

Press Release
Township of Galloway
February 19, 2010

The Township of Galloway government is facing its most significant fiscal challenge ever. These are difficult and uncertain economic times. The global economic recession has had an overwhelming impact on businesses and governments around the world. We are in the midst of one of the worst recessions ever. This economic downturn has also directly affected numerous Galloway businesses and residents. Many of our residents are out of work and our businesses are struggling. Both individuals and businesses are finding themselves unable to maintain their standards of living, profitability and services. The Township of Galloway is not immune to these issues.

Administration and Council are being forced to balance the needs for Township services with a diminished revenue base. To create a balanced budget, we have had to make tough decisions and many sacrifices. For two consecutive years the Township has found itself having to reduce expenditures to balance the budget. In 2008 the township stopped filling nonessential vacancies and this effort continues today. In 2009 we were able to achieve savings through contract concessions, furloughs and a reduction in workforce in various departments through attrition. Our overall budget in 2009 was \$369,522.81 less than the prior year's adopted budget.

These decisions helped us create a balanced budget in 2009, but revenue declines continued. In 2009 we had an overall revenue shortfall of over \$600,000 and were unable to regenerate over \$1.7 million in surplus. This created a deficit in Revenues going into 2010 of over \$2.2 million. State statute allowed us to increase our municipal tax levy by \$938,000.00 forcing the municipality to adopt a 2010 budget with expenditures that total \$1.8 million less than the 2009 budget. In order to balance the budget all union and non-union employees were given proposals for concessions and asked to either agree or submit suggestions that would equal the equivalent dollar amount. The following proposals were given to each union and non union employee:

1. PBA Local 77 – No salary increases, five furlough days, 2.5% of salary contribution on medical cost, no kelly time and reduction in staffing by 2. This was equivalent to \$954,000 in savings.
2. International Brotherhood of Teamsters Local 676 – No salary increases, 20 furlough days, 2.5% of salary contribution on medical cost. This was equivalent to \$150,000 in savings.
3. IBEW Local 210 - No salary increases, 20 furlough days, 2.5% of salary contribution on medical cost, no holiday payout and five furlough days for Communication Workers. This was equivalent to \$300,000 in savings.
4. IUOE Local 68 – No salary increase, 10 furlough days, 2.5% of salary contribution on medical cost, one employee to retire. This was equivalent to \$72,000.00

5. Non-Union employees - No Salary increase, 5-10 furlough days depending on department, 2.5% of salary contribution on medical, no overtime and reduction in vacation payouts. This was equivalent to \$60,000.00

A request was made to have all union proposals back to us by February 17th. As of February 18th only IUOE Local 68 has given a counter proposal. Every day that goes by without some type of resolution makes the budget gap greater. In order to insure that this does not continue we are forced to give layoff notices to 14 police officers. This move insures that the number would not be greater. After concerns raised by the Chief of Police it was determined that these 14 officers will be on administrative leave until March 21st at which time their layoff will be effective. These layoffs are subject to recall if and when we are able to come to an agreement with the PBA on concessions. The Township remains willing to work cooperatively with the PBA. The Township is scheduled to meet with representatives from the PBA next week and we remain confident that we will be able to come to a mutual agreement and bring back a significant number of these officers. We have met with the Chief of Police and he is prepared to redeploy resources as necessary to insure the continued safety of our residents. Chief Moran has offered the following statement: "The Police Department is redeploying resources to address the two primary functions of a police department, responding to calls for service and investigating serious crimes. Non critical programs and units have been greatly reduced or eliminated in order to maintain essential services to our community. We anticipate a quick resolution to the budget issue and hope to see our officers return to work as soon as possible."

IUOE Local 68 has indicated that they would agree to take furlough days equivalent to the \$72,000 needed in savings. Preliminary calculations indicate that this would equate to 20 furlough days.

IBEW Local 210 and Teamsters Local 676 have submitted written statements that they will not agree to any concessions. This is unfortunate and forces the Township to shut down all municipal services with the exception of public safety and administration on Monday of each week effective March 1, 2010 until further notice. This will create an inconvenience for our residents, but cannot be avoided.

The non union employees have agreed to variations of concessions which will total \$60,000.00. Mayor and Council had already agreed to forgo any raises and eliminated eligibility for health care coverage.

Jill Gougher, Township Manager

Keith Hartman, Mayor

For additional information send requests to: JGougher@gallowaytp-nj.gov