



It's Ladies' Night Out in revitalized downtown area

The Ladies' Night Out event in late May, organized by the Fanwood Business and Professional Association, drew more than 250 shoppers to the borough's downtown area for an evening of bargains and fun. More than 30 BPA-member businesses took part in the promotion to show off the revitalized district along South and Martine Avenues. It was the third year for the event, which has grown each time in terms of shoppers and merchants involved.

Welcome to our annual report on the borough's economic health and plans for the future

Mayor Mahr and members of the Fanwood Council are pleased to share with you this report updating the community with the progress of the borough.

This report provides an annual look at the finances of the borough, our progress in key initiatives and what to look for in the coming year.

We are proud to be the first municipality in New Jersey to prepare a report of this kind for its residents.

The Association of Government Accountants (AGA) developed guidance on producing Citizen Centric Reporting as a method to demonstrate accountability to residents and answer the question, "Are we better off today than we were last year?"

Additional details can be found at the AGA website: www.agacgfm.org/citizen.

Fanwood: a borough's bright future coupled with transit

Fanwood was recently featured in the New York Times Sunday Real Estate Section for its innovative transit-oriented downtown redevelopment plan.

The article discusses the borough's vision for a diverse downtown, which was also recently cited as a Smart Growth Award winner. The Times called Fanwood, "a Union County community recognized for its transit-oriented downtown and appreciated by its residents for its affordability and walkability."

The borough's history, access to NJ Transit, excellent school system, and community programs continue to enhance Fanwood's reputation as a premier place to raise a family.

The introduction of a direct-access train ride to Manhattan by New Jersey Transit promises to spur further growth and interest in the community, increasing property values.

Fanwood's Downtown Block 64 Redevelopment was named among the eight 2014 Smart Growth Award winners by New Jersey Future. Smart growth is growth that serves the environment, the economy, and the community equally. It attempts to concentrate development into already-existing communities and it addresses the inherent

ABOUT FANWOOD

Incorporated in 1895, the Borough of Fanwood covers 1.3 square miles and is located in the western portion of Union County.

The borough is located approximately 25 miles west of New York City.

The borough has a vibrant downtown that is home to many thriving businesses. Over the last five years, the downtown has enjoyed a rebirth made possible by new construction of several multi-use buildings. The business association plays a vital role in the community.

Borough residents elect a six-member council, which serves as the legislative branch of the borough. Council members are elected to three-year terms. The Mayor is elected to a four-year term, with no term limit.

Fanwood is served by an excellent school system, a full-time police department, a volunteer fire department and volunteer rescue squad. The borough also has an excellent library, a cultural arts center, an excellent park system and a year-round recreation program for everyone from kids to seniors.

In the past year, the borough has been recognized as one of the top three places in the state to raise a family and was awarded a "Smart Growth" award, one of eight given this year, for its innovative approach to redevelopment.

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'Growth' (cont'd)



Amy Boroff, a Fanwood resident, owns and operates Be Craftful. The store in Fanwood Crossing offers crafting workshops and a retail space for gifts, too.

interconnections between environmental protection, social equity, public health and economic sustainability.

The borough's redevelopment plan is focused along the South Avenue corridor and strives to bring thriving businesses and new residents to the borough. The goal of the redevelopment is to make Fanwood a desirable place to live, work and play, which will offer a higher quality of life for residents and its workers.

In recent years there has been a rebirth of activity and construction within Fanwood, consisting of retail space as well as residential apartments on the upper floors. The South Avenue retail/residential corridor has been a major project for the borough and reflects the success of Fanwood's efforts.

The borough strives to continue this growth and, with the assistance of the Planning Board, the construction of Fanwood Crossing II on South Avenue broke ground in the fall of 2013. This will be a multi-use building similar to Fanwood Crossing I, which has proved to be popular in the community.

FANWOOD INFORMATION



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ON THE AIR!

Fanwood information radio - 24/7 at AM530

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For more information on our services, visit our website at www.fanwoodnj.org.

**Colleen Mahr, Mayor
Borough of Fanwood
75 North Martine Ave.
Fanwood, NJ 07023**

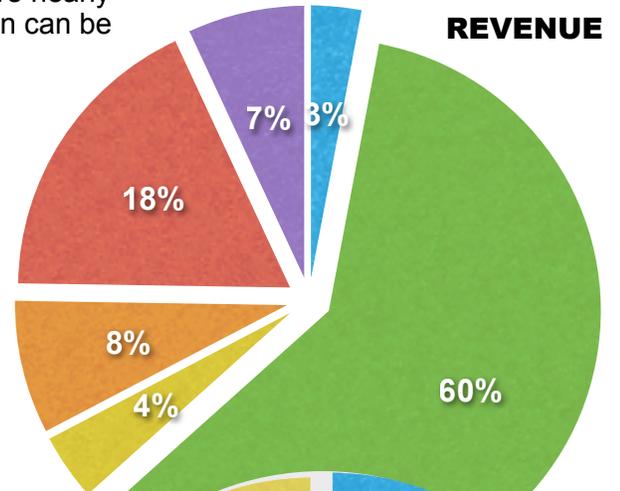
Redevelopment results	2004 to present
Private investment	\$18.38 million
New commercial retail space	48,000 SF
New residential units	110
Increase to net valuation taxable	\$3.85 million
Annual tax/PILOT income	\$195,000
Jobs created within the borough	198

