

Borough of Manville



2021

Budget Presentation

April 12, 2021

THE PROCESS

- ❖ Budget Requests
- ❖ Department Meetings
- ❖ Assessor Ratables
- ❖ Budget & Finance Committee
- ❖ Budget Introduction
- ❖ Advertisement
- ❖ Budget Hearing
- ❖ Budget Adoption



COVID-19 BUDGET IMPACT

- ❖ Revenues
- ❖ Expenses
- ❖ Net Valuation
- ❖ State/Federal Aid
- ❖ Future Budgets

**I GOT
MY COVID-19
VACCINE!**



2021 Budget Snapshot



Borough Value

\$ 988,611,862

▲ **7.64** Greater Than 2020



Average Assessed Home Value

\$ 264,923

▲ **8.75%** Greater Than 2020



Property Tax Rate

\$0.977

▼ **6.00%** **LESS THAN 2020**

Property Tax Rate Information

2021

- ❖ Est. Municipal Tax Rate = 0.977
- ❖ \$0.062 decrease over prior year
- ❖ Tax on \$264,923 Home: \$2,587.38
- ❖ Lowest Tax Rate since 2015

2020

- ❖ Est. Municipal Tax Rate = 1.039
- ❖ \$0.024 decrease over prior year
- ❖ Tax on \$243,600 Home: \$2,531.00



6.00% Tax Rate Decrease

2021 Property Tax Calculation 101

- ❖ $(\text{Taxes Raised} / \text{Borough Assessment}) \times 100 = \text{Tax Rate}$
 $(\$9,655,326 / 988,611,862) \times 100 = \$\mathbf{0.977}$
-

- ❖ 2021 Municipal Tax on Avg. Assed Home:
 $(\$264,923 * 0.977) / 100 = \$2,587.38$ (\$215.62 per month)
Approximately 33% of your total property tax bill

Vs.

- ❖ 2020 Municipal Tax on Avg. Assed Home:
 $(\$243,600 * 1.039) / 100 = \$2,531.00$ (\$210.92 per month)
Approximately 33% of your total property tax bill



Manville Borough

2021 Budget Introduction

Overview

- Total 2021 Current Fund Budget Appropriations
\$14,912,569
- Amount to be raised by Taxes
\$9,655,326

Year over Year Comparison

2021

Amount to be Raised by
Property Taxes

\$9,655,326

2020

Amount to be Raised by
Property Taxes

\$9,542,787

**The 2018, 2019 and 2020 Cap Banks will
NOT be utilized .**

2% TAX LEVY CAP

- ❖ The tax levy cap law imposes a 2% cap on the total increase of local government tax levies, subject to certain exclusions. These exclusions to the 2% tax levy cap allow a municipality to increase the tax levy over 2% due to these exclusions.
- ❖ The exclusions include increase in debt service and capital expenditures; weather and other declared emergencies; pension contributions in excess of two percent, and health benefit cost increases in excess of 2 percent.
- ❖ In short, if any of the aforementioned exemptions causes our tax levy to increase over 2 percent, we still comply with the 2% tax levy cap law. Now, in order to increase the tax levy over 2%, when not related to these exemptions, we would need a referendum.

2.5% APPROPRIATION CAP

❖ When we talk about the 2.5% cap (also referred to as the 3.5% cap), we are referring to the appropriation cap. Appropriation is a fancy word for expenses. There are two types of appropriations:

❖ **Inside the CAP:**

- Salary & Wages
- Operating expenses (stationary, equipment, professional services, advertising, audit, training, uniforms, pensions, health insurance, employer taxes, etc...)

