

Borough of Bernardsville
2022 Proposed Budget

TO: Finance Committee

FROM: Thomas J. Czerniecki, Borough Administrator
Leslie Roberson, Director of Finance

DATE: March 11, 2022

SUBJ: 2022 Budget Proposal

The following is the FY '22 Budget planning workbook for the Finance Committee's ongoing review:

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I. BUDGET SUMMARY SHEET

A. Revenue Summary

	<u>Description</u>	<u>2021 Budget</u>	<u>2021 Actual</u>	<u>2022 Proposed</u>
	<u>MISC. REVENUES:</u>			
810-3000	ALCOHOL LICENSES	\$ 30,000.00	\$ 30,250.00	\$ 30,000.00
810-4000	OTHER LICENSES	\$ 16,000.00	\$ 20,968.00	\$ 18,000.00
810-5000	FEES & PERMITS	\$ 180,000.00	\$ 206,342.60	\$ 120,000.00
811-0000	FINES - MUNICIPAL COURT	\$ 40,000.00	\$ 23,266.15	\$ 45,000.00
811-2000	INTEREST ON TAXES	\$ 96,000.00	\$ 120,332.43	\$ 110,000.00
811-3000	INTEREST ON INVESTMENTS	\$ 60,000.00	\$ 61,413.33	\$ 60,000.00
811-7000	P.O. RENT	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00
811-8000	PARKING LOT FEES	\$ 5,000.00	\$ 385.00	\$ -
810-8000	POOL FEES	\$ 148,872.10	\$ 201,031.75	\$ 195,000.00
810-7000	RECREATION FEES	\$ 121,400.00	\$ 108,401.21	\$ 112,000.00
810-6000	UNIFORM FIRE SAFETY	\$ 17,000.00	\$ 17,374.54	\$ -
820-3000	HOTEL TAX	\$ 11,000.00	\$ 8,398.17	\$ 9,000.00
920-2000	ENERGY RECEIPTS TAX (STATE AID)	\$ 662,172.00	\$ 662,172.00	\$ 662,172.00
816-0000	CONSTRUCTION CODE FEE	\$ 240,000.00	\$ 299,907.00	\$ 290,000.00
810-7003	TURF FIELD FEES	\$ 4,780.00	\$ -	\$ -
810-9000	FROM BOE FOR SLEO III COSTS	\$ 100,300.00	\$ 109,350.79	\$ 100,300.00
823-1000	FROM SEWER FOR PENSION COSTS	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00
932-1000	FROM OPEN SPACE FOR DEBT SERVICE	\$ 500,000.00	\$ 500,000.00	\$ -
820-9000	DIVIDEND FROM JIF	\$ 4,991.00	\$ 4,991.00	\$ 6,342.00
813-2000	VERIZON FRANCHISE FEE	\$ 78,661.46	\$ 78,661.46	\$ 77,503.02
813-2000	COMCAST FRANCHISE FEE	\$ 32,148.07	\$ 32,148.07	\$ 31,116.32
821-5000	CAPITAL FUND BALANCE	\$ 31,407.29	\$ 31,407.29	\$ 49,745.04
825-1000	DUE FROM LIBRARY - PENSION	\$ 61,400.00	\$ 68,755.39	\$ 61,400.00
821-1000	LIBRARY RENTAL	\$ 132,000.00	\$ 161,493.93	\$ 161,000.00
828-1000	WORKERS COMP SURPLUS	\$ 11,700.00	\$ 12,008.74	\$ 11,700.00
832-1000	RESERVE FOR TRAIN STATION	\$ 30,000.00	\$ 30,000.00	\$ 17,000.00
812-2000	RESERVE FOR SALE OF ASSETS	\$ 992,337.50	\$ 991,974.50	\$ -
TBD	RESERVE FOR AMERICAN RESCUE PLAN	\$ -	\$ -	\$ 397,426.50
1600-0000	MRNA	\$ -	\$ 13,410.80	\$ -
1549-9000	DELINQUENT TAXES	\$ 437,300.00	\$ 433,310.33	\$ 460,000.00
810-1000	FUND BALANCE ANTICIPATED	\$ 1,600,000.00	\$ 1,600,000.00	\$ 1,875,000.00
700-0000	AMOUNT TO BE RAISED BY TAXATION	\$ 10,638,030.12	\$ 12,258,549.29	\$ 11,085,501.46
800-1000	LIBRARY TAX	\$ 748,406.49	\$ 748,406.49	\$ 755,819.53
	<u>GRANTS:</u>			
2000-2000	<u>RECYCLING TONNAGE GRANT</u>	\$ 14,452.91	\$ 14,452.91	\$ 30,760.45
2000-2000	MUNICIPAL ALLIANCE - STATE	\$ -	\$ -	\$ 7,720.20
2000-2000	BODY ARMOR REPLACEMENT FUND	\$ 1,666.27	\$ 1,666.27	\$ 1,189.95
2000-2000	FEDERAL BULLET PROOF VEST	\$ 2,419.00	\$ 2,419.00	\$ -
2000-2000	OFFICE OF EMERGENCY MANAGEMENT	\$ 10,000.00	\$ 10,000.00	\$ -
2000-2000	POLICE DONATIONS	\$ 250.00	\$ 250.00	\$ 10,000.00
2000-2000	MUNICIPAL ALLIANCE - OTHER MUNI	\$ -	\$ -	\$ 1,129.08
1700-0000	CHAPTER 159 REVENUE	\$ 74,734.51	\$ 74,734.51	\$ -
	TOTAL PROJECTED REVENUES	\$ 17,185,928.72	\$ 18,989,732.95	\$ 16,843,325.55

B. Appropriations Summary

<u>Dept #</u>	<u>Description</u>	<u>2021 Budget</u>	<u>2021 Actual</u>	<u>2022 Proposed</u>
100-0100	ADMIN. & EXEC S&W	\$ 157,000.00	\$ 169,009.46	\$ 160,000.00
100-0200	ADMIN. & EXEC. OE	\$ 164,250.00	\$ 113,461.67	\$ 155,000.00
101-0200	HUMAN RESOURCES - OE	\$ 60,000.00	\$ 48,485.63	\$ 60,000.00
102-0100	MUNICIPAL CLERK - S&W	\$ 142,800.00	\$ 142,896.06	\$ 147,000.00
102-0200	MUNICIPAL CLERK - OE	\$ 15,180.00	\$ 16,160.32	\$ 18,000.00
108-0200	CAPITAL IMPROVEMENT FUND O/E	\$ 202,581.00	\$ 202,581.00	\$ 540,000.00
109-0200	CAPITAL IMP - RESERVE FOR TURF FIELD	\$ 4,780.00	\$ 4,780.00	\$ -
110-0100	FINANCE DEPT. - S&W	\$ 116,000.00	\$ 125,800.00	\$ 119,000.00
110-0200	FINANCE DEPT - OE	\$ 32,500.00	\$ 32,422.36	\$ 32,500.00
111-0200	FIN. ADM. - AUDIT	\$ 35,196.00	\$ 35,196.00	\$ 36,500.00
112-0100	TECHINF.SYSTEM-S&W	\$ 12,900.96	\$ 12,856.02	\$ 14,000.00
112-0200	TECHINF.SYSTEM-OE	\$ 34,000.00	\$ 37,200.58	\$ 34,000.00
115-0100	TAX ASSESSOR - S&W	\$ 115,000.00	\$ 128,100.76	\$ 113,000.00
115-0200	TAX ASSESSOR - OE	\$ 32,000.00	\$ 12,937.54	\$ 25,300.00
120-0100	TAX COLLECTOR - S&W	\$ 44,000.00	\$ 43,509.94	\$ 46,000.00
120-0200	TAX COLLECTOR - OE	\$ 8,000.00	\$ 7,496.98	\$ 8,000.00
135-0200	LEGAL SERVICES - OE	\$ 160,000.00	\$ 141,709.89	\$ 178,000.00
140-0100	ENGINEERING - S&W	\$ 106,000.00	\$ 105,684.16	\$ 109,000.00
140-0200	ENGINEERING - OE	\$ 70,000.00	\$ 46,567.54	\$ 70,000.00
141-0200	HIS.PRSVN.ADV.COMM - MISC. EXP	\$ 1,000.00	\$ -	\$ 1,000.00
145-0100	BUILD & GROUNDS - S&W	\$ 195,840.00	\$ 185,616.55	\$ 242,000.00
145-0200	BUILD. & GROUNDS - OE	\$ 365,500.00	\$ 405,086.69	\$ 369,100.00
150-0100	PLANNING BOARD - S&W	\$ 43,350.00	\$ 42,229.44	\$ 45,000.00
150-0200	PLANNING BOARD - OE	\$ 30,000.00	\$ 16,589.64	\$ 25,000.00
155-0100	BOARD OF ADJ. - S&W	\$ 29,651.40	\$ 29,651.40	\$ 30,000.00
155-0200	BOARD OF ADJ. - OE	\$ 30,000.00	\$ 15,915.20	\$ 25,000.00
156-0100	ZONING/HOUSE - S&W	\$ 155,000.00	\$ 152,914.01	\$ 171,000.00
156-0200	ZONING/HOUSE - OE	\$ 7,125.00	\$ 7,040.53	\$ 7,125.00
160-0200	SHADE TREE COMM. - OE	\$ 35,000.00	\$ 45,000.00	\$ 45,000.00
165-0200	ENVIRON. COMM. - OE	\$ 6,400.00	\$ 6,329.23	\$ 3,000.00

