

Municipal Building
Borough of Park Ridge
April 24, 2012–8:18 pm
Public Hearing
2012 Municipal Budget

Present: Councilmember Galdi, Councilmember Kilmartin, Councilmember Oppelt
Councilmember Bosi, Councilmember Hopper, Council President Misciagna,
Mayor Maguire

Absent: None

Also Present: John Ten Hoeve, Jr., Esq. Borough Attorney
Jeff Bliss, RMA, Borough Auditor
Colleen Ennis, CFO
Kelley O'Donnell, Borough Clerk/Administrator

Mayor Maguire Reads Compliance Statement, as required by Open Public Meeting Act, P.L. 1975, Chapter 231.

Mayor Maguire announces that this is the night in which the Public Presentation of the 2012 Municipal Budget has been scheduled. Mayor Maguire thanked Councilman Bosi, Councilwoman Kilmartin and the Borough staff for all their hard work during the preparation of the 2012 Budget.

Mayor Maguire introduced Finance Committee Chairman Rich Bosi.

Councilman Bosi stated that he wanted to highlight the fact that the Borough was able to prepare a budget, within the guidelines of the State with no decrease in employees or cuts in services.

Borough of Park Ridge



Annual Public Budget Hearing
April 24, 2012

Borough of Park Ridge 2012 Finance Committee

Borough Employees & Borough Professional:

- **Chief Financial Officer – Colleen Ennis**
- **Borough Administrator/Clerk – Kelley O’Donnell**
- **Borough Auditor – Jeff Bliss**

Council Committee Members:

- **Mayor Terry Maguire**
- **Councilmember Rich Bosi**
- **Councilmember Ann Kilmartin**

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Finance Committee Report Overview of the 2012 Municipal Budget

- Total estimated cost to operate the Borough of Park Ridge in 2012 is estimated at **\$12,149,707** as per the Municipal Budget introduced at the March 13, 2012 Mayor and Council public meeting. This compares to the 2011 Budget total of **\$11,618,617** - an increase of **\$531,090** or **4.6%**.
- The amount to be raised by taxes to support the budget is **\$8,794,600**, an increase of **\$321,960** or **3.8%** over the 2011 tax levy. This will result in a municipal tax rate of **.54** cents which is an increase of **1.9** cents per \$100 of assessed valuation compared to the 2011 rate of **.521**.
- Applying this tax rate to an average Park Ridge home assessed at **\$476,000** will be approximately **\$2,570** vs. the 2011 average of **\$2,480** – an increase of approximately **\$90** per home.
- State aid allocated to the Borough in 2012 is estimated at **\$415,604** which represents a slight decrease from prior year (**\$8,119** or **1.95%**). The 2012 budget for the State of New Jersey has not yet been adopted as of this date; however, it is unlikely that local aid will change from the amount anticipated in the budget.
- New Jersey Law requires municipalities to operate on a balanced budget basis which is achieved by using a portion of the surplus generated in prior years as revenue in the succeeding year’s budget. As of December 31, 2011, the borough’s surplus balance was **\$1,077,255**. The borough is utilizing **\$650,000** of this surplus in 2012 to offset a portion of the tax levy. This will leave the borough with a balance of **\$427,255**.

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Finance Committee Report

Appropriations Increases/Decreases to 2012 Budget

Increases to this year's Budget:

- \$208,000 Employee Group Health Insurance Increase
- \$177,300 Deferred Charges, Emergency Authorization
- \$134,000 Municipal Debt Service
- \$75,300 Salary & Wage Increases
- \$30,000 Reserve for uncollected Taxes
- \$30,000 Tax Appeal Reserve
- \$18,500 Bergen County Sewer Authority - Sewage Disposal

Decreases to this year's Budget:

- \$95,500 Garbage and Trash Removal
- \$66,400 Pensions and Social Security benefits
- \$28,000 Capital Improvement
- \$14,500 Street & Road Maintenance
- \$13,400 Legal Services

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2012 Summary of Municipal Income State Sources

	2012 Budget	2011 Budget	2011 Actual
A. STATE SOURCES			
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	\$337,593	\$337,593	\$337,593
Consolidated Municipal Property Tax Relief Aid	45,005	45,005	45,005
Clean Communities Program - Reserve	14,305	14,708	14,708
Recycling Tonnage	11,315	19,658	19,658
Over the Limit Under Arrest	2,806	-	-
Body Armor Replacement Fund	1,948	2,859	2,859
Watershed Moratorium Offset Aid	1,598	1,598	1,598
Municipal Alliance	711	-	-
Alcohol Education & Rehabilitation Fund	323	704	704
Watershed Moratorium Offset Aid - Prior Year	0	1,598	1,598
TOTAL STATE FUNDS	\$415,604	\$423,723	\$423,723

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2012 Summary of Municipal Income Municipal Sources

B. MUNICIPAL SOURCES	2012 Budget	2011 Budget	2011 Actual
Municipal Surplus Appropriated	\$650,000	\$505,000	\$505,000
Gross Receipts Taxes	500,000	500,000	500,000
Hotel Tax	245,000	210,000	263,669
Uniform Construction Code Fees	185,000	170,000	209,916
Electric Utility - Payments in Lieu of Taxes	155,000	155,000	155,000
Cable Television Franchise Fee	110,000	100,000	117,558
Fines and Costs - Municipal Court	105,000	110,000	114,551
Water Utility Rental Fees	105,000	105,000	105,000
Water Utility - Payments in Lieu of Taxes	100,000	100,000	100,000
Library Rental Fees	80,000	80,000	81,666
Reserve for Payment of Debt	75,000	-	-
Excess Sewer User Fees	70,000	70,000	70,408
Sprint Cell Tower Rent	61,000	70,000	63,976
Tri-Boro Safety Corps.	50,000	50,000	64,151
Interest and Costs on Taxes	42,000	65,000	48,761
Fire Code Department	40,000	27,000	41,112
Recycling Program	32,000	26,000	37,665
Electric Utility Rental Fees	30,000	30,000	-
Board of Health	25,000	14,700	26,555
Reserve for Outside Police Duty	19,000	-	-
Capital Surplus	18,000	-	-
Life Hazard Use Fees	14,000	17,000	14,632
Pistol Range Fee	8,500	7,000	9,100
Alcoholic Beverages	8,003	8,734	9,766
Joint Insurance Fund Dividend	8,000	6,200	8,476
Interest on Investments and Deposits	4,000	7,700	4,553
Due from Open Space Trust Fund	-	45,920	45,920
FEMA Reimbursement	-	30,000	30,000
Employee Health Benefit Contributions-Utilities	-	12,000	-
TOTAL MUNICIPAL FUNDS	\$2,739,503	\$2,522,254	\$2,627,435
RECEIPTS FROM DELINQUENT TAXES	\$200,000	\$200,000	\$231,180
AMOUNT TO BE RAISED BY TAXES	\$8,794,600	\$8,472,640	\$8,746,768
COST TO OPERATE BOROUGH	\$12,149,707	\$11,618,617	\$12,029,106
TOTAL VALUATION OF ASSESSMENTS	\$1,628,911,681	\$1,626,607,839	

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2012 Summary of Municipal Appropriations

CATEGORIES OF EXPENSE	2012	2011	2011	2012 vs. 2011 Budget	
	BUDGET	ADOPTED BUDGET	ACTUAL	\$ CHANGE	% CHANGE
A. GENERAL GOVERNMENT					
Administrator/Clerk	\$ 249,825	\$ 253,150	\$ 234,531	\$ (3,325)	
Professional Services	185,000	198,375	187,857	(13,375)	
Collector/Treasurer	148,875	155,010	130,563	(6,135)	
Municipal Court	109,500	95,650	92,754	13,850	
Mayor & Council	57,750	46,100	50,533	11,650	
Tax Assessor	28,400	28,100	28,312	300	
TOTAL GENERAL GOVT.	\$ 779,350	\$ 776,385	\$ 724,550	\$ 2,965	0.4%
B. MAINT. OF PUBLIC PROP.					
Roads & Parks	\$ 732,000	\$ 699,800	\$ 638,159	\$ 32,200	
Vehicle Maintenance	130,400	140,100	127,533	(9,700)	
Buildings & Grounds	136,950	136,900	131,019	50	
TOTAL PUBLIC PROP.	\$ 999,350	\$ 976,800	\$ 896,711	\$ 22,550	2.3%
C. LAND & PROPERTY DEV.					
Construction Code Office	\$ 173,435	\$ 177,200	\$ 143,293	\$ (3,765)	
Planning Board	71,740	68,640	44,996	3,100	
Zoning Board of Adjustment	52,050	54,825	47,584	(2,775)	
TOTAL LAND DEVELOP.	\$ 297,225	\$ 300,665	\$ 235,873	\$ (3,440)	-1.1%
D. PUBLIC SAFETY					
Police Department	\$ 2,336,770	\$ 2,173,000	\$ 2,158,985	\$ 163,770	
Tri-Boro Safety System	281,000	251,000	267,965	30,000	
Fire Dept./Fire Prevention	170,721	187,765	183,526	(17,044)	
LOSAP Contributions	53,000	53,000	-	-	
Police Reserves/ E.M.C.	42,595	44,610	36,799	(2,015)	
Police Grants	5,077	3,563	850	1,514	
TOTAL PUBLIC SAFETY	\$ 2,889,163	\$ 2,712,938	\$ 2,648,125	\$ 176,225	6.5%

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2012 Summary of Municipal Appropriations

CATEGORIES OF EXPENSE	2012	2011	2011	2012 vs 2011 Budget	
	BUDGET	ADOPTED BUDGET	ACTUAL	\$ CHANGE	% CHANGE
E. HEALTH & PUBLIC ASSIST.					
Board of Health	\$ 94,816	\$ 98,795	\$ 78,496	\$ (3,979)	
Senior Citizen Van & Programs	18,000	18,000	16,960	-	
Public Assistance	9,300	9,000	8,794	300	
TOTAL HEALTH & ASSIST.	\$ 122,116	\$ 125,795	\$ 104,250	\$ (3,679)	-2.9%
F. DISPOSAL SERVICES					
Bergen Cty Sewer Auth.	\$ 642,500	\$ 624,000	\$ 621,401	\$ 18,500	
Garbage Collections	325,000	411,000	406,214	(86,000)	
Trash Disposal	292,000	290,500	256,675	1,500	
Recycle Collections	111,850	121,375	115,766	(9,525)	
Sewer Department	38,050	51,850	8,728	(13,800)	
Recycling Grants	25,620	34,366	8,125	(8,746)	
TOTAL DISPOSAL SERV.	\$ 1,435,020	\$ 1,533,091	\$ 1,416,909	\$ (98,071)	-6.4%
G. CAPITAL IMPROVEMENTS	\$ 109,000	\$ 137,000	\$ 137,000	\$ (28,000)	-20.4%
H. GENERAL EXPENSES					
Insurance	\$ 1,625,005	\$ 1,418,500	\$ 1,317,593	\$ 206,505	
Interest & Principal on Debt	1,240,655	1,106,555	1,105,083	134,100	
Social Security & Pensions	806,786	873,165	891,765	(66,379)	
Reserves for Future Appeals	80,000	50,000	50,000	30,000	
Utilities	287,000	290,500	257,041	(3,500)	
Deferred Charges	220,000	42,712	42,712	177,288	
Contingencies	5,000	5,000	-	-	
TOTAL GEN'L. EXPENSES	\$ 4,264,446	\$ 3,786,432	\$ 3,664,194	\$ 478,014	12.6%

