

REVISED

TOWNSHIP OF BERKELEY



**SOUTH SEASIDE PARK FINANCIAL IMPACT ANALYSIS AS IT
RELATES TO THE DE-ANNEXATION FROM THE TOWNSHIP
OF BERKELEY**

AS PREPARED BY:

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I.

HISTORY

Berkeley Township is a Township in Ocean County, New Jersey. Berkeley Township was incorporated as a Township by an act of the New Jersey Legislature on March 31, 1875, from portions of Dover Township (now Township of Toms River). Sections of the Township were taken to form Seaside Park (March 3, 1898), Seaside Heights (February 6, 1913), Beachwood (March 22, 1917), Ocean Gate (February 28, 1918), Pine Beach (February 26, 1925), South Toms River (March 28, 1927) and Island Beach (June 23, 1933) which was reabsorbed into Berkeley Township in 1965. While de-annexation is not new to the Township of Berkeley, as it de-annexed from Dover Township in 1875 and six (6) other municipalities de-annexed from Berkeley Township to form their own municipalities, no section of the Township has de-annexed to another municipality.

As of the 2010 United States Census, the Township population had increased by 1,264 to 41,255 reflecting an increase of 3.2% from the 39,991 counted in the 2000 Census, which had in turn increased by 2,672 (7.2%) from the 37,319 counted in the 1990 Census.

Below please find the following facts regarding Berkeley Township which are based on the last Census in 2010; the American Community Survey 5-Year Estimates and the County of Ocean.

<u>Description</u>	<u>Measure</u>	<u>Source</u>
Census 2010 Total Population	41,255	2010 Demographic Profile
2015 Year Population Estimate	41,480	2011-2015 American Community Survey
Median Age	60.6	2011-2015 American Community Survey
Number of Companies	1,927	2012 Survey of Business Owners
% High School Graduate or Higher	87.4%	2011-2015 American Community Survey
Total Housing Units	23,148	2016 Ocean County Abstract of Ratables
Per Capita Income	\$28,168	2006-2010 American Community Survey
Median Household Income	\$43,942	2011-2015 American Community Survey
Individuals below Poverty Level	7.6%	2011-2015 American Community Survey

II. TAX ASSESSMENTS, LEVIES AND RATES

A. This first section is based on the assumption of South Seaside Park de-annexing from the Township of Berkeley. The Assessed Valuation in South Seaside Park is **10.66%** of the Total Assessed Valuation as shown below.

ASSESSED VALUATION

Assessed Valuation

The Assessed Valuation is the total assessment of properties in Berkeley Township.

Township Assessed Valuation 2017	\$5,107,714,648.00
South Seaside Park Assessment (10.66%)	\$ 544,115,100.00

Net Assessed Valuation without South Seaside Park

Township Assessed Valuation 2017 w/o South Seaside Park	\$4,563,599,548.00
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TAX LEVY

Current Total Tax Levy

The Tax Levy is the amount to be raised by taxation for support of the Municipal, Open Space, County and Schools budgets. The County and Schools budgets are adopted by the Freeholders (County) and the Boards of Educations (Schools). The Municipal Open Space Tax Levy is based on a Referendum with an amount not to exceed 1% of the Assessed Valuation.

2017 Total Tax Levy

2017 Total Tax Levy	\$106,207,411.32
South Seaside Park Tax Portion (10.66% of Assessed Valuation)	\$ 11,321,710.05

Current Total Tax Levy without South Seaside Park

If based on the Assessed Valuation with the **10.66%** loss of Ratables for South Seaside Park, the current Total Tax Levy for the Municipal, Municipal Open Space, County and Regional School portions and the breakdown would be as follows:

2017 Total Tax Levy	\$106,207,411.32
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Less: South Seaside Park Tax Portion (10.66% of Assessed Valuation) 11,321,710.05
 2017 Total Tax Levy \$ 94,885,701.27

A breakdown is as follows:

<u>Budget</u>	<u>Levy</u>	<u>Factor</u>	<u>Reduction</u>
Municipal	\$31,566,481.97	10.66%	\$3,364,986.98
Municipal Open Space	510,771.00	10.66%	54,448.19
County Tax	21,880,040.35	10.66%	2,332,412.30
Berkeley Board of Education	29,971,200.00	10.66%	3,194,929.92
Central Regional Board of Education	<u>22,278,918.00</u>	10.66%	<u>2,374,932.66</u>
Total Tax Levy	<u>\$106,207,411.32</u>		<u>\$11,321,710.05</u>

Based on input from the Berkeley Board of Education, there would be no increase or decrease in the school portion of the tax levy as the number of students is so few from South Seaside Park, therefore it is anticipated there would be no savings achieved should South Seaside Park de-annex from the Township of Berkeley.

