

1. Executive Budget Message

TO: Citizens of the Town of Morristown; Members of the Town Council
FROM: Hon. Timothy P. Dougherty, Mayor
DATE: April 23, 2019
SUBJECT: **FY 2019 Executive Municipal Budget**

As mandated by New Jersey Local Budget Law, and in accordance with the Town of Morristown Code, I am submitting Morristown's Fiscal Year ("FY") 2019 Executive Municipal Budget ("Municipal Budget") to the Town Council for consideration, authorization, and adoption.

I present to you the Fiscal Year 2019 Proposed Municipal Budget. With a proposed total of \$52.5 million, this year's budget reflects tough decisions made to maintain the character and level of service our residents, visitors and business owners expect while managing tensions created by increasing costs and needed infrastructure improvements.

With all that the Town has accomplished in the last year and plans for the coming year, it must be noted that it comes amidst financial resources that are limited. As I indicated in January, going into this budget season there was a clear trend towards the need for fiscal prudence. The loss of revenue in some areas and unavoidable increases in costs had to be offset by some reductions in spending, all while contemplating fair employee compensation in the midst of collective bargaining agreements.

However, our Business Administrator and CFO have worked hard to contain costs where possible and maximize revenues where available, taking a long-range view of fiscal health so that one-time gimmicks are avoided. The result is a budget that is fiscally responsible without impacting services. Yes, it includes a modest increase in the property tax rate of 1.9 percent. However, this year's budget adds to 9 years of fiscal moderation that took advantage of increasing values and new revenue from redevelopment, keeping the municipal levy flat and the tax rate down. In fact, this year's municipal tax levy AND tax rate are less than they were in 2010, which demonstrates the commitment of my Administration to good stewardship of your tax dollars. Our sound financial practices have also had a positive impact on the Town's debt. Since 2010, we have successfully paid down over \$21 million in debt, reducing our total net debt by 46 percent. Our debt to value ratio is now an impressive 0.76 percent, a testament to the effect of good, consistent financial management.

Being good stewards also means leveraging resources where possible. Our team of grant writers has worked tirelessly with us to earn \$3.9 million in grants for the Town over the last 3 years. That includes another grant from TD Bank to plant trees for Arbor Day, this year at Pocahontas Park. This project dovetails with a partnership with Habitat for Humanity, who has graciously dedicated resources and volunteers to plant additional trees, and install benches and gazebos to beautify this underappreciated asset. Thank you to Habitat for Humanity for your generosity.

One of the proudest achievements of my Administration thus far is the preservation of 11 acres of open space adjacent to the Loyola Retreat Center. This large tract of undisturbed forest can now be enjoyed by generations to come and enhances the neighboring Foote's Pond Wood property. I

want to thank the State of New Jersey, Morris County, and the Trust for Public Land for partnering with the Town on this important project. I'd especially like to thank the Friends of Foote's Pond for their advocacy and passion.

I am also happy to share that the trails construction project at Foote's Pond, funded by a County Trails grant, will be completed this year, allowing residents to traverse around the entire pond and enjoy the nature and wildlife that this park has to offer. In addition, the Environmental Commission spent the last year getting expert engineering advice to determine the best course of action for restoration of the pond itself. Earlier this year they shared with Council their recommendation that the pond be hydro-raked to restore water levels and improve the function and aesthetic appearance of the pond. The first phase of that project is under way and we expect to see the fruits of that effort next year.

In addition to our natural ponds and open space, the Town continues to invest in our other recreational facilities. Last year we completed a resurfacing of the Cauldwell Pool and the main pool at Burnham Park. In fact, the Burnham Pool complex will open this year with a new playground, new ladders and diving board and new furniture. At Cauldwell, in addition to the pool improvements, we are in the home-stretch of an extensive rejuvenation project for the Park which includes new basketball courts, lighting, amphitheater seating, and a renovated fieldhouse. We expect this work to be completed just in time for the summer season.

