



# **BOROUGH OF WANAQUE**

## **2020 ADMINISTRATOR REPORT “FINANCIAL REVIEW”**

**JULY 13, 2020**



# BOROUGH OF WANAQUE

## 2020 WANAQUE GOVERNING BODY

**DANIEL MAHLER**  
*MAYOR*

**ROBERT PETTET**  
*COUNCIL PRESIDENT*  
*FINANCE – INSURANCE - INVESTMENTS - PERSONNEL*

**THOMAS BALUNIS**  
*ROADS – RECREATION - VETERANS*

**DOMINICK CORTELLESA**  
*NEGOTIATIONS – FIRST AID - SEWER*

**EDWARD LEONARD**  
*ORDINANCES – TECHNOLOGY – PUBLIC RELATIONS - WATER*

**DONALD PASQUARIELLO**  
*POLICE DEPARTMENT*

**ERIC WILLSE**  
*BUILDING/GROUNDS – FIRE DEPARTMENT*



# BOROUGH OF WANAQUE

## 2020 DEPARTMENT HEADS PROFESSIONALS

**PAUL M. CARELLI**  
*BOROUGH ADMINISTRATOR*

**KATHERINE A. FALONE**  
*BOROUGH CLERK*

**MARYANN BRINDISI**  
*CHIEF FINANCIAL OFFICER*

**ANTHONY FIORELLO**  
*BOROUGH ATTORNEY*

**MICHAEL BRUSCO**  
*DPW SUPERINTENDENT*

**ANN SMOLEN**  
*TAX COLLECTOR*

**ROBERT KRONYAK**  
*CHIEF OF POLICE*

**JAMES CERULLO**  
*AUDITOR*

**MICHAEL CRISTALDI**  
*BOROUGH ENGINEER*

**MICHAEL HAFNER**  
*CONSTRUCTION OFFICIAL*

**MICHAEL FURREY**  
*LICENSED WATER OPERATOR*

**KATHY GALLANTHEN**  
*COURT ADMINISTRATOR*

**MARK OLIVIERI**  
*FIRE CHIEF*

**BERNADETTE MCDAVITT**  
*BOROUGH NURSE*

**ANGELO CALABRO**  
*OEM COORDINATOR*

**MARY MARTIN**  
*LIBRARY DIRECTOR*



# BOROUGH OF WANAQUE

## 2020 ADMINISTRATOR REPORT AGENDA TOPICS

- **TAX ANALYSIS AND REVIEW**
- **HISTORICAL DATA**
- **MAJOR ACCOMPLISHMENTS**
- **2020 BUDGET**



# **BOROUGH OF WANAQUE**

## **2019 TAX ANALYSIS AND REVIEW**



# BOROUGH OF WANAQUE

## 2019 MUNICIPAL TAX BILL

### 2019 FINAL/2020 PRELIMINARY TAX BILL

BOROUGH OF WANAQUE

PASSAIC COUNTY

BLOCK NUMBER	LOT NUMBER	QUALIFICATION
Property Locat.		
Building Desc.		
Additional Lots		
Land Dimens.		
Bank	Mortgage #	Tax Acct. #
ASSESSED VALUATION INFORMATION		
▼ LAND ▼	▼ IMPROVEMENTS ▼	▼ TOTAL ▼

### EXPLANATION OF TAXES

DESCRIPTION	RATE PER \$100	AMOUNT OF TAX
COUNTY TAX	0.816	1,875.71
DISTRICT SCHOOL TAX	1.376	3,162.96
REGIONAL SCHOOL TAX	0.745	1,712.50
COUNTY OPEN SPACE TAX	0.012	27.58
LOCAL MUNICIPAL TAX	0.910	2,091.78
MUNICIPAL OPEN SPACE TAX	0.010	22.99
MUNICIPAL LIBRARY TAX	0.038	87.35
<b>2019 TOTAL TAX</b>	<b>3.907</b>	<b>8,980.87</b>

