



The Borough of

RUTHERFORD

New Jersey

**CALENDAR YEAR 2020 MUNICIPAL
BUDGET SUMMARY**



The Borough of

RUTHERFORD
New Jersey

Memo

TO: Hon. Frank A. Nunziato, Mayor
Borough Council

FROM: Robert J. Kakoleski, Borough Administrator

DATE: April 27, 2020

SUBJECT: CY2020 Borough Budget

The Calendar Year 2020 municipal budget is presented to you for introduction at the April 27th Mayor/Council meeting. The public hearing for the budget will be scheduled for the May 26th Mayor/Council meeting. At the conclusion of the public hearing and assuming there are no changes requiring advertisement, we will ask the governing body to vote and adopt the CY2020 spending plan.

The document has been prepared in consultation with the Council's finance liaisons Councilman Goldsack and Councilwoman McGowan. Obviously the COVID-19 pandemic required the borough to rethink the recommendations we had in place just a short time ago. The following is a summary of notable budget changes from the previous year:

Revenues

- *Due to the economic conditions created by the pandemic, the borough anticipates several local revenues to be negatively impacted. The budget includes lower expectations in the following highlighted revenues: municipal court violations; parking meters; monthly parking permits; building permits; and hotel tax.*
- *Loss of ENCAP PILOT payment as the property was sold in 2019 and is now subject to conventional taxation.*
- *Addition of PILOT payment from the redevelopment project at 106 Park Avenue.*

Appropriations

- *Garbage disposal fees increased by 38%. To mitigate this increase, the Borough will be joining the Bergen County Solid Waste Plan in 2021.*
- *Elimination of funding for community events*
- *No new hires recommended except if position can generate revenue*
- *No employee title/salary changes recommended during the year*
- *Includes negotiated contractual salary increases*

Property Taxes

- *The budget proposes a municipal tax increase of 2%. This is the first increase in municipal property taxes since 2015. Based on preliminary information received from Bergen County (4% increase) and Rutherford Board of Education (2% increase), we anticipate a 2.2% overall tax increase for 2020. In 2019, the overall increase was 1.5%. On an average assessed home of \$431,000, the projected municipal tax increase will be \$73.27 and the overall increase will be \$241.36.*
- *Allocation of property tax dollars is broken down in the following manner:*
 - o ***Municipal – 31%***
 - o ***Library – 1%***
 - o ***County – 10%***
 - o ***School – 58%***

This is just a summary of the budget. If you have any specific questions, please feel free to contact myself or our CFO, Gordon Stelter for more detailed information.

C: Margaret Scanlon, Borough Clerk
LaPorta & LaPorta, Borough Attorney
Gordon Stelter, CFO
file

