

**BOROUGH OF MOUNT ARLINGTON
COUNCIL MEETING MINUTES
MAY 1, 2018
7:00 p.m.**

1. Call to Order

- 2. Adequate notice** of this meeting of the Mayor and Borough Council of the Borough of Mount Arlington was given as required by the Open Public Meetings Act as follows: Notice was published in the Daily Record and the Roxbury Register on April 12, 2018 and posted on the bulletin board in the main hallway of the Municipal Building on April 6, 2018; notice of this meeting is on file in the Office of the Borough Clerk.

In accordance with the Open Public Meetings Act (N.J.S.A. 10:4-1 et seq.), the Borough Council opens every public meeting for comments of the public. However, in accordance with N.J.S.A. 10:4-12: "Nothing in this Act shall be construed to limit the discretion of a public body to permit, prohibit or regulate the active participation at any meeting,...."

Speakers at Borough meetings shall have five minutes to present their comments to the Borough Council so as not to consume time that would otherwise be allotted to other persons who wish to speak.

At the mandate of Council President, all Councilpersons shall not discuss or address in the Public portion of this meeting any matter that is: 1) pending litigation; 2) ongoing investigation of any type; 3) potential litigation; and 4) personnel or any comments regarding any Borough employee without being given Rice Notice.

3. Flag Salute

The Mayor asked the audience to remain standing for a moment of silence in recognition of our brave men and women serving around the world in the various forms of military and police to protect our freedoms and our way of life.

4. Roll Call

Councilman Delaney, Councilman Loughridge, Council President Sorge, Councilman Sadow, Councilman Cangiano, Councilman Windish, Mayor Stanzilis. Matthew O'Donnell, Esq., Borough Attorney, and Carolyn Rinaldi, CFO/Borough Administrator, were also present.

5. Presentations

None

6. Tax and Utility Report for the Month of March, 2018

Total Tax Collections:	\$137,250.73
Total Utility Collections:	\$123,712.46

7. Finance Report for the Month of March, 2018

Current Fund:	
Total Receipts:	\$ 292,266.55
Total Disbursements:	\$2,111,720.87

8. Approval of Minutes

April 3, 2018

Regular Meeting

Motion to Approve: Council President Sorge

Second: Councilman Sadow

Roll Call:

Aye: Delaney, Loughridge, Sadow, Cangiano, Council President Sorge

Abstain: Windish (absent 04/03/18)

None Opposed

Motion Approved

9. Mayor's Report

- The Mayor announced that the Dollar Tree store will be hosting their Grand Opening on Saturday at 9:00 a.m.
- The Mayor recently attended the New Jersey Conference of Mayors Annual Conference in Atlantic City and met with Legislators and Mayor's from all over the state.

10. Chief of Police Report

- The Department has been putting in extra hours due to road construction; the remainder of police work has been quiet.
- The Department has gotten some grant hours working on the Distracted Driver Enforcement Grant.

11. Borough Administrator's Report

- Reminder of some events in May:
 - The Lake Hopatcong Block Party is Saturday, May 12th from 10 am to 5 pm. We always have a Borough of Mount Arlington table with information for our residents and neighboring municipalities; Roxbury, Jefferson and Hopatcong have tables as well. Ms. Rinaldi will be there for the day and welcomes anyone to join her.
 - The Memorial Day Parade will be held on Saturday, May 26th, set up at 9:30 am, parade starts at 10:30 am. We have moved the parade to Saturday this year and we have a new addition to the parade, the Aqua String band, a Mummies Band from Philadelphia.
- The June Council meeting will be held on June 12th; the usual date of the first Tuesday of the month is Primary Election Day.
- During the past month, Ms. Rinaldi participated in a seminar sponsored by the Morris County Economic Development Corporation. The seminar was entitled Mount Arlington's Approach to Brownfields Redevelopment, and Ms. Rinaldi was a panelist along with our Bond Counsel Matt Jessup, Esq. The discussion topic was how communities can leverage their available resources and Mount Arlington's solar redevelopment project of the former landfill was discussed. Experts in redevelopment and environmental remediation issues provided an overview as well; it was a very interesting and informative day.
- We have been talking about the NJ Environmental Infrastructure Program, now known as IBANK, for our water and wastewater asset management plan; there is nothing on the agenda this evening but we will probably have ordinances prepared for introduction at the next meeting, followed up two days later by a Water/Sewer Committee meeting for further discussion.
- The Mayor stated he attended the Brownfields Redevelopment seminar and commended panelists Ms. Rinaldi and Matt Jessup, Esq. on their presentation.

12. Council Committee Reports**Councilman Delaney:**

- The Fire Department just received their new emergency vehicle and have invited the Mayor and Council to see the new truck this Friday night at 6:00 p.m. at the firehouse.
- Last week the Mayor, Councilman Loughridge and Councilman Delaney attended the Morris County League meeting and tour of the Morris County jail with the Sheriff; the event was very informative and impressive.

