



TOWN OF PHILLIPSBURG
ANNUAL MAYOR'S REPORT TO COUNCIL
FOR YEAR ENDING 12/31/2018

Mayor Stephen Ellis

I. THE MAYOR'S OFFICE - ADMINISTRATION & OPERATIONS:

ACCOMPLISHMENTS:

- The Mayor's Office Chief Financial Officer contracted a company to organize and digitize all municipal files located in the Corliss Avenue building as part of the effort of vacating that building.
- The Department of Public Works continues to be active patching potholes, cutting grass and weeds at abandoned properties, removing dumped debris and maintaining equipment. DPW did an outstanding job assisting with the Thirty-First year of the Olde Town Festival.
- The Mayor's office continues to provide significant customer service support to the Delaware River Excursions, and Twin Rivers Tubing providing the necessary crossing guards, police and DPW services necessary for the train rides to operate in town. The Delaware River Excursion Train compensates the Town for all services proved.
- Ordered the "Welcome to Valley View" and "Welcome to Delaware Heights" signs. This will complete our neighborhood branding initiative.

CHALLENGES:

- Effective July 3, 2018 town council eliminated the Mayor's confidential aide position. This staff reduction has left the mayor without an administrative assistant to perform the key organizational, administrative and communication tasks of this position. This has had a measurable, negative impact on the day to day operations of the town, such as the ability of the Mayor's office to respond to public complaints and inquiries.
- This action also results in the mayor spending a disproportionate amount of time on administration tasks rather than devoting this time to the work of the mayor, such as redevelopment and infrastructure.
- Effective July 3, 2018 all personnel files and personnel management responsibilities were moved from the Mayor's office to the Town Clerks Office by a questionable Council Ordinance. This Ordinance granting this authority to the town clerk is illegal and violates the Faulkner Act that governs Phillipsburg's form of government, which designates that Town staff report to the mayor. The Mayor is pursuing legal guidance on this matter and has reported these violations to the state Department of Community Affairs and other state agencies which oversees local government.
- Special note: The Mayor and Council President Robert Fulper met for more than 3.5 hours and agreed on a solution to this issue, but Council persons McVey, DeGerolamo and Lutz would not agree.
- Vacancies in essential town positions are hampering Town operations and the efficient delivery of quality services to residents. This situation is due to the council's refusal to approve the Mayor's nominations to these positions such as a Business Administrator and/or their elimination of salaries for these positions. However, on July 3, 2018 the council awarded the Animal Control Officer at \$10,000 or 41 % pay raise--despite the fact that essential positions with town government remain vacant.

CAPITAL PROJECTS:

ACCOMPLISHMENTS:

- The Town of Phillipsburg administrative staff has adapted well to our new headquarters at the former Freeman School building at 120 Filmore Street. We do not pay rent for this space, therefore saving taxpayers \$15,000 a month in rent that we would have been charged to occupy the first proposed location, the Warren County College building on Marshal Street that did not accommodate the PPD or Fire Dept.
- Phase I of the library roof replacement has been completed. The remainder of construction will be this spring.
- NJDEP received the pre-application and specification for the NJDEP-EIT Sanitary Sewer Collection Improvement Project Phase I.
- Year one of our Five-Year Street Resurfacing program was completed for this season. The next road project is Heckman St. The project is significantly funded through NJDOT grants. There will also be re-surfacing on roadways through town.
- The Town will be receiving \$26,000 in Special Environmental Project (SEP) funds from a NJDEP pollution fine. The fine money is given back to the town to perform recreation and restoration work. This specific funding will be used to connect Union Square (from the Morris Canal Arch) NE to the section of the Morris Canal Greenway already completed on the opposite end of town.
- Tarping the roof of the historically significant Agway Building on South Main Street was for safety concerns and preservation.
- Air samples taken in the section of the Corliss Avenue Municipal building occupied by the police, fire and OEM departments indicated the building was safe for occupancy, with results measuring well below the uppermost limit for mold spores in a building. As a follow-up measure, a professional Environmental Company installed air cleansing equipment and controls. Air samples obtained as late as last Friday, Feb. 1, 2019 indicated a safe environment.
- When the bids for the adaptive re-use of the Phillipsburg Armory as a new public safety complex came in over-budget, the town engineer, chief of police and me worked together to revise the proposal and bring the project in within the \$3.2 million budget allotted by the Town Council in the bond ordinance they passed for this project.

