

---

---

# **BOROUGH OF ORADELL**

## **2013 Municipal Budget**

**Joseph L. Murray Jr., Mayor**

**Laura J. Graham, Borough Administrator**

**Finance Committee Council Members:**

**Garrie Murphy, Finance Committee Chair**

**Councilmen Koth and Shuler**

**Katie W. Chen, Chief Financial Officer**

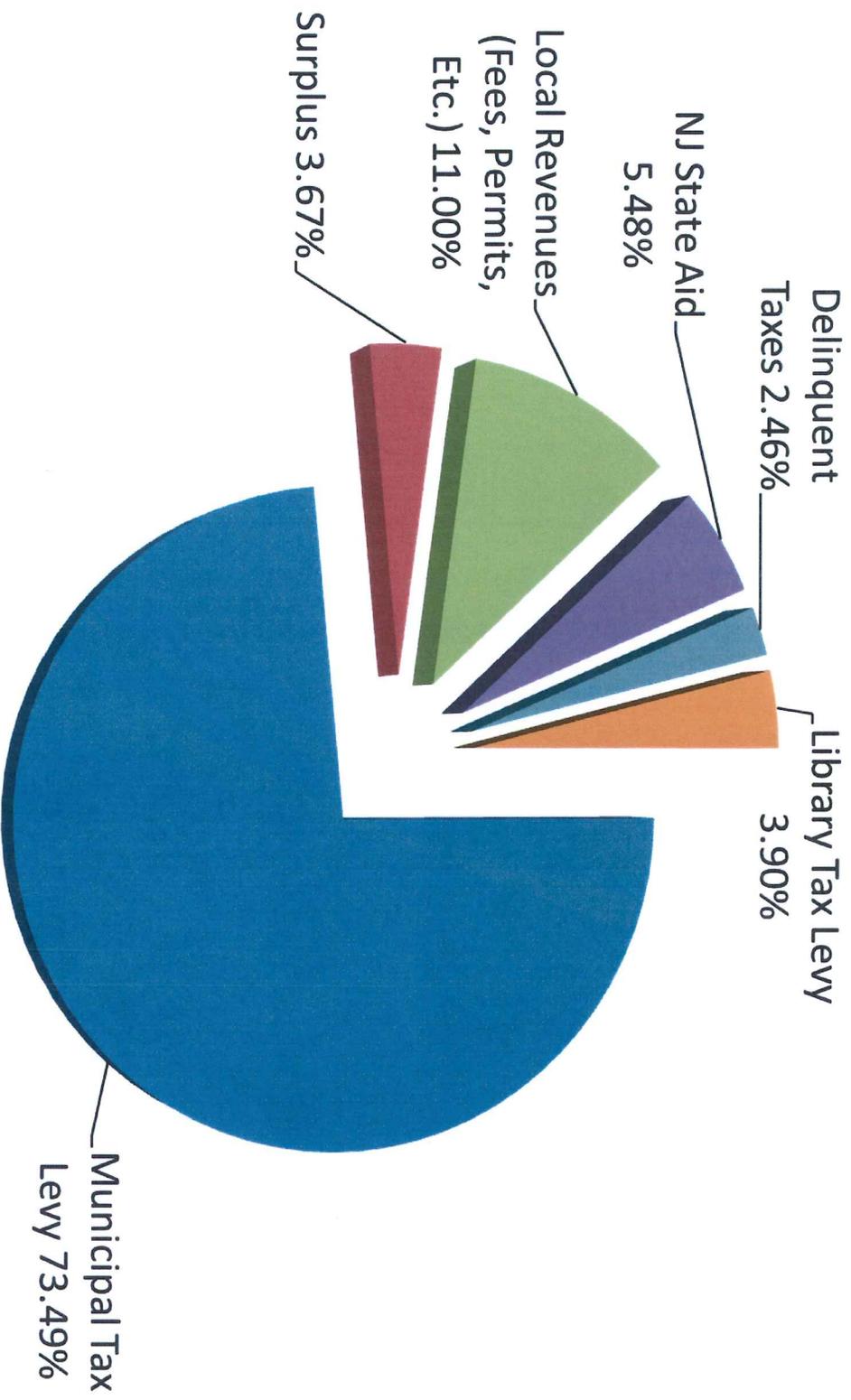
**May 28, 2013**

# **Accomplishments**

## **FY 2013 YTD**

- Borough of Oradell has maintained its bond rating of Aa2 from Moody's Investors Service (#3 position- High Grade)
- Leveraged community-based financial talent
- FY 2013 budget (CY) balanced and submitted for approval
- Reviewing capital budget for FY 2013

