

ANNUAL DISCLOSURE STATEMENT

BOROUGH OF SPOTSWOOD

COUNTY OF MIDDLESEX

NEW JERSEY

DECEMBER 31, 2017

ANNUAL DISCLOSURE STATEMENT
BOROUGH OF SPOTSWOOD
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Borough of Spotswood

77 Summerhill Road, Spotswood, NJ 08884



TRANSMITTAL LETTER

June 14, 2018

Designated Nationally Recognized Municipal
Securities Information Repositories

RE: Annual Continuing Disclosure Information – December 31, 2017
Borough of Spotswood, County of Middlesex, New Jersey

To Whom It May Concern:

Please find enclosed the Annual Continuing Disclosure Information for the Borough of Spotswood. This information is being filed in accordance with the Borough's obligation to provide continuing disclosure information as required in conjunction with the Middlesex County (New Jersey) Improvement Authority, County Guaranteed Capital Equipment Lease Revenue Bonds, Series 2014, Series 2015 and Series 2016, Capital Equipment and Improvement Revenue Bonds Series 2008 and 2009, and Borough of Spotswood General Obligation Bond Sales, Series 2010 and 2012.

Very truly yours,

Borough of Spotswood

Dawn McDonald

Dawn McDonald
Business Administrator

Joseph Zanga

Joseph Zanga
Chief Financial Officer

Distribution List: Municipal Securities Rulemaking Board (MSRB) <http://emma.msrb.org>

**Borough of Spotswood
County of Middlesex, New Jersey
Bond Outstanding and Related CUSIP Number**

**General Obligation Refunding Bonds, Series 2010
(Not Insured)**

General Improvement Bonds and Water-Sewer Utility Refunding Bonds

<u>Maturities</u>	<u>Refunding Bonds</u>			<u>Interest Rates</u>	<u>Bond #</u>
	<u>Combined Maturity</u>	<u>General Improvement</u>	<u>Water-Sewer Utility</u>		
10/1/ 2018	\$ 60,000	\$ 40,000	\$ 20,000	2.625 %	N/A
10/1/ 2019	200,000	130,000	70,000	3.700	N/A

**General Obligation Water-Sewer Utility Refunding Bonds, Series 2012
(Not Insured)**

General Improvement Bonds and Water-Sewer Utility Refunding Bonds

<u>Maturities</u>	<u>Denominations</u>	<u>Interest Rates</u>	<u>CUSIP#</u>
12/1/ 2018	\$ 245,000	2.00 %	849220 KV9
12/1/ 2019	260,000	2.00	849220 KW7
12/1/ 2020	275,000	2.00	849220 KX5
12/1/ 2021	285,000	2.00	849220 KY3
12/1/ 2022	275,000	2.25	849220 KZ0

**General Obligation Bonds Series 2012
(Not Insured)**

General Obligation Bonds, Series 2012

<u>Maturities</u>	<u>Refunding Bonds</u>			<u>Interest Rates</u>	<u>CUSIP#</u>
	<u>Combined Maturity</u>	<u>General Improvement</u>	<u>Water-Sewer Utility</u>		
6/15/ 2018	\$ 425,000	\$ 200,000	\$ 225,000	2.00 %	849220 LF3
6/15/ 2019	335,000	110,000	225,000	2.00	849220 LG1
6/15/ 2020	300,000		300,000	2.00	849220 LH9
6/15/ 2021	300,000		300,000	2.00	849220 LJ5
6/15/ 2022	346,000		346,000	3.00	849220 LK2

CUSIP = Committee on Uniformed Security Identification Procedures

GENERAL INFORMATION

The Borough of Spotswood (the "Borough"), which is located in south-central Middlesex County, has an area of approximately 2.5 square miles and has a population of approximately 8,257 (based upon the 2010 report from the U.S. Bureau of the Census, Population Division).

PROPERTY VALUATION

The real property located in the Borough (of which approximately 8.18% of such real property is exempt from taxes) was last revalued in 2005. The following tables set forth the assessed valuation, approximate market value and equalization rate of the Borough's real property for the years 2013 through 2017.

