

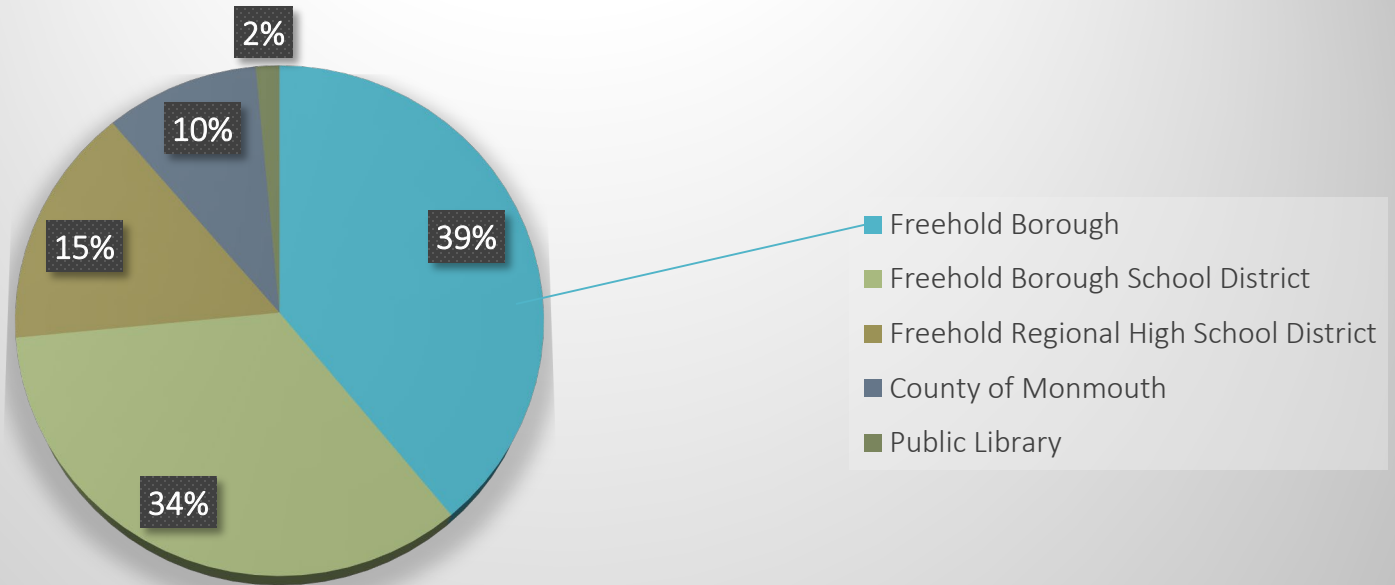
Borough of Freehold

2023

Budget Presentation

Freehold Borough Tax Bill Breakdown

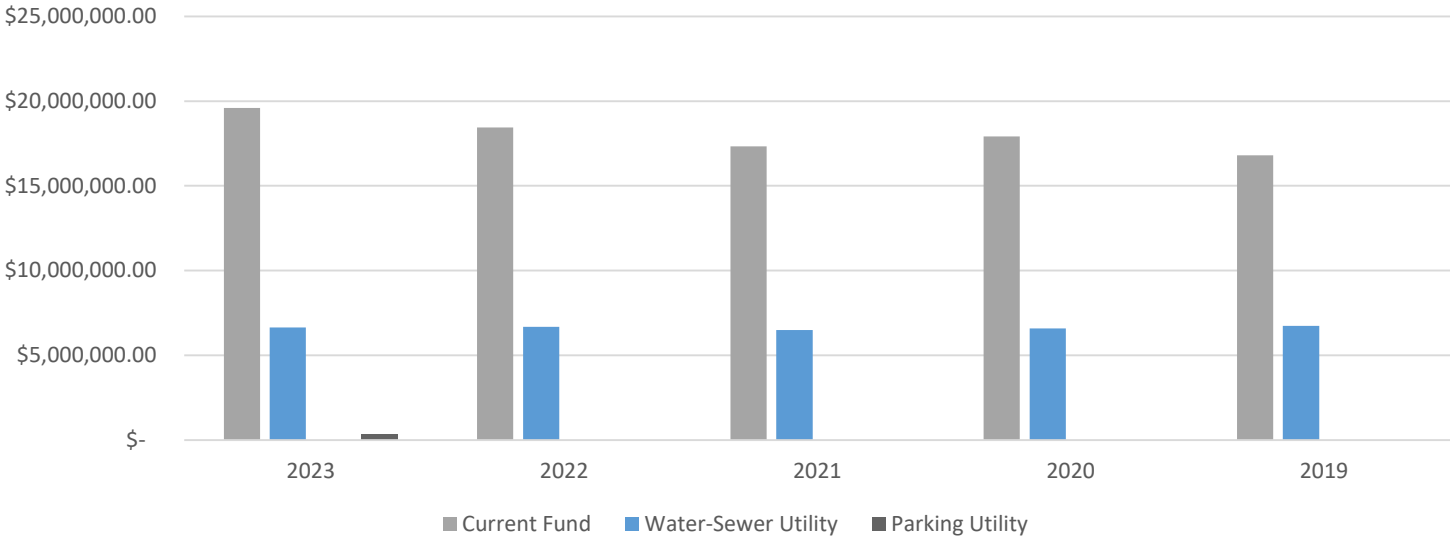
Your Tax Dollar



**Borough of Freehold
2023
Budget Presentation**

The Borough of Freehold’s 2023 Budget is comprised of three separate funds:

Current Fund	\$ 19,586,014.74
Water-Sewer Utility	\$ 6,653,458.74
Parking Utility	\$ 331,136.00



Current Fund

2023

Appropriations and Revenues

Overall:

- Pursuant to NJ State Statute, the 2023 proposed budget is below both the Appropriations CAP and the Levy CAP.
- The proposed tax rate (municipal purposes only) is calculated to be \$0.815 per \$100 of assessed valuation. For a home assessed at the Borough average of \$378,359.67, this represents an annual increase of \$138.93.
