

TOWNSHIP OF MILLBURN

Budget Presentation Introduction

April 6, 2021



BUDGET PROCESS

- Introduction: April 6
- Public Notice
 - Introduced budget and user friendly budget posted to Township website
 - Questions can be sent to financedept@millburntwp.org
- 28 days between introduction and public hearing
- Adoption: May 4

GOALS AND OBJECTIVES

1. Maintain Fiscal Responsibility and Sustainable Financial Management
 - Continue to examine shared service opportunities and areas for cost savings
 - Uphold strong fund balance and cash flow position
 - Evaluate revenue items and fees for potential increases in these items
2. Invest in Long Term Infrastructure Improvements and Maintenance of Township Assets
 - Improve long term capital planning and data driven infrastructure improvements
 - Continue to reduce debt through increased cash basis capital spending



GOALS AND OBJECTIVES

3. Continue Improvements of the Customer Experience and Service Delivery Methods

- Enhance payment methods for various permits and fees with contactless QR code method
- Use Key Performance Indicators to evaluate areas in need of improvement and recognize areas done well

4. Improve Communication and Engagement with the Community

- Cross-train communication responsibilities to ensure consistency
- Explore public surveying for input on service experience and delivery



BUDGET SUMMARY

- Amount to be raised by taxation for municipal government is \$43,489,453
- Budget drivers include:
 - Pensions costs
 - Revenue reduction (Covid-19 impact)
 - Decrease in valuation
 - Operational contract costs
- Decrease of overall operating expenses by \$465,501
- Increase in use of Fund Balance by \$250,000



BUDGET SUMMARY

- COVID Challenges
 - Revenue Reduction
 - Hotel Use and Occupancy
 - Court fines and costs
 - Recreation and Pool
 - Parking Utility
 - Meters - free parking to spur business
 - Permits (2021)
 - Reduced sale of permits
 - 2020 Refunds and credits – 3 months



PARKING UTILITY

- 2020 CHALLENGES
 - COVID 19 – IMPACT
 - Reduction of meter collections
 - Debt restructuring
 - Permit Fees for 2021 – credits and refunds
- 2021 Budget/Financial Overview
 - Overall Parking Utility Budget is \$1,474,218
 - Increase use of Utility Fund Balance by \$234,647
 - \$450,000 of Utility Capital Fund Balance used to help restructure debt service
 - Outlook
 - Parking Permits – Refunds from 2020 of approximately \$241,000
 - Permits sold to date are down significantly
 - Meter Collections on target compared to previous years



