



Borough of Hillsdale

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John J. Ruocco, Mayor

April 15, 2020

My fellow residents, last night the Mayor & Council failed to adopt an amended municipal budget of \$15.26 million for the calendar year 2020, an increase of 4.3% in general appropriations over last year's budget. **The proposed budget called for a zero percent increase in municipal property taxes.** (As you know, taxes to support local and regional school systems, along with county taxes, are determined separately by those entities.)

The municipal budget originally introduced by the Council last month included a 1.98% increase in municipal taxes. However, in recognition of the economic damage and stresses caused by the COVID-19 pandemic to business & residential taxpayers, I proposed to the Finance Committee back in March that the increase be eliminated. The Finance Committee agreed and presented a "no tax increase" budget to the Council last night. To achieve the elimination of any tax increase, the Finance Committee adjusted amounts appropriated to capital projects, employee health insurance, sewage charges and library insurance expenses. It was determined that such adjustments could be made with minimal impact on the Borough's ability to deliver services while still protecting against unforeseen risks.

The public discussion at last night's Council meeting did **not** reflect a hesitancy to keep a lid on property taxes. Rather, from my subsequent discussions with several Council members, the underlying concerns seemed to be on whether the reduction in property taxes went far enough, whether operating expenses should be trimmed further, whether estimated revenues could be counted on given economic deterioration, and whether the financial challenges faced by the Stonybrook Pool were adequately reflected. Regardless of whether these concerns are justified, they reflect a genuine anxiety on the part of Council over the worsening economic situation being experienced among our residents. We will be having a Special Council meeting later this week to attempt to resolve these concerns.

I think this discussion is a healthy one, and reflects the Mayor & Council's concern to do its best for the residents. These are unprecedented times that require flexibility and a willingness to abandon old ways of doing things. This does not come easy to any municipality. In recognition of the delay in adopting the full-year budget, and after consulting with the Borough Administrator, I have asked him to prepare a resolution for an interim/temporary budget that, if approved by the governing body, will allow us to meet all the Borough's critical needs for the next several weeks. Obviously, these include any necessary expenses to respond to the pandemic situation. This action would be similar to what all municipalities must do at the beginning of every year until a budget is adopted. As always, I will keep the residents of Hillsdale informed of future developments.

Mayor John J. Ruocco