



BOROUGH OF
LEONIA
BERGEN COUNTY, NEW JERSEY

March 18th Budget Update

- We are ready for introduction at the next Mayor & Council meeting
- The municipal tax increase for 2024 is just below 3%
- Our fiscal environment is extremely challenging
- The savings in the budget are painful
- Key figures are provided in this update
- We are introducing the Capital Budget at the same time



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Thank you for getting us here

- Thank you to the departments, the library, the borough administrator, the CFO and everybody who contributed – council liaisons, Finance Committee, everyone
- We had to address loss of one-time revenue and steep increases in insurance, pensions and benefits
- Nobody will be happy with the budget, because we need to return to a sustainable path to keep Leonia affordable and that requires cuts and deferrals
- We have a budget which keeps the municipal tax increase at 3% while keeping service levels across the board at high levels

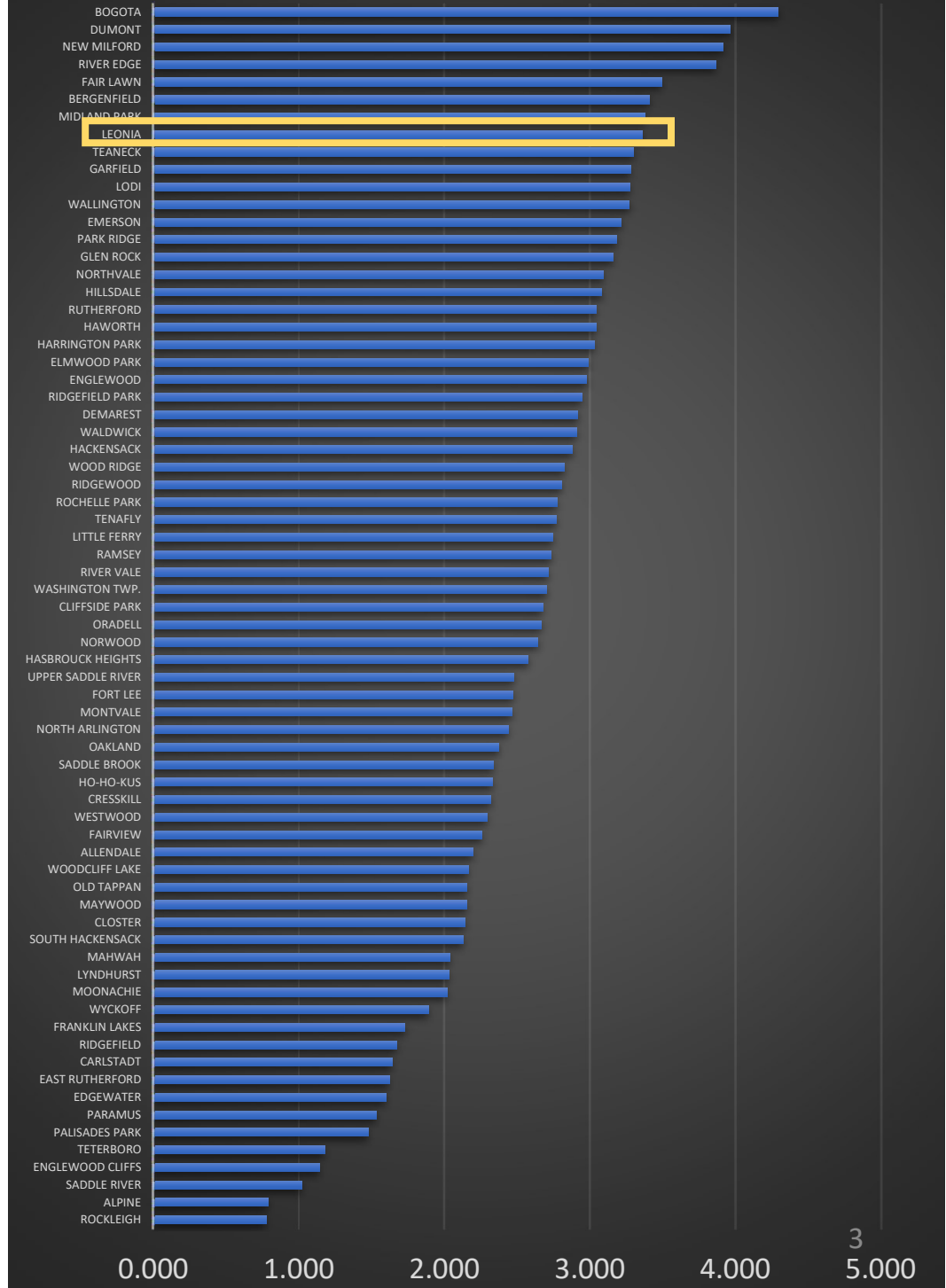


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Tax Rate

- In 2023, Leonia has the 8th highest tax rate among the 70 municipalities in Bergen County.
- In 2022, we were at the 11th position.
- This is not a ranking we can afford to keep climbing.