ASSESSED VALUATION AND EQUALIZED VALUATION FOR REAL PROPERTY AND PERSONAL PROPERTY

<u>Year</u>	<u>Assessed Valuation Real Property</u>	<u>Ratio Assessed to True Value</u>	<u>Equalized Valuation Real Property</u>	<u>Assessed Valuation Personal Property</u>	<u>Total Equalized Valuation</u>
2017	\$ 739,548,300	\$ 94.13%	\$ 785,666,950	\$ None	\$ 785,666,950
2016	738,409,500	96.44%	765,641,859	None	765,641,859
2015	738,957,900	95.77%	771,596,429	None	771,596,429
2014	739,686,600	96.61%	765,641,859	1,934,614	767,576,473
2013	740,989,100	98.22%	754,417,736	2,171,116	756,588,852

Source: State of New Jersey, Department of the Treasury, Division of Taxation, Certificate of the Table of Equalized Valuations and the County of Middlesex Abstract of Ratables.

**TABULATION OF RESIDENTIAL UNITS
BASED ON NUMBER OF UNITS ASSESSED TO ADJUSTED TRUE VALUE
2013-2017**

<u>Year</u>	<u>Number of Units</u>	<u>Residential Class Assessed Valuation</u>	<u>County Equalization Valuation Ratio to True Value</u>	<u>Estimated True Value</u>	<u>Average Unit Estimated True Value</u>
2017	2,541	\$ 647,740,900	95.06%	\$ 681,402,167.05	\$ 268,162.99
2016	2,539	646,585,600	95.77%	675,144,200.00	265,909.49
2015	2,539	646,750,700	96.61%	669,444,881.00	263,664.78
2014	2,540	647,765,200	98.22%	659,504,377.00	259,647.39
2013	2,541	648,315,500	95.35%	679,932,354.48	267,584.56

Source: Borough of Spotswood, Tax Collector's Office and the County of Middlesex Abstract of Ratables and the County of Middlesex Abstract of Ratables.

NET VALUATIONS TAXABLE

<u>Year</u>	<u>Real and Personal Property Net Valuation Taxable</u>	<u>Net Valuation on Which County Taxes Are Apportioned</u>
2017	\$ 739,548,300	\$ 785,955,400
2016	738,409,500	779,306,164
2015	735,957,900	773,106,424
2014	741,621,214	763,687,429
2013	743,160,216	788,651,678

Source: Middlesex County - Abstract of Ratables.

**REAL PROPERTY CLASSIFICATION
AND ASSESSED VALUATIONS
2013 - 2017**

	<u>2017</u>		<u>2016</u>		<u>2015</u>		<u>2014</u>		<u>2013</u>	
	<u>Assessed Valuation</u>	<u>Percentage</u>	<u>Assessed Valuation</u>	<u>Percentage</u>	<u>Assessed Valuation</u>	<u>Percentage</u>	<u>Assessed Valuation</u>	<u>Percentage</u>	<u>Assessed Valuation</u>	<u>Percentage</u>
Residential	\$ 647,740,900	87.59%	\$ 646,585,600	87.56%	\$ 646,750,700	87.52%	\$ 647,765,200	87.57%	\$ 648,315,500	87.50%
Industrial	18,689,800	2.53%	18,689,800	2.53%	18,689,800	2.53%	18,589,800	2.51%	18,589,800	2.51%
Commercial	59,315,800	8.02%	59,315,800	8.03%	59,658,000	8.07%	59,414,300	8.03%	59,793,500	8.07%
Vacant Land	6,746,500	0.91%	6,763,000	0.92%	6,804,100	0.92%	6,862,000	0.93%	7,019,800	0.95%
Apartment	7,055,300	0.95%	7,055,300	0.97%	7,055,300	0.96%	7,055,300	0.95%	7,270,500	0.98%
Totals	\$ 739,548,300	100.00%	\$ 738,409,500	100.00%	\$ 738,957,900	100.00%	\$ 739,686,600	100.00%	\$ 740,989,100	100.00%
Exempt	\$ 65,827,200		\$ 65,790,900		\$ 65,790,900		\$ 65,536,000		\$ 65,322,600	
Ratio of Assessed Value to True Value State of New Jersey	94.13%		95.06%		95.77%		96.61%		98.22%	
Ratio of Assessed Value to True Value as Used by County of Middlesex for County Taxes Apportioned	95.06%		95.77%		96.61%		98.22%		95.35%	

Source: Borough of Spotswood, Tax Assessor's Office.
State of New Jersey Division of Taxation, 2013-2017.
Middlesex County Board of Taxation.

