



BOROUGH OF MOUNTAIN LAKES

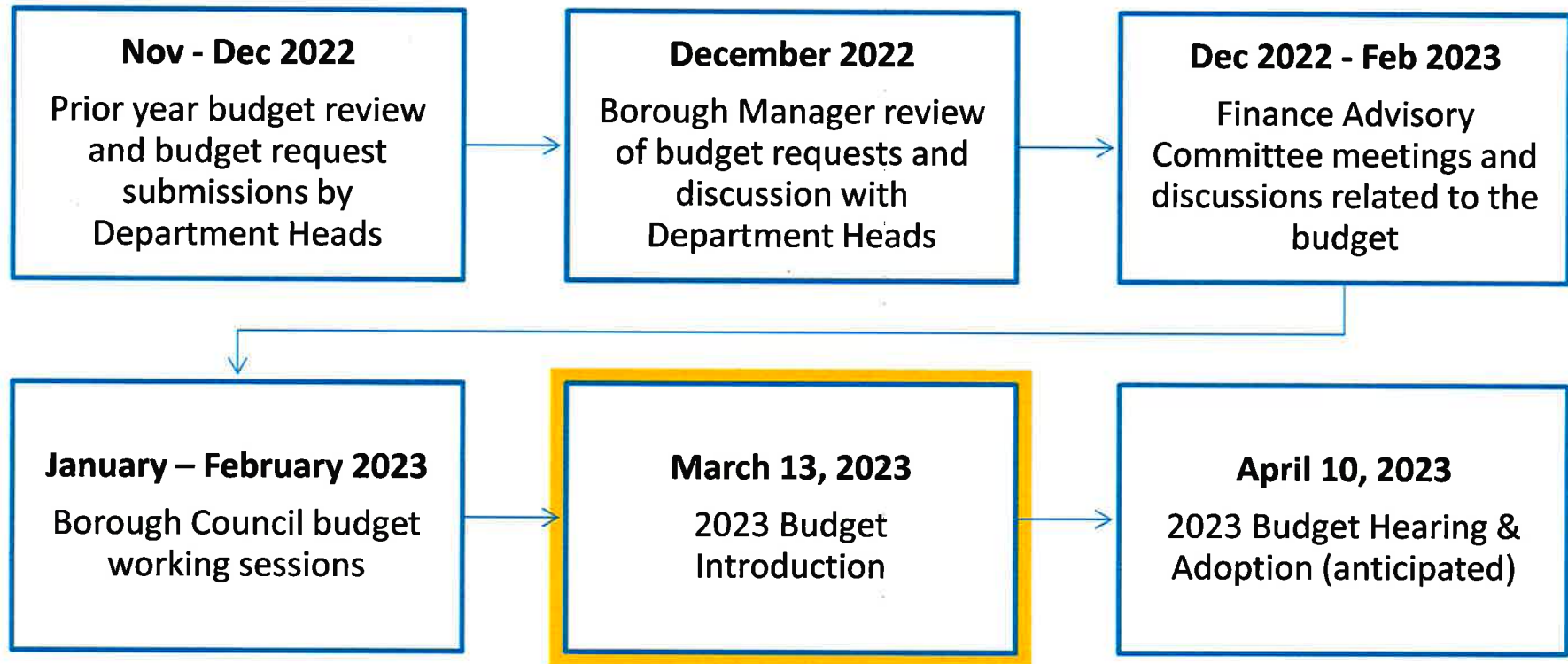
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2023 Municipal Budget Presentation

