



Proposed FY '22 Borough Budget
Introduction Presentation
March 2022

Finance Committee Priorities

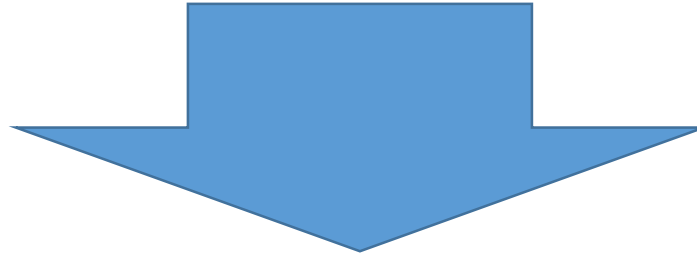
Manage
critical
budget trends

Restore cash for
capital projects to
pre-2018 levels to
pay for future
capital needs

Manage near
term borough
debt to bridge
gap on the 2014
Road Bond

Invest capital
and open space
funds in a
prioritized,
focused way

Identify new
opportunities for
borough revenue



Goals

1. *Become the regional leader in tax stability and operational efficiency.*
2. *Improve the Borough's debt service level & bring solidly below 10% of budget by 2032 (Currently almost 12%).*
3. *Restore and increase our ability to invest in the Borough through a "pay-as-we-go" strategy.*

How is this Achieved?

- Introduction of a zero-based budgeting scenario in 2022
 - Further implemented in 2023 budgetary cycle
- Prioritize all spending based on council and resident priorities for the Borough
- Execute a debt REDUCTION plan and minimize new debt to target 500k per year.

Budget Environment



Headwinds

Stagnant State Aid (13 yrs)
Steady debt service increases until FY '32
Higher costs due to inflation (building materials, diesel fuel, etc.)
Pandemic negatively affected revenue sources (slide 10).
Concerns about labor costs (Min. wage, worker shortage, rising cost of benefits)

Positive Valuation (slide 8)
Zero-based budgeting approach
ARP funds
Redevelopment Initiatives
Ongoing retirement of accumulated leave obligation
Leveling off of 2014 Road Bond schedule in 2023

Tailwinds

No tax rate increase in 2022, while achieving many community priorities, and improving the Borough's capital position

