



Borough of Red Bank



Budget 2023 Highlights Presentation



2023 Municipal Budget Presentation

- Budget Process
- Municipal Tax Levy
- Property Tax Assessments
- Budget Revenues
- Budget Appropriations
- Capital Projects
- Utilities Overview
- CAP and CAP Bank
- Question/Answer





Budget Timeline



Milestones

2022 Timeline

2023 Timeline

**Department Budgets
with Capital Projects Forecast**

January - February

September - October

Preliminary Budget

April

February

**Finance Committee
Review/Signoff**

May

March

Budget Introduction

May 25th

April 26th

Public Budget Presentation

June 15th

May 4th

Budget Adoption

June 22nd

May 31st

Budgeting Improvements

- × **Long-term Budget Planning**
 - Strategic Plan Initiatives
 - 6 Year Infrastructure Plan
 - Roads, Parks, Parking, Water/Sewer, Buildings
- × **Departmental Goals**
 - Improved Customer Service Initiatives
 - Cost Savings and/or Revenue Generation
 - Process/Work efficiencies
- × **Surplus Policy**
- × **Budget Objectives**
- × **Budget Schedule**





Budget Guidelines

REVENUES

- **2023 Anticipated Budgeted Revenue can not exceed prior year realized revenues**
- **Analyzed Prior Years Realized Revenues Trends**

