

Government that Works!

NEW JERSEY DEPARTMENT OF THE TREASURY

LOCAL GOVERNMENT BUDGET REVIEW

CITY OF CAMDEN

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JANUARY, 1996



GOVERNMENT THAT WORKS

OPPORTUNITIES FOR CHANGE

The report of the City of Camden Budget Review Team

New Jerseyans deserve the best government that their tax dollars can buy. Governor Christie Whitman is committed to making state government leaner, smarter and more responsive, by bringing a common sense approach to the way government does business. 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 more money is the solution to their problems, and start examining how they spend the money they have now. The State's taxpayers cannot afford to keep sending money to their government. It is time for government to do something different.

There is no doubt that local government costs -- and the property taxes that pay for them -- have been rising steadily over the last decade. Until now, the State has never worked with towns to examine what is behind those rising costs. That is why the Local Government Budget Review Program was created by Governor Whitman and State Treasurer Brian W. Clymer. Its mission is simple: to help local governments find savings, without compromising the delivery of services to the public.

The Local Government Budget Review Program fulfills a promise Governor Whitman made in her first budget address, when she offered the State's help to local governments looking to cut costs. This innovative approach combines 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 management review and consulting service provided to them at no cost by the state.

To find those "cost drivers" in local government, the teams will review all aspects of the local government operation, looking for ways to improve efficiency and reduce costs. The teams will also document those State regulations or legislative mandates which place an unnecessary burden on local governments, and suggest which ones should be modified or eliminated. Finally, the teams will note where local governments are utilizing "Best Practices" -- innovative ideas that deserve recognition and that other municipalities may want to emulate.

This intensive review and dialogue between local officials and the review team is designed to produce significant insight into what factors are driving the costs of local governments, and provide necessary tools to bring meaningful property tax relief to the State.

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 the review of the City of Camden, team members interviewed each elected official, as well as municipal employees, appointees, members of the public and municipal audit reports, public offering statements, annual financial statements, the municipal code and independent reports and recommendations previously developed for the community. The review team physically visited and observed the work procedures and operations throughout the municipal government to observe employees in the performance of their duties.

In general, the review team received cooperation and assistance of employees and elected officials. That cooperation and assistance was testament to the willingness on the part of many 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. These estimates have been developed in an effort to provide the community an indication of the potential magnitude of each issue and the savings or cost to the community. We recognize that all of these recommendations can not 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 that the estimates are conservative and achievable.

**LOCAL GOVERNMENT BUDGET REVIEW
EXECUTIVE SUMMARY
CITY OF CAMDEN**

Mayor's Office

Consideration should be given to the reduction of two clerical and one community outreach staff positions. Savings would be approximately \$114,910 in salaries and benefits.

Finance

It is recommended that the city hire a Fund Accountant and an Internal Auditor to improve compliance and accounting functions. The total estimated cost for these positions is \$84,500.

Aggressive investment practices should be instituted, which would yield approximately \$110,229 in investment income. It is estimated that an additional \$42,500 in interest on bail accounts could be earned if permitted by the judiciary.

Cash contributions to private and non-profit agencies should be terminated. Savings would be approximately \$53,900.

Revenue Collection

The team believes that the longevity payment being made to the department head who was only rehired seven months ago should be eliminated. This would be a savings of \$2,688 at the current rate.

Interest earned from the completion of a tax sale earlier in the year would generate approximately \$50,000 in increased interest revenue.

The review team believes that costs for the lien compilation contract are unnecessary, since the staff should take responsibility for the work involved for a savings of approximately \$157,000.

The value of tax abatements unsupported by documentation is \$814,520. Appropriate and timely agreements must be in place prior to the granting of such abatements.

The city should stop the practice of canceling taxes by resolution. This has cost the city \$460,000 in FY 95, alone.

Past due rents should be determined and collected by the city. Estimated rents due total \$128,000.

The city should consider the addition of two meter inspectors to assist in the water billing operations. The estimated cost of this staff is \$72,995.

Tax Assessor

The city should not contract for work related to county tax appeals. Staff should be responsible for this work for a savings of \$87,500.

The improper tax exemptions granted for the Broadway Townhouse properties should be removed from the tax records and full taxes should be charged. This would yield approximately \$47,000 annually in additional tax revenue.

Purchasing

It is suggested that the position of Supervising Program Analyst be eliminated at a salary and benefit savings of approximately \$58,522.

The team recommends the possible addition of up to two staff positions at an estimated cost of \$65,000 in salary and benefits.

Division of Engineering and Construction Management

The city should gradually increase the size of its engineering staff at a cost of approximately \$286,000 in salary and benefits.

Police Department

The city should consider an assessment of fines for false alarms, which would result in additional revenue of \$38,400.

The recommended purchase of adequate body armor would cost an estimated \$84,600.

Additional compensation for certain titles should be discontinued. This would save approximately \$15,000.

The elimination of the duplication of Crossing Guard posts would yield a savings of approximately \$60,000. This action would not result in the loss of adequate safety measures for the children.

Fire Department

There is an urgent need to reduce overtime costs. Strict procedures against overtime abuse would save the city an estimated \$1.3 million.

An estimated savings of approximately \$35,100 in salary and benefits could be realized through the future replacement of the Chief Fire Apparatus Officer with a civilian instead of a firefighter.

Approximately \$125,000 could be saved through the relocation of an engine company.

The addition of up to two clerical positions is suggested. The approximate cost of this would be \$59,800.

Environmental Affairs

Operational changes would result in an estimated \$238,041 in productivity enhancement.

Collection of past due board-up and demolition expenses and the contracting of all non-emergency demolition work should be pursued at a savings or revenue enhancement of approximately \$3,241,151.

The city should seek county reimbursement for street sweeping of county roads. This would result in approximately \$21,934 in additional revenue. The fine for alternate side of the street parking violations should be increased for approximately \$198,900 in additional annual revenue. A change in the street sweeping operations, including staff reductions, would result in a savings of approximately \$47,000.

A reduction in the number of recycling staff and an increase in the recycling rate could yield \$399,942 in revenue for the city.

Personnel/Labor Relations

The city should renegotiate contracts to reduce or eliminate benefits such as sick leave payouts, terminal leave provisions, longevity pay, and severance pay. These changes would result in at least \$2,284,450.

Health Benefits

Changes in the provision of health benefits regarding retirees and co-payments could result in as much as \$1,751,000 in savings to the city.

The city should enforce the agreement for reimbursement for benefit coverage from the Parking Authority, which has not been done since May, 1989. Approximately \$64,942 is owed to the city thru FY 95.

Housing and Community Development

Revenue from the implementation of a suggested resale ordinance could be approximately \$59,175.

Fleet Management

A reduction in outside vendor maintenance would result in an estimated savings of \$90,000.

Using the state contract or the bid process for vehicle purchases, rather than leasing, could yield a savings of approximately \$301,000.

Telecommunications

The city should investigate the possibility of securing telecommunications services from utility and equipment vendors currently being used by the city. This could eliminate two clerical positions at a savings of approximately \$52,000 in salary and benefits.

City Clerk

Duplicate advertising costs should be eliminated, which would save approximately \$15,265.

**COMPARISON OF BUDGET APPROPRIATIONS, STATE AID, AND
LOCAL TAX RATE WITH RECOMMENDED REDUCTIONS IN THE
CITY OF CAMDEN COST OF GOVERNMENT**

| <u>Areas Involving Monetary Recommendations</u> | <u>Itemized Costs/ Savings</u> | <u>Totals</u> |
|--|------------------------------------|--------------------|
| Mayor's Office | | \$114,910 |
| Reduction of 2 clerical staff positions | \$67,555 | |
| Reduction of 1 community outreach staff positions | \$47,355 | |
| Finance | | \$122,129 |
| Hire Fund Accountant | (\$39,000) | |
| Hire Internal Auditor | (\$45,500) | |
| Investment income (including bail accounts) | \$152,729 | |
| Eliminate cash contributions | \$53,900 | |
| Revenue Collection | | \$1,539,213 |
| Elimination of longevity payment | \$2,688 | |
| Interest earned from earlier tax sales | \$50,000 | |
| Elimination of lien compilation contract | \$157,000 | |
| Tax revenue from unsupported abatements | \$814,520 | |
| Elimination of tax cancellations by resolution | \$460,000 | |
| Collection of past due rent | \$128,000 | |
| Hire 2 meter inspectors | (\$72,995) | |
| Tax Assessor's Office | | \$134,500 |
| Elimination of contract for county tax appeals | \$87,500 | |
| Elimination of improper tax exemptions | \$47,000 | |
| Purchasing | | (\$6,478) |
| Elimination of Supervising Program Analyst position | \$58,522 | |
| Hire 2 additional staff for technical staff operations | (\$65,000) | |
| Division of Engineering & Construction Management | | (\$286,000) |
| Increase in engineering staff | (\$286,000) | |
| Police Department | | \$28,800 |
| Assessment of fines for false alarms | \$38,400 | |
| Purchase of body armor | (\$84,600) | |
| Discontinue compensation for certain titles | \$15,000 | |
| Eliminate duplication of Crossing Guard posts | \$60,000 | |

**COMPARISON OF BUDGET APPROPRIATIONS, STATE AID, AND
LOCAL TAX RATE WITH RECOMMENDED REDUCTIONS IN THE
CITY OF CAMDEN COST OF GOVERNMENT**

| <u>Areas Involving Monetary Recommendations</u> | <u>Itemized Costs/ Savings</u> | <u>Totals</u> |
|---|------------------------------------|--------------------|
| Fire Department | | \$1,400,300 |
| Reduce overtime costs | \$1,300,000 | |
| Eventual replacement of Chief Fire Apparatus Officer w/civilian | \$35,100 | |
| Relocate engine company | \$125,000 | |
| Hire 2 clerical positions to assist in the training division and fire prevention area | (\$59,800) | |
| Environmental Affairs | | \$4,147,868 |
| Work week productivity enhancement | \$132,745 | |
| Productivity enhancement through reduction of sick time abuse | \$106,196 | |
| Collection of prior board-up revenue | \$709,770 | |
| Savings through contract demolition of structures | \$151,655 | |
| Collection of prior demolition revenue | \$2,379,726 | |
| County reimbursement for street sweeping | \$21,934 | |
| Increase alternate side of the street parking fine | \$198,900 | |
| Change in street sweeping operations | \$47,000 | |
| Reduce recycling crew size & increase recycling participation | \$399,942 | |
| Personnel/Labor Relations | | \$2,284,450 |
| Eliminate terminal leave provision | \$500,000 | |
| Eliminate longevity pay | \$1,684,450 | |
| Eliminate severance pay | \$100,000 | |
| Health Benefits | | \$1,815,942 |
| New approach to health benefit cost containment | \$1,751,000 | |
| Enforcement of benefit payment agreement w/Parking Authority | \$64,942 | |
| Housing and Community Development | | \$59,175 |
| Revenue from proposed resale ordinance | \$59,175 | |
| Fleet Management | | \$391,000 |
| Reduction in outside vendor maintenance | \$90,000 | |
| Use of state contract or the bid process for vehicle purchases | \$301,000 | |

**COMPARISON OF BUDGET APPROPRIATIONS, STATE AID, AND
LOCAL TAX RATE WITH RECOMMENDED REDUCTIONS IN THE
CITY OF CAMDEN COST OF GOVERNMENT**

| <u>Areas Involving Monetary Recommendations</u> | <u>Itemized Costs/ Savings</u> | <u>Totals</u> |
|--|------------------------------------|---------------------|
| Telecommunications | | \$52,000 |
| Elimination of clerical staff | \$52,000 | |
| City Clerk's Office | | \$15,265 |
| Eliminate duplicate advertising | \$15,265 | |
| TOTAL BUDGET SAVINGS | | \$11,813,074 |
| Total amount raised for municipal tax (FY 95) | | \$21,517,395 |
| Savings as a % of municipal tax | | 55% |
| Total Budget (FY 95) | | \$90,857,585 |
| Savings as a % of budget | | 13% |
| Total State Aid (unrestricted FY 95) | | \$24,761,946 |
| Savings as a % of State Aid | | 48% |

**COMPARISON OF BUDGET APPROPRIATIONS, STATE AID, AND
LOCAL TAX RATE WITH RECOMMENDED REDUCTIONS IN THE
CITY OF CAMDEN COST OF GOVERNMENT (ADDENDUM)**

Typically, we do not include an addendum of this type to our estimate of total savings available to the municipality. However, because of the extent of the costly spending decisions and questionable policies in the operations of the city government in Camden, we have identified an even higher total of dollars lost to the city than that which we used in our standard estimate of total savings. This estimate refers to a greater extent of funds lost to the city in the areas we reviewed by including dollars lost in previous years not under our review and which we believe may be the true measure of the value of the errors made.

| <u>Areas Involving Monetary Recommendations</u> | <u>Total Dollars Lost</u> |
|--|---------------------------|
| Mayor's Office | \$114,910 |
| Reduction of 2 clerical staff positions | \$67,555 |
| Reduction of 1 community outreach staff positions | \$47,355 |
| Finance | \$15,742,129 |
| Hire Fund Accountant | (\$39,000) |
| Hire Internal Auditor | (\$45,500) |
| Investment income (including bail accounts) | \$152,729 |
| Collection of Grant-in-Aid Receivables | \$15,620,000 |
| Eliminate cash contributions | \$53,900 |
| Revenue Collection | \$1,539,213 |
| Elimination of longevity payment | \$2,688 |
| Interest earned from earlier tax sales | \$50,000 |
| Elimination of lien compilation contract | \$157,000 |
| Tax revenue from unsupported abatements | \$814,520 |
| Elimination of tax cancellations by resolution | \$460,000 |
| Collection of past due rent | \$128,000 |
| Hire 2 meter inspectors | (\$72,995) |
| Tax Assessor's Office | \$273,398 |
| Elimination of contract for county tax appeals | \$87,500 |
| Elimination of improper tax exemptions | \$185,898 |
| Purchasing | \$2,365,525 |
| Elimination of Supervising Program Analyst position | \$58,522 |
| Hire 2 additional staff for technical staff operations | (\$65,000) |
| Utilization of competition in Professional Service & EUS contracts | \$2,372,003 |
| Division of Engineering & Construction Management | (\$286,000) |
| Increase in engineering staff | (\$286,000) |

**COMPARISON OF BUDGET APPROPRIATIONS, STATE AID, AND
LOCAL TAX RATE WITH RECOMMENDED REDUCTIONS IN THE
CITY OF CAMDEN COST OF GOVERNMENT (ADDENDUM)**

| <u>Areas Involving Monetary Recommendations</u> | <u>Total Dollars Lost</u> |
|---|---------------------------|
| Police Department | \$86,400 |
| Assessment of fines for false alarms | \$96,000 |
| Purchase of body armor | (\$84,600) |
| Discontinue compensation for certain titles | \$15,000 |
| Eliminate duplication of Crossing Guard posts | \$60,000 |
| Fire Department | \$1,400,300 |
| Reduce overtime costs | \$1,300,000 |
| Eventual replacement of Chief Fire Apparatus Officer w/civilian | \$35,100 |
| Relocate engine company | \$125,000 |
| Hire 2 clerical positions to assist in the training division and fire prevention area | (\$59,800) |
| Environmental Affairs | \$6,719,967 |
| Work week productivity enhancement | \$132,745 |
| Productivity enhancement through reduction of sick time abuse | \$106,196 |
| Collection of prior board-up revenue | \$1,000,935 |
| Savings through contract demolition of structures | \$151,655 |
| Collection of prior demolition revenue | \$4,660,660 |
| County reimbursement for street sweeping | \$21,934 |
| Increase alternate side of the street parking fine | \$198,900 |
| Change in street sweeping operations | \$47,000 |
| Reduce recycling crew size & increase recycling participation | \$399,942 |
| Personnel/Labor Relations | \$2,284,450 |
| Eliminate terminal leave provision | \$500,000 |
| Eliminate longevity pay | \$1,684,450 |
| Eliminate severance pay | \$100,000 |
| Health Benefits | \$1,822,313 |
| New approach to health benefit cost containment | \$1,751,000 |
| Enforcement of benefit payment agreement w/Parking Authority | \$71,313 |
| Housing and Community Development | \$59,175 |
| Revenue from proposed resale ordinance | \$59,175 |

**COMPARISON OF BUDGET APPROPRIATIONS, STATE AID, AND
LOCAL TAX RATE WITH RECOMMENDED REDUCTIONS IN THE
CITY OF CAMDEN COST OF GOVERNMENT (ADDENDUM)**

| <u>Areas Involving Monetary Recommendations</u> | <u>Total Dollars Lost</u> |
|--|---------------------------|
| Fleet Management | \$391,000 |
| Reduction in outside vendor maintenance | \$90,000 |
| Use of state contract or the bid process for vehicle purchases | \$301,000 |
| Welfare | \$200,939 |
| Eliminate rent overpayments | \$200,939 |
| Telecommunications | \$52,000 |
| Elimination of clerical staff | \$52,000 |
| City Clerk's Office | \$15,265 |
| Eliminate duplicate advertising | \$15,265 |
| TOTAL BUDGET SAVINGS | \$32,780,984 |
| Total amount raised for municipal tax (FY 95) | \$21,517,395 |
| Savings as a % of municipal tax | 152% |
| Total Budget (FY 95) | \$90,857,585 |
| Savings as a % of budget | 36% |
| Total State Aid (unrestricted FY 95) | \$24,761,946 |
| Savings as a % of State Aid | 132% |

TABLE OF CONTENTS

| | |
|--|------------|
| INTRODUCTION | 1 |
| REPORT PREVIEW | 3 |
| BEST PRACTICES | 4 |
| FINDINGS AND RECOMMENDATIONS | 5 |
| Organizational Structure | 5 |
| Mayor’s Office | 6 |
| City Council | 7 |
| Business Administrator’s Office | 7 |
| Ethics..... | 7 |
| Finance Office..... | 9 |
| Office of Revenue Collection | 22 |
| Tax Assessor’s Office | 26 |
| City and Private Property..... | 29 |
| Purchasing..... | 33 |
| Planning and Development | 51 |
| Police..... | 64 |
| Fire Department | 74 |
| Department of Community Affairs | 81 |
| Environmental Affairs | 84 |
| Civil Service..... | 88 |
| Personnel/Labor Relations | 89 |
| Health Benefits..... | 92 |
| Housing and Community Development..... | 93 |
| Fleet Management..... | 96 |
| Fuel Control | 101 |
| Welfare..... | 101 |
| Office of Risk Management..... | 103 |
| Computerization..... | 105 |
| Telecommunications | 111 |
| Municipal Court..... | 111 |
| City Clerk’s Office..... | 121 |
| City Attorney’s Office | 123 |
| SHARED SERVICES | 124 |
| STATUTORY AND REGULATORY REFORM | 127 |

INTRODUCTION

The City of Camden encompasses an area of 8.82 square miles and had an estimated population in 1990 of 87,492. The city has been identified as the fifth poorest in the nation, with a 1989 per capita income of \$7,276. The income of more than one third of Camden's residents fall below the poverty line. The median value of a single family home in 1990 was \$31,300.

Camden has experienced a number of serious economic and social problems over the past 30 years. These include the steady erosion of its economic base, a high unemployment rate, and a high crime rate. The bulk of Camden's workforce does not have the professional and technical skills sought by employers, according to the Empowerment Zone Strategic Plan. These problems exist despite the fact that the city has received a great deal of money through a variety of sources, such as grants from the Delaware River Port Authority, state aid, as well as state and federal grants. In fact, the State of New Jersey has provided Camden with more than \$3 billion over the past 10 years, according to data prepared for the Urban Coordinating Council. Despite these subsidies, the city continues to struggle each budget year for adequate funds to sustain its operations and neglects its infrastructure and capital improvement needs.

These problems have evolved over a long period of time and cannot reasonably be considered to be the result of the action or inaction of a few staff members or elected officials. Based on interviews held with employees, elected officials, appointees, members of the public, and vendors/contractors, we believe that the magnitude of the operation problems that exist in city government permeates departments, functions and programs. We offer the following as examples of what we have been told in interviews and which we have been able to either verify directly through our work or verify that the existing conditions offer little or no controls to prevent these circumstances.

- 1) There is a perception that political influence plays a role in the day to day activities and decision making abilities of employees.
- 2) There is a belief that many jobs are created or filled solely through nepotism or for political reasons and not due to merit or qualifications (see e.g., newspaper reports of the creation of the Camden Dept. of Community Affairs in 1991).
- 3) There are inexperienced and/or unqualified employees in many departments.
- 4) There are numerous instances in which there has been an irregular handling of city affairs, such as the use of city vehicles for personal use, circumvention of rules and regulations, and the lack of follow-up on city requirements and regulations.
- 5) There have been numerous allegations of criminal wrongdoing on the part of city officials, including the improper use of funds, kickbacks, contract award improprieties, the disappearance of city funds received by staff, vendor payments to political operatives in exchange for government work, direction to employees to ignore enforcement responsibilities and requirements for particular people, and the acceptance of bribes by city officials.

The team has heard these allegations loudly and clearly. The frustration felt by most of the individuals interviewed was inescapable. However, it is not the Local Government Budget Review program's place to investigate such allegations. We have, therefore, referred a number of matters to appropriate agencies for their review and follow-up. What the team can substantiate, however, based on our relatively brief, but thorough, review is that there is a serious lack of control and management systems in place in the City of Camden to prevent such problems from occurring. Our objective is not one of judgment. Rather, we will leave it to those who will read this report to draw their own conclusions as to the reasons behind the pervasive problems outlined herein. We believe that the public has every right to expect accountability on the part of their local officials and we acknowledge the efforts of those who have braved the endemic complacency and acceptance of the status quo in an effort to effect change in the way the city conducts its business. If the reasons behind the problems are not addressed by those elected and appointed officials vested with the power and ability to ensure change, little will be done to correct the situation, despite the numerous recommendations contained in this report.

This city must follow this up with its own complete review of every operation, procedure and policy using our report as a guide. Proper practices must be put in place in order for the city to survive. The City Council must start independently questioning actions taken by the government and requiring adequate documentation. Likewise, the Mayor must insist that those who work for the city follow statutory and regulatory requirements. It is the team's strong conclusion that the city cannot continue to operate as it does today.

Despite the severity and extent of these concerns, we believe there is an opportunity to turn this city around and improve these conditions. There is a core of dedicated officials and employees who truly care about Camden and have attempted to hold the city together and administer its business in a professional manner. In fact, the team believes it is through their efforts that Camden continues to function. The city's proximity to the waterfront, the existence of a central business district, the presence of major private employers, colleges and universities, and the growing number of interested residents and local religious and community groups determined to improve the city's lot says that Camden is not without hope. However, the opportunity that exists today must be taken advantage of now, before the city falls into a further state of decay from which it cannot recover. It is dangerously close to that state now.

Many other cities share problems that plague Camden. We urge the city officials to speak to their counterparts in Philadelphia, New York, and Detroit, to name a few. They have all introduced some method or program to cope with the issues that put a tremendous burden on law enforcement, education, and social service agencies.

Camden's problems cannot be solved overnight, regardless of how much money is poured into the city. From our review, it is clear that money alone is not the answer. Every dollar that is wasted in Camden is a dollar taken out of a taxpayer's pocket. It will take careful and sufficient planning and research before improvements can be made. To achieve long term and beneficial improvements for Camden, city officials, religious and community leaders and residents must band together to develop prudent and cost effective plans to change city government.

This report is a factual account of the governmental operations of the City of Camden. The comments made in this report are well-supported and documented and are made in the best interests of the residents of the city.

REPORT PREVIEW

The team found significant lack of control, oversight, follow-up, and documentation in a variety of areas, including financial and tax matters, equipment maintenance, public contracting and personnel matters.

Additional problems reported to and identified by the team, and discussed in greater detail in the report, include the following:

1. Overtime and sick leave abuse in many departments.
2. Significant contracting deficiencies, including the absence of written contracts for a variety of services, vague and unmeasurable scope of service and contract completion date language, non-competitive contract awards, payments made prior to applicable contract services being delivered, and a variety of proposals from different vendors for delivery of Extraordinary Unspecifiable Services that bear substantial similarity in proposals even though the services were vastly different.
3. Payment documentation that is inconsistent with invoices.
4. Duplicate payments made to city officials and vendors.
5. Millions of dollars paid for services which were not awarded through a competitive process.
6. Perception of nepotism in employment.
7. Little verification of the receipt of items purchased or continued security of personal property owned by the city, such as computers and small tools.
8. Payments to vendors for services that are more appropriately the responsibility of city staff.
9. Unauthorized tax abatements and cancellations.
10. Overpayments to landlords for temporary rental assistance.
11. Lack of follow through on demolition and board-up work resulting in lost reimbursements to the city for related costs and inaccurate tax roll records.
12. Lack of follow through on grant requirements to recover over \$15 million in reimbursable funds.
13. Use of city and grant funds for catering, flowers and public relations events, rather than for the program or service itself.
14. Lack of adequate attention to the capital equipment and infrastructure needs of the city, despite available funding sources.

BEST PRACTICES

During the course of all reviews, review teams seek to identify those policies, practices and programs which represent innovative, creative, or particularly efficient ways of handling the affairs of local government. These are practices that exemplify the positive, productive efforts of local officials. We highlight these efforts to bring them to light and share them with other officials in similar circumstances.

Fire Apparatus Rehabilitation

The Fire Department should be commended for both its on-going vehicle maintenance program and its rehabilitation of existing fire apparatus. The refurbishment of one aerial ladder truck in 1994 saved the city approximately \$338,000 when compared to the cost of purchasing a new piece of equipment. While this practice should not take the place of long term capital planning or budgeting for fire apparatus, it is an excellent program and worth noting.

Firefighter Training in Inspections

The last 26 firefighters hired in Camden have been trained and certified as fire inspectors. These firefighters are assigned to inspection duties during their regular tour of duty, which reduces their amount of idle, non-productive time and provides greater inspection services to the community without additional cost other than that of training.

Prisoner Arraignment

In March of 1995, the County of Camden began a process of arraigning prisoners while in the County Jail. This eliminates the need to transport prisoners to Municipal Court for arraignment, and, therefore, saves on those transportation costs. We believe this is an effective, worthwhile alternative for other municipalities to consider.

Municipal Court Caseload Processing

The team believes that the judges, with the assistance of court staff, have been able to move cases through the court system in a fair, expeditious manner by utilizing a number of innovative approaches that take into account both individual and justice system concerns. These include combining cases where appropriate, and enrolling defendants in work programs.

FINDINGS AND RECOMMENDATIONS

Organizational Structure

The city operates under the Mayor-Council form of government, with the city divided into four wards. Executive responsibilities and authority of government lie with the mayor, while legislative functions lie with the council. One council member is elected from each ward, and three are elected at-large. Primaries are held in the spring, and the general election is held in November. Council terms are staggered, with the Mayor's election running at the same time as that of the at-large Council candidates. Under this form of government, the Mayor appoints department heads with the advice and consent of council. Subordinates are appointed by department heads. The Mayor may also remove department heads, but the council may veto such removal by a two-thirds vote. The Council has the power to appoint the Municipal Clerk and may remove municipal officers only for cause. The Mayor has veto power over ordinances, but such veto can be overridden by a two-thirds majority of the Council. The Mayor submits the budget to the Council for approval. The Council may reduce items by simple majority, but may increase items only by a two-thirds majority vote. It is clear from our review and from comments made by Council members that, for the most part, City Council members have rarely questioned mayoral decisions and/or city activities or expenditures. As a result, the system of checks and balances that should be integral to this governmental structure appears, as a practical matter, ineffective.

In July of 1994, the Mayor submitted a proposed reorganization of city government to the City Council. The reorganization was intended to provide a more effective and efficient manner of operation, as well as to establish stronger lines of accountability and responsibility. Despite this effort, however, we believe the structure of city government is inconsistent with sound organizational principles and with the Code of the City of Camden. For instance, as a result of the reorganization, the Mayor appointed the Director of Finance as the Acting Business Administrator. However, in December of 1993, City Council created the position of Director of Finance and removed the responsibility for finance from the Business Administrator.

Though not in accordance with Civil Service regulations, under which the city is supposed to operate, departments are led by "commissioners" who report directly to the Mayor. Departments are then further broken down by divisions and bureaus. In some instances, consultants lead functions and are provided with city offices, city staff and other city resources in addition to their compensation as consultants.

The new organizational structure is in conflict with the Code, titles included on the staff salary listing, and policy and procedure manuals previously adopted for use by specific departments. A legal and administrative review of these inconsistencies appears warranted. Particular reorganization suggestions are made for specific departments.

The inconsistencies currently in existence between the Code, the city's reorganization, policy and procedures and actual practices, specifically in regard to span of control and appropriate levels of authority issues, have apparently led to considerable employee confusion over their responsibilities and reporting relationships. This may have contributed to the inaction or irregular activity found in city operations.

Mayor's Office

The Mayor's Office staff includes four clerical positions, four community outreach employees, and a Communications Consultant who has three employees assigned to her (a supervisor and one full time and one part time clerical employee). A person who appears to function as a special assistant is also part of this office, as is a police detective who is assigned to handle walk in reports or complaints, provide security for the Mayor when he is in City Hall, travel occasionally and sometimes drive the Mayor.

The outreach employees address community complaints by referring concerns brought to their attention to the appropriate department(s) for action. Individual departments, not the outreach employees, remain charged with the responsibility of correcting these matters based on statutory or city mandated rules and regulations. The clerical staff apparently handles drop-in and telephone inquiries, word processing and limited record keeping duties for that office alone.

The Communications Consultant is responsible for the operation of the telephone system and related matters. This is a contracted service that has been renewed with the same consultant for the last three years without the benefit of competitive proposals. She is provided with a separate office and staff in City Hall. This contract is discussed later in this report.

The person who appears to function as a special assistant, according to widespread allegations, wields considerable authority and control over city operations according to city staff and officials. It is true that, based on a review of an employee salary listing, this assistant is not given a salary. However, a review of the city's vendor list reveals that companies with which he has been or is associated have received, either directly or indirectly, in excess of \$80,000 in city funds over the past two years. This despite the fact that, according to Department of State records, these businesses have either been suspended or are not on record with the Department of State. These payments include a payment of \$950 for 16,000 copies of a newspaper that is normally distributed as a free publication. This assistant is also the recipient of a cellular phone paid for by the city, according to bills reviewed by the team.

Team members have been advised by a number of city employees and officials that, in their opinion, this assistant has interfered with staff to the detriment of city operations. At the very least, the imposition of a person apparently functioning as a special assistant on city government operations has created a great deal of confusion as to the lines of authority in place in City Hall.

Recommendations:

It is recommended that the City Council request clarification of the role of this special assistant and that a determination be made as to the extent of coverage that would be appropriate under applicable ethics rules regarding such role.

We suggest that the detective be reassigned to the Police Department, which would be a more appropriate use of his services.

The city should also consider reducing the current number of secretarial/clerical support positions in the Mayor's Office, as it appears that this office has more of a referral responsibility than a direct operational responsibility for handling the issues and

complaints brought to its attention. Increased secretarial/clerical responsibilities could be sought from each department to provide the Mayor's Office with adequate and appropriate documentation of the status of departmental activities, particularly those related to the issues brought to the attention of the Mayor's Office. The team believes there is a possibility to eliminate two support positions without necessarily having an adverse effect on the office activities.

Cost Savings: \$67,555 in salary and benefits based on average secretarial/clerical salaries

It is further recommended that the necessity for four community outreach positions be reconsidered. It is worth investigating the need for four people whose job is mainly performing preliminary investigations or inquiries, handling clerical duties related to those investigations, and referring actual follow-up action to individual departments. We suggest that at least one staff position could be eliminated.

Cost Savings: \$47,355

City Council

The City Council's Office is staffed by two secretarial/clerical employees. This office also includes a City Council Attorney to provide legal advice and assistance to the council. The responsibilities and authority of the City Council were discussed in the Organizational Structure section of this report.

Business Administrator's Office

The Business Administrator's Office is staffed by the Business Administrator and two secretarial support positions. The Business Administrator is responsible for the following departments/bureaus: Finance, Purchasing, Personnel, Tax Assessor, Tax Collector, Planning, City Properties, Fire, and Affirmative Action. The Business Administrator answers directly to the Mayor and is not required to attend City Council meetings.

Recommendation:

We recommend that the Business Administrator be required to attend all City Council meetings to address concerns and answer questions brought by the public and the City Council. This would provide a more immediate response to issues. Currently, the Business Administrator's absence results in a good deal of information apparently either not being provided to the public or not known by those city officials present at Council meetings.

Ethics

The team has identified the following instances where it appears that sound ethical judgment has not been demonstrated by city officials. The individual who is apparently functioning as a special assistant to the Mayor has, at least at one time, had an interest in a variety of corporations that have done or are doing business with the city in violation of the city's Conflict of Interest

policy found in some contracts. We cannot tell whether this is due to the overall inadequacy of records provided by the city to the review team, the lack of current record filings required by the Department of State by organizations doing business with the city, or that the assistant still has an interest in these corporations. The team has seen nothing that indicates that this special assistant has, due to his role in city government, disassociated himself with the companies in which he, at least at one time, had an interest.

The membership of the Board of Directors of one of the city's non-profit agencies receiving funds from the city is made up of several city officials, including the official directly responsible for the disbursement of funds to non-profit agencies.

Ethics Disclosure Forms were not filed with the state by any Camden City official for 1995, according to a review of the files from the Department of Community Affairs. These forms were submitted in 1994 by only 3 officials, none of whom were elected officials or department heads. It is a state requirement that this form be completed by city officials each year and submitted to the State Department of Community Affairs.

The disregard for ethical consideration is also evident in the city's choice of business and non-profit agencies with which it does business. The team believes that there are several competent organizations which truly have the best interest of the citizens of Camden at heart. However, there are many who are questionable, as evidenced by the following:

The team reviewed the status of 39 businesses and non-profit agencies which either have been or are reportedly planning to do business with the city, or have received approvals from the city. The Department of State and the Office of Charities Registration were consulted for compliance of these businesses with registration and reporting regulations. This check has revealed a number of matters that are of concern to the review team. The State Department has no record of 6 of these businesses. Of the remaining 33 businesses and non-profits, 14 have been dissolved or revoked for failure to file annual reports or to pay required fees or state taxes. Nine of the businesses that are on record as revoked have been previously suspended by the Department of State primarily for similar reasons. Based on State Department records on file, the trustees or officials of 11 of these 39 businesses apparently include current city officials (both elected and appointed), former city officials, current officials of various city agencies or county political leaders. Six of these 11 organizations have received approximately \$333,125 in city funds in 1994 and 1995. There may be other businesses that also include individuals with similar stature in the community, but since many of them have not filed current annual reports, there is no way to determine who the current board members are. In fact, some records provided to the state are so out of date, that some trustees are now deceased. The twenty organizations that have been revoked or dissolved, or are not on record with the Department of State have been paid at least \$415,000 from city funds in 1994 and 1995 apparently without the use of competitive proposals. It is a requirement of the Department of State and/or the Office of Charities Registration that businesses and non-profits file up-to-date annual reports, including any changes to the Board of Trustees, and submit all annual payments on a timely basis. While a municipality may and should perform its own review of the organizations with which it is involved, there is no statutory requirement to do so. The burden of compliance now rests with the individual organizations.

Recommendations:

City officials have an obligation to the public to conduct the business of government in a manner that complies with substantive and procedural requirements of state and local ethics rules. We are not satisfied there has been strict compliance in every instance. These issues must be corrected immediately.

City officials should not receive city funds for the businesses in which they are involved.

The service of city officials on non-profit agency Boards of Trustees is not necessarily inappropriate or unethical. However, it is inappropriate for those public officials with direct decision making authority, such as elected officials and department heads, to authorize funding for the organizations of which they are a part. These situations should be reviewed on a case by case basis. It is recommended that the official provide public disclosure of her/his interest in the organization prior to funding awards so that the City Council and the public are aware of the interest.

It is further recommended that payments to unregistered, revoked or suspended commercial entities be terminated immediately until compliance with state regulations is assured, particularly for those under suspension. The city should institute a process to check for agency compliance with State Department and Charities Registration reporting requirements prior to paying for the services. This would eliminate the current situation of the city doing business with agencies not in compliance. Further payment should not be made until reviews are completed on each agency.

Finance Office

Staffing

The Office of the Chief Financial Officer/Comptroller is understaffed, underfunded, and undertrained. The Chief Financial Officer, responsible for general financial matters including budget execution, bond issuance, revenue analysis, and all other fiscal matters, currently has a clerical support staff of six, of whom only one has had formal training in fund accounting and municipal budgeting.

