

July 7, 2008, Borough of Rocky Hill, Council Session
Mayor Edward P. Zimmerman's Remarks

Tonight we are about to do the most important task of our jobs. We are going to decide the priorities of the Borough by setting spending levels and setting the new tax rate for 2008. This is what we were elected to do and I know you all take this as seriously as I do.

For those of you who were here when we did this last year, you know that I take the raising and lowering of our municipal tax rate very seriously. Last year, after much discussion, and some almost humorous cheap shots, you did agree that we would maintain the total municipal tax rate by offsetting the new open space tax with a 2 cent decrease in the municipal rate. I made the point last year that while I am not opposed to raising taxes if all other options are exhausted, I just didn't want to do it just because we can.

This year is a whole new game. The Corzine administration has essentially declared war on towns of our size. First, the Governor announced he was going to cut off all aid to municipalities our size as way to force us to merge with another town. That amounted to 125 thousand dollar cut and a potential 30% increase in taxes. He immediately retracted that and declared that only CMPTRA aid would be cut. That amounted to a 45 thousand dollar cut equating to a 12% increase in our tax rate. After working with other mayors on calls, interviews, press conferences and lobbying, the administration backed down and the new state budget calls for a 75% restoration in CMPTRA aid. It's actually closer to a 30% cut if you do normal math instead of state math. This will require that we raise taxes to cover the difference. Thankfully it won't be as bad as we originally introduced. In my opinion, what the Governor has done equates to nothing more than a Small Town Tax that I pledge to continue to lobby against. Truthfully I am not so much worried about the amount of the cut as I am the discriminatory nature of it being based solely on population. An across the board cut would have been easier to accept.

While I am proud of the progress the mayors have made in conjunction with the League of Municipalities, the Conference of Mayors and the Committee of STAR Mayors, I am disappointed we did not get full restoration and there is still a lot of work to do. I am thankful to Senator Bateman, Assemblywoman Coyle and Assemblyman Biondi for standing up for us and voting against this year's state budget. Unfortunately they are all members of the minority.

As we look ahead to next year, we will see more cuts or assessments or more appropriately, more Small Town Tax. In this years State Budget that the Governor signed on June 30th is a section demanding that we start paying for State Police protection starting January 1st 2009. The language of State Appropriations Act (P.L. 2008 C. 35) requires us to enter into a cost sharing agreement or be treated as if we had. The requirement will mandate an "additional direct expenditure" which will be required for implementation in next year's budget. The new requirement does not authorize a new

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revenue source other than property tax. In my opinion, and that of the League of Municipalities, that equates to an unconstitutional unfunded mandate.

In addition to other options being considered by all parties regarding this, one option is to challenge the constitutionality of this section of the budget. After consultation with the league and with Albert, I believe this is a valid option. In front of you, you will find a letter from me informing you of my intention, in my capacity as an elected Mayor, to file a formal complaint regarding the State Appropriations Act with the Council on Local Mandates later this week. As per *P.L. 1996, Chapter 24, Section 12*, I am required to notify the Council of my intention before I file. You also have a copy of the complaint.

It is my understanding that the Mayors of Shiloh, Deerfield and Southampton will be doing the same and several other mayors are seriously considering it. I have discussed the situation with our Borough Attorney and we agreed that this needs to be done. The League of Municipalities has agreed to join the process as an *amicus*.