

GOVERNMENT  
STRATEGY  
GROUP

August 29, 2018

Mayor Pasquale Menna and  
Members of the Borough Council  
90 Monmouth Street  
Red Bank, NJ 07701

Dear Mayor Menna & Borough Council Members:

We are pleased to submit this proposal – based on the proposed Scope of Work, Action Plan & Task List – to provide Redevelopment Oversight including critical facility needs.

We propose the adoption of an ordinance to create a Redevelopment Agency and a funding authorization ordinance to cover all professional fees and a small operations budget. Once the Agency is up and running it will generate fee income and a substantial portion, if not all, of the professional fees and operating costs will be covered by developers' escrows. The goal is to avoid any taxpayer subsidy or burden on the municipal budget.

Government Strategy Group is a team of experienced senior managers and policy makers from various levels of government. This mosaic of talent provides our clients with dynamic service. Our engagements are crisply executed with high level precision and expertness.

Executive Managing Director Joseph Hartnett and I will oversee this engagement with assistance from members of the GSG team to provide support.

To fulfill these services and duties, the Borough will permit Mr. Hartnett or myself to occasionally use Borough equipment, facilities and office supplies (computers, copy/fax machines, etc.) and office space. For the sake of cost-containment, it is anticipated that a Borough employee can be designated as secretary to the Redevelopment Agency, with a stipend paid for by the agency, and with a dedicated telephone extension for Agency messages. The Borough will also provide a "redbanknj.org" email account for the Agency.

Upon the establishment of a Redevelopment Agency, GSG will provide and arrange for the management and administrative services necessary, on a consulting basis, for the operation of the agency, including budget preparation and management, board relations, regulatory compliance, government relations, and purchasing and contracting, as well as the securing a small office in Red Bank for Agency operations.

The Borough also agrees to hold Government Strategy Group harmless, defend and indemnify us against any and all claims resulting from the execution of our services.

The fee for our services to implement the Pre-Operating Phase will be \$15,000 which will guide the Borough through the creation of the Redevelopment Agency.

Once created, we estimate an average of 60 hours per month for the Operating Phase, billed in accordance with the following hourly rates:

CEO	\$180
Executive Managing Director	\$175
Sr. Managing Director	\$160
Managing Director	\$150
Admin/Clerical	\$ 75

The term of this engagement will be twelve months.

We look forward to the opportunity to help shape Red Bank's future and serve as a meaningful part of reshaping Red Bank's economy.

Respectfully submitted,

Kenneth DeRoberts  
Chief Executive Officer

Encl: Scope of Work  
Action Plan (draft)  
Redevelopment Agency Mission/Task List (draft)

CC: J. Hartnett

## **Borough of Red Bank Redevelopment GSG Scope of Work**

### **Pre-Operating Phase**

GSG will oversee the creation of a Redevelopment Agency including governance and oversight structure. This will include the execution of a favorable development strategy for attractive projects suitable for Red Bank as well as addressing critical facilities needs. We will:

- Coordinate all activities to oversee all aspects of redevelopment, reporting directly to the Business Administrator
- Coordinate various team professionals –
  - Redevelopment Counsel
  - Affordable Housing Counsel
  - Design/Architectural Consultant
  - Planning Consultant
  - Commercial Appraiser
- Work with professionals to develop design standards for targeted areas
- Devise executable redevelopment strategy that maintains Red Bank’s socio-economic diversity and preserves its historic character
- Promote economic development throughout the Borough

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### **Operating Phase**

- Develop redevelopment plan strategy to address the DPU facilities, Municipal Building and the Senior Center including cost benefit/impact analysis and the exploration of public/private partnerships
- Provide input on the Master Plan Update
- Develop strategies that address affordable housing
- Evaluate designating the entire community as an ‘area in need of rehabilitation’
- Coordinate all existing redevelopment projects
- Evaluate financial benefits and impact of redevelopment projects
- Oversee redevelopment project plans
- Negotiate redevelopment agreements
- Assist with public input and communication strategy
- Work with Borough officials and community representatives designated by them to draft a “Good Neighbor Policy” for developers (This will ensure that developers will have a positive engagement with the community beyond design issues and will play a supportive role in the community.)

