

# 2024 MUNICIPAL BUDGET



# Finance Committee

- Roger Vroom, Chairperson
- Gina Stravic, Vice Chair
  
- Staff
- Paige Elster, CFO & Tax Collector
- Kevin Sluka, Administrator

# Budgets

- Current Fund Municipal Budget
- Parking Utility Budget
- Capital Budget

# 2024 Current Fund Anticipated Revenues

(Sheet 4 – 6)

◦ Court	200,000
◦ Fees & Permits	231,000
◦ Recreation	60,000
◦ Construction Code	400,000
◦ NJ State Aid	1,567,509
◦ Garbage Decals	25,000
◦ Interest on Investments	950,000
◦ Library Hosting fees	12,562
◦ Licenses	80,000
◦ Interest & Costs on Taxes	125,000
◦ Fire Safety Fees	138,000
◦ Cable Franchise Fees	123,000
◦ Sale of Municipal Assets	50,000
◦ Reserve for Sewer Sale Proceeds	30,000

# Payment in Lieu of Taxes “PILOT” & Contributions

PILOTs that are being anticipated in 2024 Budget (Sheet 10)

- Edge - \$500,000
- Cobalt- \$210,000
- 6 N. Doughty - \$31,000
- SOMA- \$100,000
- Commons- \$50,000
- Davenport- \$45,000
- Parcview- \$525,000
- Station House- \$200,000
- Avalon Bay \$900,000
- Pulte Homes \$1,000,000

## Other contributions

- RWJ- Bed Tax - \$345,000
- Social Services Bldg. \$148,000
- One Mountain Ave.- \$75,000
- Rent – Solar Farm – \$9,000
- RWJ-Airspace (Steeple Chase)- \$225,000

# Fund balance is used to support the Operating and Capital budgets....

- Revenues realized above the amount anticipated is surplus. The Borough can use surplus funds in the following year to support the current fund operating budget.
- \$1,800,000 in surplus is being used to support current fund operating expenses for 2024  
(Sheet 4)
- \$4,000,000 in surplus is being used for the capital improvement fund to support and fully fund road projects & Equipment for 2024 (Sheet 4 & 26)

# Statutory Employee costs

- Statutory Expenses ( Sheet 19)
  - Social Security \$260,000
  - PERS \$ 362,662 (\$30,000 from Parking Utility)
  - PFRS \$1,546,115
  - DCRP \$3,000

TOTAL \$2,171,777

# Utilities (Sheet 17)

- Street Lighting \$290,000
- Telephone \$87,000
- Water \$45,000
- Electricity \$200,000
- Gasoline \$125,000
- Fire Hydrant Fees \$160,000





# 2024 Insurance (sheet 14)

- Employee Group  
\$1,300,000
- Other Insurance  
Premium  
\$1,068,000
- Dental \$75,000
- Waivers \$85,000



# Look inside the Debt Service

(Sheet 27)

Total Debt Service for 2024 is \$2,877,242

Bond Principal \$815,000

Bond Interest \$389,875

BAN Principal \$113,000

BAN Interest \$364,560

I-Bank principal \$225,195

I-Bank Interest \$24,400

SCIA Principal \$76,124

SCIA Interest \$5,742

ESF Lease Principal \$36,455

ESF Lease Interest \$826,880



# Operational Expenses (Sheet 17a)

- Salary and Wages  
\$7,759,200
- Other Expenses  
\$8,321,250



# GRANTS

## Offsetting Revenues/Appropriations

Sheet 9

### **New Grants In 2024 total \$2,456,557**

- Opioid Education Settlement Grant \$1,875
- Body Armor Grant \$2,675
- Youth Services Grant \$6,000
- Municipal Alliance \$6776
- HDSRF Ground Water Remediation \$2,074,230
- CDBG – Improvements to Carol Pager Park \$150,000
- ARP- Fire Fighter Assistance Grant \$15,000

# 2024 Cost Impacts

- On boarding of Emergency Services Facility operating expenses.
  - Lease Payments
  - Technology costs

# What is new....

- \$1,000,000 additional PILOT revenue in 2024
- Civic Center/Public Shelter Completed
- Emergency Services Facility – Building is estimated for completion mid year
- Sewer system was sold to American Water and proceeds were used to pay down debt.
- \$80,000 CFO shared services agreement and \$15,000 Fire prevention inspections with Borough of Raritan

# Understanding the Budget

- Appropriation – Revenues = Taxation
- \$30,010,246 - \$16,884,590 = \$13,125,655

How does that translate to property taxes?

