

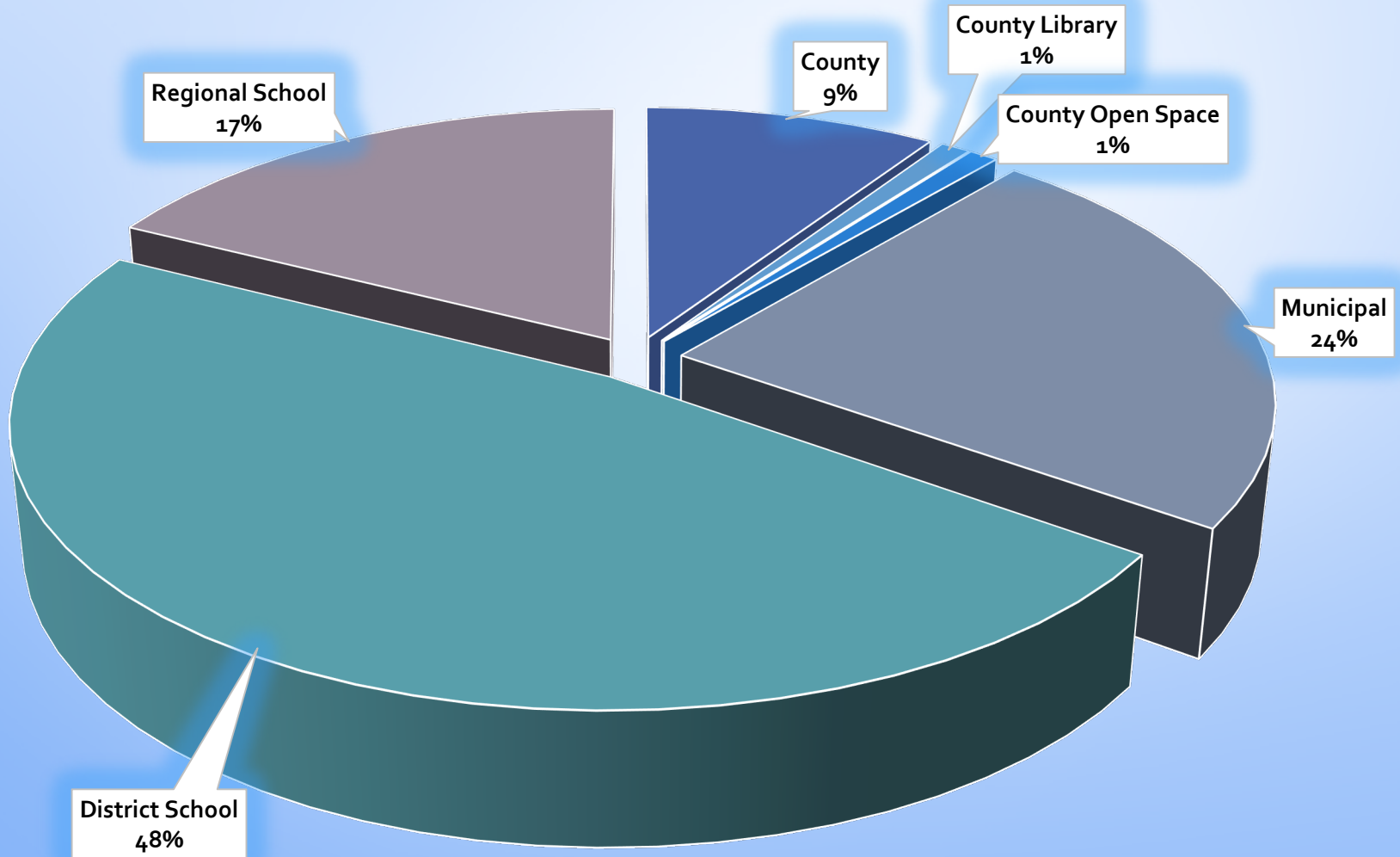


HIGH BRIDGE BOROUGH

2025 Budget Presentation

April 24, 2025

% of Property Tax Bill



Budget Process

- ❖ Budget Refresher
- ❖ Budget Requests
- ❖ Assessor Valuation
- ❖ Finance Committee Meetings
- ❖ Budget Introduction
- ❖ Advertisement
- ❖ Budget Hearing
- ❖ Budget Adoption



2025 Budget Cost Drivers

Increase to 2025 Budget (excluding grants): **\$ 183,741**

Main Cost Drivers (increases):

