

## **2009 State of the Borough Address**

### **I. Welcome**

Rev. Clergy , Madame Council President, and the distinguished members of the Borough Council, and honored guests, to our business community, and most importantly our residents viewing at home. Good afternoon and welcome to our annual State of the Borough Address; this annual forum allows me the opportunity to update you on the status of many projects ongoing in town, and it allows us to recap 2008 and outline our plans for Carteret in 2009 and beyond.

It is both my privilege and honor to present this annual report to you; given for the first time here in our historically restored Memorial Municipal Building – this magnificent treasure has been restored with historical accuracy to its original prominence, and it is representative of the things that we as an administration – and as a town – can achieve; its message is clear we may build and modernize our community, but we must not forget our roots, nor sacrifice too much in the name of change.

This is our sixth annual address; add it marks the beginning of our seventh year as an administration.

### **II. Acknowledgements**

While we embark on the very difficult challenges we face in the coming year, I would like to acknowledge our administration as a whole and our team for their dedication and commitment to the residents of our community. Our past achievements have been produced by a team that has shared our community's vision for a better Carteret, and which has grown with the challenges we have overcome, and the milestones that have marked Carteret's progress along the way. Foremost, I would like to thank our Borough Council, who - not just each year but each and every day - demonstrate a level of commitment without which few of our town's improvements could be possible:

*Susan Naples, Council President*

*Council Members*

*Skippy Sitarz      Randy Krum      Vinny Bellino*

*Jorge Diaz      Iris Colon*

I would also like to welcome Carteret's first representative to the Middlesex County Board of Chosen Freeholders, our newly elected Freeholder, Ron Rios, who has effectively taken our local concerns to the county level and has already spearheaded positive changes throughout Middlesex County:

Ron, Know that we as a community are very proud of you, and are very happy to call you our freeholder, we look forward to great things for Carteret and Middlesex County as we continue to work together.

### **III. Recap of 2008**

2008 had many successes and indeed many challenges; it was almost a year ago today during our last State of the Borough report that we warned of a recession; we began to feel the financial effect on our local economy long before the bureaucrats in Washington and the economists on Wall Street acknowledged that we were in a deep recession . One does not need to be a economist to take note of a slide in home sales, or the significant drop in home value. When construction slows, when homes sit idle and when factories and businesses begin to close it doesn't take a MBA to know that tough economic times are ahead -

### **LIBRARY**

In getting prepared for new economic and employment challenges our residents faced in 2008, we worked with the Library Board and Middlesex County College to establish an employment training program utilizing the Library's learning Center. The programs provided basic and advanced training in Computer Office products and Writing Skills workshops.

And discussions have already begun for a new round of job training programs with the Library, and today I direct the Carteret Business Partnership and the UEZ Authority to jointly partner in making job training available to all those who seek to learn the newest technology in today's economy, by providing additional job training programs.

Last year we began the design for the expansion of our Young Adult section at the library. The circulation of Young Adult materials has increased 44 percent during 2008. And by this spring we will invest capital dollars necessary to construct a new Young Adult facility; within our existing Library. We need to provide our young people with the tools they need to be successful in the ever changing economic environment. In partnership with the Library Board of Trustees, we plan to have this new room functional by the end of 2009.

While working to expand educational and job training efforts for our residents and young people, we continue to make our local government, leaner, less costly, better directed and most importantly more efficient in the way that it does business.

## **FIRE DEPARTMENT**

While downsizing and reduced spending has been our commitment, we have maintained that the reorganization of existing departments can also allow for increased efficiency and better public service. With that assurance has come the consolidation of our career, and volunteer fire companies into one department under a uniformed, full-time career chief. Following a directive I issued last April, our full-time and volunteer fire personnel now receive the same training, protocols, and procedures, allowing them to function as a single entity during emergencies. We have streamlined operations to remain consistent with national domestic preparedness standards that have become vital to our public safety concerns.

In stride with the growing demands of this dynamic town, our Fire Department continues to receive the most advanced training, and through grants and corporate donations, the best equipment available. I would like to thank Kinder Morgan for the donation of our new Foam Fire Truck, and the Carteret Business Partnership for our Emergency Response vehicle.

I also want to point out that following up on a local ordinance this administration authorized, the Chemical companies and the Borough have agreed to enter into a long-term, multi-year, pact. Under this agreement, our local chemical industry will provide dedicated financial assistance to the Borough, for Hazardous Material Response.

