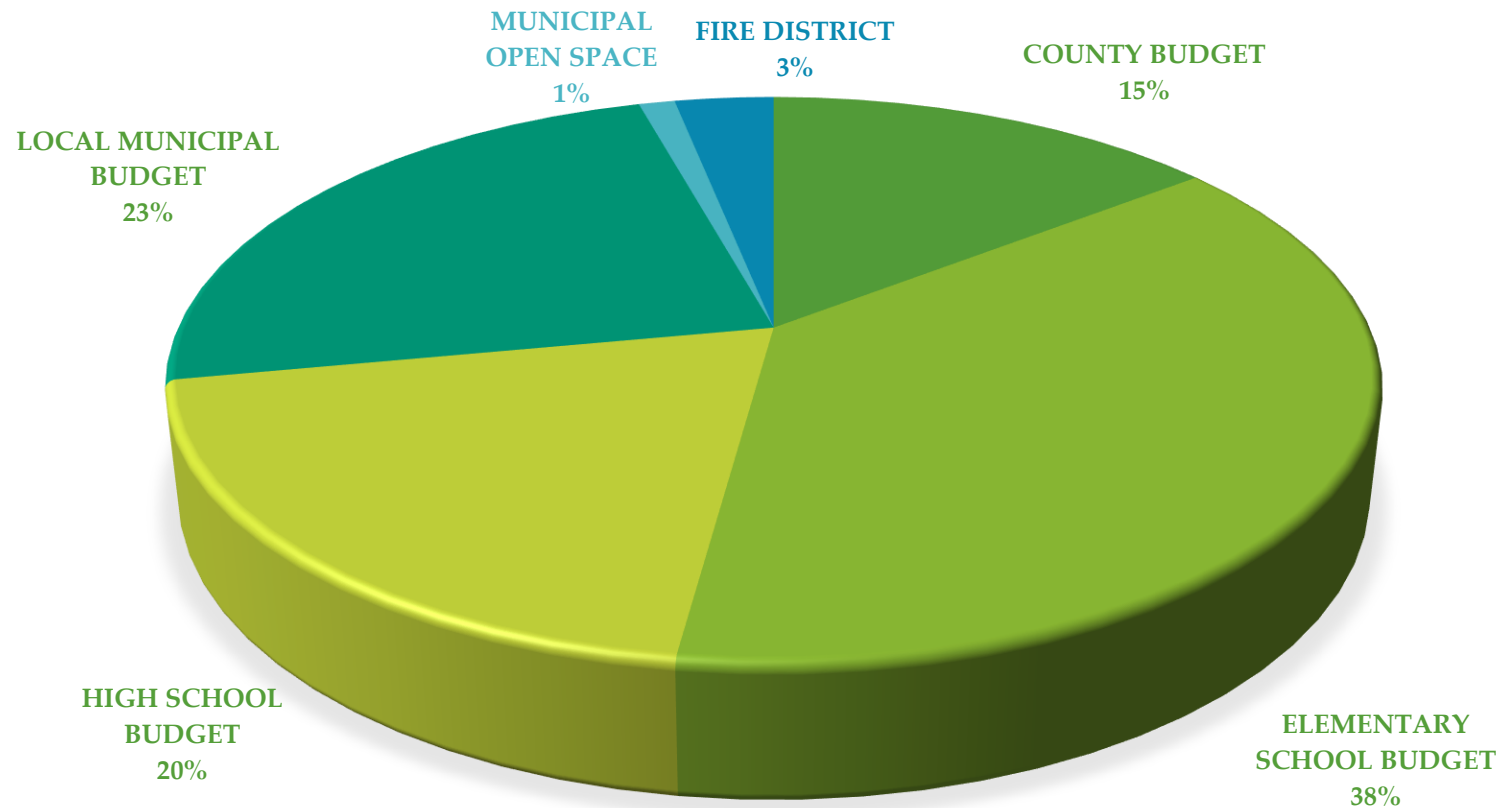




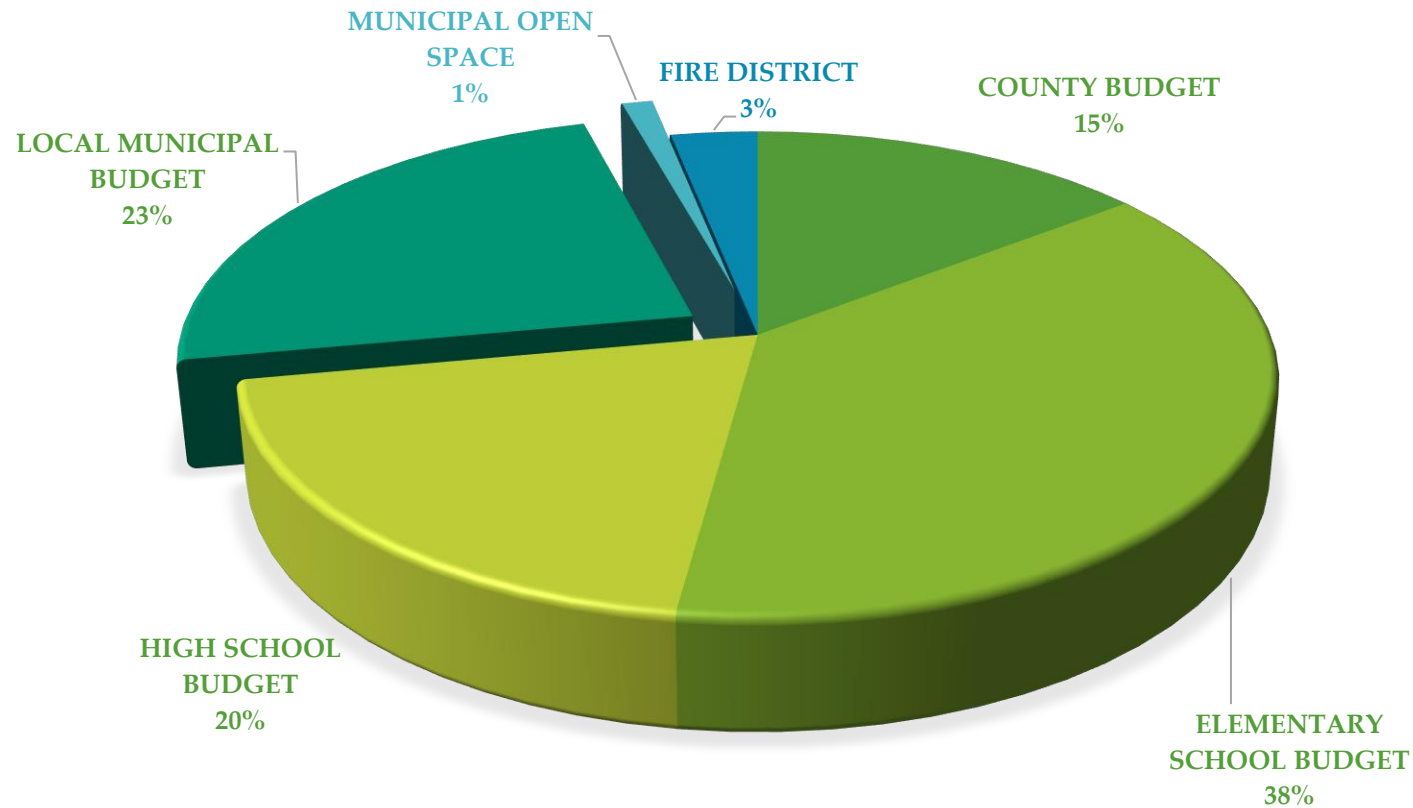
**2023 Municipal Budget Presentation
Borough of Tinton Falls
March 21, 2023**



