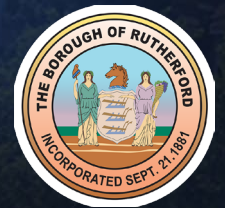


Borough of Rutherford

Budget Presentation April 17, 2023



2023 Budget Snapshot


Borough
Value

\$ 2,750,406,903

 \$12.8m
Greater than 2022

Municipal Property
Tax Rate

\$ 0.950

 1.60%
More than 2022

Average Assessed
Home Value

\$ 435,900

Property Tax Rate Information

2023

- Est. Municipal Tax Rate = 0.950
- \$0.015 increase over prior year
- Tax on \$435,900 Home; \$4,138.91

2022

- Municipal Tax Rate = 0.935
- \$0.015 increase over prior year
- Tax on \$435,900 Home; \$4,077.57

Municipal rate includes Borough levy and Public Library levy.

2023 Municipal Property Tax Calculation 101*

- (Taxes Raised / Borough Assessment) x 100 = Tax Rate
($\$26,115,357 / 2,750,406,903$) x 100 = \$0.950
- 2023 Municipal Tax on Avg. Assed Home:
($0.950 \times \$435,900$) / 100 = \$4,138.91 (\$344.91 per month)
Approximately 31.4% of your total property tax bill
- 2022 Municipal Tax on Avg. Assed Home:
($0.935 \times \$435,900$) / 100 = \$4,077.57 (\$339.80 per month)
Approximately 31.5% of your total property tax bill

2022 Tax Rate & 2023 Introduced Tax Rate

Rutherford Tax Rate

2022

Net Valuation (Ratables) \$ 2,737,610,277.00

				Assessment	
	LEVY	RATE	% of Rate	\$	435,900
County	\$ 7,439,286.72	\$ 0.272	9.16%	\$	1,184.53
County Open Space	\$ 307,339.00	\$ 0.011	0.38%	\$	48.94
School	\$ 47,898,080.00	\$ 1.750	58.95%	\$	7,626.64
Library	\$ 1,063,439.79	\$ 0.039	1.31%	\$	169.33
Municipal	\$ 24,545,165.83	\$ 0.897	30.21%	\$	3,908.24
TOTAL	\$ 81,253,311.34	\$ 2.968	100%	\$	12,937.68

