

Government that Works!

NEW JERSEY DEPARTMENT OF THE TREASURY

LOCAL GOVERNMENT BUDGET REVIEW

CITY OF WILDWOOD

JANUARY, 2002



GOVERNMENT THAT WORKS

OPPORTUNITIES FOR CHANGE

The Report of the City of Wildwood

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 Acting Governor Donald T. DiFrancesco. It means taxpayers should get a dollar's worth of service for every dollar they send to government, whether it goes to Trenton, their local town hall or school board. Government on all levels must stop thinking that 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 by former Governor Whitman, 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 combining 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
CITY OF WILDWOOD**

Governing Body

The team recommends that the committee members either reimburse the city for health benefits or decline to take coverage, saving \$12,558.

Municipal Clerk

The city should consider establishing a policy regarding audio and/or videotaping public meetings of the governing body. The team also recommends that the city repair the recording equipment in the caucus room, at a one-time expense of \$500.

The team recommends that the city update their codebook and purchase only enough supplements to update the number of codebooks outstanding, at an expense of \$5,000 - \$10,000.

The team recommends that by setting liquor license fees to the maximum allowed by law, the city could yield a revenue enhancement of \$230,729 over a six year period.

The team also recommends that the city increase dog license fees to the maximum allowed under statute, yielding a revenue enhancement of \$6,267.

Administration

The team recommends that the city direct their legal council to investigate procedures for the creation of a city administrator position, at an expense of \$75,000.

Personnel

The city should consider upgrading the position of personnel clerk to the position of personnel technician, with a pay increase of 5%, at an annual expense of \$1,950.

The team recommends that a concerted effort be made to address issues of attendance for all city employees, and provide for discipline in cases of abuse. By reducing the average sick leave throughout the city to no more than 11 days, the city could yield a productivity enhancement of \$13,297.

The team also recommends that the city purchase and utilize a software package to record attendance and create payroll spreadsheets, at a one-time expense of \$7,500.

Health Benefits

The team recommends that the city review their current health benefits package and compare the costs associated with it to the State's Health Benefits Plan, saving \$294,469.

Financial Administration

The city should consider developing a cash flow plan to better enable them to invest available cash, yielding a revenue enhancement of \$28,739.

Tax Collection

The team recommends that the city install four scanners, two at the front windows and two in the clerk's office, to expedite bill processing, at a one-time expense of \$3,400.

By reducing the tax collection staff to two full-time employees, the tax collector and one clerk, the city could save \$107,266.

After clarifying the status of all municipally held liens, the city should consider taking immediate steps to foreclose on those properties, saving \$34,820.

Police

The team recommends that the city purchase and utilize a computerized time keeping system, centralized in the clerical support unit, at a one-time expense of \$6,500.

The city should consider eliminating both temporary parking enforcement officer positions, saving \$14,466. This function could be handled by permanent police assigned to off-season parking problems.

By reorganizing the clerical support positions by title, as outlined in the report, the city could eliminate one clerical staff position, saving \$37,371.

The team recommends that the city create a civilian court liaison officer position to represent police officers in court, saving \$15,000.

The team also recommends that the city review their alarm ordinance to include a registration fee and provide for violations, yielding a revenue enhancement of \$12,500.

Municipal Court

By utilizing the comprehensive enforcement program to collect delinquent time-payment accounts, the city could yield a revenue enhancement of \$293,000.

The team recommends that the city execute repairs to both the interior and exterior of the court building, including the roof, at a one-time expense of \$42,250.

The team recommends that the police department provide security to the court by employing part-time special officers, rather than regular police officers, saving \$2,926. The team also recommends that the police department discontinue the practice of having a records clerk, plus a sergeant or lieutenant, attend each court session, for an additional saving of \$10,320.

The team commends the city for its efforts to participate in video arraignments and recommends that the process begin as soon as possible, saving \$13,000.

By eliminating one full-time clerical position in the court and reducing one full-time position to seasonal full-time, the city could save \$42,918.

The city should consider creating an inter-municipal court with West Wildwood, yielding a revenue enhancement of \$2,756.

Fire Department

The team recommends that the city centralize its fire services operations to its main fire station location and the Holly Beach Firehouse, saving \$10,000 in operational fees and yielding a one-time revenue enhancement of \$35,000 from the sale of two pumpers.

Public Works

By privatizing the building maintenance division of the public works department, the city could yield net savings of \$122,987.

The team recommends that the city convert its interior lighting to modern, high efficient fluorescent lighting and ballasts, at a one-time expense of \$21,072 and annual savings of \$17,000.

By sharing the cost of traffic control devices with the County of Cape May, the city could save \$2,850.

