

Borough of Manville

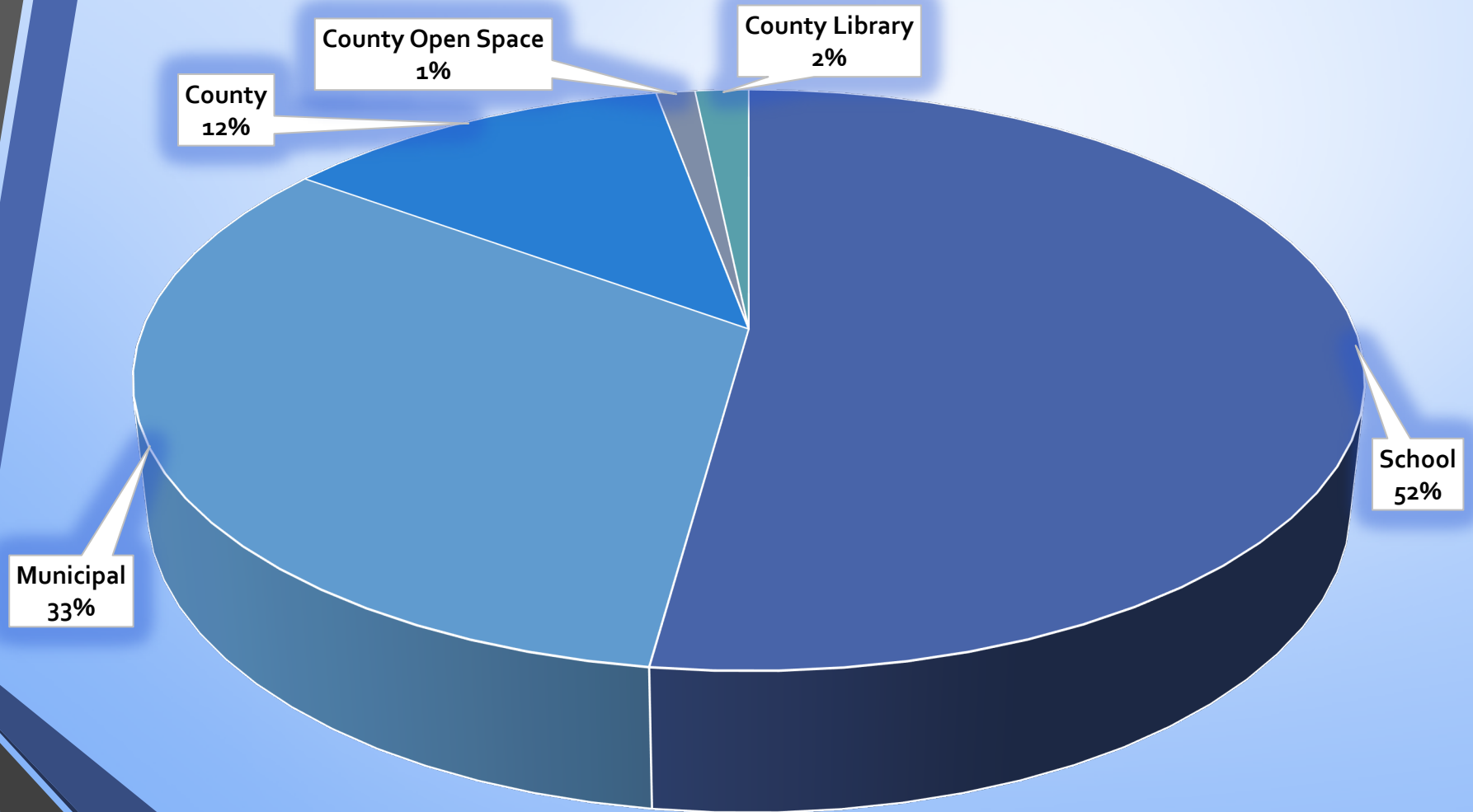


2024

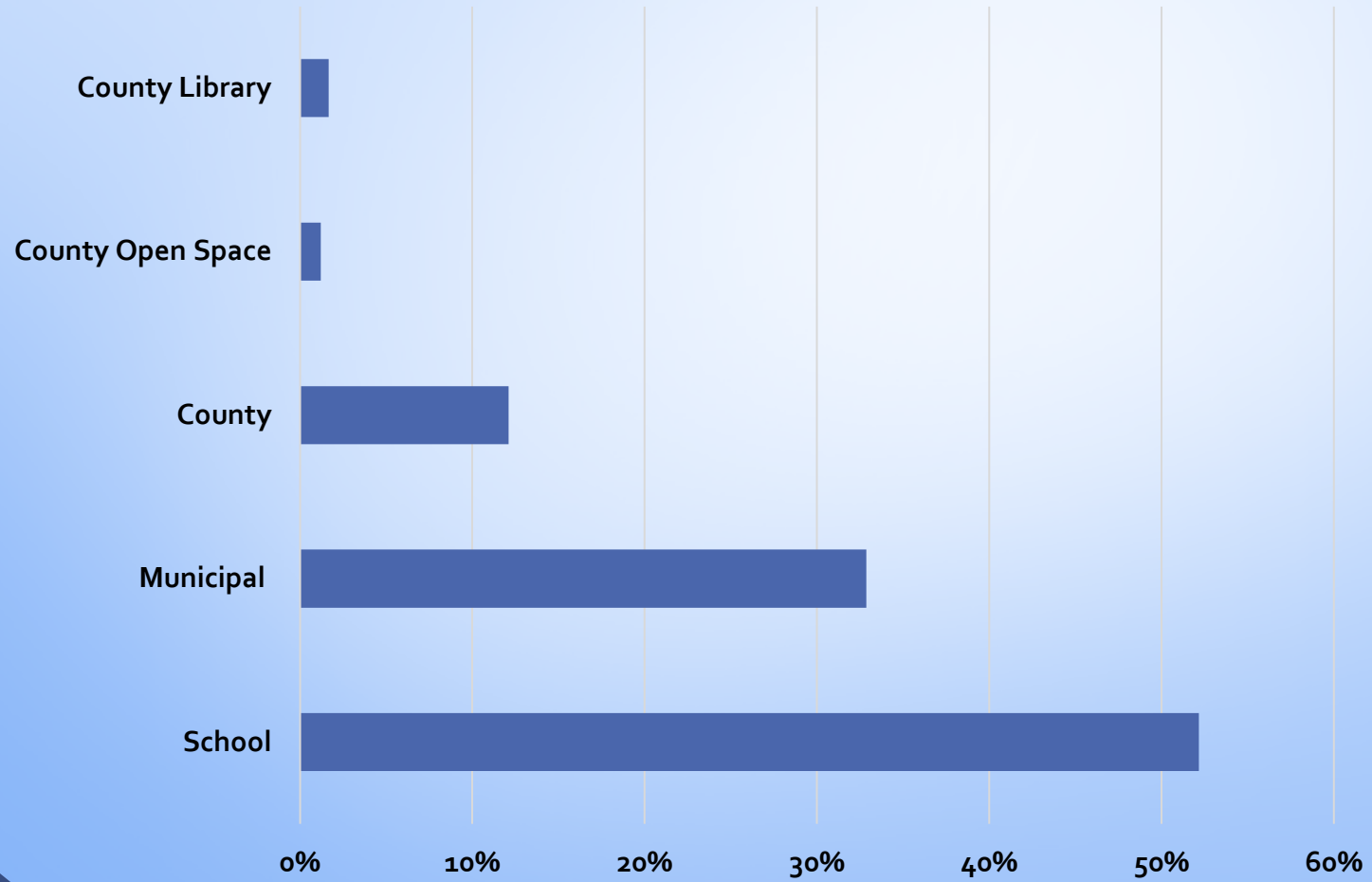
Budget Presentation

April 22, 2024

% of Property Taxes



% of Property Taxes



The Process

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



Transitional Aid

- ❖ Transitional Aid is designed as short-term gap financing to assist municipalities through temporary fiscal crises. It is not intended to provide long-term budgetary supplementation
- ❖ 2022 Amount: \$600,000 (regular)
- ❖ 2023 Amount: \$510,000 (regular)
- ❖ 2023 Amount: \$448,618 (supplemental)
- ❖ 2024 Amount: \$0.00



2024 Budget Snapshot



Borough Value

\$ 1,354,745,900

▲ **8.47%**

Greater
Than 2023



Average Assessed Home Value

\$ 360,645

▲ **8.62%**

Greater
Than 2023



Property Tax Rate

\$.743

▼ **5.98%** Less
Than 2023

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

2024 Property Tax Calculation 101

❖ $(\text{Taxes Raised} / \text{Borough Assessment}) \times 100 = \text{Tax Rate}$
 $(\$10,060,336.82 / 1,354,745,900) \times 100 = \mathbf{\$0.743}$

❖ 2024 Municipal Tax on Avg. Assessed Home:
 $(\$360,645 * 0.743) / 100 = \$2,678.15$ (\$223.18 per month)
Approximately 33% of your total property tax bill



