

JACKSON TOWNSHIP 2018 BUDGET PRESENTATION



PREPARED BY:

MAYOR MICHAEL REINA

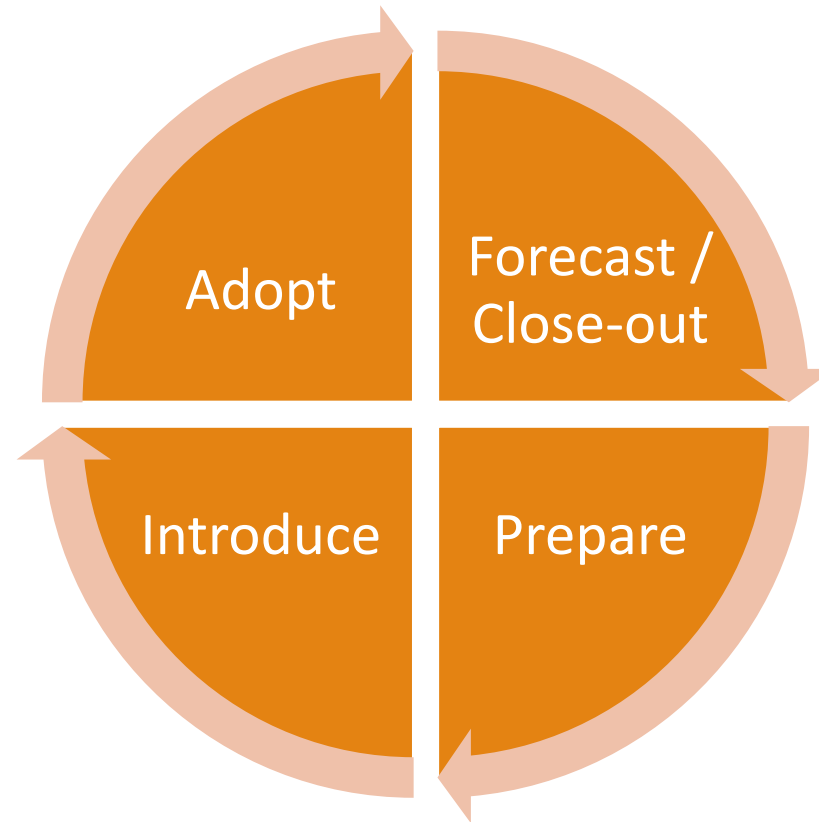
BUSINESS ADMINISTRATOR HELENE SCHLEGEL

ASSISTANT BUSINESS ADMINISTRATOR SAMANTHA NOVAK

CHIEF FINANCE OFFICER SHARON PINKAVA

ASSISTANT MUNICIPAL TREASURER PATRICIA SCHWARK

A Year-Round Process



BACKGROUND

The State of New Jersey dictates

- The budget process
- Financial management and accounting practices used by municipalities

The Department of Community Affairs approves

- All budgets
- Financial statements
- Audits

BACKGROUND

The municipal budget has two principal components:

- Operating budget
- Capital budget

The budget is organized into two expense categories:

- Salary and Wages (S&W)
- Other Expenses (OE)

The budget must always balance revenues and expenses

BACKGROUND

The municipality collects property taxes for the

- County
- Board of Education
- Township

Counties and Boards of Education receive 100 percent of what is anticipated, whether collected or not

Municipalities cover any gap with dollars from “Reserve for Uncollected Taxes”

BACKGROUND

The budget process is affected by different fiscal years:

- State of New Jersey – 7/1 through 6/30
- Board of Education – 7/1 through 6/30
- Township of Jackson – 1/1 through 12/31

Tax Process and Limitations

Municipal Tax

- **Process:** Submitted to the Township Council by Mayor and Township Administrator and approved by majority of Council. Submitted to the State of NJ for examination and final approval.
- **2 percent Levy CAP:** The municipal portion of the total tax levy cannot increase more than 2 percent from the prior year, (certain appropriations excluded from calculation, such as debt service, etc.).
- **2.5 percent Appropriations CAP:** The allowable operating appropriations (expenses) of the current fund portion of the Municipal Budget cannot increase greater than 2.5% from the previous year (year to year budget appropriation increases that are under the CAP can be “banked” and saved for use in the subsequent 2 years).

Tax Process and Limitations

Ocean County Tax

- **Process:** The County Administrator presents budget to the County Freeholders. Voted on and approved by County Freeholders. County budgets are later examined and approved by the State. County governments are subject to the same CAP limits as municipalities.

