

**Mayor and Council of the Borough of Allendale  
Work Session Meeting Minutes – 7:30 p.m.  
May 11, 2023**

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A Work Session Meeting of the Mayor and Council of the Borough of Allendale was held in the Municipal Building at 500 West Crescent Avenue, Allendale, New Jersey on May 11, 2023. The meeting was called to order at 7:30 pm by Mayor Wilczynski who welcomed everyone who is joining the meeting in the audience and on Zoom Webinar.

Mayor Wilczynski asked that the Municipal Clerk read the open public meetings statement: “In compliance with the Open Public Meetings Act, the notice requirements have been satisfied. The meeting dates for the year are confirmed at the Annual Meeting, are posted on the public bulletin board in the Municipal Building and on the Borough Website, published in The Record within the first 10 days of the New Year, and copies are sent to The Ridgewood News and Star-Ledger. Notice of this meeting by the May 2, 2023 Sunshine Notice was sent to The Record, The Ridgewood News and Star Ledger and has been posted on the public bulletin board in the Municipal Building and Borough website.”

**ROLL CALL:**

PRESENT: Councilmembers Susanne Lovisolo, Ed O’Connell, Matthew O’Toole, Tyler Yaccarino, Joseph Daloisio and Mayor Amy Wilczynski

ABSENT: Councilwoman Liz Homan

ALSO PRESENT: Raymond Wiss, Borough Attorney  
Linda Louise Cervino, Municipal Clerk  
John Gil, Director of Communications

**PRESENTATION:** 2023 Municipal Budget Presentation–Paul Lerch, Borough Auditor

Mr. Lerch provided a handout PowerPoint Presentation of the Borough of Allendale, 2023 Calendar Year Budget Presentation, dated May 11, 2023, for the Mayor & Council members and for anyone in the public who may want one.

**Page 2, Borough of Allendale, Breakdown of Revenues.**

Mr. Lerch stated that the difference between 2023 and 2022 has a lot to do with the sale of the water and how that’s factoring into this particular budget. We did go through a state review of our budget document. We’ve answered any questions that the State had at this point. We’ve gone through correspondence. We’ve satisfied all of their issues. A lot of them were just misunderstandings or technical issues that they weren’t quite clear on. We resolved all of those issues. We are clear on the budget as its presented to adopt. Alison, the CFO, informed everyone of the Local Finance Board meeting they had yesterday morning to talk about the CAP adjustment which they have now in the budget. Mr. Lerch stated, in essence, once you had operational expenses in the utility, most of those expenses did go away, but there were some administrative expenses that now function back into the General Operating Funds of the borough. We’re looking to get a CAP adjustment because now we have two CAPS we deal with, which is the appropriation CAP and the tax levy cap.

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We have a CAP base adjustment going forward to deal with those additional costs coming in. That's really the major difference. You will see that some of the variances are large and it really deals with the direct affect or the affect of the sale of the utilities having on the current operating budget going forward.

Before I get started, overall, it's an excellent budget. The budget is basically flat zero for the municipal portion of the budget. The municipal portion is the only thing that is in your control. On top of the municipal, we have to now fund the library, which gets added in, and we have a half a penny on the Open Space. We have the county and then we have both schools.

The main focus is to go through the municipal side because that's all you can control as a governing body sitting up here. When I look at this 2023 to 2022, the total budget on the bottom here on the revenue side is slightly down \$46,000. How did we make up the budget?

**Surplus** is one of the major components. It's money that you've accumulated over time that you have available to balance your operating budget. Every municipality does it for the most part. The surplus number that we anticipate is 1.1 million down from 1.2 million dollars. We used less surplus, which is a good thing given the fact that you were able to maintain a zero-tax increase.

