

**MINUTES OF THE JOINT CONSOLIDATION STUDY COMMISSION
OF WANTAGE TOWNSHIP AND SUSSEX BOROUGH PUBLIC MEETING
HELD AT HIGH POINT REGIONAL HIGH SHOOL ON
OCTOBER 19, 2009**

CALL TO ORDER

Commission Chairman Earl Snook called the meeting to order at 7 PM and led the assembly in the salute to the flag and a moment of silence.

Mr. Snook stated, "This meeting is being held in compliance with the provisions of the Open Public Meetings Act, Public Laws 1975, Chapter 231. It has been properly noticed and posted to the public, and certified by the Secretary."

Mr. Snook requested Secretary Lee Abbott to call the roll. Upon roll call, the following members of the Commission were present:

E. Snook (Wantage), S. Lagattuta (Sussex), P. Flynn (S), S. Hosking (W), G. Kresge (W), C. McKay (S), E. Meyer (S), A. Jacobs (W) and W. Dunn (W). Commissioner A. Little (S) was absent.

Also present: Jack Doyle, NJ Department of Community Affairs, and consultants Greg Fehrenbach and Reagan Burkholder, Government Management Advisors (GMA).

BUSINESS

Approval of Minutes

A correction was noted to the August 3, 2009 minutes: under *Comments of the Commissioners*, Mr. Jacobs' comments should be corrected to read, "There are no other communities in the state with populations of 15,000 without State Police coverage." It was moved by Ms. Hosking, seconded by Mr. McKay and unanimously carried to approve the minutes as corrected.

Vouchers

The following vouchers were presented for approval:

1) *New Jersey Herald*: two vouchers, one for publication of the Consolidation Report abstract and the other for the notice for this public forum (exact amounts were not available at the time of the meeting), 2) The Music Den, \$250 for microphone rental for this meeting, and 3) Lee Abbott, \$25.75 for materials to archive Commission files. It was moved by Ms. Flynn, seconded by Mr. McKay and unanimously carried to approve payment.

WELCOME / STATEMENT OF PURPOSE

Mr. Snook welcomed everyone and introduced Commissioners. He read the purpose of the meeting as printed in the mailer to residents: "Wantage and Sussex residents are invited to this public forum to discuss the report of the Study Commission. This will be your opportunity to hear a brief presentation concerning the report, to ask questions and to offer your comments."

OVERVIEW OF THE FINAL REPORT OF THE COMMISSION

Mr. Lagattuta and Mr. Dunn presented an overview of the final report, noting that the full report encompassed 16 separate reports, some prepared by Commission members and some by the consultants. These reports were based on research and meetings with state, school, community and municipality representatives. By majority but not unanimous vote, the Commissioners put the question of consolidation to the voters in November. In addition to presenting the highlights of the Consolidation Study Report, Commissioners Lagattuta and Dunn tried to answer anticipated questions. Highlights of the presentation were:

- The ballot will include two questions related to consolidation: 1) whether or not to consolidate--a majority from both municipalities must approve for consolidation to take place; and 2) whether or not the new consolidated municipality will operate under Civil Service (if consolidation is not approved by both communities, this is a moot point)--Wantage currently operates under Civil Service, Sussex currently does not.
- There are many ways in which the two municipalities already function as one: school district, Post Office, library, children's sports programs, social organizations (such as Rotary, Kiwanis), churches and shopping; shared services have been arranged for Fire / EMS and several municipal services.
- Current differences include boundary lines, elected governments with different Departments of Public Works, laws and ordinances. Sussex is more urban and Wantage more rural.
- Advantages of consolidation include economies of scale leading to lower municipal taxes; elimination of artificial boundaries; planned smart growth advantageous to both Sussex and Wantage; the opportunity for incentives offered by the State. The possibility that the state will mandate consolidation of "donut communities" at some future time was noted.
- Concerns include loss of identity / tradition, loss of municipal services, distrust of government, assimilation of different types of people / communities, dilution of the power of the vote (Sussex), fear of change. In consideration of these concerns, the recommendation calls for continuation of all current services for three years. The fire houses and their funding levels would be unchanged.
- Shared services versus consolidation: shared services can continue only as long as both entities agree; the relationship is more cooperative now than it has been in the past.
- Tax issues: comparison of property taxes for both municipalities show 18% of Sussex taxes and 10% of Wantage's go to the respective municipality—the larger portions go for schools and county. With the projected savings of \$585,000 from consolidation, 9% would go for the consolidated municipal government (an average savings of \$483 for Sussex and \$57 for Wantage). There are concerns about equalization between the communities, but equalization is

already used to calculate the larger portions for schools and county. The report from the Division of Community Affairs did not factor in any savings resulting from consolidation, thus it showed an increase in Wantage taxes. The State has committed to a continuing tax credit of the amount of the increase for the first year (if there is an increase) until such time as the property is sold.

- Economies of scale: there are overlapping positions--the projection is from 18 to 11 (four full-time positions per the consultants' report). The final decision would be up to the new government. No reductions in public works positions are projected.
- State incentives: The state paid the costs of the consolidation study and will provide up to \$250,000 to cover the actual costs of consolidation; in addition, a \$500,000 incentive is offered if the new municipality holds down costs so that there is no need for the tax credit.
- Insurance: Sussex has a better rate because it has fire hydrants; this should not change.
- Debt ratios for the two communities are nearly identical.
- Sewer and water utilities are self-liquidating; taxes do not pay for the utilities.
- Police coverage is not currently on the table. Both communities have low crime rates, but there is a perception of higher crime in Sussex (per State Police: crimes in the last year, Sussex 50, Wantage 113).

