

Borough of Leonia 2024 Budget Town Hall

March 25th, 2024



Welcome

Introduction

Ground Rules

Timeline



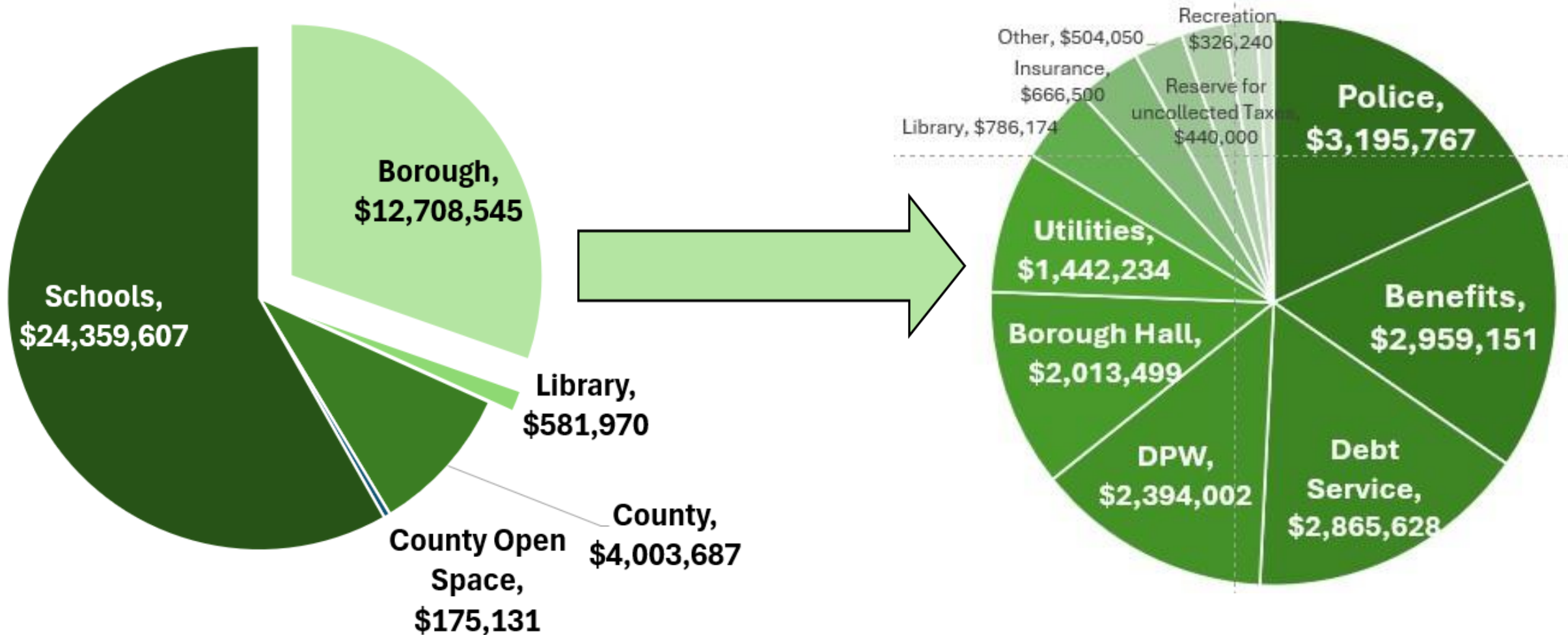


Leonia is special



Total Taxes Last Year: \$41,828,940

31% went to the Borough and the Library





Budget Headlines for 2024



Loss of
American
Rescue Fund
(Covid)
money: \$472K



Mandated
increases in
state pension
and benefits

Health benefits
alone increased
by 11%



Across the
board, costs for
goods and
services
continue rise
rapidly

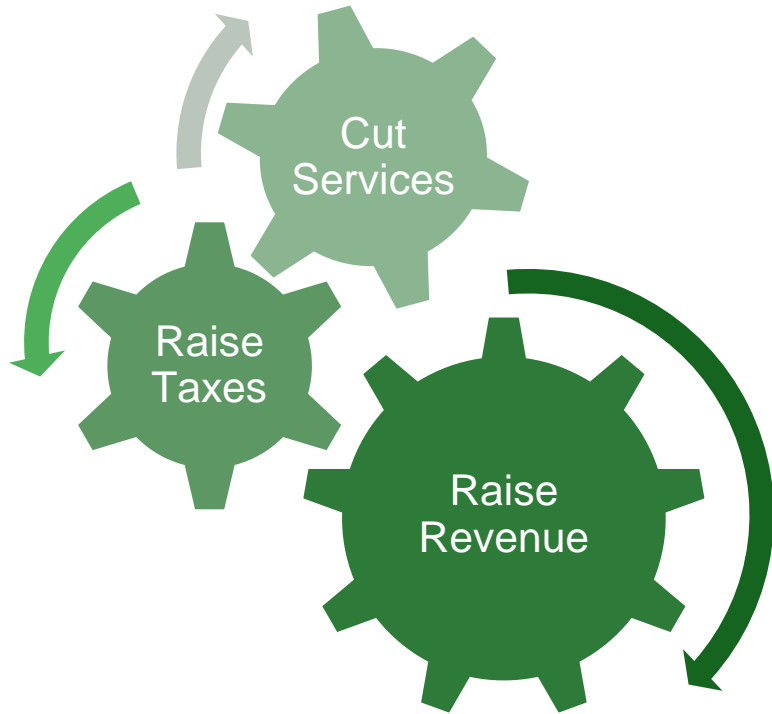


Debt Service
remains at
historically high
levels - New
municipal
building, new
