

Gov. Christie: The Speaker's Irresponsible Actions Are Putting Atlantic City At Risk

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Transcript:

Governor Christie: Good afternoon everybody. As I said last week, Atlantic City had been using property tax collections, held in trust, for the school for city operations and their extraordinarily rich public sector union contracts rather than send those dollars to the school children where they rightfully belong. And this has to stop. So between now and June 30th the city owes the school district nearly \$34 million, and there is no question that they will not have the money to pay it due to the irresponsibility of the city government, so today at my direction Education Commissioner Hesperia has filed a lawsuit to protect the property tax collections that rightfully belong to the Atlantic City school district and the children and families that they serve. Now the action won't fix the city's own financial problems but it will prevent them from making Atlantic City students and their families collateral damage to their reckless financial gains. They'll be \$8.4 million which was owed on April 1st. That payment has not been made. The Atlantic City government has about \$10 million in cash left. They intend to try to make a payroll payment on Friday of 3.2 million. If they did that, they would have no cash to be able to make the school payment for April or insufficient cash to make it for April and certainly when the next 8.4 million became due in May. We want to stop that. We want a court to stop it before Friday so that they don't do away with this money before they can get to the teachers and the schoolchildren of Atlantic City, and so we filed that suit. The education commissioner has done it. We're asking a court to hear it as quickly as possible and to prevent Atlantic City from being even more irresponsible if it's possible than they've been already. As things stand today, the Mayor's solution continues to be kick-the-can-down-the-road approach by trying to move to a monthly payroll system. This will buy about a month before the city plunges back into negative cash flow, and two months later, by mid-August, they will be \$30 million underwater, and the city's cash flow never will come back above zero again based upon current trends. This isn't a solution. It's a Band-Aid on a hemorrhaging wound, which is why Moody's just this afternoon downgraded Atlantic City again, now down to the level of Puerto Rico. In short, this action

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solves not a single one of Atlantic City's actual problems, the inability to cut costs, to reform their operations, and to negotiate with their various creditors. I urge the Speaker again to post the bill. He's got a voting session on Thursday. Post the bill. If he wants to get off the rostrum and go argue against it, do so. You want to vote against it? Vote against it, but the Speaker's irresponsible actions are now putting at risk one of America's great historical cities. I will not put the city and the citizens at risk by once again kicking the can down the road on this problem, and so we want to try to work as hard as we can to make sure the school district is funded for as long as we can make sure it's funded, and taking actions today in court hopefully will give us the opportunity to do so, and so these are the actions we've taken today. We continue to be engaged in the issue. Appreciate the support that we received from Democrats across the state and Republicans and we're going to continue to work to try to solve these problems, but really the problem can be solved by one simple action, and that is for the Speaker to post both the takeover bill and the PILOT bill on Thursday. Let them go to votes. I'm confident, as is Majority Leader Greenwald, that both bills would pass if they're done together, but let me be clear: if they are done separately they will not be enacted into law. They need to be done together. I'm not going to allow another taxpayer-funded bailout of \$320,000 boat checks to retiring police officers and firefighters to be the rule of the day in Atlantic City. The Mayor knows this. I've made it very clear to him, and there will be no change in our position in this regard, so we're going to work to try to make sure the school district gets funded through the action we took today with Commissioner Hespe, and we'll continue to move from there.

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