

**July 30, 2025**

## **FAQs: Open Space Trust Fund – South Orange, NJ**

### **1. What is an Open Space Trust Fund (OSTF)?**

An Open Space Trust Fund is a dedicated source of public funding used by New Jersey municipalities and counties to acquire, preserve, and maintain open space, farmland, historic properties, and recreational facilities.

### **2. How is an Open Space Trust Fund created?**

A municipality or county must:

1. Propose a ballot question for voter approval.
2. Hold a referendum, usually during a general election.
3. If approved, adopt a local ordinance establishing the fund and its parameters.

### **3. How is the fund financed?**

The OSTF is typically funded through a voter-approved property tax levy, expressed in cents per \$100 of assessed property value.

In South Orange, the levy originally adopted in 1999 is currently set at \$0.01 per \$100 of assessed value. The Village Administration is proposing to increase this to \$0.02 per \$100 of assessed value beginning in 2026.

### **4. What can the OSTF be used for?**

Permitted uses vary depending on voter authorization. In New Jersey, allowable uses typically include:

- Acquisition of open space and farmland
- Development or improvement of parks and recreational areas
- Historic preservation
- Maintenance of preserved land or facilities
- Capital debt funding or debt service related to these items

In South Orange, the fund may be used for:

- Acquisition of land for recreation and conservation
- Development of acquired lands for recreation and conservation
- Maintenance of such lands
- Historic preservation and/or acquisition of historic properties and objects
- Payment of debt service or indebtedness related to these purposes

## 5. How much will the increased OSTF levy cost property owners?

For a property assessed at \$850,000, the proposed increase would cost an additional **\$85 per year**.

## 6. Why not use regular tax revenue for parks? Wouldn't it cost the same?

While raising the general tax rate could generate similar revenue, a **dedicated OSTF ensures that funds are used exclusively** for preserving and enhancing open space, parks, and historic assets. It provides:

- **Long-term planning ability** – Ensures reliable funding for capital projects over time
- **Grant matching opportunities** – Helps secure state/federal grants (e.g., NJ Green Acres)
- **Accountability and transparency** – Funds are legally restricted to voter-approved purposes
- **Voter control** – Residents have a direct say in how their money is used
- **Protection from budget cuts** – Dedicated funds can't be reallocated during budget shortfalls

## 7. Can OSTF money be used for non-open space purposes?

**No.** Use of the funds is restricted by the ordinance and voter authorization.

## 8. What projects are currently being considered for OSTF funding?

There are currently over **\$20 million** worth of eligible projects, including, but not limited to:

- River Greenway
- Meadowland Park field improvements and LED lighting
- Duck Pond restoration
- Founders Park landscaping and improvements
- Grove Park upgrades and tree planting
- Crest Drive playground upgrades and tree canopy replenishment

## 9. What is the Green Acres Program, and how is it related to the OSTF?

The **NJ Green Acres Program** offers state grants and loans for open space and parkland acquisition. Municipalities with an OSTF often use it to qualify for or match Green Acres funding—such as with the **Cameron Recreation Area**, currently in early development.

## 10. Do all towns in New Jersey have an Open Space Trust Fund?

**No.** Only towns that have passed a local referendum to establish one. However, many

municipalities and nearly all counties in NJ have adopted some form of open space funding mechanism.

**11. Can an OSTF be repealed or ended?**

Yes, but doing so requires either a formal ordinance repeal or a new voter referendum.

**12. Has South Orange's population growth affected open space needs?**

Yes. Since the Master Plan was written (when the population was about 16,000), South Orange has grown by approximately **15%**. Based on the current population of **18,150**, the goal of 8 acres per 1,000 residents translates to a need for **145 acres** of open space. The current inventory is **86 acres**, resulting in a **deficit of 59 acres**, especially in neighborhood parkland.

The Village believes that opportunities to add open space should be explored as they arise. Expanding the OSTF makes this more feasible, while recognizing that land acquisition is costly. Meanwhile, improving existing parks for broader use is a top priority.

**13. How is OSTF spending managed?**

OSTF funds are managed in compliance with **Municipal Local Public Finance Laws**. Spending is overseen by:

- Licensed municipal staff, including the CFO and a Qualified Purchasing Agent
- The **South Orange Finance Committee**, which reviews expenditures and submits a bills list to the Village Council for approval

**14. Are there spending principles for the OSTF?**

Yes. Spending must align with the **ordinance** that established the OSTF and the purposes approved by voters.

**15. Who manages the OSTF?**

The fund is managed by the **Chief Financial Officer (CFO)** and the **Village Administrator**.

**16. Is OSTF spending reported to the public?**

Yes. OSTF expenditures are reported during **committee meetings** and **Village Council meetings**, which are open to the public.

**17. Has OSTF money been used for general maintenance in the past?**

Yes. In the past, OSTF funds have been used for maintenance-related work, including but not limited to:

- Painting the Tony Smith sculpture
- Planting street trees
- Adding a handicap ramp to the Baird Center

**18. Will the Village commit to using OSTF money only for capital projects?**

**No.** While capital projects are a major focus and the driving force behind the proposed increase, maintenance is also essential to delivering quality parks and open spaces. Some important projects, like tree replacement after disease or storms, may not qualify as a capital expense under municipal finance law.

South Orange remains committed to meaningful capital improvements across its park system, as demonstrated by current investments in plan development and/or grant funding for projects such as:

- River Greenway
- Cameron Recreation Area
- Founders Park
- Grove Park
- Meadowland Park
- Carter Park