



2018

★ CITY OF TRENTON ★ STATE OF THE CITY

ADDRESS

THURSDAY, OCTOBER 25

CITY HALL COUNCIL CHAMBERS

319 EAST STATE STREET

TRENTON, NJ 08608



State of the City Address 2018

Mayor W. Reed Gusciora

Good evening. I want to thank the state and county officials who have joined us tonight; members of the clergy; the hard working Members of Trenton City Council; fellow members of my administration; and most importantly the residents of this great Capital City.

I was honored to have the awesome responsibility of becoming Trenton's 48th elected mayor. With that honor comes the responsibility of solving the many challenges that the City faces. I can tell you that having been in office now for little over three months, our problems are not insurmountable but the solutions involve all of our collective efforts and a positive force from city residents.

I am here to report tonight that the state of our City is strong at its core, but with work to be done.

Since my swearing in, I'm often asked, "What's the plan," whether it's in conversation, emails or social media postings. They also ask, "Why haven't I filled out my cabinet?" "When are you paving my street?" My favorite is, "It's been 90 days, you should have 90 houses!"

I'm proud of the 96 member transition team I assembled, led by Jeannine LaRue, Elvin Montero, and Anne LaBate. This group has studied every aspect of city government and held countless public hearings to receive public input.

I'm gratified with the administrative staff that has been assembled as well as the energetic departmental directors, whether in a temporary, acting or permanent basis. I've also been encouraged by the dedication of many city workers across all departments who get the job done for our citizens every day.

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From my first moments in office, I have been working to bring competency and stability back to city government – this is the only way to restore confidence in our citizens that we are working for their best interests. When I came into City Hall we were faced with several obstacles.

We are under strict oversight controlled by the Department of Community Affairs, or DCA. They have to approve everyone from a janitor to a director.

Two other state agencies have oversight of the Water Works Department. We also face eroding confidence from our customers, 70 job vacancies, and the critical need for system upgrades.

Our Community Development Block Grant funding has been frozen since 2015, totaling \$6 million.

We received zero dollars from the State's Transportation Trust Fund, while peer cities were receiving upwards of \$24 million.

We have hundreds of abandoned buildings, liter filled alleyways, and more potholes than craters on the moon.

State funding was cut, and our ratable tax base has dwindled after a 20-year re-evaluation and massive tax appeals.

While this all seemed daunting at first, I found state government officials, dedicated and passionate workers at City Hall, residents across the City, and fellow New Jerseyans all lending a helping hand because they want the Capital City to succeed! What was lacking was the direction and leadership from the top.

I hope you joined us at the neighborhood clean-ups, with hundreds of volunteers in all four wards. I hope you've noticed that streets are being paved. I hope you've experienced the beginnings of our upgrades to our

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automation services. And I hope you've seen the abandoned buildings we have begun to demolish in order to get those properties back onto the tax rolls.

I want to focus tonight on our challenges ahead which involve the following areas: Finance; Water; Public Safety; Education; and Housing & Economic Development. I will take them one at a time.

In the area of Finance, this past week I submitted a budget for the remainder of the year, having inherited a budget put in motion by the past administration. But the underlying problem is that in past years, the budget process was misleading, at best. Jobs were budgeted for, never filled, and the funding was used to buffer an imaginary surplus. Some of those jobs should have been filled immediately, like grant writers. Grants were lost, money was left unused, and supporting paperwork was ill-managed. Millions of dollars were not captured. We're still trying to claw back some of that money, while also looking prospectively for new opportunities.

That is why I called for a forensic audit from DCA. This isn't meant as an indictment of any one person, department, or entity. Rather, this audit is a call for transparency to ensure a thorough and open review of our budgeting process. This can improve our financial operations and reinforce best practices.

In the meantime, as a City, we're living check to check. We're at a particular disadvantage compared to other major cities in the state because we have ceded \$45 million worth of taxable property to state government. Yet the State has only given us \$9 million in Transitional Aid. Since my inauguration, I have had regular meetings with the Murphy Administration to ensure that the Capital City, the City of Trenton, is

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respected by the State and that the City receives adequate and stable funding in the future.

As City Council examines the budget, and as we continue negotiations with the State, know that I want a clean start for Trenton. The City is taking all measures to reduce spending without cutting core services, to show the State that a greater investment in Trenton is both wise and needed.

We are contributing all \$16 million of surplus funds to this budget, leaving the minimum in reserve and putting on hold the hiring of 15 new public safety personnel.

I've eliminated nearly \$12 million in new initiative funding requested by my directors.

We're withholding over \$1 million in capital allocation, which would be needed for the bonding of roughly \$20 million in capital improvements.

