

Government that Works!

NEW JERSEY DEPARTMENT OF THE TREASURY

LOCAL GOVERNMENT BUDGET REVIEW

CITY OF ASBURY PARK

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JULY, 2001



GOVERNMENT THAT WORKS

OPPORTUNITIES FOR CHANGE *The Report of the City of Asbury Park*

New Jerseyans deserve the best government their tax dollars can provide. Efficiency in government and a common sense approach to the way government does business, both at the state and at the local level, are important to Acting Governor Donald T. DiFrancesco. It means taxpayers should get a dollar's worth of service for every dollar they send to government, whether it goes to Trenton, their local town hall or school board. Government on all levels must stop thinking that money is the solution to their problems and start examining how they spend the money they now have. It is time for government to do something different.

Of major concern is the rising cost of local government. There is no doubt that local government costs and the property taxes that pay for them have been rising steadily over the past decade. The Local Government Budget Review (LGBR) program was created in 1994 by former Governor Whitman, marking the first time the state worked as closely with towns to examine what is behind those costs. The Local Government Budget Review (LGBR) program's mission is simple: to help local governments and school boards find savings and efficiencies without compromising the delivery of services to the public.

The LGBR program utilizes an innovative approach combining the expertise of professionals, primarily from the Departments of Treasury, Community Affairs and Education, with team leaders who are experienced local government managers. In effect, it gives local governments a comprehensive management review and consulting service provided by the state at no cost to them. To find those "cost drivers" in local government, teams review all aspects of local government operation, looking for ways to improve efficiency and reduce costs.

In addition, teams also document those state regulations and mandates which place burdens on local governments without value-added benefits and suggest, on behalf of local officials, which ones should be modified or eliminated. Teams also look for "best practices" and innovative ideas that deserve recognition and that other communities may want to emulate.

Based upon the dramatic success of the program and the number of requests for review services, in July, 1997, the program was expanded, tripling the number of teams in an effort to reach more communities and school districts. The ultimate goal is to provide assistance to local government that results in meaningful property tax relief to the citizens of New Jersey.

THE REVIEW PROCESS

In order for a town, county or school district to participate in the Local Government Budget Review program, a majority of the elected officials must request the help of the review team through a resolution. There is a practical reason for this: to participate, the governing body must agree to make all personnel and records available to the review team, and agree to an open public presentation and discussion of the review team's findings and recommendations.

As part of each review, team members interview each elected official, as well as, employees, appointees, members of the public, contractors and any other appropriate individuals. The review teams examine current collective bargaining agreements, audit reports, public offering statements, annual financial statements, the municipal code and independent reports and recommendations previously developed for the governmental entities, and other relative information. The review team physically visits and observes the work procedures and operations throughout the governmental entity to observe employees in the performance of their duties.

In general, the review team received full cooperation and assistance of all employees and elected officials. That cooperation and assistance was testament to the willingness, on the part of most, to embrace recommendations for change. Those officials and employees who remain skeptical of the need for change or improvement will present a significant challenge for those committed to embracing the recommendations outlined in this report.

Where possible, the potential financial impact of an issue or recommendation is provided in this report. The recommendations do not all have a direct or immediate impact on the budget or the tax rate. In particular, the productivity enhancement values identified in this report do not necessarily reflect actual cash dollars to the municipality, but do represent the cost of the entity's current operations and an opportunity to define the value of improving upon such operations. The estimates have been developed in an effort to provide the entity an indication of the potential magnitude of each issue and the savings, productivity enhancement, or cost to the community. We recognize that all of these recommendations cannot be accomplished immediately and that some of the savings will occur only in the first year. Many of these suggestions will require negotiations through the collective bargaining process. We believe, however, that these estimates are conservative and achievable.

**LOCAL GOVERNMENT BUDGET REVIEW
EXECUTIVE SUMMARY
CITY OF ASBURY PARK**

City Clerk

The team recommends that the city schedule and require the city clerk, deputy clerk and senior cashier complete the certification for the Registered Municipal Clerk (RMC), at an expense of \$3,750 over a three year period.

Operations

The team commends the city for already beginning the codification process for the municipal codebooks, but recommends that the city convert to a state-of-the-art codification system, at a one-time expense of \$10,000 for the update of the book and a one-time expense of \$16,425 for the books and software.

Insurance

By switching to the State Health Benefits Program (SHBP), the city could yield savings of \$570,000.

The team recommends that the city negotiate a cost-sharing program with its bargaining units, for potential savings of \$87,642.

The team also recommends that the city conduct a periodical or annual review of the insurance policy to ensure that non-eligible employees are excluded from health coverage, saving \$42,812.

Legal

The team recommends that the city become more involved in the litigation of settlements, reducing counsel labor costs, saving \$100,000.

By implementing the options outlined in the report to reduce solicitor expenses, the city could save \$216,503.

Finance

The team recommends that the city not replace the tax clerk in the tax collector's office, saving \$35,000.

Tax Collection

By carefully monitoring the amount of fund balance on hand to pay anticipated expenses, the city could save \$210,437 in interest, eliminating the need to use Tax Anticipation Notes (TANs).

Court

The team recommends that the city hire a competent and qualified judge to fill the municipal judge position, saving \$2,500 in substitute judge expenses.

The team also recommends that the city combine the duties of the prosecutor and assistant prosecutor into one post, eliminating the assistant prosecutor position, saving \$8,000.

By arranging, through the chief financial officer (CFO), to deposit both regular and bail accounts into interest earning accounts, the city could yield a revenue enhancement of \$3,000 - \$3,500.

The team recommends that the city begin an aggressive effort to collect delinquent time payments, yielding a revenue enhancement of \$561,000.

Police

The city should consider developing a work schedule that would satisfy the proportionate need work percentage distribution, as well as more deliberate internal control protocol, reducing overtime costs, saving \$94,329.

The city should also consider entering into negotiations with the County of Monmouth to determine costs and benefits of subscribing to the county communications network, saving \$101,334.

The team recommends that the city replace sworn officers with civilian employees in any job description not requiring their services, at an expense of \$74,124, with a productivity enhancement of \$150,000. If this recommendation is implemented, the city could avoid, or delay, hiring three police officer positions, for a cost avoidance of \$96,678.

The team recommends that the Asbury Park Police Division, along with other in-county police agencies, petition the Monmouth County Sheriff's Office to provide prisoner transport service, for a productivity enhancement of \$24,350.

Fire

By using in-service fire companies to conduct fire inspections, the city could yield a revenue enhancement of \$46,000.

By hiring eight paramedics to staff the four tours presently constituted, at an expense of \$200,000, the city could save approximately \$348,000 in average firefighters' wages and benefits.

Public Works

The city should consider re-establishing both breaks and lunch periods, for a productivity enhancement of \$91,462. The city should also consider staggering starting time to provide coverage after 2:30 p.m., for additional savings of \$2,000.

The team recommends that the city purchase and utilize a computerized work order system to track costs, at a one-time expense of \$4,500.

The team recommends that the city privatize their street sweeping operation, saving \$26,462.

By outsourcing the trash collection, the city could save \$271,761, with a one-time revenue enhancement of \$200,000 from the sale of the three trash trucks.

The team recommends that the city cease paying for commercial tipping fees, saving \$67,200.

The team also recommends that the city outsource collection of recyclable material, saving \$29,758, with a one-time revenue enhancement of \$3,000 from the sale of two trash trucks.

Fleet Maintenance

The team recommends that the city eliminate one mechanic position, saving \$46,103.

The team recommends that the city replace its existing automated fueling system, at a one-time expense of \$12,500. The team also recommends that the city purchase and utilize a fleet management program, at a one-time expense of \$2,500 for the hardware and \$7,500 for the software.

By utilizing the state contract for the purchase of oil, antifreeze and grease, the city could save \$1,231.

Public Buildings & Grounds

By contracting out for building cleaning and maintenance services, and supplies for the city hall, transportation center, public works complex and library, the city could save \$68,000 by eliminating four building service worker positions.

The team recommends that the city replace existing red and green incandescent traffic lights with LED lights, using a “shared savings” competitive contract, at a one-time expense of \$100,000 and an annual savings of \$25,000.

The team also recommends that the city conduct a review of building systems, utilizing the services of an energy service company on a shared savings basis, saving \$36,000.

Property Improvement

Regional Contribution Agreement (RCA)

The team recommends that the city leave the RCA at a maximum of four full-time positions and not replace the housing assistant, saving \$33,910.

Uniform Construction Code (UCC)

The city should consider returning the UCC function to the state, eliminating all related part- and full-time positions, saving \$17,760.

Code Enforcement

The team recommends that the city purchase management software and hardware, at a one-time expense of \$72,000, allowing for a staff reduction of two inspectors, saving \$98,340.

Sewer Utility

By eliminating the routine transfer of unqualified personnel and removing the employee currently performing no identifiable utility function, the city could save \$42,154.

Library

The city should consider exploring the possibility of joining the county library network as a branch, eliminating the mill tax presently assessed to the residents, saving \$217,682.

Community Relations and Social Services

The team recommends that the city transfer clerical support to the department from the existing city hall staff, providing a competent and qualified employee could be assigned. In the absence of a requisite-skilled employee, the team recommends that the city add an entry-level clerical position, at an expense of \$32,240.

Collective Bargaining Agreements

The team recommends that the city negotiate the reduction of paid holiday leave from 15 days to 13 days and eliminate the birthday paid leave day, for a potential productivity enhancement of \$72,624.

**COMPARISON OF BUDGET APPROPRIATIONS, STATE AID,
AND LOCAL TAX RATE WITH RECOMMENDED REDUCTIONS IN
THE CITY OF ASBURY PARK**

<u>Areas Involving Monetary Recommendations</u>	<u>One-time Savings/ Expense</u>	<u>Annual Savings/ Expense</u>	<u>*Potential Savings</u>	<u>Totals</u>
City Clerk				
Schedule RMC certification training (cost over three year period)		(\$3,750)		(\$3,750)
Operations				
Convert to state-of-the-art codification system	(\$10,000)			
Update municipal codebooks	(\$16,425)			
				(\$26,425)
Insurance				
Switch to state health benefits program		\$570,000		
Negotiate a cost-sharing program with bargaining units			\$87,642	
Conduct a periodical or annual review of insurance policy		\$42,812		
				\$612,812
Legal				
Become more involved in litigation settlements reducing counsel labor costs		\$100,000		
Implement options outlined to reduce solicitor expenses		\$216,503		
				\$316,503
Finance				
Do not replace tax clerk in the tax collector's office		\$35,000		
				\$35,000
Tax Collection				
Monitor the amount of fund balance eliminating need to use TANs		\$210,437		
				\$210,437
Court				
Hire a competent judge, saving in substitute judge expenses		\$2,500		
Combine prosecutor and assistant prosecutor duties into one post		\$8,000		
Deposit regular and bail accounts into interest earning accounts		\$3,000		
Collect delinquent time payments		\$561,000		
				\$574,500
Police				
Develop work schedule to reduce overtime		\$94,329		
Negotiate w/Monmouth County to join the county communications network		\$101,334		

**COMPARISON OF BUDGET APPROPRIATIONS, STATE AID,
AND LOCAL TAX RATE WITH RECOMMENDED REDUCTIONS IN
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<u>Areas Involving Monetary Recommendations</u>	<u>One-time Savings/ Expense</u>	<u>Annual Savings/ Expense</u>	<u>*Potential Savings</u>	<u>Totals</u>
Replace sworn officers with civilian employees		(\$74,124)		
Productivity enhancement from officer replacement		\$150,000		
Petition Monmouth County Sheriff's Office to provide prisoner transport		\$24,350		
				\$295,889
Fire				
Use of in-service fire companies to conduct fire inspections		\$46,000		
Hire eight paramedics to staff the four tours presently constituted		(\$200,000)		
Savings in firefighters' wages and benefits from hiring paramedics		\$348,000		
				\$194,000
Public Works				
Re-establish both breaks and lunch periods		\$91,462		
Stagger starting time to provide coverage after 2:30 p.m.		\$2,000		
Purchase and utilize computerized work order system	(\$4,500)			
Privatize street sweeping		\$26,462		
Outsource trash collection		\$271,761		
Revenue enhancement from sale of three trash trucks	\$200,000			
Cease paying for commercial tipping fees		\$67,200		
Outsource collection of recyclable material		\$29,758		
Revenue enhancement from sale of two trash trucks	\$3,000			
				\$687,143
Fleet Maintenance				
Eliminate one mechanic position		\$46,103		
Replace existing automated fueling system	(\$12,500)			
Purchase and utilize a fleet management program	(\$10,000)			
Utilize state contract for purchase of oil, antifreeze and grease		\$1,231		
				\$24,834
Public Buildings & Grounds				
Contract out for building cleaning and maintenance services		\$68,000		
Replace existing red and green traffic lights with LED lights	(\$100,000)	\$25,000		
Conduct review of building systems utilizing an energy service company		\$36,000		
				\$29,000

**COMPARISON OF BUDGET APPROPRIATIONS, STATE AID,
AND LOCAL TAX RATE WITH RECOMMENDED REDUCTIONS IN
THE CITY OF ASBURY PARK**

<u>Areas Involving Monetary Recommendations</u>	<u>One-time Savings/ Expense</u>	<u>Annual Savings/ Expense</u>	<u>*Potential Savings</u>	<u>Totals</u>
Property Improvement				
<i>(Regional Contribution Agreement (RCA))</i>				
Leave RCA at a maximum of four positions, not replacing housing assistant		\$33,910		\$33,910
Uniform Construction Code (UCC)				
Return UCC function to state, eliminating part- and full-time positions		\$17,760		\$17,760
Code Enforcement				
Purchase management software and hardware	(\$72,000)			
Eliminate two inspector positions from purchase of software and hardware		\$98,340		\$26,340
Sewer Utility				
Eliminate routine transfer of unqualified personnel		\$42,154		\$42,154
Library				
Explore possibility of joining the county library network		\$217,682		\$217,682
Community Relations & Social Services				
Transfer clerical support from city hall staff or hire entry level clerical		(\$32,240)		(\$32,240)
Collective Bargaining Issues				
Negotiate the reduction of holiday leave pay and eliminate birthday leave day			\$72,624	
Total Recommended Savings	(\$22,425)	\$3,277,974	\$160,266	\$3,255,549

*\$160,266 not included in savings of \$3,255,549.

**COMPARISON OF BUDGET APPROPRIATIONS, STATE AID,
AND LOCAL TAX RATE WITH RECOMMENDED REDUCTIONS IN
THE CITY OF ASBURY PARK**

<u>Areas Involving Monetary Recommendations</u>	<u>One-time Savings/ Expense</u>	<u>Annual Savings/ Expense</u>	<u>*Potential Savings</u>	<u>Totals</u>
Total Amount Raised for Municipal Tax				\$13,754,852
Savings as a % of Municipal Tax				24%
Total Budget				\$23,158,749
Savings as a % of Budget				14%
Total State Aid				\$8,311,374
Savings as a % of State Aid				39%

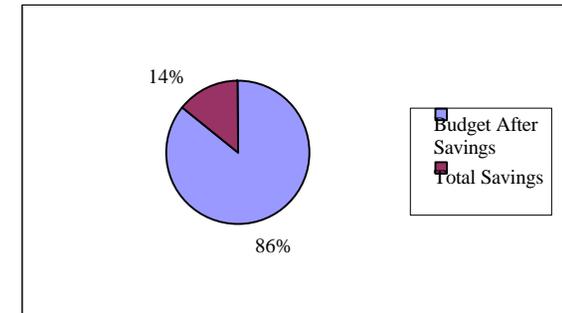
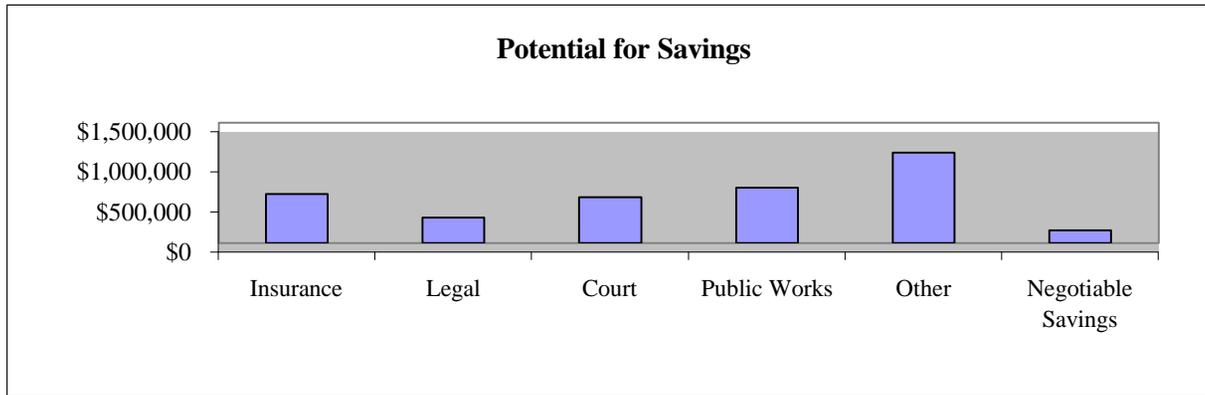


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COMMUNITY PROFILE

Asbury Park is a city on the Atlantic shore of Monmouth County and is bordered by Loch Arbour Village, Interlaken Borough, Ocean Township, Neptune Township, and Ocean Grove. The city is a short distance from the Garden State Parkway and Interstate 1-95, with access to the rest of the region via commuter rail lines and several major coastal routes. Asbury Park covers one and one-half square miles and has a current estimated resident population of 17,057, with a population density of 11,733 persons per square mile. There are 7,692 housing units of which only 1,730 are single family units, the remaining 5,962 units are renter occupied. According to the 1990 census, its demographic composition is 55% African-American, 32% Caucasian, 8% Hispanic and 5% other.

The city is primarily a densely populated urban community with one mile of beach/boardwalk frontage. The city has an exceptionally low level of home ownership; approximately 30% of occupied housing units are owner-occupied as compared to a statewide average of 77%. Industrial properties constitute only about one-half of 1% of the city's valuation and the median household income is only \$20,754. The one mile of beach/boardwalk frontage was designated a redevelopment area in 1986 and its development rights were transferred to a private vendor for proposed redevelopment of the entire area. No development occurred and the redevelopment area continued to decay, where it now accounts for about \$8 million in delinquent taxes owed to the city. This, along with other factors, contributes to a tax collection rate that hovers around 80%, forcing the city to reserve nearly \$2.7 million per year for uncollected taxes alone.

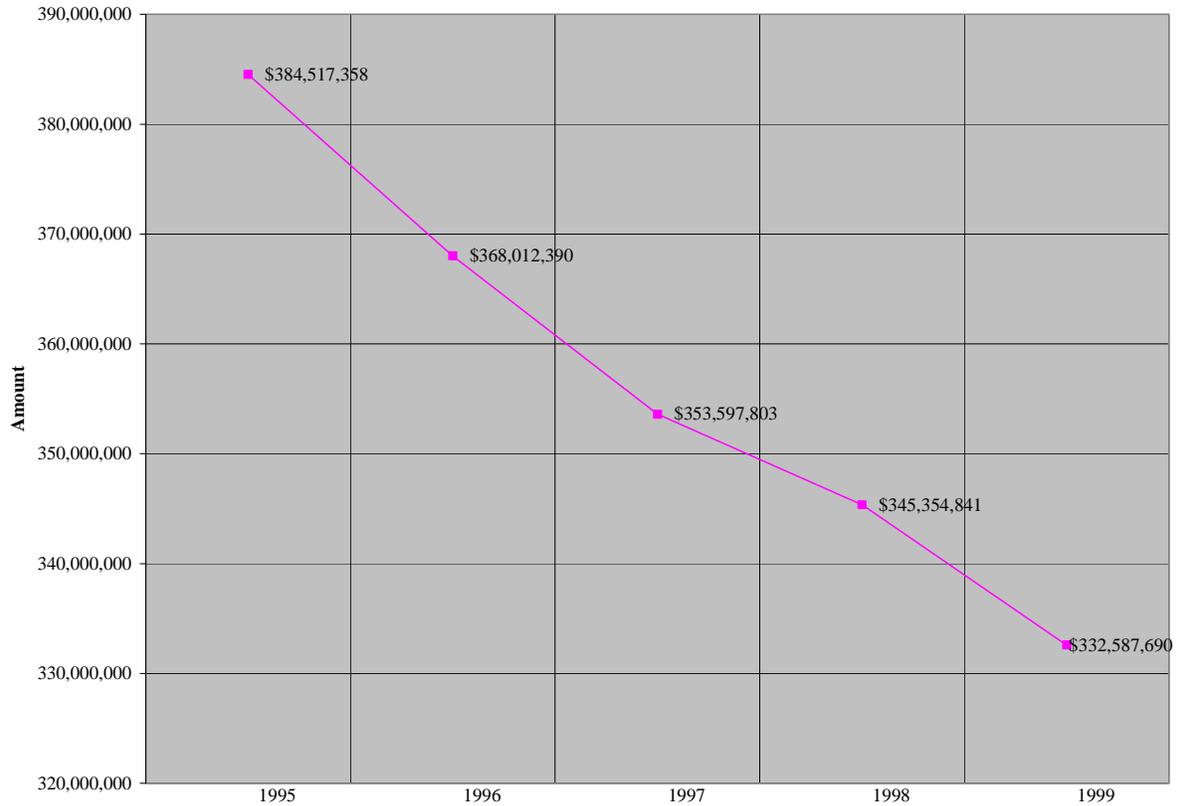
The city faces a very challenging socioeconomic environment. Wealth and economic activity levels in the community are some of the lowest in the state. The city also suffers from a variety of social ills involving crime and education. The following social indices illustrate the problems faced by the city:

	Asbury Park	Monmouth County	State of New Jersey
Crime Rate (1998 Uniform Crime Report)	72.4	27.2	37.1
Equalized Per Capita Property Tax Ratable Base	\$20,110	\$70,854	\$63,371
Per Capita Retail Sales	\$3,432	\$8,589	\$7,895
Equalized Property Tax Rates	\$3.85	\$2.25	\$2.37
Personal Income Per Capita	\$11,267	\$20,566	\$18,714
High School Completion Rate	64.7%	88.7%	77.2%

Source: 1997 New Jersey Legislative District Data Book

The financial implications of these socioeconomic conditions are significant. The city must provide a higher level of municipal services to a community that does not have the economic base to pay for them. The city continues to experience a loss of property valuation, further compounding the problem. In five years the city has lost \$51,929,668 in ratables, which results in the city having to increase taxes a commensurate amount on the remaining ratables to make up the difference. Currently, state aid constitutes nearly one-half of the budget.

Property Valuation Decline



Of the total property valuation in the city 55.11% is residential, 26.59% is commercial, 16.39% is apartments, 0.53% is industrial, and 1.39% is vacant. In the three years from 1996 to 1998 a total of two single family homes were constructed and total outstanding delinquent taxes escalated from \$6.9 million to \$8.6 million.

Asbury Park is one of a series of New Jersey shore communities, which developed as a resort area serving the New York and Philadelphia urban populations. James A. Bradley, a developer and visionary, discovered the land that was to become Asbury Park in 1871 by recognizing its resort potential. He named his community Asbury Park after Francis Asbury, the founder of Methodism in America and a leading figure in the formation of the Methodist Episcopal Church in 1784. By 1890, there were over a dozen hotels and more than 1,000 guest cottages along the recently constructed boardwalk and, in the 1930's, Asbury Park became one of the premier resorts on the Jersey Shore when it was known as the "Duchess of the North Shore" for its beauty and the quality of life afforded the people who lived, worked, and visited the city.

The post-World War II years brought dramatic changes in the lifestyle of the average American. One-stop convenience stores and suburban shopping centers began the decline of the commercial business district. Better highways and greater prosperity provided the opportunity for vacations further from home. Slowly, but steadily, those changes took their toll on Asbury Park and the

decline continued throughout the succeeding decades. In 1994, the unemployment rate in the city was 13.1%. The changed economy made it necessary for Asbury Park to implement plans for revitalization. In September of 1994, the State of New Jersey designated the City of Asbury Park an Urban Enterprise Zone (UEZ). This designation allows qualified businesses within the UEZ to charge 3% sales tax to consumers, receive tax-exempt status for purchasing materials and supplies for the business as well as receiving corporate tax credits for hiring residents of the municipality.

Oceanfront redevelopment tops the revitalization agenda. City officials recognize that the oceanfront is a unique resource upon which to revitalize the boardwalk and the city's business corridors, with retail outlets and entertainment venues the key to the city's economic recovery. Entrepreneurial activity and commercial development is being encouraged which would bring back some of the attractions that will return commerce and people to Asbury Park.

Oceanfront redevelopment, preserving historic landmarks, and upgrading housing are high priorities to begin the work necessary to rebuild the city's economic base and restore its image as a vital and beautiful resort community.

	1999
	Appropriations
Municipal Operations	\$23,158,749
Sewer Utility	\$2,893,408
Beach Utility*	\$551,213
Total	\$26,603,370

*\$349,199 of the beach utility appropriation was funded by the municipal budget.

I. BEST PRACTICES

A very important part of the Local Government Budget Review report is the Best Practices section. During the course of every review, each review team identifies procedures, programs and practices, which are noteworthy and deserving of recognition. Best practices are presented to encourage replication in communities and schools throughout the state. By implementing these practices, municipalities and school districts can benefit from the Local Government Budget Review process and, possibly, save considerable expense on their own.

Just as we are not able to identify every area of potential cost savings, the review team cannot cite every cost-effective effort. The following are those best practices recognized for cost and/or service delivery effectiveness.

Fire Personnel Manual and Standard Operating Guidelines

The division's Personnel Manual and Standard Operating Guidelines are exemplary and together can be considered models for management for fire service agencies.

Fire Safety Education

The Asbury Park Fire Division administers a series of fire prevention and education programs covering a range of ages from pre-school children to senior citizens. Although virtually impossible to quantify, proactive initiatives such as these (along with an ambitious inspection program) most certainly contribute to fire safety and insurance cost reduction in the city.

Decentralized Community Policing

The Asbury Park Police Division maintains a decentralized community policing strategy in which shift commanders, platoon supervisors, and police officers determine specific target areas for patrol emphasis during their respective tours of duty. There is no headquarters-based community-policing unit, nor should there be. Instead, community policing is an agency-wide philosophy that promotes proactive, quality of life problem-solving initiatives within each patrol sector in an effort to match the safety and security needs of the neighborhoods with the resources and capabilities of the division.

Resource Allocation

The Asbury Park Police Division assigns fewer than 10% of its sworn workforce to headquarters-based administrative staff functions. This practice enables the division to assign 90-plus percent of its members to street level, basic police operations, and the organization's core responsibility. It is from this essential component that the majority of police-citizen contacts occur and public expectations about the role of the police in society are realized.

State Inmate Work Program

For the past several years, the city has had the good fortune to be a participant in the State Inmate Work Program. This year, the city obtained the services of 10 inmates, for a one-month period. The inmates painted the 5th Avenue Pavilion and the dressing rooms at conversion hall. In

addition, they cleaned up the transportation center next to city hall and participated in the cleanup after the Greekfest. This effort represents roughly 1,600 person-hours or approximately \$32,000 in salaries and benefits.

Health Insurance Opt-Out Program

The team commends the city for establishing a health insurance opt-out policy for its employees. The opt-out policy enables employees who show proof of health coverage through a spouse to decline the city's health benefits and share in the economic benefit to the city. The employee receives half of what the city saves by not having to insure the employee. The city currently has nine employees who take advantage of this program. As a result, the city is saving \$31,817 annually.

II. OPPORTUNITIES FOR CHANGE/FINDINGS AND RECOMMENDATIONS

The purpose of this section of the review report is to identify opportunities for change and to make recommendations that will result in more efficient operations and financial savings to the municipality and its taxpayers.

In its study, the review team found the municipality makes a conscious effort to control costs and to explore areas of cost saving efficiencies in its operations. Many of these are identified in the Best Practices section of this report. Others will be noted, as appropriate, in the findings to follow. The municipality is to be commended for its efforts. The review team did find areas where additional savings could be generated and has made recommendations for change that will result in reduced costs or increased revenue.

Where possible, a dollar value has been assigned to each recommendation to provide a measure of importance or magnitude to illustrate cost savings. The time it will take to implement each recommendation will vary. It is not possible to expect the total projected savings to be achieved in a short period of time. Nevertheless, the total savings and revenue enhancements should be viewed as an attainable goal. The impact will be reflected in the immediate budget, future budgets, and the tax rate(s). Some recommendations may be subject to collective bargaining considerations and, therefore, may not be implemented until the next round of negotiations. The total savings will lead to a reduction in tax rates resulting from improvements in budgeting, cash management, cost control and revenue enhancement.