This along with no anticipated savings on the municipal budget side, based on the tax levy with all things being equal and no increase or decrease anticipated in the Reserve for Uncollected Taxes the tax levy would be as follows:

Tax Levy

Municipal Tax Levy	\$ 31,566,481.97
Municipal Open Space Tax Levy	456,322.81
County Tax Levy	19,547,628.05
Berkeley Board of Education Tax Levy	29,971,200.00
Central Regional Board of Education Tax Levy	<u>19,903,985.34</u>
Total Tax Levy	<u>\$101,445,618.17</u>

TAX RATE

The Tax Rate is calculated by dividing the Amount to be Raised by Taxation (Tax Levy) by the Assessed Valuation. The below analysis is a comparison of the current 2017 Tax Rates compared

to what the Tax Rates would be if South Seaside Park de-annexed from the Township of Berkeley.

<u>2017 Tax Rates</u>	<u>Rate</u>	<u>Levy / Assessed Valuation</u>
Municipal	\$0.618	(\$31,566,481.97/\$5,107,714,648)
Municipal Open Space	0.010	(\$510,771.00/\$5,107,714,648)
County of Ocean	0.429	(\$21,880,040.35/\$5,107,714,648)
Berkeley Board of Education	0.587	(\$29,971,200.00/\$5,107,714,648)
Central Regional Board of Education	<u>0.436</u>	<u>(\$22,278,918.00/\$5,107,714,648)</u>
Total Tax Rate	<u>\$2.080</u>	(\$106,207,411.32/\$5,107,714,648)

<u>2017 Tax Rates w/o South Seaside Park</u>		
Municipal	\$0.692	(\$31,566,481.97/ \$4,563,599,548)
Municipal Open Space	0.010	(\$456,322.81/\$4,563,599,548)
County of Ocean	0.428	(\$19,547,628.05/\$4,563,599,548)
Berkeley Board of Education	0.657	(\$29,971,200.00/ \$4,563,599,548)
Central Regional Board of Education	<u>0.436</u>	<u>(\$19,903,985.34/\$4,563,599,548)</u>
Total Tax Rate	<u>\$2.223</u>	(\$101,445,618.17/\$4,563,599,548)

<u>Difference</u>	<u>Dollar</u>
Municipal	\$0.074
Municipal Open Space	0.000
County of Ocean	(0.001)
Berkeley Board of Education	0.070
Central Regional Board of Education	<u>(0.000)</u>
Total Tax Rate Increase	<u>\$0.143</u>

When a comparison is made, there would be an **average increase of 14.3 cents per \$100.00 of assessed valuation in taxes** to the remaining residents of Berkeley Township. The increase in the Tax Rate would mostly be from the loss of ratables (Assessed Valuation) **\$544,115,100.00**

AVERAGE ASSESSMENT – SINGLE FAMILY HOME

According to the Berkeley Township Tax Assessor, the Average Assessment for a Single Family Home in the Township of Berkeley is \$199,500 for 2017. A comparison of Average Assessment for a Single Family Home in the Township of Berkeley for the Senior Communities and the South Seaside Park portion of the Township are as follows:

Average Assessment - Single Family Home

Township	\$199,500
South Seaside Park	\$408,000
Senior Communities	\$127,000

Average Tax Bill – Single Family Home based on the Average Assessment

	<u>Average Tax Bill</u>	<u>w/o South Seaside Park</u>	<u>Difference</u>
Township	\$4,149.60	\$4,434.89	\$285.29
South Seaside Park	\$8,486.40	-	-
Senior Communities	\$2,641.60	\$2,823.21	\$181.61

III. TOWNSHIP COST SAVINGS IN DE-ANNEXATION

PUBLIC SAFETY

First Aid Services

Annual donation to Tri-Boro First Aid Squad for South Seaside Park First Aid Coverage is \$12,000.00. This expense would not be eliminated as the service would still be required to cover Pelican Island.

