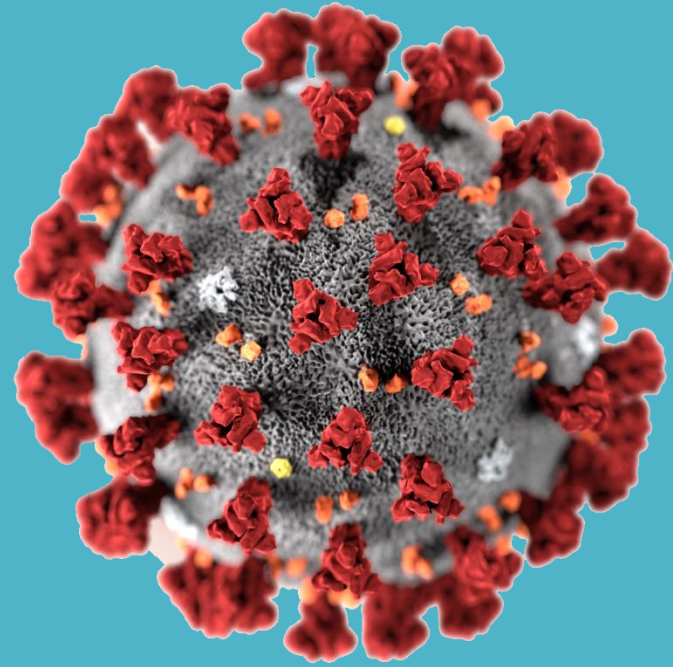


# 2020 Municipal Budget Presentation

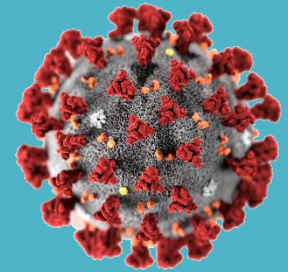


# Budget / Mission Statement

In order to serve the diverse needs of our community and to enrich the quality of life for all residents, the Township of Neptune is committed to providing a safe and healthy community for individuals of all ages through the offering of programs, services, information, and access.

- ❖ Fiscal Responsibility
- ❖ Maintain and Improve Quality of Life in every neighborhood
- ❖ Provision of services (No reduction in services to the community)
- ❖ Public Safety, Health & Welfare as priorities
- ❖ Maintaining a stable tax base and tax rate
- ❖ Providing services to 6000+ senior citizen residents
- ❖ Remain prepared for disaster response and recovery
- ❖ Debt for growth of community and distribution of costs to those who receive the benefit (not to borrow for items we can't afford)
- ❖ Dealing with continued loss of statutory state payments
- ❖ Sustainable budgeting
- ❖ Maintenance of strong financial ratings from Moody's and Standard & Poor's

# Impact of CoVID-19 Public Health Emergency



- ❖ State aid uncertainty (amount and payment schedule)

- ❖ Revenue loss

- ❖ *Municipal Court closed*
- ❖ *Business registration fees*
- ❖ *Construction permit revenue*
- ❖ *Interest on investments*
- ❖ *Grant funded programs*



- ❖ Expenses related to response

- ❖ Property tax impact

- ❖ *Possible extension of grace period (not yet authorized by State)*
- ❖ *Estimated billing for 3<sup>rd</sup> Quarter Taxes*



# 2016-2020 (Includes Library)

2020 Budget: \$45,917,540.65

2019 Budget: \$45,204,827.17

2018 Budget: \$44,668,204.67

2017 Budget: \$43,729,332.07

2016 Budget: \$43,453,556.17

1.58% increase

\$712,713.48

# 2020 Budget Information

The Total Budget (including Library Tax) has increased by \$ 712,713.48, 1.58%, as compared to 2019.

Tax Rate is reduced by 1.3 cents per \$100.00 of assessed value as a result of relatively low increase in appropriations and an increase in taxable ratables.

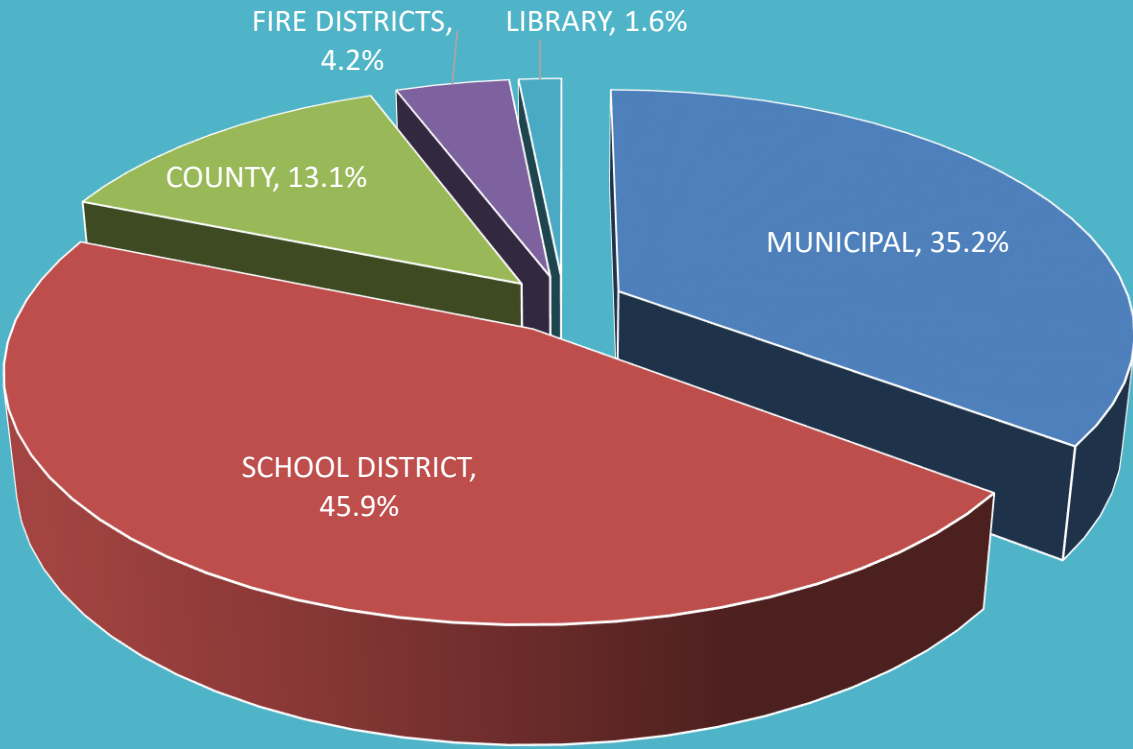
# Impact of 2020 Budget

Tax Rate Projected to decrease by 1.2 cents per \$100 of value from .749 to .736 (1.7% decrease).