CHALLENGES:

- The Phillipsburg Police, Fire and Office of Emergency Management Departments remain at the Corliss Avenue building. Despite the successful temporary environmental remediation conducted at this site, it remains urgent to relocate our First Responders to strategic and modern public safety facility.
- A clerical error in advertising the bond ordinance has jeopardized the progress of the adaptive re-use of the Phillipsburg Armory to house the police, Fire and Office of Emergency Management departments. Subsequent actions of the council to abandon this project and start

from scratch to explore rehabilitating the Corliss Avenue building is resulting in a large-scale change of plans.

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- The indefinite housing of our Police, Fire and OEM in trailers threatens the public safety of our community because the trailers are not suited to properly secure prisoners and those being detained.
- The Corliss Avenue building rehabilitation being proposed by Council will cost nearly double the cost of the adaptive reuse of the Phillipsburg Armory. Our taxpayers cannot afford this, especially without any justification. The town has spent \$120,000. for the Armory engineering plans and the town cannot afford to waste any taxpayer monies.
- The cost of the trailer park, at \$1.7 Million, will cut into the funds available to build a new public safety complex and will likely result in our taxpayers paying for our police, fire and OEM to be housed in trailers for an extended and indefinite period.

SUMMARY

The administrative staff is functioning fine, at no cost to taxpayers, in the Freeman School. There is no urgency to spend taxpayer money building a new administrative building for office staff currently. There is an urgency to relocate the Police, Fire and OEM into a proper, modern, public safety complex. The Phillipsburg Armory plan accomplishes this. The building can be adapted into a modern facility, is strategically located to areas of town to which the police need easy access and is affordable to taxpayers. The Corliss Avenue building is not strategically located for first responder needs, will cost twice the amount of money to renovate, and will still not provide the Police, Fire and OEM with the proper facilities they need. I urge Council to reconsider their position and repair the bond ordinance for the Phillipsburg Armory.

ECONOMIC DEVELOPMENT

ACCOMPLISHMENTS:

- Phillipsburg was designated a federal Opportunity Zone under a provision of the 2017 Federal Reformed Tax and Jobs Plan. An OZ is a tax incentive program that returns a percentage of capital gains taxes to developers who invest in high poverty areas. The OZ provision was inserted into the bill by Sen. Cory Booker and South Carolina's Sen. Tim Scott. Phillipsburg was nominated for this status by Gov. Phil Murphy. We expect our OZ status to attract much needed investment in Phillipsburg.
- Bridge Point I-78 Logistics is well underway. Massive site work is ongoing and the town's Construction Code Official and engineers are monitoring the developer for the first of several warehouse facilities located behind Valley View. It was exciting to hear Bridge Construction was purchasing the Opus Property (the former Ingersoll Rand property) and warehouse building would start soon. These developments should bring thousands of new jobs to Phillipsburg. There is a program being organized to train our residents in the supply chain industry. We want our residents employed there.

- Shammy Shine Car Wash on Roseberry is on track to start construction this summer.

