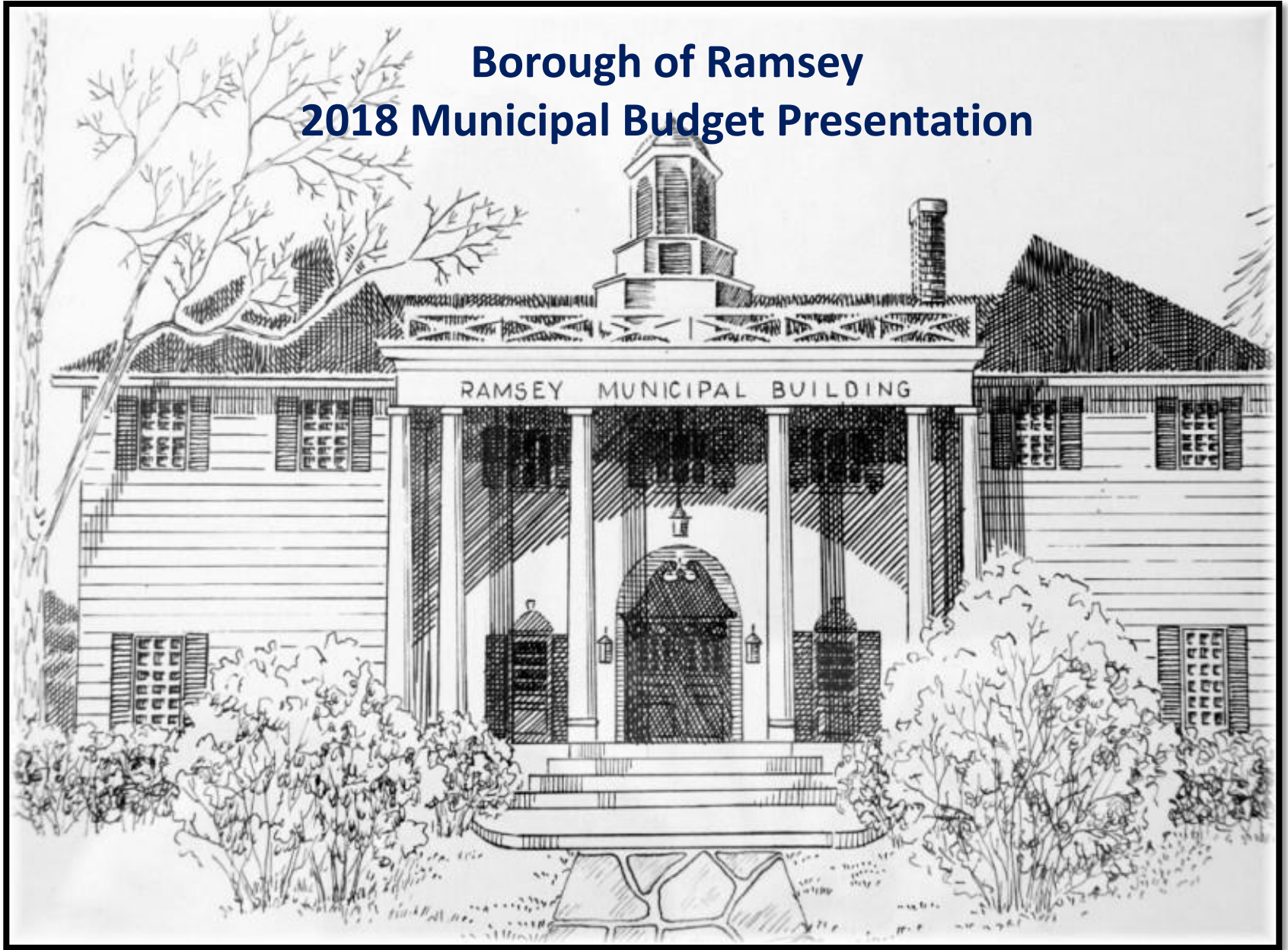


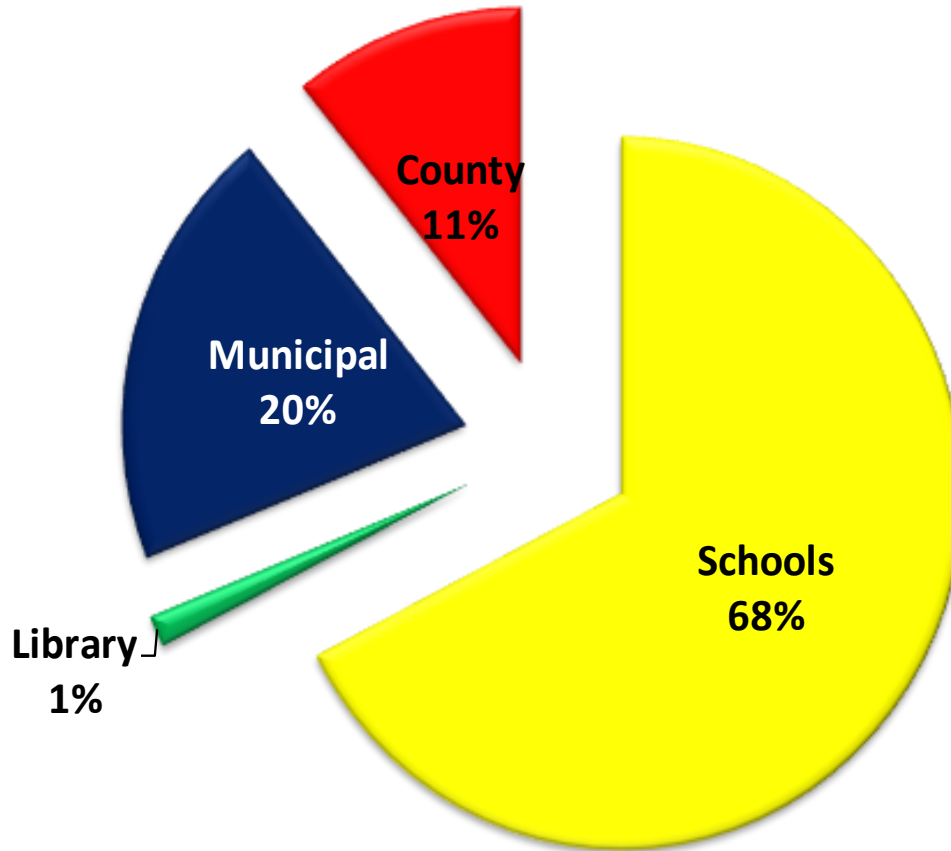
**Borough of Ramsey
2018 Municipal Budget Presentation**



Borough of Ramsey – 2018 Budget Overview

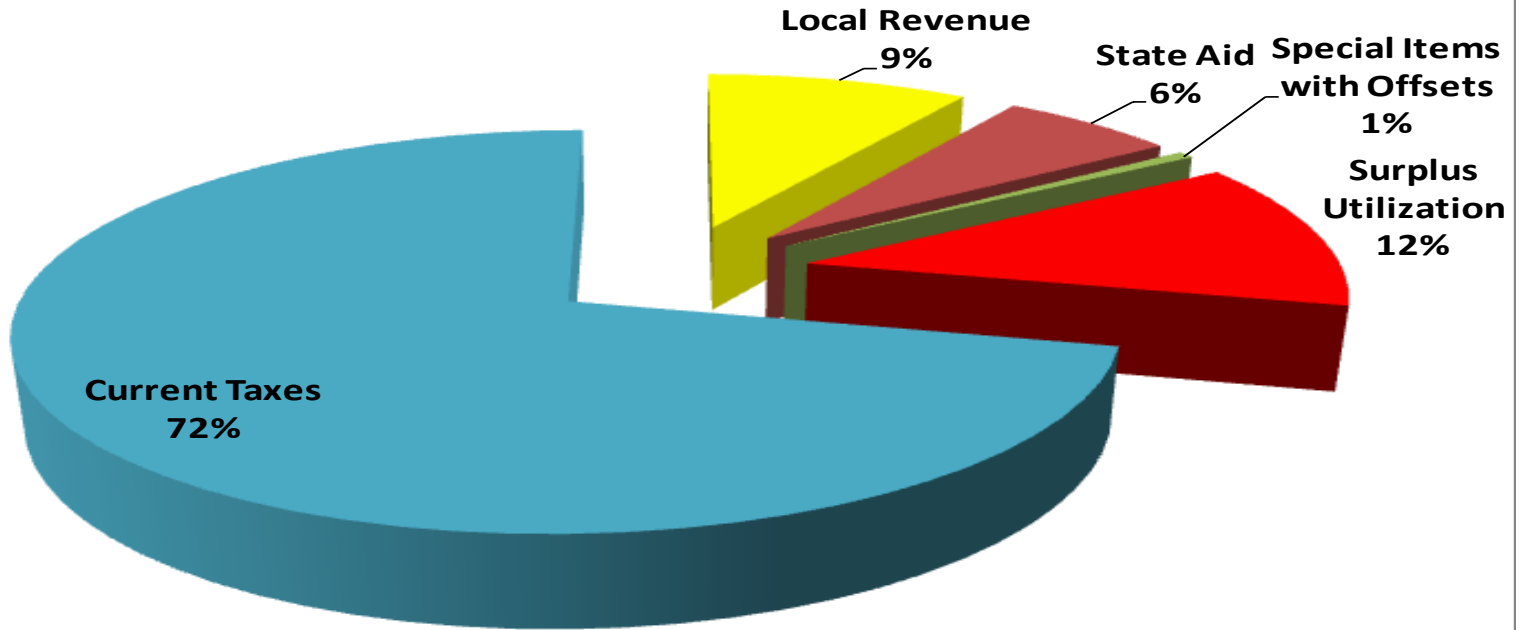
- **Municipal Tax Rate Increase of 1.68%** – The proposed tax rate increase is below the State cap of 2%. Also the Borough is not utilizing any of the permitted cap exceptions to the 2% limit
- **Municipal Budget Increase** – The budget in total will increase by 1.22% (excluding library). This increase differs from the tax increase due to a number of factors including items like grants received with direct offsets in appropriations (inflate budget but have no net tax impact) and surplus utilized in budget.
- **Capital Investment included in 2018 budget** – The 2018 budget continues the Borough's commitment to capital investment in our infrastructure with approximately \$1.8 million budgeted. This combined with some capital improvement reserves should allow the Borough to continue with a significant level of funding to road resurfacing and other capital projects.
- **Borough Debt Levels** – The 2018 budget includes increased debt principal pay-down of \$935,000 to be paid for currently in the 2018 budget. Since January 1st of 2014 to today the Borough debt level has been reduced by \$3.8 million. This will help limit the level of net debt at year-end 2018, in anticipation of capital investments for 2018 requiring new debt issuance.

