

TOWNSHIP OF MENDHAM

BUDGET PRESENTATION INTRODUCTION

MAY 8, 2023



BUDGET PROCESS

- INTRODUCTION: MAY 8, 2023
- PUBLIC NOTICE
 - INTRODUCED BUDGET AND USER-FRIENDLY BUDGET POSTED TO TOWNSHIP WEBSITE
- 28 DAYS BETWEEN INTRODUCTION AND PUBLIC HEARING/ADOPTION
- ADOPTION: JUNE 12, 2023

Budget Philosophy

Long-Term Budgeting :

- It is our goal to implement sustainable budget practices while providing a high level of service and maintaining predictable property taxes.

Anticipated Revenue :

- New Jersey Municipal Accounting Standards require a conservative approach to budget revenues. Revenue is only recorded when realized, not when accrued. Revenue account receivables require a full cash reserve.

Anticipated Expenses :

- Inversely to revenue recognition, expenses are recognized when incurred and prior to the receipt of the goods or services. The municipal budget cannot be overspent without an emergency declaration, and any over-expenditure must be raised by taxation in the subsequent year.

GOALS AND OBJECTIVES

1. MAINTAIN FISCAL RESPONSIBILITY AND SUSTAINABLE FINANCIAL MANAGEMENT

- CONTINUE TO EXAMINE SHARED SERVICE OPPORTUNITIES AND AREAS FOR COST SAVINGS —
 - 2023 VEHICLE MAINTENANCE W/CHESTER TOWNSHIP (NEW)
- UPHOLD STRONG FUND BALANCE AND CASH FLOW POSITION
 - JUST RECEIVED AAA FROM MOODY'S
- EVALUATE REVENUE ITEMS AND FEES FOR POTENTIAL INCREASES IN THESE ITEMS
 - INTERN PROJECT – FEE SURVEY



GOALS AND OBJECTIVES

2. INVEST IN LONG TERM INFRASTRUCTURE IMPROVEMENTS AND MAINTENANCE OF TOWNSHIP ASSETS
 - IMPROVE LONG TERM CAPITAL PLANNING AND DATA DRIVEN INFRASTRUCTURE IMPROVEMENTS
 - MORE ROADS – USE OF NJIB FOR FINANCING
 - ADDING IN FINANCIAL ADVISOR
 - CAPITAL FUNDING FOR BUILDING IMPROVEMENTS



GOALS AND OBJECTIVES

3. CONTINUE IMPROVEMENTS OF THE CUSTOMER EXPERIENCE AND SERVICE DELIVERY METHODS

- ENHANCE PAYMENT METHODS FOR VARIOUS PERMITS AND FEES
- CROSS-TRAIN COMMUNICATION RESPONSIBILITIES TO ENSURE CONSISTENCY



BUDGET SUMMARY

- INCREASE OF OVERALL OPERATING EXPENSES BY 1.43%
- CHANGE IN AMOUNT TO BE RAISED BY TAXES – 0%
 - 4TH STRAIGHT YEAR
 - INCREASE IN ASSESSED VALUATIONS
 - APPROXIMATELY \$70MILLION



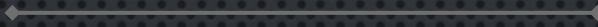
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2023 TAX RATE



