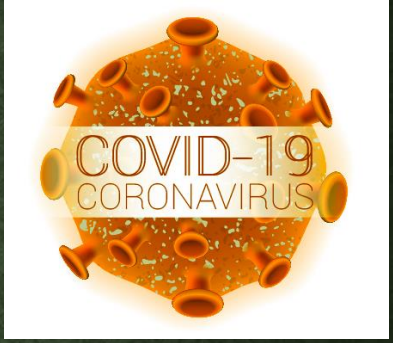
2020 MUNICIPAL BUDGET PRESENTATION

2020 – A TALE OF 2 EMERGENCIES



* Majority of Ratable Base has returned has returned from Superstorm Sandy

*CoVID-19 Responses / Mitigation – Tax Impact

*Final phase of Municipal Building Construction

*Infrastructure Improvements

*Hazard Mitigation (Risk Reduction)

BUDGET / MISSION STATEMENT

- Storm recovery / resiliency
- Prepare of revenue loss as a result of CoVID Emergency
- Fiscal responsibility / stability
- Quality of life
- Provision of basic services
- Public Safety, Health & Welfare as priorities
- Capital Debt for growth of community and distribution of costs to those who receive the benefit
- The reduction of reliance on “State Aid” as a budget revenue – potential State Aid impact from CoVID
- Avoid “Budget Gimmicks” and “One Time Revenues”

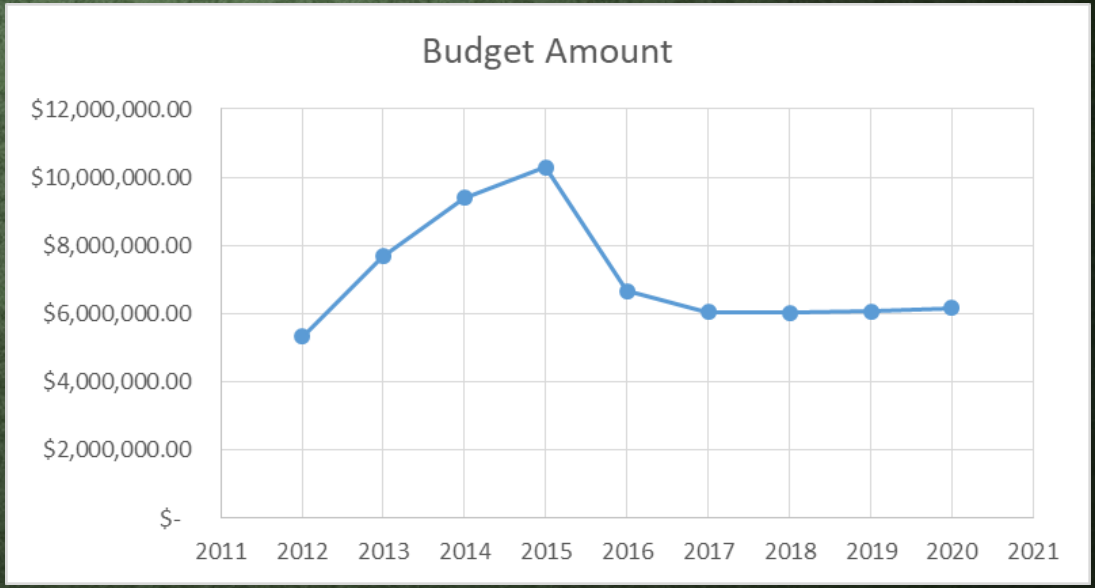
OVERVIEW OF TAX IMPACTS

- Amount to be Raised by Taxation is up 3.67% as compared to 2019
- Taxable Value in the Borough has increased by $44,800,000.00 (almost 6%)
- This is equivalent to a penny rate decrease of approximately 1.1 cents per $100 of assessed value. (Reduction of 2%)
- Total Increase in Tax Levy is $165,000.00
- 2019 Tax Rate: 57.8 cents
- 2020 Tax Rate: 56.7 cents (Projected)
- Average Home: $630,000. 00 pays approximately $72.00 less than 2019 taxes.