Breakdown of Your Property Tax Bill



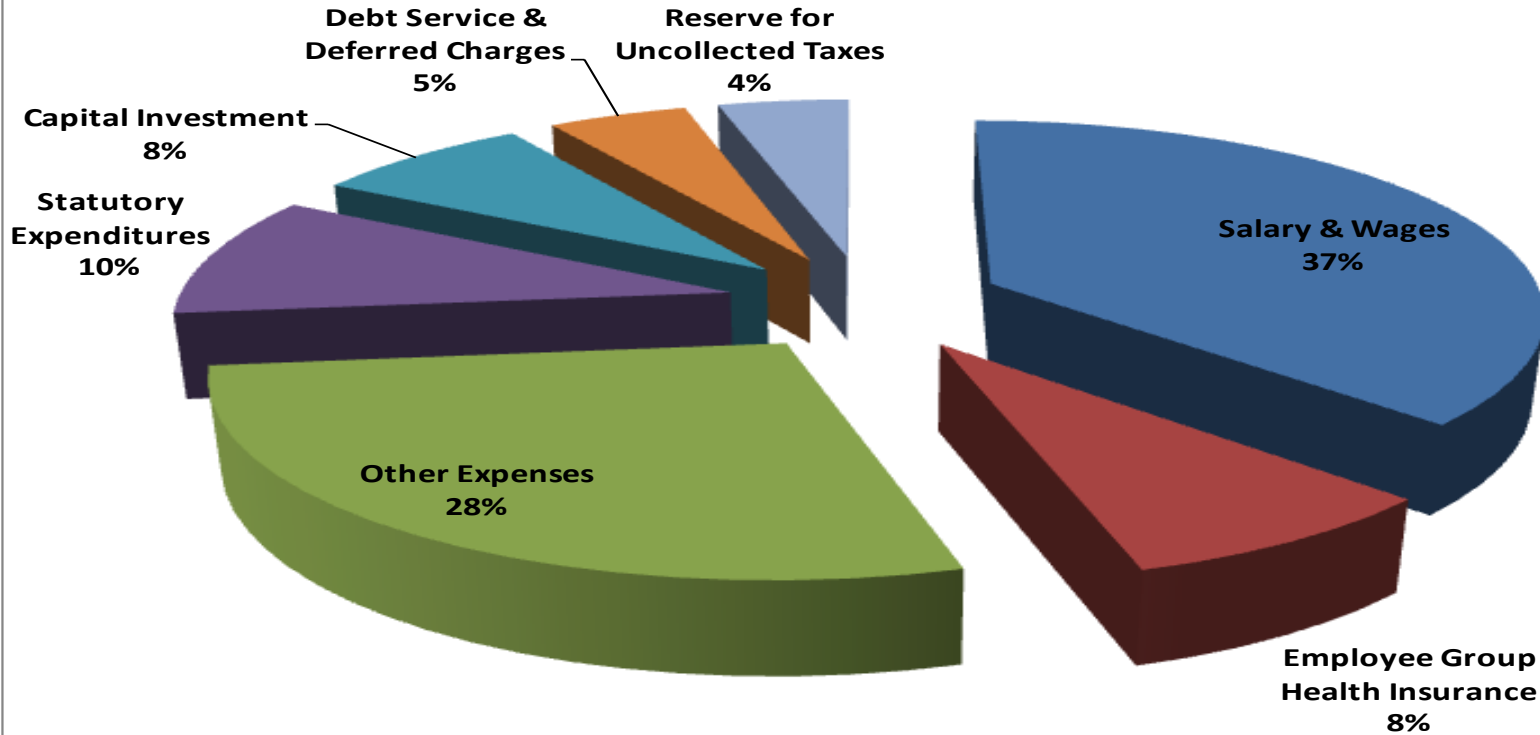
Borough property taxes have four components to them with the Municipal Services comprising 20% of total property tax bill

Breakdown of 2018 Budget Revenue



Municipal Budget - Revenue	2018	2017
Local Revenue	2,184,000	2,188,000
State Aid	1,474,471	1,474,471
Grants/Shared Service Reimbursements	0	298,000
Special Items with Offsets	138,025	119,859
Surplus Utilization	2,925,000	2,650,000
Current Taxes	16,832,839	16,559,837
Total Revenue	23,554,335	23,290,167

Breakdown of 2018 Budget Appropriations



Municipal Budget - Appropriations	2018	2017	Change	% of Total
Salary & Wages	8,745,000	8,513,000	232,000	37%
Employee Group Health Insurance	1,950,000	1,925,000	25,000	8%
Other Expenses	6,558,275	6,398,659	159,615	28%
Statutory Expenditures	2,364,060	2,136,508	227,552	10%
Capital Investment	1,770,000	1,895,000	(125,000)	8%
Debt Service & Deferred Charges	1,117,000	1,372,000	(255,000)	5%
Reserve for Uncollected Taxes	1,050,000	1,050,000	0	4%
Total Appropriations	23,554,335	23,290,167	264,167	100%

