



Eastampton Township

New Jersey

Est. 1880

12 Manor House Court
Eastampton, NJ 08060
Phone: 609/267-5723
Fax: 609/265-1714
www.eastampton.com

**Statement by the Honorable Richard V. Renzulli,
Mayor, Eastampton Township, Burlington County
Concerning Governor Corzine's Proposed Budget for FY 2008-2009
Presented to the Assembly Budget Committee
Wednesday, March 26, 2008
Burlington County College, Mount Laurel, NJ**

Mr. Chairman and members of the Assembly Budget Committee, thank you for allowing me to be here today.

I am Rich Renzulli Mayor of Eastampton in Burlington County.

Eastampton is small town of 5.75 sq miles, 6,700 people and has a full time 24/7 police department.

I am here today on behalf of small towns every where in the state to ask that you consider

- 1) Fully restoring municipal aid to all towns but as a minimum
- 2) Equalizing the percentage cuts across all towns regardless of size. Size is not a measure of any thing that has to do with municipal governance and fiscal efficiency.
- 3) And Phase in these radical aid cuts over several years so all towns can react rationally and get new shared services agreements in place.

From 2005 data supplied by DCA, I ranked all the towns in the state by per capita spending. Of the 15 towns with the lowest per capita spending ALL were towns under 10,000 people. Of the lowest 100 towns in per capital spending, 72 were towns with under 10,000 people. My town, Eastampton, is ranked 46th lowest in per capita spending and we are a full service community with a full time 24/7 police department. Towns with populations between 5,000 and 10,000 spend on average \$1143 per person which is about \$80 less than the state average of \$1221. Towns over 30,000 people spend \$1264 or about \$40 MORE than the state average.

I am not saying all small towns are fiscally responsible or all big towns are not. What I am saying is that there is no justification for aid cuts to be based on population. Fiscally responsible



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towns should not be punished for not having enough people live within their borders while fiscally irresponsible towns, regardless of size, should not be rewarded for carelessly spending tax payer's money.

The Eastampton municipal government spends about \$642 per capita. This is about \$580 below the state average. But in Eastampton we are not complacent about spending and we are always finding ways to reduce expenditures.

Discussions have just opened with 4 other towns for a regional shared services agreement for Tax Collector, Tax Assessor, Court, Construction and Land Use, and other departments exactly as the Governor is encouraging. But this agreement will take time to negotiate and implement and will NOT be in place before our budget needs to be adopted.

I am concerned that the Governor's plan to drastically cut municipal aid at this late juncture in the local budgeting process may not play out as he has anticipated. Towns are not going to be able to put sufficient shared service agreements in place in the next few months to offset the reduction in aid. Towns with already lean budgets will be forced to use the Add-on exclusion noted in DCA Local Finance Notice LFN-2007-20 dated August 31, 2007 which allows for "increases in the amount to be raised to replace State formula aid due to a reduction in State formula aid from the previous local budget year." In essence, towns can raise property taxes in the amount equal to the aid reduction. In an effort to reduce property taxes, the Governor's aid cuts may actually be raising them.

In conclusion: Treat all residents of NJ equally, regardless of the size of the towns in which they live. Please restore aid to municipalities especially the small towns hit with the largest aid reductions and phase in any aid cuts to give towns the time necessary to implement the Governor's vision of increased shared services.

Thank you for your time and consideration.

