

CITY OF BRIDGETON

Performance Audit

For the Period July 1, 2007 through
December 31, 2008

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Executive Summary

A performance audit was completed of the City of Bridgeton for the fiscal year ended June 30, 2008, and the period July 1, 2008 through December 31, 2008, to determine the strengths and weaknesses in internal controls and compliance with state statute and regulation in the operational areas of purchasing, fiscal/administration and payroll/human resources. Additional procedures were performed at the request of the Division of Local Government Services. These additional procedures included a payroll distribution audit, review of all individual employment agreements and public employee labor contracts, assessment of information technology operations, assessment of risk management operations, review of vendor and employee data bases and an analysis of salary increases.

The overall assessment of risk associated with the controls within the operational areas of purchasing, general fiscal, payroll/human resources, risk management and inventory control is low to moderate for each of the areas. While there are some internal control weaknesses reported, there are mitigating controls to compensate for these weaknesses. Bridgeton has recently implemented a new accounting system (Edmunds). Various modules which integrate within Edmunds have been implemented and several more are planned. Among the modules are purchasing, payroll and human resources which have been implemented and budgeting and fixed assets which are planned. The designed controls within the system are operating as intended.

Internal control weaknesses were identified in the purchase order process. Purchase orders are mailed to the vendor by the department requesting the goods or services. Also, the entire finance office has access to the master vendor file.

Internal control weaknesses were identified in the general fiscal operations. The only written policies and procedures are generated from Edmunds. Staff within the finance office function effectively, but not all approval functions are documented. Bank reconciliations are reviewed and approved by the controller, but the approval is not written. Wire transfers are initiated by the assistant controller, but not approved in writing by the controller.

Internal control weaknesses were identified in the payroll operations. The only written policies and procedures are generated from Edmunds. The timesheet process is not governed by written procedures and each operating unit within the City government follows their own procedures and form of timesheet. Some departments utilize individual timecards that the employee does not sign or initial. Other instances were identified where the timesheet is turned into payroll without an employee's signature. No follow-up was performed to obtain the signature prior to the payment of that payroll. Additionally, the timesheets of department heads are not initialed and approved by the Business Administrator.

Executive Summary (Continued)

Internal control weaknesses were identified in the human resources operations. Bridgeton uses the human resources module within Edmunds. The only written policies and procedures are generated from Edmunds. The time and leave function is fragmented throughout the City. Timekeepers in each department input leave time into Edmunds. The leave time is not reviewed by human resources before they release all time.

Internal control weaknesses were identified in the risk management operations. There is a lack of written policies and procedures to govern the risk management practices. We recommend that written policies and procedures be developed to formalize the risk management process.

The information technology (IT) area is high risk. The IT assessment identified a variety of risks caused by the infrastructure, lack of security measures and lack of policies and procedures. The City Hall Annex has no sprinkler or fire suppression system, no security cameras and no generator. There is no IT support staff on site. Support is provided by a third party provider on an "on-call basis." No restoration of data has been attempted to verify backup is performed successfully. The Data Center is located in a small kitchenette. It shares a wall with a restroom. The entrance to the restroom is through the Data Center. There is no failover provision in the event of a computer outage. There is no password management policy. No web content filtering, anti-spyware or anti-spam protections are in place on site. The anti-virus software utilized is outdated. There are no Emergency Response and Continuity of Operations plans.

Bridgeton materially complied with state statute, regulation and administrative code for the operational areas tested. Matters of non-compliance with Local Public Contracts Law were noted. Four professional service contracts were identified where the folder maintained by the City Clerk's office did not contain a copy of the signed contract. Subsequently, Bridgeton was able to locate two of the contracts. One of these two contracts was not signed by Bridgeton. Bridgeton was not able to provide the contracts for the other two which were for legal services. Additionally, there were two instances where resolutions were approved for services to be provided as an outside vendor for what was normally a permanent City position. The appointment for the City engineer and assistant prosecutor were not supported by a written executed contract. The files only contained a resolution which did not even specify the compensation to be received. Subsequently, the contract for the City engineer was provided.

The results of the additional procedures performed did not identify any instances of material non-compliance. During the course of our performance audit, we identified several areas where there may be some efficiencies or cost savings for the municipality. Outsourcing of the payroll function to a payroll processing company, a dedicated full or part-time position for IT support and exploring shared services with other municipalities or the County of Cumberland. Findings and recommendations are detailed in the body of the report to support any of the issues identified above.

