



**Township Manager's
Proposed 2023
Municipal Budget
Dean B. Kazinci
Township Manager**

Proposed 2023 Municipal Budget

Budget Preparation Process

1. Department Head Requests (September 2022)
2. Manager/CFO Review (October 2022)
3. Manager/CFO/Department Head Public Hearings (November 2022)
4. Public Input at Council Meeting (2/14)
5. Manager/CFO/Auditor budget review

Proposed 2023 Municipal Budget

Budget Preparation Process

6. Manager's Budget to Council rev. statutory 2/27 or next regularly scheduled meeting (3/14)
7. Council review and public hearings (March 16, 23, 30)
8. Council introduction of budget by revised statutory date of 3/31 or next meeting (4/4)
9. Hearing and adoption of budget by revised statutory date of 4/28 or next meeting (5/9)

Assumptions

2023 Budget is dependent upon:

- Council determination of 2023 Municipal Budget Appropriations
- Fund Balance (Surplus) available for 2023
- 2022 Municipal Revenues' Analysis and 2023 Revenue Anticipations
- State Aid allocations for 2023
- Special Emergency Financing for Terminal Leave

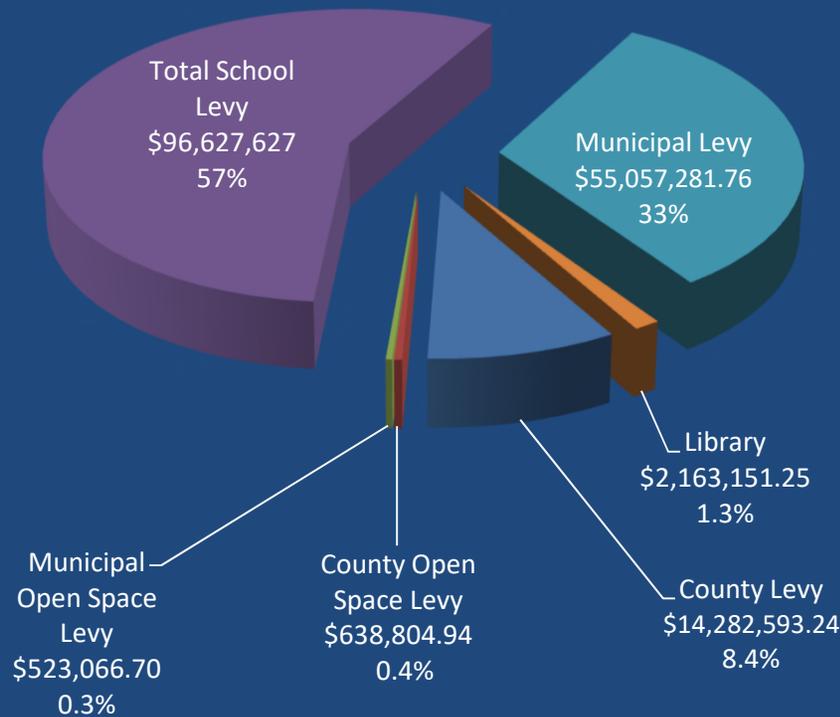
Appropriation vs. Revenues vs. Rate

- 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

2022 Tax Breakdown

Tax Breakdown

**Total Property Taxes:
\$169,280,774.75**



- 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. 33% (2022)

Known Impacts on 2023 Budget

- Increase in pension obligations (\$152,905 or 1.52%)
- Increase in Added Assessment by Public Entity Joint Insurance Fund and Annual Premium Increase (\$660,500 or 74.55%)
- Increased Capital Improvement Fund
- Increase in Contractual Obligations to Employees
- Increased Capital Improvement Fund Contribution from 2022 (\$300,000 to \$560,000)
- Increased contribution to TVAC (\$30,000)

Known Impacts on 2023 Budget

- Outsourcing of Building Maintenance, Parks/Fields Maintenance
- 2022 Special Emergency Terminal Leave Financing (\$320,100)
- Health Insurance Increase (\$367,000 or 6.54%)
- Inflation – 6.41% as of January 2023
- RFPs for Professional Services
- Increase of \$1,863,904 (8%) in 2023 Operational Expenses

Known Impacts on 2023 Budget

State Health Benefits Plan (SHBP)

- Proposed 20-24% Increase for 2023
- Forecasted at total of \$5,612,208
- Increase of \$346,640 from 2022 (11.46%)

Private Horizon Blue Cross Plan

- Proposed 8% Increase for 2023
- Forecasted at total of \$5,160,000
- Savings of \$452,208 by switching plans

Proposed 2023 Municipal Budget

Proposed tax rate increase is 4.99%

Estimated annual tax increase:

Average home assessed at \$390,792.13

Increase in Taxes

Per year: \$194.95

Per month: \$16.25

Tax Levy = Budget Appropriations Minus Revenues
Possible Appropriations Cap Issue in 2024 If Cap Bank
Ordinance Is Not Adopted

No Tax Levy Cap Issue

Budget to be reviewed by Auditor

Appropriations Cap vs. Levy Cap

Appropriations Cap

- Enacted 1977
- Originally capped budget appropriations increases at cost of living (COLA)
- Maximum COLA Adjustment is 3.5% and Requires Adoption of Cap Bank Ordinance
- Ordinance allows Township to “bank” a cushion if needed for future unanticipated expenditures above appropriations cap

Levy Cap

- Enacted 2007
- Amended in 2010 to 2% and modified exclusions

2023 Local Finance Board Action

- Local Finance Board issued Local Finance Notices 2023-04 on February 17, 2023 that allowed for the following appropriation increases in excess of 3.5% for 2023 budget:
 - Garbage and Trash Removal and Disposal
 - Recycling
 - PERS and PFRS employer contributions
 - Gasoline and Diesel Fuel
 - Worker's Compensation Insurance

Importance of Appropriations Cap Banking

- The “Cap Bank” Ordinance has two purposes:
 - Allows the Township to budget up to the permitted amount, if needed
 - Allows the Township to carry over unused amounts from the last two prior years
- Adopting the Cap Bank Ordinance does NOT add funds to the budget and the budget can always be reduced by council prior to budget adoption regardless of the Cap Bank Ordinance
- If not adopted, the Township may be required to reduce services in the current year or a future year based upon the Cap Calculation
- Passing the Cap Bank Ordinance provides the Township with budgeting options in the current year and in future years
- The Cap Bank Ordinance needs to be introduced at Budget Introduction

How We Arrived at 4.99% Tax Rate Increase

- Utilization of additional surplus due to increased revenues (\$1,500,500)
- Will cancel \$495,000 in 2022 Appropriation Reserves
- Will utilize Special Emergency Financing for Terminal Leave in 2023
- Utilization of American Rescue Plan Funds to replace lost revenues

How We Arrived at 4.99% Tax Rate Increase

- Minimal increase in salary and wages due to retirements, contract settlements, delayed hiring, utilization of grant funds to offset salaries
- Switched to private Horizon Blue Cross Health Insurance plan from State Health Benefits Plan (SHBP)
- Proposed budget includes additional funds for tree removal, safety pruning, and maintenance

How We Arrived at 4.99% Tax Rate Increase

- Increased costs beyond our control:
 - ❖ JIF Insurance (up \$660,500)
 - ❖ Health Insurance (\$367,000)
 - ❖ Pension Liabilities (\$152,905)
 - ❖ 2022 Terminal Leave Special Emergency (\$320,100)
 - ❖ Debt Service Increase (\$200,789)
 - ❖ Other Expenditures (\$1,863,904)

