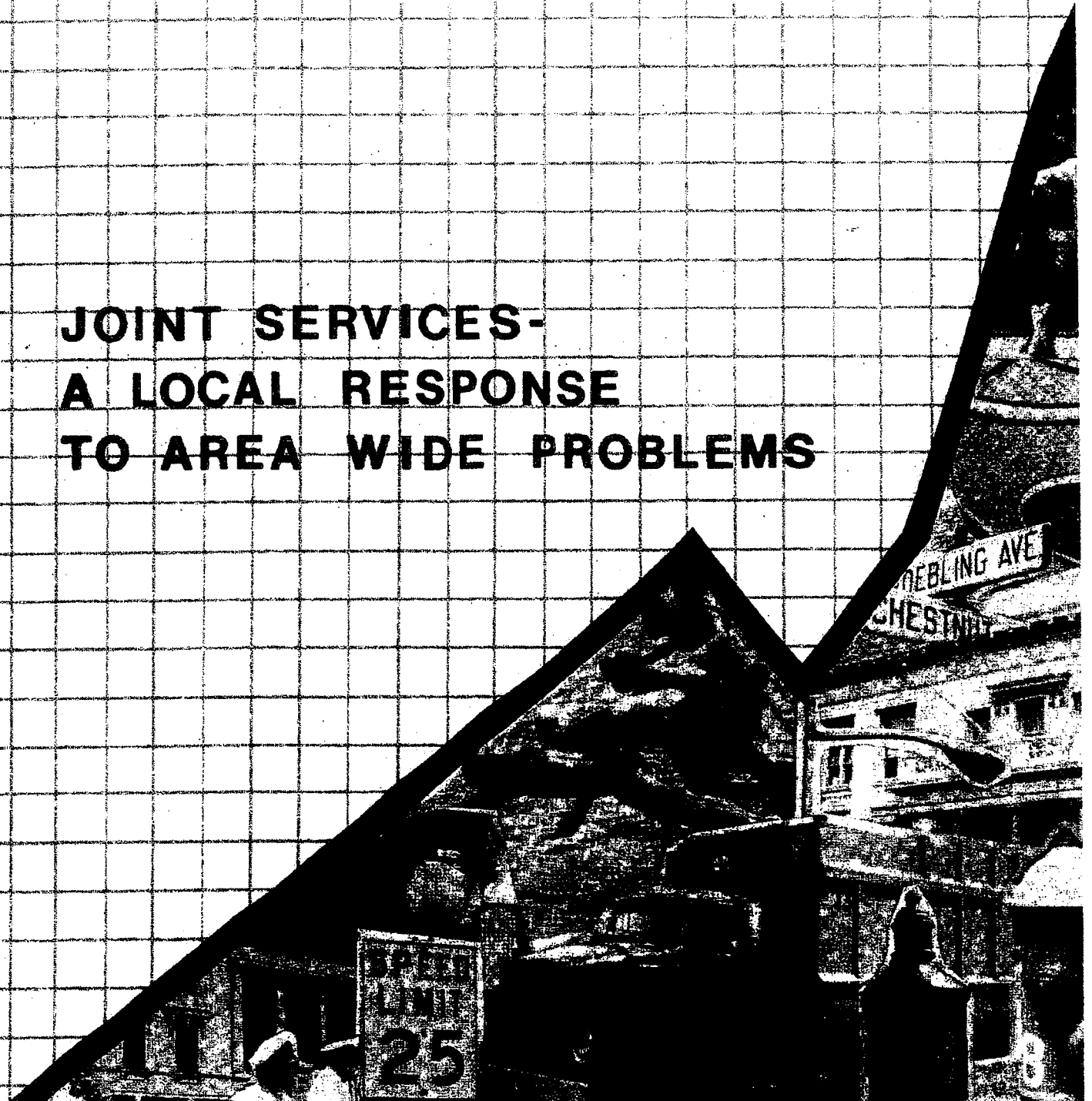




STATE OF NEW JERSEY

COUNTY AND MUNICIPAL GOVERNMENT STUDY COMMISSION

**JOINT SERVICES-
A LOCAL RESPONSE
TO AREA WIDE PROBLEMS**





State of New Jersey

County and Municipal
Government Study Commission

Third Report

Joint Services -
A Local Response
to Area Wide Problems

September 1970

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September 1970

TO HIS EXCELLENCY, GOVERNOR WILLIAM T. CAHILL, AND
HONORABLE MEMBERS OF SENATE AND GENERAL ASSEMBLY:

The County and Municipal Government Study Commission is pleased to submit its third report, *Joint Services—A Local Response to Area Wide Problems*.

The Commission was created pursuant to Chapter 28 of the Laws of 1966, and charged with responsibility to study the structure and function of county and municipal governments, including their constitutional and statutory bases; to inquire into the structural and administrative streamlining of county and municipal governments as proposed in New Jersey and other states, including consolidation, federation, special districts, contract purchase of services and abolition or strengthening of existing forms of government; to determine their applicability in meeting the present and future needs of the State and its political subdivisions; and to study the interrelationship of State, county and municipal governments. To achieve as broad a representa-

tion as possible, a Commission of 15 members was created, nine of whom are named by the Governor, three of whom are Senators named by the President of the Senate and three of whom are Assemblymen, named by the Speaker of the General Assembly. Of the Governor's appointees, three are nominees of the New Jersey Association of Chosen Freeholders, three are nominees of the New Jersey State League of municipalities and three are from among the citizens of the State.

The report is respectfully submitted to the Governor and the Legislature by the undersigned.

(s) WILLIAM V. MUSTO,

Chairman

(s) RICHARD J. COFFEE,

Vice-Chairman

(s) ALFRED D. SCHIAFFO

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SUMMARY

The Service-Cost Dilemma

After intensive study, the Commission has concluded that local government today faces serious and steadily growing difficulties in providing adequate services. These problems basically fall into three categories:

- *area-wide services* which no single municipality can meet within its own jurisdictional limits, such as sewage and solid waste disposal, air and water pollution, traffic and transit, and drainage and flood control;
- *services which are becoming so complex that no single municipality can provide them adequately*, such as law enforcement, electronic data processing, special recreation, education and library services;
- *basic services* such as health and public safety which *rural and developing municipalities*, with large areas and small populations, *can only provide uneconomically* on a single municipality basis.

In the face of these problems we have witnessed the inability on the part of most municipalities to continue their reliance upon the property tax for needed service revenues. Today over 75% of our municipalities have true value property tax rates of over \$3.00 per \$100 (versus 13% in 1960). Even at that, service costs in New Jersey are far outstripping population growth (the New Jersey municipalities' per capita expenditure for services rose by over 50% in the past ten years). Thus, as service costs rise even faster than population, tax burdens on the homeowner grow in some cases to nightmarish proportions. In some older municipalities, homeowners are paying in taxes the equivalent of their home's value every ten or twelve years. In rural and developing areas, where taxes are lower, they still have for the most part doubled in less than ten years.

Policy Alternatives and Home Rule

In view of this combination of rising costs and diminishing resources new solutions must be found if local government is to

continue providing services our citizens need. Obviously, major changes in the basic tax structure are essential to improving local government. But there are many structural and policy changes which can be undertaken immediately.

The single most important thing which can and should be done is to establish service units which are large enough to perform services adequately, efficiently and economically. The Commission has studied local government operations across the nation and concluded that interlocal cooperation—the voluntary partnership of local governments to provide services jointly—is a viable and indeed necessary strategy for New Jersey local government. The alternatives to such interlocal cooperation are stark: either chronically inadequate services or eventual mandatory regionalization—or both.

But the Commission finds great hope in the fact that the overwhelming majority of officials in over 400 municipalities polled and interviewed are willing and anxious to enter into joint service agreements on a wide variety of areas.

State Action—The Missing Ingredient

Research here and across the nation has shown, however, that local willingness is not enough. Only state action to provide aid, incentive grants and technical assistance can produce wide-scale cooperation and joint services. Here in New Jersey, the only areas where formal cooperation has been really successful have been exclusively in the services where the state offered incentives and aid, such as health and libraries, or where the state set mandatory standards, as in sewage disposal. Thus, the Commission has concluded that immediate and innovative state action is required to promote joint service agreements and secure their benefit for local government and our citizens.

A Legislative Program

The Commission therefore recommends to the Governor and the Legislature that a joint services aid program be established which would:

- 1. pay for studies to design joint interlocal service programs;*
- 2. provide for a 6-year 25% incentive aid program to stimulate joint service provision of services presently not provided by the participants;*

3. *provide for a 6-year 10% incentive aid program to stimulate consolidation of existing municipal service systems.*

The initial cost of this program would be \$3.5 million. The Commission believes that only through this strong state action can local government be given the tools, the resources, with which it can reshape itself to meet the grave challenges and unmet needs it faces and is failing to meet today. While it is true that only local government can find the leadership and will to save itself, it can only do so with strong and innovative state aid and action. The Commission views this program as a necessary step in rebuilding local government to serve New Jersey today and in the years to come.

ACKNOWLEDGMENTS

This report has been made possible by the kindness and cooperation of over five hundred local government officials who gave of their time and ideas to help the Commission in its study of joint services. The Commission owes a particular debt to the 450 Mayors who took the time to answer Commission questionnaires on joint service provision and to over 75 Mayors who participated in Commission interviews.

The Commission is grateful to the New Jersey State League of Municipalities and to the New Jersey Taxpayers' Association for the assistance, support, and encouragement which their staffs have given the Commission. Particularly for the comments and ideas given the Commission staff by Jack Trafford and Frank Haines. The Commission hopes that all of these close working relationships will continue in the future.

The Commission has received cooperation from almost every department of State Government. We are particularly grateful to the following agencies and individuals for their assistance in the compilation of this report.

In the Department of Community Affairs, to:

Commissioner Edmund T. Hume for his help in arranging for an interchange of ideas and cooperative efforts between the Department and the Commission.

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In the Department of the Treasury, the Commission is grateful to:

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William Coppinger, Michael Danielson, Stephen Decter, Frank Haines, Jack Kraft, Jack Scott and Jack Trafford. Also, the Commission is grateful to Fredric P. Lavinthal, Miss Melissa Ann Marten, Miss Ruth Ann Weidel and James D. Westwater for their contributions to the progress of this report.

While the responsibility for this report and its conclusions and implications lies exclusively with the Commission, it is accurate to say that without the help of these many groups and individuals this report could not have been written.

