

Government that Works!

NEW JERSEY DEPARTMENT OF THE TREASURY

LOCAL GOVERNMENT BUDGET REVIEW

TOWNSHIP OF MULLICA

JANUARY, 2002



GOVERNMENT THAT WORKS

OPPORTUNITIES FOR CHANGE *The Report of the Township of Mullica*

New Jerseyans deserve the best government their tax dollars can provide. Efficiency in government and a common sense approach to the way government does business, both at the state and at the local level, are important to Governor James E. McGreevey. It means taxpayers should get a dollar's worth of service for every dollar they send to the government, whether it goes to Trenton, their local town hall, or the school board. Government on all levels must stop thinking that money is the solution to their problems and start examining how they spend the money they now have. It is time for government to do something different.

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

The LGBR program utilizes an innovative approach, which 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 comprehensive management review and consulting service provided by the state at no cost to them. To find those "cost drivers" in local government, teams review all aspects of local government operation, looking for ways to improve efficiency and reduce costs.

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

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

THE REVIEW PROCESS

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

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

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

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

**LOCAL GOVERNMENT BUDGET REVIEW
EXECUTIVE SUMMARY
TOWNSHIP OF MULLICA**

Township Clerk

The township should consider developing a position entitled clerk/administrator to direct and administer township goals, at an expense of \$20,000. The township should also consider developing a mercantile licensing program, yielding a revenue enhancement of \$9,000.

By raising liquor licenses fees to the maximum allowed by law, the township could yield a revenue enhancement of \$94,281 over a 10-year period.

The township should consider conducting a complete dog census, yielding a revenue enhancement of \$4,000.

Personnel

The team recommends that the township appoint a culturally friendly individual to the position of affirmative action officer for an additional stipend of \$1,000.

Management Information Systems

The team recommends that the township automate as many of the labor-intensive operations as possible, for a one-time expense of \$6,000.

Finance

The team recommends that the position of deputy clerk be upgraded to the position of deputy clerk/purchasing agent, at an annual expense of \$6,497 with a one-time expense of \$1,355 for certification classes.

Cash Management

The township should consider soliciting competitive bids from several financial institutions, yielding a revenue enhancement of \$10,000 - \$20,000.

Tax Collection

By holding the tax sale within the first few weeks that follow the close of the fiscal year, the township could yield a revenue enhancement of \$65,676 - \$157,623.

Police Department

By eliminating the position of lieutenant in charge of detectives and replacing the sergeant in charge of the detective bureau, the township could save \$6,000. The team also recommends that the township purchase five additional laptop computers, at a one-time expense of \$5,000.

The township should consider establishing a schedule for vehicle replacement based on miles, at an annual expense of \$30,000.

The team recommends that the township restrict its police department to one active canine officer and one dog, saving \$3,000.

The team recommends that the township assemble a committee from Egg Harbor City and Mullica Township to investigate a combined police force. The township could save approximately \$92,000 from the consolidation.

Court

The township should take a more proactive stance in collecting delinquent time payments by utilizing one of the suggestions outlined in the report, yielding a revenue enhancement of \$45,000.

Fire Department

The team recommends that the township avoid purchasing two new pumpers, for a cost avoidance of \$400,000. The team also recommends that the township consider reallocating fire equipment or selling it to the company, for a one-time revenue enhancement of \$12,000.

The township should also consider establishing a part-time position of fire and EMS coordinator, at an expense of \$10,000.

EMS/Rescue Squad

The team recommends that the township form a committee to study the feasibility of establishing a billing procedure for all ambulance calls, reducing or eliminating current municipal contributions, saving \$17,500.

Public Works Department

The township should consider reviewing the current pay scales for vehicle maintenance employees to determine the need to adjust salaries. An increase of approximately 10% could result in an annual expense of \$4,000.

The team recommends that the township either have the vehicle lot fenced and/or erect a building that will secure and protect the vehicles and equipment, at a one-time expense of \$8,000.

The township should consider divesting itself from large property ownership by auctioning 910 acres of land, for a potential one-time revenue enhancement of \$964,063.

Economic Development Commission

The team recommends that the township study the tax advantages of encouraging development in the pineland town zone to enhance the tax base, for a revenue enhancement of \$81,260.

Collective Bargaining Issues

The following is a summary of recommendations made for the following township agencies: Local 29, Local 2512A, Town Clerk, CFO and Local 77 (Superior and Rank).

- Negotiate a 20% other-than-single co-pay for health coverage and a 50% co-pay for vision, dental, and drug for all township employees, potentially saving \$67,021.
- Negotiate the maximum earned vacation time to the statewide average of 25 days for all township employees, potentially saving \$8,689.
- Negotiate eliminating one personal day, which would bring the township in-line with the state average, potentially saving \$2,370.

Local 77 (Superior and Rank)

The team recommends that the township eliminate the additional eight hours of compensatory time for working on a holiday and the compensatory time for officers working on Easter Sunday, potentially saving \$42,011.

The team also recommends that the township renegotiate the clothing allowance to the statewide average of \$350, potentially saving \$9,800.

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COMMUNITY OVERVIEW

Mullica Township was incorporated in 1838. It is located in southern New Jersey within the western sections of Atlantic County along Route 30, or what is more commonly known as the White Horse Pike. It includes various communities, such as Sweetwater, Nesco, Elwood, Devonshire, Dacosta, and Weekstown. At present, Mullica Township is a vital part of the New Jersey Pineland Management Plan. Its 56.6 square miles offer a beautiful landscape of southern New Jersey in a rare form untouched by over development. Visitors have access to Mullica Township via the Atlantic City expressway or indirectly via the Garden State Parkway. The township is about 25 miles from Atlantic City and only 35 miles from Philadelphia.

The township is comprised of approximately 5,912 residents according to the 2000 census. Of that figure, 463 are African American, 509 are non-white, and 975 are of Hispanic origin. The median income is \$36,762, which is below the state average of \$40,927. The per capita income is \$13,859. Most occupations within the community are found in the service industry. Single-family homes make up most of the community with a median value of \$88,700. The Mullica River winds wistfully through the township, and offers residents and visitors an opportunity to experience a portion of the community that is largely untouched by development and provides eventual access to the Atlantic Ocean. Single-family structures located on the Mullica River have a median value of approximately \$124,900. At the time of our review, values have continued to escalate while both the Pinelands Commission and CAFRA restrict further development. Based on our team's interviews with residents, employees, and the public, these restrictions are well received throughout the community although tax revenues are affected by these strict guidelines. Assessed property values for 1998 were \$257,535,000.

The township operates under a township committee form of government. It consists of five members elected at large for a three-year overlapping term. The committee votes within its own structure to choose the mayor and deputy mayor. The committee form provides control via legislation, ordinances, and resolutions. It passes the annual municipal budget and formulates policy through its department heads. The township is served by five departments, two boards, and one commission.

Mullica Township is nestled among the pinelands in South Jersey and has easy access to the casinos in Atlantic City. Some of its population works in this service-related field. LGBR found the area to be very rural and attractive. In a highly developed state, Mullica offers repose from the rush of the surrounding area. As an example, the township is home to the Sweetwater Casino located on the Mullica River where both boat owners and travelers can stop for a relaxing meal overlooking the picturesque Mullica River. Small portions of the Wharton Tract about the township and add some history, recreation, watershed, and game preserve activities. Unfortunately, many of the bog-iron industries have disappeared in the interior sections of the community, but local residents point to a rich history of sawmills, paper-mills, gristmills, and vessels.

As an overview, the community sits between Hammonton to the northwest and Egg Harbor City to the southeast. The small township population suggests some shared services among these communities to keep taxes stable. As an example, the township has already sought to share services in the dispatch area. Such important functions as police and fire present funding challenges to the governing body as costs continue to grow and development remains rather stable.

I. BEST PRACTICES

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

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

The township formally joined a cooperative dispatch system some years ago to provide communication services to its emergency personnel involving police, fire, and emergency services. Presently, the Mid-Atlantic Dispatch Center is located in Egg Harbor City and is supervised by a civilian under the direction of the Egg Harbor City Director of Police.

According to budget figures, the Township of Mullica is supporting those activities by budgeting \$123,000 in 1999. This shared service is not new to either jurisdiction and has been relatively successful. This practice has allowed each municipality to reduce major capital outlays by sharing the costs of improvements. As with other communities in Atlantic County, LGBR supports the development of a county communications center, but we applaud both communities for their efforts to share costs and work together to save tax dollars.

Although Mullica Township has a nearly \$4 million budget, it meets its financial obligations by employing their CMFO only three days per week. The work accomplished by the chief municipal financial officer over these three days is remarkable, and we commend her for her considerable efforts.

The Mullica Township Police Department mandates that officers, rather than court personnel complete court complaint forms for the courts. Since the police department has been keeping overtime at relatively low figures, this practice permits the court administrator to get her work accomplished without excessive backlog.

Mullica Township should be commended on its use of the Atlantic County Judicial Systems Daily Reporting Program (DRP), an alternative to the incarceration program. The department of public works receives approximately two to three DRP workers, Monday through Friday and 10 to 12 workers on the weekends. These workers are assigned throughout the township in various jobs, such as flagmen, laborers, and clerical workers. The estimated cost savings to the township from DRP labor during the 1999 calendar year was \$114,195, or the cost of six full-time laborers.

The township is commended for their efforts to provide bilingual services. At least four employees participate in this service, including a police officer.

II. OPPORTUNITIES FOR CHANGE/FINDING AND RECOMMENDATIONS

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

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

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

One of the fundamental components of the team's analysis is identifying the true cost of a service. To this end, the team prepares a payroll analysis that summarizes personnel costs by function and attributes direct benefit costs to the salary of each individual. This figure will always be different from payroll costs in the budget or in expenditure reports because it includes health benefits, social security, pension, unemployment, and other direct benefit costs.

GOVERNING BODY

The governing body is a five-member committee, operating under the township committee form of government. The committee is elected at large to alternate three-year terms. Its members select a mayor and deputy mayor from the committee. The committee is vested with legislative and executive powers. The mayor, deputy mayor, and three committee members receive a salary of \$2,500 each, without health benefits.

The team attended meetings of the township committee during the course of the review. Agendas are prepared and distributed to the appropriate persons and to the press for publication in a timely manner. Meetings are recorded by tape. Meeting minutes are detailed and clear. All matters relating to the clerk's duties are performed thoroughly and well.

It was observed that the meetings start punctually at 7:30 p.m., and the public is allowed to participate throughout the meeting, in addition to the normal public session. The second

scheduled meeting of each month is taped by the local cable company for residents to view on the local access channel, usually the Saturday after the meeting. The committee schedules their executive sessions at the end of the meeting, if needed.

The township committee is commended for their efforts in allowing and encouraging full community participation in the legislative process.

Interviews were held with all members of the committee. The team identified several issues, which were mentioned by all committee members. The matters discussed included ratable growth, rising public safety cost, Pinelands Commission decisions, water and sewer concerns, and safety issues surrounding New Jersey State Route 30. Most of these matters will be discussed throughout the report.

TOWNSHIP CLERK

The township clerk in Mullica Township has enjoyed a long and distinguished career. At the time of the team's review, the clerk was on extended leave. As a result, the team worked closely with the deputy township clerk. It should be pointed out that the township has at various times employed a business administrator for the township. During the review by LGBR, there was no business administrator in Mullica Township. Discussions with the governing body indicated there was no current demand to fill the administrator's position although some citizens and employees disagreed with this sentiment. Budget documents for 1999 indicate the township apportioned \$104,453 in salaries and benefits to operate the department.

The clerk's function in Mullica Township suggest she performs many of the following duties under her role as the head of the clerk's office:

- attends all governing body meetings and executive workshops;
- prepares agendas for governing body meetings;
- prepares the more routine resolutions and ordinances; and
- works closely with the CFO to research agenda items in preparation of the governing body meeting.

Accepts revenues for the following items:

- marriage certificates;
- birth certificates;
- dog licenses;
- copying fees;
- reviews and collects contractor's fee; and
- reviews and collects alcohol, beverage control fees.

A summary of those revenues includes the following detail:

Revenues	1998	1999
Licenses:		
Alcoholic Beverage	\$2,625.00	\$2,625.00
Dog	\$2,376.40	\$2,153.40
Fees and Licenses	\$2,502.00	\$7,862.00
Cable Television Franchise Fee	\$8,740.86	\$10,851.69
Total	\$16,244.26	\$23,492.09

The clerk also performs functions in personnel including: advertising, legal notification, applications, grievances, and employment processing. Some of these functions are shared with the CMFO.

The deputy clerk currently meets the public and tends the cash drawer. During the review, the deputy clerk substituted for the clerk and attended all meetings. A reorganization of this position will be discussed in the finance section of this report.

LGBR talked in depth with the mayor regarding a number of township issues involving policy, research, decision-making, and study. At present, the township committee is well served by its participation and that of the clerk. However, the team believes that hiring a professional clerk/administrator when the present clerk retires would assist the township in the following issues:

- Development;
- Recreation;
- Pinelands;
- Additional Tax Sales;
- Ratable Growth;
- CAFRA and River Development;
- Traffic and Route 30;
- Growth of Police and Fire Budgets;
- Housing;
- Water and Sewer; and
- Shared Services.

All these issues are extremely important to Mullica Township. Growth of township services versus a “no development” philosophy by many citizens presents the governing body with some real issues.

With issues of growth inextricably entwined with CAFRA, the Pinelands, and DEP, the township should prepare to hire a clerk/administrator following the retirement of the current clerk. The team does not believe that the current salary paid to the clerk is sufficient to entice a clerk/administrator. We suggest a value-added cost of \$20,000 to supplement the current clerk’s salary.

The issues mentioned in the previous paragraphs should underscore the need to address limited ratable growth and increasing service needs. LGBR believes that the current situation can only be maintained for a few years without some form of growth, reduction of services, or a form of shared service with other communities. (The township could also continue to raise taxes to meet the needs of the community, but LGBR believes this approach may be politically infeasible.)

Recommendation:

Consider the development of a position entitled clerk/administrator to direct and administer township goals following the retirement of the clerk.

Value Added Expense: \$20,000

Mercantile

The township should consider adopting a mercantile license fee to track development of business and establish a data source for other types of services in the township. A small license fee of \$100 per business could potentially raise additional revenues of \$9,000. This amount could be collected in the clerk's office.

Recommendation:

Develop a mercantile licensing program to register businesses in the community in order to develop a database for use in economic development and other aspects of township business. (Contractor licensing would remain under the Contractor License Fee Ordinance.)

Revenue Enhancement: \$9,000

Township Code

The Administrative Code for Mullica Township is updated annually and is also placed on computer disc. LGBR applauds Mullica's use of the computer to keep the code current.

LGBR applauds the townships' effort to place the code on computer disc.

Computer/Cash Drawer/Front Desk

At the time of our review, the township employed a part-time receptionist to relieve the deputy clerk. The receptionist worked a limited number of hours per day. This individual meets the public and performs routine cash exchanges relieving the clerk and deputy clerk to perform the more important tasks required of their offices. LGBR observed that the township performed its functions with very little clerical support.

Alcohol Beverage Control

The liquor licenses held (11 licenses) in Mullica Township have been unchanged for a number of years. (The township had one club license which was unaffected by this review.) LGBR suggests the governing body reassess fees paid by licensees in the township. A review of the change indicates the potential dollars raised if the township sought to increase these costs. An analysis follows:

LIQUOR LICENSES	No.		Revenue	Revenues	Increase
				With No Increase	
Year 2000	11	\$250.00	\$2,750.00	\$2,750.00	\$0.00
Year 2001	11	\$275.00	\$3,025.00	\$2,750.00	\$275.00
Year 2002	11	\$330.00	\$3,630.00	\$2,750.00	\$880.00
Year 2003	11	\$396.00	\$4,356.00	\$2,750.00	\$1,606.00
Year 2004	11	\$475.20	\$5,227.20	\$2,750.00	\$2,477.20
Year 2005	11	\$570.24	\$6,272.64	\$2,750.00	\$3,522.64
Year 2006	11	\$684.29	\$7,527.17	\$2,750.00	\$4,777.17
Year 2007	11	\$821.15	\$9,032.60	\$2,750.00	\$6,282.60
Year 2008	11	\$985.37	\$10,839.12	\$2,750.00	\$8,089.12
Year 2009	11	\$1,182.45	\$13,006.95	\$2,750.00	\$10,256.95
Year 2010	11	\$1,418.94	\$15,608.34	\$2,750.00	\$12,858.34
Year 2011	11	\$1,702.73	\$18,730.00	\$2,750.00	\$15,980.00
Year 2012	11	\$2,000.00	\$22,000.00	\$2,750.00	\$19,250.00
Total Revenue Increase			\$122,005.02	\$35,750.00	\$86,255.02

Recommendation:

Raise the liquor licenses by a statutory maximum of 20% a year until you reach \$2,000 per license in 10 years.

Revenue Enhancement: \$94,281 (After the 10-Year Period)

Animal Control

Animal control is managed from the township clerk’s office, with a contracted Animal Control Officer (ACO). The regular scheduled hours for services are from 8:30 a.m. to 4:30 p.m., Monday through Friday. The ACO is on-call during the weekend and after normal hours for emergency services. The FY1999 cost for service was \$5,046 and \$5,028 for FY2000, as indicated by the below table:

	<i>Calls for Service</i>	<i>Annual Cost</i>	<i>Cost per Call</i>
1999	225	5,046	22.43
2000	180	5,028	27.93

Mullica Township conducts its dog licensing drive from January 1 to March 31. The township enters and maintains its dog license information in a database. The last recorded dog census for the township was 1997, which produced a total of 985-dog licenses. Since that date the total number of dog licenses has been reduced to 497 for FY1999 and 494 for FY2000. The cost for dog licenses range from \$5 for a spayed or neutered dog to \$8 for non-neutered dog. There is a late charge of \$5 for any dog license after the drive period. As indicated by the table below, the township is losing revenue, due to the reduction of dog licenses since the last census.

	<i>Total License Issued</i>	<i>Total Amount Received</i>	<i>Average License Cost</i>	<i>Loss Revenue per 1997 Census</i>
1997	985	\$7,645	7.7	
1998	532	\$3,544	6.66	\$4,101
1999	497	\$3,293	6.63	\$4,352
2000	494	\$3,289	6.66	\$4,356
Total	2,508	\$17,771	6.91	\$12,809

Recommendation:

The township should conduct a complete dog census as soon as possible, utilizing special officers or civilians during the summer months, rather than police officers. The information collected should be cross-matched with the dog license database and notices sent to all owners who have not complied with the township animal ordinance.

Revenue Enhancement: \$4,000+

PERSONNEL

Mullica Township does not employ a full-time personnel officer nor do they anticipate a part-time position. As a result, the township clerk and the certified municipal finance officer share the personnel function on a rather informal basis. Based on interviews with the finance officer, the township clerk accepts applications and resumes. However, it should be pointed out that Mullica does very limited hiring, and personnel activity is minimal. In addition, the police chief reviews all applications for the police department.

Recruitment

The township does post openings at the township building and also with the *Atlantic City Press*. The police department recruits through the clerk’s office. LGBR determined there was no testing for any positions. In addition, job specifications were not available at the time of the review. Statutory positions are defined in legislation.

Negotiations

The township recognizes three bargaining units. There are approximately six exempt employees without contracts. The township negotiates via its solicitor, although a special labor counsel is used in some circumstances (police activity only). The exempt employees generally discuss employment terms with the governing body, although raises granted are usually similar to those obtained through collective bargaining.

Discipline

Contractually, the township is obligated to the disciplinary procedure outlined in the contracts. Questions concerning progressive discipline were not addressed directly, but it would appear there was no policy regarding this form of discipline. Personnel policy was updated in 1996.

Attendance

Manual time sheets are maintained in some departments while time clocks are used in the road department and court. Time sheets are maintained without computers or any special software. In a town the size of Mullica Township, LGBR does not believe that a special software system is actually needed to track time. Although the township average was 10.79 days for sick leave usage, real usage outside of the police department was under five days per year. These averages are acceptable based on state average usage.

Benefits

The CMFO and clerk share responsibility for enrollment of employees in various programs. The Township of Mullica has established 30 hours as the basis for benefits.

Affirmative Action/EEO

According to the CMFO, the clerk functioned in the role of Equal Employment Opportunity officer. Federal EEO reports were completed by her office. According to census information, the township houses 5,020 white citizens, 532 blacks, and 757 Hispanics or approximately 1,575 non-white residents. The township has a minority population of 23%¹. According to municipal statistical data, the employees of the governing body were not representative of the township census data. Also, according to the CMFO, she did not believe there was a township affirmative action officer. Records obtained by the team indicated the township employees were represented by approximately 15% minority² (full-time employees were represented by 19% minority representation³). LGBR believes these numbers could be increased if an aggressive policy was established to recruit minority employees.

Recommendation:

LGBR believes that all personnel functions should be folded into the role of the township clerk. Although we do not discourage the role of the CMFO in this process, we believe the central function related to personnel should remain with the township clerk on a full-time basis. Attendance and payroll issues should remain with the CMFO if lines of communication are established or policy set to affect attendance issues.

LGBR recommends the creation of job descriptions to determine compensation, understand skills and abilities, and evaluate performance. We also suggest the personnel office research a mechanism to evaluate performance annually, establish goals, and possibly attach longevity to performance standards.

As a team, we recommend the township establish a policy on progressive discipline to address difficult personnel-related problems as they arise.

LGBR commends the governing body for permitting the CMFO to sit in on contract negotiations and advising all township officials of potential financial impact.

¹ See Appendix A

² See Appendix B

³ See Appendix C

LGBR suggests the township make a real effort to appoint a culturally friendly individual to the position of affirmative action officer for an additional stipend of \$1,000 to insure the township provides equal opportunity across racial divisions as they are represented in the community. LGBR recommends the police department give this serious consideration to avoid any type of consent order.

Value Added Expense: \$1,000

INSURANCE

Health Insurance

The township provides health coverage through the State Health Benefits Plan (SHBP), with dental, vision, and drug benefit underwritten by outside contracts. All full-time employees and eligible retired employees receive these benefits. The costs for these benefits are as follows:

	Health	Vision	Dental	Rx	Total
1999	\$155,751.60	\$4,209.00	\$23,334.60	\$41,049.48	\$224,344.68
2000	\$162,849.60	\$4,923.00	\$24,724.80	\$51,683.40	\$244,180.80
2001	\$161,758.80	\$5,113.92	\$25,840.56	\$54,061.92	\$246,775.20

As indicated by the above chart, the township health cost increased by 8% in FY2000 and has stabilized to a projected 1% increase for FY2001. The largest cost increase for the past three years has been for prescription drug coverage. Since the costs for prescription and health insurance coverage are expected to increase, the township should consider instituting a health insurance co-pay for employees.

Projected cost savings for the township, if co-pay's were established at a 20% level for other than dependent coverage for health and a 50% co-pay for vision, dental, and prescription coverage, would be approximately \$67,000, or 27%, of the projected FY2001 cost.

Collective Bargaining					
Units	Dental @ 50%	RX @ 50%	Vision @ 50%	Estimated Savings	
Local 29	\$5,053.20	\$3,015.36	\$6,448.68	\$572.76	\$15,090.00
AFSCME	\$823.68	\$1,009.80	\$2,194.02	\$286.38	\$4,313.88
Superior	\$5,460.50	\$3,347.28	\$7,135.56	\$572.76	\$16,516.10
Local 77					
Rank and File	\$8,354.30	\$5,748.66	\$12,366.96	\$1,145.52	\$27,615.44
Local 77					
Township	\$801.05	\$6.25	\$6.25	\$6.25	\$819.80
Clerk					
CMFO	\$823.68	\$557.88	\$1,189.26	\$95.46	\$2,666.28
Total	\$21,316.41	\$13,685.23	\$29,340.73	\$2,679.13	\$67,021.50⁴

⁴ Estimated Savings of \$67,021.50 is listed in the contract section of the report

Recommendation:

The township should renegotiate co-pays for all covered employees.

