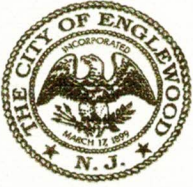


## OFFICE OF THE MAYOR



**FRANK HUTTLE III**

**CITY HALL  
ENGLEWOOD, NEW JERSEY 07631  
(201) 871-6666**

February 24, 2017

**RE:** Call for Immediate Halt in Historic Spending and Tax Increases

Dear Council President Hamer and Council Members:

The City of Englewood is no stranger to challenges, but each time we have come together and risen above these obstacles. When the City Council works with the Mayor's office, we have a proven track record of financial stability.

We were able to overcome the Great Recession, massive job losses, cuts in state funding and skyrocketing property taxes, to approve five balanced budgets with flat spending and flat taxes, all of which were accomplished with strong City financials. We ended the use of one-shot financial gimmicks to fill budget gaps and we adopted a new Master Plan in 2014 that included the first new citywide zoning ordinances in over 30 years, a move that resulted in an upgrade in our bond rating in 2015 based on the financial stability and strong surpluses projected by our long-term strategic plan.

Our economy is much stronger than it was in 2010, thanks to the smart economic development renaissance being ushered in under the historic Master Plan. We are now poised to witness over \$200 million in new tax assessments and over \$3 million in annual tax revenues for our City and public schools coming online this year and each of the next two years, including:

- New \$20 million state-of-the-art Shop Rite expansion;
- New single family homes in the downtown areas (James Street);
- New 40,000 sq. ft. office and retail complex on Route 4, the first new office building in Bergen County in over two decades;
- 195 new residential units on Route 4;
- For 2018 – New Assisted Living Facility with 273 residential units serving our seniors; and
- For 2018 – 185 residential units in the center of downtown, the first new residential building in over a decade strengthening the downtown retail district.

Despite this bright long-term outlook, the City currently finds itself in a regrettable position brought on by the immediate crisis that could easily have been avoided. Last year, I warned of the consequences if we relied on one-shot revenue gimmicks to plug the budget hole without cutting spending. Sadly, the Council,

except for Councilman Marc Forman, chose to approve those ill-advised budget decisions and now those consequences have come back to haunt us.

The 2017 calendar year budget that the City Manager and the CFO recently presented to the City Council for consideration includes historically large spending increases causing a massive 7.5 percent tax increase in one year. No property owner in this City could feasibly afford these increases in spending and taxes. While the City Council is considering the 2017 budget over the next few months, each day the Council spends taxpayer dollars without a budget widens the hole.

***THESE SPENDING AND TAX INCREASES ARE UNPRECEDENTED, UNACCEPTABLE AND SHOULD BE IMMEDIATELY HALTED BY THE CITY COUNCIL.***

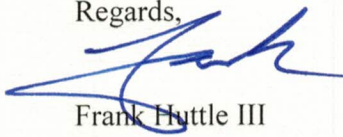
To that end, I call upon each of you to return to the sound budgetary principals adopted by the 2010 Mayor's Budget and Finance Commission (on which now Councilmen Forman and Cobb were commissioners) that resulted in flat spending, flat taxes, an upgrade in the city's bond ratings, strong surpluses and strong financial conditions as reported by the nationally recognized independent bond agencies and the City's Auditor.

It is time to act now so I, therefore, request the City Council to:

1. Immediately issue a hiring freeze, except for essential public safety reasons, until a balanced budget is adopted;
2. Immediately halt any capital improvements and bonding, except for public safety reasons and emergent matters, until a balanced budget is adopted;
3. Direct the City Manager and City CFO to cut spending to eliminate the massive 7.5 percent tax increase and produce a revise budget; and
4. Schedule a special City Council meeting to immediately:
  - Adopt spending cuts and make major policy decisions on where and how to cut; and
  - Put into action the 2014 Master plan of smart development fully adopted by this chamber in its new 2015 citywide zoning ordinances to continue building upon our economy and increasing revenues.
  - Prepare a full five-year budget and business plan to assure financial stability and sustainability.

If we do not take these steps, our residents will be saddled with an unacceptable and unmanageable burden that could have been completely avoided. It is incumbent upon us to balance our books, grow our economy, create jobs for our residents and protect our neighborhoods.

Regards,



Frank Huttle III  
Mayor

CC: Tim Dacey, City Manager  
Yancy Wazirmas, City Clerk