<u>Dept #</u>	<u>Description</u>	<u>2021 Budget</u>	<u>2021 Actual</u>	<u>2022 Proposed</u>
170-0200	LIABILITY INSURANCE	\$ 198,000.00	\$ 150,366.50	\$ 210,000.00
171-0200	WORKERS COMPENSATION INSURANCE	\$ 181,070.00	\$ 135,802.50	\$ 183,000.00
175-0100	HB WAIVER	\$ 20,000.00	\$ 21,377.13	\$ 30,000.00
175-0200	GROUP INSURANCE - OE	\$ 880,000.00	\$ 724,763.20	\$ 890,000.00
180-0200	FIRE HYDRANT SERVICE	\$ 90,000.00	\$ 72,553.36	\$ 102,000.00
185-0200	AID TO FIRE DEPT. - OE	\$ 113,000.00	\$ 90,338.95	\$ 113,000.00
190-0100	COMMUNICATIONS - S&W	\$ 280,000.00	\$ 313,189.20	\$ 315,000.00
190-0200	COMMUNICATIONS - OE	\$ 22,000.00	\$ 19,740.31	\$ 22,000.00
195-0100	POLICE - S&W	\$ 2,715,000.00	\$ 2,558,464.69	\$ 2,880,000.00
195-0200	POLICE - OE	\$ 123,500.00	\$ 130,064.60	\$ 133,500.00
200-0200	PURCHASE OF POLICE CARS	\$ 55,000.00	\$ 55,000.00	\$ 58,000.00
205-0200	AID TO RESCUE CO. - DONATION	\$ 62,000.00	\$ 62,000.00	\$ 62,000.00
210-0100	EMERGENCY MGMT. - S&W	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00
210-0200	EMERGENCY MGMT. - OE	\$ 2,700.00	\$ 2,580.35	\$ 2,700.00
220-0100	STREETS & ROADS - S&W	\$ 860,675.00	\$ 746,920.99	\$ 864,000.00
220-0200	STREETS & ROADS - OE	\$ 460,000.00	\$ 443,870.86	\$ 460,000.00
225-0200	STREET LIGHTING - OE	\$ 38,000.00	\$ 39,137.29	\$ 40,000.00
230-0100	MUNICIPAL SVCS. ACT - S&W	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00
230-0200	MUNICIPAL SVCS. ACT. - OE	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00
235-0200	LANDFILL - OE	\$ 46,200.00	\$ 38,405.20	\$ 46,200.00
240-0200	RECYCLING - OE	\$ 99,000.00	\$ 94,886.32	\$ 99,000.00
245-0200	RIGHT TO KNOW ACT - OE	\$ 500.00	\$ -	\$ 500.00
246-0100	VEHICLE MAINT. - S&W	\$ 84,660.00	\$ 88,336.14	\$ 80,000.00
246-0200	VEHICLE MAINT. - OE	\$ 75,000.00	\$ 77,260.57	\$ 75,000.00
250-0200	BOARD OF HEALTH	\$ 97,200.00	\$ 97,828.29	\$ 101,000.00
260-0200	ANIMAL CONTROL - OE	\$ 20,000.00	\$ 18,900.00	\$ 20,000.00
271-0100	SWIM POOL - S&W	\$ 153,832.50	\$ 132,235.08	\$ 165,000.00
271-0200	SWIM POOL - OE	\$ 60,700.00	\$ 71,198.01	\$ 68,000.00

<u>Dept #</u>	<u>Description</u>	<u>2021 Budget</u>	<u>2021 Actual</u>	<u>2022 Proposed</u>
272-0100	RECREATION - S&W	\$ 206,693.36	\$ 170,729.84	\$ 230,000.00
272-0200	RECREATION - OE	\$ 52,800.00	\$ 47,679.68	\$ 69,325.00
275-0200	CELEBRATION OF PUBLIC EVENTS	\$ 2,500.00	\$ 1,520.00	\$ 2,500.00
280-0200	SENIOR CITIZEN VAN - OE	\$ 5,500.00	\$ 4,145.52	\$ 7,300.00
285-0100	CONSTRUCTION - S&W	\$ 210,000.00	\$ 207,843.73	\$ 217,000.00
285-0200	CONSTRUCTION - OE	\$ 10,000.00	\$ 7,751.12	\$ 10,000.00
290-0100	FIRE PREVENTION - S&W	\$ 17,500.00	\$ 13,301.62	\$ 10,000.00
290-0200	FIRE PREVENTION - O&E	\$ 50,245.00	\$ 41,095.56	\$ 6,120.00
291-0200	ACCUMULATED ABSENCES COMPENSATION	\$ 30,000.00	\$ 30,000.00	\$ 50,000.00
300-0200	S&W ADJUSTMENT	\$ 10,000.00	\$ -	\$ 32,000.00
305-0200	TELEPHONE	\$ 96,000.00	\$ 105,545.63	\$ 110,000.00
310-0200	ELECTRICITY	\$ 51,000.00	\$ 41,972.71	\$ 51,000.00
315-0200	GASOLINE	\$ 81,000.00	\$ 86,408.67	\$ 110,000.00
320-0200	GAS	\$ 10,000.00	\$ 12,376.10	\$ 25,000.00
330-0200	DEFERRED CHARGES	\$ -	\$ -	\$ 1,000.00
334-0200	DEFINED CONTRIBUTION RETIREMENT PROGRAM	\$ 11,000.00	\$ 6,345.10	\$ 12,000.00
335-0200	P.E.R.S.	\$ 499,512.42	\$ 499,512.42	\$ 539,234.00
340-0200	SOCIAL SECURITY (FICA)	\$ 286,620.00	\$ 295,461.48	\$ 302,599.07
345-0200	P.F.R.S.	\$ 626,008.00	\$ 626,008.00	\$ 627,495.00
350-0200	UNEMPLOYMENT - BOROUGH SHARE	\$ 20,000.00	\$ 16,248.66	\$ 20,000.00
357-0200	Municipal Court Shared Service	\$ 102,500.00	\$ 101,154.48	\$ 110,000.00
358-0200	Fire Prevention Shared Services	\$ -	\$ -	\$ 12,000.00
360-0200	LIBRARY CONTRIBUTIONS - OE	\$ 852,082.00	\$ 852,082.00	\$ 852,082.00
410-0250	DEBT - BOND PRINCIPAL	\$ 973,000.00	\$ 973,000.00	\$ 1,155,000.00
415-0250	DEBT - B.A.N. PRINCIPAL	\$ 1,472,500.00	\$ 1,472,500.00	\$ 20,000.00
420-0250	DEBT - BOND INTEREST	\$ 272,360.25	\$ 272,360.25	\$ 428,490.97
425-0250	DEBT - B.A.N. INTEREST	\$ 106,000.00	\$ 106,000.00	\$ 3,196.20
436-0999	RUT	\$ 1,858,743.14	\$ 1,858,743.14	\$ 1,910,207.66
GRANTS				
110-0380	RECYCLING TONNAGE GRANT	\$ 14,452.91	\$ 14,452.91	\$ 30,760.45
372-0201	POLICE DONATION	\$ 250.00	\$ 250.00	\$ 10,000.00
375-0205	MUNICIPAL ALLIANCE	\$ -	\$ -	\$ 7,720.20
376-0202	MUNICIPAL ALLIANCE - OTHER MUNI	\$ -	\$ -	\$ 1,129.08
376-0201	MUNICIPAL ALLIANCE - BORO SHARE			\$ 800.97
383-0201	FEDERAL BULLET PROOF VEST PRG.	\$ 2,419.00	\$ 2,419.00	\$ -
383-0202	EMAA/OEM GRANT	\$ 10,000.00	\$ 10,000.00	\$ -
407-0201	STATE BODY ARMOR REPLACE. FUND	\$ 1,666.27	\$ 1,666.27	\$ 1,189.95
409-2000	RESERVE FOR MUNICIPAL MATCH	\$ 1,250.00	\$ 748.79	\$ 1,250.00
437-0000	CHAPTER 159 EXP.	\$ 64,734.51	\$ 64,734.51	\$ -
TOTAL PROPOSED APPROPRIATIONS		\$ 17,175,928.72	\$ 16,481,005.33	\$ 16,843,325.55

II. ECONOMIC & FINANCIAL CONDITIONS

This section highlights a number of broad economic and financial factors effecting the Borough's budget.

A. Property Assessment

The assessed value of all property in the Borough is a critical indicator of the Borough's economic strength and resiliency. Table 1 below illustrates the trend in valuation over the past five years. Changes in assessed valuation is driven by a combination of factors including: substantial improvements to existing properties; new construction; and changes in market conditions, which could also become a factor in reducing assessed valuation through tax appeals. It is important to keep in mind that a tax appeal settlement is 100% the responsibility of the Borough as other taxing entities such as the County or School district do not participate in the reimbursement of past taxes. Table 2 explains the Borough's assessed value by the category of land uses.

TABLE 1

Assessment Year	Assessed Valuation
2022	\$ 2,338,418,670
2021	\$ 2,249,815,367
2020	\$ 2,191,901,508
2019	\$ 2,237,001,839
2018	\$ 2,243,167,657
2017	\$ 2,275,167,000

B. Assessment by Property Type

Table 2 indicates that the Borough is heavily reliant upon single family residential properties for property tax revenue. Recent redevelopment efforts will help diversity the tax base and increase economic diversity and resiliency.

TABLE 2

Land Use	Percentage Valuation
Residential	84%
Commercial	7%
Industrial	1%
Farm	7%
Apartment	0%

C. Effects of COVID-19 on Revenue

The immediate challenges facing the Borough are influenced by the ongoing COVID-19 pandemic, now moving into its third year. Associated loses in fee revenue since the start of the pandemic are compounded over two budget cycles and equal to \$256,877 +/- as itemized in Table 3.

TABLE 3

	Revenue Realized			Net Loss
	2019	2020	2021	
Court	104,293	63,898	23,266	81,027
Construction	315,842	224,814	299,907	15,935
Parking	5,150	14,675	385	4,765
Hotel	26,609	11,027	8,398	18,211
Recreation	163,413	34,467	108,401	55,012
Interest on Investments	143,340	115,621	61,413	81,926
	758,648	464,505	501,770	256,877

D. Impact of Inflation

Local government is not exempt from price increases that have impacted everything from fuel, concrete, asphalt, road salt, equipment repairs, technology and the overall cost of labor. The 2021 Consumer Price Index for the area was 4.4 percent with the last quarter of '21 showing inflation accelerating to 7+/- percent.¹ Further, increases in the minimum wage, which has a domino effect on wages in the Borough, has added to budget challenges. The table below illustrates the impact of minimum wage increases; as one example of inflationary pressure.

TABLE 4

Year	Estimate	PT Employees	Hours per Week	Weeks
	Rate	20	20	15
		Expense	Increase over PY	Cumulative
2018	\$ 7.75	\$ 46,500.00		
2019	\$ 8.85	\$ 53,100.00	\$ 6,600.00	\$ 6,600.00
2020	\$ 10.30	\$ 61,800.00	\$ 8,700.00	\$ 15,300.00
2021	\$ 11.10	\$ 66,600.00	\$ 4,800.00	\$ 20,100.00
2022	\$ 11.90	\$ 71,400.00	\$ 4,800.00	\$ 24,900.00
2023	\$ 12.70	\$ 76,200.00	\$ 4,800.00	\$ 29,700.00
2024	\$ 13.50	\$ 81,000.00	\$ 4,800.00	\$ 34,500.00
2025	\$ 14.30	\$ 85,800.00	\$ 4,800.00	\$ 39,300.00
2026	\$ 15.00	\$ 90,000.00	\$ 4,200.00	\$ 43,500.00

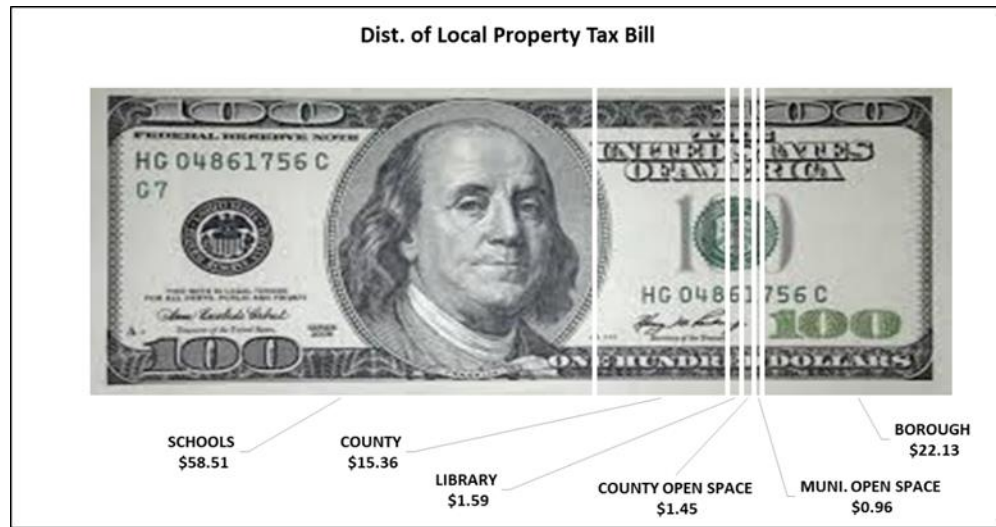
¹ U.S. Bureau of Labor Statistics. www.bls.gov/regions/new-york-new-jersey.news-release/consumerpriceindex_newyorkarea.html. Accessed 2/2/22.