Property and Casualty

The township is insured for property, general liability, auto liability, workers' compensation, environmental impairment, public officials and employment practices through the Atlantic County Municipal Joint Insurance Fund (ACMJIF) and the Municipal Excess Liability Joint Insurance Fund (MELJIF). The ACMJIF provides coverage for the first \$5 million in liability coverage. The MELJIF provides an additional \$5 million of excess liability coverage for a total of \$10 million in liability coverage.

The ACMJIF requires that each participating municipal entity designate an officer, employee, or a representative with appropriate professional credentials, to serve as commissioner of the ACMJIF. That designee would also coordinates, the following key activities between the ACMJIF and the municipality:

- Insurance Plan Administration;
- Safety Plan Administration; and
- Risk Management.

At the time of the review, the CMFO was the primary staff member responsible for insurance oversight and served as the designee to the ACMJIF in matters relating to insurance plan administration and safety plan coordination. The township designated a third-party representative to oversee risk management activities.

We commend the township for its participation in the joint insurance funds as a creative means for managing its risks and saving money.

Workers' Compensation

The township pays the difference between the salary of an employee and the amount received from workers' compensation (67%), to maintain the employee at 100% of salary. The township should consider negotiating for 70% of real salary costs rather than the 100% now used in the township. The state standard is 70% and is a good benchmark to use to lower costs. The total amount of funds expended for workers' compensation in 1999 was \$158,145, which represents about 4% of the township's annual budget. As indicated by the chart below, the township is experiencing below average workers' compensation claims and expenses:

Departments	1999		2000	
	Total Claims	Amount	Total Claims	Amount
Police	2	\$56,555	2	\$3,191
Fire	5	\$101,010		
Public Works	1	\$580		
Total Expended	8	\$158,145	2	\$3,191

MANAGEMENT INFORMATION SYSTEMS

Organizational Structure

Mullica Township does not have a department or division directly responsible for the management information system (MIS) function. This responsibility has fallen to the CMFO by default. The CMFO is acting as the system administrator/trainer for all MIS functions, excluding police.

The CMFO relies on state contract vendors to assist her in carrying out her responsibility as the system administrator. The township has contracted with a local state contract hardware vendor to provide 155 hours of technical support for the two LAN's (municipal building and police department). At a pre-purchase price of \$90 per/hr., software support for finance, tax collection, construction permits, animal licenses, and tax assessment is undertaken by a separate agreement with the host software vendors for the listed functions. Additional software support for off-the-shelf packages (word processing, spreadsheets, and database management) is handled by the CMFO and individual employees through trial and error.

Recommendation:

The township should invest in a formal training program with a local vendor and/or educational institution to provide training for computer literacy in word processing, spreadsheets, and database management.

Technology Plan

The township does not have a written technology plan. The planning of the township technology is driven by the CMFO's desire to have each department/division integrated for budgeting and communication purposes. The CMFO has been successful in unifying the software used in the municipality, except for the police department. The objectives for the future are to interconnect the two networks, which will assist the CMFO's efforts to move the township technology in one direction.

Recommendation:

The township should create a technology plan based on a needs assessment survey in order to identify hardware and software needs. An effort should be made to unify all software and hardware platforms to limit the township maintenance and overall technology cost. In addition, the township should include in their plan compatibility concerns for interconnecting or receiving services from other entities such as the county government.

The township should consider contracting with a consultant for system administration services to assist the CMFO in the writing, implementing and monitoring of the technology plan. This could be done in the same manner as the pre-purchase arrangement for hardware support. This consultant (not selected from the existing vendor pool) would be able to provide the expertise needed to resolve the compatibility issue with the tax assessor software vendor. In addition, this

person could be utilized to complete the township technology mission (payroll automation and electronic transmission, e-mail, web page design, and Internet access), in a more expeditious manner, as his/her function and purpose would not be divided among other responsibilities.

Technology Expenditures

The township was undergoing a complete upgrade of its computer systems, to eliminate past problems and to give the township uniformity in software; email and Internet access capability. A state contract vendor was performing these upgrades. The township has spent approximately \$30,000 of the \$43,760 budgeted for the police department upgrades, using funds from a COPS MORE grant. For the remaining municipal departments the township has spent approximately \$19,000 for upgrades and expects to spend another \$10,000 in the FY2001 budget to bring the municipality in-line with their goal for 2001. The township plans to develop an official website. The cost for this endeavor will come from current funds, grants, and county assistance.

Infrastructure

Each department in the township, except the department of public works, had a Y2K compliant computer at its disposal. The tax assessor and DPW were the only departments not connected to any of the township networks, due to concerns about compatibility in the case of the tax assessor and training and hardware in the case of DPW. Each of the network servers, routers, and wiring were upgraded to post Y2K standards. Existing computers that were not Y2K compliant were replaced with new units. New Office Suite Software was purchased to bring the remaining computers in compliance with software licensing rules and regulations. However, the computer software files were deficient in the number of software licenses, in relation to the number of software units installed in the township.

The municipal LAN has e-mail capability through the use of an off-the-shelf package and the police LAN e-mail system as part of an existing software package. Unfortunately, the LAN's are not connected; therefore electronic communication between the two systems is not available at this time.

The technology inventory list consists of 17 computers, three dumb terminals, 15 printers, two facsimile machines, and two copiers. Each of the copiers and fax machines is located in an area that is easily accessible by the township staff.

Recommendation:

The township should obtain the necessary licenses for all software installed on their computers.

The LAN's should be connected to allow for centralized electronic communication, such as e-mail and Internet access. This connectivity will also enhance the general administrative function between the departments and reduce the township maintenance and support cost, by reducing duplicity that is inherent to unconnected LAN's.

Unfortunately, the township hasn't implemented some of the easier electronic processing techniques, such as electronic payroll processing, tax bill scanning, electronic requisition

processing, and purchase order generation. Each of the listed manual operations can be easily converted to electronic operations with a minimal investment, especially since the township already has the minimal hardware to implement the changes.

Recommendation:

The township should make every effort to automate as many of the labor-intensive operations as possible. This is denoted by the below table:

Operation/Function	Items needed for Electronic Conversion	Estimated Cost for the Enhancement
Tax Bill Scanning	Scanners	\$1,100 per scanner (price includes installation and training)
Electronic Payroll Processing	Modem and Communication Software	\$150 for modem (price includes installation and training). Software training for communication package and payroll processing free of charge from payroll vendor.
Electronic Purchase Requisition and Purchase Order Generation	Software Module from current financial software vendor and a separate purchase of an impact printer.	\$3,500 for software (price includes installation and training), \$500 for printer

The cost for these enhancements to the existing computer systems is less than \$6,000. This expenditure will more than compensate the township, due to increased productivity, reduced input errors, and a simplified budgeting process. “Demystifying the budget process” through electronic requisitions enables the departments the ability to view and control their expenditures on a real-time basis.

One-time Value Added Expense: \$6,000

LEGAL

The municipal solicitor has been with the township for four and a half years. The solicitor is appointed by council for a one-year term. His duties include attendance at all township committee meetings and work sessions. He litigates township tax appeals and tax foreclosures, but does not litigate tort cases that are defended by the JIF. The solicitor does not handle workers’ compensation cases, collective bargaining agreements, nor contract negotiations. As of December, 1999, there were no tax foreclosure cases pending.

LGBR attended public committee meetings to get a flavor for community meetings at the township level. We observed that the solicitor was sometimes not kept up to date on some items of importance that could reflect in future liability matters, contractual obligations, and real taxpayer savings. The team recognizes the efforts of the governing body to restrict unnecessary costs, but we do believe that the township could benefit from his legal interpretations and

experience. We believe the solicitor should be an active member of the committee meetings able to voice opinions and express concerns when township issues raise important long-term financial and contractual obligations.

LGBR feels that the attorney should review some additional contracts prepared by the township. The scope of his involvement should depend upon the complexity of the contract in terms of its specifications and the language required. Additional funds used to support the legal process could probably be overcome through his expertise in contract negotiations.

The attorney receives \$10,000, which includes attendance at the monthly public meeting and council work sessions. In addition, he is paid \$90 an hour for any services over and above the council meetings. The total cost in 1999 for the township attorney was \$47,559. Vouchered costs were identified in the following accounts: tax collection \$10,683, tax assessment \$162, legal services \$26,299, and developer escrow \$414. Billable hours worked in 1999 totaled 306.

Recommendation:

LGBR commends the township for their firm control of legal expenses. However, as discussed in further detail under the tax collection section, we feel that more needs to be done to foreclose on properties with tax title liens. Any extra money spent on this combined effort between the township attorney and tax collector would more than pay for itself on tax savings in the years to follow.

PROFESSIONAL CONTRACTS

In 1999, Mullica Township contracted with seven firms for professional services with a total cost of approximately \$136,000, as summarized below:

Municipal Auditor

The contract for 1999 was for an amount not to exceed \$22,000, dated 1/9/1999. Total amount expended for 1999 for auditing services was \$22,000. The contract for 2000 was for an amount not to exceed \$21,000, dated 1/4/2000.

Bond Counsel

The contract itemized charges for services to be rendered if requested by the township at anytime during the year. There was no “not-to-exceed” clause in the contract. There were no expenditures for 1999 for bond counsel services.

Solicitor

The contract for 1999 was for \$10,000 a year paid through payroll and \$90 per/hr. for all other work outside of attendance at regular meetings of the township council and general legal consultation with the mayor and township clerk. The contract was dated 1/1/1999. There was no “not-to-exceed” clause in the contract. The total amount expended for 1999 for soliciting services was \$47,559.

Prosecutor

The contract for 1999 was for \$7,150, paid through payroll. The total amount expended for 1999 was \$7,150

Labor and Employment Counsel

The contract is an hourly contract with a \$3,000 retainer to be applied toward future billing. There is no “not-to-exceed” clause in the contract. The contract was dated 10/12/1999. The total amount paid for 1999 was \$23,000, \$3,000 was paid during FY1999.

Engineering Services

The appointing resolution with fee schedule attached set the hourly rates for services from a low of \$30 per/hr, to a high of \$100 per/hr., plus expenses. There was no “not-to-exceed” clause in the resolution appointing the municipal engineer. The total amount expended for 1999 for engineering services was \$36,304, \$2,679.50 of which was paid through a grant for road improvement.

The township appointed an alternate municipal engineer in the event of residential conflicts with the municipal engineer. The resolution with attached fee schedule set the hourly rates for service from a low of \$30 per/hr. to a high of \$275 per/hr., plus expenses. There was no “not-to-exceed” clause in the appointing resolution for the alternate municipal engineer.

Recommendation:

The township should include “not-to-exceed” clauses in their professional services contracts, similar to the clause stated in their Municipal Auditor’s contract. This will allow the township committee the opportunity to revisit the cost of their professional contracts when they exceed a stated dollar amount during the fiscal year.

FINANCE

Functions

The chief municipal finance officer oversees or is directly responsible for purchasing, payroll, cash management, and all financial record-keeping and transactions. In general, we found the finance office to be well managed and continually open to the possibility of improvements wherever possible.

Accounts and Controls

The total salary and direct benefits cost of this division in FY99 was \$32,194. The division employs one part-time person, the CMFO. She is responsible for a \$4.3 million budget from more than 21 different sources, and she processes more than 1,300 invoices annually.

The comptroller’s office is responsible for maintaining the general ledger, preparing financial statements, executing all functions related to accounts payable and grant accounting, handling and currently all facets of the fixed asset accounting system.

The two primary concerns of this office were maintaining accurate revenue estimates in the budget throughout the year in order to assure a balanced budget, and completing the budget preparation process in a timely manner.

The team commends the township for hiring a competent part-time CMFO who handles all facets of the job extremely well with great savings to the taxpayers.

Revenue Estimation

Between 1995 to 1999, Mullica's "realized revenues" have never fallen short of the estimate. The "realized revenues" exceeded the estimates by less than 3% in 1995 and 8.55% in 1999. Their revenue estimations were found to be consistent in the estimated tax collection rate. In 2000, the actual collection rate was 2.09% more than estimated, and in 1999 it was 2.49% more than estimated.

Debt Management

According to the 1999 debt statement, Mullica's net debt was \$2,011,099, or .76%. For 2000, this amount was \$2,067,772, or .77% which is below the statutory limit of 3.5% (N.J.S.A. 40A2-6).

It appears that Mullica Township is attempting to manage its debt and stay below the statutory limit while still making the capital improvements needed to maintain the city's infrastructure and equipment. As a result, they have maintained a debt ratio just below 1%.

Audit Findings

The most recent audit available was for the fiscal year ending December 31, 1999. There were no material findings. However, the 1995 audit listed as a reportable condition the lack of segregation of duties, which is inherent in any relatively small operation. The chief financial officer is also the treasurer, purchasing agent, and, in some cases, a policy maker. Although this is not a material weakness it is a cause for concern that we will address in more detail under purchasing.

It appears that all of the audit findings have eventually been addressed and a corrective action plan has been put in place.

Purchasing

The mechanism for acquisition of quality goods and services at a reasonable price is an objective of any organization. A purchasing system is also a key element for the administrative, budget, and accounting system in every organization. It performs such functions as inventory control and surplus property disposal.

The purchasing process is carried out by the finance department in the township. The team reviewed the purchasing process. At the time of our review, the process consisted of a department head, or a designee, calling the finance officer or visiting her with their requisition. She then verifies that the appropriate budget line has sufficient funds, enters it into the system, and types a purchase order. Due to the size of the township, the finance officer handles the entire purchasing process for the township. As such, the finance officer keeps quite abreast of

available purchasing mechanisms for cost containment and reduction. There were approximately 1,300 requisitions processed through the finance office for the year. The township does not currently lease any equipment (police vehicles were being leased during the review process). It appears to properly bid all eligible purchases.

N.J.S.A. 40A:11-1 et. seq. the team commends the finance officer for her energetic efforts to control costs. However, due to the new public contracts law that came into effect, we feel that a “qualified purchasing agent” would be beneficial to the township under the newly amended Local Public Contracts Law that became effective April 17, 2000. The chart below illustrates the changes found as a result of the adoption of the new regulation.

New Bid Thresholds:	Purchases under the Threshold:
\$17,500 for all contracting units	Under 15% requires “Sound Business Practice”
\$25,000 if “Qualified Purchasing Agent”	15% and over requires two competitive price quotations
Anything above threshold requires a bid process	Without QPA 15%=\$2625
	With QPA 15%=\$3,750

Throughout New Jersey it is quite common to find one individual performing a number of different municipal functions in the interest of minimizing costs. The tacit trade-off that occurs is that these organizations forego some of the standard checks and balances or internal controls. They must rely on the professionalism and integrity of the individuals filling these positions. Conversely, the individuals must rely on goodwill, rather than internal controls to avoid the appearance of inappropriate transactions.

The review team found absolutely no indication whatsoever of any problem regarding the professional conduct of any of the employees. In the long run, however, it would be in the best interests of the taxpayers, the elected officials, and the employees to develop an organizational structure that does not rely on personal integrity as its primary if not sole form of internal control.

LGBR discusses the clerk’s office in a separate section of this report. We have observed the necessity for the deputy clerk, but we also believe that added duties would not detract from her functions, as long as clerical support remains in the form of a part-time receptionist. The separation of duties in the CMFO’s office are simply a tool to maintain a division of checks and balances not currently available and do not in any way detract from the professional qualities of the CMFO.

Recommendation:

It is recommended the position of deputy clerk be upgraded to the position of deputy clerk/purchasing agent. There would be an initial cost for the deputy clerk to take the classes and become certified (four classes for a cost of \$1,355). The salary for the position would then have to be raised by 18.56% to reflect similar costs for other jurisdictions employing a separate purchasing agent (\$6,497).

Value Added Expense: \$6,497
One-time Value Added Expense: \$1,355

The purchase of an automated system has greatly enhanced the township's ability to maintain records and process purchase orders. Future enhancements could include electronic requisitions. Automated requisitioning could help decrease turn-around time and the time spent typing.

Fixed Assets

Our review of the current fixed assets inventory system found it to be fully automated and updated as items are purchased. The fixed assets inventory has a threshold of \$1,000. This is well below the threshold required under Technical Accounting Directive #85-2, which sets the threshold at \$5,000 effective January 1, 1997.

Surplus

The township has a strong surplus history. The growth of the fund balance and appropriated fund balance has generally corresponded to the township's budget, with only minor fluctuations. Maintaining adequate levels of surplus places the township in a strong cash position and provides contingent funds for large, unexpected expenses without increasing in the tax rate. Stable surplus levels are viewed positively by bond-rating agencies that can reduce the costs associated with issuing long-term debt. However, the chart below indicates that the township is reserving 37.82%, 23.13%, and 17.55% of total budget as surplus. The township is planning to increase taxes this year to keep their surplus at current levels. A one-penny increase in the tax rate equals to \$26,182 increase in the budget. Therefore, we feel that with a surplus at 10% this will allow the township the ability to reduce their rate by 10 cents.

Analysis of Fund Balance

	1997	1998	1999
Beginning Fund Balance	\$1,685,638	\$1,575,781	\$1,332,984
Balance Appropriated	\$250,802	\$598,750	\$617,200
Percent Budgeted	14.88%	38.00%	46.30%
End of Year Balance	\$1,434,837	\$977,031	\$715,784
Total Budget	\$3,793,643	\$4,224,645	\$4,078,098
Percent Unused FB	37.82%	23.13%	17.55%

Recommendation:

It is recommended that the size of the surplus each year be reduced to an amount equal to 10% of the total budget.

CASH MANAGEMENT

The team reviewed Mullica Township's cash management practices in order to determine if the township was maximizing its interest earnings while adhering to sound business practices. All cash management functions are undertaken by the chief financial officer (CMFO) who is responsible for investment decisions and any changes to the banking partner arrangement. The township maintains all its cash balances with one bank and a certificate of deposit with another bank. The resolution naming authorized depositories of the township specifies these two financial institutions. Most bank account reconciliations are prepared by the chief financial

officer; however, the municipal court, the tax collection office, and the construction office maintain and reconcile their own accounts. The CMFO does not currently generate a cash flow analysis.

Recommendation:

It is recommended that a comprehensive cash flow analysis be prepared in compliance with N.J.S.A. 40A:5-14. This will determine the availability of potential short and long-term investments. In addition, the number of depositories specified in the resolution should be expanded to include all local banking institutions.

Banking Services

The township has been banking with the same financial institution for about three years. According to the bank, the township is earning interest at 6%. Based on our analysis, which compares interest earned with the average daily balance in all township accounts, interest earned is 3.5%. There was one certificate of deposit with a stated rate of 2.71% through August and a rate of 5.21% from September to December. According to the audit report, however, only \$1,149 was earned on this certificate of deposit which translates to less than 2% interest earned. Even if all interest had been properly recorded, the interest rate on this certificate of deposit would have been about 3.6%, which is not a competitive rate.

The township does not utilize on-line banking services, however, they are considering this in the immediate future. On-line banking services are typically used for wire transfers, balance reporting, etc. and provide an efficient means of transferring funds as well as managing cash flows.

Account Analysis

The township was able to provide a bank account analysis for some of the accounts. In order to determine the average daily balance for all accounts, we used the average collectible balance for those accounts with account analyses. For those accounts without a bank account analysis, we averaged the ending balances. Based on this, we determined that the average daily balance for all township bank accounts was approximately \$1.5 million. The certificate of deposit had an average balance of about \$60,000. Our analysis included a comparison of interest earned by the township to the potential earnings of investments through the New Jersey Cash Management Fund (NJCMF) as well as the 90-day Treasury bill. The average rate for 1999 was 4.96% for NJCMF and 4.65% for the 90-day “T-bill.” This comparison indicates that the township could have earned a more competitive rate of interest on its cash balances.

1999	Average Balances	Average Interest Rate	Interest Earnings
Bank Accounts	\$1,516,700	3.5%	\$53,759
Certificate of Deposit	\$60,000	1.9%	\$1,149
TOTAL	\$1,576,700		\$54,908

Recommendation:

The team recommends that the township solicit competitive bids through a request for proposal (RFP) from several financial institutions. This proposal should clearly define interest rates, required compensating balances, reserve requirements, and all service and per unit charges. This will enable the township to make a comparison of services and related costs to ensure the best value for banking services.

The township should choose a banking partner based on overall performance including: convenience, level of sophistication and array of services, return on investment, cost of the most frequently used services, accessibility to banking representatives, future branch construction plans, and community reinvestment, among others.

In addition, a contract with the current banking institution specifying the terms and conditions of the banking agreement should be drafted and signed.

The team's analysis of the available cash in the bank and year-to-date earnings indicated that the township could have earned a higher interest rate if funds were invested more prudently.

Revenue Enhancement: \$10,000 - \$20,000 (Depending on Investment Vehicle)

TAX COLLECTION

Staffing/Office Setup

One full-time employee and one part-time employee staffed the tax collection office during 1999. The collector is responsible for the generation of tax bills and delinquent notices, tax searches, tax sales, tax liens, deductions, special assessments, bankruptcies, foreclosures, the maintenance of the mortgage codes, and mortgage payment reporting. In 1999, the salary costs for this department were \$45,465 and the collector's operating budget for 1999 was \$45,550 and nothing slated for the foreclosure costs of municipally held liens.

This office works with approximately 5,213 tax lines. Using a benchmark from previous Local Government Budget Review reports, an efficient workload should equal approximately 3,300 line items per person. This would indicate that the department is appropriately staffed.

Due to the size of the township the position of assistant tax collector/deputy tax collector does not exist. However, the town should be commended for having a person who helps the tax collector part-time, and is cross-trained to accept the responsibilities in the absence of the collector allowing for greater efficiency and providing better service to the public.

The office produces 350 "advice copy bills" for those property owners whose taxes are paid through a mortgage company. Mortgage servicers (these are the agents that service multiple mortgage companies) are billed through an automated process utilizing a disk. All of the accounts are currently serviced by this method. Mortgage companies that do not have a bill at the time they wish to render payment must obtain one from the tax collector's office.

Collections

As indicated in the comparison below, the tax collection rate has been maintained at an average of 90.9% over the past five years showing a marked increase of .97% in the fiscal year 1999 to 92.56%, from 91.57% in 1998. This collection rate was 2.49% higher than the 90.8% anticipated in the 1999 budget permitting the township to build some surplus reserves. Previous LGBR reports have noted that the State of New Jersey recognizes an average or acceptable tax collection rate as 95%. The township's tax collection rates have been below this acceptable benchmark.

Comparison of tax levies and collections:

Year	Tax Levy	Collections	Collection Rate
1999	\$6,567,650.50	\$6,079,160.40	92.56%
1998	\$6,545,969.83	\$5,993,965.17	91.57%
1997	\$6,707,080.20	\$6,275,834.32	93.57%
1996	\$6,704,403.03	\$5,990,861.67	89.36%
1995	\$6,385,524.08	\$5,583,535.41	87.44%

The township has seen the delinquency rate decrease. However, more needs to be done to bring the rate to a more acceptable level. The department should continue its efforts to send out delinquent notices, but do so more frequently than on a quarterly basis. Additional steps could be undertaken such as contacting delinquent taxpayers by telephone to obtain a current collection rate that is equal to or exceeds the state average. A comparison of rates in other communities is found below to illustrate the concerns the team has raised.

Name of Municipality	2000 Tax Collection Rate	1999 Tax Collection Rate
Buena Vista Township	91.1%	91.47%
Hamilton Township	98.24%	97.76%
Mullica Township	93.29%	91.9%

Tax Sale/Liens/Foreclosure/Delinquency

Tax sales for "nonpayment of taxes" are held annually usually in May. The tax sale is a non-accelerated tax sale. In the year 1999, approximately 85 items were advertised for tax sale with all 85 items ultimately having a lien placed against them. The sale resulted in 37 municipally held liens and 48 liens held by outside parties.

