



The Borough of

RUTHERFORD

New Jersey

**CALENDAR YEAR 2021 MUNICIPAL
BUDGET SUMMARY**



Memo

TO: Acting Mayor Mark Goldsack
Borough Council

FROM: Robert J. Kakoleski, Borough Administrator

DATE: May 20, 2021

SUBJECT: CY2021 Borough Budget

The Calendar Year 2021 municipal budget was presented for introduction at the May 10th Mayor/Council meeting. The public hearing for the budget will be scheduled for the June 14th 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 CY2021 spending plan.

The document has been prepared in consultation with the Governing Body's finance liaisons Councilman President Goldsack and Councilwoman McGowan. The COVID-19 pandemic continues to impact the borough's budget primarily from a revenue perspective but we have returned traditional spending opportunities believing we are returning to our normal way of life in the upcoming months. The following is a summary of notable budget changes from the previous year:

Revenues

- *Projections remain below historic levels due to COVID-19; specifically, municipal court violations; parking meters; monthly parking permits; building permits; and hotel tax. The State has allowed municipalities flexibility for projections based on a three-year average as opposed what was realized the previous year.*
- *Other revenue accounts remain a challenge such as interest on deposits, NJMC tax sharing and cable TV franchise fees.*
- *Borough will realize a full year of PILOT payments from the redevelopment project at 106 Park Avenue.*

Appropriations

- *PBA medical plan change resulted in premium savings*
- *Annual pension payments continue to rise*
- *Return of funding for some community events*

- *Increased funding for volunteer fire department personnel (uniform and officers' allowances)*
- *Includes funding for newly ratified contractual salary increases*
- *Capital Improvement Fund reduced meaning additional debt needs to be issued to maintain same level of funding for annual capital improvement projects*

Property Taxes

- *The budget proposes a municipal tax increase of **2.2%**. Based on **preliminary** information received from Bergen County (3.5% increase) and Rutherford Board of Education (2.7% increase), we anticipate a 2.6% overall tax increase for 2021. On an average assessed home of \$431,000, the projected municipal tax increase will be \$86.20 and the overall increase will be \$323.25.*
- *Allocation of property tax dollars is broken down in the following manner:*
 - **Municipal – 30%**
 - **Library – 1%**
 - **County – 10%**
 - **School – 59%**

Also, the budget does not include any funding from the American Rescue Plan Act of 2021. While there have been many news reports regarding the potential funding for the Borough, at this time we have not received anything official from a federal or state agency responsible for the funding. Also, we have not received any official guidance outlining the permitted uses for the funding. When this information becomes available, we will act accordingly.

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
Robert Ferraro Esq, Borough Attorney
Gordon Stelter, CFO
file

