

FOREWORD

**Borough of Princeton and Township of Princeton
Joint Consolidation / Shared Services Study Commission
June 2011**

Approved June 22, 2011

Our Recommendation to Consolidate

The Joint Consolidation/Shared Services Study Commission was chartered to look objectively at the case for or against consolidation of Princeton Borough and Township or, in the alternative, shared police and public works services. Throughout the process, the Commission had the able assistance of the Center for Governmental Research (CGR), the professional staff of both municipalities, and the Division of Local Government Services of the New Jersey Department of Community Affairs (DCA). The first step in the process was preparation of a Baseline Report which describes the organization and costs of current municipal operations. Once we had the Baseline information, we considered various options for delivery of municipal services, either under a consolidated, or in the case of police and public works, a shared service model. The Options Report contains a detailed description of the alternatives we considered. This final report sets forth our Recommendations - it describes the options we recommend for each municipal function and explains why each option was chosen.

Our overall recommendation is that the two municipalities implement a full consolidation. With respect to public works, we found that consolidation would allow a merger of the public works responsibilities of the engineering offices, the two public works departments, the sewer operating committee and the park maintenance functions now assigned to the recreation department - there are genuine benefits both in cost savings and efficiencies in such a merger. As a shared service, however, it would not be possible to merge the engineering departments, and both recreation and the sewer operating committee are currently shared services operating under their own management structure and housed, respectively, in the Township and the Borough. We concluded that the savings that could be achieved are not sufficient to warrant the managerial reorganization necessary to implement a shared public works operation. With respect to police, however, the service and cost benefits attributable to the creation of a consolidated police department could continue to exist as a shared service. However, both police departments have highlighted the importance of establishing an effective governance structure from the onset to prevent the situation where the police chief is reporting to two masters. The police subcommittee has recommended that if consolidation is not approved, the two governing bodies explore the full legal and operational ramifications associated with the creation of a "Police Authority" as a potential shared service governance structure. Key considerations for such an authority would be that is financially fair to both municipalities and that it is able to meet reporting and policy guidance needs.

Throughout this entire process, the commission has held numerous neighborhood meetings and stakeholder meetings, as well as two formal focus groups, to learn citizens' opinions, concerns, hopes and goals. The information we gained through this process was invaluable. We would be

remiss if we did not recognize the misgivings that some residents have shared with us when it comes to the question of consolidation. We have repeatedly heard the concern that the priorities of those now living in one municipality may be different than those living in the other; that a larger government with somewhat fewer representatives per capita may be more impersonal and less responsive to individual residents; that the disruption and cost of consolidation may outweigh any benefits, and that a larger community may not sufficiently value or give necessary attention to the downtown. These concerns are deeply held and represent genuine issues. The commission has done its best to address these concerns to the extent possible in our recommendations. Given the opportunities we have at present, we believe that on balance, the gains to be derived from a consolidated government outweigh these potential concerns. We are confident that the articulate and engaged citizens of a consolidated Princeton will continue to hold a consolidated government accountable, and that we can have a municipal government that will be sensitive to the needs of individuals and neighborhoods as well as to the overall needs of the whole community.

We expect that voters will base their decision on consolidation on both the financial benefits outlined in this report and on the weight they apply to the qualitative benefits and concerns mentioned above. As a Commission we were sensitive to both. This report contains our detailed cost-saving recommendations. But we have also addressed qualitative concerns through specific recommendations. For example, we recommend that current Borough and Township ordinances be continued, as permitted by governing state law, and we recommend the creation of Advisory Planning Districts to allow residents of neighborhoods a formal mechanism to be heard on proposals affecting their part of town. Specific recommendations recognize the differing needs of different sectors of the community and propose mechanisms to deal with those differing needs. This is particularly evident in the police and public works recommendations, but is not exclusive to those recommendations.

Cost Control and Efficiencies

Specifically, the Commission recommendation will yield quantifiable savings totaling, at full implementation in approximately three years, recurring annual savings of \$3.2 million in 2011 dollars. In addition, we have identified many efficiencies that will improve services and, we believe, lead to additional dollar savings, though we cannot quantify them with the data available. To generate the estimated savings, we have scrutinized, analyzed and evaluated almost every aspect of the delivery of municipal services.

