

Borough of Stone Harbor

2019 Budget Presentation
April 2nd, 2019 4:30 PM



Borough Leadership

- Mayor Judith M. Davies-Dunhour
- Council Members:
 - Joselyn O. Rich, Council President
 - Mantura Gallagher
 - Charles C. Krafczek
 - Ray Parzych
 - Reese Moore
 - Robert Levins
- 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>\$119,676</u>
---	------------------

Breakdown:

Salary and Wage Increase	156,218
--------------------------	---------

Other Expense - Change:

Grants	(\$396,689)
--------	-------------

Statutory Expenses - Pension	(22,880)
------------------------------	----------

Special Emergency	35,000
-------------------	--------

Change in Debt Service	57,719
------------------------	--------

Cash for Prior Capital Projects	(11,432)
---------------------------------	----------

Change in Capital Improvement Fund - Down Payments	200,000
--	---------

General Government	<u>101,740</u>
--------------------	----------------

<u>(\$36,542)</u>

<u>\$119,676</u>

Change in Current Fund Revenues

Change in Revenues	<u>\$119,676</u>
--------------------	------------------

Breakdown:

Increase in use of Surplus	\$93,157
----------------------------	----------

Increase in Local Revenues/State Aid/Misc	147,170
---	---------

Decrease in Grants W/Offsetting Appropriations	(396,689)
--	-----------

Decrease in Delinquent Taxes	(30,000)
------------------------------	----------

Other Special Items	<u>26,039</u>
---------------------	---------------

<u>(\$160,323)</u>

Change in Local Tax Levy	<u>\$280,000</u>
---------------------------------	------------------

Total Change in Revenues	<u>\$119,677</u>
--------------------------	------------------

2% Levy CAP Calculation

Prior Year Amount to be Raised by Taxation	11,850,000
Less: Deferred Charges/Emergencies	0
Net Prior Year Tax Levy for Local Purpose Tax for CAP	11,850,000
Calculation	
Plus 2% CAP Increase	237,000
Adjusted Tax levy Prior to Exclusions	12,087,000
Exclusions:	
Current Year Deferred Charges: Emergencies	35,000
Capital Improvements/Unfunded Capital	268,764
Pension Obligation Increase	11,826
Total Exclusions	315,590
Less Cancelled or Unexpended Exclusions	1,147
Adjusted Tax Levy	12,401,443
Additions:	
New Ratables - New Construction	
Prior Year's Tax Rate (Local)	0.246
Prior Year Cap Banks	707,655
Maximum Allowable Amount To Be Raised By Taxation	13,109,098
Amount To Be Raised By Taxation - Budget Sheet 11	12,130,000
Under 2% Levy CAP With Banking	(979,098)

STATUS OF SPENDING “CAPS”

	CAP @ 2.5%	CAP COLA
CAP Base from Prior Year	10,629,483.00	10,629,483.00
Rate Applied	2.50%	3.50%
Allowable CAP	10,895,220.08	11,001,514.91
Additions:	404,435.85	404,435.85
Total CAP Allowable	11,299,655.93	11,405,950.76
Budget Expenditures	10,812,131.00	10,812,131.00
Remaining or (excess)	487,524.92	593,819.75

Local Tax Levy and Assessed Values

Local Tax Levy and Assessed Values

	2019	2018	Change	%
Local Purpose Tax Levy	12,130,000.00	11,850,000.00	\$280,000.00	2.36%
Local Tax Rate	0.251	0.246	0.005	2.12%
Assessed Valuation	4,832,762,200	4,828,103,400	4,658,800	0.10%

Borough of Stone Harbor					
Tax Levy Change 2019 vs 2018					
			Proposed		
Assessed Valuation		2018 Tax	2019 Tax		Increase
		0.00246	0.00251		\$ 0.00005
\$ 1,000,000.00		\$ 2,460.00	\$ 2,510.00		\$ 50.00
\$ 1,250,000.00		\$ 3,075.00	\$ 3,137.50		\$ 62.50
\$ 1,500,000.00		\$ 3,690.00	\$ 3,765.00		\$ 75.00
\$ 1,750,000.00		\$ 4,305.00	\$ 4,392.50		\$ 87.50
\$ 2,000,000.00		\$ 4,920.00	\$ 5,020.00		\$ 100.00
\$ 2,250,000.00		\$ 5,535.00	\$ 5,647.50		\$ 112.50
\$ 2,500,000.00		\$ 6,150.00	\$ 6,275.00		\$ 125.00

CONDITION OF FUND BALANCE

	BUDGET YEAR	PRIOR YEAR	CHANGE
Available	2,892,478	2,806,069	86,409
Used to Fund Budget	1,653,999	1,560,843	93,157
Remaining Balance	1,238,479	1,245,226	(6,748)

Fund Balance Regeneration 2018 vs 2017

	2018	2017
Balance as 12/31/PR	\$ 2,806,069.24	\$ 2,620,985.81
Excess from Operations	\$ 1,647,251.81	\$ 1,680,547.39
Used in Budget	\$ (1,560,843.47)	\$ (1,495,463.96)
Balance as of 12/31/CR	\$ 2,892,477.58	\$ 2,806,069.24
Percentage used	56%	57%

Tax Rates in Cape May County

Municipality	Local Tax Rate - 2018
Upper Township	.183
Avalon Borough	.199
Dennis Township	.230
Woodbine	.233
Stone Harbor	.246
Cape May Point	.297
Cape May City	.350
West Cape May	.357
Sea Isle City	.385
Ocean City	.459
Middle Township	.483
Lower Township	.575
Wildwood Crest	.671
North Wildwood	.718
West Wildwood	1.018
Wildwood City	1.443



