

# HARDYSTON TOWNSHIP 2024 Municipal Budget

**Presented at**  
**Budget Public Hearing**  
**April 24, 2024**





# Budget Highlights

- Total budget - \$12,732,366.93
- Total appropriations increase from 2023 - \$231,828.77
- Percentage Increase to Appropriations – 1.85%



# Budget Highlights

## Tax Levy Increase 2023-2024

LOCAL TAX LEVY AND ASSESSED VALUES				
	BUDGET YEAR	PRIOR YEAR	CHANGE	%
Local Purpose Tax Levy (only)	7,969,028	7,768,710	200,318	2.6%
Local Tax Rate (adjusted for reassessment)	0.466	.452	.014	3%
Assessed Valuation	1,710,674,000	1,086,596,600	624,077,500	57.43%



# Budget Highlights

## Tax Levy Increase

- Allowable tax levy increase = \$237,291.47
- Actual tax levy increase = \$200,3128
- Unused Cap Bank Availability for Future Years:
  - 2022 \$254,820
  - 2023 \$319,336
  - 2024 \$36,974
  - TOTAL \$610,130



# Budget Highlights

- Of the approximately \$7,189.25 that the average home in Hardyston Township paid in real estate taxes in 2023, \$1,685.75 (24%) was attributable to municipal services. The balance is by law collected by the municipal government and distributed to either the local school, regional school or the County of Sussex.
- The municipal tax for the average home in 2024 will be \$1,686.27 , an increase of \$.52



# Budget Highlights

	Property 1 (Average Home Value)	Property 2	Property 3	Property 4
A. 2023 Assessment	\$ 236,100.00	\$ 298,600.00	\$ 296,800.00	\$ 213,200.00
B. 2024 Assessment	\$ 361,861.00	\$ 391,100.00	\$ 493,700.00	\$ 336,400.00
C. Reassessment Ratio (= B/A)	1.533	1.310	1.663	1.578
D. 2023 Tax Rate	0.714%	0.714%	0.714%	0.714%
E. Estimated Adjusted Tax Rate	0.452%	0.452%	0.452%	0.452%
F. 2023 Tax (= A x D)	\$ 1,685.75	\$ 2,132.00	\$ 2,119.15	\$ 1,522.25
G. Estimated Adjusted Tax w/ No Change (= B x E)	\$ 1,635.61	\$ 1,767.77	\$ 2,231.52	\$ 1,520.53
H. Estimated Adjusted Tax Difference (= G - F)	\$ (50.14)	\$ (364.23)	\$ 112.37	\$ (1.72)
I. 2024 Proposed Tax Rate	0.466%	0.466%	0.466%	0.466%
J. Proposed Tax (= B x I)	\$ 1,686.27	\$ 1,822.53	\$ 2,300.64	\$ 1,567.62
K. Proposed Tax Difference (= J - F)	\$ 0.52	\$ (309.48)	\$ 181.49	\$ 45.38



# General Revenues

## PROJECTED REVENUE CHANGES

- Total revenue (excluding property tax revenue and surplus utilization) decreased by \$90,488.77 (3%)
  
- 2024 Revenue Changes –
  - Reductions
    - Uniform Construction Code - \$88,000, -32.6%
    - Interest & Cost on Taxes - \$9,106, -11.24%
    - Receipts for delinquent taxes - \$40,000, -9%
  
  - Increases
    - Uniform Fire Safety - \$9,739, 16.5%
    - Uniform Fire Safety (Local) - \$5,000, 10.75%
    - Interest on Investments – \$329,000, 463%
    - Alcohol Beverage Licenses –\$810, 15.3%
    - Abandoned & Vacant Property Fees –\$30,000, 27%
    - Municipal Court - \$59,565, 6%