Bergen County Tax Rates in 2023



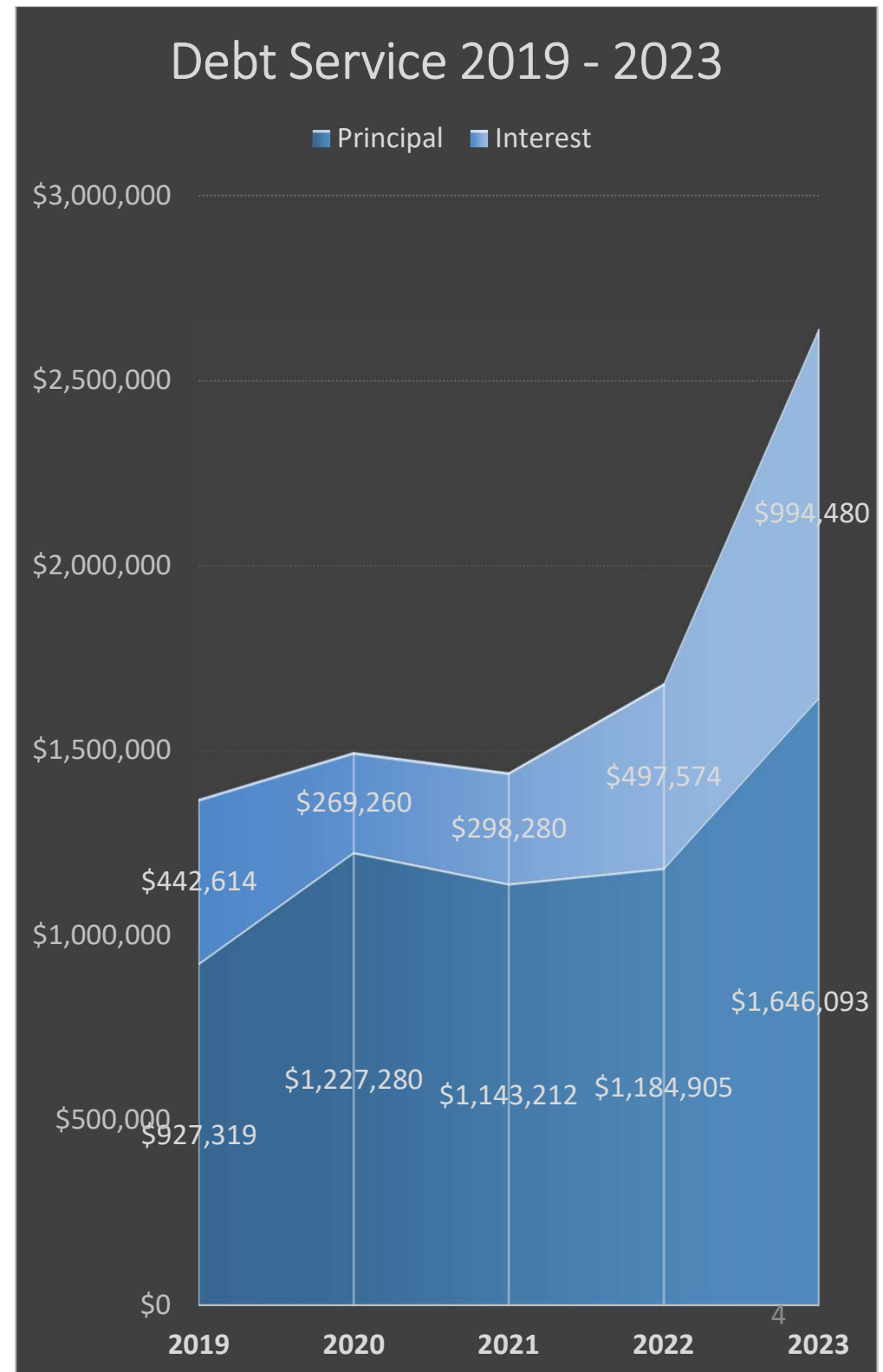


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Debt Service

Our debt service has almost doubled in just 3 years to over 2.5 million annually.

Even if we were not to incur any new debt (which is unrealistic), it will stay above \$2 million until 2028.





