

State cuts felt across Passaic

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BY JOHN REITMEYER

North Jersey residents should prepare for fatter local tax bills or fewer services thanks to cuts in municipal aid that are included in the \$33.3 billion budget Governor Corzine proposed last week.

The governor's fiscal 2009 spending plan trims state aid to municipalities by a total of \$189 million and no Passaic or Bergen town is being spared, according to new details released Tuesday by the state's Department of Community Affairs.

Municipalities with 10,000 or fewer residents are getting hit the hardest thanks to a penalty designed to encourage those towns to merge or at least consolidate services with their neighbors.

"The cuts as they are affecting Haledon, quite frankly, are devastating," Mayor Domenick Stampone said. The 8,300-plus borough is looking at a cut of \$317,595, or about 30 percent.

"We do think there's room for shared services, but I don't always think that bigger is better," Stampone said. "If the governor and Legislature feel Haledon and towns like it have outlived their usefulness, they should come up with a solution."

"This is like one of those sticker shock things. I really need time to think about this," said North Haledon Mayor Randy George, after learning state aid to his town of 9,000 residents will be getting cut by \$269,167, or 28 percent.

"What it boils down to is another misguided approach by the governor to try to force people to consolidate. It's not going to work," George said.

Bloomingdale Mayor William Steenstra said he will put a resolution up to vote before the Borough Council that opposes a cut of \$261,099.

The loss in aid is "hurting the small towns the most," said Steenstra, whose town has 7,600 residents.

The release of the municipal aid figures Tuesday coincided with the release of property tax information that shows New Jersey property tax bills rose in 2007 by an average of 5 percent, to \$6,796.

Property tax bills in Passaic County, however, were under the state average in 2007, at \$5,329, according to the state.

Still, the budget Corzine unveiled last week in Trenton calls for some property rebates to be scaled back or eliminated.

Lilo Stainton, the governor's press secretary, said the state spends the most money -- about 74 percent -- on grants and aid, so it stands to reason that part of the budget would get cut in the face of rising debt service and other costs.

"Every level of government has to share in this burden," Stainton said. "These are tough and sometimes unpopular choices, but we are facing tough times and that is what's required."

She also noted the governor's budget increased total aid to school districts by more than \$600 million, which should result in relief for the largest single part of a property taxpayers' bill.

"That is really a critical part," Stainton said. "There's an effort to try and balance things out."

The push for the consolidation of smaller communities isn't just coming from Corzine. Bergen County Executive Dennis McNerney said last month that his county should be leading the way in shared services because a big percentage of the county's 70 municipalities have less than 10,000 residents.

And not every local official in North Jersey was critical of Corzine's call for cuts.

"All municipal officials are going to have to revisit their budget and I'm sure none of them will be happy, but the governor is working on his budget and we owe it to the people to look as closely as we can at ours." Garfield City Manager Tom Duch said.

"I'm sure if we go and look at the budget, we'll be able to find it somewhere," said Maureen Neville, chief financial officer in Demarest, where state aid will be cut by \$80,746. "I'm upset about it, but I'm not worried about it."

The New Jersey League of Municipalities, which lobbies lawmakers on behalf of the state's 566 municipalities, will hold a conference in Trenton on Thursday to help towns with 10,000 residents or less understand the cuts.

State Community Affairs Commissioner Joe Doria is among those who will help explain a program that will offer the small towns a share of \$32 million in grant money set aside to pay for consolidation efforts, said William Dressel, the executive director of the league.

Still, Dressel said his organization opposes the cuts in municipal aid and will be working to have them removed from the budget. State legislators must pass a balanced budget by July 1.

"For every dollar lost that means an increase in property taxes or a reduction in services," Dressel said. "Every municipality is going to be adversely impacted by this budget."

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