

## **UPDATE: State Announces Extraordinary Aid Figures; Bound Brook a Big Winner**

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BOUND BROOK -- Several Central Jersey municipalities, most notably Bound Brook, will share in state extraordinary aid awards for municipalities operating on calendar year budgets, the state Department of Community Affairs announced Friday.

In a statement, state officials said extraordinary aid is awarded to municipalities that, because of extreme circumstances, would not be able to provide essential services without a substantial increase in property taxes.

Local towns included in the list of 39 municipalities are Bound Brook (\$860,000), Lambertville (\$250,000), Milltown (\$50,000), North Plainfield (\$125,000) and Somerville (\$250,000).

Bound Brook Mayor Carey Pilato said the borough requested \$1.7 million in extraordinary aid to balance its budget. With the award of \$860,000, Pilato said a potential 21-cent tax increase has been reduced to 11 cents. But, the mayor said, officials will be working toward bringing that number to zero as residents struggle amid the financial downturn and could "be forced out of town if there is a tax increase."

### **HELPFUL AID**

Pilato said Bound Brook last year received \$1 million in extraordinary aid — the highest amount among calendar year municipalities — but still had to resort to layoffs.

"While this is great news in terms of the amount that we've received, I think we all need to now knuckle down and figure out how we're going to keep this budget flat," he said of the borough's roughly \$11.5 million budget, of which \$6 million is raised by taxes.

"We're very pleased with what the governor did because it will help us to maintain stable property taxes," Lambertville Mayor David DeVecchio said.

DeVecchio said city officials will review the budget Monday to determine how the aid could potentially affect the average homeowner.

"I can say we are in better shape today than we were yesterday," DeVecchio, a Democrat, said. "We're very happy with the DCA and the governor."

Somerville had applied for more than \$900,000 in aid but received \$250,000. It introduced a \$16.9 million budget earlier this year — with \$10.4 million to be raised by taxes — but has not adopted it, in anticipation of additional funding from the state. The borough received \$650,000 from the state last year. Not including the aid and without any changes, the budget would mean nearly \$270 more in taxes for an average home of about \$150,000.

"We're glad for the \$250,000, don't get me wrong, but we're still left with a gap we have to make up," said Councilman Dennis Sullivan.

### **TAX INCREASES**

Sullivan said the aid announced Friday brings the tax impact of the municipal budget for the average home to roughly \$225, but additional cuts are still planned. Sullivan couldn't be specific

at this time but said "everything is going to be examined," including "every service we offer, every position."

North Plainfield Mayor Michael Giordano Jr. said the borough plans to use its \$125,000 in extraordinary aid exclusively for tax relief. The borough's average homeowner paid \$7,380 in property taxes in 2008, marking one of Somerset County's highest such figures.

The state offered between \$250,000 and \$500,000 in extraordinary aid each of the last several years, Giordano said, but he added that borough officials still appreciate the help.

"It's a lot less than in the past ... but with the economic picture being what it is, we're happy to get what we got," Giordano said.

To receive extraordinary aid, a municipality had to submit an application to the state Division of Local Government Services by April 1. Officials said the application details the municipality's fiscal condition and includes information about the town's efforts to control costs and share services.

This year's state budget contained \$500,000 less in extraordinary aid funding than the previous year, officials said.

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