



MANAGERS WEEKLY REPORT  
5/14/10

**Budget**

Earlier this week, the Governor released his "Toolbox" for local government officials (See attached). Basically, this is a list of 33 new proposed that **WILL** have a direct effect on how we operate in the future if they are made into law. We need to prepare for these laws to go into effect, and the consequences that will be placed on the Borough.

If I may opine.....I have very serious concerns relating the financial stability of this community should these new laws go into effect. As I have been saying for the better part of the last 12 months, we can no longer afford to operate as "we always did" and provide the same level of service that we have been. There is not a municipality in NJ that has not already reduced the level of service they provide to residents. While we have made some major changes in the last year which have realized positive results, we are not out of trouble. As much as it may pain you, local governments can no longer afford to be all things to all people.

At the risk of sounding like a broken record, in 2009, we were lucky to receive an extra \$550K in State Aid, which served as a band aid for that budget year. As I have said in previous public meetings, the prudent thing to do was immediately reduce the 2010 budget by \$550K to account for that 1-time revenue boost. If/When Transitional Aid applications are made available in 2010, **there is not possible way we will receive what we did in 2009.** If we are lucky enough to receive extra aid, this program will no longer be available in 2011. This means that if the Council does not take swift, drastic action in 2010, we will be worse in 2011 than we currently are. We are almost in June, and there is no indication on if/when Transitional Aid applications will be made available. **We can not place all of our chances in a pipe dream.** Even with the aid, we will need to seek approval from the Local Finance Board for a Levy CAP waiver.

I am working with the CFO, Auditor and Bond Counsel to see the feasibility of restructuring our debt, which will not help us in 2011. Unfortunately, I am not that optimistic that we will be successful in this venture as we need approval from both the Infrastructure Loan Program and the Local Finance Board, who do not typically give approval for this type of debt restructuring. With this in mind, we will still be actively pursuing this option, but we can not get our hopes up.

**Council can not keep operating in this manner. If nothing changes, and everything stays the "status quo" you will tax resident's right out of this community. A fundamental change in how Council makes financial decisions must occur immediately.**

As requested by Council, I spoke with the superintendent of local schools regarding the letter that was sent home with students relating to the Borough pool. I have been advised that this letter was not approved by his Office to be distributed with students. He will investigate to see how this occurred and who was involved. Additionally, he will be advising all BOE staff that no non-education material can be released without his approval first.

Although we have not received it yet, the \$390K we will be receiving from the Dept. of Transportation has already been allocated. Specifically, the Ordinance that authorized the Borough to borrow money for the Downtown Streetscape Projects required that any funds received from the DOT be used to directly offset the debt associated with the bond. As such, when we receive the money, it will be used to p[ay off a portion of this bond.

Sewer Billing is officially in-house, and we are now reviewing all of the data to ensure there are no inconsistencies. On-site training sessions have been scheduled and the first quarterly bills are scheduled to be mailed out in June. As of now, everything seems to be moving forward as scheduled. This change will result in a \$5k/month savings as we no longer have to pay Veolia Water for this service.

Attachments:

- Monthly Township PD Activity Report
- Governor's "Toolbox" of proposed legislation



## MANAGERS WEEKLY REPORT 5/21/10

I received an e-mail from Beth Uporsky regarding the action relating to recreation Council approved her to move forward with. The status is as follows:

- Borough Manager, Recreation Director and Organization Founder discussed the roles of each entity (Recreation Department, Borough Council)
- The as-yet-unnamed organization will be formed by the end of next week. We have legal counsel who will support the formation and provide advice to get us going.
- The organization will have two 'arms': One arm will manage short- and long-term goals, donations and donors, volunteers and volunteer activity. The other arm will manage requests for and the distribution of funds, as well as the execution of various projects.
- The organization will actively solicit donation in various channels, including a website that provides a "click to donate" access.
- The recommendations pertaining to park and pool management have been discussed with the Rec Director. A recent development is Mayor McDonald and I spoke with a resident who was the executive chef of the Parsippany Hilton, and is now the executive purchaser. He has extended an offer to consult on the profitable management of the concession stand at the park. He is an example, along with the local lawyer, of residents who have contacted us to offer professional, expert help.
- Councilman Cioni is supporting with research and information.
- Councilwoman Gleba and I have had brief communication about a grant application to Pepsi. The application requires a campaign of votes on the grant website, which of course, provides advertising for Pepsi.