- Inflation continues to be an issue with year-over-year increase of 5%* from March 2022 to March 2023; this presented a significant challenge to the preparation of the 2023 Budget.
- Our future planning includes maintaining stability in our Fund Balance after December 31, 2024, when the 2023 appropriations will lapse.
- Our budget Preparation also considers our ability to regenerate our fund balance anticipated as a revenue in our budget.
- Our 2023 budget anticipates the creation of new recurring sources of revenue such as legal cannabis sales tax and new redevelopment

*source: *U.S. Bureau of Labor Statistics*

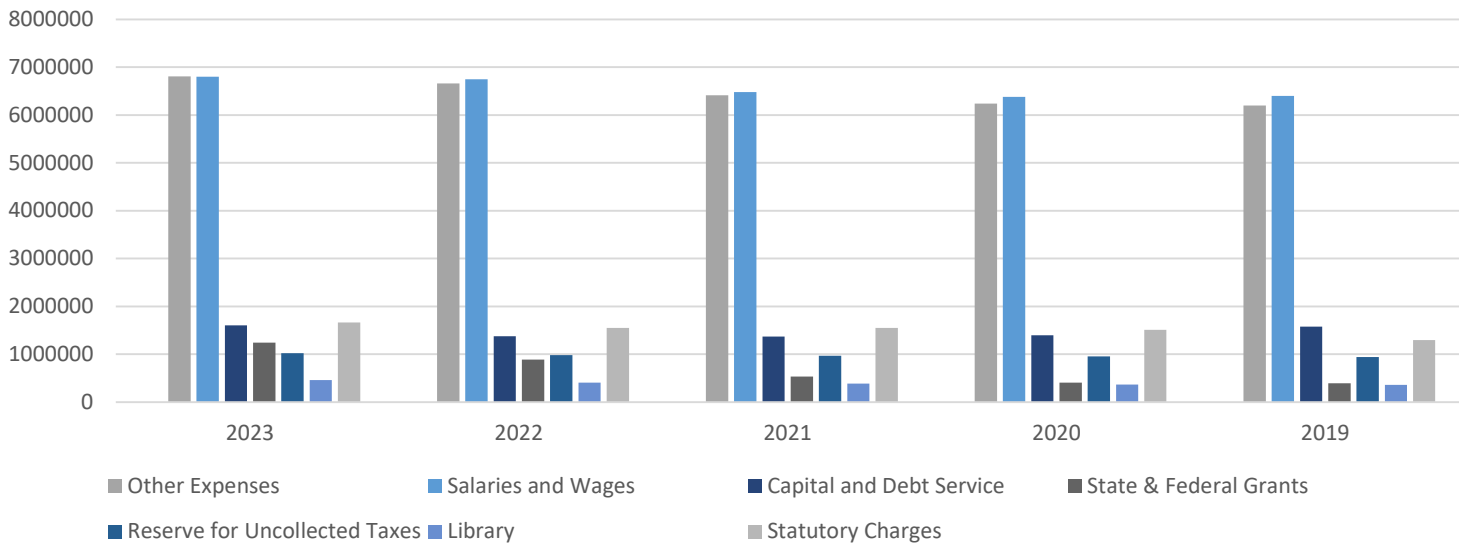
Expenditures (Appropriations) Brief:

- Debt Service Payments in the 2023 budget increased from \$1,076,750 to \$1,479,050 or \$402,300 (37%) as a result of higher interest rates and new debt issued in 2022, primarily to fund the purchase of property and related improvements along with renovations to our library, and improvements to our parks, public roads and public utilities.
- Fuel costs increased by 25% due to instability in petroleum prices.
- New Jersey State Health Benefits costs have increased from \$1,824,198 to \$2,093,118 or 14.74%.
- Mandatory State Pension appropriations increased as follows: PERS increased by 7.88% | \$22,025; PFRS (Police/Fire) increased by 8.14% | \$84,221. These increases are passed down by the state and are beyond our local control.
- The appropriation for the Reserve for Uncollected Taxes has been increased from \$982,114.52 to \$1,003,092 using a 96.8% collection rate.

**Borough of Freehold
2023
Budget Presentation**

Current Fund appropriations (expenses) can be broken down into the following categories:

Salary and Wages	\$ 6,802,175.00
Other Expenses	\$ 6,809,591.20
Statutory Charges	\$ 1,662,148.35
Library	\$ 463,182.00
State and Federal Grants	\$ 1,241,775.91
Capital and Debt Service	\$ 1,604,050.00
Reserve for Uncollected Taxes	\$ 1,003,092.28



So what are “Other Expenses”?

The costs that are necessary to run day to day operations...

Supplies | Equipment | Printing | Postage | Legal Notices | Attorneys |
Uniforms | Consultants | Computers | Engineering | Property Inspections |
Vehicles Expenses | Emergency Repairs | Utilities | Telephone |
Street Lighting | Custodial Services | Debt Service | Interlocal Agreements |
Municipal Court | Website | Insurance | Celebration of Public Events |
Board of Health | Garbage Removal | Recycling | Shade Tree Comm. |
Tree Planting | Recreation | Summer Camp | DPW Costs |
Fire Department | Police Department | Snow Removal | Emergency
Response