BOROUGH OF RUTHERFORD 2020 BUDGET REVENUES SUMMARY

	2019		2020 To Introduce Budget	Change in Budget 2019 vs. 2020	
	Adopted Budget	Actual		\$	%
STATE/COUNTY REVENUES					
Consolidated Municipal Property Tax Relief Aid	\$0.00	\$0.00	\$0.00	\$ -	
Energy Receipts Tax (P.L. 1999 , Chapters 162 & 167)	1,384,589.00	1,384,589.00	1,384,589.00	-	0.0%
TOTAL STATE/COUNTY REVENUES	1,384,589.00	1,384,589.00	1,384,589.00	-	0.0%
GRANTS					
Grant Programs - See Sheets 9 & 9a	499,395.55	499,395.55	477,821.58	(21,573.97)	-4.3%
MUNICIPAL REVENUES					
Licenses - Alcoholic Beverages	18,000.00	18,665.00	17,000.00	(1,000.00)	-5.6%
Licenses - Other	6,000.00	5,850.00	4,500.00	(1,500.00)	-25.0%
Fees and Permits - Other	84,000.00	107,081.00	97,400.00	13,400.00	16.0%
Fines and Costs - Municipal Court	390,000.00	493,600.07	330,000.00	(60,000.00)	-15.4%
Interest and Costs on Taxes	120,000.00	131,095.92	105,000.00	(15,000.00)	-12.5%
Parking Meters	267,000.00	276,869.10	200,000.00	(67,000.00)	-25.1%
Interest on Investments and Deposits	170,000.00	256,961.49	235,000.00	65,000.00	38.2%
Parking Lot Permits	154,000.00	166,537.50	130,000.00	(24,000.00)	-15.6%
Fire Safety Fees	74,000.00	84,775.00	70,000.00	(4,000.00)	-5.4%
Uniform Construction Code Fees	580,000.00	470,323.00	400,000.00	(180,000.00)	-31.0%
Interlocal Municipal Service Agreements	185,000.00	162,780.48	162,000.00	(23,000.00)	-12.4%
Uniform Fire Safety Act	28,575.49	30,503.65	20,000.00	(8,575.49)	-30.0%
Lease of Borough Property	176,000.00	178,414.95	178,000.00	2,000.00	1.1%
Cable TV Franchise Fee	244,906.73	244,906.73	236,826.45	(8,080.28)	-3.3%
Non Public Nursing Services (PL 1991, C. 226)	31,719.00	31,719.00	32,495.00	776.00	2.4%
Payment in Lieu of Tax - ENCAP	118,750.00	0.00	0.00	(118,750.00)	-100.0%
Payment in Lieu of Tax - Redevelopment	0.00	0.00	100,000.00	100,000.00	
Payment in Lieu of Tax - Rutherford Senior Housing	25,000.00	24,098.33	24,000.00	(1,000.00)	-4.0%
Hotel Occupancy Fee P.L. 2003,c. 114	280,000.00	307,481.19	225,000.00	(55,000.00)	-19.6%
NJMC Tax Sharing (NJSA 13:17-60 et. Seq.)	32,744.00	103,900.40	50,000.00	17,256.00	52.7%
Fees & Permits - Recycling Revenues	6,000.00	6,817.65	3,500.00	(2,500.00)	-41.7%
Due from Free Public Library	230,000.00	230,000.00	230,000.00	-	0.0%
Green Trust Loan - Nereid Boat Club	21,988.05	21,988.06	21,988.06	0.01	0.0%
Reserve for Debt Service	80,000.00	80,000.00	84,471.45	4,471.45	5.6%
TOTAL MUNICIPAL REVENUES	3,323,683.27	3,434,368.52	2,957,180.96	(366,502.31)	-11.0%
DELINQUENT TAXES	475,000.00	510,750.90	475,000.00	0.00	0.0%
SURPLUS ANTICIPATED	2,725,000.00	2,725,000.00	2,850,000.00	125,000.00	4.6%
PROPERTY TAXES	23,915,388.49	24,572,993.19	24,399,667.15	484,278.66	2.0%
GRAND TOTAL	\$32,323,056.31	\$33,127,097.16	\$32,544,258.69	\$221,202.38	0.7%

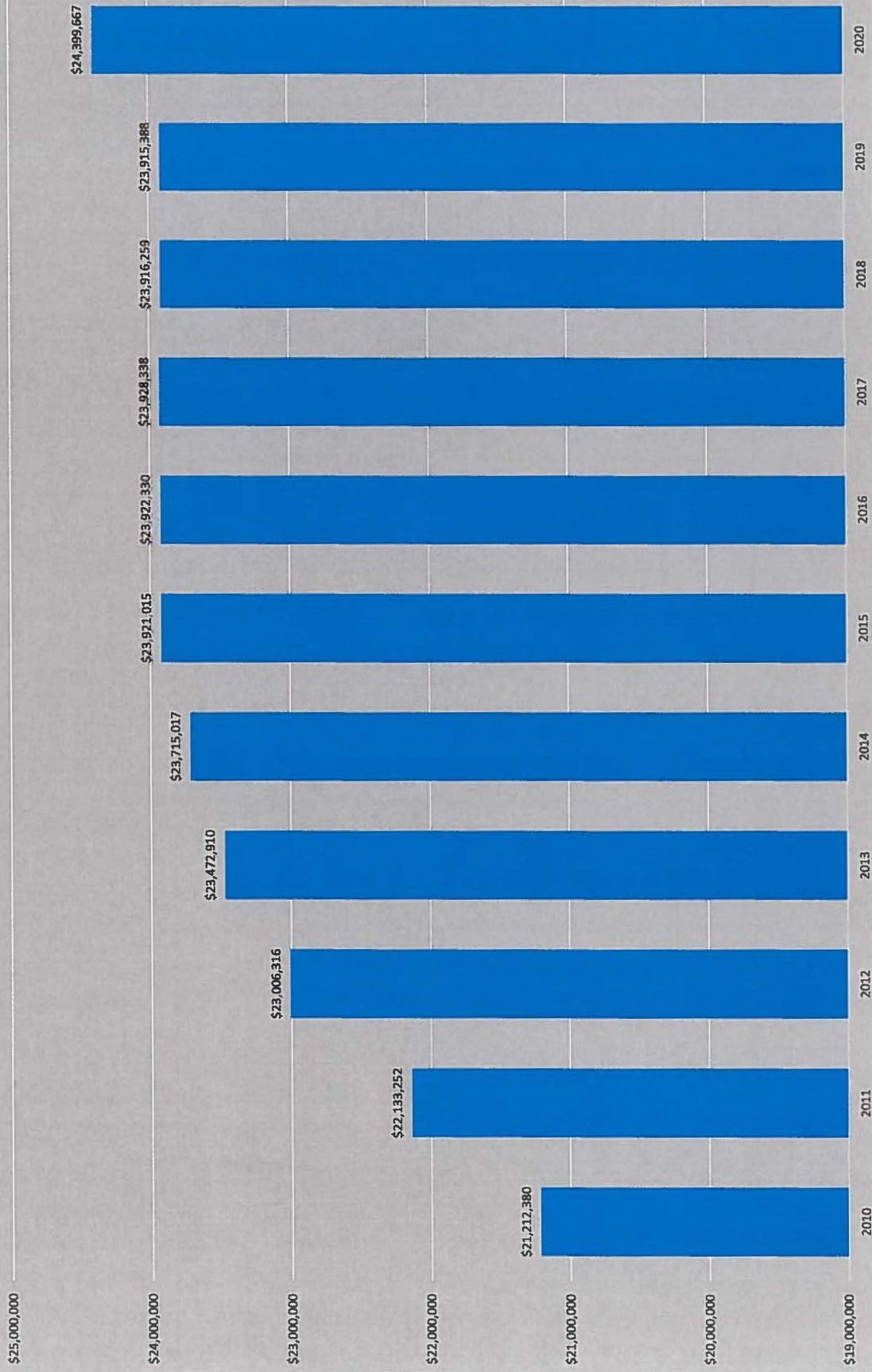
BOROUGH OF RUTHERFORD 2020 BUDGET EXPENDITURES SUMMARY

