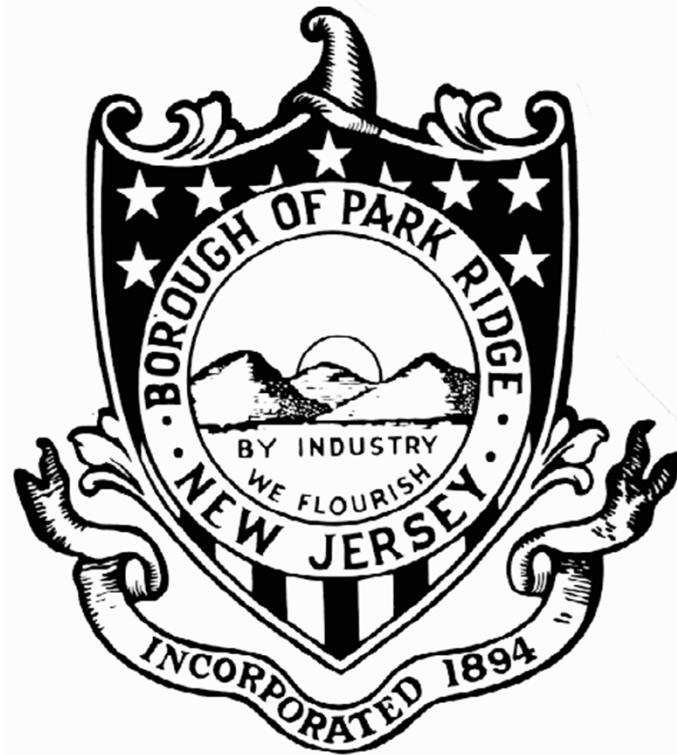


Borough of Park Ridge



**Annual Public Budget Hearing
April 25, 2017**

Agenda

- **2017 Finance Committee**
- **Budget Highlights and Tax Increase Comparisons**
- **Finance Committee Report**
- **Tax Rates**
- **Municipal Pool**
- **Shared Services**
- **Library**
- **Utility**
- **Thank you!**

Borough of Park Ridge 2017 Finance Committee

Borough Employees & Borough Auditor:

- **Chief Financial Officer – Joseph Kolodziej**
- **Borough Administrator/Clerk – Kelley O’Donnell**
- **Assistant Treasurer – Ronald Berg**
- **Borough Auditor – Jeff Bliss**

Council Committee Members:

- **Mayor Terry Maguire**
- **Councilmember Rich Bosi**
- **Councilmember Robert Metzdorf**

2017 Budget Highlights

- New equipment for snow removal
- Road Project to pave 23 roads
- New added assessments increases over \$5 million
- Add an additional day for Senior Citizen Bus
- New Pitman Schedule for Police Department
Additional officers patrolling
- Net Reduction in Debt Service Payment
 - Increasing Principal Payments
 - Decreasing Interest Payments

Finance Committee Report

Overview of the 2017 Municipal Budget

- Total estimated cost to operate the Borough of Park Ridge in 2017 is estimated at **\$13,972,453** as per the Municipal Budget introduced at the March 28, 2017 Mayor and Council public meeting. This is an increase of **\$770,764** above the 2016 Municipal Budget total of **\$13,201,689**.
- The amount to be raised by taxes to support the budget is **\$9,858,332** an increase of **\$638,002** or **6.9%** over the 2016 tax levy. This will result in a municipal tax rate of **\$0.619** and a **6.5%** tax increase.
- When the **\$0.619** tax rate is applied to an average Park Ridge home assessed at **\$473,000** will be approximately **\$2,928** – an increase of **\$180**.
- State aid allocated to the Borough in 2017 is estimated at **\$384,196** which represents no change from prior year. The 2017 budget for the State of New Jersey has not yet been adopted as of this date; however, it is unlikely that local aid will change from the amount anticipated in the budget.
- New Jersey Law requires municipalities to operate on a balanced budget basis which is achieved by using a portion of the surplus generated in prior years as revenue in the succeeding year's budget. As of December 31, 2016, the Borough's surplus balance was **\$1,881,272**. The Borough is utilizing **\$800,000** of this surplus in 2017 to offset a portion of the tax levy. This will leave the Borough with a balance of **\$1,081,272**.

2017 Summary of Municipal Income State Sources

	2017 Budget	2016 Budget	2016 Actual
A. FEDERAL, STATE & COUNTY SOURCES			
Consolidated Municipal Property Tax Relief Aid	16,161	16,161	16,161
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	366,438	366,437	366,438
Watershed Moratorium Offset Aid	1,598	1,598	1,598
Recycling Tonnage	6,075	14,147	14,147
Drunk Driving Enforcement Fund	0	4,726	4,726
Clean Communities Program - Reserve	21,590	18,883	18,883
Alcohol Education & Rehabilitation Fund	0	1,653	1,653
Municipal Alliance	6,727	4,989	4,989
Body Armor Replacement Fund	0	2,024	2,024
State Forestry Grant	0	3,000	3,000
CDBG - Senior Programs - Reserves	0	3,711	3,711
Sustainable New Jersey	5,000	5,000	5,000
Park Ridge Green Team	0	400	400
Green Team Electric Lake and Pascack	0	400	400
BC Historical Grant - Gingrich Trust Fund	0	1,050	1,050
Firehouse Public Safety Foundation Grant	0	15,319	15,319
Drive Sober Get Pulled Over - Reserve	3,077	0	
Occupant Safety Protection - Reserve	4,402	0	
TOTAL FEDERAL, STATE & COUNTY FUNDS	\$431,068	\$459,498	\$459,499

