

2024 City of Lambertville Introduced Budget – April 18, 2024

Budget Message

Respectfully submitted by Mayor Andrew J. Nowick

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Budget Message

April 18, 2024

The proposed 2024 budget funds City operations, delivers statutorily required essential services, expands local programs, covers rising inflationary costs, and makes capital investments in the City's infrastructure, property, and equipment. The budget meets City obligations through reasonable revenue projections that build fund balance, fosters a balanced approach to the use and restoration of reserves, and takes a conservative approach on spending for operational expenses while staying within the State mandated appropriation and levy caps.

The information provided herein and where referenced as "Sheet" is derived from the proposed City of Lambertville "2024 Introduced Budget," State document as introduced on April 4, 2024. There is also information available in support of the budget in the corresponding "2024 User Friendly Budget," all to be found at www.lambertvillenj.org.

Overview

The proposed budget for 2024 has a total expenditure for municipal purposes of \$8,399,927.69 (Sheet 3). It is supported by a municipal levy of \$4,109,615.77 (Sheet 3), excluding the library levy. This is an increase to the levy 4.66% over the 2023 levy of \$3,926,505.48.

The \$183,110.29 increase in the municipal levy is largely driven by rising costs for the final year of escalating debt service, the restoration of a position in the police department, increases in group health insurance and liability insurance, and statutorily mandated contributions for public employee retirement system (PERS) and police and fire retirement system (PFRS) pensions.

In particular, operational costs to maintain essential services have increased by \$338,987.53 and within the net total increase of \$338,987.53, \$158,665.16 is from increases to healthcare costs.

Once adopted, this budget will decrease the Estimated Tax Rate for municipal purposes by 0.0056. In effect, for every \$100,000 of assessed property value, there is a decrease of \$5.30 per year. The average residential assessment for 2024 is characterized as \$448,738 making the average tax bill decrease \$23.76 per year (See "Impact of 2024 Tax Rate on Various Assessed Values").

The remainder of the document provides an analysis of the revenues, appropriations, and items on the City's balance sheet such as debt and how they impact the total levy.

Thank you for your attention to this matter and as always, I welcome your input.

Tax Rate By Property Value

Impact of 2024 Tax Rate on Various Assessed Values:

Assessed Value	----- 2024 -----		----- 2023 -----		Local Increase
	Total	Local	Total	Local	
448,738.00	10,106.67	1,998.80	10,505.10	2,022.56	(23.76)
50,000	1,126.12	222.71	1,170.52	225.36	(2.65)
60,000	1,351.35	267.26	1,404.62	270.43	(3.18)
70,000	1,576.57	311.80	1,638.72	315.51	(3.71)
80,000	1,801.79	356.34	1,872.83	360.58	(4.24)
90,000	2,027.02	400.88	2,106.93	405.65	(4.77)
100,000	2,252.24	445.43	2,341.03	450.72	(5.30)
110,000	2,477.47	489.97	2,575.14	495.79	(5.83)
120,000	2,702.69	534.51	2,809.24	540.87	(6.36)
130,000	2,927.91	579.05	3,043.34	585.94	(6.88)
140,000	3,153.14	623.60	3,277.44	631.01	(7.41)
150,000	3,378.36	668.14	3,511.55	676.08	(7.94)
160,000	3,603.59	712.68	3,745.65	721.16	(8.47)
170,000	3,828.81	757.22	3,979.75	766.23	(9.00)
180,000	4,054.04	801.77	4,213.86	811.30	(9.53)
190,000	4,279.26	846.31	4,447.96	856.37	(10.06)
200,000	4,504.48	890.85	4,682.06	901.44	(10.59)
250,000	5,630.60	1,113.57	5,852.58	1,126.81	(13.24)
300,000	6,756.73	1,336.28	7,023.10	1,352.17	(15.89)
350,000	7,882.85	1,558.99	8,193.61	1,577.53	(18.54)
400,000	9,008.97	1,781.70	9,364.13	1,802.89	(21.18)
450,000	10,135.09	2,004.42	10,534.64	2,028.25	(23.83)
500,000	11,261.21	2,227.13	11,705.16	2,253.61	(26.48)
550,000	12,387.33	2,449.84	12,875.68	2,478.97	(29.13)
600,000	13,513.45	2,672.56	14,046.19	2,704.33	(31.78)
650,000	14,639.57	2,895.27	15,216.71	2,929.69	(34.42)
700,000	15,765.69	3,117.98	16,387.22	3,155.05	(37.07)
750,000	16,891.81	3,340.70	17,557.74	3,380.42	(39.72)
800,000	18,017.94	3,563.41	18,728.26	3,605.78	(42.37)
850,000	19,144.06	3,786.12	19,898.77	3,831.14	(45.02)
900,000	20,270.18	4,008.84	21,069.29	4,056.50	(47.66)
950,000	21,396.30	4,231.55	22,239.80	4,281.86	(50.31)
1,000,000	22,522.42	4,454.26	23,410.32	4,507.22	(52.96)

