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Southern New Jersey municipalities take big hit in state aid

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TRENTON - Southern New Jersey may have dodged many of the sharpest municipal aid cuts. But those that landed cut deeply.

The state released significantly reduced aid figures to lawmakers and others Tuesday night, indicating overall aid will decrease \$168.3 million, or by 9.7 percent.

In 2,508-person Woodbine, proposed state aid would plummet by \$329,774 to \$146,206 this year, a 69.3 percent drop.

That is the 10th-largest percentage drop statewide and largest locally.

"That's a major hit," Mayor William Pikolycky said Tuesday night.

The rural, blue-collar town in Cape May County raises just \$17,900 with every penny of property tax, he said. That means it would take an 18.4-cent hike - increasing taxes by an average of \$400 per homeowner - to make up the difference.

"People are not used to that kind of an increase being passed on them," Pikolycky said. "That's something that I'm not going to take sitting down."

He said officials from municipalities with fewer than 10,000 people are meeting Thursday in Trenton to plan a response with the state League of Municipalities

"Dynamite comes in small packages," Pikolycky said.

The shrinking aid package is part of the governor's announced plan to encourage municipal consolidation by targeting aid reductions to municipalities with fewer than 10,000 residents while offering \$32 million in additional consolidation incentives.

Municipalities that took the biggest percentage hits included Egg Harbor City, Buena Borough, Shiloh Borough, Hopewell Township and West Wildwood Borough - each of which can expect to see their state aid fall by more than 40 percent. At 4,756 people, Cumberland County's Hopewell Township is the most populous.

But small municipalities were also surprising beneficiaries.

Just three municipalities statewide will receive additional state funding - Cape May County's Sea Isle City, Atlantic County's Estell Manor and Kinnelon Borough in Morris county.

The municipalities range in population from 1,720 in Estell Manor to 9,681 in Kinnelon.

"That's really good news," Estell Manor Mayor Joseph Venezia said when told the state would up its aid by 3.1 percent to \$467,449.

Venezia said several constructive communications with the Governor's Office in recent weeks might have helped. The reality is that smaller municipalities will have to start consolidating their services, Venezia said. But he looks forward to it, because it's his job to save the taxpayers money, he said.

Larger municipalities will also see significant drops. Vineland will lose \$683,147 next year, the biggest decrease locally.

But that is just the 37th-largest overall decrease, and well behind Newark and 18 other municipalities that will see more than \$1 million in aid cuts.

State Sen. Jeff Van Drew, D-Cape May, Cumberland, Atlantic, whose district includes Vineland, Woodbine and Millville, which will see a \$372,907 drop, was upset.

"It is one issue to maintain that municipalities must tighten their belts. And I agree with that," he said, adding that county governments have responsibilities too. "It is another issue to destroy a town to its core," Van Drew said of Woodbine.

He added later that municipalities need to share services and even merge and consolidate when possible, but insisted that a process is needed.

"To simply decrease municipal aid can only in the short term result in significant increases in local property taxes," he said.

Assemblyman Vince Polistina, R-Atlantic, said he would cut other areas such as preschool for 3- and 4-year-olds and all patronage jobs, while keeping municipal aid and property tax rebates.

"The screaming is going to start because I know some of these towns will have no other resource other than to raise the property taxes," he said.

Ultimately, this is not a cut, he said.

Gov. Jon S. Corzine "calls it a cut in municipal aid. It is not a cut in municipal aid, it's a shift that moves it to the municipalities."

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