\$0.447

2021 Tax Rate



0%

Increase of amount to be raised by taxation

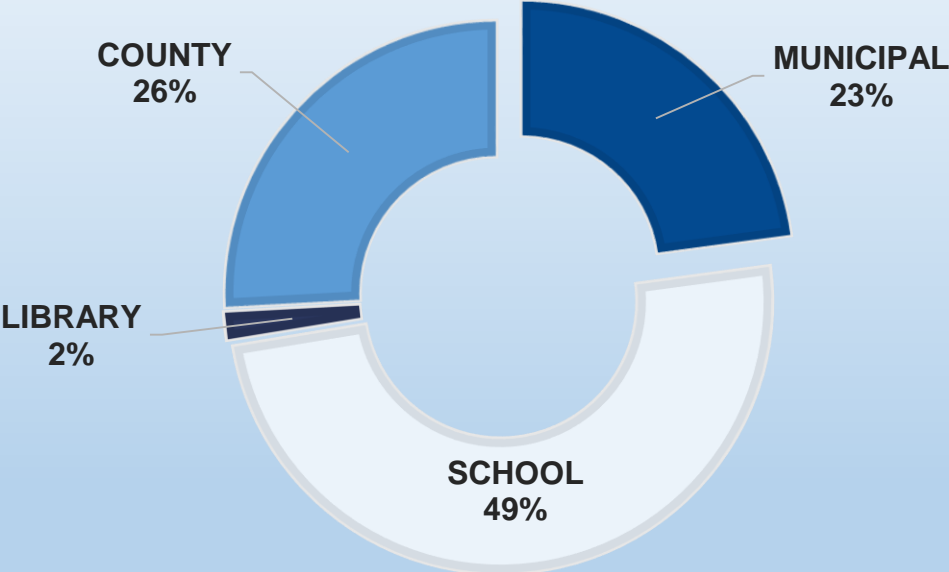


\$0.00

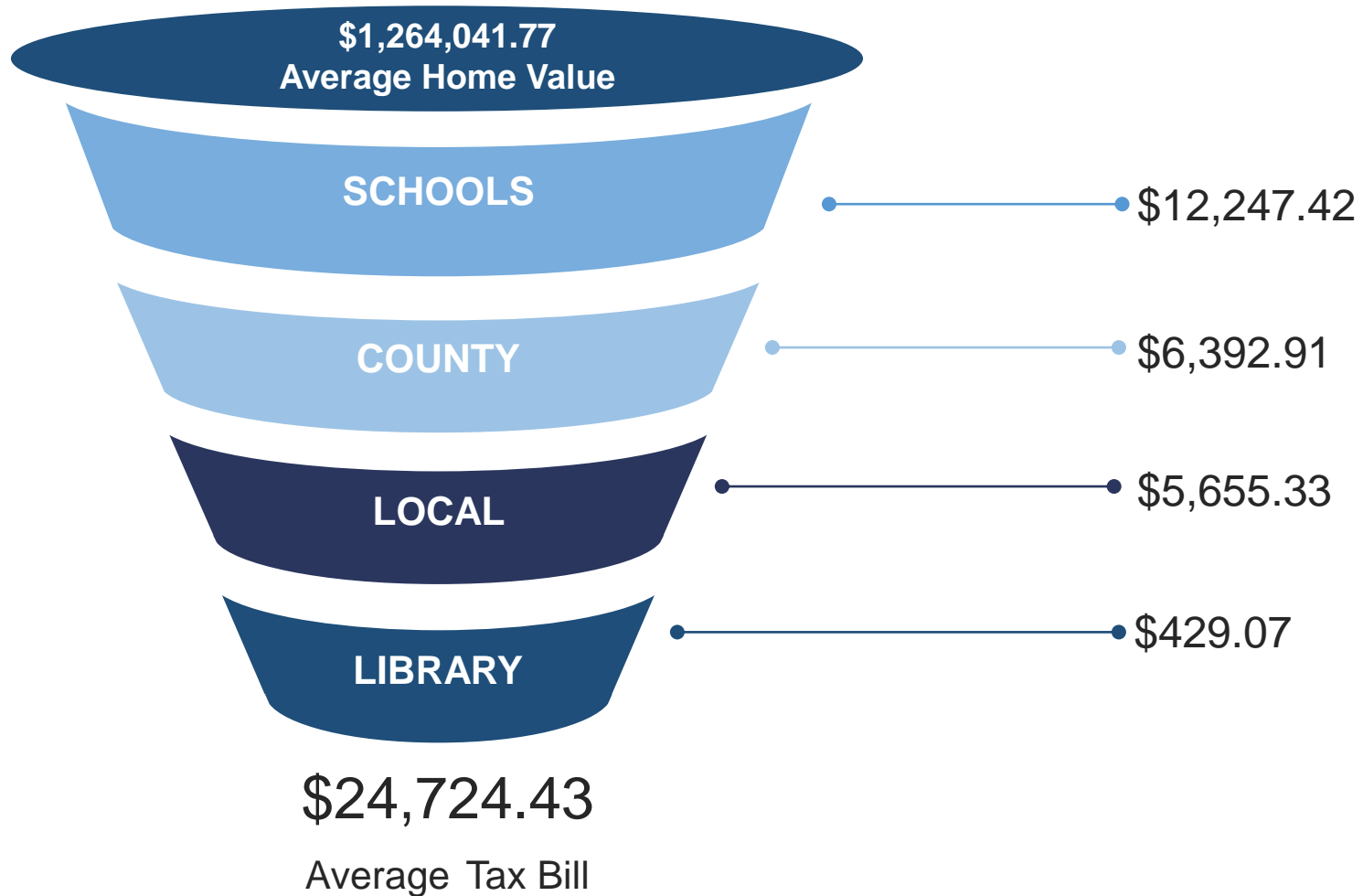
