

# 2022 City of Lambertville Introduced Budget – May 19, 2022

## Budget Message, by Mayor Andrew J. Nowick

The information below is derived from the proposed City of Lambertville 2022 Introduced Budget, state document. The message begins with an Overview and a list of Capital Improvements, followed by supporting tables and calculations.

### Overview

- The proposed budget for 2022 has a total expenditure of \$6,449,114.41
- It is supported by a municipal levy of \$3,502,930.52, (excludes the library levy)
- The Estimated Tax Rate for municipal purposes will increase by .042, an 11.25% increase over 2021
- The average tax bill will increase approximately \$43.00 per quarter
- The average residential assessment is characterized as \$409,489.94
- Expenditures are increasing \$385,754.50 over 2021 (6.36%)
- The \$385,754.50 increase is comprised of:
  - \$117,287.50 in Capital Improvements and Debt Service
  - \$84,338.35 first of five years of COVID special emergency payments
  - \$70,578.97 increase in insurance costs (medical and worker's comp)
  - The remaining \$113,549.68 relates to increases in operations and is only a 1.87% increase over the total 2021 appropriations
- This budget maintains funding levels for departmental expenses, expands operations in Public Works and Solid Waste, includes a significant rebuilding cost because of Tropical Storm Ida, invests in deferred capital needs for equipment and vehicles, continues to reduce financial reliance on depleted reserves, makes investments in long term contractual obligations, regenerates surplus, and conservatively assumes increased post-pandemic revenues.

## Capital Improvement Projections

Ida Recovery - \$ 1,009,924 (Estimated, FEMA to reimburse up to 90%)

Ida Recovery – USDA/NRCS - \$500,000

To fund the City’s portion of the USDA Grant (\$1,700,000) for various repairs to Swan and Ely Creeks

2020 & 2021 Roads Projects - \$432,829 (NJDOT grants to reimburse \$263,150)

The repair, milling, and paving of various roads on Connaught and Cottage Hills

Vehicle Purchases - \$390,000

Purchase of a police Ford Explorer SUV, a new Trash Truck and Pick Up Truck for DPW

Equipment - \$59,000

Coin counter, Live Scan and Technology Infrastructure Upgrades

## Revenues

Revenue - All Categories	2022	2021	Difference	% (+/-)
Total Surplus Anticipated	250,000.00	292,810.26	-42,810.26	-14.62%
Misc. Rev. - Sect. A: Local Revenues	722,032.00	591,984.65	130,047.35	21.97%
Misc. Rev. - Sect. B: State Aid Without Offsetting Appropriations	415,070.00	415,070.00	0.00	0.00%
Misc. Rev. - Sect. C: Dedicated Uniform Construction Code Fees	300,000.00	261,451.70	38,548.30	14.74%
Misc. Rev. - Sect. D: Spec. Items of Gen. Rev. Anticip.	3,700.00	3,500.00	200.00	5.71%
Misc. Rev. - Sect. E: Spec. Items of Gen. Rev. Anticip.	4,368.00	4,368.00	0.00	0.00%
Misc. Rev. - Sect. F: Spec. Items of Gen. Rev. Anticip.	20,533.25	34,297.11	-13,763.86	-40.13%
Misc. Rev. - Sect. G: Spec. Items of Gen. Rev. Anticip.				
Uniform Fire Safety Act	49,900.00	21,726.94	28,173.06	129.67%
Cable Franchise Fees	19,173.14	19,647.71	-474.57	-2.42%
Reserve for the Payment of Debt Service	100,000.00	400,000.00	-300,000.00	-75.00%
PILOTS	104,800.00	107,027.45	-2,227.45	-2.08%
Reserve for Open Space	56,000.00	56,000.00	0.00	0.00%
Hotel Motel Occupancy	112,400.00	79,907.21	32,492.79	40.66%
Contribution from LMUA	72,000.00	72,000.00	0.00	0.00%
Reimbursement of Costs - Library	60,000.00	60,000.00	0.00	0.00%
American Rescue Plan Funds	198,922.59	198,922.59	0.00	0.00%
	<b>2,238,898.98</b>	<b>2,325,903.36</b>	<b>-129,814.64</b>	<b>-5.58%</b>

