

# 2023 Budget Overview

May 10, 2023



## 2023 Outlook

The financial future of Berkeley Heights is bright. And your municipal leaders want our residents to know that their local government is minding their tax dollars very carefully, not taking any one revenue for granted, and always on the lookout for outside funding to keep progress moving, and taxpayer impact as minimal as possible.

To that end, this year's introduced budget includes funding for a variety of large-scale infrastructure projects from several different departments - the waste water treatment plant, most notably - as well as funds for operational needs from the Police Department to Department of Public Works to the Tax Assessor's Office, to ensure we can maintain the level of customer service our residents have become accustomed to. Funding for these projects is coming from a variety of sources, which is allowing us to keep taxpayer impact down as we increase the amount of work being done to improve our infrastructure and give our employees the tools they need to do their jobs. It sometimes takes creativity, out-of-the-box thinking, and most certainly is a broad team effort to get the budget to a

place where the Mayor, Council and Administration are comfortable presenting a finished product to our residents.

To that end, here is an overview of where your tax money is being spent in 2023, and why.

## Capital Projects

In addition to the need to provide our Township departments with the necessary capital items to perform their jobs efficiently and effectively, the Township has focused on roads, drainage, waste water infrastructure and enhancing existing recreational facilities. These projects include but are not limited to:

- Road rehabilitation and paving; installing new drainage systems under roadways as needed before paving
- Drainage & Stormwater (including West Side Drainage Project)
- Waste Water (sewer) Infrastructure
- Sherman Avenue Corridor Revitalization Project
- Enhancing existing park facilities
- Installing sidewalks to better facilitate walking to our schools and downtown train station
- And more...

Every year, we try to not borrow more money than we are paying off in any one year; in other words, we try to keep our yearly capital expenditures to around \$2 million. \$2 million doesn't get you very much when it comes to road paving, new emergency vehicles, etc. So we've been applying for many grants throughout the year to help us augment this infrastructure funding.

But this year, with so many projects at our sewer plant needing immediate attention, we had to think differently. We had to ensure our focus was on immediate infrastructure and safety needs for our departments. These not only include sewer infrastructure, but we are increasing our spending on roads and drainage, while also providing life-saving equipment for our Fire Department, as well as a refurbishment of a fire truck; this refurbishment is saving the Township at least \$700,000 (the cost of a new similar engine is over \$1 million)

**[View a complete list of approved capital projects in the 2023 budget here.](#)**

***Some capital projects to note...***

### Roads

We are committing \$450,00 in money "on hand" to start paving roads earlier this year, while bonding for the additional \$750,000, which will pave roads later in the summer or early Fall. Stay tuned at [BerkeleyHeights.gov](https://www.berkeleyheights.gov) for the upcoming road paving list. We are trying to coordinate which roads the Township will pay to pave, with the utility companies currently

digging up roads for utility infrastructure upgrades. If we can negotiate to have the utility companies pay for the paving of most - if not all - of the road, that is money we can spend elsewhere on paving. In addition, already awarded grant money and grant money anticipated for this year will also help with road paving. Some roads may need some drainage work before they can be paved, in order to make the new road last longer.

### **Drainage**

We continue to fund about \$200,000 in miscellaneous, “pocket drainage” projects in town; these capital funds typically are augmented with grant funds. This year’s drainage commitment is to Winchip Road and Orion Road. If funds allow, we can also begin to tackle Martin’s Lane. We will start the larger drainage and paving project on Kline Place and Fickler this spring (funds previously granted and allocated in FY 2022 budget), while we apply for the FY2024 DOT grant, to help us fund a large drainage project needed on Balmoral and Lawrence Drive and Briston Ct. We continue to seek outside funds to add headwalls to the Passaic around the Riverbend/Chaucer area, to help mitigate flooding.

Meanwhile, we are working with the federal US Army Corps of Engineers on regional approaches to mitigate flooding in the Passaic - which affects towns up and down the river - and are also working with the Green Brook Flood Commission.

While no capital budget funds are needed this year to get the “West Side Drainage Project” to the New Jersey Infrastructure Bank (iBank) for zero- to low-interest financing, we continue to work with the federal Environmental Protection Agency (EPA) on executing our \$500,000 grant award from Congress for this project as we move it toward the iBank. *No more money is needed to be authorized this year to do this specific piece of the project; we have sufficient funds with previously allocated capital and federal grant money.* If the project gets state funding and the Township moves forward on it, the debt service on this forthcoming loan will begin to be paid off soon after construction is complete.

We have combined our West Side Drainage project and other stormwater needs with infrastructure upgrades needed at our Waste Water Treatment Plant, in federal appropriations requests in the FY2024 congressional budget. So far, our requests have been included in the discussions among federal lawmakers, but it will take a few more months before we know if - and how much - funding will be approved by the House and Senate appropriations committees, to be included in the final budget bill.

