



# Welcome to the 2024 Borough Budget Workshop

Mayor, Council, and Seaside Park Residents  
March 21, 2024 - 7 pm



Finance Committee  
Joseph Connor, William Kraft, Jerry Rotonda  
Seaside Park Borough Council  
Karen Kroon, Business Administrator

This budget presentation represents preliminary numbers which are subject to change prior to the introduction of the 2024 Municipal Budget.

Still to come...

- Actual Local School Taxes
- Actual Regional School Taxes
- Actual County Taxes



# 2024 Borough Budget Hurdles



- Revenues
- General Liability, Workers Compensation, Property Insurance
- Pension Costs
- Increases in costs for general expenses



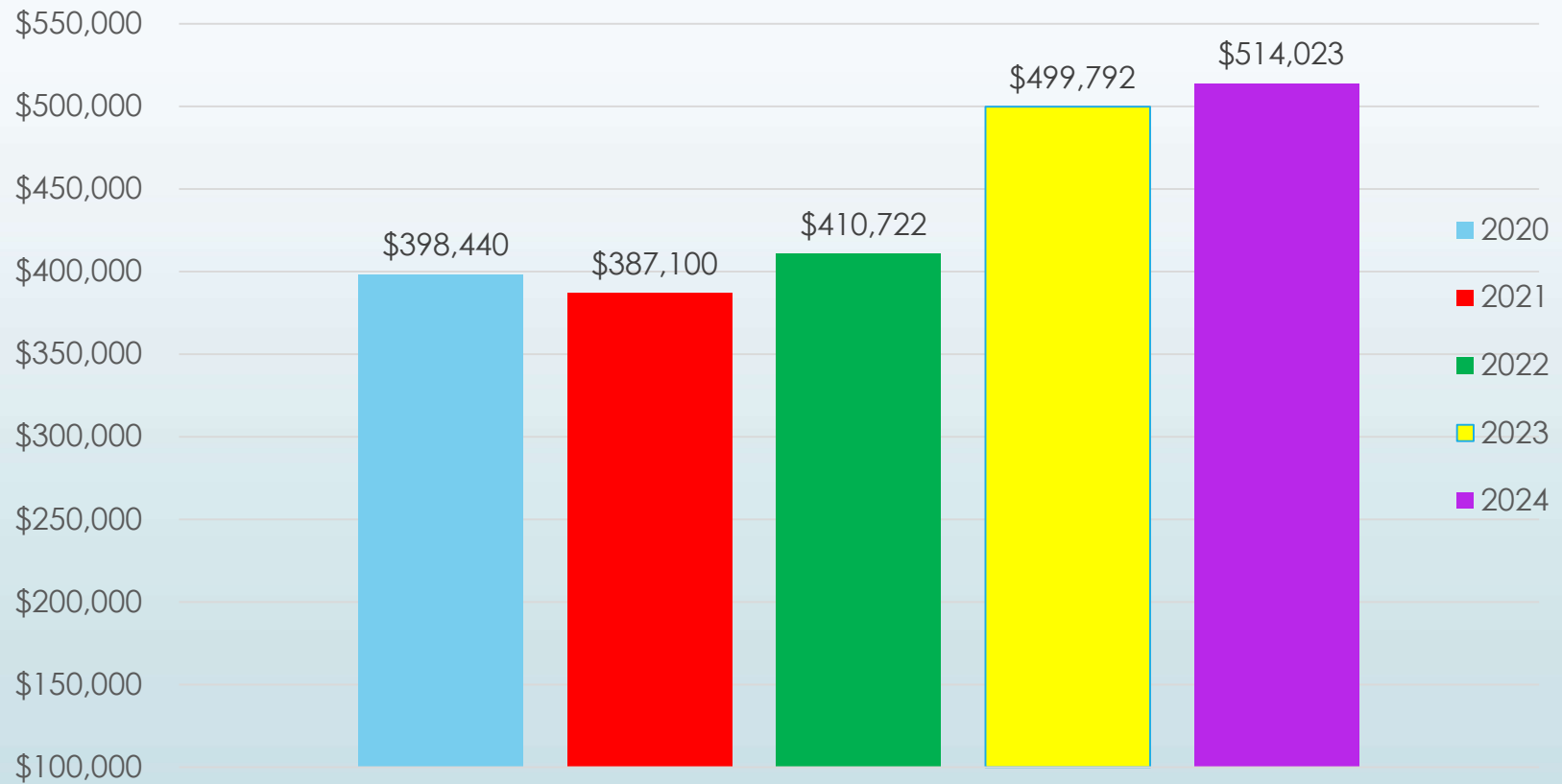
## Employee Group Insurance



Effective 5/1/2024, the Borough has terminated their agreement with the State Health Benefits Program and has secured coverage with the Central Jersey Health Insurance Fund.