Debt Expense *\$81,600*

Police Salaries *\$68,521*

Police Pension *\$30,970*

TOTAL **\$181,091**

2025 Budget Snapshot



Borough Value

\$ 493,154,500

↑ **1.24%** Greater
Than 2024



Average Assessed Home Value

\$ 339,452

↑ **1.38%** Greater
Than 2024

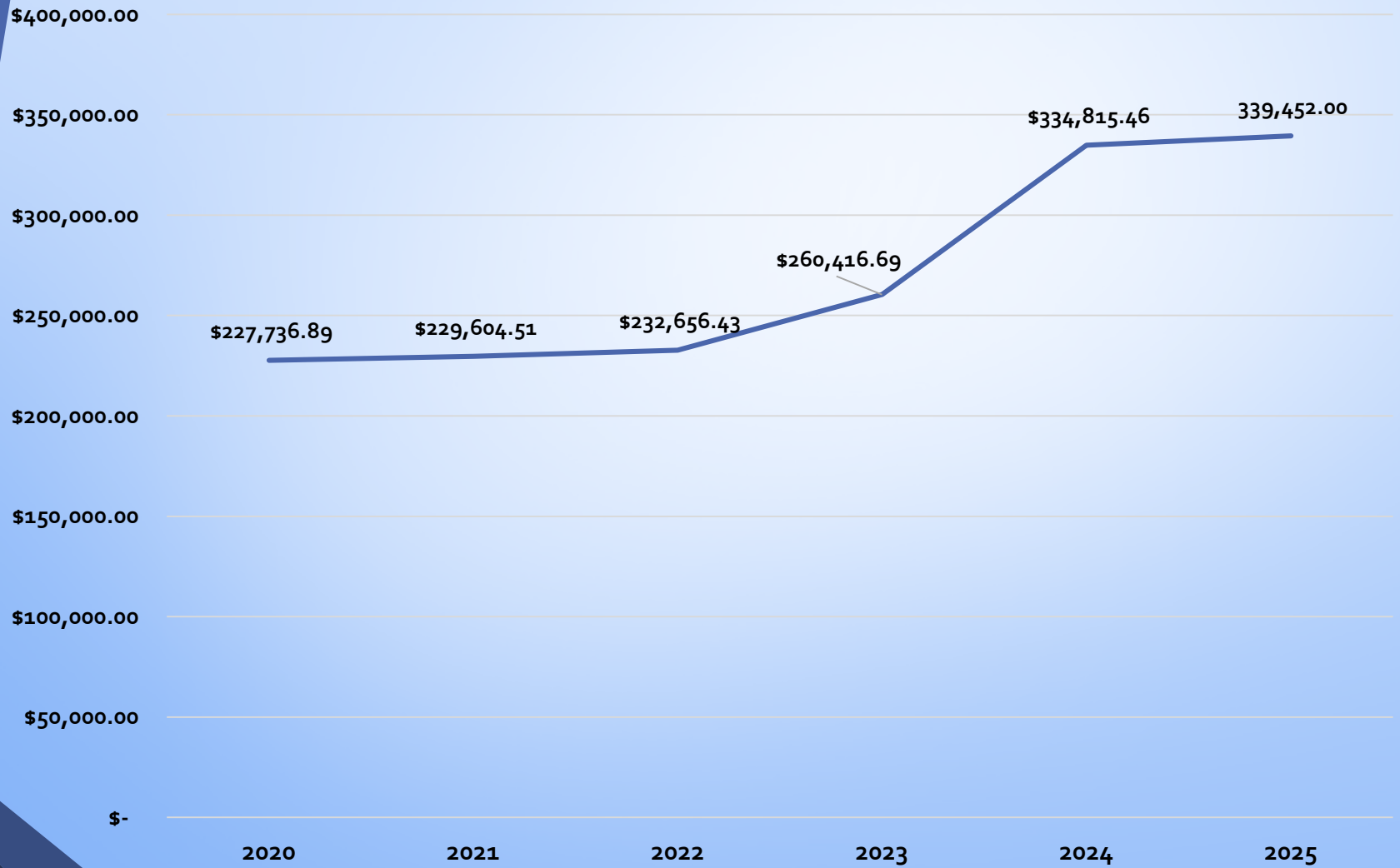


Property Tax Rate

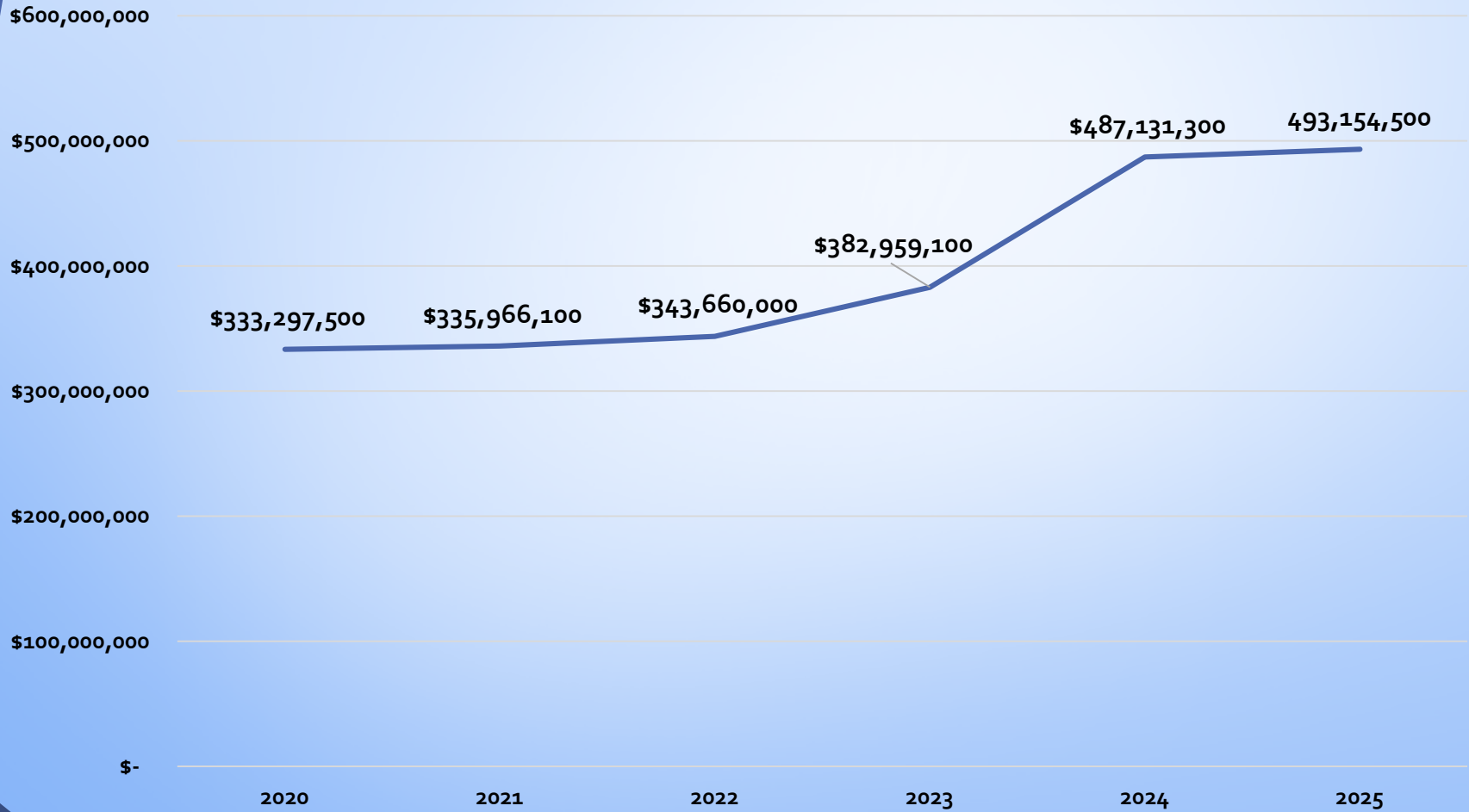
\$0.777

↑ **0.92%** Greater
Than 2024

AVERAGE ASSESSED HOME



BOROUGH ASSESSED VALUE



Property Tax Rate Information

2025

- ❖ Est. Municipal Tax Rate = 0.777
- ❖ \$0.007 rate increase over prior year
- ❖ \$59.71 **ANNUAL** Increase for the average assessed home (AAH)
- ❖ \$4.98 **MONTHLY** Increase on AAH
- ❖ Municipal Tax on \$339,452 residence: \$2,637.88

