

Public Hearing

before

JOINT LEGISLATIVE COMMITTEE ON GOVERNMENT CONSOLIDATION AND SHARED SERVICES

*"Testimony from the public on shared services and
consolidation at the State, county, municipal, and school district level"*

LOCATION: Bordentown Township Senior Community Center
Bordentown, New Jersey

DATE: October 26, 2006
7:00 p.m.

MEMBERS OF JOINT COMMITTEE PRESENT:

Senator Bob Smith, Co-Chair
Assemblyman John S. Wisniewski, Co-Chair
Senator Ellen Karcher
Senator Joseph M. Kyrillos Jr.
Assemblyman Robert M. Gordon
Assemblyman Joseph R. Malone III



ALSO PRESENT:

Joseph J. Blaney
Brian McCord
*Office of Legislative Services
Committee Aides*

Hannah Shostack
Kate McDonnell
*Assembly Majority
Committee Aides*

Brian Alpert
Senate Republican
Thea M. Sheridan
*Assembly Republican
Committee Aides*

***Hearing Recorded and Transcribed by
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ASSEMBLYMAN JOHN S. WISNIEWSKI (Co-Chair):

Good evening, everyone.

If you would, take a seat. If you have a cell phone, I'd ask that you kindly switch it to vibrate or turn it off, so as to not interrupt anyone speaking.

I'm John Wisniewski. I'm the Co-Chairman of the Committee on Consolidation and Shared Services.

Co-chairing the Committee with me is Senator Bob Smith, from Piscataway.

And we look forward to hearing your testimony tonight. We're going to be calling individuals in the order in which they signed up to be here tonight to speak. If there's anyone who hasn't signed up and wishes to speak, we'll take them after those who have signed up. We're asking to try and limit your comments to five minutes, initially, so that we can get through everyone. If you have more to say we'll bring you back up later on, if you want to wait.

But, first, before we start taking testimony, I'd like to recognize Assemblyman Joe Malone, whose legislative district we're in, whose hospitality we have tonight.

Assemblyman Malone.

ASSEMBLYMAN MALONE: Thank you very much, Mr. Chair.

Before I get started, I'd like to introduce Assemblyman Ron Dancer, who is my Assembly mate, from Plumsted, and also the Mayor of Plumsted Township.

But I have a very good friend in the audience tonight who is the Mayor of Bordentown Township, and that is Mark Roselli. And with him is Committeeman Chidley.

And, Mark, I think it would be appropriate for you to maybe come up and say a few words about Bordentown Township and your commitment to this topic.

MAYOR MARK ROSELLI: Certainly.

Anywhere in particular? Here?

ASSEMBLYMAN WISNIEWSKI: That would be fine.

MAYOR ROSELLI: First of all, I want to thank Assemblyman Malone and -- for asking us to host this hearing tonight. And certainly Senator Smith, Senator (*sic*) Wisniewski, and the other members of the Committee here, we appreciate your being here.

Here, in Bordentown Township, one of the things that we've always believed in is shared services. I know when we first -- our first (indiscernible) back in 2000 -- that was one of the first things we started on. Because of our proximity to other municipalities -- Bordentown City, Fieldsboro -- we knew that that was an important aspect for a means for us to be able to reduce costs.

Some of the things that we already do here in Bordentown Township -- that we have a regional school board, we have a regional sewage authority. And we want to continue those types of practices. But I think it's important that you all, in Trenton -- the Senate and Assembly -- continue to forge forward to have shared services.

Even as a Mayor -- and I've been on the Committee for six years, Mayor for two years -- we hear a lot about home rule and the ability

for towns to continue their identity. I think it's important that-- I think most people realize that the home rule aspect is a thing of the past. I think most people -- and the complaints that we hear, especially from our seniors is, "How can we save money? What can I do?" And sometimes I'm at a loss for words, and that doesn't happen very often.

But I can tell you, as an economics major, it's pretty basic. You have economies of scale. There are many things that we can do, and that we would like to do, but we need the State's assistance in order to do them in an orderly progression. Some of the things we're looking to do is to share our services with our neighbors for our courts, and then that can continue; share service with police forces; share service with fire and ambulance. And I think that's something that all of you have to take a close look at and continue to forge forward.

You know you're going to have your naysayers, you know you're going to have your people come out and say, "You can't do this" -- those with special interests or your union members. But you have to do the right thing. I mean, I believe wholeheartedly in this. I believe you're on the right track. But you can't be distracted, and you can't let those who may be impacted and have some effect -- throw you off your track. You have to go forward and continue with the idea of having towns come together, share their services, and put some muscle behind it.

And, obviously, from that perspective, there are cost savings. I think most people recognize that. Most governing bodies recognize that. But we need your support. We need the State's support. And we need you to continue to do those types of -- put those types of legislation in place that will help us accomplish what we need to accomplish.

So as you go forward in your decision, and your final plan, I urge you -- all the Committee members -- to look at the fact that I think most communities support shared services, especially the smaller communities. Do not be dismayed by those who say you can't do it. I know there are a lot of unions that will come out and say, "Well, you can't do it. You're going to affect us." Those things can be worked through. They need to be worked through. And you need to come out of this with something solid. You have to do it. I'm telling you, you have to do it.

We are losing people in our state. We're going to continue to lose people in our state, because it's getting very expensive to live in our state. And if New Jersey wants to continue to be the great state that it is, and if Bordentown Township is going to continue to be the great town that it is, we need to do the right thing. And the right thing is to move in the direction of shared services.

But you have to have teeth behind it. And the Legislature has to enact legislation to allow us to do it, to make it accommodating for the towns to do it, without the roadblocks.

So, again, I thank all of you for being here.

Assemblyman Malone, I appreciate--

ASSEMBLYMAN MALONE: Thank you, Mark.

MAYOR ROSELLI: --the work that you do in Trenton for Bordentown Township, Bordentown City, the Bordentown area; and all the work that the ladies and gentlemen do in the Assembly and the Senate.

Thank you, and welcome.

ASSEMBLYMAN WISNIEWSKI: Thank you very much, Mayor.

Assemblyman Malone, thank you.

ASSEMBLYMAN MALONE: Thank you.

ASSEMBLYMAN WISNIEWSKI: If there are no comments from members of the Committee, I'd like to start with the individuals who have signed up to testify.

Again, we'd like to try and keep the testimony, initially, to five minutes.

The first person is William Monk, from Mount Holly.

Mr. Monk.

If anyone has a copy of prepared remarks that they'd like to share with the Committee, we'd certainly be happy to accept them.

Mr. Monk, you may begin.

WILLIAM MONK: Thank you, Mr. Chairman.

I'm reading from the green packet that I've provided, that's coming to you now.

ASSEMBLYMAN WISNIEWSKI: Thank you.

MR. MONK: I'd just like to offer an alternative to the "base closing" plan that Senator Kyrillos has suggested. Because the base closing plan will be subject to a lot of lawsuits and take a long time -- many years -- to implement.

The alternative would be to use laws that are already on the books, which is Title 40, Section 43. You all know that people can petition to form a study commission, which is what they're trying to do in South Orange and Maplewood, right now. But these study commissions have never actually worked -- have never taken all the way to a successful

consolidation. So I'm asking you to simply skip over the study commission process and let petitions go straight to a vote -- a public vote.

So if, in Mr. Malone's district-- If Bordentown Township and Bordentown City want to merge together-- If people sign the petition, it goes straight to a vote. And that way, it has broad public involvement, and it doesn't involve a committee of appointed experts, but rather the people and, of course, the School Boards Association, and the League of Municipalities -- which publicly support consolidation -- can't possibly oppose it. You can basically call their bluff.

And that's my idea.

Thank you.

ASSEMBLYMAN WISNIEWSKI: Thank you.

Does anybody have any questions?

SENATOR BOB SMITH (Co-Chair): Yes.

ASSEMBLYMAN WISNIEWSKI: Senator Smith.

SENATOR SMITH: I have a question for Mr. Monk.

Mr. Monk, your idea is to allow people to, in effect, petition for a merged government, correct?

MR. MONK: Yes.

SENATOR SMITH: All right. In your concept, would the vote that decides the merger be all of the people in the towns to be merged, 50 percent-plus one, or would the people in any individual town be able to veto the merger?

MR. MONK: I think it would have to be any town that votes yes, goes along. But towns that vote no should not be forced into it. Because, again, it would be subject to a great many lawsuits. If the six

towns on Long Beach Island wanted to merge together, and four vote yes, and two vote no, then the four who vote yes can go ahead. If the four Wildwoods do it, and three vote yes, the one town that votes no would not be vetoing the entire vote.

SENATOR SMITH: Thank you.

ASSEMBLYMAN WISNIEWSKI: Any other questions? (no response)

Thank you, Mr. Monk. Thank you for your testimony.

I'd next like to call Mr. Richard Snyder, who is the Executive Director of an organization called Dollar\$ & Sense.

MS. SHOSTACK (Committee Aide): Not here yet.

ASSEMBLYMAN WISNIEWSKI: He's not here yet?

MS. SHOSTACK: No.

ASSEMBLYMAN WISNIEWSKI: That must be him, because he responded.

RICHARD SNYDER: Clearly.

ASSEMBLYMAN WISNIEWSKI: Thank you.

MR. SNYDER: And I am glad that Assemblyman Gordon is, hopefully, enjoying a honeymoon rather than sharing the evening with us.

Dollar\$ & Sense is based in Bergen County, however our issues are statewide. We came together three years ago for the purpose of providing research and constructive solutions. And during this process of the special sessions, we have offered testimony to three of the four Committees. We are very conscious of the need to sacrifice, and we are certainly aware of the urgency. We also know that the greatest

responsibility that we have is not to throw the baby out with the bath water.

The very nature of compromise means that one-size-fits-all is not an effective approach. We have learned from the examples of best practices, and from many past legislative studies, that flexibility is the most effective approach. Consolidation works in some places. Sharing is better in others.

You heard from Pennsylvania's intermediate units. Dollar\$ & Sense visited with Dr. Baillie. We saw firsthand how their approach could benefit fiscally, as well as educationally. You received our report about curriculum sharing in Bergen's Northern Valley. These are terrific programs that all answer the questions of the day.

We are hearing very clearly that a broad brush is painting our superintendents in a bad light that categorizes them as superficial. These are not strictly administrative positions. We at Dollar\$ & Sense are very well traveled around the state in the education world. And by a long measure, our superintendents add leadership and educational insight to the high quality of our schools. We have offered specific constructive solutions to the Joint Legislative Committee for School Funding, and those are attached to the package that you've got.

The public is being asked to consider the model from Maryland. Before any of us can consider that alternative, we must recognize that a dollar spent in Maryland is not the same as a dollar spent in New Jersey. We fight this very same fight with the Federal government, regarding poverty levels and the reimbursement for transportation costs.

From the U.S. Census, the median cost of a home in New Jersey is just under \$334,000. In Maryland, the median cost is \$280,000. In New Jersey, our average teacher's salary is just under \$51,000. In Maryland, the teachers' average is just under \$48,000. Of course, it costs more to educate children here -- everything costs more here. Maryland has 15.7 students -- pupils per teacher. In New Jersey, we have 12.1. This increases costs, but it helps children.

Now we must look at the value of having our superintendents in our districts and accessible to our parents. The return on investment tells the tale. Statistics provided by SchoolMatters for national reading tests in the year 2004 show New Jersey at 78.7 percent, Maryland is at 70.4. For math proficiency, New Jersey is at 70 percent, Maryland is at 62.8. We call that a healthy return on our investment.

