



2024 BUDGET  
PRESENTATION  
& OVERVIEW OF  
PROPOSED  
ADMINISTRATIVE  
BUDGET

# BOROUGH OFFICIALS

## MAYOR

Jason F. Cilento

## BOROUGH COUNCIL

Daniel “Cole” Sigmon, Finance Committee Chair  
Teresa Albertson, Council President, Finance Committee  
Crisol-Iris Lantz, Finance Committee

Joseph Paltjon  
Trina G. Rios  
Harold VanDermark

## BOROUGH ADMINISTRATOR

Alex J. Miller

## CHIEF FINANCIAL OFFICER

Scott Olsen

## BOROUGH CLERK

Lauren Staats

# BUDGET DATES

- Budget Introduction  
April 1<sup>st</sup>
- Advertisement  
April 5<sup>th</sup>
- Public Hearing & Adoption  
May 6<sup>th</sup>





## WHAT'S IN A MUNICIPAL BUDGET?

- Two-Fold:

- Funding tool for the borough's operations for the upcoming year
- First step to lay out capital plan for maintenance and expansion of our infrastructure and equipment

- Includes both discretionary spending and non-discretionary spending to which the borough is committed (i.e., group health insurance, contractual salaries, retirement systems, employer match for Social Security/Medicare, Debt)

- It is important to note that less than 10% of the budget is discretionary spending

- According to State Statute, the budget must be followed, we cannot spend more than what is budgeted in any line item

# 2024 Budget Drivers

Proactive measures have yielded a reduction in healthcare expenses

A more efficient phone system is projected to generate savings this year

With rising fuel prices, we've factored an increase in gas expenses for the fiscal year

