

# COUNTY OF BERGEN 2023 Budget

As presented by

County Executive  
**James J. Tedesco III**

# Inflation & Supply Chain Challenges

Bergen County is not immune to inflationary pressure as we see costs increase across the board

Increased costs throughout the Operating budget

Long lead time on purchases

Extremely tight labor market



Inflation



Rise in the average national cost of energy and food September 2021 vs. September 2022

20%



# Inflationary Pressures

## INCREASED COSTS FOR BERGEN COUNTY

<b>Road Materials</b>	<b>20%</b>
<b>Vehicles</b>	<b>13%</b>
<b>Electric &amp; Gas</b>	<b>14%</b>
<b>Cleaning Supplies</b>	<b>38%</b>
<b>Water</b>	<b>25%</b>
<b>Sewer</b>	<b>56%</b>



# Economic Reality

**“Balancing the need to maintain critical services with the impacts of inflation, the labor market and other economic pressures has made this budget year particularly challenging.”**

**James J. Tedesco, III  
County Executive**

# Budget Revenue Challenges



COVID-19 challenges still exist

American Rescue Plan Grant expires in 2024

TOTAL LOSS OF REVENUE OVER FOUR YEARS:

- 2020 - **\$27,500,000**
- 2021 - **\$30,878,000**
- 2022 - **\$39,600,000**
- 2023 - **\$39,600,000**

**TOTAL : \$137,578,000**



# 2023 Budget Challenges

Year-Over-Year increase for statutorily-required items contributing to budget pressure



Budget Category	Budget Increase	% Increase
Insurance Premiums & Claims	\$ 22,688,752	23.66%
NJ State Pension Increase to PERS & PFRS Pensions	\$4,135,468	11.46%
Total	\$ 26,824,220	

Police and Firefighter Retirement System (PFRS) –Law Enforcement Pensions

Public Employees Retirement System (PERS) – Non-Law Enforcement Pensions

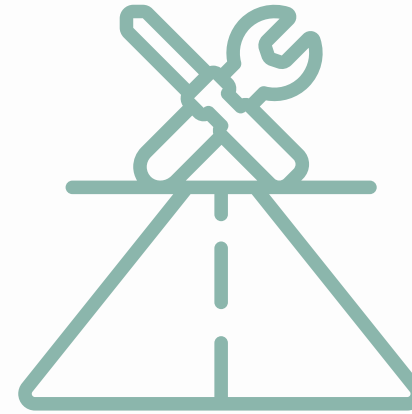
# Goals of the 2023 Budget



**Community  
Safety**



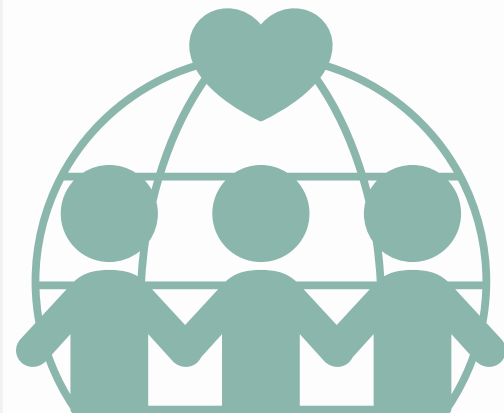
**Education**



**Public  
Infrastructure**



**Parks and  
Recreation**



**Critical  
Services**



**Strong Fiscal  
Management**





Building a safer tomorrow.



# Established Bergen Emergency Medical Services Response Unit

Multiple municipalities have closed their volunteer EMS squads over the last several years

As a response, the County proactively established Bergen County Emergency Medical Services in February 2023 in response to EMS needs across the County

Bergen County EMS will supplement local EMS squads, providing more reliable response to medical emergencies



# Bergen County EMS is Off to a Great Start



# Saving Lives!

- County has responded to over 910 calls from February through May 2023 in 50 of the 70 municipalities
- COVID greatly impacted EMS services throughout the County, which not only highlighted the need for this critical service, but also allowed the County to use ARP dollars for start-up costs
- Projected revenue for a full year is estimated to be over **\$1 million** and will offset costs of this greatly needed service





**31** New Correction Officers

**37** New Sheriff's Officers



Launched new  
**encrypted  
BC-ALERT  
communications  
channel** now  
available to all  
local Bergen  
County Police  
Departments



Completed  
construction  
of new  
Training  
Annex at the  
Law and  
Public Safety  
Institute



# Supporting Education

*As we look to the future of what education can and should be, it is critical to anticipate the needs not just in education, but in the workforce...*

# Building a new Career and Technical Education High School



"This new career technical education school supports alternative paths and builds a more inclusive education system that has something for every single student, all while helping ensure Bergen County remains competitive in the 21st-century global economy."