### **Waste Water Treatment Plant Modernization Project**

The projects that make up the “Wastewater Treatment Plant Modernization Project” include the large-scale projects below, as well as a new sewer jet vac truck to maintain our sewer line system, and the construction of a barrier wall between the back of the plant adjacent to the residential area on Garfield Street. Large-scale investment in the plant has not been made since around the 1980s; the result is that the Township continues to fail certain DEP tests for output in the effluent, while various pieces of equipment vital to the sewer processing system continue to break down. The threat of this system collapsing and residents not being able to flush their toilets or use their water is very real unless this is addressed ASAP.

Therefore, with the help of experienced wastewater engineers from PS&S, the Township has identified the most emergent infrastructure needs at the plant, and projected out capital spending for others over the next few years. We are packaging most of our 2023 projects together into one large application to the New Jersey Infrastructure Bank (iBank, or NJIB), which provides zero- to low-interest loans, mostly to sewer and water projects in the state. By packaging these as one large project with separate contracts within the project, the Township can save money on soft costs related to the application and bidding process.

- **Sand filter 1 replacement** - Just 1 of our 2 sand filters are currently operating, and that one is operating at 30% efficacy at best, resulting in the Township continually experiencing effluent permit concentration excursions and not being compliant with the plant’s NJPDES permit for total suspended solids and phosphorous concentration levels. While the Township is investing its own capital in rehabbing one of the filters, we need to design and construct a completely new filtration system utilizing updated filter system technology to ensure filtration system reliability and to reduce operation and maintenance costs. The new sand filter system will provide the necessary system redundancy to ensure we always have one operating filtration system at maximum capacity. We have retained PS&S to provide the necessary engineering design, bidding, and NJ Infrastructure Bank (iBank) funding support. This project will be financed through the iBank if we cannot get state funding to assist with these very necessary repairs.
- **Methane gas handling-anaerobic digester gas flare** - Per current DEP standards, the Township has retained PS&S to prepare design documents calling for the furnishing and installation of a new enclosed waste gas flare system. This work also includes an air inventory system, to ensure all Township air permits are up to date and per DEP standards. The existing open waste gas flare system located on the roof of the Digester Building must be removed and relocated to an area that satisfies the requirements of

ANSI B149.6-15 entitled “Code for digester gas, landfill gas, and biogas generation and utilization” which states under paragraph 6.4.3 that “A waste gas burner and ignitor shall not be less than 15 meters (49 feet) measured linearly outward from the perimeter of any digester or other potential source of combustible gas.” Additionally, to meet future air permitting requirements, the NJDEP prefers that an enclosed waste gas flare system be installed as opposed to the existing candlestick waste gas flare system as the enclosed waste gas flare system exhibits destruction removal efficiencies in excess of 99% with low NOx and CO emissions. This approach has been successfully instituted at various wastewater treatment plant facilities in New Jersey.

- **Raw influent pump & valve replacement at Main Plant Building** - Located in the basement of the main building at our waste water treatment plant, this main pumping station receives wastewater generated from several service areas and remote pump stations and then pumps the wastewater throughout the plant for treatment and processing. If this pump station goes down, residents will not be able to flush their toilets, shower, or cook. This Station has 3 pumps – one is completely inoperable, the second is experiencing leakage and pump bearing noise, rendering its remaining useful life suspect, and the third appears to be in satisfactory working order. We are therefore operating at two-thirds of the expected pumping capacity. We have retained PS&S to provide the necessary engineering design, bidding, and NJ I Bank funding support for this project, as well.
- **Lime feed system** - The plant currently employs a lime powder system whereby powdered lime in bags is delivered to the plant and loaded into a lime feed hopper where it is metered and mixed with water to create a lime slurry solution. Because the lime is delivered in powdered form and loaded into an open top lime feed hopper, an air permit is required. The lime slurry solution is conveyed to the nitrification tanks to control alkalinity and Ph of the nitrification system to ensure that the denitrification process is operating efficiently for the removal of ammonia (which is a permit requirement) and nitrogen. The existing system has surpassed its useful life as evident from leaking pipes and tanks and requires a large maintenance effort associated with cleaning pipelines containing the lime slurry solution, thus necessitating its replacement. Before replacing the existing system in kind, the Township’s sewer engineers from PS&S will explore alternative lime feed systems, such as liquid lime systems, where it is expected that such a system will reduce operation and maintenance costs as well as

capital cost expenditure. In a liquid lime feed system, the lime solution is delivered in tote bins from a chemical supplier and feeds directly into the nitrification tanks via small chemical metering pumps.