*Draft*

## **Borough or Red Bank Proposed Redevelopment Agency Mission and Tasks**

The Agency will be dedicated to providing the organization and attention necessary for the community to develop and stay focused on its mission and objectives.

### **Mission Statement**

*Elevate the quality of life in and for all neighborhoods of Red Bank by bringing to fruition the goals of the community, as expressed through its elected officials, for responsible and sustainable development.*

### **Task List**

The Borough of Red Bank Redevelopment Agency will oversee these immediate tasks:

- Provide full support and assistance to the Borough to clearly define the primary goals for redevelopment
- Define the Borough's Redevelopment Vision, is it to:
  - create jobs?
  - create more tax ratables?
  - develop new municipal facilities with the least tax impact?
  - resolve parking concerns?Or is it something else entirely?
- Oversee and coordinate existing redevelopment projects
- Promote economic development within the Borough
- Analyze and review all existing redevelopment agreements
- Draft necessary ordinances for fulfillment of the Borough's obligations as applicable under development statutes
- Evaluate and provide input on the Parking Study (pending completion)
- Coordinate the work of all related professionals – attorneys, designers/architects, planners, appraisers
- Perform a complete inventory of Borough-owned properties, zoning status, and highest and best use analysis
- Analyze the advantages of different redevelopment and rehabilitation declarations/designations and make recommendations to the Borough
- Work with Borough officials and the Planning Board on all necessary studies and public hearings, prepare schedules and calendars for any and all actions needed to be taken by the Borough and the Board, work with the Planning Board on required investigations and recommendations
- Actively engage (as a participant) in the Borough's newly revised Master Plan
- Coordinate necessary certifications by the Borough Engineer
- Develop recommended design standards for targeted areas

Once the above task list has been worked through and the Borough has finalized and adopted its redevelopment plans, the Redevelopment Agency will undertake all activities necessary to implement the plans, such as negotiating and overseeing development contracts, ensuring regulatory compliance, and overseeing construction performance.

*Draft*

**Borough of Red Bank Redevelopment  
Proposed Action Plan for Mayor and Council – as of August 2018**

The Borough of Red Bank is dealing with a myriad of issues and challenges that require the attention of its elected officials and management staff which can easily overwhelm their time.

**Statement of Purpose**

The purpose of this proposed plan of action is to provide the resources and talent necessary to give proper attention, organization, and focus to the critically important development and redevelopment challenges facing the community.

<b>Action</b>	<b>Date</b>	<b>Comments</b>
1 Submit consulting proposal	9/5/18	GSG finalize and submit proposal and cost to Red Bank to advise on and manage redevelopment planning and related activities.
2 Vote on consulting proposal	9/12/18	Vote on approving consulting contract with GSG. Determine funding source and certify availability. (To be repaid via Redevelopment Agency, must be in same fiscal year.)
3 Ordinance creating Red. Agency	9/26/18	Introduce ordinance to create Redevelopment Agency.
4 Ordinance to fund Red. Agency	9/26/18	Introduce bond ordinance to provide seed money for Redevelopment Agency.
5 Deliberations on appointees	9/27/18	Start deliberations to identify maximum of two Council Members (or other Borough officers or employees) and five citizens to appoint as Redevelopment Agency Commissioners, pursuant to NJSA 40A: 12A-11.
6 Ordinance creating Red. Agency	10/24/18	Approve ordinance to create Redevelopment Agency.
7 Ordinance to fund Red. Agency	10/24/18	Approve bond ordinance to provide seed money for Redevelopment Agency.
8 Appointments to Red. Agency	11/7/18	Vote on appointments to the Redevelopment Agency.
9 Redevelopment Agency caucus	11/14/18	Commissioners gather to discuss their roles and agenda for organizational meeting. OPMA notice given; no official action to be taken.
10 Redevelopment Agency organizational meeting	11/19/18	Commissioners hold organizational meeting of the newly created Red Bank Redevelopment Agency. Accept assignment of the GSG contract.

For redevelopment Agency Mission and Tasks, please see attached Agency Mission and Tasks List.

## Innovating the Business of Government

Local and county governments have unique challenges. There's accountability to taxpayers, dealing with unforeseen circumstances, and the need to deliver effective solutions that are also financially efficient year after year.