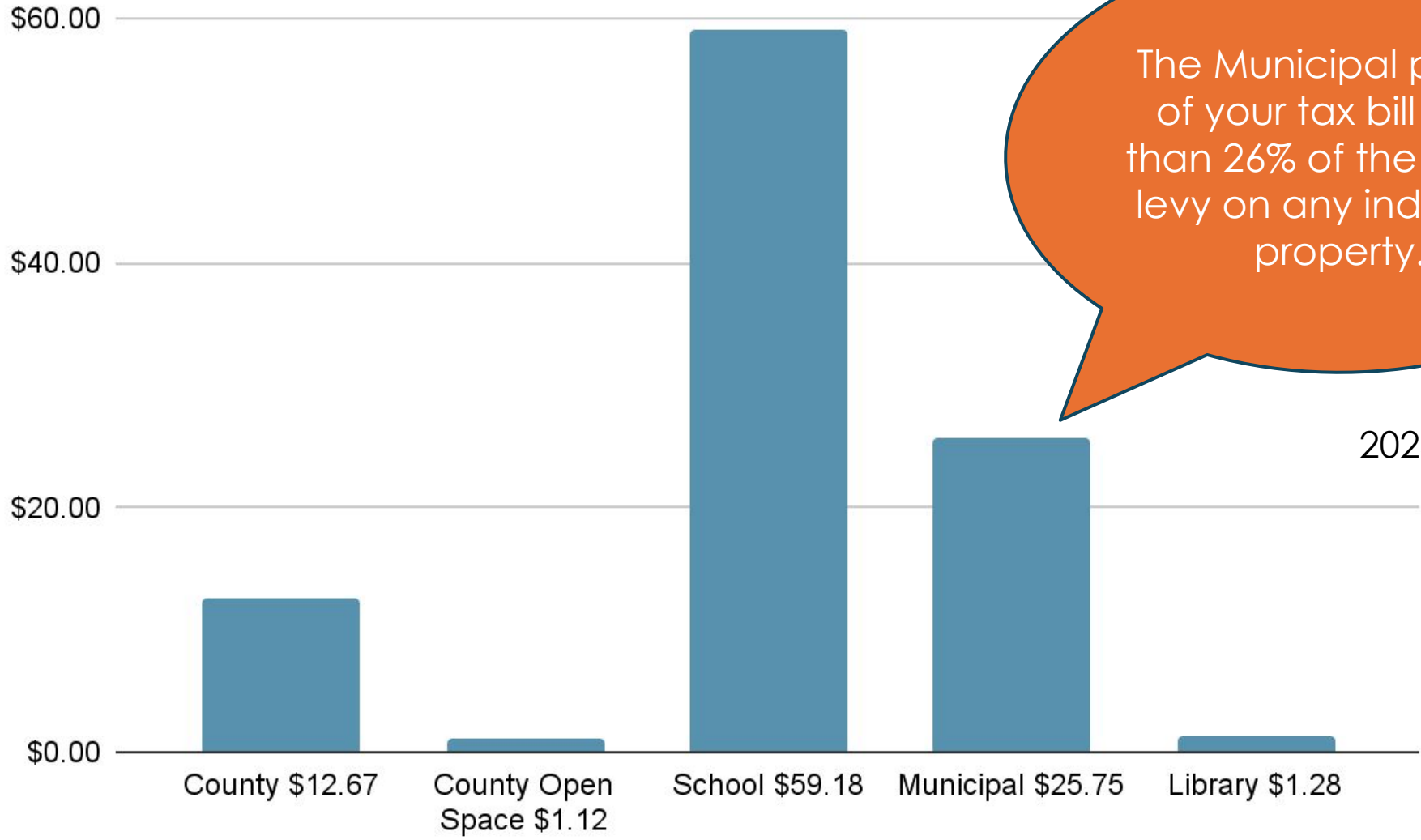
Pension  
Increasing over 6%

Social Security  
Contributions  
Increasing 14%

Increase funding for IT

# Where does every \$100 of my taxes go?

Estimated 2024 Total Tax Levy = \$23,408,523



The Municipal portion of your tax bill is less than 26% of the overall levy on any individual property.

2024 Total Estimated Levy:  
County - \$2,970,883  
Open Space - \$262,398  
Schools - \$13,877,991  
Municipal - \$5,997,626  
Library - \$299,625

\*Rounded to nearest dollar

## WHAT IS THE TAX LEVY?

Amount of money needed to be raised by “equitable distribution” among all Borough property owners

In NJ, “equitable distribution” is based on latest property valuation as of October 1 of the prior year

Municipal portion equals the difference between operating expenditures and other sources of revenue (such as Licenses, Fees & Permits, Municipal Court, Construction Office, Interest, State Aid)

2007 under Governor Corzine, a Tax Levy CAP was set at 4% above prior year’s levy

2010 under Governor Christie, the Tax Levy CAP was reset to 2% above prior year’s levy

Circumstances where increases above 2% can pass through to property owners: new construction; debt service and capital expenditure increases; pension and health benefit contributions in excess of 2%; deferred charges and declared emergencies

**\*\*Dunellen’s 2024 Municipal budget is under CAP, without exclusions\*\***

## Summary Levy Cap Calculation

	MUNICIPALITY	COUNTY	EXAMINER
1203	Dunellen Borough	Middlesex	
<b>Model Tax Levy Calculation Worksheet</b>			
<b>Levy Cap Calculation</b>			
	Prior Year Amount to be Raised by Taxation for Municipal Purposes		\$5,969,294
	Cap Base Adjustment (+/-)		\$0
