

**TOWNSHIP OF HOPEWELL
MERCER COUNTY, NEW JERSEY**

R E S O L U T I O N #21-138

**A RESOLUTION TO UTILIZE ADDITIONAL MONIES FROM THE
FUND BALANCE OF THE TOWNSHIP OF HOPEWELL IN THE
2021 MUNICIPAL BUDGET**

WHEREAS, the Township Committee of the Township of Hopewell adopted Resolution 20-355 on October 5, 2020 establishing a Fund Balance Policy; and

WHEREAS, Resolution 20-355 established guidelines related to Fund Balance usage and target levels of Fund Balance to be utilized during budget preparation process; and

WHEREAS, said guidelines state that if the Governing Body determines it is necessary to use more Fund Balance than set forth by the Fund Balance Policy in order to provide a balanced Municipal Budget then it would be necessary to pass a resolution in favor of doing so; and

WHEREAS, the Township anticipated a Return to Surplus equal to or greater than the amount utilized in the 2020 Municipal Budget; and

WHEREAS, in 2020 the Township of Hopewell faced a number of unanticipated challenges that impacted the Township's budget, including the COVID-19 pandemic which led to lower revenues than those budgeted for, and the spending of unbudgeted expenses related to legal expenditures; and

WHEREAS, revenues in 2020 that came in less than budgeted targets include a shortfall in Tax Collections of \$1,432,800; court fines and costs of \$105,000; special duty revenues of \$10,000; a reduction in recreation fields rentals and usage fees of \$36,075; and an interest on deposits deficit of \$123,000 due in part to a reduction in interest rates; and

WHEREAS, the unanticipated retirement payout to the Police Chief as well as increases to Legal O/E budget related to the Police Department caused an Emergency Appropriation in 2020 of \$175,000; and

WHEREAS, these factors are largely one-time issue impacts and not ongoing financial challenges, and therefore using additional Fund Balance is merited as opposed to burdening Township residents with a higher tax levy increase; and

WHEREAS, the amount of funds returned to Surplus at year end amounted to \$290,191; and

WHEREAS, the funds returned to Surplus at year end of 2020 had a negative impact on the Fund Balance targeted levels and a resolution should be passed to establish a plan to restore the Fund Balance to the Target level of 50% of the previous year's Tax Levy; and

WHEREAS, the plan to reach the Target Level of Fund Balance is to: 1) allocate a portion of the anticipated Federal American Rescue Funds directly to Surplus via the revenue line miscellaneous revenue not anticipated; 2) in a future year, sell a liquor license to a qualified buyer and 3) if needed, to utilize a portion of the PILOT monies anticipated in fiscal years 2022-2025 to restore the Fund Balance.

NOW THEREFORE, BE IT RESOLVED on this 19th day of April 2021, by the Township Committee of the Township of Hopewell, County of Mercer, State of New Jersey, that the Township Committee agrees to apply surplus to the operating budget in an amount that exceeds Fund Balance Policy guidelines and said amount will bring the Fund Balance Target amount below 50% of the previous year Tax Levy of \$16,070,002.

BE IT FURTHER RESOLVED that the Township Committee adopts the three-part plan outlined above to rebuild Fund Balance to target levels.

Date Adopted: April 19, 2021

CERTIFICATION

I, Laurie E. Gompf, Municipal Clerk, of the Township of Hopewell, County of Mercer, State of New Jersey, do hereby certify that the foregoing resolution was duly adopted by the Township Committee at the regular meeting held on the 19th day of April, 2021, via Zoom Video Communications.



Laurie E. Gompf, RMC, CMC
Municipal Clerk