Fire Services

Annual donation to Seaside Park Volunteer Fire Company for South Seaside Park Fire Coverage is \$30,000.00

Police Services

Patrol at least one Police Officer 24/7/365 except on July 4th and the Concert on the Beach there are four (4) Police Officers. Additionally, there are two (2) Police Officers each weekend during the summer months. The below analysis does not include any overtime calculations. The overtime for 2016 for the Police Department as a whole was \$350,656.47 which includes Police and Civilian personnel.

Also, Detectives background checks for ABC Licenses and License Renewals in South Seaside Park. There is an average of 20 – 40 hours per Liquor License review, and an average of ten (10) hours for an ABC Liquor License Renewal.

Average pay of Patrol Officer \$95,965.84 (without overtime)

		<u>Without SSP</u>
Police Officers per day x 365 days	\$287,897.51	Utilized Elsewhere
Additional 4 Officers on July 4 th and the Concert	2,103.36	Utilized Elsewhere
Additional 2 Officers on weekends during summer	12,620.16	Utilized Elsewhere
Special Class I and II Officers for Cross Walking detail	81,670.00	Savings
Detectives for ABC Licenses (average 30 hours)	<u>1,384.20</u>	Utilized Elsewhere
Total	<u>\$385,675.23</u>	

If South Seaside Park were to de-annex from the Township of Berkeley, the only direct savings would be in the Special Class I and II Officers for Cross walking detail as this is a specific expense to South Seaside Park which totals \$81,670.00. The balance of \$304,005.23 would not be a savings as the expense would not be eliminated due to the Police Officers being used in other sectors of the Township, including Pelican Island.

Total Public Safety Savings \$111,670.00

RECREATION

Beach Badges – No distinction between resident and non-resident

Badges Sold – 2013 - 6,388; Revenue - \$83,626.00; Expenses - \$105,686.36; Net (\$22,060.36)
 Badges Sold – 2014 - 6,892; Revenue - \$89,577.00; Expenses - \$97,197.56; Net (\$7,620.56)
 Badges Sold – 2015 - 6,886; Revenue - \$97,439.00; Expenses - \$103,757.32; Net (\$6,318.32)
 Badges Sold – 2016 - 7,294; Revenue - \$93,026.00; Expenses - \$117,299.95; Net (\$24,273.95)
 Badges Sold – 2017 – 6,468; Revenue - \$112,154.00; Expenses - \$116,814.06; Net (\$4,660.06)

There would be no change if South Seaside Park were to de-annex due to the beach remaining with the Township.

PUBLIC WORKS SERVICES

Estimated Cost Breakdown for South Seaside Park Solid Waste, Recycling, Bulk and Leaf

Pick-up

The below analysis of the annual cost associated with South Seaside Park has been provided by Mark Vannella, Director of Sanitation and Recycling

Labor Cost	\$37,975.62
Supervisor Cost	13,053.60
Fuel Cost	503.00

Landfill Costs	38,976.00
Insurance Costs	<u>2,000.00</u>
Total	<u>\$92,508.22</u>

Snow Removal: Approximately \$14,000.00 per year to Outside Contractors

Street Sweeping: Approximately \$4,000.00 per year

If South Seaside Park were to de-annex from the Township of Berkeley, the only direct savings would be in the Fuel Costs (\$503.00) and Landfill Costs (\$38,976.00), which would total \$39,479.00. The balance of the \$92,508.22 and the approximate cost of Street Sweeping (\$4,000.00) would not be a savings as the expense would not be eliminated. Therefore, the only savings would be a total of approximately \$39,479.00 for public works services and \$14,000.00 for Snow Removal or a total of \$53,479.00.

Total Public Works Savings \$53,479.00

UTILITIES

Street Lighting

Approximately \$14,000.00 per year

Fire Hydrants

The amount paid in 2016 for Fire Hydrants in 2016 was \$7,064.14

Total Utilities Savings \$ 21,064.14

REVENUES

If South Seaside Park were to de-annex from the Township of Berkeley the following direct revenues would be lost:

<u>Account Name</u>	<u>Amount</u>
Alcoholic Beverage Licenses (3 active licenses and 1 pocket license)	\$10,000.00
Water and Cable Franchise Fees (Cablevision)	12,746.00
Trailer Fees (Arlington Beach)	<u>500.00</u>
Total	<u>\$23,246.00</u>

Total Revenue Loss \$23,246.00

SUMMARY OF COST SAVINGS AND THE IMPACT ON THE TAXES

If considering the cost saving calculations from Public Safety, Public Works, Utilities and lost Revenues the Municipal Tax Levy would be as follows:

Municipal Tax Levy \$ 31,566,481.97

Public Safety Savings

Less: Cost of Fire Services 30,000.00
Less: Cost of Police Services (Special Class I and II Officers) 81,670.00
Total Public Safety Savings (111,670.00)

Department of Public Works Service Savings

Less: Cost of Waste, Recycling, Bulk and Leaf Pick-up \$39,479.00
Less: Cost of Snow Removal 14,000.00
Total Department of Public Works Service Savings (53,479.00)

Utilities Savings

Less: Street Lighting Expense \$14,000.00
Less: Fire Hydrant Expense 7,064.14
Total Utilities Savings (21,064.14)

Revenue Loss

Less: Alcoholic Beverage Licenses \$10,000.00
Less: Water and Cable Franchise Fees 12,746.00
Less: Trailer Fees 500.00

Total Revenue Loss 23,246.00

Net Municipal Tax Levy \$31,403,514.83

The direct net savings inclusive of the revenue loss is **\$162,967.14**, thus the total Municipal Tax Levy would be reduced \$162,967.14 should South Seaside Park de-annex from the Township of Berkeley.

Based on the above cost savings on the de-annexation of the Township and no cost savings by the Berkeley Board of Education and the Tax Levies for the Municipal Open Space, County and Central Regional Board of Education being reduced by the 11.27%, and the Tax Levies would be as follows:

Tax Levy w/o South Seaside Park and Change with Municipal and no change to the Berkeley Board of Education Budgets

Municipal Tax Levy	\$ 31,403,514.83	\$162,967.14 savings
Municipal Open Space Tax Levy	456,322.81	10.66% decrease
County Tax Levy	19,547,628.05	10.66% decrease
Berkeley Board of Education Tax Levy	29,971,200.00	No change
Central Regional Board of Education Tax Levy	<u>19,903,985.34</u>	10.66% decrease
Total Tax Levy	<u>\$101,445,618.17</u>	

If the de-annexation were to occur, based on the above Tax Levies and adjusted Assessed Valuation, the Tax Rates would be as follows:

<u>Current 2017 Tax Rates</u>	<u>Rate</u>	<u>Levy / Assessed Valuation</u>
Municipal	\$0.618	(\$31,566,481.97/\$5,107,714,648)
Municipal Open Space	0.010	(\$510,771.00/\$5,107,714,648)
County of Ocean	0.429	(\$21,880,040.35/\$5,107,714,648)
Berkeley Board of Education	0.587	(\$29,971,200.00/\$5,107,714,648)
Central Regional Board of Education	<u>0.436</u>	<u>(\$22,278,918.00/\$5,107,714,648)</u>
Total Tax Rate	<u>\$2.080</u>	(\$106,207,411.32/\$5,107,714,648)

2017 Tax Rates w/o South Seaside Park

Municipal	\$0.688	(\$31,403,514.83/\$4,563,599,548)
Municipal Open Space	0.010	(\$456,322.81/\$4,563,599,548)
County of Ocean	0.428	(\$19,547,628.05/\$4,563,599,548)
Berkeley Board of Education	0.657	(\$29,971,200.00/\$4,563,599,548)
Central Regional Board of Education	<u>0.436</u>	<u>(\$19,903,985.34/\$4,563,599,548)</u>
Total Tax Rate	<u>\$2.219</u>	(\$101,282,651.03/\$4,563,599,548)

<u>Difference</u>	<u>Dollar</u>
Municipal	\$0.070
Municipal Open Space	0.000
County of Ocean	(0.001)

Berkeley Board of Education	0.070
Central Regional Board of Education	<u>0.000</u>
Total Tax Rate	<u>\$0.139</u>

Largely due to the loss of Ratables (**\$544,115,100.00**), there would be a **13.9 cent per \$100.00 of assessed valuation Tax Increase** to the residents of Berkeley Township should South Seaside Park annex from Berkeley Township.

The impact on the residents based on the Average Assessment of a **Single Family Home** would be a **\$277.31 increase in taxes** and for the Average Assessment of a **Single Family Home in the Senior Communities**, there would be a **\$176.53 increase in taxes**. See below for the “Average Assessments” and the “Average Tax Bill” for both the average assessed township home and the average assessed home in the Adult Communities.