	Less: Prior Year Deferred Charges to Future Taxation Unfunded		\$20,000
	Less: Prior Year Deferred Charges: Emergencies		\$0
	Less: Prior Year Recycling Tax		\$0
	Less: Changes in Service Provider: Transfer of Service/ Function		\$0
	<b>Net Prior Year Tax Levy for Municipal Purpose Tax for Cap Calculation</b>		<b>\$5,949,294</b>
	Plus: 2% Cap increase		\$118,986
	<b>Adjusted Tax Levy</b>		<b>\$6,068,280</b>
	Plus: Assumption of Service/ Function		\$0
	<b>Adjusted Tax Levy Prior to Exclusions</b>		<b>\$6,068,280</b>
	Exclusions:		
	Allowable Shared Service Agreements Increase	\$0	
	Allowable Health Insurance Cost Increase	\$0	
	Allowable Pension Obligations Increase	\$32,211	
	Allowable LOSAP Increase	\$0	
	Allowable Capital Improvements Increase	\$0	
	Allowable Debt Service, Capital Leases and Debt Service Share of Cost Increases	\$0	
	Recycling Tax Appropriation	\$0	
	Deferred Charges to Future Taxation Unfunded	\$20,000	
	Current Year Deferred Charges: Emergencies	\$0	
	<b>Add Total Exclusions</b>		<b>\$52,211</b>
	Less Cancelled or Unexpended Exclusions		\$3
	<b>Adjusted Tax Levy After Exclusions</b>		<b>\$6,120,487</b>
	Additions:		
	New Ratables - Increase in Valuations (New Construction and Additions)	\$533,500	
	Prior Year's Local Municipal Purpose Tax Rate (per \$100)	\$0.706	
	<b>New Ratable Adjustment to Levy</b>		<b>\$3,767</b>
	2021 Cap Bank Utilized in 2024		\$0
	2022 Cap Bank Utilized in 2024		\$0
	2023 Cap Bank Utilized in 2024		\$0
	Amounts approved by Referendum		\$0
	<b>Maximum Allowable Amount to be Raised by Taxation</b>		<b>\$6,124,254</b>
	<b>Amount to be Raised by Taxation for Municipal Purposes</b>		<b>\$5,997,626</b>
	<b>Amount to be Raised by Taxation for Municipal Purposes Under/Over Cap (+/-)</b>		<b>\$126,628</b>