Appropriations – Discussion Points

- **Road Resurfacing & Capital Improvements** - Proposed 2018 budget has approximately \$1.8 million for funding of capital investment in the budget.
 - **Road Resurfacing** - Over the last few years we have invested annually approximately \$1 million in road resurfacing and would anticipate similar levels for 2018. This will be funded from the road resurfacing and capital improvement fund line in the operating budget as well as unspent funds from prior year ordinances for road resurfacing. While the road resurfacing line shows a decrease from 2017, as mentioned overall funding will remain similar from the sources mentioned.
 - **Community/Senior Center Pool House Project** – Large scale projects like this would be funded with a Bond Ordinance and a down payment from the capital improvement fund line item in the budget
- **Upcoming Bids on Major Appropriation Items** – The Borough’s five year contract for garbage and recycling collection and hauling expires later in the spring and the Borough has bids due later in February for a new contract which will be incorporated in the 2018 budget.
- **Statutory Pension Expenditures** – State mandated pension payments for the PERS (non police officer employees) and PFRS (police officers) are \$1.6 million in 2018, an increase of 8.2% collectively from 2017.
- **Retirement Trust Funding** – Borough is negotiating to eliminate compensation for unused accumulated sick leave in our labor agreements going forward. Employees would be compensated at a reduced level for previously accrued time which the Borough would payout over the next three years.
- **Debt** – Proposed budget has approximately \$1 million in debt service, including \$935,000 of principal pay-down of Bond Anticipation Notes
- **Salary & Wages** – All 6 of Borough’s labor agreements expired at the end of 2017, so all will be negotiated in 2018. As such we have made conservative estimates in the related lines and include similar planning for lines where overtime costs can be impacted by weather related events (e.g DPW snow, BPW water mains etc)

Breakdown of Municipal Tax Levy Calculation

	<u>2018</u>	<u>2017</u>	<u>% Change</u>		
Municipal Budget - Tax Rate	0.484	0.476	1.68%		
Net Valuation Taxable	3,477,859,600	3,478,957,200	-0.03%		
Total Budget Appropriations		\$ 23,574,335			
Less					
Anticipated Non-Tax Revenue		\$ 6,721,496			
Equals					
Municipal Taxes to be Raised		\$ 16,832,839			
Divided by					
Total Borough Net Value Taxable		\$ 3,477,859,600			
Equals					
Municipal Tax Rate		0.484		per \$100 in assessed value	
Municipal Portion of Annual Property Taxes per \$100,000 of Assessed Value		\$ 484			
Increase in Municipal Portion of Taxes - Monthly per \$100,000 of Assessed Value		\$ 0.67			
Municipal Increase on Avg Home (\$522,353)		\$ 41.79		Annual	
		\$ 3.48		Monthly	

Impact of the proposed budget on municipal taxes for 2018 would be a total increase of \$.67 monthly (67 cents), or about \$8 for the year for every \$100,000 of a property's assessed value. For the Borough's average home assessed at \$522,353 the impact would be \$3.48 monthly or approximately \$42 annually

Lowest Municipal Tax Rates in Bergen County

Rank	Town	Municipal Tax Rate	Average Residential Assessment	Ratio of Assessed to True Value	Equalized Muni Tax Rate	Equalized General Tax Rate	Rank of General Rate
1	Alpine	0.164	\$ 2,724,000	80.6%	0.132	0.801	1
2	Franklin Lakes	0.246	\$ 1,030,000	93.9%	0.231	1.636	8
3	Wyckoff	0.245	\$ 782,700	101.1%	0.248	1.760	11
4	Upper Saddle River	0.343	\$ 755,500	79.8%	0.274	2.342	14
5	Old Tappan	0.315	\$ 824,786	98.3%	0.310	2.005	17
6	Saddle River	0.376	\$ 1,693,602	91.2%	0.343	1.013	2
7	Mahwah	0.396	\$ 474,945	94.7%	0.375	1.786	10
8	Englewood Cliffs	0.373	\$ 1,288,652	103.3%	0.385	0.998	3
9	Paramus	0.493	\$ 524,203	83.0%	0.409	1.801	7
10	Rockleigh	0.349	\$ 1,639,699	123.9%	0.433	0.873	4
11	Demarest	0.522	\$ 770,578	83.1%	0.434	2.484	19
12	Ramsey	0.476	\$ 522,353	98.7%	0.470	2.352	31
13	Washington Township	0.515	\$ 463,520	92.8%	0.478	2.325	21
14	Harrington Park	0.535	\$ 539,008	90.0%	0.482	2.802	42
15	Tenafly	0.557	\$ 809,904	86.9%	0.484	2.523	23
Average for 70 Bergen County Municipalities					0.697	2.326	

