74,500	
DELINQUENT TAX	$45,109		$53,582		$62,809		$155,745		$75,000		$75,000	
AMOUNT TO BE RAISED	$5,068,056	0.516	$5,134,617	0.529/ 0.601	$5,408,169	0.663	$5,520,335	0.675	$5,368,492	0.675	$5,657,611	0.711
EXCESS REVENUES									$225,000		$225,000	
MRNA	$182,535		$135,182		$280,949		$318,485		$125,000		$125,000	
RESERVES LAPSED	$154,541		$111,205		$181,155		$92,862		$150,000		$125,000	
OTHER	$9,146		$12,272		$162,081		$28,339					
	$7,757,923		$7,005,977		$7,758,019		$7,959,384		$7,515,774		$7,590,626	
EXPENDITURES												
OPERATING WITHIN CAPS												
SALARIES	$2,835,290		$2,822,595		$2,868,060		$2,675,190		$2,719,990		$2,845,285	
OTHER EXPENSE	$1,529,590		$1,653,940		$1,640,065		$1,712,350		$1,747,772		$1,863,350	
OPERATING EXCLUDED												
SALARIES							$15,000					
OTHER EXPENSE	$692,967		$506,895		$479,192		$985,921		$535,734		$491,543	
CAPITAL	$185,000		$5,000		$220,000		$25,000		$227,500		$25,000	
DEBT SERVICE	$648,200		$339,266		$631,715		$578,115		$567,105		$625,000	
DEFEERED/STATUTORY	$726,654		$716,695		$723,434		$718,678		$729,237		$758,274	
RESERVE FOR UNCOLLECT	$506,141		$453,755		$474,426		$485,220		$488,437		$507,174	
OTHER	$10,313		$65,461		$61,808		$121,491					
	$7,134,155		$6,563,607		$7,098,699		$7,316,965		$7,015,774		$7,115,626	
	$623,768		$442,370		$659,320		$642,419		$500,000		$475,000	
ADJUSTMENTS			$80,000									
	$623,768		$522,370		$659,320		$642,419		$500,000		$475,000	
SURPLUS 1/1	$1,159,907		$983,675		$931,045		$1,017,865		$1,185,284		$1,235,284	
	$1,783,675		$1,506,045		$1,590,365		$1,660,284		$1,685,284		$1,710,284	
SURPLUS ANTIC	$800,000		$575,000		$572,500		$475,000		$450,000		$500,000	
SURPLUS 12/31	$983,675		$931,045		$1,017,865		$1,185,284		$1,235,284		$1,210,284	

Other Items of Interest

- Future tax appeals pending
- Decrease in State Aid of $230,107 from 2007 – 2010
- Decrease in Surplus of $1,347,042 from 2008 – 2012
- Increase in Surplus of $254,239 from 2012 to 2014

In Summary

- This budget provides for the same level of services that are expected by the citizens of the Borough of Riverdale, with no tax increase.
- Thanks to everyone for their input and assistance.