

TOWNSHIP OF MARLBORO

1979 TOWNSHIP DRIVE
MARLBORO, NJ 07746-2299

Mayor

Jonathan L. Hornik

Fall, 2013

SUBJECT: ONE YEAR ANNIVERSARY OF SUPERSTORM SANDY – TOWNSHIP UPDATE

Dear Marlboro Resident:

As we come upon the one year anniversary of Superstorm Sandy and enter the final month of hurricane season, I want to make one additional pitch for emergency preparedness. In addition to ensuring that we can reach you in times of emergency as explained in the section "Opening Up Government", please take a look at the attached "Plan and Prepare" brochure so that you and your family are ready for the next weather event. Sandy left us with more than 170,000 cubic yards of fallen debris to clean up, enough to fill 80 football fields. While we were left with no choice but to authorize \$1.06 million in emergency budget expenditures, the good news is that through the efforts of my office and the Township Council, we will recapture these dollars from FEMA. Even better news is that absent these one-time Hurricane Sandy expenditures, the Township's operating budget still remains below 2007 budget levels.

I also note that we faced this historic weather event during the most significant economic downturn since the Great Depression. We must recognize that many of our neighbors are still struggling to get back on their feet.

Our community's response to these difficult circumstances highlight how we, as a town, come together and even excel in times of adversity. I attribute our success in "weathering the storms" to the following approaches which I will explain later in more detail:

- Reducing spending and consolidating government.
- Attracting new clean commercial ratables to our Township and identifying alternative revenue sources to reduce the tax burden on the residential taxpayer.
- Investing in infrastructure and addressing quality of life issues in our Township, taking advantage of historically low interest rates and below market rate financing to fund critical capital projects.
- Opening up government, communicating with the public and attracting the best and brightest to participate in improving our community.

MARLBORO TOWNSHIP DOES MORE WITH LESS

In an economic downturn, even in the face of declining revenues, the public rightfully expects services to continue uninterrupted. While a major undertaking, we have met this challenge through reducing spending and consolidating government.

REDUCING SPENDING

For every dollar paid in property taxes, approximately 17 cents comes back to your local government to fund services such as police, parks and recreation, snow removal and capital improvements. During the same period the costs for State-mandated items such as pensions and benefits have increased by \$2.6 million or 48.4%, yet, absent one-time Hurricane Sandy expenditures, the Township's operating budget remains below 2007 levels.

Delivering services a different way With every budget cycle we put a price tag on public service offerings and test the marketplace. This has led to various services such as property maintenance and snow removal being performed at a reduced cost by private contractors. As we look to save on printing and postage costs, as well as striving to be more 'green', we have scaled back on individual mailings to residents. For example, recreation brochures are no longer mailed and are now available on the Township's website. We have also

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launched online registration for our recreation programs, which help reduce personnel costs and save residents time and fuel.

Cooperative Purchasing The Township constantly seeks out cooperative and bulk purchasing arrangements which reduce costs. The most notable example is in the area of energy supply, where the Township and Board of Education participated in a joint bid which will result in more than \$1 million of savings over four years. It is also worth mentioning that in the wake of the Newtown shooting, we worked with the Board of Education to staff every school with an off-duty uniformed police officer, giving parents peace of mind as the Board of Education reviewed their security measures. We have entered into a shared service agreement with the Marlboro Board of Education for custodial services and with surrounding towns for police training and animal control services which ultimately reduce costs to the taxpayer.

Reducing Personnel Costs Labor costs including salaries, health benefits and State-mandated pension payments represent more than 60% of our budget. Since 2008, along with the consolidation of the water authority, we have reduced the number of full-time employees by 13.5%. It is noteworthy that the consolidation of water services has resulted in a 100% reduction in employees on the water payroll. Administrative employees were furloughed in 2009 resulting in a reduction in payroll costs. At the same time, we have instituted flex and alternative work schedules which have allowed certain offices such as registrar, tax and water to remain open during evening hours to better serve the public.

All employees are now subject to mandatory health insurance contributions. An in lieu of health insurance incentive payment has been established to encourage those with dual coverage to opt out of the Town's program. The Township has reduced the number of paid municipal holidays and vacation time. For new employees, wages and paid time off have been reduced, and the practice of paying for accumulated sick time at the time of retirement has been eliminated.

CONSOLIDATING GOVERNMENT

We have worked hard to eliminate overlapping, duplicate and unnecessary layers of government.

