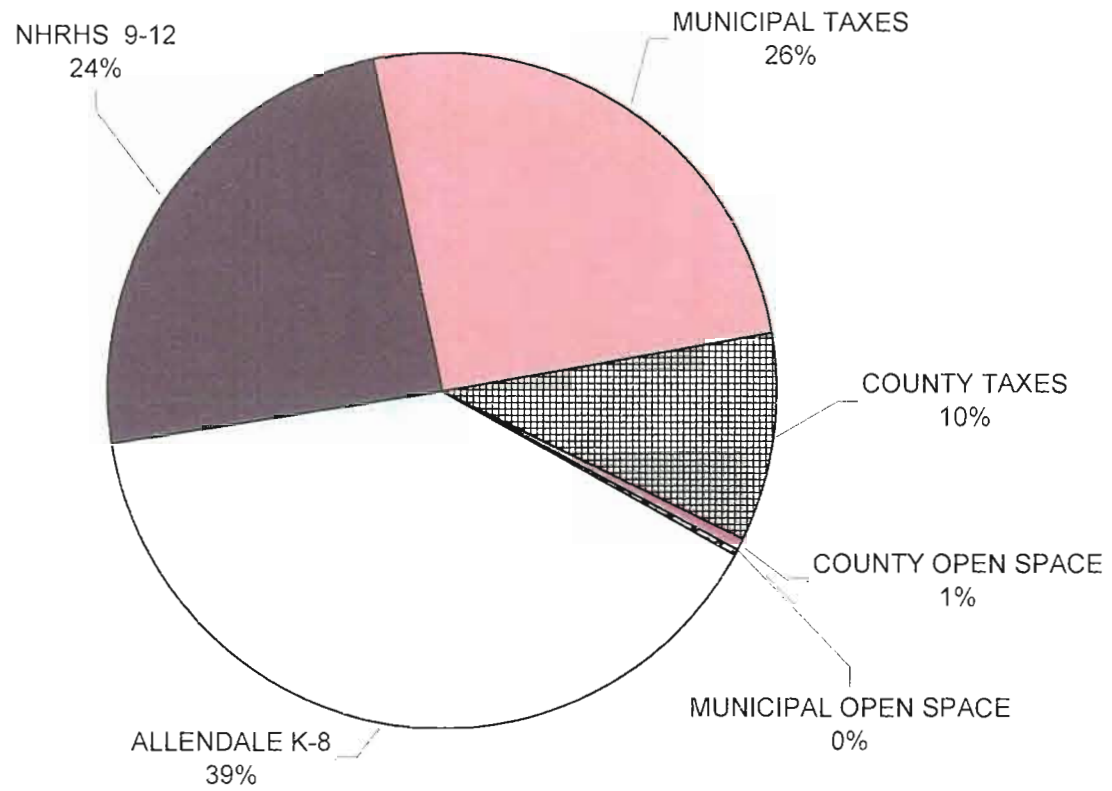
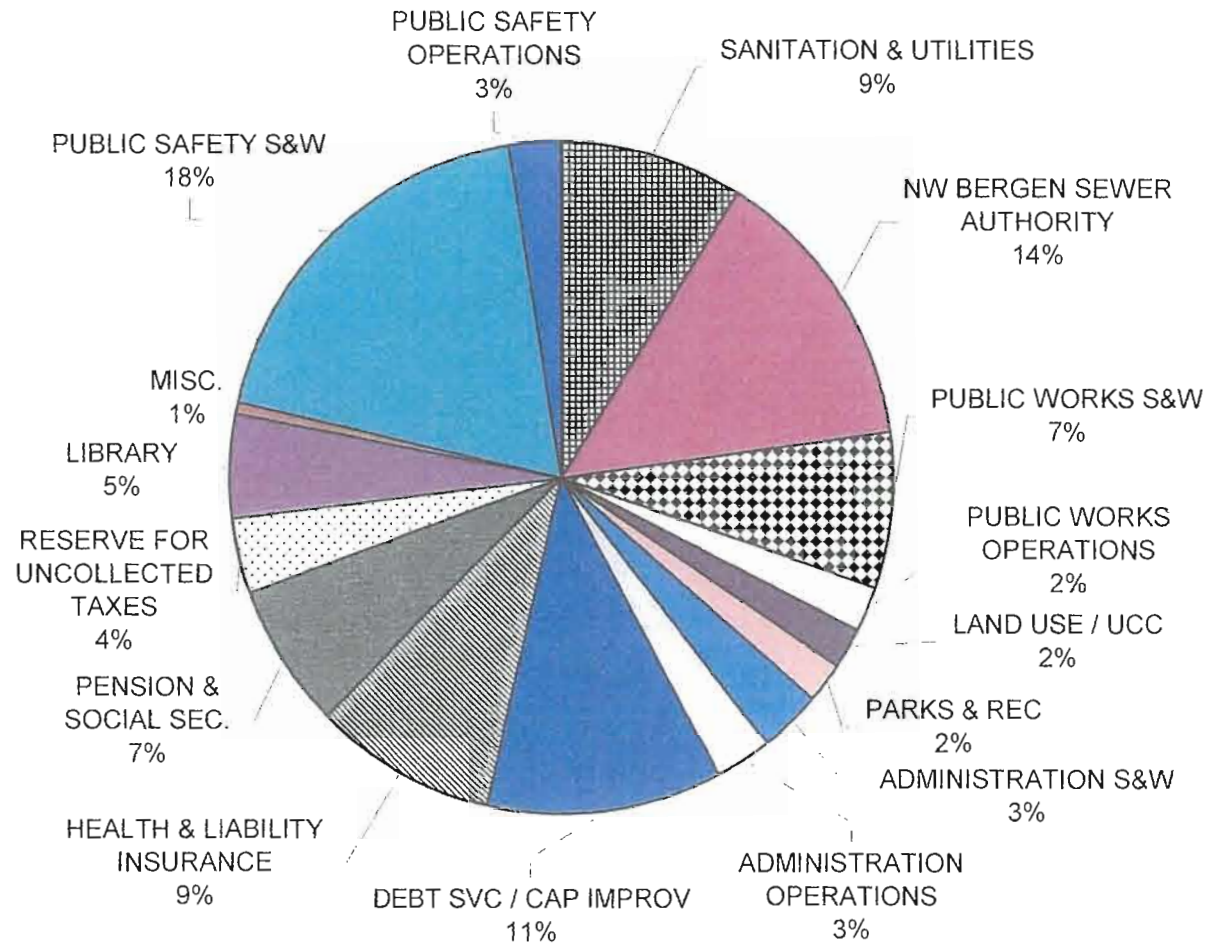


