Alex's Corner // A message from the Business Administrator

We have an opportunity to discuss, as a community, what our City will look like in the next five, ten and 20 years.

As we outline in this newsletter, years of short-term thinking around budgets and other projects has created significant financial issues for Lambertville. Kicking the can down the road is certainly an option, but it's not a responsible one. Across the country, and in New Jersey we feel the effects of this kind of short-term thinking and most of us are frustrated by it. And all of us pay for it with our tax dollars. We have seen it again and again on issues like climate change, funding our state pension system, how we invest in public transit, or even our response to international pandemics. The short-term way of addressing challenges is often politically easier, but it ends up being considerably more expensive.

We are at that very same crossroads in Lambertville, and we have our own choices to make. Do we take the easy way out, asking future community members to shoulder an even greater burden than we have now, or do we act and begin to right the ship by having hard conversations and planning long-term now?

We've been talking publicly about the problems created by the lack of long-term planning since August 2019. Our facilities, some of which are local historical landmarks, have been crumbling for years. Money was still being spent, but the spending was largely to make things look better, not to address the actual deeper problems. While the City Hall roof continued to leak, hundreds of thousands of dollars were approved for building a new porch. While there was long standing water damage in the Justice Center floors contributing to mildew in the HVAC system, a new facade was paid for. Although the Library is literally falling apart and doesn't have safe entrances/exits, a modern elevator, or spaces for vital programming, a six figure coat of paint was pursued. But beyond just maintaining these facilities, we have to ask if we can accomplish our programmatic goals with them. The city should be able to provide 24/7 accessible public meeting room space, study and programming rooms, create efficient and accessible work space for our staff, and do so much more. You all deserve more.

Lambertville has been a community that has demonstrated leadership. This can be another example. But if not, and we choose to delay the necessary groundwork to figure out what we should do, there are consequences. First, as we've covered extensively, taxes will go up considerably in the next few years. Next, these valuable historic landmarks may deteriorate past the point of no return.Lastly, we won't be able to meet all of the goals we have for what our City government can, and should, be doing to better serve the community.

Or we can take our responsibility seriously and pursue thoughtful, diligent, and timely study of the options so that we can make a decision about how best to move forward (which will likely take years to fully realize). We can minimize or avoid those consequences, and put the community on a course that will leave it in better shape for ensuing generations.

Alex

Alex Torpey, Business Administrator

CITY OF LAMBERTVILLE
City Hall
18 York Street
Lambertville, NJ 08530

United States® Census 2020

Health clinics. Fire departments. Schools. Even roads and highways. The census can shape many different aspects of your community. The 2020 Census counts every person living in the United States and five U.S. territories, and it's happening now. You can respond online, by phone, or by mail. Census results help determine how billions of dollars in federal funding flow into states and communities each year. The results determine how many seats in Congress each state gets. For the first time, you can choose to complete the census online, by phone, or by mail. Head to 2020census.gov to learn more.

This newsletter has been printed on recycled paper. If you prefer to go paperless, please let us know at lambertvillenj.org/paperless

lambertvillenj.org facebook.com/CityGovernmentofLambertville

Lambertville*Matters*

CITY OF LAMBERTVILLE MUNICIPAL NEWSLETTER • JUNE 2020

Dear Lambertville,

We are facing unprecedented hardship – for our residents, our businesses, and our City. This global pandemic has created unforeseen consequences for all of us. For months, we have been working diligently to maintain regular operations of City Government, provide helpful resources for businesses and community members, as well as enforce social distancing and other public health measures. Yet, grave challenges remain.

It is my strong belief that elected officials should level with their constituents; never more so than in difficult times. Now is not the time to sugarcoat or paper over our challenges, especially with respect to the financial difficulties our City faces. Let me be perfectly clear: the budget crisis Lambertville faces today was created from decades of irresponsible budgeting practices. The City's finances have been deteriorating for years. The prior administration passed, functionally, unbalanced budgets while using the City's "credit card" to make up the difference. That practice, coupled with out-of-control capital spending, averaging $1.2 million per year over the prior four years, has left us with an untenable financial future. The bill for years of putting off difficult financial decisions is coming due.