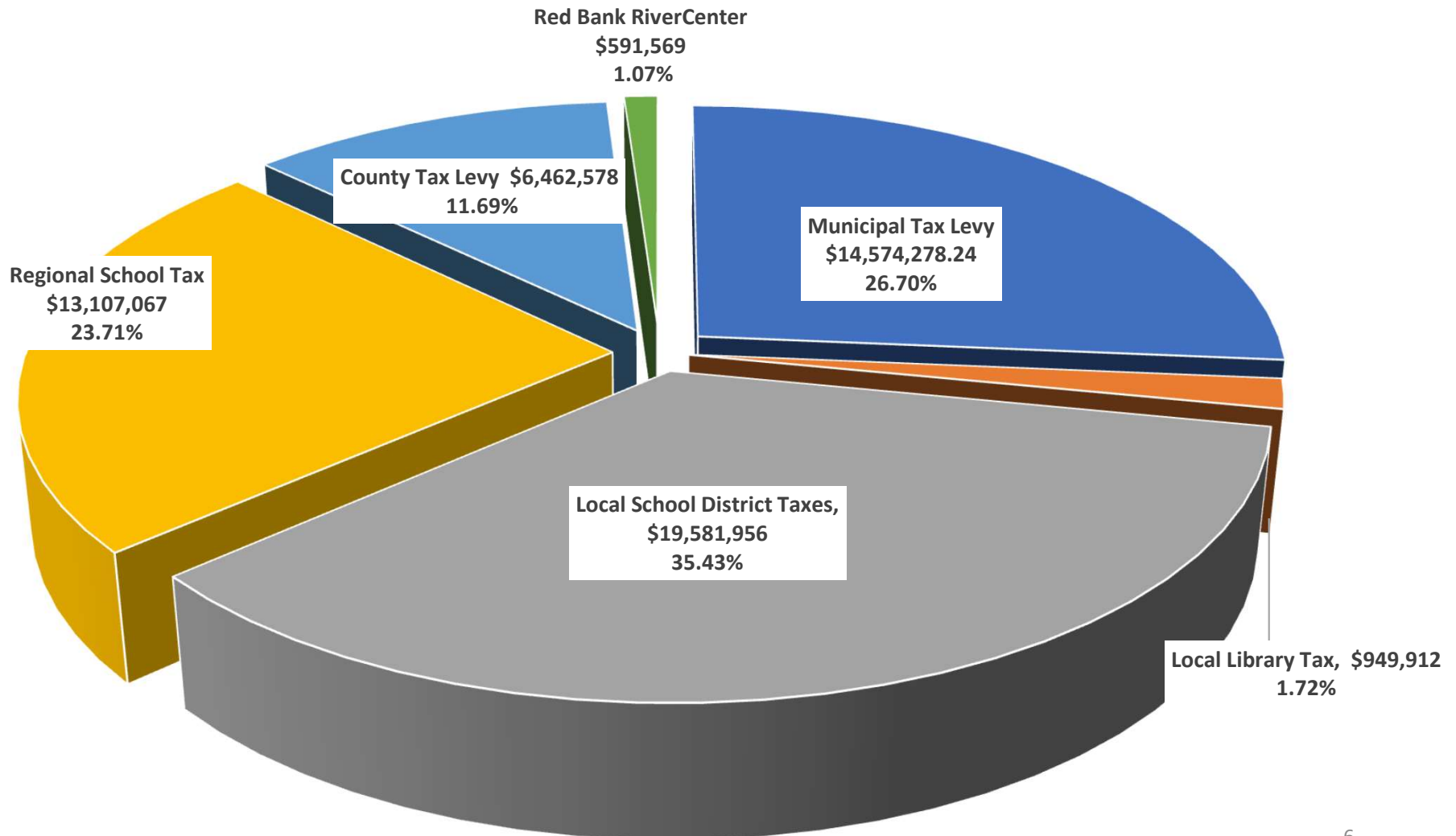
APPROPRIATIONS

- **By statute a municipality cannot spend more than budgeted for appropriations unless there is an emergency.**
- **Analyzed Prior Years Paid/Charged with current requests**