Year	Liens	Delinquent Taxes	Total Delinquency	% of Tax Levy	# Liens
1999	\$85,902.39	\$414,535.56	\$500,437.95	7.62%	595
1998	\$41,648.37	\$375,320.82	\$416,969.19	6.37%	591
1997	\$62,043.24	\$564,844.37	\$626,887.61	9.35%	626
1996	\$156,055.77	\$575,093.66	\$731,149.43	10.91%	529
1995	\$124,532.05	\$521,146.39	\$645,678.44	10.11%	583

Municipal liens should be enforced through the "in rem" foreclosure process. There were no foreclosures for the year 1999.

The tax collector has a foreclosure list, however final action is not being taken. This results in a large inventory of municipal liens and is partly responsible for a higher rate of delinquency. It is important to keep in mind that any property that has a municipal lien placed against it at tax sale is stayed from any other collections until such time as the lien and all subsequent municipal charges are paid in full. The only other way collections may resume is if the lien is assigned to a third party, or is foreclosed by the municipality and subsequently sold to another individual.

The prompt enforcement of delinquencies through the tax sale process and municipal liens through the foreclosure process will ultimately result in the township not having to increase its budget line item "Reserve for Uncollected Taxes." A municipality must, according to state statute, pay 100% of the billed taxes to the schools and county regardless of whether or not those tax monies are collected. Any shortfalls in collections are subsidized in the following year's budget and are reflected in the local purpose tax (municipal rate) spreading the tax burden unevenly and charging those taxpayers that do pay their taxes in a timely manner.

LGBR held discussions with the clerk and solicitor regarding their role in this process. Both of these individuals indicate that foreclosures could be processed on a more timely basis if the governing body would commit more funds to the process. Title companies may be reluctant to commit large resources to searches when the housing industry is booming. Therefore, the team believes that monies budgeted for foreclosures should be increased to reduce county tax items and increase revenues. The solicitor cannot move forward on these issues until all title searches have been completed. Mullica Township requests must be given the priority status to move this process forward.

Recommendation:

We recommend that the tax collection staff enforce the municipal liens in a more timely manner through the "in rem" foreclosure process. We also recommend that sufficient funds be set aside to entice title companies to complete their work on a timely basis or additional title companies be sought out to complete the work at least on an annual basis.

It is also suggested a tax sale be held within the first few weeks that follow the close of the fiscal year (January or Mid-February) rather than in May. This could provide a significant revenue enhancement while avoiding the pitfall of the big revenue that is captured one time only in the accelerated tax sale process. A tax sale that is held very early in the new fiscal year could raise the collection rate by one to two percent. For Mullica Township a one percent increase in the collection rate would mean an additional \$65,676 in current year tax revenue. And if the rate is brought to the 95% state standard it would generate \$157,623 in additional revenues.

Revenue Enhancement: \$65,676 - \$157,623

TAX ASSESSOR

Mullica Township has had a relatively stable growth rate over the last three years. From 1998 to 1999 the ratable base increased \$2,467,000 and from 1999 to 2000 it increased \$2,622,400. The

2001 ratable base reflects a \$2,767,100 increase over the previous year. This represents an average growth rate of approximately 10% per year over the last several years. The township is located within the area known as the Pinelands. The Pinelands is a natural land reserve covering 53 towns in seven counties in southern and central New Jersey. The Pineland regulations restrict development in the township. The following chart indicates a breakdown of the municipality by property classification for the last three years.

PROPERTY CLASS	2001	2000	1999
Vacant Land	2,350	2,419	2,457
Residential	2,028	2,015	1,998
3A & 3B Farm	162	158	145
Commercial	100	104	105
Total	4,640	4,696	4,705

Total Assessed Valuation:		
2001	2000	1999
\$262,503,200	\$259,736,100	\$257,113,700

The township has over \$260 million in assessed valuation. Since the last revaluation in 1994 for the 1995 tax year, the ratio of assessed valuation to selling price has been decreasing approximately 1% per year.

Mullica Township has maintained a steady tax rate over the last several years. The following chart represents the general tax rate per \$100 of assessed valuation for the last three years.

General Tax Rate:		
2000	1999	1998
\$2.530	\$2.532	\$2.521

Approximately 25% of taxes are to support local services, while 54% of taxes are for school expenditures. The increase in the ratable base helps to attribute to a steady rate since it offsets the necessary increase in annual expenditures.

Revaluation Of Assessed Values

There are several factors to analyze in order to determine if the township should contemplate an update of the assessed values and the procedures used to meet the desired objective. These would include a review of the: 1) equalization ratio, 2) coefficients of deviation, 3) quality of property record cards, and 4) quality of office technology. The reason to perform an update of assessed values is to distribute the tax burden equitably within the district by assessing each property at the current market value.

Equalization Ratio

The current rate of 94.77% indicates that properties are selling for more than their assessed value. Although this difference is not great, by updating the assessments to 100% of market

value, the impact on the taxpayer is reduced. Prospectively, it is more cost effective to revalue on an annual basis and not allow the ratio to fall to a level that would warrant a complete revaluation.

Coefficients of Deviation

This is a method of analyzing statistically a group of assessment/sales ratios. A higher coefficient of deviation indicates a poorer degree of uniformity of assessments and a likely need for revaluation. A lower coefficient of deviation indicates a better degree of assessment uniformity in the taxing district. For the purposes of this report both the general coefficient and the coefficient stratified by class will be examined. The general coefficient is a measure of variation in assessment/sales ratio for all properties sampled without regard to property class, property size, or other property characteristics.

General Coefficient:			
2000	1999	1998	1997
17.82	11.74	11.60	10.90

IAAO standards on ratio studies indicate that the acceptable range is 10 – 20%, but that less than 15% is better. Residential properties should be 15% or less and 10% or less in areas of newer and fairly similar residences. Commercial properties should be 15% or less in larger urban areas and 20% or less generally. All other strata should be 20% or less.

Coefficients Stratified by Class:			
	Class 1	Class 2	Class 4
1997	3.45	9.88	-----
1998	11.55	11.51	-----
1999	6.63	12.22	-----
2000	20.25	16.68	-----

Examinations of the coefficients by class indicate that closer attention should be paid to the vacant (class 1) properties as that class has a coefficient significantly higher than the rest.

Property Record Cards

Since the last reassessment performed in 1994 for the 1995 tax year, the property record cards have been kept up to date with any changes made to the ownership or the physical characteristics.

Office Technology

The office is completely computerized using a well-known assessment program.

Office Staff and Operation

The current tax assessor has served in this capacity since December, 1992. He has not yet attained tenure in his position. He comes to Mullica Township with a great deal of experience in the assessment field. Previous to his current position as full-time assessor in neighboring Hamilton Township, he was employed in the revaluation business. He serves Mullica Township in a part-time capacity. Based on IAAO standards, the assessor’s office could use another part-

time employee to assist in performing the necessary assessment functions in a 4,700 line item municipality. He should be commended for his ability to perform his job without benefit of additional office staff.

The overall operation of the assessor’s office is very professional. The assessor enjoys a very good working relationship with the other municipal offices and officials.

Pilot Program

The township currently has no agreements to pay a fee in lieu of paying taxes based on the assessed value of property.

Exempt Properties

The list of exempt properties was reviewed and supporting documents verified to determine if the statutes regulating this special treatment for exclusion of paying taxes was being instituted by the assessor. The exempt list information was up-to-date and all information was available in an organized filing system.

Further examination from the exempt property list revealed that there are over 280 properties that are either in tax lien foreclosure or in “in rem” foreclosure. Upon discussing this situation with the assessor, he admitted that this was a rather large number of properties and he has periodically submitted lists of properties to be included in tax sales. Local officials should make an effort to sell off some of these exempt properties and return them to the tax rolls. (This issue is addressed in both the tax collection section and under buildings and grounds.)

Tax Appeals

The township has had a minimal number of tax appeals over the past several years. Most recently during the 2000 tax year, there was only one property appealed. The assessor has taken a pro-active approach to attempt to settle these appeals in a cost efficient manner.

Added Assessments/Building Permits

The tax assessor has a very good system in place to track building permits issued and to inspect the properties that would warrant a change in assessed value. The following chart indicates the value of added assessments in Mullica Township over the last several years.

Tax Year	Full Assessed Valuation	Prorated Value	General Tax Rate per \$100	Net Taxes	Amount Due District
1998	\$2,982,700	\$2,053,793	\$2.521	\$51,776	\$40,706
1999	\$2,918,500	\$2,119,758	\$2.532	\$53,672	\$42,034
2000	\$3,803,600	\$3,093,801	\$2.530	\$78,273	\$61,721

The taxes from added assessments are not forwarded to the school districts. An analysis of the added assessments was done to determine if there is a backlog of building permits that would result in a loss of revenue to the municipality. Based on this analysis, the assessor has done a commendable job in adding these values to the township’s ratable base. Those improvements that were not picked up during the year were added the following year as an omitted assessment.

Budgeting

The assessor's office had an approved 2000 budget of \$29,546. This amount is allocated with \$19,860 (69%) in salary and wages and \$8,686 (31%) in other expenses. The percentage allocation between salaries and expenses are within the acceptable range based on IAAO standards. Another benchmark to determine if the budget is appropriate is based on the size of the municipality in comparison to other line items. The national average of cost/line item is \$10 - \$12. Based upon the 2000 budget, the assessor's office is operating in a fiscally responsible manner.

Recommendation:

LGBR applauds the efforts of the part-time assessor in keeping Mullica assessed values within percentage points of real market values. The assessor has done a good job reviewing building permits, and tying them to assessed values.

POLICE DEPARTMENT

The Mullica Township Police Department was established in February, 1954, by ordinance. The ordinance provides for a police chief and/or a police director. At the time of our review, the township had employed the same police chief for approximately 24 years. The township did not appoint a police director. The ordinance establishing the department was rewritten and amended in July of 1997. The chief did not provide LGBR with a mission statement or goals. It should be mentioned that the chief was on leave during much of our review, and some of the interviews were conducted with the captain. The budget for the police department in Mullica accounted for 18% of the total township budget, or approximately \$709,623 in 1999. The department had a total of 14 sworn officers including the chief, a captain, lieutenant, three sergeants, two corporals, and six police officers. It was responsible for an area of approximately 56 square miles.

Recommendation:

Establish and maintain a mission statement and/or goals for the department.

Recruitment

The department is not subject to civil service rules and regulations. Since the community is not subject to those rules, a preliminary application is provided after advertisement in the local press. Following an initial application, the township establishes a panel of police to interview the prospective candidate. Following this interview, a more thorough package is given to the applicant to prepare followed by at least two more interviews. At this stage, the candidate may be offered a position. Subsequently, the applicant is given a psychological test followed by a medical examination.

According to interviews with the chief and captain, the turnover rate in Mullica Township is very low with potential vacancies occurring only over four years or more. At times, injuries or extended illnesses have caused some minimal hiring. LGBR found that the township has

attempted to use “Cops Universal” grants to fund some positions. However, the township committee has been reluctant to fill these positions due to potential budget impact. Presently, the township has only three police officers living outside the boundaries of Mullica Township. Twelve of the 14 officers are white males, while one is black and one is Hispanic.

Exact data identifying racial percentages in the community are found in the personnel section of this report. The police department needs to make adjustments and take positive aggressive action to address minority hiring inside the police department to avoid potential consent action in the future. The team found that the department did some positive recruitment in the local high school, but little effort was made to address these issues at Stockton, Atlantic/Cape Community College, or Rowan University. LGBR believes it is advantageous for the department to reflect community racial ratios in race matters to illustrate the strength and diversity of its own workforce. It will take some time for Mullica to achieve ethnic and racial parity due to low turnover and the size of the department

Recommendation:

Via the township’s affirmative action plan, steps should be taken to bring the current police force into parity with current racial percentages within the community.

In addition, the department needs to take positive steps to recruit at local college campuses to get the best candidates available.

Diversity includes female participation within the department. It is important to note that police officers have an obligation to their citizens to address issues related to female detention as well as a female complainant. It is the obligation of the department to seek out qualified female candidates to meet the needs of all its citizens and give equal opportunity to those candidates who meet rigorous police standards.

The township should consider testing at the entry level to avoid the perception of political interference. They should also review educational considerations since all departments must now attempt to bring professional standards to all law enforcement activities as police enter more complex situations and issues.

Promotions

Mullica Township does not test for promotional opportunities. Advancement is related to merit and performance as observed by superior officers. At the time of the review, there were no formal evaluations in place to demonstrate performance or their possible standards. As a result, LGBR believed that this area became very subjective and possibly subject to challenge. LGBR believes that Mullica Township should investigate objective tools to evaluate performance and reduce subjectivity. Both the League of Municipalities and the Chief’s Association could help in this area.

Recommendation:

An annual evaluation system using tools already developed should be established. These tools could be achieved through various law enforcement agencies or the State of New Jersey.

Research and develop testing tools for both hiring needs and promotional opportunities to avoid the perception of subjectivity and cronyism.

Operations

At the time of our review the department was staffed with the following personnel⁵:

- Chief of Police;
- Captain (Administrative/Executive Officer);
- Lieutenant (In Charge of Detectives);
- Sergeant (Assigned to Detective Bureau);
- Sergeants – 2 – Shift Supervisors;
- Corporals – 2 – Shift Supervisors; and
- Police Officer – 6.

The chief indicates that the captain, lieutenant, and detective sergeant are assigned to police headquarters, but are also available for street coverage. In practice, the chief indicated that the lieutenant and sergeant are in the field at least 50% of their time. The captain addresses all administrative concerns and fills in for the chief in his absence. Recently, the captain has filled in for the chief due to extended illness.

Shift assignments are supervised by four officers, two sergeants, and two corporals. It would appear these functions are very similar and are differentiated mostly by seniority and experience. The current difference in title permits the township to avoid some costs for more sergeants although duties seem very similar. The sergeants and corporals are required to be present on all zone patrols. This ratio of officers to patrol can sometimes result in one officer being supervised by one sergeant or corporal especially during the overnight shift. Eight of the 14 officers assigned to the Mullica Township force hold ranking positions. LGBR believes this ratio is top-heavy.

Tours of duty are currently: 8:00 a.m. to 4:00 p.m., 4:00 p.m. to 12:00 midnight, and 12:00 midnight to 8:00 a.m. Overlaps are built into the system during the evening shift 8:00 p.m. to 4:00 a.m. to build additional coverage when needed. Officers report 15 minutes before each shift but are not paid for this time span. Officers work 2,067 hours annually at this rate. A beat analysis⁶ was performed based on current police coverage, hours, supervisors, and police officers as structured by the Division of Criminal Justice. An analysis of this formula reveals the department is currently understaffed by four police officers assuming all sergeants and corporals currently are available for “calls for service”. This under staffing is painfully obvious on night shifts where a power shift has been added and ranking officers have been asked to cover for

⁵ See appendix D

⁶ See appendix E

vacations and sick time. Sick time alone should be controlled by supervisors. It would appear that the time period reviewed might be somewhat above average due to the lengthy and unexpected illness of one of its members. However, the beat analysis underscores the need for the township to review police coverage, potential long-term solutions, grants, and finally the possibility of sharing services with another community. Real costs associated with the beat analysis could add possibly as much as \$150,000 to police budget estimates.

Based on comparisons with other small departments, it is conceivable that the position of Lieutenant could be reduced or entirely eliminated. The sergeant first-class would supervise the detective bureau with the possible addition of one police officer assigned to the detective bureau. In adjusting the organization⁷ in this fashion, the lieutenant position would be reformulated at the police officer level resulting in no terminations but adding one more officer to field coverage based on the number of cases assigned to the detectives. This change also reduces the number of police officers needed at the field level to three rather than four. Real savings would be reflected in the position value difference between the lieutenant and police officer which is currently \$6,000.

Traffic

Coverage of Route 30 is an on-going concern. The chief has been successful in obtaining additional New Jersey trooper coverage on Route 30, but accidents continue to plague the township. Indeed during the team's stay, there was a fatality on Route 30. LGBR is aware of traffic grants obtained for the township and pedestrian grants to add safety features, but the township is pressed to provide coverage of Route 30 and coverage in the 56 square miles at the same time. LGBR supports the effort of the chief to provide additional trooper coverage of Route 30. According to a study done by our team in the courts, revenues collected for summons were reduced significantly in 2000 by as much as \$33,000. LGBR would support efforts of the Mullica Township police to strictly enforce traffic speeds along Route 30 to the extent possible with the current force. The team believes strict enforcement could reduce fatalities and pedestrian problems.

Recommendation:

Attempt to increase trooper coverage on Route 30.

There should be increase enforcement of speed restrictions on Route 30 based on previous history in the township.

Internal Affairs

The lieutenant was also responsible for investigation of internal complaints in the police department. The recommendation previously discussed would remove the position of lieutenant. Actual complaints appear to be small in number from information directed to us by the captain. As a result, LGBR believes that this portion of the lieutenant's job be incorporated into that of the captain. Although administrative functions currently comprise much of the captain's position, this added function should not negatively affect the role of the captain.

⁷ See appendix F

Recommendation:

Permit the captain to absorb the duties of the internal affairs officer.

Eliminate the position of lieutenant in charge of detectives. Place the sergeant in charge of the detective bureau reducing the lieutenant's position to that of a police officer. Permit the officer to be assigned to the detective bureau if cases warrant that action; otherwise return the police officer to field assignments.

Cost Savings: \$6,000

LGBR is aware of staffing shortages in the police department. We do not advocate the hiring of additional officers; rather we suggest the township carefully review the conceptual idea of sharing police services and additional state trooper coverage for Route 30. Potential costs for additional officers could place expenditures at \$150,000 or more. Since LGBR has suggested eliminating one rank position and placing it at the patrol level, the proposed reorganization would leave the department short three officers and reduce potential cost liabilities to \$110,000.

Actual shift assignments or tours are:

8:00 a.m. to 4:00 p.m.

4:00 p.m. to 12 midnight

12 midnight to 8:00 a.m.

At the time of our review, a power shift was added to the evening coverage and one officer was being added to serve on an experimental shift of 4:00 a.m. to 12 noon. The size of the force in Mullica Township does not permit strict scheduling of personnel to exact shift assignments due to vacations, sick leave, and possible suspensions, but the chief indicated that it was his intention to have at least two cars available during all shifts. Based on these assignments, the department expects all officers to work a minimum of 2,067 hours annually. The chief indicates that all officers are requested to muster at least 15 minutes prior to shift assignments to review issues and matters of significance from the previous shift. This 15-minute segment is not compensated.

The township provides two laptops for report writing. Mullica should investigate grant money to complete the assignment of laptops. There are no computers based in patrol cars. The chief indicates that all officers are required to complete reports of a serious nature immediately to avoid lengthy reviews at the end of the shift. Typical costs for five new laptops would be approximately \$5,000.

Recommendation:

Purchase five additional laptop computers for the purpose of report writing through a police grant at an approximately cost of \$5,000.

One-time Value Added Expense: \$5,000

Mullica Township police are required to cover over 56 square miles of ownership property, portions of the Mullica River, and two lakes. Approximately 13 miles of Route 30 run directly

through Mullica Township from Hammonton to Egg Harbor City on the east side of the township. The town is contiguous to Hamilton Township and Washington Township in Burlington County. The entire township is approximately half the size of Hamilton Township, its neighbor to the south where some 70 police officers enforce the laws. Assuming the town of Hamilton to be appropriately staffed, one might expect some 20 - 25 officers in Mullica Township. However, there are two major issues which differentiate these sprawling communities. Mullica Township is comprised of some 5,896 citizens, while Hamilton easily exceeds 20,000. In addition, the Uniform Crime Rate in Mullica Township is much less than that of the more expansive Township of Hamilton. These two factors suggest the size of the Mullica force may be insufficient but not to the extent one might expect.

1999 Uniform Crime Statistics

Municipality	Crime Rate per 1,000	Violent Crime Rate per 1,000	Non-Violent Crime Rate per 1,000	1998 Est. Population	Area in Sq. Miles	Character
Mullica Township	31.7	2.7	29.0	6,214	56.5	Rural
Egg Harbor City	29.5	2.4	27.1	4,502	10.89	Rural Center
Hammonton	20.2	2.2	18.0	12,447	41.8	Rural Center
Atlantic County	68.1	5.7	62.4	238,047	566.97	
State of New Jersey	34.2					

Mullica receives mutual assistance from both Hammonton and Egg Harbor City if there are incidences requiring enhanced coverage. According to discussions with the chief, accidents and fatalities are issues in Mullica which require much of the police department's attention. Route 30 is a four-lane highway with no barriers on the west side. Approximately six miles into the community, a grass barrier separates the highway, and the speed is increased to 55 miles per hour. It is close enough to Atlantic City to be a main corridor en-route to the casinos. In addition, the township has 11 liquor licenses and taverns on Route 30 that are permitted to be open 24 hours a day. LGBR found that earlier closures in Franklin Township significantly reduced traffic accidents. These characteristics often require two patrol cars and possibly additional officers to be on the scene for reconstruction of the traffic accident. These factors lead to conclusions requiring increased coverage with little ability to meet these expanded demands. As a result, LGBR will present an option later in this section addressing issues of consolidation.

Size and expanse have resulted in a decision to experiment with a Lexington Plan in Mullica Township. This plan enables officers who live within the township to bring their patrol cars to their homes. This plan allows officers to maintain the vehicle as if it belonged to them and place a patrol car presence in the community at all times. LGBR supports this concept but also believes that it could cost taxpayers real dollars to retain this concept since all cars cannot be available for patrol at all times. Since Mullica is now leasing patrol cars, it is obvious, the

township is already faced with a money crunch and cannot purchase vehicles directly to save additional finance cost. The team feels that the township needs to establish a schedule of vehicle costs in their annual budget to address the need to buy vehicles from time to time. Actual dollars distributed to this fund could help to offset dramatic increases when purchases become absolutely necessary. At the time of our review, police cars were not placed under a maximum mileage amount for front line usage. As a result, some cars were approaching 150,000 miles of service. LGBR believes that many communities establish a mileage figure of approximately 100,000 before replacement vehicles are purchased. Safety is an issue we believe Mullica must address.

Recommendation:

Consider establishing a closing time for taverns in the community to reduce the need for extra police coverage. Studies undertaken by LGBR in Franklin Township showed a dramatic decrease in DUI offenses after bar closing hours were adjusted.

Establish a schedule for vehicle replacement based on miles. Budget sufficient funds periodically to reduce the need to purchase many vehicles at one time. As an example, plan to purchase two cars every three years by setting a side \$30,000 annually to equip and purchase police vehicles as safety considerations become important factors affecting police response and morale.

Value Added Expense: \$30,000

Finally, LGBR should bring attention to the 7,000 calls-for-service, which are now tracked internally by the Mullica Township Police Department. According to informal records kept by the township, most of these calls address in descending order:

- Accidents;
- Burglaries; and
- Domestic Violence.

Disorderly conduct issues are also a problem although certain factors can affect such activity. Various farms within the township house approximately 3,000 plus migrant workers during the growing season. Many of these workers live in closed conditions without transportation affecting their ability to socialize normally often leading to confrontational issues sometimes internally and sometimes with the farmer or his immediate employees.

The primary quality of life issue as discussed with the chief and other officers appears to be drug related. Mullica Township is not a center for drug activity but certain factors do cause the township some concern in this area; they are:

- The rural nature of the community and its general inaccessibility to the public;
- A relatively small police department;
- Accessible traffic via the river and its access to the ocean; and
- A transient summer population.

These issues have led the department to obtain a canine police presence in the community. At the time of the review, there were two trained canine officers in the department with two dogs. Contributions to the township were covering the cost of the dog's care at the time of the review. LGBR also learned that there are some senior boarding homes in the community along with dense forest areas close to the river. The canine unit has been successful in locating some members of the community after being reported missing. The team would not normally recommend the creation of a police dog unit in such a small population area, but the geographic nature of the town suggest it could be applicable in this area.

Recommendation:

LGBR suggests the township restrict its police department to one active canine officer and one dog. Operationally, LGBR believes this cost could be reduced to \$3,000 rather than \$6,000 for two officers. (LGBR understands that the police department may have made this change in the current fiscal year although the years we reviewed indicated two officers were being reimbursed for this service).