Revenues

The proposed budget includes a \$123,982.53 net increase in total anticipated revenues exclusive of “Grants” and use of “Reserve for Payment of Debt Service” driven by increases in revenue from local governmental activities including parking, fees, fines, permits, cannabis sales and interest on investments. These increased revenues allow for a greater offset against expenses needed to provide these services. Grants and the Reserve for Payment of Debt Service revenue lines are brought into the budget as a revenue with a direct corresponding Appropriation that creates a net zero effect for both revenues and appropriations. The table below illustrates the revenues without Grants and Reserve for Payment of Debt Service.

REVENUE - All Categories Sheet 10 & Sheet 11	2024	2023	Difference	% (+/-)
Total Surplus Anticipated	523,000.00	250,000.00	273,000.00	109.20%
Misc. Rev. - Sect. A: Local Revenues	884,000.00	885,000.00	-1,000.00	-0.11%
Misc. Rev. - Sect. B: State Aid Without Offsetting Appropriations	461,147.67	439,590.66	21,557.01	4.90%
Misc. Rev. - Sect. C: Dedicated Uniform Construction Code Fees	300,000.00	300,000.00	0.00	0.00%
Misc. Rev. - Sect. D: Spec. Items of Gen. Rev. Anticip. (Frenchtown)	5,000.00	3,700.00	1,300.00	35.14%
Misc. Rev. - Sect. E: Spec. Items of Gen. Rev. Anticip.	7,900.00	7,900.00	0.00	0.00%
Misc. Rev. - Sect. G: Spec. Items of Gen. Rev. Anticip.				
Uniform Fire Safety Act	12,000.00	29,000.00	-17,000.00	-58.62%
Cable Franchise Fees	18,000.00	19,173.14	-1,173.14	-6.12%
General Capital Surplus		177,701.34	-177,701.34	-100.00%
PILOTS	104,800.00	104,800.00	0.00	0.00%
Reserve for Open Space	56,000.00	56,000.00	0.00	0.00%
Hotel Motel Occupancy	187,400.00	162,400.00	25,000.00	15.39%
Contribution from LMUA	76,320.00	76,320.00	0.00	0.00%
	2,112,567.67	2,261,585.14	123,982.53	5.48%

The table below illustrates the revenues with Grants and Reserve for Payment of Debt Service included.

