

Sea Girt

2023 Budget Presentation



Wednesday, June 14, 2023

Finance Committee:
Council Chair Bryan Perry,
Mayor Don Fetzer,
Councilman Tom Downey

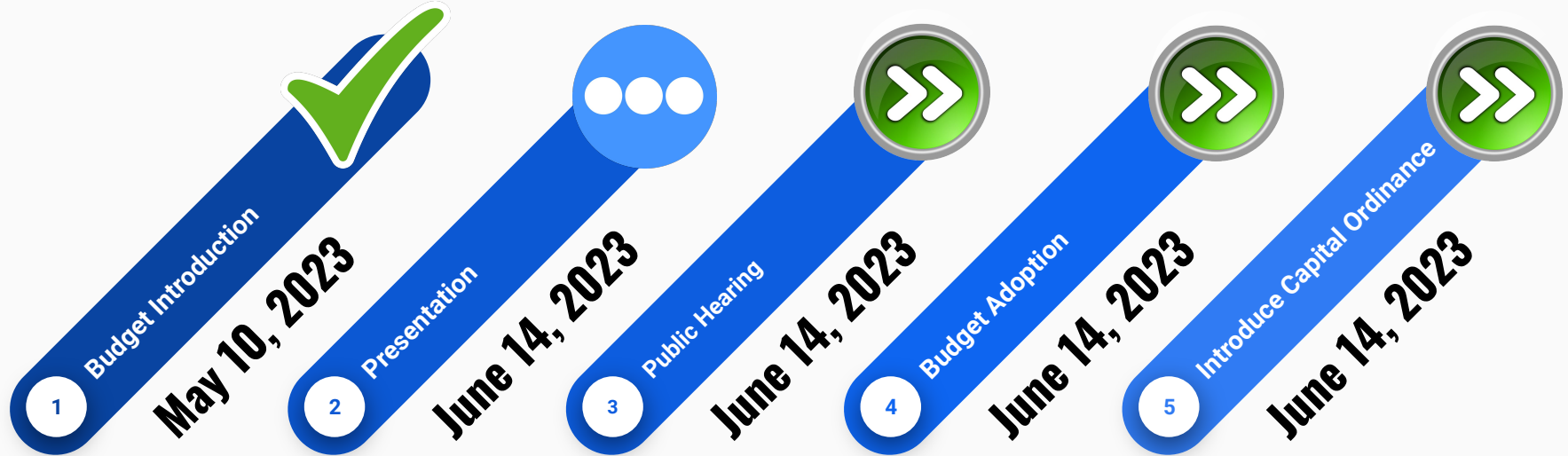
James Gant, Administrator
Amy Spera, CFO



2023 Stewards of Financial Responsibility



Budget Schedule and Adoption Process



2023 Stewards of Financial Responsibility

Sea Girt Borough Tax Bill Breakdown

Average Tax Bill

\$2,846,869 Average Assessed Home
(Increase of \$660,692 from 2022)

Taxes: \$14,035.06

Est. Tax Rate: .493

(TOTAL - Inc. County/Library/School/Municipal)

Municipal Portion: \$4,184.90



Your Municipal Services Include

- Backyard Garbage, Bulk, & Recycling Pickup
- Road Plowing & Maintenance
- Municipal Library - Separate Tax
- Accredited Police Department & Crossing Guards
- Fire Safety
- Full-time EMS Service (Shared Service)
- Zoning & Code Enforcement
- Emergency Management
- Enhanced Recreation & Parks Maintenance
- Water Plant and Treatment Management- Water Utility
- Sewer Maintenance
- Lifeguard Protection & Beach Management - Funded Through Beach Utility
- Administration/Clerk Services and Election Management

Stewards of Financial Responsibility

Where Does Your Dollar Go?

County Tax

37.3%

\$6,772,387.05

Municipal Tax

29.8%

\$5,410,308.05

School Tax

27.2%

\$4,941,937.74

Library Tax

5.7%

\$1,035,171





Surplus/ Fund Balance

	2023	2022	2021	2020	2019
Used to Fund Budget	1,100,000	1,100,000	1,725,000	1,434,312	
Surplus Replenished		1,671,937	1,216,969	866,121	
Year End Available		2,784,973	2,213,036	2,721,067	3,289,258

* \$883K
Deferred
School Tax
Included in
Surplus
Amount

Stewards of Financial Responsibility

Fund Balance Overview (Surplus)

NJ municipal accounting principles require revenues to be recognized only when received whereas expenditures to be recorded when they are encumbered (goods/services are ordered).