Rutherford Tax Rate

Introduced

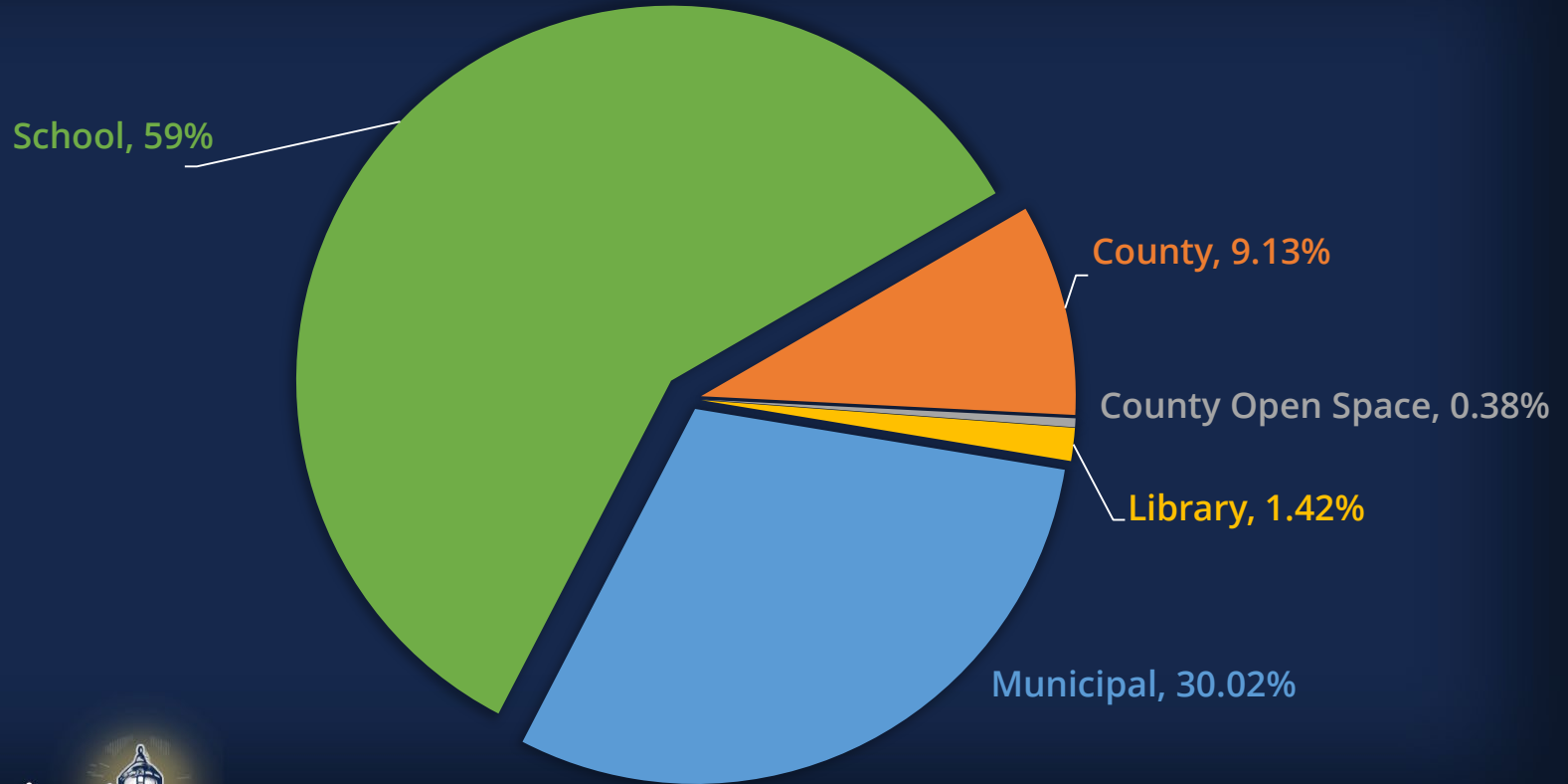
2023

Net Valuation (Ratables) \$ 2,750,406,903.00

				Assessment	
	LEVY	RATE	% of Rate	\$	435,900
County	\$ 7,588,072.00	\$ 0.276	9.13%	\$	1,202.60
County Open Space	\$ 313,486.00	\$ 0.011	0.38%	\$	49.68
School	\$ 49,050,905.00	\$ 1.783	59.05%	\$	7,773.86
Library	\$ 1,176,611.00	\$ 0.043	1.42%	\$	186.48
Municipal	\$ 24,938,746.03	\$ 0.907	30.02%	\$	3,952.43
TOTAL	\$ 83,067,820.03	\$ 3.020	100%	\$	13,165.06

Estimated 2% increase

2023 Tax Rate



Rutherford Borough 2023 Budget Introduction

Overview

Total 2023 Current Fund Budget Appropriations

\$37,239,632

Amount to be raised by Taxes:

\$26,115,357

Year Over Year Comparison*

2023

Amount to be Raised by
Property Taxes:

\$26,115,357

2022

Amount to be Raised by
Property Taxes:

\$25,608,606

*Includes Library

2% TAX LEVY CAP

- The tax levy cap law imposes a 2% cap on the total increase of local government tax levies, subject to certain exclusions. These exclusions to the 2% tax levy cap allow a municipality to increase the tax levy over 2% due to these exclusions.
- The exclusions include increase in debt service and capital expenditures; weather and other declared emergencies; pension contributions in excess of two percent, and health benefit cost increases in excess of 2 percent.
- In short, if any of the aforementioned exemptions causes our tax levy to increase over 2 percent, we still comply with the 2% tax levy cap law. Now, in order to increase the tax levy over 2%, when not related to these exemptions, we would need a referendum.

