

## A TOWN WITH NO LAYOFFS



In the past few years a lot of jobs have been lost to two simple, but devastating words; budget shortfall. Those words have plagued workers in both the corporate and the civil service areas, but it looks like at least some towns are fighting to help keep their workers in their jobs. Take for example the town of North Arlington, New Jersey. That municipality managed to get through all of the 2011 year without cutting out any jobs, and they did not start out the year in a good position. As of January 1, 2011 the municipality was facing a budget shortfall of about \$1.6 million. The plan to make up that shortfall was not a popular one, begin to layoff workers and increase taxes by 11 percent for the year. Lots of towns would have simply taken than plan and run with it, but North Arlington decided to go a different route, one that paid off all the way around. Instead of an 11% increase there was only a 1.97% tax increase for local residents, the budget shortfall was decreased to a scant \$31,975 and not a single municipality worker was let go from their job. Wondering exactly how they managed to pull that off? As North Arlington Mayor Peter Massa told a reporter for [North Jersey.com](http://NorthJersey.com), "We got through a very tough year without any help from Trenton, but we managed to avoid layoffs and furloughs and there was no reduction in essential services." OK, that was not very specific, so lets get down to the nitty gritty of the cuts. They began by moving over one of the biggest expenses for any employer, health care coverage. The municipality workers health coverage was moved off of their previous plan and onto the state health-care plan. This move represented a significant cost savings, and is actually projected save another \$900,000 this year. While changes to insurance were being made they cut another \$253,000 by adjusting eligible employees' Medicare and a few other changes that have not been publically detailed. The next major move was to sanitation services. A new \$1.24 million trash collection contract was given to Cali Carting. The contract, which will last for three years, is expected to save about \$100,000 each year. This move also allowed them to save about \$700,000 in trash dumping fees in 2011. As you can see a lot of these savings will carry over into the current year, but the municipality has more planned, as they hope to not have to layoff any workers in 2012 or cut back on services either. Currently the municipality is in negotiations with the New Jersey Meadowlands Commission for an almost \$1 million in place of taxes owed on the Kingsland landfill which was part of the failed EnCap project. Another \$400,000 PILOT payment was also made to the commission for delinquent taxes for a former Bergen County Authority trash-processing site. The only thing that may cause problems is the result of last years arbitration with the police union, during which it was decided that the officers must receive a 2.5 percent raise on April 1<sup>st</sup> both this year and next year.

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