



The Township of

# Parsippany-Troy Hills

New Jersey

## 2024 MUNICIPAL BUDGET OVERVIEW

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Presentation to the Parsippany-Troy Hills Township Council

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**Mayor James R. Barberio**

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**James M. Cryan, CPM, Business Administrator**

**Leonard Ho, Chief Municipal Finance Officer**

April 16, 2024



The Township of

# Parsippany-Troy Hills

New Jersey

## 2024 ADMINISTRATION BUDGET TEAM

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**Mayor James R. Barberio**

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**James M. Cryan, CPM**  
Business Administrator

**Leonard Ho**  
Chief Municipal Finance Officer

**Valerie A. Dolan CPA / RMA / PSA | Partner, Nisivoccia**

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### Township Council Finance Committee

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**Paul Carifi, Jr.**  
Council President

**Frank Neglia**  
Council Vice President

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### Township Council

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**Paul Carifi, Jr.**  
Council President

**Frank Neglia**  
Council Vice President

**Judith Hernandez**  
**Matthew McGrath**  
**Justin Musella**

# 2024 Budget Goals

**Strong fiscal management. Maintain exceptional fiscal oversight**

**Correct the course of the past. Finally, put Parsippany back on sound financial footing.**

**Minimize tax burden on residents.**

**Prioritize public safety**

Parsippany residents should be safe where they live, learn, work, & play.

Anything less is unacceptable.

**Do More With Less - Get the best value for each tax dollar.**

**Prioritizes resident service & deliver more efficiently.**

Maintain outstanding services & providing tangible, visible results for our residents

**Proactively manage responsible development**

Advance our court-ordered affordable housing obligations while Revitalizing our local economy.

Add ratables while balancing overdevelopment

**Continue to aggressively seek new recurring revenue streams**

**Will this action negatively affect future budgets or compound a tax rate increase in 2025?**

**Continue to foster resident engagement**

Community meetings, more transparency, and better communication.

Solicit public input to establish additional 2024 priorities and the best ways to achieve them

# 2024 Budget Challenges

## **Nationwide Economic Impacts and External Influences**

- **4.1 % avg. Rate of Inflation in 2023 following an 8% avg. inflation rate in 2022.**
- **In the first quarter of 2024, new leasing volume in Northern New Jersey declined by 9.5% from the previous year, reaching lowest total since 3<sup>rd</sup> quarter of 2021.**  
(Cushman & Wakefield, *Marketbeat - Northern New Jersey*, Office Q1 2024)
- **Consumer Price Index (CPI) increased 3.5 percent over the last 12 months.**

## **Troubles continue in the office sector.**

- **Office vacancy rate reached a new record high last month.**
- **“Leasing activity has dropped, office availability and delinquencies have increased”**
- **“there are more than twice as many more unoccupied office square feet than occupied compared to a year ago.”** *Commercial Real Estate in February 2024: An Overview* - National Association of REALTORS®

**A reduction in office use means a reduction in annual property taxes paid by the office buildings and a reallocation of the tax burden to residents**

# 2024 Budget Challenges (cont.)

## **Unfunded Mandates**

- Updated Affordable Housing mandated obligation – forces new development
- Galvanized Pipes – New debt to cover lead/galvanized pipe replacement – may cost approx. \$5 million
- PFAS – preliminary estimates to comply with new regulations \$27,514,000.

## **Increasing Costs of Residential Services**

**Appropriation Pressures and Increasing Costs We Do Not Control**

# 2024 Municipal Budget Process & Timeline

## Budget Preparation (end of 2023 – March 2024)

BA and CFO work with each dept to develop departmental budgets

Close book on 2023; prep the Annual Financial Statements

Feb/Mar '24 - Budget prepped for presentation to Mayor. Continued to be worked on & developed.



