



South Orange Village

Fiscal Year 2022 Budget

Introduced to the Board of Trustees

Monday, April 25, 2022



**SOUTH
ORANGE**
VILLAGE

VISION

South Orange is a growing Village that embraces diversity and creates a safe and beautiful community for our residents and visitors.

- **CREATING** a safe, pedestrian friendly transit community enabling access to the many opportunities that surround the Village.
- **PROVIDING** a high level of customer service to address the needs of our community throughout all our departments.
- **ENGAGING** with our Village through a multitude of communication platforms that incorporate technology and in person interactions, maximizing resident engagement.
- **STRENGTHENING** our role as environmental stewards by replanting our depleting tree canopy, incorporating green building best practices and working with our environmental commission on changing policy to protect our community's natural resources.

BUDGET PLANNING OBJECTIVES

- Achieve fiscal sustainability
- Engage all Stakeholders throughout the budgeting process
- Deliver Village services effectively, efficiently and equitably
- Ensure high quality constituent engagement and response
- Increase economic growth and neighborhood stability

VILLAGE PRIORITIES – BUDGET IMPLICATIONS

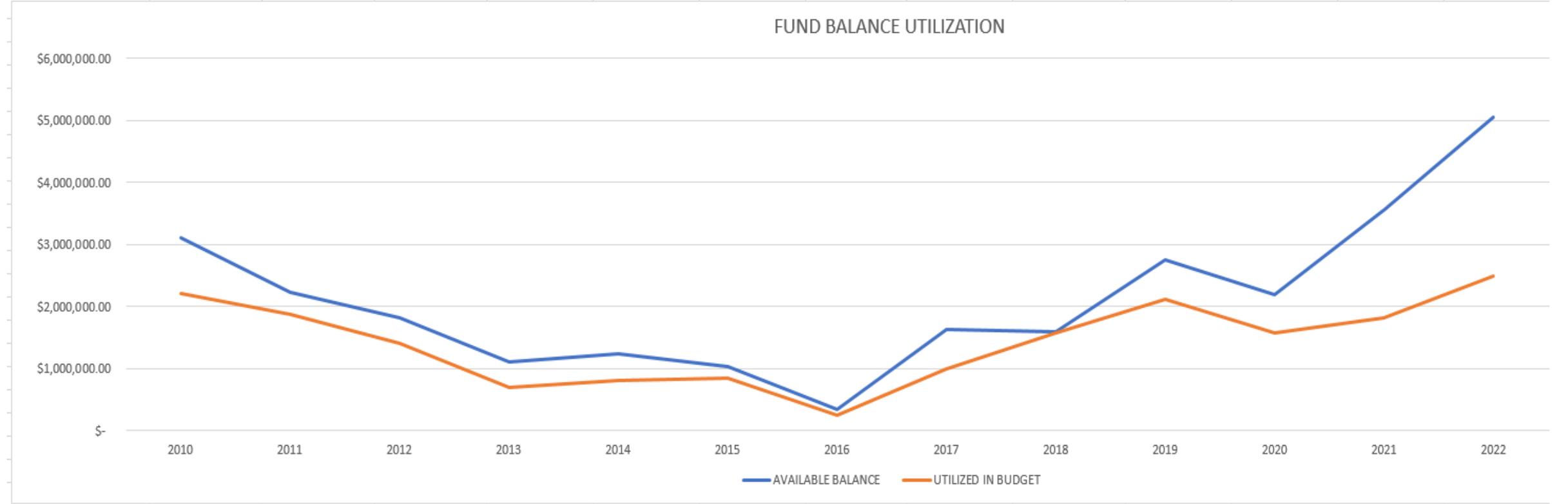
- **Pedestrian Safety Initiatives**
 - \$200,000 / Capital Fund Striping
- **Environmental Sustainability**
 - \$100,000 Tree Replacement Fund / Open Space
- **Effectuation of the Master Plan**
 - \$2 million in the Affordable Housing West Third / Affordable Housing Fund
- **Expanded Recreational Offerings**
 - \$15 million Community Center Reconstruction
 - Increase the staffing to meet the needs of the new facility and expanded programming
- **Proactive Infrastructure Improvements (Annual Allocations)**
 - Yearly amounts to study, make proactive improvements and maintain our different systems. (Storm Water, Sewer, Roads, and Water)
- **Building Maintenance Plans**

FISCAL RESPONSIBILITY

- **Policy Creation for Improved Budget Practices**
 - 2019-295 Resolution Adopting a Fund Balance Policy for the Township of South Orange Village
- **Detailed Budget Sublines**
- **Increased Fund Balance**
- **Positive Rating Review from S&P**
 - “S&P Global Ratings has revised its outlook to positive from stable on South Orange Village Township, N.J.'s general obligation (GO) rating. The positive outlook reflects that we believe there is at least a one-in-three chance we could further raise the rating during the next two years if the township continues to produce positive results, leading to growth in available reserves.”

