

Borough of Manville



2022

Budget Presentation

May 09, 2022

THE PROCESS

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



IDA BUDGET IMPACT

- ❖ Rateables
- ❖ Revenue
- ❖ Expenditures
- ❖ State & Federal Aid



2022 Budget Snapshot



Borough Value

\$ 1,081,120,600

▲ **9.36%** Greater Than 2021



Average Assessed Home Value

\$ 288,816

▲ **9.02%** Greater Than 2021



Property Tax Rate

\$0.888

▼ **9.04%** Less Than 2021

* Tax rate decrease does not automatically mean a property tax decrease. Tax impact is based on resident's assessed value.

2022 Property Tax Calculation 101

❖ $(\text{Taxes Raised} / \text{Borough Assessment}) \times 100 = \text{Tax Rate}$
 $(\$9,604,027.69 / 1,081,120,600) \times 100 = \$\mathbf{0.888}$

❖ 2022 Municipal Tax on Avg. Assed Home:
 $(\$288,815.73 * 0.888) / 100 = \$2,565.67$ (\$288.86 per month)
Approximately 33% of your total property tax bill



Manville Borough 2022 Budget Introduction

Overview

- Total 2022 Current Fund Budget Appropriations
\$15,579,829.71
- Amount to be raised by Taxes
\$9,604,027.69

Year over Year Comparison

2022

Amount to be Raised by
Property Taxes

\$9,604,027.69

2021

Amount to be Raised by
Property Taxes

\$9,655,326

The **2019, 2020 and 2021** 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 2.5 %. The state also allows a municipality, by ordinance, to increase the COLA percentage to **3.5%**.

2.5% APPROPRIATION CAP

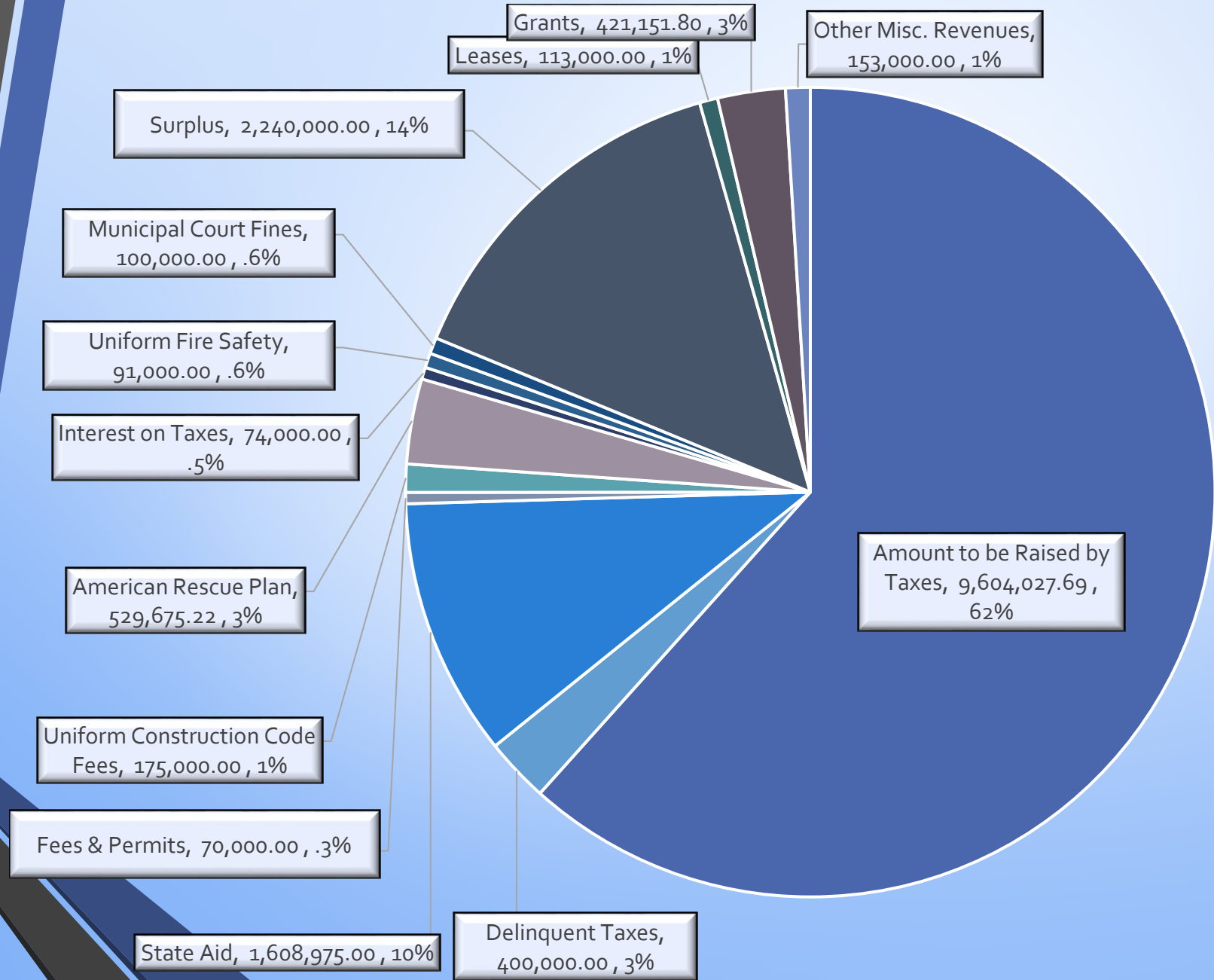
- ❖ The 3.5% ordinance, it does not indicate that the tax rate will increase by 3.5%. People often get this confused. It only means that if truly needed, we would be able to increase our inside the cap appropriations to 3.5% of prior year's inside the cap appropriations. Again, doing so does not automatically 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.