MANAGEMENT OVERVIEW

The City of Asbury Park is facing a significant fiscal crisis. The 2000 Municipal Budget shows that nearly 43% of the city's total appropriations are funded via grant money. Despite well-meaning and well-intentioned elected officials, department heads, supervisory employees and staff, the team has concluded that the leadership and management deficiencies in the city are of a considerable magnitude. These findings will be discussed in detail in the main body of this report.

The city faces a wide array of difficult challenges in its efforts to improve its financial condition and spur ocean front redevelopment. From its detailed review of the city's finances, management practices and staffing levels, the team has summarized its findings below to identify leadership and management issues that are largely institutional in nature. These issues cannot be attributed to any single department or city official, but are symptomatic of problems experienced across practically all city departments. Furthermore, these underlying problems have resulted from years of practice and, therefore, do not necessarily lend themselves to quick or easy solutions.

To address these issues, the city must seek comprehensive strategies that fundamentally change the management practices and organizational philosophy of the city. The team's specific recommendations should be viewed in the context of these general observations:

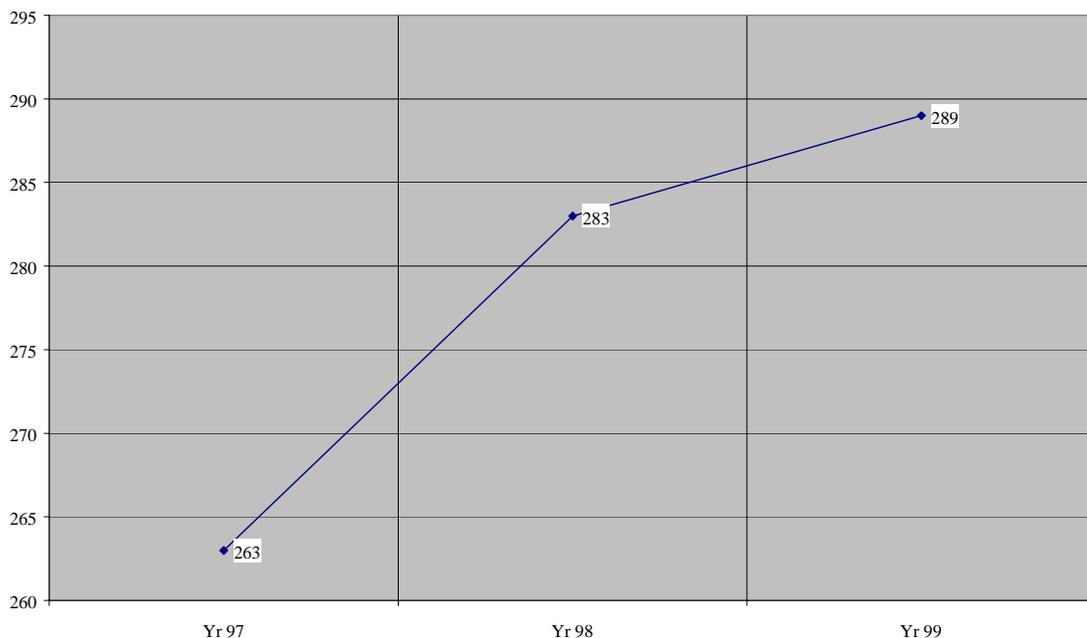
Staffing Levels

In general, the team’s review of the city’s operating departments indicates that staffing levels are in excess of what is required to perform essential services. In making this determination, the team utilized benchmarks from other local government reviews and closely analyzed the workload of the city’s departments. To the casual observer it could appear that many municipal employees are not “busy”, which has more to do with a lack of management and supervision than workload. If all of the appropriate reports, documentation, measuring, monitoring, filing, etc. that are required were being completed, staff would not have idle time.

There is a perception among numerous employees interviewed by the team that certain appointments to city positions are largely politically motivated. Employment with the city is sometimes regarded as a reward rather than a position to provide needed municipal services to its residents. The proliferation of positions with very narrow scopes of responsibility and light workloads appears to confirm this observation. This perception distracts employees from their department’s mission and undermines the credibility of the city in the eyes of its taxpayers.

To address this situation, the city should reduce or reapportion staffing based upon the recommendations found in this report. After reducing the workforce to an appropriate size, the city must continually reassess its staffing levels against the needs of the city. Although population remained constant and total property valuation decreased some \$51 million in the last five years, the municipal workforce has increased by 10% in the last three years.

Total # of Employees



Management

Many department heads and supervisors lack basic management skills and are not provided meaningful management training. Several departments do not maintain basic records to properly document the activities of their divisions. To complete the review, the team had to reconstruct many of the departments' service efforts through interviews and observations. Most departments had no mission statements and had difficulty explaining the role and/or duties of employees assigned to them. A basic tenet of management is measuring productivity through the ratio of inputs (personnel, money, time etc.) to outputs (services). Very few departments measured or documented this type of data. Absent such measurements, it is difficult for the administration to make educated budget decisions.

The team found that elementary supervisory responsibilities, such as, enforcing reporting times and attendance policies, are largely neglected in many offices. The city must establish basic accountability before any other management enhancements can take place. The personnel manual adopted in March of 2000 is a great start; however, now it needs to be adhered to and enforced.

Leadership

The present administration is to be commended for requesting the assistance of Local Government Budget Review. Changing the status quo requires courage in the face of the many entrenched interests and attitudes that have evolved over the decades of the city's economic decline. Identifying ways to achieve savings is the first step to the restoration of an efficient and financially stable municipal government. The elected officials must also promote stability in key appointed positions. Once the governing body establishes its vision and plan for its four-year term, they need experienced, professional appointees to implement and administer the day-to-day operations. In the last five years, the city has had four managers, three solicitors, five redevelopment attorneys and four UEZ Coordinators. Continuity and stability are essential in order to achieve the goals and objectives of the governing body, especially in the Council/Manager form of government.

Every organization is a shadow of its leadership. The governing body does, at times, send out mixed messages. People are invited to the microphone for comment and then cut off after two minutes. During one meeting, council adjourned with five residents standing in line to address the council. On September 6th, council awarded a \$26,000 professional service contract to a planning firm that was not budgeted in the 2000 budget they adopted that night, nor, was there a certification of funds from the CFO. They adopted a personnel manual that says they will hire the best qualified employees regardless of race, and more than one council member indicated that race is a prime factor over qualifications. Similarly, they have a strict ordinance on residency requirements, but it is not enforced at all prior to employment or during employment. They condone the transferring of employees that are clearly sub-par and have been disciplined by their department heads repeatedly.

In August, 2000, the council called for the resignation of their solicitor, who, at the public meeting, read his resignation into the record. Immediately, another resolution was put forth to appoint a replacement solicitor, but it was not seconded by anyone. They were then advised they should appoint someone because it would not be prudent for council to be in session without a

solicitor. The council then asked the solicitor, who just resigned, if he would stay on until August 31st until they could arrange for a solicitor and he agreed. Nothing was done in August and the first meeting in September the solicitor asked if he should be seated as the solicitor because his extension was only until August 31st. The council seated him as the solicitor and as of September 22nd he was still acting as solicitor. All of the above took place in public session.

Most importantly, some members of council publicly argue, spar and verbally assault one another from the dais at public meetings, creating and fostering an acrimonious environment. The council expects, rightly so, the municipal staff to provide a customer-friendly, service oriented work place. The council sets an example for the city's public employees. Consequently, many employees attend the meetings and, sometimes, the atmosphere of the public meetings bleeds over into day-to-day operations.

FORM OF GOVERNMENT

Asbury Park City is one of only seven New Jersey municipalities that use the “1923 Municipal Manager” form of government.

			1990
Municipality	Type	County	Population
Clifton	City	Passaic	71,742
Hackensack	City	Bergen	37,049
Garfield	City	Bergen	26,727
Lodi	Borough	Bergen	22,355
<i>Asbury Park</i>	<i>City</i>	<i>Monmouth</i>	<i>16,799</i>
Medford Lakes	Borough	Burlington	4,462
Teterboro	Borough	Bergen	22

Under the 1923 Municipal Manager form of government used in Asbury Park, the voters elect five members of council at large in non-partisan elections, once every four years. Asbury Park uses the option of four-year concurrent terms, meaning that every four years all five members' terms expire simultaneously. This creates the possibility that the city could have five brand new elected officials every four years. The 1923 Municipal Manager Law was amended in 1981 to allow for staggered four-year terms. The elections would occur every two years with three members running, then two members running, etc.

The mayor is selected by the council from among its own membership, subsequent to the election, and serves a four-year term. The mayor's duties are mainly limited to presiding and voting as a member at council meetings and making appointments to the Board of Library Trustees.

The council functions primarily as a legislative body, while the municipal manager is the chief executive and administrative official of the municipality. The council may investigate the administration, determine internal organization, and create and abolish boards and departments. The council also appoints a manager, tax assessor, treasurer, auditor, municipal clerk, and a

solicitor. The municipal manager is the chief executive and executes laws and policies enacted by the council. The manager prepares the budget for council consideration and attends meetings with a voice but no vote. The manager oversees contracts and franchises. The manager appoints and removes department heads and makes all additional appointments not made by council.

In 1999, the mayor received \$3,500 in salary and the council received \$3,000 in salary (although one council member did not take a salary). The elected officials also received health benefits from the city, at an additional annual cost of about \$20,000. In 2000, the council increased their salary to \$5,500 for mayor and \$5,000 for council.

Recommendation:

With the growing complexity of municipal government and the number of long-term projects underway in Asbury Park, the city may wish to consider transitioning to staggered terms. Concurrent terms can be disruptive and do not allow for continuity or stability of leadership in the policy making area. Staggered terms would enable the transfer of some level of knowledge and information to help facilitate ongoing and long-term projects. An example is the oceanfront redevelopment project. It has been in place since 1986 with no development, steady decline to the point of blight conditions and ever increasing tax delinquent status. The private vendors/owners have taken advantage of repeated changes in council (and their professional appointments) to prolong legal action by the city. When legal action is initiated, the owners employ the same type delay tactics to try and prevent tax sales, foreclosures, etc. Perhaps staggered terms could minimize the types of problems normally associated with long-term government projects and negotiations.

CITY CLERK

Overview

N.J.S.A. 40A:9-133 defines the core duties of the municipal clerk as:

- Secretary of the municipal corporation and custodian of the municipal seal and of all minutes, books, deeds, bonds, contracts, and archival records of the municipal corporation;
- Secretary of the governing body, prepare meeting agendas, be present at all meetings of the governing body, keep a journal of the proceedings of every meeting, retain the original copies of all ordinances and resolutions and record the minutes of every meeting;
- Chief administrative officer in all elections held in the municipality;
- Chief registrar of voters;
- Administrative officer for licenses and permits; and
- Coordinator and records manager responsible for implementing local archives and records retention programs.

In addition to the normal duties outlined above, the clerk also handles 90 taxicab licenses, 200 cab drivers licenses, 460 mercantile licenses and 240 dog licenses. The same statute also requires all municipal clerks to be certified as a “Registered Municipal Clerk” (RMC) via

completion of five courses at Rutgers University, passing a state exam and then completion of ongoing continuing education credits. The clerk is one of the few exceptions to this standard rule. Because he was in office prior to the establishment of the public law (1981), he was exempted from the Rutgers' courses and the state exam. He must, however, complete the ongoing continuation credits, which he does. Hence, the clerk possesses a special, restricted RMC license, which only permits him to work in Asbury Park. If he were to leave that position to pursue being a clerk in another municipality, he would have to complete the entire certification program.

Neither the deputy nor the senior cashier assigned to the clerk's office are certified RMCs. Additionally, neither has been sent to, or encouraged to, enroll in any of the municipal clerk training classes. The lack of formal certification and/or training in the office is reflected in the operation of the city clerk's office. Operationally and aesthetically, the office is antiquated and in need of modernization.

Recommendation:

All three employees should be scheduled and required to complete the RMC classes at a practical and reasonable pace starting with the city clerk, deputy, then senior cashier. Whether they decide to take the state exam and become certified or not is extraneous, but the five RMC courses would be extremely beneficial to the staff, as well as, the efficient operation of the office. The courses average about \$250 each, making the total investment only \$3,750 over about a three year period.

Value Added Expense: \$3,750

Staffing

The clerk's office consists of three employees: the municipal clerk, deputy registrar of vital statistics and a senior cashier. The following chart shows total position values and operating costs for the office for the year 1999:

	1999	1999
	Base Salary	Position Value
City Clerk	\$64,418	\$78,841
Deputy Registrar	\$27,572	\$35,656
Senior Cashier	\$28,368	\$35,934
Operating Expenses		\$44,745
Total		\$195,176

Each employee works 35 hours per week, 9:00 a.m. to 5:00 p.m., Monday through Friday, for a total of 105 hours per week. The team feels that, with some modernization and RMC training, the current staffing of three full-time employees is more than adequate to perform the required functions.

OPERATIONS

Public Meetings

The city council meets regularly on the first and third Wednesdays of each month. They start every meeting with a closed, executive session at 5:30 p.m. and it is scheduled for one hour. The public advertisement states the public work session starts at 6:30 p.m. and the regular public meeting starts at 7:30 p.m. As secretary to the governing body, the clerk is responsible for the meetings, agenda, and minutes, compliance with the open public meetings act and their advertised meeting times. Judging by interviews with staff, published agendas and observing who was attending the executive sessions, it appears the scope of the executive session routinely encompasses issues prohibited by the statutes. In addition, the length of the executive session always runs past 6:30 p.m. by at least 30 to 45 minutes, leaving the public standing outside awaiting the start of the 7:30 p.m. work session. Subsequently, the work session runs way beyond the advertised start time of the regular meeting, again further inconveniencing the taxpayers who showed up to participate in the meeting.

Recommendation:

The clerk should coordinate with the solicitor and ensure only appropriate topics are scheduled and discussed in closed session. Also, the same coordination should be done to ensure compliance with the advertised press times.

One of the most important functions in keeping the public meetings organized and productive is the agenda packet prepared for the governing body. It was obvious from sitting in the audience that many council members were just seeing their packet for the first time. Also, there were add-on items and resolutions that just “showed up.” Part of this is the elected official’s responsibility, but a larger part of it is dependent on the clerk’s office procedure. A clear, sound, agenda policy overseen by the clerk will lead to a more organized and functional public meeting.

Recommendation:

We recommend the city clerk develop and institute a formal agenda procedure, whereby, the clerk receives all department requests for action items first. The clerk can then review all requests for meeting action with the manager and mayor prior to sending to the solicitor for legal preparation. Thus, the solicitor will not be spending time preparing something the administration is not planning to have on the agenda. Once the manager has approved the requests and the solicitor has prepared the appropriate ordinances and resolutions, the clerk can put packets together and distribute to the governing body for their review. The clerk should initiate this process early enough so he will have completed packets ready for pick up and review no later than close of business Monday. This gives the governing body 48 hours to review the material prior to the meeting.

Minutes/Resolutions/Ordinances

The clerk’s office is also tasked with indexing and preserving all ordinances, resolutions, motions and minutes, as well as, other documents that require retention as a public record. Although not required by statute, the standard RMC practice is to maintain a “Resolution Book”

and “Ordinance Book” to facilitate document retrieval by employees and the public. The clerk’s office has resolutions filed loose in a file cabinet, and they are not numbered, making recovery and public inspection extremely cumbersome. The ordinances are stored similarly, in that they are not numbered or bound. An ordinance is a significant act establishing legal obligations for citizens and businesses. Ordinances also communicate public policy to those affected. It is of utmost importance that citizens, city employees and others having affairs with the city have a single resource from which they can easily find all of the laws and policies that the city has adopted. The orderly compilation of these ordinances is called codification. The results are published in the city codebook. The codebook has not been updated since 1977, meaning any ordinances adopted in the intervening years would not be included in the codebook. In fact, all the ordinances adopted since 1977 are located in a folder next to the codebook unbound and unnumbered. Codification companies now produce books both in hard copy and electronic medium such as CD’s or floppy disks. The team has never seen a municipal code book that is 23 years outdated.

Recommendation:

The team commends the city for already beginning the codification process. Funds have been budgeted (approximately \$10,000) and a vendor selected. The clerk is working with the vendor to bring the codebook up-to-date. Awarding of the current contract only includes receiving upgraded hard copy codebooks. The team recommends converting to a state of the art codification system: update paper copy books, provide a computer based software program and provide a quarterly update service. The computer version is a searchable database that is very user-friendly to employees and public users. Such a system will save a great deal of staff time spent searching through old ordinances and will, also, avoid looking at an ordinance in the code book that may have been updated but not posted in the book yet. The computer version could be integrated into a web site to make it more convenient and accessible for taxpayers. The upgrade to include computerization would be about \$5,000 to \$7,000.

One-time Value Added Expense (update book only): \$10,000

One-time Value Added Expense (books and computer-based): \$16,425

The minute book was current, up to date, bound and very neat. The team was impressed by the quality of the minute book. The minute book is updated after every meeting and the minutes are typed (via a typewriter) into the book. The only suggestion the team has regarding the minute book is to consider utilizing the word-processing program on the computer to type the minutes. This would afford an inherent backup to the hard copy book as well as making it easier for the city to utilize the minutes on such things as web sites, Intranets, discs, etc.

Records Management

As previously mentioned, N.J.S.A. 40A:9-133, tasks the clerk as the records manager for the city. Specifically, the clerk is responsible for implementing local archives and records retention programs. This function is not being performed in the clerk’s office or anywhere else in the city. There is no evidence of anyone utilizing the records retention schedules to get rid of unnecessary files. A significant amount of city hall space contains records storage boxes. The team counted over 100 storage boxes and seven four-drawer file cabinets lining the walls of the hallway

leading to the public meeting room. Additionally, there is a significant amount of archival records at the public works yard. There is no easily manageable way to retrieve old records in Asbury Park.

Recommendation:

The clerk should be given formal training on proper records management techniques and begin the process of putting together a plan for future records management for the city. The plan should include consultation with the New Jersey Department of State, Division of Records Management, to take advantage of numerous high-tech document storage systems available on the market today. Such systems have high storage capacities with instant searchable access. For example, a single CD stores up to 650MB of data (the equivalent of approximately 451 floppy disks) and has a shelf life of 100 years. Studies show that workers waste approximately 20% to 40% of their time searching for documents. So while there will be some start up cost associated with installing a document storage system, the result will be in increased staff time to devote to other more important issues.

ADMINISTRATION

The city manager’s office is comprised of the following positions:

	1999	1999
	Base Salary	Position Value
City Manager	\$85,000	\$94,076
Assistant City Manager	\$45,000	\$52,997
Executive Secretary	\$34,000	\$41,543
Receptionist/Clerk Typist	\$25,195	\$26,695
Clerk Typist*	\$21,497	\$27,598
Total		\$245,909

*Clerk typist added in 1999.

As previously stated, in this form of government the manager is the chief executive and administrative officer of the municipality and is responsible for a myriad of tasks. Some of the major responsibilities are listed below:

- Prepare and submit the annual budget;
- Appointing/hiring authority for all employees not appointed by council;
- Execute all laws and ordinances of the city; and
- Perform all personnel functions.

One of the biggest problems that has plagued (and continues to plague) Asbury Park is a lack of continuity and stability in the professional management area, specifically in the manager’s office. For example:

- In the last five years the city has had four managers;
- In the last three years the city has had three solicitors;
- In the last five years the city has had five development attorneys;
- In the last two years they have had four UEZ coordinators; and
- In the last three years there have been three public safety directors.

After a lengthy illness, the manager passed away just after the team completed its on-site review, leaving the position temporarily vacant.

This constant instability has led to a divided “team” of employees, no consistent enforcement/discipline of policies and procedures, protracted union negotiations, duplication of work and a plethora of other inefficiencies. Because of the form of government in Asbury Park, the most important appointment the mayor and council make is the city manager. The team interviewed three out of the last four managers, two of whom resigned because of lack of support from council. The last two managers were both appointed by only a 3-2 majority. It is nearly impossible to build an effective, efficient, cohesive organization when there is a constant change of leadership, combined with little or no mandate from the council. Regardless of how competent the manager is, he/she can not effectively manage with 3-2 support and the constant overt threat of removal from office if certain decisions are or are not made. The instability in the other professional positions is directly related to frequent manager changes and further exacerbates the problem.

Recommendations:

The most important non-elected position in this form of government is the city manager. By statute, the manager is the chief executive officer of the municipality and the one who will most likely bring success or failure to the operation. The elected officials must treat this important decision more seriously and with a long term vision of revitalization. Asbury Park did not reach its current state of decline in one year; hence, it is not going to be reversed in one year. The team recommends that when council has the next opportunity to fill the manager’s position, it approach the search much more thoroughly.

The team recommends hiring a professional, experienced consultant to develop a job description that embodies all of the priorities of the council, and contains all appropriate qualifications: MPA, MBA, related experience, etc. and then develop a position announcement that encompasses the above. The position could then be advertised in order to attract experienced, qualified candidates. The consultant should have the most qualified applicants complete a questionnaire, which will outline their management philosophy and ideas for improving Asbury Park. From among those completed questionnaires, the council should, as a body in closed session, interview the finalists to determine the applicant best suited to carry out the goals and objectives of the council over the next four years. The council should strive for a candidate that everyone can support, since appointing a manager with a unanimous vote sends a positive message of unity and solidarity to the employees and the community. Stability in the manager’s position will almost assuredly solve the other instability problems with appointed professionals.

Budget Preparation/Submission

N.J.S.A. 40A:4-1 et. seq. requires the municipal budget to be introduced not later than February 10th and adopted by March 20th. Asbury Park's 2000 municipal budget was not introduced until July 5th (almost five months late) and not adopted until September 6th (six months late). There does not appear to be any established budget preparation process. Several elected officials and department heads felt excluded from the process and, equally important, none of the preparation process was open to the public. This condition contributes to the public cynicism widely observed in Asbury Park. While no direct cost savings can be calculated by the lack of an inclusionary process combined with a significantly late budget submission, it does, however, speak to efficiency. The city operated without an approved budget for eight months. If the budget calls for changes such as increases or decreases in the labor force, equipment purchases, capital improvements, etc., the city has only four months left to implement such changes. Such delays force the department heads to operate in a status quo mode as opposed to implementing changes and modernizing to maximize the delivery of services to the residents.

The consequences of late budget adoptions are serious. The basic legislative function of the governing body is to appropriate funds for local purposes after sufficient deliberation and public comment. A delay of this magnitude fundamentally changes the budget from a prospective spending plan to, primarily, a confirmation of temporary appropriation resolutions passed in the months preceding the budget's final adoption. Financial management is severely hampered by repeatedly late budget adoptions. The tax collection effort is stymied because a tax rate is not certified in time for billing purposes.

	N.J.S.A. 40A:4	Asbury Park 1999	Asbury Park 2000
Budget Introduction	10-Feb.	5-Sept.	5-Jul.
Budget Adoption	20-Mar.	15-Nov.	6-Sept.

Recommendations:

The budget process should be formalized, more open and more inclusive. The manager and CFO should develop and implement a budget procedure that tracks the process and includes worksheets, justification procedures, program narratives and departmental budget hearings. If these departmental budget hearings were open, the elected officials and members of the public would be able to see the reasoning and justification, rather than just the final number on a page for which they have to vote yes or no. Such an open process would also result in the public hearing on the budget going smoother, since all the changes would be already disclosed. Following the statutory timeline is equally important getting tax bills out on time to ensure positive cash flow.

Sample Budget Process

- **By November 1st: – Send budget request forms to department heads;**
- **By end of December: – Department heads shall return completed budget request form (along with a narrative justification) to the manager, stating what they will need to operate their department for the upcoming year;**

- **First two weeks of January:** – Schedule, advertise and hold 30 to 40 minute departmental budget hearings. At these hearings (which should be open to the public for observation only) the department head will present his/her budget request to the manager and CFO with appropriate justifications and then field any questions from the manager and or CFO. Advertising it as a public meeting also enables interested council members from attending;
- **On or before February 10th:** - The manager and CFO will then compile and present a viable municipal budget to the council in time for them to introduce it, not later than February 10th ;
- **On or before March 20th:** - The council has until March 20th to advertise, hold a public hearing, make any changes and then adopt it;
- **Immediately after adoption:** - The CFO should then send each department head a copy of their approved budget so they will be aware of what they have to operate with; and
- **Quarterly Updates:** - The CFO should then provide the manager and council with at least quarterly budget status updates to show how each line item is doing.

Public Information/Public Relations

The city does not have a newsletter, web site, or information counter to disseminate public information. Therefore, the public has to rely on public meetings and/or calls and visits to city hall employees. By attending several public meetings, the team observed an incredible amount of cynicism on the part of the public. Encouraging residents to get their information by visiting city hall and asking employees is two-fold. First, there is no effective internal communication among employees, so the result is inaccurate data and no coordinated public message. Second, this method significantly perpetuates the “rumor mill.”

The vast majority of time at the public meetings is consumed by residents requesting routine information rather than asking a question of the council. Understandably, the part-time elected officials can not answer such specific questions; hence the public gets more cynical and thinks they are being manipulated. This, combined with other unintentional administration actions, contributes to a perception of insensitivity towards the public. There were a number of minor issues the team observed that led to the perception of apathy toward the public:

- All three public meetings the team attended started at least 45 minutes late. Interviews of employees confirmed a habitual pattern of substantial lateness in starting all public meetings. For example, at the August 2nd regular meeting it was over 90 degrees outside, the doors to the meeting room were locked and over 60 people were standing outside for almost an hour;
- Once inside the meeting, the public gets its first look at the meeting agenda. Since the public portion is at the end of the meeting, after all the business items have been voted on, the implication is that the council is not concerned with the issues of the public;
- When the council gets to the public portion of the agenda the chairman announces “two minutes – one time around”, meaning that each member of the public can only address council for two minutes and one time per meeting only. This policy is enforced and

several residents were denied (via the gavel) an opportunity to speak. In fact the public meeting on August 16th was adjourned with five people in line at the microphone to address council;

- All of the employees park in the row closest to the city entrance, thus leaving customers to park in the spots farthest from the entrance;
- There are three parking spots reserved for “council members” and the manager and assistant manager park in two of them;
- A department head had a sign on his door which read “Leave Me Alone!!!”;
- The municipal budget is advertised in the press by summary instead of in full. It would not cost that much more to advertise the budget in full and would go a long way to better informing the residents and promoting open government;
- Employees smoke in public areas clearly marked no smoking;
- No general effort or mechanism to inform residents of what is going on in their government.

Recommendations:

The concept of participatory democracy is fundamental to the success of any administration. There is a strong belief and perception by the public that they are not a part of “their” government. The administration’s lack of attention to public information further feeds this public perception. The team recommends a comprehensive and coordinated approach to improving public information. The council needs to send a clear message to the public that they support a customer-friendly, open, participatory government.

- **Develop an “official” web site complete with a synopsis of all municipal departments and services, contact numbers, answers to frequently asked questions, hours of operation, current issues of interest, etc.;**
- **Develop a periodic (either three times or four times per year) newsletter that gets mailed out to all residents. The municipal newsletter should not be political in nature but rather focus on issues the local government is working on. It could also have a citizen feedback form where citizens can provide their comments and return the form;**
- **Establish an information table in the lobby where the receptionist can keep it stocked with newsletters, municipal calendars, copies of minutes from the last few meetings, upcoming meeting agendas, copies of the municipal budget, trash and recycling procedures, etc.; and**
- **Establish a much more aggressive press release program. When the city has something it wants to promote or bring attention to, send a press release to the local newspapers.**

While there would be minor costs associated with some of these recommendations, the team feels they would be more than offset by more efficient use of staff time. Currently, without an information program, the public has to individually request these documents from various employees during duty time. Of course, such interruptions disrupt the workday and diminish productivity.

PERSONNEL

Due to the labor-intensive nature of providing local government services, personnel management is a vital tool in cost containment. The city's personnel actions are regulated under Title 11A, mandating compliance with New Jersey Department of Personnel (DOP) civil service rules and regulations. These regulations institute a merit system of hiring, requiring that applicants for classified positions possess minimum qualifications and participate in a competitive application process. Organizationally, the personnel function comes under the city manager's office. With nearly 300 employees, personnel management can consume a great deal of time when done correctly. The city's Personnel Manual (dated March 15, 2000) does an excellent job of outlining the procedure to be followed when hiring, recruiting or transferring employees. However, it was obvious to the team that it was not always adhered to, especially in the area of transfers. The team found several examples of employees who were transferred multiple times, when, in reality, they should have been disciplined. Despite the time consuming task of personnel management, it is the backbone of the municipal government and this function has to be upgraded to include the following human resource functions:

- In and out processing;
- Compensation analysis;
- Specification development and justifications needed to support staffing levels;
- Training issues inclusive of supervisory needs;
- Pension analysis;
- Civil Service guidelines;
- Progressive discipline;
- Privatization concepts, ideas, and savings; and
- A performance based compensation system.