FUND BALANCE UTILIZATION

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| AVAILABLE BALANCE | \$ 3,111,688.62 | \$ 2,234,278.38 | \$ 1,821,186.13 | \$ 1,106,197.63 | \$ 1,237,851.39 | \$ 1,032,765.32 | \$ 350,621.15 | \$ 1,637,296.82 | \$ 1,602,322.79 | \$ 2,763,892.45 | \$ 2,188,145.52 | \$ 3,558,324.34 | \$ 5,061,570.67 |
| UTILIZED IN BUDGET | \$ 2,211,713.00 | \$ 1,875,713.00 | \$ 1,410,000.00 | \$ 700,000.00 | \$ 810,000.00 | \$ 850,000.00 | \$ 250,000.00 | \$ 998,000.00 | \$ 1,575,000.00 | \$ 2,114,000.00 | \$ 1,577,000.00 | \$ 1,830,000.00 | \$ 2,500,000.00 |
| % UTILIZED | 71.08% | 83.95% | 77.42% | 63.28% | 65.44% | 82.30% | 71.30% | 60.95% | 98.29% | 76.49% | 72.07% | 51.43% | 49.39% |



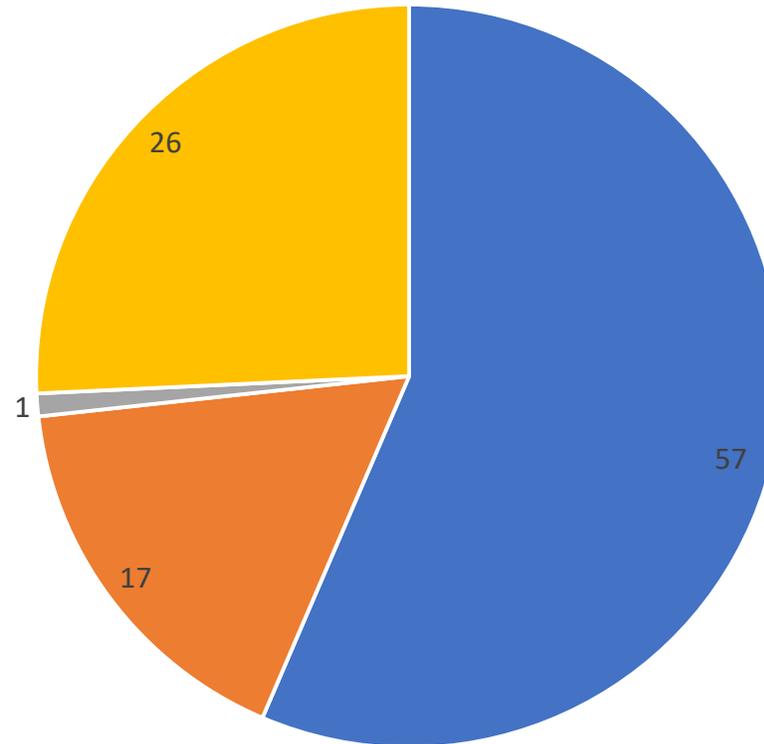
Tropical Storm IDA

- **Over 7.5 million in damages throughout the Village (Village Property) millions more in private homeowner damage.**
- **Building which sustained major damage:**
 - Department of Public Works Garage and Yard
 - South Orange Performing Arts Center (SOPAC)
 - Pool House and Skate House
 - 41-45 West Third Street
- **Extensive Road Damage:**
 - Sherman Place
 - Redmond Road
 - Hard Drive N/S
 - Mayhew Court
 - Longview Road
 - Laurel Place

**WORKING DIRECTLY WITH FEMA ON
FUNDING FOR RECOVERY AND
MITIGATION.**

WHERE DOES YOUR TAX DOLLAR GO? (2021)

