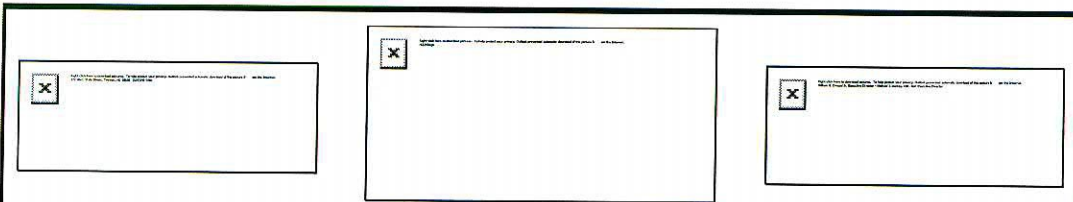


(c)

Lashway, Lisa

From: NJLM - Municipal Clerks [njlm-clerks@cityconnections.com]  
Sent: Tuesday, May 20, 2008 3:47 PM  
To: Lashway, Lisa  
Subject: Municipal Clerks from NJLM



**LEAGUE ALERT**

Municipal Clerk: Please forward to Mayor and Governing Body.

May 20, 2008

**Re: May 20th State Budget Summit**

**Re: May 20th State Budget Summit**

Dear Mayor:

Over 100 local officials joined our President, Mayor Bob Bowser of East Orange, First Vice-President, Mayor Tim McDonough of Hope, Board Member, Mayor Tish Columbi of Haddonfield, and a panel of high ranking State policymakers for today's key State Budget Summit, in Trenton.

We want to thank State Treasurer David Rousseau, DCA Commissioner Joe Doria, State Senator Phil Haines of the Senate Budget and Appropriations Committee, Assemblyman Lou Greenwald, Chair of the Assembly Budget Committee, and Assembly Republican Budget Officer Joe Malone for taking a big chunk of time from their busy schedules to continue their open and honest dialogue with New Jersey municipal officials. We also want to thank NJN's ace Statehouse Correspondent, Jim Hooker, for keeping the session on track and moving forward.

We also want to thank all the local officials who came to share their questions, concerns, comments and perspectives on this most crucial State policy issue.

As we have said from the outset of this process, our two huge concerns with the Governor's proposal are: 1) the magnitude of the proposed cuts – both in dollars and as a percentage of municipal relief funding; and 2) the timing of the

cuts, which came without any prior notice and which were meant to be immediate and continuous. Mayors Bowser, McDonough, Columbi and others again pointed to those concerns, today.

Local officials saw the impact of these problems right away. We were effective in communicating our concerns to the Legislature. And, it seems that key Legislators and Cabinet Members, such as those that joined us today, were able to influence events. All of that led to the Treasurer's announcement last week of the Administration's proposal to shift \$15 million to many of the municipalities, with populations under 10,000, slated for the highest percentage cuts in CMPTRA funding.

Today, the Treasurer reiterated the need for this State budget to mark a major turning point in the way the State conducts its fiscal affairs. The target for completion of the budget is between June 16 – 19. The Budget WILL be balanced at \$32.8 billion. There will be NO new taxes. There will be NO more expenditures funded with 'one shot' revenues. And, most significantly for us, there will NOT be 100% restoration of the \$189 million municipal funding cuts. HOWEVER, more than the Administration's proposed \$15 million shift is likely, but the money WILL come from other cuts.

**League Leadership has decided to reject the arbitrary mid-June deadline. From our perspective, it is more important to get the budget done right, than it is to get the budget done early. League Leadership has decided to continue to push for full restoration of the slated \$189 million municipal property tax relief funding cuts. The roughly \$15 million shift, from one group of property taxpayers to another, falls short of the promise for significant, sustainable and reliable property tax relief funding, that was made just last year, by the Legislature's Special Session. Only full restoration of the \$189 million in municipal property tax relief, slated to be cut in the Governor's original proposed budget, would allow local budget makers to consolidate the gains made possible by last year's modest increase. And that would provide a further boost to citizen confidence in New Jersey's commitment to meaningful and sustainable property tax relief.**

Beyond the dollars and cents of the State's next budget:

1. Assembly Budget Committee Chair Lou Greenwald and Republican Budget Officer Joe Malone renewed their commitment to a moratorium on new State mandates and to a review of existing mandates, leading towards possible repeals or relaxations (Senator Haines has already taken steps on this in the Senate. *And Hardyston Township Manager Marianne Smith presented the panel with a 15 page analysis of existing mandates ripe for consideration. A copy of that analysis is available on our website.* );
2. Treasurer Rousseau, in response to a question, again indicated the Administration's strong support for local option taxes;

3. Commissioner Doria urged local officials looking to share services to allow DCA to do whatever is possible to facilitate the process; and
4. Senator Haines promised to continue to work with local officials on the State Police patrol funding issue.

Further, there seemed to be an interest in allowing the LUARC (Consolidation) Commission process to proceed in an orderly fashion, rather than a rush to predetermine the Commission's findings.

Over the next three weeks, key decisions will be made on the State's spending plan. We will continue to provide you with the best information available. We urge you to stay in touch with us and with your State Legislators and to do your best to exert a positive influence on the outcome in the Statehouse.

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

Very truly yours,

William G. Dressel, Jr.  
Executive Director

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