



# Village of Ridgewood

## 2016 Budget Introduction Presentation

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# General Topics

- 2015 Accomplishments/Highlights
- Budget Process
- 2016 Budget
- Budget Summary
- Revenues
- Use of Surplus
- Operating Expense
- 2016 Highlights
- Unfunded Liabilities
- Capital
- Risks
- Other Operating and Capital Funds

# 2015 Accomplishments/Highlights

- **Parking**

- Hired new CFO/Parking Utility Director.
- Implemented Parkmobile providing more payment choices for parkers.
- Outsourced coin counting and strengthened internal controls for meter coin collections.
- Continued implementation of valet parking for local restaurants.
- Continued public-private partnership to offer CBD employee parking.
- Restructured parking policies and fee structures for meters and lots.
- Effectively managed the Hudson Street Deck Project.
- Hired firm to design Hudson Street Parking Deck.
  - Presented design options to Council, HPC and public at numerous council meetings, public forums and Village website.
  - Utilized a professional service firm with parking management expertise to review the Village's financial ability to operate a parking facility.
  - Conducted traffic studies for Hudson Street.
  - FAC review of financial projections and sensitivity analysis.
- Solicited and reviewed proposals for the North Walnut Redevelopment Zone

# 2015 Accomplishments/Highlights Continued

- **Restructured the Building Department**
  - New leadership.
  - Emphasis on productivity, customer service, code enforcement and technical assistance.
  - Developed the first department operations manual.
  - Implemented Spatial Data Logic resulting in streamlined processes.
  - Expanded office hours without incurring overtime.
  - Doubled the amount of daily building inspections; reduced time for inspections from weeks to days.
  - Level of Resident/Business complaints significantly reduced.
  - Initiated public forums – Meet the Director, Building Safety Week.
- **Human Resources**
  - Built an effective HR capability.
  - Implemented goal setting process for management.
  - Settled favorable Fire salary contract.
  - Emphasis on staff & leadership training.
  - Restructured Police Department.
  - Conducted Police contract negotiations.

# 2015 Accomplishments/Highlights Continued

- IT
  - Release vastly improved website.
  - Expansion of fiber loop to numerous Village sites.
  - Implementation of E-ticket for RPD for parking violations.
  - Engaged new vendor for telephone service resulting in a \$60k annual savings.
- Finance
  - Led a successful Village budget review process.
  - Provided significantly more comparative financial data.
  - Worked with FAC to generate annual Budget newsletter for residents.
  - Hired new auditors resulting in a more comprehensive review.
- Water
  - Hired new Director of Water/Operations.
  - Completed installation of new radio water meters.
  - Enhanced relationships with D.E.P. and E.P.A.
  - Opened lines of communications for water usage with bi-monthly meetings established with Glen Rock, Midland Park and Wyckoff.

# 2015 Accomplishments/Highlights Continued

- General
  - Enhanced Community programs—Community Center, Senior programs, Healthbarn.
  - Record year of paving - almost 6 miles of Village roadway in addition to various Village owned lots.
  - Continued new processes in both leaf collection and Christmas tree removal.
  - Hired professionals to assess the conditions and functionality of Village facilities, i.e. Footprint Study.
  - Hired new Director for Northwest Bergen Central Dispatch - significant improvements already noted.
  - Restructured Fleet Department to address leadership issues and outsourcing maintenance of vehicles.
  - Continued increased use of E-Notices.
  - Town Hall meeting—semi-annual.

# Budget Process

- Several rounds of internal reviews were held with Department Heads; objective was to provide the best possible numbers & alternatives to the Village Council.
- Emphasis was on operating efficiencies, as well as customer service improvements & investment in people, process & technology.
- Budget reviews with Council were designed to elevate the dialogue to include strategic as well as daily operations.
- Operating Expenses as well as Capital were discussed for the Village, Ridgewood Water, Parking Utility & Library.
- Various sessions were held with Council. Department heads made presentations on their 2016 budget requests.
- Our final session proposed three alternative general budget proposals and a recap of the Water, Parking and Capital budgets

# 2016 BUDGET

- Right balance between fiscal conservatism and enhancing/maintaining the quality of municipal services.
- Effectively handles the significant challenge of increases in mandated and contractual costs.
- Strategically positions the Village for the future.



