

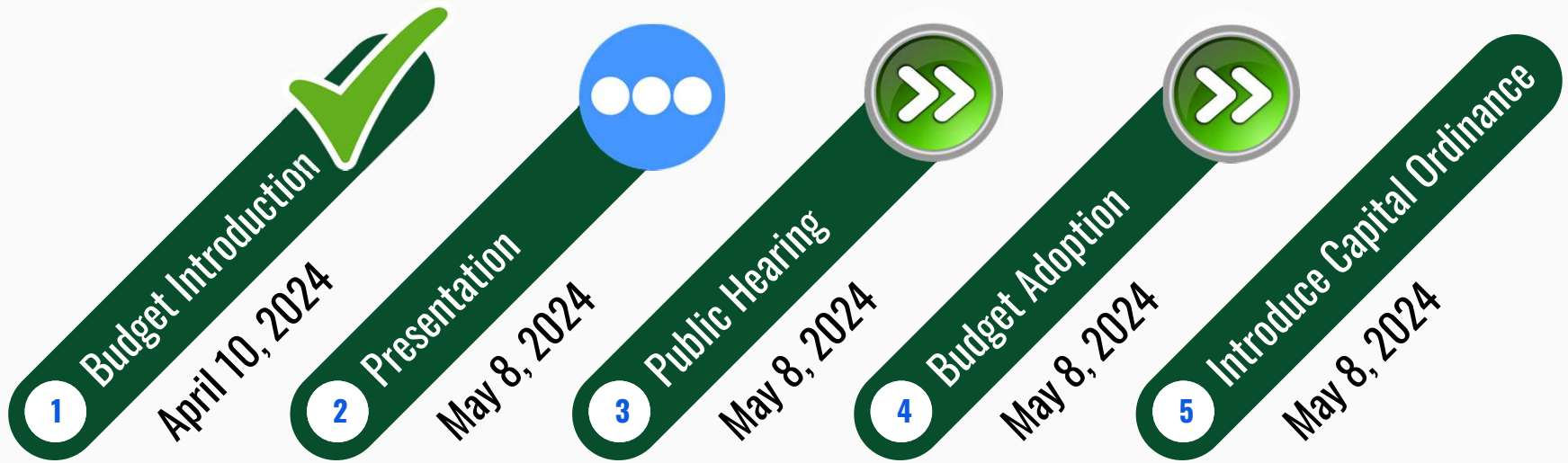
Sea Girt
2024 Budget Presentation



May 8, 2024



Budget Schedule and Adoption Process



Borough of Sea Girt

Budgets



Current Fund

Funded via Miscellaneous Revenues, as well as Amounts to be Raised by Taxation

\$8,996,885.02

Water / Sewer Utility

\$2,056,885.00

Beach Utility

\$1,626,402.30

Self-liquidating utilities funded through Consumer Fees

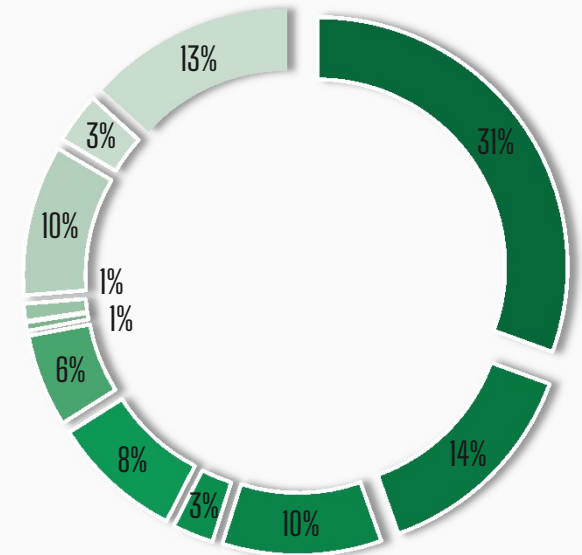
Current Fund



Current Fund Appropriations

\$8,996,885.02

Category	2024	2023	\$ Change	% Change
Inside Cap	\$ 5,934,484.00	\$ 5,673,456.72	\$ 261,027.28	4.60%
Outside Cap (Municipal)	\$ 1,576,574.55	\$ 1,519,131.68	\$ 57,442.87	3.78%
Outside Cap (Library)	\$ 1,190,446.65	\$ 1,035,171.00	\$ 155,275.65	15.00%
Reserve for Uncollected Taxes	\$ 295,379.82	\$ 283,292.94	\$ 12,086.88	4.27%
Total	\$ 8,996,885.02	\$ 8,511,052.34	\$ 485,832.68	5.71%