Where Tinton Falls Tax Dollars Go....



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





What do I get for my 24 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 2022 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 remains strong decreasing slightly from 33.49% to 32.01% of following years' total budget.
 - Borough Regenerated 98% of Fund Balance Utilized in the 2022 Budget.
- Municipal revenue exceeded our targets by 19%, aiding in the regeneration of our surplus.
- 2020 through 2023 budgets combined have \$2,362,542 remaining under the 2% levy cap (this equates to approximately 4.9 cents on the tax rate.)
- Tax Collection Rate remains high at 99.03%, which has stabilized our Reserve for Uncollected Taxes @ \$800,000.



2023 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 and increased capital investment in the Borough's infrastructure, parks, and equipment.
- The Budget allows for the regeneration of a majority of surplus utilized.

REVENUES

- The Borough continues to be conservative in its revenue projections.
- Regular State Aid increased 0.7% or \$10,303 for the first increase in the last fourteen years.

2023 Budget Structure (continued)



APPROPRIATIONS

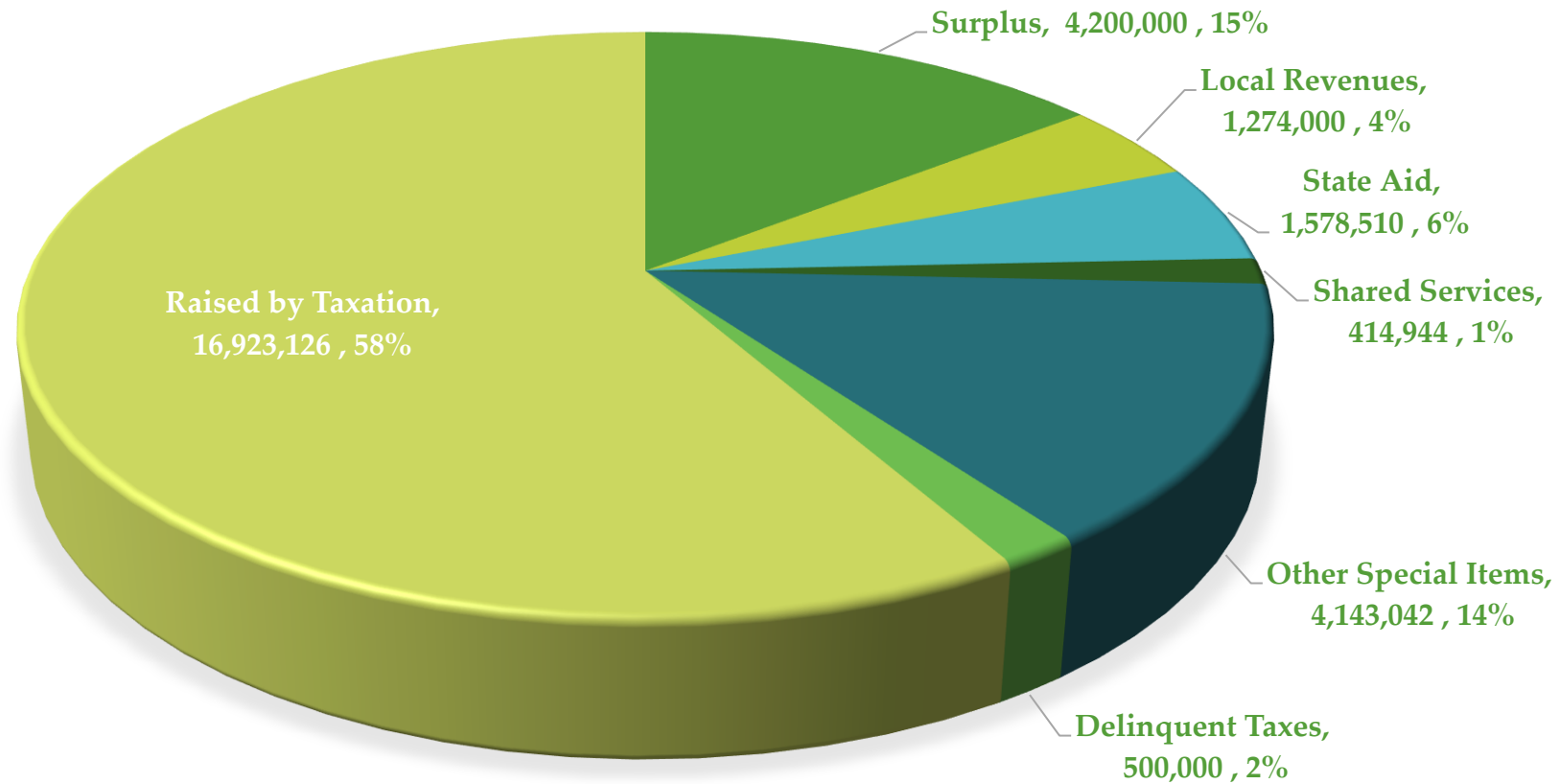
- Total Operating Expenses have increased by a marginal 1.19% exclusive of Insurance Costs which have increased by 4.07% of Operations.
- Total Budgeted Salaries and Wages, a component of Operating Expenses, have increased by 2.56%.
- Total Debt Service has remained stable from 2022.
- The Borough continues 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 the 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 2023	ADOPTED BUDGET 2022	DOLLAR CHANGE	PERCENT CHANGE
State Aid	\$ 1,578,510	\$ 1,490,459	\$ 88,051.00	6%
Municipal Revenue	5,831,987	5,327,030	504,957	9.48%
Delinquent Taxes	500,000	500,000	-	0%
Fund Balance	4,200,000	4,460,000	(260,000)	-5.83%
Amount to Be Raised by Taxation	16,923,126	16,460,919	462,207	2.81%
Total Anticipated Revenues	\$ 29,033,623	\$ 28,238,408	\$ 795,214.71	2.82%
Annual Tax Comparison				
Assessed Valuations Taxable	\$ 4,804,925,868	\$ 4,280,928,837	\$ 523,997,031	12.24%
Municipal Tax Rate	\$ 0.352	\$ 0.385	\$ (0.033)	-8.57%