Current Fund 2022 Revenue Sources

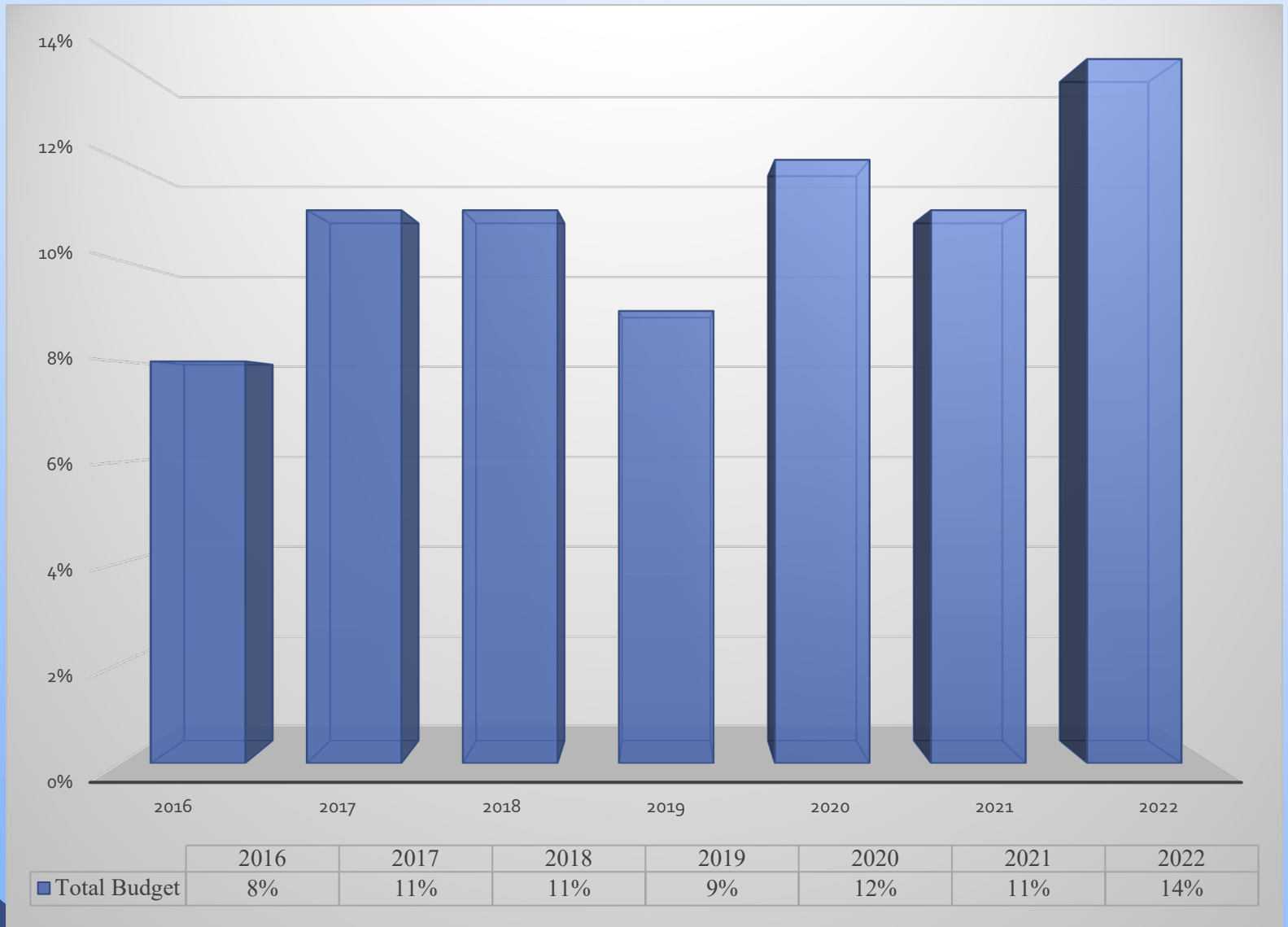
- ❖ Amount to be Raised by Taxes = **\$9,604,027.69**
- ❖ Surplus = **\$2,240,000**
- ❖ State Aid = **\$1,608,975**
- ❖ Fees & Permits = **\$70,000**
- ❖ Construction Code Fees = **\$175,000**
- ❖ American Rescue Plan Funds = **\$529,675.22**
- ❖ Interest on Taxes = **\$74,000**
- ❖ Municipal Court Fines = **100,000**
- ❖ Delinquent Taxes = **\$400,000**