III. TAX COLLECTION RATE & RESERVE FOR UNCOLLECTED TAXES

The Borough's tax collection office is responsible for collecting property taxes on behalf of each entity with the legal authority to collect a tax levy such as the County Commissioners, Board of Education, etc.

As indicated in the graphic below, while the Borough is responsible for the collection of all property taxes, its portion (labeled "Local Purpose" on the tax bill) is approximately 22.13% of a property owner's property tax bill.

CHART 1



It is worth noting that the county and school district are entitled to 100% of their respective tax levy, regardless of the Borough's ability to achieve a 100% collection rate on their behalf. This requires the Borough to maintain a Reserve for Uncollected Taxes (RUT). The proposed RUT for 2022 is \$1,910,207. The RUT calculation is based on a 96% tax collection rate, but it is noted that the Borough has consistently exceeded this rate, which builds the Borough's surplus for use as a revenue source in subsequent budgets and an important resource in event of emergencies (See Table 8).

The Borough's conservative approach to tax collection coupled with a strong collection effort was a positive discussion point in the Borough 2021 Aaa bond rating score from Moody's Investor Services.

IV. BOROUGH IMPROVEMENT GOALS

In providing policy guidance for the FY '22 Budget, the Mayor and Council undertook a strategic goal setting process. Based on productive conversations undertaken by the governing body, the following list of goals and priorities is presented for FY '22.

The items listed below are not exclusive as the Borough remains committed to taking advantage of opportunities to promote other important community goals. However, the following goals provide a critical north star to guide and focus Council and staff in the coming year and are aligned with the FY '22 Budget.

A complete park system with something for everyone:

- Develop construction estimates and plans for Polo Grounds Improvements (Electric Services Extension, Pavilion, Lighting, and Audubon Trail connection).
- Develop construction estimates and plans for the Development of a Trail System at 271 Mine Brook.
- Obtain permits and construct Walking Path around Polo Grounds.
- Construction of Pickle ball Court at Polo Grounds.
- Opening building at 251 Claremont to enhance senior programming.

An attractive and functional downtown:

- Complete Palmer redevelopment investigation and subsequent plans.
- Monitor and implement timeline for implementation of Quimby Lane Redevelopment agreement.
- Name redeveloper for Audi property.
- Secure tenant for Train Station.
- Enhance cleanliness and weed control in the Downtown.

Walkability and pedestrian safety:

- Identify and prioritize pedestrian improvement projects through the input of the Police Department, BOE, and Public Safety Committee.
- Develop strategies for each pedestrian priority based on road ownership (State, County or Borough), grant opportunities, and work toward initial estimates and designs.
- Install crosswalk on Rt. 202.
- Continue to work on improvements to pavement surface through direct (fix) and indirect (enforcement) initiatives.

Resilient and Efficient Municipal Infrastructure:

- Create an intergovernmental affairs (lobbying team) to work with utilities, State, county and federal entities on matters important to community (i.e. reliability and resiliency of utilities, pedestrian improvements; emergency communications, shared services, etc.)
- Decide on future of dam and develop appropriate plans.
- Achieve a quality grade of 80% for all municipal road surfaces by 2026 with the goal of maintaining them through pay-as-you-go financing.
 - Focus road improvements so they align with redevelopment projects, neighborhood revitalization goals, and underground utility upgrade projects.

Long Term Efficiency and Competitiveness

- Approach capital improvements in a manner that minimizes future costs. Examples include:
 - Progress to a pay-as-you-go approach for the road surface maintenance to avoid financing costs.
 - Evaluate options related to the dam at Nervine Memorial Park to will minimize risk for property damage and long term maintenance costs.
 - Conduct a comprehensive cost benefit analysis to migrating administrative vehicle fleet to become an electric vehicle fleet.
- Monitor opportunities for short/mid-term cost reduction savings.
 - Reconsider health insurance HIF in July/August 2022.
- Provide training for municipal department heads in LEAN management and continuous process improvement.
- Diversify municipal revenue sources:
 - Annually evaluate fee structure.
 - Keep healthy reserves to take advantage of rising interest rate revenue.
 - Promote redevelopment that reduces reliance on single family properties for property tax revenue.
- Work to maintain AAA bond rating to guarantee favorable borrowing rates.
- Develop a comprehensive multi-year budget projection tool.

Misc.

- Continue to enhance Municipal web site to make municipal services more efficient.
- Make greater utilization of e-mail and social media to communicate with community.

V. THE BUDGET IN BRIEF

In preparing the proposed FY '22 Budget (Budget), the Borough presents a plan that addresses its immediate fiscal challenges while forging ahead with strategic initiatives to strengthen the quality of life in our community as outlined in Section IV.

The Borough's FY '22 appropriations budget is substantially influenced by three factors: 1.) Inflation and wage pressure; including mandatory increases in the minimum wage; 2.) the Borough's debt repayment schedule associated with the road improvement program and voter approved referendum (See Table 6); and 3.) multi-year compounded revenue declines associated with the COVID-19 pandemic. However, these factors are offset in large part by the American Recovery Program Grant, and continued growth in the value of the Borough's housing market.

The proposed Budget is \$16,843,325. By comparison, the 2021 budget was \$17,096,741, which is a decrease of \$187,072. However, when comparing FY '22 to FY '21, note that the '21 budget reflected a unique one-time revenue/expense of \$991,974 from the sale of the residential portion of the 271 Mine Brook Road open space purchase.

The amount of revenue to be raised through "local purpose" property taxes for FY '22 is proposed to be \$11,841,320. The amount raised in FY '21 was \$11,386,436.91. However, the property tax rate remains unchanged at .506. If approved, property taxes for the municipal (local purpose) portion of the tax bill on the average assessed home of \$803,895 would be \$4,070.78 +/-.

The most significant cost driver in the Budget includes an increase in debt service for road improvements in the amount of \$418,258² as further explained in Table 6; this is associated with a voter approved referendum focused on road improvement projects.

The 2022 budget will include another temporary revenue item; namely the *American Rescue Plan Grant*, which will largely be used to fund the capital program and partially offset a number of COVID-19 revenue reductions. The portion of the grant utilized in the proposed budget is \$397,426.

² The overall increase in debt service is mitigated by the maturity of older bond; but it does show the temporary increase related to road referendum financing plan.

VI. MUNICIPAL DEBT

The Borough has considerable debt capacity and benefits from an Aaa bond rating from Moody's Investor Services. Maintenance of this rating is a priority goal for the Borough.

Optimally, the Borough aspires to be in the position to have sufficient cash reserves in the capital improvement fund to pay directly (as opposed to issuing debt) for recurring projects, as well as equipment that is routinely replaced. The Borough has made considerable strides toward this goal in most areas other than roads and significant infrastructure (See D (3) below).

This approach would reduce financing costs and further strengthen the foundations supporting our Aaa bond rating. Under this scenario, new debt would be limited to funding unique projects should they be needed.

As a practical example, we know that a well-maintained road system requires a routine surface reconditioning. As goal for the future that we are working toward, the capital improvement fund should provide for a pay-as-you approach for such a purpose and careful planning will be required to put such a system in place in the future.

The Finance Committee has developed a preliminary plan that if implement would provide an opportunity to move to a pay-as-you system around 2033 when there is a considerable drop in the debt payment schedule; provided new debt is kept to a minimum until then.

A. Debt Capacity

Municipalities are permitted to carry combined municipal and school district debt at 3.5% of assessed valuation. Bernardsville's combined school and municipal debt is 0.688% of its assessed valuation. The Borough's assessed valuation for 2021 was 2,249,815,367. The Borough's total debt in 2021 was \$15,111,500 and if the Borough proceeds with the proposed 2022 plan for parks and road improvements, the overall 2022 debt as of 12/31/22 will be \$17,016,045.60.

B. Debt Service

In FY '21, the Borough's debt service (principle + interest) was \$2,823,823.05. This figure included the payoff of the short-term debt in the amount of \$1,472,500 for the purchase of 271 Mine Brook Road, the payoff of which was funded by the sale proceeds of the subdivided residential portion of the property and open space funds.

The FY '22 budget anticipates \$1,606,687.17 in debt service. This does not include the additional \$40,000 for the down payment on the new road debt in the amount of \$800,000, which will be reflected in future debt schedules.

TABLE 5

	Current as of 3/22	
Year	Total Debt	Debt Services
2020	13,674,000	1,470,748
2021*	15,111,500	2,878,723
2021	*w/o 271 Mine Brook	1,406,223
2022	15,496,000	1,646,687
2023	15,081,000	1,699,083
2024	14,962,667	1,776,700
2025	14,064,333	1,824,642
2026	13,296,000	1,943,783
2027	13,139,667	1,969,575
2028	12,002,833	2,004,229
2029	11,051,000	2,026,758
2030	9,801,667	2,067,575
2031	8,477,333	2,096,767
2032	7,088,000	2,154,433
2033	5,603,667	1,329,425
2034	4,404,333	1,356,942
2035	3,150,000	744,750
2036	2,484,000	590,100
2037	1,956,000	471,400
2038	1,533,500	415,838
2039	1,156,000	338,900
2040	846,000	286,150

C. Effects of Road Referendum Bond

In 2015 the Borough issued for just under \$13 million in debt, approximately \$10 million of which was intended for road improvements. This was approved by a referendum with the understanding that it would raise local property taxes.

If the full cost of the increase in debt service (on a matching year-to-year basis) had been raised at that time, it would have amounted to a 9% increase in the amount to be raised by taxation. To ease the burden on the tax payers, the Council decided to spread the tax increase out at a rate equal to an extra 1% increase in the amount to be raised each year.

However, in the intervening years the budget absorbed the remaining increase in the amount to be raised, not only for the initial year, but for subsequent years as well. The chart below shows the cost of the bond payment each year, the value of the cumulative 1% increase in taxes each year and how much of the debt payment it supported. As you can see, for 2022, the budget has absorbed approximately \$3.5 million toward the debt payments. It won't be until 2025 that the increase in taxes will cover the full cost of the debt issuance as shown in Table 6.