Councilman Loughridge:

- Recreation is a very organized group; they do a wonderful job and their programs are in full swing.
- Councilman Loughridge visited the Community Garden today, it is unbelievable and he commended the projects the Boy Scouts have done. The Mayor thanked the governing body for enabling the Boy Scouts to come and do those projects as well, which are all Eagle Projects.

Councilman Windish:

- Councilman Windish stated the Police Chief gave a thorough and comprehensive report; Councilman Windish is the Chair of the Police Committee.
- Councilman Windish stated he attends the Land Use and Recreation meetings.

Councilman Cangiano:

- Regarding Water/Sewer, CP is progressing with the Windemere water main extension, which will encompass Windemere, Altenbrand, and a few other roads to serve the Mount Arlington beach.
- With regard to the beach project, Councilman Cangiano stated that when the concept plans are developed and before they get too far, the Beach Committee should get together and weigh in on the improvements. Borough Administrator Rinaldi stated that topic will be before the governing body before finalizing any plans, no Beach Committee exists, and everything will come before Council as a whole. Ms. Rinaldi stated the water situation is something that has to be addressed by the Water/Sewer Committee but any type of plans would be reviewed in open session. Stan Puszcz, Borough Engineer, stated this is a phase project which will be done in increments. The Mayor stated this is exactly how to approach this project, in phases, rather than having the train halfway out the station and not what we wanted.
- Councilman Cangiano attended the Lake Rogerene Civic Association meeting and one of the topics was the ongoing zoning issues with the one property on Rogerene Way. Councilman Cangiano asked if this issue is still being aggressively looked into and Administrator Rinaldi confirmed. Councilman Cangiano stated that is still a very hot button issue with several people and those in the area as a whole.

Councilman Sadow:

- Councilman Sadow stated he is happy to see the Dollar Tree open at the old Quick Chek mall. While it is not part of the EDC's initiative, it certainly makes the mall look a lot more vital and vibrant than it has in the past two years. Councilman stated he is confident that the anchor store will bring additional revenue to the enterprises there.
- With regard to the EDC, we will try to schedule a meeting after Memorial Day.
- Councilman Delaney, Councilman Loughridge, Councilman Windish and Councilman Sadow have all attended the Senior meetings and the meetings are literally busting at the seams. The Elks have been more than gracious as they always are but we need to take a serious look at a physical location for our Seniors to congregate on a regular basis here in town. The Club is vibrant, vital and they are using two buses per trip now. We have raised their budget twice in the last ten years and not asking for an increase at this point but we need to pay a little more attention to the true needs; 50% of our residents are over the age of 50. The Mayor stated the Senior Center was discussed in the EDC but perhaps we should pull it out of the EDC and put it on its own track to get rolling as opposed to waiting for the organism to come to fruition. Councilman Sadow agreed that was an excellent idea but the EDC is going to "round-out and send-out" so Councilman Sadow will leave that to this dais for further discussion at the appropriate time.
- Councilman Sadow stated there will be a budget presentation this evening. He is always proud to Chair the Finance Committee and continues to be very proud of the budgets that have been crafted. Our outstanding Budget Consultant Joe Kovalcik is on the mend and we hope to have him back in the near future, Bud Jones is always there to back-stop us and catch any errors that I know we don't make, and we go nowhere without CFO Carolyn Rinaldi, whom he thanked publicly. Councilman Sadow stated that we have a 0% increase in our municipal rate once again.

Council President Sorge:

- Council President Sorge stated it is nice to see the mall where the new Dollar Tree is located is starting to get filled-up again.
- Council President Sorge publicly thanked Ms. Rinaldi for her diligence in going to school to enhance her knowledge and share it with the community. Council President Sorge thanked Ms. Rinaldi again and stated he knows how much the Council appreciates her as well.
- Council President Sorge suggested we have June, July and August meetings as Hawaiian Shirt Days; all agreed.

13. Public Comment

None

14. New Business

None

15. Old Business

None

16. Ordinances – Second Reading

02-18 An Ordinance of the Mayor and Council of the Borough of Mount Arlington, In the County of Morris, State of New Jersey, To Exceed the Municipal Budget Appropriation Limits and to Establish a CAP Bank (N.J.S.A. 40A: 4-45:14) for the Calendar Year 2018

The Mayor opened the Hearing to the Public on Ordinance #02-18 and read the Ordinance by title.

No Public Comment; the Mayor closed the Hearing to the Public.

Councilman Sadow stated, I move for adoption and final passage of Ordinance #02-18

Second: Council President Sorge

Council Discussion: Ms. Rinaldi explained this is an authorization to exceed the 2.5% that we are permitted to go up to 3.5% per year in order to fund the budget.