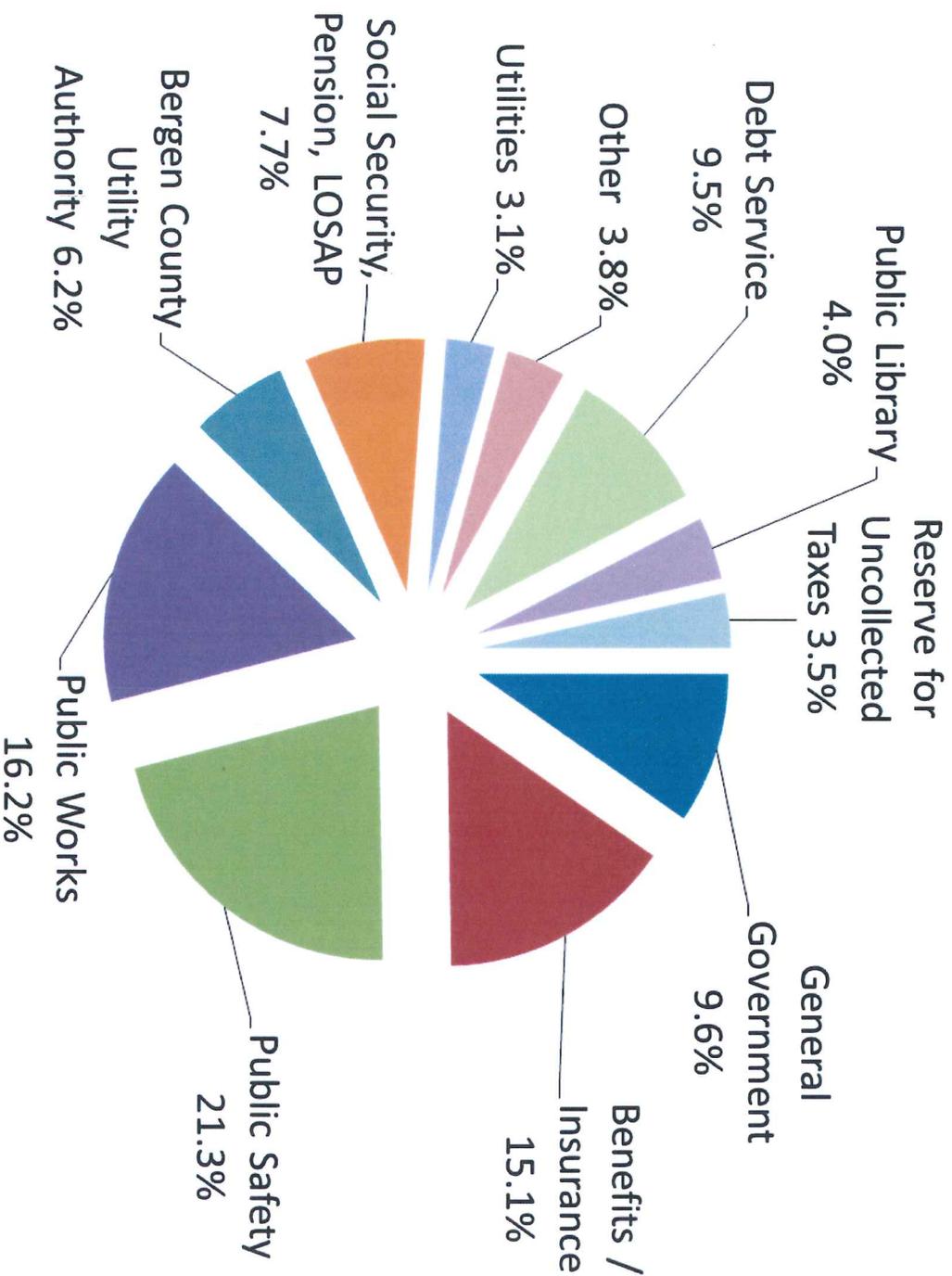
# 2013 Budget Revenues



# 2013 Anticipated Revenues

Revenues	Anticipated Amount	% Increase (Decrease) Over FY 2012
Municipal Tax Levy	\$10,614,468	5.97%
Surplus Anticipated (sale of the cell tower)	\$530,000	46.81%
Local Revenues	\$1,589,111	36.09%
NJ State Aid	\$792,225	0.00%
Delinquent Taxes	\$355,501	(40.25%)
Library Tax Levy	\$563,134	(2.32%)
<b>Total Revenues</b>	<b><u>\$14,444,439</u></b>	<b><u>6.93%</u></b>