Distribution of Municipal Property Tax Levy

Dist. of Local Property Tax Bill



Proposed Budget Summary FY '22

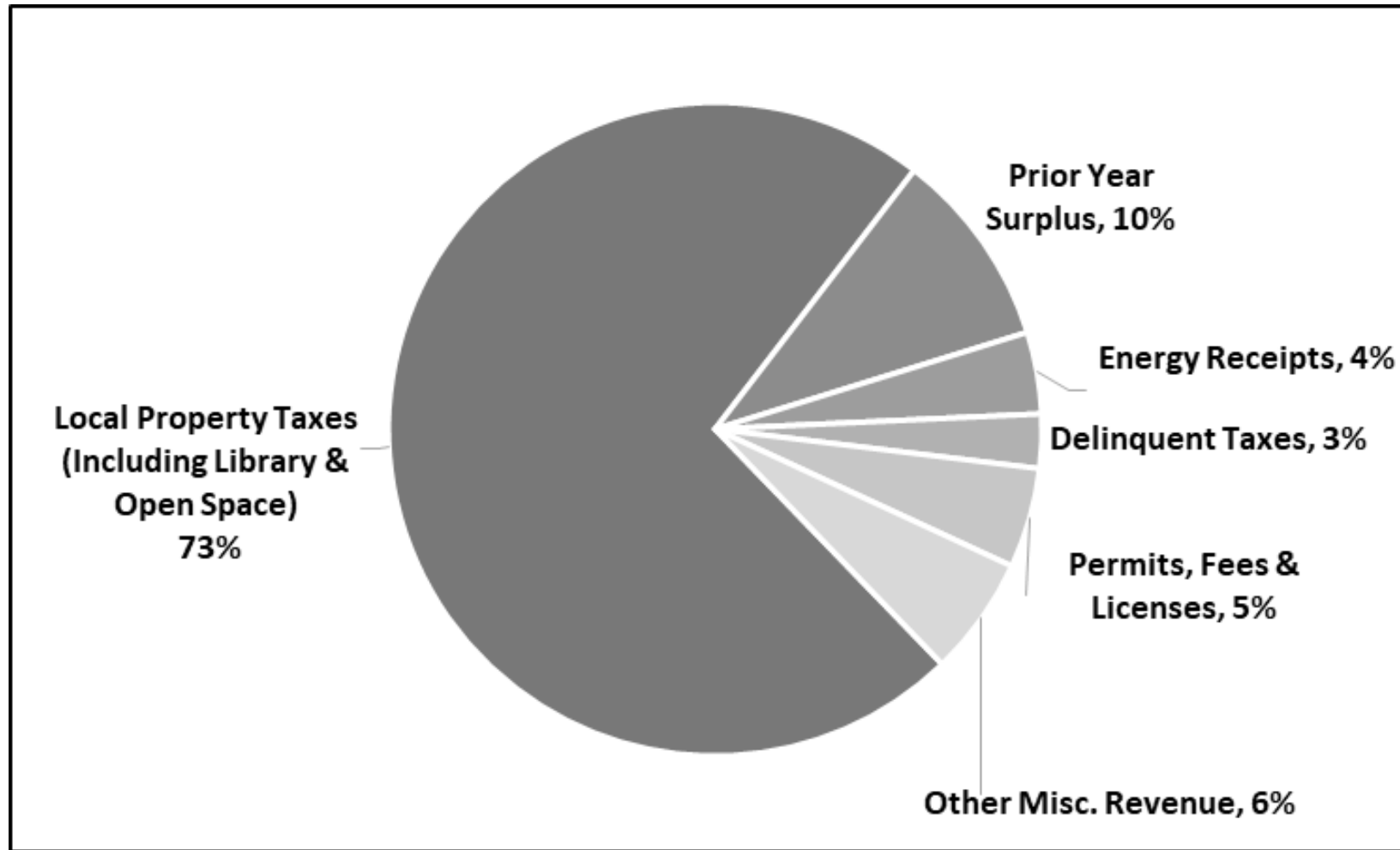
	2021 Budget	2021 Actual	2022 Proposed	Difference
Revenue	\$17,161,476*	\$16,466,522	\$16,843,325	(187,072.87)
Appropriations	\$17,161,476*	\$16,466,522	\$16,843,325	(187,072.87)

*The purchase of 271 Mine Brook and subsequent sale of the residential structure was an anomaly in the 2021 Budget.