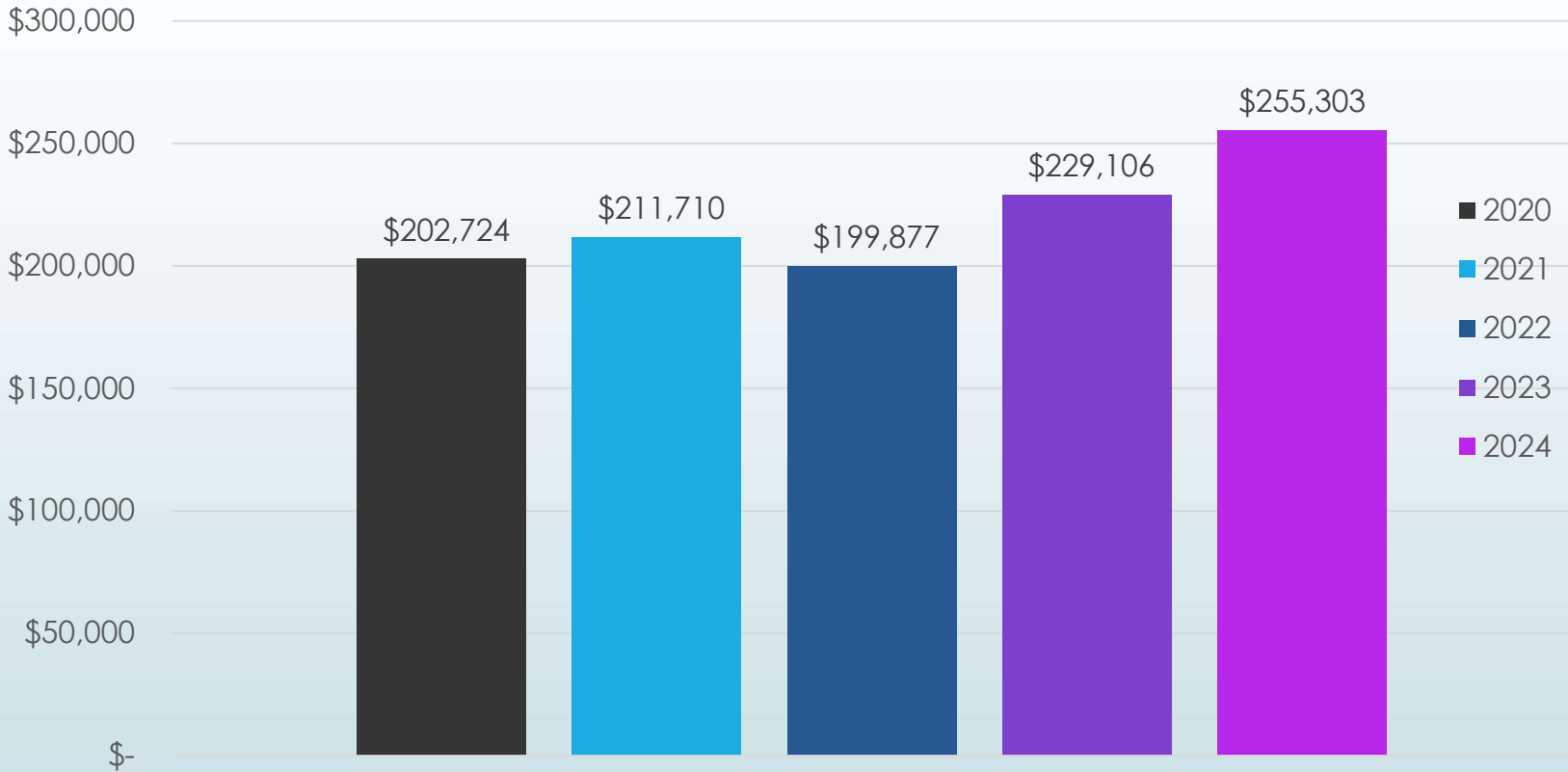
## Police & Fire Retirement System (PFRS)



