Township of Lopatcong

OFFICE OF THE MAYOR
Douglas J. Steinhardt

July 28, 2006

Dear Lopatcong Resident:

As I have twice each year since first being elected Mayor of Lopatcong Township, please accept this letter on the State of the Township, my 12th since January 2000.

Let me first tackle an issue of particular concern to all of us: our recent tax bills. The Township completed its court ordered revaluation late last year, and placed the new values on the tax rolls in January 2006. The effect of that revaluation increased the Township's overall "value" as of October 1, 2005, from $538,077,136 to $1,010,868,725, a nearly 100% increase. The effect on that revaluation was an adjustment in the tax rate: the multiplier by which our respective tax obligations are calculated. In 2005, with the Township valued at approximately $538,077,136 our tax rate was $3.09, meaning you could have multiplied the 2005 assessed value of your home by $3.09 to arrive at your 2005 tax bill. Thus, in theory, if the Township's "value" doubled on the revaluation from $538,077,136 to $1,010,868,725 then the tax rate should have been cut in half, from $3.09 to $1.54. However, that would only have been true if there was no increased spending at any level of government. As reflected by your tax bills, that was clearly not the case. After increases at every level of government, to wit, county, municipal and local school board, the new tax rate is $1.88, approximately $0.34 more than last year. As best I can, I'd like to explain to you where and how that happened.

Let's begin first with your tax bills themselves. Included with my letter is a pie chart, which shows how your tax bill is broken down. The largest part of your tax dollars, 61%, goes to the Lopatcong School District, whose budget increased by $1.2 million from last year, or $2.2 million after a $1 million tuition rebate from the Phillipsburg School District was included in its 2006 spending plan, 29% goes to the County and 9%, the part actually controlled by Councilmen Baker, Camporine, Curry, Mengucci and I, goes to the municipality. That money employs and equips our police and road departments, paves, plows and maintains our roads, mows our grass, maintains our parks and ball fields, provides for our ambulance corps and two fire departments, operates our municipal buildings, and employs the rest of our employees. The remaining 1% is the

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municipal open space tax, which is being used to payoff Lopatcong Park, the active and passive recreation area and bike and walking paths recently constructed behind the Lopatcong Pool. Thus, save the open space tax, a family paying $10,000.00 per year in property taxes would pay $900.00 to the municipality for services directly controlled by the Township Council: the smallest part of your tax bill.

The overall, 2006 municipal budget, again, that budget controlled directly by the Township Council, is $5,852,000.00, rounded to the nearest $1,000.00. It represents an approximately $250,000.00 increase from last year's $5,600,000.00 budget. Of that $5,852,000.00, some $1,600,000.00 comes from the municipal tax levy (that's the 9% from each of our tax bills), $1,371,043.00 from State aid (unchanged from last year), $1,300,000.00 from our budget surplus, $750,000.00 from raised revenues, $370,000.00 from delinquent taxes, and the balance from various other sources.

As set forth above, the $1,600,000.00 derived from the municipal tax levy (the 9% from your tax bills), represents a $250,000.00 increase from 2005, and once again, I will endeavor to explain that as well. As the result of a reduction in the amount the State contributes to the pension funds of our employees, the Township rate of contribution doubled from last year to this year, adding nearly $70,000.00 to our 2006 budget needs. Due to an error made by our former auditor, who wrongly reclassified certain expenditures, we were forced to make up a $76,000.00 over-expenditure from the 2004 budget year. Utility and fuel costs increased more than 25% (or $30,000.00) from last year as the cost to provide heat and electric to our municipal buildings and gas to our police, fire, emergency and road department vehicles increased from last year to this year. Our health insurance premiums increased nearly 25% as well. The balance of our $250,000.00 increase was due to salary increases, inflation, increased supply and material costs, and general day-to-day cost of living expenses. In short, there is no fat and no frills. Council and I are committed to spending only what we have and buying only what we can afford. Unlike so many governments at so many levels, Council and I will not borrow against our future. In fact, we will not borrow at all, unless we have to; and when we do, we pay down our debt aggressively to avoid excessive interest and finance charges. As a result, Lopatcong Township is largely debt free, encumbered only by our immediate needs and secure in knowing that we have not leveraged our future for our present.

Thus, it is with a keen eye toward taxes – and reducing our tax rate by increasing our tax base – that Council and I have, for the last several years, embarked on an aggressive campaign to attract new tax ratables and find new tax customers. Wednesday's Planning Board meeting is the most recent case in point.

On July 26, 2006, Edgewood Properties appeared before the Lopatcong Planning Board and presented its preliminary concept for a nearly 1 million square foot commercial complex on Lopatcong's 100 acres of former Ingersoll Rand property, tentatively titled "Market Place at Lopatcong". Anchored by grocery superstore Wegman's, and supported by retail giants like Best Buy and Costco, "Market Place at Lopatcong" will be the jewel in Lopatcong's commercial center, a nearly $2.5 million tax boost for our municipality, and marks the culmination of extensive planning, meetings,

and negotiations with Edgewood and its representatives that I am pleased and proud to deliver to Lopatcong Township. Edgewood is expected to make formal application in August with an aggressive schedule toward approval, construction, and grand opening in 2007.

