



**From:** NJLM - Municipal Clerks [mailto:njlm-clerks@cityconnections.com]  
**Sent:** Monday, April 19, 2010 4:23 PM  
**To:** Lashway, Lisa  
**Subject:** Two Developments



**Municipal Clerks  
for Mayors, Elected Officials  
and Staff**



April 19, 2010

**RE: Two Developments**

- 1. Mayor Chiarello, League First Vice President, Voices Municipal Reaction to Governor's Proposed Budget**
- 2. Red Tape Review Group Issues Mandates Relief Report**

Dear Mayor:

**1. Mayor Chiarello, League First Vice President, Voices Municipal Reaction to Governor's Proposed Budget**

On a busy Monday morning in Trenton, League of Municipalities First Vice President, Mayor Chuck Chiarello of Buena Vista, presented the municipal perspective on Governor Christie's proposed budget, today, when he testified before the Assembly Budget Committee.

Mayor Chiarello advised the Committee that the proposed 20% cut in municipal property tax relief funding will present a serious challenge to local budget makers, struggling to provide essential municipal services effectively and efficiently.

"Municipal officials expected deep cuts. But we did not anticipate the severity of the Energy Tax cuts. While this proposal meets the letter of the law, it clearly violates the spirit of property tax relief in the Energy Tax statute ... Local officials (are) struggling to do the best for their citizens in an incredibly difficult year. ... We are braced to do our part, recognizing that our property taxpayers need to be insulated, as much as possible, from the impact of those sacrifices." He cautioned the Committee on the need to advance mandates relief, as they proceed with budget deliberations.

“Accordingly, we anxiously anticipate the report and recommendations of the Lieutenant Governor’s Red Tape Review Group. And, while we have serious concerns about the practical implications of the Governor’s proposed 2.5% cap, we are gratified that the Administration intends to provide local officials with meaningful tools to limit the otherwise devastating impact of the cuts. Binding Arbitration reforms, which require arbitrators to recognize local caps and the impact of those awards on property taxes, and Civil Service reforms, that allow local governments to opt out of the system, have long been sought by the League. Combined with the recent pension and benefit reforms, they can represent real progress.”

Mayor Chiarello concluded his testimony with a plea for the Committee to consider the big economic picture, as they contemplate property tax relief funding cuts. “When property tax relief funding is cut, and municipalities and school districts have less to spend, it has an effect in the local economy that has an effect on the State’s economic health. ... If we are forced to defer capital projects, construction workers aren’t as busy as they could be. And those that supply materials aren’t selling as much as they could.”

## **2. Red Tape Review Group Issues Mandates Relief Report**

Later this morning, we welcomed the release of final recommendations by Lieutenant Governor Kim Guadagno’s Red Tape Review Group. You can access the entire report at: <http://www.nj.gov/governor/news/news/552010/pdf/201>.

We thank the Lieutenant Governor for involving the League and our members in this process, from its inception and through today. The report is a step in the right direction and provides hope of real relief down the line. While these recommendations offer the opportunity for long term reform and relief, Hamilton Township Mayor John Bencivengo, co-chair of our Mandates Relief Committee, pointed out that only swift action by the Administration and the Legislature on things like the Stormwater Management mandates can provide immediate relief for our taxpayers. The League, through the Mandates Relief Committee, also has advocated for binding interest arbitration reform, civil service reform, COAH requirements and more.

Mayor Chiarello thanked the Lieutenant Governor for involving the League and our members in this process, from its inception and through today. And, we thanked all the members of the Group for their attention to our concerns.

Of particular promise, with regards to property tax relief, the League of Municipalities welcomes the recommendation to establish a permanent review group and to invite New Jersey law schools to conduct an objective study of unfunded statutory and regulatory mandates. The League, also, welcomes the consolidation of land use planning and ‘smart growth’

functions in a single agency.

In addition to Mayor Bencivengo, we also thank our Committee's other co-chair, Mayor Anthony Persichilli of Pennington Borough. That Committee will continue to work with all State elected and appointed officials, interested in advancing property tax relief through relief of unfunded mandates.

For more information on these matters, contact Jon Moran at 609-695-3481, ext. 121.

Very truly yours,

William G. Dressel, Jr.  
Executive Director

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