Since we all agree that education is the most critical of all goals, we must keep what works. It would be irresponsible to look at finances first, and then hope to achieve whatever standards we can afford. We must find a way to set standards first, and then address the finances.

We at Dollar\$ & Sense, and many others, are here to help you protect what exists that is good, and then rid ourselves of what is bad. And we hope that you will take advantage of the resources that we are offering.

Thank you.

ASSEMBLYMAN WISNIEWSKI: Thank you for your testimony.

I have one quick question. You talked about the test scores -- the difference between New Jersey and Maryland -- New Jersey at 78.7,

Maryland 70.4. Is that as a result of how they're organized administratively, or is that because of the quality of teaching?

MR. SNYDER: While we are unable to define specifically, we must assume -- at least we are suggesting that we would assume that children start at the same point. And whatever it is that they have that brings them to the conclusion is what we have to recognize. If we have a system that is now providing us with test scores -- whether we have better teachers or not -- I don't know any way anyone could quantify that. I am only asking you to look at the results. And before we make a change and, as we said, throw the baby out with the bath water, there is an investment we are making. There is no question. However, the results are there.

ASSEMBLYMAN WISNIEWSKI: I don't think anybody wants to throw the baby out with the bath water.

MR. SNYDER: No, it's just I do recognize that. And I do-- You and I, as it happens, sat next to each other in Sayreville. And we had discussed many of these issues.

ASSEMBLYMAN WISNIEWSKI: Correct.

MR. SNYDER: I don't think, for a moment, that any of you are being disrespectful of the standards that we have accepted. I'm only hoping that the priorities are in the order that says that the education of our children -- particularly in this day and age where high school reform is being looked at, and we are so concerned about where we fit globally -- that we set the standard of education first, and then look for a way to do it.

And we do have very specific suggestions. And we do have ways that it can be done. And as I said, we did spend that time with Dr. Baillie. We do know about New York's BOCES. We do know many other

areas where we can make a proper mix, and make the best with flexibility of all of the best practices that exist, and still accomplish the goals that we all recognize that we need to accomplish.

At any time that you'd like, I'd be glad to go through any of the alternatives that we've offered. There are 14 of them that we gave -- very specific things -- to the funding committee, for things that can be done that would enable us to do what we do in a more economic fashion and not sacrifice our standards.

ASSEMBLYMAN WISNIEWSKI: Thank you.

Senator Smith? (negative response)

Senator Kyrillos? (negative response)

Assemblyman Malone?

ASSEMBLYMAN MALONE: Mr. Snyder, are you an education-based organization? Give me a little bit-- I'm not quite sure I understand.

MR. SNYDER: Dollar\$ & Sense came together with members of the school boards in three different towns that recognized that with absolute research and constructive solution, rather than whining and simply complaining, we could offer those solutions with the experience that we have. Between us-- I am 13 years a member on the board. I'm a member of the Board of Directors of New Jersey School Boards. I'm part of Bergen County's Executive Committee. Others have at least that much experience, if not more. We are working in conjunction with superintendents in the town. We have put together an organization that has provided solutions, not just whining and doing it our way. Some of them have to do with

special ed conflict resolutions. Some of them have to do with county-based systems, where there is a sharing process.

Am I an educator? No, I'm in the door and hardware business.

ASSEMBLYMAN MALONE: It sounds-- I mean, just so I can glean from what you-- It sounds like you might be opposed to the proposal put forth by Senator Smith on consolidation at the county level.

MR. SNYDER: In all honesty, I'm aware of Senator Smith's commitment to that program well before this process. And having heard all of the testimony -- every bit of it that's been before your Committee -- if we are not presenting the same thing that was in our minds beforehand, that tells me that all of the experts that came before you, and all of the suggestions that were made, were deemed to have no merit. And I find that to be very difficult to believe.

There are very many things-- We all have the same goal, it's how we get there. And we're more than happy to show you ways that we feel we can move ahead with the flexibility that is required and actually make the best of all of the alternatives.

ASSEMBLYMAN MALONE: Given the problems that were presented in the SCI report about superintendents, and salaries, and so forth, isn't there some degree of concern that we need to look at a strong superintendent model, whether it's a countywide school district, or just a different model for superintendents at the county level?

MR. SNYDER: One of the particular suggestions that we made was for a county superintendent that had a hands-on role, rather than strictly an administrative role. We all are conscious of the testimony that SCI made before Assemblyman Greenwald's Budget Committee. And we

know the sample that he used. There are, unquestionably, people who do things improperly and badly.

ASSEMBLYMAN MALONE: Whose sample?

MR. SNYDER: Pardon me?

ASSEMBLYMAN MALONE: Whose sample?

MR. SNYDER: The SCI's sample, where they came up with the feeling that there was corruption, there was overindulgence, there were people taking advantage of the system. There is no doubt. But we know that the brush is painted much too broadly. If 10 percent of the superintendents, or 50 to 60 of them perform badly, then shame on them. But that also means that 550 did it properly. And, in our book, a 90 is still an A.

ASSEMBLYMAN MALONE: I'll conclude, Mr. Chairman, but I think it was a wider sampling than 40 or 50.

MR. SNYDER: I beg to differ.

ASSEMBLYMAN MALONE: I thought it was 300-and-some school districts.

MR. SNYDER: No, actually it wasn't. And forgive me for being that way. But I do beg to differ.

ASSEMBLYMAN MALONE: No, correct me if I'm wrong.

MR. SNYDER: No, I am certain that the brush that was painted was much too broad. And that doesn't lessen the need to correct it, and it doesn't mean you shouldn't go ahead and do those corrective measures that you're doing. However, if there are 85, or 90, or whatever we could agree on as the percent that are doing it properly, the broad brush

shouldn't paint them all as bad and evil. There's a great many that are good. And I do travel the state, and I do know that that can work.

But I still call for as Dr. Baillie provided in that Chester Intermediate Unit. And we spent the day there. And there's no doubt about it. There are things that are beneficial, in terms of educational quality, in terms of drawing higher competency people, in terms of the ability to pay them more to do better, and ending up saving everybody in the long run. But that requires a hands-on -- whether it be a county or a region.

In Bergen County, as you know, we've got 77 school districts. Dr. Graham is the county superintendent. He's top of the game. He handles more than anyone else does. But he knows, hands on, that your district has a certain strength and that someone else's district has a certain weakness. And he knows to put that together, because he is hands-on. He's not strictly administrative. And that's where we differ.

ASSEMBLYMAN MALONE: Thank you very much, Mr. Chairman.

ASSEMBLYMAN WISNIEWSKI: Thank you very much for your testimony.

MR. SNYDER: Thank you very kindly.

ASSEMBLYMAN WISNIEWSKI: Next, I'd like to welcome Mayor Malcolm Fraser, from the Borough of Cape May Point.

Mayor.

MAYOR MALCOLM C. FRASER: Thank you very much for letting us talk tonight.

Mr. Chairman and Committee members, on behalf of the citizens of the Borough of Cape May Point, we thank you for giving us this opportunity to present our case that, while small, Cape May Point is really an entirely productive entity unto itself.

Based upon our 15 years of managing our community, we will first present you with 15 questions which -- to which to measure the viability of a community. The answers to these questions-- We will then answer these questions with specifics. Then we will conclude with a specific property tax import analysis for potential consolidation between communities. This analysis was compiled with one of the foremost professional property tax officials in the State.

Now, getting into the meat of the business, evaluating a municipality.

In order to solve New Jersey's tax crisis, I believe one should explore the following questions. One: Is downsizing the number of municipalities across the board really the solution to the property tax problem? Two: Does eliminating small rural communities, based upon an arbitrary population figure or a total minimum square mileage really produce better results? Three: Should we examine the role that a municipality plays in the area it serves, and is that role productive or unique to that area? Four: How well is the municipality managed? How comprehensively does it utilize shared services? How does it keep abreast of the infrastructure maintenance or updating? Five: How does it manage stability of its tax rate? How frequently are properties reassessed? Are property sales transactions factored into the neighborhood evaluations as they occur? Six: Are rural communities different than suburban

communities or cities? Seven: How well do their elected officials and supervisory staff keep up to date with State technical courses in their field or with interrelated fields? Eight: How well does their staff plan ahead? Nine: Has there been an orderly succession of productive leadership? Ten: Does the cliché “one-size-fits-all” really apply to a diverse New Jersey?

Now, let me answer those questions. A municipal purpose: The State tends to look at communities on the basis of year-round population, ratables, and tax burden. Suggestions have been made that combining smaller adjacent communities may be more efficient than is now done. This may be true in compact, urban areas, but is not necessarily feasible in all areas.

The 30-mile long Cape May County covers 256 square miles and involves 16 diverse municipal centers. Let's focus on Cape Island at the southern tip.

Cape May City is densely populated with 5,600 year-round residents, and is a commercially orientated Summer season community of approximately 60,000 people. Their economy centers on 38 large commercial hotels, 20 bed-and-breakfast establishments, a growing development of condominiums, a shopping mall, a commercial boardwalk with a convention hall, and a two-mile long bathing beach.

West Cape May, adjacent to Cape May City, has approximately 1,095 residents. It has scattered businesses supporting the tourist industry, but it basically is a residential and rural community.

Cape May Point is very small, one-third square mile, with 610 homes, and a year-round population of 240 people. During the Summer, the population increases to approximately 3,500. And during the Spring

and Fall shoulder seasons, the weekend population averages above 1,000. It has no hotels, bed-and-breakfast facilities, or even a year-round store. Three business licenses are issued: one to a seasonal store, one to a water ice concession when the beaches are open, and one to the Bird Observatory.

The main functional purpose of Cape May Point is to preserve its ambiance as a wildlife sanctuary and as the hospitable gateway to the surrounding 1,851-acre natural area. This natural area consists of the Nature Conservancy area; the Cape May Point State Park, which includes the historic lighthouse; and the newly developed New Jersey DEP Fish and Wildlife area.

ASSEMBLYMAN WISNIEWSKI: Mayor, you've hit your five minutes. I was just wondering if you could bring it to a conclusion.

MAYOR FRASER: I had approval for up to 15 minutes from the top people.

ASSEMBLYMAN WISNIEWSKI: Well, Senator Smith is the top person here.

SENATOR SMITH: You're killing me.

MAYOR FRASER: I thought it was cleared with--

ASSEMBLYMAN WISNIEWSKI: We'll give you a little leeway, but we have other people. And we'd like to try and keep everybody to the same standard. Because if we give one member additional time--

MAYOR FRASER: I'll do my best. But if you'd please give me--

My entire talk doesn't take any more than 10 minutes. I've gone over it, and over it, and over it.

ASSEMBLYMAN WISNIEWSKI: I don't want to spend a lot of time debating the time. Just see if you can wrap up to the degree possible.

MAYOR FRASER: Okay. Well, the highlight is at the end. It's a benefit for you.

The main functional purpose of Cape May Point is to-- It says that.

The Audubon effort -- the bird effort -- centered around Cape May Point, represents \$60 million in revenue for the birding industry in New Jersey. That represents 1,200 jobs. Cape May Point supplies the State Park complex with water and sewer service, flood control drainage, and the sharing of machinery. The Park has registered 800,000 already this year. The Cape May Point Ordinances and Borough Code are designed to enhance both the borough and the carryover into the natural areas.

