Borough of Hillsdale 2023 Budget Introduction

Council Meeting-April 4, 2023

Prepared by Abby Lundy

Finance Committee Chair

Finance Committee

- Members:
  - Finance Committee Chair: Abby Lundy
  - Janetta Trochimiuk
  - Justin Fox
  - Borough Administrator Mike Ghassali
  - CMFO David Young

- Additional thanks to Mayor Ruocco, all Dept Heads & Auditor Paul Garbarini and Staff

Finance Committee Report
Overview of the 2023 Municipal Budget

The total cost to operate the Borough of Hillsdale in 2023 is estimated at **$15,997,886** as per the Municipal Budget introduced at the April 4, 2023 Mayor and Council public meeting. This compares to the 2022 Budget total of $**16,511,697**-a decrease of **$513,811** or **3.1%**

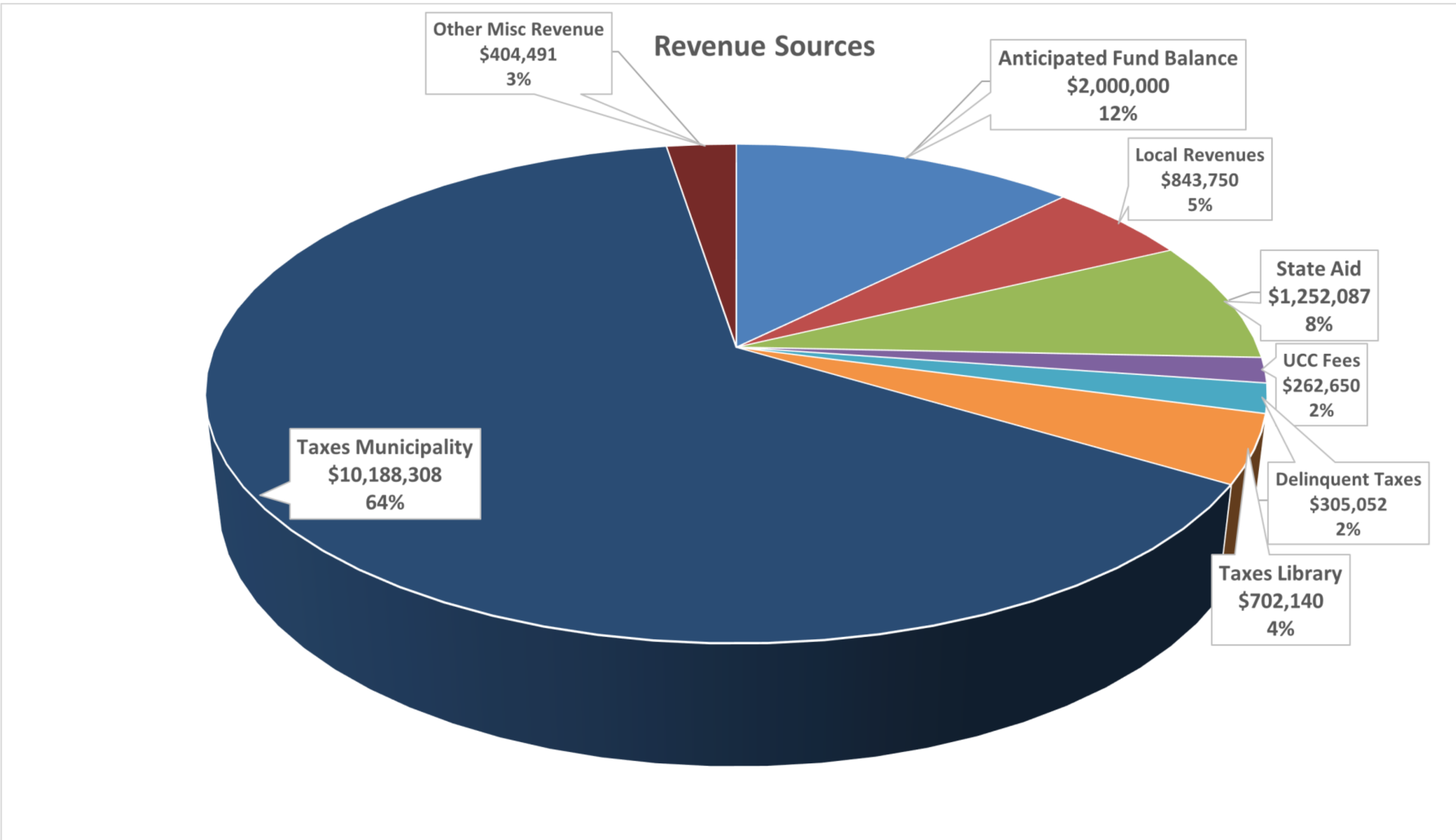
The amount to be raised by taxes to support the budget, including the Public Library, is **$10,889,947** an increase of **$128,689** or **1.2%** over the 2022 tax levy. This will result in a municipal tax rate of **63.7** cents which is an increase of .008 cents per $100 of assessed valuation compared to the 2022 rate of **62.9** cents.