2024 Budget Cost Drivers

Increase to 2024 Budget (excluding grants): \$ 243,650

Main Cost Drivers (increases):

Police Costs \$238,100

DPW Costs \$98,558

Capital Improvement Fund \$50,000



Manville Borough

2024 Budget Introduction

Overview

- Total 2024 Current Fund Budget Appropriations
(not including grants)
\$15,587,623
- Amount to be raised by Taxes
\$10,060,337

Year over Year Comparison

2024

Amount to be Raised by
Property Taxes

\$10,060,337

2023

Amount to be Raised by
Property Taxes

\$9,864,172

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

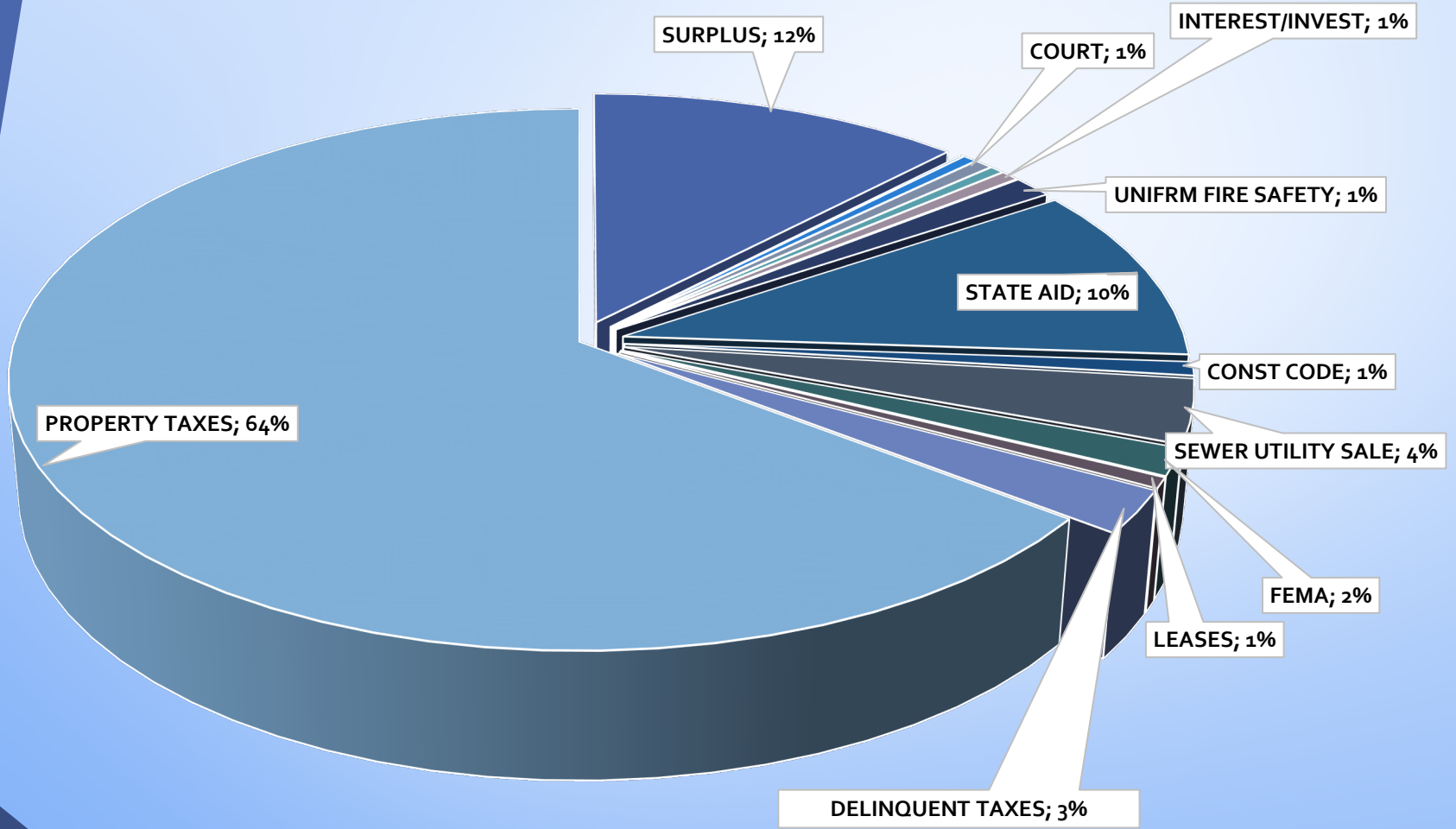
2.5% APPROPRIATION CAP

- ❖ 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%**.