Tax Rates in Cape May County

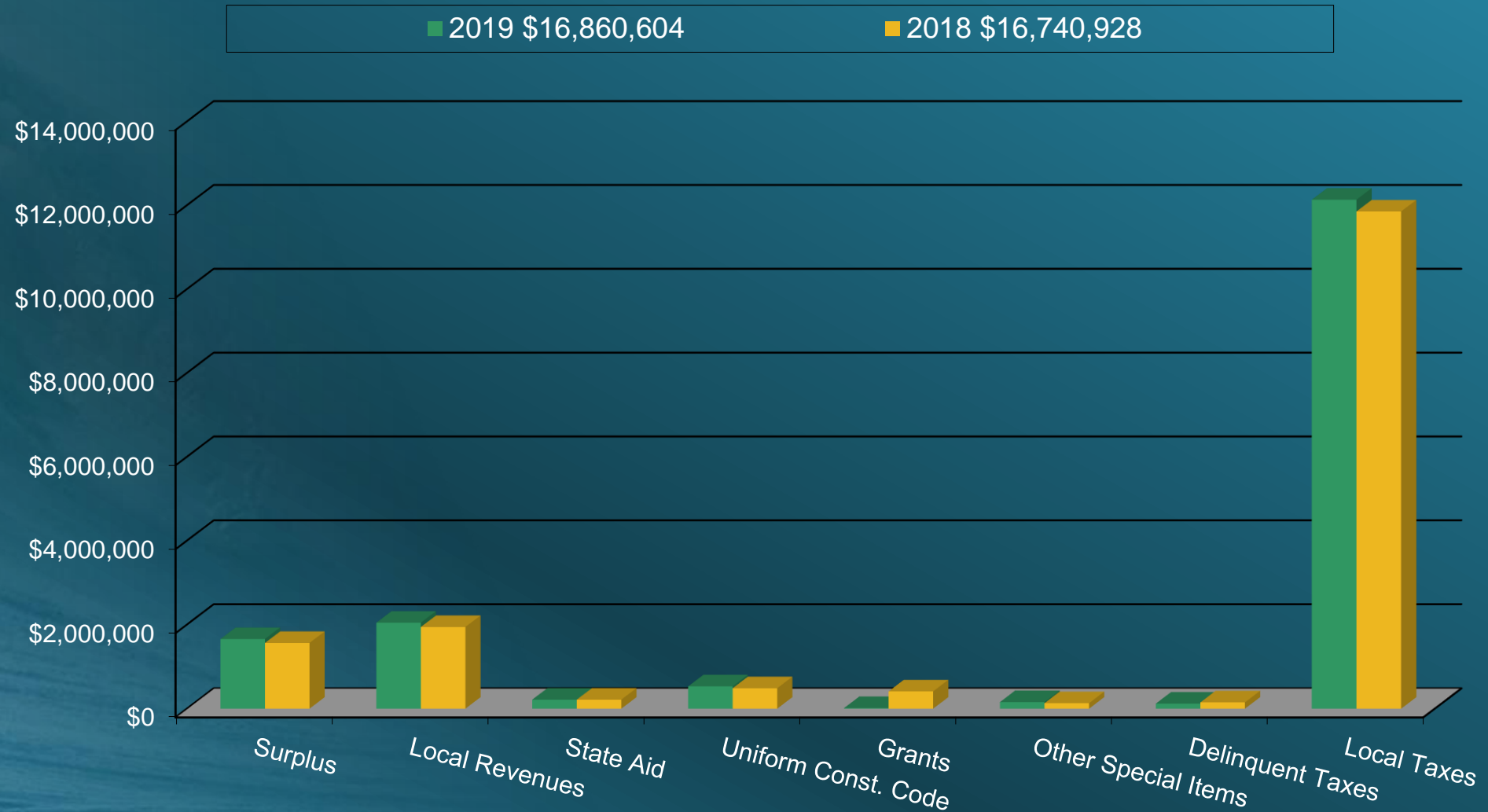


Municipality	General Tax Rate - 2018
Avalon	.488
Stone Harbor	.552
Cape May Point	.592
Sea Isle City	.710
Cape May City	.931
Ocean City	.958
Wildwood Crest	1.258
West Cape May	1.265
North Wildwood	1.269
Woodbine	1.577
Dennis Township	1.645
Lower Township	1.696
Middle Township	1.759
Upper Township	1.764
West Wildwood	1.808
Wildwood City	2.499