0%

INCREASE OF AMOUNT TO BE RAISED BY TAXATION



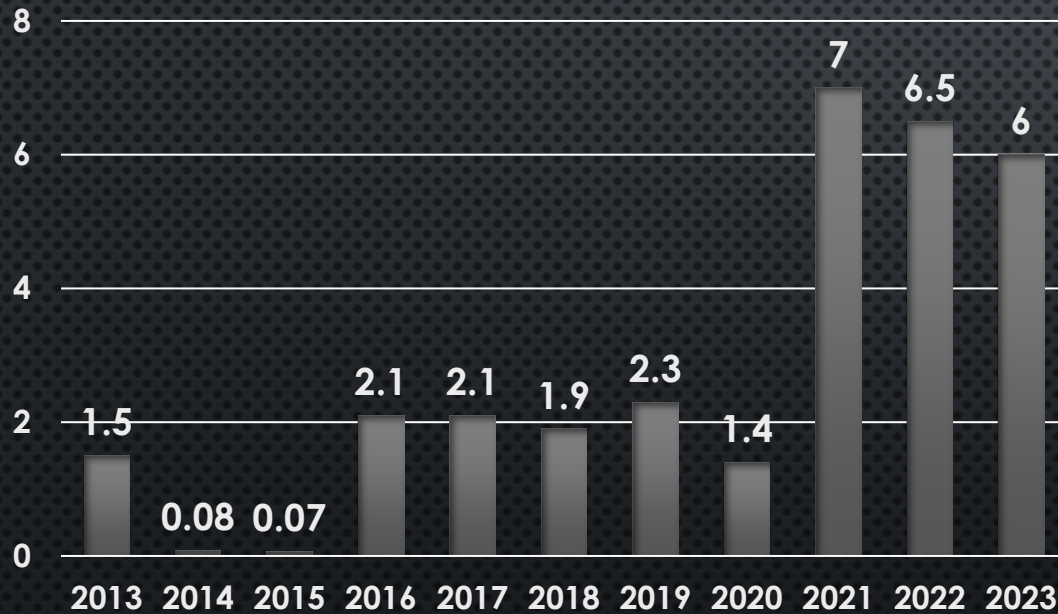
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DECREASE TO AVERAGE TAXPAYER

Budget Drivers

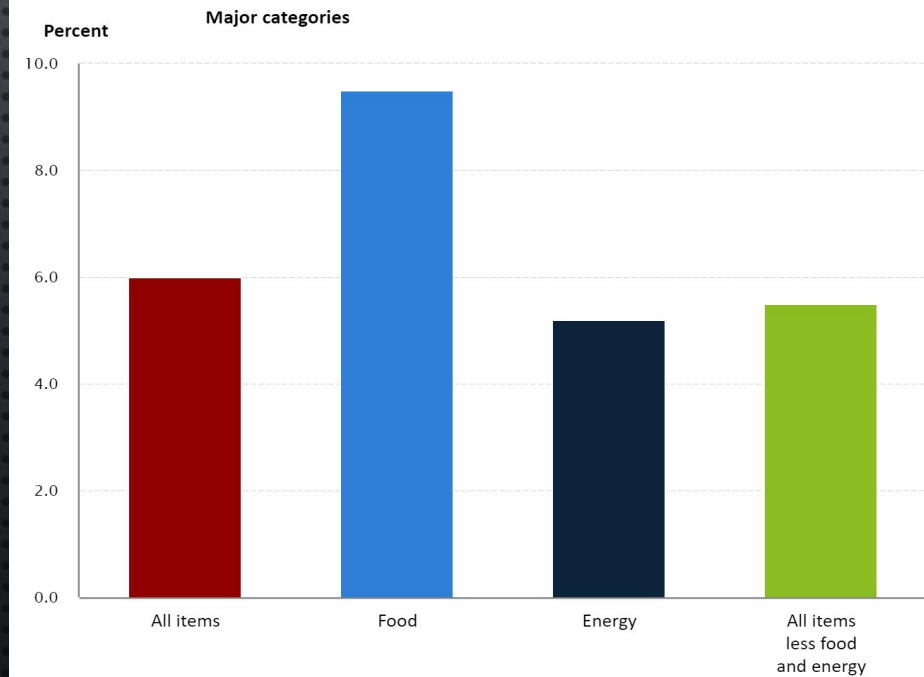
U.S INFLATION RATES

United States Annual Inflation Rates
(2013-2023)



CONSUMER PRICE INDEX

12-month percentage change, Consumer Price Index, selected categories, February 2023, not seasonally adjusted



Source: U.S. Bureau of Labor Statistics.

