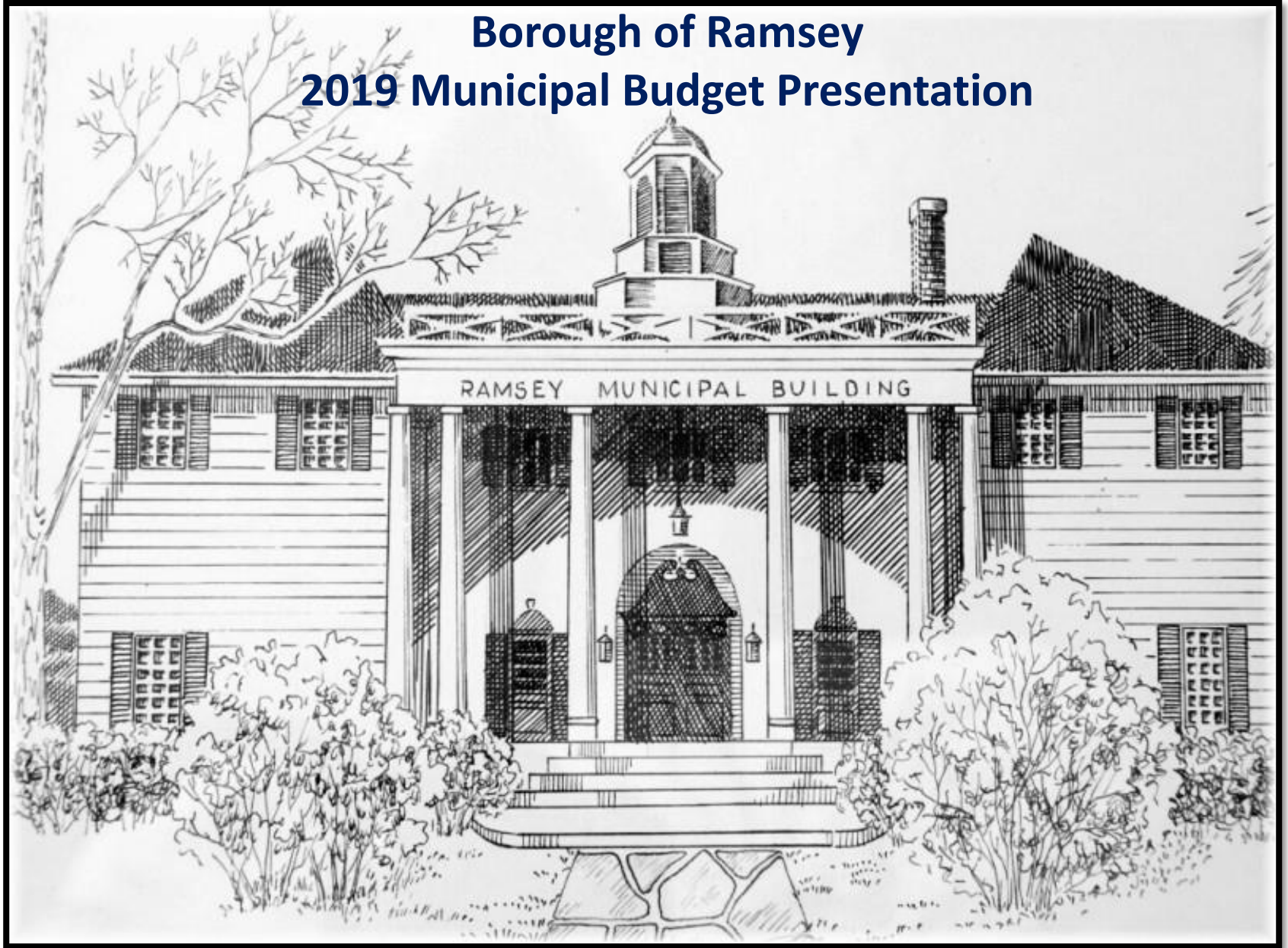


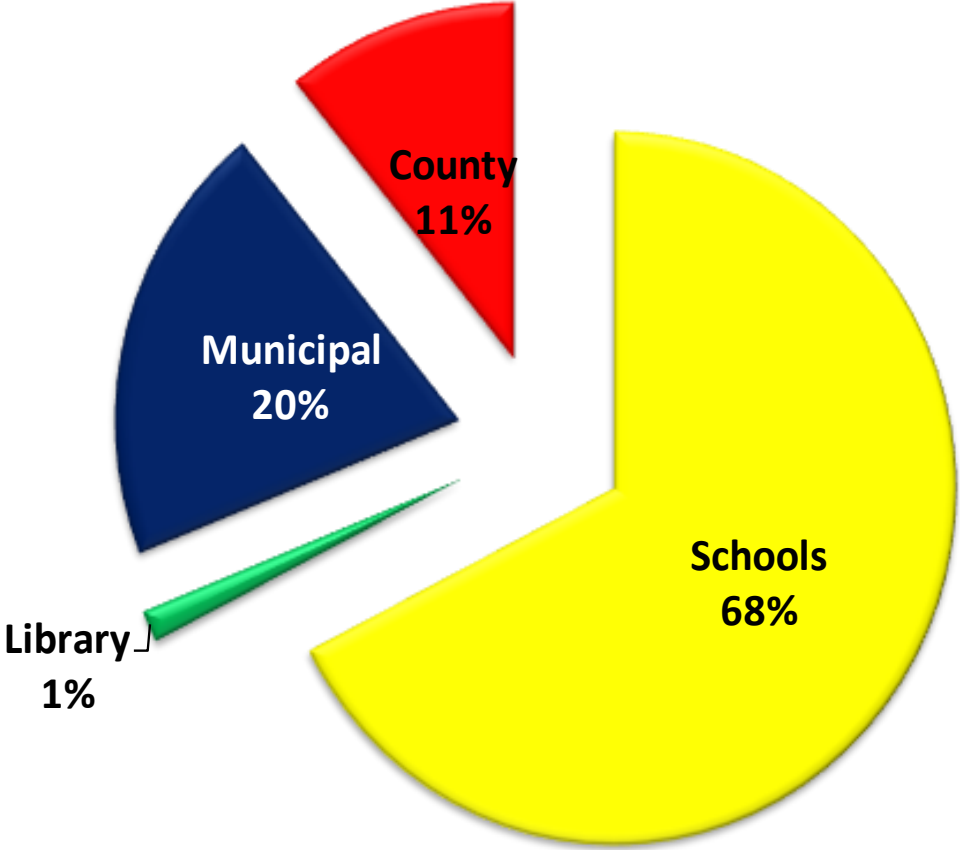
**Borough of Ramsey**  
**2019 Municipal Budget Presentation**



# Borough of Ramsey – 2019 Budget Overview

- **Municipal Tax Rate Increase of 1.86%** – 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 *decrease* by 0.90% (excluding library). This decrease differs from the tax increase due to a number of factors mainly the lower utilization of surplus. Also items like grants received with direct offsets in appropriations (inflate budget but have no net tax impact) have some impact in the difference.
- **Borough Debt Levels** – The 2019 budget includes increased debt principal pay-down of \$1,325,000 to be paid for currently in the 2019 budget (\$390,000 above 2018 level).
- **Capital Investment included in 2019 budget** – The 2019 budget will provide \$892,600 of capital investment in our infrastructure in the budget. This combined with some capital improvement reserves along with access to debt market should allow the Borough to continue with a significant level of funding to road resurfacing and other capital projects planned for 2019
- **Surplus Utilization** – The budget reduces by \$625,000 the level of surplus utilization as a revenue item offsetting the amount needed to be raised by taxes. The reduced level is due to lower regeneration of surplus in 2018. We anticipated a lower regeneration in our 2018 budgeting, however the tax collection rate decreased by about .25% which impacted the Borough about \$360,000. The 2019 budget still utilizes \$2,300,000 of benefits achieved in prior fiscal years from underspending the budget and receiving revenue in excess of the budget and putting the value back into the budget to offset taxpayer cost.