❖ **Outside the CAP:**

- Debt service
- Capital expenditures
- Reserve for uncollected
- Emergency appropriations
- Grant appropriations
- Library funding
- Shared Service Expenses
- Judgements

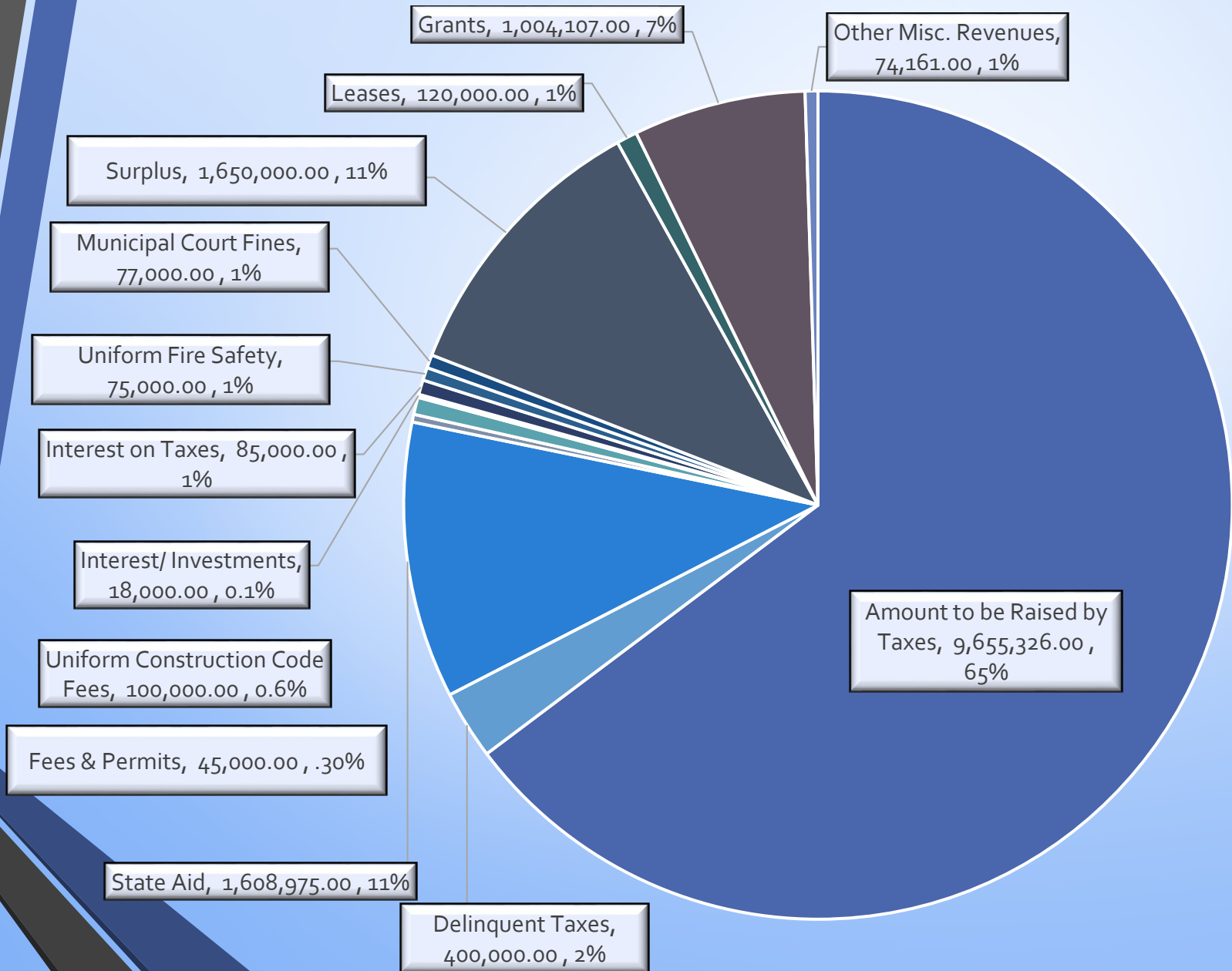
2.5% APPROPRIATION CAP

- ❖ The 2.5% cap relates only to “inside the cap” appropriations. The law limits the increase in inside the cap appropriations from year to year to 2.5% or the state’s cost of living adjustment (COLA), whichever is lower. This year the state’s COLA is 1 %. The state also allows a municipality, by ordinance, to increase the COLA percentage to **3.5%**.

