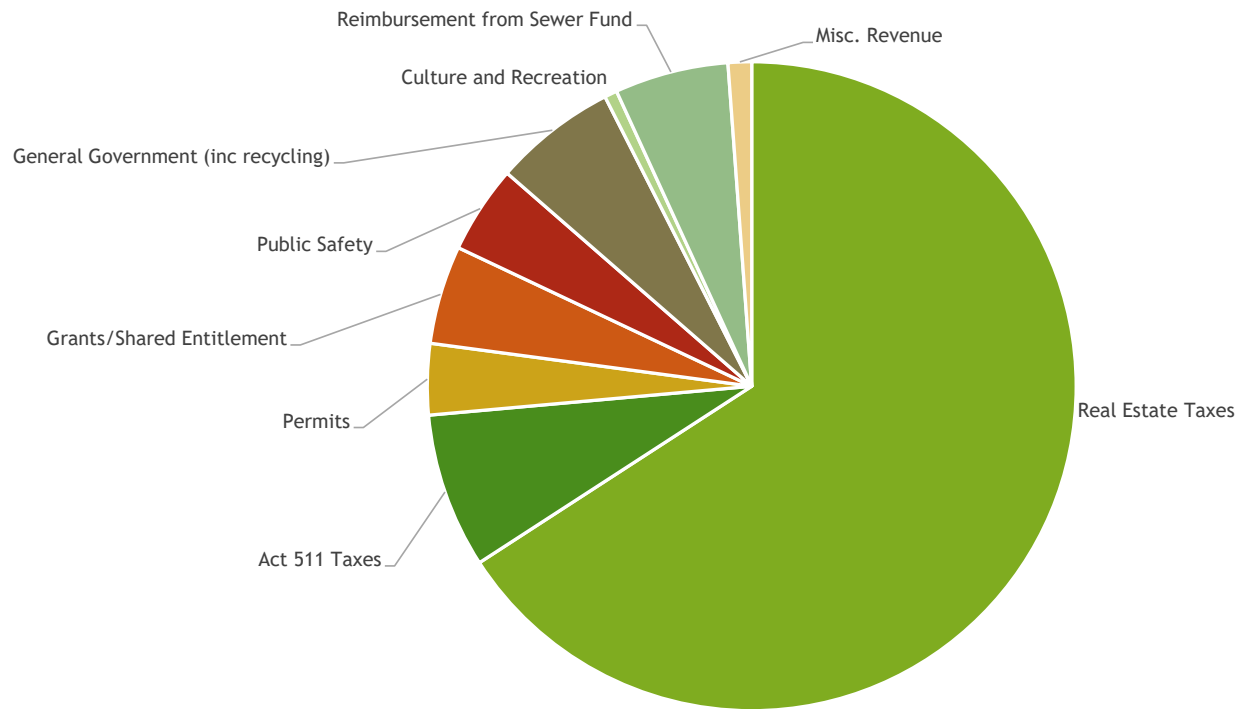




2023 Budget Highlights of Draft Budget

Projected 2023 Revenues



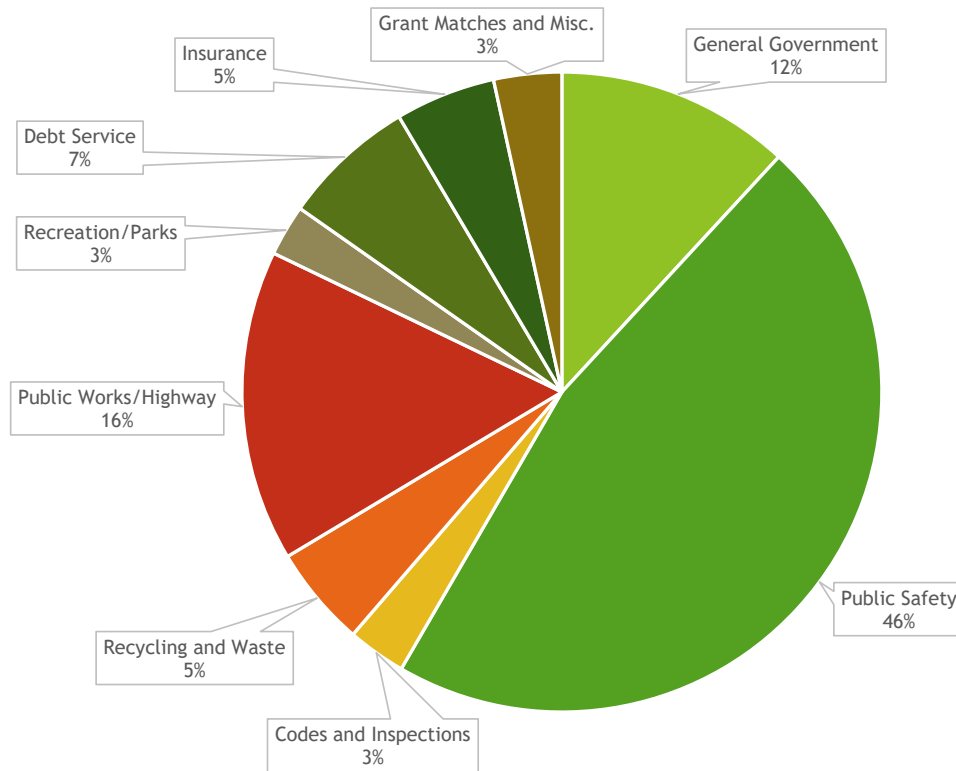
Revenues - Notes

- ▶ Real estate transfer tax - \$445,000 - no change from 2022.
- ▶ Real estate market is expected to cool dramatically, but housing prices in NPT will stay high. For 2022, expected to exceed the budgeted \$445,000, but not significantly.
- ▶ Cable Franchise Fee - \$275,000 - decrease by \$15,000 from 2022
- ▶ averaging \$40K/qtr for Comcast and \$28K/qtr for Verizon
- ▶ Local Services Tax - \$131,000 - no change from 2022
- ▶ May consider decreasing. Came in \$17K over budget in 2021 (\$148K vs. \$131K). The 2022 trend is not as high as it was at same point last year.

Revenues (continued)

- ▶ State Pension Aid - \$215,000 - increase of \$10,000
 - ▶ Increased because the pension state aid formula factors in the recent census that showed a population increase
- ▶ Fire Relief Association Funding - \$85,000 -
 - ▶ Holding steady. This is a pass through. Funding is distributed as an expense to the fire companies.
- ▶ Recycling Fee Revenue - \$418,000 - increase of 28%
 - ▶ This is due to the increased cost of recycling collection (B&L bid) and recycling disposal (Republic - increased from \$30/ton to \$110/ton throughout 2022). This revenue increase is offset by an equal expense increase.
- ▶ Transfer from Sewer Fund - \$480,301 - increasing by \$30K
 - ▶ This transfer covers the expenses that come out of the General Fund, such as Public Works salary, sewer truck, insurance, etc.

Projected 2023 Expenses



Expenses

- ▶ Administrative Salaries - \$9,600 increase
- ▶ Health Insurance Costs - Administration and Non-union management - about an 8% increase. No increase for police healthcare
 - ▶ Net \$5,000 increase for administrative and public works healthcare.