2017 Summary of Municipal Income

B. MUNICIPAL SOURCES	2017 Budget	2016 Budget	2016 Actual
Municipal Fund Balance Appropriated	800,000	750,700	750,700
Alcoholic Beverages	15,000	19,565	19,565
Board of Health	17,000	15,160	18,235
Fire Code Department	40,000	39,800	45,882
Fines and Costs - Municipal Court	125,000	118,671	128,295
Interest and Costs on Taxes	74,000	74,038	74,173
Joint Insurance Fund Dividend	12,000	12,861	12,861
Hotel Tax	250,000	308,161	253,990
Recycling Program	15,000	15,000	15,963
Cable Television Franchise Fee	143,553	137,917	141,600
Water Utility Rental Fees	105,000	105,000	105,000
Electric Utility Rental Fees	30,000	30,000	30,000
Pistol Range Fee	10,000	14,000	14,000
Tri-Boro Safety Corps.	50,000	52,135	52,135
Uniform Construction Code Fees Taxes	250,000	197,500	297,898
Gross Receipts Taxes	500,000	500,000	500,000
Life Hazard Use Fees	12,000	13,770	12,758
Library Reimbursement	61,000	61,000	61,000
Water Utility - Payments in Lieu of Taxes	100,000	100,000	100,000
Electric Utility - Payments in Lieu of Taxes	155,000	155,000	155,000
Sprint Cell Tower Rent	90,500	80,202	90,501
General Capital Surplus	36,000	113,000	113,000
Excess Sewer User Fees	100,000	66,622	112,345
Reserve for Hurricane Irene Emergency (FEMA)	0	74,772	74,772
Open Space Trust Fund Reimbursement-Mill Pond Park Davies Field	0	47,000	47,000
Interfund - Due from Other Trust Fund	0	200,000	200,000
Cancellation of 2016 Appropriation Reserve Balances	250,000	0	
BMED Dividend	200,000	0	
TOTAL MUNICIPAL FUNDS	\$3,441,053	\$3,301,874	\$3,426,673
RECEIPTS FROM DELINQUENT TAXES	\$242,000	\$243,508	\$307,772
TOTAL GENERAL REVENUES (including Surplus)	\$4,114,121	\$4,004,880	\$4,193,944
AMOUNT TO BE RAISED BY TAXES	\$9,244,066	\$8,598,015	\$8,791,569
COST TO OPERATE BOROUGH (excluding Library)	\$13,358,187	\$12,602,895	\$12,985,513
MINIMUM LIBRARY TAX	\$614,266	\$622,315	\$622,315
COST TO OPERATE BOROUGH (including Library)	\$13,972,453	\$13,225,210	\$13,607,828
TOTAL VALUATION OF ASSESSMENTS	\$1,591,597,259	\$1,584,919,300	
MUNICIPAL TAX RATE	\$0.619	\$0.581	\$0.038
AVERAGE PER HOME (\$473,000)	\$2,928	\$2,748	\$180

Finance Committee Report

Appropriations Increases/Decreases

2017 Budget Increases:

- \$212,526 Insurance
- \$201,496 Garbage Collection
- \$120,718 Police Department
- \$99,849 Bergen County Sewer Authority
- \$46,172 Building and Grounds-Reallocation of Staffing

2017 Budget Decreases:

- \$145,000 Trash Disposal
- \$75,754 Special Emergencies

2017 Summary of Municipal Appropriations

CATEGORIES OF EXPENSE	2017	2016	2016	2017 vs 2016 Budget	
	BUDGET	MODIFIED BUDGET	ACTUAL	\$ CHANGE	% CHANGE
A. GENERAL GOVERNMENT					
Administrator/Clerk	\$ 341,335	\$ 320,275	\$ 313,418	\$ 21,060	
Professional Services	192,500	183,375	144,168	9,125	
Collector/Treasurer	280,515	271,400	254,248	9,115	
Municipal Court	127,495	120,124	120,124	7,371	
Mayor & Council	53,200	56,000	50,778	(2,800)	
Tax Assessor	29,325	30,545	35,006	(1,220)	
TOTAL GENERAL GOVERNMENT	\$ 1,024,370	\$ 981,719	\$ 917,742	\$ 42,651	4.3%
B. MAINTENANCE PUBLIC PROPERTY					
Roads & Parks	\$ 951,533	\$ 930,805	\$ 910,532	\$ 20,728	
Buildings & Grounds	189,422	143,250	185,504	46,172	
Vehicle Maintenance	169,532	158,675	154,938	10,857	
NJS & County of Bergen Grants	-	27,193	205	(27,193)	
TOTAL PUBLIC PROPERTY	\$ 1,310,487	\$ 1,259,923	\$ 1,251,179	\$ 50,564	4.0%
C. LAND & PROPERTY DEVELOPMENT					
Construction Code Office	\$ 205,076	\$ 187,825	\$ 191,125	\$ 17,251	
Planning Board	88,605	78,995	65,063	9,610	
Zoning Board of Adjustment	46,290	46,480	38,019	(190)	
TOTAL LAND DEVELOPMENT	\$ 339,971	\$ 313,300	\$ 294,207	\$ 26,671	8.5%
D. PUBLIC SAFETY					
Police Department	\$ 2,721,808	\$ 2,601,090	\$ 2,596,445	\$ 120,718	
Tri-Boro Safety System	280,500	275,500	268,876	5,000	
Fire Department/Fire Prevention	205,927	198,227	180,345	7,700	
LOSAP Contributions	70,000	70,000	43,539	0	
Police Reserves/E.M.C.	52,563	52,510	45,748	53	
Police Grants	7,479	6,379	1,760	1,100	
TOTAL PUBLIC SAFETY	\$ 3,338,277	\$ 3,203,706	\$ 3,136,713	\$ 134,571	4.2%

