

# FREEHOLD TOWNSHIP BUDGET REVIEW MINUTES

March 21, 2026

At 9:00 a.m., the Township Committee met in Room 214 in the Municipal Building.

Mayor Preston read the Open Public Meetings Act:

“In accordance with the Open Public Meetings Law, (c. 231 P.L. 1975), this Meeting was announced on January 5, 2026 by: 1.) posting a notice on the bulletin board in the Municipal Building reserved for that purpose, 2.) by mailing such notice to the offices of the official newspapers of the Township and 3.) by filing such notice with the Township Clerk.”

## Roll Call

In Attendance: Mr. Ammiano, Mr. Cook, Mr. Walker, Mayor Preston

Absent: Mrs. Fasano

Also, in attendance: Peter Valesi, Township Administrator, Jeffery Elsasser, CFO  
Sanabel Abouzeina, Township Clerk.

## Review of 2026 Municipal Budget

Mr. Valesi gave a power point presentation.

## Freehold Township Taxing Distracts

Every Freehold Township homeowner pays 13.8% of their tax bill for Township Operations and Infrastructure, and 2.3% of their tax bill for preservation and maintenance of open space

## What do I get for my 13.8%?

### Essential Services

- Infrastructure and Roadways
- Police & Public Safety & Court
- Public Works & Shade Tree
- Public Health Services
- Emergency Notification System
- Affordable Housing
- Curbside Recycling
- Tax Collection & Distribution
- Property Assessment
- Registrar Services
- Code & Housing Enforcement
- Engineering & Planning

### Quality-of-Life Services

- Recreation Programs
- Township Parks
- Sports Playing Fields
- Instructional Clinics
- Senior Center
- Alcohol & Drug Prevention
- Summer Camp Program

- Human Relations
- Commuter Parking
- Historic Preservation
- Farmland Preservation
- Vaccination & Testing

### **Preserving Open Space**

Freehold Township has pursued and acquired individually, or in State and County partnership, over 9,600 acres of open space. We continue to use the dedicated open space tax to secure and protect the rural nature of our Township, protect our historic character, and preserve the environmental sensitivity of our community through these several types of acquisitions and activities.

### **2025 Purchases Closed or Under Contract**

- 1075 West Main – Freehold Ventures – 26 acres
- The Geisler Tract – Geisler Lane – 101 acres
- 34 Topanemus Lane & Pond Road – 12 acres
- Hearn Property – Dutch Lane Road – 7 acres
- 28 Jackson Mills Road - Berky's Auto – 0.2 acres

### **2026 Budget Structure**

- Investment income led the way in increased revenue for 2025, as the Township's previous investments in other municipalities short-term debt and our laddered Treasury Bonds pushed interest well above normal rates.
- Also leading the revenue side was \$2.2 million in Shared Services Revenue. New clients in Information Technology and Health Services led the increase. The Township's first shared service in Financial Services was signed, sharing our CFO part time with the Borough of Keyport.
- Debt Service rose in 2026 by \$1,500,000, which is a voluntary payment of notes in an effort to prepare for long term financing in the coming years (required payment was under \$100k). Due to the uncertainty of the short- and long-term bond markets, the payment of notes ensures that the budget is prepared for the long-term principal payment, but also has the obvious beneficial effect of paying down debt.
- Healthcare costs went up by 12%, which while significant is still far below the increases seen by most plans this year. By comparison, the State Health Benefits Plan rose 37.1% in 2026.

### **2026 Budget Highlights- Health Insurance**

- Self-Insurance for Group Healthcare continues to show savings over the life of the plan and has provided approximately \$6.4M in reserve to stabilize this line item. The reserve accounts for 47% of the annual healthcare budget.
- The plan provides for a full accounting of expected claims and budgeting to the maximum coverage points. Accordingly, there are surplus claims in years where claims are not experienced at that level. Those overages are saved in a trust fund to offset future budgets and reduce premiums. The amount is currently 26% of the Trust Fund.
  - 2014 Savings = \$830,000;
  - 2015 Savings = \$360,000;     = **\$6.4M in Healthcare Trust Fund**

- 2016 Savings = \$120,000;
- 2017 Savings = \$850,000;
- 2018 Savings = \$710,000;
- 2019 Savings = \$670,000;
- 2020 Savings = \$830,000;
- 2021 Reduction = (\$150,000);
- 2022 Savings = \$720,000
- 2023 Savings = \$750,000
- 2024 Savings = \$660,000
- 2025 Savings=(\$300,000) estimate

### **2026 Budget Highlights- Personnel**

- Several key retirements, resignations and departmental reorganizations have created some budgetary fluctuations in various departments as we implement succession plans.
- Freehold Township employees as compared to last year:
  - 208 full-time employees vs. 204 last year
  - 51 part-time employees vs. 48 last year
- The Health Department staff has increased to meet the joint demands of our shared service towns and for several key State and Federal grants that have been awarded to the Township for public health infrastructure.
- Our Shared Service Model for Information Technology continues to expand covering Eighteen local government clients. The addition in 2025 of dispatching control person in the department has enhances communication and response triage.

