

# 2023 Municipal Budget Overview



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**Mayor James R. Barberio**

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**Township Council**

Council President Loretta Gragnani\*

Council Vice President Michael J. DePierro

Councilman Paul Carifi, Jr.

Councilman Justin Musella

Councilman Frank Neglia\*

*\* Finance Committee Member*

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James M. Cryan, Business Administrator  
Leonard Ho, Chief Municipal Finance Officer

# Budget Goals - We Work For You

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**Produce a responsible, transparent and open budget that is based on priorities developed with resident input & approved by the Township Council.**

## **Limited tax increase**

- Minimize tax burden on residents by assessing & maintaining fair, equitable and stable sources of revenue. Ensure long-term financial stability by not causing systemic issues.

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

- Deliver services more efficiently. Create a smarter, more resourceful govt. over the long-term enabling the Township to maintain outstanding services & providing tangible, visible results for our residents.

## **Maintaining a stable tax base and tax rate**

- **Economic Development to ensure a strong and diverse tax base** - A well-maintained community keeping pace w/balanced growth to ensure diversification to overcome national economic issues – 60% residential, 30+% commercial /industrial

## **Prioritize Public Safety**

- Parsippany residents should be safe where they live, learn, work, & play. Anything less is unacceptable.

# Administration's List of Concerns

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## Nationwide Economic Impacts and External Influences

### Affordable Housing mandated obligation – Water Issues

**Potential Vacancies** – A nationwide housing downturn and reduction in office space use can have a significant budgetary effect. A reduction in use means a reduction in annual property taxes paid by the office buildings.

### Unfunded Mandates

- **Galvanized Pipes** - New debt to cover galvanized pipe replacement
- **New debt payments to cover sewage treatment upgrades**

**Four collective bargaining agreements expired in 2022 and have not been settled.** Administrator meeting with union negotiating teams currently.

# Major Issues We Face

## Nationwide Economic Impacts and External Influences

Revenues remain below pre-Covid levels, yet almost every appropriation line is up due to inflation, supply chain and other pressures.

- Upward inflationary spiral at extraordinary levels.
- North Jersey office vacancy hit 14-year high amid uncertain economy.
- Municipal Revenues are still almost **\$1 Million** below pre-pandemic levels.

## Appropriation Pressures and Increasing Costs

- Health Insurance + 9% 
- Debt Interest + 33% 
- Pension Costs + 15% 
- Utilities + \$14% 

# 2023 Budget Accomplishments

**Strong fiscal management. Minimize tax burden on residents.**

## **Demonstrates fiscal responsibility & sound financial management**

- Maintains Parsippany's AA2 bond rating
- Provides clear information on how we are using taxpayers money
- Contain costs while providing the highest level of services to our residents
- Replenishes Fund Balance

## **Prioritizes resident service & engagement**

- Community engagement
- More transparency
- Better communication

# 2023 Budget Accomplishments

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**Strong fiscal management. Enhanced Public Safety. Commitment to Diversify Tax Revenue.**

## **Safety First**

- **Expands Police Department to 99 Officers.**
  - Up from historic low of 81 deployable officers a few years ago
  - Civilianizes roles that can be civilianized to get more officers on the street
- **Provides BOE with School Resource Officers and Crossing Guards – to enhance safety, nurture positive police relationships with students, staff, & parents.**
- **Provides additional funding to Volunteer Ambulance and Rescue**

# The Budget Timeline

Budget monitored throughout year to ensure depts. are spending within appropriations

<b>December 2022 - January 2023</b>	<ul style="list-style-type: none"> <li>• Dept. Heads prepare &amp; submit budget requests for Administration review.</li> <li>• <b>Dept Head One-on-Ones</b> - Administrator and CFO meet with Dept. Heads to review budget and Capital budget requests.</li> </ul>
<b>February 2023 - March 2023</b>	<b>Budget is prepped for Presentation to Mayor</b> - where it continues to be worked on and developed. Mayor, Administrator, and CFO assess many different factors to prioritize requests and determine which ones will be approved as part of final budget.
<b>March 27, 2023</b>	<b>Budget Presentation to Finance Committee</b> - Mayor, Business Administrator, Chief Finance Officer, and Auditors present budget to the Finance Committee made up of Council President Loretta Gragnani and Councilman Frank Neglia.
<b>Apr 18, 2023</b>	<b>Budget Introduction - 2023 Municipal Budget Introduced and presented to the public at Township Official Meeting</b> - Mayor presents and Council votes to introduce the budget & set public hearing date. Open for questions. Budget publicly noticed.
<b>April 18 - May 16, 2023</b>	<b>Public Feedback Period</b> - 4+ week period to take questions from public & respond. Budget detail available on Township website for review.
<b>May 2, 2023</b>	<b>Budget Meeting and Workshop</b> - Dept. heads ready to answer q's - DPW, Tax A., PD, Eng., and I.T.
<b>May 9, 2023</b>	<b>Budget Meeting and Workshop</b> - Dept. heads ready to answer q's - Water, Sewer, Knoll, Rec., Bldg.
<b>May 16, 2023</b>	<b>Budget Final Hearing &amp; Adoption</b> - Public comment before vote.