# 2013 Budget Appropriations



# 2013 Budget Appropriations

Department	Amount	% Increase (Decrease) Over FY 2012
Public Safety (Police, Crossing Guards, OEM and Fire)	\$3,075,572	2.6%
Public Works (Road Repairs, Plowing, Trees, Garbage, Building R+M, Sewers, Garage, Parks and Playground Maint.)	\$2,337,775	4.1%
Insurance (Liability and Emp. Benefits)	\$2,181,310	4.8%
Debt Service	\$1,364,600	16.9%
Social Security, PERS, PFRS, Unemployment and LOSAP	\$1,114,413	(2.3%) \$49K decrease in PERS
Bergen County Utility Authority	\$896,000	2.1%
General Government (Admin)	\$1,388,706	6.6% <i>School Legal Fees, Tax Appeals Defense, Traffic Study and etc.</i>
Public Library	\$578,509	0.0%
Reserve for Uncollected Taxes	\$504,634	10.6% <i>Increase due to schools levies</i>
Utilities (Street Lighting, Telephone, Hydrant and Gas)	\$447,160	4.1%
Other (CIF, Res for Tax Appeals, Deferred Charges, and etc.)	\$555,760	141.2% <i>Overexpenditures, Tax Court Judgments, School Legal Fees and Storm Related Emergency Expenses</i>
<b>Total Appropriations</b>	<b><u>\$14,444,439</u></b>	<b><u>6.9%</u></b>

# Budget Parameters from NJ

- Maximum Tax Levy Increase = 2%\*

*Cap Exclusions Allowed (factors for budget to increase over 2%)	Amount
Debt Service, Capital Leases and Debt Service Share Cost Increases	\$124,235
Healthcare Insurance Cost Increase	\$53,176
Pension Obligations Increase	\$5,637
Deferred Charges: Emergencies	\$227,200
Recycling Tax Appropriation	\$10,000
<b>Total Cap Exclusions Allowed</b>	<b><u>\$420,248</u></b>

- 2013 State Aid is flat: \$792,225

# 2013 Budget Issues

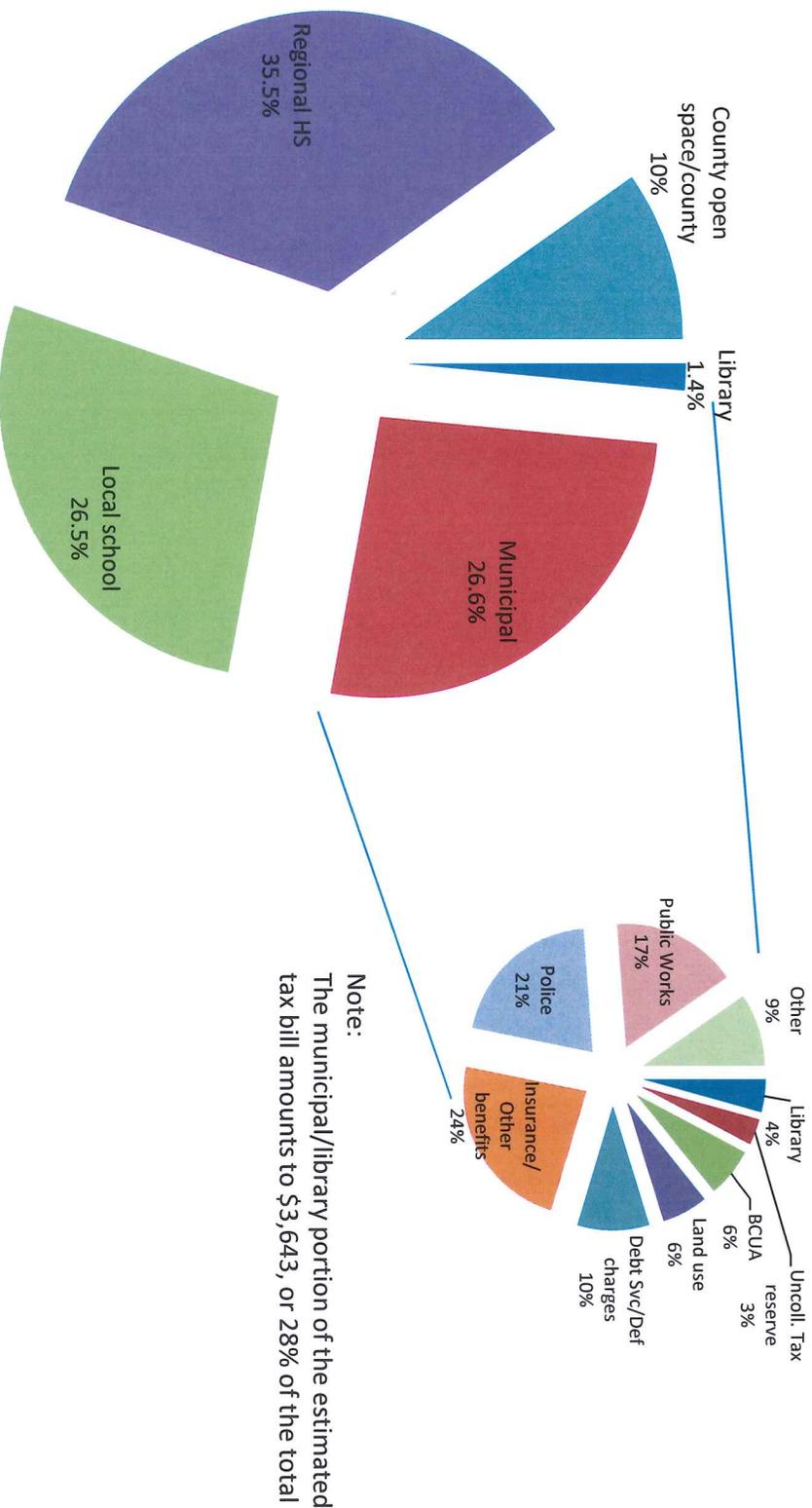
- State Aid is essentially “flat”
- Contractual costs are increasing at a significant rate (i.e. Health Insurance, PFRS, and BCUA)
  - Health Insurance – an increase of 8.64% or \$100,000
  - Police and Firemen’s Retirement System – an increase of 3.00% or \$17,000
  - Bergen County Utility Authority – an increase of 2.05% or \$18,000
- **Extraordinary Expenses**
  - 2011 Overexpenditures (Per the Audit Report)= \$158,571
  - 2012 Hurricane Sandy Storm Emergency = \$17,000
    - First Payment of 20% of \$85,000 in 2013
  - 2012 Reassessment of Property = \$15,000
    - First Payment of 20% of \$75,000 in 2013