# 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*

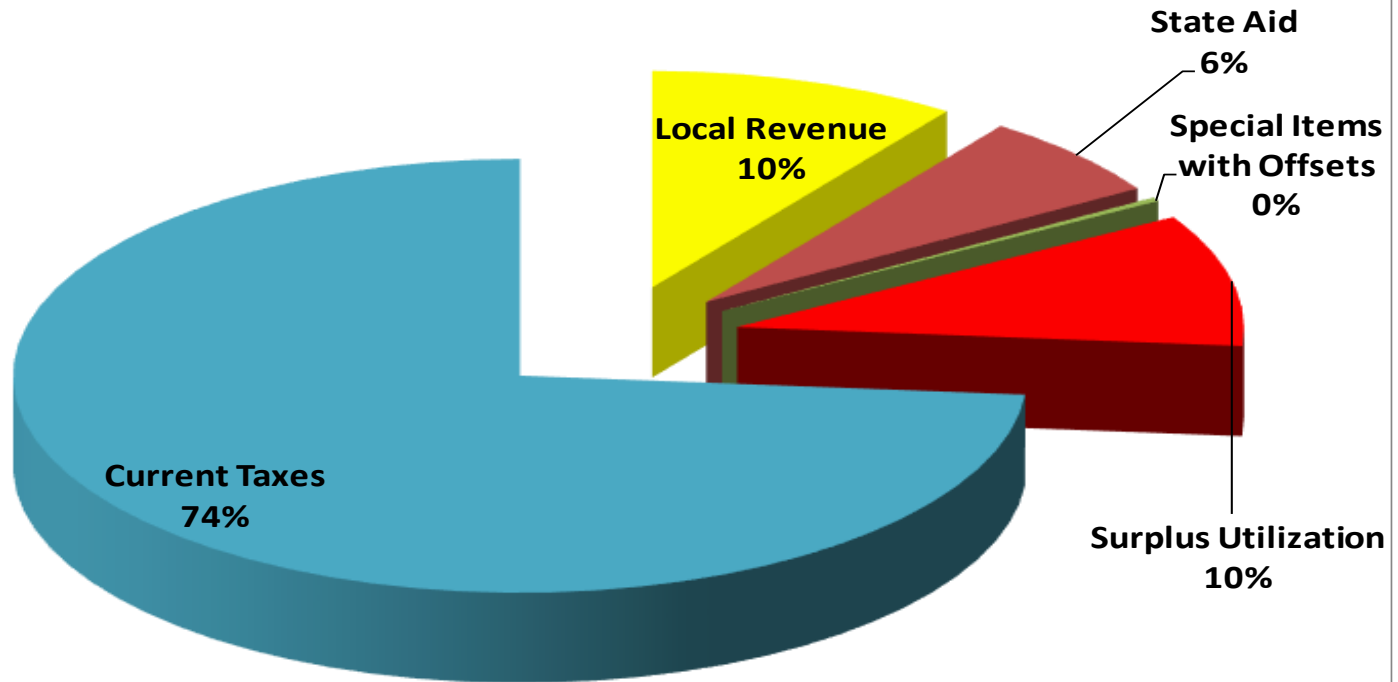
# Summary of 2019 Municipal Budget

<b><u>I. Municipal Tax Rate Summary (Excludes Library Tax)</u></b>					
	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>% Change</u></b>		
<b>Municipal Budget - Tax Rate</b>	<b>0.493</b>	<b>0.484</b>	<b>1.86%</b>		
<b>Net Valuation Taxable</b>	<b>3,481,248,700</b>	<b>3,477,859,600</b>	<b>0.10%</b>		
<b><u>II. Municipal Budget Summary</u></b>					
	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>Change In</u></b>		
			<b><u>\$</u></b>	<b><u>%</u></b>	
<b><u>Revenue</u></b>					
Local Revenue	2,301,000	2,184,000	117,000	5.36%	
State Aid	1,474,471	1,474,471	0	0.00%	
Grants/Shared Service Reimbursements	0	0	0		
Special Items with Offsets	103,672	138,025	(34,353)	-24.89%	
Surplus Utilization	2,300,000	2,925,000	(625,000)	-21.37%	
<b>Non-Tax Revenue</b>	<b>6,179,143</b>	<b>6,721,496</b>	<b>(542,353)</b>	<b>-8.07%</b>	
<b>Amount to be Raised by Taxation</b>	<b>17,162,556</b>	<b>16,832,839</b>	<b>329,717</b>	<b>1.96%</b>	
<b>Total Revenue - Excluding Library</b>	<b>23,341,699</b>	<b>23,554,335</b>	<b>(212,636)</b>	<b>-0.90%</b>	
Library	1,179,692	1,216,854	(37,162)	-3.05%	
<b>Total Revenue - Including Library</b>	<b>24,521,391</b>	<b>24,771,189</b>	<b>(249,798)</b>	<b>-1.01%</b>	
<b><u>Appropriations</u></b>					
Salary & Wages	9,031,500	8,745,000	286,500	3.28%	
Other Expenses	6,437,750	6,295,250	142,500	2.26%	
Employee Group Health Insurance	1,700,000	1,950,000	(250,000)	-12.82%	
Reserve for Property Tax Appeals	100,000	125,000	(25,000)	-20.00%	
Statutory Expenditures	2,578,777	2,364,060	214,717	9.08%	
Special Items with Offset	103,672	138,025	(34,353)	-24.89%	
Capital Investment	892,600	1,770,000	(877,400)	-49.57%	
Debt Service & Deferred Charges	1,447,400	1,117,000	330,400	29.58%	
Reserve For Uncollected Taxes	1,050,000	1,050,000	0	0.00%	
<b>Total Appropriations - Excluding Library</b>	<b>23,341,699</b>	<b>23,554,335</b>	<b>(212,636)</b>	<b>-0.90%</b>	
Library	1,179,692	1,216,854	(37,162)	-3.05%	
<b>Total Appropriations - Including Library</b>	<b>24,521,391</b>	<b>24,771,189</b>	<b>(249,798)</b>	<b>-1.01%</b>	

