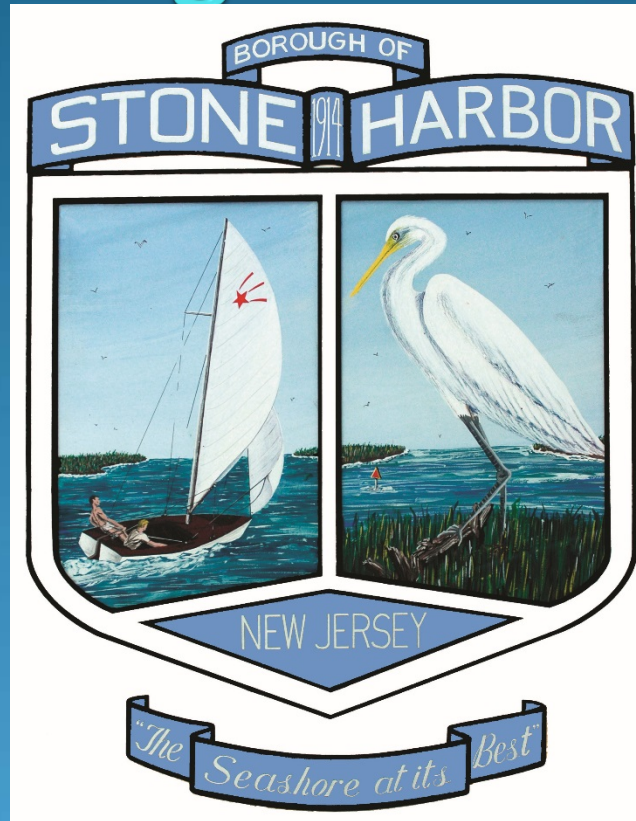


# Borough of Stone Harbor



2017 Municipal Budget Presentation

April 1, 2017

# Borough Leadership

- Mayor Judith M. Davies-Dunhour
- Council Members:
  - Karen M. Lane, Council President
  - Charles C. Krafczek
  - Ray Parzych
  - Joan T. Kramar
  - Joselyn O. Rich
  - Mantura Gallagher
- Jill Gougher, Borough Administrator
- Suzanne Stanford, Borough Clerk
- James Craft, Chief Financial Officer

# Change in Current Fund Expenditures

Change over last year's budget appropriations	<u>\$3,066,714</u>
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Breakdown:

Salary and Wage Increase	133,096
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Other Expense - Change:

Grants	\$2,736,599
--------	-------------

Statutory Expenses - Pension	45,451
------------------------------	--------

Special Emergency (Downpayment on Capital)	59,397
--	--------

Change in Debt Service	250,556
------------------------	---------

Cash for Prior Capital Projects	89,681
---------------------------------	--------

Net change in Insurance (Employee Group/Property/Liab/Etc)	(199,036)
--	-----------

Change in Capital Improvement Fund - Down Payments	(180,000)
--	-----------

General Government	<u>130,970</u>
--------------------	----------------

<u>2,933,618</u>
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<u>\$3,066,714</u>
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# Change in Current Fund Revenues

Change in Revenues	<u>\$3,066,714</u>
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## Breakdown:

Decrease in use of Surplus	(\$16,957)
Increase in Receipts from Delinquent Taxes	10,000
Increase in Local Revenues/Sate Aid/Misc	68,765
Increase in Grants W/Offsetting Appropriations	2,736,599
Other Special Items	<u>807</u>

\$2,799,214

**Change in Local Tax Levy**

\$267,500

Total Change in Revenues

\$3,066,714

## 2% Levy CAP Calculation

<b>Prior Year Amount to be Raised by Taxation</b>	10,615,000
Less: Deferred Charges/Emergencies	(65,603.06)
<b>Net Prior Year Tax Levy for Local Purpose Tax for CAP</b>	<b>10,549,397</b>
Calculation	
Plus 2% CAP Increase	210,988
<b>Adjusted Tax levy Prior to Exclusions</b>	<b>10,760,385</b>
Exclusions:	
Current Year Deferred Charges: Down payment Beach Fill	75,000
Debt Service/Capital	266,197
Pension Obligation Increase	22,083
<b>Total Exclusions</b>	<b>363,280</b>
Less Cancelled or Unexpended Exclusions	15,641
<b>Adjusted Tax Levy</b>	<b>11,108,024</b>
Additions:	
New Ratables - New Construction	26,728,200
Prior Year's Tax Rate (Local)	0.239
	63,880
Prior Year Cap Banks	903,730
<b>Maximum Allowable Amount To Be Raised By Taxation</b>	<b>12,075,634</b>
<b>Amount To Be Raised By Taxation - Budget Sheet 11</b>	<b>10,882,500</b>
<b>Under 2% Levy CAP With Banking</b>	<b>(1,193,134)</b>

## STATUS OF SPENDING “CAPS”

	<b>CAP</b>	<b>CAP</b>
	<b>@ 0.5%</b>	<b>COLA</b>
<b>CAP Base from Prior Year</b>	<b>10,078,590.82</b>	<b>10,078,590.82</b>
<b>Rate Applied</b>	<b>0.50%</b>	<b>3.50%</b>
<b>Allowable CAP</b>	<b>10,128,983.77</b>	<b>10,431,341.50</b>
<b>Additions:</b>	<b>504,810.95</b>	<b>504,810.95</b>
<b>Total CAP Allowable</b>	<b>10,633,794.72</b>	<b>10,936,152.45</b>
<b>Budget Expenditures</b>	<b>10,207,812.00</b>	<b>10,207,812.00</b>
<b>Remaining or (excess)</b>	<b>425,982.72</b>	<b>728,340.45</b>

# Local Tax Levy and Assessed Values

## Local Tax Levy and Assessed Values

	2017	2016	Change	%
Local Purpose Tax Levy	10,882,500.00	10,615,000.00	\$267,500.00	2.52%
Local Tax Rate	0.244	0.239	0.005	2.10%
Assessed Valuation	4,454,899,500	4,436,817,630	18,081,870	0.41%

# CONDITION OF SURPLUS

	BUDGET YEAR	PRIOR YEAR	CHANGE
Available	2,620,986	2,648,159	(27,173)
Used to Fund Budget	1,495,464	1,512,420	(16,956)
Remaining Balance	1,125,522	1,135,739	(10,217)

## Surplus Regeneration 2016 vs 2015

	2016	2015
Balance as 12/31/PR	\$ 2,801,407.63	\$ 2,648,159.35
Excess from Operations	\$ 1,331,998.65	\$ 1,346,881.28
Used in Budget	\$ (1,512,420.47)	\$ (1,193,633.00)
Balance as of 12/31/CR	\$ 2,620,985.81	\$ 2,801,407.63
Percentage used	54%	45%

# Tax Rates in Cape May County

Municipality	Local Tax Rate - 2016
Upper Township	17.1
Dennis Township	21.4
Avalon Borough	22.7
Woodbine	23.5
Stone Harbor	23.9
Cape May Point	29.6
Cape May City	34.0
West Cape May	35.0
Sea Isle City	37.6
Ocean City	42.0
Middle Township	45.2
Lower Township	55.6
Wildwood Crest	65.1
West Wildwood	69.7
North Wildwood	69.8
Wildwood City	\$1.299



