

Thank you Senator Buono, Assemblymen Barnes and Assemblymen Diegnan for arranging this forum so we can speak frankly about the Governors' proposed budget cuts and their effect on The Borough of Metuchen.

We in Metuchen have been frugal and judicious in our operation of the Borough and the spending of tax dollars.

Last year 2009, we asked every Borough department to help by contributing a 10 % cut in their budgets. With careful scrutiny we adopted a budget which cut our appropriations by \$517000. Still in order to maintain services we had to take advantage of the state offered pension deferral and increase taxes by 5.3 percent 4.34 points or \$83.82 per average assessed value.

This year we again cut our appropriations by \$207,000. Our mandated and statutory increases totaled \$786,104.66. We initially developed a budget with a 7.5 point 7.56 % increase to cover those costs. This equates to a \$142.50 tax increase on an average property in Metuchen valued @ \$189,966.

On March 16 the Governor announced his budget and on Friday March 19th we received the notice that our municipal aid would be cut \$372,485, a striking blow to an already thinly stretched budget.

With the additional aid cuts, and the mandated and statutory increases **Metuchen is forced** to wrestle with a **1.158 million dollar problem** on the municipal level.

The Governors plan to reduce aide in such a draconian fashion is like doing surgery with a machete.

I agree that spending must be brought under control but passing the entire problem down to municipalities is not a workable approach or a proper solution.

This cut in aid will have a negative effect on all of the cities towns and Boroughs throughout our state. It will:

1. reduce services
2. deplete reserves
3. increase unemployment by laying off more workers
4. increase the drain on the unemployment trust fund
5. reduce state revenuesunemployed workers do not pay taxes
6. reduce vital services being provided in our communities
7. hurt middle class and poorer families and
8. increase property taxes

These cuts will not elevate New Jersey but bring her to her knees.

Please look for alternatives to these cuts.

With the reinstatement of the millionaire's tax and restoration of many of the cuts in state municipal and education aid. The millionaire's tax, taxes income levels over \$430,000.

Who is the Governor protecting?

How do I explain higher taxes and reduced services when our state government is cutting taxes for the most affluent of its residents?

My last suggestion is to explore alternate ways for funding education other than through the property tax.

Other states have done it, by transferring the funding of their schools from a property tax to sales, income or property transfer tax.

Thank you for your time and I look forward to working with you to create a stronger New Jersey and a better Metuchen.