An example of an inefficiency stemming from not following sound personnel procedures is the transferring of an employee to the sewer utility receptionist position for a base salary of \$35,000. Specifically, the public works department and the sewer utility appear to be where an employee gets transferred to when he/she has performance problems. These savings will be addressed in the sewer utility section.

Recommendation:

The team recommends the manager delegate the majority of the routine day-to-day personnel management functions to the assistant city manager and reserve his time for only the most egregious violations. This would allow the manager to concentrate on the larger issues.

Personnel Manual

The team commends the city for establishing an excellent Personnel Manual. The Personnel Manual was thorough, comprehensive and specific. Unfortunately, most employees are not familiar with it and do not adhere to it. This ignorance of the policies and procedures contained in the manual is reinforced since the team observed little or no discipline for constant violations of the manual. Some of the inconsistencies the team observed are listed below:

- *Page 6* explains that only full-time employees are entitled to a health benefits package. The team found several examples where the city is paying health benefits for part-time employees. A more detailed explanation of this is contained in the insurance section.
- Promotions, hires and transfers not in accordance to DOP policy outlined on *page 11*.
- The Non-Discrimination Policy (*page 9*) states the city will “recruit and hire employees without discrimination because of race, religion, color, ...unless the employment has a bona fide occupational qualification.” During interviews with the mayor, council and manager, the team heard repeatedly that race was a factor in hiring.
- *Page 12* lays out in excruciating detail a residency ordinance, which basically says the city will only hire residents. If an employee hired after 7/7/99 is a non-resident he/she has 12 months to become a bona-fide resident or be discharged from service. This policy is not being monitored or enforced in any visible way. There are numerous violations of this policy.
- *Page 24* discusses the official hours of 9:00 a.m. to 5:00 p.m. and states that employees are to “work exclusively on city business until official finishing time.” The team observed more than a few violations of this policy. One blatant example is public works employees who do not punch out for a break or lunch period so they can leave at 2:30 p.m. On such days the team observed these employees eating at a popular lunch establishment.
- Attendance reporting procedures are outlined on *page 26* and require all department heads to call the manager’s office by 10:00 a.m. each day to report attendance of their staff. The only department that appeared to be doing this on a consistent basis was the Public Works Department.
- There are specific procedures for using the time clock for arriving and departing work. However, there is no clear policy on who is supposed to punch in and out. The result is some employees punch in and out, some fill out sheets, some do nothing at all.
- Telephone policy (*page 31*) prohibits personal use of city phones. Phones are being used for personal use and sometimes long distance calls as well.
- Use of city automobiles (*page 44*) is supposed to be used for “city business” only. There are several city automobiles being used for commuting purposes.
- The manual calls for annual Performance Evaluation Forms. Annual evaluations are not consistently being done.

Recommendation:

The council should direct the manager to systematically begin monitoring and enforcing the duly adopted Personnel Manual. It is an excellent management tool and exists to safeguard the taxpayers and promote government efficiency. The manager should hold a department head meeting for the sole purpose of training the staff on the manual and standardize monitoring and enforcement.

Span of Control

The organizational chart and the large number of direct reports to the manager is a serious hindrance to efficient and effective delivery of services to the taxpayers. Span of control is the maximum number of people whose work can be effectively supervised by one person; a manager

must have a group that is of manageable size. That is, the manager must have a reasonable “span of control.” Under most conditions, managers can be expected to effectively supervise approximately ten people.

Characteristics of a Formal Organization

In addition to the principle of span of control, the characteristics of a formal organization include authority, responsibility, accountability, chain of command, unity of command, and delegation.

Authority is a primary element in any formal organization; it identifies the person who has the right and power to command, enforce rules and laws, exact obedience, administer disciplinary action, and make judgements. This person has the responsibility for strategic planning and operations and is typically empowered to make improvements to the city’s decision-making apparatus and the corresponding evaluation and control measurements. These substantial responsibilities are necessary to ensure the attainment of the goals and objectives mandated by the policies of the elected officials.

Responsibility is the duty to perform. Accountability is a by-product of responsibility that requires a person to be answerable for executing duties and responsibilities to ensure performance expectations and intended outcomes are satisfied. Chain of command is the organization of the labor force into manageable subdivisions by function, whose relationships are clearly identified. Unity of command implies that each employee report to only one person; this principle ensures accountability and control. The act of delegating entrusts another with a task by passing some authority and responsibility downward; an effective practice provided the receiver has the requisite skill and experience. Delegation is also a safeguard against micro management.

Scope of the Problem: Asbury Park Municipal Government

As presently constituted, the organization of the municipal government of the city appears intricate, complicated, and, perhaps, inefficient. It may be inefficient to the extent that the reporting relationship of nearly 20 to 1* is excessive and, historically, unmanageable. Inefficiency almost always begets waste and ineffectiveness; together they drive up the cost of doing business. Consequently, service delivery expectations go unsatisfied, citizen dissatisfaction escalates, and the city’s public image suffers. A convoluted structure creates a climate where underachievement becomes the norm and failure is acceptable.

Efforts to implement the principle of span of control and its constituent components will require fundamental changes in the city’s organizational culture and its methods of administration and operation.

*This number does not include the administrative support staff assigned to the city manager’s office.

Recommendation:

The construction of a formal, streamlined reporting system will ensure against gaps and overlaps (work not being performed and/or duplication of effort), allow the manager to assign work, track the progress of projects and measure production, evaluate the person(s) responsible for getting the work done, and ultimately review outputs.

The present reporting relationships should be consolidated to reduce the existing span of control. The resulting reorganization would place the span of control at about half the current level.

INSURANCE

Introduction

The review of the city’s insurance administration and management included an inspection of related documents and interviews and is organized within the following classifications: employee health benefit program (including cost sharing and plan enrollment), and casualty and liability insurance.

Employee Health Benefit Program

The city bears the full cost of medical and prescription insurance for all full-time employees and their dependents as well as retirees. Although the number fluctuates slightly throughout the year, the average number of covered employees is 360. In FY 1998, the city issued a Request for Proposal (RFP) in order to competitively bid health insurance coverage for its workforce and retirees. All proposals submitted were equalized, based on the assumption of 300 participants. Four brokers generated savings against estimates. A vendor was selected that proposed to offer plans that were consistent with coverage presently extended and would result in substantial cost savings to the city.

Until February of 1999, the city had HMO Blue from Blue Cross/Blue Shield and AmeriHealth HMO. Effective March, 1999, the city left this turnkey health insurance program that required little in the way of planning and maintenance to go to a self insurance program that requires a great deal of time, expertise, and fiscal acumen to manage. The self-insurance plan is administered through a third party administrator. The city made this transition to self-insurance for, what appeared at the time to be, sound fiscal reasons.

The city based its decision to switch to self-insurance on cost estimates that started out very competitive but quickly grew to much higher rates. A review of documents from FY 1999 and FY 2000 revealed that insurance premium payment costs began to escalate in the last quarter of 1999. The first six months of the plan (March of 1999 – August of 1999) called for monthly payments of \$100,000 but monthly payments thereafter averaged \$210,000 to \$230,000. LGBR reviewed actual expenditures on health insurance from September of 1999 to August of 2000. Once monthly premium payments were totaled, the cost of maintaining third-party administration of the city’s health care plan was compared with the cost of the *State Health Benefit Plan (SHBP)* and displayed in the following table:

12 Month Health Insurance Expenditures (Sept. 99 to Aug. 00)	
Medical Premiums	\$2,629,893
3 rd Party Administrator Fee	\$187,372
Reimbursed by Agent	(\$200,000)
City Total Expended	\$2,617,264
SHBP (<i>NJ Plus</i>)	\$2,047,056
Potential Cost Savings	\$570,208.20

The amount expended on health insurance in the last 12 months compared to a five-year history of medical insurance expenditures shows a significant increase.

Cost History with HMO Blue and AmeriHealth					
					Avg. Annual
	Yr. 1995	Yr. 1996	Yr. 1997	Yr. 1998	Increase
Health Insurance	\$1,381,088	\$1,420,649	\$1,432,283	\$1,572,623	4.6%

An effective health care plan should begin with the assembly of a representative labor-management committee to review and consider the various and sundry options available to participant employees. The city made the switch on short notice and with little coordination with employee groups. The team’s employee interview showed there was, and still is, a great deal of unhappiness and uncertainty about the switch to self-insurance. Several employees had unresolved claims and some complained about their credit rating being affected because of medical bills not being paid.

Recommendation:

In view of the poor claims resolution and the apparent disparity in cost to the SHBP, the city should solicit proposals from both the SHBP as well as other health insurance providers. At the very least, the city should be able to save a minimum of \$570,000 by going to the SHBP. Other intangible benefits attainable by switching to the SHBP or other reputable health insurance provider is the turnkey approach offered the city. The city would not have to expend staff time managing and administering such programs.

Cost Savings: \$570,000

One of the most important and sensitive morale issues with employees are health benefits for themselves and their families. In order for the city to alleviate a great deal of employee consternation and anxiety regarding transitioning from one health insurance provider to the next, the city administration should not make this decision in a vacuum. Consideration should be given to forming some type of labor/management committee to improve communications and address concerns of the workforce. The city reserves the right to change plans for economic reasons. It will be a much smoother transition, however, if the employees are given an opportunity to examine the plan and have their questions addressed prior to, rather than subsequent to, any change.

The team commends the city for establishing a health insurance opt-out policy for its employees. The opt-out policy enables employees who show proof of health coverage through a spouse to decline the city’s health benefits and share in the economic benefit to the city. The employee receives half of what the city saves by not having to insure the employee. The city currently has nine employees who take advantage of this program. As a result the city is saving \$31,817 annually.

Cost Sharing

Cost sharing is a method increasingly being used by public and private sector employers to reduce health insurance costs. Since health insurance is a contractual issue in collective bargaining agreements, implementation of any cost sharing program will require negotiations with the bargaining units. Even as little as a 4% employee contribution to health insurance would mean a substantial cost savings to the taxpayers with minimal financial impact on employees. For example, consider the impact of a 4% employee cost sharing with the *SHBP*:

With <i>SHBP</i>	
Savings to Taxpayers	
- 4% of annual cost	\$81,882
Cost to Employee (per pay)	
- Single	\$5.37
- Husband/Wife	\$12.13
- Parent/Child	\$7.73
- Family	\$13.60

Recommendation:

Whether the city elects to stay with its current plan or transition to *SHBP*, the city should negotiate a cost-sharing program with its bargaining units.

Potential Cost Savings: \$87,642

Plan Enrollment

The city's Personnel Manual states (page 53) that only permanent employees who work "at least 24 hours per-week" are entitled to health insurance benefits. The team compared the city's payroll against this standard and found several employees receiving health insurance not in compliance with the city's own rule.

Position	Type	Benefits
Judge	Family	\$7,144
Prosecutor	Family	\$7,144
Public Defender	Husband/Wife	\$4,554
Mayor	Husband/Wife	\$4,554
Council Members (3)	Single	\$7,719
Council Member (1)	Parent/Child	\$4,554
Planning Board Solicitor	Family	\$7,144
Total Annual Savings		\$42,812

Recommendation:

The team commends the city for their health insurance eligibility policy, however, it must be enforced. The city should periodically (at least annually) conduct a review of the insurance policy to ensure that non-eligible employees are excluded from health coverage. If the city enforces their existing policy they can realize substantial annual savings.

Cost Savings: \$42,812

Workers' compensation benefits are paid at the standard rate of 70%. Collective bargaining agreements for the unionized workforce typically require the city to pay the balance (30%) to individuals receiving benefits while on "injured on duty" status, supplementing worker compensation to make the member/employee salary whole.

In FY 1999, there was no specific procedure or policy in place concerning the handling of workers' compensation claims. However, as this LGBR review was being prepared, it was learned that the city proposes to pre-test individuals entering the workforce to ascertain their physical fitness and to subsequently administer a post-test after a workers' compensation claim is filed to ensure against fraudulent claims. It is intended that this process of assessment and evaluation be performed by independent, qualified medical professionals.

Recommendation:

The city should negotiate to reduce or eliminate the employer match for workers' compensation benefits.

Casualty and Liability Insurance

The chief financial officer administers the city's insurance management program and does not employ an intermediary (Broker of Record). As a result of no third-party involvement, the city directly advertises for proposals and quotations at least once every three years. Renewals are authorized annually, provided there have been no rate increases. Although professional quotations are solicited every three years, there is some flexibility in the process to protect the city in the event rates are raised during the interim period. This flexibility allows the city to solicit quotations during the interim period to avoid extra costs to the city. During a re-analysis of its insurance coverage (FY 2000), the city recently determined it was underinsured in its liability coverage and raised the coverage from \$5 million to \$50 million, while at the same time saving approximately \$20,000 as a result of the aforementioned administration and management program.

Tax dollars are conserved when the municipal insurance program is actively managed, both in terms of controlling risk and assuring that only that coverage which is appropriate is provided based on an accurate property inventory and current employee information. For the city's rolling stock inventory, there is an auditing procedure in place requiring an annual review to ensure against the city paying insurance premiums on vehicles no longer in the municipal fleet. The chief financial officer has oversight responsibility for this review and inspection process. Fleet inventories of the various departments indicate the city is not paying insurance premiums on any vehicle that has been taken off-line.

Even more significant is the loss in employee productivity that can occur when risk management practices are not an active part of the city's management program. An insurance program can be quickly improved with the designation of a risk manager or safety committee. A municipal safety committee is intended to proactively introduce safety practices, as well as, review claims in order to prevent or reduce workplace accidents and injuries and, make all city employees

responsible for adhering to safety practices. The committee should consist of appropriate department heads and convene at least quarterly. The city, presently, does have a safety review committee and corresponding policy.

SUMMARY OF INSURANCE EXPENDITURES						
Type	1995	1996	1997	1998	1999	+/- %
Workers' Comp.	\$206,000	\$282,000	\$429,234	\$377,888	\$672,143	226%
Group Benefit	\$1,381,088	\$1,420,649	\$1,432,283	\$1,572,623	\$1,469,336	6%
Other*	\$450,396	\$491,997	\$423,357	\$242,681	\$171,495	-62%

*Indicates Property and Casualty Insurance

LEGAL

Organization

There is no municipal department for legal services. The city performs this function via the award of professional service contracts. The primary legal contracts are for general solicitor duties, prosecutor, public defender and labor counsel. The actual costs in each area for 1999 are indicated in the below table:

General Legal Services	\$469,601
Labor Counsel	\$200,000
Prosecutor	\$21,000
Public Defender	\$20,000
Assistant Prosecutor	\$13,626
Planning Board Solicitor	\$3,900
Zoning Board Solicitor	\$3,900
	\$732,027

The attorneys do not appear to be sufficiently coordinated or supervised by appropriate city staff. They basically do whatever is asked of them and then bill accordingly on an hourly rate. There is no established policy or procedure for who is authorized to call a city attorney and no direction for the attorney as to who he/she is authorized to accept assignments from. As explained in the introductory section, frequent turnover of legal staff causes confusion and duplicating of effort. Every attempt should be made to bring stability and continuity to the legal function.

Despite the fact that no requests for proposals were solicited for professionals, the hourly rates are within acceptable ranges. The unusually high cost of legal services is not attributable to hourly rates but, rather, to frequent changes in attorneys and lack of direction and supervision from the city. The frequent change in attorneys requires duplication and other inefficiencies already delineated in this report. The lack of supervision is evident in the fact that basically anyone can call the solicitor with a question, request for opinion or draft resolution and the city gets billed appropriately for the phone call and the legal time spent responding. The lack of direction is most obvious in the labor counsel area. The city has spent well over the \$200,000 indicated on the chart for 1999 in labor counsel costs to settle the police and fire units bargaining agreements. Both police and fire units have been working at 1997 salaries because a new

contract cannot be worked out. The contract expired at the end of 1997. In accordance with New Jersey statutes, good faith negotiations are to commence 120 days prior to the expiration date of a contract, which would have been September of 1997. The city, at September of 2000 (three years later), still does not have an agreement. City administration appeared to have relinquished control of the matter to the labor counsel. In accordance with the city's charter, the manager is responsible for personnel and should be more involved in bringing such an important matter to resolution. The manager should ensure that reasonable, competitive offers are being presented and, at least, get periodic status reports from the labor counsel in order to assess the situation and give appropriate direction to the attorney.

Recommendations:

The city should contact the Public Employment Relations Commission (PERC) and request a copy of recent arbitration settlements and awards in their geographic region. This report should be used to gauge what constitutes a "fair and reasonable" offer. Since it is predictable that PERC will continue to award police and fire settlements consistent with its historical pattern, the city should formulate an offer that falls in the PERC range and make competitive offers to police and fire units to try and resolve the issue. A review of police and fire salaries for 1999 reveals that a 1% salary increase would equate to about \$63,000. At some point the city reaches the point of diminishing return where the cost of litigation far outweighs the cost of settling at a reasonable and acceptable rate. There is far too much reliance on the labor counsel. It should not cost \$200,000 per year to negotiate a police and fire contract. With more involvement and oversight by the manager's office, at least a 50% savings should be attainable in labor costs. A great deal of the early research and data collection can be done by city staff, as well as, such things as costing out the contract proposals.

Cost Savings: \$100,000

Additionally, the \$469,601 expended on general solicitor duties is well above the normal level for a municipality this size. In order to get this expenditure under control, the team recommends two options.

Option 1 – It is the team's general impression that many of the employee calls/requests to the solicitor(s) are not necessary. A way to avoid this is to establish a procedure proscribing exactly who is allowed to authorize the solicitor to do work and advise the solicitor that he is not permitted to bill for any work not authorized by the appropriate authority. If such requests were funneled through the manager's office, he/she could decide the department best suited to address the matter. While it is impossible to establish an exact cost savings, the team estimates a decrease of about 10% is attainable by instituting a single point of contact.

Cost Savings: \$46,900

Option 2 – A more drastic approach can also be considered to reduce legal costs. The city could establish a department of law under the manager, whereby, all legal matters would be coordinated and supervised. Such a full-time staff attorney would be able to handle the majority of routine legal duties and, when a specialist is necessary, he/she could recruit and

then supervise the appointed special counsel and ensure they remain on task and focused. Such an office would have to be, at least, staffed with an experienced municipal attorney, a paralegal and a secretary, along with associated reference books and computers. This should be possible at a cost of about \$250,000 to \$300,000 per-year. In addition, a staff attorney could also provide general legal advice in labor matters up until the point where a specialist is required, which would further decrease the amount allocated for labor counsel.

Cost Savings: \$169,603 - \$219,601

PROFESSIONAL SERVICES

With the exception of legal services and insurance services which have already been addressed, the only other major recurring professional service contracts are for engineering services and auditing services. City expenses in both these areas appeared well within the ranges normally seen for a city of this size:

	1999	2000	
Vendor	Expended	Appropriated	Difference
Engineering	\$69,427	\$64,990	\$-4,437
Auditing	\$40,000	\$56,000	\$+16,000

A 40% increase in auditing services in one year is excessive and more care should be taken to inject competition into the selection process. The auditor’s service level did not seem to warrant the sharp increase in cost. New Jersey statutes require the annual financial audit be completed within six months of the end of the year or in Asbury Park’s case June 30th. The team conducted fieldwork in Asbury Park up until September 29, 2000 and the audit was not yet completed. In addition to the financial audit, the budget introduction was late and budget adoption was late. This is not entirely the vendor’s fault, but reflects negatively on the city’s internal control procedures and oversight of appointed vendors.

Recommendation:

The city should develop a broad scope of work and advertise for Request for Proposals (RFPs) to encourage competition and increase the pool of vendors. The city can then choose the vendor that offers the best deal, price and other factors considered, to the city. Instituting this practice should eliminate 40% increases in one year. If specific items defined in the scope of work are not completed in a timely fashion, the vendor should be subject to some sort of penalty.

FINANCE

Overview

Revenue collection is one of the major challenges facing Asbury Park currently and in the coming years. In fact, collecting outstanding revenue is the item that would have the single

biggest impact on property tax relief. The inability to collect outstanding revenue has resulted in an over reliance on surplus and property taxes to fund the budget. This translated in surplus going from \$2,760,373 in January of 1995 to \$267,106 in January of 1999, a depletion of \$2,493,267, and the local tax rate going up \$0.24 (13.25%) in the same time period. Some examples of problems associated with revenue collection are listed below as measured from 1995 to 1999:

- Tax Collection Rate has only averaged 81.25%;
- Current Collection in dollars down \$708,509;
- Assessed Valuation down \$51,929,668;
- Outstanding Delinquent Taxes increased \$2,985,016;
- Local Purpose Tax increase of \$0.24 or 13%; and
- Debt Service increased \$521,678.

Given the above problems, even if the city were able to keep expenditures stable, the tax rate would continue to increase because the same amount of tax levy would be needed from a shrinking tax base. Throughout this report, the LGBR team will make recommendations on how to improve or address the revenue problem.

Staffing

The finance department is comprised of 11 employees: seven employees dedicated to finance and purchasing, three employees dedicated to tax collection and one employee who acts as a receptionist. The chart below reflects the staffing and the 1999 position value of the employees in the finance department.

	Base Salary	Position Value
FINANCE		
CFO	\$69,741	\$82,220
Supervising Accountant	\$35,040	\$47,837
Payroll Supervisor	\$35,000	\$44,822
Clerk Typist	\$22,500	\$28,775
Purchasing Agent	\$51,508	\$71,840
Senior Clerk Typist	\$30,009	\$35,336
Senior Account Clerk	\$30,009	\$41,006
Sub-Total		\$351,836
TAX COLLECTION		
Tax Collector	\$50,619	\$57,854
Assistant Tax Collector	\$35,910	\$42,257
Tax Clerk*	\$27,782	\$35,311
Senior Tax Clerk	\$28,368	\$33,549
Sub-Total		\$168,971
RECEPTIONIST		
Receptionist	\$21,189	\$27,663
Total		\$548,470

*No longer works in tax collection, not replaced.

The team found the finance department to be slightly overstaffed and the city has already addressed the issue. As noted on the chart, a tax clerk was moved out of the tax collector's office and not replaced. The team commends and concurs with the city for this action. This should not have any adverse affect on the collection rate. The tax collector has operated without this employee for part of 1999 and all of 2000 with no negative impact. Furthermore, benchmarks from previous LGBR reports show that efficient workloads should equal about 3,000 line items per person. With property taxes and sewer, Asbury Park has about 7,000 line items, which translates to about 2.3 full-time equivalents. Leaving the staffing in the collector's office at its current level of three should be more than sufficient for the near future.

Recommendation:

Do not replace the tax clerk in the collector's office.

Cost Savings: \$35,000

Operations

The city adopted a cash management plan in January, 1999 in accordance with N.J.S.A. 40A:5-14. The city currently has 25 accounts, distributed among three financial institutions. Two sweep accounts are utilized, one for general fund and one for sewer utility. The current interest rate is 5.9%. The city's resolution names four financial institutions including MBIA Investments to give them the ability to shop for most competitive rates. The only accounts that are not interest bearing are: petty cash, payroll and the court office account. The court office account will be addressed in the court section. All internal controls delineated in the cash management plan appeared to be in practice and adhered to.

The team commends the city for developing an excellent cash management plan. It is comprehensive and very well done.

Purchasing

The purchasing agent works in the department of finance and processes about 5,700 purchase orders per year. The city does have a Purchasing Manual dated September 19, 1990. The purchasing officer amended it in 1998. It describes general purchasing guidelines and procedures to assist city departments in securing the materials and services in the most efficient and economic manner. The manual is clearly written and is in accordance with the statutory requirements in effect at the time (1999). The purchasing agent is aware of the new purchasing laws and is working on updating the purchasing manual to reflect the law changes. There were 23 items that were publicly bid in 1999 in compliance with the public bid laws. For items not requiring public bidding, the city has in place a requisition system whereby they put in a request for goods or services and, after approval from the CFO and purchasing officer, a voucher is issued to the respective department head to purchase the item. While this happens most of the time, the team observed several "confirming orders" through no fault of the CFO or purchasing agent. In practice, there are still departments that do not follow the procedures; they simply order goods or services and then give the bill to the CFO to "take care of." Unfortunately, some council members are frequent offenders of the requisition process. The team saw memos from the finance department reminding department heads of the process, however, confirming orders were still occurring.

Recommendation:

Continue with plans to update the purchasing manual to reflect changes in the law. Confirming orders by department heads run counter to sound business practices and the city needs to take a hard-line on such matters. If an item or service was requested without appropriate approval, discipline up to and including liability for the item should be meted out. Perhaps a form letter could be sent out to the vendors reminding them of the proper procedure and forewarning them that any service or item rendered without proper approval will be considered a donation to the city.

Reserve for Uncollected Taxes

The reserve for uncollected taxes is an appropriation that ensures all taxing entities (municipal, county and school district) receive sufficient funding through a reserve that compensates for revenue shortfalls arising from property tax collection delinquencies. The calculation for this reserve is based upon the tax collection rate and the total property tax levy. In 1999, \$2,6626,868 was appropriated for this purpose.

The team's recommendations to improve both the tax collection rate and reduce expenditures combine to provide additional cost savings through lowering the reserve for uncollected taxes. To illustrate the relationship between the tax collection rate and the reserve, a 2% increase in the collection rate in 1998 would have yielded a reduction of about \$158,000 in the reserve for uncollected taxes, equivalent to four and a half cents on the municipal tax rate.

Additionally, any other decrease in expenditures causing a reduction in the local purpose tax levy would likewise lower the reserve requirement.

Payroll/Data Processing

This office was among one of the most efficient, well organized and productive offices the team observed. The payroll supervisor is responsible for the administration of the payroll system as well as pension and benefit information and in processing. This includes the processing and distribution of checks as well as updating all salary and benefit information in the payroll system. The present software vendor provides the current payroll package which is on a PC in the payroll supervisor's office. The supervisor is satisfied with the program, was able to garner all information the team requested quickly and completely.

In the time-keeping function, the senior account clerk assists her. Although there is a time clock and established procedures for who punches in and how to request time off, the team observed a great deal of non-compliance in this area. This is not a reflection of the timekeeper. All the time sheets she was given were recorded and filed appropriately. However, several times the team observed employees either not present at all or leave the building substantially early and upon inquiring, written documentation could not verify the absence. The same individuals who had no recorded time off also received no unexcused absence penalty. These practices reflect a lack of basic accountability and need to be addressed by management with appropriate disciplinary measures. Such absences without consequence affect employee morale and efficiency.

Recommendation:

The city needs to enforce existing policies regarding absences and tardiness. In instances where leave or reporting times have been abused, the employees should be promptly disciplined.

Debt

As previously mentioned, the city’s debt has been rising in the last five years. With a shrinking ratable base, it is essential to monitor debt since its statutory limit is a percentage of property valuations. In accordance with the 1999 Annual Debt Statement, the city’s debt ratio was at 2.30% of the available 3.50%. The team observed a propensity on the part of the governing body to borrow money without a thorough review of its impact on future budget years. This has led to the 165% (\$521,678) increase in debt service payments in the 1999 municipal budget. Based on current property valuations of \$332,587,690, \$0.01 on the municipal tax rate equals \$33,258. Therefore, this rapid ascent in debt service has attributed to about \$0.15 on the tax rate.

Equalized	Statutory	Asbury Park	
Valuation	Limit	31-Dec-99	Available
\$326,348,677	\$11,422,204	\$7,493,941	\$3,928,263
	3.50%	2.30%	1.20%

Debt Service History					
	1995	1996	1997	1998	1999
Debt Service	\$315,802	\$546,850	\$642,180	\$883,135	\$837,480

Recommendation:

The city should develop a debt repayment schedule and strive for consistency and stability. By projecting forward the city could anticipate bond and BAN repayments and adjust new debt accordingly. The goal should be to keep annual repayment schedules as stable as possible. As old debt is retired it can be replaced with new debt for new projects. The trend in Asbury Park appears to be steadily increasing debt in addition to old debt, instead of retiring debt.