	2019 Adopted Budget	2020 To Introduce Budget	Change in Budget 2019 vs. 2020	
			\$	%
SALARIES AND WAGES				
GENERAL ADMINISTRATION	\$238,000.00	\$227,000.00	(\$11,000.00)	-4.6%
MAYOR AND COUNCIL	22,000.00	22,000.00	0.00	0.0%
MUNICIPAL CLERK'S OFFICE	213,000.00	227,000.00	14,000.00	6.6%
FINANCIAL ADMINISTRATION	274,000.00	286,000.00	(8,000.00)	-2.9%
COLLECTION OF TAXES	156,000.00	162,000.00	6,000.00	3.8%
ASSESSMENT OF TAXES	43,000.00	41,000.00	(2,000.00)	-4.7%
PLANNING BOARD	5,000.00	3,800.00	(1,200.00)	-24.0%
BOARD OF ADJUSTMENT	4,000.00	3,800.00	(200.00)	-5.0%
PROPERTY MANAGEMENT ENFORCEMENT	78,000.00	104,000.00	26,000.00	33.3%
POLICE	5,880,000.00	6,180,000.00	320,000.00	5.5%
EMERGENCY MANAGEMENT	5,000.00	14,000.00	9,000.00	180.0%
FIRE OFFICIAL	278,000.00	244,000.00	(34,000.00)	-12.2%
MUNICIPAL PROSECUTOR	7,700.00	11,700.00	4,000.00	51.9%
MUNICIPAL COURT	200,000.00	214,500.00	14,500.00	7.3%
PUBLIC DEFENDER (P.L. 1997, C.256)	2,500.00	8,500.00	4,000.00	160.0%
STREET AND ROAD MAINTENANCE	1,305,500.00	1,357,500.00	52,000.00	4.0%
SHADE TREE DIVISION	395,000.00	449,000.00	54,000.00	13.7%
SEWER SYSTEM	7,500.00	7,000.00	(500.00)	-6.7%
GARBAGE AND TRASH REMOVAL	386,000.00	387,000.00	1,000.00	0.3%
RECYCLING	184,000.00	187,000.00	3,000.00	1.6%
BUILDINGS AND GROUNDS	503,000.00	383,000.00	(120,000.00)	-23.9%
BOARD OF HEALTH	329,000.00	336,000.00	7,000.00	2.1%
ADMINISTRATION OF PUBLIC ASSISTANCE	111,000.00	114,000.00	3,000.00	2.7%
RECREATION DEPARTMENT:	654,000.00	633,000.00	(21,000.00)	-3.2%
CONSTRUCTION CODE OFFICIAL:	205,000.00	211,000.00	6,000.00	2.9%
SALARY ATTRITION(Terminal Leave)	100,000.00	100,000.00	0.00	0.0%
RESERVE FOR COMPENSATED ABSENCES	50,000.00	50,000.00	0.00	0.0%
TOTAL SALARIES AND WAGES	<u>11,616,200.00</u>	<u>11,941,800.00</u>	<u>325,600.00</u>	<u>2.8%</u>
MAINTENANCE OF FREE PUBLIC LIBRARY	<u>1,105,167.00</u>	<u>1,127,167.00</u>	<u>22,000.00</u>	<u>2.0%</u>
GENERAL EXPENSES				
DEPARTMENT EQUIPMENT & SUPPORT	1,963,854.84	1,962,777.00	(1,077.84)	-0.1%
GENERAL LIABILITY INSURANCE	550,000.00	565,000.00	15,000.00	2.7%
WORKERS COMPENSATION INSURANCE	677,500.00	685,000.00	7,500.00	1.1%
EMPLOYEE GROUP INSURANCE	3,765,000.00	3,780,000.00	25,000.00	0.7%
OTHER INSURANCE PREMIUMS	25,000.00	25,000.00	0.00	0.0%
UTILITIES:				
ELECTRICITY	375,000.00	319,500.00	(55,500.00)	-14.8%
STREET LIGHTING	280,000.00	280,000.00	0.00	0.0%
TELEPHONE	95,000.00	100,000.00	5,000.00	5.3%
WATER	80,000.00	75,000.00	(5,000.00)	-6.3%
FUEL OIL	20,000.00	20,000.00	0.00	0.0%
GASOLINE	235,000.00	221,787.75	(13,212.25)	-5.6%
DUMPING FEES	670,000.00	930,000.00	260,000.00	38.8%
FICA	575,000.00	600,000.00	25,000.00	4.3%
PUBLIC EMPLOYEES RETIREMENT SYSTEM	727,747.56	744,306.00	16,558.44	2.3%
POLICE AND FIRE RETIREMENT SYSTEM	1,374,666.73	1,433,790.00	59,123.27	4.3%
FIRE WIDOWS PENSION	24,000.00	24,000.00	0.00	0.0%
DEFINED CONTRIBUTION RETIREMENT PLAN	12,000.00	16,000.00	4,000.00	33.3%
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS	382,083.99	362,898.46	(19,185.53)	-5.0%
PASSAIC VALLEY TRUNK SEWER	572,000.00	586,500.00	24,500.00	4.3%
BERGEN COUNTY UTILITY AUTHORITY	1,132,000.00	1,130,000.00	(2,000.00)	-0.2%
TOTAL GENERAL EXPENSES	<u>13,515,853.12</u>	<u>13,861,559.21</u>	<u>345,706.09</u>	<u>2.6%</u>
PROFESSIONAL				
AUDITING AND ACCOUNTING SERVICES	28,500.00	29,000.00	500.00	1.8%
LEGAL SERVICES AND COSTS	225,000.00	275,000.00	50,000.00	22.2%
ENGINEERING SERVICES AND COSTS	95,000.00	95,000.00	0.00	0.0%
TOTAL PROFESSIONAL	<u>348,500.00</u>	<u>399,000.00</u>	<u>50,500.00</u>	<u>14.5%</u>
CONTRIBUTIONS				
FIRST AID AMBULANCE CORP CONTRIBUTION	9,000.00	13,500.00	4,500.00	50.0%
SENIOR CITIZEN CENTER (55 Kip Center)	60,000.00	60,000.00	0.00	0.0%
WILLIAMS CENTER FOR THE ARTS	5,000.00	5,000.00	0.00	0.0%
Length of Services Award (P.L. 1997,c.388)	115,375.00	117,500.00	2,125.00	1.8%
TOTAL CONTRIBUTIONS	<u>189,375.00</u>	<u>196,000.00</u>	<u>6,625.00</u>	<u>3.5%</u>
MISCELLANEOUS				
CONTINGENT	5,000.00	5,000.00	0.00	0.0%
DEFERRED CHARGES	13,578.99	11,386.25	(2,192.74)	-16.1%
LEGAL SETTLEMENTS	25,000.00	140,000.00	115,000.00	460.0%
JOINT MEETING	10,000.00	10,000.00	0.00	0.0%
STATE OF EMERGENCY COSTS FOR CORONAVIRUS	0.00	10,000.00	10,000.00	
RESERVE FOR TAX APPEALS	100,000.00	25,000.00	(75,000.00)	-75.0%
CAPITAL IMPROVEMENTS	1,075,000.00	1,025,000.00	(50,000.00)	-4.7%
GRANT MATCH	28,290.00	2,828.00	(25,462.00)	-90.0%
TOTAL MISCELLANEOUS	<u>1,256,868.99</u>	<u>1,229,214.25</u>	<u>(27,654.74)</u>	<u>-2.2%</u>
DEBT SERVICE	<u>2,591,696.65</u>	<u>2,186,696.65</u>	<u>(405,000.00)</u>	<u>-15.6%</u>
SUB-TOTAL	<u>30,623,660.76</u>	<u>30,941,437.11</u>	<u>317,776.35</u>	<u>1.0%</u>
RESERVE FOR UNCOLLECTED TAXES	<u>1,200,000.00</u>	<u>1,125,000.00</u>	<u>(75,000.00)</u>	<u>-6.3%</u>
SUB-TOTAL	<u>31,823,660.76</u>	<u>32,066,437.11</u>	<u>242,776.35</u>	<u>0.8%</u>
GRANTS OFFSET BY REVENUES-See Sheets 24,25 & 26-a	<u>499,395.55</u>	<u>477,821.58</u>	<u>(21,573.97)</u>	<u>-4.3%</u>
GRAND TOTAL	<u>\$32,323,056.31</u>	<u>\$32,544,258.69</u>	<u>\$221,202.38</u>	<u>0.7%</u>