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INTRODUCTION: JOINT SERVICES AND URBAN NEEDS

All those involved in the operation of our local government system know that there are many problems which simply cannot be solved by present means. Under the existing system with its fragmentation of responsibility, no single unit of government at the local level can undertake to provide adequate services of an area-wide nature such as sewage treatment, drainage and flood control, traffic control, transit and solid waste disposal. Similarly, there are many services, such as public health and law enforcement, in which municipalities can develop and maintain in partnership with other municipalities much more effectively than they can alone. This is particularly true in rural and developing areas where no single government unit may have the population size, density and wealth necessary to provide adequate and efficient services. Furthermore, in many of our urban areas, rapidly rising tax rates and long unanswered demands often prevent maintaining the level of services which is necessary to a decent quality of life. In these cases the economies of a joint system might well enable the municipality to maintain or even improve present service levels.

Often proponents of such joint programs go too far in describing the economic benefits which can be achieved. Indeed, some prescribe regional arrangements as the panacea for all local government problems. The Commission believes, however, that joint services are a vital strategy in the process of bringing adequate and efficient services to all types of municipalities. It has proven so in this state and elsewhere in the United States, as this report will show. After an intensive study of the subject, the Commission has concluded that, since joint services can be of great benefit to our local government system, New Jersey should act now to promote and stimulate the development of such joint programs for the benefit of the local government system and the citizens it serves. It further concludes that the overwhelming majority of municipalities are ready and anxious to enter into joint service agreements and systems and are only awaiting state legislation, incentive programs and technical assistance to promote these moves.

Much has been written in the last several years by this Commission and by countless other agencies about the present condition of local government in New Jersey. The Commission does not believe that any single approach or any one strategy can solve our problems. But joint services can be viewed as an important first step especially when government services are as complex and expensive as they are today. There seems little doubt that these programs can produce adequate and efficient municipal services—in many places for the very first time. Thus, promoting joint service agreements should be a priority item in terms of state policy toward local government.

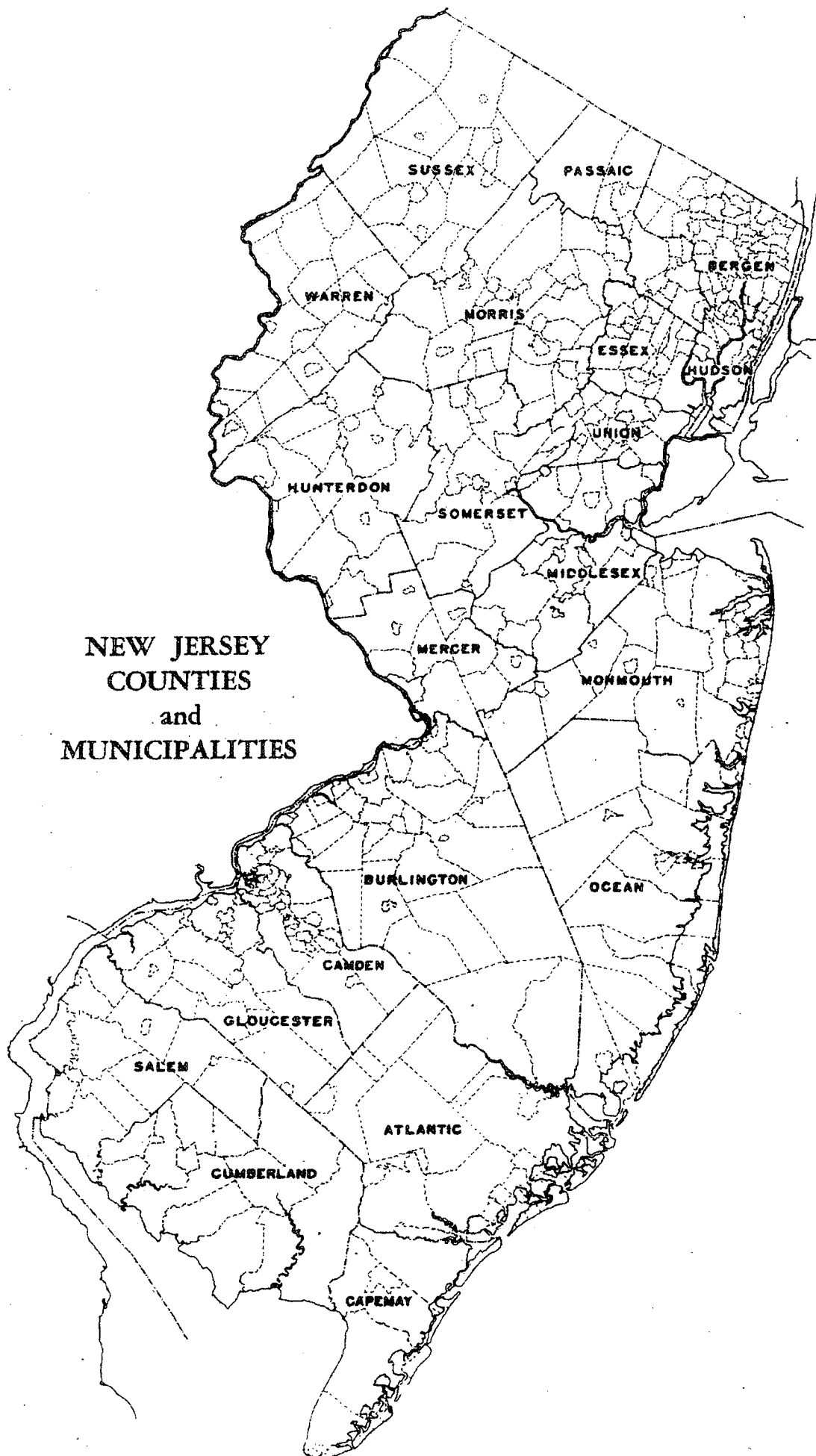
What this Commission proposes is neither unique nor revolutionary; in fact, it was conceived decades ago and should have been implemented then as well. As the following quotation from the preface to the Home Rule Act of 1917 indicates, our municipalities were never meant to “go it alone”—to operate as wholly separate and exclusive entities.

The bill (The Home Rule Act of 1917) provides for the joining of two or more municipalities in any undertaking in which one may engage. This provision is the best that can be made at present to relieve a situation that is being brought about by the rapid increase of population in the State. Only two states in the Union are more densely populated than New Jersey. *In many instances, particularly in the northern part of the State, the municipal unit is too small to engage in many undertakings.* This has resulted in the combining of several municipalities into districts for the purpose of providing sewerage facilities and the acquiring of water plants. In the vicinity of New York City, New Jersey municipalities are thickly settled and have many interests in common, *and some system must be devised for the formulation of a district or districts which will have power to undertake such activities as are common to all municipalities of the district, leaving only those activities which are local in their nature to be undertaken by a single municipality.* It may, in the near future, be considered a wise policy in this State to grant to the counties certain powers which are now only vested in municipalities. *We do not consider this a violation of the principle of home rule when the powers transferred relate to the matters which are really of county-wide interest.*¹

What was obvious to local government leaders 55 years ago is painfully more so today! The better services which we can provide and the economies which we can realize, cannot wait another few decades. Our response to these problems must be immediate.

The Commission, therefore, recommends that the State give local governments increased opportunity and every incentive to meet, through voluntary joint services, the pressing problems it faces today.

**NEW JERSEY
COUNTIES
and
MUNICIPALITIES**



CHAPTER I

The Development and Characteristics of Municipal Government in New Jersey

The historical development of municipal government in New Jersey reflects in great measure the uniqueness of New Jersey's geographic location in the mid-Atlantic area. In Colonial New England, the town or township was much more powerful than the county. In the southern colonies, however, the county rather than the municipality was relied upon for the provision of basic government services. Colonial government in New Jersey blended these two approaches. The county, while still an agency of the State, was responsible for some major services,¹ but the municipality was on the whole more important than the county, because municipal government was chartered by the State to provide citizens with the power of self-government. In other words municipalities were popularly-governed democratic units while counties were agencies of the central government with no powers of self-government.

By 1798, townships were constituted as "bodies corporate and politic" with certain rights to regulate their own affairs.² Unlike county government, which was also given limited powers in that year, municipal government's position was improved by the granting of individual charters throughout the early and mid-1800's. Thus, while the status of counties remained roughly the same over the century, municipal powers and rights grew through special charters to individual municipalities. Moreover, since charters gave increased home rule powers, and thus acted as an incentive for residents to incorporate new municipalities, the number of municipalities proliferated, as Table I-1 below indicates. Because many of our present service problems stem from this historical development, it is important to note not only the rapidly-growing numbers of municipalities (a 130.5% increase in the last 100 years) but also the geographic effect of this proliferation.

In many areas of the United States, states were methodically divided into squares which became counties and into smaller

<p>TABLE I-1 ³</p> <p>NUMBER AND TYPE OF MUNICIPAL GOVERNMENTAL UNITS</p> <p>1790-1970</p>							
<i>Year</i>	<i>Cities</i>	<i>Towns</i>	<i>Township</i>	<i>Boroughs</i>	<i>Village</i>	<i>Total</i>	<i>% In-crease over previous year cited</i>
1790	2	0	67	1	0	70	
1850	8	2	154	5	0	169	141.4
1870	25	23	190	5	3	246	45.6
1917	39	39	242	193	4	517	110.2
1970	53	21	232	257	4	567	9.7
<p>% INCREASE IN NUMBER OF MUNICIPALITIES</p> <p>1790 TO 1970 = 710%</p>							

squares which became townships. Such a simple approach was impossible in New Jersey because early settlement was undertaken at first by different countries and later by different colonies who often used rivers and streams as boundaries. As a result, New Jersey's political subdivision map looks much more complex than those of other and newer states.

The result of this phenomenon was obvious. For the municipalities whose boundaries were highly irregular, the burden of providing services evenly was increased if the shape of the unit, or its size, made the provision of such services difficult. Of course, in the 18th Century, when government provided few services, this problem did not have the significance it does today.

Unfortunately, another development—the granting of special charters—further complicated the situation. Since the legislature was free for most of the 19th Century to pass special charters which did not even have to be ratified by the inhabitants, many new municipalities were formed. Once again, their formation was not decreed by surveyors or laid out along neat lines. Rather, it was based on contemporary population, developmental and political factors. Often, municipalities were created when one small area of a large township had so developed and grown in population that it was to their advantage to secede from the larger and less developed area. In fact, for the entire 19th

Century the number of municipalities incorporated far exceeds the number of annexations of smaller governments into cities like Newark. The unfortunate result of the proliferation of governments was that often these new governments were in the very middle of other units, thus creating what has often been called the "hole in the doughnut" situation. In 1870, there were only 7 such municipalities within municipalities. Today there are 35. In terms of small incorporated units generally, New Jersey had 5 boroughs in 1870. One hundred years later, we have 257.⁴ Thus, the policy toward fragmenting government is historically based.

