

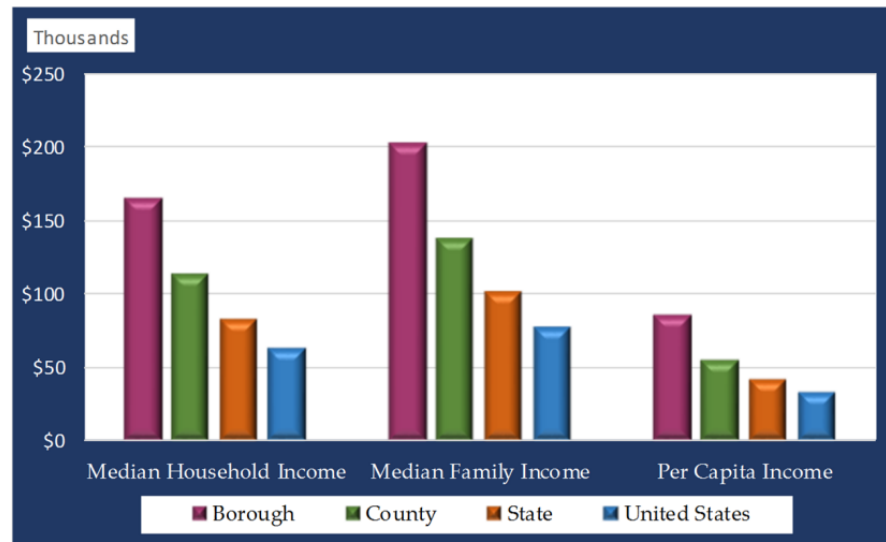


Proposed FY '21 Borough Budget
Introduction Presentation
March 2021

Economic Overview of Borough

Wealth and Income

- Borough wealth levels are greater than County, State and National averages.



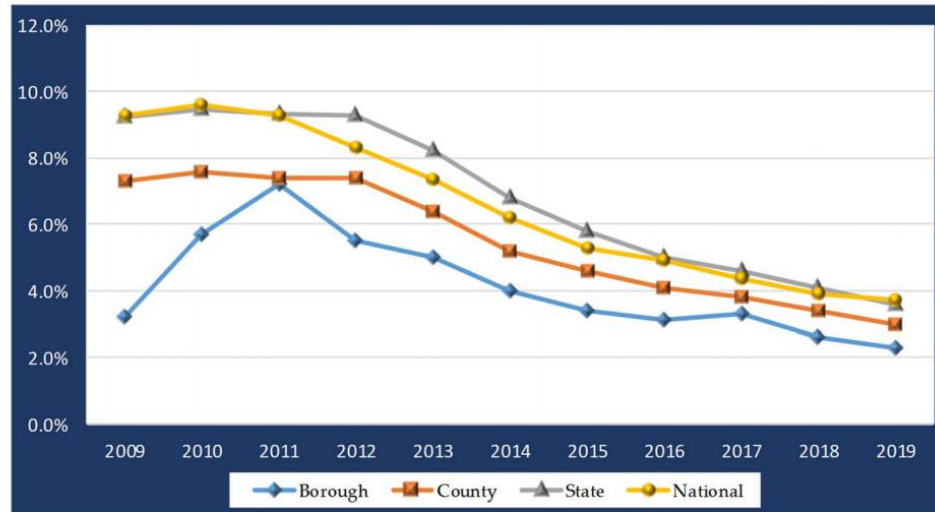
Wealth and Income			
	Median Household Income	Median Family Income	Per Capita Income
Borough	\$165,052	\$202,670	\$86,909
County	113,611	137,981	55,828
State	82,545	102,260	42,745
United States	62,843	77,263	34,103

Source: US Bureau of the Census, 2019 American Community Survey 5-Year Estimates

Economic Overview of Borough

Unemployment Rates

- The Borough's unemployment rate has consistently been lower than County, State and National levels.