**Municipal Revenues** are really anything that's not specifically identified. What makes up the major increase here; the \$124,000. Crestwood Lake, budget to budget is up roughly \$35,000. The Ramsey sewer charge for the interconnect is up roughly \$40,000. Interest earnings are up from what they were two years ago, so we had a larger increase on our interest revenues in 2022. Budget to budget, we're up \$72,000 on what we're expecting to take in on the interest side. The PILOT revenue is down from what we had budgeted in the previous years. The PILOT right now compared to what we budgeted versus what we have in the anticipated 2023 budget is roughly down \$84,000. That should go back up to the levels that were originally expected once the PILOT is completed and fully rented out. Construction Code revenue, we're anticipating an additional \$50,000. There's been activity just with like every other municipality. It seems like since COVID hit, everyone wanted to stay home and put in pools and do all kinds of additions and projects. That's up \$50,000. We have other miscellaneous stuff that's in here that's up \$22,000. That makes up the bulk of the \$125,000.

**State Aid** is up. In the middle of 2022, the State of New Jersey gave the allotments of what the state aid for each municipality was going to be. The State went and adopted their budget and they decided to distribute additional funds to all municipalities. The State said anybody who has a budget that's completely adopted we're not going to force the reduction, but we're going to make you take that extra dollars and put it onto the balance sheet and use it as a revenue when you do your 2023 budget. Really what that represents is the amount that came in last July that we were able to use in the 2022 budget, so now we're using it in our 2023 budget. That's why you have a slight variance.

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Mayor Wilczynski asked if it's going to change at all next year. There was something circulating to all the mayors about signing a petition for state aid for next year. Mr. Lerch said he hasn't heard anything on that.

**Miscellaneous Revenue** is just some miscellaneous items in here. The cell tower rents are down roughly 85 from budget to budget and then we have some other expenses that went up roughly 26,000. Not much of a variance.

**Delinquent Tax Revenue** the anticipated is down. A lot of direct correlation on the fact that your collection rate is up. At the end of 2022, you collected more in your taxes. You had a lower receivable balance. The additional collections that we had in 2022 went into the Fund balance.

As we build the budget, we go through the budget process. We go through the appropriations and start there first. We determine what's needed to operate the budget and operate the municipality at an efficient level. Then we go through and compare and look through all the revenues that are available to us. The end result is taxation.

**General Taxation**, which includes the library, is up \$35,000.

**Page 3, Borough of Allendale 2023 Revenues.** Mr. Lerch stated, this is very typical for Allendale. It has not changed. I pulled out last year's presentation and the numbers are almost identical. There's really not going to be any change here. Of our total budget, the State Aid is only seven percent.

**Page 4, Borough of Allendale Tax Levy CAP.** Mr. Lerch stated, the 2010 law that was enacted basically says that the municipality cannot raise taxes more than two percent on an annual basis. But, just like everything else, there are exceptions. So, the two percent never really means two percent. Debt services outside, capital improvements outside and now we have other variable components that are not outside. Some of the other items that are new this year that are outside are going to be for insurance. What happened this year is there's additional money that's outside on the appropriation CAP as well. When you look at the amount to be raised in taxation on the municipal portion for 2023, we're at \$10,977,356. The State of New Jersey is saying that you have the ability to raise another 1.5 million if you want to and still be within the statutory limits of the law which is great because you never want to see this max out because that means we've been taxing away at a maximum level year after year after year.

**Page 5, Borough of Allendale Budget Spending Analysis.** Mr. Lerch stated, this is the appropriations. Mr. Lerch stated, we grouped them into the specific categories here. If it's not in a specific variance, it's going to be in General Government. That's the catch all and that catch all is going to include anything you can think of that's not specifically here. It's relatively flat; only up \$60,000 current year. Some of the bigger components that we had increases is insurance. It went up dramatically, especially at the state health benefit component side. Your insurance component here, which includes health benefits and workers comp and general liability, that's up \$267,000 or 18 percent.

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When we look at year to year, last year it was up 15 percent. Now we're up another 18 percent. That's where we're dealing with some real issues on trying to control cost containment.