Meanwhile, I have been equally busy meeting with area mayors, and most recently with Mayors Wyant in Phillipsburg and Kanyuck in Greenwich, to discuss the pros, cons and practicality of shared services between our several communities. Just as we have benefited by our entry into purchasing coops for everything from office supplies to asphalt and equipment, we are busy studying ways to save additional funds by sharing and combining services with neighboring towns, townships and boroughs. I will report back to you from time to time my progress.

In December 2005 Council contracted with Jungle Lasers, LLC, to implement an internet based Geographic Information System in Lopatcong Township. The GIS will give Lopatcong Township more efficient access to township data including, its maps, records and zoning and planning information at not cost to us. It is funded by zoning and planning board applicants, and by developers seeking permits for construction who seek to make use of the system in their applications, but will be equally useful for anyone seeking to access information about the Township.

After the dissolution of the Central Warren Court in Washington Township, we were approached by Franklin Township's Mayor who asked to lease space from us for its court as we have done for Harmony Township for several years. We entered into a shared services agreement with Franklin Township in December 2005 for that purpose.

In March 2006 we completed yet another master plan review under the leadership of Planning Board Chairman Gary VanVliet. These periodic reviews and updates enable us to study and respond to our ever changing planning and zoning needs so that we are never again caught off guard by predatory developers.

In July 2006 we resolved the bulk of our outstanding lawsuits with the Overlook at Lopatcong Association by agreeing to take over the roads there, in accordance with State law. As of this letter though, we have yet to resolve with them the financial implications of that resolution.

I am sure most everyone has noticed that the Strykers Road realignment is finally complete. The newly widened and reconstructed roadway marks a significant improvement over the one replaced. Ever mindful of our need to preserve and improve our infrastructure, Council and I have set aside more than $1 million for road improvement projects this year, under the sub-committee leadership and oversight of Councilman Jim Mengucci.

In September 2005, Lopatcong Township welcomed Dr. Michael Rossi, formerly of the Hillsboro School District, as our new Superintendent of Schools. I have enjoyed

working with Dr. Rossi for the good of the District and Township and continuing the same good will that was established under Al Purdy's former leadership.

Congratulations to Councilman Bill Baker for being named 2006 Senior Citizen of the Year. This year marks Bill's 13th in service to Lopatcong Township, as a councilman, former mayor, planning board member and zoning board of adjustment member.

Congratulations also to Elaine Beers, Karen Cobb, Brian Gibbs, Joe Oberlander, Betsy VanWinkle and Karen Cobb recognized this year at Lopatcong's 22nd annual Volunteer Recognition Dinner. Please take a minute to congratulate them as well for their contributions to our community.

This summer marks the second year of Councilman Victor Camporine's "Movies at the Pool." After last year's initial success, we have been blessed with even greater crowds this year, as families and friends gather every Tuesday in July and August at the Township Pool to watch family movies under the stars. Thanks to the donations of our many sponsors, this is a free event and includes a bicycle give away each night to one lucky child. Please check the municipal building for movie listings and come out and join us for a memorable night.

Thanks too, to Kathy Degan, Diane Hall and Raine Roncoroni, our Community Day Committee, for another great Community Day. Please make it a point to thank them for their time and encourage them to return, since the rumor is they are retiring after years of organizing and overseeing this event for all of us.

Please remember to support our local fire and emergency squads. They consist of dedicated volunteers who serve only to protect and preserve all of us. Please do what you can to support and promote all of them.

Finally, I want to take this opportunity to thank all of you for electing me to a third term as Mayor in November 2005. I have fallen in love with Lopatcong Township in my nearly 10 years here. I am blessed with a loving wife and two wonderful children and can think of no finer place in New Jersey for Trudy and me to live and raise our family. I can only hope that in executing my duties as Mayor, Lopatcong is a better, more productive, family-friendly, and still affordable community when I leave that office. I have made life-long friendships and learned life changing lessons in my tenure here. I am privileged and honored to have served with former Councilpersons Kathy Degan and Fran Aiello and with my colleagues of the past 6 years, Councilmen Baker, Camporine, Curry and Mengucci. I have come also to respect and rely on the skills and talents of Beth Dilts, our Clerk/Administrator, and Betty Dobes, our Municipal CFO. I have encountered no finer people anywhere, personally or professionally, who are more dedicated and committed to serving their community than these folks. As much as Lopatcong Township has lived up to my every expectation, I can only hope that in serving all of you I live up to yours.

Thus, as I conclude each letter, Council meets the first Wednesday of every month, with every effort being made to start promptly at 7:30 p.m. I hope to see you there. With kindest regards, I am,

Sincerely,

Douglas J. Steinhardt
Mayor, Lopatcong Township