turf field



Compare 2024 to 2023

Manage Taxes



Make Hard Choices

2023

- Municipal Tax Increase 5.5%

2024

- Municipal Tax Increase 2.98% (draft)
- Sacrifices:
 - Reduce Department Personnel as required
 - Cuts to Library and DPW
 - Push Major Capital Investments to 2025



The Elephant in the Room:

Systemic Issues

Leonia is an old town with big capital needs over the next 5 to 10 years

Home Rule: Leonia for the most part is an insulated system

Exogenous Factors: climate change and flooding, affordable housing

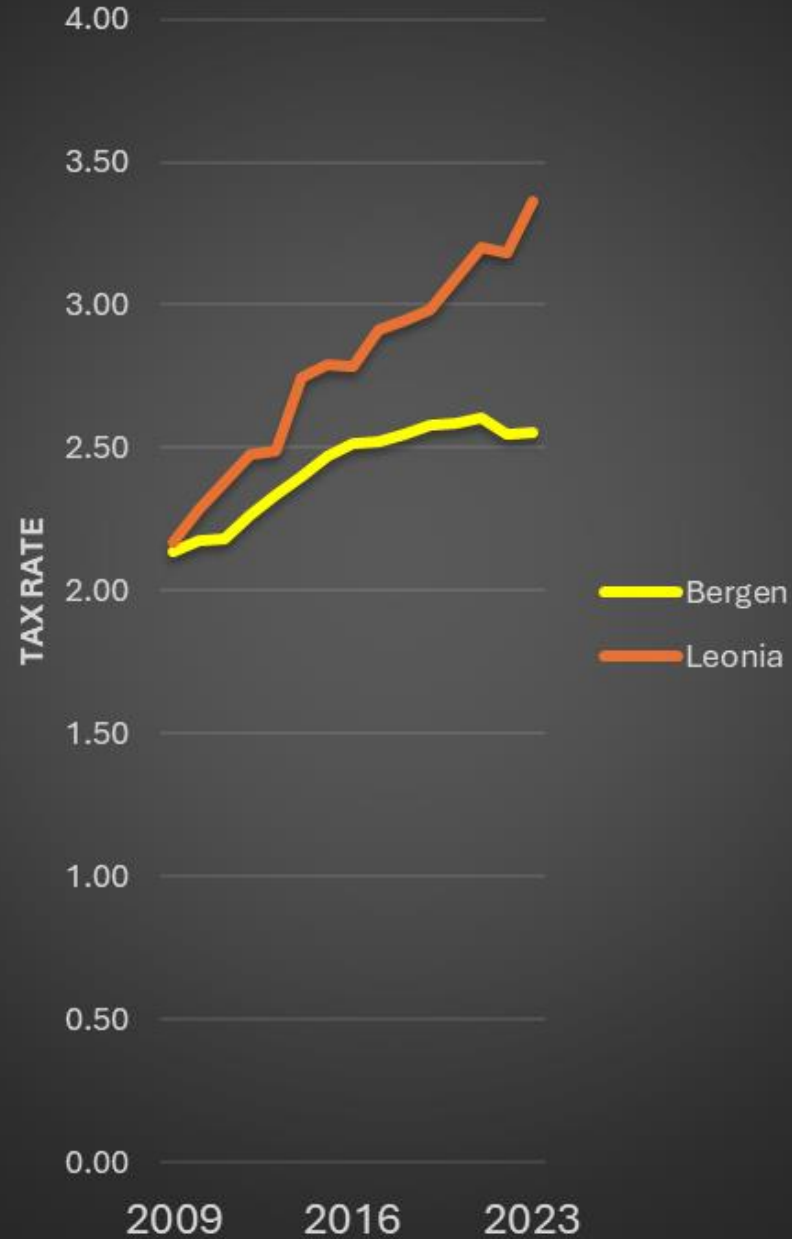
Healthcare and insurance outpace revenue increases