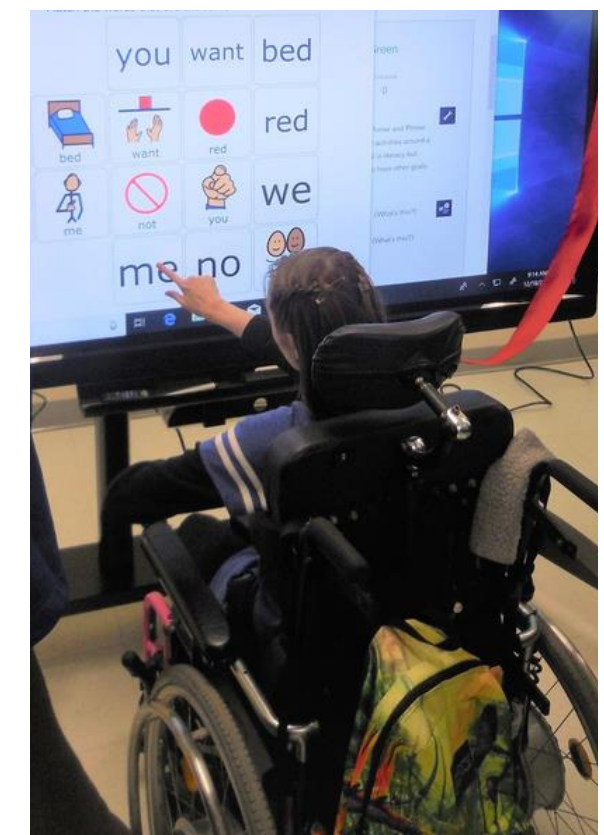


# Increased Investment in Bergen County's Special Services School District



30%

Increase  
since 2014



# Bergen Community College raising the bar



## Economic Recovery Specialists assist businesses

BCC students have gained real-life skills serving as resource specialists, aiding hundreds of small business owners with tasks that varied from developing social media strategies to find suppliers, applying for grants and loans, and designing websites



## Launched Center for Online Learning

Thanks to a County investment, the BCC Center for Online Learning is providing more flexibility for working students by now offering two-degree programs entirely online



# Parks and Recreation

"When I took office, I made a commitment that the preservation of open space, protection of our environment, and enhancement of our park system would be among my top priorities."

**County Executive James J. Tedesco, III**





# Ecological Restorations

## Teaneck Creek Park

**\$7 million** revolutionary habitat and wetland restoration project that reclaims park land for Bergen County residents

## Wild Duck Pond in Ridgewood

**\$1.7 million** project has restored ecological functions of the pond and enhanced public use by constructing stormwater treatment wetlands and using native plants to our region





# Expanded Access to Waterways

In 2022 the Van Buskirk Island Paddle Center in New Milford & Bergen County Rowing Center in Riverside County Park both opened





# Recreational Renovations

**Coming to:**

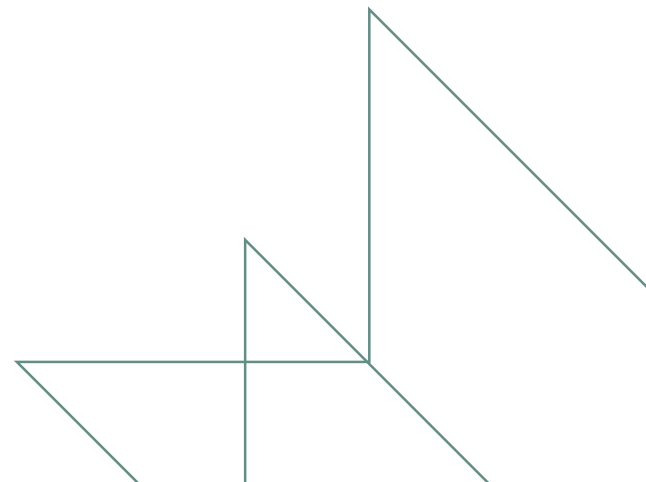
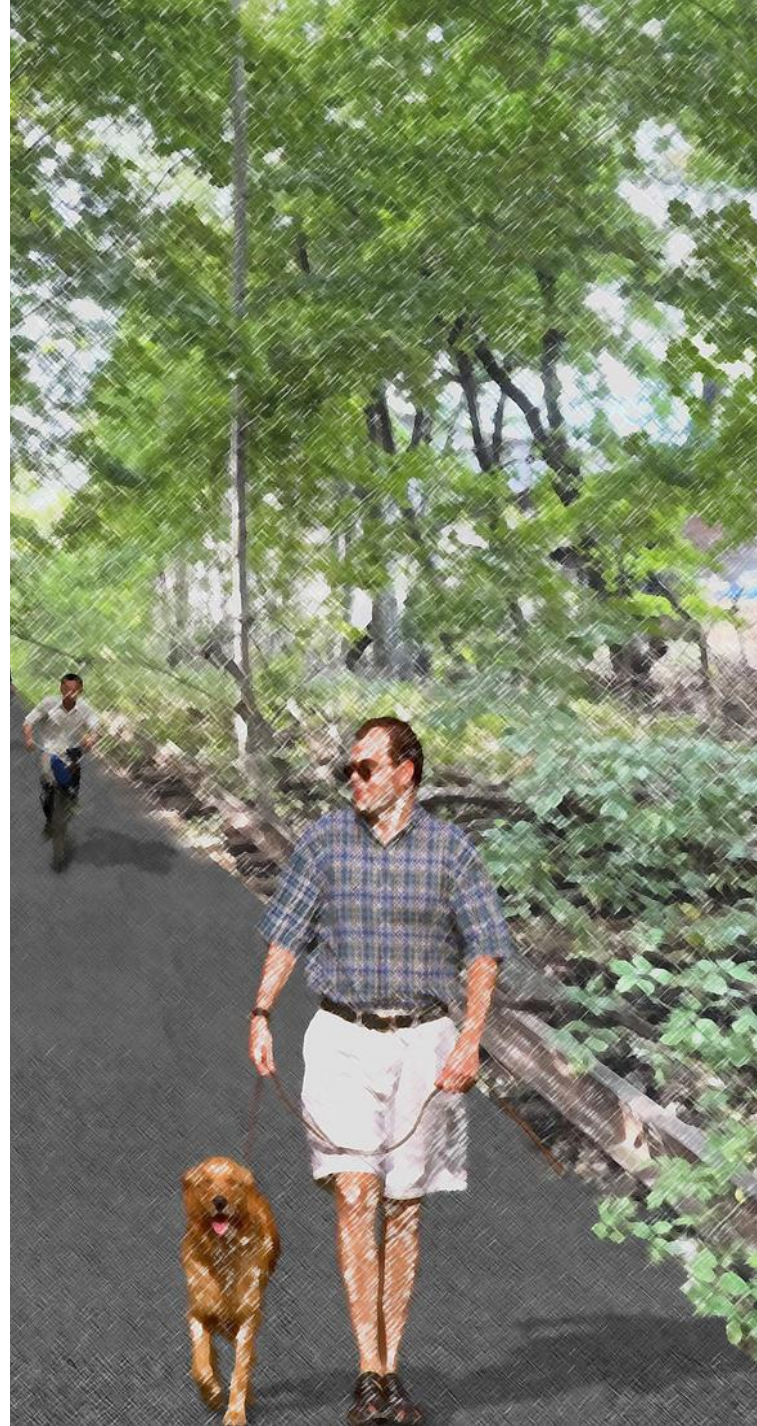
Saddle River County Park  
Pascack Brook County Park  
Van Saun County Park  
Wooddale County Park  
Samuel Nelkin County Park