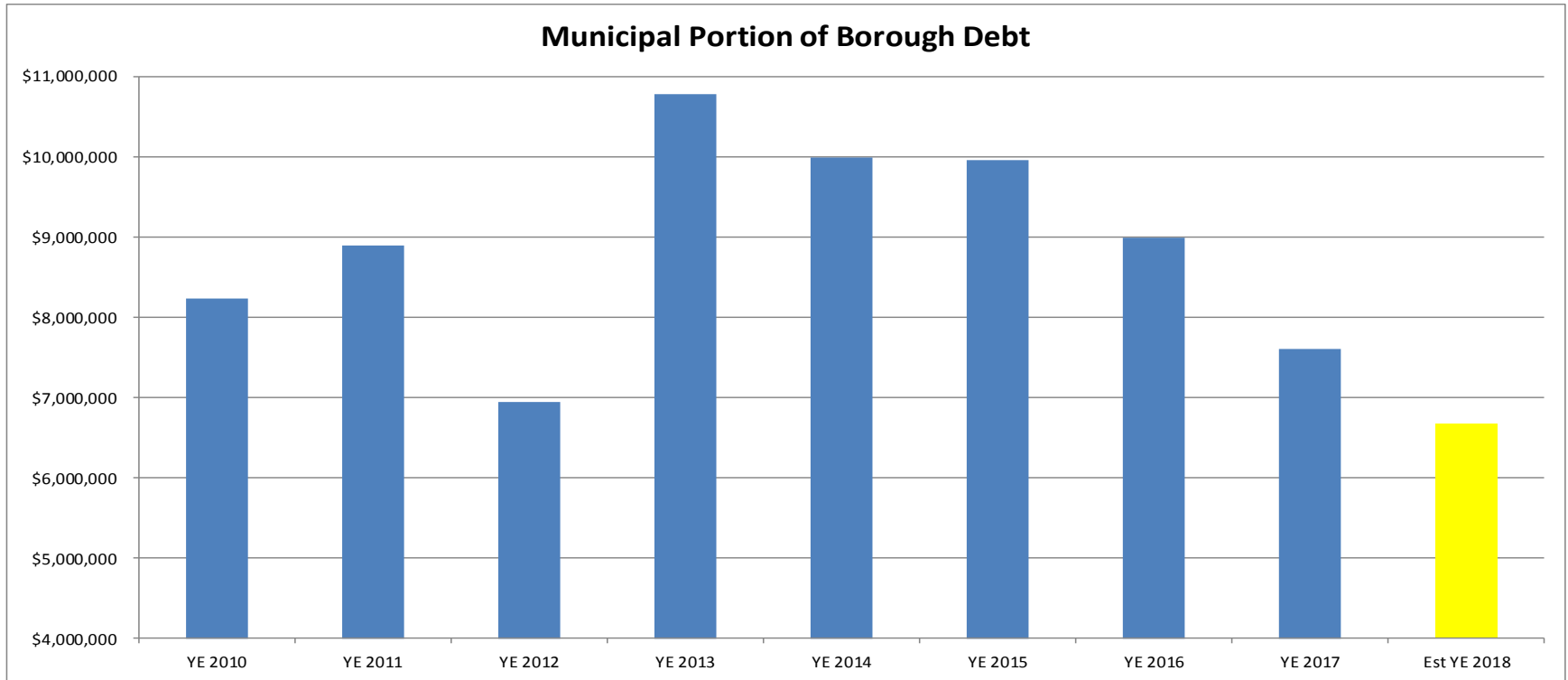
Ramsey's Municipal Tax Rate is the 12th lowest (of 70 towns) in Bergen County approximately 60% below the County Average. Of the 11 towns with lower municipal rates, 9 of them have significantly higher average residential assessments and the other two towns (Mahwah and Paramus) have significantly larger commercial areas. Also note Ramsey ranking drops when you add in the other components of total property taxes to 31st lowest of 70 in the County. This indicates Ramsey Municipal Taxes are lower comparatively in the County than the other components of Ramsey's property taxes (e.g. school)

Municipal Tax Rates in Northwest Bergen County

Northwest Bergen Rank	County Rank	Town	Municipal Tax Rate	Average Residential Assessment	Ratio of Assessed to True Value	Equalized Muni Tax Rate
1	2	Franklin Lakes	0.246	\$ 1,030,000	93.9%	0.231
2	3	Wyckoff	0.245	\$ 782,700	101.1%	0.248
3	4	Upper Saddle River	0.343	\$ 755,500	79.8%	0.274
4	6	Saddle River	0.376	\$ 1,693,602	91.2%	0.343
5	7	Mahwah	0.396	\$ 474,945	94.7%	0.375
6	12	Ramsey	0.476	\$ 522,353	98.7%	0.470
7	17	HoHoKus	0.564	\$ 743,973	87.7%	0.494
8	20	Ridgewood	0.561	\$ 693,904	89.8%	0.504
9	22	Allendale	0.532	\$ 655,528	95.9%	0.510
10	25	Waldwick	0.521	\$ 415,340	100.0%	0.521
11	28	Glen Rock	0.586	\$ 554,186	92.6%	0.543
12	30	Oakland	0.639	\$ 412,421	90.4%	0.578
13	31	Midland Park	0.681	\$ 393,965	86.7%	0.590

Ramsey's Effective Municipal Tax Rate in Northwest Bergen County ranks 6th. However all towns lower have either significantly higher average residential assessments or in Mahwah's case significantly higher commercial area. Since property tax revenue is calculated as the rate times a property's assessed value, a town with higher assessed values can generate the same revenue from a property even with a lower rate.