Tax Rate Decrease- 2%

BUDGET COMPARISON

- 2020 Budget: $6,172,300.37
- 2019 Budget: $6,122,386.92
- 2018 Budget: $6,020,350.88
- 2017 Budget: $6,057,700.60
- 2016 Budget: $6,660,265.18
- 2015 Budget: 10,298,544.34
- 2014 Budget: $9,390,734.62
- 2013 Budget: $7,674,446.70
- 2012 Budget: $5,333,649.24



Increase of 0.82%

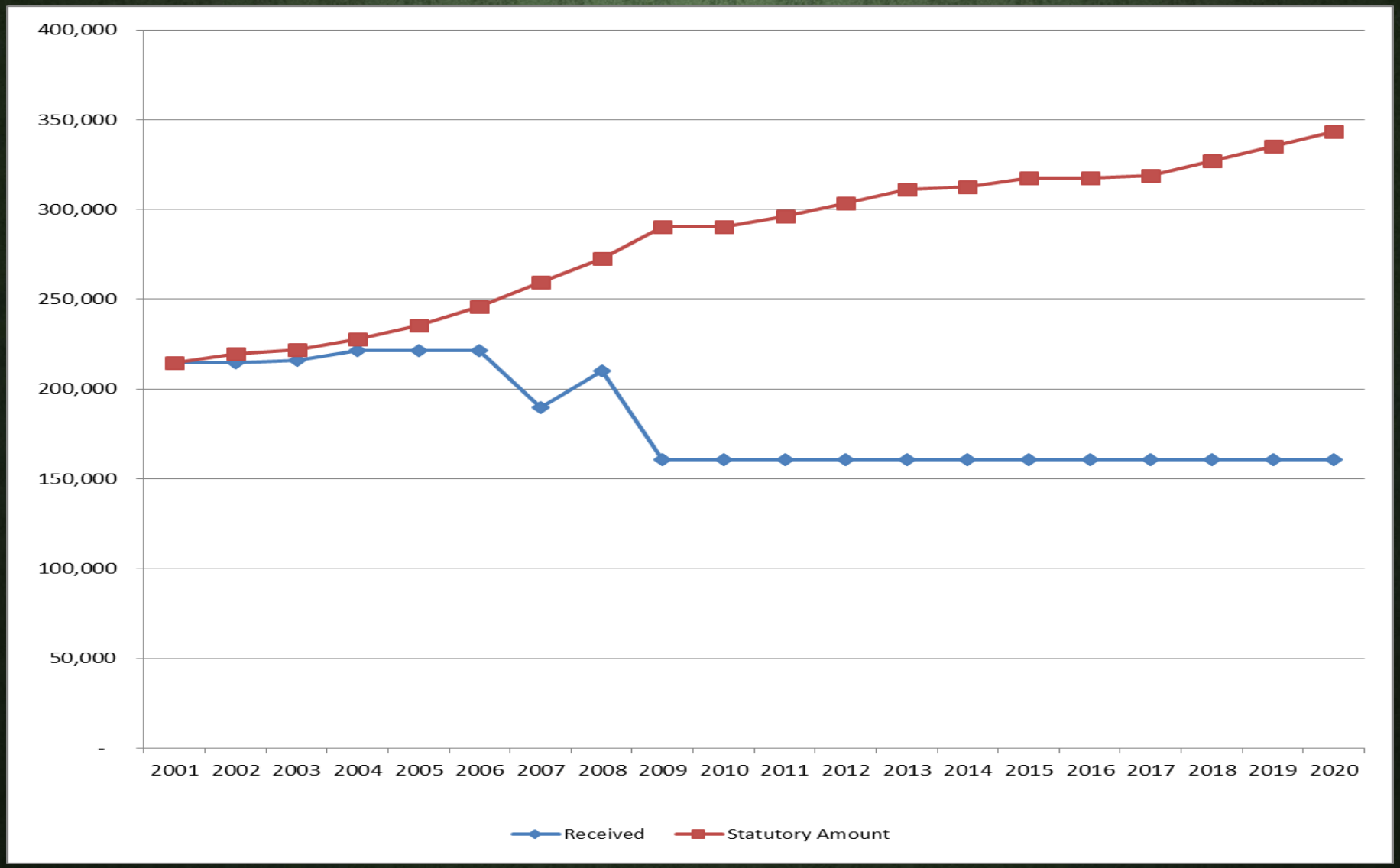
AVERAGE HOME IMPACT

- Average Home in 2020 is assessed at $631,740.
- 2020 Tax Rate is .567 (Projected)
- Municipal tax paid by average residence is $3,578.93
- If property value did not change from 2019 to 2020, total impact is a reduction of $72.53 for the year.

