

Borough of Glen Ridge

2023 Budget Presentation

May 8th, 2023



Municipal Budget Process

Financial Overview

- Operating results from 2022 are reviewed throughout the year. Results are reported in the Annual Financial Statement and utilized to formulate the 2023 municipal budget.

Review of Operational or Departmental budgets

- Year-end Department reports are reviewed by the Administrator, CFO, and Department heads.

Review of Capital requests

- Annual capital needs and requests are provided to the Administrator and CFO. A plan is crafted based on funding capacity, grants, and feasibility.

Approval Process

- There are three phases of budget approval
 - 1) Introduction of the Budget at the Borough Council meeting 4/10/2023
 - 2) Public Hearing on the Introduced Budget 5/8/2023
 - 3) Adoption of the 2022 Municipal Budget by the Borough Council 5/8/2023

What is Included in the Budget:

The Borough is responsible for collecting taxes due to the Glen Ridge Board of Education and the County of Essex, based on their separate budget process. The Board of Education and the County of Essex are paid 100% of their approved budget.

The overall budget is divided into three sections:

- General Administration and Services (Referred to as the Current Fund)
- Water Utility
- Community Pool Utility

Financial Objectives

Fiscal Management

- Maintain strong financial position
- Implement sustainable fund balance and reserve policy
- Maximize revenue sources and Fed/State/Local funding opportunities

Public Service

- Perform high level of municipal services with efficient use of tax dollars
- Expand program opportunities and customer service
- Engage and collaborate with the community
- Cost savings thru shared services