Average Assessment - Single Family Home

Township	\$199,500
South Seaside Park	\$408,000
Senior Communities	\$127,000

Average Tax Bill – Single Family Home based on the Average Assessment

	<u>Average Tax Bill</u>	<u>w/o South Seaside Park</u>	<u>Difference</u>
Township	\$4,149.60	\$4,426.91	\$277.31
South Seaside Park	\$8,486.40	-	-
Senior Communities	\$2,641.60	\$2,818.13	\$176.53

IV. CAPITAL AND DEBT SERVICE
CAPITAL

Some Direct Capital Expenses strictly for the South Seaside Park section of the Township:

Reconstructed Basketball Courts in 2012 cost approximately \$2,000.

Dune Grass and Snow Fence cost approximately \$3,000 annually.

Quad with an approximate cost of \$15,000.

Beach Rake with an approximate cost of \$40,000.

Indirect Capital Expenses include the purchase of township vehicles, Police Department Equipment, Recreation Equipment, Golf Course Equipment, Public Works Vehicles and Equipment, Volunteer Fire and First Aid Equipment, Computer Equipment, Road Resurfacing, Gravel Roads, Dredging and Drainage Projects used for the Township as a whole which include South Seaside Park.

Amounts of Bond Ordinances

<u>Year</u>	<u>Amount</u>
2012	\$5,081,600
2013	\$6,311,783
2014	\$6,421,430
2015	\$6,569,450
2016	\$7,991,000
2017	\$8,650,000

MUNICIPAL DEBT SERVICE

Outstanding Debt Service at 12/31/16 – Both Principal and Interest	\$44,423,744.21
Special Emergency Note-Super Storm Sandy-Balance at 12/31/16	<u>1,224,000.00</u>
Total Debt	\$45,647,744.21
Percentage of Assessed Valuation of South Seaside Park	<u>10.66%</u>
South Seaside Portion of Current Debt Service	<u>\$ 4,866,049.53</u>

Remaining portion of Township Current Debt Service **\$40,781,694.68**

The amount of the 2017 Capital Bond Ordinance is \$8,650,000.00 which would increase the Bonds and Notes Authorized but not Issued, with that being said and 2017 debt being paid off and no further borrowing or funding, the Municipal Debt Service at December 31, 2017 would be as follows:

Outstanding Debt Service at 12/31/17 – Both Principal and Interest	\$48,991,315.82
Total Debt	\$48,991,315.82
Percentage of Assessed Valuation of South Seaside Park	<u>10.66%</u>
South Seaside Portion of Current Debt Service	<u>\$ 5,222,474.27</u>

Remaining portion of Township Current Debt Service **\$43,768,841.55**

The amount budgeted for Debt Service in 2016 was \$4,986,333.15 and in 2017 was \$5,711,998.49 which includes the \$1,200,000.00 per year for the Special Emergency Note stemming from Super Storm Sandy. Also, 2017 is the last year of the Special Emergency Note for Super Storm Sandy. **The approximate annual savings in debt service to the Township should South Seaside Park de-annex would be approximately \$531,543.11 (\$4,986,333.15 x 10.66%).**

The Debt Service is approximately 10.79% of the overall budget for 2016 and 12.61% for 2017.

V. **BERKELEY TOWNSHIP BOARD OF EDUCATION**

Analysis of South Seaside Park Withdrawal from Berkeley Township on Local School Taxes Based on the 2017-2018 School Budget

Current Tax Structure:

	2016			Average	
<u>Equalized</u>	<u>Assessed</u>	2017-2018	Tax Rate	Assessed	Average
<u>Valuation</u>	<u>Valuation</u>	<u>Tax Levy</u>	<u>Per \$100</u>	<u>Valuation</u>	<u>Taxes</u>
\$5,111,458,242	\$5,107,714,648	\$29,956,900	.0587	\$199,500	\$1,171.07

If South Seaside Park Secedes:

	2016			Average	
<u>Equalized</u>	<u>Assessed</u>	2017-2018	Tax Rate	Assessed	Average
<u>Valuation</u>	<u>Valuation</u>	<u>Tax Levy</u>	<u>Per \$100</u>	<u>Valuation</u>	<u>Taxes</u>
\$4,535,396,898	\$4,563,599,548	\$29,956,900	0.657	\$199,500	\$1,310.72

Conclusion: A home at the average assessed value of \$199,500 would have a **tax increase of \$139.65.**

Note: Tax Levy and Tax Rate include Debt Service

Assumption: South Seaside Park represents approximately **10.66%** of the total Berkeley Township Ratables.