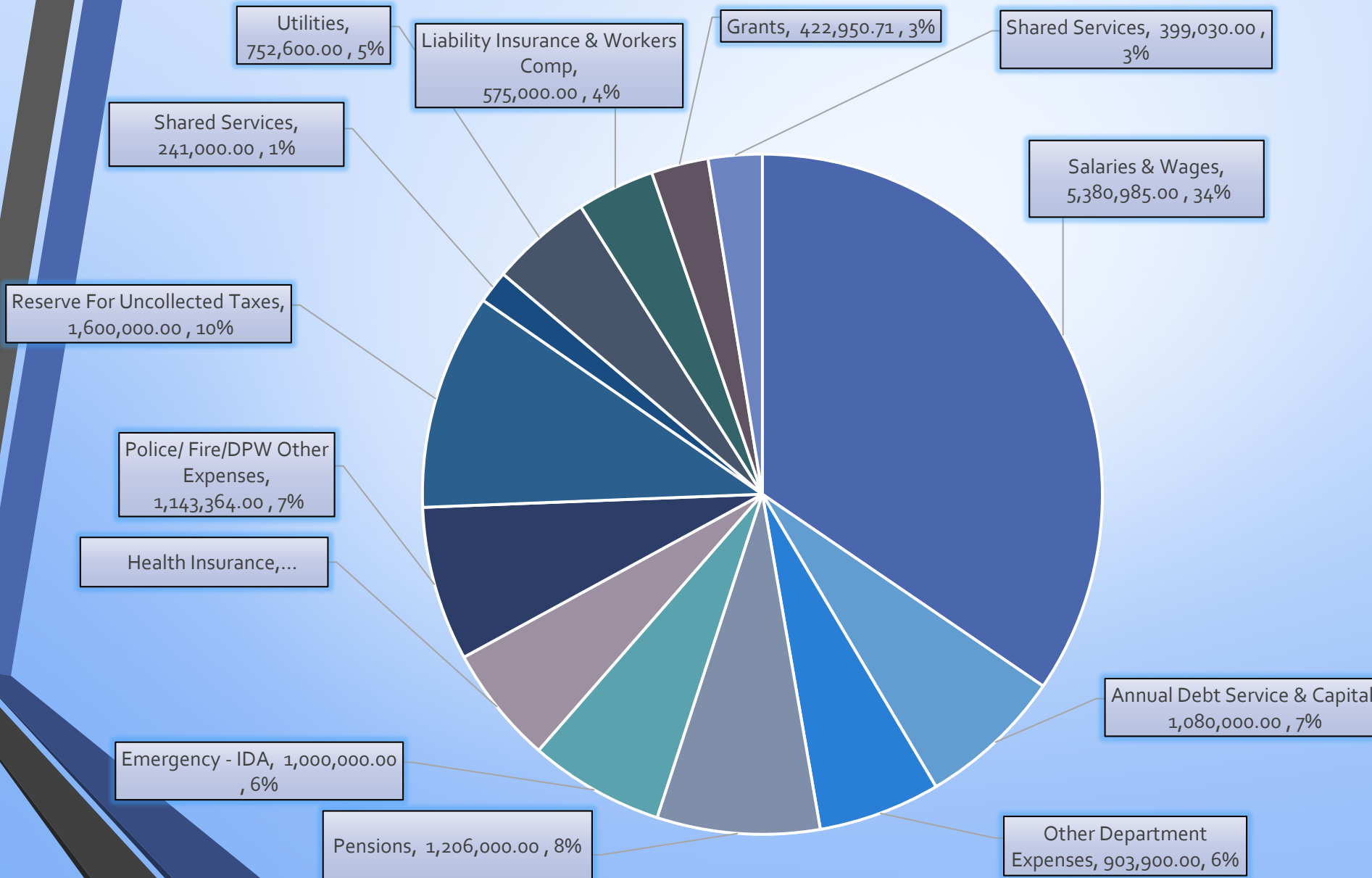
2022 Revenue Sources



2022 Surplus Used - % of Budget

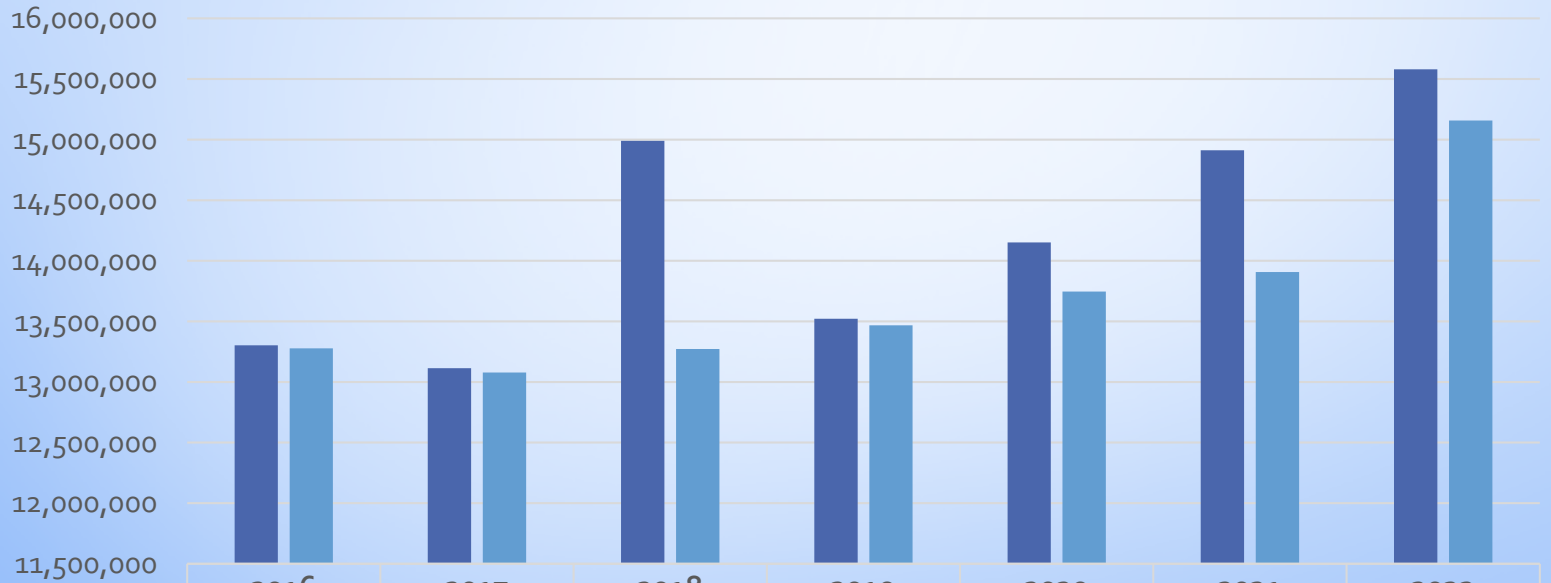


2022 Appropriation Sources



Total Budgeted Appropriations (000's Omitted)

Chart Title



■ Budget	13,302,643	13,113,538	14,989,269	13,521,336	14,151,270	14,912,569	15,579,830
■ Budget (no grants)	13,277,893	13,077,522	13,271,634	13,467,923	13,745,949	13,906,662	15,156,879

■ Budget ■ Budget (no grants)

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 - \$ 3,775,000

\$ 3,775,000

Debt Authorized but not issued:

❖ 1996 Ordinance - \$141,000

❖ 1998 Ordinance - \$164,538

❖ 2000 Ordinance - \$160,261

❖ 2015 Ordinance - \$94,561

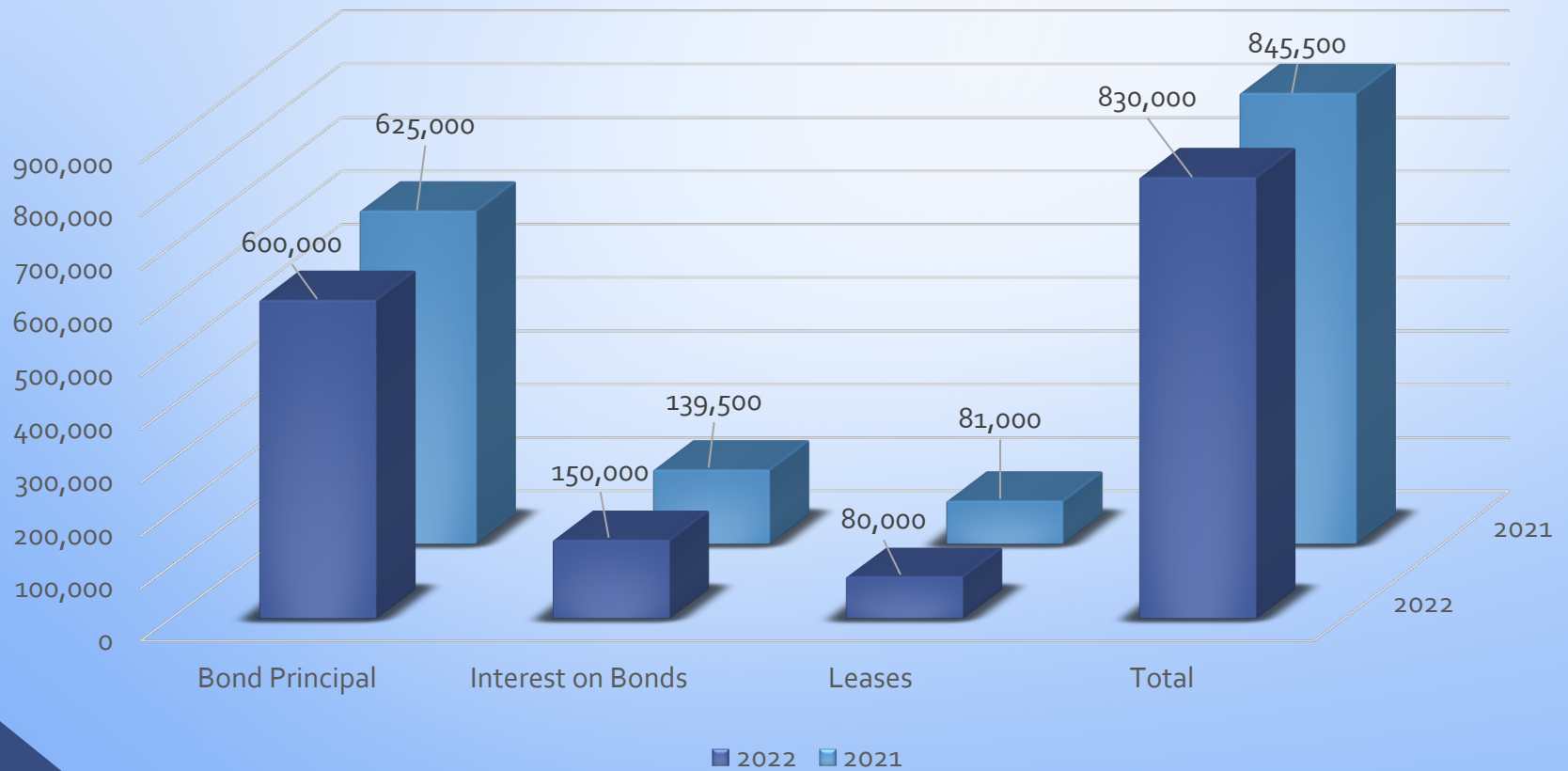
❖ 2018 Ordinance - \$2,100

❖ 2021 Ordinance - \$950,000

\$ 1,512,460



2022 Municipal Debt Payments



Capital Improvement Plan - 2022

Department of Public Works

- Road Paving Projects & Equipment



Fire

- Equipment

Police

- Equipment



2022 Sewer Utility Fund Overview

Revenues – Sewer Use Charges

2022

\$1,861,000

2021

\$1,820,500

Appropriations - Sewer Utility

2022

\$1,861,000

2021

\$1,820,500

Sewer Fund Revenue Detail 2022

	<u>2021</u>	<u>2020</u>
Surplus	\$0.00	\$20,000
Sewer Rents	\$1,861,000	\$1,800,500
Total Revenue:	\$1,861,000	\$1,820,500



Sewer Fund Expenditure Detail 2022

Salaries & Wages	\$ 230,000
Other Expenses	135,000
Insurance – Other	60,000
Employee Group Insurance	75,000
SRVSA Treatment Costs	1,311,000
Capital Outlay	25,000
FICA	<u>25,000</u>
Total	\$ 1,861,000



Capital Improvement Plan - 2022

- Sewer Pump Stations

- Upgrades & Maintenance - \$25,000



2022 Budget Calendar

- May 09, 2022 – Budget Introduction
- June 13, 2022 – Public Hearing and Adoption

Thank you

