

LUARCC Minutes – Friday, April 17, 2009

Flag Salute.

Roll Call was read.

LUARC Commission members present: Joseph V. Doria, Jr.; Marvin Reed; Robert F. Casey; Gary Passanante; Joseph Donohue (for the State Treasurer), Steven M. Cozza.

Not present: John H. Fisher, III, Chair

Certification of Public Notice was read by the Secretary.

Progress report by Commission member Robert Casey regarding his development and analysis of a data base to assess implications of consolidating “doughnut” and “doughnut-hole” municipalities was presented.

Mr. Casey said his earlier work had indicated that it might not be possible to discover criteria that will identify appropriate targets for consolidation on a macro basis. However, when examining individual cases, some factors do seem helpful on the micro level.

For this analysis, Mr. Casey focused on the “donut hole municipalities” (defined as one municipality totally surrounded by another). His analysis focused on the following data:

1. Transition zones (based on shifts in population density from one municipality to another)
2. Connectivity (from analysis NJ Department of Transportation maps)
3. Assessment information
4. Taxes
5. Operations Tax per residential lot (as defined in his earlier analysis)
6. The municipal share of the total property tax
7. Tax exempt properties
8. Crime statistics
9. Court structure
10. Census demographics
11. Library availability
12. Refuse service
13. Civil service status
14. Fire service
15. Form of government and
16. Local education structure.

The key issues he raised were concerned with police protection and the operations tax.

According to Mr. Casey, police protection is important on two levels. One was the minimal force needed to provide 24/7 coverage. This was calculated as 11 including two officers per shift to guarantee that an officer had backup if needed and one supervisor. This staffing level raised the possibility that, in individual cases, a merger could result in significant savings when the combined towns could provide sufficient coverage with a reduced force (e.g. two towns of 1000 residents, each with 11 officers could provide adequate coverage with fewer than 22 officers.) Second was the problem presented by towns with “free police”. These are towns with either coverage from the State Police, or towns who do not maintain 24/7 coverage and rely on back-up from neighboring communities and the expense of the taxpayers of the neighboring community. In the instances of free police, Mr. Casey sees it as being difficult to make a savings argument since the merger might actually require that the municipality pay for services it has been receiving without cost.

The operations tax is seen as key since it represents the portion of the tax that is most likely to be affected by a consolidation.

Using these indicators Mr. Casey analyzed 21 sets of municipalities involved in “donut hole” relationships. These 21 sets include 43 municipalities. Of the 21 sets he determined that 12 of the sets were good candidates for merger.

During general discussion Commissioner Doria suggested that debt burden be reviewed as well as size. Mr. Casey said that towns over 10,000 probably are not good candidates. Mr. Passanante suggested that small towns with commonalities exist in many situations. Mr. Reed mentioned that municipalities receiving free services or those that have chosen not to provide a certain level of service create an obstacle to consolidation. Mr. Donohue pointed out that the analysis by Mr. Casey indicated that there is a potential. Commissioner Doria suggested that the Commission may be able to come up with “a Recommendation Study”.

Commissioner Doria suggested that the analysis be expanded to include urban towns. He said that it would be inappropriate for the Commission to target only rural and suburban communities. He added that the characteristics identified by Mr. Casey represented a good start on the identification of the criteria the Commission is charged with developing.

Several members reiterated the obstacle presented by the State Police coverage in certain communities and that this created a disincentive to consolidation even when it could create tax savings on a broad basis.

Mr. Passanante indicated that there was an element missing from the analysis. He said that the Commission would also need to know if a town employees part-time officers.

Mr. Reed noted that, while Mr. Casey’s analysis did not identify the Princeton’s as a good candidate for merger, interest among groups not politically active until the past presidential campaign may have created an environment more favorable to consolidation.

Mr. Reed also suggested that, as a result of this discussion, police operations as a targeted study area for the Commission might be warranted.

Commissioner Doria said that would call for academic analysis of minimal and adequate coverage levels in various settings. The Commissioner also suggested that the State Police might have information on this. Mr. Cozza said that the Attorney General's office may have conducted studies on this issue. These agencies should also be asked if they have information on part-time officers.

Mr. Cozza also suggested that, to better understand the dynamic of the police issue, the Commission may want to meet with people from Flemington Township and Raritan Borough where this issue was recently debated.

Adjournment. On a motion by Mr. Cozza seconded by Mr. Reed the Commission adjourned at 3:55 p.m.