

Mayor's Message

September 2009

Included in your estimated tax bill last month was a short statement from me telling you that the borough has worked to control spending in this year's budget. Although space was limited in that mailing, I thought I would take this opportunity to inform you of some of the specifics of how we are attempting to identify problems -- and create solutions -- going forward regarding the municipal budget. The following are some of the more significant, though certainly not the only, areas we have identified and are addressing.

1. There were cuts to operating budgets of approximately 20% in this year's budget.
2. We have instituted a new purchasing policy indicating any large expenditures over \$1,000.00 require approval and 3 quotes. Previous policy allowed each department to spend up to the full amount of their approved budget. To me and the current administrator, if it is not necessary, it is not getting approved. This will hopefully provide for an unspent surplus in certain areas of the borough and allow us to be more accurate with future year's budgetary requests.
3. We have a new shared services agreement this year with Butler (health) that is bringing income into the borough.
4. We just received sanitation bids (the fees to collect resident's garbage) lower than our current prices and we are taking the responsible steps to lock in for long term savings. In fact, we have just received council approval to enter into a five year agreement, with each year being less in cost than each of the previous contract years.
5. We have identified significant cuts in tipping fees (the fees paid to dispose of resident's garbage) and inefficiencies in our recycling program that pose to save the borough in excess of \$100,000.00 per year.
6. All non-contracted personnel received no raise in salary this year.
7. Certain borough employees are entitled to "longevity" payments for length of employment. This practice is no longer offered to new employees. In the past, longevity was paid on a percentage of salary. This year, longevity is capped. Once again, this is a benefit that is no longer offered.
8. There are no new vehicle purchases for this year, and Public Works vehicles that were approved last year and not yet purchased have been cancelled. Emergency and Public Works vehicles have been on a replacement schedule to minimize maintenance costs. Although providing a short term reduction in spending, delaying proper replacement will inevitably lead to increased maintenance costs and lower resale value of the vehicles further down the road.
9. This year personnel were let go through attrition and not layoffs. Those eligible for retirement in their pension system were encouraged to retire at this point. This enabled us to take the higher salaries off the books. Layoffs would be done on a "last in, first out" basis and laying off someone on the bottom of the pay scale does not have the same effect as removing the top salary in the department. When possible during the last three years, open positions have either not been replaced, replaced with a part time employee or filled by a current borough employee whose original position was not replaced. Replacement of positions in these ways prevented us from

incurring additional costs for health benefits. In the rare instance where a position was filled by a new employee for a full time position it was at a significantly reduced salary from the person they replaced and with changes to their health benefits as outlined in #11 below.

10. We are exploring shared services to save money in the following areas:

- Court
- Construction
- Police dispatch
- Health
- Emergency Services apparatus
- DPW equipment

11. There have been significant changes to health care costs, which in the past, have been picked up by the borough for the employee and their entire family. Changes include raising the copay amount from the previous \$5.00 to \$20.00 and requiring that new employees contribute 100% of the cost for their spouse and family over the cost of their individual coverage.

Once again, this is not a full list of the efforts we have made to control the budget. Unfortunately, offsetting the positive results that we have achieved in the borough is the fact that we continue to see a decline in our revenues in the form of decreased aid from the state, and an increase in state mandated programs that are both time consuming for our staff and costly. I highly encourage you to contact your any or all of our state representatives and demand that they fund any programs they mandate on the municipal level.

I have every year encouraged residents to attend any of the public sessions we hold regarding our budget. This includes the many hours of open sessions held with each department head meeting with me, the administrator and the CFO. This includes the many hours, over many weeks, of open public meetings with the borough council to discuss the budget. This includes the fact that immediately upon taking office that I made all contact information for each of the departments available to residents and encouraged them to contact the appropriate department to get ANY information they need.

Please keep in mind, those of you that saw a significant increase in your taxes this year, that the main reason for the amount of your tax increase has more to do with the amount of your assessment following the new re-val than any spending increase.

As always the administration and I, along with the ideas and input from the borough council, will continue to do our best to manage the borough in a cost efficient and solution oriented way.

Dr. David A. Runfeldt

Mayor, Borough of Lincoln Park

Named one of the top 5 places to live in NJ!

(973) 270-2020

www.lincolnpark.org