REVENUE - All Categories Sheet 10 & Sheet 11	2024	2023	Difference	% (+/-)
Total Surplus Anticipated	523,000.00	250,000.00	273,000.00	109.20%
Misc. Rev. - Sect. A: Local Revenues	884,000.00	885,000.00	-1,000.00	-0.11%
Misc. Rev. - Sect. B: State Aid Without Offsetting Appropriations	461,147.67	439,590.66	21,557.01	4.90%
Misc. Rev. - Sect. C: Dedicated Uniform Construction Code Fees	300,000.00	300,000.00	0.00	0.00%
Misc. Rev. - Sect. D: Spec. Items of Gen. Rev. Anticip. (Frenchtown)	5,000.00	3,700.00	1,300.00	35.14%
Misc. Rev. - Sect. E: Spec. Items of Gen. Rev. Anticip.	7,900.00	7,900.00	0.00	0.00%
Misc. Rev. - Sect. F: Spec. Items of Gen. Rev. Anticip. (GRANTS)	77,539.88	1,174,611.86	-1,097,071.98	-93.40%
Misc. Rev. - Sect. G: Spec. Items of Gen. Rev. Anticip.				
Uniform Fire Safety Act	12,000.00	29,000.00	-17,000.00	-58.62%
Cable Franchise Fees	18,000.00	19,173.14	-1,173.14	-6.12%
General Capital Surplus		177,701.34	-177,701.34	-100.00%
Reserve for the Payment of Debt Service	1,133,063.61	250,000.00	883,063.61	353.23%
PILOTS	104,800.00	104,800.00	0.00	0.00%
Reserve for Open Space	56,000.00	56,000.00	0.00	0.00%
Hotel Motel Occupancy	187,400.00	162,400.00	25,000.00	15.39%
Contribution from LMUA	76,320.00	76,320.00	0.00	0.00%
	3,323,171.16	3,686,197.00	-90,025.84	-2.44%

A series of one-time grants were made to the City in 2023, including a \$500,000 legislative appropriation for building repairs and a \$322,184 grant for stormwater management and ecological uplift at Holcombe Park. As a result, the section pertaining to grants appears much smaller in 2024. These grants have been received and the projects they fund are underway. Other grants, such as the Open Space Grant and

Clean Communities grants, will be incorporated into the adopted budget as budget insertions when they arrive throughout the year.

2024 Anticipated Revenues – Categories Increased \$1,203,920.62

Revenue - Increase	\$1,203,920.62	2024	2023	Difference	% (+/-)
Total Surplus Anticipated		523,000.00	250,000.00	273,000.00	109.20%
Misc. Rev. - Sect. B: State Aid Without Offsetting Appropriations		461,147.67	439,590.66	21,557.01	4.90%
Misc. Rev. - Sect. D: Spec. Items of Gen. Rev. Anticip. (Frenchtown)		5,000.00	3,700.00	1,300.00	35.14%
Misc. Rev. - Sect. G: Spec. Items of Gen. Rev. Anticip.					
Reserve for the Payment of Debt Service		1,133,063.61	250,000.00	883,063.61	353.23%
Hotel Motel Occupancy		187,400.00	162,400.00	25,000.00	15.39%
Contribution from LMUA		76,320.00	76,320.00	0.00	0.00%
		2,385,931.28	1,182,010.66	1,203,920.62	101.85%

2023 operations closed out favorably and the above budgeted revenue levels regenerated more surplus than anticipated in 2023 (\$250,000) permitting the City to take in higher levels of anticipated surplus in 2024 (\$523,000) while maintaining and expanding surplus reserves.

The City continues to share in the mutual benefit of shared services with the Borough of Frenchtown, funding from grants to offset expenses and expand services and interest on investments as a result of improved cash flows and favorable markets.

2024 Anticipated Revenues – Categories Decreased \$1,115,245.12

Revenue - Decrease	-\$1,115,245.12	2024	2023	Difference	% (+/-)
Misc. Rev. - Sect. A: Local Revenues		884,000.00	885,000.00	-1,000.00	-0.11%
Misc. Rev. - Sect. F: Spec. Items of Gen. Rev. Anticip. (GRANTS)		77,539.88	1,174,611.86	-1,097,071.98	-93.40%
Misc. Rev. - Sect. G: Spec. Items of Gen. Rev. Anticip.					
Uniform Fire Safety Act		12,000.00	29,000.00	-17,000.00	-58.62%
Cable Franchise Fees		18,000.00	19,173.14	-1,173.14	-6.12%
		107,539.88	1,222,785.00	-1,115,245.12	-91.21%