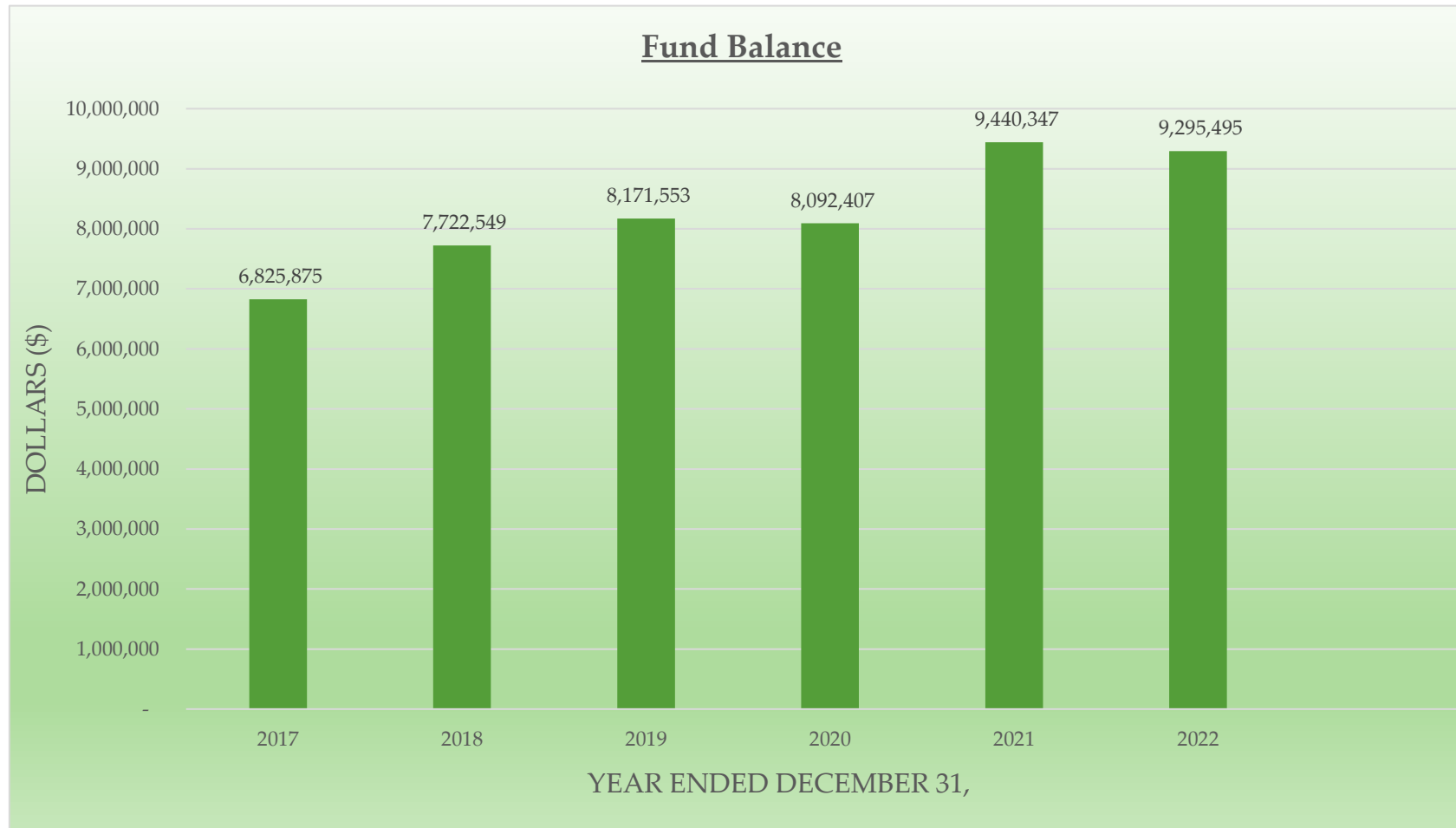
2023 Budget Revenue Anticipated



Total revenues
of \$29,033,622

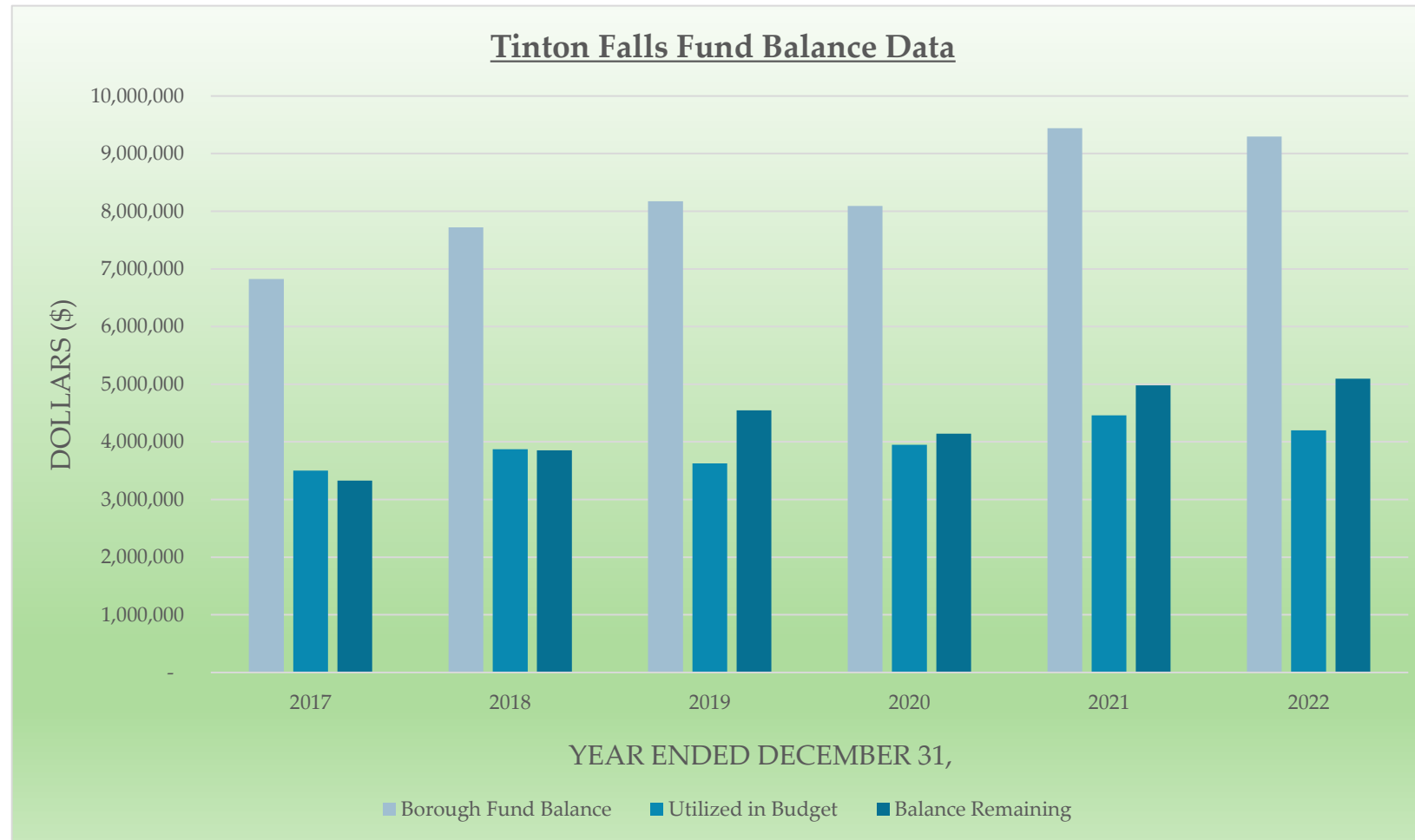


Historical Municipal Fund Balance





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.

