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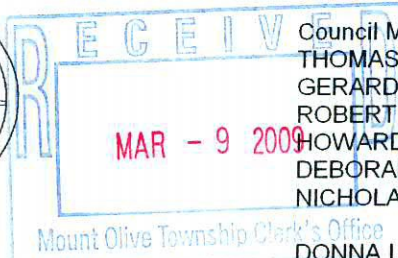
CC: Adm.

TOWNSHIP OF DENVILLE

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Municipal Clerk
973-625-8300 Ext. 232

**1 ST. MARY'S PLACE
DENVILLE, N. J. 07834**

March 4, 2009

To: The Honorable Jon S. Corzine, Governor of the State of New Jersey
The Honorable Richard J. Codey, President of the Senate
The Honorable Joseph J. Roberts, Jr., Speaker of the Assembly

From: Donna I. Costello, RMC/CMC
Municipal Clerk

Re: RESOLUTION OF THE TOWNSHIP OF DENVILLE OPPOSING
LEGISLATION THAT WOULD REQUIRE DEFERRAL OF HALF
A BILLION DOLLARS IN PENSION PAYMENTS

Enclosed please find a certified copy of the above captioned resolution adopted by the Municipal Council of the Township of Denville at its March 3, 2009 meeting.

The Governing Body strongly opposes this proposed legislation, which would require deferral of half a billion dollars in pension payments, unless there is a provision to permit local entities the flexibility to make their entire pension contribution without incurring future interest penalties.

Your consideration of this resolution is appreciated.

Dic/encl.

C: Members of the 25th Legislative District
New Jersey League of Municipalities
Morris County Board of Chosen Freeholders
All Morris County Municipalities

**RESOLUTION OF THE TOWNSHIP OF DENVILLE OPPOSING
LEGISLATION THAT WOULD REQUIRE DEFERRAL OF HALF
A BILLION DOLLARS IN PENSION PAYMENTS**

R-09-65

WHEREAS, the Assembly Budget Committee has voted to advance a bill that would require counties, towns and school districts to defer \$584 million from their payments due to the pension system in 2009, by paying 50% of their pension obligation which in the case of the Township of Denville is in excess of \$550,000; and

WHEREAS, the plan would allow counties, towns and school districts to pay 60% of their pension obligation in 2010, 80% in 2011 and 100% in 2012 which would result in a short term deferral of \$1.35 billion; and

WHEREAS, pension payments would then be higher through 2041 because the larger unfunded liability's total added cost is projected to approach \$500 million; and

WHEREAS, the added costs would increase the burden on counties, towns and school districts in the long run including requiring those local governments that chose to pay their obligation fully to put those funds into a separate account and become part of the other unfunded liabilities in the pension system and incur interest at the rate of 8.25%.

NOW, THEREFORE, BE IT RESOLVED by the Municipal Council of the Township of Denville as follows:

1. That the Township of Denville is on record as opposing the aforesaid proposed legislation unless there is a provision to permit local entities the flexibility to make their entire pension contribution without incurring the future interest penalties.
2. That a copy of this Resolution be sent to the Honorable Jon Corzine, Governor of the State of New Jersey; Richard J. Cody, President of the New Jersey State Senate; Joseph J. Roberts, Jr., Speaker of the New Jersey State Assembly; Senate and Assembly Budget Committees; the Members of the 25th Legislative District; the New Jersey League of Municipalities; the Morris County Board of Chosen Freeholders; and all Morris County Municipalities urging them to adopt similar resolutions of opposition to this legislation.

**BY ORDER OF THE MUNICIPAL COUNCIL
OF THE TOWNSHIP OF DENVILLE**

I, DONNA I. COSTELLO, MUNICIPAL CLERK
OF THE TOWNSHIP OF DENVILLE, DO HEREBY
CERTIFY THE ABOVE TO BE A TRUE AND
EXACT COPY OF A RESOLUTION ADOPTED
BY THE MUNICIPAL COUNCIL AT THEIR
MEETING HELD ON MARCH 3, 2009.

CERTIFICATION DATED: 3-4-09


DONNA I. COSTELLO, RMC/CMC
MUNICIPAL CLERK

RMC
CMC