- Salaries & Wages
- Operating Expenses
- Insurance
- Utilities
- Statutory Expenses
- Interlocals
- Grants
- Capital Improvements
- Debt Service
- Reserve for Uncollected Taxes
- Library

Current Fund Appropriations Inside Cap

- Operational expenses of the Borough subject to Cost of Living Adjustment (COLA) with a maximum of 3.5% increase over prior year
 - 2024 COLA = 2.5%
 - COLA Ordinance allows us to go up to 3.5%, as well as add new construction values, and prior years bank amounts when needed.
 - We can “bank” the unused amount in up to 2 future year Budgets
 - Appropriation Cap exceptions: pensions/insurance

Current Fund Appropriations Inside Cap

- Salary & Wages : \$2,749,307.00
- Operating Expenses: \$2,427,735.00
 - Normal operating supplies , equipment and contractual purchases
 - Professional Fees
 - Insurance
 - Utilities
- Statutory Expenses: \$764,442.00
 - Social Security/Medicare Match
 - PERS Contribution – 17.61%
 - PFRS Contribution – 36.54%
 - DCRP Contribution – 3%



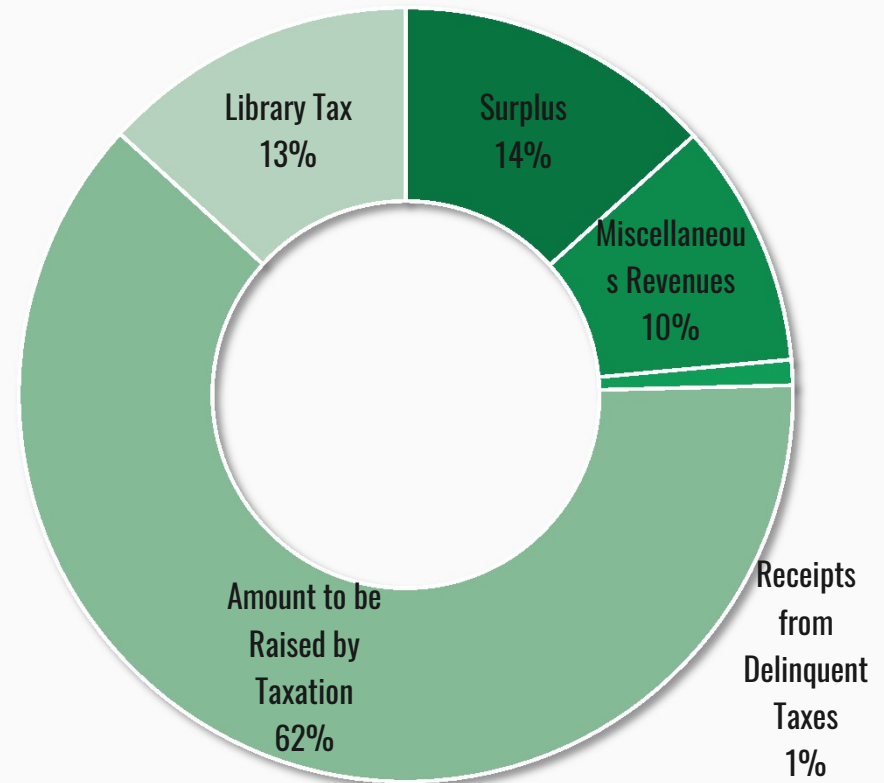
Current Fund Appropriations Outside Cap

- **Library: \$1,190,446.65**
- **Interlocal Agreements: \$540,944.48**
 - Services that are shared with other municipalities as a cost saving measure
 - First Aid with Belmar, Lake Como & Manasquan
 - Monmouth County Dispatch Services
 - Spring Lake Construction – offsetting revenue
 - Wall Township Court – offsetting revenue
 - Manasquan CFO
- **Grants: \$49,511.84**
 - Offsetting revenue
 - Police – Body Armor, DWI, Distracted Driving
 - Clean Communities & NJ Urban and Community Forestry
- **Capital Improvement Fund: \$100,000**
 - 5% down payment obligation on bond ordinances
 - 3rd Ave Paving
 - Beach Replenishment
 - Police/DPW/Administration Equipment
 - Memorial Monument
- **Debt/Deferred Charges: \$879,118.23**
 - Completed projects and equipment purchases
- **Reserve for Uncollected Taxes: \$295,379.82**
 - Non-spending appropriation that ensures 100% collection of tax revenue is achieved
 - Calculation based on cash required to satisfy all taxes multiplied by the tax collection rate from the prior year
 - The difference between what is required and the collection rate is the amount that must be reserved