- ▶ Police Union Salaries - \$105,265 increase (based on contractual 3.75% base salary increase).
 - ▶ \$13,000 FICA increase related to police salary increase
- ▶ Recycling Collection and Disposal - Estimated \$91,000 increase (28%) due to increased collection (B&L, Inc.) and processing costs (Republic).
- ▶ Public Works Salary Increases - estimated at \$26,000 (may increase as contract negotiations are ongoing).
- ▶ Public Works Overtime - Significant amounts of OT were used in 2022 for CAT Club Cleanups and playground installation, in addition to the normal OT costs (snow plowing, trees down, sewer issues, etc.). Increase by \$15K

Expenses

- ▶ Road Resurfacing Costs - \$50K increase (which may be shown in Liquid Fuels Fund. May trade normal \$50K of LF expenses into General Fund). Net increase to GF will be \$50K.
- ▶ Debt Costs (principal and interest) went up just over \$4K (can be reduced if we can repay the 2020 grant loan).
 - ▶ The 2020 loan was repaid on 10/25/22 – removed \$65,000 from 2023 budget
- ▶ Liability and Workers Comp Insurance - increase of \$66,433 (18% increase).
- ▶ Grant Work - Transfers of \$160K include match for grant projects in Houston Park, Providence Road, and Gouley Park.
- ▶ Increased Pension Contribution to Police Pension - Minimum Municipal Obligation (MMO) - \$65,197 (due to salary increases).

Summary

- ▶ Currently looking to cut a large deficit. May need to be funded through real estate tax increase. Currently estimated at 4.9% increase
 - ▶ Main drivers are
 - ▶ Police salary increases (\$105K)
 - ▶ Police pension contribution increases (\$65K)
 - ▶ Insurance policy costs (liability, workers compensation) (\$150K)
 - ▶ Increased road resurfacing (\$29K)
 - ▶ Grant Projects (\$40K)
 - ▶ Main revenue source is real estate taxes, which are based on assessments that do not change each year (except for appeals or building improvements).