2.5% APPROPRIATION CAP

- When we talk about the 2.5% cap (also referred to as the 3.5% cap), we are referring to the appropriation (*or expenses*) cap. There are two types of appropriations:
- **Inside the CAP:**
 - Salary & Wages
 - Operating expenses (stationary, equipment, professional services, advertising, audit, training, uniforms, pensions, health insurance, employer taxes, etc...)
- **Outside the CAP:**
 - Debt Service
 - Capital expenditures
 - Reserve for the uncollected
 - Emergency appropriations
 - Grant appropriations
 - Library funding
 - Shared Service Expenses
 - Judgements

2.5% APPROPRIATION CAP

- The 2.5% cap relates only to “inside the cap” appropriations.
The law limits the increase in inside the cap appropriations from year to year to 2.5% or the state’s cost of living adjustment (COLA), whichever is lower. This year state’s COLA is 2.5%. The state also allows a municipality, by ordinance, to increase the COLA percentage to 3.5%

2.5% APPROPRIATION CAP

- The 3.5% ordinance does not mean that the tax rate will increase by 3.5%.
This is a common misconception. It only means that if truly needed, we would be able to increase our inside the cap appropriations to 3.5% of prior years inside the cap appropriations. *Again, doing so does not automatically mean the tax rate will increase to 2.5% either.* There are many variables in the tax rate equation that can offset the increase in inside the cap appropriations.
- Finally, if a 3.5% cap ordinance is passed, and we do not raise our inside the cap appropriations by 3.5%, the state allows us to bank (carry-over), for up to two years, the difference between its final appropriation subject to the cap and 3.5%. This ordinance is a tool we have in our budgeting arsenal, which allows us flexibility in the event of an unforeseen financial incident.

2023 Summary of Revenues

- Surplus = \$3,275,000
- Local Revenues = \$1,472,000
- State Aid = \$1,456,814
- Construction Code Fees = \$539,000
- Shared Service Agreement = \$379,000
- Grants = \$1,700,982
- Special Items of Revenue = \$1,826,479
- Receipts for Delinquent Taxes = \$475,000
- Amount to be Raised by Taxes = \$24,938,746
- Minimum Library Tax = \$1,176,611