Note: Net Taxable Value differs slightly from number used by Central Regional due to different numbers used in budget preparation based on actual figures at time received from the Department of Education.

Debt Service: \$10,250,000.00 is the debt service as of December 31, 2016

Assumption: South Seaside Park represents approximately **10.66%** of the total Berkeley Township Ratables so applying the same percentage, then **\$1,092,650.00** would be due the Berkeley Township Board of Education.

VI. CENTRAL REGIONAL SCHOOL DEBT COMPUTATION FOR 2017

<u>Municipality</u>	<u>Average Valuation</u>	<u>Percentage</u>	<u>Serial Bonds Issued</u>
Berkeley Township	\$5,169,868,824.00	68.48857090%	\$1,779,333.07
Island Heights Boro	340,248,445.67	4.50748957%	117,104.58
Ocean Gate Boro	227,913,399.67	3.01931511%	78,441.81
Seaside Heights Boro	639,205,463.67	8.46796509%	219,997.73
Seaside Park Boro	<u>1,171,277,080.33</u>	<u>15.51665934%</u>	<u>403,122.81</u>
Total	<u>\$7,548,513,213.34</u>	<u>100.0000000%</u>	<u>\$2,598,000.00</u>

VII. CENTRAL REGIONAL SCHOOL DEBT COMPUTATION FOR 2017 - IF ANNEXED TO THE BOROUGH OF SEASIDE PARK

<u>Municipality</u>	<u>Average Valuation</u>	<u>Percentage</u>	<u>Serial Bonds Issued</u>	<u>Difference</u>
Berkeley Township	\$4,658,723,000.00	61.71709406%	\$1,603,410.10	\$(175,922.97)
Island Heights Boro	340,248,445.67	4.50748957%	117,104.58	-
Ocean Gate Boro	227,913,399.67	3.01931511%	78,441.81	-
Seaside Heights Boro	639,205,463.67	8.46796509%	219,997.73	-
Seaside Park Boro	<u>1,682,422,904.33</u>	<u>22.28813618%</u>	<u>579,045.78</u>	<u>175,922.97</u>
Total	<u>\$7,548,513,213.34</u>	<u>100.0000000%</u>	<u>\$2,598,000.00</u>	<u>\$ -</u>

For illustrative purposes only, if South Seaside Park were to annex to the Borough of Seaside Park, Berkeley Township would be relieved of \$175,922.97 of Debt Service and the Borough of Seaside Park would pick up the \$175,922.97 Debt Service. This is based on the shifting of the \$511,145,824.00 Assessed Valuation from one municipality to another. The above Average Assessed Valuation and Percentages are provided by the State of New Jersey Department of Education.

VIII.

SUMMARY AND CONSIDERATIONS

1. The information contained in this report (for the most part) is based on the calendar year **2017**.
2. The Total **2017** Net Assessed Valuation for properties in Berkeley Township is \$5,107,714,648. The Net Assessed Valuation in 2012 was \$5,120,333,460, before Super Storm Sandy when the Township lost some \$47M of ratables, which, as can be seen, is coming back.

The Total Net Assessed Valuation for properties in South Seaside Park is **\$544,115,100** or **10.66%** of the Net Assessed Valuation for properties in Berkeley Township. This amount can be higher as the recovery of Super Storm Sandy continues.

3. Currently the Total Tax Levy which includes the Municipal, County, Local and School portions for Berkeley Township is \$106,207,411.32.

The Total Tax Levy based on the aforementioned **10.66%** for South Seaside Park is **\$11,321,710.05**.

4. With the assumption that there would be no layoffs in the Municipal or Berkeley Township Board of Education Budget, and based on no substantial cost savings on the de-annexation for the Township and the Berkeley Board of Education, the Tax Levies would be reduced by \$162,967.14. **Additionally, the levy would be reduced by an additional \$531,543.11 for the Debt Service South Seaside Park would take with them should they de-annex for a total savings of \$694,510.25. The tax rate structure would then be as follows:**

<u>Current 2017 Tax Rates</u>	<u>Rate</u>	<u>Levy / Assessed Valuation</u>
Municipal	\$0.618	(\$31,566,481.97/\$5,107,714,648)
Municipal Open Space	0.010	(\$510,771.00/\$5,107,714,648)
County of Ocean	0.429	(\$21,880,040.35/\$5,107,714,648)
Berkeley Board of Education	0.587	(\$29,971,200.00/\$5,107,714,648)
Central Regional Board of Education	<u>0.436</u>	<u>(\$22,278,918.00/\$5,107,714,648)</u>
Total Tax Rate	<u>\$2.080</u>	(\$106,207,411.32/\$5,107,714,648)

