

SPECIAL BUDGET EDITION

APRIL 2001

TOWNSHIP COMMITTEE

Mayor Albert Yodakis
 Deputy Mayor James Stuart
 Committeewoman Lillian G. Burry
 Committeeman Thomas E. Hennessy Jr.
 Committeeman Benjamin Forester

COLTS NECK TOWNSHIP BUDGET NEWSLETTER

This Newsletter is intended to give Township residents a general overview of the 2001 Municipal Budget. A full public hearing relative to the 2001 Budget is scheduled for WEDNESDAY, APRIL 25, 2001, 7:30 P.M. at Town Hall, Cedar Drive. Residents are encouraged to attend and participate at this meeting. The total 2001 Budget is \$8,665,906., inclusive of the \$308,213. dedicated tax for farmland, open space and historic preservation overwhelmingly approved by voter referendums.

PROPERTY TAXES

For the third consecutive year, the 2001 Municipal Budget will NOT INCREASE property taxes for municipal purposes. In fact, the municipal purpose tax is less this year than it was in 1995. The following chart is intended to provide an ESTIMATE of all taxes to be paid by an average Colts Neck homeowner in 2001. It must be emphasized that all figures are estimates based on current information, and are subject to modification.

HOME ASSESSED AT \$400,000.

TAX ESTIMATES	2000 RATE PER \$100. VALUATION	2001 ESTIMATED RATE PER \$100. VALUATION	CHANGE INCREASE (DECREASE)	2000 AMOUNT OF TAX	ESTIMATED 2001 AMOUNT OF TAX
County of Monmouth	.567	.598	+.031	\$2,268.	\$2,392.
Regional Schools	.357	.464	+.107	\$1,428.	\$1,856.
Local Schools	.977	1.063	+.086	\$3,908.	\$4,252.
Municipal Purposes	.230	.230	.000	\$ 920.	\$ 920.
Municipal Open Space	.025	.025	.000	\$ 100.	\$ 100.
TOTALS:	2.156	2.380	+.224	\$8,624.	\$9,520.

BUDGET PROCESS

Preparation of the Municipal Budget is a time consuming process that begins in September and ends in the following Spring of any given year. Upon submission of a recommended Budget by the Township Administrator, the Township Committee met on several occasions to review every line item of each Departmental Budget. These reviews are intended to ensure that appropriation requests are justified, and to make any modifications to such requests as may be deemed necessary. All meetings are held at Town Hall and open to the public. Once these sessions are completed, the Budget is finalized by the Township Auditor, formally introduced and forwarded to the State for review if required. A date is also set for a public hearing and summary of the Budget must be published in the Asbury Park Press.

BUDGET FORMAT

The Township utilized a zero-based budgeting format for preparation of the 2001 Budget. In general, this format requires Department Heads to justify and itemize in detail all funding requests from zero dollars to the amount requested. Simply expecting automatic increases from prior years funding is not permitted. A zero-based budget should ensure more accurate budgeting and eliminate increased spending without detailed justification.

THE CAP LAW

State Law mandates that local governments cannot increase their total appropriations by more than 5 percent each year, with certain exceptions. Such exceptions include Capital Improvements, Debt Service, and the cost for operating the Municipal Court. In fact, the actual CAP can be less than 5 percent based on the cost of living index for the prior year. Thus, the actual 2001 CAP was 4.0 percent, based on the "Implicit Price Deflator" determined by the United States Department of Commerce. The 2001 Municipal Budget is under the CAP limitations.

REVENUES AND EXPENDITURES

The total 2001 Budget is \$8,665,906., compared with a 2000 Budget of \$8,142,848. This represents an increase of \$523,058. All figures are inclusive of the .025 dedicated tax for farmland, open space, and historic preservation. The dedicated tax in 2001 will be \$308,213. State Law mandates that municipal budgets must be balanced, with revenues equaling appropriations. The following charts illustrate the main sources of revenue for the Township and, conversely, how the money is appropriated to operate the Municipality. Each chart also compares 2000 amounts to 2001.

REVENUES

<u>REVENUE SOURCE</u>	<u>2000 AMOUNT</u>	<u>2001 ANTICIPATED</u>
Property Tax	\$ 2,722,407.00	\$ 2,833,305.00
Dedicated Farmland, Open Space, Historic Preservation Tax	\$ 295,722.00	\$ 308,213.00
Energy Receipts Tax	\$ 1,841,897.00	\$ 1,854,828.00
Surplus	\$ 1,764,000.00	\$ 2,224,000.00
Interest on Taxes/Investments	\$ 415,000.00	\$ 415,000.00
Delinquent Taxes	\$ 340,000.00	\$ 275,000.00
Municipal Court	\$ 160,000.00	\$ 115,000.00
Fees, Permits, Recreation,	\$ 162,750.00	\$ 182,750.00

etc.

State Revenues, Grants, Misc.	\$ 441,022.00	\$ 457,810.00
TOTALS:	\$ 8,142,848.00	\$ 8,665,906.00

EXPENDITURES

2000 AMOUNT

2001 AMOUNT

General Government (This function includes such departments as Administration, Elections, Finance, Tax Assessing, Tax Collection, Legal Services, Engineering, Planning, Zoning, Insurance, and Buildings and Grounds.)