Roll Call:

Aye: Delaney, Loughridge, Sadow, Cangiano, Windish, Council President Sorge

None Opposed

Motion Approved

17. Resolutions

2018-67 Resolution of the Mayor and Borough Council of the Borough of Mount Arlington, in the County of Morris, State of New Jersey, Authorizing Execution of the Budget Self-Examination

Motion to Approve: Councilman Sadow

Second: Council President Sorge

Roll Call:

Aye: Delaney, Loughridge, Sadow, Cangiano, Windish, Council President Sorge

None Opposed

Motion Approved

2018-66 Resolution of the Mayor and Borough Council of the Borough of Mount Arlington, in the County of Morris, State of New Jersey, **Adopting the 2018 Municipal Budget.** *Public Hearing on the Introduced Municipal Budget.*

The Mayor opened the Hearing to the Public on Resolution #2018-66 and read the Resolution by title.

No Public Comment; the Mayor closed the Hearing to the Public.

Councilman Sadow stated, I move for adoption of Resolution #2018-66

Second: Council President Sorge

Council Discussion: CFO Carolyn Rinaldi gave a Budget Presentation regarding the budget process discussing both the operating budget and the capital budget, a copy of which is attached. Mayor Stanzilis publicly commended CFO Rinaldi and the entire financial team - Bud Jones, Councilman Sadow, Matt Jessup, and Budget Consultant Kovalcik. The Mayor stated the Borough has taken a long term conservative fiscal approach that is working in this Borough and the governing body will continue to use this approach.

Roll Call:

Aye: Delaney, Loughridge, Sadow, Cangiano, Windish, Council President Sorge
None Opposed

Motion Approved

The Mayor read the Statement of Budget Adoption into the record.

Voted By Consent

2018-68 through 2018-82

- 2018-68** Resolution of the Mayor and Borough Council of the Borough of Mount Arlington, in the County of Morris, State of New Jersey, Approving the Check Register Dated May 1, 2018
- 2018-69** Resolution of the Mayor and Borough Council of the Borough of Mount Arlington, in the County of Morris, State of New Jersey, Supporting the Designation of Stigma-Free Communities
- 2018-70** Resolution of the Mayor and Borough Council of the Borough of Mount Arlington, in the County of Morris, State of New Jersey, Authorizing Temporary Suspension of Parking Restrictions on Seasons Drive as Set Forth in New Jersey Traffic Code 39:4-138
- 2018-71** Resolution of the Mayor and Borough Council of the Borough of Mount Arlington, in the County of Morris, State of New Jersey, Authorizing the Receipt of Bids (Windemere, Altenbrand, North Glen and Park Avenue Water Main Extension)
- 2018-72** Resolution of the Mayor and Borough Council of the Borough of Mount Arlington, in the County of Morris, State of New Jersey, Authorizing the Receipt of Bids (Water and Sewer System's Emergency Repair Services)
- 2018-73** Resolution of the Mayor and Borough Council of the Borough of Mount Arlington, in the County of Morris, State of New Jersey, Authorizing the Receipt of Bids (Installation of Multiple Generators and Appurtenances for Various Municipal Facilities)
- 2018-74** Resolution of the Mayor and Borough Council of the Borough of Mount Arlington, in the County of Morris, State of New Jersey, Authorizing the Receipt of Bids (Purchase and Installation of Storage Facility at the Department of Public Works)
- 2018-75** Resolution of the Mayor and Borough Council of the Borough of Mount Arlington, in the County of Morris, State of New Jersey, Accepting the Bid and Awarding the Contract for Borough-Wide Landscaping to Double O Landscape Design, LLC
- 2018-76** Resolution of the Mayor and Borough Council of the Borough of Mount Arlington, in the County of Morris, State of New Jersey, Authorizing the Execution and Recordation of the Proposed Permanent Utility Easement Located on the Municipal Beach in Block 18, Lot 12
- 2018-77** Resolution of the Mayor and Borough Council of the Borough of Mount Arlington, in the County of Morris, State of New Jersey, Hiring Ann Bell as Interim Part-Time Deputy Court Administrator
- 2018-78** Resolution of the Mayor and Borough Council of the Borough of Mount Arlington, in the County of Morris, State of New Jersey, To Redeem a Third Party Tax Lien Certificate of Sale #17-00008 for Property Known as Block 22, Lot 32
- 2018-79** Resolution of the Mayor and Borough Council of the Borough of Mount Arlington, in the County of Morris, State of New Jersey, To Redeem a Third Party Tax Lien Certificate of Sale #16-00044 for Property Known as Block 113, Lot 7
- 2018-80** Resolution of the Mayor and Borough Council of the Borough of Mount Arlington, in the County of Morris, State of New Jersey, To Redeem a Third Party Tax Lien Certificate of Sale #17-00031 for Property Known as Block 122, Lot 8

2018-81 Resolution of the Mayor and Borough Council of the Borough of Mount Arlington, in the County of Morris, State of New Jersey, For Refund of Duplicate Utility Payment on Property Known as Block 108, Lot 7

2018-82 Resolution of the Mayor and Borough Council of the Borough of Mount Arlington, in the County of Morris, State of New Jersey, For Refund of Tax Overpayment Made on 100% Tax Exempt Property Known as Block 61, Lot 23.11, Qualifier C1280

Motion to Approve by Consent: Council President Sorge

Second: Councilman Windish

Roll Call:

Aye: Delaney, Loughridge, Sadow, Cangiano, Windish, Council President Sorge

None Opposed

Motion Approved

18. Ordinances – Second Reading

None

19. Motions

None

20. Executive Session

2018-83 Resolution of the Mayor and Borough Council of the Borough of Mount Arlington, in the County of Morris, State of New Jersey, Authorizing An Executive Session of the Mayor and Borough Council and Excluding the Public from that Portion of the Meeting

Attorney Client Privilege:

- Landfill Redevelopment Project

Action May or May Not Be Taken.