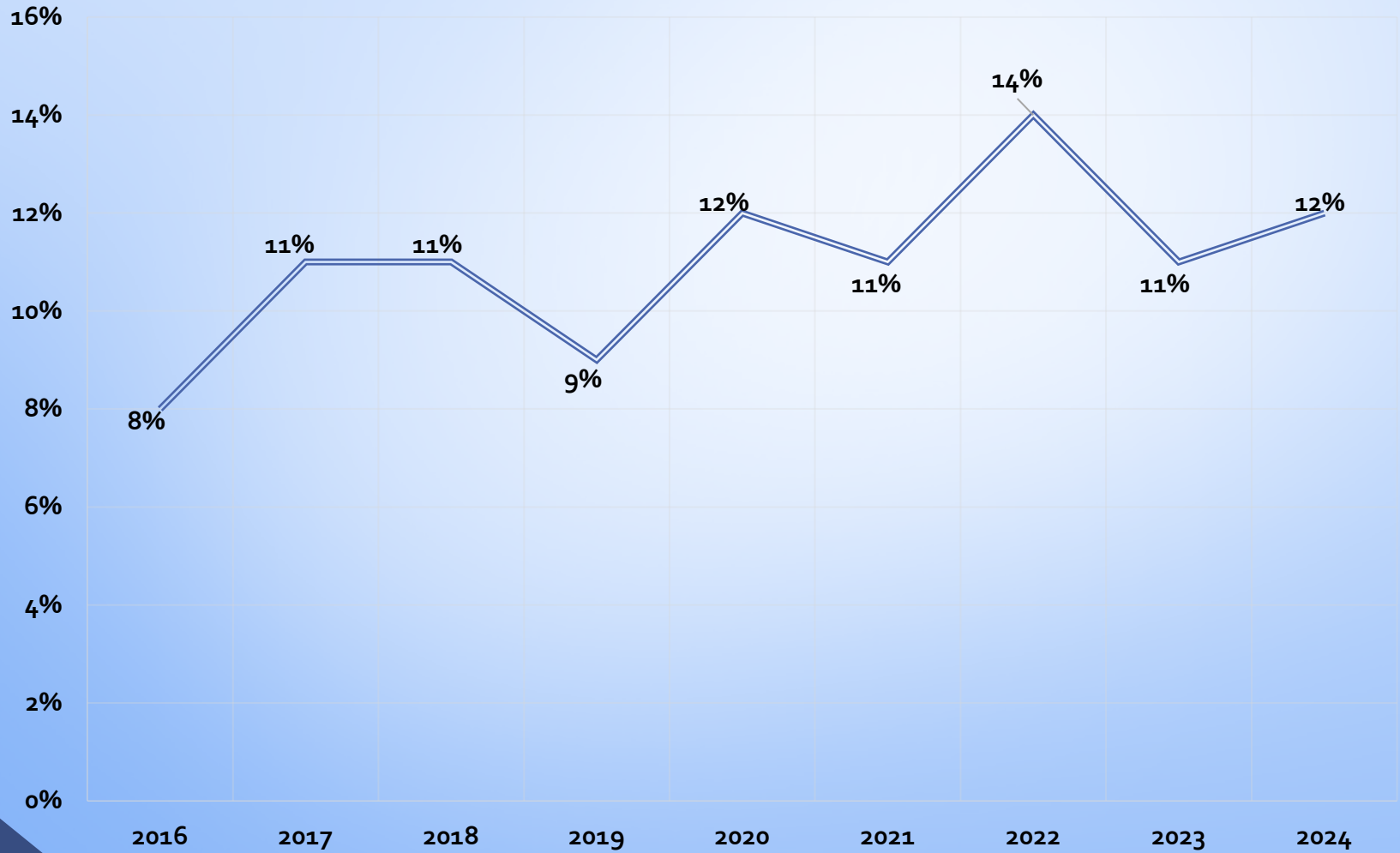
2.5% APPROPRIATION CAP

- ❖ 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.

