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Christie Uses Executive Order to Appoint an Emergency Manager in Atlantic City.

Moving to take greater control over Atlantic City, which is struggling financially as its casino industry shrinks, Gov. Chris Christie on Thursday appointed a corporate finance lawyer to be the city's emergency manager.

Along with the lawyer, Kevin Lavin, Mr. Christie brought in Kevyn Orr — the lawyer who led Detroit through the bankruptcy it emerged from last month — as a consultant. Mr. Christie said the appointments were not intended to “marginalize or minimize” the roles of the city's elected government, led by Mayor Don Guardian.

But the governor's move, made through an executive order, came just two weeks after Mr. Guardian flatly rejected the proposal of an emergency manager, saying that it would simply add another layer of bureaucracy. The appointments drew immediate fire from the president of the state Policemen's Benevolent Association, Patrick Colligan, who called the managers “hatchet men.”

Three casinos are the latest victims of Atlantic City's troubled gambling industry. Showboat is scheduled to shut down Aug. 31. Like a Domino, Another Atlantic City Casino Falls JUNE 27, 2014
Police and Fire Department officials are wary because a report issued in November by a commission appointed by the governor recommended reducing the size of Atlantic City's police and firefighting forces as one way of saving money. That report, which also suggested installing an emergency manager, said that the city's property tax revenue would fall to \$8 billion in the 2016 fiscal year, less than half of what it was three years ago.

Atlantic City has never fulfilled the hopes that led lawmakers to legalize gambling there almost four decades ago. But its financial problems turned into a crisis after neighboring states, most notably Pennsylvania, created their own casinos and siphoned off many of the gamblers who had streamed to the Jersey Shore.

Four of Atlantic City's 12 casinos closed last year, and a fifth, Trump Taj Mahal, barely averted a shutdown last month. The closings left about 9,000 casino workers unemployed.

The steady deterioration led Mr. Christie to declare on Thursday that he could not “wait any longer.” He said that “more aggressive action” was needed, and that “it's time to confront the dire circumstances.”

Mr. Christie said his appointees would provide the city's elected officials with tools to help them resolve the city's financial problems. His executive order calls for Mr. Lavin to report back within 60 days with “a plan to place the finances of Atlantic City in stable condition on a long-term basis by any and all lawful means.”

Despite such strong language, some close observers of the situation expressed relief that the governor's action was not more autocratic.

"I was loaded for bear this morning," said Bill Dressel, the executive director of the New Jersey State League of Municipalities. "I was ready to roll the cannon out of the closet and aim it at the golden dome."

He said he had been prepared to criticize the governor for usurping the authority of the city's elected officials. But after reading the order and talking with Mr. Guardian, Mr. Dressel said he was pleasantly surprised by the tone of the first-day discussions.

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In a statement, Mr. Guardian said that "although no timetable was given, they communicated to us that they wanted to get in, help us fix the city's finances, and get out."

Assemblyman Vince Mazzeo, who has proposed legislation aimed at stabilizing Atlantic City's tax base, issued a statement backing Mr. Guardian and opposing Mr. Christie's action.

"The appointment of an emergency manager is not something that I support, but I will work with him and his team in a cooperative manner to fix and reform Atlantic City's dire property tax situation," Mr. Mazzeo said. He added that "even with the appointment of an emergency manager — and some questions about his powers and what he's going to be able to accomplish — the need to reform and stabilize the Atlantic City tax structure is still the most pressing fiscal issue facing our region."

The appointment of Mr. Orr, who was the emergency manager of Detroit for about 20 months, is not an indication that Atlantic City is likely to file for bankruptcy, Mr. Dressel said. He said that New Jersey laws effectively ruled out a municipal bankruptcy, and that there had not been one in the state since the Great Depression.

But now that he will be working closely with Mr. Orr, Mr. Guardian may regret a line or two he uttered last week in his State of the City speech. "At least we're not Detroit," the mayor said, as he ran through a series of quips.

Then he gave his reaction to the idea of appointing an emergency manager. "Yeah, of course," he said then. "It's a great idea to have the state monitor monitor the state monitor who's already monitoring me."

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By PATRICK MCGEEHAN

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