

# PRESS RELEASE

For more information contact:  
Peter J. Miller, Township Administrator  
609/926-4027

FOR IMMEDIATE RELEASE  
April 15, 2010

## 2010 Municipal Budget

The Township of Egg Harbor has been working very closely with their three (3) bargaining units in order to minimize the number of layoffs and reduce the tax burden which are necessary in order to prepare a 2010 municipal budget which complies with all State regulations.

Several months ago, the Township budget was \$4 million over the State tax rate CAP. As a result, meetings were held with the three (3) bargaining units in order to close that gap.

The Township reached agreements with all of the bargaining units to reduce over \$1.6 million from the budget. The Township made other revisions to the budget, and reduced it to approximately \$1.7 million above the tax levy CAP. The Township has continued working on eliminating several hundred thousand dollars more from the budget.

The State of New Jersey took \$764,000 of taxes due to Egg Harbor Township under the pretense of a reduction in state aid. The monies taken from Egg Harbor Township by the State of New Jersey are energy receipts taxes. These funds are due to a municipality by utility companies in lieu of property taxes. This money is not aid from the State of New Jersey, but the State of New Jersey has developed a habit of retaining monies due to municipalities and retaining it for their own purposes over the years.

The Township notified the PBA in mid January of this year that if they were not able to negotiate concessions, 12 police officers would have to be laid off. The PBA worked diligently with the Township to avoid layoffs of those officers.

The Township met with the Government Workers Union to avoid layoffs of 12 of their employees who all received layoff notices. As a result of negotiations with the Government Workers Union, 7 positions were saved and 5 individuals were laid off. The Township is still waiting for the Government Workers Union to return a Memorandum of Agreement which was ratified by their members last month.

It is the intention of the governing body to reduce the 2010 budget to the 2009 adopted budget level. The 2009 budget was \$400,000 less than the 2008 budget. The budget is being held at the same level as last year, despite the fact that the Township is required to pay an additional \$1.3 million in state mandated pension costs which is included in the budget. The Township also has to absorb an increase of \$460,000 in the reserve for uncollected taxes. It is a requirement for the municipality to collect these funds in order to insure that the school district and the County of Atlantic tax levies are fully funded in the event of any delinquency by tax payers.

Again this year, the Township may find it necessary to apply to the State of New Jersey Local Finance Board for some relief from the tax levy cap. Last year the Township received relief in the amount of \$1.3 million from the tax levy, but that relief was not made permanent and allowed to be carried over to 2010.

The Township will continue working with their bargaining units in an effort to address reducing the budget to further offset the \$764,000 theft of Township tax dollars by the State of New Jersey which was not addressed in the first round of cuts.