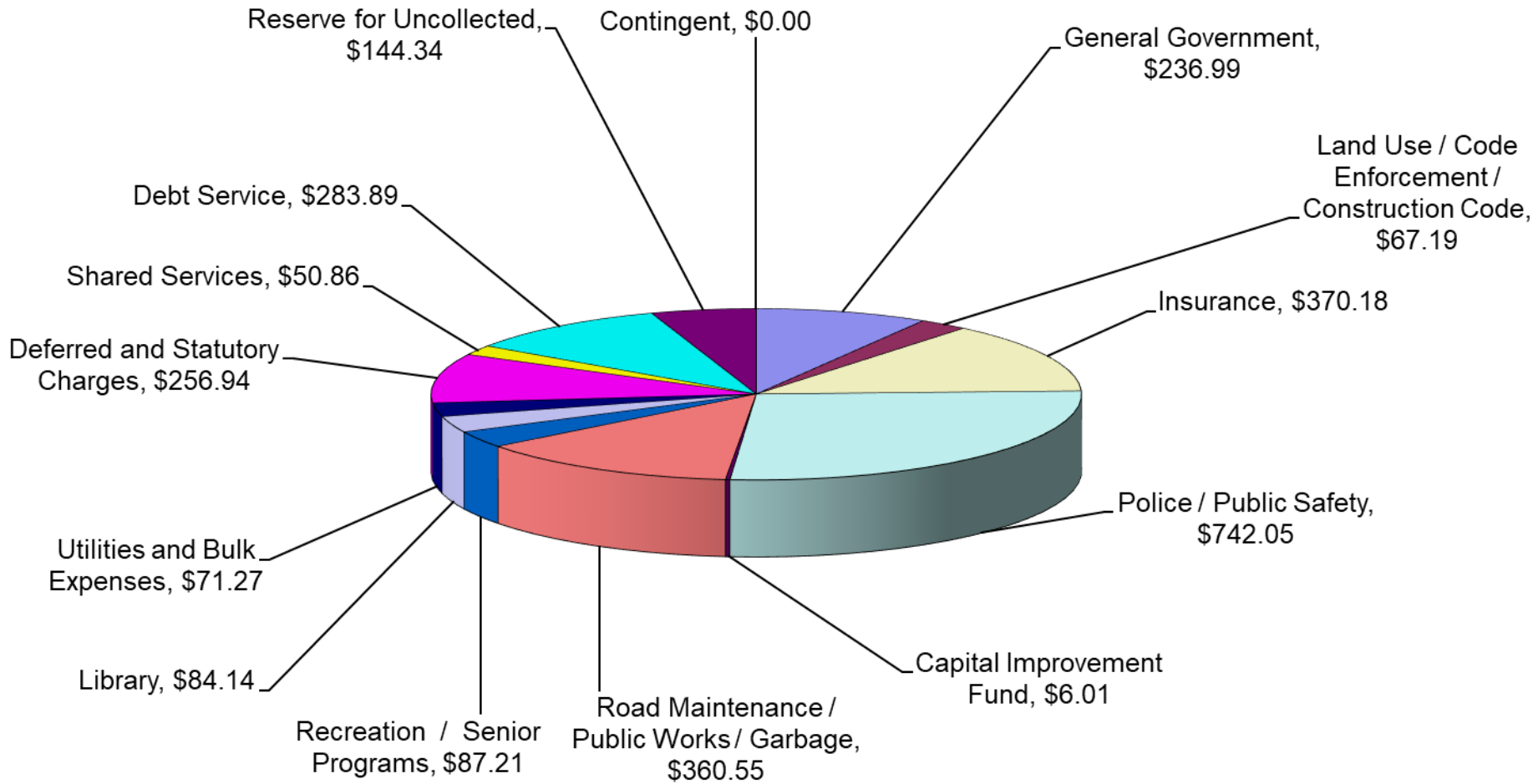
Tax on home assessed at \$375,000.00 are estimated at \$2,761.63, a decrease of \$47.12 as compared to 2019.

## Tax Rate Decrease

# How Your Property Tax Dollar is Divided

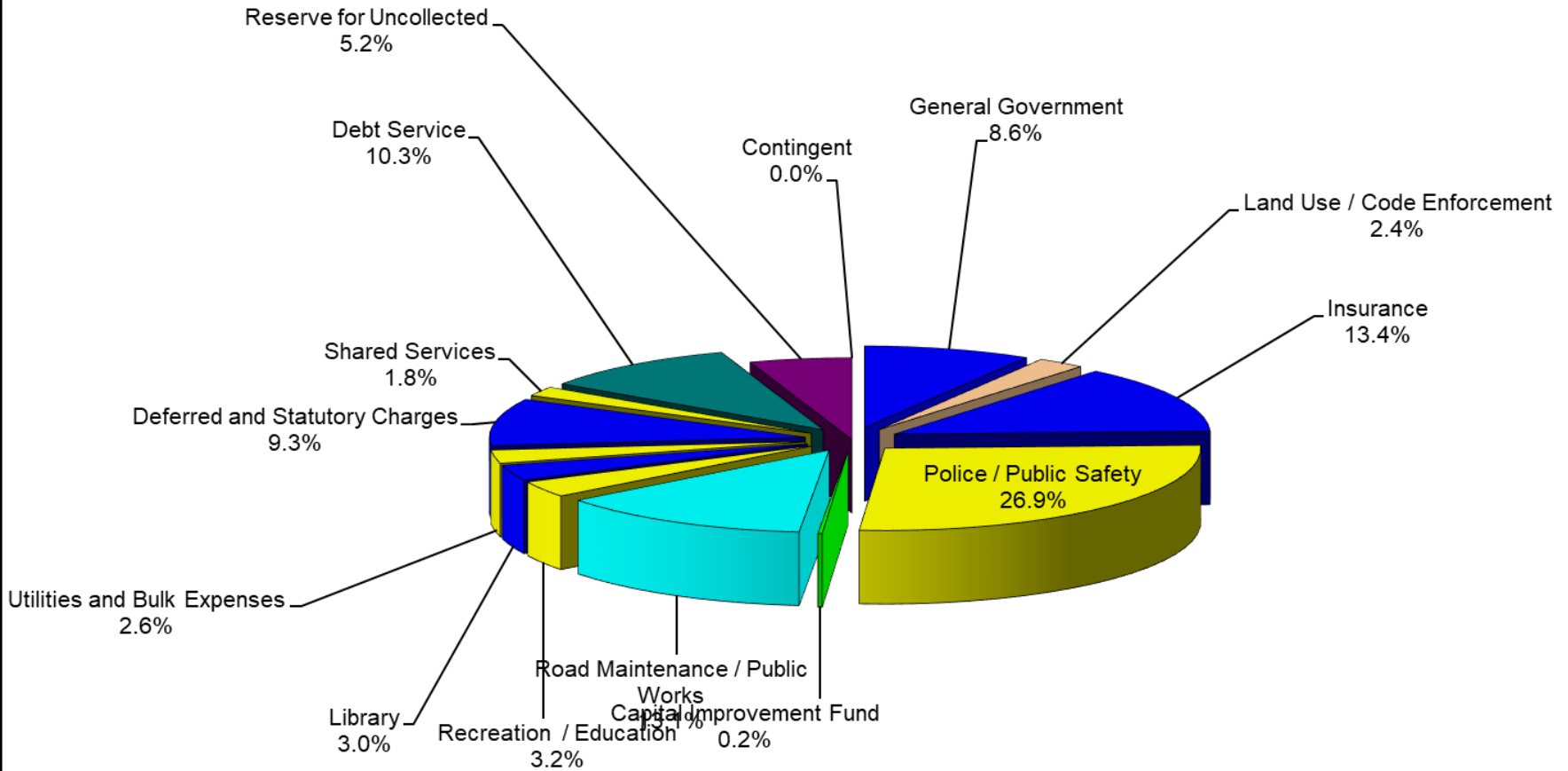


# How the Average Municipal Tax is Spent





### How the 2020 Municipal Tax Dollar is Spent (%)



# State Impact on local budget

Appropriations CAP (3.5%)

Levy CAP (2%)

