



Everything Jersey

Moody's supports merger of Princeton Borough, Township

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Judy Somers/For The Star-Ledger

A sign on the border of Princeton Township and Princeton Borough on Harrison Street simply reads "Welcome to Princeton." Moody's said the merger will cut costs, reduce redundancy and produce a municipality that is financially stronger combined than divided.

MERCER COUNTY — Wall Street has offered its first review of the historic merger in Princeton, and it likes what it sees.

The merger of Princeton Township and Borough, approved by voters last week, will cut costs, reduce redundancy and produce a municipality that is financially stronger combined than divided, Moody's said in its weekly credit outlook to investors.

"The merger reflects the increasingly creative ways that local governments throughout the nation are dealing with ongoing budgetary stress. We expect more localities to explore mergers as a cost-saving option," writes Moody's financial analyst Vito L. Galluccio.

The weekly outlook, issued Monday, is Moody's take on how the news events around the globe may affect the credit market. The positive review will not have any immediate effect on the credit rating of the combined municipality, which has yet to be determined, but it's a good sign for local officials there.

Last week residents of the borough and the township gave a thumbs-up to the merger after a study commission said combining their governments would eventually save about \$3.2 million a year. Such moves are backed by Gov. Chris Christie as a way for towns to adjust to the state's limit on property tax collections.

The new Princeton will have about \$112 million in combined debt, which is about 16 percent of current operating expenses for the current borough and township.

Moody's noted that in other instances where municipalities combined, the new combined town's credit rating was higher than either of the previously independent municipalities.

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Hey New Jersey, consolidation won't destroy your town's identity or 'boroughness'

Ledger Live for Thursday, November 17th, 2011. Ledger Live with host Brian Donohue: The recent merger of Princeton and Princeton Borough is proof that town consolidation in New Jersey is possible. And if you think that such a union will affect a town's individuality or even its "boroughness", just look to the communities of Ocean Grove and Short Hills - towns that people think exist, but aren't actually towns at all.