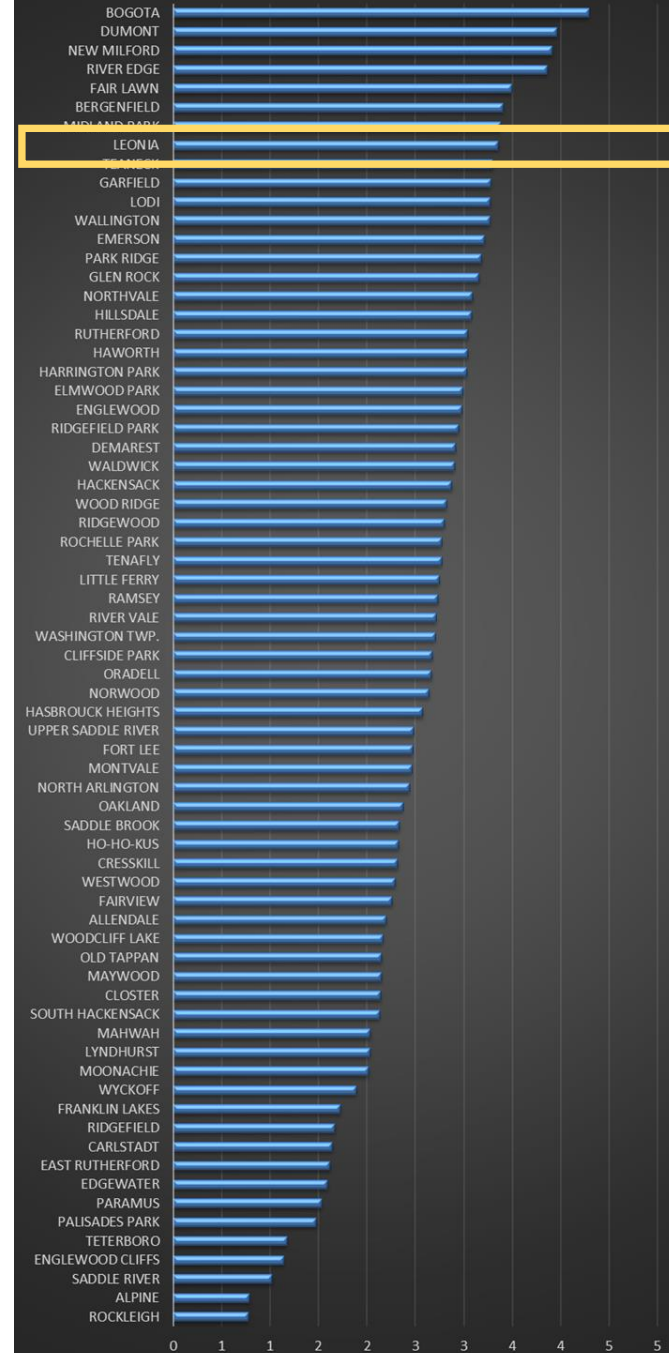
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How do we compare to other towns and to Bergen County