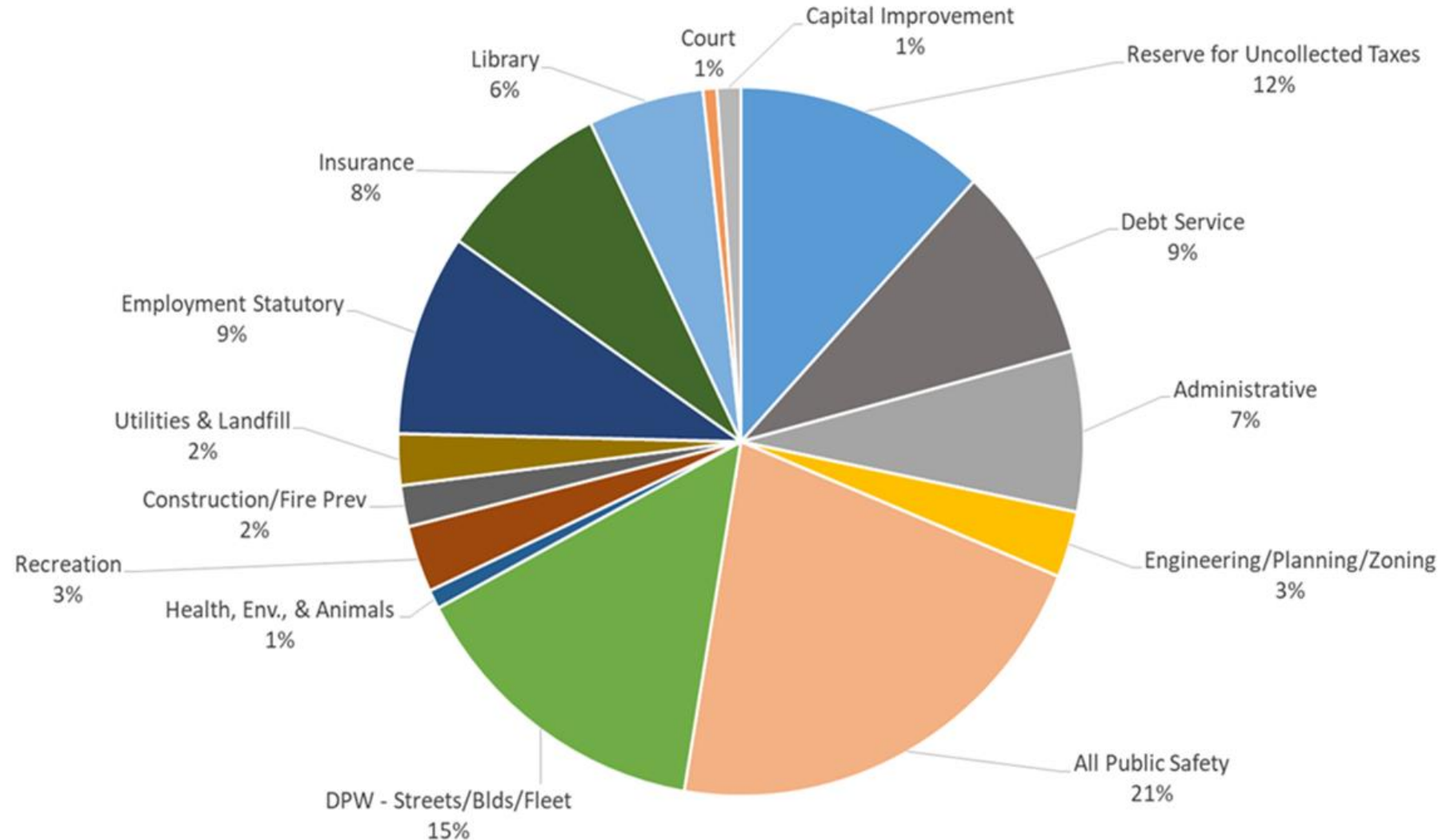
Proposed Property Tax Summary FY '22

Property Tax Revenue & Tax Rate		
	2021 Budget	2022 Proposed
Borough Budget Tax Levy	\$10,638,030	\$11,085,501
Library Tax Levy	\$ 748,406	\$ 755,819
Total Borough Revenue from Prop. Taxes	\$11,386,436	\$11,841,320
Municipal Tax Rate Per/\$100	0.506	0.506
	NO CHANGE IN MUNICIPAL RATE	