- **Transfers for budget shortages can not occur before November 1st**
- **Every line must be fully funded at time of adoption.**

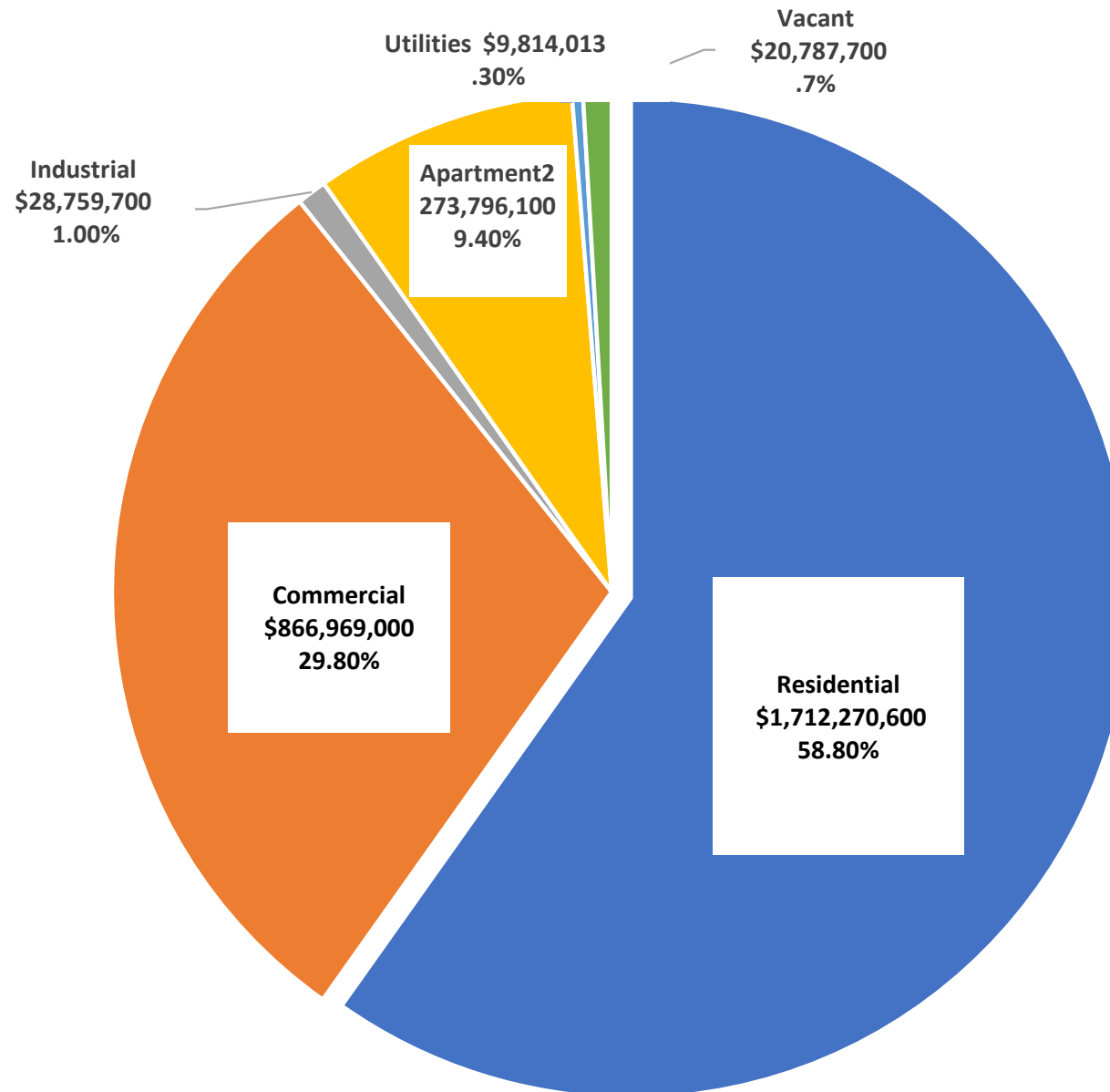
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Where Do Your Tax Dollars Go?

