

April 22, 2020

The Honorable Nancy Pelosi  
Speaker of the House  
U.S. House of Representative  
Washington, DC 20515

The Honorable Mitch McConnell  
Senate Majority Leader  
U.S. Senate  
Washington, DC 20510

The Honorable Kevin McCarthy  
Minority Leader  
U.S. House of Representative  
Washington, DC 20510

The Honorable Charles E. Schumer  
Minority Leader  
U.S. Senate  
Washington, DC 20510

Dear Speaker Pelosi, Leader McCarthy, Leader McConnell, and Leader Schumer:

With a population of just under 13,500, the Township of Berkeley Heights in Union County, New Jersey has been hard hit by the Covid-19 pandemic. We have witnessed 129 cases to date with 21 deaths and residents testing positive every day, adding to our overall caseload.

Our local budget is set to be introduced before the state's extended deadline of April 28<sup>th</sup> while our second tax collection period begins May 1<sup>st</sup>. The timeframe does not allow our governing body to make an informed decision of tax collection versus expenditures. As a result, we significantly cut our spending to provide a zero dollar increase to our residents since the outbreak of the pandemic. Layoffs of part-time employees and cutting police radios, police cars, fire department gear and sewer department equipment and has been sacrificed this year amidst the financial crisis that our state, county and township faces as we follow Governor Murphy's Stay-at-Home order.

As we remain at home to spare the lives of our family, friends and neighbors, our local budget faces shortfalls from:

- the closure of our municipal court and resulting halt in fees it generates;
- hotel occupancy tax revenue – which generally produces \$250,000 in revenue directly to the municipality not shared with the Board of Education or County;
- Uniform Fire Prevention inspection decline due to social distancing rules;
- Little interest being earned on investment as a result of the Federal Reserve lowering interest rates to 0%;
- Anticipated lower-than-usual collection of current year taxes as a result of economic hardships experienced by our residents such as employment or loss of their small businesses;

- Cancellation of Spring and likely Summer recreation programs, halting fees into our Recreation Trust Fund, which pays for our recreation employees.

Further, we also anticipate an increase in tax appeals from businesses for 2020. The Township already received notice of appeal from its two biggest taxpayers - Connell Office park and Nokia/Bell Labs - and anticipates that many small businesses will follow. Additionally, as a result of our Judgment of Repose, the Township is obligated to move forward with 6 redevelopment projects that have PILOT agreements attached to pay for a \$32,000,000 municipal complex to house our police, senior, library, recreation and administration space. The facilities will be essential for our residents as we move through this pandemic into our new “normal.” Delays in redevelopment construction due to supply chain disruptions related to Covid-19 will likely impact future construction fees, which means anticipated revenue to the Township from these projects will not be realized sooner, when it is so desperately needed. Finally, we anticipate the State of New Jersey and County of Union will also face great fiscal challenges and therefore, the Township expects a decrease in grant money available for infrastructure repair such as roads and our sewer infrastructure, which has not been upgraded since constructed.

Additionally, New Jersey municipalities have a legal obligation to pay the Board of Education and the county, even if our portion of taxes cannot be collected. This places a tremendous burden on small towns.

It is crucial that smaller municipalities receive CARES 2 funds to help stabilize our local government and economies. I implore the United States House and Senate to pass legislation that will help small-town America.

Sincerely,

Angie D. Devanney  
Mayor