Open Space Tax

- **Process:** The Open Space Plan delineates areas set aside or to be set aside for public use and/or protection of natural resources.

Tax Process and Limitations

Jackson Board of Education Tax

- **Process:** The school budget in Jackson is presented and submitted by the Board of Education to the County Executive Superintendent. The County Superintendent reviews and approves school budgets.
- **Two Percent CAP:** If a greater than two percent increase is requested by the Board of Education, the budget must be voted on by the public.

First, let's look back at 2017...



2017 Revenue

~ Township miscellaneous revenue exceeded the budget totals by \$266,726.91

- Increase in fees & permits
- Municipal court fines
- Interest on investments & deposits

~ Unanticipated Revenue was \$1,679,640.77

- FEMA reimbursement
- ABC License
- Tower rental

Try to use words that will help direct the growth of your company, but be as concise as possible.

2017 Expenses

- Total Municipal Expenses

- Budgeted

2016 Budgeted	2017 Budgeted	Increase
\$41,792,708.61	\$42,398,789.27	\$606,080.66

- Expended

2016 Expended	2017 Expended	Increase
\$39,749,685.56	\$40,609,196.22	\$859,510.66

Moving on to 2018 ...



“Gimmicks” Avoided

- One Time Revenues
- Pension Deferral
- School Tax Deferral
- CAP Waivers
- Fiscal Year Debt
- Extraordinary Aid

