

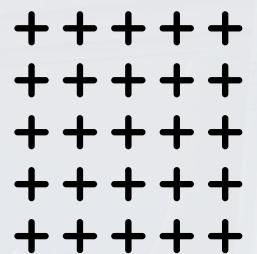
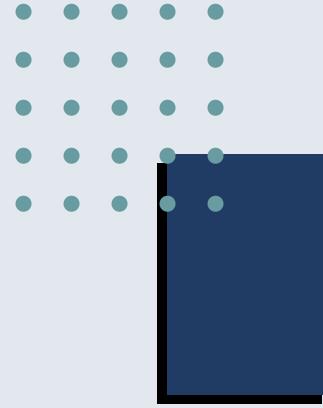


2025 BUDGET HIGHLIGHTS

BOROUGH OF RED BANK - FINANCE DEPARTMENT

Presented By: Thomas X. Seaman
Finance Officer

AGENDA



Budget Process



Municipal Tax Levy



Property Tax Assessments



Budget Revenues



Budget Appropriations



Capital Projects



Utilities Overview



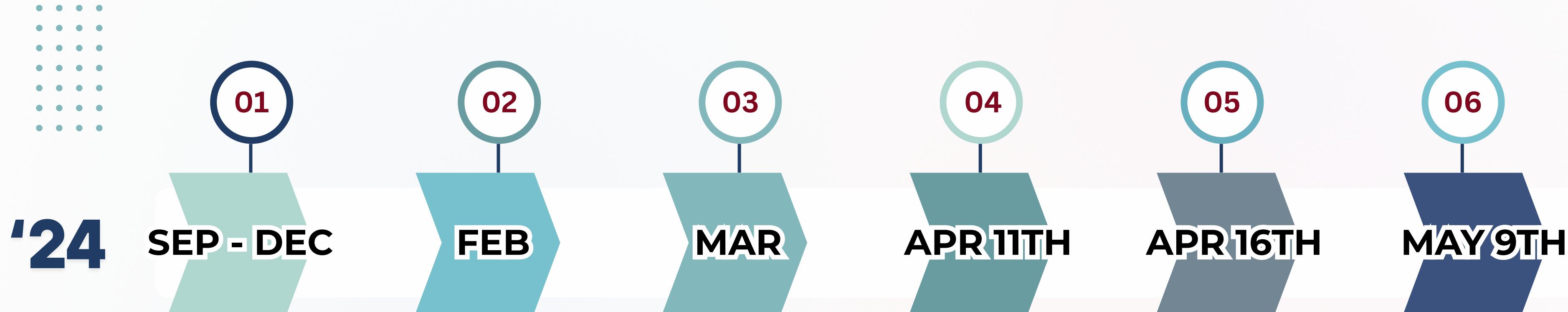
CAP and CAP Bank



Question/Answer



BUDGET TIMELINE



BUDGETING *Improvements*



LONG-TERM BUDGET PLANNING

- Strategic Plan Initiatives
- 6 Year Infrastructure Plan
 - Roads, Parks, Parking, Water/Sewer, Buildings

DEPARTMENTAL GOALS

- Improved Customer Service Initiatives
- Cost Savings and/or Revenue Generation
- Process/Work efficiencies

SURPLUS POLICY

BUDGET OBJECTIVES

BUDGET SCHEDULE

BUDGET

Guidelines

REVENUES

- 2025 Anticipated Budgeted Revenue can not exceed prior year realized revenues
- Analyzed Prior Years Realized Revenues Trends

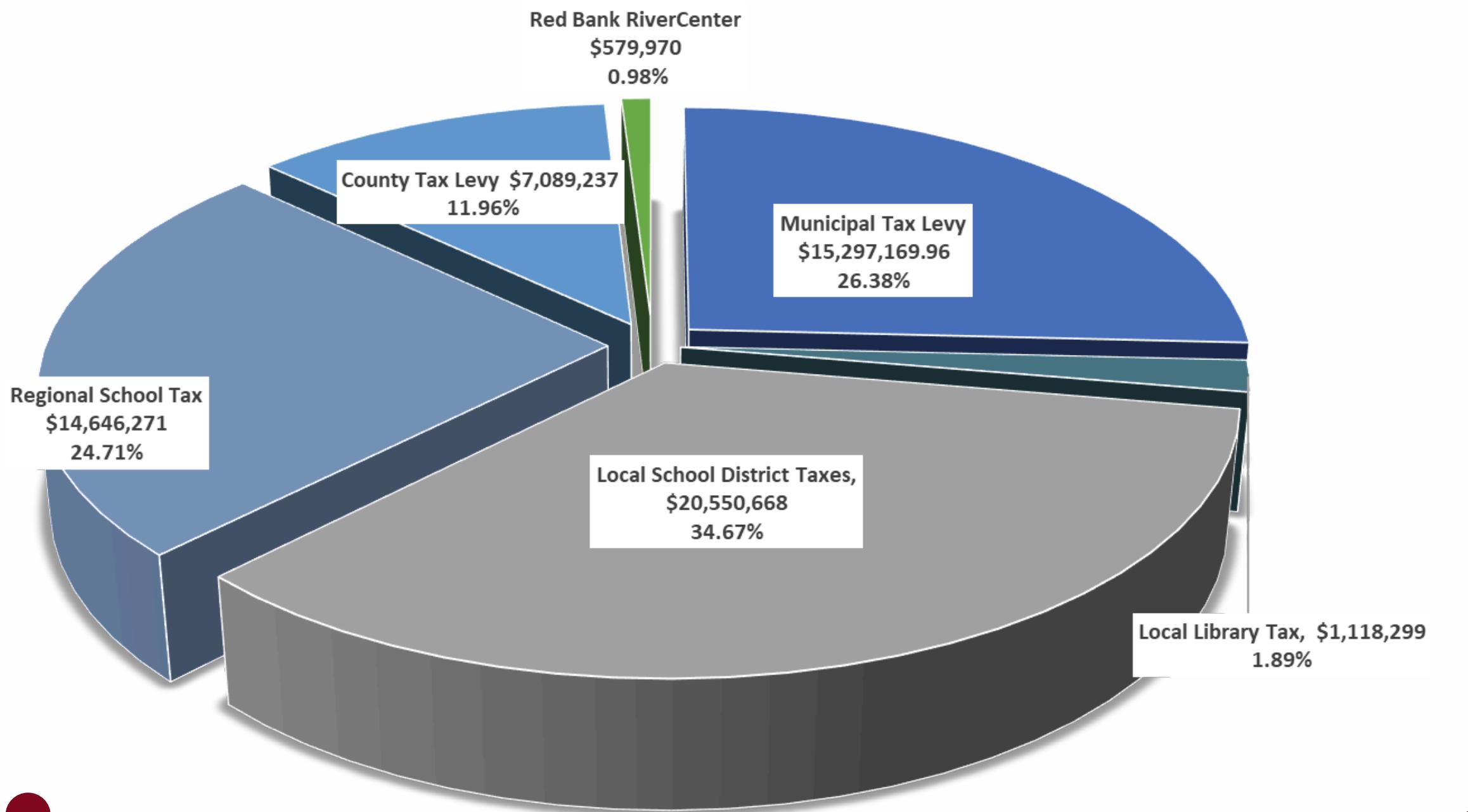
APPROPRIATIONS

- By statute a municipality cannot spend more than budgeted for appropriations unless there is an emergency.
- Analyzed Prior Years Paid/Charged with current requests
- Transfers for budget shortages can not occur before November 1st
- Every line must be fully funded at time of adoption.



WHERE DO YOUR TAX DOLLARS GO?