Lambertville is at a crossroads and the decisions we make today will have a lasting impact on the affordability of our City for years to come. If drastic action is not taken by our City's government in the coming months and years, Lambertville will become unaffordable for the families that have called this community home for generations. If we do nothing to address this dire situation, the average assessed home in Lambertville would be responsible for paying over $3,000 in new taxes from now until 2025. In this edition of *Lambertville Matters*, we will explain the work we are doing to prevent that tax increase and put Lambertville back on sound financial footing.

Unfortunately, Lambertville's finances are uniquely vulnerable to crises like COVID-19. Our finances have been stripped, while our budget has become dependent on unreliable revenue like parking meters and fees, which have been severely impacted by the ongoing absence of tourism. Without direct State and Federal intervention to help address the consequences of COVID-19, the City will continue facing a dire financial situation and ongoing loss of revenue. City Council members and I have been advocating directly to the Governor's office to ramp up state aid to Lambertville and are working with Rep. Malinowski to urge Congress to pass legislation that would directly help municipalities like ours. I will continue to update you on the response we receive from Trenton and Washington, D.C.

If you are frustrated by this, please know I am too. If you are mad about the effect years of irresponsible budgeting has had on our bottom line, so am I. Our City has only tough decisions to make. That is why we hired a business administrator, have implemented a new transparent budget process and proposed the initial steps of community development planning to tackle the City's significant financial challenges. All of this work will ensure that we avoid both short and long term tax increases that would forever change the makeup of our City.

Everything the City staff, the City Council, and I are doing is intended to put Lambertville back on sound fiscal footing. We do not have any magic fixes. **Doing nothing is not an option**. I cannot promise that this process will be painless. But what I can do is assure you that we will do everything possible to create plans that address our significant financial crisis and build a better future for Lambertville, and that you will be kept apprised at every step. And when the next crisis hits, and we need to plan for that eventuality, we will ensure that our City is well-prepared to handle whatever comes.

I am proud of the work my administration and our city staff has done to address the COVID-19 crisis. I am even more proud that our community has shown the rest of the state what it means to unite in the face of adversity. To learn more about those efforts, I encourage you to visit lambertvillenj.org/COVID.

-Julia

Mayor Julia Fahl

Photo Credit: Chris Gifford

Office of Emergency Management

Lambertville's volunteer Office of Emergency Management (OEM) is available in times of emergency to coordinate the City's response to major incidents affecting City Residents and Businesses. **Sign up for notifications at lambertvillenj.org/swift911.**

Mark Your Calendar

JUNE

- 20 Outdoor Movie, *ACME Screening Room*
- 25 Council Meeting Voting Session, *7 pm*
- 27 Outdoor Movie, *ACME Screening Room*

JULY

- 4 Independence Day Veteran's Parade
- 7 Election Day
- 9 Council Meeting Work Session, *7 pm*
- 23 Governing Body Voting Session, *7 pm*

AUGUST

- 4 Council Meeting Work Session, *7 pm*
- 20 Governing Body Voting Session, *7 pm*

ONGOING

July 6 – August 7 or 14 Parks and Rec Summer Camp @ Ely Field

August 1 – November 30, 2020 Rambler's Football @ Ely Field

Local Economic Assistance

General Assistance is a state-funded program that offers temporary assistance to persons in need of support and who meet the state's eligibility requirements. For more information, contact Bambi Kuhl, publicassistance@ lambertvillenj.org

Keep up with Community Development News

Head to lambertvillenj.org/communitydevelopment for news related to our Community Development plans. Scan the QR code (below) for a shortcut. Just open your phone camera and point!