Similarly, NJ budgeting laws require the municipalities to adopt conservative budgeting principles. Revenues can be anticipated only to the extent received in prior year. Surplus/fund balance accumulated in prior years is used to balance the budget. Strong fund balance reserves is one of the if not the number one criteria the rating agencies look for. High credit rating keeps the Township's borrowing costs low. Budget is a balancing act.

GFOA recommendation is to have a minimum of 2 months (17%) of budget appropriations in fund balance reserve. (1.35 mil)



Balance 01/01/2022	\$2,213,035.75
Utilized in 2022 Budget	(\$1,100,000)
Results of Budget Execution/Operations 2022	\$1,671,937
Ending Balance 12/31/2022	\$2,784,973
Fund Balance Less Deferred School Tax	\$1,901,771 (Usable Balance)

In prior year's budget our fund balance was reduced due to the offset of the 1st year Library tax. Sound budget execution and fiscal responsibility have allowed us to recoup the 2021 loss of surplus and bring our fund balance to a healthier level.

Goal in 2023 and beyond is to continue surplus regeneration to above the recommended 17% for future budgets to be used to offset increased costs and capital improvements.

17% of 2023 Budget is \$1,444,881.26

Stewards of Financial Responsibility

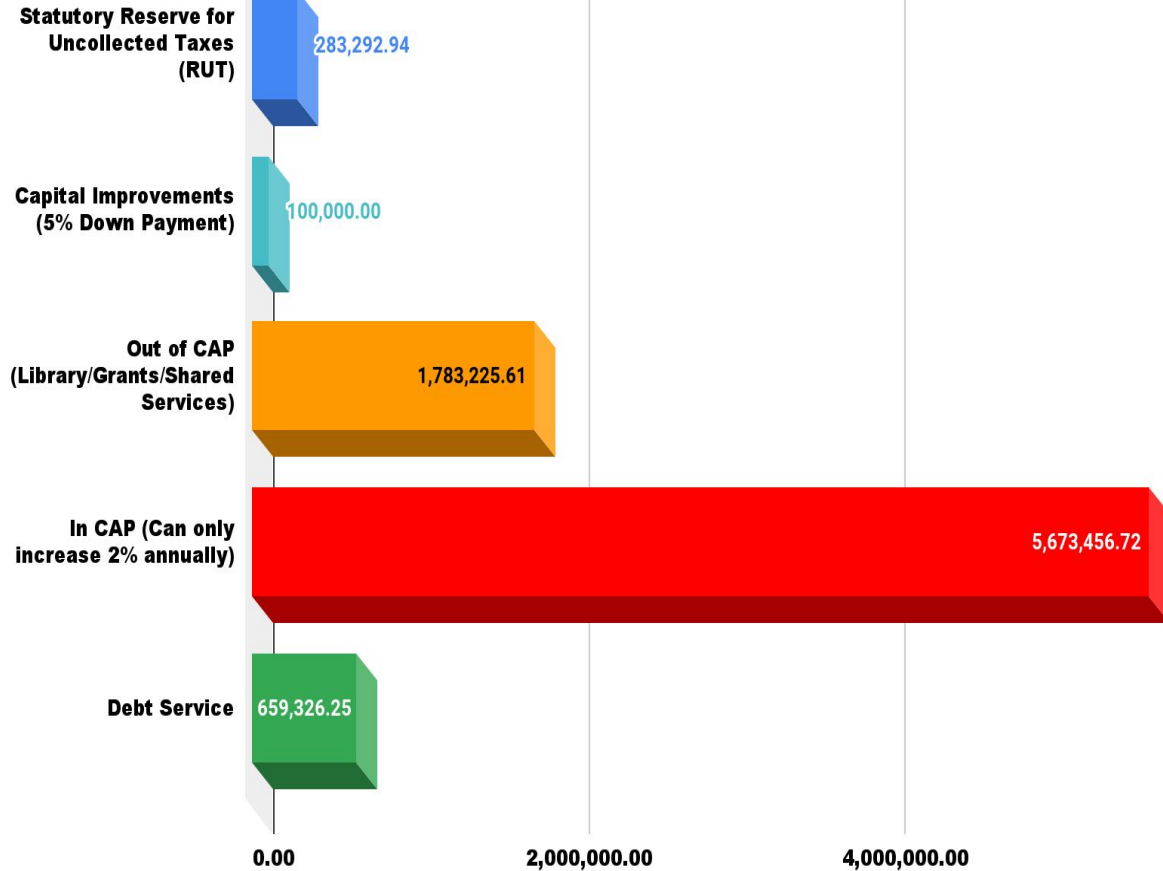
Total Appropriations



\$8,499,301.52

Increase from 2022 of:

\$522,032.65



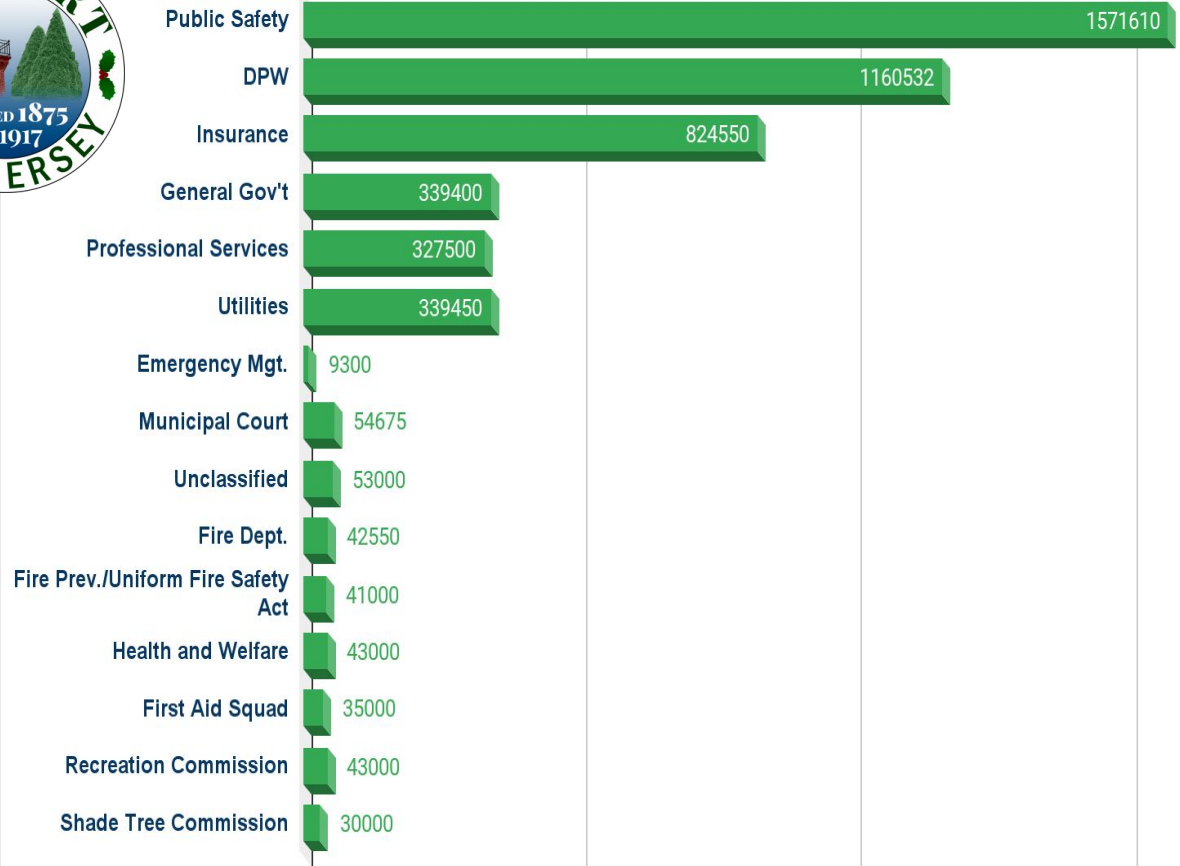
Stewards of Financial Responsibility

Departmental Appropriations

(In CAPS)