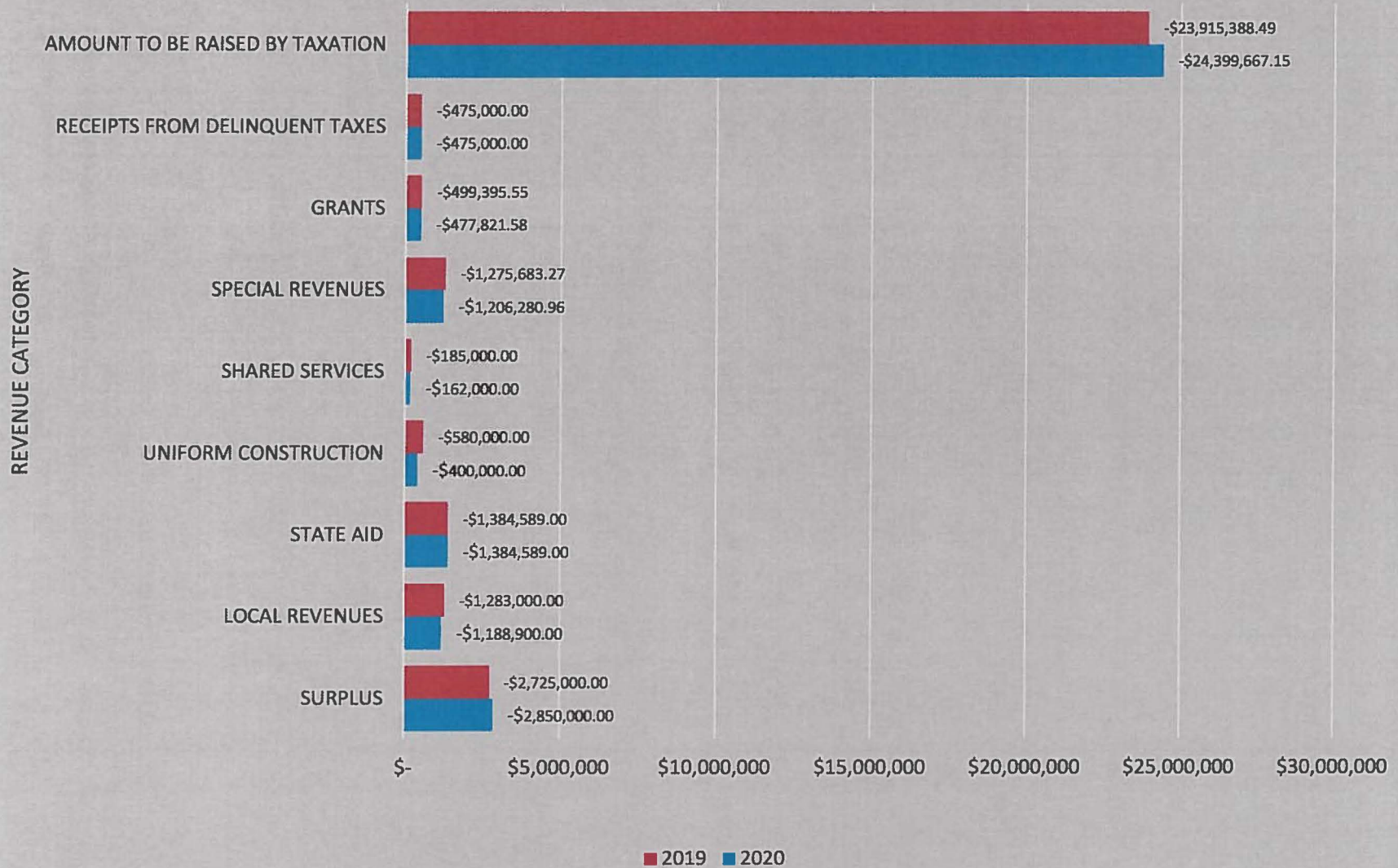
BOROUGH OF RUTHERFORD 2020 DEPARTMENT EQUIPMENT & SUPPORT DETAIL