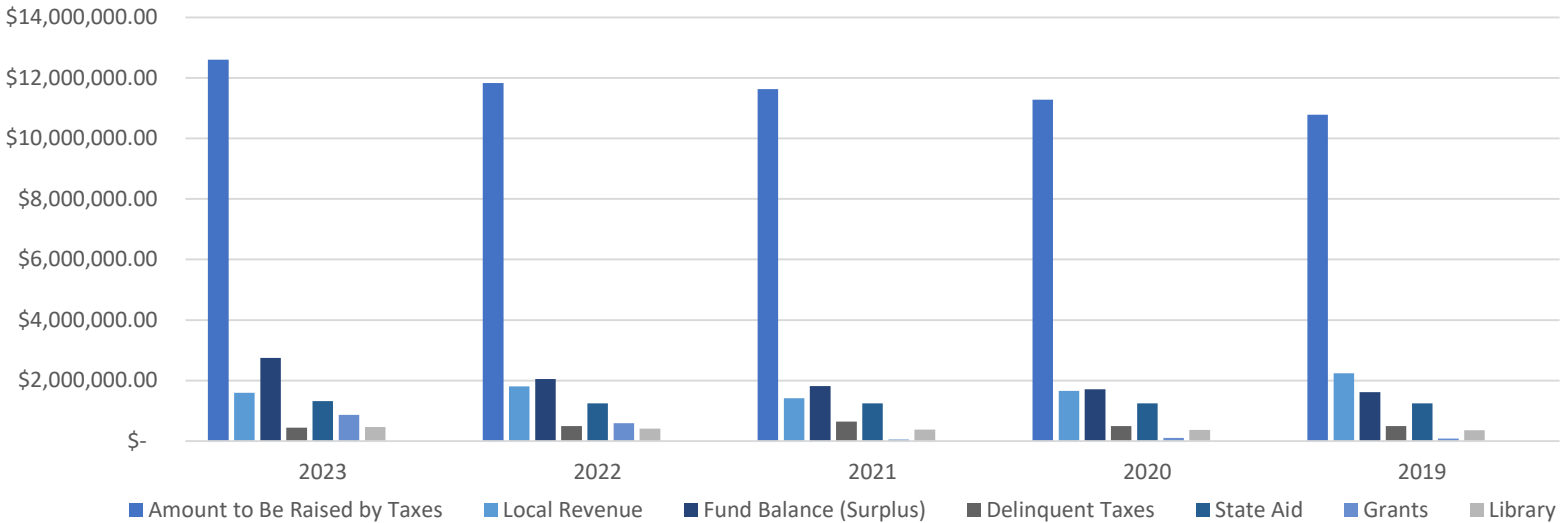
Revenue Brief:

- The 2023 Municipal Budget anticipates \$2,750,000 from Fund Balance; The 2022 Municipal Budget anticipated \$2,050,000 from Fund Balance. The increase of \$700,000 was enabled as a result of 2022 operations.
- A “Surplus” is a sign that a government is managing its finances efficiently. The Borough anticipates continued regeneration of surplus used.
- The Borough is using 48% of its fund balance in support of the 2023 budget in order to keep tax increases well below the current rate of inflation.
- “Surpluses” are taxpayer dollars previously collected that, when utilized, buffer the impact of inflation and state mandated expenses which are passed through to us.
- The Borough is anticipating new sources of recurring revenue, including:
 - *Local tax revenue and fees from legal cannabis sales;*
 - *New ratables from the Hometown Redevelopment Area and other Projects;*
 - *The reallocation of expenses to the Parking Utility*
- The Borough received a slight increase in State Aid (\$8,647) that is anticipated in our 2023 proposed Budget along with additional funding received (\$65,252.64) through the Municipal Relief Fund.

Borough of Freehold 2023 Budget Presentation

Current Fund revenues (income) can be broken down into the following categories:

- Amount to be Raised by Taxes (Municipal & Library) \$12,604,129.93
- Fund Balance (Surplus) \$ 2,750,000.00
- Local Revenues \$ 1,592,803.03
- State Aid \$ 1,324,815.64
- Grants \$ 869,266.14
- Library \$ 463,182.00
- Collection of Delinquent Taxes \$ 445,000.00