March 13, 2023



2023 Budget Process



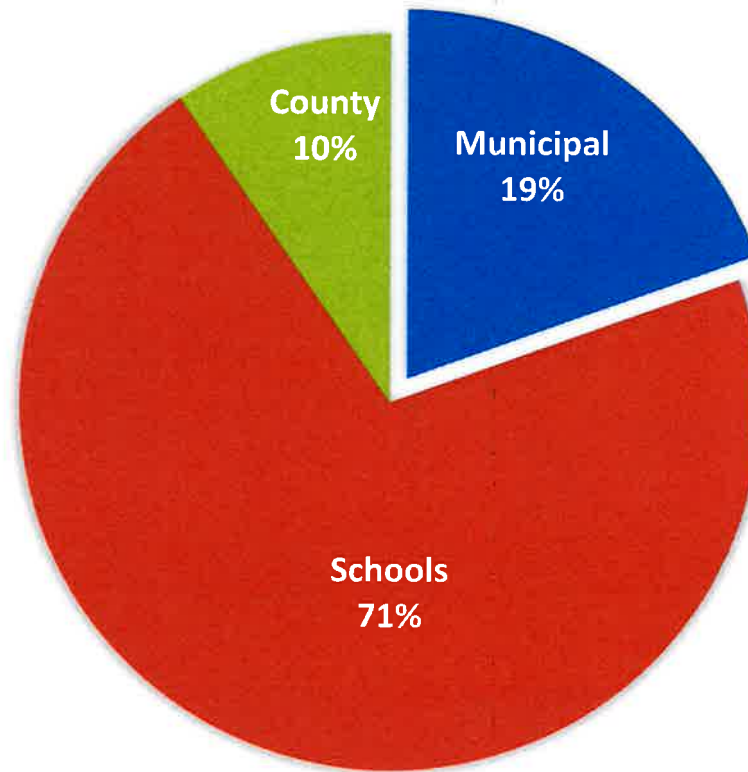


2023 Municipal Budget Introduction

- Current/Operating Budget
- Capital Budget
- Water Utility Budget
- Sewer Utility Budget



The 2023 Municipal Budget represents approximately 19% of total property taxes



- The Borough collects and disburses School and County taxes, but plays no role related to School or County budget oversight and spending



The 2023 Municipal Budget funds the operations and capital needs of the Borough

Public Safety	Police, Fire, Office of Emergency Management
Administration	Manager, Clerk, Tax Assessor, Tax Collector, Financial Administration, Building Official, Planning, Zoning & Code Enforcement
Public Works	Road & Sidewalk Cleaning, Plowing & Maintenance, Garbage & Recycling, Water Infrastructure, Buildings & Grounds
Recreation	Youth Programming, Summer Camps, 55+ Programming, Community Celebrations, Summer Concert Series, Hub Lakes Competition
Other Services	Health & Animal Control
Public Library	The Municipal Budget funds most of the Mountain Lakes Public Library budget, including for the Makerspace program
Capital Needs	Vehicles, Equipment, Paving, Road & Sidewalk Improvements, Parks & Recreational Facilities, Other Borough Improvements
Water Utility	Wells, Tanks, Water Mains, Maintenance, and Upgrades
Sewer Utility	Sewer Mains, Maintenance, Upgrades, and Processing



Key Budget Issues:

- Inflationary environment with increases in several expense line items, including solid waste collection and healthcare
- Fire vehicles have reached the end of their useful life, \$1M replacement cost
- Other capital needs – roads, sidewalks, equipment, vehicles, facilities – require ongoing investment
- Investments needed to maintain the health of our lakes

Key Budget Goals

- Maintain services, address important capital needs, and continue to invest in our community
- Ensure the Borough's long-term financial stability, e.g. by reducing debt burden
- Minimize impact to Borough taxpayers



2023 Municipal Budget Summary

	2022	2023	YTY +/-
Introduced Budget	\$9,906,000	\$10,774,000	+8.76%
Tax Rate	0.52798	0.49401	-6.43%
Taxes per \$100,000 Assessed Home Value	\$528	\$494	-6.43%
Amount to be Raised by Taxation	\$6,752,000	\$6,981,000	+3.39%