# Budget Summary

- Operating & Capital Budgets done together.
  - \$47.8 Million Operating Budget
  - \$4.2 Net Million Capital Budget
- 1.6% Municipal Tax Increase
  - \$67.40 annual increase (Municipal \$59.30, Library \$8.10) on an average assessed home value of \$693,904.
- Estimated outstanding bonds & notes
  - \$36.6 Million (12/31/15)    ↓    \$38.8 Million (12/31/14)
- Revenues & Expenses are up approximately 1.4% from prior year.
- General operating staffing levels flat to last year

# Budget Being Introduced

	2016	2015
Total Appropriation	\$ 47,751,935	\$ 47,098,907
Less: Surplus Anticipated	3,300,000	3,032,000
Miscellaneous Revenues	9,789,905	9,937,827
Receipts from Delinquent Taxes	700,000	700,000
Amount to be Raised by Taxation	31,839,932	31,326,183
Public Library Tax	2,122,098	2,065,106
Total	33,962,030	33,391,289
2016 Taxes on Average Assessed Value of \$693,904	\$4,081	
2015 Taxes on Average Assessed Value of \$690,662		\$4,011
Municipal Portion	\$59.30	\$46.98
Library Portion	\$8.10	\$ 9.00

# 2016 Revenues: \$47.8 Million

- Maximized Anticipated Revenues
- Optimized use of Funds & Surplus
- Total Miscellaneous Revenues are \$9.8 Million, down \$186K from prior year's budget & \$144K from prior year's actual
- Opportunities
  - Continued payback of Parking Utility deficits in 2016 budget
  - New tax ratables

# REVENUE CHANGES 2016 VS. 2015

Revenues	Recommended Budget Projected 2016	Budgeted 2015	Realized 12/31/2015	Excess (Deficit)
Surplus Anticipated	\$ 3,300,000	\$ 3,032,000	\$ 3,032,000	\$ -
Total Local Revenues	4,539,700	4,519,000	4,620,617	101,617
Total Interlocal Municipal Service Agreements	94,600	101,000	94,668	(6,332)
Total Public and Private Revenues	80,684	96,058	96,058	-
Total Other Special Items	3,207,599	3,392,238	3,255,298	(136,940)
Total Miscellaneous Revenues	9,789,905	9,975,618	9,933,963	(41,655)
Receipts from Delinquent Taxes	700,000	700,000	714,959	14,959
Amount to be Raised by Taxation	31,839,932	31,326,183	32,455,239	1,129,056
Public Library Tax	<u>2,122,098</u>	<u>2,065,106</u>	<u>2,065,106</u>	<u>0</u>
Total Revenues	\$ 47,751,935	\$ 47,098,907	\$ 48,201,268	\$ 1,102,361

# KEY REVENUE FLUCTUATIONS 2016 VS. 2015

Decreases in 2016	
FEMA	\$ 499,737
Debt Service Reserve	225,689
Police Administrative Fees	111,400
Sale of Village Property	59,000
Cell Tower Fees	55,400
Sewer Tax-Exempt Properties	47,500
UCC Code Enforcement	45,907
Graydon/Recreation	<u>36,000</u>
<b>Total Decreases</b>	<b>\$ 1,080,633</b>

Increases in 2016	
General Fund Balance	\$ 268,000
General Capital Fund Balance	250,000
Water Utility Operating Surplus	61,430
Parking Utility Operating Surplus	<u>200,000</u>
<b>Total Increases</b>	<b>\$ 779,430</b>

# Sources of Funds

## Use of Surplus

### Fund Balance

YEAR	SURPLUS BALANCE	UTILIZED SURPLUS	ADOPTED BUDGET	% OF BUDGET	REMAINING SURPLUS
2016	\$5.141M	\$3.300M	TBD	TBD	\$1.8M
2015	4.564M	3.032M	47.061M	6.44%	1.5M
2014	4.441M	2.983M	46.226M	6.45%	1.4M
2013	4.340M	2.950M	45.344M	6.51%	1.4M
2012	3.989M	2.567M	45.312M	5.67%	1.4M
2011	4.436M	2.635M	44.432M	5.93%	1.8M

# 2016 Operating Expense: \$47.8 Million

- Viewed expenses against 2015 actual & trends from previous years.
- Identified areas of efficiency and supplemental required expenses.
- Identified areas of investment to improve resident services & develop staff.

