



Borough of Hillsdale

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John J. Ruocco, Mayor

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To My Fellow Hillsdale Taxpayers,

Enclosed is your estimated 3rd Quarter property tax bill for 2020. You will receive a final reconciled 4th Quarter 2020 and preliminary 2021 bill once the County tax levy is known. We have estimated that levy for purposes of this notice, and believe it produces a very close approximation to what your final tax bill will be. Your overall property tax bill is divided as follows:

Hillsdale local school tax	45.0%
PVRHS Regional School tax	25.1%
Municipal & Library tax	20.4%
County & Open Space tax	9.5%

Now let me briefly comment on the municipal portion of the budget. I am proud to say that this year the Hillsdale Borough Council adopted a municipal budget that included **no increase in the amount of municipal taxes to be raised**, and even reflected a slight decline in the tax rate, from \$0.560 per \$100 of assessed property valuation, to \$0.558 per \$100. In adopting this budget, the governing body recognized the severe economic and financial ramifications that the COVID19 pandemic and related shutdowns were having on local businesses and residents. It wanted to avoid adding to that stress. While still allowing overall municipal appropriations to increase to \$15.3 million (+4.3%), the approved budget kept a lid on amounts appropriated to capital projects, reduced certain appropriations for employee health insurance, sewage charges and library insurance expenses, and drew modestly on its surplus account accumulated over the years. 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.

While 2nd quarter property tax collections have held fairly steady, the economic effects of the pandemic are still unfolding. These are expected to depress both tax collections and other revenues in virtually all NJ municipalities for the balance of the year. Many municipalities are already "throwing in the towel" and hope to pursue long-term debt issuance as a means of supporting their operating expenditures. However, this is regarded as an unsafe and unsound practice in the private sector, to be considered by municipalities only when expense reductions and tax increases are no longer an option. Hence, the Borough is closely monitoring its cash position and adopting a cautious spending approach for the remainder of 2020, especially regarding departmental requests for capital items. This is necessary in order to minimize the chances of us being confronted in 2021 with having to seek a large property tax increase, or a reduction in services/staff, much smaller capital improvements, or a combination of all three.

I am hopeful that through the efforts of our Certified Municipal Finance Officer & Tax Collector, Mr. David Sireci, our Borough Administrator, Mr. Christopher Tietjen, and with the cooperation and consent of our Borough Council, Hillsdale will maneuver through these financial shoals.