# What does it mean to you?

- Average Home  
\$275,700  
Residential Net Taxable value  
735,381,700 Divided by  
#of Residential Parcels 2667  
Calculates \$275,733 avg. home
- 2024 Municipal Portion of Tax  
Bill \$3,102.30
- A Municipal increase of  
approximately \$14.05





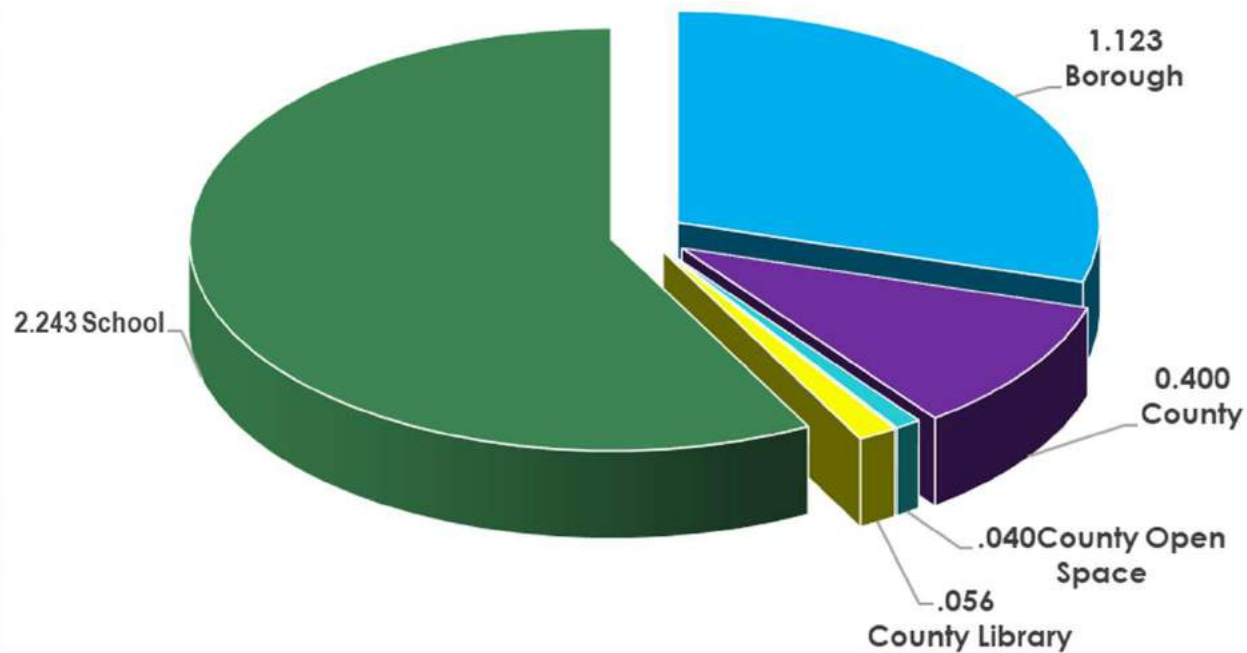
# LEVY CHANGE PER ASSESSED VALUE

	Estimated		Actual			
	2024		2023		Total	Local
Property	Total	Local	Total	Local	Tax	Tax
Assessment	Tax	Tax	Tax	Tax	Change	Change
200,000.00	7,866.36	2,256.22	7,724.00	2,246.00	142.36	10.22
225,000.00	8,849.65	2,538.24	8,689.50	2,526.75	160.15	11.49
250,000.00	9,832.95	2,820.27	9,655.00	2,807.50	177.95	12.77
<b>275,000.00</b>	<b>10,816.24</b>	<b>3,102.30</b>	<b>10,620.50</b>	<b>3,088.25</b>	<b>195.74</b>	<b>14.05</b>
300,000.00	11,799.54	3,384.32	11,586.00	3,369.00	213.54	15.32
325,000.00	12,782.83	3,666.35	12,551.50	3,649.75	231.33	16.60
350,000.00	13,766.13	3,948.38	13,517.00	3,930.50	249.13	17.88
375,000.00	14,749.42	4,230.40	14,482.50	4,211.25	266.92	19.15
400,000.00	15,732.72	4,512.43	15,448.00	4,492.00	284.72	20.43
425,000.00	16,716.01	4,794.46	16,413.50	4,772.75	302.51	21.71
450,000.00	17,699.31	5,076.49	17,379.00	5,053.50	320.31	22.99
475,000.00	18,682.60	5,358.51	18,344.50	5,334.25	338.10	24.26
500,000.00	19,665.90	5,640.54	19,310.00	5,615.00	355.90	25.54
600,000.00	23,599.08	6,768.65	23,172.00	6,738.00	427.08	30.65
750,000.00	29,498.85	8,460.81	28,965.00	8,422.50	533.85	38.31

# Summary of Tax Rate

<b><u>SUMMARY OF TAX RATES</u></b>							
	<b>Estimated 2024</b>		<b>Actual 2023</b>				
	Levy Amount	Rate	Levy Amount	Rate	Change	%	
COUNTY:							
County Tax (General)	4,770,462.74	0.410	4,654,109.99	0.400	0.010	2.50%	
County Library	662,630.84	0.057	646,469.11	0.056	0.001	1.70%	
County Open Space	476,891.47	0.041	465,259.97	0.040	0.001	2.47%	