Tackling these challenges is the specialty of Government Strategy Group (GSG), a management consulting firm dedicated to supporting the needs of government entities throughout New Jersey.

Our team of experts is made up of experienced senior managers and policy makers from various levels of government and industry. We bring a breadth and depth of knowledge about best practices, the most up-to-date insights and a commitment to exploring creative opportunities to expertly define and implement new efficiencies for your organization. We have particular expertise in guiding alternative service delivery options – from shared services to outsourcing to privatization.

Driven by our guiding principle to help you do more with less, we offer advanced, customized, innovative solutions that allow you to reduce your expenses while improving your results.

Founded in 2006, GSG has served local New Jersey governments in multiple capacities.

### What We Do

We provide management and financial services, which include studies on specific issues, workflow process enhancement projects and multi-year engagements that turn challenged entities into solid, reliable performers.

Some examples of our accomplishments:

- Led Summit to become the first municipality in the country to achieve triple A bond ratings from the top three credit rating agencies.
- Developed a program for one of the largest domestic utilities to provide low-cost financing for complex privatizations on U.S. military bases.
- Coordinated shared services for Monmouth and Passaic counties which established new programs and initiatives producing impressive results.
- Guided Bloomfield's transformation by coordinating redevelopment that led to greater financial performance.
- Established a new banking relationship for Edison that continues to provide an annual benefit of over a million dollars.

"The GSG team did an outstanding job while serving as Passaic County's Shared Services Coordinator. Taxpayer dollars are still being saved today as a result of the programs they created."

Dennis Marco, Chairman  
Passaic County Improvement Authority

### Clients We've Served

Since our inception, GSG has delivered customized solutions for more than 50 clients, including local entities, entire counties, and special districts. In addition, Fortune 500 and private companies have called upon us to help them navigate the unique intricacies of working successfully with the public sector.

"GSG's impact on Bloomfield continues to be noticeable more than 10 years later especially because of their successful planning and implementation of redevelopment projects. The Township's financial posture continues to grow thanks to GSG."

Raymond McCarthy, Former Mayor  
Township of Bloomfield

"Course Correction: A Roadmap for the Future. That's how I refer to GSG's recently completed Management Enhancement Review. It will positively impact Red Bank for decades. Through their skillful direction, we estimate annual operating savings of more than \$2.5 million."

Edward Zipprich, Council President  
Borough of Red Bank

GSG will collaborate closely with your team to ensure objectives are met effectively and efficiently. All of our team members are New Jersey residents, as dedicated to the success of local government as you are.

## GSG Team Members

**Kenneth DeRoberts, Chief Executive Officer**, has a successful record of achievement as a senior-level government manager and an investment banker. Using strategic planning practices, he is an expert in restructuring government operations that leads to doing more while costing less.

**Joseph Hartnett, Executive Managing Director**, is regarded as one of the most progressive and inventive public-sector managers in New Jersey.

### MANAGING DIRECTORS

**Ronald J. Angelo**, CMFO, Financial Management

**Thomas Bell**, Public Safety and Security

**Dorothy Blakeslee**, Capital Budget Management and Workflow Process

**David G. Brown II**, QPA, Management and Economic Development

**John D. Cassells**, RMA, CMFO, School and Municipal Financial Management

**Dr. Dale G. Caldwell, Senior Managing Director**, is an expert in advising governments on how to improve operations and maximize revenues.

**Lawrence Caroselli, CMFO, CCFO, Senior Managing Director**, has more than 30 years of experience as a financial management professional.

**Christopher J. Cotter**, Management and Public Safety

**Michael D'Ecclessis**, CMCA, Municipal Court Expert

**Frank Padusniak**, Financial Management

**Joseph Salemme**, Operations Management and Labor Relations

**Roger K. Staib**, Shared Services

“DeRoberts used strategic financial management to guide our borough to triple A ratings from the top three credit rating agencies. New Providence still benefits today from his financial, business and management acumen.”

Al Morgan, Mayor  
Borough of New Providence

“For the past eight years, Mr. DeRoberts has guest lectured every semester about redevelopment, which the graduate students in my Real Estate Development Process course consistently rank as the most impactful and beneficial lecture.”

Professor John Serruto  
Schack Institute, NYU Graduate School of Real Estate

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