

RESOLUTION 2023-94

RESOLUTION OF THE TOWNSHIP OF BARNEGAT, COUNTY OF OCEAN, STATE OF NEW JERSEY, AMENDING RESOLUTION 2016-361 A MUNICIPAL FUND BALANCE POLICY

WHEREAS, the Township recently completed a bond sale which included an interview with the bond rating agency;

WHEREAS, although our current bond rating has initially improved from A1 to AA-, and most recently increased to AA, it was stated by the rating agency the need for the Township to create and maintain a fund balance policy describing the changes to fund balance annually over a 5 year period, and an approved desired fund balance target dollar amount to further aide in prudent planning and improved future bond ratings;

WHEREAS, a fund balance (surplus) policy and 5 year trend analysis was also part of the 2015 Best Practices worksheet questionnaire;

WHEREAS, there is now a need and desire for the Township of Barnegat to amend its initial Fund Balance Policy; now

WHEREAS IT WAS RESOLVED by the Township of Barnegat Committee that the attached Fund Balance 5 Year Analysis and target dollar amount of 6.5% of total general appropriations (excluding Reserve for Uncollected Taxes) or \$1,500,000, (whichever is greater) for the Current Fund Budget, and 3.5% of total appropriations (excluding Deficits in Operations or Surplus General Budget) or \$200,000 (whichever is greater) be initiated and approved;

WHEREAS, due to the continued growth of the Township's ratable base, along with stable financial budgeting and condition over the most recent 5 years, it is desirable to amend and approve our initial fund balance policy upward to reflect the following:

THEREFORE BE IT RESOLVED that the Township's general Current Fund Balance goal and target dollar amount will be increased FROM 6.5% of total general appropriations (excluding Reserve for Uncollected Taxes) or \$1,500,000, (whichever is greater) TO 15% or \$4,000,000 for the Current Fund Budget. The fund balance policy for the Water & Sewer Utility Fund will be increased FROM 3.5% of total appropriations (excluding Deficits in Operations or Surplus General Budget) or \$200,000 TO 8.0% or \$350,000 (whichever is greater), both be approved.

CERTIFICATION

I, Donna M. Manno, Municipal Clerk, of the Township of Barnegat, County of Ocean, State of New Jersey, do hereby certify that the foregoing resolution was duly adopted by the Township Committee of said Township at their regular meeting held on the 7th day of February, 2023, in the Municipal Complex, 900 West Bay Avenue, Barnegat, New Jersey.

Donna M. Manno, RMC
Municipal Clerk

TOWNSHIP OF BARNEGAT FUND BALANCE POLICY

In accordance with bond rating agency recommendations and in conjunction with Resolution 2016-361 adopted by the Township of Barnegat on October 4, 2016, the following fund balance policy was adopted and followed:

The Township will maintain changes to fund balance annually over 5 year period increments describing changes to its fund balance, and an approved desired fund balance target dollar amounts;

The Township's Current Fund Balance goal and target dollar amount will be increased FROM 6.5% of total general appropriations (excluding Reserve for Uncollected Taxes) or \$1,500,000, (whichever is greater), TO 15% or \$4,000,000 (whichever is greater) for the Current Fund Budget;

and the Township's Water Sewer Utility Operating Fund Balance goal and target dollar amount will increase from 3.5% of total appropriations (excluding Deficits in Operations or Surplus General Budget) TO 8% or \$350,000 (whichever is greater) for the Water Sewer Utility Operating Budget is hereby approved.

Due to the continued growth of the Township's ratable base, along with stable financial budgeting and condition over the most recent 5 years, it is desirable to amend our initial fund balance policy upward to reflected above.