Total 2025 Tax Levy \$58,701,645.26

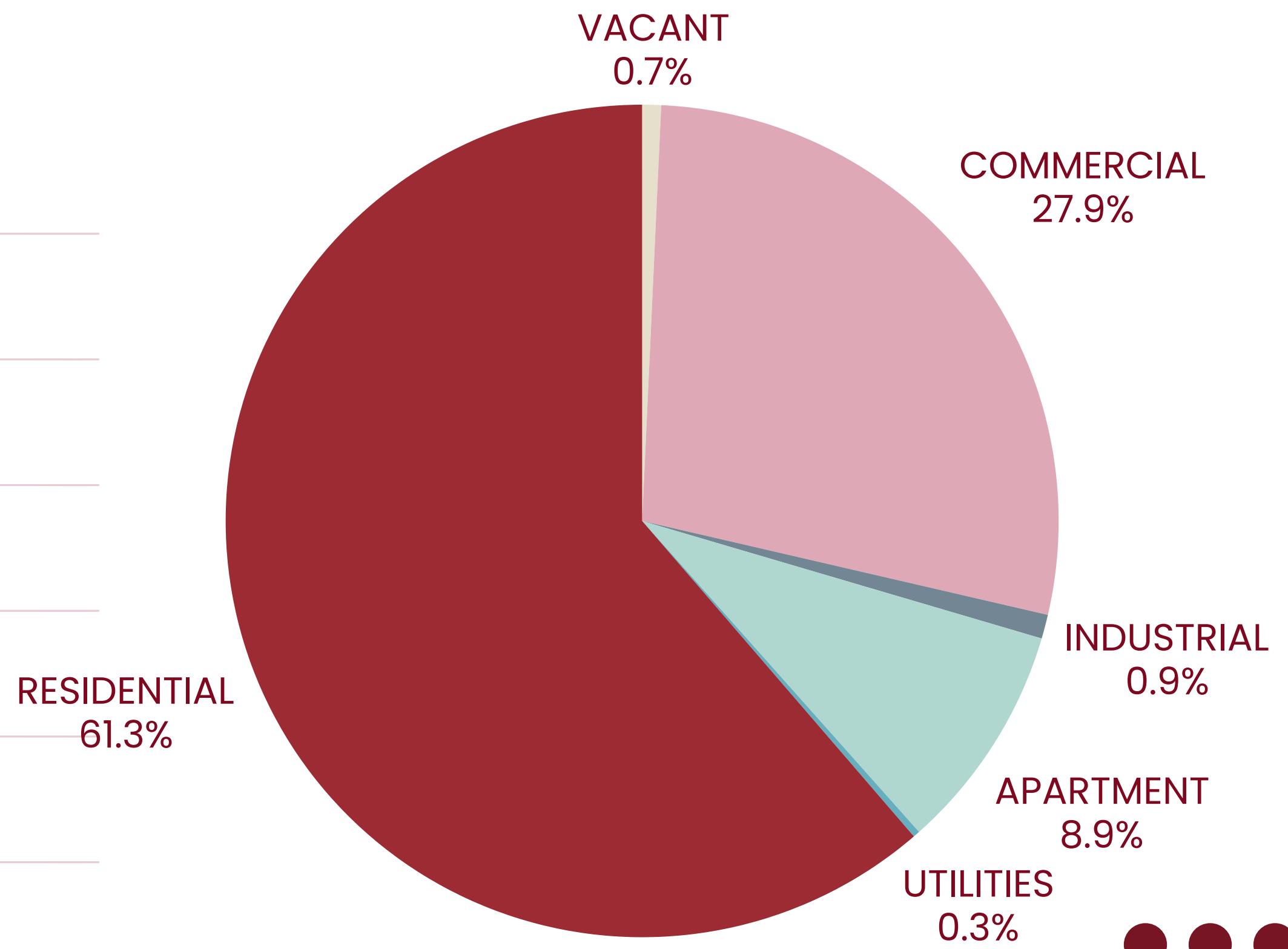




HOW IS THE TAX LEVY ALLOCATED?

A Quick Breakdown

- Vacant: \$24,375,400
- Commercial: \$930,315,000
- Industrial: \$31,123,600
- Apartment: \$295,848,900
- Utilities: \$8,664,490
- Residential: \$2,045,010,100



ANTICIPATED 2025 TOTAL TAX BILL AND TRENDS

ALL TAXING AUTHORITIES (DOLLARS)

Assessed value of your property is used to determine your share of the taxes that need to be raised for: School(s), County, and Municipality. Tax rate is determined by total amount of taxes to be raised \$58,701,645.26 divided by Total Assessed Valuation of \$3,335,337,490 divided by \$100 which comes to a tax rate of 1.760 per \$100 of valuation. Average residential value of \$600,766.77 times .01764 has a tax amount of \$10,573.44, Municipal Portion \$2,755.35.

	2025	Amount of	% Portion	2024	Rate	Increase/	Amount
	Rate			Rate		(Decrease)	
	<u>Per \$100</u>	<u>Taxes</u>	<u>Rate</u>	<u>Per \$100</u>	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>
Borough	0.459	15,297,169.96	26.10%	0.493	14,996,509.88	-0.034	300,581.38
Borough-Library	0.034	1,118,299.16	1.90%	0.035	1,054,215.46	-0.001	64,083.70
School-Local	0.616	20,550,668.28	35.00%	0.662	20,147,714.00	-0.046	402,954.28
School-Regional H.S.	0.439	14,646,270.78	25.00%	0.472	14,359,089.00	-0.033	287,181.78
County	0.213	7,089,237.08	12.10%	0.228	6,950,232.43	0.015	139,004.65
Total	1.76	58,701,645.26	100%	1.889	57,507,760.77	-0.129	1,327,890.61

Borough Tax Increase of .90 cents. Each cent is \$333,533.75
Borough is Under State LEVY CAP by \$2,003,010.89

HOW IS THE ALLOCATION DETERMINED?

2025 PROPERTY TAX ASSESSMENTS

Property Type (Amount)	2025 Assessment Value	2024 Assessment Value	% Change	2025 Allocation %	2024 Allocation %	Difference
Residential (3404)	\$2,045,010,100	\$1,823,994,400	6.75%	61.31%	59.91%	1.40%
Commercial (573)	\$930,315,000	\$882,396,800	6.88%	27.89%	28.98%	-1.09%
Apartment (37)	\$295,848,900	\$276,575,300	1.02%	8.87%	9.08%	-0.21%
Industrial / Vacant / Other (112)	\$64,163,490	\$61,749,676	5.60%	1.92%	2.03%	-0.11%
Total (4126)	\$3,335,337,490	\$3,044,716,176	9.55%	100.00%	100.00%	0.00%

WHERE DOES YOUR TAX DOLLAR GO? \$10,573.44

LOCAL
LIBRARY TAX

COUNTY
TAX LEVY

MUNICIPAL
TAX LEVY

REGIONAL SCHOOL
DISTRICT TAX

LOCAL SCHOOL
DISTRICT TAX



\$200.89

\$1,273.16

\$2,638.11

\$2,759.66

\$3,701.62

2%

12%

25%

26%

35%

BREAKDOWN OF \$2,759.66

(Number based on the average residential property value for 2025)

Salaries	Grants	Utilities	Capital improvements	Solid Waste	Debt Service	Deferred Charges	Insurance	Statuary Exp	Other Operating Expenses	Reserve for Uncollected Taxes
\$1,035.49	\$94.68	\$52.35	\$101.48	\$166.82	\$319.70	\$21.70	\$372.17	\$265.45	\$229.23	96.28