2023 Summary of Local & Special Revenues

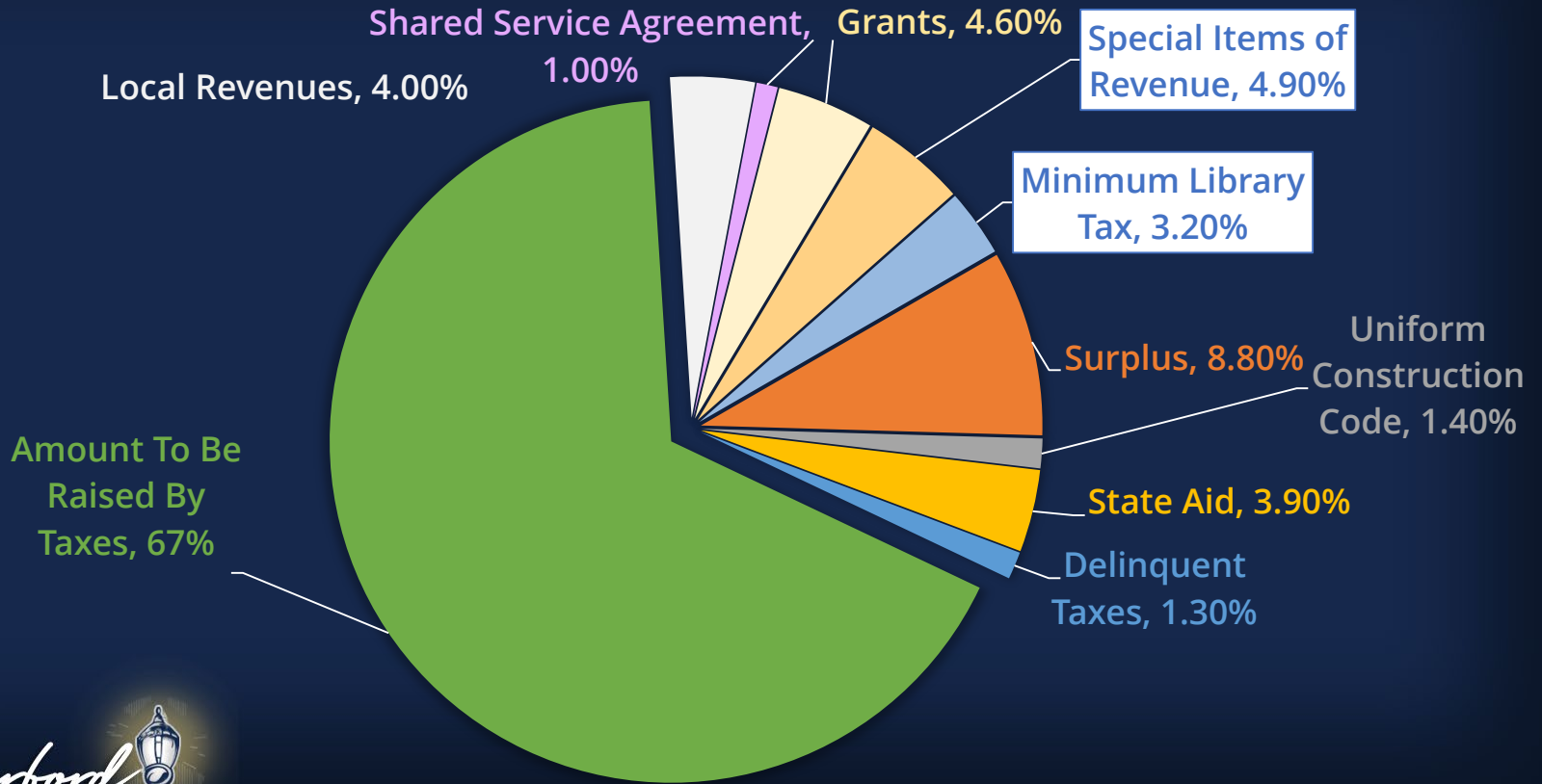
SUMMARY OF LOCAL REVENUES

	INTRODUCED CY2023	ADOPTED CY2022	+/-	% CHANGE
<i>MUNICIPAL COURT</i>	\$ 433,000.00	\$ 237,000.00	\$ 196,000.00	82.70%
<i>PARKING METERS</i>	\$ 284,000.00	\$ 274,000.00	\$ 10,000.00	3.65%
<i>INTEREST ON INVESTMENTS</i>	\$ 153,000.00	\$ 55,000.00	\$ 98,000.00	178.18%
<i>PARKING LOT PERMITS</i>	\$ 197,000.00	\$ 168,000.00	\$ 29,000.00	17.26%
TOTAL GENERAL REVENUES	\$ 1,067,000.00	\$ 734,000.00	\$ 333,000.00	