Leonía Tax Rate vs Bergen County Average 2009 -2023



Bergen County Tax Rates in 2023





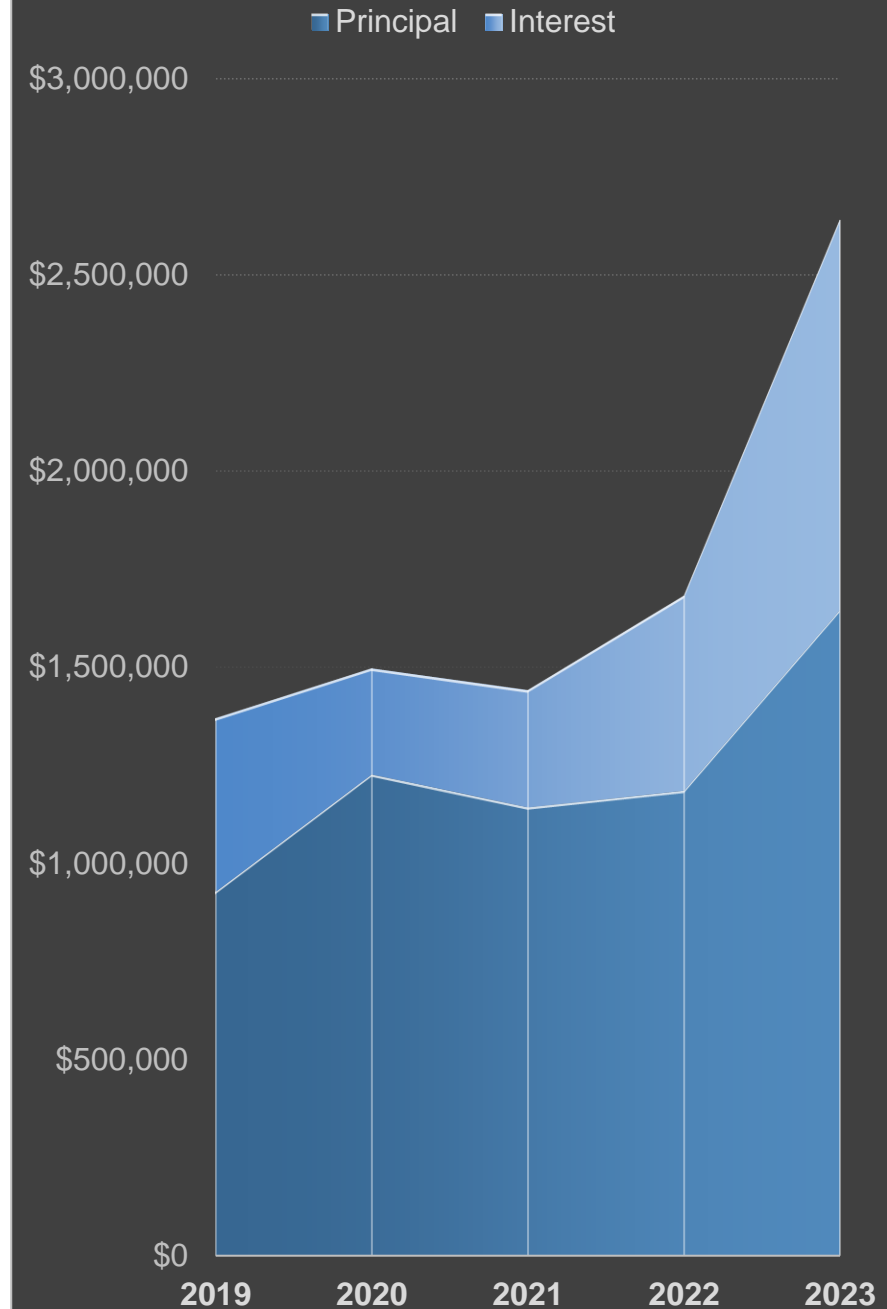
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Debt

Our debt service has almost doubled over the last 5 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.