MUNICIPAL TAX

Rate Summary



2021 - 2025

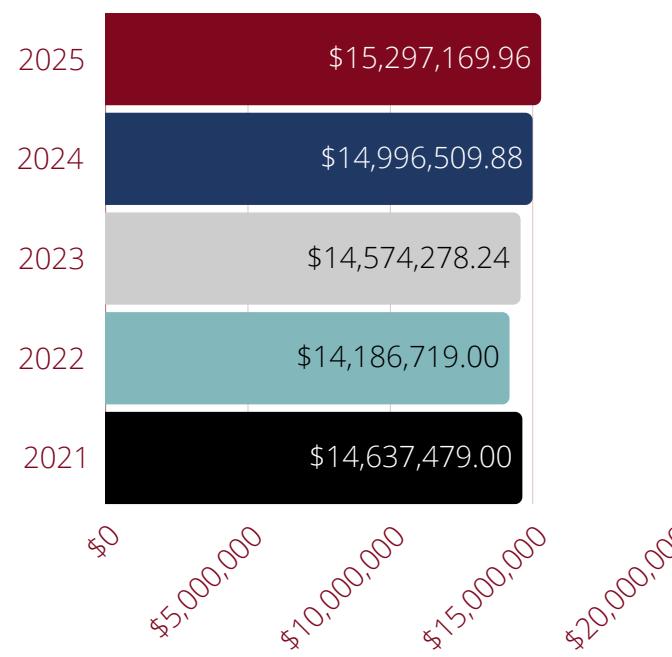


2021 - 2025 OVERVIEW

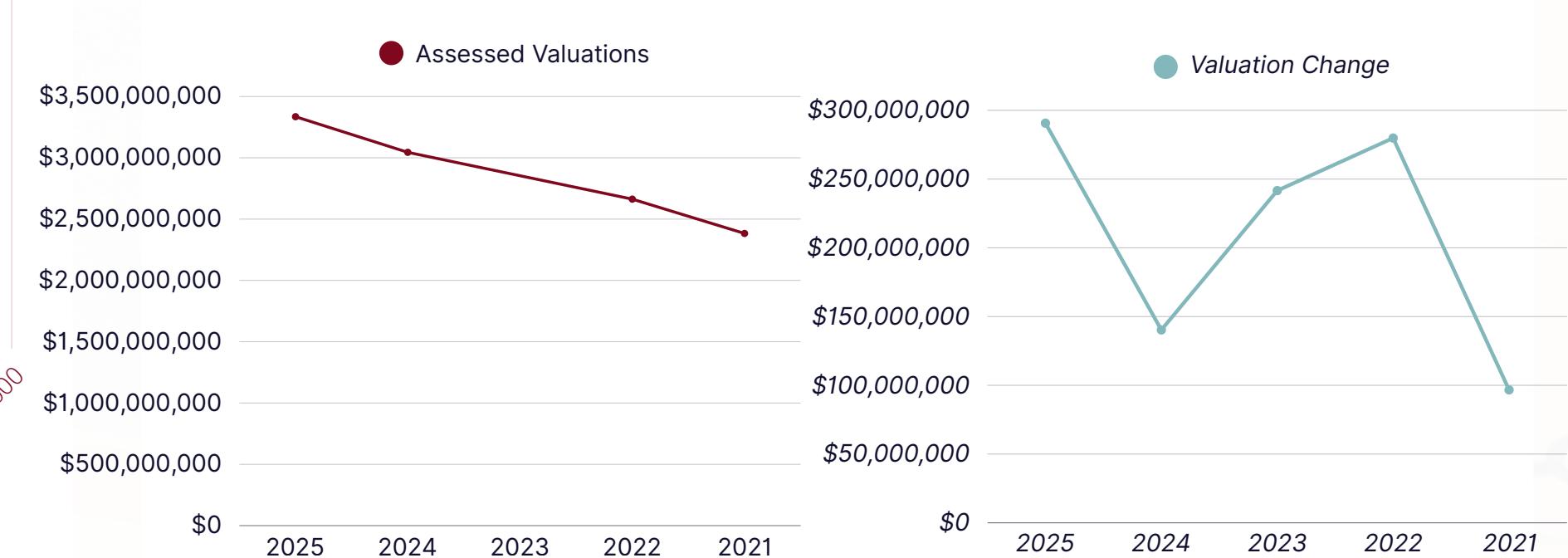
	2025	2024	2023	2022	2021
Amount to be Raised by Taxes	\$15,297,169.96	\$14,996,509.88	\$14,574,278.24	\$14,186,719	\$14,637,479
Municipal Taxation Rate	0.459	0.492	0.502	0.5328	0.6142
Municipal Tax Rate Change	(.0340)	(.0100)	(.0308)	(.0814)	(.0047)
Assessed Valuations	3,335,337,490	3,044,716,176	2,904,432.13	2,662,844,382	2,383,028,687
Valuation Change % Change	290,621,314 9.55%	140,283,963 5.28%	241,587,931 9.07%	279,815,695 11.74%	96,665,672 4.23%