Scope

We have completed a performance audit (“the audit”) of the City of Bridgeton (“Bridgeton”) for the fiscal year ended June 30, 2008, and the period July 1, 2008 through December 31, 2008. Our audit included an assessment of internal control and statutory/regulatory compliance in the operational areas of purchasing, fiscal/administration and payroll/human resources. The audit scope did not include areas outside of general municipal administration, such as police, fire, courts and public works.

Objectives

The internal control objectives of our audit were to identify the strengths and weaknesses in each area of operational controls and include recommendations to correct any deficiencies identified. The compliance objectives were to determine compliance with state statutes, administrative code and regulations, and local ordinances and resolutions in each of the operational areas.

The audit was conducted pursuant to a Request for Quotations (RFQ) from the NJ Department of Community Affairs, Division of Local Government Services for performing internal control and statutory/regulatory compliance audits for recipients of Special Municipal Aid (SMA).

Methodology

We conducted the performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The scope was expanded beyond fiscal year 2008 to include the subsequent six months. Bridgeton has implemented a new accounting system and integrated modules for payroll and human resources. This would allow for testing of the current systems.

In preparation we reviewed the Annual Financial Statement for fiscal year 2008, the prior year audit report and related corrective action plans, organizational charts and applicable administrative code and regulations.

Key risks were identified in the operational areas of purchasing, fiscal/administration and payroll/human resources. An understanding of Bridgeton’s internal control environment was obtained through a review of internal policies and procedures and interviews with key personnel. A walk-through was performed to identify key controls and mitigating controls.

Methodology (Continued)

A non statistical sampling approach was used. Our samples of transactions were designed to provide conclusions about the validity of the transactions as well as internal control and compliance attributes. A random sample of sixty transactions was examined for the purchasing cycle.

Fiscal/administration operations included the cycles for budgeting, cash receipts, accounts payable, encumbrance and general ledger maintenance. Banking and investment practices were examined for consistency with state law and investment policies and procedures were examined to determine that they were established, followed and effective. Grant accounting was examined for compliance with contract terms. Reimbursement and draw-down procedures were examined to determine compliance and timeliness. Capital ordinances, tax abatements and trust funds were examined for compliance with law, regulation and local ordinance. The impact of SAS 112 as it relates to the financial staff and their ability to record and prepare the financial statements was examined.

For payroll/human resources operations we tested controls over manual and non-manual payments, that payments and salaries were properly authorized and paid in accordance with contract terms, that position control reconciled with payroll and budget, that timesheets supported hours paid and employee benefits were authorized by contract and resolution. A judgmental sample over two payroll periods was tested.

Due to the technical nature of the information technology (IT) operations, we utilized specialists to assess the adequacy of the IT infrastructure, administrative support and fiscal applications. The assessment included both on and off-site reviews of the City Hall Annex, its current physical and functional elements, proximity to hazards, security and resiliency. The business administrator was interviewed regarding policies and procedures, building usage, issues of concern, IT systems and protections, past events and emergency procedures. The building was toured extensively and the exterior and immediate surroundings surveyed.

Risk management operations were assessed to determine the controls and policies in place, the roles of the risk management consultant and the joint insurance fund were examined, and adequacy of insurance coverage versus cost was examined.

Controls over fixed asset inventory were assessed and adherence to the capitalization policies was examined.

A payroll distribution audit was performed on the first pay period in January 2009. All employees were included except the employees working the third shift, such as police, fire and emergency personnel. Employees were required to provide identification and sign for their checks. This audit was conducted over a two day period. For any employees who did not show

Methodology (Continued)

up to sign for their checks, alternate procedures were performed. These alternate procedures included review of their personnel file and verification of timesheets for the payroll distribution period.

All professional service contracts, competitive contracts and extraordinary unspecifiable contracts entered into during fiscal year 2008 were reviewed for compliance with Local Public Contracts Law. All individual employee agreements and public employee labor contracts were reviewed for compliance and reasonableness of benefits. The adequacy of the organizational structure as it relates to the operational areas reviewed was assessed.

Procedures were applied to determine whether any payments exceeded the original purchase order amount by more than 20 percent and to determine impact on bidding requirements. Vendor databases were reviewed to identify vendors using post office boxes or commercial mail receiving agencies. Criteria were developed to exclude nationally known companies, government agencies and vendors receiving less than \$2,000 during the last fiscal year. Additional procedures were applied to the remaining vendors to determine their authenticity. These procedures included web site searches, verification of business registration with New Jersey and ensuring the vendors were not on the Treasury suspension/debarment listing.