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2012 Summary of Municipal Appropriations

CATEGORIES OF EXPENSE	2012	2011	2011	2012 vs 2011 Budget	
	BUDGET	ADOPTED BUDGET	ACTUAL	\$ CHANGE	% CHANGE
I. ORGANIZATIONAL SUPPORT					
Municipal Library	\$ 605,126	\$ 631,111	\$ 631,111	\$ (25,985)	
Aid to Organizations	31,500	32,000	31,500	(500)	
Recreation Committee	18,350	18,750	8,278	(400)	
PKRG-TV	9,850	8,650	7,440	1,200	
Municipal Alliance	16,211	-	-	16,211	
TOTAL ORGAN. SUPPORT	\$ 681,037	\$ 690,511	\$ 678,329	\$ (9,474)	-1.4%
J. WAGE ADJUST /TERM LEAVE	\$ 63,000	\$ 99,000	\$ 78,006	\$ (36,000)	-36.4%
NET BUDGET	\$ 11,639,707	\$ 11,138,617	\$ 10,583,947	\$ 501,090	4.5%
K. RESERVE FOR LATE TAXES	\$ 510,000	\$ 480,000	\$ 480,000	\$ 30,000	6.3%
GRAND TOTAL	\$ 12,149,707	\$ 11,618,617	\$ 11,063,947	\$ 531,090	4.6%

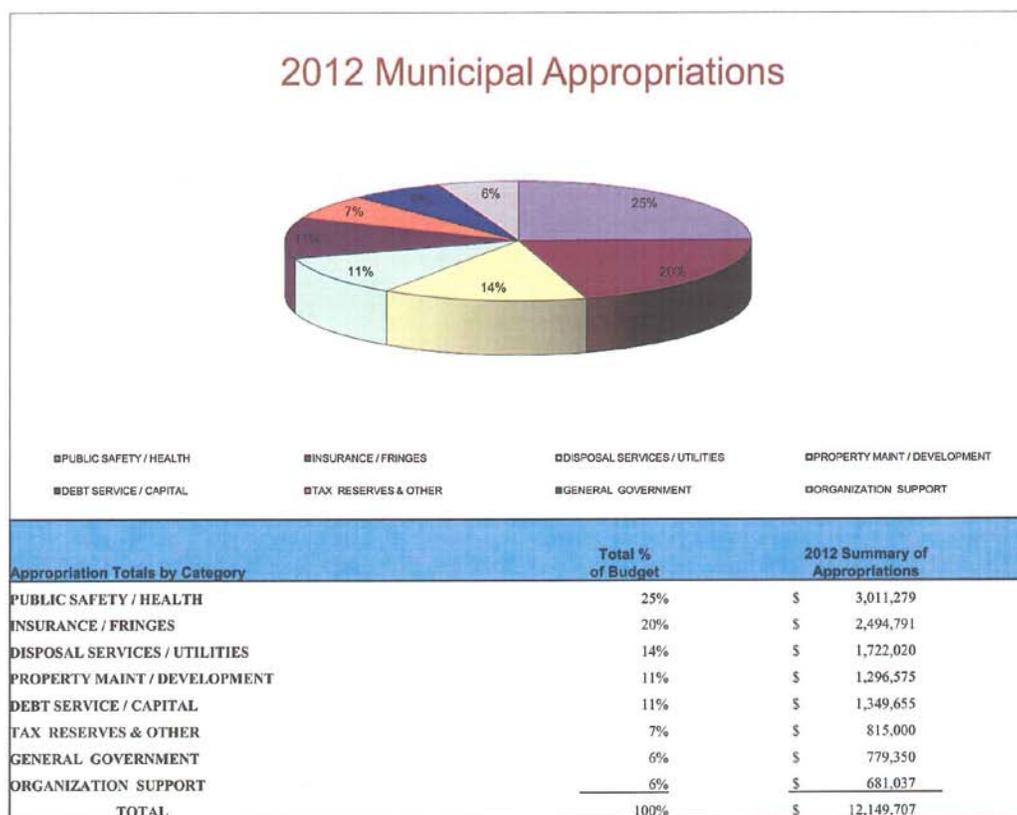
This presentation entitled "Summary of Municipal Appropriations" itemizes the various categories of expense changes by Department, Board and other line items. These cost combine salaries and wages, along with the operating expenses associated with that particular category.

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APPROPRIATION CHANGES 2011 vs. 2012

	2012	2011	CHANGE	%	EXPLANATION
TOTAL APPROPRIATIONS	\$12,149,707	\$11,618,617	\$531,090	4.6%	
INCREASES:					
General Expenses	4,264,446	3,786,432	478,014	12.6%	Increase in tax appeal funding, and healthcare premiums
Public Safety	2,889,163	2,712,938	176,225	6.5%	Employee contractual increases; new police vehicle; Tri-Boro Safety
Reserve for Delinquent Taxes	510,000	480,000	30,000	6.3%	Increase in delinquent taxes
Maintenance of Public Property	999,350	976,800	22,550	2.3%	Employee contractual increases
General Government	779,350	776,385	2,965	0.4%	Implementation of Pascack Joint Municipal Court
	<u>\$9,442,309</u>	<u>\$8,732,555</u>	<u>\$709,754</u>	<u>8.1%</u>	
DECREASES:					
Disposal Services	1,435,020	1,533,091	-98,071	-6.4%	Attributable to full year impact of lower bid for garbage collections
Terminal Leave	63,000	99,000	-36,000	-36.4%	Employee retirements
Capital Improvement	109,000	137,000	-28,000	-20.4%	Road infrastructure projects, vehicle replacement, roof repairs and radios
Organizational Support	681,037	690,511	-9,474	-1.4%	Library assessment reduced due to reduction in town wide reassessment
Health & Public Assistance	122,116	125,795	-3,679	-2.9%	Salary Reduction
Land & Property Development	297,225	300,665	-3,440	-1.1%	Salary Reduction
	<u>\$2,707,398</u>	<u>\$2,886,062</u>	<u>(\$178,664)</u>	<u>-6.2%</u>	

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Borough of Park Ridge Municipal Surplus Comparison

		Utilized in		
		Budget of		% of
	Balance	Succeeding	Remaining	Succeeding
Year	12/31	Year	Balance	Year Budget
2007	\$1,782,884	\$1,284,000	\$498,884	11.28%
2008	\$1,498,005	\$1,125,000	\$373,005	9.68%
2009	\$823,535	\$640,000	\$183,535	5.62%
2010	\$693,543	\$505,000	\$188,543	4.22%
2011-Unaudited	\$1,077,255	\$650,000	\$427,255	5.35%

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3 YEAR CAPITAL BUDGET AND PLAN

MUNICIPAL PROJECT	Estimated			
	Cost	2012	2013	2014
Road Resurfacing/ADA Ramps/Sidewalks	\$600,000	\$200,000	\$200,000	\$200,000
Various Public Safety Equipment	\$117,219	117,219		
DPW Vehicles & Equipment	\$277,000	277,000		
Various Municipal Budget Improvements	\$35,000	35,000		
Buildings & Grounds	\$27,000	27,000		
Sewer Equipment	\$3,000	3,000		
TOTAL MUNICIPAL PROJECTS	\$1,059,219	\$659,219	\$200,000	\$200,000

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DEBT SERVICE SCHEDULE

<u>BOND ISSUES</u>		<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
YEAR						
2003	PRINCIPAL	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000
Matures 06/15/2022	INTEREST	137,470	126,088	114,713	103,338	91,963
2007	PRINCIPAL	275,000	300,000	300,000	300,000	325,000
Matures 10/15/2023	INTEREST	160,330	149,712	138,049	126,424	114,799
<u>NOTE ISSUES</u>						
	PRINCIPAL	75,000	185,450			
	INTEREST	74,750	95,400			
<u>GREEN ACRES LOAN</u>						
	PRINCIPAL	24,855	25,355	25,864	26,384	
Matures 7/23/2026	INTEREST	9,150	8,650	8,140	7,620	
TOTAL ANNUAL PAYMENT		\$1,106,555	\$1,240,655	\$936,766	\$913,766	\$881,762

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Borough of Park Ridge Summary Levy Cap Calculation

TAX LEVY CAP CALCULATION

2011 Amount to be Raised by Taxation for Municipal Budget	\$	8,472,640
Less:		
Prior Year Minimum Library Tax	\$	631,111
Prior Year Def. Charges to Future Taxation Unfunded		22,000
Prior Year Recycling Tax		14,000
		<u>667,111</u>
Net Prior Year Tax Levy Utilized for Municipal Tax CAP Calculation		7,805,529
2012 Allowable Adjustments		
2% CAP Increase	\$	156,111
Increase in Allowable Shared Service Agreements		4,070
Increase in Health Care Costs in excess of 2% to 10.3%		96,182
Increase in Pension Contributions in excess of 2%		4,542
Increase in Debt Service		41,100
Recycling Tax Appropriation		12,000
Current Year Deferred Charges - Emergencies		212,000
Current Year Minimum Library Tax		605,126
Added Value of New Construction		18,941
2011 Cap Bank		13,298
		<u>1,163,370</u>
Total Allowable 2012 Tax Levy	\$	8,968,899
Total Tax Levy Set Forth in 2012 Budget as Introduced		<u>8,794,600</u>
Total Amount Under Allowable Tax Levy CAP	\$	<u>174,299</u>

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Borough of Park Ridge Tax Rates

