



-----Original Message-----

From: Lashway, Lisa
Sent: Wednesday, April 28, 2010 9:35 AM
To: Sohl, Bill; Ryan, Jessica
Subject: FW: Governor's Letter and Request for Support

Lisa Lashway
Township Clerk
Township of Mount Olive
P.O. Box 450
Budd Lake, NJ 07828
973-691-0900 Ext. 7290

From: NJLM - Municipal Clerks [mailto:njlm-clerks@cityconnections.com]
Sent: Tuesday, April 27, 2010 4:30 PM
To: Lashway, Lisa
Subject: Governor's Letter and Request for Support



Municipal Clerks for Mayors, Elected Officials and Staff



April 27, 2010

RE: Governor's Letter and Request for Support

Dear Mayor:

Last week, Governor Christie wrote to mayors, asking for support for both the Governor's "Tool Kit to Meet Today's Fiscal Challenges," and the 2.5% cap on both local spending and the local levy. We had previously outlined those concepts in our March 17 letter (<http://www.njslom.org/letters/ml031710-budget.html>).

Since the introduction of the Governor's proposed budget, we have consistently indicated our conceptual support for those parts of the proposal that will help local officials control their costs. In fact, through the tenures of several Governors, we have been leading the effort to secure binding arbitration reform, civil service reform, public employee pensions and benefits reform and, of course, mandates relief. Accordingly, we

enthusiastically welcome Governor Christie's support. In addition to issues like our State's chronic over-reliance on regressive property taxes to fund essential services, the State's continuing reliance on local Energy Tax and CMPTRA revenues to balance its budget and COAH reform, these have been the focus of our efforts.

When League President, Mayor Jim Anzaldi, spoke to the Senate Budget and Appropriations Committee on March 23, on our behalf, he thanked Governor Christie for his effort to provide local officials with meaningful tools to limit the, otherwise devastating, impact of the proposed budget cuts. At that time, he urged the legislature to act on binding arbitration reform, civil service reform and immediate and significant mandates relief BEFORE adopting a budget containing further drastic property tax relief funding cuts. Legislative action on the helpful items in the Governor's 'tool kit' and on mandates relief cannot wait until after this budget is put to rest.

And on April 19, when League First Vice President, Mayor Chuck Chiarello, presented our testimony on the Governor's proposal to the Assembly Budget Committee, he also thanked the Governor for his proposed 'tool kit.' Mayor Chiarello told the Committee, "The proposed 20% cut in property tax relief funding will present a serious challenge to local budget makers, struggling to provide essential municipal services effectively and efficiently. Still, as we have stated many times, there are other ways for the State to help us deliver property tax relief. For the sake of those taxpayers, the total \$340 million cut must be accompanied by real reforms and immediate and significant mandates relief."

We have learned that the actual bills that would, if passed, put those tools into the hands of local elected officials will be introduced next month. We look forward to reviewing the actual provisions of those bills. We intend, if necessary, to recommend refinements to those bills, which might make them even more valuable to local officials and the property taxpayers they strive to serve.

We have also, however, expressed serious reservations with the 2.5% cap concept. Such a cap would not limit or account for increases in police pension costs, employee health benefit costs, or other costs beyond the control of local officials. The cap will not hold down the cost of commodities, such as heating energy, fuel oil and repaving supplies, which can skyrocket based on the world market. Consequently, a 'hard' tax cap is very likely to lead to cuts to basic community services, leading to a deterioration in the quality of life in many municipalities. This could inhibit economic recovery, particularly in less affluent municipalities, where it might be harder for citizens to routinely vote to exceed the cap. Accordingly, a 2.5% cap is unthinkable, unless local officials are given effective tools with which to address municipal costs-drivers – including significant arbitration

reforms, civil service reforms, increased managerial flexibility and immediate and substantial mandates relief. We will need to carefully review the specific provisions of the 2.5% cap legislation, once it is introduced.

We commend the Governor on his leadership on management reforms and mandates relief. And we look forward to working with the Administration and the Legislature on the 'tool kit' items that will help local officials to better serve their fellow citizens.

If you have any questions on this, please contact Jon Moran at 609-695-3481, ext. 121.

Very truly yours,

William G. Dressel, Jr.
Executive Director

New Jersey League of Municipalities
222 West State Street, Trenton, NJ 08608
609-695-3481

To unsubscribe from this list, send a blank email to leave-12262374-235018168.a5b3b1841a13d0fd7831dbdfc64a0b1b@lists.n-email2.net