

SPECIAL BUDGET EDITION

APRIL 2002

TOWNSHIP COMMITTEE

Mayor James Stuart
 Deputy Mayor Thomas E. Hennessy Jr.
 Committeewoman Lillian G. Burry
 Committeeman Kenenth F. Florek
 Committeeman Benjamin Forester

COLTS NECK TOWNSHIP BUDGET NEWSLETTER

This Newsletter is intended to give Township residents a general overview of the 2002 Municipal Budget. A full public hearing relative to the 2002 Budget is scheduled for WEDNESDAY, APRIL 10, 2002, 7:30 P.M. at Town Hall, Cedar Drive. Residents are encouraged to attend and participate at this meeting. The total 2002 Budget is \$8,498,105., inclusive of the \$319,255. dedicated tax for farmland, open space and historic preservation overwhelmingly approved by voter referendums.

PROPERTY TAXES

Property taxes for municipal purposes will increase slightly this year by 1.1 cents per \$100.00 of assessed valuation. For the average tax payer, this represents an increase of \$44.00 for the year. The following chart is intended to provide an ESTIMATE of all taxes to be paid by an average Colts Neck homeowner in 2002. It must be emphasized that all figures are estimates based on current information, and are subject to modification.

HOME ASSESSED AT \$400,000.

	2001 RATE PER \$100. VALUATION	2002 ESTIMATED RATE PER \$100. VALUATION	CHANGE INCREASE (DECREASE)	2001 AMOUNT OF TAX	ESTIMATED 2002 AMOUNT OF TAX
County of Monmouth	.598	.638	+.040	\$2,392.	\$2,552.
Regional Schools	.464	.564	+.100	\$1,856.	\$2,256.
Local Schools	1.063	1.203	+.140	\$4,252.	\$4,812.
Municipal Purposes	.230	.241	+.011	\$ 920.	\$ 964.
Municipal Open Space	.025	.025	.000	\$ 100.	\$ 100.
TOTALS:	2.380	2.671	+.291	\$9,520.	\$10,684.

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 2002 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 2002 CAP was 2.5 percent, based on the "Implicit Price Deflator" determined by the United States Department of Commerce. The 2002 Municipal Budget is under the CAP limitations.

REVENUES AND EXPENDITURES

The total 2002 Budget is \$8,498,105., compared with a 2001 Budget of \$8,683,746. This represents a decrease of \$185,641. All figures are inclusive of the .025 dedicated tax for farmland, open space, and historic preservation. The dedicated tax in 2002 will be \$319,255. 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 2001 amounts to 2002.

REVENUES

<u>REVENUE SOURCE</u>	<u>2001 AMOUNT</u>	<u>2002 ANTICIPATED</u>
Property Tax	\$ 2,833,305.00	\$ 3,081,542.00
Dedicated Farmland, Open Space, Historic Preservation Tax	\$ 308,213.00	\$ 319,255.00
Energy Receipts Tax	\$ 1,854,828.00	\$ 1,854,828.00
Surplus	\$ 2,224,000.00	\$ 1,855,000.00
Interest on Taxes/Investments	\$ 415,000.00	\$ 370,000.00
Delinquent Taxes	\$ 275,000.00	\$ 230,000.00
Municipal Court	\$ 115,000.00	\$ 132,500.00
Fees, Permits, Recreation, etc.	\$ 182,750.00	\$ 209,250.00
State Revenues, Grants, Misc.	<u>\$ 475,650.00</u>	<u>\$ 445,730.00</u>
TOTALS:	\$ 8,683,746.00	\$ 8,498,105.00

EXPENDITURES

<u>2001 AMOUNT</u>	<u>2002 AMOUNT</u>
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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	\$ 462,743.00	\$ 460,645.00
Other Expenses	\$ 1,217,724.00	\$ 1,373,419.00

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

Salary and Wages	\$ 1,361,163.00	\$ 1,393,705.00
Other Expenses	\$ 414,088.00	\$ 426,417.00