A CLOSER LOOK

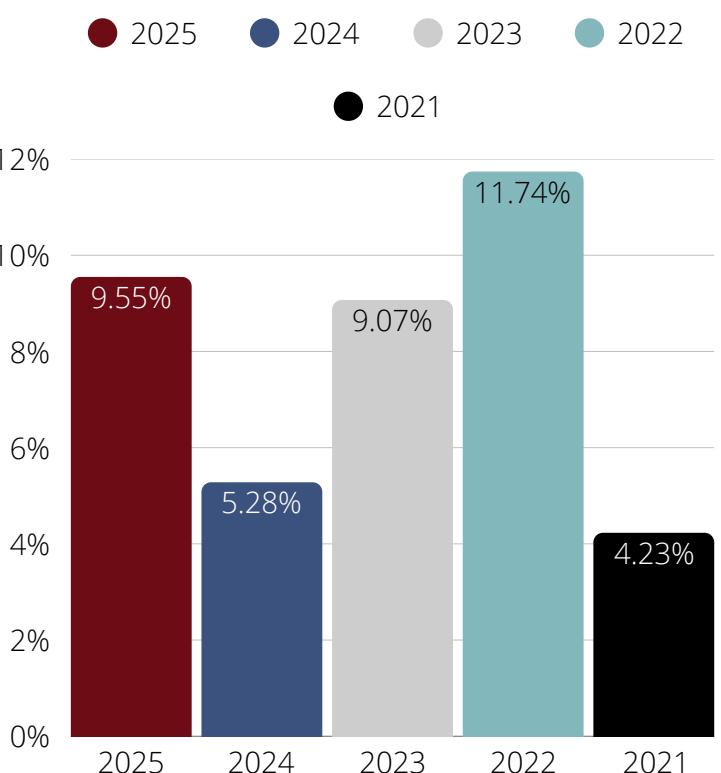
AMOUNT TO BE RAISED BY TAXES



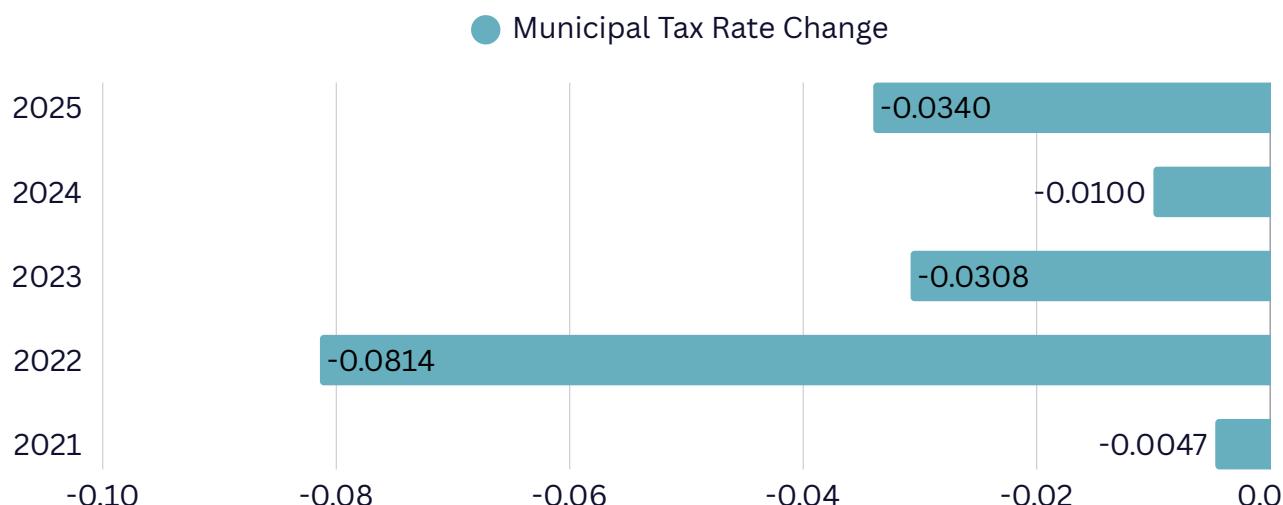
VALUATION TRENDS



VALUATION CHANGE %

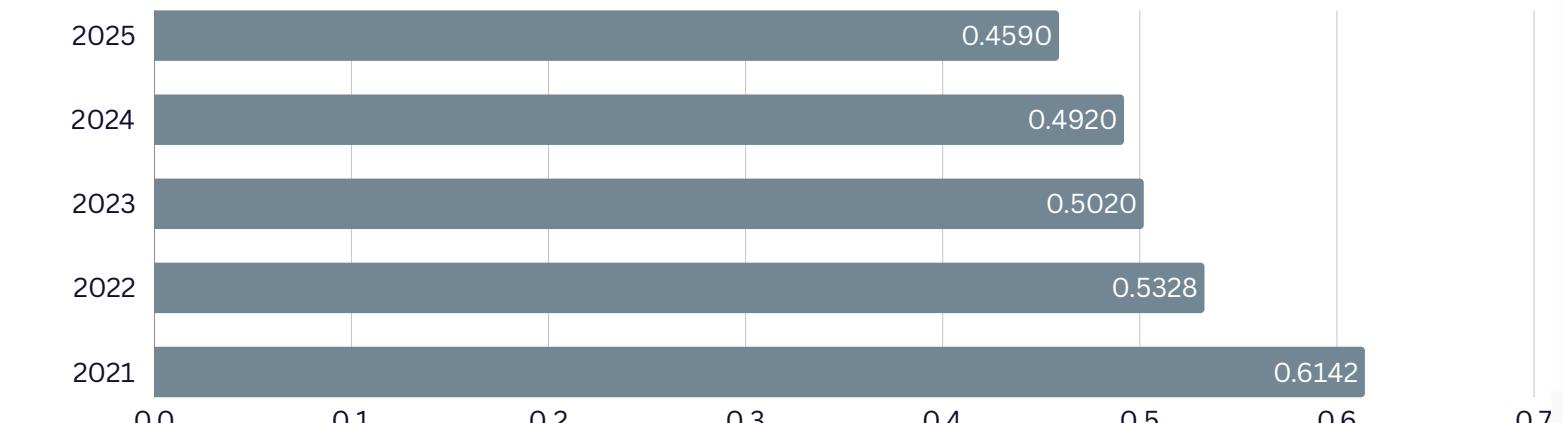


Municipal Tax Rate Change



Taxation Rate

Municipal Taxation Rate



RESIDENTIAL TAX IMPACT

	2025	2024	2023	2022	2021
2025 Residential Average Assessment	\$600,766.77	\$537,892.77	\$505,244.00	\$469,876.00	\$406,067.00
Average Municipal Tax based on New Assessment	\$2,755.35	\$2,649.35	\$2,535.31	\$2,503.50	\$2,494.23
Average Residential Municipal Tax Increase	\$106.00	\$114.04	\$31.81	\$9.44	\$117.99
Average Municipal Tax % Increase	2.00%	2.90%	1.27%	0.38%	4.97%
Total Taxation Rate (Estimated)	1.76	1.889	1.911	2.007	2.237
Total Tax Rate Change	(.129)	(.096)	(.23)	(.035)	(.061)

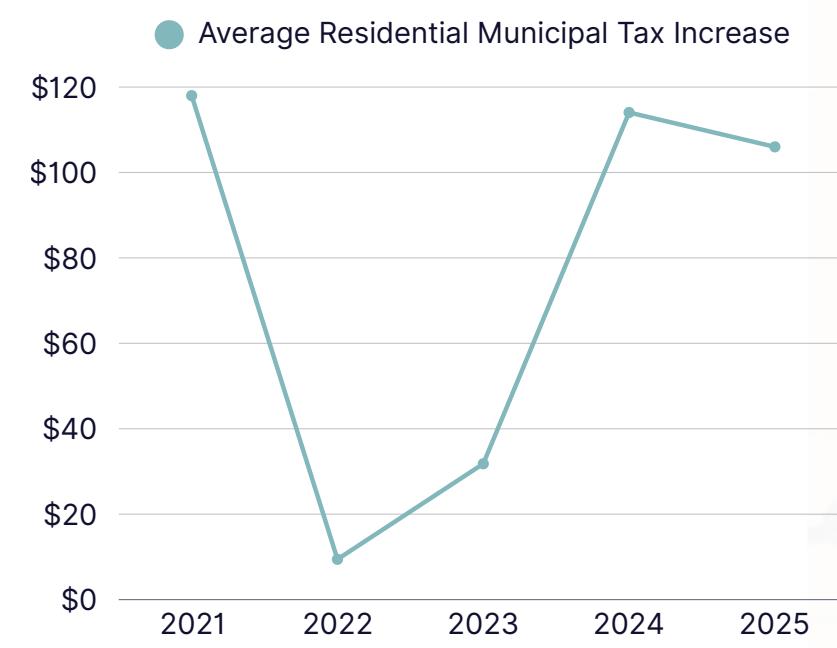
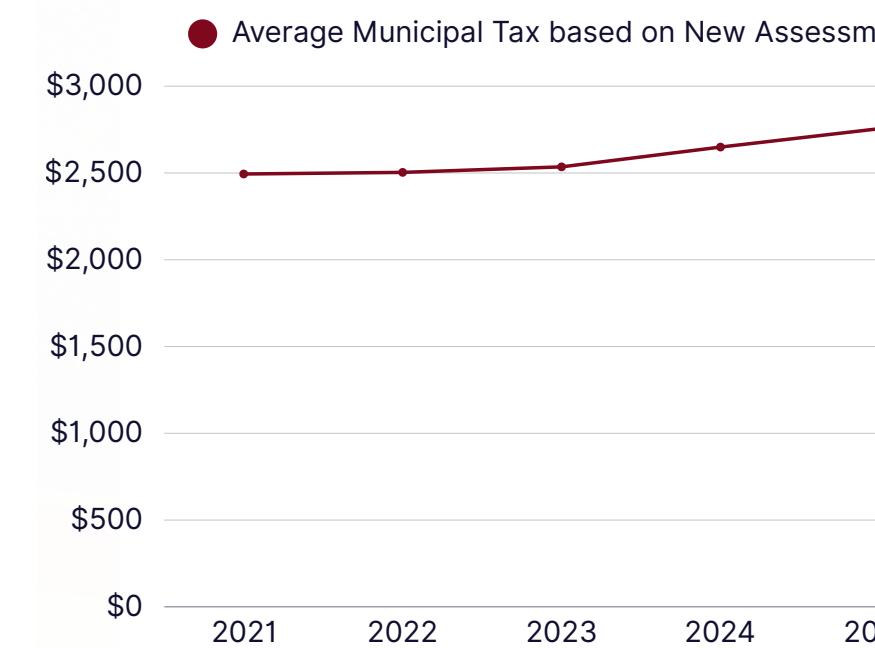