BOROUGH OF RUTHERFORD 2021 BUDGET REVENUES SUMMARY

	2020		2021 To Introduce Budget	Change in Budget 2020 vs. 2021	
	Adopted Budget	Actual		\$	%
STATE/COUNTY REVENUES					
Energy Receipts Tax (P.L. 1999 , Chapters 162 & 167)	1,384,589.00	1,384,589.01	1,384,589.00	-	0.0%
TOTAL STATE/COUNTY REVENUES	1,384,589.00	1,384,589.01	1,384,589.00	-	0.0%
GRANTS					
Grant Programs - See Sheets 9 & 9a	726,310.82	726,310.82	301,760.87	(424,549.95)	-58.5%
MUNICIPAL REVENUES					
Licenses - Alcoholic Beverages	17,000.00	18,254.00	18,000.00	1,000.00	5.9%
Licenses - Other	4,500.00	3,200.00	3,200.00	(1,300.00)	-28.9%
Fees and Permits - Other	97,400.00	70,341.00	70,000.00	(27,400.00)	-28.1%
Fines and Costs - Municipal Court	330,000.00	241,036.44	381,000.00	51,000.00	15.5%
Interest and Costs on Taxes	105,000.00	145,292.58	145,000.00	40,000.00	38.1%
Parking Meters	200,000.00	131,239.97	211,000.00	11,000.00	5.5%
Interest on Investments and Deposits	235,000.00	195,462.66	175,000.00	(60,000.00)	-25.5%
Parking Lot Permits	130,000.00	138,529.01	145,000.00	15,000.00	11.5%
Fire Safety Fees	70,000.00	85,258.00	85,000.00	15,000.00	21.4%
Uniform Construction Code Fees	400,000.00	444,300.00	440,000.00	40,000.00	10.0%
Interlocal Municipal Service Agreements	162,000.00	157,141.41	157,000.00	(5,000.00)	-3.1%
Uniform Fire Safety Act	20,000.00	29,608.65	31,572.73	11,572.73	57.9%
Lease of Borough Property	178,000.00	183,767.41	183,000.00	5,000.00	2.8%
Cable TV Franchise Fee	236,826.45	236,826.45	221,858.39	(14,968.06)	-6.3%
Non Public Nursing Services (PL 1991, C. 226)	32,495.00	32,495.00	34,170.00	1,675.00	5.2%
Payment in Lieu of Tax - Redevelopment	100,000.00	163,418.00	160,000.00	60,000.00	60.0%
Payment in Lieu of Tax - Rutherford Senior Housing	24,000.00	31,045.67	31,000.00	7,000.00	29.2%
Hotel Occupancy Fee P.L. 2003, c. 114	225,000.00	167,815.72	240,000.00	15,000.00	6.7%
NJMC Tax Sharing (NJSA 13:17-60 et. Seq.)	50,000.00	0.00	0.00	(50,000.00)	-100.0%
Fees & Permits - Recycling Revenues	3,500.00	7,305.90	7,000.00	3,500.00	100.0%
Due from Free Public Library	230,000.00	230,000.00	230,000.00	-	0.0%
Green Trust Loan - Nereid Boat Club	21,988.06	21,988.06	21,988.06	-	0.0%
General Capital Surplus Anticipated			75,000.00	75,000.00	
Reserve for Debt Service	84,471.45	84,471.45	0.00	(84,471.45)	-100.0%
TOTAL MUNICIPAL REVENUES	2,957,180.96	2,818,797.38	3,065,789.18	108,608.22	3.7%
DELINQUENT TAXES	475,000.00	496,551.68	550,000.00	75,000.00	15.8%
SURPLUS ANTICIPATED	2,850,000.00	2,850,000.00	2,750,000.00	(100,000.00)	-3.5%
PROPERTY TAXES	24,399,667.15	24,914,682.36	24,947,003.68	547,336.53	2.2%
GRAND TOTAL	\$32,792,747.93	\$33,190,931.25	\$32,999,142.73	\$206,394.80	0.6%