Total increase to taxpayer

TOTAL TAX LEVY

\$190,140,935

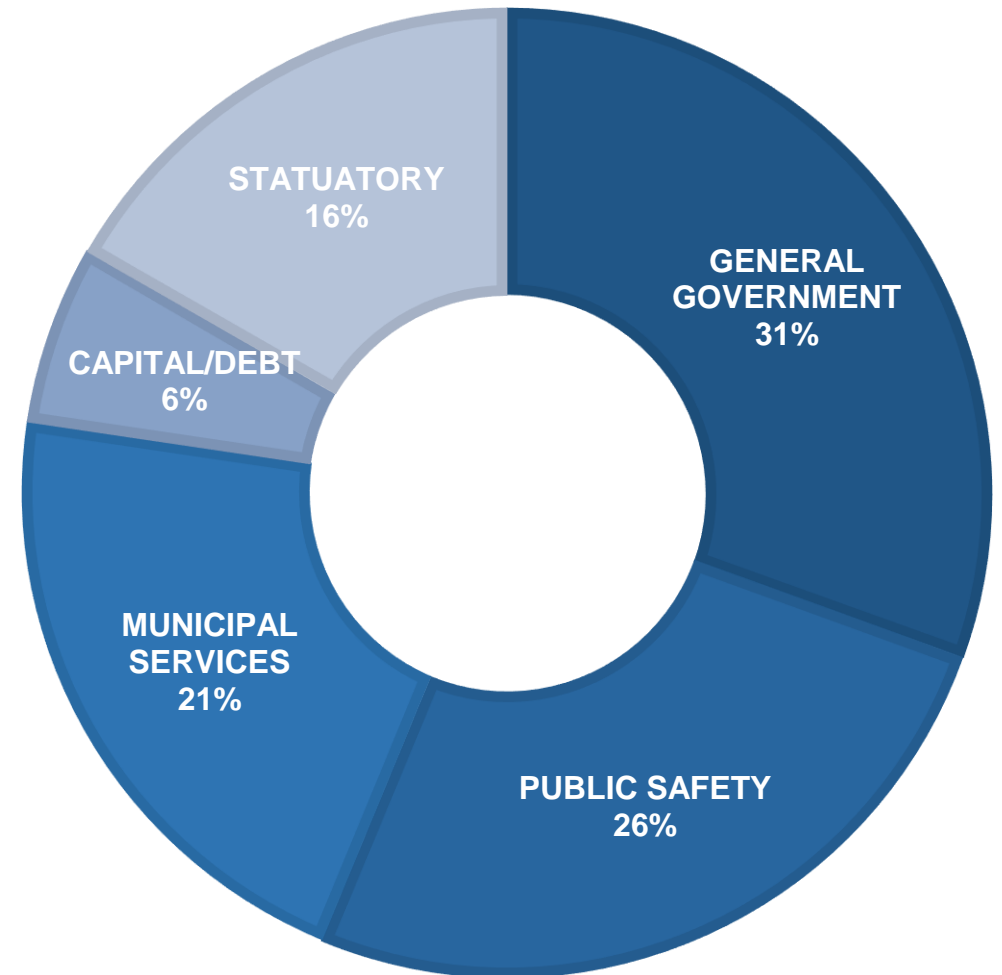


OVERALL TAX DOLLAR BREAKDOWN



WHERE DOES MY MUNICIPAL DOLLAR GO?

