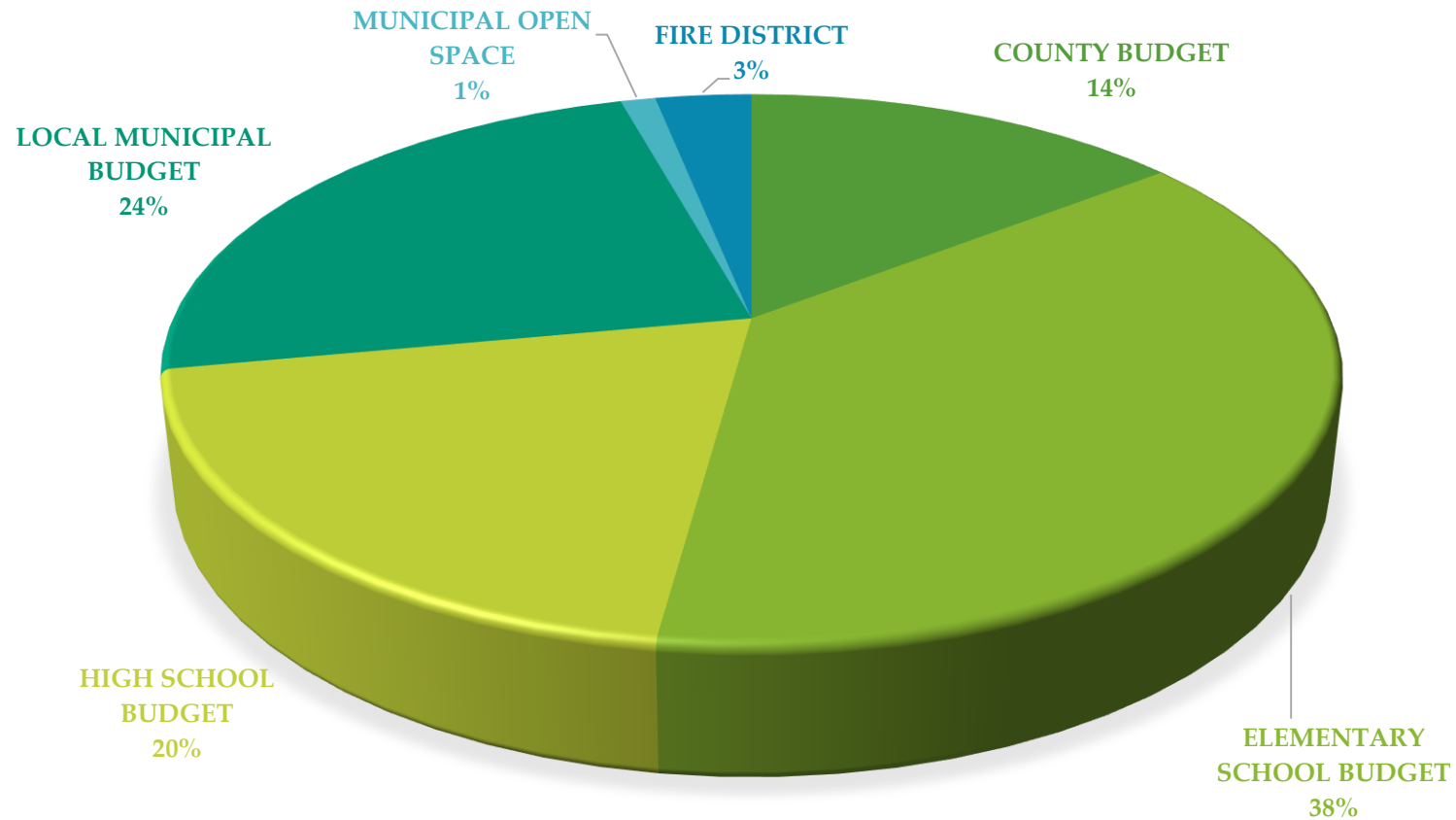


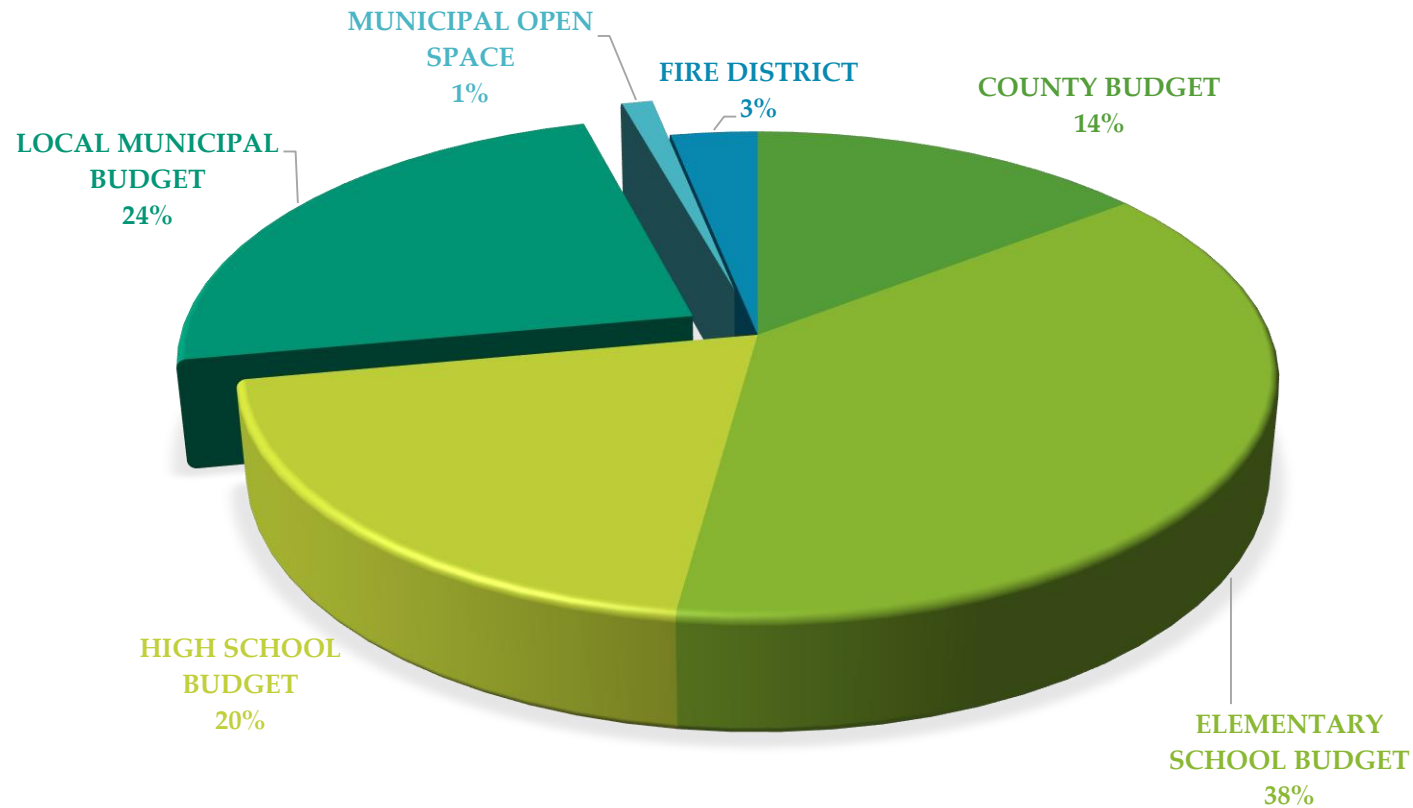


**2020 Municipal Budget Presentation
Borough of Tinton Falls
April 21, 2020**

Where Tinton Falls Tax Dollars Go....



Breaking Down the Municipal Portion of your taxes....



What do I get for my 25 percent?



