

# 2011 BUDGET



# WORKBOOK



# BOROUGH OF SADDLE RIVER

## 2011

### Budget Presentation

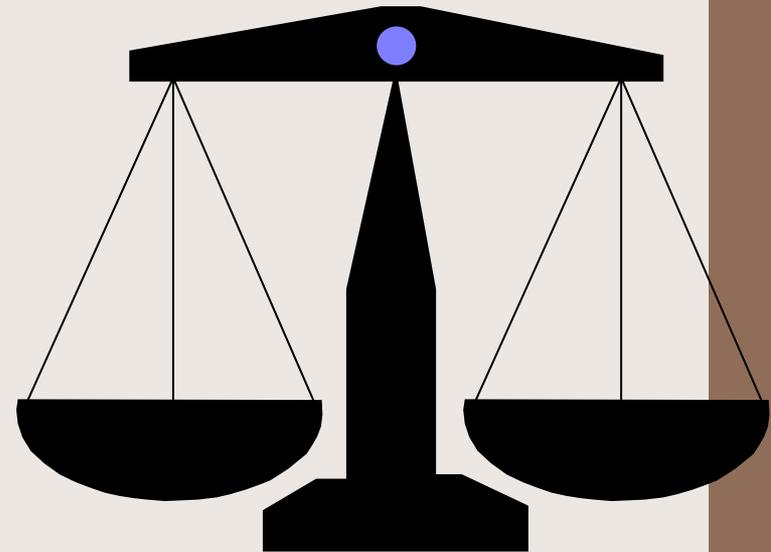
# Overview

- Annual Budget Requirement
- Budget Calendar
- Budget Cap
- Revenues and Appropriations
- Transfers
- Emergencies
- Audit
- 2011 BUDGET



# Annual Budget Requirement

- Each Year every New Jersey Municipality must Introduce and Adopt a Balanced Municipal Budget. N.J.S.A. 40A:4.
- Municipal Appropriations Only
- Tax Rate Established:
  - **Local**
  - **School**
  - **County.**



# Statutory Requirements:

- Introduction and Approval
- Public Advertising
- Public Hearing
- Amendments at Public Hearing
  - **If Required**
- Adoption- 4 affirmative votes required to pass the Budget.

# Budget Calendar 2011

- February 10, 2011 Introduction
  - March 20, 2011 Adoption
  - Tax information to the
    - County Board of Taxation
    - 15 days after Adoption
- NJ STATE EXTENDED DATES:**
- 2011 March 11 Introduction
  - 2011 April 22 Adoption

# Budget Cap

- Established in 1977- Appropriations Cap
- 2011 Cap- 2% -with 1.5% addition by the Borough
- Established in 2010 Levy Cap
- 2011 levy Cap 2%
- With Exceptions for-Health Costs, Pension, Debt Service and Deferred Charges

# LEVY CAP

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- Levy Cap on Property Tax
  - Saddle River maintains current municipal expenditure cap
  - 2011 BUDGET IS LESS BOTH THE ALLOWABLE CAPS

# Revenues and Appropriations

- Revenues:
  - Fund Balance
  - Miscellaneous Revenues
  - State and Federal Aid
  - Real Estate Taxes

**Rule: Cannot anticipate any revenue greater than what was received in the prior year, unless new revenue is supported by proper documentation and approved by the Division of Local Government services.**

# Appropriations

- Appropriations are the authorizations to expend budget dollars in support of government operations.
- **Rule: Expenditures can only be made through valid procedural process, authorized by the Department Heads and the Borough Administrator.**

# Transfers

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- Current Budget-November 1 to December 31 of the Budget Year

# Emergencies

- Unanticipated events which require expenditures in support of the operation of government.
- Declared by the Mayor or Emergency Management Coordinator
- Funded by the Borough Council, through Emergency resolution-passed by 2/3 vote
- Raised in the subsequent years Budget

# Audit

- Required by N.J.S.A 40A:5-9
- Annual Audit of each Municipality is conducted by an auditor who holds an uncanceled license as a Registered Municipal Accountant of the State of New Jersey.
- Borough Auditor- Tim Vrabel-RMA





# 2011 MUNICIPAL BUDGET

Borough of Saddle River

Finance Committee

Mayor Raia

Council President

Councilman Murray

Councilman Walenczyk

Charles S.Cuccia CFO

# Agenda

The Annual Municipal Budget provides the Spending Authority for all Borough Departments

This presentation provides an overview of our 2011 spending plan and estimates the Funding required to support that plan.

Only public information is presented herein, confidential information has been specifically excluded from this presentation.