Total 2023 Tax Levy \$55,267,360.63



How Is The Tax Levy Allocated?





How Is The Allocation Determined?

2023 Property Tax Assessments

Property Type	2023 Assessment Value	2022 Assessment Value	% Change	2023 Allocation %	2022 Allocation %	Difference
Residential	\$1,712,270,600	\$1,592,880,200	7.50%	58.79%	59.82%	-1.03%
Commercial	\$866,969,000	\$783,967,900	10.59%	29.77%	29.44%	.33%
Apartment	\$273,796,100	\$226,342,700	20.97%	9.40%	8.50%	0.9%
Industrial / Vacant / Other	\$59,361,413	\$59,653,582	1.12%	2.04%	2.24%	-0.20%
Total	<u>\$2,912,397,113</u>	<u>\$2,662,844,382</u>	<u>9.37%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>0.00%</u>



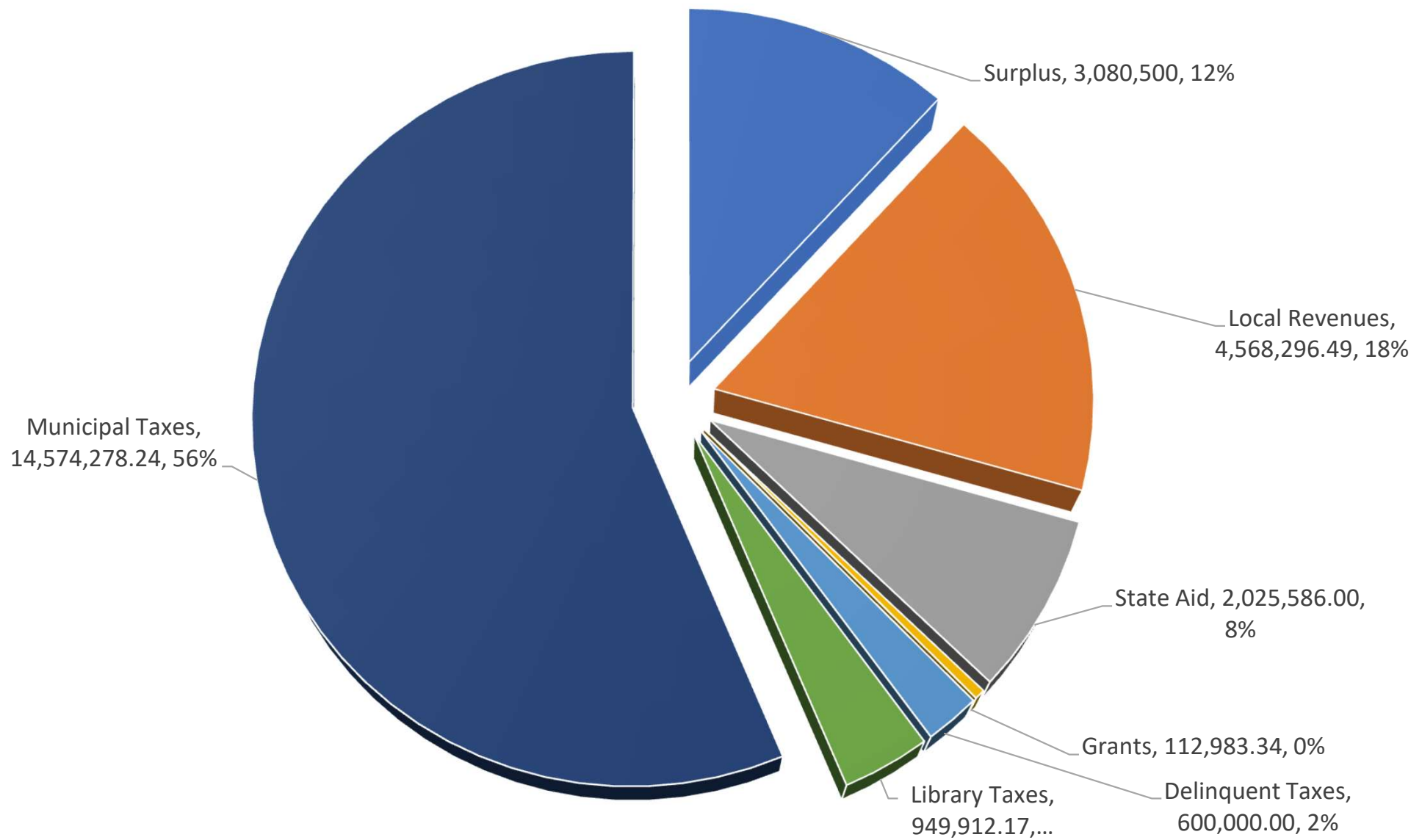
Budget 2023

Municipal Tax Rate Summary 2019 - 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Amount to be Raised by Taxes	\$14,574,278.24	\$14,186,719	\$14,637,479	\$14,118,509	\$13,447,808
Municipal Taxation Rate	.5004	.5328	.6142	.6189	.6030
Municipal Tax Rate Change	(.0322)	(.0814)	(.0047)	.0159	.0141
<u>Residential Tax Impact</u>					
2023 Residential Average Assessment	505,244	469,876	406,067	383,981	376,216
Average Municipal Tax based on New Assessment	\$2,528.24	\$2,503.50	\$2,494.23	\$2,376.24	\$2,266.93
Average Residential Municipal Tax Increase	\$24.74	\$9.44	\$117.99	\$109.31	\$110.30
Average Municipal Tax % Increase	.99%	.380%	4.965%	4.822%	5.115%

Budget 2023

Budget Revenues





Budget 2023

Budget Highlights

Main Revenue Categories – Comparison 2022 to 2023

Revenue Classification	Change	2023	2022
Fund Balance-Surplus	-9.14%	3,080,500.00	3,390,313.00
Local Revenues	13.46%	4,568,296.49	4,026,468.61
State Aid	0.69%	2,025,586.00	2,011,681.00
Grants	-6.12%	112,983.34	120,349.53
Delinquent Taxes	-6.25%	600,000.00	640,000.00
Library Tax	11.03%	949,912.17	855,545.14