Salary and Wages	\$ 436,639.00	\$ 462,743.00
Other Expenses	\$ 1,170,744.00	\$ 1,217,724.00

Public Safety (This function includes such departments as Police, Fire, First Aid, Construction, Emergency Management, Code Enforcement, Court, and Fire Prevention)

Salary and Wages	\$ 1,255,689.00	\$ 1,361,163.00
Other Expenses	\$ 378,514.00	\$ 414,088.00

Recreation and Education (This function includes such departments as Recreation, Library, Parks, and Public Events such as the July 4th fireworks, Memorial Day Parade, etc.)

Salary and Wages	\$ 110,080.00	\$ 133,530.00
Other Expenses	\$ 185,400.00	\$ 210,150.00

Streets and Roads (This function includes such departments as Streets and Roads, Snow Removal, Street Lighting and Recycling.)

Salary and Wages	\$ 706,688.00	\$ 749,458.00
Other Expenses	\$ 493,000.00	\$ 592,125.00

Health and Welfare (This function includes costs for the Health Department, Environmental Commission, Animal Control and Welfare.)

Salary and Wages	\$ 67,680.00	\$ 71,637.00
Other Expenses	\$ 29,542.00	\$ 28,024.00

Unclassified (This function includes costs for such areas as Contingencies, Farmland/Open Space Committee, Historic Preservation, Drug/Alcohol Alliance, Shade Tree Commission, Business Preservation, Matching Grants and Affordable Housing.)

Salary and Wages	\$ 3,000.00	\$ 4,500.00
Other Expenses	\$ 116,622.00	\$ 96,222.00

Statutory Expenditures (This function includes the costs for Employee Pensions and Social Security.)

Other Expenses	\$ 247,000.00	\$ 213,884.00
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Capital Expenses (This function includes the costs for the purchase of equipment, vehicles, property, road improvements, etc., with a minimum life span of five years and down-payments for future bonds.)

Other Expenses	\$ 912,523.00	\$1,038,591.00
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Debt Service (This function includes the cost for payment of principal and interest on Township Bonds and Notes.)

Other Expenses	\$ 698,560.00	\$ 717,067.00
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Deferred Charges (This function includes cost for payment of special projects, such as property revaluation over a five year period, and emergencies.)

Other Expenses	\$ 10,000.00	\$ 6,000.00
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Reserve for Uncollected Taxes (This function includes a mandatory appropriation to reserve funds caused by any failure to collect property taxes.)

Other Expenses	\$1,037,855.00	\$1,040,787.00
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Dedicated Farmland, Open Space, and Historic Preservation Tax (This function includes dedicated taxes approved by voter referendum for the exclusive use of farmland, open space, and historic preservation.)

Other Expenses	\$ 295,772.00	\$ 308,213.00
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TOTAL ALL FUNCTIONS:	\$ 8,142,848.00	\$8,665,906.00
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WHERE THE MONEY COMES FROM

2001 REVENUE AMOUNTS

1. Dedicated Open Space Tax	\$ 308,213.00
2. Property Taxes	\$ 2,833,305.00
3. Energy Receipts Tax (State)	\$ 1,854,828.00
4. Surplus	\$ 2,224,000.00
5. Interest on Taxes and Investments	\$ 415,000.00
6. Delinquent Taxes	\$ 275,000.00
7. Municipal Court	\$ 115,000.00
8. Fees, Permits, Recreation, etc.	\$ 182,750.00
9. State Revenues/Grants/Misc.	\$ 457,810.00
TOTAL:	\$ 8,665,906.00

WHERE THE MONEY GOES

2001 APPROPRIATION AMOUNTS

1. General Government	\$ 1,680,467.00
2. Public Safety/Court	\$ 1,775,251.00
3. Streets and Roads	\$ 1,341,583.00
4. Reserve for Uncollected Taxes	\$ 1,040,787.00
5. Capital Improvements	\$ 1,038,591.00
6. Recreation/Education/Health	\$ 443,341.00
7. Debt Service	\$ 717,067.00
8. Statutory Expenses	\$ 213,884.00
9. Deferred/Unclassified	\$ 106,722.00
10. Dedicated Open Space Tax	\$ 308,213.00
TOTAL:	\$ 8,665,906.00

***Public Hearing: April 25, 2001
7:30 p.m., Town Hall***

BUDGET MESSAGE

For the third consecutive year, the 2001 Municipal Budget does not increase property taxes for municipal purposes. In fact, the tax rate for municipal purposes is less this year than it was in 1995, not including the dedicated open space tax approved by past referendums.

The 2001 Municipal Budget provides for the prudent use of surplus funds, an aggressive pay down of existing municipal debt principal, and an aggressive "pay as you go" Capital Budget to mitigate future debt.

The Capital Budget includes \$215,000. to replace three public works vehicles, \$503,000. for various road improvement projects, \$50,000. to the reserve fund for the purchase of a future fire truck, and \$24,000 to convert the former library to the Recreation Department.

The budget also increases the donation to the First Aid Squad by \$5,000. and the donation to the Senior Citizen Club by \$3,000.

The budget also contains funds to hire one additional Police Officer and one additional Laborer for the Road Department this Summer.