2018 was both very successful for Morristown yet we had some challenges. Even though construction continues to be very active, revenues for building permits was down slightly following many consecutive years of growth. Nonetheless, the value of construction started in 2018 was over \$87 million, an increase of 45% over 2017, the highest level in nine years. So, while permit revenue is down slightly, it is clear that investment in Morristown continues to flourish.

The ongoing construction activity is a testament to the Town's redevelopment efforts that began in earnest ten years ago. As the economy began to rebound, redevelopment planning put Morristown in a position to take advantage of the upturn. The first phase of the Epstein's redevelopment area, 40 Park, has been a rousing success and has since ushered in other redevelopment and encouraged private investment throughout Town. Evidence of that success is the completion of Metropolitan Lofts at 11 Dehart, 55 units of residential that it is almost fully leased. As the last component to the Epstein's redevelopment area, this award-winning project represents the completion of this redevelopment plan and shows that well-designed and executed redevelopment strategy work.

2018 also saw the opening of Modera 55, which continues the momentum of the first phase of the Speedwell redevelopment area and joins Modera 44 and CVS in their successful completion. The Town continues to work with the owners of the other two redevelopment parcels in the area to move their projects forward.

In addition to Epstein's and Speedwell, several other development projects are underway. The Vertical project at 55 Market is under construction and will be completed early next year. The adjacent Cambria hotel project has begun demolition on their site. The residential project on Ann Street is making steady progress, and the mixed-use residential retail project at 190 South Street is moving in earnest for opening this fall. I'm especially excited for the Bijou project at the Train

Station, which exemplifies the Town's status as a Transit Village. We look forward to the State's support on bringing this project to fruition.

Though redevelopment is important in the lifecycle of any municipality, we cannot consider redevelopment without also recognizing the importance of preserving the valuable building stock that makes our historic town interesting and desirable. To that end, the Planning Division has been working with the Historic Preservation Committee on a demolition ordinance that is reasonable and fair to allow property owners to invest in their homes while preventing the rash removal of an irreplaceable structure without first undergoing careful consideration of alternatives and ensuring that structures of historic significance are documented for posterity. That ordinance is before you this evening and I urge your thoughtful deliberation on this important topic.

In addition to preservation, our Planning Division has been very busy on several important policy areas. The biggest accomplishment was the completion of the Town's new form-based zoning code adopted in June of last year. This new code puts Morristown at the cutting edge of planning policy and allows the Town to encourage property investment that fits in the context of the neighborhood, rather than just fitting into a generic box. Thank you to Phil Abramson and his team for bringing this important document to life. Last year, the planning division also worked with our legal team to adopt an Affordable Housing policy and spending plan that reached a settlement with Fair Share Housing. This policy affirms our town's commitment to inclusionary housing that has already seen the construction of 115 affordable housing units in Morristown in the last 10 years. The settlement further confirms that Morristown is in compliance with our affordable housing obligation and free from builders' remedy challenges, meaning no developer can bully us into building a large development that doesn't fit the vision for our community. The adopted spending plan also allows us to partner with the Morristown Housing Authority, to help to renovate their units while fulfilling our rehab obligation. The Housing Authority's new Executive Director, Keith Kinard, has brought a wealth of experience and energy to the agency and I welcome the opportunity to further build upon this vital relationship.

In 2019, we look also forward to working with Atlantic Health Systems to develop a master plan for a healthcare innovation corridor on Madison Avenue. This plan will dovetail with our existing Master Plan and leverage AHS's status as a world-class healthcare organization to make Morristown a destination of healthcare investment.