Cost Savings: \$3,000

Computer Aided Dispatch

All dispatch and 911 calls are routinely handled through a joint arrangement with Egg Harbor City. The communications center, identified as the Mid-Atlantic Communications Center, has a joint board to determine operations and policy. LGBR applauds this shared service with Egg Harbor City in the face of shrinking funds in each community. It is staffed by a civilian supervisor and housed in the same building with the Egg Harbor City Police. Only recently did Mullica Township go on-line with the system to share needed information and statistics.

Atlantic County has studied a regional dispatch center (with and without Atlantic City) to be located either in Hamilton Township or at the Canale Center in Egg Harbor Township. LGBR supports this concept and believes that all communities in Atlantic County need to contact the Freeholders to express their desire to join such a system. Some communities such as Egg Harbor Township have invested large sums of taxpayer dollars to upgrade their system to digital 800 MHZ systems. However, we believe many of the smaller communities in Atlantic County will not be able to meet these types of expenditures.

LGBR emphasizes the need for Mullica to lead the Atlantic County communities in upgrading their CAD across community borders.

Recommendation:

LGBR believes the current efforts to share dispatch services with Egg Harbor City should be applauded.

LGBR suggests that Mullica Township research REAP and REDI grants to determine the best approach to a countywide dispatch system.

Rules and Regulations

Two to three years ago Mullica Township upgraded all their internal rules and regulations using examples presented by the Division of Criminal Justice and other departments and agencies throughout New Jersey. As a result, all current regulations have been reviewed and are in compliance with legislative mandates and internal controls.

Court Appearances

Mullica Township has appointed a court liaison officer to appear in cases before the municipal judge to alleviate court-mandated overtime. This has been highly successful in Mullica Township, and we applaud the township for reducing costs in these areas.

Compensatory Time

LGBR will discuss this issue in the contractual segment of this report. However, LGBR should make it clear that the township faces potential extreme liability if comp time continues to rise as an answer to poor staffing. LGBR believes steps should be taken internally and periodically to reduce the township's potential liability in future budget years. It would appear that attendance has been relatively good over the past few years, yet comp times continue to rise. Mullica must address these concerns.

Recommendation:

Establish standards for comp time and mandate its usage be controlled by a managerial decision. Flexibility in this case may obligate the community to potential "budget busting" expenditures in the long term.

Conceptual Shared Service Approach

During the review in Mullica Township, LGBR became aware of issues surrounding the growth and potential costs associated with the police department. As mentioned in previous sections of this review, costs associated with public safety will continue to escalate. Ratable growth in Mullica Township will be problematic and tax increases will be a matter of discussion in committee meetings. LGBR believes that efforts should be undertaken to research the consolidation of the police department in Mullica Township with the department in Egg Harbor City. The two towns already share dispatch services.

Mullica Township is responsible for 56 square miles of continuous land coverage and 13 miles of Route 30. Egg Harbor City is responsible for approximately 10 square miles and some sections of Route 30. Egg Harbor City shares the easterly border with Mullica Township. Mullica Township employs 14 police officers and; Egg Harbor City currently has 13 officers and a director of police and a police chief.

According to information received from the Mullica Township Department, the township is faced with patrol shortages during the midnight shift which is complicated by coverage required on Route 30. Additionally, coverage within the 56 miles becomes difficult to achieve during the summer months with more transient residents. Egg Harbor City does not have the same geographical concerns as Mullica Township, but it does address areas of increased activity due to density issues not prevalent in Mullica Township.

Based on interviews and information obtained by LGBR, it appears both jurisdictions could greatly benefit from a consolidated department. The potential of 27 officers responding to citizen complaints over a 66 square mile area gives twice the coverage now given with the addition of only 10 square miles. Currently, the State of New Jersey makes grants available to communities to study and implement shared services through REAP and REDI legislation designed to encourage municipalities to bring these types of services to fruition. Approximately \$25,000 could be made available from each grant to offset town studies and initial implementation costs.

Combined departments present opportunities as well as some initial start-up problems. Among the problematic areas are:

- Potential leadership issues---Public Safety Director vs. Police Chief.
- Contractual obligations underwritten separately by each community.
- Ranking positions and overall police structure.
- Building needs, communications, vehicles, and procedural matters.
- Egg Harbor City is a civil service community and Mullica Township is not.
- Employment opportunities in both communities.
- Familiarization with the community and potential criminal activity.
- Home rule and coverage concerns.

These issues which are addressed as problems should be offset with positive comments to reflect the position of LGBR and encourage shared services. They are:

- Additional police coverage;
- Shared costs among a wider group of taxpayers;
- Some reduced capital expenditures;
- A more diverse group to provide additional expertise; and
- Better response times.

LGBR understands the concerns of the communities and the concept of “Home Rule.” We also share concerns regarding the loss of jobs and potential favorable treatment perceived by some communities. However, LGBR strongly suggests that both communities invest in the study portion of the available grants.

In so doing, LGBR believes that Mullica Township could reduce the following costs:

- One chief or director for a potential savings of \$92,000 in total position value.
- Ranking of police officers in both communities would need to be reviewed; little additional rank at the upper levels would be required.
- Approximately 25 cars could be purchased jointly rather than through one community.
- A review of all police positions should be reviewed following one year of enforcement activity under current rank structure.

LGBR would suggest the following organizational structure in a joint force: see Appendix G.

Operationally, LGBR believes that the station in Mullica Township could remain as the headquarters for a combined force with a substation and communications center located in Egg Harbor City. Egg Harbor City would remain a substation with a captain in charge at all times. The organizational chart indicates that a sergeant would be in charge of all squads with direct accountability to either the lieutenant or captain depending on assignment for that period. The police department could be operated through a joint meeting with a board designed to oversee all operations with representatives from both communities designed to oversee police operations and insure total community coverage.

The detective bureau would be assigned to a sergeant with two officers available to insure all cases are reviewed and assigned. By accomplishing these goals, a comprehensive clearance policy could be established. This would reduce case management concerns and add a professional detective effort while field officers are assigned to street patrol or possibly some community policing which is not possible now. Under the combined effort, there would be better coverage of Route 30 and additional coverage throughout both communities.

Recommendation:

Assemble a committee from Egg Harbor City and Mullica Township to investigate a combined police force. Develop a proposal through REDI (Regional Efficiency Development Incentive Program) grants to assess the need for a combined force using \$25,000 to begin the initial study. Attempt to study Uniform Crime Statistics to get a real picture of crime in both communities rather than a perception. Undertake as part of the initial study a review of statutes to determine civil service implications. Although certain regulations within title N.J.S.A. 11A:1 et. seq. seem to indicate a consolidation with a civil service community may lead to civil service status, a legal review of all options should be undertaken.

Cost Savings: \$92,000

Financial

The Mullica Township police budget is approximately \$700,000. At the time of our review, the police department had grants totaling \$149,804. The sergeant and corporal had written and applied for most of the grants in Mullica Township. They totaled:

Grant Money/Mullica Township Police		
Grant Name	\$ Amount 1999	\$ Amount 1998
Drunk Driving Enforcement Grant	\$656	\$1,067
Municipal Alliance	\$7,189	\$7,431
Safe & Secure Community	\$30,748	\$30,748
Cops Universal	\$25,000	\$0
More Cops	\$32,820	\$0
Body Armor	\$1,392	\$0
DOT Pedestrian Safety	\$50,000	\$4,410
Totals	\$147,805	\$43,656

LGBR applauds the department for increasing the amount of grants written for the police department. A review of the previous table illustrates an increase of nearly \$100,000 over the last year. The township committee has elected to defer the use of the grant to hire additional officers since all grant positions return to the municipal budget after at least three years. The committee is reluctant to address public safety budget matters if indeed they will ultimately affect the township budget.

Recommendation:

Carefully review all direct grant monies affecting personnel to study impact on the municipal budget. At present, there are no police officers employed working under grant money.

Mullica Township should be recognized for their efforts to obtain police grants. Positive comments should also be mentioned regarding those grants which address pedestrian safety and traffic.

Dispatch

The central dispatch budget indicates that Mullica Township invests \$123,381 for dispatch services rendered in Egg Harbor City.

LGBR congratulates the two communities for sharing dispatch services.

COURT

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

The court receives and processes complaints from the local police department as well as the following New Jersey law enforcement agencies: State Police, Marine Police, Division of Fish, Game and Wildlife, New Jersey Transit Police, Atlantic County Sheriff's Office, Local Zoning and Code Enforcement, Animal Control and State Consumer Affairs, Weight and Measures.

Case Volume

The number of cases brought before the court reflects its rural setting and lack of a major thoroughfare through a portion of the township. There is one older road that transits the township, U.S. Route 30, a four-lane highway, which is a main artery from the western part of the state and Philadelphia to Atlantic City and the southern New Jersey shore.

During the year 2000, the court received 1,172 traffic cases while disposing of 1,173. There were 185 criminal cases brought before the court in this same period. This is a significant decrease in complaints from previous years as indicated in the chart below.

YEAR	Traffic	Criminal	Revenue
1996	1,725	382	\$83,685
1997	3,364	438	\$134,739
1998	2,357	306	\$108,108
1999	2,361	300	\$112,586
2000	1,172	185	\$79,518

As the chart indicates there was a 50% drop in the number of traffic complaints from 1999 to 2000 and a significant drop in the criminal complaints which is reflected in the revenue to the township down by \$33,068 to \$79,518. When the combined salaries of the court staff, including the prosecutor and the public defender, and operating expenses were considered, this amount did not cover the expense to operate the court.

All police generated criminal complaints are entered in the ACS system by the police department through a terminal that is on-line with the AOC system. The team was advised that the department had been having some problems with their terminal and printer that have as yet to be resolved. The court administrator encouraged the acquisition of the equipment, and this has proven to be a time saver for the employees in the court.

Recommendation:

The team commends the court staff and the township for providing this capability to the police department thereby saving the time both regular and overtime for the court staff.

Facilities

The court facilities are contained in a small building located along Route 30 that also houses all other township offices. The size of the building limits space. Other functional offices are contiguous to the courtroom sometimes interrupting court procedures.

Court sessions are held twice a month, the first and third Tuesday at 9 a.m.

The courtroom has a capacity of approximately 70-75 people not including the staff, the prosecutor, and public defender. The judge’s bench is raised and shielded with an alarm to the police department as required by the AOC. The police department provides courtroom security. The team noted extremely poor lighting in the courtroom. On non-court days the team used the room as a work area and noted that even on a bright day with natural light entering through the windows, lighting was poor.

Recommendation:

The lighting in the courtroom should be up-graded to provide adequate lighting in order to conduct the business of the court and any other public meetings.

The court office and violations bureaus are combined in one room that measures approximately 10' x 14' which is located across a public hallway from the courtroom. This requires the judge and court staff to pass through a public area when going to and from the courtroom. The court office, with limited space, is crowded even with the staff of two.

Recommendation:

Any future expansion of the municipal building should include increased office space for the violations bureau and secure access to the courtroom for the court staff.

Staffing

The Mullica Township court staff consists of one judge, one court administrator, and one assistant court administrator.

The court administrator has held this position for fourteen years and had been the assistant court administrator prior to assuming her present post. The court administrator salary is \$27,817 per year and the assistant court administrator salary is \$19,703. Both receive overtime payment in money or hours for "call backs" to assist police with warrants or complaints. Payment is in accord with a contract with Local #29-PBA.

The judge is appointed by a resolution of the township committee for a term of three years. The position of municipal judge is a professional position for which qualifications are established by state statute. The judge is salaried and received \$12,000 per year in 1999.

The team commends the township for maintaining the salary levels of the professional court officers at a constant level especially in view of the small number of the cases handled and the limited number of court sessions per year.

Financial

Over the past six years, the court has generated an increasing amount of revenue retained by the township. From \$79,606 in 1994 peaking in 1997 at \$134,799 and \$112,586 in 1999. However, as indicated in the previous chart there has been a significant decrease in revenue from 1999 to 2000.

The court administrator reconciles the regular account on a monthly basis and the assistant court administrator reconciles the bail account. Both accounts are in order and reconciled up to date.

Time Payments

Time payments are an accommodation made to defendants who cannot pay their fines in full at the time they are imposed by the court. Time payments were considered valid and legal as a result of the DeBonis decision (State vs. DeBonis [58 NJ182]). The intent of the DeBonis decision was to grant defendants a period of time to obtain money and pay that fine according to a court approved schedule. The intent however, was not to burden the court with long drawn out payment schedules and delinquent accounts.

A defendant must apply to the court for consideration to be put on a time payment plan by filling out an Affidavit of Income and Expense (Form 5A). After review and approval by the judge a reasonable payment plan is established and the defendant agrees that he/she will make every effort to make payments as required. The agreed upon payment schedule is drawn up as an order and entered in the ATS/ACS system. If payments should fall into arrears, the system generates a series of notices advising of delinquency. The court will issue warrants as required and may eventually suspend driving privileges of the defendant for traffic offenses.

A review of the Time Payment Summary Report as of February 4, 2001 shows that the Mullica Township court has a total of 609 open time payment accounts of which 565 or 93% are in delinquent status. The total amount assessed for all time payment accounts, traffic and criminal, is \$419,144, of which \$92,475 or 22% has been collected. The balance of time payments outstanding is \$326,629, of which \$284,047 or 87% is delinquent. While this percentage is not as high as other courts that have been reviewed, it is a significant amount of money that is outstanding of which the township would receive the major portion.

The review team fully understands that there are a number of defendants that are destitute and are unable to pay even the smallest amount towards fines at the time of trial and sentencing. A review of the time payment accounts shows a number of accounts where no payment at all has been made. Fines assessed as low as \$30 with no payment and as high as \$1,100 with a minimum \$5 payment, indicate that there needs to be a stronger policy on the part of the court to require some meaningful payment initially as well as adherence to the court ordered payment schedule.

Recommendation:

The court should institute a policy of requiring a minimum payment on fines when a defendant is granted a time payment plan.

The court should institute a policy setting a minimum amount for fines assessed that will be considered for a payment plan.

Time Payments Collection Efforts

The team notes that the court generates late payment, delinquency notices, and warrants in a timely manner through the ATS/ACS system. Police departments, however, do not routinely serve traffic and petty crime warrants. The only time such a warrant would be served is if the individual is arrested or stopped by the police for some other violation.

There are a number of methods the court could use to enhance the collection rate of time payments, both internal and external. Due to the very minimal staff, internal methods are restricted to enlisting the aid of the police department to become more proactive in serving warrants. External methods that could be accessed are applying to the New Jersey Supreme Court to be permitted to contract with a private collection agency or the Comprehensive Enforcement Program (CEP) administered by the State of New Jersey. The team feels that if 20% of the delinquent outstanding value of time payments (\$56,800) were collected, a conservative estimate of revenue to the township after fees would be \$45,000.

Recommendation:

The township should take a more proactive stance in addressing the delinquent time payments by utilizing one of the suggestions made above and, thereby, reducing the delinquency totals.

Revenue Enhancement: \$45,000

Record Maintenance

The court has been on-line with the ATS since 1994 and the ACS since 1995. These systems provide for accuracy, completeness, archival storage, and retrieval for all court records. Another benefit of the computerized system is that it reduces the amount of paper retained in file drawers.

The ATS/ACS system notwithstanding, state law and court rules require the retention of the hard copy of specific court records for specific periods of time based upon their function and status.

The court staff has kept records in a neat and orderly fashion making them easily accessible. Records are disposed of annually following the proper procedure. Storage of records in the office has not detracted from a professional looking office despite the cramped space. Court records are also stored in a locked cage in the basement of the municipal building. These are kept neat and orderly and are easily retrievable. The court has retained several old traffic docket books, which are disposable.

Recommendation:

The team commends the court staff for its excellence in record maintenance despite the cramped working space in which they carry out the court office duties.

PROSECUTOR AND PUBLIC DEFENDER

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

The township has entered into a contract with a local law firm to provide prosecutorial service for the municipal court at a salary of \$7,150 per year. The prosecutor is responsible for reviewing every matter that comes before the municipal court.

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

The township has entered into a contract with another local law firm to provide public defender service in accordance N.J.S.A. 2B:24-1 et. seq. at a salary of \$ 1,700 per year.

During calendar year 2000, there were 18 requests for the services of the public defender of which three were denied. The law provides for an assessment of up to \$200 for the services of the public defender. The assessment for the public defender in the Mullica Township court is \$100. In the year 2000, 15 defendants were granted the services of the public defender. The township collected \$950, thereby, relieving the township of half of the public defender costs.

After reviewing the salary schedule, the team noted that the salary's paid to the judge, the prosecutor, and public defender have remained constant for the past five years with one exception. In 1999, the public defender was paid \$2,000 but reverted to the \$1,700 figure in the year 2000.

FIRE DEPARTMENT

The Mullica Township Fire Department was first established in 1924 and amended in 1968. The ordinance indicates the department shall be made up of four companies. They shall be known as the Elwood Fire Company #1 with membership not to exceed 60 members, Nesco Fire Company #2 with active members not to exceed 30 members, Weekstown Fire Company #3 with active membership not to exceed 30 members, and Sweetwater Fire Company #4 not to exceed 30 members. The ordinance also indicates there shall be a single chief to report to the governing body. An assistant chief is also created in the ordinance. LGBR discovered individual houses were represented by a chief as well. Township contributions to the firehouses in 1999 revealed contributions to be approximately \$77,500 (or about 2% of the total budget). The same amount was budgeted in 1998 and \$76,000 was contributed in 1997. According to the 1999 capital outlay, the township had not planned for additional vehicles or equipment through capital expenditures or schedules.

Operations

The Mullica Township Fire Departments are situated in four different communities within this 56 square mile township. Most recently the township has formed one budget format for the entire department. This change has split the emergency medical services response team from fire operations. With the exception of the Elwood Fire Company, all other companies have responded to fire suppression as their primary mission. During the review conducted by the team, Elwood also returned to this mission by separating itself from Emergency Services. At the time of our review, emergency medical services was under analysis to determine the best approach for Mullica Township. It will be discussed as a separate issue in this report. All fire companies participate in other types of coverage including a tanker task force, forest fire coverage, and water rescue. Based on observation, it would appear all companies are appropriately located in the township.

According to 1999 records the companies had the following volunteers available:

Company	Nesco	Sweetwater	Elwood	Weekstown
Volunteers	15	18	32	15

Fire response in Mullica Township varies from station to station, but generally the companies report the following response times:

- Weekstown ----15 minutes --- 2-3 volunteers during the day
- Elwood -----20 minutes--- 2-3 volunteers during the day
- Sweetwater -----15 minutes --- 4 volunteers during the day
- Nesco -----15 minutes --- 4 volunteers during the day

The township provided the following data regarding calls for service in the township:

Fire Department Calls 1996 to 1999				
Station	1996	1997	1998	1999
Elwood	97	98	128	61
Elwood Ambulance	492	401	494	0
Nesco	45	56	43	54
Weekstown	31	37	44	48
Sweetwater	39	46	52	46
Totals	704	638	761	209

An analysis reveals the companies to be responding to the following types of activity:

Analysis of 1999 Calls for Service						
Company	Structure	Motor Vehicle Accidents	Brush	False Alarm	Pressure, Bomb, Electrical	Good Intent
Elwood	10	7	9	32	N/A	3
Nesco	12	1	11	21	N/A	9
Weekstown	15	1	5	20	N/A	7
Sweetwater	9	2	4	29	N/A	2
Totals	46	11	29	102	N/A	21

LGBR applauds the fire companies for undertaking National Fire Reporting Incident System (NFRIS) reporting. This computer-generated report will reflect all calls for service as each company becomes more familiar with the data required. Most of the information used in this analysis comes from statistics maintained by all houses. Sweetwater Fire Company will coordinate this effort in the entire fire department. Structure fires, the most serious fires affecting lives and property, were reported to occur at only one per month, on average. Only Weekstown in 1999 reported more than one structure fire per month while Sweetwater and Elwood reported less than one structure fire per month. LGBR understands the necessity of maintaining each house, but it does believe the amount of equipment maintained, insured, and stored in these houses needs to be reassessed based on the statistical data supplied by the companies themselves. In discussions with the administrative chief, it would appear the companies have taken some limited steps to control purchases in all four houses. LGBR believes the community needs to take a long and serious look at the types and number of pieces maintained by the fire companies either under the direction of an administrator or an outside organization not affiliated with the four companies.

The statistics reported above illustrate the following activities on a monthly basis:

- Elwood – 10.6 calls per month
- Nesco – 3.5 calls per month
- Weekstown – 3.6 calls per month
- Sweetwater – 4.5 calls per month
- Elwood Ambulance – 41.1 calls per month

The number of fire calls received in 1998 indicates that activity in the Mullica Township area of 56 square miles is rather limited due to the low number of structures present in the community. In addition, the New Jersey Forest Fire Service is located nearby in Hamilton Township. Based on interviews with the local director, the Forest Fire Service takes charge of all fires in the rural areas not associated with buildings or vehicles. Although the local fire company may respond to these types of fires, command and control is immediately switched to the Forest Fire Service upon their arrival. The township abuts the Mullica River. The navigable sections of the river are protected by the New Jersey Marine Police and the United States Coast Guard. While these agencies do patrol the river from time to time, the local fire departments have made numerous rescues in the river with the aid of Washington Township in Burlington County. Some sections of the river are not suitable for powerboats, will accommodate canoes. This recreational activity in the summer months brings the rescue squads to the river. Therefore, at least one boat is used for water rescue.

NFPA (National Fire Protection Agency) standards suggest that fire companies provide at least one pumper for every 3.5 square miles in the community. Obviously, the community of Mullica Township is greater than 15 square miles, and the need for the four houses is justified. The community at present is 100% served by private wells and septic systems with the exception of a small package plant at the middle school. This unique quality in Mullica Township means all fires are suppressed using tankers and pumpers throughout the 56 square miles. Mullica's tankers are members of a tanker task force sometimes called out by other communities to fight fires in areas without municipal water. This fact is both a challenge and a necessity in so large a rural community. According to information collected by the team, the houses had the following equipment:

Mullica Township Fire & Building Statistics/Equipment

Station	Type of Equipment	Call #	Mileage	Comments/Miscellaneous	Insured Value - Building
160 – Elwood- Butch Sewell – Chief	Mack – 1975	E16-2	32,112	Pumper/Rescue*	\$337,000
	Horton-1988	R16 –1	34,641	Ambulance	
	Spartan-1992	T16-5	8,142	Tanker	
	Horton-1995	R16-2	41,503	Ambulance	
	Pierce-1998	E16-3	5,746	Pumper	
161 – Nesco – Carmen Merlino- Chief	GMC – 1975	E16-11	13,000	Pumper	\$372,900
	Chevy –1988	16-10	125,816	Chief’s Car	
	Spartan-1994	T16-15	6,684	Tanker	
	Pierce-2000	E16-12	2,333	Pumper	
162 – Weekstown – Chief – Bob Cirillo	International- 1973 FMC – 1983	E16-23	9,349	Brush Truck*	\$345,100
	Spartan – 1993	E16-21	14,914	Pumper	
		E16-22	6,550	Pumper	
163 – Sweetwater Gary Franklin – Chief	Pierce – 1974	E16-34	12,681	Brush Truck*	\$293,600
	FMC-1983	E16-32	12,320	Pumper	
	Spartan – 1994	E16-31	4,949	Pumper	
	Pierce - 1998	E16 - 33	2,814	Pumper	

*Privately owned by fire company.

The chief also had a car in company # 160 which was purchased privately as a used car. Also at the time of the review, the companies were planning to replace E16-21 and E16-32, both 1983 pumpers in Weekstown and Sweetwater respectively.

In addition to these findings, the community had also made a change in the emergency vehicle location. The ambulances had been moved to the public works garage after a dispute had arisen regarding their financial contributions. As a result, the Elwood Company no longer houses the Horton Ambulances.