## Budget Presentation to Finance Committee – Mar 25, 2024

Mayor, BA, CFO, & Auditor present DRAFT budget to Finance Committee - Council Pres. Carifi, Jr. & Council VP Neglia

Input included; links Mayor's Twp budget to what Council wants to achieve for community

Administration Departmental Budget hearing scheduled



## Departmental Budget Hearing – April 9, 2024

Police, Public Works, Engineering, Planning & Zoning, Building, Water, Sewer, & Knoll present to the Council in public

instrumental in fostering transparency & unified approach to committed governance



## 2024 Municipal Budget introduced - April 16, 2024 Twp. Council meeting

Budget publicized in newspaper & on web

Municipal Budget Presentation

28-day period required between intro and public meeting - formal adoption.

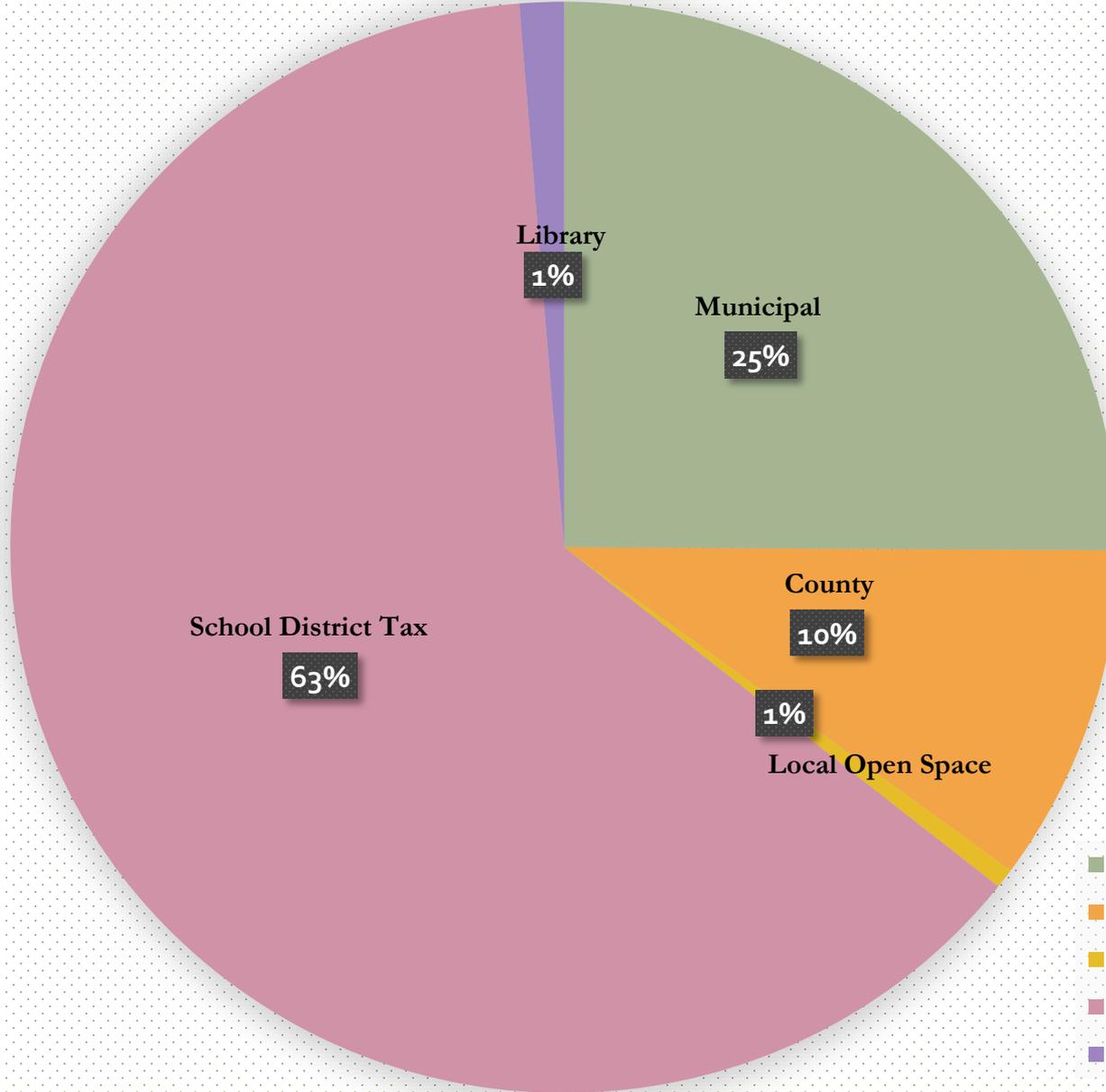


## 2024 Municipal Budget Public Hearing & Final Adoption – May 21, 2024 Twp. Council Meeting

Public Hearing - public q's & comments before vote

Formal Governing Body Vote

# 2024 Property Tax Levy Breakdown



- Municipal 25%
- Morris County 10.2%
- Muni Open Space .5%
- Board of Ed. 63%
- Library 1.3%

# Good News

*Independent Bond Rating Agencies Say:*

## MOODY'S

**Rating Action: Moody's confirms Parsippany-Troy Hills, NJ's GOs at Aa2 and assigns Aa2 issuer rating**

03 Feb 2023 reaffirmed 05 October 2023

### RATINGS RATIONALE

“The Aa2 issuer rating reflects the township's strong economy and recently improving finances offsetting its elevated leverage and fixed costs.”

“From a financial position, the township has seen a strong recovery after some declines several years ago and modest impact from the pandemic.”

“The MIG 1 reflects the township's strong underlying credit quality, evidenced by its Aa2 issuer rating, and its reliable history of market access and healthy liquidity.”

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## S&P Global Ratings

**Parsippany - Troy Hills' General Obligation (GO) Bond Rating Upgraded Due to Improved Financial Stability**

December 12, 2023

### Credit Highlights

“S&P Global Ratings revised the outlook on its 'AA' rating on Parsippany-Troy Hills Township, N.J.'s general obligation (GO) bonds to stable from negative. At the same time, S&P Global Ratings' affirmed its 'AA' rating on the township's GO debt.”