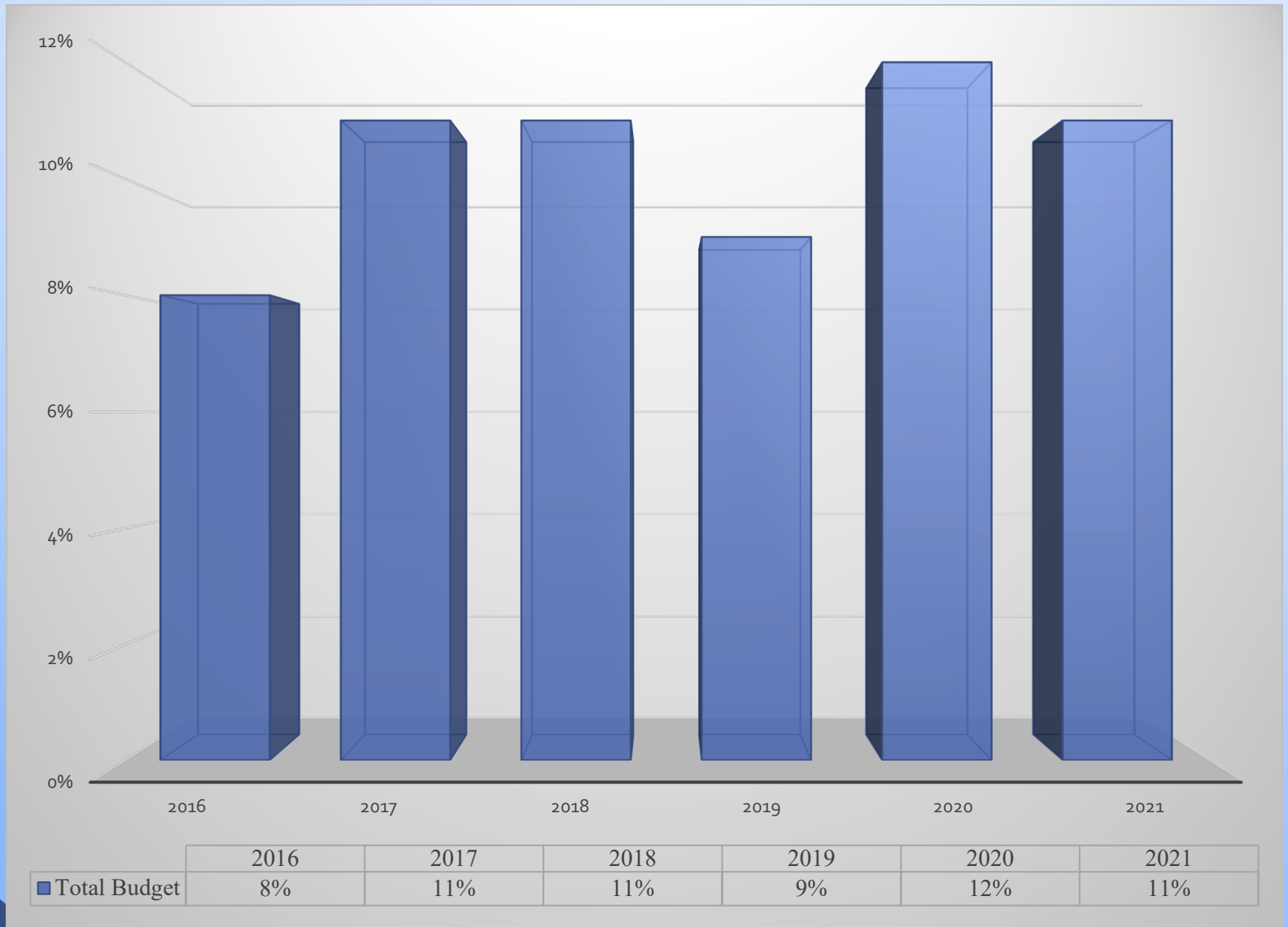
2.5% APPROPRIATION CAP

- ❖ The 3.5% ordinance, it does not indicate that the tax rate will increase by 3.5%. People often get this confused. It only means that if truly needed, we would be able to increase our inside the cap appropriations to 3.5% of prior year's inside the cap appropriations. Again, doing so does not automatically mean the tax rate will increase to 3.5% either. Remember, there are many variables in the tax rate equation that can offset the increase in inside the cap appropriations.
- ❖ Finally, if a 3.5% cap ordinance is passed and do not raise our inside the cap appropriations by 3.5%, the state allows us to bank (carry-over), for up to two years, the difference between its final appropriation subject to the cap and 3.5%. This ordinance is a tool we have in our budgeting arsenal, which allows us flexibility in the event of an unforeseen financial incident.