REGULATORY IMPACTS

- Appropriations CAP (3.5%)
- Levy CAP (2%)
- Unfunded Mandates
- Pension Contributions
- State Aid (Local Property Tax Relief)
- 2019 & Beyond (Levy Cap, Cap Limitations, Pension Costs)

STATE AID SHORTAGE
($182,665 FOR 2020 / $2,022,188.00 SINCE 2001)



BUDGET APPROPRIATIONS CAP CALCULATION

Amount upon which CAP is applied: $4,775,612.00

2.5% Appropriations CAP: $119,390.30

CAP Bank 2018: $144,483.58

CAP Bank 2019: 179,404.37

CAP Rate Index Ordinance: $47,756.12

New Construction: $59,741.50

Allowable Operating Appropriations: $5,326,387.87

Actual Appropriations in 2020 Budget: $5,081,531.00

Amount Below Appropriations CAP: $244,856.87

TAX LEVY CAP CALCULATION

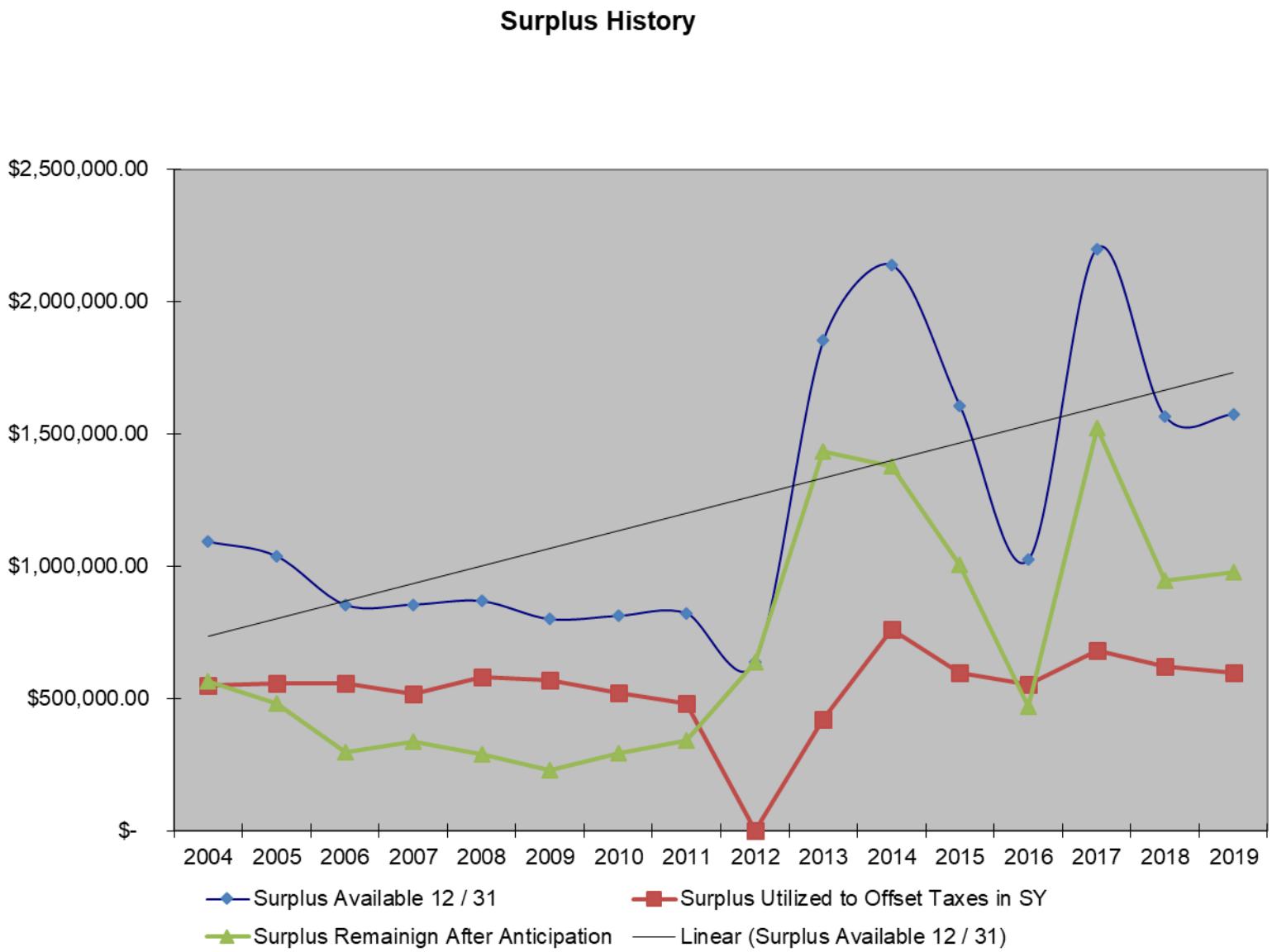
2% Allowance over 2020: $89,770.00
New Construction Adjustment: $59,741.50
Maximum Allowable Levy: $4,692,550.50
Amount of 2020 Tax Levy; $4,660,000.00