Current Fund Revenues

\$8,996,885.02

- **Miscellaneous Revenues: \$919,484.96**
 - Local revenues, State Aid, Uniform Construction Code Fees, Interlocal Service Agreements, Grants, Reserves
- **Receipts from Delinquent Taxes: \$95,000.00**
- **Amount to be Raised by Taxation: \$5,591,953.41**
- **Library Tax: \$1,190,446.65**
- **Surplus: \$1,200,000.00**
 - Excess revenue and unexpended/cancelled appropriation reserves



Amount to be Raised by Taxation

\$5,591,953.41

Explanation

- Formula-based calculation
- Restricted to the 2% Tax Levy Cap, with some exceptions. Banking also allowed.
 - 2024 Levy Cap - \$5,844,424.66
 - 2024 Available for Banking - \$252,471.25
- Establishes the tax rate per \$100 of assessed valuation based on the net valuation of the municipality

Tax Bill Breakdown

- 2024 Net Valuation: \$3,890,144,400.00
- 2024 Municipal Tax Rate: \$0.144 per \$100 of Assessed Valuation
 - $\$3,890,144,400 / 100 = \$38,901,444$
 - $\$5,591,953.41 / \$38,901,444 = \$0.144$
- 2024 Average Assessment: \$2,994,381.18
- 2024 Average Municipal Tax Bill: \$4,311.91

Proposed Municipal Tax Rate Decrease of \$0.004

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



Sea Girt Library Tax Levy Overview

The Library Tax is Statutorily Set

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. Now that the Borough has a municipally controlled library, the Library tax is statutorily set by the State of New Jersey.

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.

NJ State determines Sea Girt's Library Tax to be raised:
\$1,190,446.65

Increase of \$155,275.65 from 2023

What Does this Mean?

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 2% multiplier)

\$6,042,535.79

(Less construction costs of Library renovations and expansion project)

Fund Balance Overview (Surplus)

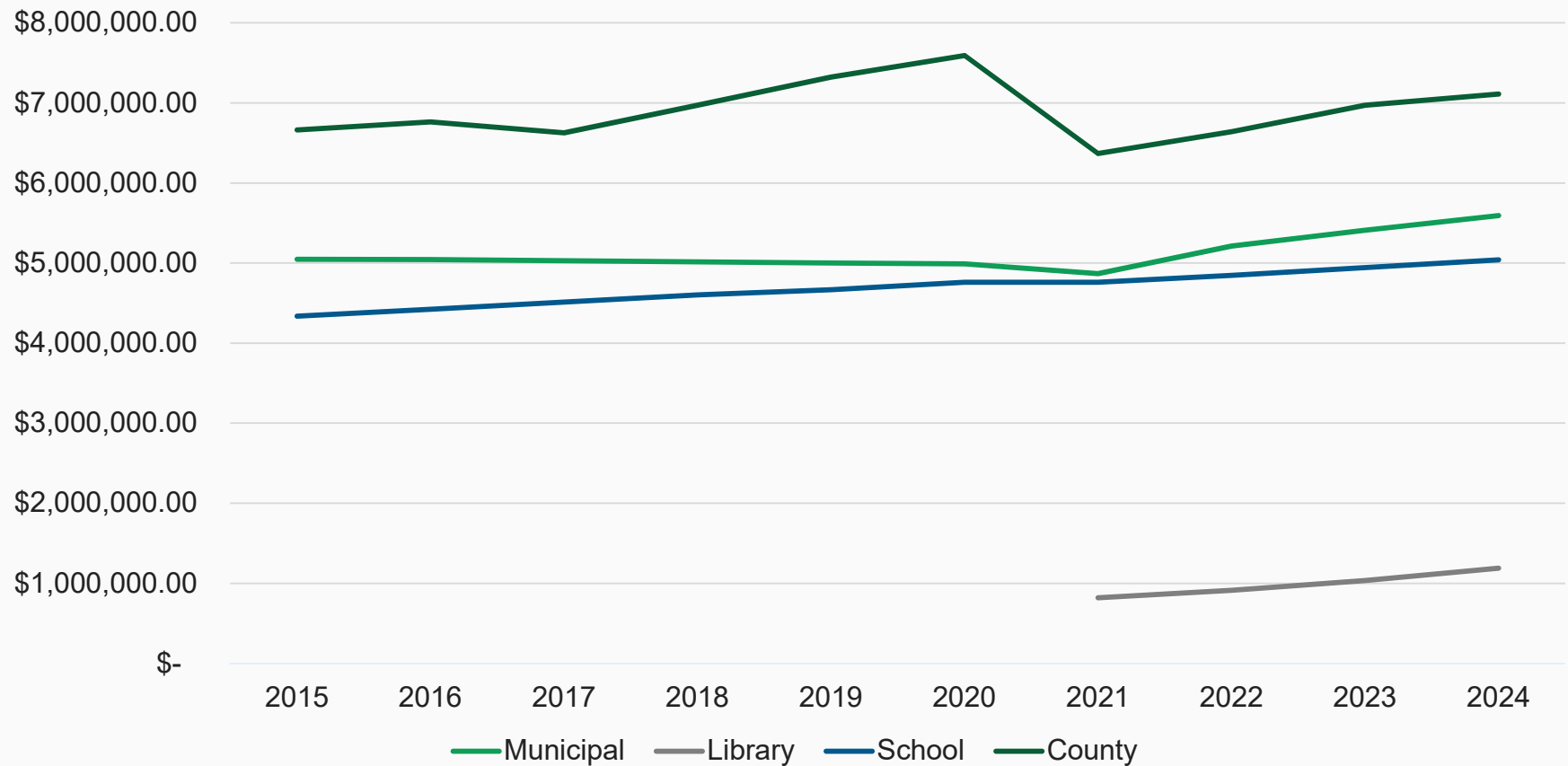
NJ municipal accounting principles require revenues to be recognized only when received, whereas expenditures to be recorded when they are encumbered (goods/services are ordered).