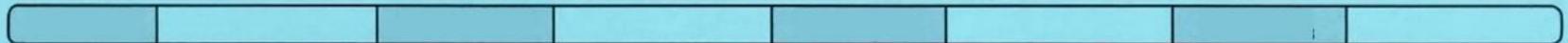
EXEMPTIONS ►

NET TAXABLE VALUE ► \$229,866

**AVERAGE RESIDENTIAL HOMEOWNER**

**1234 MAIN STREET  
WANAQUE, NJ 07465**

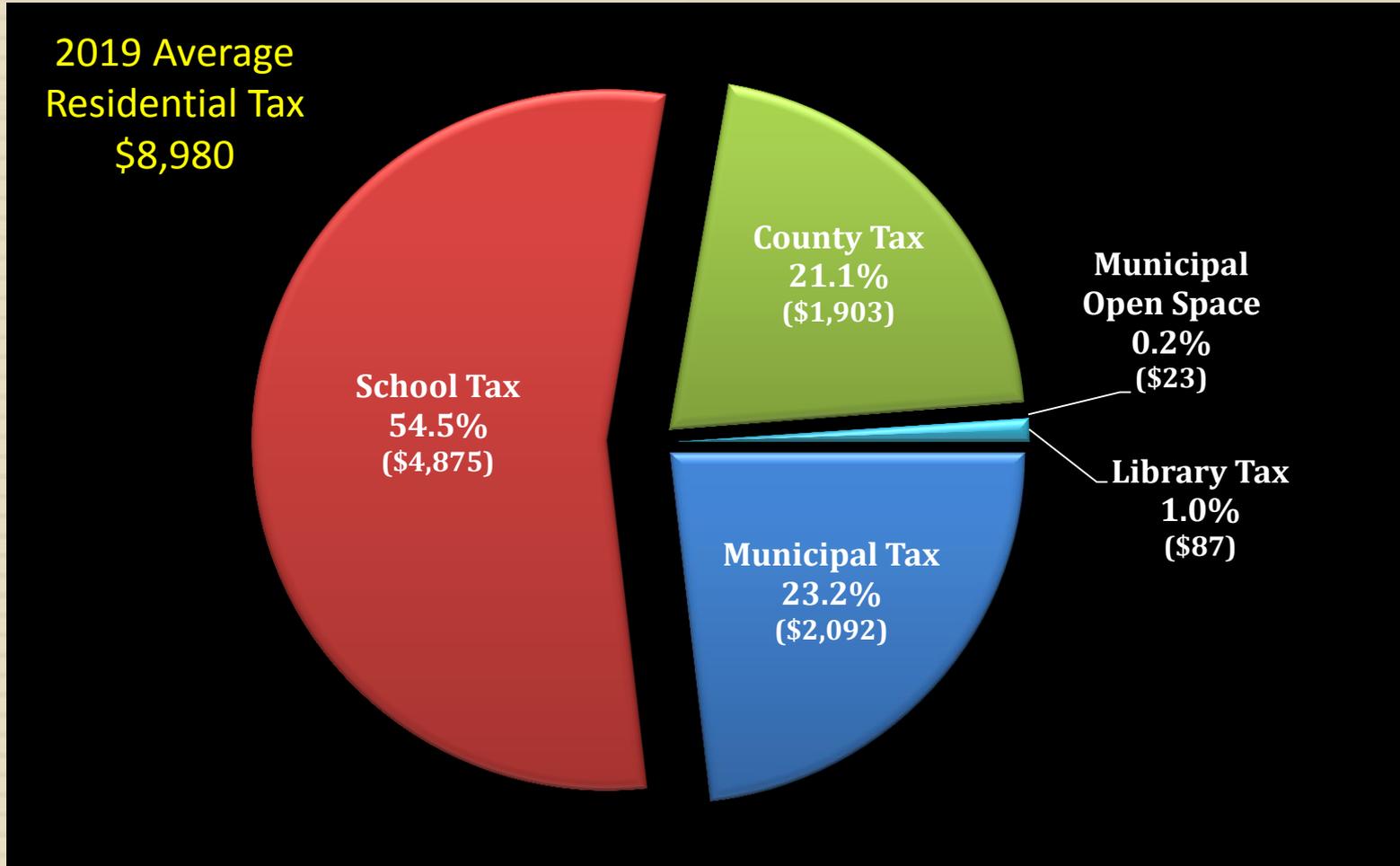
THIS IS NOT A BILL - FOR ADVICE ONLY





# BOROUGH OF WANAQUE

## 2019 MUNICIPAL TAX BREAKDOWN





# BOROUGH OF WANAUQUE

## AVERAGE RESIDENTIAL MUNICIPAL TAX 10 YEAR HISTORY





# BOROUGH OF WANAUKE

## THE BUDGET BREAKDOWN – WHAT DOES IT COST?

### MUNICIPAL BUDGET

- *MUNICIPAL SERVICES / GARBAGE COLLECTION / RECYCLING / POLICE SERVICES / FIRE DEPARTMENT / FIRST AID / PUBLIC WORKS / CONSTRUCTION / RECREATION / PARKS PLAYGROUNDS / HEALTH SERVICES*
- *ANNUAL 2019 MUNICIPAL TAX BILL = \$2,092 (\$175 PER MONTH)*

### CAPITAL PROJECTS (DEBT SERVICE)

- *BUILDING UPGRADES / VEHICLES / ROAD IMPROVEMENTS / EQUIPMENT*
- *DEBT SERVICE = \$1,403,754 IN 2019 MUNICIPAL BUDGET*
- *2019 ANNUAL PAYMENT IN MUNICIPAL BUDGET = \$288.*

### OPEN SPACE TRUST FUND

- *PARK IMPROVEMENTS / OPEN SPACE PURCHASES / GRANTS*
- *SEPARATE LINE ITEM IN THE TAX BILL*
- *2019 MUNICIPAL OPEN SPACE TAX = \$23*



# BOROUGH OF WANAQUE

## HOW DOES WANAQUE COMPARE TO OUR NEIGHBORS?

MUNICIPALITY	2010 AVERAGE MUNICIPAL TAX	2019 AVERAGE MUNICIPAL TAX	NET CHANGE	PERCENT CHANGE
WEST MILFORD	\$1,981	\$2,007	\$26	1.3%
WANAQUE	\$1,908	\$2,092	\$184	9.6%
BLOOMINGDALE	\$2,415	\$2,753	\$338	14.0%
POMPTON LAKES	\$2,015	\$2,358	\$343	17.0%
RINGWOOD	\$2,048	\$2,447	\$399	19.5%

