

# City of Estell Manor

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## “MAYORAL STATE OF THE CITY ADDRESS” REORGANIZATION NIGHT JANUARY 7, 2013

Good Evening everyone and Happy New Year. I would like to extend good wishes, good health and blessings to all in our city and throughout including our colleagues, friends and members of City Council. A speedy recovery and get well soon to Mr. John Cunningham. I pray for God's blessing to him and his family.

Looking back into 2012, all of our residents experienced a never seen before storm that was called a Derecho. This straight line wind knocked out power to our entire city and nearly most of Atlantic County

To add more anxiety, we braced for Hurricane Sandy and as we know, Estell Manor and most inland towns were spared. Once again, I must thank all who were involved from the June 30<sup>th</sup> Derecho. Our Volunteer Fire Co., our Emergency Management team, Public Works and everyone else who was a part of Emergency and clean up did a great job. The Electric Companies did a great job as well in restoring power back to our city, considering nearly all the county being out of power.

Aside from the word Derecho, we all shared in the anxiety of another term called the “Fiscal Cliff”. Unfortunately, Estell Manor is now faced with its own “Fiscal Cliff”. Estell Manor being the “small town” community that we are, does not have a commercial ratable base because of Pinelands restrictions. Our municipal revenue comes from State Aid, Property Taxes and \$35,000.00 from our cell tower. For the last sixteen consecutive years, our city has maintained a one million dollar budget. As with the status of the economy, loss of State Aid, loss of interest in our banking and inflation, Council has made cuts each year to make up for those losses and keeping our budget stable.

I should probably start with the year 1995 the year I started on City Council. I believe our surplus was around \$380,000.00 and our budget was about \$970,000.00. Of course we did not spend that amount and what was left over went into surplus. That same year, through the efforts of the former Deputy Mayor Monty Holt and myself, Estell Manor received \$120,000.00 for what was called Pinelands Aid for the first time. Senator Gormley went to bat for us and delivered the “Goods”. For eight consecutive years we received a total of around \$860,000.00. In 1999, we also started receiving another revenue source called Garden State Preservation Trust Fund Money. This money is for payment in lieu of taxes for P.I.L.O.T. for all State owned land.

To the best of my recollection, the amount was around \$180,000.00 annually. That figure grew to a high of \$192,000.00 and this was how our city was able to keep municipal taxes low and increase services. I believe in 2003, when McGreevy became Governor, Pinelands Aid was cut in its entirety. A loss of over \$100,000.00 annually. Somewhere around that time interest rates then started trickling down from our investments. We were getting approximately \$92,000.00 in interest from our Landfill Account, various checking accounts and Capital Improvement Accounts. Back then, interest was around 5%. Currently we receive .25%---about \$1800.00 instead of \$92,000.00 annually. This is a net loss of an additional \$90,000.00 of revenue per year. Our P.I.L.O.T. Fund from Trenton (Payment in Lieu of Taxes) has now been cut by one third (1/3). \$192,000.00 down now to \$132,000.00.

Pilot funding comes from the land that is owned by the State of NJ DEP. All in all, the bottom line tonight is that our total revenue source from property taxes, state aid and \$35,000 from our cell tower is around \$770,000.00. Our budget for the last sixteen years has been around one million dollars which means we have a \$250,000.00 hole to plug, however, there should be some good to talk of for 2013.

Lenape Farms, which is also known as "The Game Preserve", was just sold to the State DEP. This is the property that has the fenced in area running down Cumberland Avenue, Maple Avenue, Rt. 50 and 10<sup>th</sup> Avenue. What this does is change the funding formula for our P.I.L.O.T. funding. The State did own 54% of the City of Estell Manor. Lenape Farms is just under 5,000 acres meaning the State now owns well past 60% of the land mass of our town. The amount we are receiving from P.I.L.O.T. funding is \$132,000.00 which equals \$7.50 per acre. We now should get \$15.00 per acre which means \$132,000.00 now becomes \$264,000.00. Also, the 5000 acre purchase @ \$15.00 per acre means another \$75,000.00 minus the approximately \$27,000.00 we currently receive from Lenape Farms equals a net gain of \$180,000.00.

Receiving our fair share of P.I.L.O.T. funding from Trenton will be the next challenge and fight I will take to Trenton. Total restoration of P.I.L.O.T. funding, which is \$20.00 per acre is the brass ring I will be going for. We should be getting \$292,000.00 not \$207,000.00.

Early last year, I was asked by Senator Jeff Van Drew to testify before the Senate Budget Committee about the need to keep P.I.L.O.T. funding in place. I will continue dialogue with the Senator, his Assembly Team of Assemblyman Nelson Albano and Matt Milam. I will continue dialogue with Governor's Office as well. The testimony of P.I.L.O.T. funding to the Senate Budget Committee can be found on our Municipal website which is: [www.estellmanor.org](http://www.estellmanor.org). click on P.I.L.O.T. funding.

2013 is also the year we will complete the closure of the landfill. Work has been well underway. To complete the final steps required to get closure certification for our city landfill, our contractor, Land Resource Solutions, has been retained to complete all the work required to get NJ DEP and Pinelands approvals necessary for the landfill.

Monitor wells are being drilled and reports are being prepared. To complete the work required by State regulatory agencies, work will continue at the landfill through the spring and early summer to have everything done.

Estell Manor anticipates to be the first landfill in the Pinelands to receive closure approval without having to place an impermeable cap on its landfill. We have been working hard to gain approval from the NJDEP and the Pinelands Commission and we are now in the homestretch or shall I say, "Near the finish line". The landfill site will then be monitored and inspected for many years to make sure it remains safe. I will report back more info within the next couple of months.

Once our closure plan is approved, the next task is converting the site into an acceptable ratable. An energy generator station or solar farm is an acceptable use that was signed into law recently. I had numerous meetings with Senator Jim Whelan, our previous Senator. He was successful in getting legislation passed and signed by Governor Christie to have landfills as permitted uses for energy development. This is the one ratable we must work hard for to achieve success. That ratable for our landfill is a couple of years away. I have already had meetings this year and will try to make this happen soon enough.

In the meantime, however, Estell Manor still will sit on its own "fiscal cliff". We have very limited revenue to work with to operate our City Hall. Our only means of survival is to change the way we do business. We must look into consolidating services if that will save in operational costs. Councils greatest challenge this year is how to cut costs. We must go back to basics and do more with less.

All members of Council must work together with respect and communicate with one another openly instead of trying to sabotage with partisan politics. We all have sworn an oath to uphold the law and do what's best for Estell Manor.

Finally, I will state that this year is not the time to raise taxes as so many of us are struggling to feed our families, pay our bills and make ends meet.

We must, and we will, change how we do business and shrink our costs and overhead. We as a Council will do what's best for the majority of our citizens and no more for special interests.