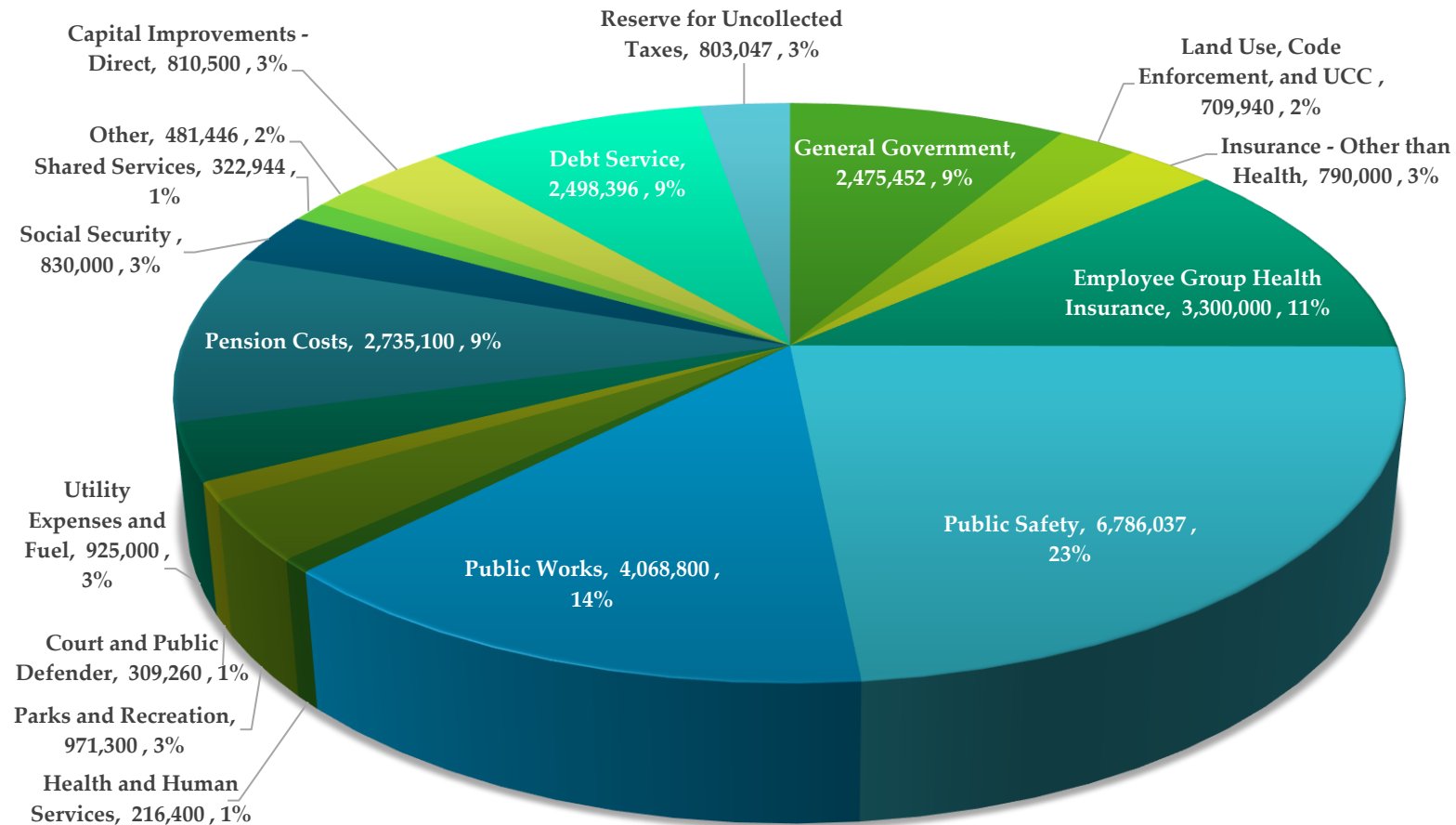


Summary of Appropriations

APPROPRIATIONS	PROPOSED BUDGET 2023	ADOPTED BUDGET 2022	DOLLAR CHANGE	PERCENT CHANGE
Operations:				
Salaries and Wages	\$ 12,022,956	\$ 11,722,284	\$ 300,672	2.56%
Other Expenses	9,333,623	8,909,179	424,444	4.76%
Total Operations	21,356,579	20,631,463	725,116	3.51%
Capital Improvements	810,500	975,500	(165,000)	-16.91%
Debt Service	2,498,396	2,506,858	(8,462)	-0.34%
Statutory Expenditures	3,565,100	3,327,914	237,186	7.13%
Reserve for Uncollected Taxes	803,047	796,673	6,374	0.80%
Total Appropriations	\$ 29,033,622	\$ 28,238,408	\$ 795,214	2.82%