Applying this tax rate to an average Hillsdale home assessed at **$469,392,** municipal taxes will be approximately **$2,990.30** vs the 2022 average of $**2,943.98** – an increase of approximately **$46.32** per home.

New Jersey Law requires municipalities to operate on a balanced budget basis which is achieved by using a portion of the surplus (fund balance) generated in prior years, as revenue in the succeeding year's budget. The borough is utilizing **$2,000,000** of this surplus in 2023 to offset a portion of the tax levy. This will leave the borough with a fund balance of **$3,324,554**.

General Revenue = $15.9MM

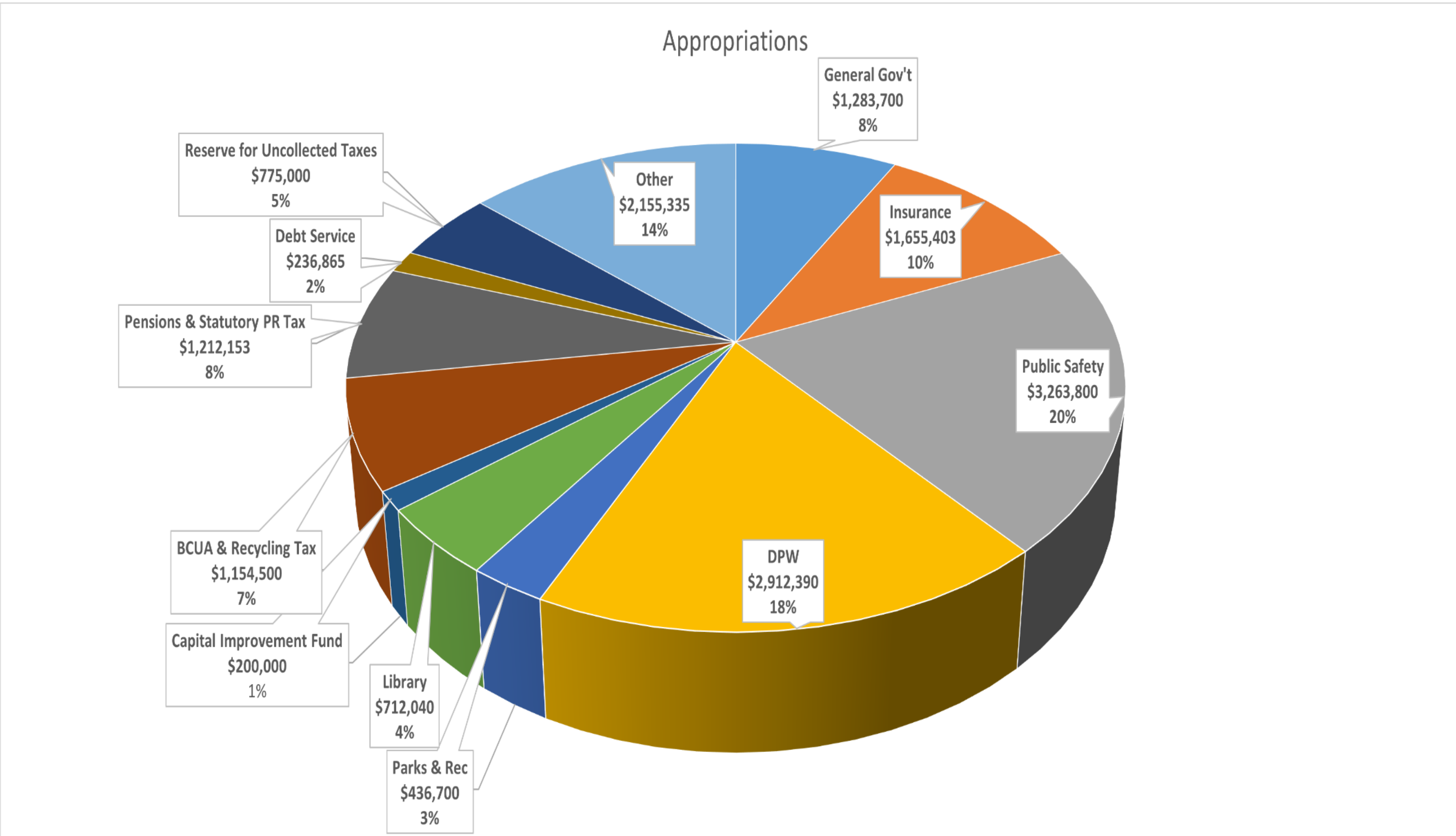
Amount from taxation = $10.1MM municipal taxes
= $0.70MM library taxes