Debt Service 2019 - 2023





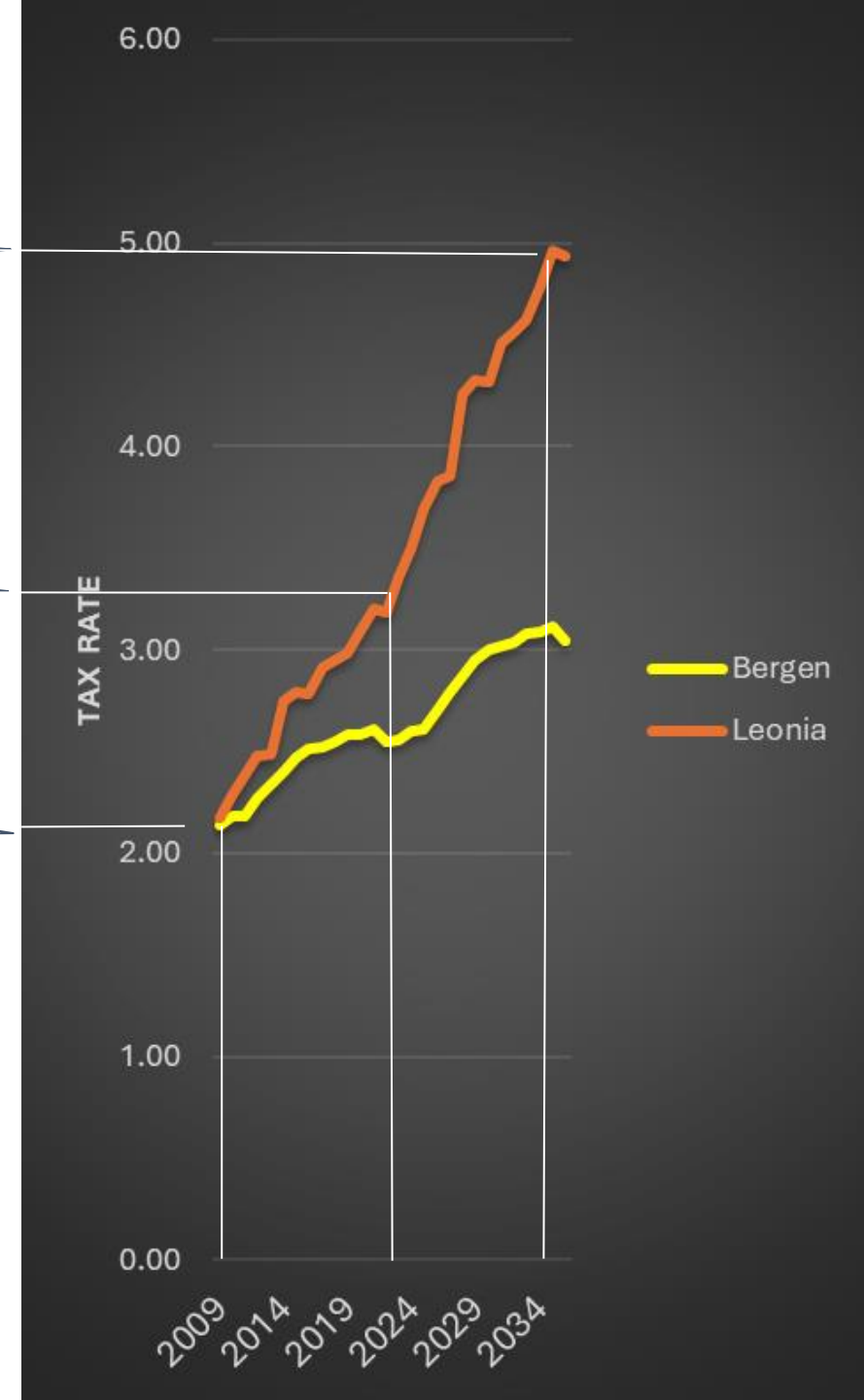
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Where Taxes will go if we continue on this path

in 10 years, Taxes on the average home would be over \$21,000 - or more

2022 Taxes on the average home: \$13,957

2009 Taxes on the average home: \$10,382





The Process to get to 2.98%

Input

- Expense requests came in with 10% increase
- Capital requests came in at over \$3,000,000

Reality Check

- We recognized that we needed to slow the pace of tax increases

Set Limits

- We limited the expense increase to 3%
- We limited the capital budget to \$750,000

Compromise

- Working with each department, we arrived at the 2024 budget with the stated limits. It requires compromise on everyone's part.



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Cuts and Deferrals



DPW
Budget cuts
(158K),
moving
sewage jet
truck
replacement
to 2025



Fire Dept
Requiring
Business
Case and
options on
Ladder Truck



Borough Hall
Not replacing
one position



Library
Reducing
Contributions
while
maintaining
programs and
service levels

Department/Function	Proposed 2024	2023 Budget	% Change
Police	\$3,391,900	\$3,195,767	6%
Benefits	\$3,107,032	\$2,959,151	5%
Debt Service	\$2,564,526	\$2,865,628	-12%
DPW	\$2,469,600	\$2,394,002	3%
Borough Hall	\$1,895,780	\$2,013,499	-6%
Utilities	\$1,782,000	\$1,442,234	19%
Library	\$739,650	\$786,174	-6%
Insurance	\$791,500	\$666,500	16%
Other	\$413,677	\$504,050	-22%
Reserve for uncollected Taxes	\$460,000	\$440,000	4%
Recreation	\$330,900	\$326,240	1%
Deferred Charges	\$190,000	\$170,068	10%
Grand Total	\$18,136,565	\$17,763,313	

It is not just about the 2024 budget.