Budget below Levy CAP by: $32,550.50

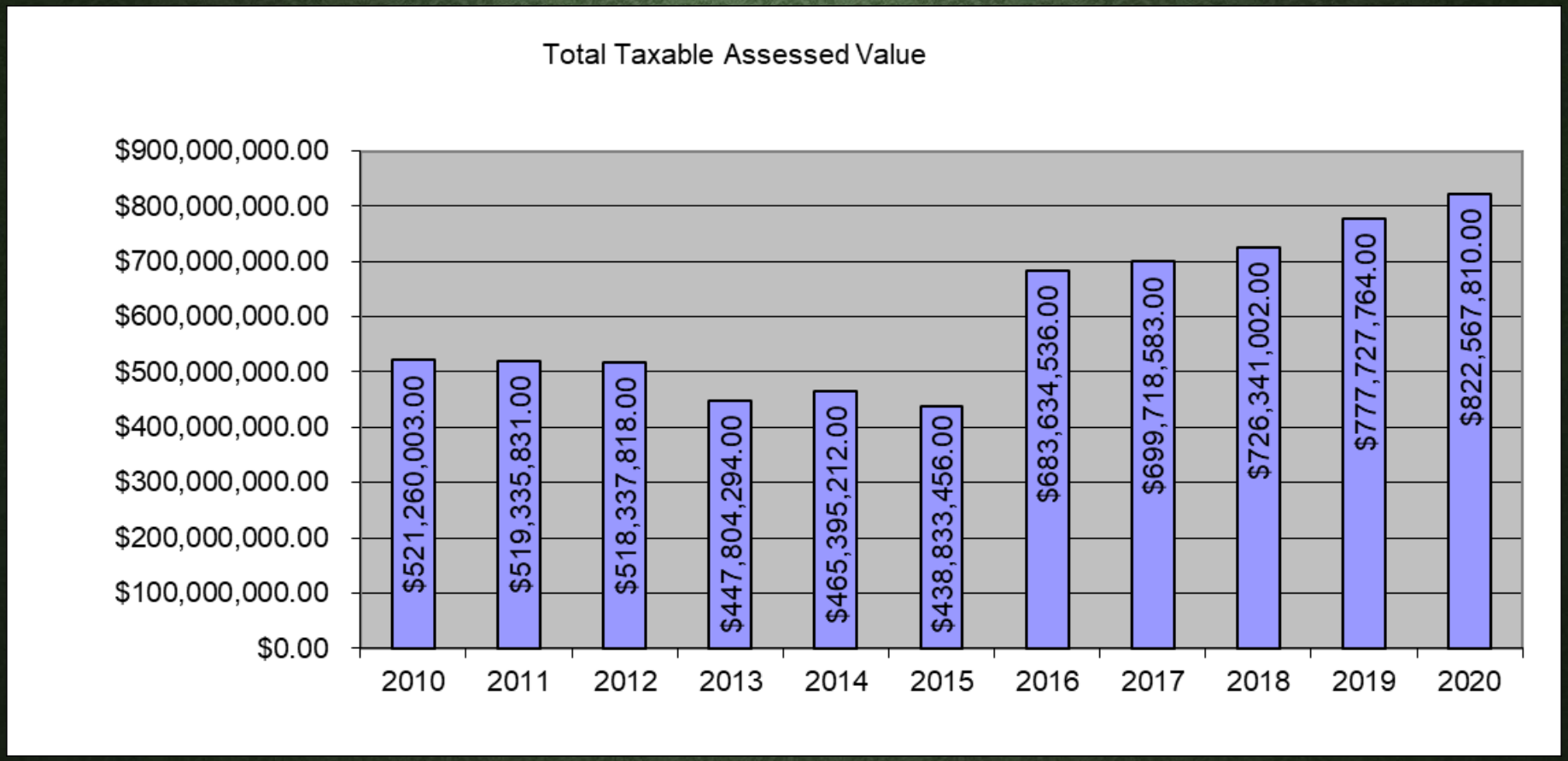
SURPLUS ANALYSIS

- Balance 1/1/19: $1,567,142.59
- Utilized to offset taxes: $661,693.97
- Generated in 2019: $668,495.07
- Balance 12/31/2019: $1,573,943.69
- Utilized in 2020 Budget: $596,715.29
- Balance upon Budget Adoption: $977,228.40