Motion to Enter Executive Session: Councilman Sadow

Second: Council President Sorge

Roll Call:

Aye: Delaney, Loughridge, Sadow, Cangiano, Windish, Council President Sorge

None Opposed

Motion Approved

Motion to Return to Public Session: Council President Sorge

Second: Councilman Delaney

Roll Call:

All in Favor: Aye

None Opposed

Motion Approved

21. Adjourn

Motion to Adjourn: Council President Sorge

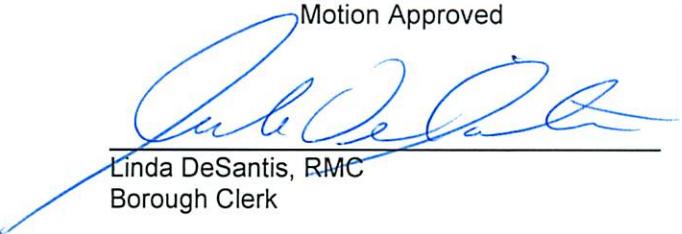
Second: Councilman Loughridge

Roll Call:

All in Favor: Aye

None Opposed

Motion Approved



Linda DeSantis, RMC
Borough Clerk

Minutes Approved at Council Meeting on June 12, 2018.

Borough of Mt. Arlington

Tax & Utility Office

To the Mayor & Council of the Borough of Mt. Arlington

I hereby submit my report of collections for:

The Month of March 2018

Dated:

Completed by: Kayleen Pickering, CTC

Tax Collections:

<u>Description</u>	<u>Account #</u>	<u>Collections</u>
Current Taxes	8-01-17-001-001	\$ 100,964.63
2017 Taxes	8-01-15-499-200	11,738.29
2017 Taxes (Collected at Tax Sale)		
Prepaid Taxes	8-01-17-001-004	
Municipal Redemption	8-01-17-004-001	
Interest & Costs	8-01-08-112-000	1,514.33
Interest & Costs (Collected at Tax Sale)		
Return Check Fee	8-01-16-500-047	
Tax Searches	8-01-08-106-010	
Duplicate Bills	8-01-16-500-016	
O/S Lien Red./Subs	8-01-17-004-002	20,312.00
O/S Lien Red. Int.	8-01-17-004-003	2,317.48
O/S Lien Red. 6% YEP	8-01-16-500-025	
O/S Lien Red. Rec. Fee	8-01-17-004-003	404.00
Misc. Copies	8-01-16-500-017	
Tax Sale Costs	8-01-16-500-018	
Tax Sale Costs (Collected at Tax Sale)		
Tax Sale Premiums	Trust Account	
6% Year End Penalty	8-01-16-500-025	
Tax Paid Certification	8-01-16-500-013	
Redemption Calculation Fee		
Total Tax Collections		<u>\$ 137,250.73</u>

Utility Collections:

Solid Waste		\$ 20,041.93
Sewer		75,957.41
Water		27,713.12
Sewer Connection Fee Install Plan		
Total Utility Collections		<u>\$ 123,712.46</u>
Total Collections for the Month		<u>\$ 260,963.19</u>

BOROUGH OF MOUNT ARLINGTON
FINANCE OFFICE

Finance Report Current Fund

March 2018

Receipts	292,266.55
Disbursements	2,111,720.87

2018 Budget Presentation



Budget Overview

- A municipal budget represents a financial plan, estimating the funding needs of the Borough through various sources, including taxation.
- Includes anticipated resources (i.e. taxes, grants, state aid and local fees, and appropriations).

Budget Overview

- Budget has two functions: appropriations to meet statutory and discretionary expenditures, and provide the authority to tax to provide revenue to balance the budget.

Budget Cycle

- Continual – municipal action can be defined as either implementation of an existing budget, or having an effect on a future budget. The annual budget also includes data concerning the prior year.