DOES NOT INCLUDE THE STATUTORY LIBRARY APPROPRIATION

\* SOURCE: NEW JERSEY STATE DIVISION OF LOCAL GOVERNMENT SERVICES



# BOROUGH OF WANAUKE

## HOW ARE TAXES CALCULATED?

### 1. NET VALUATION

### 2. MUNICIPAL TAX LEVY

STATE AID  
REVENUE/GRANTS  
SURPLUS



# BOROUGH OF WANAQUE

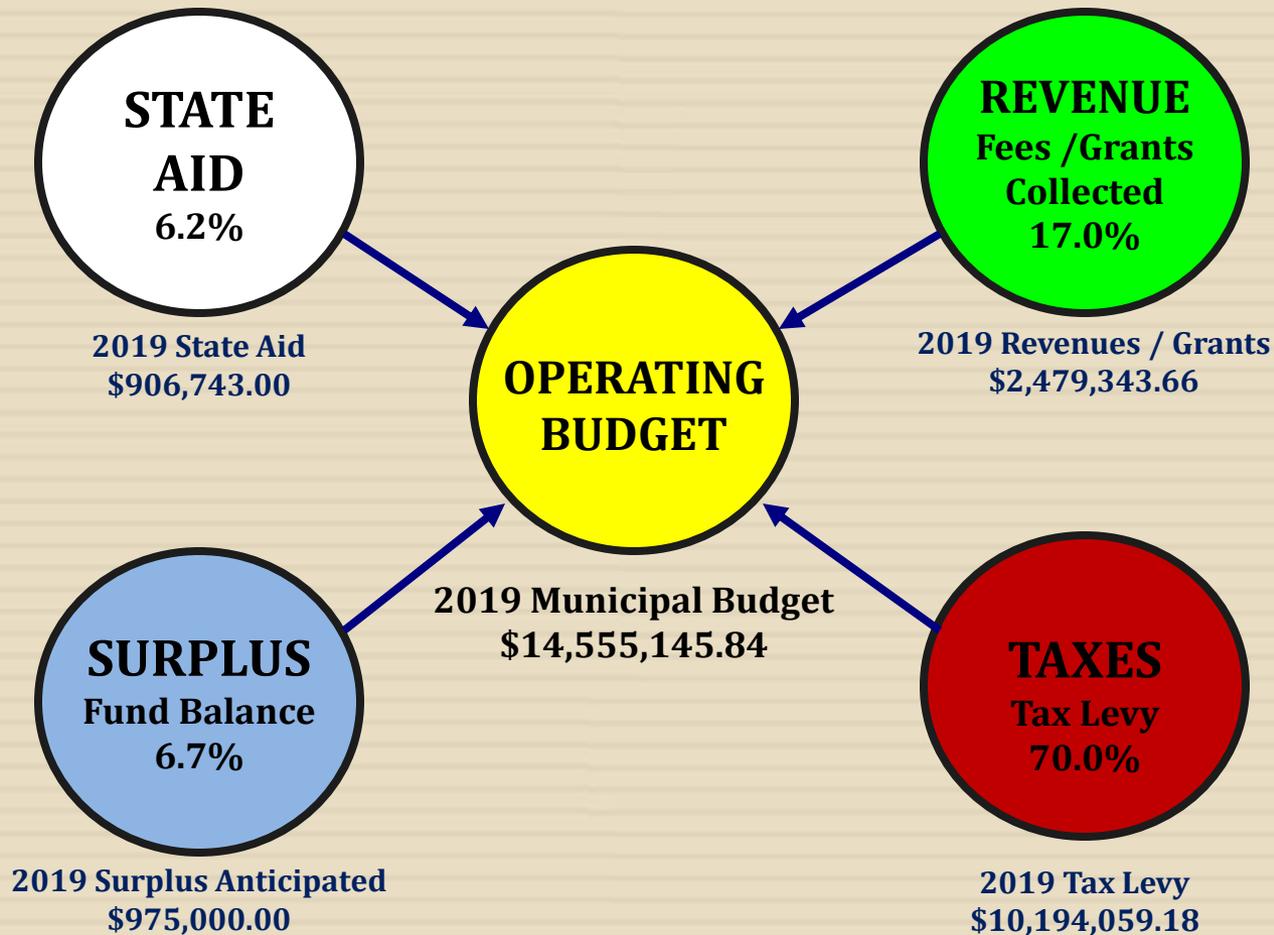
## 2020 ASSESSED VALUE – NET VALUATION

Type of Property	Properties	Total Assessment	Average	Percent
Vacant Land	227	\$28,532,100	\$125,692	1.8%
Residential	4309	\$989,127,300	<b>\$229,549</b>	62.0%
Farm	5	\$813,000	\$162,600	0.1%
Commercial	127	\$95,357,200	\$750,844	6.0%
Exempt	199	\$481,717,300	\$2,420,690	30.2%
<b>SUB-TOTAL</b>	<b>4867</b>	<b>\$1,595,546,900</b>	<b>\$327,830</b>	<b>100.0%</b>
(Less Exempt)	199	\$481,717,300	\$2,420,690	
<b>NET VALUATION TAXABLE (2020)</b>	<b>4668</b>	<b>\$1,113,829,600</b>		
<b>Net Valuation Taxable (2019):</b>		<b>\$1,119,159,100</b>		
<b>Net Change 2020:</b>		<b>(\$5,329,500)</b>	<b>(-0.48%)</b>	