Dissolving the Water Authority In 2009, a team including the Township's independent auditors found that "the Authority constitutes an unnecessary layer of government that, when dissolved, will permit the efficient delivery of services at a substantial cost saving to the ratepayer and the taxpayer." At the end of 2009, the Township assumed control over the Marlboro Township Municipal Utilities Authority (MTMUA).

By any measure, this move has been a financial success, saving more than \$700,000 per year in operating costs. When Moody's Investors Service reaffirmed the Township's Aa2 financial bond rating in 2010 and again in 2011, they highlighted the difficult decisions made by the Township during the previous two budget cycles including the dissolution of the MTMUA. The Moody's report is not just a reflection of the financial strength and management of an operation - a higher bond rating ultimately translates into a lower cost of financing for capital improvements.

Combining Recreation and Swim The Township's Recreation and Swim divisions have been combined to form a single operating and financial entity. In 2011 taxpayers were subsidizing about \$750,000 or 30% of the cost of Recreation programs. The Swim division, on the other hand, had been self-supporting since its inception. We undertook a careful analysis of numerous user fee based programs. Where we identified programs that were being offered at less than cost (and in some cases at a substantial discount compared with the alternatives available), we began the process of aligning the fees charged with the costs incurred. Especially in this economic climate, it is just no longer fair to ask the general taxpayers to pay for an entire offering of programs that they do not use.

Yes—we are adding a business element to the delivery of services including recreation programs. Through this approach, I anticipate being able to maintain and even improve upon the level of services we have all come to expect.

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“THE OTHER SIDE OF THE LEDGER”

Efforts to control expenditures addresses only one side of the ledger. As outside revenues began to dry up at the start of the economic downturn, we knew we had to find a way to bolster the revenue side without further burdening the residential taxpayers. One solution was to focus on expanding the commercial tax base with clean, smart new ratables in order to shift the burden from the residential taxpayer. At the same time, we have continued to secure partnerships and purchasing arrangements to help offset the cost of service delivery.

ECONOMIC DEVELOPMENT

The Economic Development Committee (EDC) was formed and given a mandate to market Marlboro for new businesses. Through business outreach and promotion, an on-line business directory and ribbon cuttings to welcome new businesses, the EDC has made it known that Marlboro Township is open for business.

Since 2008, we have attracted over 716,000 square feet of new businesses which has resulted in more than \$1.4 million in new revenue to the Township.

In early 2012, we created a program through which residents would receive a direct credit against their property taxes when purchasing goods or services from participating Marlboro businesses. In September 2012 we launched the “Shop Marlboro Property Tax Reward Program” which we believe to be the “first-of-its-kind” in the United States. The premise is simple—buy at home and save money on your property taxes. The program is modeled after private-sector reward or loyalty type programs. The difference is that these rewards directly offset your property taxes!

Since inception in September, 2012, participating merchants realized \$760,000 in Shop Marlboro! sales and Marlboro residents have saved more than \$20,000 on their property taxes. More residents are choosing to make their purchases in town, driving more customers to local merchants and further enhancing our ability to attract new businesses. With close to 50 participating businesses, almost every resident should be able to benefit from this free program.

Our program has received national attention and other towns have begun their own “shop local” initiatives. We will continue our efforts to generate new, clean and smart commercial ratables and support our local businesses, knowing that this directly reduces the property tax burden on our residents and enhances the quality of life in our community.

ALTERNATIVE REVENUES

It is notable that in spite of the underlying economic news, the Township has had its share of successes in attracting new alternative revenues as we continuously pursue grants and actively work towards shared service and cooperative purchasing opportunities.

While the Marlboro Police continues to provide security at the Marlboro Psychiatric Hospital, we negotiated with the State of New Jersey to be compensated \$150,000 annually for our services. The Marlboro Swim Club continues to participate in an arrangement which enables Manalapan and Colts Neck families to join. During my term, we have secured more than \$2 million in public safety grants for traffic enforcement and child safety in the schools, energy efficiency initiatives, maintenance and recycling programs and federal funding for flood mitigation activities.

INVESTING IN OUR INFRASTRUCTURE

At the same time as we reduce the size of our government, we continue to plan for the future. During a period when many municipalities and even the State of New Jersey have received downgrades, the Township has maintained its Aa2 bond rating. A strong rating, historically low interest rates, and the aggressive pursuit of alternative revenue sources has enabled the Township to invest in important roadway, drainage and recreation improvements throughout town while maintaining a debt level less than one-fifth the statutory limit established by the State. Additionally, budgeted debt service is at its lowest level since prior to 2003. Still we continue to invest in capital projects which improve our infrastructure and quality of life. In a time of

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historically low interest rates, it makes financial sense. It is also a necessity if we wish to maintain our competitiveness, preparedness and our reputation as the premier place to raise a family and locate a business.