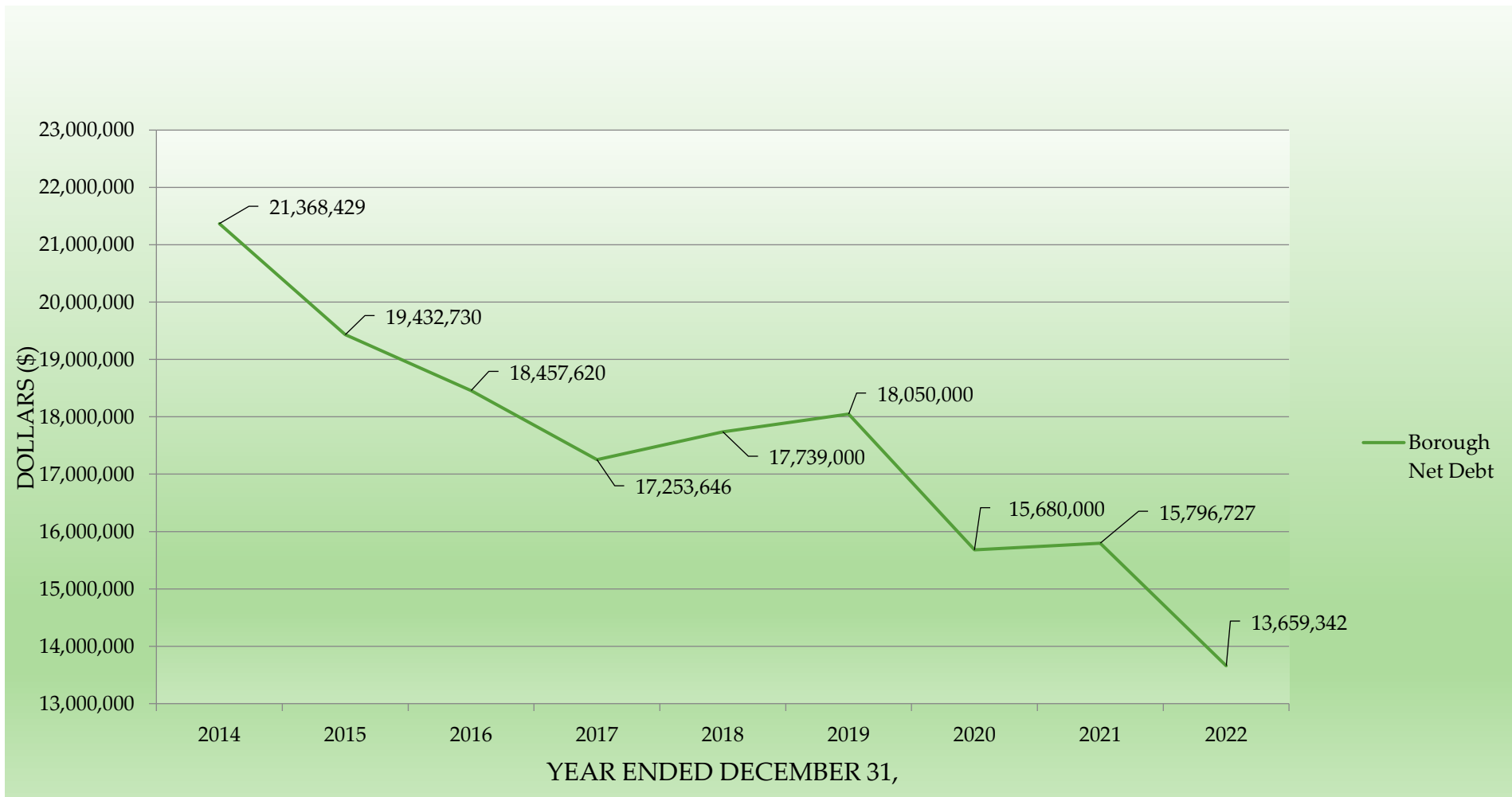


2023 Budget Appropriations by Function



Total
Appropriations
of \$29,033,622

Borough Net Statutory Debt





Credit Rating Upgrade

Moody's Investors Service (Quotes from Rating Press Release 08/14/20):

“Moody’s Investor Service has upgraded the Borough of Tinton Falls, NJ’s general obligation unlimited tax rating to Aa1 from Aa2. Concurrently we have assigned a Aa1 rating to the borough’s General Obligation Refunding Bonds, Series 2020.”

“The upgrade to Aa1 reflects the borough’s increasingly strong finances. The rating also incorporates its above-average resident wealth and income, modest debt, favorable location and above-average pension burden.”

The Borough’s Aa1 rating was affirmed by Moody’s on November 9 ,2022.



Municipal Tax Rate



Municipal Open Space Trust Fund



	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
	Proposed Budget					
Open Space Trust Reserve Balance - January 1st	\$ 491,829	\$ 660,775	\$ 1,014,517	\$ 98,105	\$ 111,171	\$ 205,720
Trust Fund Revenues:						
Open Space Tax	716,863	757,196	781,993	825,987	963,208	1,081,108
Open Space Tax - Added/Omitted	8,393	11,436	5,049	13,329	7,187	5,000
Interest Income	15,045	14,342	10,863	5,912	6,443	5,000
Walz and Liberty Park - County Grant				377,000		
Traditions - State and County Grants	250,000					
Total Revenues	990,301	782,974	797,905	1,222,228	976,838	1,091,108
Trust Fund Expenditures: (Includes Cash Expenditures and Encumbrances)						
Maintenance of Land - Salaries & Wages	106,517	125,297	129,922	127,154	151,883	156,000
Maintenance of Land - Other Expenses	39,038	96,404	67,441	14,115	54,317	100,000
Development of Land:						
Sycamore Softball Fields - Down Payment						220,000
Wardell Park Bathroom/Utility Ext. - Down Payment						40,000
Hockhockson Park Improvements					443,986	
Hance Park Improvements	21,570					
2020/2021 Park Improvement Program			1,208,000	537,751	81,017	
Miscellaneous			112,075			
Acquisition and Development of Land - Other Costs	38,626	79,841	72,241	6,684		
Acquisition of Open Space Property	79,431			402,627		
Debt Service:						
Principal on Bonds	85,354	85,000	85,000	85,000	85,000	90,000
Principal on Notes	400,000					372,000
Interest on Bonds	45,685	42,690	39,638	31,842	32,155	28,684
Interest on Notes	5,134			3,989	33,931	89,034
Total Expenditures	821,355	429,232	1,714,317	1,209,162	882,289	1,095,718
Open Space Trust Reserve Balance - December 31	\$ 660,775	\$ 1,014,517	\$ 98,105	\$ 111,171	\$ 205,720	\$ 201,110



Sewer Utility Budget Summary

Dedicated Sewer Utility Budget	PROPOSED BUDGET 2023	ADOPTED BUDGET 2022	DOLLAR CHANGE	PERCENT CHANGE
Revenues				
Surplus Anticipated	\$ 1,250,000.00	\$ 835,500.00	\$ 414,500.00	49.61%
Sewer Rents	4,106,500.00	3,900,000.00	206,500.00	5.29%
Total Revenues	5,356,500.00	4,735,500.00	621,000.00	13.11%
Appropriations				
Salaries and Wages	660,000.00	650,000.00	10,000.00	1.54%
Other Expenses	4,210,000.00	3,560,000.00	650,000.00	18.26%
Capital Outlay	330,000.00	380,000.00	(50,000.00)	-13.16%
Statutory Expenditures	156,500.00	145,500.00	11,000.00	7.56%
Total Appropriations	\$ 5,356,500.00	\$ 4,735,500.00	\$ 621,000.00	13.11%



Capital Projects – Overview

- Total Planned Capital Projects in 2023 of \$8,290,500, consisting of \$7,960,500 in general capital improvements and \$330,000 in sewer utility capital improvements.
- Making use of:
 - \$219,420 NJ DOT Municipal Aid Grant (Essex Road Improvements)
 - \$260,000 in Open Space Trust Funds
 - \$980,500 in direct operating budget capital appropriations
- Anticipating potential grant awards for:
 - Sycamore Avenue Softball Field Complex
 - Wardell Park Restroom Building & Utility Extensions



Capital Projects – Overview(continued)

The Borough has revised its long-term capital debt management plan to allow for an increase of 70% in road infrastructure funding over the next 10 years (2023-2032). The revised plans propose to maintain a stable total annual debt service budget appropriation, fund approximately \$20,000,000 in road improvements, and reduce total debt by an average of \$500,000 per year or \$5,000,000 over the next 10 years.

The borough is very proud of the \$980,500 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 and budget structure.



