



From the Desk of Mayor Andy Skibitsky

September 23, 2011

Dear Neighbor:

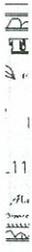
Enclosed is your certified property tax statement. Your 4th quarter taxes are due on November 1, 2011 with a 5 calendar day grace period. If you have any questions regarding when your taxes are due, please do not hesitate to contact the Tax Collector by phone (908-789-4051) or via e-mail to taxcollector@westfieldnj.gov.

As a taxpayer myself, I understand how important it is to know how your tax dollar is distributed. While the Westfield Town government is charged with the responsibility of collecting property taxes, the Town does not keep, nor does it have control over, everything it collects. In fact, it only keeps 16.85% of the taxes it collects to pay for municipal operations. To be clear, the Town keeps less than 17¢ of each dollar it collects in order to provide numerous municipal services and statutory functions to its residents.



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| ✓ police protection | ✓ electricity for street lighting | Statutory functions such as |
| ✓ fire fighting and prevention services | ✓ snow plowing | ✓ tax collection |
| ✓ pressurized fire hydrants | ✓ recreational programs and facilities | ✓ tax assessment |
| ✓ senior transportation | ✓ curbside recycling | ✓ engineering |
| ✓ school crossing guards | ✓ sewage and wastewater management | ✓ building inspection |
| ✓ public health services | ✓ conservation center | ✓ planning & zoning |
| ✓ maintenance of 380 roads | ✓ town tree maintenance, and | ✓ voting |
| ✓ leaf collection and disposal | | ✓ vital statistics |
| ✓ 10 municipal parks | | ✓ municipal court |

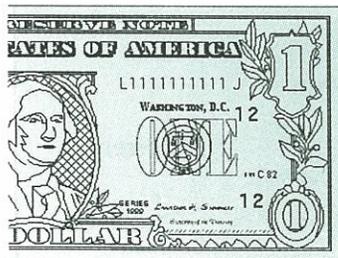
Where does the remaining 83.15% of your tax dollar go?



1.7% of the property taxes collected are dedicated to the Westfield Municipal Library. Effective March 21, 2011, the State of New Jersey enacted P.L. 2011, c.38 (S-2068), which transferred the mandatory public library appropriation from being reported as part of the municipal budget to a new and separate line on the certified property tax statement. *This is not a new tax, but rather a different way to display the state-mandated amount that the Town must collect to support the public library.* By state law, the financial management of the Westfield Memorial Library is under the control of the Library Board of Trustees.



21.7% of the property taxes collected are sent to the County of Union. This part of your tax bill is controlled by your elected representatives on the Union County Board of Chosen Freeholders (www.ucnj.org/government/freeholders). The County of Union budget is posted on their website at www.ucnj.org/agendas/budget.pdf.



59.75% of the property taxes collected are sent to the Westfield School District. This part of your tax bill is managed by the Board of Education. The school tax levy is submitted to the voters for approval every April. On April 27, 2011, Westfield voters approved the 2011-2012 school budget.

Good news! In the September 2011 issue of *New Jersey Monthly* magazine, the Town of Westfield was named the “Best Medium-Sized Town in New Jersey” (population of 30,000 – 69,999). The ranking was based on an independent research firm’s evaluation of “five categories best representing the quality of life in New Jersey’s 566 municipalities: property taxes; home values; crime rate; school performance; and a lifestyle factor based on proximity to services, entertainment and dining, as well as commute time.” In addition, Westfield was also listed as #12 in the overall “Top Towns” list, though I, of course, would rank it as #1! You can enjoy the article at www.njmonthly.com/articles/towns_and_schools/top-towns-by-population.html.

Each year I have served as the Mayor of this great town, I have included a letter with your property tax statement to provide as much information as space allows about where your tax dollars go as well as to highlight some of the factors that affect the municipal portion of your tax bill (currently 16.85%). My past letters are available for your review on the Town’s website, www.westfieldnj.gov (select “Municipal Budget” under “Quick Links”). This year I thought it beneficial to again discuss the 2% cap law and its impact. First, let me clarify what the tax levy is. The tax levy is the difference between anticipated non-tax revenues and anticipated expenditures, or the amount needed to balance the budget so revenues equal expenditures. In simplest terms, the new law states that the tax levy cannot be raised more than 2% over the prior year. The new law does, however, provide for limited exemptions from the cap, such as debt service costs.

Debt service refers to all the costs related to borrowing money (issuance of bonds, government loans) for capital improvements. From 2010 to 2011, debt service costs increased by 4.2% and because of the exemption permitted by law, the costs are exempted from the 2% cap. Recognizing the impact debt service costs have on the annual operating budget, rest assured the Town limits all borrowing exclusively to funding capital improvements (the capital budget). The Town’s Debt Management Plan balances the need to fund long term improvements with keeping a close check on the total debt outstanding. In 2011, the Town’s outstanding debt stands at just 7% of the debt ceiling allowed by state law, and debt service costs comprise a minimal 4.52% of the operating budget.

In my past letters, I have discussed the efforts taken to reduce and control costs, to bring spending down to sustainable levels while maintaining municipal services and statutory functions. This effort is ongoing. For example, for the fourth year in a row, operating expenses (“OE”) have been reduced. In 2011 alone, OE has been reduced by \$250,598 (8.55%) over the prior year. For the second consecutive year, total Salaries and Wages (“S&W”) have decreased. Retirements, salary freezes, and negotiated concessions with unionized employees have generated a 1.77% reduction in the total S&W line over the previous year. So, with all the success in reducing expenditures, why do property taxes rise at all? The municipal budget consists of not only an expenditure side, but a revenue side as well, and not all revenues to support the budget are raised by taxation. Downward revenue trends are a by-product of the ongoing frail economic climate. For example, in 2006, the Town of Westfield received \$1,804,619 in Consolidated Municipal Property Tax Relief Act (“CMPTRA”) funds from the State of New Jersey. In 2011, the Town received \$469,890 in CMPTRA funds. Even with extensive cuts on the expenditure side, when non-tax revenues decline, the tax levy is impacted.

I have used the expression “reinventing government” many times during my tenure. What this simply means is not only do we have to rein in costs, but we also have to find new ways to do things and increase efficiencies so we can continue to deliver services and meet our statutory obligations with fewer resources. For example, weather extremes and in some cases, age and wear, have taken its toll on many of our roadways, far beyond the capacity of the Town’s equipment to remedy. As discussed above, the Town is very cautious about incurring debt. Yet capital improvements to the Town’s infrastructure must continue. Milling and paving an entire roadway is extremely costly and usually entails other major projects, such as new drainage systems. Given the situation at hand, with 380 roads to maintain, each with its own unique physical characteristics, what course of action should the Town take? By thinking outside the box (or “reinventing government” if you will), the Town instituted “sectional paving”, a pilot program that began in 2010 to address the worst sections of roadway while minimizing the amount needed to borrow for the capital budget. In addition, for the largest or more extensive projects, the Town sought and will continue to seek grants via the NJ DOT to keep our roadway infrastructure sound.

Please be assured that I, along with the other elected officials and our dedicated professionals, will continue to work very hard to keep the Town of Westfield the #1 town in all of New Jersey. I understand that I cannot possibly answer all of the questions you may have on a single page. Therefore, I remain available to personally meet with residents during my Saturday morning office hours. If you would like to arrange an appointment, please call my office (908-789-4041) and Joan, my Executive Assistant, will be happy to help you.

I appreciate your time and I look forward to seeing you around town.

Sincerely,