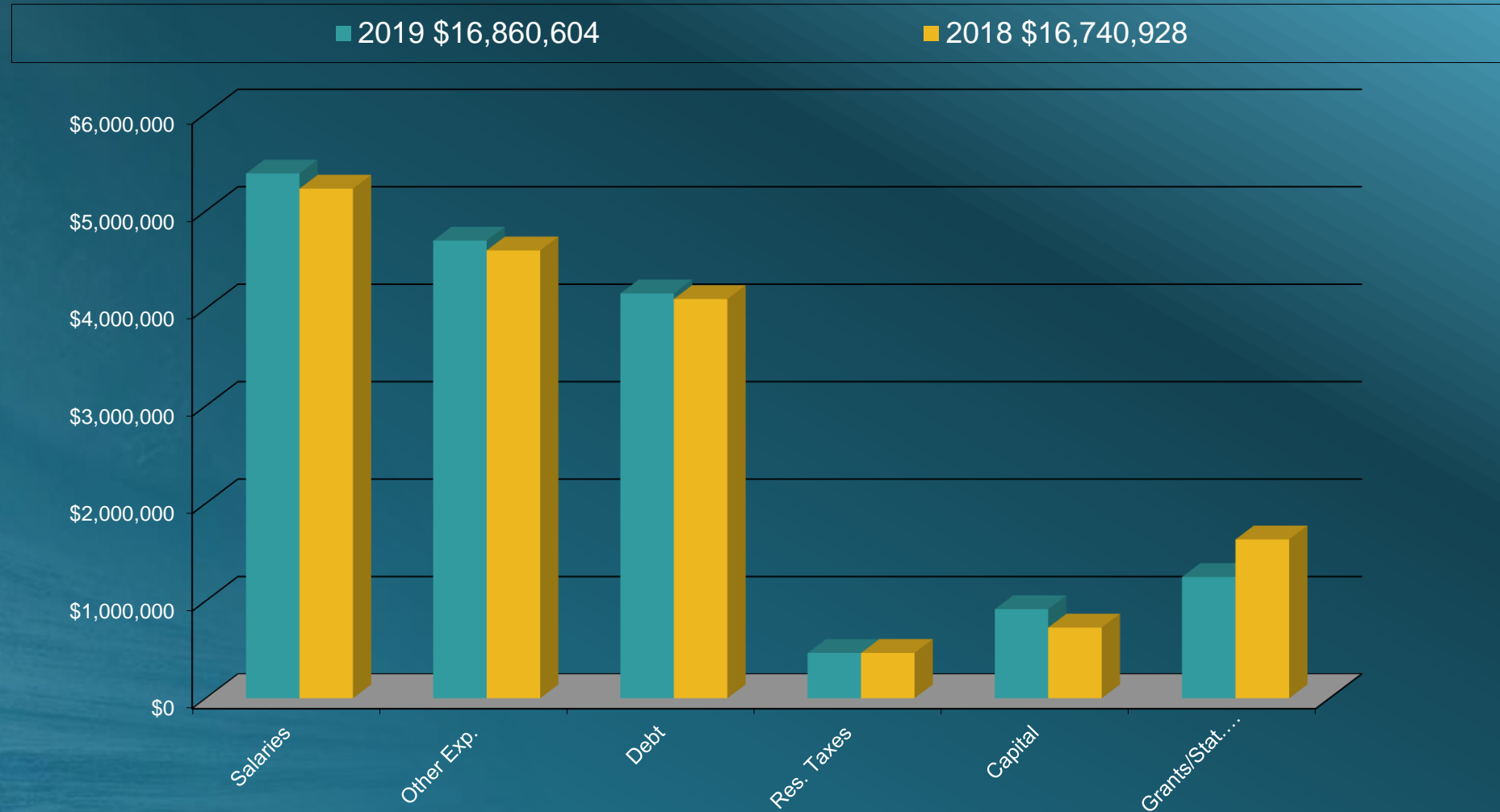
PERCENTAGE OF TAX COLLECTION

	CURRENT	PRIOR
Actual percentage of collection	99.46%	99.13%
Used for Reserve for Taxes	98.29%	98.21%
Remaining	1.17%	0.92%

Current Fund Revenue



Current Fund Appropriations



2019 Administration & Finance Summary

Administration & Finance Committee

- Mantura Gallagher, Chair
 - Charles Krafczek
 - Reese Moore
- The total for Administration and Finance is up \$92,103 or 3%
- Other Expenses is up \$63,432 or 2.93%
 - The most significant increase is in Employee Group Health Insurance which increased by \$70,000. Almost all Departmental Operating Expenses remained the same or decreased.
- Salaries are up \$28,671 or 3.22%

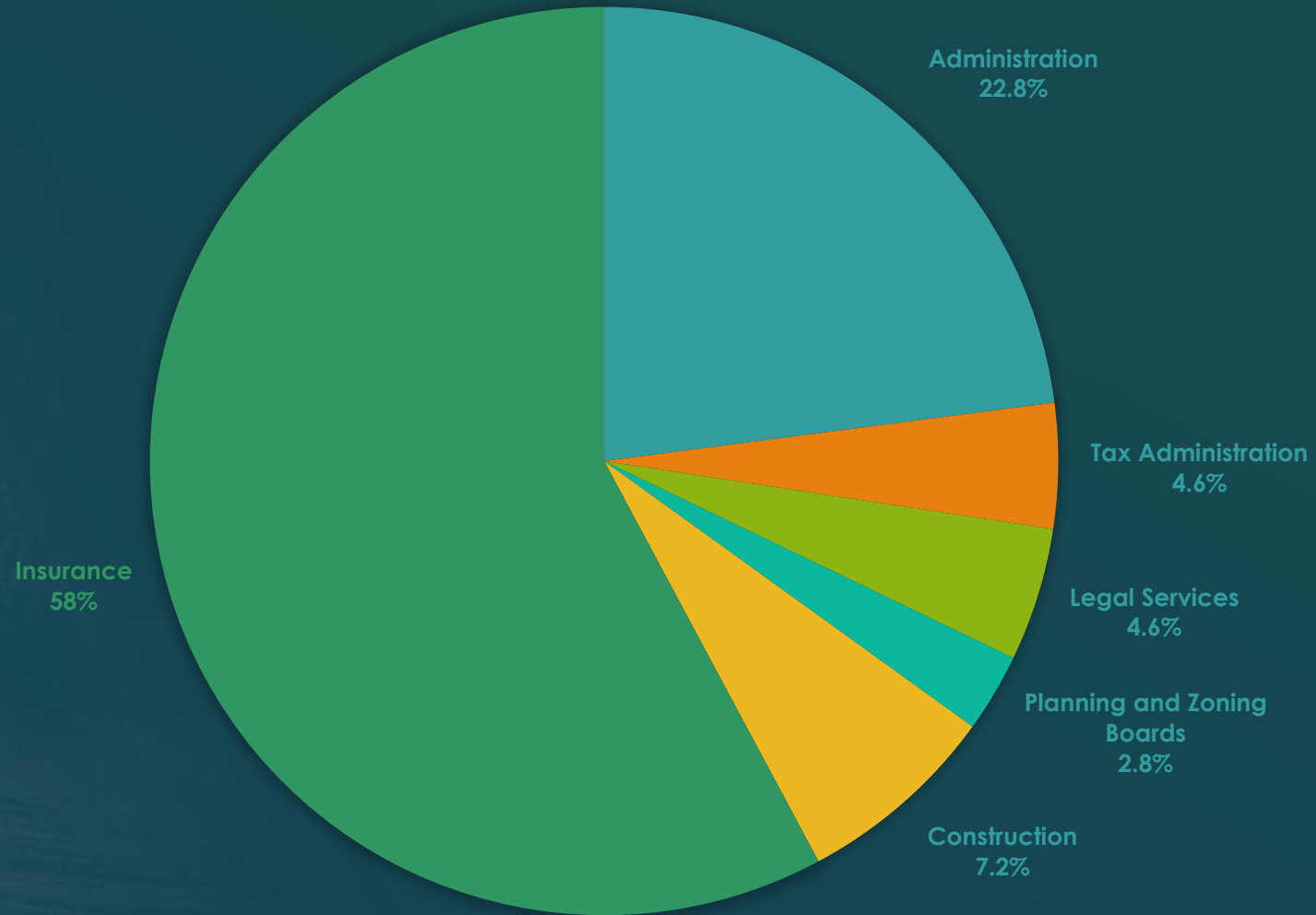


Administration & Finance Functional Areas

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

2019 BUDGET APPROPRIATIONS ADMINISTRATION AND FINANCE



2019 Public Safety Summary

2019 Public Safety Committee

- Robert Levins, Chair
 - Joselyn Rich
 - Ray Parzych

- The overall Public Safety Budget is up \$49,380 or 1.43%
- Other Expenses is up \$21,103 or 2.18%
- Municipal Court, Public Defender, and Emergency Management Other Expenses remained flat.
- Fire Code Official increased by \$4,700
- Police OE increased by \$8,900
- Salaries and Wages are up \$28,277 or 1.14%. Dispatch Interlocal Agreement increased by \$5,953 or 2%.
- Animal Control is up slightly by \$1200