Once again, fragmentation *per se* need not be a problem. But as the 19th Century entered into its last quarter, the legislature began strengthening municipal government substantially. In 1875 a constitutional amendment which prohibited special legislation was adopted.⁵ During the period 1878-1891 townships, towns and villages were granted even broader powers. In 1917, the legislature passed the Home Rule Act,⁶ which set forth in detail the powers and rights of all municipalities, granting them fundamentally the broad base of legislative powers to act for the general health, safety and welfare of their inhabitants which they enjoy today. Although New Jersey is not one of the 21 states with constitutionally-guaranteed home rule,⁷ the legislative policy and history of municipal government indicate that in few states outside of New England do municipalities exercise the power and provide the services—and levy the taxes—which they do in New Jersey.

As the legal powers and duties of municipalities were growing rapidly between 1875 and 1920, the number of municipalities increased at an even faster rate. The municipality therefore came to be a most powerful government, providing almost every service the average person required. Yet it was at precisely this time when the number of municipalities grew to a point where fragmentation represented a serious if unseen threat to effective local government. It was immediately after 1917 that the introduction of the mass-produced automobile changed drastically the pattern of life in urban New Jersey, creating what was to become a highly mobile society whose citizens crossed dozens of municipal boundaries each day.

Our municipalities by 1917 had been given broad grants of power to provide all the services their citizens needed. Yet, as

society became more complex, and problems grew with suburban sprawl, the proliferation and fragmentation of governments which shared this grant of power was so great that no one of them, in spite of legal powers, had the resources, the skills or the area-wide jurisdiction to get at the roots of any problem, because it may have been from two to twenty-two municipalities away.

In other words, by giving hundreds of units equal and broad powers we made those units in great measure powerless to solve their problems. By thus fragmenting authority we have substantially weakened not only local government and home rule, but also the chief virtue of the system—the individual municipality's ability to meet its citizens' needs.

This geographical or jurisdictional fragmentation is but one aspect of the problem. In addition to giving municipalities responsibility for a full range of services, our State has also given them the task of raising most of the money for these services themselves. As the next chapter will show, by making the municipality so completely responsible for its own solvency and welfare, we have in great measure caused problems unmet in one municipality to spread to adjacent ones. For many of our municipalities today home rule has become a negative attribute, for it only means that the mayor is "holding the bag" for many problems which his municipality simply cannot solve alone.

In addition to fiscal problems, the very nature of the services municipal government must provide today is in itself a major problem. The many problems faced today, from sewage and solid waste treatment to traffic control, law enforcement, clean water supply, air pollution control, drainage, transportation and a host of others simply cannot be met at all by most municipalities acting alone. The origins of these problems lie outside any single municipality's borders, and perhaps in several other municipalities or counties.

Municipal government today is charged with the primary responsibility for providing the direct services government provides to citizens in New Jersey today. It is therefore a vital level of government; if it fails, the entire system must break down and the result is inability to provide the services our citizens need and deserve. The answer must be to give municipal government the tools—to build into it the properties—which will enable it to meet these needs through a variety of approaches and programs.

Since this report deals primarily with joint municipal provision of services, we must now compare the major problems against the possible benefits of such joint services and determine what should be done.

CHAPTER II

The Setting for Cooperative Municipal Services

The truisms about New Jersey's local government system provide the reasons for the need to consolidate services at the inter-local or area wide level. First, New Jersey is a highly urbanized state, with all the attendant problems of air and water pollution, solid waste disposal, traffic and transit which characterize the urban society. Second, New Jersey local government relies on the property tax more than that in almost any other state. As a result, local government is frequently, if not always, strapped for revenue. Third, New Jersey municipalities are so small in many cases that independently they may not be viable governments.

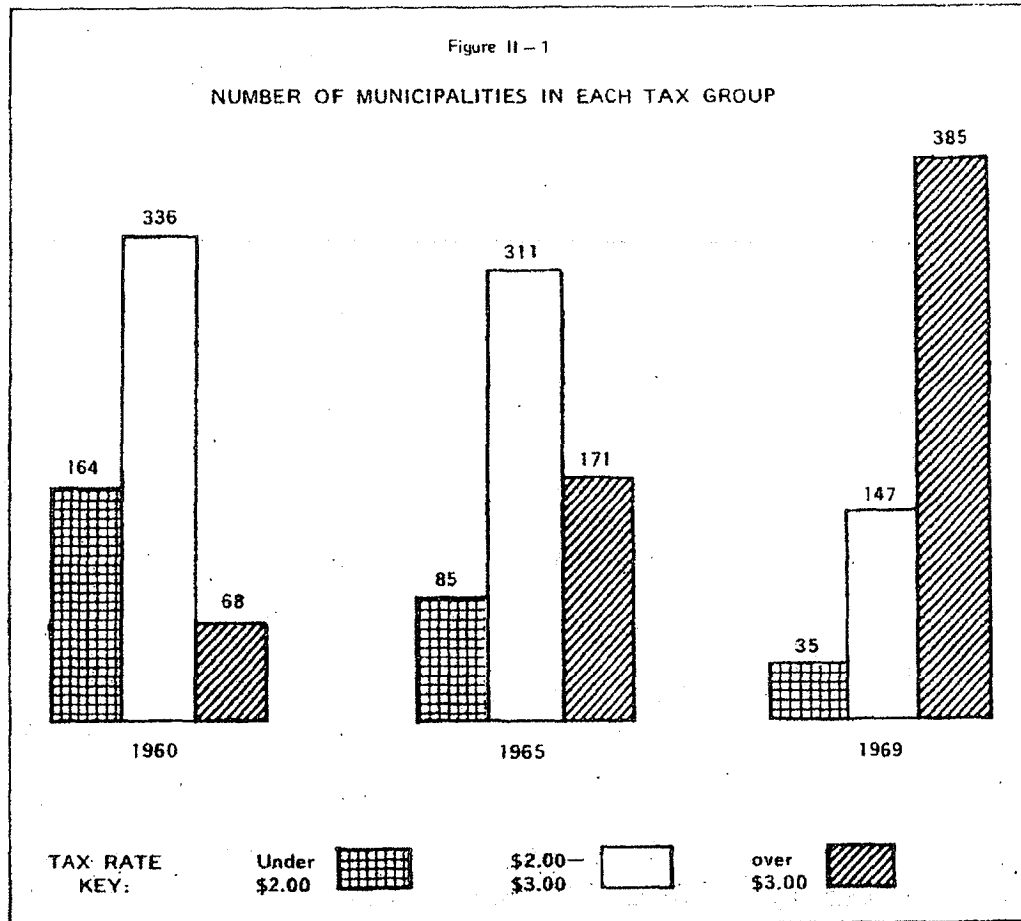
The evidence on environmental and area-wide service problems need not be discussed in detail here. No single municipality can provide relief to its citizens from smoke billowing forth from a municipality three miles away. No single municipality can provide flood protection if neighbors do nothing about their drainage problems. No police department can solve traffic problems which begin on a bad road five miles away. No municipality can dispose of its garbage if it has no land on which to do so. Thus, there is little doubt at this point that there are many obvious services where joint action is the only solution. But in terms of fiscal inability and service inadequacy, there is ample reason to believe that joint provision of services can solve many of the problems we face today.

More than almost any other state, New Jersey lets local government shift for itself. Forty-one of the fifty states provide more aid to local government than New Jersey. Furthermore, as Table II-1 indicates, property taxes—New Jersey's primary local revenue source—actually rose as a percentage of local revenue between 1960 and 1967 while they declined in other states.

TABLE II-1						
COMPARISON OF LOCAL GOVERNMENT REVENUES, NEW JERSEY AND ALL LOCAL GOVERNMENTS IN THE UNITED STATES, 1960-1967 ¹						
Source of Revenue (including state aid to education) (% of Total Revenues)						
	State Aid		Property Tax		Other Sources	
	1960	1967	1960	1967	1960	1967
New Jersey Municipalities	1.1%	2.2%	75.6%	76.0%	23.4%	21.8%
Local Governments in the United States	24.3%	27.7%	40.4%	37.8%	35.3%	34.5%

The effect of this localization of burdens is evident in the rapid and indeed alarming rises in property taxation over the past nine years, as Table II-2 indicates.

TABLE II-2			
COMPARISON OF MUNICIPAL TRUE TAX RATE GROWTH: 1960, 1965, and 1969 ²			
Tax Rate Group	1960: Municipalities Number (Per Cent)	1965: Municipalities Number (Per Cent)	1969: Municipalities Number (Per Cent)
under \$1.00 ..	8 (1.4%)	7 (1.2%)	6 (1.0%)
\$1.00 to \$1.99 ..	156 (27.5%)	78 (13.8%)	29 (5.1%)
\$2.00 to \$2.99 ..	336 (59.3%)	311 (54.9%)	147 (25.9%)
\$3.00 to \$3.99 ..	52 (9.2%)	151 (26.6%)	277 (48.9%)
Over \$4.00	15 (2.6%)	20 (3.5%)	108 (19.1%)
Total	567 (100%)	567 (100%)	567 (100%)



The impact of this localization is easily visible in the tremendous cost increases in almost every area of municipal service. Moreover, with the advent of collective bargaining for local government employees, there is reason to believe that the annual growth rate in expenditures may well accelerate rather than decline. Almost all services today cost significantly more than they did eight years ago. Since 1960 New Jersey's population has grown by 17%, yet per capita expenditures have grown over 50% as the table below indicates.

TABLE II-3
COMPARISON OF PER CAPITA MUNICIPAL
EXPENDITURES, 1960 AND 1968 ³

<i>Functional Area</i>	<i>Per Capita 1960</i>	<i>Expendi- tures 1968</i>	<i>% Increase 1960-1968</i>
<i>General Government</i>			
Administrative & Executive	\$6.39	\$9.10	+ 42.4%
Assessment & Collection of Taxes	\$2.07	\$2.55	+ 23.1%
Financial Administration	\$.69	\$1.10	+ 59.4%
<i>Public Safety</i>			
Fire Protection	\$7.42	\$10.37	+ 39.7%
Police Protection	\$13.02	\$19.52	+ 49.9%
Civil Defense & Disaster Control	\$.18	\$.19	+ 5.6%
<i>Streets and Roads</i>			
Repairs and Maintenance	\$7.10	\$12.80	+ 80.2%
<i>Sanitation</i>			
Garbage and Trash Re- moval	\$3.04	\$5.23	+ 72.0%
Sanitary Sewers	\$2.27	\$2.82	+ 24.2%
<i>Health and Welfare</i>			
Health Services ^a	\$1.69	\$2.21	+ 30.7%
Welfare--Public Assistance	\$1.36	\$1.80	+ 32.3%
Hospitals ^b	\$3.38	\$3.16	(-) 6.5%
<i>Recreation</i>			
Beaches & Boardwalks	\$.37	\$.46	+ 24.3%
Parks & Playgrounds	\$1.61	\$2.23	+ 38.5%
Other Recreational Services	\$.59	\$1.12	+ 89.8%
<i>Education</i>			
Libraries	\$1.73	\$2.71	+ 56.6%
Other Educational Services	\$.21	\$1.33	+533.3%
<i>Statutory Expenditures</i> ^c	\$4.39	\$8.94	+103.6%
<i>Municipal Functions</i>			
<i>Expenditure</i>	\$61.45	\$92.55	+ 50.6%
<i>Per Capita Total Tax Levy</i> (includes school & county taxes)	\$174.21	\$214.59	+ 23.1%

^a Except Environmental, 1968.