The staff performs routine, repetitive functions without full knowledge or understanding of the complexities of municipal budgeting and accounting. As a result, there are numerous inaccuracies in the accounting records. Posting errors occur frequently and essential journal entries are not recorded timely and accurately.

Because the Chief Financial Officer is significantly overburdened, there is little opportunity for in-house training, direct supervision, or oversight of support staff or their work. Thus, staff-produced revenue, expenditure, general ledger and other fiscal management reports are not reconciled or reviewed on a regular basis to ensure accuracy.

As a result, there is a heavy reliance on the outside auditor and his staff to reconcile accounts in preparation of the annual financial statement at the end of the year. Numerous corrections, account transfers, and closing entries must be affected to bring the books into balance and accurately state the fiscal position of the city in the financial statements.

Given the city's \$100 million budget, the volume of transactions, and the complex and diversified functions required of the Chief Financial Officer, there must be adequate staffing by trained personnel. The Chief Financial Officer must have adequate and appropriate assistance in the day-to-day accounting operations so that time can be spent on the reconciliation and review of financial/management reports, budgetary control and general administration of financial matters.

Recommendation:

Since 1988, Camden has been advised by the state to hire at least one professional fund accountant and provide additional training in budgeting and municipal accounting for its current support staff in the Office of the Chief Financial Officer/Comptroller. It continues to ignore this advice. To ensure the accuracy of the records, establish fiscal integrity and maintain accounting standards in compliance with statutory law, it is essential that this recommendation be implemented immediately.

Value Added Expense: \$39,000 in salary & benefits

Accounting Functions

Accounting functions for the city are not centralized within the Office of the Chief Financial Officer/Comptroller. Accounting and fiscal records pertaining to the expenditure of funds from state and federal grants are generated and maintained by departments administering the grant programs. The Finance Office does not receive notification of transactions until after the fact.

As a result, discrepancies exist between the records of the Finance Office and those of the grants' offices. The annual audit report, prepared by the Registered Municipal Accountant, included comments that the accounts of the grant funds could not be reconciled with the general ledger. Further, a review of periodic budgetary reports indicated there may have been large expenditures in certain grant programs that were erroneously charged to the wrong grant program or the wrong year by the user department, necessitating full reconciliation at year end. Because of these problems, the team could not be certain that grant programs were being administered in full compliance with their regulations.

Recommendations:

All accounting functions and books of original entry should be established and maintained by the Office of the Chief Financial Officer/Comptroller. The city should take immediate steps to institute a grant accounting function in Finance to ensure accurate recording and reporting and full compliance with all grant programs. This could be done through the transfer of three employees currently overseeing grants in the Department of Development and Redevelopment.

We suggest that the City Council request audits from individual granting authorities at the state and federal levels to ensure that all grant funds are being disbursed in accordance with the mandates of each grant program. It is also suggested that these agencies review city contract language in regard to compliance with grant agreements. These requests should be made immediately.

Fixed Assets

The city does not maintain a fixed asset accounting system, as required by the Division of Local Government Services' Technical Accounting Directive No. 85-2. As a result, there is no control system in effect to ensure adequate safeguards to prevent loss, damage, or theft of city property. In fact, when the team compared computer purchase orders for the past two years to the computer equipment list developed by the city at our request, there was no correlation for 13 full size computers, two laptops, and two printers. Based on purchase order information, this equipment is worth \$67,435. Also, the city was unable to provide adequate reason why small equipment items, such as hand tools, are purchased repeatedly. While it would have been impractical for the team to perform a physical inventory of every city office and facility to locate these items, we do believe that the city must account for them. The maintenance of a comprehensive fixed asset system would, at the very least, largely prevent the existence of these concerns, and would prevent theft of equipment, if this is occurring. The lack of a fixed asset accounting system also precludes the administration from capital planning and budgeting. Most importantly, the city may be in violation of federal guidelines by not recording the purchase of fixed assets with federal funds or reporting the value of fixed assets in its financial statements.

Recommendations:

Camden must take immediate steps to implement and maintain a fixed asset accounting system. A computerized system is preferred. Recognizing that city personnel may not be able to undertake a complete physical inventory, appropriate action should be taken to contract with an outside organization with such expertise. However, all subsequent purchases of fixed assets must be accurately accounted for through the purchasing process.

The Chief Financial Officer or his designee must establish a subsidiary ledger consisting of detailed property records of current assets and for controlling additions, retirements and transfers of fixed assets. At a minimum, property records must include a description of the asset, serial number or other identifying number, source of asset including grant or other agreement number, acquisition date, and cost.

The city must develop procedures to account for all asset additions and retirements, as well as adjustments to current assets and interdepartmental transfers. In addition, policies and procedures must be established to ensure that the fixed asset inventory system is kept current and reconciled periodically with property records as reported in the financial statements.

Capital Budget

Pursuant to N.J.S.A. 40A:4-43, 44 and 45, a local government is required to adopt a capital budget when the cumulative cost of such items will exceed \$25,000 for capital items with an expected useful life of five (5) years or more. The capital budget must be advertised as

prescribed and, at a minimum, contain the type of asset, estimated cost, and funding source of the planned acquisition. Under the CAP law, the purchase of such items is exempt from the spending limitations.

The city includes a lump sum appropriation for the purchase of capital items such as office equipment, computers and ancillary equipment and tools in each of the department's "Other Expense" budgeted line item, rather than enumerate the proposed purchases in the capital section of its adopted budget. This practice inflates the operating expenses for the current fiscal period and hinders capital budgeting and planning. It also subjects the budget to tighter CAP restrictions and hinders the implementation and maintenance of a fixed asset accounting system.

The capital budget and capital improvement program section of the FY 1993-1995 budgets includes a capital budget consisting of few projects, some of which are repeated every year and still not implemented, requiring expenditures in the current budget year. It appears from these records and other review information that Camden has largely abandoned any effort at making improvements, even those that are either absolutely urgent or essential in nature.

The city makes every effort to avoid the incurrence of additional indebtedness, as it has exceeded its statutory borrowing capacity with the issuance of Fiscal Year Adjustment Bonds in 1991 to fund its transition year budget. Notwithstanding, Camden cannot ignore its needs for rehabilitation of its existing "Improvement/Facilities," the replacement of its antiquated equipment, and its short and long range capital needs.

Recommendations:

Camden should include all capital purchases in the capital section of its annual budget to ensure accurate reporting, accountability and greater citizen awareness. The annual capital budget, detailed in the appropriate section of the budget document, will encourage consideration of the impact that the cost of capital items and upgrading current facilities will have on taxation for that fiscal period.

The Business Administrator, in concert with the Chief Financial Officer, various department heads, and the City Engineer, should assist in the development of a long-range capital plan, with specified funding sources through the capital improvement fund, surplus, Grant-in-Aid, and debt authorization. Utilizing detailed departmental requests should result in a priority rating system that should be budgeted accordingly.

Grant-In-Aid Receivables and Improvement Authorizations

While improvements authorized by the city over the years were at a minimum, an analysis of improvement authorization balances from CY '69 to FY '92 revealed the following:

Camden officials have not sought reimbursement for millions of dollars in Grant-in-Aid receivables it could have received as reimbursement for the few capital expenditures it has made. As a result, nearly \$4 million in tax dollars that could be spent elsewhere to help city residents are needlessly tied up. For example, the city spent \$3.5 million on reimbursable expenditures, but has not collected the money from the various federal and state agencies.

Likewise, in the Water Utility Fund, the amount of grant receivables not yet collected by the city is \$11,376,668. In the Sewer Utility, the outstanding receivables are \$384,664.

It was also noted that various improvement authorizations remain unexpended and the Grant-in-Aid funds available to the city remain uncollected. Specifically, the city can be reimbursed for \$1,491,546 for new capital improvements in the General Fund and \$7,964,240 in the Water Utility Fund. An additional \$507,829 is available for cancellation.

In the Water and Sewer Utility Funds, there are also several funded improvement authorizations from CY '80 to FY '93 which remain unspent as of June 30, 1994. The funds were provided through budget appropriations or via fund balances resulting from cancellation of funded improvement authorizations. The total amount for these ordinances in the Water Utility Fund is \$1,470,384 and Sewer Utility, \$597,729. In fact, the Sewer Utility has had \$362,487.73 authorized, but unfunded since August 10, 1972.

Recommendations:

The administration should investigate the reasons for the city's inability to collect these funds. The team believes that, in many instances, it has been the result of the lack of follow through on project completion and paperwork finalization. Immediate action should be taken to effect these actions so that the city can make appropriate requests for these funds.

Given the age of the receivables, it is questionable whether Camden still has the ability to collect all the money. Nevertheless, an effort should be made to do so. If the money is not collectible, the funding must be provided either through a budget appropriation or through the issuance of indebtedness. In the cases where the city has not currently authorized debt, additional debt must be authorized, e.g., Water Utility Fund – Construction of Water Treatment Plant, Ord. M.C. 2771, \$8,665,000.

The team believes that this situation is further evidence of the need for the grant accountant discussed earlier. This individual would be charged with the responsibility of ensuring that work was completed as required in order to secure full grant funding.

The Chief Financial Officer should consult with the City Engineer on the status of the above referenced projects. Based on the Engineer's recommendation, the Chief Financial officer should take appropriate action for disposition of the funds. If the funds are not needed for the purpose designated, they should be canceled and reappropriated for other needed projects. This amount cannot be ascertained from the audit report due to lack of specificity. Provisions for funding of the 1972 Sewer Utility Ordinance should be made through a budget appropriation or through a note or bond issue.

Encumbrance System

The city's encumbrance accounting system does not meet standards required by the Division of Local Government Services Technical Accounting Directive No. 85-1. It ignores the basic safeguards inherent in the directive's encumbrance requirements, which are meant to ensure that adequate funds exist before a service or product is delivered. The Chief Financial Officer must have the necessary tools available to be able to provide such certification of the availability of funds. The system should be designed to record charges against amounts appropriated for other

expenses as financial obligations are incurred. Upon receipt of a copy of a purchase order from the Purchasing Bureau, finance office staff should be able to enter the appropriate encumbrance into the system prior to the commitment of payment to any vendor. This is not adequately done in Camden, largely because of the use of “advices” and the poor design of the computer system. This results in the city’s inability to meet the requirements of the encumbrance system directive and the existence of poor financial record keeping. This situation makes it extremely difficult for outside agencies to attest to the accuracy and appropriateness of expenditures made by the city.

In more than half of the purchasing transactions, a purchase order is not utilized. In those cases, the finance staff receives an “advice” form, which signifies a confirming order for goods already purchased or for services rendered prior to encumbrance. In these instances, the Chief Financial Officer has no ability to ensure the adequacy of funds prior to service or product delivery or payment commitment and budgetary control is lost. Such a system is intolerable when expenditure discipline is required.

The design of the computer system is flawed. It allows finance staff to enter the payment of “advices” onto the system without a previously assigned purchase order number. The system also accepts charges to appropriation line items with fully expended balances which are then recorded as negative balances on management reports. Thus, the encumbrance accounting system is bypassed and internal and budgetary controls on expenditures are eliminated.

Recommendations:

The administration must enforce the use of a full encumbrance accounting system for all purchases. Department heads must be advised that payments for goods or services will not be made to vendors without a purchase order, issued by the Purchasing Bureau and prerecorded and encumbered by the Finance Office.

The computer system must be modified so that direct payments and entries to overexpended accounts cannot be entered into the system by the finance staff. There must be a control to alert data entry clerks that the payment is invalid and must be reviewed by the Chief Financial Officer or his designee.

Payment and Expenditure Control

A review of paid vouchers or “advices” filed in the Finance Office indicated insufficient documentation supporting such payments. In most cases, appropriate signatures, invoices, receiving slips, contract copies or contract numbers, and claimant’s certifications were missing. Again, since most purchases are made without benefit of a purchase order, there was no certification of funds by the Chief Financial Officer.

In many cases, departments appear to have overspent individual line items in their budgets. It appeared that there were often other line items with significant sums of money available for use when these other line items were overspent. This was particularly evident in budget reports on grants and the Recreation and Neighborhood Services Divisions of the Department of Community Affairs. For instance, the Neighborhood Services Division appears to have overspent certain line items by at least \$132,079 and spent nothing from certain line items with budgeted amounts of at least \$127,745. The Recreation Division appears to have overspent certain line items by at least \$384,523 and spent nothing from other line items with budgeted

amounts of at least \$269,755. These figures do not take into account those line items which have been partially expended. While this is not a violation of the budget law, it appears to be a very strong indication that budget plans established by departments were consistently ignored. Spending is carried out with little regard to budget limits, despite the efforts of some of the professional staff charged with the responsibility of fiscal control. Management does not appear to be controlling spending, or prioritizing those activities and programs the city should focus on during the particular fiscal year. Departmental plans and activities do not appear to complement each other, nor do they produce action towards any one, identifiable direction. This is evidenced by the fact that departments compete against each other for the same grants and there appears to be no planned, concerted effort by all appropriate departments to produce a benefit in a specific area of the city. Money is spent on what the team believes to be frivolous activities for the sake of appearance, instead of an actual service to residents. For example, \$16,000 was spent on promotions and advertising from a Clean Communities grant, rather than on the actual litter pickup and removal activities so sorely needed in this city. Also, a considerable amount of money is spent each year on flowers and catering for programs, rather than on the objectives of the programs themselves. This suggests that the city should reprioritize expenditures.

All bills and claims as represented by the “advices” must be presented to the City Council for approval by resolution and included in the minutes of the Council meeting. While the Treasurer’s Office prepares check registers of payment for all funds, only payments recorded from the current operating fund are presented to Council for approval. Council is not given a listing of payments or expenditures from grant funds. Given the volume of federal and state grants, the amount of funds disbursed from the grant funds, the lack of grant oversight by anyone other than the department head responsible for their implementation, and the number of city-wide projects funded through grants, it is particularly important for Council to review these payments.

The Finance Office does not have full control, authority, or oversight over expenditures or budgetary charges. Account coding, or allocation to line item appropriations, is initiated by the user department on the purchase order or “advice” form submitted to the Finance Office for payment.

A review of payments and expenditure reports revealed several questionable charges and possible misallocations to appropriated budget line items. In one instance, the payment for the installation of a cellular telephone in an elected official’s car was charged to the appropriation, “Risk Management.” This practice occurs most often among expenditures from grant programs. The purchase of 15 tuxedo coats and 14 shirts for the city’s youth orchestra, in the amount of \$1,450 was charged to the budget appropriation, “Recycling Tonnage Grant.” In another case, services rendered for the “Summer Food Program” were charged to the city’s “Clean Community Grant” appropriation. In addition, over \$28,000 in youth trips to the Franklin Institute, skating rinks, bowling centers, and water slide parks were charged to the appropriation for the “Summer Food Program.” These expenditures are clearly not what the state expected or intended for these grant programs.

Erroneous, improper charges to budget line items or grant programs grossly distort current budget status. The practice also precludes accurate future budgets as actual costs for specific goods and services related to city operations cannot be determined. The Finance Office appears to have made attempts to correct this situation, but they have gone unheeded and unsupported.

Recommendations:

A municipality with considerable financial difficulties such as Camden should be actively pursuing ways in which to curb spending. The city should seriously consider placing departments under spending limitations even greater than the budget law requires. This would entail much greater administrative oversight over what is currently departmental discretion as to the type of programs, supplies and equipment for which funds will be expended. This increased administrative oversight should be implemented at the time budgets are submitted by department heads to ensure that the departmental budget requests reflect priorities of a professional administration and a cohesive, well-planned fiscal year.

It is essential to accurate reporting and budget control that the Finance Office pre-audit and approve all charges to appropriations, as provided for in the adopted budget. Creating the position of internal auditor and filling it with an experienced accountant to verify budget allocations would significantly improve fiscal and budgeting operations. Working in cooperation with the Chief Financial Officer and the grant accountant, the internal auditor would provide the oversight and internal control required for accuracy in financial reporting and compliance.

Value Added Expense: \$45,500 in salary & benefits

Under the guidelines of the Technical Accounting Directive on Encumbrance Accounting, vouchers or “advices” of the city must contain, at a minimum, the signature of the vendor certifying that the material was provided and no payment or favor was received by the vendor for the delivery of the good or service from a municipal employee. Additionally, there must be an invoice or billing slip from the vendor and a receipt signed by the employee signifying acceptance of the goods or services.

There should be a certification of funds by the Chief Financial Officer for each voucher. While this should be accomplished prior to issuance of the purchase order, it is imperative that the Chief Financial Officer examine budget balances prior to approving final payments and attest to the availability of funds.

Pursuant to N.J.S.A. 40A:5-17, Council must be presented with a complete listing or check register of payments made from all city funds, including grant funds, and accounts for approval and inclusion in the City Clerk’s minutes.

Fund Accounting

The Division of Local Government Services, pursuant to the New Jersey Fiscal Affairs Law, requires a fund structure of accounting with detailed fund reporting primarily designed for compliance with legal provisions, budgetary restrictions, and the stewardship of public funds. The fund structure includes a set of self-balancing accounts which provides for separate reporting of income and expenditure by type of function or operation. Each fund has its own legal premise and separate operation which it was established to fulfill.

Accordingly, Camden is required to maintain separate accounts for the general capital fund and any trust fund for which receipts must be used solely for a specific purpose. Camden, however, violates that law by commingling funds utilizing a “clearing” account for the receipts and disbursements of all current fund operations, capital fund and “other trust” fund transactions.

A review of the listing of Camden’s bank accounts indicated that the majority of the separate trust accounts have been established without application and approval from the Division of Local Government Services. Under the provisions of N.J.S.A. 40A:4-39, no municipality may establish dedication by rider trust funds for the receipt and disbursement of certain funds without approval from the Division.

Recommendations:

The city must, in compliance with the law, maintain separate bank account records and appropriate ledgers for the general, capital and the “other trust” funds. Funds may be pooled, however, for investment purposes and interfund balances established.

The City Treasurer should determine which trust funds have been approved by the Division for dedication by rider and submit an application to the Division for those without approval. If the Division determines that there is no legal authority for the establishment of a specific trust fund, the account must be closed immediately.

Treasury Management and Cash Flow

There is an overlapping of duties between the Chief Financial Officer and the Treasurer related to treasury management and cash flow. While the responsibility of cash management, bank reconciliation and cash flow analysis should rest solely with the Treasurer, the Chief Financial Officer has the responsibility of maintaining and reconciling the current fund bank account. As a result, the Treasurer is unable to maintain a daily book balance of funds in all accounts, project cash flow or determine a term for investment of idle cash. Without control of disbursements from the current fund and knowledge of all outstanding checks, the Treasurer is limited to investing less idle funds on a daily basis through the “sweep” account.

The Finance Office currently maintains twenty three separate bank accounts, many of which were established for the receipt and disbursement of funds from specific grant programs. Some of these accounts maintain small balances. The large number of accounts to be reconciled each month places an additional burden on the Treasurer’s staff and precludes the city from greater interest earnings through a more complete use of a “sweep” account.

The Comptroller/CFO and Treasurer review the transactions recorded in each bank account to determine the availability of funds. This is done on a regular basis due to the volume of transactions. However, it is performed without the aid of any cash flow model or plan.

In addition to deposits in the checking and trust fund accounts, the city has 29 Certificates of Deposit, with an estimated value of \$925,000. The maturity dates range from 10/1/95 to 10/1/97, with terms from 30 days to 36 months.

Pending research currently being done by the Treasurer regarding the disposition of these certificates, the aggregate of the certificates maturing on the same date may be used to purchase a single higher yield certificate. In the meantime, only 30 day terms are being considered for C/Ds reaching maturity.

During FY 95, the estimated interest earned from 23 checking accounts and trust funds, was \$13,500. However, the city had the potential for interest earnings estimated at \$119,100 for a potential revenue enhancement of \$105,500. These estimates do not include the four Municipal Court accounts and three federal program funds, which will be discussed later in the report.

The Municipal Court Director maintains one Bail Account for criminal offenses and one for traffic. During FY 95, the combination of these accounts maintained an average daily balance of \$1,037,000. Additionally, there are two General Operating Accounts, one for criminal, and one for traffic. These accounts maintained an aggregate average daily balance of \$236,000.

The Camden City Municipal Court is utilizing the Judiciary's Automated Traffic System and Automated Complaint System (ATS/ACS) for case management and for the processing of all financial transactions. The Judiciary has established ATS/ACS as the accounting standard for courts utilizing that system. The Court Director has been under the impression that the Bail Accounts are exempt from earning interest, and therefore, funds cannot be invested. We researched a number of publications, contacted a municipal auditing firm, and spoke to Court Administrators in other municipalities and states. This is an issue that requires further investigation and determination, however, we believe that it would serve the best interest of all municipalities if this practice was adopted statewide.

The two banks holding deposits for the City of Camden are United Jersey and Chemical (recently acquired by PNC Bank). Neither bank charges a fee for deposit, withdrawal, or wire transfer transactions, or for check printing. However, each bank expects a suitable balance to remain in the account, at the end of the business day, to cover these service costs. This process, referred to as "compensating balance," is used in lieu of charges for each transaction, and for check printing.

The Treasurer and Grant Program Coordinator also maintain three federal grant accounts: Community Development Block Grant, Home Project, and Rental Rehabilitation Program, with an estimated average daily balance in FY 95 of \$186,000. These federal programs are governed by an established set of rules and requirements known as the Code of Federal Domestic Assistance and the Code of Federal Regulations.

For example, these federal programs are prohibited from earning interest and the grantee is required to maintain a zero balance in the program account, with the exception of a reasonable time between the draw-down (deposit) and payment (withdrawal). Funds are never to remain in a grantee's account without express written permission from the grantor. If there is a residual, the creditor should be notified immediately, and the grantee instructed to return the excess, or apply it to another program. These funds are distributed through the United States Treasury, and program funds must be managed with extreme care. Camden's Rental Rehabilitation Program has consistently violated this directive, keeping funds in an active checking account, even though federal funding ceased several years ago.

The Business Administrator, Comptroller/CFO and Treasurer are authorized to approve vendor payments. These payments are for all products and services from office supplies to professional services. However, the purchase order and its accompanying documents do not indicate when, and in what condition, the product was delivered. If the Finance Office had this information, the original invoice, work order or contract could then be “closed-out” and the funds disposed of appropriately. Since the Finance Office is not cognizant of a project’s completion, it has no choice but to continue maintaining a specific bank account which is earmarked for a particular project. This creates unnecessary overhead in maintaining a bank statement and performing a monthly reconciliation.

Recommendations:

All functions related to the receipt and disbursement of cash, including the issuance of checks, transfer of funds, and bank account reconciliations should be delegated to the Office of the Treasurer. The Treasurer must maintain a daily cash book balance for all funds to provide maximum return on cash balances through appropriate investment of idle funds. The Treasurer should make every effort to utilize the highest yield investments available. Notwithstanding the statutory requirements for the separation of particular accounts for accounting purposes, the city should pool all appropriate funds for investment purposes.

Revenue Enhancement: \$105,500

The Municipal Court Director should contact the AOC to determine if the Criminal and Traffic Violations Accounts can be invested with other city accounts in the Finance Office overnight account investment program. Using FY 95 account balances as a basis for comparison, Camden City has the potential of earning an estimated \$4,729 per year from its court accounts, if they are converted to interest-bearing. All future earnings from these accounts must be credited back to the General Fund.

Revenue Enhancement: \$4,279

It is suggested that the Court Director contact the County Trial Court Administrator and the Administrative Office of the Courts to determine if a policy regarding the placing of bail money in an interest bearing account has been established. We estimate that this could result in approximately \$42,500 in interest income.

Revenue Enhancement: \$42,500

The City Treasurer and Finance Officer should work with city banks to ensure that Camden has the most efficient and cost effective cash management system to satisfy the city’s needs. Banks offer a variety of services such as sweep accounts, computerized controlled disbursements and electronic balance reporting that offer greater investment opportunities for municipalities, and each should be fully investigated by these individuals.

All persons involved with the administration of federal programs for the City of Camden, should be familiar with the appropriate federal guidelines. The team provided these documents to the Treasurer, Program Coordinator and City Attorney. Excess funds should immediately be expended or returned to the grantor, in compliance with the regulations. Moreover, as soon as program funding is expended, the trust account should be closed.

In the absence of federal or state laws requiring segregation of funds and establishment of separate trust funds, and recognizing that the Comptroller's Office must maintain appropriate records and subsidiary ledgers for the receipt and disbursement of all municipal funds, there is no need to maintain the number of bank accounts now utilized for grant programs. All receipts and disbursements for funding of grant programs should flow through the current fund operating budget and the general bank account or through one fund for all grants. This reduction in the number of accounts will also free up staff time now required for maintenance of these accounts.

We strongly urge the Chief Financial Officer and Treasurer to develop a daily cash flow worksheet, with the intent of expanding it to a long-term, annual cash flow report.

We strongly urge the Finance Office to continue its efforts to close C/D Accounts that serve solely as a repository for inactive funds. This allows the funds to be mobile, while earning higher interest. Moreover, this will also reduce administrative overhead by minimizing the maintenance of these certificates in terms on reconciling and reporting. From now on, when C/Ds are purchased, shorter terms should be considered to take advantage of a changing market.

We urge the administration to consider opening an account with the New Jersey Cash Management Fund to enhance interest earnings.

We also suggest that all department heads notify the Finance Office and Purchasing Office, in writing, when a project has been completed to their satisfaction. This would strengthen internal controls, enhance project histories, and allow the Finance Office to determine final disposition of a bank account after the project funds are expended.

Working Conditions

The physical appearance of the Finance Office, including Treasury, does not provide an environment appropriate to safety, productivity, or motivation of its employees. There are boxes stacked from the floor to the ceiling lining the hallways leading to the offices, containing records that are at least five to ten years old. Record boxes are also stored throughout the office, on old file cabinets, empty desks, and the floor. The furniture is very old and many chairs are dirty and broken. Only half of the floor space in the Finance Office is utilized; the balance of the office consists of empty desks covered with accounting records. Similar conditions have been found in many city government offices.

Recommendations:

A records retention official should be appointed from current staff who, under the guidelines of statutory law, would be responsible for proper disposal and storage of financial and accounting documents. A policies and procedures manual should be developed for department heads detailing the requirements of records retention and immediate steps should be taken to dispose of unnecessary documents. Additionally, the city should give consideration to the archive warehousing of records outside of City Hall until document imaging of all records can be accomplished.

Travel Expenditures

In reviewing travel expenditures for fiscal year 1995, some questionable expenses or procedural irregularities were noted which suggest that a formal policy on travel or attendance at conferences has not been established by the administration. There also appears to be little oversight or approval of such expenses.

In one instance, two employees attended conferences in Boston with transportation arrangements made through a local travel agent. According to records on file in the Finance Office, a check in the amount of \$258 was issued to the agent for payment of train transportation to the conference, while another check for \$373 was issued to the same agent for air travel to the conference for the same employees. On the same trip, the two female employees requested separate "superior" guest rooms, at a cost of \$201.84 per employee for two nights lodging. It should also be noted that the payment for the trip was made on a straight "advice" form, without benefit of a purchase order and encumbrance of funds.

Several payments made for reimbursement for attendance at various conferences lacked adequate supporting documentation, such as receipts for tolls, gasoline, meals and lodging. In payment for attendance by an elected official at one conference in particular, there appeared to be a double billing for meals, unless additional staff attended which was not noted.

Recommendations:

The city should establish a formal travel policy specifying, at a minimum, employee eligibility, purpose, and number of employees per conference for city-paid travel expenses. Unless otherwise authorized in advance by administration, conference attendance should be limited to appropriate personnel as defined by the program content of the conference. A total per diem allowable cost should also be established. Conference attendees should be required to submit receipts for all expenses within a relatively short period of time after attendance and travel arrangements should be processed through the purchase order/encumbrance system wherever possible. Limitations should be placed on the appropriate level of accommodation to be paid. All requests for travel should be reviewed by the user agency, Business Administrator, and Chief Financial Officer prior to payment to determine propriety of request and to avoid erroneous charges and overbilling.

Contributions and Donations

For fiscal year 1995, Camden donated \$53,900 to various associations, in direct contradiction to the law. For example, the Division of Recreation donated \$25,000 to the Walt Whitman Center for the Arts and the Office of the Mayor contributed \$6,074 to a local track team for participation in a meet in Orlando, Florida. Additional donations were made to a Little League team, a luncheon at a San Juan parade, and the Camden County Fireman's Canteen.

Recommendations:

Given Camden's distressed fiscal posture, there is reason to question the wisdom of the city making contributions to fund cultural and recreational programs for city residents at a

time when there are so many other pressing city needs. In addition, the city should ensure that any contributions made are done so pursuant to state constitutional directives and/or other applicable regulations.

Cost Savings: \$53,900 in cash contributions

Filing System

All official source documentation (purchase orders, advices, checks, etc.) is maintained in the Finance Office. The office files purchase orders, purchase requisitions and vendor invoices by calendar year and vendor name. In tracking source documentation for the review, it was difficult to locate the information. The filing by calendar year conflicts with the city's Fiscal Year of July 1 to June 30, causing documents to be misfiled or improperly allocated to the incorrect Fiscal Year. Also, there were instances when different names for the same vendor resulted in multiple vendor files (i.e., the Camden Centerville Simbas was also known as the Centerville Simbas and the Simbas each having its own vendor file).

Recommendation:

All filing of source documentation should be based on the city's Fiscal Year of July 1 to June 30. Vendor names should be standardized so that only one vendor file exists for each vendor.

Miscellaneous Operating Expenses

In reviewing various operating expenses for all departments, it was noted that the city supplies coffee, juice, soda, newspapers, and often food for employee consumption on a daily basis. In one office, for example, the annual cost of such supplies totaled \$731.

Additionally, the city pays for employee memberships in professional associations and subscriptions, which in another office was approximately \$405 annually.

Recommendations:

Given Camden's distressed fiscal posture, its tax structure, and the cumulative costs for all departments and divisions, the governing body and administration should review the policy on the expenditure of funds for these purposes. In most industries and other government agencies, employees are required to purchase refreshments independently or contribute to the total cost of having refreshments available in the office. With regard to memberships and subscriptions, Council and the administration should determine eligibility and set limits on funds expended for this purpose. The team does not dispute the appropriateness of using city funds for these payments, but believes that limits should be established.

Office of Revenue Collection

Staff

The billing, collection and enforcement of taxes and other municipal charges is handled by a staff of twenty-three. This includes the Official Tax Search Officer, the cashiers that receive

most of the city's revenue, a section that works on about 5,000 liens and a section that works solely on current transactions. There are approximately 32,000 accounts; 28,000 of which are active. The rest are exempt.

A new Certified Tax Collector was hired the beginning of April, 1995. She previously worked in Camden's tax office and left for another municipality when she became certified about three years ago. After reviewing the salaries of the staff, it appears she receives a longevity payment of \$2,688 even though she has only worked in the municipality a few months. Due to the break in service, we believe this payment is inappropriate, since it appears to take into account previous service time. The team has not been given documentation to support this longevity payment.

Recommendation:

We suggest that this longevity payment be withdrawn.

Cost Savings: \$2,688

Percent of Collections

Current collection rates for fiscal years 1993, 1994 and 1995 were 81.91%, 78.19% and 80.09% respectively. Delinquent collection rates for 1992, 1993, 1994 and 1995 were 30.21%, 26.29%, 20.41% and 32.60% respectively. Delinquent taxes realized in 1994 and 1995 were approximately \$3,632,181 and \$7,138,922 respectively. The increase in delinquent collections was partly due to the assignment of tax title liens. The Tax Office sent out delinquent notices only twice during the fiscal year, not including the tax sale notice, before the tax sale was advertised.

Recommendations:

It is recommended that delinquent property tax notices be generated and sent to delinquent property owners at least once each quarter. N.J.S.A. 17:16F-23 requires a property tax delinquency notice be generated and sent to each mortgagor within sixty days after a tax installment for a property is delinquent. It is also recommended that delinquent notices be sent out on a timely basis, and that special notices to the assignees holding tax sale certificates be handled in the same manner.

Tax Sale

The last tax sale was held on June 12, 1995. Third party lienholders purchased 839 tax sale certificates for a sum of nearly \$1.93 million. The balance of 1,219 certificates were struck off and sold to the city in the sum of \$1,338,710, which includes \$682,196 for the Camden County Municipal Utilities Authority and \$128,545 for water, sewer and interest; the rest was for interest, costs, and taxes. It is the team's experience that most fiscal year towns have their tax sales in January, before the February tax payment is due. They can be held anytime after October 1 in the fiscal year following the fiscal year in which taxes became in arrears.

Recommendation:

It is recommended that each tax sale be schedule earlier in the year so the city can make use of the revenue for cash flow purposes and provide the city with increased interest income of approximately \$50,000. This would also free up staff time earlier in the year for concentration on collection of current year taxes and delinquencies.

Revenue Enhancement: \$50,000

Knox Gelatin Site

The city purchased the Knox Gelatin site from BPUM Impact Corporation for \$1.3 million at a June 28, 1995 tax sale for non-payment of taxes and other municipal charges. The assessed valuation of the seven properties involved was \$325,300. Had the city completed a timely foreclosure on these properties, the city would have owned them through the foreclosure process and not through payment of \$1.3 million. Taxes and other municipal charges were made current from the proceeds of this sale.

Recommendation:

We suggest that the city complete foreclosures on a timely basis and that it not pay for property it would have received through the foreclosure process. In addition, the team does not understand why the city paid close to four times what the assessed valuation was for the properties making up the site and believes that the City Council should investigate this matter and request justification for such action from city officials.

Assignment Sales

An assignment sale of tax sale certificates was done under N.J.S.A. 54:5-113, which allows a private assignment sale at cost (overdue taxes and interest). Several extraordinary, unspecifiable service contracts were awarded in connection with this most recent assignment sale. These contracts were for the compilation of lien data, legal and financial services. The contracts for the compilation of lien data totaled \$107,000. The legal and financial contracts totaled \$50,000 plus two percent of the proceeds of any assignment. Yet, despite these fees, the lien data information and calculations received were not accurate and had to be reviewed and recalculated by city staff before the sale could be advertised. It is the team's experience that in many municipalities, preparation work for assignment sales is typically done by in-house staff and not by consultants. In fact, Camden itself used to perform this function without the assistance of outside consultants.

There were several invoices received by the city for payment of lien data calculations. There was a payment of \$25,000 made for an invoice in the sum of \$10,790. There was also a payment of \$5,950 made and charged to a contract amount that was completely expended and a subsequent contract was not yet in place. There are two invoices on hold in the Purchasing Bureau in the sum of \$49,985 for the compilation of lien data and two invoices in the sum of \$69,622.08 have been paid for legal fees. The team could not determine from these records whether the overpayments were due to irresponsible record keeping or other causes.

Recommendations:

It is recommended that the city re-examine whether all or a portion of the preparation for compilation of lien data and legal work could be done in-house for future assignment sales held pursuant to N.J.S.A. 54:5-113. The team recognizes that, while not necessarily common, there may be a need to utilize the expertise of outside professionals on more complicated cases. If work is not done in-house, proper documentation should be attached to vouchers to support the payments made. The vendor documentation reviewed by the team was inconsistent with the accompanying invoices. Work and materials should not be ordered unless there is an appropriation or contract in place. No payment should be made for incorrectly rendered or inaccurate services.

Cost Savings: At least \$157,000

PILOTs and Tax Abatements

There are several properties under two types of PILOT agreements – one is for the Urban Renewal project and the other for Limited Residential Projects. In Lieu of Tax revenues are anticipated in the municipal budget for most of these agreements. Revenue received by the city for properties under these agreements has remained fairly constant. The audits and/or financial statements the sponsors are required to file with the city ninety days after the close of its fiscal year are not on file and cannot be located; therefore, these payments cannot be verified.

A requested printout from the Tax Assessor’s Office did not reveal all of the properties in the abatement phase-in program under N.J.S.A. 54:4-3.95. The tax list shows there are several properties with an abated amount that are not a part of the list. The abatement agreements cannot be located for all of these properties. The tax revenue value of the abatements not fully supported by documentation is \$814,520.

Recommendations:

It is recommended the PILOT and tax abatement phase-in program agreements for all properties be located and put on file. Also, the required audits and/or financial statements should be requested from the sponsor so the revenue received can be verified as the correct amount. If audits are not received annually and/or, if agreements are not in place, full taxes should be charged on the affected properties.