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, if not the number one, criteria the rating agencies look for. High credit rating keeps the Borough's borrowing costs low. Budgeting is a balancing act.

GFOA recommendation is to have a minimum of 2 months (17%) of budget appropriations in fund balance reserve. (\$1.529 mil)

Balance 01/01/2023	\$2,784,973
Utilized in 2023 Budget	(\$1,100,000)
Results of Budget Execution/Operations 2023	\$1,964,054
Ending Balance 12/31/2023	\$3,649,027
Fund Balance Less Deferred School Tax	\$2,765,826
Utilized in 2024 Budget	(\$1,200,000)
Surplus Balance	\$1,565,826

Amounts to be Raised by Taxation by Taxing District



Tax Bill by Taxing District

Year	Avg Assessment	Municipal Tax	Municipal Library Tax	County Tax	School Tax	Total
2015	\$ 1,719,004.00	\$ 3,919.33	\$ -	\$ 5,174.20	\$ 3,352.06	\$ 12,445.59
2016	\$ 1,777,545.00	\$ 3,910.60	\$ -	\$ 5,261.53	\$ 3,430.66	\$ 12,602.79
2017	\$ 1,846,548.00	\$ 3,914.68	\$ -	\$ 5,151.87	\$ 3,508.44	\$ 12,574.99
2018	\$ 1,907,807.00	\$ 3,891.93	\$ -	\$ 5,437.25	\$ 3,586.68	\$ 12,915.85
2019	\$ 1,924,884.00	\$ 3,888.27	\$ -	\$ 5,716.91	\$ 3,638.03	\$ 13,243.20
2020	\$ 2,028,641.00	\$ 3,874.70	\$ -	\$ 5,903.35	\$ 3,692.13	\$ 13,470.18
2021	\$ 2,057,294.00	\$ 3,785.42	\$ 637.76	\$ 4,958.08	\$ 3,703.13	\$ 13,084.39
2022	\$ 2,186,177.00	\$ 4,044.43	\$ 699.58	\$ 5,159.38	\$ 3,760.22	\$ 13,663.61
2023	\$ 2,846,868.89	\$ 4,213.37	\$ 797.12	\$ 5,409.05	\$ 3,843.27	\$ 14,262.81
2024	\$ 2,994,381.18	\$ 4,311.91	\$ 928.26	\$ 5,479.72	\$ 3,892.70	\$ 14,612.58

Where Does Your Dollar Go?

County Tax
37.56%

Municipal Tax
29.53%

School Tax
26.62%

Library Tax
6.29%



Thank you!