This dedicated funding will provide hundreds of thousands of dollars annually, to purchase firefighting equipment for hazardous materials, protective gear for our emergency response personnel, and provide specialized training and communications components. Our efforts help insure that we are ready in Carteret to respond to local hazmat situations, while also insuring the costs associated with providing this emergency response is bourn fairly by the industry that creates the hazard.

As we have demonstrated, we need not increase personnel or suffer with outdated organizational models in order to increase productivity or to reduce costs, in the delivery of important public services.

**CONSOLIDATION/REORGANIZATION/ENGINEERING DEPT**

And so, our Department of Engineering, which has been involved with many of our improvements throughout the Borough, now oversees the functioning of our Public Works and Parks Departments. These divisions and services have played a significant part in the incredible range of improvements in Carteret, and our Department of Engineering has provided the technical foundation for the consolidation of these units into one unified operation.

We have also continued with our commitment to make our overall municipal operations as efficient as possible, while still ensuring the necessary services for our residents are maintained. We have continued with my directive of an across the board hiring freeze of non-essential employees, and the elimination of positions, through attrition, retirement, and job-elimination layoffs when and where necessary. These efforts have realized a reduction in personnel throughout all departments by 22 ft. positions since 2004, resulting in a decrease in full-time staff of over 10%.

In keeping with our goal to improve and enhance the delivery of local government, we have begun to implement a series of initiatives that change the way we provide public information.

#### **OPRA/WEBSITE**

With this agenda has come the establishment of internet-based public forms and records. Last year, this administration upgraded its antiquated website to meet current technological standards, and to become a public resource for any information that could

be requested. In the spirit of the Open Public Records Act, administrative forms and public records can now be easily accessed from home via the internet. Lauded as one of the most user-friendly and accessible local government sites on the web, [carteret.net](http://carteret.net) hosts the Borough's code, financial disclosure forms, employee salary guides, municipal budgets, audits, financial statements, and vendor and bill lists, just to name a few of the digital forms and records that help define Carteret's website as a cutting-edge tool for our residents.

Better organization and increased efficiencies would not be enough to insure our overall ability to maintain a high level of public services, without addressing our skyrocketing costs of health care. Like small businesses across this country, the rising costs of employee health insurance and pensions have threatened our very ability to provide for our community's future needs, and have had a devastating effect on municipal budgets statewide.

### **REDUCING HEALTH AND PENSION COSTS**

In 2008, I made a promise to the taxpayers of Carteret to address the exorbitant health insurance premiums which we have seen increase over 65% since 2002. I committed to our residents to be tough, but fair when negotiating with the employees of the Borough through collective bargaining. And, as a result of these negotiations, and compromises made by the municipal employees, the Borough will realize much needed savings with a switch to the State of NJ Health Benefits Plan. In addition, through contract negotiations,

municipal employees now pay towards their health benefits as part of a comprehensive effort to bring down and maintain our shared health care costs at a manageable level.

This year, we face a pension bill from the state of \$2.4 million dollars, a 300% increase since 2004, and at the same time we have seen steadily decreasing municipal state aid. In fact, between 2003 and 2008, the Borough has experienced a decrease in state aid of over 20%. These challenges have forced this administration to make tough choices and find ways to do more with much less while still providing the necessary services to the residents and taxpayers of Carteret. This administration has not and will not utilize one-shot deals which only take today's challenges and turn them into tomorrow's problems, and we will not blame our union employees for the financial mistakes made by Trenton and past administrations.

**WORKING WITH STATE, COUNTY & SCHOOL BOARD:  
BDA/PARKS/INTERLOCAL**

Last year, we continued to partner with state and county government to secure additional resources for local economic development.

As I announced last year, we received a coveted Brownfield Development Area designation. This has paved the way for millions in environmental investigation and remediation dollars to flow into local projects. These funds are helping to guarantee

that new redevelopment efforts and job growth are not stymied by abandoned sites and past corporate pollution.

Since this designation, we have received nearly \$2 million in commitments from the HDSRF to investigate and remediate contaminated sites, and most importantly to reimburse the Borough for its efforts to restore and recapture our waterfront.

Our BDA is eligible to receive up to \$5 million a year in environmental clean up dollars and high on the list of this year's projects is the clean up of the waterfront cove. The redevelopment of this area into a commercial and public marina, will create not only greater recreational opportunities, more jobs and commercial growth, and will increase commerce in Carteret. As part of this project, the NJ DEP has agreed to fund 75% of the cost of dredging and the remediation of the cove for the future marina.