Cape May Point is a totally self-sufficient entity, and is one of the most modern, technological, up-to-date communities in the state. The entire infrastructure was built or updated within the last 17 years -- that's a \$20 million investment -- full water and sewer service to every household, full engineered beach fortification, town-wide storm water management. I'll skip over the rest of it, but there's a whole litany of that.

Cape May Point's total municipal assessed value is \$280 million. When the true property values drop to 80 percent, revaluation automatically occurs, as required by Cape May County. The current 2006 property tax rate is \$.75 per \$100 evaluation. That means a \$500,000 home has a \$3,750 tax bill. This includes school tax at 2.7 cents per \$100 value. There has been no increases in the taxes between '05 and '06. The

March 2006 statutory debt was 0.57 percent of ratables. I think that's one of the lowest in the state.

Feasibility is established through advanced planning, strategic timing of infrastructure improvements, 18 formal interlocal agreements, and 15 long-term outsourced contracts via public bid. We believe that we have proven that we can manage a town.

But this is the most important section of it all. This is quick.

In preparation for this testimony, we had an independent professional tax review. When attempting to evaluate property tax rates between municipalities, the professionals utilized the effective tax rate as their guide. This is often considered by Wall Street as the equalization rate between taxes.

Cape May Point's tax rate is \$.75 per \$100 assessment. Cape May City is \$.77, West Cape May is \$1.32 per \$100, Lower Township is \$2.88 per \$100. The average 2006 property tax bill in Cape May Point is \$3,300. If merged into Cape May City, this average Cape May Point tax bill would suddenly become \$5,032. If we were merged into West Cape May, this average Cape May Point tax bill would go up to \$5,178. If merged into Lower Township, this average Cape May Point tax bill would jump to \$8,387.

We request that the Legislature just leave us alone and allow us to continue operating as an efficient, independent town.

We thank the Committee for the opportunity to share our thoughts and experiences. And if there are any questions, I would be very happy to answer them either now or later.

ASSEMBLYMAN WISNIEWSKI: Thank you, Mayor.

Just one brief question: You want the Legislature to leave you alone. What if--

MAYOR FRASER: We like the Legislature, really.

ASSEMBLYMAN WISNIEWSKI: I'm sure you do.

What if whatever was going to happen, with regard to sharing services or consolidation, was put on a ballot for your voters to decide?

MAYOR FRASER: You'd get almost 100 percent for us to stay alone, believe it or not.

ASSEMBLYMAN WISNIEWSKI: Okay.

MAYOR FRASER: Because the tax rate-- They know what the taxes are that are being paid in other towns. They know what they're getting. They're getting good services for a very low price.

ASSEMBLYMAN WISNIEWSKI: I just couldn't help noticing you said you had a fully modern municipal building. You have a municipality of one-third square mile. The next town probably has a municipal building. Isn't there savings in having one municipal building?

MAYOR FRASER: What are you going to do with the existing municipal building?

ASSEMBLYMAN WISNIEWSKI: Somebody might need it.

Assemblyman Gordon.

ASSEMBLYMAN GORDON: Sell them.

MAYOR FRASER: That's not an option.

ASSEMBLYMAN WISNIEWSKI: Any other questions? (no response)

Thank you, Mayor.

MAYOR FRASER: Thank you.

ASSEMBLYMAN WISNIEWSKI: The next individual we have is Jerry Cantrell, from the Silver Brigade.

JERRY CANTRELL: Mr. Chairman, members of the Committee, I appreciate the opportunity to speak this evening.

I came down from Randolph. I'm the President of the Silver Brigade. We are a statewide grassroots organization of concerned citizens who came together in 2000, which preceded my involvement, to formally oppose the out-of-control property tax increases rampant throughout the state, and dedicated to achieving major reforms. I would like to offer our perspective on some of these areas.

Specifically, as a former school board president in Randolph, I have some observations that I have personally experienced, in conjunction with the organization. Two years ago, the organization -- we put together a 10-point proposal, which outlines things like freezing the budgets, etc. -- the State's budget. If it goes up beyond the cost of living, you would have to go out to a referendum to the voters. But I'll let you read that separately. It's on our Web site, and I'll get you a copy of the full document. It's actually in the format of your proposals, done in the bill format, down in Trenton.

But I'd like to touch on a couple of ideas that are specific to this Committee this evening. First of all, it is our general perspective that we don't have a revenue problem in this State, we have a spending problem. I think-- You know, I represent a lot of senior citizens, many of whom have been harmed. I was down in Montclair on Monday, with WCBS, interviewing a couple down there who lost their home a few years back because of the rising taxes.

Also, contrary to what a lot of people like to point fingers at, we are not opposed to Abbott district spending. Those kids in Newark, and Trenton, and Camden deserve as much of an education as my 11-year-old son over here, who is with me tonight, who goes to school in Randolph.

But we've got to achieve-- In order to achieve real reform, we feel that equity has to be developed. Today, the Department of Education defines core curriculum standards. No Child Left Behind tests virtually every grade level. It seems like if you're defining the specifications of the product, and you're measuring the quality coming out, you should be able to arrive at a factor that we can all kind of agree on, whether we're residing in Newark or Randolph.

We need to mandate uniform reporting of all school districts, all municipalities, all counties. I can tell you right now, as the former school board president in Randolph, my budget format is different than any of yours. I suspect all 611 or 616 school districts around the state use their unique format for the public. Yes, there are common things that have to be reported to the State, as far as the Department of Education. But the formats are unique, so you cannot make any sense out of them. I couldn't get this information as the board president.

If we're going to talk about caps, and I know-- We were down talking to Speaker Roberts a couple of weeks ago. Under his proposal, you would have these caps, and you would move the budget vote -- or the board votes to November. I was a proponent of this myself three years ago, until it dawned on me, we would not get a chance to vote on the budgets. That's the last thing the citizens of New Jersey need at this point in time.

The cycles don't line up. And I know the caps are established -- S-1701 was established a couple of years ago. In my district, in Randolph, last year, with the S-1701 limit being 3.1, the budget went up 7.1 percent, and they said they were within the cap. We've got to cut out all of this silliness if you really want reform. And we want to see that, as well.

Eliminate things like line items transfers, if you know what I'm talking about. The superintendents-- The budget is \$70 million, they take \$10 million the day after the budget is approved and move it here, \$5 million move it there, etc. You can't follow it.

Establish uniform reporting for all student costs. In my district, we have one factor. They eliminate a lot of things like courtesy busing, etc. The basic premise is, we spend X number of dollars, we have X number of students. That should be the uniform standard; none of this, "We spend less than everybody else in the world." It's ridiculous.

I had a \$200,000 special needs student in Randolph who ended up being placed in Pennsylvania. You can read the detail, I won't bother. You can read as well as I do. But these are the kinds of things that are out of control, because they're all on a local basis.

I want to skip over, so I don't run out of time, school boards. Either fix them or eliminate them. Personal agendas are rampant. I can tell you, I sat there in closed session, probably like you sit down in Trenton, in many cases. These are personal agendas that drive the agendas in the district. It happens on the community side, as well.

Last year, we spent \$750,000 to install a brand new turf field on a 3-year-old park. My son loves it. He gets out to work out two weeks

early in the year to play lacrosse, etc. Should the taxpayers have been burdened with that? I don't think so.

I'll quickly wrap up here.

ASSEMBLYMAN WISNIEWSKI: Thank you.

MR. CANTRELL: I have a couple of examples. It's included in your packet. There's an article from San Diego. When I travel, I pick these things up. A superintendent was hired, who had been a contender for the district of Trenton, at \$240,000. But he is responsible for 42,000 students in 22 districts. And I checked; the districts are not -- this is not some pristine district out there. This is the most diverse population district in that whole area. By contrast, in Long Branch, *The Star-Ledger* reported we had a superintendent who earned \$311,000 in that SCI report. Personnel costs in Randolph -- this varies by district. In most districts, the business administrator is also the board secretary -- just to give you an example. It's anecdotal. Our business administrator had a separate board secretary, who had a secretary. And each one of them were making about \$70,000.

These are the kinds of things that go on. In Connecticut -- I visited a few years ago. There, the municipalities take care of everything external on the buildings: all tuck pointing, all lawn facilities, etc. Their budget, in a virtually mirrored district to mine, was 20 percent less than ours. That wasn't the only factor. But these are the kinds of things that need to be looked at.

Thank you.

ASSEMBLYMAN WISNIEWSKI: Thank you, Mr. Cantrell.

Any members of the Committee have questions? (no response)

Thank you for your testimony.

MR. CANTRELL: We're holding a tea party next Thursday, up in Ledgewood, if anybody can make it. You have an invitation there.

Thank you.

ASSEMBLYMAN WISNIEWSKI: Thank you.

Eli Hiller, from Cherry Hill.

Mr. Hiller.

E L I H I L L E R: Assemblyman Wisniewski, Senator Smith, Senator Karcher, Senator Kyrillos, Assemblyman Gordon, Assemblyman Malone, ladies and gentlemen, thank you for allowing me to appear before this Joint Legislative Committee that could have the most significant impact upon reducing New Jersey property taxes.

In attempting to achieve that most desired affect, it is apparent that you are examining the holy of holies of New Jersey, namely the sacred cow of local governance. You must not be deterred, disheartened, off put, or even threatened by local government politicians and employees, or their self-serving organizations and consultants, all worshippers of the sacred cow. They care not the slightest about emptying the pockets of the 8.7 million residents of New Jersey, as long as they triumph in maintaining the ruinous status quo serving their well-being.

Consider the insanity produced by this sacred cow. New Jersey has five layers of local governance, including 21 of the smallest counties in the U.S. We have 12 forms of municipal government totaling 566 distinct entities, of which 366 occupy fewer than 10 square miles, 315 have a population of fewer than 10,000 persons, and 193 have similar names. We have 651 school districts, including charter schools; 208 local public authorities; and 232 special taxing districts, of which 184 are fire districts.

These 1,678 units of local governance have produced mind-boggling excesses that no other state experiences. The litany includes 347,500 local workers and approximately 20,000 elected local officials. Incredibly, ELEC -- the responsible State agency -- does not know the exact number of elected local officials. New Jersey has 40 local government workers per square mile, the most of any state, and double the U.S. average of 19. They consume more than 90 percent of annual New Jersey property tax collections in salaries -- \$18 billion out of \$20 billion. Adding insult to injury, the 1,678 units of local governance are the direct cause of the highest rate of corruption of any state, as it is impossible to provide adequate oversight of that many units of government. Sadly, all of the above combine to produce the highest property taxes of any state.

Upon any threat to the sacred cow, its worshippers will quickly invoke the tired old cry of home rule to thwart any change. However, home rule does not exist in the New Jersey Constitution, it is not memorialized in New Jersey legislative law, nor have the New Jersey courts applied that principle in any case law.

Despite the dire sacred cow conditions that plague New Jersey, a solution exists. And this solution does not involve shifting taxes or any new tax revenue. In the private sector, it is known as restructuring, rather than consolidation or shared services, as the latter implies only the gluing together of broken pieces.

Restructuring is the act of partially dismantling and reorganizing an organization for the purpose of making it more efficient and, therefore, more profitable. Confirming the widespread use of restructuring can best be gauged by a Google search, producing 44.9 million

restructuring entries. That hardly signifies an obscure or unsuccessful process. The tool is applicable to every organization, public and private. If restructuring is properly undertaken, it involves a thorough examination of the business processes involved in an organization's market, the appropriateness of the service produced for that market, production and distribution efficiencies, and the cost of producing the service. If these examinations are carefully made, the success rate of restructuring is remarkable.