- Schools (57%)
- County (17%)
- Reserve for Uncollected Taxes (1%)
- Municipal (26%)



FY '22 BUDGET REALITIES

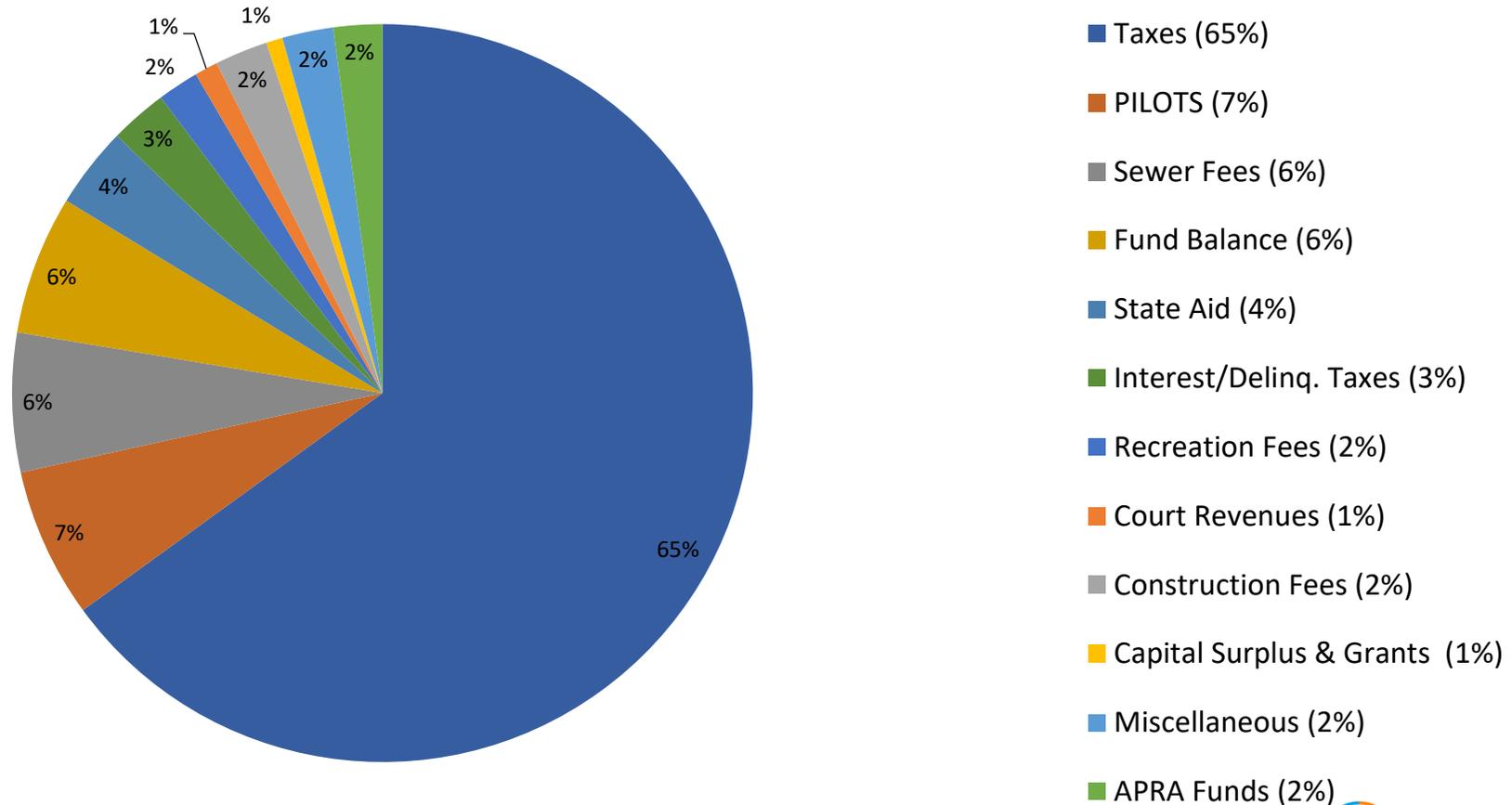
- Uncontrollable Spending Increases: **\$913,769.00**
 - Pension \$164,653
 - Insurance & Joint Sewer \$115,116
 - Debt Service \$514,000
 - Utilities \$120,000
- Use of One-Time Funds - 2021 APRA Funding (COVID-19 RECOVERY FUNDS): **\$873,511.42**
- IDA Emergency Bond of 5 million included **\$250,000** as the 5% down payment

