

The meeting was called to order at 9:30 AM. Commission members present were: John H. Fisher, III, Chair; Edwin Carman (for Acting Commissioner Richman), Marvin Reed, Robert F. Casey, Gary Passanante, and Steven M. Cozza.

The minutes of the December 21, 2009, meeting were approved unanimously.

Executive Director's Report: Dennis Smeltzer:

Working on a resources page on the LUARCC website. WOR-9 did a piece on LUARCC during the Inauguration coverage. Working on Annual Report.

2009 LUARCC Progress Report: John H. Fisher, III:

More concerned with the content than the timing of the report. There is much information that still needs to be included and there is much information all ready written.

Presentation by Division of Local Government Services: Marc Pfeiffer, Deputy Director:

Mr. Pfeiffer was asked to make a presentation on the status of municipal consolidation in the State... He reported on the five places where there have been consolidation discussions.

1. Wantage Township - Sussex Borough
2. Chester Borough and Township
3. Corbin City - Upper Township
4. Scotch Plains Borough – Fanwood Borough
5. Princeton Borough and Township

a) Wantage/Sussex: consolidation vote failed in November. There has been much commentary about the effort from people not directly involved in it. Mr. Pfeiffer's observations are that the advocates in Wantage were looking at planning and growth potential and saw the Sussex water and sewer facilities as helping Wantage in the future. Opponents in Wantage didn't want change and were looking at today. They did not want what was perceived as problems with the Borough. Saw Sussex as a burdensome expense with an antiquated water and sewer system. Alternatively, even though Sussex Borough residents would have had lower taxes, the positive vote was not as large as might be expected; so that while it did pass, there was an undercurrent of "why consolidate."

b) Chester Borough and Chester Township: Formal Local Option study is underway. They have a consultant team from New York that is new to New Jersey, but have partnered with Rutgers-Newark for local support. The Consolidation Commission is made up of just elected officials studying the issue and not any citizens. Consultants are making a report for the commission on how to consolidate and how the government will

work as a single municipality. The preliminary sense is that the Borough has issues and higher costs compared to the Township, and that the Township may not have much to gain. The report is due by mid-Spring.

- c) Corbin City/Upper Township: The two communities, though across the county border from each other, are very connected by services, post office, and schools. New Jersey statute does not provide for cross-county consolidation. However, the law does allow Upper Township to annex Corbin City. Cape May County has expressed that it does not want Corbin City because providing services will cost the county more. Upper Township elected officials have concerns. Currently, many residents of the "Strathmere" section of Upper Township wants to secede and join Sea Isle City and are suing Upper Township to so do.. Annexing Corbin City in the midst of a Strathmere secession drive is -seen as problematic. The Division of Local Government Services funded a study of consolidation and its effects. Due to consolidation of non-operating boards of education, it expected that Corbin City would join the Upper Township public school district. Corbin possesses few real ratable. A consolidation would just make the existing system works better.

- d) Scotch Plains/Fanwood: These two communities are conducting a joint internal municipal government study of consolidation. The study, funded by the SHARE program is nearing conclusion. The study appears to be leaning favoring more shared services over a full consolidation. The Scotch Plains and Fanwood libraries have independently studied consolidation. Their report is coming out next month.

- e) Princeton Township and Princeton Borough: There is a Local Option Consolidation Commission made up of both elected officials and citizens. At present, the governing bodies are soliciting volunteers, and once the Commission is formed, they are expected to hire a consultant. In addition to studying consolidation, \the Commission is also charged by the governing bodies to study shared services as an alternative to consolidation. Township officials seem to favor consolidation; and borough officials favor more shared services; however, all agree a thorough study of both options is necessary.

Overall observations of consolidation and shared services issues:

There seems to be a trend, that unless communities are perceived as equals, because centers tend to have more issues, a “doughnut” municipality doesn’t see a benefit. But, there is a lot of diversity in different circumstances and there are few absolute conclusions about consolidation that can be drawn.

Some factors seen as affecting consolidation include:

- Public perception is a critical element – and that is based on historical relationships
- Change is very difficult
- Tax impact is a hard lift to get around
- Local control

Three questions were posed by Commissioner Reed for Mr. Pfeiffer to answer at a later date:

1. The Local Option Law provides for creation of service districts. What is the State’s philosophy on what it means?
2. Continuation of ordinances –can the continuation of existing ordinances include expansion to parts of the other municipality.
3. What degree of flexibility is their in establishing a new governance structure? Are their limitations under the Faulkner Act?

Commissioner Passanante stated that the message that he was hearing based upon five groups that it is believed that total consolidation is a tremendous leap based on the nuances. Would it be more productive to look at consolidation in terms of sets of services which may be more palatable for municipalities to absorb? Maybe there needs to be a creation of standards so it can be done more easily.

Mr. Pfeiffer indicated that he does not like absolutes and that there is always an exception. There may be places that make sense with appropriate incentives. The notion of creating additional shared services is being embraced around the state. Municipalities and counties are starting to work together. Smart decisions need to be made and possibly more mechanisms to do it are necessary.

Mr. Pfeiffer indicated that between new legislative initiatives and local public discourse, there are the beginnings of conflict. The State appears to be trying to tell local governments what to do because of the focus on the property tax issue and becoming more overt or directive in manner. Historically that is a shift in where there was a focus on local democracy as opposed to the state in telling locals what they need to do. What is important is balance. Consolidation is a solution to a problem and there is not a lot of evidence that consolidation will achieve the goals being expressed by many commentators.

Mr. Pfeiffer also pointed out that wholesale, fast changes in established government procedures should be carefully considered and thought out so consider all ramifications are considered. Many state laws and systems were developed over time and exist for good reasons. Such changes should be carefully considered to avoid unanticipated consequences.

Presentation of the Service Provider Continuum: Robert F. Casey:

The question is how do you provide local services. There is a range of eight options for the provision of local public services. Group of individuals got together and attempted to delineate the pros and cons of each. General discussion of service provision and various problems and pitfalls. LUARCC will publish Commissioner Casey's Service Provider Continuum report. Motion to publish adopted unanimously; Commissioner Casey abstained.

Mr. Pfeiffer reported that the Division of Local Government Services is working on a computer application that will allow municipalities to inventory their services and how they are provided. Some of Mr. Casey's work will be an integral element of the application.

Progress of the Walter Rand Institute Report: The MOU is currently not signed. The report that deals with the review of Casey's work is however about two-thirds complete. There was concern with the Commission members that the WRI is continuing to work without an executed contract and if a waiver is not given to the Commission, how will the Commission be able to pay for services rendered. Gwendolyn Harris assured the Commission that the services provided thus far are of a minimal cost and if it is determined that costs will rise substantially, then WRI will stop work and come before the Commission to discuss.

During the general discussion it was mentioned that the Annual Report indicated that the Executive Summary needs to be rewritten.

Public Comments: Gina Genovese, Executive Director, Courage to Connect New Jersey (CCNJ). She introduced herself and indicated that she was very impressed with the discussions of the Commission. CCNJ is trying to introduce the concept of consolidation and build support and understanding for it. She mentioned that the public has a limited view on the topic and would like to broaden the issue so people understand it. Would like to begin dialogues with people in a non-aggressive way. CCNJ seeks to encourage larger regional municipal consolidations.

Adjournment