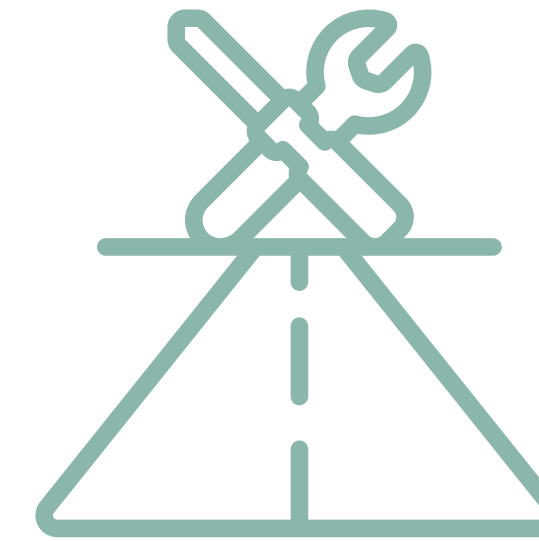


# Carlton Hill Rails to Trails Project

Acquired rail line from Norfolk Southern for \$1.9 million

This **1.2 mile, 11 acre** property will soon become a linear park creating passive recreation opportunities from the Passaic River to downtown Rutherford

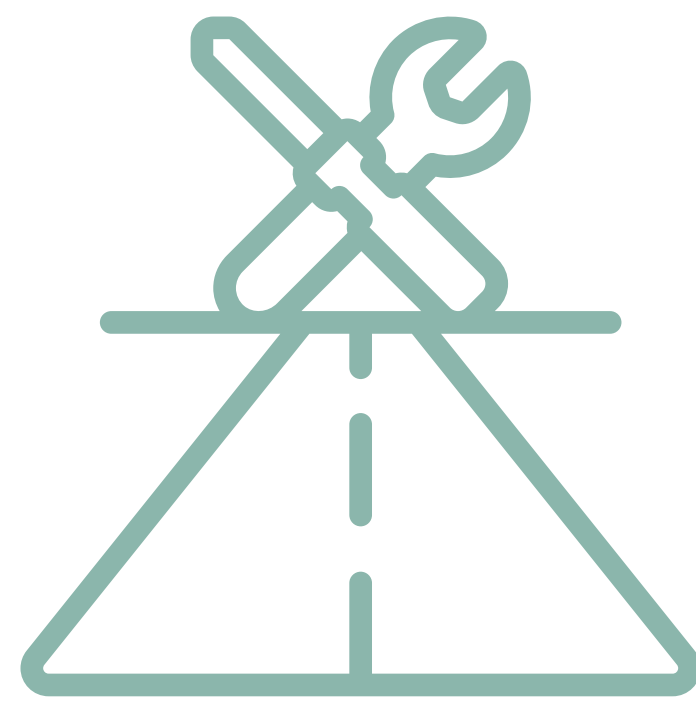




# Public Infrastructure

Improving the quality of life for all Bergen  
County residents





# Paving Roads, Fixing Bridges, Completing Infrastructure Projects



**17**

**bridge repairs and replacements completed**

**23**

**drainage improvement projects completed**

**23**

**miles of county roads resurfaced**

**5,802**

**potholes filled**



# Flood Control



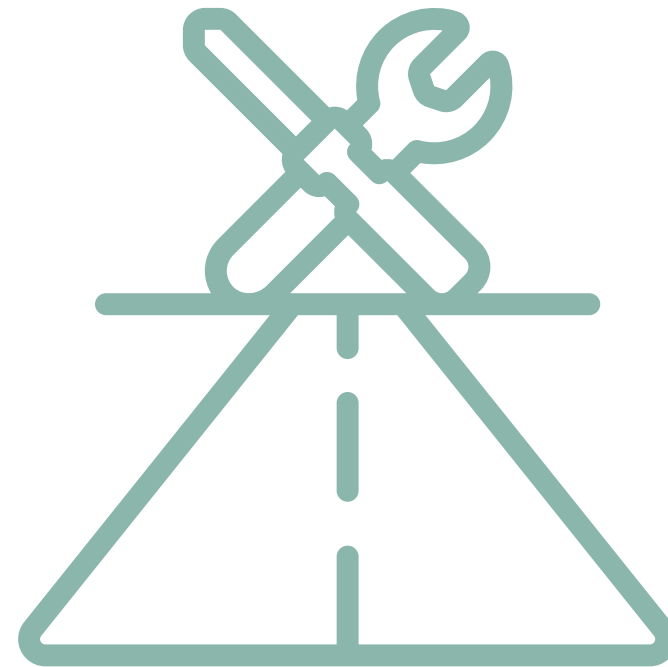
Installed 13  
backflow  
preventers using  
federal funds to  
help prevent  
flooding in  
Bergen County