Total \$3,565,198 or 6.79% tax increase

American Rescue Plan Act of 2021

- \$1.9 Trillion American Rescue Plan Act of 2021 provided Teaneck with \$4.216 million
- Half of Teaneck's \$4.216 million was received in Summer 2021 and second half was received in July 2022
- Funds to be encumbered by 12/31/2024 and expended by 12/31/2026
- Utilization of funds for revenue shortfalls due to COVID-19 Pandemic and payment of COVID-19 Special Emergency

Future Impact on 2024 Budget

- No ARP Funds in 2024 to utilize (\$2.1 Million)
- Terminal Leave budgeted for in 2024 (\$750,000)
- Added Special Emergencies
 - Terminal Leave 2023 Estimated (\$240,000)
 - Revaluation (\$212,000) 1st of 5 payments
- Inflation/State of Economy
- Less fund balance (surplus) to utilize as revenue due to increased usage in 2023 and cancellation of 2022 appropriation reserves

Future Impact on 2024 Budget

- 2024 Health Benefit Premiums
- 2024 Pension Contributions
- Increased Debt Obligations due to proposed bonding in 2023
- Potential increase in BCUA billing
- RFPs for Professional Services
- FMBA Local 42 Contract
- New DPW Facility Expenses

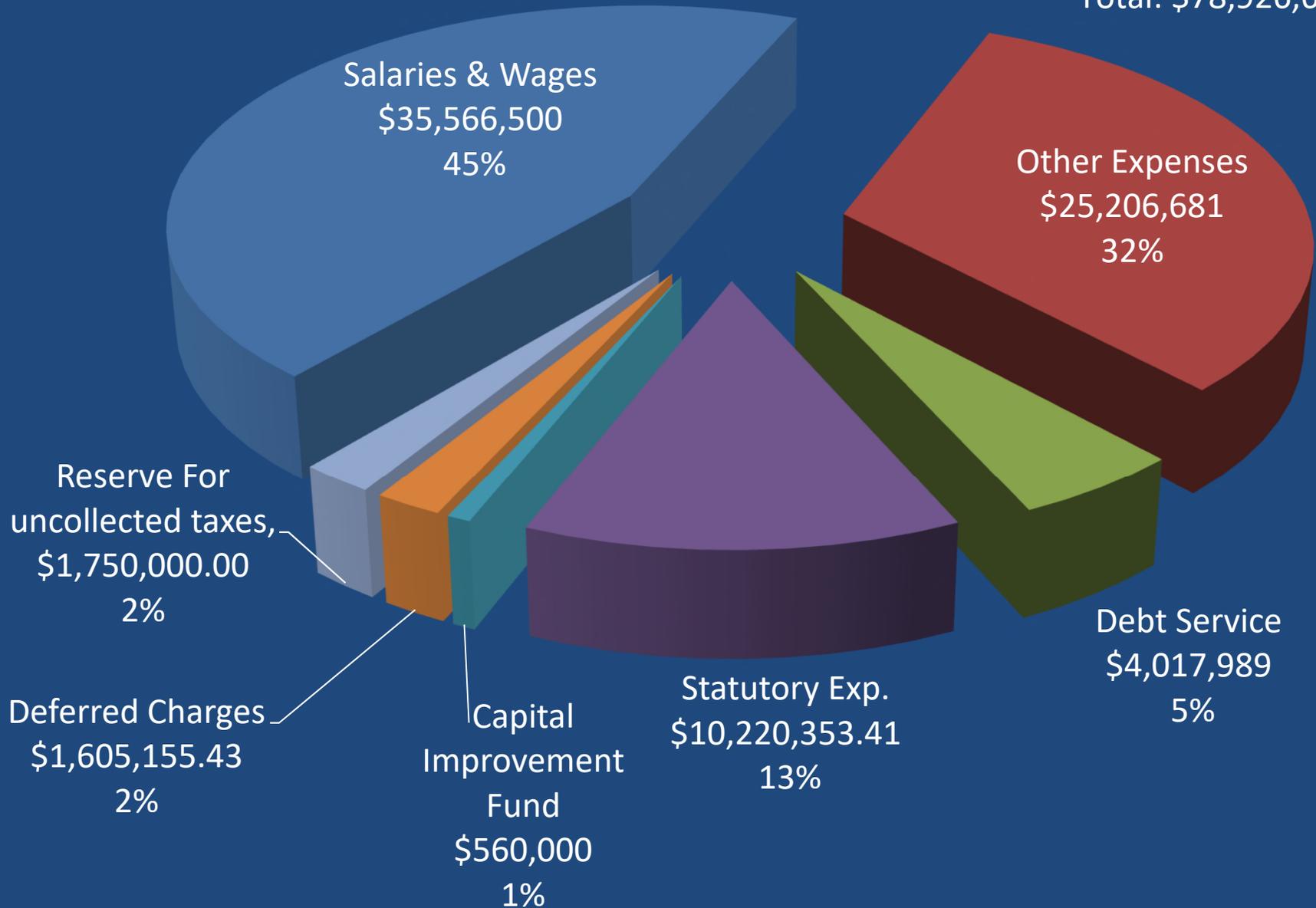
Future Impact on 2024 Budget

- Potential 2024 Joint Insurance Fund (JIF) premium increase
- Salary and Wage line to increase due to utilization of \$500,000 in grant funding to offset same
- Capital Budget –
 - Fire Dept. Ladder Truck
 - Votee Park Pool and park upgrades
- Future Infrastructure Upgrades

