

## November 2008

### Mayor's Message

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Given the state of current economic conditions in our nation and throughout the world, I wanted to find a way to explain what we, and every other town, are faced with as these events have occurred. The New Jersey League of Municipalities (which Lincoln Park is a member of) has prepared an opinion on the economic crisis. I feel that this draft from the NJLOM paints a very good picture of how we are affected on a municipal level and how the differences between the public and private sectors affect the way we do things – especially as elected officials of a local government,

I ask you take the time to read and understand the following *unedited* response from the League of Municipalities. As always, please do not hesitate to contact me if you have questions or a concern that you would like to discuss. For up to date town information, please remember to subscribe to the borough's newsgroup service by visiting our website, [www.lincolnpark.org](http://www.lincolnpark.org).

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### **RESPONSE TO ECONOMIC CRISIS FROM THE NJ LEAGUE OF MUNICIPALITIES**

The current market crisis has put the Federal and state governments on the fiscal defensive. Headlines trumpet massive bailouts of the private sector and mid-course corrections in revenue anticipations and spending priorities.

Some pundits warn local leaders, “Hard times are coming. Prepare for the worst. You face some tough choices. Look at how business responds to these problems. You’ll need to learn to do less with less.”

We appreciate the pundits concern and will take their warnings to heart. But they need to consider the following.

Municipalities are not businesses. They do not operate on the profit motive. Those that fund and receive our services are not stockholders or customers. They are citizens. And the decisions that are made by local elected officials are not directed toward doing better, financially, than the competition. They are instead directed toward doing the common good.

The private sector can cut back, lay-off and even relocate, if that suits its bottom line. Stockholders can invest in either this company or that company or both or neither, if that suits their bottom line. And customers often have even more options.

Local elected officials, while they cannot relocate the government, could save money by cutting back on services and by laying-off employees. But the common good might mean more than saving money. It might, in fact, mean spending money. Streets and neighborhoods need to be patrolled. Pot holes need to be filled. Refuse needs to be disposed of. And utilities that use the public rights-of-way to deliver water, power, communications and entertainment services need to be regulated and monitored.

And while citizens might be able to relocate, at each moment of their existence, they will find themselves somewhere. And while there, they will have to count on a particular local jurisdiction to patrol a particular street and neighborhood, to fill particular potholes, to dispose of site-specific refuse and to regulate and monitor certain specific utilities regarding their use of particular rights-of-way.

Local governments operate under legal, practical, moral and ethical standards that are very different from those encountered by the private sector. Private profit and the common good are not just different things. They are different things that operate under different rules on different levels.

And governments need to do the things they have to do to promote the common good so that private businesses can do the things they need to do in order to make a profit. The common good precedes profits, logically and morally. And that's not just us talking. See the preamble to the Constitution. Read the Declaration of Independence. Or consider the ultimate sacrifices willingly made by generations of soldiers, sailors, airmen, marines and guardsmen.

This is not to say that local elected officials shouldn't care at all about economy and efficiency. They should and they do. Nor is it to say that they shouldn't consider lay-offs and services cuts. For years now, they have and will continue to do so.

As the Federal government has slashed cooperative funding programs and as the State of New Jersey has refused to honor its statutory commitment to municipal property tax relief and public school aid funding increases, local officials have thoughtfully struggled to balance local service demands with even more forceful demands for property tax relief.

Maybe the reason the headlines don't trumpet dramatic pronouncements of draconian cuts from local officials is because, for them, the current economic downturn is only the latest challenge that they have faced. Having engaged now for years in annual bouts of budgetary triage, this latest casualty, while meriting careful attention, does not require any major change in standard operating procedure.

The current economic crisis was not caused by New Jersey municipalities spending too much. It was not caused by any level of government spending too much. Some would argue, in fact, that it was at least partly caused by the Federal government spending too little on regulation and monitoring of the private financial markets. And many, it seems, now believe that it can only be solved by the public sector spending more – a lot more – on a bail-out of failing private sector businesses.

Lay-offs and cut backs may be good news for executives and investors. But the unemployed worker may have trouble seeing that. Sometimes, just maybe, the common good requires the public sector to look to a different bottom line.