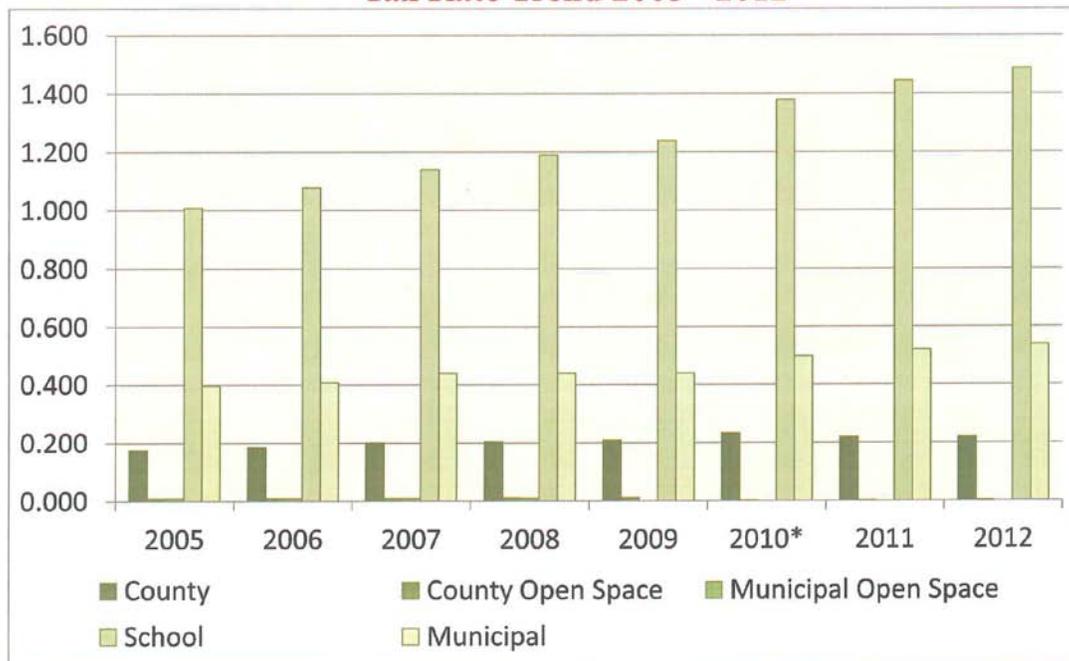
	2005	2006	2007	2008	2009	2010*	2011	2012
County	0.175	0.185	0.201	0.205	0.210	0.233	0.221	0.221
County Open Space	0.010	0.010	0.010	0.012	0.012	0.003	0.002	0.002
Municipal Open Space	0.010	0.010	0.010	0.010	0.000	0.000	0.000	0.000
School	1.008	1.078	1.140	1.191	1.240	1.380	1.445	1.492
Municipal	0.397	0.407	0.439	0.439	0.439	0.499	0.521	0.540
Total	1.600	1.690	1.800	1.857	1.901	2.115	2.189	2.255
County Equalization Ratio	107.00%	95.25%	85.50%	85.64%	86.89%	88.58%	100.00%	89.54%

* Restated based on 2011 Reassessment

County	9.80%
County Open Space	0.09%
School	66.16%
Municipal	23.95%

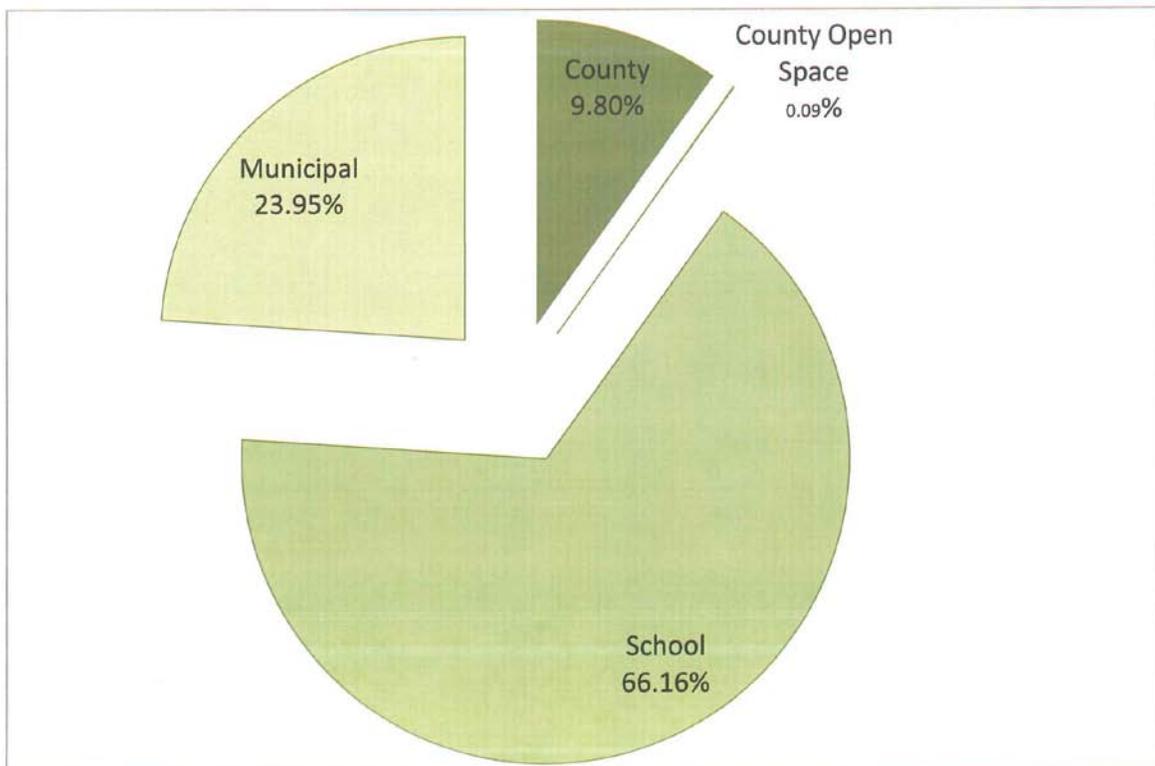
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Park Ridge Tax Rates County, School & Municipal Tax Rate Trend 2005 - 2012



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2012 Tax Breakout By %



Borough of Park Ridge Municipal Pool

	2012	2011	2011
	BUDGET	BUDGET	ACTUAL
REVENUES			
Surplus	\$12,290	\$18,800	\$18,800
Membership Fees	\$228,388	\$218,625	\$228,388
Miscellaneous	\$30,000	\$24,400	\$31,389
TOTAL REVENUES	\$270,678	\$261,825	\$278,577
OPERATING EXPENSES			
Salaries & Wages	\$107,000	\$107,000	\$100,795
Other Expense	\$141,618	\$132,575	\$112,419
Cost of Improvements	\$12,000	\$12,000	\$12,000
Pool Rehabilitation			
Social Security	\$8,010	\$8,200	\$7,945
Debt Service	\$2,050	\$2,050	\$1,580
TOTAL EXPENSES	\$270,678	\$261,825	\$234,739

Park Ridge Shared Services

NW Bergen Central Dispatch Services- based in Ridgewood for Tri-Boro towns.

Tri-Boro Ambulance - volunteer EMS services for Montvale, Woodcliff Lake and Park Ridge.

Tri-Boro Fuel Depot - shared Fuel agreement with Tri-Boro towns and Board of Education.

Senior Van - transportation services shared by Tri-Boro towns.

Pistol Range - Park Ridge facility shared with Emerson, Montvale, Woodcliff Lake and Upper Saddle River.

Sewer Flusher Equipment - shared with Montvale.

Municipal Court - shared with Montvale and Woodcliff Lake.

Recreation Field Maintenance - shared services with Board of Education.

Lightning Detection System - Shared with Montvale and Woodcliff.

Building Department:

Construction Code Official shared with Woodcliff Lake.

Plumbing Sub-Code official shared with Woodcliff Lake and River Vale and Montvale.

Fire sub-Code Official shared with River Vale.

Electric Power - Electric Department is a member of the Power Association of NJ, comprised of all nine municipal electric utilities in New Jersey & Sussex Rural Electric Cooperative, including a mutual aid agreement to share resources during storms & electric emergencies, and a cooperative purchasing agreement for bulk purchases of materials & supplies. Members have joined together to request proposals for our wholesale power requirements. This has been extremely beneficial to us, and has resulted in lower cost power costs and the lowest electric rates in Bergen County.

There are many more; this is just a sampling. We continue to look for ways to save costs without reducing the level of service we provide.

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Borough of Park Ridge 2012 Finance Committee

- **The 2012 Finance Committee would like to thank the Mayor and Council for their cooperation on the 2012 Municipal budget**
- **Thank you to all of the Borough of Park Ridge Department heads and employees who are always committed to providing efficient and economical government to the residents to Park Ridge**

“The department heads and employees have continued to do more with less and strive to make the Borough as efficient as we can be in these very difficult times while always providing the best services for Park Ridge.”

Councilman Rich Bosi - Chairman

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George Heller – 80 Second Street -thanked Councilman Bosi for the presentation. Mr. Heller asked for clarification on the equalization of ratio methods. He further stated that it appears that the values in Park Ridge have increased approximately 10%. Mr. Heller also asked for clarification on the message in the Mayor’s Newsletter in which the Mayor advised that the process began with a zero base for budgeting.

Councilman Bosi explained that the 2012 Budget process began with a zero increase over 2011. The Finance Committee went line by line through the budget. The Finance Committee started at zero and added back into the budget if a need was determined.

George Heller stated that over the years there had been a decrease in communications to the residents, he applauds the initiative to increase communication.

George Heller asked if the deferred expenses were related to Hurricane Irene and the October Snowstorm. Councilman Bosi stated that they were and that the payback was over 5 years. Jeff Bliss advised that under municipal accounting money received for projects that were bonded is offset by the grant when realized. Councilman Bosi reviewed increases in revenue and the Finance Committee's conservative approach to realizing those revenues in 2012.

Jeff Bliss explained the amount of money to be raised by taxes.

George Heller asked if the savings was realized as anticipated by the formation of the Pascack Joint Municipal Court. George Heller also asked how the court was doing. Councilman Bosi stated that the 2011 budget for the court was not correctly stated. Mayor Maguire advised that the Borough is realizing the savings expected. C. Ennis explained the transfers in January 2012 for the 2011 expenses. George Heller asked if the Police were happy with the new court set up. Mayor Maguire stated that they were very happy. The Borough has seen no increase in overtime as a result of the shared court.

George Heller stated that he feels the interest and principal associated with capital projects should be combined with the Capital expenses.

George Heller asked for clarification on the increase in health benefits. Councilman Bosi advised that it is the net increase after employee contributions. C. Ennis advised that factored into that figure is potential coverage changes. Mayor Maguire advised that the medical costs are rising at alarming rates. We are implementing the 4 year phase in of health care contributions. George Heller questioned the debt service; \$5 million in notes. George Heller commented on principal payments on notes. Jeff Bliss advised that some notes will be paid off, others will be bonded.

Patricia Grutta – 17 Pascack Road – questioned the salary and wage increase of \$75,000 overall Councilman Bosi advised this represented all employees

Dr. Robert Balentine – 6 Mae Court – asked if he could see when the bonds would be paid off and the amount of the bonds. Dr. Balentine also asked the status of the tax appeals for 2012. Councilman Bosi stated that there are fewer appeals this year than last year. Mayor Maguire stated that the market has not come back, Borough is dealing with it.

