

BOROUGH OF LAVALLETTE

2010 INTRODUCED BUDGET OVERVIEW AT APRIL 26, 2010

The 2010 Borough of Lavallette budget is being introduced for governing body approval tonight. Total 2010 budget appropriations are \$7,384,157 and are under the allowable expenditure appropriation CAP by \$255,738. The 2010 amount to be raised by taxation for local purposes is \$4,899,423 and is under the property tax levy CAP by \$188,793.

SURPLUS UTILIZATION AND STATE AID

In 2010 surplus utilized as budget revenue is \$668,000, with a remaining surplus balance of \$301,985 at December 31, 2009. At December 31, 2008, the surplus balance remaining after utilization of \$500,000 as budget revenue in 2009 was \$313,361. 2010 State aid revenue has been reduced by \$15,941 to \$168,609. In 2009 the Borough's state aid revenue was reduced by \$8,696. The total State aid revenue loss to the Borough for budget years 2008 through 2010 is \$63,966.

ANALYSIS OF LOCAL MUNICIPAL PORTION OF TAX RATE

There will be a .5 cent (1/2 of one cent) increase in the 2010 local municipal tax rate. The introduced local municipal tax rate for 2010 will be 26.3 cents per \$100 of assessed value, an increase of 1.94% over 2009. The amount to be raised by local taxes to support the 2010 budget will be \$4,899,423. The increase in local taxes to be raised by the Borough to support the 2010 budget is \$197,760 or 4.21% over the 2009 level. In 2009 local taxes were increased by \$29,302 or .63% over the 2008 level.

In 2010 a home assessed at \$650,000 will be assessed \$1,709.50 of local municipal taxes, an increase of \$32.50 or 1.94% over 2009. In 2009 a home assessed at \$650,000 was assessed \$1,677.00 of local municipal taxes, an increase of \$6.50 over 2008.

In 2010 the Borough's net valuation taxable will be \$1,863,830,357, an increase of \$41,555,794 over 2009. In 2009 the Borough's net valuation taxable increased by \$6,336,277 over 2008.

The following table provides certain tax related financial information for 2010 and 2009.

	<i>Estimated</i>	<i>Actual</i>
	<u>2010</u>	<u>2009</u>
Local tax levy	\$4,899,423	\$4,701,663
% up over prior year	4.21%	0.63%
Net valuation taxable	1,863,830,357	1,822,274,563
Local tax rate	0.263	0.258
Cents up	0.005	0.001
% up over prior year	1.94%	0.39%
Local taxes at -		
\$650,000	1,709.50	1,677.00
\$ increase over prior year	32.50	6.50
% up over prior year	1.94%	0.39%

APPROPRIATION INCREASES

2010 budget appropriations total \$7,384,157 and are up \$361,107 or 5.14% over the 2009 level. However, as adjusted by an increase in 2010 grant related appropriations offset by corresponding grant revenues, 2010 appropriations are up \$267,422 or 3.81% over 2009 level. In 2009 budget appropriations were up \$283,979 or 4.25% over the 2008 level. The increase in 2010 appropriations and decreases in anticipated revenues from capital surplus, receipts from delinquent taxes, interest on investments and state aid are funded primarily by increases in 2010 anticipated revenues from current fund surplus and beach fees.

The largest 2010 appropriation increases/decreases (in dollars) are:

<u>Title</u>	<u>2010</u>	<u>2009</u>	<u>\$ Increase</u> <u>\$(Decrease)</u>	<u>% Up</u> <u>-(Down)</u>
Health insurance	\$903,000	\$780,500	\$122,500	15.70%
Various grants	247,080	153,395	93,685	61.07%
Police - salaries and wages	1,599,000	1,527,500	71,500	4.68%
Unemployment compensation	50,000	2,500	47,500	1900.00%
Public Works - salaries and wages	920,500	888,925	31,575	3.55%
Landfill/solid waste disposal costs	167,000	192,000	(25,000)	-13.02%
	<u>\$3,886,580</u>	<u>\$3,544,820</u>	<u>\$341,760</u>	

CAPITAL BUDGET

The introduced 2010 capital budget of \$2,693,100 includes equipment acquisition, annexation of land, road improvements and other improvement projects. The proposed capital projects will be funded by the issuance of bonds, the Borough's capital improvement fund, grant revenue and budget appropriations.

UTILITY BUDGETS

The Borough's 2010 water, sewer and electric utility budgets are summarized as follows:

<u>REVENUES</u>	<u>WATER</u>		<u>SEWER</u>		<u>ELECTRIC</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
SURPLUS	\$44,350	\$122,288	\$31,900	\$48,424	\$200,000	\$0
RENTS AND OTHER	841,050	722,050	1,485,000	1,350,000	2,764,300	3,202,008
	<u>\$885,400</u>	<u>\$844,338</u>	<u>\$1,516,900</u>	<u>\$1,398,424</u>	<u>\$2,964,300</u>	<u>\$3,202,008</u>
 <u>APPROPRIATIONS</u>						
OPERATING	\$479,900	\$462,500	\$1,031,000	\$928,500	\$2,872,500	\$2,978,500
CAPITAL	44,600	25,000	0	0	10,000	10,000
DEBT SERVICE	321,400	319,938	449,900	435,974	19,800	22,413
DEFERRED CHARGES AND STATUTORY	39,500	36,900	36,000	33,950	62,000	191,095
	<u>\$885,400</u>	<u>\$844,338</u>	<u>\$1,516,900</u>	<u>\$1,398,424</u>	<u>\$2,964,300</u>	<u>\$3,202,008</u>

PUBLIC HEARING

A public hearing and further discussion of the introduced 2010 operating, utility and capital budgets will be conducted on May 24, 2010 at 7:00 PM in Borough Hall.