Much of this can be reversed if the State contributes its fair share to the City. Without this, we're putting progress at risk because we can't fund dozens of critical positions within various departments, some of which would be revenue-producing. It's very unfortunate.

The City is handling several events that are particular to this budget cycle, including increased pension costs and a ratable base reduced by more than \$80 million due to the re-evaluation and appeals.

We lost grant funding which, most importantly, puts in jeopardy public safety personnel that were previously covered for salary and benefits under federal grants.

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In the future, we need to produce a budget - sooner rather than later - that accounts for fiscal realities, not fantasy. It is my intention next year to have a budget introduced by July 1, 2019 as the fiscal year begins.

I am encouraged that Governor Murphy issued Executive Order Number 40, which commits the State to an active role as partner in achieving Trenton's vision of revitalization and prosperity. In this Executive Order, Governor Murphy opened up State departments and agencies and asked them to work with us. This will be especially important in our future economic development projects in the City, for ensuring optimum Urban Enterprise Zone dollars, public-private partnerships, Historic Tax Credits, and the like.

We have to be more self-reliant and work to expand ratables into the City. I have initiated discussions with various business leaders about bringing their companies into Trenton. That is why I feel community clean-ups and taking down abandoned properties, filling potholes is so important. Managed properties and new businesses will be more likely to come into the Capital City. I was actually happy to see the abandoned laundromat on Chambers Street collapse so that the property can be cleared for future development. It saved us the effort, because we were coming for it.

I also wish to thank our councilpersons for leading cleanups across the City. I've seen Marge lead efforts on some of the worst streets like Sanford and Bond streets, as well as her parks. Robin has been very attentive to her neighborhood and alleys, working with TCNJ students from the Boner Foundation. Joe dove right in to clean up the long abandoned Cooke School, a site we hope to redevelop. Santiago has brought his machete to all of the cleanups and has been identifying abandoned houses throughout the city. We are all chipping in.

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In order to bring the stability and competence this City has been looking for, Council President Kathy McBride and all the members of council have been exemplarily partners. While you all have strong personalities and sometimes knock heads, there is no question you have the best interest of the city at heart. This City does not rise or fall with me alone, but with the individuals the residents have elected to represent their interests by ward and at-large.

Regarding Trenton Water Works, I inherited a department with 70 vacancies and low morale; a facility with much needed upgrades; and an agency fast losing the confidence of our neighboring municipal customers. We are currently operating under two Administrative Consent Orders with New Jersey Department of Environmental Protection; facing up to \$3 million in fines from Board of Public Utilities; and have legislators in the neighboring district trying to take control of our operations.

I will also add that after the Christie Administration imposed a Memorandum of Understanding on the City in exchange for Transitional Aid, virtually no proposed filling of vacancies were approved, nor any system upgrades completed. It seemed that every time Trenton Water Works requested assistance from the Christie Administration, the recommended fix was to privatize the public utility.

But let me reaffirm for Council and Trenton residents: We will not privatize Trenton Water Works. We know we have hard work ahead of us, but it is the aim of this administration to save Trenton Water Works and become a resource that all Trentonians can be proud of.

I was happy to elicit the assistance of Dr. Shing-Fu Hsueh to right the ship. Under his leadership we have proposed hiring 29 qualified workers to run the treatment plant, some with advanced degrees. In addition, we have

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proposed a number of system upgrades that will maintain water quality at optimum levels. One such upgrade will be a state of the art testing lab that we will partner with a university so that ultimately we can actually offer testing services to outside entities that will help pay for our operations. We also have begun discussions with Dr. Wang of Mercer County Community College so that coursework can be readily available to local students and adults alike to get the certifications needed to work at the plant. We want Trenton Water Works to be run by Trenton, with Trentonians, and for the benefit of our residents and municipal customers.

One thing that is equally important is Public Safety, which is also critical in our redevelopment efforts. All of our residents in all of our neighborhoods equally deserve safe streets. I was recently pleased to attend the graduation for the police academy accepting over a dozen new officers to Trenton Police Department. I am also happy to report that a dozen more have been sent to the police academy. It is the goal of this administration to have more boots on the ground and that residents and visitors alike can feel safe and secure in the Capital City.

Before I was sworn in, we had a terrible shooting at Art All Night. We should be proud of our police for their prompt response and averting a more tragic consequence. We also need to make security adjustments, but we intend to bring back Art All Night and have it bigger than ever next year. I am grateful for a stepped up police presence at the two day Punk Rock Flea Market that brought thousands of visitors into town. And it was a lively and enjoyable event.