# Budget – Discussion Points

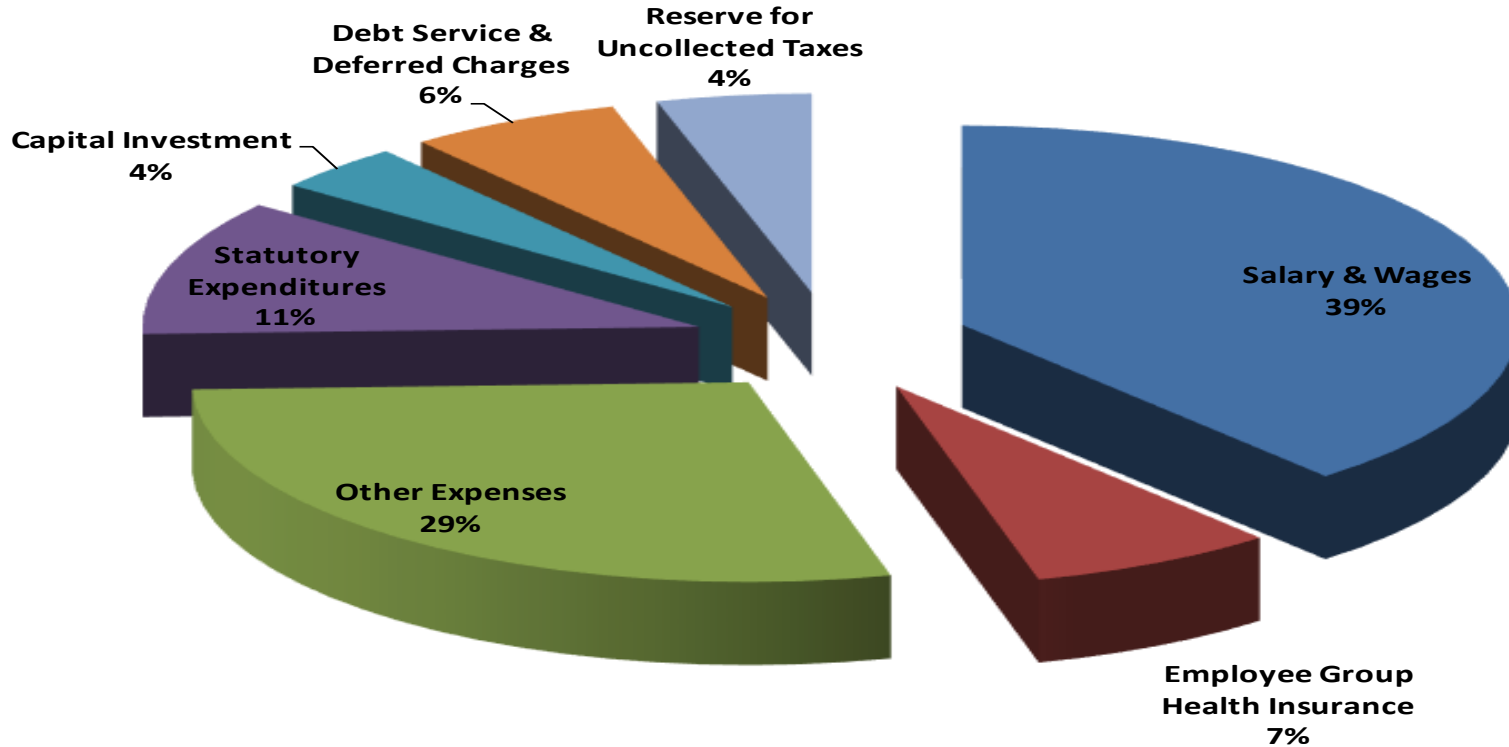
- **Surplus Utilization** – Proposed budget reduces significantly (\$625,000) the surplus utilized to offset taxes, which reduces the overall budget down \$212,636 from last year excluding library.
- **Capital Improvements** - Proposed 2019 budget has approximately \$.9 million for funding of capital investment in the budget and we will access the debt markets to finance the planned 2019 infrastructure improvements
  - **Road Resurfacing** – We anticipate investing approximately \$750,000 in road resurfacing in 2019. Continuing policy over the last several years of upgrading this critical infrastructure in the Borough. This will be funded from the road resurfacing line in the operating budget as well as debt issuance.
  - **Community/Senior Center Pool House Project** – Construction is underway on the first phase of this project and upgrades to the site parking and drainage along with the construction of the dedicated Senior Center addition will take place in 2019. Large scale projects like this are funded with a Bond Ordinance and a down payment from the capital improvement fund line item in the budget
- **Statutory Pension Expenditures** – State mandated pension payments for the PERS (non police officer employees) and PFRS (police officers) are \$1.78 million in 2019, an increase of 10.6% collectively from 2018.
- **Retiree Health Insurance Cost** – State Health Benefit plan 2019 rates for all retiree plans both primary and secondary (Medicare primary) were reduced significantly in 2019 and the budget line item has been reduced accordingly
- **Retirement Trust Funding** – Borough has in 2018 negotiated 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 and we are budgeting for those payments.
- **Debt** – Proposed budget has approximately \$1.45 million in debt service, including \$1,325,000 of principal pay-down of Bond Anticipation Notes
- **Other Budget Items to Note**
  - In DPW Salary & Wages we have allocated costs a little differently between departments starting in 2018 so Road Department line is up more than normal while Buildings & Grounds and Vehicle Maintenance are decreased.
  - Recycling tonnage grants have been depressed state wide and that reduction impacts the increase in the budget to Recycling Other Expense due to a reduced portion leaf collection costs that the grant mitigates
  - The budget includes on the revenue side a \$65,000 increase in the interest on investments as our monetary balances are now earning more

## Breakdown of 2019 Budget Revenue



Municipal Budget - Revenue	2019	2018	% of Total
Local Revenue	2,301,000	2,184,000	10%
State Aid	1,474,471	1,474,471	6%
Grants/Shared Service Reimbursements	0	0	0%
Special Items with Offsets	103,672	138,025	0%
Surplus Utilization	2,300,000	2,925,000	10%
Current Taxes	17,162,556	16,832,839	74%
<b>Total Revenue</b>	<b>23,341,699</b>	<b>23,554,335</b>	<b>100%</b>

## Breakdown of 2019 Budget Appropriations



Municipal Budget - Appropriations	2019	2018	Change	% of Total
Salary & Wages	9,031,500	8,745,000	286,500	39%
Employee Group Health Insurance	1,680,000	1,935,000	(255,000)	7%
Other Expenses	6,661,422	6,573,275	88,147	29%
Statutory Expenditures	2,578,777	2,364,060	214,717	11%
Capital Investment	892,600	1,770,000	(877,400)	4%
Debt Service & Deferred Charges	1,447,400	1,117,000	330,400	6%
Reserve for Uncollected Taxes	1,050,000	1,050,000	0	4%
<b>Total Appropriations</b>	<b>23,341,699</b>	<b>23,554,335</b>	<b>(212,636)</b>	<b>100%</b>