Surplus History



TAXABLE VALUES



5.8% Increase over 2019

NO DRASTIC MEASURES NEEDED

No Pension Deferral

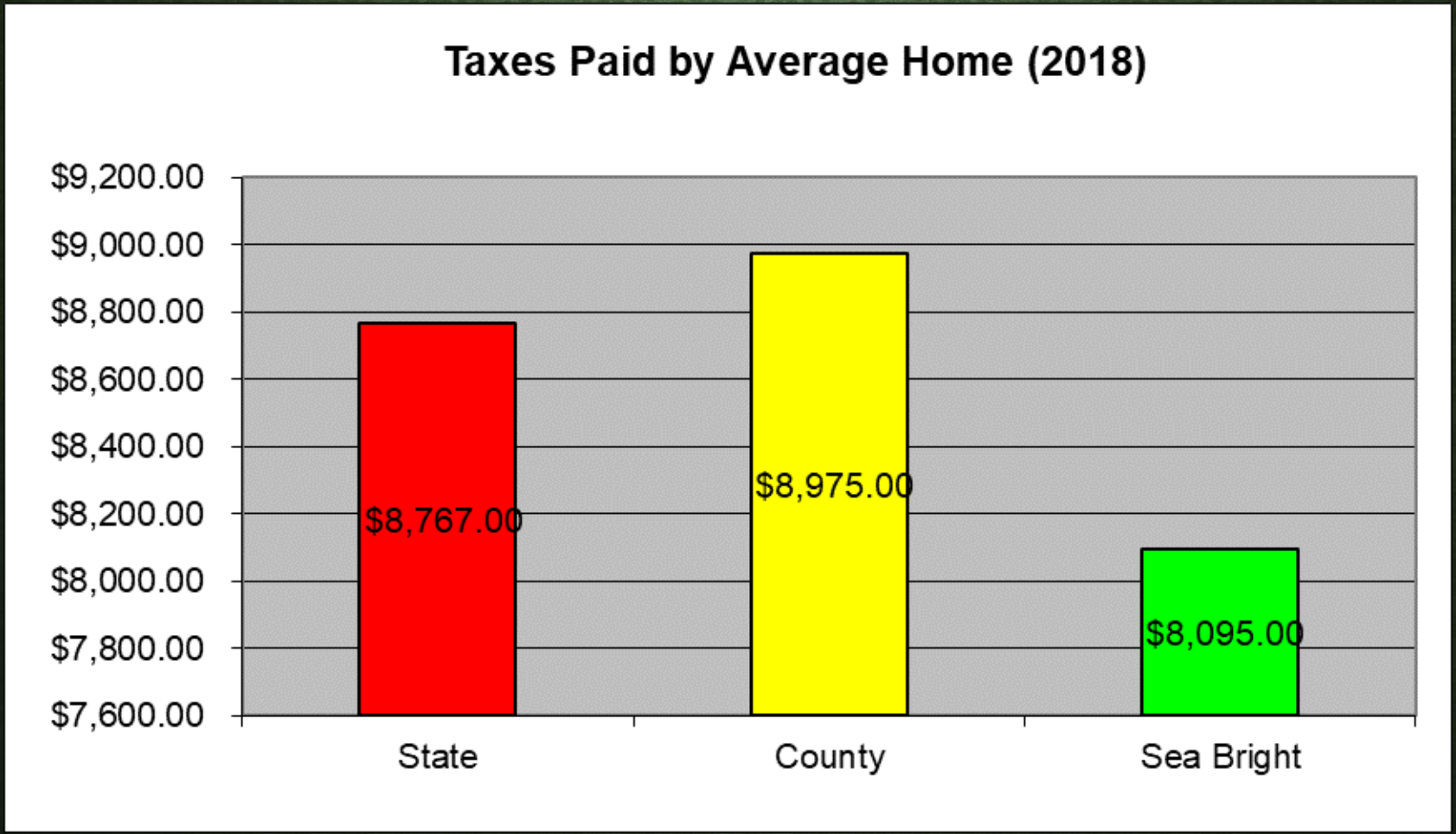
No School Tax Deferral

No Appropriations CAP / CAP Waivers

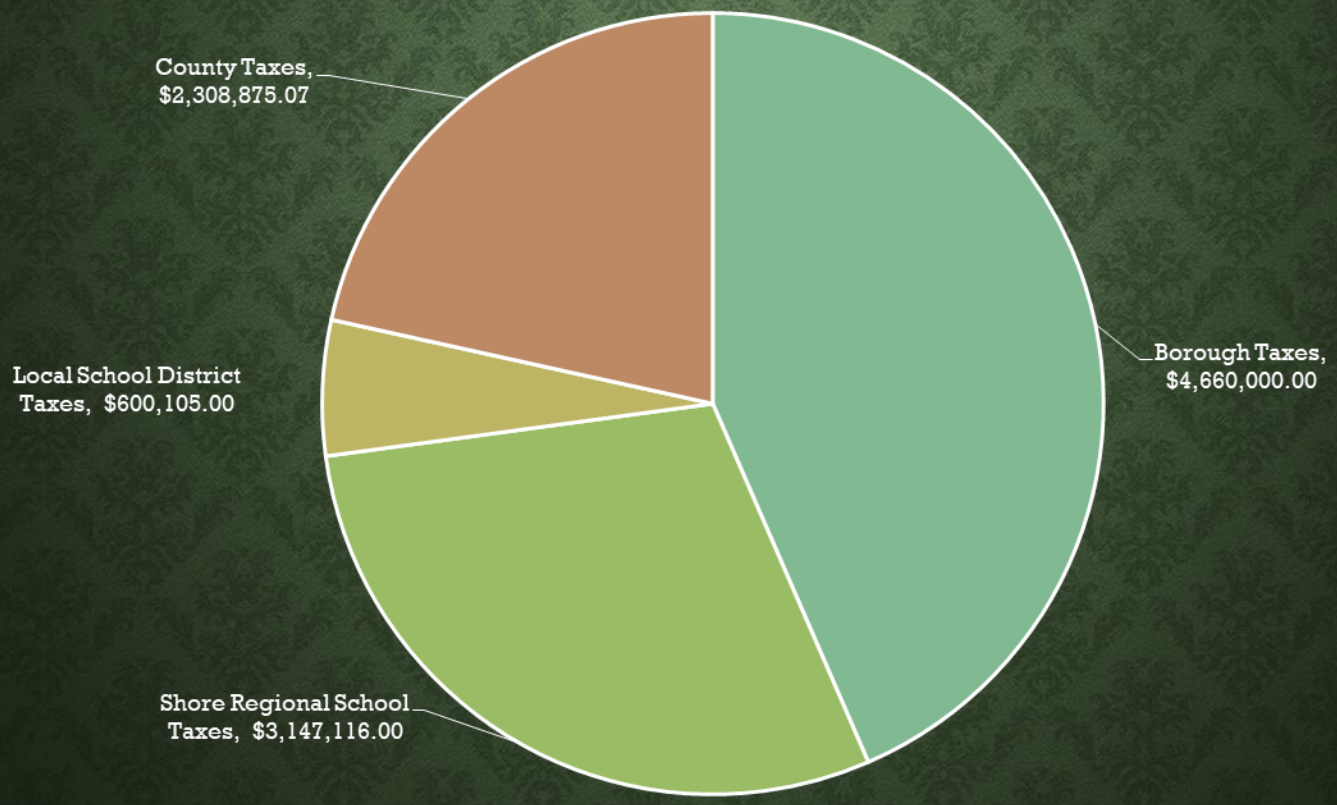
No Fiscal Year Debt

No Extraordinary Aid

Average Tax Bill - Overall