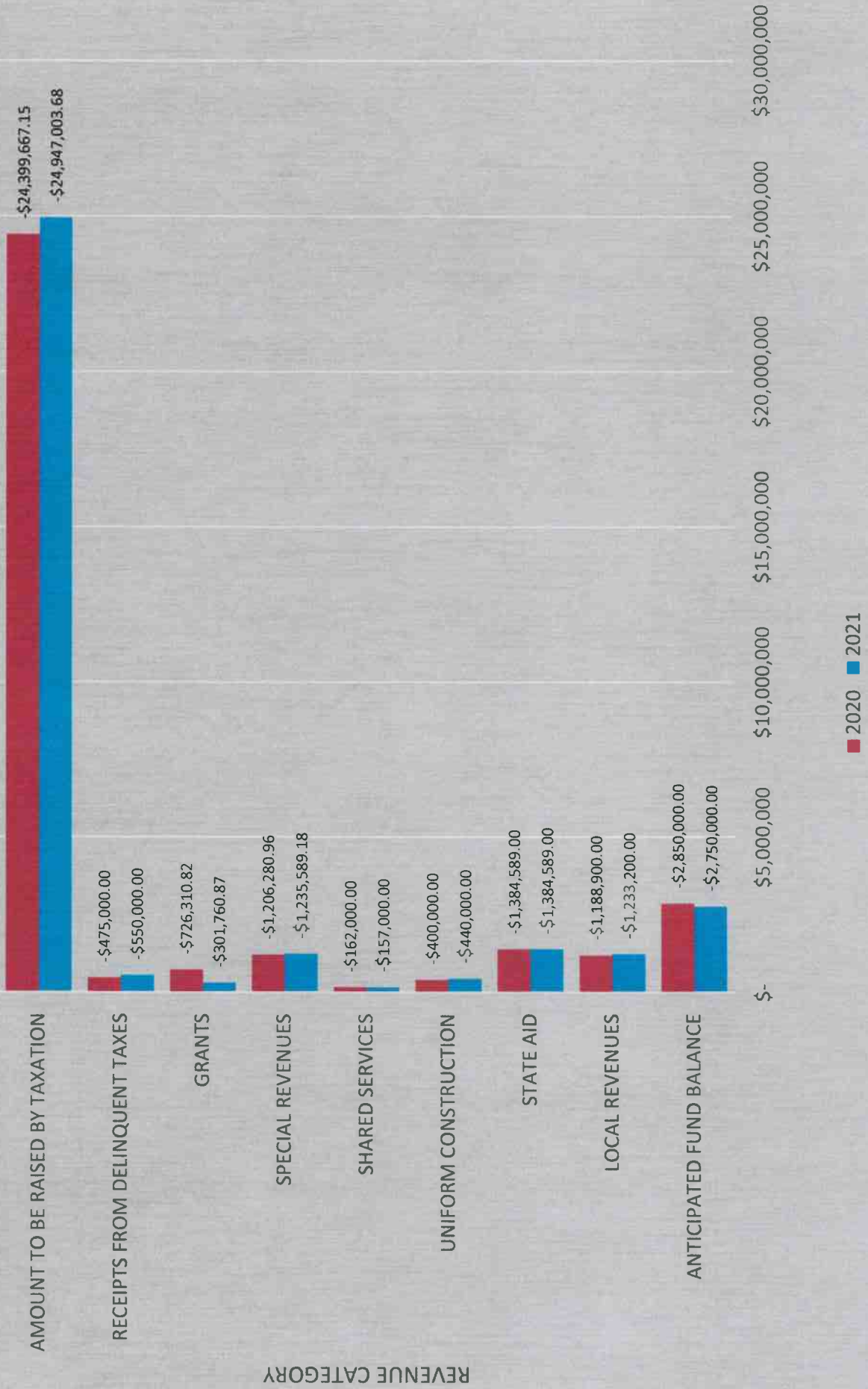
BOROUGH OF RUTHERFORD 2021 BUDGET EXPENDITURES SUMMARY