**Highlights**



**Revenue**



**Appropriations**



**Debt**



**Tax Rate**



**Water Utility**

# Balance Sheet

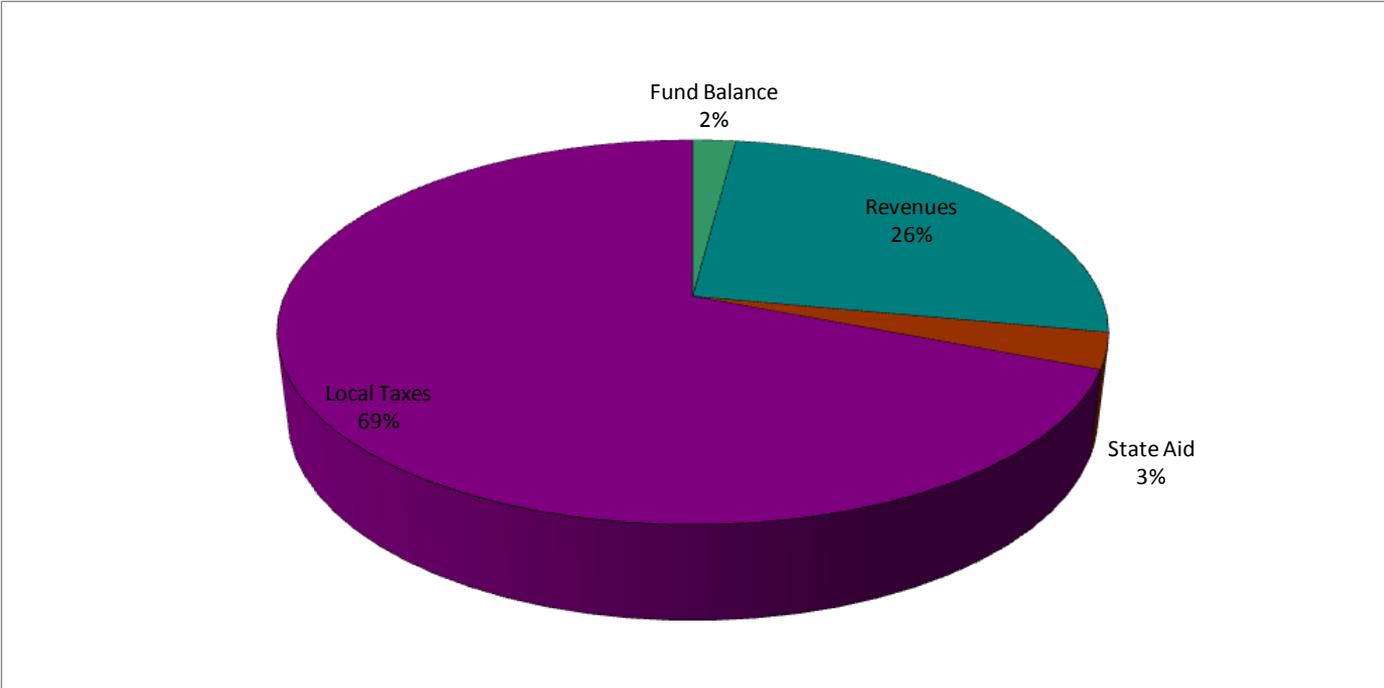
## December 31,

Current Fund ( in millions)	2010	2009	
<b>Assets</b>			
–Cash	\$5,000	\$3,645	
–Taxes receivable	313	457	
–Interfunds	4,287	4,065	
–Other	53	165	
<b>Total Assets</b>	<b>9,653</b>	<b>8,332</b>	
<b>Liabilities</b>			
–Appropriation Reserves	\$651	\$631	
–Reserve for COAH	1,067	953	
–Reserve For Receivables	4,607	4,529	
–Other	483	504	
<b>Total Liabilities</b>	<b>\$6,808</b>	<b>\$6,617</b>	
<b>Fund Balance</b>	<b>\$2,845</b>	<b>\$1,715</b>	

# Budget Highlights

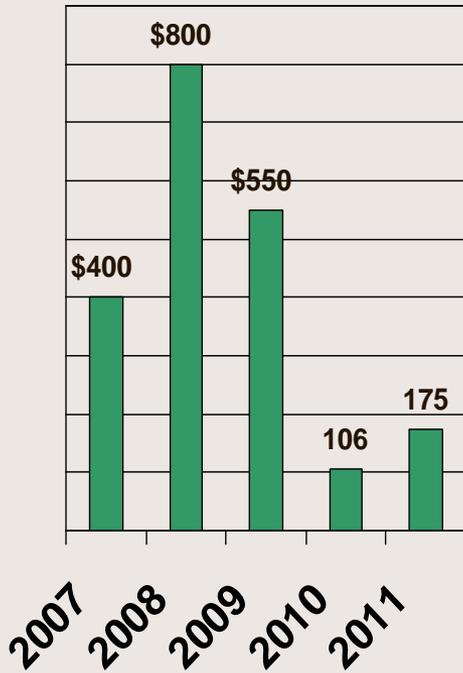
<b>INTRODUCED BUDGET</b>	<b>2010</b>	<b>2011</b>	
Fund Balance Utilized	\$107,704	\$175,000	
Anticipated Revenue	2,715,614	3,411,537	
Receipts From Delinquent Taxes	457,597	312,929	
Amount to be Raised by Taxes	8,252,790	8,252,685	
Total Budget	11,533,705	12,152,151	
In Cap Appropriations	8,296,286	8,659,686	
Out of Cap Appropriations	3,237,419	3,492,465	