2023 Proposed Budget

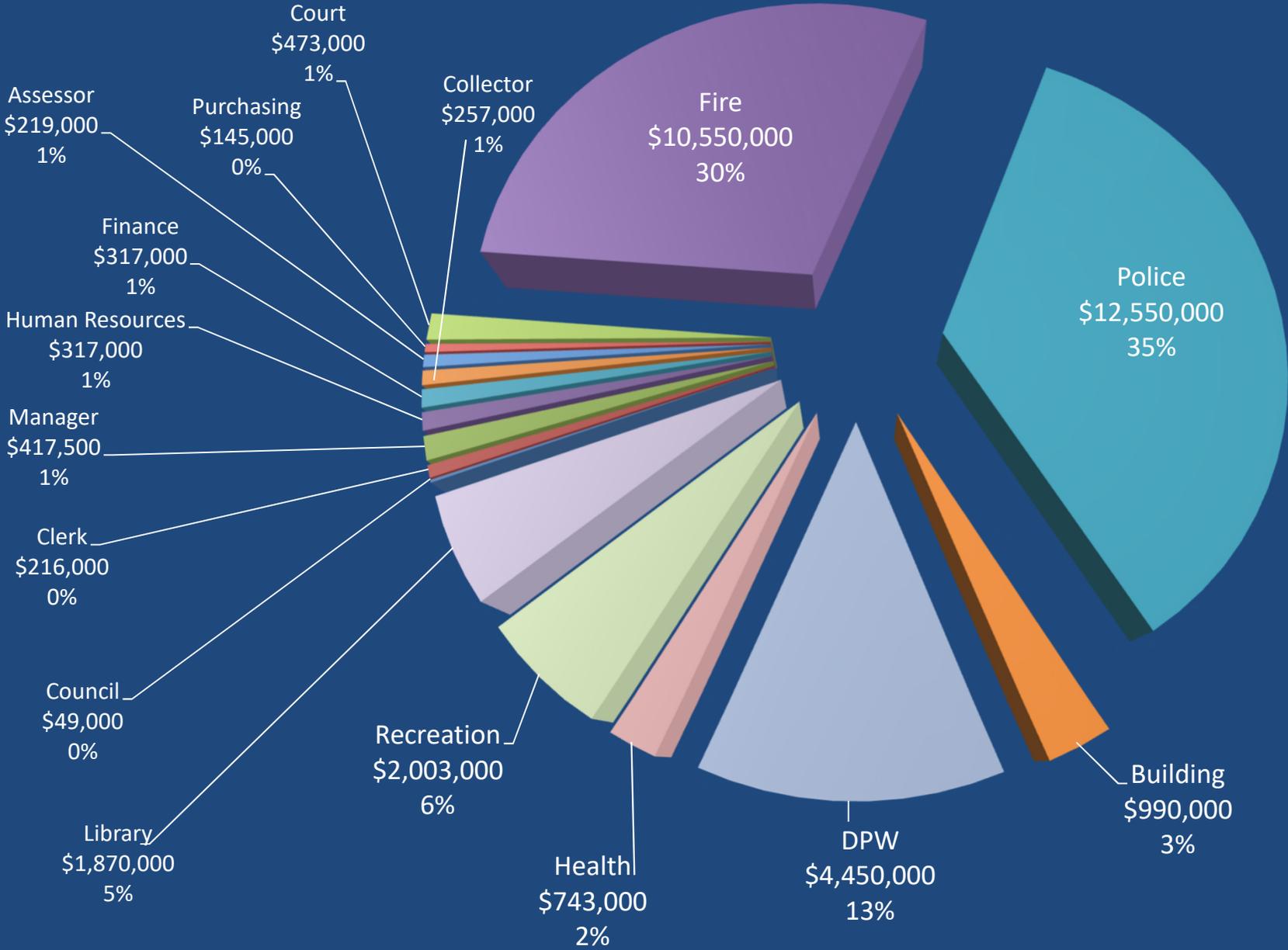
Budget Appropriation Categories

Total: \$78,926,678.84

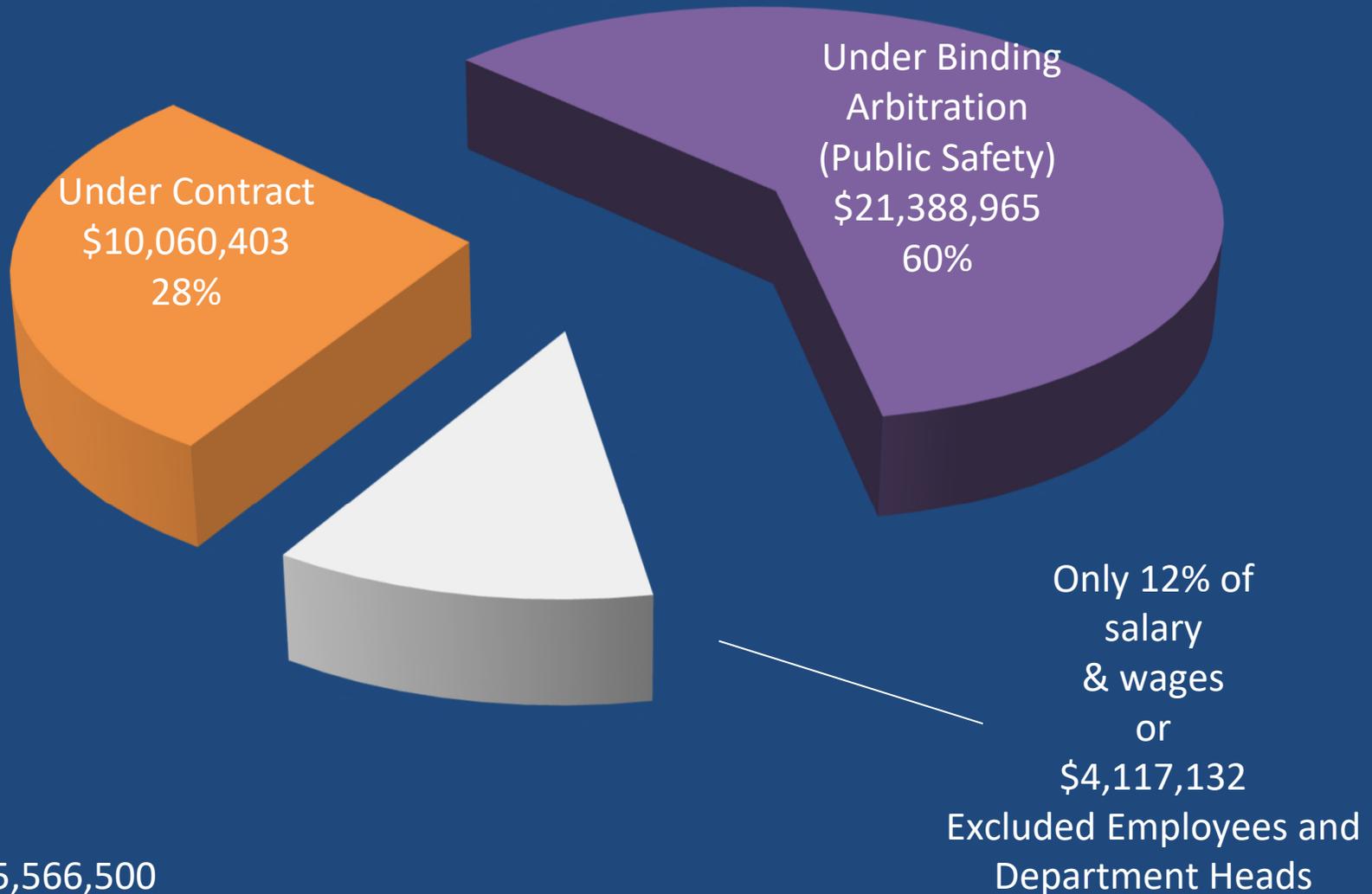


Total: \$35,566,500

Proposed Salaries & Wages



Salary & Wage Increases Required by Union Contract



Total: \$35,566,500

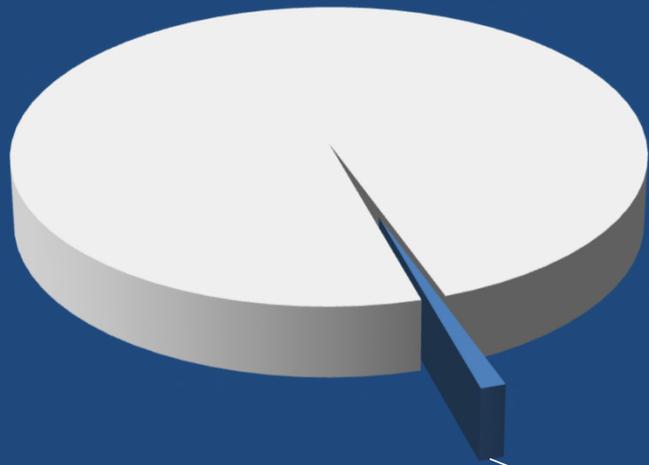
Collective Bargaining Agreements

- FMBA Local 42 Exp. December 31, 2023
- DPW Supervisors Exp. December 31, 2024
- Library Exp. December 31, 2025
- Police SOA Exp. December 31, 2026
- PBA 215 Exp. December 31, 2026
- AFSCME Exp. December 31, 2026
- DPW Non-Supervisors Exp. December 31, 2026
- PFOA Local 242 Exp. December 31, 2026