# HIGHLIGHTS

## Investments in Services & People

- Significant Investment in Ridgewood Water
- Parking Utility
  - Full year of new CFO/Parking Utility Director.
  - Continually evaluate the parking conditions to insure optimum parking for residents.
  - Begin construction of a parking garage by 2016; ensure that project is managed effectively and within budget/time expectations.
- RPD
  - Increase RPD staffing resulting in a School Resource Officer in 2017.
  - Explore and potentially implement outsourcing of crossing guards increasing effectiveness & efficiency of RPD
  - Reached a Memorandum of Agreement on Police contract negotiations.
- Continue Revitalization of Building Department.
- Continue the implementation of a robust HR capability.
- Continue to emphasize the application of technology: Spatial Data Logic in Health Department, Clerk's Office and with residents.



# HIGHLIGHTS

## Investments in Services & People Continued

- Continue emphasizing of Staff Development
- Develop continuity of operations plan.
- Complete strategic plan for Village footprint and begin implementation.
- Pilot new strategies regarding:
  - Implementation of a sidewalk café ordinance.
  - Improved functioning of sidewalk cafes.
- Organizational restructuring of DPW
- Increase staff support in Parks & Rec to improve park appearance and continue shade tree & tree well investment.
- Implementation of a QPA capability.
- Led the effort to conduct Feasibility Studies for potential housing development.

# HIGHLIGHTS

## Salient Factors

### Expense Increases

- Investment in People:
  - Outsourcing crossing guards \$85,000
  - MIS-P/T Position 52,550
  - Council-Impact Studies 50,000
  - Finance-Temp and full year for CFO salary 45,000
  - Engineering Full year PW Inspector 32,400
  - Traffic and Signal I F/T laborer 24,900
  - Village Clerk-F/T Position 19,000
  - Parks-2 P/T positions & laborer net 14,112

# HIGHLIGHTS

## Salient Factors Continued

### Expense Increases (continued)

- **Mandated costs:**
  - Group Insurance Rate Increases \$280,000
  - Landfill Disposal Costs 135,185
  - Recycling-Allocation from Trust Fund down 106,000
  - PERS/PFRS rate increases 99,400
  - Elections-Local and Presidential 64,000
  - NW Central Dispatch 12,000
  - Village Clerk Minute preparation 5,000
- **Contractual costs:**
  - Fire S&W 257,000
  - Police OE Vehicle Leasing 32,000
  - Library 75% required 26,300

# HIGHLIGHTS

## Salient Factors Continued

### Expense Decreases:

# Unfunded Liabilities

- \$6.62 Million (vs. \$7.1 Million in 2015)

- No Confirmed Retirements

◦ 2016 -	\$ 540,460
◦ 2017 -	82,000
◦ 2018 (Est.)	<u>0</u>
◦ Total:	<u>\$622,460</u>

Trust Fund: \$ 529,383

# Proposed 2016 General Capital

# Gross Debt General Capital Fund

<u>DEBT</u>	<u>12/31/2015</u>	2016 <u>PAYDOWNS</u>	2016 <u>ISSUANCE</u>	PROJECTED <u>BALANCE</u> <u>12/31/16</u>
SERIAL BONDS	\$ 22,092,000.00	\$ 2,115,000.00	\$5,000,000.00	\$ 24,937,000.00
BOND ANTICIPATION NOTES	7,269,350.00	5,000,000.00	-0-	6,155,273.00
NJEIT LOANS	<u>7,209,210.00</u>	<u>1,053,937.00</u>	<u>-0-</u>	<u>2,269,350.00</u>
TOTAL BONDS, LOANS & NOTES	36,570,946.00	8,208,9373.00	5,000,000.000	33,361,623.00
BONDS & NOTES AUTHORIZED & NOT ISSUED*	<u>8,813,946.00</u>	<u>112,500.00</u>	<u>4,195,015.00</u>	<u>12,886,461.00</u>
<b>TOTAL GROSS DEBT</b>	<u>\$45,384,506.00</u>	<u>8,331,437.00</u>	<u>9,195,015.00</u>	<u>\$ 46,248,084.00</u>

\*Note-Balances of completed funded and unfunded projects will be cancelled in 2016 which will reduce authorized and not issued. Total to be cancelled, approx. \$1.6 million of which approx. \$1.5 million is funded.