TABLE 6

Year	Referendum Total Debt Pymt	1% Referendum Appropriated	Debt Service Liability To Debt Service	Budget Supplement	Repay
2016	757,259	96,502	96,502	660,757	\$-
2017	790,675	195,861	195,861	594,814	\$-
2018	799,988	298,187	298,187	501,800	\$-
2019	813,850	403,372	403,372	410,478	\$-
2020	832,150	511,713	511,713	320,437	\$-
2021	859,775	623,304	623,304	236,471	\$-
2022	1,156,500	738,242	738,242	418,258	\$-
2023	1,136,250	856,629	856,629	279,621	\$-
2024	1,116,000	978,568	978,568	137,432	\$-
2025	1,095,750	1,104,164	1,095,750	\$-	8,414
2026	1,075,500	1,233,528	1,075,500	\$-	158,028
2027	1,054,125	1,366,774	1,054,125	\$-	312,649
2028	1,031,625	1,504,016	1,031,625	\$-	472,391
2029	1,008,000	1,642,789	1,008,000	\$-	634,789
2030	981,000	1,788,390	981,000	\$-	807,390
2031	954,000	1,938,359	954,000	\$-	984,359
2032	927,000	2,092,827	927,000	\$-	1,165,827
	\$ 16,389,446	\$ 17,373,225	\$ 12,829,378	\$ 3,560,068	\$ 4,543,847

D. FY '22 Capital Improvement Plan

1. *Proposed '22 Capital Program* – Table 7 provides a breakdown of the recommended capital improvement plan for FY '22. Please see “3. Capital Improvement Fund Balance” for an explanation of how this will impact the budget.

TABLE 7

<u>Proposed Capital Improvements '22</u>	
DOWN PAYMENT FOR ROADS	\$ 40,000.00
LIBRARY ROOF (2ND HALF)	\$ 118,800.00
SWIMPOOL PARKING LOT - OPEN SPACE MASTER PLAN?	\$ 36,055.54
LIBRARY DOORS (FICTION/NON-FICTION AREA)	\$ 25,000.00
SIDEWALK/PAVER REPAIRS PER TOMC.	\$ 15,000.00
HVAC UNIT FOR POLICE DISPATCH	\$ 13,000.00
BOILER AT TRAIN STATION	\$ 14,000.00
RECREATION MOVE TO 251 CLAREMONT	\$ 50,000.00
COMPUTERS - CONSTRUCTION/ZONING	\$ 12,100.00
COMPUTERS - CLERK'S OFFICE	\$ 3,000.00
POLICE TECHNOLOGY	\$ 28,331.69
BODY ARMOR	\$ 8,000.00
COMPUTER REPLACEMENTS	\$ 7,200.00
RADIO REPLACEMENT	\$ 20,000.00
ALCOTEST (RESERVE)	\$ 22,000.00
RADAR TRAILER/VMB	\$ 10,000.00
ELECTRONIC SPEED SIGNS	\$ 2,900.00
SUPPLIES/EQUIPMENT	\$ 10,000.00
HARDSCRABBLE ROAD REPEATER SITE	\$ 20,000.00
RADIO BUILDING & INFRASTRUCTURE	\$ 67,000.00
SERVER (MAY OVERLAP W/ POLICE)	\$ 6,646.78
WALL MOUNTED SERVER CABINET	\$ 600.00
HARD DRIVE RACK	\$ 7,670.00
NETWORK - DELL SONIC WALL	\$ 555.99
SONIC WALL RACKMOUNT KIT	\$ 140.00
LEAF COLLECTOR	\$ 125,000.00
F35 CHEVROLET BOLT EV FOR DOUG, JOHN & KATHY	\$ 37,000.00
TOTAL	\$ 700,000.00

2. Proposed FY '22 Road Program Bond

The current version of the proposed Budget calls for an \$800,000 road improvement program, which will require that a down payment of 5% or \$40,000. Projects include:

- Complete Bernards Avenue (\$300K NJDOT Awarded). Project requires an additional \$254,000 in new funding
- Complete Mill and Paves as outlined in Budget Request (\$546,000)
- Apply for NJDOT FY 2023 Grant in support of Bernards Ave Neighborhood Project

Map of existing road conditions is attached.

3. Capital Improvement Fund Balance

In FY '21, the Borough appropriated \$202,581 into the Capital Improvement Fund (CIF). The proposed FY '22 capital budget allocates \$397,426 from the American Rescue Plan (COVID-19) plus a contribution from the Borough of \$167,573 for a total of \$565,000. When adding the current balance in the CIF balance of \$263,183, the total available cash for the capital program would be \$828,183. As indicated in Table 7 of proposed projects, an appropriation of \$700,000 is recommended leaving a balance in the CIF of \$103,000.

E. Debt for Park Improvements

The Borough is pursuing substantial investments in its municipal parks. While we are now in the collecting estimates and developing concepts, it is anticipated that a \$3.5 million investment in the park system can be serviced over 10-years with revenue from the open space trust fund at its current rate. Below is the financing model in draft form.

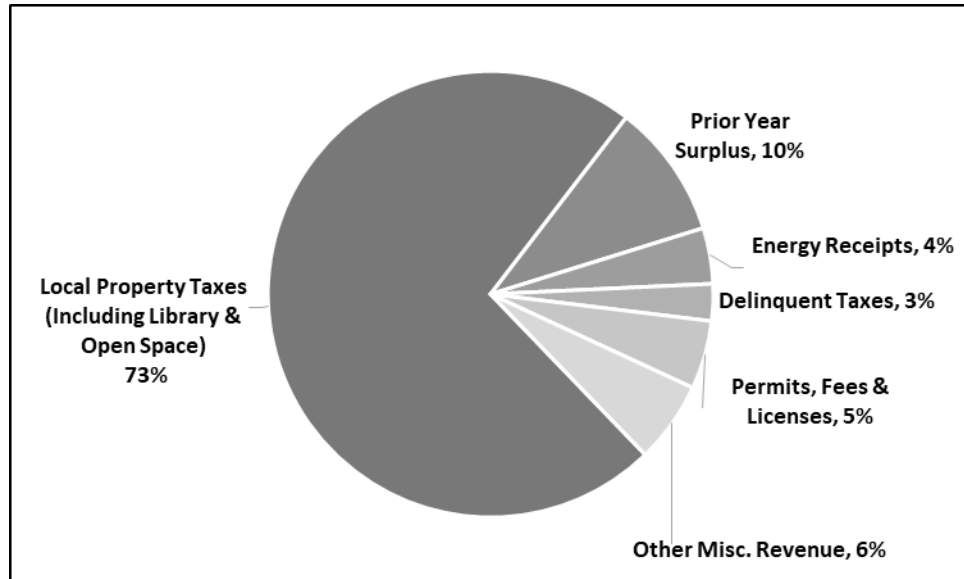
Balance of Development Account as of 2/23/22	\$	50,946.41	
Estimated 2022 Open Space Tax	\$	450,000.00	
Down Payment for Bond Ordinance	\$	(175,000.00)	
Cancellation of Ord 2021-1906 - Pickle Ball Court	\$	600,000.00	(To be funded by Bond Ordinance)
Estimated 2022 Interest	\$	27,500.00	
Estimated Balance 12/31/22	\$	953,446.41	

<u>Payment</u>	<u>Year</u>	<u>Balance at Year End</u>	<u>Interest</u>	<u>Principal Payment</u>	<u>Total Budget</u>
Down Payment	2022	\$ 3,325,000.00	\$ -	\$ -	\$ 175,000.00
1	2023	\$ 2,992,500.00	\$ 49,875.00	\$ 332,500.00	\$ 382,375.00
2	2024	\$ 2,660,000.00	\$ 44,887.50	\$ 332,500.00	\$ 377,387.50
3	2025	\$ 2,327,500.00	\$ 39,900.00	\$ 332,500.00	\$ 372,400.00
4	2026	\$ 1,995,000.00	\$ 34,912.50	\$ 332,500.00	\$ 367,412.50
5	2027	\$ 1,662,500.00	\$ 29,925.00	\$ 332,500.00	\$ 362,425.00
6	2028	\$ 1,330,000.00	\$ 24,937.50	\$ 332,500.00	\$ 357,437.50
7	2029	\$ 997,500.00	\$ 19,950.00	\$ 332,500.00	\$ 352,450.00
8	2030	\$ 665,000.00	\$ 14,962.50	\$ 332,500.00	\$ 347,462.50
9	2031	\$ 332,500.00	\$ 9,975.00	\$ 332,500.00	\$ 342,475.00
10	2032	\$ -	\$ 4,987.50	\$ 332,500.00	\$ 337,487.50
			\$ 274,312.50	\$ 3,325,000.00	\$ 3,774,312.50

VII. REVENUE HIGHLIGHTS

A. Sources of Municipal Revenue

CHART 2



B. Tax Collection Rate:

The tax collection rate has remained stable, averaging 99.01% over the last five years. The COVID pandemic has not had a huge impact on tax collections.

TABLE 8

Tax Collection Rate	
2021	98.94%
2020	98.91%
2019	99.07%
2018	98.83%
2017	99.30%

C. Budget Surplus:

It has been the Borough's Policy to try to keep approximately \$500,000 remaining in Fund Balance after utilization in the budget. Due to increased expenses and unchanging or reduced revenues the balance has averaged around \$250,000 for the last 3 years.

TABLE 9

Surplus used in Budget		
	Utilized	Remaining
2023	++	
2022	1,875,000	499,341
2021	1,600,000	249,441
2020	1,725,000	241,209
2019	1,713,336	292,919
2018	1,892,301	488,123
2017	1,577,750	500,624

D. Miscellaneous Revenues:

Miscellaneous Revenues include items such as Fees & Permits from all Borough Departments, Hotel Taxes, Rental of Borough Properties (Library Suites, Post Office Land Lease), Cable Franchise Fees, Interest on Investments, etc. The COVID pandemic has deeply affected these revenues over the last 2 years.

TABLE 10

Miscellaneous Revenues		
	Budget	Realized
2022		
2021	3,010,832	3,184,696
2020	1,561,215	1,436,570
2019	1,845,234	1,814,567
2018	803,329	1,810,697
2017	1,711,516	1,953,869

E. State Aid:

The State Aid received by the Borough is also known as the Energy Receipts Tax (ERT). This amount has not changed since 2009 when it dropped from \$865,019 to the amount we now receive annually, \$662,172. This tax was previously paid directly to municipalities, however the State took over collections in 1997 with the intention of disbursing the funds to the local units. In future years, however, the State needed to use the funds to balance the State budget and

municipal funding decreased significantly. There is currently a bill on the Senate floor (S330) to restore the ERT to the local level and return funds that were diverted to the State budget to municipalities, which the Council voted to support.

TABLE 11

State Aid		
<i>(No change since 2009)</i>		
	Budget	Realized
2022		
2021	662,172	662,172
2020	662,172	662,172
2019	662,172	662,172
2018	662,172	662,172
2017	662,172	662,172

F. Receipts from Delinquent Taxes:

The budgeted amount for this revenue is entirely dependent on the tax balance due at the end of the year. The more that remains delinquent, the more we can use as revenue to balance the budget, however it would also imply a reduction in the tax collection rate. Due to annual tax sales for prior year delinquencies, we generally collect the vast majority of budgeted delinquent tax revenue.