- 3rd straight year of Tax Rate decreases
 - 14% Tax Rate decrease over the last three years
 - The average Borough taxpayer is paying lower municipal taxes in 2023 than they were 3 years ago
- Why a budget increase of 8.76%?
 - Increase in several expense line items (solid waste, Public Library, lakes maintenance, healthcare)
 - Use of Fund Balance (\$250K) and American Rescue Plan grant funding (\$288K) to offset capital spending – use of these funds to reduce the Borough’s debt burden inflates the budget
 - Loss of net revenue from the Green Trash Bag Program (approximately \$165K) – residents are no longer required to pay a separate fee to purchase green trash bags



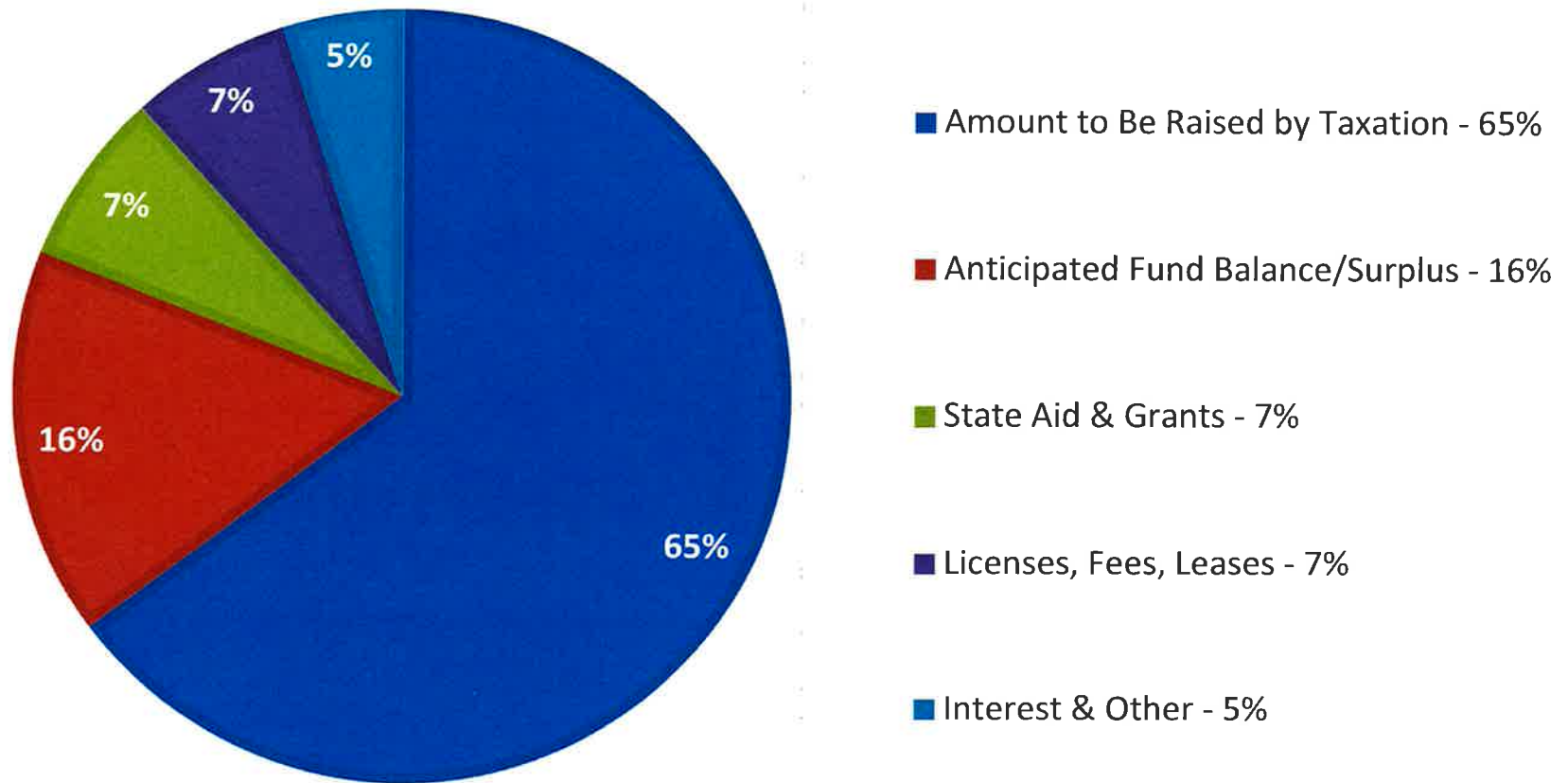
Borough of Mountain Lakes Ratable Base

- The Borough of Mountain Lakes Ratable Base totals \$1,413M in 2023
 - 90.9% Residential
 - 8.8% Commercial
 - 0.3% Vacant Land/Farmland