FIVE-YEAR COMPARISON OF ANNUAL ASSESSED VALUATION

<u>Year</u>	<u>Land</u>	<u>Improvements</u>	<u>Land and Improvements</u>	<u>Personal Property</u>	<u>Total Valuations</u>
2017	\$ 352,532,000	\$ 387,016,300	\$ 739,548,300	None	\$ 739,548,300
2016	352,556,500	385,853,000	738,409,500	None	738,409,500
2015	353,497,700	385,460,200	738,957,900	None	738,957,900
2014	354,026,900	385,659,700	739,686,600	1,934,614	741,621,214
2013	354,174,500	386,814,600	740,989,100	2,171,116	743,160,216

Source: Middlesex County Board of Taxation

**FIVE-YEAR COMPARISON OF ANNUAL GENERAL TAX RATES
PER \$100.00 OF ASSESSED VALUATION**

<u>Year</u>	<u>Municipal</u>		<u>Local School</u>	<u>County</u>		<u>Total</u>
	<u>Local</u>	<u>Library</u>		<u>Regular</u>	<u>Open Space</u>	
2017	\$ 0.920	\$ 0.035	\$ 1.805	\$ 0.392	\$ 0.032	\$ 3.184
2016	0.903	0.034	1.748	0.382	0.032	3.099
2015	0.878	0.034	1.629	0.385	0.032	2.958
2014	0.858	0.034	1.630	0.379	0.031	2.932
2013	0.840	0.034	1.586	0.374	0.032	2.866

Source: Borough Tax Collector Officer

TEN LARGEST TAXPAYERS AS OF DECEMBER 31, 2017

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Value - 2017</u>	<u>Percent of Total Assessed Valuation</u>
Spotswood Shopping Center	Shopping Center	\$ 9,800,000	1.32%
Clearwater Village LLC	Mobile Home Park	9,533,700	1.29%
Schweitzer - Mauduit	Manufacturing	8,228,800	1.11%
Inland Container	Manufacturing	6,500,000	0.88%
Gillette Enterprises	Shopping Center	5,479,900	0.74%
Renaissance Properties	Strip Mall	5,300,000	0.72%
Robert Maglies	Apartments	4,471,300	0.60%
Kila Properties	Manufacturing	2,943,500	0.40%
Summerhill Corners Assoc.	Strip Mall	2,860,500	0.39%
Spotswood Investment LLC	Real Estate	1,724,600	0.23%
		<u>\$ 56,842,300</u>	<u>7.67%</u>

Source: Borough of Spotswood, Tax Assessor's Office

TAX COLLECTION HISTORY

The following table sets forth the history of the Borough with respect to tax collection for the years 2013 through 2017:

<u>Year</u>	<u>Tax Levy</u>	<u>Current Taxes Collected</u>	<u>Delinquent Taxes Collected</u>	<u>Total Collected Taxes</u>
2017	\$ 23,557,580.03	\$ 23,273,290.82	\$ 239,304.56	\$ 23,512,595.38
2016	22,922,003.89	22,642,274.79	293,773.18	22,936,047.97
2015	21,882,097.18	21,525,846.25	255,468.89	21,781,315.14
2014	21,759,604.59	21,455,973.61	310,451.35	21,766,424.96
2013	21,322,401.65	20,962,380.07	353,197.73	21,315,577.80

Source: Annual audit of the Borough of Spotswood 2013-2017

STATEMENT OF TAX LEVIES AND COLLECTIONS

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections During Year of Levy</u>	
		<u>Amount</u>	<u>Percentage</u>
2017	\$ 23,557,580.03	\$ 23,273,290.82	98.79%
2016	22,922,003.89	22,642,274.79	98.78%
2015	21,882,097.18	21,525,846.25	98.37%
2014	21,759,604.59	21,455,973.61	98.60%
2013	21,322,401.65	20,962,380.07	98.31%

Source: Annual Audit Reports of the Borough of Spotswood, 2013-2017.

STATEMENT OF TAX TITLE LIENS AND PROPERTY ACQUIRED FOR TAXES

<u>Year</u>	<u>Tax Title Liens</u>	<u>Property Acquired for Taxes</u>
2017	\$ 178,343.39	\$ 2,533,400.00
2016	154,356.07	2,533,400.00
2015	132,589.22	2,533,400.00
2014	112,342.40	2,533,400.00
2013	100,611.58	2,533,400.00

Source: Annual Audit Reports of the Borough of Spotswood, 2013-2017.