# BOROUGH OF WANAUKE

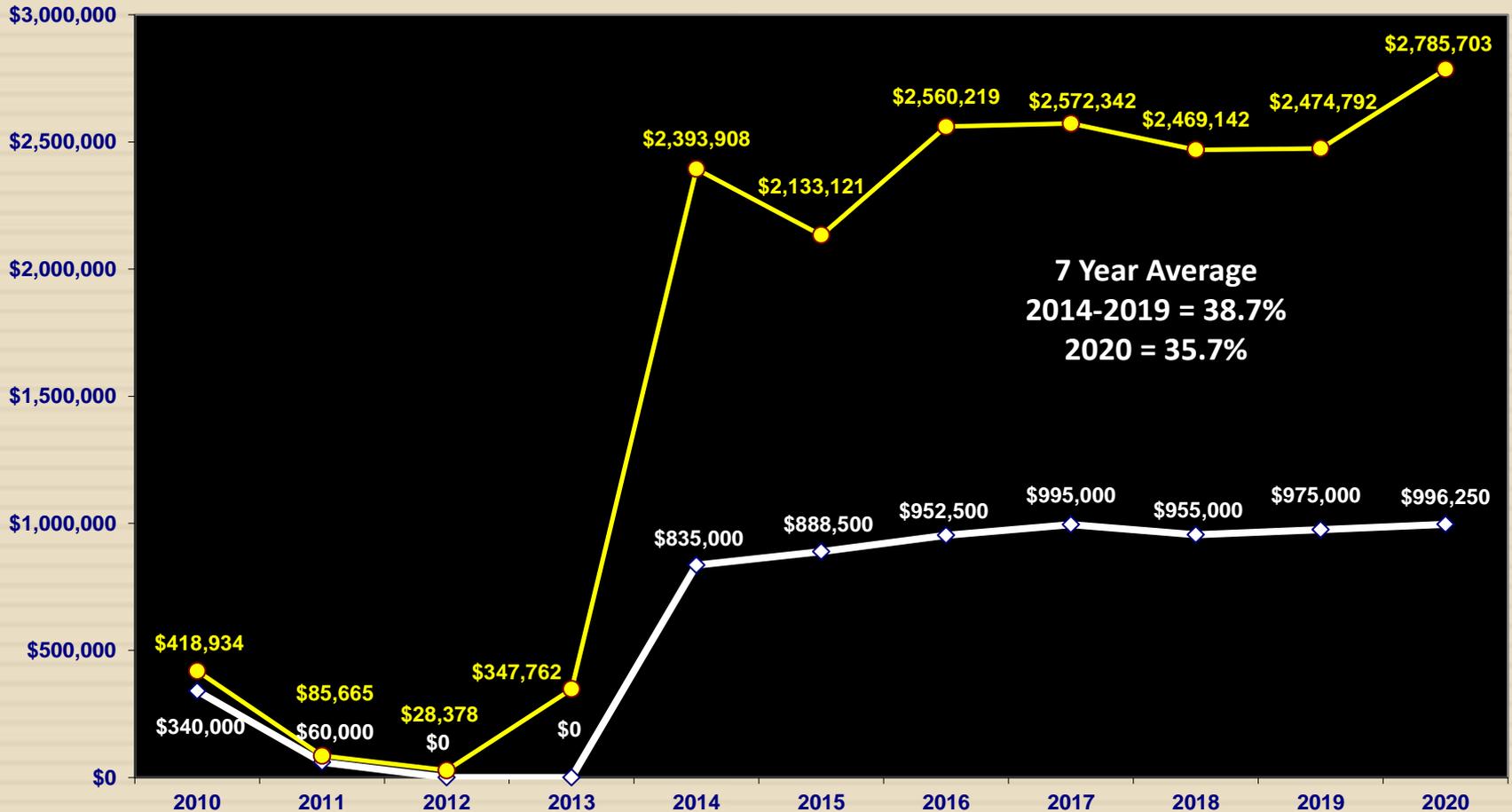
## THE BUDGET – WHERE DOES THE MONEY COME FROM?