# Tax Rates in Cape May County

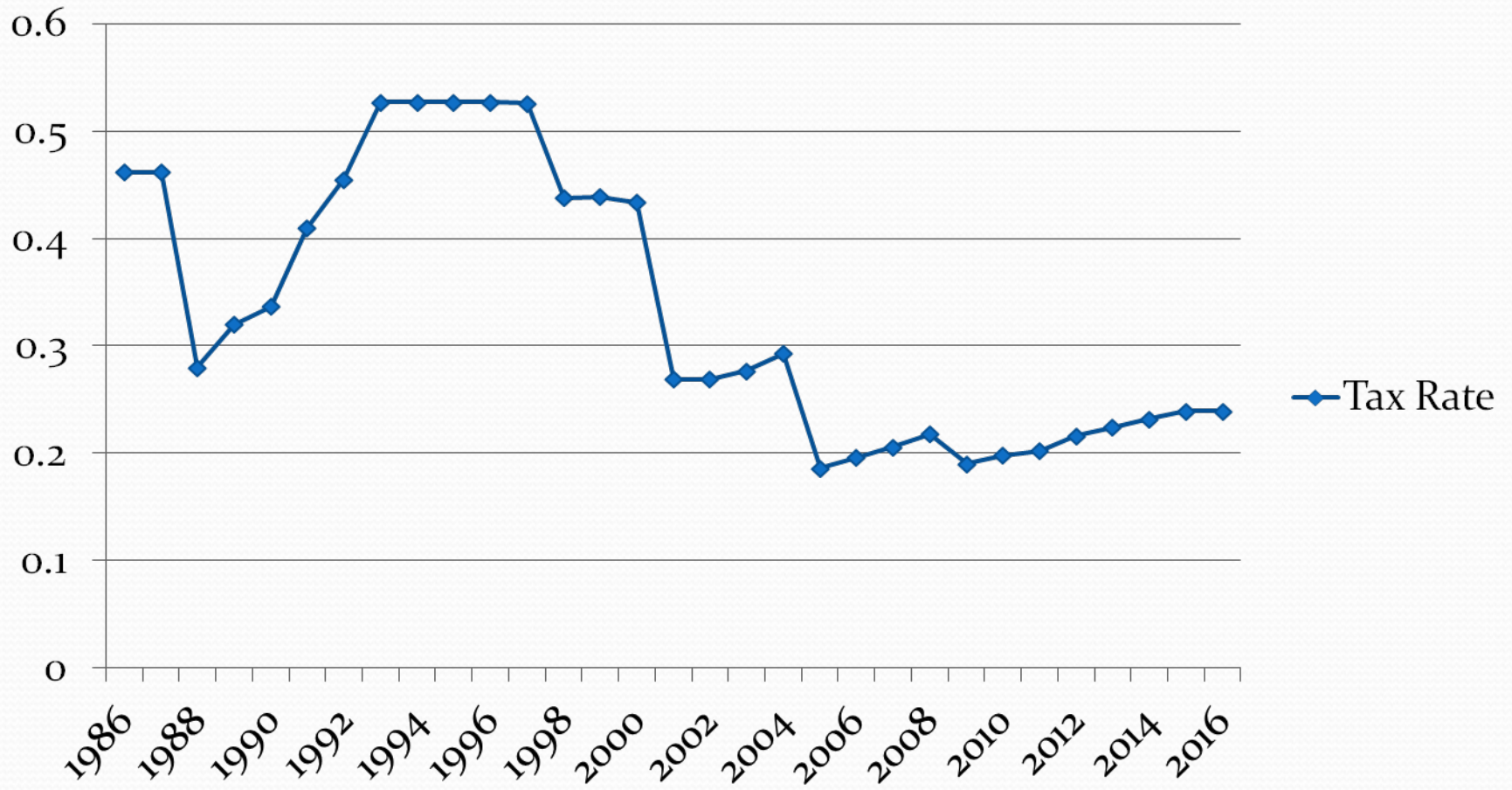


Municipality	General Tax Rate - 2016
Stone Harbor	.535
Avalon Borough	.550
Cape May Point	.574
Sea Isle City	.672
Cape May City	.832
Ocean City	.907
Wildwood Crest	1.194
North Wildwood	1.218
West Cape May	1.222
West Wildwood	1.427
Dennis Township	1.543
Woodbine	1.446
Lower Township	1.673
Middle Township	1.676
Upper Township	1.772
Wildwood City	2.324

# PERCENTAGE OF TAX COLLECTION

	CURRENT	PRIOR
Actual percentage of collection	99.16%	99.07%
Used for Reserve for Taxes	98.10%	98.06%
Remaining	1.06%	1.01%

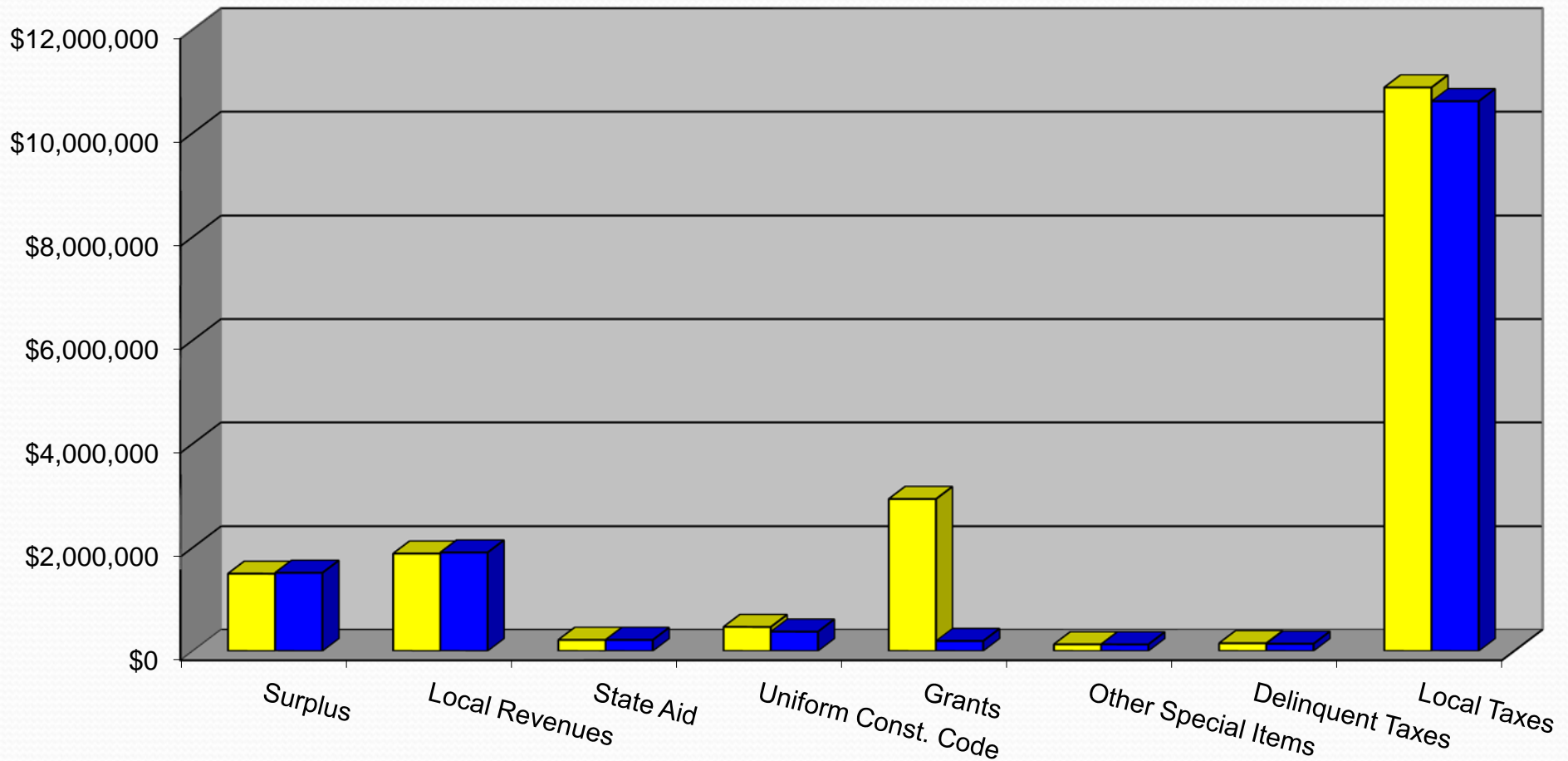
## Borough of Stone Harbor Tax Rate History 1986-2017



