

2023 Budget Summary

- The current draft budget includes total revenues of \$5,795,718 and expenses of \$5,939,959.
- The current draft budget includes a **5.1%** real estate tax increase of **0.25 mill**, increasing the rate from 4.89 to **5.14** (equates to \$25 increase in real estate taxes for each hundred thousand dollars of assessed property value).
- With this millage rate, the current projected budget deficit to be covered by reserves is **\$144,240**
- As a point of reference, balancing the current draft budget without utilizing reserves would require a **0.7** mill increase, and with no tax increase, the budgeted deficit would be **\$227,366**
- Of the % increase in revenue and expenses, about half of the increase % in each is due to the trash collection costs. With “normal” increases in trash costs and fees, expenses would be increasing by **3.73%** - under the current economic conditions, this demonstrates that the borough is controlling expenses by keeping increases well below the CPI. The trash costs are unfortunately beyond our control.
- The annual operating budget accounts for funding the capital account for necessary capital expenses over a 9 year period. While we will hopefully secure grants for some of the capital needs (particularly the flood mitigation project), this is not guaranteed.
- If grants are received for any planned capital projects, future annual funding of the capital account can be adjusted accordingly.
- \$450,000 in ARPA funds are already accounted for in the revenue side of the capital budget. Specific projects will need to be identified for the ARPA funds by the end of 2024, and the funds must be expended by the end of 2026.
- The capital budget does not account for the anticipated savings associated with the eFleet program for PW and codes vehicles since it is too early in the program to be accurately quantified.
- The use of reserves for capital expenses is **not** accounted for in the capital budget.
 - o We will need to use reserves to cover the 2022 budgeted deficit (a surplus for 2022 is not expected), and we will need to use reserves to cover the projected 2023 budget deficit (depending on how much of a tax increase is decided upon).
 - o In the capital budget, it is assumed we get no grants for planned capital projects, resulting in the balance going negative in 2025. At this point we would essentially be borrowing from ourselves from our reserves and paying ourselves back in subsequent years.
 - o Reserves over and above the recommended 3-4 month minimum to cover expenses during low-revenue periods are necessary for emergency situations, and to be utilized as matching funds for grant opportunities.