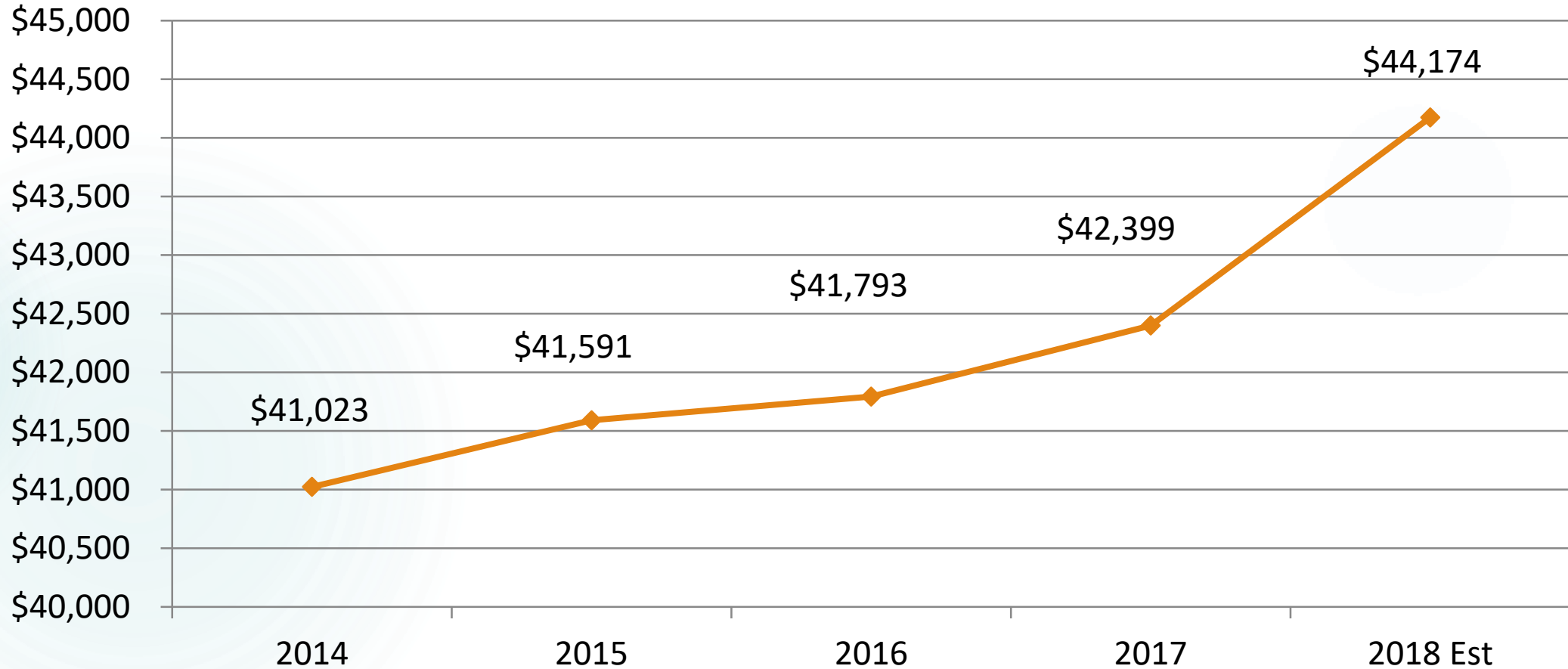
2018 Proposed Municipal Budget Summary

Revenue Source	2018 Budget
Miscellaneous Anticipated Revenue	\$7,016,107.21
Delinquent Taxes	\$1,100,000.00
Fund Balance	\$3,703,000.00
Amount to be Raised by Taxation	<u>\$32,354,549.88</u>
TOTAL	\$44,173,657.09
Expense Appropriation	2018 Budget
Salary and Wages	\$20,166,368.04
Statutory Expenses	\$4,988,203.08
Debt Service	\$3,685,212.83
Reserve for Uncollected Taxes	\$2,711,797.58
Other Expenses	<u>\$12,622,075.56</u>