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	\$ 133,530.00	\$ 143,142.00
Other Expenses	\$ 210,150.00	\$ 214,805.00

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

Salary and Wages	\$ 749,458.00	\$ 817,917.00
Other Expenses	\$ 609,965.00	\$ 561,671.00

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

Salary and Wages	\$ 71,637.00	\$ 74,730.00
Other Expenses	\$ 28,024.00	\$ 33,141.00

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

Salary and Wages	\$ 4,500.00	\$ 4,500.00
Other Expenses	\$ 96,622.00	\$ 54,200.00

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

Other Expenses	\$ 213,884.00	\$ 210,000.00
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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	\$ 1,038,591.00	\$ 832,641.00
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Debt Service (This function includes the cost for payment of principal and interest on Township Bonds and Notes.)

Other Expenses	\$ 717,067.00	\$ 441,980.00
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Deferred Charges (This function includes the cost for payment of special projects, such as property revaluation over a five year period, and emergencies.)

Other Expenses	\$ 6,000.00	\$ 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	\$1,040,787.00	\$1,129,937.00
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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	\$ 308,213.00	\$ 319,255.00
TOTAL ALL FUNCTIONS:	\$ 8,683,746.00	\$8,498,105.00

YOUR TAX DOLLAR
2002 MUNICIPAL BUDGET

WHERE THE MONEY COMES FROM

2002 REVENUE AMOUNTS

1. Dedicated Open Space Tax	\$ 319,255.00
2. Property Taxes	\$ 3,081,542.00
3. Energy Receipts Tax (State)	\$ 1,854,828.00
4. Surplus	\$ 1,855,000.00
5. Interest on Taxes and Investments	\$ 370,000.00
6. Delinquent Taxes	\$ 230,000.00
7. Municipal Court	\$ 132,500.00
8. Fees, Permits, Recreation, etc.	\$ 209,250.00
9. State Revenues/Grants/Misc.	\$ 445,730.00
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TOTAL:	\$ 8,498,105.00

WHERE THE MONEY GOES

2002 APPROPRIATION AMOUNTS

1. General Government	\$ 1,834,064.00
2. Public Safety/Court	\$ 1,820,122.00
3. Streets and Roads	\$ 1,379,588.00
4. Reserve for Uncollected Taxes	\$ 1,129,937.00
5. Capital Improvements	\$ 832,641.00
6. Recreation/Education/Health	\$ 465,818.00
7. Debt Service	\$ 441,980.00
8. Statutory Expenses	\$ 210,000.00
9. Deferred/Unclassified	\$ 64,700.00
10. Dedicated Open Space Tax	\$ 319,255.00
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TOTAL:	\$ 8,498,105.00

Public Hearing: April 10, 2002
7:30 p.m., Town Hall

BUDGET MESSAGE

Despite declining revenues in many areas, the Township Committee is proud to present a Municipal Budget that results in a very minimal tax increase for municipal operations while continuing an aggressive "pay as you go" capital program, maintaining all existing services, and reserving adequate surplus funds to help avoid severe tax increases in future years.

Highlights of the 2002 Municipal Budget include funding of \$390,000. for road paving, curbing, and drainage improvements, \$150,000. for the purchase of a new front end loader, \$42,000. for a new dump truck, \$42,000 for two new mowing units, \$13,000. for new backstops and bleachers, \$6,000. for new police D.W.I. video equipment, and \$54,000. to replace two marked police cars.

Funds have also been included for the planning of Five Points Park. The donation for the Senior Citizen Club has been increased by \$5,000. and funds to increase the hours of the part-time Code Enforcement Officer from seven to nineteen per week are included.

Finally, the Township Committee is also in the process of refinancing all Township debt to take advantage of low interest rates. It is estimated this refinancing will result in a net saving for Colts Neck taxpayers of over \$200,000.