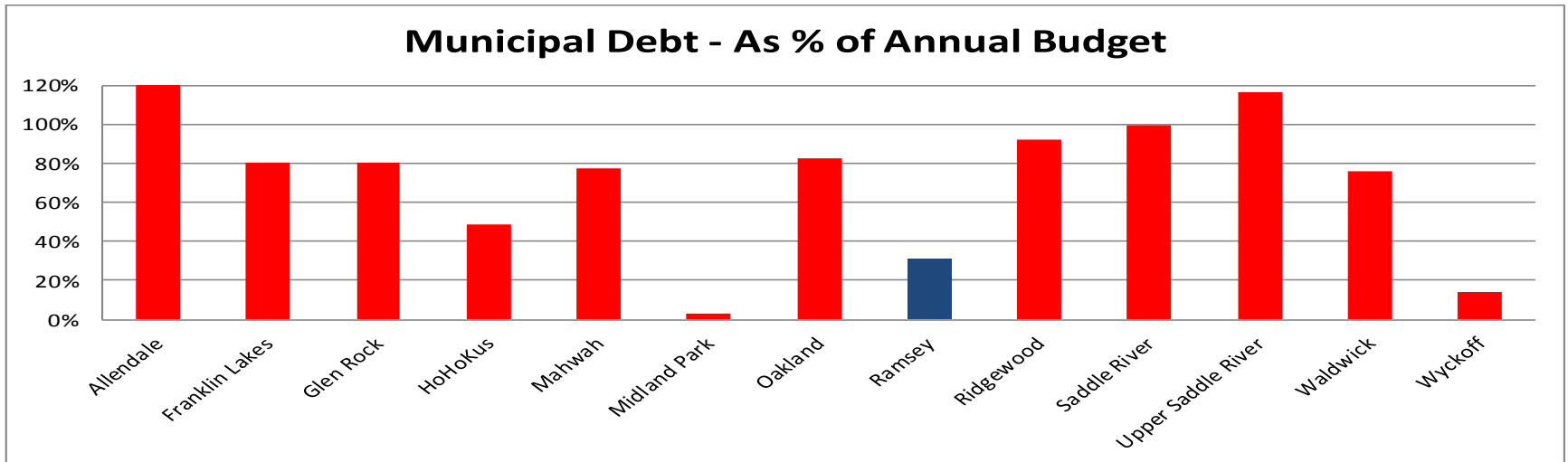
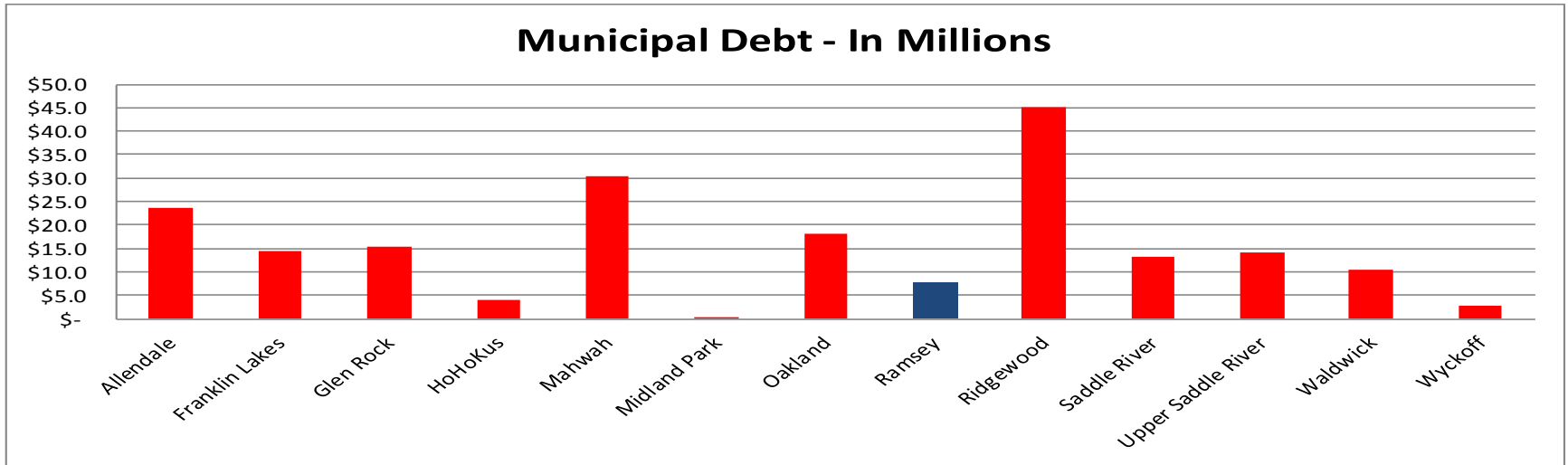
Borough Debt Position – 8 Year Comparison



	<u>Year-End 2010</u>	<u>Year-End 2011</u>	<u>Year-End 2012</u>	<u>Year-End 2013</u>	<u>Year-End 2014</u>	<u>Year-End 2015</u>	<u>Year-End 2016</u>	<u>Year-End 2017</u>	<u>Est YE 2018</u>
<i>L. Municipal</i>									
Bond Anticipation Notes	\$ 5,925,000	\$ 5,055,000	\$ 5,706,300	\$ 7,918,300	\$ 9,981,800	\$ 9,960,300	\$ 8,010,300	\$ 7,605,300	\$ 6,670,300
Authorized Not Issued	\$ 2,311,677	\$ 3,835,888	\$ 1,235,050	\$ 2,850,000	\$ -	\$ -	\$ 975,000	\$ -	\$ -
Municipal Total	\$ 8,236,677	\$ 8,890,888	\$ 6,941,350	\$ 10,768,300	\$ 9,981,800	\$ 9,960,300	\$ 8,985,300	\$ 7,605,300	\$ 6,670,300

Municipal portion of Borough debt has decreased by \$3.8 million from 1/1/2014 to today. The 2018 budget has an additional \$325,000 in principal pay-down in June (January pay-down of \$610,000 already made). 2018 end of year debt shown above is based on scheduled principal pay-downs in 2018 and does not include any new borrowings.