Revenue Enhancement: \$814,520

Cancellation of Taxes and Other Municipal Charges

A review of resolutions revealed that taxes are being canceled due to erroneously assessed property valuations. The taxes canceled in FY 95 amounted to \$460,000.

Recommendations:

It is recommended that the legally required appeal process be used to correct erroneous assessed valuations of property, so the city will get the benefit of the adjustment on the municipal portion of the county taxes. There are no statutory provisions which allow cancellation of taxes by resolution due to erroneously assessed property valuation. Moreover, an adjustment cannot be made on the city’s portion of county taxes when

canceled by resolution. We recommend that this cancellation process stop immediately and that the City Council and Attorney review the prior year's resolutions to determine if these taxes are recoverable.

Cost Savings: \$460,000

Water and Sewer Utility

The meter reading and billing is done by a staff of nine. The collection is done by centralized cashiers after the bill is checked by customer service. The percent of collection for fiscal year 1995 for water and sewer was about 83% and 77%, respectively. There appear to be numerous cancellations of water and sewer charges due to estimated billings. When a meter reader cannot get into a dwelling to get the actual reading, an estimated bill is generated. Unfortunately, this also results in bills that are generated when dwellings are vacant. When the homeowner complains about the estimated bill, a meter reading is done and the bill is adjusted. A few years ago two inspectors checked water and sewer accounts against the properties on the tax list and updated the records. There were not as many canceled water and sewer charges when this was done. They also found dwellings that were not billed. A water turn-off program was utilized before the inspectors left, which also improved collections. However, the two inspectors retired and were not replaced.

Recommendations:

It is recommended that two inspectors be hired and utilized to check the accounts against the properties on the tax list so the records can be updated. A water turn-off program should be implemented again. This will eliminate the number of adjustments being done for estimated bills, including those done on vacant dwellings, and generate bills on dwellings that are occupied yet do not have active accounts.

Value Added Expense: \$72,995 in salary & benefits

Tax Assessor's Office

Professional Services

According to information provided by the Assessor's Office, \$147,500 was spent in FY 95 on professional services. Sixty thousand dollars was spent for field inspections for added assessments and demolitions, and \$87,500 was spent for the defense of tax appeals at the county level. These amounts were paid to Property Valuations, Inc., the firm which was responsible for the last city-wide revaluation in 1992, and a business that the Department of State records say was dissolved in 1987.

This relationship with Property Valuations, Inc. for tax appeal defense is an unusual one, compared to practices in other municipalities. Generally, when revaluation contracts are entered into, the firm conducting the work will agree to handle County Board appeals for the year of the revaluation and the ensuing two years. Rarely, if ever, does this service take place beyond the two year time frame. It is not uncommon for municipalities to contract out for defense of ratables which are critical to the stabilization of the tax base, particularly when they are heard at the Tax Court level. But again, rarely does an outside firm handle all tax appeals at the County Board level.

Specifically, it is the statutory responsibility of the Assessor in any given municipality to defend tax appeals. The expenditure of \$87,500 for defense at the county level seems excessive when compared to other similar operations. In most municipalities, assessors handle these cases themselves. During an interview with a representative of another large city, we found that very little is spent on professional services. The defense of tax appeals are normally carried out by the Tax Assessor with some assistance from the support staff. This individual considers this function one of the most important duties performed by that office.

During FY 95, 260 appeals were filed on properties within the City of Camden. Of those appeals, 112 properties, or 43%, were granted reductions. Although 260 appeals could be considered above average for a municipality, \$87,500 for defense seems high, particularly with 57% of appeals being successfully defended.

With regard to defense at the Tax Court level, it is more common for municipalities to seek outside assistance in the form of appraisal and legal expertise. Camden City also expends additional monies at this level; last year \$20,000 was paid in legal fees and, in the FY 96 request, \$50,000 is being recommended by the Assessor's Office.

Recommendations:

Even with the realization that successful tax appeals can result in large decreases in the ratable base and fiscal instability, the team recommends a reexamination of the current arrangement. The Assessor, with the aid of staff and other available resources, should be able to defend most tax appeals at the county level. This is a statutory obligation that should be carried out at no additional expense to the City of Camden. Based on the facts as presented, this seems to be an overextension of the limited financial resources available to this municipality.

Cost Savings: \$87,500

Twelve hundred building permits are filed annually, largely for additions or renovations. The city also experiences an inordinately high number of demolitions each year due mainly to rehabilitated areas and fire damage. Currently, Property Valuations, Inc. handles these inspections and files them with the Assessor's Office for a \$60,000 fee in FY 95. On several occasions, the team requested a copy of the contract with Property Valuations, Inc., but did not receive one. We, therefore, relied on the verbal information provided by staff.

In 1993, Property Valuations, Inc. handled the following inspections:

1. 282 inspections were made for added assessments totaling \$12,605,000 (approximately \$9,000,000 of this figure was for a single property – the cogeneration plant finished in 1993).
2. 52 line items inspected from October thru December 1993 (October 1 is the assessing date), with a total assessment of \$232,600.
3. 4 line items inspected for the omitted assessment list totaling \$640,700.
4. 124 line items inspected for what is referred to as an 1992 omitted/added assessment, (actually inspected in 1993), totaling \$310,508.

In 1994, the numbers were as follows:

1. 317 line items inspected totaling \$2,073,529.
2. 28 line items inspected from October thru December 1994 totaling \$90,000.
3. 14 line items inspected for the omitted assessment list totaling \$388,100.
4. 87 line items inspected for what is referred to as an 1993 omitted/added assessment, (actually inspected in 1994) totaling \$357,625.

The net municipal returns based on the figures on file at the County Tax Board were for \$363,927 in 1993 and \$201,585 in 1994.

Clearly, field inspections are very important and numerous in Camden. In order to maintain the tax rolls and increase the ratable base, this function is essential. There are a number of ways, however, to provide these services.

The first option is to continue to utilize Property Valuation, Inc., after appropriate and required documents are updated with the Department of State, at a cost of \$60,000. The use of an outside firm enables the city to benefit from the firm's ability to allocate its resources at its discretion and, based on the work load, target their people to different areas of the city. They utilize anywhere from two to five people at a given time to accomplish their work. It is unclear whether this is ongoing or done at different intervals throughout the year. The city has realized a return of close to \$364,000 in 1993 and \$202,000 in 1994 on its \$60,000 cost.

The second option is for the city to implement a competitive proposal process to seek out professional services at the least cost. There is no evidence that this has been done.

A third option would be to hire a full-time staff member to complete these tasks. These improvements, for the most part, do not appear complicated and the majority of entries seemed to be those with values of less than \$5,000. A full-time employee would cost the city approximately \$42,000 in salary and benefits. This person might also help in preparing to defend tax appeals. Field inspections, alone, should not require a full-time employee.

The last option would be to employ a part-time employee to do field investigations and a part-time person to do valuations. This could be accomplished by remitting \$20 per hour for a total estimated need of 750 work hours. The net cost to the city under this option would be \$15,000.

Recommendation:

We suggest, in light of the number of service options available, that the city compare the full cost of each alternative after receiving competitive bids for contracted services. The most cost-effective decision for the provision of these services can then be made.

Tax Abatements

Based on extensive research regarding the granting of property tax abatements, particularly those involving the Broadway Townhouse properties, it is the team's conclusion that, although the improvements to the dwellings involved appear to satisfy the spirit and intent of the law, the procedures and guidelines relating to the proper filing of applications and subsequent council approval were not followed.

The ordinances adopted by City Council with respect to Chapter 104 and Chapter 207 are very clear with regard to the filing of an application: “No abatement shall be granted except upon written application filed with the Assessor of the City of Camden, and is then made and approved by City Council. Every application shall be on a form prescribed by the Director of the Division of Taxation in the Department of the Treasury and shall be filed within 30 days including Saturdays and Sundays following completion of the improvement or conversion, alteration or the effective date of this ordinance, whichever is first.”

The formulas applied to the abatements listed on the tax rolls for the Broadway Townhouses follow the provisions pursuant to the “New Jersey Urban Enterprise Zone Act,” Chapter 207. Ironically, however, copies of the applications on file with the Tax Assessor pertain specifically to Chapter 104. In essence, there are no applications on file for granting provisions under Chapter 207, nor are there any subsequent approvals by City Council, as required. Even the Chapter 104 applications filed were not sufficient to grant the abatements, as they were filed in an untimely and incomplete manner.

Accordingly, the team believes that the abatements granted for the Broadway Townhouse properties are subject to challenge. The value of these abatements in terms of lost tax revenues to the city is approximately \$80,237 for 1992, \$58,572 for 1993 and \$46,999 for 1994, for a total of \$185,898.

Recommendation:

The team believes that the City Council should investigate the circumstances surrounding the granting of these abatements and should take appropriate action with regard to the abatements, if warranted. Such action could include removal of the abatement from the property tax records and assessment of full taxes on the property. This could amount to an annual revenue enhancement of \$47,000, based on 1994 tax values.

Revenue Enhancement: \$47,000

City and Private Property

Foreclosure

There is an inventory of approximately 3,000 parcels of city-owned land, which includes properties in the Empowerment Zone and properties associated with Non-Profit Housing Development Organizations that the city has not offered for sale. The City Property Office does all the sale preparation, including the closing and deed preparation for the attorney’s review and signature. When a prospective buyer inquires about a certain property that is not city-owned and the property is later sold at tax sale to the city, it becomes part of the next tax foreclosure list. It seems that the only properties put on the tax foreclosure lists are those that are actually inquired about by individuals who are interested in purchase. All of the foreclosure eligible properties are not put on the list, as they should be. A review of properties in lien is done in preparation of a tax foreclosure list. There hasn’t been a completed tax foreclosure of property in three years. When properties are foreclosed on, the sale of properties can be made more desirable by putting contiguous parcels together. As these properties are being physically looked at in preparation of a foreclosure list, there are times when what is assessed on the tax list is no longer there, either

because of destruction by fire or demolition. Also, certain properties are classified as exempt but no longer used for that purpose. These discrepancies are referred to the Tax Assessor's Office for review.

Certain properties can be sold subject to conditions, such as the property must be rehabilitated for commercial and/or residential use within one year of the acquisition of title, or the property must be used as side or rear yard in conjunction with an existing and contiguous residence. These conditions become part of the deed and the Law Department is supposed to do a follow up on the stated conditions. In the past, there had been at least four sales of city-owned property a year, but at the rate of the decline of tax foreclosures, that many sales is not realistic in the future.

When Camden attempted to sell city-owned properties recently, it discovered that the foreclosure on certain properties was flawed. The city is now re-foreclosing on these properties.

Recommendations:

It is recommended that foreclosure of tax sale certificates be done on a more timely basis so the properties listed for sale are more desirable to a buyer. This will put properties back on a tax paying basis again. Also, the Tax Assessor's Office must be notified immediately of all demolitions so the tax records can reflect same. There should be a follow up by the Tax Assessor of properties in exempt status with further statements, pursuant to statute.

It is recommended that a foreclosure program be implemented to get such properties back on the tax rolls. All of the eligible oldest tax sale certificates should be foreclosed upon, rather than only the ones in which buyers are interested. A staff attorney should be assigned to this program.

Bankruptcies

There are numerous bankrupt properties on file as far back as tax years 1987 and 1988. The properties in bankruptcy are recorded on cards in the Tax Office and the Law Department has the paperwork. Thirty properties that filed bankruptcy were reviewed and only nine were current with the court imposed schedule of tax payments.

Recommendation:

It is recommended a complete review be done of all bankrupt properties. Those that are not current with the tax, water and sewer payments should have court action taken to withdraw the bankruptcy protection, so proper enforcement procedures can be followed.

Property Leased By The City

Leases of city-owned property exist for such uses as health care centers, billboards, parking and certain offices. It appears all lessees are paying as per agreement, except Nedmac Associates, Inc., in the Parkade Building. Nedmac is identified as "revoked" in the Department of State's records. The leased portion of the Parkade Building is assessed on the tax list; therefore, property taxes are due and payable. Property taxes were not paid in fiscal year 1994, so the property was sold to the city at the June 12, 1995 tax sale. The last rent payment, specified as five percent of the gross receipts or a minimum of \$20,000, was made on July 5, 1995 for November and December 1993. A review of the monthly rent receipt statement on file thru

December 1993 revealed the Kinney office and garage did not pay every month, yet the parking garage has been constantly in use. This appears to be yet another example of the failure to protect the city's interests.

Recommendation:

It is recommended the city take action to collect the rents and profits produced and credit the taxes until the lien is redeemed. The City Attorney's Office should also review what action must be taken to collect the past due rent. The City Council should investigate the circumstances which permitted this delinquency in rent payments to continue for two years.

Revenue Enhancement: \$128,000 in past due rent based on the 1993 rent of \$64,000

Property Leased To The City

The city leases eight properties for various departments: i.e., Administration/Finance, Police, Utilities, Community Affairs, and Human Services. These are used for a variety of services, including the warehousing of supplies, equipment, and files, vehicle maintenance shops, health and welfare offices, and community policing mini-stations and sub-stations.

The lease arrangement has proven to be very cost effective for the city since four of the properties are leased for only \$1 a year. This is in consideration of having police presence in the community, as well as access to a public swimming pool. The remaining buildings are leased for monthly rents ranging from \$425 to \$4,000. The city is in the process of investigating whether lease/purchase agreements or outright purchase of facilities is most beneficial to the city.

One property that is leased is for the Human Services Department, Municipal Welfare Division. We found this property to be very clean and well maintained, considering the age of the building and the number of clients served at this facility. This is the only property that has an in-house maintenance/custodial crew. The landlord is only responsible for maintaining the building's exterior and for major interior repairs. The city is responsible for custodial services and routine maintenance, including interior painting. Departmental requests for such in-house services often go unanswered. This property is bound by a triple-net lease, which means that the tenant essentially pays for the utilities, maintenance, taxes, and custodial services.

The landlord for the building rented for the administration of the Employee Assistance Program provides adequate maintenance and custodial services, including snow removal, free of charge. This arrangement is the choice of the landlord, and is not bound by a contract.

The following issues are those we feel have the greatest effect on the city's off-site operations:

The city does not have adequate space for its agencies to accommodate supplies, equipment and vehicles, and conduct routine operations, i.e., the Police Department (mini/sub-stations), Community Affairs (maintenance/storage) and Utilities Department (maintenance/storage).

Leased properties are chosen and rents agreed upon without prior consultation with the City Attorney's Office. In doing so, the city leaves no room to negotiate further terms with the landlord. The only consideration given to the attorney is to review the lease contract for its legal content, which is usually correct.

The city contracts with private firms for most of its major repairs, alterations, and renovations. This is an ongoing and costly process, considering the city is maintaining old buildings and properties which are used constantly by many people. In many instances, repairs cannot be made because the funds are not available.

Recommendations:

The city should establish an action plan to address the management issues of city owned and leased properties. Concerns and solutions should be initiated by the department heads.

We urge the city to continue its consideration of the value of purchasing rather than leasing. Purchasing may be especially beneficial to the city under the concept of sharing a common site among various city agencies and departments. According to city estimates, this initiative would save \$72,000 per year in rent alone if certain departments were housed in one building. Additionally, this will create indirect benefits, such as operational efficiencies and reductions in administrative overhead.

Require code adherence, whether negotiating for a lease agreement or for an outright purchase of property.

It is suggested that the city determine the costs of employing a custodial staff, versus the contracting of a private firm. Custodial services should be performed by one group, whether it be city employees or a private company. Moreover, this service should be offered to all city departments, without exception, whether the agency resides in City Hall or is off-site.

Consultation with the City Attorney's Office before a specific property is selected for lease is recommended. Furthermore, have a city attorney present whenever discussions take place with a property owner regarding contractual terms.

Jointly Owned Property

The City Hall Building is jointly owned by Camden County and Camden City. The original terms of this agreement are dated and have not been revised for several years. There is, however, a five year maintenance agreement whereby the city pays the county \$120,000 per year for maintenance, custodial, and security services.

Unfortunately, there is inconsistency in the manner that these services are performed. In most instances, services are not provided with continuity, reportedly because the financial resources are unavailable to the county. However, routine as well as vital services are being compromised to the point where building violations are left unaddressed for indefinite periods of time. These include unmarked exits, broken locksets, missing door/panel glass, inoperable elevators, rest rooms without hot water, etc.

Recommendations:

It is apparent that the roles and responsibilities of the city and the county must be clearly defined. Given the lack of adequate building maintenance, we urge the city to collectively define and resolve the problems. Further, the agreement with the county should be re-examined to assess what is due the city.

Purchasing

General

The review of the purchasing function included purchasing policies, procedures and operations and their relationship to financial, administrative and using agency functions.

The analysis included a detailed review of the 1995 contract files. Such files contained formal contracts and/or documentation concerning the award of professional services, extraordinary unspecifiable services, or purchases in excess of the bid threshold. The “advice,” the document predominately used by the city for payment of vendors and contractors, was also examined. Team members also conducted a sampling of purchase order contracts on file in the Purchasing Bureau. Such contracts are used to purchase goods and services not in excess of the bid threshold.

Several major documents were examined during the analysis. They consisted of: the Proposed Reorganization of the Camden City Government document (July 1994), the current Administrative Code (November 1994), specific sections in the previous Administrative Code pertaining to the Purchasing Bureau, and the current (September 1994) and prior Purchasing Policies and Procedures documents. Team members also perused the 1986, 1987 and 1988 Distressed Cities Reports as well as the Audit Reports for 1992, 1993 and 1994.

The Purchasing Agent assisted the team by continually defining the purchasing process from receipt of requisition to disbursement. Individuals working in the purchasing cycle, and supervisory personnel in the administration all had different ideas on how the process works, as well as how it should work. This method of continually defining the process during the review period resulted in finally documenting what the actual process was. This provided a foundation for comparing what is perceived to be the process as documented by present written policy, and how the process actually works on a day-to-day basis.

Interviews were used as a tool for analyzing the opinions of the using agencies concerning the effectiveness of the purchasing process. Interviews were conducted with a number of people who are involved in the purchasing process in a variety of ways.

The purchasing system is in need of a variety of improvements related to the following problems: departments order supplies and services at will, without regard to collective purchasing procedures; there is no requirement for verification of the receipt of goods delivered; there is a lack of Purchasing Agent involvement or control in the selection of vendors for professional service and Extraordinary Unspecifiable Services contracts; and there are complicated, voluminous procedures for processing purchase orders and payments. These problems exist at the expense of the taxpayer.

This purchasing section is generally divided into two parts, one of which identifies what the city needs to do to improve upon its operations and the other identifies the specific concerns we had with each process.

Staffing

At the present time, there are seven people assigned to the Purchasing Bureau. There is a division of work based on the duties of the staff, however, it was stated that the staff can perform the other tasks as well. Four of the seven staff members have been with the Purchasing Bureau for more than ten years. It was observed that most staff members are able to answer questions, provide information on the status of a purchase, and locate certain files and records when the individual responsible for a particular function is out of the office. The only function which does not appear to have adequate cross training is the individual responsible for the preparation of the specification bid documents and other documents required by the City Attorney for contract development. The team has received conflicting information regarding the extent of this employee's responsibilities and available time in Purchasing, as this person is officially employed for Zoning Board of Adjustment work. It is our understanding that she was simply located in the Purchasing Bureau, but was to handle Zoning Board tasks. However, she has now taken on important functions in Purchasing in addition to her Zoning Board responsibilities.

In 1995, the Purchasing Bureau handled approximately 8,000 paper transactions. The paper work was voluminous and continued to arrive unabated. It was observed on each of several days that between 30 to 35 requisitions were submitted for processing.

Purchasing staff also deal with a number of problems which disrupt the process. Requisitions are submitted with inaccurate or vague descriptions of the requested service or material. Numerous and repeated phone calls are made to using agencies for the submission of the advices and/or invoices.

The Purchasing Agent should have time to review, develop, and make recommendations to his superiors regarding purchasing matters. While the Purchasing Agent must know and have the proper appreciation of what each staff member is doing, he should not be burdened with details that keep him too involved in the day-to-day activities of checking for requisitions, invoices, and duplicate purchase orders.

Recommendations:

The Purchasing Agent must make every effort to extract himself from some of the minute details of the operations, and exercise more managerial leadership with the staff. It is important to demonstrate and reinforce with staff members how their particular duties and tasks are important to the overall purchasing process.

Steps should be taken to explore the possibility of formally linking existing staff members with assigned using agencies. This would provide the continuous networking with the using agencies. The using agencies would have a definite contact team to resolve their problems and answer their questions. The purchasing staff would gain invaluable experience and developing expertise in certain commodity and service markets. This could

also eliminate the need for the Supervising Program Analyst position, who is involved in follow-up of vendor and departmental payment inquiries, as these would be handled by the purchasing staff assigned to using agencies.

Cost Savings: \$58,522 in salary & benefits

If the employee now working for Purchasing and the Zoning Board continues in the same capacities, the addition of two individuals through an open, competitive hiring process is recommended to ensure the success of the purchasing process. They must possess the necessary qualifications and skills in contract administration and processing, and in general purchasing practices, with an emphasis on knowledge of statutory requirements and acceptable purchasing practices. One employee would be utilized for technical review of purchases and one would provide contract administration services. If the Purchasing/Zoning Board employee is retained solely for work in Purchasing, then only one additional staff member is recommended.

Value Added Expense: \$65,000 in salary & benefits for 2 additional positions

A training session should be developed for staff regarding basic statutory requirements and operational procedures for day-to-day purchasing activities.

Authority and Responsibility

In November 1987, the city administration established purchasing policies and procedures in order to: promote better understanding of the role of the Purchasing Bureau and its relationship to all other using agencies; ensure compliance with appropriate state and local laws; and provide maximum control over spending in order for using agencies to live within their budgets.

In September 1994, revised Guidelines for Purchasing Policies and Procedures (Guidelines) were issued. In addition to the areas covered in the 1987 document, the 1994 Guidelines included the following:

- An Encumbrance Accounting System.
- The Purchasing Procedure for Straight Advices.
- The Major Steps in the Straight Advice Process.
- A Purchasing Review Committee.

The Guidelines specifically state that only the Purchasing Agent can initiate, conduct and conclude all negotiations for the purchase of materials, equipment and services necessary to conduct the city's business. It is further stated that no department or division has the authority to commit the city to deal with a vendor not sanctioned by the Purchasing Agent. The 1994 revised guidelines specifically address the general powers and duties of the Purchasing Bureau and Purchasing Agent.

The Code provides sections concerning the purchase requisition, the award and execution of contracts, purchasing procedures, and the Purchasing Standards Committee. However, the Code does not reflect or coincide with the Guidelines for Purchasing Policies and Procedures. That is a problem, since it is the Code, rather than the Guidelines, that should be used as the proper document to address the powers and duties of the Purchasing Bureau.

The Purchasing Bureau is referred to differently, depending on what document you read. In the Guidelines, the Purchasing Bureau is referred to as a Division, while in the Code, it is designated as a Bureau. In trying to determine whether authority and responsibility for the purchasing process exist, it is apparent that the organizational setting, Administrative Code, and the Guidelines for Purchasing Policies and Procedures are not consistent in their support of each other or the purchasing operation.

Recommendations:

A complete review of the Code and Guidelines must be performed in order to determine the correct placement of the purchasing function in the overall organizational setting. The Code should establish and authorize the powers and duties of the purchasing operation, while the Guidelines should provide very explicit details on day-to-day purchasing procedures. For the most part, the Guidelines are successful in detailing these day-to-day procedures. Once this task has been completed, the elected officials must provide the proper support for the purchasing function.

Planning and Scheduling of Acquisitions

Purchasing requires continuing information from all using agencies as to what is available and how much is needed on a total item basis. This is necessary in order to carry out orderly and efficient purchasing. The diversity and volume of commodities handled by purchasing make it impossible to determine requirements, consolidate needs, and select the most effective acquisition strategy without a method of accumulating pertinent information.

By using their own historical data, agencies can identify items they will need, quantities they expect to order, and the times they will need them. This is usually done by categories of items that are frequently ordered. Based on the data, purchasing can consolidate requirements and decide whether to seek bids based on a definite quantity or open-ended basis. It should be noted, however, that while not adhered to, the Administrative Code always provided instructions to using agencies concerning their submission of required needs for the ensuing year.

From a review of the requisitions and purchase orders, it does not appear that the Purchasing Agent reviews, at least annually, past usage or receives information on future needs. Unless the estimated costs of a particular requisition exceed the bid threshold, there is no documented procedure to monitor the frequency and volume with which the same or similar items are purchased by any agency. With over 6,5000 potential payees in 1995 (approximately 2,000 of which are straight advices), city agencies should attempt to consolidate some of their own similar needs before submitting individual requisitions to the Purchasing Bureau.

The Code and the Guidelines for Purchasing Policies and Procedures called for the establishment of two different purchasing committees to provide oversight and administrative direction of the purchasing process. The committees have not met since 1990.

The Purchasing Agent has been placed on the Budget Preparation Team for the 1996 Fiscal Year. This is the first time that the Purchasing Agent will actually participate in the preparation of the budget. This should provide purchasing with insight regarding needs for the upcoming 12 months. It should also allow for the aggregation of common items at an earlier stage in the budget cycle.

Recommendations:

In an effort to ensure prompt and accurate payment for purchases, the team has identified a number of procedures that could be modified or eliminated in each type of purchasing or contracting process. The recommendations delineated throughout this purchasing section of the report should help to minimize workload, improve efficiency and eliminate the errors made in processing payment paperwork, such as apparent double payments, encumbrance inadequacies and incorrect charges against line items.

The Purchasing Agent must continue to have management responsibility, shared with the Budget Preparation Team, for review of the need for and suitability of purchase requests. He must also be able to obtain adequate program information and justification from using agencies at an earlier time in the process.

The administration must take appropriate steps to decrease the number of requisitions. The Purchasing Bureau is simply processing requisitions and monitoring their progress through the various steps of the process. The using agencies must monitor themselves, institute some controls, and only order what is absolutely necessary.

A manual system should be used if the computerization of the purchasing component is not feasible in the foreseeable future. Purchasing information by commodity can be collected by filing bid-award documents and purchase orders according to major commodity code groups or by maintaining a cross-index according to commodities. Since the Purchasing Bureau already uses requisition/purchase order profile cards by using agency, it would not be difficult to institute a similar system to assist in tracking the purchases of similar commodities. A commodity profile card can be established as a record of important information, such as the name of vendor, award date, purchase order number, quantities ordered, award amount, and name of using agency.

It would also be beneficial if the Purchasing Bureau instituted a calendar for the duration of contracts. The calendar could contain a variety of relevant information, but most importantly, the termination date of a contract. This would provide the bureau with enough lead time to prevent contracts from lapsing and minimize the need for contract extensions.

Article XV, Section 5-87A of the Code should be enforced by the city administration. It is clear that using agencies must submit a complete statement of required items according to the best estimate of the department head. The control mechanism is already in the Code, but is not enforced.

The team concurs with many staff members who feel that an oversight committee should be reinstated. Interdepartmental representation would provide improved cooperation and better understanding of the purchasing process.

Types of Contracting Processes

Cost effectiveness demands that acquisitions be made under conditions which foster competition among a sufficient number of potential vendors representing a wide spectrum of services. Fostering competition is more a matter of attitude than a process or procedure. It is reflected in

several ways: in the way specifications are written, in selecting and adhering to the contracting process, in searching for new sources of supply, in attempting to make bid documents concise and inviting, in communications with using agencies, and in every day courtesousness shown to prospective suppliers and contractors.

When a purchasing agency selects a particular type of contracting process, it is imperative that it be open, fair, and allow for competition. The process must be clearly understood by potential bidders and those submitting proposals. The purchasing agency and other representatives of the contracting unit must ensure compliance with the process.

There are two types of contract processes utilized by the city. One is for contracts below the bid threshold and one is for most other purchases. The procedures for purchases in excess of the bid threshold are addressed in the Guidelines for Purchasing Policies and Procedures (Guidelines). The process for the award of professional services or Extraordinary Unspecifiable Services is not addressed in the Guidelines or the Code.

Requisition to Purchase Order Process – Contracts Below the Bid Threshold

An appropriation code is assigned by the using agency. Purchasing staff manually record all purchase orders in a notebook and requisitions on 6” x 9” file cards for each using agency.

If formal bids are required, specifications are prepared. The decision for developing specifications can occur, however, after the paperwork (purchase order or advice) has been initiated. The requisition is resubmitted to the Purchasing Agent for his final review. The purchase order is only prepared when prices have been secured by a proper method of competition. The blue copy is removed from the purchase order set and delivered to the Comptroller’s Office, and, eventually, a copy is returned to the Purchasing Bureau for temporary filing.

The purchase order instructs the vendor/contractor to send the voucher and invoice to the Purchasing Bureau. Vendors must be constantly reminded to return the voucher and invoice to Purchasing. The Purchasing Bureau cannot process payment without the voucher and invoice. If the documents are not returned, a Certificate in Lieu of Affidavit (Affidavit) is used in place of the voucher. A review of certain transactions have affidavits attached to advices and copies of the purchase order are not included.

The purchasing staff manually records all invoices and the date of request for an advice in a notebook, and will forward the yellow copy of the purchase order to the using agency. The using agency completes a three-part advice, which in many cases is used as a confirming order. The advice document does not meet the basic requirement of the voucher and does not contain the proper language regarding signatures pursuant to the Local Fiscal Affairs Law (N.J.S.A. 40A:5-16). Purchasing’s copy of the advice is manually recorded in a notebook which documents when the request for payment was sent to the Comptroller’s Office.

Recommendations:

Although the appropriation code is assigned by the using agency, the account code must be verified by the Purchasing Bureau in concert with the Comptroller's Office. If the code is incorrect, the using agency should be appropriately notified by the Comptroller's Office or the Purchasing Bureau.

There is a definite need for information technology for several steps in this process where purchasing staff is manually recording data in notebooks.

A decision regarding the need for specifications should be made sooner in the process, certainly before any paperwork has been initiated.

There is no apparent reason for resubmitting the requisition to the Purchasing Agent. He has already approved it on the initial submission. We suggest this step be eliminated. The entire purchase order set should be forwarded to the Comptroller's Office for his signature on the multiple copy set. The Comptroller's copy should remain with his office in an open tickler file for outstanding purchase order payments and the remaining copies of the purchase order returned to the Purchasing Bureau.

The Certificate in Lieu of Affidavit should no longer be used, as it has been misused especially where confirming orders have been found. Vendors who do not return vouchers and invoices should simply not be paid.

The yellow copy of the purchasing order should be forwarded to the using agency when returned to the Purchasing Bureau from the Comptroller's Office. This will resolve the major problem cited by using agencies of never knowing if their requisitions have been approved.

It is strongly recommended that the city suspend the use of advices and that a receiving report be used in its place. A properly designed receiving report is used to support, but not authorize payment. It also provides more information necessary to support a decision to process a payment.

Purchasing Process Utilized for Professional Services, Extraordinary Unspecifiable Services (EUS), Purchases in Excess of Bid Threshold, and Certain Other Purchases

The use of EUS contracts is one of the most troubling aspects of the purchasing system in Camden. In most cases, when an EUS contract is requested, the using agency will submit the name of a single vendor and decide the account out of which the bill will be paid. The same is true for professional service contracts.

N.J.A.C. 5:34-2.2 states the assertion that even if the service can only be provided by a single contractor, it is not sufficient to justify avoidance of competitive bidding as an EUS. Many of the requisitions were submitted with only one potential provider. Sometimes, there was no proposal submitted. Many of the same "sole source" submissions did not address the length of the contract, and were not signed or dated. Several of the EUS submissions were not in the form of a proposal.

A review of many EUS resolutions did not provide an adequate explanation of why the request was “specialized and qualitative in nature requiring expertise, extensive training and proven reputation.” A recitation of the language in the statute is not sufficient (N.J.A.C. 5:34-2.3(b)). In some resolutions, there were references concerning “a certification has been attached hereto stating the city’s reasons for awarding this contract pursuant to N.J.S.A. 40A:11-5(1)(a)(ii),” however, the certifications could not be found.

The Purchasing Agent will react accordingly if the purchasing transaction requires the receipt of bids, or confirmation of a state contract. Even though the Purchasing Agent is responsible for the eventual preparation of all purchase orders, as the system is currently designed, he is not responsible for identifying potential vendors/contractors for EUS or professional service contracts. Unless a potential contract requires the receipt of formal bids, or the confirmation of a state approved contractor vendor, the using agencies determine the selection of vendors for EUS and professional service contracts.

The purchase order is prepared by the Purchasing Bureau and encumbered by Comptroller’s Office (blue copy), and the Comptroller will also provide a certification of funds to City Council. The Purchasing Bureau only prepares a Request for Council Action for formal bid awarded contracts. Professional Services and EUS Requests for Council Action are prepared by using agencies, without Purchasing Bureau involvement.

When City Council passes a resolution awarding a contract, a copy of the resolution is sent to the Purchasing Bureau. The Request for Contract form cannot be forwarded to the City Attorney until the bureau receives an approved copy of the resolution. In many cases, it is at least several weeks before the copy of the resolution is received, which delays the preparation of the contract.

A Request for Contract (in duplicate) is submitted to the City Attorney with attached bids, proposals (if there are any) for professional services, or extraordinary unspecifiable services for preparation of a contract. A copy of the request is also sent to department heads by the Purchasing Bureau.

The City Attorney’s Office is responsible for initiating the distribution of the contract copies. The City Clerk’s Office should be the depository for the original contracts. Departments, including the Purchasing Bureau and Clerk’s Office, often do not receive, with any regularity, copies of the contracts.

Note: The necessary steps for processing payment are similar to the process for contracts below the bid threshold. The concerns for the request for payment remain the same as they were for the other type of contracting process. Many of the contracts for professional services and EUS raise even greater concern because of their non-bid or non-competitive basis.

Recommendations:

It is strongly recommended that future requests for EUS designated contracts be carefully reviewed before they are formally processed. Those services that clearly do not meet the criteria of an EUS should not be contracted for as such. In order for the city to comply with the intent and spirit of the law and corresponding rules, supporting documentation provided by the using agencies must be closely examined in terms of the factual

circumstances and information submitted in support of the request. The law and promulgated rules clearly encourage competition by requiring the solicitation of proposals or quotations as may be appropriate. When using agencies continuously submit the name or proposal of only one vendor, it negates the competitive intent of the law. For those services which can rightfully be classified as an EUS, the city should aggregate them according to similar activities, projects or programs. Aggregating non-bid activities would still increase competition, reduce administrative costs and encourage lower prices.

In order to provide a proper environment for reviewing EUS requests, it is suggested that the City Attorney's Office, in concert with the Purchasing Bureau, take the initiative in providing direct assistance to ensure that the law and corresponding rules are followed in their broadest application. Both offices should be given the authority to decide on the appropriateness of EUS contracts for which they would then be held accountable.

It is also recommended that all proposals submitted include a concise scope of services which can be measured against the end product(s) delivered or rendered. In many cases it was difficult to determine on what basis the payment to the vendor was processed. There must be a verifiable basis for payment of claims.

The Purchasing Bureau should develop and submit all Requests for Council Action, including those for professional services and EUS contracts, as part of its overall responsibilities.

The Clerk's Office should provide a copy of an approved resolution directly to the City Attorney within a few days of a City Council meeting. There is no need to include the Purchasing Agent in this step of the process if he has been responsible for submitting all Requests for Council Action.

The receipt of the acknowledgment transmittal form by the Purchasing Bureau from the City Attorney's Office is important. Steps should be taken by the Purchasing Bureau and the City Attorney's Office to ensure that it is received and filed.

The City Attorney's Office should inform all contractors of the requirement for returning signed contracts in a timely manner. It is imperative that using agencies discontinue their practice of allowing vendors/contractors to proceed with a project or service before a contract has been properly executed between the parties.

The governing body must give its fullest support to encouraging as much competition as possible for all contracts within the current statutory framework. Notwithstanding the Local Public Contracts Law's sanctioning of non-bid contract awards for professional service and EUS contracts, the team believes it is in the best interest of the city to seek a price that is reasonable and responsible through a competitive environment. The contracting process shows a significant lack of competition, and we believe that the city could realize considerable savings by soliciting competitive proposals for professional service and EUS contracts, which in FY95 totaled approximately \$2,372,003.

A detailed review of the 1995 purchasing files and a sample of files from 1994 has uncovered many problems in public contracting for all types of contracts – Extraordinary Unspecifiable Services (EUS), professional services, formal bid and purchase order contracts. The 45 EUS contracts reviewed represented approximately \$849,000.