Budget Prep Items

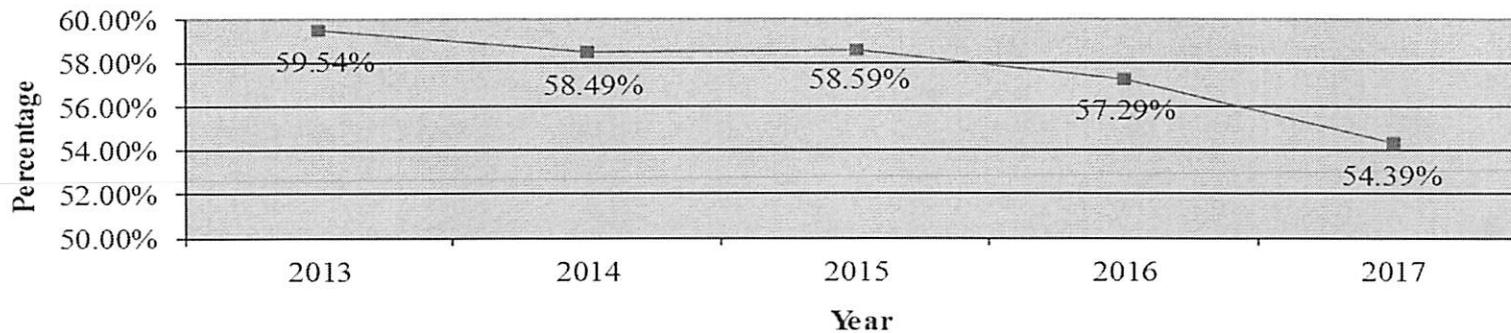
- Salary estimates
- Contractual Services (other expenses) i.e. utilities, dues, office expenses, vehicle and building maintenances, legal and other consulting services
- Contingencies
- Capital improvements (more on this shortly..)
- Municipal Debt Service
- Deferred Charges / Statutory Expenditures/ Emergency Appropriations i.e. tax maps, revaluation, master plan, codification
- Judgements
- Cash deficits from previous years
- Reserve for Uncollected taxes....more on that....

Financial Trends

- Let's look at some past financial trends that help plan our future budgets....

Borough of Mount Arlington Financial Trends

Tax Revenue as a Percentage of Total Operating Budget

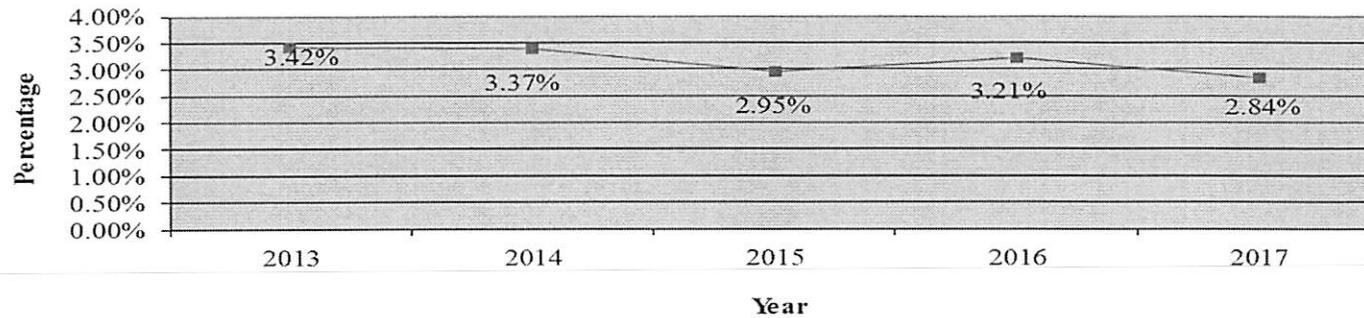


	2013	2014	2015	2016	2017
Total Operating Budget	\$ 9,321,004	\$ 9,763,686	\$ 9,956,555	\$ 10,375,621	\$ 11,108,878
Property Tax Revenue (Budgeted)	\$ 5,549,531	\$ 5,710,623	\$ 5,833,929	\$ 5,943,702	\$ 6,042,323
Percent of Total	59.54%	58.49%	58.59%	57.29%	54.39%

The more stable the trend the better off we will be with this trend. Any single revenue source as a percentage of the total budget should be kept lower than 60%.