The personnel databases were reviewed on a sampling basis to identify incomplete and missing key data elements. Payroll data was analyzed to identify employees who received greater than the normal number of payroll checks within fiscal years 2007 and 2008. W-2's were scanned to identify employees with higher earnings than entitled according to labor agreements. Payroll and personnel data was also analyzed to identify employees whose base rate of pay increased by greater than \$7,500 from fiscal year 2008 to fiscal year 2009.

Conclusion

We found that the City of Bridgeton's system of internal controls over the operational areas identified in the scope was adequate and that Bridgeton materially complied with state statute, administrative code and regulations, and local ordinances and resolutions. In making this determination, we noted certain internal control weaknesses and matters of compliance with state administrative code which are addressed in the findings.

Internal Controls

Overall Summary

The overall assessment of risk associated with the controls within the operational areas of purchasing, general fiscal, payroll/human resources, risk management and inventory control is

Internal Controls (Continued)

Overall Summary (Continued)

low to moderate for each of the areas. While there are some internal control weaknesses reported, there are mitigating controls to compensate for these weaknesses. Bridgeton has recently implemented a new accounting system (Edmunds). Various modules which integrate within Edmunds have been implemented and several more are planned. Among the modules are purchasing, payroll and human resources which have been implemented and budgeting and fixed assets which are planned. The designed controls within the system are operating as intended.

The information technology (IT) area is high risk. Significant internal control weaknesses have been identified and are specifically addressed in the findings.

Purchasing

Bridgeton has a written purchasing manual in addition to the procedures which generated from Edmunds. Controls were identified and tested to determine their operating effectiveness.

All purchases tested had purchase orders based on written requisitions which were approved by authorized staff. Controls over purchase orders existed to prevent unauthorized use and to verify receipt of goods or services. Voucher packages contained appropriate documentation. Internal control weaknesses existed in the purchase order process. Purchase orders are mailed to the vendor by the department requesting the goods or services. Also, the entire finance office has access to the master vendor file.

Recommendations

- After approval, the purchase order should be sent directly to the vendor by the finance office.
- Access to the master vendor file should be restricted to the controller and/or business administrator.

General Fiscal Operations

Controls were identified and tested within the accounting, budgeting, cash receipts, accounts payable, encumbrance and general ledger functions. The only written policies and procedures are generated from the Edmunds system. Staff within the finance office function effectively, but not all approval functions are documented. For example, bank reconciliations are reviewed and approved by the controller, but the approval is not written. Wire transfers are initiated by the assistant controller, but not approved in writing by the controller. Grant accounting is monitored

Internal Controls (Continued)

General Fiscal Operations (Continued)

by the assistant controller. Programmatic requests for drawdown and expenditure reports are reviewed and certified by the assistant controller prior to submission to the funding source.

Recommendations

- All approvals made by supervisory staff should be documented. Documents should be initialed and dated in order to provide an audit trail.

Payroll/Human Resources

Controls were identified and tested within the payroll function. The only written policies and procedures are system generated from Edmunds. The timesheet process is not governed by written procedures and each operating unit within the City government follows their own procedures and form of timesheet. The water and sewer department utilizes individual timecards that the employee does not sign or initial. The unit supervisor records the time on a master timesheet and initials his approval. Other instances were identified where the individual employee may be absent on the last day of the work period. The unit timesheet is turned into payroll without that employee's signature. No follow-up was performed to obtain the signature prior to the payment of that payroll. Additionally, the timesheets of department heads are not initialed and approved by the business administrator. The payroll process is maintained in-house. The payroll module within Edmunds was recently implemented. Controls over manual and non-manual payroll payments, position control and contract compliance are in place and operating as intended.

Recommendations

- Written procedures should be developed for timesheet preparation that standardize the process as much as possible and require that employees sign their individual timesheets/timecards. All timesheets should be approved in writing by a supervisor, including those of department heads.