Just last week, Middlesex County has committed more than \$1 million in County Open Space funds, to match approximately \$1.4 million in Green Acres funding already earmarked. These grant dollars will be used to begin the construction of a 690 foot pier extension in 2010, which will serve as the front line and breakwater for our future marina.

While continuing to improve our parks system for all to enjoy, this past April, we joined with county and state officials, who helped secure millions of dollars in grants for the reconstruction of our Civic Center Park sports complex. Today, we are able to boast

Civic Center Park as one of the most advanced public athletic centers in the state of New Jersey, and the single most utilized park by our athletic organizations.

This April, during opening day, it is my intent to dedicate the Civic Center Sports complex to one of our late, great government leaders, a very humble man that would never allow us to recognize his achievements and dedication to public service during his lifetime. It is my honor to announce that the Civic Center Sports Complex will be named for and dedicated in memory of former Middlesex County Freeholder Director David Crabel; in gratitude for his years of commitment to Middlesex County, and friendship to the residents of Carteret with David's foresight and support we were able to make great strides in improving the quality of our parks.

We have also continued to work closely with our local Board of Education on a number of important projects. Towards the end of last year, after much investigation and planning, the Borough spearheaded a joint effort with our schools to hold the NYNJ Port Authority accountable for past activities that left behind environmental contamination that threatened our public property, and the safety of our residents.

Jointly with the school board, the borough brought suit against the PA to force them to reimburse both the municipality and the BOE for the costs of environmental testing and cleanup.

Our legal effort lead by former NJ DEP commissioner, Bradley Campbell, resulted in a recent settlement with the PA for nearly ½ million dollars.

And as a result, the Borough and School Board have decided to continue this partnership and are utilizing these funds, matched with Green Acres dollars, to reinvest in additional recreational opportunities for our young people. With these monies, we will rebuild the basketball and tennis courts on Louis Street, adjacent to Carteret Middle School. By continuing and expanding our inter-local co operations and joint agreements with the School Board, we continue to realize even further savings and economies for our local taxpayers, while making smart investments in our community's future.

Continuing on our aggressive shared-services program with the school board, we have extended our Inter-Local Services Agreement providing for various shared services between the Borough and BOE.

From expanding shared services through computer and workplace training in our library, to providing and maintaining the best athletic fields and facilities for our students, from public safety to drug education programs in the schools, Carteret is leading the way in inter-local shared services and cooperation, watching as closely as we can that our tax resources are well managed and ultimately preserved for the benefit of our residents, especially in these tough economic times.

## **HEALTH & WELLNESS CENTER**

I want to take just a moment to update you on the status of our plans for our new Health & Wellness Center. Last year, I presented our plans to construct a 36,000 square foot, state-of-the-art fitness facility, to be built at minimal cost to our local taxpayers, and operated by not-for-profit entity. Today I am pleased to announce that, not only are we on target – but ahead of schedule with the establishment of Carteret’s Health and Wellness Center, and to date we have raised over \$10 million through grants, endowments, and donations, including the recently announced \$500,000 in UEZ funding. An official ground breaking will be held in the spring. The recognition and support of county and state programs has allowed us to incorporate environmental friendly design elements, both during construction, and as part of the daily operation of this facility.

By the time of its completion, scheduled for December 2010, we will have put \$14 million in grants and endowments to immediate use in our local economy, while providing a long-term benefit to municipal residents.

Some ask if perhaps we should be moving forward at this time with what is one of the largest capital projects in Borough history – and simply put the answer is yes. With \$10.5 million in grants already committed to this construction-ready project – and with the onset of our nations current economic plight, and the subsequent demand for capital

projects – with the need to boost our local economy, and with material and construction labor costs at their lowest levels in decades, I tell you with confidence that now is the best possible time to proceed with this project, it will not only better the community in and of itself, but also address the critical need for local economic growth along the way.

## **RATABLES**

As you can see by just some of these highlights, 2008 was a successful year here in Carteret, despite the national economic downturn. Through our efforts locally we have experienced an investment of nearly 65 million in private construction dollars. This has again resulted in an increased ratable base which will help fund public services and assist our residents during the tough financial times to come.

With the commencement of this Health and Wellness Center and many other capital improvement projects slated for 2009, our hard-working residents can now have the assurance that all Borough contractors and service providers will only employ legal workers. Just last week, my office announced that Carteret will be the first municipal government in the nation to mandate participation in E-Verify, a free online service provided by the Department of Homeland Security.