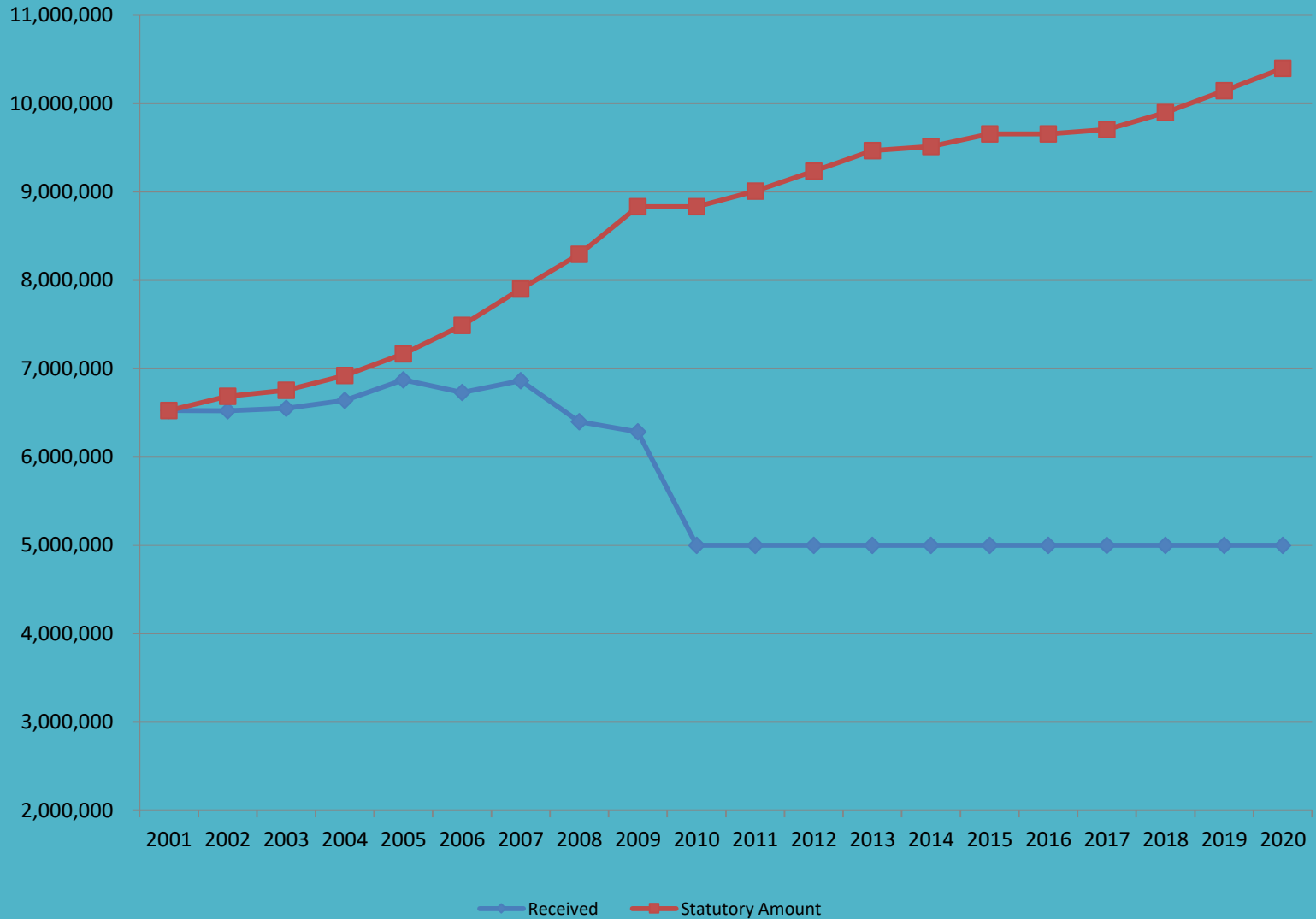
State Aid Loss (Local Property Tax Relief)

Impact will continue to grow in increments each year unless the State Aid program comes into compliance with the intent of the program

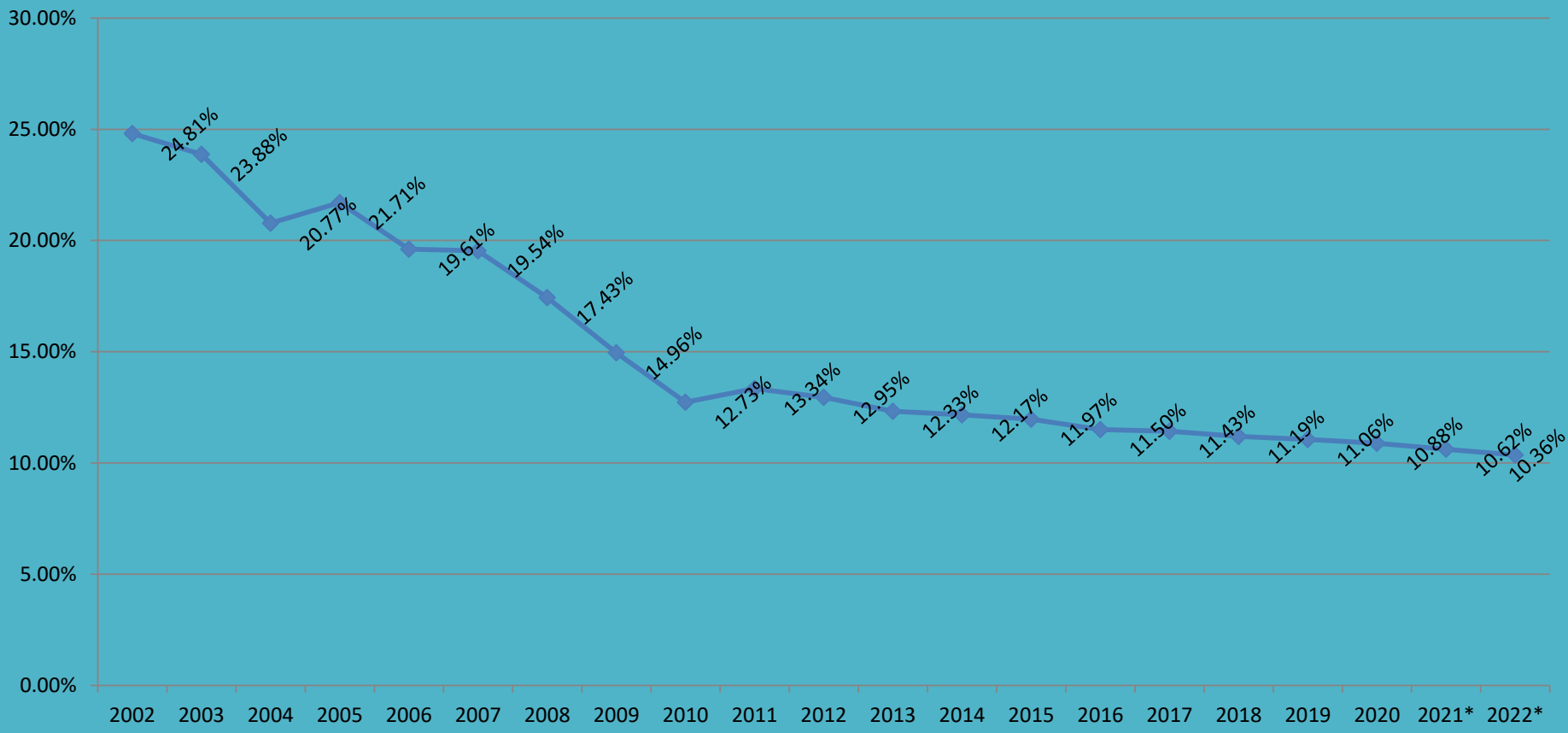


# Underpayment of State Aid to Neptune by Year

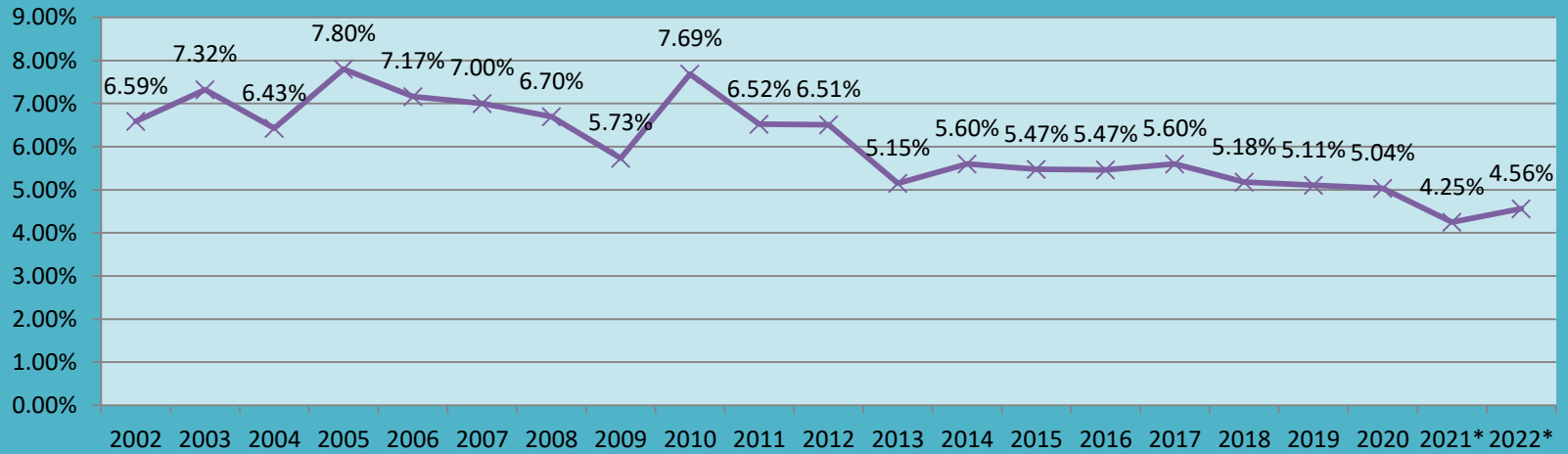
(Totals more the \$57,508,944.00 since 2001 / \$5,398,594.00 for 2020 Alone)