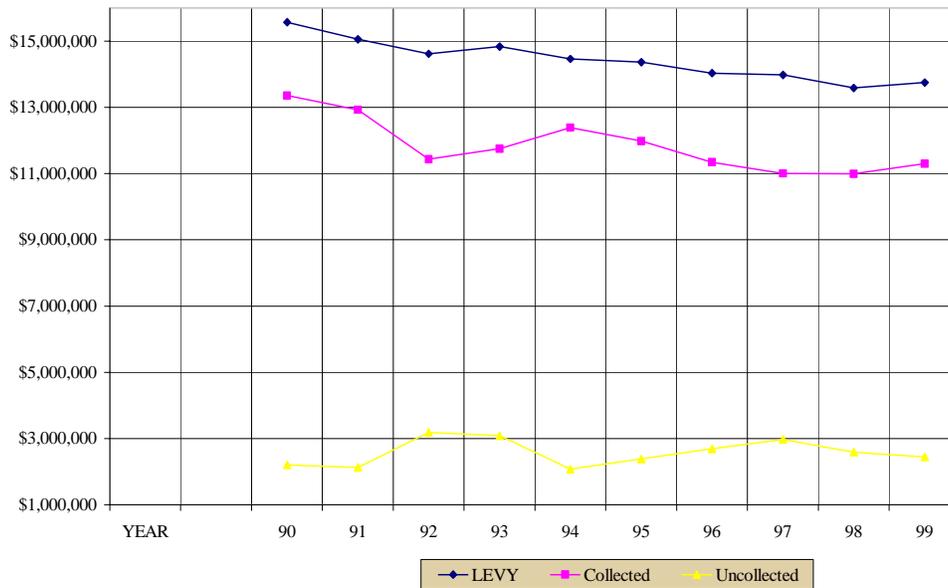
TAX COLLECTION

Overview

As indicated in the finance department chart, the tax collection function was performed in 1999 and 2000 minus one tax clerk. The sewer collections are also performed by the Asbury Park Tax Collector. The tax collector had 11 tax lien sales in 1999 to try to increase collection of delinquent taxes. The collector’s office is to be commended on a tremendous effort to collect as much of the delinquencies as possible. The department is currently in transition from one software package to another and will be heavily involved in training and conversion issues. The city’s collection rate has hovered around 80% for the last five years while the actual collection amount has decreased.

Actual Tax Collection Rates					
	YR-1995	YR-1996	YR-1997	YR-1998	YR-1999
Collection %	83.43%	81.02%	78.72%	80.90%	82.19%
Dollar Collected	\$12,014,712	\$11,346,003	\$11,035,359	\$10,999,478	\$11,306,203

Tax Collection in \$\$\$



The team was impressed to see a well trained and organized staff. In addition to the full-time collector being a certified tax collector (CTC), the assistant is also a CTC and the tax clerk has completed all the academic course work to be a CTC, but has not taken the test. The collection rate was 82% in 1999, of which 5% is not collectable since it is tied up in the redevelopment bankruptcy. While the remaining 13% is inherently difficult to collect, the city must remain vigilant, aggressive and innovative. The team also commends the staff for being very accommodating to the citizens regarding the acceptance of partial payment.

Recommendations:

Continue aggressive sale of tax liens. The city should make improving this collection rate a top priority. The staff should spend time making calls to delinquent taxpayers, continue to send monthly notices, and initiating foreclosure procedures as needed.

The city should also consider receivership as a means to collect delinquent taxes from large commercial and apartment property owners. This method is useful because it allows the city to maintain its revenue stream without waiting for the often long process of foreclosure and public sale to recover its delinquencies.

The city should also have the CTC, the CFO and the auditor evaluate whether an accelerated tax sale would be beneficial.

Foreclosure Activity

Although the team witnessed foreclosure activity occurring during the review, the 1998 and 1997 municipal audit contained the following statement:

“There have been no properties acquired by foreclosure.... There have been no foreclosures for several years.”

Recommendations:

It appears the governing body has begun actively pursuing foreclosures. It is important this approach become a standard operating procedure and not an anomaly. Because of the length of the legal process, foreclosures do not provide immediate savings and revenue to the city; however, long-term savings are significant, but difficult to quantify, due to the many variables involved in municipal finance and the foreclosure process. A strong commitment to aggressively foreclose on delinquent properties would yield the following future benefits to the city:

- **A lower delinquency rate and a corresponding reduction in the reserve for uncollected taxes;**
- **Reduction of taxes owed to the county;**
- **Revenue from the sale of foreclosed property and subsequent property tax revenue; and**
- **Greater motivation by property owners to pay taxes based upon the perception the city is diligently pursuing delinquent accounts.**

Analysis of Surplus

A five-year review of the city’s surplus reveals an unhealthy over-reliance on fund balance to offset the amount to be raised by taxation. The result is no useable fund balance remaining. Such low fund balances require Tax Anticipation Notes (TANs) in order to pay obligations in between quarterly collections. If a county tax payment or payroll comes due and there is not enough surplus, then the city must borrow money to pay its debts and absorb the cost of the interest into the budget. Because of low surplus in 1999, the city was forced to issue a TAN at a cost of \$210,437 in interest.

ANALYSIS OF SURPLUS					
	1995	1996	1997	1998	1999
Beginning Surplus	\$2,760,373	\$1,318,072	\$871,828	\$233,811	\$267,106
Surplus Appropriated	\$1,575,000	\$542,000	\$166,000	\$48,641	-
% Budgeted	57.1%	41.1%	19.0%	20.8%	0.0%
Surplus Remaining	\$1,185,373	\$776,072	\$705,828	\$185,170	\$267,106
Total Budget	\$21,149,262	\$21,852,720	\$24,085,760	\$22,439,838	\$23,158,749
Unused Surplus	5.6%	3.6%	2.9%	0.8%	1.2%
Ending Surplus	\$1,318,072	\$871,828	\$233,811	\$267,106	\$267,106

Recommendation:

Although there is no prescribed or mandated percentage of surplus that must be maintained, it makes prudent business sense to ensure an adequate amount of fund balance to ensure positive cash flow. The CFO and the auditor will be able to accurately estimate the county payment and school payment schedule. They will also know when the quarterly tax revenue comes due. Therefore, they will know how much fund balance is needed to avoid having to issue a TAN and the associated interest. A cash flow schedule should be developed and every attempt should be made to ensure a minimum fund balance is available to meet the city’s obligations. Every attempt should be made to prevent relying on TANs.

Cost Savings: \$210,437

TAX ASSESSMENT

Organization

The tax assessor’s office consists of two full-time employees: an assessor and one assistant. The assistant has taken two of the tax assessor courses and plans to continue with that professional development. The team commends the city for allowing office staff to pursue professional development. The result will be a more efficient office which will improve the staff’s ability to field questions from the public.

	1999	1999			
	Base Salary	Position Value			
Tax Assessor	\$64,418	\$75,908			
Senior Cashier	\$30,040	\$37,352			
Total		\$113,260			
(Expended)	1995	1996	1997	1998	1999
Appropriated	\$33,210	\$37,220	\$37,670	\$30,085	\$33,341
Expended	\$33,209	\$37,170	\$37,670	\$22,085	\$39,914
Difference	\$1	\$50	\$0	\$8,000	\$(6,573)

The assessor’s office is automated with a state of the art software package. The team was also impressed to find that digital photos were utilized as part of the system so the assessor could call up specific parcel and view photos of the actual buildings present on the site.

Financial

The operating expenses of the office remained relatively stable through 1999. The 2000 municipal budget appropriates \$48,479 for use in 2000, which is an increase of about \$15,000. The extra funds were added to try and combat the significant loss of ratables resulting from tax appeals. A review of county tax board judgments shows the city has lost over \$15 million in assessments, which does not include out of court settlement reductions. Overall since 1995, the city has lost \$51,929,668 in assessed value. When applied to the current local purpose tax rate of \$2.05, that translates to a loss of local tax revenue of \$1,064,558. The assessor appears to be

doing everything possible to combat this incredible decline in assessments. The extra money put in the assessor’s operating budget to help fight tax appeals is a prudent move to help stave off future decline in valuation. Since most of the appeals are for industrial and commercial properties, the result is that more of the residential tax base will be relied on to provide tax revenue to support city services.

County Tax Board Judgements		
Year	# of Appeals	Reduction Granted
1996	289	\$7,207,900
1997	192	\$4,285,000
1998	183	\$2,751,300
1999	152	\$833,800
2000	42	\$761,500
Total	858	\$15,839,500

Payments in Lieu of Taxes

There are two properties that pay a fee in lieu of normal property taxes instead of full property taxes: Asbury Towers and Seaview Towers. While this arrangement is part of an historical agreement negotiated several councils ago, it deserves some renewed attention. What may have been fair and reasonable many years ago, may not be any longer. For example, the following table will show the disparity of the payment in lieu versus the property tax assessment:

	Assessed Value	Normal Tax Bill	Payment In Lieu of	Difference
Asbury Towers	\$14,061,000	\$566,658	\$210,200	\$356,458
Seaview Towers	\$8,660,00	\$348,998	\$145,291	\$203,708

The city is not even recouping the local purpose rate which would be \$288,250 and \$177,530 respectively. Hence, while the currently negotiated deal is beneficial to the Asbury Towers and Seaview Towers, it does not appear to be beneficial to the taxpayers.

Recommendation:

It is recommended that the city have its assessor and solicitor review the negotiated agreements to determine when a renegotiation could take place. The city should do everything in its power to renegotiate an agreement that will get the properties in question added back to the ratable base. At a bare minimum, the fee in lieu of should at least be equal to the local purpose tax rate.

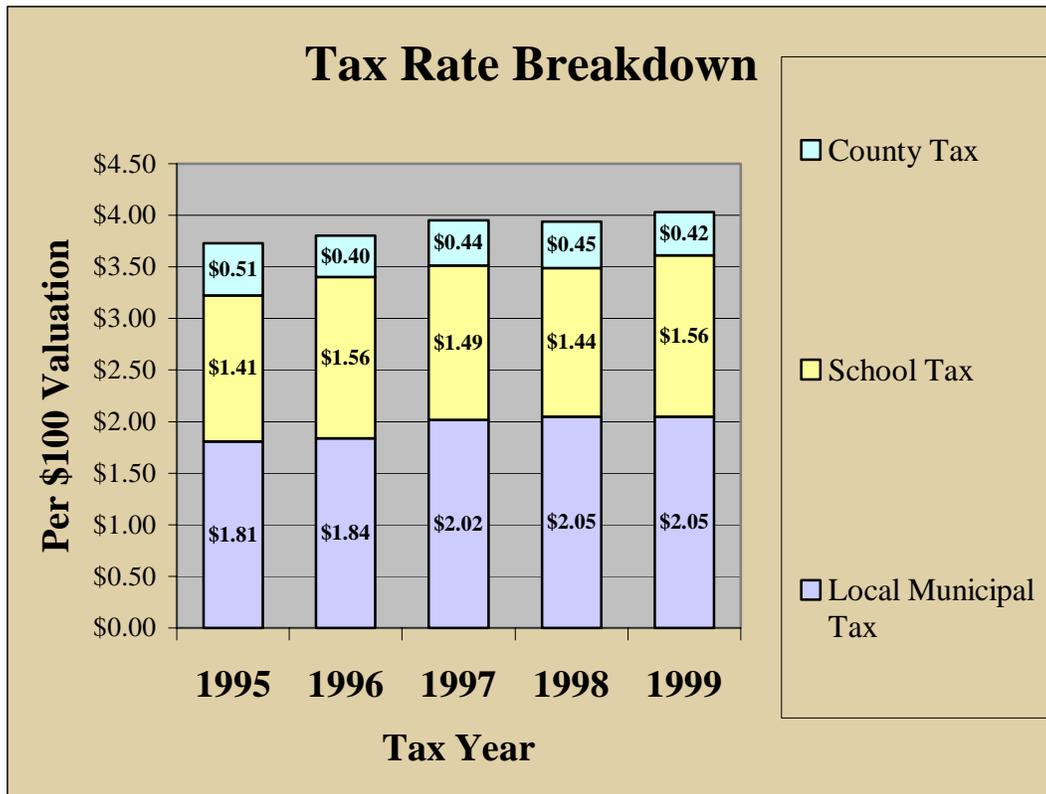
Exempt Ratables

Properties that are tax exempt have increased from 28% to 35% in the last 13 years. This effectively means that over one-third of the city is tax exempt. Most recently this appears to be a result of the planning/zoning department allowing retail buildings to be converted to “churches.” This kind of action has also contributed to the drastic decline in total property valuation previously discussed.

Recommendation:

In its current state of fiscal stress, the city should be very selective about taking commercial ratables off the tax rolls. When such a proposal is pending, the team recommends the council get a report from the assessor as to the future financial impact to such tax exemption.

COURT



While the team recognizes the separate authority and responsibility of the judicial branch of government, we have made the following comments and recommendations in an effort to provide the community with information on current and potential operations, procedures and programs available to the court. The recommendations made in this report will require further review and approval by appropriate judiciary personnel.

The team observed a number of court sessions and observed the facilities. The court sessions were well run, starting on time and proceeding until all cases were heard. The court deals with defendants in a firm, fair manner with compassion for defendants addicted to substance abuse. The court sessions are regularly attended by social service counselors to handle these problems and it is the team's observation that the court relies on this interaction.

Staffing

The Asbury Park Court is staffed with six people: one judge, one court administrator, two deputy court administrators and two clerks. One of the clerks has been on suspension for three years. The court staff is a cohesive group of customer service oriented employees who function in a professional manner.

It appears to the team that the suspension leaves the court understaffed by one. This limits them to being re-active instead of pro-active in financial and administrative matters that are expounded on further in this report. The court administrator needs to have more time to deal with the administrative work of the court.

	1999	1999
	Base Salary	Position Value
Court Administrator	\$39,493	\$49,451
Judge	\$45,000	\$52,919
Ass't Court Administrator	\$29,630	\$36,373
Deputy Court Administrator	\$29,630	\$36,373
Clerk	\$25,791	\$32,240
Clerk	\$26,575	\$33,084
Total	\$196,119	\$240,440

Recommendation:

The vacant position created by the suspension of an employee should be filled immediately through a search for someone who will be customer service oriented. One of the existing clerks should be promoted to the deputy court administrator position and assume those duties in order to free up the court administrator for other managerial duties.

The mayor and council appoint the judge for a three-year term. The position of municipal judge is a professional position for which criteria is established by state statute.

Court sessions are held one day a week, on Friday, with special sessions held to hear conflict cases. These conflict cases may be a conflict for the judge or a conflict because the defendant is in litigation against the city. For these sessions, another judge is called in and is paid \$400 a session. During 1999, the city paid a total of \$2,250 for a replacement judge for six sessions. Five of the six sessions were regular Friday court sessions.

During 1999, there were 46 court sessions. Combining the salary of the judge and the cost of substitute judges and dividing that total \$55,169 by 46 shows that the city paid \$1,199 per session. This would appear to be an excessive salary even considering a judge is called upon during non-court time for court/police related matters.

A survey of four other municipalities in Monmouth County, each with similar number of court sessions per week/year, bears out the per-session figure is excessive, especially when a benefit package is added.

Asbury Park Court Judges Salary Comparison Table

Municipality	# Sessions per - Week/Month	Salary
Bradley Beach	1/week	\$19,000
Brielle Borough	2/month	\$28,840
Eatontown Borough	1/week	\$35,500
South Belmar	2/month	\$16,480

Recommendation:

The municipal judge should be responsible for arrangements with other judges to hear conflict cases, either by transferring cases to another municipality or a quid pro quo agreement with other municipal judges. There should be a written agreement between the city and the judge citing specific entitlements of the position and under what circumstances the city will pay a substitute judge.

Cost Savings: \$2,250

Municipal Prosecutor and Public Defender

The review team understands that while neither the prosecutor or the public defender are court employees, we feel that it is appropriate to discuss their activities in the municipal court section of this report as their duties and responsibilities are most closely tied to the municipal court function.

The position of prosecutor on the city organizational chart reports directly to the city manager. The position value of the prosecutor post is \$27,083. The city employs an assistant prosecutor at a position value of \$13,626. The team observed during court proceedings that the prosecutor and the assistant prosecutor split the duties, each handling half of the one-day session.

Recommendation:

The city should review the duties of both positions in order to combine them into one position, thereby eliminating the assistant prosecutor.

Cost Savings: \$8,000 - \$12,000

The City of Asbury Park in compliance with N.J.S.A. 2B:24-1 et. seq. has established the position of public defender. The public defender, like the prosecutor on the city organizational chart, reports directly to the city administrator.

Recommendation:

Both the prosecutor and the public defender should come under the jurisdiction of the city attorney on the city organizational chart for administrative purposes.

The city ordinance establishing the public defender position requires a \$50 payment by a defendant granted the services. The court may waive the fee.

A request for public defender representation by a defendant is by application to the court. Assignment of public defender representation is granted by the judge, based on criteria of seriousness of the offense and possible penalties in the event of a finding of guilt.

During 1999, fiscal documents show a total of \$3,575 collected in public defender fees, representing 71 assigned defendants. There is no record by the court staff of public defender assignments and no tracking of paid assessments. The most convenient way to track public defender assignments is through the court, since it is the court that has first hand knowledge of assignments. It would be impractical for the city attorney since this is a part-time position and maintains no office facilities at the municipal building.

Recommendation:

The court should maintain a listing of defendants provided the services of the public defender and track their payments.

The public defender appears in court one day a week and is, therefore, a part-time employee. A salary of \$20,000 and a total benefit package of \$6,006 raises the position value of \$26,006.

Court Facilities

The court office/violations bureau is located across the foyer from the courtroom and adjacent to the police department. Office space is adequate for the number of personnel working on a daily basis, except for the numerous filing boxes stacked around the office. Public access to conduct business with the staff is through a teller type window. Employee access is through a door located inside a set of double doors that lead to the police desk.

The courtroom is small, accommodating approximately fifty people, not including the court staff and prisoners brought in for a hearing. Court sessions are extremely busy and crowded, causing the overflow of defendants and witnesses to stand in the reception foyer. The courtroom has a public address system, which allows the judge to call cases or summon defendants/witnesses from the foyer.

During one court session, team members observed a fight take place in the foyer between two court adversaries. The police officer stationed in the court could not respond because prisoners were in the courtroom and it was some time before an officer responded from the police area. This foyer is a public area from which the general public accesses other municipal offices.

Recommendation:

In the interest of public safety and to reduce exposure to liability should someone be injured due to unruly conduct, the city should station a police officer in the foyer during peak public access.

A police officer provides security in the courtroom during court sessions. Prisoners are brought from the police holding area through a separate door that is also accessed by the court staff

(except the judge), police and social workers. Prisoners are brought in to the courtroom in groups of three or four. They are accompanied by an armed police officer and are segregated from the public by a partition.

The judge’s chambers are located to the rear of the bench allowing the judge to enter the court through a separate door and not have to pass through the public portion of the courtroom. The judge’s bench has a shield and an alarm button as required by the AOC.

Case Load Comparison

The overall activity of the court, comparing 1998 – 1999, reflects an increase in activity and revenue. During calendar year 1999, the court disposed of 7,881 traffic tickets and 8,293 new traffic cases were added for a disposal ratio of 95.03%. Traffic complaints increased by 1,619 over 1998. Criminal complaints disposed for the same period were 5,956 while 7,330 were added for a disposal ratio of 81.25%. Criminal complaints increased by 2,210 over 1998.

Financial

A five-year review of revenue versus expenditure shows the court has generated a surplus of \$1,111,437.

	1995	1996	1997	1998	1999
Revenue	\$459,415	\$470,046	\$415,661	\$418,710	\$552,397
Expenditure	\$244,067	\$234,261	\$224,725	\$235,860	\$265,879
Surplus	\$215,348	\$235,785	\$190,936	\$182,850	\$286,518

Funds for the regular account and the bail account are deposited in non-interest bearing accounts. The average monthly balance for the regular account during 1999 was \$62,668; the average monthly balance for the bail account was \$37,564.

Recommendation:

The court staff should arrange through the CFO to deposit both regular and bail accounts into interest earning accounts.

Revenue Enhancement: \$3,000 - \$3,500

There are a substantial number of bail postings that are eligible for action, i.e., forfeiture or return to the surety. The bail account report as of August 6, 2000 totals \$123,033 non-cash bail eligible for action. Individual case amounts range from \$80 to \$25,000.

Recommendation:

Bail, both cash and non-cash, should be acted on in a timely manner. The surety should be notified immediately of the forfeiture and, in the case of non-cash bail, a demand for the bond amount. In the event a surety fails to comply within a reasonable time the matter should be turned over to the city attorney for legal action. The court can also consider refusal to accept bail-bonds from a surety that has failed to comply with a forfeiture order.

A review of the Asbury Park Court ATS cashbook showed the monthly reconciliation had not been balanced since November, 1998. The report for this period has consistently shown a \$22.80 overage. The team has discussed this point with the city auditor. The auditor was aware of the overage and recommended that it be transferred to the city. He was of the opinion that the accounts were in accord with acceptable accounting practices.

Recommendation:

The monthly cash book should be balanced and maintained correctly from month to month.

Time payments are an accommodation made to defendants who cannot pay their fines in full at the time they are assessed. A defendant must make application to the court to be put on a time payment plan. The application is reviewed by the judge and, if granted, a reasonable payment plan is set up for the defendant. The agreement is entered in and tracked by the ATS/ACS system.

Delinquent time payments from January, 1999 until January 1, 2000 increased by \$58,920. The entire time payment delinquencies total \$1,727,383.

DELINQUENT TRAFFIC TIME PAYMENTS		
Status	No. Cases	Balance Due
Sub-Total	1,577	\$565,314
DELINQUENT CRIMINAL TIME PAYMENTS		
Status	No. Cases	Balance Due
Sub-Total	2,526	\$1,162,068
TOTAL DELINQUENT T/P	4,103	\$1,727,383

When a defendant fails to adhere to a payment schedule, the ATS/ACS system generates notices starting with a delinquency notice and over a period of time escalates to a notice of drivers license suspension, including notice of a warrant issued.

Police departments do not routinely serve traffic and petty crime warrants. The only way a delinquent time payment warrant will be served is if the defendant is processed by the police for some other violation. Also, defendants move and fail to notify the court and notices are not received.

While the Asbury Park court generates a large sum of revenue, there is the potential for a significant increase in revenue based upon total fines and costs assessed. The outstanding time payments in delinquency status total \$1.7 million. If the court collected only 33% of the total (\$561,000), that amount could have the effect of lowering the tax rate by \$0.17.

Recommendation:

The city should begin an aggressive effort to collect delinquent time payments through several methods. First, an in-house effort to trace defendants that are delinquent in their payment schedule. Second, enlist the aid of the public safety director to have police assigned to serve warrants locally and in the surrounding communities. Third, contract with a professional collection agency. Fourth, apply to the State Administrative Office of the Courts to participate in the Comprehensive Enforcement Program.

Revenue Enhancement: \$561,000

Record Maintenance

The court has been using the ATS since 1989 and the ACS since 1993. This system provides for accuracy and completeness as well as archival storage and retrieval. Notwithstanding the ATS/ACS system, court rules and state law requires the retention of specific court records for specific periods of time, based upon their function and status.

The Asbury Park Municipal Court is experiencing the same problem as the other city departments – inadequate space for record storage. File boxes are stacked throughout the office, including the court administrator’s office. The limited space of the court office with record boxes and docket books stacked around gives an impression of “clutter” and does not present a professional appearance. The Asbury Park court staff has not disposed of any records, eligible for disposal, since 1997.

Recommendation:

The city must provide adequate storage space for records to be retained for specific periods of time as required by law. An off-site location is a possible alternative. The court should dispose of those records eligible in accord with AOC approved retention schedules and conduct an annual disposal of records in order to best utilize limited space available.

POLICE

Introduction

The review of the Asbury Park Police Division included the administration and operation of the agency and is organized within the following classifications: overview, organization, financial, administration and management, and operations. The findings and conclusions are based on an examination of documents, observation of operations, and interviews.

Although the 1990 census established the official population of Asbury Park at 16,799, police officials estimate the actual population to be closer to 22,000, due in part to the number of renter occupied units (5,287) in the city. The latter figure suggests a 24% uncounted population in residence.

Overview

The police mission is broader than its law enforcement responsibilities. The police mission includes crime control, responding to called-for service assignments, engaging in inspectional patrol activity, and providing a first responder presence at the various and sundry emergency service calls. These are the primary reasons for having a police division and they are among the duties for which the police are uniquely empowered and trained.

The division's size and visibility in municipal finance make police services the object of close and careful scrutiny. Police agencies often account for the largest expenditure in municipal government. Appropriations to the Asbury Park Police Division in FY 1999 were in the amount of \$6,183,465. This figure represents 30% of the total municipal budget. Funding in the amount of \$1,295,441 (21% of the police division's budget) has been made available through Community Oriented Policing Service (COPS) grants. Additional funding was provided by means of a Law Enforcement Block Grant in the amount of \$95,517.

Of major concern to the division is whether or not the city will be able to appropriate the required monies (approximately \$1.5 million annually) necessary to maintain staffing levels mandated by the original grant agreements. Compliance failure may likely result in penalties if the city is found to be in violation of the COPS grants funding provisions. It remains unclear how the city will absorb this large financial burden.

FUTURE BUDGET IMPLICATIONS OF THE COPS GRANT				
Year	2000	2001	2002	Total
# of Police Officers Per Year	2	8	12	22
Annual Cost to Retain	\$152,100	\$608,400	\$912,600	\$1,673,100
(Estimated Position values)				

The division is organized along line (uniform and investigative sections) and administrative (special/technical section) functions. The division's total member strength during the review of 1999 was 72. A delineation of the division's staffing distribution is as follows:

Director	01 (Exempt)
Captain	03
Lieutenant	04
Sergeant	12
Detective	14
Police Officer	38

Two Class II Special Law Enforcement Officer employees serve in support of basic police operations. Four civilian employee telecommunicators are assigned to the division's communications center, and a clerical staff of five civilian employees serves as secretarial support for the headquarters staff. There is no city ordinance establishing an authorized staffing level for the division.

The division processed 24,046 called-for-service assignments in 1999. Projections indicate called-for-service assignments and administrative calls will increase in 2000 by an estimated

2,012 (26,058). In addition, 699 motor vehicle traffic accidents were reported and 6,617 summonses were issued. The division responded to 2,266 alarm system actuations and 2,256 911 calls.

Although a state of diminished morale exists within the workforce as it pertains narrowly and specifically to the absence of a collective bargaining agreement (1997 contract), in general, members work exceptionally well together and there is no obvious indication of any other issue(s) negatively impacting on morale and productivity.

Recent strategic management initiatives implemented or proposed by the present director of public safety have elevated morale and performance. Several of the members interviewed expressed anxiety about the state of the division upon the expiration of the director's contract believed to be in 2001. Many expressed a strong desire to see a chief of police appointed to establish organizational stability for the long term.

Members interviewed expressed respect for, and confidence, in their respective supervisors and most felt reasonably well informed of both the operation and administration of the division. The director of public safety conducts weekly staff meetings with division section commanders and unit supervisors, which serves to enhance communications and ensure accountability.

Most operational decision making is decentralized. Specific target areas and directed patrol activities are primarily developed by members assigned to basic police operations who take ownership of and responsibility for problem resolution strategies within their respective patrol sectors.

Finally, the security system of the police headquarters building, part of the city hall complex at Main Street/Bangs Avenue, is in disrepair and members consider the facility inadequate for prisoner management and related prisoner processing activities. There is no quiet place for victim interviews. The police and fire divisions are actively seeking funding for a combined police, fire, and court facility. The proposed construction of the complex is to be part of the Weed & Seed grant funding proposal submitted for review in November of 1999.

Organization

The Asbury Park Police Division was established by Municipal Code 21-1, *Organization of the Police Department* [sic] (Amended by Municipal Code 26-1 in 1980 and again in 1995). Together with N.J.S.A. 40A:14-118 and the police division's rules and regulations, these documents form the foundation of the municipal police division and how it is organized and managed. It is imperative for the efficient operation of the Asbury Park Police Division that these documents be up to date, integrated, and compliment each other. At the time of this review, the division was in the process of updating its rules, regulations, standard operating procedures, and disciplinary code as part of an ambitious strategic management initiative, which began in 1998 with the appointment of the present director of public safety. Completion of the project will ensure these critical documents are both timely and in compliance with the New Jersey Law Enforcement Standards issued by the New Jersey Division of Criminal Justice.

The City of Asbury Park is a civil service jurisdiction. Therefore, the police division operates under the rules and regulations of the Department of Personnel as set forth in N.J.S.A. 11A:1-1 et. seq. and N.J.A.C. 4A:1-1.1 et. seq.

The present structure of the division as it appears on the Department of Public Safety Organizational Chart (see *Appendix*) clearly indicates the division of labor is organized along the traditional line and staff components of a para-military organization. Although the director of public safety has oversight responsibility for both the fire and police divisions, the majority of the director's time, energy, and effort are dedicated to the administration of the police division.

Recommendation:

In the present organizational structure, the internal affairs unit (investigator) reports to the investigative section commander. The person presently occupying the position also serves as a supervisor in the investigative section. When acting as an internal affairs investigator, there must be a direct and confidential reporting relationship to the office of the director of police.