2023 Capital Budget – General Improvements

General Improvements	FUNDING SOURCES					
	Amount <u>Appropriated</u>	Operating <u>Budget</u>	Grants	Capital Improvement <u>Fund</u>	Debt <u>Authorized</u>	Open Space <u>Trust</u>
2023/2024 Road Program: (To be Designed in 2023 / Bid and Constructed in 2024)						
Total - 2023/2024 Road Program	4,200,000	-	219,420	280,580	3,700,000	
Park Improvements						
Sycamore Avenue Softball Fields	2,270,000				2,050,000	220,000
Wardell Park Restroom Building and Utility Extensions	840,000				800,000	40,000
Total Park Improvements	3,110,000	-	-	-	2,850,000	260,000
Sycamore Avenue Sidewalk Improv.	55,000	55,000				
Various Improvements to Public Buildings and Grounds	255,500	255,500				
Refurbishment of Sanitation Truck	200,000	200,000				
Acquisition of Building Maintenance Truck	100,000	100,000				
Automated Refuse Containers	40,000	40,000				
Total General Improvements	7,960,500	650,500	219,420	280,580	6,550,000	260,000

2023 Capital Budget – Sewer Improvements



<u>Sewer Improvements:</u>	<u>FUNDING SOURCES</u>	
	<u>Amount Appropriated</u>	<u>Operating Budget</u>
Various Pump Station Upgrades	75,000	75,000
Sewer Main Inspections - Inflow and Infiltration Study	255,000	255,000
Total Sewer Improvements	330,000	330,000



Capital Projects – Road Work

- Borough is responsible for 85 miles of roads
- Road Program to be designed in 2023 and constructed in 2024
- 22 roads to be paved (approximately 5.1 miles)
 - Essex Road
 - West Park Ave
(*Shafto to Heritage*)
 - Wardell Road
 - Hockhockson Road
(*Squankum to Sam*)
 - Firehouse Road
 - Willshire Drive
 - Wilkins Court
 - Clover Street
 - Blossom Street
 - Peach Street
(*Hance to Springdale*)
 - Hamilton Road
(*cul-de-sac*)
 - Colonial Drive
 - Trent Road
 - Andrew Drive
 - Harvard Drive
 - Glassboro Drive
 - Dartmouth Court
 - Princeton Court
 - Penn Court
 - Duke Court
 - St. John's Court
 - Brown Drive



