

**STATEMENT BY NANCY MARTIN
BOROUGH OF HELMETTA
MIDDLESEX COUNTY
NEW JERSEY
3/12/2008**

Madame Chairwoman, Committee members and other distinguished speakers:

I would like to thank the Budget Committee for the opportunity to speak on behalf of New Jersey's small communities. Truthfully, though, I should not have to be here. While the Governor's 2009 Budget proposal attempts to address some of the long-standing issues facing New Jersey State, and I stress State, financial problems, the reductions in aid to small municipalities is simply unsupportable. In Helmetta we were prepared to introduce a budget with a minimal increase of 3.6 cents in the municipal tax rate. With the loss of \$140,742 in State aid, that increase is now 9 cents, approximately \$154 to each homeowner. Since the Helme Mill property closed in 1993 the Borough has been in the extraordinary aid program. The Borough appointed a redeveloper for the property but due to the housing market, the project has not moved at the pace anticipated. This would have been the first year the Borough would not have applied for extraordinary aid since then but now, given the recent cut in CMPTRA, we will be forced to apply for extraordinary aid.

Small municipalities have been operating efficiently for many years because we have no choice. Even before the recent cutbacks, we did not receive significant amounts of financial aid. Salaries are not at the top of the pay scale. We cooperate with neighboring communities, often small communities like Helmetta, in order to keep costs down. We have learned and implemented procedures to keep costs to a minimum. Helmetta has interlocal agreements for police dispatch, solid waste pickup, solid waste disposal, code enforcement, animal control, municipal alliance, public health services, recycling, sewer operator, court administrator and police computers. The Borough has only six full-time employees, and many of the

full- and part-time employees handle more than one job in Helmetta as well as being employed in other towns. There is no portion of the services the Borough provides its residents that does not have a shared component of some sort. This is the kind of efficiencies and use of personnel we need to see at the State level, not a slashing of State aid in an arbitrary manner.

The idea that sharing services or consolidation is the magic bullet is misguided. The Borough explored entering into an interlocal agreement for full-time police coverage but it is not economically feasible for the Borough. Helmetta recently negotiated a collective bargaining agreement with its police department that doubled the number of steps before an officer reaches top salary. The neighboring community's CBA has half the number of steps at higher salaries. Since an interlocal agreement for full-time coverage would require the neighboring community to hire additional officers, they will only consider such an agreement if the duration is at least 10 years. Over this time, Helmetta's interlocal cost exceeds what it would cost Helmetta to provide its own full-time police coverage.

It has been stated that it is time for local government to learn from the State. I respectfully beg to differ, it is the other way around. One of the major financial problems facing the State is its crushing debt. In the last four years Helmetta has incurred no capital debt. All capital projects or capital purchases have been made through Federal, State or County grants or through yearly reserves to fund the project or purchase. Outstanding debt has decreased during the last four years from \$1,504,000 in 2004 to \$525,000 in 2007. While continuing to offer the same quality service, and in some cases better service, salaries and wages have decreased 2.7% percent since 2000 despite police salaries increasing 5.9% during the same period with one less full-time officer and one less daily shift to cover today. In fact,

some employees have foregone raises for at least one year, without receiving a retroactive raise. Mayor and Council no longer receive salaries so this money can be used for recreation events for our residents.

The other major financial problem facing the State is the pension issue. Governor Corzine is addressing the problem but the solution places additional financial constraints on municipalities as they meet the State's required contribution. In contrast, Helmetta has fully funded the current cost to the Borough if its top four salaried employees were to retire this year. If these four employees were to retire at the same time, there would be no financial impact on the Borough's tax rate, unlike what has happened in other towns and the State. This is how to develop a plan for financial well-being, not eliminating long-established programs and shifting the problems to others who have not created the financial mess the State faces.

State mandates also place additional financial constraints on communities, often without any proven benefit. For example, the recent Stormwater Regulations require towns to store road salt in a salt shed, and Bill S-770 will require municipalities to have and a Qualified Purchasing Agent. The salt shed requirement requires communities to find space and money to build the structure. This is not a situation that lends itself to locating the service in another municipality; when it is snowing, the need for road salt is immediate. Likewise with the QPA, not only is there a significant cost involved in obtaining the certification, towns will either have to pay an existing employee additional salary to meet the mandate, or enter into an agreement with a neighboring town to provide the service. For small towns with either limited purchasing requirements or who have experienced no problems, this is a cost that is not needed and it will not make the Borough any more efficient. It is important to encourage education and

learning, but there is no proof a QPA certification will result in better purchasing practices. There are already rules governing purchasing, Borough records are audited annually and these problems are identified and corrected. This is an efficient and economical practice that works, why make it more complicated.