# BOROUGH OF WANAUQUE

## SURPLUS – PERCENTAGE OF FUND BALANCE – 10 YEAR HISTORY





# BOROUGH OF WANAQUE

## REVENUE – CHALLENGES IN 2020

### 1. COVID-19 PANDEMIC

### 2. 2019 REVENUE REALIZED:

*MUNICIPAL COURT FINES = \$172,448*

*HOTEL OCCUPANCY TAX = \$75,819*

*CONSTRUCTION CODE = \$164,814*

### 3. 2020 REVENUES (7/1/2020):

*MUNICIPAL COURT FINES = \$45,463*

*HOTEL OCCUPANCY TAX = \$25,572*

*CONSTRUCTION CODE = \$27,467*

### 4. 2020 ANTICIPATED BUDGET REVENUE:

*MUNICIPAL COURT FINES = \$125,000*

*HOTEL OCCUPANCY TAX = \$60,725*

*CONSTRUCTION CODE = \$135,000*

**TOTAL REDUCTION OF BUDGET REVENUES**

**(\$ 92,356)**



# BOROUGH OF WANAQUE

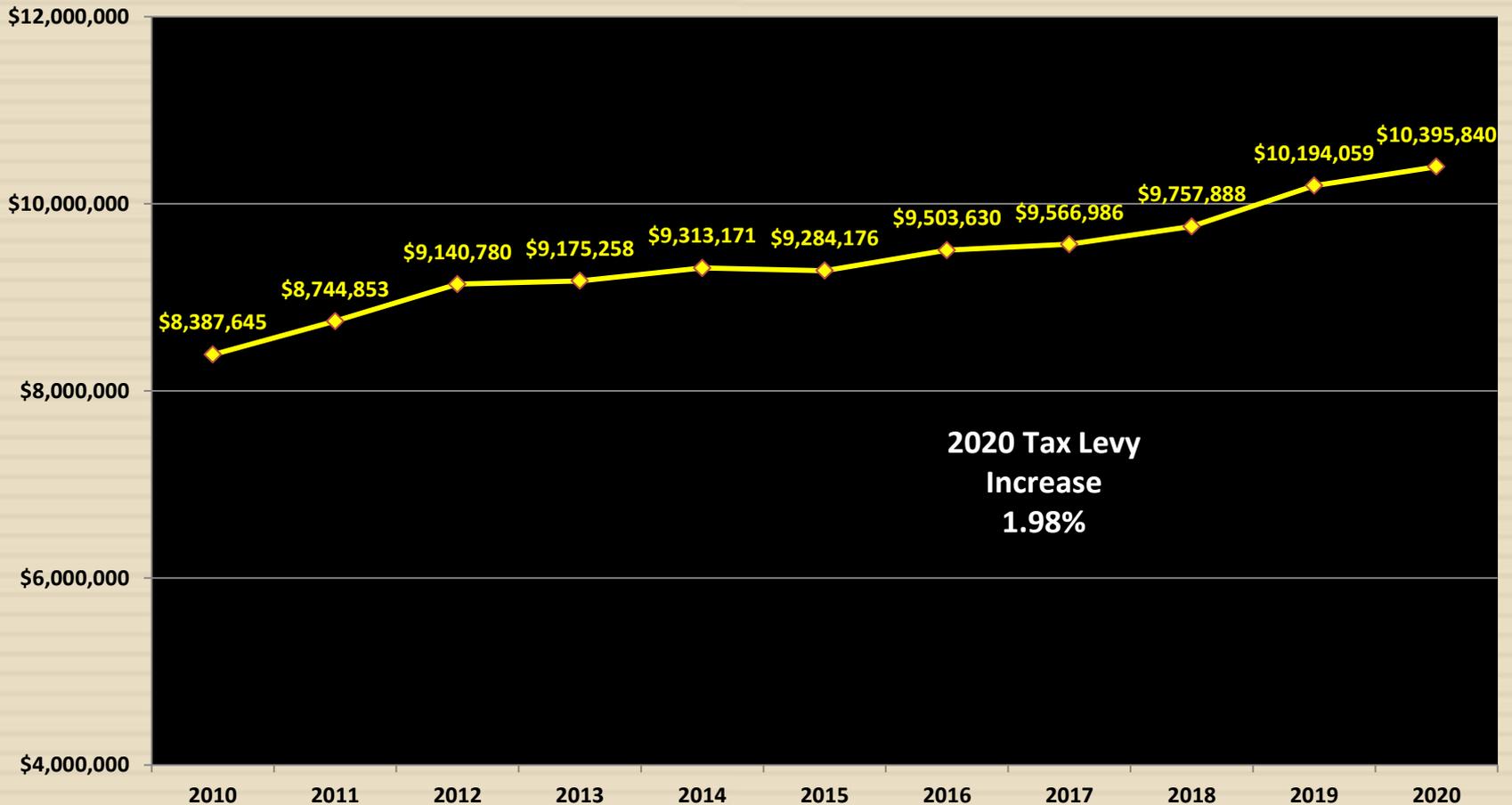
## GRANTS – NOTABLE AWARDS 2016 - 2020

PROJECT DESCRIPTION	GRANT AWARD	AMOUNT
2016 BACK BEACH IMPROVEMENTS	PASSAIC COUNTY OPEN SPACE	\$60,000
2017 ROAD IMPROVEMENTS	NJDOT	\$200,000
2017 BACK BEACH IMPROVEMENTS	PASSAIC COUNTY OPEN SPACE	\$120,000
2018 ROAD IMPROVEMENTS	NJDOT	\$485,000
2018 RAINBOW LAKE IMPROVEMENTS	PASSAIC COUNTY OPEN SPACE	\$60,000
2019 ROAD IMPROVEMENTS	NJDOT	\$500,000
2019 LAKESIDE PARK IMPROVEMENTS	PASSAIC COUNTY OPEN SPACE	\$99,000
2020 ROAD IMPROVEMENTS	NJDOT	\$520,000
2017 – 2020 MISCELLANEOUS	VARIOUS	\$288,230
	<b>TOTAL:</b>	<b>\$2,332,230</b>



# BOROUGH OF WANAUQUE

## TAX LEVY— 10 YEAR HISTORICAL DATA





# BOROUGH OF WANAUKE

## HOW WAS MY 2019 TAX RATE CALCULATED?

$$\text{TAX RATE} = \frac{\text{Municipal Tax Levy}}{\text{Net Valuation Taxable}} \times 100$$

$$\text{TAX RATE} = \frac{\$10,194,059}{\$1,119,159,100} \times 100$$

**2019 Municipal TAX RATE = 0.910**



# **BOROUGH OF WANAQUE**

## **2020 BOND SALE**



# BOROUGH OF WANAUQUE

## WANAUQUE S&P GLOBAL BOND RATING 2020

### Summary:

## Wanaque Borough, New Jersey; General Obligation; Water/Sewer

### Credit Profile

US\$6.75 mil GO bnds of 2020 due 03/15/2040

*Long Term Rating*

AA/Stable

New

### Credit overview

Wanaque's strong and stable tax base is buttressed by its location along an Interstate 287 interchange in Passaic County, about an hour's drive from Midtown Manhattan. The borough's management has been able to leverage this tax base to produce a long string of roughly break-even results through conservative budgeting and proactive surplus management. We expect stable operations to continue as the borough pays down its existing debt at a faster pace than it issues new debt, although long-term retirement liabilities will likely remain elevated.