TOTAL	\$44,173,657.09

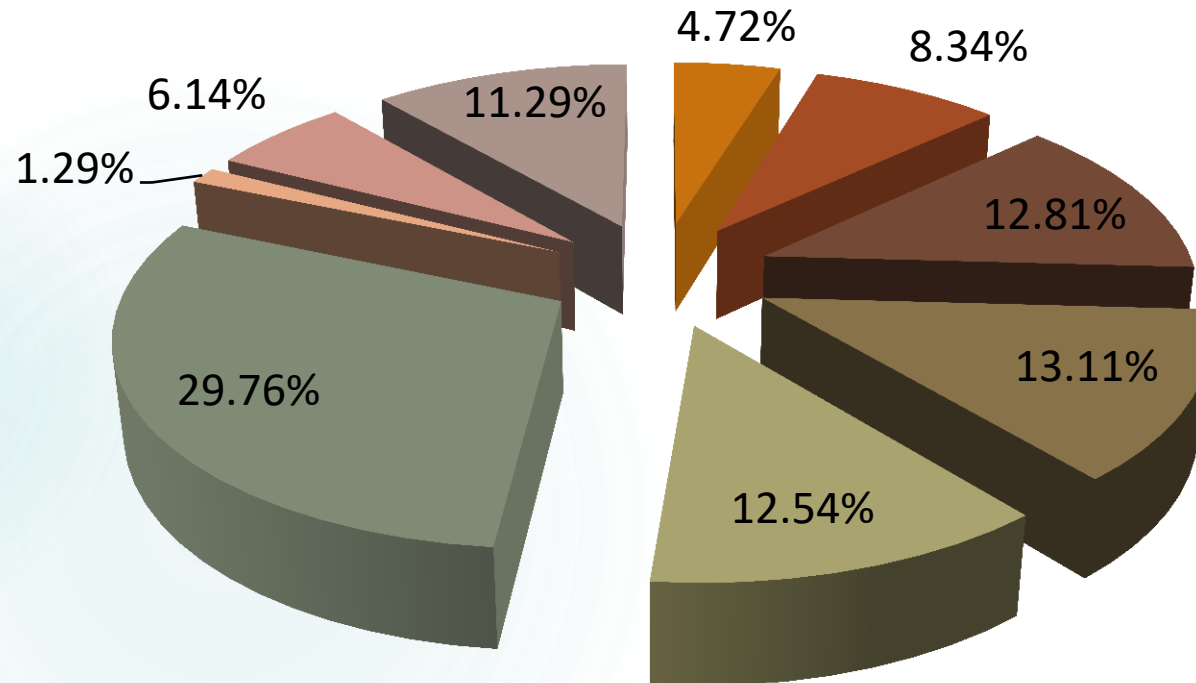
2017 & 2018 Municipal Budget Comparison

	2017 Budget	2018 Budget (Proposed)	Change
Municipal Tax Levy	\$31,800,458.30	\$32,354,549.88	1.74%
Municipal Tax Rate	.473/\$100	.479/\$100	1.3%
Avg. Property Valuation	\$326,489.00	\$326,823.00	\$334.00
Municipal Tax on Avg. Property	\$1,542.99	\$1,563.85	\$20.86
Assessed Valuation	\$6,729,166,858	\$6,761,719,027	.48%

Total Municipal Budget Expenses (in 1,000s)