What happened this year at the State level, I think someone down there at the legislative level realized that it's unsustainable on the appropriation CAPS because what was happening is that even if you were able to tax your way out of it because you had additional revenue, you had additional assessed values coming in, the community was doing well on those components, but on a spending side when you stop dealing with these large increases that we were just talking about, because of this percentage which is based on now the cost of living, plus the COLA ordinance which we do every single year, so that maxes three and a half every year. What happened this year is that the State allowed the municipalities now to go outside the spending CAP on certain other categories so now we added into it; health insurance side of it, gasoline, worker's comp, garbage, recycling. Pension bills you will see went up through the roof. What they said was we have this old law that goes back to 1977, which started out this whole CAP presentation keeping municipal spending down. It's a one-year adjustment.

We spoke to the Local Finance Board yesterday. One of our concerns was that health insurance went up dramatically. Police services are kind of in line with most municipalities. Fire is in line. Parks and Recreation, really not that bad of a difference. Public Works went down from year to year. Sewer and Solid Waste Disposal, garbage and recycling. Garbage went up \$90,000; recycling went up \$65,000 this particular year. Utilities and Bulk Purchases, the biggest increase is gasoline. Library Contribution is a statutory number, which is one-third of a million. There's nothing we can do about that. Statutory Charges are up roughly \$120,000. Really what makes up that number is the pension numbers. You have a component that we pay annually for public employees and we pay for the police and fire. That pension bill went up \$150,000 in 2022 to 2023. We had some drop in deferred charges of roughly \$30,000 and that's just some of the emergencies that we had going forward. That's a major increase.

The biggest item here is the debt service component and the capital improvements. It's a direct reflection of the sale of the utility because, as you know, when the utility sold, you had roughly 18 million dollars and you were, by statute, required to defease all existing debt. What it really meant was is that bulk of money was used for that particular purpose. We had a small piece that was paid out in February that we had to run through the budget document. We had that dramatic drop in the debt service of roughly 1.9 million. Then the other side was the increase in the Capital Improvement Fund. It was kind of a balancing act. Capital Improvements Fund is money that you've set aside which is used towards the down payment on major facility improvements. It could also be used to fund or fully fund ordinances.

As we go through 2023, the rest of the balance on the sale of the utility is going to flush out. Right now, you have escrow money at roughly 3.5 million. At the end of the day, you may end up with somewhere around that 5-million-dollar number depending upon what happens with the escrow money.

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Then that money is going to be set aside on the balance sheet and it's going to be reserved for the sale of assets, which means you're going to have the ability at that point to do what you want with it; fund improvements, fund projects or however you see fit. At the end of the day, it's going to be a very healthy balance sheet. I think you're set up for success in the future here. Reserve for Uncollected Taxes is up \$25,000. That's, again, because we're paying taxes and collecting for all three components. We have to pay them 100 percent even though we didn't collect at 100 percent.

**Page 6, Borough of Allendale 2023 Appropriations – Where Your Budget \$\$ Goes**

Mr. Lerch said that the biggest difference is going to be the Debt Capital Service. Last year was roughly 13 percent. Now we're roughly 7 percent. Just like every other municipality, the police side is the largest and solid waste and insurance are climbing as well.

**Page 7, Borough of Allendale Appropriation CAP**

Mr. Lerch stated, Page 7 summarizes what I talked about, the 1977 law. Our current budget CAP spending that we have in the budget is \$10,834,078. The maximum permitted is \$10,869,878. We're just slightly below the CAP. We'll have to keep an eye on it and focus on it when building the 2024 budget.

**Page 8, Borough of Allendale History of Tax Rate Apportionment**

Mr. Lerch stated, we put it in here, even though the focus is just on the municipality side. What happens here is that when you look at this at face value and say all the tax rates went down; true, tax rates went down because the assessed values went up. That's why we have the reduction in the actual rate itself. The average house value went up as well. You can see what that looks like from year to year. The schools we had the actual numbers. The county still an estimated two percent.