<u>Department</u>	<u>2019</u>	<u>2020</u>	<u>Change</u>	
			<u>\$</u>	<u>%</u>
GENERAL ADMINISTRATION	107,500.00	128,900.00	21,400.00	19.9%
MAYOR AND COUNCIL	6,000.00	6,000.00	0.00	0.0%
MUNICIPAL CLERK'S OFFICE	96,700.00	92,700.00	(4,000.00)	-4.1%
FINANCIAL ADMINISTRATION	28,800.00	30,000.00	1,200.00	4.2%
COMPUTERIZED DATA PROCESSING	48,500.00	50,000.00	1,500.00	3.1%
COLLECTION OF TAXES	12,650.00	14,100.00	1,450.00	11.5%
ASSESSMENT OF TAXES	28,750.00	38,250.00	9,500.00	33.0%
PLANNING BOARD	10,400.00	12,100.00	1,700.00	16.3%
BOARD OF ADJUSTMENT	15,550.00	17,500.00	1,950.00	12.5%
PROPERTY MANAGEMENT ENFORCEMENT	500.00	500.00	0.00	0.0%
POLICE	297,202.00	237,873.00	(59,329.00)	-20.0%
POLICE DISPATCH/911	19,602.84	19,994.00	391.16	2.0%
EMERGENCY MANAGEMENT	12,000.00	12,000.00	0.00	0.0%
FIRE	416,100.00	423,100.00	7,000.00	1.7%
FIRE OFFICIAL	14,100.00	15,400.00	1,300.00	9.2%
MUNICIPAL COURT	11,850.00	12,350.00	500.00	4.2%
STREET AND ROAD MAINTENANCE	201,350.00	219,350.00	18,000.00	8.9%
SHADE TREE DIVISION	96,150.00	101,200.00	5,050.00	5.3%
SEWER SYSTEM	55,500.00	77,450.00	21,950.00	39.5%
GARBAGE AND TRASH REMOVAL	67,250.00	72,250.00	5,000.00	7.4%
BUILDINGS AND GROUNDS	245,000.00	254,500.00	9,500.00	3.9%
BOARD OF HEALTH	36,300.00	29,560.00	(6,740.00)	-18.6%
ANIMAL CONTROL SERVICES	24,000.00	24,000.00	0.00	0.0%
ADMINISTRATION OF PUBLIC ASSISTANCE	3,300.00	3,700.00	400.00	12.1%
RECREATION DEPARTMENT:	84,000.00	46,000.00	(38,000.00)	-45.2%
EDUCATION PLANS FOR EMPLOYEES	5,000.00	5,000.00	0.00	0.0%
CONSTRUCTION CODE OFFICIAL:	15,650.00	14,850.00	(800.00)	-5.1%
Unemployment Insurance	100.00	100.00	0.00	0.0%
STORMWATER REGS. NJSA 40A:4-45.3(cc)	4,050.00	4,050.00	0.00	0.0%
	<u>\$1,963,854.84</u>	<u>\$1,962,777.00</u>	<u>(\$1,077.84)</u>	<u>-0.1%</u>

