

Message to our residents regarding your 2025 tax bill and Borough Finances

Last year, about this same time, I sent out a letter to all residents regarding the Boroughs' finances and the 2024 tax bill. I explained that years of the Mayor and Council using the Boroughs surplus (savings) and one-time receipts to balance the budget put the Borough in a difficult financial position. Between 2014 and 2022 alone, the Mayor with the approval of the Council, used \$7,457,312 of our surplus (savings) to cover anywhere from 20.08% to a high of 27.07% of the towns' expenditures. During 5 years of that time period, taxes were only raised 1% or less. The other years, except one because of Sandy, they were raised only slightly more.

While not raising taxes sounds great and is a political winner, spending your savings to do so isn't. It is the height of fiscal mismanagement.

This has left us with 2 major problems;

First: We have no surplus left. The 20-27% that was covered by our savings now has to come from taxes and increased fees.

Second: The Borough is limited by the Levy CAP statute. The statute limits how much taxes can be raised each year (2% plus allowable exceptions). Unfortunately, the starting point to rectify the situation is 10 years ago.

Why am I bringing this up again?

In 2024, we were close to not balancing our budget. We raised taxes the maximum we could, used some surplus and just squeaked under the Levy CAP. We knew that we were in for a challenge in 2025. We evaluated every area we could for savings, particularly the major expenditures.

1. We changed our employee medical plan that is estimated to save from \$70,000 - \$80,000 while still providing the same benefits. We are also putting money in an HSA type account for the Borough to help level future costs.
2. Renegotiated our PBA contract for the next 5 years
3. Removed all fees from individual Ordinances and created separate Fee Ordinances that can be reviewed more easily.
4. Raised fees where necessary. Most have not been changed since 2005 and 2011!
5. Raised our sewer rate by \$15.00/quarter. Our costs from Ocean County go up 1.5-2% each year but the Borough hadn't raised sewer rate since 2006!
6. Applied and received \$2,000,000 from the Infrastructure Bank of New Jersey to install new water meters so we can finally charge for excess use. We are also rehabbing our water tower and filtration system with this money. The \$2 million is a loan that does not have to be repaid (free).
7. Entered into shared service agreements with neighboring towns where possible
8. Presented a proposal to a neighboring town to provide their police services.
9. Many smaller changes to where savings / efficiencies could be found.

After all these efforts, we still have a gap of approximately \$1,000, 000 between revenue and expenses. Problem one listed above, means we don't have even a little surplus to help us bridge the gap until we are at the tax level we should be.

We had only two choices, a referendum or apply for Transitional Aid from the State.

We chose to apply for Transitional Aid. Transitional Aid is financial aid to municipalities that have a budget gap that cannot be fixed without a referendum for tax increases in excess of the states' Tax Levy CAP allowance. If awarded, it requires state oversight by the Department of Local Government Services.

We were approved and were awarded \$1,150,000 in Aid. The combination of Transitional Aid and reasonable tax increases will allow the Borough to improve our financial position while managing the tax burden on our residents. We will be applying for Transitional Aid for at least 3 years.

We met with the Division of Local Government Services on July 7th to begin the process. The meeting was very positive and one of our monitors told us that our application was the best written and documented application he has ever reviewed. We have already done or are in the process of addressing, almost every area they reviewed. The State oversight has begun but shouldn't be a burden since we have already instituted the fiscally sound procedures they require.

The addition of Transitional Aid means we need to amend the 2025 Budget as originally submitted. The amended budget and the public hearing will be on the agenda at the July 23rd Council meeting.

2025 TAX BREAKDOWN

	2025	2024
Municipal	+4.89 %	+6.53%
County	+ 4.06	+17.63%*
OG School	+11.7%	+6.12%
Central Regional	+11.2%	-.57%

*Our portion of the County burden increased because of the reassessment

Please remember, only about 33% of your property tax bill is the Borough tax. The other 67% we only collect for the schools and County.

If you have any questions or concerns, please come to our Council meetings or stop into the Municipal Building. I am there most days from 9:00 – 1:00 or by appointment.



Bob Curtin
Mayor