^b Includes First Aid and Clinics, 1968. Decreases in municipal hospital expenditures between 1960 and 1968 are attributable to increased county and state aid to hospitals.

^c Includes Pensions, FCIA and Employee Fringe Benefits.

Yet, they do not have sufficient resources to meet these needs. As years pass, their resources actually decline relative to those of their wealthier, suburban and developing neighbors, as indicated in Table II-5.

<p style="text-align: center;">TABLE II-5 COMPARISON OF 1961 AND 1968 PER CAPITA EQUALIZED VALUATION FOR SELECTED COUNTIES AND THEIR CENTER CITIES ⁵</p>			
<i>County or Municipality</i>	<i>1961 Per Capita Equalized Valuation</i>	<i>1968 Per Capita Equalized Valuation</i>	<i>% Change Per Capita Equalized Valuation 1961-1968</i>
Essex County . . .	\$4,520	\$5,618	24%
Newark City . . .	3,372	3,801	13%
Atlantic County . . .	\$4,881	\$5,485	12.3%
Atlantic City . . .	4,838	4,576	-5.5%
Mercer County . . .	\$4,672	\$5,491	17.5%
Trenton City . . .	3,762	3,233	-14.1%
Camden County . . .	\$3,599	\$4,328	20.2%
Camden City . . .	2,681	2,592	-3.4%

In previous reports, this Commission has dwelt at length on the problems of older residential municipalities, particularly those in counties with center cities. Many older municipalities have no new industrial ratables coming in while their costs, especially in education, are rising more rapidly than those for other types of municipalities. Their problems are compounded by two additional factors: 1) high county tax bills for urban services, such as welfare and judicial administration; and 2) the need to replace vital capital facilities before they go into complete decline. Their expenditures are higher than those of newer communities in suburban counties and yet their resources are either stable or growing at a far smaller rate than those of their neighbors or, indeed, than their expenditures. The following table, comparing per-capita equalized valuations in urban and suburban counties, illustrates this point by showing that older communities in the urban counties spend more for local services and county government costs than municipalities in predominantly suburban counties.

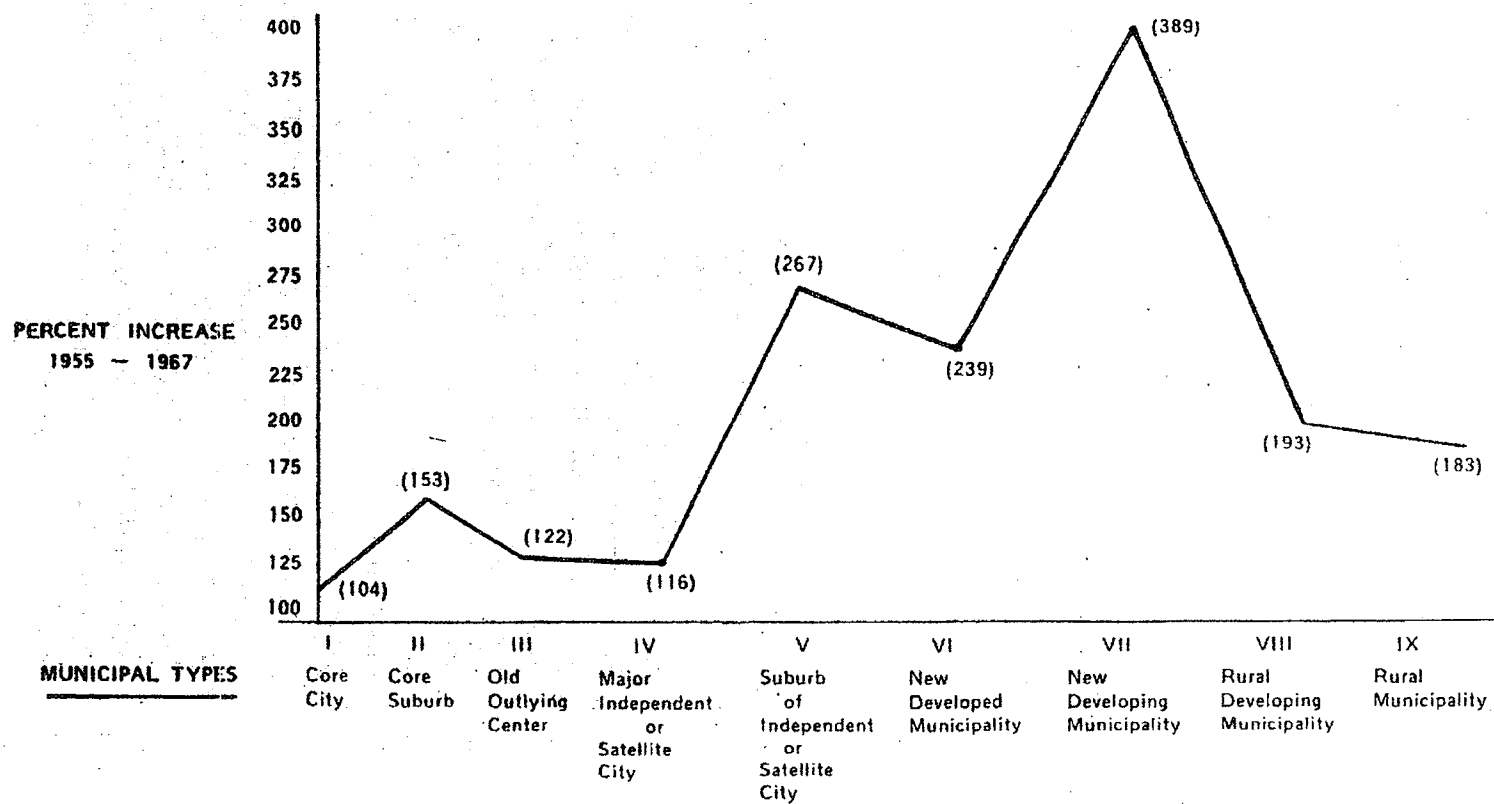
<p style="text-align: center;">TABLE II-6</p> <p style="text-align: center;">COMPARISON OF MUNICIPAL FUNCTIONAL EXPENDITURES, COUNTY TAX LEVY AND EQUALIZED VALUATION PER CAPITA IN SELECTED URBAN AND SUBURBAN COUNTIES ⁶</p>			
<i>County</i>	<i>Per Capita Municipal Functional Expenditures</i>	<i>Per Capita County Tax Levy</i>	<i>Per Capita Equalized Valuation</i>
Hudson	\$132	\$50	\$4,651
Bergen	72	27	8,733
Passaic	76	31	6,639
Essex	131	57	5,618
Union	86	28	7,864
Morris	65	30	8,393
Camden	54	34	4,328
Burlington	37	21	4,148
Gloucester	40	22	4,763

In many respects tax rises are viewed subjectively. In rural and developing areas, residents have traditionally provided their own services, incurred minimal education and capital costs, and thus maintained relatively low tax rates. The rapid rises in functional expenditures shown for rural and developing municipalities in the graph below cause two related phenomena to occur: first, as taxes rise land can no longer be left vacant or used for farming. Second, municipal officials, realizing that increased population development means increased expenditures, seek to keep costs low so that large landowners will not sell-off tracts for residential development. The result is an attempt to "hold the line" on services, even where they are desperately needed. In such communities it is not uncommon for the municipal services portion of the tax dollar to remain virtually constant over a period of several years, in spite of increased growth and costs. Under these conditions it is easy to see why many developing municipalities defer major service improvements for too long, even to the point where they may be much more costly when finally undertaken.

The same phenomenon occurs even in rural municipalities. Small populations which are widely scattered often cannot be provided services on an economical basis, thus the service is not

Figure II-2

Comparison of the Growth Rates of Municipal Functional Expenditures (expressed as per cent increase from 1955 to 1967) by Type of Municipality.⁷



provided at all. As a recent study in the public health area stated:

"Thus, it is easy to see why so many local units have failed to employ full-time personnel or, for that matter an adequate number of part-time officials. In one respect this makes good economic sense and responsible authorities should perhaps be commended, for to hire a regular staff under these conditions would probably lead to a frightful waste or misuse of the taxpayer's dollar. However, there is yet another side to this governmental problem, what might be called the debit side of the ledger. In the process of not employing enough qualified personnel, many public health needs in New Jersey have gone unmet, this toll in human misery and misfortune being difficult to calculate or even to estimate."⁸

The problems of the system, then, are clearly tied to this localization of fiscal responsibility. In older communities where services are obviously necessary, resources cannot meet needs. In newer and developing communities where services may not appear necessary until a crisis arises but where rising tax rates are obvious political factors, services are simply deferred to meet political realities. In rural communities they are frequently not undertaken at all.

It is easy to document the overwhelming needs of our major cities. It is far more difficult to show exactly how inadequate services are in many of our rural and developing municipalities. But the cost—in terms of failure to provide adequate services, and in terms of the inflated costs of undertaking a needed service three or four years after it should have been initiated—would probably be staggering if it could be calculated. Certainly, one can say at the very least that the collective action of our 567 municipalities operating under these tremendous fiscal pressures results in a service output substantially below that which the citizens of this state and the municipal leaders of this state would like to see.

Under these circumstances the Commission believes that joint services will be useful in overcoming some of the weaknesses it has been discussing. In urban areas, for example, joint services may enable municipalities to stabilize costs through realizing a more efficient operation by joint use of expensive equipment, by sharing personnel and administrative expenditures and by joint planning of future needs and development. In the newly-

developing areas, joint services could have a tremendous effect in cutting down the heavy overhead cost associated with initiating a new service program. This would, hopefully, enable municipalities to meet needs economically and effectively as they arise. Finally, in rural areas joint endeavors may well be the only answer to the problem. Larger units would not only be able to provide services which no single municipality could provide for itself, but they would also be able to attract the high caliber of personnel to whom a small unit can offer neither the salary nor the kind of professional challenge that a larger could. Thus, joint services can be a major factor in improving the local government system in New Jersey and enabling it to meet the many pressing problems it faces today and is likely to face in the coming years.

