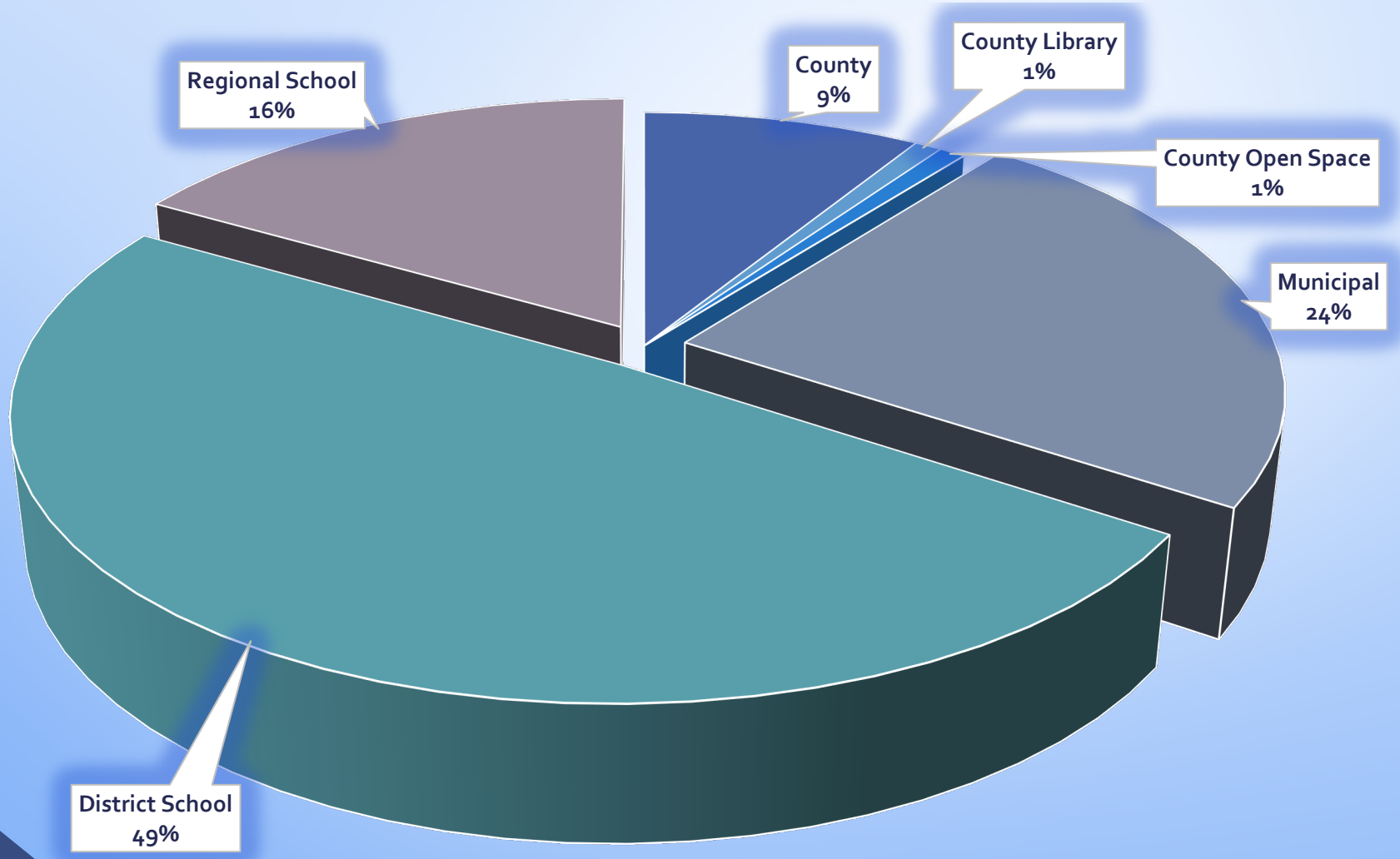
HIGH BRIDGE BOROUGH

2024 Budget Presentation

April 11, 2024

% of Property Tax Bill



Budget Process

- Budget Refresher
- Budget Requests
- Department Meetings
- Assessor Valuation
- Budget & Finance Committee Meetings
- Budget Introduction
- Advertisement
- Budget Hearing
- Budget Adoption