One of the major initiatives accomplished in 2018 was the creation of the Department of Public Safety and the hiring of our first Director of Public Safety, Michael Corcoran. Since he started with us in October, the department issued its first annual report showcasing increases in enforcement, the implementation of CompStat, a performance management system in the Police Bureau, and increased safety of pedestrians and bicyclists in the Central Business District by developing a bilingual educational campaign on safe bicycle operation. The department also launched a new Facebook page which delivers valuable information about safety and traffic from the Police, Fire and OEM. This year, the Police Bureau began the process towards accreditation. The Fire Bureau continues to expand its fire prevention efforts through an expanded program for distribution of smoke detectors. Michael has hit the ground running and we are happy to have him as part of our team. I also want to knowledge the exemplary work of Chief Flanagan, Acting Chief Richardson, and all of our public safety staff. Thank you for your commitment to the residents of Morristown.

Last year marked the first year for our Director of Code Enforcement. Since starting, he has expanded the use of SDL, our interdepartmental database that is a central repository for information shared amongst many departments. He also worked with the Health Division to implement online registrations for pet licensing. This year, we hope to expand those efforts to other permits and licenses. Thank you, Al, for your efforts.

The health and wellbeing of our youth is important to my Administration, which is why tonight I'm proposing the implementation of licensing and regulations for all electronic cigarette retailers. The proposed ordinance places strict controls to limit the access of minors of any municipality in NJ. I want to thank the Health Division for their efforts on this important issue.

After much anticipation, in December the Town received our New Colonial Coach. It looks great, doesn't it? In addition to its striking design, the new bus features spacious seating, racks for shopping bags, a camera system for security, and kneels to the curb to make it easier for our seniors to step in and out of it. I've heard nothing but positive feedback from residents about our new bus and look forward to expanding ridership. In the coming weeks, new signs will be installed to mark the major bus stops to make it even easier for riders to use. We will also be installing new bus shelters throughout Town this year.

2018 was a banner year for park improvements. Kleitman Woods at Hillcrest opened to much fanfare and autumn rain. A ribbon cutting has been rescheduled for this spring. This year, in addition to the work that continues at Gramby and Cauldwell, we expect to continue investing in our parks through improvements at the Lidgerwood tennis courts and the development of a master plan for Burnham Park that will provide both aesthetic and engineering improvements while respecting the natural beauty of the park and the environmental impact of the many habitats located there.

In addition to park improvements, the Engineering division has been busy making infrastructure improvements throughout Town including the final stages of the MLK streetscape project that will conclude this year and the last phase of the Washington Street streetscape, which is anticipated to be completed by the end of the year. They have also been working with the Shade Tree Commission on the tree well rejuvenation project, which installs flexipave in our downtown tree wells to make them healthier for the trees and safer and more pleasant for pedestrians. This project won the Green Communities Achievement Award from NJ Department of Environmental Protection in 2018, and I thank the Shade Tree Commission for their work.

Engineering is also in the midst of installing the pedestrian hawk beacon at the Speedwell Avenue and Flagler St intersection. This beacon, funded by a contribution by CVS as part of their redeveloper agreement, is an important tool towards reducing pedestrian crashes in this area. The beacon will be functional this spring.

In addition to the beacon, the Town continues to address traffic and pedestrian safety with NJDOT. We hosted the State Commissioner for NJDOT and her senior staff in February of this year where we discussed the State's important role as a partner with the Town to improve traffic movement. She committed to me that they will provide technical and financial support to achieve our common goals. Towards that end, the State's traffic signal optimization project, based on the Town's own traffic study from 2017, is already under way and should be completed this year. They have also

awarded the Town \$200 thousand for improvements to Lafayette Street for traffic calming and pedestrian improvements that will also increase the greenway on this road.

You see that the Town has a lot planned for the coming year. As your Mayor, I remain committed to making policy and fiscal choices that manage our limited resources while ensuring infrastructure and service delivery that supports a quality of life that is uniquely Morristown.

I am excited about what's to come and thank all of the Town's employees for playing their part in making our vision a reality.

Henry Ford once said, "Coming together is a beginning. Keeping together is progress. Working together is success." Thanks to every member of this community, I'm hopeful that Morristown will continue to see success for many years to come.

Thank you.