2024



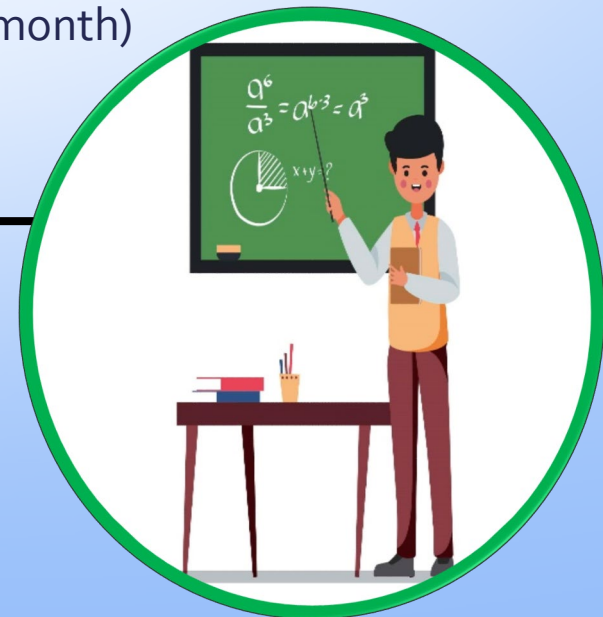
- ❖ Municipal Tax Rate = 0.770
- ❖ \$0.169 rate decrease over prior year
- ❖ \$132.85 **ANNUAL** Increase for the average assessed home (AAH)
- ❖ \$11.07 **MONTHLY** Increase on AAH
- ❖ Municipal Tax on \$334,815.46 residence: \$2,578.17

2025 Property Tax Calculation 101

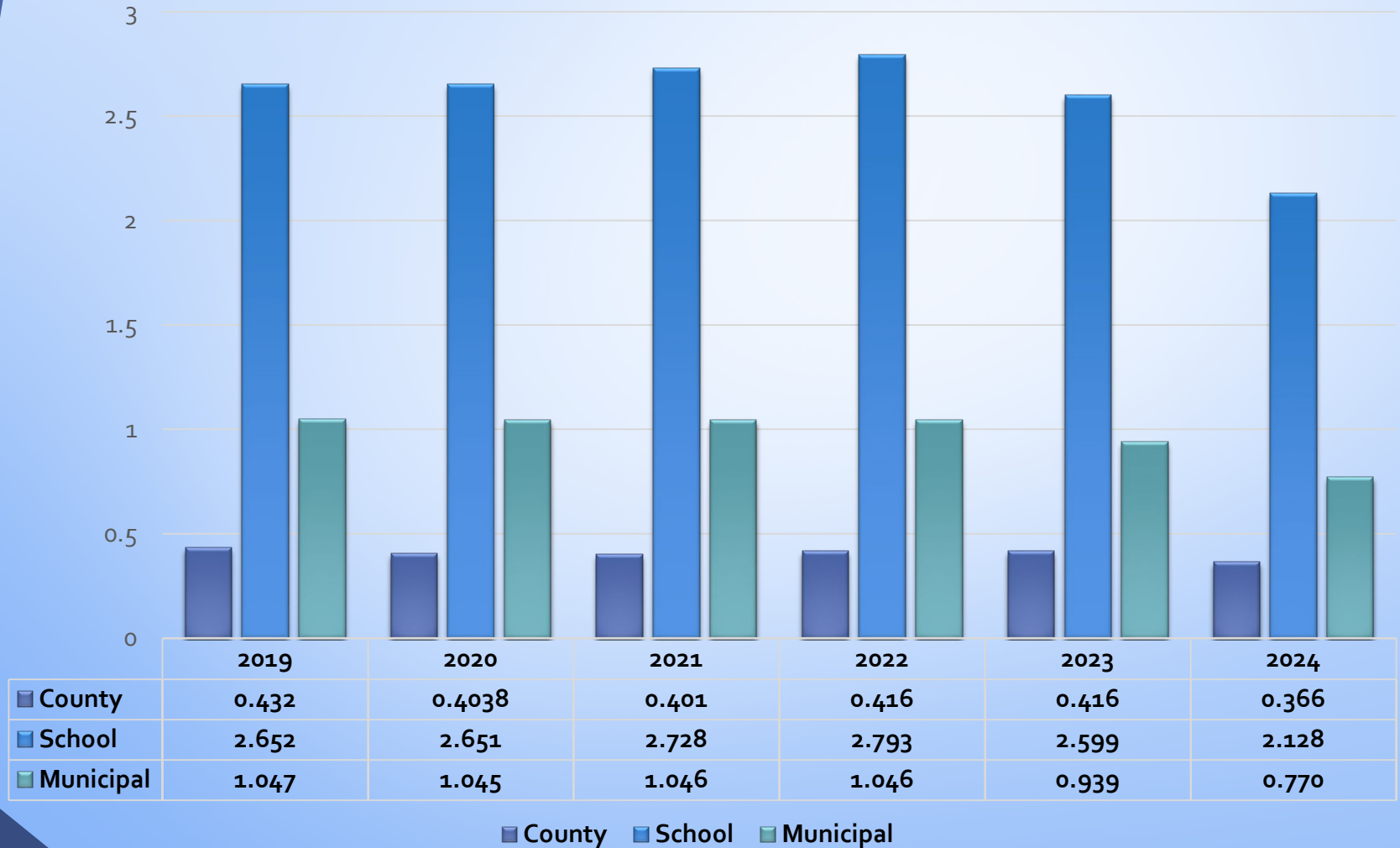
❖ $(\text{Tax Levy} / \text{Town Assessment}) \times 100 = \text{Tax Rate}$
 $(\$ 3,832,296 / \$493,154,500) \times 100 = \$\mathbf{0.777}$

❖ 2025 Municipal Tax on Avg. Assessed Home:
 $(\$339,452 \times .777) / 100 = \$2,637.88$ (\$219.82 per month)

Approximately 23.75% of your property tax bill



Property Tax Rates



2025 Budget Introduction

Overview

- Total 2025 Current Fund Budget Appropriations
\$7,026,663
 - Amount to be raised by Taxes
\$3,832,296

Year Over Year Comparison

2025

Amount to be Raised by
Property Taxes

\$3,832,296

2024

Amount to be Raised by
Property Taxes

\$ 3,751,039

2% Tax Levy Cap

- ❖ The tax levy cap law imposes a 2% cap on the total increase of local government tax levies, subject to certain exclusions. These exclusions to the 2% tax levy cap allow a municipality to increase the tax levy over 2% due to these exclusions.
- ❖ The exclusions include increase in debt service and capital expenditures; weather and other declared emergencies; pension contributions in excess of two percent, and health benefit cost increases in excess of 2 percent.
- ❖ In short, if any of the aforementioned exemptions causes our tax levy to increase over 2 percent, we still comply with the 2% tax levy cap law. Now, in order to increase the tax levy over 2%, when not related to these exemptions, we would need a referendum.