The applicability of restructuring to the 1,678 units of New Jersey local governance is obvious. Based upon the long history of restructuring effort and experience, it is apparent there is no good reason for having five levels of local government, when one level of sufficient critical mass can perform the task of local governance more efficiently and at less expense.

ASSEMBLYMAN WISNIEWSKI: Mr. Hiller.

MR. HILLER: Yes.

ASSEMBLYMAN WISNIEWSKI: I just want to let you know that you're going to be out of time soon. So if you wanted to--

MR. HILLER: Yes. May I--

ASSEMBLYMAN WISNIEWSKI: If you wanted to summarize what's left--

MR. HILLER: May I make a few points?

ASSEMBLYMAN WISNIEWSKI: Sure.

MR. HILLER: And come back?

ASSEMBLYMAN WISNIEWSKI: Sure.

MR. HILLER: The following points have to do with what makes a municipality. There are four factors, according to social and political scientists. And the desirability includes quality education, green spaces and parks, modern infrastructure, and a thriving business community. If, therefore, we took those into account and said, because of density in New Jersey, we would have municipalities of approximately 20, 40, and 60 square miles, we would wind up with 184 municipalities.

These 184 municipalities -- because all of these factors were taken into consideration -- would be superior to the current 566.

If I could come back and complete it--

ASSEMBLYMAN WISNIEWSKI: Sure.

MR. HILLER: Thank you.

ASSEMBLYMAN WISNIEWSKI: Okay. Thank you very much, Mr. Hiller.

I'd like to call Reba Snyder, who is the President of the Bordentown Regional Education Association.

Good evening.

R E B A S N Y D E R: Good evening.

Thank you for this opportunity to testify.

I need to put on my glasses.

I'm Reba Snyder, and I serve as President of the Bordentown Regional Education Association. And in that Association, I represent more than 280 teachers, paraprofessionals, secretaries, and custodians in our regionalized K-12 district.

When our district regionalized in 1982, there was a question on the ballot that had to pass in the municipalities in order for us to become a

regionalized district. And since we are a regionalized district, you can see that it did pass. This was a decision that was made by our community, not mandated by the State nor by the local boards of education.

When we regionalized, there were three superintendents, since we had three different districts. One of them retired and moved to Wyoming, one of them became the new district superintendent, and the third became an assistant superintendent in charge of curriculum. Since that time, we have eliminated the assistant superintendent's position, and now we have two curriculum supervisors.

Our district has grown steadily so that our net savings was the elimination of one former superintendent's position, which had only minimal impact on our local property taxes. So from my experience as a staff member in a regional district -- I have worked in the district -- this is my 36th year. And I've been a member of-- I've been a resident of Bordentown Township since 1969.

From my experience, I can offer -- I would like to offer the following advice: To be successful, consolidation or regionalization needs to be voluntary, just like it was in Bordentown. I urge you to be cognizant of the impact of any decisions that you make on people -- real people who work to educate your children. There are lots of ways districts can do more to share. The State should encourage districts to get together to purchase things like school supplies, maintenance supplies, and textbooks. In our region alone, we save thousands of dollars by purchasing copying paper from a large cooperative.

Most importantly, please make sure your decisions don't hurt the quality of our schools and the education of our students. If a decision

would hurt the quality of instruction or hinder student achievement, it should be rejected. If a decision would result in much larger class sizes, it should be rejected. If a decision would force students to take unreasonably long bus rides, it should be rejected.

I would also urge any communities considering either consolidation or regionalization to consult with their educators and administrators for many reasons. First of all, we can help to assess the educational impact of any proposed action. We can help districts avoid conflicts that may arise when the rights of professional educators are circumvented or violated, by including them in the reorganization process.

So I urge you to consider these issues as you formulate any legislation aimed at reducing local property taxes.

Thank you very much for your time.

ASSEMBLYMAN WISNIEWSKI: Thank you for your testimony.

Any questions from the Committee?

ASSEMBLYMAN MALONE: I just want to thank--

I have known Reba for a long, long time. She's a fine woman.

And I do appreciate you taking the time, Reba, to come out and give us your input.

MS. SNYDER: Thank you, Joe.

ASSEMBLYMAN WISNIEWSKI: Thank you for your testimony.

I would next like to call Rooney Sahai, of Voiceofconsumers.com.

Rooney.

R O O N E Y S A H A I: Chairmen Smith and Wisniewski, members of the Legislature and staff, ladies and gentlemen, good evening.

My name is Rooney Sahai. And I, together with other New Jersey residents, have helped create a group of New Jersey homeowners and property owners who are very concerned about the waste in government and the fast-rising property taxes.

The group's name is Voiceofconsumers.com

Over the previous weeks, as we have watched the property tax hearings unfold, amidst all the wisdom that's been shared and the numerous hours of public testimony we find two critical items have been missing. First: direct participation of homeowners, property owners, and perhaps renters. We have addressed that and, therefore, we have created Voiceofconsumers.com. Again, it's Voiceofconsumers.com.

The fact is that just in the last five years, New Jersey government has increased spending by 37 percent. And based on a review of some of the previous testimonies before this Committee, our group is confident in asking for a 15 percent reduction in property taxes, as a goal. And we find goal-setting has been a missing piece as these debates have unfolded.

This group also wants to express its sincere regard and sentiment for public officials who have put in tireless hours for public service. This group looks forward to working with all of you -- each one of you -- to create well-balanced solutions.

In light of the fact that the Governor and others have stated that tax increases are a last resort, we are asking that there be no additional

taxes imposed until we can accomplish savings through various efficiencies in government.

I'm inviting everyone to visit our Web site Voiceofconsumers.com, and check out our platform, and get involved. Our group needs help from everyone and anyone to whom New Jersey is home; and believes in a reduction in property taxes.

Thank you.

ASSEMBLYMAN WISNIEWSKI: Thank you, Rooney.

Any questions for Mr. Sahai? (no response)

Thank you for your testimony.

MR. SAHAI: Thank you.

ASSEMBLYMAN WISNIEWSKI: I'd next like to call Pat Roettger, TopDown Consulting.

PATRICIA M. ROETTGER: That was just my business card that they took.

ASSEMBLYMAN WISNIEWSKI: Thank you.

MS. ROETTGER: Good evening, Mr. Chairmen and Committee members.

My name is Patricia Roettger, and I am here at the request of Governor Jon Corzine. I'm a resident of Park Ridge, where I own a home and raise my 12-year-old daughter. My daughter is a 7th grade student attending Park Ridge High School. There is no true middle school in our town.

Park Ridge sits in the center of four towns, which make up the Pascack Valley Regional High School District, which is comprised of two high schools: Pascack Valley, in Hillsdale; and Pascack Hills, in Montvale.

To the best of my knowledge, Pascack Valley is at 85 percent capacity, and Pascack Hills is at about 40 percent capacity. The results of a recent demographic study ordered by the Pascack Valley district shows that the district is expected to grow by approximately 343 students in the next five years. The Park Ridge Board of Education expects our district's enrollment to increase by 108 students in the next 10 years.

The Park Ridge School District is comprised of two elementary schools, each of which houses grades K-6, and a high school which houses 7-12. Park Ridge High School has graduated only 750 students in the last decade and expects to graduate only 67 students this year. Each year, there is a high drop-off rate from 8th to 9th grade, as many parents opt to move their children to private schools for a better education. Over the last few years, the school district has been faced with overcrowding in the elementary schools, which will soon impact the high school. There has been a push by the Board to expand and move 5th and 6th graders into the high school.

An ever-increasing number of students (*sic*) feel that our district should investigate regionalizing with the Pascack Valley District. However, the Board refuses to initiate an independent feasibility study, which would provide residents with program and cost comparisons. Clearly the Pascack Valley District can accommodate our high school students. However, our Board prefers home rule.

In light of a then-pending referendum in the range of \$15 million to \$25 million, in February 2005, a group of residents circulated a petition asking the Board to initiate an independent feasibility study. The petition was signed by approximately 600 residents. Instead of moving

forward with the study, the Board hired a company to survey residents in order to determine how they felt about regionalization. The results of the survey were 50 percent for and 50 percent against.

In July 2006, the Board filed an appeal -- an application, I'm sorry, with the New Jersey State Department of Education, asking for approval for a \$65 million expansion and rehabilitation effort, the highest referendum in Bergen County history. On September 25, the Board received approval from the New Jersey Department of Education, along with -- as the Board states -- a commitment to provide State aid of approximately 21 percent. The board expects that interest on the bond will amount to approximately \$52 million.

Faced with the potential of a 20 percent property tax increase if the referendum passes, a group of residents, of which I am a part, approached the Mayor and Council, and asked that they obtain any grant funds offered by the County, and either initiate the independent feasibility study themselves or provide the funds to our group so that we could initiate the study. We have offered to raise any funds not provided by the County grant. The Mayor and Council have refused our requests, indicating that it is against the law for the Council to initiate such a study. My research indicates otherwise.

I have done extensive research on regionalization, cost apportionment, and equalized valuations. It is difficult to understand why the Department of Education would entertain, let alone approve, the highest expansion and rehabilitation effort in Bergen County history, when there are clearly other options. As I understand, the State of New Jersey supports each school district. Why would the New Jersey Department of

Education choose to support two high school districts that can easily be combined? I see regionalization as the solution to our overcrowding issue, while helping out the Pascack Valley District in the process.

Our current Superintendent, Dr. Patricia Johnson, has been providing information related to regionalization to the public at the urging of the Board. However, the source of all of this information is the New Jersey School Boards Association, and all of the information is negative. The Board is also informing residents that should the referendum fail, the only other option is more trailers at each school. The Board is also attempting to mislead senior citizens and disabled persons by informing them that as a result of a recent change in the law, senior citizens and disabled persons may be protected from tax increase if the school referendum is approved. Contrary to the Board's claim that the Senior Freeze is a result of a recent change in law, I have found that this law was enacted in 1998. As I have been told, many seniors have been calling our municipal tax office asking how long it will take to get a rebate after the referendum passes.

We have done everything within our power to convince the Board that regionalization makes sense, financially and academically. We also have--

ASSEMBLYMAN WISNIEWSKI: Pat, I know you only have two paragraphs left, so--

MS. ROETTGER: Okay.

We also have initiated a letter-writing campaign to Governor Corzine, asking him to make you aware of the situation in Park Ridge. Park Ridge High School was recently ranked 40th out of 316 by *New Jersey*

Monthly magazine. Pascack Hills was ranked 8th and Pascack Valley 23rd. The Park Ridge Board has spent tens of thousands of our tax dollars in an effort to slant public opinion, while refusing to grant residents access to important information which will allow us to make an informed decision when we vote in December.

I applaud your efforts to reform property taxes in our state. The State needs to offer incentives to encourage the consolidation of services and/or regionalization, and to change the way regional cost is apportioned. It seems that school districts attempting to deregionalize are doing so because cost apportionment is not fair. How can it be expected that a town pays a higher share of the cost, yet has less representation on the Board? The State may also need to force districts to regionalize. As in our case, the Park Ridge Board will never voluntarily regionalize. But how can a number 40 school compete with a number 8? If Park Ridge were to join the regionalized school district, Park Ridge students would reap the benefits of more extensive offerings of a regionalized high school district, including additional courses, clubs, and intramural sports.