2024 Anticipated Revenues – Flat Categories

Revenue - Flat	\$0.00	2024	2023	Difference	% (+/-)
Misc. Rev. - Sect. C: Dedicated Uniform Construction Code Fees		300,000.00	300,000.00	0.00	
Misc. Rev. - Sect. E: Spec. Items of Gen. Rev. Anticip.		7,900.00	7,900.00	0.00	
Misc. Rev. - Sect. G: Spec. Items of Gen. Rev. Anticip.					
PILOTS		104,800.00	104,800.00	0.00	
Reserve for Open Space		56,000.00	56,000.00	0.00	
		468,700.00	468,700.00	0.00	0.00%

Appropriations

2024 Appropriations – Increased \$118,935.07

Appropriations - Sheet 30	2024	2023	Difference	% (+/-)
Total General Appropriations In "CAPS"	4,760,091.36	4,373,300.42	386,790.94	8.84%
Total General Appropriations Outside "CAPS"	580,717.88	1,718,854.86	-1,138,136.98	-66.21%
Capital Improvements (5%)	51,000.00	51,000.00	0.00	0.00%
Debt Service	1,781,054.84	1,616,136.00	164,918.84	10.20%
Total Deferred Charges	962,063.61	256,701.34	705,362.27	274.78%
Reserve for Uncollected Taxes	265,000.00	265,000.00	0.00	0.00%
	8,399,927.69	8,280,992.62	118,935.07	1.44%

The budget as introduced will meet the obligations of rising contractual costs including healthcare, operational requirements, and inflationary impacts on procurement of goods and services.

Regular operational expenses in Salary and Wages and Other Expenses are keeping pace with inflationary trends. All obligations to collective bargaining units and contracts are fully funded. There is also the funding for an additional police officer to restore one of two previously eliminated positions and provide additional coverage and expanded public safety services.

This budget funds 2024 accumulated absence accruals in the year they are accrued for placement in the appropriate trust accounts for future payment of retirement terminal leave obligations.

2024 Statutory & Deferred Charges – Increased \$46,241.41

Statutory and Deferred Charges						
Expense Type	Account	2024	2023	Difference	% (+/-)	
Social Security System (O.A.S.I.)	36-472	152,111.68	172,064.27	(19,952.59)	-11.60%	
Police and Firemen's Retirement System of NJ	36-475	304,258.00	277,390.00	26,868.00	9.69%	
Public Employees' Retirement System	36-471	156,058.00	116,732.00	39,326.00	33.69%	
Consolidated Police & Fireman's Pension Fund	36-474	-	-	-		
Special Emergency Authorization - 5 Years (N.J.S.A. 40A:4-55)	36-875	79,000.00	79,000.00	-	0.00%	
Overexpenditure of Appropriation	46-894	-	-	-		
		691,427.68	645,186.27	46,241.41	7.17%	

The City Administration has sought out budget cuts to offset increasing operational budget lines with approximately \$75,190 in reductions by improving processes through the use of technology and obtaining grants to subsidize previously Lambertville taxpayer funded items. These cuts are shown as negatives on the bottom of the "Governmental Operations - Descending Difference Order, Sheet 12+" table.

General Administration costs increased due to professional services associated with stormwater management (including Ely Creek), the update of the Small City's Manual, the bond sale, and additional matters related to Affordable Housing compliance.

