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June 22, 2018

Municipal Clerk: Please forward to your Mayor and Governing Body.

Re: Economic and Fiscal Policy Working Group Suggestion for Consolidation

Dear Mayor,

In the wake of the Federal tax law changes, Senate President Sweeney convened the Economic and Fiscal Policy Working Group, who have been meeting in private, to develop ideas on reforming New Jersey government. On June 20 a [draft document](#) of the Economic and Fiscal Policy Working Group was released by NJ Advance Media providing some 60 ideas for changes to New Jersey State and local government. Our understanding is that this was an unfiltered list and it is premature to consider any of these concepts as a recommendation or consensus of the working group. The concepts in the draft documents range from reforms to tax structures, county and municipal reforms, pension and benefit reforms, leveraging assets and education reform. One of the ideas in the draft document is the consolidation of municipalities with populations under 5,000. That idea would impact [191 municipalities](#) across the state, in every county except Passaic.

Forced consolidation is abhorrent to the citizens who live, cherish and govern themselves in their home towns. Any suggestion that forced consolidation of municipalities is a means to address changes in the Federal tax code or foster more efficient, effective local government clearly has no basis in fact. For years the League has clearly and repeatedly explained that the population of a municipality does not determine its efficiency. A [2014 study](#) done by Rutgers Bloustein Local Government Research Center, carefully controlled for variables and found that, for a host of reasons, municipal government in small communities have among the lowest cost per resident.

Although the members of the Economic and Fiscal Policy Working Group have been known since February it was intentionally assembled and conducted its work in private. I met with one of the group members, Assembly Majority Leader Louis Greenwald on May 8 and asked about the group's work. Assemblyman Greenwald indicated its deliberations were being conducted privately to assist it with frank and open discussion. I offered the League's information resources and in fact followed up by sending some materials on shared services and research in school

funding options.

The League stands ready to assist you as mayors and local elected officials who want to maintain your home towns. The League even has extensive resources to assist you in exploring joint and shared services if you so choose, and even consolidation if you so choose. Just like you, the League will loudly voice opposition to the idea of forced consolidation both because it is abhorrent to your residents, and because it [does not lead to any great efficiency in municipal government operations](#) which cannot be achieved otherwise.

If you have any questions about this please feel free to contact Mike Cerra at the League office 609-695-3481 extension 120 or mcerra@njslom.org

Very truly yours,

James L. Cassella, President
Mayor, East Rutherford

Below are some articles on the subject that might be useful for you:

https://www.nj.com/data/2018/06/these_experts_say_merging_191_nj_towns_is_a_dumb_idea_tell_us_what_you_think_poll.html

https://www.nj.com/data/2018/06/merging_191_of_njs_smallest_towns_its_on_the_table_heres_which_ones_would_get_the_ax.html

https://www.nj.com/politics/index.ssf/2018/02/nj_tax_reform_stephen_sweeney.html

<http://www.njspolight.com/stories/14/11/17/size-doesn-t-matter-study-of-nj-municipal-government-costs-concludes/>



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