\$14,231 increase over 2023



# Public Employee Retirement System (PERS)

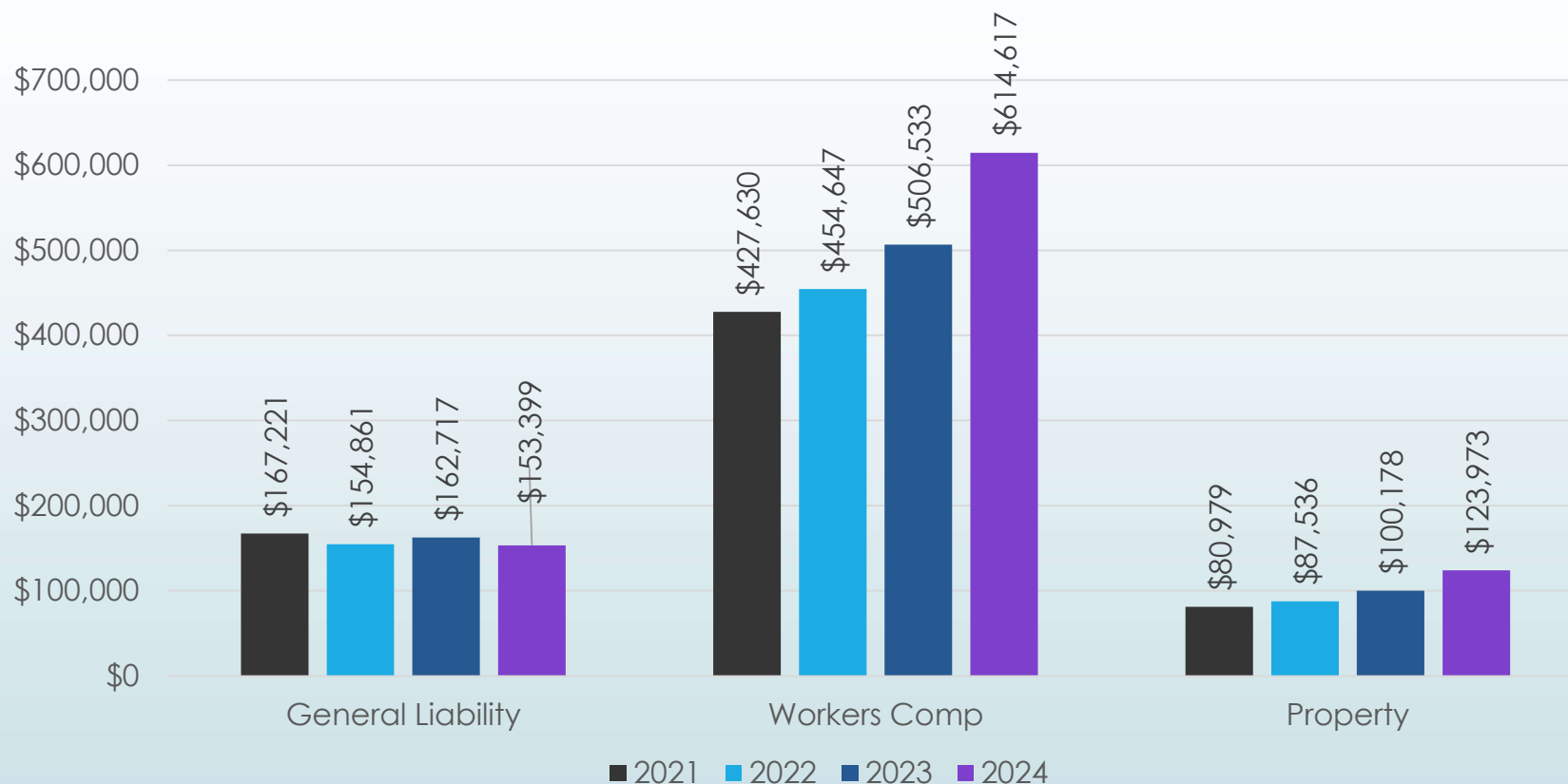


\$26,200 increase over 2023





## General Liability, Property & Worker's Compensation



While General Liability has decreased by \$9,300, Workers Compensation has increased by \$108,084 and Property Insurance has increased by \$23,795.