Councilman Bosi advised that the PowerPoint presentation would be on the Borough's website.

Mayor Maguire announced that the Library Board would be making their presentation next. This year is the first year that the Library Board is presenting separately, as the Library tax rate is noted separately on the tax bills. George Heller presented the Library Budget. Mr. Heller also stated that this is the first time that the Library tax is a separate line. Mr. Heller stated that last year there was a note in the tax bills explaining this.

Revenues

	Actual <u>2011</u>	Budget <u>2011</u>	Budget <u>2012</u>
Borough Appropriation	\$631,111	\$631,111	\$605,126
Donations*	3,393	100	100
Fines	9,025	9,000	9,000
ILL Income	4,567	2,500	1,100
Interest Income	126	1,000	100
Lost Books/AV/Cards	788	1,000	1,000
Miscellaneous	261	-	-
Non-Resident Fees	825	1,000	1,000
Sale of Books	1,460	-	-
Staff Purchases	305	-	-
State Aid	3,964	4,100	4,000
TOTAL	\$655,845	\$649,811	\$621,426
Appropriation of Fund Balances	\$68,100	\$68,100	\$72,400
TOTAL	\$723,945	\$717,911	\$693,826

*Memorial Garden Donations-- \$ 1,643

Park Ridge		
Equalized Valuation	\$1,893,335,887	\$1,815,378,415
1/3 mill	\$631,111	\$605,126

Expenses

	<u>Actual</u> <u>2011</u>	<u>Budget</u> <u>2011</u>	<u>Budget</u> <u>2012</u>
Audit	\$2,050	\$2,000	\$2,050
BCCLS Services	25,232	25,200	24,100
Borough Services	215,000	215,000	215,000
Deferred Expenses	23,000	25,500	-
Equipment Maintenance	4,236	5,500	4,500
Furniture & Equipment	9,501	20,000	26,650
Library Supplies	5,692	6,000	6,000
Membership	255	200	250
Misc/Contingencies	-	300	300
Pascack Valley ESL	2,000	2,000	2,000
Postage	617	800	700
Professional Development	100	300	800
Programs/Adult	820	1,500	1,500
Programs/Children	3,297	3,500	3,500
Public & Staff Relations	276	500	500
Salaries	288,133	288,211	292,376
Telephone	1,156	1,200	1,200
Web Design/Updates	2,400	2,400	2,400
Subtotal	\$583,766	\$600,111	\$583,826
<u>Circulating and Reference Materials:</u>			
Audio Visual	26,309	37,000	34,600
Books	53,808	51,720	54,000
Databases & eBooks	15,780	21,680	14,000
Subscriptions	9,535	7,400	7,400
Subtotal	\$105,432	\$117,800	\$110,000
Total	\$689,198	\$717,911	\$693,826

Mr. Heller stated that as was mentioned in the Park Ridge Progress Newsletter, each year 95% of the Library's revenue comes from the 1/3 mil funding. Mr. Heller reviewed the expenses of the Library; books, data bases, reference materials, Director and two full time employees as well as part time staff. Mr. Heller further stated that the Library board has practiced fiscal prudence for at least the past 13 years that he has been on the board.

Mayor Maguire stated that he serves as a trustee of the library board. He further stated that he commends the board for all their hard work. Mayor Maguire encouraged all residents to visit the library.

Dr. Robert Balentine stated that this is the first time in 40 years that a Mayor has served as a trustee.

Lucy Heller advised that the Library has a great book group that could use some new members.

George Heller stated that by State law the Mayor or his designee is a trustee of the Library Board. During his time, four governing body members have served. Mr. Heller advised that the governing body has always been well represented on the Library Board.

C. Ennis advised those present of the Property Tax Freeze Program; income base driven. It is a program available through the state. C. Ennis further advised that many seniors in Park Ridge participate. C. Ennis also reminded those present of the Homestead Rebate Program. Mayor Maguire thanked C. Ennis for all her hard work.

Mayor Maguire introduced Utility Board President George Mehm. George Mehm reviewed the events of Hurricane Irene and October Snowstorm. George Mehm also complimented the staff for all their efforts.

BOARD OF PUBLIC WORKS



BUDGET MEETING

April 24, 2012

This presentation is available on the Borough's web site at
<http://www.parkridgeboro.com>

BOARD OF PUBLIC WORKS

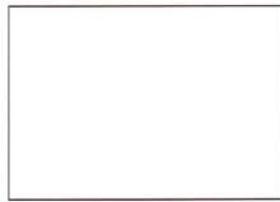
Terence Maguire, Mayor
George J. Mehm, Jr., President
John D. Pouletsos, Vice President
Robert A. Ludwig
Matthew J. Levinson
Dr. Charles Moore
Andrew Matuson
Richard Bosi, Council Liaison
Colleen Ennis, Director of Finance



William Beattie
Director of Operations



Paul Longo
Supervisor of Electric Dist.



OPEN
Project Engineer



William Hahn
Supervisor of Water & Sewer



Peter Wayne
Supervisor of Public Works



Public Works Operations Staff

Park Ridge Office Staff



Pictured from left to right: Liz Maggio, Tom Mazarella, Angela Kent, Jessica Mazarella, Jeannine Hosselet, Colleen Ennis, Joseph Barnes, Joan Higgins, Carole Reen

Utility and Public Works Shared Services

- **Joint Managed Contract Request For Proposals for Wholesale Power Supply** – Park Ridge, Seaside Heights, Lavallette and South River have joined together and are using a new managed contract approach to procure wholesale power. This has resulted in lower power costs **and this savings is being passed along to our customers. Four other NJ municipal utilities (Madison, Butler, Pemberton and Milltown) have joined in the bidding in 2012.**
- **Tri-Boro Fuel Depot** – Unleaded and Diesel fueling station shared with Montvale and Woodcliff Lake.
- **Sewer Flusher** – We joined with Emerson and in 2010 we received a new Sewer flusher truck at no cost through a grant that was applied for through Bergen County. Emerson, Park Ridge and Montvale use this sewer flusher.
- **Sewer Camera** – Shared with several towns in the Pascack Valley for video inspection of sewer mains.

-
- **Public Power Association of New Jersey (PPANJ)** – Electric Department is a member of this service association comprised of all nine municipal electric utilities in New Jersey and Sussex Rural Electric Cooperative. Benefits include:
 - Share legal, engineering, administrative and consulting costs to monitor and act on both state and federal regulatory matters.
 - Share purchase of low-cost hydroelectric power from federally-funded projects on the St. Lawrence.
 - Joint power proposal contracts.
 - Mutual aid agreement so members can help each other with manpower and resources during storm and other electric emergencies.
 - Cooperative purchasing agreement so members can perform bulk purchases of materials and supplies.

 - **Joint Municipal Shared Services Energy Corporation** – To enable the NJ municipal electric utilities to purchase energy contracts, power facilities, and other shared services. This is subject to legislative approval and the Governor's signature. Bills were approved by the Assembly in 2011 but not the NJ Senate. The bills were re-introduced in 2012.
-
-
- **American Public Power Association (APPA)** – Park Ridge Electric Department is a member of National APPA, comprised of municipally-owned electric utilities throughout the country. The main function this organization provides is for the monitoring and support for regulatory matters that could affect municipal electric utilities. They also provide educational materials and training.

 - **New Jersey American Water Works Association (NJAWWA)** – Park Ridge Water Department is a member of the New Jersey AWWA, comprised of water utilities and professionals in New Jersey. This organization provides support and training for the water utilities. Also monitors and provides guidance to the New Jersey Legislators to promote public health and welfare in the provision of drinking water of unquestionable quality and sufficient quantity.

 - **New Jersey Water Association** – Park Ridge Water Department is a member of this organization which is comprised of the smaller water utilities in New Jersey. This organization provides support and free training programs for the water department staff. Because most of our staff have obtained their operator's licenses, this organization provides an excellent tool for the employees to keep up with their required continuing education credits at a minimal cost. They also provide additional monitoring and guidance for regulatory issues in New Jersey.
-

FINANCE DEPARTMENT STAFFING

<i>Position</i>	<i>Employee</i>	<i>Years of Service</i>
<i>CFO/Utility Treasurer</i>	Colleen Ennis	4*
<i>Assistant Treasurer</i>	Jeannine Hosselet	2**
<i>Assistant Treasurer</i>	Angela Kent (p-t)	10
<i>Principal Account Clerk</i>	Nancy Russell	17
<i>Principal Account Clerk</i>	Liz Maggio	5
<i>Senior Cashier</i>	Joseph Barnes	14
<i>Clerk Typist/Cashier</i>	Jessica Mazzarella	7
<i>Account Clerk</i>	Thomas Mazzarella	1

* 12 years of experience prior to employment with Park Ridge

** 10 years of experience prior to employment with Park Ridge

Average Years of Service: 8

ROADS, GROUNDS, VEHICLE MAINTENANCE STAFFING

<i>Position</i>	<i>Employee</i>	<i>Years of Service</i>
<i>General Supervisor</i>	Peter Wayne	21
<i>Road Supervisor</i>	Bill Diedtrich	19
<i>Road Repairer</i>	John Woods	7
<i>Road Repairer</i>	Rich Solimando	4
<i>Road Repairer</i>	Joseph Zuccaro	4
<i>Road Repairer</i>	Jason Coughenour	4
<i>Road Laborer</i>	Steven Morey	1
<i>Mechanic</i>	Ken Nibbling	8*
<i>Buildings and Grounds</i>	Chuck Deitrich	21

* 13 years experience as a truck mechanic prior to employment with Park Ridge

Average Years of Service: 10

Public Works – What winter?