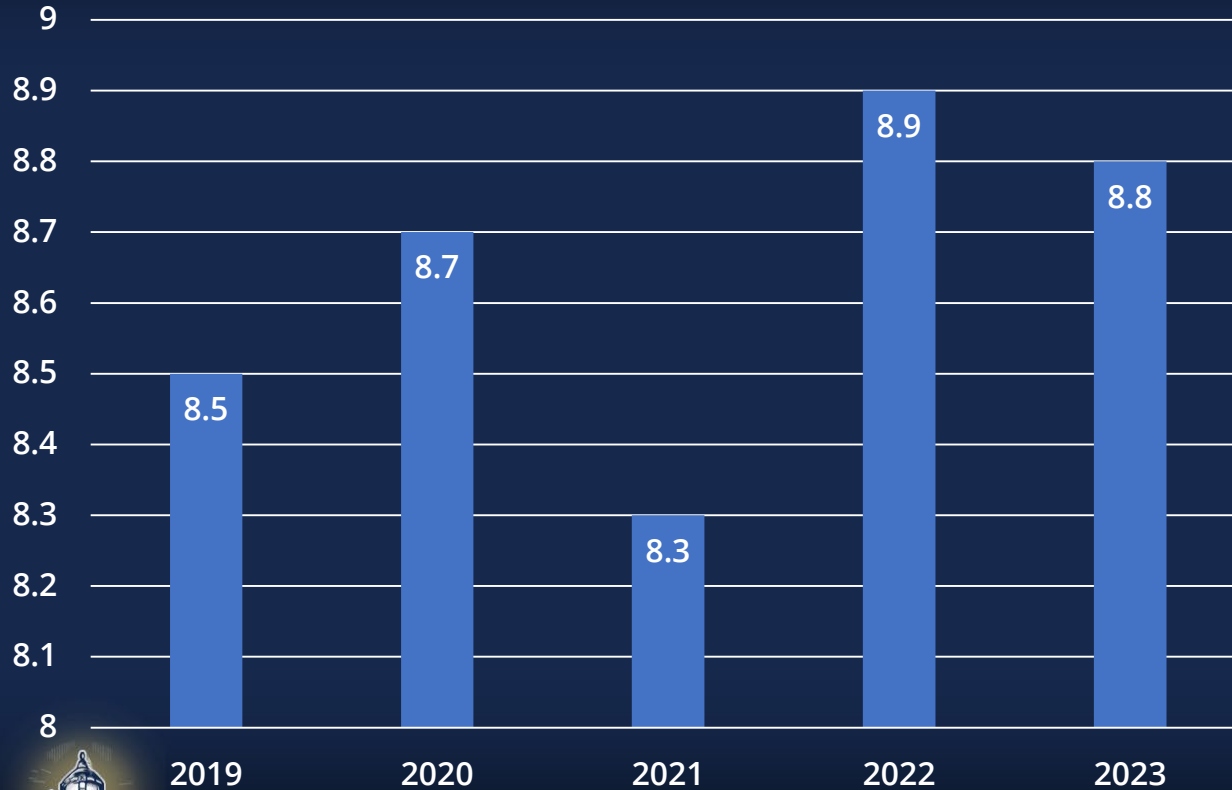
SUMMARY OF SPECIAL REVENUE ITEMS

	INTRODUCED CY2023	ADOPTED CY2022	+/-	% CHANGE
<i>LEASE OF BOROUGH PROPERTY</i>	\$ 154,000.00	\$ 180,000.00	\$ (26,000.00)	-14.44%
<i>CABLE TV FRANCHISE FEE</i>	\$ 210,780.87	\$ 210,780.87	\$ -	0.00%
<i>PAYMENT IN LIEU OF TAXES (PILOT)</i>	\$ 343,000.00	\$ 188,000.00	\$ 155,000.00	82.45%
<i>HOTEL OCCUPANCY FEE</i>	\$ 235,000.00	\$ 174,000.00	\$ 61,000.00	35.06%
<i>AMERICAN RESCUE PLAN</i>	\$ 200,000.00	\$ 300,000.00	\$ (100,000.00)	-33.33%
<i>SALE OF LIQUOR LICENSES</i>	\$ 300,000.00	\$ -	\$ 300,000.00	-
TOTAL GENERAL REVENUES	\$ 1,442,780.87	\$ 1,052,780.87	\$ 390,000.00	