Salaries and Wages Summary and Recommendations

2023 Recommendations

Township Manager's Office



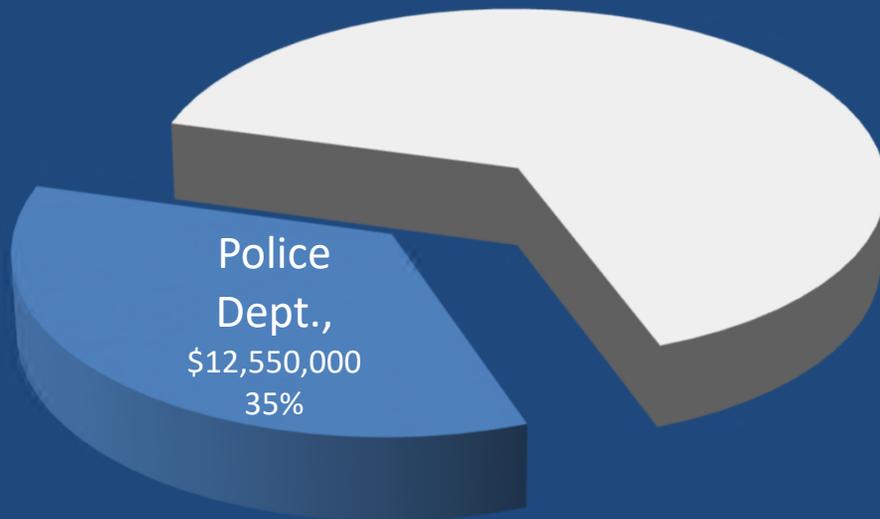
Manager's
Office
\$417,500
1%

- Currently staffed by Township Manager and Deputy Manager
- Executive Assistant vacant position to be filled on or about July 1st

Salaries and Wages Summary and Recommendations

Police

2023 Recommendations

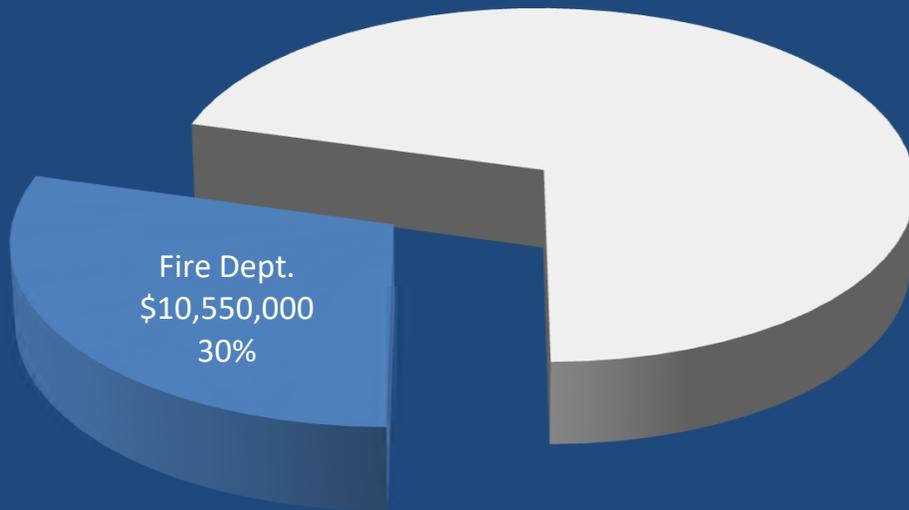


- Current table of organization provides 97 sworn officers with 88 current officers
- Two officers resigned as of March 1st
- Other vacancies due to retirements
- 5 positions to be filled on or after July 1st through Civil Service Certified List or Alternate Route
- Added P/T Community Policing Civilian

Salaries and Wages Summary and Recommendations

Fire

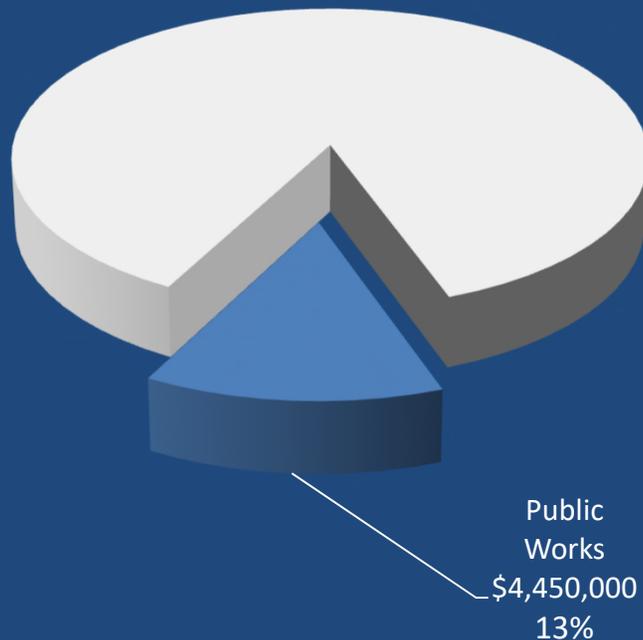
2023 Recommendations



- Current table of organization provides 91 fire fighters
- 2 positions to be filled on or after September 1st
- Awaiting new list from civil service
- Test held on 12/2022
- 3 Retirements as of 3/1/2023

Salaries and Wages Summary and Recommendations

Department of Public Works (DPW)



2023 Recommendations

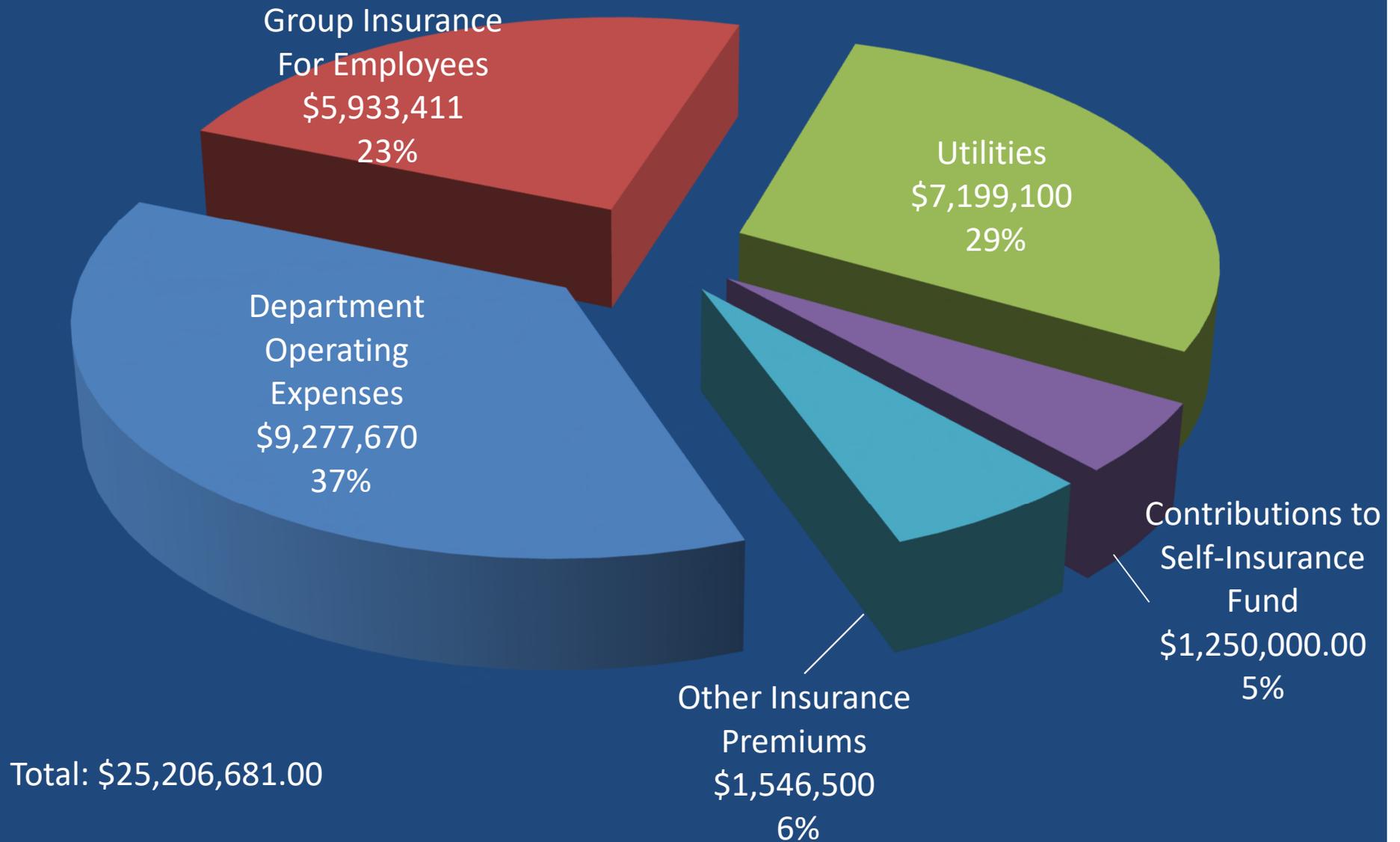
- Revise Table of Organization to 57 authorized strength due to anticipated outsourcing of Building Maintenance and Park/Field Maintenance
- Utilize \$500,000 from Clean Communities to offset Salaries