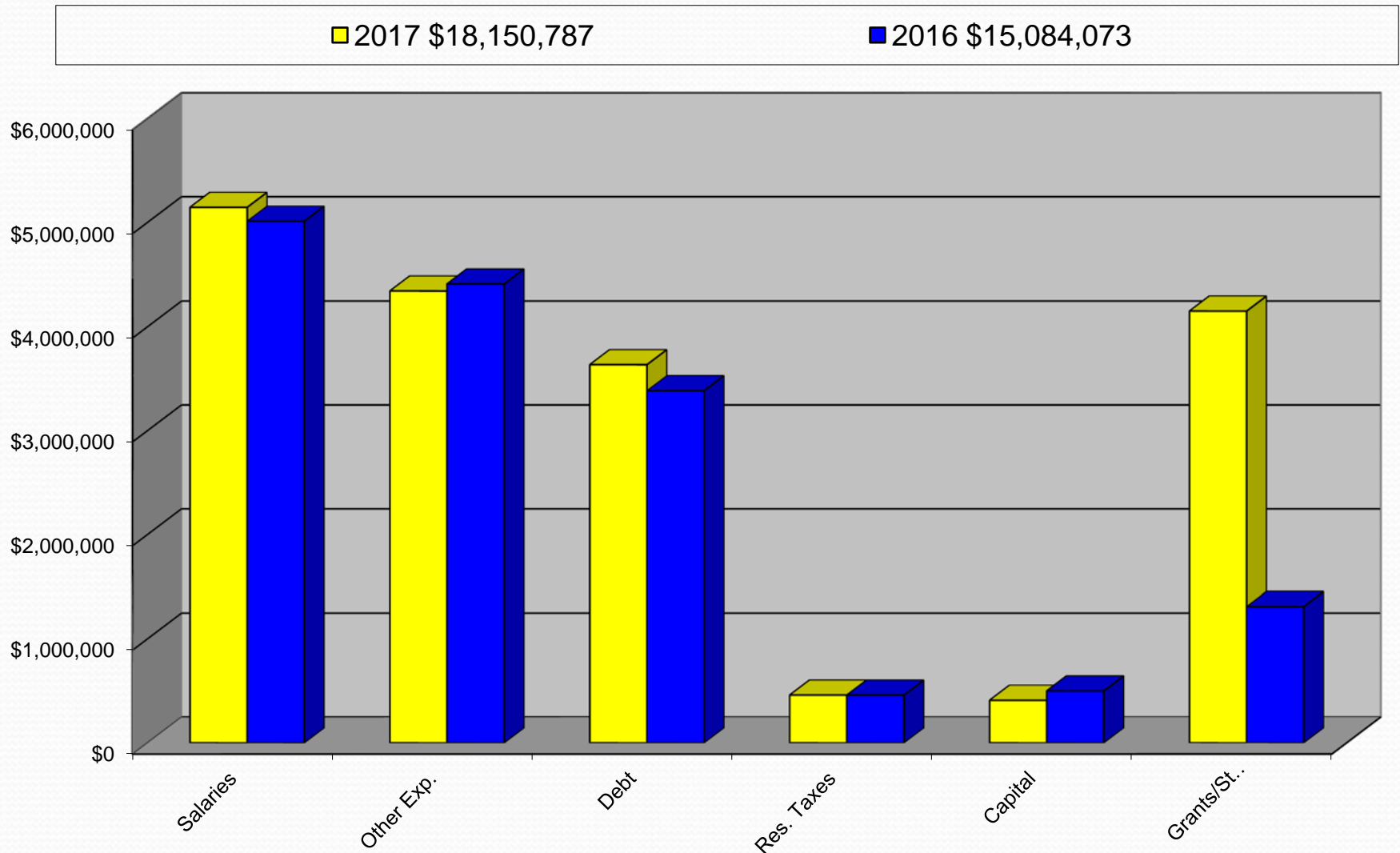
# Current Fund Revenue

2017 \$18,150,787

2016 \$15,084,073



# Current Fund Appropriations



# 2017 Administration & Finance Summary

## **Administration & Finance Committee**

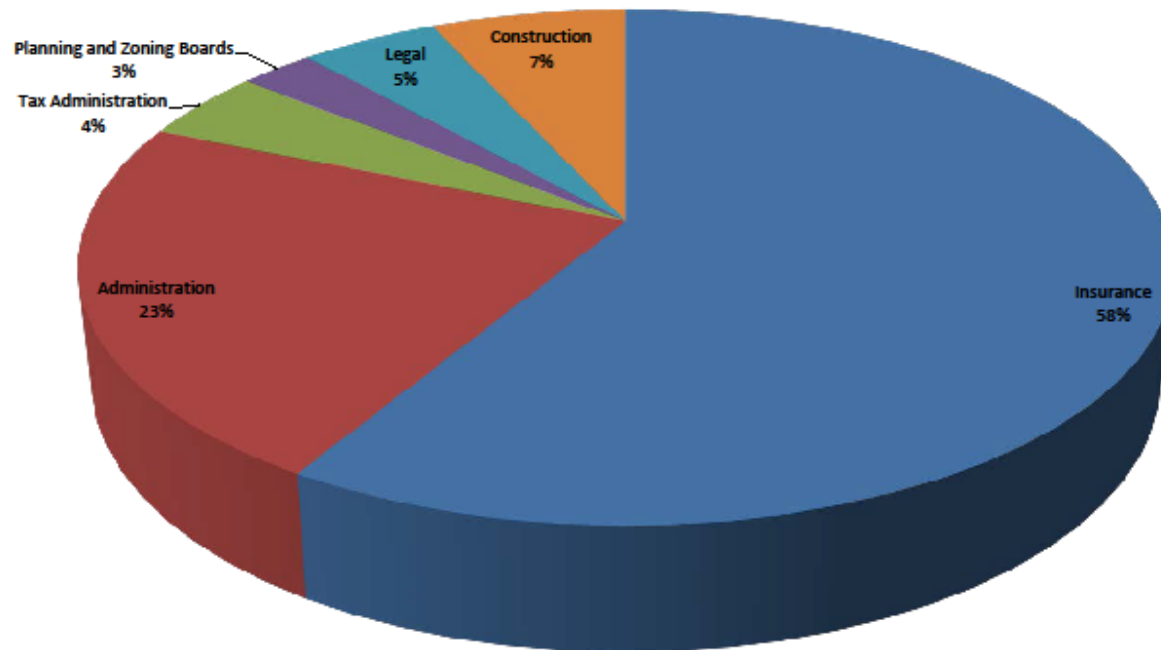
- Karen Lane, Chair
- Mantura Gallagher
- Charles Krafczek
- The total for Administration and Finance is down \$180,128 or -6%
- Other Expenses is down \$207,586 or -11.41%
- The most significant decrease is in Group Medical Insurance which saw an decrease of \$189,036. This is due to the increase in the State Health Benefits Program.
- Almost all Departmental Operating Expenses remained the same or decreased.
- Salaries are up \$27,458 or 3%

# Administration & Finance Functional Areas

Administration and Finance include the following functional areas:

- Administration which includes Council, Administrator, Municipal Clerk Office, Engineering and Finance
- Tax Administration which includes Tax Collection and Tax Assessment
- Planning and Zoning Boards
- Legal Services
- Construction Office
- Insurance – Medical, General Liability, Workers Compensation, Property and Vehicle

## 2017 Budget Appropriations Administration and Finance



# 2017 Public Safety Summary

## **2017 Public Safety Committee**

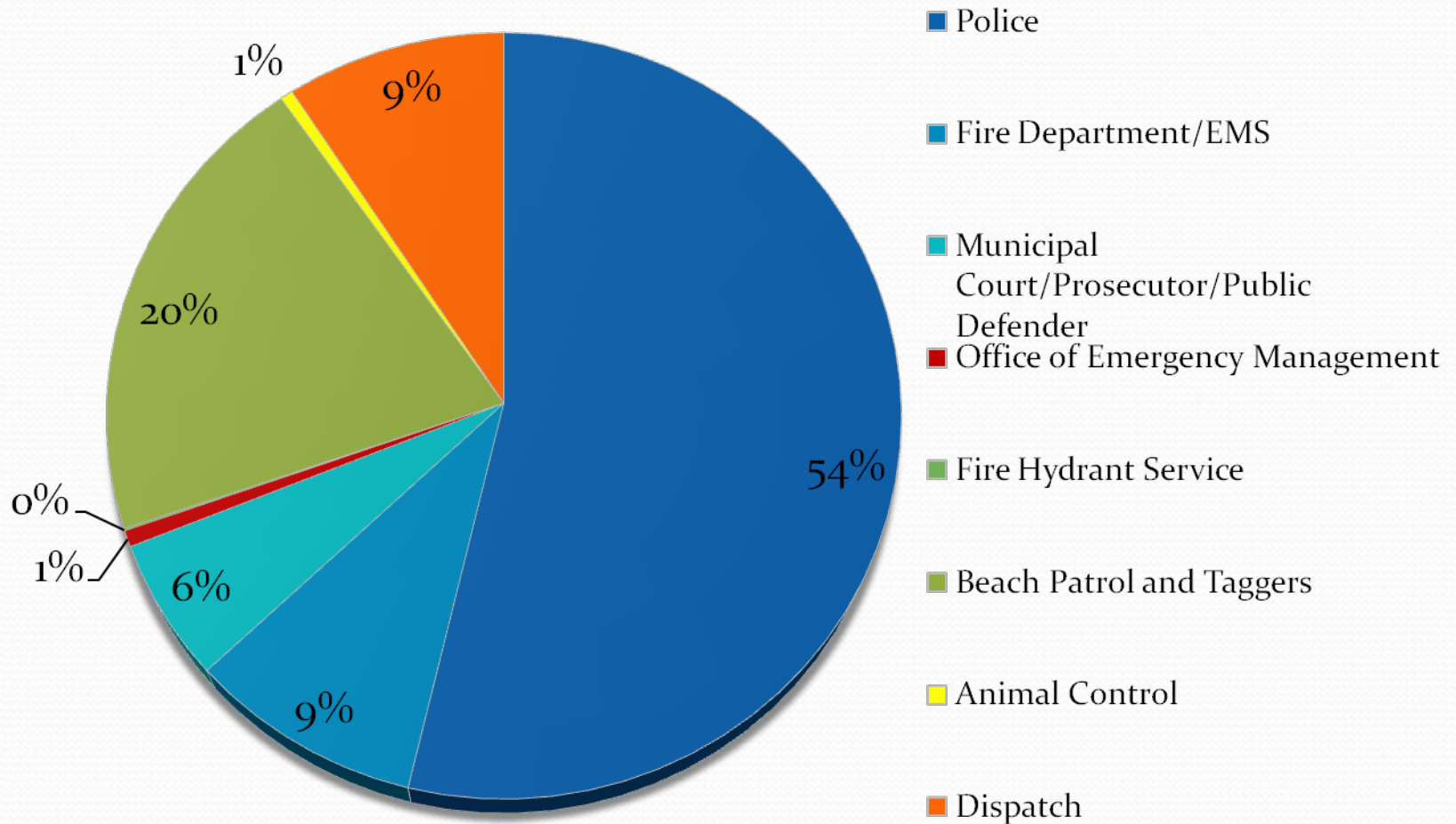
- Ray Parzych, Chair
    - Joselyn Rich
  - Mantura Gallagher
- The overall Public Safety Budget is up \$73,360 or 3%
  - Other Expenses is up \$14,073 or 1.79%
  - Municipal Court, Public Defender, Fire Code Official and Emergency Management Other Expenses remained flat.
  - Aid to Vol. Rescue Squad decreased by \$15,000 while Fire increased by \$15,400
  - Salaries and Wages are up \$59,287 or 2.93%
  - Dispatch Interlocal Agreement increased by \$5,723 or 2%.
  - Animal Control and Beach Patrol/Taggers functions have moved under Public Safety as of 2017.

# Public Safety Functional Areas

Public Safety includes the following function areas:

- Police
- Fire Department/EMS
- Municipal Court including Public Defender and Prosecutor
- Uniform Fire Code
- Office of Emergency Management
- Fire Hydrant Service
- Beach Patrol and Taggers
- Animal Control

## 2017 Budget Appropriations Public Safety



# 2017 Public Works Summary

## 2017 Public Works Committee

- Joan T. Kramar, Chair
  - Karen Lane
  - Ray Parzych

- The Public Works budget has a overall increase of \$138,625 or 7.07%
- The Operating budgets have an increase of \$94,625 or 20.4%
- Public Works OE increased by \$18,300. The biggest increase was for the Kiosk Service Contracts
- Solid Waste Other Expenses increased by \$1,000
- Building & Grounds increased by \$6,050 due to increases in service contracts and creating a line item for uniforms.
- Safety Compliance remained flat.
- Landfill Fees increased by \$69,275
- Salaries and Wages increased by \$44,000 or 2.96% primarily due to anticipated contractual salaries



# Public Works Functional Areas

The Public Works departmental Functional areas include:

DPW Labor Pool

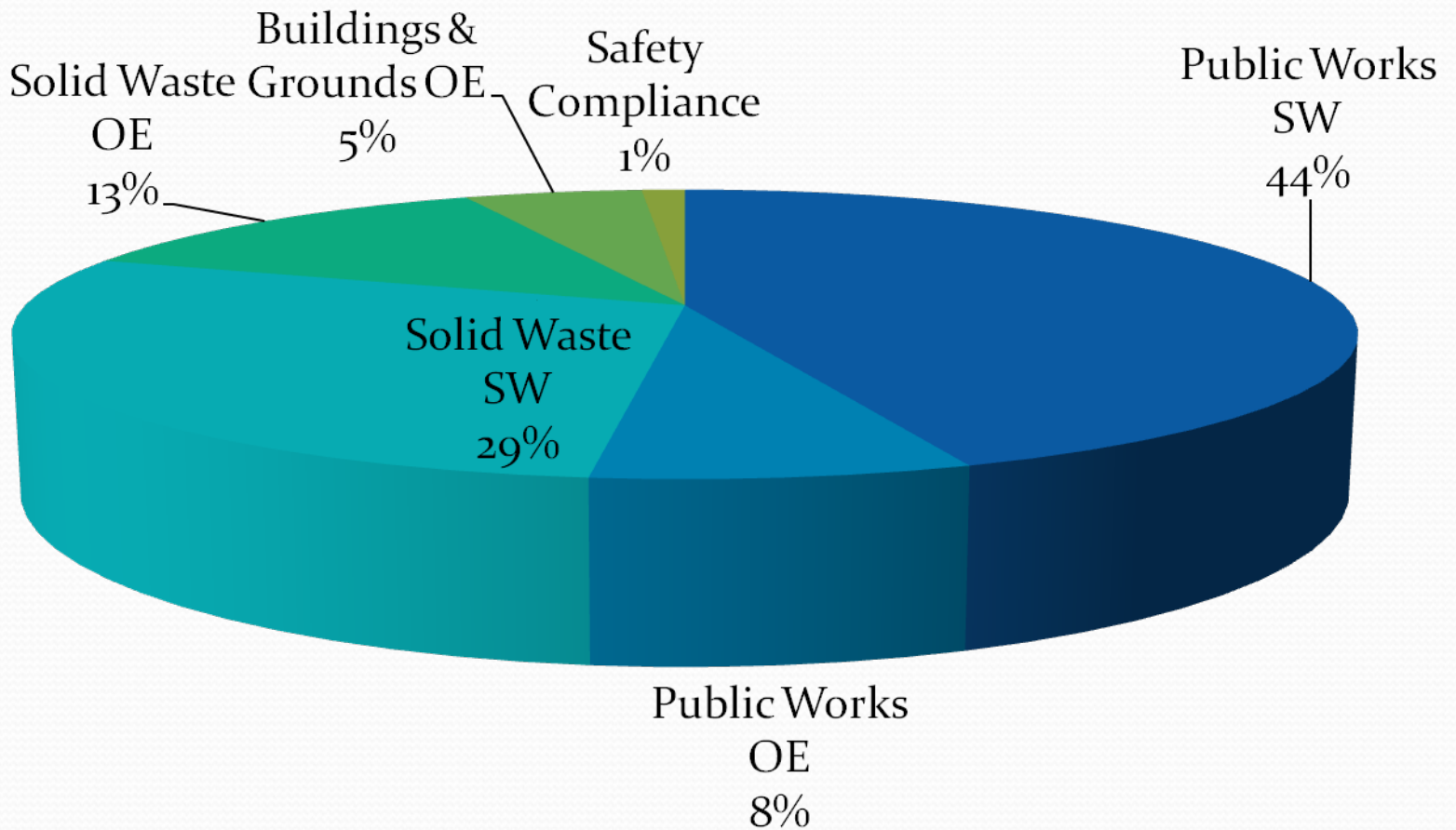
Solid Waste

Grounds

Special Events

Safety Compliance

## 2017 Budget Appropriations Public Works



# 2017 Natural Resources Summary

## **2017 Natural Resources Committee**

- Joselyn Rich, Chair
  - Joan Kramar
  - Ray Parzych

- The Total Budget for Natural Resources for 2017 remained flat.
- Salaries of \$25,000 which was moved from Public Works to Natural Resources last year to better reflect expenses associated with the Bird Sanctuary and Point maintenance saw no increase.
- Other Expenses remained at \$61,000
- Responsibility for Animal Control moved to Public Safety after budget introduction.

# Natural Resources Functional Areas

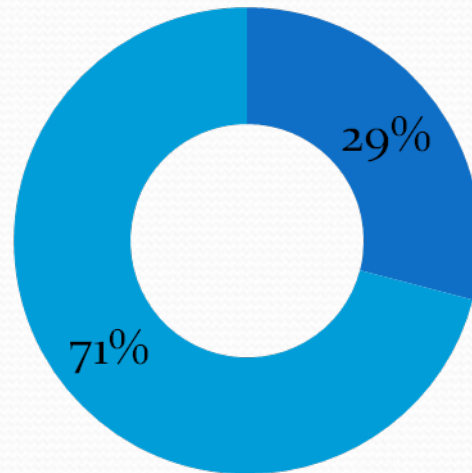
Natural Resources Functional Areas include the preservation of:

- Beach and Dunes
- Back Bays
- Bird Sanctuary
- Stone Harbor Point



## 2017 Budget Budget Appropriations Natural Resources

■ Salaries & Wages   ■ Other Expenses



# 2017 Recreation and Tourism Summary

## **2017 Beach, Recreation & Tourism Committee**

- **Mantura Gallagher,  
Chair**
  - **Joselyn Rich**
  - **Charles Krafczek**

- Recreation and Tourism saw an overall increase of \$3,244 or .79%
- The overall BRT other Expense budget is up \$3,210 or 1.85%
- Recreation increased by \$3,210.
- Tourism remained flat.
- Overall Salaries & Wages increased by \$34 or .01%
- Lifeguards and Taggers were moved to Public Safety in 2017