	2020	2021	Change in Budget	
	Adopted Budget	To Introduce Budget	2020 vs. 2021 \$	%
<u>SALARIES AND WAGES</u>				
GENERAL ADMINISTRATION	\$227,000.00	\$265,000.00	\$38,000.00	16.7%
MAYOR AND COUNCIL	22,000.00	22,000.00	0.00	0.0%
MUNICIPAL CLERK'S OFFICE	227,000.00	237,000.00	10,000.00	4.4%
FINANCIAL ADMINISTRATION	266,000.00	280,000.00	14,000.00	5.3%
COLLECTION OF TAXES	162,000.00	174,000.00	12,000.00	7.4%
ASSESSMENT OF TAXES	41,000.00	42,000.00	1,000.00	2.4%
PLANNING BOARD	3,800.00	3,800.00	0.00	0.0%
BOARD OF ADJUSTMENT	3,800.00	3,800.00	0.00	0.0%
PROPERTY MANAGEMENT ENFORCEMENT	104,000.00	135,000.00	31,000.00	29.8%
POLICE	6,180,000.00	6,610,000.00	430,000.00	7.0%
EMERGENCY MANAGEMENT	14,000.00	14,000.00	0.00	0.0%
FIRE OFFICIAL	244,000.00	250,000.00	6,000.00	2.5%
MUNICIPAL PROSECUTOR	11,700.00	11,700.00	0.00	0.0%
MUNICIPAL COURT	214,500.00	221,500.00	7,000.00	3.3%
PUBLIC DEFENDER (P.L. 1997, C.256)	6,500.00	6,500.00	0.00	0.0%
STREET AND ROAD MAINTENANCE	1,357,500.00	1,493,500.00	136,000.00	10.0%
SHADE TREE DIVISION	449,000.00	477,000.00	28,000.00	6.2%
SEWER SYSTEM	7,000.00	5,000.00	(2,000.00)	-28.6%
GARBAGE AND TRASH REMOVAL	387,000.00	393,000.00	6,000.00	1.6%
RECYCLING	187,000.00	189,000.00	2,000.00	1.1%
BUILDINGS AND GROUNDS	383,000.00	384,000.00	1,000.00	0.3%
BOARD OF HEALTH	336,000.00	343,000.00	7,000.00	2.1%
ADMINISTRATION OF PUBLIC ASSISTANCE	114,000.00	117,000.00	3,000.00	2.6%
RECREATION DEPARTMENT:	633,000.00	616,000.00	(17,000.00)	-2.7%
CONSTRUCTION CODE OFFICIAL:	211,000.00	230,000.00	19,000.00	9.0%
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	11,941,800.00	12,673,800.00	732,000.00	6.1%
MAINTENANCE OF FREE PUBLIC LIBRARY	1,127,167.00	1,169,324.00	42,157.00	3.7%
<u>GENERAL EXPENSES</u>				
DEPARTMENT EQUIPMENT & SUPPORT	1,962,777.00	2,145,282.88	182,505.88	9.3%
GENERAL LIABILITY INSURANCE	565,000.00	590,000.00	25,000.00	4.4%
WORKERS COMPENSATION INSURANCE	685,000.00	680,000.00	(5,000.00)	-0.7%
EMPLOYEE GROUP INSURANCE	3,790,000.00	3,625,000.00	(165,000.00)	-4.4%
OTHER INSURANCE PREMIUMS	25,000.00	25,000.00	0.00	0.0%
UTILITIES:				
ELECTRICITY	319,500.00	294,500.00	(25,000.00)	-7.8%
STREET LIGHTING	260,000.00	270,000.00	10,000.00	3.8%
TELEPHONE	100,000.00	75,000.00	(25,000.00)	-25.0%
WATER	75,000.00	70,000.00	(5,000.00)	-6.7%
FUEL OIL	20,000.00	15,000.00	(5,000.00)	-25.0%
GASOLINE	221,787.75	200,000.00	(21,787.75)	-9.8%
DUMPING FEES	930,000.00	1,000,000.00	70,000.00	7.5%
FICA	600,000.00	600,000.00	0.00	0.0%
PUBLIC EMPLOYEES RETIREMENT SYSTEM	744,306.00	849,110.00	104,804.00	14.1%
POLICE AND FIRE RETIREMENT SYSTEM	1,433,790.00	1,628,300.00	194,510.00	13.6%
FIRE WIDOWS PENSION	24,000.00	24,000.00	0.00	0.0%
DEFINED CONTRIBUTION RETIREMENT PLAN	16,000.00	12,500.00	(3,500.00)	-21.9%
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS	362,898.46	341,038.05	(21,860.41)	-6.0%
PASSAIC VALLEY TRUNK SEWER	596,500.00	590,000.00	(6,500.00)	-1.1%
BERGEN COUNTY UTILITY AUTHORITY	1,130,000.00	1,150,000.00	20,000.00	1.8%
TOTAL GENERAL EXPENSES	13,861,559.21	14,184,730.93	323,171.72	2.3%
<u>PROFESSIONAL</u>				
AUDITING AND ACCOUNTING SERVICES	29,000.00	30,000.00	1,000.00	3.4%
LEGAL SERVICES AND COSTS	275,000.00	275,000.00	0.00	0.0%
ENGINEERING SERVICES AND COSTS	95,000.00	95,000.00	0.00	0.0%
TOTAL PROFESSIONAL	399,000.00	400,000.00	1,000.00	0.3%
<u>CONTRIBUTIONS</u>				
FIRST AID AMBULANCE CORP CONTRIBUTION	13,500.00	13,500.00	0.00	0.0%
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)	117,500.00	118,400.00	900.00	0.8%
TOTAL CONTRIBUTIONS	196,000.00	196,900.00	900.00	0.5%
<u>MISCELLANEOUS</u>				
CONTINGENT	5,000.00	5,000.00	0.00	0.0%
DEFERRED CHARGES	11,386.25	17,626.93	6,240.68	54.8%
LEGAL SETTLEMENTS	140,000.00	125,000.00	(15,000.00)	-10.7%
JOINT MEETING	10,000.00	5,000.00	(5,000.00)	-50.0%
STATE OF EMERGENCY COSTS FOR CORONAVIRUS	10,000.00	10,000.00	0.00	0.0%
RESERVE FOR TAX APPEALS	25,000.00	25,000.00	0.00	0.0%
CAPITAL IMPROVEMENTS	1,025,000.00	270,000.00	(755,000.00)	-73.7%
GRANT MATCH	2,828.00	10,000.00	7,172.00	253.6%
TOTAL MISCELLANEOUS	1,229,214.25	467,626.93	(761,587.32)	-62.0%
DEBT SERVICE	2,186,696.65	2,480,000.00	293,303.35	13.4%
SUB-TOTAL	30,941,437.11	31,572,381.86	630,944.75	2.0%
RESERVE FOR UNCOLLECTED TAXES	1,125,000.00	1,125,000.00	0.00	0.0%
SUB-TOTAL	32,066,437.11	32,697,381.86	630,944.75	2.0%
GRANTS OFFSET BY REVENUES-See Sheets 24,25 & 26-a	726,310.82	301,760.87	(424,549.95)	-58.5%
GRAND TOTAL	\$32,792,747.93	\$32,999,142.73	\$206,394.80	0.6%