\*Total 2022 budgeted revenue

**Increased Revenue Lines - \$229,461.50**

Revenue - Increase	2022	2021	Difference	% (+/-)
Misc. Rev. - Sect. A: Local Revenues	722,032.00	591,984.65	130,047.35	21.97%
Misc. Rev. - Sect. C: Dedicated Uniform Construction Code Fees	300,000.00	261,451.70	38,548.30	14.74%
Misc. Rev. - Sect. D: Spec. Items of Gen. Rev. Anticip.	3,700.00	3,500.00	200.00	5.71%
Misc. Rev. - Sect. G: Spec. Items of Gen. Rev. Anticip.				
Uniform Fire Safety Act	49,900.00	21,726.94	28,173.06	129.67%
Hotel Motel Occupancy	112,400.00	79,907.21	32,492.79	40.66%
	<b>1,188,032.00</b>	<b>958,570.50</b>	<b>229,461.50</b>	<b>23.94%</b>

\*Broken out by net positive revenue lines only

Note: Local revenues include items such as fees and permits, fines and costs, and parking. These projected numbers are based on a review of pre-pandemic revenue figures from 2019 as well as actual first quarter 2022 revenues, which show increased activity across the board. Additional projections were based on recent changes in ordinances.

**Flat Revenue Lines**

Revenue - Flat	2022	2021	Difference	% (+/-)
Misc. Rev. - Sect. B: State Aid Without Offsetting Appropriations	415,070.00	415,070.00	0.00	0.00%
Misc. Rev. - Sect. E: Spec. Items of Gen. Rev. Anticip.	4,368.00	4,368.00	0.00	0.00%
Misc. Rev. - Sect. G: Spec. Items of Gen. Rev. Anticip.				
Reserve for Open Space	56,000.00	56,000.00	0.00	0.00%
Contribution from LMUA	72,000.00	72,000.00	0.00	0.00%
Reimbursement of Costs - Library	60,000.00	60,000.00	0.00	0.00%
American Rescue Plan Funds	198,922.59	198,922.59	0.00	0.00%
	<b>806,360.59</b>	<b>806,360.59</b>	<b>0.00</b>	<b>0.00%</b>

\*Broken out by net zero revenue lines only

Note: The American Rescue Plan Funds contributed \$198,922.59 a year for two years from the Federal Government in 2021 and 2022 budget years. The absence of such in 2023 will require the same amount to be raised in 2023 and in budget subsequent years.

**Decreased Revenue Lines - \$359,276.14**

Revenue - Decrease	2022	2021	Difference	% (+/-)
Total Surplus Anticipated	250,000.00	292,810.26	-42,810.26	-14.62%
Misc. Rev. - Sect. F: Spec. Items of Gen. Rev. Anticip.	20,533.25	34,297.11	-13,763.86	-40.13%
Misc. Rev. - Sect. G: Spec. Items of Gen. Rev. Anticip.				
Cable Franchise Fees	19,173.14	19,647.71	-474.57	-2.42%
Reserve for the Payment of Debt Service	100,000.00	400,000.00	-300,000.00	-75.00%
PILOTS	104,800.00	107,027.45	-2,227.45	-2.08%
	244,506.39	560,972.27	-359,276.14	-64.05%

\*Broken out by net negative revenue lines only

Categories: Surplus Anticipated, Grants, Cablevision Fees, Reserve for Payment of Debt Service and PILOTS

Note: Immaterial Categories - Grants revenue has a corresponding appropriation thereby having a net zero impact on the budget. The changes in the cablevision fees and PILOTS were based on projections and are immaterial in their amounts.

Note: Material Categories – The City seeks to reduce reliance on reserve accounts, advance a pay-as-you-go appropriation policy and begin the process of rebuilding reserves for future capital improvements and resiliency against unplanned expenses and natural disasters. This budget continues the responsible trends of reducing surplus anticipated to record lows reduced by \$59,276.14 from 2021 and reducing the draw from the Reserve for Payment of Debt Service by \$300,000. In both cases, the City has preserved the cash in these funds to be available in future budgets as replenishable safety nets rather than one-shot budget subsidies.