In most file folders for extraordinary unspecifiable service and professional service contracts, some documents were missing (the contract itself, a proposal from the vendor, advices or other indication of payment, etc.). Since purchasing is not current in its filing, it is possible that the documentation was in the bureau, but not filed as of the date of our review. It cannot be stated with any certainty that the documents did not exist. However, a corresponding review of contracts in the Comptroller's Office, the City Attorney's Office and the City Clerk's Office also revealed incomplete files.

There is some question as to whether all of these services actually constitute an EUS. There are a number of different vendors who can provide services such as dance instruction, karate lessons, and group discounts to movie theaters, which were contracted for as EUS services. Even if such services could be classified as EUS, there is no indication that any attempt was made to solicit proposals or informal quotes.

The language from the using agency justifying the need for an EUS in the Request for City Council Action is boilerplate language from the statute and the backup documentation does not justify the request. For instance, the city's justification normally states that the person or vendor has had similar experience with some facet of city operations over the past several years. However, in some cases, a search of files from 1994, 1993, and 1991 (1992 files could not be located) revealed no prior contract with that vendor. In another case, the resume of the person receiving a contract showed no employment from 1985 – 1995, yet the request for an EUS was based on experience "over the past several years."

Several of the proposals contained the same or similar boilerplate language. This seemed unusual since the activities were different in nature and scope and were supposedly submitted by different vendors. Team members are, therefore, not confident that all proposals were actually submitted by the vendors themselves.

Proposals, especially for tutorial services, were frequently not signed by the vendor awarded the contract. In some circumstances, the duration of the contract could not be determined, since either the contract was missing, or the time period was not addressed. An assumption of the time period could sometimes be made based upon what was noted in the proposal, or if the file contained a Request for Council Action.

Some files included payment requests in the form of advices. Payment, however, was made before the contract was formally executed. In one case, the request for the contract was not made until 4/25/95, yet there were advices in the file of 3/20/95, 4/4/95, and 4/19/95 showing payments totaling \$1,444.

It appears that the tutorial contracts required the use of timesheets, however, there were no records in the Purchasing Bureau verifying hours worked. Some, but not all, of the files in the Comptroller's Office had the timesheets in the files. Of those found in the files, many were not countersigned by a supervisor or program coordinator from the particular agency.

As part of the justification for an EUS, a resolution stated that a vendor was a certified vendor on the minority business list for the city for purposes of receiving set-aside contracts. Team members asked for verification of the status from the Affirmative Action Office and it was determined that the vendor is not on the approved vendors' list. In fact, the team found only one instance in which a vendor on the set-aside list was used by the city.

The proposal for a particular vendor contained \$1,500 toward annual dues for the vendor's membership in an organization as part of proposal's budget.

The engineering and planning consultant served in an appointed capacity in 1994 on the basis of an approved resolution, and received payment of \$262,000 for planning and engineering services for the 1994 fiscal year. The contract could not be located. The provider is serving in the same capacity in 1995. To date, neither the authorizing resolution nor the contract could be located.

The City of Camden entered into a contract in the amount of \$75,000 with Gaston-Thacker General Partners (formerly known as Thacker Engineering, Inc.) for management and consulting services to develop community projects and coordinate activities with the Camden Redevelopment Agency for the salvage of the G.E./Martin-Marietta Complex. The contract also provided reimbursement to the engineering firm in relocating its employees to a Camden office, as well as other reimbursable expenses not directly related to project management, such as meals and travel costs. In reviewing the billing documents and the "baseline report" issued by the firm, the information provided to the city appeared vague and lacked specific solutions or recommendations to resolve the problems involved in the community projects. The invoice from the firm contained "billing time," but no listing or detailed explanation of actual project management services rendered during that time. The greatest detail provided was relative to travel expenses, relocation expenses and meal expenses, which included child meals and bar tabs. It was extremely difficult to determine from the documentation submitted what project management activities took place.

The lapse in time between procedural steps is a problem with some contracts. For instance, one emergency contract was executed on May 1, 1995. The work, however, was completed on November 7, 1994.

Some contracts were entered into for more money than had been encumbered.

It appears that a number of the outside services could have been performed by the city's staff. For instance, one contract totaling \$9,300 was for the development, printing and distribution of a city-wide newsletter.

In some cases, team members were informed that requisitions were canceled, but there is no notification to purchasing found in the file. This gives the appearance that it is still an "open" file. In other cases, the advice for payment was greater than the amount approved on the purchase order or noted on the vendor's invoice.

According to the date on one invoice, the advice was dated prior to the product being delivered.

There were also incidences where invoices were submitted without a breakdown of the labor hours. For instance, the invoice from a plumbing vendor was for \$450 to unclog a sewer drain, but no further detail regarding parts and labor expenses were provided.

In one case, the advice, invoice, and purchase order were all for \$1,800. However, the Certificate in Lieu of Affidavit, signed by the vendor, was for \$9,800. Purchasing records did not indicate which amount was paid. Although this was probably a misprint, staff needs to check numbers for accuracy. In another case, the amount claimed on the invoice submitted exceeded the amount on the packing slip that was received at delivery.

Telecommunications Contract

The city has contracted for telecommunications consulting services in both the 1994 and 1995 fiscal years for a total sum in excess of \$100,000 without the benefit of competitive proposals or quotes. Both contracts were approved by City Council as Extraordinary Unspecifiable Service contracts. As specified in the contractor's proposal, she was trained to: review all specifications by department for new installation, maintain appropriate software systems, manage the billing, supervise daily operation of central console, train personnel, develop and control telephone inventory, and correct and monitor telephone usage. In addition to compensation, this consultant was given an office in City Hall. A contract for these services should have been the result of a competitive proposal process.

While the contract and the proposal clearly specify that the consultant's responsibilities relate to city-wide telephone operations, the total cost of the contract is fully funded in the Water Utility budget. This appears to be an inappropriate allocation of costs to the utility and direct circumvention of the "CAP" law, N.J.S.A. 40A:4-45.3, as the utility budget is not subject to spending restrictions.

Other telecommunication contract concerns of the team include the lack of contract completion deadlines and the continued contracting for services that should be one-time occurrences, instead of ongoing activities. For instance, the 1993/94 contract refers to timeframe requirements of the city, yet the only completion deadline provided is for 911-related services. The 1994/95 contract is also void of completion dates. Six of the seven activities listed in the 1993/94 contract were one-time tasks. The seventh activity involved free installation by the equipment provider. The 1994/95 contract includes activities that we believe would ordinarily require minimal ongoing attention after initial setup and/or limited liaison responsibilities with telephone service or equipment providers.

Recommendations:

We recommend that the city reconsider the contracting of these services and, instead, seek out assistance, consistent with the Local Public Contracts Law, from current telephone service and equipment providers on an as needed basis, which should prove to be less costly and duplicative than a full time consultant housed in City Hall. This would also eliminate the current support staff costs to the city.

Cost Savings: \$52,000 in salary & benefits

While a portion of the contract may be billed to the utility for the consultant's service to telephones in that department, most of the contract costs should be charged to current fund operations, subject to the "CAP," where a greater need for her services would be required. This should obviously only be done if the city renews this consultant's contract.

Camden Department of Community Affairs Contracts

This department contracts for a number of functions and programs with non-profit organizations such as the Office of Economic Opportunities and the Centerville Simbas. The city views this as an efficient way to deliver services by using groups who specialize in education, child development, after school programs, etc. In addition, the city believes that this alleviates the need to hire permanent Civil Service staff.

However, it is clear that problems exist with the contract system. The city does not ensure that a legal contract exists for goods and services purchased from its vendors. This condition increases the environment for mismanagement, waste and abuse of the purchasing system. A legally executed contract provides controls that ensure that goods and services purchased meet specific standards of the city and provides a legal recourse for non-compliance. More than any other department, this department seemed to secure the most services without benefit of competition. The concerns identified and recommendations made by the team regarding the awarding of professional service and EUS contracts are most often applicable to this department.

Documents indicate that four months prior to contracting for karate classes, the possibility of a contract was discussed with the vendor. There is no indication that in the four months between that discussion and the contract execution that any consideration was given to requesting proposals from any other vendors, yet there are more than 40 karate organizations listed in the local phone book. Over \$13,000 in ballet instruction was approved under EUS contracts. The team's review of the local yellow page listings for vendors of similar services revealed that there are at least 52 vendors available in the area for this type of instruction. This situation was similar in many instances in which EUS contracts were awarded. The team does not believe that ceramics classes, ballet instruction or karate instruction are appropriately classified as Extraordinary Unspecifiable Services.

The granting of contracts to intermediate organizations to perform essentially the same or similar services as the Department of Community Affairs results in a compounding of the administrative expenses. The review of invoices for one of the non-profit organizations indicates that 20.5 percent of the grant was spent on administration and coordination of activities. If this amount is multiplied by the number of organizations receiving grant money, the cost of program administration and the reduction in dollars available for actual program activities is considerable.

A random review of expenses of two city grant programs revealed a considerable percentage of expenses which the team believes are not directly related to actual program objectives, but are instead superfluous to the intent of the grant. In one program, we believe this amounted to approximately 29% of total expenses and in the other program, approximately 10%. It is difficult to confidently determine the exact breakdown of expenses due to the poor condition of records and the lack of control in expenditures and accounting.

Based on our review, we do not believe that the city requires appropriate accountability from non-profits for grant awards. Accounting functions and monitoring were found to be inadequate in this department.

Recommendations:

City Council should induce more competition into the contract process by restricting the use of the Extraordinary Unspecifiable Services category. DCA should require completion of the contract package after the vendor is authorized to begin work through resolution of City Council. After the vendor has signed the contract, the completed package should be submitted to the City Attorney's Office for review and approval. Once the contract is properly executed, copies should be immediately distributed to all appropriate city departments. No payments to vendors should be made without the existence of a properly executed contract.

The city should review its application of grants to non-profit organizations and consider the possibility of distributing funds for programming costs, alone, while maintaining full administrative control whenever possible. This is more appropriately applied to program grants, as opposed to construction related grants.

The city should require strict accountability for performance from non-profits in accordance with specific grant requirements and measurable outcomes. There should be a clear, accurate accounting of all money spent from grant allocations.

Clerk's Office Contracts

The Clerk's Office is required by law to keep all contracts on file. A review of the 1994 files indicated that, of the 413 contractual agreements approved by Council, less than half were found on file.

Recommendation:

A method of ensuring that all contracts are filed with the Clerk should be initiated.

Insurance Contracts

A number of contracts for medical and administrative support services and brokerage services are not in place, or have not been awarded under a competitive process. Other services are provided on the basis of verbal agreements, rather than written contracts.

Many contracts or agreements are for an annual fixed amount, rather than a specified fee for services rendered. For example, the initial treating physicians for Workers' Compensation receive a flat annual fee, regardless of the number of employees requiring treatment or the nature of the injuries treated.

There is no current contract or agreement between the city and the firm used as its insurance broker, nor was there any in 1994. Information on contracts was largely provided through verbal means to the team. Payments for insurance coverage and the Third Party Administrator (TPA)

services are made to the broker, who in turn remits payment to the carriers and the TPA. It is unclear from the billings and city's financial records whether there is a broker's commission associated with the TPA services.

The city's excess insurance coverage is bundled together with the claims administrative services provided by the TPA. A firm allied with the TPA served as the excess insurance broker to secure excess coverage from the surplus lines market.

Although the team was provided with no current signed agreement between the city and its TPA firm, we were told by city officials that the TPA's agreement provides for it to handle all claims reported within the agreement under the basic compensation amount. There is no per claim fee or any anticipated number of claims indicated in the agreement to generate the total annual compensation paid to the TPA. There is a fee per claim for any claims reported after the termination of the agreement but with a date of loss within the agreement period. These fees would be in addition to the annual compensation provided in the agreement. The agreement calls for three installment payments, 50% due January 1st, and 25% due April 1st and June 1st. The TPA firm is paid in full after less than half of the contract period has elapsed.

Recommendations:

All services relating to the city's risk management program should be provided on the basis of written contracts containing the scope of services to be provided and the basis of compensation for the services. While insurance and many related professional services contracts are not mandatory bid items, the use of competitive proposals and requests for quotations based on written descriptions of services to be provided is financially prudent and may well result in dollar savings to the city. At a minimum, this method should be used to establish the contracts for the initial treating physicians and medical specialists for Workers' Compensation injuries, the claims and treatment auditing firms, the pharmacies used to fill prescriptions for Workers' Compensation injuries, and the Third Party Administrative (TPA) services for claims review and processing.

The Risk Management Office indicates that the current flat fee basis has reduced costs and improved services over the previous fee for service arrangements. The city should continue to monitor activity under the annual fee basis to determine whether this basis or the fee per service method is the more economical. Where advantageous, the city should consider contracts established on the basis of a specified fee for services rendered.

The city should solicit proposals from licensed insurance brokers to serve as the city's insurance broker. A written contract should be executed, clearly defining the duties and compensation to be paid to the broker. The contract should also establish the term of the agreement. TPA services should be the subject of a separate contract (see below) and the payment for such services should not be combined with insurance premium payments made to the broker.

While there may have been market related factors which dictated this arrangement when it was initiated, the city should take steps to disengage the excess coverage from its TPA service agreement and seek separate proposals for each. There are a number of administrative service organizations that are capable of providing the services required by

the city. The city should continue to solicit proposals for its excess coverage needs. The city should also explore the potential for joint action with other large communities for excess coverage via a joint insurance fund.

The TPA's proposed agreement calls for it to have control of payments from the insurance fund and for it to authorize payment of claims up to \$7,500. The city's program currently retains these under its control. This discrepancy has prevented the signing of a contract, but not the implementation of the agreement. The city and TPA should establish a written contract which reflects the actual duties and responsibilities of each party.

Any agreement for TPA services must identify the per claim cost of administering the claims (by type of claim, if relevant), the anticipated number of each type of claim on which the total fee is based, and whether the compensation covers handling the claims to their conclusion or only during the contract period.

Payment for such services should be on the basis of a monthly voucher specifying the services provided and fees charged, rather than the current three installments. It must be noted that state law does not permit payment in advance except for certain specifically authorized purposes. TPA services are not among these exceptions. Payment is to be made after the provision of services to the city.

Encumbrance Accounting System

A purchasing system is the basis of an efficient and controlled encumbrance/disbursement accounting system. The use of an effective encumbrance system provides up-to-date appropriation balances.

It is important to recognize that having a good encumbrance system does not solely ensure a good purchasing system. Therefore, the two systems must complement each other.

The Guidelines for Purchasing Policies and Procedures detail the certification and encumbrance of funds. The Guidelines also provide specific standards for preparing a straight advice. It should be noted that the city uses both an advice and a straight advice. A straight advice is prepared when certain types of services or payments are to be made which do not require the utilization of the encumbrance system. These exceptions include: debt service, conference and seminars (education), emergency appropriations, employee reimbursement, judgments, payroll costs, petty cash expenditures, refunds, and utility bills.

A review of the specific procedures for straight advices states that it is prepared and signed by the Department Director of the requesting entity. It is forwarded to the Division of Accounts and Control for review and pre-certification of funds. If the advice is in proper order, it will be forwarded to the Comptroller for certification of availability of funds. Once approved by the Comptroller, the advice is returned to the Division of Accounts and Control to be placed on the bill list for payment. Check disbursement and notice of expenditure are then recorded in the proper ledgers.

A review of the specified standards process for advices indicated that there is no requirement for the Purchasing Bureau's involvement. There were approximately 4,200 straight advices for the 1995 fiscal year. More than half of the advices were for the exceptions to the encumbrance accounting system.

An initial review of many purchasing files produced a Certification As To The Availability Of Funds Form completed by the Chief Financial Officer/Comptroller. The form would usually be attached to the resolution passed by City Council. The initial review did not indicate that funds had been encumbered for various purchases, however, it was later verified that the blue copy of the purchase order (Comptroller's) was stamped in a certain manner indicating that funds had been encumbered. If a stamped or hand written date appeared in the "Posted Block," it meant that funds were encumbered. The certification of funds' block on the Comptroller's copy was not signed. Further, many purchasing files only included the certification of funds, indicating that funds were available at the time Council passed the resolution.

The voucher copies of the purchase orders were frequently missing from the purchasing files. Since the Purchasing Bureau forwards the invoice with the advice to the Comptroller for payment, it could not be determined if an original invoice had been received by Purchasing. A review of the same vendor file in the Division of Finance did not always produce the invoice. If the voucher (white copy) were returned with claimant's certification block not signed, or the voucher simply not returned by the vendor, the Purchasing Bureau would send the vendor a Certification in Lieu of Affidavit to complete as a replacement for the voucher, instead of requiring that vendors take responsibility for returning signed vouchers.

Incorrect coding and posting of requisitions, purchase orders, and advices were found. In some cases, the appropriate blocks were not completed by the using agencies. Nomenclature on requisitions, purchase orders, vouchers, invoices, and proposals often provided only minimal recall information. The phrases, "see attached" or "periods of time," are used to identify a request for a particular need or payment, instead of adequate detail being provided on requisitions, purchase orders, etc. Voucher payment for contractual obligations for certain professional services lacked references to properly executed contracts.

Recommendations:

Based on the Code, the administration should strictly enforce the proper submission of the voucher copy of the purchase order. In many cases, where advices were actually "confirming order" contracts, the Affidavits were used by the vendors to justify payment. The city should suspend the use of the Affidavits.

Straight advices must only be used for the purposes set forth in the Guidelines and in accordance with the specified standards. There is no need to have the straight advices processed through the Purchasing Bureau. The straight advices for exceptions stated above should be directly sent to the Division of Accounts and Control. The subtraction of some 2,000 straight advices still leaves the Purchasing Bureau with close to 6,000 transactions. It is possible that this workload reduction could eliminate the need for one of the two hires in the bureau recommended by the team.

All copies of the purchase order should have the signature of the Chief Financial Officer/Comptroller. Pursuant to N.J.A.C. 5:34-5.1 et seq., the Chief Financial Officer may delegate this duty, but it does not relieve him of the responsibility. The “Posted Block” procedure should be suspended immediately.

Certain parts of the purchase order must be redesigned so that pertinent information is complete and included on all copies, such as the account number to which the certification of funds applies, the check number and amount and a sign-off by the Chief Financial Officer, or his designee, of the actual encumbrance.

Greater care must be exercised in the coding and posting of charges to appropriations. All data must be verified with the budget document prior to entry. Nomenclature on all documents must be given the same careful review. The proper coding and posting of charges to appropriations can be accomplished on a departmental level, and then re-checked by the Division of Finance.

It is recommended that the Purchasing Bureau, in concert with Finance Office, periodically check multi-year contracts to ensure that there are subsequent renewal resolution(s) and certifications and encumbrances of funds to coincide with each budgetary year.

Emergency Purchases

A review of the 1994-1995 contracts files indicated that the emergency purchases were apparently applied appropriately to the demolition of hazardous structures, street openings for sewer and water line breaks, and tunnel and street collapses.

The Purchasing Policies and Procedures Manual specifically contains a section pertaining to emergency procedures. It should be noted that the Purchasing Agent maintains a list of demolition and construction contractors who will be faxed certain information (copy of requisition and emergency declaration) concerning the nature of the emergency. If the emergency is not of an imminent nature, he will give them a turn-around time of 12 to 18 hours to respond to the request for a price quote. Once the emergent situation or condition has been resolved, paperwork such as the Requisition, Request for Council Action, Certification of Funds, Approved Resolution, Request for Contract, and Executed Contract will follow and be processed as if the transaction was a non-emergent purchase.

The emergent purchases reviewed met the intent and spirit of the Local Public Contracts Law and the Rules. The transactions conformed to the city’s written policies and procedures. The process appears to work well for the city, and is, in fact, a process that could serve as a basis for other contracting units, especially those in an urban setting.

Recommendations:

The emergency procedures section of the Purchasing Policies and Procedures Manual should be updated to include several additional steps that have been instituted in practice by the Purchasing Agent.

A review of the Administrative Code indicates that the Business Administrator is responsible for the handling of an emergency, while the Manual states that the Purchasing Agent is authorized to award a contract. Since the award of such contracts is an automatic commitment of funds, which is a primary requirement of the government body, it is important for the documents to be consistent. Further, the Administrative code should be amended to specifically address this important aspect of purchasing.

Professional Development

The composition of technical and ethical standards in public procurement include an essential level of knowledge, a personal discipline of performance, and the acceptance of responsibilities and accountability inherent in the authority and/or duties of the position.

There is no question that the experience of day-to-day operations contributes substantially to the growth of knowledge and expertise of a purchasing office. However, there is a need for formal training and instructional programs to supplement on-the-job knowledge and experience, as well as para-professional development.

There is a lack of both basic and progressive training in the Purchasing Bureau. Interviews with certain representatives from other using agencies indicate a need for providing basic information and training on public purchasing requirement and procedures.

There is also a need for those involved in some phase of the purchasing process to interact with each other. A proper setting to discuss the misconceptions and misunderstandings that individuals have regarding the purchasing process would well serve the city and those who must interact on purchasing matters.

Recommendations:

The administration should explore the possibility of providing appropriate basic and progressive courses and seminars for staff of the Purchasing Bureau. These courses must also be provided for the representatives from using agencies involved in some phase of the purchasing process.

A proper setting must also be provided to discuss misunderstandings and problems that individuals have with the purchase process.

A half day session should be scheduled for all department heads and upper level supervisors regarding appropriate accountability and procedures in the purchasing process. An informational session could also be offered to the members of the governing body on the role of the governing body in the purchasing process.

Planning and Development

The purpose of this assessment of planning and development activities in the City of Camden is to review the operational aspects of agencies involved in the city's growth and development. The effectiveness of the various programs administered by some of the agencies included in this review is not considered. It is, however, suggested that such programs be reviewed in concert

with their respective federal and state funding sources so as to determine if they are being conducted in a manner consistent with their intent, and that program funds are being disbursed within accepted reporting and accounting practices. It should be noted that there may be serious risks and consequences associated with non-compliance with funding requirements that the city should keep in mind.

The following description of the city planning and development activities will illustrate the lack of a cohesive, well directed vision for the city's future. Planning activities are tremendously scattered and inefficient in providing any real benefit to the city. Non-compliance with applicable laws and regulations will also be discussed.

Division of Planning

Staff

The Division of Planning is located on the fourth floor of City Hall and is a part of the Department of Administration and Finance. The division has 13 staff members, two of which are classified as planners by Civil Service title, however, they are not licensed as planners. This does not imply that they are not capable planning practitioners, but it does leave the city in the position of having to hire outside consultants for those activities that require a licensed planner to be the planner of record. Given the volume of work requiring a planner which will be necessary if Camden is to improve its condition, the frequent use of consultants could be very costly. The remaining staff are classified broadly as administrative and support personnel.

Although the Division of Planning is within the Department of Administration and Finance, planning staff are supervised by the Executive Director of the Camden Redevelopment Agency (CRA). In fact, five (5) staff members of the division are working directly out of the CRA office building. This arrangement does not appear to be formalized in the city's Administrative Code.

Camden is a city with a population of some 87,000 persons; a rather ambitious redevelopment agenda; and only two city planners, both without planning licenses. The small number of planners on staff is inconsistent with the city's large growth aspirations. The need for additional staff to assist in charting a new future for the city, to guide its Master Plan process, and to engage in project management for the many envisioned redevelopment ventures is essential.

Functions

The division's primary responsibilities are in land use administration, site plan review, neighborhood and housing planning, transportation planning and historic preservation. Division staff also serve as technical advisors to the city's planning and zoning boards.

The city's present planning function is splintered. Local planners and related personnel are scattered in different offices within and outside of City Hall. Land Use administration and site plan review are performed out of the division's fourth floor City Hall office; neighborhood and housing planning are conducted principally out of the Camden Redevelopment Agency; park planning is carried out by the Department of Community Affairs; the allocation of funds to support many planning projects is under the jurisdiction of the recently created Department of Development and Redevelopment. In short, the resources that are needed to plan and implement projects in accordance with a comprehensive planning strategy are literally spread throughout the city. This arrangement impedes efforts to coordinate the course of development in the city.

The process of planning in Camden does not seem appropriate to the team. Rather than serving as a lead agency in setting the city's development agenda, city planning is decentralized. The Planning Division should be heavily involved in directing redevelopment activities in the city. To the contrary, however, the Redevelopment Agency is directing the actions of the Planning Division.

Professional Services

The division retains the services of a private engineering firm to perform site plan review and to inspect improvements. The firm is paid through escrow funds provided by developers to help defray city expenses incurred in connection with the site plan process. Based on a review of advices received by the Purchasing Bureau, consultant billing for FY95 totaled more than \$120,000.

The city's Master Plan, which is a blueprint for the city's development, was prepared in 1976 and is, therefore, nearly 20 years old. The Plan is currently being reexamined and indications are that the city will seek to retain the services of a professional consultant to prepare a new plan.

The absence of a licensed professional planner on staff forces the city to delegate planning to an outside firm. This creates an ongoing need for consultant services. It also places direction of the city's development in the hands of consultants who are likely to be less familiar with or have a personal interest in the needs and requirements of the city.

Recommendations:

The entire spectrum of planning and development in the city of Camden should be restructured. A suggested reorganization is attached as Exhibit A of this report. The recommended reorganization would create a Department of Planning and Development consisting of various divisions and administered by a licensed Professional Planner. Appropriate staffing would minimize the need for consultant services, while allowing the city to effectively plan, control and manage its own destiny. Specific reorganization recommendations are made in each section of this report.

The team believes that several positions in the Planning Division could be eliminated at a savings of approximately \$53,235 in salary and benefits. This could be handled in concert with a reorganization of the entire planning function.

Cost Savings: \$53,235 in salary & benefits

It is further recommended that any consultants retained to assist in the preparation of a new Master Plan should be selected through the Request For Proposal process, whereby a specific scope-of-services is advertised and various firms are given the opportunity to respond. This competitive bid process will help to ensure that the work is carried out at a reasonable cost.

The Division of Housing Services

Responsibilities for rehabilitating, preserving and conserving the city's existing housing stock are within the purview of the Division of Housing Services. This is an especially challenging

assignment, given that an appreciable share of the city's housing stock is old, physically "run down," occupied mostly by renters, and of relatively low market value.

Staff

The Division of Housing Services is located in a rather remote section of the sixth floor of City Hall and is a part of the Department of Housing and Community Development. The division has ten (10) staff members, including a construction coordinator, research analyst, community relations specialist, grant analyst, senior program monitor, supervising program analyst and four (4) clerical positions that provide assistance in the intake and processing of homeowner rehabilitation applications.

Functions

The division's primary responsibilities are in administering home improvement loans to homeowners in an effort to stabilize the owner-occupied housing stock. Funds are derived from various sources including the Community Development Block Grant, state, private and other federal programs. Based on information received, the division is currently involved in 10 different home improvement projects throughout the city, including work with several non-profit organizations that are seeking to rebuild the housing stock in certain neighborhoods.

The division utilizes the services of four different consultants to handle the volume of rehabilitation in the city. Contracts are awarded through the EUS process and are paid out on a fee-based schedule. The consultants are responsible for preparing work write-ups for each rehabilitation job, monitoring each job, and conducting final inspections so as to determine that all work has been completed satisfactorily and in accordance with job specifications. It was reported that some \$40,000 was spent on consultant fees during the past year – for an average of about \$10,000 per firm. It was also reported that the per unit fee for preparing write-ups, monitoring progress and conducting final inspections was approximately \$250. Accordingly, it can be estimated from the information given that the total volume of rehabilitation activity engaged in by the Division of Housing Services during the past year was about 160 units. Non-profits are responsible for securing their own estimates for rehabilitation work. However, most backup documentation provided to the team was limited in estimate and project scope detail.

The division administers the funding and monitors the rehabilitation. The loan agreements require that the individuals securing loans will remain the owner/occupant of the unit for five years and that the owner be current with the city for any fees or taxes. There appears to be no follow-up by city staff, however, on the ownership/occupancy status and it is unclear, based on our review, as to whether there is follow-up on the status of fee and tax payments.

Recommendation:

It is recommended that non-profit organizations be required to submit detailed documentation as to the scope of work and the cost estimate for their projects. Also, the division should provide follow-up to ensure that all of the requirements of the home loan program are continually met. This process should be assisted by the team's proposed reorganization of housing related programs and services.

Department of Development and Redevelopment

Staff

The Department of Development and Redevelopment is located on the third floor of City Hall. The department has seven (7) staff members including its department head, Program Auditor, Program Development Specialist, Urban Enterprise Zone Coordinator and several clerical personnel.

Functions

The department was created by Code in November 1994 and is supposedly responsible for coordinating all development and redevelopment activities in the city. Its present department head was appointed in March 1995.

The department administers a number of grant programs including CDBG (\$4.1 million); HOME (\$1.2 million); and, Emergency Shelter grants (\$109,000). The city's Urban Enterprise Zone is also within its purview. The department has also been very involved in the city's \$21 million Empowerment Zone grant and has provided staff support in establishing benchmarks for the program. The state's Department of Human Services is the conduit for these federal grant funds. This commission has recently been discussing the option of forming a non-profit corporation to handle its responsibilities.

With respect to the aforementioned federal grants, the department is involved in disbursing and monitoring funds to other city offices for various programmatic activities, including public services and facilities, housing rehabilitation and development, economic development, and human services (day care, homelessness, senior citizens, etc.).

Regarding its role as coordinator of development and redevelopment activities in the City of Camden, the department has established an Interdepartmental Communications Committee which meets monthly for the purpose of discussing and coordinating different projects. In addition, according to the city's Administrative Code, the head of the Department of Development and Redevelopment serves as the Mayor's liaison to all other public and quasi-public agencies engaged in development activities in the city, including the Camden Redevelopment Agency, Cooper's Ferry, the Delaware River Port Authority, and others.

Despite what may have been the proposed intent, the Department of Development and Redevelopment is functioning primarily as a grants coordinator for the city and not as a planning agent. Most of its staff are assigned to disbursing and monitoring state and federal grant funds. For the most part, the department performs adequately in this capacity. However, the area of grant tracking should be refined, so that each grant issued through the department is readily and fully accounted for. Although considerable information is on hand, in some form, with respect to the disposition of grants in general, the information is not centralized. Team efforts to ascertain certain aspects of a grant were not always successful and, more often than not, proved to be difficult and confusing.

Notwithstanding the significance of its work, it is difficult to justify department status for the Department of Development and Redevelopment. There are but seven staff members, including

its department head. By and large, the mainstay of their work is devoted to grants management. Although the department is also involved in limited coordination of development projects, this appears to be a secondary function that is handled essentially by its department head.

Recommendations:

There are a vast number of projects and services that are being funded, in whole or in part, with the assistance of federal and state grants. Since the city's current system of managing and dispersing grant funds has been found by the team to be inadequate, as mentioned in earlier sections of this report, it is recommended that, at a minimum, the following information be maintained in a central file for each grant issued:

- o amount of grant;**
- o source of grant funds;**
- o identification of recipient and sub-recipient;**
- o amount spent to date based on quarterly reports;**
- o full documentation of all spending including, where applicable, copy of any invoices evidencing purchases;**
- o copy of any resolutions authorizing the conveyance of grant funds to non-profit organizations and/or other such sub-recipients;**
- o copy of any contractual agreements establishing the purpose of the grant, scope of services, performance requirements, and all other such information required by federal and/or state funding sources; and**
- o any required audit information, as established by federal and/or state funding sources.**

Because of the lack of coordinated efforts and activities, systemic in most of the city operations, serious consideration should be given to dismantling the existing department and transferring its functions as follows:

- the area of grants coordination and management should remain intact, but be assigned to the proposed grant accounting unit directly under control of the Certified Financial Officer who reports to the Business Administrator;**
- the coordination of development and redevelopment activities should be assigned to the Department of Planning and Development recommended by the review team, and the role of technical liaison/coordinator of redevelopment activities should be assumed by the staff licensed professional planner also recommended by the team;**
- administration of the Urban Enterprise and Empowerment Zone activities should be assigned to our recommended Division of Economic Development, within the team's recommended Department of Planning and Development; and**
- the Student Assistant position could be eliminated, as this work could be assumed by staff of the recommended reorganized department. We could not comment on the appropriate relocation of three other positions identified because we were not provided with any information on their actual responsibilities while reviewing this particular department.**

Cost Savings: \$18,200 in salary

We support the interest of the Empowerment Trust Commission in forming a non-profit for the conduct of its objectives. The ETC is a citizen led board authorized to oversee implementation of the Empowerment Zone. It is the team's belief that this operating format will provide the commission with the independence and autonomy it requires to truly work as a community-based group. In addition, since the city lacks adequate internal control systems, we believe there would be greater accountability for expenditures through a non-profit organization. Advisory services by the city should be available to this organization by the recommended Division of Economic Development, with the support of the licensed Planner we suggest head the reorganized Department of Planning and Development.

Division of Engineering and Construction Management

Staff

The Division of Engineering and Construction Management is located on the fourth floor of City Hall and is attached to the Department of Utilities. The division has eight (8) staff members including an Assistant Municipal Engineer, two Supervising Engineering Aides, a Principal Engineering Aide, a Senior Engineering Aide, two Engineering Aides, and a Principal Clerk Typist. No one on staff is certified or licensed as a professional engineer.

The Division of Engineering was, at one time, part of the Department of Public Works. Over the years, the division was transferred to the Department of Utilities and its staff dwindled steadily from a one-time high of 22 employees to its current level of eight.

Professional Services

There is no Professional Engineer on staff and the city contracts with an outside consultant to serve as its Engineer of record. Among other things, the consultant prepares plans and specifications for certain projects and assists the city in construction management. It was reported that the city paid the firm \$150,000 for services rendered during FY 95, however, payment records indicate a total of \$44,225 paid to the consultant for activities not related to those paid through planning escrows. Despite several attempts, the team was unable to obtain clarification on this discrepancy from city officials.

In effect, the division has been significantly downsized over the years, to the extent that it now relies heavily on consultants to assist in carrying out many of its assignments. In fact, because the city does not have a Professional Engineer on staff, all plans and specifications prepared by the division must be reviewed, signed and sealed by an outside consultant, before they can be put out for bid.

It was reported that, in many instances, the selection of consultants to perform engineering related services is carried out by the city's administration with no input or advice from professional staff of the Division of Engineering.

Functions

The scope of work performed by the Division of Engineering and Construction Management includes preparing plans and specifications for various city projects, providing construction management for street improvements/replacement of water and sewer mains, preparing applications for road improvement and construction grants, providing records management

services for the city's utilities and street network, preparing metes and bounds descriptions for street vacations, street dedications and city properties, and maintaining and providing information to the general public as well as to other city agencies, developers, consultants, and utility companies. During FY 95, the division's workload in construction management alone was directed to six different projects (including street improvements and reconstruction of sewer mains), representing some \$3.1 million in improvements overall.

The city's street and underground utility network is old and in constant need of reconstruction and/or repair. The process of conducting inspections, assessing conditions, recommending solutions in instances where problems exist, preparing drawings, specifications and cost estimates for any required work, and assisting the city in packaging bid documents for construction contracts is ongoing and related to maintaining existing systems, as well as to constructing new systems to accommodate redevelopment. Responsibility for carrying out this rather extensive and technical scope of work lies with the Division of Engineering and Construction Management.

Facilities

Similar to other offices in City Hall, the Engineering Division is crowded, cramped for space and operates under inadequate conditions. Moreover, because it shares space with the administrative unit of the Department of Utilities, there are frequent distractions and interruptions which inhibit job productivity. There is a distinct need for a better operating arrangement, as well as for computerized drafting and additional staff.

Recommendations:

It is recommended that the city gradually increase the size of its engineering staff to include the following positions:

- o Certified Professional Engineer to serve as Division Administrator.**
- o Traffic Engineer to address impacts of new development on the city's street network.**
- o Two additional engineers to assist in the area of water and sewer improvements.**

The cost of this additional staff will be somewhat offset by the savings in consultant contract costs that are now necessary.

Value Added Expense: \$286,000 in salary & benefits

It is also recommended that the city install a computerized drafting system and that its drafting staff receive appropriate training to operate such system skillfully.

The city should confer with its professional staff to ascertain whether the services can be provided in house before selecting engineering firms for any project. If engineering firms are necessary, they should be selected through a written Request for Proposals process. Further, if outside firms are needed, the Engineering Division should be represented at all meetings and discussions concerning the scope of work to be performed and the reasonableness of all proposed fees and charges.