## Breakdown of Municipal Tax Levy Calculation

	2019	2018	% Change		
<b>Municipal Budget - Tax Rate</b>	0.493	0.484	1.86%		
<b>Net Valuation Taxable</b>	3,481,248,700	3,477,859,600	0.10%		
<b>Total Budget Appropriations</b>		\$ 23,341,699			
<b>Less</b>					
<b>Anticipated Non-Tax Revenue</b>		\$ 6,179,143			
<b>Equals</b>					
<b>Municipal Taxes to be Raised</b>		\$ 17,162,556			
<b>Divided by</b>					
<b>Total Borough Net Value Taxable</b>		\$ 3,481,248,700			
<b>Equals</b>					
<b>Municipal Tax Rate</b>		0.493		per \$100 in assessed value	
<b>Municipal Portion of Annual Property Taxes per \$100,000 of Assessed Value</b>		\$ 493			
<b>Increase in Municipal Portion of Taxes - Monthly per \$100,000 of Assessed Value</b>		\$ 0.75			
<b>Municipal Increase on Avg Home (\$524,072)</b>		\$ 47.17		Annual	
		\$ 3.93		Monthly	

***Impact of the proposed budget on municipal taxes for 2019 would be a total increase of \$.75 monthly (75 cents), or about \$9 for the year for every \$100,000 of a property's assessed value. For the Borough's average home assessed at \$524,072 the impact would be \$3.93 monthly or approximately \$47 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	0.166	\$ 2,724,000	88.3%	0.147	0.685	1
2	Franklin Lakes	0.247	\$ 1,030,000	94.2%	0.233	1.530	8
3	Wyckoff	0.249	\$ 787,000	101.2%	0.252	1.804	11
4	Upper Saddle River	0.370	\$ 755,500	80.2%	0.297	1.894	14
5	Old Tappan	0.322	\$ 828,608	98.5%	0.317	1.991	17
6	Rockleigh	0.336	\$ 1,639,699	96.2%	0.323	0.910	2
7	Saddle River	0.335	\$ 1,889,529	102.1%	0.342	0.925	3
8	Paramus	0.491	\$ 525,000	77.0%	0.378	1.411	6
9	Mahwah	0.410	\$ 475,988	93.9%	0.385	1.705	10
10	Englewood Cliffs	0.401	\$ 1,305,724	97.3%	0.039	1.015	4
11	Demarest	0.522	\$ 770,578	83.3%	0.435	2.119	21
12	<b>Ramsey</b>	<b>0.484</b>	<b>\$ 522,942</b>	<b>95.2%</b>	<b>0.461</b>	<b>2.283</b>	<b>29</b>
13	Washington Township	0.515	\$ 465,000	90.3%	0.465	2.134	22
14	Tenafly	0.557	\$ 809,904	87.4%	0.487	2.214	24
15	Woodcliff Lake	0.490	\$ 753,277	100.2%	0.491	2.078	18
<b>Average for 70 Bergen County Municipalities</b>					<b>0.702</b>	<b>2.355</b>	