Essential Services

- Infrastructure and Roadways
- Police and Public Safety
- Public Works
- Solid Waste Removal & Disposal
- Engineering & Planning
- Public Health Services
- Municipal Court & Justice
- Tax Collection & Distribution
- Property Assessment
- Registrar Services
- Zoning, Code & Housing Enforcement
- Emergency Notification System
- Curbside Recycling

Quality-of-Life Services

- Borough Parks
- Recreation Programs
- Sports Playing Fields
- Summer Camp Program
- Open Space Acquisition
- Open Space Maintenance
- Affordable Housing
- Historic Preservation
- Borough Library

Results of 2019 Operations - Budget



- The Borough of Tinton Falls budget structure continues to result in a positive position in available cash and reserves, which adds to our ability to stabilize the tax rate and weather economic downturns.
 - Percent of Fund Balance held in reserve increased from 29.17% to 30.73% of budget.
 - Borough Regenerated 112% of Fund Balance Utilized in the 2019 Budget.
- Municipal revenue exceeded our targets by 20%, aiding in the regeneration of our surplus.
- 2017 through 2020 budgets combined have \$2,548,664 remaining under the 2% levy cap (this equates to approximately 7.3 cents on the tax rate.)
- Tax Collection Rate remains high at 99%, which has stabilized our Reserve for Uncollected Taxes @ \$720,000.

2020 Budget Structure



GENERAL

- Overall the Budget is a fiscally sound and responsible plan. The budget contains no gimmicks or structural issues.
- The Budget provides necessary funding for all municipal services and for continued capital investment in the Borough's infrastructure, parks, and equipment.
- The Budget allows for the regeneration of surplus utilized.

REVENUES

- The Borough continues to be conservative in its revenue projections.
- State Aid to remain the same for the eleventh straight year.

2020 Budget Structure (continued)



APPROPRIATIONS

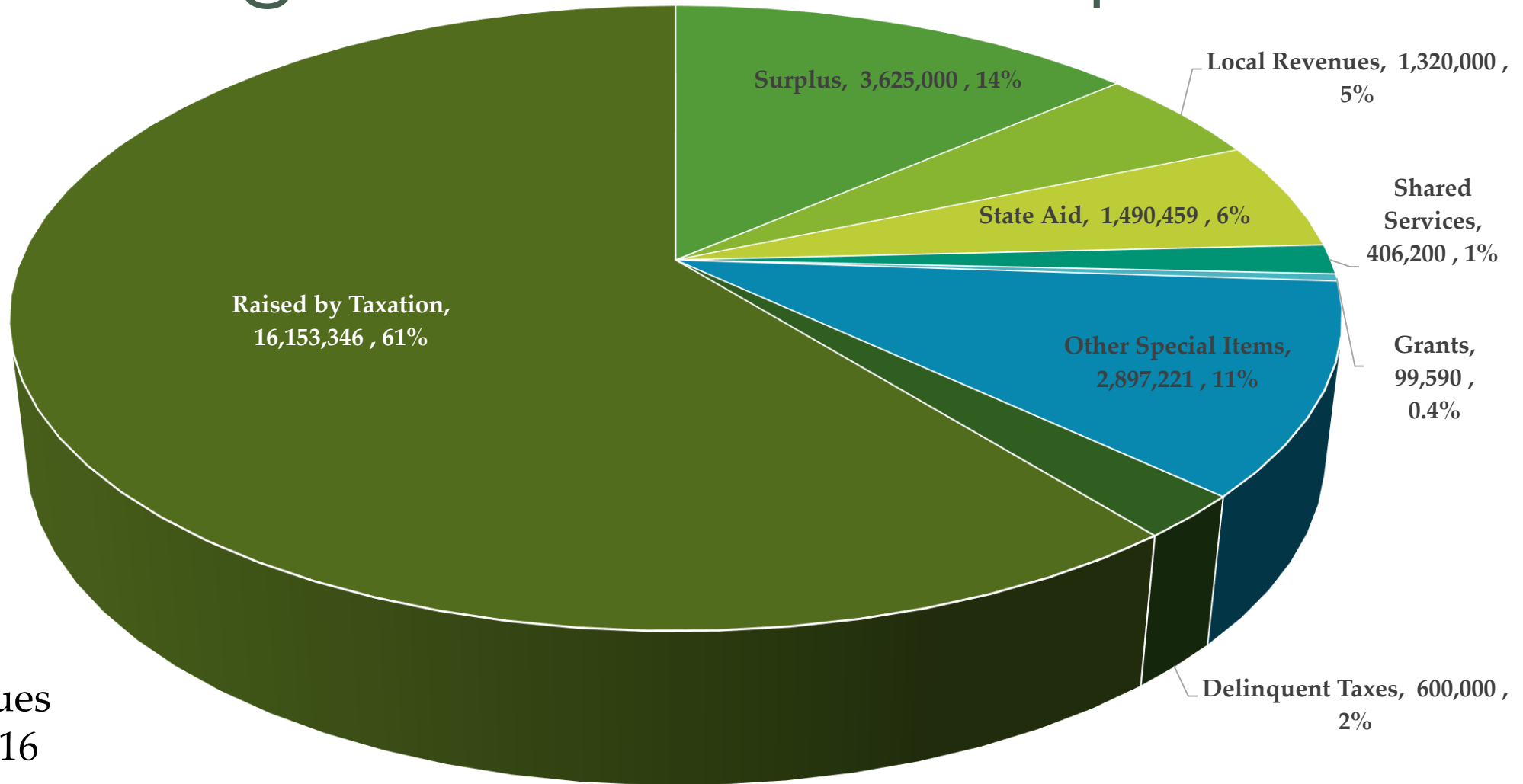
- Operating Expenses have increased by a slight 0.75%.
- Total Budgeted Salaries and Wages, a component of Operating Expenses, have been held to an increase of 1.24%.
- Debt Service remains consistent with the prior year.
- The Borough continues to employ a hybrid strategy for its capital needs. The Borough appropriates all non-road capital improvements directly in the budget and authorizes general debt only for road improvement programs. This strategy has resulted in a reduction in the Borough's Net Debt and in long-term borrowing costs.



Summary of Revenues

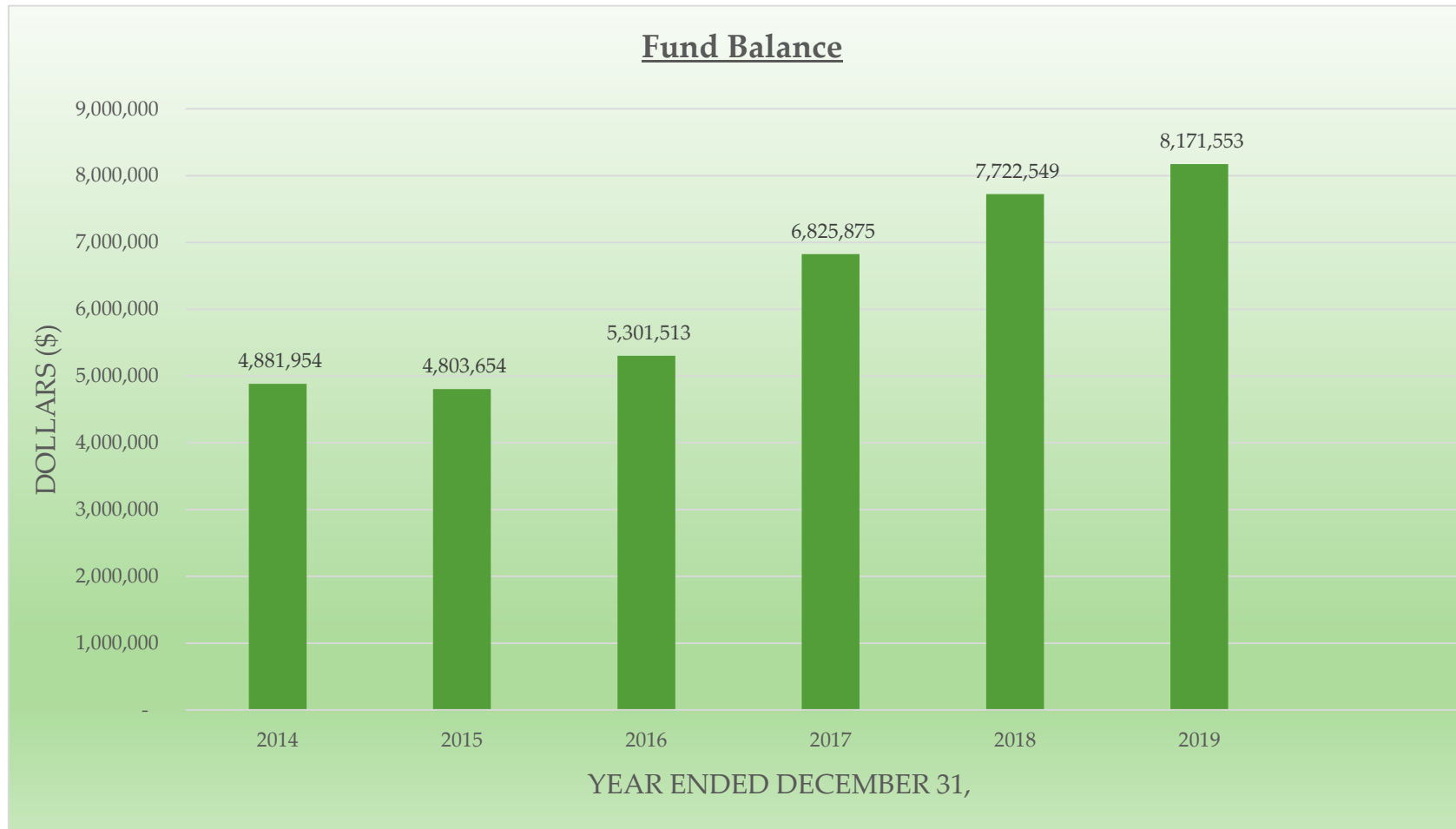
ANTICIPATED REVENUES	PROPOSED BUDGET 2020	ADOPTED BUDGET 2019	DOLLAR CHANGE	PERCENT CHANGE
State Aid	\$ 1,490,459.00	\$ 1,490,459.00	\$ -	0%
Municipal Revenue	4,723,011.03	4,702,615.85	20,395.18	0.43%
Delinquent Taxes	600,000.00	600,000.00	-	0%
Fund Balance	3,625,000.00	3,870,000.00	(245,000.00)	-6.33%
Amount to Be Raised by Taxation	16,153,346.16	15,867,962.95	285,383.21	1.80%
Total Anticipated Revenues	\$ 26,591,816.19	\$ 26,531,037.80	\$ 60,778.39	0.23%
Annual Tax Comparison				
Assessed Valuations Taxable	\$ 3,476,132,157	\$ 3,365,319,487	\$ 110,812,670	3.29%
Municipal Tax Rate	\$ 0.465	\$ 0.472	\$ (0.007)	-1.48%