**This results in a \$122,579 increase over 2023**

# 2024 Borough Budget Process



- **Preliminary Budget is prepared for Finance based on initial requests by CFO.**
- **Preliminary Budget is prepared for Finance Committee after department meetings based on closing out the 2023 budget and review of actual expenditures.**
- **Each department is asked for long term Capital Improvement forecast to develop an accurate Debt program for the Borough.**
- **Budget is adjusted by CFO for final recommendations based on finance meetings and Finance Committee recommendations.**
- **Final preliminary budget is developed for review at the budget workshop.**



# 2024 Borough Budget Objectives



- Balance the service needs of the Community with the cost, budget constraints, and the effect of the Borough Tax Rate.
- Review all Operating Expense line items for all Departments and ensure need – work through Council Committee structure.
- Submit a 2024 Borough Budget that reflects the minimum amount of tax needed to sufficiently operate the Borough.
- Minimize any property tax increases as much as possible.
- Continue to explore Shared Services where it is beneficial to Seaside Park.
- Modernize the Borough for better services and cost for those services.



## Levy Change per Assessed Values

Assessment	Estimated 2024		Actual 2023		Total Tax Annual Increase	Local Tax Annual Increase
	Total Tax	Local Tax	Total Tax	Local Tax		
250,000	4,212.91	1,580.63	4,022.50	1,470.00	190.41	<b>110.63</b>
300,000	5,055.50	1,896.76	4,827.00	1,764.00	228.50	<b>132.76</b>
350,000	5,898.08	2,212.89	5,631.50	2,058.00	266.58	<b>132.76</b>
400,000	6,740.66	2,529.01	6,436.00	2,352.00	304.66	<b>177.01</b>
450,000	7,583.25	2,845.14	7,240.50	2,646.00	342.75	<b>199.17</b>
500,000	8,425.83	3,161.27	8,045.00	2,940.00	380.83	<b>221.27</b>
600,000	10,119.99	3,793.52	9,654.00	3,528.00	456.99	<b>265.32</b>
750,000	12,638.74	4,741.90	12,067.50	4,410.00	571.24	<b>331.90</b>
1,000,000	16,851.66	6,322.54	16,090.00	5,880.00	761.66	<b>442.54</b>
1,250,000	21,064.57	7,903.17	20,112.50	7,350.00	952.07	<b>553.17</b>
1,500,000	25,277.49	9,483.80	24,135.00	8,820.00	1,142.49	<b>663.80</b>

Tax Type	Levy Amount	Rate	Levy Amount	Rate	Change	%
County Tax	4,815,328.40	0.410	4,542,762.64	0.390	0.020	5.22%
County Library	455,654.60	0.039	429,862.83	0.037	0.002	4.95%
County Health	264,316.95	0.023	249,355.61	0.021	0.002	7.27%
County Open Space	<u>191,251.55</u>	<u>0.016</u>	<u>180,425.99</u>	<u>0.016</u>	<u>0.000</u>	<u>1.87%</u>
Total	5,726,551.49	0.488	5,402,407.07	0.464	0.024	5.18%
Local Schools	578,835.72	0.049	567,486.00	0.049	0	0.67%
Regional School	6,049,462.92	0.516	5,930,846.00	0.508	0.008	1.49%
Municipal Tax	<u>7,418,850.81</u>	<u>0.632</u>	<u>6,863,152.84</u>	<u>0.588</u>	<u>0.044</u>	<u>7.5%</u>
Total Levies	19,773,700.95	1.685	18,763,891.91	1.609	0.076	.0473

Assessed value of your property is used to determine your share of the taxes that need to be raised for: School(s), County, and Municipal. Tax rate is determined by total amount of taxes to be raised \$19,772,042.92 divided by Total Assessed Valuation of \$1,173,398,000 divided by 100 which comes to a tax rate of **1.685** per \$100 of valuation.