Municipal Tax	<u>2.73%</u>	<u>14,574,278.24</u>	<u>14,186,719.82</u>
Total Budget Revenues	<u>2.70%</u>	<u>25,911,556.24</u>	<u>25,231,077.10</u>

2023 Budget

Local Revenue Detail

	2023	2022	Increase/-Decrease
Licenses:			
Alcoholic Beverages	90,800.00	90,800.00	0.00
Other	41,500.00	50,700.00	-9,200.00
Fees and Permits	285,300.00	295,377.00	-10,077.00
Fines and Costs:Municipal Court	475,000.00	520,571.00	-45,571.00
Interest and Costs on Taxes	155,000.00	155,320.00	-320.00
Interest on Investments and Deposits	200,000.00	9,700.00	190,300.00
Uniform Construction Code Fees	700,000.00	512,736.00	187,264.00
Code Enforcement Fees	50,800.00	54,960.00	-4,160.00
Shared Services			
Township of Shrewsbury - Municipal Court	7,000.00	7,000.00	0.00
Borough of Little Silver - Fire Services	14,710.00	15,500.00	-790.00
Red Bank Board of Education - Snow Plowing	15,843.00	15,843.00	0.00
Township of Shrewsbury - EMS Services	8,000.00	8,000.00	0.00
Red Bank Board of Education-School Resource Officer	50,400.00		50,400.00
Utility Operating Surplus of Prior Year - Parking Utility	850,000.00	850,000.00	
Uniform Fire Safety Act	125,304.00	128,216.00	-2,912.00
Hotel Occupancy Tax	200,000.00	148,915.00	51,085.00
Franchise Tax Cable Television	159,029.41	166,965.61	-7,936.20
Payment in Lieu of Taxes - Housing Authority/River Street/Habcore	190,000.00	168,202.00	21,798.00
Administrative Fee Off-Duty Police Services	85,000.00	70,000.00	15,000.00
Reserve for Payment of Bonds	172,673.00	172,673.00	0.00
Landlord Registration Fees	15,000.00	14,800.00	200.00
RBC Field Rent	130,000.00	130,000.00	0.00
Riverview Hospital Bed Tax	442,000.00	440,190.00	1,810.00
Reserve for Municipal Relief Fund	104,937.08		104,937.08
Total Local Revenues	4,568,296.49	4,026,468.61	541,827.88