CHAPTER III

Benefits of Joint Service Provision

It is clear that local government must find new approaches to meet today's problems and that joint service provision appears to have definite uses and benefits, not only to achieve economy, but to do things which no single municipality can do on its own.

The Commission has found that an overwhelming majority of local officials want to enter into joint service agreements at this time; we, therefore, recommend that additional means of incentive and encouragement be utilized to foster voluntary joint agreements.

It will then be up to local officials to move fast enough to meet their service needs, with all the help possible from the state. In those areas where they cannot, or will not, do the job themselves, the state may well have to seek other means; but to the extent that voluntary joint provision is feasible, municipal efforts should be given every opportunity to succeed.

The following table indicates that in almost every service area throughout the nation, as well as in New Jersey, real benefits can be achieved by joint programs. In some cases the benefits are better services; in some cases, financial savings; in other cases, both; in all cases, joint provision was of great benefit. Almost no municipality in this state today is so isolated from urbanization and development, either by geography or resources, that it should not seek to employ joint provision as an approach in one or more service areas.

TABLE III-1

SUMMARY OF THE BENEFITS OF COOPERATIVE EFFORTS IN
NEW JERSEY AND OTHER STATES ¹

ENVIRONMENTAL PROTECTION

Service Area

Benefits

1. Sewerage Disposal

NATIONAL

FLORIDA:
(Form: intermunicipal)

Miami, South Miami, and Coral Gables built a joint facility. Coral Gables was thus able to provide *secondary* treatment for \$19,000 per year *less* than it had previously cost to provide *primary* treatment in its old municipal plant.

NEW JERSEY:

Studies in the master sewage plan for Monmouth County and figures from Commission staff surveys clearly indicate that the smaller plants are not as economical in terms of operating costs as the larger plants.

**COMPARISON OF SELECTED SEWAGE TREATMENT COSTS
(EXCL. AMORTIZATION) ***

<i>Regional/Municipal System</i>	<i>Plant Capacity Millions Gal. per Day</i>	<i>Average Daily Flow in Millions of Gal.</i>	<i>Treatment Cost per Million Gal.</i>
<i>Primary Treatment</i>			
Matawan8	.6	\$140.
Keyport9	.7	\$140.
Long Branch	3.5	2.4	\$140.
Asbury Park	5.5	3.4	\$65.
Rahway Valley Sewage Authority	56.0	30.0	\$23.
Passaic Valley Sewage Authority	240.0	235.0	\$37.
<i>Secondary Treatment</i>			
Freehold8	.64	\$270.
Eatontown	1.0	.53	\$180.
Bergen County Sewage Authority	50.0	50.0	\$132.

* Note: Several important factors make sewerage disposal services, particularly in the New Jersey setting, substantially different than other services. While this report does not propose any new programs in this area, we offer the above evidence to indicate that economy can be achieved in area-wide services.

TABLE III-1—(Continued)

SUMMARY OF THE BENEFITS OF COOPERATIVE EFFORTS IN
NEW JERSEY AND OTHER STATES ¹

Service Area

Benefits

2. Solid Waste Disposal

NATIONAL

VIRGINIA:
(Form: Authority)

In the Richmond area a regional land fill authority was able to serve municipalities for \$1.23 per ton, while the prices the individual municipalities had been paying before the joint operation ranged from \$1.47 to \$1.60 per ton.

CALIFORNIA:
(Form: County-Municipal)

In Orange County, where many municipalities simply did not have land for a disposal site, the county entered into a contractual program which met all municipal needs.

NEW JERSEY:
(Form: Intermunicipal)

One New Jersey mayor stated that his municipality "had saved thousands of dollars each year by contracting with another municipality to provide collection and disposal services". In Sussex County, Sparta Township has acquired and developed a regional sanitary land-fill capable of serving the needs of 17 of the 24 municipalities in the county for a period of 25 years.

3. Water Treatment

NATIONAL

NEW YORK:

Studies confirmed the inverse relationship between plant capacity and water treatment costs.

<i>Plant Capacity Gallons Daily</i>	<i>Cost per Million Gallons</i>
1,000,000	\$120.00
5,000,000	68.00
10,000,000	52.00
20,000,000	40.00

TABLE III-1—(Continued)

SUMMARY OF THE BENEFITS OF COOPERATIVE EFFORTS IN
NEW JERSEY AND OTHER STATES ¹

Service Area

Benefits

4. Health Services

NEW JERSEY:

With the passage of the State Health Aid Act of 1966 state aid was made available to local health departments employing a full time health officer and servicing an area of 25,000 or more people. In Hunterdon County, for example, twenty-five municipalities are participating in a county health program almost completely subsidized by the State Health Aid Act. These municipalities are enjoying the services of a full time professional health staff. Services include: inspection of camps, housing, potable water supplies, sewage disposal systems, and an insect and rodent control program. Prior to joining the county health program these municipalities did not provide most of these essential health services. In another county a mayor stated that his municipality has "saved \$28,000 a year by joining the county health program and we have not lowered our service levels". Since the passage of the Health Aid Act over 220 municipalities in New Jersey have joined county health programs.

GENERAL GOVERNMENT ADMINISTRATION

1. Joint Purchasing

NATIONAL

MICHIGAN:
(Form: County-
Municipal)

In Monroe County, 43 local governments saved \$15,000 on gasoline purchases in 1968 and one school district in the program reported it had saved over \$1,560 in the purchase of 32 new electric typewriters for a secretarial course.

NEW JERSEY:
BERGEN COUNTY:
(Form: County-
Municipal)

50 school districts and 55 municipalities have saved over \$100,000 by joint effort. The annual savings for the participating municipalities in gasoline purchase alone amounted to over \$35,000 in 1968.

TABLE III-1— (Continued)

SUMMARY OF THE BENEFITS OF COOPERATIVE EFFORTS IN
NEW JERSEY AND OTHER STATES ¹

<i>Service Area</i>	<i>Benefits</i>
SUSSEX COUNTY: (Form: Inter-municipal)	Four municipalities—Sparta, Andover, Newton and Ogdensburg—inaugurated a cooperative joint purchasing program in 1967 and since then have enjoyed considerable savings in the purchase of fuel oil, gasoline, rock salt and snow grits.
NEW JERSEY STATE PURCHASING PROGRAM (Form: State-County-Municipal)	Many municipalities, school districts and counties are saving large amounts of money by purchasing commonly used commodities through the recently inaugurated state purchasing program administered by the Division of Purchase and Property, State Department of the Treasury. For example, local governments may save as much as \$1,000 per car on the joint purchase of police cars which have been tested and approved by the State Police. Middlesex County saved \$10,000 by purchasing 22 cars through the state program. Low bids received by the Board of Freeholders came in at \$53,000 for the 22 cars compared to the price of \$42,800 paid through the state contract. Essex County recently purchased furniture for its new Hall of Records building at a savings of 5% below the lowest bid. When school buses are added to the commodity list, school boards will save an estimated \$1,000 per bus by purchasing through the state program. Similar savings are offered on many other items including tires, microscopes, copy machines and supplies, etc.
2. Law Enforcement	
NATIONAL	
KANSAS AND MISSOURI: (Form: Intermunicipal, across state lines)	In Kansas City, Kansas and St. Louis, Missouri, squads of specially trained local police are activated when major crimes occur. The police chief of the Kansas City Metro Squad said, "We can deal with criminals who move back and forth across state and municipal boundaries".

TABLE III-1—(Continued)

SUMMARY OF THE BENEFITS OF COOPERATIVE EFFORTS IN
NEW JERSEY AND OTHER STATES ¹

Service Area

Benefits

MICHIGAN:
(Form: County-Municipal)

Detroit and Wayne County inaugurated a special Communications Control Center following the 1967 riots. In the days after Martin Luther King's assassination in 1969, the center's professional staff of 19 handled over 4,000 calls.

3. Tax Collection

NATIONAL

GEORGIA:
(Form: County-Municipal)

In Bibb County (Macon), Georgia, the county assumed all assessing and collecting functions after 1964. During this four year period 1964-1968 a savings of approximately \$100,000 was accomplished although salaries had increased by 35 to 40 percent.

<i>System</i>	<i>Year</i>	<i>No. of Employees</i>	<i>Taxes Coll.</i>	<i>Collection Costs per \$1 Million</i>	<i>Total Costs</i>
Before	1964	59	\$8.5M	\$46.00	\$333,865
After	1968	39	14.6M	16.06	234,562
		20		\$29.94	\$ 99,303

MISSOURI:
(Form: County-Municipal)

The City of Springfield contracts with the county for tax collection and billing, and the city manager estimates that this saves the city some \$50,000 annually.

NEW JERSEY:
(Form: Inter-municipal)

The boroughs of Caldwell and Essex Fells (Essex County) have a joint tax assessor, who services both municipalities. Somerset County, with the use of its E.D.P. equipment, is keeping assessment records for all 21 municipalities and is preparing tax bills for most municipalities in the county at a substantial saving in time and money.

TABLE III-1--(Continued)

SUMMARY OF THE BENEFITS OF COOPERATIVE EFFORTS IN
NEW JERSEY AND OTHER STATES ¹

<i>Service Area</i>	<i>Benefits</i>
4. Data Processing	
NATIONAL	
NEW YORK:	A study conducted in 1962 by the Syracuse Governmental Research Bureau demonstrates significant cost advantages for municipalities joining in a central data processing unit. Costs for three independent units were \$111,099 compared with \$86,224 for a single unit, capable of performing the same work.
CONNECTICUT:	A proposal for a regional municipal information handling service indicates that the cost of providing such services on an individual municipality basis would be \$9 million, while a regional system providing the same service would cost approximately \$1 million.
NEW JERSEY:	Twelve of 21 counties (including Hudson, Bergen, Morris, Monmouth, Middlesex and Somerset) and a few municipalities (including East Orange and Edison) have purchased data processing equipment. They are offering services such as preparation of payrolls, tax accounts, class schedules and report cards for school boards, jury selection, violations control, and court dockets. One municipality indicated that the costs of preparing municipal payrolls and other payments had been reduced from 25¢ to 15¢ per check. Jobs which previously required as much as two weeks to complete by hand can be performed in 10 or 15 minutes by the use of a computer.

CHAPTER IV

Present Cooperation in New Jersey

The Extent of Present Joint Services

From the Commission's study of present cooperation in New Jersey one central fact emerges: *local government in this state is not using joint service provision to the extent practicable and advisable to meet the problems it faces.* To achieve any benefit from cooperation, the agreement must be formal and specific, so that each party is certain what personnel, facilities and equipment will be supplied on a regular basis. Informal or stand-by or emergency aid in areas like police and fire protection may be advantageous. But it is neither reliable in a general emergency involving all neighboring communities nor does it enable any municipality to spend less on its own services. In addition, it does not touch the day-to-day operating costs and programs of the system. Yet, as Table IV-1 below indicates, almost half the "cooperation" reported was of this informal type. Moreover, whatever formal cooperation was reported is either in areas where the state has mandated cooperation, as in sewerage, or in areas where counties have provided the services for fifty years, as in libraries and criminal investigation. In other words, there is very little recently initiated joint service provision.