2021 Revenue Sources



2021 Surplus Used - % of Budget

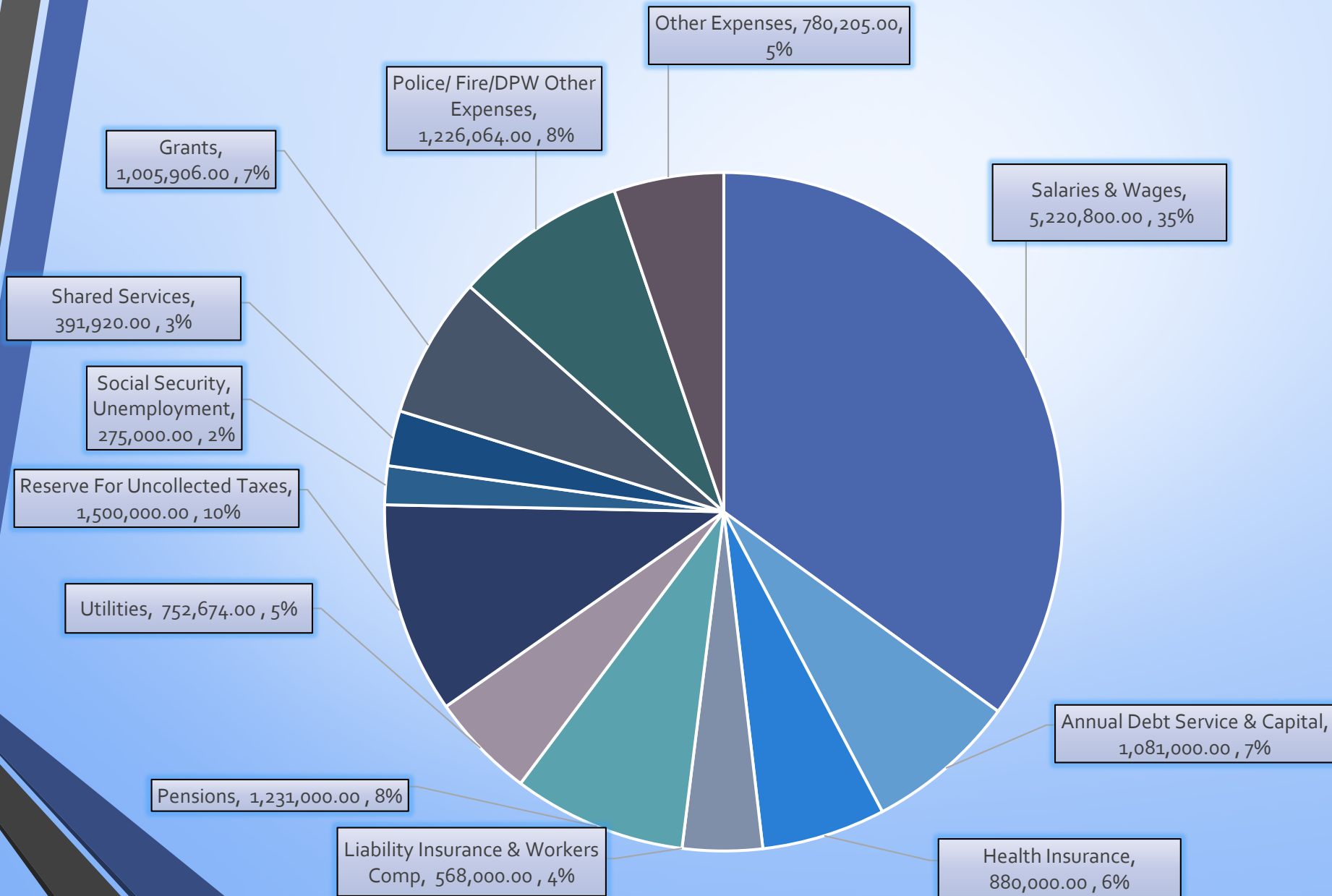


Current Fund 2021 Major Appropriations

- ❖ Salaries / Wages= **\$5,220,800**
- ❖ Annual Debt Service = **\$831,000**
- ❖ Health Insurance & Liability Ins. = **\$1,185,000**
- ❖ Pensions = **\$1,231,000**
- ❖ Utilities = **\$752,678**
- ❖ Reserve for Uncollected Taxes = **\$1,500,000**
- ❖ Social Security, Unemployment, WC: **\$538,000**