2017 Summary of Municipal Appropriations

	2017	2016 Modified Budget	2016 Actual	2017 vs. 2016 Budget % Change % Change	
E. HEALTH & PUBLIC ASSISTANCE					
Board of Health	\$ 71,604	\$ 71,268	\$ 61,828	\$ 336	
Senior Citizen Van & Programs	25,500	23,211	19,500	2,289	
Public Assistance	11,350	10,950	9,853	400	
TOTAL HEALTH AND ASSISTANCE	\$ 108,454	\$ 105,429	\$ 91,181	\$ 3,025	2.9%
F. DISPOSAL SERVICES					
Bergen County Sewer Authority	\$ 767,000	\$ 667,151	\$ 664,872	\$ 99,849	
Garbage Collections	508,789	307,293	342,977	201,496	
Trash Disposal	86,000	231,000	125,211	(145,000)	
Recycle Collections	142,250	125,350	125,350	16,900	
Sewer Department	64,400	62,700	48,513	1,700	
Recycling Grants	32,665	33,030	33,030	(365)	
TOTAL DISPOSAL SERVICES	\$ 1,601,104	\$ 1,426,524	\$ 1,339,953	\$ 174,580	12.2%
G. CAPITAL IMPROVEMENTS	\$ 75,000	\$ 25,275	\$ 25,275	\$ 49,725	196.7%
H. GENERAL EXPENSES					
Insurance	\$ 1,715,750	\$ 1,503,224	\$ 1,615,436	\$ 212,526	
Interest and Principal on Debt	1,626,800	1,632,110	1,631,950	(5,310)	
Social Security and Pensions	885,560	906,990	916,769	(21,430)	
Expenditures without Appropriations	304,757	160,734	160,734	144,023	
Utilities	211,000	228,000	188,429	(17,000)	
Special Emergencies	12,480	88,234	88,234	(75,754)	
Contingencies	5,000	5,000	3,510	0	
TOTAL GENERAL EXPENSES	\$ 4,761,347	\$ 4,524,292	\$ 4,605,062	\$ 237,055	5.2%

2017 Summary of Municipal Appropriations

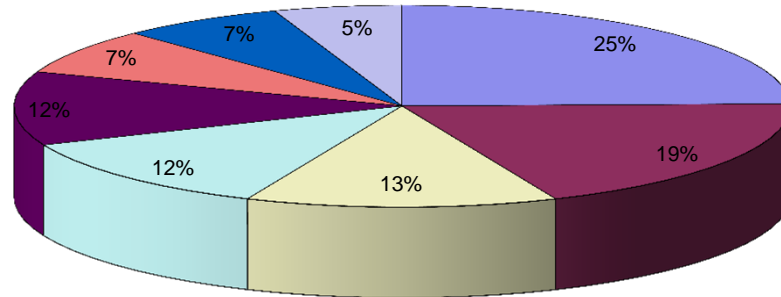
	2017	2016 Modified Budget	2016 Actual	2017 vs. 2016 Budget	
				% Change	% Change
I. ORGANIZATIONAL SUPPORT					
Municipal Library	\$ 614,266	\$ 622,315	\$ 622,315	\$ (8,049)	
Aid to Organizations	51,000	51,000	31,000	0	
Recreation Committee	58,050	64,200	30,766	(6,150)	
PKRG-TV	16,100	10,550	3,597	5,550	
Municipal Alliance	6,727	4,989	1,481	1,738	
TOTAL ORGANIZATIONAL SUPPORT	\$ 746,143	\$ 753,054	\$ 689,159	\$ (6,911)	-0.9%
J. WAGE ADJUST /TERMINAL LEAVE	\$ 34,700	\$ 24,388	\$ 24,388	\$ 10,312	42.3%
NET BUDGET	\$ 13,339,853	\$ 12,617,610	\$ 12,374,859	722,243	5.7%
K. RESERVES					
FOR LATE TAXES	\$ 632,600	\$ 607,600	\$ 607,600	\$ 25,000	4.1%
FOR TAX APPEALS	-	-	-	-	-
GRAND TOTAL	\$ 13,972,453	\$ 13,225,210	\$ 12,982,459	\$ 747,243	5.7%

This presentation entitled “Summary of Municipal Appropriations” itemizes the various categories of expense changes by Department, Board and other line items. These cost combine salaries and wages, along with the operating expenses associated with that particular category.

APPROPRIATION CHANGES 2017 vs. 2016

	2017	2016	CHANGE	%	EXPLANATION
TOTAL APPROPRIATIONS	\$13,972,453	\$13,225,210	\$747,243	5.7%	
INCREASES:					
General Expenses	4,761,347	4,524,292	237,055	5.2%	Increase in Insurance
Disposal Services	1,601,104	1,426,524	174,580	12.2%	Increase in BCUA Sewer and Garbage Collection
Public Safety	3,338,277	3,203,706	134,571	4.2%	Restructure Police Department for Increase Patrols
Maintenance of Public Property	1,310,487	1,259,923	50,564	4.0%	Redistribution of Salary and Wages
Capital Improvements	75,000	25,275	49,725	196.7%	Increase in amount required for Road Project
General Government	1,024,370	981,719	42,651	4.3%	Redistribution of Other Expenses
Land & Property Development	339,971	313,300	26,671	8.5%	Reallocation of Salary and Wages
Reserve for Delinquent Taxes	632,600	607,600	25,000	4.1%	Increase in Delinquent Taxes
Terminal Leave	34,700	24,388	10,312	42.3%	Reassignment of Terminal Leave
Health & Public Assistance	108,454	105,429	3,025	2.9%	Added an additional day for Senior Citizen Bus
	\$13,226,310	\$12,472,156	\$754,154	6.0%	
DECREASES:					
Organizational Support	746,143	753,054	-6,911	-0.9%	Decrease in Library
Reserve for Tax Appeals	0	0	0	0.0%	No Increase
	\$746,143	\$753,054	(\$6,911)	-0.9%	