Surplus Outlook

- The number of Tax Appeals are like the previous year– residential and commercial
- Construction for UCC and other fees (revenue) should be increasing. Parking Revenues have been consistent

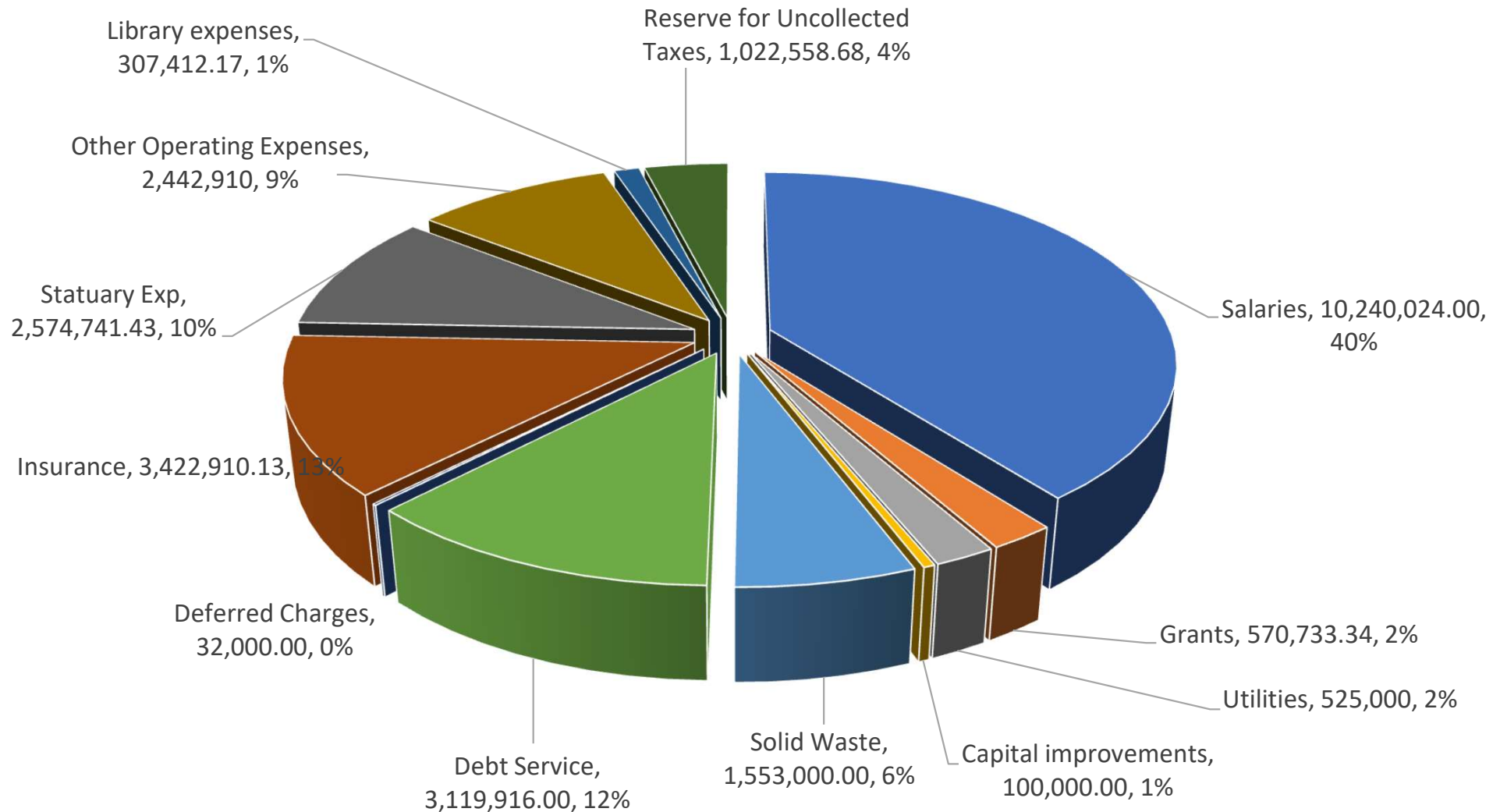
• Use of Surplus-

	Beginning SURPLUS BAL	ANTICIPATED IN BUDGET	% used in budget	Balance after surplus applied	Year End Result of Operations	Ending SURPLUS BAL
2017	1,595,552	1,450,000	91%	145,552.00	1,782,937	1,928,489
2018	1,927,489	1,617,456	84%	310,033.00	1,628,099	1,938,132
2019	1,938,032	1,482,000	76%	456,032.00	2,983,078	3,439,110
2020	3,439,110	2,434,000	71%	1,005,110.00	3,365,381	4,370,491
2021	4,370,491	3,390,313	78%	980,178.00	3,931,215	4,911,393
2022	4,911,393	3,390,313	69%	1,521,080.00	3,550,764	5,071,844
2023	5,071,844	3,080,500	61%	1,991,344.00		

- Surplus increases by Results of Operations which includes Excess Revenues, Excess Taxes Collected, Prior Budgets Cancelled and Miscellaneous Revenues Not Anticipated. In 2023, the amount of surplus used is \$470,000 less than the amount closed out from operations in 2022. A good standard is not to use more than 2/3 (67%) of the beginning balance and have an ending balance of approximately 8-12% of the total budget \$1,991,344/\$25,911,556.24 (7.7%)