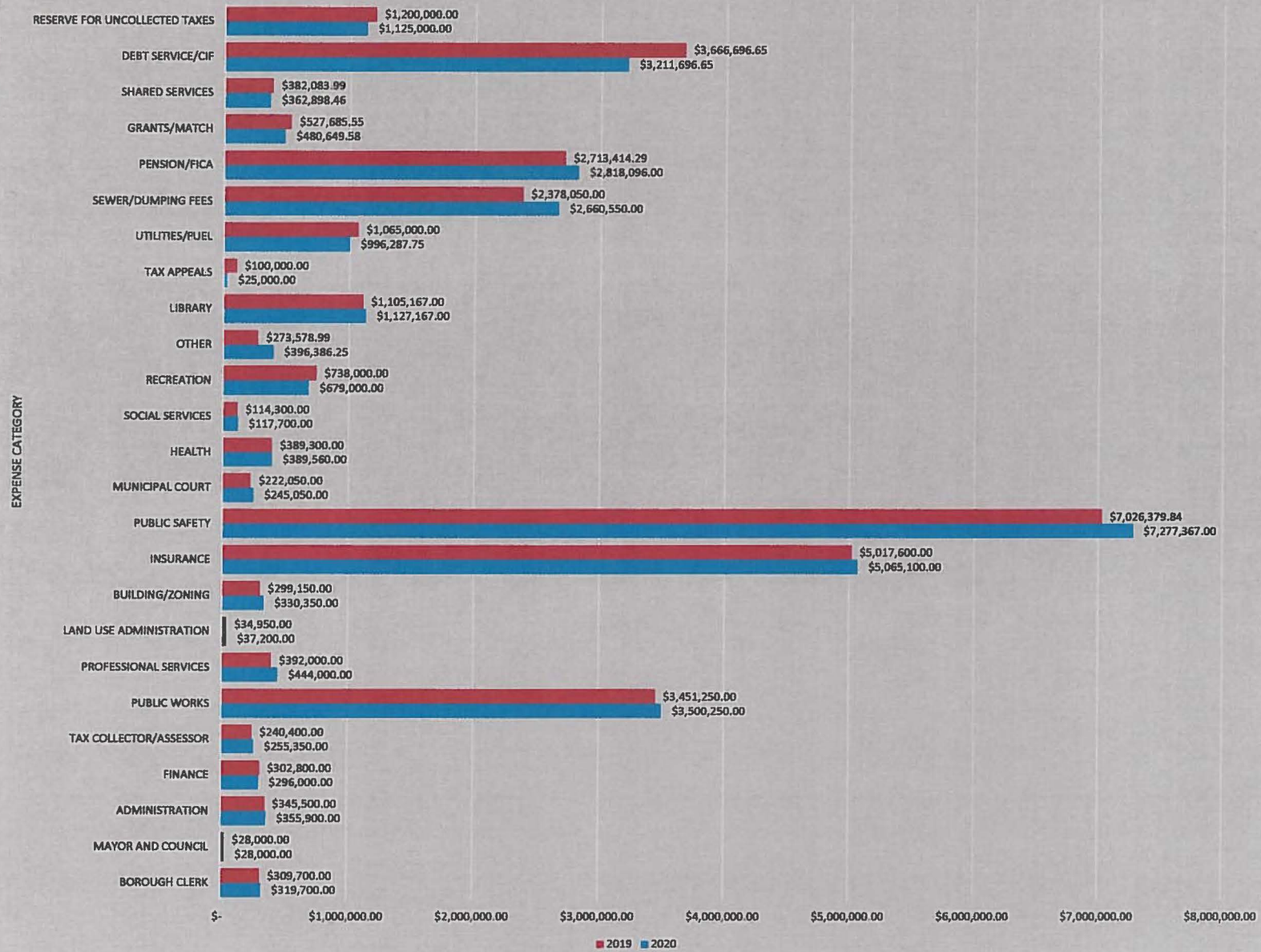
Annual Rutherford Municipal Tax Levy 2010-2020



