

BOROUGH OF LAVALLETTE
2020 Introduced Budget Overview

The 2020 Borough of Lavallette budget will be introduced for governing body consideration on April 6, 2020. Total 2020 budget appropriations are \$9,216,883 and are under the allowable expenditure appropriation CAP by \$399,881.

Current Fund Budget Appropriations

2020 budget appropriations have decreased by \$30,729 or 0.33% from 2019 budget appropriations as amended. The largest 2020 appropriation increases/(decreases) from 2020 are as follows:

<u>Budget Appropriation</u>	<u>2020 (introduced)</u>	<u>2019 (as amended)</u>	<u>Increase/ (Decrease)</u>	<u>% Change</u>
Revaluation	\$0	\$220,000	(\$220,000)	-100.00%
Reimbursement of FEMA overpayment	0	82,914	(82,914)	-100.00%
Code enforcement - salaries and wages	20,000	40,000	(20,000)	-50.00%
Reserve for uncollected taxes	430,000	450,000	(20,000)	-4.44%
Beach and boardwalks - salaries and wages	507,000	375,000	132,000	35.20%
Police & firemen's retirement system of N.J.	360,000	320,000	40,000	12.50%
Public works - salaries and wages	974,100	934,100	40,000	4.28%
Capital improvement fund	65,000	25,000	40,000	160.00%
Police - salaries and wages	1,848,000	1,810,050	37,950	2.10%
Employee group health	1,223,500	1,199,500	24,000	2.00%
	<u>\$5,427,600</u>	<u>\$5,456,564</u>	<u>(\$28,964)</u>	
Total Budget	<u>\$9,216,883</u>	<u>\$9,247,612</u>	<u>(\$30,729)</u>	-0.33%

Current Fund Budget Summary

As detailed in the following table, decreases in 2020 miscellaneous revenues of \$141,367, are offset by a decrease in 2020 current fund budget appropriations of \$33,729, increases in anticipated delinquent taxes of \$14,867 and the amount to be raised by local taxes of \$95,771.

	<u>2020 (introduced)</u>	<u>2019 (as amended)</u>	<u>Increase/ (Decrease)</u>
Surplus anticipated	\$1,600,000	\$1,600,000	\$0
Miscellaneous revenues	1,438,434	1,579,801	(141,367)
Delinquent taxes	126,705	111,838	14,867
Amount to be raised by local taxes	6,051,744	5,955,973	95,771
Total General Revenues	<u>\$9,216,883</u>	<u>\$9,247,612</u>	<u>(\$30,729)</u>
Total General Appropriations	<u>\$9,216,883</u>	<u>\$9,247,612</u>	<u>(\$30,729)</u>

Analysis of the 2020 Local Municipal Tax Rate

Due to the effect of the revaluation of real property that increased the Borough's 2020 net valuation taxable by \$460,074,716 over the 2019 level to \$2,375,500,100, the 2020 local municipal tax rate is estimated to be 25.5 cents, a decrease of 5.6 cents from the 2019 level. (For comparative purposes only, if the 2019 net valuation taxable of \$1,915,425,384 was utilized to calculate the 2020 local municipal tax rate, the 2020 local municipal tax rate would be 31.6 cents, an increase of .5 cents (one half of one cent) over the 2019 local municipal tax rate of 31.1 cents.)

The amount to be raised by local taxes to support the 2020 introduced budget will be \$6,051,744, an increase of \$95,771 or 1.61% over the 2019 level. In 2019 the amount to be raised by local taxes increased by \$146,369 or 2.52% over the 2018 level. The average residential assessment in 2020 will be \$876,244, an increase \$168,458 over the 2019 average residential assessment of \$707,786.

	<i>Estimated 2020</i>	<i>Actual 2019</i>	<i>Increase</i>
Local amount of taxes to be raised	\$6,051,744	\$5,955,973	\$95,771
Net valuation taxable	2,375,500,100	1,915,425,384	460,074,716
Local tax rate	0.255	0.311	-
Change in cents from prior year	(0.056)	0.005	-
% change from prior year	-18.01%	1.63%	-

If local taxes were assessed at

average residential assessment -

\$876,244 in '20 and \$707,786 in '19	2,234.42	2,201.21
\$ change over prior year	33.21	53.01
% change from prior year	1.51%	2.47%

Utility Budgets

The Borough's introduced 2020 and amended 2019 utility budgets are summarized as follows:

	<u>WATER</u>		<u>SEWER</u>		<u>ELECTRIC</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>REVENUES</u>						
Surplus	\$188,400	\$137,054	\$314,100	\$301,381	\$132,200	\$175,400
Rents and other	802,050	802,050	1,370,000	1,370,000	2,983,000	2,969,300
Reserve for pay debt service	-	1,296	-	21,919	-	-
Reserve for FEMA and insurance claims	20,000	167,350	-	-	-	1,211,562
	<u>\$1,010,450</u>	<u>\$1,107,750</u>	<u>\$1,684,100</u>	<u>\$1,693,300</u>	<u>\$3,115,200</u>	<u>\$4,356,262</u>
<u>APPROPRIATIONS</u>						
Operating	\$723,950	\$753,150	\$1,275,100	\$1,274,700	\$2,853,000	\$2,972,000
Capital improvements	5,000	5,000	5,000	5,000	30,000	45,000
Debt Service -						
Bond principal	125,000	125,000	200,000	205,000	-	-
Bond anticipation note principal	-	64,000	29,000	26,000	130,000	314,000
Interest on bonds and notes	52,000	57,000	116,500	125,000	6,700	20,000
Loan principal and interest	41,000	41,000	-	-	-	-
Deferred Charges and statutory expenses	63,500	62,600	58,500	57,600	95,500	93,700
Reimbursement of FEMA overpayment	-	-	-	-	-	911,562
	<u>\$1,010,450</u>	<u>\$1,107,750</u>	<u>\$1,684,100</u>	<u>\$1,693,300</u>	<u>\$3,115,200</u>	<u>\$4,356,262</u>

Capital Budget

The introduced capital budget of \$3,585,000 includes planned 2020 capital projects for road improvements, the purchase of equipment and/or vehicles for various Borough departments and the electric utility, public works building renovation and repairs, improvements to tennis courts, West Point Island Bridge dredging, living shoreline, and water system and well upgrades. The planned 2020 capital projects will be funded by the issuance of bonds and/or notes and the Borough's capital improvement fund. In addition, the Borough's capital program includes planned projects to be undertaken in 2021 and/or 2022 for road improvements, garbage cans and handling equipment, public works building renovation and repairs, purchase of a fire truck, the installation of a new water well, and improvements to the sewer system.

Public Hearing

The Borough will be hosting a meeting to conduct a public hearing and further discussion of the introduced 2020 operating, utility and capital budgets on May 4, 2020 at 7:00 PM. Due to the health emergency from the COVID-19 virus, the meeting will be conducted electronically and/or by telephonic means. The link to access and participate in the meeting will be posted on the Borough's website at www.lavallette.org.