# 2011 Revenue by Source

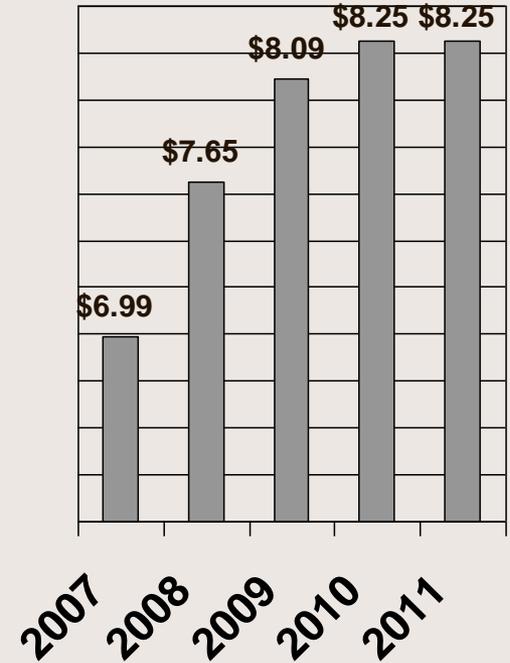


# Anticipated Revenue

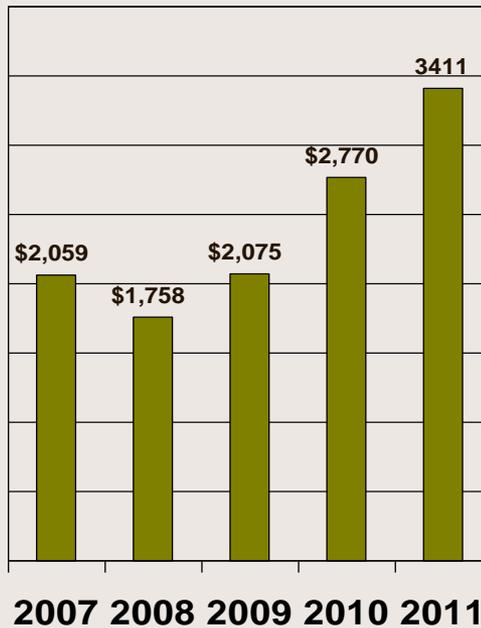
## Fund Balance



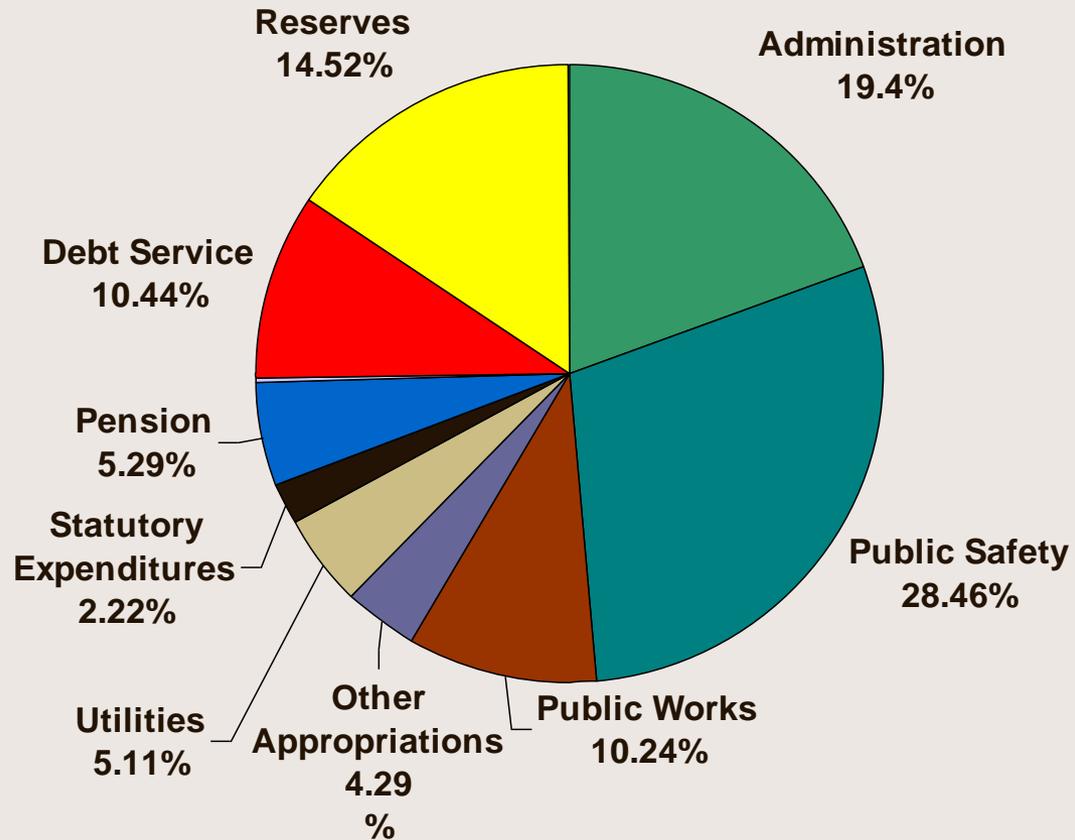
## Taxes



## Revenues



# 2011 Appropriations by Source

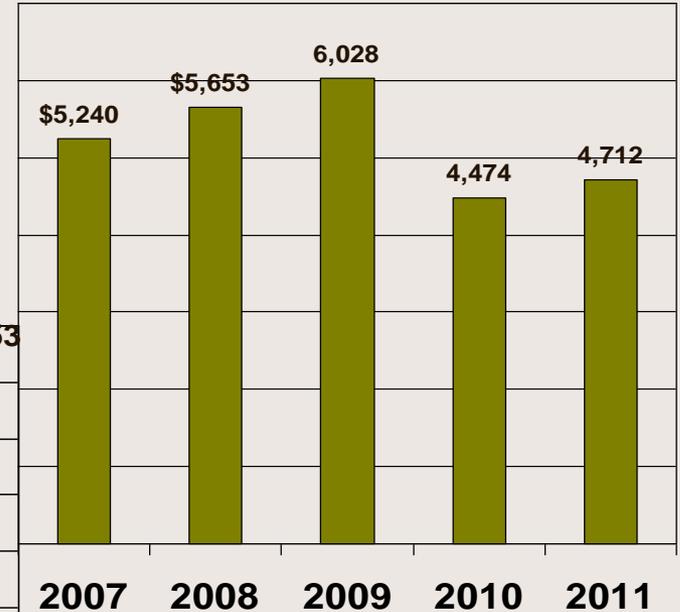


# Appropriations

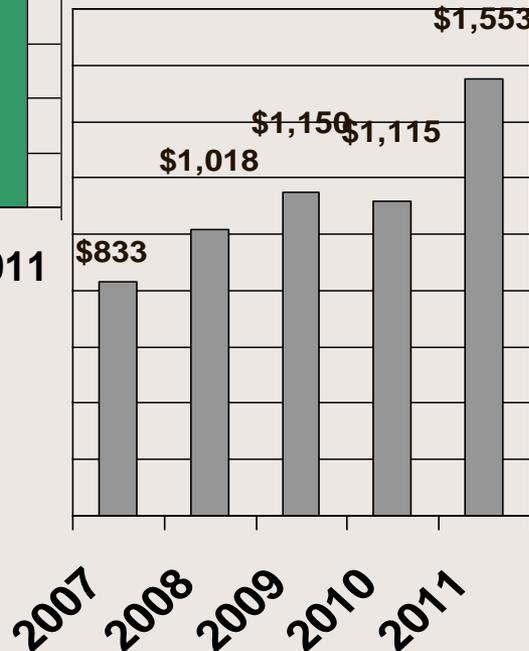
## Salaries



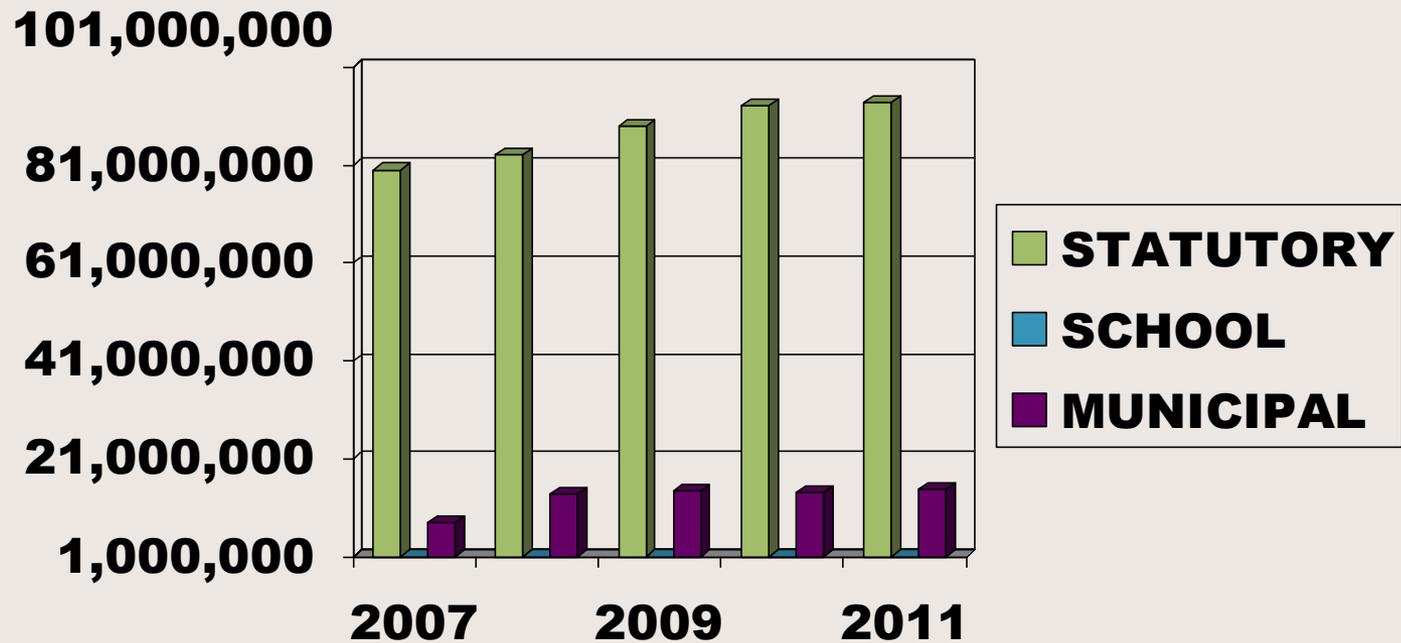