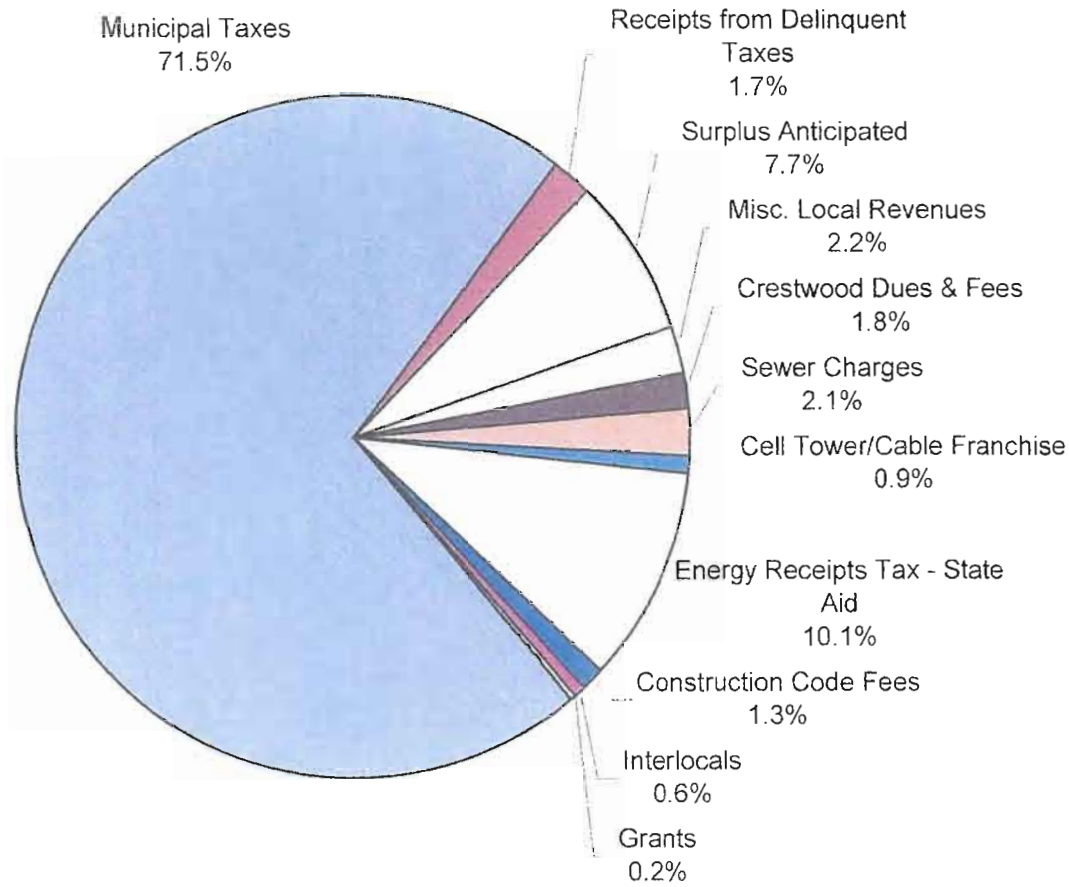
**2009 TOTAL TAX DOLLAR**  
**\$34,168,288**



