

LUARCC Meeting – January 22, 2009

Roll Call was read. LUARCC members present: Jack H. Fisher, Chair; Joseph V. Doria, Jr.; Robert F. Casey; Gary Passanante; Steven M. Cozza; Joseph Donohue (for David Rousseau). Absent: Jane Kenny.

Certification of the Public Notice was read by the Secretary.

Minutes of the December 22, 2008 meeting approved unanimously.

Hannah Shostack, Executive Director reported:

Regarding the Rutgers reports, Hannah indicated that input was given to Rutgers on the draft reports. Rutgers is currently making the changes and we will be getting revised drafts based on the input. We anticipate using the reports in our March report. Hannah then emphasized the Commission's charge and asked Commission members to refer back to the statute. She mentioned that there were some questions raised pertaining to the differences in the roles of Local Governments Services' Local Finance Board (LFB) mandate and the LUARC Commission and while at some point the roles may converge, they are not there yet and it will be a long road before it happens. LFB must promulgate performance benchmarks. The Board adopted a report to the Legislature that reported on the obstacles, what they are doing, and plans for moving forward.

Mr. Fisher had asked if the LFB reported any progress.

Commissioner Doria indicated that they did not.

Mr. Donohue asked if the LFB gave any sense on how soon they would come up with benchmarks.

Commissioner Doria said they did not. He said that the issue is how to put together information. They review all the presentations that come before them which could be between 60-80 items on an agenda. It is extremely time consuming coupled with the lack of staff – makes their mandate a problem.

Adoption of the 2008 Progress Report:

Mr. Reed asked how cost sharing on shared services arrived at and that more questions need to be asked.

Mr. Passanante said that the Report and the work of LUARCC needs to be publicized better.

Commissioner Doria said that the lack of a "sensational" aspect means LUARCC gets little press coverage.

Mr. Cozza said everyone who gave testimony should be sent the report for them to publicize.

The 2008 Progress Report was approved unanimously.

March 31, 2009 Report:

Hannah Shostack hopes to talk about realignment in it.

Mr. Casey said realignment seems to offer the best hope for cost savings. He used data from Somerset County. The municipal budget figures cannot be used to determine the impact on individual taxpayers. Discussed the impact of the Reserve for Uncollected Taxes (RUT). RUT ranges from 2 to 15 percent from municipality to municipality. RUT impacts property tax rate, not spending. There are ways to manipulate RUT up or down. Explained that the operations tax (OT) = local levy + open space tax - RUT. The percentage of OT required from residential properties should be used. This figure can be determined per capita and per line item (per lot). Does a larger community pay less per lot? In Somerset County the answer is "yes." Ran the figures Statewide. The methodology does not hold Statewide. In some places, higher taxes are paid in larger communities. There is no financial marker that argues smaller communities should merge. In fact, the evidence points to the opposite. Realignment of functions should lead to savings – more services to larger level and make government more rational.

Commissioner Doria said a paid fire department throws off the figures.

Mr. Casey said that police costs also impact taxes hugely. Consolidation of smaller departments should lead to savings. Wants a list of the 89 municipalities served by the State Police in order to figure police costs.

Mr. Passanante asked Mr. Casey to run figures at county level. Mr. Casey said it can be done.

Hannah Shostack said a draft of the March 31 report will be available in February with a month to review it before the deadline.

Mr. Casey said that the March 31 report should justify asking for another year to complete study.

Work Program for 2009:

Hannah Shostack said she is producing the report and changes for March 31.

Mr. Casey said we need to become familiar with PAMS property tax data base. Most municipalities are losing money on the Uniform Construction Code. We need to have performance standards. Stated that they have been developed for: public health, construction code, fire protection, and libraries. We should be looking at emergency dispatch (police, fire, EMT) and coming up with standards.

Commissioner Doria said we must avoid mandatory standards because of “State Mandate, State Pay.”

Mr. Passanante said State funding may be necessary to move communities to these standards.

Hannah Shostack recommended Marc Pfeiffer come to LUARCC in February to discuss his work on performance standards.

Mr. Casey said ICMA has performance data and standards for 5,000 communities on a subscription basis.

Vote on subscribing to ICMA data; passed unanimously to recommend DCA subscribe to ICMA performance data and standards.

General Discussion:

Mr. Passanante said Senator Haines sent him a report on shared services in Burlington County. He will get it to Hannah Shostack and Stacy Spera.

Mr. Reed asked Mr. Donohue if next State budget will recommend State Aid cuts.

Commissioner Doria said no decisions have been made on State Aid cuts yet. The decision will be made in February.

Public Comment:

Roger Potts of the New Jersey Association of Fire Districts asked for a copy of 2008 Progress Report. Was given one.

Adjournment