

**TOWNSHIP OF HOWELL**

**ORDINANCE COVER PAGE**

Ordinance No. O-19-22

**INTRODUCTION**

April 2, 2019

**PUBLIC HEARING & ADOPTION**

May 7, 2019

**AGENDA ITEM NUMBER**

2019 BUDGET

**ORDINANCE NUMBER: O-19-22**

**ORDINANCE TO EXCEED THE MUNICIPAL BUDGET APPROPRIATION LIMITS AND TO ESTABLISH A CAP BANK (N.J.S.A. 40A: 4-45.14)**

**WHEREAS**, the Local Government Cap Law, N.J.S. 40A: 4-45.1 et seq., provides that in the preparation of its annual budget, a municipality shall limit any increase in said budget to 2.5% unless authorized by ordinance to increase it to 3.5% over the previous year's final appropriations, subject to certain exceptions; and,

**WHEREAS**, N.J.S.A. 40A: 4-45.15a provides that a municipality may, when authorized by ordinance, appropriate the difference between the amount of its actual final appropriation and the 3.5% percentage rate as an exception to its final appropriations in either of the next two succeeding years; and,

**WHEREAS**, the Township Council of the Township of Howell in the County of Monmouth finds it advisable and necessary to increase its CY 2019 budget by up to 3.5% over the previous year's final appropriations, in the interest of promoting the health, safety and welfare of the citizens; and,

**WHEREAS**, the Township Council hereby determines that a 1.0% increase in the budget for said year, amounting to \$378,186.14 in excess of the increase in final appropriations otherwise permitted by the Local Government Cap Law, is advisable and necessary; and,

**WHEREAS**, the Township Council hereby determines that any amount authorized hereinabove that is not appropriated as part of the final budget shall be retained as an exception to final appropriation in either of the next two succeeding years.

**NOW THEREFORE BE IT ORDAINED**, by the Council of the Township of Howell, in the County of Monmouth, a majority of the full authorized membership of this governing body affirmatively concurring, that, in the CY 2019 budget year, the final appropriations of the Township of Howell shall, in accordance with this ordinance and N.J.S.A. 40A: 4-45.14, be increased by 1.0%, amounting to \$378,186.14, and that the CY 2019 municipal budget for the Township of Howell be approved and adopted in accordance with this ordinance; and,

**BE IT FURTHER ORDAINED**, that any that any amount authorized hereinabove that is not appropriated as part of the final budget shall be retained as an exception to final appropriation in either of the next two succeeding years; and,

**BE IT FURTHER ORDAINED**, that a certified copy of this ordinance as introduced be filed with the Director of the Division of Local Government Services within 5 days of introduction; and,

**BE IT FURTHER ORDAINED**, that a certified copy of this ordinance upon adoption, with the recorded vote included thereon, be filed with said Director within 5 days after such adoption.

**NOTICE**

Notice is hereby given that the foregoing Ordinance was introduced and passed on the first reading by the Township Council of the Township of Howell on April 2, 2019 and will be further considered for final passage and adopted at the Municipal Building, 4567 Route 9 North, Howell, New Jersey 07731 on May 7, 2019 at 7:30 P.M., or as soon thereafter as the matter can be reached on the agenda, at which time and place all persons interested therein shall be given an opportunity to be heard, and during the week prior to, and up to and including, the date of such meeting, copies of said Ordinance will be made available at the Clerk's office in the Township of Howell Municipal Building to the members of the general public who shall request same.

PENNY WOLLMAN  
Township Clerk

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## MEMORANDUM

TO: Penny Wollman, Township Clerk (via e-mail)

FROM: Louis Palazzo, Chief Financial Officer

DATE: March 27, 2019

RE: 2019 CAP and CAP Bank Ordinance

COPY: Brian Geoghegan, Township Manager (via e-mail)

As you are aware, the 2019 CAP Cost of Living Adjustment has been limited to 2.5% with the ability to increase that CAP to 3.5%. When the CAP has been increased to 3.5%, any unused amount may be “banked” and used for CAP adjustment in the next two fiscal years. It has been unnecessary to utilize the higher CAP percentage in the last few years. However, I do not want the excess to be lost immediately in the event it is needed in either of the next two years.

Accordingly, I am enclosing a 3.5% CAP Ordinance for Council’s action. This ordinance must be introduced, at the very latest, concurrently with the introduction of the 2019 Budget.

Please have this ordinance introduced on the April 2, 2019 meeting for final passage on May 7, 2019.

It must be approved by a majority of the full membership of the Council (3 votes), published, and a public hearing held at least 10 days after publication date. A certified copy of the introduced action must be filed with the Director of Local Government Services, within 5 days of introduction and an additional certified copy must be filed with the director within 5 days of adoption.