Revenue Summary \$16,843,325



Municipal Appropriations \$16,843,325



Borough Valuation

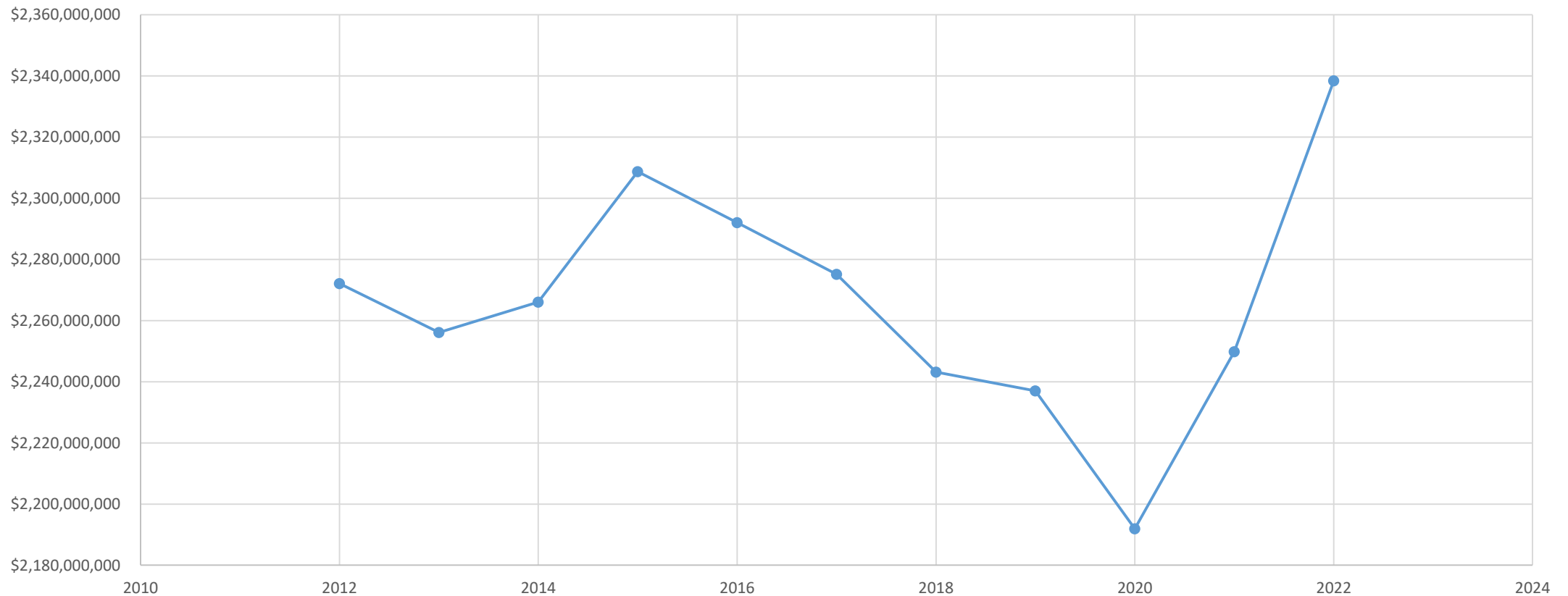
2022 = \$2,338,418,670

2021 = \$2,251,402,467

Growth= \$88,603,303

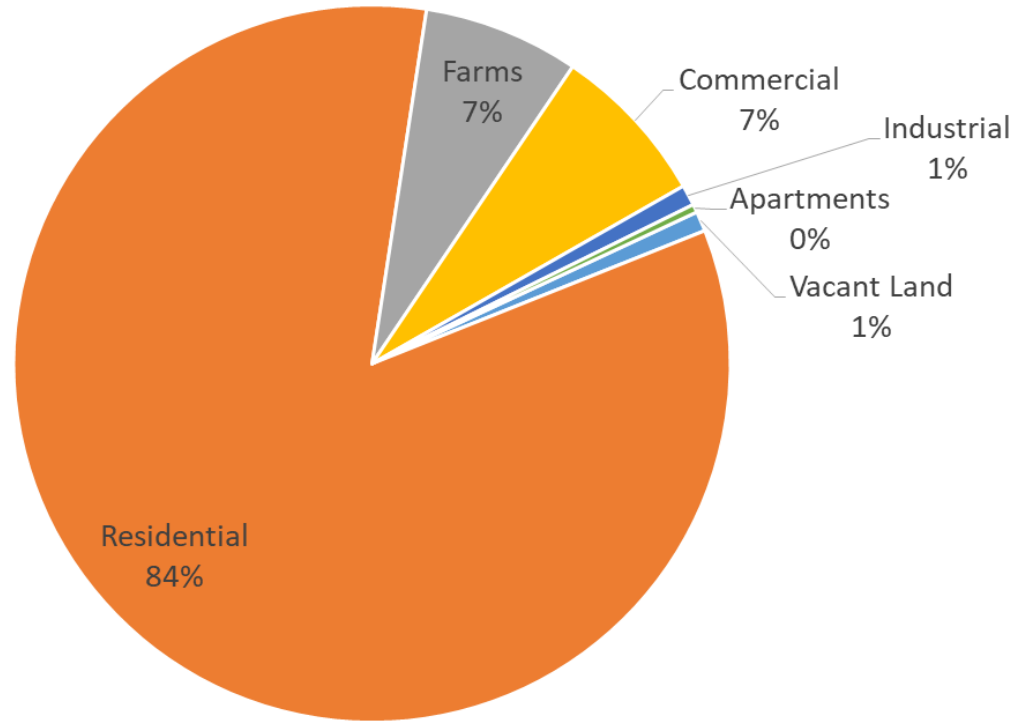
Growth from '20 to '21= \$59,500,959

Valuation




Sources of Borough Valuation

\$2,338,418,670



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

Certification for 2022 obtained today. No change in State Aid for 13th year.

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%

Capital Program for FY '22

Road Improvements

\$1.1 Million budget to continue road improvements. This includes \$300,000 NJDOT grant for Bernards Ave.

See road improvement progress and plans on the DPW section of www.bernardsvilleboro.org

PARKS & RECREATION MASTER PLAN

- Polo Grounds Pavilion
- Trails
- Field Lighting
- Pickle Ball Court
- Walking Path

Plans in development & financed by Existing Trust Revenue and/or grants.

Proposed Capital Improvements '22

DOWN PAYMENT FOR ROADS	\$ 40,000.00
LIBRARY ROOF (2ND HALF)	\$ 118,800.00
SWIM POOL PARKING LOT - OPEN SPACE MASTER PLAN?	\$ 36,055.54
LIBRARY DOORS (FICTION/NON-FICTION AREA)	\$ 25,000.00
SIDEWALK/PAVER REPAIRS	\$ 15,000.00