2024 Revenue Sources



2024 Surplus Used - % of Budget

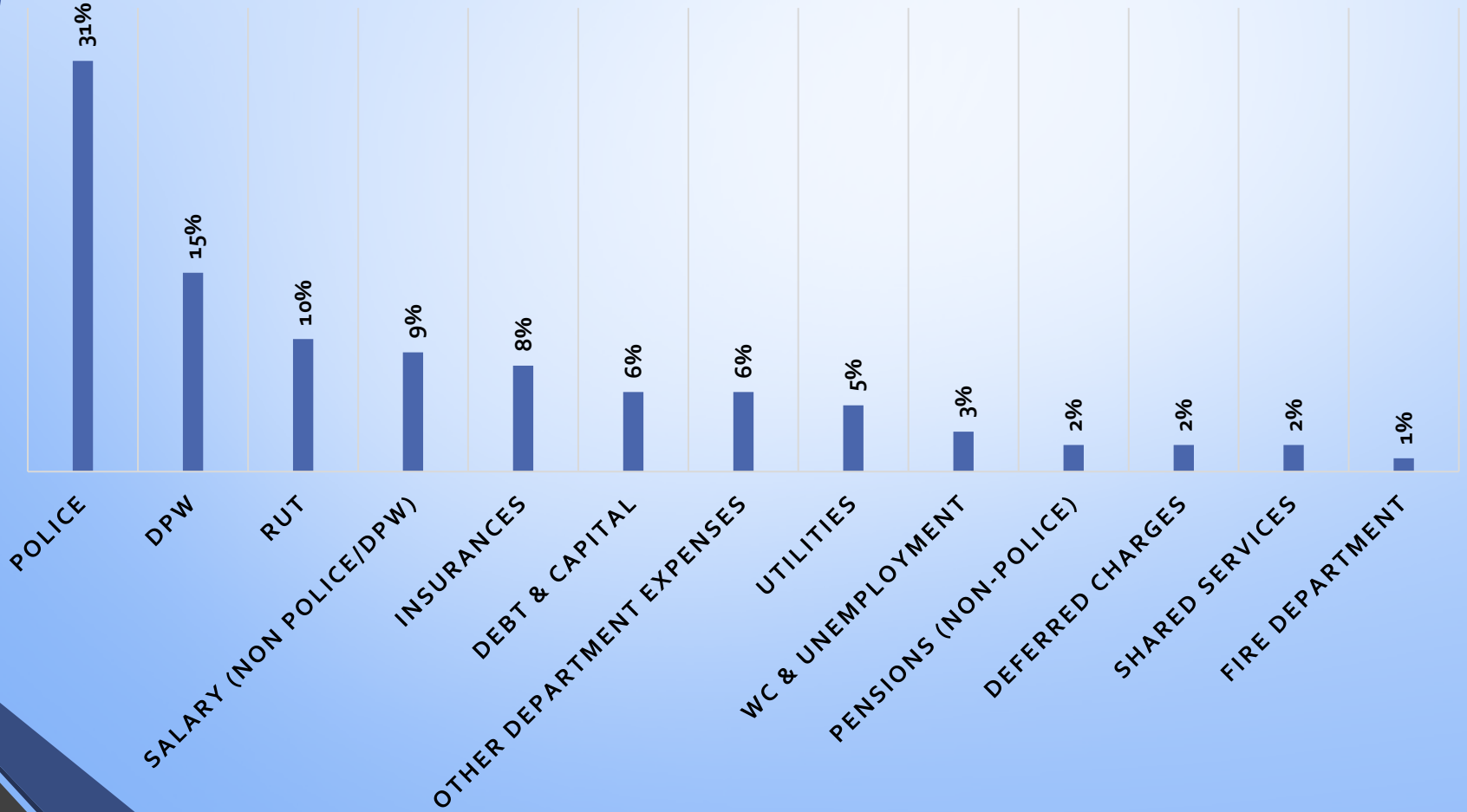


Current Fund 2024 Major Appropriations

- ❖ Police = **\$4,792,010**
- ❖ Salaries / Wages (not including police)= **\$2,729,560**
- ❖ Reserve for Uncollected Taxes = **\$1,600,000**
- ❖ Health Insurance & Liability Ins. = **\$1,305,069**
- ❖ Utilities = **\$738,800**
- ❖ Annual Debt Service = **\$590,125**
- ❖ Social Security, Unemployment, WC: **\$540,789**
- ❖ Pensions (not including police) = **\$340,000**
- ❖ Capital Improvement Fund: **\$300,000**