2020 Budget Revenue Anticipated

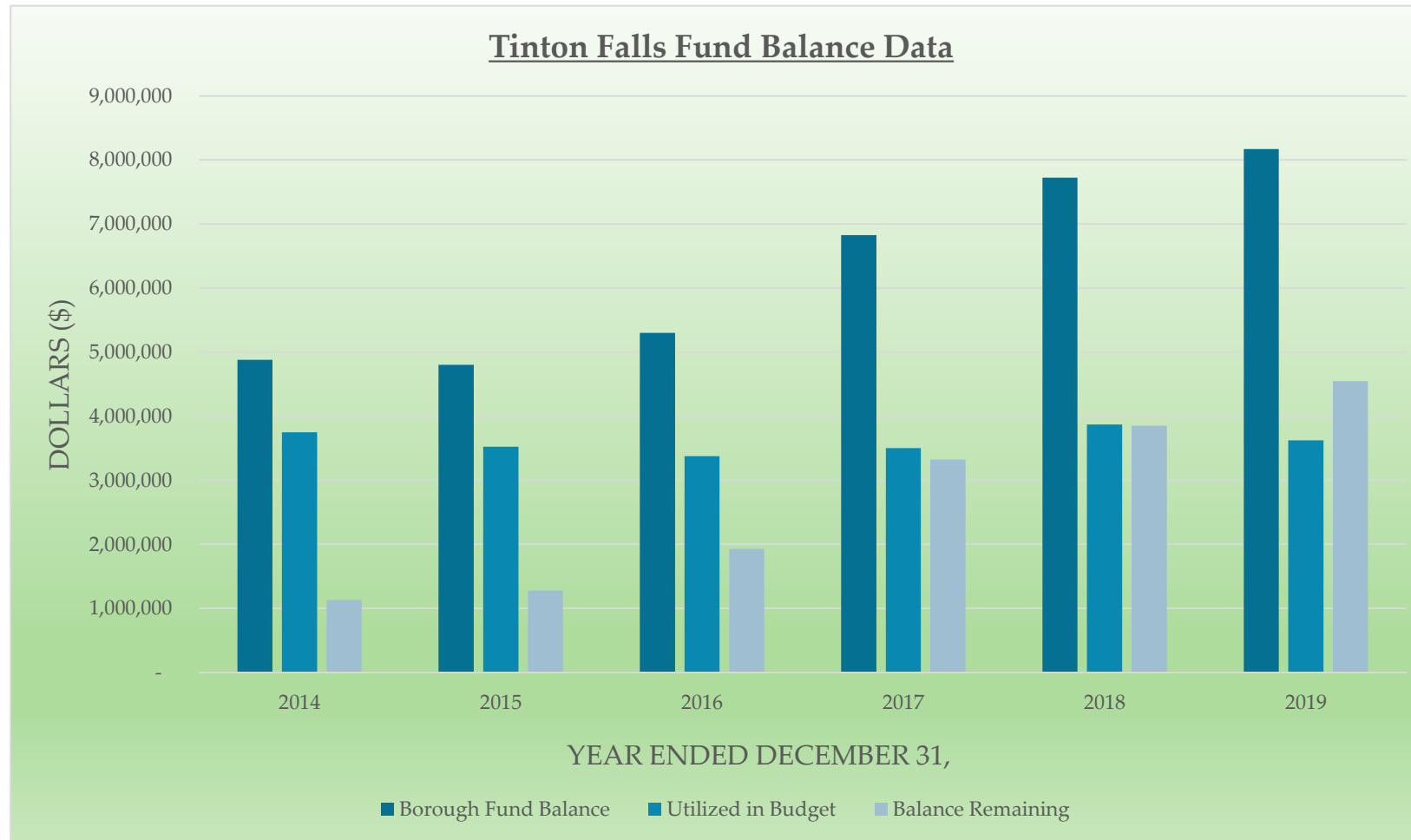


Total revenues
of \$26,591,816

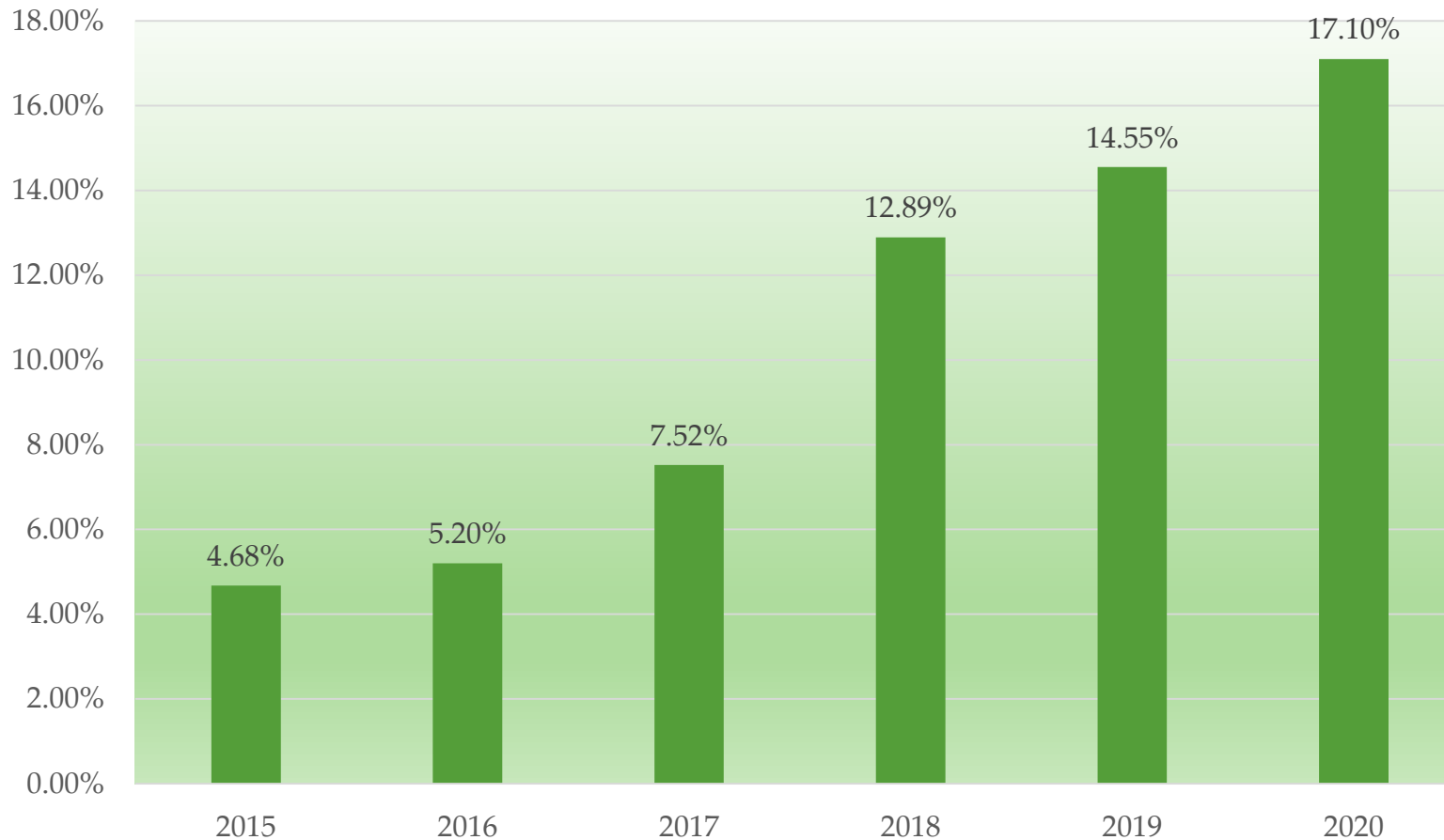
Historical Municipal Fund Balance



Borough Fund Balance Data



Non-Utilized Fund Balance as a % of Budget



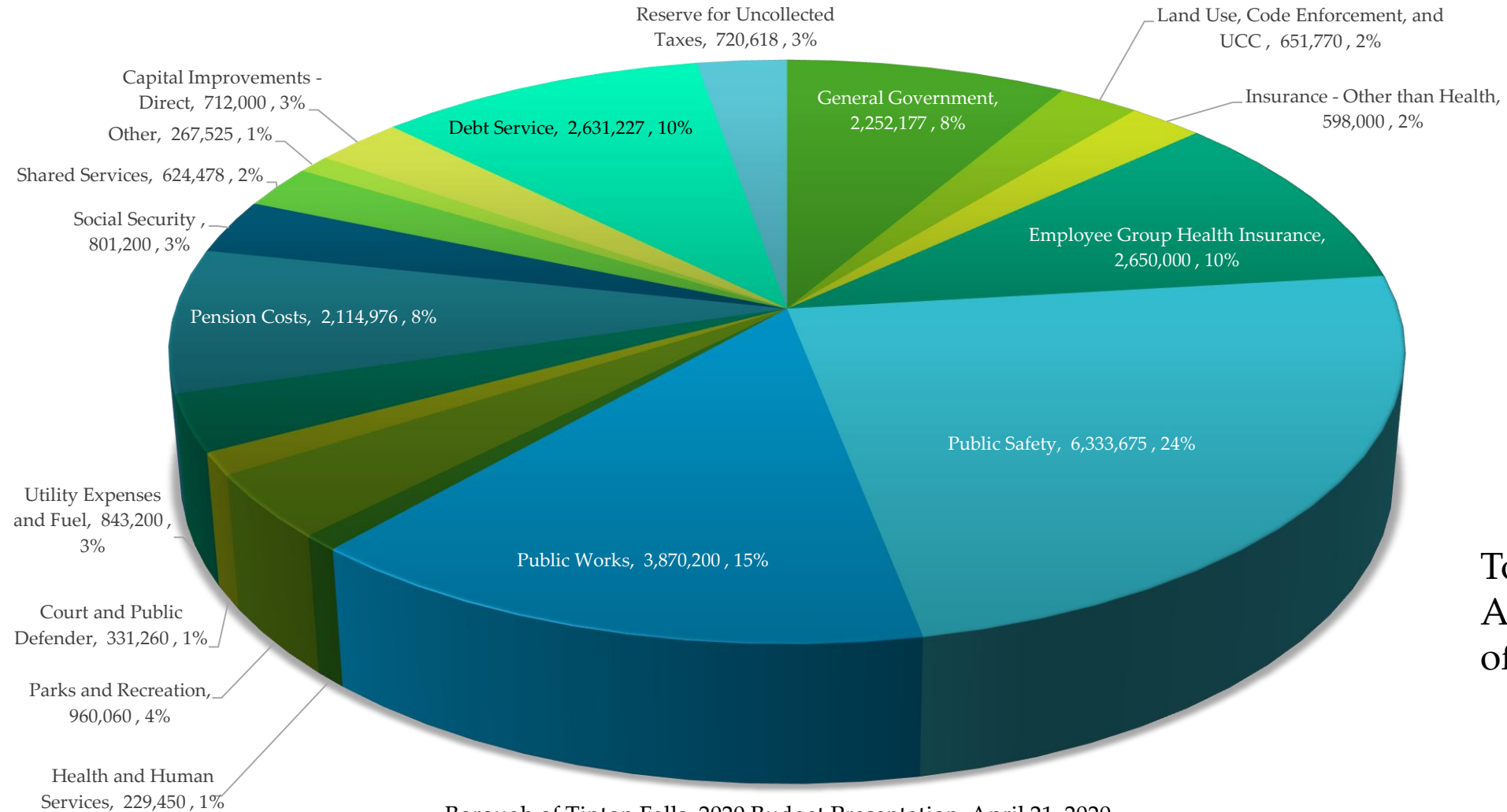
The more non-utilized fund balance the Borough has on hand, the better we are positioned to manage emergencies and unexpected economic issues and to stabilize municipal taxes.



Summary of Appropriations

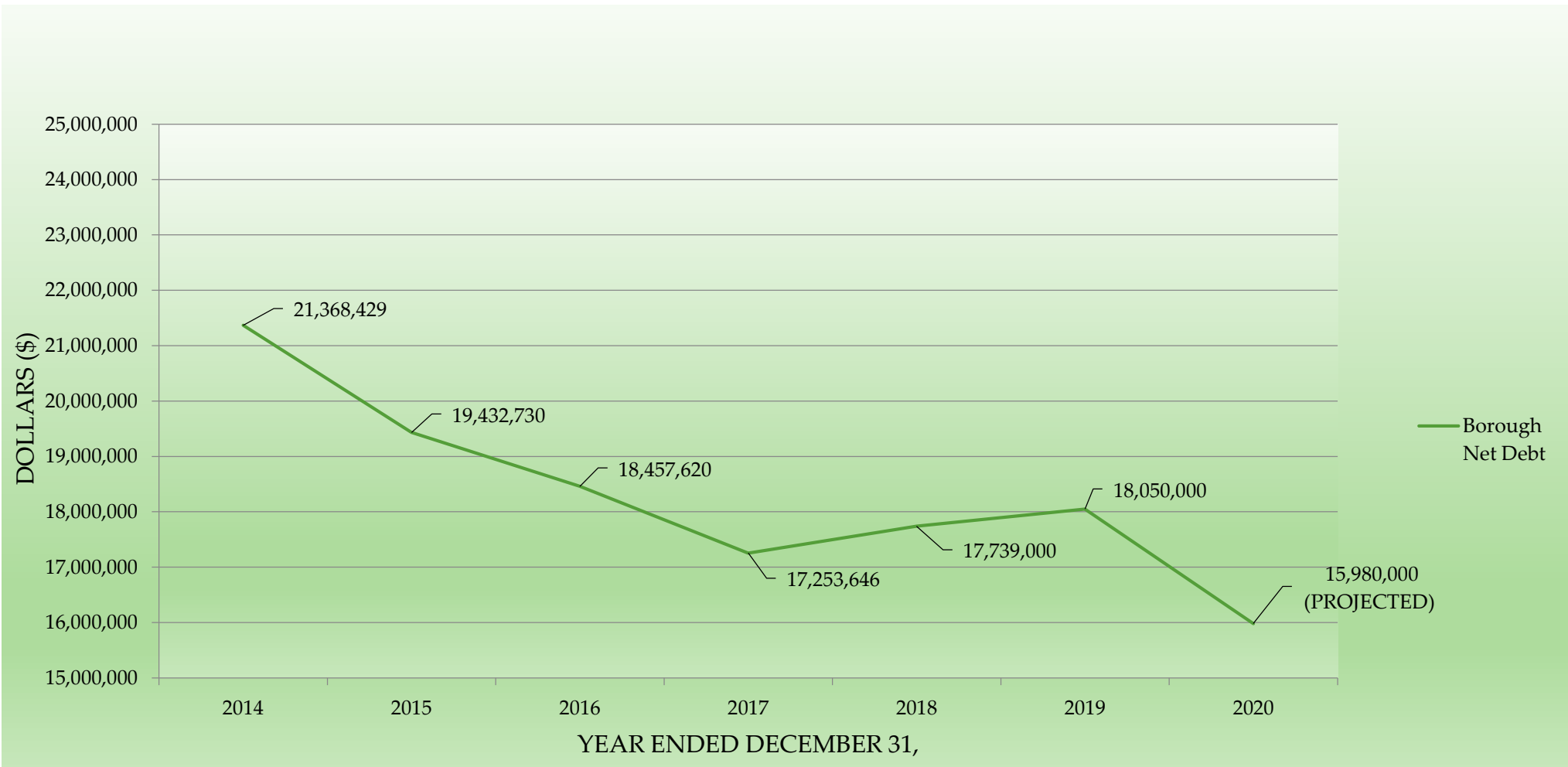
APPROPRIATIONS	PROPOSED BUDGET 2020	ADOPTED BUDGET 2019	DOLLAR CHANGE	PERCENT CHANGE
Operations:				
Salaries and Wages	\$ 11,741,112.00	\$ 11,597,112.00	\$ 144,000.00	1.24%
Other Expenses	7,870,683.03	7,868,446.85	2,236.18	0.03%
Total Operations	19,611,795.03	19,465,558.85	146,236.18	0.75%
Capital Improvements	712,000.00	851,500.00	(139,500.00)	-16.38%
Debt Service	2,631,227.00	2,631,710.00	(483.00)	-0.02%
Statutory Expenditures	2,916,176.00	2,864,790.00	51,386.00	1.79%
Reserve for Uncollected Taxes	720,618.16	717,478.95	3,139.21	0.44%
Total Appropriations	\$ 26,591,816.19	\$ 26,531,037.80	\$ 60,778.39	0.23%