TABLE 12

Receipts from Delinquent Taxes		
	Budget	Realized
2022		
2021	\$ 437,300.00	\$ 433,310.33
2020	\$ 347,500.00	\$ 347,964.40
2019	\$ 379,000.00	\$ 366,150.87
2018	\$ 295,000.00	\$ 301,385.74
2017	\$ 538,000.00	\$ 541,672.78

G. Tax Levies:

Amount to be raised through property taxes for municipal purposes.

TABLE 13

Amount to be Raised By Taxation			
	Municipal	Library	Total
2021	10,638,030	748,406	11,386,436
2020	10,305,094	754,094	11,059,188
2019	10,077,252	753,815	10,831,068
2018	9,746,218	772,290	10,518,509
2017	9,461,790	770,863	10,232,653

Amount to be raised through property taxes for municipal purposes, County, School District and open space.

TABLE 14

Property Tax Levy (Full)		
	Levy (100%)	Paid/Adjusted
2021	47,474,055	46,974,424
2020	46,279,336	45,834,655
2019	45,683,092	45,336,028
2018	44,711,295	44,259,942
2017	43,941,146	43,642,677

V. BUDGET ITEM NARRATIVES, JUSTIFICATIONS & KPI's

100 Administrative & Executive

Salaries: Provides for the Borough Administrator's salary.

Expenses: Provides for general office supplies, computers and technology for department heads, continuing education, dues, postage, staff technology, continuing education for the Mayor and Council, and additional resources to implement unanticipated minor expenses associated with the governing body's priorities.

101 Human Resources

Expenses: Provides for Labor attorney costs regarding personnel matters, labor contracts, etc.

102 Municipal Clerk

Salaries: Provides for the salary of the Borough Clerk, Deputy Clerk & Assistant to the Clerk (Partial).

Expenses: Includes legal advertising, election materials, codification of ordinances, and other supplies related to the office's responsibility.

108 Capital Improvement Fund

For cash funding of capital projects and purchases.

109 Capital Imp. Reserve for Turf Field

There is separate sub-account setting aside turf field fee revenue for the replacement/repair of the turf field. Adjusted for the amount collected each year - to be run through a reserve for 2022 and future years.

110 Finance Department

Salaries: Provides for the salary of the Finance Director, Qualified Purchasing Agent and a partial finance assistant.

Expenses: Includes funding for office supplies, for continuing education related to the maintenance of State required credentials for finance officers and QPA's. Additionally, this covers costs associated with capital financing, and numerous costs associating with the processing of payroll checks.

111. Annual Audit

For payment of all audit services, including the preparation of the annual debt statement and the annual financial statement as well as the performance and preparation of the annual audit. Also includes assistance with the annual budget.

112. Computer Information Technology

Salaries: Provides for the Salary of the I.T. Manager (Partial)

Expenses: Includes funding for general expenses related to information technology (Parts, etc), for contract payments for the Google apps/storage, printer/copier maintenance, etc., and for the annual contract for the maintenance of the Borough Website.

NOTE: The Borough migrated its website to the SDL platform. SDL is the Borough's zoning and construction code permitting vendor and offers free hosting services. This moved required IT to reconstruct the web-site, which was accomplished in January 2022 and resulted in a substantially improved web-site. As a result of this switch, the Borough will save approximately \$12,000 per year moving forward in web hosting services.

115. Assessment of Taxes

Salaries: For the salary of the Borough Assessor, Assistant to the Assessor and inspectors.

Expenses: For the purchase of office supplies for the tax assessor's office such as filing supplies, printer ink, etc; dues required to join various tax assessor associations to keep updated on new laws/information and for access to classes and seminars for continuing education; for the payment of contract costs for inspection services and other general expenses such as forms, assessment postcards and small ticket computer items; and for the cost of postage for large mailings such as farmland applications & commercial property forms

120. Collection of Taxes

Salaries: For the Salary of the Tax Collector & Cashier (Partial)

Expenses:

- For the purchase of office supplies for the tax collector's office such as filing supplies, small ticket computer items, printer ink, etc.
- For dues required to join various tax collector associations to keep updated on the new laws/information and for access to classes and seminars for continuing education
- For the continuing education of the tax collector in order to maintain state certification (CTC) as well as for general academic growth for the tax office staff.
- Miscellaneous expenses of the tax collector's office such as tax sale expenses, forms, etc.
- Postage costs to cover the mailing of the annual tax bills.
- The annual contract cost of the tax collector's billing and collection system.
- Tax collection IT systems and equipment (printers, etc)
- Reimbursement of mileage expenses for employees traveling for education and/or Borough business - paid at the IRS mileage rate.
- Purchase of all necessary supplies for the issuance of the annual tax bills including tax bill forms, envelopes, etc.

135. Legal Services

For general legal services of the municipal attorney, litigation expenses, and legal matters related COVID-19.

140. Engineering

Salaries: For the salary of the Borough's capital projects manager.

Expenses:

- For the purchase of office supplies specifically for the engineering department. Items include filing supplies, printer ink, etc.
- Webinars, Training for Project Related Classes, e.g. Dam Safety
- Tax and Street Maps
- Stormwater related reports and inspections
- Engineering required for items not established as projects and one off studies, e.g. potential site of Pickle Ball Court
- Engineering/Professional Services Required outside the scope of civil engineering, e.g. Environmental, Structural, Architectural
- Professional Services in support of Library Related Projects, e.g. HVAC, generator.
- Printing and mailing expenses.

141. Historic Preservation Advisory Commission

For purchases made by the Historic Preservation Advisory Committee.

145. Buildings & Grounds

Salaries: For the salary of the Public Works Director, his assistant and the Buildings & Grounds employees

Expenses:

- Building materials needed in building maintenance (Bernardsville Hardware, Jaegar Lumber, etc.)
- Library landscaping maintenance include trees/shrubbery, garbage enclosure, lighting, irrigation turn on, shut-off and maintenance
- For weekly cleaning of Suite 103, HVAC maintenance, water cooler and bottles, lights, etc.
- Maintenance of various Recreation buildings including, but not limited to roof, leaders and gutters, gazebo repairs, lighting, misc. electrical, etc.
- Lawn cutting, weedwacking, fertilizing and lawn treatments at ballfields and parks. Also includes grooming and Gmax testing of turf field and repair/replacements of
- Maintenance and repair of Claremont and Thomas Peters Park playgrounds including certified carpet mulch, equipment repair and graffiti removal ballfield and park appurtenances.
- Lawn cutting, weedwacking, fertilizing and lawn treatments at Borough properties including Borough Hall and Sewer Plant, Train Station, Post Office, Claremont Steps, Library, etc.; weeding and mulching at Borough Hall and Sewer Plant, etc.
- Building maintenance primarily of Borough Hall, Road Dept. Garages and Sewer buildings including but not limited to: HVAC systems, roof, leaders and gutters, fire alarm systems, fire extinguishers, emergency generators, etc.
- Rental/cleaning of water coolers and bottled water at Borough Hall, Road Department, Sewer Department, Construction/Zoning and Recreation offices.
- Payment of water bills at Borough Hall, Polo Grounds shed, Kiwanis snack bar and sprinklers, Train Station (building + sprinklers), Claremont Field House and Library.
- Office furniture for Borough offices (desks, file cabinets, chairs, etc).

- Maintenance and repair of fire cisterns throughout the Borough (wells, pumps, indicator lighting, ground maintenance, etc.)
- Weekly cleaning of Borough Hall/Police and Road Dept 2nd Floor plus annual carpet cleaning of Borough Hall (4x cleaning of entrance hall).
- Payment of sewer fees for Borough hall and Swim pool For maintenance and repair of Library building including, but not limited to: fire alarm maintenance and monitoring; roof and gutters; HVAC maintenance (4X per year) and repair; sprinkler testing, maintenance and repair; sewer fee payment.
- Clearing and salting of sidewalks/ramps and plowing of snow in parking lot.
- Library - detailed property cleanup, spring (1x), fall (2x) and monthly cleanup of accumulated leaves, twigs and debris.
- Maintenance of library tenant space HVAC, hot water heaters, bathroom maintenance and cleaning, sewer fee payment, etc.
- Police related building maintenance items including furnace/AC repair, locks and lock repairs, pest control at police sheds, lighting, etc.
- Maintenance/repair of snack shack including but not limited to fire grill hood inspection and cleaning, exhaust fans, refrigerator, etc. Also for swim pool grounds work.
- Recreation facility/park services (ie: repair to duplex electrical outlets at basketball courts).
- Watering of decorative trees planted on Borough property.
- Removal and disposal of garbage from street cans, Library dumpster and Train Station 2x per week. Removal of container at Police 1x per week.
- Portable toilet rental and cleaning at Polo Grounds, Rose Bowl, Claremont Field and Kiwanis fields.
- Train Station & Farmers Market - Weeding and mulching of landscaped beds, annual inspection of fire alarm system, maintenance and testing of emergency lighting and exit signs, cleaning and inspection of grill hood, fire extinguisher servicing, snow plowing and sidewalk clearing, irrigation turn-on, shut-off and repairs, portable toilet for Farmer's Market, cleaning of commuter area and bathroom, sewer fee payment, etc.
- Repair of borough owned street lighting (downtown, parking lots, ballfields, etc.)
- Purchase and maintenance of landscaping equipment utilized by Buildings and Grounds crew.
- Signage at various borough properties.
- Repairs needed in Borough parking lots including asphalt repair, striping, drainage and lighting.
- Buildings and Grounds crew uniforms.
- Repair work on Borough Hall, Olcott Square and Polo Grounds sprinkler systems

- Maintenance of trucks utilized by Buildings and Grounds
- Replacement flags for flag poles at Borough Hall, Olcott Square and Polo Grounds
- Water testing of Polo Grounds well for drinking fountains
- Maintenance and repair of 251 Claremont Road including roof, gutters and leaders, HVAC, propane fills, cleaning, etc.
- Maintenance and repair of 271 Mine Brook Road including weeding and mulching and grass cutting
- Weekly COVID cleaning of Borough Hall and Police, biweekly cleaning of library Suite 103/105/ lower level restrooms.

NOTE: Over the past few years, the Department has added maintenance responsibilities for 251 Claremont and 271 Mine Brook open space acquisitions to its inventory. The budget reflects an added employee to reflect this growth. In addition, there is a growing demand for services in the downtown area as well as established active recreational parks and playgrounds.

150. Planning Board

Salaries: For the salary of the Planning Board Secretary

Expenses:

- For Board professional services not covered by escrow accounts (Attorney, Planner, Engineer).
- Advertising of legal notices.
- Dues and training.

155. Board of Adjustment

Salaries: **For the Salary of the Board of Adjustment Secretary**

Expenses:

- For Board professional services not covered by escrow accounts (Attorney, Planner, Engineer).
- Advertising of legal notices.
- Dues and training.

156. Zoning/Housing Department

Salaries: For the payment of the Zoning Officer, Shade Tree Officer and the supporting administrative staff.

Expenses:

- For the purchase of office supplies for the Housing and Zoning departments (i.e. ink for copiers, folders, paper. etc.)
- For continuing education of department staff.
- Misc. expenses such as postage, uniforms, safety equipment, etc.
- Technology including yearly SDL subscriptions and equipment.