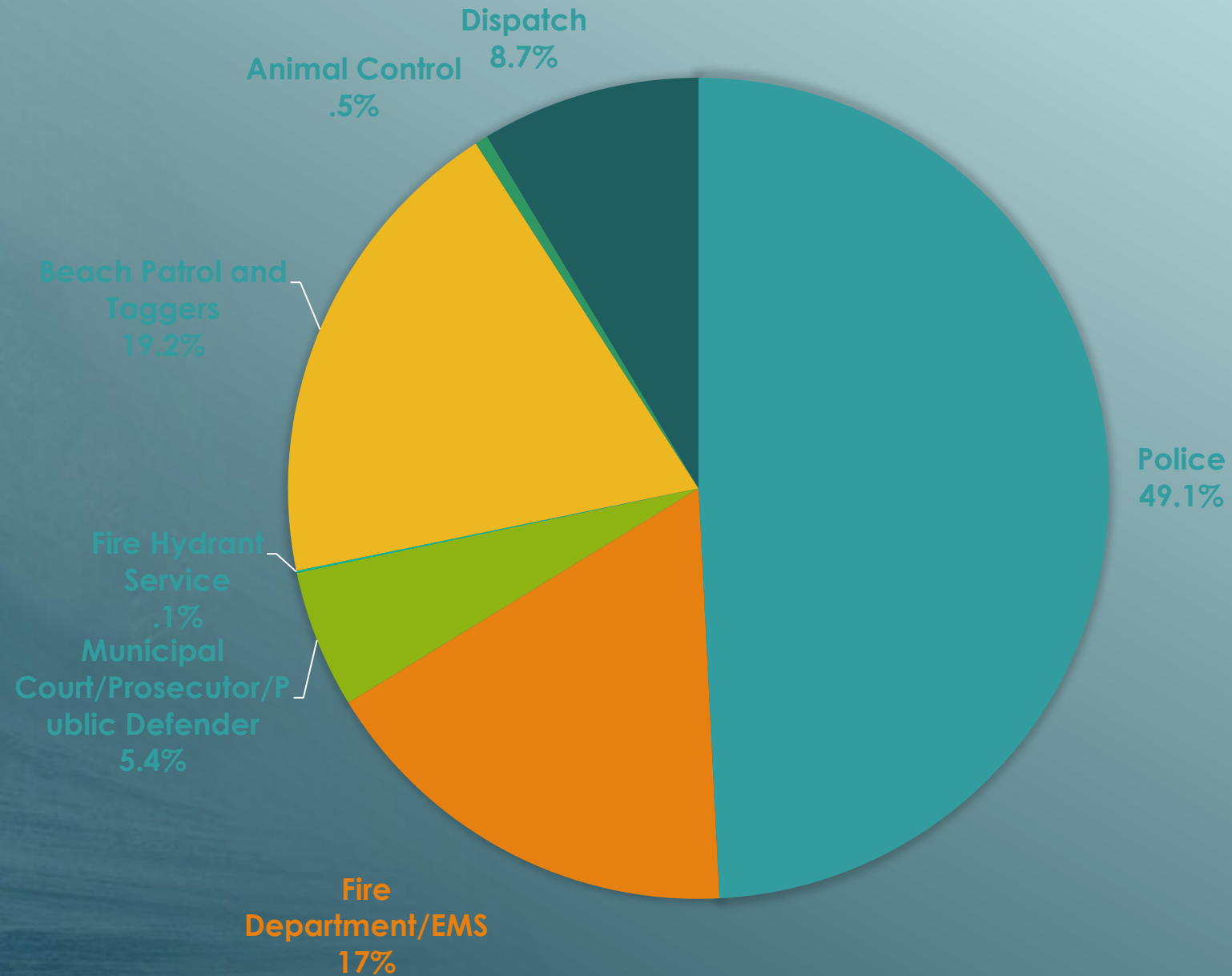


Public Safety Functional Areas

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

2019 BUDGET APPROPRIATIONS PUBLIC SAFETY



2019 Public Works Summary

2019 Public Works Committee

- Ray Parzych, Chair
- Charles Krafczek
- Robert Levins

- The Public Works budget has a overall increase of \$44,670 or 2.05%
- The Operating budgets have a decrease of \$8,600 or 1.39%
- Public Works OE increased by \$4,000.
- Solid Waste Other Expenses increased by \$1,000
- Building & Grounds increased by \$10,300
- Safety Compliance increased by \$1,500.
- Landfill Fees decreased by \$25,400
- Salaries and Wages increased by \$53,270 or 3.41%



Public Works Functional Areas

The Public Works Departmental Functional areas include:

DPW Labor Pool

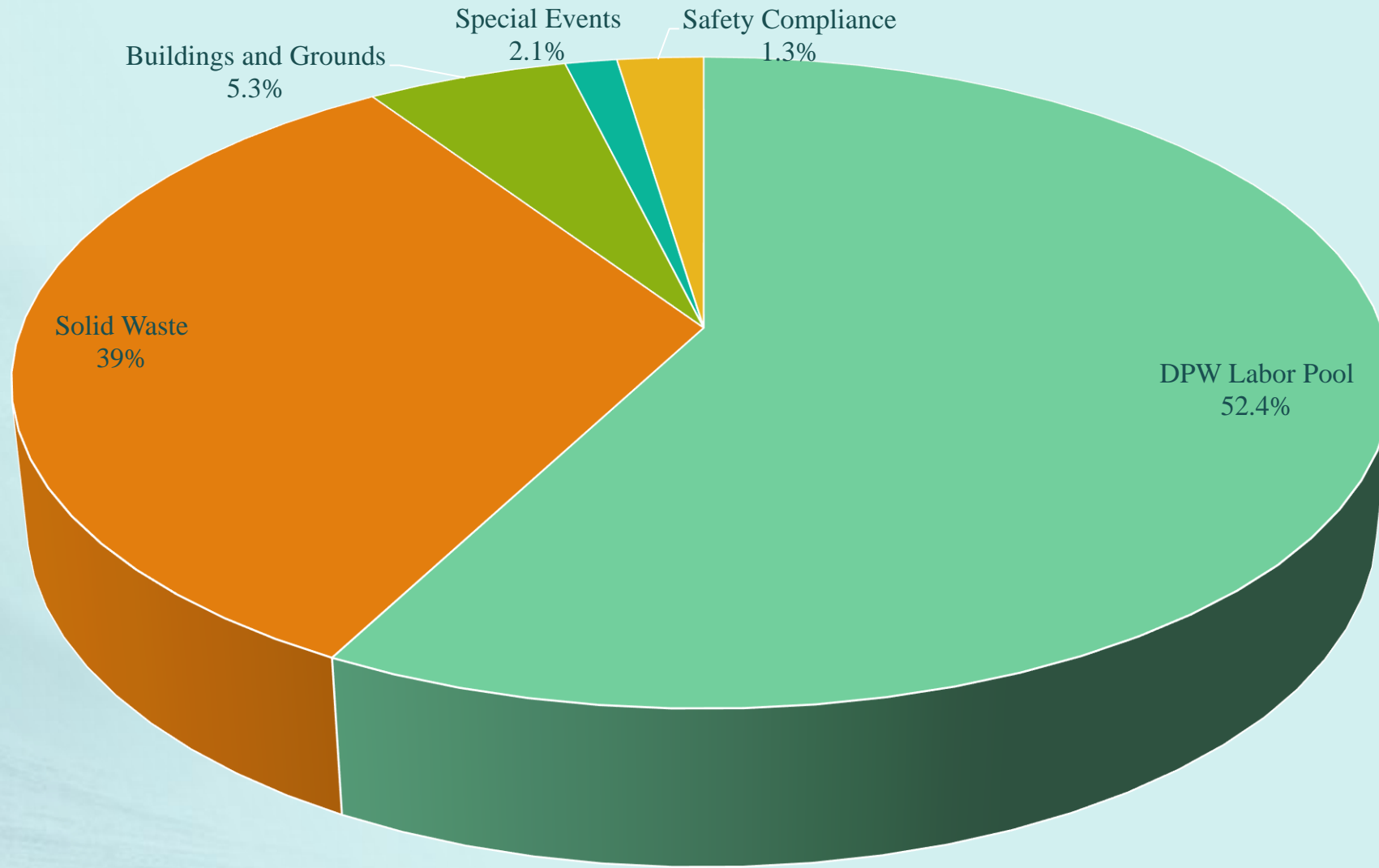
Solid Waste

Grounds

Special Events

Safety Compliance

2019 Budget Appropriations Public Works



DPW Labor Pool Solid Waste Buildings and Grounds Special Events Safety Compliance



2019 Natural Resources Summary

2019 Natural Resources Committee

- Joselyn Rich, Chair
 - Ray Parzych
 - Reese Moore

- The Total Budget for Natural Resources for 2019 remained flat.
- Salaries of \$25,000 associated with the Bird Sanctuary and Point maintenance saw no increase.
- Other Expenses remained at \$61,000

Natural Resources Functional Areas

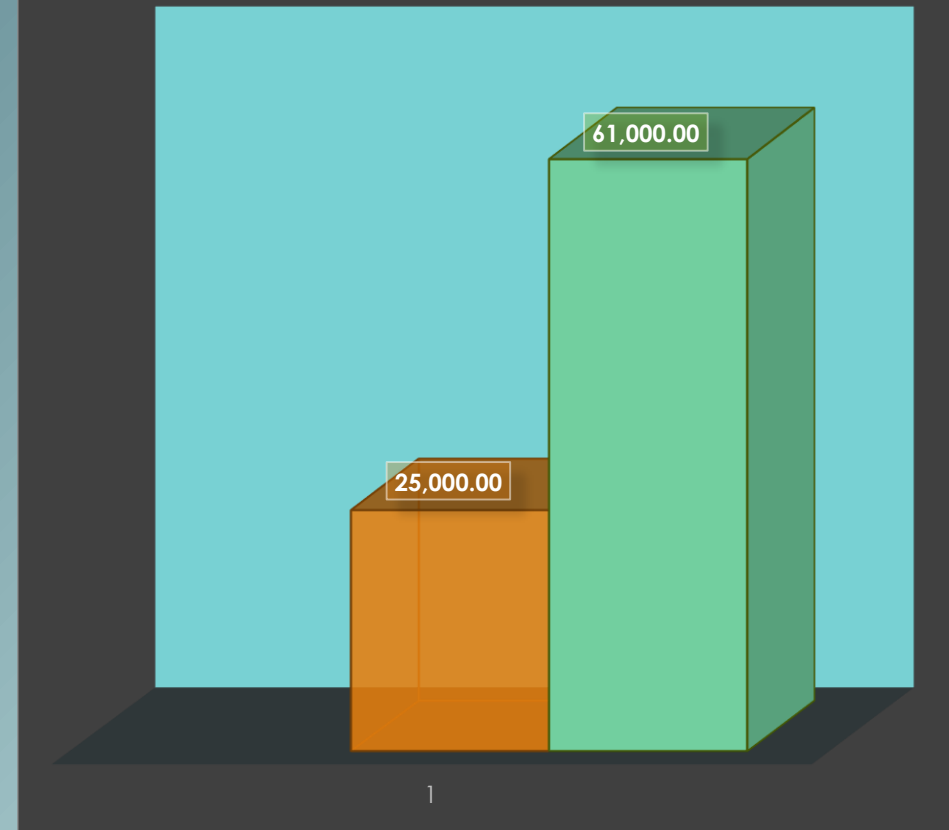
Natural Resources Functional Areas include the preservation of:

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



2019 Budget Appropriations Natural Resources

- Natural Resources Other Expenses
- Salaries & Wages
- Other Expense



2019 Recreation and Tourism Summary

2019 Recreation & Tourism Committee

- Charles Krafczek, Chair
 - Joselyn Rich
 - Mantura Gallagher

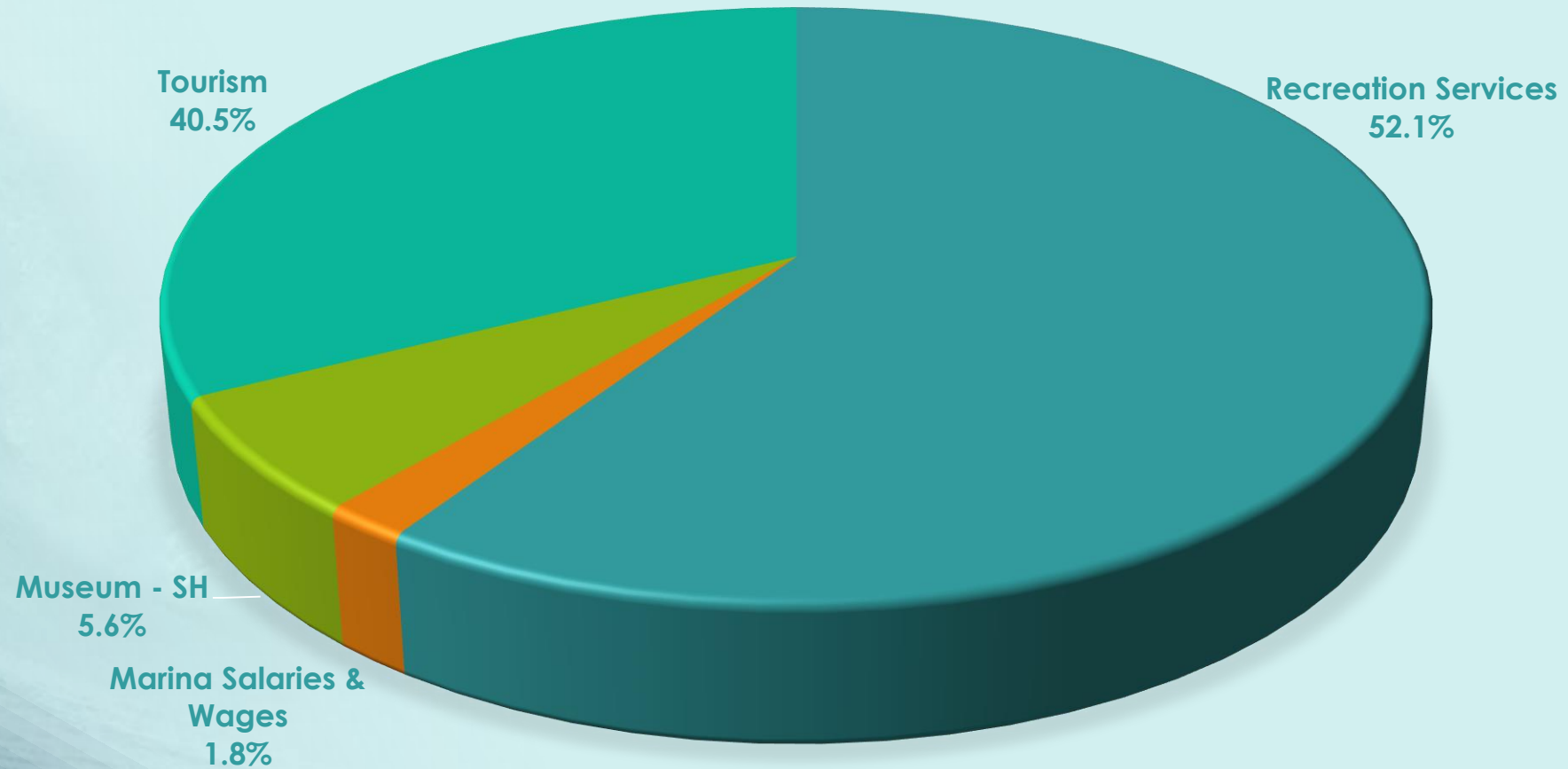
- Recreation and Tourism saw an overall increase of \$52,428 or 13.29% due to creating 2 separate positions for Recreation and Tourism Directors.
- Recreation OE increased by \$4,130
- Tourism OE increased by \$3,198
- Overall Salaries & Wages increased by \$45,100 or 23.38%

Recreation and Tourism Functional Areas

Recreation and Tourism Functional Areas include:

- Recreation
- Tourism
- Marina

2019 BUDGET APPROPRIATIONS RECREATION & TOURISM





Debt Service – Current Fund

- Debt Service is the annual principal and interest payments
 - Current Fund totals \$4,084,081. There is an decrease over 2018 of \$12,478
- Three types of debt service payments
 - **General Obligation Loan – Serial bonds**
 - 2011 Issue \$6,125,000 outstanding, matures in 2023. Interest rate between 3.0%-3.125%
 - 2018 Issue 27,455,000 outstanding , matures in 2032.
 - **NJEIT Loan** – \$3,559,988.18 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. Portions are interest free and may have loan forgiveness.
 - 2010 Issue, 2012 Issue, 2015 issue all in connection with Water/Sewer Improvements