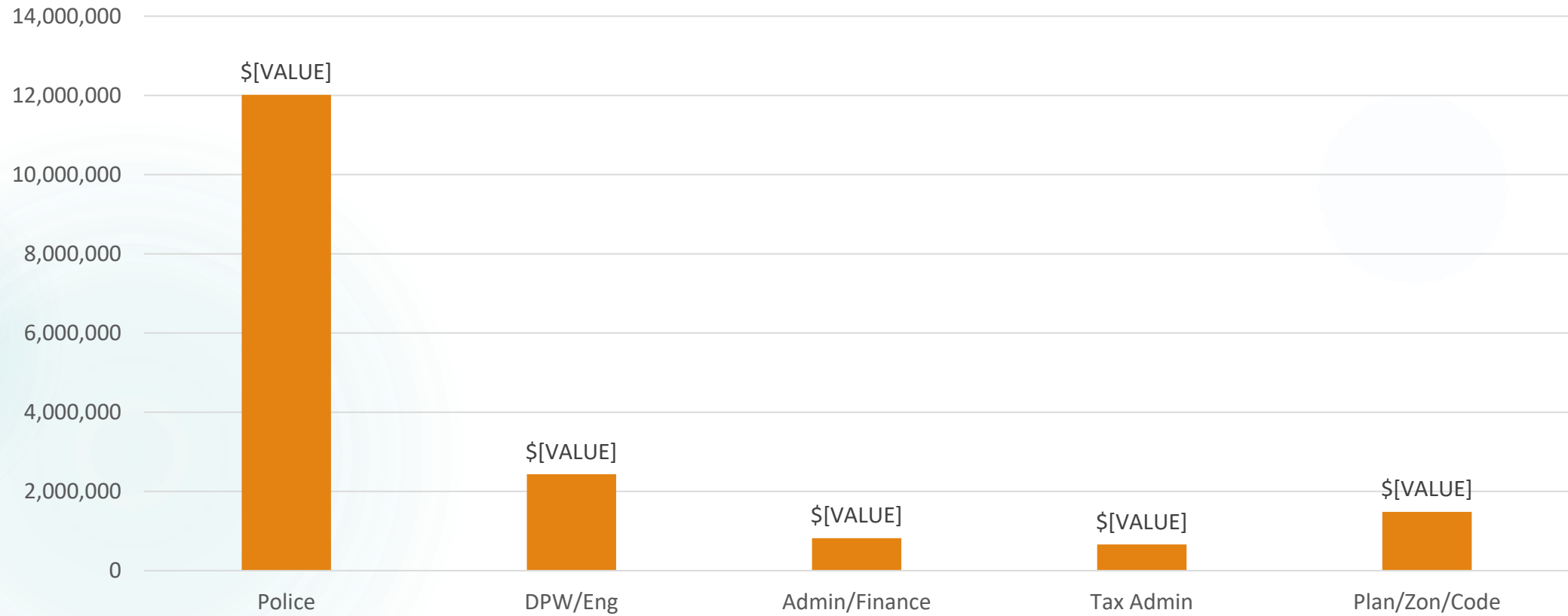


Total Expense by Category

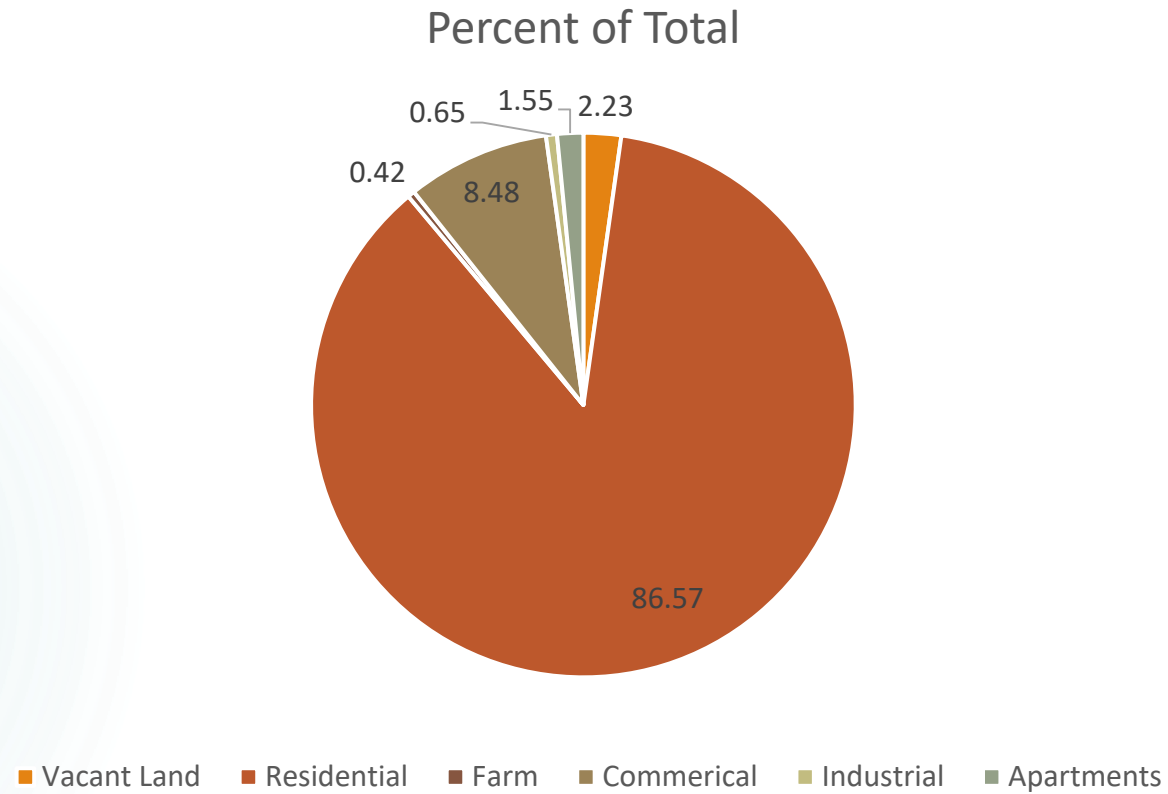


■ Blding & Plning	\$2,087,197.90
■ Debt Svc	\$3,685,212.83
■ Gen'l Govt	\$5,659,231.44
■ Insurance	\$5,790,340.00
■ Pub Works	\$5,537,303.09
■ Public Safety	\$13,145,230.17
■ Rec	\$569,141.00
■ RUT	\$2,711,797.58
■ Statutory	<u>\$4,988,203.08</u>
	\$44,173,657.09