Cooperation in Specific Service Areas

The Commission's research in national trends in joint municipal services indicates that cooperation:

1. tends to be low in any area where the state has not moved to promote it;
2. usually involves more costly services which are not directly related to a community's style of life or character, such as sewerage, rather than services like police patrolling, education and planning and zoning;
3. occurs mainly in areas where the benefit is immediate and obvious, such as joint purchasing;

TABLE IV-1					
A. TYPE AND NUMBER OF COOPERATIVE AGREEMENTS ¹					
Type of Agreement			Number of Agreements		
Informal			1,457		
Service Contract					
With county			745		
With another municipality			615		
Joint Service			465		
Authority or Special District			266		
Total			3,548		
B. NUMBER OF COOPERATIVE AGREEMENTS BY TYPE OF AGREEMENT AND SERVICE AREA					
Service Area	Type of Agreement				
	Service Contract		Joint Service	Informal	Authority or Special District
	With County	With Municipality(ies)			
1. General Government	77	16	15	16	3
2. Public Safety	199	128	84	553	26
3. Fire and Civil Defense	47	92	99	464	5
4. Public Works and Utilities	63	268	161	166	185
5. Parks and Recreation	16	13	14	48	4
6. Health, Hospitals and Welfare	244	71	57	83	22
7. Planning, Housing and Redevelopment	10	7	4	40	11
8. Libraries	89	20	31	87	10
Total	745	615	465	1,457	266

4. seldom induces joint programs in major services between dissimilar communities.

In New Jersey these patterns certainly were confirmed.

With the exception of those areas where state action has prompted joint provision, cooperation in general seems to be in the subsidiary areas such as stand-by police and fire agreements rather than in the major cost areas. For example, 10% of our municipalities cooperate in purchasing, but only 3.5% in tax assessment and collection. But in terms of potential savings and community revenues, the latter is far more important. In the police area, 30.4% cooperate in police radio dispatching, but only 3.9% in regular police car patrolling. In fire fighting, 17.5% cooperate in dispatching, yet only 1.6% cooperate in building and equipment purchase and maintenance. Thus, as Table IV-2 below indicates, in those areas where the state and the county have not entered into the picture, the municipalities simply are not providing joint services on the high cost and most important items. In areas such as planning and zoning, cooperation is almost nonexistent.

Furthermore, the basic level of cooperation in any form is incredibly low. Only 45% of the 400 municipalities listed even stand-by informal fire fighting, and in the most important functions the actual level of formal cooperation was below 5 to 10%.

The correlation between joint services and state action can be seen from the tables below, which indicates clearly that only where the state has stepped in do municipalities cooperate in significant numbers. Interestingly enough, the areas in which the state has acted in the past few years have shown rapid increases in joint agreements. Where federal funds have been cut back, and municipalities have not been required to cooperate in planning and coordination of development, however, the percentage of reported cooperation has actually *declined*. The purpose of this data is not to show that municipalities will not cooperate; it is to show the cardinal importance of state action to promote such cooperation.

TABLE IV-2

SUMMARY OF PRESENT JOINT SERVICE PROVISION IN NEW JERSEY 2

Functional Area	Amount of Cooperation in selected areas (% of municipalities engaged in cooperative programs)	Level of Cooperation	Aspect of Service in which most cooperation is found	Form of Agree.*	Problems Entailed†	Role State Has Played
General Government	Joint Purchasing—10% Tax Assessment—3.6% Tax Collecting—1.6%	There is little cooperation in this functional area.	Joint Purchasing of petroleum products, automobile accessories, office supplies, etc.	SC (C)	Lack of know-how, tangible benefits, politics.	The Office of Community Services (Department of Community Affairs) provides technical assistance and information to municipalities and counties desiring to implement joint programs in this area.

* Form of Cooperative Agreement:

SC (C) —Service contract with the county providing service.

IA —Informal Agreement.

SC (M) —Service contract with other municipality(ies).

Auth. —Authority or Special District.

** The State Law Enforcement Planning Agency (SLEPA) was established in August, 1968 to administer and develop a state-wide program of upgrading our law enforcement system.

† Problems Entailed:

1. lack of know-how; municipal officials may not know how they can benefit or how to establish the program;
2. lack of tangible benefits; in some services the benefits will not be so immediately obvious as to overcome initial negative reactions;
3. fiscal difference among communities; possible partners may have less fiscal resources and thus the mayor may feel his municipality would assume extra burdens;
4. service level differences; social and developmental differences may create different service levels in two adjacent municipalities;
5. political; municipal officials may feel that because of the controversial and political nature of a particular service that cooperation is virtually impossible.

TABLE IV-2— (Continued)
SUMMARY OF PRESENT JOINT SERVICE PROVISION IN NEW JERSEY ²

<i>Functional Area</i>	<i>Amount of Cooperation in selected areas (% of municipalities engaged in cooperative programs)</i>	<i>Level of Cooperation</i>	<i>Aspect of Service in which most cooperation is found</i>	<i>Form of Agree.*</i>	<i>Problems Entailed†</i>	<i>Role State Has Played</i>
Police	Dispatching—30.4% Supplemental—stand-by agreements—27.5% Regular Patrol—3.8%	In areas where there is significant cooperation it is of an informal, standby nature.	Dispatching, supplemental and emergency use, and recruiting and training.	IA, SC (C)	Lack of know-how, fiscal differences, service level differences, and politics.	The State Police provides training, laboratory facilities and supplementary patrol and in some municipalities they provide 100% of the police services. SLEPA** encourages area-wide police coverage and in at least one area—joint county detention facilities—is providing incentive grants for joint cooperation.
Fire and Civil Defense	Supplemental Stand-by Fire-fighting—44.9% First Aid Squads—22.0% Building Purchase and Maintenance—1.6%	In areas where there is significant cooperation it is of an informal, standby nature.	Supplemental Standby Fire-fighting, Dispatching, and First-aid Squads.	IA	Fiscal and service level differences.	State has done little in this area to promote joint cooperation. The voluntary nature of most municipal fire departments and the vested interests these departments have in preserving their independence precludes the joint provision of fire services.

Public Works and Utilities	Sewage Treatment—37.2% Sanitary Landfill—13.4% Road Equipment Purchase—2.3%	Generally low, higher in specific areas such as water purchase, sewage treatment and sanitary landfill.	Sewage Treatment and Sanitary Landfill.	SC(M) Auth.	Fiscal and service level differences.	Division of Clean Air and Water (State Department of Environmental Protection) has established water quality standards and provided grants for sewage feasibility studies. Funds from the recent bond issue will be made available for the construction of regional sewage facilities. A state-wide solid waste plan is presently being developed.
Parks and Recreation	Parks—8.1% Pools and Rinks—4.9% Playgrounds—4.9%	Cooperation is low and has not significantly increased since 1967	Parks.	IA	Lack of know-how and tangible benefits and service level differences.	State provides matching grants for conservation and recreation development; however, there is no incentive for joint cooperative efforts. To date there has been only one joint county-municipal project that has been awarded state funds in this area.

** Form of Cooperative Agreement:*

SC (C) —Service contract with the county providing service.

SM (M) —Service contract with other municipality (ies) .

IA —Informal Agreement.

Auth. —Authority or Special District.

TABLE IV-2—(Continued)
SUMMARY OF PRESENT JOINT SERVICE PROVISION IN NEW JERSEY ²

<i>Functional Area</i>	<i>Amount of Cooperation in selected areas (% of municipalities engaged in cooperative programs)</i>	<i>Level of Cooperation</i>	<i>Aspect of Service in which most cooperation is found</i>	<i>Form of Agree.*</i>	<i>Problems Entailed†</i>	<i>Role State Has Played</i>
Health, Hospitals and Welfare	Health Services—41.7% Clinics—4.5% Work Relief—2.5%	In the health services area joint efforts have significantly increased with the State Health Aid Act of 1966. There is little cooperation in other areas.	Health Services.	SC (C)	Lack of know-how and tangible benefits.	In the area of basic health services the state has offered incentive grants to promote cooperation. State aid for basic health services in the amount of \$25,000 for each county is distributed to local health agencies which have a full time health officer and which services a population of 25,000 or more. Additional state equalization aid is available at a rate of not less than \$0.25 per capita of the population in the area of jurisdiction.

Planning, Housing and Urban Development	Land use data and Planning—6.1% Zoning—5.1% Public Housing Projects—1.9%	Overall coopera- tion in this area has decreased since 1967.	Land Use Data and Planning.	IA	Fiscal and service level differences and politics.	State planning grants re- quire the coordination of planning proposed on both the municipal and county levels. Regional planning programs are eligible for a maximum annual grant of \$5,000 while most individual municipalities are eligible for an annual grant of \$3,000.
Libraries	All Library Services —21.7% Library Construc- tion—1.9%	Generally low, but has increased somewhat since 1967.	All Library Services.	SC (C)	Lack of know- how, fiscal and service level differ- ences.	State provides incentive grants to area libraries. At full funding each area library is eligible to receive a base grant of \$35,000 plus \$0.20 per capita for each person in the specified area. In order to qualify for state aid, area libraries are re- quired to provide a minimal program of services includ- ing: consultant and inter- library loan services to local libraries and the coordina- tion of the acquisition of library materials by all libraries in the area.

** Form of Cooperative Agreement:*

SC (C) —Service contract with the county providing service.
SM (M) —Service contract with other municipality (ies).

IA —Informal Agreement.
Auth. —Authority or Special District.

TABLE IV-2—(Continued)
SUMMARY OF PRESENT JOINT SERVICE PROVISION IN NEW JERSEY ²

<i>Functional Area</i>	<i>Amount of Cooperation in selected areas (% of municipalities engaged in co-operative programs)</i>	<i>Level of Cooperation</i>	<i>Aspect of Service in which most cooperation is found</i>	<i>Form of Agree.*</i>	<i>Problems Entailed†</i>	<i>Role State Has Played</i>
Education	Special Education—59% Joint Purchasing—20% Psychological Services—1%	In special aspects of educational program — special education, vocational education, etc.—cooperation is relatively high. In other areas—K-8 districts, libraries, etc. cooperation is low.	Vocational and Special Education which have been traditionally provided by the county.	Formal agreements among participating school districts.	Fiscal and service level differences.	State has done very little in this area, in the form of state grants, to promote co-operation or regionalization of school districts.

* *Form of Cooperative Agreement:*

SC (C) —Service contract with the county providing service.

IA —Informal Agreement.