Salaries and Wages Summary and Recommendations

Overtime

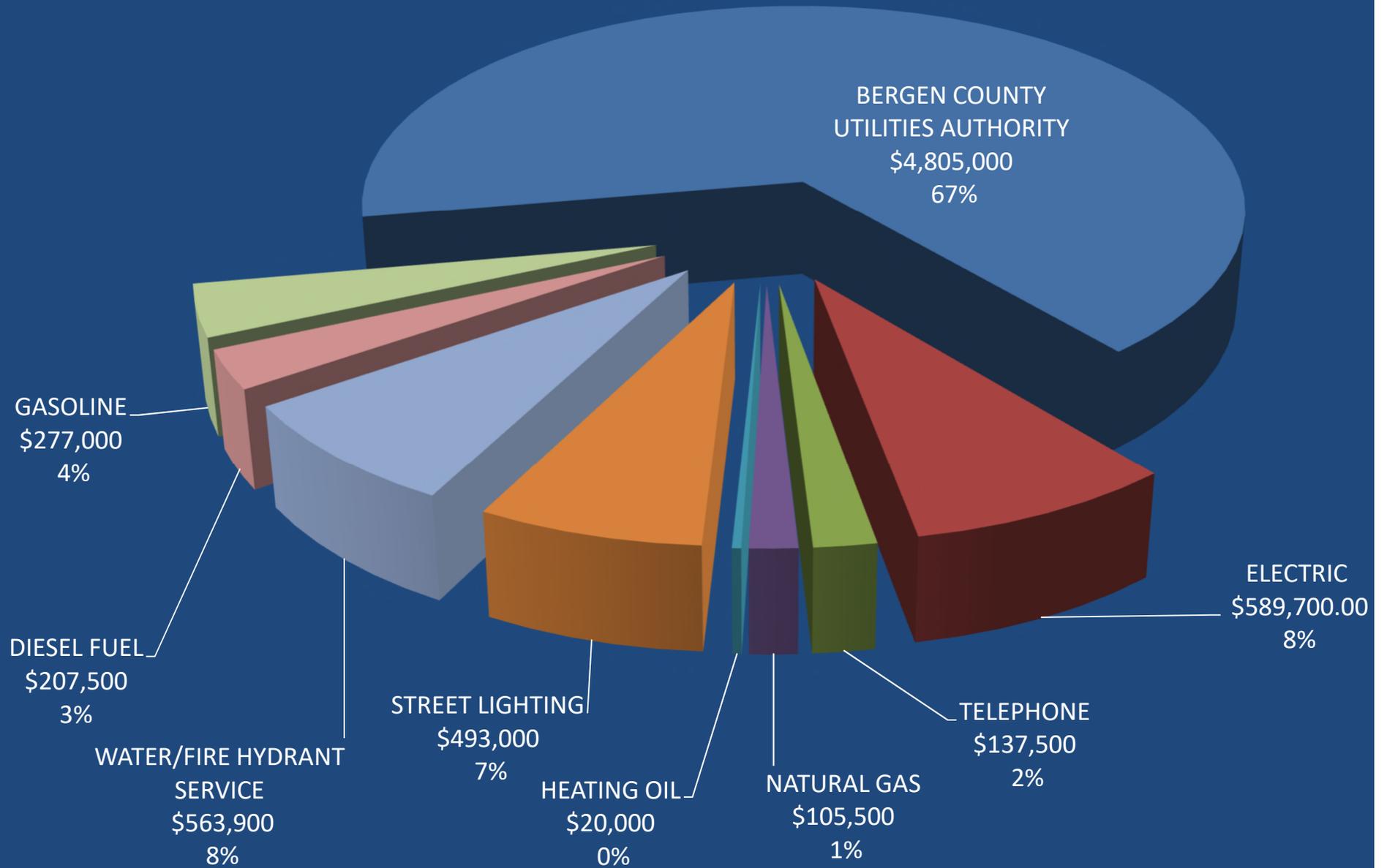
Dept.	2023	2022	Change %	Spent
Fire	\$500,000	\$500,000	0%	\$683,176.77
DPW	\$326,400	\$326,400	0%	\$438,705.5
Police	\$600,000	\$600,000	0%	\$785,052.08

Appropriations Other Expenses



Utilities

Total: \$7,199,100

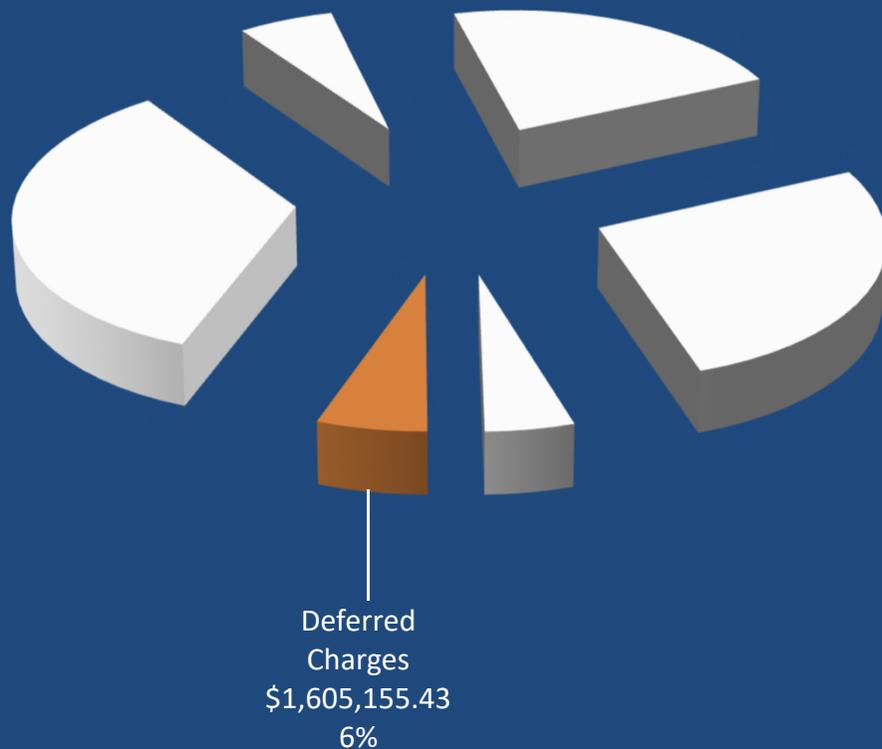


What are Special Emergency Appropriations?