160. Shade Tree Commission

Expenses:

- Dues, subscriptions, membership fees, etc.
- Removal and disposal of dead or declining trees in Borough ROW or on Borough properties.
- Purchase/install new trees.
- Emergency removal of toppled or hazardous trees.

165. Environmental Commission

Expenses: For dues & subscriptions and miscellaneous expenses related to the Environmental Commission

170. Liability Insurance

Expenses: For payment of quarterly liability insurance (JIF) as well as flood & accident insurance.

171. Workers Compensation

Expenses: For payment of quarterly workers compensation insurance (JIF).

175. Health Benefits

Expenses:

For employee health benefits through the New Jersey Health Benefits program.

For employee dental insurance.

For payment to employees who waive Borough Health Benefits. Calculated at 25% of the amount saved by the employer with a maximum of \$5,000.

NOTE: In February 2022, at the request of the Finance Committee, the Borough's Insurance broker evaluated the Borough's health insurance plan and advised that for the being, remaining with the NJHBP was the most economical option.

180. Fire Hydrant Services

Expenses: For payment of monthly cost for fire hydrants paid to NJ American Water.

185. Aid to Fire Department

Expenses: For annual contribution to the Bernardsville Fire Department and reimbursement of general equipment expenses.

190. Communications

Salaries: For payment of dispatcher salaries, holiday hours, and payment of overtime.

Expenses:

- Standard office supplies for Police Communications Center.
- Equipment in support of dispatchers.
- Dispatcher uniforms.
- Smart prepare/Smart 911 annual license fee's.

195. Police Department

Salaries:

- Salaries for police chief, officers, administrative staff.
- Salaries for crossing guards.
- Salaries for Special Law Enforcement Officers.
- Salaries for parking enforcement.
- Payment of a portion of the IT staff related to police department work.
- Payment of accumulated sick time for police staff.
- Payment of police overtime salaries.
- Payment of salaries for officers stationed at the school (paid for by the BOE)

Expenses:

- Office Supplies All paper products, police stationary, desk items, inks and toners, keyboards, pens, markers, tablets, pads, thumb drives, batteries, desk equipment,

etc. Professional organization dues and subscriptions, publications, office subscription renewals, criminal and I.D guide updates, reference books and journals etc.

- In-service training classes for officers and employees, related expenses such as books and materials, associated expenses such as gas and lodging when required.
- Misc. Expenses - E-Ticket fee`s, Police equip., EMT equip., Petty cash, In-house towing charges, misc. equipment.
- Misc. Equipment - Fire extinguishers, tools and supplies, etc.
- Officer uniforms(badges, police patches, replacement leather gear etc.),
- Police CBA Annual Uniform Allowances Officer.
- Reimbursement for tuition, fees, books and expenses for approved college courses.
- Lodging, travel and expenses for police related training conferences and classes.
- Drug screening fee`s for new and existing officers, psychological and medical evaluations, job related medical fee`s.
- LEAD program supplies, Community Policing program expenses such as National Night Out, Coffee with a Cop, Halloween Safety, and community outreach and crime prevention expenses and materials.
- Range equipment, ammunition, firearm cleaning equipment, Handguns and rifle purchases.
- Body armor for new hires and contract replacement body armor for existing officers, carriers, active shooter vests.
- Crossing guard clothing, equipment and supplies.
- Radar and tuning fork calibrations, radar repair, parts and labor Radio and related communications equipment repair and maintenance, parts, removal and installation fees, emergency replacement of radio equipment.
- Detective Supplies - Photo supplies, evidence supplies, CSI equipment and expenses. security and surveillance supplies, job specific supplies and specialized clothing and protective gear.
- Statement and report transcription and translation expenses.
- Computer hardware, software equipment and maintenance costs.
- All SLEO II clothing and supplies.
- All initial issue uniforms and leather gear supplies for new officers.
- Crossing guard physicals, hearing tests and annual medical evaluations.
- All annual fee`s for contracts related to police use such as E Ticket fees, software and hardware maintenance contracts, copy machines, voice and camera recorders, Enforcys, Info Cop, Power DMS, LAN support fees.
- School SLEO III clothing, uniforms, equipment and required supplies.
- Technology related purchases and expenses, software purchases, hardware purchases, technical support, external devices for storage, cameras, keypads, wiring, cameras, microphones.

- Expenses related to Covid-19 health and safety measures for personnel, PPE, cleaning and sanitizing the office/work environment.

NOTE: In 2021, Police and Borough Administration worked to encourage and establish a Law Enforcement Foundation, which provides prospective donors an opportunity to make a tax exempt donation in support the work of the BBPD in an appropriate manner, which is guided by a volunteer board.

200. Purchase of Police Cars

Expenses: Purchase of new police vehicles and attached equipment such as cages, internal wiring, emergency lighting and signals, trunk storage containers, initial radios and items related to the police vehicle package initial purchase etc.

205. Aid to Rescue Squad

Expenses: For annual contribution to Bernardsville First Aid Company

210. Emergency Management

Salaries: For part-time OEM coordinators salary.

Expenses:

- Fees and expenses related to OEM activities and operations such as fuel/parts for generators, safety equipment, administrative costs, professional services, misc. expenses, food and water during emergencies.
- CERT equipment, shelter supplies, parts for OEM vehicles, trailers, and equipment, trailers, storage containers, generators, lighting, repair fees, professional services, software and computer hardware for OEM.
- CERT team equipment and supplies, training materials and related expenses, uniforms, clothing, safety equipment Emergency funding for major weather events, sheltering, emergency supplies, equipment, food and water for emergency responders.

220. Streets & Roads

Salaries:

- Regular salaries of all road department employees.

- Salaries related to snow events.
- Salaries related to work at the Borough's landfill.
- Salaries for seasonal employees.
- General overtime for road department employees.

Expenses:

- Membership in public works organizations and CPWM License renewal.
- Continued education seminars and safety training.
- General purchases not specifically captured in other line items (ie: hardware store, acetylene and oxygen cylinders, full oil drums and waste oil drum removal, chainsaw blade sharpening, snow plow blades, random drug and alcohol testing, guide rail repair, annual crane and lift inspections, printer cartridges, tires, office furniture/computers/printers, shelving, antifreeze, etc.).
- Road Department uniforms and boots – contractual.
- Materials and equipment parts for leaf collection.
- Topsoil and seed for restoration related to road repairs.
- Rock salt and contract.
- Municipal parking lot plowing and & sidewalk clearing at Borough properties.
- Milling and paving of various roadways.
- Asphalt, stone products, catch basin castings, concrete block for catch basins, cement, etc, for road repairs.
- Maintenance and repair of base station and radios in each truck.
- Meal allowance for overtime work exceeding four hours – contractual.
- Replacement of street signs and posts.
- Contract for striping of centerlines, stop bars, crosswalks and parking lot stalls.
- New equipment to support road department work including backpack blowers, weed wackers, chain saws, etc.
- Misc. supplies to support road department work including tire chains, pallets of cement, lime, speedy dry, cleaning products, etc.
- Contract for street sweeping services.
- Purchase of new regulatory signs and posts including detour signs, barricades, drums and cones.
- Compliance with NJDEP Stormwater requirements including inspection of catch basins and storm sewer outfalls, jet vac cleaning of catch basins, retrofitting of catch basin curb pieces and grates.

225. Street Lighting

Expenses: For payment of street lighting expenses.

230. Municipal Services Act

Salaries: To pay road department salaries for snow removal of the main roads within apartment complexes & condo neighborhoods as required by law.

Expenses: For salt, snow removal costs and street lighting for the main roads of apartment complexes & condo neighborhoods as required by law.

235. Landfill

Expenses:

- Advertisement for household cleanup events, educational seminars for compost facility operation, supplies for facility maintenance, etc.
- Removal, transportation and disposal of 30 yard garbage containers (litter, abandoned debris picked up along roads, spring/fall household cleanups).
- Testing of groundwater monitoring wells at closed landfill.
- NJ State NJPDES fees and state compost facility inspection fees.

240. Recycling

Expenses:

- Quarterly payments to Somerset County for curbside recycling pickup.
- Tubgrinder rental to process leaves and tree parts for composting.
- Purchase of recycling containers, bags and gloves, professional recycling certification seminars, etc.

245. Right to Know Compliance

Expenses: Cost of mandatory posters, notification and reporting requirements.

246. Vehicle Maintenance

Salaries: For the Borough mechanic.

Expenses:

- Police vehicle parts and maintenance, auto body and mechanical repairs, insurance deductibles, tires, vehicle speedometer calibration, trailer maintenance costs, hitches, etc.
- Parts and supplies for road department, public works admin and construction/zoning department admin vehicle and equipment maintenance plus outsourcing of more complicated maintenance work.

250. Board of Health

Expenses:

- Annual contract with Visiting Nurse Association.
- Annual contract with Bernards Township Board of Health.

260. Animal Control

Expenses: For the monthly contract payments for our Animal Control Contractor as well as the removal of dead deer from Borough roadways.

271. Swimming Pool

Salaries:

Includes salaries for pool management, guards, swim team, swim lessons, recreation director and assistant, and gate attendant.

Expenses:

- Course fee for Certified Pool Operator Certification/ Reimbursement for Lifeguard Training Pool.
- Supplies for bathrooms, medical kits, propane for snack shack, garbage bags, batteries, keys, and tents.
- Marketing and dissemination of pool flyer and events at pool.
- Liquid Chlorine, CO2, Soda Ash, Dry Acid, and any other chemicals necessary to keep pool water balanced for the season.

- Pool opening procedures including Pump, clean, and acid wash 3 pools- assemble filter systems.
- Closing Procedures include winterization, disassemble filter systems, putting on covers, and removing diving boards, starting blocks, railings, handles, and ladders.
- State mandated water testing for pool (weekly) and water fountains/bathrooms (monthly).
- Events and pool activities such as bands, movie nights, family fun day, ice cream social, etc.
- Swim team league fee, trophies, and medals, turn flags, lane repairs, and swim caps.
- Community Pass check in and registration software (this account can be moved to recreation).
- Repairs to mechanical, electrical, and plumbing as well as structural and safety concerns.
- Purchase IDs for pool members to scan at gate.
- One bathing suit, whistle, and t shirt per employee, 2 manager shirts per management employee.
- Painting the interior of all three pools. Exterior painting including buildings, fences, diving board stands, benches, and pool features.
- Repairs, upkeep, and replacement for pool vacuums, tools/machines used for maintenance and operation Trash Dumpster pick up for pool complex.

272. Recreation Department

Salaries: Includes salaries for the director, program coordinator, summer camp coordinator and counselors, basketball instructor, overtime expenses, maintenance employee and for new programs.

Expenses:

- General Office Supplies for record keeping and organization, this account was also used for marketing.
- Dues for New Jersey Recreation and Parks Association membership Expenses used to supplement recreational and trust programs as well as facility upkeep and unforeseen issues.
- NJRPA Conference and continuing education for professional development.
- Community Pass Online Registration Software for program and event registration, marketing, POS, field reservation, portal for the public to see our offerings.
- Bollinger Accident insurance required to supplement general liability provided by the JIF.
- Dues FOR Somerset County Recreation Commission.