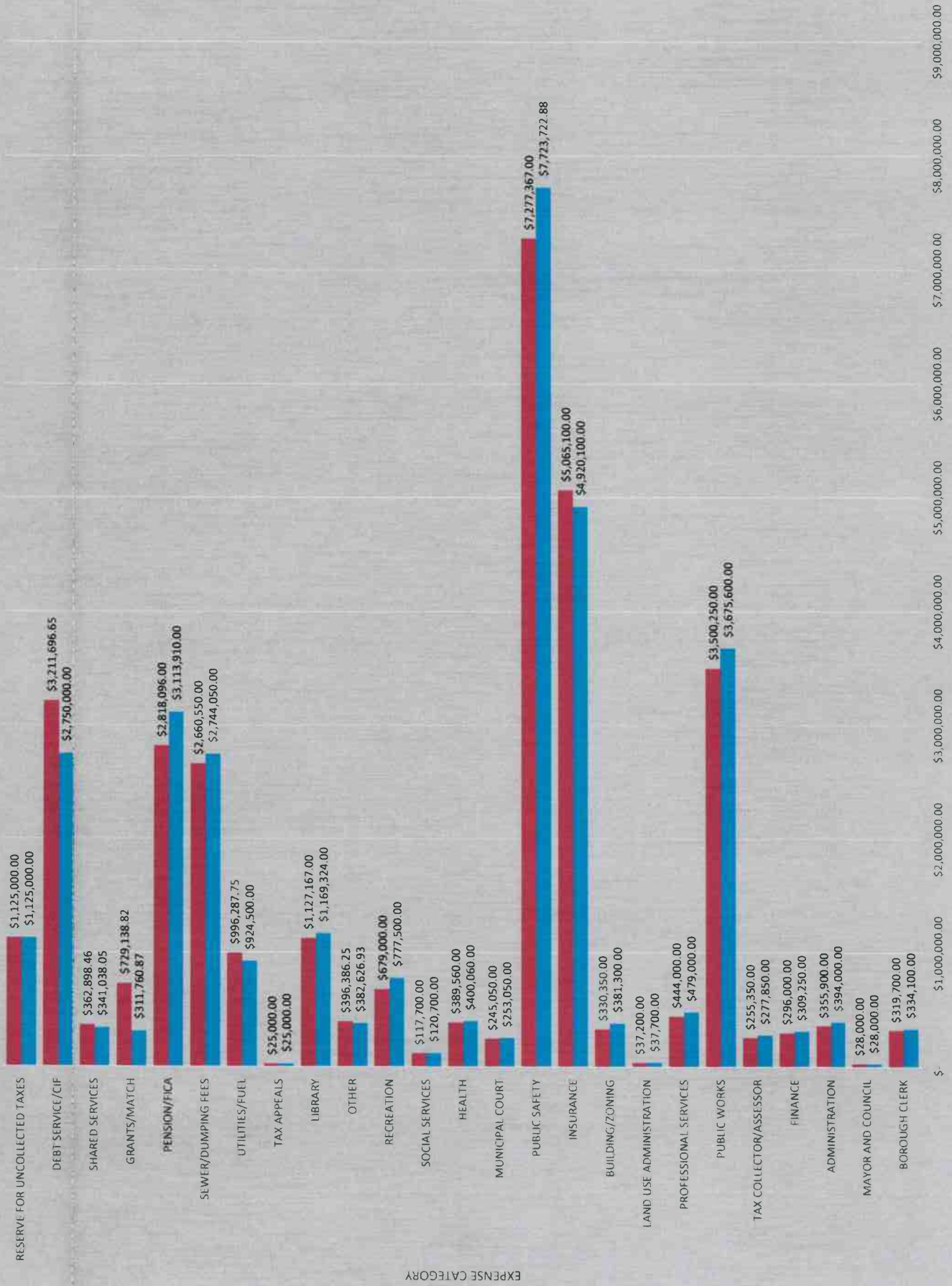
BOROUGH OF RUTHERFORD 2021 DEPARTMENT EQUIPMENT & SUPPORT DETAIL

