

2023 Borough of Bradley Beach Budget Message

Dear Fellow residents:

Sorry in advance for the length and detail below. This is important though! We had our second 2023 budget workshop this past Friday. The 2 presentations are on the website for your review. On Wednesday, April 26th, we will be formally introducing the budget. On May 24th, we will have a formal budget hearing where you can voice support, opposition, or questions- followed by an adoption vote. The introduced budget will be posted on the Website next Thursday. I want to outline some thoughts and facts that are embodied in this budget.

2023 BUDGET CHALLENGES

While in the State of New Jersey, municipalities are often presented with challenges in their attempts to fashion a budget that is both effective and yet efficient, the Borough of Bradley Beach is challenged in 2023 by a few added factors:

•The 2022 Budget utilized several "non-recurring" revenues that could not be utilized again in 2023 and could not be replaced.	<u>Amount</u>
These included:	
Capital Surplus-	\$160,000
Utility Surpluses-	\$451,000
American Rescue Program (ARP)-	\$217,000
Interfund Transfers-	\$328,000
•In addition, certain revenues that were properly anticipated in 2022 were not realized,	
These included:	
Uniform Construction Fees-	\$50,000
Fees and Permits-	\$46,000
•Lastly, funds that had to be anticipated in 2022 that were not available in 2023:	
Municipal Relief Funds-	\$18,500
Total-	\$1,270,500

In addition, inflation has not just affected our personal budgets. Just as the cost of meat, eggs and vegetables have increased, so have the costs of goods and services needed to operate municipal services.

On March 8th, the Administration presented to the Governing Body a first look at the budget under development. This budget, with some adjustments to satisfy Appropriation and Tax Levy CAP requirements, was basically an assemblage of departmental requests. It was later than usual due to a few unavoidable factors.

Immediately following the presentation, the administrative staff began examining the draft budget to identify budget accounts for adjustment, recalculation, reduction, and correction. These budget accounts included all Salary and Wage accounts, all Other Expense accounts, Capital Improvements and the Reserve for Uncollected Taxes. This intensive examination resulted in significant reductions and/or corrections to many of the accounts. Thanks to the diligence of administrative staff in all departments, a number of reductions were able to be effected. Actually, the net reductions in appropriations were more than \$790,000.

As indicated above, the Revenue side of the budget *has been* and *is* at its optimal level. Greater use of the Anticipated Surplus or any specific line item on the revenue side of the budget would generally be prohibited by law and would be an invitation to even more cutting back in 2024. It would be safe to say that the anticipation of revenues is already aggressive and should not, under any circumstances, be any more aggressive.

Lastly, this municipal budget, which had required an estimated tax levy increase of nearly 20% has now been brought down to a true tax levy increase of 5.3%. The "all in" tax increase (Municipal Levy + School tax, County Tax, Library allocation) is an overall increase of 4.4% over 2022 levels. Recognize this is occurring in the context of an economy that has witnessed an inflation rate of more than that amount. This budget is both prudent, practical, and manageable- retaining the ability to continue providing the level of services to which residents and visitors have become accustomed. Any further reductions will necessitate reductions in services to the Bradley Beach community.

Budgeting is always a balancing act, seeking to provide expected services at the least possible cost. That is the objective of this budget for the year 2023. Through the assistance of a number of people, I believe the objective has been achieved.

Thanks for your time and see you around town!

Larry Fox

Mayor- Bradley Beach