



State of New Jersey  
DEPARTMENT OF COMMUNITY AFFAIRS  
101 SOUTH BROAD STREET  
PO Box 803  
TRENTON, NJ 08625-0803

CHRIS CHRISTIE  
*Governor*

KIM GUADAGNO  
*Lt. Governor*

LORI GRIFA  
*Commissioner*

August 22, 2011

Honorable Tony F. Mack, Mayor  
Members of City Council  
City of Trenton  
319 East State Street  
Trenton, New Jersey 08608

Dear Mayor Mack and Members of City Council:

The purpose of this letter is to clearly set forth the position of the Division of Local Government Services that the City must, as it has proposed, obtain the approximately \$5.2 million in personnel cost savings that would be realized from its pending layoff plan. It is our expectation that this letter will eliminate any unrealistic and unhelpful speculation that these savings are not needed or that the State would entertain increasing Trenton's allocation of Transitional Aid to obviate the need for these savings.

Residents and municipal employees alike will benefit if the various unions can offer structural concessions that either reduce the magnitude of the layoffs or allow for laid off employees to later be rehired. The Division of Local Government Services will review any such structural concessions and work with the City to determine the extent to which they may lessen the need to reduce the size of the workforce.

At the Division of Local Government Services, we fully appreciate the challenges that will result if the layoff plan is fully implemented. It comes on the heels of a layoff plan implemented last year for employees other than public safety employees. The layoffs will result in increasingly challenging job situations for remaining employees. The same level of services that residents have come to expect will be extraordinarily challenging to deliver.

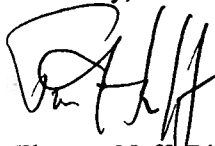
Last year, by working together, layoffs were delayed, but only after the City raised taxes, utilized certain surplus funds, and otherwise began limiting expenditures as required under the Memorandum of Understanding that conditioned the receipt of Transitional Aid. However, economic realities make it unsustainable to increase taxes at past levels and surplus accounts no longer exist. Additionally, while limitations in spending will continue as per the Memorandum of Understanding, they will not result in savings that will obviate the need for the personnel cost savings achievable through the layoff plan.

The results of the Memorandum of Understanding have been positive for the City and its taxpayers. The standard restrictions on spending set forth in the Memorandum of Understanding have mostly been embraced by the City. While at times creating tension, the Division has denied certain requests of the City to hire personnel, rejected or limited certain requested raises or promotions, limited certain nonessential expenditures, and has taken action to address certain inappropriate expenditures. Staff at the Division has been available to the City Administration to provide constructive guidance with respect to pursuing collections of old fines and fees, restructuring divisions, ensuring appropriate procurement, and complying with budgeting regulations.



In conclusion, we share the City's assessment for the need for savings and will continue to be a partner with Trenton in restoring financial stability. It is our sincere hope that various unions will recognize the financial realities that are driving the need for personnel cost savings associated with the layoff plan and will work with the City and the Division of Local Government Services to identify concessions that lessen the need for layoffs.

Sincerely,



Thomas Neff, Director  
Division of Local Government Services

c: Steve S. Glickman

Raymond G. Heineman

George T. Dzurkoc, President, PBA Local No. 11

Lt. Mark Keiffer, President, Trenton SOA

David Tallone, President, AFSCME, Local 2286

Edmund Johnson, Vice President, AFSCME, Local 2286

Walter Motchnik, President, AFSCME, Local 2281

