

## New Jersey State League of Municipalities

NJSLOM has a long and well-established tradition of supporting the rights of local citizens to determine their government. The League also has supported joint services over the past 25 years as a means to improve the efficiency and effectiveness with which municipalities deliver services.

The League issues the within statement to clearly set forth its position on Municipal Consolidation and Shared Services as the Joint Legislative Committee commences its deliberations on these matters. For many years the League has encouraged both intra- and inter-municipal cooperation to improve efficiency and effectiveness. Through education, sharing of ideas and collaboration, we have encouraged increasing levels of cooperation among our members. The many municipalities that have created formal and informal cooperative agreements are a testament to municipal efforts to achieve these objectives.

### **Municipal Consolidation**

The League:

1. Supports the rights of all New Jersey citizens to self-determination, to choose the type, form and size of their government, as set forth in the 1947 State Constitution;
2. Recognizes individual idiosyncratic choices by municipal residents and their duly elected representatives for varying services and levels of service;
3. Seeks clear and accurate fiscal analyses that truthfully and forthrightly estimate real costs and benefits of municipal consolidation so voters fully understand the consequences of their choices;
4. Understands from the experience in the Princetons that residents periodically value other things as much or more than the reduction of the cost of municipal services;
5. Supports DCA's technical assistance role in the consolidation process; and,
6. Encourages legislation that will simplify and enable voluntary mergers or consolidations as embodied in Assembly Bill 51 and League proposed modifications.

### **Joint or Shared Services**

The League:

1. Recognizes that in a number of circumstances growth, merger, joint services and other actions that appear in a vacuum to save tax dollars actually cost more than current operating procedures;
2. Supports the former REDI and REAP grant programs to encourage joint municipal services and supports the current SHARE programs;
3. Supports the provision of significant financial and other incentives to municipalities and other units of local government to strongly encourage joint services (e.g., North Hudson Regional Fire Service) but recognizes that it is vitally necessary to assure that the outcomes will be worth the considerable State investment required to effect these changes;
4. Supports DCA's expedited review process of SHARE grant applications;
5. Supports DCA's emphasis on implementation grants over feasibility studies and other grant categories;
6. Supports providing counties with initial financial support to fund county joint service coordinators to encourage similar efforts to those extant in Somerset County;

7. Supports provisions contained in Assembly Bill 51 and the League proposed modifications to remove impediments present in current statutes and simplify the statutory requirements and processes, including eliminating NJDOP jurisdiction in non-NJDOP municipalities and requiring the hiring of all health agency personnel when merging agencies;
8. Encourages removal of limitations on a governing body's or school board's ability to outsource, privatize, lay-off or in other ways reduce the cost of services which adversely affect government's ability to respond to local citizen demands;
9. Recognizes that many joint services have failed to materialize due to perceived and/or real initial increased costs for one or more of the municipalities included in the intended joint service;
10. Recognizes the unwillingness of municipal officials to accept additional mandated costs to effect a joint service as was contained in the original version of Assembly Bill 51, e.g. added benefits for police and police chiefs in a shared services or joint meeting venture;
11. Recognizes that on average personnel and related (health insurance, unemployment insurance, workers compensation insurance, pension, FICA, Medicare, etc.) costs compose more than 70% of municipal budgets and that in order to achieve any real savings all decision makers must recognize that reductions in force including attrition, resignations and layoffs will be a necessary, yet unpleasant outcomes;
  - a. Recognizes the primary driver of increased municipal personnel costs are found in the collective bargaining environment designed by the Legislature of this State over the past 38 years;
  - b. Recognizes that the reason that New Jersey pays the highest amount per police officer in the United States is not primarily due to the generosity of local elected officials;
  - c. Recognizes that at the local level public safety employees with the benefit of mandatory interest arbitration and school district employees are typically the highest paid employees; and
  - d. Recognizes that no property tax relief or reform will be sustainable until and unless these salaries can be contained; and
  - e. Recognizes that all other municipal salary increases derive their increases from these.

Closing

Wm. G. D., Jr.