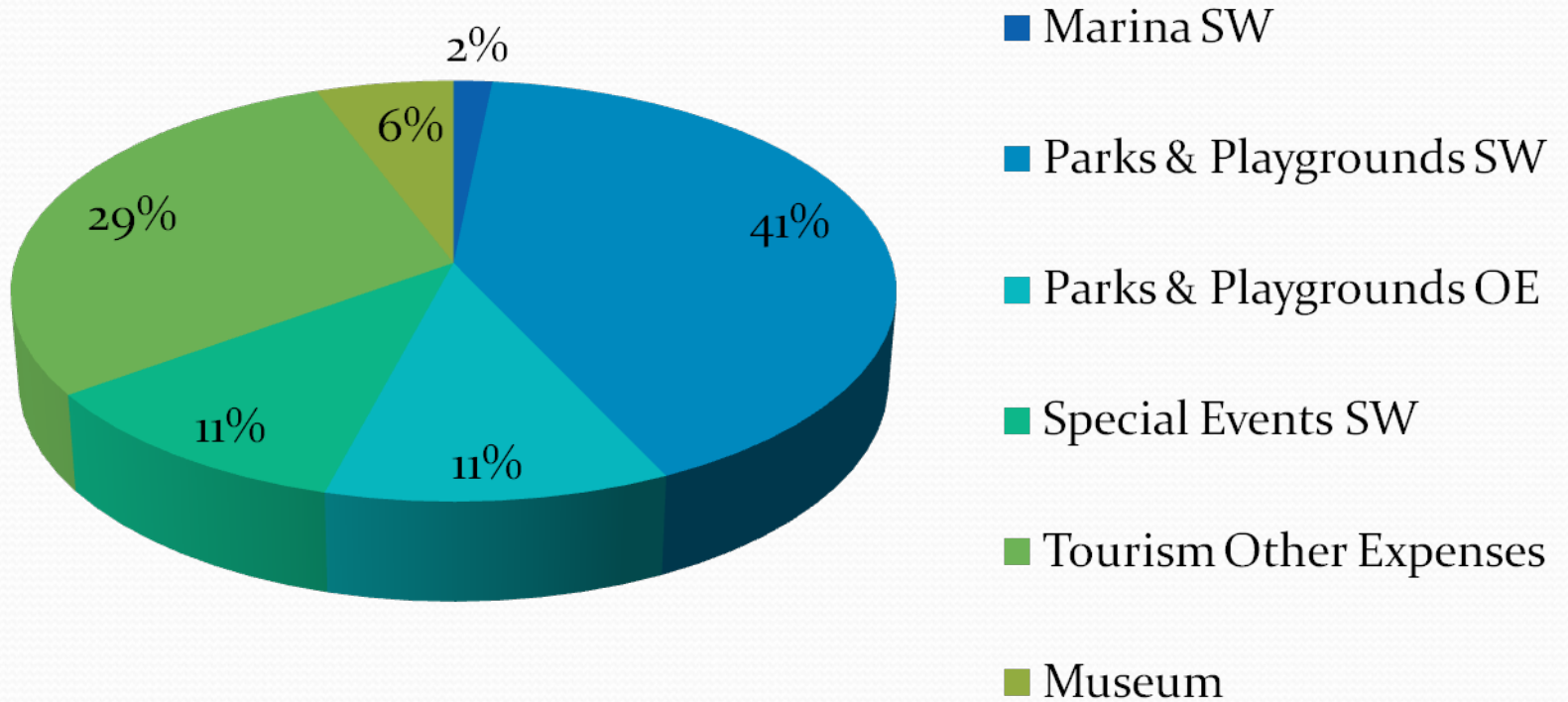


# Recreation & Tourism Functional Areas

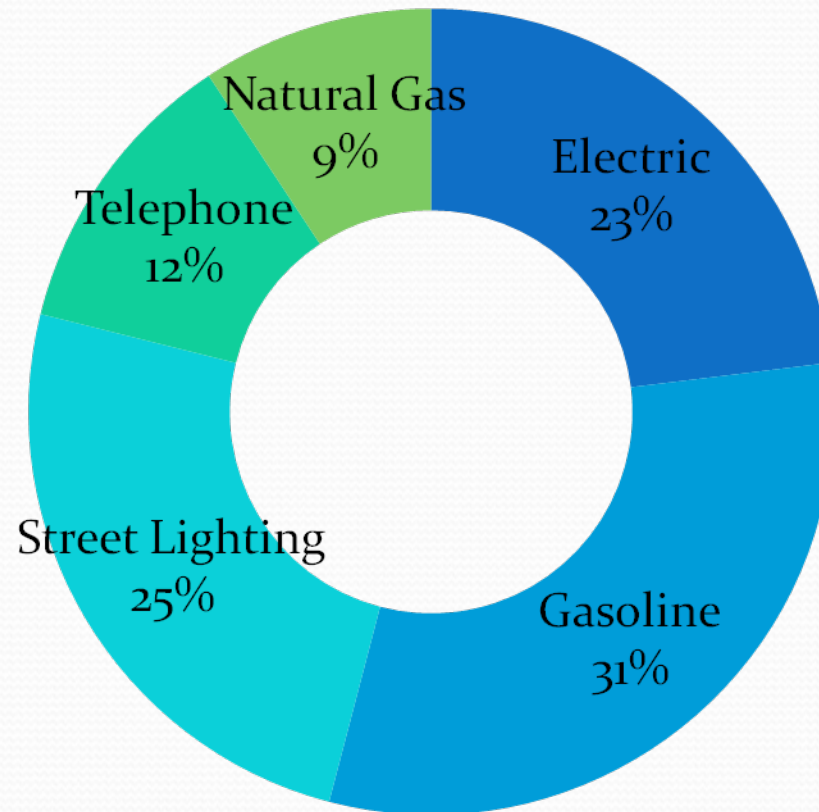
Recreation and Tourism Functional Areas include:

- Recreation
- Tourism
- Marina

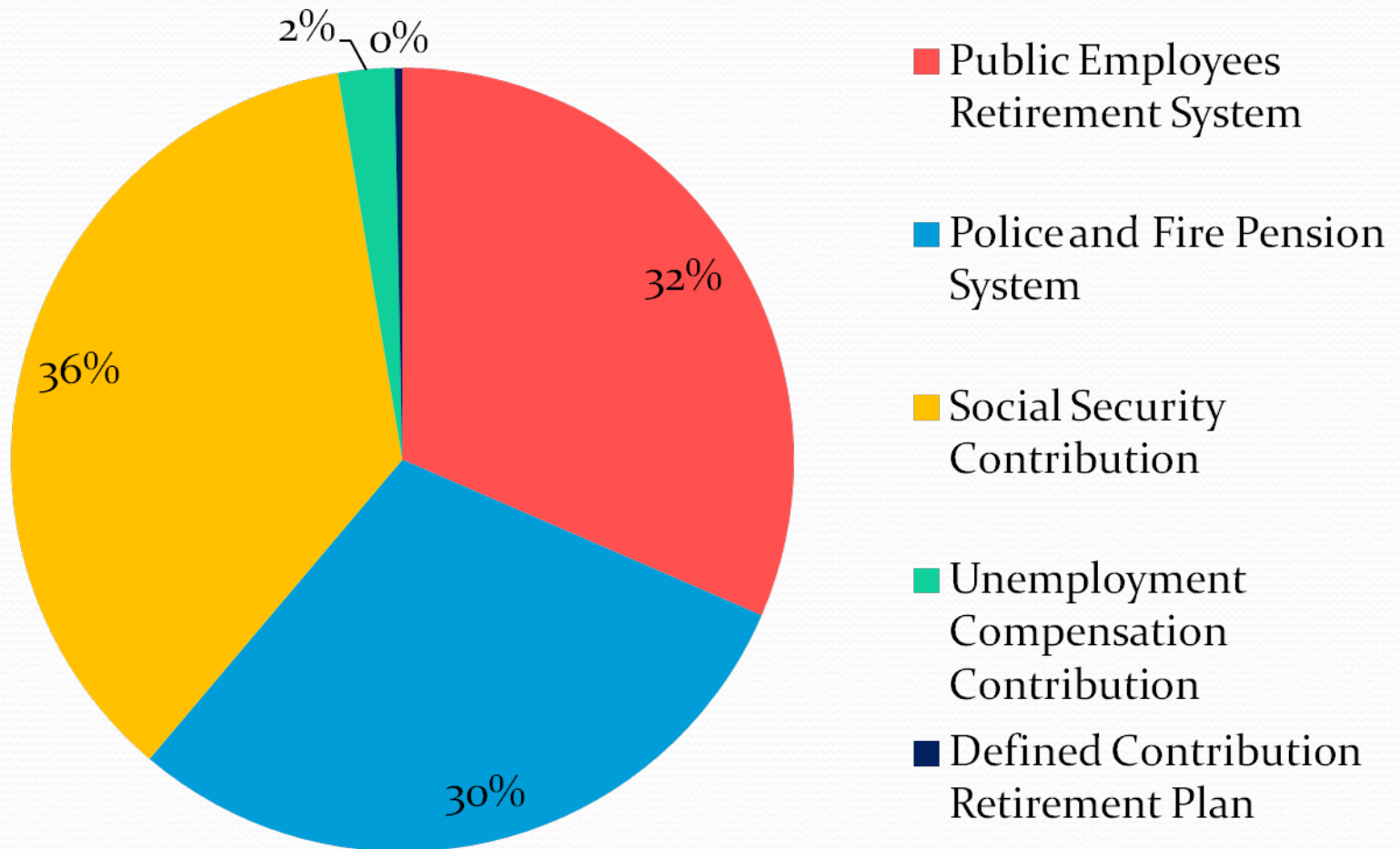
## 2017 Budget Appropriations Recreation & Tourism