## Other Expenses



## Debt Service



# Municipal Debt



# TOTAL TAX RATE

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	2011
COUNTY	.200	.203	.200	.206	.221	.227	.245	.247
SCHOOL	.308	.298	.301	.301	.302	.309	.318	.325
LOCAL	<u>.242</u>	<u>.279</u>	<u>.299</u>	<u>.333</u>	<u>.357</u>	<u>.370</u>	<u>.377</u>	<u>.377</u>
TOTAL	<u>.75</u>	<u>.78</u>	<u>.80</u>	<u>.84</u>	<u>.88</u>	<u>.91</u>	<u>.94</u>	<u>.95*</u>

**\*Estimate**

# How much do I pay?

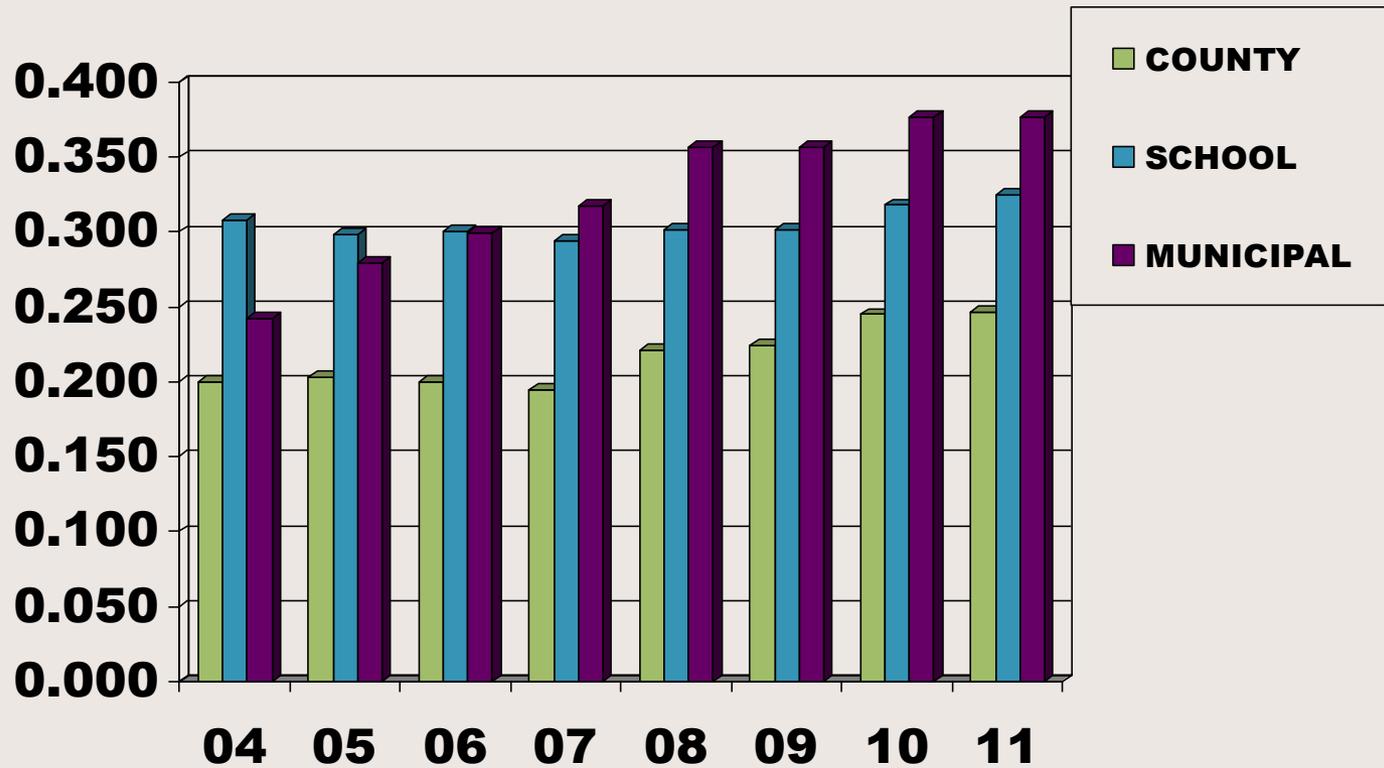
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
LOCAL	<u>.242</u>	<u>.279</u>	<u>.299</u>	<u>.333</u>	<u>.357</u>	<u>.360</u>	<u>.037</u>	<u>.037</u>
TOTAL	<u>.75</u>	<u>.78</u>	<u>.80</u>	<u>.84</u>	<u>.84</u>	<u>.94</u>	<u>.94</u>	<u>.95</u>