2.5% Appropriations Cap

❖ When we talk about the 2.5% cap (also referred to as the 3.5% cap), we are referring to the appropriation cap. Appropriation is a fancy word for expenses. There are two types of appropriations:

❖ Inside the CAP:

- Salary & Wages
- Operating expenses (stationary, equipment, professional services, advertising, audit, training, uniforms, pensions, health insurance, employer taxes, etc...)

❖ Outside the CAP:

- Debt service
- Capital expenditures
- Reserve for uncollected
- Emergency appropriations
- Grant appropriations
- Library funding
- Shared Service Expenses
- Judgements

2.5% Appropriations Cap

- ❖ The 2.5% cap relates only to “inside the cap” appropriations. The law limits the increase in inside the cap appropriations from year to year to 2.5% or the state’s cost of living adjustment (COLA), whichever is lower. This year the state’s COLA is 2.5 %. The state also allows a municipality, by ordinance, to increase the COLA percentage to **3.5%**.

2.5% Appropriations Cap

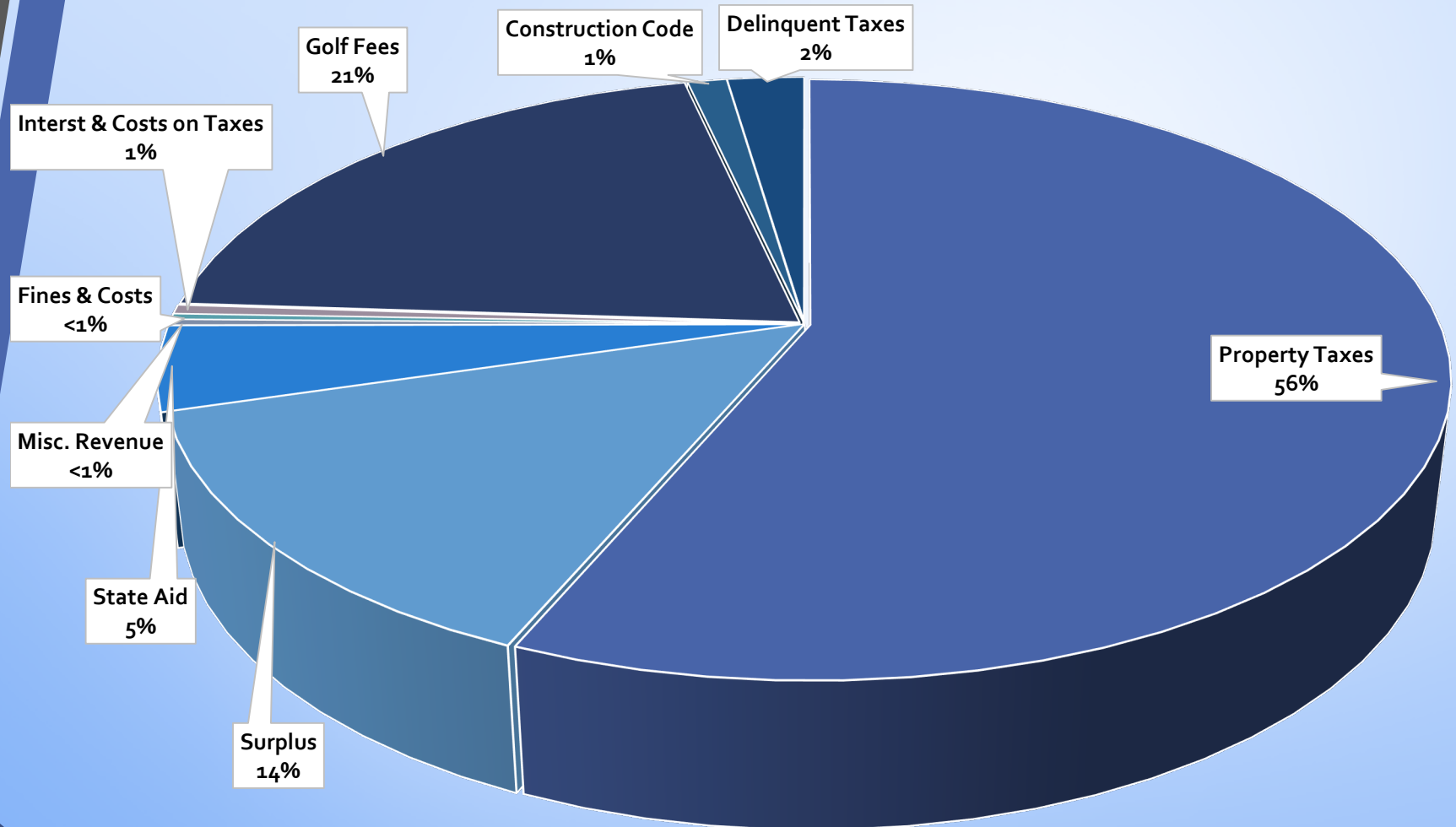
- ❖ The 3.5% ordinance, it does not indicate that the tax rate will increase by 3.5%. People often get this confused. It only means that if truly needed, we would be able to increase our inside the cap appropriations to 3.5% of prior year's inside the cap appropriations. Again, doing so does not automatically mean the tax rate will increase to 3.5% either. Remember, there are many variables in the tax rate equation that can offset the increase in inside the cap appropriations.
- ❖ Finally, if a 3.5% cap ordinance is passed and do not raise our inside the cap appropriations by 3.5%, the state allows us to bank (carry-over), for up to two years, the difference between its final appropriation subject to the cap and 3.5%. This ordinance is a tool we have in our budgeting arsenal, which allows us flexibility in the event of an unforeseen financial incident.

