



# *Borough of Lincoln Park*

County of Morris

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Dr. David A. Runfeldt, Mayor

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Earlier this month, I had the opportunity to present my 2018 Borough of Lincoln Park budget to the Borough Council. This budget is the culmination of the keen dedication of each of the borough's department heads to contain costs while providing the highest level of services to our residents. Each of these individuals deserves recognition for their efforts to make Lincoln Park a viable community for our residents and ourselves. Special gratitude from me goes to our CFO Fabiana Mello and Administrator Perry Mayers for their attention to compiling this budget.

For the 10<sup>th</sup> consecutive year, total budget expenditures have remained relatively stable and minimal. In fact, I am happy to report that the **spending proposed in my budget this year, excluding the full funding of the bond ordinances, actually decreased.** Cost containment has always been a goal of mine and has likewise been an aim of the Borough Council. Once again, with this direction, we have attained a very positive result and I commend Council for their steadfastness to this objective. Another annual goal has been to present a fully compliant budget to Council with regards to the State's financial regulations. I am happy to inform you that this budget is, in fact, a compliant budget without any cuts in services.

This budget, as presented and following discussions with the Borough Council members, totals a minimal 1.17% increase in taxes which is well below the allowable 2% cap. Even more remarkable and important to recognize is that **the 1.17% increase is a total increase, including those items which are not required to be included the 2% cap calculation.** Further, it is also essential to note that this minimal increase was achieved in the face of the borough losing an additional \$700,000.00 in tax ratables this year due to flood buy outs and tax appeals.

**The end result, and more importantly, is what this means to the taxpayers of Lincoln Park. As proposed, this budget will increase the average household's (assessed value of \$319,771) taxes by \$39.92 or just under \$10 per quarter.**

While this minimal increase immediately bodes well for our residents, possibly one of the most significant inclusions in this year's budget is quite favorable for the future of our community. I am excited to inform you that we now have a plan for Lincoln Park to become **completely debt free within the next 12 years.** The plan is to "pay as you go" for all capital improvements and reserve for future foreseeable projects. The Borough plans to maintain the capital budget of approximately 1 million dollars per year by issuing ordinances and fully funding them in the following year. During the 2018 budget, the Borough will fully fund the 2016 and 2017 bond ordinances rather than borrow that money as originally planned. In addition, due to the keen foresight by administration and council last year to renegotiate and refinance our existing debt, the Borough's debt service will commence decreasing in 2019 and the reduction will be budgeted to a capital improvement fund; which will accumulate approximately \$1.9 million in this fund for future projects. The 10 year capital plan that I started, and council has continually backed, provides us with a sound foundation for being able to move forward with this plan.

To recap these points and a few additional items that I would like to bring specifically to your attention to regarding the 2018 budget...

- Total amount to be raised by taxes for the municipal budget has increased by only 1.17 percent from \$13,022,666 in 2017 to \$13,174,716 in 2018.
- Impact to the average household in Lincoln Park is less than \$40.00 for the year or roughly \$10/quarter.
- 2018 budget is \$765,061 below Appropriation Cap.
- The Borough has developed a plan to be debt free by 2030.
- Starting in 2018 the Borough is utilizing new and existing accounting software to its maximum potential. The change from a manual accounting to a computerized system will save time, reduce errors, and provide customizable reports that will allow the Borough to analyze different aspects of its operations. In short, the computerized system will allow the Borough to make sound financial decisions, and operate more efficiently and productively.
- Fund Balance increased from 3.4 million to 4.2 million as a result of prudent oversight of the 2017 budget. Fund Balance now stands at roughly 23 % of overall budget.
  - A healthy Fund Balance provides tax stability and contributes to the orderly provision of services from year to year.
  - A healthy Fund Balance also protects taxpayers from unexpected changes in financial condition due to a cut in state aid or a natural disaster emergency, for instance.
- Tax Collection rate for 2016 (98.74%) was excellent, yet still improved in 2017 to 98.88%.
- A New Ambulance will be funded in the 2018 Capital Budget.

Due to the diligent budgeting and responsible spending of all departments, and the attentive adherence to procurement procedures by Mr. Mayers, we have been able to add over 1.7 million dollars back into our General Fund Balance. As mentioned above, a healthy fund balance provides us with both stability and safety in future budgets.

A large amount of the increases to this year's budget are statutory, contractual or insurance obligations. There are minimal discretionary spending increases. The budget as presented provides a balance that takes into consideration the fiscal realities of the time while also maintaining the resources necessary to provide the services to our residents and businesses that have made Lincoln Park such an attractive place to live and do business.

As previously noted, the budget as presented is well below the maximum allowable level for 2018. While I and the administration fully anticipate that watchful oversight of spending will continue to find areas within the budget which will present opportunities for savings, our recommendation is to take the conservative approach and fully fund the budget as I have presented. The small increase to our residents this year in light of required statutory and non-discretionary spending, along with the nearly 700 thousand dollars of lost ratables is a wonderful accomplishment that both administration and council should be proud of.

I have constantly prided myself on making decisions that are in the best interests of our town at present and also to ensure that we remain a vibrant and thriving community in the future. This budget is

good for our residents now and the goal to become debt free sets us up for success in the future, and does so in a relatively short amount of time.

As always, I look forward to working with the Borough Council to introduce and pass a budget for our great town that continues to minimize costs and maximize the services we provide our residents.

David A. Runfeldt  
Mayor, Borough of Lincoln Park