“The outlook revision reflects our view of the township's significantly improved finances during the past two fiscal years after experiencing a material reserve drawdown in fiscal 2020.”

## Morris County average property taxes ranked for 2023

By Katie Kausch | NJ Advance Media for NJ.com

Updated: Mar. 12, 2024

*Parsippany is ranked 23<sup>rd</sup> out of 39, meaning there are 22 municipalities in the County with higher property taxes.*

	Municipality	Average Residential Property Value	Average Total Property Taxes (not including credits and deductions)
1	Mountain Lakes Borough	\$887,762	\$22,441
2	Mendham Township	\$973,048	\$20,325
3	Mendham Borough	\$693,518	\$17,015
4	Chester Township	\$663,419	\$16,818
5	Chatham Township	\$846,933	\$16,565
6	Kinnelon Borough	\$579,200	\$16,427
7	Chatham Borough	\$992,472	\$15,414
8	Harding Township	\$1,294,356	\$14,959
9	Madison Borough	\$694,753	\$14,301
10	Chester Borough	\$535,375	\$14,071
11	Montville Township	\$533,702	\$13,655
12	Randolph Township	\$489,875	\$13,517
13	Boonton Township	\$529,954	\$13,126
14	Long Hill Township	\$578,616	\$12,985
15	Washington Township	\$439,910	\$12,473
16	Boonton Town	\$361,661	\$11,900
17	Morris Township	\$567,660	\$11,381
18	Morris Plains Borough	\$443,020	\$11,070
19	Denville Township	\$410,316	\$10,851
20	Rockaway Township	\$409,777	\$10,749
21	Florham Park Borough	\$666,175	\$10,640
22	Morristown Town	\$358,393	\$10,411
<b>23</b>	<b>Parsippany-Troy Hills Township</b>	<b>\$313,063</b>	<b>\$10,366</b>
24	Mount Olive Township	\$324,392	\$10,340
25	Butler Borough	\$380,924	\$10,107
26	Lincoln Park Borough	\$324,365	\$9,876
27	Rockaway Borough	\$303,012	\$9,847
28	Pequannock Township	\$531,120	\$9,759
29	Wharton Borough	\$331,619	\$9,392
30	Roxbury Township	\$343,392	\$9,291
31	Jefferson Township	\$326,734	\$9,241
32	Netcong Borough	\$266,015	\$9,167
33	East Hanover Township	\$367,020	\$9,154
34	Hanover Township	\$427,309	\$8,566
35	Mount Arlington Borough	\$414,557	\$8,102
36	Mine Hill Township	\$279,855	\$7,844
37	Dover Town	\$240,354	\$7,586
38	Riverdale Borough	\$373,638	\$6,818
39	Victory Gardens Borough	\$172,203	\$5,435