FANWOOD'S FINANCES

The current fund is the primary operating fund of the borough. It pays for the services traditionally associated with local government. Included are police, parks and recreation, planning and economic development, general administration and any other activity for which a special fund has not been created. Municipal spending is only 21% of your entire property tax bill. County taxes account for 19% and school taxes are 60% of your property tax bill. School and county taxes are nearly 80% of the average property tax bill. Complete financial information can be found at www.fanwoodnj.org

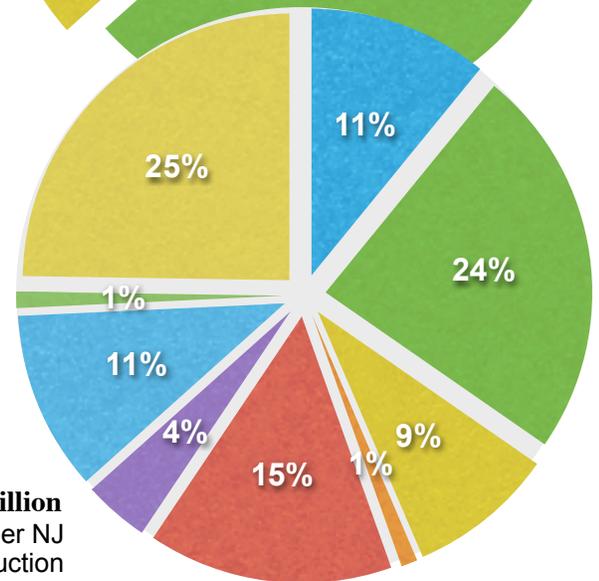
Revenue by source

	2013	2014
● Receipts from delinquent taxes	\$280,000	\$255,000
● Local tax	\$5,760,000	\$5,920,000
● Library tax (1)	\$365,000	\$365,000
● State aid	\$755,000	\$755,000
● Misc revenue (2)	\$1,815,000	\$1,695,000
● Anticipated surplus	\$230,000	\$645,000



Spending by service area

	2013	2014
● General Government	\$1,015,000	\$1,055,000
● Public Safety	\$2,165,000	\$2,295,000
● DPW	\$755,000	\$850,000
● Health & Welfare	\$70,000	\$65,000
● Insurance & Health Benefits (3)	\$1,455,000	\$1,450,000
● Library Fund	\$365,000	\$365,000
● Cap. Improve. & Debt Service	\$910,000	\$1,100,000
● Rec & Community	\$95,000	\$75,000
● Misc. Spending (4)	\$2,375,000	\$2,380,000



Total revenues and expenditures: 2013 - \$9.21 million; 2014 - \$9.64 million

Notes: Totals may not add due to rounding. (1): Library Tax is calculated per NJ statute; (2): includes grants, fees and licenses, PILOTs and uniform construction code fees; (3): includes employee health benefits and insurance, workmen's compensation and unemployment; (4): includes grants, civilian pension, Social Security, special emergency authorizations and utilities

Fanwood facts	2000	2010
Population	7,174	7,318
Per capita income	\$34,804	\$43,474
Median household income	\$85,233	\$123,750
Median value of housing	\$224,300	\$417,700
Assessed value of	\$219.1 m	\$228.2 m
Total housing units	2,615	2,686

Living within the 2% cap

In today's economy, municipalities also face pressures to sustain current levels of services while operating within the 2% cap. Additionally, state aid remains flat while costs continue to rise. The 2% cap, enacted in 2010, is a 2% limit on the annual increase on property taxes imposed upon local municipalities in New Jersey. In order to get around this, many municipalities have simply increased fees such as water or sewer. But, Fanwood has not. The borough has gotten creative in its financing efforts by attempting to create partnerships with neighboring towns and the county through shared service and has been proactive in its ability to bring in grants.

WHAT'S NEXT: KEY INITIATIVES



The newest section of the South Avenue corridor construction takes shape.

Public works, infrastructure fixes, redevelopment are top items

The borough is always looking for ways to enhance the borough, its public works and public infrastructure.

These projects are funded by a combination of grants, capital debt and capital reserves. The borough currently has four active projects at a total cost of about \$2.3 million.

Active projects include: Farley Avenue improvements, Hunter Avenue and Russell Road reconstruction, Glenwood Road area drainage and improvements to Forest Road Park.

The borough anticipates beginning another five road reconstruction projects in the near-term at a total cost of approximately \$2.1 million. These projects include Hunter Avenue, Vinton Circle and Burns Way; LaGrande Extension

improvements, S. Glenwood, Shasta Place and Second Street between Herbert and LaGrande Avenues.

In addition, New Jersey American Water is undertaking a \$5 million infrastructure upgrade on the south side of the borough. The borough is currently in talks regarding plans to continue the upgrades on the north side in 2015.

Most recently, the borough has been advised by AGL (Elizabethtown Gas) of their plans to upgrade and strengthen all gas lines in Fanwood in the next three years.

Along with infrastructure upgrades, redevelopment is on track to provide a vibrant downtown, including retail, residential, and recreational uses.



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