

black, white & red all over

a River Edge community newsletter

Republicans Rapidly Improve Town Fiscal Situation - From "Dire Straits" to Sustainable

You've heard about the Town's budget cuts in every department. You've experienced some changes in the town-provided services you expect. You may have just received your property tax bill, with an increase of \$440.36 on an average home value of \$436,000. So what really is the financial situation of River Edge, how did it get this way, and where is it headed?

How Did We Get Here? – The Democrat majority council in control for 10 years up until January 2011 decided year after year rather than control spending to use a large portion of the Town's accumulated financial surplus for the municipal budget. In 2008, nearly ¼ of the total municipal budget was paid for by previous surplus funds. From 2009 to 2010, the total tax levy rose 16% because so little surplus remained. (See graph.) Debt service also rose due to the borrowing to purchase the American Legion Hall and Cherry Hill Park, among other things. That council also elected to take to a 15-year loan at 8-½% interest as a means of deferring payments into the municipal employees' pension fund. The Town, driven by the Democrat Council, was "living beyond its means." As the surplus was depleted, the notion that whatever the Town needed could be paid for with bonds (debt), grants (tax money with strings attached) and property tax increases reigned supreme. Long an advocate of fiscal prudence, but without a vote on budget matters, Mayor Peg Watkins argued against the rampant spending but was unable to stop the 6-0 Democrat council.

What Is The Situation Now? – With the 2009 election, Republicans Paul Cordts and Johnny Porco joined the Town Council and with the 2010 election Al Bartelloni and Ed Mignone turned the council majority Republican. They began efforts to move the Town's financial picture from "dire straits," as one Democrat council member put it, to a more sustainable situation. The 2011 Town budget reflects trimming of every department's expenditures, reduced manpower through attrition, and reassessing much of the Town's operations and assets. The council also approved a one-time payment to close the 15-year loan taken to defer pension fund payments, eliminating the 8-½% interest payments – an action that will save hundreds of thousands of dollars in the long run.

Where Are We Headed? – It's definitely going to be tough, but thanks to the vision and determination of Mayor Watkins, and councilmen Paul, Johnny, Al and Ed, a lot of changes have been made this year to put a lid on future spending growth. Many departmental contracts have been renegotiated, with creative ideas resulting in immediate and long-range savings. A council sub-committee is assessing the number of Borough-owned properties to determine which operations might be consolidated, and longer term plans for these buildings are in the concept phase. Look for more details on these savings in future newsletters.

Democrat Exits Council Race

With less than 4 months until the election, the River Edge Democrat County Committee selected a candidate for Town Council to replace John Cannon on the November ballot. Councilman Cannon has decided not to run for re-election despite being selected by the voters in the June primary. Cannon will finish out his term through the end of December.

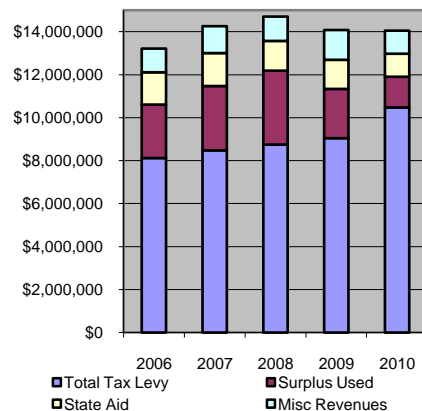
Tom Papaleo was chosen by the less than two dozen County Committee members to be one of the two Democrat Party candidates for Town Council, to run against Republicans Della Carroll and Anthony Cappola. "John is a good man, and I wish him the very best in his endeavors," said Jim Arakelian, River Edge Republican party Municipal Chairman. "But frankly we were surprised to see him suddenly exit the campaign, especially since he was chosen by the Town's Democrat voters in the primary election to represent them on the November ballot. Now we look forward to meeting his committee-selected substitute."

River Edge School Board Returns State Aid to Taxpayers!

The State of New Jersey recently advised school districts across the state that they would receive additional state aid for the coming school year. River Edge was to receive \$141,385 in additional state aid and would have to determine how the aid would be applied by July 19. The River Edge Republican Council and Mayor Watkins immediately began reaching out to residents asking them to contact School Board members and urge them to return the money to the taxpayers of River Edge by using the additional aid to offset recent property tax levies.

At an emergency meeting on July 18, the River Edge School Board voted unanimously to "do the right thing" and return the money to the taxpayers.

Municipal Budget Composition



Republicans Express Condolences on Lindsley Passing

Mayor Peg Watkins along with Republican members of the River Edge Council offered sincere condolences to the family of former Borough Attorney Bill Lindsley, who passed away suddenly this month. A town resident, Lindsley was also the Treasurer of the River Edge Democrat Party.

The views expressed here do not necessarily reflect the opinions of any specific elected officials.