**HOW YOUR 2009 MUNICIPAL DOLLAR IS SPENT**  
**TOTAL \$12,189,556**



## 2009 Revenue



## Cost Savings and Revenue Initiatives

Over the past two years the Mayor and Council have implemented a number of initiatives designed to find cost savings and increase revenues. Below you will find a list of some of the initiatives.

- One of the first of 40 towns, out of 566 municipalities in the state, to be COAH certified through 2018.
- Renegotiated with The Whitney for additional contribution for affordable housing of \$600,000 from \$495,000 to 1,095,000.
- Have received a total of \$6,020,000 in funding from Federal, State and County agencies since 2007
- Reduced Capital expenditures by an average of a million dollars a year for the past 4 years, thereby avoiding an increase in debt of \$4,000,000 ; eliminated deficit spending
- Realized a savings of approximately \$500,000 in salary and benefits through the elimination and restructuring of Borough jobs
- Instituted Annual Performance Management reviews across departments in order to better utilize our staff and increase productivity
- Overhauled the Personnel manual
- Eliminated across the board annual salary increases for employees
- Implemented changes to our employee health benefits and disability plans
- Instituted plan for new employees to contribute to health benefits
- Established fixed annual fee structure for some professional staff - rather than at an hourly rate
- Upgraded technology across all departments which enhanced productivity and allows for a more efficient and cost effective operation.
- Changed the model for road paving and curbing.
- Restructured the DPW & Water departments to operate more efficiently and cost effectively
- Launched investigation into Sewer costs with NWBCSU
- Increased fees for various Borough services including: Compost permits, Red Barn rentals and Parking
- Increased revenues for Crestwood Lake
- Continued shared services as we have been doing for years with the following:
  - Municipal Court with HoHoKus
  - Construction Code office with Midland Park
  - Tax Assessor with Ramsey
  - Court teleconferencing with Ridgewood
  - Public health services with Bergen County
  - Public assistance services with Bergen County
  - TV inspection of sewer system with NWBSU
  - Water Testing with Ridgewood

## 2010 Budget Discussion: Expense and Revenue Opportunities for Review and Discussion

Note: The Administration, Finance and Personnel Committee routinely maintains a list of budget opportunities for discussion and review. Many of the items below have been under consideration and discussion by the Council for some time. Some of the opportunities highlighted, if implemented will have impact on the 2010 budget while others will impact 2011 and beyond. In addition, some of the items are ready for immediate implementation, while others are purely on the list for discussion purposes and may in fact never move to implementation.