A CLOSER LOOK

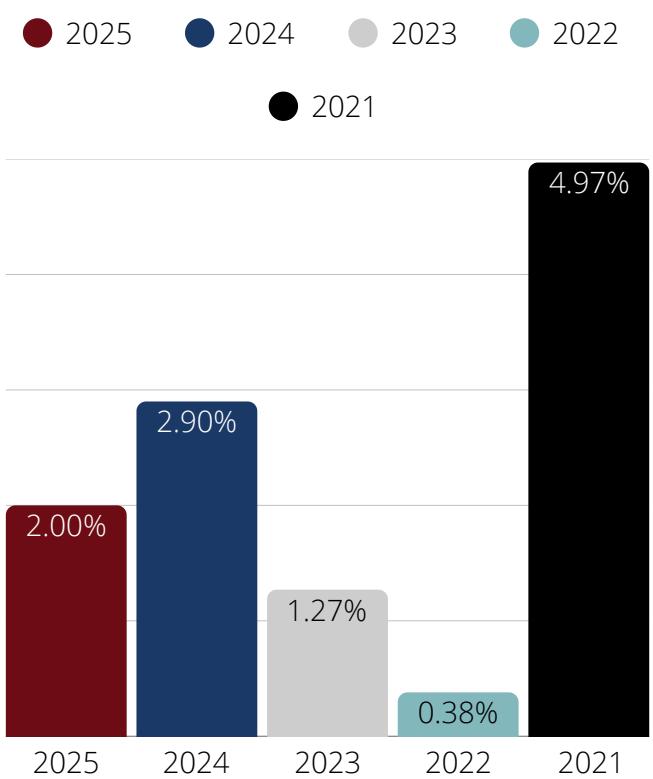
2025 RESIDENTIAL AVERAGE ASSESSMENT



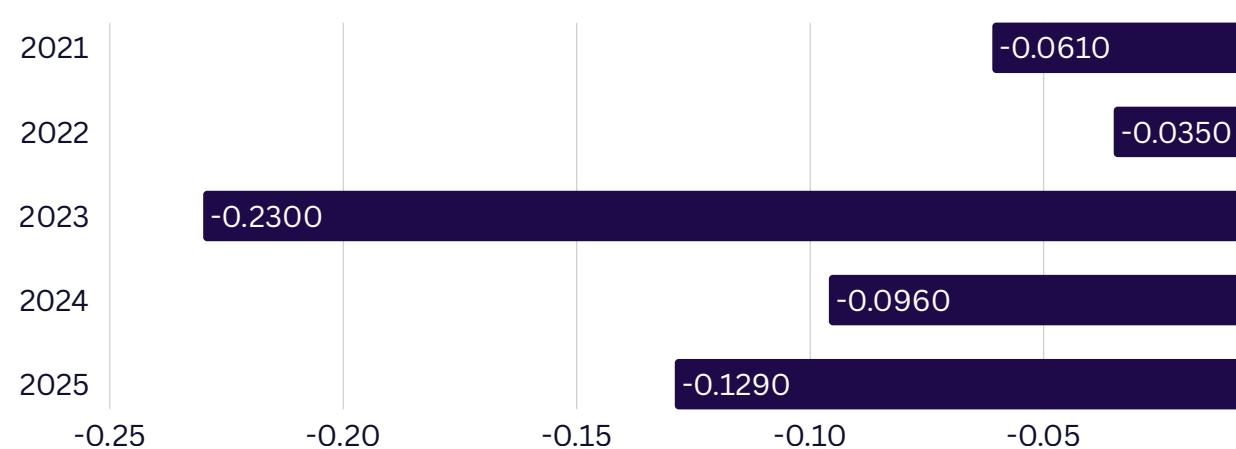
VALUATION TRENDS



AVERAGE MUNICIPAL TAX % INCREASE

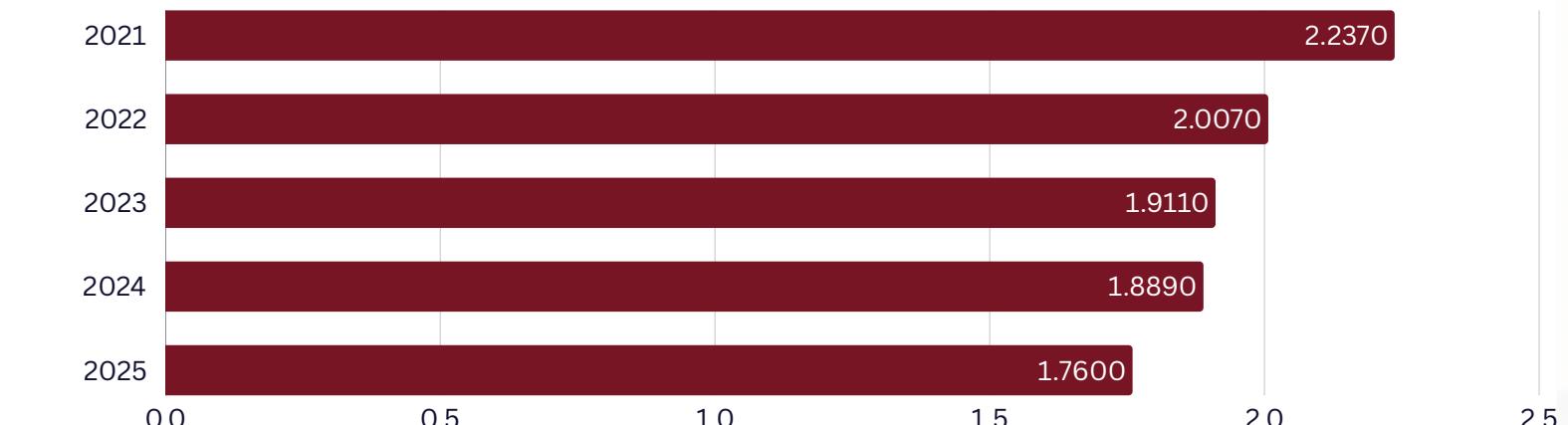


Total Tax Rate Change



Taxation Rate

Total Taxation Rate (Estimated)

