

Hillsborough Says Pension Borrowing Scheme Is 'Risky Business' For Taxpayers

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With Mayor Frank DelCore calling it a "Trenton brand ponzi scheme" the Hillsborough Township Committee Tuesday evening turned down a state authored pension borrowing plan that would have cost Hillsborough taxpayers \$800,000 in interest over 15 years.

Last week the Township Committee's Finance Committee, Carl Suraci and Gloria McCauley, had recommended against the plan calling it "too expensive and too risky" for Township taxpayers. The other members of the Township Committee agreed in voting to authorize the full \$1.6 million pension payment to be made by the April 30th deadline.



McCauley said, "We gave the pension borrowing plan a very careful review before coming to the conclusion that it is wrong for Hillsborough. Paying back \$800,000 in interest and the \$795,000 loan is not in the taxpayers' interest."

"And the plan is very risky. In the fine print the plan says the repayment can fluctuate based on pension system investments. With today's stock market – no one should be taking that kind of risk with public tax dollars," McCauley added.

Suraci noted, "The pension borrowing is the exact opposite of Hillsborough's pay as you go, no debt, capital improvement plan which, over the past six years has resulted in over \$300,000 in interest savings for taxpayers. Hillsborough does not borrow for routine capital purchases and should not borrow to pay pension costs."



Mayor DelCore stated, "This is the very same kind of irresponsible credit policy that has helped to put the country in an economic crisis. What would help instead would be action in Trenton to reduce the cost of pensions."

DelCore noted that the Legislature and Governor, not the local government, decide what the pension benefits are for all public employees.

"Trenton drives the cost of pensions and mandates their payment. Bringing those benefits into line with reality would be of real value to taxpayers," DelCore added.