2020 Budget Appropriations by Function



Total
Appropriations
of \$26,591,816

Borough Net Statutory Debt



Credit Rating



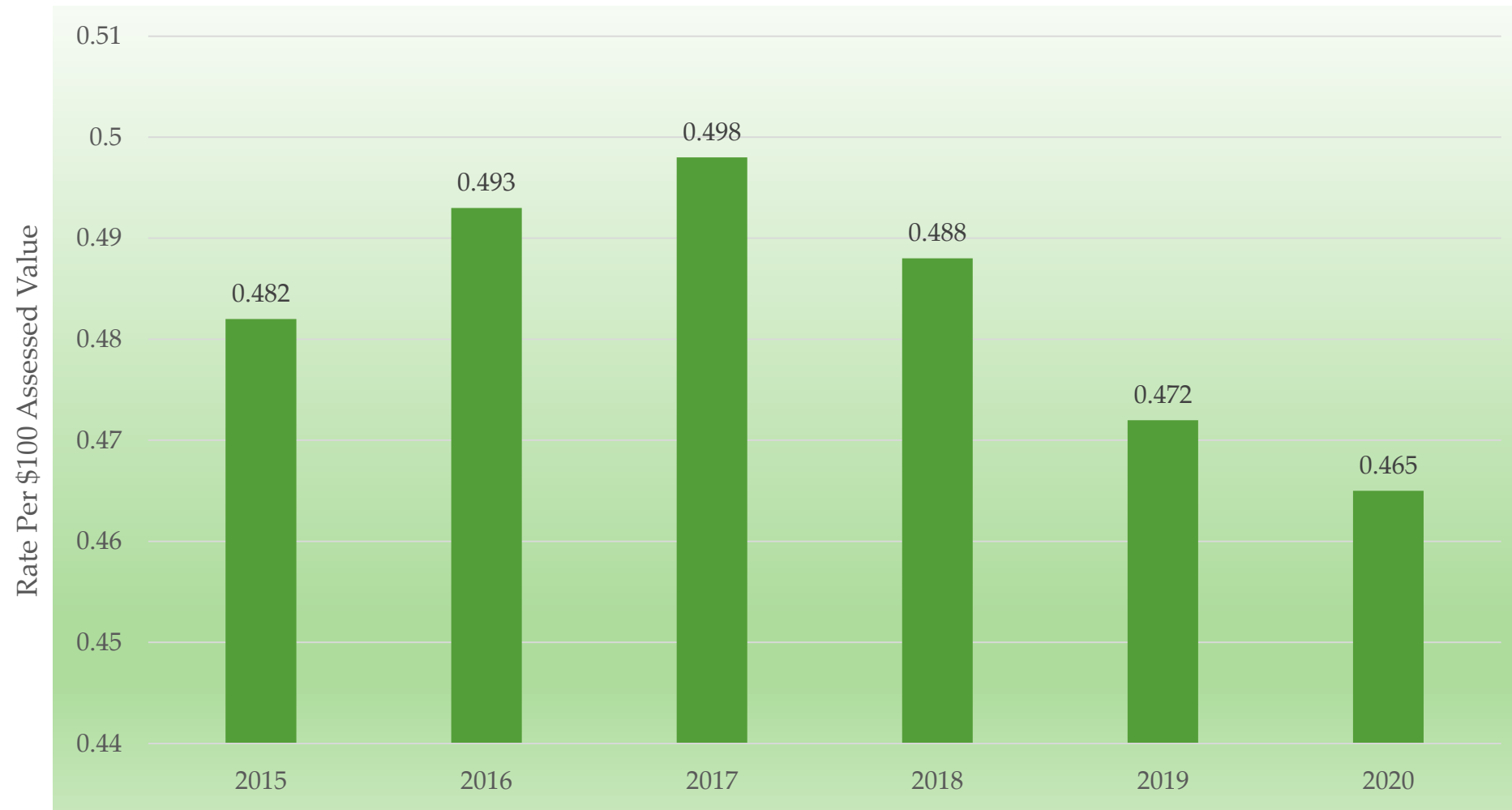
Moody's Investors Service (Quotes from Issuer Comment 10/29/19):

“The borough has a low debt burden that is favorable in relation to its assigned rating of Aa2. The net direct debt to full value (0.6%) is lower than the US median.”

“The credit position for Tinton Falls is very strong, and its Aa2 rating slightly exceeds the median rating of Aa3 for cities nationwide. Key credit factors include a strong financial position, a very strong wealth and income profile, and a sizable tax base. The borough’s credit position also reflects a low debt burden and a moderate pension liability.”



Municipal Tax Rate



Municipal Open Space Trust Fund



	<u>2015</u>	<u>2016</u>	Actual <u>2017</u>	<u>2018</u>	<u>2019</u>	Proposed Budget <u>2020</u>
Open Space Trust Reserve Balance - January 1st	\$ 1,052,916	\$ 949,382	\$ 415,208	\$ 491,829	\$ 660,775	\$ 1,014,517
Trust Fund Revenues:						
Open Space Tax	658,103	670,737	686,093	716,863	757,196	782,129
Open Space Tax - Added/Omitted	5,552	15,398	11,222	8,393	11,436	10,000
Interest Income	4,991	4,302	4,959	15,045	14,342	14,000
Walz - County Grant						250,000
Traditions - State and County Grants			1,118,256	250,000		
Total Revenues	668,646	690,437	1,820,530	990,301	782,974	1,056,129
Trust Fund Expenditures: (Includes Cash Expenditures and Encumbrances)						
Maintenance of Land - Salaries & Wages	105,187	120,654	127,650	106,517	125,297	130,000
Maintenance of Land - Other Expenses	44,728	25,342	86,686	39,038	96,404	100,000
Development of Land:						
Sycamore Avenue Complex	287,000					
Hance and Hockhockson Park Improvements		392,925				
Hance Park Improvements			90,338	21,570		
2020 Park Improvement Program						1,400,000
Acquisition and Development of Land - Other Costs	179,113	39,612	30,224	38,626	79,841	100,000
Acquisition of Open Space Property			970,000	79,431		
Debt Service:						
Principal on Bonds	86,106	82,168	83,761	85,354	85,000	85,000
Principal on Notes		501,000	300,000	400,000		
Interest on Bonds	57,032	54,567	48,618	45,685	42,690	39,638
Interest on Notes	13,014	8,343	6,632	5,134		
Total Expenditures	772,180	1,224,611	1,743,909	821,355	429,232	1,854,638
Open Space Trust Reserve Balance - December 31	\$ 949,382	\$ 415,208	\$ 491,829	\$ 660,775	\$ 1,014,517	\$ 216,008