Beth is finishing up the coaching softball season (girls') next week, and will have more time to focus on the kickoff and planning.

As you may recall, through Kristine's hard work, we will be able to partner up with Warren County as it relates to document imaging. We are 1 of 4 municipalities (Washington Borough, Mansfield, Independence and Pohatcong) participating in this project. This week, Kristine met with the County IT Director to begin working on the draft Shared Services Agreement. After the agreement is approved by the municipal attorney's, they will be presented to each governing body for approval. In tandem, Kristine will be working with the other municipalities and will be meeting with the vendor hired by the County in order to review records to prepare for the prototype of the software. Once this is complete, the vendor will present us with a prototype, and we will begin to roll out in the Clerks office in the Borough and the Finance office in Mansfield. Independence and Pohatcong will have a meeting with the vendor once we have completed our initial prototype. Once we feel all the bugs have been worked out and the inter-locals are adopted, we will begin using in the other offices throughout the municipalities. Thanks to Kristine for all her hard work on this project.

If you recall, the Warren County Planning Board and North Jersey Transportation Planning Authority will be holding a "Walkable Communities Workshop" within the Borough on Thursday, May 27th @ 10AM (See attached flyer). I spoke with the County this week and was asked to extend the invitation again to all Council members.

As requested by Councilman Higgins, I have attached the letter (e-mail) from Tom Ferry that addresses the budget changes required by the State after we introduced our budget. This was the same information that we discussed at our April 14<sup>th</sup> and 20th Council meetings.

**Due to the importance of this issue, I need to reiterate what I stated in my report from last week. Below is an excerpt from my 5/14/10 report.**

**Budget**

Earlier this week, the Governor released his "Toolbox" for local government officials (See attached). Basically, this is a list of 33 new proposed that **WILL** have a direct effect on how we operate in the future if they are made into law. We need to prepare for these laws to go into effect, and the consequences that will be placed on the Borough.

If I may opine.....I have very serious concerns relating the financial stability of this community should these new laws go into effect. As I have been saying for the better part of the last 12 months, we can no longer afford to operate as "we always did" and provide the same level of service that we have been. There is not a municipality in NJ that has not already reduced the level of service they provide to residents. While we have made some major changes in the last year which have realized positive results, we are not out of trouble. As much as it may pain you, local governments can no longer afford to be all things to all people.

At the risk of sounding like a broken record, in 2009, we were **lucky** to receive an extra \$550K in State Aid, which served as a band aid for that budget year. As I have said in previous public meetings, the prudent thing to do was immediately reduce the 2010 budget by \$550K to account for that 1-time revenue boost. If/When Transitional Aid applications are made available in 2010, **there is not possible way we will receive what we did in 2009.** If we are lucky enough to receive extra aid, this program will no longer be available in 2011. This means that if the Council does not take swift, drastic action in 2010, we will be worse in 2011 than we currently are. We are almost in June, and there is no indication on if/when Transitional Aid applications will be made available. **We can not place all of our chances in a pipe dream.** Even with the aid, we will need to seek approval from the Local Finance Board for a Levy CAP waiver.

I am working with the CFO, Auditor and Bond Counsel to see the feasibility of restructuring our debt, which will not help us in 2011. Unfortunately, I am not that optimistic that we will be successful in this venture as we need approval from both the Infrastructure Loan Program and the Local Finance Board, who do not typically give approval for this type of debt restructuring. With this in mind, we will still be actively pursuing this option, but we can not get our hopes up.

**Council can not keep operating in this manner. If nothing changes, and everything stays the "status quo" you will tax resident's right out of this community. A fundamental change in how Council makes financial decisions must occur immediately.**

Attachments:

- Warren County Planning Board/ North Jersey Transportation Planning Authority will be holding a "Walkable Communities Workshop" Flyer
- E-mail from Tom Ferry relating to introduced budget changes