Hamilton Road Existing Conditions

Capital Projects – Road Repaving



Essex Road Existing Conditions



Wardell Road Existing Conditions

Capital Projects – Road Repaving



Harvard Drive Existing Conditions

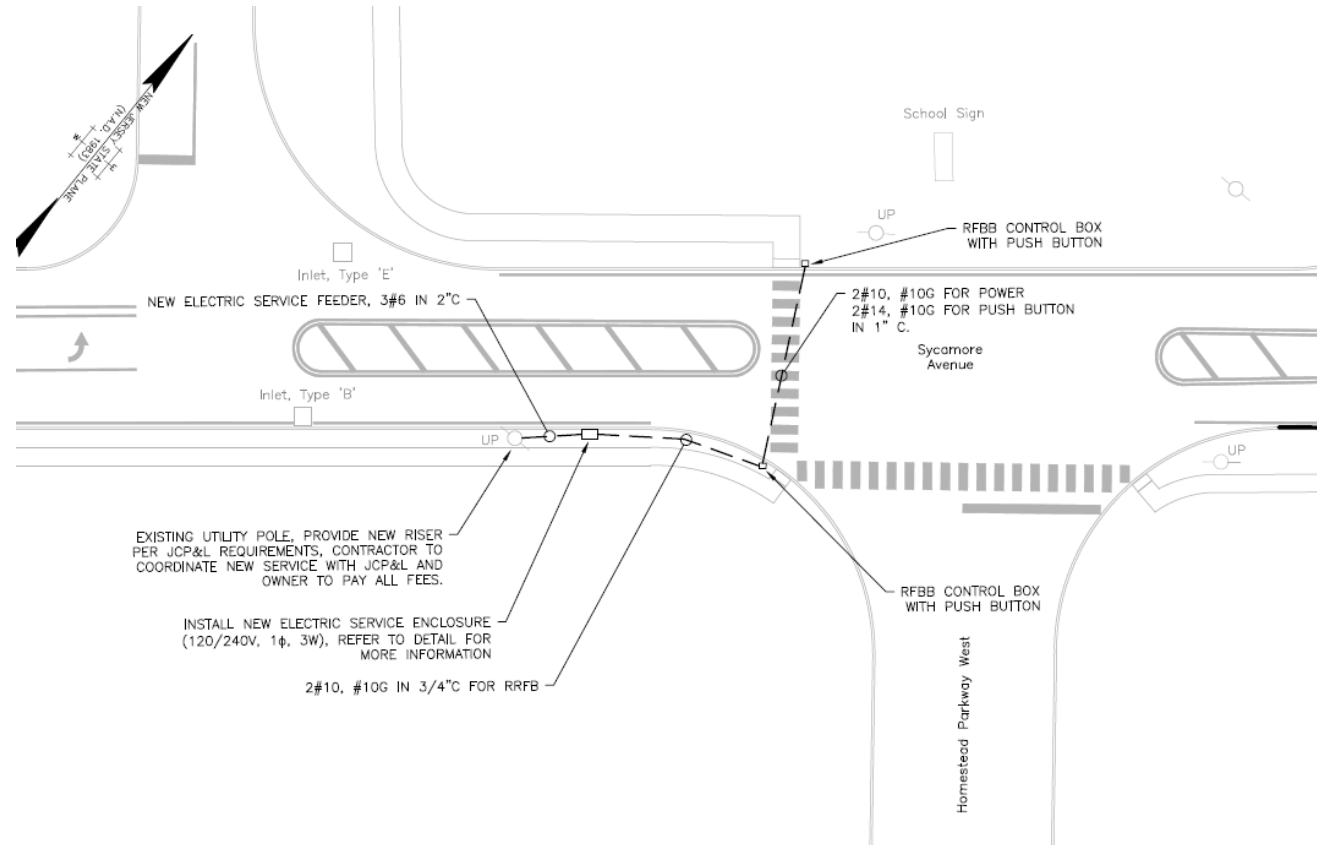


Hockhockson Road Existing Conditions

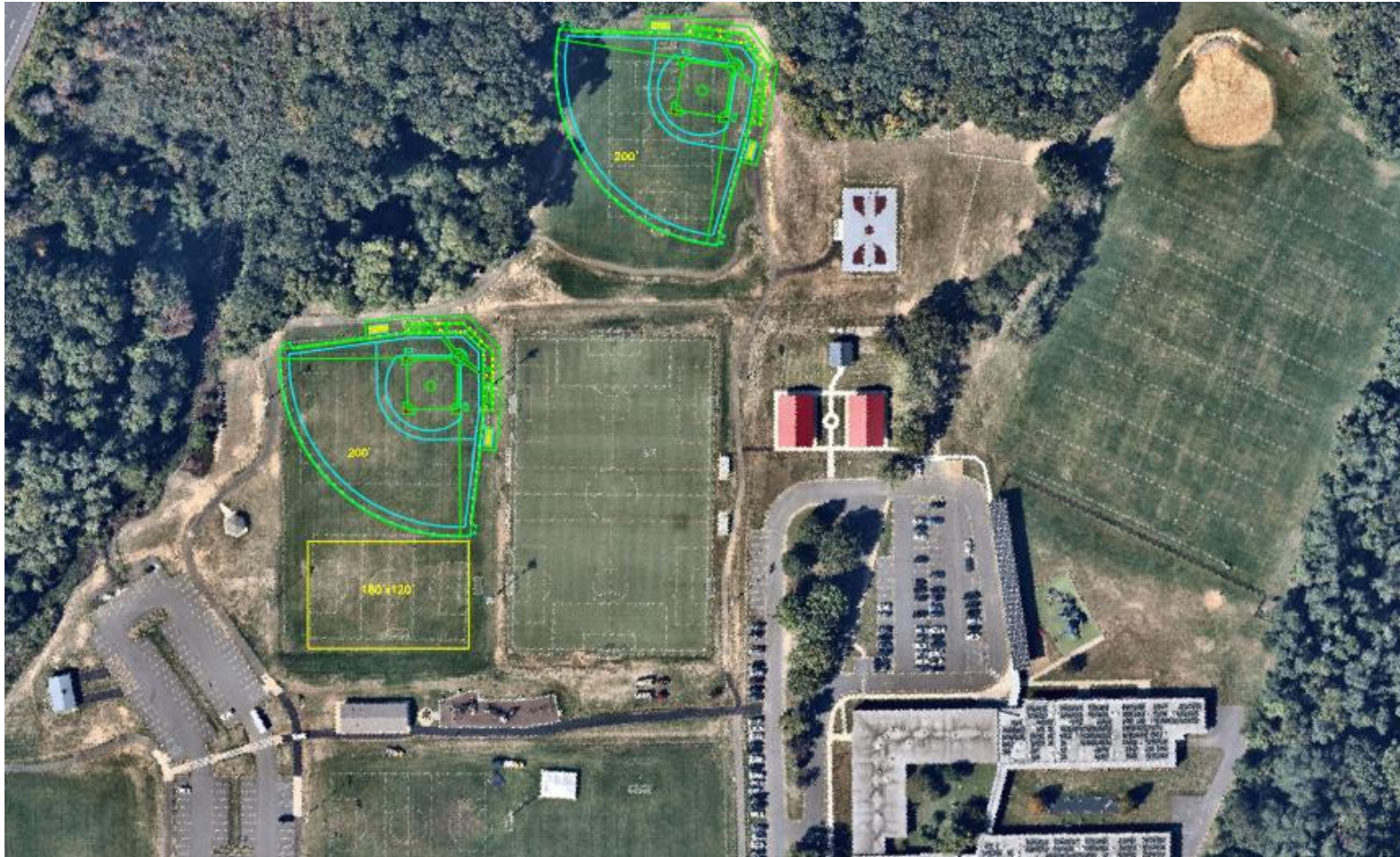


Capital Projects – Sidewalks

Sidewalk and crosswalk improvements on Sycamore Avenue to provide Rectangular Rapid Flashing Beacons (RRFB) at the Mahala F. Atchison Elementary School



Capital Projects – Park Improvements



New Softball Fields

- Convert Field #4 to 200' synthetic turf softball field, along with 180'x200' synthetic turf practice soccer field