# Critical Infrastructure Projects



Anderson Street  
Bridge

**\$41 million** project on bridge connecting Bergen County's two largest municipalities of Hackensack and Teaneck



Kingsland Avenue  
Bridge

**\$45 million** project to repair intercounty bridge in South Bergen County connecting Lyndhurst and Nutley in neighboring Essex County



# Unclogging the economic artery of Bergen County

Route 17 bottleneck is the worst transportation headache in Bergen County and one of the most dangerous corridors in NJ

Idling vehicles have a negative environmental impact creating poor air quality

**BILLIONS** of dollars in interstate commerce flow through this corridor every year

Improvements include additional lanes and added shoulders, increasing capacity by 1,800 vehicles per hour and drastically improve traffic safety

Improvements will address a major quality of life issue for Bergen County residents



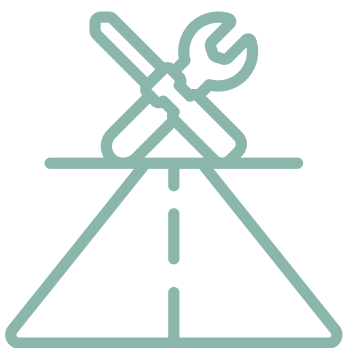
# Visionary Project Bringing Transportation & Mixed-Use Development to the County Seat

Innovative partnership between the County, NJ Transit, and the City of Hackensack

Transforms one of the busiest bus stations in the state into a modern transportation hub

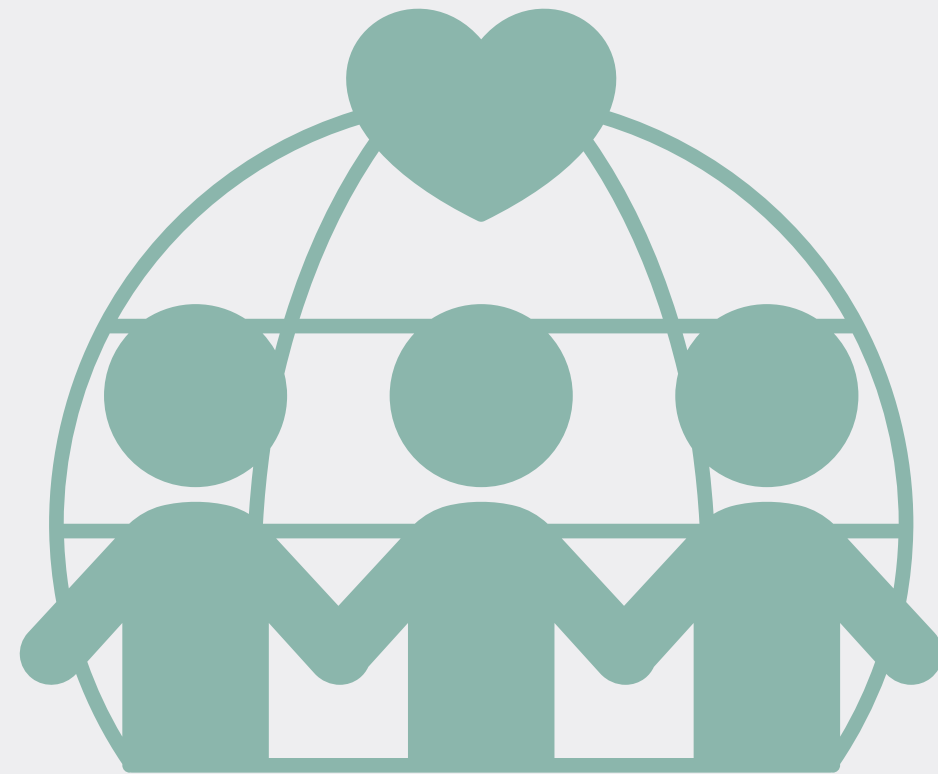
This investment increases bus capacity countywide, improves commutes, and brings 96 units of “workforce,” non market rate housing

Will allow veterans, firefighters, nurses, police officers, and teachers to live in the county where they work when they are starting their careers



# Delivering Critical Services

To those who need help the most



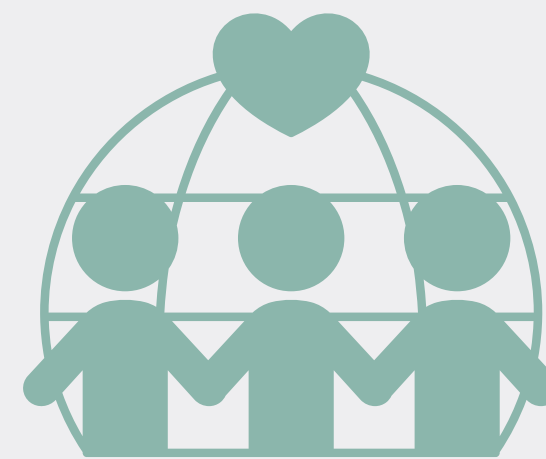
# Investing in mental health services

Building on the 12% increase given to mental health service providers in the 2022 budget

County now has one comprehensive Division of Mental Health and Addiction Services under the Department of Health

Continue to partner with the County's public hospital Bergen New Bridge Medical Center as they serve as a regional leader on addiction and behavioral health

Bergen County is taking a lead role in combatting the opioid epidemic using funds from the national opioid settlement