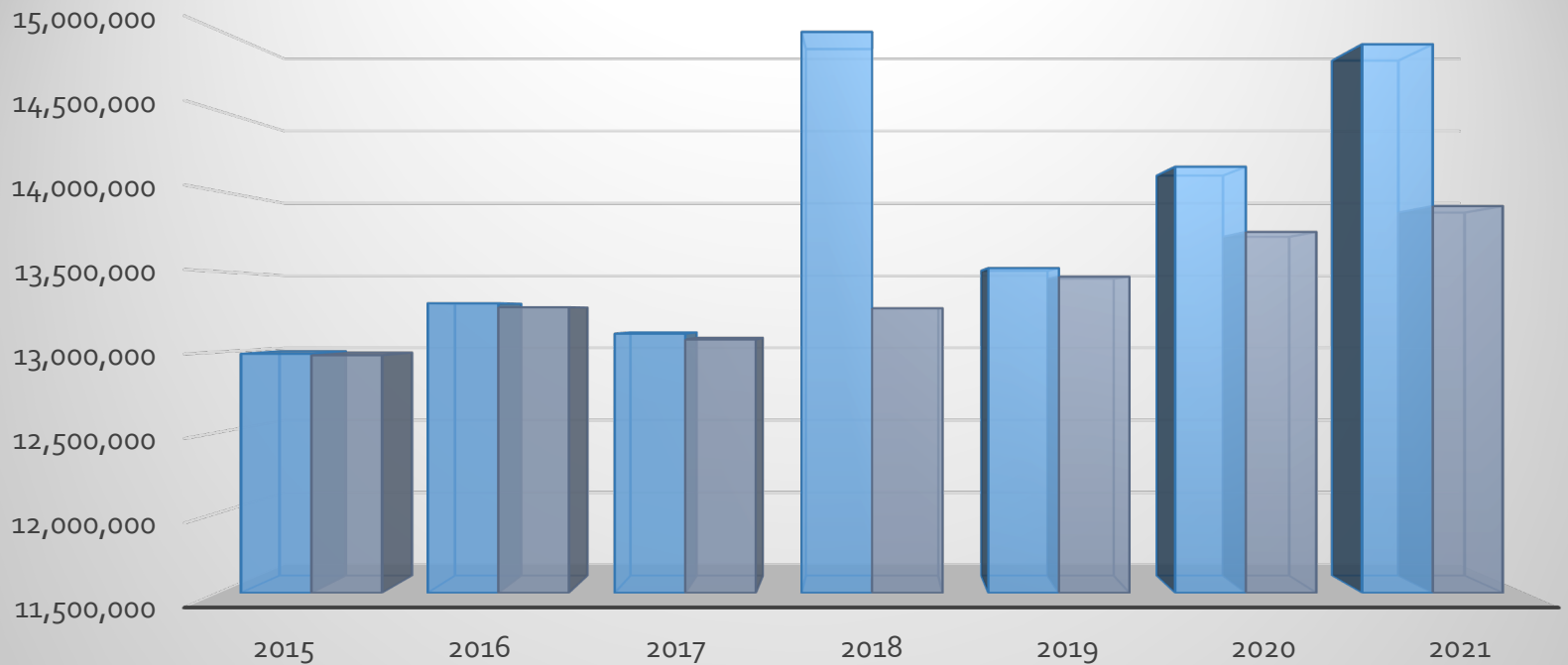


2021 Appropriation Sources



Total Budgeted Appropriations

(000's Omitted)



	2015	2016	2017	2018	2019	2020	2021
■ Budget	12,988,594	13,302,643	13,113,538	14,989,269	13,521,336	14,151,270	14,912,569
■ Budget (no grants)	12,979,594	13,277,893	13,077,522	13,271,634	13,467,923	13,745,949	13,906,662