SM (M) —Service contract with other municipality (ies) .

Auth. —Authority or Special District.

Municipal Attitudes Toward Cooperation

The Commission believes that municipalities today are more anxious to provide services jointly than ever before in history. As the following table indicates, municipalities not only are anxious to cooperate on a wide variety of areas but are much more willing to do so than they were only three years ago.

TABLE IV-3		
A. MAYORS' RESPONSES TO THE QUESTION:		
<i>What services would you be willing to provide on a joint cooperative basis? ³</i>		
<i>Service Area</i>	<i>Percentage of Mayors Responding Positively</i>	
Solid Waste	86%	
Sewage Disposal	84%	
Public Health	65%	
Education	49%	
Fire Protection	41%	
Recreation	35%	
Police Protection	32%	
Planning and Zoning	18%	

B. COMPARISON OF MAYORAL ATTITUDES TOWARD JOINT SERVICE PROVISION, 1967-1970		
<i>Mayors' responses to the question:</i>		
<i>Would you be willing to provide this service jointly?</i>		
<i>Service</i>	<i>Percent Responding Yes</i>	
	<i>1967</i>	<i>1970</i>
Solid Waste Disposal	19.0%	85.7%
Sewerage	33.3	84.1
Public Health	9.5	65.1
Education	14.2	49.2
Fire Protection	7.1	41.3
Recreation	4.2	34.9
Law Enforcement	16.6	31.7
Zoning	9.5	17.5

Clearly, there are some service areas in which cooperation can be achieved only with strong incentives, and at that perhaps only with basic changes in the system. As long as municipalities are dependent on the real property tax for their existence, joint planning and zoning is not likely to become a reality. In other areas such as education, police patrolling and fire protection, other problems arise; but the Commission believes that a good state aid program can solve many of these problems. The table below shows how such aid programs in Pennsylvania have been successful in achieving the desired results even in major service areas.

TABLE IV-4		
A. COMPARISON OF INTERLOCAL COOPERATION IN PENNSYLVANIA AND NEW JERSEY IN SELECTED FUNCTIONAL AREAS ¹		
Function	% Municipalities Cooperating	
	Pennsylvania	New Jersey
Purchasing	12.6	10.0
Police		
Dispatching	26.9**	30.4
Regular Patrol	28.3**	3.9
Sewage Treatment	56.0**	37.2
Library Services	2.6	21.7
B. COMPARISON OF THE NUMBER OF SCHOOL DISTRICTS IN PENNSYLVANIA AND NEW JERSEY		
Year	Pennsylvania	New Jersey
1952	2,506	481
1957	2,416	489
1962	2,179	512
1967	749	522
** Pennsylvania, by setting standards and awarding planning and construction grants, has fostered cooperation in these functional areas. Pennsylvania has a total of 2,558 municipalities.		

CHAPTER V

A Special Problem: Joint Services in Impacted Areas

There is abundant reason to believe that cooperation or joint provision of services can be achieved with relative ease among municipalities with similar populations, resources and needs. Two municipalities providing essentially the same level of service might not object too strongly to providing the services jointly if it would mean a lower unit cost and an improvement in service quality. On the other hand, many municipalities in this state have resources significantly below those of their neighbors. The urban problems usually associated with these low resources are borne by them under our present system of taxation. Thus, these municipalities represent undesirable partners from their neighbors' point of view. If a rapidly growing township were to provide joint police services with an older and somewhat declining borough, the leadership of the township could face the charge by residents that the township was "taking on" the problems of the older, poorer borough. The same can be said in cases of larger older cities and older residential suburbs. Naturally, there are some areas, such as joint purchasing, in which these urban-suburban differences are not crucial because the service in question does not go to the heart of the community's style and quality of life or self-image. But in most major services, such as police and fire protection, solid waste disposal, public works, public health, building inspection and code enforcement, these differences at present represent an almost insurmountable barrier to joint services provision. The fact that these differences are important can be seen in the table below, where financial, developmental, social and racial differences were clearly the major factors in choosing a joint services partner.

The easy answer would be to say that these joint service agreements should be promoted only between similar municipalities. Such a response would be most unsatisfactory for several reasons. First, we cannot simply ignore the existence of municipalities containing three million people—municipalities which might benefit from joint services if only they could get extra aid to enable them to be attractive service partners. Second, the newer

TABLE V-1

MAYORS' RESPONSES TO THE QUESTION:

When deciding with which municipalities you might cooperate, which of the following differences between the participating municipalities would you consider most important? ¹

<i>Differences in:</i>	<i>Percentage of Municipalities Citing Differences</i>
Financial Resources	59%
Social Level	35%
Stage of Development	33%
Racial Composition	25%
Land Area Size	16%
Population Size	10%
Partisan Politics	10%
Geographic Location	3%
Leadership Quality	3%

municipalities can in many cases benefit from the personnel, facilities and equipment in areas such as police and fire protection which the older, fully developed municipalities have. Third, and most important, a glance at the map of this state will show clearly that these older municipalities, whether center cities or older boroughs in rural areas, often lie at the very center of a natural service area. To leave them out of joint services agreements would not only be inequitable and illogical but would also be uneconomical and inefficient.

Yet, under our present system if three wealthy townships join with an older borough lying between them, they do in effect assume the problems and liabilities of that older borough in the services they are providing. A joint service program under the present system, then, would place the problems of the older municipality squarely on the back of its neighbors. This kind of arrangement is both unfair to the other municipality, which would still not get sufficient help to meet its needs, and to the wealthy township. The problems of the older municipality should be borne in greatest measure by the state and not by two or three adjacent municipalities. Ultimately, cooperation be-

tween wealthy and poor municipalities can only be effected by significant changes in our present tax system with its inhibitions on joint action.

In the short run, however, the problems of the cities may be alleviated to some extent by improvement and expansion of the annual "urban aid package"—a task which the Governor is undertaking in an effort to improve and systematize state action in this area.

To the extent that joint city-suburb service provision is feasible and beneficial, the Commission hopes such joint efforts will be forthcoming under the proposed aid program. If the obstacles discussed in this chapter prove to be too great, the Commission will then consider expanded and supplementary aid proposals to meet this special need. Moreover, these and related problems are an essential segment of the Commission's forthcoming report on Federal and State Aid to local government.

CHAPTER VI

Guidelines for State Action to Promote Joint Services

Existing Programs and Legislation

Legislation permitting cooperation is scattered throughout the 75 volumes of New Jersey law. Only with the aid of a computer could the Commission develop a digest of some 200 laws permitting joint programs. They are, for the most part, difficult to find, archaic, and so narrow in focus that their value is minimal. Even the best of existing legislation, the Consolidated Municipal Services Act of 1952 (NJSA 40:48B-1 *et seq.*) leaves much to be desired. It mandates creation of a 'third party government'—a management committee—and it is unclear in regard to many major questions arising under joint service agreements. In the two decades since that act became law, only 6 joint programs have been initiated under its provisions. The Commission believes this is in some measure due to ambiguities in the act and the resulting uncertainty of local officials on how to apply its provisions. In its field research, the Commission even uncovered numerous instances in which municipal officials had desired to provide joint programs but had been advised by their municipal attorney that such programs were not legally possible. In every case the statutes did permit such programs. In the area of police protection eight statutes exist, but one of them specifically authorizes joint municipal police departments.

We need to develop and pass clear and comprehensive legislation which will leave no doubt as to what municipalities can and cannot do jointly.

As to existing programs, some have proven highly successful, as in the health and sewerage areas. The Commission believes that, in those areas where well-funded programs exist, no further programs are necessary at this time.

In other services, however, the Commission believes the State should develop a general incentive program for joint services. In those areas where lack of local action or development of quality standards, or some other factor leads to the establishment of a well-funded departmental incentive program in a particular

service, the Commission believes that when such a program becomes operative it should replace the general program in that particular service area.

In the meanwhile, joint programs fostered by the general grant will provide more efficient and better services where needed.

The Commission's Recommended Joint Services Incentive Program

Recognizing the limited nature of state aid funds, clear priorities must be established. *First*, a state aid program should give priority to joint programs involving municipalities with *inadequate* services over those with present relatively high levels of service. *Second*, priority should be given to those joint programs which will provide services which are *now* necessary but which can be provided only by joint effort.

This proposed state aid program is not a substitute for major tax reform; nor can it be a substitute for general increased state aid to local government, especially in impacted urban and rural areas. This is a proposal to promote joint provision of services—a good in itself for the full variety of reasons expressed in this report. Consideration of this proposal must, therefore, be directed to the need to promote efficiency and better services and to eliminate waste and inadequacy. In this manner, local government's ability to service as a vehicle for meeting the pressing needs of its citizens can be improved.

Service Areas for Incentive Grants

As was stated earlier, the Commission feels that any areas in which a well funded joint service incentive program already exists should not be included within the purview of this proposed legislation. This would eliminate for consideration such areas as public health, sewerage treatment and library services. Moreover, the Commission believes that the benefits in some areas such as joint purchasing are so tangible and immediate that no special incentive program is justified. With these exceptions the Commission believes that this incentive program should apply to virtually all service areas as described below.

1. Law enforcement—Aid should be given to any program proposing the consolidation *in toto* of two or more police departments. The Commission does not believe that

limited-scope programs, such as joint police radio operation, should be aided; their impact on municipal service adequacy is marginal.

2. Fire protection—Aid should be given to the consolidation of existing fire departments and also to the consolidation of volunteer departments. Since volunteer departments are not agencies of local government themselves, all applications and grants should be directed through the municipal governments served by the departments. To qualify for aid a joint volunteer department should meet the following criterion: it must serve the entire area of a least two municipalities. In other words, if one of four volunteer fire departments in a municipality serves part of another community, it would not be eligible for aid unless it merged with all the volunteer departments in its community and those in the adjacent municipality.
3. Solid waste collection and disposal—In this area the Commission recommends that grants be based on total expenditures so that the cost of acquiring land fill and dump sites may be included in the state aid for the venture.
4. Maintenance and administration of parks and other recreational facilities.
5. Maintenance of roads, public works and beaches.
6. Joint assessment and collection of taxes.
7. Electronic data processing, including joint municipal records and statistics.
8. Regional building, housing and plumbing inspection and code enforcement. The Commission recommends a bonus of 5% a year to all municipalities in any joint program where all participants adopt uniform building, housing and plumbing codes.
9. Regional air pollution enforcement.
10. Operation of regional social service programs—In this category the Commission recommends that extra-governmental agencies, such as community action programs, should be eligible for grants through application of the governing body of the areas in which they serve. Thus, if a tri-county community action program wishes to establish day care centers or training centers, the three boards

of freeholders would be the applying and receiving agencies for purposes of the grant.