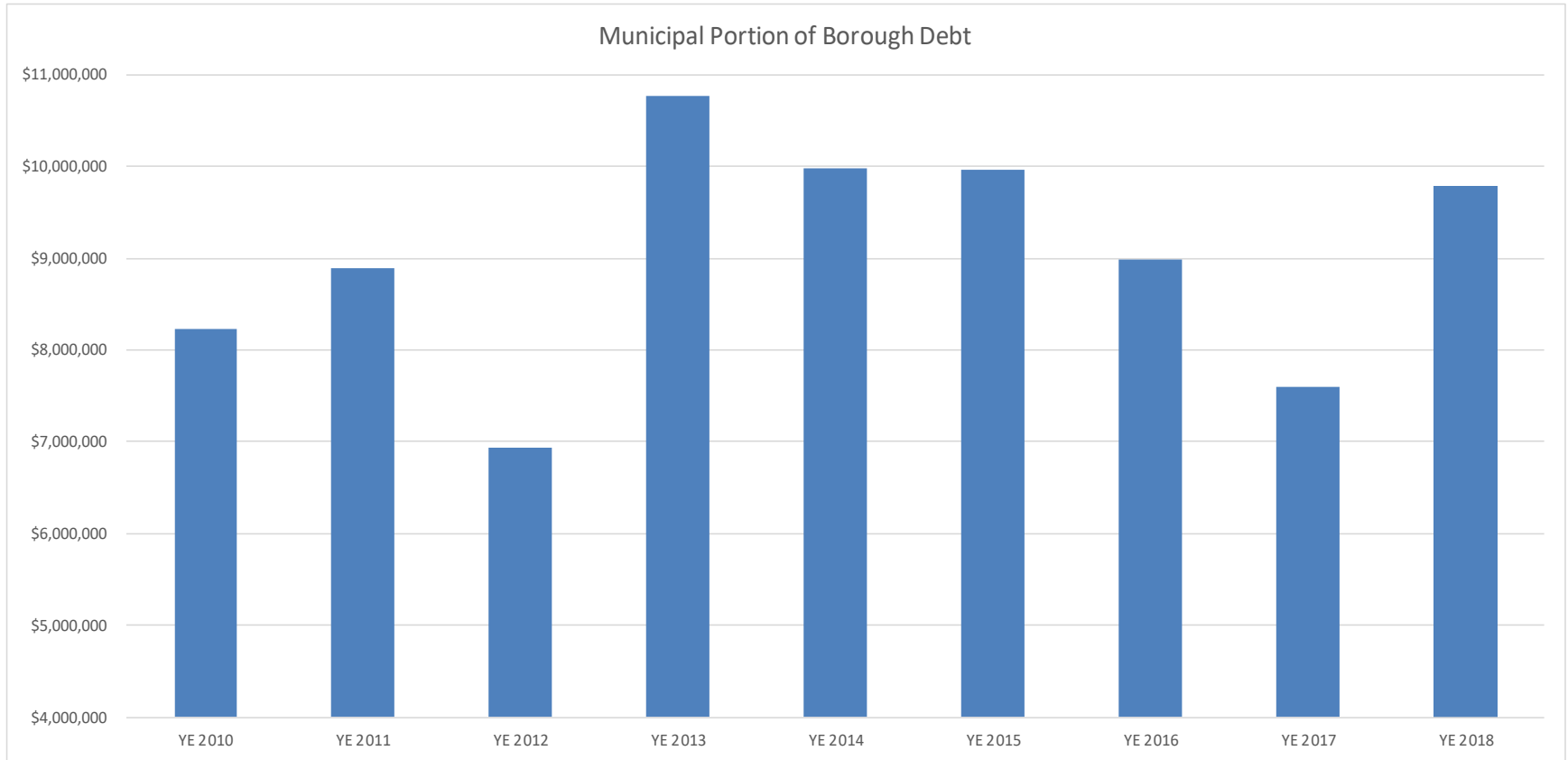
**Ramsey's Municipal Tax Rate is the 12<sup>th</sup> lowest (of 70 towns) in Bergen County approximately 52% below the County Average. Of the 11 towns with lower municipal rates, 9 of them have significantly higher average residential assessments and the other two towns (Mahwah and Paramus) have significantly larger commercial areas. Also note Ramsey ranking drops when you add in the other components of total property taxes to 29<sup>th</sup> 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 (School, County & Library)**

## 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	0.247	\$ 1,030,000	94.2%	0.233
2	3	Wyckoff	0.249	\$ 787,000	101.2%	0.252
3	4	Upper Saddle River	0.370	\$ 755,500	80.2%	0.297
4	7	Saddle River	0.335	\$ 1,889,529	102.1%	0.342
5	9	Mahwah	0.410	\$ 475,988	93.9%	0.385
<b>6</b>	<b>12</b>	<b>Ramsey</b>	<b>0.484</b>	<b>\$ 522,942</b>	<b>95.2%</b>	<b>0.461</b>
7	16	Ridgewood	0.565	\$ 700,637	87.5%	0.494
8	20	Waldwick	0.518	\$ 416,045	98.1%	0.508
9	21	Allendale	0.535	\$ 658,874	95.3%	0.510
10	22	HoHoKus	0.582	\$ 744,181	88.1%	0.513
11	28	Glen Rock	0.590	\$ 554,186	91.9%	0.542
12	30	Oakland	0.638	\$ 412,421	87.4%	0.558
13	32	Midland Park	0.702	\$ 393,965	86.2%	0.605

