

MANAGER'S ANNUAL BUDGET MESSAGE

2010 Budget Introduction - March 29, 2010

The proposed municipal budget for the year 2010 is \$24,719,797 compared to \$24,600,928.92 for the year 2009, an increase of \$118,868.08.

The budget has an increase in the local purpose tax rate of 2.6 cents. The reassessment adjusted the increase to 9.2 cents. The local tax rate for the year 2010 is 45.7 cents per \$100 of assessed value compared to last year's local tax rate of 36.6 cents.

The local purpose tax levy is \$18,730,815.16 compared to \$17,214,611.04, an increase of \$1,516,204.12 (8.81%). The increase is due to decreases in state aid and local revenues and increases in salaries, debt service, pensions and reserve for uncollected taxes.

The preliminary budget distributed to Council on January 15, 2010 anticipated \$18,297,084.84 for the local tax levy. The increase in tax levy was due to the following:

393,021.86	decrease revenue - state aid
(729.44)	decrease appropriations - reduction in SFSP fire district payment
51,797.37	increase appropriations - dental insurance premium increase
<u>(10,359.47)</u>	decrease appropriations - reduction in tipping fees
433,730.32	

The New Jersey CAP Law allows spending increases up to 3.5% with the passage of an ordinance authorizing the increase. The budget will fall within the 3.5% spending CAP by \$536,514.51. The New Jersey levy CAP limits increases to the local purpose tax to 4%. There are exclusions that include pensions, debt service and capital improvement funding. Net of the exclusions, the maximum allowable local purpose tax is \$18,736,219.34. Our local purpose tax falls within that CAP by \$5,404.19.

The total assessed value of real property upon which the tax rate is based is \$4,096,521,572 compared to \$4,709,617,022 in 2009, a decrease of \$613,416,450. The decrease of 13.02% is due to the reassessment, adjusted by successful tax appeals and modified by new property valuations, adjustments in value made by the Tax Assessor or any lands transferred to public domain. One cent on the tax rate is equal to \$409,652.16 in budget expenditures.

The Township completed 2009 with a surplus of \$2,943,190.01. Of that balance \$1,900,000 is being applied to this year's budget, leaving a balance of \$1,043,190.01.

The tax collection rate for 2009 was 97.71% compared with 98.09% in 2008. This budget uses a 96.53% rate to compute the reserve for uncollected taxes in 2010.

A budget workshop is scheduled for April 19, 2010 at 6:00 p.m.

The public hearing is scheduled for May 3, 2010 at 7:00 p.m. A budget summary will be published in the Cape May Star and Wave. A copy of the budget will be available on the Township website. Copies will also be available in Town Hall upon request.