

Borough of Dunellen

2022 Municipal Budget Presentation



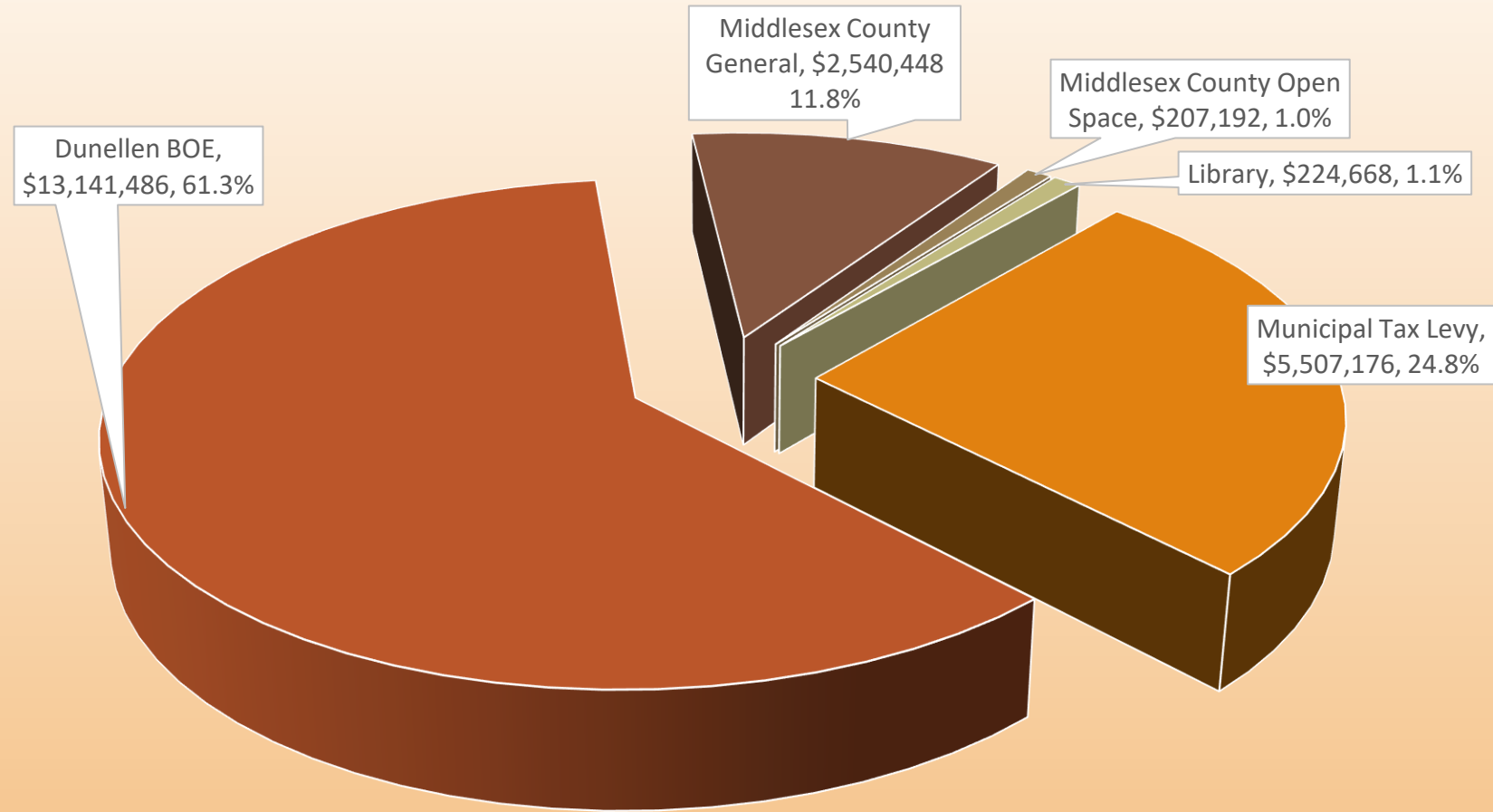
Council President and Finance Chairperson Trina Rios, Council members Sigmon and Vandermark,
Administrator Robins and Chief Financial Officer Scott Olsen

What is the Tax Levy?