11. Joint municipal courts.

Incentive Aid Formulas

After much discussion and consideration, the Commission has concluded that no single formula will meet every situation which may arise. Therefore, the Commission proposes the following measures each directed to meeting a different situation.

- 1) In those cases where municipalities wish to enter a joint program to provide a service which none has previously provided, the Commission proposes that state aid equal 25% of the total operating cost of the program for the first six successive years. If the program, for example, costs \$100,000 a year during the first six years or a total of \$600,000, state aid over that period would equal \$150,000. Since, however, most municipalities would prefer to have aid "taper off" rather than drop in the sixth year from 25% to zero in the seventh year, the Commission proposes a declining state share as follows: state aid would equal 50% in year one, 40% in year two, 30% in year three, 20% in year four, 10% in year five, and 5% in year six, for an average state share of 25.8%.
- 2) In those cases where municipalities join together to provide jointly a service which they are currently providing individually, the state incentive grant over the six year period would be equal to 10% of the total operating cost of the program for those six years.
- 3) In those cases where the feasibility study indicates that any municipality is providing the services to be performed jointly at such a low level that only substantial upgrading of present performance will achieve minimum service provision, the Commissioner of Community Affairs would be empowered to authorize the 25% average rather than the 10% average to such a municipality.
- 4) In the event that municipalities currently providing a service join with any municipalities falling into the criteria set forth in paragraphs one and three above, such municipalities shall be eligible for the 25% rather than the 10% incentive aid.

Determination of Grant Recipients

There may be many cases in which municipal officials might wish to enter into joint service agreements but they do not feel, for one reason or another, that they can successfully bring all their neighbors together to discuss such a project. The Commission, therefore proposes that the Commissioner of Community Affairs be given authority to convene groups of mayors and freeholders for the purpose of discussing joint services. The Commission is aware that there is now no statutory bar to the Commissioner's convening or inviting to convene such a group for this purpose at present. It believes, however, that an explicit statutory authority to convene such groups will enhance the state's role in formulating joint services. In fact, almost 70% of the municipalities interviewed believed that the Department of Community Affairs should have this explicit right.

Under the Commission's proposal, any group of two or more municipalities would be eligible to apply for a joint services grant. Joint county programs and county-municipal programs would also be eligible. If the preliminary proposal appeared to be of sufficient merit, the Commissioner of Community Affairs would be empowered to authorize a grant for the purpose of undertaking a detailed feasibility study. This study would, when completed, be a detailed blueprint for operation of the joint program.

Once the application for a feasibility study has been authorized, the State, in effect would enter into partnership with the applicant units to study the benefits of the joint service program under consideration, to determine who should participate, what should be done, and how it should be done. These feasibility studies will accomplish two purposes: 1) they will set the standards and work out the details of the joint program; 2) by doing this they will guarantee that the state will be able to see that its grant money is well spent according to a realistic, beneficial and approved plan.

Past experience in areas such as sewerage indicates that the state aid for feasibility studies and technical studies produces great results in action. The Commission recommends that a fund for joint services feasibility studies be established in the Department of Community Affairs. The Commission recommends that the Legislature appropriate only *feasibility* money for the first year of this project, and that all grants in coming years be based

on complete and approved feasibility and technical studies. If the Legislature should adopt this aid program, a group of municipalities would begin in the first year by applying for funds to do feasibility and technical studies. If the Commissioner of Community Affairs approved this grant, the communities would, in cooperation with the State, undertake to study how to consolidate their service programs. This study would include not only the governmental, political and personnel aspects, but also the technical and engineering aspects where appropriate. In addition, it would make recommendations as to the details of the level of service to be provided and the allocation of costs among the municipalities participating. It would also state how the costs would be allocated—on the basis of population, density, usage or some other factor or combination of factors. The completed study would be a detailed blueprint for the venture. The study would then be approved by the Commissioner of the Department of Community Affairs *and* the Commissioner of the department of state government with jurisdiction over the service to be consolidated, and then funds would be allocated to the project.

Given the State's overall interests in local government, it is essential that there be adequate supervision of how the money is to be used. This means state involvement in the planning process from the beginning of the project. In some instances, no one state department may have the expertise necessary to approve a joint service plan as satisfactory in detail. Thus, given the need for centralization of policy and consistency in grant review and approval, the Commission recommends that the overall responsibility for the project be vested in the Department of Community Affairs. Given the need for technical expertise and for insuring the professional adequacy of services, the Commission recommends that approval of any plan be based on concurrent approval by both the Commissioner of Community Affairs and the Commissioner of whatever department has jurisdiction over the service to be performed jointly under the plan. The Commission feels that this system will be far more flexible and efficient than establishing a continuous interdepartmental committee of ten or sixteen commissioners.

Funding

The Commission has attempted to develop a program which recognizes the fact that many valid problems are competing for

scarce state revenues. It, therefore, views the following funding program as reasonable and minimum. If the amounts seem high, it is only because New Jersey's aid to local government, ranking 41st in the United States, has always been dreadfully low.

1. The Commission recommends that in the first year of the program the Legislature appropriate \$2.5 million for feasibility, technical and engineering studies of joint service programs.
2. The Commission recommends that in the second year of the program the legislature appropriate \$15 million for aid to joint programs approved under this program and \$4 million for additional feasibility studies.
3. The Commission recommends that additional funds be appropriated annually, subject to need and utility of the program. It further recommends that all funds appropriated be kept on a year-to-year basis with no requirement that they be disbursed in any given fiscal year.

THE COMMISSION'S CONTINUING PROGRAM

In examining New Jersey local government the Commission has sought to view local problems and characteristics in terms of three basic areas of concern:

- the structure of local government;
- the functions and services performed by local government;
- the dynamics of intergovernmental relations as they affect the viability of local government.

Within this threefold framework, the Commission has begun to analyze and find ways of restructuring our present local government system.

Creative Localism—A Prospectus, the Commission's first report, reviewed recent and continuing trends of urbanization in the State and detailed responses by local government to meet the resulting area-wide problems. This report proposed a systematic approach for analyzing local government problem areas. (An immediate move by the State to assume the local share of welfare cost was recommended in the report and was enacted in part by the Legislature.)

In *County Government: Challenge and Change* and its accompanying legislative proposal, the Optional County Charter Law (S-513), the Commission underscored the need to strengthen the county so that it can fulfill its potential as New Jersey's only multifunctional area-wide government. The Commission suggested that a strengthened county would be able to deal with regional problems and at the same time to augment municipal capabilities in providing better services. This report urged assumption by the State of the costs mandated to county government, especially in welfare and the judiciary.

In addition to the report on joint services and its accompanying legislation, the Commission is presently completing its study of federal and state aid impact on local government in the state. This study is aimed at identifying the programs which benefit county and municipal government, the amounts available to

localities in the state in a typical year, the distributional patterns of aid throughout the state, the administrative problems related to the flow of aid and the policies required in order to institute a more rational system of distributing scarce resources.

The Immediate Program

The Commission has begun its study of the many functions and sub-functions of government in New Jersey. During the next year the areas of *solid waste and sewage collection*, treatment and disposal will be explored. While every governmental function will be examined as part of the continuing research program, the Commission decided that these two environmental problems are of such direct and pressing concern to local government officials that they should be given immediate priority.

The study of local government structure continues with an investigation of the conditions inhibiting or promoting the *consolidation of municipalities* in the state including the evaluation and revision of the statutes related to voluntary consolidation of municipalities.

In formulating a *framework for intergovernmental fiscal relations*, the Commission will examine in detail service costs in many functional and geographical areas of the state to determine the trends and emerging problems inherent in the present system of paying for services provided by local government. This will be related in turn to the resources available to municipalities for meeting their service needs. Policies and strategies employed by local governments in the areas of taxation, land use and housing, quality and frequency of service provisions, will be assessed in light of the cost-resources dilemma.

Other Activities

The Commission is presently engaged in several joint projects:

First, a joint effort with Rutgers University to examine *local government's manpower patterns, problems, needs and opportunities*;

In addition, the Commission is collaborating with the New Jersey Department of Community Affairs in producing a *handbook for municipal officials on interlocal services*.

This handbook is designed to carry out the recommendations of this report;

Finally, the staff is continuing its work-study program with New Jersey colleges and universities in a joint effort to identify and document *problems and issues in local government and administration*.

The Commission feels that the resources of New Jersey's colleges and universities can be of great benefit if brought to bear in the service of local government, and thus these joint efforts are meant to encourage ongoing academic programs to aid in our problems. Summaries and other publications from these efforts are available on request.

FOOTNOTES

General Note: Unless otherwise noted, italics in quoted material in the text has been added by the Commission staff.

INTRODUCTION

1. New Jersey Commission to Revise and Codify the Statutes of this State Relating to Cities and Other Municipalities Report, 1917, p. 12.

CHAPTER I

1. See *County Government: Challenge and Change*, a Report by the County and Municipal Government Study Commission, April, 1969.
2. New Jersey Laws, 1798, p. 289.
3. Carlos E. Godfrey, *County and Municipal Incorporations in the State of New Jersey* (Trenton, 1924) and John P. Snyder, *The Story of New Jersey's Civil Boundaries 1606-1968* (Trenton, 1969).
4. John P. Snyder, *The Story of New Jersey's Civil Boundaries 1606-1968*, (Trenton, 1969).
5. Constitution of 1844, Art. IV, Sec. VII, Par. 11.
6. New Jersey Laws, 1917, p. 319.
7. Charles Adrian, *State and Local Governments*, (New York, 1960) p. 123.

CHAPTER II

1. U. S. Bureau of the Census, Census of Governments, 1967 Vol. 6: *Topical Studies*, No. 5: "Historical Statistics on Governmental Finances and Employment."
2. Data from Division of Local Finance Reports with computations by the Commission Staff.
3. *Ibid.*
4. *Ibid.*
5. *Ibid.*
6. *Ibid.*
7. *Ibid.*
8. Philip H. Burch, Jr., *Service Areas for Public Health*, (New Brunswick, 1966), p. 80.

CHAPTER III

1. Data from Commission's own research and surveys with the following exception: water treatment costs and the comparison of one vs. three data processing units from the Office for Local Government, State of New York, *Local Government Cooperation*, (April, 1963), pp. 3-4.

CHAPTER IV

1. Data from Commission Questionnaires received from over 450 municipalities in New Jersey.
2. Data from Commission questionnaires from over 450 municipalities and from numerous state officials.
3. Data from Commission questionnaires.
4. New Jersey data from Commission questionnaires. Pennsylvania data from *Interlocal Relations in Pennsylvania*, Bureau of Research Bulletin III, Department of Community Affairs, April, 1969. School district figures from Census of Local Governments, *Governmental Organization*, Vol. 1, pp. 26-27.

CHAPTER V

1. Data from Commission interviews with municipal Mayors.