■ Budget ■ Budget (no grants)

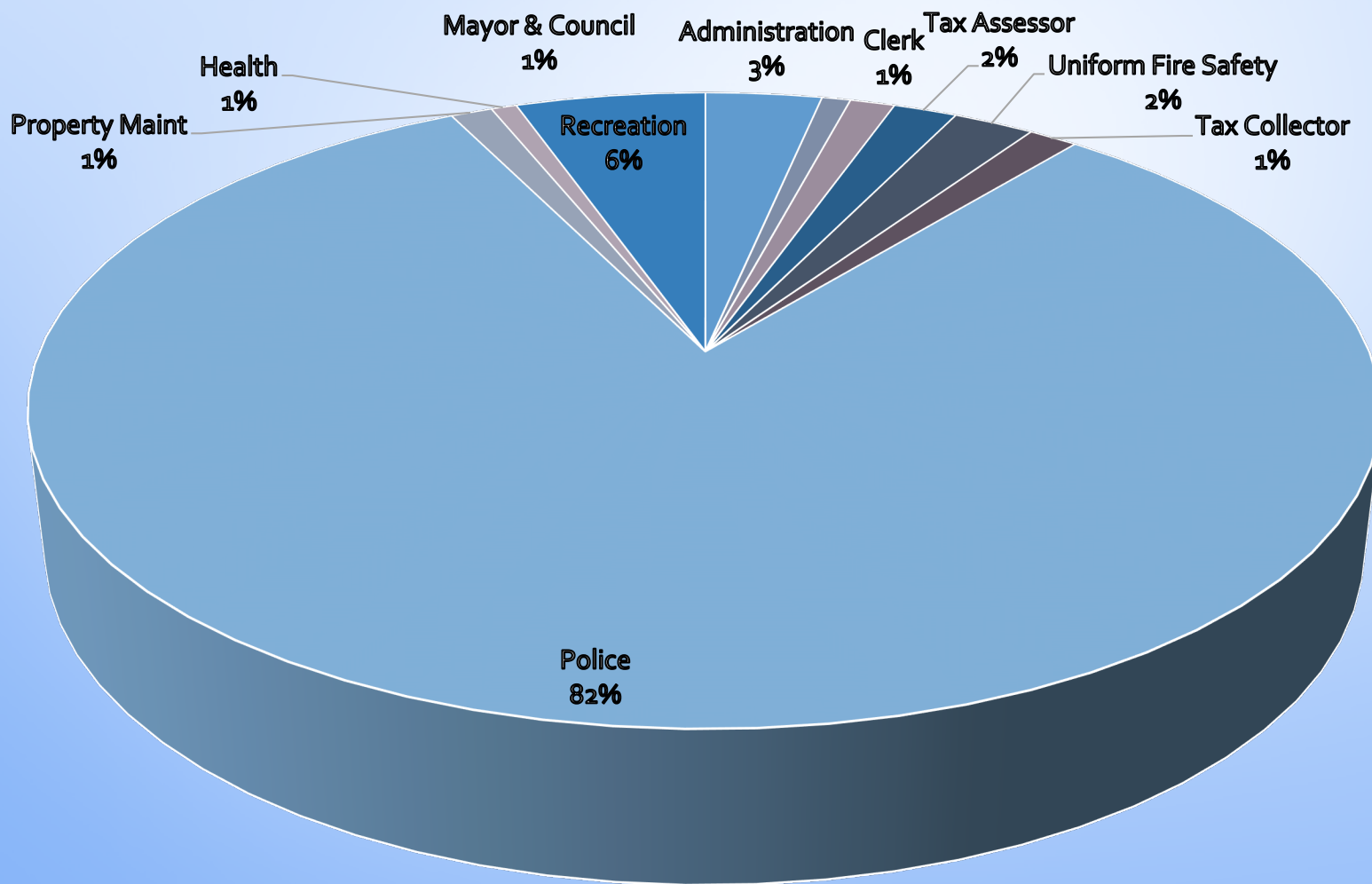
2021 DEPARTMENT EXPENSES

DEPARTMENTS	MAJOR DEPARTMENTAL PROGRAMS			
	Introduced 2021 Budget Appropriations	Final 2020 Budget Appropriations	Increase / Decrease \$	Increase / Decrease %
POLICE	3,390,000	3,325,000	65,000	1.92%
PUBLIC WORKS	1,930,000	1,856,000	74,000	3.83%
RECREATION	248,000	247,500	500	0.20%
CONSTRUCTION/PROPERTY MAINT/ FIRE SAFETY	306,600	293,135	13,465	4.39%
COLLECTION & ASSESSMENT OF TAXES	156,000	179,500	(23,500)	-15.06%
BUILDINGS & GROUNDS	110,000	106,000	4,000	3.64%
FINANCIAL ADMINISTRATION	92,000	90,805	1,195	1.30%
FIRE	156,064	154,000	2,064	1.32%
LEGAL SERVICES	155,000	155,000	-	0.00%

2021 DEPARTMENT EXPENSES

DEPARTMENTS	MAJOR DEPARTMENTAL PROGRAMS			
	Introduced 2021 Budget Appropriations	Final 2020 Budget Appropriations	Increase / Decrease \$	Increase / Decrease %
INSURANCES				
EMPLOYEE GROUP HEALTH	880,000	890,000	(10,000)	-1.14%
LIABILITY INSURANCE	305,000	290,000	15,000	4.92%
WORKERS COMPENSATION	263,000	250,000	13,000	4.94%
SUBTOTAL INSURANCES	1,448,000	1,430,000	18,000	1.24%
PENSIONS				
PFRS	905,000	800,000	105,000	11.60%
PERS	326,000	296,000	30,000	9.20%
TOTAL PENSIONS	1,231,000	1,096,000	135,000	10.97%
CAPITAL IMPROVEMENT FUND	250,000	100,000	150,000	60.00%
DEBT SERVICE	831,000	845,500	(14,500)	-1.74%
UTILITIES	752,678	737,960	14,718	1.96%
RESERVE FOR UNCOLLECTED TAXES	1,500,000	1,500,000	-	0.00%

2021 Total Salary Breakout



Debt Service Detail

MOODY'S RATING: A1

- ❖ The A1 term rating reflects the borough's healthy finances, modestly-sized tax base, and average resident wealth and income

FACTORS THAT COULD LEAD TO AN UPGRADE

- ❖ Material increase of the tax base and resident wealth and income
- ❖ Significant increase in reserves

FACTORS THAT COULD LEAD TO A DOWNGRADE

- ❖ Material deterioration of the tax base and resident wealth and income
- ❖ Significant decrease in reserves or liquidity



Debt Service Detail (continued)