2024 Budget Snapshot

Borough Value

$ 487,131,300

27.20% Greater Than 2023

Average Assessed Home Value

$ 334,815

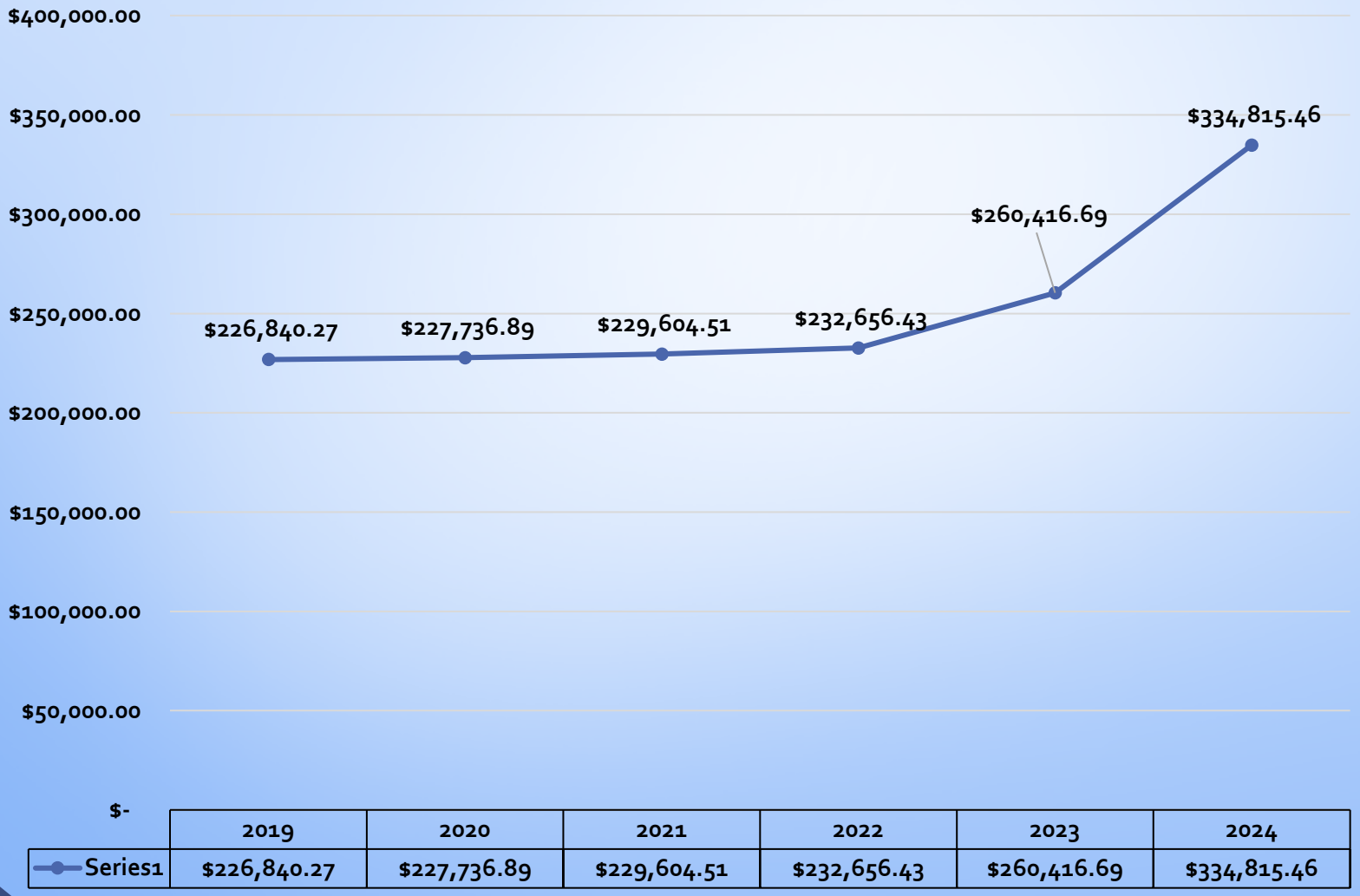
28.57% Greater Than 2023

Property Tax Rate

$0.770

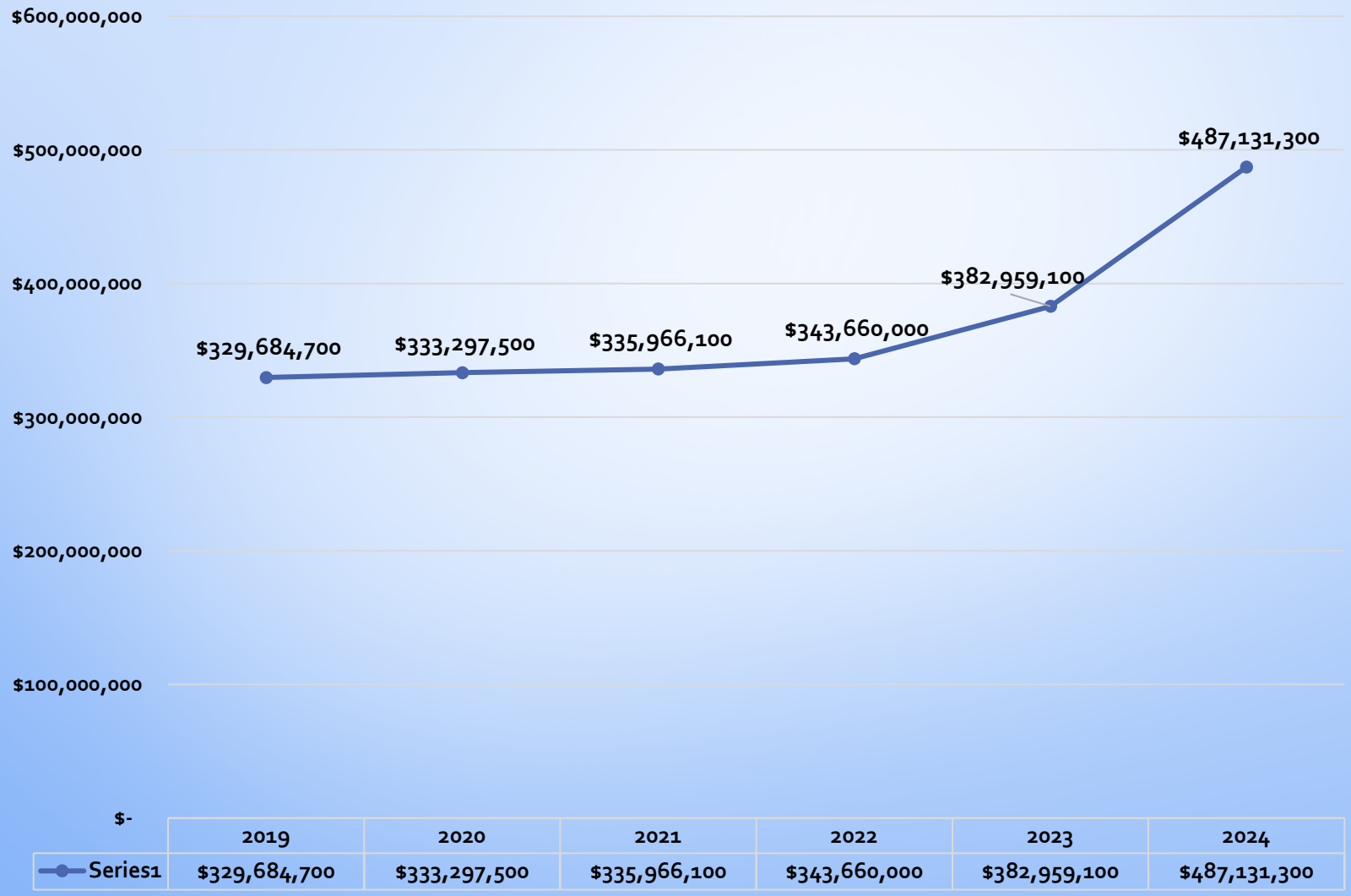
18.00% Less Than 2023

AVERAGE ASSESSED HOME



	2019	2020	2021	2022	2023	2024
Series1	$226,840.27	$227,736.89	$229,604.51	$232,656.43	$260,416.69	$334,815.46