We have learned much from our experiences dealing with extreme weather and continue to improve our level of preparedness. The Township has invested in backup systems throughout its municipal facilities so that we are less reliant on street power. We have also worked with our business community to implement common sense approaches which also happen to make good business sense. For example, new gas stations (and existing gas stations by January 1, 2016) are now required to obtain back-up power and will be positioned to sell fuel and serve the public during the next power outage.

ROADS AND SIDEWALKS

With the help of \$585,000 in grants, we completed the reconstruction of Union Hill Road in 2011. We obtained more than \$400,000 in grants to complete the reconstruction of Vanderburg Road in phases, a project which will be completed by year end. In 2012, we paved Hartman Lane at Route 18 and 520, School Road East and Phase I of Amboy Road. Robertsville Road was recently improved with replacements to the gutters, curbs, ADA compliant ramps and repaving of the roadway from Topanemus to the Freehold border. We have also taken important steps to make the town safer for pedestrians by constructing sidewalks on Texas Road and Route 9.

We know that many of our roads still need a substantial amount of work. We recently applied to the State to assist with the reconstruction of Texas Road which will be paved in phases. On an annual basis, road reconstruction remains the #1 priority in our capital program.

DOWNTOWN MARLBORO

Frequently on the wish-list for Marlboro residents is the desire for a town center. The Council recently adopted a form based code zoning plan and authorized walkway and lighting improvements for Route 79 (Main Street) from School Road West to Buck Lane. This exciting first step will be the beginning of our Marlboro Village Center, which will be pedestrian friendly and a magnet for new local businesses.

WATER

When the Township took over the MTMUA, it also inherited the commitment to maintain a safe, reliable and affordable water supply for its customers. The dissolution of the MTMUA immediately allowed the Township to free up \$5 million in capital reserves, and obtain much more favorable financing for capital projects. Recently, the Township secured a 75% interest free loan to construct the Tennent Road treatment plant which will treat up to 1.5 million gallons per day in order to meet periods of peak demand. The new plant will also help ensure adherence to all applicable federal and state safe drinking water standards so that customers continue to receive the highest possible quality drinking water.

Of particularly importance in light of the severe storms we have been experiencing, the Tennent Road plant will help reduce reliance on outside water purveyors. This is a benefit to the customers of the Marlboro Water Utility, as well as those residents who are served by Gordons Corner Water Company (GC purchases water from the Marlboro Utility). The plant will also feature full emergency generation capabilities so that it may operate during periods of power disruption.

The Township is in the process of obtaining favorable financing terms for the replacement of the 40 year old Harbor Road Water Treatment Plant which remains the backbone of the Water Utility.

While the Township continues to invest in the water infrastructure to ensure a safe and reliable water supply, Marlboro Water customers still pay 10% to 45% less than the surrounding water suppliers.

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RECREATION

Recreation facilities are an important component in our quality of life for residents of all ages. A new turf field, built without any new taxpayer dollars, was dedicated in 2012 and has since been home to many games and tournaments. The walking path surrounding the municipal center was recently replaced so that residents continue to have a safe and enjoyable place to exercise.

During 2014, the recreation center indoor basketball courts will be resurfaced and repaired. Marlboro Country Park will see an upgrade to the existing softball fields, the tennis courts will receive improved lighting and the handball courts will be refurbished.

We have many parks throughout the Township and some are in need of repair or replacement. The Recreation Department remains committed to an annual capital improvement program that ensures the high quality of parks and recreation facilities that so many residents enjoy with their families and friends.

OPEN SPACE & FARMLAND PRESERVATION

The value of preserving open space cannot be understated. Compared with residential development, open space is fiscally responsible and provides a public good to be enjoyed for generations. It makes even more sense when one considers that we are preserving land using only the dedicated 'one penny open space tax', supplemented with matching grants from New Jersey Green Acres and Monmouth County. The Township recently preserved 30 acres of open space on Tennent Road, and is currently completing the acquisition of the Smith Farm parcel (also on Tennent Road) and a 21 acre parcel located on Harbor Road. In cooperation with the County, the Township has authorized the preservation of several farmland parcels in the area of the old Marlboro airport. To date, more than 220 acres have been preserved.