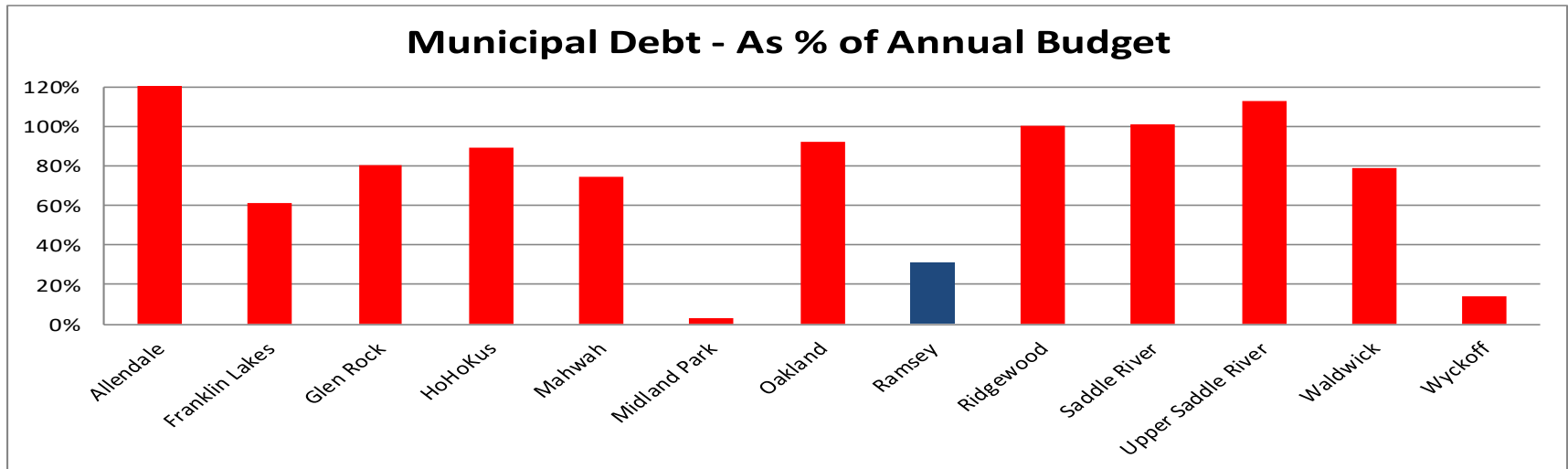
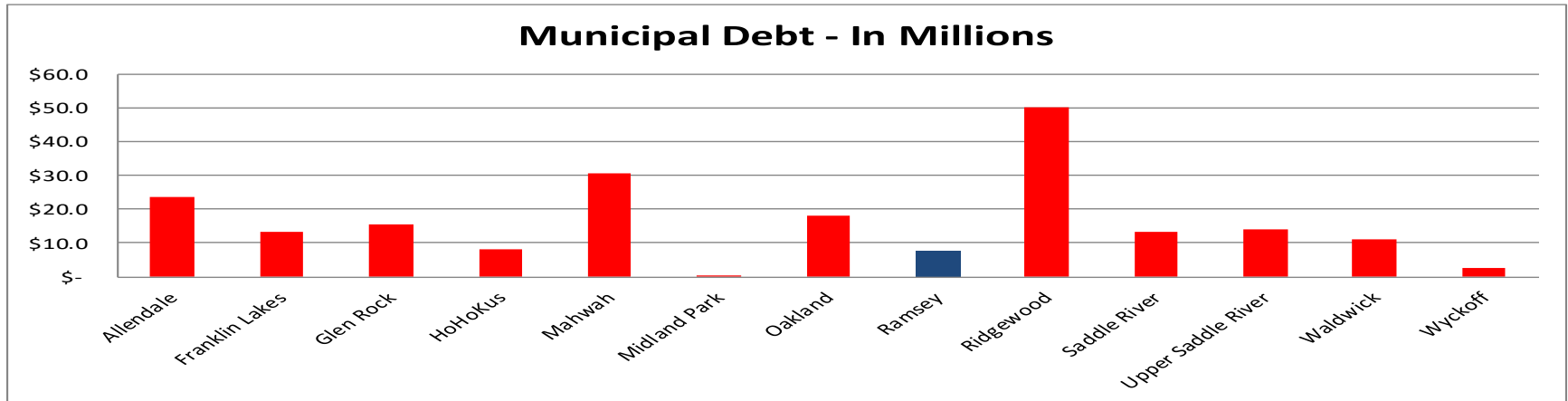
***Ramsey's Effective Municipal Tax Rate in Northwest Bergen County ranks 6<sup>th</sup>. However all towns lower have either significantly higher average residential assessments or in Mahwah's case significantly higher commercial area. Since property tax revenue is calculated as the rate times a property's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