BOROUGH ASSESSED VALUE



	2019	2020	2021	2022	2023	2024
Series1	$329,684,700	$333,297,500	$335,966,100	$343,660,000	$382,959,100	$487,131,300

Property Tax Rate Information

2024

- Est. Municipal Tax Rate = 0.770
- $0.169 rate decrease over prior year
- $132.85 **ANNUAL** Increase for the average assessed home (AAH)
- $11.07 **MONTHLY** Increase on AAH
- Tax on $334,815.46 residence: $2,578.17

2023

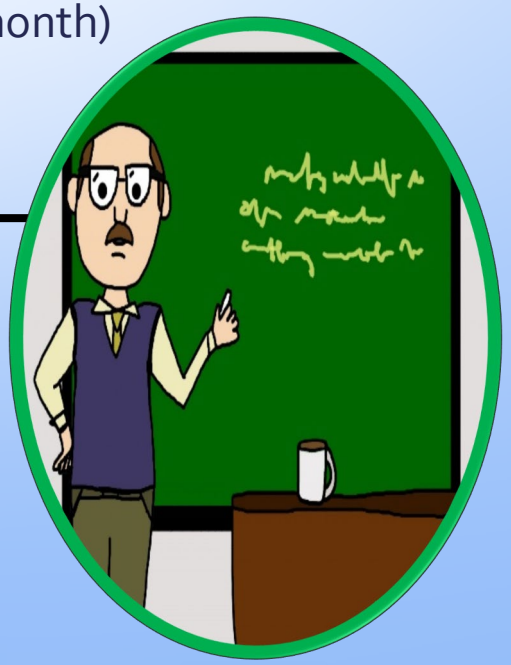
- Municipal Tax Rate = 0.939
- $0.108 rate decrease over prior year
- $260.46 **ANNUAL** Increase for the average assessed home (AAH)
- $21.71 **MONTHLY** Increase on AAH
- Tax on $260,416.69 residence: $2,445.32

2024 Property Tax Calculation 101

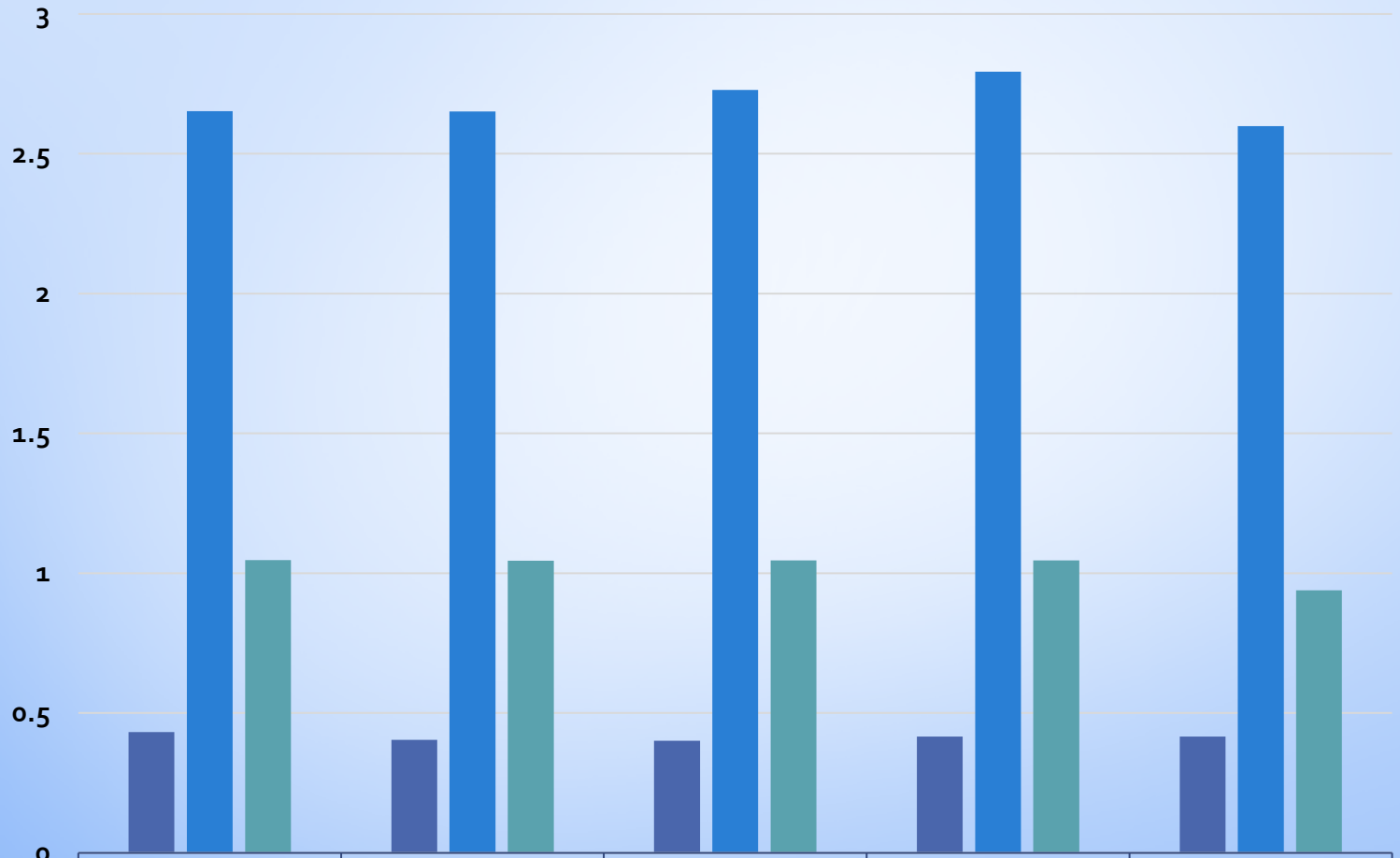
- (Tax Levy / Town Assessment) x 100 = Tax Rate
  ($ 3,751,038.88 / $487,131,300) x 100 = $**0.770**

- 2024 Municipal Tax on Avg. Assessed Home:
  ($334,815.46 *.770) / 100= $2,578.17 ($214.85 per month)