This means that any contractor, public or private, that provides any form of service or product to the Borough, or that receives one penny in tax dollars, WILL be staffed by legal workers who pay taxes, and who contribute to our national Medicare and Social Security system. This means that any contractor who fails to comply, or comes into

question through E-Verify, can and will be subjected to daily municipal fines, cancellation of contracts, and possible charges of perjury. In short, our business partners will be staffed legally, or be prosecuted to the fullest extent permitted by law.

Not only are we using today's technology to protect our residents and businesses from illegal aliens and undocumented workers, but are also using today's technology to protect our young people as well.

In September we took measures to further the safety of our children who participate in local programs. In compliance with NJ statute, we enacted an ordinance requiring criminal background checks on all adults, coaches, counselors, supervisors, and other volunteers affiliated with youth-based programs here in Carteret. This process will be mandatory for every applicant, and will better protect the youth organizations that utilize any municipal facility as part of their program. Parents can be reassured that this administration will incorporate the most effective safeguards practicable, in whatever local programs our children participate in.

## **2009 CAPITAL PROJECTS**

As mentioned, we will be doing our part to insure investment in ongoing capital improvement programs to maintain our quality of life. This year alone we will invest \$4.9 million in Capital Infrastructure projects such as the 2009 Road Paving Program and in our storm water and sanitary sewer system rehabilitation projects.

We have recently applied for \$8 million in funding for local sewer projects from the New Jersey Environmental Infrastructure Trust fund, in an effort to secure dollars made available from the new Federal Economic Recovery Act.

In addition, we have committed \$1.2 million for our joint road paving program with the Middlesex County Roads Dept.. It is expected that we will realize a savings of 20% in construction costs on the project by working in conjunction with Middlesex County. \$300,000 has already been earmarked by the N.J. D.O.T. at the state level.

After securing federal funds through US TEA-21 and SAFTEALU programs, the borough will utilize federal grant monies and partner with Middlesex County in making \$1 million in much needed improvements to the recently re-dedicated Peter J. Sica Memorial Highway. Officially re-dedicated last year in honor of our late great mayor. We will soon begin construction of major improvements to this roadway and its adjacent areas, including creating two, four-way signalized intersections at the Roosevelt / Industrial Avenues crossroads.

We continue to recognize that a quality parks system will incorporate amenities for passive as well as active recreation. As such, we have successfully completed the restoration of Carteret Pond, which has become the focal point of many of our community events, and a popular destination for residents and visitors throughout the year. Its completion this year represents one of many parks improvement projects we

have completed since 2004, bringing the total investment in our local parks to 12 million dollars.

This spring, Carteret Pond will be dedicated in memory to life-long member of the business community, Mr. John Sitar, whose history of involvement and caring made him a beloved member of our community for close to a hundred years. He will be missed, but his legacy will live on through this memorial.

## **REDEVELOPMENT**

In the upcoming year, we will continue to see new private-sector investment as a result of our redevelopment efforts. The new Burger Express has just reopened at the corner of Washington and Roosevelt, helping lead the way to further revitalization of our Washington Avenue business corridor. With new businesses such as Alfredo's Italian Cuisine, and Investors Savings Bank.

Turning our attention to the Lower Roosevelt Redevelopment Area, we will see the second phase of the Gateway at Carteret Redevelopment project soon begin with the construction of a 110 new residential and commercial units. This phase of the project is expected to break ground this year and be completed by the end of 2010.

We also look forward to the completion of the last two buildings of Bristol Station along the highway. This project has provided many construction jobs, added millions to local

tax base, and resulted an influx of additional residents to support our business community.

On the commercial front, the PC Richard & Sons Warehouse and Office Complex is slated for completion this spring with 461,000 square feet of new space, followed by a 35,000 super retail center to begin later this year.

Our Carteret Business Partnership, Inc. reported at their recent annual meeting that our SID and UEZ programs have together helped to leveraged over 1.4 million in private sector investment in Carteret in 2008. And since its inception in 1995, the UEZ generated sales tax revenues in Carteret have resulted in economic development programs totaling over \$5.3 million. Collectively, through the UEZ, CBP and CDBG small business programs we will be able to provide grants and low-interest loans to local small businesses totaling over \$1 million this year alone.

This year, as previously mentioned we will make substantial investments in our sewer system, but will also continue with our sewer fee rebates for our seniors, our veterans, and our disabled residents. This program which we implemented in 2004 is still to this day the only of its kind in NJ, and is a program that we evaluate on an annual basis; one which has provided hundreds of thousands of dollars in rebates and tax relief to our residents. This is not an entitlement but a bona fide rebate program that we can only utilize when funds permit: I am pleased to announce this year for the 2009 CY, I have included in my budget proposal increasing the maximum rebate from \$50.00 to \$100.00

per senior, veteran, or disabled resident. If these savings allow for the purchase of simple items like bread and milk, or even to cover the cost a prescription or a doctor's visit during these tough economic times, then it is well worth the expense.

