

TOWNSHIP OF TOMS RIVER

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THOMAS F. KELAHER
MAYOR

REPLY TO:
OFFICE OF THE MAYOR

2014 Budget Summary

March 25, 2014

Mayor Thomas F. Kelaher announced today that the 2014 Toms River Township Municipal Budget, which is scheduled for introduction on Tuesday March 25, 2014, has been formulated with one overriding goal and objective in mind which is to continue to provide a high-quality level of services to the residents of Toms River without interruption in spite of some rather formidable challenges.

Mayor Kelaher stated, "Most notably, the Township and its residents continue to recover and rebuild from the devastation of Super Storm Sandy. The Township will continue to respond to the needs of those residents and funding has been provided in the 2014 budget for continuation of the Township's efforts." "In addition, the winter of 2014 has been one of the most severe winters on record and the budget reflects a large increase of over \$1.2 million in costs for snow removal consistent with 5 major winter storms that required large commitments of manpower, equipment and salt," Mayor Kelaher added.

Other notable factors which are reflected in the budget are as follows:

- The Township ratable base which was severely impacted from Super Storm Sandy (loss of \$2 billion) has started to recover. The new ratable base for 2014 reflects recovery of at least one-third to one-half (over \$700 million) of the amount that was lost due to the damage from Sandy. That factor has a very positive impact on the tax rate for 2014 and going forward for all of the taxing entities. An analysis of the ratable base is shown below:

Property Classification:	2014	2013	Change	% Change
Vacant Land	\$ 199,589,700.00	\$ 199,173,300.00	\$ 416,400.00	0.21%
Residential	\$ 9,992,190,300.00	\$ 8,959,968,900.00	\$ 1,032,221,400.00	11.52%
Farm Regular	\$ 5,748,000.00	\$ 5,903,100.00	\$ (155,100.00)	-2.63%
Farm- Qualified	\$ 119,400.00	\$ 115,200.00	\$ 4,200.00	3.65%
Commercial	\$ 1,942,757,060.00	\$ 1,906,321,460.00	\$ 36,435,600.00	1.91%
Industrial	\$ 64,694,600.00	\$ 64,398,200.00	\$ 296,400.00	0.46%
Apartments	\$ 223,970,900.00	\$ 222,889,400.00	\$ 1,081,500.00	0.49%
Total:	\$ 12,429,069,960.00	\$ 11,358,769,560.00	\$ 1,070,300,400.00	9.42%

- As noted above, the Township enhanced staffing levels in certain specific departments (including but not limited to Building Inspection, Engineering, Information Technology, Land Use/Zoning, Public Works and Police) in order to meet the needs of the residents whose properties were damaged from Sandy. The Township is continuing the increased staffing levels through 2014 as the demand for services continues. The Building Inspection Department opened a substation in Ortley Beach to assist homeowners and contractors in the rebuilding process. Approximately 40% of the Township Budget is dedicated to the direct service delivery categories of public works and public safety. It should be noted that although there are increased expenditures for the building inspection department, those expenditures are offset completely by corresponding revenue so there is no impact on the tax rate.
- Consistent with the nationwide trend in the United States, health insurance costs continue to increase and the 2014 budget reflects an increase of over \$1 million in this category. In order to try and offset these costs somewhat, as of 1/1/2014, the Township is offering a much less expensive medical insurance plan to new employees which will save approximately 14 % for each new employee. In addition, the phase in for payment of health insurance premiums by employees has begun for all bargaining units and this will also have a positive impact on this category in the ensuing budget years.
- The appropriation for the Reserve for Uncollected Taxes has also been increased in this budget by over \$347,000. It is vital to note that the Reserve for Uncollected Taxes is a mandatory budget line item and the formula for this appropriation is set by State regulation. This category now represents over 7.6% of the overall Township budget.
- The Township is utilizing more Surplus this year (+ \$5 million) in order to try and keep the tax rate as low as possible.
- There is a decrease in FEMA Community Disaster Loan funding which is no longer available of (\$5 million). This is a non-recurring revenue which may or may not have to be paid back in future years.
- The anticipated revenue under the category of Delinquent Tax Revenue had to be reduced this year by (\$2.2 million) which is based on the amount of delinquent taxes that are available to be collected.
- The Budget includes funding from the State Community Development Block Grant Essential Services program; however that funding is subject to State approval.
- The budget as introduced reflects an increase in the tax rate of approximately **3.8 cents per \$100 of assessed valuation**. It should be noted that over \$1.2 million of the tax increase, which is more than one cent, is due to the winter storm costs associated with snow removal for the 5 major winter storms.

In terms of "Total Property Taxes Paid" in 2013 based on a comparison of average residential assessments in each community, Toms River taxpayers paid an average of \$4,758.93 which is 22% **below** the County average of \$6,118.36 and ranks **23rd** in the County. A trend analysis of the past 13 years, shows that overall, Toms River taxpayers are still paying **significantly less** than other County residents,

which has been the case for the past 13 years. Most importantly, Toms River property owners paid **(41%) LESS** than the State average for property taxes paid in 2013.

The graph below depicts a comparison of the “average” **municipal property taxes** paid in Toms River over the past four years.



A summary of the 2014 budget is shown below:

2014 Budget Summary		
Revenue	2014	% of Budget
Surplus	\$ 7,825,700.00	6.33%
Local Revenue	\$ 3,921,100.00	3.17%
State Aid	\$ 8,492,807.00	6.87%
UCC Fees	\$ 2,230,000.00	1.80%
Other Misc Revenue	\$ 25,486,010.62	20.61%
Delinquent Tax Revenue	\$ 4,800,000.00	3.88%
Local Taxes	\$ 70,918,800.17	57.34%
Total Revenue	\$ 123,674,417.79	100.00%
Expenditures	2014	% of Budget
General Administration/Support Serv.	\$ 6,543,996.98	5.29%
Public Safety	\$ 26,264,184.99	21.24%
Comm Dev/Zoning/Human Serv.	\$ 1,952,706.00	1.58%
Public Works/Eng/Rec	\$ 19,011,599.61	15.37%
Bldg Inspection	\$ 2,287,500.00	1.85%
Utilities and Landfill	\$ 7,562,500.00	6.11%
Ins. & Employee Benefits	\$ 29,217,181.33	23.62%
Capital/Debt Service	\$ 12,704,687.00	10.27%
Deferred Charges	\$ 8,706,784.45	7.04%
Reserve for Uncoll. Taxes	\$ 9,423,277.42	7.62%
Total Expenditures	\$ 123,674,417.79	100.00%

The budget, as introduced, complies with the State-mandated Levy Cap and Appropriations Cap as shown below:

Levy Cap Analysis:	
Maximum Allowable Amount to be Raised by Taxation	\$ 77,360,979.00
Amount to be Raised in Budget	\$ 70,918,800.17
Amount Over/Under Cap	\$ (6,442,178.83)

Expenditure Cap Analysis:	
Allowable Operating Appropriations Within Caps	\$ 86,551,845.17
CAP Utilized in 2014 Budget	\$ 70,105,052.30
Amount Over/Under Cap	\$ (16,446,792.87)

The public hearing for the 2014 Toms River Municipal Budget is set for Tuesday May 6, 2014, at 6:00 P.M.