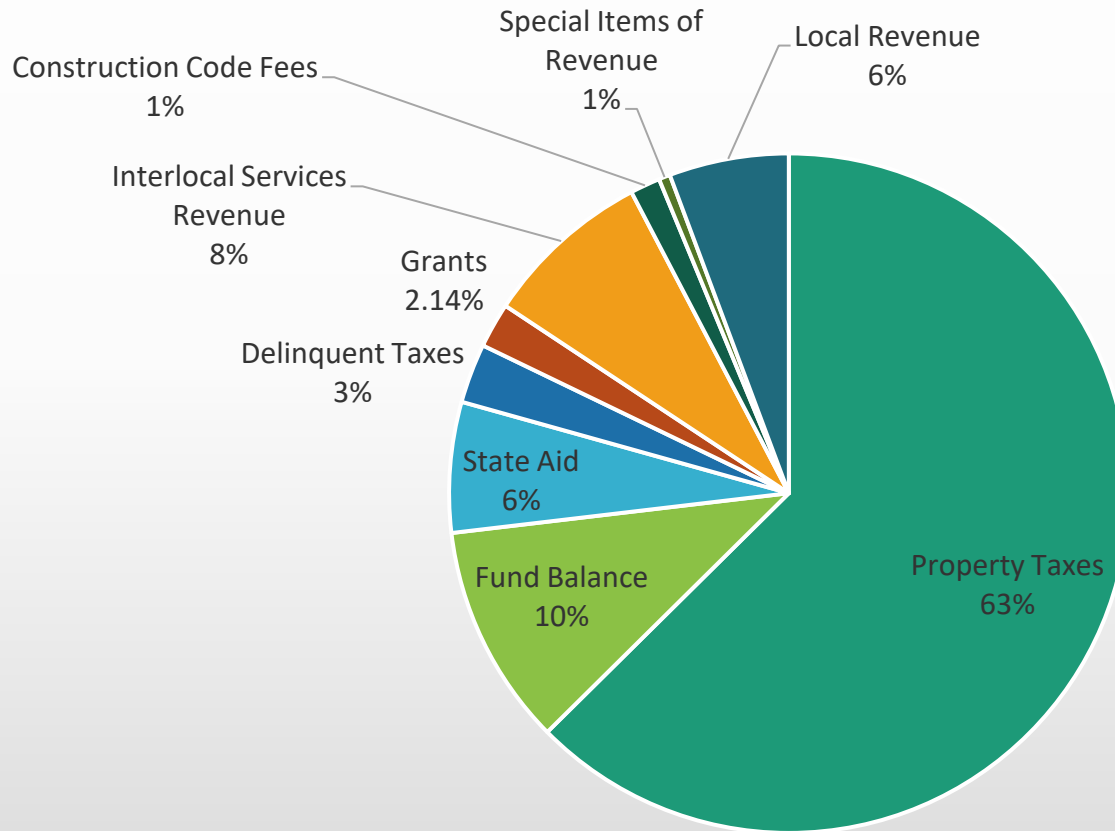


# Revenue Comparison 2023-2024

<u>Item of Revenue</u>	<u>2024</u>	<u>2023</u>	<u>\$ Change</u>
Property Taxes	\$ 7,969,028	\$ 7,768,710	\$ 200,318
Fund Balance	\$ 1,342,000	\$ 1,220,000	\$ 122,000
State Aid	\$ 790,168	\$ 754,636	\$ 35,532
Delinquent Taxes	\$ 359,794	\$ 400,000	\$ (40,206)
Grants	\$ 272,369	\$ 180,788	\$ 91,581
Interlocal Services Revenue	\$ 1,022,901	\$ 1,028,395	\$ (5,494)
Construction Code Fees	\$ 182,000	\$ 270,000	\$ (88,000)
Special Items of Revenue	\$ 68,875	\$ 466,611	\$ (397,736)
Local Revenue	\$ 725,231	\$ 382,398	\$ 342,833