Average residential value of \$568,662 times .01685 has a total tax amount of \$9,581.95

Each penny is equal to \$117,339.80

The Borough is under the State LEVY CAP by \$37,049.73

# The Overall 2024 Budget and Anticipated Taxes

## Includes:

- District School
- Regional High School
- Seaside Park Borough
- County Taxes (Library/Health/Open Space)

# 2024 Seaside Park Budget Presentation to Council and Residents



## Composition of Total Taxes – Estimated 2024



❖ Estimated 6% for County and 2% School budgets



# School Funding



- School Budget (determined by School Board)
- State Aid (determined by New Jersey School funding formula)\*
- Net Budget to be Raised by Property Tax

Net Budget is allocated to the municipalities the district covers:

Seaside Park all funded by Seaside Park Residents

Central Regional funded by Berkeley Township, Island Heights,  
Ocean Gate, Seaside Heights and Seaside Park

\* State funding program is based on ability to pay – progressive formula including many factors.

\*\* Allocation formula is current influenced by the State via the State Funding Formula. The formula is based on 2 elements- Equalized Valuation and student enrollment. Result is Seaside Park residents may pay a higher portion of the Central Regional budget than other towns. Seaside Park Borough Council has NO jurisdiction for any School Budgets or BOE – we can only advocate for our residents.



# The 2024 Borough Budget

Excludes Schools, County, Open Space

# Revenue Outlook



- **Economy remains “good” – seems to be steady to up**
  - Appeals are down – residential and commercial across Ocean County
  - Construction for UCC and other fees (revenue) should remain constant. Beach and Parking Revenue has been consistent. Increases in parking fees should help rebuild surplus

- **Use of Surplus-**

Balance 1/1/2024	2,085,533.00
Anticipated in 2024	<u>1,450,000.00</u>
Balance after use	636,533.00

	SURPLUS BAL	IN BUDGET	% USED IN BUDGET
2018	2,209,990	1,340,000	61%
2019	2,382,682	1,800,000	76%
2020	2,442,276	1,800,000	74%
2021	2,977,183	2,000,000	67%
2022	3,107,545	2,100,000	68%
2023	2,682,985	2,100,000	78%
2024	2,085,533	1,450,000	70%



# Assessed Valuation Impact

(Vacant Land, Residential, Farms, Commercial, Utilities)

Property Type	Items	Valuations 2024	% Portion	Items	Valuations 2023	% Portion	Increase/ (Decrease)
Vacant land	37	18,751,500	0.016	39	19,165,000	0.017	
Residential	1,951	1,114,826,500	0.950	1941	1,103,772,400	0.946	
Commercial	46	32,688,400	0.028	47	35,492,100	0.030	
Apartment	12	7,131,600	0.006	13	8,099,500	0.007	
<b>Total</b>	<b>2046</b>	<b>1,173,398,000</b>	<b>1</b>	<b>2040</b>	<b>1,166,529,000</b>	<b>1</b>	<b>6,869,000</b>
<b>1 TAX POINT</b>	<b>=</b>	<b>117,339.80</b>	<b>=</b>	<b>116,652.90</b>			

Increase of Valuations in 2024 in the amount of \$6,869,000 which will have a minimal impact on change of tax rate. The Borough received a notification from the County that it may order a district-wide revaluation in the near future.

# Budgeting



- Focus on line item reductions where possible - ongoing
- Maintain level of service to our residents with fiscal prudence
- Forecast and plan for major items that impact the budget
  - Health care
  - Capital budget
  - Salary and expenses
  - Cost of goods
  - Debt service- if new debt is added – try to keep debt levelized
  - Research and take advantage of all Grant opportunities