GENERAL GOVERNMENT	\$0.31
PUBLIC SAFETY	\$0.26
MUNICIPAL SERVICES	\$0.21
CAPITAL/DEBT	\$0.06
STATUTORY/INSURANCE	\$0.16



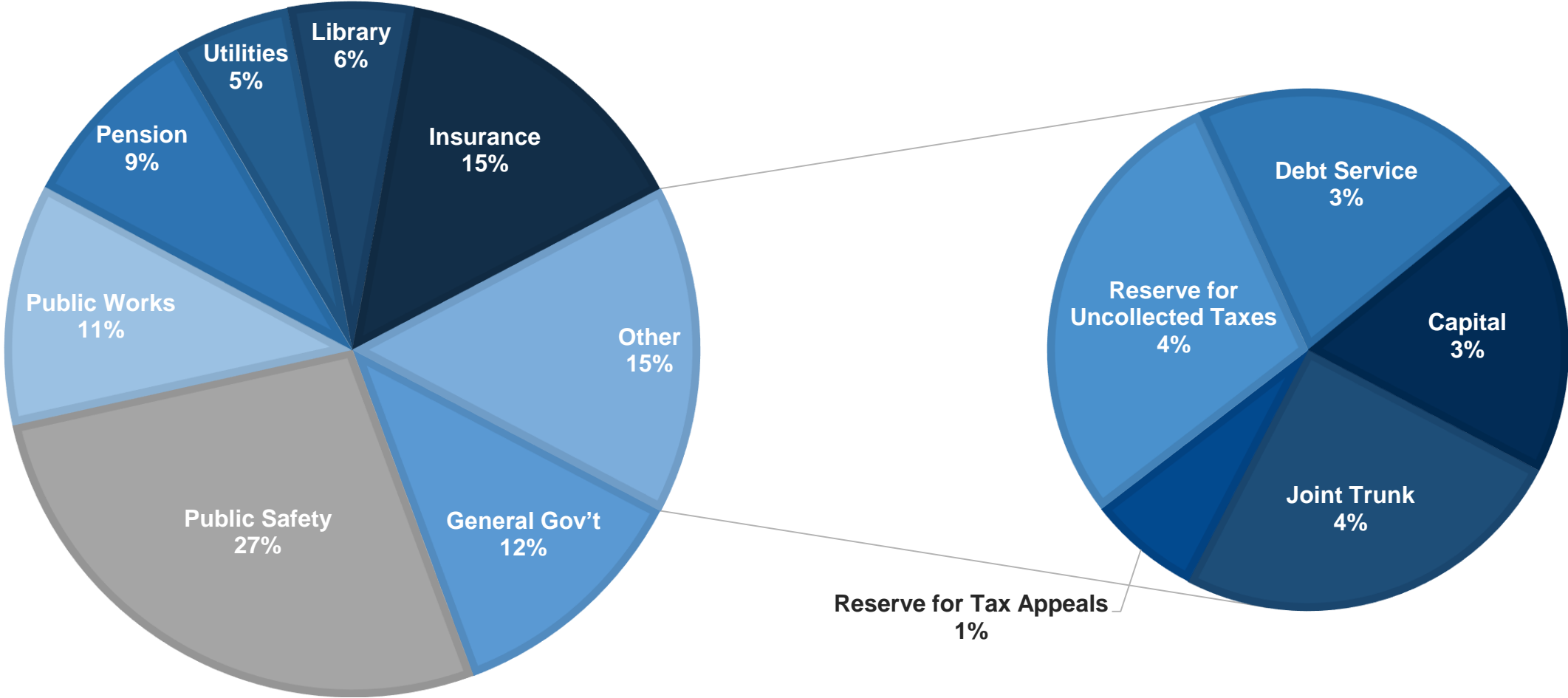
GENERAL FUND REVENUES

	2020 Budgeted	2020 Realized	Difference
UCC Fees	\$550,000	\$365,654	(\$184,346)
Par 3 Golf	\$114,000	\$207,816	\$93,816
Pool	\$320,000	\$232,911	(\$87,089)
Recreation	\$243,000	\$168,885	(\$74,115)
Hotel Use & Occupancy	\$465,000	\$205,148	(\$259,852)
Fund Balance	\$5,100,000	\$5,100,000	\$0
Total	\$6,792,000	\$6,280,414	(\$511,586)