Borough of Sea Bright
2020 Estimated Tax Rate Components

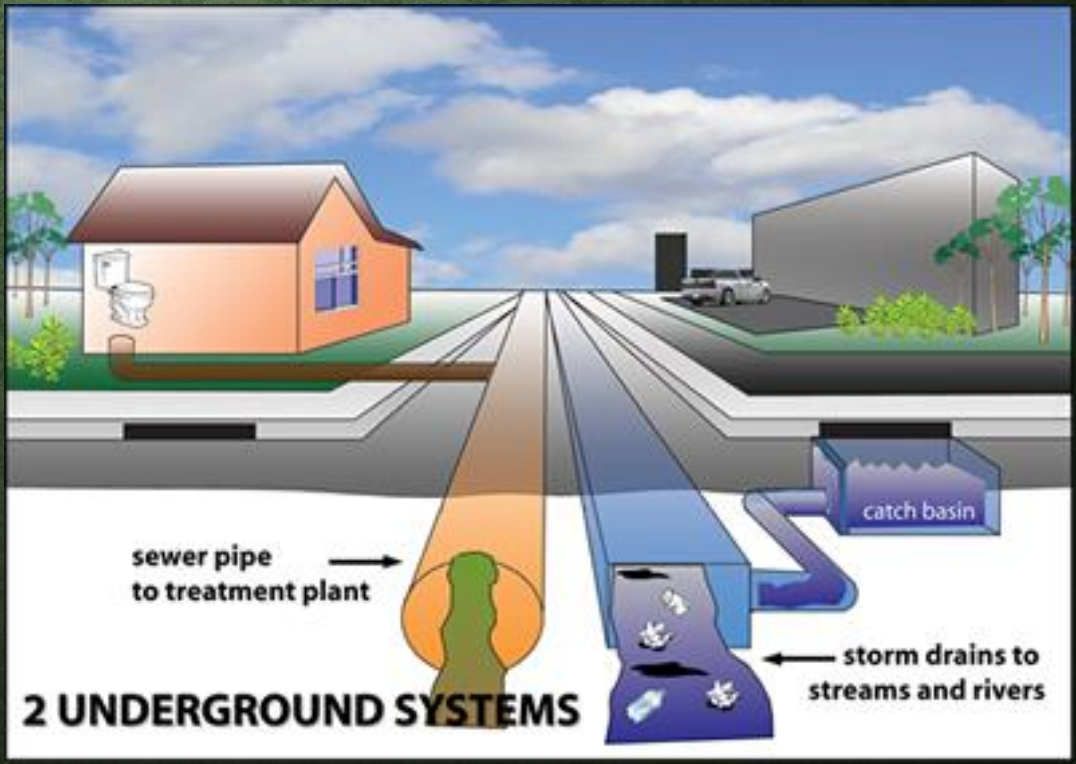


BEACH UTILITY

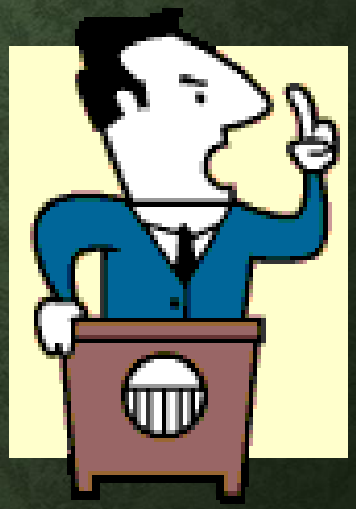
- Self-Liquidating Operation
- Operating a normal budget levels

SEWER UTILITY

- **Self-Liquidating Operation**
- **Low Debt**



2021 / 2022 PROJECTION

- Budget appropriation increase due to debt service on new buildings.
- Budget revenue impacts from CoVID (property taxes / court / state aid)
- Continued compliance with 2% CAP
- Use of parking revenue / cell tower revenue to offset cost of debt service
- Sewer Utility Rent increase (approx. 4%)

COMMENTS