Mr. Snook thanked Commissioners Lagattuta and Dunn for their presentation. Commissioner Jacobs presented Minority Report comments.

- The consolidation report is great for Sussex, not for Wantage.
- He has concerns about the state's ability to follow through on the \$500,000 promised.
- Public utilities are in poor condition and he fears that repairs will cost more than the users will be able to pay; trunk lines are limited and can't serve a wider area.
- Growth will include families with children (senior citizen developments are no longer an option), which will increase--not reduce--taxes.
- As a rate per population, Wantage has much less crime. No town in New Jersey with a population over 15,000 is without a police department.
- He is opposed to any lay-offs; he is a retired union member and supports Civil Service.
- Shared services have been in place for quite a while; consolidation is not necessary.
- Sussex separated from Wantage for its benefit, and now it wants back for its benefit.

Mr. Snook introduced Jack Doyle, DCA representative, and consultants Greg Fehrenbach and Reagan Burkholder.

OPEN PUBLIC FORUM

Purpose of the Open Forum:

Mr. Snook reiterated that the purpose of the public meeting was to ask questions and offer comments. First round comments were limited to three minutes per person, second round comments to five minutes and third round comments to ten minutes.

It was moved by Ms. Flynn, seconded by Mr. McKay and unanimously carried to open the meeting to the public.

Questions / issues from the public and Commission responses are summarized as follows:

- **Concerns about Lake Rutherford and Colesville dams, the water and sewer utilities:** Mr. Meyer reported that engineers are checking the dams, which are part of the utility. Utility expenses are paid by the users, not via property taxes. More customers would stabilize costs. The state has options for aid for extraordinary expenses. A municipality that has a utility must pledge to be responsible if a sewer or water system does fail; in the history of the state, it has never happened.
- **Revaluation -- Wantage underwent a recent revaluation, but Sussex has not been revaluated since 1999 (thus improvements made without permits are not taxed); in the current market Sussex is undervalued and Wantage is overvalued.** Mr. Snook reported on the difficulties and options for revaluation / reassessment. It was noted that 90% of property taxes (county and school) are calculated with the same County equalization ratio that would initially be used for the consolidated community. The ultimate goal is to bring Sussex up to market value and have the same rate for both areas, but it won't happen immediately.
- **Civil Service -- questions were raised about the Commission's recommendation; Civil service makes sure that people are hired and promoted fairly, and arbitrates when there is an impasse:** It is mandated that the Civil Service question be on the ballot.
- **Eliminated positions -- the projected savings were questioned:** Final decisions on positions and salaries will be up to the new government; the projections represent potential savings.
- **Loss of representation for Sussex -- Sussex will be out-voted:** There was a lot of debate by the Commission on this issue. If good people are elected, where they're from won't matter. Other organizations, such as churches, fill positions without regard to the individual's residence.
- **State incentives -- the Commission requested over \$2 million, and the state is offering \$250,000; does this represent a deficit?** There had been disagreement among Commissioners as to what should be included in the transition costs. The request included a new fire truck, new ambulance and a building addition. These were deemed by the state to be operational costs, not transition costs.
- **Tax credit -- what happens when I sell my house?** Mr. Snook stated that the tax credit ends at that time, in the same way that the senior citizen discount ends. The state has money set aside for three years to honor its commitment.

- **Relative debt of the two communities:** The average per household for Sussex is \$1653, the average per household for Wantage is \$1638.
- **Potential growth -- how many homes would the excess utility capacity support?** Development connecting into the sewer line would be along the Route 23 South corridor. This could include small areas of housing development but also new businesses (a ShopRite has been proposed) bringing new jobs and new rateables. The Department of Environmental Protection limits development by the Wallkill refuge. There are currently several developers who are building elsewhere without sewer availability. Development will happen as zoning and market allow.
- **Compensation of elected officials -- this is a big item in Wantage:** The Commission did not establish guidelines for salary and wages, and compensation / benefits for elected officials are not included in the Commission projections.
- **How can the voters become informed?** The full report (with all the separate reports) is on file at the library, available at both municipal offices and electronically on their websites.
- **Why didn't Franklin and Hardyston consolidate?** They each had their own schools, and tax equalization was an issue there too. Taxes would have gone down in one community and up in the other. This was the impetus for the tax rebate plan.
- **Municipal taxes have increased by 30% over recent years--start fresh!**
- **The meeting and the report are a “sales job” for consolidation -- did the Commissioners do their homework?** The Commissioners volunteered for the job and put in many hours; the information is available for concerned voters to review and then decide. It is the Commission's desire that they do so thoughtfully.

Mr. Snook introduced Marc Pfeiffer, Deputy Director, NJ Division of Local Government Services, who expressed his appreciation for the work of the Commission and the involvement of the public.

Mr. Snook noted that it was past 10 PM, the closing time for use of the room. It was moved by Mr. Kresge, seconded by Ms. Hosking and unanimously carried to close the public session and adjourn the meeting.

Mr. Snook declared the meeting to be adjourned at 10:15 PM.

Lee Abbott, Secretary