# 2023 Budget Summary

Mayor Barberio has proposed a fiscally prudent, structurally balanced budget

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

- Overall Increase in the Tax Rate of **2.57%** (*based on current County estimate*)
- Local Tax Rate Increase of **3.76%**
- **\$100** Annual municipal impact to average residential home.\*
- Doing More with Less - **Less than 25¢** of Total Tax Dollar Funds Township Services
- Surplus increased from \$1 million to **\$6.4 million** as a result of prudent oversight
- **\$864,705** under the 2% Property Tax Levy CAP
- **Sets the Foundation for Progress** – Mayor has proposed a 2023 municipal budget that sets the foundation for continued improvement – investment in public safety, infrastructure, roads, technology, – while adhering to a sound fiscal plan.

*\*Based on current year average residential assessment of \$313,063*

# 2023 Budget Above and Beyond

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**Doing More For Our Residents - Mayor Barberio has proposed a 2023 municipal budget with enhanced services for our residents.**

- **3 Volunteer Ambulance Squads received an additional \$30,000 each**
- **Library received an additional \$78,000 for the opening of the Mt. Tabor library.**
- **PAL received an additional \$25,000**
- **\$30,000 Additional Funding for Economic Development**
- **Farmer's Market – Increase of \$25,000**
- **Provides funding to bring back Bus trips for each Senior Citizens Club**
- **Extended hours at the Township Recycling Yard**

# Parsippany Offers Tremendous Services

*An average home valued at \$312,397 received a 2022 property tax bill of \$10,088. The municipal portion of this tax bill was \$2,492. For this amount, the residents of that home received the following municipal services:*

Police Department & Crossing Guards	Student Resource Officers for school safety
Senior Citizen Services - <b>Door-to-Door Dr. drop off &amp; food shopping; Senior Club meet &amp; greets</b>	Seniors – <b>Exercise Classes, Free Income Tax Prep, Free Defensive Driving courses</b>
DPW - <b>Garbage and Recycling Pickup; Weekly bulk pick-up</b>	DPW - <b>Yard Waste &amp; Fall Leaf Pickup; Expanded yard hours</b>
DPW - <b>Plowing and maintenance of 400+ lane miles of roads and 26 Parks</b>	Sewage Treatment
Fire Hydrants & Street Lights	Free Public Library
Child Health Clinics for residents w/ low or no medical insurance	Administration, Finance, Elections, Records, Construction, Planning, Zoning, Fire Safety, etc.

*The home mentioned above will pay an additional **\$8.33** per month in municipal property taxes with a **3.76%** local tax rate increase for 2023.*

# 2023 Property Tax Rates

	<u>Tax Rate</u>	<u>Tax Levy</u>	<u>%Total Levy</u>	<u>Taxpayer Impact</u>
<b>Municipal Purpose Tax</b>	0.828	\$60,497,057	25%	\$2,592
<b>Municipal Library</b>	0.043	\$3,168,912	1.3%	\$136
<b>Municipal Open Space</b>	0.020	\$1,461,601	.5%	\$63
<b>Local School District</b>	2.087	\$152,541,056	63%	\$6,535
<b>County Tax</b>	0.328	\$24,000,000	10%	\$1,028
<b>County Open Space</b>	0.008	\$575,000	0.2%	\$25
<b>2023 Budget Total</b>	<b>3.314</b>	<b>\$242,243,626</b>	<b>100.00%</b>	<b>\$10,379</b>