As we worked through this process, we heard two recurring comments from members of the public - "Why are we doing this again - hasn't it already been decided?" and "Consolidation is a no brainer - why didn't it happen years ago?" It is true that the issue of whether the Borough and the Township should consolidate has been studied and put to a vote three times in the past sixty years, and each time the question has been presented to the voters it has been rejected. Nevertheless, in 2009 the Borough and Township governing bodies jointly determined that this new study of the issue was needed and timely. In a joint application to the State the municipalities first noted the many existing shared services, and then went on to cite recent cuts in state aid and continuing imposition of unfunded state mandates as reasons why a new consideration of consolidation was warranted. In addition, after the last vote in 1996, the state made significant changes to the laws governing municipal consolidation, in part in response to

specific concerns raised by members of the Princeton community at that time. Since that application was approved, the State has enacted a "hard" 2% cap on property tax increases, and municipal obligations for employee pensions and benefits have continued to increase. These events have occurred against the backdrop of a national economic slowdown of historic proportions, which has had an impact on many residents and businesses. In recent years, both municipalities have struggled to keep the tax rate steady while maintaining services, and both have been forced to implement some service cuts.

A consolidated Princeton presents many opportunities to streamline and improve the delivery of municipal services we now enjoy. In the past, our communities have chosen shared services over full consolidation, and today we have thirteen shared services. Managing these shared services has been an important learning experience on the road to considering consolidation. We found that having one department serving two masters, while somewhat more cost effective than maintaining two separate departments, can often be difficult, time consuming and can generate its own inefficiencies.

In contrast, we find that consolidation offers three crucial benefits: (1) cost-control and savings; (2) enhanced services; and (3) more effective government. We have become convinced that unified decision making under one governing body and one administration will create a more effective and efficient management of staff which will enable delivery of services to the entire Princeton community without duplication and unnecessary costs. The benefits of having twelve governing body members, duplicate administrators, clerks, attorneys, police and public works departments no longer outweigh the gains available through consolidation.

Today, many, indeed most, community issues transcend the municipal borders defined in the 19th century. The present system for resolving these community-wide issues involves two separate governing bodies meeting on separate days in separate locations, and often the scheduling of special joint meetings of the two governing bodies. This protracted process results in a system that leaves many decisions "on hold" too long. Moreover, elected officials often feel constrained to seek a greater benefit for the perceived gain of their own municipality, obscuring the reality that a resolution will benefit both municipalities. The result has too often been unnecessarily divisive and has generated delay and cost. In some cases, this divided government has been unable to find a common ground, leaving acknowledged community needs unaddressed. An example of this is the need to create improved public works facilities, discussed elsewhere in this report.

Some residents cite the benefits of the checks and balances that two governing bodies provide. We note that the consolidated government will consist of six elected council members and a directly elected mayor who has the power to vote if the council is deadlocked. These elected officials will make policy that is implemented by a professional administrator and other staff working under the administrator's supervision. The form of government, by design, incorporates checks and balances. In addition, in recent years both municipalities have been advised by citizen volunteers, constituted as a Citizens' Finance Advisory Committee in the Township and a Citizen Finance Advisory Taskforce in the Borough. These residents have offered their considerable financial expertise as an additional set of eyes on budget matters and have rendered a valuable service to all taxpayers. We expect these groups to combine and continue in a

consolidated community. Further, if consolidation is decided upon, currently unseen opportunities and challenges will present themselves.

Confronting challenges as one larger community with one government presents new opportunities. A larger, consolidated Princeton can have more leverage with other entities such as NJDOT or other state and county decision makers. A single government will also present the opportunity for a better dialogue with institutions in the community whose changing needs have impacts beyond their boundaries. Fully integrating the planning and zoning of split neighborhoods such as Witherspoon Jackson will benefit the neighborhoods and the larger community; implementation of advisory planning districts, as permitted under the Local Option Municipal Consolidation Law and recommended by the Commission, will allow neighborhood input into decision making. At the same time, the uniqueness of individual neighborhoods can be retained, and even enhanced, in those neighborhoods now split by the municipal boundary.

Consolidation will provide an opportunity to enhance some services provided to the community. The combined Police Department will be able to reinstate a unit that is dedicated to traffic and safe neighborhood policing (both units have been eliminated in the Borough and reduced in the Township in recent years), thereby enhancing the policing that both communities will receive. There will be no confusion about which Police Department should respond to a call for help, and a resident from a border neighborhood will have his/her whole street completely plowed and paved by the same Department of Public Works. Those needing licenses or permits will not be confused about where to apply. Citizens seeking information about affordable housing will be able to go to one office to identify the options available to them. Emergency management services can be much better coordinated. Under the consolidation recommendation, solid waste removal will be extended to the Township, a service that Township residents currently have to contract for privately. Throughout, the Commission has made recommendations that are designed to prevent any further degradation of current services, and to enhance services wherever possible, while generating savings for the taxpayers.