Municipal Facilities

Redevelopment

Wild Cards

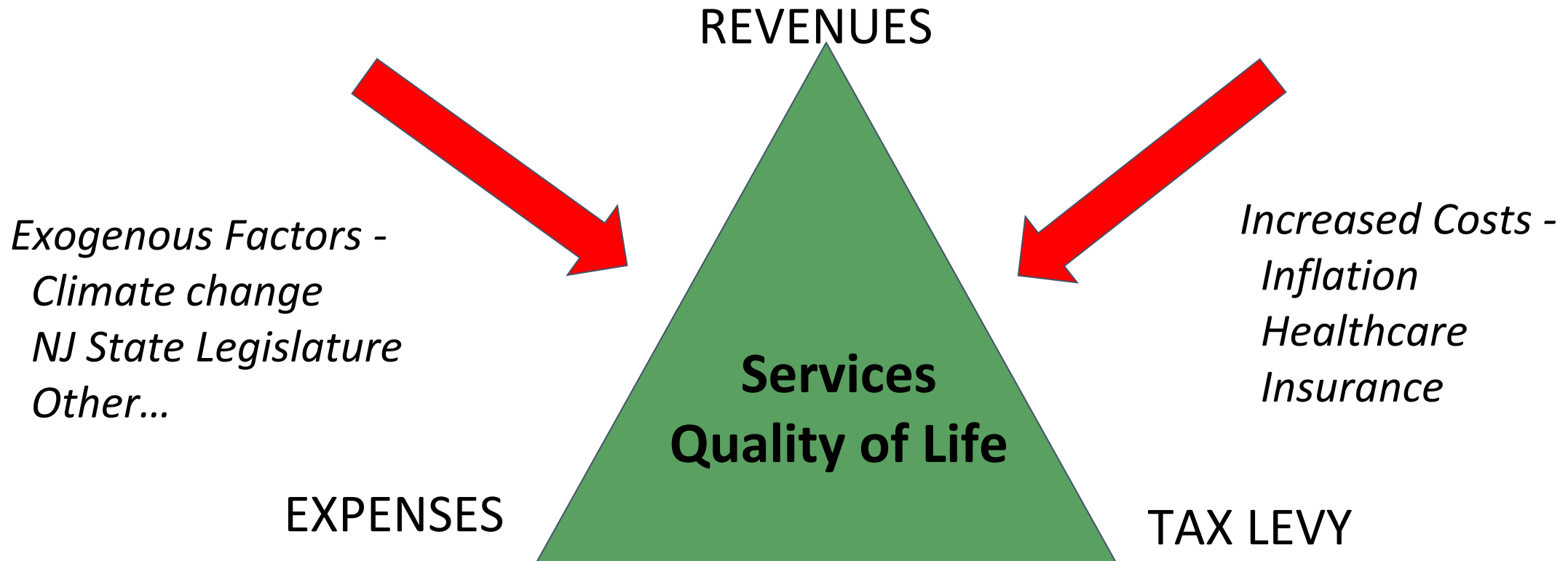
\$15 million to \$?? million





Pressures to the Balance

The math is simple: **EXPENSES less REVENUES = TAX LEVY**





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Moving Forward...

Attack Expenses

Short-Term: Intra-Borough Efficiencies. Reduction of Services?

Medium-Term: Inter-Borough Agreements, Shared Services. Reduction of Services?

Long-Term: Big picture items. Restructuring. Regionalization. Break-down of "Home Rule".





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Moving Forward...

Increase Revenues

In support of an \$18MM budget, revenues are roughly \$5MM. Of this, \$1MM is outside of State Aid and Surplus.

Short-Term: Few Options.

Longer-Term: Look at the future and make choices.





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Moving Forward...

The Answer?

REDEVELOPMENT & REVITALIZATION

- Our insulated model is unsustainable.
- Change is inevitable.
- Make OUR choices within OUR vision.

Redevelopment Committee

TOWN HALL

APRIL/MAY 2024

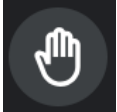




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Feedback

3 minutes per speaker.

- From the floor, raise your hand.
- From the virtual gallery, click the  symbol.
- When called upon, state your name, your address and your comment/question.
- Everyone is entitled to only one question.



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Thank you for getting us here

- Thank you to the departments, the library, the Council, Finance Committee and everybody who contributed
- Thank you to our residents who spent the time to come out tonight, in person & virtually, to be a part of this forum.
- We had to address loss of one-time revenue and steep increase in insurance, pensions and benefits
- We need to return to a sustainable path to keep Leonia affordable – this required 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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2024 Budget Town Hall

Upcoming Events

2024 Budget Finalization

Thursday, March 28, 7:30 pm

Senior Center

Redevelopment/Revitalization Presentation

April/May - Specifics TBD



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Thank You!