# Allocation of Your Tax Dollar



School 62%      Borough and Library 28%      County & County Open Space 10%

# 2013 Est. Tax Bill



Note:  
The municipal/library portion of the estimated tax bill amounts to \$3,643, or 28% of the total

Composition of taxes (\$12,976 est.) for average assessed home (home value of \$472,343)

# Municipal and Library Taxes on Average Assessed Home

**M & L Tax increase  
per Average  
Household  
\$173.47**

**TOTAL LOCAL LEVY (includes  
Municipal and Library)**

**\$11,177,602**

**AVERAGE VALUATION**

**\$472,343**

**MUNICIPAL TAX LEVY on a  
TYPICAL HOME**

**\$3,643**

**TAX INCREASE OVER 2012**

**\$173.47**

**TAX INCREASE PER MONTH**

**\$14.46**

## Total Tax Calculation on Average Assessed Home

**Total Tax Increase  
per Average  
Household  
\$496.92**

	2013	2012	Increase (Decrease)
Library	\$183.55	\$188.85	(\$5.29)
Municipal	\$3,459.73	\$3,280.97	\$178.76 <i>Municipal increase is essentially flat</i>
Local School (OPS)	\$3,437.85	\$3,411.08	\$26.77
Regional H.S. (River Dell)	\$4,606.43	\$4,352.98	\$253.45 <i>Increased by \$18.44 in 2012</i>
County & County Open Space	\$1,288.46	\$1,245.22	\$43.24
<b>Total</b>	<b>\$12,976.02</b>	<b>\$12,479.10</b>	<b>\$496.92</b>
<b>Total % Change</b>			<b>3.98%</b>

Note: Average assessed value of home decreased from \$531,722 to \$472,343

# Forward Budget Thoughts

Oradell's rateables are now stable, but certainly not increasing enough to offset expense increases.

## Expense

- Approximately 60% of the municipal budget is contractually controlled.

## Surplus

- Surplus was used to mitigate tax increases from 2007-2012. It is necessary to "net use" approximately \$530K of surplus this year to balance the FY 13 budget.

## Revenue

- Clearly, Oradell needs to embrace revenue (rateables) via intelligent land development, or we must face the likelihood of diminished or "a la carte" municipal services.

# Forward Budget Thoughts

- Council efforts must be dedicated for the balance of CY 2013:
  - Development and execution of a Borough long range plan
  - Embracing measurable cost reductions through Shared Services (Where possible)
  - Creating a business friendly, pro “intelligent development” environment (new rateables-long term)

# Questions / Comments

