

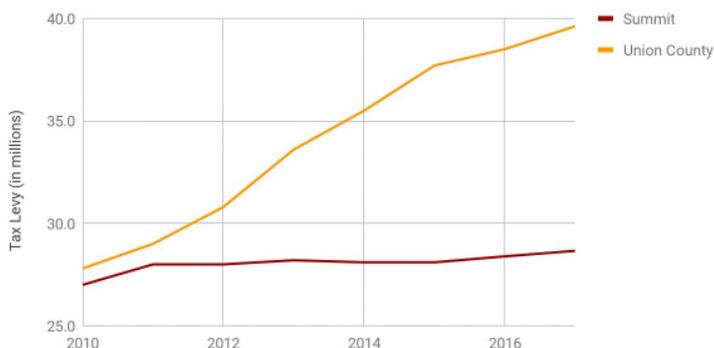
WHOSE FAULT IS IT ANYWAY?

THE ALARMING INCREASE IN GOVERNMENT SPENDING AND TAXATION IN UNION COUNTY (NJ)

Summit Taxpayers Association | October 31, 2017

Since 2010, Union County has increased taxes and government spending at an alarming and unprecedented rate. According to this year's [county budget](#), the total county tax levy is expected to be \$354.8 million¹ for fiscal year 2017. That's a staggering \$77.4 million higher than it was in 2010. For comparison, Union County's tax levy has increased more than 3x faster than taxes in neighboring Morris County (up \$23.1 million) and nearly 1.5x faster than in Essex County (up \$53.96 million) over that same period. The growth in Union County's tax levy dwarfs that of even the highest taxed municipalities in the state. The City of Summit has increased its combined municipal and school tax levy by 8.4% since 2010—the county has increased its tax levy 3x that rate.

Municipal "share" vs. County "share" of Summit Property Taxes 2010-2017



Despite having the [7th highest](#) property tax burden *in the United States*, revenues in Union County are down \$43.4 million, or 22.2%, since 2010. Reduced government revenues have not impacted the county's spending. In fact, appropriations are actually up \$34 million since 2010. Put another way, this year the county has budgeted \$34 million more than it

¹ Budgetary data and information in this article is from publicly available county and municipal budgets or was obtained by request under the Open Public Records Act (OPRA).

Summit 2010 Property Tax Breakdown (in millions)



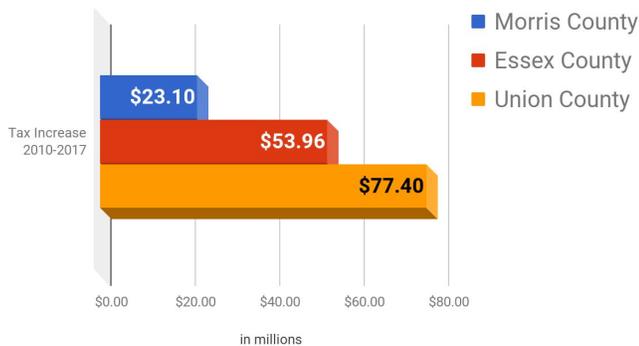
Summit 2017 Property Tax Breakdown (in millions)



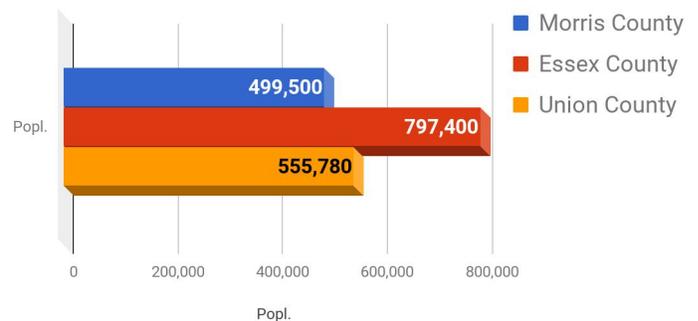
had in 2010 even though it expects to generate \$43 million less revenue. The shortfall will be picked up by taxpayers, who've now seen the total county tax levy grow by an average of \$11 million per year since 2010.

In a state like New Jersey, which has the highest property taxes in the nation and a pension crisis on the horizon, such a dramatic increase in taxes and spending at the county level is simply irresponsible. Of course, there are circumstances in which costs may legitimately rise and higher spending can be justified. But the changes to the county budget since 2010 show a pattern of profligate spending, especially when compared to other counties. Essex County, for example, has increased its tax levy \$23 million less than Union County has since 2010 even though its population is 40% larger.