But specifically I want to thank two of Trenton's finest Officer James Bruins and Officer John Murphy for their extraordinary act of bravery in responding to a tragic accident involving a young couple who were walking near a

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corner when a driver veered over the curb and ran them down. Ultimately the mother's leg needed to be amputated and both were in critical condition as a result of the accident.

Thankfully, Officer Bruins had just received a donation of a tourniquet that week and that morning had taken the time to watch a demonstration on YouTube. Officers you should be proud that with your quick thinking you were able to save two lives. You also deserve the praise of your fellow Trentonians.

I want to thank Sheriff Jack Kemler and Undersheriff Pedro Medina for helping to guide the department while my administration conducted a search for candidates for police director. Pedro was on loan from the Sheriff's Office at no cost to city residents. He did an exemplary job and insisted that there be more patrols on the streets and actively engaged in crime fighting. Pedro initiated patrols at the corner of Broad and East State to ensure workers could feel safe as they visited our downtown businesses and the county college. I am truly grateful for the leadership that Pedro provided. I also am grateful for Lt. Chris Doyle, who will continue in that capacity for next few weeks.

But there has now come the time to name a permanent director of the Police Department. One who is engaged in community policing and wants to expand the program to Trenton. Ultimately, the department is in need for new leadership but at the same time I want to break the glass ceiling for advancement of our rank and file. I am pleased to report to council that I intend to name Retired Sergeant Carol Russell to lead the Trenton P.D. We must all ensure that Carol is successful and that she has the backing of the City as she begins to guide the department in the weeks ahead.

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I want to commend Acting Chief Steve Coltre of the Fire Department for skillfully managing the department for my first 100 days in office. Under Steve's leadership we were able to actively recruit over 50 city residents in a sponsored Open House. I am pleased to report that we were able to send 12 men and women to the academy that is a diverse class. In addition I look forward to former Philadelphia Fire Commissioner Derrick Sawyer taking the helm of our Fire Department with added zeal and professionalism.

In Education, I plan to take an active role in making sure that our fundamentals are carried out by the Board and Superintendent. While they are the professionals, I hope to assist where I can and bridge the gap between the Board and City Hall. With that in mind I am pleased to report on two well qualified additional Board Members, Taraun Tice and Sade Williams. Taraun is an attorney specializing in special education advocacy and Sade is a teacher at Princeton University College Prepatory Program that helps Trenton students prepare for College. I want to thank Councilman Jerrell Blakely for bringing Sade to my attention.

Regarding Housing and Economic Development, I came here with promises that I intend to deliver. I promised to deliver 1,000 homes in 1,000 days -- and we're sticking to the plan. You have to remember if we create 1,000 new homes that means 1,000 homes will be on the tax rolls.

We're putting together a task force of the various departments involved in these processes – our Law Department, our Courts, Inspections, and Housing & Economic Development – to oversee this initiative and meet regularly with external partners.

1,000 homes in 1,000 days is not an end in itself, but a beginning, an opportunity to build the capacity among all of the public, private, and non-

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profit sector actors to play a role in purging the City of vacant and unsound properties. They're more than an eyesore, as you know, they're serious public health risks that need to be attended to.

It's critical that we identify, marshal, and manage resources effectively. This includes aggressively capitalizing on all existing methods of revenue generation and seeking out new sources of revenue and grant funding.

Since taking office, we have dramatically expanded the use of GovPilot, our municipal property management information system, to organize important information and functions like code enforcement inspections. We recently activated a feature in the software called GovAlert where citizens can notify us about a wide range of quality of life issues using a cellphone app. Situations like illegal dumping and abandoned properties can now be sent to us by residents any time of day or night. In the coming weeks, we will be rolling out additional features such as applying for construction permits.

We're committing resources to Economic Development, and making every effort to grow our ratables. In its heyday, Trenton was the economic hub of the region and had a population almost 50 percent larger than it does today. The city has the location and assets and talent to get us back there.

Here's a few things that will help us get there. We need more businesses and more jobs, and we need to grow the tax base. Those things will help build economic strength in our diverse workforce. We can spur and support our entrepreneurial economy, and before you know it all of our neighborhoods will start growing, in a sustainable and equitable manner. Not just downtown, all neighborhoods. Together.

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To grow Trenton sustainably, we need to make Trenton's downtown a hub of activity, a 21st century economic engine characterized by innovation, diversity, sustainable growth, and long-term prosperity.

We want to take on the projects that can become magnets for positive economic activity, projects that will support the City's redevelopment plans, and add to the long-term ratable base.