2023 Revenue Sources



2023 Surplus Used - % of Budget



Current Fund 2023 Appropriations

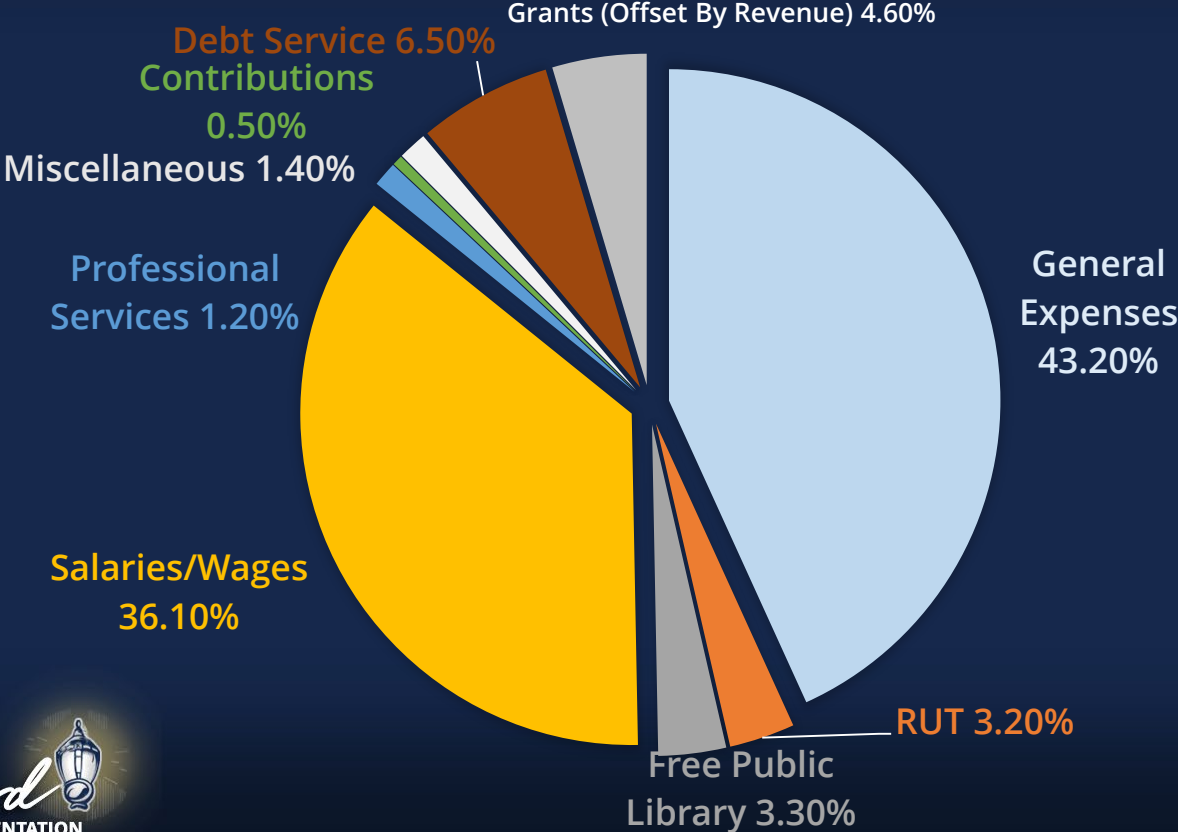
	INTRODUCED CY2023	ADOPTED CY2022	+/-	% CHANGE
<i>SALARIES AND WAGES</i>	\$ 13,443,500.00	\$ 13,065,000.00	\$ 378,500.00	2.90%
<i>FREE PUBLIC LIBRARY</i>	\$ 1,229,590.00	\$ 1,183,551.00	\$ 46,039.00	3.89%
<i>GENERAL EXPENSES</i>	\$ 16,100,560.50	\$ 14,926,678.55	\$ 1,173,881.95	7.86%
<i>PROFESSIONAL SERVICES</i>	\$ 431,500.00	\$ 422,500.00	\$ 9,000.00	2.13%
<i>CONTRIBUTIONS</i>	\$ 203,500.00	\$ 203,500.00	\$ -	0.00%
<i>MISCELLANEOUS</i>	\$ 520,000.00	\$ 650,000.00	\$ (130,000.00)	-20.00%
<i>DEBT SERVICE</i>	\$ 2,435,000.00	\$ 2,445,000.00	\$ (10,000.00)	-0.41%
<i>GRANTS (OFFSET BY REVENUE)</i>	\$ 1,700,981.70	\$ 329,058.22	\$ 1,371,923.48	416.92%
<i>RESERVE FOR UNCOLLECTED TAXES</i>	\$ 1,175,000.00	\$ 1,200,000.00	\$ (25,000.00)	-2.08%
TOTAL GENERAL APPROPRIATIONS	\$ 37,239,632.20	\$ 34,425,287.77	\$ 2,814,344.43	8.18%