To the extent possible, the city should try to arrange for a more spacious area to accommodate the Engineering Division. Existing office facilities are simply too congested and the floor plan is functionally obsolete. Because these conditions also typify other offices in City Hall, the city should conduct its own space analysis to determine how much floor area each office requires to operate efficiently and effectively. Based on this analysis, the city can begin to explore options for accommodating the space requirements of each department and division.

Economic Development

There is no lead agency in city government that has clear responsibility for overseeing the city's program for economic development. Our comments are based on information derived from interviews with key individuals involved in economic development in the city, as well as from general observations about the economic programs and activities of several different agencies.

Function

The function of economic development is currently split among several agencies including the Camden Redevelopment Agency, the Department of Development and Redevelopment, the Mayor's Office, and a number of private and non-profit entities throughout the city. Until last year, there was a Division of Economic Development whose chief responsibilities included administration of the Urban Enterprise Zone, promoting commercial and industrial development, and creating local jobs. When the division was disbanded, these duties fell elsewhere, resulting in the present scattered distribution of functions.

The principal role of an economic development organization is to enhance the local economy by fostering economic growth. Essentially, this entails creating new jobs and generating new taxables. In Camden's case, given the city's depressed real estate values and the condition of its infrastructure, the task of attracting economic growth is especially difficult and challenging. There is a need to assemble developable sites, upgrade infrastructure, ensure that appropriate zoning is in place, provide job training for unskilled local workers, and design incentives to attract new business. In short, economic development efforts require the work of skilled professionals who have the technical "know-how" to put all the appropriate pieces in place to package and successfully market projects. This work should also be carried out in accordance with an overall economic development plan, and should be a component of the city's Master Plan with clear goals, objectives and an implementation strategy.

Recommendations:

The existing structure of economic development in Camden is in disarray. The splintering of functions among different agencies detracts from efforts to achieve a comprehensive and coordinated program in the city. All economic development programs and activities should be centralized and administered by economic development professionals experienced in identifying and meeting the economic needs of the community. With Enterprise Zone revenues and Empowerment Zone funds, CDBG funds, contributions from private entities, and low-interest loans from local banks and lending institutions, a considerable pool of financial resources is available to deliver a number of economic projects and activities.

However, unless the resources are channeled properly to achieve a maximum return, the city's economic development efforts will continue to be piecemeal and directed to projects randomly selected.

It is recommended that the former Division of Economic Development be re-established and placed under jurisdiction of the recommended Department of Planning and Development. The division would be responsible for preparing an economic development plan in conjunction with the preparation of a new Master Plan, and for setting strategies to achieve new growth. The division would also work closely with other agencies, including the Camden Redevelopment Agency, the Cooperative Business Assistance Corporation, the local Chamber of Commerce, the Latin-American Economic Development Association, Cooper's Ferry Development Association, and others in the interest of furthering the city's economic development agenda.

Exhibit A at the end of this report displays the recommended organizational format for centralizing various planning and development activities that are currently performed by different city agencies. The exhibit is only intended as a guide for structuring a more coordinated planning program, as a model for consolidation by the city.

Camden Redevelopment Agency (CRA)

Staff

The Camden Redevelopment Agency is located at 542 Cooper Street, approximately one block north of City Hall. The Agency employs six (6) people, including an Executive Director, Executive Assistant, Project Coordinator, clerical and support staff. Six (6) city employees also work out of the CRA office building, including five (5) employees assigned from City Planning.

The Agency has a seven member Board of Commissioners. The Board serves in a decision-making capacity with respect to redevelopment projects and activities engaged in by the Agency.

Function

The Redevelopment Agency was established by City Ordinance in August 1987. The Agency was authorized to carry out redevelopment activities in the City of Camden, and all of the rights, titles, duties, privileges, responsibilities and powers, as set forth in the Local Redevelopment and Housing Law (40A:12A-1 et seq.) were conveyed to this entity. Although the CRA has bonding authority, it has never exercised that authority.

At the present time, the CRA is involved in the construction and/or rehabilitation of some 460 housing units throughout the city, with approximately 150 units under construction. Almost all of the housing in question is being sponsored by various non-profit organizations with the aid of Community Development Block Grant (CDBG), HOME and State Balanced Housing program funds.

Besides serving as an agent for housing, the CRA also plays a significant role in the waterfront redevelopment. A considerable portion of waterfront land is owned by the Agency and is targeted for future use, as prescribed by the waterfront master plan.

Financial

It should be noted that financial audits of the CRA's accounting practices are not up-to-date, so that the receipt and disbursement of funds handled by the Agency are not fully documented. The Agency has not had a financial audit in several years. This evokes questions as to the accounting of grant funds passed through the CRA to various non-profit housing sponsors and other recipients. It also raises concern about the extent of revenue derived annually through land sales and leases. The absence of up-to-date audit information documenting the Agency's cash flow can lead to doubts about the financial stability of its overall operation. This is yet another example of how the lack of financial control and accountability can exacerbate the problems in this city. It makes it very difficult for city officials or outside agencies to determine the true, accurate financial condition of the city.

The CRA receives funding from various sources including the sale and/or leasing of land which was formerly owned by the City of Camden and was conveyed to the Agency for redevelopment purposes. Other sources of income are derived from city funds, as well as from various grant programs that are administered by the Agency.

Information on land sales and leases, as compiled by the Agency, show that they produced income in the amount of \$289,000 in 1992; \$79,000 in 1993; \$144,000 in 1994; and \$144,000 between January and July 1995. Records also indicate that as of May 23, 1995, some 150 properties were owned by the CRA – most of which are vacant lots, while some 50 parcels included vacant structures. Most of the Agency's vacant land holdings were targeted previously for Urban Renewal.

Impediments to Redevelopment

Various problems affect the Agency's ability to achieve a more extensive redevelopment program. To a large extent, project costs escalate by the ever-growing cost of site clearance, asbestos removal and environmental clean up. These problems are compounded by a need to replace old infrastructure in many instances, and by an overall shortage of funds to make the improvements. Redevelopment is also hampered by depressed real estate values and by the city's negative image.

But a more significant impediment is that the redevelopment actions of the CRA are apparently not being carried out pursuant to a Redevelopment Plan. Although the Agency has a map designating the location of several redevelopment areas in the city, there are no detailed plans with respect to land use, transportation and other improvements slated for such areas. This is in direct conflict with N.J.S.A. 40A:12A-7 (Local Redevelopment and Housing Law).

Record Keeping

Basic data concerning existing redevelopment plans and projects are not readily available. The nature of such plans and projects including their location, size, character and status, as well as their respective sponsors/developers and funding sources, are neither described in mapped form, nor otherwise portrayed graphically. Data that are available are poorly organized. The Agency was unable to readily produce information concerning all projects engaged in since its inception.

Recommendations:

There is an urgent need to update the Agency's financial audits. The CRA has the potential to become a major redevelopment force in a city with considerable redevelopment potential. Prior to assuming that role, however, its financial records must be made current in order to ensure that the Agency is operating in a legal, appropriate and cost effective way.

To the extent possible, the Agency's redevelopment actions should be coordinated and directed to areas with good infrastructure and minimal site clearance. This would cut project costs and allow for more feasible development. As a starting point, the Agency should plot the location of its existing land holdings so as to visually identify the location and size of its resources. Such data could then be reviewed by the City Engineer in order to determine the suitability of existing streets and utilities to accommodate development in different areas. Sites requiring the least improvement could be prioritized for housing and/or economic development and marketed accordingly. The data could also serve as a basis for decision-making with respect to short and long-term planning in the city.

As opposed to administering the city's planning function, the CRA should be an adjunct of a reorganized Planning Department. Under the recommended restructuring of the city's planning function the Department of Planning and Development would establish an agenda for redevelopment, based on the city's new Master Plan. Specific projects would be identified and directed to the CRA for implementation.

Pursuant to N.J.S.A. 40A:12A-7, a detailed representation of redevelopment plans and strategies should be prepared for each designated redevelopment area in the city. The targeting of such areas should evolve from the Master Plan and should be designed to effectuate that plan.

Cooper's Ferry Development Association (CFDA)

The Cooper's Ferry Development Association is a private non-profit organization that was created in 1984 to prepare and implement a revitalization plan for Camden's downtown waterfront. The Association was established as a result of a jointly-commissioned planning study funded by the City of Camden, the Campbell Soup Company and RCA to evaluate the development potential for their collective waterfront holdings.

Staff

The CFDA is located at the end of Cooper Street in the Hudson Square building, which is about five blocks east of City Hall. Cooper's Ferry employs a staff of five (5) people including its President, Vice President, two project managers, and a secretary. The Association's operating budget is about \$550,000 per year. Funds are received from various sources, including the Delaware River Port Authority and a number of private partners.

Functions

As noted above, the CFDA oversees the redevelopment of the downtown waterfront. In addition to planning, Cooper's staff are also involved in marketing the area, identifying developers,

securing funding for infrastructure, and helping developers obtain approvals and waterfront development permits. CFDA also retains consultants to perform feasibility studies on a project-by-project basis.

To date, Cooper's Ferry has been involved in the following successful projects, in conjunction with other agencies:

- o Development of a 700 vehicle parking garage;
- o Various road improvements;
- o Construction of a new ferry pier and the resumption of passenger ferry service between Camden and Philadelphia;
- o Development of the New Jersey State Aquarium;
- o Development of Wiggins Waterfront Park and Marina;
- o Development of the Blockbuster – Sony Music Entertainment Center;
- o Development of the Camden Aerospace Center; and
- o Development of a new office building, complemented by retail space, stores and restaurants.

In all, these projects represent approximately \$250 million in new investment, some \$100 million of which was received from state sources.

To date, about one-third of the waterfront's approximate 150 acre land mass has been developed. Other projects slated for development include a 175 room waterfront hotel and conference center; creation of a waterfront children's park adjacent to the Aquarium; development of a retail, restaurant and night club complex featuring a Seaport Village theme; and, development of more than one million square feet of professional office space on various waterfront parcels. In addition, long-range plans call for the development of some 1,000 units of market rate housing; the expansion of Wiggins Park and the construction of a road network to link the various elements included in the overall waterfront plan. It is estimated that the ultimate build-out of Camden's downtown waterfront would create a sizable job bank for area residents, as well as the potential for some \$500 million in new tax ratables for the city.

Although Cooper's Ferry operates as a private enterprise, its achievements have produced, and have the potential to produce a measurable public benefit, not only in terms of jobs and ratables, but of equal significance, in terms of improving the city's image and restoring its former status as a major economic hub in South Jersey.

It is the team's opinion that Cooper's Ferry has successfully implemented various strategic projects over a relatively short period of time. Despite its accomplishments, however, some feel that revitalization of the downtown waterfront has occurred at the expense of neglecting the city's neighborhoods. The team believes, however, that the neighborhoods could be improved by city resources in conjunction with Cooper's Ferry and not in opposition to it. The two target improvement efforts should not be exclusive of each other. The need to bridge relationships between the CFDA and city agencies that are involved in planning and development activities is essential to stretching the formula for the waterfront's renaissance into other areas of the city, and is evidence of the need for a cohesive, well-directed planning effort by the city.

Recommendations:

It is advisable for the city to work more closely with Cooper's Ferry, especially in developing plans for areas adjacent to the waterfront. As the waterfront plan continues to evolve, adjoining neighborhoods could be impacted in a number of ways. City planners and CFDA staff should work together to determine the land use, transportation and economic impacts, and to prepare strategies for achieving a coherent and coordinated development scheme overall, which would include the neighborhoods.

Police

Workload

Among the "Major Urban" cities¹, Camden City has some alarmingly high statistics for crime. The number of index crimes² per 1,000 population and the number of index crimes per police officer are the highest of the major urban cities, yet the 1994 estimated population of Camden, 87,492, was the smallest of any of the major urban cities. Not only does the city have the highest homicide rate in the state, but it has recently been reported that Camden has six times the national homicide rate of 1994.

In addition, the statistics for domestic violence and arson offenses are staggering. In Camden in 1994, there were 3,605 domestic violence incidents reported. This equates to 10.3 per police officer, almost three times the major urban average of 3.8, and a full six domestic violence incidents per officer ahead of the second highest city in New Jersey, Elizabeth.

In 1994, there was 323 reported arson fires in Camden. This amounts to almost one per police officer, three times higher than the average for the major urban cities.

These statistics clearly show a city with a significant crime problem, and a police department that is handling more criminal incidents per police officer than any other of the major urban cities in New Jersey.

Beyond criminal activity, police workload is measured by the total "calls for service" activity of the department. From July 1, 1994 through June 30, 1995, the Camden City Police Department handled 113,913 calls for service, as recorded by the computer aided dispatch system.

Calls for service consumed 113,166 officer hours. Of the total call for service consumed time, 70.6% was consumed by primary officers, and 29.4% was consumed by assisting officers. Nearly 15% of the calls, or 16,839 officer hours, were consumed handling domestic disturbances. 6,163 officer hours were consumed responding to 11,058 burglar alarm calls.

General Observations

Given the heavy workload and their available resources, the Camden City Police Department is adequately responding to workload demands. In any large police agency, there are many ways to

¹ Defined by the New Jersey State Police Uniform Crime Reporting Unit as Camden, Elizabeth, Jersey City, Newark, Paterson and Trenton.

² Index crimes include murder, rape, robbery, aggravated assault, burglary, theft, auto theft.

distribute resources to handle the tasks of the department. Most decisions about resource allocation are a matter of discretionary priorities that are open to honest debate among professionals. In the Camden City Police Department's, we had, some concerns about resource allocation. For instance, we were concerned about the allocation of patrol personnel to Tactical Forces instead of district patrols.

The Police Department's budget is no doubt reflective of the entire city. Of the \$21.1 million salary budget for FY95, at least \$15.1 million, or more than 71%, came from identifiable programs and grants outside of the city. Although these outside funding sources partially compensate for the lack of a tax base in the city, it must be remembered that each program and grant comes with its own requirements and conditions. This further affects the resource distribution within the agency.

Although it does not appear to impact on the delivery of services, we observed repeatedly that information was difficult to obtain from the Camden Police Department. The members of the department were extremely cooperative and responded to all of our requests. However, the information we received, in written documents, interviews and through our observations, was often incomplete and inconsistent. Attempts to clarify inconsistencies often resulted in more confusion, and often required us to analyze information to determine the most probable set of facts. This occurred in areas where there should have been little room for misunderstanding, such as the list of department vehicles. Here we received three different lists, all maintained by the same officer, which were inconsistent with each other. In the organizational structure, it was difficult to finally determine the existing assignment of officers by rank. Even given the recent reorganization and regular fluctuations in staffing, such information should have been easily determined. We feel that this informational malaise is department wide. Such a condition makes it difficult at best to determine the current status of the organization and impedes efforts at future planning.

Alarm Procedures

From July 1, 1994 through June 30, 1995, the police department responded to 11,058 burglar alarms. As is typical of all police departments, the overwhelming majority of these were false alarms. The city does have an ordinance that permits the fining of persons or businesses with repeated false alarms. However, it was reported that this ordinance is not enforced for fear of alienating businesses within the city. We estimate that responding to these false alarms costs the city more than 6,100 officer hours annually. At starting patrol officer salary, this costs the city over \$96,000 per year in salaries alone.

Recommendations:

We acknowledge that imposing fines in response to false alarms may increase the cost of doing business in the city. However, we believe some steps must be taken to address the large number of false alarms. We recommend that the city undertake an education program with its businesses to cut down on false burglar alarms. The community policing units within the department can assist in this educational effort. The assessment of fines against even a conservative estimate of 40% of the false alarms would yield \$38,400 in revenue for the city.

Revenue Enhancement: \$38,400

Domestic Violence

In 1994, Camden City had 3,605 reported domestic violence incidents. This was higher than any other municipality in the state. In fact, Camden City's number of domestic violence incidents was higher than the total for most counties in the state. According to the police department's CAD system, officers spent 16,839 hours handling domestic disturbances. Besides the social problems such statistics imply, it is obvious that domestic violence calls create a major burden for the Camden City Police Department. We were advised that the police department is going to assign a Sergeant in the Investigative Bureau to handle Victim/Witness issues and domestic violence cases.

Recommendations:

The main impact of domestic violence calls on a police department is always on the patrol function. To the extent that the dedication of an officer in the Investigative Bureau to this very critical area helps relieve this burden, we support it. Beyond this, we recommend that the department examine alternatives to handling this workload. For instance, other jurisdictions have created domestic violence response teams consisting of municipal officers, county sheriff's officers and trained civilians. The sole responsibility of these teams is to respond to and handle domestic violence calls. A major amount of time spent on domestic violence calls is consumed in completing mandatory reports. Officers who handle this as their specialty will become more efficient in this, and will be able to expedite the process. These specialized teams will free up patrol and Tactical Force Units to handle all other calls for service. These teams can also be scheduled to operate at the peak times for domestic violence calls.

Employee/Employer Relations

During our interviews, there were repeated references to the existence of subgroups within the department, often called the "in crowd" and the "out crowd." While such division is common in any organization, it was reported that in Camden City Police it causes disparate treatment of employees in training opportunities and key assignments.

Recommendation:

We recommend that the department establish written policies for the selection of officers to attend specialized training and for key assignments. These policies should ensure fairness and equal opportunity to all officers while not infringing on management's prerogative.

Equipment & Facilities

With respect to equipment and facilities, we found certain areas that should be reviewed. For example, officers who wish to use body armor have to purchase their own. The labor contract requires that bulletproof vests be provided with the vehicles. A better procedure is to assign soft body armor to an officer and require him to wear it at all times while on duty. Another example involves the department's electronic surveillance body transmitter. The transmitter requires a battery that is no longer available, making the entire unit unusable.

Police headquarters on Federal Street meets the current needs of the department. There are four substations in the city, one for each patrol district. Substations are staffed at all times, usually by a supervisor. District 1's substation is an old storefront that is in need of much repair. This

facility is not appropriate as the district officers' workplace nor as the reception point for walk-in complainants. The substations in the other three districts are mobile offices that are in better condition than District 1's storefront, but nonetheless are showing significant wear and tear.

Each district has at least one mini-station. These facilities vary in quality and usage, but are typically staffed only on a part time basis. In one case, the primary person at a mini-station was a city social worker.

Recommendations:

We recommend that the department maintain the operability of its equipment. Equipment which has been broken or made otherwise unusable, but is still necessary, should be repaired or replaced.

Given the conditions that exist in the city, we feel that body armor should be an integral part of each officer's equipment. If the city decides to purchase and issue body armor to each officer, the department should mandate its use where appropriate by assignment. This should be done in conjunction with a revision of the contract clause concerning body armor.

Value Added Expense: \$84,600

We recommend that the department review the placement and use of substations and mini-stations. For those stations the city retains, we recommend that the department enlist the services of neighborhood volunteers. As part of neighborhood watch or community policing programs, these volunteers can staff the station and provide basic information to citizens. When police services are needed, there should be a method of contacting the district officers to respond as soon as possible.

Organizational Structure

It should be noted that the Police Department was reorganized on September 1, 1995, in response to the recently negotiated shift schedule. That reorganization is reflected in the discussion that follows.

Command Level

Immediately under the Chief of Police, the department has the Management Controls Division (internal affairs, inspections and training), an Adjutant, and two Bureau Commanders. The Bureau Commanders are Lieutenants by rank who were assigned to these staff positions to assist the Chief. They have no additional supervisory authority, and are paid an additional \$5,000 per year for the assignment and title. The Adjutant receives an additional \$5,000 per year for that assignment.

Field Services Bureau

The Camden City Police Department is very active in community policing efforts. The **Community Policing Division** operates in all four districts, with the greatest emphasis and resources allocated to the 3rd District. It is in this district that they operate the Police Community Partnership Program, which is funded through the Division of Criminal Justice. The Community Policing Division is also responsible for the department's D.A.R.E. Program and Crime Prevention Program.

The **Mobile Patrol Division** is responsible for primary patrol services in all four districts. The division is divided into five platoons, each commanded by a Captain, and supervised by two Lieutenants and four Sergeants.

The **Investigation Bureau** is divided into the Detective Division, the Youth Services Division, and the Special Investigations Section.

The **Detective Division** is divided into the General Investigations Squad, Personal Crime Squad, Property Crime Squad and Auto Squad. It may become more difficult to entice officers to come to the Detective Division voluntarily, because a patrol officer on shift work makes more money due to a 7.5% shift differential. Detectives receive no compensation for being on call. Currently, the Personal Crime Squad is responsible for handling the homicides in the city, along with all other personal crimes.

The **Youth Services Division** consists of the Juvenile Section working 24 hours per day, and the Youth Task Force that is primarily on day work. The Juvenile Section handles all juvenile defendants in the department, and processes more than 300 cases per month. In addition, the Juvenile Section handles all missing persons (juvenile and adult), which runs about 150 per month. The Youth Task Force is commonly called the “gang unit.” It is responsible for developing intelligence on gang activity, guns and drugs, and is not limited to juvenile activity. The Youth Task Force also handles all bias incidents in Camden, whether or not they are juvenile-related.

The **Special Investigations Section** contains Vice Operations, which spends most of its time on narcotics, with a very small percentage on prostitution. The officers work mostly day work, but will work nights as needed. Currently, there are only four detectives and one supervisor assigned to Vice Operations. The acting supervisor Vice Operations is also responsible for the REDRUM task force, which is funded by the DEA, and targets criminal activity by identified organized groups. In addition to Vice Operations, the department uses Tactical Forces to conduct corner sweeps and other special operations in narcotic enforcement.

Also under Special Investigations are detectives assigned out to special details. As of August 30, 1995, Camden City Police Department has seven police officers assigned out to such details. Two Camden City police officers are assigned to work with the DEA task force on narcotic enforcement. Three Camden City detectives are assigned to the REDRUM task force. Two Camden City detectives are assigned to the Homicide Task Force that is run by the FBI Cherry Hill office. This task force works on unsolved Camden City homicides when the Detective Division reaches the point that they cannot devote sufficient time to it due to new workload. No Camden City police officers are assigned to the Countywide Narcotics Task Force (CNTF).

The **Special Operations Division** in the Field Services Bureau provides a variety of supplemental services to the patrol function. The Tactical Forces handle areas of the city in which a high police visibility will act as a deterrent. They conduct special enforcement operations such as corner sweeps, provide backup for patrol, and respond to calls for service when needed. The Special Operations Unit is similar to the Tactical Forces, but works day work only. The Special Operations Division also handles fixed posts so that the districts are free from those assignments. One example is security of the parking area of the New Jersey State Aquarium. The Traffic Section handles traffic planning and special enforcement details, and

oversees the school crossing guard program. The Accident Investigation Unit handles all fatal motor vehicle accidents and all accidents involving city vehicles. The School Patrol provides law enforcement response exclusively to the schools in the city. The Mounted Unit provides high visibility mounted patrol in District 3 and in other areas of the city as needed. We were advised that most of the resources for the Mounted Unit, including the horses and stable facilities, are donated to the police department.

Staff Services Bureau

The Staff Services Bureau is commanded by a captain. It contains Budget, the Central Complaint Unit, Communications Center, Computer & Data Unit, Licenses & Inspection, Mayor's Office, Programs & Policies, Property Management, Records & Identification, and UCR. The two sergeants assigned to the Staff Services Bureau are responsible for emergency management and training.

The Budget Unit processes the department's purchases through the city purchasing system, and maintains the department's financial records. The Central Complaint Unit provides a sergeant on each shift to take complaints and process arrests at headquarters. The Communications Center is supervised by a Lieutenant and staffed by five shift Sergeants and 32 civilian operators and dispatchers. The Computer & Data Unit operates and maintains the department's computer systems. Licenses & Inspection is responsible for all licensing that is the responsibility of the Police Department, including firearms purchase requests, street closings, and ABC licenses. As previously discussed, one detective is assigned to the Mayor's Office. Programs & Policies provides administrative support to command staff in developing and implementing department programs. Property Management is responsible for the department's official records and provides crime scene and other identification services. The detective assigned to UCR is responsible for the accurate completion and submission of all uniform crime reports.

The only way to accurately determine the appropriate staffing level of a police department is to conduct a detailed workload analysis with complete data. Besides determining the total number of officers needed to staff the patrol function, a detailed workload analysis will assist in the most efficient deployment of those officers by day of week, time of day, and location. It can help determine use of directed patrol and the allocation of special units and resources. Workload analysis is also useful for personnel management, and is important to executive decision making, by providing tangible support for budgeting for patrol personnel, support personnel, and equipment.

Patrol staffing and officer deployment are best determined through detailed patrol workload analysis. This is currently being conducted at the direction of the Attorney General's Office by the Division of Criminal Justice and the New Jersey State Police as a result of a request by the city. This request was in response to a citizen outcry for state assistance in curtailing the city's high rate of homicides.

Recommendations:

We recommend that the Camden Police Department regularly conduct its own detailed workload analysis, similar to the one currently being done by the state. A possible consideration for workload review is in the area of domestic violence. Implementing the recommendation of assigning a city officer with a Sheriff's Officer to a domestic violence

car could cut down on the total time consumed for the patrol division. Since problem solving is a main concern for community policing, possibly all domestic violence calls in a target area could be handled by community policing officers. An experimental approach to this concept for six months would help to illustrate the probability of success.

The City of Chicago has a Domestic Violence Unit that is staffed by officers and civilian social workers to offer assistance to victims and counseling to abusers. It may well be worth the expense and time for the City of Camden to study this approach in its efforts to reduce the number of incidents. A combination of the Community Policing approach for initial responders and a follow up with a Domestic Violence team has some potential for success.

We recommend that the department discontinue the use of the title “Bureau Commander.” These assignments have been made for many reasons, but these individuals are essentially staff to the Chief of Police. They have no supervisory function with the department. As such, a supervisory title is unnecessary. Similarly, the assignment of a superior officer to the role of Adjutant may be important to the proper functioning of the agency, but it is not necessary to provide additional compensation. The Chief is free to assign whatever members of the department he feels are necessary to act as his staff, but it is not necessary to give them unique titles and pay them additional funds for that function. However, this compensation is provided for by contract, and can only be modified through negotiations.

Cost Savings: \$15,000

We recommend that the department monitor its commitment to specialized task forces outside the agency. While we realize these task forces can be successful in dealing with specifically defined problems and in enhancing the resources of the investigation section, the Police Department should be assured that the emphases of the task forces’ activities are in the City of Camden. In addition, the Police Department should continue to concentrate efforts in drug enforcement. While the department’s many pronged approach to drug enforcement can be beneficial, such efforts must be coordinated to be truly effective. Therefore, we recommend that all specialized narcotics enforcement efforts be coordinated through the commander of Vice Operations.

We recommend that the Police Department civilianize as much as possible, thereby relieving police officers to perform law enforcement duties. This includes clerical and records personnel, communications and 911 operators, computer operators and programmers, staff to command personnel, crime scene processing and identification personnel (criminalist), and property and evidence technicians. We recommend that the UCR function be incorporated into Records & Identification, and that the department use its computer system to complete UCR forms.

Property & Evidence Control

Our review found that the department has established appropriate control practices for property and evidence maintained by the agency. The department uses a computerized inventory system that is maintained and current. We were advised that the department was audited by the Bowman agency at the direction of the County Prosecutor’s Office. Although a copy of the Bowman report was not available, we were advised that the auditors found no significant

problems with the Police Department's property control system. In fact, the only remarkable problem was a discrepancy of \$0.50 between records and cash property. We were advised that only one officer fully understands the property control system. This presents an internal control problem and should be immediately reviewed.

Recommendations:

We recommend that the department train another employee in the use of the property and evidence control system. Although the property and evidence function of the Police Department should be under the overall control of a sworn police officer, property technicians can be civilian.

Police Liaison with Municipal Court

Routinely, law enforcement agents from 15 different agencies, as well as the city Fire and Housing and Community Development Departments are sent to Camden Municipal Court to testify. This puts an added burden on the court as well as the agencies. Presently, the greatest number of appearances are from the Camden City Police Department and the Delaware River Port Authority (DRPA).

Communicating and coordinating with this many organizations poses a problem when trying to schedule witnesses on the same day, and from the same agency. In many instances, a witness may not be available due to a conflict between his or her work schedule and the court date. This results in the postponing, rescheduling and dismissing of cases, which contributes to delays, backlogs and administrative overhead.

Recommendations:

We suggest that the city give consideration to assigning a court liaison from those law enforcement agencies that give recurring testimony in the Camden City Municipal Court.

The police liaison, which does not necessarily have to be a sworn officer, for example, should work with the Municipal Prosecutor to determine if a plea can be agreed upon, before the court appearance. Subsequently, this may result in the downgrading of a charge to a lesser offense, whereby the case is disposed of without a trial.

Thus, one police officer could act in behalf of an entire agency which would reduce costs in many areas, such as: transportation, overtime pay, phone calls, general administration, and compensatory pay. Moreover, the number of cases postponed, rescheduled, or dismissed would be minimized. Consequently, this initiative would help to alleviate delays, backlogs and administrative overhead.

Gloucester City, for example, initiated this process seven months ago with the DRPA. Notably, the DRPA estimates an average savings of \$5,200 per month since the inception of this program. Furthermore, Gloucester City has significantly reduced the time from serving the ticket to the disposition of the offense. It is not uncommon for a traffic violation to take upwards of six months to clear the system. Because of this program, cases are disposed of within an average of two weeks. Consequently, the time and costs expended by law enforcement agencies, as well as municipal courts, are reduced significantly. This

program is appropriate in those cases that do not require the presence of the individual complainant, which the DRPA estimates is 90% of the cases. This normally occurs when a verdict of guilty is entered and a lawyer is not requested by the defendant.

Pennsauken Township just started this program with the DRPA about two months ago, yet the DRPA already estimates an average savings of \$1,000 per month. This program is in the planning stages in Camden. The DRPA estimates beginning this program in Camden in mid-1996 and estimates the potential savings to be \$15,000 per month, due to the significant caseload in the city.

The direct savings to a municipality and its police departments vary due to the volume of cases and number of days that municipal court is in session. However, the statistics provided by the DRPA indicate clearly that this program is workable, efficient and cost efficient. We strongly urge the city to follow through on the implementation of this program.

Purchasing & Budget

The Police Department uses the city's system for purchasing, which is confusing and disjointed. A unit or officer within the department makes a request to department administration for a purchase. The department administration completes a purchase request, and forwards it to the Purchasing Office. The Police Department is not advised if and when a purchase order is issued by the city. When the property is shipped to the department, it is supposed to go to one officer who receives all property, but this is not always the case. The property may or may not be accompanied by a city invoice. Subsequently, the Purchasing Office sends a request for an advice to the department, along with a copy of the city invoice. The department must verify the items shipped with the invoice and complete the advice, which is returned to the Purchasing Office. This entire process is completed manually. The Police Department's own records of these transactions are maintained on ledger paper in three-ring binders. There are no running subtotals to keep track of budgets.

A thorough review of the department's budget was virtually impossible because of the unusual purchasing system and record keeping. In many cases, the department's internal records of expenditures varied by tens of thousands of dollars with the city's records of expended funds. Similarly, the official city records were of little use in examining the department's expenditures due to the inability to generate a computerized detail report by department. The team could not find an explanation for the discrepancies.

Recommendations:

We recommend that the city put a terminal from its computerized purchasing system in the Police Department. If the city so desires, this terminal can be set up so that the Police Department can only make inquiries, and not change any data. We recommend that the Police Department maintain its internal purchasing records on a computerized system. There are currently computers in the Purchasing Office. A simple, easy to use, off-the-shelf accounting system would be all the Police Department would need to maintain better control of its own records.

School Crossing Guards

In FY94, the Police Department supervised 141 school crossing guards, at a salary cost greater than \$800,000. Many school posts were staffed by more than one crossing guard. In previous years, the Board of Education has reimbursed the police department for the salaries of school crossing guards. The Board would accordingly be granted any request for the creation and staffing of a school post. The Board of Education has not reimbursed the Police Department for the last two years.

Recommendations:

We recommend that the department re-evaluate the school crossing posts and the number of guards assigned. While the safety of school children is the utmost priority, the department can probably reduce the number of crossing posts, and could certainly reduce the number of guards on posts that have more than one guard assigned. This occurs in nine instances, or in 7% of the total posts. An elimination of this duplication would yield a conservative savings estimate of \$60,000.

Cost Savings: \$60,000 in salaries

Sick Leave

By contract, officers in the Camden Police Department receive seventeen sick days each year, which may accumulate without limit. If injured in the line of duty, an officer receives up to one year of injury leave, until the officer is able to return to work. In 1994, the department averaged 10.5 sick days per officer per year. There were 43 officers who took twenty or more sick days in 1994. Our experience has shown us that sick leave for police departments typically averages six to nine sick days per officer per year. Camden Police Department's sick leave usage could suggest a poorly written or implemented sick leave policy, or an actual abuse of sick leave by some officers.

We were advised that the superior officers' bargaining unit recommended to the city several years ago that they adopt a sick leave policy that would penalize officers who abuse sick leave. This recommendation was not adopted. We were also advised that the Police Department is operating under the false assumption that supervisors are prohibited from verifying officers' use of sick time.

Recommendations:

We recommend that the city review its sick leave policy and implement one in which abuse of sick leave would be penalized. The department should research neighboring law enforcement agencies to see how they deal with this problem. We were also advised that the newly enacted 4-3-4-3-4-2 shift would reduce sick leave. It has been our experience that such reductions in sick leave due to shift changes are often short lived. Therefore, we recommend that the department closely monitor sick leave usage. We recommend that when practical, the department verify sick leave usage to help diminish the inappropriate use of sick time and discipline those who abuse the benefit.

Fire Department

The Fire Department has implemented a number of positive practices to reduce costs, and is attempting to bring more new programs on line. The department should be commended for its forward thinking in dealing with the many constraints it faces. Except for the prevalent abuse of sick time, the department is generally well managed and efficiently operated. The firefighting force is a disciplined and well-trained professional organization which handles a large number of dangerous emergencies on a daily basis.

Staff

The department functions relatively well under the current table of organization. Staffing of non-firefighting operational positions within the department is adequate, however, some positions and duties currently being performed by firefighters should be performed by non-firefighting personnel. The review has indicated that it is possible for the city to operate the fire department in a more cost effective manner without a reduction in the level of services currently provided. This conclusion is based on the following information.

Sick Leave Abuse

Sick leave abuse appears to be widespread in the department. The sick leave benefits are accumulated at the rate of eighteen days per year, as per the negotiated contract.

In FY94, there were 4,054 sick days taken. For a department this size (250 members) these numbers are shocking, as they indicate an average of 16.2 sick days per employee per year. At this time, no consistent controls are in place to curb the abuse of sick leave. To fully comprehend the budgetary impact of sick leave abuse in the Fire Department, one must be familiar with the work schedule as well as the negotiated policy of maintaining fully-staffed emergency apparatus.

Firefighting personnel work a 42-hour average week, which is the average of the actual scheduled hours worked over an eight-week period. An individual's time on-duty in any given calendar week fluctuates from a low of 34 hours (one 14-hour day and two 10-hour nights) to a high of 48 hours (two 10-hour nights and two 14-hour days). Assuming an equal number of day (14 hours) and night shifts (10 hours) in the 16.2 average number of sick days taken by each firefighter annually, a replacement for each must be paid for 201.6 hours overtime. By comparison, a 40-hour per week, 8-hour per day employee who averages 16.2 sick days per year will have missed only 134.4 hours of work that would be made up by overtime.

It is also important to note that sick time is kept by firefighters, not by city administration officials, thereby removing any administrative control and oversight.

Recommendations:

It is recommended that a sick leave policy be instituted to prevent sick leave abuse. Once implemented, disciplinary action in cases of abuse is best pursued promptly and aggressively by all supervisory levels.

It is also strongly recommended that the city, in the next round of negotiations, attempt to have sick days charged in terms of hours, instead of charging them in terms of days. This would eliminate the benefit to the firefighter of calling in sick on the 14 hour shifts instead of the 10 hour shifts and only losing one “day.”

Sick leave records should be maintained by the city administrative personnel and not by firefighters, themselves.

Overtime

Overtime costs expended in FY94 totaled \$3,143,801 and in FY95 totaled \$2,619,560. During a 24-hour period, such as July 3, 1995, the fire department’s daily scheduled complement of 104 firefighting personnel was reduced by a total of 46 – 22 on vacation, 16 sick and 8 not available for other reasons. Those 46 positions, a full 44% of the total, were filled by personnel called in on overtime. An additional thirty-three overtime hours were paid to members who were held after their shift awaiting relief.