# Fighting Food Insecurity

- Sustainability Grants - nearly \$1 million to bolster operation of local pantries
- Oasis Insights - innovative client management software allows pantries to refer clients to critical social service providers
- Connecting local food pantries with local food suppliers and providing millions of dollars to purchase equipment, supplies, and direct food assistance
- Transitioning the Task Force to become permanent **Office of Food Security** under Department of Human Services





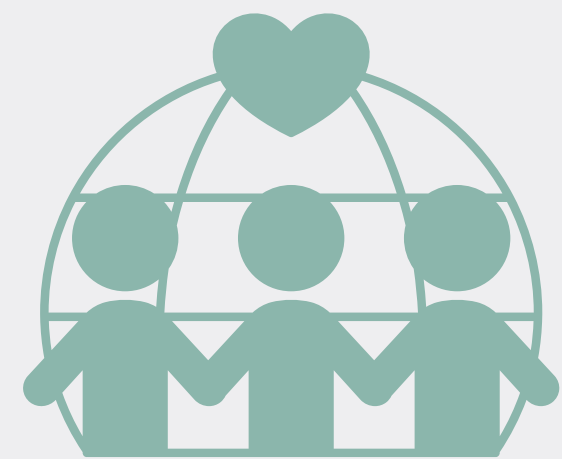
# Community Transportation



**626,296** miles logged

**109,376** rides

**Life saving rides for medical treatment, purchase of groceries, employment and community activities**



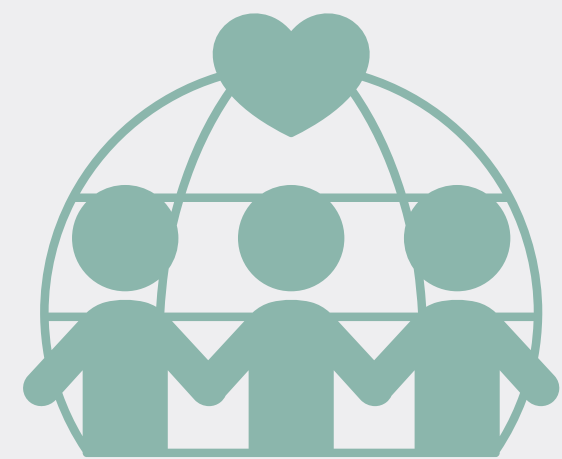


# Taking care of those who served

**"They put their lives on hold to fight for the freedoms we all hold dear"**

County Executive Jim Tedesco

- Veterans Services recovered **\$400,000** for Bergen County Veterans and their families
- More than **2,000 Veterans** were served in 2022
- **50,000 flags** were distributed to local veteran organizations for Memorial Day
- Launched the County's first **Stand Down** event for at risk veterans to prevent veteran homelessness



# Serving our seniors

Bergen County Meals on Wheels delivered **334,000 meals**

Launched **Age-Friendly & Dementia-Friendly Initiatives** to make sure our seniors can age in place with dignity

Expanding social and nutritional programs at our **10 County-operated senior activity centers** and **26 senior nutritional centers**



# 2023 Capital Spending

Major Capital Expenditures	2023 Funding Amount
Public Works	\$23,955,750
Parks	\$37,454,500
Community Safety	\$8,797,908
Planning & Engineering (Including Road Projects)	\$16,473,188
Elections	\$15,776,250

**Bergen County continues to invest in our infrastructure**

**Proposed Total Capital Spending: \$104 million**



# Maintaining Strong Fiscal Management



# Maintained Aaa Bond Rating

The size of a government's tax base is no longer a scoring criteria because Moody's doesn't feel it is a valid predictor of ability to pay. This hurts New Jersey governments because of the higher home values in our State.

**Despite this**, Moody's Investors Service once again reaffirmed the County's Aaa Bond Rating on May 5th.

***"Management has a long history of conservative budgeting and successfully managing its debt portfolio"***

***"The Aaa issuer rating reflects the county's very strong finances"***

***"The outlook is stable"***

Moody's Investors Service



**Aaa HIGHEST RATING ISSUED BY**

**MOODY'S  
INVESTORS SERVICE**



# Pooled Notes

## Aaa Bond Rating Benefits

"By guarantying the notes of each local borrower, the financing would be secured by County's 'Aaa' credit rating to achieve the lowest rates possible in the municipal market."

"Each participant in the program received a rate of **3.84%**"

**\$133.9 million** Pooled Note Program produced an **estimated \$60,000** in aggregate savings to five municipalities

"Currently, issuers with lower credit ratings than the County that are issuing notes competitively without an offering document and credit rating are receiving rates in the range from **3.97% to 4.28%**, and those reported rates do not take into account costs of issuance"



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### MEMORANDUM

**To:** County of Bergen, New Jersey  
**From:** NW Financial Group, LLC  
**Date:** June 5, 2023

**Re:** Bergen County Improvement Authority  
County Guaranteed Governmental Pooled Project Notes, Series 2023

In March 2023, the Bergen County Improvement Authority (the "Authority") and its financing team began evaluating opportunities for certain municipalities within the County of Bergen to refinance outstanding bond anticipation notes and issue new money notes through a County-guaranteed pooled note financing issued by the Authority. Each participating municipality had credit ratings lower than the County, and many had the practice of issuing their notes without a credit rating or an offering document. Developments in the municipal market at the time were now requiring those municipalities to incur the costs of preparing offering documents and receiving credit ratings prior to issuing notes, or else run the risk of receiving a much higher rate. Recognizing that such developments and rapidly increasing market rates were increasing the cost of short-term borrowing for these municipalities, the Authority advised each prospective municipality that the County Executive and the County Board of Commissioners were offering the County's guaranty of all notes to be issued under the Pooled Note Program. **By guarantying the notes of each local borrower, the financing would be secured by County's "Aaa" credit rating to achieve the lowest rates possible in the municipal market.** The costs of issuance would also be shared amongst the participants and allocated proportionately, with the County itself anchoring the Pooled Note Program as its largest participant to increase the savings for each borrower.