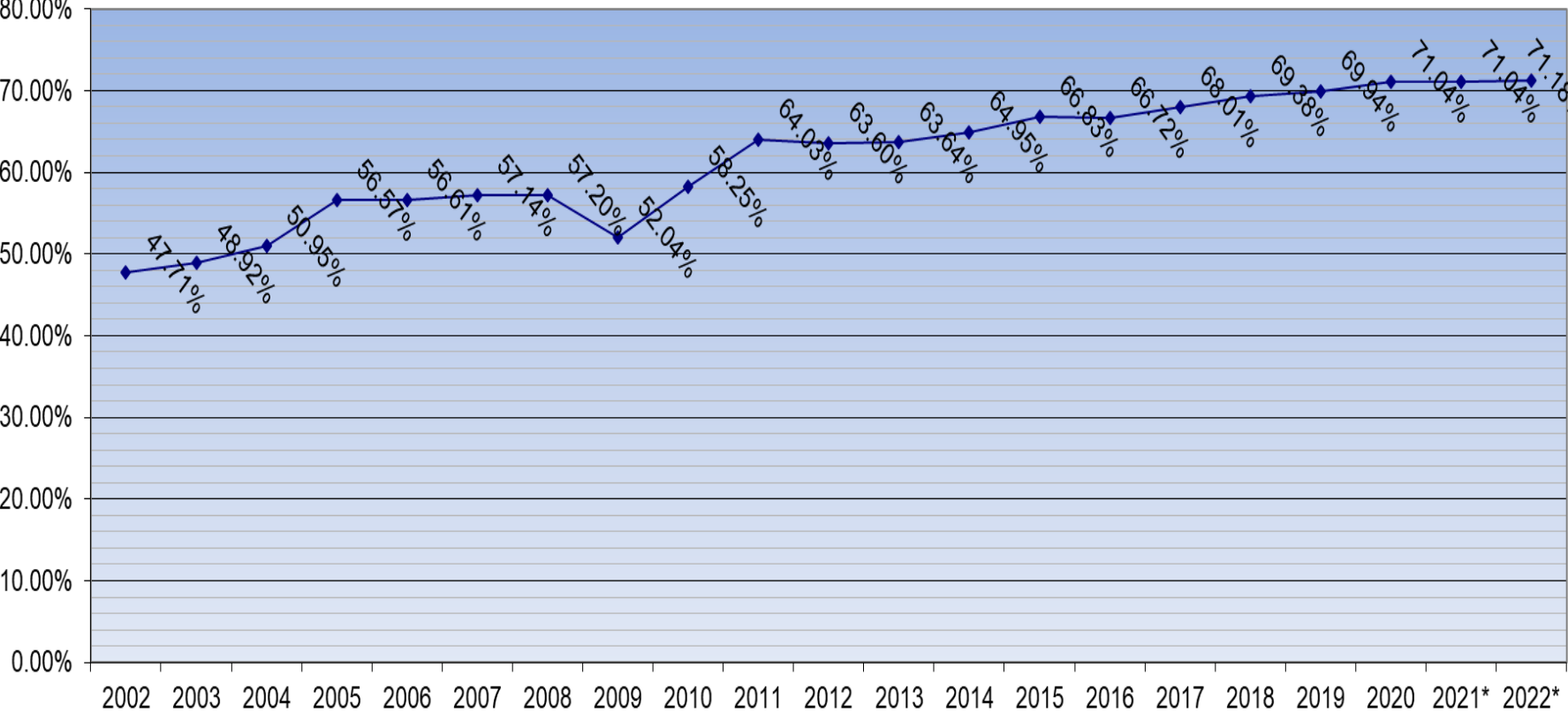
# State Aid as a Percentage of Total Budget Revenues