FY '22 BUDGET HIGHLIGHTS

- Total budget: \$ 41,028,814.50
- Municipal property tax increase: 3.99%

| | <u>2020 BUDGET</u> | <u>2021 BUDGET</u> | <u>2022 BUDGET</u> |
|--|--------------------------|--------------------------|--------------------------|
| TOTAL AMOUNT TO BE RAISED BY TAXATION | \$ 24,724,201.03 | \$ 25,638,377.39 | \$ 26,663,907.80 |
| TOTAL ASSESSED VALUE | \$ 2,839,414,916.00 | \$ 2,833,144,483.00 | \$ 2,836,789,492.00 |
| AVERAGE RESIDENTIAL ASSESSMENT | \$ 583,868.90 | \$ 583,851.78 | \$ 584,474.00 |
| MUNICIPAL TAX RATE | \$ 0.871 | \$ 0.905 | \$ 0.940 |
| MUNICIPAL TAXES FOR AVERAGE RESIDENT | \$ 5,085.50 | \$ 5,283.86 | \$ 5,494.06 |
| INCREASE (\$) FOR AVERAGE RESIDENT (ANNUAL) | \$ 143.24 | \$ 198.36 | \$ 210.20 |
| INCREASE (%) FOR AVERAGE RESIDENT (ANNUAL) | 2.8983% | 3.9005% | 3.9782% |
| | \$11.94 PER MONTH | \$16.53 PER MONTH | \$17.52 PER MONTH |
| | \$35.81 PER QTR | \$49.59 PER QTR | \$52.55 PER QTR |
| TOTAL LEVY INCREASE (\$) | \$ 662,975.19 | \$ 914,176.36 | \$ 1,025,530.41 |
| TOTAL LEVY INCREASE (%) | 2.7554% | 3.6975% | 3.999982% |

WHERE DO LOCAL REVENUES COME FROM (FY22)?



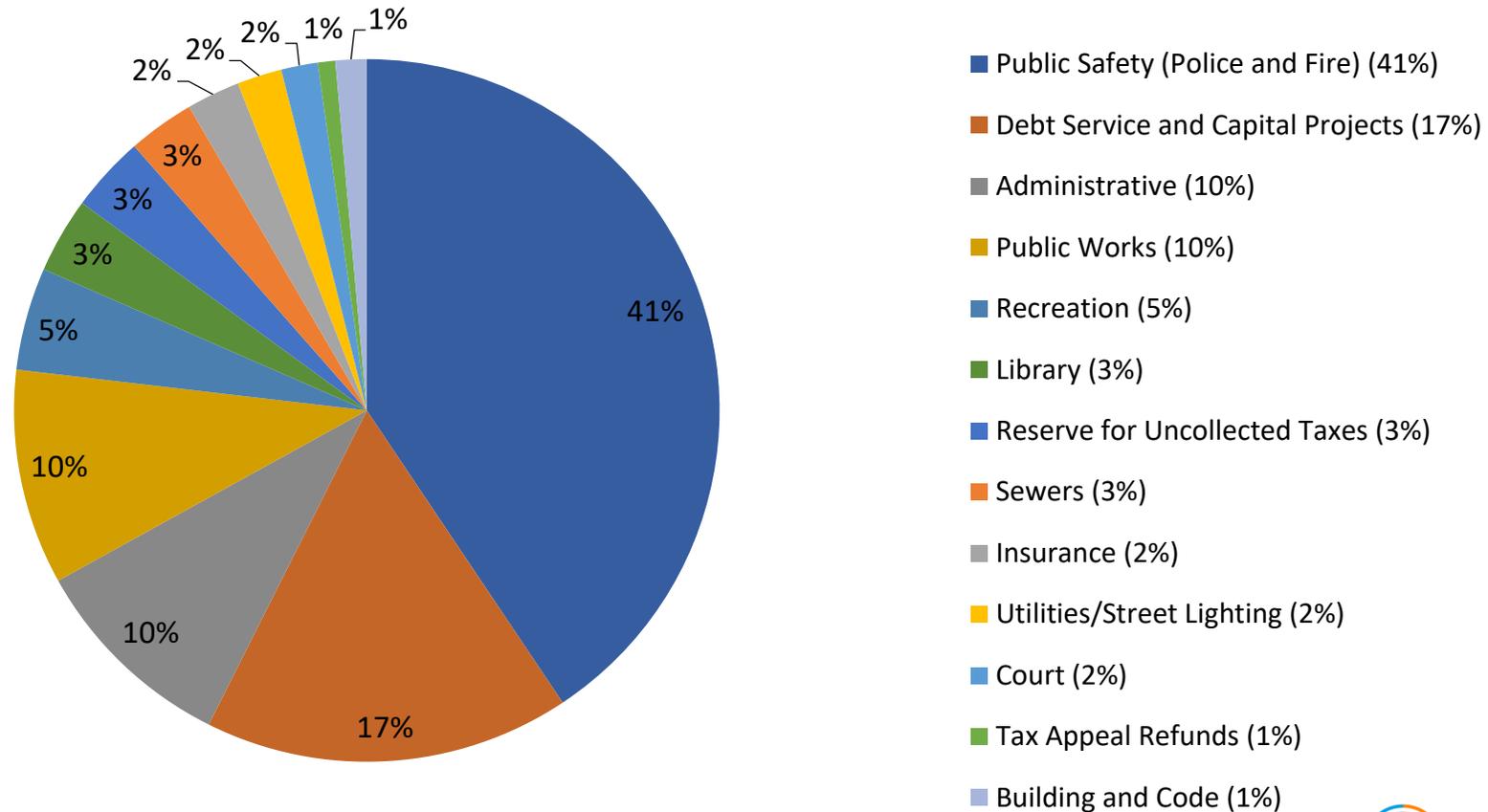
WHERE DO LOCAL REVENUES COME FROM (FY22)?