\*Estimate

Assessed Value:	<u>2004</u>	<u>2010</u>	<u>2011</u>
1.7M	12,750	15,980	16,150
<u>Municipal</u>	<u>4,114</u>	<u>6,290</u>	<u>6,290</u>
3M	22,500	28,200	28,500
<u>Municipal</u>	<u>7,260</u>	<u>11,100</u>	<u>11,100</u>

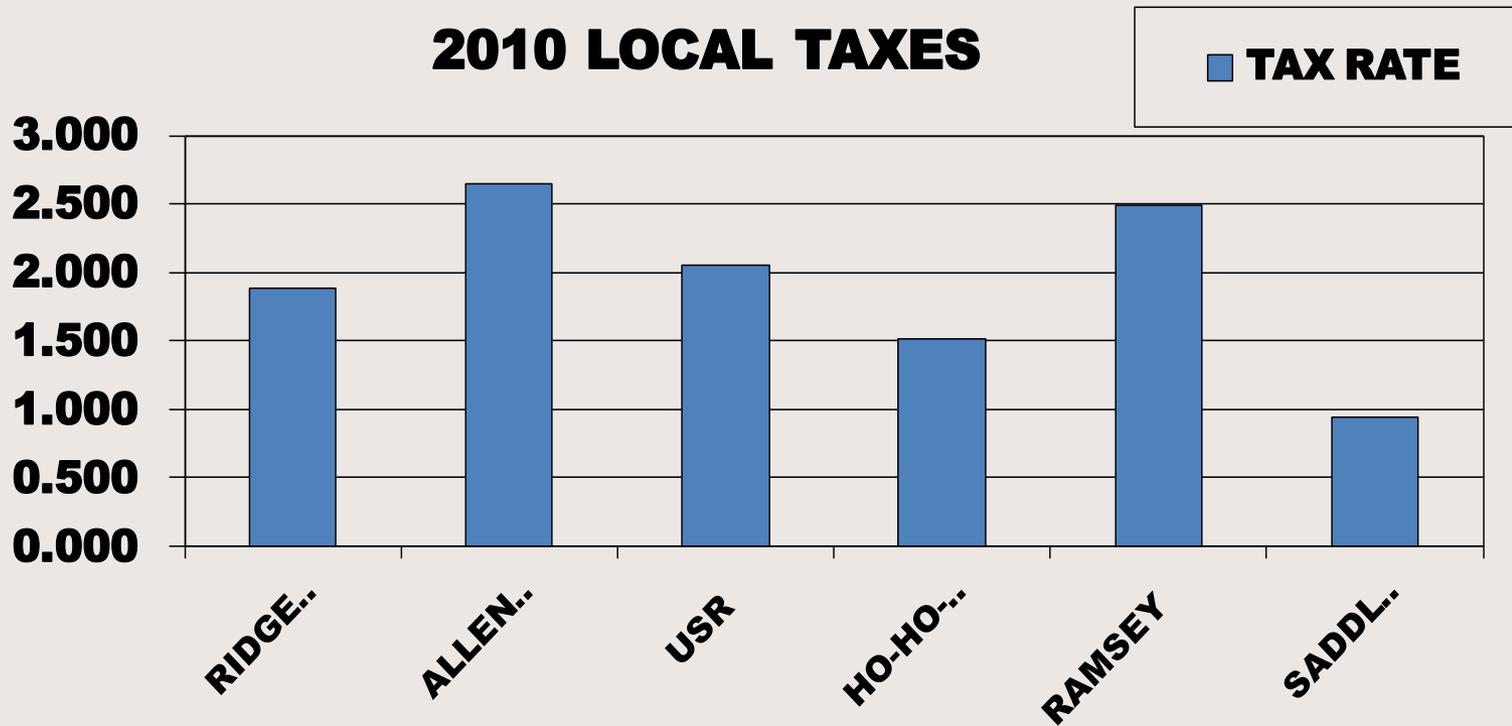
# Municipal Tax Rate

## Local Taxes



# Municipal Tax Rate

## NORTHWEST BERGEN COMPAISON



A graphic of a spiral-bound notebook is positioned on the left side of the slide. The spiral binding is visible along the left edge, and the notebook's pages are represented by a light beige background. A vertical blue bar with a dashed pattern runs along the right edge of the notebook graphic.