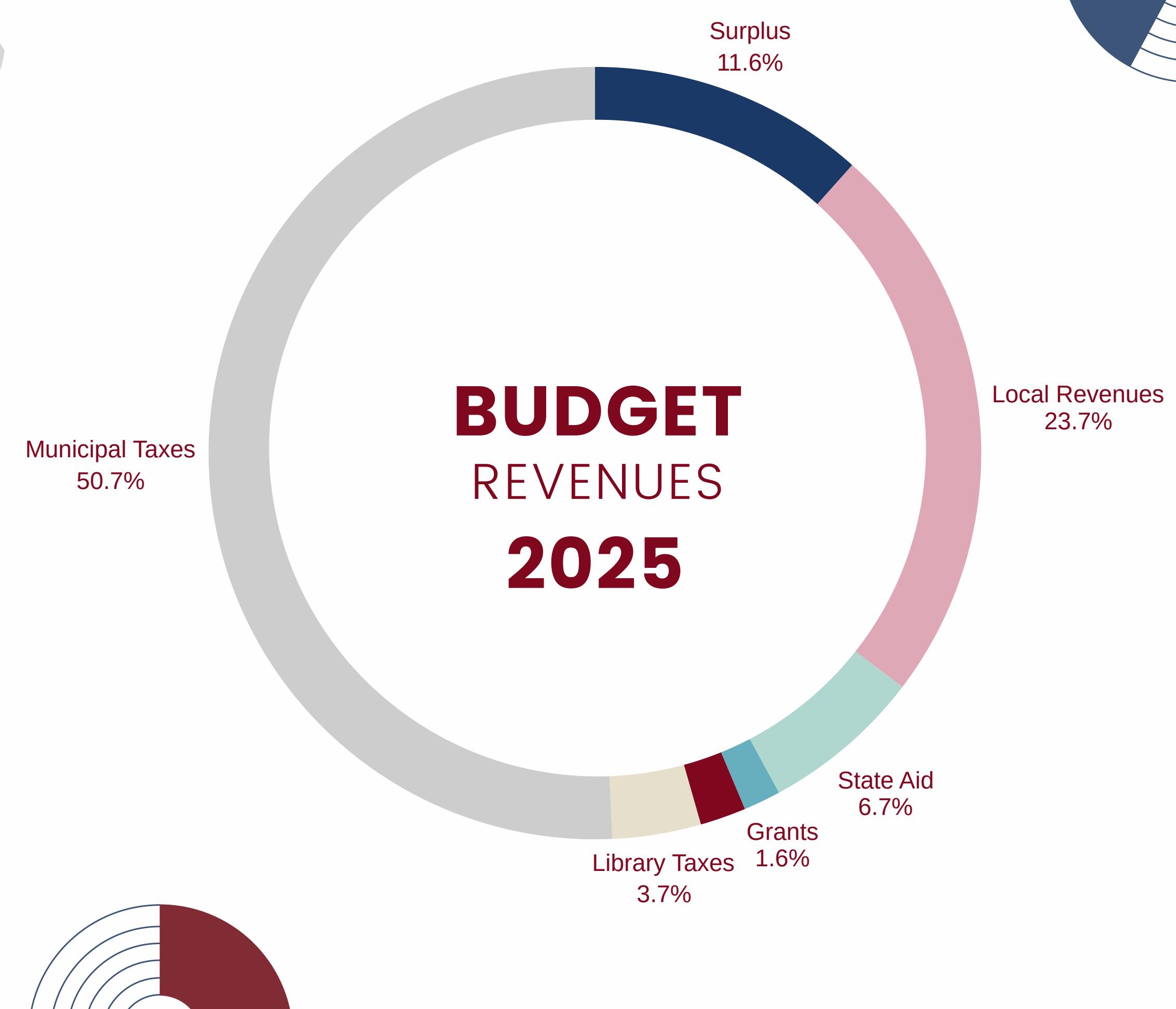


BUDGET *Highlights*

2025 TAX LEVY CAP BANK STATUS TAX LEVY CAP CALCULATION

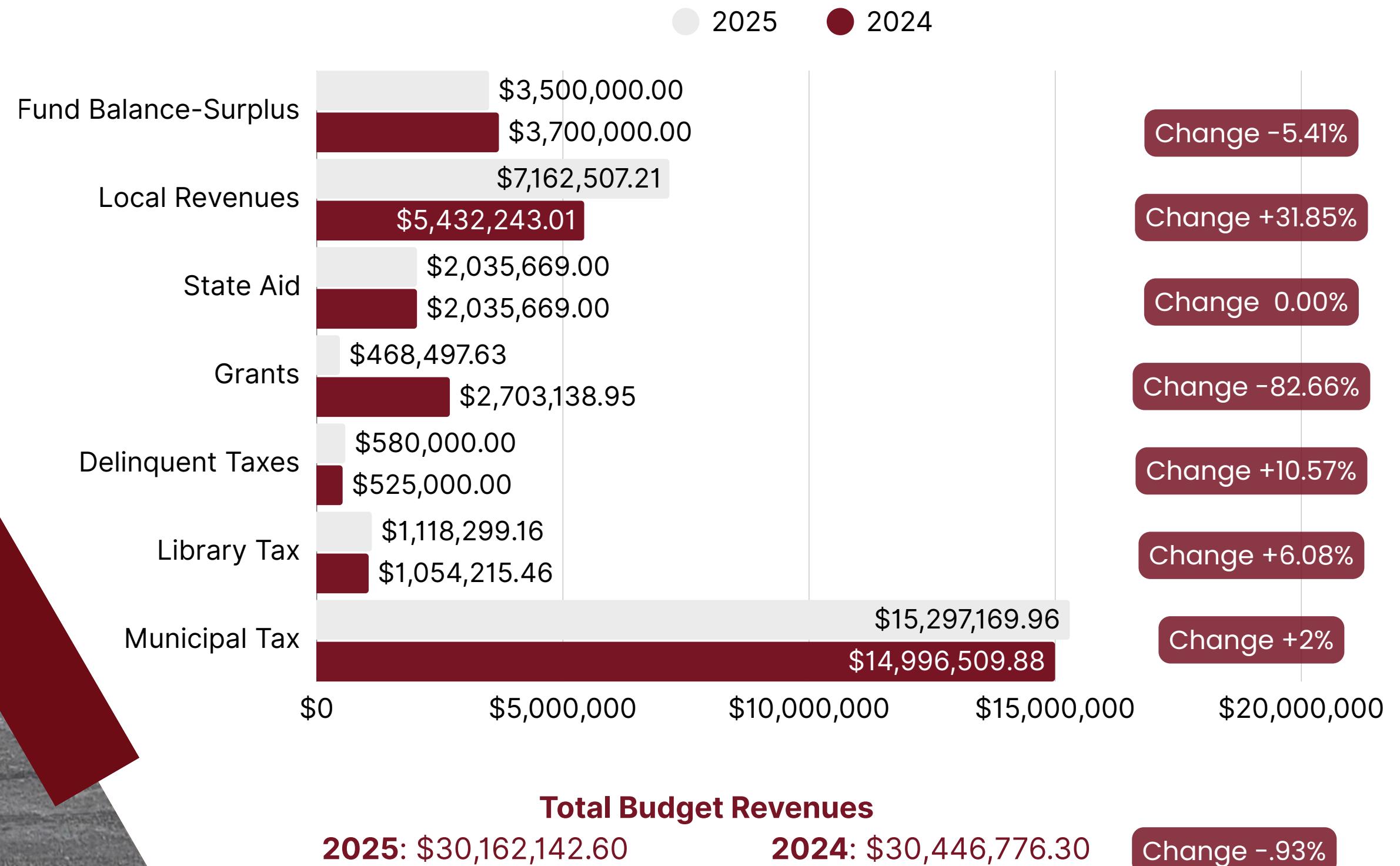
Prior Years Tax	14,996,509.88
Adjustments:	
Prior Year Deferred Charges to Future Taxation	(110,834.00)
Prior Year Recycling Tax	(<u>20,000.00</u>)
Net Prior Year's Tax Levy for CAP Calculation	14,865,675.88
2% CAP Increase	297,313.52
Allowable Tax Levy Prior to Exclusions and Ratables	15,162,989.40
Exclusions:	
Pension/Debt/Capital Improvements/Deferred Charges	560,145.00
New Ratables - New Construction	168,236.45
Levy CAP Bank Applied	1,417,490.00
Maximum Allowable Amount of Taxation	17,300,180.85
Proposed 2024 Municipal Tax Levy	<u>15,297,169.96</u>
Over or (Under) 2% Levy CAP	(2,003,010.89)



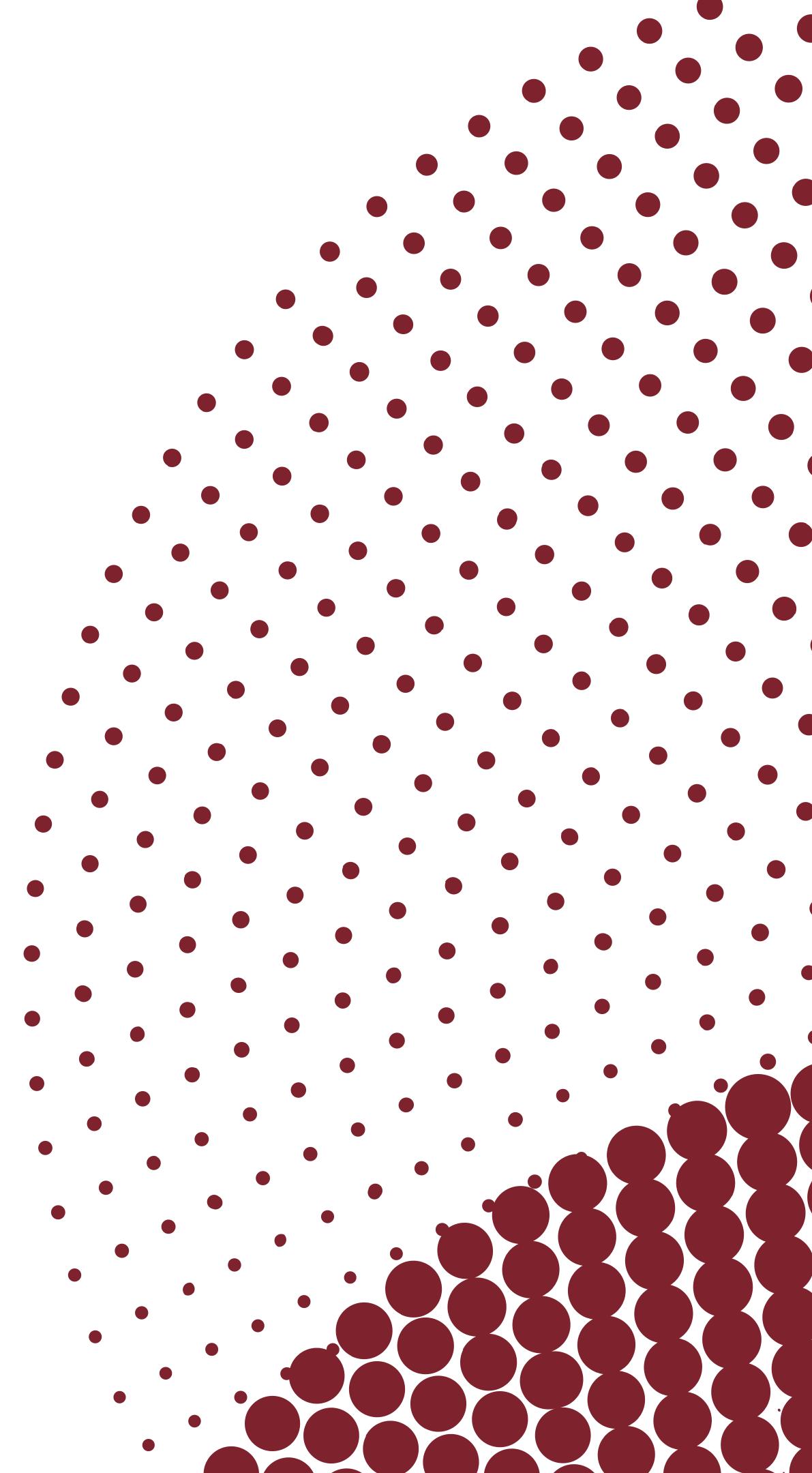


BUDGET *Revenues*

Main Revenue Categories – Comparison 2024 to 2025



LOCAL *Revenue* DETAIL



Local Revenues	2025	2024	Increase/(decrease)
Licenses:			
Alcoholic Beverages	91,000.00	90,800.00	200
Other	58,000.00	55,000.00	3,000.00
Fees and Permits	250,000.00	255,000.00	-5,000.00
Fines and Costs:Municipal Court	418,000.00	404,000.00	14,000.00
Interest and Costs on Taxes	160,000.00	155,000.00	5,000.00
Interest on Investments and Deposits	600,000.00	520,000.00	80,000.00
Uniform Construction Code Fees	800,000.00	720,000.00	80,000.00
Code Enforcement Fees	39,000.00	48,000.00	-9,000.00
Special Items of General revenue			
Utility Operating Surplus of Prior Year	300,000.00	300,000.00	0
Utility Operating Surplus of Prior Year - Parking Utility	1,100,000.00	900,000.00	200,000.00
Uniform Fire Safety Act	110,000.00	104,000.00	6,000.00
Hotel Occupancy Tax	210,000.00	210,000.00	0
Franchise Tax Cable Television	147,768.21	155,509.00	-7,740.79
Payment in Lieu of Taxes - Housing Authority/River Street/I	200,000.00	190,000.00	10,000.00
Administrative Fee Off-Duty Police Services	110,000.00	95,000.00	15,000.00
Reserve for Payment of Bonds	200,000.00	172,673.00	27,327.00
Landlord Registration Fees	14,000.00	14,000.00	0
RBC Field Rent	130,000.00	130,000.00	0
Riverview Hospital Bed Tax	460,000.00	457,000.00	3,000.00
Reserve for Municipal Reflief Fund	-	209,929.51	-209,929.51
Reserve for Special Emergency Liability	-	97,488.50	-97,488.50
Reserve for Sale of Municipal Assets	129,584.00		129,584.00
Riverview Hospital Public Health	230,000.00		230,000.00
Riverview Hospital Settlement	1,250,000.00		1,250,000.00
7.Total General Revenues	7,007,352.21	5,283,400.01	1,723,952.20