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- CVS construction is on track and scheduled for construction start up this spring or early summer.
- Bourbon Street Liquors located on westbound Rt. 22 scheduled its grand opening with a ribbon cutting in March.
- The new Delaware River Train Excursions Country Store on Market St. is under construction and was showing good progress until the Council passed a resolution ending RCA loans that were used to restore Town buildings.
- Around Again, second hand store opened on Sitgraves St.
- The Easter Bunny, Thomas, Wine, Pumpkin and regular trains have attracted more than 70,000 tourists to downtown Phillipsburg. The Polar Express, starting November 23rd brings another 30,000 people to town. The train donates over \$6,000 to town related Non- Profits and pays fees to reimburse the town for public safety services. We were capturing tourist dollars and need to do it again, despite opposition from within.
- There were/are multiple large-scale real-estate transactions on and near South Main Street attracting new investors to our town. One area of focus for the Investors is the Revised Riverfront Redevelopment area. New restaurants and retail shops that opened on S.Main and other location include but, not limited to: Eureka Vegan Restaurant, The Greek Meat Guy, Soma Cafe, Christie's Gifts and Antiques, The Dominican Restaurant, Lee Services, specializing in Learning Enrichment Services.
- The Mayor's office is working with a new investor who is building a new brewery on North Main Street.
- The Mayor was requested once again to represent the Town of Phillipsburg at the Greater Lehigh Valley Chamber of Commerce Chamber Board Meeting at Sands Hotel.
- The Mayor's office in concert with the town engineer is looking into the feasibility of "outlining" Union Square buildings with lighting. This would bring positive attention to the downtown. This work is part of the focus on Union Square where we are attempting to reduce traffic backups around Union Square as a priority of the Mayor's goals.
- Two toxic landfills near Ingersoll's Bronco Way, which borders the Pursel Hill section of town, were deeded to the Town but, I was successful in having the new developer have title to the hazardous sites.

CHALLENGES:

- Tourist generated parking revenues from the train excursions, festivals and other town events, had generated \$30,000 in 2017 and the CFO had anticipated over \$150,000 annually. Most of these revenues were eliminated this year due to changes in parking regulations passed by the Council that gave these revenue-generating parking spaces to local businesses.
- The Open Space Commission must be established by ordinance for the town to appropriate Open Space tax monies. The town will begin collecting these funds as they become available in 2019, so the establishment of the Commission is urgent. The model ordinance was given to

Phillipsburg by the Trust for Public Land and is specific on the skills necessary for each appointment.

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SUMMARY

Phillipsburg is poised for a rebirth through economic development. However, the Town Council's delay in approving the Revised Riverfront Redevelopment Plan and oppositional relationship with the mayor's office and town staff have delayed critical redevelopment.

RIVERFRONT REDEVELOPMENT

ACCOMPLISHMENTS:

- The Riverfront Redevelopment, critical for the future of Phillipsburg, has been passed by elected officials. More to come on the next steps for moving forward with the plan.
- We applied for and received grants from the NJ Highlands Commission, New Jersey Economic Development Administration, the Association of New Jersey Environmental Commissions, as well as federal funding.
- We conducted professional marketing studies working with the Rutgers Urban Planning and Policy Graduate School, our Urban Enterprise Zone group and a local engineering firm.
- The Town of Phillipsburg and City of Easton continue to push for possession of the abandon Norfolk and Southern Bridge for a Greenway connecting the Morris, Delaware and Lehigh Canals. Hikers, bikers and runners could travel as far as Jim Thorpe, New Hope and Trenton on this Greenway system. It would bring hundreds of thousands of visitors to our region in the form of eco-tourism. This project requires council approval.
- The Mayor's office has negotiated a new lease with Norfolk and Southern Railroad for the abandon rail line between Mercer and Howard Street all along Cedar Alley. This is an excellent location for a rail trail and recreational equipment and parking for residents.

CHALLENGES:

- The unfavorable media and government dysfunction being caused by the political infighting in our town is tarnishing our reputation and deterring the investors we need to move Phillipsburg forward. We must put an end to the behavior and activities that are driving investors away.
- Many of our vacant properties are owned by landlords who seek to impede progress for our community and people because they are profiting off Phillipsburg failing. We must work together for the future of our Town and not for the narrow financial interests of individual property owners.