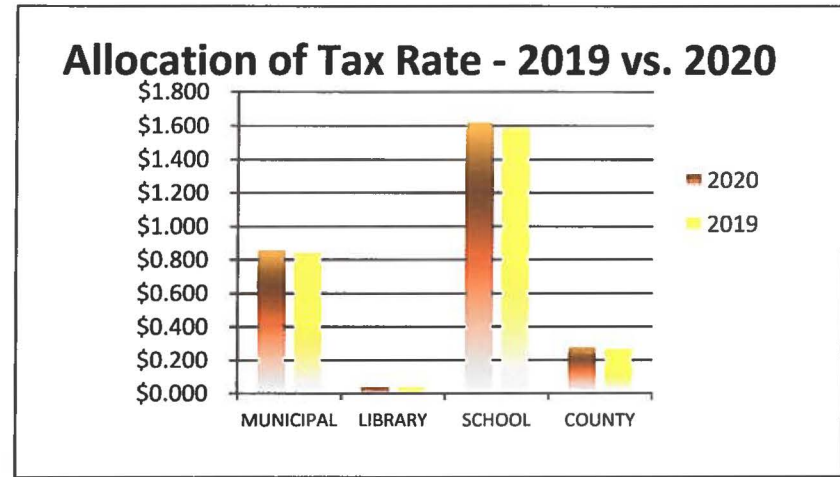
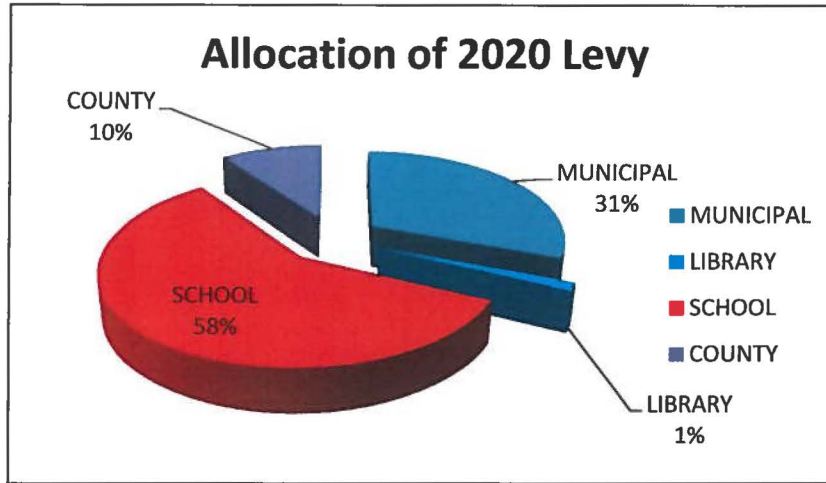
Rutherford Budget Revenues - 2020 vs. 2019