Outstanding General Serial Bonds

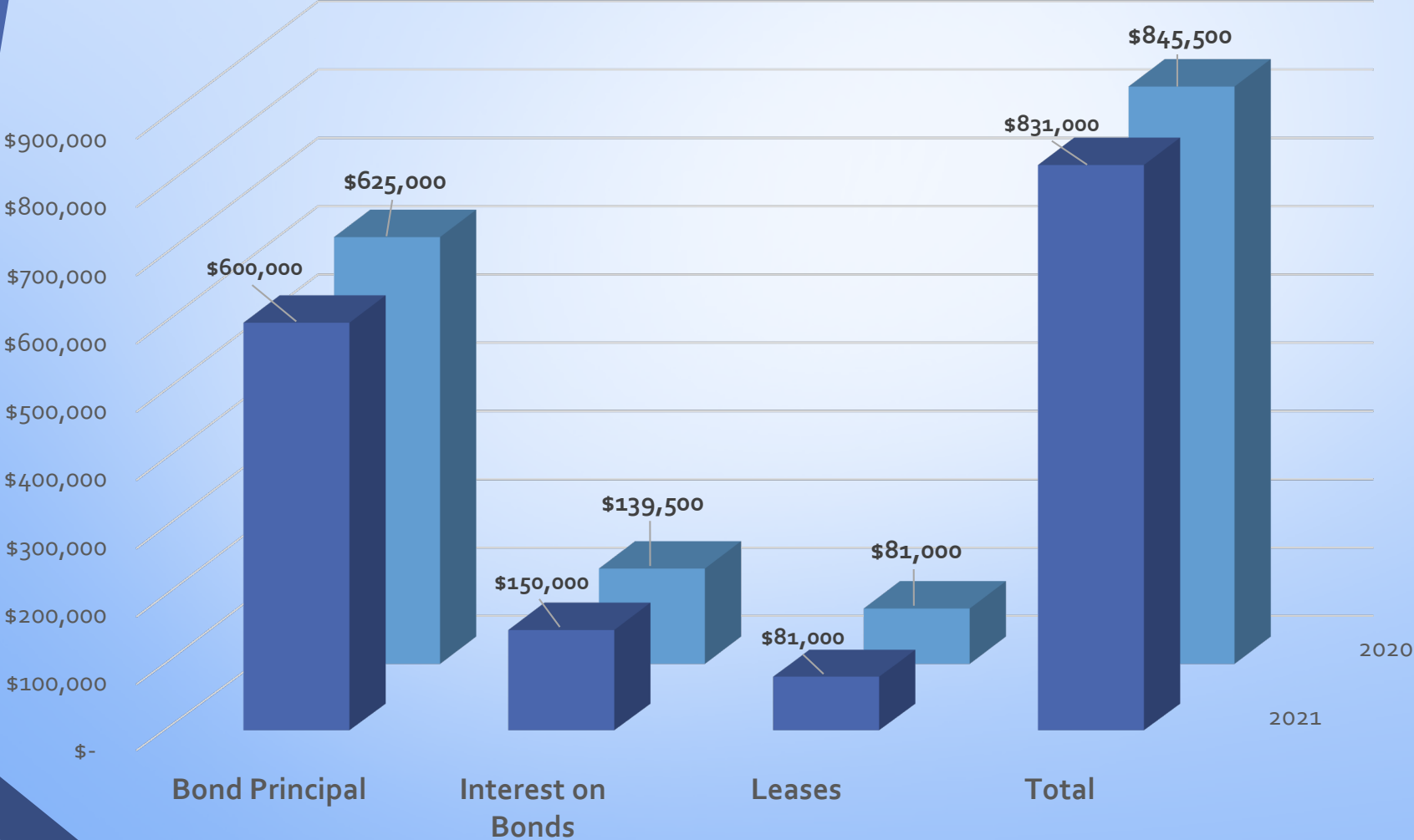
❖ 2018 General Improvement Bonds -	\$ 4,350,000
	<hr/>
	\$ 4,350,000

Debt Authorized but not issued:

❖ 1996 Ordinance -	\$141,000
❖ 1998 Ordinance -	\$164,538
❖ 2000 Ordinance -	\$160,261
❖ 2015 Ordinance -	\$95,566
❖ 2018 Ordinance -	\$2,100
	<hr/>
	\$ 563,459



Municipal Debt Payments - 2021



Capital Improvement Plan - 2021

Department of Public Works

- Vehicle & Equipment Purchases
- Road Paving Projects
- Curb Work
- Demolition of Hazardous Properties



OEM

- Mobile Radio

Police

- Body Cameras



2021 Sewer Utility Fund Overview

Revenues – Sewer Use Charges

2021	2020
\$1,820,500	\$2,372,195

Appropriations - Sewer Utility

2021	2020
\$1,820,500	\$2,372,195

Sewer Fund Revenue Detail 2021

	<u>2021</u>	<u>2020</u>
Surplus	\$20,000	\$130,000
Sewer Rents	\$1,800,500	\$2,042,195
From Current Fund	\$0.00	\$200,000
Total Revenue:	\$1,820,500	\$2,372,195



Sewer Fund Expenditure Detail 2021

Salaries & Wages	\$ 225,000
Other Expenses	120,000
Insurance – Other	52,000
Employee Group Insurance	70,000
SRVSA Treatment Costs	1,311,000
Capital Outlay	25,000
FICA	<u>17,500</u>
Total	\$ 1,820,500



Capital Improvement Plan - 2021

- Sewer Pump Stations

- Pump Replacement & Upgrades- \$25,000



2021 Budget Calendar

- April 12, 2021 – Budget Introduction
- May 10, 2021 – Public Hearing and Adoption

Thank you