Our involvement with the Lehigh Valley Chamber of Commerce and exposure to the growth happening in neighboring communities, such as Easton, has inspired us to keep moving forward with the redevelopment of our river front to maximize the opportunities and potential our location presents for our town. A properly redeveloped river front would provide the recreational and business opportunities that would attract tourists, create jobs and make Phillipsburg a regional destination and desirable place to live. Our success at obtaining multiple sources of grant funding will enable us to pursue a diverse range of projects and support our local economic growth without any increased costs to tax payers.

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CONGRESSMAN'S OFFICE IN PHILLIPSBURG:

Rep. Tom Malinowski selected Phillipsburg as the location for a satellite district office. His staff will be in Phillipsburg on a regular schedule to assist residents with casework needs such as social security issues, travel visas, veterans' affairs and business development. The first of these office hours was held on Jan. 23, 2018, 1-4 PM, in temporary office space at the Filmore Street Municipal Building. Rep. Malinowski's staff is securing permanent office space. This is the first time since 1960 that Phillipsburg has been home to a Congressional office. This will not only provide great conveniences and services to the residents of Phillipsburg but attract visitors from neighboring communities. The Mayor's office will publicize the hours of the Congressional office as we are alerted to them.

II SUPERINTENDENT OF RECREATION

ACCOMPLISHMENTS:

- As noted above Phillipsburg will be receiving \$26,000 from an NJDEP Environmental Special Project. This funding is sourced from private sector pollution fines collected by the state of New Jersey. It is being made available to communities for environmental projects related to natural resource preservation, clean water and outdoor recreation. The funding will be used for the Morris Canal Greenway and the Riverfront Heritage Trail.
- The first Morris Canal Greenway 5-K was a great success. Kudos to Mr. Rick Thompson for coordinating the event.
- The Walters Park Pool and the new splash pad have been professionally inspected. Bid proposals are being solicited for the necessary repairs/ replacement required to reopen the pool in the spring.
- Pork Roll Palooza 2018 was a success.
- Congratulations to the Phillipsburg Soccer Team and Steele Hill JV Football Team for winning their respective championships. Mr. Thompson also thanks the DPW for maintaining the fields throughout the fall season.
- Passed in November of 2017, the Open Space Referendum continues to build on recreational services available to Phillipsburg for present and future generations.

IN PROGRESS:

- The planning for Pork Roll Palooza 2019 is moving forward smoothly with a focus on including more Phillipsburg businesses and non-profits. The Costume Contest details as well as the band and parking schedules have all been released. Updates are posted regularly on the event's Facebook page, which as of this report is being followed by more than 4,000 people.
- The Recreation Department is coordinating the following capital improvement projects:

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- Renovating the tennis and basketball courts at Walters Park and Green St. School o Replacing cyclone fencing at Walters Park
- New construction of ADA (American Disabilities Act) compliant ramps at the Walters Park courts
- New outdoor exercise equipment at Walters Park.
- Mr. Thompson is preparing for spring sports. He is also planning 5-K races for next spring, summer and fall.

CHALLENGE:

- The town pool was opened on June 22, 2018 due to delays caused by deterioration to the pool structure, which is requiring more difficult and complex repairs. The pool will need to be replaced soon at a very high cost. Hopefully the Town will be able to offset this expense with funds from the Open Space Referendum passed by voters in 2017.

SUMMARY

Superintendent of Recreation Rick Thompson has developed an effective and efficient relationship with all town organizations. He has also prioritized capital projects dating back to 2011. The capital funding from 2011-2016 has been paid off and the projects will not cost taxpayers any additional money.

III. OFFICE OF THE CFO

ACCOMPLISHMENTS:

- Despite a perfect storm of major infrastructure failures that presented immediate and expensive emergencies for Phillipsburg, we are working to steer the town through these rocky waters but keep our financial health safely afloat.
- Through the diligent work of our CFO Robert Merlo and the department heads of our town government, I was relieved to present 2019 budget that confined taxes to a \$.03 increase. This was partly accomplished due to all department heads not asking for budget increases over the past two fiscal years.

