



N.J. budget: \$170 million cut in local aid

By Paul Nussbaum

Inquirer Staff Writer

State aid to New Jersey towns and cities would be cut by nearly \$170 million - almost 10 percent - according to proposed budget figures released yesterday by the state Department of Community Affairs.

The cuts would likely mean higher property taxes for many homeowners, as towns turn to property owners to make up for the lost state aid, local officials said.

Many of the steepest cuts were aimed at small towns, as Gov. Corzine tries to persuade them to merge or consolidate services.

Corzine had warned last week that he would reduce municipal aid as part of his proposed sweeping budget cuts in his battle against the state's deepening financial woes.

Corzine has proposed a \$33 billion state budget for fiscal 2009, down from \$33.5 billion this year.

The municipal aid in his budget is \$1.576 billion, down from the current \$1.744 billion.

Local officials were quick to criticize the cuts, saying they would jeopardize services and threaten to push the nation's highest property taxes even higher.

In Cherry Hill, which faces the loss of nearly \$1 million from the \$12 million it receives in state aid, Mayor Bernie Platt was "appalled that the governor has made a cut of this magnitude," spokesman Dan Keashen said. "This passes the buck directly to the dining-room table of our taxpayers."

Cherry Hill, a township of about 72,000 people, "will explore every cost-cutting measure possible to try to absorb the loss," but possible hikes in property taxes "are a reality," Keashen said.

In Paulsboro, a borough of about 6,000 people, Mayor John Burzichelli faces the loss of about \$363,000 in state aid, from \$890,000 to \$527,000.

"That goes only one place - onto the property tax bill," he said yesterday.

Burzichelli, who also serves in the Assembly and will have a vote on Corzine's budget, said that he supported consolidating services among small towns to reduce duplication and costs, but that Corzine's move was too "dramatic and abrupt."

"You can get to these places of consolidation, which I favor, but it has to be done in an orderly way."

Corzine's budget would eliminate property-tax-relief payments for towns smaller than 5,000 people and half the property-tax-relief payments for towns with populations from 5,000 to 10,000.

To offset those cuts, Corzine proposes a \$32 million fund to reward towns that merge or share services.

In a notice to local officials yesterday, the Department of Community Affairs said: "Municipal officials should first examine all costs and consider how services are provided, discuss opportunities for sharing services with their neighbors, and take advantage of all opportunities of reducing costs, before exercising their authority to increase property taxes."

New Jersey, the nation's fourth-smallest state, is crowded with little governments: There are 566 municipalities, 616 school districts, 486 local authorities, and 792 fire companies.

So many governments, with their own police and public works departments and school superintendents and court buildings, are expensive and help push property taxes up, state officials say.

In the 2000 census, 26 municipalities in New Jersey had fewer than 1,000 residents, and an additional 49 had fewer than 2,000.

In South Jersey, some of the smallest municipalities are Cape May Point (241 residents in the 2000 census) and West Wildwood (448) in Cape May County; Fieldsboro (522), Washington Township (621) and Wrightstown (748) in Burlington County; Tavistock (8), Pine Valley (19), Hi-Nella (1,029) and Audubon Park (1,102) in Camden County; and Newfield (1,616) in Gloucester County.

The towns are so small they often have trouble finding enough candidates to run for the school board or council, and most of their school districts exist only to send students out of town. But they are as protective of their domains as any metropolis.

Efforts at consolidation have been a tough sell because communities of any size are loath to lose their control, independence or identity. Only one merger of two municipalities has succeeded in New Jersey since 1952.

Burzichelli said Corzine was using arbitrary population limits to decide which towns should be forced to merge or share services.

"Is the right number 10,000? Or is it 25,000? You need that kind of real information before you make these decisions, not this kind of abrupt thing that is happening here," he said.

William Dressel, executive director of the New Jersey State League of Municipalities, also objected to the population guidelines used in Corzine's cuts.

"If you have a job and pay the income tax, which provides the funding [for property-tax-relief aid], and if you reside in a town below the arbitrary population limit," Dressel said, "then you will get less property-tax relief than your coworker earning the same amount and paying the same income taxes who lives in a bigger town less than a mile away."

Contact staff writer Paul Nussbaum at 215-854-4587 or pnussbaum@phillynews.com.

Find this article at:

http://www.philly.com/inquirer/home_top_stories/20080305_N_J__budget___170_million_cut_in_local_aid.html?adString=inq.news/home_top_stories;!category=home_top_stories;&randomOrd=030508063450

Check the box to include the list of links referenced in the article.

© Copyright | Philly Online, LLC. All Rights Reserved. Any copying, redistribution or retransmission of any of the contents of this service without the express written consent of Philly Online, LLC is expressly prohibited.