Controls were identified and tested within the human resources function. Bridgeton uses the human resources module within Edmunds. The only written policies and procedures are the system generated ones from Edmunds. The time and leave function is fragmented throughout the City. Timekeepers in each department input leave time into Edmunds. The leave time is not reviewed by human resources. The human resources department then releases all time. An Employee Action Form is completed for every employee action, from hiring to termination. The

Internal Controls (Continued)

Recommendations (Continued)

form is approved by the department head and by the business administrator. Copies are maintained by human resources and by payroll.

- The time and leave function should be controlled within the human resources department. Leave time should be reviewed before it is released. This would provide a single control point for time and leave.

Information Technology

The IT assessment identified a variety of risks caused by the infrastructure, lack of security measures and lack of policies and procedures. The City Hall Annex building is vulnerable to severe weather and vandals, equipment and utility outages, area flooding and Network hardware and software perils. There is a lack of internal and external security measures. The Annex has no sprinkler or fire suppression system, no security cameras and no generator. No fire drills or emergency response drills are conducted. There is no IT support staff on site. Support is provided by a third party provider on an "on-call" basis. Data backup is accomplished through the use of magnetic tape. No restoration of data has been attempted to verify backup is performed successfully. The Data Center is located in a small kitchenette. It shares a wall with a restroom. The entrance to the restroom is through the Data Center. There is no failover provision in the event of a computer outage. There is no password management policy. No web content filtering, anti-spyware or anti-spam protections are in place on site. The anti-virus software utilized is outdated. There are no Emergency Response and Continuity of Operations plans.

Recommendations

Life Safety

- Develop an Emergency Response Plan that covers evacuations, shelter-in-place, fire, bomb threat, medical emergency and other crisis situations.
- Conduct training and drills in the above.
- Building security should be established and maintained during business hours.
- Revise floor maps and post them throughout each floor.
- Routinely test and, if necessary, replace emergency lighting.

Internal Controls (Continued)

Recommendations (Continued)

IT

- Subscribe to a hosted continuous data protection solution for automatic back-up.
- Subscribe to a network monitoring/managed services provider for live support and network maintenance.
- Install robust anti-virus, email and web content filters with automatic updates.
- Standardize desktops and create a Run Book.
- Survey and remove unauthorized software.
- Create a secure, designated Data Center away from water sources.
- Develop password management and security protocols.

General

- Conduct an impact assessment to identify and document hazards and exposures.
- Develop and test a Continuity of Operations Plan.
- Lock office doors and install remote electronic releases.
- Secure and alarm rear and side entrances. Convert them to emergency only exits.
- Secure electrical wiring on building exterior.
- Do not permit vehicles to drive alongside the western and southern (rear) walls.
- Retrofitting of a sprinkler system though preferred is likely not practical, so additional fire extinguishers, fire drills, fire wardens and training should be added.

Risk Management

Risk management policies and procedures were examined. Bridgeton has appointed, through resolution, a risk management consultant who works in conjunction with their joint insurance fund. The policy and coverages were reviewed and appear adequate. Meetings are held at least every other month with the risk management consultant and representatives of the joint insurance

Internal Controls (Continued)

Recommendations (Continued)

fund to review various insurance issues. There is a lack of written policies and procedures to govern the risk management practices.

- Written policies and procedures should be developed to formalize risk management policies and procedures.

Inventory Controls

Controls over fixed assets and equipment were identified. Currently controls are monitored by the controller using budgeting and purchasing procedures to identify purchases over \$5,000. An annual review is performed by the controller to verify fixed assets. Bridgeton plans to utilize the fixed assets module in Edmunds in the near future.

Compliance

Overall Summary

Bridgeton materially complied with state statute, regulation and administrative code for the operational areas tested. Matters of non-compliance with Local Public Contracts Law were noted which are addressed in detail in the findings.

Purchasing

A random sample of 60 transactions was tested for compliance attributes. Aggregation policies were tested to ensure that payment amounts did not exceed the statutory bid threshold. Payments were examined to determine that payments did not exceed the original purchase order/contract by more than 20% without the contract being rebid. Additionally, 100% of all professional services contracts, competitive contracting and extraordinary unspecifiable service contracts for fiscal year 2008 were reviewed. Contracts were reviewed for compliance with Local Public Contracts Law. Supporting resolutions, public notices and certification of availability of funds as required were examined. There was a finding in the Bridgeton prior year audit report regarding a lack of contract bid documentation. Four professional service contracts were identified where the folder maintained by the City Clerk's office did not contain a copy of the signed contract. Subsequently, Bridgeton was able to locate two of the contracts. One of these two contracts was not signed by Bridgeton. Bridgeton was not able to provide the contracts for the other two which were for legal services. Additionally, there were two instances where resolutions were approved for services to be provided as an outside vendor for what was normally a permanent City position. The appointment for the City engineer and assistant prosecutor were not supported by a written executed contract. The files only contained a resolution which did not even specify the compensation to be received. A contract for the City engineer was subsequently provided.