Financial

Overtime has escalated significantly. The substantial increases reflected in the below chart are due primarily to the proliferation of narcotics related crimes and corresponding police emphasis on specific target areas beyond the reach of so-called routine patrol activities.

HOURS/AMOUNT OF OVERTIME				
Year	1996	1997	1998	1999
Hours	4,506.5	6,339.0	9,498.5	9,402.5
Paid	\$156,811	\$222,138	\$381,017	\$377,317

The frequency and number of drug related arrests tend to drive up costs associated with time consuming prisoner processing, evidence collection, suspect interrogations, and subsequent appearances in municipal, juvenile, and superior courts.

One other reason for the substantial overtime costs in 1998 was due to vacancies caused by retirements, which resulted in a reduction in the complement of superior officers as well as police officers. Too many mandatory overtime details resulted in increased absenteeism (sick leave), which in turn demanded more overtime details. In 1999, 771.5 hours (96.4 days) were lost in sick leave absences.

In the three previous years, overtime hours increased by 47%; overtime paid in the same period increased by 41%. In 1999, the amount of overtime hours and the amount of overtime paid actually decreased by 96 hours and \$3,700 respectively. Workforce adjustments and internal controls implemented in 1998 also contributed to the decline.

Categories of overtime (in hours) used by members and employees during 1999 were examined with the results displayed in the below table:

CATEGORY	HOURS
Extended Tour	776.0
Staffing	1,972.5
Court	1,618.0
Miscellaneous	3,855.5
Total	8,222.0

Definitions:

“Extended Tour” means being held over from the regularly scheduled tour of duty;

“Staffing” means being called in to work a tour on a scheduled regular day off;

“Court” means a municipal, superior, juvenile, or grand jury court appearance; and

“Miscellaneous” means case follow-up investigations, attendance at mandatory meetings, special event and non-reimbursable detail work, etc.

A one-year decrease in overtime does not indicate a trend; it may signify the recently implemented changes are contributing to the reduction. At the time of the review, the police division was in the process of considering an alternative to the present work schedule which would assign members to basic police operations on a proportionate need basis (See *operations* below). It is expected this adjustment would reduce overtime by an estimated 25%. Overtime costs (members only) in 1999 was \$377,317. A 25% reduction would result in an estimated annual cost savings of \$94,329.

Recommendation:

The division should develop a work schedule that would satisfy the proportionate need work percentage distribution, as well as a more deliberate internal control protocol to ensure a 25% reduction in overtime costs is realized.

Cost Savings: \$94,329

The City of Asbury Park operates separate and independent police division and fire division communications centers. The annual cost of operating the local police dispatching office in position values alone is estimated to be \$123,620. This figure does not include overtime costs, the expense of assigning a police officer to fill a vacancy created by the absence of a civilian telecommunicator, or the purchase and maintenance costs of telecommunications equipment.

All 911 emergency calls are received at the Monmouth County Communications Center in Freehold, at an annual cost to the city of \$65,000. At the time of this writing, the county center did not possess the capability of handling any of Asbury Park’s non-911 dispatching services. Even if Asbury Park applied for membership in the county communications center, the city would be responsible for the salaries of four to six employees (depending on the volume of calls for service at the time of application) who would be assigned to the center. Other conditions would be subject to negotiation. Because of this ambiguity, it is not possible to quantify what (if any) cost savings would result if the city were to subscribe to the regionalized network.

The annual cost to operate the fire division communications center in position values alone is estimated to be \$146,604. At the very least, all public safety dispatching should be centralized within a single, citywide communications center.

Recommendations:

The city should first consider entering into negotiations with the County of Monmouth in an effort to determine the costs and benefits of subscribing to the county communications network. The city may be able to apply for Regional Efficiency Development Incentive (REDI) state grant funding for the transition and subsequent Regional Efficiency Aid Program (REAP) funding for post-transition financial support.

If joining the county network will not provide the cost savings and added efficiency to make the transition worthwhile, the city should consider consolidating police and fire dispatching services into a single, city-wide public safety communications center. If three positions were reduced as a result of consolidation, the city would save approximately \$101,334 annually in position value expenses.

Cost Savings: \$101,334

Recently, the city entered into a comprehensive purchasing agreement with Monmouth County. As a result of this initiative, the last five radio cars were purchased under the finance plan saving the city \$3,000 per-car (\$15,000 total savings).

The city is to be commended for coordinating its purchases to take advantage of economy of scale. The department should continue purchasing radio cars on the Monmouth County finance plan which will result in considerable savings over time.

Cost Savings (@ \$3,000 per-car x 15): \$45,000

Administration and Management

One criterion for judging overall police performance are crime rates; such as compiled in the *Uniform Crime Report* (UCR), published annually by the Federal Bureau of Investigation. However, by itself, the UCR has limitations as a management tool, the most critical of which is the fact that it is not an altogether accurate reflection of crime. The UCR documents only reported crimes which, according to victimization surveys conducted over the years, may represent as little as 25%, and rarely more than 75%, of the actual incidence of crime.

One reason many types of crimes go unreported is the victim's fear of retaliation on the part of the perpetrator. In the absence of a victimization survey, it is not possible to quantify with certainty the number of unreported crimes in Asbury Park. It is not unreasonable to postulate that, because of the proliferation of the use and sale of narcotics in the city, the amount of underreporting is likely to be similar to all other criminal victimization survey estimates, particularly due to the threatening nature of criminal misconduct associated with narcotics trafficking.

CATEGORIES OF OFFENSES – 1999			
Part I Offenses		Part II Offenses	
Murder	3	Narcotics	784
Rape	16	DWI	24
Robbery	129	Simple Assault	548
Aggravated/Assault	144	Disorderly Conduct	3,215
Burglary	259	Criminal Mischief	543
Larceny/Theft	449	Arson	1
Motor Vehicle Theft	113	Prostitution	156
		ABC Violations	6
		Domestic Violence	738
		Police Assaults	17

UNIFORM CRIME REPORT/1999				
Comparative Analysis of Surrounding Municipalities				
	Crime Index	Violent	Non-Violent	Crime Rate
Municipality	Total	Crime	Crime	Per-1,000
Asbury Park City	1,183	302	881	69.4
Loch Arbor Village	18	0	18	47.7
Interlaken Boro	8	0	8	8.6
Ocean Township	733	39	694	27.2
Neptune Township	1,228	96	1,132	42.4

In addition to UCR data, there are several other types of information, which the police rely on to help monitor their workload and evaluate their performance, which include the number of arrests and crimes by category.

Interviews of members revealed three subject areas where additional training is needed: 1) Narcotics recognition and tactical approach techniques for members with less than five years of service; 2) Proactive counseling to assist female members adjust to a male-dominated workforce; and 3) Probationary supervisor's training.

The most important of all supervisory and management training is that provided when a police officer is promoted to the rank of sergeant. After the transition from civilian to recruit, no police career step is more important than this. Other than off-site command and supervision classroom training, there is no agency training regimen for "entry level" supervisors. The absence of field training (mentoring) for new supervisors exposes the division to negligent failure to train litigation in the event a supervisor orders an action that results in an unintended consequence that causes harm to another.

Recommendation:

The division should formulate, implement, and evaluate a training regimen for newly promoted supervisors similar to the field training officer model. Additional training courses should be considered for those topic areas mentioned above as well.

A job analysis based on Bona Fide Occupational Qualifications is presently being developed. Personnel evaluations are prepared and reviewed on members with less than two years of service, at six-month intervals. The balance of personnel evaluations are conducted annually. This protocol, like most others department-wide, was in the process of being reviewed and updated as this report was being prepared.

Of the total 1999 complement of 72 members, seven are assigned to a headquarters staff service function; of the seven, three are section commanders. The remaining four members serve in the following capacities:

Sergeant (1): Records Administration, Grant Administration, Management Information Systems Manager, and Communications Technical Officer.

Police Officer (1): Records Administration.

Police Officer (1): Evidence Technician.

Police Officer (1): Vehicle Maintenance Manager, Crossing Guard Administrator, and Member of Municipal Taxi Commission.

As this report was being prepared, the above assignments were under review. In the case of the sergeant, a revision in job description to include a planning and research function was in the process of being developed.

A police officer represents a significant investment, beginning with recruiting and candidate selection. Training and equipping a police officer is not a one-time expense. Wages, benefits, and continuous training extend the initial cost over a 25–30 year period. Thus, a sworn law enforcement officer should assign a civilian employee to job descriptions that do not require occupation.

COMPARATIVE POSITION VALUES	
Police Officer	\$72,882
Clerk I	\$24,708

Recommendations:

The division should consider replacing sworn members with civilian employees in any job description not requiring the services of a sworn law enforcement officer. The division can maximize its authorized strength by reassigning members to line functions and hiring civilians, including retired members of the division, whenever possible, to staff that are essentially clerical, administrative support functions within police headquarters.

Civilianizing three positions currently occupied by sworn members would transfer 6,240 hours of work annually from headquarters staff support functions to direct field operations. The average position value of a member is approximately \$74,882. An entry-level clerical position employee will cost \$24,708.

**Value Added Expense: \$74,124
Productivity Enhancement (6,240 x \$25): \$150,000**

If the above suggested redeployment is enacted, the division could avoid (or delay) hiring three police officer positions, which would result in an estimated savings of \$96,678 in entry-level position values.

Cost Avoidance: \$96,678

Operations

Basic police operations are the principle components of any police agency and are charged with the responsibility of deterring crime, apprehending criminal offenders, and satisfying citizen demands for non-crime services. Although the three are closely related, apprehension of criminal offenders has some effect in deterring crime, and deterring crime thus reduces the need for apprehension.

Assigning as many members of the division to basic police operations and increasing their effective time on crime control activities are important steps toward expanding the use of existing resources. Although this effort alone may not ensure improved productivity, it is an important ingredient in minimizing the need for increasing the size of the force. Given the rapidly rising costs of sworn personnel, even a small increase in the percentage of time spent on basic police operations can lead to significant savings and, potentially, to increased effectiveness.

The uniform section consists of three platoons equally distributed over the 24-hour period. Platoons cover four geographic sectors, which remain constant. Members assigned to platoons work on a monthly rotation schedule, which is as follows: 5x2 in five-day cycles of eight-hour tours (8:00 a.m. to 4:00 p.m.; 4:00 p.m. to Midnight; Midnight to 8:00 a.m.) All members of the department are scheduled for 2,080 hours annually. Platoon staffing consists of one lieutenant, two sergeants, and 10 police officers. The minimum staffing requirement for each duty tour is one lieutenant (shift commander), one sergeant (shift supervisor) and five police officers working the street. In sum, 39 members were assigned to uniform section platoon in 1999. Each platoon has one civilian telecommunicator assigned. An additional telecommunicator is assigned from 12 noon to 8:00 p.m.

One problem with the division's three-platoon system is the inefficient utilization of available resources. An obvious but often overlooked element in effective police operations is to have members working when and where they are most needed, and in a manner which fully utilizes the combined abilities of the division. Increasing the proportion of the division assigned during high crime periods and in specific target areas clearly produces a better match of resources to needs.

Members of the uniform section had been on a permanent watch schedule in 1994. Although a permanent watch concept is generally recognized as the exemplar that satisfies both police

officers wants and organizational needs, the schedule was not workable in Asbury Park. The permanent shifts created unfavorable morale and productivity consequences for two reasons: 1) In many cases members would have been assigned to a least-preferred shift for an extended period; and 2) Working evening tours for extended periods would have likely caused elevated stress levels among certain members. Additionally, nearly 30% of the present uniform section staff have less than three years experience on the job; most of these members would be assigned to high volume/high crime evening tours. Presently, there is no sentiment for a permanent watch concept in Asbury Park.

Recommendation:

The division should evaluate its field staffing distribution based upon quantitative measurements to determine appropriate shift strength requirements for the purpose of assigning personnel on a proportionate need basis. The division should create a fourth platoon to overlap the hours where the workload indicates additional staffing is necessary.

As this report was being prepared, the division was considering an alternate work schedule to satisfy the proportionate need distribution criterion. Overtime costs should diminish considerably if a more effective and efficient utilization of resources is implemented within the Uniform Section.

Using the New Jersey Division of Criminal Justice Patrol Workload Analysis Guidelines, it would have been necessary to assign 40 police officers to have met patrol requirements based upon workload in 1999. This figure represents minimum patrol staffing, and does not consider the assignment of patrol supervisors to each tour of duty.

Geographic patrol sectors have been fixed and constant for nearly 10 years. One of the four sectors ("Two South") contains densely populated public housing. Of the 2,000 public housing units in the city, 75% are in the "Two South" sector. Typically, beat/sector evaluations are conducted between the fifth and tenth year interval in an effort to determine if the geographic boundaries need alteration. Ideally, a police officer assigned to a permanent sector experiences some sense of "ownership"; it fosters the concept of community policing, and it establishes a knowledge base from which patrol emphasis strategies could be successfully integrated into so-called routine patrol activities.

Recommendations:

The division should hold in abeyance any analysis of the present sector configurations until the Urban Enterprise Zone and oceanfront rehabilitation projects are completed.

Although present conditions make the assignment of permanent sectors unlikely, the division should migrate toward a permanent sector concept once a beat analysis study is completed. Less experienced members, whenever possible, could initially be assigned to a sector with relatively fewer called-for services assignments by volume and type.

The investigative section is comprised of one lieutenant, two sergeants, and five detectives. Three additional members are assigned to the Juvenile Unit and three members assigned to the street crime unit for a total complement of 14 members. The investigative section staffing levels represent 20% of the division's total strength and are within the benchmark standards for municipal police agencies. One of the sergeants is also the Internal Affairs Officer; the other sergeant supervises the street crime unit.

Detective "generalists" work a 5x2 weekly schedule, Monday through Friday with provisions for on-call coverage after midnight and during weekends. One detective, on a monthly rotation, is assigned to work 3:00 p.m. to 11:00 p.m., Tuesday through Saturday. At the time of this review an additional detective from the present staff was to be assigned to the night tour rotation.

Although assigned to the investigative section, the street crime unit is, in practice, a power shift that responds to selected (tactical) service calls on the street in support of the patrol function and work hours that are sufficiently flexible to meet the policing demands of Asbury Park. The street crime unit commenced operations on August 16, 1999. In a four and one-half month period (August 16th to December 31st) the unit was involved in 368 arrests, confiscating \$12,695, eight motor vehicles, and four handguns. By June 30, 2000, 367 arrests were made, \$39,160 confiscated along with eight motor vehicles and 11 guns. Since their inception, the unit has been involved in 735 arrests, confiscated \$51,855, 16 motor vehicles, and 15 guns.

Detectives work with the Monmouth County Prosecutor's Office (Tactical Narcotics Unit) on search warrant preparations and their execution both within and outside of Asbury Park. This *quid pro quo* reinforces each other's resources on an "as needed" basis. The maintenance of this relationship is important because most major crimes in the city are an extension of multi-jurisdiction narcotics activity.

ARRESTS/1999	
Adults	2,220
Juveniles	405
Total	2,625

The number and frequency of juvenile complaints substantially tax the resources of the division. Juveniles congregate all hours of the day and night, impacting on the quality of life in the neighborhoods. There are not enough police working the street to maintain an omni-present vigil in these areas, while at the same time responding to other demands for service throughout the city. Detectives, likewise, commit a disproportionate number of already scarce resources to juvenile related processing and follow-up investigations.

Crime prevention is not solely a police problem; it is also a community problem. The number of police officers in a police agency is far less important than the way they are deployed. By establishing community-based specific target initiatives, the police can proactively concentrate on crime-ridden areas. When the police saturate an area, in time,, persons engaging in criminal misconduct or disorderly conduct move on and the police can continue to control the area with a greatly reduced presence, at significantly less cost. The solution must evolve from a cooperative relationship involving the police, the local government, and the community. A well-planned

community-wide crime prevention effort will ultimately provide rewards for both the police and the citizens of Asbury Park. A well-executed community relations effort not only will foster an improved public attitude toward the police but will, almost certainly, lead to a reduction in crime and an increase in arrested offenders.

Although there are block watch organizations in each of the city's four geographic patrol sectors, neighborhood-based crime watch groups are typical in that they are cyclical; participation is not a constant. Yet an important step in the crime prevention and repression effort is to supplement the police with an auxiliary force of community activists who want to take back their streets from the drug trafficker and youth offender.

Recommendation:

The city should attract and motivate neighborhood residents in effort to establish a police-citizen partnership with the goal of improving the quality of life in the neighborhoods of Asbury Park.

The division must transport prisoners to and from the Monmouth County Correctional Facility in Freehold, necessitating the use of two police officers, further depleting the duty tour patrol force. Whenever possible, the two Class II Special Law Enforcement Officers handle prisoner transports. However, this service is usually limited to Friday when the Municipal Court is in session. On average, the department makes one round trip of eighty minutes in duration each day. As a result of this prisoner transportation requirement, the department loses approximately 487 hours of patrol time annually. If the two police officers are considered separately, the number inflates to 974 hours of lost patrol time annually.

Recommendation:

The Asbury Park Police Division, along with other in-county police agencies, should petition the Monmouth County Sheriff's Office to provide prisoner transport services for municipalities in Monmouth County.

Productivity Enhancement - (974 x \$25): \$24,350

Mission Statement

"The Asbury Park Police Department [sic] is charged with the mission of protecting lives and property of the citizens of Asbury Park and of all visitors to our City. At a time of continually changing and extraordinary circumstances gives a need to provide services and programs with a partnership with the community. The Department's approach to community policing in terms of establishing true partnerships is to support the community and public safety goals through deployment of efficient and innovative policing."

FIRE

Introduction

The review of the Asbury Park Fire Division included the administration and operation of the agency and is organized within the following classifications: overview, organization, financial, administration and management, and operations. The findings and conclusions are based on an examination of documents, observation of operations, and interviews.

Overview

The fire mission is broader than its firefighting responsibilities. The fire mission includes fire suppression, emergency medical services, fire prevention, hazardous materials mitigation and disclosure enforcement, fire safety education, building code enforcement, disaster planning, regional coordination, data development, and community relations.

Appropriations to the Asbury Park Fire Division (including emergency medical service and emergency management) in FY 1999 were \$2,898,528, approximately 14% of the municipal budget.

The fire division operates out of a single fire station/headquarters facility located at Main Street/Asbury Avenue. By way of historical commentary, the city previously operated three fully staffed fire stations year-round and one fire station in the oceanfront area, which was staffed during the summer season. Diminishing revenues during the past decade resulted in the closing of all but one station.

The volume and frequency of service calls occur on the west side where most public housing, multiple-occupancy dwellings, and single-family homes are concentrated. The fire division as presently constituted (single-station/east side) is impacted by a strategic operational disadvantage. A New Jersey Transit North Jersey Coast Line rail service is situated along a north-south corridor parallel to Main Street, a major thoroughfare. Railway traffic crosses intersections at average intervals of 64 minutes from 5:00 a.m. until 11:11 p.m. on weekdays and at average intervals of 56 minutes from 5:29 a.m. until 11:23 p.m. on weekends. There are 17 stops daily at the Asbury Park Bangs Avenue station. This condition can cause a delay in response time of critical emergency service apparatus, personnel, and equipment.

The Insurance Service Organization (ISO) grading schedule for municipal fire protection provides the insurance industry with a means of identifying for insurance purposes only, a relative analysis of what may be expected from public fire services. It recognizes the quality of fire protection for the reduction of property loss. ISO protection classes range from one (extreme capability) to 10 (no fire protection). The rating is also indicative of a system's ability to defend against the major fires which may be expected in any given jurisdiction.

The City of Asbury Park received an ISO rating of four which took effect on April 1, 1996. The absence of necessary and sufficient fire protection will result in a higher ISO rating causing insurance rates to rise to levels that will likely discourage investors, particularly small business entrepreneurs. Fires usually start out small and, if attacked in their incipient stage, could easily be confined to the vicinity of origin. The location and number of fire stations, therefore, is an

issue of considerable importance and should be part of a city-wide fire protection master plan predicated on calculated response time to all areas of Asbury Park. Fire threat levels are magnified in urban centers relative to suburban and rural areas. Improvements in municipal services that are made to upgrade service delivery should be undertaken for the purposes of conserving life and property, keeping in mind the serious adverse economic losses to the city that can be caused by severe fire damage to local business and industry.

Recommendation:

The City of Asbury Park should include in any oceanfront redevelopment strategic plan provisions for the construction of an additional fire station. A second fire station would ensure a quick response to both oceanfront area and the Cookman Avenue business district. The fire division should be prepared to present and defend an equipment and staffing proposal to facilitate the opening of a second fire station.

The division is organized along line (fire suppression) and staff (administrative and support) functions. The fire division's total strength during the LGBR analysis (1999) was 43. A delineation of the division's staffing distribution follows:

Director	01 (Exempt)
Chief of Division	01
Firefighters	32
Captains	09
Fire Official	01

The fire suppression force of 40 members (32 firefighters/8 captains), is mandated by a collective bargaining agreement. One captain and seven firefighters are assigned to a typical duty tour. Each tour has a civilian employee dispatcher assigned.

Recommendation:

Three civilian employee dispatcher positions should be eliminated if a single citywide public safety communications center is established. (Please refer to *POLICE/Financial* for cost savings analysis).

A state of diminished morale exists among members of the division, who have been working without a collective bargaining agreement since December 31, 1997. This consequence is further acerbated by the condition of the division's physical plant at its Fire Division Headquarters Station at Main Street/Asbury Avenue, a 100 year-old building in disrepair. The fire division is actively seeking to have a stand-alone building constructed to replace the present facility. The city is also seeking Weed & Seed grant funding for construction of a public safety complex as an alternative. In general, members work exceptionally well together and there is no evidence of any other issues that negatively influence morale and productivity.

Recommendation:

If the fire division is to receive funding for the construction of a stand-alone facility, the city should consider including in the bidding process vendors who construct pre-fabricated buildings. The cost of a pre-fabricated facility is estimated to be one-third less than a structure completely fabricated on-site.

Organization

The Asbury Park Fire Division was established by Municipal Code 26-3. Together with N.J.S.A. 40A:14-7 and the fire division's personnel manual and standard operating guidelines, these documents form the foundation of the municipal fire division and how it is organized and managed. The City of Asbury Park is a civil service jurisdiction. Like the police division, the fire division operates under the rules and regulations of the Department of Personnel.

The present structure of the division, as it appears on the Department of Public Safety Organizational Chart (see *Appendix*), clearly indicates the division of labor is organized along the traditional line and staff components of a para-military organization.

Financial

There are 412 multiple occupancy dwellings (MODs) in the City of Asbury Park. These MODs are inspected within a four year period, each charged a \$50 inspection fee. On average, 100 MODs are inspected annually. Presently, there is a plan to inspect MODs bi-annually which would result in 200 inspections, doubling revenue from \$5,000 to \$10,000 annually.

All 15 high rise buildings are inspected annually. The State of New Jersey sets the inspection fee on life hazard use based on several code variables. Although Asbury Park does not collect monies directly, the city receives a percentage of the fees collected (estimated annual revenue from high rise building inspections @ $\$50 \times 15 = \750). There is also a plan to inspect high rise buildings bi-annually.

Finally, 350 mercantile establishments are inspected annually, each charged a fee of \$50 generating \$17,500. If mercantile establishments are likewise inspected bi-annually, the revenue generated would amount to \$35,000. A bi-annual inspection protocol would generate a minimum of \$46,500 annually.

Recommendation:

In-service fire companies should be utilized to conduct fire inspections to supplement the activities of the division's Fire Inspector to ensure the goal of a bi-annual inspection protocol is satisfied. Not only will this policy generate additional revenues, it will also enhance firefighter awareness and knowledge of individual site hazards and building peculiarities, and likely result in reduced insurance costs for property owners.

Revenue Enhancement: \$46,000

Administration and Management

The most common data for judging the value of the fire division is its fire prevention/inspection reports and its called-for service assignment reports. In 1999, the Asbury Park Fire Division responded to 5,692 called-for service assignments delineated in the following tables:

CALLED-FOR SERVICE ASSIGNMENTS/1999	
Investigations	26
Fires	201
False Alarms	372
Public Assistance	206
Hazardous Materials	38
Special Assignments	20
Emergency Medial Services	4,829
Total	5,692

FIRES/1999	
Buildings	120
Vehicles	24
Trash/Rubbish	28
Others/Outdoors	29
Total	201

EMS CALLS BY TIME OF DAY/1999	
8:00 a.m. – 4:00 p.m.	1,790
4:00 p.m. – Midnight	1,865
Midnight - 8:00 a.m.	1,174
FIRE CALLS BY TIME OF DAY/1999	
8:00 a.m. - 4:00 p.m.	63
4:00 p.m. - Midnight	89
Midnight - 8:00 a.m.	49
FIRE ALARMS BY TIME OF DAY/1999	
8:00 a.m. - 4:00 p.m.	134
4:00 p.m. - Midnight	142
Midnight - 8:00 a.m.	96

In 1999, the division encountered fire conditions requiring a second alarm response (the call-back of off-duty members [or mutual aid support]) on two occasions and were twice confronted with conditions requiring the deployment of “all hands” (a major incident in which assigned companies are involved in firefighting activities for an extended period). When prolonged suppression activities are required, the city is virtually without necessary and sufficient fire protection.

Inspections

Effective inspection practices and their management are central to the successful overall administration of the fire services in any municipality. Increased investments in fire prevention activities related to building plan review, inspections, and code enforcement have a positive payoff in reducing the number of incidents and lessening the severity of those incidents that do occur.

FIRE INSPECTIONS/1999	
Multiple Dwellings	89
Life Hazards	146
Permits	64
Mercantile	44
Re-Inspections	271
Complaints/Referrals	68
Fire/Investigations	26
Miscellaneous	59
Total	767

INSPECTED USES/1999	
Use	Total by Category
Highrises	15
Bars/Restaurants	48
Rooming/Boarding	55
General Business	32
Gas/Service Stations	17
Car Dealerships	7
Auto Body Shops	13
Schools	12
City (owned) Properties	8
Multiple Dwelling	412
Mercantiles	350
Institutional Facilities	1
Hotels	2
Drug Rehabs	1
Total	974

The Fire Prevention Bureau is the lead section of the Asbury Park Fire Division in fire safety education for the public. In addition to its mandated enforcement of the New Jersey State Uniform Fire Code, the bureau administers public education programs, such as, firehouse tours (between 75-100 annually), visits to pre-school and day care centers to educate children on the role of firefighters in a potential response to their home, fire prevention and safety information specifically tailored for senior citizens, and the delivery of educational packets and smoke detectors for new homeowners and occupants of multi-family dwellings.

Operations

The division's fire suppression force works a four-tour schedule (4x3); two 10-hour days and two 14-hour days. Each member works 2,184 hours annually. The fire suppression force is also responsible for the delivery of emergency medical services; it has become a common practice nation-wide for fire, rescue, and emergency medical service to be provided by a coordinated agency. The division is also charged with the enforcement of the New Jersey Right To Know Act.

The headquarters administrative staff consists of the chief of the division, the fire official who, in addition to statutorily mandated duties and responsibilities, serves as the division's Training Officer and Arson Investigator, and the Fire Inspector who also serves as the Fire Prevention Officer. This staffing arrangement consists of less than 7% of the sworn member workforce. Four civilian employees are assigned to the division's dispatching office, and one civilian employee serves in an administrative staff support function at fire division headquarters.

The division fleet consists of 11 vehicles: four (three engines/one ladder) are assigned to fire suppression, three are Emergency Medical Service Bureau ambulances, and there are four vehicles assigned to staff services (i.e., fire prevention and fire command).

Recommendations:

The fire division should consider a three-tour schedule (1x2) consisting of one 24-hour shift followed by two, 24-hour regular days off. The proposed schedule would result in members working 2,920 hours annually, or about 56 hours weekly.

The maximum scheduled workweek permitted under the Federal Fair Labor Standards Act (FLSA) is 53 hours over a 28-day cycle. With the aforementioned proposed schedule adjustment, members would exceed the allowable maximum work period by three hours weekly. Compensation would be in the form of what is commonly referred to in the fire service as a "Kelly Day", a planned extra time-off period scheduled during the 28-day cycle.

Members of the fire division are certified as Emergency Medical Technicians (EMTs). The Emergency Medical Service (EMS) user fee collection is administered by a third-party billing service associated with the Jersey Shore Hospital, which serves as an agent of the fire division. Between \$130,000 and \$160,000 of revenue is generated annually through this fee collection method. While the division should maintain its first-responder EMT program for sworn members, the Emergency Medical Service Bureau should be reorganized to provide sophisticated pre-hospital emergency care by assuming the role of physician surrogates in taking Advanced Life Support to the streets in the critical early stages of a medical emergency.