Summary of General Expenses

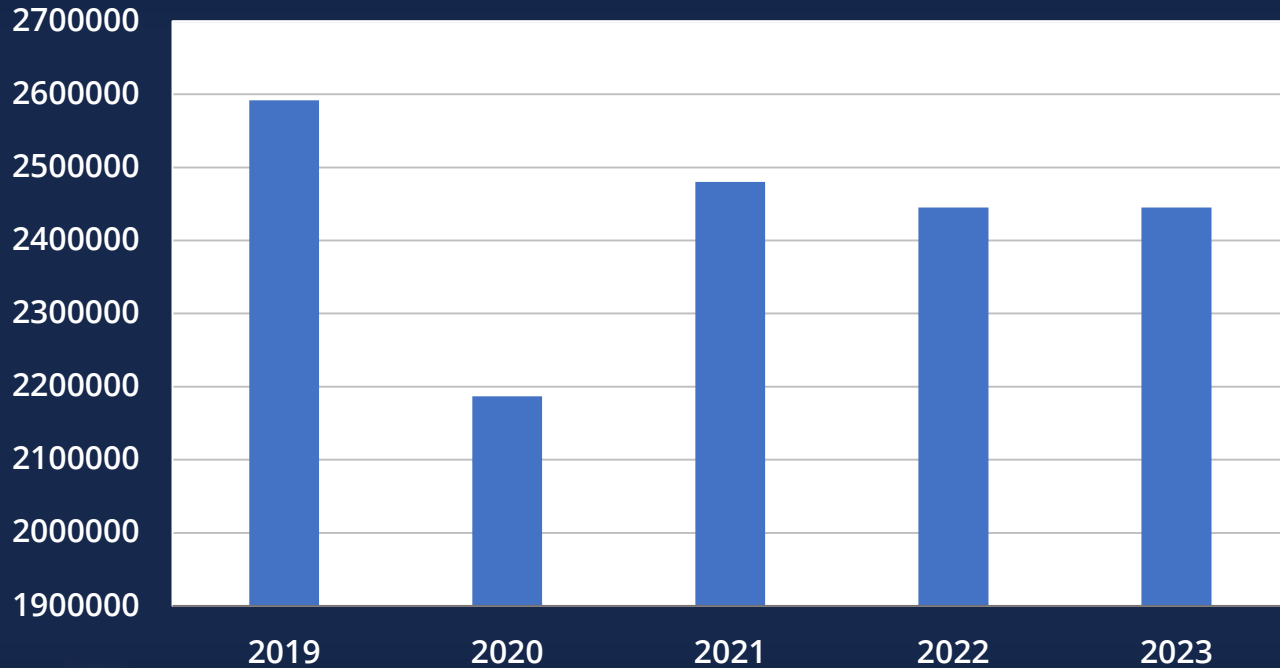
SUMMARY OF GENERAL EXPENSES

	INTRODUCED	ADOPTED		%
	CY2023	CY2022	+/-	CHANGE
<i>DEPARTMENT EQUIPMENT & SUPPORT</i>	\$ 2,484,554.54	\$ 2,383,211.00	\$ 101,343.54	4.25%
<i>INSURANCE (GL, WC, HB)</i>	\$ 5,003,000.00	\$ 4,852,000.00	\$ 151,000.00	3.11%
<i>UTILITIES</i>	\$ 1,250,000.00	\$ 1,119,500.00	\$ 130,500.00	11.66%
<i>PERS</i>	\$ 1,023,695.54	\$ 883,154.00	\$ 140,541.54	15.91%
<i>PFRS</i>	\$ 2,338,510.42	\$ 1,725,122.00	\$ 613,388.42	35.56%
<i>BERGEN COUNTY UTILITES AUTHORITY</i>	\$ 1,235,000.00	\$ 1,305,000.00	\$ (70,000.00)	-5.36%
<i>INTERLOCAL MUNICIPAL AGREEMENTS</i>	\$ 595,800.00	\$ 448,191.55	\$ 147,608.45	32.93%
TOTAL GENERAL EXPENSES	\$ 13,930,560.50	\$ 12,716,178.55	\$ 1,214,381.95	

2023 Appropriation Sources



Municipal Debt Payments 2019-2023



American Rescue Plan Funds

Received By The Borough

\$1,915,748.55

Funds Allocated To Date:

- Replacement for CY2022 Revenue Loss Offset \$300,000
- Replacement for CY2023 Revenue Loss Offset \$200,000
- Total \$500,000

Projects Under Consideration

\$1,415,748.55

- *Stormwater Mitigation – Jackson/Carneer/Insley, Orient Way*
- *Public Health – Health Dept Initiatives, HVAC Improvements Borough Buildings*
- *Broadband Infrastructure – Cyber-Security Modernization*
- *Offset Lost Public Service Revenue*

2023 Capital Improvements

- **Road & Street Program** **\$900,000**
E. Pierrepont/Woodland/Prospect Pl/Clark/Beech
- **Vehicle Acquisition** **\$278,000**
Automated Sanitation Truck (31 cu. Yd), Police SUV
- **Borough Buildings/Grounds Improvements** **\$357,000**
Annex and DPW Improvements, Police HQ Final Funding
- **Equipment** **\$370,000**
Fire Department – Various Life Safety
Police – Alcotest Machine
Parking Meters (Installment Payment)
Asphalt Maintenance Equipment (DPW)
Computer Equipment (Borough-wide)
- **Park Improvements** **\$125,000**
Rails to Trails Agreement
Tryon Field LED Light Replacement

Total **\$2,030,000**

2023 Budget Calendar

- March 27, 2023 - Budget Introduction
- April 17, 2023 - Public Presentation
- May 2, 2023 – Public Hearing and Adoption

Thank You!