BUDGET DRIVERS

- NEW JERSEY STATE HEALTH BENEFITS PLAN ENACTED A 20%+ INCREASE FOR LOCAL GOVERNMENT MEMBERS IN 2023
- THE STATE CUT A DEAL TO KEEP STATE WORKERS INCREASE TO 3%, BUT DID NOT OFFER THE SAME REDUCTION TO LOCAL GOVERNMENT ENTITIES
- THE TOWNSHIP IS EXPLORING OTHER POSSIBLE OPTIONS AND ALTERNATIVE PROVIDERS (I.E. HIF)

2023 TAX MUNICIPAL IMPACT

	2022	2023	\$\$ Change	Impact on Avg. Home
Municipal	\$8,181,288.46	\$8,181,288.46	0	(\$127,97)
Open Space	\$215,317.00	\$215,317.00	\$0	(\$-3.61)
Net Tax Impact	\$8,396,605.46	\$8,396,605.46	\$0	(\$131.58)

Impact on the average \$948,400 home
(\$30,000 increase over 2022)

0% Increase

IMPACT ON THE AVERAGE \$948,400 HOME

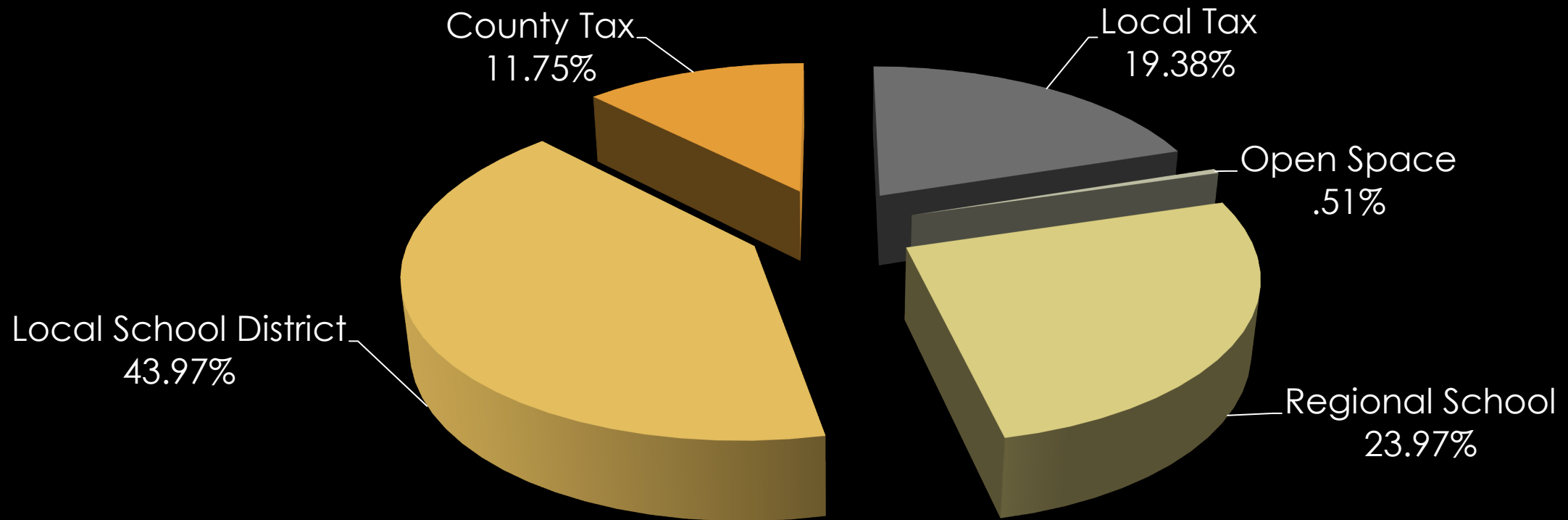
		PROPERTY VALUES						
YEAR	RATE	\$ 500,000.00	\$ 600,000.00	\$ 700,000.00	\$ 800,000.00	\$ 900,000.00	\$ 1,000,000.00	\$1,100,000.00
2022	0.417	\$ 2,085.00	\$ 2,502.00	\$ 2,919.00	\$ 3,336.00	\$ 3,753.00	\$ 4,170.00	\$ 4,587.00
		\$ 500,000.00	\$ 600,000.00	\$ 700,000.00	\$ 800,000.00	\$ 900,000.00	\$ 1,000,000.00	\$1,100,000.00
2023	0.404	\$ 2,020.00	\$ 2,424.00	\$ 2,828.00	\$ 3,232.00	\$ 3,636.00	\$ 4,040.00	\$ 4,444.00
INCREASE		\$ (65.00)	\$ (78.00)	\$ (91.00)	\$ (104.00)	\$ (117.00)	\$ (130.00)	\$ (143.00)