In closing, I would appreciate it if your Committee would review the situation in my town. Although Board members were elected by a majority, clearly they have their own agenda and are not representing the best interests of those they were elected to represent. How much more money is our Board willing to waste to support their own interests and agenda? Should this referendum pass, the tax increase alone will force many residents out of their homes. And if this referendum passes, it will pass because of the fear that the Board has instilled in residents. The State of New Jersey needs to step in.

We also have a Web site, www.educateParkRidge.com

Thank you.

ASSEMBLYMAN WISNIEWSKI: Thank you, Pat.

Any questions?

Assemblyman Gordon.

ASSEMBLYMAN GORDON: Just a comment: And that is that some of the legislation we are considering would give citizens the right, through petition, to initiate these feasibility studies and circumvent elected officials -- either boards or municipalities.

MS. ROETTGER: Oh, thank you.

You have a copy of our petition from last year. And that was when the referendum was expected to be \$50 million less -- \$40 million to \$50 million less.

Thank you.

ASSEMBLYMAN GORDON: Thank you.

ASSEMBLYMAN WISNIEWSKI: Thank you.

Barbara Coleman.

BARBARA COLEMAN: Good evening, Mr. Chairmen, members of the Committee.

My name is Barbara Coleman. I have been a single parent of three children since my divorce in 1994. In 1997, after raising my children in a two-bedroom apartment, I was finally able to purchase a home of our own. I chose Park Ridge, because I was raised there. I wanted my children to be close to my parents, their grandparents, who still live in Park Ridge.

As if being a single parent of three children and a single homeowner isn't enough, trying to maintain my own home is proving to be

more and more difficult, specifically because of the annual increases in the property taxes I pay.

When I purchased my home in 1997, my property taxes were approximately \$3,200. The tax bill I received this past August showed my property tax is now \$5,700, an increase of \$2,500 in nine years. Though I have made no significant improvements to my home, my taxes continue to rise.

Park Ridge properties were reassessed in 2004, which increased my taxes by \$900 in the blink of an eye. Added to this is the increase in my property tax caused by the \$4.5 million school expansion referendum in 2001, along with budget increases for Park Ridge School District every year. Now the Park Ridge Board of Education is asking the taxpayers to approve a \$65 million referendum to complete yet another expansion project. The interest will be \$52 million over 30 years. I have estimated this will result in another property tax increase of \$1,200 on my home. This does not include annual school budget increases that will be necessary to furnish, staff, heat, etc., the new school additions. It also does not include the necessary escalation in municipal taxes due to increased COAH obligations placed on Park Ridge should the referendum pass.

How much higher can my property taxes go before I am forced to sell the home I have struggled so hard to hold on to? Though I have received the homeowner's property tax rebate in recent years, the annual increase in my property tax negates that rebate. Rebates don't work. A property tax reduction is what is needed.

The Park Ridge Board of Education has not concerned themselves with me or other residents in town who simply cannot afford the

\$65 million referendum. They do not concern themselves with the state of the State, so to speak, and expect Park Ridge residents, and the State of New Jersey, to contribute exorbitant sums to further their fiscally irresponsible agenda, which is absolutely unnecessary.

Are the Park Ridge schools overcrowded now? Yes. Will student population increase in the future? Yes, but only slightly. Are there alternatives to expansion? Yes. The alternative is to accept the offer made by our neighboring regional school district, the Pascack Valley Regional High School District, and expand that regional district to include Park Ridge High School.

The Regional High School District is comprised of four towns and has two high schools. Pascack Hills High School is located only 1.5 miles from Park Ridge High School and can easily accommodate our 350 high school students. This would allow grades 5 and 6 to join grades 7 and 8, currently housed in the current Park Ridge High School building, thus creating a true middle school, while freeing up the classrooms needed in the town's two elementary schools. This would eliminate the need for all Park Ridge taxpayers to bear the burden of a significant increase in property tax to support a district that cannot afford to continue as a stand-alone district.

Pascack Valley District offered a send-receive arrangement to Park Ridge in September 2000. The Park Ridge Board of Ed did not respond to that letter. Then, in 2004, the Park Ridge Board of Ed sent a letter to the Pascack District, requesting a meeting to discuss regionalizing the two districts. Pascack responded that they would welcome a meeting, but Park Ridge never followed through. Had the Park Ridge Board of Ed considered the offer to regionalize -- and based on the estimate of residents

-- I would only be facing an increase of approximately \$600 in my property tax.

On a personal note, in addition to figuring out how to afford this property tax increase, I am now faced with sending two of my children to college in the next three years. My son is in his senior year of high school, and we are in the process of making applications to colleges. Recent news of college tuition in New Jersey expected to increase significantly next year is not what I need to hear, especially when it is also possible that my property taxes will increase dramatically.

If the State of New Jersey is able to pull funding from the higher education system, why should it continue to allow and provide funding to so many school districts operating in this state? The State needs to mandate the regionalization of small, stand-alone districts such as Park Ridge.

You might assume that I receive annual salary increases and/or bonuses, which would help alleviate the out-of-control property taxes I have been experiencing and expect in the future. Be certain that this is not the case. I am employed as a paralegal with a company that is a provider of diagnostic imaging services. Due to deep cuts in the levels of Medicare reimbursements to providers since 2000, my employer was forced to cap salary increases at 2 percent every year since 2001. Bonuses have been eliminated. This year, salaries were frozen, staff was reduced, six of our imaging centers were forced to close. And we are told more of the same is likely in 2007, all due solely to deeper cuts brought about by the Deficit Reduction Act, which was enacted without public comment or industry comment. I cannot rely on salary increases or bonuses to assist with

increased property taxes, nor can I rely on my continued employment if there is further staff reductions.

Although mine is one of many similar stories you have already heard, each and every story you hear is a real person's individual story -- your fellow neighbors in New Jersey. You must find ways to protect us.

Governor Corzine has tasked you with finding answers that will benefit each of us individually, and collectively the State of New Jersey. For myself, I can only hope you will recommend regionalization of school districts and, more specifically -- and at the very least -- Park Ridge High School.

Thank you for your time.

ASSEMBLYMAN WISNIEWSKI: Thank you for your testimony.

Any members of the Committee have any questions? (no response)

Thank you very much.

Jake Genovay.

J A C O B J. G E N O V A Y: Messrs. Co-Chairs Senator Smith, Assemblyman Wisniewski, honored members of the Joint Legislative Committee on Government Consolidation and Shared Services, my name is Jacob J. Genovay. I am Secretary of the Board of Fire Commissioners of Hamilton Township, Fire District No. 4. And I am speaking on their behalf.

Thank you for allowing me to express our views.

A little history: I know you have already been under advise of the fact that there are 186 fire districts in the State of New Jersey. But I

don't know if you are aware, most fire districts were formed by local fire -- local volunteer fire companies that could not receive ample funding from their municipalities to provide the proper personal clothing, apparatus, and equipment needed to supply the best fire protection and prevention programs in a safe and timely fashion.

We refer our remarks to A-52 and S-2094. These bills are part of a group of CORE bills designed to provide relief to the property tax problems confronting the residents of New Jersey. It is a foregone conclusion that some form of relief is necessary to stop the exodus of our taxpayers and our businesses to other areas of the country. We agree that some major cutbacks in spending are needed to bring this to fruition.

We do not feel that the provisions as listed in these bills will accomplish meaningful savings toward that end. The basic premise is to change the date of fire district elections. But, in reality, it will transform a nonpartisan firematic question to that of a combination partisan election with municipal officers, school board members, and their budget. Despite the term *nonpartisan* part of the ballot, it is quite apparent that it would eventually be used by the political parties to be a partisan stepping stone ballot from the fire district, to the school board, to municipal office.

These bills mandate the use of municipal clerk and county clerk in place of the clerk of the board. We feel that this will be an increase of costs instead of savings. They also change the realignment of fire district boundaries to those of election boundaries. It should be noted that these changes would incur loss of ratables from one district to another and, more importantly, the relocating of life hazard uses and other impacts on the current firematic policy, including preplanned emergency procedures and

response. Also, what would occur if the boundary change places a current commissioner's home outside of his or her present district?

The changes involving different terms and time to receive petitions are inconsequential in light of costs and/or importance, and need not be discussed. Placing the budget under cap rule would place a hindrance to any district which needed to hire one or more firefighters to help implement their volunteer force.

Again, we fail to see major savings to materialize as a result of these bills. Most fire districts are part-paid departments with a base of volunteer firefighters, augmented by paid personnel to cover the periods, usually days, when there is a scarcity of volunteers. Volunteer firefighters are under attack nationwide from different agencies for their own selfish reasons. We must be careful to assure that the spirit of volunteerism, especially public service people such as firefighters and EMS, is kept alive and well in our great State of New Jersey.

New Jersey is fortunate in having a large force of these selfless servants and would see tremendously large budget increases in all municipality -- I'm sorry, in all municipal budgets if we do not sustain these volunteers.

The remarks are rendered with the whole Board of Commissioners of Fire District No. 4.

And just as a little p.s. to this statement, the District of Fire Safety in the State of New Jersey -- their latest figures -- list 32,000 volunteers and 7,400 career.

That's the end of my statement, sir.

ASSEMBLYMAN WISNIEWSKI: Thank you, Mr. Genovay.

MR. GENOVAY: You're welcome.

ASSEMBLYMAN WISNIEWSKI: Any members of the Committee--

Assemblyman Malone, and then Assemblyman Gordon.

ASSEMBLYMAN MALONE: Just one question. Is this the Hamilton in Mercer County?

MR. GENOVAY: Yes, Mercer County.

ASSEMBLYMAN MALONE: What would happen if you took all your fire districts and just consolidated into one fire district, with one board of fire commissioners? Why would that not be workable?

MR. GENOVAY: I don't know why it wouldn't be workable. We don't know if you're going to get a better department.

One of the end results, in my own estimation, would be that it would revolve -- it would revolve into a paid municipal department. And we are really fighting that. We are trying to keep our volunteer firefighters in Mercer County.

ASSEMBLYMAN MALONE: Why would consolidation into one fire district not work?

MR. GENOVAY: Because the precedent seems to be set, and it seems to be going that way in the State of New Jersey.

ASSEMBLYMAN MALONE: To split it up or go to one?

MR. GENOVAY: To go to one. And that, in turn, involve -- I'm sorry, revolves to be either a full-paid or a municipal-paid department.

ASSEMBLYMAN MALONE: Okay. But in Hamilton Township -- I am familiar with Hamilton Township, living here in Bordentown.

MR. GENOVAY: I know you are, sir.

ASSEMBLYMAN MALONE: I don't understand why it would naturally lead to less volunteers.

MR. GENOVAY: Because it does. If you look at every department or fire district that has moved into more paid people than volunteers -- and in less than two years, the volunteer force is cut to nothing.

ASSEMBLYMAN MALONE: All right.

MR. GENOVAY: That's a matter of records. You can see them throughout the whole state.

ASSEMBLYMAN MALONE: Thank you very much, Mr. Chairman.

ASSEMBLYMAN WISNIEWSKI: Assemblyman Gordon.

ASSEMBLYMAN GORDON: Thank you.

Mr. Genovay, I served for 10 years as an unpaid fire commissioner in my community, in Bergen County, where nearly all of the local volunteers -- nearly all the fire departments--

MR. GENOVAY: If I may, sir. Your position as a fire commissioner was not under Title 48 Fire Commissioner.

ASSEMBLYMAN GORDON: My title was unpaid. It was--

MR. GENOVAY: I understand that.