2017 Municipal Appropriations



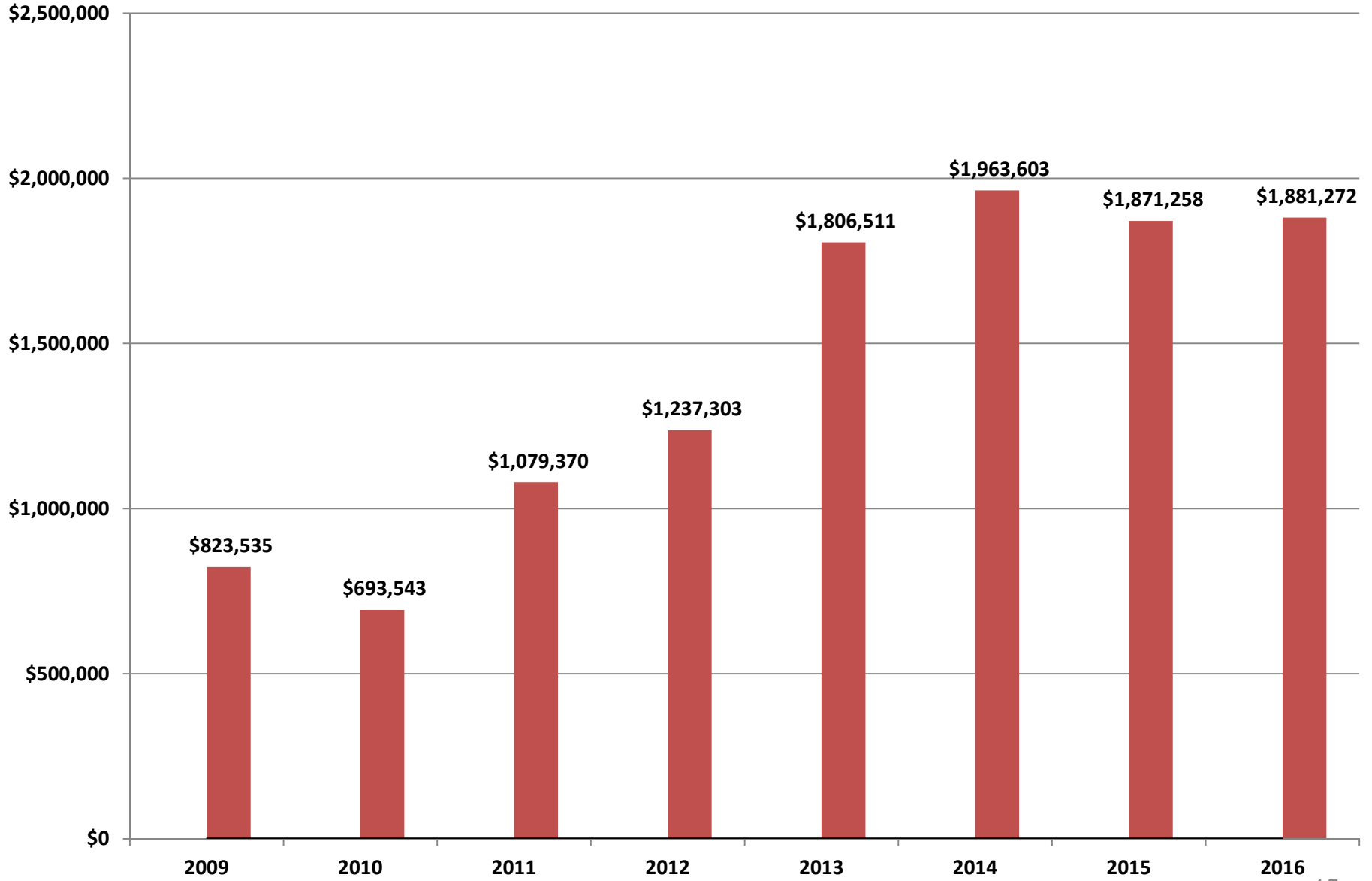
- PUBLIC SAFETY / HEALTH
- INSURANCE / FRINGES
- DISPOSAL SERVICES / UTILITIES
- DEBT SERVICE / CAPITAL
- PROPERTY MAINT / DEVELOPMENT
- GENERAL GOVERNMENT
- TAX RESERVES & OTHER
- ORGANIZATIONAL SUPPORT

Appropriation Totals by Category	2017 Summary of Appropriations	Total % of Budget
PUBLIC SAFETY / HEALTH	\$ 3,446,731	25%
INSURANCE / FRINGES	\$ 2,636,010	19%
DISPOSAL SERVICES / UTILITIES	\$ 1,812,104	13%
DEBT SERVICE / CAPITAL	\$ 1,701,800	12%
PROPERTY MAINT / DEVELOPMENT	\$ 1,650,458	12%
GENERAL GOVERNMENT	\$ 1,024,370	7%
TAX RESERVES & OTHER	\$ 954,837	7%
ORGANIZATIONAL SUPPORT	\$ 746,143	5%
TOTAL	\$ 13,972,453	100%

