



CITY OF BRIGANTINE

James C. Bennett
City Manager

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November 15, 2022

Christopher Jensen,
Director, Audit Division
NJ Office of the State Comptroller
PO Box 024
Trenton, NJ 08625-0024

Subj: Audit Report Response

Mr. Jensen,

Please see the below for the City's formal response to our recent Audit. We will provide more detail with our Corrective Action Plan. Responses are listed in order of the report's recommendations:

1: On November 9th, my office contacted our Labor Attorney (Mark Ruderman of Ruderman and Roth) with the information from the audit. He will be contacting the heads of our unions and advising them of the sections that are no longer valid. Specific language regarding hires after 2010 will be added to the CBAs as necessary. The CFO contract had been addressed prior to the audit and will follow the 2010 law with a capped sick time payout of \$15,000.

2: The Personnel Director will make note of any issues with post 2010 employee's time as she completes her annual reconciliation process. All exceptions will be addressed with department heads at that time.

3: The Personnel Director and department heads have issued letters to employees with more than 10 days sick time taken and will continue to do so. (a copy of an example is included). Although a mistake was discovered, there is a thorough review process, while not documented, of the retiring employees time and calculation. The City will continue to follow the multiple step process that not only involves personnel but the department head, the employee, as well as, the city manager.

4: There is a thorough process for payments currently in place and will be reviewed to ensure that only eligible earned leave time is paid. Budgetary and Personnel spread sheets all contain employee's date of hire.



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5: PD Dispatcher was notified by Personnel, her Captain, Union President, and Senior Telecommunicator, that all overtime must contain a reason. Memorandum will be sent to all department heads reminding them to capture the reason. (copy attached)

6: There was no intent by the City to prohibit the carryover of compensatory time by the Teamsters members, that section has been in place for many CBAs. It will be addressed by Labor Counsel and union.

7: Office of the City Manager will now be signing off on all reviews, time sheets, complaints and attend any meetings. A directive was issued to John Doring, James Doring and AFSCME union president. (copy included).

8: There are only 2 employees who receive a waiver for spouse having benefits and a discussion will be had with Mayor and Council regarding the elimination of waiver payments for certain employees.

9: There is currently an annual process, although not documented, for administering health benefit waivers. Employees must apply for the waiver each year and provide proof of insurance. Although there was one calculation found to be incorrect over the audit period, every application is reviewed and necessary calculations are made for each individual employee.

10: The city has requested that the broker provide "back up" documentation (quotes, etc.) for the costs presented. They have also been requested to provide the Direct15 costs. While the City acknowledges that per your analysis there may have been potential savings by utilizing the SHBP, we have reason to believe that potential dividends from the current HIF were not considered in the calculation. The City also took into consideration that not all CBAs agreed to the Direct 15 plan and considered that to potentially be a larger and more expensive outcome. While the numbers produce a calculated result, they are not the only criteria in the decision-making process. We also believe that any potential savings are offset by the difference in the plan performance. None the less, the city will continue to do its due diligence, as well as, engage the unions when our healthcare is up for renewal.

11: Broker receives no money from the City, any monies are received from insurance companies.

12: City Solicitor will be sent all pertinent documentation to ensure all obligations are met.

13: The City began to address the shortage in the obligated payment contributions, per the plan, in the 2022 budget by tripling the prior year's contribution and will continue to do so in the future. The lifeguard pension plan is state mandated and has had the same 4% contribution rate since its



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inception in the late 80's. We would encourage the state to address the pension contribution rate, as it has with all other pension plans, going forward.

14: Will contract with CBIZ for future regular actuary reports on the plan.

15: Plan and relevant finding information has been sent to Labor Counsel. Will provide further information in Corrective Action Plan.

Respectfully submitted,



James C. Bennett
City Manager