HVAC UNIT FOR POLICE DISPATCH	\$ 13,000.00
BOILER AT TRAIN STATION	\$ 14,000.00
PREP. 251 CLAREMONT FOR USE	\$ 50,000.00
COMPUTERS - CONSTRUCTION/ZONING	\$ 15,100.00
POLICE TECHNOLOGY	\$ 28,331.69
BODY ARMOR	\$ 8,000.00
COMPUTER REPLACEMENTS	\$ 7,200.00
RADIO REPLACEMENT	\$ 20,000.00
ALCOTEST (RESERVE)	\$ 22,000.00
RADAR TRAILER/VMB	\$ 10,000.00
ELECTRONIC SPEED SIGNS	\$ 2,900.00
SUPPLIES/EQUIPMENT	\$ 10,000.00
HARDSCRABBLE ROAD REPEATER SITE	\$ 20,000.00
RADIO BUILDING & INFRASTRUCTURE	\$ 67,000.00
SERVER & CABINET	\$ 7,246.78
LEAF COLLECTOR	\$ 125,000.00
ADMIN. VEHICLE REPLACE (EV)	\$ 37,000.00
MIS/SERVER ROOM EQUIP	\$ 8,365.99
TOTAL	\$ 700,000.00

Summary

- Property tax rate to remain flat despite significant headwinds faced by Borough
- Municipal budget to decrease to \$16,843,325 (Less Mine Brook purchase/sale)
- Ongoing improvement in valuations plus new construction allows for stable tax rate.
- Strategic approach to budgeting allowed Borough to redirect spending into areas identified by community as key priorities.
- Capital improvements to focus on road improvements, parks & recreation master plan, downtown attractiveness and other high priority projects
- Restoration of State Aid would further alleviate tax burden on residents