However, we had two major weather events:

Hurricane Irene - August 28, 2011:

- Utilities and Public Works Staff were very pre-prepared for the impending storm. Staff was on-site ready for the emergencies
 - Hurricane delivered over 8” of rain and high winds
 - DPW cleared a number of trees that came down during the storm. Assisted the electric department in tree removals.
 - Electric crew repaired seventeen primary and secondary electrical problems.
 - Power was restored to all residents by 10PM on August 28.
-

- Major flooding occurred. Damage to Borough Hall, Public Works Buildings, and Parks

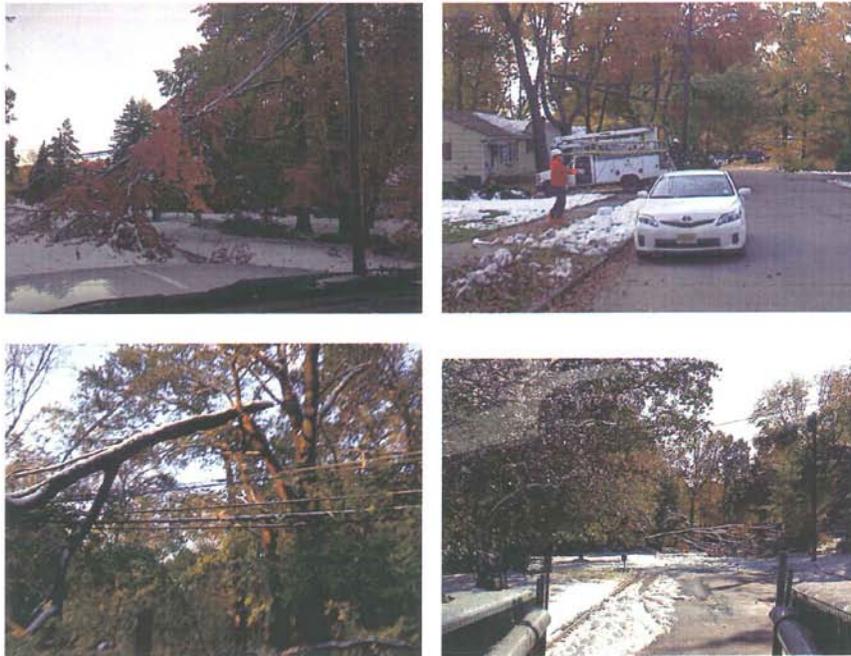


- DPW spent weeks picking up debris and cleaning up the Borough's facilities and parks. Approximately 1,500 yards of brush was picked up curbside from the residents as a result of this storm.
- Borough authorized emergency funding and contractors were hired to expedite the repairs



October 29 Snow Storm (Halloween Storm):

- Heavy snow in early fall with leaves still on trees caused unprecedented volume of trees and limbs coming down.
- Caused the most extensive damage to the electric system in a number of decades.
- Downed power lines and services resulted in many localized power failures throughout the town (over 200 calls).
- Entire public works crew worked around the clock for several days to plow and remove storm debris and trees
- Electric crew worked for one week straight (only stopping to sleep) to resolve the problems.
- Two retired linemen were called in to assist with the restoration.
- Storm hit on Saturday and by Tuesday night all of the customers had power back. Much sooner than PSE&G and the other large utilities.

October 29 Snow Storm (Halloween Storm):

ROADS, GROUNDS, VEHICLE MAINT

2012 PROJECTS

- Continue to work to improve the turf conditions in the parks and ballfields
- Continue to process approximately 2,000 tons of recyclables and refuse delivered by residents to the Borough's recycling facility.
- Continue to maximize the use of Borough equipment and personnel to save recycling and solid waste costs.
- Continue to implement improved recycling and solid waste services.
 - Open every Saturday from 9AM-12PM (also Wednesday's 9AM-3PM)
 - E-waste collection at the Borough's recycling center implemented last year.
 - Free On-Site Shredding Events
 - We now accept seven types of recycling plastics
 - Business use of recycling center initiated last year and continued for this year.
 - Working cooperatively with the schools to improve their recycling
- Continue employee-training programs.

WATER AND SEWER DEPARTMENT STAFFING

<i>Position</i>	<i>Employee</i>	<i>Years of Service</i>
<i>General Supervisor</i>	William Hahn	24
<i>Water Supervisor</i>	Ken Reynolds	26
<i>Water Repairer</i>	Jay Ottens	26
<i>Water Repairer</i>	Jim Babcock	31
<i>Water Repairer</i>	Dan Boyle	19
<i>Water Repairer</i>	Mark Gronbeck	10
<i>Water Repairer</i>	Kevin Altomare	25
<i>Sewer Repairer</i>	OPEN	

Average Years of Service: **23**

SEWER

2012 PROJECTS

- Continue aggressive grease trap inspection program.
- Work with local merchants to educate and implement better grease trap program.
- Improved reporting and record keeping.
- Continue program to reduce infiltration and inflow.
- Replace worn out sewer manholes.
- Utilize new shared sewer flusher truck with Montvale and Emerson purchased through a Bergen County grant.
- Utilize sewer camera to perform internal visual inspections of our sewer collection system.

WATER

2012 PROJECTS

- Resin replacement at the Well #9/15 treatment facility (\$100,000).
- Carbon change at the Well #4 and Well #1&2 treatment facilities (\$50,000).
- Complete the installation of the Well #3 replacement well. Everything complete and we are waiting for the NJDEP permit to operate (\$130,000).
- Complete the installation of the Well #13 arsenic treatment facility. Work is 90% complete with the project. Expect to have the plant online by June 1 (\$430,000).
- Bid for and implement the painting and rehabilitation of the Holly Court two million gallon water storage tank (\$950,000).
- Relocate spare backup generator to Well #16 (\$40,000)
- Determine location for Well #21 "Test Well" in Woodcliff Lake.
- Contract for semi-annual leak detection survey.
- Continue employee-training programs.

WATER

Building for the Future

2013 System Improvements

- Install new backup generator at Well #17 - \$100,000
- Design and obtain permit for the Well #21 pumping facility on property provided by Woodcliff Lake - \$50,000
- Water distribution improvements - \$100,000

2014 System Improvements

- Construct Well #21 pumping facility - \$600,000 to \$800,000
- Water distribution improvements - \$100,000

2015 System Improvements

- Water distribution improvements - \$100,000

Comparison of Annual Numbers 2009-2011

<u>Gallons Billed</u>	
2011	630,060,000
2010	732,919,000
2009	586,080,000
<u>Revenue (from Water Sales)</u>	
2011	2,384,423
2010	2,610,654
2009	2,226,252
<u>Precipitation (inches)</u>	
2011*	69.91
2010	47.03
2009	47.93

* Note: Nineteen (19) inches of rain in August

WATER UTILITY BUDGET

A. REVENUES	11 MODIFIED		11 ACTUAL
	12 BUDGET	BUDGET	
1 SURPLUS	\$ 335,648	\$ 762,800	\$ 762,800
2 RENTS	2,380,000	2,399,000	2,383,345
3 MISCELLANEOUS	270,000	303,000	273,089
4 RESERVE FOR WCL CAPITAL	588,452		
TOTAL REVENUES	\$ 3,574,100	\$ 3,464,800	\$ 3,419,234
B. OPERATING EXPENSES			
1 SALARY AND WAGES	\$ 1,176,000	\$ 1,197,000	\$ 1,087,963
2 OTHER EXPENSES	1,574,600	1,477,000	1,251,939
3 GROUP INSURANCE EMPLOYEES	375,000	318,300	325,538
4 CAPITAL OUTLAY	236,500	261,500	100,106
5 SOCIAL SECURITY	90,000	92,000	91,722
6 CAPITAL IMPROVEMENT FUND	25,000	25,000	-
7 PUBLIC EMPLOYMENT RETIREMENT	97,000	94,000	93,079
8 OVEREXPENDITURE RESERVES	-	-	-
TOTAL EXPENSES	\$ 3,574,100	\$ 3,464,800	\$ 2,950,348

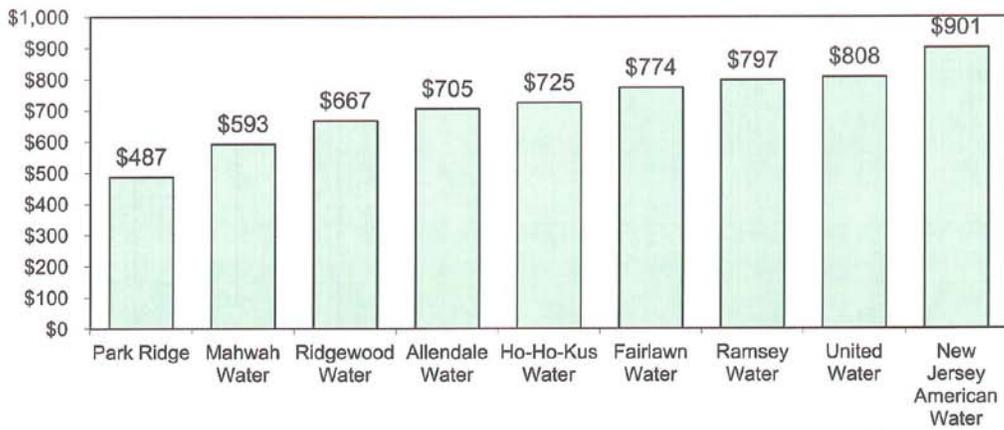
Surplus

\$422,300 January 1, 2012
 \$335,648 2012 Appropriation
 \$86,652 Balance

WATER UTILITY BUDGET (2010-2012)

REVENUES	12		
	BUDGET	11 ACTUAL	10 ACTUAL
SURPLUS	\$ 335,648	\$ 762,800	\$ 830,721
RENTS	2,380,000	2,383,345	2,610,654
MISCELLANEOUS	270,000	273,089	422,847
RESERVE FOR WCL CAPITAL	588,452		16,000
TOTAL REVENUES	\$ 3,574,100	\$ 3,419,234	\$ 3,880,222
OPERATING EXPENSES			
SALARY AND WAGES	\$ 1,176,000	\$ 1,087,963	\$ 1,043,875
OTHER EXPENSES	1,574,600	1,251,939	1,461,300
GROUP INSURANCE EMPLOYEES	375,000	325,538	275,410
CAPITAL OUTLAY	236,500	100,106	141,617
SOCIAL SECURITY	90,000	91,722	74,271
CAPITAL IMPROVEMENT FUND	25,000	-	25,000
PUBLIC EMPLOYMENT RETIREMENT	97,000	93,079	82,721
OVEREXPENDITURE RESERVES	-	-	-
TOTAL EXPENSES	\$ 3,574,100	\$ 2,950,348	\$ 3,104,194

**Comparison of Annual Water Bills
Based on Average Customer Using 34,000 Gallons per Quarter**



Park Ridge's rates are **40% lower** than United Water's rates.

ELECTRIC DEPARTMENT STAFFING

<i>Position</i>	<i>Employee</i>	<i>Years of Service</i>
<i>General Supervisor</i>	Paul Longo	8(*16)
<i>Line Supervisor</i>	James Leichtnam	6(**18)
<i>Senior Line Worker</i>	Shane Geanoules	3(***5)
<i>Line Worker</i>	Paul Neumann	25
<i>Line Worker</i>	Silvestre Jose	2 (****6)
<i>Line Worker</i>	OPEN	
<i>Line Worker</i>	OPEN	
<i>Electrician/Line Worker</i>	Bob Murken Jr.	18
<i>Meter Reader</i>	John Reynolds	27

* 16 years experience with PSE&G prior to employment with Park Ridge

**18 years experience with PSE&G prior to employment with Park Ridge

***5 years experience with PSE&G prior to employment with Park Ridge

****6 years experience with PSE&G prior to employee with Park Ridge

Average Years of Service: 13

ELECTRIC

2012 PROJECTS

- Installation two new substation circuit breakers for the Mill Road substation to replace 30 year old equipment (purchased in 2011).
- Continue to replace power lines to upgrade and standardize the electric distribution system.
- Finalize the update of the Long-Range Engineering Plan, including replacement of two main transformers at Mill Rd., back-up to a failure of one of the substations, additional circuit upgrades.
- Complete Various Distribution system improvements – Leach Avenue, Wield Court, Borough Hall driveway
- Complete substation testing and maintenance at the Mill Road substation
- Continue using electric department staff expertise for municipal installations (street and recreational lighting, computer networks, etc.).
- Continue employee-training programs.