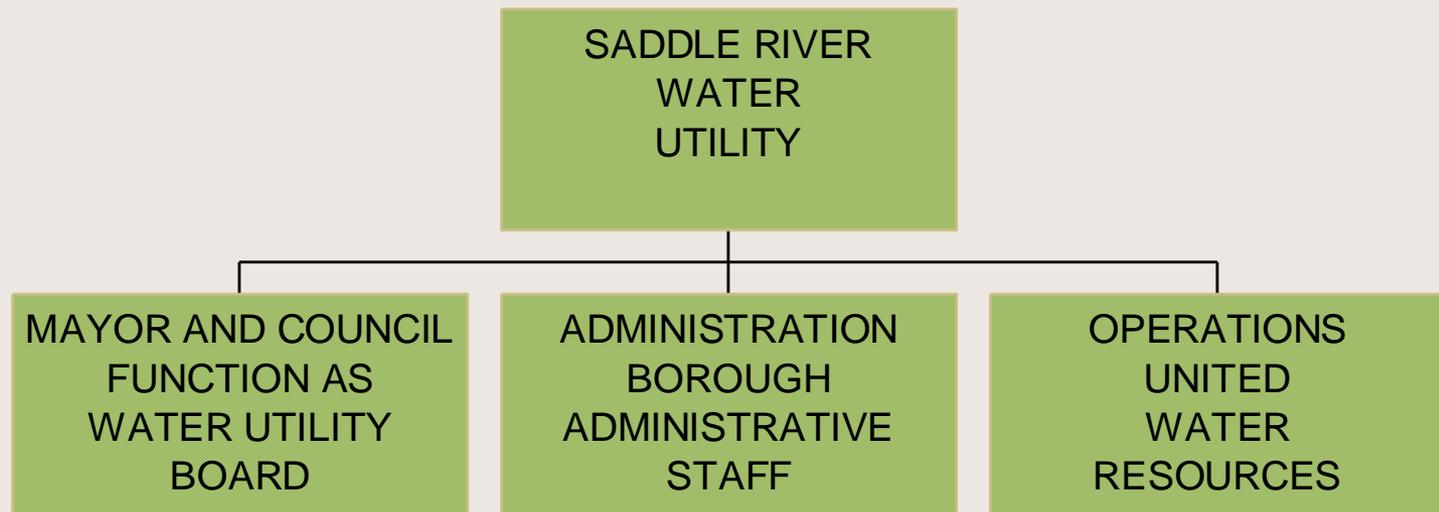
# Saddle River Water Utility

ESTABLISHED BY

Ordinance 95-621-C

May 15, 1995

# OPERATING STRUCTURE



# Background

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- To provide the Borough with Fire Hydrant Service
- Provide Potable Water as needed or requested
- Manager - C. Cuccia, Administrator Operations- M. Spence, Engineer
- Service Provider- United Water Technologies

# Operational Ability

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- The Unique Ability to provide cost effective approach to operate and control Fire Hydrant Service and Water Distribution
- The Utility Structure Allows the Borough to utilize a public/private partnership to Fund, Operate and Maintain a Water system in the Borough