We need to take a look at options for a hotel, and uses for the former Mercer Hospital site on Bellevue Avenue. We need to take a hard look at State and Broad, the heart of Downtown. More and more, corporations and businesses want to set up shop in authentic and walkable downtowns that have a mix of uses, access to transit, and a vitality that makes them fun and interesting places to be.

There is no place in the greater Mercer County area that can offer this experience at the scale that Trenton can. With its accessible train station, central location, historic and interesting building stock, parks, arts and culture scene, and historic assets, Trenton's downtown can serve as the region's downtown, attracting people to live, work, and visit.

To become more self-sustaining and bring more revenue into the City, I am happy to report that I have executed a contract to replace all of our parking meters. This will require the need for more parking enforcement, and a greater need for more parking options. The outside business interests that I have held discussions with have stressed the need for parking for their workers if they relocate downtown. In the near future, I will be asking Council to plan for at least two mixed-use parking decks to accommodate new employees. It is also the goal of this administration to replace the abandoned parking deck at Front and North Broad. This should be a replaced with mixed-use development that would overlook Mill Hill Park.

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We will have a need to increase our inspectors to both streamline how we pave the way for development but also how we enforce code violations on landlords who allow their properties to decay. We are in the process of bringing automation to the inspections department so business owners can look forward to emailed inspection reports rather than delayed, unreadable carbon copies. Ultimately, the Inspection Department under Acting Director Yolanda Vasquez will be looking for ways to increase monies into our treasury.

The plan needs to include full enforcement for the Vacant Property Registration Ordinance that should generate upwards of \$4 million rather than the \$400,000 on hand in the account. By forcing the issue of entities land-banking vacant properties, we hope to encourage development now and not at some distant point in the future. After all there is so much positive energy with the City, now is a good time to locate in Trenton.

We support Governor Murphy's order issuing six new medical marijuana licenses, including two for Central Jersey. A total of 45 entities have applied for a license in Central Jersey, and seven applicants have said they will base their dispensary in Trenton. That would mean about 50 jobs and new ratables for the City.

Our administration has made great in-roads for grant funding opportunities. In the beginning of my administration, I traveled to Washington with Council President Kathy McBride to meet with U.S. Housing and Urban Development officials to clear up Community Development Block Grant funding – the building blocks for improvements to senior centers, recreation facilities, and housing stock. The federal government flagged our grant funding dating back to 2011. We are working together to have HUD release frozen funds from 2015 to 2018, and make Trenton eligible for future growth.

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We recognize that our City failed to apply for Transportation Trust Funds for infrastructure improvements. Each of us pay 23 cents more a gallon at the gas pump for a fund that was to be returned to communities for municipal transportation improvements. Last year, we got no Transportation Trust Fund projects from NJDOT. In addition, we learned that similar previous funding was not “spent down” or fully accounted for. We are actively working to straighten that out, but I am pleased to report that this year we applied for \$13 million in Transportation Trust Fund returns. Even if we don’t get the full amount from the State this round, the plans will be in the queue for the next round of funding opportunities.

Through our efforts we were also awarded a competitive grant from the New Jersey Economic Development Authority called the Planning Innovation Challenge Grant. We applied with a consortium of the area colleges, TCNJ, Rider University, Princeton University, Thomas Edison and Mercer County Community College. The three year grant will help us to plan for the development and expansion of the Mercer County Community College downtown location and create a footprint for all of the area colleges and universities in the Capital City.

We were awarded a nationally-based grant called the National Resource Network, a five-year financial and capital planning grant to not only help with optimum financial planning but help us with development opportunities that will ultimately create jobs for the next generation of Trentonians. This planning grant was achieved through the active participation of Greater Trenton and Trenton Downtown Association.

And at Councilwoman Robin Vaughn’s suggestion, we are actively applying for a \$3 million grant from JP Morgan for Advancing Cities. This is

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a great opportunity to catch the brass ring of grant funding, and I hope to have Council's support in securing this award.

The City offers diverse and affordable real estate, a large network of existing entrepreneurs and small businesses, access to economic development incentives, and a central location within one of the largest markets in the world. The City should develop the support system to attract and grow small and start-up businesses.

We need help from everyone, every asset, every agency. I know you're out there Mercer County Improvement Authority, Capital City Redevelopment Corporation, Trenton Downtown Association, Greater Trenton, and the Trenton Parking Authority. We need you.

So, together, we're watching our pennies. Together, we're scraping out victories. Together, we're fighting for this city. And yes, together we can lift Trenton.

I want to thank you all for your devotion to the Capital City, and I'll see you around Trenton at a neighborhood near you. We do not have time for the naysayers of negativism. They do not want what's best for the City. So let's all roll up our sleeves and let's all work together. Thank you.