STATEMENT OF WATER-SEWER UTILITY LEVIES AND COLLECTIONS

<u>Year</u>	<u>Levy</u>	<u>Cash Collections **</u>
2017	\$ 3,008,103.46	\$ 3,014,718.84
2016	3,087,961.79	3,134,256.53
2015 *	3,081,806.35	3,030,051.74
2014	2,665,697.27	3,001,089.02
2013	2,754,414.84	2,420,404.30

Source: Annual Audit Reports of the Borough of Spotswood, 2013-2017.

Note: * Rate increase in 2015.

** Cash Collections may include amounts which were levied in prior years.

COMPARATIVE SCHEDULE OF FUND BALANCES

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<u>Current Fund</u>			
2017	\$ 1,544,772.99	\$ 1,321,843.00	85.57%
2016	1,550,991.05	1,295,347.44	83.52%
2015	1,682,224.37	1,321,200.00	78.54%
2014	1,575,500.56	1,103,323.00	70.03%
2013	1,425,233.07	1,100,000.00	77.18%
<u>Water-Sewer Utility Operating Fund</u>			
2017	\$ 388,043.64	\$ 388,000.00	99.99%
2016	689,547.49	532,536.00	77.23%
2015	619,369.88	442,030.00	71.37%
2014	254,814.38	185,000.00	72.60%
2013	60,701.23	None	None

Source: Annual Audit Reports of the Borough of Spotswood, 2013-2017.

DEBT HISTORY

Default Occurrences	None
Amount of Debt Issued Over Last Five (5) Years	None *
Amount of Debt Retired Over Last Five (5) Years	\$ 5,133,275.00 *
Debt Payout Over Next Five (5) Years	100.00%
Debt Payout Over Next Ten (10) Years	100.00%

* Permanently Funded Debt only

STATEMENT OF INDEBTEDNESS AS OF DECEMBER 31, 2017

	<u>Gross Debt</u>	<u>Statutory Deductions</u>	<u>Net Statutory Debt</u>
Local District School Debt Issued and Outstanding Bonds:			
Issued	\$ 6,355,000.00	\$ 6,355,000.00	\$ None
Authorized But Not Issued	None	None	None
Consolidated District School Debt Issued and Outstanding Bonds:			
Issued	\$ 9,692,405.00	\$ 9,692,405.00	\$ None
Authorized But Not Issued	None	None	None
Municipal Debt:			
Issued and Outstanding:			
General Improvement Bonds, Loans and Notes	3,526,526.66	None	3,526,526.66
Water-Sewer Utility Improvement Bonds and Notes	5,077,000.00	5,077,000.00	None
Authorized But Not Issued:			
General Improvement Bonds and Notes	3,565,660.33	None	3,565,660.33
Water-Sewer Utility Improvement Bonds and Notes	<u>1,507,500.00</u>	<u>1,507,500.00</u>	<u>None</u>
Gross Debt	<u>\$ 29,724,091.99</u>		
Total Statutory Deductions		<u>\$ 22,631,905.00</u>	
Statutory Net Debt			<u>\$ 7,092,186.99</u>
Average of Equalized Valuation Basis of Real Property with Improvements (2015, 2016 and 2017)			<u>\$ 778,015,312.33</u>
Net Debt Expressed as a Percentage of Average Equalized Valuation Basis			0.912%
Gross Debt Expressed as a Percentage of 2017 Net Valuation on Which County Taxes are Apportioned, Basis of \$785,955,400.00			3.782%
Per Capita Gross Debt Based on 2010 Population Basis of 8,257			\$ 3,599.87

Source: The foregoing financial information has been compiled by the Borough Auditor from Borough source documents.

**OVERLAPPING DEBT
COUNTY OF MIDDLESEX, NEW JERSEY
DECEMBER 31, 2017**

Bonds and Notes of the County Issued and Authorized but Not Issued (Net)	\$ 476,938,580.00
Percentage of such debt chargeable to Borough of Spotswood	0.7589%
Amount of Chargeable to the Borough	\$ <u>3,619,486.88</u>

Source: The County of Middlesex Chief Financial Officer.