ASSEMBLYMAN GORDON: --basically something just created by my municipality--

MR. GENOVAY: I understand that, sir.

ASSEMBLYMAN GORDON: --to provide a liaison with the fire department.

MR. GENOVAY: I'm sorry, I don't mean to cut you off. But the point I'm trying to make out is, there are no registered fire districts in Bergen County under Title 48.

ASSEMBLYMAN GORDON: And that's the point that I'm trying to make.

MR. GENOVAY: Correct.

ASSEMBLYMAN GORDON: I served for 10 years as a fire commissioner. There are no fire districts in--

MR. GENOVAY: Correct.

ASSEMBLYMAN GORDON: --Bergen County. There aren't-- I'm not aware of any, actually, in northern New Jersey. Our communities--

MR. GENOVAY: Piscataway.

ASSEMBLYMAN GORDON: Excuse me.

MR. GENOVAY: I'm sorry.

ASSEMBLYMAN GORDON: Our communities are some of the highest rated fire -- and some of the most highly rated fire departments. And I'm really at a loss to understand why we need fire districts, other than to raise taxes that are -- and to have these taxes approved in elections that attract maybe less than 5 percent of the voters.

The purchase of fire apparatus represents some of the most expensive purchases that a community makes.

MR. GENOVAY: Yes, it does.

ASSEMBLYMAN GORDON: Why shouldn't these-- Why shouldn't the purchase of such equipment be debated in an election, just as we debate defense spending on the national level?

MR. GENOVAY: Well, our--

ASSEMBLYMAN GORDON: I'm really at a loss. Perhaps you can respond to my confusion. I just don't understand why we need these fire districts, period.

MR. GENOVAY: I think I pointed out very firmly in my remarks that most fire districts were formed in municipalities that were not furnishing enough money to fund a fire department.

You people in Bergen County are rather fortunate. You are giving the local departments money to furnish themselves properly and give a full firefighting force. The rest of the state -- many parts of the state -- we have not been that fortunate. And as I pointed out -- and if you would care to look at the records, I'm sure you will find that -- that most fire districts are formed where they do not receive ample funding.

The local municipality doesn't want to float the tax rate. You create a fire district -- they float the tax rate, they get killed, because they're putting out a tax rate. But they're maintaining a volunteer fire department, in most cases, with proper equipment and proper materials.

ASSEMBLYMAN GORDON: I think we can debate this for a long--

MR. GENOVAY: I'm not debating. I'm giving you some information, sir. I'm sure I can't debate you.

ASSEMBLYMAN WISNIEWSKI: Mr. Genovay, you made the equation that consolidating fire districts leads to the loss of volunteers.

So I come from a community that has no fire districts, with an all-volunteer department. Should we then conclude that the better way to keep volunteers is to get rid of fire districts all together? I have no fire districts in my town. It's an all-volunteer department.

MR. GENOVAY: No, I don't think that that is the case. Again, you may be-- Your fire department may be fortunate enough in getting ample funding.

ASSEMBLYMAN WISNIEWSKI: They don't think so, but--

MR. GENOVAY: Well, you are aware of what equipment costs today. It's stupid.

ASSEMBLYMAN WISNIEWSKI: Well, let me just ask you this question: Are folks who live in towns where there are fire districts safer than people who live in towns where there are not fire districts?

MR. GENOVAY: In some cases, yes.

ASSEMBLYMAN WISNIEWSKI: Why.

MR. GENOVAY: Because some places are not getting proper funding to maintain the proper equipment or proper gear for their people.

ASSEMBLYMAN WISNIEWSKI: Even those towns that have volunteer fire departments?

MR. GENOVAY: Yes.

ASSEMBLYMAN WISNIEWSKI: You're saying they're not properly protecting the people?

MR. GENOVAY: They're not getting the funds from their municipality and, therefore, they are not replacing their trucks on a 20-year basis. They are not keeping up with the correct, proper gear.

ASSEMBLYMAN WISNIEWSKI: Thank you.

MR. GENOVAY: You're welcome.

ASSEMBLYMAN WISNIEWSKI: Anybody else have any questions? (no response)

Thank you, Mr. Genovay.

MR. GENOVAY: Thank you.

ASSEMBLYMAN WISNIEWSKI: I'd like to call Mayor Edward Tyler, from Fieldsboro Township.

Mayor.

ASSEMBLYMAN MALONE: I think he may have just left. He may be back.

ASSEMBLYMAN WISNIEWSKI: Okay. Well, we'll just hold it on the side.

Thomas Csapo.

ASSEMBLYMAN MALONE: Csapo. (indicating pronunciation)

ASSEMBLYMAN WISNIEWSKI: You must know him.

I'm sorry, Mr. Csapo.

T H O M A S S. C S A P O: Don't worry. It took me five years to figure it out myself, so-- (laughter)

Folks, I brought with me no pamphlets so that you don't have to worry about reading it. You can take the opportunity to look at me and understand the feeling that I have when I speak to you about something that a lot of people have been talking about.

Can you hear me okay?

ASSEMBLYMAN WISNIEWSKI: Yes.

MR. CSAPO: Okay.

We've had testimony so far from I don't know how many people.

ASSEMBLYMAN WISNIEWSKI: Eleven.

MR. CSAPO: Eleven people.

Maybe you can answer this question: How many of them are talking about taxes? A whole bunch.

A quick story, and then I'm going to talk away: Luckily enough, I grew up in Bordentown.

Right, Joe?

We grew up together, and we're pretty good friends.

As he had good parents, I did also. I was left a nice home by my father and my mother. It's worth about \$600,000. No mortgage on it. I worked all my life -- sometimes I had three jobs. My wife had a job, my daughter had a job.

Okay, here's the deal. I pay \$1,000 a month in taxes with no mortgage. I do not want to live in Delaware with the chicken farmers. I don't care about buying a place down in the villages in Florida. South or North Carolina don't really interest me other than golf here and there.

People, look. Please do your job. I get pamphlets from a lot of folks.

By the way, I don't read any of that crap. All right? I look at the voting record. All right?

Please do your job. I don't care about the last Supreme Court ruling about the gay marriages -- unions; I don't care about trans fat -- no deference to that; I don't care about selling the Turnpike, so on, so forth.

Are you getting the message?

Thank you very much.

ASSEMBLYMAN WISNIEWSKI: Thank you, Mr. Csapo.

Perfect timing. (referring to timer ringing)

Robert Kelliher, from the 8th District Board of Fire Commissioners, Hamilton.

ROBERT W. KELLIHER: My name is Robert Kelliher. I'm a Fire Commissioner in the 8th District Board of Fire Commissioners, Hamilton Township, a neighboring district to Mr. Genovay.

Some of your questions that you have directed to Mr. Genovay -- if you so wish to, Assemblyman Gordon or Senator -- oh, I'm sorry, I promoted you -- Assemblyman Wisniewski.

ASSEMBLYMAN WISNIEWSKI: I'm very happy in the Assembly.

MR. KELLIHER: Okay.

I didn't come here with a prepared speech, because I didn't know I could speak. But given-- I'm going to speak from my heart and from my head, and hopefully I'm done in five minutes here.

I'm going to address Senate Bill -- I'm sorry, Assembly Bill A-52, and specifically changing the district elections from the third Saturday in February to the General Election. Commissioner Genovay did touch on that subject.

But I want you to think of what a nightmare you may be creating if you do this. Assume for a minute that this law was the law of the land and -- what, 10 or 15 days from now, when we have our elections-- We have two people running for the Senate, both major parties -- and I don't know if there is any third party in there. In our district we have Congressman Smith and someone else running -- two major parties in that area -- for our Congressman. In Ewing Township, they have a Mayor running -- both -- two parties there. They have also two people running for

the council seat. We have people running for three seats on the board of freeholders. We might have a third party there. In Hamilton Township you have one person running for the council seat. And then, last year, for the board of ed there was at least nine people running for three seats; fire commissioners, there was two.

Now, if you all can remember about a year ago over in Iraq, when they had that purple finger, and they had, like, 75-- It wouldn't be out of the question to think that we might have between 25 to 50 people on a ballot. And we're not even talking about whatever the referendum questions are. The State will have a couple of questions on there to spend money, to do this, or that -- a lot of money there. You might have that on the county level -- to allocate money for open spaces -- and the municipal level also.

Even though it was a noble purpose, or noble idea to get more people involved-- And if anybody has any idea how to get more people involved in a process, I'll gladly sit down with them and help them out. But moving it to the general election is not the way to do it. I think it's going to turn people off. They're going to get frustrated when they get all the way down to the end of the ballot, throw their hands up, and say, "Hey, why am I here?" I mean, "All this is for nothing," and just walk out and probably never see them again.

Consequently, I don't think that's the way to go. But if somebody else has a better idea, I'm willing to sit down and talk it over. I mean, I'm sure one head is better than -- or, I'm sorry -- if 10 heads are better than one here, and get a better idea how to get more voter

participation, I'd be only to glad to-- And I feel we do need more -- but that's not the way to go.

Somebody asked a question up there -- and maybe I have this backwards -- that you can provide better fire protection for volunteers than in the fire district. Was that a--

ASSEMBLYMAN WISNIEWSKI: No. My question was simply, I come from a town that has all volunteers. So do you protect having volunteers by not having fire districts? Because the concern was if you consolidate fire districts, you lose volunteers.

MR. KELLIHER: Right. And we have--

ASSEMBLYMAN WISNIEWSKI: I have no fire districts in my town. So is that the way to protect volunteers?

MR. KELLIHER: Well, we have two districts that have almost lost everybody as a volunteer, and they had to hire more people. Therefore, there's an increase in the fire district tax. But at least with a fire district, if-- What happens if a volunteer doesn't volunteer? In your town, if a siren blows or however they get him to the firehouse, what happens if nobody shows up? Whose responsibility is it to send another truck to your house or whomever's house? At least with a fire commissioner in place, their responsibility is to see if that truck doesn't get out, that there is another truck available from maybe a neighboring district to get out and get there. So maybe the fire district is the best thing, because the buck stops with that person.

ASSEMBLYMAN WISNIEWSKI: Anyone have any questions? (no response)

Mr. Kelliher, thank you very much.

MR. KELLIHER: Thank you.

ASSEMBLYMAN WISNIEWSKI: Mark Krzykalski -- he's a Councilman with the City of Beverly.

C O U N C I L M A N M A R K K R Z Y K A L S K I: I knew I was next -- I seen your face looking at the name.

ASSEMBLYMAN WISNIEWSKI: Well, I was worried. With the name like Wisniewski, I should be better at this. (laughter)

COUNCILMAN KRZYKALSKI: Yes, you should.

Thank you for letting me speak. I'm sorry I don't have anything prepared ahead of time. This was sort of at the last minute.

I'm a Councilman. My name is Mark Krzykalski. I'm a Councilman for the City of Beverly, here in Burlington County. We're a small city along the Delaware River. We have about 2,800 people, and we're only a half-a-square mile.

In speaking with a lot of the people in Beverly, both citizens and government people also in the neighboring towns around us, we're pretty much in favor of consolidation of municipalities. A lot of people think that the municipalities would benefit from that.

A little bit about our history. We're a small, residential community, where we may be the smallest community established as an actual city in New Jersey. Beverly used to be much larger. We have the Beverly Military National Cemetery -- isn't in Beverly, New Jersey. It's in the neighboring town, Edgewater Park. That's because 100 years ago there was a -- took up a much larger land mass, and for whatever reason, towns split up. We're looking to possibly reverse that and consolidate. We do do a lot of shared services. We have fire and ambulance comes from Beverly.