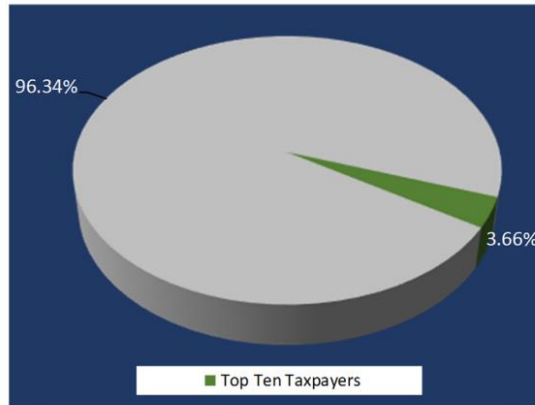


Unemployment Rates											
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Borough	3.2%	5.7%	7.2%	5.5%	5.0%	4.0%	3.4%	3.1%	3.3%	2.6%	2.3%
County	7.3%	7.6%	7.4%	7.4%	6.4%	5.2%	4.6%	4.1%	3.8%	3.4%	3.0%
State	9.2%	9.5%	9.3%	9.3%	8.2%	6.8%	5.8%	5.0%	4.6%	4.1%	3.6%
National	9.3%	9.6%	9.3%	8.3%	7.4%	6.2%	5.3%	4.9%	4.4%	3.9%	3.7%

Source: New Jersey Department of Labor, Division of Labor Market and Demographic Research, Bureau of Labor Force Statistics

Economic Overview of Borough

Top Ten Taxpayers



- Top Ten Taxpayers represent only 3.66% of total tax base.
- No major tax appeals.
- Among the top ten taxpayers are shopping centers, farms, and individual taxpayers.

2020 Top Ten Taxpayers			
Taxpayers	Description	2020 Assessed Valuation	% of Total A.V.
Bernardsville Centre LLC	Shopping Center	\$19,375,000	0.88%
Mine Mt. Land Co.	County Club/Golf Course	10,170,000	0.46%
Individual Taxpayer	Individual Taxpayer	7,205,500	0.33%
Falcon Crest 21 LLC	Residential	6,833,500	0.31%
Individual Taxpayer	Individual Taxpayer	6,794,500	0.31%
Upton Pynes RE LLC	Farm	6,631,600	0.30%
Palm Family Farm LLC	Farm	5,945,300	0.27%
Individual Taxpayer	Individual Taxpayer	5,821,500	0.27%
Denholtz DBA Thomson Reuters Tx Svc	Office Building	5,670,000	0.26%
Berns Realty Company	Grocery Store	5,668,000	0.26%
Total:		\$80,114,900	3.66%

Economic Overview of Borough

Tax Levies and Collections

- The Borough's current tax collections averaged 98.91% over the past five years.