# Borough Debt Position – 9 Year Comparison



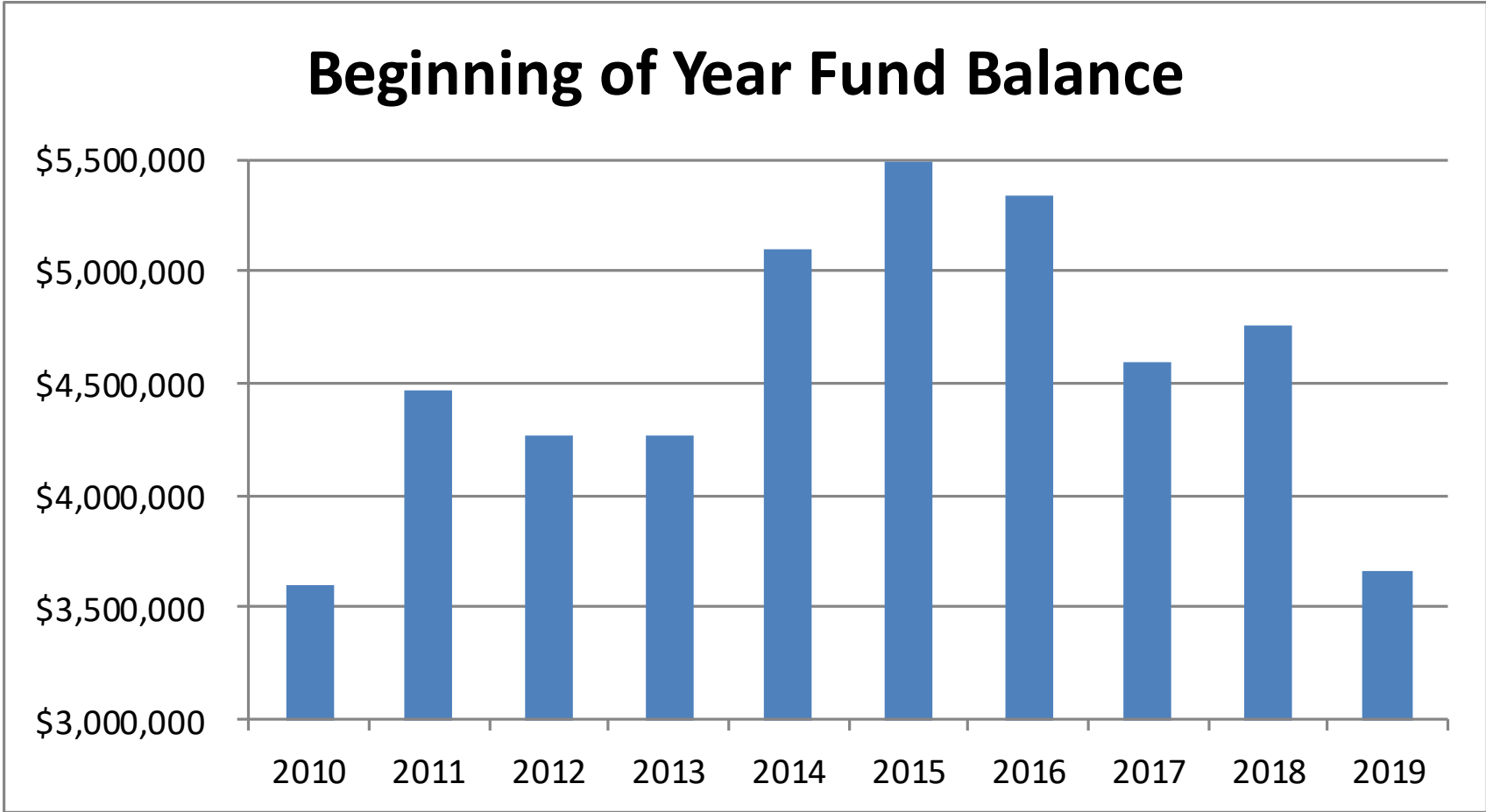
***Municipal portion of Borough debt has been decreasing over the last several years. Debt was added in 2018 for the Community/Senior Center Pool House Project which will be a long-term asset to the Borough for years to come. By issuing debt, the capital cost for this project will be spread over a portion of its useful life. Debt was also issued in 2018 for the Main Street Streestcape Phase II most of which will be paid off upon project completion with reimbursement from a grant the Borough received (approximately 75% of project).***

# Northwest Bergen Municipalities – Debt Comparison



***For Year-End 2017 (last current value available) Ramsey is 3rd 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 3<sup>rd</sup> lowest at 31%, while 10 of the 13 towns maintain debt levels that exceed 60% of their annual budgets***

# Borough Fund Balance (Surplus) – 10 Year Comparison



*Borough surplus regenerated in 2018 was significantly lower than 2017. A large portion of this was anticipated as 2017 had some non-recurring items. For 2019 we are decreasing the surplus utilized in the budget reflective of 2018 regeneration*

## Borough Surplus – Utilization & Regeneration

<b><i>2018 Municipal Budget</i></b>			
Beginning of Year Surplus Balance			\$ 4,763,221
Surplus Utilized in Municipal Budget			<u>\$ (2,925,000)</u>
Surplus Balance Remaining Prior to Year-End Regeneration			<u>\$ 1,838,221</u>
<b><i>2018 Year-End Actual Budget Results to Surplus</i></b>			
2018 Excess Budgeted Revenue & Misc Revenue Not Anticipated			
2018 Taxes Received in Excess of Budget & Collection Reserve			
2017 Unspent Appropriation Reserves			
Other YE 2018 Changes in Non-Budget Accrual/Interfund Accts			
2018 Surplus Regenerated thru Financial Results			<u>\$ 1,821,420</u>
<b><i>2018 Year-End Surplus</i></b>			
Beginning of Year Surplus Balance			\$ 4,763,221
Surplus Utilized in Municipal Budget			\$ (2,925,000)
2018 Surplus Regenerated thru Financial Results			<u>\$ 1,821,420</u>
End of Year Surplus Balance			<u>\$ 3,659,641</u>
<b><i>2019 Municipal Budget</i></b>			
Beginning of Year Surplus Balance			\$ 3,659,641
Surplus Utilized in Municipal Budget			<u>\$ (2,300,000)</u>
Surplus Balance Remaining Prior to Year-End Regeneration			<u>\$ 1,359,641</u>

***Surplus utilized in the Municipal Budget reduces the Borough's surplus balance  
Regeneration or replenishment of surplus occurs through the actual financial results  
during the year with any revenue that exceeds the budgeted amount or revenue  
received that was not anticipated. In addition, under spending of budgeted amounts  
replenish surplus (after 1 year of being reserved so YE 2018, the unspent 2017 line  
items are lapsed into surplus)***

## Summary & Discussion Points

- Proposed 2019 budget has a municipal tax rate increase of 1.86%. This is below the 2% cap without utilizing permitted exclusions
- Budget continues to pay currently for some capital investments in the budget but will need to utilize debt for planned 2019 capital investments
- Surplus regenerated through prior year's underspending of the budget plus unanticipated revenues is utilized back in the 2019 budget as revenue reducing the taxpayer's cost
- Significant debt pay-down continues in the 2019 budget (\$1.325 million) which 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 Apparatus (Pumpers, Ladder Truck & Mini Pumper) and the Community/Senior Center Pool House Project.