Compliance (Continued)

Recommendations

- A fully executed written contract should be maintained in the official file maintained by the City Clerk to support any resolution for professional services as required by Local Public Contracts Law.

General Fiscal Operations

There were no compliance issues identified within the operational areas of budgeting, cash receipts, accounts payable, encumbrance and general ledger maintenance. Banking and investment practices were in compliance with state law. We examined the resolution which adopted a Model Cash Management Plan in accordance with N.J. S.A. 5-14. We read City council minutes that identified resolutions adopting official depositories and investment groups. GUDPA letters for each bank were examined. GUDPA letters for two banks were not on file, but were subsequently provided. We performed certain procedures and inquiries relating to capital ordinances, tax abatements and trust funds to determine compliance with state laws, regulations and local ordinances. Two bond ordinances adopted during the fiscal year were in compliance with state statute, bond ordinances were properly introduced and notices published. We observed in City council minutes that changes in tax, water, sewer and trash accounts were approved by council resolution. The trust fund trial balance at June 30, 2008, listed several trust account reserves. We noted that the municipal budget for 2008 identified riders which were approved by the Department of Community Affairs. We were provided a listing of the approved riders as indicated on the DLGS Bureau of Financial Regulations and Assistant Budget Rider report – 2008.

Payroll/Human Resources

We examined the distressed cities personnel waiver approvals submitted by Bridgeton. All appeared reasonable and were approved by DLGS. Negotiated labor union contracts as approved by City council and adopted by resolution were submitted to DLGS for approval. The one individual employment agreement was submitted to DLGS for approval.

Additional Procedures Performed

Payroll Distribution Audit

- A payroll distribution audit was conducted for the payroll period ended January 9, 2009. Employees provided identification and signed for their check. Identification consisted of either photo motor vehicle license or picture ID issued by the municipality. There were 15 employees who did not pick up and sign for their check during the two day

Additional Procedures Performed (Continued)

Payroll Distribution Audit (Continued)

distribution period. All 15 employee files were examined. Timesheets were examined for 13 of the 15 employees. One employee was paid from donated sick time and the other was paid on a per diem basis. It was noted that four of the employee timesheets were not signed. This issue is addressed in the internal control section of the report.

Individual Employment Agreements

- Only two individual employment agreements were in effect; the business administrator and fire chief. The agreements were examined for the reasonableness and appropriateness of benefits and compensation. Both appeared reasonable and appropriate. Benefits were similar to those negotiated in union labor contracts.

Public Employee Labor Contracts

- Public employee labor contracts for agreements with seven union locals were examined. All but one are effective through June 30, 2011. The other is effective through June 30, 2012. All contracts were approved by resolution. Negotiated benefits are reasonable and fairly consistent among the agreements. A cost analysis is completed by the comptroller as part of the negotiation process.

Organizational Structure

- The organizational structure of the operational areas within purchasing, general fiscal operations and payroll/human resources was assessed. These areas were functioning adequately and there are no recommendations with regard to organizational structure.

Vendors Addresses

- A total of 27 vendors were identified who used P.O. Boxes or commercial mail receiving agencies and fell within the established criteria. All were verified by viewing websites and or by determining NJ business registration status.

Personnel Database

- The Human Resources module of Edmunds is utilized by the City to maintain the personnel database. A scan of selected employees did not reveal any incomplete or missing key data elements within the HR module.

Additional Procedures Performed (Continued)

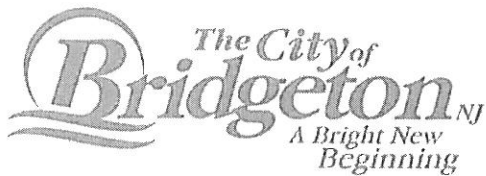
Payroll Analysis

- The analysis of payroll data and scan of W-2s for 2007 and 2008 did not reveal any additional paychecks or additional earnings other than retroactive pay increases approved in the negotiated labor contracts.
- The analysis of payroll data to identify employees whose base salary increased by greater than \$7,500 from Fiscal Year 2008 to Fiscal Year 2009 revealed 25 employees who met this criteria. These increases ranged from \$8,102 to \$15,690. All employees were fire or police personnel and the salary increases were the result of negotiated labor contracts.