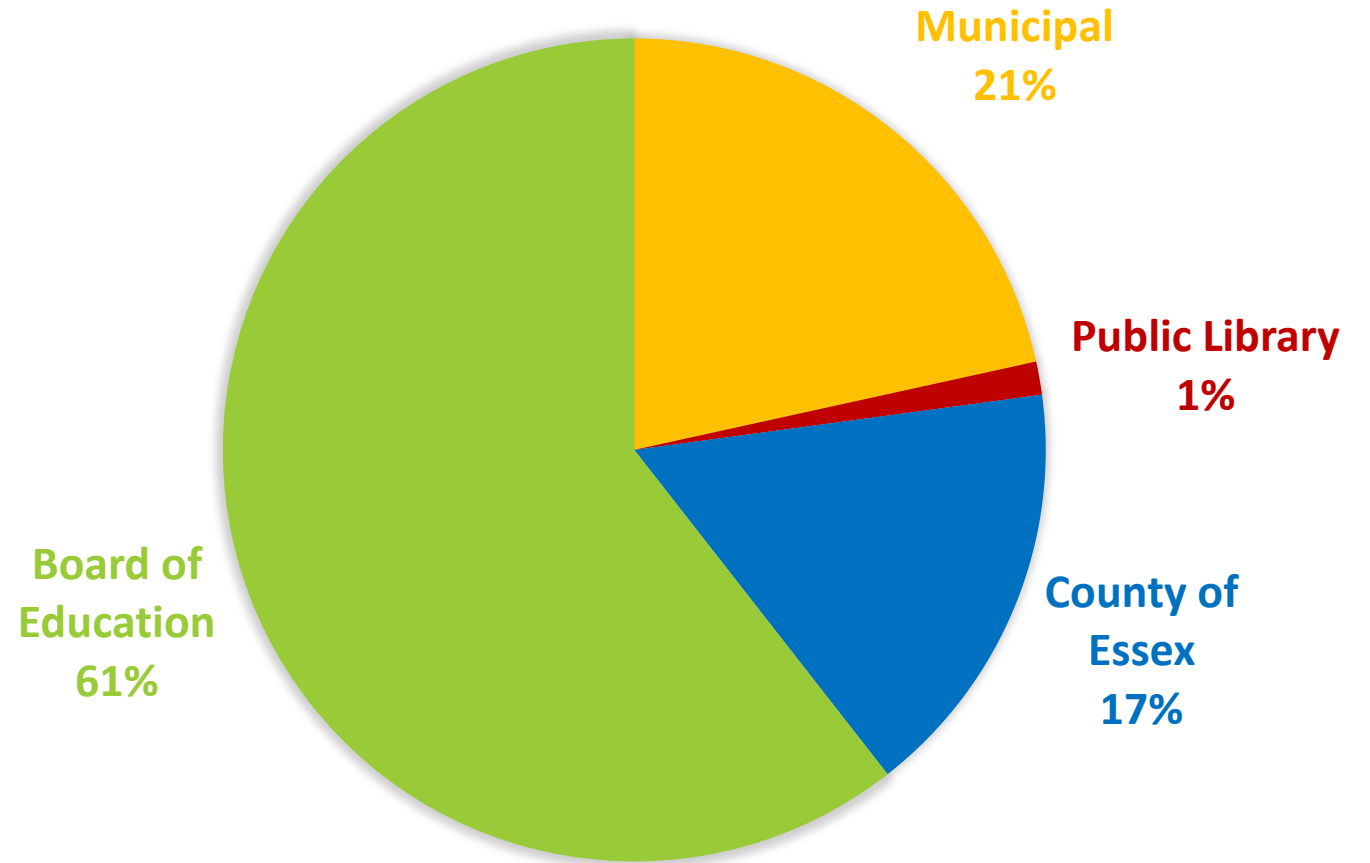
Capital Planning

- Continue to invest in infrastructure (roads, drinking and storm water, recreational and other public amenities, etc.)
- Utilize data driven planning to formulate capital investment
- Deploy efficient use of debt capabilities

2023 Total Tax Levy

Entity	Amount
Municipal	\$ 12,478,359
Public Library	754,686
County of Essex	9,604,684
Board of Education	<u>35,058,925</u>
Total Tax Levy	\$ 57,896,654

*County estimated for 2023



How We Get to the Total Tax Levy

Net Taxable Value: **\$1,720,115,800**

Increase of \$1,728,473 from 2022

	2023	2022	2021	2020
Net Taxable Value	1,720,115,800	1,718,387,327	1,712,143,200	1,703,366,100
% Increase (Decrease)	0.10%	0.36%	0.52%	0.13%

Municipal Tax Rate: **.725**

2.32% Tax Rate increase from the 2022 rate

	2023	2022	2021	2020
Municipal Tax Rate	0.725	0.709	0.700	0.682
% Increase (Decrease)	2.26%	1.29%	2.64%	2.25%

Average Residential Value: **\$670,100 An increase of \$200**

2023 Municipal Budget

Average Municipal Tax Bill

\$5,155

The average tax bill a Glen Ridge resident will pay for municipal and library service

An increase of \$142 from 2022

Monthly Municipal Tax Bill

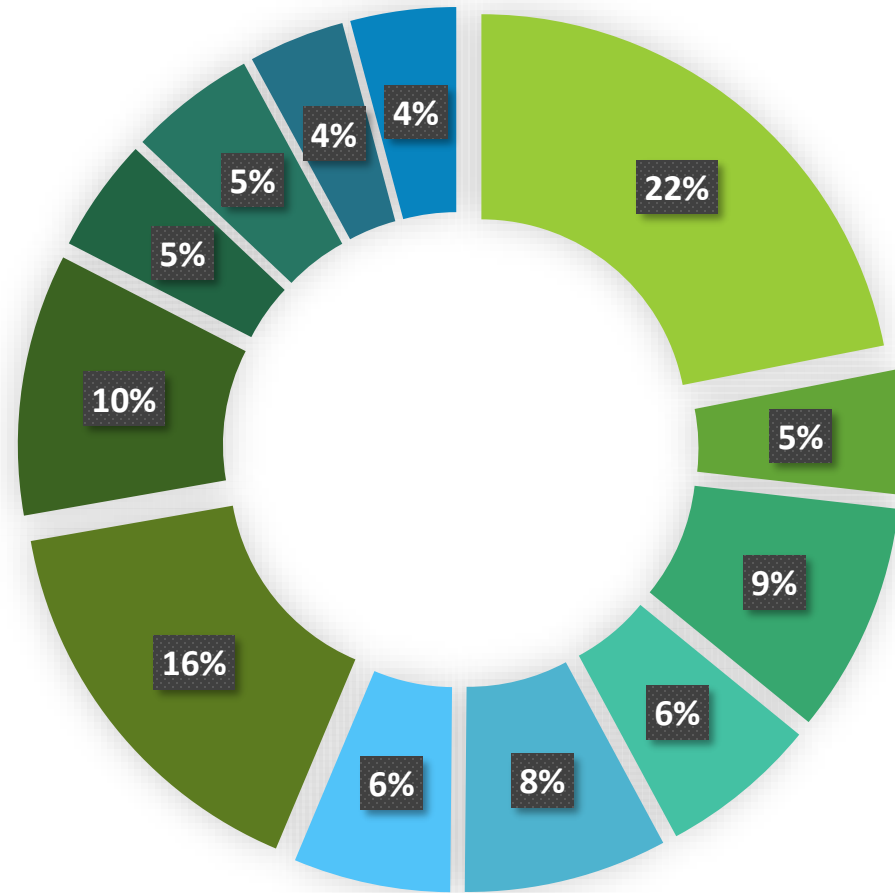
\$429

Monthly tax bill on the average property for municipal and library services.