# BOROUGH OF WANAUKE

## BOND RATING SCALE

	MOODY'S INVESTORS SERVICE	FitchRatings	S&P Global Ratings	Rating Grade Description
Investment Grade	Aaa	AAA	AAA	Highest credit quality, lowest level of credit risk
	Aa1	AA+	AA+	Very high credit quality with very low credit risk
	Aa2	AA	AA	
	Aa3	AA-	AA-	
	A1	A+	A+	High credit quality with low credit risk
	A2	A	A	
	A3	A-	A-	
	Baa1	BBB+	BBB+	Good credit quality with moderate credit risk
	Baa2	BBB	BBB	
Baa3	BBB-	BBB-		
Speculative Grade	Ba1	BB+	BB+	Speculative with substantial credit risk
	Ba2	BB	BB	
	Ba3	BB-	BB-	
	B1	B+	B+	Highly speculative with high credit risk
	B2	B	B	
	B3	B-	B-	
	Caa1	CCC+	CCC+	Substantial credit risk with default as a real possibility
	Caa2	CCC	CCC	
	Caa3	CCC-	CCC-	
	Ca	CC	CC	Very high levels of credit risk with default either occurring or about to occur
	C	C	C	Default or default-like process has begun
		SD	RD	Selective Default (SD): Issuers have defaulted on one or more specific issues but are expected to meet their other payment obligations. Restricted Default (RD): Issuers have missed one or more payments but are not under supervision for reorganization or liquidation.
	D	D	Default: Issuers are unlikely to pay their obligations and have likely entered into bankruptcy filings, administration, receivership, liquidation or other formal winding-up procedures.	



# **BOROUGH OF WANAQUE**

## **2020 BOND SALE RESULTS**

**SALE OF \$6,750,000**

**GENERAL OBLIGATION BONDS**

**GENERAL CAPITAL: \$4,410,000**

**WATER CAPITAL: \$2,340,000**

**DATE OF MATURITY: 3/15/2040**

**INTEREST RATE: 2.0%**



# BOROUGH OF WANAQUE

## MAJOR ACCOMPLISHMENTS



# BOROUGH OF WANAQUE

## MAJOR ACCOMPLISHMENTS

### WANAQUE ROAD IMPROVEMENT PROJECT

- **WANAQUE – APPROXIMATELY 200 BOROUGH STREETS**
- **WANAQUE – TOTAL ROAD MILEAGE = 36.4 / BOROUGH = 29.3**
- **ROADS COMPLETED:**
  - DOTY ROAD / MANN PLACE / MARGARET COURT / PAUL PLACE / SMITH AVE / PARK AVE / 3D AVE / FATHER HAYES DRIVE / JEFFERSON STREET / MONROE STREET / CARTER ROAD / GRIST MILL / RAMAPO MOUNTAIN DRIVE / TREMONT TERRACE**
  - TOTAL: 3.12 MILES REPLACED = 10.7%**
- **ROADS SCHEDULED:**
  - MIDVALE AVE / ANN STREET / HARRIET STREET / STEPHENS AVE / DEBOW AVE / GEORGE AVE / FURNACE AVE / ERIE AVE / LINES AVE / JACKSON STREET / HANNIBAL PLACE / ARCOLA PLACE / LAKESIDE AVENUE MOUNTAIN AVENUE / TOQUET STREET**
  - TOTAL: 2.00 MILES REPLACED = 6.8%**
- **GRANTS RECEIVED= \$1,075,000**



# BOROUGH OF WANAQUE

## MAJOR ACCOMPLISHMENTS

### WANAQUE WATER SYSTEM IMPROVEMENTS

- WANAQUE – APPROXIMATELY 200 BOROUGH STREETS
- WANAQUE – TOTAL ROAD MILEAGE = 36.4 / BOROUGH = 29.3
- WATER MAINS REPLACED:

<i>MIDVALE AVENUE</i>	<i>560</i>
<i>ANN STREET</i>	<i>300</i>
<i>HARRIET STREET</i>	<i>435</i>
<i>STEPHENS AVENUE</i>	<i>1,050</i>
<i>DEBOW AVENUE</i>	<i>450</i>
<i>GEORGE AVENUE</i>	<i>300</i>
<i>FURNACE AVENUE</i>	<i>1,025</i>
<i>ERIE AVENUE</i>	<i>410</i>
<i>LINES AVENUE</i>	<i>425</i>
- TOTAL: 0.94 MILES REPLACED = 3.2%
- TOTAL INVESTMENT: **\$1,015,513**



# BOROUGH OF WANAQUE

## MAJOR ACCOMPLISHMENTS WANAQUE MISCELLANEOUS

- **BACK BEACH PARK IMPROVEMENTS**

  - *FENCING REPLACEMENT*

  - *CONCRETE PATHS*

  - *SNACK STAND ROOFING AND PAINTING*

  - *PAVILION*

  - *BASKETBALL COURT PAVING*

- **FOURTH AVENUE DRAINAGE IMPROVEMENTS**
- **TREMONT TERRACE CULVERT REPLACEMENT**
- **CATCH BASIN REPAIRS – APPROXIMATELY 45 REPAIRED**
- **LIBRARY IMPROVEMENTS – COVERED BACK ENTRANCE**
- **FIREHOUSE FLOORS AND SIDEWALKS – NEW DOORS**
- **FIRST AID SQUAD SIDEWALKS AND FENCING**
- **NEGOTIATED FOP / SUPERIOR OFFICERS / CHIEF AGREEMENTS**
- **NEW DIGITAL SIGN IN HASKELL**



