

MAYOR'S BUDGET STATEMENT

On Tuesday March 26th, I will be introducing the proposed municipal budget.

In 2018, the total amount of the municipal tax levy for the homeowners of Bradley Beach dropped from \$6,545,522 in 2017 to \$6,438,210 in 2018. The proposed 2019 municipal tax levy in 2019 represents an additional decrease to \$6,433,316. This represents a two year decrease in the municipal tax levy of \$112,205.89.

The overall spending amount for the 2019 budget is flat as compared to 2018. The 2018 budget amount for spending was \$9,290,045 and the 2019 budget proposal is at \$9,268,900, a decrease of \$21,145 dollars.

The budget does propose a utilization of surplus in the amount of \$997,000, unchanged from 2018. The other significant sources of anticipated revenue are the municipal court, state aid, concession rentals, parking meters, shared service revenue, cell tower rental and the various fees and permit revenue from our construction and code office.

There are a number of expense factors that need to be highlighted. As with any business or governmental entity, your largest costs are your people. Most of our employees operate under union negotiated contracts that currently have 2% annual pay increases. Some employees, in addition, have step increases tied into their longevity of service. We have also been hit with a mandated \$70,000 increase from the state's Police and Fireman Retirement Services. An additional factor is that with a relatively strong economy and low unemployment, many of our vendors have increased their prices to the borough and we have had to absorb those additional costs.

At a time when the federal cost of living adjustment for 2019 has been established at 2.8%, I'm very proud of the fact that with all of the aforementioned expense challenges, the borough's municipal budget is being introduced with a relatively flat municipal tax levy.

It should also be noted that during a time when real estate prices in Bradley Beach have seen significant increases in the past year alone, many residents have seen double digit percentage increases in their property assessments. In an effort to offset many of these increases, this budget proposes a 12% reduction in the municipal tax rate. This is on top of the 5% reduction that took place in 2018. Please keep in mind that your property tax is made up of multiple entities, county, school, municipal and library.

Over the past four years, the municipal budget has remained fairly flat. In 2015, total property taxes in the borough equaled \$15,788,427.74. That amount is broken down as follows among the taxing entities:

Taxing Entity	Tax rate	Taxation Amount	% of Total
County (Regular, Health, Open Space)	.283	\$3,208,774.97	20.32%
School	.512	5,785,993.00	36.65%
Municipal	.569	6,430,421.53	40.73%
Library	.032	363,238.24	2.30%
TOTAL	1.396	\$15,788,427.74	100.00%

Last year in 2018, total property taxes in the borough equaled \$16,437,688.31. Following is the breakdown among the taxing entities:

Taxing Entity	Tax rate	Taxation Amount	% of Total
County (Regular, Health, Open Space)	.290	3,441,510.91	20.95%
School	.518	6,151,190.00	37.42%
Municipal	.542	6,438,210.15	39.16%
Library	.034	406,777.25	2.47%
TOTAL	1.384	\$16,437,688.31	100.00%

This represents an increase in taxes collected in Bradley Beach over the four year period of \$649,260.57 or an increase of 4.1%. Following are the dollar differences over the four year period for each taxing entity:

Taxing Entity	2015 taxes	2018 taxes	Difference	% of Total Increase	% increase since 2015
County (Regular, Health, Open Space)	3,208,774.97	3,441,510.91	232,735.94	35.84%	+7.25%
School	5,785,993.00	6,151,190.00	365,197.00	56.24%	+6.31%
Municipal	6,430,421.53	6,438,210.15	7,788.62	1.20%	+0.12%
Library	363,238.24	406,777.25	43,539.01	6.72%	+12.00%
TOTAL	\$15,788,427.74	\$16,437,688.31	649,260.57	100.0%	

As previously stated, the total dollar amount for municipal taxes will decrease in the proposed budget. Also, keep in mind that the library tax rate is a state mandated formula applied to the tax base, of which neither the municipality nor the library have any control over.

I hope that this “big picture” look at all of the factors that make up your property taxes is helpful. I believe that the proposed municipal budget demonstrates prudent and conservative utilization of tax dollars as has been the pattern over the past number of years.

Gary Engelstad
Mayor