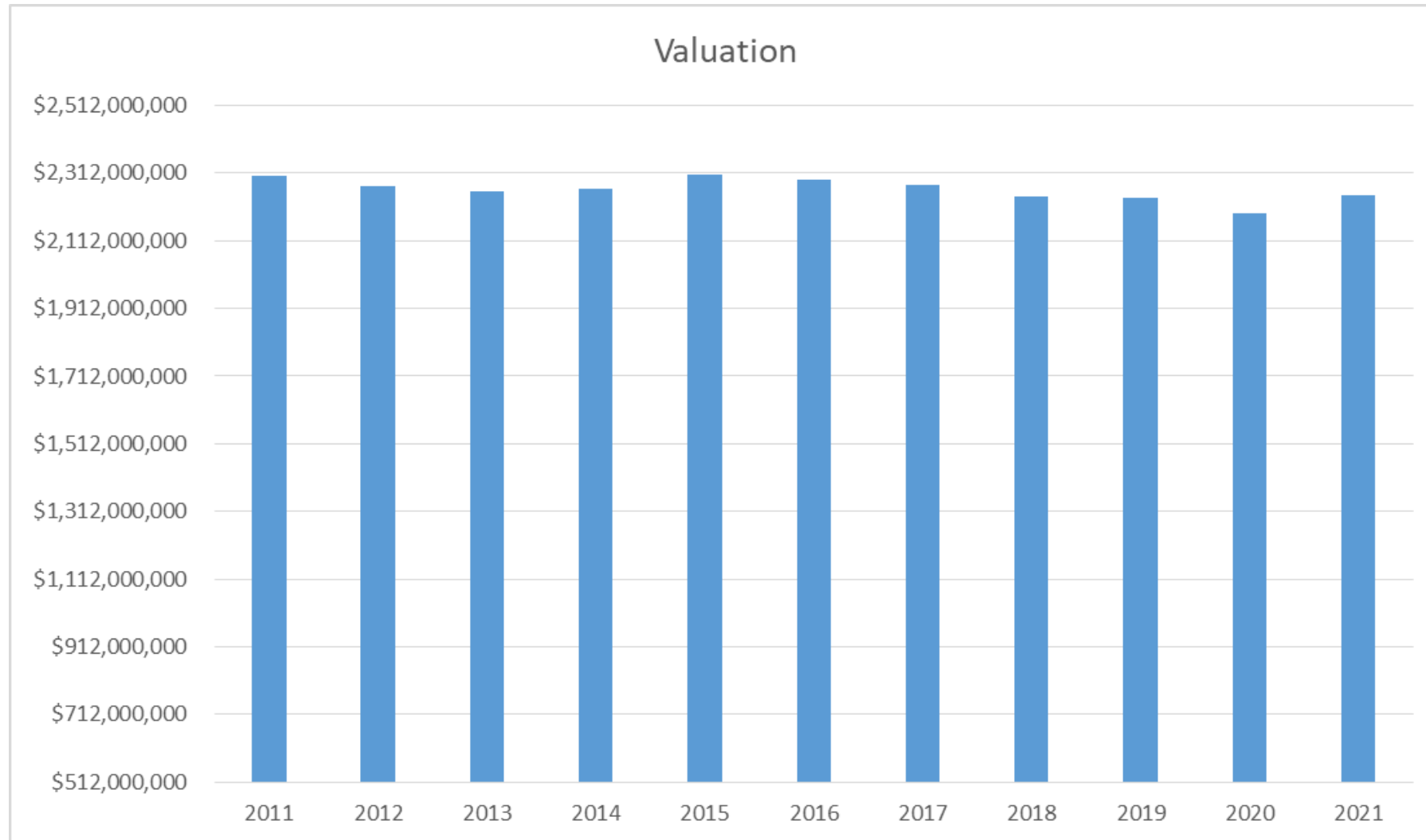
Tax Collections						
		Current	Collection %	Delinquent	Delinquent %	Total
Year	Tax Levy	Collections	of Levy	Collections	of Levy	%
2020U	\$46,279,337	\$45,779,366	98.92%	\$347,986	0.75%	99.67%
2019	45,683,093	45,261,727	99.08%	366,151	0.80%	99.88%
2018	44,711,295	44,192,153	98.84%	301,386	0.67%	99.51%
2017	43,941,146	43,634,935	99.30%	541,673	1.23%	100.54%
2016	43,211,656	42,520,701	98.40%	404,576	0.94%	99.34%
U: Unaudited						