Revenue Streams

The number of Tax Appeals are like the previous year- residential and commercial

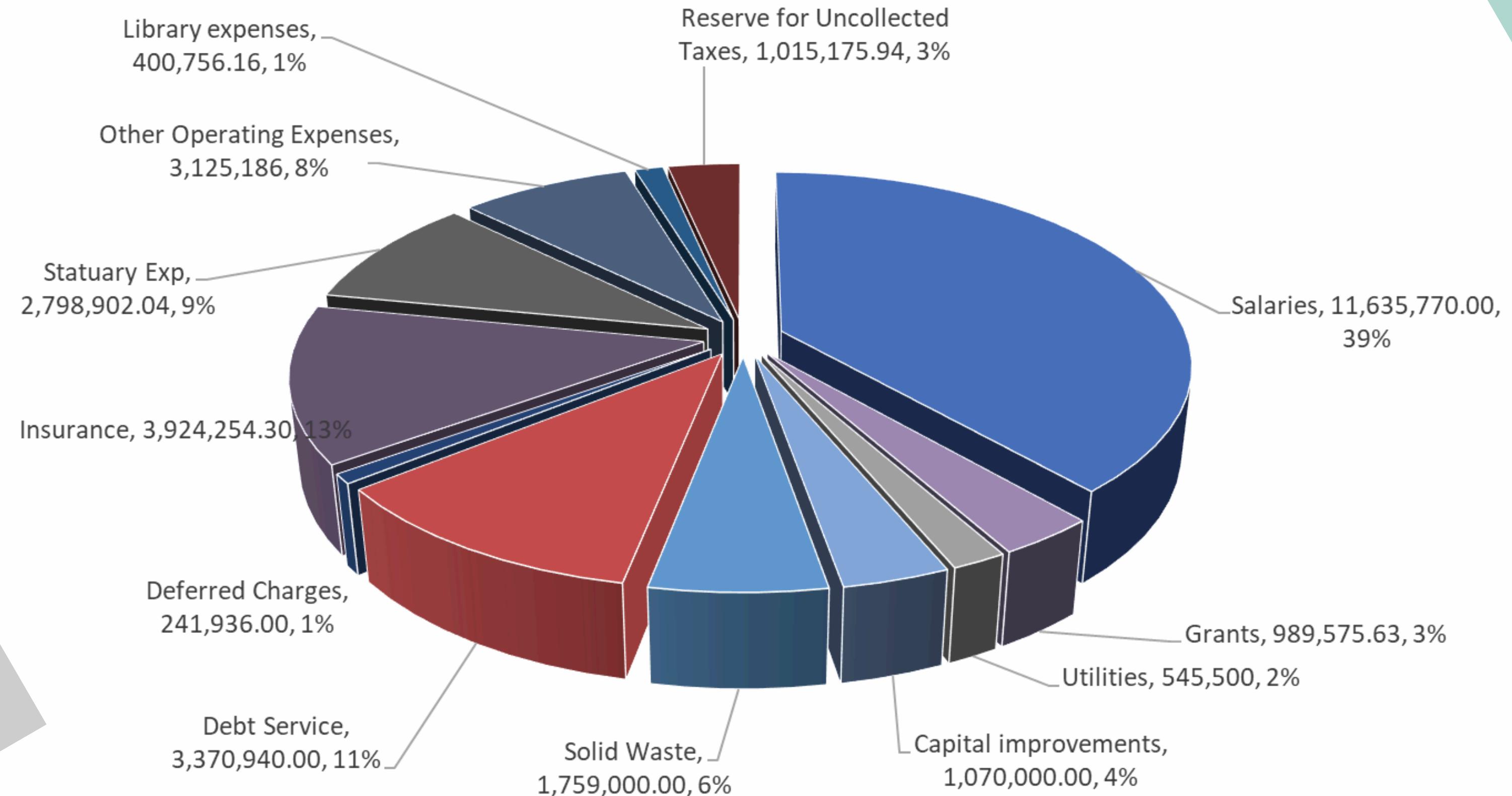
Construction for UCC and other fees (revenue) are increasing. Parking Revenues have been consistent

Surplus increases by Results of Operations which includes Excess Revenues, Excess Taxes Collected, Prior Budgets Cancelled and Miscellaneous Revenues Not Anticipated. In 2025, the amount of surplus used is more than the amount closed out from operations in 2024. A good standard is to use around (67%) of the beginning balance .

	Beginning	ANTCIPATED	% used	Balance after	Year End Result	Ending
	SURPLUS BAL	IN BUDGET	in budget	surplus applied	of Operations	SURPLUS BAL
2019	1,938,032	1,482,000	76%	456,032.00	2,983,078	3,439,110
2020	3,439,110	2,434,000	71%	1,005,110.00	3,365,381	4,370,491
2021	4,370,491	3,390,313	78%	980,178.00	3,931,215	4,911,393
2022	4,911,393	3,390,313	69%	1,521,080.00	3,550,764	5,071,844
2023	5,071,844	3,080,500	61%	1,991,344.00	3,879,920	5,871,264
2024	5,871,264	3,700,000	63%	2,171,264.00	2,404,945	4,576,209
2025	4,576,209	3,500,000	75%	1,076,209.00	0	0

BUDGET APPROPRIATIONS

2025





BUDGET *Highlights*

Main Budget Categories – Comparison 2024 to 2025

Category	Change	2025 Budget	2024 Budget
Total Salary and Wages	13.63%	\$11,618,227.00	10,960,220.00
Grants	-69.76%	\$989,575.63	\$3,272,609.95
Utilities	1.19%	\$552,000.00	\$545,500.00
Capital Improvements	145.98%	\$1,070,000.00	\$435,000.00
Solid Waste	13.26%	\$1,759,000.00	\$1,553,000.00
Debt Service	-0.51%	\$3,370,940.00	\$3,388,172.00
Insurance	12.89%	\$3,924,254.30	\$3,476,036.35
Statutory Expenses-Pension/ Social Security	8.71%	\$2,798,902.04	\$2,574,741.43
Other Operating Expenses	-31.04%	\$2,416,984.53	\$3,504,865.75
Deferred Charges-Emergency/DCFT-unfunded	60.17%	\$228,784.00	\$142,834.00
Library Expenses	9.94%	\$400,756.16	\$364,515.46
Reserve for Uncollected Taxes	-0.13%	\$1,015,175.94	\$1,016,477.36
Total Budget	-1.15%	30,162,142.60	30,513,776.30

APPROPRIATION CAP DETAIL

CAP CALCULATION

Total General Appropriations for 2024	30,446,776.30
Cap Base Adjustment:	36,376.00
Subtotal	30,483,152.30

Exceptions Less:	
Total Other Operations	1,364,048.46
Total Uniform Construction Code	135,593.00
Total Interlocal Service Agreement	
Total Additional Appropriations	
Total Capital Improvements	435,000.00
Total Debt Service	3,388,172.00
Transferred to Board of Education	
Type I School Debt	
Total Public & Private Programs	3,205,609.95
Judgements	
Total Deferred Charges	142,834.00
Cash Deficit	
Reserve for Uncollected Taxes	1,016,477.36
Total Exceptions	9,687,734.77

Amount on Which CAP is Applied	20,795,417.53
2.5% CAP	519,885.44
Allowable Operating Appropriations before Additional Exceptions per (N.J.S.A. 40A:4-45.3)	21,315,302.97

CAP CALCULATION

Allowable Operating Appropriations before Additional Exceptions per (N.J.S.A. 40A:4-45.3)	21,315,302.97
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Additions:	
New Construction (Assessor Certification)	168,236.45
2023 Cap Bank Utilized	,378,560.30
2024 Cap Bank Utilized	197,658.59
Total Additions	744,455.34

Maximum Appropriations within "CAPS" Sheet 19 @ 2.5%	22,059,758.31
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Additional Increase to COLA rate.	3.5%
Amount of Increase allowable.	1.0%