- Therapeutic Recreation, used for those needing accessibility accommodations and allows us to send residents to adaptive county programming.
- League and Ref Fees for Travel Basketball Boys and Girls 4th-8th (A and B teams).
- Ref Fees and Uniforms for Fall, Spring, and Summer outdoor basketball programs.
- Purchasing balls, scorebooks, nets, pinnies, medals/trophies for all basketball programming (travel, indoor rec, outdoor).
- League and Ref Fees for wrestling leagues ages K-8.
- Mat tape, program marketing, trophies/medals Purchasing sports equipment, arts and crafts, games, pop up tents, staff and camper shirts, first aid equipment.
- Fees or entertainment or vendor led activities.
- New Programs added during the FY that require operational funding. This year included Men's Softball, Senior Programming, and the Wellness Fair popcorn for movie nights, or other events).

275. Celebration of Public Events

- Purchasing supplies for Events and Activities open to the public. Including movie licenses, DJ/band fees, food (senior BBQ, staff appreciation,
- Expenses related to other community events such as parades Halloween, Fishing Derby, Fitness Events, Memorial Day Parade, Winter Events, etc.

280. Senior Van

- Monthly payment of bus service for Senior Citizens.

285. Construction Code Office

Salaries: For the salary of the Construction Official, Inspectors, TACO & administrative staff.

Expenses:

- Office supplies including DCA forms and folders.
- Yearly subscription fees for code manuals.
- Postage expenses.
- This account is used to pay for SDL yearly subscriptions and equipment.
- This account is used to pay mileage expenses quarterly.

290. Fire Prevention Office

Salaries: For the fire prevention inspector & administrative staff.

Expenses:

- General office supplies and postage.
- Yearly SDL Subscriptions and Shared service expenses.

291. Accumulated Absence Compensation

Expenses: To reserve funds for the accumulated absences liability (Retirement program)

300. Salary & Wage Adjustments

Expenses: To be used for any unforeseen salary adjustments throughout the budget year.

305. Telephone

Expenses: For all landline and mobile phone expenses for the all departments.

310. Electricity

Expenses: For all electric expenses for the borough.

315. Gasoline

Expenses: For all gasoline and diesel expenses for the Borough vehicles.

334. Defined Contribution Retirement Program

Expenses: For the employer paid liability for the DCRP retirement program.

335. P.E.R.S. – Public Employee Retirement System

Expenses: For the employer paid liability for the Public Employees Retirement System.

340. Social Security

Expenses: For the employer paid liability for Social Security Benefits.

345. P.F.R.S. – Police and Fire Retirement System

Expenses: For the employer paid liability for the Police & Fire Retirement System.

350. Unemployment

Expenses: For the employer paid liability for Unemployment Benefits.

357. Municipal Court Shared Services

Expenses: For the contract payments for the Shared Municipal Court through Bedminster.

360. Library Contribution

Expenses: Annual contribution to the Bernardsville Public Library (Includes minimum required by law and paid through the library tax).

409. Reserve for Municipal Match

Expenses: For funds set aside for unforeseen grants that require a cash match.

410. Debt – Bond Principal

Expenses: For payment of annual maturity of existing bonds (Permanent Financing).

415. Debt - B.A.N. Principal

Expenses: For payment toward principal balance of existing Bond Anticipation Notes (Temporary Financing).

420. Debt – Bond Interest

Expenses: For payment of interest costs on existing bonds.

425. Debt – B.A.N. Interest

Expenses: For payment of interest costs on existing Bond Anticipation Notes.

436. Reserve for Uncollected Taxes

Expenses: Reserve for Uncollected Taxes - Non Spending Appropriation to offset uncollected taxes. Required by law. This is charged immediately and applied to taxes receivable. Any net excess rolls into fund balance at the end of the year.

X. SURVEY OF RESIDENTS ON THE QUALITY OF LIFE AND MUNICIPAL SERVICES IN THE BOROUGH OF BERNARDSVILLE - 2022

In the second half of 2021, the Borough distributed a surveys to approximately 1,000 residents and e-mailed the survey to its internal list of resident e-mail addresses. Three-hundred twenty (320) fully or partially completed surveys were returned resulting in a confidence level of 95% (+/-5 %) in the survey results. As illustrated on the map below, all geographic areas of the Borough a well-represented in the survey returns.

Most of the results provided in the following pages are shown Borough-wide and also broken down by area. This helps clarify where the Borough may be under-performing and point to opportunities to enhance services.

Overall Quality of Life:

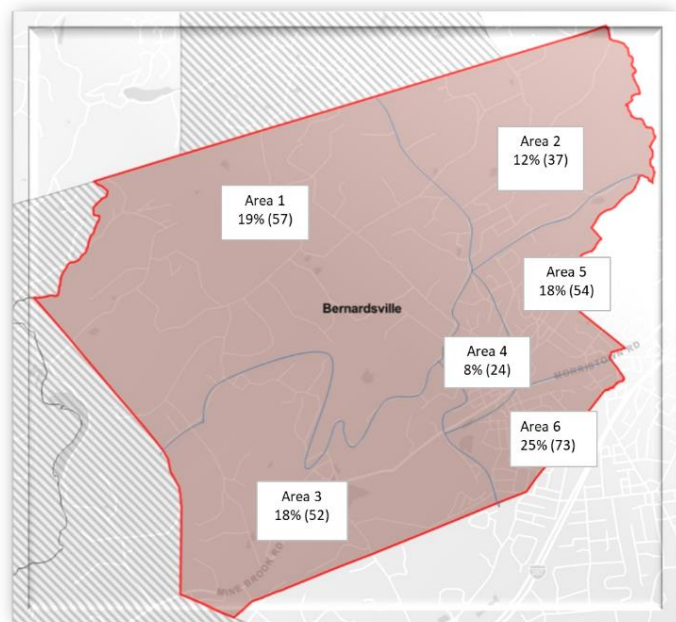
This is a difficult question because it lends itself to a variety of interpretations. Further, it is not always clearer how municipal action can influence the results to the question. Nevertheless, it is still a worthwhile question to ask as it provides a baseline for future surveys and the Borough can explore how policies and programs correlate to future results.

The pie chart on the bottom right illustrates that over 90% of residents consider their overall quality of life in the Borough as Good or Excellent, and this is fairly evenly distributed throughout the Borough.

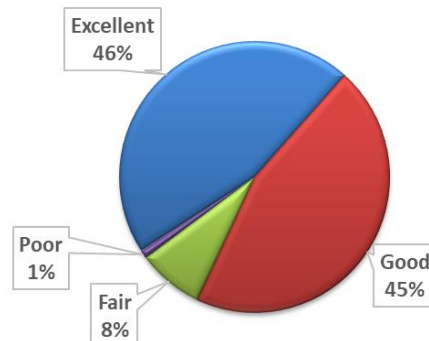
SURVEY TYPE - PAPER (MAIL) VS. DIGITAL (E-MAIL)

103 
Digital

217 
Paper



Overall Quality of Life in Borough

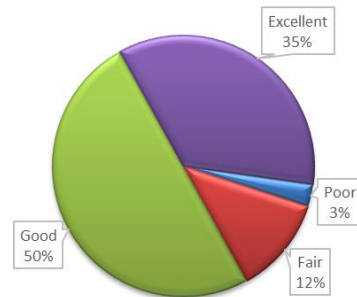


Overall Quality of Municipal Services & Customer Experience

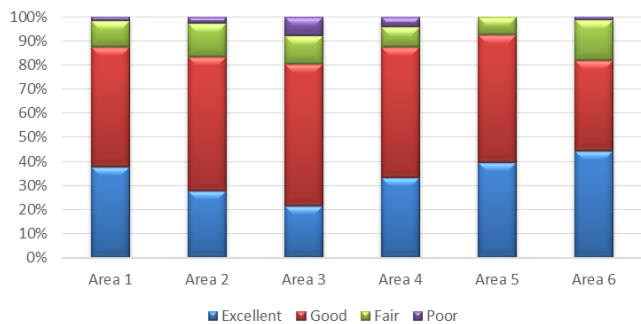
Eighty-five percent (85%) of surveys indicated that direct municipal services were good to excellent, and 88% indicated that the customer service experience provided by employees was good to excellent.

Opportunities – Area 3 recorded positive results as well, but not as strong as the other five area while also registering the most amount of poor to fair results.

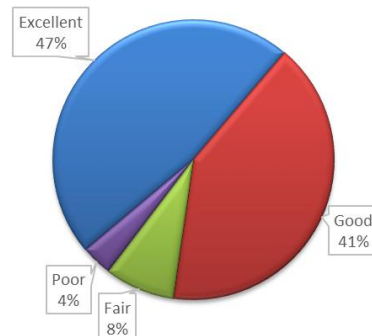
Overall Quality of Municipal Services



Quality of Services by Region



Overall Customer Serv. Experience

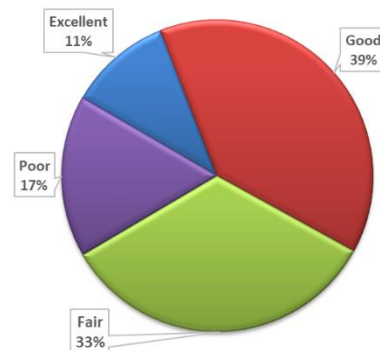


Road Quality/Maintenance

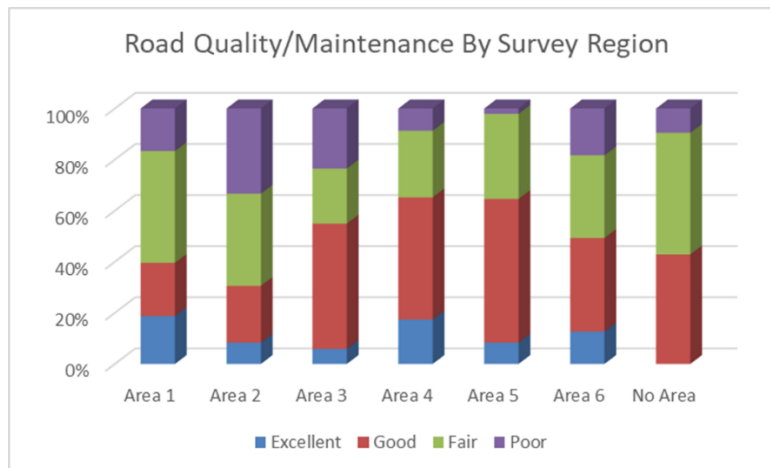
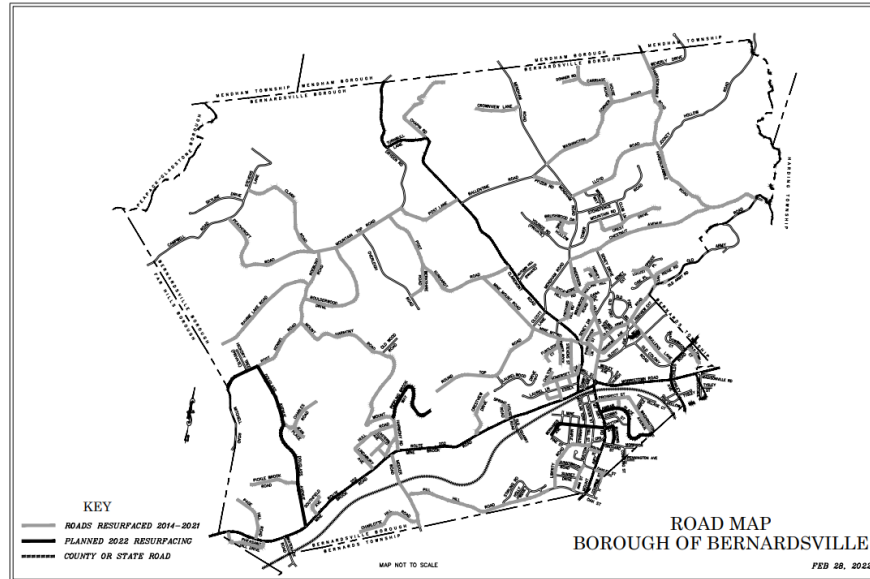
When considering road quality, 50% of the residents rated them as good-excellent, 33% as fair and 17% as poor. Unfortunately, the majority of surveys were returned before completion of the FY '21 road improvement program in the fall. Nevertheless, this feedback provides an important baseline when weighing future results.