Public Safety	\$1,571,610
DPW	\$1,160,532
Insurance	\$824,550
General Gov't	\$339,400
Professional Services	\$327,500
Utilities	\$339,450
Emergency Mgt.	\$9,300
Municipal Court	\$54,675
Unclassified	\$53,000
Fire Dept.	\$42,550
Fire Prev./Uniform Fire Safety Act	\$41,000
Health and Welfare	\$43,000
First Aid Squad	\$35,000
Recreation Commission	\$43,000
Shade Tree Commission	\$30,000
Total	\$4,914,567



Stewards of Financial Responsibility

Amount to be Raised by Taxation Throughout the Years



2022: Amount to be Raised
\$5,211,299.22

2023: Amount to be Raised
\$5,410,308.05

Difference: \$199,008.33

Stewards of Financial Responsibility

Yr.	Surplus Used	Anticipated Revenues	Amount To Be Raised by Taxation	Appropriations
2011	\$460,324.50	\$590,953.26	\$5,302,628.00	\$6,353,905.76
2012	\$450,000.00	\$592,765.80	\$5,198,540.00	\$6,241,305.80
2013	\$497,087.73	\$877,222.81	\$5,198,540.00	\$6,572,850.54
2014	\$404,185.47	\$825,940.68	\$5,089,416.40	\$6,319,542.55
2015	\$505,903.83	\$666,951.45	\$5,048,518.49	\$6,221,373.77
2016	\$655,000.00	\$648,540.00	\$5,042,520.74	\$6,346,060.74
2017	\$700,000.00	\$756,690.00	\$5,031,253.77	\$6,487,943.77
2018	\$1,067,500.00	\$867,792.74	\$5,015,751.78	\$6,951,044.52
2019	\$987,640.20	\$1,251,369.24	\$4,999,893.80	\$7,238,903.24
2020	\$1,434,312.00	\$808,116.21	\$4,991,391.00	\$7,233,819.21
2021	\$1,725,000.00	\$740,076.59	\$4,869,239.30	\$7,334,315.89
2022	\$1,100,000.00	\$720,275.76	\$5,211,299.22	\$7,031,574.98
2023	\$1,100,000.00	\$953,822.47	\$5,410,308.05	\$7,464,130.52

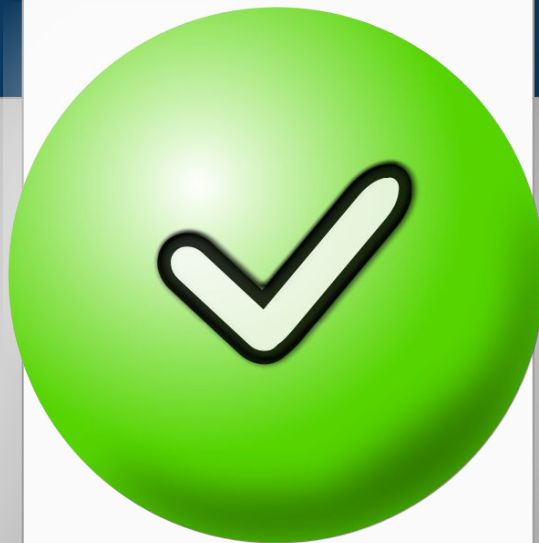
Statutory Appropriations Cap



2023

Permitted Inside Cap:

\$5,838,853



2023

Amount Under Cap:

\$165,396

Stewards of Financial Responsibility



4 Year Capital Plan Overview

2023 Proposed Capital Will Include
DPW Equipment/ Police Equipment/
Automatic Defibrillators/ Fire Dept.
Equipment

Stewards of Financial Responsibility

\$200,000

2020

\$200,000

2021

\$100,000

2022

\$100,000

2023

Used to
Fund
Down
Payment

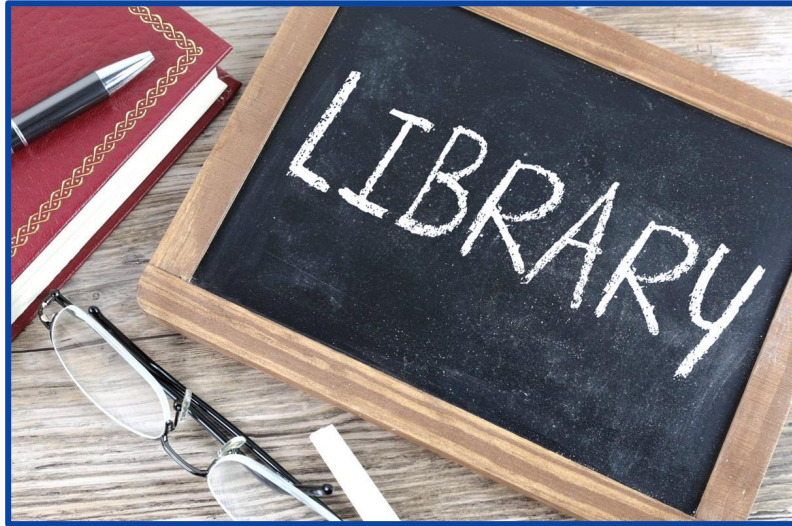
Strong Borrowing Power



Avg. Statutory Equalized Valuation	\$2,765,489,132
2022 Statutory Borrowing Power	\$96,792,119 (3.5% of Equalized Valuation)
Net Debt End of 2022	\$5,433,881
Remaining Statutory Borrowing Power	\$91,358,239
Net Debt to Statutory Equalized Valuation	.196% of Equalized Valuation of 3.5%

Stewards of Financial Responsibility

Sea Girt Library Tax Levy Overview



The Municipal Library Tax is Statutorily Set:

40:54-8. Within every municipality governed by this article there shall annually be raised by taxation a sum equal to **one-third of a mill on every dollar of assessable property within such municipality based on the equalized valuation** of such property as certified by the Director of the Division of Taxation in the Department of the Treasury in accordance with the provisions of R.S.54:4-49.

State Determines Sea Girt's Library

Tax to be Raised: \$1,035,171

Increase of \$123,584 from 2022

Stewards of Financial Responsibility

Implications of Library Tax Then & Now

Year	Prior County Library Assessment	Prior Municipal Library Operating Budget	Current Municipal Library Assessment	Municipal Library Assessment Expended	Unspent Funds
2017	\$411,234.73	\$58,350.00			\$0
2018	\$418,157.64	\$58,980.00			\$0
2019	\$441,266.64	\$64,460.00			\$0
2020	\$464,444.55	\$44,780.00			\$0
2021	Borough Leaves County System Municipal Library Tax Statutorily Set		\$818,728.73	\$206,050.14	\$612,678.59
2022			\$911,586.92	\$262,364.96	\$649,221.96
2023			\$1,035,171.00	Est: \$275,000	Est: \$760,171

Stewards of Financial Responsibility



Unspent Library Funds

Understanding the
transition to the
Municipal Library and
your Tax Levy.

The Borough determined that it was financially sound to exit the County Library system due to the County assessment that was imposed on the Borough on a yearly basis.

This County assessment increased each year, over and above the cost to run the Municipal library.

What does this mean for the future?

Now that the Borough has a municipally controlled library, we can control our unspent library funds!

For years, the County benefited from our excess payment, **now our taxpayers will reap the benefits, but...**

It will take some time to feel the difference. State law requires that excess Library funds be kept in a reserve for 8 years before they can be brought into the general fund...

What will it look like?

Projection: end of year 8: Unspent Library Funds (Using a 2% Multiplier)

\$6,057,149.55

(Less construction costs of Library Renovations and Expansion Project)

2023 Key Budget Points

**Proposed Municipal Tax Rate Decrease of
.038**

A decrease of \$0.038 on the average
assessed home of \$2,846,868.89 would
equate to an approximate increase to the
MUNICIPAL portion of the tax bill of

\$140.47



Budgetary Change Highlights For 2023

- ❖ **Salary & Wages/Operating Expenses** - \$160,066
 - Library - \$123,584 or 24% of total budget increase (incl in library tax)
 - Borough - \$36,482 (7%)
 - Offsetting revenue - \$10,000
- ❖ **Non-Discretionary Costs** - \$65,865 (13%)
 - Insurance, Pension, Utilities
- ❖ **Shared Services** - \$65,675 (13%)
- ❖ **Debt** - \$92,767 (18%)
 - Offsetting revenue - \$21,449
- ❖ **Grants** - \$182,842 (35%)
 - Offsetting revenue - \$182,842

Stewards of Financial Responsibility



Thank You!