After review and consideration of the opportunity, **five total municipalities within the County chose to participate in the financing.** Among the participants were the Boroughs of Closter, Edgewater, Glen Rock, Little Ferry, and the City of Garfield (the "Borrowers"). The Authority executed the pricing of the Pooled Note Program notes on May 17, 2023. Accounting for all costs of issuance, **each participant in the program received a rate of 3.84%**, which included the receipt of additional premium to each borrower in addition to the principal received on the date of closing, June 1, 2023. When compared to other note sales and market rates on or around the sale date, **the Pooled Note Program produced an estimated \$60,000 in aggregate savings to the Borrowers.** The timing of the pricing was also extremely fortunate, as within just one week, developments in the market resulted in 1-year note rates increasing by about thirty basis points (0.30%). Currently, issuers with lower credit ratings than the County that are issuing notes competitively without an offering document and credit rating are receiving rates in the range from 3.97% to 4.28%, and those reported rates do not take into account costs of issuance.

# Responsible Fund Balance Management

- Key Factor in Maintaining Aaa Bond Rating
  - Moody's is looking for year-over-year increases in fund balance
- Strong financial position for sustainability
- Preparedness for future uncertainties
- Responsibly using fund balance to offset costs to taxpayers
- **The fund balance has doubled since taking office in 2015**





# Fund Balance



	2015	2016	2017	2018	2019	2020	2021	2022	2023
Beginning Fund Balance	\$32.7M	\$33.8M	\$38.3M	\$45.8M	\$48.6M	\$47.2M	\$60.6M	\$64.5M	\$69.9M
Used to Off-Set Taxes	\$18.4M	\$18.4M	\$19.4M	\$20.5M	\$20.5M	\$25.0M	\$24.4M	\$29.8M	\$36.5M
Regenerated	\$19.5M	\$22.9M	\$26.8M	\$23.2M	\$19.1M	\$38.5M	\$28.3M	\$35.1M	\$41.5M*
Ending Fund Balance	<b>\$33.8M</b>	\$38.3M	\$45.8M	\$48.6M	\$47.2M	\$60.6M	\$64.5M	\$69.9M	<b>\$74.9M*</b>

\* Estimated

**\$42,200,000** increase in fund balance since 2015

**Pursuing new revenue opportunities**



**Growing existing services for current and future budgets**





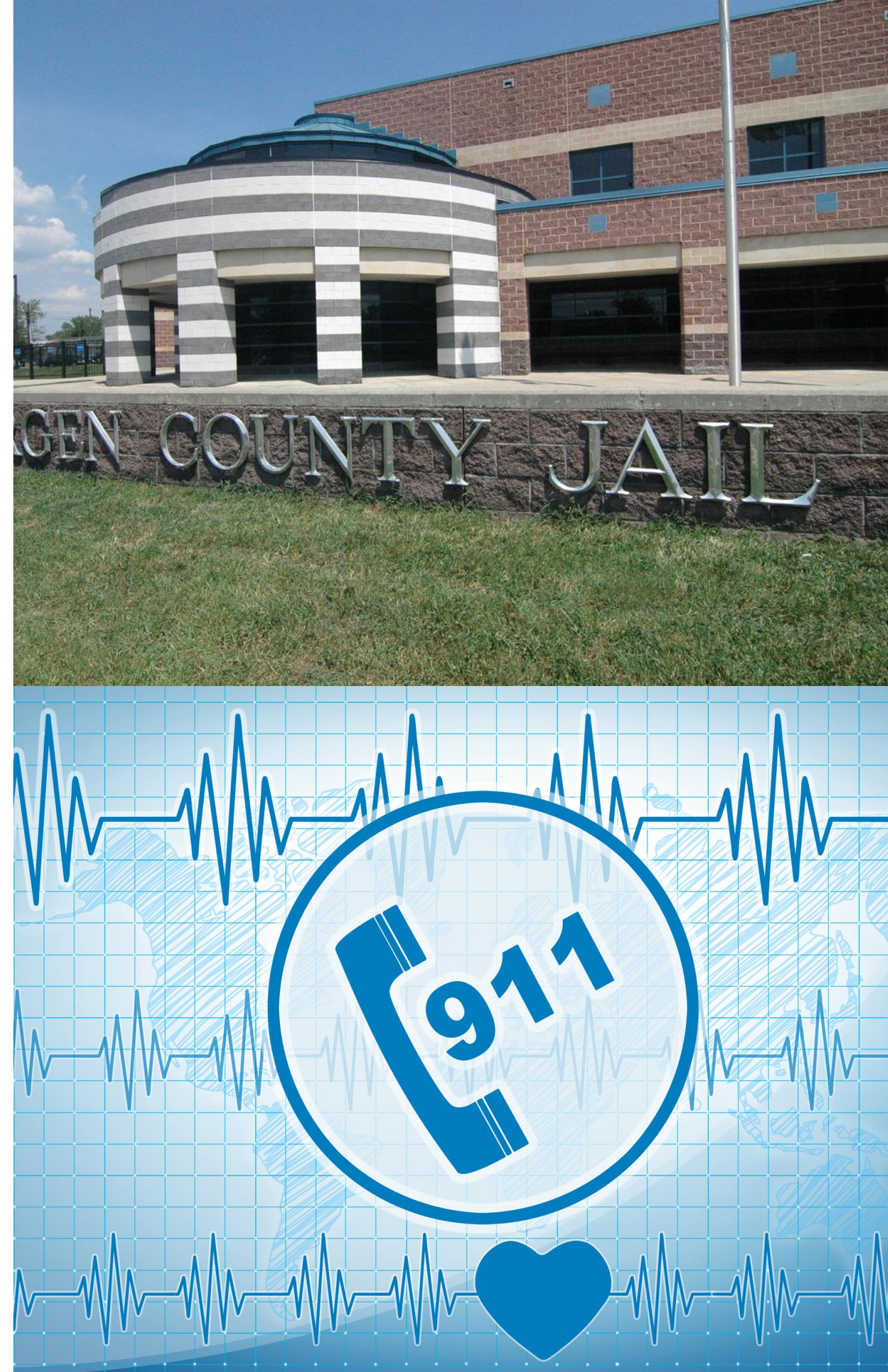
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# Expanding Parks Recreational Programming