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

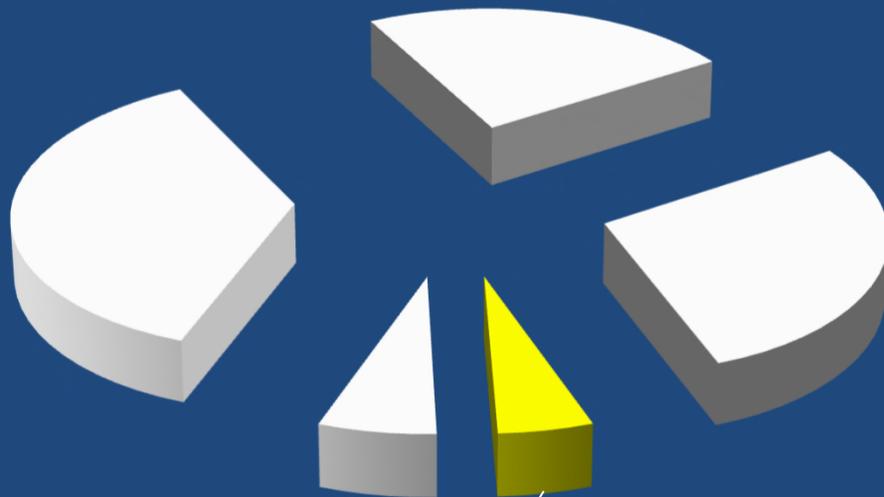
Deferred Charges



- Utilize Special Emergency for 2023 Terminal Leave
- Revaluation Special Emergency to be included in 2024 budget
- Includes prior Terminal Leave Special Emergencies (2019-2022) and COVID-19 Pandemic Special Emergency

Contributions to Self-Insurance Fund

- Maintain 2022 Appropriation
- Title 59 Tort Claims
- Workman's Compensation Claims
- Proposed Settlements to be funded



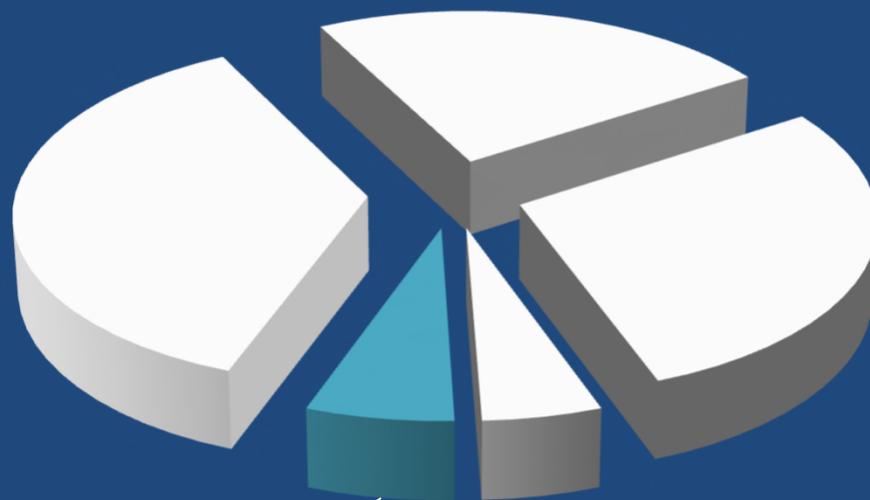
Contributions
to Self-
Insurance
Fund
\$1,250,000
5%

Other Insurance Premiums

- PEJIF Premium Increase (\$660,500)

Coverage includes:

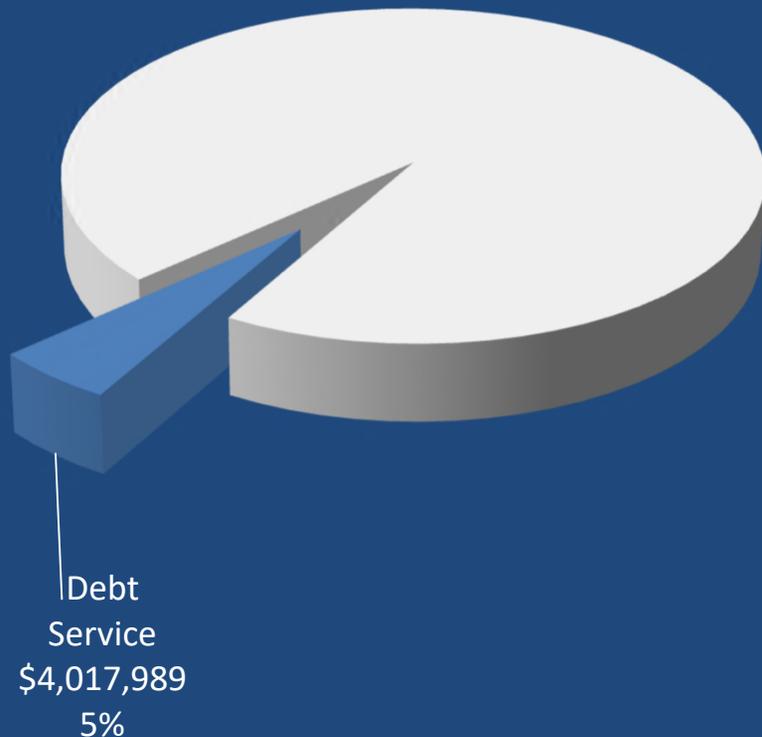
- Auto Liability and collision
- Employment Practices
- Public Officials
- Facilities
- Cybersecurity
- General Litigation/Claims



Other
Insurance
Premiums
\$1,546,500
6%

Debt Service

Debt Service

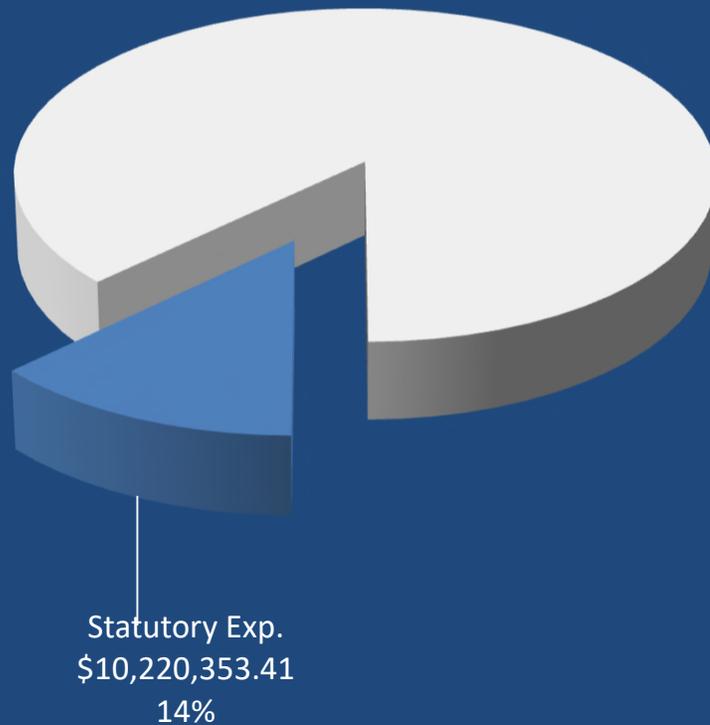


Highlights

- Increased Bond Principal and Bond Interest due to 2023 Bond Sale

Statutory Expenditures

Statutory Expenditures



Major Adjustments

- PFRS increased \$252,809.57 (3.7%)
- PERS decreased \$99,904.48 (-5.54%)
- Total line item increased \$152,905.09 or 1.52%