Recommendations:

The Emergency Medical Service Bureau of the fire division should be civilianized and transitioned from a basic life support service to an advanced life support service. The fire

division should recruit civilians trained and credentialed at the level of paramedic, in order to provide the city with the advanced level response capability.

If the paramedic service delivery system is organized, the division's EMS could generate sufficient revenues to become virtually self-sufficient, while at the same time, freeing sworn members for critical fire prevention and suppression activities.

The city should hire eight paramedics to staff the four tours as presently constituted.

Value Added Expense: \$200,000

Since the Value Added Expense will likely be recovered in its entirety, the city would save approximately \$348,000 in average firefighter wages and benefits for the required staffing level for the emergency medical service bureau.

(\$548,000 [average firefighter position values] less \$200,000 [value added expense]).

Cost Savings: \$348,000

The aforementioned recommendations do not imply fire company staffing levels be reduced. On the contrary, sufficient and necessary staffing of fire companies will result in bringing the division into compliance with National Fire Protection Association (NFPA 1550: *Fire Department Occupational Safety and Health Program*) guidelines regulating firefighting tactics and firefighter safety. Furthermore, the city may be able to open an additional station in the redevelopment area without additional personnel costs.

Safety risks to civilians and firefighters always increase when the number of members assigned to a fire company decreases. NFPA studies of fire company staffing clearly illustrate that the speed with which most fire service tasks are accomplished is significantly diminished as crew sizes are decreased.

Mutual aid arrangements are critical for meeting the resource requirements of major incidents. Although no written, formal mutual aid contract exists among contiguous jurisdictions, the Asbury Park Fire Division received assistance in the form of fire and emergency medical service apparatus, personnel, and equipment from Allenhurst Borough, Neptune Township, and Ocean Township. Overtime increases when "call backs" (recall of personnel on off-duty status) are required for major incidents.

PUBLIC WORKS

The function of department of public works (DPW) is to maintain the city's streets, public buildings and grounds, motorized equipment, beaches and sewer facility. The general consensus is the department appears to run well and, as with any operation, there is room for improvements in the effective use of manpower and equipment.

The public works facility, which was erected in 1993, is located at 9 Main Street and is within walking distance of city hall. The fenced complex consists of two permanent buildings, office/vehicle repair and an equipment/salt storage facility. The buildings are more than adequate for the needs of the city, although the parking within the complex is limited. The city's fuel pumps and recycle drop off are also located at this site. Overall cost of the operation was \$1,991,320 for salaries and benefits and \$878,625 for operation costs. The budget figures based on the municipal budget as submitted for 1995 through 1999 were as follows:

Public Works	1999	1998	1997	1996	1995
Salary & Wage	\$1,437,560	\$1,315,813	\$1,352,723	\$1,336,485	\$1,280,928
Other Expenses	\$944,760	\$1,208,043	\$1,549,705	\$1,509,533	\$1,616,304
Total	\$2,382,320	\$2,523,856	\$2,902,428	\$2,846,018	\$2,897,232

There is no formal mission statement or value statement for this department. A prominently displayed mission statement is the foundation of good organizational structure.

Recommendation:

Management should develop a mission statement that should be displayed to both employees and the public. Such a mission statement serves as a constant reminder to both employees and customers of the role and importance of Municipal Support Services.

A number of dead-lined/surplus vehicles (police/fire) were stored at the facility, adding to the congestion of the lot. Moving large trucks and equipment in such a tight area is difficult and only adds to the potential of unnecessary accidents. It is typical for a DPW lot to become a dumping ground for other department's unwanted property. To avoid possible problems, all deadlined vehicles/equipment should be disposed of in a timely manner. The city should develop a policy to deal with the rapid disposal of these items. The policy should spell out the necessary steps to be taken along with time frames for each step.

Recommendation:

LGBR recommends that the city establish a policy to deal with the rapid disposal of dead-lined/surplus equipment.

Snow Removal (best practice)

During 1999, the city performed all snow removal operations with in-house staff. To perform this task, the city utilizes a variety of equipment, e.g., plows, salt spreaders and snow blowers.

The city currently has a snow plan in place and is one of the most comprehensive plans seen to date. The plan incorporates a full city map as well as narratives on all the functions to be performed.

The map breaks the city into color coded zones, providing detailed information for plowing sequences, what trucks are to plow each street based on truck/street size, as well as any

precautions or pit falls which may be encountered on that street. A written plan reinforces the data provided on the map as well as other policy and procedures for per-storm equipment check, worker availability, notification and reporting. The team viewed this as a “best practice.”

Drivers License Verification

Certain job titles, i.e., truck driver/equipment operator, require the employee to possess a valid driver's license. As the entity that provides the vehicles, it is important to insure that each operator has a valid driver's license.

Drivers license abstracts should be checked biannually to insure all drivers have valid licenses. Insuring that drivers have valid licenses can avoid embarrassing situations as well as unnecessary law suits. Requests for driver abstracts can be made through the Division of Motor Vehicles.

Recommendation:

LGBR recommends that the city review the driver abstracts for every employee who operates a city owned vehicle on a biannually basis.

Hours of Operations

The current hours of operation are 7:00 a.m. to 5:00 p.m., Monday through Friday. Office staff has split shift coverage from 7:00 a.m. until 5:00 p.m., while blue-collar workers operate between 7:00 a.m. and 2:30 p.m. The contract for blue-collar workers calls for an eight-hour day with two 15-minute breaks. When questioned about the seven and one half-hour work days, the director indicated the men forgo both break periods as well as lunch in order to leave early. In discussions with DPW staff, several mentioned that all department personnel still take two fifteen minutes breaks each day. This was confirmed on a number of occasions when DPW personnel were observed at different eating establishments, throughout the day, ordering/picking up food, as well as overhearing discussions, referring to taking breaks, over the radio.

As a result of this, the city is losing a half-hour of productivity each day from each employee. Based on the average number of days worked times the number of employees who fall under the situation, an average of 4,427 hours are lost each year. This equates to productivity lost of \$91,462. LGBR recommends that both breaks and the lunch period be restored. If staff wishes to leave at 2:30 p.m., than starting hours should be adjusted appropriately.

Recommendation:

LGBR recommends that both breaks and lunch periods be restored.

Productivity Enhancement: \$91,462

LGBR further questions the reasoning for leaving the DPW facility uncovered between 2:30 p.m. and 5:00 p.m.. This results in overtime when emergency situations arise between that time period. By staggering the starting times of a few personnel, expanded coverage could be had from 7:00 a.m. until 5:00 p.m. without incurring additional costs. Reassignments could be based

on seniority. This would eliminate the need to bring in workers, on overtime, if a situation arises between 2:30 p.m. and 5:00 p.m.. Without proper data, it is impossible to determine the exact amount of savings by the change, but it is estimated to be at least \$2,000.

Recommendation:

The team recommends staggering starting time to provide coverage after 2:30 p.m.

Cost Savings: \$2,000

Work Load Analysis

Each section within the department keeps work logs, which the section supervisor uses to provide data to the director for the monthly report. The information recorded is very general and does not provide quantitative data to determine what work is actually being performed, who performed the task or the hours expended on each task. Tracking the true cost of a function requires the collection of data outlining the hours expended by each specific worker and the equipment/material utilized. With the sparse information, it is impossible to analyze the overall cost effectiveness of the department.

As a management tool, a computerized work order system would provide pertinent information to document the actual cost for material and labor (including benefits and overhead) to perform both scheduled and emergency work. This would then provide a basis for cost comparisons of various in-house services performed to that of outside contractors.

A properly managed system would link work orders to an inventory control/reorder process; affix material and manpower cost to individual work orders; set priorities, plan and schedule work; provide regular reports on resource allocation; and provide a management tool to support staffing needs, and resource allocation.

In addition to the recommended work order system, performance standards should be developed. A performance standard is the assigned time that a specific task should take. By assigning standards to the routine tasks, scheduling becomes more effective and worker productivity can be measured. Once the ability to track productivity is achieved, worker productivity can be maximized.

The team believes that the city would benefit from the implementation of a PC based, work order system and the implementation of performance standards.

Recommendations:

The team recommends that the city purchase and utilize a computerized work order system to track costs and quantify work performed in all areas of public works.

One-time Value Added Expense: \$4,500

The team recommends that the city develop performance standards to track productivity.

Street Sweeping

The city owns two sweepers, one front-line and one back-up unit. There are approximately 76 curb miles of road within the city limits. The advertised street sweeping schedule has the city broken into four zones, NE, NW, SE, SW. Each zone is scheduled once a week, weather permitting, except for the SE zone. The SE zone encompasses Main Street and the downtown business district. Weather permitting, it is swept twice a week.

It is not uncommon to find street sweeping operations costly when done in-house. The fact is that salaries and debt service must be paid, even when the unit is out of service or weather prevents operations to occur. Based on days used and average sweeper speed, approximately 2,000 curb miles were cleaned in 1999. The costs associated with the sweeping operation for 1999 were \$106,462.

Based on the costs incurred and the miles cleaned, the average cost per-curb mile is approximately \$53.23. Per-curb mile cost in the private sector is typically \$40. If the city were to contract out the operation, it could realize a yearly savings of approximately \$26,462.

Recommendation:

The team recommends privatization of street sweeping. Such a privatization would eliminate the need for capital purchases, insurance, eliminate the title *Heavy Equipment Operator* and other costs associated with owning, operating and maintaining their own street sweeper. The annual savings would be the difference between the current cost of the program and the cost to contract with a private vendor.

Cost Savings: \$26,462

Solid Waste and Recycling

During 1998, private contractors performed trash collection. In 1999, the city council voted to bring trash collection in-house. According to the mayor and deputy mayor, this was done to provide jobs for city residents. Documentation provided to the council by the CFO and public works director, clearly showed that in-house trash collection was not a cost-effective move. Nevertheless, the decision was made to bring trash collection in-house. The team reviewed the 1999 costs to provide in-house trash collection and found the data provided by the public works director to the council to be accurate.

Trash collection requires six laborers, three truck drivers and one supervisor. Salaries, overtime, equipment maintenance, debt service and other operational costs were approximately \$560,000 in 1999. This number is skewed as it has all the debt service for the new trash trucks paid out over three years. If amortized over ten years, the expected life cycle of the truck, a more realistic cost would be closer to \$488,687. The city solicited and received trash/recycle collection bids in 1998 for fiscal years 1999-2001. The lowest bid that was submitted under this three-year proposal was \$270,000 for each year. That equates to a saving of \$218,000.

Trash collection is a task that lends itself to worker injury. During 1998, nine workers within public works filed workers' compensation claims, which cost the city approximately \$9,600. In 1999, workers' compensation claims jumped from nine to 38. The pay out for claims filed in

1999 was \$107,523, an increase of \$97,923. It should be noted that six of the 38 claims are still unsettled. So far, for the year 2000, 25 claims were filed at a cost of \$76,495. Fifteen of the year 2000 claims are still open. It appears that at least one half of the 1999 claims are directly related to trash collection, thereby, adding an additional \$53,761 to the trash operating budget.

The team recommends the city re-evaluate its position on trash collection and place it in the hands of the private sector. By privatizing trash collection the city can eliminate nine positions, the operating costs of three trash trucks and reduce workers' compensation claims by at least \$53,761. The city can also sell three trash trucks for an estimated one-time revenue enhancement of \$200,000.

Recommendation:

The team recommends outsourcing the trash collection.

Cost Savings: \$271,761
One-time Revenue Enhancement: \$200,000

The review of a vendor expenditure report shows the city is paying part of the trash costs for some of its local businesses. These businesses contract for the use and pickup of their dumpsters, but the city is paying the tipping fees. In other municipalities the team reviewed, commercial trash pickup and tipping fees were viewed as a part of doing business and were borne by each business. The team recommends the city cease paying for commercial tipping fees for a cost saving \$67,200.

Recommendation:

The team recommends the city cease paying for commercial tipping fees.

Cost Savings: \$67,200

Recycling

In addition to trash, the city also collects recyclable material. According to the payroll there are four employees assigned to the recycling operation. On average, eight workers operate one day per week off of two trucks. This number excludes seasonal employees. Including the seasonal help, the work force is equivalent to approximately two full-time employees. Salary and benefits for this operation is approximately \$89,758 and operating costs are approximately \$23,000, for a total of \$112,758. Under the contract mentioned above, a vendor bid of \$83,000 provides the city with the same service the residents are now receiving.

The team recommends the city consider privatizing the recycling operation. By outsourcing the collection of recyclable material the city could eliminate two positions, for a savings of \$29,758 and sell two-trash trucks for a one-time revenue enhancement of \$3,000.

Recommendation:

The team recommends outsourcing the collection of recyclable material.

Cost Savings: \$29,758
One-time Revenue Enhancement: \$3,000

FLEET MAINTENANCE

Vehicle Maintenance

Fleet maintenance plays a vital role in enabling municipal governments to achieve their missions. All major operational departments rely on vehicles and other powered equipment to operate effectively. The city's inventory of police vehicles, and public works vehicles/equipment represents a major capital investment on the part of the city. In light of these considerations, it is imperative that the city operates an efficient maintenance program.

Some recommendations contained in this section require purchases of equipment and upgrades to the city's maintenance facility. These value-added costs will produce long-term savings through greater productivity. Implementation of these recommendations will also result in longer service life of the city's vehicle fleet and long-term savings in acquisition costs. Greater availability of vehicles and equipment reduces the need for a large reserve inventory of vehicles to replace inoperative frontline vehicles.

Usually, the collection of data is unpopular for fear that it will lead to privatization. On the contrary, if an operation is cost effective, the collection of data can confirm the efficiency of the operation as well as form a basis for justification of additional equipment or staff.

The collection of data, cost and labor hours expended, is generally not recorded within vehicle maintenance operations. As a result, the proper data to accurately analyze the cost effectiveness of the maintenance operation is not available. Collecting and analyzing data is necessary to determine the cost effectiveness of any operation, especially vehicle maintenance.

Shop Area

The garage consists of a four bay facility adjacent to the main office. One bay is equipped with an above ground lift and each bay has an overhead exhaust system. The shop appears to be appropriately equipped with the tools needed to repair the city's vehicles.

In general, the shop was disorganized. Parts and tools were lying around unsecured. New and used tires were sitting in the bays along with boxed furniture for the tax collector's office. A piano, along with boxes of brochures, cluttered another bay. The parts room, while sufficient in size, is unsecured and there are no inventory controls in place. As a result of other staff having access to the garage area, after hours and weekends, the supervisor has to keep some of the smaller parts in his office in order to secure them. At this point, his office looks more like a parts room than an office.

Recommendation:

- **Remove all items not related to vehicle repairs;**
- **Store all shop owned equipment in a secured area;**
- **Secure the entrance to the parts room. Allow access only to mechanics;**
- **Secure all parts and tires in the parts room;**
- **Institute an inventory control system; and**
- **Dispose of all obsolete parts.**

Policies and Procedures

The mission of any fleet maintenance operation should be to provide effective and efficient vehicle service that meets the needs of its users. The city does not have a policy and procedure manual, a mission statement, or services guide specific to vehicle maintenance. The lack of written policies and procedures creates opportunities for inconsistent and inefficient work, and inhibits performance evaluations and the development of training programs. The lack of standard operating procedures is particularly important in a setting in which strict working controls are critical to maintain a fleet.

Recommendation:

Management should develop a vehicle maintenance and service guide for use by city employees who operate vehicles. Additionally, it is recommended the city establish a mission statement and standard operating procedures relating directly to the specific operations of the vehicle maintenance staff.

Data for the city's fleet was collected from four different departments. There was some confusion as to the exact number of vehicles and their assigned location. It took approximately two weeks to gather what we believe to be the total number of vehicles owned by the city. The city should have one agency responsible for maintaining an accurate vehicle inventory.

Recommendation:

- **The titles for all vehicles are maintained by one agency;**
- **Physical inventory count be performed biannually and crossed-checked with the actual title on file; and**
- **Inventory results submitted to the city manager, CFO, using agencies and insurance carrier.**

Vehicle Equivalent

Vehicle equivalents (VE) is a method used to determine the staffing level needed to maintain vehicles. It was developed by the US Air Force and is recognized by various fleet maintenance-consulting firms as one of the best guidelines for analyzing staffing levels. This method determines the average number of hours of maintenance and repairs a vehicle requires and converts those hours into VE. For example, a standard passenger vehicle requires approximately 17.5 hours of work per year. In contrast, a trash compactor truck may require 136 hours per year, which would be eight times the work of a passenger vehicle or an equivalent of eight VE.

Staffing requirements are determined by dividing the total hours required to maintain the fleet by the annual available hours of one mechanic. A full-time mechanic has approximately 1,750 hours available annually. This is calculated by deducting the average number of paid leave hours from a standard 2,080-hour year. The available hours are divided by the maintenance requirements for one passenger vehicle to determine the VE ratio. The industry standard is a ratio of approximately 100 VE per mechanic for an efficient maintenance operation.

Staffing and Work-Load

Maintenance and repair of city-owned vehicles and equipment are done primarily in-house by city mechanics. According to the organizational chart, management of the city's mechanics falls under the director of public works. During 1999, staffing consisted of three full-time employees. Mechanics are required to work a 40-hour week, current hours were 7:00 a.m. - 2:30 p.m. Monday through Friday. After reviewing available documentation, it appears that private vendors only do a small portion of the city's vehicle/equipment repairs.

Based on the data provided (i.e., vehicle inventories from four departments) the city owns and maintains 84 vehicles and 25 pieces of equipment. The team determined that the city has approximately 214 VE's or a yearly requirement of 3,749 maintenance hours. Based on these calculations, the city's total staffing requirement is 2.14 full-time employees (FTE).

With the elimination of four trash trucks, as recommended in the *Solid Waste* section, the VE's would drop to 188 with 3,294 annual hours of work. This would reduce the staffing requirements to 1.8 FTE. As indicated previously the city employs three full-time mechanics. If properly managed, one position could be eliminated for an annual saving of \$46,103.

Recommendation:

Eliminate one mechanic position.

Cost Savings: \$46,103

Preventive Maintenance (PM)

According to the public works director, the city doesn't have a formal preventive maintenance program. Drivers within the respective departments are responsible for taking the vehicle to the garage for service. At this time, there are no methods in place to track whether or not the vehicles are serviced on a regular basis. A sampling of repair jackets showed inconsistencies with standard preventive maintenance guidelines.

Preventative maintenance (PM) includes the routine, scheduled inspection, alteration, and replacement of vehicle parts and fluids designed to correct conditions that could result in future mechanical failure. A good PM program enables minor problems to be found and repaired before they result in service disruptions, costly repairs, extending the life of a vehicle. It consists of detailed documentation of activities to be performed at a specific time or interval, designed to meet the operating characteristics of the different vehicle uses.

A properly implemented PM program not only increases the life of vehicles but also increases their availability, which reduces the number of vehicles needed. When more vehicles are available, fewer backups are required. This relates to lower acquisition and maintenance costs.

The core of any good preventive maintenance program is the collection of accurate mileage. The easiest and most accurate way to collect mileage is at the fuel pumps. An automated fuel system can insure secure, accurate transactions, which will eliminate misuse or the potential misuse of city assets. Linked to a fleet maintenance program it will provide invaluable data necessary to operate within today's leaner public works budgets.

At this time, the automated fuel pumps at the public works facility are inoperative due to software and hardware problems. The city received three proposals to replace the existing system ranging between \$12,500 to \$14,500. The team recommends the city replace its automated fuel system. The team would also recommend the city consider expanding the base scope of work to include verified mileage input as well as some type of employee identifier. Based on conversations with the lowest bidder, the inclusion of mileage and employee identifiers would not add additional cost to the system.

Recommendation:

The city should develop a formal preventive maintenance program. In addition, the city should replace its existing automated fuel system.

One-time Value Added Expense: \$12,500

Performance Standards & Mechanic Productivity

The city does not use performance standards and benchmarks to monitor mechanic productivity. Direct labor is time recorded for the performance of actual repairs, but not for indirect labor such as procuring parts and other support functions. Without the benefit of performance standards or benchmarks, management cannot be assured that each mechanic is working to his/her fullest potential.

Salaries are the single most expensive item in a maintenance operation; as a result, mechanic productivity is the foundation of any efficient maintenance operation. The key to efficiency is maximizing productivity. In order for an operation to be efficient, a minimum of 95% of the mechanic's available hours should be recorded as direct or billable hours on repair orders.

An important component of tracking productivity is the utilization of a computerized fleet management program. A computerized fleet management program would provide the city with a host of features. Many programs have some of the following features:

- Fleet inventory;
- Work orders;
- Complete maintenance and repair history;
- Preventive maintenance and inspection scheduling;
- Preventive maintenance checklists;
- Preventive maintenance compliance;

- Parts inventory management;
- Labor/mechanic productivity;
- Tire and component costing;
- Work pending records;
- Fuel, oil and fluid history and consumption;
- Work in progress;
- Warranty repairs; and
- Shop repair manuals.

The program's ability to track labor hours will allow management to gather data on the performance of each mechanic. With this data, the city can determine if each mechanic is meeting performance standards or if problems exist (i.e., poor work habits, lack of training, etc.).

As indicated above, a fleet management program can also provide critical data for a variety of other areas within the operation. Accurate data collection in all of these areas is also essential to an effective maintenance operation. Any system purchased by the city should be compatible with its automated fuel system.

Recommendation:

Management needs to establish performance standards for the city's mechanics. In-house standards could be developed or commercial standards could be used.

LGBR recommends that the city purchase and utilize a fleet management program:

Hardware (computer) One-time Value Added Expense: \$2,500
Software (computer) One-time Value Added Expense: \$7,500

Burdened Labor Rate

With limited data, a fully burdened labor rate analysis was not possible, but an analysis was done with readily available data. This is done to determine the cost effectiveness of the operation against repairs done at a private vendor. Based on the costs provided by the city a labor rate for the garage was calculated to be approximately \$35 per-hour. This was calculated by dividing the available direct costs by the mechanics total available hours. This hourly rate is based on a best case scenario, assuming that each mechanic could account for every available hour on a repair order. With incomplete repair order data it was impossible to determine the number of direct hours.

It is critical that management monitor costs and productivity to insure that the city's burdened labor rate does not exceed the rates charged within the private sector. By installing a computerized fleet maintenance system, management will have the tools necessary to insure the operation is cost effective.

Parts and Material Purchasing

The city doesn't use the state contract when purchasing various fluids for the automotive repair operation. The chart below shows the savings the city can experience if the state contract were utilized.

Quantity	Item	City	State Contract	Savings
3	Oil 10W40 (3-55 gal. Drums)	\$196.10	\$125.40	\$212.10
2	Oil 15W40 (2-55 gal. Drums)	\$195.95	\$125.40	\$141.10
2	Oil 30W (3-55 gal. Drums)	\$195.95	\$127.90	\$136.10
6	Hydraulic fluid (55 gal. Drum)	\$158.95	\$116.40	\$255.30
3	Antifreeze (55 gal. Drum)	\$199.98	\$94.90	\$315.24
1	Automatic Trans Fluid (55 gal. Drum)	\$189.95	\$138.95	\$51.00
120	Grease 14 oz. Tubes	\$190.80	\$70.20	\$120.60

Based on usage the city could save approximately \$1,231 per-year on just these items. The team recommends the utilization of the state contract, when appropriate, to reduce operating costs.

Recommendation:

Utilize the state contract for purchase of oil, antifreeze and grease.

Cost Savings: \$1,231

Tire purchases

The city, whenever possible, makes use of recapped tires for its larger trucks. Using recapped tires saves the city approximately 65% of the cost over new tires. The team commends the city for utilizing this cost saving measure.

Pre-trip inspection logs and vehicle usage reports

The department requires drivers to complete pre-trip inspection sheets prior to leaving the yard each morning. A review of the logs revealed a number of problems. The most prevalent problems were missing plate/vehicle number, driver name or signature and mileage. Used properly, inspection reports can help spot problems before the driver is on the road and eliminate preventable breakdowns and or unsafe conditions. The driver can insure the vehicle is prepared for foreseeable weather/road conditions. In addition, on one vehicle it was noted that the driver listed a problem, “starts in gear,” a number of times over several week period.

Guidelines should be developed to ensure that vehicles/equipment with potential safety problems are grounded. It should make all fields listed on the form mandatory. The fleet manager should review the forms daily, and discrepancies should be brought to the attention of the driver’s supervisor.

The number of pick-up trucks owned by the city (17) appears to be unusually high for a city of its size. A review of fleet levels in other cities of the same size or larger (i.e., Salem and Bayonne) showed Asbury Park with a disproportionate number of pick-up trucks. Salem operates six and Bayonne operates nine. Without proper usage documentation it is impossible to determine the true vehicle inventory level needed by the city. Vehicle usage reports provide information on who is using each vehicle, purpose for the trip, where the vehicle has been and the beginning and ending mileage for each trip. It also provides data on how often it is used.

Usage data from this report can be used to determine if vehicle/equipment inventory levels are adequate or if the unit is under or appropriately utilized. Based on historic trends, proper inventory levels can be established.

Recommendations:

The number of pick-up trucks should be reduced to approximately seven. By selling 10 trucks the city will eliminate replacement costs, reduce fuel and parts purchases and well as the workload placed on the mechanics.

Management should develop guidelines for pre-trip inspection logs and establish a system for the use of vehicle usage reports.

PUBLIC BUILDINGS & GROUNDS

Maintenance

The repair and maintenance to the city's buildings and facilities is performed by in-house staff of eight (including supervision) supplemented by contracted services. The staff maintains a total of approximately 268,000 square feet of space, including the Municipal/Transportation Complex (80,008-sq. ft.), Convention Hall/Paramount Theater (92,624-sq. ft.) various boardwalk pavilions (67,976-sq. ft.) plus an estimated six acres of boardwalk.

They also perform limited repairs to other municipal facilities on an emergency basis (i.e., fire headquarters and library), and work with code enforcement to board up abandoned properties. However, the primary mission and the majority of their time (as reported to the review team) are to sustain the boardwalk facilities and structures.

The annual cost of facilities maintenance is approximately \$616,000 which includes \$363,000 in labor (salaries and benefits) and \$133,000 in material and supplies. For budgetary purposes, the material and supplies are included in the beach utility budget (accounts 201 and 225). Labor cost should also be included in the utility budget.

As with all public works activities, the maintenance program should utilize a computerized work order system to track cost and quantify work performed (see *Work-Load Analysis*). This is especially important where a beach utility has been created.

A beach utility establishes a formal recognition and accounting for all beachfront related expenditures including revenue (i.e., beach fees, rents, admission fees to Convention Hall and Paramount Theater events etc.) and expenditures (administration, security, maintenance, utilities etc.). Knowing the actual cost to sustain these facilities and operations would improve the city's ability to make informed decisions regarding resource allocation and capital plans in the future.

The maintenance management and staff are diligent and hard working. The scope of responsibilities is extraordinary given the diverse types of facilities (and conditions) under their purview, from repairing historic venues like Convention Hall and the Paramount Theater, to

“holding together” the boardwalk and pavilions. These structures are in advanced stages of disrepair and/or collapse and the maintenance program is sustaining them at a level of continued deterioration.

Traditional benchmarks of “so many dollars per-square foot” are not practical here, and as indicated, in the absence of a work order system and scheduled maintenance plan, it is not possible to estimate the manpower necessary to complete the task at hand. Therefore, even though the current condition of the facilities would suggest additional resources to improve their condition, the team cannot recommend adding more employees, or taking any away at this time.

Cleaning Services

The city has four building service workers assigned to perform custodial services. One is assigned to the Convention Hall and Paramount Theater (92,624-sq. ft.), one to the Library (10,812-sq. ft.) and three to the municipal complex which includes the city hall, transportation center and public works (80,008-sq. ft.). According to management, the municipal complex and Convention Hall workers also do, as needed, “fill-in” work at the beachfront. Utilizing actual position cost and an estimate of \$.14 per-square foot for supplies and chemicals (based upon budgeted numbers for the municipal complex), the following table summarizes the square foot cost and total annual cost to for cleaning:

		Labor	Supplies	Total	
Building/Complex	Sq. Ft.	\$ / Sq. Ft.	\$ / Sq. Ft.	\$ / Sq. Ft.	Annual Cost
Municipal Complex	80,008	\$1.70	\$0.14	\$1.84	\$147,168
Library	10,812	\$3.03	\$0.14	\$3.17	\$34,302
Sub-Total	90,820	\$1.86	\$0.14	\$2.00	\$181,470
Convention Hall complex	92,624	\$0.42	\$0.14	\$0.56	\$51,857

As indicated, it cost \$.56 per-square foot to provide cleaning to Convention Hall and the Paramount Theater. Of course this is a unique venue and cleaning cost is controlled by the number and type of scheduled events. The building service worker also performs other duties supporting maintenance operations and it is recommended that this function continue.