## 2024 Revenues

	<u>Anticipated 2024</u>	<u>Anticipated 2023</u>	<u>Realized in 2023</u>
<b><u>1.Surplus Anticipated</u></b>			
Surplus Anticipated	1,450,000.00	2,140,000.00	2,140,000.00
<b><u>3.Miscellaneous Revenues</u></b>			
<b><u>A. Local Revenues</u></b>			
Alcoholic Beverages	10,000	10,000	10,180
Fees and Permits	210,000	165,000	220,021.98
Fines and Costs: Municipal Court	75,000	125,000	82,408.39
Interest and Costs on Taxes	45,000	30,000	53,637.55
Parking Meters	800,000	550,000	993,000.00
Interest on Investments and Deposits	20,000	7,500	47,137.61
Beach Badges	1,800,000	1,750,000	1,916,971.29
Fire Protection Fee	35,000	30,000	24,000
Cable Franchise Fee	18,000	14,000	22,697
Total Local Revenues	2,983,000.00	2,681,500	3,172,034.79
<b><u>B. State Aid</u></b>			
Energy Receipts Tax (P.L. 1997, Chapter 162 & 167)	216,842.85	206,517.00	206,517.00
<b><u>C. Dedicated Uniform Construction Code Fees</u></b>			
Uniform Construction Code Fees	200,000	225,000	210,879
<b><u>F. Special Items of General Revenue</u></b>			
Grants	374,586.85	70,000	\$165,115.18
Receipts from Delinquent Taxes	75,000.00	60,000.00	60,000.00
Subtotal General Revenues			
<b><u>6.Amount to be Raised by Taxes</u></b>	7,417,192.78	6,863,152.84	
<b>Total General Revenues</b>	<b>12,896,622.48</b>	<b>12,307,686.25</b>	

# 2024 Appropriations

	2024	2023	Increase/ -Decrease
Appropriations	Budget	Budget	
<b>Within Appropriations CAP</b>			
Salaries and Wages	5,258,410.00	4,927,623.50	280,786.50
General Liability	277,372.00	262,895.00	14,477.00
Employee Group Insurance	800,000.00	870,000.00	(70,000.00)
Workers Compensation Insurance	614,617.00	457,036.00	157,581.00
Other Insurance	46,560.00	48,980.00	(2,420.00)
Waiver of Insurance	10,000.00	5,000.00	5,000.00
Utilities	483,000.00	551,000.00	(68,000.00)
PERS	255,303.00	230,606.00	24,697.00
PFRS	514,022.88	499,792.00	14,230.88
Social Security System (O.A.S.I.)	360,000.00	360,000.00	0.00
Other Operating Expenses	1,642,792.20	2,183,870.00	(541,077.80)
<b>Total Appropriations Within CAP</b>	<b>10,262,077.08</b>	<b>10,362,802.50</b>	

<b><u>Appropriation CAP</u></b>	
Amount which CAP is applied	10,891,341.79,
New Construction	3,749.62
Allowable CAP increase	108,929.42
<b>Maximum Allowable CAP</b>	<b>11,276,288.37</b>



# Seaside Park

Borough Council - Finance Committee



Operations-Excluded from CAPS	2024	2023
LOSAP	15,000.00	20,000.00
<b>Shared Services</b>		
Seaside Heights Borough Transportation	5,000.00	5,000.00
Berkeley Township Animal Control Service	7,655.00	5,900.00
OC Board of Health-Animal Shelter Services	800.00	800.00
OC Road Dept. - Road Materials and Paving	14,000.00	12,000.00
OC Fire/Police 911 Dispatch	183,000.00	183,000.00
OC Manchester Township-Firearms Range	1,000.00	1,000.00
Borough of Lavallette-Court Administrator	61,784.05	49,225.00
Borough of Seaside Heights (CFO)	78,663.00	78,572.00
<b>Total Shared Services</b>	<b>351,902.05</b>	<b>335,496.99</b>
Public and Private Grants	374,586.85	70,325.00
Capital Improvement Fund	251,600.00	322,705.00
Debt Service	751,651.00	769,065.35
<b>Total Other Operation Excluded from CAPS</b>	<b>1,942,523.90</b>	<b>1,637,592.34</b>
Reserve for Uncollected Taxes	692,079.53	200,000.00
<b>Total General Appropriations</b>	<b>12,898,280.51</b>	<b>12,246,494.84</b>

# Managing Future Needs

## Key Management Objectives

- Managing Debt (and additional Debt)
- Managing Health Care Expenses
- Manage a Long-Term Capital Program
- Minimizing Operating Expenses



# Managing Future Needs

## Future Planning Initiatives



- ✓ Hold the line on Operating Expenses
- ✓ Identify, implement, and invest in productivity enhancing management practices and equipment.
- ✓ Consider Outsourcing Opportunities
- ✓ Consider and evaluate Shared Services with another Borough and the County
- ✓ Prepare the community for what lies ahead with greater transparency and communication.



