

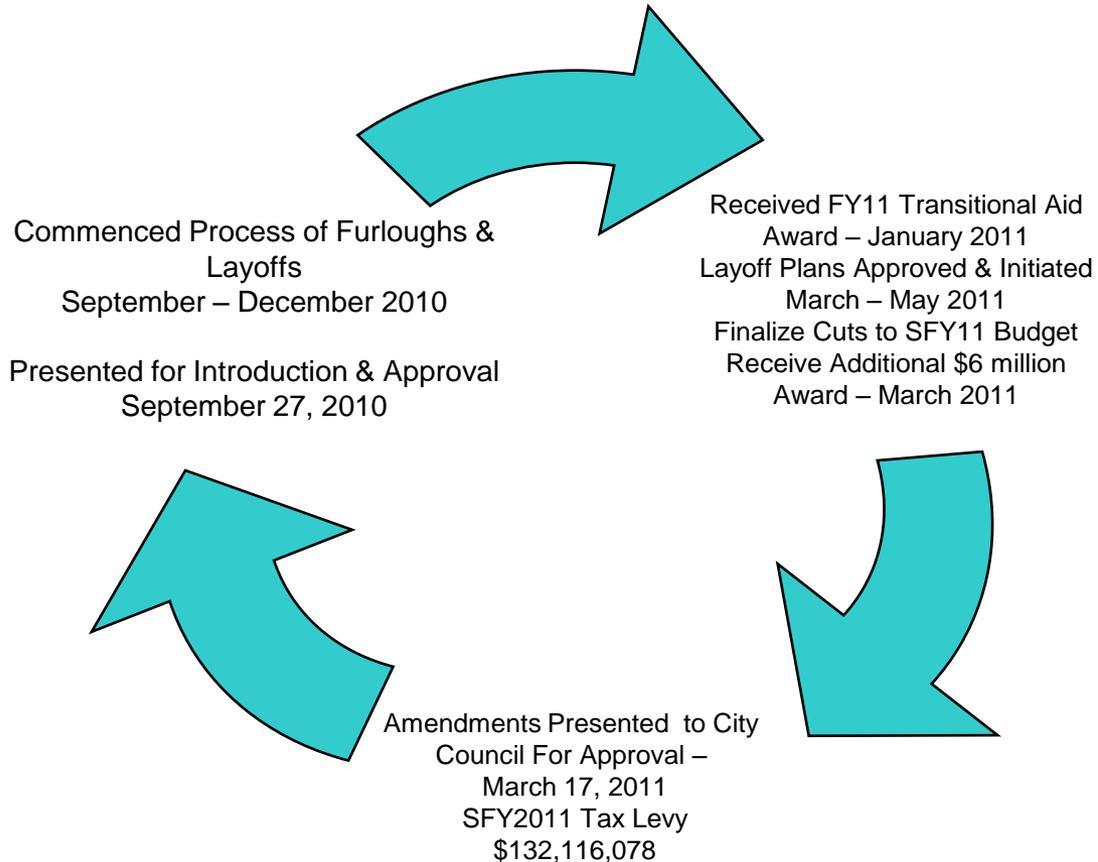


**CITY OF PATERSON:
PRESENTATION TO THE
GOVERNING BODY**

**AMENDMENTS TO THE SFY 2011
MUNICIPAL BUDGET**

CITY OF PATERSON

SFY 2011 Municipal Budget Process



WHERE WE BEGAN THE PROCESS:

We began the process of creating the SFY 2011 Municipal Budget On July 1, 2010. Within a few short weeks, we learned that the results were in for the outcome of SFY 2010's budget.

We also learned that the State had completely revised the way in which we would be eligible to receive state aid, now known as Transitional Aid. The changes were many and were complex. In fact, one of the changes mandated that we must introduce our SFY 2011 Municipal Budget no later than September 30, 2010.

With your approval, we made it through the initial hurdles. Besides introducing the budget, you gave us approval to require a 10 day furlough on certain employees, and permitted us to commence a reduction in our workforce.

These were not easy steps, and we all know that it is difficult even now to realize. Still, these cuts were not enough to bring us to what would be considered in 2011 an "acceptable" property tax increase.

All told, these steps slashed approximately \$50 million from our original budgetary deficit when we introduced the budget on September 27, 2010.

CITY OF PATERSON

Introduced SFY 2011 Budget (Levy)

\$181,106,258

Reductions in budget through:

- 10-Day Furloughs
- Debt Restructuring
- Increased State Aid
- Additional Revenues from Increased fees
- Reductions in force (Layoffs/Demotions)
- Decreased Overall Budget Appropriations

Net Reductions from above

\$ 48,990,180

Proposed SFY 2011 Budget (Levy)

\$132,116,078