The Governor's spokesperson says the State is looking to become "leaner and more efficient". Well, small municipalities are already there which raises a fundamental issue of fairness in the reduction in CMPTRA aid. Where is the study or report showing communities with populations under 10,000 are less efficient, share less services and personnel, or operate without economies of scale. Small communities must be doing something right. Sixty-six of the top 100 places in New Jersey Monthly's list of the top 100 were towns with populations of less than 10,000. Small municipalities contribute to the State coffers and to requiring them to shoulder a disproportionate share of the budget cuts is wrong. The proposal does not provide a solution to the State's fiscal problems, it has simply moved a portion of that problem to communities with a populations of less than 10,000 residents. Leaving aside the issue of fairness, the attempt to impose these reductions at this time without notice is unfair. Given that towns were preparing to introduce budgets based on existing agreements and strategic planning, without any inkling that a major portion of their revenue stream would be drastically altered, this reduction is taking place when towns are already under fiscal pressure to meet the new cap requirements.

There needs to be a level playing field where those who have sound fiscal and budgetary procedures are rewarded, not those who have failed to adopt some procedures. That is the message I hear the Governor stating, but

that is not the message is he is giving by cutting CMPTRA to towns with populations below 10,000 residents.

In closing, Helmetta takes its financial stewardship seriously. We do everything in our power to keep costs down and we pursue every possible interlocal agreement which is beneficial to both municipalities. I sit on the Middlesex County steering committee for shared services. Recently the County researched the creation of a County animal shelter to assist municipalities with animal control but determined it was not economically feasible to provide this shelter.

I respectfully request that any member of this committee or the State of New Jersey visit Helmetta to see the efficiency in our town. I hope the committee will reconsider the cuts on aid to municipalities and reinstate these funds to assist the residents of New Jersey with property tax relief.



David B. Crabiel
Freeholder Director

Stephen J. Dalina
Deputy Director

Camille Fernicola
H. James Polos
John Pulomena
Christopher D. Rafano
Blanquita B. Valenti
Freeholders

John Pulomena
Chairperson

David A. Papi
Director

732-745-3100
Fax 732-745-2568

COUNTY OF MIDDLESEX
PUBLIC HEALTH DEPARTMENT
MIDDLESEX COUNTY ADMINISTRATION BUILDING, 5TH FLOOR
JOHN F. KENNEDY SQUARE
NEW BRUNSWICK, NJ 08901-3605

February 28, 2008

The Honorable Nancy Martin, Mayor
Borough of Helmetta
60 Main Street
P.O. Box 378
Helmetta, New Jersey 08828-0378

SUBJECT: County-wide Animal Control Shelter

Dear Mayor Martin:

As you are aware, there has been considerable discussion regarding a county-wide animal control shelter as a mechanism for municipal cost savings. We appreciate the time and effort put forth by your staff in collecting operational and funding data for your current program efforts.

Based on the survey data collected and the analysis conducted by the Middlesex County Public Health Department, in conjunction with the Middlesex County Department of Shared Services, a number of delivery plans were investigated and anticipated start-up and operating costs were developed to be compared with current municipal programs.

Based on this comparative study, we have determined that the creation of a county-wide animal control shelter facility is neither operationally, nor economically feasible at this time. We will continue to revisit this potential shared service to our municipalities in the upcoming years.

If there are any questions or comments you may have, please feel free to contact me at (732) 745-3121 at your convenience.