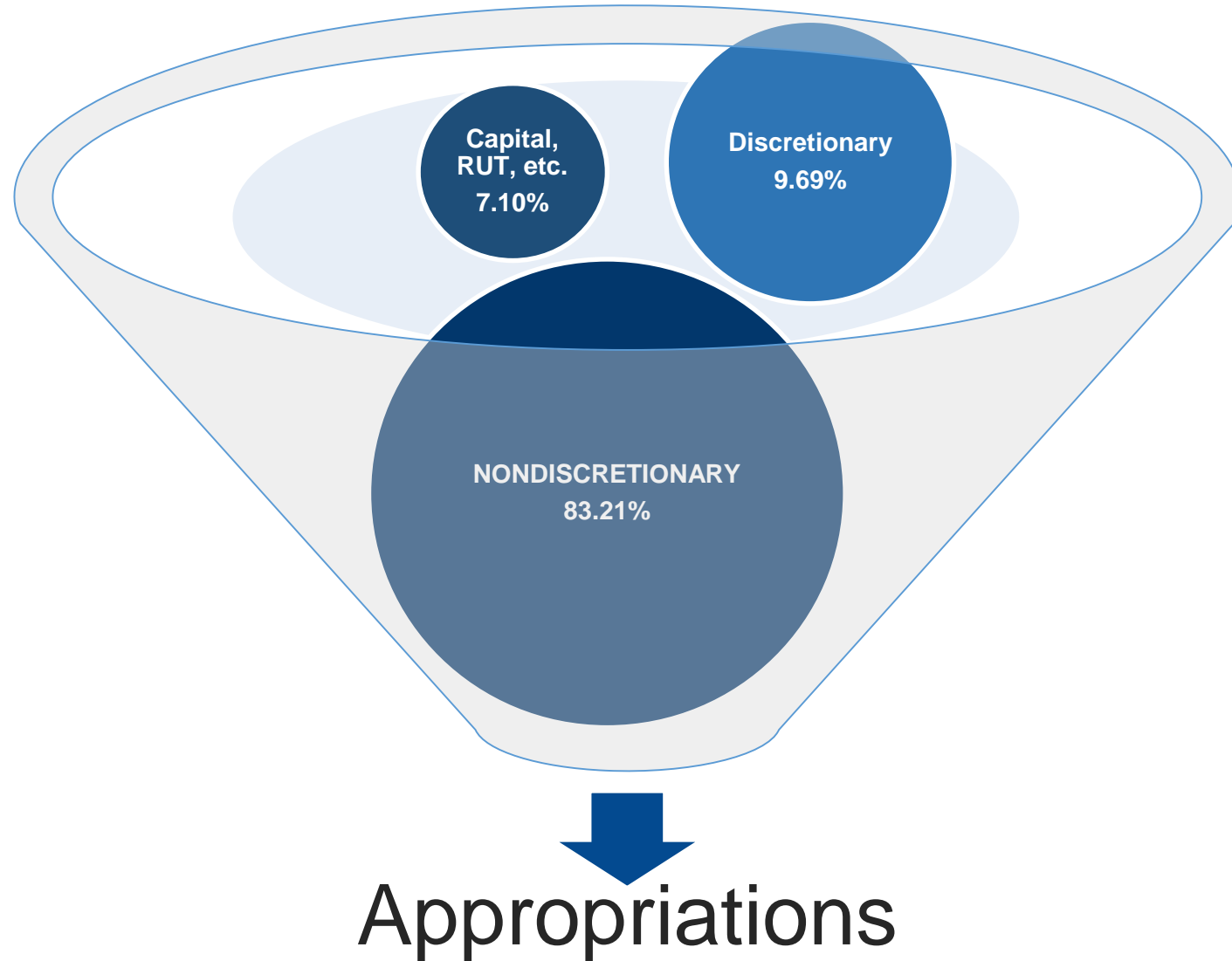
GENERAL FUND REVENUES

	2020 Budgeted	2021 Budgeted	Difference
UCC Fees	\$550,000	\$360,000	(\$190,000)
Par 3 Golf	\$114,000	\$125,000	\$11,000
Pool	\$320,000	\$230,000	(\$90,000)
Recreation	\$243,000	\$165,000	(\$78,000)
Hotel Use & Occupancy	\$465,000	\$100,000	(\$365,000)
Fund Balance	\$5,100,000	\$5,350,000	\$250,000
Total	\$6,792,000	\$6,330,000	(\$462,000)

