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Small towns say hands off

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Suburban Trends

Editor's note: Riverdale Councilman Ted Guis and Mayor William Budesheim appeared in front of the New Jersey Bipartisan Assembly Leadership Committee in Trenton on Feb. 2 to present Riverdale's perspectives to the State Legislature regarding cost savings. This is an excerpt from Mayor Budesheim.

Small towns say hands off

dear editor:

Much is said, and many thoughts are proffered about the burdensome taxes under which the residents of New Jersey are suffering. Everyone agrees taxes are too high, but we are far from a general consensus about the causes or the corrections. As a mayor of a small community with less than 5,000 residents, I will take this opportunity to present our point of view.

New Jersey's small towns are taking the hit from both sides of the aisle when it comes to placing the blame for high local property taxes. We hear that bigger is better, that a bigger government is a more efficient government. If that be the case, then why does it take nearly a billion dollars in state aid to keep the City of Newark and its school system afloat? Larger cities must pay for municipal services that small towns get by

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way of volunteers.

Shared services? The small towns, out of necessity, invented it a long time ago. Less corruption in the smaller towns. When Chris Christie as U.S. Attorney made his last roundup of 44 allegedly corrupt politicians, not one was from a town with a population of less than 10,000. How much in taxpayers' money was spent investigating, prosecuting and incarcerating these large town criminal politicians?

There is more accountability with a smaller, local government. When it comes to government, smaller is always better. There is no need to go into the state mandate, state pay issue. All we get is lip service to that constitutional provision that was supposed to limit the state-driven costs of local government.

For almost 35 years now we have had to first operate under a 5-percent cap on local spending: That didn't work. Then you lowered the cap to 2.5 percent and that didn't work. Next you imposed a cap on the local levy, and property taxes continue to rise. Obviously this is being done, it just doesn't work. State mandates are destroying us.

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Having held elected office for nearly 30 years, I would like to take this opportunity to offer three suggestions on how, from the way we see it, local property taxes can be kept in line.

One. Under the State Health Benefit Plan (SHBP), make it mandatory that all employees contribute a minimum of 10 percent toward premiums. Employee contributions are nearly universal in the private sector. While each town may negotiate this with its local unions, it usually ends up with the town having to give up some other perk, which then does nothing to lower the overall cost of local government. The SHBP has its terms and conditions changed periodically; the co-payment has gone up over the years by way of regulation. The same can be done with the premium contributions. A small town like Riverdale would have an immediate savings of over \$40,000.

Two. One half of the fines of all Title 39 tickets written by the local police departments goes to the county to be placed in a trust fund for bridge and road repair. Morris County carries approximately an \$8 million fund balance. It raises \$4-5 million annually through these tickets and spends about the same amount on trucks, cars, salt, etc. In spite of that trust fund, try to get the county to respond in a timely manner to repair pot holes, improve intersections, etc. Riverdale sends about \$166,000 a year to the county in addition to the \$2 million it sends in taxes. Our ticket money is the equivalent of two and a half tax points. Yet, if a state

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trooper writes a ticket in Riverdale, all of the money goes to Trenton. Here we have local police writing the tickets, with the county getting half of the money and the state getting all of the surcharges. In 2008, the Riverdale Court collected \$900,000 in fines for various violations and all of it was sent to the state and county, save for \$345,000. The amount we send to the state each year far exceeds what we receive in state aid through Consolidated Municipal Property Tax Relief Aid (COMPTRA.) Keep your state aid and let us keep all of our ticket money. We believe that the cost of running the county government should be reflected in its tax rate and not through subsidies provided by the local towns.

Three. Let the towns, through the state sales tax, keep 1 percent of that tax in the towns that generate it. Up until a couple of years ago, the state was getting by on a 6-percent sales tax. It was raised to 7 percent and things have only gotten worse. It is true that a number of towns don't have a large retail base to benefit from this plan. Many such towns have maintained their residential character by choice, and have been willing to pay higher property taxes to protect the non-commercial nature of their communities. No tax is fair and no tax is totally equitable.

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However, other states do this to keep local property taxes down. State aid would then be eliminated. And the burden of providing services to the people shopping in our local communities would be shared by Jersey and out-of-state residents. Another way to use that 1-percent sales tax is to give it to the counties in which it is raised. This would be the only funding for county governments (other than user fees and such). Local property taxes, by excluding the portion sent to the county, would be cut anywhere from 15 to 25 percent. The relief would be immediate.

While we have other ideas, these were all we were able to condense into the three minutes allotted. In closing, I ask that before the state starts looking into ways to reform local governments and tamper with home rule, clean up the Statehouse first. We have a state that is being crushed by overspending, under funding, and a choking debt. What too many of you refer to as an "inefficient," small town must live within its means. We have not had a bond sale in more than 30 years, we have not raised our local share of the property taxes more than six times in the past 20 years, we have not had to raid a pension system to balance our budget, nor have we had to sell our roads or buildings to pay off debt. We are the epitome of a good, sound government.

Once you figure out how to solve the self-imposed dilemma in which you now find yourselves during the state budget process, then possibly you could start handing out

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advice. Until then, please leave us alone.

William Budesheim, mayor

Riverdale

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