ELECTRIC

Building for the Future

2013 System Improvements

- Begin modification of Mill Road substation in preparation of the eventual replacement of the main substation transformers

2014 System Improvements

- Add new circuit 4000 from Mill Road Substation to Southeast area of the Borough - \$290,000
- Continue modification of Mill Road substation in preparation of the eventual replacement of the main substation transformers

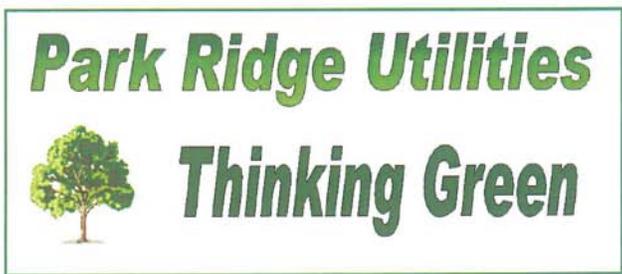
2015 System Improvements

- Reconfigure Circuits 4001, 4003, and 4006 - \$100,000
- Replacement of one of the Mill Road Substation transformers - \$1.2-\$1.5 million

Electric Department's Extra Benefits to Municipality					
	2008	2009	2010	2011	2012
*In Lieu of Budget Transfer	400,000	500,000	500,000	500,000	500,000
Street Lighting	195,000	195,000	200,000	200,000	200,000
Employees funded out of Electric Department	108,000	108,000	101,000	101,000	102,000
Discounted electric rates for municipal facilities	50,000	50,000	50,000	50,000	50,000
*Renovation of Municipal Building Roof	-	125,000	-	-	-
*Extra Payment - 2010	-	-	125,000	125,000	125,000
*In Lieu of Taxes	30,000	30,000	30,000	30,000	30,000
Tree Trimming	30,000	30,000	30,000	30,000	30,000
Misc Work (electrical work, cabling, etc)	20,000	21,000	22,000	22,000	22,000
Senior Citizen Rate Savings	36,000	36,000	36,000	36,000	36,000
Computers Purchases and Maintenance	15,000	15,000	15,000	15,000	15,000
Holiday Decorations/Banners	10,000	10,000	10,000	10,000	5,000
Use of equipment during snow operations	10,000	10,000	10,000	10,000	10,000
Maintaining Traffic Signals	10,000	11,000	12,000	12,000	12,000
Sports Lighting Bulbs and Maintenance	10,000	11,000	12,000	12,000	12,000
Contribution to the Rehabilitation of Sulak Field	-	-	16,000	-	-
Contribution for the study of Mill Pond	-	-	-	-	10,000
Total	924,000	1,152,000	1,169,000	1,153,000	1,159,000

Water Department's Extra Benefits to Municipality					
	2008	2009	2010	2011	2012
Employees funded out of Water Department	109,000	109,000	150,000	150,000	170,000
Reduced Hydrant Fee	140,000	140,000	140,000	140,000	140,000
* Rental Fee	105,000	105,000	105,000	105,000	105,000
* Reimbursement of Expenses	100,000	100,000	100,000	100,000	100,000
Misc Work (plumbing work, stormwater, etc)	10,000	11,000	12,000	12,000	12,000
Use of equipment during snow operations	10,000	11,000	12,000	12,000	12,000
Total	474,000	476,000	519,000	519,000	539,000

Grand Totals	1,398,000	1,628,000	1,688,000	1,672,000	1,698,000
* Direct Transfers	605,000	830,000	830,000	830,000	830,000



Toyota Prius Hybrid



Ford Escape Hybrid



Toyota Camry Hybrid

The Park Ridge Water and Electric Conservation Measures

- Bi-Annual Leak Detection for Entire Water System: Twice a year, the Park Ridge Water Department hires a leak detection consultant to survey the entire water system using specialized equipment to look for distribution system leaks. After each session, a report is generated and the Park Ridge Water Department repairs the leaks. This results in our system having a very low unaccounted-for water measurement (Gallons Pumped vs. Gallons Billed)
 - National Average Unaccounted-for Water Rate – 12%
 - Park Ridge Water Department's 2012 Unaccounted-for-Water – 9%
- Electric and Water SCADA Systems: The Park Ridge Electric and Water Systems are monitored by a supervisory control and data acquisition system (SCADA) which allows us to monitor the real time water and electric system demands. By closely monitoring the demands we can see if there are potential water main breaks (e.g. high demand in the middle of the night). We also monitor chlorine residuals, flow, pressure and well level depths in real time.
- Water System Peak Shaving Power Save Mode: We have built into our water system control program, a setting where we can shut down the wells and run the systems off the tank pressure for several hours during periods of peak electric use. By shutting the wells off during the peak periods, our electric system load factor is improved and our capacity charges are reduced
- Demand Response Programs: During periods of high electric load, we can activate our backup emergency generators to supply the power to our pumping and municipal facilities. This removes load off of the grid and can also improve our capacity charges. We also plan to work with the large commercial customers to try to implement cooperative demand response programs.
- Air Conditioner Cycling Switches: We were able to implement a program in Park Ridge where over 600 air conditioner cycling switches are installed on air conditioner compressors. During periods of peak loads and/or during emergency conditions we can activate them and reduce our electric peak demand and therefore our costs. Power will not need to be generated at peak using least efficient generators. Due to changes in FCC radio regulations, we will be investigating options for this program.

The Park Ridge Utility Garage Solar System

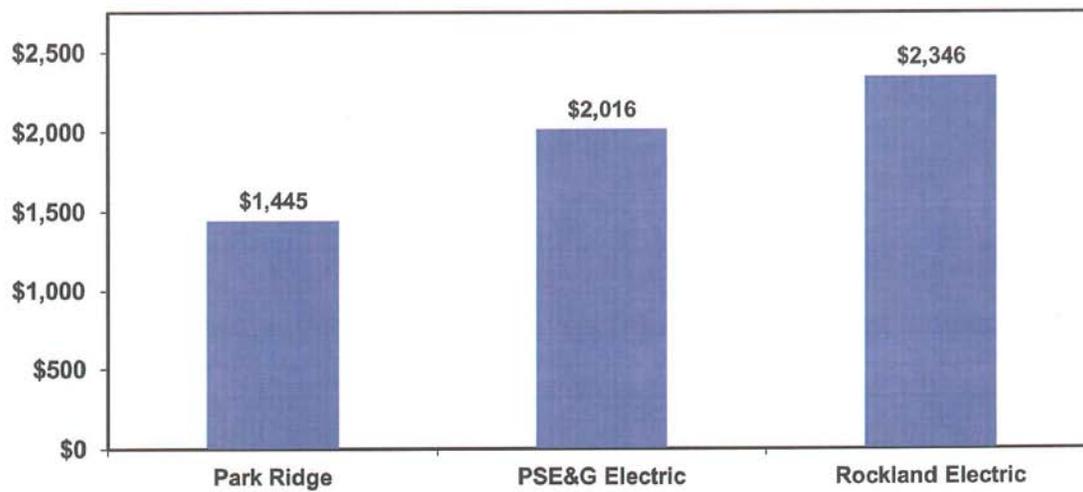


- Cost of Installation (including engineering): \$195,000
- The construction for the project started in March 2010 and was completed and went online in June 2010
- Total DC capacity for the system: 29.7 KW
- Financial benefits as of March 2012:
 - \$29,700 rebate received from the NJ Office of Clean Energy
 - \$25,030 received for solar energy renewable credits (SRECs)
 - \$8,109 in reduced electric costs
 - **\$62,839 in total benefits**

Electric Dept Annual Numbers (2009-2011)

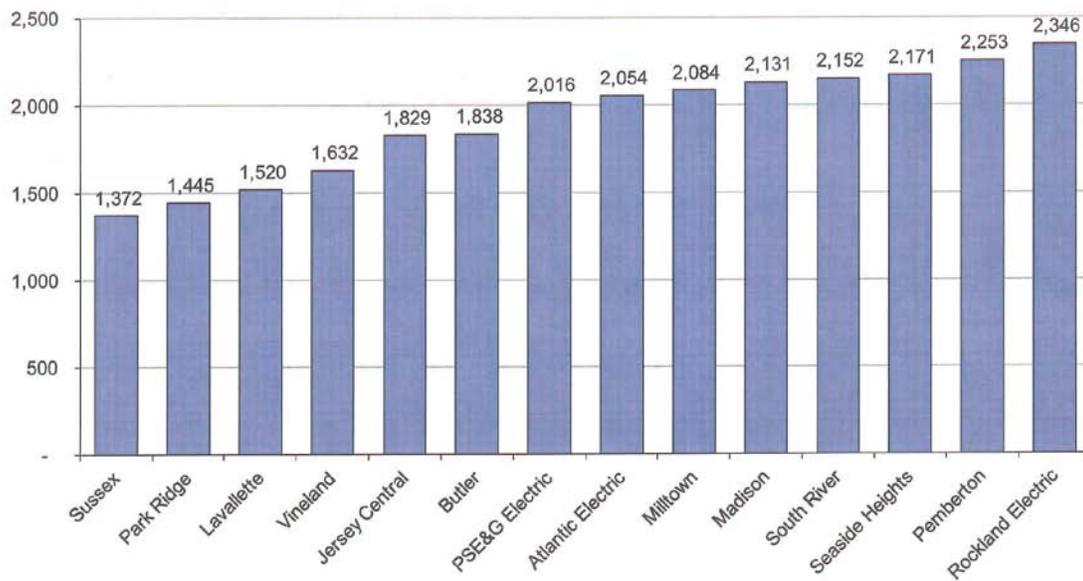
	<u>Purchase of Current</u>	<u>(\$)/KWH</u>
2011	\$6,832,594	\$ 0.093
2010	\$7,006,107	\$ 0.095
2009	\$7,069,497	\$ 0.102
<u>Energy Billed (KWH's)</u>		
2011	70,788,091	
2010	70,053,814	
2009	65,775,935	
<u>Revenue (from Energy Sales)</u>		
2011	10,019,928	
2010	9,903,930	
2009	9,911,182	
<u>Heating/Cooling Degree Days</u>		
	<u>HDD</u>	<u>CDD</u>
2011	4,275	1,585
2010	4,443	1,671
2009	4,755	1,109