| ANTICIPATED REVENUE | | | | | |
|--------------------------------------|--------------------|--------------------|--------------------|-------------------|-----------------------|
| <u>ACCOUNT</u> | <u>2020 BUDGET</u> | <u>2021 BUDGET</u> | <u>2022 BUDGET</u> | <u>DIFFERENCE</u> | <u>DIFFERENCE (%)</u> |
| SURPLUS ANTICIPATED | \$ 1,577,000.00 | \$ 1,830,000.00 | \$ 2,500,000.00 | \$ 670,000.00 | 36.61% |
| FINES AND COSTS - COURT | \$ 362,500.00 | \$ 600,000.00 | \$ 416,000.00 | \$ (184,000.00) | -30.67% |
| INTEREST AND COSTS ON TAXES | \$ 240,000.00 | \$ 255,000.00 | \$ 280,000.00 | \$ 25,000.00 | 9.80% |
| INTEREST ON INVESTMENTS AND DEPOSITS | \$ 62,500.00 | \$ 50,000.00 | \$ - | \$ (50,000.00) | -100.00% |
| RECREATION FEES | \$ 106,618.00 | \$ 660,000.00 | \$ 740,000.00 | \$ 80,000.00 | 12.12% |
| PILOT | \$ 2,280,000.00 | \$ 2,600,000.00 | \$ 2,690,000.00 | \$ 90,000.00 | 3.46% |
| UNIFORM CONSTRUCTION FEES | \$ 480,000.00 | \$ 800,000.00 | \$ 950,000.00 | \$ 150,000.00 | 18.75% |
| STATE & FEDERAL GRANTS | \$ 48,039.80 | \$ 313,330.73 | \$ 99,017.43 | \$ (214,313.30) | -68.40% |
| GEN. CAPITAL FUND SURPLUS PY | \$ 123,959.62 | \$ 122,715.81 | \$ 196,201.78 | \$ 73,485.97 | 59.88% |
| JOINT MEETING REFUND OF SURPLUS | \$ 177,000.00 | \$ 100,000.00 | \$ 58,000.00 | \$ (42,000.00) | -42.00% |
| ARPA FUNDS | | | \$ 873,511.42 | \$ 873,511.42 | 0.00% |
| RECEIPTS FROM DELINQUENT TAXES | \$ 860,000.00 | \$ 900,000.00 | \$ 750,000.00 | \$ (150,000.00) | -16.67% |

GREEN = CHANGE >= \$25,000 OR 2 %

RED = CHANGE <= -\$25,000 OR -2%

HOW DO WE SPEND YOUR MONEY (FY22)?