2023 Municipal Tax Rate

0.815

A 0.104 or 11.32% decrease from 2022

Average Residential Assessment: \$378,359.00

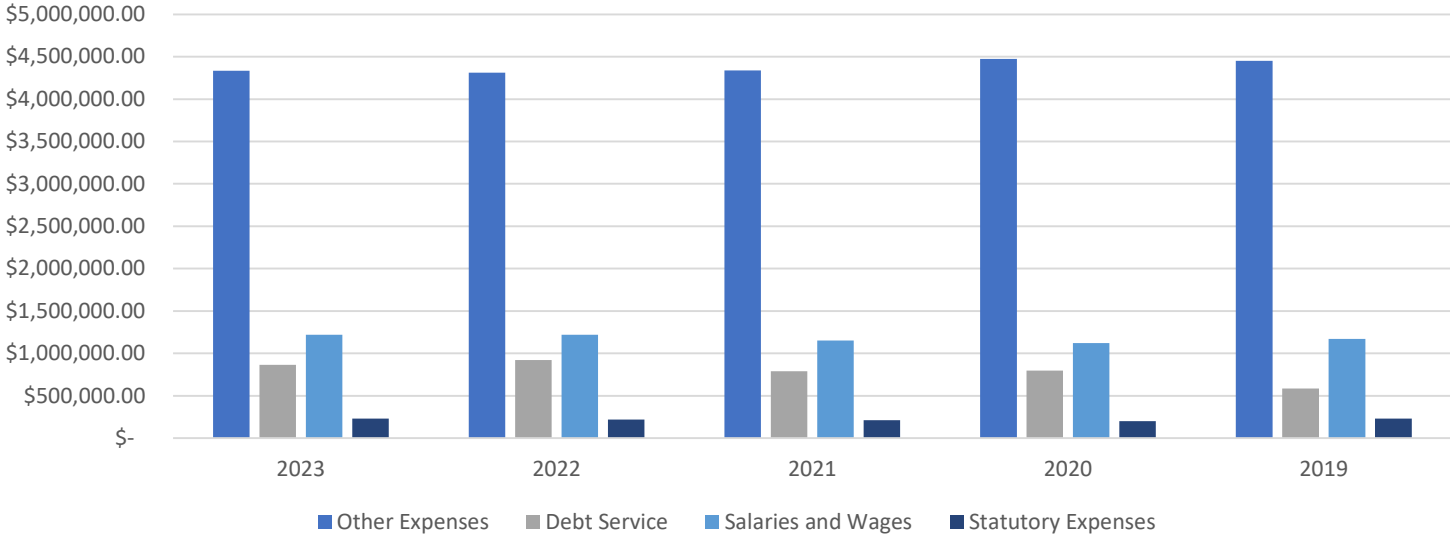
Average Municipal Tax per Residential Property: \$3,083.62

At a time when inflation is over 5%, the amount to be raised by taxes in this budget is a 2.6% increase over last year.

**Borough of Freehold
2023
Budget Presentation**

Water-Sewer Utility appropriations (expenses) can be broken down into the following categories:

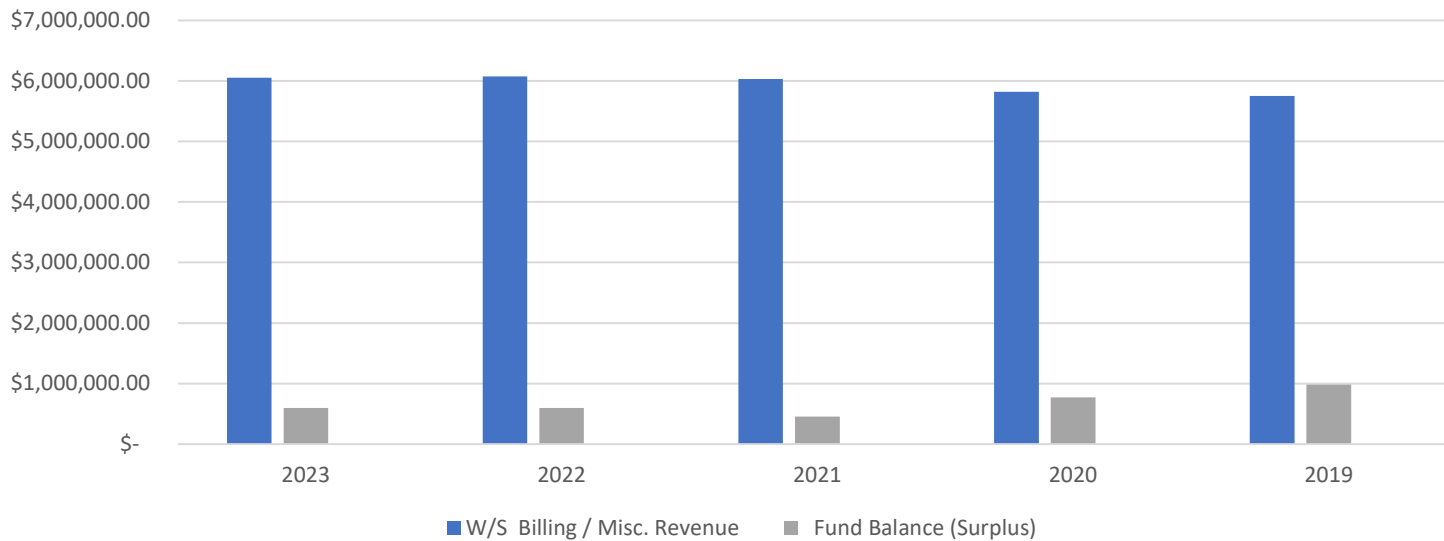
- Salary and Wages \$1,220,325.00
- Other Expenses \$4,336,150.00
- Debt Service \$ 864,746.74
- Statutory Expenses \$ 232,237.00