# Shared Services

Correctional Shared Services

9-1-1 and Dispatch



# Establishing New Revenue Sources

County EMS

Training Out of  
County Emergency  
Responders

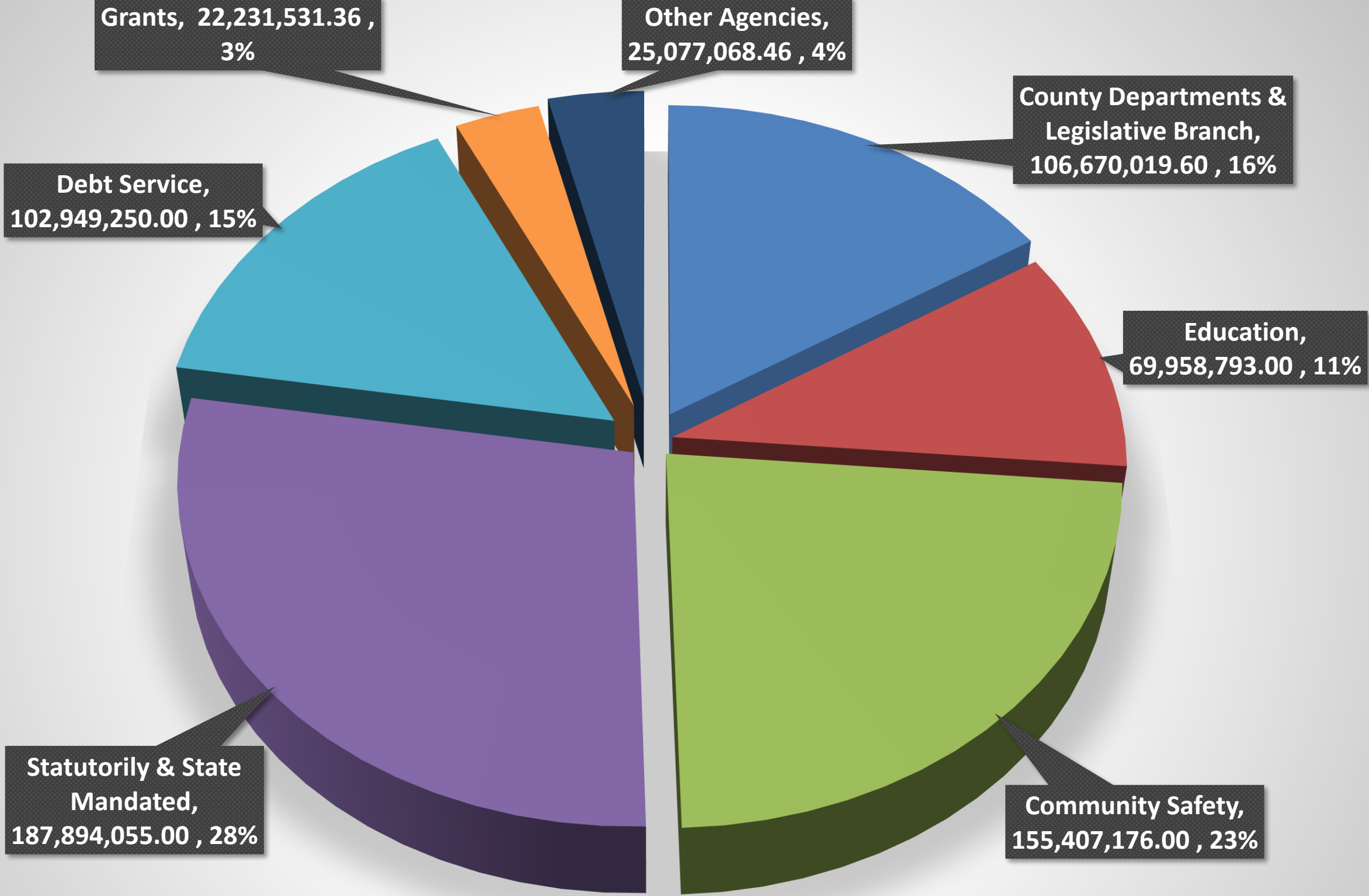




**\$670.1M**

**TOTAL BUDGET**

# 2023 Proposed Budget



# 2023 Budget Synopsis

Budget Pressures	Amount
Amount to be Raised by Taxation	\$32,871,372.64
Statutorily and State Mandated Expenses	<u>\$26,824,220.00</u>
Increase in Controllable Costs of County Government	\$6,047,152.64