HOW DO WE SPEND YOUR MONEY (FY22)?

| APPROPRIATIONS | | | | | |
|--------------------------------|-----------------|-----------------|-----------------|-----------------|----------------|
| ACCOUNT | 2020 BUDGET | 2021 BUDGET | 2022 BUDGET | DIFFERENCE (\$) | DIFFERENCE (%) |
| ADMINISTRATION & EXECUTIVE S&W | \$ 236,000.00 | \$ 280,200.00 | \$ 452,900.00 | \$ 172,700.00 | 61.63% |
| BOARDS AND COMMITTEES | \$ 205,840.00 | \$ 217,745.20 | \$ 261,400.00 | \$ 43,654.80 | 20.05% |
| ENGINEERING S&W | \$ 210,000.00 | \$ 207,400.00 | \$ 118,500.00 | \$ (88,900.00) | -42.86% |
| ENGINEERING O/E | \$ 33,550.00 | \$ 33,200.00 | \$ 105,100.00 | \$ 71,900.00 | 216.57% |
| PLANNING BOARD O/E | \$ 16,300.00 | \$ 16,300.00 | \$ 21,300.00 | \$ 5,000.00 | 30.67% |
| CODE ENFORCEMENT S&W | \$ 377,140.00 | \$ 454,100.00 | \$ 553,800.00 | \$ 99,700.00 | 21.96% |
| FIRE S&W | \$ 3,833,900.00 | \$ 3,979,400.00 | \$ 4,114,100.00 | \$ 134,700.00 | 3.38% |
| FIRE O/E | \$ 168,125.00 | \$ 235,650.00 | \$ 307,750.00 | \$ 72,100.00 | 30.60% |
| POLICE S&W | \$ 6,486,610.00 | \$ 6,173,600.00 | \$ 6,459,500.00 | \$ 285,900.00 | 4.63% |
| POLICE O/E | \$ 466,050.00 | \$ 698,050.00 | \$ 828,050.00 | \$ 130,000.00 | 18.62% |
| PUBLIC WORKS S&W | \$ 2,048,985.00 | \$ 1,831,175.00 | \$ 1,898,600.00 | \$ 67,425.00 | 3.68% |
| PUBLIC WORKS O/E | \$ 919,800.00 | \$ 1,187,400.00 | \$ 1,261,900.00 | \$ 74,500.00 | 6.27% |
| RECREATION S&W | \$ 460,791.25 | \$ 838,000.00 | \$ 1,068,200.00 | \$ 230,200.00 | 27.47% |
| RECREATION O/E | \$ 368,300.00 | \$ 530,350.00 | \$ 594,350.00 | \$ 64,000.00 | 12.07% |

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HOW DO WE SPEND YOUR MONEY (FY22)?