Current Fund 2025 Revenue Sources

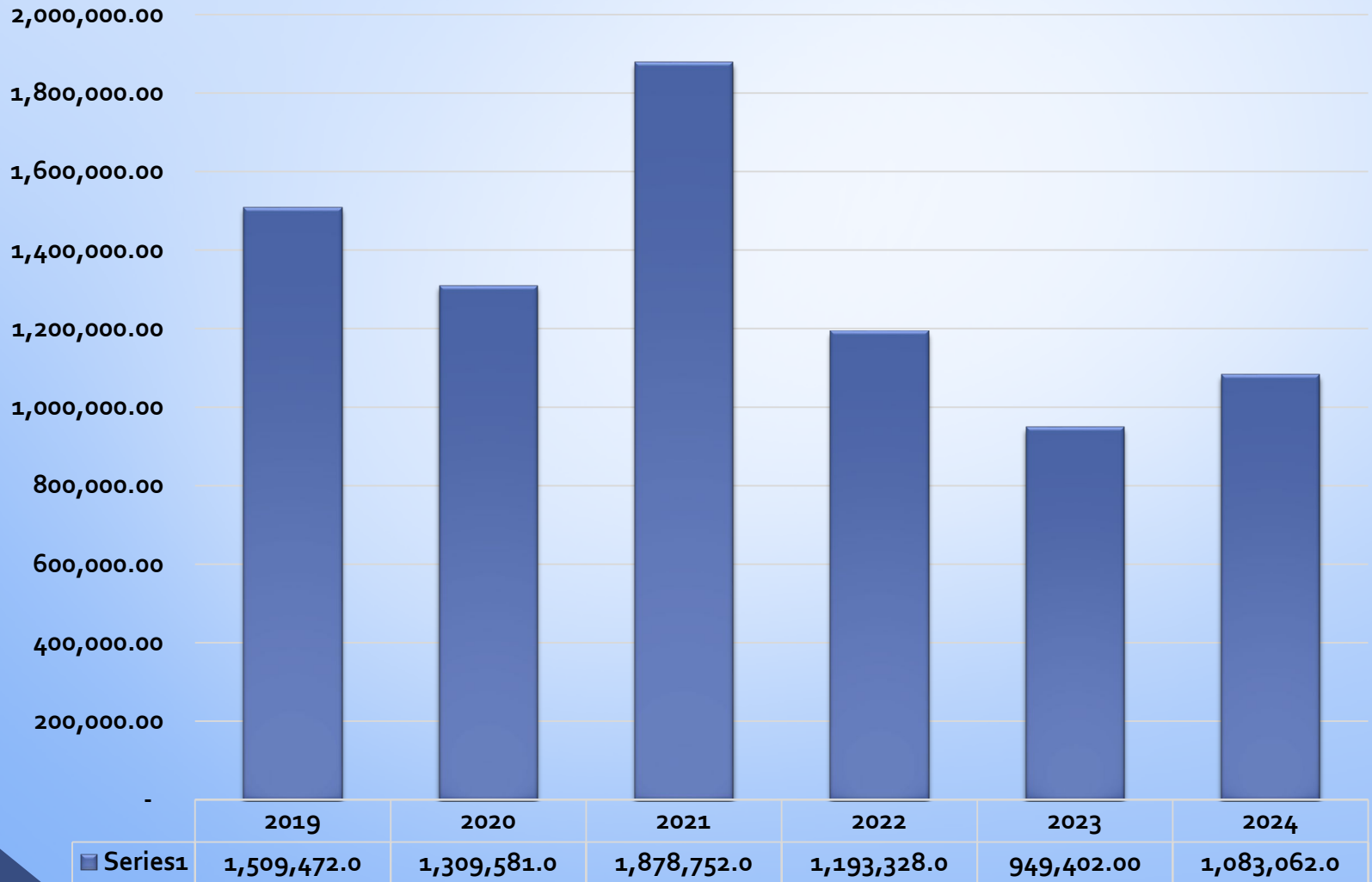
REVENUE	2025	2024
Property Taxes	\$ 3,832,296	\$ 3,751,039
Golf Revenue	\$ 1,390,000	\$ 1,310,000
Surplus	\$ 950,000	\$ 900,000
State Aid	\$ 311,314	\$ 320,067
Grants	\$ 231,721	\$ 5,566,070
Delinquent Taxes	\$ 157,000	\$ 157,000
Code Fees	\$ 78,537	\$ 75,000
Interest & Costs on Taxes	\$ 33,000	\$ 50,000
Fines and Costs	\$ 21,000	\$26,700



2025 Revenue Sources



Surplus Balance



Grants

- ❖ NJ DOT – Buffalo Hollow Rd, Hickory Cir., Woodglen Dr. Improvements- \$183,384
- ❖ Statewide Grant - \$12,349
- ❖ Highlands Grant: \$11,272
- ❖ Stormwater Grant: \$10,000
- ❖ Safe Passage Grant: \$9,940
- ❖ Recycling Tonnage Grant: \$1,866
- ❖ SIF Risk Control Grant: \$1,842
- ❖ Body Armor Grants: \$1,104



2025 Budget Cost Drivers

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Main Cost Drivers (increases):