- Since 2020, \$32M in new residential and commercial ratables have been added to the overall ratable base
 - \$18M via new residences (42 new homes built) and home improvements
 - \$14M via new commercial ratables
- The Borough's ratable base grew \$134M (+10.5%) in 2023, primarily due to market increases in property values
 - The Average Residential Assessment in 2023 is \$887,800, up 10% year-to-year
 - The Borough's new reassessment program will capture market changes on an annual basis; property valuations may fluctuate significantly year-to-year
 - A change in the assessed value of your home will impact your tax bill only if your home's valuation has increased or decreased by a greater % than other properties in the Borough



Municipal Budget Revenue

65% of the Municipal Budget is funded by taxes to be raised in 2023
35% is funded by other sources





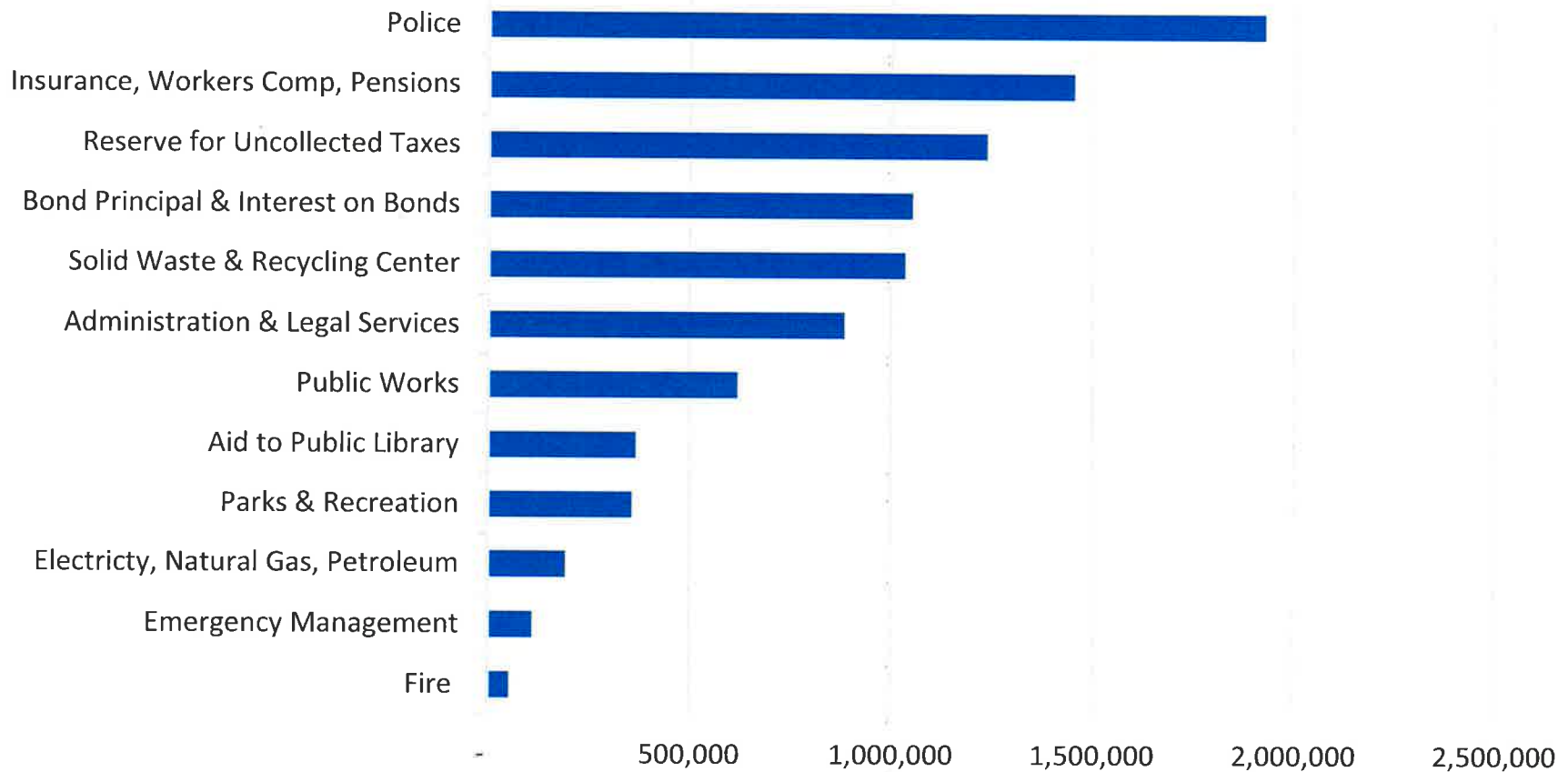
The 2023 Municipal Budget reflects responsible management of Fund Balance