2024 Appropriations in Support of Operations in Descending Order By 2023 Change

Governmental Operations - Descending Difference Order, Sheet 12+

Department/Division	Expense Type	2024	2023	Difference	% (+/-)
INSURANCE:GROUP INSURANCE PLAN FOR EMPLOYEE	Other Expenses	719,670.20	579,024.04	140,646.16	24.29%
POLICE:	Salaries & Wages	1,191,016.60	1,082,640.00	108,376.60	10.01%
GENERAL ADMINISTRATION:	Other Expenses	148,600.00	89,000.00	59,600.00	66.97%
SOLID WASTE COLLECTION:	Other Expenses	222,500.00	199,726.00	22,774.00	11.40%
INSURANCE:OTHER INSURANCE PREMIUMS	Other Expenses	148,108.00	127,339.00	20,769.00	16.31%
BUILDINGS & GROUNDS:	Other Expenses	50,600.00	37,951.40	12,648.60	33.33%
CITY ATTORNEY:	Other Expenses	107,425.00	95,650.00	11,775.00	12.31%
FIRE INSPECTION OFFICIAL:	Salaries & Wages	29,702.40	23,296.00	6,406.40	27.50%
MUNICIPAL CLERK:	Salaries & Wages	157,134.13	150,861.07	6,273.06	4.16%
POLICE:	Other Expenses	61,248.00	55,375.00	5,873.00	10.61%
TAX ASSESSOR:	Other Expenses	8,381.00	5,875.08	2,505.92	42.65%
INSURANCE:WORKERS COMPENSATION	Other Expenses	73,518.00	71,032.00	2,486.00	3.50%
PUBLIC WORKS:	Other Expenses	43,790.00	41,392.97	2,397.03	5.79%
UTILITIES - ALL	Other Expenses	133,800.00	131,850.00	1,950.00	1.48%
AUDITOR:	Other Expenses	41,950.00	40,000.00	1,950.00	4.88%
Construction Official	Other Expenses	7,550.00	5,750.00	1,800.00	31.30%
STREET LIGHTING:	Other Expenses	39,000.00	37,300.00	1,700.00	4.56%
FINANCIAL ADMINISTRATION:	Salaries & Wages	85,163.81	83,542.95	1,620.86	1.94%
LIQUIDATION OF TAX TITLE LIENS	Other Expenses	1,500.00	750.00	750.00	100.00%
TAX ASSESSOR:	Salaries & Wages	37,274.49	36,543.62	730.87	2.00%
FINANCIAL ADMINISTRATION:	Other Expenses	13,800.71	13,318.32	482.39	3.62%
ADMINISTRATION OF PUBLIC ASSISTANCE:	Salaries & Wages	18,074.13	17,719.74	354.39	2.00%
PLANNING BOARD:	Salaries & Wages	8,444.50	8,278.92	165.58	2.00%
ZONING BOARD OF ADJUSTMENT:	Salaries & Wages	4,265.69	4,182.05	83.64	2.00%
HISTORIC PRESERVATION:	Salaries & Wages	3,121.20	3,060.00	61.20	2.00%
MAYOR & CITY COUNCIL:	Salaries & Wages	14,500.00	14,500.00	-	0.00%
MUNICIPAL PROSECUTOR:	Other Expenses	26,500.00	26,500.00	-	0.00%
DOG REGULATION:	Other Expenses	12,000.00	12,000.00	-	0.00%
HISTORIC PRESERVATION:	Other Expenses	350.00	350.00	-	0.00%
ADMINISTRATION OF PUBLIC ASSISTANCE:	Other Expenses	530.00	530.00	-	0.00%
GENERAL ADMINISTRATION:	Salaries & Wages	-	-	-	0.00%
SUPPLEMENTAL FIRE DISTRICT PAYMENT	Other Expenses	1,249.00	1,249.00	-	0.00%
PLANNING BOARD:	Other Expenses	1,775.00	1,775.00	-	0.00%
MASTER PLAN:	Other Expenses	-	-	-	0.00%
DOG REGULATION:	Salaries & Wages	-	-	-	0.00%
CONTRIBUTION TO LAMBERTVILLE SENIOR	Other Expenses	-	-	-	0.00%
CELEBRATION OF PUBLIC EVENTS, ANNIVERSARY	Other Expenses	3,800.00	3,800.00	-	0.00%
ZONING BOARD OF ADJUSTMENT:	Other Expenses	1,600.00	1,600.00	-	0.00%
EMERGENCY MANAGEMENT SERVICES:	Other Expenses	500.00	500.00	-	0.00%
TAX COLLECTOR:	Other Expenses	12,369.39	12,844.51	(475.12)	-3.70%
PUBLIC DEFENDER:	Salaries & Wages	3,600.00	4,350.00	(750.00)	-17.24%
Construction Official	Salaries and Wages	144,169.76	145,294.86	(1,125.10)	-0.77%
MUNICIPAL CLERK:	Other Expenses	25,000.00	26,223.63	(1,223.63)	-4.67%
TAX COLLECTOR:	Salaries & Wages	18,973.02	20,530.71	(1,557.69)	-7.59%
INSPECTION AND CODE ENFORCEMENT:	Other Expenses	9,300.00	11,000.00	(1,700.00)	-15.45%
INSURANCE:GROUP INSURANCE - HEALTH BENEFIT W/	Other Expenses	11,250.00	14,000.00	(2,750.00)	-19.64%
FIRE INSPECTION OFFICIAL:	Other Expenses	1,150.00	4,850.00	(3,700.00)	-76.29%
MUNICIPAL COURT:	Other Expenses	8,855.00	12,860.00	(4,005.00)	-31.14%
ACCUMULATED LEAVE COMPENSATION:	Salaries & Wages	30,000.00	34,850.00	(4,850.00)	-13.92%
SOLID WASTE COLLECTION:	Salaries & Wages	138,040.32	144,065.67	(6,025.35)	-4.18%
MAYOR & CITY COUNCIL:	Other Expenses	19,375.00	34,375.00	(15,000.00)	-43.64%
MUNICIPAL COURT:	Salaries & Wages	96,501.59	111,588.06	(15,086.47)	-13.52%
PUBLIC WORKS:	Salaries & Wages	205,610.74	222,554.55	(16,943.81)	-7.61%
		4,142,636.68	3,803,649.15	338,987.53	8.91%