Budget 2023

Budget Appropriations





Budget 2023

Budget Highlights

Main Budget Categories – Comparison 2022 to 2023

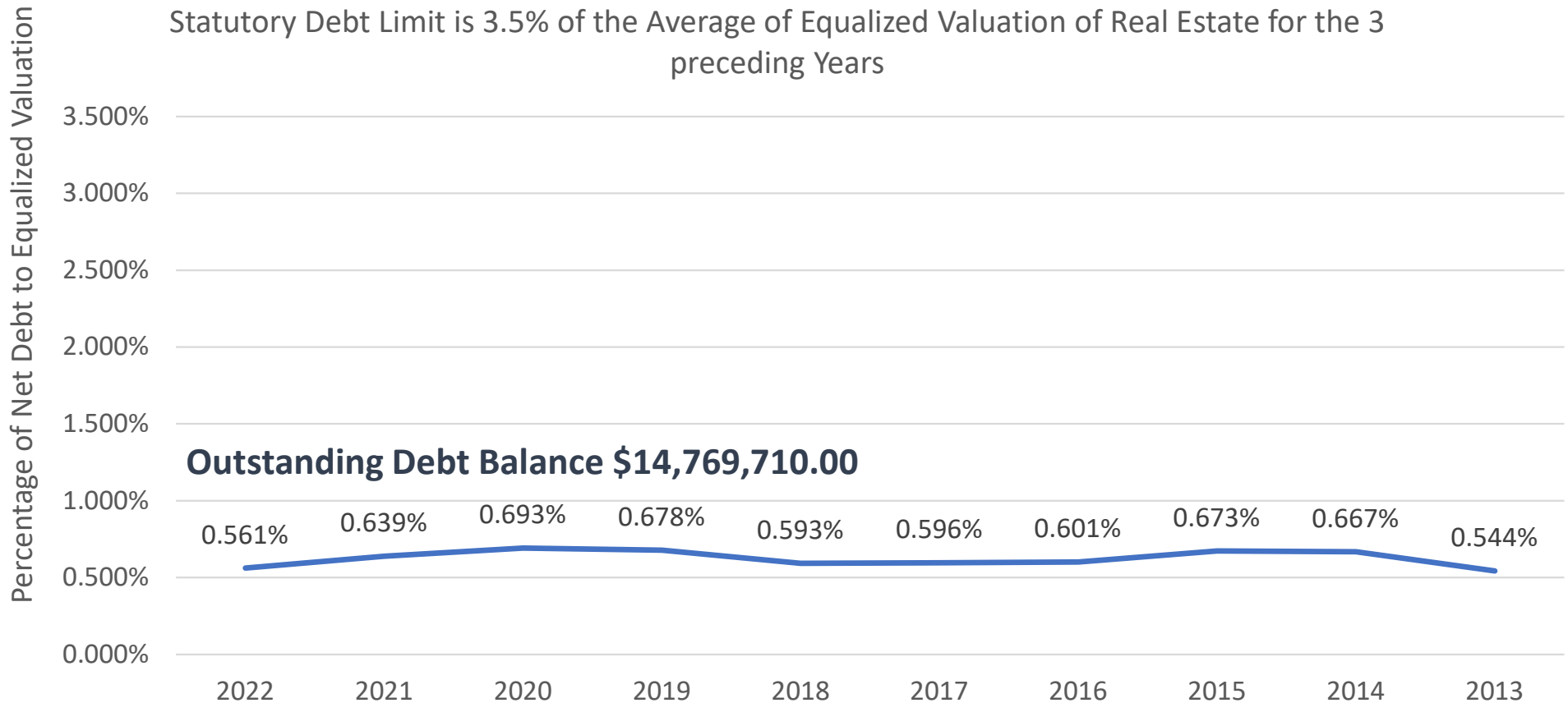
Category	Change	2023 Budget	2022 Budget
Total Salary and Wages	2.49%	10,240,024.00	9,991,262.00
Grants	2.15%	570,733.34	558,720.53
Utilities	-5.93%	525,500.00	558,600.00
Capital Improvements	0%	100,000.00	100,000.00
Solid Waste	3.60%	1,553,000.00	1,499,000.00
Debt Service	7.00%	3,119,916.00	2,915,932.00
Insurance	-5.02%	3,422,910.13	3,604,004.00
Statutory Expenses-Pension/ Social Security Costs	10.22%	2,574,741.43	2,336,105.00
Other Operating Expenses	2.63%	2,442,760.49	2,380,199.00
Deferred Charges-Master Plan	0%	32,000.00	32,000.00
Library Expenses	33.34%	307,412.17	230,5453.14
Reserve for Uncollected Taxes	-22%	1,022,558.68	1,024,809.43
Total Budget	2.70%	25,911,566.24	25,231,077.10

Budget 2023

Ratio of Debt to 3 year Equalized Valuations

Maximum Debt Amount Allowable \$92,078,628.74

Statutory Debt Limit is 3.5% of the Average of Equalized Valuation of Real Estate for the 3 preceding Years



Outstanding Debt 2022 to 2026

Current, Water/Sewer, Parking Capital

	2022	2023	2024	2025	2026
General Capital					
Bond Principal/Interest	10,967,000.00	9,252,000.00	7,697,000.00	6,060,000.00	4,995,000.00
Green Trust Loans Principal/Interest	67,710.00	57,854.55	47,801.01	37,545.39	27,083.64
MCIA Capital Leases Principal/Interest	2,743,949.70	2,144,222.40	1,550,928.38	1,115,390.80	696,327.20
Total Current	13,778,659.70	11,454,076.95	9,295,729.39	7,212,936.19	5,718,410.84
Water/Sewer Capital					
Bond Principal/Interest	7,142,000.00	6,417,000.00	5,747,000.00	5,062,000.00	4,367,000.00
Environmental Infrastructure Loan Prin/Int	1,826,150.37	3,837,544.93	3,654,773.65	3,433,441.37	3,202,109.09
MCIA Capital Leases Principal/Interest	158,016.10	128,363.20	97,294.40	65,722.40	32,711.60
Total Water/Sewer	9,126,166.47	10,382,908.13	9,499,068.05	8,561,163.77	7,601,820.69
Parking Capital					
Bond Principal/Interest	3,160,000.00	2,970,000.00	2,770,000.00	2,555,000.00	2,335,000.00
MCIA Capital Leases Principal/Interest	6,034.20	4,414.40	2,776.80	1,886.80	961.20
Total Parking	3,166,034.20	2,974,414.40	2,772,776.80	2,556,886.80	2,335,961.20