A Sense of Community

The Commission's Community Engagement efforts have revealed that most residents of the Princetons consider themselves as living in Princeton...not Princeton Borough or Princeton Township. People from both the Borough and the Township value the density and vibrancy of the downtown and the parks and open spaces of the outer areas. Residents also cite the cultural opportunities provided by the University and other institutions, the excellent public schools, and the access to mass transit through the Northeast Corridor as reasons why Princetonians love their town. A look at the demographics of each town illuminates the strong similarities of the two municipalities. Both communities have high levels of educational achievement; both have high average incomes and high average housing values. There are slightly more individuals with income below the poverty level in the Township than in the Borough (7.9% vs. 6.1%), and slightly more non-white residents in the Borough than in the Township (28% vs. 24%). Residents of both municipalities express concern that some of the diversity the community formerly enjoyed is being lost due to the pressure of ever-increasing property values and taxes.

Currently, the system forces the two municipal governments to function independently in many ways where cooperation or a single government department would better serve the community.

For example, a single governing body could negotiate more effectively with Princeton University on issues related to voluntary payments and land use. No longer would the university be able to engage in a ‘divide and conquer’ strategy and a combined municipality would command a larger budget base to challenge any perceived threats of losing voluntary payments, allowing it to negotiate from a position of strength. This would be equally applicable to other tax exempt institutions in town.

Issues of Identity and Control

Some residents have expressed a concern that in a consolidated Princeton they will lose their voice and representation in local government because 1) the voters in the former Township will vote as a block and thus outvote those in the former Borough due to the 2:1 voting population ratio; and 2) those votes will usually be to the detriment of the residents living within the boundaries of the former Borough. These residents believe that a government with more elected representatives per capita is more responsive to the specific concerns of individuals and neighborhoods, and this responsiveness will be lost in a consolidated Princeton. Those who raise this concern point to the fate of certain Borough or Township ordinances that take differing approaches to similar issues.¹ Under governing state law, existing Borough or Township ordinances may remain in effect within the boundaries of the former municipalities, subject to the requirement that the new governing body review them at least every five years to determine if changes are needed. But concern has also been raised about future ordinances which will govern the entire municipality, and whether any of these could be more favorable to one area of the community rather than another. Clearly there is no guarantee that this cannot become an issue, but we are confident that citizens of the consolidated Princeton will, as they do today, hold their elected officials accountable for the decisions they make. We believe that a somewhat larger community (22,000 full-time non-student residents in a combined Princeton) will still be small enough that elected officials will be responsive to voters regardless of where they live within the community.

Moreover, based on our engagement with the community over the past few months, we feel that these concerns rest on assumptions that do not accurately reflect the current attitudes of residents in either municipality. Universally, Princeton residents of both municipalities consistently cite the downtown as an important asset that is key to the character of Princeton, and all recognize that it must be preserved. Similarly, residents from throughout the town report that they use and enjoy the parks and open space in the community. These assets are cited by residents who reside in Borough neighborhoods or on the outskirts of the township as reasons why they have chosen to live in Princeton. The long history of cooperation through multiple shared services and our extensive discussions with residents throughout the community has demonstrated to us that residents of both Borough and Township share the same values and priorities.

The 1990's debate about whether a new library should be located in its current location downtown or at the Princeton Shopping Center is often mentioned as proof of the differing perspectives of Borough and Township voters. But many of those involved in this debate have told us that it did not separate voters solely along municipal lines. There were voters in the Borough who favored the Shopping Center location, and voters in the Township who favored

¹ See Baseline Report, page 110, for an itemization.

keeping the library downtown. The unifying issue was accessibility – especially parking. By developing adequate parking adjacent to the Library, the concerns of all residents were ultimately addressed.

Consolidation will unite neighborhoods that are currently divided. One only has to look at the areas of the Township that border the Borough and resemble the Borough in terms of density and proximity to the downtown to recognize that these areas have many commonalities. Residents living on the Township portions of streets such as Jefferson, Moore, Witherspoon, and others walk to the downtown and generally have many of the same priorities and concerns as their neighbors in the Borough.

While citizens of both municipalities prize the downtown, there are other important destinations as well. Many Borough children walk or bike to their elementary schools and to the middle school - all located in the Township; many Township students walk to the high school in the Borough. Residents of both communities walk and bike to the recreation facilities at Community Park, Grover Park and Marquand Park; or to the Princeton Shopping Center or the offices located in the Township Municipal Complex and the school administration building. Princeton is a walkable (and bikable) town for many of its residents, whether they live in the Borough or the Township.

Transition Issues

As with any merger, there are associated financial costs and in the staff time necessary to combine two entities into one. In certain cases, notably the police department merger, the Commission has recommended a phased implementation of the consolidated staffing model to allow this transition work to be accomplished without a disruption to this vital public safety service. Our study of municipal operations has convinced us that the long-term efficiencies and savings to be gained from consolidation outweigh the finite transition costs and the work necessary to complete a merger. As provided for by State law, the Commission has requested financial assistance from the State to defray transition costs, and we are assured of a prompt response to our request. We are cautiously optimistic that the State will assist with at least some of the monetary costs of a transition to one Princeton.