## Percent of Local Revenue in Budget Traditional Local & UCC

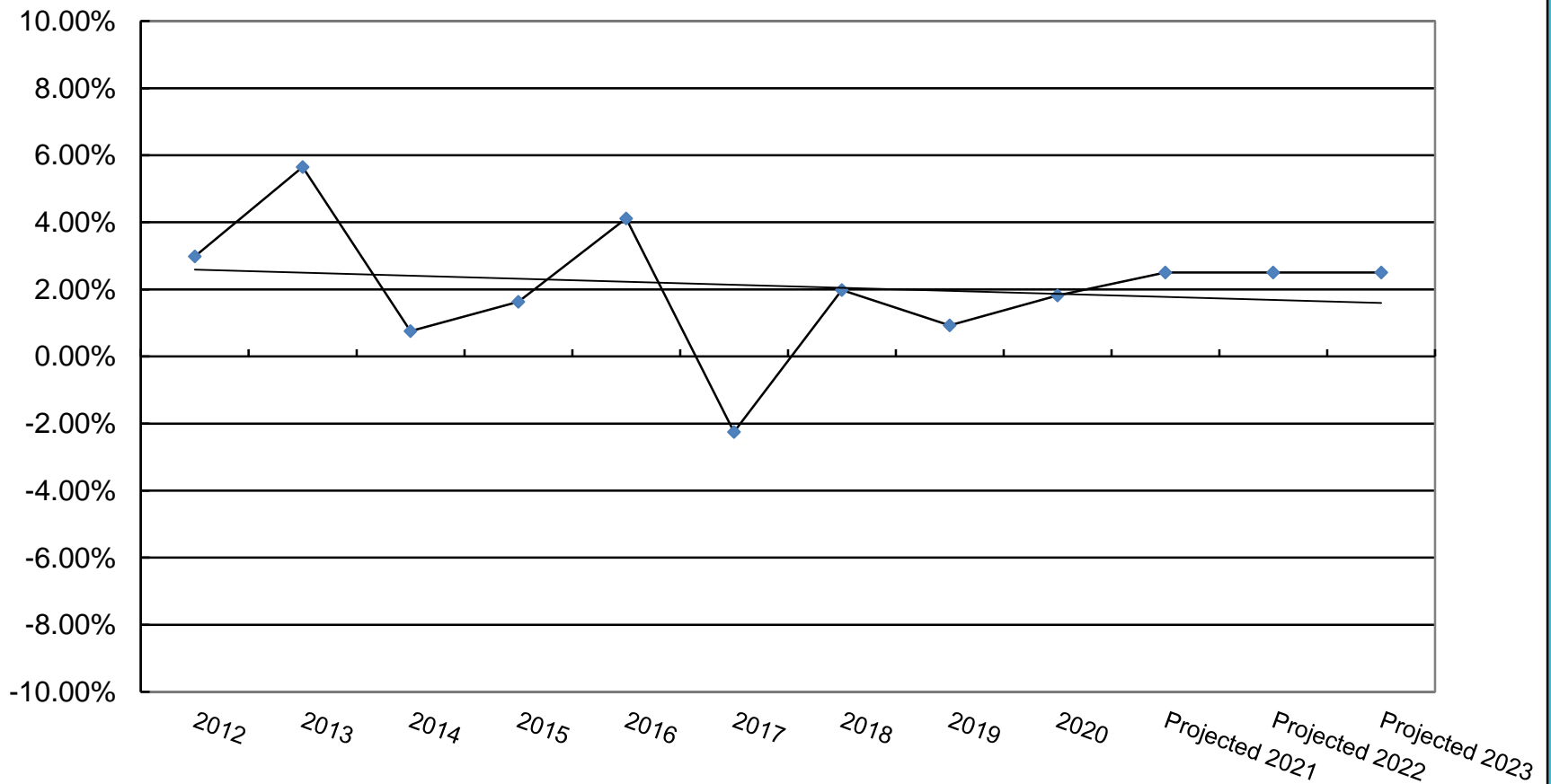


Percent of Budget Supported by Local Tax Revenue

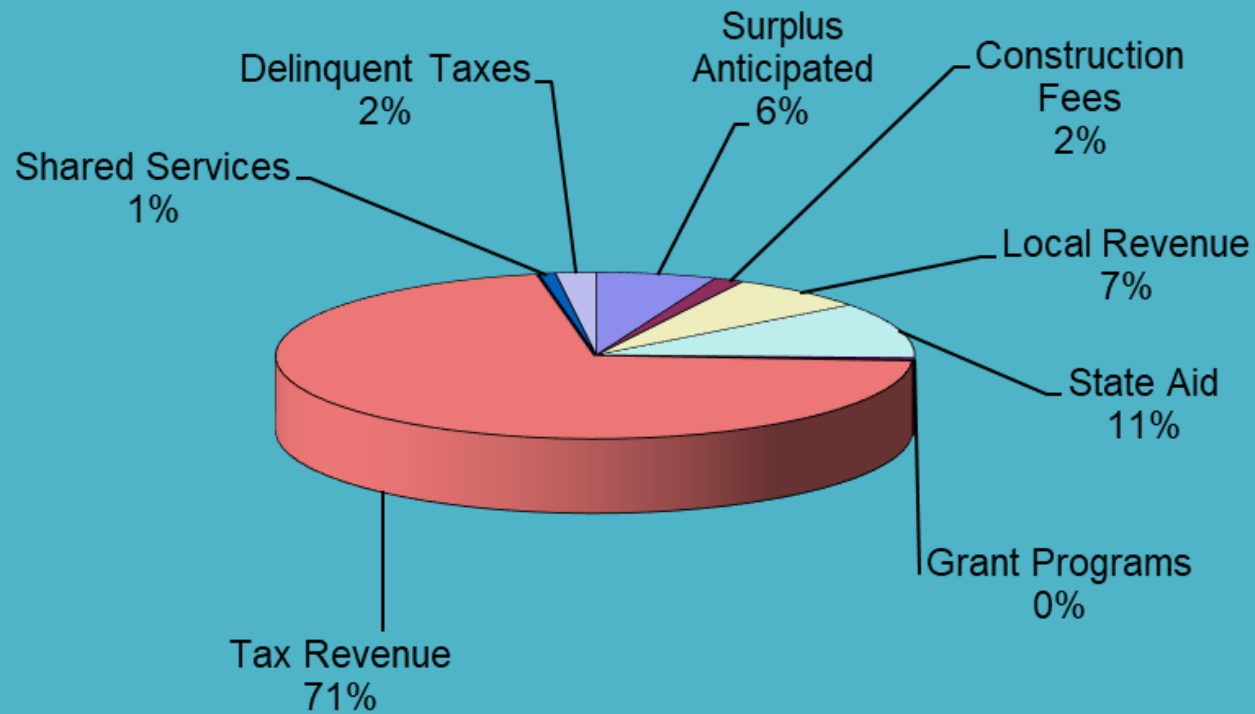


# Budget Stability over past 8 years. Projected to continue.

Percent Change in Municipal Appropriations



# 2020 Sources of Revenue





# Budget Appropriations & Levy CAP

Allowable Operating Appropriations: \$ 38,209,702.31

Actual Appropriations in 2020 Budget: \$ 35,834,462.00

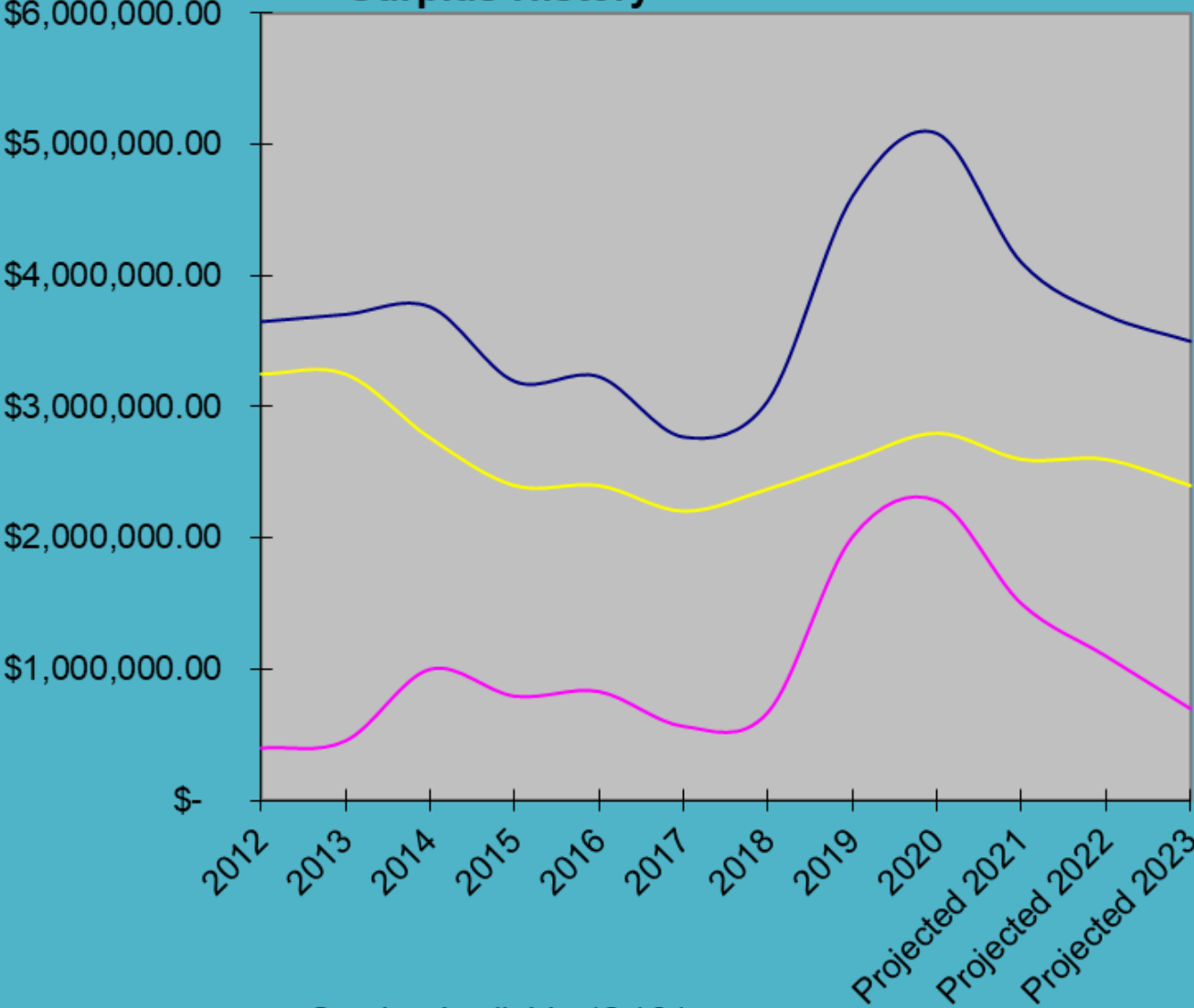
Under Maximum Permitted Appropriations CAP by: \$ 2,375,240.31