# Managing Future Needs

## Develop Long Term Capital Program



- ✓ **Manage the Capital Investment Programs of the Departments**
- ✓ **Spread investments over a period to reduce peaks in debt service**
- ✓ **Ensure investments are least cost option:**
  - **Manage cost of maintenance v. replacement**
  - **Investigate outsourcing of tasks**
- ✓ **Continually investigate share assets with neighboring boroughs**
- ✓ **Forecast Capital Projects on a rolling 3-year view**



<b>Capital Items-All Funds</b>		
<b>PROJECT TITLE</b>	<b>2024</b>	<b>2023</b>
<b>General Fund</b>	251,600.00	322,705.00
Capital Improvement Fund	251,600.00	322,705.00
Acquisition of Police car	0	55,000.00
Acquisition of Equipment for DPW	0	65,000.00
<b>Total</b>	<b>251,600.00</b>	<b>442,705.00</b>
<b>Water Utility</b>		
Capital Improvement Fund	400,800.00	100,000.00
Capital Outlay	70,000.00	200,000.00
<b>Total</b>	<b>470,800.00</b>	<b>300,000.00</b>
<b>Marina Utility</b>		
Capital Improvement Fund	297,800.00	169,200.00
Capital Outlay	0	200,000.00
<b>Total</b>	<b>297,800.00</b>	<b>369,200.00</b>

# 2024 – 2026 Capital Projects

## Managing Future Needs



Project	Cost
Scott Bottles for Fire Department	17,000
Mobi Mats for Beach Ramps (all will be done)	17,500
Beach Rake	70,000
Parking Kiosks	100,000
Lightning Detector	47,000
Street Legal Vehicle (Recreation)	15,000
DPW Fencing (13th Avenue)	75,000
Flagpoles for Beach Ramps (26 flagpoles)	46,000
Security Cameras	47,103
Parking Lots (Lots 2 & 3)	1,200,000
Desert Palm Demolition	329,209
Turn Out Gear for Fire Department	15,000
Bayfront Improvements	1,000,000
Boardwalk Reconstruction (K St. To 5th Ave)	14,000,000
Stockton Ave/Lake Ave	248,000
Ballfield & Park Improvements	1,000,000
HVAC Unit Replacement	44,000
J Street Improvements	125,000
Desert Palm Construction (Municipal Pool)	550,000
Maring Light & 5th Avenue Pier lighting	165,000
Marina Finger Pier Repairs	9,000
Marina Water Distribution Repairs	75,000
1 Municipal Plaza Facia Repairs	550,000
Dune Replenishment	382,100
Dredging – 13th Avenue Boat Ramp	500,000

## Water Utility

<b>10. DEDICATED REVENUES WATER UTILITY</b>	<b>2024</b>	<b>2023</b>
<b>Operating Surplus Anticipated</b>	700,000.00	600,000.00
Rents	2,350,000.00	2,300,000.00
Miscellaneous	0	10,000.00
<b>Total Utility Revenues</b>	<b>3,200,000.00</b>	<b>3,116,000.00</b>
<b>11. APPROPRIATIONS FOR WATER UTILITY</b>		
<b>Operating:</b>		
Salaries & Wages	417,455.00	425,000.00
Other Expenses	709,684.95	592,800.00
Ocean County Utilities	500,000.00	500,000.00
<b>Capital Improvements:</b>		
Capital Improvement Fund	400,800.00	100,000.00
Capital Outlay	70,000.00	200,000.00
<b>Debt Service:</b>		
Payment on Bond Principal	732,252.00	1,088,688.73
Interest on Bonds	188,452.00	133,967.50
Interest on Notes	113,122.37	3,200.00
<b>STATUTORY EXPENDITURES:</b>		
Contribution To:		
PERS	40,000.00	40,000.00
Social Security System (O.A.S.I.)	32,000.00	26,000.00
Unemployment Compensation	5,233.68	6,343.77
<b>Surplus (General Budget )</b>		
<b>TOTAL WATER UTILITY APPROPRIATIONS</b>	<b>3,200,000.00</b>	<b>3,116,000.00</b>