We serve surrounding towns. We have shared services with garbage, shared court that's going to be starting this year. Beverly has a sewage authority. We take sewage from our surrounding towns. We have mutual aid with our police departments. We have cooperation with parks and grounds departments. We have cooperation with the stormwater management. It's still not enough.

Beverly has one of the highest tax rates in the county. One of the biggest problems we have is the problem with the sending and receiving school districts. Beverly is too small to have a high school. We don't-- Our neighboring town is too small to have a high school. We wind up sending our students to Palmyra High School, which is, like, three, four towns away. It's not even a neighboring town. With these sending districts, we have no say what happens to our high school students. There's no accountability at the other school district what they do with them. It's not working. Consolidation of our town with some of the neighboring towns would give us enough population to justify having a high school. Then the accountability would be with the people who send their kids to the school, from the residents there.

Like I said, there's a positive reception for this. We'd like to get a high school. And in looking at some of the mergers, some of the fears that you have that a lot of people lose their jobs-- A lot of our jobs are joint positions where one person is doing two, three jobs. It wouldn't be a real problem with that. For example, we have clerk administrators in virtually all the towns around us. Consolidate -- one person could be the clerk, one person could be the administrator. There's still enough room for a lot of these positions. And with more work, there would be plenty to go around.

So what I'd like to know, what type of aid or what type of services would we get from Trenton to be able to make this happen? We're not looking for some of these larger mergers that-- There's a lot of fear that we may be forced to merge into these cities of 40,000, 50,000 people, rather than being able to merge with who we want -- our closest neighbors. And that's what we'd be looking for. Would we get help with legislative issues to make new city charters? Would we get help from the State to build a new high school?

That's basically what I have, and maybe some questions.

ASSEMBLYMAN WISNIEWSKI: How big is your municipality?

COUNCILMAN KRZYKALSKI: Half a square mile -- about less than 3,000 people.

ASSEMBLYMAN WISNIEWSKI: Does anyone have any questions for the Councilman?

Thank you for your testimony.

COUNCILMAN KRZYKALSKI: Thanks for your time.

ASSEMBLYMAN WISNIEWSKI: I've been told that Mayor Edward Tyler, from Fieldsboro Township, has joined us. Okay.

Al Csapo. That was Thomas Csapo. This is Al Csapo.

A L C S A P O: Good evening, everybody.

My name is Al Csapo, from Metropolitan Bordentown. Thank you for all the extra time you're devoting to this project, and I hope it comes to something.

I've been working on combining the two cities-- I've been working to combine the two Bordentowns since January. And for a lack of

another word, I call it *Metropolitan Bordentown*. I can think of 25 reasons why they should consolidate, and I have not heard one reason why they should not. As a Metro Bordentonian, a person who sees the area as one, I'm not pleased with the expense of paying for two municipalities.

I totally agree with the opening comments of Mayor Roselli, and I appreciate his comments in favor of shared services and consolidation. All this year, I've been bouncing back between the two local governments' meetings trying to promote this idea, and this is the most important thing you could do to try to save the citizens money. I consider it a quality-of-life issue. And when the expensive government gets so out of control that it affects the way you have to live, there is something definitely wrong.

Watching the budget procedures this year and all the efforts that you have done, and watching the people who live off the government complain, holler, and scream -- I've been completely devastated. I'm a completely healthy person, and some of these things I see and hear about absolutely turn my stomach over and I get physically ill. I have determined that the government, in totality, is a cash-eating, perpetual motion machine, and somebody has to throw a bolt in the gears. That's your job. It has to be fixed and started anew in a different direction.

I appreciate all the citizens coming out to talk. I do this on my own. I've lived in both communities during my whole life, and most people don't even know the boundaries to the two towns. Why do we pay for all these extra government bills? Both towns have 12, 13 professionals. We don't need 13 professionals in both towns just to go ahead and make duplicate ordinances as in, for instance, the stormwater rules. Why do we have to do this twice?

It's very upsetting that things are the way they are. It's got to be fixed. I want you to do something. I don't want you to worry about what everybody is going to think about you. I don't want you to worry about lawsuits. I want you to have an efficient form of government for everybody, and no better place to start than in this northern Burlington County Metropolitan Bordentown -- so close to Trenton, it would be a fine place to make an example to see how things could be done well.

Thank you very much.

ASSEMBLYMAN WISNIEWSKI: Thank you, Mr. Csapo.

Joe, I'm going to try this again.

Mayor Tyler from Fieldsboro.

MAYOR EDWARD G. TYLER SR.: I appreciate that--

ASSEMBLYMAN WISNIEWSKI: Mayor.

MAYOR TYLER: --and I beg your indulgence -- I was called out.

But while I was sitting here, I don't envy you your task. No matter what you do, a lot of people are not going to like it. But I would like to respectfully request that during your deliberations you give due consideration that, whatever you do, it be done by a vote of the people. Now, I have to assume that you're all very well-meaning individuals. I have no reason to doubt that you're not. The only one of you sitting there I know is Joe. And I certainly believe him to be a reputable individual.

One thing that does really concern me is that I would like to see what you're going to do on the legislative level, on a State level. The emphasize being now all of a sudden that we should consolidate to save money. Well, that may be. Personally, I don't agree with that, don't

subscribe to that line of thinking as a general rule, but that's my personal opinion. I would like to see what you're doing on a State level. Are you cutting your budgets by 15 percent? It seems to be, individually, you do very well, but collectively you leave a lot to be desired in what comes out of the State, and how you allocate the money, and whether it's the schools, whether it's the Abbott districts. And I'm not going to stand here and debate any of them, because I'm not knowledgeable enough to do that; you are. But just sitting back here and looking at what I have to do in my budget, when I have to live within a cap -- you don't. If it means me getting a raise or laying off a cop, or making my public works worker work 35 hours instead of 40 hours, those are the choices, and the tough choices, that we have to make to maintain our tax rate as best as possible. But when you take it out of our hands -- and then, as I've heard tonight by a number of people, say that consolidating would save the money -- why don't you take over the education costs and allocate the money as it should be allocated, and stop pandering to different individuals, groups, and power brokers on how you're going to give out the money? Give us, the municipalities, their fair share, see what they do with the taxes, and then come back and say that, "You're not doing it right."

I don't have a problem with oversight. I think we all need oversight. But I think you also need oversight yourselves. So don't come down to my house until you clean your house.

That's all I have.

SENATOR SMITH: Thank you, Mayor.

ASSEMBLYMAN WISNIEWSKI: Thank you very much, Mayor.

MAYOR TYLER: Well within the five minutes.

ASSEMBLYMAN WISNIEWSKI: Next, I'd like to call Dalput Patel.

ASSEMBLYMAN WISNIEWSKI: Good evening.

D A L P U T C. P A T E L: Good evening, Chairmen and legislators, and ladies and gentlemen.

As a senior, I'm here. A lot of seniors in my township. I'm coming from Mansfield Township, neighboring town to Bordentown. Almost one-third the population is a senior in my township. They have the same question to the Legislature that I have. We all live in the fixed income. Our needs are limited. Still, going to a higher value, we have to pay more.

Our obligations are there -- still family obligations. Some of them, they educate their grandchildren, contribute to them -- also, the community obligation, and some other obligations with the medicine and all of those things. We have to suffer a lot.

Now, we -- as a senior, most of them here are categorized as, I think, most of them. We have a fixed income again. I say it, again, we are paying those school taxes. And that's the main question most of the seniors have: why? We don't have children. One time they educated somewhere, some time ago. What can the Legislature do to the senior to reduce our taxes, not to all way, but at least something so we can have our lifestyle, do not downgrade it?

Now, here again we have big -- too large communities for (indiscernible) homestead. Most of the seniors ask this question again. So another thing, the Legislature last year increased 1 percent sales tax. That's,

again, average family thing -- I don't know -- but at least \$200 or more a year. I understand that you need that because -- to meet both hands.

Again, I am a resident of Mansfield for the last 37 years and a business owner. Last year, year before, the Legislature increased the lodging tax. That was very, very close -- I would say, like 39 to 41 votes in Senate, and the other way around. Personally, I feel, because I own and operate a motel in (indiscernible) for the last 37 years, Legislature really didn't study about us, because we are losing business. Neighboring (indiscernible) is so small, I think the Legislature do something on that one too.

Self services, consolidation an excellent idea, but we try. I will tell you I was a former mayor of Mansfield Township. We tried that, it didn't work. It isn't that -- my feeling is because everybody wants to take command of us. That's like, one guy is a police commissioner, he doesn't want to let it go to his neighboring town police commissioner -- things -- or something vice versa.

So good luck to the Legislature if this thing works.

Thank you very much.

One more thing I would like to explain to you. My property tax in the last -- every 10 years doubles. I was paying like \$10,000, now it's \$22,000. My house, I was paying 8,000 -- \$16,000. As a senior, I think I have to move from this-- A lot of people talk about that we have to move from this state or do something -- buy a smaller house or move into a smaller house. So this is alternate. This voice, from all 21 counties and 566 -- our municipalities-- I'm sure all citizens have this voice.

Thank you again.

ASSEMBLYMAN WISNIEWSKI: Thank you very much for your testimony.

Anne Newman.

A N N E N E W M A N: I think I might be in the wrong meeting. I just want to check.

I'm a private citizen from Metuchen, and we came down here tonight because we can't make it to the next meeting that's closer to us. My friend, Kim Brenneman (phonetic spelling), we're both active at schools. One of our questions is whether or not there's ever going to be, kind of, a town-hall type meeting; or are all these sessions basically prepared testimony -- that would you then consider, or will there ever be, kind of a Q&A opportunity for the public?

ASSEMBLYMAN WISNIEWSKI: Well, what we're trying to accomplish at this point in time is to get public input on the ideas that have been floated in front of the Committee. There have been newspaper stories. There's been nine hearings in Trenton. The folks who can come to the hearings in Trenton, by and large, are not the people out in the communities, the activists such as yourself. So we wanted to have an opportunity to come in different areas of the state to listen to what folks such as yourself have to say about what we're looking into.

MS. NEWMAN: I know the Governor gave you a very short time frame. And for people like myself who may be active, but have jobs in New York City or jobs in the state-- And I have to say, that you have to be a junkie about this stuff to even be up on where the meetings are being held. I mean, I don't know what your advertising mechanism is, but we talk it up in our town. It's just not easy for working parents to get out and talk

about these things. The schedules aren't easy. *The Star-Ledger* had a little item today that said there was going to be a meeting at Bordentown, but then getting here wasn't quite as easy as we had hoped -- we went to City Hall instead of the Township Hall.

Let me just say a few things about where we're coming from, okay? And then if it is possible for us to do a more of a Q&A-type thing, I think we would like that opportunity, or-- You've got two more meetings, is that right?

ASSEMBLYMAN WISNIEWSKI: We have two more public hearings, yes. The next one is going to be on November 1, at the Bergen County Community College, in Paramus, at 7:00 p.m.

MS. NEWMAN: Right. Which is another schlep from Metuchen. And then you're having one--

ASSEMBLYMAN WISNIEWSKI: One in Freehold.

MS. NEWMAN: --in Freehold. Right.

ASSEMBLYMAN WISNIEWSKI: Which is pretty -- closer to Metuchen.