Tax Increase by County 2010-2017

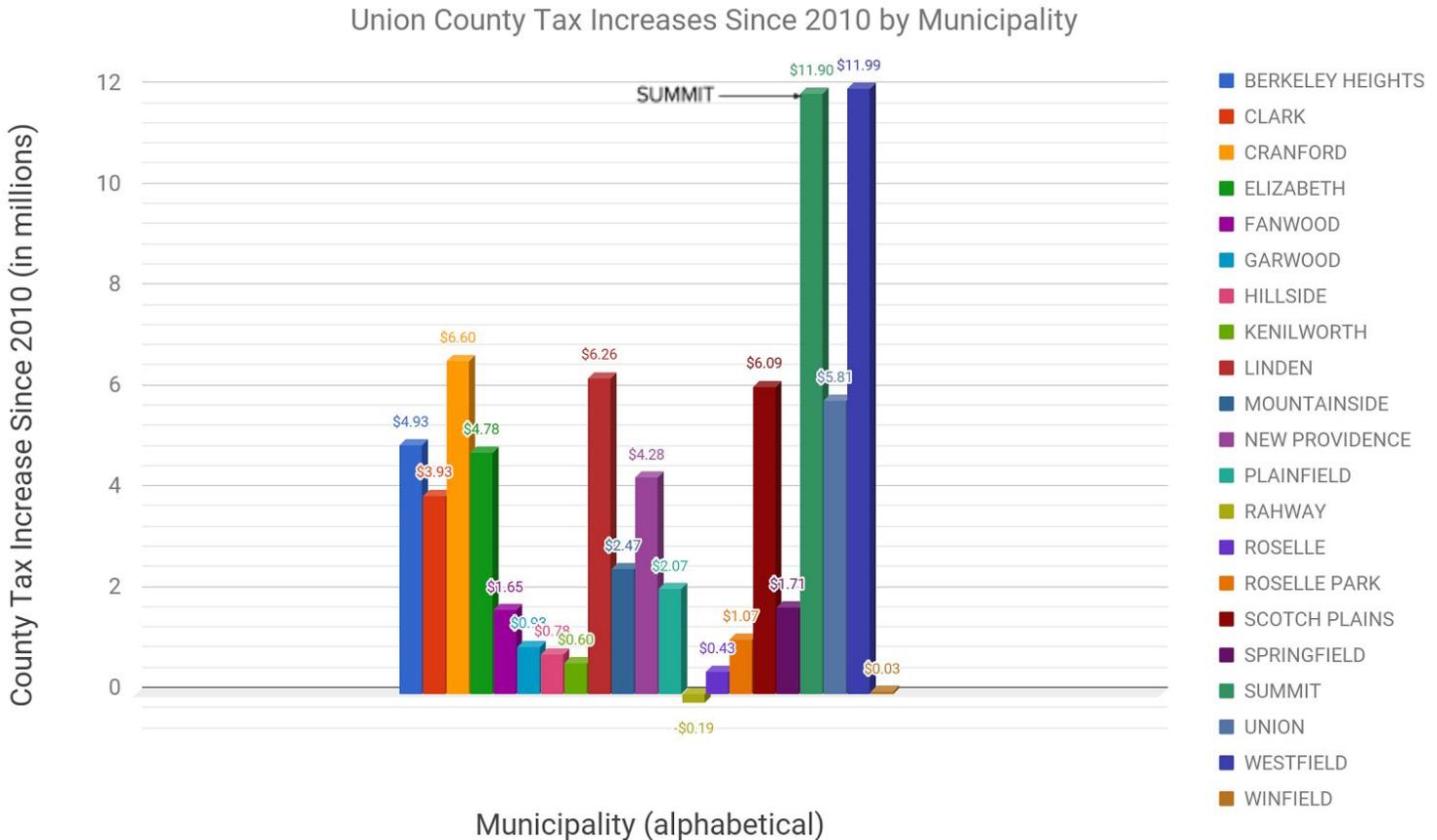


Population by County



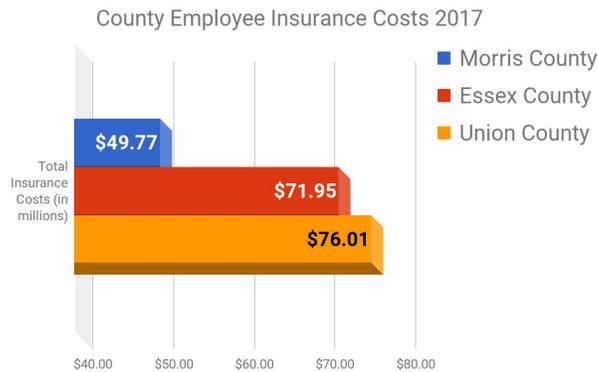
The increase in county taxes has disproportionately fallen on the shoulders of Summit's taxpayers. Summit accounts for just 4% of the county population, yet it pays 11% of the county's total tax levy annually and has shouldered 15% of the county's tax levy increase since 2010. The average county tax increase for a municipality in Union County from 2010 to 2017 was approximately \$3.7 million. Over that same period, Summit's portion of the county tax levy has

increased by \$11.9 million (almost 3x more than the average), representing a 45% increase from 2010.