However, it costs an average of \$2.00 per-square foot using city personnel to clean 90,820 square feet of space in the municipal complex and library. Typically, cleaning services and supplies (including first line repairs and preventive maintenance) can be provided using outside contracted services in the range of \$1.00 to \$1.25 per square foot. For the purpose of estimating savings, using a rate of \$1.25 per square foot, the city could save \$68,000 per-year by outsourcing cleaning services for city hall, transportation, public works and the library.

Recommendation:

Contract out for building cleaning and maintenance (minor repairs and preventive maintenance) services and supplies for the city hall, transportation center, public works complex and library. Eliminate four building service worker positions.

Cost Savings: \$68,000

Grounds

The maintenance of the city's open spaces is performed by the parks operation. The park section includes an in-house staff of six including supervision, supplemented by contract services, at an annual program cost of \$236,000. Based upon data provided by public works, as verified by LGBR staff, parks maintain the following inventory of open space. Not reflected in these estimates are the vacant lots (including beach front) which must be cleaned on an ad-hoc basis:

Type of Open Space	Estimated Acres
Park	40
Lake Shore	13
Athletic Fields	45
Right of Way	2
Sub-Total	100
Beach	25
Total	125

As indicated, the park crew maintains a diverse inventory of uses. Typically, a benchmark of approximately one grounds worker for every 30 acres is suggested, but the circumstances in Asbury Park are somewhat unique. The maintenance of the beach is not just a summer activity and there are over 70 vacant lots west of Main Street, and 30 vacant oceanfront lots, that have to be addressed.

As with all public works activities, the parks program should utilize a computerized work order system to track cost and quantify work performed (see *Work-Load Analysis*). This is especially important since the beach activities (and oceanfront lot maintenance) of the parks operation should be included in the beach utility budget.

Also, as in the case of the maintenance program, without data to quantify the number and type of work order completed and/or open in the course of a year, it is not possible to recommend the addition or elimination of any staff.

Utility Expenses

The city expended approximately \$181,000 for light, heat and power for buildings and facilities and \$295,000 for traffic and street lighting for 1999.

Streetlights

Streetlights are owned and maintained by the local utility (GPU) and the city is billed a flat rate of \$21,000 monthly (\$252,000 per annum) for approximately 1,000 lights. GPU is in the process of upgrading from mercury vapor to high-pressure sodium lamps at the rate of approximately 100 lights per year (approximately 600 lights have been upgraded with 400 more to be completed). The upgrades are an efficacy issue and improve the level of street lighting at approximately the same annual cost to the municipality. The director of public works is the principal contact and coordinator with the utility and maintains an inventory of streetlights. However, there is no internal procedure to identify and/or prioritize the replacement of broken bulbs or upgrades.

It is recommended that the department of public safety implement (and monitor) a procedure to have police patrols submit a list of broken lights at the end of each tour with a supplemental report sheet submitted daily to public works (forwarded to the utility and monitored for compliance). Also, as part of the annual planning process, the director of public safety should identify “areas” for priority bulb upgrades/replacement, which should be coordinated through public works for communicating and monitoring performance with the utility.

A third coordination recommendation between public safety and public works is offered here for consideration. As part of the supplemental report sheet, public works should receive copies of all accident reports in order to pursue options to recover municipal property loss/damage from insurance carriers.

In addition, a program to selectively audit the inventory of streetlights (verifying pole numbers and locations) is not currently in place. Typically, discrepancies found in internal reviews of street lighting include lamps on billing list but not on pole, streetlights located on state or county road being billed to municipality and the municipality being billed for lights that are not functioning or where poles have been removed. The process could be completed over a four or five year cycle using summer employees and/or interns.

Recommendation:

The directors of public safety and public works should annually prepare a priority schedule of streetlight replacement and establish a formal daily report of any streetlights that are not working. A regular system to verify (audit) street lighting bills should be established.

Traffic Lights

In June of 2000, the city’s engineering firm conducted a traffic signal inventory to determine the cost and savings for replacement existing red and green incandescent lights and yellow flashing beacons with LED lights. Preliminarily, they estimated that the capital cost of the project could be as low as \$100,000 with estimated annual saving between \$25,000 - \$30,000 (or, a payback of approximately three to four years). The city is encouraged to move forward with this project. In the absence of capital and/or grant dollars to implement this initiative, the city should “competitively contract” for an energy services company to perform these services through “shared savings” as allowed under Local Public Contracts Law.

In addition, the city should initiate a study, for NJDOT review, to determine if the current number of traffic signal intersections is appropriate given summer and year-round levels of vehicle and pedestrian traffic. The city currently has approximately 50 traffic signal intersections with an annual cost of approximately \$1,200 per intersection.

Recommendation:

Replace existing red and green incandescent traffic lights with LED lights using a “shared savings” competitive contract if necessary.

One-time Value Added Expense: \$100,000
Cost Savings: \$25,000

Billing

As indicated above, the city spends approximately \$181,000 per year for building light, heat and power. Building utility bills are currently processed through the finance office without a “standard” review of the monthly consumption or cost. While it was reported that “anomalies” (bills significantly higher than the previous month or the same month in the previous year) are sometimes discovered and investigated, the invoices are usually paid as submitted. It is possible for utility companies to make mistakes in meter readings, locations or clerical errors.

The review team recommends that the city competitively seek a contract for utility rate and billing error review services. Qualified contractors will, on a shared savings basis, retroactively review utility bills and assist the municipality in obtaining refunds arising from discovered billing errors by the utility supplier. The contractor can then recommend changes to existing rate structures applied to identified facilities and will assist the municipality in negotiating the implementation of any changes to the rate structure with the utility supplier. The intent of such rate schedule changes is cost avoidance.

Recommendations:

In the interim, the review team recommends the immediate initiation of internal control procedure whereby monthly utility bills are captured on a spreadsheet and reviewed by the department of public works to identify (and investigate) possible errors prior to payment. This could also be done retroactively. Any savings (or adjustments) identified by the city prior to entering a shared savings contract would be theirs.

In addition, many of the city’s facilities do not have demand side energy management system (controls) to monitor and control building lighting, heating and cooling or energy efficient bulbs or ballasts. LGBR would recommend that the city conduct a review of building systems (possibly in conjunction with traffic lights), utilizing the services of an energy services company on a shared savings basis. The review team estimates that at least 20% net savings could be realized, or \$36,000 per year.

Install demand side energy management controls for building heating, cooling and lighting. Implement a replacement plan to replace florescent lights with energy efficient bulbs and ballasts. Utilize a “shared savings” contract if necessary.

Cost Savings: \$36,000

As indicated above, the review team has recommended numerous energy management initiatives that could conservatively save the city a minimum of \$61,000 in recurring annual expenditures. It has been the experience of the team, however, that such an undertaking will not be successful unless a single person is given the authority and mandate to initiate, control and monitor the entire process in a holistic manner. This involves not only the implementation of improvements but constant monitoring and adjustments to include public awareness and education. If the city does not feel that it has sufficient internal resources to manage such an initiative, it would recommend that a qualified contractor be engaged through a competitive process, either on a shared savings arrangement or a fee

basis. In addition, if grant dollars cannot be identified for these initiatives, a single “shared savings” contract should be considered with a qualified energy services company as allowed in Local Public Contracts Law.

COMMUNITY DEVELOPMENT

Introduction

The review of the Asbury Park Department of Housing and Community Development included interviews and examination of documents and organized within the following classifications: Overview, Administration and Management, Financial, and Conclusion.

Overview

The City of Asbury Park, one of three municipalities in Monmouth County that is an Entitlement Community, designated its Department of Housing and Community Development as the lead agency to oversee the city’s five year redevelopment plan. The underlying philosophy of the department is to include people through education and participation in Community Development Block Grant (CDBG) functions in community development projects.

COMMUNITY PROFILE	
% on public assistance	22
% of persons in poverty	23.3
% of vacant properties	10.7
% of unemployed	11.8

The plan, known as the *2000 Consolidated Plan*, identifies housing and community development needs and corresponding projects to be undertaken in response to those needs. The goal is to assure that all citizens live in a city that is safe, decent, sanitary, and free from hazards. The plan allows for and encourages maximum involvement by and input from policy makers, service providers, consumers, and residents.

COMMUNITY CONDITIONS			
Rental housing units	5,247	Substandard	2,200
Owner-occupied units	1,624	Substandard	487
Public housing units	586	Vacant	40

A delineation of the department’s administrative staff is as follows:

Director	01
Program Monitor	01
Clerk/Relocation Assistance	01

The aggregate position value for the above employees is \$152,520.

Administration and Management

Although no city budget dollars are utilized for this function, the department is responsible for receiving and administering CDBG funds and the general management, oversight, and coordination of activities of the community development program. In addition to implementing projects funded through the CDBG, the administrative staff performs compliance activities required by the United States Department of Housing and Urban Development and researches and prepares applications for related county, state, and federal programs to enhance the accomplishment of activities funded by the CDBG.

The director of housing and community development reports to the city manager.

Financial

The city received CDBG funding from the United States Department of Housing and Urban Development for FY 2000 in the amount of \$507,000. The below table contains the proposed budget from CDBG funds:

PROJECT TITLE	ALLOCATION AMOUNT
General Administration	\$102,000
Code Enforcement	\$90,000
Demolition	\$30,000
Housing Redevelopment & Rehabilitation	\$75,000
Strategic Target Area Rebuilding Spirit (STARS)	\$65,000
Homebuyers Assistance	\$60,000
Home Emergency Loan Program	\$20,000
Relocation	\$25,000
Community Education	\$10,000
Economic Development	\$30,000
TOTAL	\$507,000

In FY 1999, the city committed \$250,000 in its Capital Budget Funding Requirement for building demolition projects expected to be completed by the end of FY 2000. The purpose of the demolition project funding is the removal of abandoned, derelict buildings. City owned properties that are imminent hazards, dilapidated, and/or a blighting influence on neighborhoods were to be scheduled for demolition.

The amount of money dedicated for building demolition is considerable and is one measure of the department's effectiveness - a condition that can be easily observed. However, the LGBR team was unable to determine whether a single structure had been demolished in the previous 12 months.

Conclusion

The city's approach to community development and redevelopment is a comprehensive strategic initiative requiring a significant amount of collaboration and coordination. The city not only must have a unified vision, but also a set of unified procedures in order to obtain maximum benefit from the time, energy, effort, and expense associated with its programs and activities.

There is too much bureaucracy and too little coordination of effort between the Urban Enterprise Zone and Regional Contribution Agreement functions, the Department of Economic Development, the Neighborhood Empowerment Council, and the Department of Housing and Community Development as presently constituted in the City of Asbury Park. Each has a similar goal, each has a separate agenda; in some cases there are gaps and overlaps. (By way of example, part of the *2000 Consolidated Plan* administered by the Department of Housing and Community Development includes a section entitled, *The Asbury Park Neighborhood Strategic Plan* – the exact plan presently being administered by the Neighborhood Empowerment Council, which is a separate municipal government entity).

By itself, the process is congested. To ensure cost efficient management and cost effective service delivery, each of the indicated components should be part of a single city department. Simply stated, it takes too long for the money to get where it is supposed to go to improve the city; it is more process-oriented than results-oriented.

This observation is not meant to infer mismanagement or incompetence. It does, however, speak to the gaping dichotomy between costs and benefits.

Recommendation:

The city has already designated the department of housing and community development as the lead agency to oversee the city's redevelopment initiative. The departments and functions mentioned above (see *Conclusion*) should be consolidated into a single department under the direction of a single department head, namely the department of housing and community development.

PROPERTY IMPROVEMENT *Regional Contribution Agreement (RCA)*

Introduction

The department of property improvement is responsible for administering the city's RCA program. The RCA is a program whereby surrounding municipalities sell their COAH (Council on Affordable Housing) requirements to Asbury Park in return for money. Asbury Park is then responsible to use those funds to either build or rehabilitate existing housing at the same number of units the original municipality was required to build or rehabilitate. The department is designed to operate within the allowable 20% permitted for administrative duties and is supposed to be funded entirely from RCA contributions so as not to burden the property tax base.

Overview

The city currently has agreements with Middletown, Wall, Freehold and Tinton Falls. Typically, \$20,000 is received for each unit. Therefore, approximately \$16,000 is applied to hard costs of building and rehabilitation and \$4,000 is used for administrative and executive costs to operate the department. In 1999, Asbury Park had five full-time employees in the department and received a total of \$654,476 from participating municipalities.

Administration and Management

A director, who is supported by a clerk typist, two housing assistant technicians, and one cost estimator, runs the department. The office had very good computerized records dating back to 1994 showing all funds that were disbursed, how much, where, and for what purpose. The operation of the office appeared to be well organized, well run, and accomplished the goals and objectives of the RCA program. However, the team feels this office is slightly overstaffed. At 35 hours per-week, their five employees total 175 hours per-week. There does not appear to be anywhere near 175 hours of work per-week in this section. This perception was partly confirmed by the city since, in 2000, it did not replace a vacancy in one of the two housing assistant positions.

Recommendation:

The team recommends the city leave the RCA at a maximum of four full-time positions and not replace the housing assistant. This leaves the city with 140 hours per week committed to the RCA function, which is still more than enough to handle the current work load. This function is so closely related to community development the team recommends it be put under the umbrella of that department and not be a separate department. If the city follows this recommendation there may be some additional efficiency due to shared clerical staff assignments.

Cost Savings (elimination of housing assistant): \$33,910

Finance

In 1999, the property improvement department had five full-time employees assigned to it, for a total combined position value of \$226,302.

Director	\$70,137
Clerk Typist	\$34,226
Housing Asst. Tech.	\$39,439
Housing Asst. Tech.	\$33,910
Cost Estimator	\$48,590
Total	\$226,302

This department does not appear in the budget since it is funded via the RCA payments. Care should be taken to ensure that all indirect costs for the department are being billed to the RCA program: health benefits, pension, social security, Medicare, etc. It appears that only base pay is being funded through the grant and that the other items are just absorbed in the municipal budget.

NEIGHBORHOOD EMPOWERMENT COUNCIL

Introduction

The review of the city's Neighborhood Empowerment Council included an inspection of documents and an interview with the recently appointed program administrator and is organized within the following classifications: Overview, Administration and Management, and Financial.

Overview

In March of 1994, Governor Christine Todd Whitman announced an ambitious Urban Strategy Initiative along with the creation of a cabinet-level Urban Coordinating Council (UCC) to effectively coordinate the delivery of services and resources to help people in urban areas help themselves.

The UCC is presently collaborating with five cities (Asbury Park, Camden, Elizabeth, New Brunswick, Trenton) to formulate and implement comprehensive Neighborhood Revitalization Plans that aim to improve the quality of life and empower residents by giving them a voice in the revitalization projects proposed for their respective neighborhoods. Residents and city officials met from time to time with representatives of the UCC to identify the needs of the city and develop a strategic plan to address those issues. As a participant city in the UCC initiative, Asbury Park created a Neighborhood Empowerment Council (NEC) to serve as an information facilitator to and from residents in an effort to try to improve the city's neighborhoods.

Administration and Management

The NEC is administered by a program director with administrative staff support provided by one part-time employee. The program director reports to the city manager. Initially, residents of Asbury Park were responsible for classifying priority issues, which would be part of the formal action plan entitled, *The Asbury Park Neighborhood Strategic Plan*. Implementation of the objectives identified in each of five categories is coordinated by a local steering committee with technical support from various state, county, and local government departments, with oversight responsibility assigned to the NEC. The five categories and goals are indicated in the following table:

CATEGORY	GOALS
Public Safety	Neighborhood safety/crime reduction
Housing	Increase the number of homeowners
Children and Youth	Create a safe environment/educational and recreational opportunities
Unemployment/Job Development	Provide job training/increase employment rates
Health	Favorable family and child well-being outcomes

The plan has both a qualitative and quantitative component and its goals and objectives serve as a measuring device to evaluate progress. The director is responsible for preparing a comprehensive quarterly progress report, which is submitted to the New Jersey Redevelopment Authority for review.

Financial

In FY 1999, the city budgeted \$2,013 for operating expenses for what was then called the urban coordinating council, a section within the department of housing and community development. In FY 2000, the NEC is being partially funded by the State of New Jersey in the amount of \$40,000 and the city is responsible for payment of the balance of costs to administer the program. Additional funding is available through grants from various state entities.

Recommendation:

The NEC should not be a separate government entity. It should be reunited with the department of housing and community development.

UNIFORM CONSTRUCTION CODE

In 1999, the uniform construction code office (UCC) was staffed by a full-time control person and four part-time employees covering the functions of construction official, electrical, plumbing, sub-code and building sub-code.

Prior to 1995, the Department of Community Affairs, Division of Code and Standards administered the UCC function. The function was brought in-house to gain control, although none of the staff interviewed could define control. As a result, the taxpayers have had to subsidize the operation ever since.

A view of the data provided by the control person showed expenditures in both 1998 and 1999 did exceed the revenues generated. Below is a breakdown of the income and expenditures for both years.

Year	Revenue	Expenditures	Loss
1988	\$55,806	\$89,997	-\$34,191
1999	\$83,555	\$101,315	-\$17,760
Total	\$139,361	\$191,312	-\$51,951

As the chart indicates, 1998 and 1999 subsidies to the UCC operation were \$51,951.

It is obvious that the UCC function does not do sufficient volume to sustain a profitable or break-even operation. It is unfair to the taxpayers of the city to burden them with an unnecessary cost when an alternative exists. The team would also question the city's desire to have control over an operation that is mandated by the state. The state has the expertise and the resources to administer the program. By returning the program back to the state, the city could eliminate the unnecessary costs to the taxpayers.

Recommendation:

The team recommends the city return the UCC function to the state and eliminate all related part-time and full-time positions. The state could still meet periodically with the city manager to facilitate good communications and coordination.

Cost Savings: \$17,760

CODE ENFORCEMENT

During 1999, 10 employees staffed this department. The director, who doubled as the chief housing inspector, headed the department. Under his direction were four housing inspectors, two sanitation inspectors and two clerks. In addition, a part-time assistant prosecutor was also on the department's payroll.

Based on the inspector's monthly log, a total of 11,012 inspections were performed. During this same time period, 2,154 violations and 841 summons were issued. For this time period, salaries based on position value were \$442,459. Revenue and fines collected for the past three years were as follows:

	1997	1998	1999
Revenue	\$86,431	\$80,946	\$78,313
Fines	\$122,918	\$144,540	\$133,538
Total Income	\$209,349	\$225,486	\$211,851

The overall review of the department indicated that the department is well run. The biggest obstacle facing the director is antiquated systems technology. A review of the flow process, see attached chart, showed a complicated, time-consuming process for each inspector. The department currently uses two software packages, which are not compatible and are outdated. Neither program has done anything to reduce the amount of paperwork each inspector deals with on a daily basis. The process is cumbersome and archaic. As an example, assembling data for the Community Development Block Grant (CDBG) takes approximately three months for one clerk to gather manually. In addition, inspectors spend almost as much time filling out forms and doing clerical work as they do performing field inspections.

With the new generation of computer programs, CDBG data can be extracted in one day. In addition to new software, items such as Pen Tablets can be formatted to incorporate all the schedules, forms, and data an inspector needs to perform all the different inspections required by the city. The inspector enters the appropriate data into the Pen Tablet as opposed to a paper form. At the end of the day, the data collected in the Pen Tablet is downloaded into a file server eliminating the need to perform additional clerical work. This technology dramatically reduces the workload on both clerical staff and inspectors. They also provide more accurate documents in a much shorter period of time.

Asbury Park needs to move forward and provide its employees with compatible technology to increase worker productivity and, at the same time, reduce the need for additional staff. The city received a quote for a management system with applications for code enforcement, zoning, planning, assessors, licensing and permits in the amount of \$62,992. With the elimination of the building permit section the cost would drop to \$57,000. This price includes the software, training, annual maintenance contract and data conversion. The cost for hardware including a file server and four Pen Tablets is approximately \$15,000. The total cost of the package would be approximately \$72,000.

To offset the costs, the productivity increase provided by this technology would allow for a staff reduction of 2.5 full-time employees. The elimination of two inspectors based on position value would provide a yearly saving of \$98,340. This would, in effect, cover the cost of all the software and hardware and save the city \$26,340 in the first year. The half position could be assigned the duties of zoning inspector, in conjunction with the staff reduction as mentioned in zoning section.

Recommendation:

The city should consider purchasing management software and hardware which would provide a productivity increase and allow for a staff reduction of two inspectors.

One-time Value Added Expense: \$72,000

Cost Savings: \$98,340

SEWER UTILITY

Operations

The City of Asbury Park operates and maintains a separate sewerage treatment facility. The current treatment plant is relatively new, built in 1988, and is located on the beachfront in the northern section of the city. Classified as a medium secondary treatment facility, it has a capacity of 4.4 million gallons expandable to 6.5 million gallons per day.

At the present time the daily flow averages 1.7 million gallons, which is down 1 million gallons from seven years ago. The treated effluent is pumped into the Atlantic Ocean through a pipeline that extends approximately 3,000 feet from the plant into the ocean.

The team toured the facility and was impressed by the cleanliness, orderliness, and the knowledge and professionalism of the supervisor. This function was one of the best managed departments in Asbury Park.

A National Award from the U.S. Environmental Protection Agency recognized the facility in 1997 as the best-operated and maintained facility of its class for 1996.

The team commends the city for the excellence of its operation of the sewerage facility.

Staffing

There are a total of eleven full-time employees who work directly for the sewer utility. Their operationally-oriented staff of ten has periodically been augmented by the transfer of an additional employee from another department for reasons never made clear to the supervisor. During the team's visit to the facility, this additional employee did not appear to perform any function indigenous to the facility operation. It appeared that employees are sent to this unneeded position by the city as "punishment."

Recommendation:

Eliminate the routine transfer of unqualified personnel and remove the employee currently performing no identifiable utility function.

Cost Savings: \$42,154 (Position Value)

The facility is manned seven days a week, 10 hours a day. Bacteria levels are monitored in accord with state regulations and an outside laboratory performs testing as to quality of effluent being pumped into the ocean.

Employees, on a regularly scheduled basis, perform maintenance of the facility equipment and a card file is kept to record what work has been performed and the date it was completed. The exception to the in-house maintenance is the ozone air cleaning apparatus and the diesel generator that provides power in the event of an external power failure.

Utility employees perform maintenance and repair of the sewer lines external to the plant. The team was told that in the event a pipeline break should occur after midnight, they do not respond until regular working hours due to public safety concerns.

Recommendation:

Coordinate with the public safety director to provide protection for utility workers when needed. To allow raw sewerage to flow unchecked can present a health hazard as well as a feeling of second-class service to residents of the area.

Financial

The sewer utility, as currently operated, is generating a surplus. Over the last five years, the sewer utility has generated a \$1.2 million surplus.

	1995	1996	1997	1998	1999
Total Revenue Realized	\$2,930,684	\$2,462,987	\$5,068,649	\$3,000,855	\$3,415,570
Total Expenditure	\$2,814,336	\$2,502,456	\$4,486,942	\$3,006,190	\$2,893,408
Surplus (Loss)	\$116,348	(\$39,469)	\$581,707	(\$5,335)	\$522,162

The team commends the sewer utility for an efficient operation that consistently generates a surplus.

The team has been informed that beyond the modern plant facility, most of the sewer piping is 1930's clay piping. Camera scanning has shown that in some places this piping is beginning to take on an oval shape as opposed to its original round shape. This is especially critical in locations where the piping lies under railroad tracks. None of the surplus has been reserved for improvement of the infrastructure.

Recommendation:

The city should immediately develop a plan of action to improve and up-grade the sewer infrastructure, set goals and objectives to complete the process and begin to reserve all or part of the surplus to finance the project. This would have the effect of avoiding a major bonding in the future.

The city has recently negotiated an agreement to accept the sewerage of a neighboring community, Tinton Falls. The Asbury Park facility has the current and expandable capacity to handle the increased volume.

Recommendation:

In determining the charge to the sending municipality for accepting their sewerage, the city should take into consideration all of those factors that impact on the cost of the facility, i.e., operational costs, maintenance repair, replacement, infrastructure maintenance and construction costs.

LIBRARY

Introduction

The review of the Asbury Park Library included the administration and operation of the library, and is organized within the following classifications: overview, organization, financial, administration and management, and operations.

Overview

The Asbury Park Public Library (APPL) is situated on a one-square block parcel at the intersection of First Avenue and Grand Avenue on the east side of the city, four blocks west of the oceanfront area. Appropriations to the APPL in FY 1999 were in the amount of \$257,100. This figure represents approximately 1% of the total municipal budget.

In 1999, the library employed eight persons in the following titles:

Director	01
Supervisor	01
Principle/Assistant	02
Assistant/Typing	03
Building Maintenance	01

Aggregate position values for the APPL staff is estimated to be \$262,500.

Pursuant to the provisions of N.J.S.A. 40:54-8, *Library Tax*, the city is required by law to appropriate annually one-third of a mill on every dollar of assessable property within the city, based on the equalized valuation of such property, to support the library. Use of the APPL is

free to the residents of Asbury Park. In order to borrow books from any Monmouth County Library facility, an annual fee of \$50 is charged per individual who chooses to hold a county library card.

Organization

Historically, libraries in the State of New Jersey are created by municipal referendum governed by N.J.S.A. 40-54-2. The APPL was established in 1878 with the formation of a literary club in the city.

Financial

The APPL Board of Trustees approves budget items before being forwarded to the city for review. The board of trustees consists of seven members, of which the mayor appoints five. The mayor and superintendent of schools (or their designees) are ex officio members of the board. The city council can either approve, reject, or modify the library’s budget request in any fiscal year. The appropriation is thereafter returned to the board of trustees for management and control.

Of the total requested city appropriations for 1999, approximately 86% is for salaries and wages and approximately 14% are for other expenses. All salary funds are held by the city treasurer and disbursed from the finance department. The proportion of the city appropriation budgeted for personnel costs is typical of public libraries in New Jersey.

Although the largest percentage of library funding is through the local property tax, the APPL also receives funding from private sources. By way of example, the New Jersey Natural Gas Company, Bell Atlantic, and private foundations contribute a substantial amount in support of technology upgrades to the library. The APPL receives additional funding from federal and state grant programs.

The City of Asbury Park provides legal services on an “as-needed” basis to the library and pays the fringe benefits of library employees in the estimated amount of \$43,750 (salary + 20%). Building maintenance is handled in-house by a single employee. Any work necessary beyond the scope of the said employee’s skill and ability is contracted to a private vendor. From time to time, the Monmouth County Sheriff’s Office assigns inmates to assist in facility maintenance, by request of the director.

1999 Expenses	
Salary & Wages	\$218,750
Fringe Benefits*	\$43,750
Other Expenses	\$38,350
Total	\$300,850

*Estimated fringe benefit costs to city not included in library budget request.

Trend of "Other Expense" Appropriations		
Year	Amount	Percentage
1995	\$49,090	6.71%
1996	\$51,900	5.72%
1997	\$39,000	-24.86%
1998	\$36,500	-6.02%
1999	\$38,500	14.63%

Of the 53 municipalities in Monmouth County, 40 are members of the county library system; 13 are independent, local libraries. Although a member of the Central Jersey Regional Library Cooperative of New Jersey, the APPL is one of the 13 independent libraries of Monmouth County established prior to creation of the county library system in 1922.

The Office of the Monmouth County Library Director indicated that the process of changing from a municipal to a county library (as discussed in N.J.S.A. 40:33-13) begins with the local government deciding to de-establish the local library. If, and when, the local government chooses to de-establish the municipal library, the city would then negotiate the terms and conditions of joining the county network (as a branch) with the Monmouth County Freeholders.

Once negotiations are completed, the issue is placed on the ballot for the voters to either approve or reject. If the voters choose to join the county system, the county government would be responsible for the purchase of books, the cost of the salaries of the current employees, and the purchase and installation of state-of-the-art technology. The county government, in essence, would be responsible for everything except the physical plant and associated costs.

The county library rate of similar in-county municipalities by net evaluation (approximately 0.025 mill rate) is \$83,168. The present annual cost to staff and operate the APPL is \$300,850.

Recommendation:

Independent municipal libraries are costly to maintain. The LGBR team acknowledges that the process of de-establishing the municipal library involves financial, as well as, political considerations and may be an unpopular course of action to pursue. However, the city should at least explore the possibility of joining the county library network as a branch and, consequently, eliminating the mill tax presently assessed the residents of Asbury Park.