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Looking beyond this year

- We have unmet capital needs which we will have to address soon – Borough facilities alone will require substantial investments
- Affordable housing will likely lead to significant additional expenses
- We don't know yet the extend of other required infrastructure investments, flood protections etc. Not all will be covered through grants



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Cuts and Deferrals

- DPW: Reduction be in operational expenses, (\$158,600 below initial request in savings), replacement of 30-year-old sewer jet truck deferred to 2025
- Police: Discussion ongoing about hiring a 20th officer
- Library: reducing contributions while ensuring the service levels and programs can be maintained (\$59,800 below initial request in savings)
- Fire department: requiring business case and options prior to replacing the ladder truck
- Borough Hall: not replacing the assistant to the Borough Clerk



2024 Budget Numbers

Budget by Cost Type

Type of Cost	Total
Salaries & Wages	\$6,503,750
Debt Service	\$2,564,526
Utilities	\$1,782,000
Retirement Benefits	\$1,663,282
Health Benefits	\$1,568,000
Contractual	\$1,207,750
Insurance	\$791,500
Other Expenses	\$465,177
Reserve for uncollected Taxes	\$460,000
Deferred Charge	\$190,000
Maintenance	\$186,500
Library Quartely	\$170,400
Attorney Fees	\$151,000
Supplies	\$86,250
Stipends	\$59,000
Uniform Allowance	\$56,100
Audit	\$50,000
Capital Improvement Fund	\$50,000
Professional Development	\$38,930
LOSAP	\$38,000
Social Security	\$31,000
Equipment	\$23,400
Grand Total	\$18,136,565

Budget by Department / Function

Department/Function	2024	2023	% Change
Police	\$3,391,900	\$3,172,936	6%
Benefits	\$3,107,032	\$2,959,151	5%
Debt Service	\$2,564,526	\$2,682,172	-5%
DPW	\$2,469,600	\$2,387,002	3%
Borough Hall	\$1,895,780	\$1,920,025	-1%
Utilities	\$1,782,000	\$1,442,234	19%
Insurance	\$791,500	\$666,500	16%
Library	\$739,650	\$786,174	-6%
Recreation	\$520,900	\$464,344	11%
Reserve for uncollected Taxes	\$460,000	\$440,000	4%
Other	\$413,677	\$504,050	-22%
Grand Total	\$18,136,565	\$17,424,588	4%



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2024 Capital Budget

Department	Request	Notes	Revised Cost	Grant Funds	Other Funds	Net Project Cost
DPW	1a - Jet Vac Sewer Jet Truck in 2025, \$580,000	Deferred to 2025				
	2 Mason Dump Body		\$15,000			\$15,000
	3 Sanitary/Stormwater Repairs		\$90,000			\$90,000
DPW Total			\$105,000			\$105,000
Fire Dept	Emergency Equipment		\$30,217			\$30,217
	Laddertruck downpayment see notes	Need options, Business Case	\$250,000			\$250,000
	Turnout Gear		\$25,000	\$25,000		\$0
Fire Dept Total			\$305,217	\$25,000		\$280,217
Library	Alarm System Upgrades		\$15,000			\$15,000
	Drywall Repair		\$23,000			\$23,000
	HVAC System Repairs		\$12,000			\$12,000
Library Total			\$50,000			\$50,000
Police	Computers		\$36,000			\$36,000
	Pedestrian Safety Equipment		\$80,000			\$80,000
	Police SUV (1)	Deferred to 2025	\$0			\$0
Police Total			\$116,000			\$116,000
Recreation	2022 Open Space Grant - Wood Park Tennis Court Resurfacing		\$180,000	\$90,000	\$50,000	\$40,000
	Renovation of Entranceway and Office Space		\$100,000	\$75,000		\$25,000
Recreation Total			\$280,000	\$165,000	\$50,000	\$65,000
Grand Total			\$856,217	\$190,000	\$50,000	\$616,217



2024 Taxes and Anticipated Revenue

Revenue	2024 Anticipated
State Aid	\$1,143,876
Surplus	\$725,000
Library Taxes	\$654,659
Fees, Permits and Licenses	\$604,250
Interest	\$600,000
Delinquent Taxes	\$490,000
Rental Income	\$230,000
Field Debt Service	\$179,184
Sewer Billing	\$110,000
Interlocal Shared Services	\$100,000
Pilot	\$90,000
Rec Trust	\$75,000
Additional Revenue	\$30,000
Licenses	\$10,000
Total	\$5,041,969
Municipal Tax Levy	\$13,094,596
Grand Total	\$18,136,565