Debt Creation – Current Fund

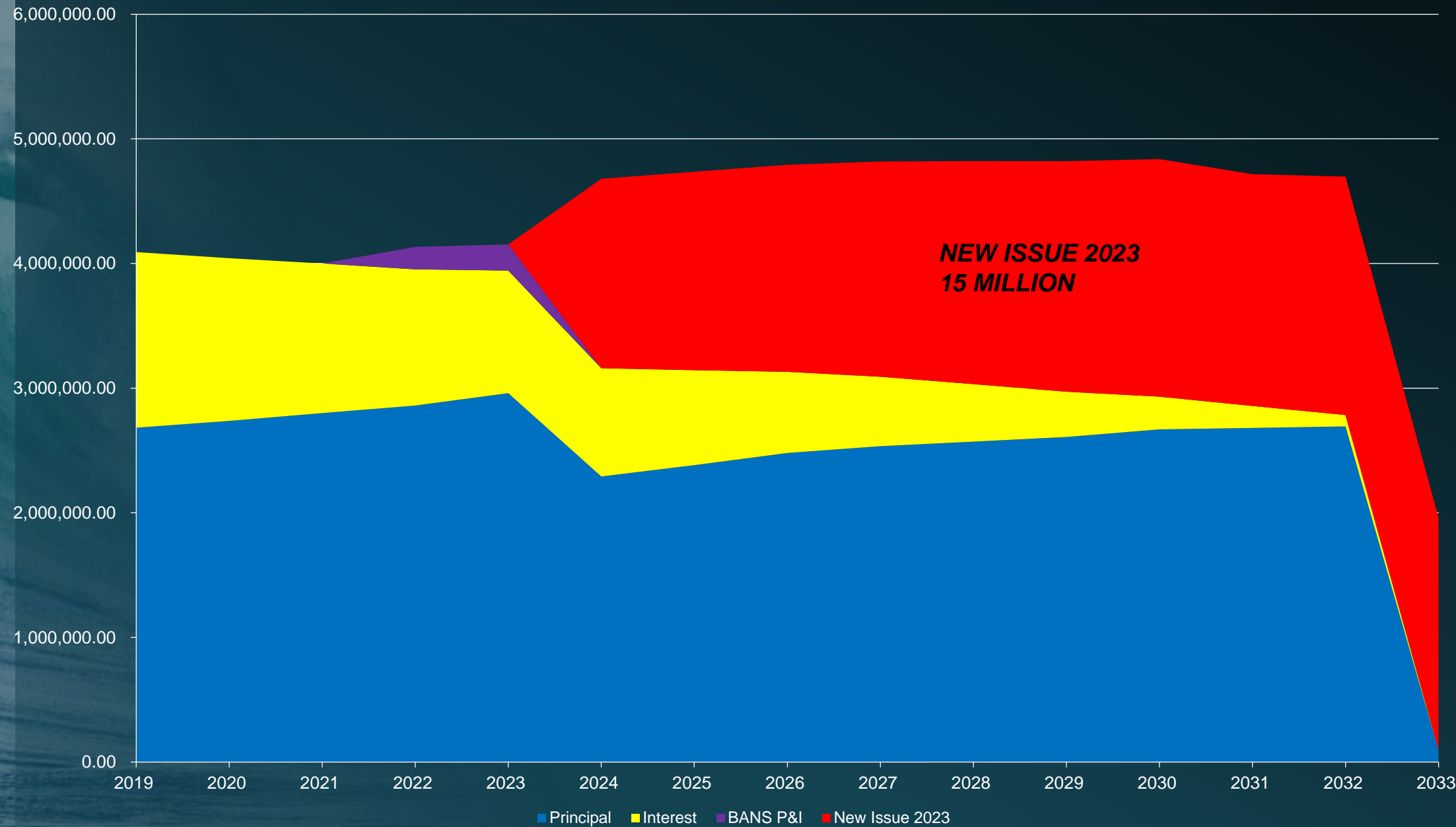
- Debt is authorized through a Capital Improvement Ordinance passed by Borough Council.
 - Each project contains a description of the project, estimated life, total cost, minimum 5% down payment, and the balance is debt authorized.
 - Down payment is appropriated in the Current Fund, Sheet 26, titled Capital Improvement Fund.
 - This year's appropriation is \$254,799
 - Not all debt authorized is financed from Serial Bonds/NJEIT/BANS.
 - Listed as Authorized but not issued, totals \$645,878.05.
 - 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 \$158,236,291.52.
 - At 12/31/18, net debt totaled \$38,745,215, as a percentage of equalized valuation was .857%.

STONE HARBOR GENERAL CAPITAL LIFETIME DEBT SERVICE



General Capital *highlights*

Various Road Improvements/Curbs	\$2,006,422
Beach & Bay Improvements (\$100k each)	\$200,000
Solid Waste Trash Truck	\$210,000
Bulkhead - 114 th Streets	\$250,000
ADA Improvements –Beach Access	\$464,000
Case 590M Loader/Backhoe	\$120,000
Police Equipment/Computer*	\$69,500
Building Improvements – Borough Hall *	\$40,000
Beach Patrol Equipment/Vehicle*	\$68,500
Various Public Work Items/Improvements *	\$70,000

* Project funded 100% with Surplus

Water and Sewer 2019 Budget



Water & Sewer Utility Fund Summary

There is an overall increase in the Utility Budget of \$208,419 or 4.97%

Water & Sewer Utility Fund Committee

- **Reese Moore, Chair**
- **Mantura Gallagher**
 - **Bob Levins**

- There is a increase in Other Expenses of \$13,500 or 2.3%
- Cape May County MUA Fee: There is a increase of 5,000 or .3%
- Debt Service increased by \$128,982 or 8.5 %
- Statutory Charges increased by \$50,567.
- Capital Increased by \$10,000



Water & Sewer Functional Areas

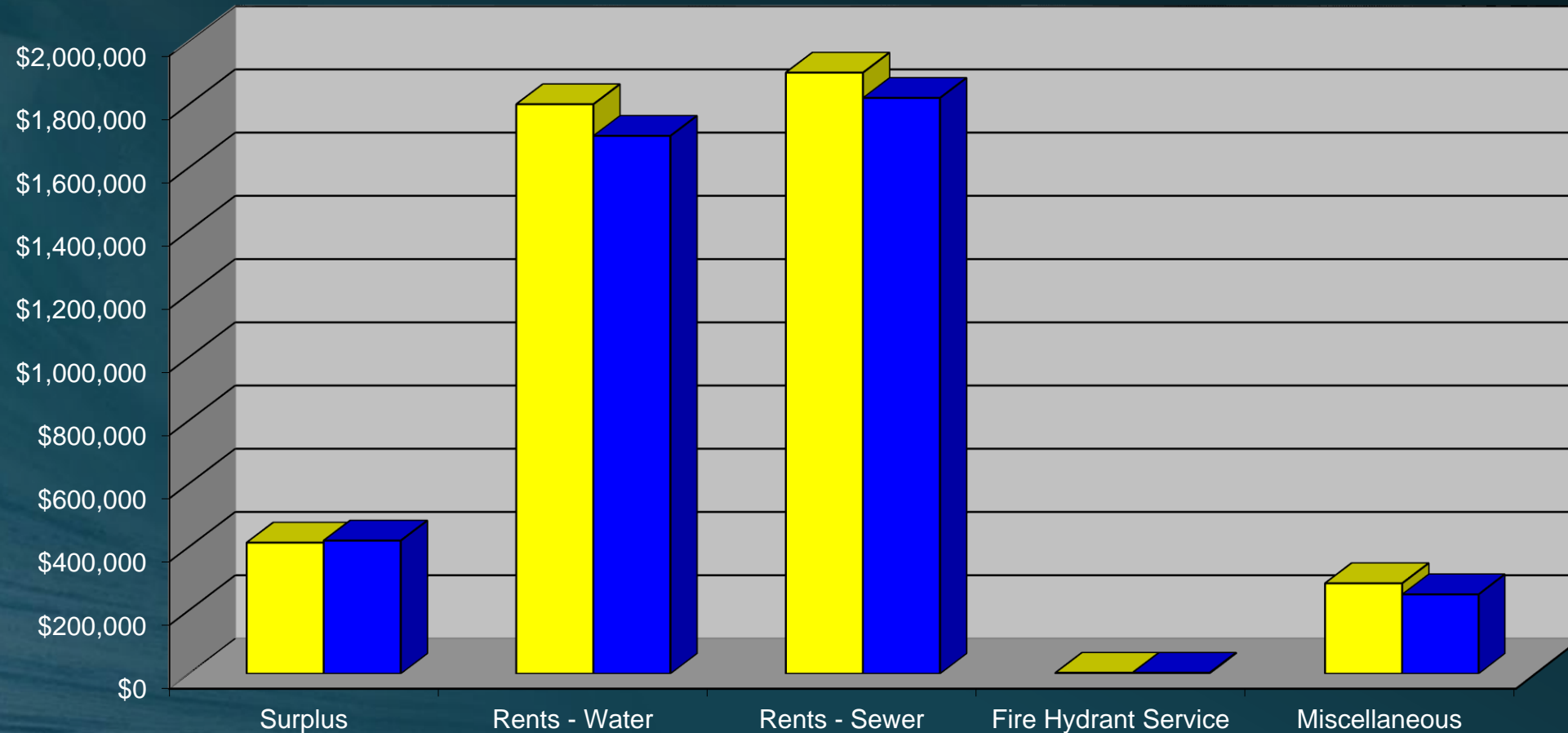
Water and Sewer Functional Areas include:

- 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

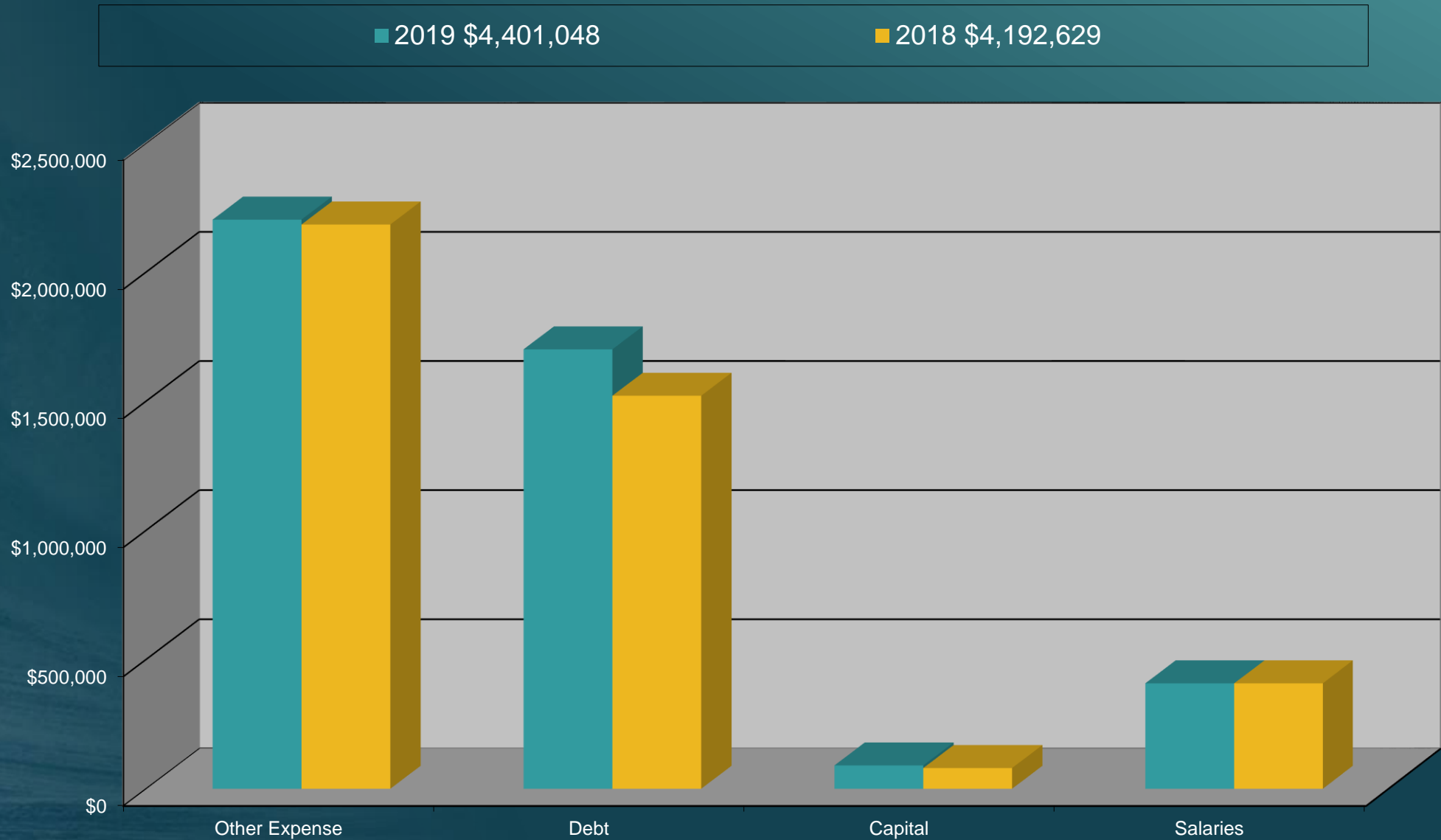
Water/Sewer Fund Revenue

■ 2019 \$4,401,048

■ 2018 \$4,192,629



Water Sewer Fund Appropriations





Water/Sewer Capital *highlights*

Various Infrastructure/Road Improvements	\$2,253,175
Meter/IRT Upgrades	\$200,000
Storm Water/Drink Water/Sanitary System	\$2,000,000
80 th Street Lift Station Engineering	\$55,000
Utility Truck	\$85,000
Outfall Duck Bill Replacement	\$50,000

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://stoneharbor.nj.org/departments/finance/departments-of-finance/>