- Convert Field #6 to 200' natural grass and clay softball field

Capital Projects – Park Improvements



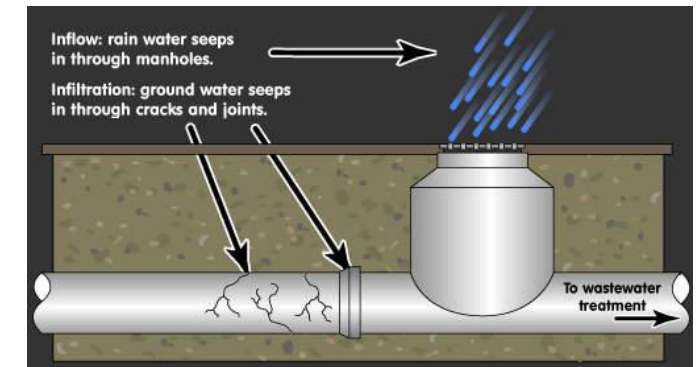
Existing Restroom Building at Sycamore Recreation Complex

- New Restroom Building at Wardell Park
- Water & Sewer Extension
- Pump Station



Capital Projects – Sewers

- Proposed projects include:
 - Various Pump Station Upgrades
 - Primex iControl
 - Bubbler
 - Building repairs and maintenance
 - Sewer Main Inspection & I/I Study – Phase 1





Timeline

- Introduction:
 - Tuesday, March 21, 2023 Council Meeting
 - Budget document to be posted on website and published in summary
- Public Hearing:
 - Tuesday, April 18, 2023 Council Meeting