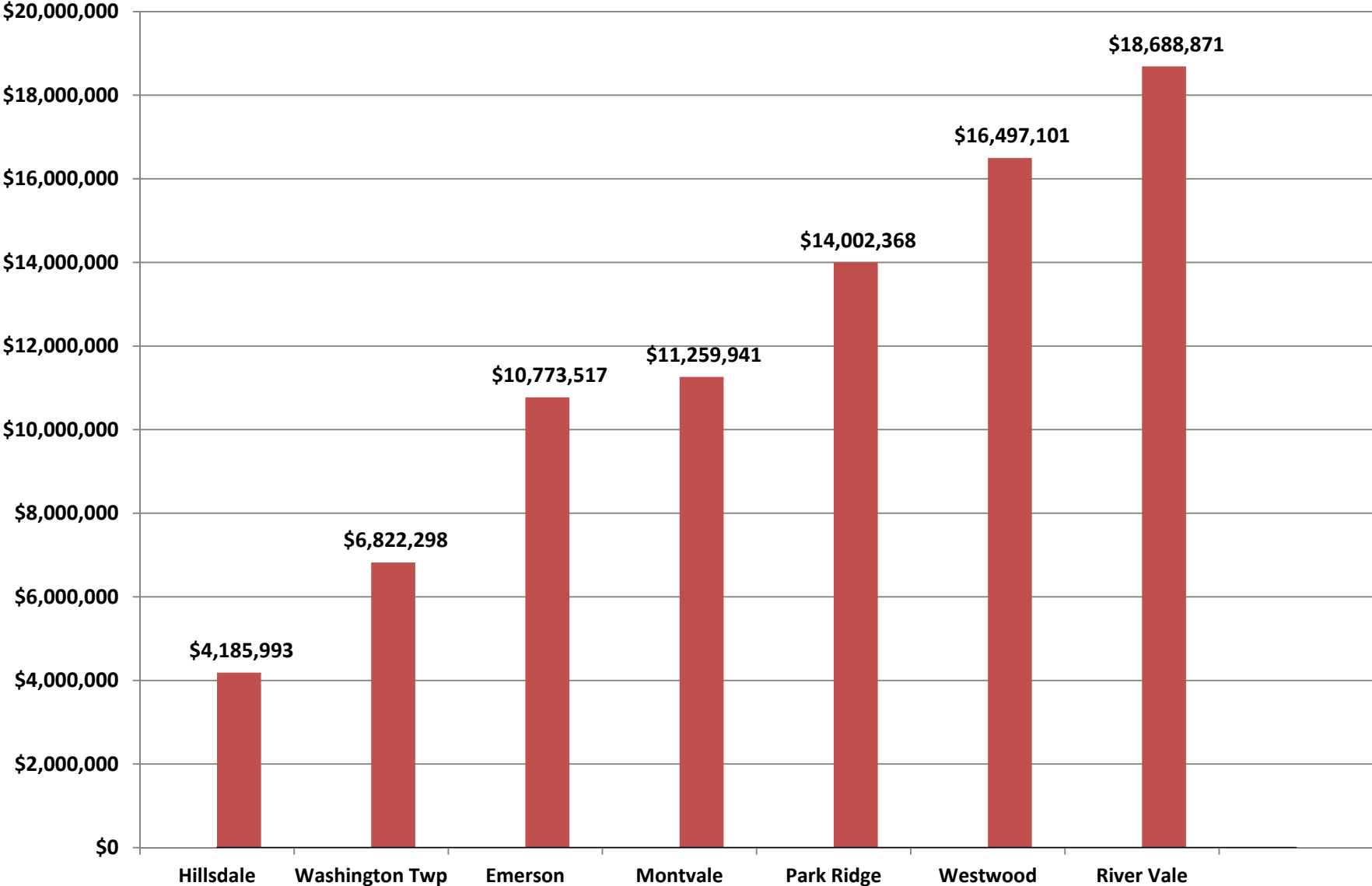
Borough of Park Ridge Municipal Fund Balance

		Utilized in		
		Budget of		% of
	Balance	Succeeding	Remaining	Succeeding
Year	31-Dec	Year	Balance	Year Budget
2010	\$691,325	\$505,000	\$188,325	4.22%
2011	\$1,079,370	\$650,000	\$429,370	5.35%
2012	\$1,237,303	\$650,000	\$587,303	5.17%
2013	\$1,806,511	\$680,700	\$1,125,811	5.48%
2014	\$1,963,603	\$750,700	\$1,212,903	5.80%
2015	\$1,871,258	\$750,700	\$1,120,558	5.69%
2016 Unaudited	\$1,881,272	\$800,000	\$1,081,272	5.73%