Debt Expense *\$81,600*

Police Salaries *\$68,521*

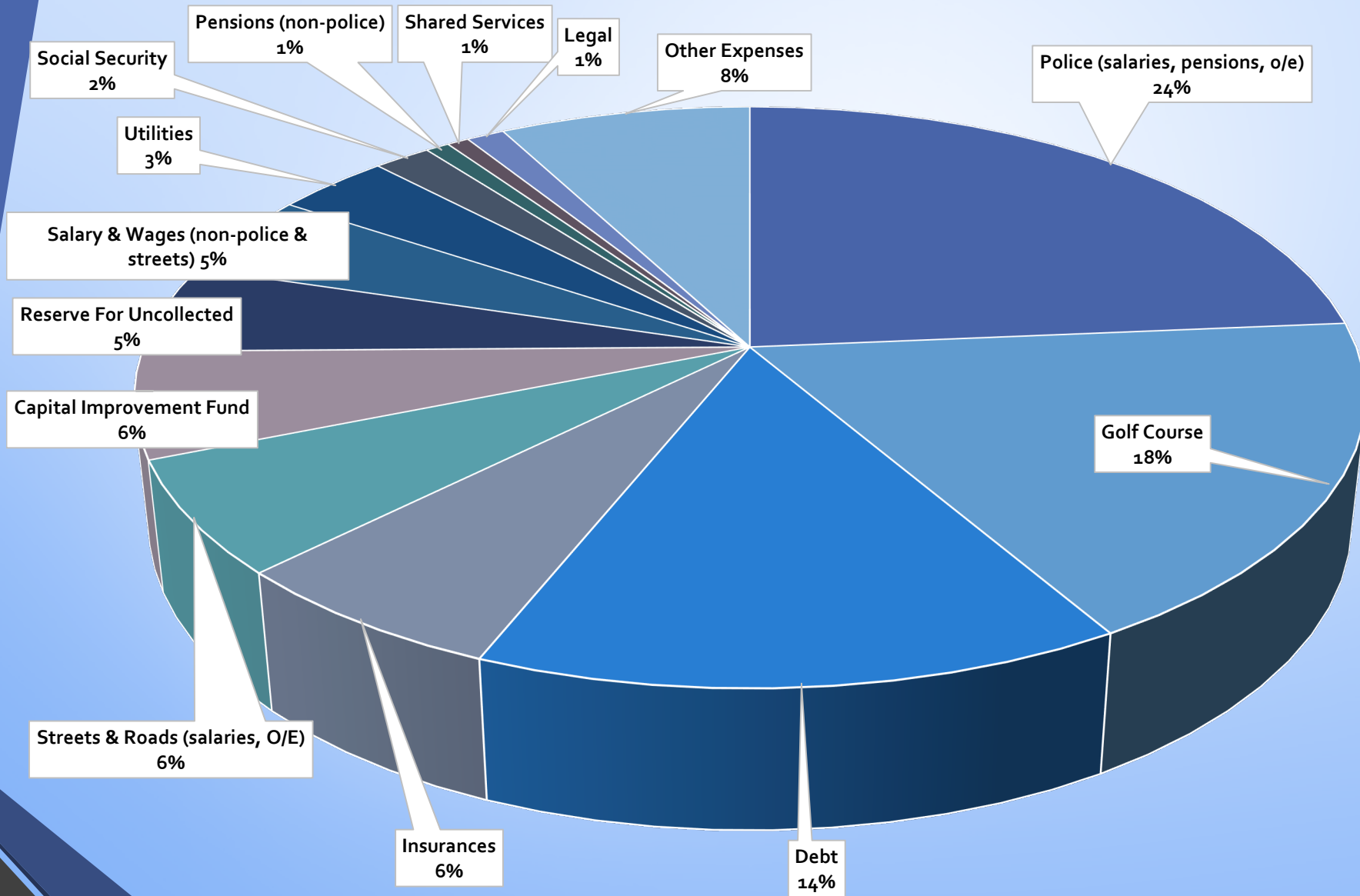
Police Pension *\$30,970*

TOTAL **\$181,091**

- ❖ Police (salaries, pensions, O/E): **\$1,606,291**
- ❖ Golf Course: **\$1,218,000**
- ❖ Annual Debt Service: **\$988,000**
- ❖ Health Insurance & Liability Ins.: **\$439,750**
- ❖ Streets & Roads (salaries, O/E): **\$428,000**
- ❖ Capital Improvement Fund: **\$400,000**
- ❖ Reserve for Uncollected: **\$336,000**
- ❖ Salary / Wages (non-police & streets): **\$314,450**
- ❖ Utilities: **\$239,750**
- ❖ Social Security: **\$120,000**
- ❖ Legal: **\$80,000**
- ❖ Pensions (non-police): **\$50,000**
- ❖ Shared Services: **\$46,000**



2025 Appropriation Sources



2025 Department Appropriations

DEPARTMENTS	MAJOR DEPARTMENTAL PROGRAMS			
	2025 Budget Appropriations	2024 Budget Appropriations	Increase / Decrease \$	Increase / Decrease %
POLICE	\$ 1,272,421.26	\$ 1,203,435.00	\$ 68,986.26	5.73%
DPW / STREETS & ROADS	\$ 599,000.00	\$ 588,000.00	\$ 11,000.00	1.87%
GOLF	\$ 1,218,000.00	\$ 1,218,000.00	\$ -	0.00%
CLERK	\$ 61,700.00	\$ 60,400.00	\$ 1,300.00	2.15%
ADMINISTRATION	\$ 52,400.00	\$ 51,000.00	\$ 1,400.00	2.75%
FINANCE	\$ 62,700.00	\$ 61,700.00	\$ 1,000.00	1.62%
TAX COLLECTOR	\$ 50,550.00	\$ 49,200.00	\$ 1,350.00	2.74%
TAX ASSESSOR	\$ 57,600.00	\$ 55,400.00	\$ 2,200.00	3.97%