Approximately 23.75% of your property tax bill



Property Tax Rates



	2019	2020	2021	2022	2023
County	0.432	0.4038	0.401	0.416	0.416
School	2.652	2.651	2.728	2.793	2.599
Municipal	1.047	1.045	1.046	1.046	0.939

Property Tax Bill

	2019	2020	2021	2022	2023
County	10.46%	9.85%	9.60%	9.78%	10.52%
School	64.20%	64.66%	65.35%	65.64%	65.73%
Municipal	25.34%	25.49%	25.05%	24.58%	23.75%

2024 Budget Introduction

Overview

- Total 2024 Current Fund Budget Appropriations
  $10,906,388
  - Amount to be raised by Taxes
    $3,751,039

Year Over Year Comparison

2024	2023
Amount to be Raised by Property Taxes	Amount to be Raised by Property Taxes
$3,751,039	$ 3,593,163

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% Appropriations 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% Appropriations 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% Appropriations Cap

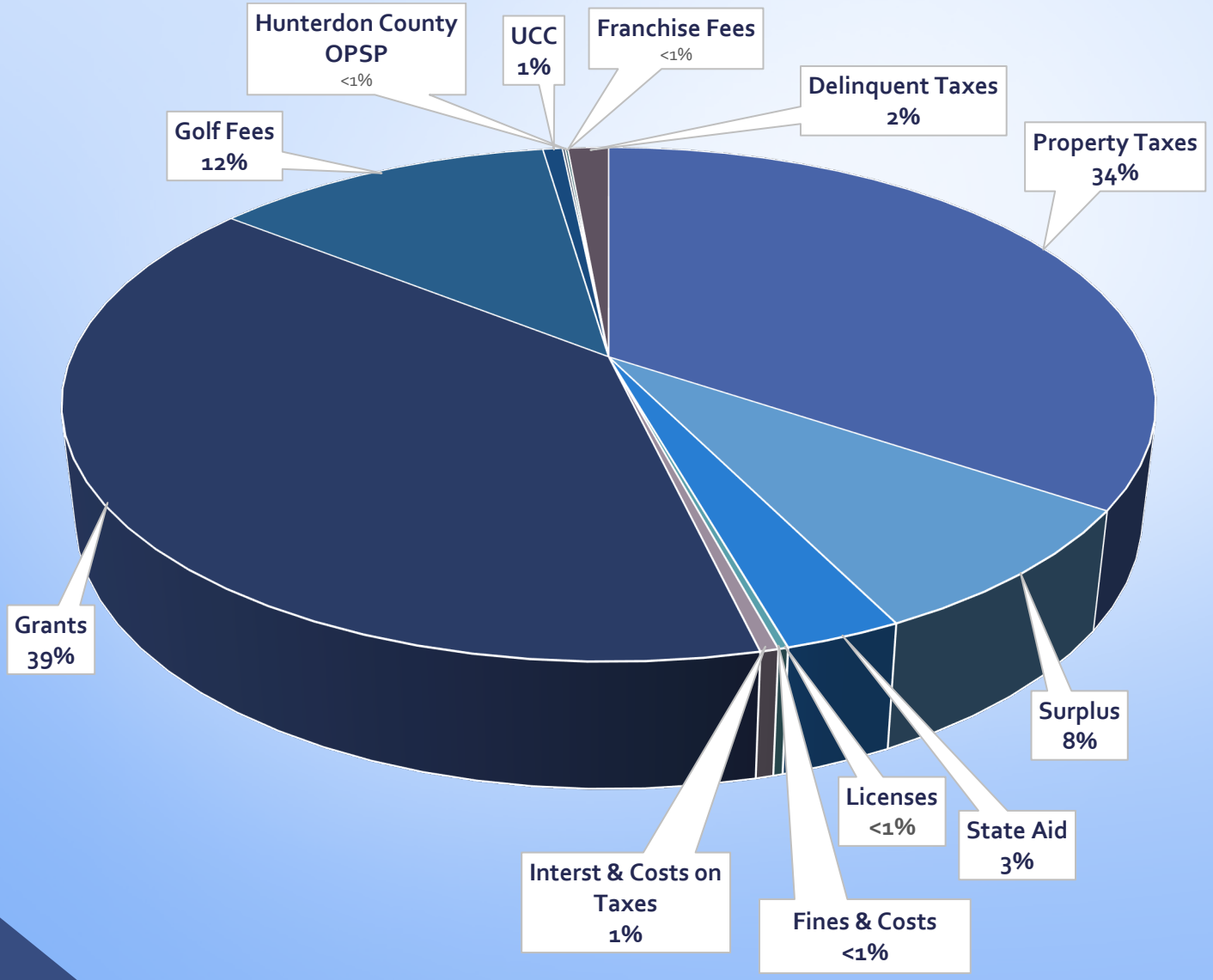
- The 3.5% ordinance, it does not indicate that the tax rate will increase by 3.5%. People often get this confused. It only means that if truly needed, we would be able to increase our inside the cap appropriations to 3.5% of prior year's inside the cap appropriations. Again, doing so does not automatically 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 2024 Revenue Sources

- Amount to be Raised by Taxes = **$3,751,039**
- Golf Fees = **$1,310,000**
- Surplus = **$900,000**
- State Aid (Energy Receipts Tax) = **$320,067**
- Delinquent Taxes= **$157,000**
- Uniform Construction Code Fees = $**75,000**
- Interest & Costs on Taxes = **$50,000**
- Fines & Costs = **$26,700**

2024 Revenue Sources



Surplus Balance

	2019	2020	2021	2022	2023
Series1	$1,590,472.00	$1,309,581.00	$1,578,752.00	$1,193,328.37	$1,007,870.81

2024 Surplus - % of Budget

Grants

- DCA Water Main Improvements: $4,000,000
- NJ DOT – Wilson Ave Improvements - $219,330.00
- Body Armor Replacement: $1,075.89
- Statewide Insurance Grant: $1624.00
- Recycling Tonnage Grant: $2,148.53
- Firefighter Grant: $71,000.00

