

**State of New Jersey**  
**Department of Local Government Services**  
**Bureau of Authority Regulation**  
[www.nj.gov/dca/lgs/](http://www.nj.gov/dca/lgs/)  
**Annual Meeting of State Organization of Fire Districts**  
**Wildwood, NJ September 17, 2010**

Budget Calendar-2011 Budget Season

**New Information:**

**Local Finance Notice 2010-6**

P.L. 2009, c.205: Permits members of volunteer fire company and emergency response squads to hold municipal elective office. Effective January 15, 2010.

\* **The law does not permit a volunteer to serve as a fire district commissioner for the fire district in which they are a volunteer; it only affects service on a municipal governing body.**

**Local Finance Notice 2010-13**

Governor Christie has exercised his authority to adjust the bid thresholds for awarding contracts by various contracting units. Please be advised that the bid threshold for contracting units governed by Local Public Contract Law will rise from \$21,000 to \$26,000 and if contracting units have a Qualified Purchasing Agent pursuant to N.J.S.A. 40A:11-9(b) and take advantage of a higher bid threshold pursuant to N.J.S.A. 40A:11-3(a) and 18A:18A-3(a), have their maximum bid threshold increased from \$29,000 to \$36,000.

**SENATE, NO. 29 Reduces the tax levy cap from 4% to 2%.**

**Budget Issues**

**A. Grants-**when applying for grants, include the anticipated grant revenue anticipated amount in the budget along with the corresponding anticipated grant appropriations. If the grant is not awarded, the corresponding grant appropriations should not be expended during the budget year.

**B. Capital Appropriations-**make sure capital appropriations are indicated on page 9 of the budget along with the date of the voter election approving the purchase of the capital item and the percentage of affirmative votes for the capital items. Items receiving voter approval by a less than **50%** affirmative vote will not be permitted as exclusions to the **2%** Levy Cap. Restricted, unrestricted and/or grant revenue utilized for capital purposes will be considered in the calculation of the Levy Cap. The District must mention in the budget message if they plan to use unrestricted or grant revenue to purchase capital items.

NO LEVY CAP WAIVERS NEED TO BE THRU REFERENDUMS

~~C. Levy Cap Waivers & Referendums-~~ make sure that you indicate in the budget message on page 10 if the district plans to ~~apply to the Local Finance Board (LFB) for a cap waiver or go out for a referendum.~~ **Reminder: all budgets must be in balance when submitted. In addition, it has been the policy of the LFB to grant cap waivers in only the most extreme circumstances.**

**D. Budget Submittal and Public Hearing Dates-** please be mindful of the statutory due date for all 2011 fire districts which is December 22, 2010. There is only a small window of time for submittal, examination, and approval. If you factor in the scheduling for Cap Waivers with the LFB meeting dates, the time is even shorter. Please be heedful when scheduling the districts public hearing dates so that the Division has enough time to properly examine your budget and get it returned to you. **Reminder: The budgets are examined by their listed Public Hearing Dates not according to the date they are received. And all budgets must be approved by the Division before a district can formerly adopt their budget.**

**E. Important Cap Exclusions**

1. Increases in amounts required to be raised by taxation for capital expenditures, including debt service as defined by law.
2. Increases in pension contributions and accrued liability for pension contributions in excess of 2%.
3. Increases in health care costs equal to that portion of the actual increase in total health care costs for the budget year that is in excess of 2% of the total health care costs in the prior year, but is not in excess of the product of the total health care costs in the prior year and the average percentage increase of the State Health Benefits Program as annually determined by the Division of Pension and Benefits in the Department of the Treasury.
4. Extraordinary costs incurred by a local unit directly related to a **declared emergency**, as defined by regulation promulgated by the Commissioner of the Department of Community Affairs.

**Election Results-**should be submitted to the Director within 5 days after the annual election in February. Failure to submit election results will delay the certification of taxes to the municipality. **New this year, the Division will be collecting a copy of the Election Ballot to be submitted along with the Election Results.**

**Audit Report-**the 12/31/09 audit report was due to the Division by May 5, 2010. Please make sure you forward your audit report if you have not already done so as the audit report is necessary to facilitate the budget examination process. In addition, if the audit report indicates findings, corrective action plans are to be submitted to the Division within 45 days after receipt of the audit.