# SUMMARY OF LEVY CAP CALCULATION

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# APPROPRIATIONS CAP

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New Jersey state law limits any increase in a municipal budget to 2.5% or the cost-of-living adjustment (COLA), whichever is less (\$178,099)

This CAP may be increased up to 3.5% by Ord.

- 2.5% Allowable: \$ 7,302,069
- +\$3,767 New Construction
- +\$650,000 PILOT Waiver
- +\$71,240 Additional COLA
- Maximum Approp. \$8,027,075
- Our Approp. \$7,758,435
- Amount Under Appropriations CAP: \$268,640
- Borough will “Bank” the Difference

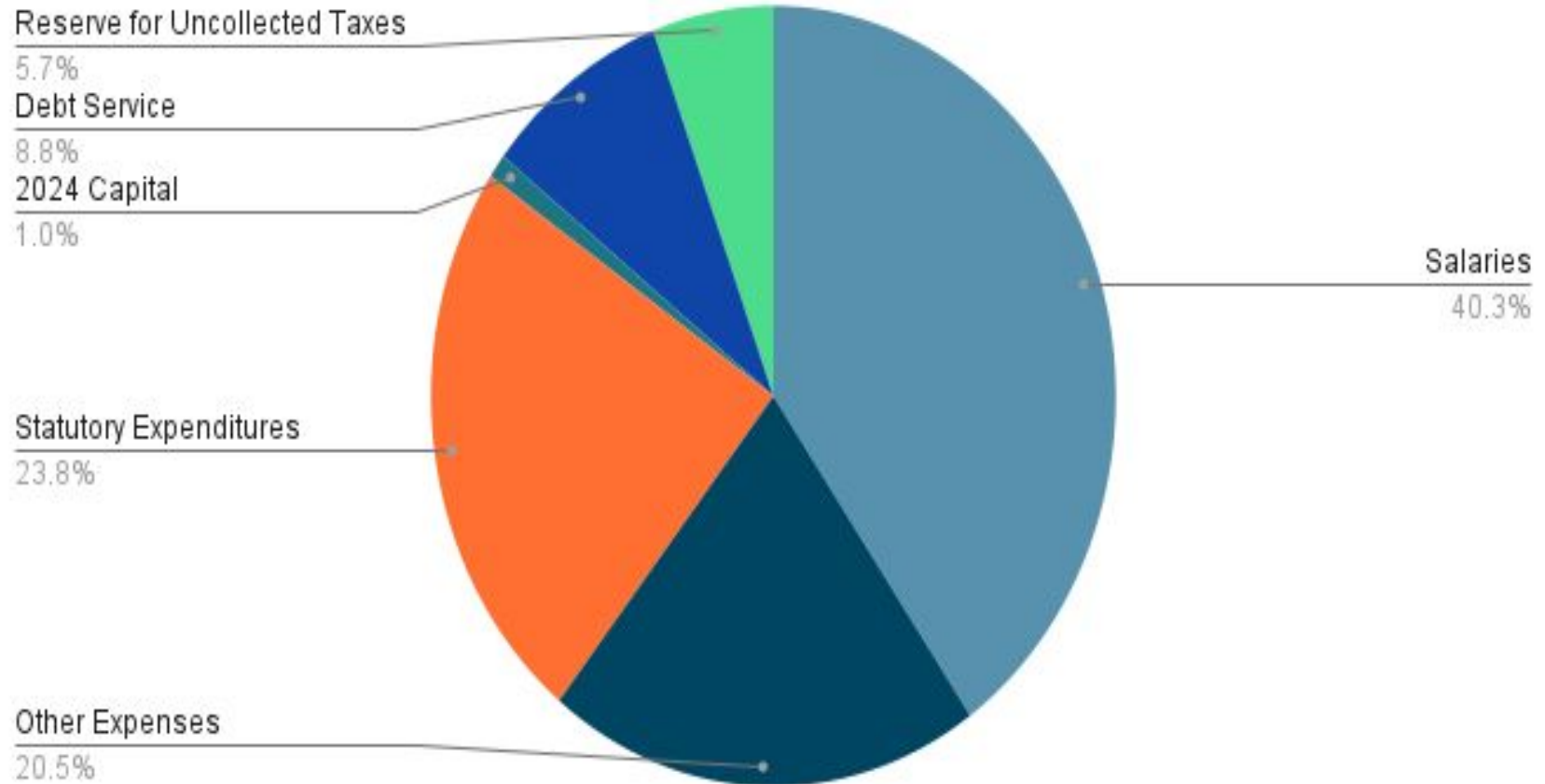
# DEPARTMENT BUDGETS

<u>General Government</u>	<u>2024</u>	<u>2023</u>	<u>Inc./Dec.</u>
<b>General Government</b> (Administrator, Clerk, Mayor and Council, Finance, Tax Collector & Assessor, Elections, Planning Board, IT, Building and Grounds, Engineering, Construction, <b>Communications Coordinator, Community &amp; Economic Development</b> )	\$1,251,800	\$1,041,015	<b>+210,785</b>
<b>Public Safety</b> (Police, Prosecutor, Fire, Crossing Guards, Aid to Rescue Squad, OEM, and Emergency Vehicles)	\$2,986,239	\$2,630,388	<b>+355,851</b>
<b>Streets and Roads</b> (DPW= <b>Parks, Recreation and Public Works</b> , Shade Tree)	\$868,026	\$925,470	<b>-(57,444)</b>
<b>Sanitation</b> (Solid waste, Recycling)	\$370,500	\$371,312	<b>-(812)</b>
<b>Health and Welfare</b> (Board of Health, Flood Control, Arts & Cultural Commission - Recreation and Senior Citizens moved to Parks, Recreation and Public Works)	\$102,534	\$368,424	<b>-(265,890)</b>
<b>Debt Service</b> (Long and short-term obligations, current year Capital Improvements)	\$973,216	\$1,209,949	<b>-(236,733)</b>
<b>Court</b> (Judge, Public Defender)	\$203,546	\$190,600	<b>+12,946</b>
<b>Utilities</b> (Electric, Telephone, Water, Gas)	\$316,800	\$298,400	<b>+18,400</b>
<b>Statutory Expenditures</b> (Public Employee & Police Retirement Systems, Social Security, Unemployment, Group Health and Liability Insurances)	\$2,330,495	\$2,271,350	<b>+59,145</b>

# 2024 BUDGET APPROPRIATIONS: \$9.97MM

- Salaries - \$4,014,646
- Other Expenses - \$ 2,084,798
- Statutory Expenditures- \$2,330,495
- 2024 Capital - \$100,000
- Debt Service - \$873,216
- Reserve for Uncollected Taxes - \$570,000