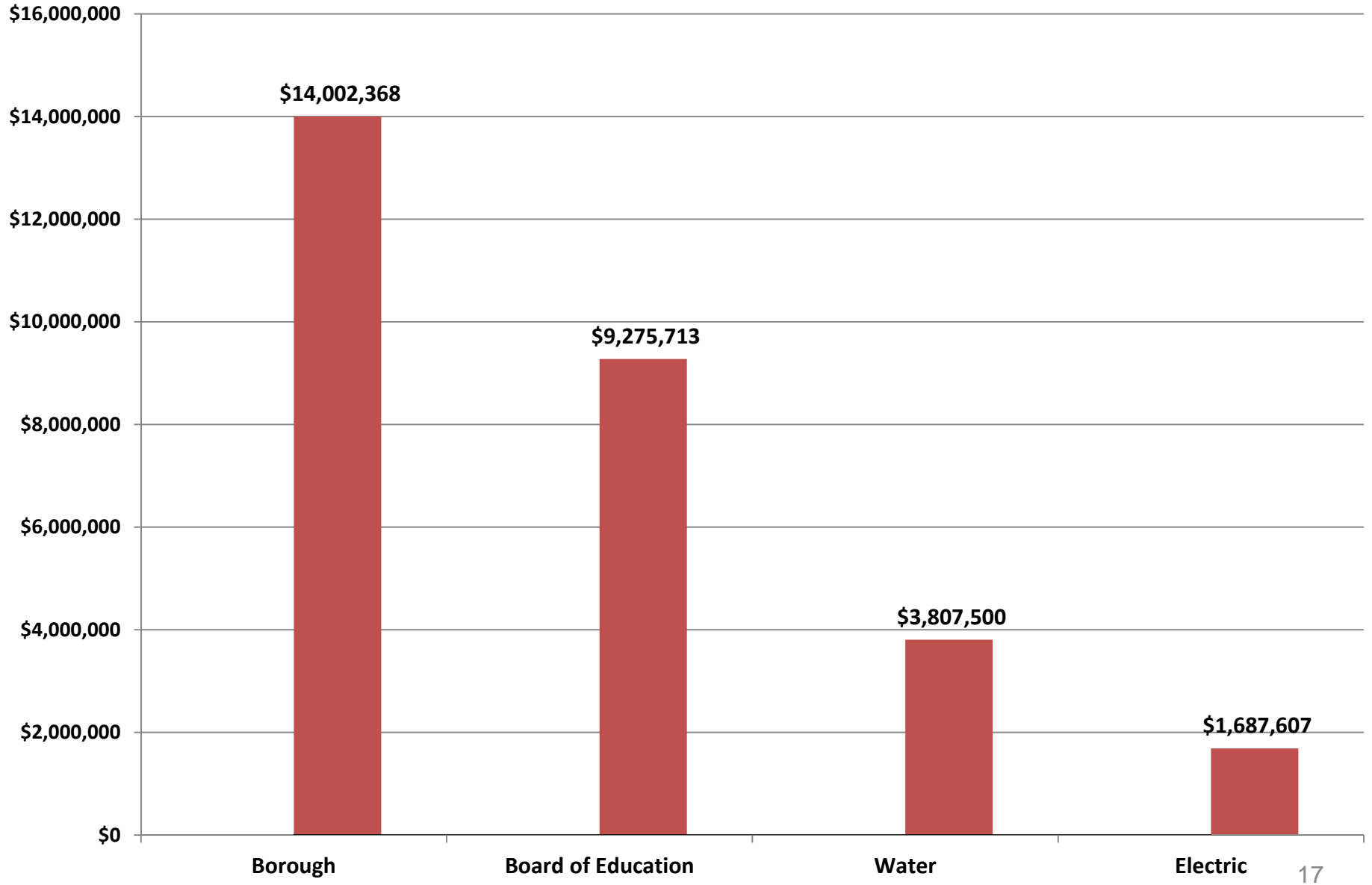
Fund Balance 2009-2016



Comparison of Net Debt as of 12/31/2016 - Municipal Portion Only



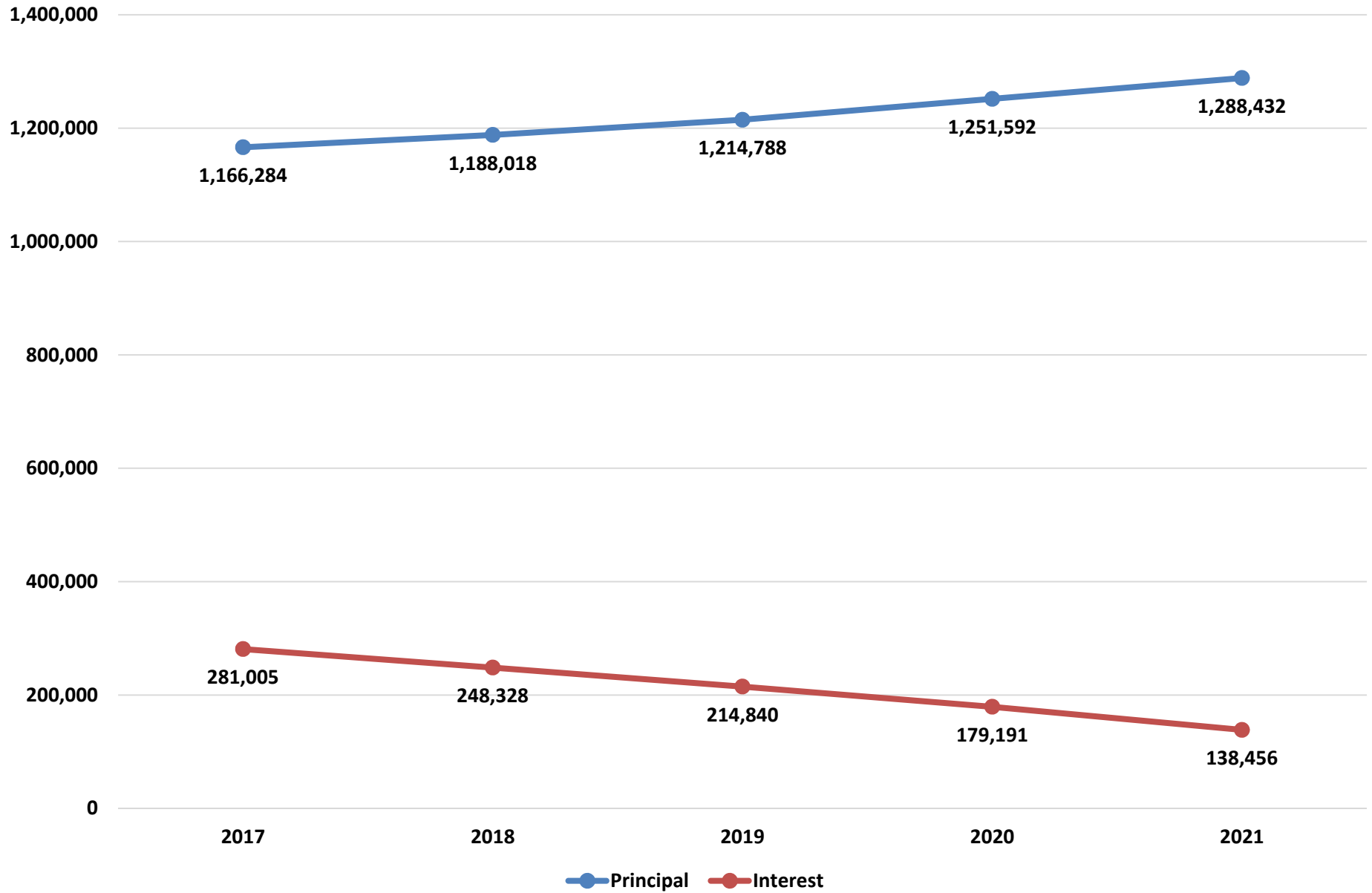
Debt by Borough Organization



Borough of Park Ridge Legacy Unfunded Debt

- 1/2012 Unfunded Debt \$5,535,000
- 1/2013 Unfunded Debt \$2,320,000
- 9/2013 Prior Years Unfunded Debt \$0
- Successful Bond Sale 8/2012 for \$3.2M @ 1.79%
- Successful Bond Sale 8/2013 for \$ 2.3M @ 2.60%

Principal vs. Interest



DEBT SERVICE SCHEDULE

<u>BOND ISSUES</u>		2017	2018	2019	2020	2021
YEAR						
2007	PRINCIPAL	325,000	325,000	325,000	325,000	325,000
	INTEREST	89,765	77,018	64,424	51,830	39,236
2012	PRINCIPAL	210,000	210,000	210,000	225,000	250,000
	INTEREST	51,400	47,200	43,000	38,800	34,300
2013 Refunding Bond	PRINCIPAL	325,000	325,000	350,000	350,000	350,000
	INTEREST	66,725	56,975	46,850	34,600	20,600
2013 Bond	PRINCIPAL	220,000	240,000	240,000	260,000	270,000
	INTEREST	46,610	42,210	37,410	32,610	24,810
NOTE ISSUED	PRINCIPAL	102,600				
	INTEREST	76,700				
GREEN ACRES LOAN	PRINCIPAL	86,284	88,018	89,788	91,592	93,432
	INTEREST	26,716	24,925	23,156	21,351	19,510
TOTAL ANNUAL PAYMENT		\$1,626,800	\$1,436,346	\$1,429,628	\$1,430,783	\$1,426,888

Borough of Park Ridge Credit Rating

