

# **MAYOR'S MESSAGE**

## **AUGUST 2008**

Last month, I wrote about the state of our budget and property taxes in Lincoln Park and throughout New Jersey. My intent was to provide you with as much advance notice as possible of the looming tax increase and the reasons for it. This month, I would like to discuss what the borough has done or plans to do in an attempt to lower costs.

I had a resident ask me to "Pretend for a minute that Lincoln Park is a private for-profit company..." Actually, there is no need to pretend, as this is exactly how I have attempted to prepare the budget this year and forward.

First and foremost, is that we are organizing for the future. Past practice was to handle each budget solely on a yearly basis. If there were stresses on the budget, they would be handled within the state of affairs of that year. Last year, I had each department prepare a three year budget outline along with a five year capital improvement plan so that future needs could be taken into account and sensible timing of purchases and spending could be achieved.

Insurance costs continue to rise drastically and pressure our budget. Last year, the insurance plan for all new employees was changed to include a higher co-payment, increased employee contribution, or both. This allows us to begin to cut the amount of money we spend on insurance premiums. Further decreasing the strain health care places on us, four of the six retirements that have occurred in the last year and a half did so without requiring the borough to provide ongoing health benefits.

Speaking of these retirements, attrition of staff is another effective way that we have used to cut spending. Of those six retirements, two were replaced by persons currently employed by the borough without rehiring for the position they came from. Two others have not been replaced, nor are there plans to do so. Another of the full time positions was replaced by a part time person. Only one of the six positions was replaced by a full time outside hire. Each of these replacements (including the full time one) offers a significant savings in salary and benefits.

Routine attendance at conventions is a practice that I have discontinued. The savings here is in seminar/convention fees, travel expenses and reimbursable expenses. Continued training of staff is important and will occur on a needed basis. However, the yearly attendance at statewide conventions for much of our staff and the related expenses has been cut from this year's budget.

The borough is also exploring alternative means of increasing revenue and cutting spending, especially those involving sharing services with other municipalities.

Each of these significant cuts to spending in our budget comes along with many others which may not seem that considerable. Everything right down to cutting spending on paper products has been examined and will continue to be looked at on a regular basis.

On a good note, I am happy to report that Lincoln Park is the recipient of \$300,000.00 in extraordinary aid from the State of New Jersey this year. We are one of only two Morris County municipalities to secure such funding. Unfortunately, this money really only replaces most of what the state cut from our usual funding. Nonetheless, I am quite pleased that we have received this money. This money is not to be used for additional spending; rather it comes right off the amount of money we need to raise by taxes this year. This represents an approximate 4 point tax decrease over the amount we were anticipating collecting by taxation.