<u>Department</u>	<u>2020</u>	<u>2021</u>	<u>Change</u>	
			<u>\$</u>	<u>%</u>
GENERAL ADMINISTRATION	128,900.00	129,000.00	100.00	0.1%
MAYOR AND COUNCIL	6,000.00	6,000.00	0.00	0.0%
MUNICIPAL CLERK'S OFFICE	92,700.00	97,100.00	4,400.00	4.7%
FINANCIAL ADMINISTRATION	30,000.00	29,250.00	(750.00)	-2.5%
COMPUTERIZED DATA PROCESSING	50,000.00	84,000.00	34,000.00	68.0%
COLLECTION OF TAXES	14,100.00	14,900.00	800.00	5.7%
ASSESSMENT OF TAXES	38,250.00	46,950.00	8,700.00	22.7%
PLANNING BOARD	12,100.00	16,400.00	4,300.00	35.5%
BOARD OF ADJUSTMENT	17,500.00	13,700.00	(3,800.00)	-21.7%
PROPERTY MANAGEMENT ENFORCEMENT	500.00	500.00	0.00	0.0%
POLICE	237,873.00	213,079.00	(24,794.00)	-10.4%
POLICE DISPATCH/911	19,994.00	20,393.88	399.88	2.0%
EMERGENCY MANAGEMENT	12,000.00	12,000.00	0.00	0.0%
FIRE	423,100.00	455,850.00	32,750.00	7.7%
FIRE OFFICIAL	15,400.00	16,500.00	1,100.00	7.1%
MUNICIPAL COURT	12,350.00	13,350.00	1,000.00	8.1%
STREET AND ROAD MAINTENANCE	219,350.00	232,250.00	12,900.00	5.9%
SHADE TREE DIVISION	101,200.00	104,100.00	2,900.00	2.9%
SEWER SYSTEM	77,450.00	62,000.00	(15,450.00)	-19.9%
GARBAGE AND TRASH REMOVAL	72,250.00	71,250.00	(1,000.00)	-1.4%
BUILDINGS AND GROUNDS	254,500.00	259,500.00	5,000.00	2.0%
BOARD OF HEALTH	29,560.00	32,160.00	2,600.00	8.8%
ANIMAL CONTROL SERVICES	24,000.00	24,900.00	900.00	3.8%
ADMINISTRATION OF PUBLIC ASSISTANCE	3,700.00	3,700.00	0.00	0.0%
RECREATION DEPARTMENT:	46,000.00	161,500.00	115,500.00	251.1%
EDUCATION PLANS FOR EMPLOYEES	5,000.00	5,000.00	0.00	0.0%
CONSTRUCTION CODE OFFICIAL:	14,850.00	15,800.00	950.00	6.4%
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>\$1,962,777.00</u>	<u>\$2,145,282.88</u>	<u>\$182,505.88</u>	9.3%