**Annual Residential Electric Cost Comparison
(based on typical Park Ridge residential load)**



Park Ridge rates are 28% lower than PSE&G
Park Ridge rates are 38% lower than ROCKLAND ELECTRIC

**Annual Residential Electric Cost Comparison
(based on typical Park Ridge residential load)**



ELECTRIC UTILITY BUDGET

	12 BUDGET	11 MODIFIED BUDGET	11 ACTUAL
A. REVENUES			
1 SURPLUS	\$ 796,335	\$ 634,479	\$ 634,479
2 LIGHT AND POWER	9,400,000	9,440,000	10,031,244
3 MISCELLANEOUS	50,000	45,000	154,629
TOTAL REVENUES:	\$ 10,246,335	\$ 10,119,479	\$ 10,820,352
B. OPERATING EXPENSES			
1 PURCHASE OF CURRENT	\$ 6,846,000	\$ 6,923,000	\$ 6,832,594
2 SALARY AND WAGES	1,012,000	1,060,000	897,128
3 OTHER EXPENSES	672,700	530,500	520,730
4 GROUP INSURANCE EMPLOYEES	363,000	334,500	340,607
5 IN LIEU FR & GR RECEIPT TAXES	500,000	500,000	500,000
6 PAYMENT IN LIEU OF TAXES-CURRENT	155,000	155,000	155,000
7 CAPITAL OUTLAY	243,500	203,500	158,090
8 CAPITAL IMPROVEMENT FUND	100,000	55,000	-
9 PUBLIC EMPLOYEES RETIREMENT SYSTEM	100,000	97,000	96,583
10 SOCIAL SECURITY	80,000	82,000	75,183
11 OVEREXPENDITURE RESERVE	-	-	-
12 BOND PRINCIPAL	125,000	125,000	125,000
13 BOND INTEREST	49,135	53,979	26,989
TOTAL EXPENSES:	\$ 10,246,335	\$ 10,119,479	\$ 9,727,904

Surplus
 \$1,114,969 January 1, 2012
 \$796,335 2012 Appropriation
 \$318,634 Balance

ELECTRIC UTILITY BUDGET (2009-2012)

REVENUES	12	11 MODIFIED	10 MODIFIED	09 MODIFIED
	PROJECTED	BUDGET	BUDGET	BUDGET
SURPLUS	\$ 796,335	\$ 634,479	\$ 694,491	\$ 760,143
LIGHT AND POWER	9,400,000	9,440,000	9,700,000	9,950,000
MISCELLANEOUS	50,000	45,000	73,000	75,000
TOTAL REVENUES:	\$ 10,246,335	\$ 10,119,479	\$ 10,467,491	\$ 10,785,143
OPERATING EXPENSES				
PURCHASE OF CURRENT	\$ 6,846,000	\$ 6,923,000	\$ 7,271,000	\$ 7,650,000
SALARY AND WAGES	1,012,000	1,060,000	1,108,000	1,005,000
OTHER EXPENSES	672,700	530,500	572,500	689,925
GROUP INSURANCE EMPLOYEES	363,000	334,500	307,000	337,075
IN LIEU FR & GR RECEIPT TAXES	500,000	500,000	500,000	500,000
PAYMENT IN LIEU OF TAXES-CURRENT	155,000	155,000	155,000	-
CAPITAL OUTLAY	243,500	203,500	224,500	268,000
CAPITAL IMPROVEMENT FUND	100,000	55,000	5,000	5,000
PUBLIC EMPLOYEES RETIREMENT SYSTEM	100,000	97,000	84,637	65,670
SOCIAL SECURITY	80,000	82,000	82,000	81,000
OVEREXPENDITURE RESERVE	-	-	-	22,551
BOND PRINCIPAL	125,000	125,000	100,000	100,000
BOND INTEREST	49,135	53,979	57,854	60,922
TOTAL EXPENSES	\$ 10,246,335	\$ 10,119,479	\$ 10,467,491	\$ 10,785,143

**NEW MANAGED CONTRACT APPROACH TO PROCURING
WHOLESALE POWER**

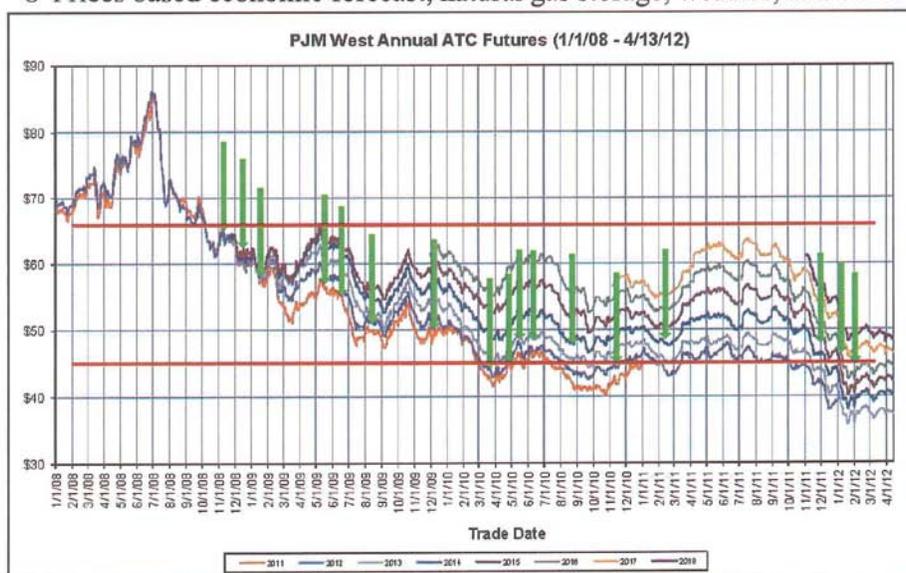
- In 2008 Park Ridge decided to join with South River, Seaside Heights, and Lavallette to procure wholesale power requirements using an alternate "Managed Contract" approach as opposed to the fixed price, full-requirements method. Four other NJ municipal utilities (Madison, Butler, Pemberton and Milltown) have joined in the bidding in 2012
- The municipalities contracted with American Power Net to provide procurement advice and wholesale electric procurement services.
- We needed to join the PJM Interconnection which is the regional transmission organization that coordinates the movement and settlement of wholesale electricity.
- Approach approved by the NJ Department of Community Affairs

NEW MANAGED CONTRACT APPROACH TO PROCURING WHOLESALE POWER

- Using this process, we request proposals and purchase blocks of energy from suppliers at various times to build up a portfolio of contracts for the Borough's power requirements.
- This new approach gives us the ability to monitor the power supply market and purchase some of our requirements, either on a regular basis OR when there are dips in the wholesale electricity futures prices.
- We have been very successful since implementing this program. Our first wholesale purchases using this approach were for the term beginning 6/1/09 through 5/31/10.
- Since November 2009, we have gone out to the market with request for proposals (RFP's) and purchased blocks of power seventeen (17) times. We have purchased our block power requirements through May 2016.

Electricity Futures Market Factors

- Largely based on natural gas futures prices.
- The further you purchase out in the market, the bigger the year-to-year spread.
- Prices based economic forecast, natural gas storage, weather, and other factors.



Wholesale Power Purchase Summary

June 2009- May 2010

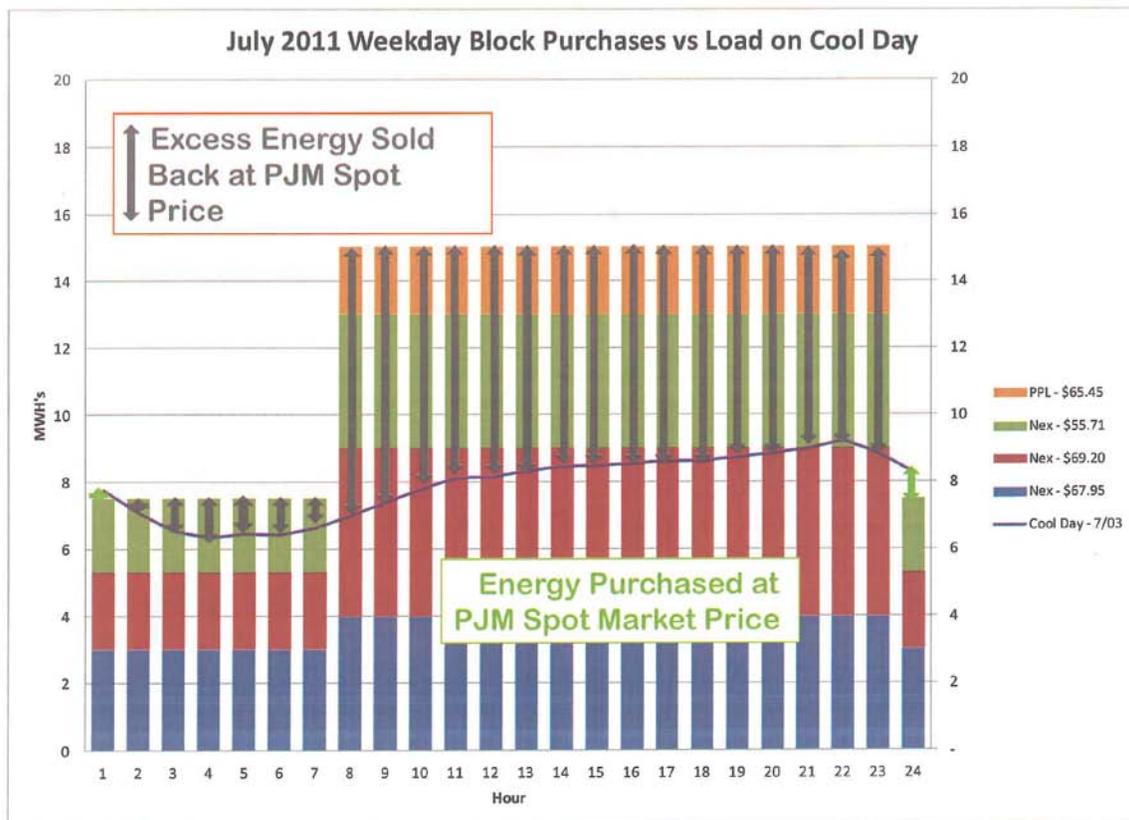
Date Purchased	Product	Price	Delivery	Company
11/6/2008	1st Traunch	66.40	Western Hub	Nextera
12/10/2008	2nd Traunch	60.75	Western Hub	DTE
1/21/2009	3rd Traunch	54.10	Western Hub	Nextera
12/10/2008	2x16	68.00	Western Hub	PSE&G
1/21/2009	2x16	59.15	Western Hub	Nextera
6/17/2009	Superpeak	97.00	PSE&G Zone	PSE&G