**Page 9, Borough of Allendale – Where Your tax Dollar Goes.**

Mr. Lerch stated, this has not changed. For every dollar, \$0.26 cents is coming to the municipality; \$0.11 to the county; and \$0.63 to the school.

**Page 10, Borough of Allendale – Effect on Municipal Portion of Tax Bill-Average Residential Home.** Mr. Lerch stated, on the municipal portion alone, it's zero, but when you factor in the library it goes to \$26 on average. You can see that the residential value went from \$726,000 to \$771,000. So, in essence, the tax rate went down, but the average house went up in value.

End of Budget Presentation by Paul Lerch.

Mayor Wilczynski thanked Councilwoman Susanne Lovisolo for heading the Finance Committee for the first time ever. Councilwoman Lovisolo thanked Alison Altano, CFO, Paul and his team. Mayor Wilczynski stated it was a learning experience for both of them. They got through it and we have a budget to be proud of this year.

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**PUBLIC COMMENT:** No one from the public came forward.

**ADMINISTRATION:**

*Agenda Review:*

Mayor Wilczynski stated that we have second reading and public hearing of some ordinances that we introduced at the last meeting. A lot of it was changes in the wording in our ordinances, but we'll go through that in more detail in the regular meeting. We have our local municipal budget that we are adopting today. We also have a Bergen County Open Space Grant application. On our consent agenda, there is the approval of holiday observers' celebration and list of bills. The finance committee looked over the bills. We have some Crestwood Lake Salaries. The remainder are routine items.

*Council Committee Reports:*

**Councilman O'Connell – Department of Public Works**

Councilman O'Connell stated that aside from the start of the spring season where it seemed like we had a month of rain, it's going nicely for our sports. The fields are looking great. Crestwood Lake is looking great. That will be opening up in about two weeks.

**Councilman Joseph Daloisio – Land Use Board**

Councilman Daloisio stated that the Land Use Committee has not met since the beginning of April. We rescheduled this month's meeting, which would have been this morning, until the 25<sup>th</sup>. There were a couple of emails from a couple of residents. We had some issues and concerns that they want us to discuss which they are on the agenda of the Land Use Committee meeting. On behalf of the Holiday Observers, I want to say thank you in advance, this great borough, to allow us to do the firework celebration if it's approved. In the spirit of giving back, which the Holiday Observers have been doing that for 104 years, the membership wants to do some repairs that are necessary for the grand stand facility where we store a majority of our materials. It's been leaking for many, many years. Water comes through the seating area and comes down below and it gets everything we have in there wet. The membership decided and approved the ability for us to do the volunteer project which will be a no-cost to the borough. Some good repairs to get that watertight and make it sturdy.

**Councilman O'Toole – Public Safety**

Councilman O'Toole stated that there hasn't been a public safety meeting since their last meeting. New police officer applicants are progressing through the onboarding process. As of this evening, we have five new officers in various stages of the onboarding process replacing officers who are leaving us for a variety of reasons. We've been working with Mr. Wiss to button up some personnel issues. The kick off date for the new digital payment option for daily parking at the transit lot is May 25, 2023. Be on the lookout for signs and a public notification campaign coming out in the next week or so. Finally, I spoke with Chief Dillon this morning. I spoke with Joe yesterday regarding setting up plans for security at the fireworks, assuming that it's approved this evening.

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**Councilman Yaccarino – Facilities, Parks and Recreation**

Councilman Yaccarino stated that we're really looking forward to opening Crestwood Lake thanks to the DPW for their efforts. I was up there on Sunday and Monday. Things are really moving along there. Some of our capital improvement projects. John and I went to a GovPilot seminar yesterday in Brielle. Out of that, we're going to look to set up a meeting to make sure that we're utilizing the services to the best of what we're really subscribing to. Allendale will be hosting the Northwest Bergen Councilmembers Association at the Red Barn in early June. I'll send an email out to everyone. Thank you to the Finance team for good work on the budget.

