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Gov. Corzine must offer towns more than aid cuts

By M. JAMES MALEY

For the Courier-Post

Gov. Jon Corzine, your budget proposal slashing municipal funding has serious unintended consequences. Your intentions are good: We should work to consolidate services. But your method leaves something to be desired, like a student aware that an exam is coming but decides to cram at the last minute.

If 2008 was to be the D-Day for municipal funding, the state should have led municipalities in past years in planning consolidation. In short, where have you been? We've heard nice speeches, followed by misdirected policy.

Back shared services

Here in Collingswood, we have been working hard on sharing services. We have taken over police service for our neighbor, Woodlynne, who disbanded their 10-person force. We have also consolidated municipal courts, and building and fire inspection services. Unfortunately, your budget proposals will end those shared services. Woodlynne's loss of state funding in your budget proposal will mean it cannot pay for services.

Here's a perspective from 20 years on the ground:

Trenton has failed to provide meaningful direction to consolidate. The best example is the state's two-year-old school consolidation plan. Only 11 of the 22 "super" county superintendents have been appointed by your office.

Even after all appointments, voters must approve the merger. No officials I have ever spoken with expect this process will lead to consolidation. With school budgets making up more than 50 percent of a property-tax bill, the delayed implementation of a doomed process is lousy leadership.

Shared services between small towns will not result in any real property-tax savings. Our police merger was done to provide better service for both towns, but doesn't bring any real property-tax relief to our citizens.

Paltry savings

Municipal budgets represent less than 25 percent of the average property-tax bill. Cutting the municipal budget by 10 percent will have a minimal effect on property-tax bills.

The state's SHARE program, set up to financially assist towns in sharing services, has not succeeded because it does not fund the biggest expenses of consolidation. Your budget proposal calls for

increasing this fund by reusing the \$7 million that went unspent in the program last year. First, examine the program to see why half the money went unused in 2007. When Woodlynne laid off half of its police force it created a severance liability of more than \$250,000. This was not an eligible expense under the SHARE program. That's why half the fund went unused -- we weren't allowed to use it.

Eliminating small towns' aid creates destitute towns. Woodlynne pays Collingswood to provide police service. With your proposed cuts, Woodlynne will not be able to pay for the service. To encourage towns to share services, there must be an incentive for larger towns to work with smaller towns.

Reduce our expenses by reducing regulation. State law prevents towns from any real renegotiation of labor contracts because state law requires an equivalent economic benefit be granted for any benefit taken away. Civil service is a huge obstacle to consolidating services. My favorite example is the state's requirement of Collingswood to get approval to give money back to our residents.

Empower local officials

Each year, we have to spend thousands of dollars to get state approval to give money back to our residents. Crazy.

If Trenton is serious about helping reduce property taxes, let's take some meaningful steps:

Give real incentives. For towns that put together a plan to serve 25,000 people or more, give substantial grants to cover start-up expenses. Cover capital expenses for merger plans -- make higher levels of funding available for the greater number of people served. Reduce future aid unless such service agreements are put in place.

Make different taxing powers available to local governments. The real travesty of property taxation is that it is unfair. Grant towns the option to substitute wage or sales and use taxes rather than limiting them to the property tax.

Enlist county government in the regionalization of services. Change state law and give the county government the authority to create a county-wide police department or fire department or trash collection service. A regional government is already in place, but has limited powers and is handcuffed by the same reliance on property taxes as local government.

Change your relationship with local officials. Most local officials I know got involved because they care about their town; they aren't career politicians and work separate full-time jobs. Recently, they are burdened with escalating health-care, utility and state pension costs, causing large property-tax increases -- all as part of their part-time public service.

Instead of Trenton responding by tying officials' hands with more regulation, empower local government so the best candidates run. Local governments must solve hard issues with limited powers. Give local officials real ability to explore consolidation.

Help us control the costs and we'll be happy to control property taxes.

The writer is mayor of Collingswood.