Allowable Tax Levy: \$31,965,392.70

Actual Tax Levy: \$31,220,939.43

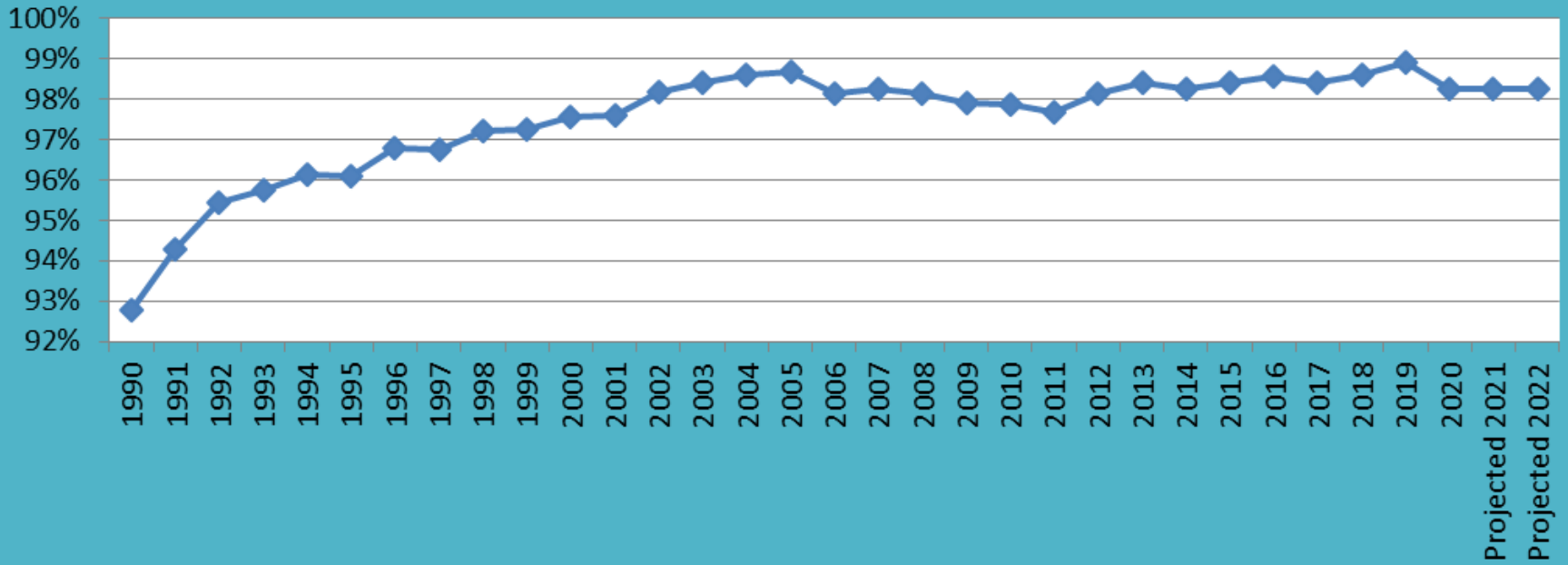
Under Maximum Permitted Levy CAP by: \$744,453.27

# Surplus History

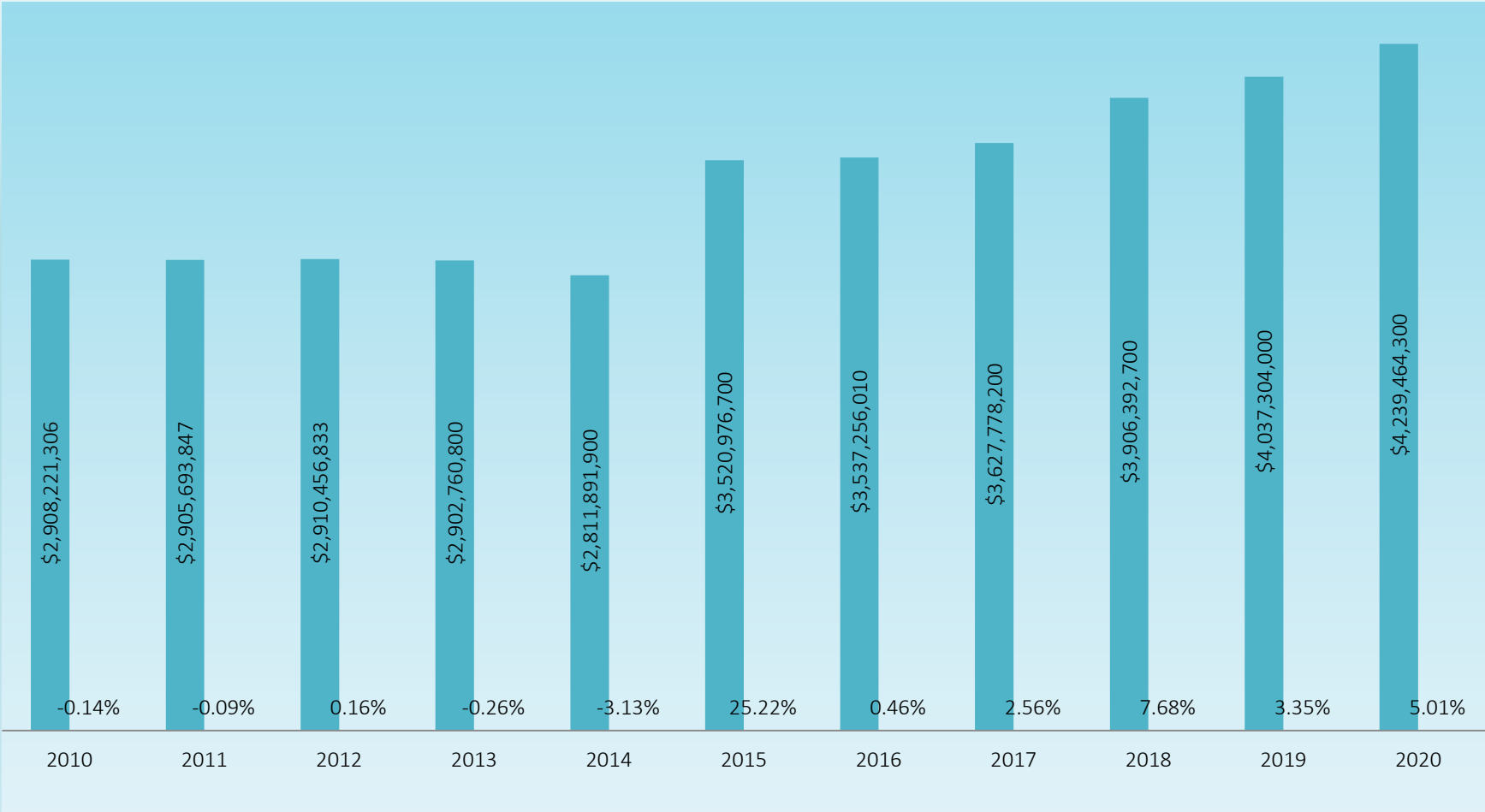


- Surplus Available 12 / 31
- Surplus Balance After Budget Adoption
- Surplus Utilized to Offset Taxes in SY