## 2017 Appropriations Utility Expenses and Bulk Purchases



## 2017 Deferred Charges and Statutory Expenditures



# Debt Service – Current Fund

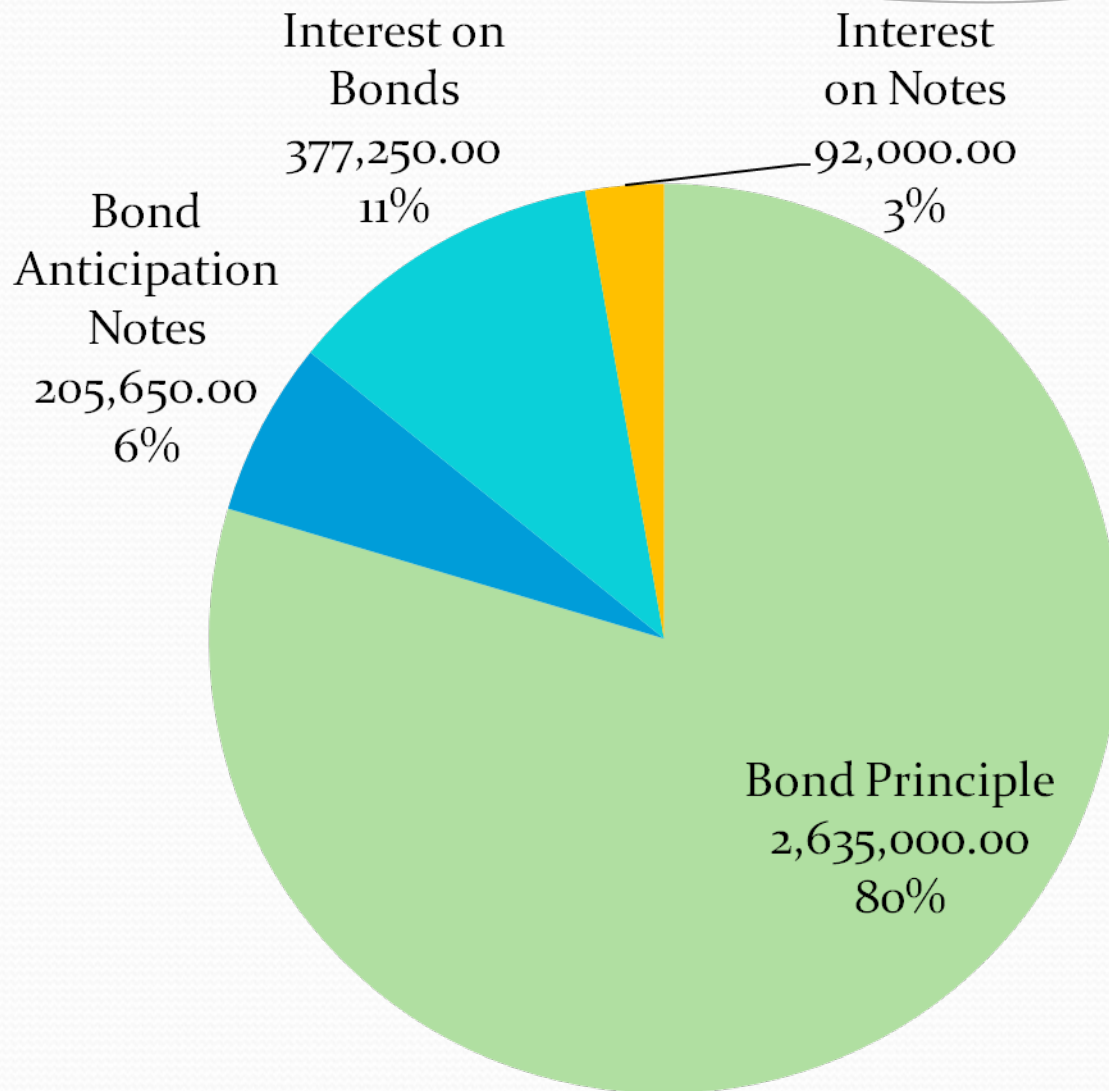
- Debt Service is the annual principal and interest payments
  - Current Fund totals \$3,636,350
- Three types of debt service payments
  - **General Obligation Loan – Serial bonds**
    - 2006 Issue \$3,220,000 outstanding, matures in 2018. Partially refunding in 2016
    - 2011 Issue \$8,225,000 outstanding, matures in 2023. Interest rate between 3.0%-3.125%
    - 2016 Refunding Issue of 2006 Bonds, matures in 2018
  - **NJEIT Loan** – \$4,051,798.39 outstanding. Serial Bonds Issued by New Jersey Environmental Infrastructure Trust Fund. Water/Sewer projects are pooled together across many towns and NJEIT Issues a bond with AAA rating to finance the projects. Portion is interest free and may have loan forgiveness.
    - 2010 Issue, 2012 Issue, 2015 issue all in connection with Water/Sewer Improvements
  - **Bond Anticipation Notes (BANs)** – \$9,433.000 at .97% NIC. One year financing issued as needed to fund projects. We must make principal payments after 3 years. Eventually rolled into Serial Bonds.

# Debt Creation – Current Fund

- Debt is authorized through a Capital Improvement Ordinance passed by Borough Council.
  - Each project contains a description of the project, estimated life, total cost, minimum 5% down payment, and the balance is debt authorized.
    - Down payment is appropriated in the Current Fund, Sheet 26, titled Capital Improvement Fund.
      - This year's appropriation is \$210,000
  - Not all debt authorized is financed from Serial Bonds/NJEIT/BANS.
    - Listed as Authorized but not issued, totals \$11,254,131.05.
    - BANS are not issued until need is expected. Some project balances will be canceled before issuing Serial Bonds.

# Debt – Annual Debt Statement

- All of the debt mentioned is included in an annual report – ‘Annual Debt Statement’ (ADS) that is required to be filed by January 30 after year end.
  - ADS also includes debt from the Water/Sewer utility. However, if the utility is “self-liquidating”, Revenues are greater than expenditures, the debt is not included in the debt limit.
- Debt limit is 3.5% of the 3 year equalized valuation of real property. This year that limit is \$144,793,400.79.
  - At 12/31/16, net debt totaled \$35,693,371, as a percentage of equalized valuation was .863%.



**2017 Budget Appropriations Debt Service**

# General Capital *highlights*

Various Road Improvements	\$640,000
Beach & Bay Improvements	\$1,500,000
Recycling/Trash Truck	\$230,000
Bulkheads 94/88/95/114 <sup>th</sup> Streets	\$200,000
Ambulance	\$178,000
Aerial Lift Truck	140,000
Police Equipment Vehicle/Computer/*	\$79,500
Building Improvements – Borough Hall *	\$20,000
Beach Patrol Equipment – Vehicle/Communications Upgrades *	\$64,000
Computer and Security Upgrades *	\$21,000

\* Project funded 100% with Surplus



# Water and Sewer 2017 Budget

# Water & Sewer Utility Fund Summary

There is an overall increase in the Utility Budget of \$388,487 or 10.98%

## Water & Sewer Utility Fund Committee

- **Charles Krafczek, Chair**
  - **Karen Lane**
  - **Joan Kramar**

- There is a decrease in Other Expenses of \$27,700 or -5%
- Cape May County MUA Fee: There is a increase of \$354,960 or 27%
- Debt Service increased by \$52,498. or 4 %
- Statutory Charges increased by \$700 or 2%
- Salaries and Wages increased by \$7,674 or 1.92%
- Share of CFO Interlocal increased by \$355 or 2%