Borough of Mount Arlington Financial Trends

State Aid Revenue as a Percentage of Total Operating Revenue



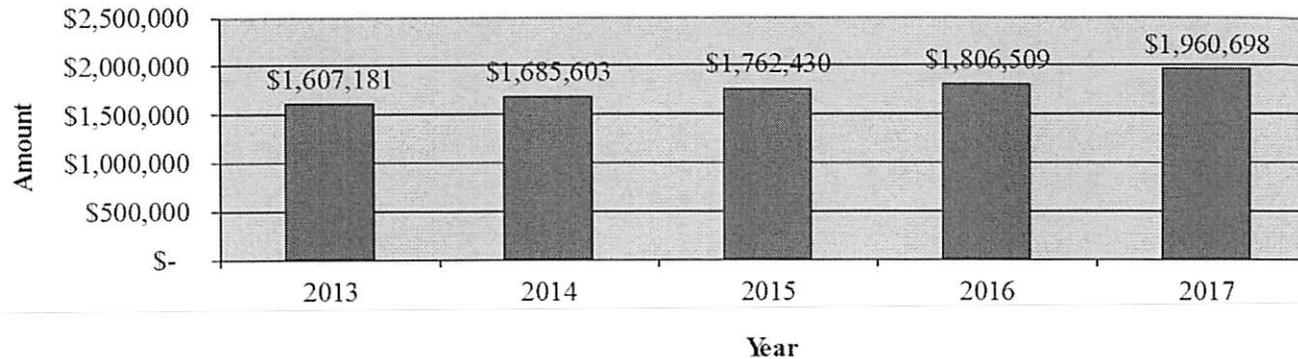
	2013	2014	2015	2016	2017
Total Operating Revenue	\$ 9,913,461	\$ 10,044,032	\$ 11,491,141	\$ 10,565,468	\$ 11,939,397
State Aid Revenue	\$ 338,657	\$ 338,657	\$ 338,657	\$ 338,657	\$ 338,657
Percent of Total	3.42%	3.37%	2.95%	3.21%	2.84%

State Aid has evolved into a combination of Consolidated Municipal Property Tax relief Aid, and Energy Receipts Tax. Now referred to as State Aid, this revenue is intended to be used to reduce the tax burden to the residents of the Borough and as such is not earmarked or directed to be used for a specific purpose. The state aid as a percentage of total operating revenue dropped significantly in 2010 and will likely remain at this level until any legislative solutions.

Borough of Mount Arlington

Financial Trends

Change in Fund Balance



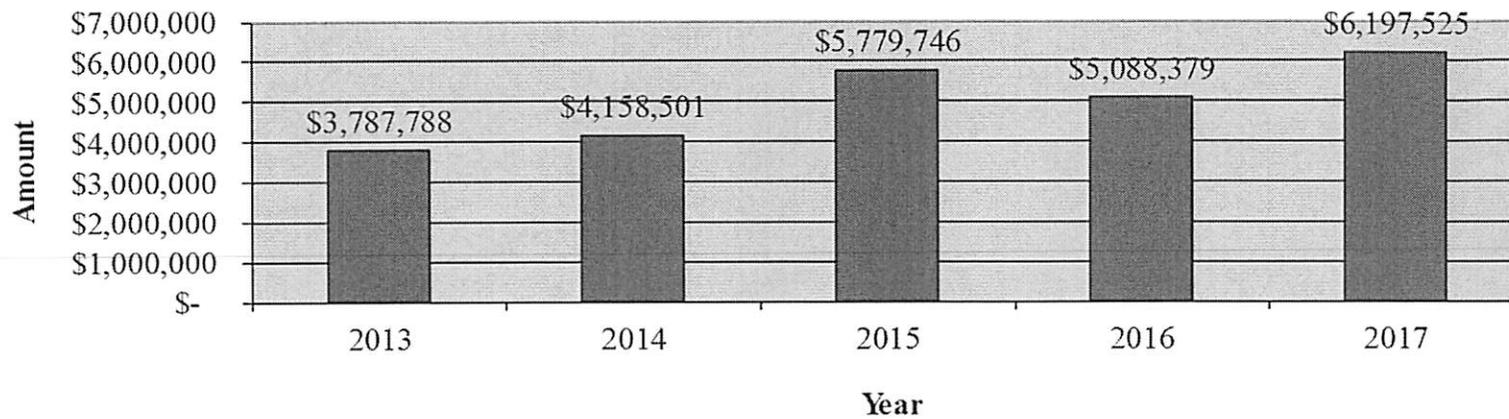
	2013	2014	2015	2016	2017
Fund Balance, Jan 1st	\$ 1,503,881	\$ 1,607,181	\$ 1,685,603	\$ 1,762,430	\$ 1,806,509
Fund Balance, Dec 31st	\$ 1,607,181	\$ 1,685,603	\$ 1,762,430	\$ 1,806,509	\$ 1,960,698
Change in Fund Balance	\$ 507,519	\$ 370,713	\$ 1,621,245	\$ (691,367)	\$ 154,189
Percent Change Per Capita	15.47%	9.79%	38.99%	-11.96%	8.54%

Fund Balance is used to stabilize the tax impact on a community during economic changes. It serves as a savings account that also generates interest revenue. A decline in fund balance over time will limit a community's ability to buffer its taxpayers from spikes in tax rates. On the other hand, a rising fund balance position in excess of the requirements of the community may be perceived as poor management. The fund balance position must be reviewed annually to determine adequate levels.

It should also be noted that sufficient fund balance levels is a factor reviewed by the Rating Agencies when rating the Borough. Our rating outlook increased in 2015, removing the negative outlook by Moody's. They cited "strong management practices" and removal of the negative outlook "reflects management's ability to conservatively manage budgetary pressures, which resulted in improved liquidity and reserves".