APPROPRIATIONS BREAKDOWN BY CATEGORY



APPROPRIATIONS SUMMARY



CAPITAL BUDGET



Budgeting \$1.4M in 2021 Capital projects



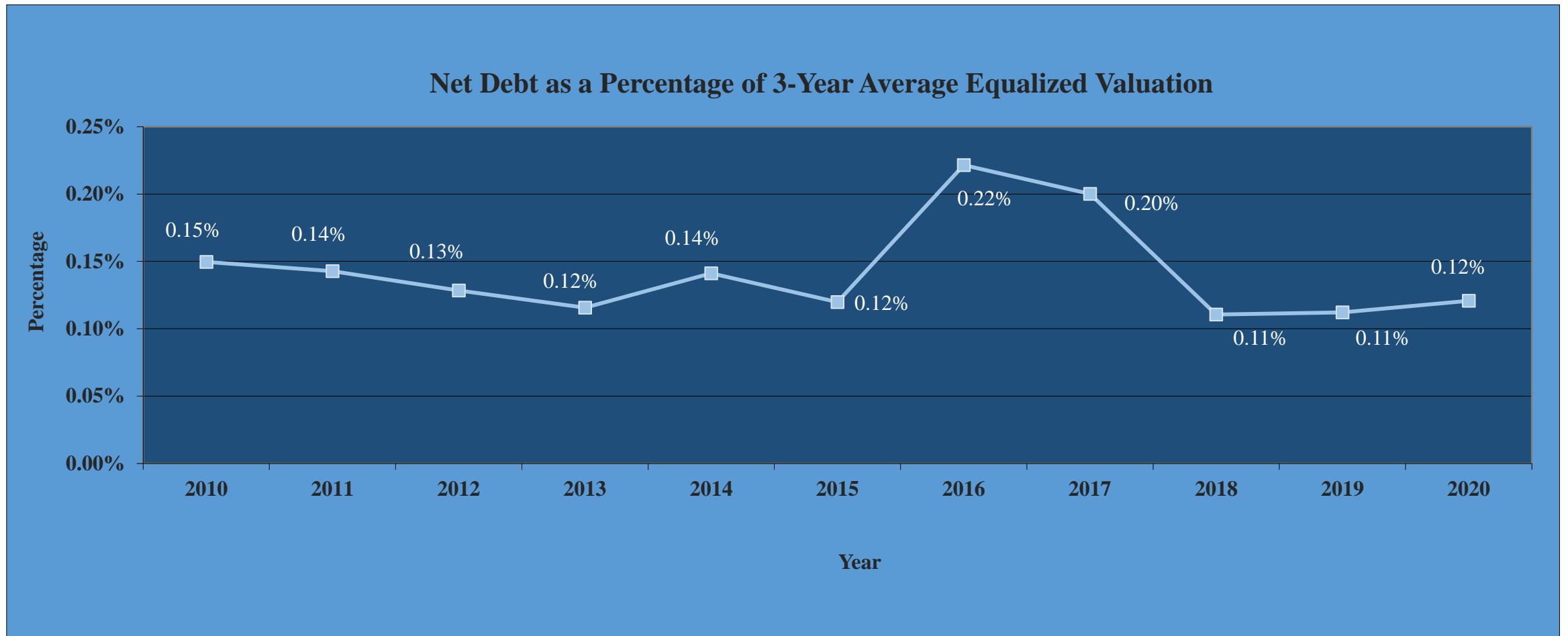
Capital items are greater than \$5,000 with a useful life longer than 5 years