# General Revenues



# APPROPRIATIONS

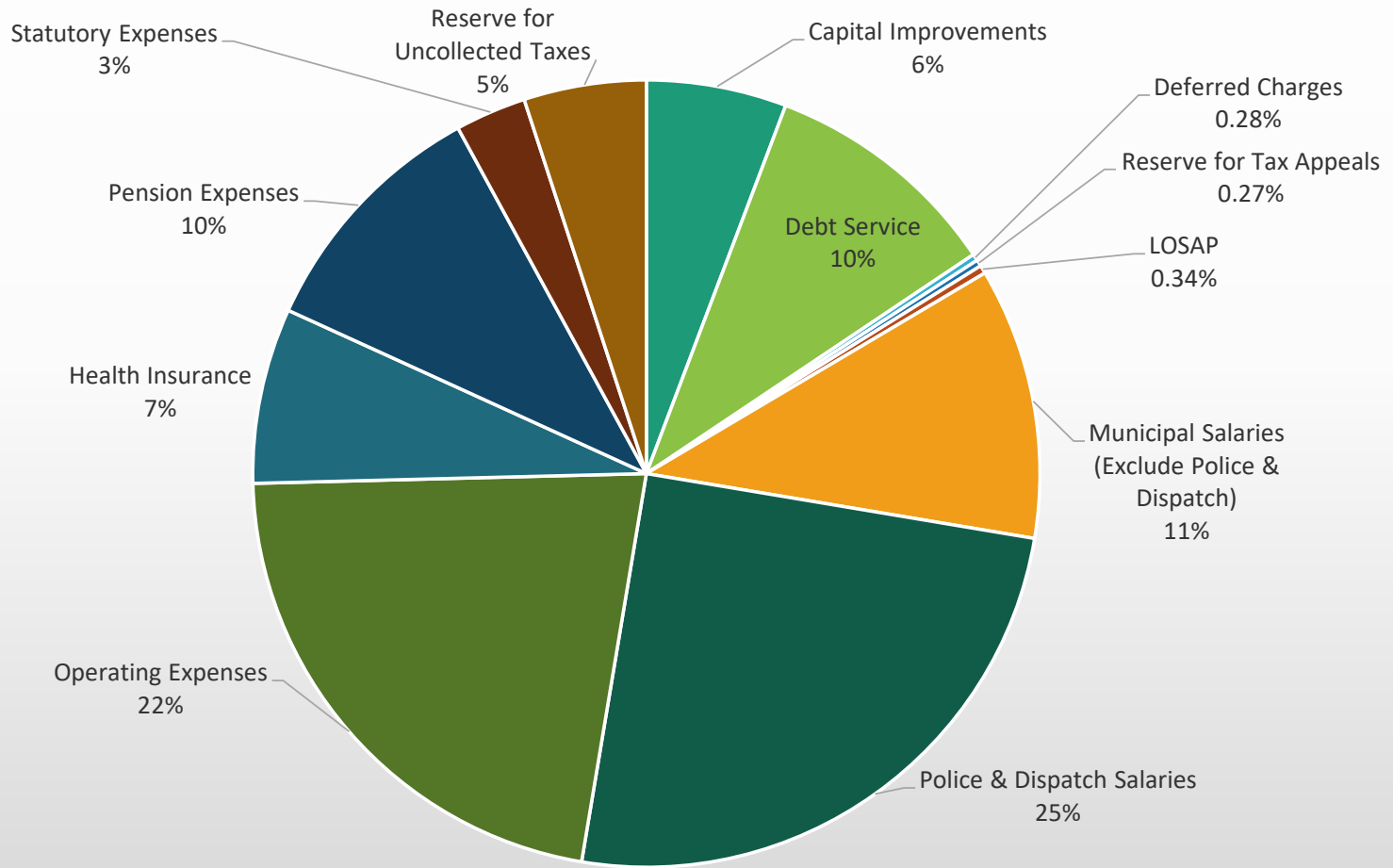
- The proposed 2024 budget includes an increase in appropriations inside of CAP (excluding capital, debt service and reserve for uncollected taxes) of \$528,565.68 or 6%.
- \$179,068.49 less than the maximum permitted under the appropriations cap.
- The net change to salaries and wages is an increase of \$222,128.28.
- Operations have a proposed net increase of \$247,018.40
- The maximum appropriation increase allowed is \$809,251.27.
- The total increase to budget appropriations is \$239,598.44 or 2%.