2024 Budget Cost Drivers

Increase to 2024 Budget (excluding grants)**:** **$ 214,578**

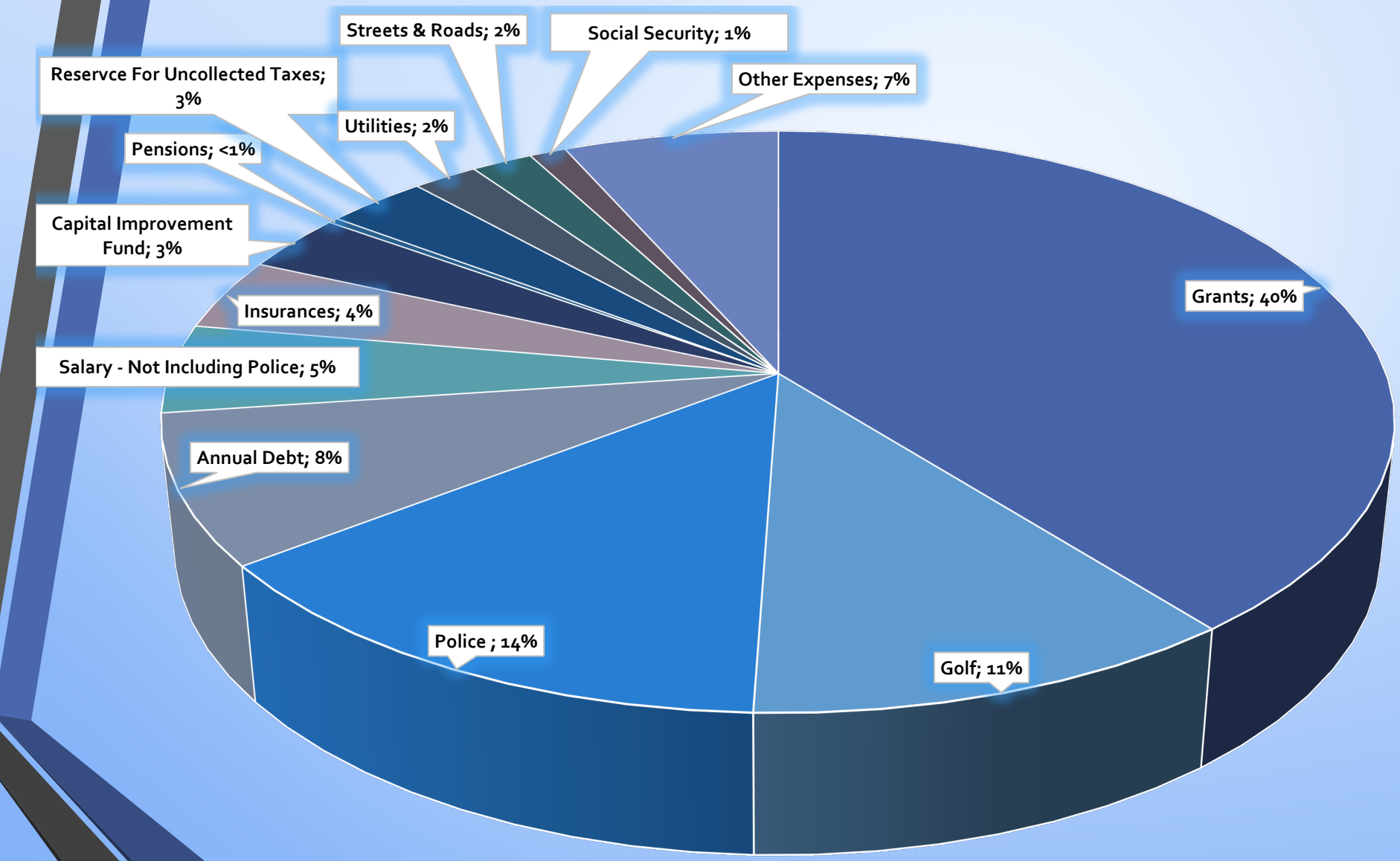
Main Cost Drivers *(increases)**:***

Police	*$66,346*
Annual Debt Service	*$56,625*
Golf Budget	*$48,000*
Emergency Appropriations	*$30,000*
Total:	***$200,971***