Balance Sheet

Debt service remains a significant factor in the levy increase. This budget year contains a projected increase for debt service of \$164,918.84 driven in part by rising interest rates on notes that will need to be paid for in 2024 for the previous 12 months. Due to prudent fiscal practices and restoration of critical reserves, the City of Lambertville has been looked upon positively by the rating agencies and as a result received a very favorable interest rate in the April 2024 Bond Anticipation Note sale to a 15-year refinance bond at a stable lower rate.

2024 Municipal Debt Service

Municipal Debt Service - Sheet 27	2024	2023	Difference	% (+/-)
Interest on Notes	430,456.60	153,000.00	277,456.60	181.34%
Payment of Bond Principal	1,115,000.00	1,090,000.00	25,000.00	2.29%
Payment of Bond Anticipation Notes and Capital Notes	-	91,550.00	(91,550.00)	-100.00%
GREEN TRUST Loan Repayments for Principal & Interest	17,885.74	17,886.00	(0.26)	
Interest on Bonds	217,712.50	263,700.00	(45,987.50)	-17.44%
	1,781,054.84	1,616,136.00	164,918.84	10.20%

Capital Improvement Projections

Plans for various road and storm sewer improvements, public safety vehicle replacement and facility improvements and general improvements to public buildings are contemplated in the 2024 capital plan projections.

This proposed budget plan includes the following capital investments:

- \$572,763 to improve City roads. The City will receive \$131,598 in NJDOT grants for this work.
- \$28,000 in local storm sewer improvements.
- \$340,000 to improve the City's public property including improvements to our City Library building exterior, parking lots, and the continuation of our City's vehicle replacement program for the police.
- \$450,000 in improvements to Music Mountain storm water infrastructure to be fully reimbursed through a USDA Federal appropriation.