# Appropriations Comparison 2023-2024

	2024	2023	\$ Change	% Change
<b>Appropriations - Excluded from CAPS</b>				
Capital Improvements	\$ 377,192.00	\$ 648,674.00	\$ (271,482.00)	-72%
Debt Service	\$ 1,117,860.16	\$ 1,108,996.58	\$ 8,863.58	1%
Deferred Charges	\$ 82,824.37	\$ 31,029.90	\$ 51,794.47	63%
Reserve for Tax Appeals	\$ 30,000.00	\$ 30,000.00	\$ -	0%
LOSAP	\$ 38,000.00	\$ 38,000.00	\$ -	0%
Reserve for Uncollected Taxes	\$ 425,000.00	\$ 566,000.00	\$ (141,000.00)	-33%
Grants - Offsetting Appropriations	\$ 272,369.31	\$ 209,788.01	\$ 62,581.30	23%
Shared Services - Offsetting Appropriations	\$ 1,022,901.20	\$ 1,028,395.46	\$ (5,494.26)	-1%
Subtotal	\$ 3,366,147.04	\$ 2,422,700.48	\$ (210,823.95)	-6.26%
<b>Appropriations - Within CAPS</b>				
Municipal Salaries (Exclude Police & Dispatch)	\$ 1,257,642.11	\$ 1,255,892.30	\$ 1,749.81	0.14%
Police & Dispatch Salaries	\$ 3,035,498.42	\$ 2,815,119.95	\$ 220,378.47	7%
Operating Expenses	\$ 2,739,920.96	\$ 2,474,403.92	\$ 265,517.04	9.69%
Health Insurance	\$ 790,819.40	\$ 811,318.04	\$ (20,498.64)	-3%
Pension Expenses	\$ 1,192,339.00	\$ 1,154,170.00	\$ 38,169.00	3%
Statutory Expenses	\$ 350,000.00	\$ 328,750.00	\$ 21,250.00	6%
Subtotal	\$ 9,366,219.89	\$ 8,839,654.21	\$ 526,565.68	5.62%
<b>Total</b>	<b>\$ 12,732,366.93</b>	<b>\$ 11,262,354.69</b>	<b>\$ 315,741.73</b>	<b>2.48%</b>

# APPROPRIATIONS



# CAPITAL BUDGET

- Capital Improvement Projects & Equipment - \$352,192
  - Public Works – Mason Dump, Freightliner Chassis
  - Fire Department – turnout gear, pass alarms, SCBA, rescue suit, saws, hose, EV fire blankets
  - Computers – work stations & switch upgrades
  - Police – Radio upgrades
- \$25,000 to fund capital improvement for future improvements
- \$24,535 for additional emergency service capital items funded by ARP funds.
- Road resurfacing – funded by 2018 bond ordinance and \$142,524 NJDOT grant for Holland Mountain Road (Phase 1)



# DEBT SERVICE

- Total outstanding debt - \$7,462,138
- Annual Payment - \$1,117,860
- Percentage of debt to Township value presently is .43%
- Percentage of debt allowed is 3.5%, which would equate to \$59,873,593.50



# DEBT SERVICE

- The Township continues to retain its Aa2 bond rating.
- The Township's current debt is secured by permanent financing.
- Township converted outstanding notes and remaining amount authorized by 2018 bond ordinance to permanent bonds in August 2023 with payoff scheduled in 2033
- Debt service payments will see a modest reduction over the next several years.