- **Grit Pump (part of the grit removal system)** - The main influent pump station conveys wastewater to the grit removal system, which is a pre-treatment process consisting of grit removal tanks and pumps as well as a grit classifier system, all of which is designed to remove grit from the wastewater prior to the wastewater entering the treatment plant for processing and treatment. Grit consists of sand particles, coffee grinds, eggshells, etc. and if not removed from the wastewater, will collect in process tankage consuming usable tank volume and impacting the performance of the wastewater treatment process. The immediate need, which should give us a few more years of “life” in the system, is replacement of the grit pump. However, if the part is ordered soon, it will not arrive until next year. The remainder of the capital needed to complete installation is expected to be funded through the 2024 budget. The broader main scope of work eventually needed on the entire grit system includes lighting improvements, replacing the existing grit classifier and pumps, grit tank mechanical equipment, channel gates, and controls.

As noted above in the “Drainage” section, we combined our financial requests for these sewer projects with stormwater/drainage requests throughout town in our FY2024 federal appropriations request.

### **Sherman Avenue Corridor Revitalization Project & Peppertown Park**

If you look at the capital expenditure list linked above, you will see a column [C] marked “Grants.” The amounts in this column represent the amount of money the Township already has received or is anticipated to receive in 2023 for the correlating projects. For the Sherman Avenue revitalization project, accompanying bike lane installation and Peppertown Park renewal project, with the assistance of our designers from Arterial Streets, the Township decided it would save money and time to bundle all three projects together. [All three projects have received grant money](#), and by packaging them as one large renewal project, it will save on soft costs relating to design, bidding, and even possibly some materials. It will also save time on having to go out to bid for three different projects, instead of one large project. Another large benefit to this approach, is it ensures the three projects are designed and executed with continuity and cohesiveness to achieve our vision for this corridor. All three of these projects will be paid for primarily with grant money; the Township previously allocated \$100,000 in capital to be used toward Peppertown Park, while some developers have also obligated money toward this project. Therefore, only \$50,000 more in Township capital is currently budgeted to complete all three projects along this corridor.

## Sidewalks & Safe Routes to Transit/School

As we continue to focus on roads and related infrastructure, we also are replacing sidewalks in certain parts of town - primarily, along popular pedestrian routes to school and transit downtown. We have received several grants for the Sherman Avenue Safe Routes to Transit work to be done as part of the “Sherman Ave Revitalization Project,” and have another \$517,000 awarded to install sidewalks on the East side of Snyder Avenue, from Locust Avenue to Hughes Elementary School (*this amount is noted in the “Grants” column of the capital spreadsheet*). The Township did not yet commit its portion of funds for this project, as sewer needs took priority this year. We will commit the remaining needed funds for this project in 2024, when we plan to begin design.

## Operating Costs

Below are some costs included in this year’s Operating budget that explain some of the operational increases for 2023:

- *Berkeley Heights Volunteer Rescue Squad* - \$60,000 additional aid to help purchase a new ambulance to service our community, plus another \$27,000 in aid for additional radios needed.
- *Property & Liability Insurance* - increased \$100,000 in 2023
- *Health & other insurance* - increased 2%
- Increased Sewer Department costs, most notably in Maintenance of Motor Vehicles, Maintenance of Equipment & Materials & Supplies (supplies & transportation costs, generally, have increased in recent years)
- General inflation
- Hiring of government relations firm to help lobby state and federal governments for more aid for our sewer plant and drainage challenges
- Addition of the following staff to help accommodate the needs of a growing population and augment are small municipal staff:
  - 1 part-time Finance Office staffer, to help with grants management and day-to-day finance operations
  - 1 full-time Building Department staffer (to replace the currently funded part-time position), who will be cross-trained to also support Zoning, Engineering & Planning Board. This will give us two full-time workers in this office.
  - 1 full-time Police Officer, to help with traffic and other needs
  - 1 additional, experienced mechanic Operator for our waste water treatment plant (*this addition will save the Township money in frequent, outsourced*

*electrical repairs that also cost time, and contribute to poor results from the DEP when our equipment malfunctions or fails).*

- *(Not a staffing addition but...)* the salary increase for a Lab Operator at the sewer plant increased, so that we can attract a trained, experienced Lab Operator to decrease outsourcing costs, increase lab efficiencies and help ensure we are in compliance with DEP standards.

Throughout this year - like in past recent years - the Township will continue to seek additional sources of revenue to help pay for our increasing needs, whether that funding be from state or federal budget processes, or grants. We are committed to working with our representatives at the County, State and Federal level to ensure our residents have the services they deserve and the infrastructure they need. In addition, our employees are committed to working as effectively and efficiently as possible with our small staff, to serve our town's growing needs. You work hard for your money, and we take your tax dollars seriously. We will leave no stone unturned when it comes to trying to alleviate our municipal tax burden while still keeping the level of services high in our community.

Thank you.