

CONSOLIDATION & SHARED SERVICES: The Debate

New Jersey has 566 towns and 611 school districts. New Jersey has the highest property tax burden in the nation. Are these facts related?

This is a long-standing debate in the State of New Jersey. Would reducing the number of towns lead to a reduction in the tax burden?

Common sense suggests the answer would be “yes”.

A number of experts and analysts, however, conclude that the answer is “no”.

The State of New Jersey is facing a crisis with their budget this year. The Governor has decided that one way to address the shortfall in state revenue is to withhold state aid from small towns. Doing this will, it is presumed, “force” towns to consider consolidation which, in turn (it is suggested), should lead to reduced property tax burden. Perhaps the State Legislature will embrace the Governor’s approach and perhaps not. Time will tell.

Sussex Borough, which stands to lose considerable sums of state aid under the Governor’s proposed budget because of their population, has reached out to Wantage Township to see if the time is right to formally study the possible merger of Wantage and Sussex Borough into one town.

Wantage Township has invited Montague – who also stands to lose considerable state aid because of their population – to consider whether they would be interested in studying a three-town merger.

The Mayor and Committee of the Township of Wantage believe that Wantage Township should proceed with a 2-town or 3-town merger study, depending on if Montague is interested, for the following reasons:

- 1) We owe it to the taxpayers and residents to consider ANY option that might lead to reduction in taxes without a reduction in public service.
- 2) Doing the study does not commit us to being in favor of, or against Consolidation. We should be in favor of seeing what the “bottom line” will be.
- 3) It is time to find out the truth or the untruth of the “consolidation myth”. Hopefully, there will be several other studies undertaken around the State of New Jersey this year, so that the State of New Jersey may know for sure whether or not consolidation is the answer to the tax burden. Let’s stop arguing about it. Let’s find out what the answer is.

CONSOLIDATION & SHARED SERVICES: The Options

There are strong ties in the Wantage and Sussex communities. The members of our two towns worship at the same houses of worship; our children attend the same school systems; community sports teams and programs serve the youth in both communities; our fire departments and first aid squads provide coverage in both communities; there are already a number of shared service arrangements in place, including animal control, public works fuel depot, construction department, zoning enforcement, housing enforcement, and fire prevention.

In terms of local government, has the relationship between Wantage and Sussex always been smooth? Well, no. Not really. But now is not the time to nurse old grudges. We must treat past disagreements as water under the bridge, because we owe it to the taxpayers and residents to see if we can preserve our heritage by embracing the future. What's done is done. The past is gone – let's concentrate on the future.

Montague and Wantage share some ties, as well, although not to the same extent as the Wantage-Sussex consideration. Still, we do share High Point State Park, and Stokes State Forest; we share the same philosophy of desiring to preserve the rural way of life; we share animal control and dog pound facilities.

So, if all three towns desire to study the benefits and drawbacks of a merger, we can make that study happen.

If only two wish to study it, then we can proceed on a two-town study between Wantage and Sussex. And if that option is embraced, **then at the same time**, it would be prudent to consider additional shared service arrangements between Wantage, Sussex and Montague – even if we do not merge, perhaps there will be savings to be realized through more sharing of services.

CONSOLIDATION: The Process

The Municipal Consolidation Act is cited as NJSA 40:43-66.35 et seq.
The Local Option Municipal Consolidation Act is cited as NJSA 40A:65-25 et seq.

If two – or three – towns wish to study the benefits and drawbacks of consolidation, there are two main options available, which can be paraphrased as being “Traditional” or “Fast Track” (these are just vocabulary terms being used for local convenience, they are not terms used in the state law). There also exists the option for residents to initiate this process through direct petition, but since the governing bodies of these towns are the ones initiating this discussion, that option will not be explained or explored at this time.

FAST TRACK PROCESS

Under a “Fast Track” process, the Wantage governing body would appoint five Wantage voters and the Sussex governing body would appoint five voters, making a study commission of ten people who have been appointed to study consolidation. If Montague decided to participate as well, the study commission would be fifteen people.

The study commission then would contact the State of New Jersey to request the formal assistance of the NJ Department of Community Affairs, either to conduct the study on their behalf, or else to assist with the financial aspects of the study. Either way, an application for a state grant to pay for the costs of the study would be made.

Then, the study would be done. A report would be generated.

And if that report recommends consolidation, then the towns would submit this question to the voters for their approval or rejection.

The Mayor and Committee of the Township of Wantage do not endorse the use of the fast track process. Consolidation is a very controversial and complex issue, and for the governing body of any towns involved to “choose” the persons who would be representing the study would leave open a very wide door for criticism about who was selected, motivations, hidden agendas, etc., etc.

If consolidation happens, Wantage and Sussex (and Montague if they participate) would be, truly, making history in the State of New Jersey. It is better that we proceed with this right, instead of quick.

CONSOLIDATION: The Traditional Process

Under the “traditional” means of proceeding with a consolidation study, all towns interested would adopt the same resolution (or it could be an ordinance), which would authorize a question to be placed on the Ballot for the next November general election.

That question would ask the voters if they want to proceed with a consolidation study.

On that same ballot, any one who is interested in serving on the consolidation study commission can have their name included on the ballot by submitting a petition – in Wantage it would take 25 signatures of registered voters to be considered a valid petition.

If the majority of people vote “Yes” on doing the study, then the five people from Wantage Township who get the most votes will be elected to serve on the Consolidation Study commission.

If the majority of people vote “No” on doing the study, then no one is elected because the study commission was not approved.

The study would then proceed from that point exactly as it would have proceeded under the Fast Track option, once the study commission is formed.

CONSOLIDATION: What’s the First Step?

The Mayor and Committee of the Township of Wantage have decided that they do wish to proceed with a formal study of consolidation, and now wish to place this question before the voters of Wantage Township to see if the public is willing to have the question explored.

The Wantage Township Administrator is now working on organizing a meeting with the Mayors and Clerks of all towns interested, to meet with the Sussex County Shared Services Coordinator, a representative of the NJ Department of Community Affairs and a representative of the Governor’s office, so that the process may be discussed and explained in greater detail, and the inevitable questions regarding the state’s role in this matter can be addressed.

Simultaneously, The Wantage Township Administrator has been authorized to approach representatives of Sussex Borough and, if they are interested, Montague, to have a separate meeting for studying the pros and cons of additional shared service arrangements, including but not limited to the possibility of merging public works departments, and merging court systems – again, to study whether or not there is a benefit. These discussions will also include the Sussex Wantage School system and the High Point Regional High School system, supplementing the efforts already being made to see if there is an opportunity for greater shared services with those government entities.