# Tax Collection Rate

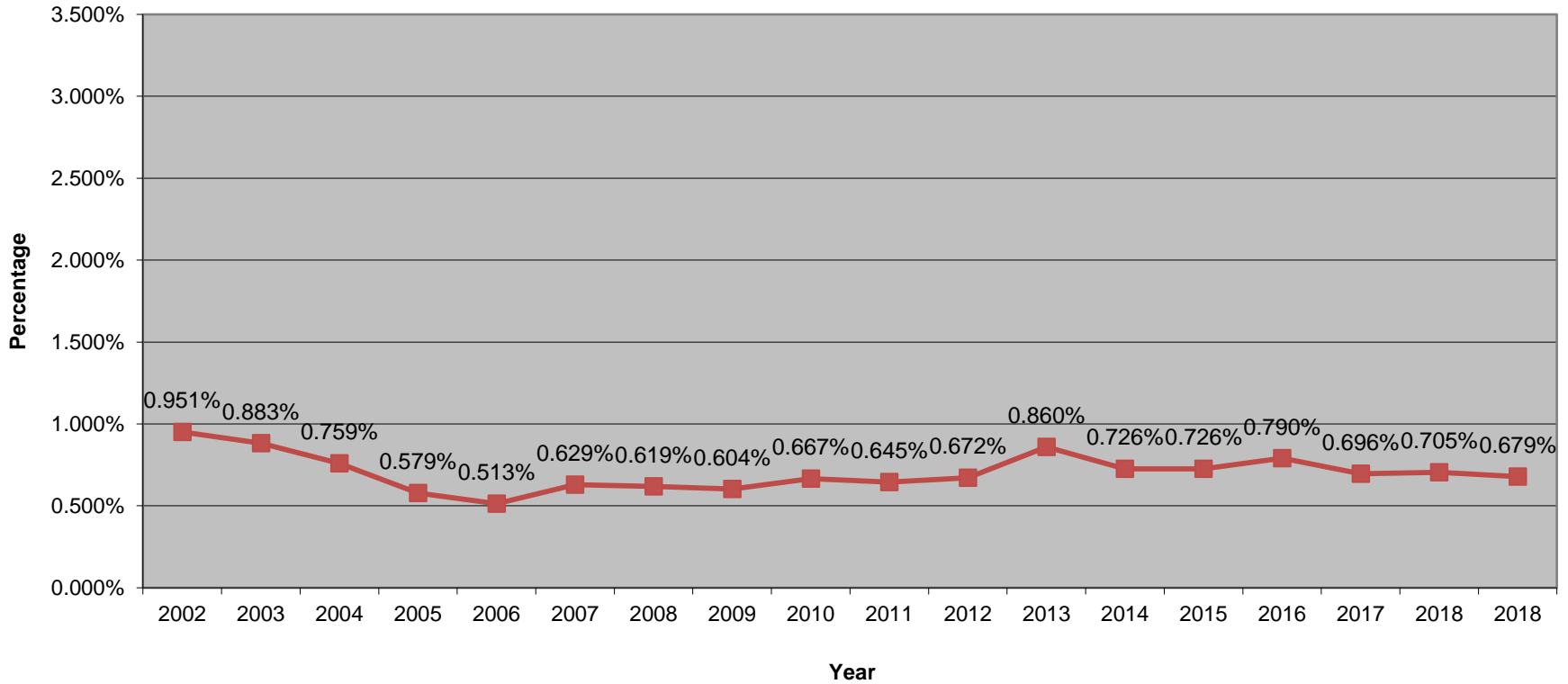


# Net Valuation Taxable

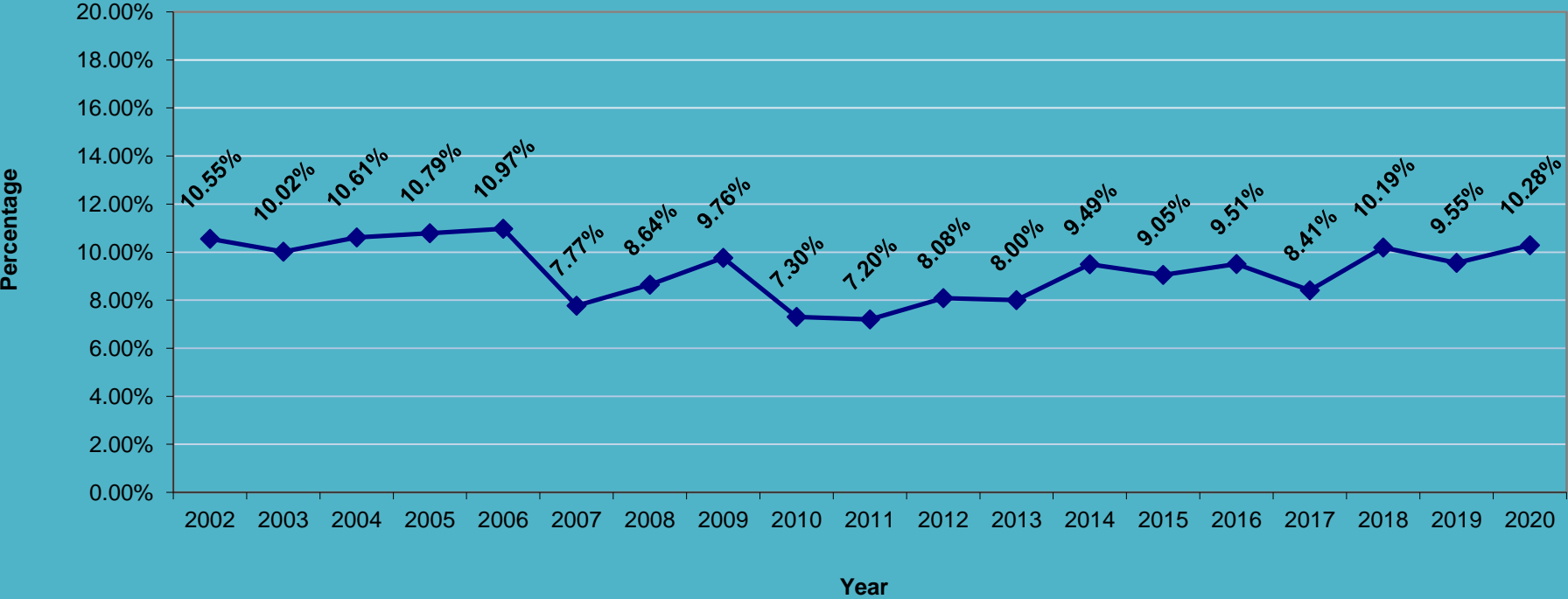


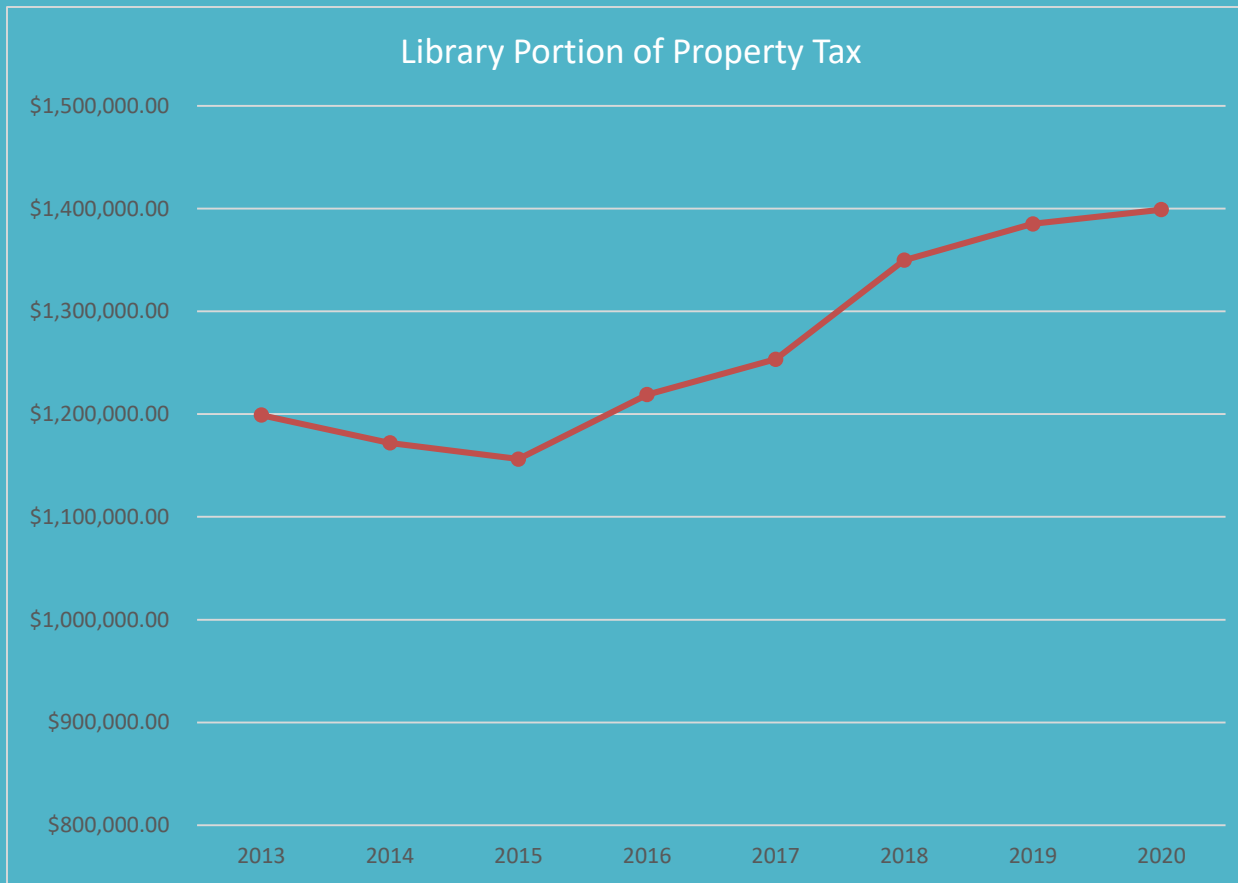
# Net Debt for Capital Improvements

Net Debt as a Percentage of Equalized Valuation as of 12/31

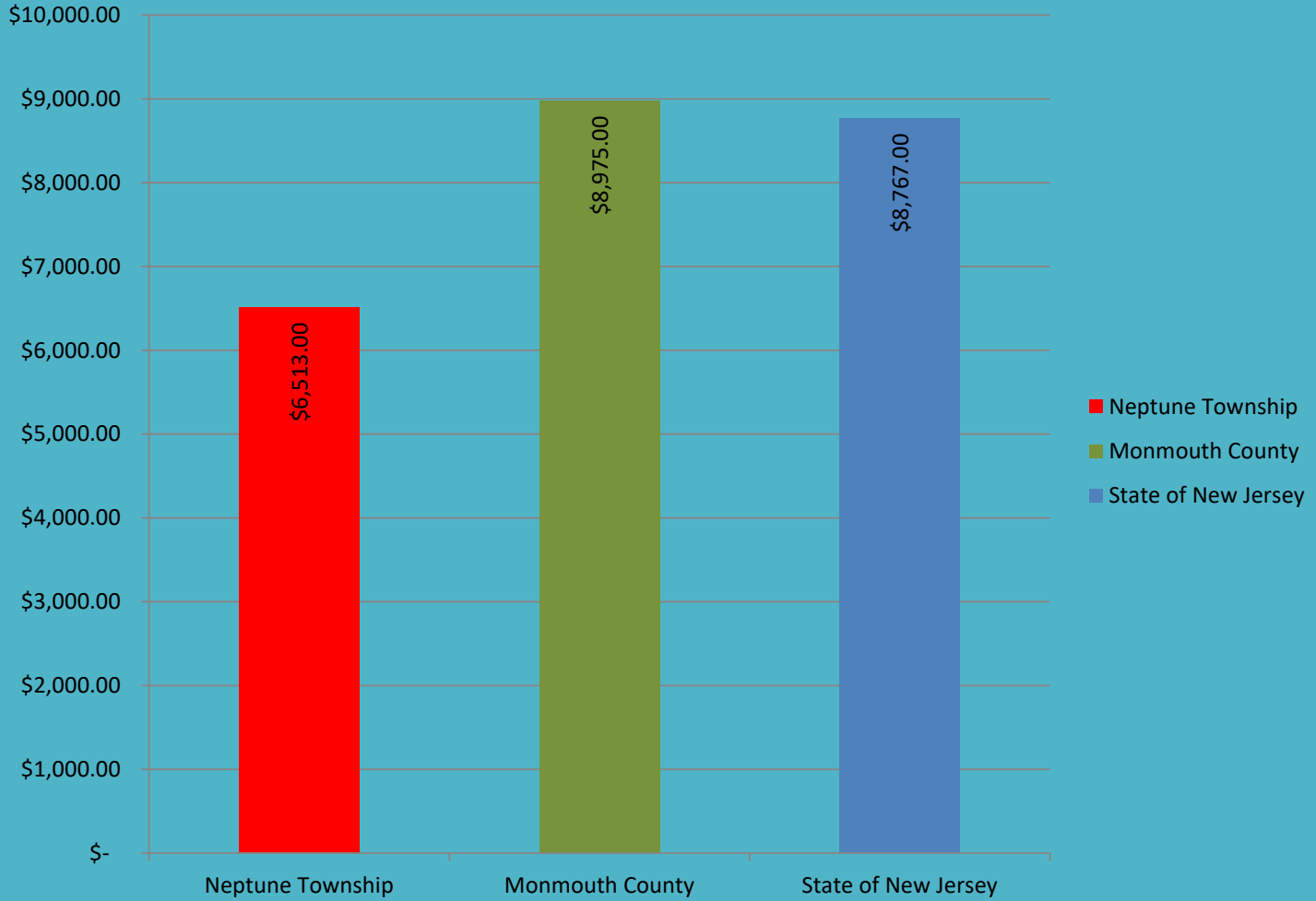


### Debt Service Expense as a Percentage of Total Revenue





# Average Tax Comparison - 2019





# Ten Largest Taxpayers (2019)

	<u>Owner of Record (2019)</u>	<u>Aggregate Assessed Value</u>	<u>As a Percentage of Assessed Value of Real Property</u>
1.	Neptune Partners LLC/ BNE Real Estate	40,425,200	1.0013%
2.	Neptune Plaza Shopping Center LLC	34,135,600	0.8455%
3.	Jumping Brook Realty/ Mack Cali Corp	26,175,600	0.6483%
4.	JB Neptune Holdings	24,805,100	0.6144%
5.	Wal-mart Real Estate Business Trust	23,741,700	0.5881%
6.	Woodlands Neptune LLC	22,947,100	0.5684%
7.	Ocean Grove Camp Meeting Association	19,503,200	0.4831%
8.	HD Development of Maryland, Inc.	16,037,300	0.3972%
9.	Ocean Grove NJ, LLC	15,155,000	0.3754%
10.	OFW, LLC	12,504,000	0.3097%

# “Gimmicks” Avoided

**One Time Revenues**

**Pension Deferral**

**School Tax Deferral**

**Appropriations CAP / CAP Waivers**

**Fiscal Year Debt**

**Extraordinary Aid**



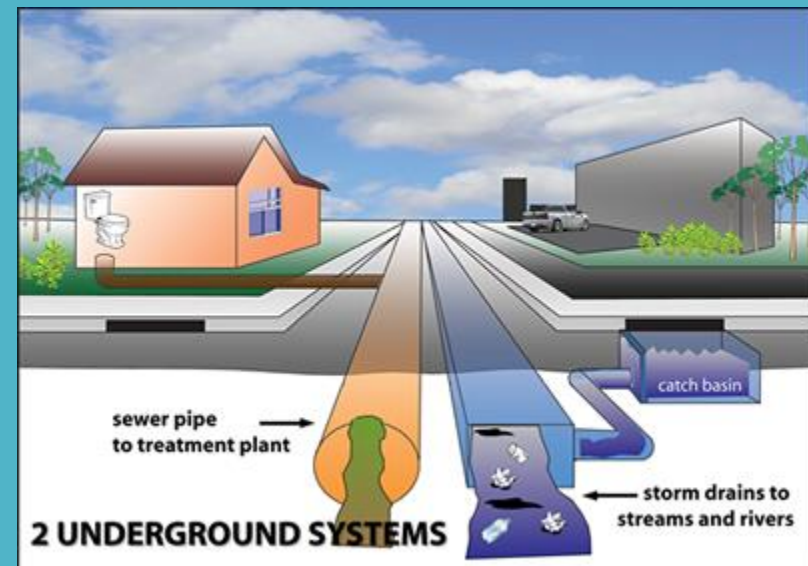