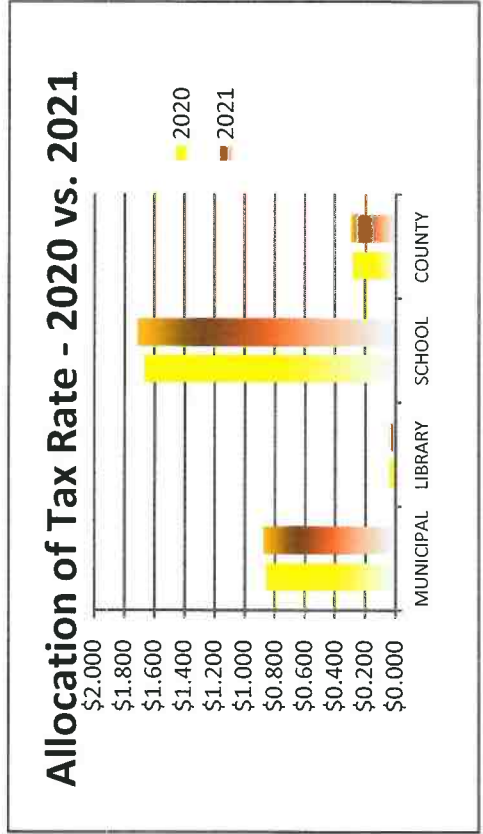
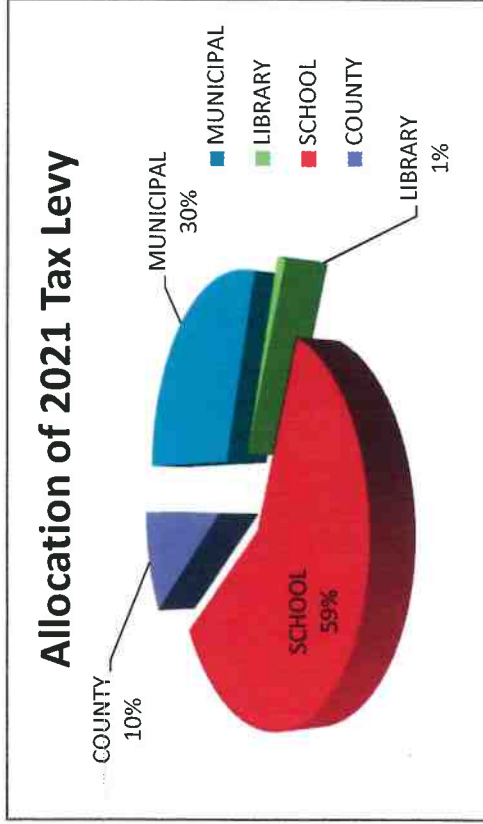
Rutherford Budget Revenues - 2021 vs. 2020