### **2026 Budget Highlights Shared Services**

We are the lead agency on many shared services agreements with neighboring and local towns.

- Total Shared Services Revenue in 2023 = \$1,759,900
- Total Shared Services Revenue in 2024 = \$1,859,700
- Total Shared Services Revenue in 2025 = \$2,205,000
- Projected Shared Services Revenue in 2026= \$2,350,000

### **2026 Budget Highlights - Operational Costs vs. Statutory & Fixed Costs**

The Freehold Township Budget is primarily made up of two generalized types of costs:

1. Operational Costs like salaries & wages, departmental operating expenses and certain contractual expenses tend to be variable in nature. As such this allows management and the Township Committee a level of flexibility to adjust these items based on economic conditions and operational needs.

In the 2025 budget these costs decreased by \$1,945,355 or 5.9%

2. Fixed costs include statutorily mandated expenditures (i.e. pension benefits, etc.) debt service and infrastructure investments and are less likely to be influenced on a year-to-year basis by management and operational actions.

In the 2025 budget these costs increased by \$2,212,096 or 13.4%

## **Investing in Infrastructure**

Freehold Township has an aggressive approach to maintaining and enhancing the Township's infrastructure. A number of completed, current and planned projects are the focus of this strategy, some of which are:

- Annual Road Overlay Program
- Annual Water Valve Replacements
- DPW Roof Repairs
- Durand Park Improvement Project
- Hampton Drive Culvert Replacement
- Jackson Mills Road WTP Generator
- Jackson Mills Road WTP Roof Repl.
- Koenig Lane WTP Filter Rehabilitation
- MJT Basketball Court Reconstruction
- Municipal Building Improvements
- Patten Street Interconnection Repl.
- Roadway Preservation Program
- Senior Center Bathroom & ADA Accessibility Improvements
- Siloam Road & OTS Road Intersection
- Stillwells Corner Rd Bike Lane & Pavement Resurfacing
- Stormwater Outfall Rehabilitation
- Three Brooks Road Bridges and Roads
- Water Storage Tank Rehabilitation

## **2026 Notable Added Costs**

### **Difference between 2025 and 2026 budget appropriations**

Payment of Note Principal	\$1,500,000.00
Group Insurance for Employees	\$946,542.08
Police – Salary & Wages	\$786,000.00
Police and Fire Retirement System	\$237,881.00
Reserve for Uncollected Taxes	\$226,612.84
Street and Roads – Salary and Wages	\$181,000.00
Regional IT Services	\$158,000.00
Payment of Bond Principal	\$129,175.00
Interest on Notes	\$125,000.00
Recreation – Salary and Wages	\$88,000.00
Construction – Salary and Wages	\$85,000.00
Licensed Financial Services	\$75,000.00

## **Debt Service and Capital Management**

Freehold Township received a AAA bond rating from Moody's in 2019, which was affirmed in 2021

Our top bond rating continued to aid the Township's financial position through a record low sale of Township Bonds in 2021

Freehold Township adopts a plan to retire debt aggressively, reducing our overall interest costs, and making for a stable debt service strategy.

## **Debt Service and Capital Management**

The Township has responsibility over a significant sum of cash, by statute, waiting for use in various ways and for various responsibilities.

- Fund Balance and Surplus of Current Fund
- Capital Fund monies waiting for the execution of Projects
- School Taxes collected and waiting for their quarterly distribution
- Escrow accounts for development projects
- Healthcare Trust Account
- Storm Recovery Fund
- Affordable Housing Trust

The Township must responsibly act as the steward of these funds, and has a responsibility to invest and create income for the taxpayers through sound investing in accordance with the statutory limitations in what we are permitted to invest.

## **Debt Service and Capital Management**

Administration and Finance work closely together to ensure that maximum return is applied to the funds on deposit with the Township. Over the last ten years, we have employed the following aggressive tools to achieve this goal:

1. Develop and maintain a customer focused banking relationship, applying pressure to our institutions to maximize return from our banks through various accounts.
2. We retain investment advisors for our debt side and investment side, who work together with the Township to ladder U.S. Treasury instruments along the yield curve to gain maximum exposure to the best rates, given the timing for use of the funds.
3. We routinely buy other municipalities short-term debt, mostly the taxable debt that doesn't meet the statutory requirements to maintain its tax-free status. This is a competitive environment and we bid our rates against banks and other funds

**In 2025, the Township made \$3.56 million in investment income using the strategy described above, which is about 14% of our tax levy**

### **Township Annual Reassessment in 2025**

Begin 2025	\$10,205,844,800
Begin 2026 (est.)	\$10,641,987,700

One-year increase of \$436,142,900 or 4.3% results in a downward rate adjustment of -1.22 cents before the 2026 levy adjustment and before tax appeals are finalized.

