



# *Township of Egg Harbor*

3515 BARGAINTOWN ROAD, EGG HARBOR TOWNSHIP NJ 08234-8321

## **PRESS RELEASE**

### **FOR IMMEDIATE RELEASE**

**April 23, 2020**

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**Administrator**

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### **EGG HARBOR TOWNSHIP ADOPTS 2020 MUNICIPAL BUDGET**

On April 22, 2020, Township Committee adopted their 2020 municipal budget of \$43.4 million. This year's budget is \$139,048 greater than the 2019 budget.

This budget increases the local purpose tax levy by one cent (0.01). The impact on the average homeowner (\$207,000 assessed value) is \$20.70 a year or \$5.18 per tax quarter.

The Township Committee only controls 18% of the total tax bill. An average homeowner pays to Township \$1,217 a year in taxes. All other taxes go to the county and school district. For \$1,217 a year or \$23 per week, residents receive all of the basic services such as: trash collection, police and fire protection, recreational opportunities, road maintenance and all other administrative functions which are necessary to operate a \$43 million dollar business.

Mayor Hodson stated, "The Township Committee is very conscious of the COVID19 impact on our residents and Township Committee will be insuring that money is only expended this year that is absolutely necessary."

## 2020 Budget Message

The 2020 municipal budget is \$43.4 million. It is \$139,048 greater than the 2019 budget.

Almost \$1.3 was removed from the budget as a result of two (2) grants received in 2019. They are:

Local Freight Impact Fund	\$675,000
Centerline Rumble Strips	\$621,881

Other significant savings in the 2020 budget was a reduction in healthcare costs (\$141,200) and PERS pension (\$60,725).

This budget increases the local purpose tax levy by one cent (0.01). The impact on the average homeowner (\$207,000 assessed value) is \$20.70 or \$5.18 per tax quarter.

The Township Committee only controls 18% of your total tax bill. For the owner of an average home, the portion of their taxes paid to the municipality is \$1,217 a year. All other taxes that you pay go to the

county and school district. For your \$1,217 a year or \$23 per week, you will receive all of the basic services such as trash collection, police and fire protection, recreational opportunities, road maintenance and all other administrative functions, which are necessary to operate a 43 million dollar business. Our local purpose tax rate of 58.8 cents is one of the lowest in Atlantic County for full service municipalities. Atlantic County has twenty-three (23) municipalities. Only one (1) full service municipality has a lower local purpose rate than Egg Harbor Township. That community is a seasonal shore community whose year round population is less than ten percent (10%) of their summer population.

There are two (2) budget CAPS in New Jersey which have to be met when preparing a municipal budget. The first is the spending CAP. This budget is \$2.7 million BELOW the CAP. The second is the tax levy CAP. This budget is \$732,503 BELOW that CAP. The tax levy CAP would allow the Township to legally raise taxes an additional 1.8 cents.

However, Township Committee adopted a realistic budget to serve the needs of our community.

The three (3) largest areas of expenditures in the budget are as follows:

Public Safety	34%
Insurance/Social Security/Pensions	23%
Public Works	<u>15%</u>
<b>Total</b>	<b>72%</b>

In 2019, the Township entered into a shared services agreement with the City of Pleasantville to provide dispatching services. As a result the numbers of full-time employees increased by five during 2019. The actual overall increase in salary and wages in the 2020 budget is 2.6% since last year. The other expense portion of the budget increased by a half of one percent (.5%)

The Township has collective bargaining agreements in place with our three (3) unions. The PBA & GWU contracts are through 2020, and the CWA contract is through 2021. The annual cost per union contract is two percent (2%) annually.

The Township has managed its debt in a financially responsible fashion over the years. Currently the Township has bonding rate of A plus stable( A+).

Egg Harbor Township receives Energy Receipts Taxes for utilities located within the Township. In 2001, the Township received \$6,781,644 in Energy Receipts Taxes. Since 2011, we have **only** received \$6,013,285 annually. Based upon the state law, the Township should receive close to \$15 million in 2020. This is a loss of \$8.9 million. If the Township received the funds, which they are rightly and legally entitled to, our tax rate would be 22 cents lower or \$375 a year less to the average homeowner.

Every year our department heads look for more efficient ways to provide municipal services and to control cost. This budget reflects their ongoing efforts to do just that.

The Township entered into a shared services agreement with the County of Atlantic three (3) years ago to have a traffic light installed at

the intersection of Ocean Heights Avenue and Blackman Road. That project is currently under construction and is anticipated to be completed by Memorial Day. This will resolve the long delay residents experience trying to make a left hand turn at this intersection.

This budget is fiscally responsible to our residents both in the short term and long term.

The current corona virus pandemic is impacting the Township's budget in a similar fashion as it has impacted homeowners. This budget with a modest increase of one cent takes this into account. During the course of 2020, the Township will be implementing strict budget controls to insure that current services can be delivered this year and next in the same fashion as residents have come to expect.

I would like to thank, Township Committee, Administrator Miller, the Department Heads, and the Police and Fire Chiefs for a budget that is fair and responsible to taxpayers.