



# THE TOWNSHIP OF BRIDGEWATER

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**Matthew C. Moench**  
**Mayor**

April 13, 2020

Dear Governor Murphy and Legislative Leaders,

I hope this letter finds you and your families healthy during these uncertain times. I am writing to request state action to assist municipalities who are attempting to respond to the financial impacts of the COVID-19 pandemic. Like many of our state's businesses and individuals who have suffered economic loss, municipalities are facing hardships and uncertainties of our own. Without action, our residents will see decreased services and rising taxes, compounding their financial hardships. Furthermore, many of our public employees may face freezes in wages, furloughs, or lay-offs.

The difficulties facing New Jersey's municipalities will not discriminate based on population size or geography and in many instances, it will be towns like ours, that receive a significant portion of income from commercial sectors, that will feel impacts the greatest, and our residents that will bear an added burden in the economic fallout of the COVID-19 pandemic.

In Bridgewater, we are facing an estimated loss of revenue of \$1.8 million directly related to COVID-19 outbreak. In addition, we have at least another \$250,000 of expenses directly related this pandemic, without even considering the Township's soft costs that have been incurred in response to this crisis or the cost of any additional steps we would take to bolster public health and welfare if we had the funds to do so. If these costs were passed on in their entirety to the Bridgewater taxpayers, we would be looking at a tax increase of over ten percent. This is unacceptable for our residents already struggling related to this crisis.

I am not writing to simply ask for a hand-out from the state. While our residents certainly deserve to have more of their money returned to them (as of a few years ago, Bridgewater residents received approximately ten cents in school aid for every dollar sent to Trenton), there are additional solutions that I ask be considered for municipalities like Bridgewater that are struggling in the face of this unprecedented crisis.

On behalf of our residents, I ask that you take steps to pass the following reforms:

- **Authorize municipalities to issue a special emergency for COVID-19 expenses and raise those funds over five budget years.** The statute is very

limited as to what type of emergencies can be issued by a municipality and raised over three or five years. Most emergencies issued must be raised in the following budget year. We are asking for relief through legislative or administrative action for DCA to authorize CORONA-related expenses that are issued as emergencies to be raised over five years.

- **Create a mechanism where municipalities can address the loss of revenue over five budget years.** Generally operating expenses cannot be paid with debt. The law allows us to issue Tax Anticipation Notes, but it is only for 12 months. Municipalities should have an ability to issue debt, preferably with no down payment, to provide funding for lost revenue and allow us to raise one-fifth of it every year for the next five years, and allow us to raise it outside the Levy CAP.
- **School Districts and Counties should share in costs of borrowing if tax income is delayed or reduced.** If tax revenue collections are low or delayed and a municipality has to borrow money in order to provide payments to the County and Board of Education, the burden for paying interest on Tax Anticipation Notes should be shared by the County and the Board of Education.

I ask that you act quickly on these reforms so that municipalities will have additional tools at their disposal in addressing their budgets this year. Enacting these reforms will also take the burden off the State by providing municipalities more ability to manage their budget on their own without relying on additional state aid that may never come.

Should you wish to talk further with us about these proposals, our team is available at any time to you or your staff. Thank you all for your leadership during this time.

Best regards,



Matthew C. Moench  
Mayor

cc: Council President Howard Norgalis  
Senator Michael Doherty  
Assembly John DiMaio  
Assemblyman Erik Peterson  
Freeholder Director Shanel Robinson  
Somerset County Governing Officials Association  
New Jersey League of Municipalities  
New Jersey Conference of Mayors  
New Jersey Association of Counties