Capital Improvement Fund

Total Cost of Improvements

\$11,086,000.00

Capital Improvement Fund

\$560,000.00

(5% Down payment)

Capital Improvement Fund Review

March 23, 2023

Estimated Revenue

Delinquent Taxes,
\$700,000
1%

Local Revenue,
\$8,734,936.19
11%

State Revenue,
\$3,379,296
5%

Surplus,
\$8,245,000
8%

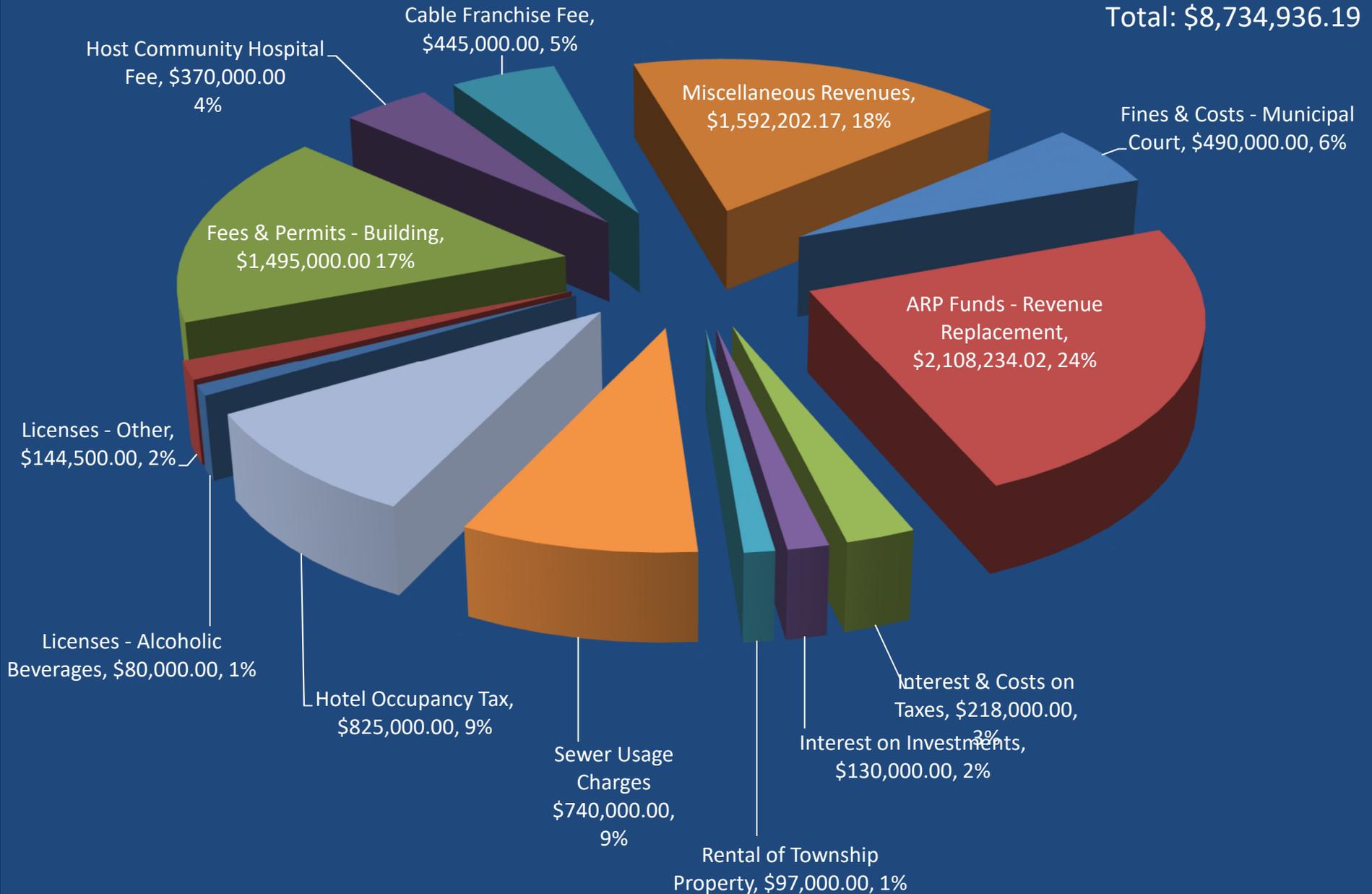


Municipal Levy,
\$57,867,446.65
73%

Total: \$78,926,678.84

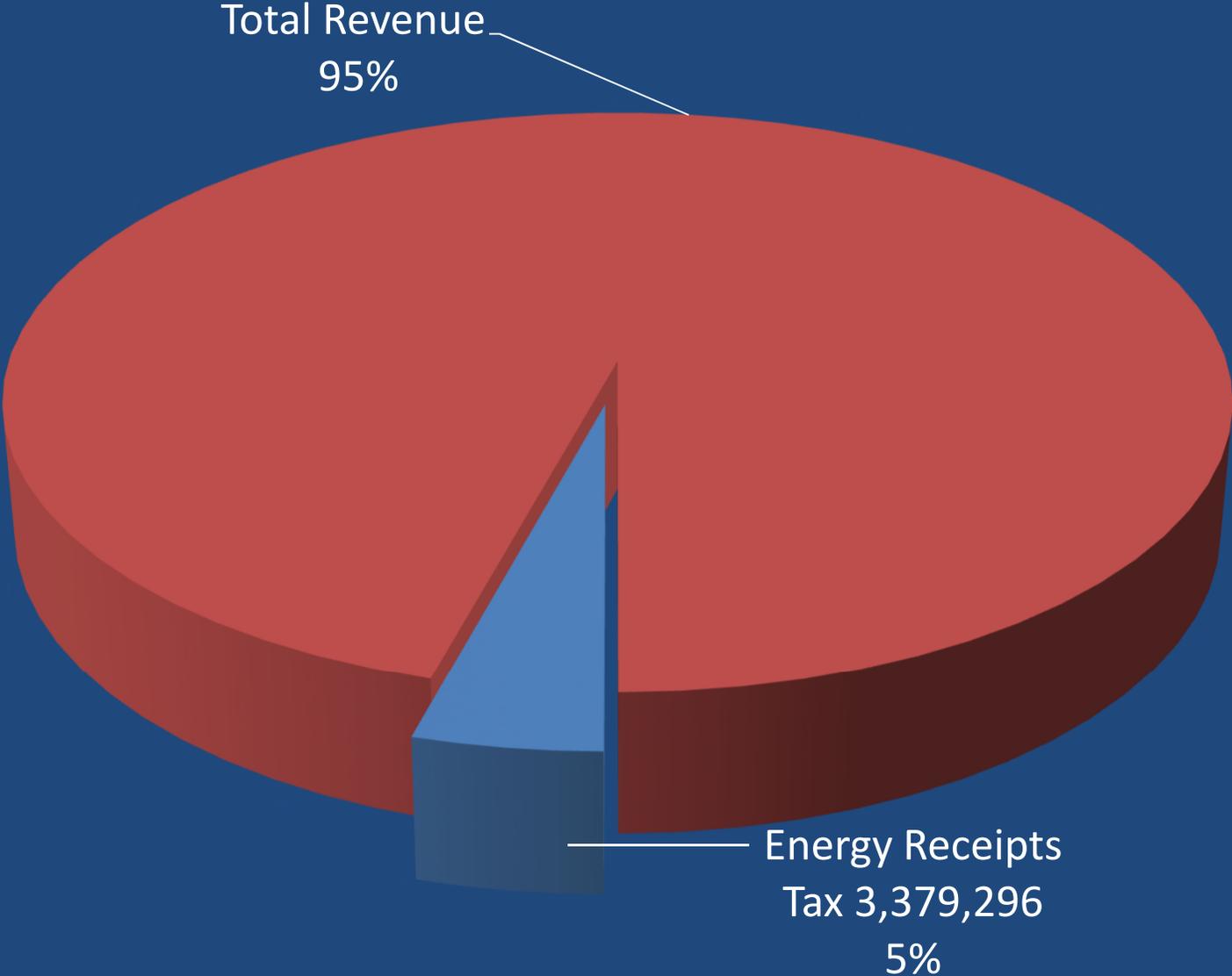
Estimated Local Revenue

Total: \$8,734,936.19



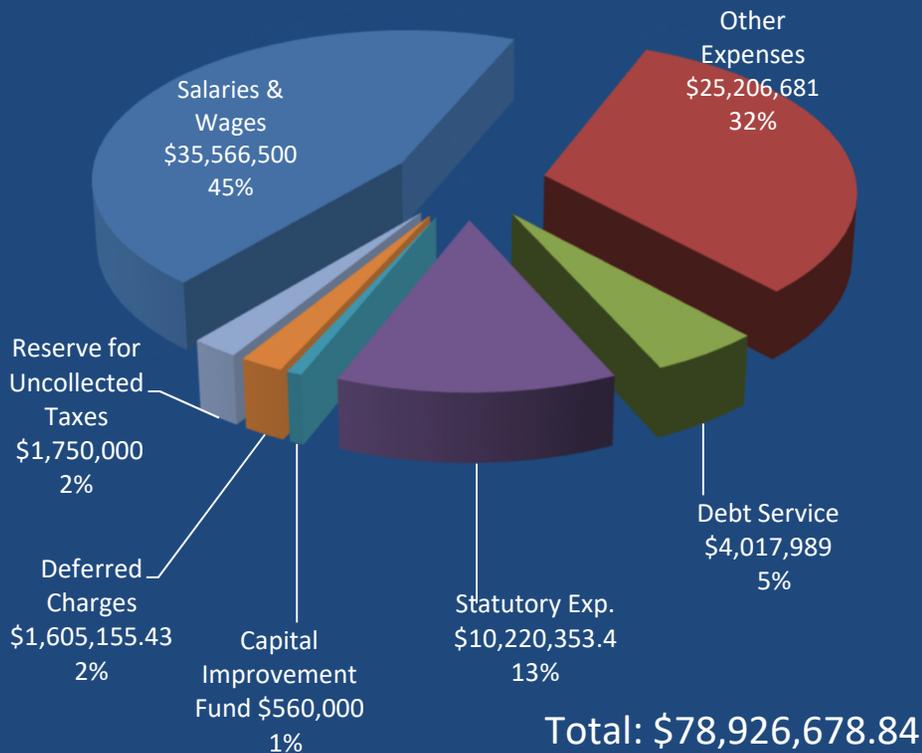
Estimated State Revenue

Total: \$3,379,296.00

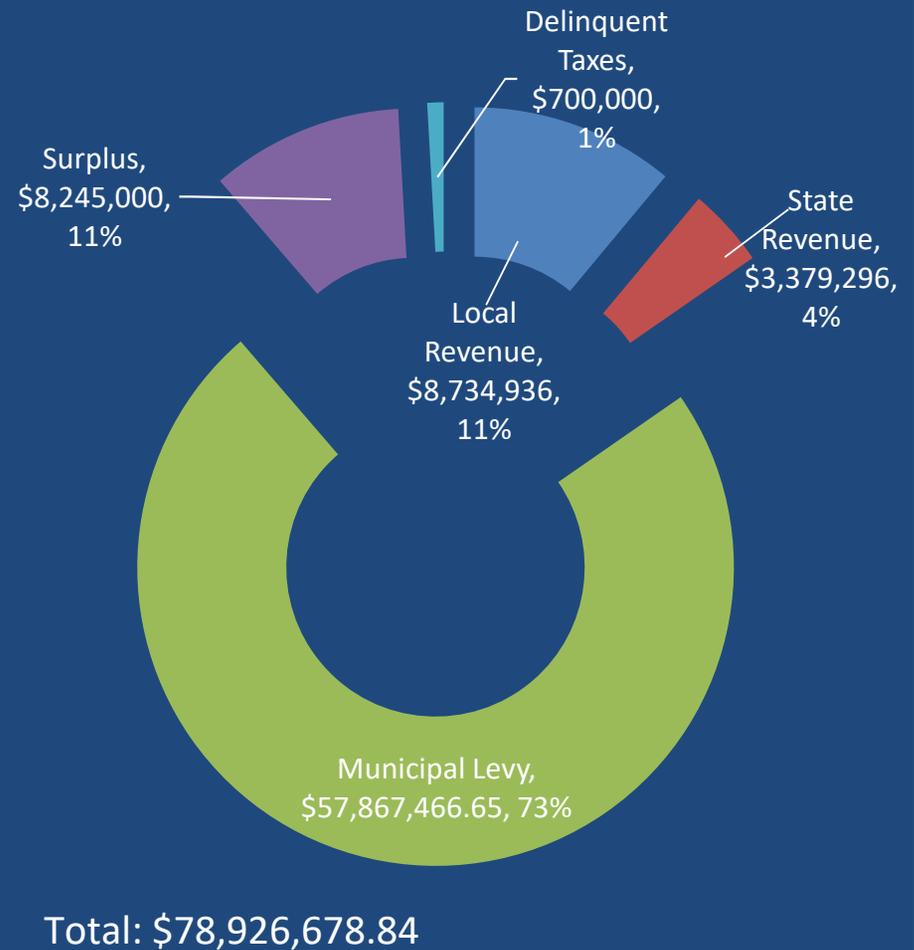


Budget Wrap - Up

Appropriations



Revenue



Strategies

Short & Long Term

- Merge Fire Dispatch with City of Hackensack (in progress)
- Increased revenue from various deposited funds due to interest rate increases
- Sale/development of selected municipally owned property
- Enhance ratables through business attraction and development
- Improved Infrastructure to attract economic development
- Redevelopment of Alfred Avenue
- Cannabis re-zoning
- Parking lot Improvements
- Electric Charging Stations
- Pedestrian Safety Measures, Traffic Calming and striping
- Speed humps