Borough of Freehold
2023
Budget Presentation

Water-Sewer Utility revenues (income) can be broken down into the following categories:

- Water/Sewer Billings/Misc. Revenue \$6,053,458.74
- Fund Balance (Surplus) \$ 600,000.00



Parking Utility

2023

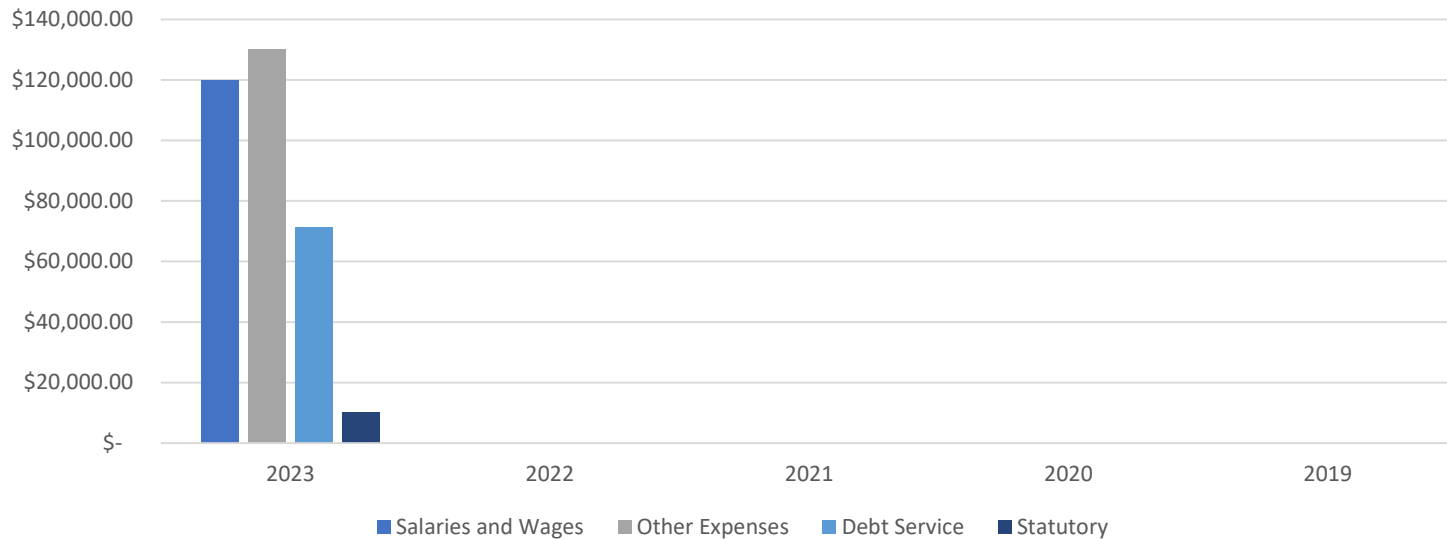
Appropriations and Revenues

**Borough of Freehold
2023
Budget Presentation**

Parking Utility appropriations (expenses) can be broken down into the following categories:

The 2023 Parking Utility Budget represents one half year (7-1-23)

▪ Salary and Wages	\$ 120,000.00
▪ Other Expenses	\$ 130,000.00
▪ Debt Service	\$ 71,136.00
▪ Statutory Expenses	\$ 10,000.00



