



OFFICE OF THE SUPERVISOR
TOWN OF RAMAPO
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Michael B. Specht
SUPERVISOR

November 20, 2018

Town of Ramapo 2019 Budget Message

I am pleased to submit for adoption the Town's budget for 2019, the first budget under our new administration.

This past year, our board has worked closely with all administrative officials of the Town with the objective of achieving best practices, as well as economies and efficiencies in all aspects of the Town's operations.

Unfortunately, the financial practices of the past eroded the fund balance of the General Fund, the key indicator of the Town's financial strength. Our current imperative is to restore the financial health of the Town and to adopt and monitor practices that will ensure long term structural balance and financial accountability.

Working with our financial advisory firm, we intend to develop a multi-year plan to ultimately increase fund balances to at least a benchmark of 10% of annual expenditures.

We are evaluating every improvement opportunity in compliance with applicable laws including:

- Reducing costs wherever possible without compromising services
- Selling surplus properties that are not required for core Town purposes
- Seeking outside funding from State and Federal grant programs
- Evaluating deficit reduction & financing

I have included a summary report prepared by our financial advisors outlining improvement opportunities, in detail, as an attachment to this Budget Message.

2019 Adopted Budget at a Glance

- Amount to be raised by taxes of \$87.1m – which is .98% below the New York State Tax cap.
- Economy and efficiency achievements budgeted in 2019:
 - The early retirement incentive program implemented at the end of 2018 resulted in a saving of approximately \$1m in the 2019 budget

- Licensing our golf course has resulted in a \$1.1m improvement in 2018 over 2017 and the anticipated revenue in 2019 reduced taxes by \$300,000
- 30% reduction in 2019 budgeted vehicle fuel and maintenance costs as a result of replacing 72 inefficient vehicles by lease financing 60 energy efficient vehicles managed by a professional fleet management system
- The 2019 budget provides for forward looking initiatives:
 - improving the efficiency of all information technology and communication solutions
 - industry expert review to identify opportunities to increase stadium revenues with the objective of reducing the financial support provided by the Town to the Ramapo Local Development Corporation
- The budget does not include any property sale revenue. The sale of surplus property is being evaluated as an additional source to replenish the General Fund, Fund Balance.
- The budget includes approximately \$1.5m in Rockland County charge backs. In past years, these costs were contained on the County tax bill but for the past several years they have been imposed on the Towns.
- The 2019 salary budget includes salary, longevity and step increases as mandated by the various collective bargaining agreements in place.
- Consultant costs budgeted in 2019:
 - In the Finance Department, the consultant budget has been increased to include the financial advisory review as required by the Town's settlement with the SEC and the on-going strategic assistance of our financial advisory firm
 - In the Supervisor and Town Attorney departments, the consulting budget has been increased to provide for the outside expert assistance required in connection with updating the Town's Comprehensive Plan / Northeast Ramapo Strategic Plan.
- The 2019 Adopted Budget includes \$3.3 m earmarked to reduce a portion of the outstanding liabilities that the General Fund has to other various Town Funds. By increasing taxes in the General Fund while at the same time reducing taxes in other funds we will reduce the liabilities in the General Fund. As there are excess fund balances in those funds the Town will make an appropriation to reduce the overall Tax levy and reduce a portion of the deficit in the General Fund. This is a substantial first step in restoring the financial position of the Town of Ramapo.

Much More Work to Be Done

I want to apologize for the continued delay in finalizing the Town's 2015 audited financial statements. Our auditors have indicated that the release of the 2015 statements is imminent. We have already commenced the audits of 2016 and 2017 with the objective of bringing the Town's financial reporting current by the end of the first quarter of 2019.


Based on our current best estimate of the full year operating results of the Town in 2018, the year will conclude with a budget breakeven or a modest operating budget surplus in all funds

including the General Fund. This is a clear reversal of the operating deficits of past years. It is the result of realistic and transparent budgeting coupled with strict financial discipline.

I want to reaffirm our objective of delivering the highest quality services to all of our residents with an unquestioned commitment to transparency and compliance with all laws and regulations.

Under our leadership, Ramapo has begun to turn the corner. I thank you for your continued support.

Sincerely,

A handwritten signature in cursive script that reads "Michael B. Specht". The signature is fluid and written in black ink.

Michael B. Specht
Supervisor