Revenue Factors

- State Aid increased for the first time in 12 years
- Overall Local Revenues increased primarily due to an increase in interest on investments and deposits
- Other increases include Municipal Court Fees and Fees and Permits
- Use of Fund Balance increased as detailed on page 3

Appropriations= $15.9M



What’s in “Other”??

- Utilities and Gasoline
- Construction Code Enforcement
- Public Health, Local Assistance, Environmental Commission
- Contingencies
- Accumulated Absences
- LOSAP for volunteers
- Planning Board
- Shared Services including those offset by revenue

Significant Factors Affecting Appropriations

- There is an overall increase in the amount to be raised by taxes of $82,439
- The increase in General Gov't Services includes additional administrative and finance department staff as well as a COL increase to Mayor & Council stipend.
- Increase in Public Safety represents an increase in police operating expenses due to accreditation requirements and Attorney General mandated education and training.
- Also included in Public Safety is an appropriation to hire per diem EMTs to assist the HVAS with a volunteer shortage to improve ambulance response time.
- DPW increase includes additional FT and seasonal employees. Rental of additional garbage trucks to assist in leaf pick up, solid waste disposal tonnage increase and an increase by Paramus for the street sweeping contract. The appropriation for vehicle maintenance and repairs was also increased.
- The appropriations for Parks & Rec increased to accommodate a recreation/program director salary as well as additional public events.

Capital Budget

- The Capital Program/Capital Improvement fund appropriation includes a 5% down payment for financing of several projects and purchases. Some of the items included in the Capital Budget are:
- Beechwood Park Nature Trail Grant Match
- A significant Municipal Road Resurfacing Improvement Program
- Memorial Park Improvements including an Open Space Grant Match, a new retaining wall and walking path.
- Purchase of new two hook trucks and attachments for the DPW as well as conversion of existing truck to a mechanic's service vehicle.
- The Fire Department will be reducing their total apparatus through the retirement of two trucks to be replaced with a new ladder truck.
- The borough will assist the Public Library with a much needed roof repair and new carpeting.
- The Police Department did not request funding for any capital items. Any capital purchases will be paid for with forfeiture funds received.

Debt

- The borough has very little debt because we have historically utilized a cash capital improvement program.
- A $215k BAN payment will be made in this budget cycle
- The CIF has been funded with a 5% down payment for a $4MM bond for capital purchases as itemized in the capital budget.

What Does All Of This Mean for the Hillsdale Taxpayer?

To be raised for Municipality

- $10.2MM(2023)
- $10.1MM (2022)

Municipal Tax Rate

- 59.6 cents per $100 assessed valuation (2023)
- 59.1 cents per $100 assessed valuation (2022)
- .005 cent increase per $100 assessed (<1%)

Tax on Avg. Assessed Home

- $469,392 = $2,798 (2023)
- $468,049 = $2,765 (2022)
- Increase $33.00