## 2024 Budget Appropriations



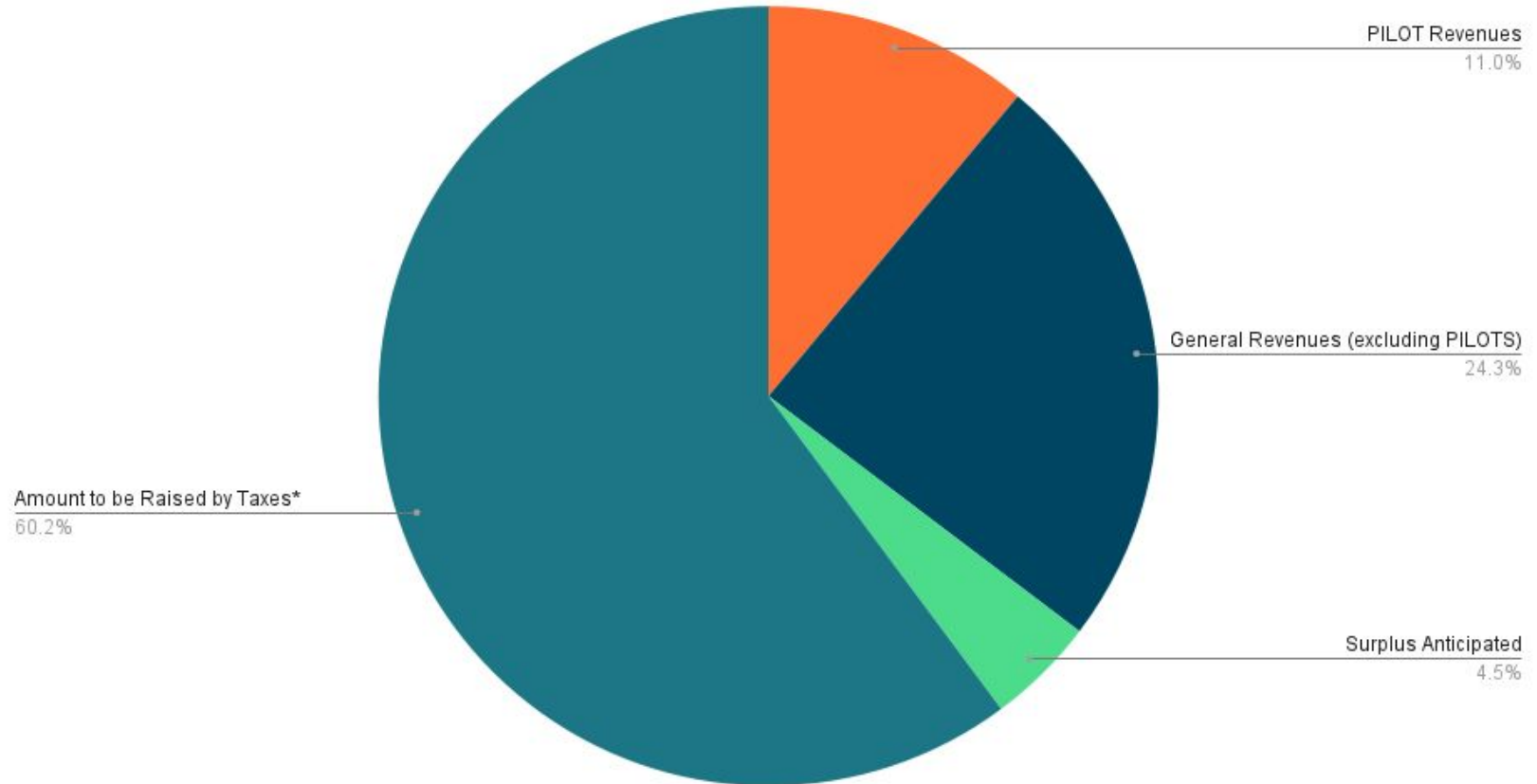
# 2024 BUDGET REVENUES: MUST EQUAL \$9.97MM

- General Revenues - \$2,425,530
- PILOT Revenue\* - \$1,100,000
- Surplus Anticipated - \$450,000
- Amount to be Raised by Taxes\*\* - \$5,997,626

\* This would otherwise need to be raised by taxes

\*\*This does NOT include the statutory \$299,625  $\frac{1}{3}$  of a mil calculation for the operations of the library.