The Township of

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## 2024 MUNICIPAL BUDGET

**2024 Projected Local Tax Rate = 2.78% Total Municipal Tax Impact -- \$75.83 or \$6.31/month**

	2023	2024	Increase	% of increase	2024 Projected to be raised	2023 Actual Tax	Increase	Increase
COUNTY TAX	0.325	0.330	0.005	1.54%	\$24,177,359	\$23,703,293	\$474,066	2.00%
COUNTY OPEN SPACE	0.009	0.008	-0.001	0.00%	\$609,938	\$597,978	\$11,960	2.00%
<b>MUNICIPAL</b>	<b>0.827</b>	<b>0.850</b>	<b>0.023</b>	<b>2.78%</b>	<b>\$62,228,625</b>	<b>\$60,497,056</b>	<b>\$1,731,569</b>	<b>2.86%</b>
LIBRARY	0.043	0.044	0.042	1.48%	\$3,215,800	\$3,168,912	\$46,888	1.48%
LOCAL OPEN SPACE	0.020	0.020	0.000	0.00%	\$1,464,009	\$1,461,601	\$2,408	0.16%
DISTRICT SCHOOL TAX	2.088	2.136	0.048	2.30%	\$156,341,086	\$152,541,056	\$3,800,030	2.49%
<b>TOTAL BASE RATE</b>	<b>3.312</b>	<b>3.388</b>			<b>\$248,036,817</b>	<b>\$241,969,896</b>	<b>\$6,066,921</b>	<b>2.51%</b>

Fire District	2024 Fire Rate	Fire District Total Rate	2024 Projected Local Tax Rate = 2.78% Total Municipal Tax Impact -- \$75.83 or \$6.31/month Total Projected Overall Increase = 2.29%				
Fire #1 - Mt. Tabor	0.099	3.487					
Fire #2 - Rainbow Lakes	0.095	3.483					
Fire #3 - Lake Parsippany	0.088	3.476					
Fire #4 - Lake Hiawatha	0.072	3.460					
Fire #5 - Rockaway Neck	0.151	3.539					
Fire #6 - Parsippany	0.035	3.423					
2023 Avg Assessed Home	\$313,063	0.827	\$2,589.03				
2024 Avg Assessed Home	\$313,513	0.850	\$2,664.86				
Total 2024 Ratables \$7,320,045,550							
				<b>Tax Rate</b>	<b>Tax Levy</b>	<b>%Total Levy</b>	<b>Taxpayer Impact</b>
			<b>Municipal</b>	0.850	\$62,228,625	25.09%	\$ 75.83
			<b>Library</b>	0.044	\$3,215,800	1.30%	\$ 3.33
			<b>Local Open Space</b>	0.020	\$1,461,601	0.59%	\$ -
			<b>School District</b>	2.136	\$156,341,086	63.03%	\$ 159.88
			<b>County</b>	0.330	\$24,177,359	9.75%	\$ 17.14
			<b>Cty. Open Space</b>	0.008	\$609,938	0.25%	\$ (3.09)
			<b>2024 Total</b>	<b>3.388</b>	<b>\$248,036,817</b>	<b>100.00%</b>	<b>\$253.09</b>

# 2024 Budget Summary

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## A fiscally prudent, structurally balanced budget

Sets the foundation for continued improvement – investment in public safety, infrastructure, roads, technology – while adhering to a sound fiscal plan

- Overall Increase in the Tax Rate of **2.29%** *(based on current County estimate)*
- Local Tax Rate Increase of **2.78%**
- **\$75.83** Annual municipal impact to average residential home.\* **\$6.31/mo.**
- **Doing More with Less** – **Roughly 25¢** of Total Tax Dollar Funds Township Services
- **NO UTILITY SURPLUS UTILIZED** as a result of prudent oversight
- **Adds 3 Police Officers**
- Provides a fiscally responsible framework for today and for years to come.