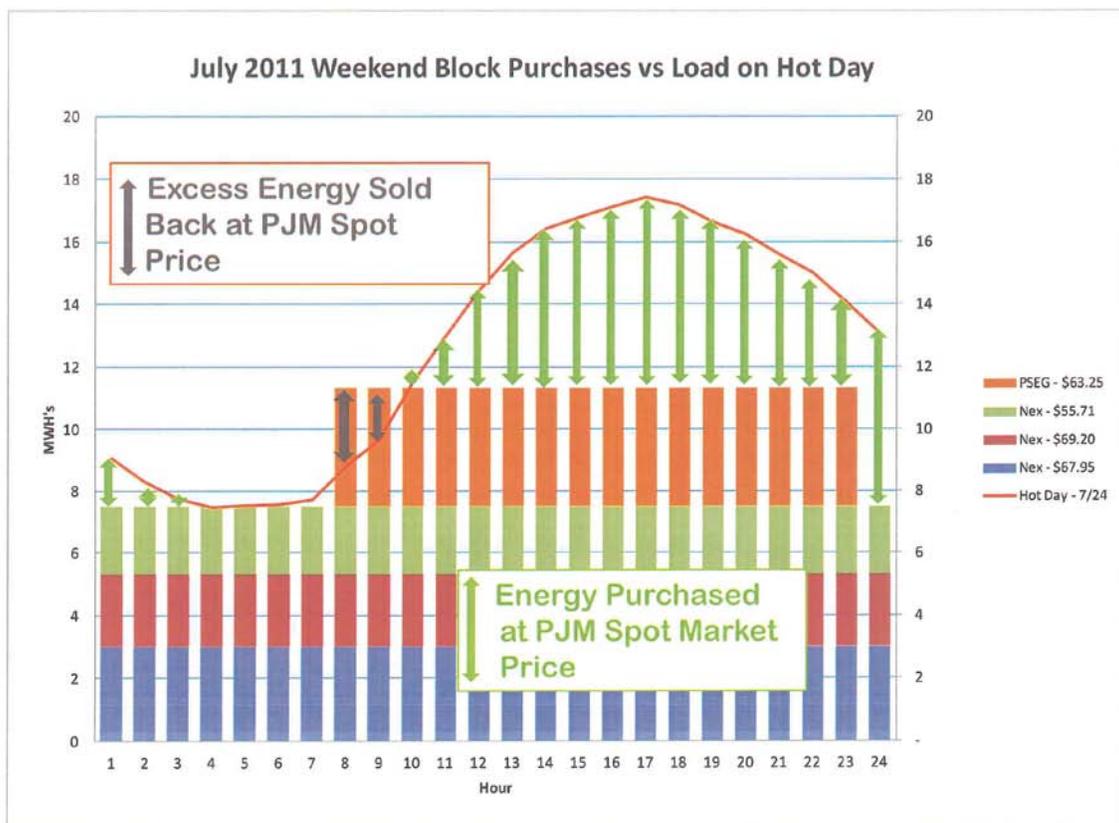
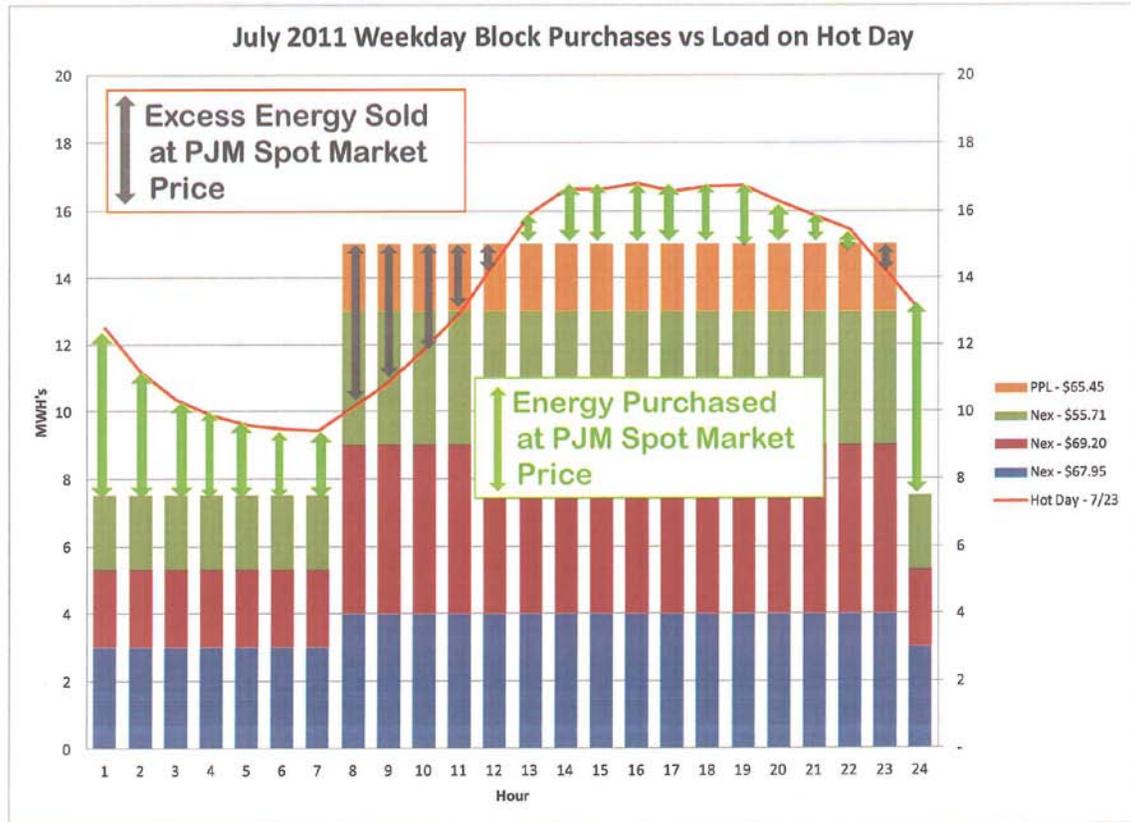
June 2010- May 2011

Date Purchased	Product	Price	Delivery	Company
1/21/2009	1st Traunch	58.95	Western Hub	Nextera
5/14/2009	2nd Traunch	72.81	Hillsdale Node	Nextera
8/12/2009	3rd Traunch	62.85	Hillsdale Node	Nextera
8/12/2009	2x16	71.50	PSE&G Zone	PSE&G

June 2011- May 2012

Date Purchased	Product	Price	Delivery	Company
8/12/2009	1st Traunch	67.95	Hillsdale	Nextera
12/7/2009	2nd Traunch	69.20	Hillsdale	Nextera
3/24/2010	3rd Traunch	55.71	Hillsdale	Nextera
3/24/2010	2x16	63.25	Hillsdale	PSE&G
11/15/2010	Summer Peak	65.45	PSE&G Zone	PPL





The results have been very favorable:

Actual Total Cost of Energy - June 1, 2008 to May 31, 2009 – 11.4 ¢ per kwh

Actual Total Cost of Energy - June 1, 2009 to May 31, 2010 – 9.9 ¢ per kwh

Actual Total Cost of Energy - June 1, 2010 to May 31, 2011 – 9.9 ¢ per kwh

Estimated Total Cost of Energy - June 1, 2011 to May 31, 2012 – 9.4 ¢ per kwh

Wholesale Component Budget Costs Comparison				
	2011	2012	2013	2014
Energy	4,841,213	4,816,265	4,520,030	4,258,190
Capacity	1,141,999	1,089,868	1,685,996	1,733,568
Transmission	592,446	556,641	696,482	696,482
Others	336,811	265,885	233,521	233,521
Total	6,912,469	6,728,660	7,136,028	6,921,761

Percentage of Total Cost Comparison				
	2011	2012	2013	2014
Energy	70%	72%	63%	62%
Capacity	17%	16%	24%	25%
Transmission	9%	8%	10%	10%
Others	5%	4%	3%	3%

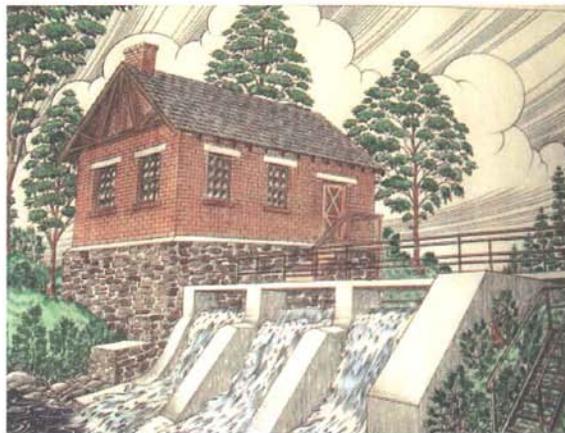
Possible Rate Actions

Electric Department Factors:

- Drop in electric wholesale energy costs for 2012
- Less sales due to weather and economy
- Increase in capacity costs
- Large capital program

Water Department Factors:

- Expenses exceeding revenue by a widening margin
- Large capital program
- Increasing ongoing filtration costs
- No increase in fifteen (15) years



Questions?

George Mehm advised those present that the Utility Board had started discussions on possible rate actions on Electric and Water.

Mayor Maguire thanked George Mehm.

George Heller commented on the problems faced by Park Ridge with Hurricane Irene and the October Snowstorm. He commended the work done by the crews and the organizational approach to cleaning up the mess. Outside contractors were employed by the town. Hiring the outside contractors to clean up the mess enabled our guys to work on the power lines and such.

George Mehm commented on the communication between the employees and the residents during those storms.

George Heller asked George Mehm to explain the capacity charges. Mr. Mehm explained that it was what we pay to use the generating equipment. George Heller asked about the solar panel installation at the Utility Garage.

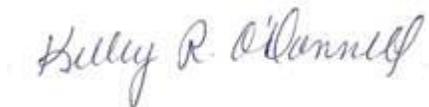
Dr. Robert Balentine complimented Park Ridge, stating we were prepared, did what needed to be done. Trees are trimmed every four years.

Mayor Maguire stated that it never ceases to amaze him that Park Ridge always has its water and electric, but it does not surprise him. Mayor Maguire further stated that he is certain that Bill Beattie is resting a little bit easier with the completion of the two new feeders coming into Park Ridge.

Mayor Maguire stated that concluded the Public Hearing on the 2012 Municipal Budget. He thanked the Utility Board, Library Board, Councilman Bosi, Councilwoman Kilmartin, Colleen Ennis and Kelley O'Donnell.

Meeting adjourned to Public Work Session at 10:10 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Kelley R. O'Donnell".

Kelley R. O'Donnell, RMC
Borough Clerk/Administrator