Credit Quality	DBRS		Moody's		S&P		
	Long Term	Short Term	Long Term	Short Term	Long Term	Global CP Scale	Canadian CP Scale
Superior	AAA AA high AA AA low	R-1 high R-1 high R-1 mid R-1 mid	Aaa Aa1 Aa2 Aa3	P-1 P-1 P-1 P-1	AAA AA+ AA AA-	A-1+ A-1+ A-1+ A-1+	A-1 (high) A-1 (high) A-1 (high) A-1 (high)
Good	A high A A low	R-1 low R-1 low R-1 low	A1 A2 A3	P-1 P-1 P-2	A+ A A-	A-1 A-1 A-2	A-1 (mid) A-1 (mid) A-1 (low)
Adequate	BBB high BBB BBB low	R-2 high R-2 mid R-2 low	Baa1 Baa2 Baa3	P-2 P-2 P-3	BBB+ BBB BBB-	A-2 A-2 A-3	A-1 (low) A-2 A-3
Speculative	BB high BB BB low	R-3 high R-3 high R-3 high	Ba1 Ba2 Ba3	Not Prime Not Prime Not Prime	BB+ BB BB-	B B B	B B B
Highly Speculative	B high B B low CCC	R-3 mid R-3 mid R-3 low R-3 low	B1 B2 B3 Caa	Not Prime Not Prime Not Prime Not Prime	B+ B B- CCC	C C C C	C C C C

# Sewer Utility

Sewer utility is self-liquidating.

Sewer is regenerating surplus.

Major Sewer infrastructure projects will continue in efforts to reduce Infiltration & Inflow.



# Marina 2020 Operations

Marina Utility is self-liquidating.

Waterside Reconstruction 100% Complete.