**BOROUGH DEBT INCURRING CAPACITY
AS OF DECEMBER 31, 2017**

3½% of Average Equalized Valuation Basis	\$ 27,230,535.93
Net Debt Issued and Outstanding and Authorized But Not Issued	<u>7,092,186.99</u>
Additional Borrowing Power	\$ <u><u>20,138,348.94</u></u>

Source: The foregoing financial information has been compiled by the Borough Auditor from various source documents.

**LOCAL SCHOOL DISTRICT DEBT INCURRING CAPACITY
AS OF DECEMBER 31, 2017**

4% of Average Equalized Valuation Basis	\$ 31,120,612.49
Net Debt Issued and Outstanding and Authorized But Not Issued	<u>16,047,405.00</u>
Additional Borrowing Power	\$ <u><u>15,073,207.49</u></u>

Source: The foregoing financial information has been compiled by the Borough Auditor from various source documents.

**SCHEDULE OF BOROUGH DEBT MATURITIES
MUNICIPAL DEBT – GENERAL OBLIGATION BONDS**

GENERAL CAPITAL FUND

Calendar Year	General Capital Fund		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 370,000.00	\$ 12,060.00	\$ 382,060.00
2019	110,000.00	1,100.00	111,100.00
	<u>\$ 480,000.00</u>	<u>\$ 13,160.00</u>	<u>\$ 493,160.00</u>

Source: Annual Audit for December 31, 2017.

WATER-SEWER UTILITY FUND

Calendar Year	Water-Sewer Utility Capital Fund		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 560,000.00	\$ 59,732.00	\$ 619,732.00
2019	485,000.00	47,218.00	532,218.00
2020	575,000.00	36,767.00	611,767.00
2021	585,000.00	25,267.00	610,267.00
2022	621,000.00	11,378.00	632,378.00
	<u>2,826,000.00</u>	<u>180,362.00</u>	<u>3,006,362.00</u>
	<u>\$ 2,826,000.00</u>	<u>\$ 180,362.00</u>	<u>\$ 3,006,362.00</u>

Source: Annual Audit for December 31, 2017.

**SCHEDULE OF BOROUGH DEBT MATURITIES
MUNICIPAL DEBT
GENERAL OBLIGATION BONDS – TOTAL**

Calendar Year	Total for all Funds - Bonds		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 930,000.00	\$ 69,792.00	\$ 999,792.00
2019	595,000.00	48,318.00	643,318.00
2020	575,000.00	36,767.00	611,767.00
2021	585,000.00	25,267.00	610,267.00
2022	621,000.00	11,378.00	632,378.00
	<u>\$ 3,306,000.00</u>	<u>\$ 191,522.00</u>	<u>\$ 3,497,522.00</u>

Source: Annual Audit for December 31, 2017.

**SCHEDULE OF BOROUGH DEBT MATURITIES
MUNICIPAL DEBT – MCIA LOANS
CAPITAL EQUIPMENT AND IMPROVEMENT FINANCING PROGRAM**

Calendar Year	General Capital Fund		
	Principal	Interest	Total
2018	\$ 115,584.33	\$ 5,477.36	\$ 121,061.69
2019	33,942.33	1,018.26	34,960.59
	<u>\$ 149,526.66</u>	<u>\$ 6,495.62</u>	<u>\$ 156,022.28</u>

Source: Annual Audit for December 31, 2017.

SCHEDULE OF OPERATING LEASE MATURITIES

	2014		2015		
	Principal	Interest	Principal	Interest	
2018	\$ 10,874.67	\$ 662.26	\$ 22,248.93	\$ 2,537.44	
2019	11,200.90	336.02	22,916.40	1,869.98	
2020			23,833.06	953.32	
	<u>\$ 22,075.57</u>	<u>\$ 998.28</u>	<u>\$ 68,998.39</u>	<u>\$ 5,360.74</u>	
	2016		All Leases		Total
	Principal	Interest	Principal	Interest	
2018	\$ 33,422.10	\$ 5,301.08	\$ 66,545.70	\$ 8,500.78	\$ 75,046.48
2019	34,424.76	4,298.42	68,542.06	6,504.42	75,046.48
2020	35,801.76	2,921.42	59,634.82	3,874.74	63,509.56
2021	37,233.87	1,489.36	37,233.87	1,489.36	38,723.23
	<u>\$ 140,882.49</u>	<u>\$ 14,010.28</u>	<u>\$ 231,956.45</u>	<u>\$ 20,369.30</u>	<u>\$ 252,325.75</u>

Source: Annual Audit for December 31, 2017.

