

2018 LOCAL GOVERNMENT BUDGET AND POLICY UPDATE

NJ Division of Local Government
Services

Tina Zapicchi, Assistant Director

2018 Budget Information

- ▣ Budget Cap Update
- ▣ Budget Calendar
- ▣ FAST Update
- ▣ Levy Cap Referendum
- ▣ Local Finance Notices
- ▣ Other Budget Issues

Budget Cap

▣ LFN 2017-22 Cap and Budget Information

- Appropriation cap COLA is 2.5%
- Ordinance for 3.5% and for cap banking
- Introduce prior to budget introduction and adopt prior to budget adoption
- Ordinance must be published and a public hearing held at least 10 days from the date of publication
- Health Insurance increase 0%
 - No exclusion for either cap
 - Do not include waiver amounts in calculation – appropriate separate
 - Pension cost increases no longer exclusion from 1977 cap

Budget Cap

- ▣ Cap calculations levy cap workbooks posted
- ▣ LFN 2018-01 discusses Referendum process
 - April 17th, May 8th
- ▣ Any emergency costs excluded last year must be deducted for 2018.
- ▣ Winter event of January 4th declared state of emergency – costs excluded from both caps
- ▣ As new contracts negotiated – no cap exclusion for reduction of employee contributions.

Budget Calendar

- ▣ Budget calendar LFN 2017-26
 - Governor's Budget Message – March 13
 - Introduce by 3/16 or next regular meeting
 - Adopt by 4/20 or next regular meeting
- ▣ Review begins upon submission of budget, AFS, Audit and Corrective Action Plan
- ▣ LFN 2018-05, 06,07,09 FAST Updates – Paper copies of introduced and adopted budgets must be submitted. UFB can wait for system. AFS and ADS in FAST.
- ▣ DLGS Exam Group 3
 - Shown on Muni Info Sheet

Budget Issues

- ▣ Fiscal Reports prepared
- ▣ Budget forms on the website
- ▣ Budgets on Website (4 years)(40A:4-10)
- ▣ RUT calculation – 3 year average and reduction due to tax appeals, requires resolution passage prior to budget introduction (40A:4-41)
- ▣ Amendment procedures
 - Not until after public hearing is held (40A:4-4)
 - Advertisement (40A:4-9)

Budget Issues

- ▣ Municipal Library Levy (PL 2011, c 38) separate levy on sheet 11 – not part of levy cap workbook
- ▣ Library surplus transfer – see LFN 2011-37 for details
- ▣ Per P.L. 2013, c.271 Snow Removal Trust Fund is now Storm Recovery Trust Fund. To be used for storm recovery, snow, ice and debris removal.
- ▣ Health Insurance Waivers separate line item – not included in levy cap workbook
- ▣ Include breakdown of employee contribution and total health care cost in the budget message.

Local Finance Notices Issued

- ▣ State Aid LFN after Governor's Budget Presentation – March 13
- ▣ TA LFN – dates haven't been set at this point
- ▣ State oversight begins with receipt of application – sample MOU on website
- ▣ Can't assume receipt of aid – must have plan
- ▣ LFN 2017-25 County Entity Budget Cap – county budgets not on FAST.

LFN's – Cont'd

- ❑ LFN 2015-27 DLGS Modernization bill – Reminders for Budget Issues
- ❑ Section 14 and 15 amends NJSA 40A:4-8 and 4-10 – eliminates requirement that a copy of introduced and adopted budgets be provided to public library. Budget documents as adopted should be on your website.
- ❑ Section 27 amends NJSA 40A:14-34, increasing the amount of the annual appropriation for volunteer fire companies to \$150,000 for the first 3 and then \$50,000 for each additional company. The Director shall adjust the amount per the COLA every two years. (\$750 for '17&'18)
- ❑ Section 39 amends NJSA 40A:4-53 to permit a special emergency for unemployment result of layoffs.

DLGS Modernization Bill

P.L. 2015, c.95

- Removes requirement for amounts of state aid from property tax bill – Calculator will be on DLGS website. LFN 2016-6.
- LFN 2015-23 issued 11/6/15, discussed changes that impact the Local Finance Board procedures
- Section 32 - Changes to EIT Project financing and loan approvals – Now DLGS Director approval, not Local Finance Board.
- Section 12 – Non-conforming maturity schedules for EIT Loans no longer require LFB approval nor do waivers of down payment

DLGS - Rules

- ▣ Electronic Tax Sale- Webinar 3/23
- ▣ Electronic Disbursements
- ▣ Temporary CFO's
- ▣ New Legislation

2018 Budget Problems

- ▣ Anyone who is experiencing problems with the preparation of the 2018 budget – call and we will meet with you to discuss issues
- ▣ Call early in the season – do not wait

Questions?

Tina Zapicchi

(609) 633-3712

christine.zapicchi@dca.nj.gov