Cost Savings: \$217,682

Administration and Management

In the past (circa 1970), the APPL employed two librarians and eleven support staff personnel. During this period (1970-80), the library was open for service from 9:00 a.m. - 9:00 p.m. weekdays, and from 9:00 a.m. - 5:00 p.m. on Saturday. Since the library staff was adjusted to one librarian and eight support staff personnel (1999), the hours of operation have been considerably reduced.

The staff, as presently constituted, does not include a children's librarian, a condition that has reportedly resulted in public criticism for the lack of a children's reading program. This particular job title requires a credentialed employee possessing a graduate degree in Library Science.

According to an independent auditor's report issued on December 31, 1997, the APPL had not been audited for a two-year period. The report's *Comments and Recommendations* (finding 1997-59: Hutchins, Laezza, Farrell, & Allison, Certified Public Accountants) included a

recommendation that the library comply with state statutes and have its financial statements audited. Furthermore, on April 26, 1999, the city council passed a resolution authorizing the library director to contract for professional services to conduct the mandated audit.

Recommendation:

The Asbury Park Public Library should comply with the provisions of N.J.S.A. 40A:5-5. The statute mandates that an audit be conducted annually by a registered municipal accountant of all accounts and financial transactions. The APPL should contract for professional services to conduct the indicated audit at the earliest opportunity.

Operations

The APPL hours of operation are Monday-Thursday, 9:00 a.m. - 8:00 p.m. and Friday-Saturday, 9:00 a.m. - 5:00 p.m. The evening and Saturday schedule enables public access after traditional business hours. According to the director of the APPL, if a children’s librarian is added to the staff, the hours of operation would be expanded to include Sunday mornings. A children’s “library” would be open 1:00 p.m. - 5:00 p.m., Monday-Saturday and include reading programs. The APPL *Statistical Report For Calendar Year 1999* includes the following information:

Circulation	21,533
Patronage	52,711
Volumes	106,431
Titles	98,548
Hours	2.950

Presently, library services do not include any outreach program. A children’s librarian reportedly would provide outreach programs to the school system.

The APPL currently utilizes an index card file system for their volumes. The file system is being converted to a computerized index system. During the transition, both systems will be in place. Library records are also being converted to a computerized management information system and a network of six computer workstations are available to the public for internet research, word processing, and associated computer programs. As previously indicated, a substantial proportion of third party contributions have been earmarked to upgrade library technology.

COMMUNITY RELATIONS AND SOCIAL SERVICES

Introduction

The review of the Asbury Park Department of Community Relations and Social Services included the administration and operation of the department and is organized within the following classifications: overview, organization, financial, administration and management, and operations. The findings and conclusions are based on an examination of documents and interviews.

Although the 1990 census established the official population of Asbury Park at 16,799, the actual population may be closer to 22,000; a substantial number of whom (approximately 60%) are dependant to some degree on community social services. The City of Asbury Park is comprised of a very large and diverse collection of people (approximately 33%) who are in the category of either a Special Needs Population or an At Risk Population. If either of these figures accurately represent the extent of the demand for social services in the city, then the importance of the department cannot be overstated.

Overview

The department of community relations and social services is comprised of specialized sections that interact with diverse populations throughout the community and respond to their needs for the purpose of promoting their health and welfare and providing the services that are necessary and appropriate for them to become self-sufficient and independent members of society. The department also administers and implements comprehensive recreational programs and is responsible for the coordination and supervision of drug awareness and education programs in the city.

Organization

The department of community relations and social services was created by an amendment (2-22) to municipal ordinance 2393. The department is charged with the responsibility of overseeing human and social services for the people of Asbury Park; it is the conduit for all services providers to the community. The present table of organization clearly delineates the division of labor within the department.

The department consists of four sections: special services, senior citizen's center, drug alliance, and recreation. A director who is assisted by a program development aide (PDA) administers the department. There are no clerical support employees assigned to the department. The PDA also functions as the drug alliance coordinator and executive staff assistant to the director. In addition to the aforementioned responsibilities, during the summer season the PDA serves in an adjunct capacity as the administrator of summer programs. From time to time, at unpredictable intervals, the PDA is called upon to replace absent employees in clerical or secretarial job descriptions in various offices in city hall.

There are three additional full-time employees: two are assigned to the senior citizen's center (a supervisor and a field representative) and one employee is assigned to special services serving in the capacity of social worker. There are two additional part-time employees: one a nurse at the senior citizen's center, and one a bus driver at the center. During the six-week summer recreation program, 17 part-time employees supplement the regular staff in the supervision of the nearly 400 children who enroll in the annual program.

Recommendation:

Discontinue assigning the PDA to clerical/secretarial functions not associated with the department of community relations and social services. The duties and responsibilities of

the PDA are considerable and require attention to detail in order to adequately and satisfactorily serve the people of Asbury Park. Considering the present staffing level of the department, time away from these tasks tend to detract from direct service to the public.

Financial

The department’s aggregate position values for the indicated employees in FY 1999 were \$204,924. The city appropriated \$95,324 in FY 1999 for department operations and the balance was funded by grants and supplemented by private and public sector donations. Private contributions in the amount of \$1,045 were received during FY 1999, along with supplemental funding by the board of education in the amount of \$35,000 provided to offset costs for the summer recreational program. An examination of records indicated the Asbury Park Recreation Commission administers donations and deposited in a trust account. Grant funding in the amount of \$403,369 was received and delineated in the below table:

GRANT FUNDING FY 1999		
Source	Purpose	Amount
NJ Dept. of Human Services	Client services to mentally ill	\$94,049
NJ Dept. of Community Affairs	Job training and placement	\$250,000
Mon. Cty. Div. of Alcohol & Drug Abuse Svcs.	Drug/alcohol prevention	\$16,500
NJ Dept. of Community Affairs	Recreational activities	\$9,500
Mon. Cty. Office on Aging	Services to the elderly	\$27,320
Mon. Cty. Office on Aging	Senior citizen’s center maintenance	\$5,000
TOTAL		\$403,369

Two of the grants (drug/alcohol prevention [county] and recreational activities [state]) have requirements for a 25% in-kind contribution obligation on the part of the city. The city is responsible for payments in the aggregate amount of \$6,500 to satisfy the requirements of the indicated grant funding provisions.

Administration and Management

Along with the Table of Organization, the department has a mission statement, a set of job descriptions for each function, and written detailed goals and objectives. Comprehensive monthly activity and data reports are transmitted to the city manager’s office.

Operations

The department provides advocacy for children’s needs, crisis intervention, assessment and evaluation, nursing services, recreational programs for children and senior citizens, community outreach, referrals, transportation, visitations, and meal services. The mission of the department is to assist all residents of Asbury Park to live dignified and meaningful lives by offering and coordinating services and programs that are beneficial to their specific and individual needs. In FY 1999, the department served 992 social service clients – an increase of 667 from FY 1998. This number (992) is included in the total of 1,408 ongoing cases that required follow-up contact by the department in FY 1999.

Additionally, the department’s social worker attends sessions as an advocate for mental health residents involved in cases before the municipal court. In 1999, there were 259 contacts during

court sessions. One problem arising out of the process is a lack of post-court tracking of clients due to the absence of clerical support. Client tracking is a critical component in measuring outcomes.

Recommendation:

The city should transfer clerical support to the department from the existing city hall staff, provided a competent and qualified employee could be assigned. In the absence of a requisite skilled employee, the city should add an entry-level clerical position to the department.

Value Added Expense (Position Value): \$32,240

BEACH UTILITY

Organization

All beachfront activities and special events held in the convention center or Paramount Theater are established in the city budget as a Beach Utility. While carried in the budget as a single composite unit, in the city organizational chart it is separated into two distinct functions, special events (indoor entertainment) and bathing beach. The organizational chart shows the special events director reporting directly to the city manager. The beach supervisor reports to the director of public works. For purposes of this report, the functions will be discussed separately: bathing beach and special events.

Facilities

The city of Asbury Park has approximately one mile of beachfront on the Atlantic Ocean. The beach is of a quality and size to make it attractive for public bathing and there are indoor facilities located on the beach suitable for musical entertainment, sporting events, craft shows and amusement rides. A boardwalk stretches the entire distance of city beachfront. The city also owns several storefront type buildings adjacent to the boardwalk which are rented to vendors.

The indoor facilities are a 1,600-seat theatre and a 3,600-seat Convention Hall located on the north end of the boardwalk. The Convention Hall portion of the building extends into the ocean and is built on pilings; the theatre portion sits on land adjacent to the beach. They are connected by an enclosure through which the boardwalk passes. On the south end of the boardwalk is a pavilion arcade called the palace, which housed a carousel and various other amusement type rides. All of these facilities, due to age and a lack of maintenance, are in dire need of extensive repair. These buildings will be addressed more in the facilities management section of this report.

The boardwalk extends the entire length of the city beachfront and, for the same reasons, is in need of repair. The city has received \$1 million from the state Green Acres Program and from the Garden State Preservation Trust to renovate a portion of the mile-long boardwalk. The money, of which half is a grant and half a low-interest loan, will pay for approximately one-third of the project.

Bathing Beach

The actual salary and wage budget for the bathing beach employees for 1999 was \$115,839. There are 29 personnel employed in the beach function, one beach supervisor, three cashiers, 17 lifeguards and eight beach guards. Until the year 2000 only the beach supervisor was a full-time employee; all others were seasonal. Prior to the review time the beach supervisor retired and was brought back as a seasonal part-time employee.

TITLE	NO.	POSITION VALUE	1999 EARNINGS
Beach Supervisor	1	\$58,524	\$50,207
Lifeguards	17		\$39,121
Beach Guards	8		\$16,727
Cashier	3		\$9,784
TOTAL	29		\$115,839

This does not include salaries of public works employees that perform certain maintenance work, such as cleaning and minor repairs nor the two public works employees carried in the beach utility portion of the budget.

The beach supervisor's responsibilities include maintenance and daily cleaning of the beach and the city owned indoor facilities located on the beach; supervision, assignment and training of the lifeguard force; supervision of the beach ticket sales including ticket-takers; accounting for all revenue realized from beach tickets.

The United States Lifesaving Association (USLA) certifies all the Asbury Park beach lifeguards. The training for newly hired lifeguards is a 40-hour course with daily in-service training exercises while on duty. Their training requirements are contained in a current manual titled *Open Water Lifeguard Training* which follows the guidelines of the USLA. The lifeguards have also provided training to city firefighters who respond to ocean rescue during the off-season.

Beach revenue has declined from a high of \$270,401 (1983) to a low of \$27,989 (1996). The most significant year-to-year decrease in revenue occurred from the 1987 season (\$205,984) to the 1988 season (\$91,341). Beach fees for the past six years have not generated sufficient revenue to pay for those personnel involved in the bathing beach portion of the utility. Beach revenue for 1999 was \$35,342 and personnel earnings were \$115,839.

The decline in bathing beach revenue has contributed immensely to the deficit of the beach utility, when it could be the impetus for revitalizing the waterfront. The town of Sea Girt with approximately the same amount of beachfront in 1997 realized \$425,000 in beach fees alone. A revitalization of the bathing beach through advertising could realize a half million dollars in revenue for the city of Asbury Park.

The team recommends the city undertake an effort to revitalize the bathing beach attraction by an aggressive and innovative advertising campaign. One of the common themes heard by the team from a myriad of elected and appointed officials was the need to get people coming back to the beach. The city feels, and the team concurs, that if patrons return to the beach many spin-off benefits will occur. On numerous warm and sunny days the team observed less than 12 people

on a one-mile stretch of very nice sandy beachfront. Many storefronts and concessions sit boarded up and, of course, contribute to the tax delinquency. Hundreds of parking meters sit rusted and inoperable. Those who park there park effectively for free. One of the key steps to revitalizing economic development in Asbury Park is attracting residents and non-residents to the beachfront. The influx of people to Asbury Park will yield a plethora of spin-off benefits: eating establishments, gas stations, convenience stores, arcades, soda shops, etc. The team suggests the beach utility take a small step back-wards in order to take a giant step forward.

Recommendation:

The team recommends suspending beach fees and public parking fees (no one is paying anyway). Combine this with an aggressive marketing plan to advertise free beaches and free parking in Asbury Park. The use of special law enforcement officers could also be used to market the concept of “safe” beaches as well. This initiative should yield two benefits, one direct and one indirect, to the city. Directly, the city can eliminate the 11 beach ticket collectors and cashiers, for a savings of about \$30,000. The special law enforcement officers that are assigned parking meter details can, instead, have a presence on the beach and boardwalk to enhance the perception of public safety. The indirect benefit hoped for will not be immediate but will, instead, take time to build. The intent being that safe, free beaches will bring people to Asbury Park and, as such, those people will spend money in Asbury Park, which may facilitate businesses re-opening and property taxes getting paid. Specific cost savings and revenue enhancements are not possible. Generally speaking, the cost savings achieved by eliminating beach utility employees will be offset by the commensurate reduction in revenue from beach tags. Only time will tell if the revenue enhancement will come to fruition. The one known fact is that the current approach is not working at all, the utility is losing money at an ever-increasing pace, and the beachfront resembles a ghost town.

The special events director’s responsibilities are to promote, coordinate and supervise a special events program designed specifically for community participation in promoting public relations within the community, and to schedule events at the two city-owned venues.

There were three employees working in the special events office: one director, one senior clerk and one program monitor. The actual salary budget for the special events office for 1999 was \$137,307.

Title	Salary-1999	Position Value
Program Coordinator	\$40,000	\$47,536
Program Monitor	\$35,000	\$42,154
Senior Clerk	\$40,000	\$47,617
Total	\$115,000	\$137,307

These figures do not include salaries or costs related to cleaning, maintenance or repairs. During the review time, the program monitor was transferred to the sewer utility to answer telephones.

In the payroll report for 1999, there were two employees listed under beach utility who actually work for the public works department, a senior clerk typist and a mechanics helper.

Recommendation:

The position of program monitor should not be filled. The present holder of the title is working at the sewerage treatment plant and performs no duties relevant to special events. Also, the senior clerk typist and mechanics helper position should be correctly identified in the public works budget and any work performed by other departments should be billed to the beach utility.

Since 1996, there have been 56 major events held in the entertainment facilities on the beach. Revenue realized by the city for that period totals \$343,251. The yearly revenue amounts are commensurate with the number of events held: 1998-six events, revenue \$47,081 to 1999 21 events, revenue \$146,141. The energy cost for the Convention Hall – theatre complex for one year (1999), was \$119,218.

The team commends the city for its efforts to increase revenue collection in this area.

The capital improvement budget for the past five years reflects expenditures of \$3,611,277 for repairs and improvements to the theatre-Convention Hall facility. Of this amount, \$1,972,801 was a grant.

Financial

When viewed as a composite unit the beach utility has operated at a \$1.8 million deficit over the last six years. That deficit is reflected in both the bathing and the special event functions of the beach utility.

	1999	1998	1997	1996	1995	1994	Total
Appropriations	\$551,213	\$473,970	\$464,011	\$348,072	\$490,072	\$328,509	\$2,655,983
Revenue	\$198,916	\$102,014	\$156,953	\$99,316	\$157,080	\$87,075	\$801,354
Surplus-(Deficit)	(\$352,297)	(\$371,956)	(\$307,058)	(\$248,892)	(\$332,992)	(\$241,434)	(\$1,854,629)

Recommendation:

Presently, the beach utility is operated as two city departments: beach activities and special events. The team concurs with the concept of the city establishing a utility. The purpose being to separate these costs out from the municipal budget, which is funded from taxpayers, and capture associated costs in a separate budget, which gets funded effectively from user fees. When a utility operates as is intended, the taxpayers should not have to subsidize the users of that utility. Part of the problem in Asbury Park is the management approach. There is no one person that supervises, manages or coordinates the “beach utility” as a whole. Hence, there is no one individual charged with tracking revenues, setting costs, coordinating with other departments to ensure taxpayer supported employees (police, fire, public works) are being billed to the utility, etc., much like the sewer utility which has a superintendent and operates at a surplus. If the utility is to work and operate as a utility is intended, then the city ought to consider restructuring the top position

salaries in this area to create the equivalent of a utility superintendent who would be accountable for capturing all utility costs and getting the utility back in the black. The special events program coordinator and the beach supervisor had a combined position value in 1999 of \$106,060. No additional money would have to be spent; there is ample salary room to create such a position from existing salary expenditures.

III. COLLECTIVE BARGAINING AGREEMENTS

An area that frequently presents significant opportunities for savings is negotiated contracts. While they represent opportunities for savings, the savings and contract improvements are most likely to occur incrementally, through a well-conceived process of redeveloping compensation packages to be equitable and comprehensive. For this reason we present those issues subject to collective bargaining agreements separately in this section.

An examination of selected Collective Bargaining Agreements indicate that Asbury Park's labor contracts contain various provisions which are incurring additional labor costs, such as the provision for 15 paid holidays for workforce employees, as well as an additional day of leave with pay which is authorized on an employee's birthday (or a substitute date in lieu of the actual date of birth taken at the discretion of the employee). Coupled with negotiated vacation leave benefits, these extra "off-day" provisions result in a considerable loss of productivity annually.

Recommendation:

The city should negotiate a reduction of paid holiday leave from 15 days to 13 days and the elimination of the birthday paid leave day. A review of comparable municipal labor contracts by the LGBR staff reveals the aforementioned benefits to be excessive, by per union comparison. Under the current labor contracts, the city loses three workdays per union member annually. Based on an estimated workforce of 178, the total days lost each year are considerable and have a substantial impact on productivity.

Using a position value of \$49,690 to illustrate the point, the city loses \$408 per worker annually or \$72,624 total dollars in lost productivity each year.

**Potential Productivity Enhancement: 534 workdays annually
\$72,624 annually
Equal to 1.5 FTE's**

The city should maintain the commendable negotiated agreement to pay longevity in dollars, as opposed to percentage increases, as well as maintaining limitations on accumulated sick time, holiday, and vacation leave through the provision of capped payouts in each category upon employee retirements.

The LGBR team decided to limit its Collective Bargaining Agreement analysis and recommendations in large measure because of a protracted labor/management stalemate over contract negotiations. Four of five Collective Bargaining Agreements expired in 1997. The observations contained in the above recommendation are those areas that impact on workforce availability, productivity, and additional costs to the taxpayer.

WATERFRONT REDEVELOPMENT PROJECT

History

In the 1930s, Asbury Park was one of the premier resorts on the Jersey Shore. The city was known for its beauty and the quality of life afforded the people who lived, worked, and visited Asbury Park. Changes in the lifestyle of the average American and the changed economy in the post-World War II years saw a decline in the commercial business district that continued throughout the succeeding decades. In September of 1994, the State of New Jersey designated the City of Asbury Park an Urban Enterprise Zone (UEZ) and the oceanfront redevelopment initiative topped the revitalization agenda. Planners recognized that the oceanfront was a unique resource upon which to revitalize the boardwalk and business corridors.

Scope of the Problem

The city's comprehensive redevelopment plan predated the creation of the UEZ in 1994. On April 2, 1986, the City of Asbury Park entered into a Redevelopment Agreement and Land Disposition Agreement with a developer to bring about the redevelopment contemplated in the Waterfront Redevelopment Plan, which had been adopted by ordinance in June of 1983. The project, begun in 1986 by a Connecticut developer, failed and was halted in 1991 after the developer defaulted on \$13.6 million in bank loans and failed to pay \$440,000 in taxes to the city. The developer held onto the project by placing the properties and beachfront rights into a larger bankruptcy proceeding in New England, during which time the city spent hundreds of thousands of dollars in legal fees in an effort to advance the waterfront project. Meanwhile, the taxes owed the city by the developer during the six-year period increased to \$8 million.

Options Explored by the City

In November of 1999, city council approved a resolution allowing the developer to transfer his waterfront rights and properties to a new private developer from New Jersey who offered to pay off the bank debt as well as taxes owed the city by the previous developer in the amount of \$17 million. A resolution was enacted that would have permitted the indicated transaction. Shortly after the vote to adopt the property transfer, a taxpayer suit was filed challenging approval of the transaction on the grounds that two members of council were in conflict because of alleged ties to the original Connecticut developer. At the same time, the city was evaluating the intentions and financial ability of several developers, as well as the New Jersey State Redevelopment Authority to undertake a new waterfront project after years of inactivity.

On April 13, 2000 the city adopted an ordinance designating a subsidiary corporation of the New Jersey Redevelopment Authority as a Municipal Redevelopment Agency to promote the implementation of the Waterfront Redevelopment Plan. The New Jersey Redevelopment Authority, which became operational in 1997, has, as its mission, to spearhead economic development efforts in urban communities and partner with community-based organizations, developers and businesses to leverage its resources to formulate and develop redevelopment projects to increase economic opportunities in eligible communities. The authority's primary interest is to ensure that projects developed are urban-focused, neighborhood-based and investment-driven.

The subsidiary created for the redevelopment project was named the Asbury Park Subsidiary (hereafter, APS). The APS was to be governed by a board of directors consisting of seven voting members: the mayor, one city council member, one resident of Asbury Park, and four members of the New Jersey Redevelopment Authority. The APS was to be represented on legal matters by the New Jersey Attorney General. Adopting the ordinance would have been an important step in moving the project forward after 14 years of inactivity. However, in June of 2000, city council failed to pass the ordinance that would have created the APS.

In July of 2000, the composition of the proposed state-controlled agency for waterfront redevelopment was changed to permit the inclusion of one non-resident board member with voting privileges. During the same month, the city council also reached a consensus allowing the New Jersey State Redevelopment Authority to oversee the project and reintroduced the ordinance that passed unanimously.

Impact on the City

Other than the \$8 million in lost tax revenue, the LGBR team is not able to further quantify the financial impact, nor does the city have a financial impact estimate, on costs to the city resulting from failed efforts to revitalize the waterfront for the fourteen year period beginning in 1986. The costs include, but are not necessarily limited to, substantial losses in tax revenue from ratables, considerable expenses associated with legal fees, and lost job opportunities for city residents. Unfinished, abandoned buildings, properties in disrepair after years of neglect, and deteriorating infrastructure contribute to Asbury Park's negative image as a city in depression. This condition tends to discourage home ownership and small business investment desperately needed for the city's revival. Loss of tax ratables invariably contribute to the diminishing quality of life in the neighborhoods; people who need local government services the most are usually the first victims.

There is general agreement among the citizens and public officials that a renaissance of Asbury Park is connected to the waterfront redevelopment project. Failure to stimulate redevelopment along the oceanfront venue will only serve to perpetuate andacerbate existing conditions. A by-product of the decade-plus deadlock is what may be characterized as an acrimonious relationship, from time to time, between city council members who can not agree on an appropriate and timely course of action. These disagreements may have at least temporarily disarmed city council from resolving other issues important to Asbury Park's immediate and long-term interests.

In the final analysis, tax stabilization, new housing start-ups, commercial redevelopment, restoration of historic buildings, infrastructure improvements, and job opportunities all remain elusive goals if decisions regarding waterfront redevelopment continue to be deferred.

Recommendation:

Unless the city can secure a better offer, the New Jersey Redevelopment Authority would at least provide the following benefits:

- **The City of Asbury Park would designate the Asbury Park Subsidiary (APS) as the municipal redevelopment agency for the Waterfront Redevelopment Plan Area;**
- **The city and the APS will approve the allocation of tasks, and agree to diligently proceed to take the necessary steps and actions to achieve the tasks as allocated;**
- **The APS shall have the rights and powers of a redevelopment agency under the Local Redevelopment and Housing Law;**
- **The APS shall be governed by a board of directors consisting of seven voting members: four officers, directors, or employees of the New Jersey Redevelopment Authority, the mayor, a member of city council, and a designated resident of the city;**
- **The APS shall be represented on legal matters by the Attorney General of New Jersey;**
- **The APS shall establish an Advisory Committee which shall consist of four non-voting members; and**
- **The APS shall adopt and enforce a policy of preferring qualified city residents and businesses for all hiring and contracting by the APS for the agency and for all potential redevelopers.**

URBAN ENTERPRISE ZONE (UEZ)

As previously mentioned, Asbury Park is one of the 27 UEZs in New Jersey. UEZs provide significant incentives and benefits to businesses that locate within the zones designated. Some of the UEZ incentives are as follows:

- Retailers may charge 50% of the state sales tax on purchases.
- Sales tax exemptions for materials and for tangible personal property.
- A one-time corporation tax credit of \$1,500 for the full-time hiring of residents of a city where a UEZ is located who have been unemployed or dependent upon public assistance for at least 90 days.
- Subsidized unemployment insurance costs, for certain new employees.
- Priority for financial assistance from NJ Local Development Financing Fund (LDFF) and Job Training Program.

Asbury Park does have a UEZ advisory board and a UEZ director. However, as previously stated in this report, the city has had four directors in the last five years. Virtually nothing has been done or been achieved in the city from the UEZ program. There is about \$441,000 available for economic development projects in the city and no projects have been submitted to the NJ UEZ Program for approval. Furthermore, the city could not produce any projects to the

team that they were even working on. In 2000, the city did hire a new UEZ director and he indicated orally to the team some ideas for projects that he wanted to move forward on. While efficiency in this department may not directly affect property tax relief, it would make the city eligible to spend the \$441,000 on improvements to center-city.

ECONOMIC DEVELOPMENT

One of the most commonly heard themes in Asbury Park is the need for economic development and revitalizing the downtown area. All elected officials and appointed officials agreed the proliferation of business activity was essential to stabilizing property taxes. It would increase ratables, provide jobs, improve the aesthetics of downtown and attract tourists back to the beaches. It was clearly a top priority for all officials of the city. In light of this, the team was surprised to find no employee assigned to this function. The organizational chart does not include an economic development director nor does the payroll roster. There is no one dedicated to economic development, hence there is no videotape, marketing package, web site, brochure, etc. to “sell” the city to prospective business developers, who are already skeptical about locating in Asbury Park. Neither is there any proactive outreach to businesses to get them to come to Asbury Park.

Recommendation:

The team suggests the earlier mentioned reorganization of community development to include a myriad of related functions including economic development. Economic development is not separate and distinct from community development. It is an integral part of community development and should be reflected as such in the city’s organization. There is not added cost inherent in this recommendation. The city is only 1.2 square miles and most of it is encompassed by the UEZ. Economic development in Asbury Park is not going to occur mutually exclusive from economic development in the UEZ. Therefore, the most efficient approach is to let the UEZ director serve as the economic development director as well. Many of the things the UEZ director will have to do to bring businesses to the UEZ will have to also be done to bring businesses to other parts of Asbury Park. The suggested reorganization for Asbury Park will reflect this recommendation.

LOCAL GOVERNMENT BUDGET REVIEW

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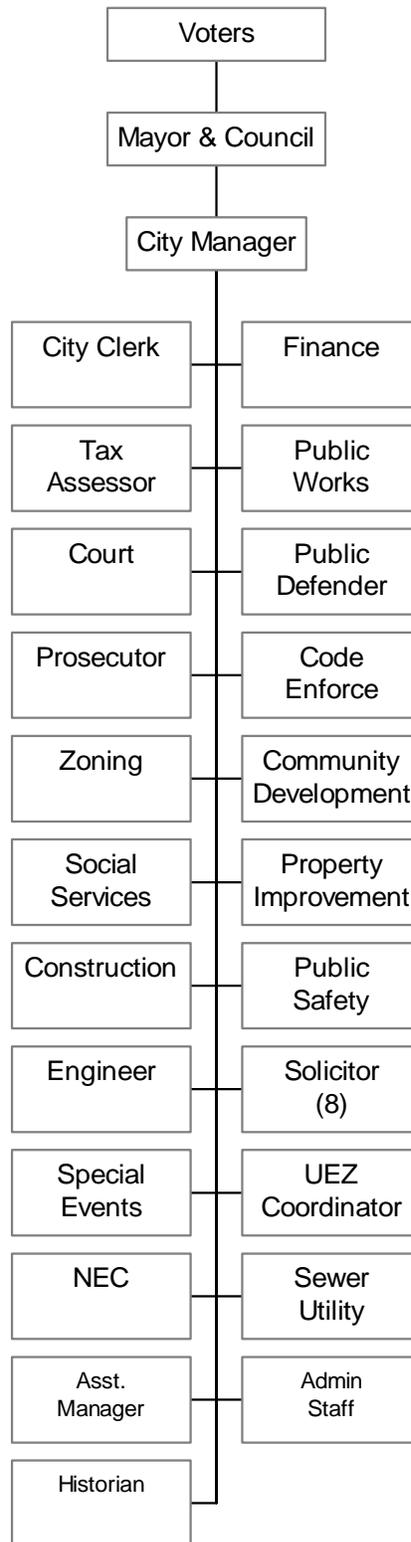
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Appendix A

Current Departments & Reporting Chain



Appendix B

Proposed City Reorganization