NVT 2021 = \$1,957,427,656

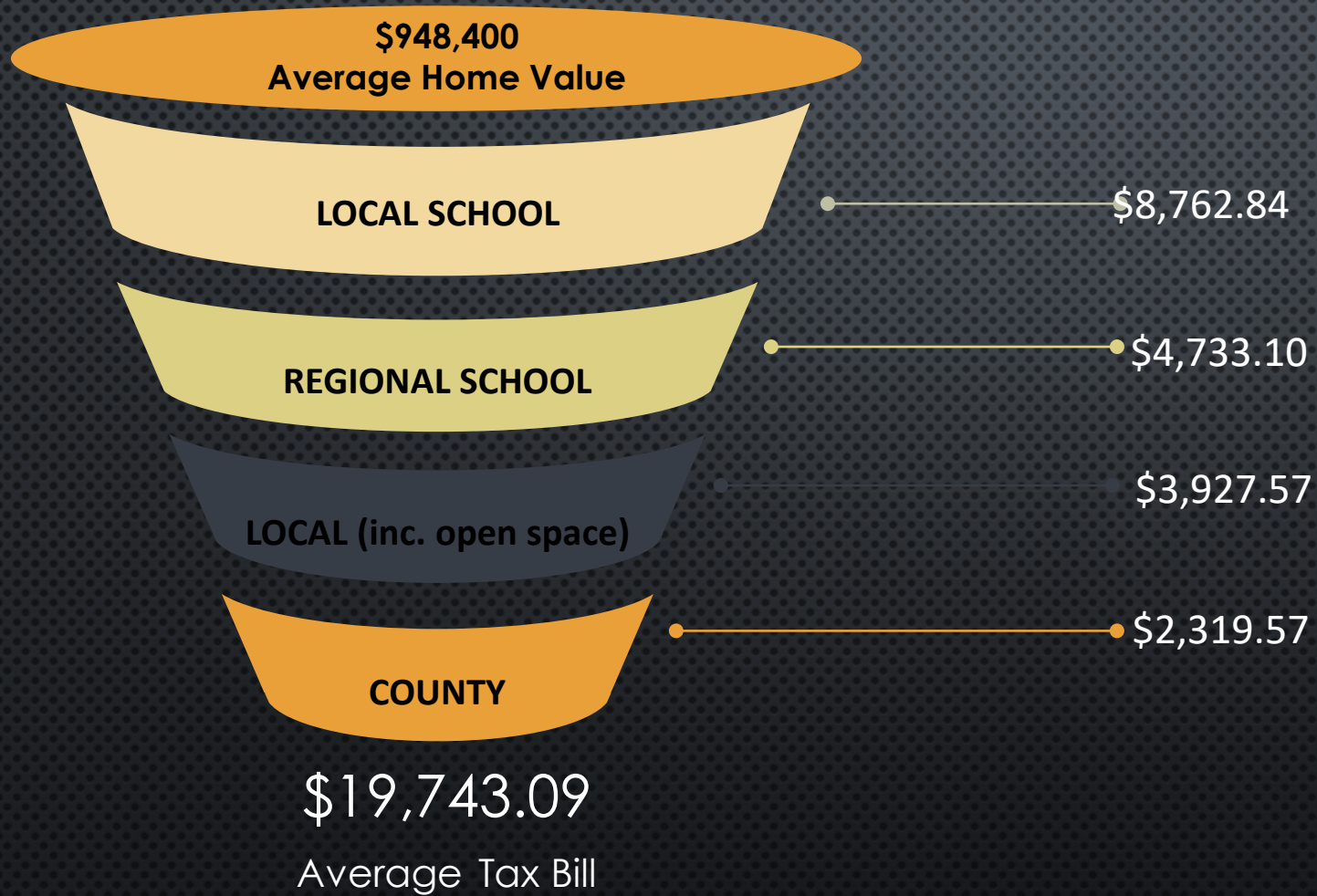
NVT 2022 = \$2,027,546,956

TOTAL TAX LEVY

\$42,201,640.87



OVERALL TAX DOLLAR BREAKDOWN



CURRENT FUND REVENUES – EXCLUDING GRANTS

REVENUE	2022 ANTICIPATED	2022 REALIZED	2023 ANTICIPATED	% CHANGE
Fund Balance	\$1,492,025.22	\$1,492,025.22	\$1,556,448.35	4.32%
Local Revenues	\$191,185.00	\$261,918.91	\$206,185.00	23.68%
State Aid	\$487,059.00	\$487,059.00	\$490,232.00	.65%
UCC Fees	\$190,000.00	\$261,683.00	\$235,000.00	23.68%
Other Special Items	\$397,800.00	\$406,244.03	\$410,160.22	3.11%
Delinquent Taxes	\$250,000.00	\$366,459.41	\$260,000.00	4%
Amount to Be Raised by Taxes	\$8,181,288.46	\$8,181,295.20	\$8,181,289.46	0%
TOTAL	11,190,403.38	11,456,684.77	11,190,403.38	

CURRENT FUND OPERATING EXPENSES

Budget Category.	2022 \$\$	% of 2022 Budget	2023 \$\$	% of 2022 Budget
Statutory Expenditures	\$932,956.90	8%	\$969,091.00	8.5%
Insurance	\$888,251.00	8%	\$1,061,649.48	9%
Utilities	\$255,500.00	2%	\$272,100.00	1.8%