Despite inflationary pressures, the net increase in controllable costs is 1.35%



# County Property Taxes



On the average house assessed  
at \$500,000.00

***\$3.84 increase per month***

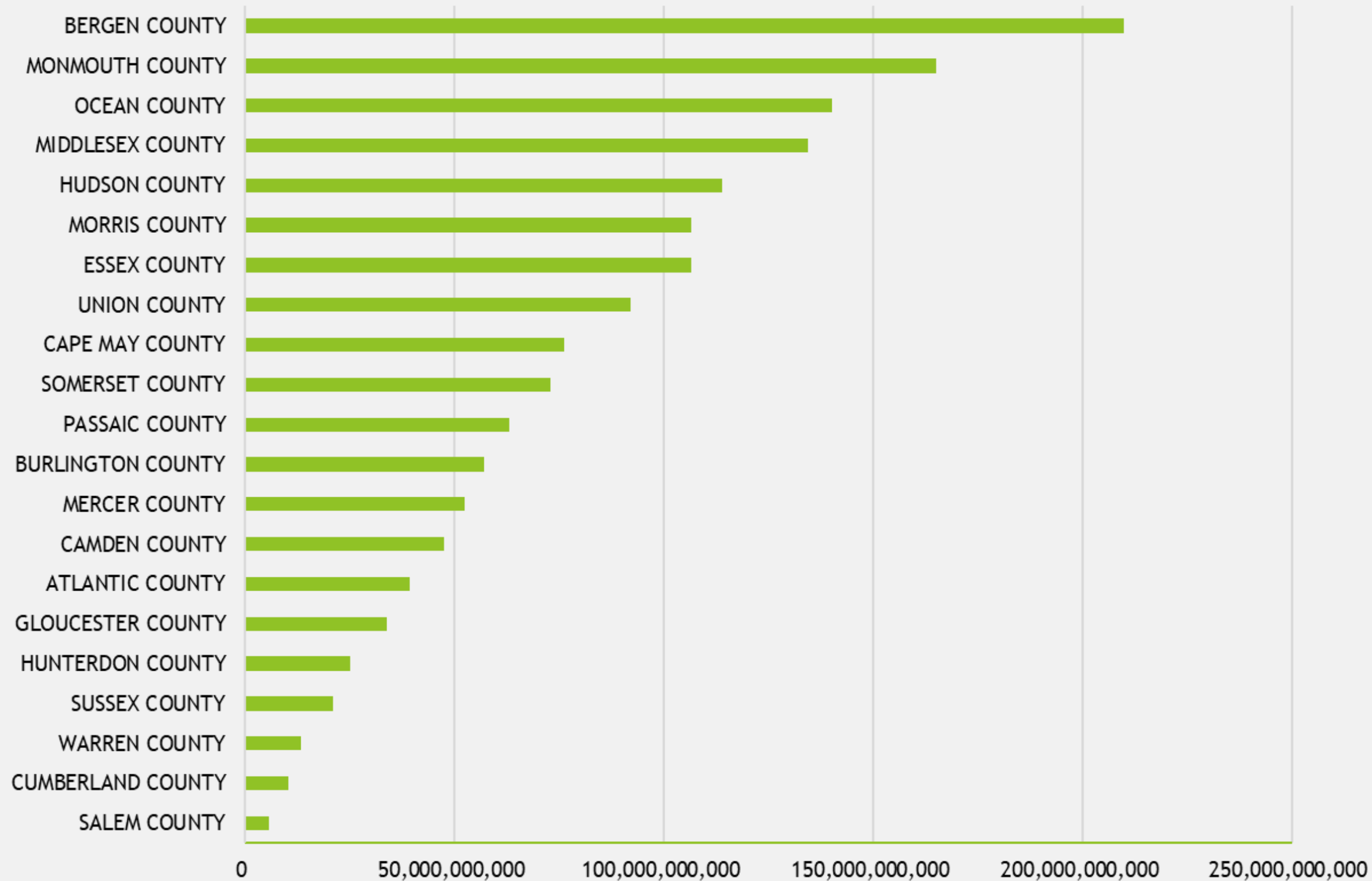
***\$46.04 increase per year***



That's less than one Starbucks Tall Mocha Frappuccino **\$3.95 per month**

# Strongest Property Values in NJ

County Ratable Comparison



Bergen County  
property values,  
totaling  
**\$209,784,711,405,**  
remain **27%**  
higher than any other  
county in the State of  
New Jersey!

# Bergen County will maintain the 2nd lowest tax-rate in the state

County	Tax Rate	County	Tax Rate
Monmouth	.2519	Sussex	.6325
<b>Bergen</b>	<b>.2673</b>	Mercer	.6896
Morris	.2897	Gloucester	.7271
Cape May	.3254	Middlesex	.7306
Somerset	.3815	Warren	.7801
Hunterdon	.4068	Camden	.8849
Ocean	.4250	Passaic	.9512
Burlington	.4308	Union	.9546
Hudson	.4860	Cumberland	1.2752
Essex	.5131	Salem	1.3382
Atlantic	.5791		



***TO***

**RECAP**

# Budgets are about priorities



**The 2nd lowest tax-rate in NJ**

**Highest property values in NJ**

# Budget Credits

County Executive James J. Tedesco, III extends his appreciation to following individuals for their dedication, work ethic and professionalism in the formulation of the 2023 Operating and Capital Budget.

## Treasury & Division of Budget & Capital Planning

Jon Rheinhardt – Chief Financial Officer

Melissa Howard – Treasurer

Marlene Golden – Budget Examiner

Michael Kaplan – Budget Clerk

Sadie Ortiz – Executive Assistant

## Executive Office

Thomas Duch – County Administrator/County Counsel

Michael Bellucci – Deputy County Administrator