- Phillipsburg CFO provided monthly reports to council members and completed newly formatted New Jersey State Department of Community Affairs Best Management Practices.
- CFO Robert Merlo was rated “excellent” in his performance evaluation.

CHALLENGES:

- The town had to take on bans, bonds and USDA loans to address massive infrastructure failure due to long-term neglect and deferred major capital projects. These projects included:
- Leaking roof at the library
- Replacement of sanitary sewers dating back to 1890

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- Unanticipated sanitary odor control projects
- Adaptive re-use of infrastructure and relocating the Police, Fire and Office of Emergency Management
- Sewer Utility Litigation
- Complex Bridgepoint projects redevelopment PILOT

SUMMARY

As the great Phillipsburg coach Bob Stern would say, “the game is won and lost in the trenches,” and in 2018, we won the game in the trenches—despite the enormous financial challenges we faced due to our neglected infrastructure.

I must commend our CFO Bob Merlo, and the conscientious and dedicated town staffers who assisted in keeping taxes down by being the most frugal team of civil servants a mayor could ask for. This accomplishment did not come easy, but it came. Our department heads attended budget meetings without asking for more than they received the last two fiscal years. We should all be proud of our town employees.

The importance of this work on controlling tax increases is helping us retain support for the Open Space Referendum cannot be underestimated. Because of this, we will be able to provide quality sports fields and facilities for our youth, which is crucial to the health and strength of our community and building a strong foundation for the future.

IV. OFFICE OF TAXATION

ACCOMPLISHMENTS:

- The Tax Office began accepting credit card payments in early 2018. This enhancement to our services was received by the public with great enthusiasm. This has increased our collection rate or both tax and sewer payments and reduced the number of properties taken to tax sale.
- The Tax Office has ended the 2018 Tax year with a collection rate of 95.6%.
- The following is a breakdown of the collection
- Collection total for 2018: \$26,659,511.00

- Open Taxes as of 12/31/2018: \$1,189,162.88
- Total Pre-paid Taxes or 2019: \$406,323.90
- Collection of taxes and sewer charges made by credit cards: Sewer Payments: \$68,609.07
Tax Payments: \$212,064.47
- The Tax Sale was held on Sept. 5, 2018 and 91 certificates were sold to third party lien holders totaling \$190,156 and 48 certificates were sold to the town of Phillipsburg totaling \$99,393.
- Phillipsburg prepared 93 tax lien discharges resulting in a collection of \$9,300 in revenue.
- Phillipsburg collected the following sewer revenues from outlying districts:
 - o Alpha: \$359,733.54
 - o Greenwich Twp.: \$579,044
 - o Pohatcong Twp.: \$1,056,981.88 o Lopatcong Twp.: \$476,805.93

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V. PUBLIC SAFETY/ POLICE DEPARTMENT

ACCOMPLISHMENTS:

- Police and related law enforcement agencies were out in full force on Halloween night giving out glow bracelets to children to keep them safe.
- The Phillipsburg Police Department hosted the Blue Mass on Thursday, Nov. 8, 2018, at the Dioceses of Metuchen.
- The Town of Phillipsburg Mayors Office, Office of Emergency Management (OEM) and Police Department provided up-to-the-minute updates on Facebook regarding rapidly changing weather conditions during various weather events during 2018.