Sewer Utility Budget Summary



Dedicated Sewer Utility Budget	PROPOSED BUDGET 2020	ADOPTED BUDGET 2019	DOLLAR CHANGE	PERCENT CHANGE
Revenues				
Surplus Anticipated	\$ 907,200.00	\$ 1,575,000.00	\$ (667,800.00)	-42.40%
Sewer Rents	4,000,000.00	4,100,070.00	(100,070.00)	-2.44%
Total Revenues	4,907,200.00	5,675,070.00	(767,870.00)	-13.53%
Appropriations				
Salaries and Wages	634,000.00	716,000.00	(82,000.00)	-11.45%
Other Expenses	3,926,700.00	3,961,570.00	(34,870.00)	-0.88%
Capital Outlay	220,000.00	865,000.00	(645,000.00)	-74.57%
Statutory Expenditures	126,500.00	132,500.00	(6,000.00)	-4.53%
Total Appropriations	\$ 4,907,200.00	\$ 5,675,070.00	\$ (767,870.00)	-13.53%



Capital Projects – Overview

- Total Planned Capital Projects in 2020 of \$4,864,000, consisting of \$4,644,000 in general capital improvements and \$220,000 in sewer utility capital improvements.
- Making use of:
 - \$200,000 in grant funds
 - \$882,000 in direct operating budget capital appropriations

The borough is very proud of \$882,000 budgeted in the capital improvement section of the current and sewer operating budgets as these appropriations help reduce future debt issuance and further strengthen the borough's financial position.

2020 Capital Budget – General Improvements



<u>General Improvements</u>	FUNDING SOURCES						Open Space Trust
	<u>Amount Appropriated</u>	<u>Operating Budget</u>	<u>Grants</u>	<u>Prior Bond Ordinance</u>	<u>Capital Improvement Fund</u>	<u>Debt Authorized</u>	
<u>2020 Park Improvement Program</u>							
Traditions Park Development	1,115,000		200,000			569,000	346,000
Sycamore Recreation Improvements	1,530,000					978,800	551,200
Hockhockson Park Improvements	547,000					328,200	218,800
Riverdale West Park Improvements	340,000					204,000	136,000
Liberty Park Improvements	305,000					242,000	63,000
Walz Farm Park Improvements	85,000						85,000
Total - 2020 Park Improvement Program	3,922,000	-	200,000	-	-	2,322,000	1,400,000
Command Truck for Police Department	90,000	90,000					
Acquisition of Wheel Loader with Bucket	190,000	190,000					
Acquisition of Backhoe	132,000	132,000					
Refurbish Traffic Safety Truck	25,000	25,000					
Upgrades to Sanitation Trucks	35,000	35,000					
Open Space Improvements:							
Acquisition of Farm Tractor	60,000						60,000
Improvements to Library	150,000	150,000					
Automated Refuse Containers	40,000	40,000					
Total General Improvements	4,644,000	662,000	200,000	-	-	2,322,000	1,460,000

2020 Capital Budget – Sewer Improvements



<u>Sewer Improvements</u>	<u>Amount Appropriated</u>	<u>FUNDING SOURCES</u>					<u>Open Space Trust</u>
		<u>Operating Budget</u>	<u>Grants</u>	<u>Prior Bond Ordinance</u>	<u>Capital Improvement Fund</u>	<u>Debt Authorized</u>	
Refurbish Traffic Safety Truck	25,000	25,000					
Acquisition of Truck	50,000	50,000					
Shrewsbury Ave. Pump Station Upgrades	65,000	65,000					
Tinton Avenue Pump Station Emergency Generator	80,000	80,000					
Total Sewer Improvements	220,000	220,000					

Capital Projects – Road Repaving



- Borough is responsible for 85 miles of roads
- Road Program appropriated in 2019, but to be bid and constructed in 2020
- 11 roads to be paved in 2020 (approximately 3 miles)

- | | |
|--|---|
| ✓ Hope Road
(Sycamore Ave to
Tinton Ave) | ✓ Danbury Road |
| ✓ Alden Lane | ✓ Plum Street |
| ✓ Wayside Terrace | ✓ Holly Drive |
| ✓ Edison Avenue | ✓ Sylvan Drive |
| ✓ Wyckham Road | ✓ Hartford Drive |
| | ✓ Squankum Road
(Hamilton Road to
Hockhockson Road) |



Hope Road Existing Conditions

Capital Projects – Sidewalks



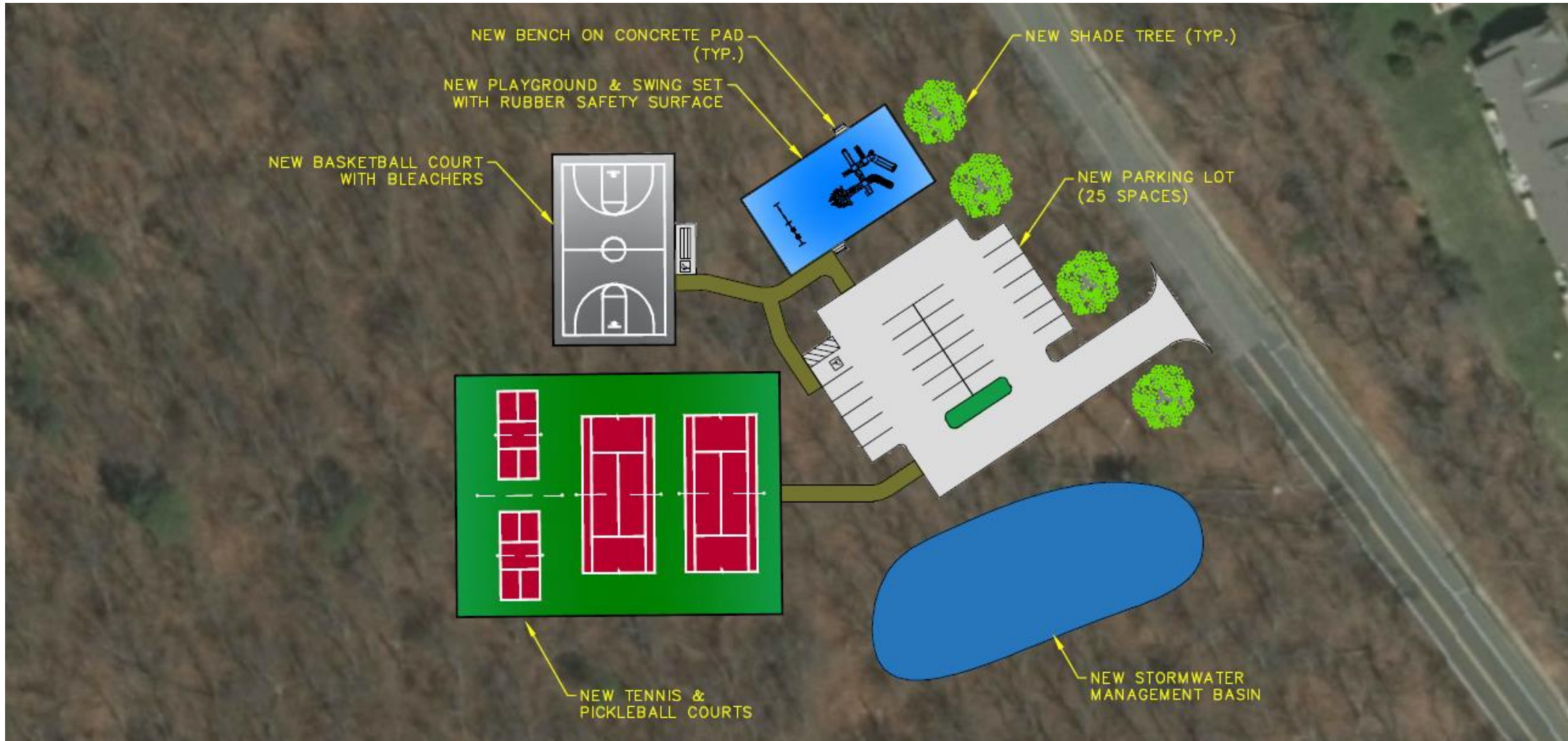
**New sidewalk
on Wayside
Road:**

Connecting
Rutgers Drive
to Valencia
Drive.

