

**EXPLANATORY STATEMENT - (Continued)  
BUDGET MESSAGE**

**APPROPRIATION "CAPS"**

Chapter 89, Laws of 1990 extended and made sweeping changes to the Local "CAPS" law.

This law restrict the amount of expenditures the municipality may appropriate in a given budget year.

The actual calculations are somewhat complex, but in general it works as follows: Starting with the figure in the 2015 budget for Total General Appropriations, various 2016 budget figures are subtracted. The result of this gives you the 2016 "CAPS" base. The "CAPS" base is then multiplied by the allowable rate to determine the increase over the 2015 budget amount.

In addition to the increase above, other increases to the "CAPS" are allowed. Examples would be: increases in valuations due to new construction or improvements and increases in service fees, to mention a few.

The "CAPS" may also be exceeded if approved by a referendum which is a vote by the general

After the "CAPS" has been determined there are also many exceptions to the "CAPS" which are appropriations that will be outside of the "CAPS". Some of these exceptions are as follows:

- State and Federal programs offset by Revenues
- Reserve for Uncollected Taxes
- Debt Service
- Interlocal Service Agreements
- Capital Improvements

**I. GENERAL BUDGET HEARING**

On April 21, 2016 at 7:00pm in the Municipal Building a hearing on the 2016 budget will be held. The public has the right and is encouraged to provide oral and written comments, ask questions and other wise participate in the budget adoption process. Information on the Municipal Budget, together with a true copy of the entire proposed budget is available to the public for their inspection by contacting Maryalice Picariello at the Municipal Building.

The actual "CAPS" for municipalities will be reviewed and approved by the Division of Local Government Services in the State Department of Community Affairs. The "CAPS" for this budget was calculated as follows:

**NOTE:**

**MANDATORY MINIMUM BUDGET MESSAGE MUST INCLUDE THE FOLLOWING:**

1. **HOW THE 1977 "CAP" WAS CALCULATED.** (Explain in words what the "CAPS" mean and show the figures)
2. **2010 "CAP" LEVY CAP WORKBOOK SUMMARY**
3. **A SUMMARY BY FUNCTION OF THE APPROPRIATIONS THAT ARE SPREAD AMONG MORE THAN ONE OFFICIAL LINE ITEM**  
(e.g. If Police S&W appears in the regular section and also under "Operations Excluded from "CAPS" section", combine the figures for purposes of citizen understanding.)
4. **INFORMATION OR A SCHEDULE SHOWING THE AMOUNTS CONTRIBUTED FROM EMPLOYEES, THE EMPLOYER SHARE AND THE TOTAL COST HEALTH CARE COVERAGE** (Refer to LFN 2011-4)

**II. CALCULATION OF "CAP"**

|  |             |                       |
|--|-------------|-----------------------|
| Total Appropriations for 2015  |             | \$3,371,641.88        |
| Less:  |             |                       |
| Total Other Operations - Excluded from "CAPS"  | \$11,634.00 |                       |
| Total Public & Private Programs - Excluded from "CAPS"                               | 84,590.72   |                       |
| Total Interlocal Service Agreements - Excluded from "CAPS"                           | 135,808.00  |                       |
| Total Capital Improvements- Excluded from "CAPS"                                     | 185,000.00  |                       |
| Total Municipal Debt Service - Excluded from "CAPS"                                  | 297,100.00  |                       |
| Total Deferred Charges - Municipal Reserve for Uncollected Taxes                     | 255,307.16  | 969,439.88            |
| <hr/>  |             |                       |
| Amount on which 0.0% "CAP" is Applied  |             | 2,402,202.00          |
| 0.0% "CAP"   |             |                       |
| Added Assessments - \$4,231,300 X .305 per \$100                                     |             | 12,905.47             |
| Additional Cap Per COLA Ordinance 3.5%   |             | 84,077.07             |
| 2015 and 2014 Bank   |             | 211,167.21            |
| Allowable Operating Appropriations Before Additional Exceptions per (N.J.S.40A:45.3) |             | <u>\$2,710,351.75</u> |
| <hr/>  |             |                       |
| Total General Appropriations within CAPS   |             | 2,470,503.00          |

**III. HEALTH INSURANCE CONTRIBUTIONS AND WAIVERS**

The total health insurance premiums are estimated at \$341,421 for the Township for fiscal year 2016. The estimated employee contributions that represent the legal required salary deferral are estimated at \$28,221. The net amount budgeted for health insurance premiums is \$313,200.