*\*Based on current year average residential assessment of \$313,063*

*\*\*County Taxes are estimated*

# Tax Bill Comparison

	2022	2023	Difference
<b>Municipal Tax</b>	<b>\$2,492</b>	<b>\$2,592</b>	<b>\$100</b>
<b>Municipal Library</b>	\$128	\$136	\$8
<b>Municipal Open Space</b>	\$62	\$63	\$1
<b>Local School District</b>	\$6,412	\$6,535	\$123
<b>County Tax</b>	\$970	\$1,028	\$58
<b>County Open Space</b>	\$24	\$25	\$1
<b>TOTAL TAX BILL AMOUNT</b>	<b>\$10,088</b>	<b>\$10,379</b>	<b>\$291</b>

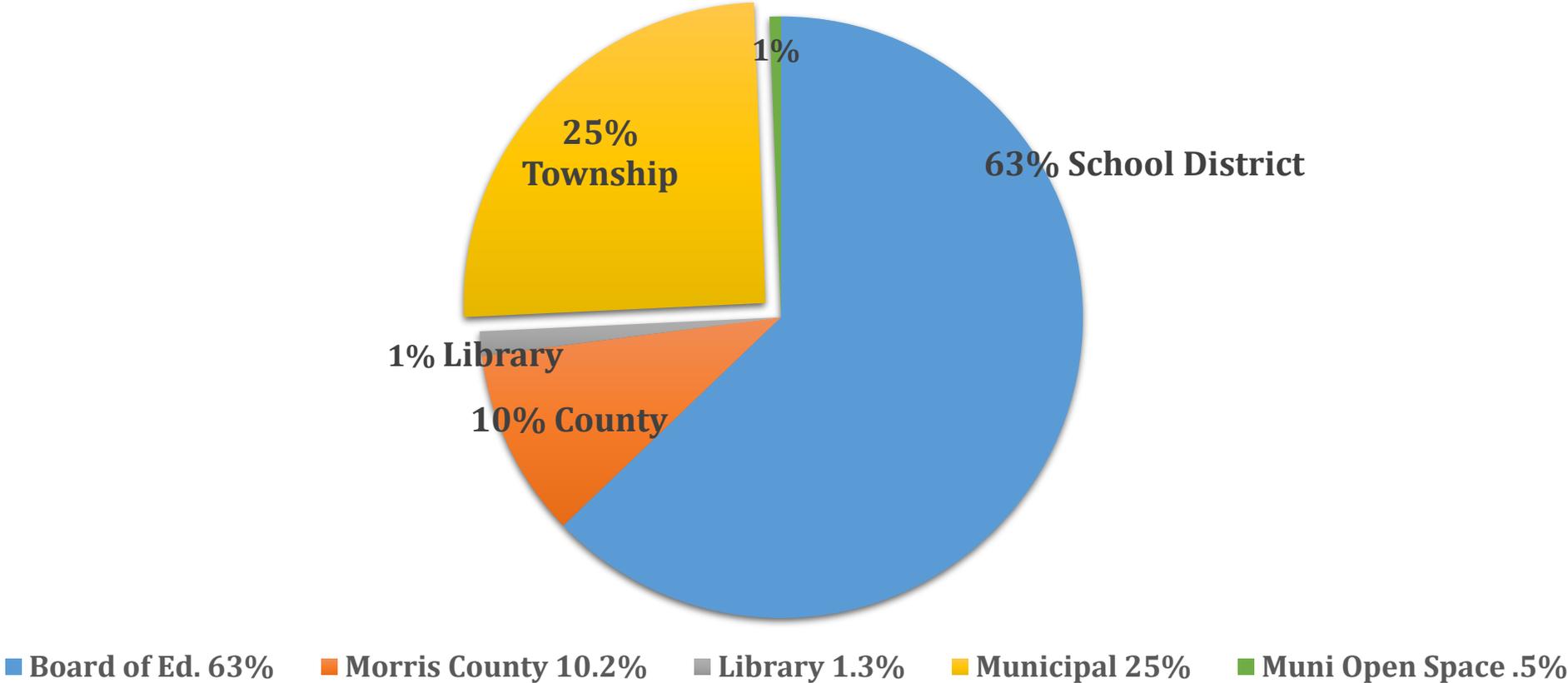
**2023 Total Property Tax \$ Effect** - Total amount to be raised by taxes for the municipal budget has increased by **3.76%** from \$58,280,084 in 2022 to \$60,497,057 in 2023.