**ADJOURNMENT:**

There being no further business to come before the Mayor and Council, on a motion by Councilman O'Connell, second by Councilwoman Lovisolo and unanimously carried, the work meeting was adjourned at 8:00 p.m.

Respectfully submitted,



Linda Louise Cervino  
Linda Louise Cervino, RMC  
Municipal Clerk

05/25/2023  
Date Approved

# BOROUGH OF ALLENDALE



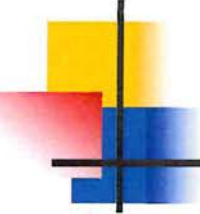
## 2023 Calendar Year Budget Presentation

**May 11, 2023**  
**Lerch, Vinci & Bliss, LLP**



# Borough of Allendale

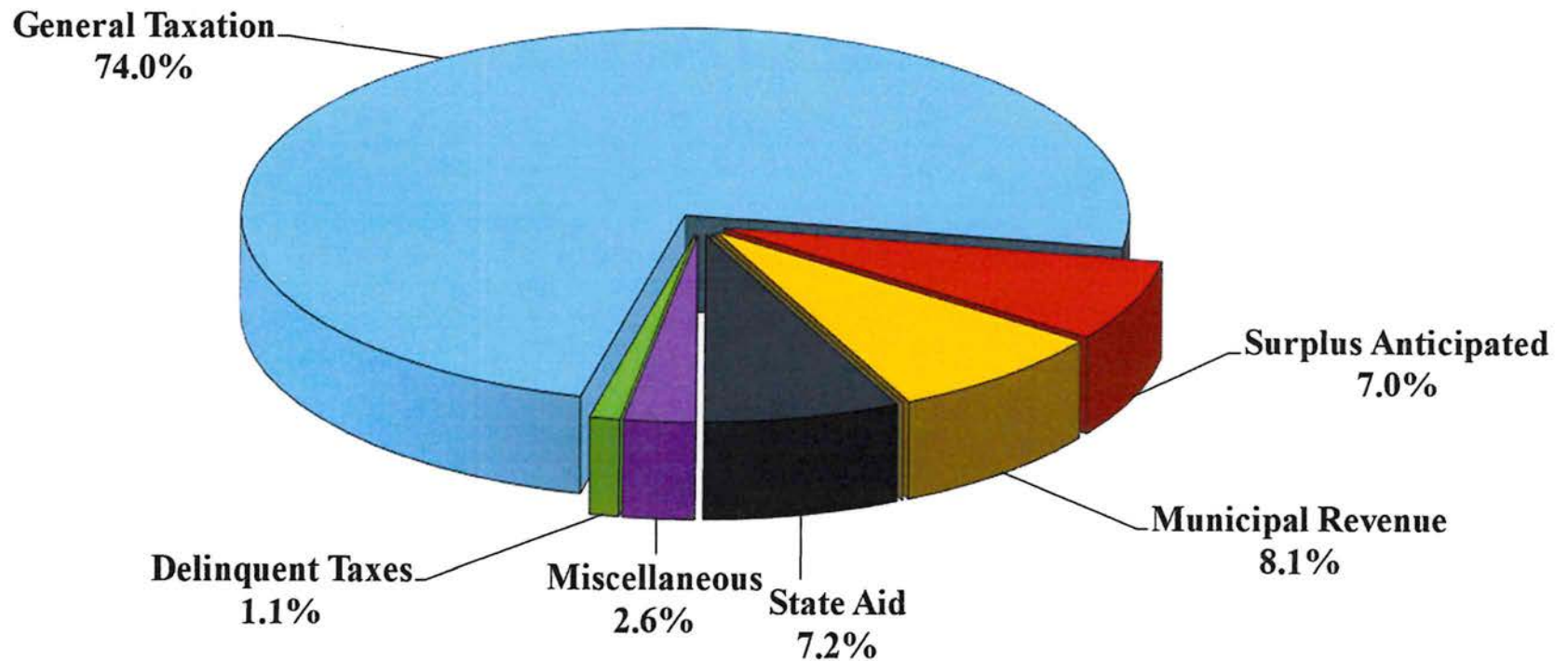
## Breakdown of Revenues



	<u>2023 Proposed</u>	Adopted <u>2022 Budget</u>	<u>Variance</u>	<u>%</u>
Surplus Anticipated	\$ 1,100,000	\$ 1,246,000	\$ (146,000)	(11.7)
Municipal Revenue	1,275,651	1,151,100	124,551	10.8
State Aid	1,132,013	1,068,869	63,144	5.9
Miscellaneous	413,221	462,066	(48,845)	(10.6)
Delinquent Tax Rcpts.	175,000	250,000	(75,000)	(30.0)
General Taxation (Includes Library)	<u>11,669,305</u>	<u>11,633,715</u>	<u>35,590</u>	0.3
Total	<u>\$ 15,765,190</u>	<u>\$ 15,811,750</u>	<u>\$ (46,560)</u>	-0.3%

# Borough of Allendale 2023 Revenues

Where the Budget \$\$ Comes From



# Borough of Allendale

## Tax Levy CAP

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2023 Amount to be Raised by Taxation	\$10,977,356
*Maximum permitted to be Raised by Taxation	<u>\$ 12,491,629</u>
Amount below CAP	<u>\$ 1,514,273</u>