Efficiencies

During the course of our performance audit, we identified several areas where there may be some efficiencies or cost savings for the municipality. Although Bridgeton has recently instituted a new payroll system, it should consider outsourcing this function to a payroll processing company. The cost of this service is reasonable and would also free at least one staff to be utilized in other areas within finance. Bridgeton currently has no dedicated full or part-time for IT support. The City is totally dependent on the vendor to whom the services are out sourced. There are significant issues in the IT area, as noted in the internal control section of the report. The utilization of at least a dedicated full or part-time employee would address some of the issues identified in this report and perhaps provide a quicker response time. Another area to be explored is shared services. There may be efficiencies or cost savings in sharing services with other municipalities or the County of Cumberland.

This report is solely for the information and use of the Division of Local Government Services, management of the Department of Community Affairs and the State of New Jersey and management of the City of Bridgeton, and is not intended to be and should not be used by anyone other than those specified parties. No client representation letter was received.



181 East Commerce Street, Bridgeton, NJ 08302

Bridgeton City Mayor
James B. Begley

Bridgeton City Council Members
Albert B. Kelly
Celeste M. Riley
Nicholas K. Salvatore
William D. Spence
Dennis Thompson

March 30, 2009

Eugene J. Elias, CPA, RMA, CGFM
Mercadien, P.C.
Certified Public Accountants
3625 Quakerbridge Road
Hamilton, New Jersey 08619

RE: Response to "Performance Audit."

Dear Mr. Elias:

The Mercadien Group was professional and integrated well with our staff during the audit process. It is always refreshing to have new ideas and to see how other systems in the state function.

The City would like to address the following matters in the audit:

- Page 1, The dates for the implementation of the Edmunds modules for the Finance Department are as follows:
 - Human Resources – April 2008
 - Budget – June 2008
 - Payroll – January 2009
 - Fixed Assets- Future
- Also, the Finance Department has the ultimate control and responsibility over the vendors to be added, tracked for 1099 purposes, Business Certifications, and deletions it is imperative that this department have this complete control.
- Page 2, paragraph 4, regarding outstanding contracts for the City Engineer, Zoning Official and Assistant Prosecutor. The City Engineer contract is a three (3) year appointment.(N.J.S.A. 40A:9-140). This contract was provided.

- Page 2, paragraph 4 in regards to Assistant Prosecutor. This is in the process of obtaining a completed and signed contract.

- Recommendation (Page 6)

After approval, the purchase order should be sent directly to the vendor by the finance office.

The departments are responsible for sending out Purchase Orders as they are responsible for ordering the proper material, receiving the goods and the department head must verify receipt. All processes are controlled electronically and any change or payment made cannot be made without the Comptroller or Business Administrator's approval. Due to limited manpower, centralized purchasing is not viable or cost effective.

- Page 7, Payroll time sheets are in the process of being standardized across departments. We are in the development of integrating the Edmunds Human Resource Module placing proper centralized review within the Personnel Department.

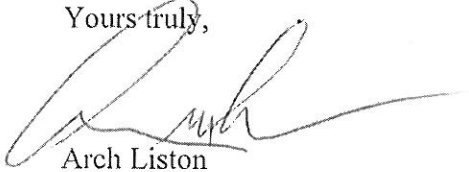
- Page 8, "Recommendations"

Information Technology-The City, as you are aware, has been under severe financial constraints over the last decade. Technology integration in a building constructed as a Post Office in 1910 and designated as bomb shelter in the 1940s and 50 is difficult. It was retrofitted in the mid 70s, but still has numerous restrictions. Life Safety recommendations are common sense measures and are addressed in the new policy attached. The emergency lights are routinely checked. All of the technical and physical plant issues are being addressed except for the recommendation of vehicles driving on the western side (Bank Street) and southern wall (Commerce Street). The recommendation, I assume were for the northern wall, where the drive up tax window exists and the eastern side, where public parking now exists. This recommendation on vehicle restrictions will not be followed as it lacks substance and understanding of the restriction in customer service and available parking in the densely populated area of the City Hall Annex.