2024 Appropriation Sources



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 - \$2,675,000

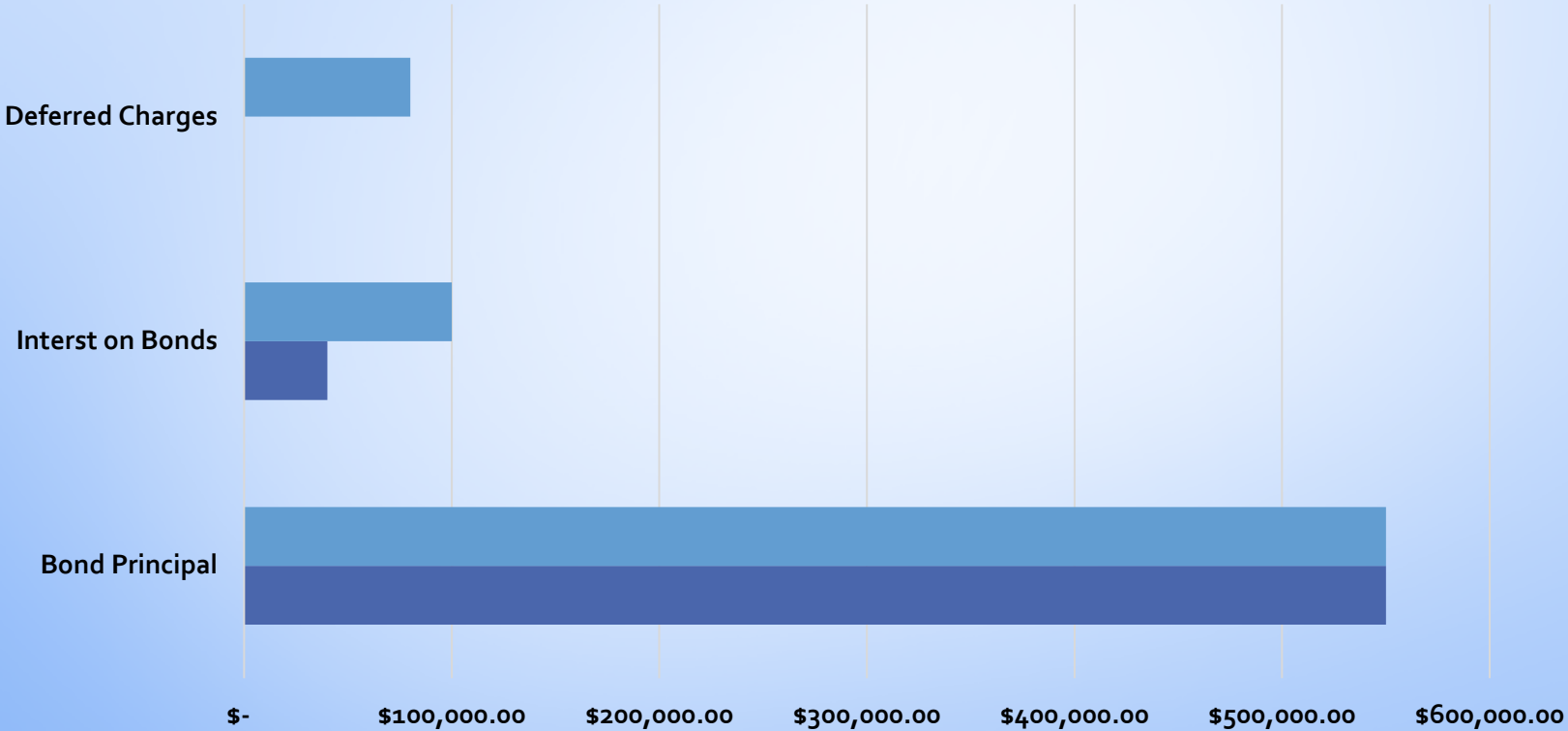
Debt Authorized but Not Issued:

- ❖ 1998 Ordinance - \$147,638
- ❖ 2000 Ordinance - \$160,261
- ❖ 2015 Ordinance - \$94,561
- ❖ 2021 Ordinance - \$950,000

\$ 1,352,460



2024 Municipal Debt Payments



	Bond Principal	Interest on Bonds	Deferred Charges
2023	\$550,000.00	\$100,000.00	\$80,000.00
2024	\$550,000.00	\$40,125.00	\$-

■ 2023 ■ 2024

Capital Improvement Plan - 2024

Police \$37,000

- License Plate Reader
- Handheld Radios
- Patrol Vehicle Radios
- AED's

OEM \$26,000

- Radios
- One Light Tower

Fire \$20,000

- Air Bottles

Administration \$150,000

- Flood Wall Borough Hall (contingent on Grant)