**Appropriations**

Appropriations	2022	2021	Difference	% (+/-)
Total General Appropriations In "CAPS"	4,133,860.81	3,946,561.76	187,299.05	4.75%
Total General Appropriations Outside "CAPS"	405,479.25	409,649.65	-4,170.40	-1.02%
Capital Improvements (5%)	95,000.00	24,950.00	70,050.00	280.76%
Debt Service	1,490,436.00	1,443,198.50	47,237.50	3.27%
Total Deferred Charges	84,338.35		84,338.35	0.00%
Reserve for Uncollected Taxes	240,000.00	239,000.00	1,000.00	0.42%
	6,449,114.41	6,063,359.91	385,754.50	6.36%

**Total General Appropriations in "CAPS" - \$4,133,860**

Department/Division	Expense Type	Account	1 or 2	2022	2021	Diff
PUBLIC WORKS:	Salaries & Wages	26-290	1	206,316.60	135,615.60	70,701.00
POLICE:	Salaries & Wages	25-240	1	1,045,625.72	992,868.66	52,757.06
INSURANCE:GROUP INSURANCE PLAN FOR EMPLOYEES	Other Expenses	23-220	2	571,754.16	526,775.65	44,978.51
ACCUMULATED LEAVE COMPENSATION:	Salaries & Wages	30-415	1	30,000.00	500.00	29,500.00
INSURANCE:WORKERS COMPENSATION	Other Expenses	23-215	2	77,130.00	63,486.00	13,644.00
MUNICIPAL CLERK:	Salaries & Wages	20-120	1	145,759.47	133,899.04	11,860.43
POLICE:	Other Expenses	25-240	2	50,600.00	39,400.00	11,200.00
EMERGENCY MANAGEMENT SERVICES:	Other Expenses	25-252	2	10,500.00	200.00	10,300.00
Construction Official	Salaries and Wages	22-195	1	119,456.58	109,156.86	10,299.72
UTILITIES - ALL	Other Expenses	31-460	2	103,050.00	95,700.00	7,350.00
INSURANCE:GROUP INSURANCE - HEALTH BENEFIT WAIV	Other Expenses	23-222	2	14,955.46	7,882.00	7,073.46
INSURANCE:OTHER INSURANCE PREMIUMS	Other Expenses	23-210	2	129,318.00	124,435.00	4,883.00
MUNICIPAL PROSECUTOR:	Other Expenses	25-275	2	26,000.00	22,500.00	3,500.00
BUILDINGS & GROUNDS:	Other Expenses	26-310	2	37,951.40	34,600.00	3,351.40
FINANCIAL ADMINISTRATION:	Salaries & Wages	20-130	1	81,044.47	78,376.80	2,667.67
TAX COLLECTOR:	Other Expenses	20-145	2	11,700.00	10,450.00	1,250.00
PUBLIC WORKS:	Other Expenses	26-290	2	31,100.00	30,220.00	880.00
TAX ASSESSOR:	Salaries & Wages	20-150	1	35,827.08	35,124.59	702.49
ADMINISTRATION OF PUBLIC ASSISTANCE:	Salaries & Wages	27-330	1	17,372.29	17,031.66	340.63
LIQUIDATION OF TAX TITLE LIENS	Other Expenses	20-145	2	750.00	500.00	250.00
ZONING BOARD OF ADJUSTMENT:	Other Expenses	21-185	2	1,780.00	1,605.00	175.00
GENERAL ADMINISTRATION:	Salaries & Wages	20-100	1	-	-	-
PLANNING BOARD:	Salaries & Wages	21-180	1	7,957.44	7,957.44	-
DOG REGULATION:	Salaries & Wages	27-340	1	-	-	-
AUDITOR:	Other Expenses	20-135	2	42,240.00	42,240.00	-
SUPPLEMENTAL FIRE DISTRICT PAYMENT	Other Expenses	25-265	2	1,249.00	1,249.00	-
MASTER PLAN:	Other Expenses	21-180	2	-	-	-
INSPECTION AND CODE ENFORCEMENT:	Other Expenses	22-196	2	11,000.00	11,000.00	-
DOG REGULATION:	Other Expenses	27-340	2	11,600.00	11,600.00	-
STREET LIGHTING:	Other Expenses	31-435	2	37,300.00	37,300.00	-
PUBLIC DEFENDER:	Salaries & Wages	43-495	1	4,050.00	4,100.00	(50.00)
PLANNING BOARD:	Other Expenses	21-180	2	1,775.00	1,885.00	(110.00)
CELEBRATION OF PUBLIC EVENTS, ANNIVERSARY	Other Expenses	30-420	2	3,800.00	4,000.00	(200.00)
FINANCIAL ADMINISTRATION:	Other Expenses	20-130	2	13,100.00	13,550.00	(450.00)
CITY ATTORNEY:	Other Expenses	20-155	2	95,540.00	96,000.00	(460.00)
ADMINISTRATION OF PUBLIC ASSISTANCE:	Other Expenses	27-330	2	520.00	1,020.00	(500.00)
CONTRIBUTION TO LAMBERTVILLE SENIOR	Other Expenses	27-365	2	-	500.00	(500.00)
HISTORIC PRESERVATION:	Other Expenses	20-175	2	-	650.00	(650.00)
HISTORIC PRESERVATION:	Salaries & Wages	20-175	1	508.74	1,194.84	(686.10)
MUNICIPAL CLERK:	Other Expenses	20-120	2	26,300.00	27,120.02	(820.02)
FIRE INSPECTION OFFICIAL:	Other Expenses	25-265	2	4,650.00	5,610.00	(960.00)
ZONING BOARD OF ADJUSTMENT:	Salaries & Wages	21-185	1	10,340.50	11,433.55	(1,093.05)
Construction Official	Other Expenses	22-195	2	5,250.00	7,100.00	(1,850.00)
MUNICIPAL COURT:	Other Expenses	43-490	2	7,495.00	9,600.00	(2,105.00)
TAX COLLECTOR:	Salaries & Wages	20-145	1	17,578.15	19,783.48	(2,205.33)
FIRE INSPECTION OFFICIAL:	Salaries & Wages	25-265	1	20,800.00	24,628.25	(3,828.25)
TAX ASSESSOR:	Other Expenses	20-150	2	2,675.00	7,225.00	(4,550.00)
MAYOR & CITY COUNCIL:	Other Expenses	20-110	2	3,185.74	9,310.74	(6,125.00)
MUNICIPAL COURT:	Salaries & Wages	43-490	1	75,922.05	84,073.21	(8,151.16)
MAYOR & CITY COUNCIL:	Salaries & Wages	20-110	1	5,000.00	14,500.00	(9,500.00)
SOLID WASTE COLLECTION:	Salaries & Wages	26-305	1	128,623.40	139,041.76	(10,418.36)
SOLID WASTE COLLECTION:	Other Expenses	26-305	2	184,400.00	211,470.00	(27,070.00)
GENERAL ADMINISTRATION:	Other Expenses	20-100	2	109,226.68	136,825.00	(27,598.32)

