

Borough of Woodland Park

Office of the Mayor

Passaic County, NJ

5 Brophy Lane

Woodland Park, NJ 07424 Office: (973) 345-8100 x 210

Fax: (973) 345-8194 Home: (973) 684-3604 Cell: (973) 420-9962 E-Mail: kkazmark@wpnj.us

April 14, 2020

Keith Kazmark Mayor

> Governor Phil Murphy 125 West State Street P.O. Box 001 Trenton, NJ 08625-001

Senate President Stephen Sweeney 935 Kings Highway, Suite 400 West Deptford, NJ 08086

Assembly Speaker Craig Coughlin 569 Rahway Avenue Woodbridge, NJ 07095 Senator Kristin Corrado 999 Riverview Drive, Suite 350 Wayne, NJ 07470

Assemblyman Kevin J. Rooney 1211 Hamburg Turnpike, Suite 301 Wayne, NJ 07470

Assemblyman Christopher P. DePhillips 201C Franklin Avenue Midland Park, NJ 07432

Dear Governor Murphy and Legislative Leaders:

First, let me take a moment to compliment each of you on your leadership and handling of the current public health emergency relative to COVID-19. These are certainly unique times and we are all working together, effectively to navigate and manage this crisis.

Along the lines of working together, I write today to fully support the financial reforms proposed yesterday by Mayor Matthew Moench of Bridgewater Township to address municipal budget challenges as a result of the COVID-19 outbreak. As Mayor Moench stated, these difficulties are felt throughout the State regardless of location. The largest concerns obviously are a significant loss of revenue ranging from reduced tax collection, construction fees, permitting and municipal court fines, in addition to unforeseen expenses directly related to COVID-19. As you are aware, taxpayers are already hard hit by the economic fallout of the crisis and the uncertainty of what is to come.

Below is the summary of Mayor Moench's proposals, which I hope will be considered and adopted by the Legislature and signed by the Governor:

Authorize municipalities to have the ability to issue a special emergency for COVID-19 expenses and raise those funds over five budget years. The statute is very limited as to what type of emergencies can be issued by a municipality and raised over three or five years. Most emergencies funds must be raised in the following budget year. Relief must be provided through legislative or administrative action for the DCA to authorize COVID-19 related expenses that are issued as emergencies to be raised over five years.

- Create a mechanism whereby municipalities can address the loss of revenue over five budget years. Generally, operating expenses cannot be paid with debt. The law allows us to issue Tax Anticipation Notes, but it is only for 12 months. Municipalities should have an ability to issue debt, preferably with no down payment, to provide funding for lost revenue, allowing us to raise one-fifth of it every year for the next five years and to raise it outside the Levy CAP.
- School Districts and Counties should share in the costs of borrowing if tax income is delayed or reduced. If tax revenue collections are low or delayed and a municipality has to borrow money in order to provide payments to the County and the Board of Education, the burden for paying interest on Tax Anticipation Notes should be shared by the County and the Board of Education.

I request that these recommendations be acted upon swiftly, as municipalities throughout the State are working to finalize their municipal budgets and will not realize any of the prior year revenues.

Your anticipated consideration and support are appreciated.

Best Regards,

Keith Kazmark

Mayor

KK:tm