Buildings \$58,000

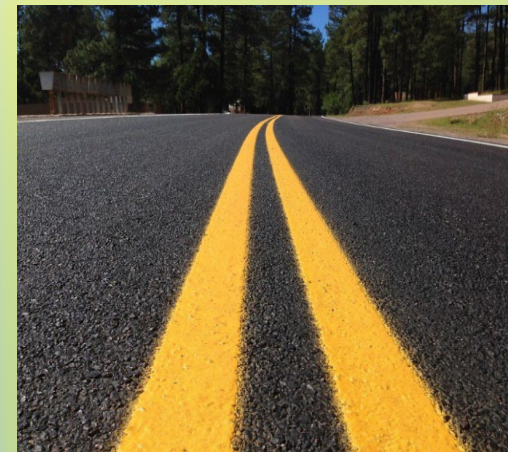
- Borough Hall Work
- Oem Fence replacement
- Police Condenser Unit

OEM \$26,000

- Radios
- One Light Tower

DPW \$160,000

- Spreader
- Lead Vac
- Mowers
- Other Equipment
- Crack Sealing



2024 Sewer Utility Fund



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COLLECTION SYSTEMS

New Jersey American Water acquires Manville sewer system for \$6.5M

80% of voters approved the sale last November, and NJ American Water will invest \$10 million to improve the sewer system over the next 10 years.