MS. NEWMAN: Closer to Metuchen, right. Right.

ASSEMBLYMAN WISNIEWSKI: Well, you see the problem is, we have 566 towns, and it wasn't practical to schedule 566.

MS. NEWMAN: So I hear. And they're all very different. Kim and I were just saying we feel like we live in Pollyannaville, compared to some of the stories we're hearing tonight.

Let me just make a few remarks, okay?

ASSEMBLYMAN WISNIEWSKI: Sure.

MS. NEWMAN: And again, I'm not representing-- I have been -- had some organizations in our town in the past, but I'm representing only myself tonight, and somebody who feels passionate about education.

We live in a town of 13,000 citizens. We are passionate about our schools. We have nearly 2,000 students in those schools. People come to Metuchen from Brooklyn, from the city, from other places, because they want a small town with local control. We have one elementary school, one middle school, one high school. Our high school was just ranked 56th in the state by the *New Jersey Monthly* magazine. It's ranked the best high school in Middlesex County right now.

We feel like we live in Pollyannaville because we have a wonderful professional board that we've worked very hard to elect. We have an economics professor at Hunter; we have a retired chief administrative officer at New York Life; we have a trial attorney, a couple of accountants. We hold these people's feet to the fire. We debate everything at these board meetings, and they hear from people. And it is local democracy and local control at its best at times, for better or worse. I think these unpaid people on the board might have second thoughts about that at times.

We, I think, have pretty good relations with our senior citizens. Kim and I started a program to bring senior citizens into the schools and tell us what they know. It's a volunteer program, so we couldn't keep it up. But I know that everybody is hurting as far as property taxes go -- 94 percent of our school funding comes from the local property taxes. We get virtually no State aid.

My concern is that-- Let me just back up a bit. I moved to California in 1969 and went to high school there when that state was ranked number one in the country. It's schools were the best in the nation, they were legend. That's not the case any more. We all know what happened with Prop 13. Our concern in Metuchen is that we -- our schools are consistently in the state rank among the top in the nation. And we haven't seen any evidence so far of any proposals that will yield significant enough savings that I will see in my pocket, the senior citizen across the street will see in their pocket, that will make a big enough difference to risk changing the system that has been working well for our kids. And we would like more evidence that there's something out there that will yield significant enough savings that we can still give the kids a great education that we think we're giving them.

And finally, I would just like to say that we kind of rank local control, our right to educate our kids, right up there with, kind of, free speech. We're very passionate about it in our town, and we need to see evidence that, again, we'll see some money in our pockets and significant savings before we come and tinker with a system that, at least in Metuchen, our schools are very good. And we don't want to risk a deterioration in our education.

The other thing is, too, that salaries in our town would go up if there was some kind of county consolidation. Because we don't need to meet the highest level of salaries in the county.

That's about it. Again, we just wonder if there's a more town-hall type forum, or is this is it? This is it, right?

ASSEMBLYMAN WISNIEWSKI: This is the forum that we've chosen to go.

MS. NEWMAN: Okay.

ASSEMBLYMAN WISNIEWSKI: Does anybody have any questions?

ASSEMBLYMAN MALONE: Mr. Chairman.

ASSEMBLYMAN WISNIEWSKI: Yes.

Assemblyman Malone.

ASSEMBLYMAN MALONE: In all fairness, Anne, and I think I can speak not only for myself-- In the last couple of weeks, I've really, honestly, spoken to probably 1,500, 2,000 people at different events -- question and answer. And I think the rest of us are almost doing the same type of thing. So I would suggest that maybe you contact-- I mean, you're close to Assemblyman Wisniewski and I think you're close to Senator Smith. I know we don't always agree on every issue, but I'm pretty sure they have an open ear and be willing to meet with groups and--

MS. NEWMAN: Well, our two Assemblymen -- Peter Barnes and Pat Diegnan -- just wrote an editorial in the *Home News Tribune* that I think reflected a lot of our opinions about not giving up the local control of education.

ASSEMBLYMAN MALONE: Well, I think -- the members of this Committee -- we're all over the place. And I think that, in all honesty, if you had to talk to John or Bob, I'm pretty sure they're closer to you than I am, or Bob is. So--

MS. NEWMAN: Well, again, I guess the question is whether or not there's a forum for-- Like I said, you have to be a junkie to wade

through this stuff, and to go onto your Web sites, and to look at all your testimony and whether or not there would be a -- kind of a televised, public television kind of forum for a-- Town-hall type meetings would, I think, be helpful to people. But it's too late for that now.

ASSEMBLYMAN WISNIEWSKI: Well, certainly, having discussions with any of us-- I mean, Assemblyman Malone is correct -- I'm up your way. If you want to get together and spend some time talking about this and bringing some folks, I'd be happy to meet with you.

MS. NEWMAN: All right. I appreciate that.

ASSEMBLYMAN WISNIEWSKI: I'm sure Senator Smith would be, too.

MS. NEWMAN: Okay. I appreciate that.

Thank you.

ASSEMBLYMAN WISNIEWSKI: I'm going to call back up, to finish up his testimony, Mr. Hiller.

MR. HILLER: Thank you, sir.

ASSEMBLYMAN WISNIEWSKI: Thank you.

MR. HILLER: I'd like to put forth the restructuring plan than I've studied for the past three years, since my retirement as a chief operating officer of a NASDAQ company. Prior to that, I was a management consultant with Coopers & Lybrand, and was one of the guys who did the AT&T divestiture, which is probably the most successful restructuring in America.

It's fairly obvious that with five levels of government that don't work; we need to flatten those levels into something workable. And it would appear that the place, the core of that, is the municipality. But with

566 municipalities, we don't have a sufficient size, a critical mass. Therefore, given the four points of livability that I mentioned earlier, and it's in the written testimony, plus population density, we come up with 184 municipalities in New Jersey.

Once you've established that -- and I'll go through the process of that in a moment -- once you've established that, it's fairly easy to say, if you have 184 municipalities, one K-12 school district per municipality. So you've now flattened two of the principal levels.

Let's go to the local public authorities and special taxing districts for a moment -- fire districts being one of them. They have no accountability whatsoever to the public. They can issue bonds, they can pass their taxes without any public input -- 5 percent is not public input. They are not accountable. They would be merged into the 184 municipalities.

By the way, if you have a Department of Public Safety in this era of terrible security concerns, where you have fire, police, and EMT now talking to each other -- they don't talk to each other in New Jersey -- we would have better public safety. The whole issue of HazMat training is an example of the costly things that happen in New Jersey. Anyway, that takes care of four of the five levels.

The fifth level is the county. The county has no power except what you people have granted to the county. It's an archaic notion of governance. It comes from the 11th century. However, there are three functions in the county that are of prime importance -- the prosecutor, the jail, and the sheriff. Those three functions would remain, but they would be financed by the municipalities -- the new municipalities in the county.

All other functions would be brought back into the municipality, such as weights and measures, roads, parks, etc.

So we now have a plan that has flattened government. How much would it save? I've done the math, and it would appear that it would save 50 percent of the current 20 billion of property taxes slated for collection this year. And this is how we get to it. If you look at -- let's start with the schools. If you look at administration, you find that 12.6 percent of the 27-plus billion of the school budget in New Jersey is spent on administration. That's 3.5 billion. If you just, say -- 50 percent of that money, even though we're cutting it down by more than 70 percent, you would net 1.75 billion in savings. This is U.S. Census Bureau numbers. There are 1.398 million students in New Jersey. We have 151,542 teachers. That equates -- this is not a classroom number -- this is strictly students per teacher. In New Jersey, we have 9.23 students per teacher. If you said we would have 10 students per teacher, we would save \$1 billion a year. If you said 11 -- a little more courageous -- we would save 2 billion. Now, this does not involve layoffs. Teachers quit every year. They retire every year. That alone would take care of that problem.

County budgets: We're spending over 5 billion there. The municipalities would take care of paying for the prosecutor, the sheriff, and the jail. We would save \$3.5 billion. Each municipality would -- the average would be 600 employees per municipality for the 184. That would involve hiring some of the former county workers.

Instead of cutting the property taxes by 50 percent -- which would be very nice, but I don't think we could afford that -- but we could cut the taxes by one-third. That means that the average property tax bill of

6,000 goes to 4,000, which is close to the national average -- still a bit above. But we would use that money to pay the debt that we are now-- And the debt is enormous. The debt of the municipalities, of the local public authorities, of the special taxing districts of the counties, etc., plus there would be some sort of buyout for those employees that would be redundant.

Okay, how would all of this all be accomplished? Senator Kyrillos mentioned the “base closing” commission. That’s the perfect way. Because it eliminates the nonsense history of commissions in New Jersey. That’s a commission that would have power, but it must be a commission of people who know what they’re doing. It must be supported by an excellent group of State-level staff. It would look at where to place the 184 boundaries, consistent with the livability factors, but also consistent with population density. The commission would have an extensive schedule of public hearings around the state to accept input. You will have all sorts of complaints. “Our school district is great, leave me alone,” well, all these sorts of complaints. But the public good is more important than the given little municipality. That’s a philosophical point I hope most people would agree with, that, so far in New Jersey, they do not.

In any event, the commission would accept all these inputs, revise its recommendations in an up-and-down vote in the Legislature. What you would be offering the citizens of New Jersey is efficiency that we have never seen before. There’s another part to this commission -- they must consider e-government. It’s another track for this commission. E-government would have a central platform in Trenton run by an IBM, an EDS, whomever that you outsource the task to. It would investigate all of

the business processes that we keep on talking about in New Jersey. New Jersey S.A. 40, if you've ever read it-- Look, I have a master's degree, I don't understand it. It's 230 years of nonsense that has been put together, it's 12 forms of municipal government. It would revise N.J.S.A. 40 to something understandable by most citizens. Business processes would be codified. That codification would form the basis for e-government transaction processing. And I think you know how much e-government can save. So that, combined with the restructuring, would bring about the efficiencies that we seek.

In the end, by not cutting the property tax by 50 percent to only 33.3 percent, we get a benefit. We know, over time, no matter what we do, property taxes will increase. But we've now built a buffer.

And by the way, e-government would be paid for by eliminating this crazy rebate system that we have which makes no sense whatsoever. The State would save 1.9 billion this year -- 1.9 billion would pay for that system, more than pay for it, including its development.

Finally, this would take 18 to 24 months to implement. During that time, so as to relieve the pressure, please freeze property taxes. Hey, let the local governments live where they are today. There's no need for an increase. In the private sector, when things get tough, wages are frozen. So be it.

My last thing to say is this: If we stop at polishing the elements of the existing sacred cow of local governance, we will only remove 230 years of tarnish destined to return sooner, rather than later.

Thank you.

ASSEMBLYMAN WISNIEWSKI: Thank you very much for your testimony.

Assemblyman Malone.

ASSEMBLYMAN MALONE: Yes. I just wanted-- I've had the opportunity to talk to Eli on a number of occasions. I want to thank him for coming up from Cherry Hill to speak to us tonight.

In addition to that, I'd like to introduce Committeeman Hill, who is here with us tonight, and also, I think, Committeeman Morelli was here, from Bordentown Township.

Thank you very much, Mr. Chairman.

ASSEMBLYMAN WISNIEWSKI: Thank you.

We've had all of the speakers who have either called ahead or signed up tonight who wished to speak.

Do any members of the Committee wish to make any closing statements? (no response)

If not, this meeting is adjourned.

Thank you.

(HEARING CONCLUDED)