Based on our review of the various houses, tanker capacity, location, housing stock, population, and industrial development, LGBR does not support the effort of the fire companies to replace the two pumpers now being planned. Without their addition, the company would still house six working pumpers and at least 1 reserve piece. To add to the coverage, the township is a member of a larger tanker task force with additional tankers as close as Hamilton Township. In addition, the township has mutual aid agreements with Hammonton to the west and Egg Harbor City to the east. The township is also protected by the suppression activities of New Jersey Forest Fire Service. As a result, LGBR could conclude that an additional pumper from 1983 might also be liquidated for a one-time revenue of approximately \$12,000. LGBR believes that fire department assets should be allocated based on discussion with all four chiefs. The data supplied by the companies indicates some companies respond to as few as three - four calls per month. It would appear a reallocation of assets might be a matter of study for the township and the individual companies.

The companies have provided excellent fire and emergency services over the years. However, the township is asked to support the fire companies through direct aid with little input. LGBR would suggest the township consider a part-time emergency services coordinator to assess community needs, specify purchases, oversee the chief's operational needs, review training opportunities, and provide the township with possible budget estimates. This position should be filled by an individual with emergency services background who can offer the community possibly 10 to 12 hours per week with a stipend of possibly \$10,000. This position can analyze data submitted by the fire companies and make administrative decisions designed to offer the citizens the best practical coverage for its 6,500-citizen base. Should the township decide to acquire a business administrator or a clerk/administrator, this position may not be needed. Or should the municipality decide to contract for EMS services, this position may not be necessary.

Recommendations:

LGBR suggests the township avoid the purchase of two new pumpers for a potential cost avoidance of approximately \$400,000. According to information obtained by LGBR, the fire companies have access to nine pumpers. Three of these pumpers were purchased by the companies themselves, but are insured by the municipality. LGBR believes that all four companies could operate efficiently with five pumpers. Since the companies have purchased three of the older trucks themselves, LGBR will not advocate their sale. However we do believe these pumpers should be maintained and insured by the companies themselves, or they should share the costs with the community.

We do recommend the township consider reallocating fire equipment and consider relinquishing one pumper or selling it to the company for a one-time revenue of approximately \$12,000. (LGBR used one of the 1983 pumpers as an example for this sale; of course a newer truck could result in higher revenue.) By accomplishing this sale, the township still has eight pumpers in four stations. LGBR believes the township should aim at the five previously recommended number of pumpers and retire existing pumpers as they become too expensive to maintain. (Or make arrangements with the companies to retire the pieces under their care and ownership.)

LGBR also advocates the township consider hiring a part-time fire and EMS coordinator should the municipality decide to continue EMS services to the community. This position would be established to act as an impartial observer and coordinator for all emergency services excluding the police department. This individual could do some research work on vehicles, cost out equipment needs, study EMS services, and possibly establish inter-local services agreements to provide additional coverage for the township. LGBR estimates that a stipend of \$10,000 could be established to provide direction to both the township and the companies especially if the township determines not to proceed with an administrator and stay with municipal EMS services.

**Cost Avoidance: \$400,000
Revenue Enhancement: \$12,000
One-time Value Added Expense: \$10,000**

Financial

The township supports the companies annually. It would appear that this contribution is made to the volunteer companies in one sum. Total appropriated revenue for 1999 was \$60,000. Actual expenditures in 1997 was \$59,040. Appropriated revenues for 1998 for emergency services or first aid was \$17,500. For purposes of this review, EMS costs will be discussed in another section of this report. According to information supplied by the volunteer companies, the companies supply 45% of their budget. Exact figures supplied by a fire report generated in November, 1999 indicate the companies were granted the following amounts of aid:

Year	Elwood	Nesco	Weekstown	Sweetwater	Total
1996	\$27,500	\$12,500	\$12,500	\$12,500	\$65,000
1997	\$27,500	\$12,500	\$12,500	\$12,500	\$65,000
1998	\$32,250	\$14,750	\$14,750	\$14,750	\$76,500
Average	\$29,083	\$13,250	\$13,250	\$13,250	\$68,833

Budget allocations supplied by the companies are equal to those identified in the municipal budget and indicate that a percentage of funds was distributed somewhat equally among the stations. Elwood received more money under these arrangements since this company also provided emergency medical services. According to information supplied by the companies themselves, the fire stations operate with additional revenues supplied through various types of fundraisers. A review of 1999 funds reveal the companies supplemented the contributions by the town in following amounts:

Mullica Township Volunteer Fire Company Contributions				
Year	Elwood*	Nesco	Weekstown	Sweetwater
1996	\$37,250	\$6,950	\$5,350	\$6,000
1997	\$27,300	\$8,300	\$2,650	\$8,250
1998	*\$47,350	*\$17,150	*\$11,050	*\$18,850
Totals	\$111,900	\$32,400	\$19,050	\$33,100

Elwood Fire Station received contributions from all stations to support the EMT effort from that house. Additionally, the township informed the team that Elwood contracted with a professional fund-raiser to support both their fire effort and the EMT unit in that firehouse. At the time of our review, the practice of combining fund raising efforts for Elwood Fire Station was under review by all fire stations and the township. EMT efforts were restricted to weekend operations during this time.

Based on analysis of operating costs, the township provided about 55% of all costs although this number varied by fire station. With the exception of a study accomplished by the township involving Elwood, no data was supplied by the companies to LGBR concerning an independent audit. (Information was made available through the CMFO’s office). The township provided \$60,000 to the volunteer fire companies in 1999. LGBR suggests these costs should be analyzed yearly through an independent audit to determine future operating expenses and budgets. Based on some figures supplied by the companies in 1998, beginning balances suggest contributions in 1999 could have been reduced by possibly as much as \$37,000 based on fund raising and monies held over from 1998. Since the companies and the EMS service have contracted with a professional fund-raiser, taxpayers are being routinely queried about donations to these services.

LGBR does not believe that taxpayers should expect to be subjected to more contributions than are necessary to fund the five companies and the ambulance squad since the community also donates approximately \$15,000 to each company and an additional \$17,500 to the rescue squad. The township needs to scrutinize fire costs closely to determine their contributions, insurance costs, and workman's "comp" coverage to reassess appropriate budget needs to be met by the township.

According to information obtained through the New Jersey Department of Community Affairs, Fire Safety Division, all volunteer service organizations are given the opportunity to participate in a Volunteer Emergency Service Organization Loan Program made available by DCA. This program provides funds for purchase of equipment and facilities at loan rates of 2% annually. The loan can be used for equipment replacement, vehicle purchase, and building restoration. The maximum amount available under this program is \$50,000.

Recommendation:

Re-evaluate the amount of contributions given to the fire companies based on professional fund raising. N.J.S.A. 40A14-34 permits municipalities to contribute \$30,000 annually to each firehouse. Mullica has stayed under this limit, but it may wish to analyze costs based on fund raising efforts.

The municipality should consider requiring an annual audit of all fire companies prior to meeting budget requests.

Although LGBR does not suggest the purchase of a new piece of equipment, we would suggest an annual schedule for replacement of fire equipment of approximately \$50,000. This figure should allow for the purchase of a new pumper every five years and still comply with NFPA standards suggesting a 20-year life expectancy. (Current practice appears to pay for certain items from surplus while bonding makes up the difference in cost).

Permit the part-time coordinator or clerk/administrator to review all budget requests and specifications.

Should the companies continue to use professional fundraisers, LGBR believes overall township operating revenues could be reduced by about \$10,000 annually based on revenues supplied by the fire companies themselves. (Loan improvement money is available through DCA at 2% interest to the volunteer company.)

EMERGENCY MEDICAL SERVICES/RESCUE SQUAD

Overview

The Elwood Volunteer Fire Company has operated the rescue squad for the last several years. Two Horton Ambulances were housed at the fire station during that time. According to the administrative chief, the rescue squad had operated as a semi-autonomous volunteer organization under direction of the Elwood Fire Company. Information received from the Sweetwater chief

indicated that the company had served the community with approximately 14 volunteers as a pure volunteer company. LGBR stresses the volunteer nature of the company since it implies the State of New Jersey does not inspect or review their operation. Also the rescue squad had chosen to avoid billing of insurance companies as of this review. An analysis of rescue squad activities will be based on 1999 costs, but it must be pointed out that the squad has undergone severe changes since this time affecting the nature of this overview. As of the writing of this report, the Elwood Fire Company had returned the Horton Ambulances to the Public Works Garage, and many of the Emergency Medical Technicians had withdrawn from the volunteer force. The remainder of the volunteer companies have since determined to attempt to staff the ambulance on weekends with a smaller crew of as many as four to five EMT's. Additional personnel were being trained locally to bring staffing levels up to approximately eight EMT's. Mutual aid from Hammonton and Egg Harbor City was providing daily coverage during the week. All companies are dispatched from the Mid-Atlantic Dispatch Center in Egg Harbor City for Mullica Township residents. Mobile Intensive Care (MICU) or Advanced Life Support (ALS) is provided by Virtua Health under West Jersey Hospitals. They are dispatched from Atlantic City Medical Center.

Operations

Records obtained via the administrative chief could not be verified by dispatch in Egg Harbor City although efforts were made to obtain that information. Calls for service for the Elwood Ambulance are reflected in the following table:

Year	1996	1997	1998
Calls For Service	492	401	494

Calls for service in 1999 were not readily available; however an average run total could be presumed to be approximately 462 calls. The township provided funds of approximately \$17,500. Each call for service amounted to a taxpayer cost of \$38 per run. This cost excludes capital investment and all donations or contributions. This average cost per run is very acceptable under local benchmarks used by LGBR.

Approximate response time from the Municipal Building or Elwood Fire Company revealed about five minutes to the station and possibly 20 minutes to the scene based on day and night availability. Since the community extends over 56 square miles, this type of response can be expected. Some average benchmarks and standards described in other reports suggest 10 minutes as an acceptable response time.

LGBR has studied both volunteer and non-volunteer squads including the neighboring community of Hamilton Township. Should Mullica Township consider "billing" of their citizens, the following possibilities exist:

Runs	Cost Per Run	Average Return	Percentage to Vendor/8%	Anticipated Revenue
462(All Runs)	\$350	\$175	\$6,468	\$74,382
231(Refusals)	\$350	\$175	\$3,234	\$37,191
231	\$350	\$131	\$2,483	*\$28,562
Average	\$350	\$160	\$4,062	\$46,712

The chart above reflects possible billing revenues, which could be used by the volunteer squad to assist in both operating costs and capital expenditures.

Line one of the chart reflects possible revenues of \$74,382 if all calls are reimbursed via private insurance and a vendor fee of approximately \$6,500 to collect from various insurance companies. Line two reflects a more realistic number based on about a 50% refusal rate or a denial of services once the ambulance arrives. This number is more representative of completed runs in other communities. “*Line three” is reflective of reduced revenues based on average reimbursements of \$70 per run for those individuals who are covered by both Medicaid and Medicare. Actual insurance coverage in Mullica Township is of course difficult to gage; therefore LGBR used averages found in other small communities. These revenues continue to reflect a non-paid department. This change in billing however would change the status of the volunteer department to one of non-volunteer status. The township should be aware that funds raised in this manner can be affected by the following factors:

- Negative taxpayer response to a perceived taxed service (for equipment only).
- New Jersey State guidelines applied to non-volunteer companies and possible fees.
- Professional fundraising activities already applied in the township.

LGBR must also point out that these services are provided currently by volunteers who are not paid. Capital expenditures for a new ambulance could approach \$150,000. Even a refurbished ambulance could cost taxpayers \$75,000. The funds raised by insurance billing would currently remit more to the volunteer company than the township appropriation of \$17,500 and possibly end the appropriation entirely assuming all other revenue sources remain the same.

The team recommends the township form an investigative committee to study the possibility of “billing” for ambulance runs in Mullica Township. LGBR believes that a policy designed to reduce municipal costs be implemented with certain restrictions applied to township residents such as a clause to restrict collections beyond taxpayer insurance coverage. Therefore, all billing to local residents would be restricted to the amount covered by insurance. That same restriction would not apply to “out of community residents.”

At the time of our review, the township had undertaken a thorough analysis of contributions and fundraising efforts at the Elwood Volunteer Fire Company inclusive of the rescue squad. LGBR does not wish to revisit these issues with certain exceptions. Those exceptions include a recommendation to have all volunteer organizations audited to retain their current contributions. We also recommend all volunteer organizations register with the Division of Consumer Affairs in Newark.

Recommendation:

Form a committee to study the feasibility of establishing a billing procedure for all ambulance calls in Mullica Township aimed at reducing or eliminating current municipal contributions.

Cost Savings: \$17,500

Alternative Proposals

Neighboring communities such as Hamilton Township have established a daytime paid department of EMT's. Rates of approximately \$9 per hour for approximately six EMT's working 20-hours a week could expect to cost the township approximately \$56,160 annually plus any benefits. Potential revenues from billing of approximately \$30,000 could still leave a shortfall of approximately \$26,000 annually to provide guaranteed daytime coverage. Volunteer coverage would be retained throughout the evening. LGBR is concerned the number of volunteers expected by the volunteer companies may be inadequate to provide daily and emergent service to the residents of Mullica Township.

Currently, the towns of Hammonton and Egg Harbor City provide mutual aid. The township may wish to continue this coverage through an inter-local service agreement and contract for these services yearly at costs below those of \$17,500 annually or at no cost should, billing be permitted by these squads.

Emergency Management

Mullica Township utilizes a volunteer firefighter as the designated emergency management coordinator (EMC) and the deputy municipal clerk as the assistant emergency management Coordinator (AEMC), each receiving an annual stipend of \$1,000. The EMC is FEMA certified and attends classes sponsored by FEMA.

Mullica Township Emergency Management Plan was approved on August 8, 1997; the plan was being updated during the review period. The deadline for this update has been scheduled for November, 2001. The Emergency Management Plan (EMP) list fires (rural and urban) as the highest predictable cause for Emergency Management (EM) mobilization.

During the past few years, the EMP has been activated for a fire in 1997, snowstorm in 1998, and hurricane for 1999. Because of these events the annual EM drills were postponed. The EM staff maintains regular communications and attends the bi-monthly meeting with the county office of EM.

At the time of our review, Mullica Township did not have a permanent location assigned to emergency management. As a result, the offices were not provided with independent electrical generation, independent water supply, computer capability, or independent communications equipment (no base station was established). A special vehicle was not provided nor were arrangements made to supply air or water.

Recommendation:

Mullica Township should consider establishing a room to house emergency management operations within an existing township structure. The building should comprise computer capability, communications equipment, fresh water, an independent power source, and possible equipment.

PUBLIC WORKS DEPARTMENT

Organization/Staffing

Mullica Township, department of public works consists of five divisions (streets and roads, vehicle maintenance, landfill and solid waste disposal, recreation, and buildings and grounds). The department is staffed with five full-time employees, one supervisor of public works, and one heavy equipment operator. The staffing level of the department has remained consistent during the past few years, with a minor adjustment of converting the one part-time position to full-time.

A Day Reporting Program (DRP) augments the five full-time positions of the township. The DRP is an alternative to incarceration program administered by the Atlantic County Judicial System. Individuals convicted by the court have the option to participate in the DRP program or serve their sentence in the county jail. Time worked in the municipality is subtracted from the total amount of time sentenced by the judge. The county estimates that it cost them about \$62 per day per inmate if the inmates were to remain in their custody. The township's participation in the program provides immediate savings to the county and needed man-hours for the department.

The department of public works receives approximately two - three workers Monday through Friday and 10 - 12 workers on the weekends. These workers are assigned throughout the township on various jobs, such as flagmen, laborers, and clerical workers. The full-time employees provide the supervision of these workers on a rotating basis. The estimated cost savings to the township from DRP labor during the 1999 calendar year was \$114,195.00 or six full-time laborer's.

Work Load

The department works a 40-hour week, with a ½ hour for lunch and two 15-minute breaks. There are three work shifts each starting at 6:30 a.m. and ending at 3:00 p.m. The schedule days and positions assigned for each shift are as follows:

Work Shift	Work Days	Assigned Positions
1	Monday through Friday	Supervisor of Public Works, Heavy Equipment Operator, One Laborer
2	Tuesday through Saturday	One Laborer
3	Sunday through Thursday	One Laborer

By establishing work shifts two and three, the township has saved the taxpayers approximately \$11,000 in overtime, an amount that would have been paid if the shifts did not exist.

The departments primary responsibilities, in order of importance, are police vehicle maintenance, DPW vehicle maintenance, roads and streets, recreation, transfer station operations, and building and grounds.

The daily work assignments are based on daily needs with specific individuals as lead workers for the functions that must be completed by the end of the day. The assigned daily task for each employee is as follows:

Department	Title	Assigned Task
Public Works	Supervisor of Public Work	Direct supervision of the department and staff. Vehicle maintenance, mowing (boom and tractor) and chipping
	Heavy Equipment Operator	Mowing (boom and tractor), trash removal
	Laborer	Vehicle maintenance, mowing and chipping
	Laborer	Landfill operations, chipping, pot hole repair, chain saw and road work, vehicle maintenance
	Laborer	Landfill operations, chipping, trash removal
	Community Service Workers (DRP)	Landfill operations, trash removal, road work, chipping, office work

Recommendation:

Department management needs to develop a computerized work-order system to establish a record of work being done in the department. Currently work assignments are metered out by the supervisor based on his knowledge of what needs to be completed on a daily and seasonal basis. Unfortunately, without any written record of completed work, the department could be severely hindered from performing it's function, in the event of a long absence of the supervisor. In addition, without this important documentation, it will be very difficult for the township to analyze the cost of this department.

Productivity/Overtime

The overall worker moral is positive. Overtime is limited to police vehicle maintenance, special projects, and snow removal. The township councilperson responsible for the department approves all overtime. Overtime is distributed as per the collective bargaining agreement. The supervisor stated that he uses seniority as the determining factor for distributing overtime. Total overtime cost for 1999 was \$8,003, which represents 6.5% of the department's salary and wage appropriation and 3.4% of the department's annual appropriations.

Sick Leave

There is no apparent abuse of sick time for the department. The total number of days used by all persons was 30.75, which represents 2% of available workdays for 1999. Each employee receives 12 days per year. Employees are allowed to accumulate a maximum of 24 days. If an employee is out five consecutive days, he/she must provide a doctors certificate, before they are allowed back to work. Employee sick time is lost if not used after a person accumulates the maximum amount of accumulated sick time (24 days). Unfortunately, this may have inadvertently created a potential abuse of sick time.

Workers' Compensation

The department had one compensation claim for 1999 at a cost of \$580. For the current year, there has not been a claim reported. Safety training courses are provided by the joint insurance fund (JIF), which are attended by the department's personnel.

Vehicle Maintenance

The department states that they abide by the preventative maintenance schedule provided by the vehicle manufacture. The vehicle maintenance cards viewed by the review team, show that of the 26 vehicles that the department is responsible for, only 11 had vehicle maintenance cards for the current year. Those eleven cards were substantially incomplete. Therefore, a cost analysis couldn't be performed for those vehicles. However, the cards did show that an effort has been made to keep up with basic maintenance and repairs of the vehicles.

The primary parts supplier is a local supplier with two locations, one in Egg Harbor City and one in Hammonton. Parts are ordered on an as needed basis, thereby keeping in house inventory to oil, filters (air and oil), and solvents.

There were no readily available records on the amount of items purchased and used by the department for any period of time. Existing and newly acquired inventory are stored in an unsecured location and without any record of receipt and/or disbursement available on site. Without the department maintaining this information, the review team was unable to analyze whether or not the township would benefit from bulk purchase of consumable items to support the vehicle maintenance program.

Recommendations:

Vehicle maintenance files should include at a minimum a vehicle maintenance card on each vehicle. Each card should contain at a minimum the vehicle identification number, work performed and parts used, cost of parts, mechanic identification, and time spent on the vehicle.

Police vehicle inspection sheets should be reconciled with the vehicle maintenance cards on a weekly basis and the vehicle maintenance cards should be kept on file for as long as the township owns the vehicle. This function could be placed with the police department as part of their existing responsibility of maintaining their vehicles.

Inventory and supplies kept in-house should be maintained in a secured area with items received and disbursed.

Garage

The primary person responsible for vehicle and equipment service and repair is a laborer, along with the supervisor of public works and another laborer, acting as a mechanic's assistant. There are a total of three work bays in use. The department is responsible for all municipal vehicles, excluding fire vehicles. They handle all repairs and preventive maintenance work in-house

except for air conditioning, front-end alignments, and transmissions. The township has been very fortunate to have skilled laborers perform these tasks on a regular basis despite the use of the laborer title.

LGBR would suggest that the township assess costs for these services in other public entities to determine an appropriate salary for these types of skilled individuals. Failure to assess these functions could result in a loss to the township. To avoid this type of scenario, LGBR recommends the township set aside additional funds in the future to maintain this skill in the township. A review of employment records reveals two of these individuals have been employed less than three years together. Unless the community is willing to address average pay scales, turnover in this area could be very common. A 10% increase in costs could result in an approximate increase of \$4,000.

Recommendation:

The township should verify that its employees working on their vehicles are qualified to do the job assigned.

Review current pay scales and employment records to determine the need to adjust salaries of those doing vehicle maintenance. An increase of approximately 10% could result in salaries over \$20,000 annually, but it could help prevent some amount of turnover.

Value Added Expense: \$4,000

Vehicles/Equipment

ALLOCATION OF VEHICLES BY TYPE					
Department	Heavy Equipment	Light Trucks	Sport Utility	Sedan	Total
Public Works Services					
Road	6	1	1	1	
Transfer Station	1				
Code Enforcement				1	
Other	5				
SUBTOTAL	12	1	1	2	16
Police					
Patrol			2	12	
Internal Affairs					
Detective Bureau					
Admin./Other				1	
SUBTOTAL			2	13	15
GRAND TOTAL					31

The vehicles and equipment for the township are currently stored in the three bays when they are vacant and an open lot, located to the rear of the garage building. There is no security for vehicles stored on the lot, other than a visual deterrent of the police department, which is located next to the lot.

Recommendation:

The township should make the necessary arrangements to have the lot fenced and/or erect a building that will secure and protect the vehicles and equipment from excessive weather exposure and possible vandalism. LGBR also suggests that liability issues directly attached to insurance matters could eventually reduce insurance costs.

One-time Value Added Expense: \$8,000

Fuel

The fuel storage tanks are above ground and are housed at the rear of the municipal complex. The department shares the fuel (gasoline and diesel) pumps with police and fire. Fuel is purchased on state contract. The pumps are controlled by individual keyed meters. The review team was unable to verify the total number of keys outstanding in the township. There was no visible logbook identifying who had keys or amount of fuel used per vehicle, other than the police vehicle inspection sheets. The system is designed to log the amount of fuel used by the holder of the key.

The team is concerned about the procedure used to dispense and account for fuel usage. The team believes that a fuel consumption record should be maintained for individual vehicles that should reconcile back to a master record of fuel delivered. This method would provide a management tool and a level of fuel accountability that is currently unavailable.

The team performed a trend analysis of the gasoline and diesel fuel purchased over the last three years from records provided by the finance department. The results of this analysis appear in the chart below and reflect total amounts purchased.

Year	Gallons of Gasoline	Purchase Amount	Average Per Gal.	Gallons of Diesel	Purchase Amount	Average Per Gal.
1998	23,538	\$12,007	.5101	8,300	\$1,923	.3629
1999	24,587	\$15,501	.6305	6,807	\$4,219	.6198
2000	23,269	\$23,660	1.0168	7,178	\$7,727	1.0766

Recommendation:

The management of the fuel system is in need of a complete administrative overhaul, due to the township’s inability to account for all keys to the fuel system. The system should be re-keyed as soon as possible. This will allow the township the ability to account for the keys and control access to the fuel system. Each person needing access should be issued a numbered key.