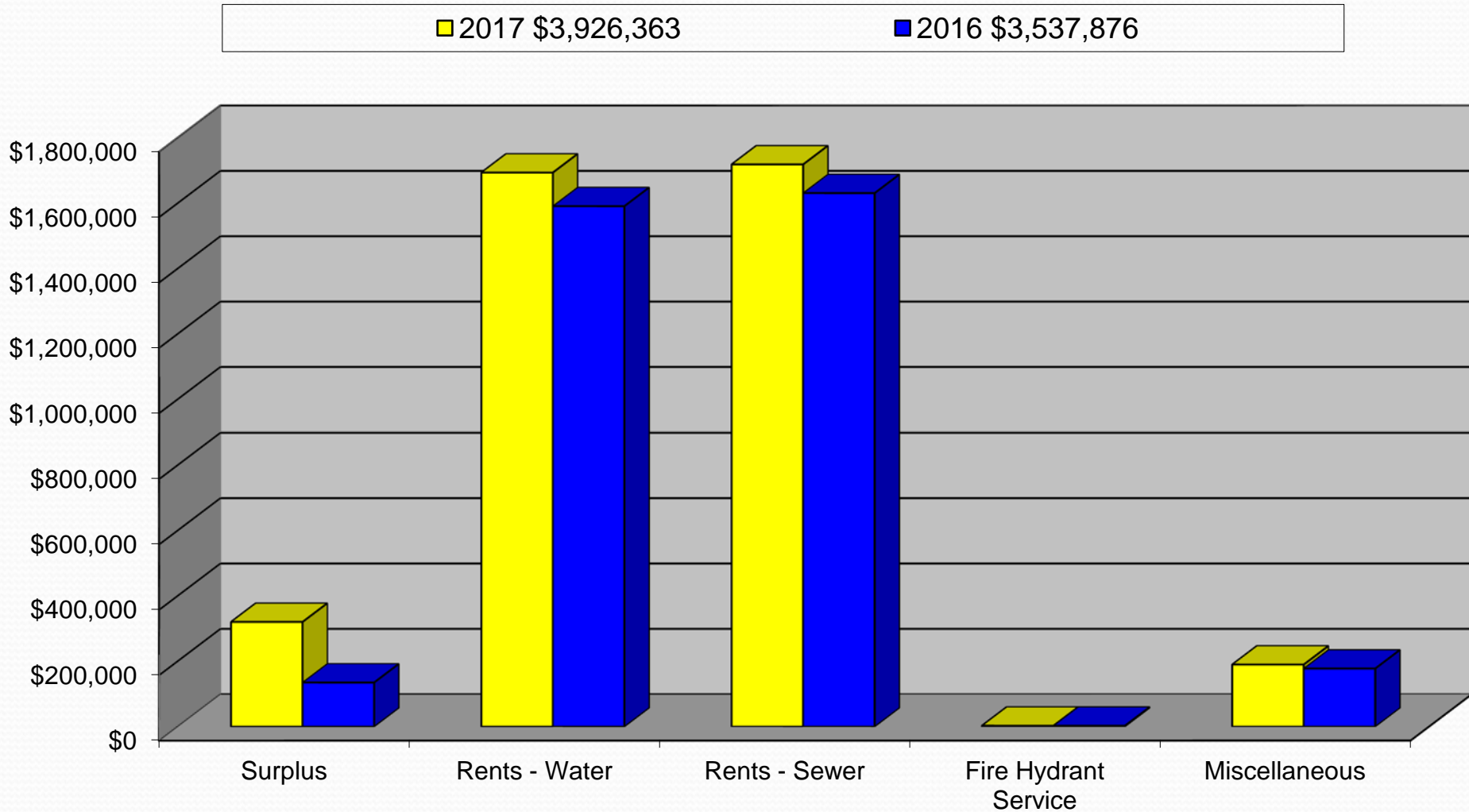


# Water & Sewer Functional Areas

Water and Sewer Functional Areas include:

- Operation of Sanitary Sewer Pump Stations
- Operation of Water System
- Maintenance of Sanitary Sewer Pump Stations
- Maintenance of Water System, Water Tower and Water Wells
- Collection of Water and Sewer Rents

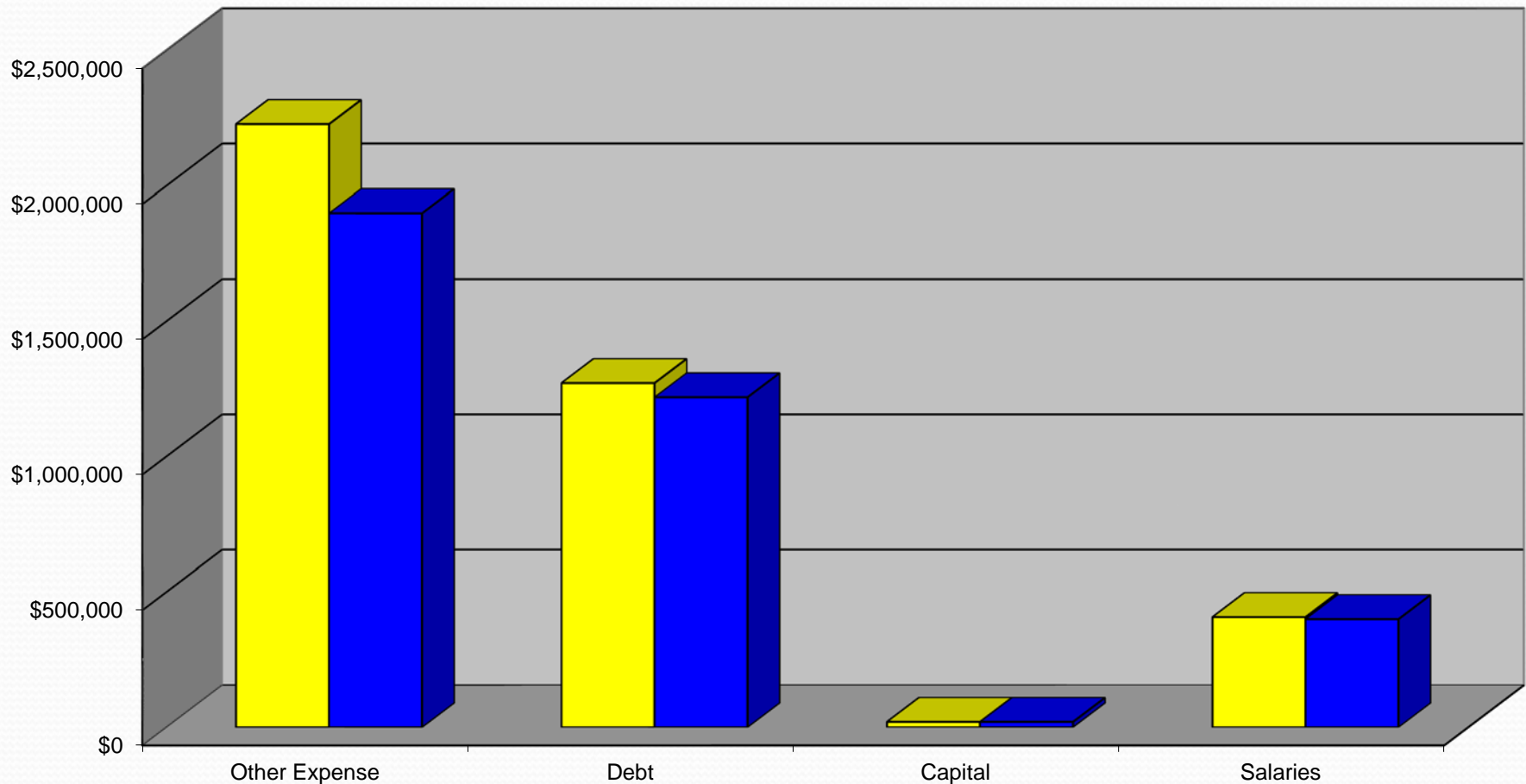
# Water/Sewer Fund Revenue



# Water Sewer Fund Appropriations

2017 \$3,926,363

2016 \$3,537,876



# Water/Sewer Capital *highlights*

Various Infrastructure/Road Improvements	\$1,600,000
93 <sup>rd</sup> Street Sewer Lift Station Rebuild	\$1,500,000
Meter/IRT Upgrades	\$50,000
Dump Truck	\$110,000
Duck Bills	\$20,000
Well Controls Upgrades	\$30,000



To view this presentation and additional Financial Information click on  
or go to the following link found on the Borough of Stone Harbor's  
Municipal Website:

<http://stoneharbornj.org/departments/finance/departments-of-finance/>