The net change in available taxes for the Freehold Township Municipal Budget as a result of the change in assessment value is ZERO.

Open Space Trust Levy will change by \$174,457 the same 4.3% as our net positive change in ratables. This will be slightly reduced after tax appeals are final.

**Three - Year Home Sales Data**

The pressure on home prices continues to shift more tax burden from commercial properties that struggle to maintain tenants and show decreasing value on their Annual Income and Expense Forms to the residential properties that are aggressively increasing in value.

**2% Levy Cap Calculation**

**Freehold Township’s 2026 Municipal Budget is \$1,726,464 under the State mandated 2% levy cap.**

Freehold Township’s allowable levy under cap = \$504,210  
 Adjustment for new assessed ratables = \$ 138,342  
 Net Levy Credit for Debt Service/ CIF increase = \$943,935  
 Levy Credit for Health Insurance Increase= \$769,252  
 Levy Credit for Pension Obligation Increase = \$190,619

Total Allowable New Levy = \$ 2,509,105  
 Total New Levy Used = \$ 782,641

For the last eight years, the Freehold Township tax levy is \$5,593,317 under the allowable levy cap, which amounts to a \$3,200 savings for an average home over that period

**Municipal Budget Annual Comparison**

	<u>2025</u>	<u>2026</u>	<u>Change</u>	<u>Dollar Change</u>
Total Budget	\$51,330,583	\$55,729,478	+8.6%	+\$4,397,506
State Aid	\$7,528,986	\$7,528,986	0%	
Muni Revenue	\$2,821,750	\$3,314,918	+17.5%	+\$493,168
Fund Balance	\$11,779,716	\$12,848,714	+9.1%	+\$1,068,998
Amount to Be Raised	\$25,210,503	\$25,993,145	+ 3%	+\$756,314
Tax Rate	24.7¢	24.4¢	-.98%	- 0.3¢

**Impact on Average Homeowners**  
**Annual Taxes for Municipal Purposes**

<u>Assessments</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>	<u>Annual</u>	<u>Monthly</u>	<u>2026</u>
<u>2025</u>	<u>2026</u>	<u>Tax</u>	<u>Change</u>	<u>Change</u>	<u>Total</u>	
271,878	284,928	\$671	\$25	\$2.08	\$696	
522,147	547,210	\$1,289	\$47	\$3.92	\$1,336	
682,315*	711,354*	\$1,684	\$52	\$4.33	\$1,736	
916,480	960,062	\$2,261	\$82	\$6.83	\$2,343	
1,139,054	1,193,729	\$2,812	\$101	\$8.42	\$2,913	

\*These amounts represent the 2025 & 2026 average assessment on homes which rose by 4.25% year over year.

## **Water & Sewer Utility Highlights**

- The Freehold Township Dedicated Water & Sewer Utility is self-liquidating, requiring funds to be used solely for the operation of the Utility.
- Water/Sewer Revenues were down 1.85% from 2025 while expenses increased by 4.4%. Water Meters and Chemicals continue to drive expenses upward.
- Fund Balance decreased from 9.9M to 7.9M, however \$1.25M was returned in February 2026 as a refund from MRSSA for 2025 over-estimated billings.
- The effect of forced affordable housing zoning changes, and their resultant buildout, will require continued upgrades to our system to maintain capacity and production rates.
- Freehold Township Water and Sewer rates remain among the lowest in the State, and the lowest in Monmouth County.

Throughout the presentation, various discussions ensued on certain parameters of the budget.

There being no further business, Mayor Preston asked for any comments or questions from the public.

There being no comments from the public, Mayor Preston asked for comments from the dais.

Mr. Cook thanked Mr. Valesi and Mr. Elsasser for doing an excellent job on the budget.

Mr. Walker said it is very impressive that 18 municipalities are participating in shared service agreements with the IT Department, as well as the revenue generated from these local agreements.

Mr. Preston thanked Mr. Valesi and Mr. Elsasser for the effort they put into the \$55 million budget, especially while working over the past three months to meet affordable housing obligation deadlines. He commended both for an excellent job and for completing the budget in a timely manner.

Mayor Preston Adjourned Meeting at 10:00am

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Sanabel Abouzeina- Township Clerk