# BOROUGH OF WANAQUE

## BOROUGH OF WANAQUE MAJOR UPCOMING PROJECTS

- **LAKESIDE PARK UPGRADES - \$99,000 GRANT**
- **RAINBOW LAKES IMPROVEMENTS – CLEANUP / BENCHES - \$60,000 GRANT**
- **VARIOUS PAVING PROJECTS**  
**BACK BEACH PARKING LOT / GOLDEN AGERS PARKING LOT / ADDICE PARK**
- **BOROUGH HALL UPGRADES FOR REOPENING TO THE PUBLIC**
- **CONTINUATION OF OUR INFRASTRUCTURE STRATEGIC PLAN**
- **FY2021 NJDOT MUNICIPAL AID – 8 ADDITIONAL STREETS**  
*GARY PLACE / HELD TERRACE / ARGYLE TERRACE / BURNSIDE PLACE / NORTHGATE  
HASKELL AVENUE / WOLFE DRIVE / CANNONBALL ROAD*



# **BOROUGH OF WANAQUE**

## **2020 MUNICIPAL BUDGET**



# BOROUGH OF WANAUKE

## 2020 WANAUKE MUNICIPAL BUDGET BUDGET CHANGES 2019 → 2020

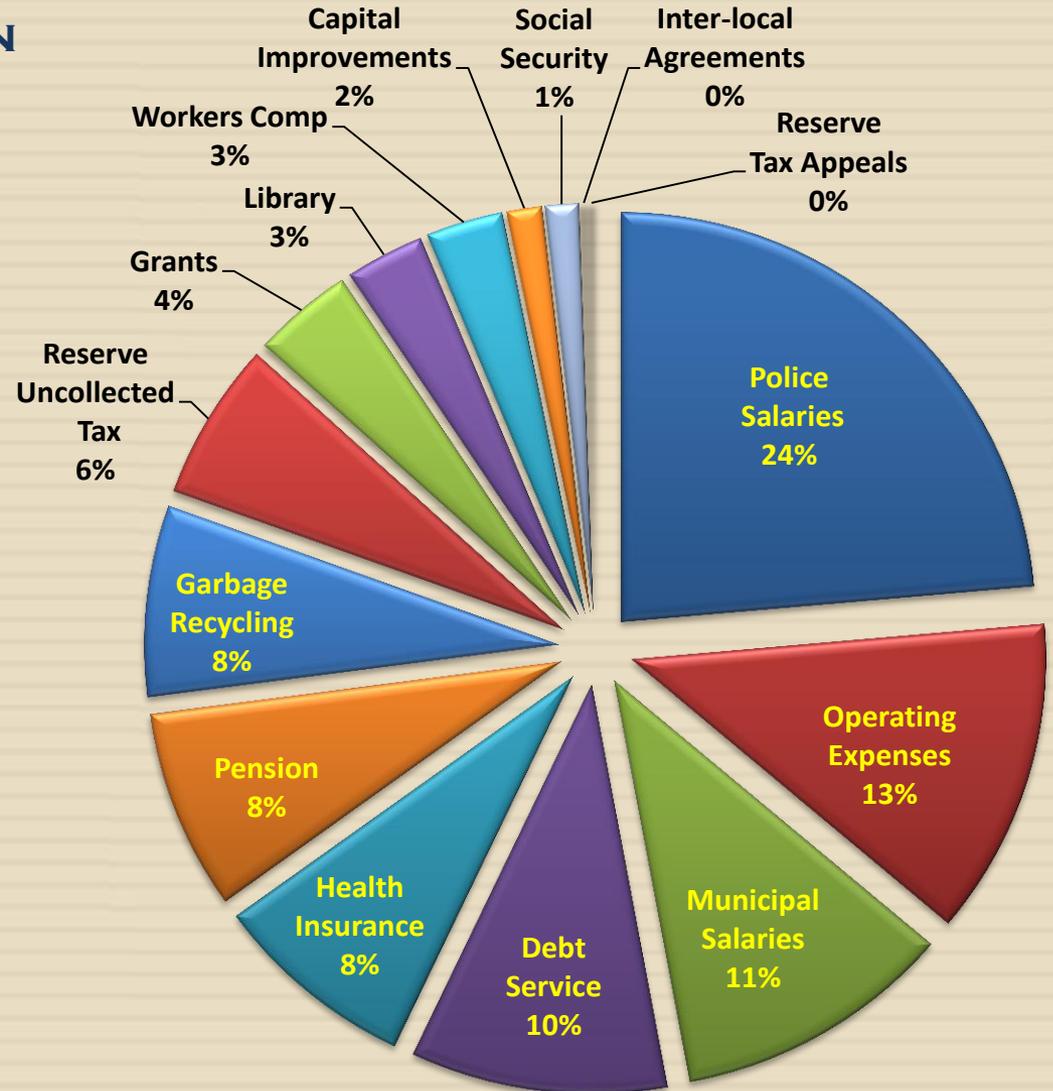
DESCRIPTION	2019	2020	Budget (%)	Change	Limited Control	Net Change
Police Salaries	\$3,516,429.59	\$3,473,071.45	23.2%	(\$43,358.14)	X	-1.2%
Operating Expenses	\$1,883,065.00	\$1,847,135.00	12.8%	(\$35,930.00)	X	-1.9%
Municipal Salaries	\$1,542,400.00	\$1,604,719.20	11.0%	\$62,319.20	X	4.0%
Debt Service	\$1,403,754.11	\$1,469,262.48	10.1%	\$65,508.37	X	4.5%
Health Insurance	\$1,096,000.00	\$1,174,650.00	8.1%	\$78,650.00	X	6.7%
Pension	\$1,167,900.60	\$1,161,831.40	8.0%	(\$6,069.20)	X	-0.5%
Garbage / Recycling	\$1,016,000.00	\$1,108,950.00	7.5%	\$92,950.00	X	9.1%
Reserve Uncollected Taxes	\$904,178.88	\$918,977.25	6.3%	\$14,798.37	X	1.6%
Grants	\$557,693.66	\$589,681.58	3.5%	\$23,995.92	X	5.7%
Library	\$436,384.00	\$454,554.00	3.1%	\$18,170.00	X	4.0%
Workers Comp Insurance	\$420,000.00	\$443,724.00	3.0%	\$23,724.00	X	5.3%
Capital Improvements	\$340,000.00	\$200,000.00	2.1%	(\$140,000.00)		-13.3%
Social Security	\$190,740.00	\$190,740.00	0.8%	\$0.00	X	0.0%
Inter-local Agreements	\$40,600.00	\$40,700.00	0.3%	\$100.00		0.2%
Reserve for Tax Appeals	\$40,000.00	\$40,000.00	0.3%	\$0.00		0.0%
<b>BUDGET TOTALS</b>	<b>\$14,555,145.84</b>	<b>\$14,710,004.36</b>	<b>100.0%</b>	<b>\$154,858.52</b>	<b>98%</b>	<b>1.0%</b>



