

To the Editor:

Preserve Our Historic Borough (POHB) represents a group of concerned Borough residents opposed to the consolidation of the Princetons. After several months reviewing the Consolidation Commission's reports and researching consolidation within NJ and elsewhere, we reject the notion that any savings or benefits will result from the proposed merger.

As to transition costs, POHB rejects the \$1.7M estimate submitted to the State for reimbursement. Several Open Public Records Act (OPRA) requests and an estimate of the cost of harmonizing standard operating procedures produced transition cost estimates totaling \$5M+. We were alarmed to learn that the Commission worked within a framework of "...funding options available from NJ for Princeton" and that the estimates are described as being "consistent with the guidelines" provided by the State and the Commission's paid consultant. Some estimates were "significantly reduced," others were deferred without being identified. As a result, the Commission's estimate has no meaningful relationship to the true transition costs to be borne by Princeton taxpayers.

Coming on the eve of the November referendum, Governor Christie's proposed legislation to provide consolidating municipalities State funds equal to 20 percent of the cost of implementation is seen by POHB as interference in the local political process. Earlier State incentives in the 2007 enhanced consolidation statute promised transition costs and equalization aid, however, no funds ever materialized. The 2009 failed Sussex/Wantage consolidation referendum is a lesson in failed State promises.

In 2010 the Chesters pulled back from putting the referendum on the ballot until the State committed "...to pony up cash for both up-front consolidation costs such as merging ordinances, and equalization aid, which ensures any additional taxes assessed on homeowners because of the merger would be paid by the state as long as the property owner holds the deed."

Among the many studies POHB reviewed were a series of literature reviews prepared for the State Local Unit Alignment, Reorganization and Consolidation Commission (LUARCC). With regard to cost-effectiveness of consolidation a March 2009 report concluded, "The literature suggests caution in drawing simple conclusions about the cost-effectiveness to be gain through consolidation." Additionally, the report cites examples where costs have actually risen after consolidation.

A May 2009 LUARCC report found "...a considerable body of literature that does not support consolidation...cost savings are not assured [and] implementation of consolidation is costly and time consuming..." The study found "...no clear answers about whether consolidation works."

Marc Pfeiffer of the NJ Department of Community Affairs (DCA) – the agency charged with assisting municipalities with the consolidation process – declared "...there is not a

lot of evidence that consolidation will achieve the goals being expressed by many commentators.” Earlier this year the DCA Financial Impact report prepared for the Princetons study found “... that consolidation will have little to no impact on property taxes.”

Reasonable people can disagree. POHB disagrees that consolidation offers property tax relief or improved municipal services. Neither assertion is supported by the Princeton Commission Report or by the vast amount of empirical research on the subject of municipal consolidation.

Please join us in voting “Against Consolidation” on November 8<sup>th</sup>.

Kate Warren  
POHB Spokesperson