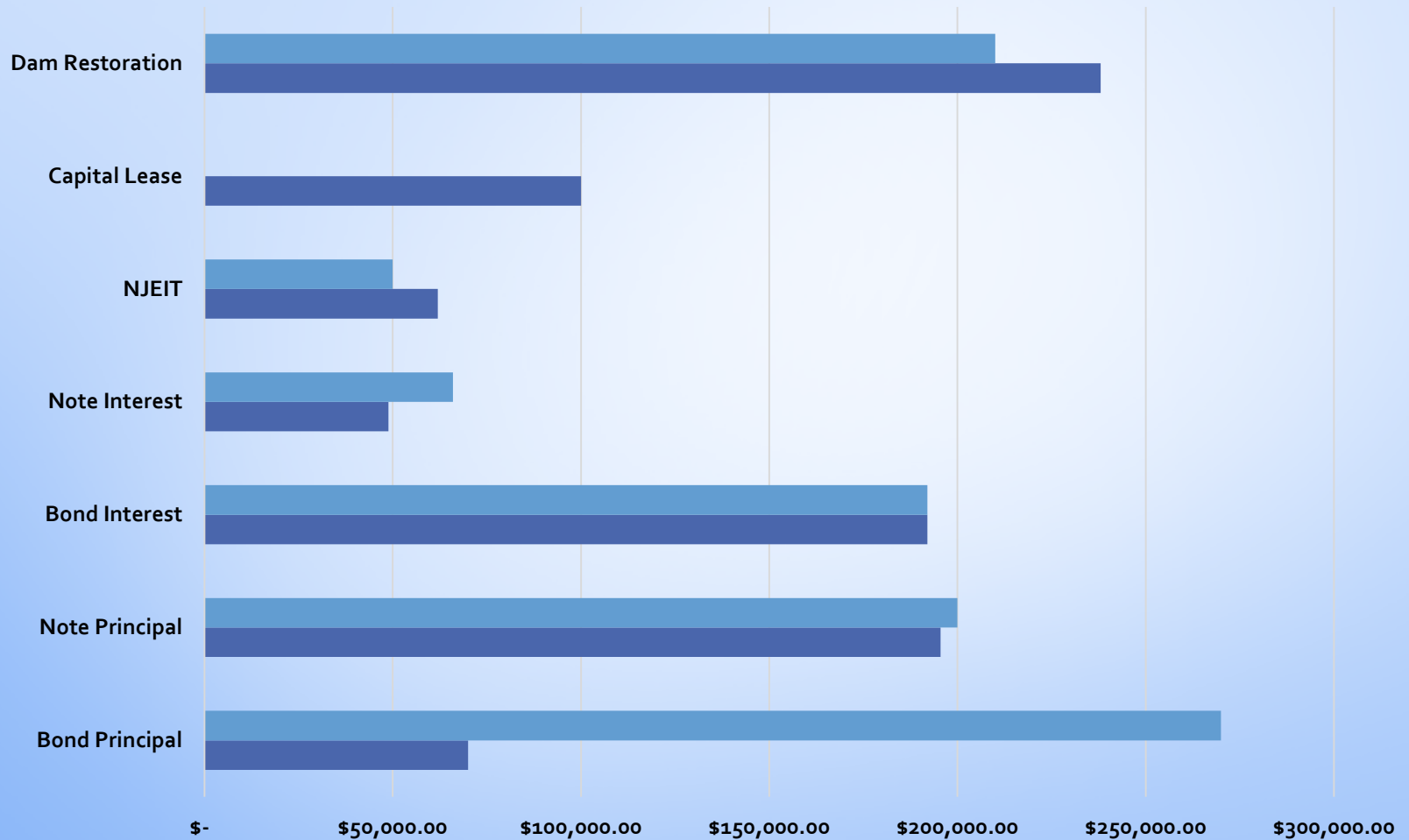
2025 Department Appropriations

DEPARTMENTS	2025 Budget Appropriations	2024 Budget Appropriations	Increase / Decrease \$	Increase / Decrease %
LEGAL	\$ 80,000.00	\$ 76,300.00	\$ 3,700.00	4.85%
RECREATION	\$ 16,000.00	\$ 16,000.00	\$ -	0.00%
PLANNING / ZONING	\$ 39,500.00	\$ 39,500.00	\$ -	0.00%
ENGINEERING	\$ 65,000.00	\$ 65,000.00	\$ -	0.00%
AID TO VOLUNTEER FIRE CO	\$ 77,000.00	\$ 77,000.00	\$ -	0.00%
CONTRIBUTION TO FIRST AID ORG	\$ 29,000.00	\$ 29,000.00	\$ -	0.00%

2025 Department Appropriations

DEPARTMENTS	MAJOR DEPARTMENTAL PROGRAMS			
	2025 Budget Appropriations	2024 Budget Appropriations	Increase / Decrease \$	Increase / Decrease %
INSURANCES				
EMPLOYEE GROUP HEALTH	\$ 314,000.00	\$ 310,000.00	\$ 4,000.00	1.29%
LIABILITY INSURANCE	\$ 55,000.00	\$ 55,000.00	\$ -	0.00%
WORKERS COMPENSATION	\$ 70,750.00	\$ 72,600.00	\$ (1,850.00)	-2.55%
SUBTOTAL INSURANCES	\$ 439,750.00	\$ 437,600.00	\$ 2,150.00	0.49%
PENSIONS				
PFRS	\$ 345,970.00	\$ 315,000.00	\$ 30,970.00	9.83%
PERS	\$ 50,000.00	\$ 34,000.00	\$ 16,000.00	47.06%
TOTAL PENSIONS	\$ 395,970.00	\$ 349,000.00	\$ 46,970.00	13.46%
CAPITAL IMPROVEMENT FUND	\$ 400,000.00	\$ 350,500.00	\$ 49,500.00	14.12%
DEBT SERVICE	\$ 988,000.00	\$ 906,400.00	\$ 81,600.00	9.00%
EMERGENCY AUTHORIZATIONS	\$ -	\$ 80,000.00	\$ (80,000.00)	-100.00%
RESERVE FOR UNCOLLECTED TAXES	\$ 336,000.00	\$ 335,941.67	\$ 58.33	0.02%

Annual Debt Payments



	Bond Principal	Note Principal	Bond Interest	Note Interest	NJEIT	Capital Lease	Dam Restoration
2025	\$270,000.00	\$200,000.00	\$192,000.00	\$66,000.00	\$50,000.00	\$-	\$210,000.00
2024	\$70,000.00	\$195,500.00	\$192,000.00	\$48,900.00	\$62,000.00	\$100,000.00	\$238,000.00

2025 2024

Debt Service Detail

Outstanding General Serial Bonds

❖ 2010 General Improvement Bonds	\$1,645,000
❖ 2010 General Improvement Bonds	\$2,445,000
	<hr/>
	\$4,090,000



Outstanding Notes

❖ Ord. 2022-37 – Nassau Rd. Paving	\$94,025
❖ Ord. 2021-033 – River Road – Phase II	\$136,800
❖ Ord. 2017-07 – Various Road Imp.	\$351,900
❖ Ord. 2018-06 – Various Road Imp.	\$172,300
❖ Ord. 2020 – 26 – Resurf. Washington Ave	\$161,000
❖ Ord. 2020-27 – Resurf. Of River Road	\$56,000
❖ Ord. 2024 -030-Various Capital items	\$886,500
❖ Ord. 2022-036-Various Improvement	\$114,584
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	\$1,973,109

Debt Service Detail

Misc.

- ❖ DEP Dam Restoration
- ❖ Infrastructure Loans

\$1,438,635

\$168,284

\$1,606,883



Debt Service Detail

STANDARD & POOR'S RATING: AA

The AA rating reflects the Borough's strong economy, adequate budgetary performance, strong budget flexibility, strong liquidity, and weak debt and contingent liability position.

