

PARSIPPANY 2017 BUDGET SPEECH

MAYOR JAMES R. BARBERIO

Mr. Council President and Members of the Township Council, Administration, honored guests and my fellow Parsippany residents. Tonight, I am requesting that the Township Council introduce the 2017 budget. The Budget is significant – not only because it is necessary to appropriate funds for local government services – but also because it reflects our priorities and our values as a community. That is why the budget takes so much of my time. Any grandstander can take cheap shots from the rafters. But only a dedicated and experienced public servant can manage this nearly \$70 million budget in a way that enhances the quality and scope of our services while at the same time achieving one of the lowest tax rates in Morris County. This year, I am proud to announce that there will be NO tax increase in your municipal tax rate, if the Council adopts this budget. As I will detail in a moment, I am also proud to announce that we are making significant investments in our community, to ensure an even brighter future, with NO increase in municipal taxes.

I need to say something here that is important. Parsippany's municipal tax rate is not increasing. However, that doesn't mean your total property tax bill will not increase. Why? Well, your property tax bill consists of seven components – Library, Municipal, Municipal Open Space, Fire Districts, School Districts, County and County Open Space. The only rate the Mayor and Council control is the municipal rate, which is only 21.3% of your total property tax bill. The largest portion of your property tax bill is the school tax. In Parsippany, school taxes account for 65.7% of your total property tax bill. While this may seem high, it is generally in line with other similar communities. So again, I am delivering a 0% tax increase

budget to the Council for adoption. If the Council approves this budget, the municipal portion of your property tax bill will NOT increase in 2017.

The main reason I am able to deliver a 0% tax increase is because revenues are up this year by almost \$1.7 million, much of which is due to new businesses that are locating here to Parsippany, filling up previously vacated commercial space.

When I became Mayor in 2010, I inherited an evaporating ratable base. Parsippany, like New Jersey, was losing business. From 2004 – 2010, Parsippany had significant losses in assessed values. The trend of lower assessments continued but decreased over the years until 2016, when, for the first time since 2004, we saw our assessed values increase by almost \$1.3 million. Today, unlike New Jersey as a whole, business is expanding in Parsippany at a rapid rate. Parsippany is a beacon – an example of how municipalities can attract desirable businesses which bring tax revenue and jobs.

In 2017, our assessed values increased by over \$27 million, resulting in a significant increase in revenues. We anticipate another significant increase in assessed values next year as the new UPS and other facilities come on line. Continued increases in good quality ratables to appropriate areas of our township offset increased costs and permit us to enhance our services without tax increases. Business growth in Parsippany has also resulted in more employment opportunities for our residents. New Jersey's unemployment rate is 4.2%. Parsippany's unemployment rate is 3.3%. The 3.3% is one of the lowest unemployment rates in NJ. The year before I took office, the unemployment rate in Parsippany was 6.7%, now its 3.3%. Increased revenues to hold the line on taxes and more jobs for our residents is good for Parsippany and it is a record I am proud of. This is good

government at work – and it didn't happen by accident or happenstance. It took a clear vision, a solid plan, and terrific implementation by my administration.

Back in 2010, I understood that Parsippany was, and continues, to compete with other communities for high quality ratables. That is why I created the Mayor's Action Team for business – so that we could work effectively with prospective businesses to choose Parsippany over other communities. The results have been tremendous for Parsippany taxpayers. When UPS had to choose between Parsippany and Marietta Georgia, they chose Parsippany. I assembled the Mayor's Action team to demonstrate our efficiency and competence to assist with expedited approvals and permits. My administration also negotiated a complex and beneficial financial agreement that will result in \$332,000 in annual revenues for Parsippany commencing next year. The UPS deal is an example of how your local government works for the people of this town. When I took office in 2010 Parsippany had 4.7 million Square feet of vacant office space. That calculated into approximately 30% vacancy rate. In 2017, the 4.7 million square feet is now occupied. We expect to increase the square footage of office space by another 300,000 Square feet, giving Parsippany 5 million square feet of occupied office space. This will bring our vacancy rate down to 17%.

This work, by my administration, has attracted tens of millions of dollars to Parsippany and has enabled me to deliver this 0% tax increase budget to the Council.

Before the question is asked, let me say that, yes, I am proposing to utilize a responsible level of surplus from our utilities to offset costs. This practice is commonly used by municipalities across New Jersey and has been utilized here in Parsippany for decades. Let me share with you my view about surplus. I believe that government should take what it

needs, not what it wants, and give the excess surplus back to the taxpayers. That is what I'm proposing to do this year and I hope the Council adopts my view. We will of course, maintain a responsible level of surplus in our utilities. It is also projected that we will regenerate the surplus in 2017. But the excess surplus will go back to the taxpayers in the form of a 0% tax increase budget. That is good public policy which is also supported by the rating agencies.