- ❑ Amount of money needed to be raised by “equitable distribution” among all Borough property owners
- ❑ In NJ, “equitable distribution” is based on latest property valuation as of October 1 of the prior year
- ❑ Municipal portion equals the difference between operating expenditures and other sources of revenue (such as Licenses, Fees & Permits, Municipal Court, Construction Office, Interest, State Aid)
- ❑ 2007 under Governor Corzine, a Tax Levy CAP was set at 4% above prior year’s levy
- ❑ 2010 under Governor Christie, the Tax Levy CAP was reset to 2% above prior year’s levy
- ❑ Circumstances where increases above 2% can pass through to property owners: new construction; debt service and capital expenditure increases; pension and health benefit contributions in excess of 2%; deferred charges and declared emergencies
- ❑ **Dunellen’s 2022 Municipal budget is under CAP, without exclusions**

The instructions can be found on the Instruction Tab of the workbook.			
Summary Levy Cap Calculation			
	MUNICIPALITY	COUNTY	EXAMINER
1203	Dunellen Borough	Middlesex	
Model Tax Levy Calculation Worksheet			
Levy Cap Calculation			
	Prior Year Amount to be Raised by Taxation for Municipal Purposes		\$5,507,176
	Cap Base Adjustment (+/-)		\$0
	Less: Prior Year Deferred Charges to Future Taxation Unfunded		\$20,000
	Less: Prior Year Deferred Charges: Emergencies		\$49,000
	Less: Prior Year Recycling Tax		\$0
	Less: Changes in Service Provider: Transfer of Service/ Function		\$0
	Net Prior Year Tax Levy for Municipal Purpose Tax for Cap Calculation		\$5,438,176
	Plus: 2% Cap increase		\$108,764
	Adjusted Tax Levy		\$5,546,940
	Plus: Assumption of Service/ Function		\$0
	Adjusted Tax Levy Prior to Exclusions		\$5,546,940
	Exclusions:		
	Allowable Shared Service Agreements Increase	\$0	
	Allowable Health Insurance Cost Increase	\$18,903	
	Allowable Pension Obligations Increase	\$56,964	
	Allowable LOSAP Increase	\$0	
	Allowable Capital Improvements Increase	\$61,000	
	Allowable Debt Service, Capital Leases and Debt Service Share of Cost Increases	\$36,252	
	Recycling Tax Appropriation	\$0	
	Deferred Charges to Future Taxation Unfunded	\$138,032	
	Current Year Deferred Charges: Emergencies	\$117,000	
	Add Total Exclusions		\$428,151
	Less Cancelled or Unexpended Exclusions		\$0
	Adjusted Tax Levy After Exclusions		\$5,975,091
	Additions:		
	New Ratables - Increase in Valuations (New Construction and Additions)	\$673,300	
	Prior Year's Local Municipal Purpose Tax Rate (per \$100)	\$0.792	
	New Ratable Adjustment to Levy		\$5,333
	2019 Cap Bank Utilized in 2022		\$0
	2020 Cap Bank Utilized in 2022		\$0
	2021 Cap Bank Utilized in 2022		\$0
	Amounts approved by Referendum		\$0
	Maximum Allowable Amount to be Raised by Taxation		\$5,980,424
	Amount to be Raised by Taxation for Municipal Purposes		\$5,410,092
	Amount to be Raised by Taxation for Municipal Purposes Under/Over Cap (+/-)		\$570,332