THE CHALLENGES THAT FACE OUR COMMUNITY

The City's previous approach to capital spending and management of its facilities has been short-sighted. We are at a decision point that will shape the future of Lambertville. Before we make that decision, we need to review the facts and have a discussion with the community.

Finances and Debt Service Obligations

The City's debt was never properly budgeted for. Money was borrowed to help pay down existing debt - like opening a new credit card to pay down another credit card. Currently the City's annual debt service payments make up **nearly a quarter of the entire operating budget.**

Instead of budgeting for the growing debt payments, "extra" money was borrowed and put into the Reserve For Debt Service account. This kept the short-term tax impact low, but quietly began accumulating a massive amount of debt. This debt is contractual - it must be paid on the schedule that was set when the money was borrowed.

If the City does nothing, each average assessed home would be responsible for paying more than $3,000 in new taxes by 2025.

Deteriorating City Facility Conditions

Although the City has spent more than $1.5 million fixing facilities in the last ten years, it did so without a plan or a prioritized list. For example, the City allocated more than $150,000 to fix the porch on City Hall. However, the roof is leaking and causing worsening damage and mold to the interior of the building; this becomes more expensive to fix every time it rains.

We need a long-term plan that allows us to address our buildings' needs. The City owns five buildings, not all built for government work. They lack basic amenities, like study rooms in the library or meeting spaces in City Hall.

We performed a preliminary survey of our buildings with the City's Architect and found that the basic repair costs to get the most out of the buildings is approximately $9 million. This number does not include the relocation costs of the offices during the construction or any potential problems renovations may uncover.

Money has to be spent, but we must make sure we are doing it in a way that maximizes every public dollar towards our goals.

Affordable Housing Obligations

Every town in the state of New Jersey has an affordable housing obligation. This means that each municipality is required to plan, zone for, and take affirmative steps to provide a realistic opportunity for affordable housing development within their borders.

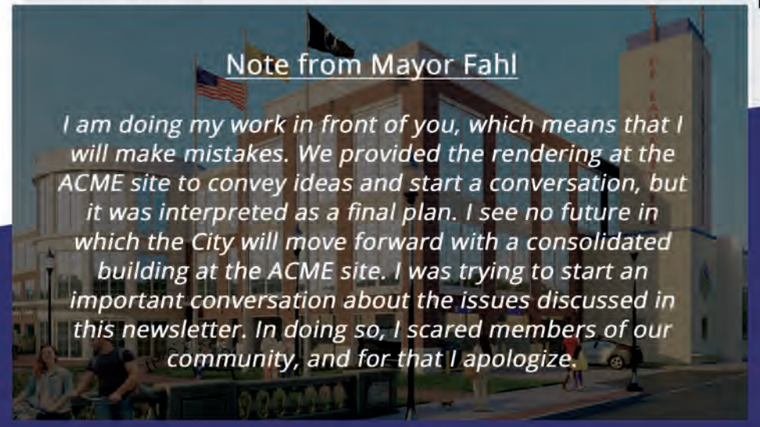
The City previously had agreed to condemn property to fulfill this obligation, at great cost to taxpayers. To avoid a multi-million dollar cost in lawsuits, the city has found an acceptable alternative approved by the Court. The Court has approved both market rate and affordable apartments on the site where the police station is located. This plan will satisfy our affordable housing obligations while also creating revenue for the City.

While information about Affordable Housing Policy can easily be found online, it doesn't tell the whole story. For example, municipalities can not just zone for the development of affordable housing, but actually show realistic development potential. This compliance is overseen by the courts and an advocacy organization Fair Share Housing. We're happy to report that they have approved the Police Site, and we are now in position to move forward.

Our Options

It is the chief goal of the Mayor and Council to reduce oncoming tax increases in the next six years. In order to do that, we must act now. Throughout 2020 we will be studying the best way to address all three of these challenges and put Lambertville back on safe financial footing. This issue of *Lambertville Matters* is only a summary of the information available - the full detail and history is available online at lambertvillenj.org/communitydevelopment.