# Risks

## Revenue

- Police Side Jobs –  
Administrative Fees
- Usual Graydon Risk – Weather  
Dependent
- Recycling
- One time revenues
- Use of Surpluses
- Decline in Construction Code  
fees





# Risks Continued

## Expenses

Special Elections

Outsourcing Lakeview

Legal expenses

Northwest Central Dispatch

Police OT

Special Planning Board Meetings

Aging infrastructure/ Maintenance of Buildings

County Garage

County Jail Processing – Bail Reform

Snow



# Ridgewood Water

# 2016 Water Utility Operating Revenue

	2016	2015
Surplus Anticipated	\$ 2,173,168	\$645,420
Water Rents	12,270,000	11,430,000
Hydrant Service	180,000	130,000
Miscellaneous	563,651	195,000
Reserve for Debt Service	1,310,000	0
Total Revenue Anticipated	\$16,496,819	\$12,400,420

# 2016 Water Utility Operating Appropriations

	2016	2015
Operating:		
•Salary & Wages	\$3,665,879	\$3,261,607
•Other Expenses	6,190,485	4,980,200
Capital Improvements:		
•Capital Improvement Fund	1,820,900	500,000
•Capital Outlay	0	100,000
Debt Service	3,287,323	2,408,117
Deferred Charges:		
P/Y Commitments	130,030	0
Statutory Expenditures:		
•PERS	300,999	286,000
•Social Security	291,001	250,000
•Unemployment	24,000	24,000
Surplus (General Budget)	783,101	590,496
<b>Total Appropriations</b>	<b>\$16,496,819</b>	<b>\$12,400,420</b>

# 2016 Water Utility Operating Appropriations Continued

	2016
Approximately \$4.1 Million Increase:	
2 new laborers, ass't super, project engineer	\$281,000
Contractual labor obligations	82,000
Operating – Other	1,081,000
Capital Improvement	1,346,000
Debt Service	879,200
Surplus to General Fund	192,600
Statutory	56,000

# Proposed 2016 Water Capital

- Supply, Transfer & Booster Improvements \$ 300,000
- Wells & Treatment 242,500
- Distribution System 1,200,000
- SCADA, Network & Security 155,000
- Auxiliary Power 1,962,500
- Equipment & Vehicles 200,000
- Tank Reservoir 595,000



# Parking Utility

# 2016 Parking Utility Operating Revenue

	2016	2015
Surplus Anticipated	\$504,000	\$153,684
Parking Meters	1,300,000	1,155,000
Interest on Investment	3,000	2,000
Total Revenue Anticipated	\$1,807,000	\$1,310,684



# 2016 Parking Utility Operating Appropriations

	2016	2015
Operating:		
•Salary & Wages	\$595,370	\$543,988
•Other Expenses	486,478	388,543
Capital Improvements Fund	10,000	1,000
Debt Service	190,000	54,000
Statutory Expenditures:		
•PERS	21,950	20,000
•Social Security	26,990	26,914
•Unemployment	5,180	5,920
•PFRS	21,032	20,319
Surplus (General Budget)	450,000	250,000
<b>Total Appropriations</b>	<b>\$1,807,000</b>	<b>\$1,310,684</b>

# 2016 Parking Utility Operating Appropriations Continued

	2016
Approximately \$496,000 higher:	
S & W – Extended parking enforcement	\$51,300
Other Expenses	97,900
Capital Improvement Fund	9,000
Debt Service	136,000
Surplus to General Fund	200,000

# Proposed 2016 Parking Capital

- Hudson Street Parking Deck                      \$11,500,000