Capital Improvement Fund	\$525,000.00	5%	\$265,100.00	2.3%
Debt Service	\$1,783,740.00	16%	\$1,786,200.00	16%
Salary & Wages	\$3,203,102.65	29%	\$3,282,157.84	29%
All Other Expenses	\$2,579,614.40	23%	\$2,683,845.00	24%
Reserve for Uncollected Taxes	\$1,022,235.43	9%	\$1,019,170.71	9%
Total Budget	\$11,170,848.41		\$11,339,314.03	



2023 CAPITAL BUDGET



CAPITAL BUDGET

- \$3,940,000 IN CAPITAL PROJECTS
 - \$592,000 FROM ARP
 - \$252,000 CAPITAL IMPROVEMENT FUND
 - \$300,000 DEBT



2023 CAPITAL BUDGET

• ROAD IMPROVEMENTS

- 2.8 MILLION
 - EAST AND MAIN STREET
 - COLDHILL
 - INCLUDES BASINS AND DRAINAGE
- MILL AND PAVE
 - CARRIAGE HILL
 - GREENHILLS
 - HUNTERS GLEN
 - INDIAN HOLLOW
 - KNOLLWOOD TRAIL
 - YARDLEY ROAD & PLACE

• BUILDING AND SITE IMPROVEMENTS

- VARIOUS MUNICIPAL BUILDING UPGRADES
- GAS TANKS
- SALT SHED

RECREATION

- MOSLE PARK LIGHTS

VEHICLES AND EQUIPMENT

- SCBA
- TURNOUT GEAR
- AMBULANCE – RESERVE
- FIRE ENGINE RESERVE
- DPW EQUIPMENT
 - F250
 - SKID STEER
 - BACKHOE