\*Inside CAP expenses in ascending order by year-over-year change

Department/Division	Expense Type	Account	2022	2021	Diff
STATUTORY EXPENDITURES:	Public Employees' Retirement System	36-471	111,149.00	136,951.00	(25,802.00)
STATUTORY EXPENDITURES:	Social Security System (O.A.S.I.)	36-472	166,619.91	178,396.61	(11,776.70)
STATUTORY EXPENDITURES:	Consolidated Police & Fireman's Pension	36-474	-	-	-
STATUTORY EXPENDITURES:	Police and Firemen's Retirement System	36-475	268,010.00	228,920.00	39,090.00
			545,778.91	544,267.61	1,511.30

\*Inside CAP statutory expenditures expenses in ascending order by year-over-year change

This appropriation line has increased \$187,299.05 over 2021. The General Appropriations inside "CAPS" contains the bulk of governmental operations and increases year-over-year are limited by Statutory Appropriation Cap laws. The increases provide for two additional employees in public works for trash collection and a part time employee to manage the regular operation of the street sweeper. It meets the obligation to contractual raises, accumulated leave costs, increases in workers compensation, health, and general liability insurance, upkeep of buildings and grounds, and the rising costs of utilities, just to name a few. These costs exceed the \$187,299.05 increase but the budget team worked diligently to cut expenses in other areas to meet these 2022 priorities.

*Capital Improvements 5% Down payment - \$95,000*

While this budget positions the City to build cash reserves, Lambertville still relies heavily on borrowing to meet its capital needs. Unfortunately, the damage created by Tropical Storm Ida exponentially grew that burden increasing the budgetary commitment by \$70,050 over 2021. While FEMA and the USDA are ultimately footing the bill for much of the necessary Ida repairs, the City will be obligated to front partial or full costs for the numerous projects in 2022. The capital plan for heavy vehicles, road repairs and equipment keeps the City at or below the \$500,000 annual target.

*Debt Service - \$1,490,436*

The City's cost for borrowing is \$47,237.50 more than 2021. This cost accommodates interest on notes recently borrowed for Ida repairs and previous long-term borrowing in the form of bonds.

*Total Deferred Charges - \$84,338.35*

In 2020, the New Jersey Legislature permitted local governments to recover lost revenue in the current year as a result of the COVID-19 pandemic lock down by pushing the lost revenue forward as a deferred charge for future years. 2022 marks the first payment of this deferred charge, an entirely new expenditure to the budget for the full amount.