County tax increases in Summit are not just higher than local tax increases since 2010 as a *percentage*, but they are also higher *in total*, even though the county portion of our budget is about half the size of the local (municipal and school) portion. In total, Summit’s municipal and school tax levy (which accounts for approximately $\frac{2}{3}$ of Summit’s budget) has increased \$7.5 million since 2010. The county tax burden (which accounts for the remaining $\frac{1}{3}$) has increased \$11.8 million.

Some may be willing to excuse the increased tax levy if higher taxed municipalities like Summit receive their “fair share” of county tax dollars. Unfortunately, the increased appropriations since 2010 have gone predominantly to general government and public safety employee salaries, wages and other expenses (up \$19.7 million), county employee health insurance and prescription drug plan costs (up \$20 million), and debt service (up \$19.8 million)—not to increased aid or property tax relief for municipalities.



Salaries for the governing body of Union County (known as the “Board of Chosen Freeholders”) have increased 99% since 2010, making the (part-time) Freeholders of Union County better paid than Freeholders in all but two of the state’s twenty-one counties. Various other county offices have seen significant increases in appropriations since 2010. Salaries for the office of Clerk of the Board have increased 66% since 2010, going from \$647,851 to \$1.1 million in 2017. The Clerk of the Board should not be confused with the *County Clerk*, which is a different position—that office had to live with just a 24% increase in salaries and other expenses, rising to \$2.46 million in 2017. The County Clerk also gets a separate appropriation for election expenses, which have (apparently) almost doubled since 2010, with its appropriation going from \$590,000 in 2010 to \$1.1 million in 2017. Salaries and expenses at the County Sheriff’s Office (which is just one of Union County’s *two* police forces) have increased \$3 million since 2010, while Emergency Management salaries and expenses have increased 68%, with \$1.38 million appropriated in 2017. Appropriations for the county audit and related accounting fees have increased \$147,395 since 2010, while salaries and expenses at the Division of Weights and Measures nearly doubled over the same time period, going from \$221,934 in 2010 to \$416,912 in 2017. Appropriations have also substantially increased at the Division of Public Works (up 59%) and (unsurprisingly) at the Division of Reimbursement (up 134%) since 2010.

Overall, payments to county employees for unused sick days have tripled since 2010. The number of days of accumulated sick/compensated leave went from 15,078 in 2010 to 41,450 days in 2017. As a result, the approximate liability for accumulated sick/compensated leave has increased \$3.23 million, or 372%, from \$868,500 in 2010 to \$4.1 million in 2017 and sick leave payments have gone from \$250,000 to \$750,000 over that same period.

The county’s costs and expenses related to economic and real estate development are particularly concerning. For example, salaries and expenses at the Department of Economic Development have increased by over \$1 million in *just three years*. The office, which was appropriated \$390,681 for salaries and expenses in 2014, has increased that number by 256% to \$1.4 million since then. Meanwhile, salaries and wages for the “Development of Lands for

Recreation and Conservation” paid with proceeds from the Open Space, Recreation and Historic Preservation Trust Fund have increased a jaw-dropping 1,379% since 2009, jumping more than \$2.9 million for a total of \$3.15 million in 2017. Despite the increased spending, there hasn’t been much land preserved under the county’s open space program in recent years. By the end of 2010, the county had preserved 320 acres of land under the program—seven years (and \$73 million) later, the total number of acres preserved now stands at 322.



Everyone knows the taxes are high in New Jersey. But that shouldn’t normalize the drastic increase in taxes we’ve seen by Union County in just the last several years. Summit has had to make tough financial decisions with dwindling resources in order to avoid significant tax increases. Union County’s elected representatives should learn to do the same.

If you’re unhappy with the direction of Union County’s government, please write your [representatives](#), join our [mailing list](#) and share this article. And most of all, don’t forget to vote on November 7th.

The Summit Taxpayers Association is a nonpartisan, nonprofit organization dedicated to fiscal responsibility and lower taxes at all levels of government. For more information, please visit www.summittaxpayers.org.