Borough Valuation

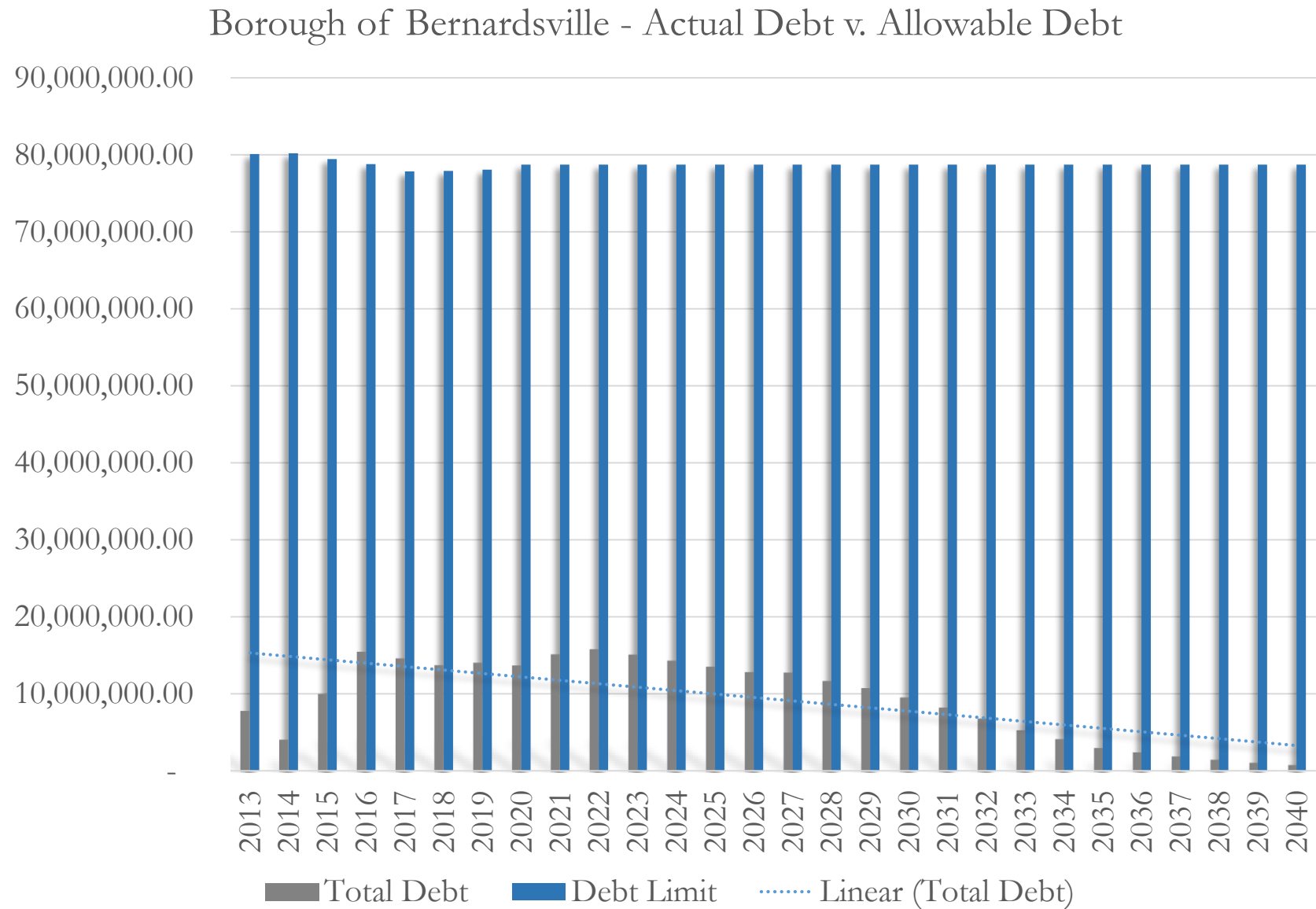
2021 = \$2,251,402,467

2020 = \$2,191,901,508

Growth = \$59,500,959



Economic Overview of Borough



Moody's Aaa Bond
Rating Reaffirmed in
March 2021

Economic Overview of Borough

Summary

- The Borough's tax base is primarily residential, accounting for 84% of the total assessment. The Top Ten Taxpayers represent only 3.66% of the total assessment.
- Wealth and Income levels exceed County, State, and National averages.
- Unemployment rate has consistently remained below County, State, and National averages.
- A history of strong tax collection.
- Fund Balance currently represents 13.79% of expenditures.
- Low debt burden with rapid repayment of principal.
- Strong liquidity with cash at 2.7x debt service and 28.5% of expenditures.

Distribution of Municipal Property Tax Levy



School Dist.
\$58.22

Municipal
\$22.34

Muni (OS, Lib.)
\$2.57

County
\$15.50

County Open Space
\$1.47

Top Expense Increases & Reductions

Line Item Increases Over \$6,000 (Not Include. COLA&CBA)

Annual Debt Sevice*	\$	1,408,112
PERS & PFRS	\$	106,277
Tax Assessment Expenses	\$	28,000
Fire Prevention Expenses	\$	48,000
Snow Emergency	\$	40,000
Fire Hydrant	\$	20,000
Utilities	\$	11,000
Recycling	\$	9,000
Court	\$	7,500
IT	\$	6,000

Line Item Reductions Over \$6,000

Administrative & Executive	\$	(64,000)
Library Cntrb. + Levy	\$	(39,700)
Legal Services	\$	(25,000)
Buildings & Grounds	\$	(33,050)
Fire Prevention Salary	\$	(30,500)
Tax Assesment	\$	(21,000)
Human Resources	\$	(20,000)
Streets & Roads	\$	(20,000)
Accumulated Absences	\$	(20,000)
Vehicle Maintenance	\$	(13,000)
Engineering	\$	(10,000)
Recreation & Pool	\$	(13,307)