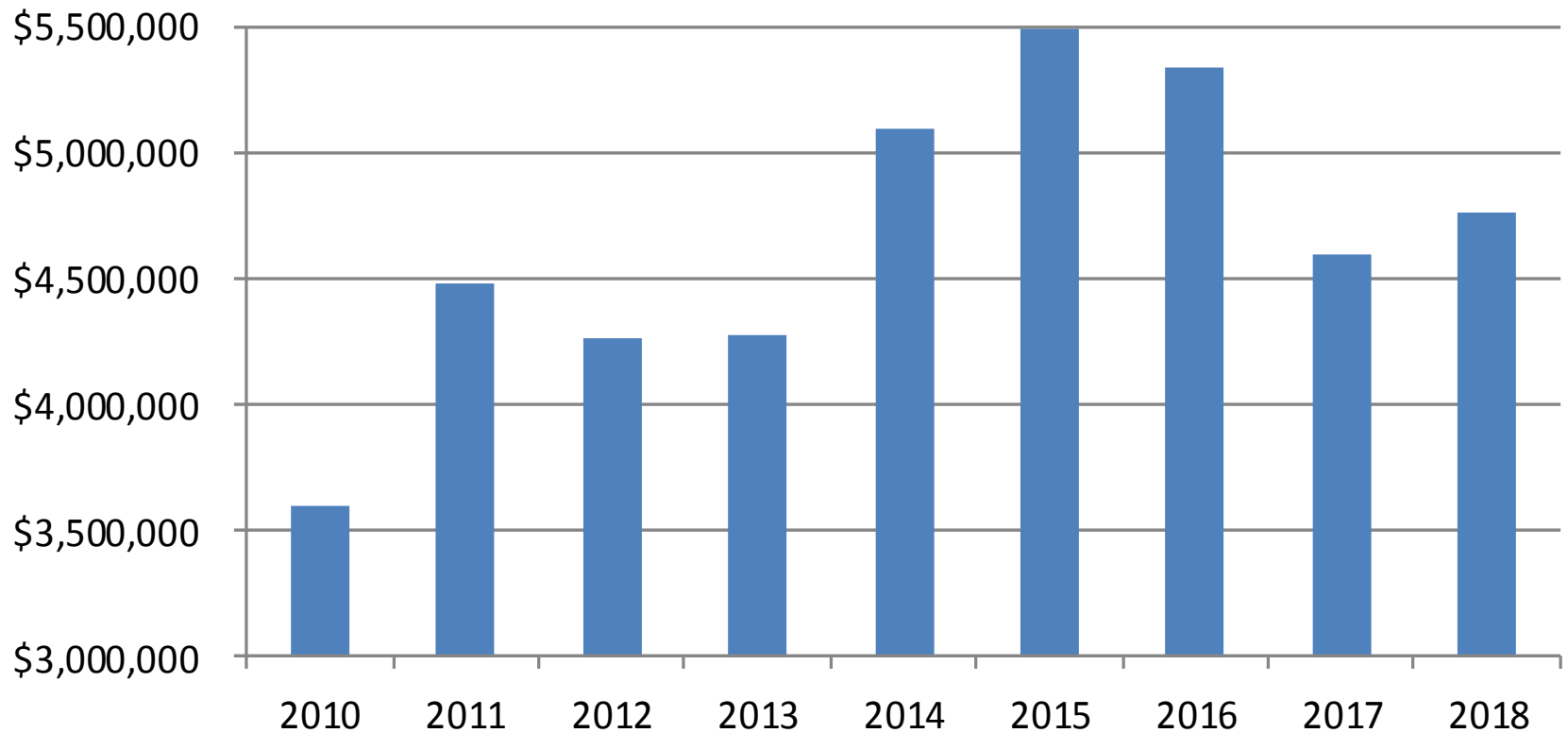
Northwest Bergen Municipalities – Debt Comparison



Ramsey is 4th lowest of 13 Northwest Bergen towns in total amount of municipal debt. In looking at the debt level as a % of each town's municipal budget Ramsey is the 3rd lowest at 31%, while 9 of the 13 towns maintain debt levels that exceed 70% of their annual budgets