I also want to note that our water and sewer fees have not been increased in recent years – and I am proposing no change to those rates. Any change in water or sewer rates should only be done in strong consultation with the rating agencies. We enjoy a strong AA bond rating and I will not jeopardize that by playing political games with water and sewer rates. My administration will continue to make Parsippany a desirable place for good companies to locate their businesses so that we can continue our climb in attracting quality ratables so our municipal taxes stay low.

We had some cost increases in this year's budget and we are making some significant investments in our community. Not unlike other municipalities and not unlike many businesses, our insurance costs have increased. Our costs to maintain our libraries have also increased. If this budget is adopted by the Council this year, we will budget nearly \$340,000.00 in funding over and above what the State requires for our public library.

As our revenues continue to increase, I believe our most important investment is in public safety – our police and our paid and volunteer rescue and recovery capabilities. This year, I am proposing to increase funding for public safety by \$1.5 million. The primary reason for this increase is to enable the Township to hire additional police officers. If we want to keep crime down, if we want to keep our neighborhoods safe, if we want to keep our schools

safe, if we want to keep our children safe, we need to invest in public safety. When I became Mayor back in 2010, our police force was down to 87 officers from 106. Due to budgetary constraints we built the force back up. With the hires in this year's budget, we will have 106 police officers.

One of the reasons I have increased our police force is so that we could have police officers in our schools. Today, thanks to a historic shared services agreement with the Board of Education, we have police officers in our schools, ensuring the safety of our children.

I hope that we can all agree that our children's safety should be our top priority.

In fact, your children are our children.

We have increased funding for our first responders – both the paid and volunteers. This is actually an investment which will not only enhance our first responder services, but will also be a revenue generator as we are able to leverage this investment by sharing these services with other communities.

We are also making some additional targeted investments in our community and our people. We are adding a nurse to booster our public health capabilities for our seniors and our children. We are also adding \$27,000 to our recreation budget for 2017.

We are maintaining [enhancing] services for our seniors. We care for our senior citizens. In a world that values our youth, Parsippany holds its seniors near and dear to its heart. You just have to look at our senior center to see that this is true. Every day more than two hundred seniors take advantage of our senior center. With low impact exercise classes, card games, bingo, table pool, the senior clubs and more, there is something for everybody.

We recently added senior activities at the senior center. Movies, computers, new health clinics, prescription counseling, Medicare counseling and of course the Senior Prom. Our goal is to continue improving the lives of our seniors.

We have also stepped up our efforts to obtain grants. As you know, I have been very active in our collective quest to fight opioid addiction. There are many ways in which addiction can occur. Sometimes it's through a doctor's prescription. Sometimes it's through unfortunate life choices. This horrible disease is needlessly taking lives and crippling families. The stories are heart wrenching. This year, we are receiving \$36,000 in grants from National PAL for our mentoring program at the PAL. Parsippany kids who need this help are identified by the schools and our SROs. We are blessed to have mentors who provide the effective programing these good kids need.

We are also receiving \$28,000 in grants from the County of Morris, which Parsippany matches, to provide drug and opioid programs and awareness through our municipal Alliance program.

We are also applying for a grant for the Smith Baldwin House in the amount the amount of \$438,122.00 for restoration of the Cobb-Smith house which was first constructed in 1811. We want to preserve Parsippany's history.

As you are aware we acquired Forge Pond. After almost 30 years of trying to acquire this property my administration finally was able to acquire and preserve Parsippany history. Under the settlement we received \$600,000 from the developer to assist in preservation of the dam. The history dates back to 1735. The Forge Pond dam powered a forge that purified

the iron used to make cannon balls and other armaments for General George Washington's army during the revolutionary war.

I want to thank Ann Cucci, our CFO, Ellen Sandman, our Business Administrator, and all of our department heads for their hard work on this budget. I also want to thank those on the Council who have worked with me on this budget. A special thank you to Council President Louis Valori for his hard work and cooperation in this budget process. Since Council President Valori assumed the Chairmanship of the Finance Committee, my administration's relationship with the Council has improved tremendously.

This 0% tax increase budget is fiscally responsible and invests in our people and our community. This budget not only provides for the services our residents rely upon, it reflects our values – Parsippany values - that we can all be proud of. I hope that our Council passes this budget for the people of Parsippany-Troy Hills without delay. Thank you.