Total All County Levies	5,909,985.05	0.508	5,765,839.07	0.496	0.012	2.41%	
SCHOOLS:							
Local School	26,727,322.93	2.297	26,075,437.00	2.243	0.054	2.41%	
Special District Tax	821,988.40		805,870.98		-	0.34%	
LOCAL PURPOSE TAX	13,125,655.50	1.128	13,055,960.78	1.123	0.005	0.45%	
TOTAL ALL LEVIES	46,584,951.87	3.933	45,703,107.83	3.862	0.0712	0.01843	
NET VALUATION TAXABLE	1,163,510,700		1,162,673,000				

# A Look Back 2023 Tax Bill Breakdown



# Tax Increase Last Ten Years

- 2015 = \$84.00
- 2016 = \$6.02
- 2017 = \$142.57
- 2018 = \$45.88
- 2019 = \$27.80
- 2020 = \$9.39
- 2021 = \$15.03
- 2022 = \$31.41
- 2023 = \$20.62
- 2024 = \$14.05

# Tax Collection

- The Borough collects the taxes for all public entities.
- The tax collection rate for 2023 was 98.7%



# Parking Utility (Sheet 31-33)

- 7<sup>th</sup> year of utility

**Total Budget \$853,500**

- Revenues:

- Meters \$500,000
- Permits \$20,000
- Deck fees \$2,500
- Deck Contribution \$76,000
- Impact fees \$50,000
- Miscellaneous \$35,000
- Surplus Anticipated \$170,000



- Appropriations:

- Salaries \$284,500
- Other Expenses \$449,000
- Capital Improvement fund \$50,000
- Statutory Expenditures \$70,000

# 2023 Capital Budget

Sheet 40b

**Total Capital \$2,132,000**

- Roads \$1,842,000
  - Lincoln, Cleveland, Altamont and Safe Routes to School \$482,000 funded by DOT & \$1,360,000 funded by CIF
- Renovations to Library Roof \$110,000
- Security Cameras \$100,000
- Fire Department Vehicle \$80,000



Paper copies of this budget and related documents are available by contacting the Borough Clerks' office at 908-725-2300 between the hours of 8:30am – 4:30pm Monday – Friday.

The budget can also be viewed online @  
**[Somervillenj.org/finance](https://www.somervillenj.org/finance)**

Questions will be addressed at the public hearing on  
April 15, 2024.



QUESTIONS?

