



## **Borough of Westwood**

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March 19, 2013

Tonight we are introducing the 2013 Municipal Budget.

The total budget being introduced for 2013 is \$16,815,478, an increase of \$310,054 over last year's adopted budget of \$16,505,424, or a 1.88% increase. The proposed budget is under the state mandated allowable appropriation CAP.

Once again our volunteers, department heads, boards and employees are being asked to do more with less. Despite a strong 98.67% collection rate on taxes, our overall revenue decreased. The decrease is primarily the result of a decrease in cable franchise fees, construction fees, and police outside detail fees. Our state aid remains constant. The proposed 2013 budget is utilizing \$1,485,000 of the current fund surplus.

In January, the Governing Body was presented with an operating and expense budget request of \$6,935,159, which reflected over a 12% increase. The Governing Body met and continued to review the budget as they have in the past, line by line, and every department was looked at for cost savings. The Governing Body cut \$661,963 dollars from this portion of the budget for an increase of only 1.68% in operating expenses.

In addition, we were presented with Capital expenditure requests totaling \$2,463,980, which the Governing Body cut to \$1,378,250. The cut included not following our road resurfacing program for local roads, but instead focusing our funds on the costs associated with finishing the Broadway, Irvington and Jefferson Road and Re-signalization project and addressing town gridlock issues. The proposed budget includes an appropriation of funds to pay down \$1,330,433 of existing debt. Therefore we will almost break even on incurring and paying off debt this year.

Unfortunately, when the non-discretionary budget which includes contracted salaries, pensions and statutory expenditures accounts for 67% of our expenditures, it leaves this Governing Body with only 33% of the budget to work with in order to reduce our budget to a level that we believe is acceptable to us and the taxpayers.

Our 2013 proposed tax levy of \$12,343,628 increased by \$244,889 which translates into the municipal tax rate increasing from .699 to .720, or an increase of \$84 per year on an average

home assessed at \$398,000. This increase equates to approximately \$7.00 per month. It should be noted that, as a result of numerous tax appeals which decreased the Borough's assessed valuation by 17.7 million, the average taxpayer was going to pay \$28 more before the 2013 budget development process was even initiated.

Please keep in mind that the budget introduced tonight represents only the municipal portion of your tax bill. The remainder of the tax bill includes the school and county adopted budgets. The municipal portion of a tax bill was 30% in 2011 and 27% in 2012. When the County introduces its budget we will be able to provide you with the municipal portion for 2013.

I would like to thank all of the people who played an important role in developing this difficult budget, including our Finance Department CFO Durene Ayer, Stephanie Stokes and Gloria Seidel. Our Finance Committee, Councilman Peter Grefrath, Mayor Birkner and Bob Hoffmann; Borough Auditor Gary Vinci; and the department heads and municipal staff who made informed and necessary budget reductions within their groups. I would also like to thank the entire Governing Body who was called upon several times to meet and make difficult decisions.

The public will have an opportunity to review this budget and comment in full at our public hearing on April 16<sup>th</sup> at 8:00, here in Borough Hall.

Respectfully submitted,

Cynthia Waneck, Finance Liaison