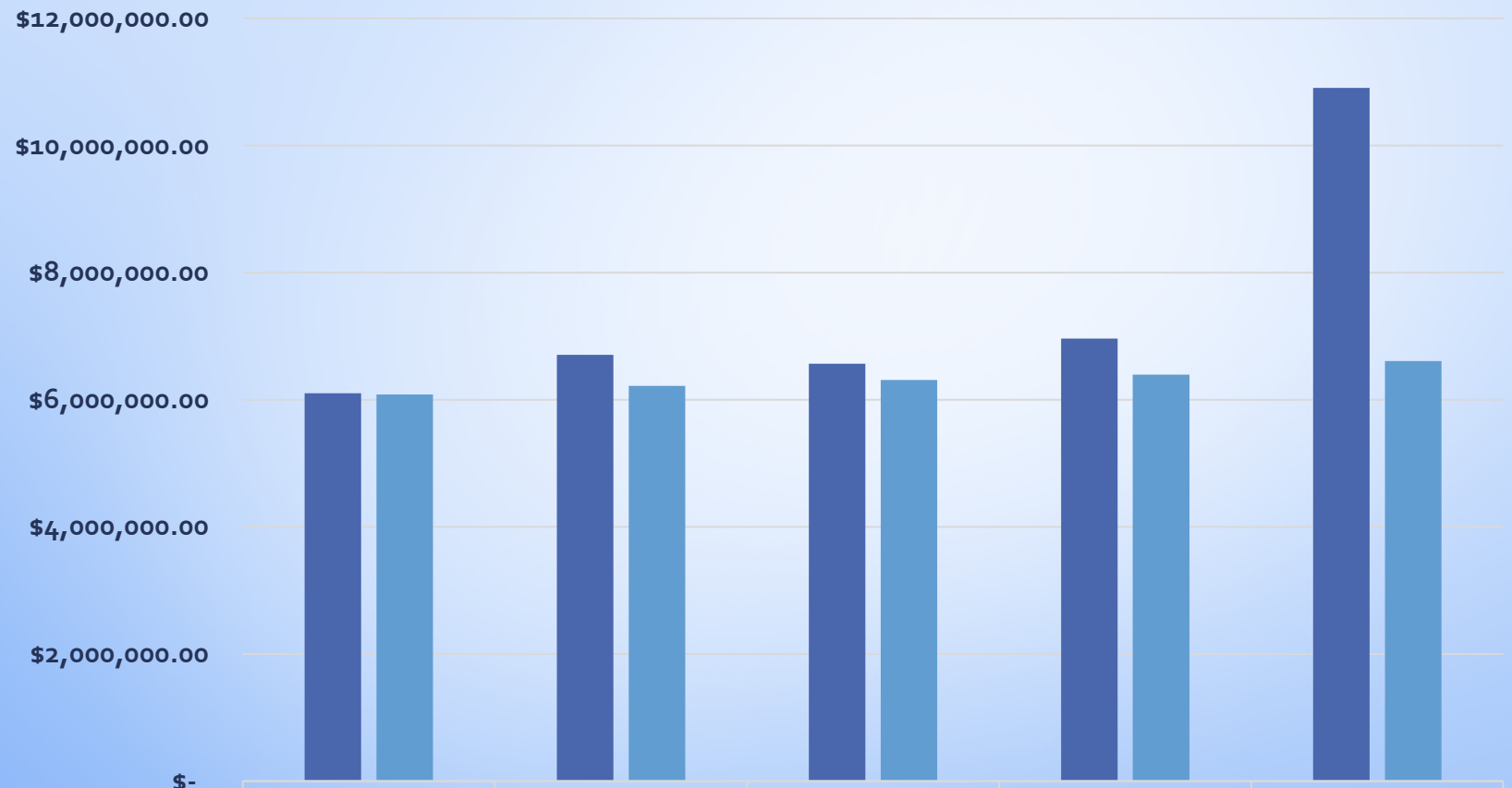
Current Fund 2024 Major Appropriations

- Police: **$1,522,435**
- Golf Course: **$1,218,000**
- Annual Debt Service: **$906,400**
- Salary / Wages – Other: **$538,100**
- Health Insurance & Liability Ins.: **$437,600**
- Capital Improvement Fund: **$350,500**
- Pensions (non-police): **$34,000**
- Reserve for Uncollected: **$336,000**
- Utilities: **$217,500**
- Streets & Roads Other Expenses: **$206,000**
- Social Security: **$123,000**

2024 Appropriation Sources



Total Budgeted Appropriations



	2020	2021	2022	2023	2024
Budget	$6,102,802.52	$6,706,446.02	$6,565,366.20	$6,963,953.55	$10,906,388.30
Budget (no Grants)	$6,083,384.46	$6,220,423.34	$6,310,958.62	$6,396,622.17	$6,611,200.00

2024 Department Appropriations

DEPARTMENTS	MAJOR DEPARTMENTAL PROGRAMS			
	2024 Budget Appropriations	Final 2023 Budget Appropriations	Increase / Decrease $	Increase / Decrease %
POLICE	$ 1,207,435.00	$ 1,141,089.00	$ 66,346.00	5.81%
DPW / STREETS & ROADS	$ 603,000.00	$ 647,894.00	$ (44,894.00)	-6.93%
GOLF	$ 1,218,000.00	$ 1,170,000.00	$ 48,000.00	4.10%
CLERK	$ 58,900.00	$ 48,518.00	$ 10,382.00	21.40%
ADMINISTRATION	$ 43,600.00	$ 37,814.00	$ 5,786.00	15.30%
FINANCE	$ 55,200.00	$ 64,549.00	$ (9,349.00)	-14.48%
TAX COLLECTOR	$ 53,300.00	$ 62,955.00	$ (9,655.00)	-15.34%
TAX ASSESSOR	$ 52,800.00	$ 48,481.00	$ 4,319.00	8.91%