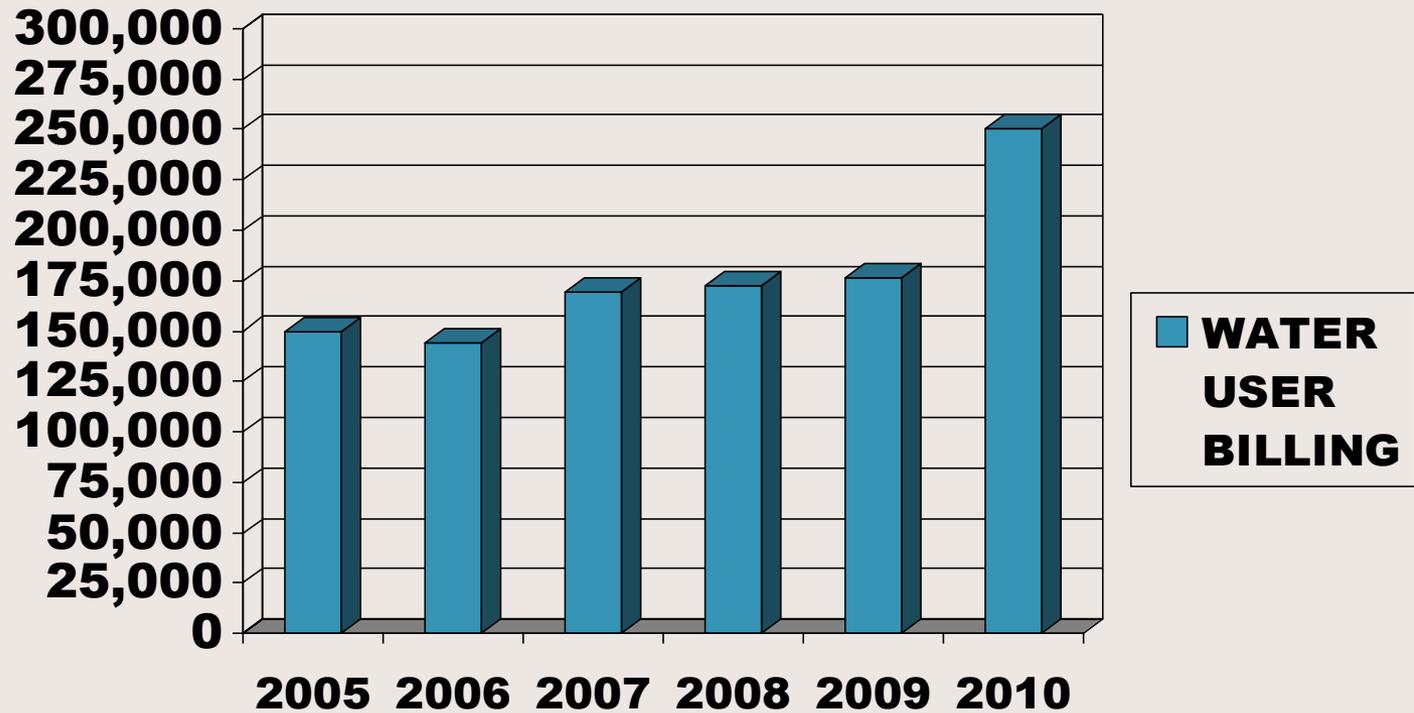
2010

# WATER PROJECT STATUS

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- **Phase I through X - Completed**
- **These phases were originally scheduled to be completed by 2015.**
- The plan for the installation of water mains for the remaining local streets is currently under development.

# WATER BILLING DATA



# Water Utility Financials

	<u>2008</u>	<u>2009</u>	2010
<b>ASSETS:</b>			
<b>CASH</b>	365,268	396,645	293,224
<b>USER RECEIVABLE</b>	36,227	18,565	122,092
<b>DEFERRED CHARGES</b>			<u>15,482</u>
	<u>\$401,495</u>	<u>415,210</u>	<u>430,798</u>
<b>LIABILITIES, FUND BALANCE:</b>			
<b>LIABILITIES</b>	327,097	330,310	333,898
<b>FUND BALANCE</b>	<u>74,398</u>	<u>84,900</u>	<u>96,900</u>
	<u>\$401,495</u>	<u>415,210</u>	<u>430,798</u>

# 2011 Water Utility Budget

	2007	2008	2009	2010	2011
<b>REVENUES:</b>					
FUND BALANCE	32,000	30,500	20,000	20,000	50,983
USER CHARGES	143,000	155,000	158,000	158,000	145,000
HYDRANT CHARGES	<u>100,000</u>	<u>125,000</u>	<u>125,000</u>	<u>125,000</u>	<u>125,000</u>
	<u>275,000</u>	<u>310,500</u>	<u>303,000</u>	<u>303,000</u>	<u>320,983</u>
<b>APPROPRIATIONS:</b>					
SALARIES AND WAGES	-0-	-0-	-0-	-0-	-0-
OTHER EXPENSES	156,000	170,500	168,000	238,000	305,500
DEFERRED CHARGES					15,483
DEBT SERVICE	<u>119,000</u>	<u>140,000</u>	<u>135,000</u>	<u>65,000</u>	<u>-0-</u>
	<u>275,000</u>	<u>310,500</u>	<u>303,000</u>	<u>303,000</u>	<u>320,983</u>

## RATE ADJUSTMENT REQUEST

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In 2010 the utility operated at a deficit due to the United Water rate increase which took affect in August of 2010. This rate increase was approved by the BPU.

Since the Borough receives all its water from United Water. The United Water rates are the basis for the local water rate in the Saddle River Water Utility.

## RATE ADJUSTMENT REQUEST

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The Water Utility must seek a rate increase in 2011. which will maintain the 50% spread between the United Water rate and the Saddle River Water Utility rate. This variance between the rates has been in existence since the water utility was established in 1998.

The requested increase would bring the water rate to 5.33 per 100 cubic feet of water, up from the current 4.19. The United Water rate increased from 2.80 per 100 cubic feet of water to 3.56.

## RATE ADJUSTMENT REQUEST

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The average user in a house would see the water bill go from \$786.36 annually to \$999.78, a \$213.42 increase.

The average condominium would see the water bill go from \$245.34 annually to \$311.93, a \$66.59 increase

Since the Water Utility was established in 1998 and through 2011 the proposed rate represents a 3.69% annual increase over the last 12 years.



BOROUGH OF SADDLE  
RIVER

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2011

BUDGET

**QUESTIONS ?**