# BOROUGH OF WANAUQUE

## 2020 BUDGET BREAKDOWN

DESCRIPTION	2020
Police Salaries	\$3,473,071.45
Operating Expenses	\$1,847,135.00
Municipal Salaries	\$1,604,719.20
Debt Service	\$1,469,262.48
Health Insurance	\$1,174,650.00
Pension	\$1,161,831.40
Garbage / Recycling	\$1,108,950.00
Reserve Uncollected Taxes	\$918,977.25
Grants	\$581,689.58
Library	\$454,554.00
Workers Comp Insurance	\$443,724.00
Capital Improvements	\$200,000.00
Social Security	\$190,740.00
Inter-local Agreements	\$40,700.00
Reserve for Tax Appeals	\$40,000.00
<b>2020 BUDGET:</b>	<b>\$14,710,004.36</b>





# BOROUGH OF WANAQUE

## 2020 MUNICIPAL TAX SUMMARY

- 2020 PROPOSED BUDGET: \$14,710,004
- 2020 PROPOSED TAX LEVY: \$10,395,840
- 2020 TAX LEVY INCREASE (\$): \$201,780
- 2020 TAX LEVY INCREASE (%): 1.98%
- SURPLUS ANTICIPATED: \$ 975,000
- 2019 MUNICIPAL TAX RATE: \$ 0.910
- AVERAGE HOME ASSESSMENT 2020: **\$ 229,549**
- 2020 MUNICIPAL TAX RATE: **\$ 0.933**

**2020 AVERAGE RESIDENTIAL  
MUNICIPAL TAX INCREASE  
\$50.70**



# BOROUGH OF WANAQUE

## WANAQUE - 8 YEAR TAX HISTORY

Year	Tax Rate						Average Residential	Average TOTAL TAX	Average Municipal	Net Valuation	Municipal Levy
	Municipal	Mun O/S	County	Library	School	TOTAL					
2013	0.819	0.010	0.732	0.039	1.883	3.482	\$249,030	\$8,672	\$2,041	\$1,119,721,200	\$9,175,258
2014	0.828	0.010	0.809	0.038	1.840	3.524	\$247,893	\$8,737	\$2,052	\$1,125,319,500	\$9,313,171
2015	0.828	0.010	0.850	0.037	1.870	3.595	\$248,043	\$8,918	\$2,054	\$1,121,190,100	\$9,284,176
2016	0.848	0.010	0.832	0.037	1.920	3.647	\$230,087	\$8,392	\$1,951	\$1,121,074,300	\$9,503,630
2017	0.856	0.010	0.831	0.038	2.004	3.739	\$229,367	\$8,576	\$1,964	\$1,117,051,600	\$9,566,986
2018	0.872	0.010	0.847	0.038	2.063	3.829	\$229,983	\$8,807	\$2,005	\$1,119,326,200	\$9,757,888
2019	0.910	0.010	0.828	0.038	2.121	3.907	\$229,866	\$9,043	\$2,092	\$1,119,159,100	\$10,194,059
<b>2020</b>	<b>0.933</b>	<b>0.010</b>	<b>0.848</b>	<b>0.041</b>	<b>2.193</b>	<b>4.025</b>	<b>\$229,549</b>	<b>\$9,239</b>	<b>\$2,142</b>	<b>\$1,113,829,600</b>	<b>\$10,395,840</b>
2020 Net Change (%)										-0.48%	1.98%
2020 Net Change (\$)								\$195.50	\$50.70	(\$5,329,500)	\$201,780



# **BOROUGH OF WANAUKE**

## **2020 ADMINISTRATOR REPORT “FINANCIAL REVIEW”**

**QUESTIONS / DISCUSSION**

**THANK YOU**