HISTORICAL DATA OF BOROUGH DEBT

The following table sets forth the gross debt issued and authorized but not issued by the Borough in relation to the estimated true value of real estate as calculated by the State, Department of the Treasury, Division of Taxation, and per capita gross debt of the Borough.

Year	Equalized Valuation Ratio to True Value	True Value of Real Property	Gross			Net	
			Gross Debt Issued and Authorized but Not Issued and	Percentage of Gross Debt to Estimated True Value	Per Capital Gross Debt (1)	Net Debt	Per Capital Net Debt (1)
2017	95.06	\$ 785,666,950	\$ 29,724,092	3.78%	\$ 3,599.87	\$ 7,092,187	\$ 858.93
2016	95.06	776,782,558	23,172,947	2.98%	2,806.47	4,554,073	551.54
2015	95.77	771,596,429	25,001,324	3.24%	3,027.89	4,199,360	508.58
2014	96.61	765,941,589	19,275,311	2.52%	2,334.42	4,539,811	549.81
2013	98.22	754,417,736	19,251,339	2.55%	2,331.52	9,524,088	1,153.46

(1) Calculated on 2010 population data of 8,257.

Source: Borough of Spotswood, Report of Audit: State of New Jersey, Division of Taxation.

MIDDLESEX-MONMOUTH-OCEAN COUNTIES (EDISON METRO DIVISION) NON-AGRICULTURAL EMPLOYMENT BY MAJOR CATEGORY (IN THOUSANDS)

	<u>2017</u>
Manufacturing	\$ 46.00
Retail Trade	110.40
Wholesale Trade	47.00
Natural Resources, Mining and Construction	38.90
Transportation, Warehousing and Utilities	48.50
Information	17.30
Financial Activities	41.00
Professional and Business Services	153.10
Education and Health Services	153.70
Leisure and Hospitality	85.90
Other Services	39.80
Government	<u>122.50</u>
	<u>\$ 904.10</u>

Source: New Jersey Department of Labor and Industry: Division of Labor, Market and Demographic Research – 2017 Annual Average.

**LARGEST EMPLOYERS IN THE BOROUGH OF SPOTSWOOD
AS OF DECEMBER 31, 2017**

<u>Employer</u>	<u>Business</u>	<u>Estimated No. of Employees</u>
Spotswood Board of Education	Public Schools	238 *
Shop Rite of Spotswood	Supermarket	216 *
Schweitzer-Mauduit	Industry (Manufacturing)	140 *
International Paper	Industry (Manufacturing)	142
Borough of Spotswood	Municipal Government	89 *

* Full-time Equivalent

Source: Borough of Spotswood, Business Administrator.

EMPLOYMENT AND UNEMPLOYMENT COMPARISONS

Employment-related data for the Borough of Spotswood and the State of New Jersey is as follows:

	<u>Rate</u>	<u>Force</u>	<u>Employed</u>	<u>Unemployed</u>
Borough of Spotswood	3.9%	4,707	4,522	185
County of Middlesex	4.1%	442,313	424,201	18,112
State of New Jersey	4.7%	4,518,837	4,309,710	209,127

Source: New Jersey Department of Labor and Industry: Division of Labor, Market and Demographic Research.

BUILDING PERMITS ISSUED

<u>Year</u>	<u>Number of Permits Issued</u>	<u>Estimated Value of Construction</u>
2017	593	\$ 9,208,093
2016	586	9,784,838
2015	537	6,010,890
2014	429	5,236,015
2013	400	2,678,331

Source: Borough of Spotswood, Construction Code Department.