An Increase of \$11.84 Per Month from 2022

Category	Average Monthly Cost
Police	\$ 94
Garbage, Recycling & Utilities	68
Statutory Expenses	44
Insurance	39
Capital Projects	35
Parks and Recreation	27
Public Works	27
Fire Services	21
Administrative & Legal	21
Public Library	19
Reserves	18
<u>Other Services</u>	<u>16</u>
Monthly Bill:	\$ 429

Municipal Budget Categorical Breakdown



- Police
- Fire
- Insurance
- Parks and Recreation
- Capital & Debt
- Public Works
- Garbage/Recycling/Utilities
- Statutory Expenses
- Public Library
- Legal and Administrative
- Other Services
- Reserves

2023 Municipal Budget

Municipal Tax Increase if the value of your property did not change

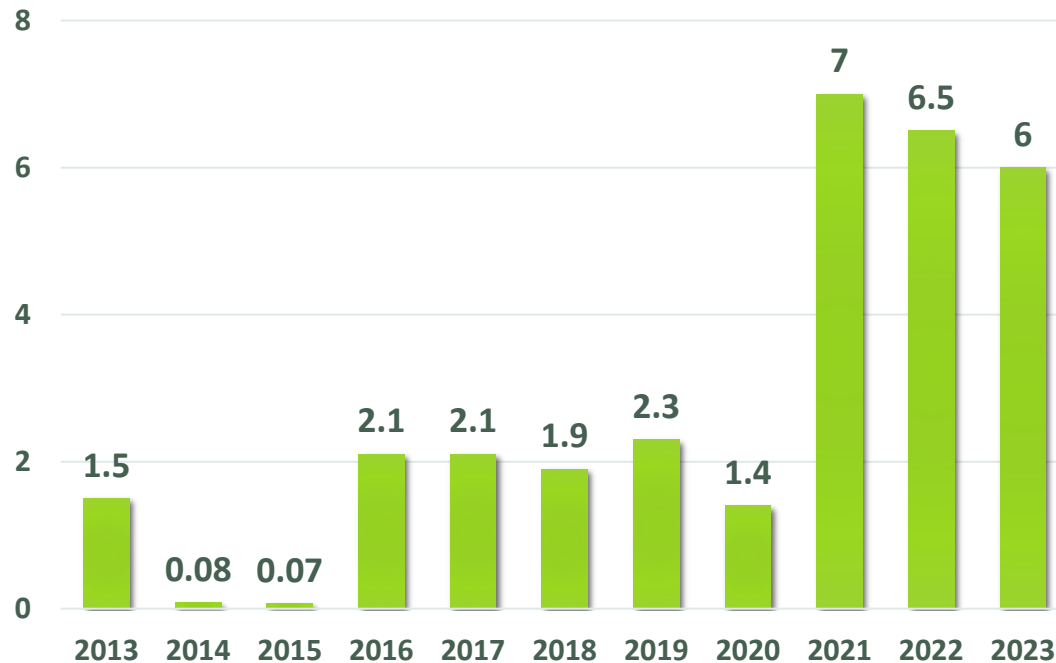
	2022	2023	
<u>Home Value</u>	<u>Municipal Tax</u>	<u>Municipal Tax</u>	<u>Increase</u>
500,000	3,742	3,847	\$ 104.93
600,000	4,490	4,616	\$ 125.91
700,000	5,238	5,385	\$ 146.90
800,000	5,987	6,154	\$ 167.89
1,000,000	7,483	7,693	\$ 209.86
1,200,000	8,980	9,232	\$ 251.83

2023 Budget Drivers

In general, the Borough is seeing increased costs for health care through the New Jersey State Health Benefits (20%+), public library funding, and information technology software and security costs. Inflation and supply chain issues continue to impact budget and operations.