Borough of Mount Arlington Financial Trends

Cash Balances

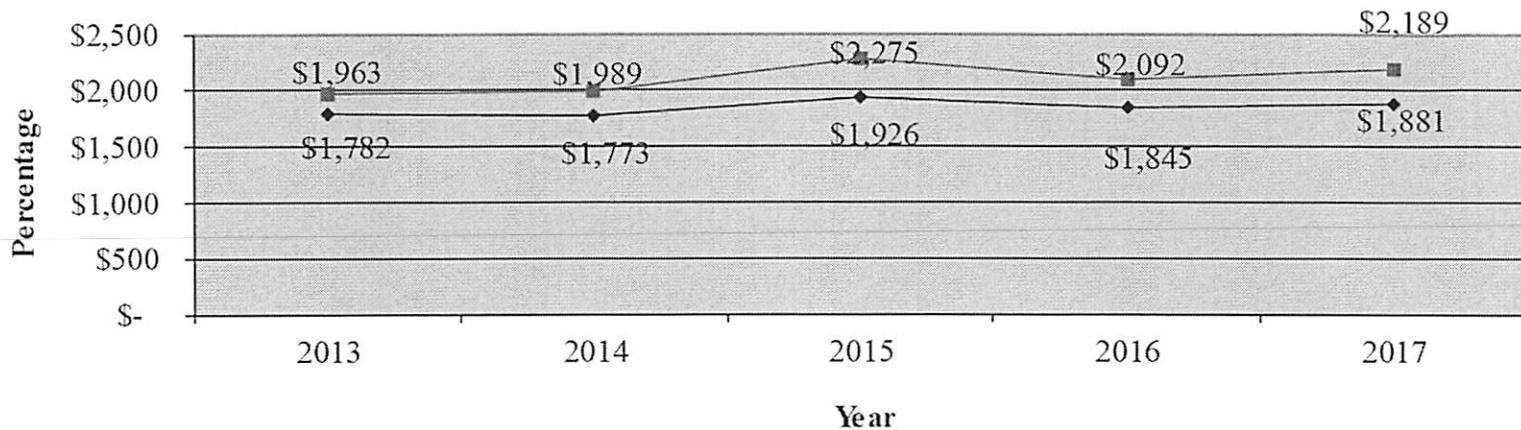


	2013	2014	2015	2016	2017
Cash Balance, Jan 1st	\$ 3,280,269	\$ 3,787,788	\$ 4,158,501	\$ 5,779,746	\$ 5,088,379
Cash Balance, Dec 31st	\$ 3,787,788	\$ 4,158,501	\$ 5,779,746	\$ 5,088,379	\$ 6,197,525
Change in Cash Balance	\$ 507,519	\$ 370,713	\$ 1,621,245	\$ (691,367)	\$ 1,109,146
Percent Change Per Capita	15.47%	9.79%	38.99%	-11.96%	21.80%

Liquidity determines a communities ability to meet its short term obligations. Poor levels of liquidity may be a sign of future economic disruption. The decrease in fund balance from prior years will ultimately reduce free cash balances and ultimately the ability to generate investment income.

Borough of Mount Arlington Financial Trends

Revenue and Expenditures Per Capita



	2013	2014	2015	2016	2017
Total Revenue Per Capita	\$ 1,963	\$ 1,989	\$ 2,275	\$ 2,092	\$ 2,189
Total Expenditures Per Capita	\$ 1,782	\$ 1,773	\$ 1,926	\$ 1,845	\$ 1,881
Variance	\$ 181	\$ 216	\$ 349	\$ 247	\$ 308

Revenue Per Capita should exceed Expenditures Per Capita. The narrowing margin indicates leaner budgets. However, the smaller the margin becomes the harder it is to regenerate our fund balance position with lapsed appropriations reserves.

**What is a Capital Budget / Capital
Improvement Plan? Do we need one?**

Do we need one?

- Yes.
- Fluctuations – some years expenditures are high, other years, less or nothing. **Prudent planning provides capital expenditures to stay more even, and allow smoother long term financial operations of local government.**

Okay, what is a Capital Program/Budget?

- Provides a clear picture of future capital requirements, cost of all projects, methods of financing them / projecting along with costs of other necessary services.
- It's a moving schedule/timetable.
- Projects will be undertaken in order of their need.
- Every year – review, revise and project another year for any changing conditions.

Why should we do this?

- Capital Budget/Program provides a means of assuring orderly development of a community within the realm of ***Fiscal Responsibility***.
- Maintains financial stability by avoiding fluctuations in the tax rate through the distribution of expenditures over a period of time.
- Eliminates need for considering projects on an emergency basis, better planning.

Why Should we do this?

- Better use of resources and equipment to insure their maximum use and efficiency.
- Increases likelihood of obtaining an improved credit rating and the resulting lowered borrowing costs.
- Enhance grant opportunities

How do we maintain a Capital Program/Budget?