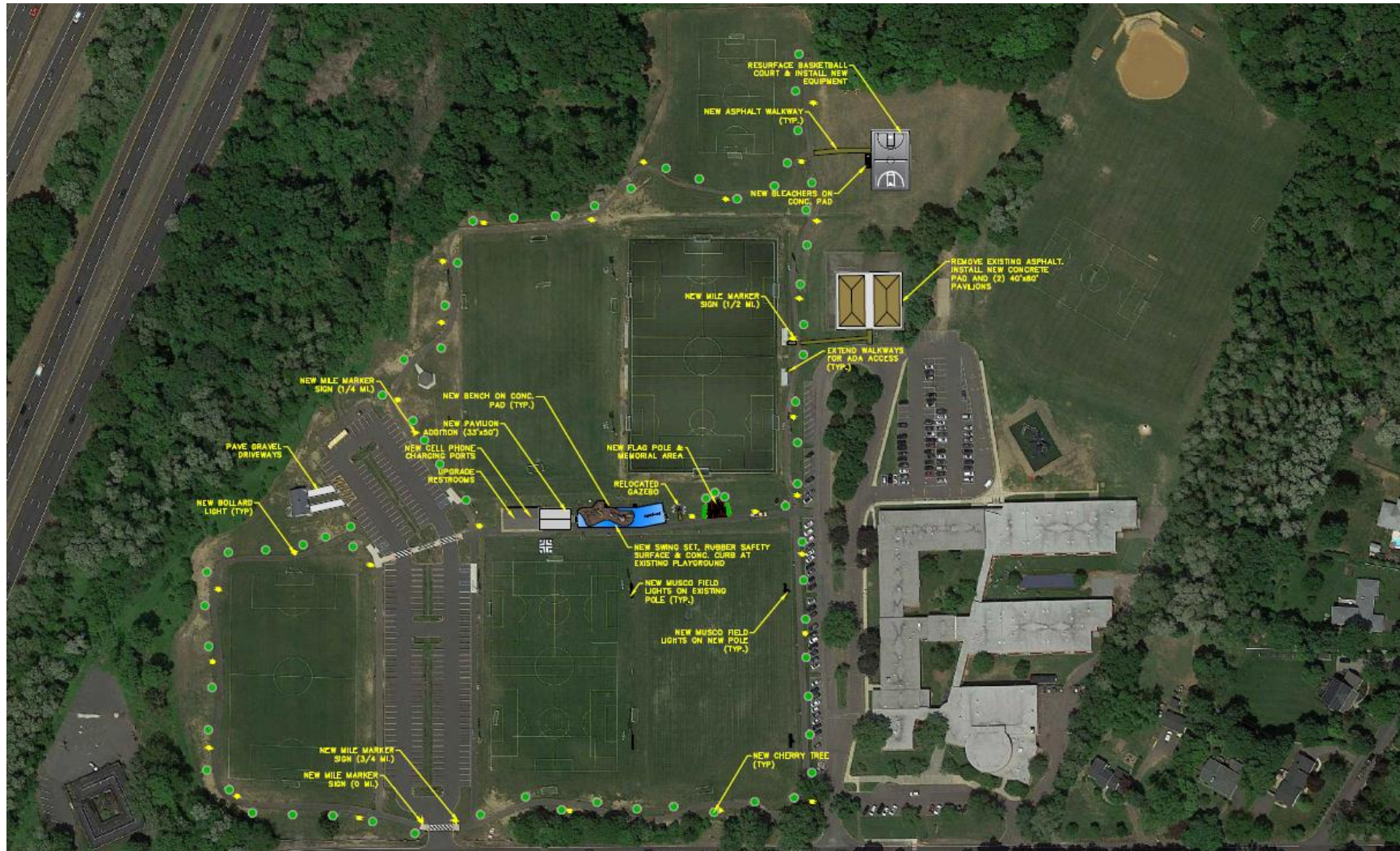
Continuation
of 2019
sidewalk
extension on
Wayside Road.