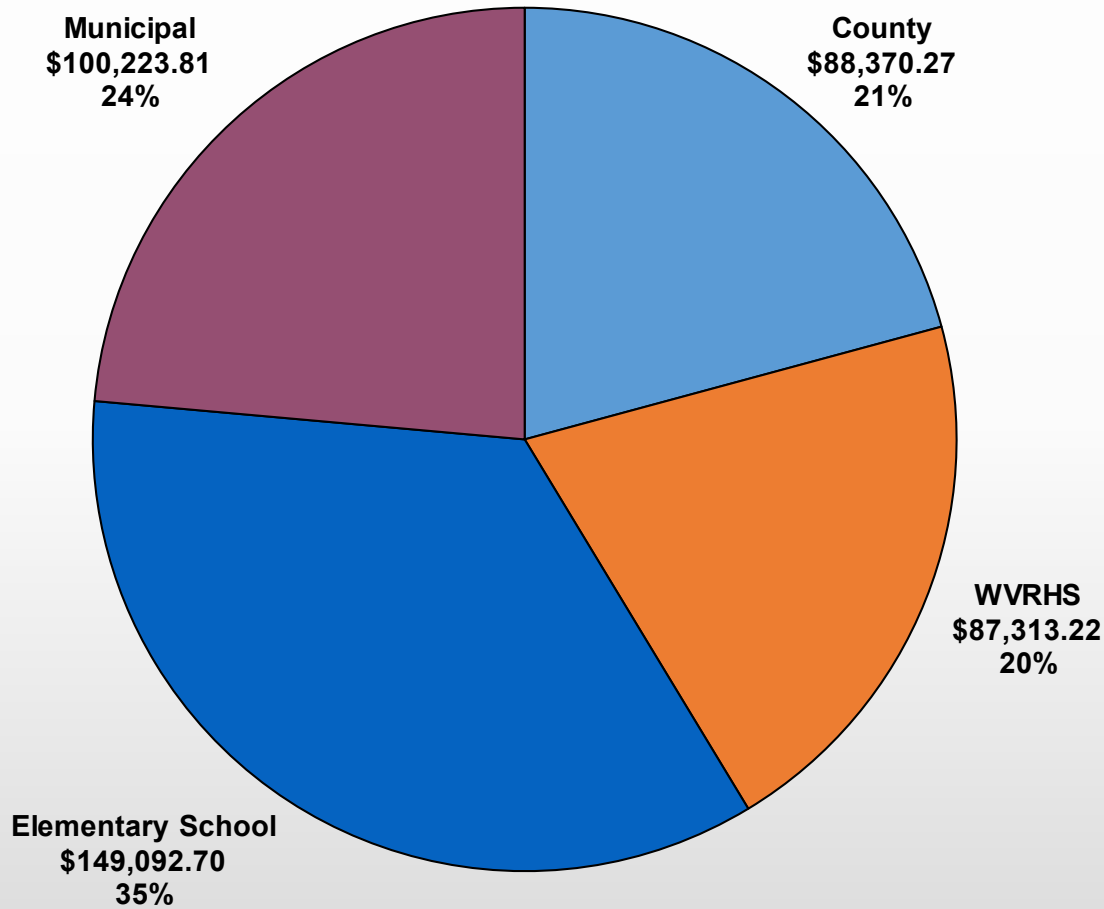


# Reserve for Uncollected Taxes

- Total appropriation - \$425,000
- Represents the amount required to be budgeted to account for under collection of the municipal, county, and school taxes.
- 2023 tax collection rate was 98.96%
- Collection Rate used for 2024 budget is 98.74%