Budget 2023

Budget Highlights

Capital Budget Projects

- Current Capital Projects: 2023

- General Capital Projects
- South Street Road Reconstruction
- Mechanic Road Reconstruction
- Parks and Recreation Improvements
- Capital Improvement Program

- Future Various Capital Projects: 2024-2027

- General Capital Projects
- DOT Grant Safe Streets to Transit - Red Bank Station
- Mill and Pave Alston Court, Hubbard Park & Allen Place
- Count Basie Park Improvements
- TAP Grant Shrewsbury Ave Streetscapes
- Municipal Building Improvements
- Various Infrastructure Improvements

2023 Budget

Water/Sewer Utility Budget 2023

			Realized in
	<u>2023</u>	<u>2022</u>	<u>Cash in 2022</u>
Surplus	355,000.00	92,400.00	92,400.00
Rents	6,500,000.00	6,582,110.00	6,585,839.30
Miscellaneous Revenues	<u>271,000.00</u>	<u>217,700.00</u>	<u>507,646.83</u>
Total Revenues	<u>7,126,000.00</u>	<u>6,972,210.00</u>	<u>7,185,886.13</u>
			Paid or
	<u>2023</u>	<u>2022</u>	<u>Charged</u>
Operating Expenses: Salary & Wages	920,000.00	861,000.00	792,440.05
Other Expense	4,628,534.90	4,483,612.00	3,991,051.64
Capital Improvements	225,000.00	50,000.00	5,554.73
Debt Service	<u>1,352,465.10</u>	<u>1,577,598.00</u>	<u>1,545,237.69</u>
	<u>7,126,000.00</u>	<u>6,972,210.00</u>	<u>6,334,284.11</u>
<u>Capital Projects: 2023</u>		<u>Future Capital Projects: 2024-2027</u>	
Water Sewer		Water Sewer	
Lead Service Line Replacement		High Street Lift Station	
		Front Street Sewer Lining	
		Carriage Lane Sewer Lining	
		Various Infrastructure Improvements	

2023 Budget

Parking Utility Budget 2023

			Realized in
	<u>2023</u>	<u>2022</u>	<u>Cash in 2022</u>
Rents	1,570,000.00	1,535,403.00	2,133,640.63
Interest on Investments	<u>8,000.00</u>	<u>7,800.00</u>	<u>14,935.65</u>
Total Revenues	<u>1,578,000.00</u>	<u>1,543,203.00</u>	<u>2,148,576.28</u>
	<u>2023</u>	<u>2022</u>	Paid or Charged
Operating Expenses: Salary & Wages	370,000.00	371,800.00	323,345.29
Other Expense	811,125.02	836,953.00	675,219.71
Capital Improvements	75,000.00	0.00	0.00
Debt Service	<u>321,875.00</u>	<u>334,450.00</u>	<u>327,216.89</u>
	<u>1,578,000.02</u>	<u>1,543,203.00</u>	<u>1,325,781.89</u>
<u>Capital Projects: 2023</u>		<u>Future Capital Projects: 2024-2027</u>	
Parking		Parking	
Various Infrastructure Improvements		Parking Meter/Kiosk Replacements	
		Parking Lot Crack Sealing	



Budget 2023

Budget Highlights

2023 Tax Levy Cap Bank Status – What's Left on the Table?

Tax Levy CAP Calculation

	14,186,719.82
Adjustments:	
Prior Year Recycling Tax	<u>(20,000.00)</u>
Net Prior Year's Tax Levy for CAP Calculation	14,166,719.82
2% CAP Increase	<u>283,334.40</u>
Allowable Tax Levy Prior to Exclusions and Ratables	14,450,054.22
Exclusions:	426,426.00
New Ratables - New Construction	133,088.01
Levy CAP Bank Applied	<u>364,081.00</u>
Maximum Allowable Amount of Taxation	15,351,900.23
Proposed 2023 Municipal Tax Levy	<u>14,574,278.24</u>
Over or (Under) 2% Levy CAP	(777,621.99)

Future Planning Initiatives

- Hold the line on Operating Expenses
- Identify, implement, and invest in productivity enhancing management practices and equipment.
- Consider Outsourcing Opportunities
- Consider and evaluate Shared Services with another Borough and the County
- Prepare the community for what lies ahead with greater transparency and communication.



Budget 2023