A mileage/fuel sheet should be issued for each vehicle and the driver instructed to complete the sheet each time the vehicle is fueled. The mileage sheet should at a minimum include the date, time, key number, vehicle tag, odometer reading, and amount of fuel used. The key distribution list and the remaining keys should be stored in a secured place under the control of the department responsible for the management of the fuel system. A review of the chart above reveals a large increase in cost for the year 2000 of approximately \$8,000. The team is aware of electronic systems designed to record user and amounts. These systems can be expensive, but we suggest the township investigate the costs of an electronic control system or perhaps make arrangements to join the county system in nearby Hammonton. The present key system is incomplete and provides little control information. Costs for these improvements could be \$6,000 if it were contemplated by Mullica Township itself.

The township should maintain detailed fuel consumption records for each vehicle, which should then be reconciled to a master record to account for total fuel consumption. A monthly report should be generated and submitted to the finance department reflecting, at a minimum, the operator(s), miles or hours, fuel used per vehicle, and cost per vehicle. A review of the keys assigned by LGBR suggests the township could limit the number of keys to nine including the following departments:

- **Fire – 4**
- **Ambulance – 1**
- **Administration –1**
- **Police – 2**
- **Public Works – 1**

Trash/Bulk Pick-Up

The township does not provide trash or bulk collection for the residents. The residents deliver all trash and bulk items to the township transfer station. The transfer station is open on Saturdays and Sundays from 8:30 a.m. until 2:00 p.m. All bulk items (refrigerators, tires, air conditioners, etc.) require a \$5 permit per item that must be purchased in advance. A permit slip is completed at the town hall and a copy of the slip is given to the resident. The resident gives the permit to the transfer station operator before the bulk item(s) can be dumped at the transfer station. Currently, there is no reconciliation of the permits issued from the town hall against what is collected at the transfer station.

The ordinance was changed in 1995 to reflect township increases in cost for tire disposal (\$1 to \$3 for a standard tire and \$5 for a truck tire); white goods remain the same at \$5. The total amount of revenue generated from bulk permits for 1999 was approximately \$1,420. In 1998, the amount collected was \$297, as of December 5, 2000, the township had collected \$305 in permit fees.

Items delivered to the transfer station are stored until picked up by Atlantic County Utilities Authority for disposal at their facility. The annual cost and amount of trash disposed for the previous three years are provided in the below chart.

Year	Waste Disposal Tonnage	Cost⁸	Average Cost Per/Ton
1998	1,226	\$138,066	112.59
1999	1,278	\$111,265	87.06
2000	1,332	\$126,689	95.07

The average total pounds of disposable trash per/person in the township for 1999 as compared to the statewide average is as follows:

Year	Waste Disposal Tonnage	Estimated Population	Mullica Average Per/Person	Statewide Average Per/Person
1999	1,278	6,154	415 lbs.	1,780 lbs.

Recommendation:

The bulk permits received at the transfer station should be reconciled with the township records on a weekly basis. The permit should be pre-numbered and also include a sign off line for the transfer station operator, assuring that the item listed on the permit was the item dumped at the transfer station.

Recycling

A residential and commercial recycling collection contract was signed on September 26, 2000. The vendor, was Atlantic County Utilities Authority, selected for a period of six months, from October 1, 2000 through March 31, 2000. There is an automatic extension for one year, “at an increase in cost not greater than the percentage increase in the CPI-U for the Philadelphia SMSA of October of the contract year over October of the preceding year.” The current cost of the contract is \$4,629 per month. Residential recycling services are performed every other Thursday and commercial services are performed weekly. The cost and rate of collection for township recycling services for the previous three years are listed in the below chart.

Year	Recycling Cost	Recycled Tonnage	Mullica Recycling Rate	Statewide Average
1998	\$56,604	771	45%	
1999	\$48,450	594	39%	55%
2000	\$46,176	733	35%	

Recommendation:

In reviewing the recycling report for previous years, the team found that the township had a collection rate as high as 47% in 1996. During the review process, it was determined that the reason for the decline was directly related to the elimination of the recycling coordinator position. It is the opinion of the review team that the township would benefit from some form of direct recycling coordination or at the very least, increase the public awareness of the need to participate in the recycling effort.

⁸ Cost includes landfill and transfer station operating cost and annual environmental investment charges which brings true cost to \$58.76 per ton in 2000.

Streets and Roads

The maintenance for the township's 140 road miles is undertaken by the department, except major re-paving projects. The primary maintenance function is the clearing of road debris and the cutting back of trees and road brush. Other activities such as pothole repair, street signage, and road drainage projects are addressed as needed during the year. Utility intrusion to the township roads is kept to a minimum, due to the lack of underground services (sewer, electric, and cable) to residential and commercial entities in the township. The team found that the roads in the township were in good repair, which is a testament to the department.

Recommendation:

The actual man-hours allocated for streets and roads activities should be documented, along with supplies used.

Building and Grounds

Mullica Township owns several buildings, structures, and other insurable land improvements at an estimated replacement cost of \$2,383,500. All buildings, structures and insurable improvements are insured through the Atlantic County Joint Insurance Fund.

The department maintains the township buildings and structures, with the assistance of the DRP worker's. The administrative offices in the municipal building are maintained by a contract cleaning service.

Property Name	Location	Fixed Asset Estimated Value	Insured Value	Condition
Storage Building	4326 Moss Mill Rd.	\$53,600	\$62,400	Poor
Recreation Complex – Picnic Shelter, Concession Bldg.	1512 Elwood Rd.	\$19,100	\$39,900	Good
Compactor Bldg., Conv. Ctr. Bldg, Material Storage Bldg.	1601 Weekstown Rd.	\$63,200	\$30,100	Fair
Municipal Building	4528 Whitehorse Pk.	\$478,600	\$613,900	Good
Public Works Bldg.	4528 Whitehorse Pk.	\$166,300	\$203,900	Good
Pumphouse	4528 Whitehorse Pk.	\$0	\$7,400	Fair

The township has an insurable interest in the four volunteer fire halls, due to the housing of township owned fire vehicles. Therefore, the township insures the buildings.

Property Name	Location	Fixed Asset Estimated Value	Insured Value	Condition
Elwood Fire Hall	414 Elwood Rd.	\$203,000	\$337,800	Good
Sweetwater Fire Hall	4769 Pleasant Mill Rd.	\$193,800	\$293,600	Good
Weekstown Fire Hall	5733 Pleasant Mill Rd.	\$240,200	\$345,100	Good
Nesco Fire Hall	3521 Nesco Rd.	\$263,800	\$372,900	Good

In addition, the township owns approximately 558 parcels of land ranging in size from .04 to 134.30 acres. The following chart shows the number of parcels as they relate to the minimum size lot that is required for development within the zoning districts applicable to this analysis.

Size of Parcel in Acres	Number of Parcels
Less than 1 acre	384
1 to 3.2 acres	81
3.2 to 5 acres	52
5 to 10 acres	22
10 to 20 acres	10
Greater than 20 acres	9
Total	558

The 558 parcels listed on the tax rolls as tax exempt represent 1,149 acres of land with an estimated assessed value of \$5,837,000. Of the 1,149 acres 239 acres are either utilized by the township, dedicated for conservation, or deed restricted, leaving approximately 910 acres that can be returned to the tax rolls. As indicated by the below chart the township could realize \$3,856,251 in added revenue by selling the 910 acres. The net acreage assessed value is based on the year 2000 figures.

Municipality Owned Land Analysis								
Zoning District⁹	Gross Acreage	Minus lots Improved Conservation Deed restricted	Net Acreage Available For sale (B-C)	Assessed Value of gross acreage	Min. Acres Per House	Density Per acre (B/F)	Average Assessed Value/acre (E/B)	Net acreage Assessed Value (H x D)
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
SV	4.59	3.46	1.13	\$102,100	1	1.13	22,244	\$25,136
EV	57.67	20.84	36.83	\$525,800	3.2	11.51	9,117	\$335,779
NV	1.13	0.53	0.60	\$25,600	5	0.12	22,655	\$13,593
RDA	13.12	3.52	9.60	\$99,100	5	1.92	7,553	\$72,509
AP	9.64	0	9.64	\$43,800	10	0.96	4,544	\$43,804
FAR	939.62	194.62 ¹⁰	745.00	\$3,651,600	20	37.25	3,886	\$2,895,070
FARR	39.22	15.82	23.40	\$205,400	20	1.17	5,237	\$122,546
PA	83.73	0	83.73	\$347,800	20	4.19	4,154	\$347,814
TOTAL	1,148.72	238.79	909.93	\$5,001,200		58.25		\$3,856,251

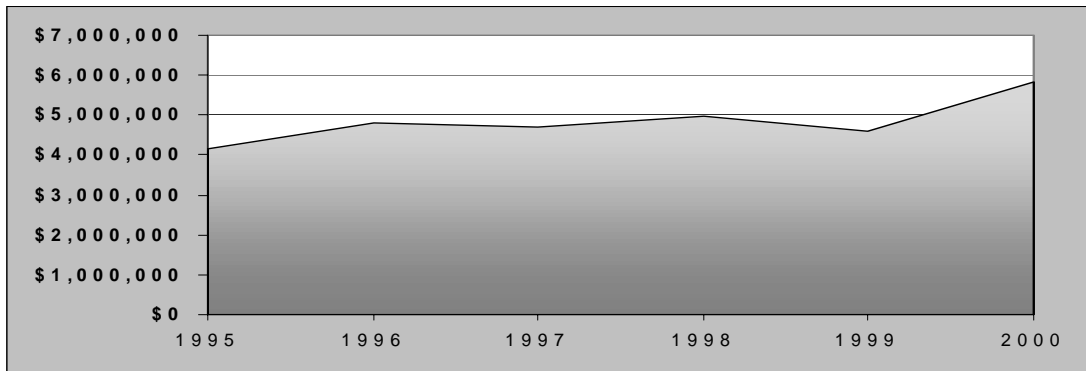
LGBR took the Pinelands regulations into consideration and applied a density factor to the net developable lands using the information in the township's comprehensive management plan approved by the Pinelands. The maximum dwelling units that could be built on the publicly held land, if the land was developed with the Pinelands zoning standards, would be 58. This density analysis did not evaluate properties adjacent to the public lands that are held in private

⁹ Zoning districts are defined as Sweetwater Village (SV), Elwood Village (EV), Nesco Village (NV), Rural Development (RDA), Agricultural Production (AP) development must be attached to a farm, Forest Area Residential (FAR 20 acres gross and FARR four acres developed and 16 acres preserved) and Preservation (PA).

¹⁰ This number includes 134.3 acres used for the municipal land fill.

ownership. There is the possibility that a private landowner could purchase adjacent public land and meet the zoning standards for development. However, the bulk of the public land is in a zone that requires a 20-acre minimum for development, which yields a lower density.

The following chart further illustrates the increase in township owned lands over the past several years. The governing officials should evaluate this trend as it relates to the loss in tax revenue.



Recommendation:

The township should make an effort to divest itself from property ownership by auctioning the 910 acres of land. There is a potential one-time revenue enhancement of \$3,856,251; however, taking into account market conditions for selling non-contiguous lands we believe 25% of the net acreage assessed value would be reasonable.

This divestiture will provide additional annual revenue for the township and reduce the township liability relating to illegal activity on township owned property, such as dumping.

25% of Potential One-time Revenue Enhancement: \$964,063

ECONOMIC DEVELOPMENT COMMISSION

The township has an economic development commission comprised of nine members. There is representation from the township committee, and the planning and zoning board on the commission. The zoning board of adjustment member also represents the environmental commission. There has been no meeting of the economic development commission since the end of 1999. In late 1999 they presented a written report to the elected officials addressing the commercial development along Route 30 at the border of Hammonton Township. The commission did not receive any formal direction from the elected officials to continue with a study or prepare a plan. Until such time as the township officials advise the commission of their desires the commission does not plan to meet.

There is a chamber of commerce within the township limits with a membership of approximately 30 local businesses. The chamber and the economic development commission do not work together. The chamber does not meet on a regular basis and the services they provide are in the realm of social services.

LGBR performed an abbreviated review of the pineland town (PT) zone looking at the lots only on the north side of Route 30 within this zone. Based on the review of 30 lots, most of them fronting the state highway, 14 lots totaling 52.95 acres carried a tax classification of vacant and were assessed at \$188,600. The township received \$4,763 in taxes in 2000. On the other hand there were nine lots in the study area totaling 34.01 acres with a tax classification of commercial and were assessed at \$2,900,800. The township received \$73,137 in taxes. Clearly, the differences between the taxes received on vacant land versus improved land are worthy of study.

Zoning would have to be analyzed because office uses require a minimum of three acres while industrial uses require a minimum of five acres. Both office and industrial uses are permitted in the zone. Of the 14 vacant lots five lots are greater than three acres and two lots are greater than five acres. Many of the lots that are less than three acres are contiguous and can be combined to form one conforming lot.

Although there is no public water or public sewer in Mullica it is possible to extend these services from Hammonton City which is adjacent to the pineland town zone. The elected officials of Mullica believed that the Pinelands Commission and the State Planning Commission would approve an extension of the public utilities, because both commissions have been involved in matters involving this zone. The Pinelands Commission approved the creation of the zone and the State Planning Commission received an application for a Smart Growth grant involving this zone.

Traditionally, projecting the value of developing land is based on the maximum size of the building allowed in the zone, generally referred to as the maximum floor area ratio (FAR). Mullica does not have a FAR requirement in this zone. Therefore, averaging the taxes received on the nine improved lots was used to evaluating the potential revenue enhancement. The improved lots ranged in size from .44 to 10.67 acres. Four of the vacant lots were smaller than the smallest improved lot. The 10 vacant lots that were analyzed ranged in size from .73 to 23.36 acres.

Recommendation:

Based on our analysis, we recommend that the township study the tax advantages of encouraging development in the pineland town zone to enhance the tax base and provide additional shopping opportunities to their residents.

Revenue Enhancement: \$81,260

PLANNING AND ECONOMIC DEVELOPMENT

Overview

The administrative offices in Mullica are divided into five departments. Each department is under the direct supervision of one of the five elected officials. The planning and zoning boards are in the department of development and housing. Other divisions assigned to this department are the offices of the engineer, construction code official, zoning code official, local assistance welfare board, environmental commission, and economic development commissions.

Mullica lies in the Pinelands region and all development applications submitted to the planning and zoning boards are required to be reviewed by the Pinelands Commission. Therefore, development in Mullica is not only regulated by the local master plan and land use regulations, but also by the higher authority of the Pinelands Commission.

Pinelands Protection Act

In 1979, the New Jersey legislature enacted the Pinelands Protection Act, N.J.S.A. 13:18A-1 et. seq., in response to the federal government classifying 1.1 million acres of land in southern New Jersey as a Pinelands National Reserve. The Pinelands Protection legislature established a Pinelands Commission. The commission oversees growth management in the Pinelands.

Mullica is one of 51 municipalities that are governed by the Pinelands Protection Act. Only 11 of the 51 municipalities lie entirely in the Pinelands region. Mullica is one of the 11 towns. Twenty-three municipalities are defined as growth areas in the Pinelands. Mullica is not one of the 23 growth areas. All development applications submitted to the planning and zoning boards in the Pinelands region are required to be reviewed by the Pinelands Commission for compliance with the Pinelands Comprehensive Management Plan (CMP). The Pinelands Commission certified the Mullica master plan and land use regulations on October 6, 1989.

Staffing

The department of development and housing has two full-time and three part-time employees, plus the attorneys for each board on the payroll. The municipal engineer is a consultant. The secretary to the planning board is a full-time employee who devotes part of her time to the board's activities. The secretary to the zoning board of adjustment is a part-time employee and works from her home. The other full-time employee is the control person in the construction office. The other two part-time employees are the construction code official and the zoning code official.

Secretary to the Planning Board

The secretary to the planning board also holds the titles of deputy municipal clerk and emergency management assistant. The township has employed her since 1986. Attending evening planning board meetings and transcribing their minutes is compensated as a separate salary of \$2,318 on the payroll spreadsheet. This planning board salary is subject to bi-weekly deductions. Benefits are applied to her deputy clerk salary.

Her duties associated with the planning board include accepting development applications, setting up application files, and collecting and transmitting fees. The application fees are deposited daily when she deposits fees collected as part of her administrative duties as deputy municipal clerk. The escrow fees are forwarded to the treasurer. The secretary forwards the application to the board's professionals, staff, and board members. She reviews applications involving accessory structures and land transfers for completeness. Subdivision and site plan applications are forwarded to the municipal engineer for a completeness review. Ultimately, the planning board deems the applications complete. The secretary schedules the application on a planning board agenda. Applicants are responsible for advertising their appearance before the board. The secretary prepares the board's notices of decision and forwards the notices to the newspaper for publication.

Additional duties involve attending the planning board monthly meeting, recording the meeting using an electronic device, and subsequently transcribing the audiotape into minutes. The secretary is to be commended for the manner in which she serves the board and the public. Her relationship with the board chairman is professional and she is quite knowledgeable of board and Pineland activities. The format of the minutes is reader friendly and filed in a binder easy for the public to peruse. In view of the fact that the planning board interacts with the Pinelands Commission; having complete and substantial minutes protects the township in cases of controversy.

Zoning Board of Adjustment Secretary

The zoning board of adjustment secretary was a zoning board member for several years before being appointed the secretary. She is a part-time employee who received a salary without benefits of \$1,805 in 1999. Her dedication to her responsibilities is admirable in that she performs an outstanding job in servicing the board and the public with little expense to the taxpayer.

The secretary is a self-motivated employee who reports to the township clerk if necessary. She does not have a workstation in town hall. She works from her home and uses her own phone and computer to conduct the board's business. Applications are distributed to the public from the construction office. The secretary reviews applications for completeness in accordance with an approved checklist. She distributes the application to the engineer for his review. Once the engineer provides a written report of his review the secretary packages the application and pertinent written comments and hand delivers the packets to each board member. On rare occasions, she mails the packets sending them out from town hall.

The secretary prepares the board's agenda and the board's notices of decision. She submits the notices to the newspaper for publication. Her duties also include attending the evening meetings and taking and transcribing the minutes.

Recommendation:

The boards' files are kept in the building inspector's office. To determine the number of applications the town receives each year the resolutions adopted by each board has to be analyzed. It is recommended that every new application be recorded in a logbook or on a spreadsheet indicating application name, block, lot, address, nature of application, and

fees. Tracking applications as they come in provides the town with the ability to review development trends and forecast growth. Furthermore, recording the fees in a logbook benefits the township because it provides another source of checks and balance.

Planning Board Attorney

The planning board attorney has held this position for eleven years. She is contracted annually by resolution granted by the planning board at its re-organization meeting in January. The attorney's compensation for attendance at planning board meetings was a payroll salary of \$1,850 in 1999 and is subject to bi-weekly deductions and pension benefits. Besides receiving a salary she bills the applicants' escrow account \$100 per hour for the preparation of the resolutions of decision and the review of the applications. If a resolution is required that is not part of an application the attorney provides the resolution at no charge to the township.

The attorney charges the township \$125 per hour for matters of litigation. She can only recall two lawsuits in which she was involved. She does not write ordinances or prepare grant applications. Between 1992 and 1994 the attorney attended several evening meetings wherein the board was drafting the master plan revisions. The township did not provide any additional compensation for her attendance at these meetings. In 1999, the planning board met 13 times for an average of three hours each time. The attorney's compensation for these 13 meetings averaged \$142 per meeting.

Zoning Board Attorney

The zoning board attorney has served the board since 1984 with an absence of two years. He, like the planning board attorney, is contracted annually by resolution granted by the zoning board at its re-organization meeting in January. He is compensated by a salary of \$1,850 a year and is subject to bi-weekly deductions and pension benefits. Besides receiving a salary he bills the applicants' escrow account \$50 for the preparation of the resolution of decision.

He only remembers handling two matters of litigation in a four-year period. His fee for litigation is \$100 per hour. He does not get involved in writing ordinances or preparing grant applications. He does, however, review some applications as they pertain to the Pineland regulations. The zoning board of adjustment is required by statute to provide an annual report to the planning board and the elected officials. The attorney for the board prepares the report in a letter format.

Since the zoning board is a quasi-judicial board, the attorney copies and distributes court decisions periodically to the members as they relate to land use issues. In his experience, he feels that the members do a good job of adjudicating the applications before them. The zoning board met nine times in 1999 from one to two and a half hours. On average the attorney received \$205 per meeting.

Consulting Engineer and Planner

An engineering firm in a nearby township provides the services for the municipal engineer and planner. They have worked with the municipality since 1998. In 1999, their hourly fee was \$85 for the engineer and \$70 for the planner. The engineer and planner do not charge for attendance

at the boards' public meetings unless they can bill to the escrow account of an applicant. They, like the boards' attorneys, do not have a contract. They provide services under the auspices of a resolution adopted by the governing board.

Both the engineer and the planner have prepared grant applications. Neither has been involved in representing the township in matters of litigation. The engineer has given input into a proposed ordinance, but has not written any ordinances for the township. The planner wrote an ordinance regarding bookstores. The professionals have been paid at an hourly rate for this work. It is important to note that the planner has applied for a \$90,000 smart growth grant from the New Jersey Office of State Planning. The application was submitted in conjunction with an application from Hammonton Township. The township has requested the funds to study three areas; Pinelands Village, Elwood Village, and the RDA district. They will be looking at the existing signage, the theme of the centers, and necessary changes in uses.

The professionals have not been involved in any master plan or pinelands management plan updates. The planner does not review applications unless there is a planning issue associated with the application.

The firm received \$36,304 in 1999. The table below itemized the individual accounts from which the bills were paid.

Engineering and Planning Costs Year 1999	
Account	Expended
Budget	\$12,273.36
Grants	\$2,679.50
Capital	\$11,807.53
Escrow	\$9,543.75
Total	\$36,304.14

The consulting engineer and planner work with the zoning board of adjustment as needed. In the event that the engineer is requested to attend a meeting he does so at no cost to the town.

Planning Board

The planning board is comprised of the mayor, one elected official, the zoning officer, the chairman of the environmental commission, and five persons from the general public. The talent and expertise the public members bring to the planning board are from the fields of management, state government, farming, technical industry, school board administration, and independent contracting. The board meets on the first Wednesday of the month.

The planning board's main authority is to develop and adopt a master plan for the municipality. The planning board also hears applications for development that conform to the zoning and design standards of their land use regulations. These applications traditionally are subdivisions, site plans and conditional uses. A conditional use is a use that is permitted with conditions. If the conditions of a conditional use, as defined in the land use regulations of the municipality, cannot be met the application goes to the zoning board of adjustment. Some towns do not identify conditions in their ordinances and, therefore, conclude that the first time an applicant

appears with a conditional use application the planning board has jurisdiction and sets the conditions. Thereafter, if the conditions are not met or an expansion of the conditional use is sought the application goes to the zoning board of adjustment.

LGBR attended the February 7, 2001 planning board meeting. The planning board conducted themselves in a most professional way following Robert's Rules of Order. The meeting began at 7:35 p.m. and lasted a little more than two hours. At one point, their attorney advised the board that they needed to go into closed session to discuss a matter of litigation. Closing the public session and reopening it was done in accordance with the Open Public Meetings Act, known as the Sunshine Law. They were in closed session for ten minutes.

This board holds itself accountable to the public and, as a courtesy, the chairman permits the public to speak before he turns to the commissioners for their input. The commissioners did not work in a vacuum, but closely reviewed plans presented to them by the applicant before voting on an application. There is a line item on their agenda for public discussion. The public asked about the possibility of merging the planning and zoning boards.

Zoning Board of Adjustment

Under state statute the zoning board has seven members, plus two alternates. The board is comprised of individuals appointed by the elected officials and operates in a quasi-judicial environment. The board meets once a month on the second Wednesday. The zoning board of adjustment has four powers under State Statutes C.40:55D-70.

- Hear and decide appeals where it is alleged an error was made by in administrative officer in enforcing zoning laws.
- Hear and decide requests for interpretation of the zoning map or ordinances.
- Grant variances from zoning standards.
- Grant variances for use of property contrary to the zoning district.

The activities handled by both the planning and zoning board is reported below.