** The debt increase is largely related to 271 Mine Brook which is off-set by sale of subdivided portion.*

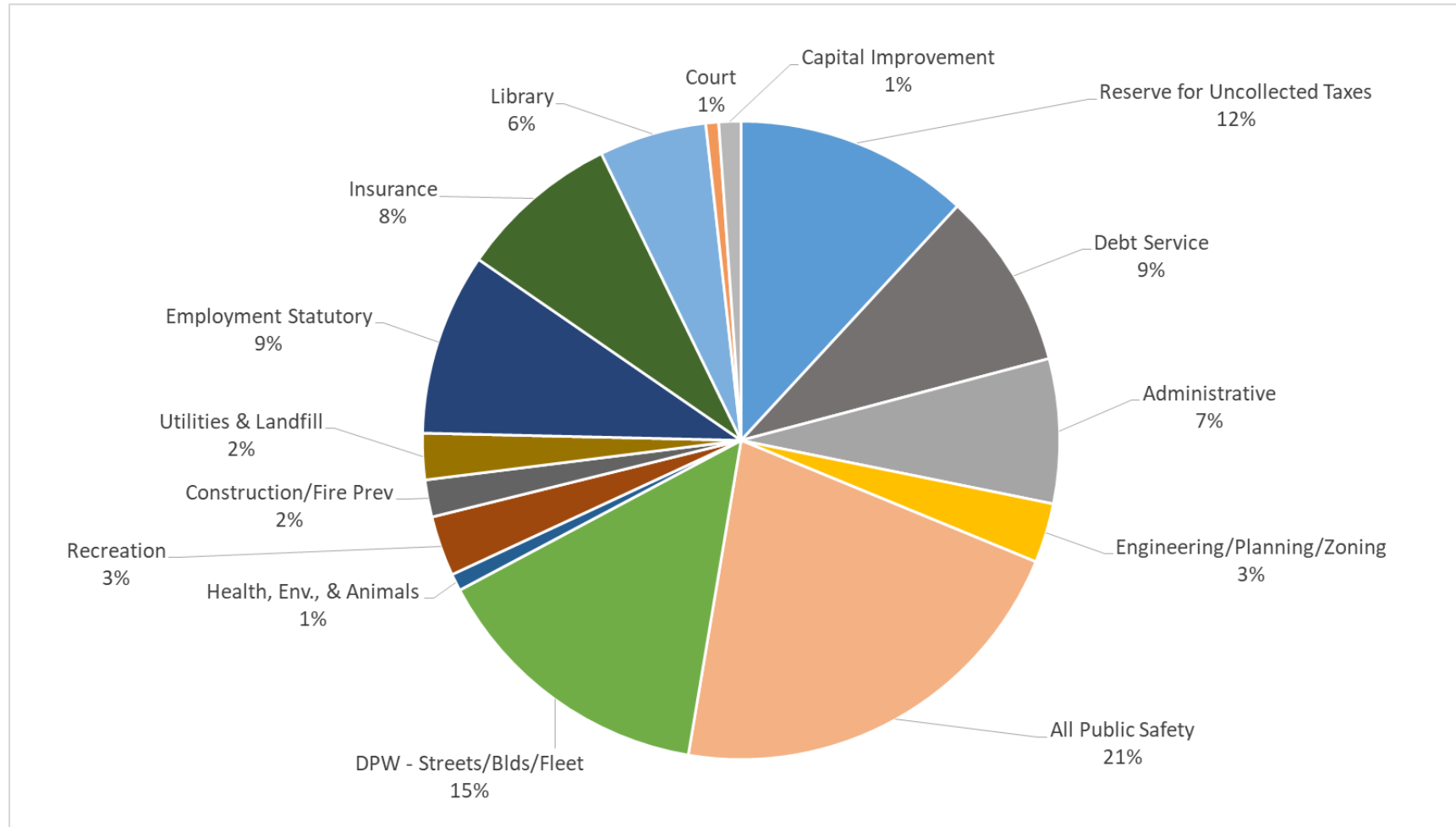
Municipal Appropriations

APPROPRATIONS

	Budget 2019	Budget 2020	Actual* 2020	Proposed 2021
Reserve for Uncollected Taxes	1,782,093	1,818,189	1,818,189	1,858,743
Debt Service	1,436,768	1,415,748	1,415,748	2,823,860
Administrative	1,075,642	1,063,648	1,115,010	1,157,759
Engineering/Planning/Zoning	402,583	482,195	458,292	472,126
All Public Safety	3,205,500	3,116,536	3,127,036	3,352,635
DPW - Streets/Blds/Fleet	2,246,396	2,269,550	1,921,058	2,278,175
Health, Env., & Animals	137,700	135,100	128,785	135,100
Recreation	408,300	467,000	449,395	476,526
Construction/Fire Prev	241,375	268,370	265,326	293,745
Utilities & Landfill	407,200	375,200	358,512	366,200
Employment Statutory	1,232,322	1,331,243	1,334,343	1,443,140
Insurance	1,280,108	1,284,520	1,264,520	1,277,748
Library	947,630	891,783	891,783	852,082
Court	95,000	95,000	95,000	102,500
Grants Programs	57,900	31,039	31,039	31,040
Capital Improvement	302,533	155,300	263,200	175,361
Deffered Charges	202,460	0	0	0
Total Appropriations	15,461,509	15,200,420	14,937,235	17,096,740
Asset Sale (271 Mine Brook)				(1,492,338)
Total Appropriations	15,461,509	15,200,420	14,937,235	15,604,403


* Actual 2020 not finalized

Municipal Appropriations