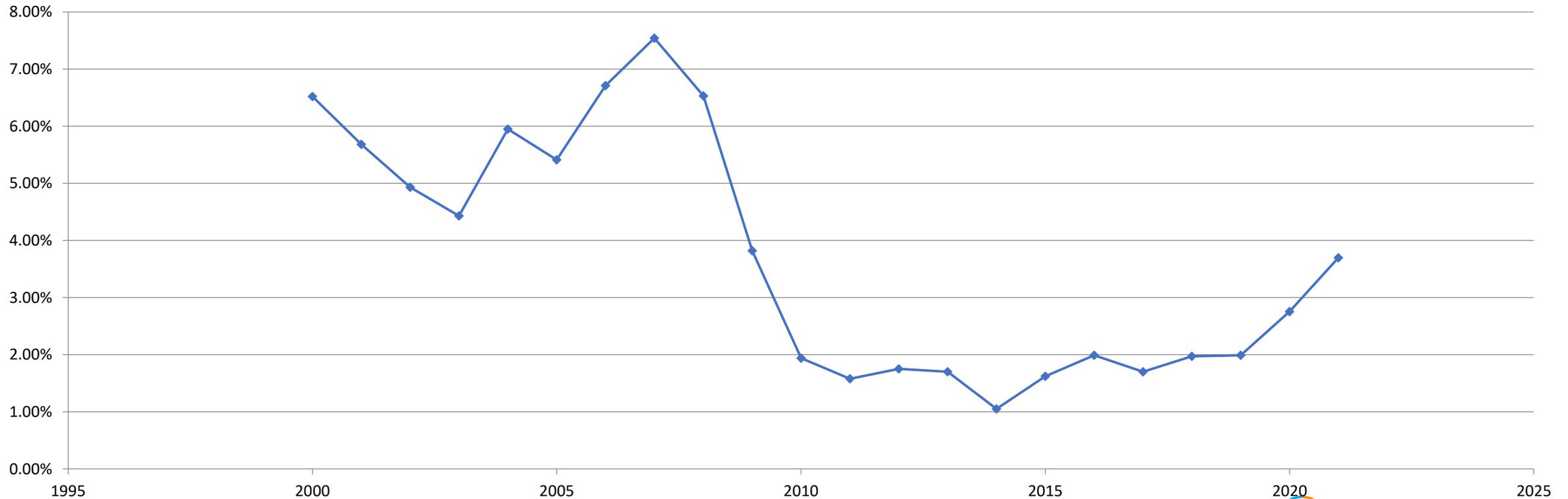
| APPROPRIATIONS | | | | | |
|-------------------------------|--------------------|--------------------|--------------------|------------------------|-----------------------|
| <u>ACCOUNT</u> | <u>2020 BUDGET</u> | <u>2021 BUDGET</u> | <u>2022 BUDGET</u> | <u>DIFFERENCE (\$)</u> | <u>DIFFERENCE (%)</u> |
| STREET LIGHTING | \$ 530,000.00 | \$ 530,000.00 | \$ 650,000.00 | \$ 120,000.00 | 22.64% |
| SOCIAL SECURITY | \$ 598,000.00 | \$ 618,700.00 | \$ 660,900.00 | \$ 42,200.00 | 6.82% |
| PERS (PENSION) | \$ 675,639.00 | \$ 771,365.00 | \$ 740,572.00 | \$ (30,793.00) | -3.99% |
| PFRS (PENSION) | \$ 2,599,692.00 | \$ 2,693,066.00 | \$ 2,888,512.00 | \$ 195,446.00 | 7.26% |
| JOINT TRUNK SEWER MAINTENANCE | \$ 1,200,023.00 | \$ 1,222,573.00 | \$ 1,313,922.00 | \$ 91,349.00 | 7.47% |
| STATE & FEDERAL GRANTS | \$ 54,664.80 | \$ 313,330.73 | \$ 99,017.43 | \$ (214,313.30) | -68.40% |
| BOND PRINCIPAL | \$ 3,430,000.00 | \$ 3,560,000.00 | \$ 4,265,000.00 | \$ 705,000.00 | 19.80% |
| NOTE PRINCIPAL | \$ 581,000.00 | \$ 125,000.00 | \$ 392,000.00 | \$ 267,000.00 | 213.60% |
| BOND INTEREST | \$ 1,040,000.00 | \$ 1,933,000.00 | \$ 1,408,000.00 | \$ (525,000.00) | -27.16% |
| NOTE INTEREST | \$ 397,000.00 | \$ 136,000.00 | \$ 203,000.00 | \$ 67,000.00 | 49.26% |
| EMERGENCY | \$ - | \$ - | \$ 250,000.00 | \$ 250,000.00 | 0.00% |

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ANNUAL MUNICIPAL TAX LEVY INCREASES

2000 - 2010 (Avg. 5.41%) vs. 2011 - 2022 (Avg. 2.15%)



2022 CAPITAL BUDGET HIGHLIGHTS

Total 2022 Capital Request: \$ 2,998,770.81

- Roads, Curb and Sidewalks: Sherman Place, Redmond Road, Harding Drive, Mayhew Court, Longview Road, Laurel Place, Connett Place, Stone Hill Road, West Montrose Avenue, West End Road
- Intermediate Pool Decking and Filter - \$175,000
- New Fiber Cable Installation - \$140,000
- Street Striping - \$200,000
- Sewer Jet Truck – \$275,000

FUTURE BUDGETS

- Reducing dependency on Surplus Balance as Revenue / Increase Surplus Balance
- Regional Shared Service (South Essex Fire Department)
- 5Y Outlook on Development Projects/ PILOTS: 4th & Valley, Vose and Taylor, 270 Irvington Avenue, Sloan Street & 3rd and Valley Street & Lackawanna Pl
- Increased Debt Service Cost