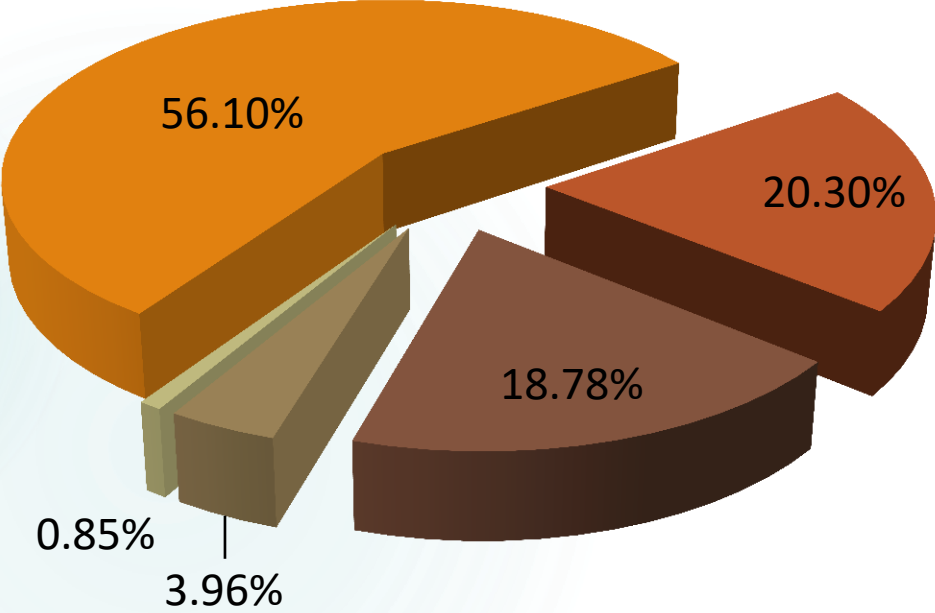
Personnel Costs Breakdown



Property Class Breakdown

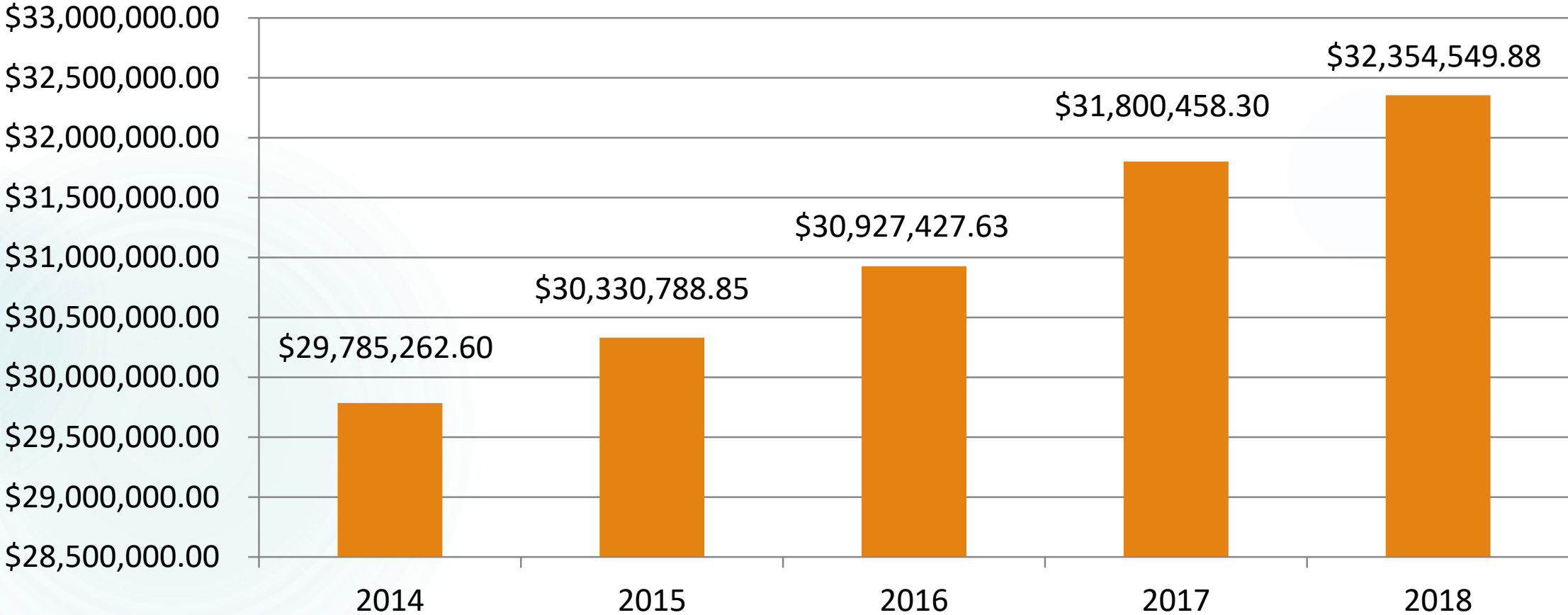


A look at the entire Estimated Property Tax Bill of a Jackson Township resident



Local School District	\$89,393,163.12
Municipal Purpose Tax	\$32,354,549.88
County Purposes	\$29,931,589.50
Fire Districts (total levies)	\$6,314,155.80
Municipal Open Space	\$1,352,343.81

Jackson Tax Levy Five Year Analysis



Capital Projects and Debt

Major Project Ahead

- * Police radio system upgrades

- Mandated by the FCC to move Township's frequency of operation
- System used by many township departments, EMS, and Fire service not just police
- Radio tower and shelter construction, equipment relocation

As the township currently spends approximately \$65,000/year for rental space on a tower site, it is time, perhaps as part of this project, to seriously consider building our own tower in the area and becoming a for-profit landlord rather than a perpetual renter.

- Radio room reconfiguration: As the radio system is improved, so should the radio room. There are only four dispatch positions, which in times of maximum staffing, there is insufficient workspace. To maximize efficiency and preparedness of the radio room, two additional dispatch stations should be constructed which will require reconfiguration of the existing workspaces as well.
- Mobile radios
- Portable radios

2018 PROPOSED MUNICIPAL BUDGET

Proposed levy increase 1.74%

Estimated annual tax increase

Average home assessed at \$326,823

Increase in taxes

\$20.86 per year

A photograph of a piece of white lined paper with the word "Questions?" written in a cursive, handwritten style using a black marker. The paper is oriented vertically. Below the word, a thick, curved black line is drawn, and the tip of the black marker is visible in the bottom right corner. The background of the entire image is white with decorative elements: a light blue circular pattern on the left, a solid orange rectangle in the top right, and a solid orange bar at the bottom.

Questions?