Breakdown of General Revenues



# What is the tax rate?

- A multiplier used to determine the tax levied on each property  
It is expressed as \$1 per every \$100 of assessed value

So, the Tax Rate =

**Total Amount Borough Needs to Raise through Taxes / Total Assessed Value of All Taxable Property**

**Individual Property Tax = Tax Rate Above x Assessed Value of Individual Property**

# BUDGET SNAPSHOT – MUNICIPAL ONLY

	2024	2023	Increase or (Decrease) 2024 over 2023	%
Borough Expenditures (E)	\$10,272,781	\$9,792,164	\$480,617	4.91%
Borough Revenues (R)	4,275,155	3,822,870	452,285	11.83%
Amount to be Raised by Taxes (A) = (E) - (R)	5,997,626	5,969,294	28,332	0.47%
Net Valuation (V)	\$937,674,400	845,663,000	92,011,400	10.88%
Tax Rate [A/V] (expressed in \$ per \$100 Assessed Value)	0.640	0.706	-.066	-(9.38%)
Municipal tax on a home				
-assessed @ \$435,503	\$2,786	\$3,074	-\$288	-(9.38%)
-assessed @ \$387,819	\$2,481	2,738	-\$257	-(9.38%)

# DUNELLEN BOROUGH PROPOSED 2024 TAX RATE

Tax Rate: \$.640

DECREASE from  
2023: -9.4%

Important: this does  
not necessarily  
mean that residents  
will see a tax bill  
decrease or  
increase\*

\*Increases or decreases are dependent upon the tax rate multiplied by the value of your home

# IF THE TAX RATE IS GOING DOWN, WHY WOULDN'T MY TAXES ALSO GO DOWN?



The Borough is only about 26% of your total tax bill. Changes in the school, County or other budgets will affect your property tax.



How has the assessed value of the property changed in 2024?

In 2024 in Dunellen, a one - cent change in the tax rate is equal to \$93,767 in the municipal budget

This means that in order to decrease Dunellen's tax rate by one cent, we would need to either decrease appropriations or increase revenue by \$93,767



In 2024 ...

AVERAGE DUNELLEN  
HOME ASSESSMENT =  
\$435,503

AVERAGE MUNICIPAL  
PROPERTY TAXES =  
\$2,786





### Public Safety

Police Protection – Responded to over 18,762 calls for service in 2023  
Fire & First Aid Support –Groundbreaking on a brand-new firehouse  
Building & Code Enforcement – Over 1,797 inspections.



### Infrastructure

Maintenance and service repairs to sanitary and stormwater systems  
11 Culverts cleaned out  
Installation of 10 ADA-compliant sidewalk ramps.  
760 Feet of sidewalk replaced.  
Enhanced pedestrian and traffic safety  
Road Repaving- 6 block, just under one mile



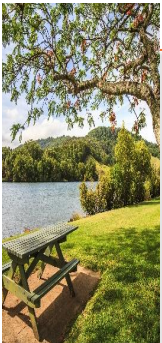
### Emergency Response

Lost/Missing Persons  
Tree Removal & Clearing  
Flooding Mitigation



### Public Works

Recycling Service  
Curbside branch and leaf bag pick up  
Park, courts, and ball field maintenance  
Street sweeping  
Plowing and winterizing streets  
Inspection and cleaning of all 304 catch basins



### Community Events & Programming

Youth Sports, and Summer Camp  
Senior Programs  
Senior Bus Service  
Music, movies, and plays in the Park  
Memorial Day Parade, Halloween Parade,  
Tree Lighting Ceremony



### Administration of Government

Management of Elections  
Insurance & Utilities  
Equipment & Supplies  
Vital Statistics- Birth, Marriage, and Death  
Pet Licensing

THE AVERAGE  
DUNELLEN  
HOME PAYS  
ABOUT \$7.63 PER  
DAY IN  
MUNICIPAL  
TAXES

# CAPITAL 2024

**This proposal appropriates \$100,000 toward the capital improvement fund which is used for the statutorily required down payment**

**Total Recommended General Capital Appropriations: \$2,000,000**

**Total Debt Recommended to be Authorized: \$1,900,000**

## Important Reminder:

The capital budget does NOT appropriate or authorize the expenditure of any funds. It is only a recommended plan. The Borough Council will need to take additional action to execute the proposals.



**Link to the web page for the full CY2024 Municipal Budget**

**Can I calculate my taxes? Yes! Visit the website**