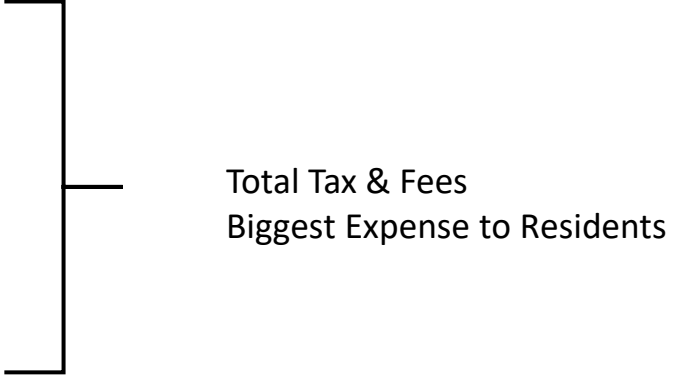




Borough of Ridley Park

The information provided in this presentation is as of Monday February 5, 2024.

How does the Borough generate revenue?

- Property Tax (mills)
 - Trash Fee
 - Sewer Fee
 - Permits, Licenses, Fees and Grants, Transfer Tax
 - Emergency & Local Services Tax
 - Per Capita Tax
- 
- Total Tax & Fees
Biggest Expense to Residents
- The diagram consists of a vertical bracket on the left side of the list, spanning the three items: Property Tax (mills), Trash Fee, and Sewer Fee. A horizontal line extends from the middle of the bracket to the right, pointing towards the text 'Total Tax & Fees' and 'Biggest Expense to Residents'.

The Borough does not raise revenue by...

- Earned Income Tax (EIT)
 - Direct tax on resident's and employees of business income from employment earnings
- Business Privilege or Mercantile Tax
 - Flat rate or gross receipts of business

How does the Borough develop a budget?

- Every fall Borough Manager and Finance Committee meet to:
 - Develop projections for the upcoming year of expenses
 - Consider capital purchases needed
 - Wait for sewer and garbage cost to be provided by County agencies
- Borough has an obligation to publish a preliminary budget and make it available to the public for 30 days
 - Occurs in November
- December Borough must publish an ordinance of tax rates and fees at least 7 days prior to voting on the final budget

What has been difficult about this year's process?

- Renegotiating three (3) contracts during budgeting process
 - FOP, Teamsters and Trash/Recycling
- Projections after two(2) straight years of increased inflation and interest rates
- November realization that Prospect Medical Holdings was unlikely to pay their tax or sewer bill for 2023
 - Owed 363k + 123k = 487k as of November late notice

What has been difficult about this year's process?

- TAN (Tax Anticipation Note)
 - Loan from bank with anticipated tax revenue as collateral
- Common for small municipalities to start the year
- Un-common for the Ridley Park in December
 - Caused by budget shortfall from Prospect Medical non-payment

Why did Borough Council Open the Budget?

- 2024 was the year after a municipal election:
 - Allowed Borough Council to Re-Open the Budget
 - Look for additional budget cuts
 - Pass a budget with lower property tax than originally proposed

Taxes & Fees Throughout the Budget Process

- Preliminary budget as of 11/8/2023
 - 6.45 mills
 - \$465 sewer fee
 - \$395 trash fee

➤ Budget prior to realization Prospect Medical would not pay taxes or sewer fee.
- Final Budget as of 12/28/2023
 - 7.15 mills
 - \$465 sewer fee
 - \$395 trash fee

➤ Borough Council re-opened the budget to further reduce expenses.
- Final Budget as of 2/6/2023
 - 6.5 mills
 - \$465 sewer fee
 - \$395 trash fee

Tax and Fees cost to Borough Residents?

As of 2/5/2024

Precint	House	2024 Final Budget								
		Zillow	Mil	Borough Tax	Sewer	Trash	Total Cost	\$ Increase	% Increase	\$ Increase per month
1st		\$ 184,620.00	0.0065	\$ 1,200.03	\$ 465.00	\$395.00	\$ 2,060.03	\$ 213.85	11.58%	\$ 17.82
1st		\$ 184,410.00	0.0065	\$ 1,198.67	\$ 465.00	\$395.00	\$ 2,058.67	\$ 213.63	11.58%	\$ 17.80
2nd		\$ 160,000.00	0.0065	\$ 1,040.00	\$ 465.00	\$395.00	\$ 1,900.00	\$ 188.00	10.98%	\$ 15.67
2nd		\$ 156,430.00	0.0065	\$ 1,016.80	\$ 465.00	\$395.00	\$ 1,876.80	\$ 184.25	10.89%	\$ 15.35
3rd		\$ 161,430.00	0.0065	\$ 1,049.30	\$ 465.00	\$395.00	\$ 1,909.30	\$ 189.50	11.02%	\$ 15.79
3rd	Pomeroy St.	\$ 178,290.00	0.0065	\$ 1,158.89	\$ 465.00	\$395.00	\$ 2,018.89	\$ 207.20	11.44%	\$ 17.27
4th		\$ 192,910.00	0.0065	\$ 1,253.92	\$ 465.00	\$395.00	\$ 2,113.92	\$ 222.56	11.77%	\$ 18.55
4th		\$ 292,010.00	0.0065	\$ 1,898.07	\$ 465.00	\$395.00	\$ 2,758.07	\$ 326.61	13.43%	\$ 27.22

Where does the Borough rank with tax rates?

- 27 Boroughs in Delaware County (apples to apples)
 - 2023 property tax rates, Ridley Park was 9th lowest
 - Of the eight (8) Boroughs lower four (4) have EIT or mercantile tax
- Based on 2024 property tax increase
 - Ridley Park would be 12th lowest (assuming no other Borough raises taxes)
- 18 of 27 Boroughs in Delaware county have EIT or Mercantile Tax

How is the Borough reducing costs for 2024?

- Negotiated new contractor for trash and recycling pick up
 - Saved 4%
 - Unfortunately dumping fees assessed by the County went up 14%
 - New system for bulk trash pickup to monitor dumping fees
- Suspension of capital and equipment purchases for upcoming year
 - 37k
- Suspension of road program for the year
 - 150k

How is the Borough reducing costs for 2024?

- Consolidation of Library Employee Schedule
- Reduction of Police over-time through terms of new agreement
- \$ Borough will have additional revenue coming in
 - Parking meter system
 - General Obligation Note (Police Station)
 - Debt from fire truck apparatus
- ARPA reimbursement for Storm Water Projects 171k

Questions Council has been asked

- How can Prospect Medical not pay their taxes?
 - They have a legal obligation to pay their taxes
 - Officially delinquent January 1st, 2024 and has been sent to collection
- Why do the Borough tax-payers have to make up the difference?
 - Borough must fund a government and can not run a deficit
 - Major expenses are contractual or tied to services don't want eliminated
- How did the Borough not see this coming?
 - Risk was seen as Taylor Hospital going non-profit (12-month notice)

What does 2024 look like for Borough Finances?

- Continue negotiations with Prospect Medical for property taxes
- Monitor the Sale of Crozer Medical System
 - Court order/stipulation of sale to non-profit within 270 days
- Bi-partisan sub-committee formed to review
 - Borough spending and taxes
 - Present long-term plan to Council for recommendations