FACTORS THAT COULD LEAD TO AN UPGRADE

- ❖ Material increase of the tax base and resident wealth and income
- ❖ Increase in reserves and liquidity

FACTORS THAT COULD LEAD TO A DOWNGRADE

- ❖ Material deterioration of the tax base and resident wealth and income
- ❖ Sustained declines in reserves and liquidity



Capital Budget- 2025

Fire

- ❖ Portable Radios
- ❖ Equipment
- ❖ Turnout Gear

Police Department

- ❖ Security & Infrastructure
- ❖ Ammo



Capital Budget- 2025

Golf

- Equipment
- Bunker Renovations

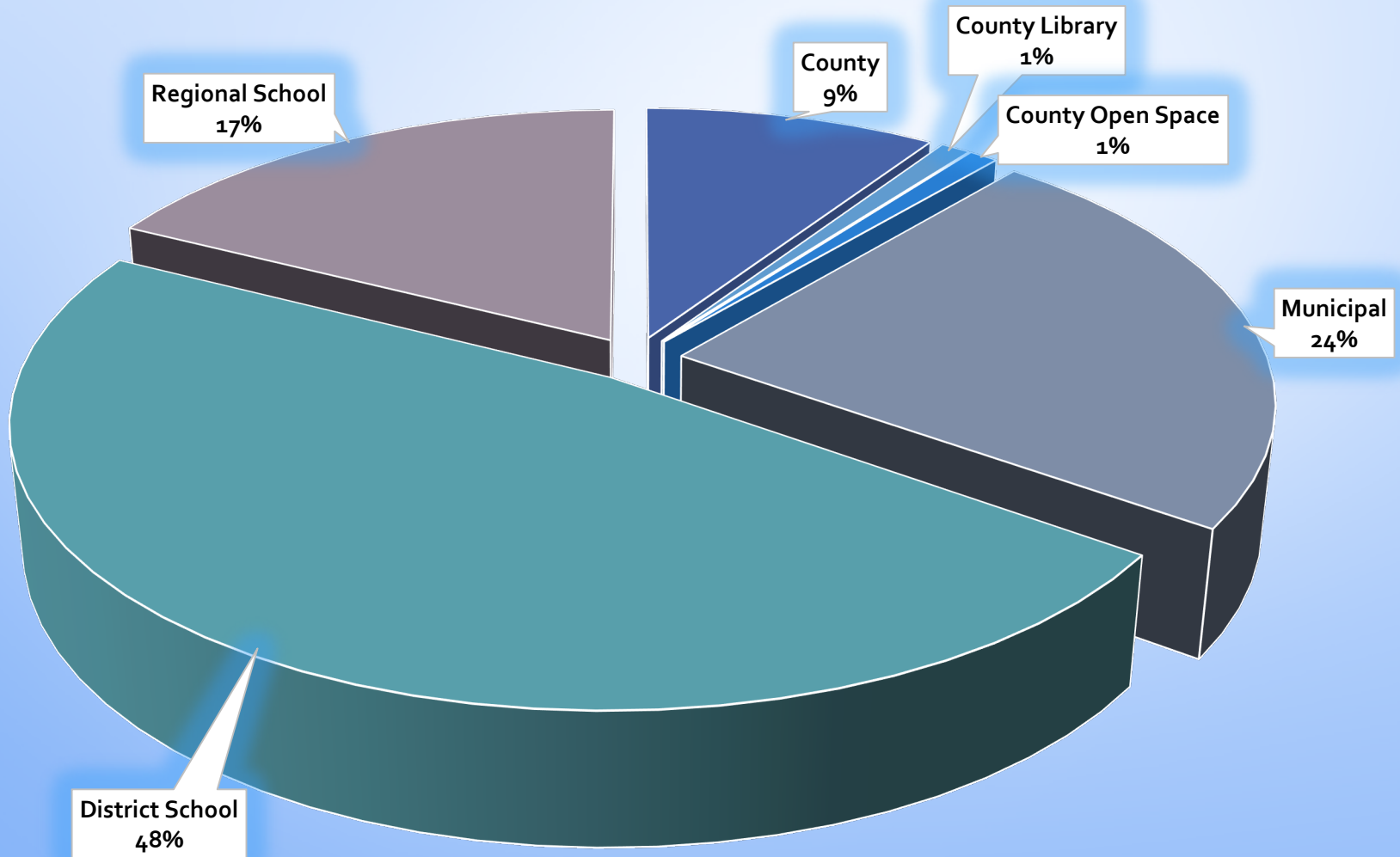


DPW

- ❖ Equipment Replacement
- ❖ Borough Wide Road Work
- ❖ Building Repairs



% of Property Tax Bill



2025 Budget Snapshot



Borough Value

\$ 493,154,500



1.24%

Greater
Than 2024



Average Assessed Home Value

\$ 339,452



1.38%

Greater
Than 2024



Property Tax Rate

\$0.777



0.92%

Greater
Than 2024

Water Utility

Revenues – Water Charges

2025	2024
\$978,000	\$946,700

Appropriations - Water Utility

2025	2024
\$978,000	\$946,700

Water Utility

Social Security	\$24,000
Pensions	35,000
Capital Improvement Fund	125,000
Debt Service	180,300
Salaries & Wages	255,440
Other Expenses	<u>358,260</u>
TOTAL	\$ 978,000



Sewer Utility

Revenues – Sewer Charges

2025	2024
\$1,330,000	\$1,316,800

Appropriations - Sewer Utility

2025	2024
\$1,330,000	\$ 1,316,800

Sewer Utility

Social Security	\$20,000
Capital Improvement Fund	119,000
Pensions	30,000
Debt Service	150,000
Salaries & Wages	161,000
Other Expenses	<u>850,000</u>
TOTAL	\$ 1,330,000



Solid Waste Utility

Revenues – Solid Waste Charges

2025	2024
\$626,500	\$617,905

Appropriations - Solid Waste

2025	2024
\$626,500	\$ 617,905

Solid Waste Utility

Social Security	\$10,000
Pensions	14,000
Capital Improvement Fund	20,000
Other Expenses	460,000
Salaries & Wages	<u>122,500</u>
TOTAL	\$ 626,500



2025 Budget Calendar

- April 24, 2025 – Budget Presentation & Introduction
- May 22, 2025– Public Hearing and Adoption

Thank you