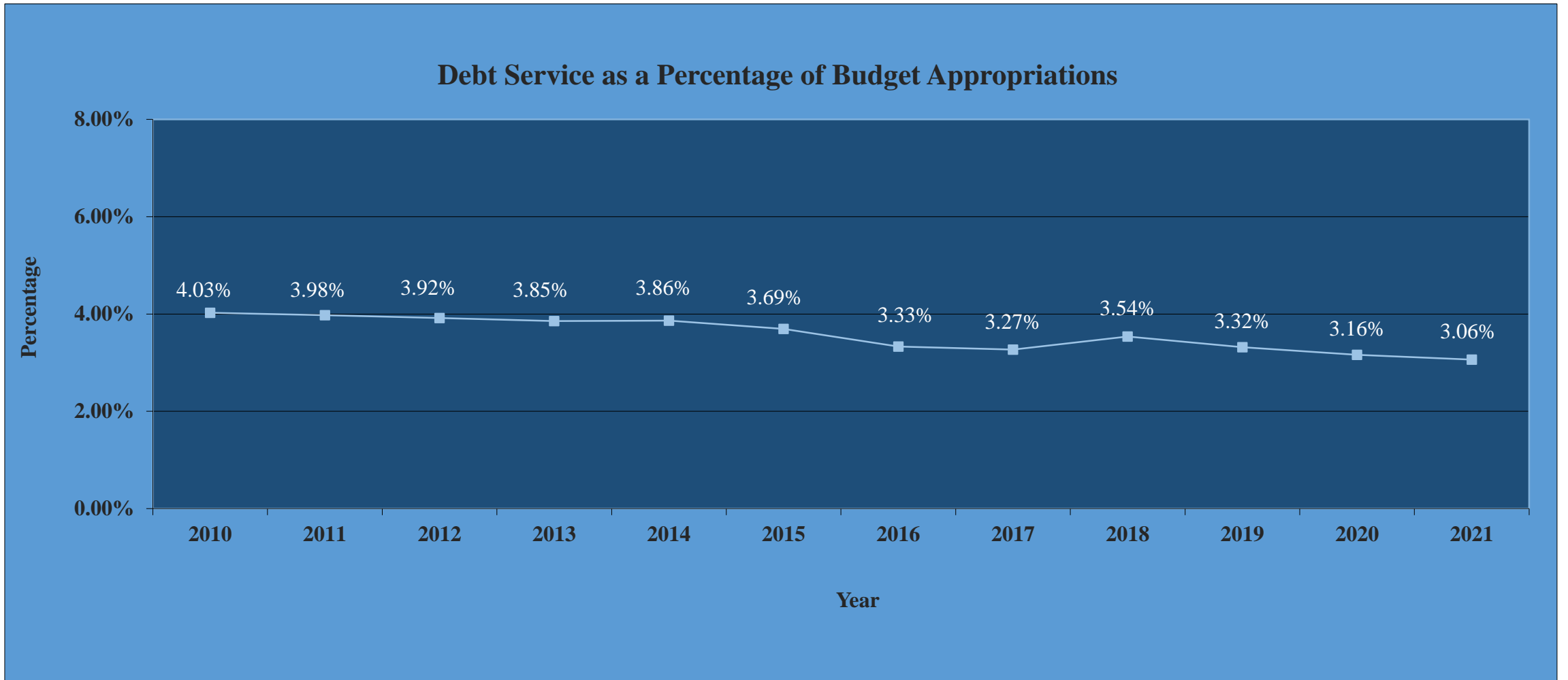
Majority of capital expenses are pay-as-you-go and backed by grants