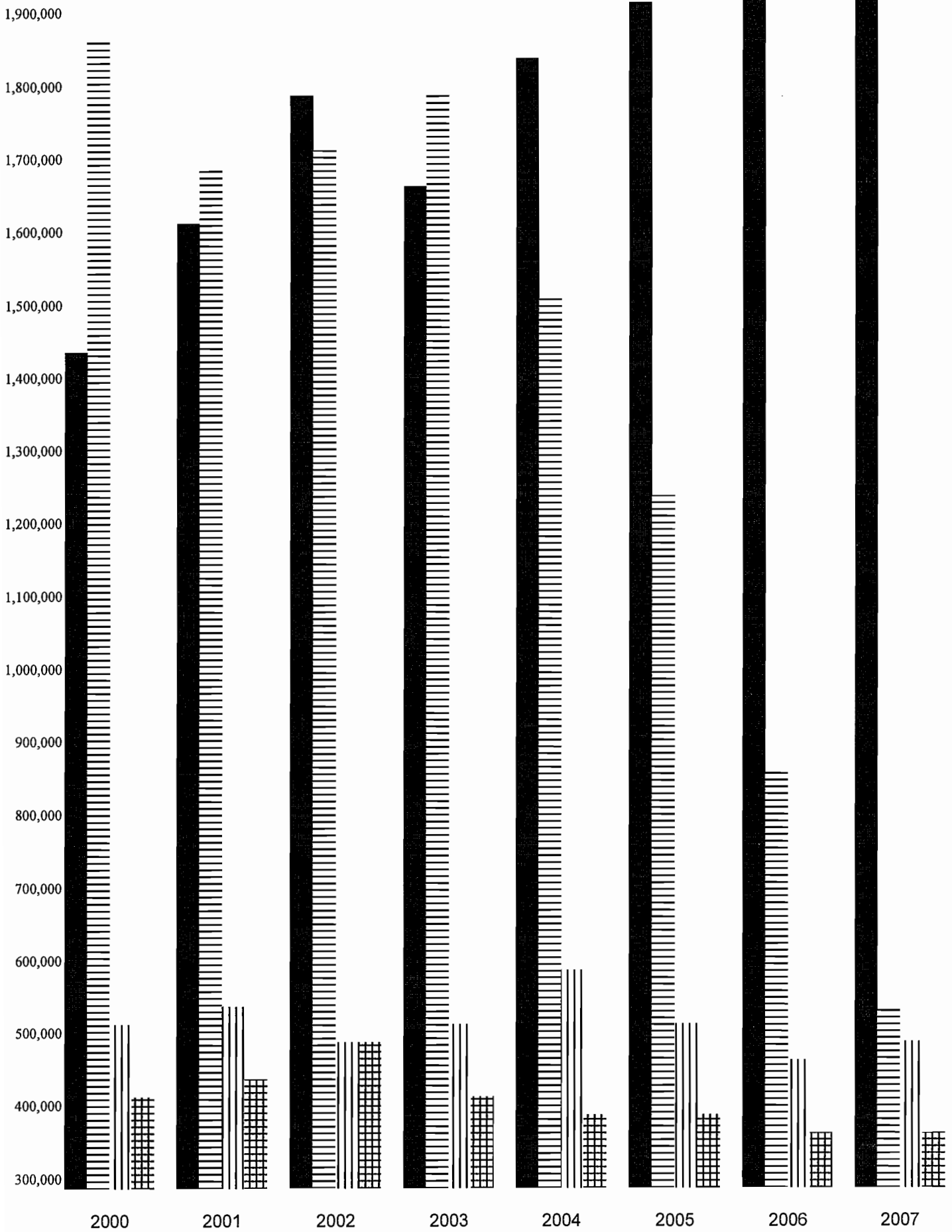
Sincerely yours,

David A. Papi
David A. Papi, Director
Middlesex County Public Health Department

Maria Sirimis
Maria Sirimis, Director
Middlesex County Shared Services Department

Cc: H. James Polos, Freeholder

**COMPARISON OF TOTAL BUDGET, TOTAL OUTSTANDING DEBT,
TOTAL SALARIES AND WAGES, TOTAL STATE AID
FOR THE PERIOD 2000 - 2007**



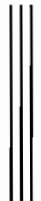
KEY:



Total
Budget



Total
Debt



Total
S/W



State
Aid

	12/31/2000		12/31/2001		12/31/2002		12/31/2003		12/31/2004		12/31/2005		12/31/2006		12/31/2007	
	Amount	% of Budget	Amount	% of Budget	Amount	% of Budget	Amount	% of Budget	Amount	% of Budget	Amount	% of Budget	Amount	% of Budget	Amount	% of Budget
Total Budget	1,428,534.47		1,613,639.80		1,787,283.63		1,650,021.00		1,832,913.13		1,903,812.51		1,943,077.35		1,968,491.70	
Budget Items:																
Salaries & wages:																
Police	236,909.82	17%	283,002.01	18%	207,151.90	12%	231,422.30	14%	297,370.28	16%	243,955.43	13%	240,671.18	12%	250,896.37	13%
Public Works	65,094.66	5%	59,717.78	4%	64,245.35	4%	64,749.39	4%	76,272.82	4%	76,672.81	4%	67,936.82	3%	72,794.08	4%
Other	191,395.28	13%	195,616.35	12%	196,802.90	11%	201,060.72	12%	193,066.00	11%	170,141.88	9%	151,220.99	8%	156,407.19	8%
Total salaries & wages	493,399.76	35%	538,336.14	33%	468,200.15	26%	497,232.41	30%	566,709.10	31%	490,770.12	26%	459,828.99	24%	480,097.64	24%
Legal expenses	29,275.01	2%	29,196.00	2%	26,895.30	2%	29,561.75	2%	29,277.80	2%	41,421.20	2%	40,754.28	2%	46,328.97	2%
Engineering expenses	7,281.25	1%	3,941.00	0%	5,899.80	0%	7,754.40	0%	3,110.00	0%	8,101.15	0%	8,263.87	0%	9,227.58	0%
Lease/purchase of vehicles	10,503.71	1%	17,083.68	1%	17,083.68	1%	17,083.75	1%	5,887.91	0%	9,551.64	1%	11,046.12	1%	11,647.17	1%
PERS	2,171.00	0%	2,280.74	0%	2,439.00	0%	2,592.18	0%	3,428.00	0%	5,498.00	0%	6,595.20	0%	11,547.40	1%
PFRS	7,867.00	1%	3,285.00	0%	1,366.49	0%	3,075.56	0%	2,201.20	0%	5,238.00	0%	15,458.40	1%	24,052.00	1%
Interlocal Agreements	63,023.50	4%	67,182.19	4%	85,830.23	5%	81,651.22	5%	87,346.90	5%	84,838.16	4%	88,805.04	5%	94,532.09	5%
Debt Service:																
Principal	217,000.00	15%	267,000.00	17%	290,000.00	16%	241,000.00	15%	287,000.00	16%	287,500.00	15%	288,000.00	15%	294,500.00	15%
Interest	92,211.35	6%	89,590.00	6%	71,331.25	4%	56,963.10	3%	48,640.79	3%	48,373.73	3%	48,302.00	2%	32,173.05	2%
Non-Budget Items:																
Outstanding debt:																
Serial bonds	1,612,000.00	113%	1,352,000.00	84%	1,080,000.00	60%	900,000.00	55%	720,000.00	39%	540,000.00	28%	360,000.00	19%	180,000.00	9%
Bond anticipation notes	245,000.00	17%	336,500.00	21%	628,500.00	35%	878,500.00	53%	784,000.00	43%	680,500.00	36%	488,500.00	25%	345,000.00	18%
Total outstanding debt	1,857,000.00	130%	1,688,500.00	105%	1,708,500.00	96%	1,778,500.00	108%	1,504,000.00	82%	1,220,500.00	64%	848,500.00	44%	525,000.00	27%
Capital project authorizations																
Funded with grants or reserves	370,000.00	26%	89,529.75	6%	385,529.00	22%	166,200.00	10%	610,354.00	33%	123,000.00	6%	562,500.00	29%	197,800.00	10%
Funded with debt	532,000.00	37%	54,150.00	3%	252,900.00	14%	174,800.00	11%	-	0%	-	0%	-	0%	-	0%
Total capital project authorizations	902,000.00	63%	143,679.75	9%	638,429.00	36%	341,000.00	21%	610,354.00	33%	123,000.00	6%	562,500.00	29%	197,800.00	10%
Revenue Items:																
Grants:																
State of NJ	10,163.41	1%	115,483.00	7%	123,821.63	7%	6,083.00	0%	24,340.22	1%	60,862.51	3%	18,908.53	1%	14,354.28	1%
Other	-	0%	-	0%	-	0%	-	0%	123,242.00	7%	88,459.00	5%	39,489.00	2%	88,113.00	4%
Total Grants	10,163.41	1%	115,483.00	7%	123,821.63	7%	6,083.00	0%	147,582.22	8%	149,321.51	8%	58,397.53	3%	102,467.28	5%
State Aid:	405,304.00	28%	423,824.00	26%	465,793.53	26%	388,348.18	24%	361,680.00	20%	361,680.00	19%	341,680.00	18%	345,886.00	18%