Borough Fund Balance (Surplus) – 8 Year Comparison

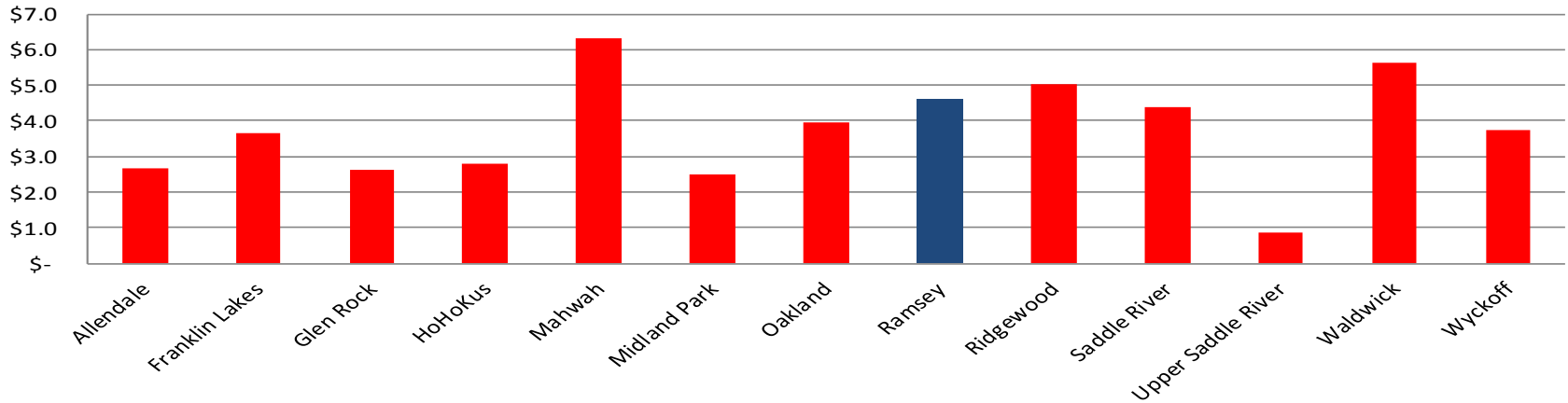
Beginning of Year Fund Balance



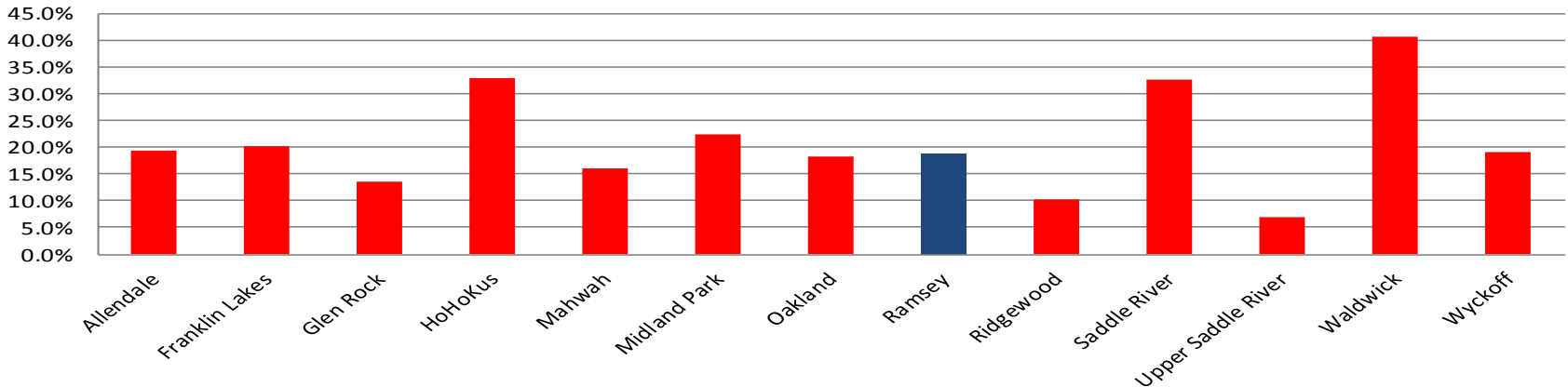
Borough surplus regenerated in 2017 was higher than 2016. For 2018 we are increasing the surplus utilized in the budget to add incremental revenue that was regenerated from 2017 revenues in excess of the budget and prior years actual spending that was below budgeted appropriations

Northwest Bergen Municipalities – Surplus Comparison

Municipal End Year (2016) Surplus - In Millions



Muni End of Year Surplus (2016) - As % of Annual Budget



Ramsey overall had the 4th highest level of surplus of 13 Northwest Bergen towns in total dollars but as a % of the total budget ranked 8th of the 13 towns. Therefore while we maintain a comparably high conservative amount when compared against the municipal budget size we are on the average and not over reserved

Summary & Discussion Points

- Proposed 2018 budget has a municipal tax rate increase of 1.68%. This is below the 2% cap without utilizing permitted exclusions
- Budget continues to pay currently for many capital investments (\$1.8 million) to minimize level of new debt and continue infrastructure investment
- Surplus regenerated through prior year's underspending of the budget plus unanticipated revenues was up in 2017. This additional surplus regenerated is utilized back in the 2018 budget as revenue
- Overall salary and wages increases reflect conservative planning as all Borough labor agreements expired at the end of 2017
- Significant debt pay-down continues in the 2018 budget (\$.935 million) and has helped the Borough reduce its overall debt level over the last few years. This has been accomplished even with some new capital investments including a new Fire Department Ladder Truck and the proposed Community/Senior Center Pool House Project.