2021 Total Tax Levy = \$21,600,971



2021 – Where Your Tax Dollar Went – Avg. Assessment = \$312,926 *

Municipal
Portion
\$0.25
[\$2,478]
Tax Rate:
0.792



Library Portion
\$0.01
[\$100]
Tax Rate: 0.032

County Open Space
\$0.01
[\$94]
Tax Rate: 0.030

County Portion
\$0.12
[\$1,136.00]
Tax Rate: 0.363

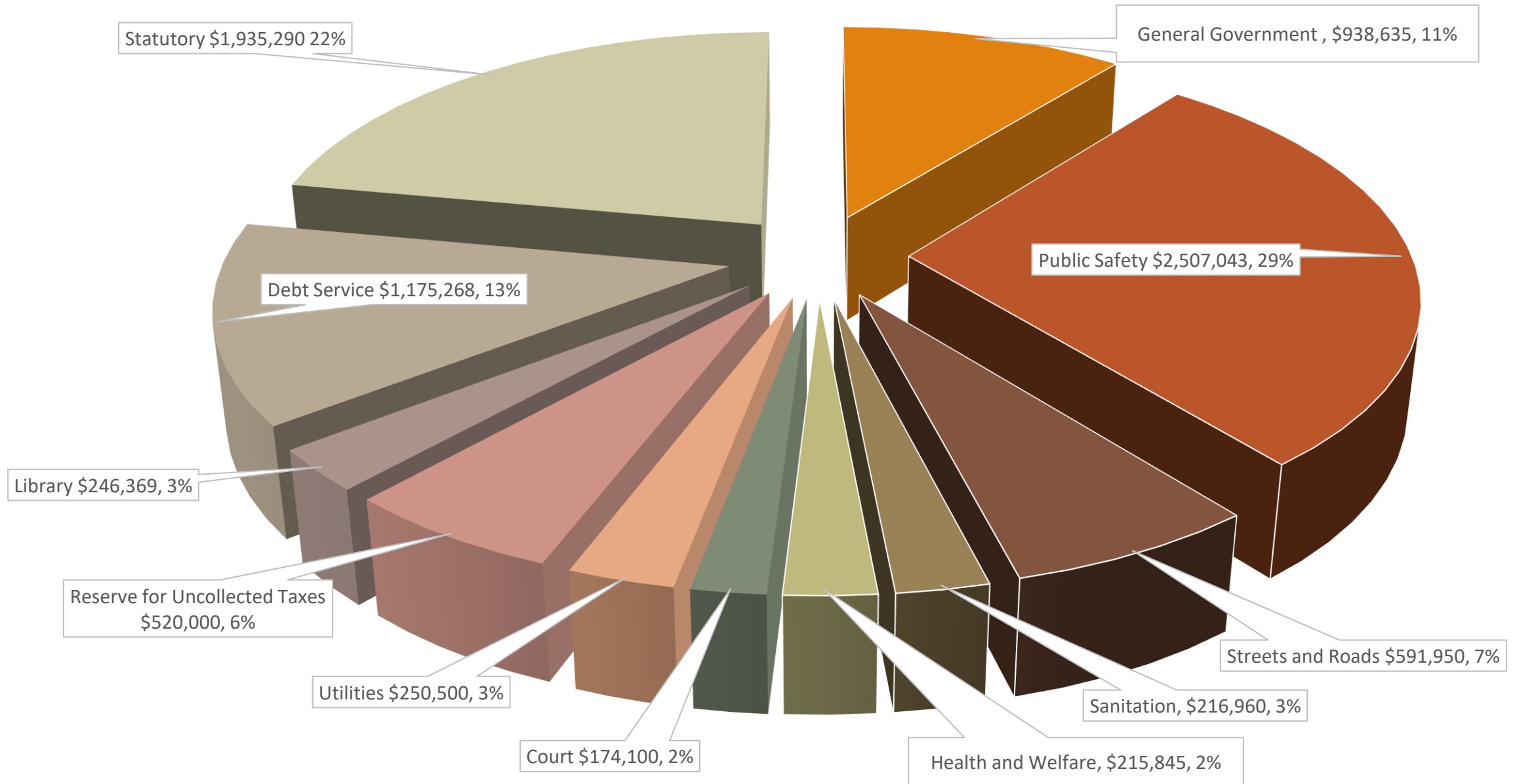
School Portion
\$0.61
[\$5,918.00]
Tax Rate: 1.891

*In 2020, the total tax rate was \$3.248 per \$100.00 of assessed value
In 2021, the total tax rate was \$3.108 per \$100.00 of assessed value
In 2021, the average tax bill was about \$9,726