** The debt does not include 271 Mine Brook which is off-set by sale of subdivided portion.*

Revenue Key Points

- Status of State Aid 
- Declines experienced in following:
 - Construction code fees
 - Interest on investments
 - Court fines
 - Parking lot fees
 - Hotel occupancy fee

Year	Munic. Tax Levy	State Aid	Percent
2021	\$ 11,353,002	\$ 662,172	6%
2020	\$ 11,059,188	\$ 662,172	6%
2019	\$ 10,831,068	\$ 662,172	6%
2018	\$ 10,518,509	\$ 662,172	6%
2017	\$ 10,232,653	\$ 662,172	6%
2016	\$ 9,935,859	\$ 662,172	7%
2015	\$ 9,650,213	\$ 662,172	7%
2014	\$ 9,374,852	\$ 662,172	7%
2013	\$ 9,081,926	\$ 662,172	7%
2012	\$ 8,903,847	\$ 662,172	7%
2011	\$ 8,731,697	\$ 662,172	8%
2010	\$ 8,579,388	\$ 662,172	8%
2009	\$ 8,329,766	\$ 865,019	10%
2008	\$ 7,860,495	\$ 939,675	12%

Revenue Summary

REVENUE

	Budget 2019	Budget 2020	Actual* 2020	Proposed 2021
Fees, Licences, Etc.	924,500	752,825	648,891	730,772
State Aid	662,172	662,172	662,172	662,172
Construction Fee	320,000	245,000	224,814	246,966
Special & Grants	55,800	29,837	52,564	31,159
Other Special	544,934	533,553	535,545	2,036,691
Delinquent Taxes	379,000	347,500	347,986	435,978
Surplus to Support Bud.	1,713,336	1,725,000	1,725,000	1,600,000
Property Tax Revenue	10,831,068	11,059,189	11,059,189	11,353,002
Sub-Total Revenue	15,430,810	15,355,076	15,256,160	17,096,741
Asset Sale (271 Mine Brook)				(1,492,338)
Total Revenue	15,430,810	15,355,076	15,256,160	15,604,403