\* Excludes Municipal Open Space Tax and Library Tax

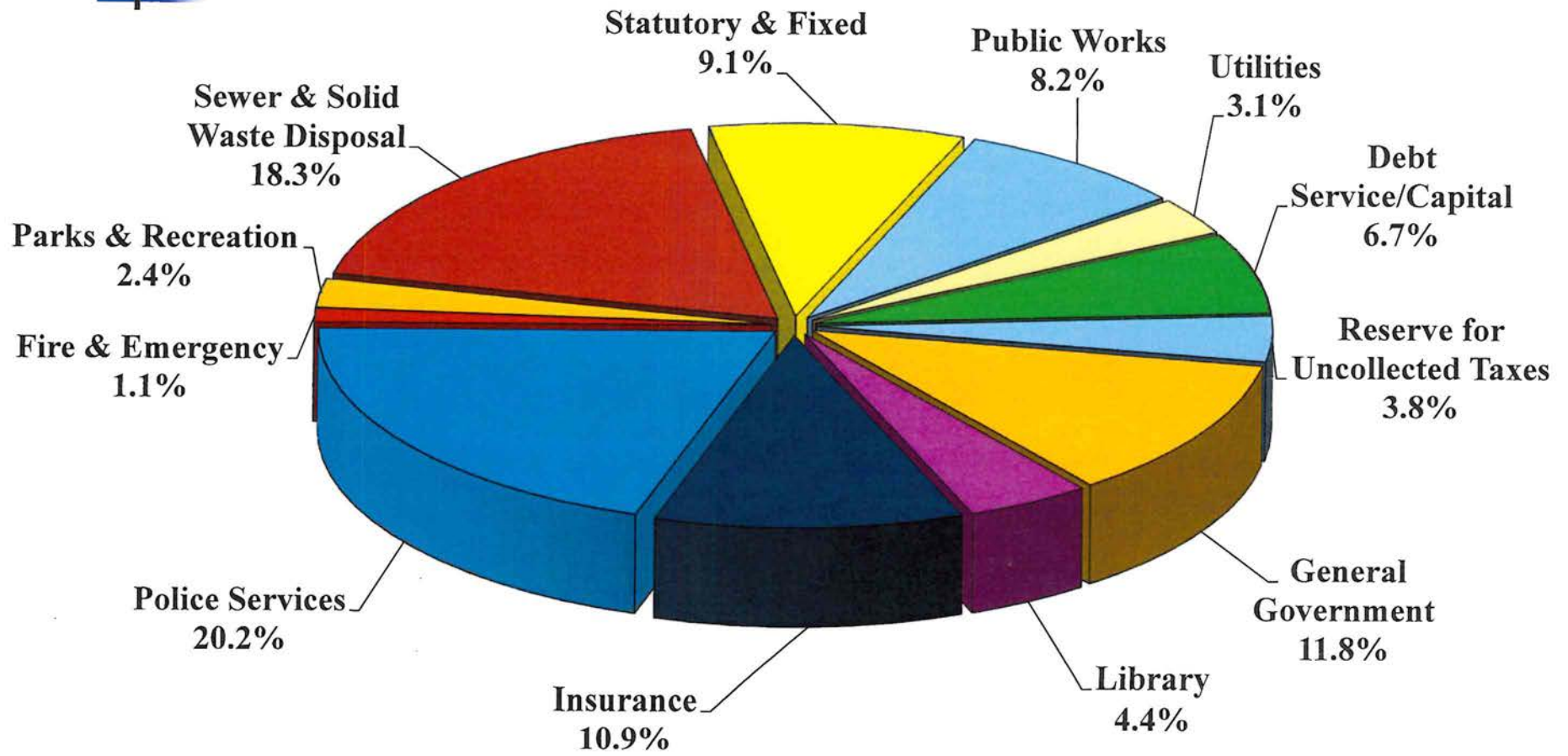
# Borough of Allendale

## Budget Spending Analysis

	2023 <u>Proposed</u>	Adopted <u>2022 Budget</u>	<u>Variance</u>	<u>%</u>
General Government	\$ 1,855,494	\$ 1,795,400	\$ 60,094	3.3
Insurance	1,725,000	1,458,010	266,990	18.3
Police Services	3,185,000	2,966,464	218,536	7.4
Fire & Emergency Services	177,800	170,200	7,600	4.5
Parks & Recreation	380,300	353,500	26,800	7.6
Public Works	1,296,006	1,349,016	(53,010)	(3.9)
Sewer & Solid Waste Disposal	2,878,895	2,732,600	146,295	5.4
Utilities and Bulk Purchases	489,000	455,000	34,000	7.5
Library Contribution	691,949	639,356	52,593	8.2
Statutory & Fixed Charges	1,427,330	1,308,133	119,197	9.1
Debt Service/Capital Improvements	1,058,416	2,009,071	(950,655)	(47.3)
Res. for Uncollected Taxes	600,000	575,000	25,000	4.3
	<u>\$ 15,765,190</u>	<u>\$ 15,811,750</u>	<u>\$ (46,560)</u>	-0.3%