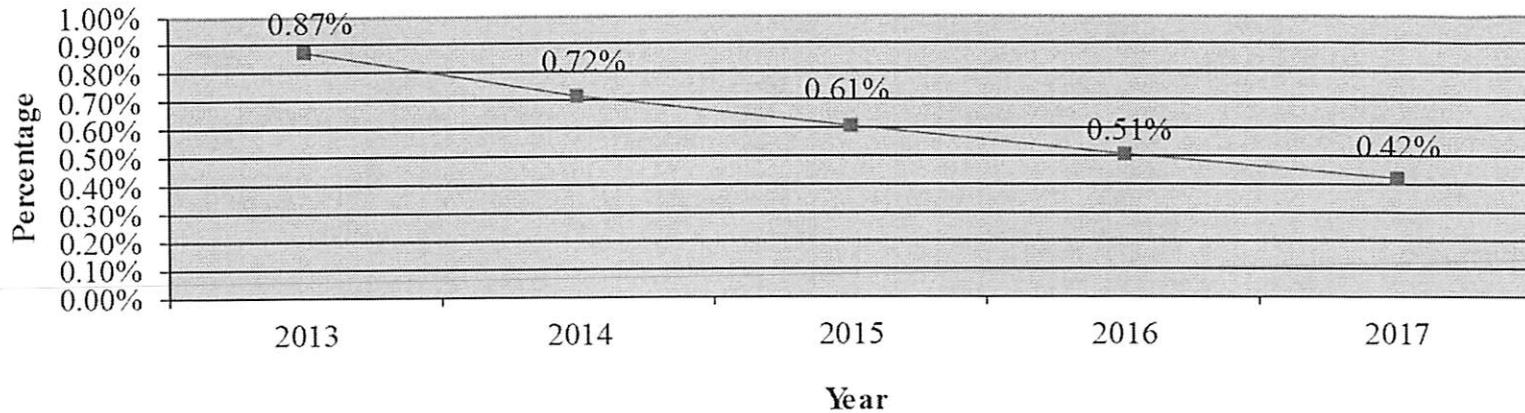
- Must be reviewed, revised and extended annually – must be flexible. This is a plan, an intent.
- Program should involve various individuals (Chief Financial Officer, Bond Counsel, Auditor, Department Heads, Engineer, Council representatives, Grant writer....)

Best Practice – “Pay As You Go”, Financing, or both?

- Use of borrowing permits the municipality to finance major projects when most needed. Borrowing also eases the tax burden over a period of years, where a pay as you go only can result in high and low peaks in the tax rate (remember Plan/intent)
- Ideally, best scenario is combination of both. This is where the capital plan/program is so effective. Helps to anticipate projects and financing can be adjusted. Small improvements (less than 10 years useful life) could be financed from current revenues, while larger improvements (longer lifetime) can be financed through financing or combination of both.

Borough of Mount Arlington Financial Trends

Net Debt as a Percentage of 3-Year Average Equalized Valuation



	2013	2014	2015	2016	2017
3 Yr. Avg Equalized Valuation	\$ 769,587,793	\$ 755,271,853	\$ 754,000,147	\$ 758,592,298	\$ 766,239,522
Net Debt (Annual Debt Stmt)	\$ 6,709,825	\$ 5,426,850	\$ 4,584,850	\$ 3,834,850	\$ 3,204,850
Percent of Total	0.87%	0.72%	0.61%	0.51%	0.42%

N.J.S.A. 40A:2-5 allows a municipality to incur debt up to a maximum of 3.5% of the three-year average equalized valuation in any year. A community's ability to manage that debt can be measured by how well it is able to control the debt level as a percentage of the three-year average equalized valuation.

The Borough is well poised to continue to pay off its existing debt while commencing new projects that will improve and expand upon the infrastructure of the Borough.

To summarize a Capital Program

- Determine Priorities: Urgent, Necessary, Desirable, Deferrable.
- Consider: Costs, goals of the community, economic conditions, essential services.
- Timing: Needs?, possible timetable for application to aid programs, availability of funding to name a few
- Costs: Capital costs AND recurring costs.
- In conclusion, a Plan.....

How did we do?

- Does the budget request provide for achieving goals set by the governing body?
- Have work programs (departmental requests) been defined and requests been supported by data?
- Have the objectives of new and expanded services been clearly defined?
- Have all major increases or decreases been explained?
- Has attention been given to long run economic conditions?
- Have new sources of revenue been suggested to support any new and/or expanded service?
- Have efforts been made to reduce costs through improved work methods, mechanization, or better personnel utilization?
- Have priorities been assigned to new and expanded programs and to equipment?
- Have fees for rendering services been compared to the cost of rendering the service or enforcing the regulation?
- Have any major problems encountered during the year been explained?
- Are there recommendations for further reduction of costs and increasing the efficiency of the operation?
- Are there any recommendations regarding changes in the level of services?
- What were the effects of budgetary limitations last year?

The answer is....

- The Governing Body and Administrative staff continue to prepare budgets based on these questions. The success from following this model allows for **a sound comprehensive operating plan for all municipal services as indicated in the 2018 Budget presented this evening with no increase to the municipal tax rate.**