**Corrects the course of the past & puts Parsippany back on sound financial footing**

*\*Based on current year average residential assessment of \$313,513*

# Budget Highlights

- Safety First
  - Hired Nine (9) New Police Officers
  - Increases network of License Plate Recognition (LPR) cameras providing real time alerts for stolen vehicles and vehicles displaying stolen license plates.
- It's working
  - Answered 60,299 Police Calls for Service
    - Catalytic converter incidents were at 103 in 2022 and 64 in 2023.
    - Residential/Commercial Burglaries were at 81 in 2022 and 78 in 2023.
    - Stolen Motor Vehicles – 43 in 2022 and 32 in 2023.
- Maintained approximately 210 miles of roads.
  - 2023: 5.3 miles resurfaced, 1.6 miles reconstructed
  - 2024: 6.4 miles resurfaced, 3.4 miles reconstructed
- Labor Peace – Contracts settled with 3 out of 4 Bargaining Units
- The Township gained \$12 million in new ratables through assessments.

# What do I get for my 25 percent?

## Parsippany Offers Tremendous Services

*An average home valued at \$313,513 received a 2024 property tax bill of **\$10,622**. The municipal portion of this tax bill was **\$2,664.86**. For this amount, the residents of that home received the following municipal services:*

<b>Police Department &amp; Crossing Guards</b>	<b>Student Resource Officers for school safety</b>
<b>Senior Citizen Services - Door-to-Door Dr. drop off &amp; food shopping; Senior Club meet &amp; greets</b>	<b>Seniors – Exercise Classes, Free Income Tax Prep, Free Defensive Driving courses</b>
<b>DPW - Garbage and Recycling Pickup; Weekly bulk pick-up;</b>	<b>DPW - Plowing and maintenance of 400+ lane miles of roads and 26 Parks</b>
<b>DPW -Yard Waste &amp; Fall Leaf Pickup; Expanded yard hours</b>	<b>Sewage Treatment – “We’re #1 in #2” -- 24/7, 365</b>
<b>Water - maintain over 220 miles of water main; 34 remote facilities --18 well stations, 6 booster pumping stations, 1 seasonal interconnection with Jersey City and 10 storage tanks.</b>	<b>Fire Hydrants &amp; Street Lights</b>
<b>Child Health Clinics for residents w/ low or no medical insurance</b>	<b>Administration, Finance, Elections, Records, Construction, Planning, Zoning, Fire Safety, etc.</b>

*The home mentioned above will pay an additional **\$6.31** per month in municipal property taxes with a **2.78%** local tax rate increase for 2024.*

# Summary: Outstanding Fiscal Standing & Opportunity

Municipal Tax Rate = 2.78%      \$6.31/mo. or \$75.83/yr. Impact

*Thoughtful spending to protect core services and responsibly invest in the future.*

Total Projected Overall Increase = 2.29%

- ❖ No more “kicking the can down the road”
- ❖ Maintain exceptional fiscal oversight
- ❖ Prioritizes public safety -- 3 additional police; additional safety tools
- ❖ Continue to enhance Town parks and recreation offerings
- ❖ Continue to foster resident engagement
- ❖ More services than any other municipality in Morris County
- **Budget with no reliance on utility surplus. It is a budget running off of our own money.**

**Parsippany is in excellent financial condition resulting from adhering to a sound fiscal plan over the past 2.5 years.**



The Township of

# Parsippany-Troy Hills

New Jersey

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**Total Projected Overall Increase = 2.29%**

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