# Reserve for Uncollected Taxes

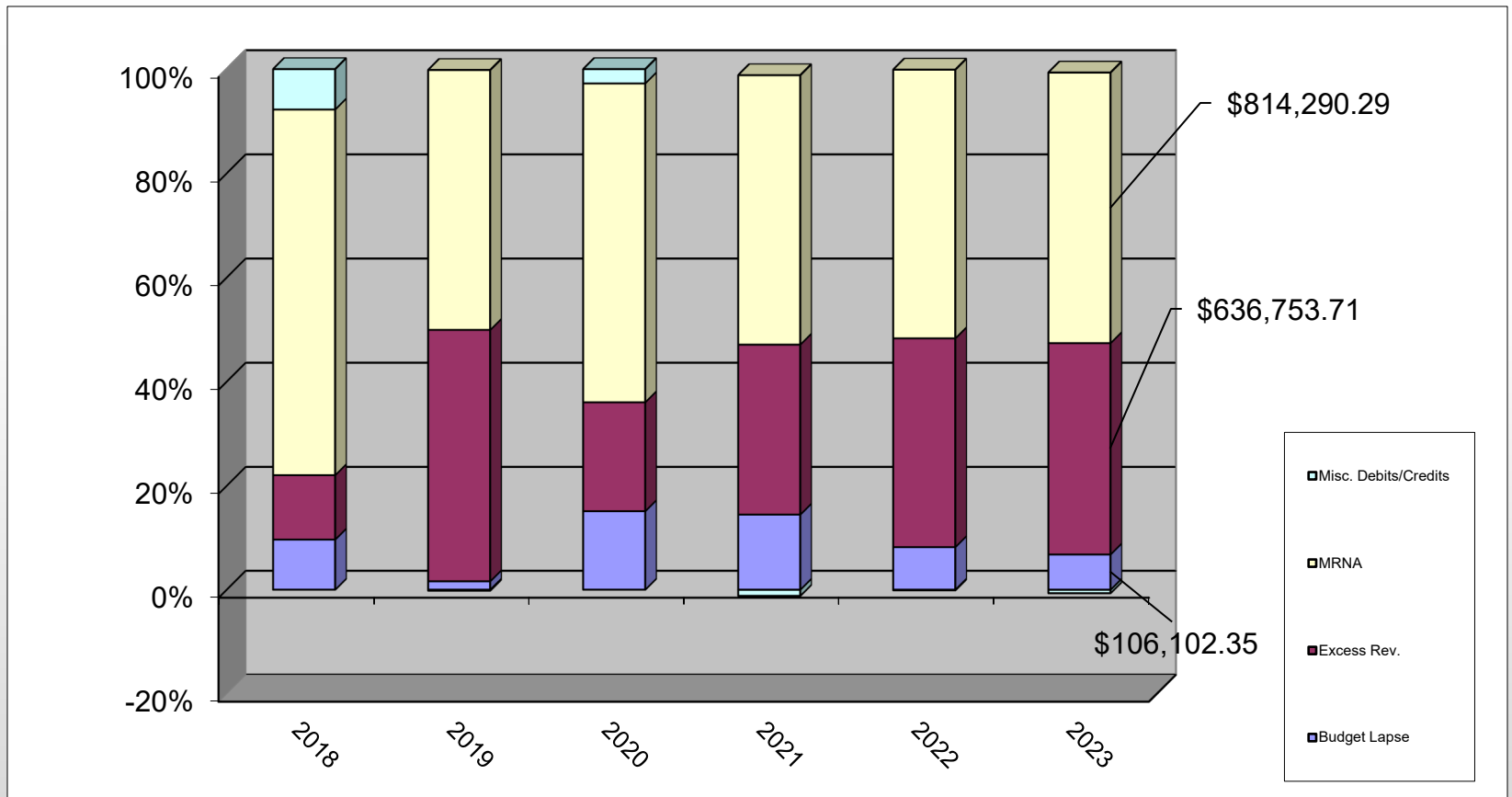


# Use of Fund Balance

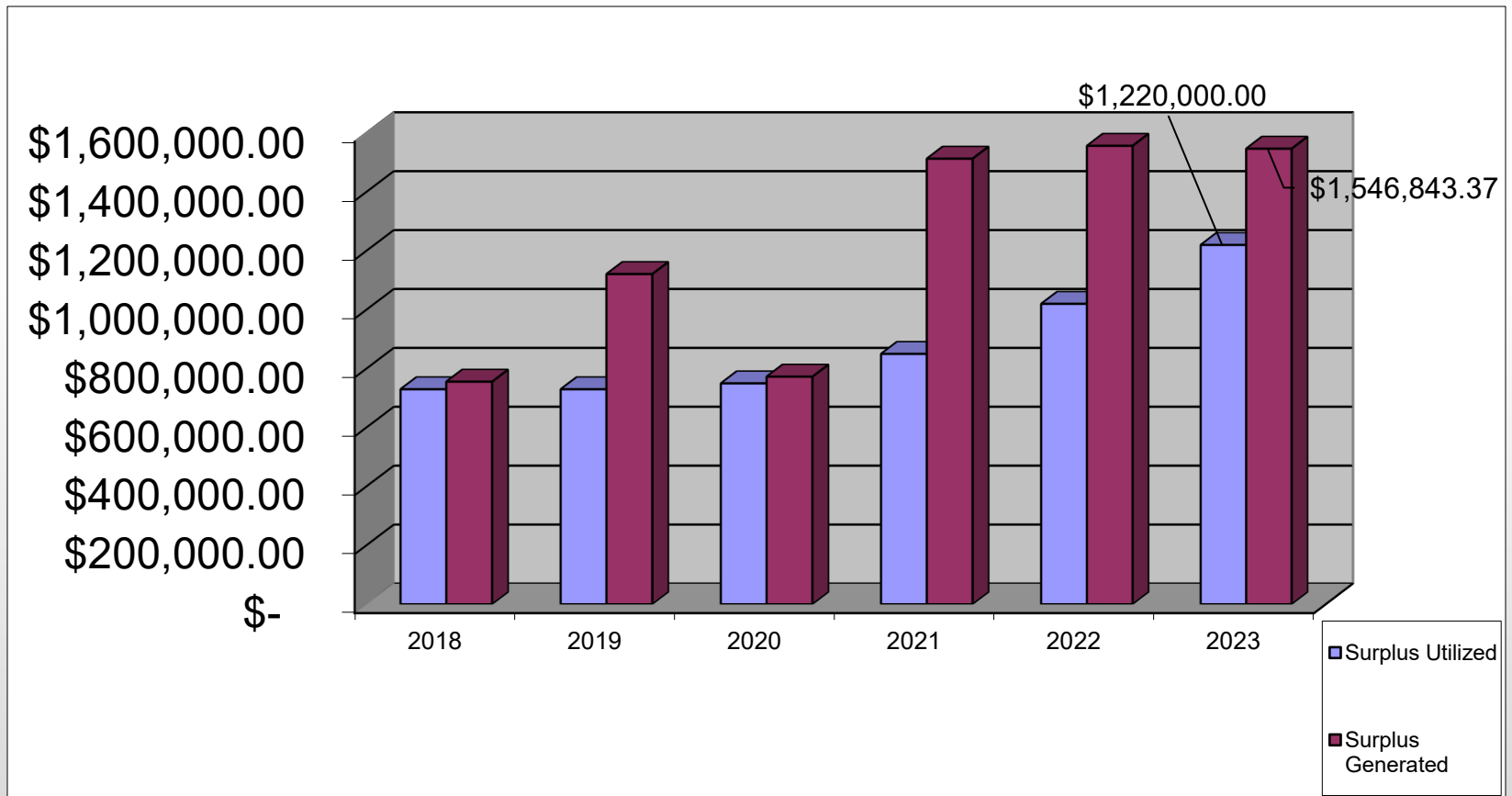
- 2024 budget proposes to increase surplus utilization by \$122,000 to \$1,342,000
- Continued policy of balancing surplus utilization against regeneration
- In the 2024 budget we utilized \$1,220,000 and regenerated \$1,546,843.37. Adding \$326,843.37 to fund balance.
- As of December 31, 2023 the Township's fund balance totaled \$3,656,472.20
- Best practices relative to surplus utilization recommend that you use only 40-50% of the Township's fund balance as anticipated revenue. In addition, typically you should not increase surplus utilization by more than 50% of the prior year's increase to fund balance
- The 3 prior years saw a regeneration of surplus at a rate equal to surplus utilization.