Planning and Zoning Board Activity

As stated earlier, applications to the boards are not recorded upon submission. However, the boards' resolutions of decisions are filed in a complete and comprehensive manner. Reviewing the resolutions for each board provides the information used to compile the following two tables.

The table below illustrates the number of applications between 1990 and 1999 wherein a planning board resolution was adopted for subdivisions, site plans, land transfers, and informal reviews. The listing does not necessarily mean that the application was approved. To ascertain if any of the applications were denied each resolution would have to be read individually.

Planning Board Resolutions 1990 – 1999						
Year	Minor Subdivision	Major Subdivision	Site Plan	Land Transfer	Informal Reviews	Total
1990	7	0	2	0	3	12
1991	4	0	1	0	2	7
1992	6	0	1	0	0	7
1993	1	0	0	0	4	5
1994	2	0	1	1	4	8
1995	5	0	2	3	19	29
1996	1	1	1	6	7	16
1997	3	0	1	3	6	13
1998	6	1	0	6	0	13
1999	6	0	0	2	0	8

Source: Resolution books in clerk's office.

The next table itemizes the activity at the zoning board of adjustment as recorded in their file of resolutions for the period 1992 through 1999. Again, the list represents their decisions, both approvals and denials. Each resolution would have to be read to determine the outcome of the individual application.

Zoning Board of Adjustment Resolutions 1992 – 1999					
Year	Variances Use/Bulk	Interpretations or Appeals	Site Plans	Signs	Total
1992	5		1		6
1993	8		1		9
1994	4	4			8
1995	6	1			7
1996	9		1		10
1997	8	1			9
1998	8			1	9
1999	4	3			7 ¹¹

Recommendation:

LGBR raises two concerns that could cost the taxpayers unnecessary expense if litigation were to occur. First, what is the effect of approving informal review applications by the planning board at a public hearing with public notice? Second, are applications before the right board?

It is the opinion of the LGBR team that the planning board's approval of an informal review application does not constitute the right to build. However, the approval is granted at a public hearing, with notice to the public, and a resolution of approval is adopted. The team recommends that the township seek a legal opinion as to the effect of approving these applications in this manner. The concern is that a shrewd developer could attempt to bypass the

¹¹ An application for a minor subdivision with density transfer and associated bulk variances for setbacks is not listed in the above chart. The application was heard in 1999 and a resolution of denial is filed in the board's resolution book

formal application process claiming that the informal review approval validated his or her ability to develop the land. This could cause the township to defend its ordinance (Article I, Section 109B – Ordinance 10 - 96) that requires public notice and approval of informal reviews applications.

LGBR also raises a question regarding the planning board’s ability to approve applications for accessory structures where it appears that the size of the structure is larger than the ordinance permits. If the accessory structure is non-residential then an amended site plan should be approved which is clearly in the planning board’s jurisdiction. However, if the accessory structure is residential and is larger than the ordinance permits, then the zoning board of adjustment should have jurisdiction under municipal land use law C.40:55D-70d, intensification of use. Again, the team recommends that the township seek a legal opinion regarding jurisdiction.

LGBR reviewed a resolution of denial adopted by the zoning board of adjustment involving a subdivision, land transfer, and conditional use. Traditionally, the zoning board of adjustment does not have the authority to hear and approve such an application unless the conditions of the conditional use cannot be met. In this case, the team learned through our investigation that this applicant went to the planning board and the application was not looked upon favorably. However, since 1996 the applicant had received 16 of 17 land transfer approvals from the planning board. It is unclear why the zoning board heard this application in 1999. Again, the township should seek a legal opinion regarding jurisdiction.

Question of Merging the Planning and Zoning Boards

The municipal land use law, and more specifically N.J.S.A. 40A:55D-25c(1), allows for the planning and zoning boards to be merged if the municipality has a population of 15,000 or less. The purpose of merging the boards is to alleviate the difficulty of getting volunteers and to save the expense of separate attorneys.

The following table lists the number of meetings held by each board between 1990 and 1999 shown as regularly scheduled meetings and special meetings. In 1993, the planning board held several special meetings to discuss and adopt an updated master plan.

Number of Planning and Zoning Board Meetings 1990 – 1999				
	Planning Board		Zoning Board	
Year	Regular Meetings	Special Meetings	Regular Meetings	Special Meetings
1990	12	1	11	0
1991	11	0	8	0
1992	10	1	10	2
1993	11	5	10	0
1994	11	1	10	0
1995	12	1	9	1
1996	11	1	10	0
1997	12	0	10	0
1998	12	2	10	1
1999	12	1	9	0

There has been an ongoing discussion in Mullica regarding the prospect of merging the boards. The LGBR team talked with members of the public and township officials who both supported and opposed a merger. LGBR's position is that the saving, if any, would not be substantial enough to warrant a merger. Albeit one attorney's salary of \$1,850 annually would be eliminated, it is reasonable to assume that the remaining attorney would increase his or her rate to cover the added duties. Furthermore, the secretary to the zoning board was paid \$1,805 in 1999. If her position is eliminated the work she performs would have to be absorbed by the remaining staff.

As far as merging the activity, the above tables show clearly that there is enough activity at each board to require nearly a meeting a month. The attendance at the meetings has not been a problem. According to the minutes it appears that each board has had to cancel only one or two meetings in 10 years because of the lack of a quorum. Mullica's planning board has some master planning to complete; merging the boards at this time would reduce the amount of time that the planning board could work on their master plan without increasing the number of meetings they hold.

Finances

The table lists the compensation for professional services rendered to the planning and zoning boards. All four professionals charge work associated with applications to escrow accounts at an hourly rate. The attorneys' attendance at meetings are salaried and they receive the full amount regardless of the number of meetings they attend during the year. In 1999, the planning board attended 13 meetings and the zoning board attorney attended nine meetings.

Consultant	1999 Meeting Rate	1999 Hourly Rate
Attorney Planning Board	\$1,850.15	\$100/\$125 litigation
Attorney Board of Adjustment	\$1,850.15	\$100
Engineer Planning and Zoning Board	\$0	\$85
Planner Planning and Zoning Board	\$0	\$70

Fees

Mullica's fee ordinance was revised in 1993 for the planning board application fees and in 1997 for zoning board of adjustment application fees. The escrow fee ordinance was amended in 1995. The amended ordinances were approved by the Pinelands as follows: planning board November, 1993 and zoning board April, 1997. The attorney for the planning board said that she worked with the planning board on the fee structure and that the board was guided by the fees ordinances of surrounding municipalities.

The fees collected for applications to the planning and zoning boards are listed below.

Fees Collected 1999		
Board	Filing Fees	Escrow Fees
Planning	\$2,090	\$15,869.24
Zoning	\$1,030	Included above

Recommendation:

LGBR recommends that the township review the fees for major subdivisions and major site plan applications in view of the fact that a 185 acre tract of land had been recently purchased in the northwestern quadrant of the township. The land has significant frontage on an improved street and is adjacent to a major subdivision. There is evidence that a land survey was performed as noted by the surveyor's ribbons on trees at the border of the tract. There is a potential for a major subdivision development application being considered by the new property owner.

Also, LGBR is recommending that the township study the potential development of the Pinelands Town (PT) zone adjacent to the Hammonton border. If the smart growth grant is forthcoming there is the potential for non-residential development in this area. A review of 30 lots within this zone was analyzed and is reported in the economic development section of this report.

Master Plan

A master plan is a document prepared and adopted by the planning board that forms the basis for land use regulations to guide development. The New Jersey Municipal Land Use N.J.S.A. 40:55D-2B law provides the guidelines whereby municipalities may prepare and adopt a master plan to guide development which protects public health and safety and promotes the general welfare. A plan must include, "a statement of objectives, principles, assumptions, policies and standards upon which the constituent proposals for physical, economic and social development of the municipality are based." The plan must also include a land use plan and a specific policy statement indicating the relationship to the master plans of contiguous municipalities, the county and the state development, and redevelopment plan, as well as a policy statement regarding the district's solid waste management plan. Where appropriate, the plan may include a housing, circulation, utility service, community facilities, recreation, conservation, economic, historic, and recycling plan.

The township's earliest master plan was created in the early 1960's as a result of a federal grant made by the Urban Planning Assistance Program which was authorized by Section 701 of the Housing Act of 1954. Local funds and an appropriation from the New Jersey Co-Operative Government Planning Program were also used. The plan is a single document that includes the following sections:

- Orientation (geographic location);
- Population (reported in the 1960 United States census);
- Economic Analysis;
- Financial Studies;
- Circulation and Transportation;
- Physical Features;
- Land Use;
- Utilities;

- Housing;
- Community Services and Facilities;
- Regional Evaluation; and
- Special Local Problems.

The first master plan also includes 18 maps.

There is no evidence that the original master plan has been amended since the 1960's. In the late 1970s, a planning consultant provided the township with individual studies on land use, community facilities, and economic and financial matters, along with a planning report entitled the Mullica Township Master Plan. There is no indication that the 1970 master plan reports amended or replaced the earlier plan. The fact that the report was presented as studies would indicate that the 1960s master plan was still in effect.

In 1982, the township adopted a natural resource inventory in conjunction with the Pinelands Act mentioned above. Subsequently, that same year the township prepared and adopted a conservation element and, as previously stated, the Pinelands Commission certified the Mullica master plan in October of 1989. A copy of the 1989 master plan could not be located during our investigation.

In August of 1990 and again on July 10, 1997, the municipality prepared and adopted a housing element to address the state's mandate that each municipality provide their fair share of low and moderate income housing.

N.J.S.A. 40:55D-89 of the municipal land use law requires all municipalities to re-examine their master plans every six years beginning on August 1, 1982. In June of 1993, the township re-examined their master plan. The re-examination report includes goals and objectives and establishes a managed growth plan that balances the needs of the residents with the maintenance of the environment. The plan further divides the township in the following areas and aligns the areas with the Pinelands Management Plan map:

- Area A – Preservation
- Area B – Villages
- Area C – Rural Development
- Area D – Forest Area
- Area E – Agriculture Production

Recommendation:

During our review, the majority of the public and township officials voiced a desire to protect Mullica from further development. Therefore, the township should integrate the goals and objectives and land use element from the 1993 plan, the 1982 natural resource inventory, and the 1997 housing plan element into a single document so they can defend themselves should development pressures arise. Furthermore, under the New Jersey Development and Redevelopment Plan adopted on March 1, 2001 success in obtaining smart growth grants is greater if the municipality has an endorsed master plan from the

State Planning Commission. Money had been budgeted in 1999 for the preparation of an open space plan. Preparing such a plan and incorporating it into the master plan will help to preserve open space.

Affordable Housing

According to the housing element of 1982, Mullica requested credit from the council on affordable housing for rehabilitating 49 units using small cities grants. The township asked that they not be required to construct four new housing units based on the fact that the township had no public water or sewer infrastructure and that most of the township lies within the central pine barrens water quality critical area and is therefore not developable lands.

The township has kept abreast of their obligation to provide affordable housing and has rehabilitated 21 dwelling units with grant money received in 1999. Through grant money expected in 2001 the township expects to continue to rehabilitation housing to conform to the COAH requirements.

New Jersey Development and Redevelopment Plan

On June 1, 1999, the Pinelands Commission and the New Jersey State Planning Commission entered into a written memorandum of agreement that supports goals, objectives and policies of each commission. Mullica Township is listed in Appendix B of this agreement as a Pinelands Town under the Pinelands Management Area designation and a town center under the State Development and Redevelopment Plan designation. Furthermore, Elwood, Nesco, Sweetwater and Weekstown are villages certified as Pinelands villages and listed as corresponding village centers in the state plan.

The Pinelands Act takes precedence over the New Jersey Development and Redevelopment Plan, therefore, Mullica is governed by the Pinelands Management Plan.

Factors Affecting Potential Growth

LGBR believes that it is important to note in this report that, notwithstanding the “no growth” initiatives undertaken by the township in regulating land use and density through zoning, the reality is the housing stock continues to increase while the economic base remains stagnant. If this trend continued the result will be higher taxes and/or fewer services.

Even though Mullica is not designated as a growth area in the Pineland plan the population and number of households have increased steadily as represented in the following table. The major subdivisions that have occurred are on relatively small lots with individual wastewater systems. New technology for the design of wastewater treatment systems and the state plan encouraging cluster development has made it easier for towns without public sewers to experience growth. Therefore, LGBR recommends that Mullica study the potential for economic growth in the PT zone and establish standards for cluster development that will enhance the preservation of the forested and agricultural areas.

The following table is provided to demonstrate the growth in population and households.

Year	Population	% Change	Households	% Change
1940	1,500	N/A	N/A	N/A
1950	1,804	16.85	N/A	N/A
1960	2,944	38.72	N/A	N/A
1970	3,391	13.18	1,191	N/A
1980	5,068	33.09	1,791	33.50
1990	5,896	14.04	2,081	13.93
2000	5,912	00.30	N/A	N/A

Source: Master plan re-exam and land use graph end of report.

ZONING OFFICER/CODE OFFICIAL

The zoning officer also holds the title of code official and is a member of the planning board. He works part-time for seven hours a day on Mondays, Wednesdays and Fridays. He began with the township in 1998. Through his zoning officer position he acts as an advocate of the township encouraging dialogue between prospective business enterprises and the township. This individual is a dedicated, enthusiastic employee who depends on the organizational skills of the full-time employee who has the title of control person in the construction office. She keeps him abreast of the department's activities and zoning matters. Both he and the support staff employee take pride in a work ethic that instills a positive relationship between government and the inquiring public.

The zoning officer sends applicants to the zoning board of adjustment when he reviews an application for a zoning permit and determines whether or not board approval is required. He does not review the application made to the zoning board, nor does he attend zoning board meetings. As previously mentioned, the zoning officer is a member of the planning board. He reviews planning board applications and comments on zoning matters at the public meeting.

The township requires the issuance of a zoning permit for development. The fee varies depending on the type of development. The following table lists the type of development and the required fee.

Nature of Application	Fee
New Home	\$150
Additions over 600 sq ft	\$75
Additions under 600 sq ft	\$25
Non-residential use	\$25

In 1999, the township took in \$5,600 in zoning permit fees.

A list of the nature of the zoning applications and the number of zoning permits issued for the year 1999 and 2000 is offered in the following chart.

Nature of Application	1999	2000
Single Family Detached House	14	19
Reconstructed/Repaired House	3	8
Addition/Garage/Accessory Building	41	39
Deck/Porch	20	15
Swimming Pool	8	11
Fence	8	11
Farm Trailers/Accessory Buildings/Barn	4	5
Continued Use	3	3
Automotive	0	2
Signs (New and Rebuilt)	1	2
Utility Pole/Building	1	1
Miscellaneous Single Permits	0	4

A miscellaneous single permit is described as a permit to harvest a tree, install a dog run, erect a temporary electric pole or establish a sunroom sales office.

PROPERTY MAINTENANCE/HOUSING INSPECTION

Overview

The township has a property maintenance code that governs the maintenance of both residential and non-residential structures. The ordinance, found in chapter 45 of the township's regulations, was adopted on November 10, 1986 to protect the public health, safety, and welfare. The code enforcement officer enforces the regulations. The ordinance protects the public against substandard living conditions and unsafe non-residential conditions.

The ordinance sets forth a minimum of standards which are tied to the Uniform Construction Code as codified by the New Jersey Building Official Council of American Standards (BOCA) by which compliance is measured. Although minimum standards are established, the ordinance is quite comprehensive in that it governs sanitation, grading, drainage, insect and rodent infestation, foundations, roofs, exterior walls, structural safety, ventilation, heating apparatus, occupancy, and smoke detectors.

There were 2,081 housing units reported in the 1990 census, of which 1,921 were occupied and 180 were vacant. Single family detached houses accounted for 1,887 units. There were also 22 single family attached units, 44 two or more family dwellings, and 128 units that were listed as "other." There is a trailer park in town. The building department keeps a log of trailers that are used as either a permanent or temporary residence. This log is kept to identify the location of trailers in the event a windstorm or flood requires evacuation for public safety.

The township does not keep a record of multi-family houses, however, the reason that the above ordinance was adopted was in response to the growing number of tenant occupied dwellings that created a public health, safety, and welfare concern.

The zoning officer performs the duties of a code enforcement officer. He enforces the maintenance ordinance when a complaint is received or through his observations when he is on the road on regular tours of the township.

His office sends out approximately five violation notices a month. These notices require compliance within 10 days. On rare occasions the property owner is given 30 days. Clean-ups generally occur within the time limit. Approximately three summonses are issued a year for non-compliance.

Recommendation:

As the code enforcement officer, the individual employee should be empowered to visit community locations to enforce local codes designed to enhance the community generally and maintain higher property values. LGBR does not envision a tool to increase revenues, but rather an instrument to make aesthetic improvements in the community using existing ordinances to improve visual perceptions.

UNIFORM CONSTRUCTION CODE DEPARTMENT

Overview

Compliance with the uniform construction code (UCC) is handled in the construction department. The department is responsible for reviewing development plans and applications, collecting fees for permits, building inspections, and issuing certificates of occupancy. Additionally, general inquiries and questions involving construction, concerns and complaints regarding property maintenance, zoning, code enforcement, contractor licensing, housing issues, rental unit registrations, flood plan, and pinelands applications for development and land clearing are handled through this department.

A full-time control person (administrative assistant) manages the office. She reports to the construction official and the zoning officer. This individual spends approximately 60% of the workday on UCC matters and the remainder of the day on zoning, housing and the other related issues outlined above. This person has performed in this position since 1994. The office hours of the department are Monday through Friday, 8:30 a.m. to 4:00 p.m. There are no evening hours.

The UCC inspection staff is comprised of a part-time construction official. He also serves as the building sub-code and the fire protection official. This individual works 14 hours per-week with office hours on Tuesday, 8:30 a.m. to 12 noon, Wednesday, 8:30 a.m. to 4:00 p.m. and Thursday, 12:30 p.m. to 4:00 p.m. Plumbing and electrical inspections are completed by private third-party agencies. Per the contract with these agencies, office hours are maintained on Tuesday and Thursday from 8:30 a.m. until 12 noon.

Procedures

The control person receives all inquiries and communications as they relate to the UCC. She manages the initial permit application procedure and receives the completed permit applications.

This individual distributes the completed applications to the appropriate inspectors for review. The inspectors determine the permit fees. The staff person then notifies the applicant of the status of the application and advises them of the fee, at which time she collects the fee and issues the permit.

She is responsible for the collection of all fees, fines, and penalties that are related to this office. A separate bank account is maintained for this purpose. She makes daily deposits and manages this account. At the end of each month, she reconciles the account and completes a report of activity to the chief financial officer of the township indicating the revenues from all permits and inspections. A check in the amount of the revenues is written from the UCC account to the township at the end of each month.

In addition to forwarding the monthly check to the township, a check is written to the New Jersey Department of Community Affairs (DCA) on a quarterly basis for the mandated training fees. The administrative assistant writes these checks, but she does not endorse them. The checks are issued with two signatures. The chief financial officer, through the township's municipal current fund budget, issues payments to the third party inspection agencies. In addition to managing the revenues and the bank account, the controller maintains the New Jersey Uniform Construction Code Activity Reports (NJ-UCCARS) monthly that indicate the construction value of the permits issued and the monthly permits fee log reports. The teams observed this employee to be well organized, very knowledgeable, and competent in fulfilling all her job-related functions.

Financial

The township currently dedicates construction code revenues to the UCC operations within the municipal current fund budget. Listed below is a summary review of revenues and expenses from the New Jersey Department of Community Affairs Uniform Construction Code Annual Reports from 1995 through 2000.

Year	Revenues	Expenditures
1995	\$73,605	\$77,917
1996	\$72,718	\$66,986
1997	\$60,908	\$70,732
1998	\$59,837	\$63,033
1999	\$42,196	\$57,490
2000	\$56,257	\$51,774

The review of the annual reports from 1995 through 2000 indicates that during four of the six years the UCC operations were not self-sustaining in that the costs associated with administering the permits and inspections exceeded the fees charged for such permits and inspections.

DCA permits municipalities to dedicate UCC fees by "rider." "Dedication-by-rider" is a procedure by which a municipality may use UCC revenue for UCC expenses without affecting the current fund budget. Municipalities typically use rider accounts for expenses that vary with the volume of permit activity. This procedure is beneficial in cases where the municipality realizes permit income in one year, but incurs the expense in the next. Using a rider is also

valuable for matching income and expenses when the volume of construction is difficult to predict. When the municipality dedicates UCC fees through the budget, revenue that exceeds expenses adds to the municipal surplus each year. Funds dedicated by rider are reserved in a trust account, which is used to pay the expenses associated with the revenue.

Listed below is a summary from the NJ-UCCARS reports, which is a compilation of permits issued (new and updates), fees collected by trade category, and the total of construction value of the permits issued for the years 1995 through 2000.

Year	New Permits	Updated Permits	Construction Value	UCC Fees
1995	213	28	\$2,674,488	\$54,474
1996	239	33	\$2,394,758	\$50,436
1997	230	38	\$2,561,449	\$45,024
1998	201	41	\$2,688,722	\$42,462
1999	203	61	\$2,785,821	\$49,358
2000	183	44	\$2,955,561	\$58,402

The team’s review of the municipal monthly NJUCCARS reports, the DCA-UCC Annual Reports, the monthly permit log reports, and the financial audits since 1995 reveals that each report provides different statistical information concerning the revenues received and the number of new permits issued. The inconsistencies in the reporting of this information made it most difficult to determine the actual revenue that was realized for any given year. Listed below is a chart comparing the above mentioned discrepancies from 1995 through 2000.

Year	UCC Annual Report	NJUCCARS Report	Permit Fee Log Report	Annual Audit
1995	\$73,605	\$54,474	\$70,710	\$64,658
1996	\$72,718	\$50,436	\$70,021	\$62,946
1997	\$60,908	\$45,024	\$58,526	\$70,339
1998	\$59,837	\$42,462	\$59,118	\$49,036
1999	\$42,196	\$49,358	\$57,285	\$45,638
2000	\$56,257	\$58,402	\$58,202	N/A

The following chart shows the discrepancies in reporting the number of new permits in the NJUCCARS report and the permit fee log report. There were no discrepancies in reporting the updated permits for this period.

Year	NJUCCARS Report	Permit Fee Log Report
1995	213	218
1996	239	250
1997	230	237
1998	201	213
1999	203	206
2000	183	183

Recommendations:

The team recommends that an internal procedure be established between the chief financial officer, the construction official, and the control person whereby the monthly reports indicating permit activity and fees collected be reviewed and reconciled for accuracy. The information reported in the monthly permit fee log report should reflect the activity reported in the monthly NJ-UCCARS report. Additionally, the year-end reports of revenues/fees as reported here should similarly be reported in the UCC Annual Report. This will enable the proper analysis of the revenue verses expenses of the department to assist in determining if the operation is in fact self-sustaining and future fee schedules.

Additionally, the team recommends the township pursue the “dedication-by-rider” system through the New Jersey Division of Local Government Services, whereas the UCC fees are dedicated to pay the UCC expenses, thus enabling the department to be self-sustaining. Due to discrepancies in the documents provided the actual budget cost savings are unknown.

COUNTY LIBRARY

The township has a regional library service in nearby Hammonton. By proximity, it has taken advantage of the Atlantic County Library System. The county library tax is .041 per \$100 of assessed valuation.

The team commends the township for their participation in the county library system.

PUBLIC WELFARE

Public welfare was moved to the county in 1999. Appropriations in 1999 were \$750 for salary and wages and \$200 for operating expenses. In 1998, salaries & wages were \$4,914 and operating expenses were \$260.

We commend the township for moving its welfare operation to the county. This provided the township with savings while still providing the residence with comparable service. In 1999 there was a cost savings of \$950.

RECREATION

The primary responsibility of the department is to maintain the Mullica Township recreation facility, two combination baseball and soccer fields, one large soccer field, one large playground (Pinecone Zone), and a concession area connected to one of the combination fields. During the spring, summer and early fall seasons, the department activity of mowing and park maintenance becomes a top priority, second only to vehicle maintenance.