- The proposed budget utilizes \$1,750,000 of Fund Balance (“Surplus”) to reduce the amount to be raised by taxation and to offset capital spending, thus reducing the Borough’s debt burden and borrowing costs
 - The proposed budget leaves \$2,375,171 in Fund Balance
 - In comparison, the 2022 budget left \$2,117,000 in Fund Balance
- **A healthy Fund Balance will help ensure solid financial footing for the Borough in 2023 and beyond**



Municipal Budget Appropriations

2023 Expenses



**Having a volunteer fire department is a considerable savings to our taxpayers –
Thank you, MLVFD!**



Municipal Budget Appropriations

Significant Increases and Decreases in 2023

Item	\$ Increase	Item	\$ Decrease
Solid Waste Collection	\$376,000	Reserve for Uncollected Taxes*	-\$314,000
Group Healthcare Insurance	\$140,000	Payment of Bond Principal	-\$90,000
Aid to Public Library	\$59,000	Interest on Bonds	-\$22,000
Salary Adjustment Reserve	\$54,500	Affordable Housing Admin	-\$17,000
PFRS (Police Pension)	\$46,000	Engineering Services	-\$13,500
Hydro-Raking	\$44,000	Police Accreditation	-\$10,000

* Reserve for Uncollected Taxes is the amount of the total tax levy (total School Board, Municipal and County taxes) that the Borough does not anticipate will be collected



Municipal Budget Appropriations Spotlight

The Borough's New Solid Waste Contract

- The new solid waste contract costs \$814,000 in 2023, up \$376K YTY
 - The Borough's share of the contract is \$714K; the School District's Share is \$100K
 - Moving to alternating week collection of recyclables and a 4-day/week collection schedule reduced the cost increase by at least \$166K
 - Without the above changes, it would have been a \$1M+ contract
- The new contract reflects priorities identified by residents in the 2022 Solid Waste Resident Survey:
 - Includes new quarterly curbside bulk trash collection service
 - Eliminates Green Bag program
 - Maintains home-side garbage & recyclables collection
 - *Note:* The Borough tried to add an optional 2nd day/week of trash collection to the contract, but the hauler was not interested in providing this service
- Towns across New Jersey are experiencing similar cost increases
 - Inflationary environment: Fuel costs and labor shortages
 - Uncompetitive bidding environment: In most towns, only one hauler submits a bid