BOROUGH OF SPOTSWOOD
SUMMARY OF 2018 ADOPTED BUDGET

<u>REVENUES</u>	<u>General Budget</u>	<u>Percentage</u>	<u>Water-Sewer Utility</u>	<u>Percentage</u>
Surplus Anticipated	\$ 1,321,843	12.08%	\$ 388,000	11.27%
Local Revenues	700,500	6.40%		
State Aid	715,651	6.54%		
Uniform Construction Code Fees	120,000	1.10%		
Public and Private Revenues	158,115	1.44%		
Interlocal Agreements	87,414	0.80%		
Additional Revenues Offset	-	0.00%		
Other Special Items	217,712	1.99%	\$ 156,160	4.53%
Delinquent Taxes	230,000	2.10%		
Water-Sewer Rents			2,900,000	84.20%
Amount to be Raised by Taxes- Library	261,889	2.39%		
Amount to be Raised by Taxes- Municipal	7,129,075	65.15%		
Total Anticipated Revenues	<u>\$ 10,942,199</u>	<u>100.00%</u>	<u>\$ 3,444,160</u>	<u>100.00%</u>
 <u>APPROPRIATIONS</u>				
Operations within CAPS:				
Salaries and Wages	\$ 4,359,900	39.84%		
Other Expenses	3,311,265	30.26%		
Deferred and Statutory Expenditures	1,098,250	10.04%		
Operations excluded from CAPS:				
Salaries and Wages	77,414	0.71%	\$ 479,000	13.91%
Other Expenses	402,622	3.68%	1,999,801	58.06%
Library	261,889	2.39%		
Capital	50,000	0.46%	50,000	1.45%
Debt Service	790,859	7.23%	849,359	24.66%
Deferred and Statutory Expenditures			66,000	1.92%
Reserve for Uncollected Taxes	590,000	5.39%		
Total Appropriations	<u>\$ 10,942,199</u>	<u>100.00%</u>	<u>\$ 3,444,160</u>	<u>100.00%</u>

Source: Borough of Spotswood 2018 Adopted Municipal Budget.

2018 CAPITAL BUDGET

In accordance with the Local Budget Law a municipality with a population of less than 10,000 must adopt a three (3) year capital budget program which is part of the annual budget. The capital budget, when adopted does not constitute the approval or appropriation of funds but sets forth a plan of the possible capital expenditures which the local unit may contemplate over the next three (3) years. The following amounts for various improvements were included in the 2018-2020 Capital Budget as amended through June 18, 2018:

<u>Project Title</u>	<u>Total</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Improvements to Various Roads	\$ 2,283,000	\$ 1,058,000	\$ 625,000	\$ 600,000
Acquisition of OEM Vehicles & Equipment	2,000	2,000		
Acquisition of New Fire Pumper	1,250,000		1,250,000	
Renovation to Firehouse	700,000		700,000	
Acquisition of New Police Radio System	1,600,000		1,600,000	
Acquisition of Various Police Equipment	20,000		20,000	
Improvements to Public Building	50,000	20,000	30,000	
Acquisition of Public Works Vehicles and Equipment	123,000		123,000	
Park Improvements	5,000	5,000		
Acquisition of Police Vehicles & Equipment	270,000	135,000	135,000	
Construction of New Water Tower	5,100,000			5,100,000
Total	<u>\$ 11,403,000</u>	<u>\$ 1,220,000</u>	<u>\$ 4,483,000</u>	<u>\$ 5,700,000</u>

2018 CAPITAL BUDGET

[As Amended as of June 18, 2018]

Summary of Funding Sources and Amounts

<u>Project Title</u>	<u>Total</u>	<u>Capital Improvement Fund</u>	<u>Current Year Appropriation Capital Surplus</u>	<u>Grants-in-Aid and Other Funds</u>	<u>Bonds and Notes</u>	
					<u>General</u>	<u>Self Liquidating</u>
Improvements to Various Roads	\$ 2,283,000	\$ 90,000		\$ 790,000	\$ 1,403,000	
Acquisition of OEM Vehicles & Equip.	2,000		\$ 2,000			
Acquisition of New Fire Pumper	1,250,000				1,250,000	
Renovation to Firehouse	700,000	35,000			665,000	
Acquisition of New Police Radio System	1,600,000				1,600,000	
Acquisition of Various Police Equipment	20,000	1,000			19,000	
Improvements to Public Building	50,000	2,500			47,500	
Acquisition of Public Works Vehicles and Equipment	123,000	6,500			116,500	
Park Improvements	5,000		5,000			
Acquisition of Police Vehicles & Equipment	270,000				270,000	
Construction of New Water Tower	5,100,000					\$ 5,100,000
Total	\$ 11,403,000	\$ 135,000	\$ 7,000	\$ 790,000	\$ 5,371,000	\$ 5,100,000

Source: Borough of Spotswood 2018 Adopted Municipal Budget.

LITIGATION

There is no litigation pending or, to the knowledge of the Borough, threatened, in any court wherein an adverse decision would have a material adverse impact on the financial position of the Borough or its ability to pay, or to provide for payment under, the Lease Agreement or Bond Purchase Agreement.