- Standard & Poor's Rating Upgrade to AA from AA- in 2013
 - "We believe debt will likely remain manageable due to rapid amortization."
 - "The borough's budgetary performance, in our view, has been strong."
 - " In our opinion the borough's budgetary flexibility is strong with available reserves at 10.5% of expenditures for fiscal 2012"
- Source: Standard & Poor's Rating Service Analysis - December 18,2013

THREE YEAR CAPITAL BUDGET AND PLAN

MUNICIPAL PROJECTS	Estimated Cost	2017	2018	2019
Police Department				
Acquisition of Various Equipment and Vehicles	\$332,543	\$132,881	\$111,831	\$87,831
Police Pistol Range Improvements				
Fire Department				
Acquisition of Various Equipment and Vehicles	214,324	87,400	18,100	108,824
Road/Recycling Departments				
Acquisition of Various Equipment and Vehicles	244,000	188,000	56,000	0
Vehicle Maintenance				
Vehicle Scanner Replacement	8,000	8,000		
Buildings & Grounds				
Acquisition of Various Equipment	246,000	173,000	18,000	55,000
Parks and Recreation				
Walking Trail Project			0	
Sewer Department				
Various Sewer Improvements	18,000	12,000	0	6,000
Municipal Improvements				
Borough Hall Modifications				
Senior Center Improvements				
Road Program	1,600,000	800,000	0	800,000
TOTAL MUNICIPAL PROJECTS	\$2,662,867	\$1,401,281	\$203,931	\$1,057,655