# Borough of Allendale

## 2023 Appropriations Where Your Budget \$\$ Goes





# Borough of Allendale Appropriation CAP

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Current Budget CAP Spending	\$ 10,834,078
Maximum permitted CAP Spending	<u>\$ 10,869,878</u>
Amount below CAP	<u>\$ 35,800</u>

# Borough of Allendale History of Tax Rate Apportionment

	Proposed <u>2023</u>	2022 <u>Actual</u>	<u>Increase</u>
MUNICIPAL*	\$ 0.578	\$ 0.610	\$ (0.032)
COUNTY**	0.233	0.242	(0.009)
SCHOOL	<u>1.379</u>	<u>1.425</u>	<u>(0.046)</u>
TOTAL	<u>\$ 2.190</u>	<u>\$ 2.277</u>	<u>\$ (0.087)</u>

\*Includes Library and Open Space tax levies.

\*\*County estimated at a 2% increase in levy.



# Borough of Allendale

## Where your Tax Dollar Goes

### 2023

Municipal

School

County



26¢



63¢



11¢





# Borough of Allendale

**Effect on Municipal Portion of Tax Bill – Average Residential Home\***

Proposed	Actual	2023
<u>2023</u>	<u>2022</u>	<u>Increase</u>
\$ 4,417	\$ 4,391	\$26

\* 2023 and 2022 Average Residential Home Value of \$770,900 and \$725,800 respectively, includes Library Tax, but excludes Municipal Open Space Tax.