March 12, 2024

2024 Sewer Utility Fund Overview

Revenues – Sewer Use Charges

2024

\$1,300,000

2023

\$1,861,000

Appropriations - Sewer Utility

2024

\$1,300,000

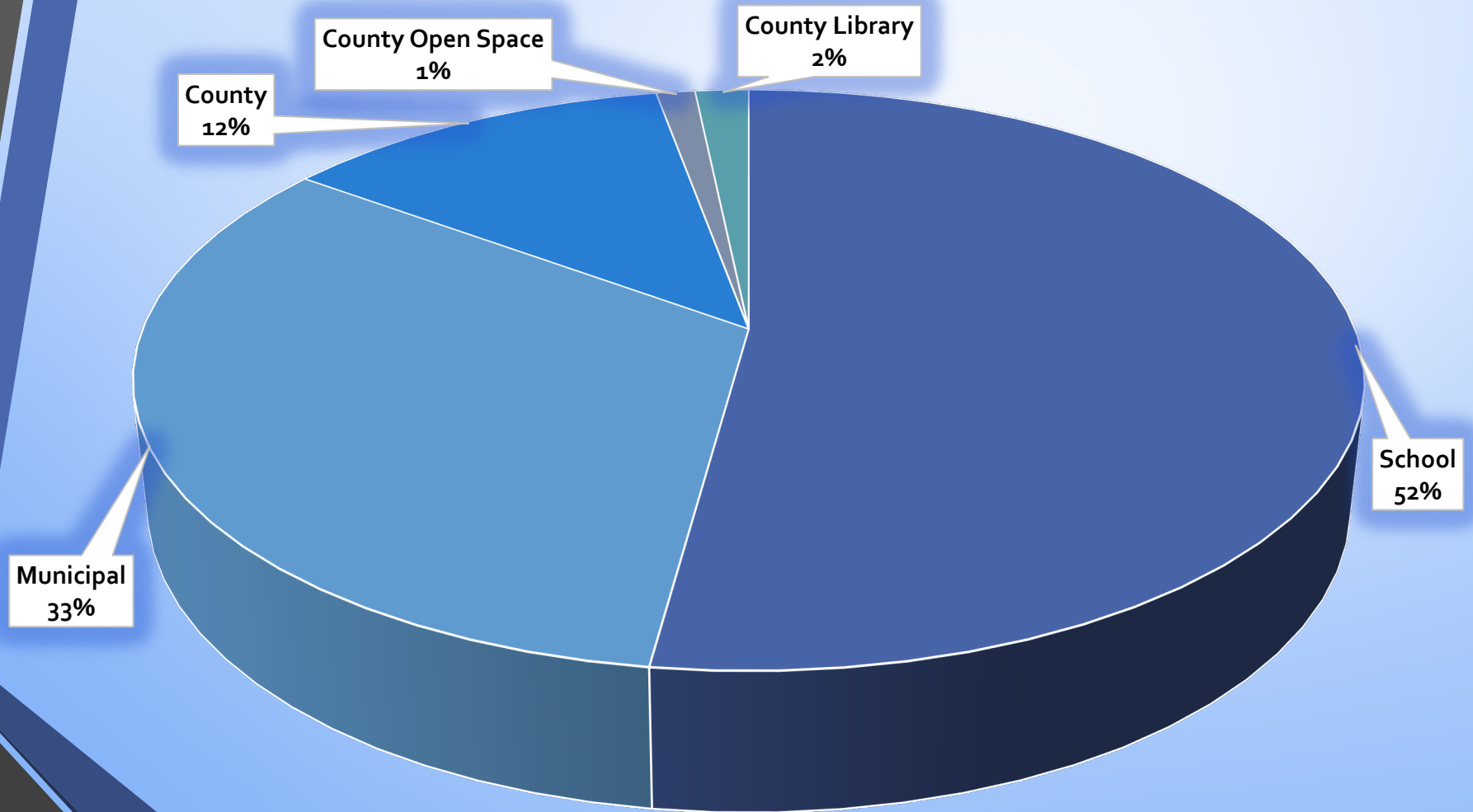
2023

\$1,861,000

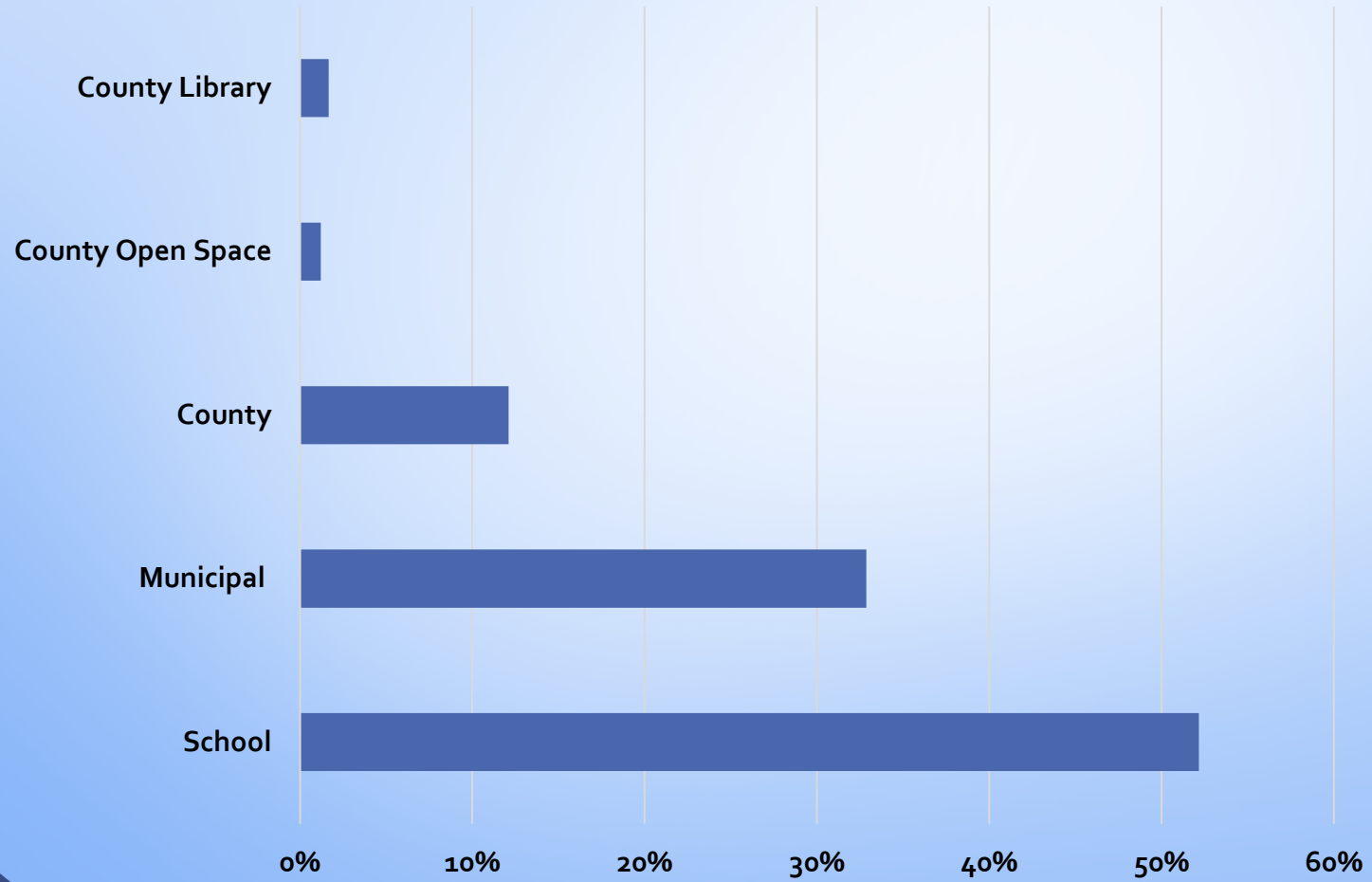
2024 Budget Calendar

- April 22, 2024 – Budget Introduction
- Last Meeting in May – Public Hearing and Adoption

% of Property Taxes



% of Property Taxes



Thank you