2023 Capital Improvement Program

Public Safety

Police Department

- Police Vehicle Computers & Retrofitting (\$56,000)
- Boat Motor part, Interview Room Recording, Lockers, and Other Equipment Needs (\$74,500)



Fire Department

- Fire Vehicles (\$1,050,000)
- PPE Regulators (\$14,000)



Office of Emergency Management/CERT

- All Terrain Vehicle (\$20,000)





2023 Capital Improvement Program

Public Works & Recreation

Road Paving & Sidewalks

- Paving & Road Work (\$386,500)
- Sidewalk Improvements: Lake Drive & Elm St – in front of Public Library (\$65,000)



Public Works Vehicles

- Bobcat Skid Steer (\$80,000)
- Mason Dump Truck with Plow (\$70,000)



Recreation

- Tennis Court Renovation Project (\$311,000)
- New goals for Midvale Park (\$8,500)
- New picnic tables (\$3,000)





2023 Capital Improvement Program

Other Capital Spending

Bathymetry Survey

- Study to determine level of sediment deposits in the Borough's lakes (\$115,000)



The Station Property

- Construction documents for renovation of the historic Station property (\$15,000)
- Anticipated funding from Morris County would cover 80% of project costs and NJ State funding may cover the remaining 20% of project costs
- The Borough will decide whether to move ahead with the project once grant decisions are finalized





2023 Capital Improvement Program

The 2023 Capital Improvement Program will be offset by \$1M+ from grants, use of Fund Balance, and other funding sources

\$288,000	American Rescue Plan grant for Fire Dept vehicle purchase
\$125,000	NJ DOT grant for Morris Ave repaving (Powerville to Fanny)
\$310,000	School District payment for Tennis Court renovation project
\$250,000	Use of Fund Balance to offset capital spending
<u>\$102,000</u>	Use of prior capital ordinances to offset capital spending
\$1,075,000	



Average Residential Municipal Taxes

2023 Annual Budget:	\$10,774,000
2023 Tax Rate:	\$0.49409
Average Residential Property Value:	\$887,800
Average Municipal Taxes (Annually):	\$4,387
Average Municipal Taxes (Monthly):	\$366



**\$366 per
month
provides:**

- Police Protection
- Fire Protection
- Emergency Medical Assistance
- Recreation Programs
- Beach Facilities
- Lakes Management
- Buildings and Grounds
- Garbage & Recycling Services
- Roads, Sidewalks, and Curbs
- Water Infrastructure
- Public Works
- Construction Official and Office
- Zoning and Planning
- Borough Clerk
- Borough Manager
- Finance Administration
- Health Services and Animal Control
- Code Enforcement
- Mountain Lakes Public Library
- Current & Prior Year Capital Needs



Water Utility Budget Highlights

- The 2023 Water Budget is balanced at \$986,000
- The Water Budget will increase by \$71,000 (+7.8%) over 2022
- The YTY budget increase is primarily due to additional work required by the water meter and lead line replacement programs and healthcare expense increases



Sewer Utility Budget Highlights

- The Sewer Budget is balanced at \$907,000
- The Sewer Budget will decrease by \$105,000 (-10.3%) over 2022
- This YTY budget decrease is primarily due to more accurate forecasting of Parsippany Sewer Charge expenses



In Summary

- The 2023 Municipal Budget is balanced at \$10,774,000
- The Amount to Be Raised by Taxation increased by 3%
- Three straight years of Tax Rate decreases total 14%
- The Municipal Budget addresses important Borough priorities and investments in our community – public safety, recreation, increased lake maintenance, improved bulk trash collection, road and sidewalk improvements, facility upgrades, and historic preservation



Thank You