Maximum Appropriations within "CAPS" Sheet 19 @ 3.5%	22,267,712.48
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Total General Appropriations for Municipal Purposes (Sheet 19, H-1)	21,853,371.87
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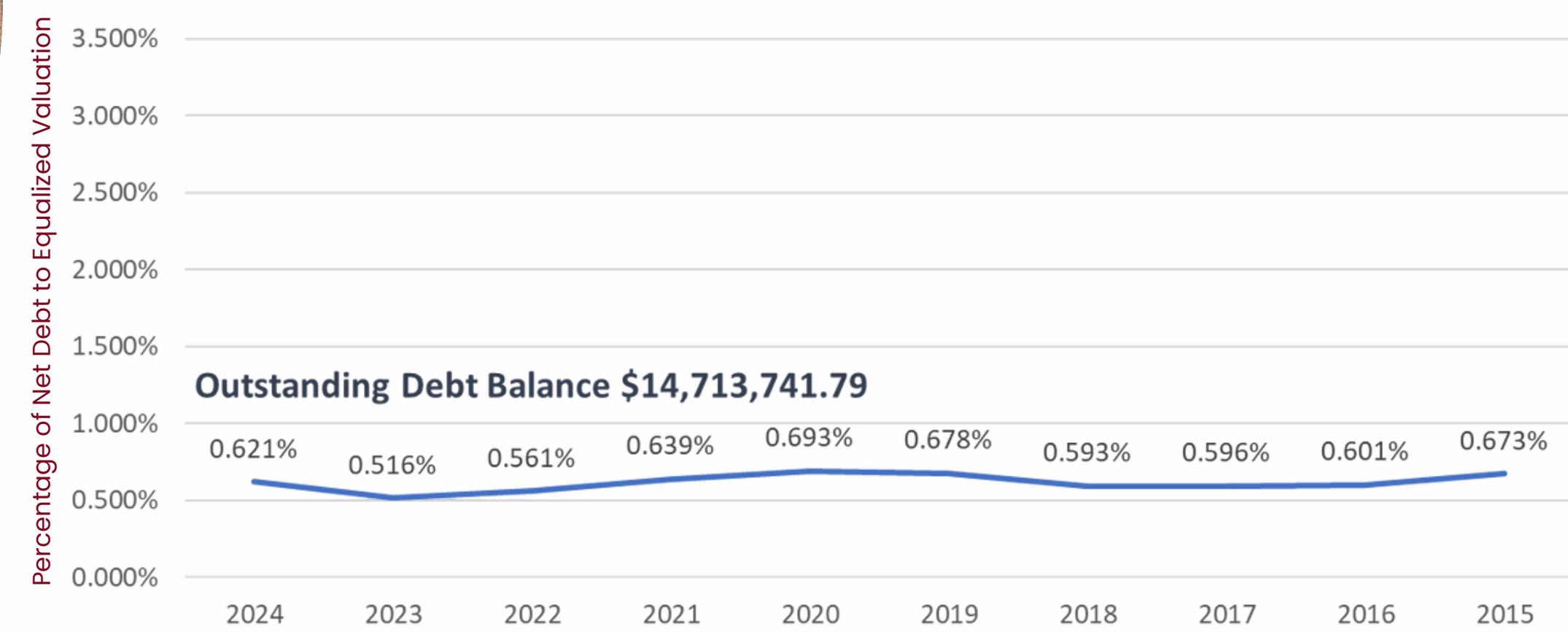
Over or (Under) Appropriations Cap	(414,340.61)
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RATIO OF DEBT TO 3 YEAR EQUALIZED VALUATIONS



Maximum Debt Amount Allowable \$108,958,475.39

Statutory Debt Limit is 3.5% of the Average of Equalized Valuation of Real Estate for the 3 preceding Years



OUTSTANDING DEBT 2024 TO 2028

CURRENT, WATER/SEWER, PARKING CAPITAL

	2024	2025	2026	2027	2028
General Capital					
Bond Principal/Interest	11,212,000.00	9,350,000.00	8,050,000.00	6,690,000.00	5,275,000.00
Green Trust Loans Principal/Interest	47,801.01	37,545.39	27,083.64	16,411.60	5,525.06
MCIA Capital Leases Principal/Interest	3,070,968.85	2,363,509.80	1,658,022.20	1,130,515.00	631,486.00
Bond Anticipation Notes-Prin/Interest	1,090,000.00	6,131,000.00	5,517,900.00	4,904,800.00	4,291,700.00
 Total Current	 15,420,769.86	 17,882,055.19	 15,253,005.84	 12,741,726.60	 10,203,711.06
Water/Sewer Capital					
Bond Principal/Interest	7,772,000.00	7,012,000.00	6,242,000.00	5,445,000.00	4,890,000.00
Environmental Infrastructure Loan Prin/Int	3,094,162.81	2,864,830.53	2,635,498.25	2,406,165.97	2,166,833.69
MCIA Capital Leases Principal/Interest	254,254.40	194,603.40	132,016.60	93,485.00	54,514.00
Bond Anticipation Notes-Prin/Interest	560,000.00	2,304,000.00	2,073,600.00	1,843,200.00	1,612,800.00
 Total Water/Sewer	 11,680,417.21	 12,375,433.93	 11,083,114.85	 9,787,850.97	 8,724,147.69
Parking Capital					
Bond Principal/Interest	2,770,000.00	2,555,000.00	2,335,000.00	2,105,000.00	1,870,000.00
MCIA Capital Leases Principal/Interest	2,776.80	1,886.80	961.2		
 Total Parking	 2,772,776.80	 2,556,886.80	 2,335,961.20	 2,105,000.00	 1,870,000.00



BUDGET *Highlights*

CAPITAL BUDGET PROJECTS

CURRENT CAPITAL PROJECTS: 2025

- Road Improvements Bridge Avenue, Chestnut St, Carmen Place, Clifford Place
- Parks and Recreation Improvements
- Count Basie Park Improvements
- Improvement to Marine Park
- Improvements to Municipal Buildings
- Improvements to DPW Facilities
- Improvements to Fire Department Facilities

FUTURE VARIOUS CAPITAL PROJECTS: 2026–2027

- General Capital Projects
- Improvements to DPW Facilities
- Municipal Building Improvements
- Various Infrastructure Improvements

WATER/SEWER UTILITY BUDGET 2025

			Realized in
	<u>2025</u>	<u>2024</u>	<u>Cash in 2024</u>
Surplus	600,000.00	555,000.00	555,000.00
Rents	6,850,000.00	6,675,000.00	7,054,780.54
Miscellaneous Revenues	<u>460,000.00</u>	<u>550,000.00</u>	<u>474,799.29</u>
Total Revenues	<u>7,880,000.00</u>	<u>7,780,000.00</u>	<u>8,084,579.83</u>
			Paid or Charged
	<u>2025</u>	<u>2024</u>	
Operating Expenses: Salary & Wages	1,024,000.00	970,000.00	940,255.26
Other Expense	4,875,798.73	4,843,462.00	4,312,211.26
Capital Improvements	195,000.00	325,000.00	192,134.59
Debt Service	1,531,261.00	1,352,465.10	1,398,002.80
Statutory Expenditures/Deferred Charges	<u>253,940.27</u>	<u>240,748.00</u>	<u>234,069.88</u>
	<u>7,880,000.00</u>	<u>7,780,000.00</u>	<u>7,076,673.79</u>
<u>Capital Projects: 2025</u>		<u>Future Capital Projects: 2026-2028</u>	
Water Sewer		Water Sewer	
Lead Service Line Replacement		Various Infrastructure Improvements	
Improvement to Marine Park			

Parking Utility

Budget 2025

	2025	2024	Realized in <u>Cash in 2024</u>
Rents	1,700,000.00	1,660,000.00	2,430,170.50
Interest on Investments	68,000.00	40,000.00	141,081.19
Total Revenues	1,768,000.00	1,700,000.00	2,571,251.69
	2025	2024	Paid or Charged
Operating Expenses: Salary & Wages	475,000.00	436,000.00	404,898.64
Other Expense	754,717.31	734,944.73	604,482.86
Capital Improvements	125,000.00	125,000.00	100,000.00
Debt Service	326,470.00	321,900.00	321,896.60
Statutory Expenditures	86,812.69	82,155.27	76,702.40
	1,768,000.00	1,700,000.00	1,507,980.50
<u>Capital Projects: 2025</u>		<u>Future Capital Projects: 2026-2028</u>	
Parking		Parking	
Various Infrastructure Improvements		Parking Meter/Kiosk Replacements	
		Parking Lot Crack Sealing	

FUTURE PLANNING

Initiatives

- Hold the line on Operating Expenses
- Identify, implement, and invest in productivity enhancing management practices and equipment.
- Consider Outsourcing Opportunities
- Consider and evaluate Shared Services with another Borough and the County
- Prepare the community for what lies ahead with greater transparency and communication.





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QUESTIONS?