Rutherford Budget Appropriations - 2021 vs. 2020



BOROUGH OF RUTHERFORD - 2021 BUDGET



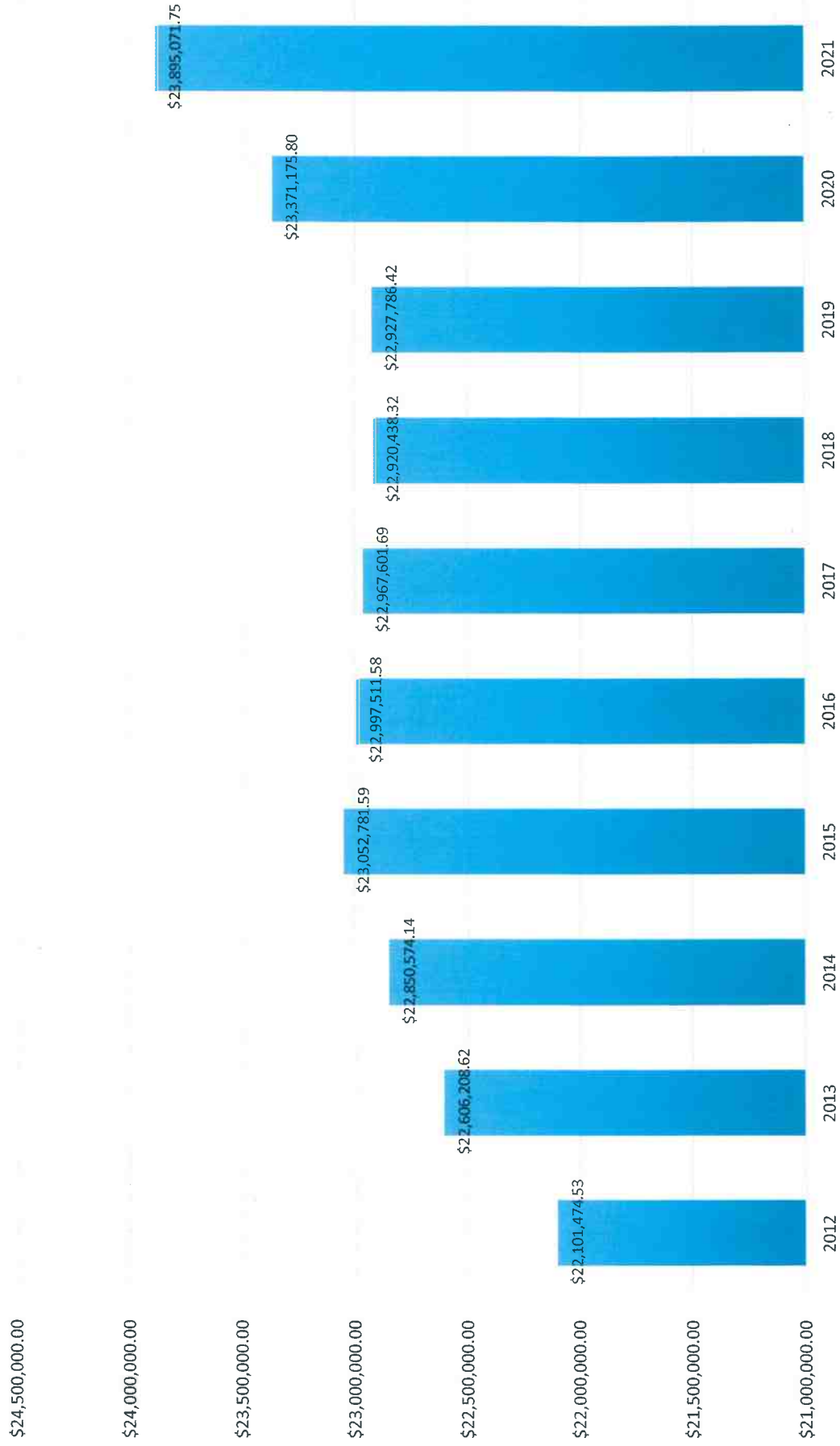
	2021		2020		Change in Rate
	Tax Levy	Tax Rate	Tax Levy	Tax Rate	
MUNICIPAL	\$23,895,071.75	\$0.878	\$23,371,175.80	\$0.859	2.2%
LIBRARY	1,051,931.93	0.039	1,028,491.35	0.038	2.6%
SCHOOL	24,947,003.68 *	0.917	24,399,667.15	0.897	2.2%
COUNTY	46,715,530.00 **	1.716	45,440,715.00	1.671	2.7%
TOTAL	7,983,696.39 ***	0.293	7,676,631.14	0.283	3.5%
TOTAL	<u>\$79,646,230.07</u>	<u>\$2.926</u>	<u>\$77,517,013.29</u>	<u>\$2.851</u>	2.6%

Impact on Averaged Assessed Home:

	2021	2020	Change
MUNICIPAL/LIBRARY	\$3,952.27 *	\$3,866.07	\$86.20
SCHOOL	7,395.96 **	7,202.01	193.95
COUNTY	1,262.83 ***	1,219.73	43.10
TOTAL	<u>\$12,611.06</u>	<u>\$12,287.81</u>	<u>\$323.25</u>
Average Assessed Home	<u>\$431,000.00</u>	<u>\$431,000.00</u>	

*As Introduced
 **As Approved
 ***Estimate

Rutherford Municipal Tax Levy 2012 - 2021



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		
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%	3,020,240.00
2021	8,125,033.00	2,750,000.00	32,999,142.73	8.33%	16.288%	