

LUARCC Meeting of Wednesday, February 17, 2010

The meeting was called to order at 9:30 AM. Present were: John H. Fisher, III, Chair; Edwin Carman; Robert F. Casey; Gary Passanante; Steven M. Cozza; and Steve Petrecca (for the State Treasurer). Absent was: Marvin Reed.

The minutes of the January 27, 2010, meeting were approved unanimously. Steve Petrecca abstained.

The 2009 Progress Report was approved unanimously.

Executive Director's Report: Dennis Smeltzer:

At the next meeting, public services and public safety will be discussed. Today's meeting will focus on shared services. The Walter Rand Institute contract is on hold because of the State spending freeze.

Chairman indicated that although the WRI is on hold that the subcommittees will continue to move forward to look at the opportunities and identify obstacles.

Three Presentations on Shared Services:

Dan Mason of Jersey Professional Management:

Involved in hundreds of shared services studies over the years and shared services coordinator for four counties. The economy, higher taxes and cap on revenues and taxes are pushing shared services. Scotch Plains and Fanwood had layoffs of police, public works, and other departments. This pushed them into a full shared services study which resulted in a 350 page report with 11 categories. Presented a nine step Shared Service methodology process:

- 1) After completing a full, proper and objective feasibility study, an outline of the implementation plan should be established and tentatively agreed to as the basis for creating the new Shared Service;
- 2) Create and appoint a Transition Advisory Committee (TAC) with representatives from both towns to review and help coordinate the decision making and implementation process;
- 3) Conduct timely public hearings or public forums so that the process remains transparent from beginning to end and provides the opportunity for all stakeholders to submit input and express concerns. These stakeholders include citizens, taxpayers, volunteers, employees and elected officials;
- 4) Designate representatives of the leadership or management of the relevant departments or municipal services that are being considered for sharing and, together with the TAC, use the "Design – Build" Methodology for creating the details of the transition plan and implementing that plan;
- 5) Simultaneously, if possible, create two new, shared services so that each town is both a provider and a receiver (lead agency) of one of the shared services;
- 6) Implement the new shared service incrementally (i.e., one department section or division at a time, if practical);

- 7) Allow for a transition period to develop and add additional items to this new, shared department. Try to always use the term of “shared” department as opposed to “joint” department;
- 8) Prepare and authorize a specific contract for this new shared service that includes a sunset clause and an opt-out clause. Include unilateral opt-out after four or five years, and an allowance for mutual opt-out after two or three years;
- 9) Pre-determine the methods and specifics for cost sharing, revenue sharing, and sharing of other benefits or expenses.

This presentation was followed by a general discussion of the creation and provision of shared services.

William Bittner, Westville Borough Administrator and Former Police Chief:

Westville provides police services to National Park Borough by contract. Shared police services pushed by crisis in National Park. There is no contiguous border between Westville and National Park. The deal was put together in one month: July to August, 2008. Shared service allowed growth of Westville police department without additional cost. Westville hired four of National Park’s five police officers. Charge a contingency fee of 20 percent to National Park. No opt-out clause. Must give one year written notice to opt out. Westville has received no complaints about police from citizens and there have been no internal investigations. National Park gave all municipal court revenue to Westville in exchange for Westville’s administration. This gained Westville \$100,000 in revenue each year. The two boroughs have separate police budgets. National Park saves \$250,000. Westville gets to enlarge its police department and gets better supervision.

Linda Murphy of Morris County:

Agrees with Dan Mason’s remarks about shared services. Prefers to reserve a joint meeting for situations where there is a substantial investment in facilities. Prefers a shared service agreement with the lead agency. Elected officials and department heads need to be on board. Need long-term shared service agreements which eliminate instability and uncertainty. Need to move toward regionalization – four to six municipalities coming together. Shared services need to be driven from the “grass roots” (i.e., the locals), not by the State. Local officials need to include shared services in their definition of “home rule.”

On numerous occasions the idea of best practices was discussed and the need for LUARCC to put something together in order to help achieve uniformity of implementation.

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Public Comment Section of Meeting:

Ed Van President of the Summit Taxpayer’s Association:

Wants New Jersey to consist of 10 to 15 regional municipalities. Believes the design of this system should be given to graduate students to research.

Closed Session (Discussion of legal issues)

Adjournment