The minimum “manning” clause in the contract requires 3 Firefighters and 1 Captain per apparatus. This was reportedly a “concession” made by the city in exchange for the union’s agreement to accept overtime payment in straight time instead of time and one half. However, since the Fair Labor Standards Act requires overtime be paid at the rate of time and one half only after a firefighter has worked in excess of 212 hours in a 28 day cycle (regular work hours are 168 in this cycle), the team does not believe that the city should have accepted this “concession” from the union in exchange for the minimum “manning” clause. Time worked less than 212 hours may be compensated at straight time. The minimum “manning” clause and the payment of overtime at the rate of time and one half unnecessarily increase the staffing costs of the department. The team finds these practices unacceptable.

Recommendations:

The labor contract contains a minimum “manning” clause pertaining to individual engine and truck company assignments, not to an overall minimum staffing level of firefighters per shift. The city could reduce staffing levels by shutting down individual companies. The city should also attempt to renegotiate the minimum “manning” clause by considering the allowances and requirements of the Fair Labor Standards Act. Until that time, the city should ask the Fire Chief to document and justify the need for additional equipment any time it will result in overtime costs to the city. Verification should be based on fire call activity and location. Fire apparatus whose need is not substantiated should be eliminated.

Other measures, such as spreading vacation time more evenly over a 12-month period instead of allowing such a large amount to be taken in the summer months would result in immediate savings.

Cost Savings: At least \$1.3 million in overtime due to control of sick time abuse, elimination of the minimum “manning” clause and payment for overtime at the rate of time and one half only as required under the Fair Labor Standards Act.

Staffing

Firefighting apparatus in use in Camden consists of eight engine (pumper) companies, three truck (ladder) companies and one rescue company. Each of these twelve operational units is required to be staffed by one Captain and three firefighters, when in service, in accordance with contractual agreements. The total number of personnel for each of four tours (shifts) is thirty-six and for all four tours is 144.

Using a generally accepted staffing multiplier of 4.3 to account for additional personnel needed to cover during vacation periods, sickness, etc., we arrive at a figure of 155 firefighters to cover all essential firefighter positions. Similarly, with twelve captains needed per tour, a total of 52 are needed to fill all positions at that supervisory level.

Currently, the department has 149 firefighters and 40 captains. There are three additional firefighters not assigned to suppression duties; two are on administrative assignment at headquarters and one is the union president assigned (by contract) to full-time union duties. There is also a Captain that works two days per week on union business while receiving full pay from the city.

Recommendations:

It is recommended these three firefighters be reassigned to suppression duties and that the two administrative positions be replaced with non-uniformed personnel. This team is not recommending the hiring of additional employees. We believe that the reassignment of current personnel, combined with the strict implementation of a more realistic sick leave policy and an even distribution of approved vacation time throughout the year, will assure the city of the necessary complement of essential firefighting personnel. It is further recommended that the city renegotiate the issue of paying employees to work on union business while receiving pay from the city.

Fire Apparatus

The Fire Department should be commended for both its on-going vehicle maintenance program and its rehabilitation of existing fire apparatus. An excellent example of the savings that can be realized through rehabilitation occurred in 1994 when a 1975 model aerial ladder (truck) was refurbished. The cost of the project was \$162,000 compared to the price of a new piece of equipment, estimated to be \$550,000.

However, rehabilitation of existing fire apparatus does not take the place of long term plans to implement and fund a replacement program. The refurbishing of the aerial ladder was paid for through the vehicle lease/purchase funds, not under a capital expenditure. The fire department drafted a program in 1991, but the city has not provided capital funding for this program.

The Chief Fire Marshal's vehicle is a 1985 model with 145,000 miles logged. This is much too long to keep a vehicle in service. Some vehicles (not firefighting apparatus) are unsafe for emergency response use due to high mileage and unreliable operation.

The department has a total of 34 vehicles, 21 for firefighting purposes and 13 for other duties. Vehicle maintenance for all of these vehicles is performed by the Department Motor Maintenance Facility, staffed by a uniformed Chief Fire Apparatus Officer and four (4) civilian

mechanics. The staff is highly trained, permitting them to perform tasks which would normally be sent out to private vendors. This results in a large savings for the city, especially since the fleet is aging.

Recommendations:

It is recommended that the rehabilitation of apparatus be continued with an adequately funded long term replacement program. A system of appropriate vehicle replacement should also be instituted. While the team does not suggest the replacement of the Chief Fire Apparatus Officer with a civilian at this time due to the extensive training and certification that this individual has received, we do suggest that the city consider a civilian for that position when the officer leaves the employ of the city. A civilian would not command the same rate of pay as the firefighter, but could handle the work with the same level of training.

Cost Savings: \$35,100 in salary & benefits

Fire Stations

This section includes both the capital (building maintenance and condition) and operational (tactical fire apparatus deployment) aspects.

There are seven (7) fire stations housing firefighting equipment in the City of Camden. Aside from the new station located on Broadway & Liberty, all are in dire need of immediate repair. There are serious structural problems in many stations. The fire stations built at the turn of the century are in deplorable condition. The headquarters station built in 1978 needs major roof repairs. It will cost an estimated \$125,000 to stop the leaks which are starting to cause structural problems.

As was found in the apparatus review, the city has provided no capital financing for repair or construction of new stations. The fire department is currently accepting bids for work on four (4) stations for pointing of brick work and new entrance doors. In two stations, locks cannot be secured to the existing doors. The hose towers in the older stations should be secured and sealed for safety. We are concerned that the interior components (stairs, ladders, landing) and some brick work could collapse at any time.

There is no fire protection located in North Camden which is isolated by both natural (rivers) and manmade barriers (highways), hindering response from existing stations. There are numerous multiple alarms in this section of the city. Two 16-story high-rises are located here.

Engine #3 and Engine #10 are housed at 9th and Morgan Boulevard. The workload does not justify two engines to be in-service at this station. Engine #10 provides coverage in the Fairview and Parkway sections of the city. At the present time Engine #10 cannot use the bridge over Newton Creek on Morgan Boulevard to reach the Parkway section, creating a delay in response. Engine #3 was placed in this station because this delay in response time allows fires to grow unimpeded, thus requiring more staffing on initial responses to this neighborhood. It should be noted that inadequate response time to initial alarms is a major factor in fire losses. The delay in response also increased the time that adjacent structures are exposed to a fire, encouraging the fire's spread beyond the structure initially affected.

Recommendations:

After reviewing the fire department's deployment and apparatus location, the following is offered:

Engine #3 should not be taken out of service, but the city should consider its appropriate relocation based on the following:

A balanced track for structural firefighting involves the simultaneous operation of at least four (4) units under a chief officer: One Pumper Company – initial fire attack, One Pumper Company – water supply, One Truck Company, and One Rescue Company. These units are needed to conduct the initial attack at any structure fire. As fires become larger, additional firefighting equipment and personnel are needed to address additional points of fire attack. Research and fire records in the City of Camden indicate that fire “flashover” often occurs in the city’s structures. Fire station locations and the size of responding crews should be carefully calculated so an adequate number of staff and equipment can conduct the initial attack.

Engine #6 (housed at headquarters) should be re-located to a new station in the North Camden area. The estimated savings of \$125,000 to relocate Engine #6 is based on the cost of necessary improvements to the current facility, but does not include building operating expenses, such as heat and electricity. Elimination of these costs through relocation would produce greater savings.

Cost Savings: \$125,000

Rescue #1 (housed at 9th and Kaighns) should be re-located to a more central area of the city. This would be accomplished by placing a new station near the Cooper Hospital Complex. Until a new station could be built, Rescue #1 should be housed temporarily at the Broadway & Liberty Station. The station at 9th and Kaighns should be closed.

The bridge needs to be repaired for proper access of Engine #10 to the Parkway area.

Due to the many variables involved in future construction of new fire stations, it is impractical for the team to estimate the cost for such structures. The cost, however, must be determined by the city after careful review of its alternatives, and such cost is considered by the team to be a value added expense that could be offset by implementation of many of the recommendations contained in this report.

Fire Marshal's Office

The Fire Marshal's Office is responsible for the fire prevention program which includes state mandated fire inspections of existing buildings under the Uniform Fire Code and code enforcement for new buildings required under the Uniform Construction Code. The Fire Marshal is also the city's Fire Subcode Official. The office also has comprehensive programs including public fire safety education, arson prevention, and fire cause investigation.

Fire prevention/education cannot be ignored, especially in Camden where the department experiences close to 700 working structural fires per year. As a comparison, one city of comparable size in Hudson County that has been a leader in the state in fire prevention programs since the late 1960's has fewer than 150 such fires per year.

Staff

The office is staffed by six uniformed members of the fire department; a Chief Fire Marshal, an Assistant Chief Fire Marshal and four Combustibles Inspectors from the firefighter ranks. All are licensed and certified by the State Department of Community Affairs. They are required to attend a number of seminars annually in order to retain their licenses and certifications.

The Combustibles Inspectors are compensated according to the levels of licenses they hold. A \$2,700 per year stipend above the salary is granted for the highest license. The staffing level in this office has been reduced by 50% in the last five years, matching a trend in career fire departments nationwide. Historically, fire departments expend less than 2% of their budget on fire prevention.

Overtime pay is given to inspectors when called in on the weekend. In addition to their regular tour, each Combustibles Inspector is required to be on call for one duty week each month to be available on weeknights for fire investigations. The week following this duty week is granted as compensatory time, whether the inspector actually worked at all at night or not. This amounts to each one of these employees having every fourth week off for a total of 13 weeks (not counting sick, vacation, personal, and holiday time off). The cost of this policy is approximately \$44,700. There are never more than three of the four inspectors on duty at any given time because of this situation.

The Fire Marshal understands the critical shortages in staffing that will not currently permit additional inspectors in his office. As a result, he has submitted a plan to the chief of the department which would call for all on-duty firefighters to be assigned to inspection functions during their regular tours of duty.

The last 26 firefighters hired have been trained and are certified as fire inspectors. The proposed program will also permit line company officers to pre-plan the buildings in their response areas. This plan should also be used as a model for other fire departments in New Jersey to follow.

Programs

A number of excellent programs have already been instituted in the Fire Marshal's Office, such as:

- * Free smoke detectors have been obtained from various state and federal agencies for residential units and are installed by line firefighting companies.
- * An agreement was reached with the Board of Education to allow high school students to work a half day in the Fire Marshal's office performing clerical duties. The Board of Education pays the students' wages.
- * A new computer system will streamline the extensive paperwork required for inspections and legal matters.

- * Inspectors provide free fire extinguisher training for all institutions, hospitals, schools, etc., and for private industry on request.

Recommendations:

Change is needed in this office concerning overtime and compensatory time. There is no need to compensate (whether in the form of cash payment or compensation time) on-call employees if they are free to come and go as they please during that time as long as they are “available” for work. The total compensatory time granted is equivalent to one full time inspector, which is also equivalent to a full year’s worth of work. While we are not necessarily recommending the elimination of one position by the elimination of this practice, it could be used to free up current inspectors for additional work.

Further, the team believes that there is no reason why night calls cannot be handled by someone already on the night shift or be held for investigation by one of the inspectors during the day. This would completely eliminate this compensatory time practice, except in cases of emergency. This needs to be addressed along with the overall overtime issue which is a department-wide problem previously discussed.

It is strongly recommended that the plan to use firefighters as inspectors be instituted. No additional costs would be incurred, as firefighters already on duty could perform the inspections.

Training

The Training Division is responsible for the planning, as well as the administration of the Training Program. The program assures that personnel meet mandated state training requirements (PEOSHA), as well as the State Firefighter I Certification Program. This division is also responsible for maintaining all fire department members’ training records.

The training division is staffed full-time by a Chief Training Officer, who develops the courses, and a Captain, who delivers the courses. Both officials also respond to 3rd alarm assignments and all Haz/Mat incidents. There is no clerical or administrative assistance available. Currently, a reported 80% of the Chief Training Officer’s time is spent on administrative duties.

The division administers an in-service training program which is implemented by the line company captains. The program consists of a one-hour block of instruction seven days per week. Specialized training includes:

- * Self contained breathing apparatus (SCBA).
- * First Line Supervisor, a National Fire Academy Course 80-hours in length. (Two-thirds of the departments’ officers have completed this program.)
- * Recruit training (480 hour program).
- * Right to Know
- * Public Works Department (SCBA for confined space).
- * Public fire extinguisher training.
- * Coast Guard – basic seamanship/boating (20 hours) for engine company crews.

The division also coordinates the National Fire Academy courses for department members.

Firefighting is one of the most dangerous professions in the world. Firefighters must receive continuous training in order to maintain a high degree of competence and readiness. It is the opinion of the team that the Training Division meets or exceeds the training mission of the Fire Department.

Recommendations:

It is recommended that two full time clerical and administrative support positions be provided in a pooled arrangement for use by this division, as well as by fire prevention. This would free up approximately 80% of the Chief Training Officer's time, which could offset the value added expense of additional staff.

Value Added Expense: \$59,800 in salary & benefits

First Aid and CPR training should be provided to all department members and all existing training programs should be continued or improved.

Department of Community Affairs

Staff

Camden's Department of Community Affairs reportedly employs 90 full and part-time individuals. There are approximately 20 part-time employees who are employed mainly during the summer months to assist with city-wide recreation programs. The Camden Housing Authority's takeover of the Drug Elimination Program will reduce department staff by at least 20 positions thus reducing the full-time staff to approximately 50 positions.

Functions

The city's Department of Community Affairs is charged with developing and administering cultural, educational, recreational and community service programs. Formerly the Department of Community Services, Camden's Department of Community Affairs includes the Bureaus of Neighborhood Services, Facility Maintenance, Recreation, Recycling Administration and Program Development. The city parks and libraries also are served through this department. Many of these functions are either duplicative in nature compared to those in other departments, or are more appropriately handled by other departments. This is discussed further in this section.

Camden has 34 parks that are either maintained by this department's staff, Camden County Parks & Recreation or the Camden Housing Authority. Camden's Department of Community Affairs has primary responsibility for dedicated parks within the city. It also operates and maintains five (5) community centers that offer community and recreation services.

The Drug Elimination Program reaches many youths who reside in the city's public housing. This program is designed to serve the residents of Ablett Village, Branch Village, Chelton Terrace, McGuire Gardens, Roosevelt Manor, Royal Court and Westfield Acres. Activities include tutoring, dance classes, charm/modeling, martial arts, conflict resolution, swimming, sports, choir and related after-school programs. Drug Elimination Program activities were originally coordinated by the county and were transferred to the city two years ago. This program is considered successful by both the city and the Housing Authority.

Facilities

The Facility Maintenance Unit performs various maintenance and improvement tasks of the city's parks, recreation and community facilities. They also perform capital improvement projects that are unrelated to department projects, such as neighborhood clean up or office construction, which duplicate services performed by the Environmental Affairs Department.

The city operates five (5) community centers: Roberto Clemente-North Camden, Isabelle Miller-South Camden, Malandera Hall-Fairview, Martin Luther King-Parkside, and Cramer Hill-East Camden. In addition to traditional programs and activities offered through a community center, these facilities also serve as satellite offices for City Hall and the post office. These services are accessible to all city residents.

In April 1994, this department published a report entitled "Recovery Action Program for Parks and Recreation" funded by the Urban Parks and Recreation Recovery Program. The program was required by the U.S. Department of the Interior/National Park Service in order for the city to receive funds. The city has actively used this program as a planning tool to guide the development, rehabilitation and planning of different park initiatives. In addition, the plan has served as the foundation for the current planning and acquisition activities connected with the Cooper River Linear Park System that stretches from North Camden to Pennsauken.

Through the efforts of this unit, most of Camden's community centers, parks, recreation equipment, pools, etc., are well maintained. This has provided a positive visual impact of the city's parks and recreation facilities system and has reportedly contributed to an increase in their use. This unit also participates in neighborhood beautification and gardening projects throughout the city. While this unit appears to be functioning relatively well, we believe it undertakes tasks that would normally be considered the function of another city department.

Financial

The department's city-funded budget was \$3,628,121 in 1994 and \$3,871,016 in 1995. The department also received an additional \$4,391,121 in 1994 and \$1,631,910 in 1995 in grants from various federal, state and private funding sources. Until September 1995, the department also administered programs for the Camden Public Housing Authority. This represents \$383,000 in funds that the city will no longer have to administer and should allow the city more time to focus more on other community programs.

The accounting function in this department is fragmented. It does not have a centralized fiscal office to coordinate the accounting function. Little coordination of accounting functions exists except at the Director's level. This is an inefficient use of personnel and it increases the possibility of miscommunication, duplication of effort and conflicting information. A centralized fiscal function allows for more efficient use of personnel, increases supervisory capacity and reduces errors and miscommunication.

Recommendation:

The city should strongly consider centralizing the accounting functions under the Comptroller's Office, utilizing the team's recommended grant accounting staff relocation.

Grant Application Process

City departments often compete for the same grants. This typically occurs in those instances in which grants may appeal to more than one “audience,” such as a grant that could provide both social and recreational activity funding.

Recommendations:

The city should create a grant coordination group under the direction of the Business Administrator which could implement a system that would ensure that departments do not compete for the same grants, thereby avoiding duplication of efforts and the waste of valuable staff resources.

The city grant coordinating group could determine the appropriate grants for which each department should apply. The group could determine the lead agency in joint grants, maintenance of reporting requirements, and the level of involvement from the different departments, where applicable.

The grant application approval process requires action by the governing body. City Council should review these grant applications carefully prior to approving their submittal to the granting agencies to avoid competition between departments.

Departmental Reorganization

The review of the department suggests that there is considerable duplication of services provided by other departments, such as Environmental Affairs, Health and Human Services and Housing and Community Development.

Facility Maintenance duplicates functions that are performed or should be performed by other departments, particularly Environmental Affairs. This bureau performs tasks that are beyond the responsibility of a department normally concerned with the administration, planning, and development of community services, parks and recreational, cultural and educational programs.

In 1994, the Capital Renovations Section engaged in a number of renovations which appear to have been done properly. The expectation that savings are gained by doing this work in-house, however, could not be verified, as detailed records of equipment, materials and man-hours expended were not available. This work is also more appropriately handled by the Environmental Affairs Department.

Recommendations:

The team recommends that the city consider dissolving this entire department and including the responsibility for this department’s current functions in other departments.

For instance, although the Facilities Maintenance Section appears to be adequately performing its responsibilities, we believe it should be merged into the Environmental Affairs Department to eliminate the duplication of services wherever possible and provide for a focused approach to all facility maintenance operations. Separate detailed records

should be kept of all renovation activity to determine the cost effectiveness of this operation. We believe that recycling and the Clean Communities program activities should also be transferred to the Environmental Affairs Department.

Grant programs related to social service and educational activities, library services and recreation services should be placed under the Department of Health and Human Services, although we suggest that in that department, health functions should remain with the county to allow this department to focus attention on these additional functions. We have not been informed of any problems with the delivery of health services by the county and do not believe the city is in a position to take on the addition of health services at this time.

We suggest that park development responsibilities be taken over by the team's recommended Department of Planning and Development, since there is an integral planning and development component of this activity.

While this recommended reorganization may not result in immediate substantial savings, the team believes that it will result in greater efficiencies, coordination and focus in the provision of services to the public.

Environmental Affairs

The staff has recently been required to attend formal training whenever it is available. This, along with some organizational changes, has moved the organization in a positive direction. There remain, however, several areas in which dollar savings or productivity increases could be realized.

Daily Work Time

A review of time cards indicates that most employees are punching out an overage of 13 minutes early, yet they are paid until the end of the shift. Observation at the end of the shift revealed that some personnel are waiting outside the clock room as much as 25 minutes before the end of the shift. This indicates either that those in charge are not planning enough work for the day, or simply that supervisors are not demanding a full day's work for a full day's pay from employees, resulting in preventive maintenance and preparations for the next day's work being neglected. Ensuring that employees work the full day for which they are paid would result in a 3% increase in productivity.

Recommendation:

Supervisors should be required to plan work for the entire shift and workers should be required to work the entire shift for which they are receiving pay.

Productivity Enhancement: \$132,745

Sick Time

The Department of Environmental Affairs employees averaged nearly 15 sick days per employee in 1994. This is equivalent to 1,871 days of work, or more than seven full-time employees.

Seventy employees were out for 15 or more days. If sick time abuse were cut by a conservative 40% reduction, the result would be an additional 748 days available for work.

Recommendation:

The city should clearly define what is considered to be abuse of sick time and initiate a definitive procedure to track abuse and discipline accordingly. A doctor's note should be required for extended periods of absence as defined by personnel policies. Future collective bargaining negotiations should attempt to reduce the number of days available for sick leave.

Productivity Enhancement: \$106,196

Board-Up Operation

Records obtained from the department show that the city has boarded up a total of 1,347 properties from 1991 through 1994. The breakdown is as follows:

| | |
|------|----------------|
| 1991 | 114 properties |
| 1992 | 272 properties |
| 1993 | 329 properties |
| 1994 | 632 properties |

Eighty four percent, or 1,131 of these properties were privately owned. The city is able to bill property owners for the cost of boarding up the property, but out of 1,131 eligible properties, the city has only billed for 112. Staff has reported that the average amount of the bill sent was \$885, although actual per property billing records were not available. If the city had billed in a timely manner for these privately owned properties, it would have been possible to receive more than \$1 million. As a result of the lack of timely billing, the city has lost money, since an estimated 10% of these properties each year have passed on to other ownership. Still, it is estimated that approximately 802 properties still have the same owner and are eligible for billing approximately \$709,770 in revenue.

Recommendations:

An employee should be reassigned temporarily, for approximately 18 months, to research these property records and process all overdue bills and liens. Future bills and liens should be processed as the liability for each property occurs. This will ensure full collection of payments due, either at the time incurred, or at the time title searches are completed for resales.

Revenue Enhancement: \$709,770

Demolition – Operational Costs Per Demolition

Based on available data for 1994, the average cost per contract demolition is \$16,571. The city demolition crew demolished 35 structures in 1994. The average cost per demolition performed by employees of the city, including salary and wage, benefit and other departmental and operational expenses estimated by the team, was \$20,904. On the average, it cost the city \$4,333 more to do the job in-house than to contract it out. The savings to be realized through contract demolitions rather than demolitions performed by city employees of 35 properties would be \$151,655.

If the team agreed with the department's equipment expense figures, the savings would be significantly greater. The team's estimate was based on a market price of \$1,574, while the department's expense estimate is \$9,313. If the team used the department's figures, it would cost approximately \$28,643, or \$12,063 more for demolitions performed by city employees than the average cost per contract demolition. The savings would increase to \$422,205.

Recommendation:

The city should consider abolishing the current demolition operation and the contracting out of all future demolition work at a cost savings of at least \$151,655 based on the demolitions conducted in 1994.

Cost Savings: \$151,655

Demolition – Billings of Privately Owned Buildings

The city has spent more than \$4.6 million for the demolition of privately owned structures since 1989, yet it has pursued collection of only a fraction of the cost. The average bill to the owner for such work was \$6,571, despite the average in-house and contracted cost per demolition of \$18,738 estimated by the review team. No records of actual collections were available. However, if the city received full payment of bills issued, it would have received \$1,623,037 for 247 demolitions. Based on the per demolition cost estimated by the review team, it should have billed for and collected an additional \$3,037,623.

As with the board-up operations, the ability of the city to collect all money due for demolition costs has diminished, since an estimated 10% of these properties each year have passed on to other ownership. Using an estimate of 127 properties that should theoretically still have the same owner, and are, therefore, eligible for billing, the city should be able to realize approximately \$2,379,726 in revenue based on an average \$18,738 per structure cost for demolition.

Recommendation:

An employee should be reassigned to review overdue demolition operation billings, preferably the same employee reviewing the board-up operation, since the review processes will be largely the same. All appropriate bills and liens should be processed immediately.

Revenue Enhancement: \$2,379,726

Street Sweeping

The Camden street sweeping operation uses five of its six machines per day. The other one is available when the machines in use are rotated through for maintenance. The entire city is swept once per week. Sweepers log 550 or more miles per week, 27.5 miles of which are county roads in the main business districts. This county road figure represents more than 5 percent of the total at a cost to the city of \$21,934.

There are 425 to 450 summonses issued per week as a result of alternate side of the street parking regulation violations during the street sweeping operations. Each summons costs the vehicle owner \$12. A review of several other cities has revealed that their parking fines are as much as \$43 each. Using the lower average of weekly summonses, if the fine for these parking

violations were raised to even half of what other cities charge, the increased potential revenue per week would be \$3,852, or \$198,900 for a year.

The department head has suggested that five strategically placed roll away bins could eliminate the need for the two trucks now used to empty sweepers. If this were done, a new truck equipped to pick up roll away bins and 5 bins would have to be purchased. Savings would accrue to the city from the salary and benefit costs of one driver and the sale value of two currently used trucks and related maintenance costs. New equipment is estimated to cost approximately \$121,000. Reduction in current costs would be approximately \$40,000 from the sale of the two trucks, maintenance costs of approximately \$14,000 for the two trucks and salary and benefit costs of approximately \$33,000. In total, for the first year, new costs would be \$121,000 and the cost reduction would be \$67,000. While these are not immediate savings, we estimate that in the third year savings would be at least \$26,000, based on current costs.

Recommendations:

The city should solicit payment or a reciprocal service from the county for sweeping county streets.

Revenue Enhancement: \$21,934

Based on fines charged in similar urban communities, the city should consider increasing the alternate side of the street parking fine.

Revenue Enhancement: at least \$198,900

We suggest that roll away bins be purchased to replace two vehicles and that staff positions be eliminated.

**Cost Savings: \$47,000 (one time)
Value Added Expense: \$47,000 (one time)**

Recycling

In 1994, 2,172 tons of recyclables were collected. The salary and benefit expense for this operation was \$732,282, for a per ton cost of \$342. This per ton cost greatly exceeds that of other municipal operations, which were approximately \$115 to \$166 per ton. However, the estimated per stop cost of approximately \$27 suggests the possibility that the volume of recyclables picked up at each stop is relatively low. The department head has suggested reducing the crew size per truck from 3 to 2, resulting in a savings of \$260,771.

Recommendation:

The city should consider reducing the per truck crew size and aggressively pursue at least a 50% increase in recycling participation. These two actions combined would reduce the per ton cost to \$225. The increase in recycling would produce a corresponding decrease in the tonnage hauled by the solid waste contractor and the tipping fee charged by the landfill. The potential savings realized by the work force reduction would be \$260,771. The resulting reduction in contractor hauling fees for solid waste would be approximately \$40,595. The reduction in tipping fees would be approximately \$98,576.

Cost Savings: \$399,942

Civil Service

Workforce Makeup

City government presently consists of approximately 1,400 classified and unclassified positions. This does not reflect summer youth or autonomous agency employment. Of that number, approximately 1,100 are permanent, 188 unclassified, and 130 provisionals. The city has established nearly 245 titles throughout all phases of government.

The largest of the city's departments are Police with approximately 376 positions and the Department of Administration and Finance with 341 positions, including the Fire Division. Currently, there are approximately 150 Firefighters and 250 Police Officers. Camden is subject to a Federal Justice Department consent decree requiring improved racial balance in its Police and Fire departments. Nearly 40 percent of all non-seasonal positions in Camden City government reflect efforts to maintain public safety, security, and fire protection.

Only 8% of the current workforce is provisional. It should be noted that Camden's practice of changing titles to avoid Civil Service hiring lists has been going on for some time. The certification procedure seems to cause a great deal of confusion among department heads, especially as it applies to veterans and both open and promotional examinations. It should be pointed out, however, that the Business Administrator has successfully addressed many of the certification issues. Over the last 12 months, 68 certifications were issued to the City of Camden. Of those issued, eleven were disapproved for failure to respond on a timely basis, but only 2 have been referred to the Merit System Board for compliance procedures. There were approximately 152 provisionals serving in the city during 1994.

The New Jersey Department of Personnel is currently reviewing a number of Civil Service matters involving city employees. Resolution of these matters, as well as process improvements by the city could reduce or eliminate the need for similar reviews in the future. Department heads are greatly in need of additional information about the Civil Service system and procedures, particularly in regard to appointment lists. They are also concerned with the period of time that provisional employees remain in that status, but this is due not only to state, but also city processes. Department heads have also voiced a desire to have the working test period extended from three months to six months.

Recommendations:

The city should provide Civil Service training to department heads and other officials to address procedures, personnel problems and other areas of concern.

The city should discontinue its practice of changing position titles in order to avoid having to hire someone from the list of candidates offered after an exam for the original position title, thereby maintaining the employment of an individual who did not qualify for the original position.

Personnel/Labor Relations

Personnel Office Functions

Camden City has had a long history of dealing with civil service and other personnel functions. Only recently, however, did the city establish a Personnel Officer position to attempt to consolidate personnel functions throughout city government. Presently, personnel functions are handled through the Business Administrator, as the position of Personnel Officer is not currently staffed by an individual qualified for the position based on the most recent Civil Service examination.

Personnel is incorporated within payroll and benefits. It functions as an informational source to approximately 1,400 employees. All hiring, with some exceptions, is processed through the state Civil Service system. Promotions, discipline, and layoffs are subject to both Civil Service review and contractual issues. The city maintains contracts with six employee groups.

All permanent employees are subject to a 3-month working test period with the exception of Police Officers and Firefighters who undergo a 12-month working test period. Most promotions must be posted via Civil Service procedure. Camden employs approximately 50 unclassified employees who serve at the pleasure of the Appointing Authority or for a fixed term, per state law.

Although the Personnel Handbook dictates that an evaluation system be put into place, its usage was found lacking in many areas. In addition, neither salary increases nor longevity payments are tied to evaluations.

Leave Time

A review of Personnel/Labor issues uncovered a number of areas of concern. Of these, the most conspicuous is the lack of control over sick time. In addition, the city is overwhelmed with “dockings” of civilian employees where individuals have been unable to accumulate sick time. Rather than apply discipline to the sick time issue, it would appear the city reluctantly accepts a “docking” procedure.

Other issues of significance involve accumulated vacation “buy-out” time for some unclassified and classified administrators prior to retirement and contractual arrangements costing millions of dollars in severance pay. Vacation and sick leave benefits go beyond state minimums. While the provision of such benefits is left to the discretion of the local governments, it may not be practical for a city under the dire fiscal constraints of Camden to provide such generous benefits. In addition, the city has agreed to make “longevity” payments after certain years of service with no ties to performance.

Contracts

Our review revealed a number of very generous terms in various labor contracts. They include:

- vacation accrual up to 30 days per year, not including any allowable carryover days;
- the ability to carry over 5 accumulated holidays into the following year;
- sick time accumulation at the rate of 18 days per year;

- longevity payments which begin after 4 years at a rate of 3 percent of salary up to 8 percent after 24 years. (A patrolman with 24 years of service would have his/her salary enhanced by approximately an additional \$3,479 per year.);
- severance pay for police officers of 1.1 percent of their base salary times the number of years served;
- sick time payments at retirement at one-half its current value with no cap. (During the Fiscal Year 1995, the city paid approximately 46 police officers and firefighters nearly \$1 million upon retirement. On average, each individual collected \$9,808 in sick time, \$12,708 in severance and \$1,190 in longevity.);
- funeral leave of twenty working days granted for the death of a spouse when there is a minor child, fifteen working days for the death of a spouse when there is not a minor child or for the death of a minor child, and ten working days for the death of a child who is not a minor;
- a shift differential for police officers of 7.5% and for Tactical Force officers an 11% incentive. (Under the new contracts, these percentages are paid only on the days that the officers work.);
- severance from one week's pay up to 10 weeks pay for 25 years of service; and
- a \$2.50 per hour incentive for each member of the demolition crew when they actually perform demolition work.
- The Chief of Police has no contract, but he received approximately \$120,000 between 1991 and 1993 for unused leave in addition to his regular pay. The team was initially told that a city ordinance provided the justification for this payment. Upon further inquiry, the team was told that the justification was in the form of a letter from a former Business Administrator that permitted such payments for department heads. However, no written documentation in either form authorizing these benefits was provided to the team.

Recommendations:

The following recommendations are made to address issues across contract lines and for those employee issues not covered by contract. Many will require changes through the collective bargaining process, therefore, the related savings are not immediately available.

- 1) Fill the Personnel Officer's position with a qualified individual in order to adequately address the variety and complexity of personnel issues of the city's 1,400 employees.**
- 2) Control abuse of sick leave by implementing strong disciplinary policies, and eliminate double digit sick leave in city agencies.**
- 3) It is strongly recommended that the maximum payments for accrued, but unused sick leave be capped at \$15,000, the same limit imposed by state government upon its employees. This will reduce the tremendous potential liability for the city due to the uncertainty of what the annual cost might be because of unanticipated retirements.**

It is further recommended that the maximum allotment of sick days be capped at 15 days per year and that of vacation days be capped at 25 days per year, as per the New Jersey Department of Personnel standards.

- 4) End “terminal leave” granted to Police and Fire employees enabling them to be paid 1.1 percent of their current base salary at time of severance. During 1994/1995, the city paid nearly one-half million dollars to retiring police officers and firefighters.**

Cost Savings: \$500,000 annually

- 5) End “longevity payments” to all employees based simply on year of service or tie performance to the system.**

Cost Savings: up to \$1,684,450

- 6) Terminate the practice of “severance” pay granted to civilian employees at time of retirement with up to 10 weeks of pay following separation.**

Cost Savings: \$100,000 annually

- 7) Establish policy for department heads which address vacation “buyouts” prior to retirement, or disallow altogether.**

- 8) Significantly reduce funeral leave allotment to a more reasonable allowance.**

- 9) Establish a goal-oriented Affirmative Action Program in the Police and Fire departments to reach additional minorities through a combined Civil Service/city effort. A major effort should be undertaken in the Hispanic community to reflect actual city population trends. City hiring practices and Civil Service announcements should be made as “user” friendly as possible.**

- 10) Under the present form of government, the usage of “Commissioner” to designate a department head is incongruous with the city’s form of government. Titles should be redesignated as “Department Heads” as stipulated in the “Faulkner Act” form.**

- 11) Training should be provided to department heads and supervisors for additional managerial and civil service skills.**

Payroll

The team compared the staff salary list provided by the city to the W-2 records for the last quarter of 1994 for three sample departments. The team discovered a number of instances in which the W-2 forms indicated considerably greater earnings than the employees would accrue based on their salaries. The highest discrepancy found in these departments was \$58,902 for one employee. It is difficult to determine if all of these discrepancies are due solely to overtime. A number of discrepancies were also found between the staff salary list and the staff identified in individual department reviews.

Recommendation:

The city should perform a detailed review of its W-2 forms to determine the full extent of these discrepancies. Overtime, if this is indeed the reason for the discrepancies in earnings, should be controlled to a much greater extent.

Health Benefits

The city is self-insured for health benefits, except for the provision of a Health Maintenance Organization (HMO) alternative required by law. Until recently, the only coverage categories available were family and individual. There are now, however, employee/spouse and employee/child options, which should provide considerable savings to the city for HMO coverage. Proposals for HMO health benefit services are obtained each year in an effort to obtain the most competitive price from vendors. There is currently no employee co-payment of premiums required for health, vision, dental, or prescription coverages.

There are approximately 600 city retirees receiving health benefits through the group coverage afforded by the city. Approximately 127 retirees reimburse the city for this expense; the others receive coverage paid for by the city. N.J.S.A. 40A:10-23 permits municipalities to provide paid health benefit coverage to retirees under three conditions: disability, 25 years of service with that particular municipality, or 15 years of service in the pension system in any capacity if at least 62 years of age. The total cost to the city for these retiree benefits is approximately \$2.4 million for medical coverage, alone, not including dental and vision coverage costs.

The team's review of health benefit enrollees revealed that two former Parking Authority employees were still receiving health benefit coverage even though the first individual left the employ of the Parking Authority at the end of June and the second individual left the employ of the Parking Authority at the end of July. It was also reported that despite the long-standing agreement between the city and the Parking Authority requiring health benefit coverage reimbursement by the Parking Authority, the city has not received payment from the Parking Authority since May 1989. The total amount owed to the city thru FY 95 is approximately \$64,942. There is an additional amount of close to \$6,400 due by December 1995.

Recommendations:

The team supports the city's efforts to secure competitive health benefit contracts on an annual basis and recommends that this process continue. Providing adequate health benefits to employees at a reasonable cost to the public is one of the most significant challenges facing public employers. It is also an area that presents tremendous opportunity for substantial savings in tax dollars without sacrificing the interests of employees or retirees in retaining adequate health care coverage. A number of different approaches have been explored on a state and local level both in New Jersey and throughout the country. Governments throughout the nation have been able to use tax dollars more effectively and to realize substantial savings by adopting some or all of the following measures: Premium co-payment from employees for health benefit coverages; co-payment for dental, vision and prescription coverages; limiting eligibility of new hires or recent hires for health benefit coverage upon retirement.