We Have a Choice:	Kick the can down the road	Review Needs; Take Action
Tax impact	High - Doing nothing will likely result in more than $3,000 of new taxes needing to be paid for by the average assessed homeowner by 2025.	Low/medium - Depending on which plan, approximately $1000 of new taxes paid for by the average assessed homeowner by 2025.
Preserves historic facilities	No - Although the City owns them, they will continue to deteriorate.	Yes - The City can work with private owners to ensure they're revived and maintained per City and historic standards, whether sold or leased. Because private owners are earning a profit, they have more financial incentive to invest in them.
Meets current needs	No - City Facilities currently do not meet our City's current needs.	Yes - This plan will take our workforce and facilities needs into consideration.
Meets future needs	No - Even with costly renovations and upgrades, we are inherently limited by the layout of our current buildings.	Yes - We can plan for a facility that directly addresses our needs for decades to come in one shot, without having to piecemeal expensive solutions together over years.
Solves affordable housing issues	No - An expensive and financially risky plan was being previously pursued.	Yes - A new plan, which has been accepted by the Court and endorsed by Fair Share Housing, is less costly to City taxpayers with a shorter timeline to building the needed affordable housing.



Note from Mayor Fahl

I am doing my work in front of you, which means that I will make mistakes. We provided the rendering at the ACME site to convey ideas and start a conversation, but it was interpreted as a final plan. I see no future in which the City will move forward with a consolidated building at the ACME site. I was trying to start an important conversation about the issues discussed in this newsletter. In doing so, I scared members of our community, and for that I apologize.

TOP 5 Q & A

We've compiled over 40 Questions and Answers on our website at website: lambertvillenj.org/communitydevelopment. Here are the top five questions.

Q. With all the talk about our debt crisis, can we afford to talk about this?

A. The City can't afford **NOT** to talk about this. At our prior spending levels, without any of these new plans, the average homeowner would have paid between $3,000 - $4,000 or more in new taxes by 2025.

Even with the new significantly reduced spending in the 2020 budget, the number would be $2,000. We must take aggressive action NOW to further reduce this tax impact and ensure we keep Lambertville affordable.

Q. Shouldn't we be spending money on COVID-19 and addressing the pandemic instead of this?

A. Lambertville is especially vulnerable to crises like COVID-19 because of the financial mismanagement of the past (lambertvillenj.org/2020Budget for more details). The City will continue to address issues around COVID-19, with a focus on our potential reopening (Lambertvillenj.org/COVID). This crisis only makes the conversation around our finances and the City's future more pressing. Keeping Lambertville affordable requires both long-term planning and taking action now.

Q. Why don't you have all the answers? Why are there so many moving pieces? Why is there so much up in the air?

A. The City is in the early stages of preparing all possible solutions. We know the process may seem "messy", but that's what happens when the work is getting done in public. We are choosing to do our work in front of you, rather than internally without community input. You can view the timeline document on our website at lambertvillenj.org/communitydevelopment.

Q. What has the City done to get folks involved and informed?

A. The City announced community development plans as early as we could in order to be transparent and to solicit community feedback. We are presenting our ideas so we can work together towards a solution - instead of just presenting a finalized plan.

Some community outreach efforts include the Community Development Fairs, which were interactive sessions that for example saw approximately 300 attendees on February 1st. All of the information about these ideas has been online since then, and discussed in Council work sessions, on social media, and in our regular email and website updates.

Q. How can I learn more or share my opinion or get more involved?

A. Reach out and tell us what you think!

- Attend Mayor's office hours
- Contact or set up meetings with members of Council
- Attend bi-monthly Council meetings
- Sign up for email list Lambertvillenj.org/stayupdated
- Look for updates from the Community Advisory Team
- Engage and learn more at lambertvillenj.org/communitydevelopment
- Attend upcoming forums, Q/A sessions, and other public events which will be announced in the future (These will be announced on our email list and Council meetings)

We want you to *actually* get involved; not post on Facebook.