Borough of Freehold
2023
Budget Presentation

Parking Utility revenues (income) will be solely generated by parking fees:



**The 2023 Parking Utility Budget represents one half year (7-1-23)*

Primary Increases

	2022	2023	INCREASE	%
NJ State Health Benefits	\$1,824,198	\$2,093,118	\$268,919	14.74%
NJ PFRS	\$1,034,624	\$1,118,845	\$84,221	8.14%
Garbage Hauling & Disposal	\$466,000	\$502,000	\$36,000	7.73%
NJ PERS	\$279,529	\$301,554	\$22,025	7.88%
Workers Comp Insurance	\$172,000	\$189,500	\$17,500	10.17%
Other Insurance	\$160,000	\$205,500	\$45,500	28.44%
Gasoline	\$120,000	\$150,000	\$30,000	25.00%
Street Lighting	\$168,000	\$198,000	\$30,000	17.86%
Electricity	\$100,000	\$115,000	\$15,000	15.00%
Natural Gas	\$23,000	\$53,000	\$30,000	130.43%
		INCREASE	+\$579,165	

Year	NVT	Increase	%
2021	\$1,137,898,000	\$ 32,091,000	2.89%
2022	\$1,287,415,100	\$149,517,100	13.14%
2023	\$1,489,706,300*	\$202,291,200	15.71 %

Increase in property values



Properties are re-valued annually under the Monmouth County Assessment Demonstration Program

*Preliminary

Change in Municipal Taxes

Year	Municipal Taxes	Increase/(Decrease)	Percentage
2023	\$12,140,948.13	\$308,041.43	2.603%
2022	\$11,832,906.70	\$207,564.85	1.785%
2021	\$11,625,341.75	\$344,891.88	3.057%
2020	\$11,280,521.87	\$531,904.63	4.949%
2019	\$10,748,617.24	\$272,285.99	2.599%
2018	\$10,476,331.25	\$307,671.00	3.026%
2017	\$10,168,660.25		

Annual Surplus Usage

Year	12/31 Surplus	Surplus Used in Following Year	Percentage of Surplus used
2022	\$5,638,240.26	\$2,750,000.00	48.774%
2021	\$4,712,204.56	\$2,050,000.00	43.504%
2020	\$3,724,707.67	\$1,815,000.00	48.729%
2019	\$3,610,984.83	\$1,715,000.00	47.494%
2018	\$3,298,237.86	\$1,615,000.00	48.966%
2017	\$2,538,243.00	\$1,435,000.00	56.141%

Average Assessed Value

Year	Avg. Assessed Value	Percentage Value Increase
2023	\$378,359.67	18.8%
2022	\$320,420.00	16.2%
2021	\$275,739.12	3.34%
2020	\$266,803.68	2.29%
2019	\$260,809.59	2.32%
2018	\$254,883.65	



So where do your tax dollars go?

Services provided through your Municipal Budget...

- Garbage and Recycling Pick up
- Leaf and Brush removal
- Snow Plowing
- Road maintenance
- Parks & Playgrounds
- Lake Topanemus
- Recreation, Arts & Cultural Programs
- Public Library
- Fully accredited, professional Police Department
- Support for our Volunteer Fire Department
- OEM Emergency Response
- Health Department
- Animal Control
- Senior Services
- Public Records Management
- Elections
- Construction, Planning & Zoning
- Safe, Clean Drinking Water
- Stormwater Management
- Sanitary Sewage Removal and Treatment
- Municipal Court
- Code Enforcement
- Fire Safety
- Board of Health

Capital Infrastructure Improvements

- New, Modern Water Treatment Plant
- Annual Road Maintenance Program
- Library upgrade and expansion
- New Borough Hall
- Water, Sewer and Stormwater Utility improvements
- Park and Playground Improvements
- Public Works Vehicles and Equipment
- Police Vehicles and Equipment
- Fire Equipment and Apparatus
- Lake Topanemus Improvements
- Participatory Budgeting Projects
- Water Tower Maintenance
- Parking Lot Improvements