Rutherford Budget Appropriations - 2020 vs. 2019



BOROUGH OF RUTHERFORD - 2020 BUDGET



	2020		2019		Change in Rate
	Tax Levy	Tax Rate	Tax Levy	Tax Rate	
MUNICIPAL	\$23,371,175.80 *	\$0.859	\$22,927,786.42	\$0.844	1.8%
LIBRARY	1,028,491.35 *	0.038	987,602.07	0.036	5.6%
TOTAL	24,399,667.15	0.897	23,915,388.49	0.880	1.9%
SCHOOL	44,109,986.70 *	1.622	43,245,085.00	1.592	1.9%
COUNTY	7,517,631.92 **	0.276	7,228,492.23	0.267	3.4%
TOTAL	\$76,027,285.77	\$2.795	\$74,388,965.72	\$2.739	2.0%

Impact on Averaged Assessed Home:

	2020	2019	Change
MUNICIPAL/LIBRARY	\$3,866.07 *	\$3,792.80	\$73.27
SCHOOL	6,990.82 *	6,861.52	129.30
COUNTY	1,189.56 **	1,150.77	38.79
TOTAL	\$12,046.45	\$11,805.09	\$241.36
Average Assessed Home	<u>\$431,000.00</u>	<u>\$431,000.00</u>	

*As Introduced

**Based on discussion with County Treasurer

BOROUGH OF RUTHERFORD 10 YEAR ANALYSIS OF FUND BALANCE

	Prior Year Fund Balance	Fund Balance Anticipated			Fund Balance % of Budget After Amount Anticipated	Fund Balance Generated/ (Deficit) in Year
		Amount	Budget	% of Budget		
2010	\$ 2,414.00	\$ -	\$ 27,065,771.00	0.00%	0.009%	\$ 778,690.00
2011	781,104.00	190,000.00	27,384,946.97	0.69%	2.158%	771,870.00
2012	1,362,974.00	200,000.00	28,198,085.00	0.71%	4.124%	1,338,228.00
2013	2,501,202.00	500,000.00	28,976,411.00	1.73%	6.906%	540,413.00
2014	2,541,615.00	700,000.00	29,166,212.00	2.40%	6.314%	1,507,282.00
2015	3,348,897.00	790,000.00	29,813,669.00	2.65%	8.583%	2,204,686.00
2016	4,763,583.00	1,140,000.00	29,923,630.00	3.81%	12.109%	2,138,871.00
2017	5,762,454.00	1,625,000.00	30,486,806.00	5.33%	13.571%	2,829,415.00
2018	6,966,869.00	2,425,000.00	31,473,351.00	7.70%	14.431%	2,935,717.00
2019	7,477,586.00	2,725,000.00	31,887,034.91	8.55%	14.904%	3,202,207.00
2020	7,954,793.00	2,850,000.00	32,544,258.69	8.76%	15.686%	