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Princeton Merger Vote Tests Christie's Attempt to Shrink Towns

By Elise Young - Oct 21, 2011

The two New Jersey municipalities that share the Princeton name with the Ivy League university may become the first test case of Governor [Chris Christie](#)'s campaign to cut government costs by merging towns.

Residents of 1.9-square-mile Princeton Borough, which includes the downtown shopping and dining area, and the surrounding 16.6-square-mile Princeton Township will decide Nov. 8 whether to combine to save as much as \$3.1 million a year. Voters there have rejected consolidating at least three times in the past 60 years, most recently in 1996.

This time, the proposal includes an offer from Christie to help pay the merger costs. Christie, a first-term Republican, is pushing New Jersey's 566 municipalities to cede control to help stem growth in property-tax bills that are the highest in the U.S. The governor cut aid to towns last year and capped annual increases in local taxes at 2 percent, forcing mayors to weigh cost cuts including worker firings and program reductions.

"To remain status quo as two separate municipalities, we will have no road map for taxpayer savings," Township Mayor Chad Goerner, 36, said in an Oct. 18 telephone interview. "We'll be faced with the question of whether we face higher taxes or cut services."

States including [New Jersey](#), [Pennsylvania](#) and [Ohio](#) are nudging local governments to share more services or merge, as towns and cities struggle with falling revenue and rising expenses. Property-tax collections, the main income source for municipalities, dropped 1.2 percent to \$88.5 billion in the second quarter from a year earlier, the third-straight decline, the U.S. Census Bureau [said](#) last month.

Cost Savings

Christie on Sept. 30 said he supports the Princeton consolidation effort and proposed covering 20 percent of the total \$1.7 million cost.

"I believe these efforts to consolidate in Princeton can be an example for other municipalities seeking savings and efficiencies under the 2 percent property-tax cap," Christie, 49, said in a statement.

Borough Mayor Mildred Trotman said in that statement that while she had never supported

consolidation in the 49 years she has lived in Princeton, she now believes that consolidation is in the best interest of her residents.

Town Divides

Princeton, located halfway between [New York City](#) and Philadelphia, was settled in 1696. For a few months in 1783, it was the nation's capital. In 1894, the township's center seceded amid a dispute over school funding. They remained two even after a resolution that consolidated their classrooms.

"It seems like an inefficient way to run a town that basically operates under one name and that everyone on the outside thinks of as one community," Van Zandt Williams, a borough homeowner for 31 years who majored in chemistry and was president of the Princeton Class of 1965, said in a telephone interview. "Having been trained as a scientist, I would say nothing changes unless it somehow gets perturbed."

Both Princetons voted for incumbent Democrat [Jon Corzine](#) in his unsuccessful 2009 re-election bid against Christie, according to state election records. The borough, with about 12,300 residents, has a median home value of \$619,700 and [household income](#) of \$106,551. The township, with about 16,300 people, has a median home value of \$760,900 and household [income](#) is \$105,662, according to data from the municipalities.

New Jersey's median household income is \$68,444, the second-highest in the U.S., and home value is \$356,800, while the national average is \$50,221 for income and \$185,400 for home value, [Census Data show](#).

Debt Service

Princeton borough has \$51 million of debt outstanding, while the township has \$56.1 million, according to data compiled by Bloomberg. If they merge, their debt would be [combined](#) and spread over all taxpayers in the consolidated unit, according to a report from the Center for Governmental Research, a Rochester, New York-based nonprofit organization that advised Princeton on consolidating.

Debt-service requirements won't be altered under the plan, [Standard & Poor's](#) said in a September report. The company rates the borough AA+, the second-highest investment grade, and the township its top AAA.

The two already share more than a dozen services including animal control, solid waste and fire. They have their own [police departments](#), each with 30 sworn personnel. In both cases, police is the largest cost, \$3.5 million in the borough and \$3.8 million in the township, according to the center's report. Their 2010 budgets combined totaled \$65.1 million.

College Town

[Princeton University](#), located across both municipalities and the largest taxpayer for both, doesn't take a position on a merger, said Robert K. Durkee, the school's vice president and secretary. Durkee, 64, who lives in the township and works in the borough, declined to give his personal view on the issue.

"We've been in Princeton for something like 265 years," Durkee said of the university in a phone interview Oct. 14. "It's our responsibility to work with them as collaboratively as we can. We'll stay out of the discussion. Let them decide."

While the university's grounds are tax exempt, its residential property is taxed. The school pays \$11.2 million in taxes to both localities, and also makes a voluntary payment in lieu of taxes to the borough of \$1.2 million a year. This year the university agreed to give the township a one-time payment of \$500,000.

Consolidating the borough and township would save \$201 for the average borough property, and \$240 for the average township property, according to the Center for Governmental Research, which put total savings at \$3.1 million in about three years. The average residential property owner pays \$3,222 in municipal taxes in the borough and \$3,596 in the township.

Tax Bills

Borough Councilman David Goldfarb, a legal assistant who cast the only "no" vote when a 10-member joint municipal commission [recommended](#) merging, said the savings total \$1.98 million when factoring in the cost of extending trash collection to the township.

Goldfarb, 57, a borough resident for 30 years and council member for 21, said consolidation would have "very little impact" on property-tax bills because the municipal portion is less than 25 percent of the total; the rest comprises county and school taxes.

The average total property-tax bill last year was \$15,255 in the borough and \$16,212 in the township, more than double the state average of \$7,576, according to [data](#) from the New Jersey Division of Local Government Services.

Tax pressures "are going to remain whether we consolidate or not," Goldfarb said.

2013 Start

Both municipalities must accept the merger proposal for it to pass. If approved, Princeton would become consolidated on Jan. 1, 2013, after a transition. In 1996, the measure passed in the township and failed in the borough.

Some borough residents fear the needs of those who live near the pedestrian downtown areas will be outweighed by voices in the larger, more rural township, said Alexi Assmus, a 16-year resident and organizer of [Preserve Our Historic Borough](#).

“The surrounding suburb, which has two times the voters as the walkable center of town, will dominate, with the needs of people who are ‘drive-in, drive-out,’” Assmus said. “There are needs here that will not be the needs of a larger combined municipality.”

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