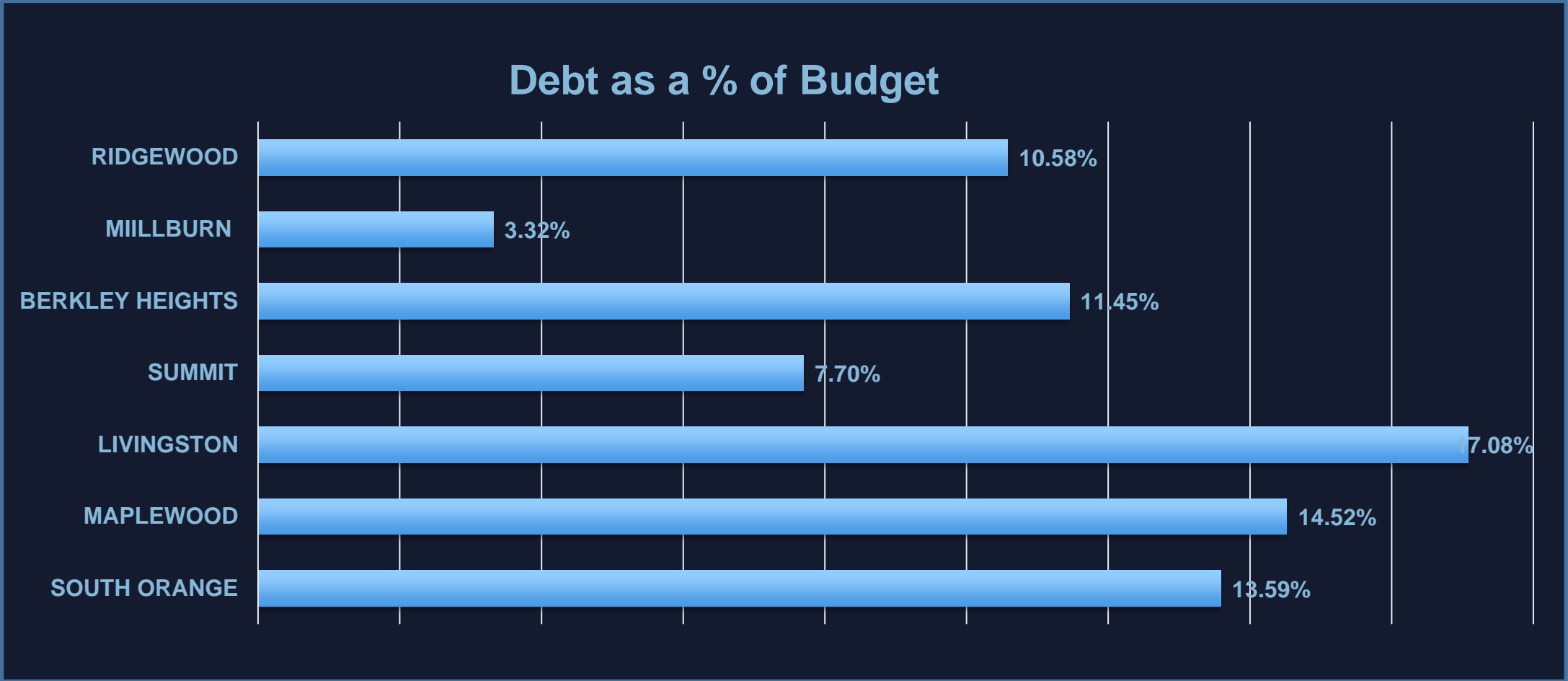
DEBT SUMMARY



DEBT SUMMARY



DEBT COMPARISON



APPROPRIATIONS “CAP”

- NJ has two (2) municipal budget CAPS
 - Appropriations
 - Tax Levy

- Appropriation Cap = 2.5% max or the COLA rate as set by the Division of Local Government Services
 - 2021 Cap = 1%
 - Sets maximum appropriations
 - Allowable to go up to 3.5% and set up “cap bank”
 - CAP acts like a future “insurance policy”
 - Not real money unless there is a need to budget up to the amount
 - Allows for flexibility so mandatory items do not require arbitrary reductions in discretionary areas or services due to state-set COLA rate

APPROPRIATIONS “CAP”

- 2021 Maximum allowable appropriations inside the “CAP”
 - \$47,934,340.02 – 3.5%
- 2021 COLA appropriations inside the cap
 - \$46,776,505.72 – 1%
- Actual Appropriations inside the cap
 - \$46,439,570.37 – 0%
- CAP Bank of \$1,494,769.65 for 2022 (Max – Actual = CAP Bank)

TAX LEVY “CAP”

- Allowable 2% increase on prior year tax levy
 - Some Exceptions/Additions Include
 - Additional Services assumed by interlocal or shared service agreements
 - Increases in Shared Service costs
 - Allowable Health Insurance Cost (Based on State of NJ increase over 2%)
 - Allowable Debt Service Increases
 - Addition for Increase in Valuations due to New Construction

- 2021 Maximum allowable
 - \$44,581,047 = 2.6% increase
- 2021 Amount to be Raised
 - \$43,489,453 = 0% increase



CAP allowed for an additional \$1,091,594