# 2023 Budget

## Where Did Your Taxes Go?

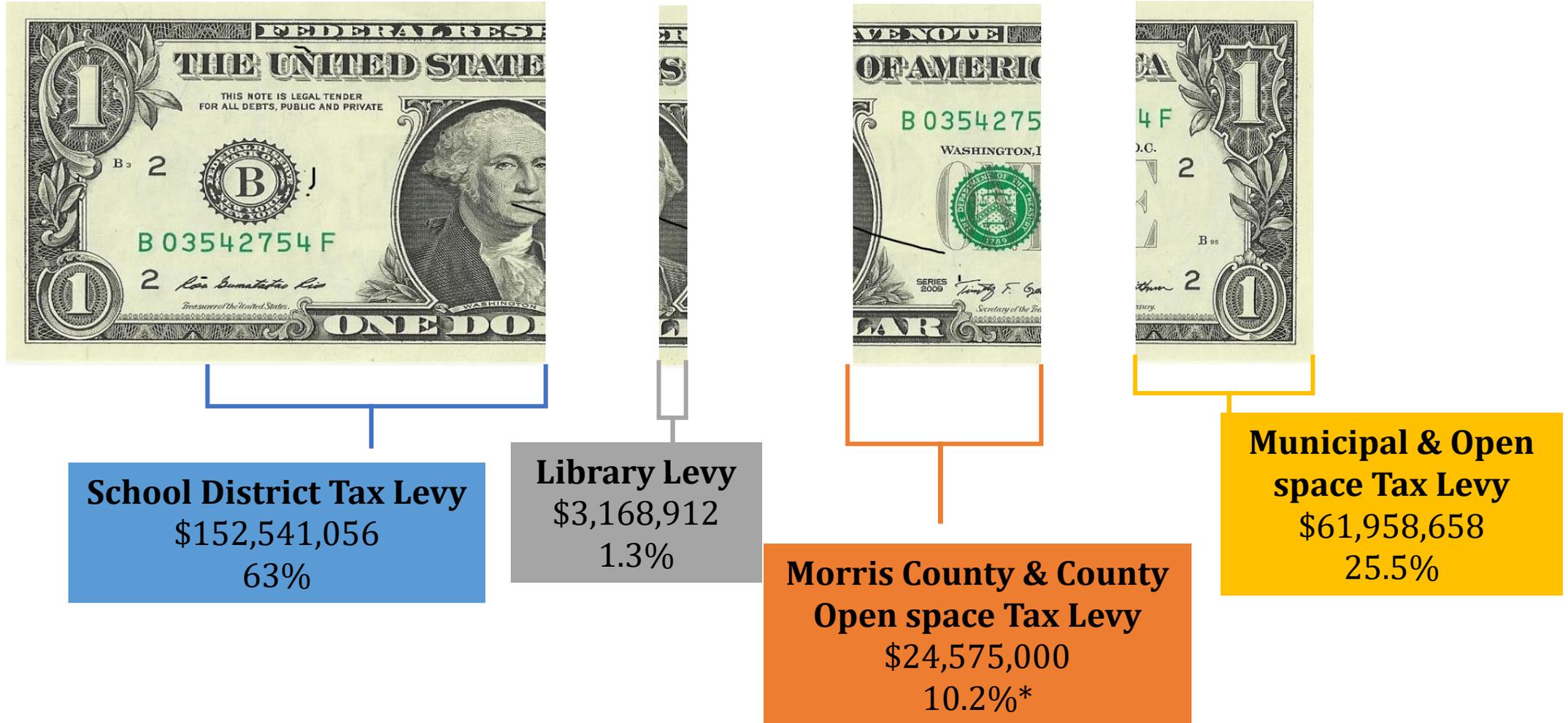
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### 2023 Complete Property Tax Bill Breakdown



# Property Tax Breakdown

## Your 2023 Tax Dollar



# 2023 Budget Next Steps

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**Strong fiscal management. Minimize tax burden on residents.**

## **April 18 – May 16, 2023 Public Feedback**

- 4+ week period to take questions from the public and respond.
- Budget detail available on town website for review.
- Municipal budget publicly noticed and published
- 2 Budget Workshops providing the opportunity for key departments to discuss their budgets.

## **May 16, 2023 Budget Adoption**

- Public hearing conducted and municipal budget presented for adoption via Council vote

## **Finalization of 2023 Capital Budget**

***Continue monitoring the budget throughout the year to ensure that departments are spending within appropriations. Investigate additional revenue sources.***