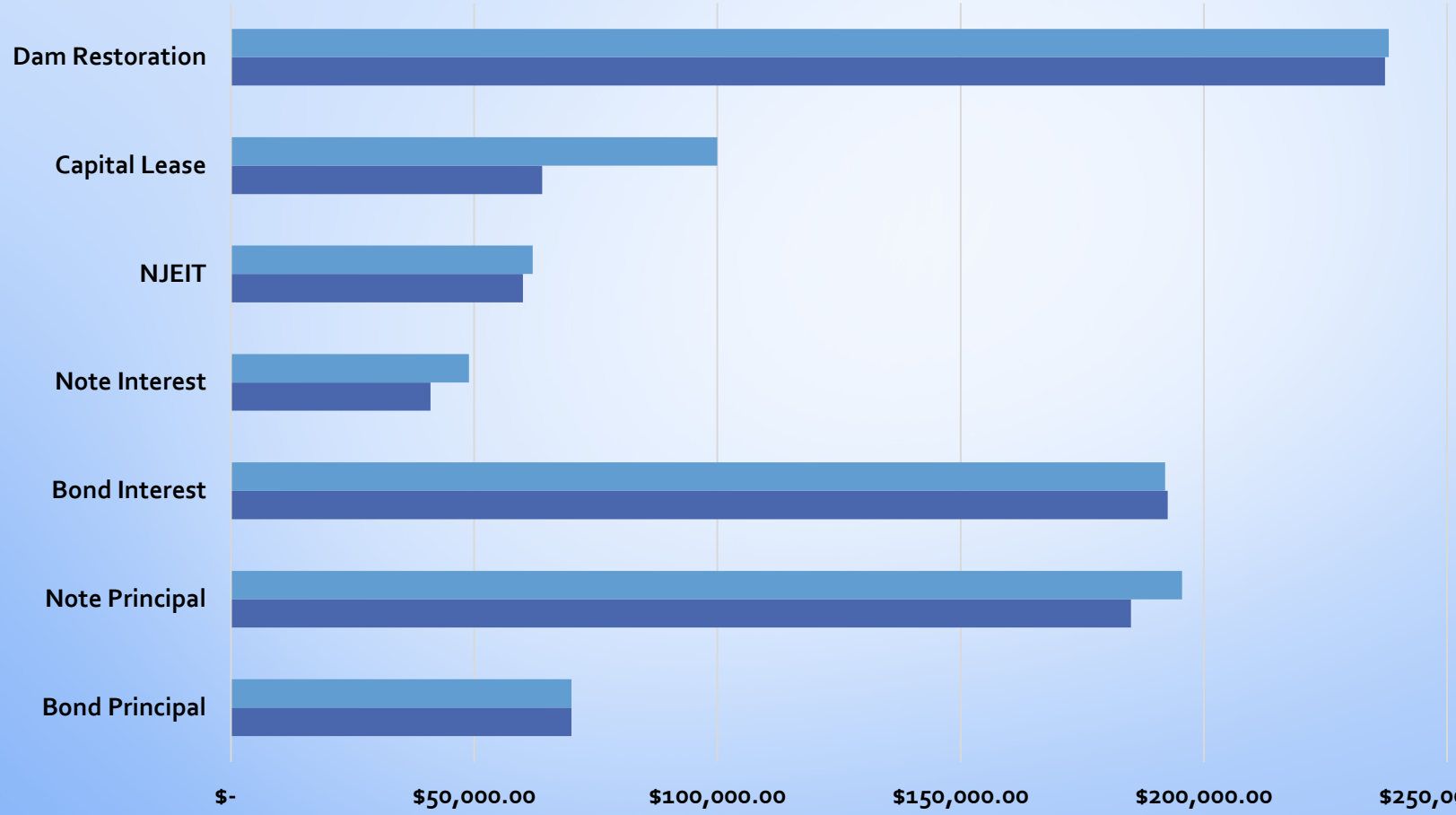
2024 Department Appropriations

DEPARTMENTS	2024 Budget Appropriations	Final 2023 Budget	Increase / Decrease $	Increase / Decrease %
LEGAL	$ 71,300.00	$ 71,300.00	$ -	0.00%
RECREATION	$ 16,000.00	$ 16,500.00	$ (500.00)	-3.03%
PLANNING / ZONING	$ 39,500.00	$ 36,627.00	$ 2,873.00	7.84%
ENGINEERING	$ 65,000.00	$ 60,000.00	$ 5,000.00	8.33%
AID TO VOLUNTEER FIRE CO	$ 85,500.00	$ 85,160.00	$ 340.00	0.40%
CONTRIBUTION TO FIRST AID ORG	$ 29,000.00	$ 29,000.00	$ -	0.00%

2024 Department Appropriations

DEPARTMENTS	MAJOR DEPARTMENTAL PROGRAMS			
	2024 Budget Appropriations	Final 2023 Budget Appropriations	Increase / Decrease $	Increase / Decrease %
INSURANCES				
EMPLOYEE GROUP HEALTH	$ 310,000.00	$ 295,722.00	$ 14,278.00	4.83%
LIABILITY INSURANCE	$ 55,000.00	$ 53,000.00	$ 2,000.00	3.77%
WORKERS COMPENSATION	$ 72,600.00	$ 63,300.00	$ 9,300.00	14.69%
SUBTOTAL INSURANCES	$ 437,600.00	$ 412,022.00	$ 25,578.00	6.21%
PENSIONS				
PFRS	$ 315,000.00	$ 307,120.00	$ 7,880.00	2.57%
PERS	$ 34,000.00	$ 33,793.00	$ 207.00	0.61%
TOTAL PENSIONS	$ 349,000.00	$ 340,913.00	$ 8,087.00	2.37%
CAPITAL IMPROVEMENT FUND	$ 350,500.00	$ 345,000.00	$ 5,500.00	1.59%
DEBT SERVICE	$ 906,400.00	$ 849,775.00	$ 56,625.00	6.66%
EMERGENCY AUTHORIZATIONS	$ 80,000.00	$ 50,000.00	$ 30,000.00	60.00%
RESERVE FOR UNCOLLECTED TAXES	$ 336,000.00	$ 335,941.67	$ 58.33	0.02%

Annual Debt Payments



	Bond Principal	Note Principal	Bond Interest	Note Interest	NJEIT	Capital Lease	Dam Restoration
2024	$70,000.00	$195,500.00	$192,000.00	$48,900.00	$62,000.00	$100,000.00	$238,000.00
2023	$70,000.00	$185,025.00	$192,550.00	$41,000.00	$60,000.00	$64,000.00	$237,200.00

Debt Service Detail

Outstanding General Serial Bonds

- 2010 General Improvement Bonds **$1,665,000**
- 2010 General Improvement Bonds **$2,445,000**

$4,110,000

Outstanding Notes

- Ord. 2022-37 – Nassau Rd. Paving **$104,500**
- Ord. 2021-033 – River Road – Phase II **$153,900**
- Ord. 2017-07 – Various Road Imp. **$450,125**
- Ord. 2018-06 – Various Road Imp. **$211,000**
- Ord. 2020 – 26 – Resurf. Washington Ave **$184,000**
- Ord. 2020-27 – Resurf. Of River Road **$64,000**

$1,167,525

Debt Service Detail

Authorized But Not Issued

- 2022-036 – Center Street Improv. **$114,584**

Misc.

- DEP Dam Restoration **$1,643,907**
- Infrastructure Loans **$211,149**

Capital Leases

- Acquisition of Fire Truck **$100,000**

Debt Service Detail

STANDARD & POOR'S RATING: AA

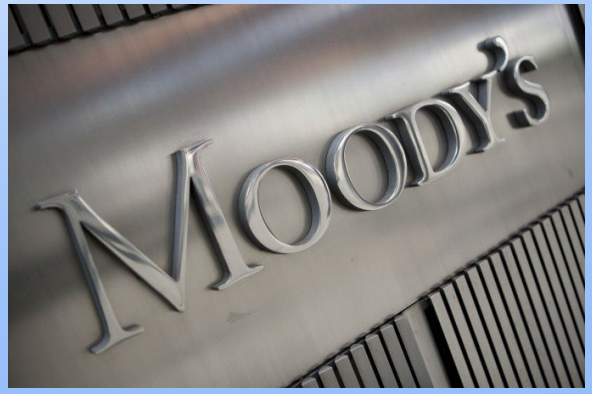
The **AA** rating reflects the Borough's strong economy, adequate budgetary performance, strong budget flexibility, strong liquidity, and weak debt and contingent liability position.