In a city such as Camden where there are a host of competing demands in the allocation of limited resources, prudence dictates that the city aggressively explore all options for maximizing the benefits obtained with tax dollars without sacrificing the legitimate interest of public employees in obtaining adequate health care coverage. Pursuing these avenues could result in savings of at least \$1,751,000.

The city should enforce the agreement for reimbursement by the Parking Authority for health benefit coverage for more than \$64,942 in additional revenue. Also, health benefit coverage should be eliminated immediately for the former Parking Authority employees.

Revenue Enhancement: \$64,942

Housing and Community Development

The Department of Housing and Community Development is organized into three (3) Divisions: Construction Code, Housing Inspection and License & Inspection. The Construction Code Division enforces the New Jersey Uniform Construction Code (UCC). The Housing Inspection Division is responsible for the Camden Property Maintenance Codes and the License & Inspection Division covers the Business License Ordinance.

Construction Code Division

The Construction Code Division is staffed with municipal in-house employees for Construction Official and control/clerical personnel as well as building, electrical and plumbing subcode inspections. Fire protection subcode inspections are performed for the division by personnel from the city Fire Department; the cost for the fire inspections are covered by the Fire Department. Elevator inspections are contracted out to a private inspection agency. The electrical subcode is somewhat overstaffed with three full time employees when only two appear to be needed. The fire protection subcode is understaffed – the Fire Department provides less than 10 hours per week for inspections when at least 20 hours per week are needed.

In FY 95, we estimated that the collected UCC fee revenues were 45% of UCC expenditures. This is a significant drop over the fiscal years 1993/94 when the UCC fee revenues averaged 76% of expenditures. There was a 10% drop in the number of permits in FY 95 from the prior year.

The most significant problems confronting the UCC Division are statutorily mandated fee exemptions and inconsistent accounting procedures.

Camden is particularly vulnerable to fee exemptions due to the numerous agencies in the city which are subject to these exemptions by state statute or local ordinance. Camden County was exempted from \$99,902 in inspection fees in FY 94 and \$554 in FY 95. The school district was exempted from \$61,937 in FY 94 and \$45,735 in FY 95 worth of inspection fees and non-profit agencies in the city were exempted from \$36,000 in FY 94 and \$45,933 in FY 95 worth of inspection fees.

There is some confusion in the accounting of UCC revenues. Information contained in the state required UCCARS reporting system does not agree with the amounts posted in the UCC revenue account in the Finance Department. The reason for this difference appears to be due to the commingling of the municipal UCC fee revenues with the funds payable to private agency elevator inspections and state training fees. Direct deductions were made in the UCC revenue account to pay state training fees and private agency fees for elevator inspections, but there were no budget appropriations or rider trust accounts set up for these payments.

Procedural monitoring indicated two areas in which improvements are necessary – (1) Some section of the city’s UCC fee ordinance are not in accord with N.J.A.C. 5:23-2.18. – Standards for Municipal Fees, and (2) The failure of fire protection subcode personnel (Fire Department employees) to accept the authority of the Construction Official when performing UCC plan review and inspections.

Recommendations:

We recommend that the city amend the UCC fee ordinance to comply with the N.J. Administrative Code. The city should feel free to call upon the State Division of Codes and Standards for assistance in this matter.

The statutory authority of the Construction Official must be recognized by the Fire Official and the fire inspectors. The interdepartmental issues must be resolved to ensure the safety and health of the residents of the city. Fire prevention services should remain under the auspices of the Fire Department utilizing firefighters as inspectors, but fire subcode services should be provided by the UCC Division. Expenses and revenues should be allocated appropriately.

Rider trust funds should be set up for the private inspection agency services and the state training fee accounts. The State Division of Local Government Services has granted a blanket approval of riders for these purposes. The separate funds will end the confusion over these accounts.

There was a decline in permit activity and UCC fee revenues in FY 95. The UCC Division anticipates an increase in construction activity in FY 96, but this could not be confirmed by the Planning Division. We recommend that the city monitor the permit/revenue activity in FY 96. If the decline in fee revenue/permit activity persists, further staff reductions may be warranted. Relief from the public building statutory fee exemption for county inspections would result in savings of \$99,902. This is addressed further in the Statutory and Regulatory section.

Housing Inspection Division/License & Inspection Division

The Housing Inspection Division is responsible for enforcing the city property maintenance code and inspections of rental units. There are six inspectors and they perform an average of 40-50 inspections per day. This office was recently cut back from eight to six inspectors. This division does not collect fees, and is supported through general revenues and penalty fines.

Its mission is to inspect and protect the quality of the city's existing housing stock. This process is greatly hampered by the proliferation of abandoned housing. City support of improvement efforts did not appear to be sufficient.

The team has been told in interviews that there may be many illegal rooming and boarding houses in the city that are neither licensed nor inspected. Not only could the existence of illegal rooming and boarding houses contribute substantially to the poor condition of much of the housing stock, but it could also mean the loss of considerable income in terms of licensing and inspection fees. The state currently has the responsibility for licensing and inspecting legal rooming and boarding houses, but the municipality can request the delegation of those responsibilities by the state to the municipality.

There is no resale ordinance in the city. This is used in other municipalities as a way of ensuring the proper maintenance of the municipality's housing stock. Normally, these ordinances require that all residential units be inspected by municipal staff prior to sale of the property. Inspection fees are charged to cover the staff expense.

The License & Inspection Division issues business licenses and answers public complaints concerning same. This division employs three inspectors (including the Director of Licenses). This agency is supported by license fees and has consistently realized annual surpluses.

Recommendations:

The city needs to establish a firm housing code policy supported by the municipal administration. A complete inventory of the city's housing stock should be done. Most acute is the need for a plan to deal with abandoned housing and illegal rooming and boarding houses. The key is to establish in the public mind the commitment that Camden is a place where improving the quality of housing is imperative. This should encourage future rehabilitation projects as well as new housing developments. It should also have the potential to deter further deterioration and vandalism. The result would be a strong revenue base which is an important factor in developing the solid economic base so important to the overall recovery of the city.

The city should consider enacting a resale ordinance. Based on 8.5 months of 1995 resale data in Camden, the estimated number of resales for one year is 789. The average cost per resale inspection in those municipalities that have a resale ordinance is \$75. A resale ordinance in Camden could, therefore, produce approximately \$59,175 in income for the city. Additional revenue realized through the issuance of resale certificates of occupancy may help defray the cost of operating the Housing Inspection Division.

Revenue Enhancement: \$59,175

No matter which entity has the licensing and inspection responsibilities, the city should include an investigation of all suspected illegal rooming and boarding houses in the recommended inventory of the city's housing stock. Thereafter, the city would be in a much better position to determine whether or not it would be in its best interest to request either or both responsibilities of licensing and inspecting rooming and boarding houses.

Based on comments received by the team in interviews that licensing is not being enforced for all businesses, we suggest that the city inventory all businesses and review appropriate licenses to be certain that the licensing process is complete and up-to-date.

Departmental Reorganization

The services provided by the city for housing related activities, such as inspections, home rehabilitation loans, demolitions, and planning services are dispersed in a scattered manner among several departments. The Housing Inspection Division handles maintenance code enforcement and rental inspections; the Department of Environmental Affairs handles board-up and demolition of properties; the Division of Housing Services is responsible for administering home improvement loans; the Redevelopment Agency is involved in the construction and/or rehabilitation of housing units; and the Division of Planning is responsible for housing planning.

Because of this largely scattered design of housing related services, it appears to the team that the city has been unable to devote adequate attention to the housing needs of the city. There are numerous abandoned, unsafe housing structures and poorly maintained boarding houses in the city, and this is in addition to the large number of boarded-up buildings and/or those slated for demolition.

Recommendations:

The team strongly suggests that the city combine all housing related services under the Department of Housing and Community Development to provide greater support to housing improvement efforts that are much needed in this city. The Housing Inspection Division should take the lead in this improvement process. Planning and development functions should remain as suggested in the team's proposed re-organization of the Department of Planning and Development, but there should be a strong liaison relationship between the two departments to ensure adequate housing for Camden's residents.

It is further recommended that the city make these improvement activities a priority and consider the addition of a combination of housing inspection as well as UCC inspection staff to the process. As mentioned earlier, a comprehensive inventory of the housing stock requiring improvements should be completed and a plan provided to meet these needs. This inventory should include all rentals, lease/purchase properties, rooming and boarding houses, and properties up for resale.

We believe that a full blown improvement program would require greater human and operational resources than currently exist. The cost of additional staff may be at least partially negated by the increase in permit activity and related fees for the actual improvements. Grant money could also be secured for this improvement purpose.

Fleet Management

Management

Camden City lacks a central authority for the management of its fleet. The various departments function autonomously in this area, resulting in poor overall operational efficiencies.

Recommendations:

Centralized control, leadership and overall responsibility of the fleet is currently nonexistent. It is essential that the city employ a qualified Fleet Manager to establish and implement standards, policies, procedures and cost-effective operational measures. He/she should be given interdepartmental transfer powers, empowered to authorize all purchases to prevent duplication and, lastly, should report directly to the Business Administrator. Due to the significant changes which need to occur within the different departments and the length of time that will be needed to implement those changes, we suggest that this individual devote full time attention to the improvements for at least two years. After that time, we envision the workload to lessen and allow this Fleet Manager to take on more responsibilities, perhaps to include administration of the fuel operations.

In addition, once the operation is administered correctly, we recommend that the city review the possibility of privatizing the entire fleet management operation. It was impossible for the team to conduct this analysis due to the very poor condition of records and the poor manner in which the unit is operated.

Facility Maintenance/Management Consolidation

The repair, maintenance and storage of the fleet units are conducted at two separate sites located within 1,000 feet of each other. One location is a former New Jersey State Motor Vehicle Inspection Station and is used to repair the vehicles and equipment assigned to the police and fire departments. The second location is a former National Guard Armory which is presently used to store and repair vehicles, equipment, materials and supplies for the Departments of Sewer and Water, Environmental Affairs, Community Affairs and Administration. The Departments of Environmental Affairs and Sewer and Water store materials, supplies and equipment at other locations as well. The Armory garage is grossly ill-equipped. For instance, there is only one lift, where there should be at least four. Although the city provides tools for the mechanics, if requested, there were few observed. Several personal safety violations were noted, particularly the lack of a sufficient vehicle exhaust system.

Recommendations:

Consolidate all departmental operations, with the exception of the maintenance of Fire Apparatus, into the Armory garage. Reallocate space to allow designated areas for vehicle repairs, department offices, inside vehicle parking, a secured parts room and secured areas to handle controlled inventories. Facility improvements should be made as soon as possible. All parts, supplies, materials, etc. that are presently being stored off-site, should be relocated to this garage. These considerations are necessary for total control of all inventories.

The city should provide the tools, safety and other equipment, as well as any training required for a cost-efficient and effective maintenance operation. Safety regulations must be enforced.

Fire Apparatus maintenance should be allowed to continue to operate in its present location and the Fire Specialized Equipment Repair shop should be expanded and modernized. It was found that this unit was the most organized of all the departments,

however, under a designated Fleet Manager, its efficiency should also increase. The relocation of the police repair bays to the main garage is necessary to accommodate the Fire Apparatus maintenance needs, as well as to centralize all other repair and maintenance functions.

Inventory and Parts Control

The inventory and parts control system appears to be non-existent. The parts room in the main garage is disorganized and unkept. The team observed new truck tire tubes scattered around on the floor and being walked on; new parts still in the original shipment boxes; no records; and a parts employee whose work efforts were minimal, at best, during the course of the review. Every department's "parts room" lacked positive inventory controls and are a source of lost dollars, due not only to the potential for theft, but also to duplicative ordering. There is no control mechanism in place to control the theft that we believe could be an outcome of this chaos. Commonly used items are not stocked and are apparently ordered daily, further delaying repair time.

Recommendations:

Immediate consolidation of all parts rooms into one central location is recommended. The team further recommends appointing a responsible individual to begin the parts room consolidation process, providing a secure location, and implementing a Fleet Management Information System with inventory control capability, all under the leadership of a qualified Fleet Manager. Until these changes are implemented, we believe thousands of dollars will be wasted and lost. Because of the lack of adequate inventory and cost records, it is difficult to accurately quantify such savings.

Fleet/Repairs

To the best of our knowledge, the fleet consists of approximately 379 varied types of vehicles, ranging from boats to road sweepers. The city was unable to precisely define the number of vehicles. Based on information supplied to us, there appear to be 141 passenger vehicles, 143 trucks (heavy and light), 45 pieces of fire apparatus (trucks and cars), 9 motorcycles, 4 boats, 4 buses and 34 miscellaneous pieces of equipment.

According to information supplied by the Business Administrator, \$192,250 in annual outside vendor costs were expended to repair a portion of the vehicles owned by the city. This amount is exclusive of those costs incurred by Fire Apparatus and those for leased vehicles which have maintenance contracts. Each department, at its own discretion, dispatches vehicles to outside vendors for repairs.

Based on the experience of the state's Motor Pool, it has been demonstrated that savings of approximately 52% could be realized by repairing vehicles on-site with state employees, as opposed to farming the work out to private vendors. As further testimony in support of in-house repair, it was determined that the city's vehicles-to-mechanic ratio is 31:1, whereas the state's is 100:1.

Recommendations:

Consolidation and proper management of the mechanical staff is suggested and could eliminate up to 90% of the outside vendor costs (our experience has demonstrated that 10% of the work would most likely still need to be sent out, due to a lack of certain specialized equipment).

We, therefore, estimate that a potential savings of approximately \$90,000 per year could be realized, a sum sufficient to pay the salary of a qualified Fleet Manager and a portion of a Fleet Management Information System.

Cost Savings: \$90,000

Leased Vehicles

As cited above, the city currently leases between 43 and 55 vehicles. Again, the city was unable to precisely define the number of vehicles. Based on a comparison of cost-effectiveness of purchasing vs. leasing of motor vehicles with a maintenance contract, it has been demonstrated that, when there are sufficient personnel and facilities to effect maintenance, the outright purchase of vehicles is dramatically more cost effective. We reviewed a lease contract for 11 vehicles which revealed that approximately 45% could have been saved if these vehicles had been purchased from the state contract.

Recommendation:

The city should consider discontinuing the practice of leasing vehicles, and purchasing them off the state contract or through direct bids instead. Although the amount of savings will vary depending upon the type of vehicle, a review of the lease contract for 11 sedans found savings of approximately \$7,000 per vehicle. If this per vehicle savings is extended to even the lesser vehicle lease estimate of 43 vehicles, the total savings could be as much as \$301,000.

Cost Savings: \$301,000

Vehicles

At the time of our site visits, the Police Department had 129 vehicles listed on its records. This was difficult to ascertain, since the department does not keep accurate records of its vehicles or their maintenance. In fact, we were provided with three separate lists of vehicles, which we had to try to reconcile. The newer cars, typically full size police vehicles, are usually assigned to the districts for primary patrol. Forfeited vehicles are generally assigned to the Special Investigations Unit for use by vice officers. The department has a policy of not repairing forfeited vehicles when they break down, except in unusual circumstances. Although the Police Department does have a computerized fleet management system, it is not used. The Police Department is currently re-evaluating its distribution of vehicles.

Recommendations:

The Fleet Manager, in consultation with the Police Department should computerize the department's fleet inventory and maintenance. With a fleet the size of Camden's, computerized records are necessary to ensure that routine maintenance is conducted, and

to identify replacement vehicles when necessary. We encourage the department in its re-evaluation of the distribution and use of police vehicles, and recommend that such an evaluation take place at least annually.

We recommend that the city examine its selection of vehicles for patrol. Some police agencies feel that mid-size vehicles are more suitable to urban law enforcement. The Michigan State Police, in conjunction with the Technology Assessment Program of the National Institute of Justice, tests new patrol vehicles every year. Information concerning recent tests can be obtained from the Technology Assessment Program Information Center in Rockville, Maryland.

We recommend that the department establish a vehicle use policy which clearly delineates the appropriate and inappropriate uses of department vehicles.

Personnel

At this time, according to the Business Administrator, there are 12 employees who hold mechanics titles. There are 6 mechanics assigned to the Department of Environmental Affairs, 1 of whom is on a leave of absence, and another who holds a supervisory title. The Division of Fire Apparatus lists 4 mechanics, 1 of whom holds a supervisory title. The Police Department lists 2 mechanics, neither holding a supervisory title.

It is our understanding that because of the autonomy of the departments, mechanics of one department do not repair vehicles of other departments, even when the need arises. This practice results in the use of outside vendors, as described above. It was also noted that the policy of checking drivers' operator licenses for validity and status is sporadic. Driver operators of large vehicles should have a current Commercial Drivers License (CDL) with at least a Class "A" rating. Finally, even though there are a sufficient number of mechanics and a city-owned tow truck, towing is being contracted out.

Recommendations:

All of the mechanics and helpers should be assigned under the Fleet Manager previously recommended. We do not, at this time, recommend reducing the number of mechanical staff. A reduction should only be considered after a positive management system is in place and operating. Drivers' licenses should be checked on a regular basis (the state's mechanics' licenses are checked every six months).

All future towing should be done in-house, but the city should seek competitive bids for a backup tow contract for emergencies and heavy work periods.

Finally, we believe that with a qualified Fleet Manager, a Fleet Management Information System, the consolidation of the mechanical work force, the institution of positive inventory controls and the new fuel dispensing system, substantial savings can be achieved for the City of Camden. Due to the lack of complete financial information from the city, it is difficult to project with any degree of accuracy the possible full dollar savings. We are confident, however, that those savings, once these recommended changes are implemented, will be measurable.

Fuel Control

There are no fuel use records for 1994. Reportedly, certain employees were permitted to use city fuel in their personal vehicles if they were regularly using their personal vehicles for city business. Staff admits, however, that there were little controls in place to check on the use of city fuel for personal vehicles. The team, in fact, witnessed what appeared to be personal vehicles at the city pumps, but city records were not available for us to double check on the appropriateness of such use. The city has taken steps to correct this problem by installing a new fuel computer system that will provide fuel use printouts by tying the card holder & PIN to the number of gallons used. In addition, the Business Administrator has been given responsibility for control of this new system, which should assist in preventing the problems that previously occurred. The system has been operational less than a month and is already malfunctioning; the team has been told by employees that sabotage is suspected.

The new system provides better control, but is still inadequate due to current operating procedures. The new system can only track the holder of the card and the PIN used to refuel, not the particular vehicle that is refueled. The city authorizes 41 privately owned vehicles to use city fuel ostensibly for city business. Since no mileage records are kept, it is unclear whether this system is more cost effective than per mile reimbursements, or if employees authorized to use city fuel truly need the amount they take for business use. In addition, as long as privately owned vehicles are allowed to refuel at city pumps, there is no way to control unauthorized privately owned vehicles from refueling because no one checks the actual vehicles. It has been reported to the team that abuses of the former fuel system were commonplace, in large part because of the lack of control over personal vehicle fueling.

Recommendations:

We strongly recommend the elimination of all refueling of privately owned vehicles. A mileage profile and cost analysis should be established for employees who use their vehicles on a regular basis for business related functions. This profile and analysis can be used as a means to determine if a city vehicle would be more economical than mileage reimbursement. Mileage reimbursement for public use of private vehicles, with proper documentation, should be implemented.

Welfare

Training

During the first three weeks of this review, the Welfare Director was out on sick leave. While subordinates were knowledgeable in their areas, in the absence of the Director, there seemed to be no one person who understood the functioning of the entire system. Many team requests for information were held for the Director's return.

Recommendation:

We recommend that the city train a subordinate supervisor to function in the Director's absence.

Operations

The Welfare Department has averaged 2,667 cases for the past 12 months. The GA6 (used for cross matching to find fraud) and GA12 (used to secure reimbursement from the state) reports are currently up-to-date, yet this has not always been the case, an issue discussed in the State Overpayment section.

All funds and money transfers are done by the Finance Office. The PATF I account had a balance of \$7,001 as of June 30, 1995. The PATF II account had a zero balance and draws down funds from the state as needed. The PATF I account showed very active short term interest earnings. The petty cash account showed an average monthly cash flow of \$72,847 for 1995.

There is an effective system in place to recoup funds from those who are eligible for SSI. The eligible client's first check is sent directly to the Welfare Department where the amount given for interim assistance is deducted to reimburse the city, and the remainder is sent to the client. The recent emphasis by the Director on contacting overpaid clients has reduced the total dollar amount of the overpayments. This emphasis has also identified many clients with smaller overpayments previously overlooked. The outstanding overpayments for the 4th quarter of 1994 were \$36,002.94 with 59 clients identified. This was reduced to \$1,205 by the 2nd quarter of 1995 with 145 clients identified. A formal written procedure, however, is not in place for this function.

Recommendations:

The team commends the department's proactive approach to securing reimbursement for SSI payments and suggests these efforts continue. A formal written procedure, however, should be developed regarding retrieval of overpayments.

Temporary Rental Assistance Payments

A review of TRA payments between February 1 and November 30, 1994 indicates questionable payment practices. In this 10 month period, the City of Camden paid \$1,192,519 in rental assistance. There were approximately 3,530 rental transactions. A sampling of 293, or approximately 8% of the total transactions revealed that 16.85% were duplicate payments. For instance, on several occasions, Welfare made rental payments for the same apartment, for two separate clients, for the same rental period, spanning several months. In other fairly common occurrences, retroactive rent payments seemed to result in duplicative payments. For example, Welfare would pay rent for client (A) until June 30, then in August would pay three months retroactive rent for client (B) for the same apartment, indicating a duplicative payment in June. If the application of the 16.85% duplicative payment estimate were applied to just the entire 10 months of base data, there would have been \$200,939 in questionable payments. The figure would be higher for a full year. This is money for which the city would never have sought state reimbursement if payments were carefully administered.

Recommendation:

An independent review of all payments should be done as soon as possible to determine the full extent of and the reasons for the overpayments. Practices should be put in place immediately to prevent this situation from recurring.

State Overpayments

The State Department of Human Services has identified overpayments to the city in the following amounts: \$267,760 from 1998 to 1991 and \$1,025,249 in 1992. The city claims that most of this is due to erroneous reports (GA6 & GA6A) based on vouchers, rather than cash disbursements. Timely reporting is essential to avoiding this situation. Reconciliations cannot be performed if the applicable information is not available. The Finance Office is attempting to correct these errors.

The Welfare Director should initiate a procedure to insure that all required reports are consistently done on a timely basis.

Office of Risk Management

The city's property, liability and workers' compensation insurance are administered through the Office of Risk Management. Workers' compensation, auto and general liability are self-insured (with excess coverage), while property and certain automobile coverages are commercially insured.

The risk management program has a number of positive elements, among them:

- There is a full-time Risk Manager with support staff to assist the city's efforts.
- Pursuant to N.J.S.A. 40A:10-6, the city has established an Insurance Fund Commission. A professional claims servicing organization is used to review claims and recommend appropriate action. The city retains approval and claims payment authority.
- The city controls the medical treatment for workers' compensation injuries. Employees are directed to city approved physicians for initial treatment and specialist referrals. Pharmaceutical needs and prescription drugs are also restricted to vendors approved by the city.
- The city processes all workers' compensation claims in-house. It has retained a claims auditing firm to review medical treatment and the fees charged to ensure that both are appropriate. The City Attorney has assigned an attorney full-time to challenge and defend the city against workers' compensation suits, which average 286 per year.

Loss Control

Procedural and safety manuals for city operations were adopted by the Insurance Fund Commission several years ago. The Risk Management Office has tailored manuals specifically for the Police, Fire and Environmental Services Departments and the utilities' agencies. These documents would provide the basis for a comprehensive safety and loss control program if they were enforced by department heads and adhered to by staff. Unfortunately, there is a lack of clear authority to direct a comprehensive loss control program which results in an attitude that such efforts are not an important aspect of city operations. There is insufficient recognition that as a self-insured city, loss control, as well as reduced frequency and severity of claims and losses, translate directly into budget and tax dollars saved. Neither the Risk Management Office nor the Insurance Fund Commission is authorized to establish and enforce loss control efforts.

Recommendations:

By ordinance, the city should provide clear authority to the Office of Risk Management to establish and direct the implementation of a comprehensive loss control program. The Insurance Fund Commission should readopt and promulgate the safety and procedural manuals. It should make a declaration of the importance of loss control activities as a management responsibility of each director and supervisor. Department heads must be held accountable for the implementation of the program within their operations.

As part of the comprehensive loss control program each agency should work with the Office of Risk Management to establish appropriate training practices to ensure all employees, especially new hires, are given instruction in the proper performance of their duties and use of city equipment.

Risk Analysis

The city's risk management program is reactive, rather than following a planned, coordinated approach.

Recommendation:

The city should provide the resources for a comprehensive risk analysis of city property, activities and operations. This should be conducted by a professional firm experienced in risk identification and analysis. The firm should not sell insurance or have any potential interest in the implementation of any recommendations.

Workers' Compensation

The city has averaged 286 workers' compensation injuries annually over the last five and a half years. The actual numbers in previous years varied from a high of 300 to a low of 270. For 1995, 176 reported injuries were on file as of August 2nd. Agency efforts to identify and deal with the causes of work related injuries and property/liability claims vary.

The number of workers' compensation judgments against the city has declined since the establishment of the Risk Management Office and the assignment of a full-time City Attorney to contest all claims.

The team received conflicting information from city officials regarding the payment of full salary to employees on leave due to work related injuries. The authority of the city to grant leaves of absence with pay to employees with work related injuries is governed by certain statutes – N.J.S.A. 40A:9-7, N.J.S.A. 40A:14-16 and N.J.S.A. 40A:14-137. Payments not in compliance with the requirements set forth in these statutes were not authorized.

Recommendations:

The fairly consistent annual number of reported work related injuries support the need for a comprehensive effort to enforce workplace safety and loss control programs. The city needs to be more vigorous in investigating the causes of workplace injuries and instituting remedial measures.

The city should continue to aggressively contest all claims and petitions for work related disability claims.

Computerization

The City of Camden has some individual success stories involving information technology. There are a few individuals trying to improve upon the administrative methods utilized within the city government. Unfortunately, individual actions are not able to leverage the scarce resources of money, time and equipment. For Camden to move ahead a team approach is required. The key to success for Camden's information technology is a comprehensive plan which is jointly prepared and accepted by all departments. The next step would be to centrally manage and support the information technology infrastructure in accordance with the plan.

Information Technology Planning

The City of Camden has left the information technology planning function up to the individual operating units. While there are several plans in existence, none of them are comprehensive enough to accommodate the entire city. This lack of centralized planning has resulted in incompatible equipment and software, an uneven distribution of equipment, the inability to share information, a lack of properly trained staff, an ineffectively utilized support staff and a less than desired return on investment of information technology funds. There are at least five separate central processor systems, three LAN (Local Area Network) based systems (with approximately 11 PC's on each LAN) and approximately 138 stand alone PC's. Neither the systems nor the 138 stand alone PC's are interconnected. Existing outside service use is not being tapped to its fullest, including the availability of many state services not being accessed.

Computerization responsibilities are handled by a total of nine staff members – one in the Mayor/Council area, four in Administration & Finance, three in Police, and one in Environmental Affairs.

Specific technological advances have been made or proposed in certain departments. For instance, Camden's Community Affairs Department has recently acquired a grant to install teleconferencing workstations in several community centers.

The City of Camden is currently under contract for certain information technology services. ADP provides payroll processing services, H&L Systems provides services for the S/36 and AS/400 systems and Vital Systems provides Tax Assessment services.

Recommendations:

An Information Technology Steering Committee should be established to set priorities based upon agreement on basic strategies, policies and guidelines. It should be made up of the twelve Department Heads/Administrators, representing each operating unit, and a respective technical member. Reporting to the committee should be a central management and support unit. This unit should consist of existing support personnel in the various operating units. Coordinated management of these support unit individuals should result

in a more effective utilization of scarce resources and should also free-up part-time staff for other departmental tasks. The central management and support unit could also establish a central support desk to resolve computer problems.

Technological advances should be implemented on a city-wide, not departmental basis, and only when more pressing city priorities are attended to. Once an acceptable, city-wide system is in place, departments can specialize their computerization needs.

All information technology budgets should be combined into one account and managed by the Business Administrator's Office, which can best determine how the dollars are allocated, what equipment should be procured, where it should be located, what systems should be developed and which services should be acquired city-wide. An added benefit is the potential increased saving through volume discount purchases.

Disaster Recovery

Many locations do not backup data at all or at critical times, do not have appropriate environmental controls, do not have power conditioning, do not have fire or disaster protection, do not have proper off site storage for vital data and programs, and do not have backup facilities. This places the City of Camden at high risk in the event of minor misfortune and out of business in the event of a major catastrophe.

Recommendations:

A central computer facility should be established with appropriate environmental conditioning for: humidity, temperature, power (conditioning and uninterrupted), fire retardant and security. Backup should be done on a regular, frequent basis.

An agreement could be contracted with a vendor or service provider to replace or make available any critical system that is damaged, destroyed or deemed inoperative beyond a reasonable period of time, for the purposes of keeping Camden in business in the event of an unforeseen disaster. A disaster test should be conducted annually to insure the operability of the plan.

Equipment Maintenance

Maintenance of the computerized equipment is inconsistent throughout the city and service agreements are not consistently managed. A strong potential for double billing exists in the form of payment for service calls and maintenance service contracts.

Recommendations:

All existing maintenance contracts should be identified and centrally managed to ensure that all critical systems are covered effectively and economically. Warranty, contracted and, time and material classifications should be assigned to each system. A maintenance history of each system should be retained and referenced.

Training

A need for computer training at every level was noted throughout the city. Several individuals either did not use the technology at all or used it ineffectively due to inadequate training.

Recommendations:

An in-house training record should be initiated for each individual that interacts with a computer system. Basic overview courses should be offered to all personnel required to utilize information technology systems. Specialized training should be required for new or altered systems.

Document Management/Imaging System

There are numerous areas within city government in which filing cabinets are overflowing and documents are misfiled or lost. A considerable amount of time is spent in filing, retrieving documents or waiting for documents to be returned to the files. Document storage is, in many cases, handled by way of boxes stacked in offices and hallways.

Recommendations:

A document management/imaging system would offer significant savings in filing/retrieval time, researching lost documents and avoiding wait time due to document usage by others. While it could cost anywhere from \$25,000 to \$1 million, depending on the system, the benefits of scanning and electronic storage documents could eventually outweigh the cost. If the Information Technology Steering Committee anticipates this need and designs the administrative WAN (Wide Area Network) with document management/imaging in mind, the incremental cost for this recommendation will be minimal. It is important, however, that a feasibility/needs study be done before any action is taken on this matter. We further suggest that this feasibility study include a review of the possibility of a shared arrangement for this system with another municipality, the county, the school district, or any other entity in need of similar services.

Finance

The Unisys system is limited in memory, disk capacity, application availability and connectivity. The Finance Office's computers are not integrated with computers in other departments and, as a result, finance staff must re-code and reenter the same data into its system. This is particularly true with the Revenue Collection Department which utilizes a set of revenue codes which was in existence prior to the conversion to a new system. In addition to the duplication of effort, the replication of data all too often results in numerous posting errors and inaccurate revenue reporting.

The lack of computer integration also prevents the finance staff from researching or tracking the activity of all purchase orders. The Finance Office only has the ability to view open purchase orders for which full payment has not been made. The finance staff is prevented from responding to inquiries from user departments, vendors, or administration officials on purchase orders or payment status.

Recommendations:

The Unisys system is addressing some of Camden's computerization needs, but is too small to address the more important ones. While this system could provide some enhanced capabilities, we suggest that it would be better to build on the AS400 and eliminate the use

of the UNISYS system altogether. It is, therefore, recommended that Camden Information Technology Steering Committee make the replacement of the existing financial system with a comprehensive municipal government financial system a top priority.

We suggest that immediate steps be taken, to the greatest extent possible, to upgrade and enhance the computer system to provide for integration among all departments. Finance staff must have the ability to retrieve information on receipts from the Revenue Collection Department and on purchase orders from the Purchasing Office. This upgrade should also free up staff time for other office activities.

Purchasing

The current purchasing system is a combination of stand alone PC's using a nonsupport software package and manual card files. Most departments have developed independent stand alone systems to accommodate record keeping and tracking, and must make numerous phone calls to the Purchasing Agent for current status. Additionally, the purchase order flow is labor intensive and difficult to manage.

Recommendations:

The purchase order system should be automated to cover all of the above functions and be made available to each of the departments to accomplish their respective activities without the need for manual intervention. Purchasing software needs to interact with the budgetary accounting software. This would save time and cost, and provide a more accurate description of the status of various appropriation accounts.

The Purchasing Bureau must also be able to directly input purchase orders into a system. Currently, all documents are prepared by purchasing staff and hand carried to the Comptroller's Office. The Purchasing Bureau must be able to access the system at any time to track outstanding purchase orders.

There is a need to have purchase orders pre-audited by the Comptroller's staff before they are posted to the budget appropriation. Those orders with sufficient unencumbered funds would be processed on continuous purchase order forms.

Safeguards are needed to ensure that vouchers and advices not containing the correct requisition and purchase order numbers are rejected by the system. This is required to prevent overstated reserves for encumbrances.

There is a need for an encumbrance/obligation software package to generate both cumulative reports on purchase orders processed, and the details of purchases according to commodity. This type of report could be updated concurrently with postings to the accounting records.

Human Resources/Time and Attendance

These functions are currently performed independently. While the services of Automated Data Processing (ADP) are utilized for the purposes of check preparation and accounting, the city does not take full advantage of all available services. This results in inefficiencies. In some

cases, departments have developed independent PC programs to gather, track and submit time reporting information to centralized payroll where the data must be manually re-entered. In other cases, the system is paper intensive.

Recommendation:

Additional services, such as an enhanced human resources option, should be investigated. They should be available at a nominal cost.

Police Department

The police department uses an IBM 9370 for Computer Aided Dispatch (CAD) and Records Management (RM). There are 50 terminals in police headquarters and the department is in the process of connecting the four substations to the computer system. There are 30 terminals connected to the New Jersey Criminal Justice Information System. This system has been in place since 1987 and appears to meet the needs of the department. The department does routine backups, but keeps the backup tapes in the computer room.

The department uses an IBM System 36 for word processing. In addition, they are installing personal computers in some offices for administrative support and will eventually network them.

A sergeant is the supervisor of this unit and has historically been the only person with the skills necessary to maintain the computer system. The department is currently training another officer to maintain the system. In addition, a civilian is assigned to the unit.

Recommendations:

We recommend that the connection of the substations be a priority for the department.

It is suggested that the department establish a procedure for off-site storage of backup tapes. This is important to protect the department's data in case of physical damage to the computer room.

The department should fully train a civilian in the operation and maintenance of the computer system. We believe that this work is more appropriate for a civilian and should not be performed by a sworn officer.

Fire Department

Under development is a Fire Department LAN. Seven personal computers are currently connected with the potential of twelve. All are in the central facility.

The application development and LAN support are provided by a firefighter using overtime hours. Applications include: Fire Apparatus inventory, training files, purchase order tracking and budgeting.

Currently, captains travel to each station at the beginning of each shift to determine staff strength. Calls are made to the central facility to determine what action should follow, including possible overtime. Payroll is done manually and then a report is delivered to the city's payroll division.

For each fire incident, a New Jersey Department of Community Affairs' form is completed, entered into a Federal PC program and mailed monthly to DCA in Trenton. There are many file cabinets with Hazardous Material information, which would be a prime candidate for the document management/imaging system noted earlier.

Recommendations:

The LAN should be integrated into the administrative WAN. An automated time and attendance system would alleviate the need to manually collect payroll information and would, more importantly, provide more timely daily strength reporting.

The use of a firefighter for application development and LAN support on an overtime basis should be discontinued. This work should be done by a civilian during regular work hours.

Fleet Management Information System

There is no Fleet Management Information System in place. This allows for significant inefficiencies and increases the opportunity for pilfering. The lack of information on the fleet makes it very difficult to accurately identify the number, type, ownership and usage of vehicles.

For example, an attempt was made by the team to determine the city's total number of leased vehicles. That number is either 55, according to the Business Administrator, or 43, according to Risk Management.