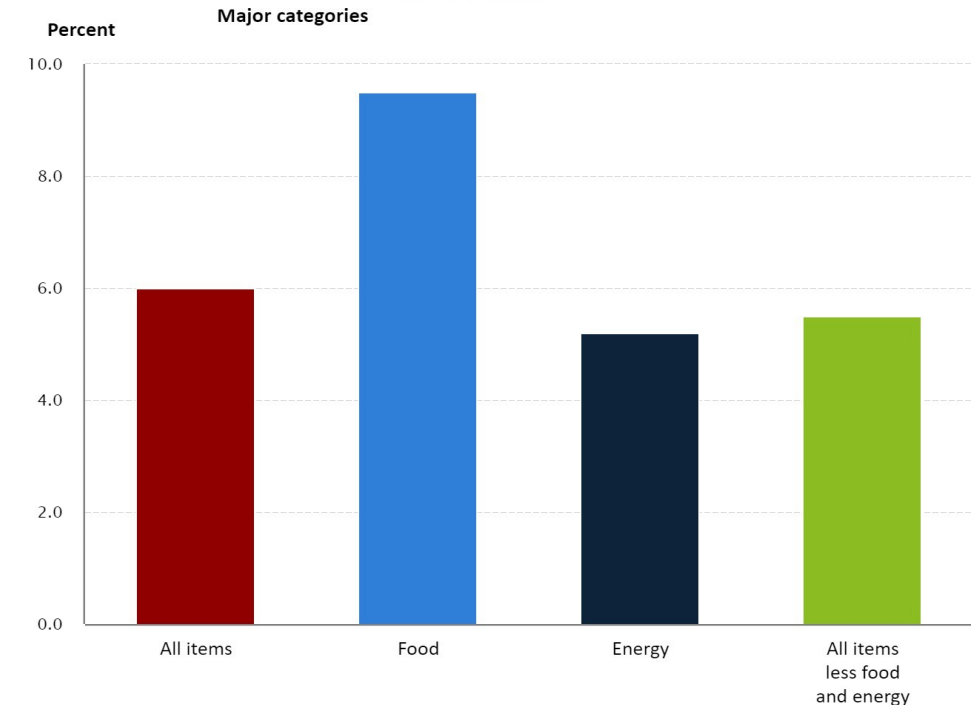
U.S INFLATION RATES

United States Annual Inflation Rates (2013-2023)



CONSUMER PRICE INDEX

12-month percentage change, Consumer Price Index, selected categories, February 2023, not seasonally adjusted



Source: U.S. Bureau of Labor Statistics.

2023 Revenue

Revenue	2023	2022
Municipal Fees	\$ 2,243,644	\$ 1,902,312
Grants & ARP	97,760	659,012
Fund Balance	2,017,000	1,750,000
Library Tax	754,686	678,479
Municipal Tax	<u>\$ 12,478,359</u>	<u>\$ 12,180,653</u>
	\$ 17,591,449	\$ 17,170,456

Revenue Highlights

- Fees:
 - Parking and Jitney Fees are now close to Pre-pandemic levels
 - \$600,000 in anticipated PILOT payments from the Clarus development (5% of total collected is due to the County of Essex)
 - Over 1,800 inspections were completed by our building department
- Additional Fund Balance of \$117,000 anticipated to pay off COVID emergency
- 2.44% Increase to total amount of municipal taxes raised
- Interest rate on deposits between 3%-4%

2023 Appropriations

2022/2023 Appropriation Highlights

Category	Amount
Salary & Benefits	7,217,597
Operating Expenses	8,156,352
Capital and Statutory	<u>2,217,500</u>
	17,591,449

- Increase in uniformed police staffing with the hire of one additional Police Officer, with emphasis on traffic safety (revenue neutral).
- Investment in consulting expertise and enhanced maintenance activities resulted in marked improvement in the Borough's playing field conditions.
- Renovations completed to historic train station/Senior Community Center.
- Replaced asphalt surface court with clay court at Freeman Tennis Courts
- Safety improvements to police department indoor pistol range
- 130 street trees were planted

Water Utility

Revenue	Amount
Fund Balance	\$ 400,000
Water Rents	1,700,000
Misc. Water Revenue	<u>5,000</u>
	\$ 2,105,000

Expense	Amount
Salary & Wage	\$ 455,000
Other Expenses	1,175,000
Capital/Debt Payments	<u>475,000</u>
	\$ 2,105,000

- 2022 Revenue collected exceeded budgeted amounts by \$246,000
- Capital investment into infrastructure is on-going
 - Capital surcharge on bills aiding in funding
 - Continued Investment will be required to comply with state mandates, including lead line inventory and replacement for drinking water pipes
- Passaic Valley Water Commission (drinking water supplier) rates continue to increase at a greater rate than our utility budget
- Township of Montclair has doubled their rate for providing drinking water pumping infrastructure
- Longer-term rate and capital planning analysis is planned

Swimming Pool Utility

Revenue	Amount
Fund Balance	\$ 290,000
Membership Fees	500,000
Misc. Revenue	13,000
ARP Funds	<u>30,000</u>
	\$ 833,000

Expense	Amount
Salary & Wage	\$ 210,000
Other Expenses	150,000
Capital/Debt	253,000
COVID Emergency	<u>220,000</u>
	\$ 833,000

- 2022 membership fees are back to pre-pandemic levels
- ARPA funding has been utilized to aid in recovering revenue losses created during the pandemic. COVID emergency will be paid off in 2023
- Final Year of \$158,000 principal payment for Pool Improvements issued in 2014. This will free up funding for other capital initiatives and improvements at the pool
- Minimum wage continues to increase towards the state mandated \$15 per hour

2023 Capital Plan



- Road Construction
 - Aided by State of New Jersey DOT Grant Funding
- Public Safety Equipment
- Public Works Equipment and Improvements
- Pedestrian and Traffic Safety Improvements
- Building Improvements
- Water System Improvements
 - Continued investment is required to comply with State and Federal regulations