- Risk Management, policies and procedures will be completed by April 15, 2009
- Page 13, Payroll Efficiencies, Outsourcing Payroll for a city of this size believe it or not, is not the most cost effective or most efficient. Payroll services make mistakes and corrections must be made in house. We will research this in FY10 for cost savings, but our experience has been, when implemented in the past, there was no cost savings.

Overall, all of the recommendations have resulted in a review process and are being addressed by the appropriate department or work group. We do appreciate your recommendation to hire an in house I.T. person. This is needed and will assist us in evaluating and determining more efficiencies in utilizing technology. Hopefully the Department of Community Affairs will allow this position.

Yours truly,

A handwritten signature in black ink, appearing to read 'Arch Liston', with a long horizontal flourish extending to the right.

Arch Liston
Business Administrator

City Hall Annex Emergency Procedures

Severe Weather Conditions

If you are in the office during severe weather conditions be informed and protect yourself. Go to an indoor safe area. The basement of the City Hall Annex, away from windows is recommended.

Listen to local radio, television stations or cable news networks.

The decision to close the building due to inclement severe weather will be made by 5:30 AM by the Mayor, after consultation with the Business Administrator, Police and/or Fire Chief and Public Works Director.

Fire and Evacuation

If you discover a fire, emergency procedures are "A-RACE":

A Activate the pull alarm

R Rescue only after assessing hazards. Don't put yourself in danger.

A Alert others in the immediate area. From a safe location call 911.

C Contain, close doors as you leave.

E Evacuate, follow exit signs, and go to outside "Safe Area," which shall be the Bridgeton City Library.

Remember to:

- Keep calm as you evacuate.
- Do not use elevators.
- People with mobility issues should make "Buddies" aware of their location and remain in the building "Area of Rescue" until emergency personnel arrive.
- If caught in heavy smoke, crouch low, but don't crawl on your stomach.
- Provide emergency personnel with relevant information about the fire, and the location of any individuals left inside.
- Do not re-enter the building until emergency officials advise you it is safe.

Chemical or Biological Spills

Do not attempt to clean up a chemical or biological spill unless you are trained, know the hazards, and have the proper personal protective equipment.

In the event of an emergency response spill:

- Follow Emergency Procedures A-RACE: Activate Pull Alarm Box, Rescue, Alert Others, Contain, and Evacuate.
- Call 911 from a safe location phone and notify Police and Fire personnel of the location, the materials involved, the quantity and the extent of the problem.
- Police Officers and Fire personnel will be dispatched and will coordinate emergency services with other agencies, as needed.

Prevent spills by maintaining a neat and orderly work environment. Your work area should have only those chemicals needed. Know the location of the Material Safety Data Sheets just in case! Should you have any questions, call Public Works at extension 279 for assistance.

Bomb Threat

If you receive a bomb threat:

- Remain calm. Try to get as much information as you can. Remember exact wording of threat, background noises and distinguishing characteristics of the caller's voice.
- Call 911 from any phone. Give information as to the location of the bomb, time it is set to explode, and the time you received the call.
- Do not create a panic for others. Police personnel will coordinate any building evacuation.
- If you are instructed to evacuate, move a safe distance away from the building and assemble at the Bridgeton City Library. Do not use elevators.
- If you discover a suspicious object, do not touch or move the object. Report it to first responding police.
- Police Officials will advise you when it is determined safe to re-enter the building.

If a bomb threat indicates a particular building:

- Police will advise occupants of the bomb threat.

- The decision to evacuate is based on Police's investigation of the bomb threat, but no one is forced to stay.
- Police will conduct and coordinate a complete search of the area identified in the threat and will advise the public when the situation is determined to be safe.

Continuity of Government

If conditions exist where return to the City Hall Annex shall not allow, personnel are to report to the Bridgton Police and Municipal Court Complex, 330 Fayette Street, Court/Council Chamber.

Personnel assignments and location of continued operations will then be assigned.

Personnel may be assigned to other City properties to continue daily operations. Department Heads and supervisors shall meet with the Business Administrator to recover needed data and materials for operations.

Phone numbers

Take time to think and stay calm.

When calling 911 on phones or activating the emergency call buttons in elevators or at emergency boxes, the call goes straight to Cumberland County 9-1-1 Center.

Be prepared to give police accurate and detailed information.

Numbers you should know:

Emergency	9-1-1
Bridgton Police	856-451-0033
Facility Issues	856-455-3230 x279