VI. PUBLIC SAFETY - FIRE DEPARTMENTS

ACCOMPLISHMENTS:

- The PFD responded to 441 incidents for 2018, an increase of 7.3% from 2017. The number of injuries dropped from 6 to 5; 3 of the injuries were to civilians and 2 were to firefighters. None were serious. Additionally, for the third straight year there were no fire related fatalities.
- Property loss from fire decreased from \$657,000.00 to \$446,700.00 in 2018. Two of our most serious fires occurred in vacant/abandoned buildings that did not carry any insurance and were therefore considered no net fire loss.
- One of the fires, in a vacant warehouse building was fought in sub-freezing weather. The fire department approved 5 new firefighters and 3 new junior firefighters in 2018. The fire department also participated in / assisted with / or sponsored 43 community events, fire demonstrations or programs designed to improve the quality of life for our residents.

VII. PUBLIC SAFETY - OFFICE OF EMERGENCY MANAGEMENT

ACCOMPLISHMENTS:

- The Phillipsburg Office of Emergency Management had a very busy year. The Town's Emergency Operations Plan was up for its' four-year state recertification in 2018. This 500 plus

page document is the Town of Phillipsburg's blueprint for navigating any large- or small-scale disaster or emergency that we may face. This year-long process to revise and update the plan, culminated with approvals from the New Jersey State Police Office of Emergency Management in December. The re-certification extends thru December 2022.

CHALLENGES:

- The Police, Fire and Office of Emergency Management departments continue to reside in the Corliss Avenue municipal building with currently no clear plan for their relocation due to the town council's actions to thwart the approved plan to relocate these first responders to the Phillipsburg Armory.

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- The relocation of the police department indefinitely into a trailer park due to the council's actions to thwart the adaptive re-use of the Phillipsburg Armory will pose significant public safety risks to our community because the trailers are not suitable for securing detained prisoners.
- The longer the Council waits to approve a plan for the public safety relocation, the higher the interest rate will be on the USDA loan—which will impact local taxes for residents

SUMMARY

We need to relocate the police and fire departments to a permanent structure immediately. The distractions to the police and fire departments related to their location is threatening public health and safety.

VIII. CODE ENFORCEMENT

- 288 Certificate of Habitability Inspections (sale of property)
- 624 Certificate of Habitability Inspections (rental property)
- 985 Property maintenance, complaint, violations
- 700 Inspections related to vacant/foreclosed properties

**The above numbers are not inclusive of Section 8 Inspections*

IX. - DEPARTMENT OF PUBLIC WORKS

- We have a new DPW Supervisor who is doing a great job. Veteran DPW staffer Steve Davis has taken the controls and accomplished a great deal in a short period time. The Department of Public Works continues to be active patching potholes, cutting grass and weeds at abandon properties, removing dumped debris, maintaining equipment and making difficult repairs to our 1890 sewer sanitary collection system. DPW did an outstanding job plowing last season and a great job assisting with the Thirty-First year of the Ole Towne Festival.

X. TAX ASSESSORS OFFICE

- The Tax Assessors office functioned very efficiently and effective with only two staff.

CHALLENGES:

- As redevelopment continues within Town, there is a need for additional staff training and a vehicle.

SUMMARY

This office is a progressive office just recently obtaining a contract to re-do all Tax maps w/ layovers and on disc.

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XI. TOWN CLERKS OFFICE

- No Report due to current and future litigation.

XII. DEPARTMENT OF COMMUNITY AFFAIRS

- In the absence of a BA this office is now managed by the Mayor's office.

SUMMARY

Grants are coming in and the Mayor's office will be responsible for grant management.

XIII. UEZ

This office is in but, not of the Municipal Government. Members are appointed by the Mayor with over-site by State Government. The exception is one council appointed member. The program has been a great success assisting many businesses throughout town.

CHALLENGE:

- The Town Council refuses to reimburse the agency for the kiosk they paid for at Riverside Parking area even though parking fees cover the cost in the first two weeks.

XIV. PHILLIPSBURG PUBLIC LIBRARY

The Mayor continues to attend Library Board Meetings and commends Director Deb Messling for its continued efficient operation and service to the community. The Library is a cherished institution for the resident of Phillipsburg.

CHALLENGE:

- Funding remains the number one challenge.