Borough of Park Ridge

Summary Levy Cap Calculation

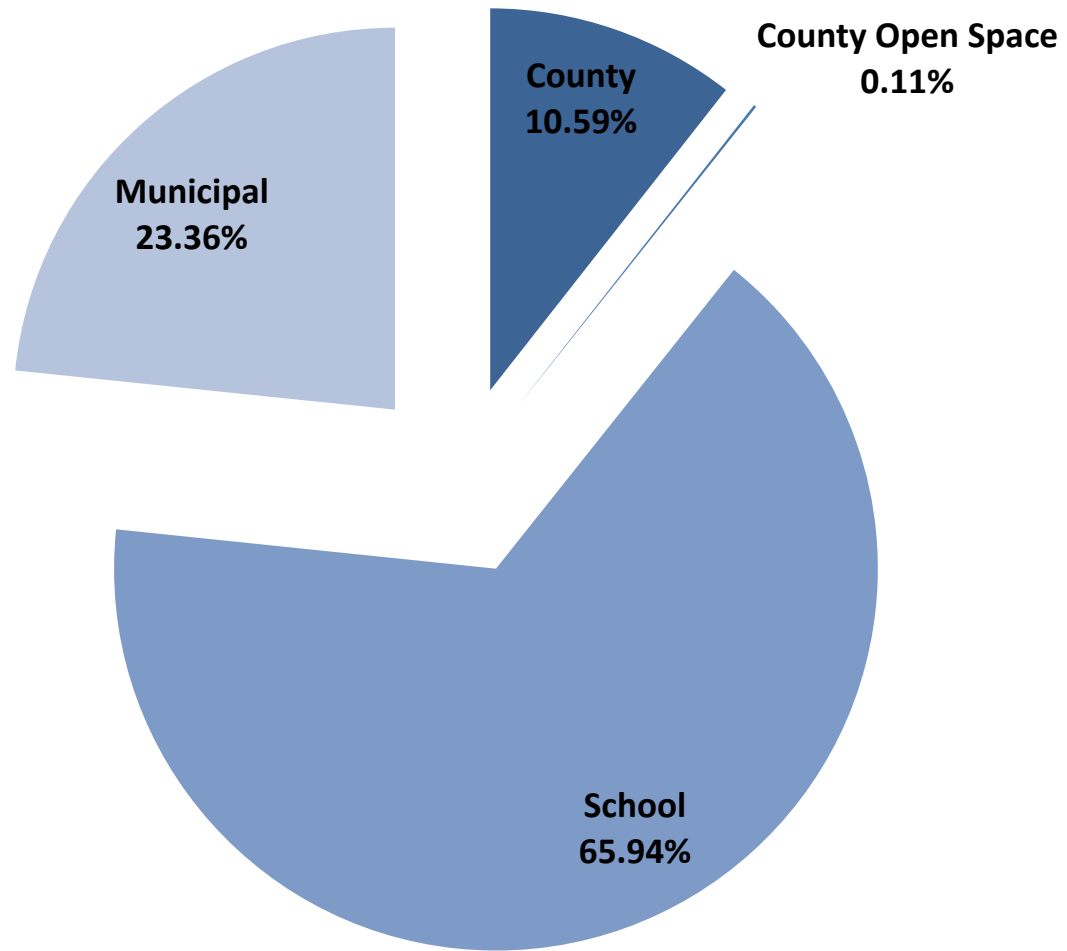
Appropriation CAP Calculation

2016 Budget Appropriations within CAP		\$	9,306,099
2016 Allowable CAP Increases			
COLA Increase (.05%)	\$		46,530
3.0% Index Rate Ordinance			279,183
Added Value of New Construction			32,619
2015 CAP Bank			74,257
2016 CAP Bank			<u>310,503</u>
			<u>743,092</u>
Total Allowable General Appropriations for Municipal Purposes Within CAP		\$	10,049,191
Total General Appropriations Subject to CAP Set Forth in 2017 Introduced Budget			<u>9,988,941</u>
Total Amount Under Allowable Appropriations CAP		\$	<u>60,250</u>

Tax Levy Cap Calculation

2016 Amount to be Raised by Taxation for Municipal Budget		\$	9,220,330
Less:			
Prior Year Minimum Library Tax	\$		622,315
Prior Year Recycling Tax			<u>11,000</u>
			<u>633,315</u>
Net Prior Year Tax Levy Utilized for Municipal Tax CAP Calculation			8,587,015
2017 Allowable Adjustments			
2% CAP Increase	\$		171,740
Increase in Health Insurance Costs			5,466
Increase in Capital Improvement Increase			49,725
Increase in Debt Service - Net of prior year cancellations			71,690
Increase in BCUA Debt Service			20,118
Recycling Tax Appropriation			11,000
Current Year Minimum Library Tax			614,266
Added Value of New Construction			32,619
Prior Year CAP Bank			<u>525,920</u>
			<u>1,502,544</u>
Total Allowable 2017 Tax Levy		\$	10,089,559
Total Tax Levy Set Forth in 2017 Introduced Budget			<u>9,858,332</u>
Total Amount Under Allowable Tax Levy CAP		\$	<u>231,227</u>

2017 Tax Breakout By Percent



Park Ridge Shared Services

NW Bergen Central Dispatch Services - based in Ridgewood for Tri-Boro towns.

Tri-Boro Ambulance - volunteer EMS services for Montvale, Woodcliff Lake and Park Ridge.

Tri-Boro Fuel Depot – shared Fuel agreement with Tri-Boro towns and Board of Education.

Senior Van – transportation services shared with Montvale.

Pistol Range – Park Ridge facility shared with Emerson, Montvale, Woodcliff Lake, and Upper Saddle River

Sewer Flusher Equipment - shared with Montvale.

Municipal Court - shared with Montvale and Woodcliff Lake

Recreation Field Maintenance - shared services with Board of Education.

Lightning Detection System - Shared with Board of Education.

Building Department:

Construction Code Official shared with Woodcliff Lake.

Electric Power - Electric Department is a member of the Power Association of NJ, comprised of all nine municipal electric utilities in New Jersey & Sussex Rural Electric Cooperative, including a mutual aid agreement to share resources during storms and electric emergencies, and a cooperative purchasing agreement for bulk purchases of materials & supplies. Members have joined together to request proposals for our wholesale power requirements. This has been extremely beneficial to us, and has resulted in lower cost power costs and the lowest electric rates in Bergen County.

There are many more; this is just a sampling. We continue to look for ways to save costs without reducing the level of service we provide.



THANK YOU



- The 2017 Finance Committee would like to thank the Mayor and Council for their cooperation on the 2017 Municipal budget
- Thank you to all of the Borough of Park Ridge department heads and employees who are always committed to providing efficient and economical government to the residents of Park Ridge
- Thank you to our Auditors Lerch, Vinci & Higgins for their help in preparation of this presentation and the budget
- Thank you to our residents and volunteers too numerous to mention who make Park Ridge the unique and special town it is

Questions and Discussion