## Marina Utility

<b>10. DEDICATED REVENUES MARINA UTILITY</b>		<b>2024</b>	<b>2023</b>
<b>Operating Surplus Anticipated</b>		150,000.00	75,000.00
Slip Rentals		400,000.00	350,000.00
Miscellaneous		50,000.00	30,000.00
<b>Total Utility Revenues</b>		<b>600,000.00</b>	<b>455,000.00</b>
<b>11. APPROPRIATIONS FOR MARINA UTILITY</b>			
<b>Operating:</b>			
Salaries & Wages		112,455.00	47,600.00
Other Expenses		158,392.00	151,000.00
<b>Capital Improvements:</b>			
Capital Improvement Fund		297,800.00	100,000.00
Capital Outlay			100,000.00
<b>Debt Service:</b>			
Payment on Bond Principal		20,000.00	46,000.00
Interest on Bonds		2,750.00	4,300.00
<b>STATUTORY EXPENDITURES:</b>			
Contribution To:			
PERS			1,500.00
Social Security System (O.A.S.I.)		8,603.00	4,100.00
Unemployment Compensation			500
<b>Surplus (General Budget )</b>			
<b>TOTAL MARINA UTILITY APPROPRIATIONS</b>		<b>600,000.00</b>	<b>455,000.00</b>

# Debt Service



<b>Current Fund</b>	<b>2024</b>	<b>2023</b>
Payment of Bonds	345,000.00	595,000.00
Interest on Bonds	46,000.00	66,100.00
Interest on Notes	350,235.00	60,014.05
Green Trust Loan	10,416.00	47,951.30
<b>Water Utility</b>	<b>2024</b>	<b>2023</b>
Payment of Bonds	723,252.00	374,000.00
Interest on Bonds	188,452.00	34,800.00
Interest on Notes	113,122.37	3,200.00
<b>Marina Utility</b>	<b>2024</b>	<b>2023</b>
Payment of Bonds	20,000.00	46,000.00
Interest on Bonds	2,750.00	4,300.00
Debt Ratio	2023	2022
	0.950%	1.112%

**Max Allowed 3.50% Of 3 Year Average Assessed Value**



## New Jersey Senior Freeze (Property Tax Reimbursement)

<https://www.nj.gov/treasury/taxation/ptr/>

**Age Restrictions: You and your spouse were:**

- 65 or older on December 31, 2022; or
- Receiving federal Social Security disability payments (not benefit payments received on behalf of someone else) on or before December 31, 2022

**Homeowners:**

- You owned and lived in your home since December 31, 2019, or earlier (and you still owned and lived in that home on December 31, 2022).
- The 2022 property taxes due on your home must have been paid by June 1, 2023, and the property taxes must be paid by June 1, 2024.

If you moved from one New Jersey property to another and received a reimbursement for your previous residence for the last full year you lived there, you may qualify for an exception to re-applying to the Senior Freeze program. Visit the website for more information.

**Your total income (combined in you were married or in a civil union and lived in the same home):**

- 2022 -- \$150,000 or less; and
- 2023 -- \$163,050 or less
- Visit the website for past years' income limit amounts



# New Jersey Senior Freeze (Property Tax Reimbursement)

<https://www.nj.gov/treasury/taxation/ptr/>

You are not eligible for a reimbursement on:

- ▶ A vacation home or second home;
- ▶ Property that you rent to someone else;
- ▶ Property that consists of more than 4 units; or
- ▶ Property with four units or less that contains more than one commercial unit;
- ▶ Are completely exempt from paying property taxes on your home; or
- ▶ Made P.I.L.O.T. (Payment-in-Lieu-of-Tax) payments to your municipality

Life Estate (Life Tenancy): You are considered the owner of the property if you have life estate rights or a lease for 99 years or more. You must include with your application a copy of an official document (e.g., deed, lease) establishing your right to occupy the property

# Questions?





**Thank You!**