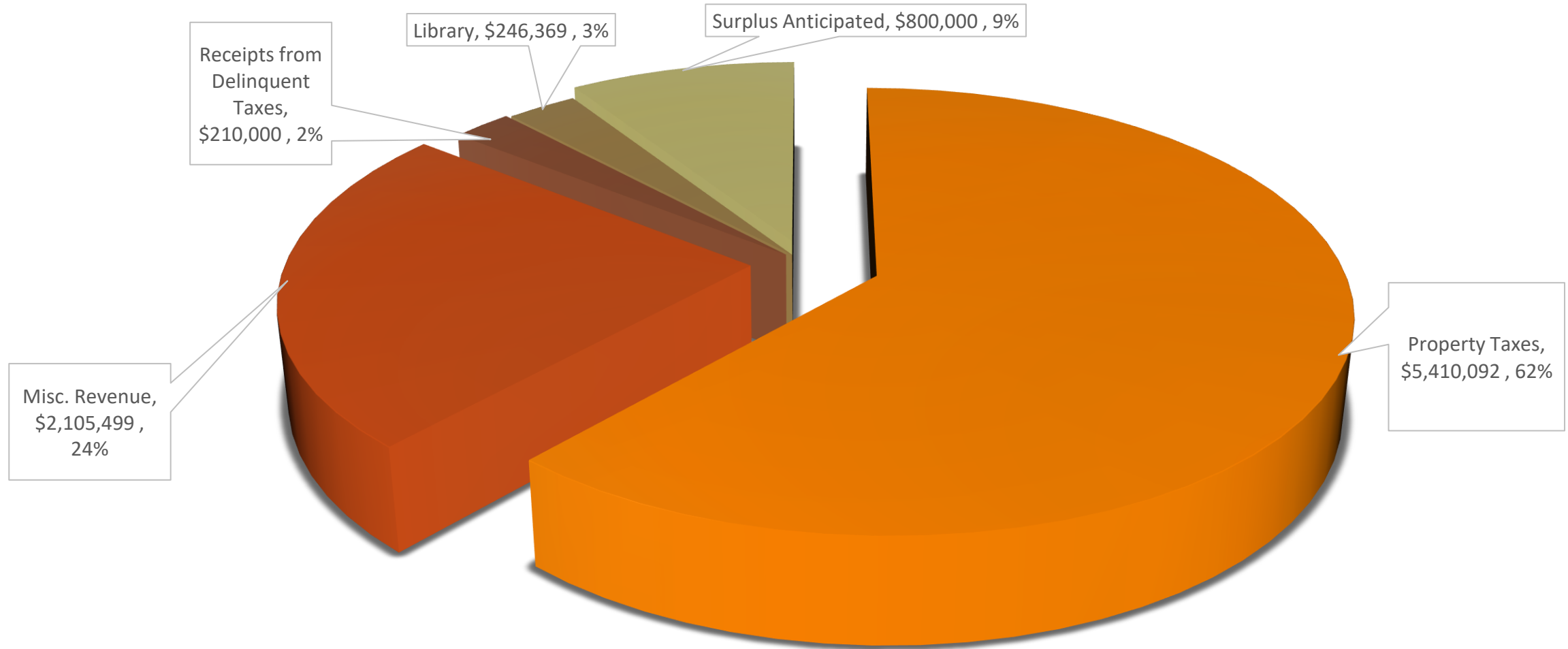
Department Budgets

<u>General Government</u>	<u>2022</u>	<u>2021</u>	<u>Inc./Dec.</u>
General Government (Administrator, Clerk, Mayor and Council, Finance, Tax Collector & Assessor, Elections, Planning Board, IT, Building and Grounds, Engineering, Construction)	\$938,635	\$794,249	+\$144,386
Public Safety (Police, Prosecutor, Fire, Crossing Guards, Aid to Rescue Squad, OEM, and Emergency Vehicles)	\$2,507,043	\$2,406,081	+\$100,962
Streets and Roads (DPW, Shade Tree)	\$591,950	\$609,149	-\$17,199
Sanitation (Solid waste, Recycling)	\$216,960	\$203,268	+13,692
Health and Welfare (Board of Health, Flood Control, Recreation, Senior Citizens, Arts & Cultural Commission)	\$215,845	\$174,410	+41,435
Debt Service (Long and short-term obligations, current year Capital Improvements)	\$1,175,268	\$807,284	+367,984
Court (Judge, Public Defender)	\$174,100	\$164,160	+\$9,940
Utilities (Electric, Telephone, Water, Gas)	\$250,500	\$232,150	+18,350
Statutory Expenditures (Public Employee & Police Retirement Systems, Social Security, Unemployment, Group Health and Liability Insurances)	\$1,935,290	\$1,730,381	+\$204,909

2022 Municipal Budget – Expenditures of \$8.77MM



2022 Municipal Budget – Revenues must equal \$8.77MM





Budget Snapshot – Municipal only

	2021	2022	Increase or (Decrease) 2022 over 2021	%
Borough Expenditures (E)	\$7,855,800	\$8,771,960	\$819,258	10.43%
Borough Revenues (R)	2,348,624	3,361,868	898,512	38.26%
Amount to be Raised by Taxes (A) = (E) - (R)	5,507,176	5,410,092	-(79,254)	-1.44%
Net Valuation (V)	695,204,401	798,480,700	103,276,299	14.86%
Tax Rate [A/V] (expressed in \$ per \$100 Assessed Value)	0.792	0.678	-(0.112)	5.53%
Municipal tax on a home				
-assessed @ \$312,926	\$2,478	\$2,120	-(358)	-(14.5%)
-assessed @ \$365,283	2,893	2,475	-(418)	-(14.5%)

Effect of Annual Reassessment on Municipal Tax Rate, Tax Levy

Year	Assessed Value (Average)	Municipal Tax Rate	Municipal Taxes
2019	288,172	\$0.811	\$2,336
2020	288,285	\$0.839	\$2,417
2021	312,926	\$0.792	\$2,478
2022	365,283	\$0.678	\$2,475





} \$81
} +\$61
} -(\$3)

2022 Sewer Budget

- Focusing on equitable distribution of costs for processing wastewater
- No increase in the Single-Family Rate – remains flat at \$350 annually
 - Commercial based on a “usage” rate of \$4.25 per 1,000 gallons
 - *plus* \$150 administrative fee to acquire/process the data file *and*
- Utilizes a minimum Commercial fee of \$350, not less than Single Family

Link to the web page for the full CY2022 Municipal Budget:

<http://www.dunellen-nj.gov/departments/finance/documents.php>