MARLBORO STATE HOSPITAL

Marlboro, the State of New Jersey and Monmouth County have finally reached an agreement on forever preserving the old hospital property for open space and recreation. Our Town Council took the critical step of protecting the land in 2008 to ensure that no further residential development would take place. The State is now in the process of cleaning up the property and will ultimately turn it over to the County to maintain parks and recreation for Marlboro residents to enjoy.

MARLBORO GOES GREEN

Marlboro achieved certification from Sustainable Jersey in 2010 and we are well on our way to re-certification in 2014. With the support of the Town Council, the Marlboro Green Team was awarded a \$25,000 Sustainable Jersey grant for the new Town Center. Through the work of the Shade Tree Committee, Marlboro has literally become a greener place by planting almost 2,000 trees and earning a "Tree City USA" designation from the National Arbor Day foundation for the 5th year. We have completed our second 5 year Forestry Plan to ensure the environmental benefits of trees in our community for years to come.

AFFORDABLE HOUSING

Without question, one of the greatest challenges we have faced since taking office in 2008 has been dealing with Marlboro's affordable housing obligation as dictated to us by the State of New Jersey. I will continue to stand up to those who want to jam hundreds of high density units into Marlboro based upon indefensible social and economic projections and incomplete knowledge of this community. Preserving the quality of life for our residents shall always be my paramount concern.

OPENING UP GOVERNMENT

As you have heard me say before, I am not concerned with your political affiliation, where you live in town, or what you ate for breakfast. If you want to volunteer and have the best interests of all Marlboro residents at heart, we have a spot for you.

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Since 2008, we have attracted the most talented pool of volunteers Marlboro has ever seen, individuals who continue to work hard and make a difference. I am grateful to all those that take time away from their businesses and families to join us in moving Marlboro forward.

One of my main goals when taking office was to open up government and increase communication with our residents. Channel 77 and our website may now be used to view Council meetings. All township committee meetings are publicized on our website and open to the public. Budget workshops are open, publicized and inclusive. Our town website has been redesigned to provide access to every department. Recently, we began a Township Facebook page and Twitter feed. We feature regular town email "blasts" and "reverse 911" calls to alert and inform residents.

One of our many lessons from Sandy is that, in times of emergencies and communication disruptions due to power failures, it is important that we have as many ways to contact you as possible. Before Sandy landed in New Jersey, eight emails had been sent to residents giving tips on preparedness and providing updates on Township storm preparation. All together 27 emails and numerous reverse 911 calls were sent to the public. Yet still there were residents who were not receiving notice of our electronic charging stations, medical assistance, available locations for shelter, movie nights and vital information that Marlboro water was both available and safe. We urge every resident to please visit the "Communications for Residents" section of our website and register for any and all of the available communications options.

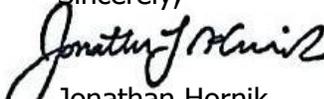
Our Teen Advisory Committee (TAC) is the largest committee in town with over 1,500 teenage members who are committed to "Do Good" in our community. This outstanding group of young men and women, gives back to the community by volunteering at town events, from Marlboro Day to Blood Drives. They work one-on-one with members of our senior community on how to use the internet and program their phones. During Hurricane Sandy, hundreds of TAC members responded and went door-to-door in one of our adult communities to check on the safety of some of our most vulnerable residents. We could not have reached so many without their assistance.

Our senior citizens are an important part of our Township and their numbers have been growing. For that reason, the Township has worked very hard to keep programs free or at a low cost for our seniors. Our senior activities director fills the calendar with special events, classes and activities. Our Senior Advisory Committee (SAC) meets on a monthly basis with a representative from my office to provide feedback and engage in discussions about how to improve our community.

FINAL THOUGHTS

If you have not read it in the news, we have just received a stellar report from the Township's independent auditors. While this document highlights the progress we have made on the financial side, it is my practice to try and look "beyond the numbers". Without question, this document reflects positively on our track record of "weathering the storms", and commitment to planning for the future and delivering high quality services in the most cost effective manner possible.

I am so proud to be a lifelong resident of this great community, and am truly honored to serve as your Mayor. I am reminded in good times, when I attend Marlboro Day or when I see a packed room of volunteers ready to roll up their sleeves and get to work, how many selfless and community minded citizens we have. I am reminded of the same in times of adversity, like during the hurricane, when I witnessed neighbors reaching out to support others during their time of need. I thank you for all that you do as citizens and for continuing to make Marlboro your home and a premier destination for families and businesses.

Sincerely,

Jonathan Hornik
Mayor