# How fund balance is Generated



# Historic Change in fund balance

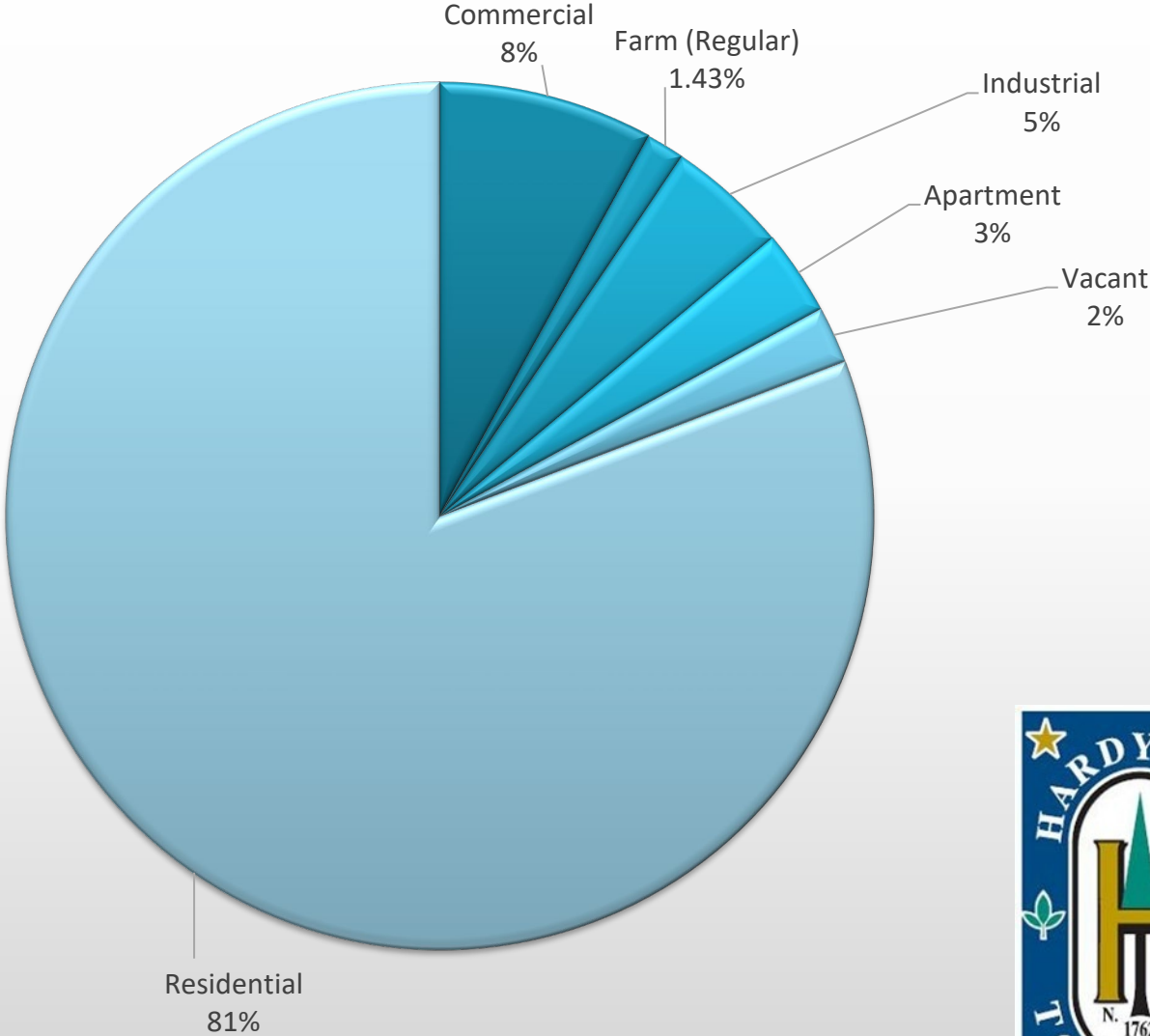


# CHANGES IN TAX RATABLE BASE

- Township completed as township wide reassessment in 2023 for the 2024 tax year.
- The total property valuation increased by \$624,077,500 (57%).
- The change in valuation has an impact in how the property tax rate is calculated. Using the new valuation number, the 2023 adjusted tax rate would be .452 per \$100 of assessed value.
- The impact of the new assessment will vary for each property owner depending on the individual reassessment ratio (2024 assessment/2023 assessment). As such even without a change in the levy there are owners who would realize an increase, a decrease or remain neutral



# 2024 Net Taxable Value



# Conclusions

- The proposed budget includes a 2.9% increase in the tax levy.
- The impact on the average assessed valued home is \$0.
- Overall general appropriations including operations and salaries & wages increased by 2%
- The budget is comprehensive in nature and addresses a number important fiscal policies, priorities regarding service to the residents and present and future capital planning needs.