Today's economic woes can and will effect each and every one of us, from the prices and rates that we personally pay for mortgages and auto loans, to the effect that the global credit market has on where we work and how we shop.

Over the past 6 months, pundits and analysts have debated the impact on small towns, communities and neighborhoods that the housing and mortgage crisis; when a small business fails, it creates a void and hurts other local businesses, when a home owner enters default or abandons a home, it immediately effects the quality of life and value of our neighborhoods and community. From foot high grass, to broken windows, abandoned and or foreclosed homes become a health hazard overnight and within weeks and months become toxic to home values and results in increased neighborhood crime.

Within the coming months the borough will be partnering with other governmental agencies to offer a home value recovery program.

1. The borough has been designated and will soon partner with the NJHMFA and the DCA to introduce the Live where you work Program. Carteret is joining this partnership in order to increase home ownership and enhance housing affordability here in the Borough. The LWYW program offers home-buying incentives to persons

employed at companies within Carteret. The benefits of this program include low interest mortgages for homebuyers, down payment and closing cost assistance for the purchase of a home, and more flexible underwriting criteria during the qualification process.

2. In addition the Borough will be joining with the NJ DCA to utilize federal economic recovery funds to advance our Neighborhood Stabilization Plan. It is the intent of this program to acquire abandoned homes, and work with qualified developers and banks to reduce the costs and to offer for sale at reduced prices these homes that both the homeowner and banks have walked away from. We have asked the State Department of Community Affairs for \$3 million in federal guarantees and we will invest close to \$1 million of our redevelopment trust dollars for the neighborhood stabilization program. We cannot afford to allow faltering homes to destroy an entire community.

Most of this financial crisis has been caused by predatory lenders. Many of the 180 possible foreclosures in Carteret this year will be due to an outside company acquiring and filing foreclosure because of late tax payments. As allowed by state law once sold at auction an investment group can charge upwards of 24% interest a year on a tax lien certificate that they may have purchased the previous year. And while we are all expected to pay our taxes and pay them on time; we recognize that some seniors or residents who are recently unemployed may have difficulty meeting their quarterly tax burden.

We cannot and will not ask other homeowners to foot a tax bill for those that are delinquent, we also cannot afford to allow additional homes to fall into foreclosure or

abandonment, destroying our existing neighborhoods. Therefore I have directed to Finance Office to acquire at sale all municipal tax liens for single and two family owner occupied homes for the 2008, 2009, and 2010 tax lien years; in essence issuing a moratorium on foreclosures related residential tax liens. This will halt tax foreclosures by private entities for this period. In addition the Borough finance office will use its statutory authority to negotiate installment payments for those who are unable to make their quarterly tax payment. And while statutory penalties and interest will be charged we are at least assured of giving the homeowner the opportunity to remain in their home, which for many of us is the single largest investment we will make in our lifetime.

While managing to improve the quality of existing local government services and expanding programs for the most vulnerable residents, seniors and working families, this administration has still managed to keep any annual tax increases to well below the state average and below the state budget cap.

I would be remiss, in the shadow of today's economy, if I were to tell you not to concern yourself with your personal finances, or that this economic climate will not test our local businesses and economy. It would be unrealistic to suggest that the many improvements we have unveiled for you here today will come without careful strategic planning. Our achievements – not just in 2008 but throughout every year of this administration, have demonstrated a proactive agenda to reduce the cost of government – to turn our attention towards sound investments both in our resources and our community, while refining services that directly benefit you, the resident.

While 2009 will challenge us, it will also give this administration a new opportunity to work with state and federal institutions, to refuel the momentum that has characterized this town for the past 6 years.

Carteret will indeed continue down the path of becoming “The Center Of It All.” With all of our combined efforts, Carteret will certainly remain a great place to live, work and raise a family. We will continue to take the necessary steps to keep Carteret an affordable community, and to make the proper investments in our community that insure a brighter future for all of our residents.

Given the uncertain economic environment engulfing New Jersey, and our entire nation, we will certainly not forget that all of us face tough times ahead. I want to assure you, and every resident, that we will remain ever mindful of the problems you may be confronting, and that this administration will use all of the tools at our disposal to help you successfully meet these challenges.

Thank you and God Bless you.