There are appropriate software programs available for "off the shelf" purchase, which provide excellent inventory control systems in addition to vehicle management.

Recommendation:

In order to insure that the fleet is being managed in a cost-effective manner, a computerized Fleet Management Information System should be installed.

Welfare

The finance section of Welfare utilizes limited computerization, yet the remainder of the office depends on a manual system of record keeping. The organization depends heavily upon the Case Workers for administrative record keeping purposes. This operation lacks the type of systematic information that is consistent with a computerized office, which adds to the burden of the Case Workers. The effort to compile the information necessary for a more complete record would be very time consuming and costly, yet the lack of this information is a detriment to efficient management. The cost of the computerized compilation of information would be money well spent.

Recommendation:

An integrated computer network should be the top priority for this department in order to effect the much needed detailed information system.

Telecommunications

Cellular Phone and Beeper Use

The team has reviewed bills for cellular phone and beeper use by the city. There are two main points that developed from this review.

While the team does not dispute the appropriate need for beepers for city business, the extent of service that appeared to be secured for all beepers, irrespective of the particular needs of the individual staff member, may be greater than is necessary. Based on a comparison of costs in the industry, it seems as though the city may be paying for “extras,” such as an 800 number access and additional roam distance, that may not be necessary in all cases.

There were two city officials who appeared to have several cellular phones allocated to them. In fact, one of these officials showed up on both the city and the housing authority list of cellular phone users for a total of three phones. Bills are paid by the city for city phones, as well as Housing Authority and Housing Authority URD phones. It costs the city an average of \$3,800 per month for the cellular phones.

Recommendations:

The team recommends that the city review and re-evaluate the necessity of the extent of beeper use and cellular phone use now provided. We also suggest that there is no need for any official to have access to more than one cellular phone. While these costs may not be critical in the overall budget, they indicate to the team further evidence of a lack of equipment control and use discipline. This inadequacy was discussed previously regarding the accountability for computer and small tool purchases.

Municipal Court

The team observed a number of court proceedings, toured the facilities and interviewed key persons working in or directly associated with the Camden City Municipal Court. As will be discussed in this section, it appears to the team that the court is functioning in an effective, efficient manner and has been proactive in researching and implementing innovative court practices.

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 city with information on current and potential operations, procedures and programs available to the court. All recommendations are made with the knowledge that further review and approval will be required by appropriate judiciary personnel.

Operations

The Municipal Court handles all non-indictable criminal and traffic offenses which includes a vast array of ordinance violations and traffic misdemeanors. There are nine court sessions every week. Criminal sessions are conducted every weekday morning. Traffic sessions are conducted on Tuesday and Thursday afternoons.

Afternoon criminal and traffic sessions are conducted as needed, on Monday, Wednesday and Friday. Typically, this time is used to hear overflow cases from the morning court. Defendants incarcerated at the county jail are arraigned at every court session. During FY 95, 14,100 new cases were heard, for an average of 130 per session.

The judge is assisted in the courtroom by two court bailiffs, two court attendants and an interpreter. One of the two Municipal Prosecutors is always present at every court session. The courtroom staff serve in various capacities, such as initiating the court schedule, verifying the presence of the defendants and witnesses, and recording of bail. These are some of the duties carried out by the staff, whose performance ultimately produces an orderly court session. The management of the Camden City Municipal Court operations is carried out in a precise and orderly fashion. It is apparent that the Court Director has made a positive impact on the overall operations.

Recommendations:

Municipal Court Officials should consider approaching the administrators at the Rutgers University Law School with a proposal for an internship program in the Municipal Court. This is currently done in Gloucester County, and has reportedly been a resounding success. In addition to the valuable practical training, it would lend assistance to the court staff.

The court is already participating in the Supreme Court authorized pilot involving the faxing of warrants to the Court Administrator for her signature, in lieu of having them present. This should save time and costs associated with processing defendants, issuing warrants and setting bail. Further, this allows the police to expedite the paperwork and get back on patrol, where their efforts are better spent. The team is supportive of this pilot process and encourages the court to continue in its efforts.

Consideration should be given to the installation of a computerized voice messaging system to monitor and take calls for the Municipal Court, since many of the calls are for other courts or agencies within the county or city.

Staff

The Municipal Court employs three judges, one full-time and two part-time. The Chief Judge title is held by one of the part-time judges. Under the direction of the Chief Judge, the Municipal Court Director is ultimately responsible for the maintenance of all records and files, the routine filing of statistical reports with the Administrative Office of the Courts and for courtroom facilities. She is also responsible for the collection of fines and the distribution of bail.

Staff duties are rotated, with some of the personnel serving as court attendants and interpreters. At least 15 of the 25 office staff members rotate their duties and serve as courtroom attendants. They assist the judge in the courtroom until disposition of all cases.

Subsequent to the case being heard, the office staff enters all dispositions on the ACS (Automated Criminal System) and the ATS (Automated Traffic System). These are state-wide on-line computer systems developed by the Administrative Office of the Courts to enable the municipal courts to record and track the disposition of criminal and traffic offenses in a timely fashion.

Additionally, the office staff assist the general public in preparing, filing, and expediting pertinent documents, providing information about other municipal agencies, routing pertinent questions and concerns to the proper authorities, collecting fines, and disbursing hand-written bail checks upon request.

Caseload

The municipal judges in Camden expedite cases on a routine basis. Some of the methods utilized by the judges are:

- a) Abating fines and penalties in cases of minor offenses where defendants are classified as indigent.
- b) Combining cases where defendants and witnesses are required to appear for multiple complaints.
- c) Reducing sentences in matters of minor domestic disputes.
- d) Enrolling defendants convicted of minor criminal offenses into the SLAP (Sheriff's Labor Arrest Program), whereby the defendant is assigned to a daily work program in the county, and is permitted to live at home.
- e) Reducing Failure to Appear notices by hands-on investigation of the defendant's circumstances, rather than sentencing solely on written reports.
- f) Conducting routine follow-up visits and monitoring the progress of family-related cases, such as domestic violence, abuse and truancy.
- g) Maintaining an open communication among the court and school officials, truant officers, parole officers, and local law enforcement agencies.

The actions taken by these judges produce several beneficial effects for the city, as well as for the county and the state. They reduce and avoid redundant court-related costs; reduce the number of appearances by defendants and witnesses; assist with family counseling; help to preclude further domestic disputes; reduce the cost of lengthy incarceration in the County Jail (estimated to be \$60 per day, not including transportation and processing); assist with the rehabilitation of defendants; and help to relieve contempt charges.

Case Disposition

The team prepared a statistical analysis of the criminal and traffic violations for the period covering FY 95. During this period, 85% of the traffic charges and nearly 87% of the criminal charges were disposed of. These statistics remained fairly consistent throughout FY 95, with ranges from 74% to 98%. From these numbers, it seems that the judges and municipal court staff are processing cases in a relatively prompt and timely manner.

As part of a sentence, defendants can be assigned to the Sheriff's Labor Arrest Program (SLAP), a community service program managed by the Camden County Department of Corrections. Typically, the SLAP allows for an inmate's jail sentence of between 30 and 45 days to be

commuted to a work program. The defendants reside at home but are required to report to the County Jail every weekday morning. Subsequently, they are transported to and from a worksite which may be a community-based project or one initiated by the city.

Not only does this program benefit the communities and city in terms of receiving free labor and reducing the cost of incarceration, but it also relieves the strain on an already overcrowded jail. This translates to benefits for the city, county, and state.

The cost to confine an inmate to the County Jail is approximately \$60 a day (not including processing and transportation). In FY 95, approximately 250 persons served in the SLAP, thus eliminating an average of 30 days of jail time for each defendant. This resulted in an estimated annual savings of \$450,000.

Notably, this program is utilized by only four of the twenty-one counties in the state. This is a viable, cost effective program that we believe should be encouraged and expanded statewide.

An expansion of the conventional SLAP, referred to as “Weekend SLAP,” was started recently. This program will be offered to those defendants whose crime and lifestyle circumstances do not warrant a long-term incarceration. It will give these defendants an opportunity to serve five consecutive weekends in a community work program, instead of spending time in jail. Under this new program, the defendants will report to the County Jail every Saturday and Sunday morning and be transported to a worksite. This is another example of an initiative to improve the present conditions surrounding the courts and the prisons.

In March 1995, a program referred to as “inmate court,” was started by the Regional Presiding Judge of Camden County. This is a “bail hearing,” not a trial, where inmates are arraigned at the County Jail once a week, instead of being sent to one of the thirty-six municipal courts in the county.

The police captain in charge of admissions reviews the inmate population every day to determine which inmates are most likely to be released immediately after arraignment. Furthermore, any of the municipal courts in the county may request that a defendant in its jurisdiction be arraigned in this manner.

In addition to this process, the judge also hears cases twice a week pertaining to indictable criminal offenses. This program, referred to as “special court,” is held at the Hall of Justice and is offered to all courts in the county. This produces the same benefits as “inmate court” by eliminating the transportation of prisoners from the jail to the various courts. Consequently, this reduces transportation and court costs and minimizes risks, such as attempted escape and assault.

During FY 95, approximately 1,100 prisoners were either arraigned at the Hall of Justice or at the County Jail. Reportedly, these processes have reduced confinement by at least 5 days. Using \$60 per day as the cost of incarceration (not including processing and transportation), this translated into an estimated savings of \$330,000. These are cost benefits shared by the county, state, and all Camden County municipalities participating in these programs.

By continuing this program, the cost benefit accrued by year-end FY 95 is an estimated \$468,000. Considering the benefits of such a program, we urge that this program be expanded statewide.

Recommendations:

We suggest that the court consider contacting the County Assignment Judge to explore introducing a video arraignment project as an alternative to the judge being present at the County Jail. This could be done on days when the presiding judge is unavailable or when the court schedule does not allow sufficient time to leave the courthouse. Consequently, it would give the presiding judge the opportunity to decide to arraign the defendants later in the day or to request another judge as a replacement. The introduction of this project should be discussed with the Public Defender.

More importantly, it would reduce and in some cases, eliminate the problems and costs associated with securing, processing, and transporting the prisoners. This would also expedite sentencing, thus moving the defendants through the system faster and reducing backlog.

The Regional Presiding Judge spearheaded this effort with the support of the Assignment Judge. This innovative idea, along with other recommendations mentioned in this report, are a credit to the cooperative efforts of the judges, the Department of Corrections, and the Camden City Police Department. These concepts have the potential to yield significant resource savings and increased efficiencies for the municipal court system. All appropriate judiciary personnel should be contacted for guidance and approval of this program.

Facilities

The people in the courtroom gallery consist of first time traffic offenders and repeat drug offenders, as well as witnesses of all ages. In many cases children are present simply because the parent or assigned guardian has nowhere safe to leave them while attending court.

Most court sessions are forced to accommodate an audience in excess of the legal and safe limit due to the large number of cases. Despite this situation, the adequacy of the courtroom has not been addressed in over 40 years. In many instances, individuals are standing at the back of the gallery and in the Bench area. After the judge delivers opening remarks, some defendants, witnesses, attorneys and law officers elect to wait in the adjacent hallway until their case is called. This is done primarily to lessen the strain on an overcrowded room.

The Municipal Prosecutor and Public Defender are forced to use the window sill to arrange their paperwork, since they have no chairs or tables available to them in the courtroom. In addition, interviews with witnesses and defendants are conducted in a small, confined corner of the file room, or in the hallway. The file room is also the only place that the Municipal Prosecutor has to work on paperwork, prior to and after the court session. This same area is used by court bailiffs when they take lunch.

If a prisoner becomes ill, the bailiffs have to call the County Jail and request a pickup. This may range in time from a few minutes to a few hours. In the meantime, the bailiffs are responsible for care of the prisoner, even though they are ill-equipped to perform this function. Moreover,

there is no water fountain or first aid kit within the holding cell area. Added to this is the fact that one bathroom is shared by as many as 16 persons, including court bailiffs and male and female prisoners.

In addition to the safety and social issues these situations present, this small, overcrowded, and poorly ventilated area is residence to prisoners suffering from a variety of illnesses. Physical ailments range in severity and can include Hepatitis, AIDS, convulsions, Diabetes, and Epilepsy. Likewise, there may be prisoners suffering from any number of mental disorders, as well as drug abuse.

A building superintendent and his staff are employed for custodial and maintenance services by the county and reside in City Hall during the day. They are responsible for routine maintenance and custodial services, as needed, during the week. However, the demands on the staff reportedly outweigh their capacity and, consequently, the court facilities are usually neglected or services are delayed. This becomes evident when a prisoner takes ill and the holding cell area has to be cleaned. Usually, there is a lengthy delay and ultimately, the cleanup is no more than cursory.

Recommendations:

Since there is unused space in City Hall, the entire building should be looked at very carefully in terms of acquiring more room for the court facilities. Before the city employs any private consultants to review facility needs, it should look to in-house expertise. All facility considerations should be made with the advice of the County Trial Court Administrator and ultimately, pursuant to Court Rule, the consent of the County Assignment Judge.

One consideration is to provide space for a second courtroom. This would not only help to expedite cases, but it could serve as a night court to handle backlog. Until a few years ago, night court was held once a month. It was discontinued when asbestos was removed from the entire building, but has not been reinstated even though that project has since been completed.

The absence of a night court was the most common complaint voiced to the team by witnesses and law enforcement officials. Offering the convenience of a night court may encourage more defendants and witnesses to appear in court when they are summoned the first time. We realize, however, that a second courtroom and night court would require additional staffing costs and the judges would have to preside on a rotating basis.

City and county officials should develop a better system of providing routine maintenance and custodial services for City Hall.

The remodeling of the present courtroom, again after advice of the County Trial Court Administrator and consent of the Assignment Judge, should also be considered based on the areas found lacking by the team which are discussed above.

We suggest that the Municipal Court contact the County Vicinage in all matters related to the improvement of the court facilities, pursuant to R 1:33.4 of the Rules Governing the Courts of the State of New Jersey.

We suggest that court staff be provided with the phone numbers of the emergency squad, local hospital and any other appropriate health service providers. Court Bailiffs should be provided with an adequate first aid kit and basic first aid and CPR training, so that they are equipped to attend to someone who takes ill or is injured until an emergency medical unit arrives.

Records Retention

The Municipal Court is a prime example of where records storage and retrieval is paramount to its operation. It is common for archived records to be accessed because a case has to be revisited due to parole consideration. Court records contain a variety of information, some of which must be retained indefinitely, whereas others have a specific retention schedule.

The Docket Book, for example, contains information such as the complaint number, defendant's name and address, type and date of offense, court date, final disposition and date. Criminal complaints and accompanying information are kept indefinitely, since all major records may be discarded after 15 years. In Camden, the Criminal Docket Books date back to 1898.

The Criminal Docket Envelope on the other hand, is retained for 6 years, and the Traffic Docket Envelope is retained for 3 years. This particular record contains limited information such as the original complaint and attorney correspondence.

With regard to recording tapes, those containing testimony related to DWI complaints must be kept for 10 years; all others can be disposed of after 3 years.

Camden City Municipal Court has the second highest number of cases in the county. Moreover, Camden City has the second highest number of FTA's (Failure to Appear) in the state. Added to this are the bench warrants, late payment notices, and the like, which adds to an enormous amount of paperwork processed and stored in cabinets.

At the present time, Camden City Municipal Court appears to be nearing its records storage capacity. Given the current storage facilities, it is unlikely that this situation will improve, since all major records eligible for destruction have already been destroyed.

Recommendations:

Similar to the recommendation made in the Finance Office section, a concerted effort should be made to find additional space outside of City Hall to archive municipal court records, including recording tapes. The city should work with the County Vicinage officials to determine the most appropriate method available for the storage of Municipal Court records. The Court Director should contact the AOC to determine if any of the forgoing documents, e.g. FTA's, notices, etc., can be destroyed either pursuant to the Judiciary's State Document Retention Schedule or eliminated because of the court's utilization of ATS/ACS.

More importantly, the city is setting itself up for a potential liability if it does not take the necessary steps to prevent these documents from being mishandled, misused, lost, or stolen. The Court Director has taken all possible precautions to ensure that this does not happen, however, she does not have the resources to implement any more progressive methods.

The office staff requires more modern storage capacity for active files. Through an open competitive process, an office furniture vendor should be brought in to review the situation and make recommendations. This effort should be in conjunction with a plan to address storage capacity for archived files.

Collections

The FY 95 statistical analysis was also used to determine collection rates and patterns. The court administrators and staff take a serious and aggressive approach to the disposition of cases and the collection of charges. The total fines imposed in FY 95, including court costs, was \$2,621,774, and the total collections for the same period was \$2,004,782. This represents an average collection rate of 76%. The collection pattern was fairly consistent throughout, with rates ranging from 67% to 86%.

Recommendations:

The court is encouraged to aggressively pursue and exercise all permissible procedures in the collection of monies due the court.

Finance

The Municipal Court maintains two checking accounts, the Criminal General Account and the General Violations Account. These are the accounts for all fines, penalties, surcharges and court costs imposed. In addition, there is a Criminal Cash Bail Account and a Motor Vehicle Cash Bail Account. These accounts are specifically used for the deposit of cash bail. Withdrawals are only for the purpose of refunding bail or the transfer of forfeited funds. These accounts are further discussed in the section devoted to the Finance Department.

The Municipal Court maintains a Parking Offense Adjudication Act (POAA) fund. In the case of Camden City Municipal Court, \$9,000 of POAA funds were used to supplement the salary of a part-time employee to work on a special project specific to expediting the backlog of parking tickets. When the project was completed, the net effect to the city's General Fund was \$350,000 in collected funds.

The court also used POAA funds to purchase \$20,000 worth of various supplies, such as traffic tickets, mailers and receipts, as well as to pay for overtime.

The court staff processes approximately 200 mail-in payments each day. This function requires the attention of at least one staff member. In some instances, overtime may be required in order to complete the process for the next day's bank deposit.

Recommendations:

The team has suggested that the Court Administration contact the AOC to determine the propriety of incorporating the Criminal General Account and General Traffic Violations Account into the city's "concentration account" for overnight investing. This would be for investment purposes only. Accounts, themselves, must be kept separate.

The team supports the court's aggressive and ambitious manner of running the POAA and encourages it to continue.

We suggest that the city pursue with the Municipal Court the establishment of a lockbox function with the custodian bank to process mail-in payments and prepare associated reports. This would allow for the immediate deposit of funds, as well as eliminate the tedious and time consuming tasks of recording, reconciling and depositing the daily payments. Moreover, staff members released from this duty could be utilized to assist with other municipal court functions.

We support the court's use of parking ticket mailers to expedite the processing of these tickets, thereby reducing the clerical workload currently required for this process.

Security/Safety

The municipal courtroom atmosphere is, for the most part, one of uncertainty, anticipation and anxiety. These emotions are not restricted to the defendants, witnesses and others in the courtroom gallery, but they are felt by the court attendants as well. It was reported to the team that, in many instances, the situation becomes volatile and even dangerous, ranging in scope from a simple argument, to a gang fight or a bomb threat.

The primary responsibility for maintaining order, in and out of the courtroom lies with the two bailiffs. These employees attempt to maintain control in the courtroom and surrounding areas that are overpopulated with people, some suffering mental and emotional problems. Moreover, no one is screened or searched for weapons when they enter the building. Virtually any concealed article could be carried into the building without detection. In the past these potential weapons have ranged from screwdrivers to hand guns or machetes.

Added to this is the ever present threat of a prisoner escape, which is more than a remote possibility. As many as 14 male and female prisoners are transported to the Municipal Court everyday by two officers from the County Sheriff's Department. The county operates only 4 transport vans, servicing 35 separate courts in Camden County. On any given day, these vans may travel from one end of the county to the other and there is always the possibility of a delay, or change in the schedule.

To further complicate matters, the prisoners enter and leave City Hall by way of a public entrance, hallway and elevator. The prisoner population includes serious repeat offenders who are, in some instances, high escape risks. There is an elevator adjacent to the holding cell, which may be a viable alternative to using the public elevator. However, this elevator has been inoperable for a number of years and the city as well as the county claim there are no funds available to make the necessary repairs.

The judges must also enter the building through four public entrances and use the public elevator. These judges have no police escort, leaving them vulnerable to threats and assaults.

While in the third floor court facilities, as many as 14 prisoners are confined to an 8' by 10' holding cell that was not originally intended to accommodate more than 8 persons. Since the male and female prisoners must also be separated, the females are required to sit on a bench outside the cell. No more than 3 female prisoners can, therefore, be transported to the court for a given session.

The holding cell for the male prisoners has deteriorated to the point where one solid push or kick from the inside would dislodge the door. This is the result of a facility that has not been renovated, updated or modernized for more than 40 years.

If an incident occurs, one bailiff is required to remain with the prisoners, which creates a compromising and dangerous situation. The bailiffs only have 8 sets of shackles, which can frequently be insufficient.

A proposal was submitted to the Police Department to redesign the holding cell. This was presented on two separate occasions over the past year by the bailiffs. However, these plans have not been addressed.

When an incident occurs in the court facilities, a report is prepared by the building security staff and filed with the Camden City Police Department, however, due to funding constraints on improved security, improvements have not been made.

Recommendations:

The courtroom and surrounding areas present a serious risk to the staff and the general public. We believe that the most effective facility change in terms of adequate security would be to house the court in a separate facility so that entrances could be controlled and metal detectors installed to prevent weapons from being brought on site. However, since this would require a thorough review by the city of its alternatives and the funds available to meet this objective, we first suggest that immediate steps be taken to improve the current facilities to the greatest extent possible. It is further suggested that Municipal Court officials contact the County Trial Court Administrator to request that a security survey be conducted by the AOC.

We suggest the city meet with the county to devise and implement a plan to repair the elevator and holding cell as soon as possible. An adequate number of shackles should be provided to ensure the safety of the staff and the public.

Installation of a metal detector at the courtroom entrance should be considered. The Police Department has offered to supply one at no charge.

We suggest the redesign and renovation of the holding cell and accompanying area. Initially, the design plans which were previously prepared by the bailiffs should be reviewed and these employees should be given input into the process.

The plans for redesign should be reviewed with county officials in an effort to gain support and to discuss alternatives. Additionally, plans should be discussed with the in-house facility maintenance staff to determine if there are adequate human and material resources available to assist with the construction.

The elevator adjacent to the holding cell should be repaired and only used to transport prisoners.

When an incident is filed with the Police Department, an immediate follow-up and report should be generated. This report should be presented to court and other city officials, and discussions should focus on the implementation of new methods to ensure that there is no recurrence or that the problem is minimized.

City Clerk's Office

In the past two years the Clerk's Office has progressed from an office that functioned entirely on hand written records to one that is mostly computerized. This was apparently in response to a request for more backup data on the information provided for council meetings. The council is presented weekly with a bound and indexed booklet containing this data for the preliminary agenda and the regular meeting. The booklet for the regular council meeting is distributed the Friday before the meeting to council and cabinet staff. This and other "user friendly" innovations have streamlined the processes of this office.

Certification

It was reported to the team that the Municipal Clerk is working on, but has not yet completed, the required certification courses. Individuals may serve as municipal clerks for a maximum of three years without certification.

Recommendation:

The Clerk's certification must be obtained by the end of the third year of service, which expires at the end of 1995 for Camden Clerk's.

Filing

The filing areas are cluttered with old files causing current records to be filed in separate areas for the same groups of documents.

Recommendation:

Similar to records retention and storage recommendations made elsewhere in this report, we suggest the consideration of off-site storage and document imaging to resolve the storage problem in City Hall offices.

Advertising

The Clerk's Office and other agencies and departments of city government advertise government business not only in the city's legal newspaper, the Courier Post, but in the Camden County Record. According to payment documentation, the editor of the Camden County Record also

serves as an unpaid special assistant to the mayor. Advertising in more than the legal newspaper is not a legal requirement and is a costly redundancy. Typically, local governments choose to advertise in more than just their legal newspapers in those instances in which they seek more frequent advertising than that which is provided by their legal newspaper or a greater audience for certain activities, such as competitive bidding and hiring. In Camden's case, it does not appear that the Camden County Record provides either benefit to the city.

Recommendation:

This duplication of costs should be eliminated immediately. The savings, based on 1994 expenses, would be \$15,265.

Cost Savings: \$15,265

Landlord Registration

A considerable amount of time is being spent going through files to track landlords to determine if they have registered their properties. This activity should be a coordinated effort by the Clerk, Housing, Rent Control, Inspections, and Tax Offices. This task would be much easier if an integrated network were used for sharing information. With this computer network in place, each office could determine if any steps in the process were missed and a single printout could be issued upon completion.

The 1990 Census indicates that there are 14,692 rental units in Camden. As of September 6, 1995, the Rent Control unit of the Department of Housing and Community Development could identify only 13,352 units. The Clerk's Office has identified 4,668 landlords. As of January 1996, the full effect of the city's rent control ordinance will take effect. This ordinance requires all landlords to register all rental dwellings with the Rent Control Office. The annual registration fee is \$10, with a not to exceed limit of \$100.

If all rental property including boarding houses and apartments were under the same registration and inspection requirements this process would be more comprehensive.

Recommendations:

As mentioned previously, the team recommends that the city streamline the housing operations by consolidating all housing operations into the Department of Housing and Community Development, which should provide the city with a much clearer picture of its housing needs than is currently available. This should include the transfer of this registration function. Also, the \$10 registration fee for all dwellings should be reviewed to ensure that it covers the full cost of each office engaged in the process.

Liquor Licenses

The city plans to increase the liquor license fees until they reach the statutory maximums in 1998, which is expected to produce additional revenue of \$27,382 in 1996, \$32,682 in 1997, and \$24,308 in 1998. The team supports these fee increases.

City Attorney's Office

The City Attorney's Office is responsible for providing legal services for the City of Camden. There are 11 attorneys and 9 support personnel. This office represents the city in a variety of issues, including delinquent tax collections, foreclosures, tax appeals, bankruptcies, commercial litigation, landfill claims, workers' compensation claims, and personal injury claims.

In FY 95, 70 third party personal injury cases were filed against the City of Camden. Approximately the same number of cases were closed during the year. Of these 70 cases, 40 were settled and the remaining 30 were dismissed either through jury verdict or summary judgment.

The litigation-related expenses in FY 95 for personal injury cases were \$684,271, which include salaries and benefits for the attorneys handling these judgments. Of the total expenses, \$389,007 were for general operating expenses and \$295,264 were for actual settlement payments. This translates to an average cost of \$9,775 per case.

For comparison purposes, we looked at the legal expenses incurred in 1989 to dispose of personal injury litigation; this was the last year that a private insurance firm was contracted to handle claims against the city. The 1989 premium for full coverage was \$2,307,242, which computes to an average of \$11,711 per case. Furthermore, payments were made on 57% of the cases in FY 95, using staff attorneys, compared to 100% in 1989, when a private firm was used.

In FY 95, the net savings to the City of Camden was \$1,622,971 by using staff attorneys, rather than a private insurance firm. According to these city figures, it appears to be significantly more cost effective for the city to utilize staff attorneys.

The legal staff also serves as counsel to various city departments, and lends coverage for the Municipal Prosecutor. This office also coordinates the preparation and execution of service contracts and bid specifications, and assists with property leasing.

One of the most noteworthy accomplishments of this office reported to the team was the recovery of over \$300,000 in delinquent water and sewer taxes, and disposal of all the claims activity. The \$300,000 represents collections before liens, primarily from the business community.

Recommendations:

It is recommended that the City Attorney's Office be involved in a thorough review of many of the issues and concerns discussed in this report, many of which include serious matters involving the way in which properties are taxed, liens are assessed and foreclosures are processed. Every effort must be made to ensure that statutory and city mandated requirements are met.

Further, it is recommended that the City Attorney's office accept a greater role in the purchasing process, as it relates to competitive contracting, and in the supervision of legal matters involving grant management. This office should provide guidance and oversight to ensure compliance in these areas.

SHARED SERVICES

Participation in cooperative purchasing agreements or systems can be advantageous for several reasons. The reason most frequently cited is to seek lower prices, or more favorable deliveries and terms. Additional motivations for cooperative purchasing include reducing duplication of efforts and, thus, having reduced administrative costs.

The State Cooperative Purchasing Program

The State Cooperative Purchasing Program run by the Division of Purchase and Property, State Department of the Treasury, enables political subdivisions to purchase materials, supplies, and equipment through state contracts. The primary purpose of the state program is to enable local units to benefit from the lower unit prices that the state can achieve through its extensive purchasing power. The major activity of the state program is to provide information about current state contracts to local units. Local units achieve savings by purchasing items at state contract prices and by reducing administrative costs. This is accomplished by not having to use the formal bid process. Local units, however, are not parties in state contracts and are individually responsible for contracting, ordering, and arranging for payment and delivery of commodities they purchase.

The State Cooperative Purchasing Program is one of several approaches to purchasing which is available to local units. Each local unit may purchase independently of all jurisdictions, or it may participate in one or all of the available shared purchasing arrangements of which the state program is only one approach. The state program has been established on two principles. First, that participation by local units is entirely voluntary and is most appropriate for those circumstances where local units derive benefits from using state contracts. Second, that participation in the state program should assist local units in their purchasing, but not absolve them of responsibility for their purchasing program.

Camden makes numerous large volume expenditures with state approved contract vendors. All state contract purchases authorized by N.J.S.A. 40A:11-12 and exceeding the bid threshold, must be formally approved by resolution of the governing body.

All purchase orders for the use of state approved contract vendors must contain the state contract number (1-NJCP) and the appropriate statute (N.J.S.A. 40A:11-12) authorizing the state contract purchase.

Several years ago, the City and County of Camden explored the possibility of establishing a cooperative purchasing system pursuant to N.J.S.A. 40A:11-11(5) and N.J.A.C. 5:34-7.1. The system was never established, and the reason(s) is unknown as to why discussions were suspended.

Recommendations:

The Purchasing Bureau should continue its use of the State Cooperative Purchasing Program. Many of the state's contracts are multiple awards. The Purchasing Bureau should periodically evaluate its purchasing options of obtaining lower prices from a bid process, even though they may purchase in smaller quantities.

Discussions should resume between the city and the county to explore the possibility of establishing a cooperative purchasing program. The similarity and volume of purchases, and the close proximity of the two entities are favorable factors.

State Distribution Center

Another type of cooperative purchasing is the Distribution and Support Services in the General Services Administration, State Department of the Treasury. The Center can save its customers over 50 percent on stationery and office supply items. There are two ways to purchase goods from the Distribution Center: in bulk from the warehouse, or in smaller quantities from the Self-Service Office Supply Store.

There is a procedure to follow for ordering from the warehouse. There is also a small minimum order for delivery. Staff at the Center will work with customers to accommodate them when deliveries will be made in their areas. Every effort is made to satisfy customers who desire delivery.

Recommendation:

The utilization of the State Distribution Center should be explored. This would provide the city with another source for the purchase of a certain category of supplies.

Federal Supply Schedules by State and Local Governments

The Federal Acquisition Streamlining Act of 1994 was signed into law in October of 1994. One of the law's more important provisions states that the Federal General Services Administration (GSA) Administrator may now authorize the use of Federal Supply Schedules by state and local governments. GSA may also require reimbursement of administrative costs for using the schedules. State and local governments are not authorized to purchase from Federal Supply Schedules until its final rules are published.

Computerization Partnerships with the County

Camden City and Camden County are rather unique in the sense that a significant number of staff share the same facility. In addition to facilities, there is an interaction between the two entities and a need to move common data between the units.

Recommendation:

This set of relationships presents the added benefit of reduced Information Technology costs, if a common Wide Area Network could be installed in the facility. Today's technology offers the ability to utilize common networks while maintaining the confidentiality of information. The shared services could be supported by technical personnel from either entity, an independent authority or a private vendor.

County-Wide MIS Opportunities

The County of Camden has 37 municipalities within its jurisdiction. Each of the municipalities provides basically the same type of services (at different levels) and each of the municipalities is required to replicate the IT support services. Several of these services are related to IT interactions with the county and the state.

Recommendation:

Where feasible, it may be economical to establish an independent authority or third party organization to provide common services to each of the municipalities which are accessible on a need to know basis to the county or local governments. This is currently the practice with the county wide fire dispatch. This should also include the possibility of the provision of a document imaging system that could be shared between municipalities and the county.

STATUTORY AND REGULATORY REFORM

It is common for local officials to blame tax increases on “state mandates.” Each local budget review team is charged with the responsibility of identifying regulatory or statutory mandates that have an adverse impact on the cost of local government. The findings summarized below will be reviewed by the appropriate state agency for the purpose of initiating constructive change at the state level.

UCC Fee Exemptions

The New Jersey Uniform Construction Code Act (N.J.S.A. 52:27d-126c) prohibits municipalities from charging UCC fees to counties, school districts and other municipal entities. This statutory fee exemption has had a severe impact in Camden. As a county seat, Camden has many public buildings. The city may not collect UCC fees, but must still perform the required plan reviews and inspections for these buildings. All of the other governmental agencies are receiving free inspection services. In FY 95, the city was prohibited from collecting at least \$114,166 in UCC fees. In FY 94, the city was barred from collecting \$260,349 in fees: Camden County projects alone were exempted from paying \$99,902 in UCC permit fees. These statutory fee exemptions prevent any realistic expectation of fiscal self sufficiency for the Construction Code Division. A city ordinance exempts non-profit organizations engaged in constructing or rehabilitating housing units for occupancy by low- or moderate-income households from paying inspection fees. This local fee exemption has had a negligible impact on the agency finances compared to the state mandated fee exemption.

Recommendation:

The New Jersey State Legislature should reconsider the statutory fee exemption for public buildings in those cases where the beneficiaries of the public building services would include more than the residents of the city providing the service. For example, the citizens of Camden actually subsidize the cost of inspections for residents in other municipalities. Relief from this fee exemption law would have resulted in additional revenues of at least \$99,902 in FY 94. As long as this fee exemption statute is in place, privatization is not a viable alternative for UCC services in the city: private firms cannot be expected to provide free services. (Note: elevator inspections for existing buildings are not covered by the exemption law and are currently privatized in Camden.)

Civil Service

Many of the concerns expressed by city officials regarding Civil Service procedures have been identified in that portion of the Findings and Recommendations section of this report. The following recommendations are made to address these concerns at the state level.

Recommendations:

The team is aware of the twelve month pilot projects involving a variety of Civil Service reform issues recently implemented in at least 20 municipalities. We fully support this state effort to work with local governments to address their concerns and streamline processes. In Camden’s case, several improvements appear warranted. These include: the necessity for “real” testing in journeyman type positions, such as equipment operators, as

credentialing is not always effective in these types of highly skilled areas; the necessity for more flexibility in addressing lists to meet the particular needs of the municipality; the incorporation of greater minority interests in and access to the entire process through greater public information efforts and local access to Civil Service representatives; the reduced length of provisional status for employees; and the extension of the working test period.

Corporation Registration

The review team has discovered a number of concerns during its review of the businesses and non-profits associated with work for the city. These concerns have been addressed in the Findings and Recommendations section of the report. While a municipality may and should perform its own review of the organizations with which it is involved, there is no statutory requirement to do so. The burden of compliance now rests with the individual organizations.

Recommendation:

To avoid the possibility of a municipality's doing business with businesses and non-profit organizations that have not met State Department, Charities Registration, or Department of Taxation requirements, it is recommended that the Local Public Contracts Law be amended to require a Tax Clearance Certificate from the Department of Taxation, which would also include a State Department sign off as to the status of the organization as a required component of all public bid documents, EUS or professional service contracts. This certificate should be secured by the municipality prior to payment on the contract, and this condition should be included in all bid or proposal and contract documents of the city.

Bail Account Setup Charge

Several states identified during the course of our review have implemented revenue generating programs involving bail accounts. In New York, for example, all courts operate under a Unified Court System, funded by the state, and encompass the jurisdiction of 62 counties and 62 cities. This state has a program referred to as "Bail Poundage," which imposes a 3% surcharge for guilty pleas entered. This money is entered into an Incentive Aid Fund to be used by municipal courts for general facilities operation and maintenance.

Recommendation:

We suggest that the Legislature at least explore this type of program as it relates to benefits for municipal courts. This charge would be used to compensate the court for the administrative task of setting up a bail account.

EXHIBIT A
Recommended Organization of the Department of Planning and Development

For a hard copy of Exhibit A, please write to:

Department of Treasury
Local Government Budget Review
PO Box 002
Trenton, NJ 08625-0002

Or you can send an email to: lgbr@capitol.statehouse.state.nj.us

CITY OF CAMDEN REVIEW TEAM

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