The map below shows the status of Borough roads. It includes those paved between 2014 and 2021 and those planned for 2022. The map also explains which roads belong to Borough, the County and the State. A zoomable version of this map is available on the Borough's web site under DPW in the FAQ section.

Road Quality/Maintenance



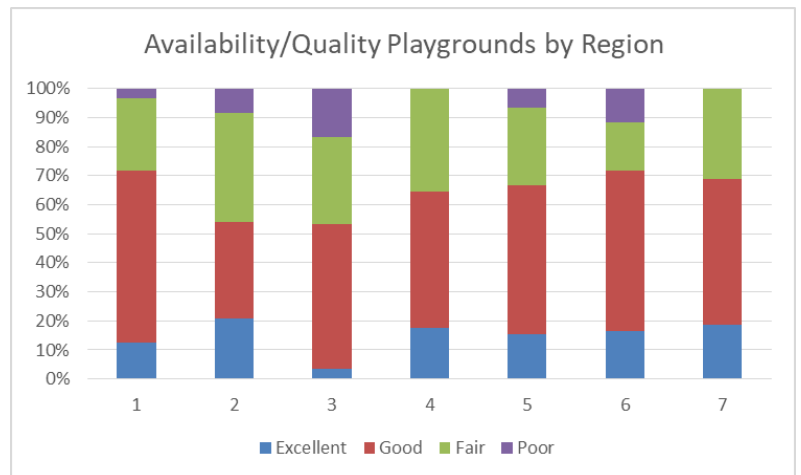
Opportunities – As noted on the bar chart, the region where the results were weakest was area 3, which is also where a significant road project was completed in the late fall '21 and where two resurfacing projects are being planned for in '22.



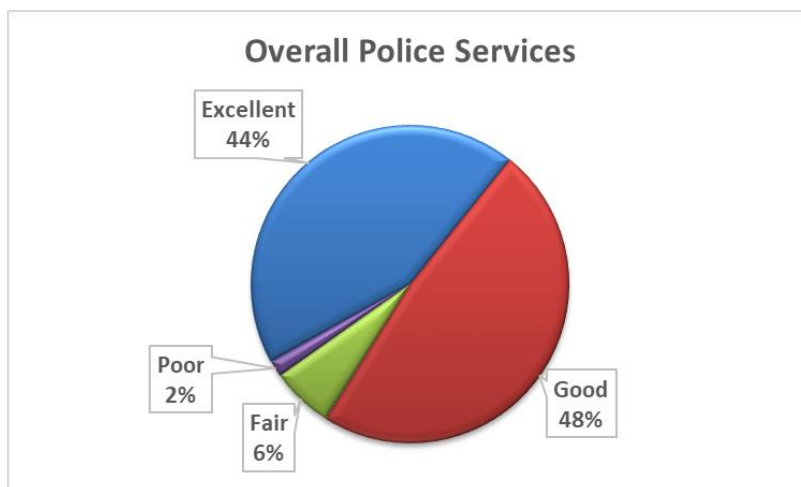
Availability and Quality of Playgrounds

The good to excellent rating regarding playgrounds was 66%; with only 15% scoring them as excellent. As with roads, the weakest scores came from Area 3.

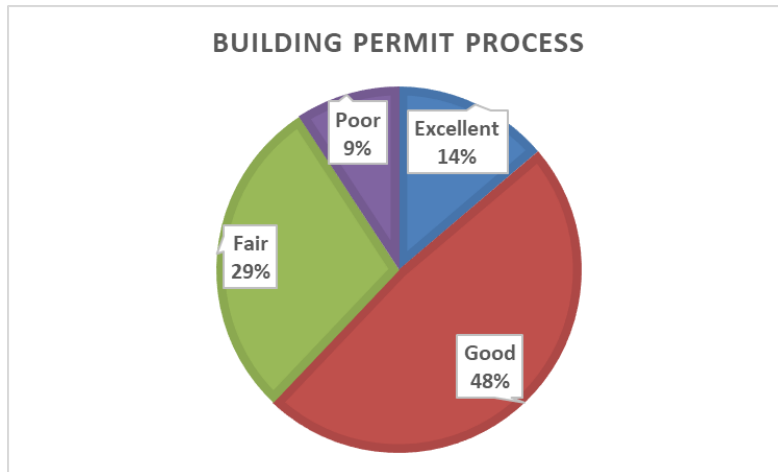
Opportunities – As the Borough considers plans for 271 Mine Brook, the possibility of installing a neighborhood scale playground will be evaluated.



Overall Police Services

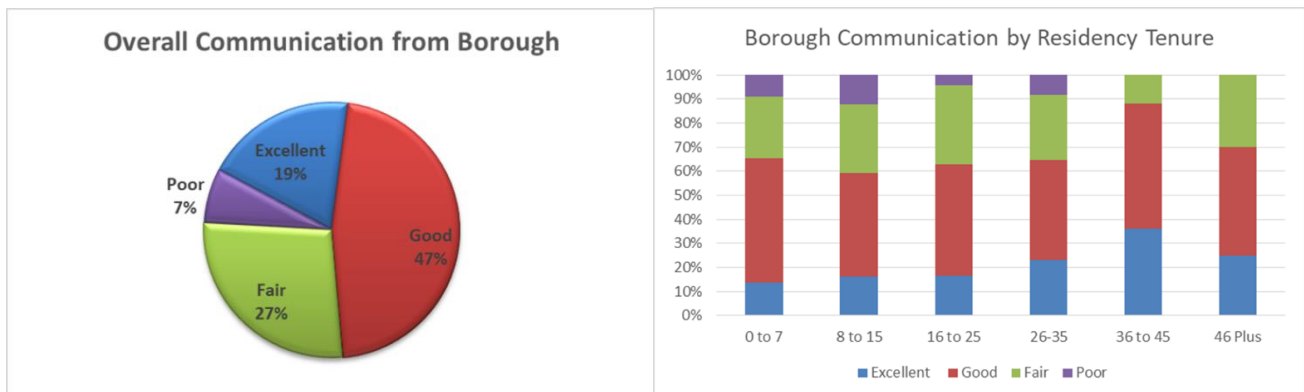


Building Permit Process

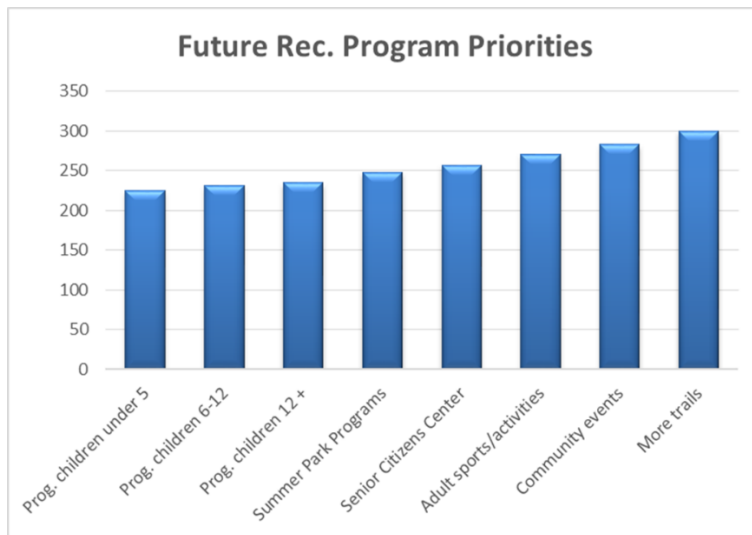


Overall Communication from Borough

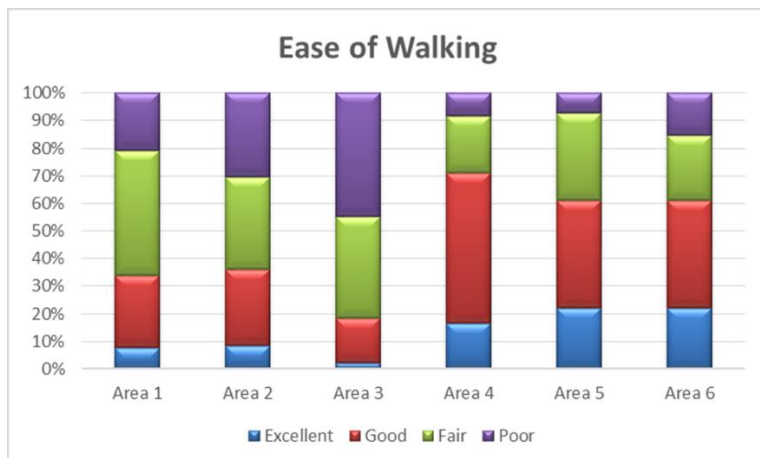
Respondents indicated the Borough's communication was 66% in the good to excellent range. It was interesting to note that those who indicated they have been living in the Borough between 36 to 45 years recorded the most positive scores.



Test Future Recreation Priorities



Ease of Walking



Representative Samples of Written Comments/Concerns

- *School test scores. Vacant store fronts.*
- *Food stores like Trader Joe's, Whole Foods and Wegmans.*
- *Address traffic around Olcott. Too many banks, gas stations, car dealers and abandoned properties.*
- *More town oriented businesses and less big commercial.*
- *Town Center has too many building styles.*
- *Love mural. More stores and shops downtown.*
- *Dog park. Improve downtown. Shops, sidewalks, gardens and weed removal.*
- *Improve quality and quantity of downtown stores.*
- *Lack of businesses and restaurants and shopping in the downtown area. Taxes too high.*
- *Bernardsville needs a more vibrant downtown. Better parking. Better variety o restaurants and shops.*
- *Prefers Benardsville trend toward the Madison/Chatcham type rather than Morristown.*
- *MANY MORE DOWNTOWN COMMENTS!!*