2017 Tax Rates w/o South Seaside Park

Municipal	\$0.676	(\$30,871,971.72/\$4,563,599,548)
Municipal Open Space	0.010	(\$456,322.81/\$4,563,599,548)
County of Ocean	0.428	(\$19,547,628.05/\$4,563,599,548)
Berkeley Board of Education	0.657	(\$29,971,200.00/\$4,563,599,548)
Central Regional Board of Education	<u>0.436</u>	<u>(\$19,903,985.34/\$4,563,599,548)</u>
Total Tax Rate	<u>\$2.207</u>	(\$100,751,107.92/\$4,563,599,548)

<u>Difference</u>	<u>Dollar</u>
Municipal	\$0.058
Municipal Open Space	0.000
County of Ocean	(0.001)
Berkeley Board of Education	0.070
Central Regional Board of Education	<u>0.000</u>
Total Tax Rate	<u>\$0.127</u>

Largely due to the loss of Ratables (**\$544,115,100.00**), there would be a **12.7 cent per \$100.00 of assessed valuation Tax Increase** to the residents of Berkeley Township should South Seaside Park annex from Berkeley Township.

The impact on the residents based on the Average Assessment of a **Single Family Home** would be a **\$253.37 increase in taxes** and for the Average Assessment of a **Single Family Home in the Senior Communities**, there would be a **\$161.29 increase in taxes**. See below for the “Average Assessments” and the “Average Tax Bill” for both the average assessed township home and the average assessed home in the Adult Communities.

Average Assessment - Single Family Home

Township	\$199,500
South Seaside Park	\$408,000
Senior Communities	\$127,000

Average Tax Bill – Single Family Home based on the Average Assessment

	<u>Average Tax Bill</u>	<u>w/o South Seaside Park</u>	<u>Difference</u>
Township	\$4,149.60	\$4,402.97	\$253.37
South Seaside Park	\$8,486.40	-	-
Senior Communities	\$2,641.60	\$2,802.89	\$161.29

5. The Berkeley Township Board of Education assumption is based on having so few students coming from South Seaside Park, other than some fuel savings; there is no material cost savings thought to be realized. Additionally, there is no anticipated State Aid formula effect based on the loss of a small number of students to the district resulting from a de-annexation.

As for the Central Regional School District, there would be a recalculation based on the Assessed Valuation to the School Tax Levy Portion. There would be an approximate decrease of **\$2,374,932.66** which the Township would realize if South Seaside Park remains in the Central Regional School District, that amount would shift to that municipality that South Seaside Park annexes too.

6. The County Tax Levy would be reduced based on the Assessed Valuation, which would be approximately **\$2,332,412.30** which would then shift with a possible change in the Assessed Valuation to the municipality South Seaside Park annexes too. This is not necessarily the same **10.66%** as the County apportionment is not the same as the calculation for the Municipal, Municipal Open Space and School tax apportionments. Based on where South Seaside Park annexes, the Assessed Valuation can go either higher or lower.
7. Based on the Analysis for Municipal Debt Service, should South Seaside Park de-annex from the Township of Berkeley, they would be responsible for their portion of Debt Service in the amount of **\$5,222,474.27** if the de-annexation were to happen at December 31, 2017.

Based on the Analysis for Central Regional School Debt Computation for 2016, should South Seaside Park de-annex from the Township of Berkeley, they would be responsible for their portion of Central Regional School Debt Service in the amount of \$175,922.97 if the de-annexation were to happen at December 31, 2016.

The total Debt Service to South Seaside Park would be **\$5,398,397.24**.

8. As highlighted in numbers 5 – 8 above, should South Seaside Park de-annex from the Township of Berkeley, at a minimum, in addition to all of the other budgetary expenses,

based on the above considerations, South Seaside Park would inherit the following expenses:

Township portion of Debt Service	\$5,398,397.24
Berkeley Board of Education portion of Debt Service	1,092,650.00
County of Ocean Portion of Taxes	2,465,880.55
Central Region School District Portion of Taxes*	<u>2,510,834.06</u>
Total	<u>\$11,467,761.85</u>

*Does not include the balance of the Debt Service in the future years which would flow through to South Seaside Park from Central Regional School District.