The township is in the process of applying for Green Acres Funds in the amount of \$250,000. The funds will be used to enlarge the existing facility by duplicating the current configuration of fields, adding a septic system and increasing the storage facility.

The Mullica Township Recreation Association, Inc., a volunteer organization, has taken on the responsibility of providing recreational activities for the community. The organization handles all administrative duties relating to the scheduling of the ball fields and special events at the Mullica Township Recreation Facility. The organization receives an annual budget appropriation from the township in the amount of \$5,000 per year. The township is responsible for all cost associated with the facilities maintenance, repair, park lighting, and insurance.

Recreation Department Budget Year (s)	Amount Budgeted	Amount Expended
2000	\$5,000	\$5,000
1999	\$5,000	\$5,000
1998	\$5,000	\$5,000

The Recreation Association has an executive board consisting of ten members. The board coordinates the activities of four sports: baseball, soccer, wrestling and basketball. There are approximately 960 participants, ranging in age from 4 to 15 years. The association conducts fundraisers to augment and support their annual budget. In addition to the fundraisers and budget appropriation, the association charges an annual registration fee in the amount of \$25 for the 1st child, and \$20 for the 2nd and 3rd child.

Based on the participation level reported to the review team, about 15% of the township population it seems that the recreation association provides a valuable service to the community. That level of participation and the township application for Green Acres Funds, gives testimony to the importance of the recreation component.

Recommendation:

The review team was unable to determine the actual cost associated with the recreation facility. Those costs should be determined and budgeted for annually; thus allowing the township the ability to manage the resources allocated for this division more appropriately. In addition, the township should request an itemized annual report on funds distributed to the recreation association and require that a detailed budget be submitted for any future funding requests. This will hopefully deter the possibility of duplication of effort in the area of insurance and maintenance of the facility.

Waterfront Recreation

The Mullica River extends the length of the northern border of Mullica Township affording the township a natural resource that should be studied for potential recreational use. LGBR recommends that the township consider setting aside an area along the river for waterfront activities, such as boat launching and a public picnicing. (The township may wish to negotiate with landowners to obtain certain properties in exchange for other public held properties to achieve this goal.)

There are several unimproved streets running perpendicular to the river that could be opened to allow access to the river. The township has a land transfer ordinance that allows for land to be banked in one section of the township for development in another section. Mullica holds title to approximately 934 acres of unencumbered land, some of which could be used for waterfront recreation under the transfer ordinance. The revenue that would be generated would be realized through user fees and, if properly planned and managed, would subsidize the maintenance costs associated with this undertaking.

III. COLLECTIVE BARGAINING ISSUES

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

Local 29

Local 29 contract will expire on December 31, 2003. The Local represents any employee who is scheduled to work more than 20 hours per week and in the following positions:

- Control Person/Technical Assistant;
- Court Administrator;
- Deputy Clerk;
- Deputy Court Clerk;
- Receptionist/Administrative Assistant;
- Road Foreman (Supervisor of Public Works); and
- Tax Collector.

Benefits such as longevity, vacation days, and health benefits, are limited to full-time employees. The seniority section of the contract gives employees special consideration for job assignment hours, working conditions, or leaves within the employee's title.

The overtime section of the contract seems to be generous for any employee who is scheduled to work over 35-hours a week. As stated in Article X & Article XI, section D and reiterated in section E, first sentence, same articles:

“D. All employees shall be entitled to receive time and a half (1-1/2) including longevity, when expected to work past their regular quitting time. If the employee does not wish to receive this in overtime he/she may be entitled to compensation time at 1-1/2 time for the hours worked providing that he/she does not accumulate more than 480 hours of compensatory time”

“E. Time and one-half premium pay, including longevity, shall be paid for all hours in excess of all normal working hours worked in one day...”

Recommendation:

The township should incorporate language reflecting the Fair Labor Standard Act (FLSA), as it relates to overtime payments. This would save premium pay for any hours worked less than 40, in a given week.

The maximum accumulative compensatory time should be reduced by 50% as per United States Department of Labor 29 CFR 553.22, which will bring the township within the FLSA cap for

non-public safety personnel. The township should require that the time be used within a specific period of time from the date earned. This would limit the township liability of paying a higher rate of pay for time earned at a lower rate.

The township is required to provide minimum coverage through the New Jersey Health Benefits System and/or an HMO. In addition, each employee is entitled to prescription, dental, and vision plans. It also allows the employees the option to opt out of those plans to receive cash reimbursements of up to \$450.00 per plan. The employee must advise the township by January 1, of each year.

Recommendation:

The township is encouraged to negotiate a 20% other-than-single co-pay for health coverage and a 50% co-pay for vision, dental, and drug coverage for all employees.

Potential Cost Savings: \$15,090

The township should require proof of family coverage during time of enrollment.

The provision for disability, workers' compensations, retention of benefits, and unpaid leaves are in line with the other township bargaining agreements. Employees can accumulate two years of vacation time. Vacation time earned is from a low of one week for one year of service to a high of seven weeks for 20 years of service and above. For this review period, there exists one employee out of six who will receive the maximum allotted vacation time.

The township allows for the payment of unused sick-time without restriction in this contract. However, the township capped the sick-time accumulation to a maximum of 24 days, beginning January 1, 1999. All previous earned time will remain credited to employees time balance and can be replenished as used, not to exceed the original amount.

Recommendations:

The township should eliminate the payment for unused sick-time for any other purpose other than disability, death, or retirement. In addition, they should limit the accumulated vacation time carry-over to one year.

The township should negotiate the maximum earned vacation time to the statewide average of 25 days.

Potential Cost Savings: \$1,585

The employees receive four non-accumulative personal days a year, which can be used without prior notification to the township. Each employee receives the following 13 paid holidays:

- New Year's Day;
- Martin Luther King's Birthday;
- President's Day;

- Memorial Day;
- July 4th;
- Labor Day;
- Columbus Day;
- General Election;
- Veteran’s Day;
- Thanksgiving Day and the day after; and
- Christmas Day.

Any employee that is required to work on a holiday will receive his/her pay for that day plus an additional 1½ times their salary, including longevity for all hours worked.

Recommendation:

The township should eliminate one personal day, which would bring the township in line with the state average.

Potential Cost Savings: \$663

The township should negotiate a reduction to the premium pay for work on holidays to something less than 2.5 times salary.

The contract provides for tuition and material reimbursement for courses relating to their employment. Reimbursement is based on the completion and receiving a passing grade for the course. If the township, state, or other laws, rules or regulations mandate that an employee must attend a job-related course or schooling the township pays all expenses.

Recommendation:

The township should approve all courses before any registration, to ascertain whether the course is relevant to the position or job being held.

Longevity is paid to all employees hired before January 1, 1998. Beginning January 1, 2001, longevity will be added to the employees base salary. The payment for longevity ranges from a low of \$450 for three years of non-interrupted service to high of \$4,000 for 27 years of service.

The salary increment received for the review period exceeded the CPI; with the addition of longevity, the percent increase exceeds the CPI by more than 100%. Employee’s salaries are listed in salary ranges for all positions. With a guarantee increase to the maximum level of the scale by December 31, 2003.

<i>Local 29</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>Total %</i>
<i>CPI</i>	2.70%	3.40%				
Contract % Increase	3.00%	3.00%	3.50%	4.00%	3.85%	17.35%
Average Longevity %	4.86%	5.24%	5.52%	5.79%	6.04%	27.45%
Total Contract % Cost	7.86%	8.24%	9.02%	9.79%	9.89%	44.80%

Recommendation:

The township is commended for eliminating their longevity cost for new hires, however, they should review their position on paying longevity in base salary. The elimination of this benefit will reduce the cost to the pension system and the township in years when payment contributions are required.

The township should avoid listing salary increments by employee's names and used titles or positions instead.

The township provides specific clothing (work gloves, hard hats and one pair of steel toed work boot reimbursed annually) as needed by the individual employee.

Council 71, Local 2512A

Local 2512A contract expires on December 31, 2003. The Local represents employees listed by name in Appendix A of the contract. In reviewing the names listed, it seems that the Local represents the blue-collar workforce, excluding supervisors as listed below:

- Heavy Equipment Operator;
- Light Equipment Operator/Laborer;
- Laborer Class II; and
- Laborer (PT).

Recommendation:

The township should avoid listing positions by employee names and use titles and/or position as done in the rate of pay listing. This will possibly limit any confusion when new employees are hired during the contract period.

The workweek for these employees is 40 hours, Monday through Friday, unless otherwise scheduled. Overtime is base on FLSA, for time worked in excess of 40 hours and Saturday. The premiums pay for time worked on Sundays is two times the employee's regular hourly rate.

Benefits such as longevity, vacation days, health benefits, etc. are limited to full-time employees (30 hour at week minimum). The seniority section of the contract gives employees special consideration for job assignment hours, working conditions, or leaves within the employee's title.

The township is required to provide minimum coverage through the New Jersey Health Benefits System and/or an HMO. Health benefits are restricted to the employee, unless they provide proof for family coverage.

Recommendation:

The township is encouraged to negotiate a 20% other-than-single co-pay for health coverage and 50% co-pay for vision, dental, and drug coverage for all employees.

Potential Cost Savings: \$4,314

The provision for disability, workers' compensation, and unpaid leave is in line with the other township bargaining agreements. Employees are allowed to accumulate two years of vacation time (current year and prior year). Vacation time earned is from a low of three weeks for one year of service to a high of six weeks for 16 years or more. For this review period, there exists one employee out of four who will receive the maximum allotted vacation time. Sick-time is capped to a maximum of 24 days and upon an employee termination unused time will be paid without restriction.

Recommendation:

The township should eliminate the payment for unused sick-time for any other purpose other than disability, death, or retirement.

The township should negotiate the maximum earned vacation time to the statewide average of 25 days.

Potential Cost Savings: \$575

The employees receive four non-accumulative personal days a year, which can be used without prior notification to the township. Each employee receives the following 13 paid holidays:

- New Year's Day;
- Martin Luther King's Birthday;
- President's Day;
- Memorial Day;
- July 4th;
- Labor Day;
- Columbus Day;
- General Election;
- Veteran's Day;
- Thanksgiving Day and the day after; and
- Christmas Day.

Recommendation:

The township should eliminate one personal day, which would bring the township in line with the state average.

Potential Cost Savings: \$331

Longevity is paid to all employees hired before December 31, 1997. The payments for longevity range from a low of \$450 for three years of non-interrupted service to high of \$3,000 for 20 years of service. This bargaining unit does not have their longevity included in their base salary.

<i>AFSCME Local 2512A</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>Total %</i>
<i>CPI</i>	2.70%	3.40%				
Contract % Increase	3.00%	3.00%	3.00%	3.00%	3.00%	15.00%
Average Longevity %	3.42%	3.32%	3.22%	3.13%	3.04%	16.13%
Total Contract % Cost	6.42%	6.32%	6.22%	6.13%	6.04%	31.13%

The township is commended for eliminating the longevity benefits for new employees and for not including longevity in the base salary for this bargaining unit.

The township provides specific clothing (work gloves, hard hats and one pair of steel toed work boot reimbursed annually) as needed by the individual employee.

Township Clerk

This agreement will expire on December 31, 2003. The agreement allows the clerk to be paid overtime for holidays (including primary elections) and, in lieu of overtime, the employee may elect to receive compensatory time. Compensatory time can be accumulated to a maximum of 480 hours.

Recommendation:

The township should incorporate language reflecting the Fair Labor Standard Act (FLSA), as it relates to overtime payments. This would save premium pay for any hours worked less than 40, in a given week.

The maximum accumulative compensatory time should be reduced by 50% as per United States Department of Labor 29 CFR 553.22, which will bring the township within the FLSA cap for non-public safety personnel. The township should require that the time be used within a specific period of time from the date earned. This would limit the township liability of paying a higher rate of pay for time earned at a lower rate.

The holiday overtime should be restricted to recognized holidays of the township. Compensation for primary election should be treated as a normal day worked. Any hours worked beyond the normal day should be compensated as per FLSA.

The township is required to provide minimum coverage through the New Jersey Health Benefits System and/or an HMO. In addition, each employee is entitled to a prescription, dental, and vision plans. It also allows the employees the option to opt out of those plans to receive cash reimbursements of up to \$450 per plan. The employee must advise the township by January 1, of each year.

Recommendations:

The township is encouraged to negotiate a 20% other-than-single co-pay for health coverage and a 50% co-pay for vision, dental, and drug coverage for all employees.

Potential Cost Savings: \$820

The township should require proof of family coverage during time of enrollment. The provision for disability, workers' compensation, retention of benefits, and unpaid leaves are in line with the other township bargaining agreements. However, the maternity/child-rearing clause gives the clerk up to one-year leave, with a six months extension option. The clerk can accumulate two years of vacation time. Vacation time earned is from a low of one week for one year of service to a high of seven weeks for 20 years of service or more.

Recommendation:

The township should limit the accumulated vacation time carry-over to one year and reduce the maternity/child-rearing clause to six months and three months respectively. This would bring this section in-line with the other township labor agreements.

The review team believes that the township should negotiate unpaid leaves to reflect the state and federal Family Leave Acts.

The township should negotiate the maximum earned vacation time to the statewide average of 25 days.

Potential Cost Savings: \$895

The employees receive four non-accumulative personal days a year, which can be used without prior notification to the township. Each employee receives the following 13 paid holidays:

- New Year's Day;
- Martin Luther King's Birthday;
- President's Day;
- Memorial Day;
- July 4th;
- Labor Day;
- Columbus Day;
- General Election;
- Veteran's Day;
- Thanksgiving Day and the day after; and
- Christmas Day.

Recommendation:

The township should eliminate one personal day, which would bring the township in line with the state average.

Potential Cost Savings: \$179

The township allows for the payment of unused sick-time without restriction in this contract. However, the township capped the sick-time accumulation to a maximum of 24 days, beginning January 1, 1999. All previous earned time will remain credited to employees time balance and can be replenished as used, not to exceed the original amount prior to January 1, 1999.

Recommendation:

The township should eliminate the payment for unused sick-time for any other purpose other than disability, death, or retirement.

The contract provides for tuition and material reimbursement for courses relating to their employment. Reimbursement is based on the completion and receiving a passing grade for the course. If the township, state, or other laws, rules or regulations mandate that an employee must attend a job related course or schooling the township pays all expenses.

Recommendation:

The township should approve all courses before any registration, to ascertain whether the course is relevant to the position or job being held.

Longevity is paid to all employees hired before January 1, 1998. Beginning January 1, 2001, longevity will be added to the employee base salary. The payment for longevity range from a low of \$450 for three years of non-interrupted service to high of \$4,000 for 27 years of service.

The salary increment received for the review period exceeded the CPI; with the addition of longevity, the percent increase exceeds the CPI by more than 100%. The salary for the clerk was not listed in the agreement.

<i>Twp. Clerk</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>Total %</i>
<i>CPI</i>	2.70%	3.40%				
Contract % Increase	3.00%	3.00%	3.50%	4.00%	3.85%	17.35%
Average Longevity %	5.81%	5.95%	6.05%	6.11%	6.16%	30.08%
Total Contract % Cost	8.81%	8.95%	9.55%	10.11%	10.01%	47.43%

Recommendation:

The township should review its position on paying longevity in base salary. The elimination of this benefit will reduce the cost to the pension system and the township in years when payment contributions are required. The salary scale or range for the clerk should be listed in the agreement.

Chief Finance Officer

This agreement will expire on December 31, 2003. The agreement allows the CFO to be paid overtime for hours worked over 35 and on holidays. In lieu of overtime the employee may elect to receive compensatory time. Compensatory time can be accumulated to a maximum of 480 hours.

Recommendation:

The township should incorporate language reflecting the Fair Labor Standard Act (FLSA), as it relates to overtime payments. This would save premium pay for any hours worked less than 40, in a given week.

The maximum accumulative compensatory time should be reduced by 50% as per United States Department of Labor 29 CFR 553.22, which will bring the township within the FLSA cap for non-public safety personnel. The township should require that the time be used within a specific period of time from the date earned. This would limit the township liability of paying a higher rate of pay for time earned at a lower rate.

The holiday overtime should be restricted to recognize holidays of the township. Compensation for primary election should be treated as a normal day worked. Any hours worked beyond the normal day should be compensated as per FLSA.

The township is required to provide minimum coverage through the New Jersey Health Benefits System and/or an HMO. In addition, each employee is entitled to a prescription, dental, and vision plans. It also allows the employees the option to opt out of those plans to receive cash reimbursements of up to \$450 per plan. The employee must advise the township by January 1, of each year.

Recommendation:

The township is encouraged to negotiate a 20% other-than-single co-pay for health coverage and a 50% co-pay for vision, dental, and drug coverage for all employees.

Potential Cost Savings: \$2,666

The township should require proof of family coverage during time of enrollment.

The provision for disability, workers' compensation, retention of benefits, and unpaid leaves are in line with the other township bargaining agreements. The CFO receives ten vacation days and five sick days per year, which can be accumulated up to the number earned in two years. The township allows for the payment of unused sick-time without restriction in this contract. The CFO also receives two personal days and six of the 13 approved holidays in the township.

The contract provides for tuition and material reimbursement for courses relating to their employment. Reimbursement is based on the completion and receiving a passing grade for the course. If the township, state, or other laws, rules or regulations mandate that an employee must attend a job related course or schooling the township pays all expenses.

Recommendation:

The township should approve all courses before any registration, to ascertain whether the course is relevant to the position or job being held.

<i>CFO</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>Total %</i>
<i>CPI</i>	2.70%	3.40%				
Contract % Increase	3.00%	3.00%	3.50%	4.00%	3.85%	17.35%
Average Longevity %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Contract % Cost	3.00%	3.00%	3.50%	4.00%	3.85%	17.35%

The salary increment received for this review period exceeded the CPI. The salary for the CFO was not listed in the agreement and there was no longevity clause in the agreement.

Recommendation:

The salary scales or range for the CFO should be listed in the agreement.

PBA Mainland Local No. 77 (Superior and Rank and File)

The two bargaining agreements expire on December 31, 2002. These agreements represent the six superior officers the chief, and eight non-superior officers, for a total number of 14 officers. Each agreement allows delegates to participate in the PBA meetings and conventions with compensation and no loss of time.

Recommendation:

The township should review their position relating to allowing the chief, a management employee, to be represented by a union covering his subordinate employees. This arrangement may cause management conflicts during the administration of the department.

The township should look to restrict the total number of delegates that would be permitted to attend PBA meetings or conventions. The purpose is to assure, that the township will have the necessary officers available to properly operate the police department.

Longevity is paid to all employees hired before December 31, 1999. Employees hired after January 1, 2000 will receive longevity payments beginning in their 11th year at the 11th year rate. The payments for longevity range from a low of \$450 for four years of non-interrupted service to high of \$4,000 for 24 years of service. These payments are added to the employee's base salary, beginning January 1, 2001. The salary increments received for these contracts exceed the CPI as indicated in the below chart:

<i>Superior Local 77</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>Total %</i>
<i>CPI</i>	2.70%	3.40%			
Contract % Increase	4.00%	3.50%	4.00%	3.85%	15.35%
Average Longevity %	5.02%	5.12%	5.18%	5.24%	20.56%
Total Contract % Cost	9.02%	8.62%	9.18%	9.09%	35.91%
<i>Rank and File Local 77</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>Total %</i>
<i>CPI</i>	2.70%	3.40%			
Contract % Increase	4.00%	3.50%	4.00%	3.85%	15.35%
Average Longevity %	2.37%	2.42%	2.61%	2.80%	10.20%
Total Contract % Cost	6.37%	5.92%	6.61%	6.65%	25.55%

Recommendation:

The township should review its position on paying longevity in base salary. The elimination of this benefit will reduce the amount of contribution required from the township for pension.

Overtime is paid for hours worked in excess of the normally scheduled workday. Payment for overtime is at the discretion of the employee on whether they receive cash or compensatory time for a maximum accumulation of 480 hours.

Each officer is paid an amount equal to 13 holidays in November annually. In addition, if any officer works on a holiday he or she receives an additional eight hours of compensatory time. If an officer works on Easter Sunday, he or she receives an additional eight hours of compensatory time. During the review of the payroll records, it appears that the officers are being compensated for holidays throughout the year in addition to their annual payment.

Recommendation:

The township should negotiate the elimination of the additional eight hours of compensatory time for working on a holiday and the compensatory time for officers working on Easter Sunday. The township should eliminate the practice of paying officers for holidays throughout the year in addition to their annual holiday payment.

Potential Cost Savings (Combined Units): \$42,011

Superior officer vacation time earned is from a low of one week for one year of service to a high of seven weeks for 20 years or service or more. The rank and file officer receives the same, except they top out at six weeks for 16 years or more. There were four superior officers with 30 days of vacation and one with 35 days during the review period. The officers can carry forward one years time, but must used the time by December 31, in the following year, or the time will be lost.

Recommendation:

The township should negotiate the maximum earned vacation time to the statewide average of 25 days.

Potential Cost Savings (Superior Local 77): \$5,634

The township is required to provide minimum coverage through the New Jersey Health Benefits System and/or an HMO. In addition, each employee is entitled to a prescription, dental, and vision plans.

Recommendation:

The township is encouraged to negotiate a 20% other-than-single co-pay for health coverage and a 50% co-pay for vision, dental, and drug coverage for all employees.

**Potential Cost Savings: (Superior Local 77): \$16,516
(Rank and File Local 77) \$27,615**

The township allows for the payment of unused sick-time without restriction, for employees hired before January 1, 2000. Anytime earned prior to that date will be frozen until payment either as terminal leave at retirement, or a lump sum in the event of death or other termination. Sick-time after January 1, 2000 will be charged to these employees at a rate of no more than three days per year for, up to five years of service. Once the officer completes his or her 5th year there will be no loss of time or pay to an employee for days off due to illness or injury. Employees absent due to illness for more than three consecutive days shall provide the township with a note from a certified physician identifying the reason for the absence and a certification that the employee is able to return to work.

Employees hired after January 1, 2000 will earn 12 days for their first year of service and 15 days thereafter. The employees will be allowed to accumulate unused time from year to year to be used as needed. However, the accumulated time will not be pay as terminal leave at time of separation from the department.

Each employee receives four personal days per year, earned at a rate of one day per quarter. In the event of separation of employment, the employee will be paid for any personal days earned to that date.

Recommendation:

The township should eliminate one personal day, which would bring the township in line with the state average.

Potential Cost Savings: \$1,197

Clothing allowance for purchase and/or maintenance of uniforms is paid twice a year in \$500 increments. Clothing destroyed or damaged in the line of duty is replaced or repaired at the expense of the township. In addition, the township provides for the replacement of personal

effects up to \$100 per incident and the total original cost of eyeglasses. A damage report must be submitted at the time of occurrence, signed by the shift commander before any reimbursements can be process.

Recommendation:

The township should negotiate the clothing allowance to the statewide average of \$350.

Potential Cost Savings: \$9,800

The township provides for legal aid assistant at a rate of \$120 per year for officers who need to secure legal protection. Also, if an officer is asked to take a physical examination and passes the examination he is rewarded with \$200.

COLLECTIVE BARGAINING AGREEMENTS SUMMARY CHART OF POTENTIAL SAVINGS

Collective Bargaining Issues	Potential Cost Saving					
	Health Insurance	Vacation Time	Personal Day	Holiday Pay	Uniform Allowance	Total Savings per/unit
Local 29	\$15,090	\$1,585	\$663			\$17,338
Local 2512A	\$4,314	\$575	\$331			\$5,220
Town Clerk	\$820	\$895	\$179			\$1,894
CFO	\$2,666					\$2,666
Local 77 (Superior and Rank)	\$44,131	\$5,634	\$1,197	\$42,011	\$9,800	\$102,773
Total Savings per/category	\$67,021	\$8,689	\$2,370	\$42,011	\$9,800	
Total Proposed Contract Savings						\$129,891

**LOCAL GOVERNMENT BUDGET REVIEW TEAM
ACKNOWLEDGEMENTS**

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