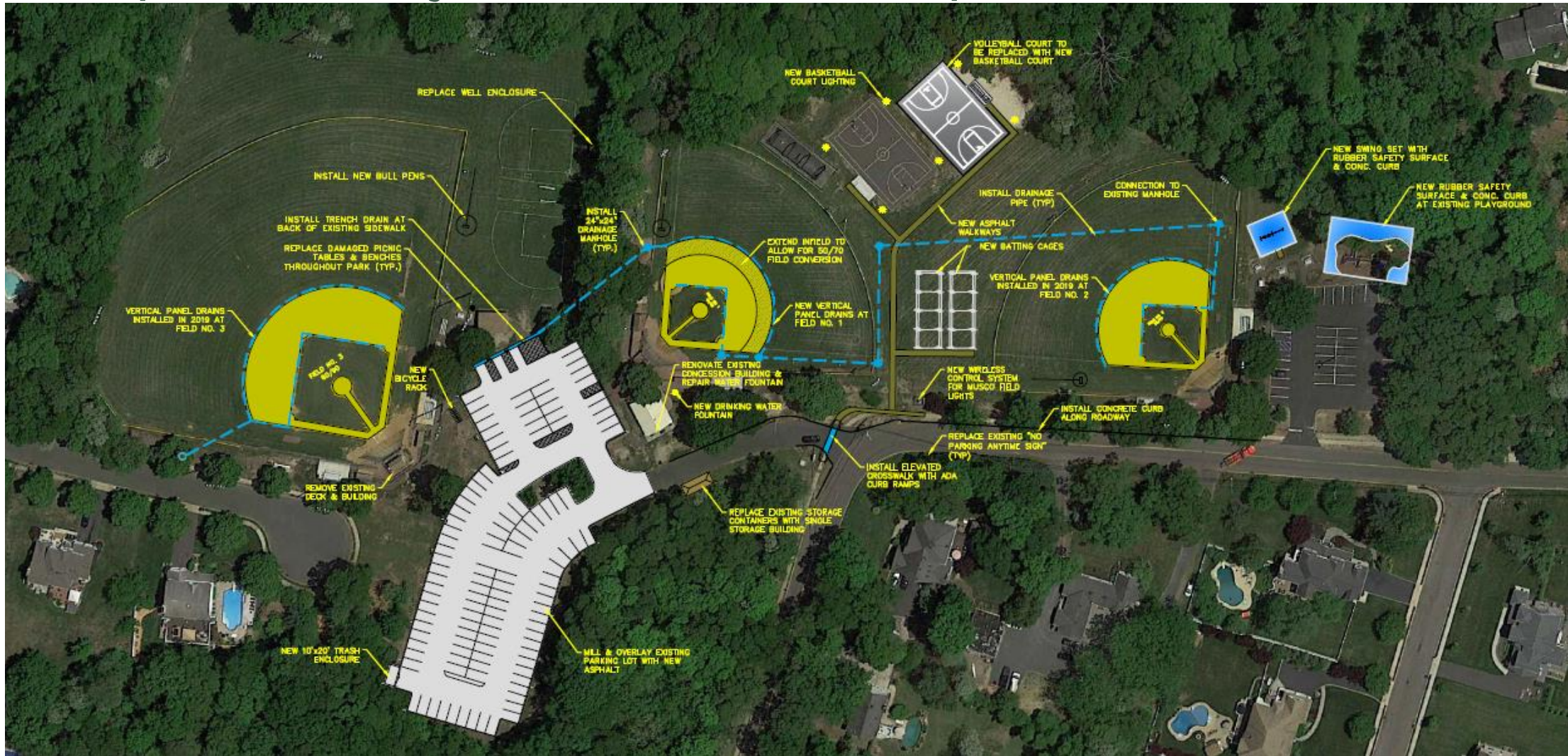
Capital Projects – Park Improvements



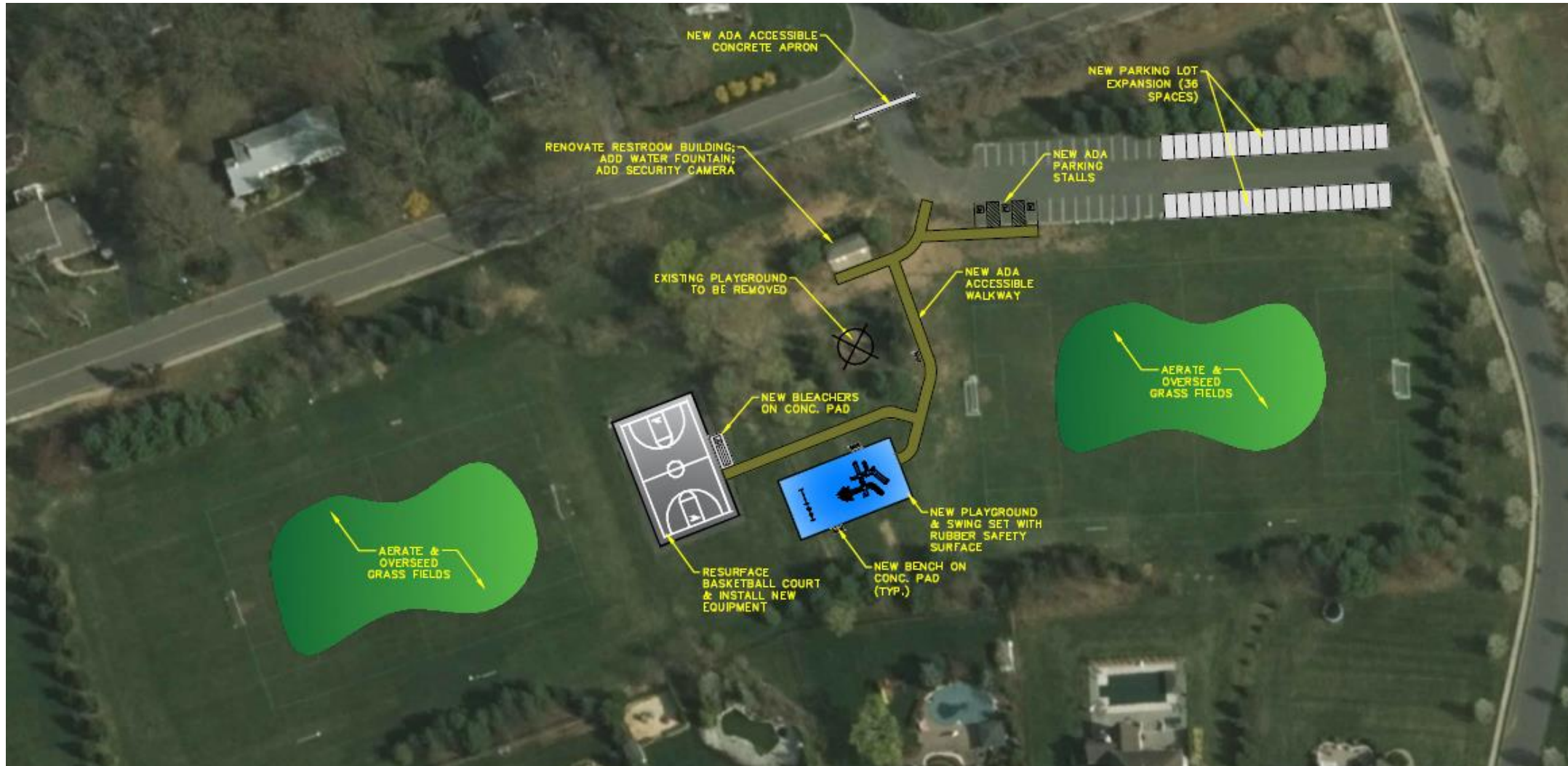
Capital Projects – Park Improvements



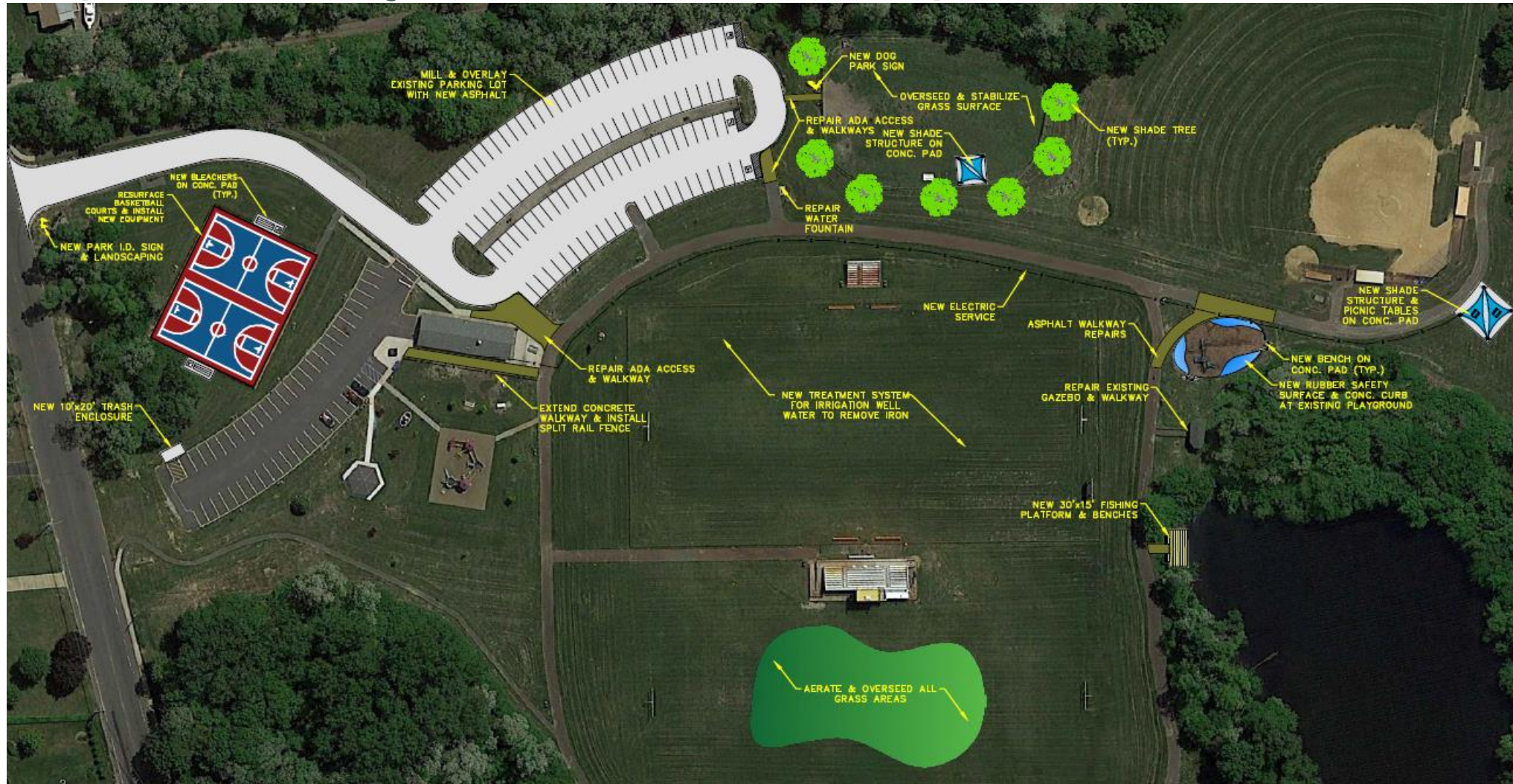
Capital Projects – Park Improvements



Capital Projects – Park Improvements



Capital Projects – Park Improvements



Capital Projects – Park Improvements





Capital Projects – Sewers

- Proposed projects include:
 - ✓ Shrewsbury Avenue Pump Station Upgrades
 - ✓ Tinton Avenue Pump Station Emergency Backup Generator





Timeline

- Introduction:
 - Tuesday, April 21, 2020 Council Meeting
 - Budget document to be posted on website and published in summary
- Public Hearing:
 - Tuesday, May 19, 2020 Council Meeting