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NEWS RELEASE

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GOVERNOR COMMENDS FIVE HUDSON COUNTY TOWNS FOR PLAN TO REGIONALIZE FIRE FIGHTING SERVICES

Gov. Christie Whitman today commended five towns in Hudson County for their commitment to taxpayers by developing a plan to merge their fire departments into a single unit. She said the towns - Weehawkin, West New York, Union City, North Bergen and Guttenberg - will realize a combined savings in salary and benefits alone of nearly \$5 million after the merger is completed.

"This is a great example of how local officials can turn the tide on rising property taxes without sacrificing the quality of services and without any layoffs," the Governor said. "They deserve thanks for their determination and dedication in serving New Jersey's taxpayers. These Hudson County towns offer a model for towns, schools, and counties across New Jersey."

"I recognize that none of this is easy," she said. "Consolidation will take hard work, cooperation, and creativity on the part of local leaders and those of us in Trenton. But I also know the potential savings from this kind of sensible cost-cutting are enormous. And we owe it to taxpayers to make New Jersey a more affordable place to live. The bottom line is that we have to respect every dollar that government collects from its citizens."

The merger of the five Hudson County fire departments into a single unit was recommended in a study funded in part by a \$25,000 state Joint Service Incentive Grant.

Gov. Whitman said she will keep pushing for reforms in the civil service system that would invest tax dollars more efficiently. By reducing the more than 8,200 state and local job titles now in use, paperwork can be cut, job exams can be streamlined and it will be easier to fill vacancies, she said.

"I also want to allow managers to weigh job performance, along with seniority, in determining raises and promotions," the Governor said "Respecting every taxpayer dollar is also why I believe we must crackdown on abuses in public employee pension and benefit programs."

Gov. Whitman pointed out that that a recent report of the State Commission of Investigation cited abuses in 17 municipalities, six school districts, two counties, two community colleges, and two independent authorities.

"The questionable practices range from excessive lump- sum payments to unreasonably large amounts of sick and vacation time, from lucrative golden parachutes to non-money perks such as free toll road passes," the Governor said at a roundtable discussion on shared services with elected officials in Hudson County. "Our citizens deserve better. These practices steal the taxpayer's money, and they must be stopped."

Gov. Whitman said the Property Tax Commission she appointed did an excellent job of listening to taxpayers, weighing property tax options and proposing strategies to eliminate out-of- control property taxes. She said two thirds of the 60 recommendations the Commission announced in September concerned the cost saving benefits of shared services and regionalization.

"The fact is that reducing costs at the local level is the key to property tax relief," she said.

She said she was pleased legislation that incorporated two key proposals recommended by the Property Tax Commission was acted upon by the Assembly Local Government and Housing Committee. The Assembly bills would create the Regional Efficiency Development Incentive Grant Program (REDI) and the Regional Efficiency Aid Program (REAP).

If approved, the \$10 million REDI program would allow governments and school districts to obtain grants to study or implement ways to consolidate or share services. REAP would establish an annual \$25 million local aid program to aid municipalities and school districts that adopt regionalized services. The aid, which would be in addition to that which towns currently receive, would come in the form of direct credits to homeowners and tenants.

"The REAP and REDI proposals target new state aid toward towns that are creating efficiencies rather than simply increasing aid across the board, which rewards inefficiency," Gov. Whitman said. "Of course, let's be realistic. A \$35 million package alone won't solve every property tax problem in our state. Nor will my \$100 million property tax rebate plan for 1999 give us the long-term relief our citizens need. But these dollars belong in the taxpayers' pockets and not lost in local bureaucracies. I will push hard for the legislature to act on our proposals as soon as possible."