FACTORS THAT COULD LEAD TO AN UPGRADE

- Material increase of the tax base and resident wealth and income
- Increase in reserves and liquidity

FACTORS THAT COULD LEAD TO A DOWNGRADE

- Material deterioration of the tax base and resident wealth and income
- Sustained declines in reserves and liquidity



Capital Budget- 2024

Police Department

- Patrol Vehicle
- Security & Infrastructure

Administration

- Commons Bathroom
- Solitude House

Clerk Department

- Laptop
- Image Storage & Retrieval

Capital Budget- 2024

Fire

- Portable Radios

DPW

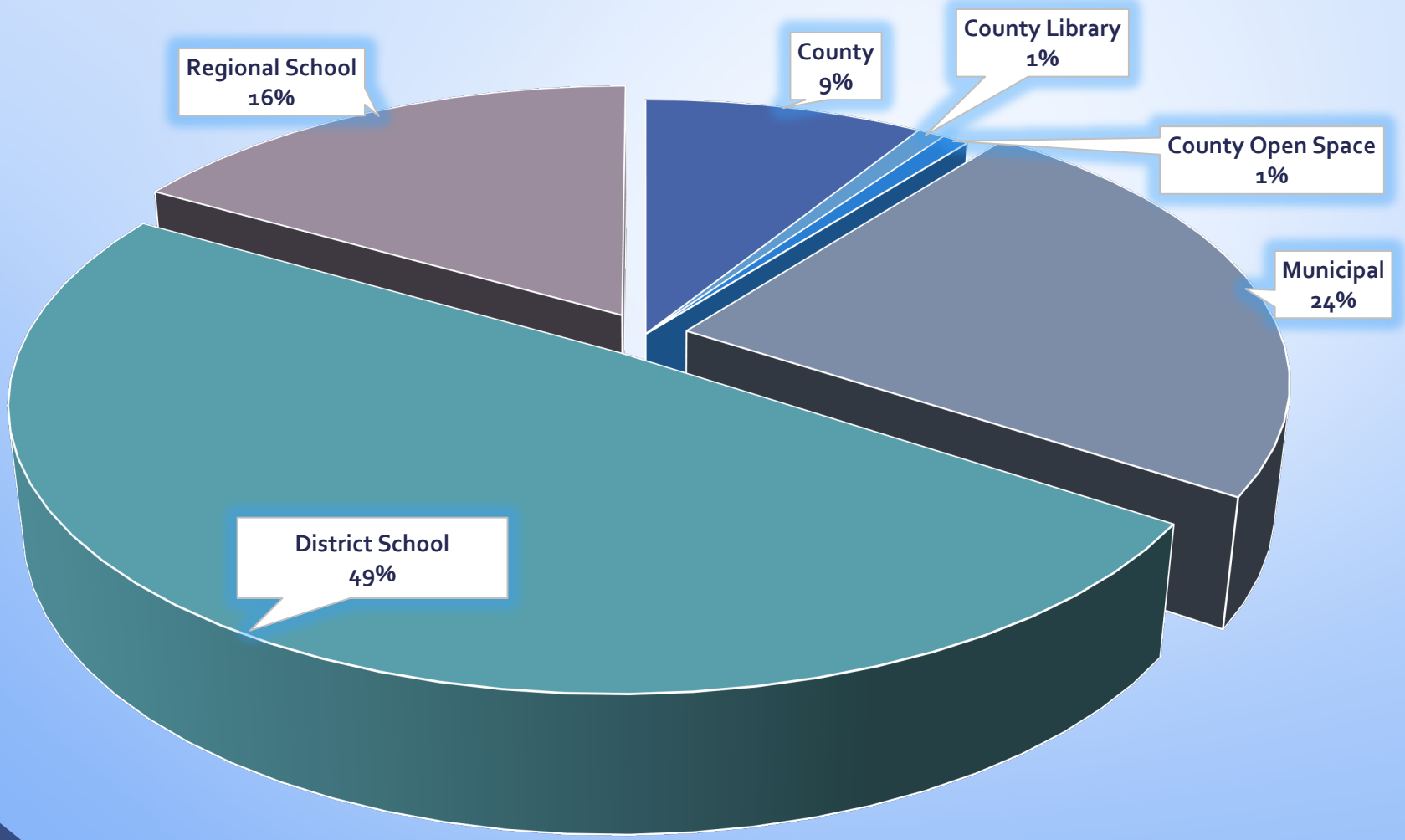
- Equipment Replacement
- Borough Wide Road Work
- Building Repairs

Capital Budget- 2024

Golf

- Equipment
- Bunker Renovations

% of Property Tax Bill



2024 Budget Summary

Borough Value

$ 487,131,300

27.20% Greater Than 2023

Average Assessed Home Value

$ 334,815

28.57% Greater Than 2023

Property Tax Rate

$0.770

18.00% Less Than 2023

Water Utility

Revenues – Water Charges

2024	2023
$946,700.00	$ 847,201.00

Appropriations - Water Utility

2024	2023
$946,700.00	$ 907,201.00

Water Utility

Social Security	$22,000.00
Pensions	32,000.00
Deferred Charges	60,000.00
Capital Improvement Fund	85,000.00
Debt Service	160,000.00
Salaries & Wages	248,000.00
Other Expenses	339,700.00
TOTAL	**$ 946,700.00**

Sewer Utility

Revenues – Sewer Charges

2024	2023
$1,316,800.00	$ 1,285,00.00

Appropriations - Sewer Utility

2024	2023
$1,316,800.00	$ 1,335,000.00

Sewer Utility

Social Security	$17,000.00
Capital Improvement Fund	50,000.00
Pensions	25,000.00
Deferred Charges	100,000.00
Debt Service	150,000.00
Salaries & Wages	165,100.00
Other Expenses	294,700.00
Sewer Treatment Costs	515,000.00
TOTAL	**$ 1,316,800.00**

Solid Waste Utility

Revenues – Solid Waste Charges

2024	2023
$617,905.00	$ 575,000.00

Appropriations - Solid Waste

2024	2023
$617,905.00	$ 575,000.00

Solid Waste Utility

Social Security	$8,500.00
Pensions	12,000.00
Capital Improvement Fund	27,000.00
Other Expenses	96,905.00
Salaries & Wages	98,500.00
Contracted Hauler	375,000.00
TOTAL	**$ 617,905.00**

2024 Budget Calendar

- April 11, 2024 – Budget Presentation & Introduction
- May 09, 2024– Public Hearing and Adoption

Thank you