### Expense Opportunities

#### Intra-Allendale Opportunities:

- Open Crestwood Lake only on weekends between Memorial Day and last day of school
- Eliminate one full time employee at Borough Hall
- Eliminate the attendance of contract help at Planning and Zoning Board meetings
- Eliminate sick leave incentive
- Curbside Garbage
- Close recycling center on Sundays and/or alter Saturday hours
- Eliminate curbside recycling
- Disallow Landscapers from Using Recycling Center or Increase fee Audit
- Outsource field maintenance
- Use of hybrid cars for municipal vehicles
- Insource Engineering
- Energy Savings as a result of energy audit
- Lessen use of street lighting

#### Inter-Allendale Opportunities:

- Consolidate/Merge Lee Memorial Library with another town
- Share various police functions like dispatching, staffing, equipment, police patrols
- Share equipment (eg. street sweeper)
- Share DPW staff
- Sell Water Utility
- Bulk Purchasing with other Towns

### Revenue Opportunities

- Raise Fees on Licenses/permits: Construction Fees, Tree Permits, Sign Permits, Dog/Cat Licenses-follow up on renewals
- Stepped up ticketing/summons issuance & increase fines where appropriate: Traffic Violations, Property Maintenance Violations, Construction Code Violations
- Rent Borough fields and other facilities
- Sharing of OT cost for field work on Saturday mornings with ARC

## Background Information

- The overwhelming issue that residents continuously voice to the Mayor & Council concerns the level of taxation in Allendale. Every \$130,000 in expenses equates to a one percentage point increase in taxes. In the 2009 budget expenses were cut significantly in order to realize a modest tax increase of roughly 2.5%. The town is allowed by the state to increase taxes by no more than 4% each year. Of each tax dollar a resident pays, 65% goes to the Allendale Schools & Northern Highland Regional School District, 10% goes to the County and 25% goes to the Borough of Allendale for municipal operations like Police, Sewer, and Public Works. It is important to remember we are discussing the 25% of every tax dollar spent.
- Allendale like many other towns is faced with unprecedented financial constraints given a reduction in revenue (i.e. fees, permits, state aid, & interest income) and increasing expenses-many of which we have no control over (i.e. health care costs will increase 22% in 2010).
- Much of the Borough's expense budget (the 25% of every tax dollar spent) includes items that the Borough has little to no ability to impact as we move into 2010. Although not an exhaustive break down, here are just a few examples of some such expenses in the 2009 budget. The total 2009 budget was roughly \$12.1MM which includes \$1.7MM in sewer charges assessed by Northwest Bergen Sewer Authority, \$3 MM in contractual salaries for Police and DPW, \$739M in health benefits, \$260M in social security, \$628M for library funding which is a state mandated calculation, \$600M for garbage, \$600M for pension, \$1.35MM for debt service, \$430M as reserve for uncollected taxes- a number set by formula and \$200M in electric charges. In addition, many of these expenses as noted above will experience significant increases as we move into 2010.
- In 2009, similar to prior years, municipal tax revenues (\$8.7MM) accounted for about 71% of the overall revenue budget (\$12.1MM). The balance of revenues in 2009 came from a number of sources including State Aid \$1.2MM, Crestwood Lake fees \$215M, Sewer Fees \$255M, Construction Fees \$155M, Cell Tower Lease \$85M, Receipts from Delinquent Taxes \$209M. In addition, the Borough realized \$937M in surplus to supplement other revenue sources. In 2010 there will be continued downward pressure on a number of key revenue areas including state aid (it is anticipated that aid will be cut, but we won't know the number for a few months), construction fees, receipts for delinquent taxes and surplus.