- Road Resurfacing

Strategies

Short & Long Term

- Park Renovations and Park Bathroom renovations (various)
- Votee Park Pool and Basketball Court
- Holuba property development
- Continued work on new DPW Facility
- Solar panels for all Municipal Buildings
- Infrastructure Improvements
- Maintain in-house 9-1-1 Public Safety Answering Point
- Community Choice Aggregation (ongoing)
- Teaneck Southern Little League Renovations
- Fire Station 4 Improvements
- Sewer/Drainage Upgrades
- Upgrades to Teaneck Garden Club
- Community Policing Programs

Upcoming Budget Meeting Tentative Agenda

Thursday, March 16, 2023

- Review - Police Department Budget
- Review – Fire Department Budget
- Review – Legal Department Budget

Upcoming Budget Meeting Tentative Agenda

Thursday, March 23, 2023

- Review – Library Budget
- Review – Recreation Department Budget
- Review – Public Works/Engineering
- Review – Capital Budget

Upcoming Budget Meeting Tentative Agenda

Thursday, March 30, 2023

- Review – Manager/Council/Clerk
- Review - Various Budget Accounts

With Appreciation

Thank you for all your cooperation in the 2023
Budget Process

- Council
- Auditor
- CFO & Deputy CFO
- Department Heads and Assistant Department Heads

Thank you!