* Actual 2020 not finalized

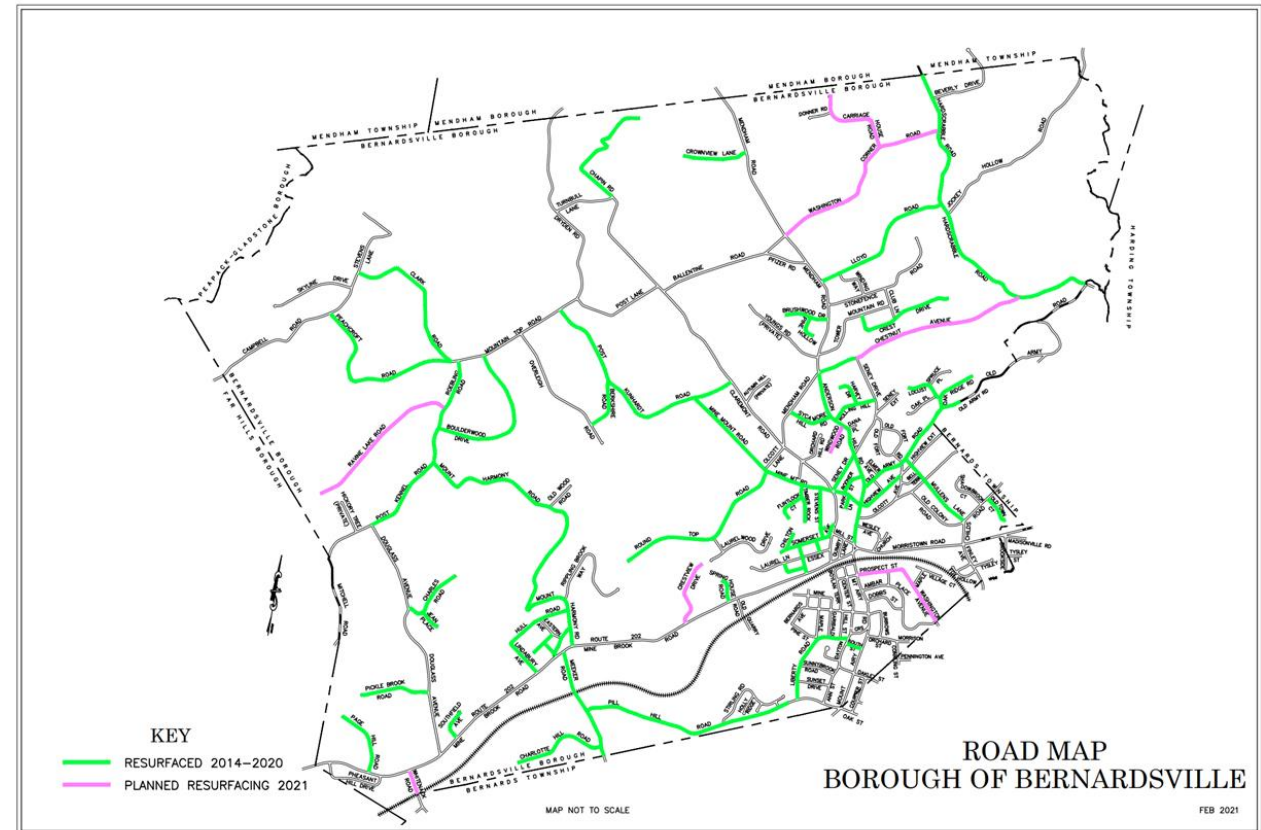
Capital Program for FY '21

Capital Improvement Fund

Anticipated Opening Balance: \$565,388

Suggested Projects: \$400,000

Remaining Balance: \$165,388



Summary

<u>TAX PURPOSE</u>	<u>ESTIMATED TAX RATE</u>	<u>2021 TAX RATE</u>	<u>2020 TAX RATE</u>
MUNICIPAL	\$ 10,638,030.12	0.472	0.470
LIBRARY (ESTIMATE)	\$ 748,406.49	0.033	0.034
MUNICIPAL OPEN SPACE	\$ 450,300.49	0.020	0.020
SCHOOL TAX (ESTIMATE)	\$ 27,395,036.58	1.217	1.225
COUNTY TAX (ESTIMATE)	\$ 7,230,771.87	0.321	0.324
COUNTY OPEN SPACE TAX (ESTIMATE)	\$ 683,899.35	<u>0.030</u>	<u>0.031</u>
TOTAL ESTIMATED TAXES	\$ 46,807,276.92	2.094	2.104

<u>AMOUNT TO BE RAISED BY TAXATION</u>	<u>2021</u>	<u>2020</u>	<u>\$ Increase</u>	<u>% Increase</u>
Amount to be Raised by Taxation	\$ 10,638,030.12	\$ 10,305,094.19	\$ 332,935.93	3.23%
Library Amount to be Raised by Taxation	\$ 748,406.49	\$ 754,094.62	\$ (5,688.13)	-0.75%
Total Amount to Be Raised	\$ 11,386,436.61	\$ 11,059,188.81	\$ 327,247.80	2.96%

<u>CHANGE IN MUNICIPAL BUDGET</u>	<u>2021</u>	<u>2020</u>	<u>\$ Increase</u>	<u>% Increase</u>
Total Municipal Budget	\$ 15,237,998.16	\$ 13,536,886.25	\$ 1,701,111.91	12.57%
With RUT	\$ 17,096,741.30	\$ 15,355,076.06	\$ 1,741,665.24	11.34%
Without Full Debt Payment of 271 Mine Brook (Offset by Revenue)	\$ 15,624,241.30	\$ 15,355,076.06	\$ 269,165.24	1.75%