The city could yield a productivity enhancement of \$22,000 by discontinuing the practice of allowing trash and recycle truck laborers to travel with the trucks to the transfer station and, instead, provide practical work while they wait for the return of the trucks.

The team recommends that volume limits and weight limits be placed on municipal trash that will allow a reduction of two laborers, saving \$56,800.

By privatizing its trash and recycling operations, the city could save \$218,700, with a one-time revenue enhancement of \$300,000 from the sale of equipment.

The team recommends that the position of supervising heavy equipment operator be upgraded to that of public works supervisor, at an annual expense of \$2,000.

By combining the sewer utility with the division of traffic markings and streets, the city could save \$3,137. Upon consolidation, the total number of equipment operators and truck drivers should be reduced to three positions designated as either equipment operator or CDL truck driver, saving \$101,382.

Also upon consolidation, the total number of laborers can be reduced by two positions and additional two seasonal employees should be hired to mitigate increased summer activities, for net savings of \$54,047.

The team recommends that one principal clerk typist be moved from the department of public works to the sewer utility, replacing the administrative clerk currently assigned to the utility, saving \$38,940.

The team also recommends that future contracts be drawn up with sponsors of special events to include an escrow fee, paid up front, to cover the city for the use of any extraordinary manpower, yielding a revenue enhancement of \$40,000.

Planning/Zoning Boards

The team recommends that the hours worked in the zoning office be increased and that added duties be placed in the office, at an expense of \$16,809. The team also recommends that the zoning office be provided with software and training specially designed for zoning offices, at a one-time expense of \$1,000.

Housing Authority

By competitively seeking higher interest rates on their investments, the authority could yield a revenue enhancement of \$14,300.

The authority should consider focusing their search for an executive director with a salary range of approximately \$50,000, for cost savings of \$48,883.

Lifeguards

The team recommends that the city increase its entry-level salary for lifeguards, at an expense of \$4,264.

The team also recommends that the city establish a beach fee program and hire seven badge checkers and one supervisor, yielding a net revenue enhancement of \$818,000.

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COMMUNITY OVERVIEW

The earliest inhabitants of what is now known as “the Wildwoods” were from the Algonquin Indian tribe; particularly the Kechemeches, who were members of a sub-tribe called Lenni Lenape.¹ Raising cattle was a major part of life in Cape May County during colonial times, and the barrier islands along Jersey’s southern coast were used primarily for grazing. The islands were given names that were associated with their beaches, such as Seven-Mile Beach, or Ludlam’s Beach, or Five-Mile Beach. It was the island of Five-Mile Beach, with its dense vegetation and oddly shaped trees (home of the famous “W” or Wildwood tree, the image of which adorns the city logo), that later became the Wildwoods.

Today, Wildwood City is a 1.3 square mile community located in the eastern portion of Cape May County on the barrier island once called Five-Mile Beach. The city is approximately forty miles south of Atlantic City and 10 miles north of Cape May. Wildwood is one of four communities that share the bulk of this island; they include West Wildwood, North Wildwood and Wildwood Crest. There is also a small portion of Lower Township on the southerly section of the island and a small portion of Middle Township on the northerly section of the island.

The major access route from the mainland and the Garden State Parkway into Wildwood is Route 47. County Route 621 runs north and south along the island and provides ingress and egress along the coast. New Jersey Transit serves the city with a bus terminal located next to the municipal building. Connective Energy and South Jersey Gas provide gas and electric to Wildwood. Wildwood has a water transmission and distribution system that provides service to all of the communities on the island, as well as the small sections of Middle and Lower Townships located on the fringes of the island. They also have a water treatment facility located just off the island in Rio Grande. Effective in 2000, management of the system was turned over to a private management company called *Azurix North American Corporation*. The water utility and the management contract are discussed in detail in a separate section of this report.

Land use planning and development in the city is largely regulated by the Coastal Areas Facilities Review Act (CAFRA). Wildwood is designated as a CAFRA Center and is located in a *Coastal Environmentally Sensitive Planning Area*. The New Jersey State Development and Redevelopment Plan has identified Wildwood as an existing regional center in an environmentally sensitive planning area (PA5). Regional centers may be either existing or planned (new). Existing regional centers vary in character and size, depending on the unique economics of the regions they serve. Large contiguous land areas with valuable ecosystems and wildlife habitats characterize environmentally sensitive planning areas.

The 2000 Census Redistricting Data estimates Wildwood’s year-round population at 5,436, up from the 1990 census figure of 4,484. This data also reports that approximately 26% of the residents are under the age of 18. Black and Hispanic residents make up over 33% of the population.

¹ *The Story of the JERSEY SHORE*, Harold F. Wilson, 1964, D. VAN NOSTRAND COMPANY, INC., Princeton, New Jersey, page 3.

According to the 1990 full census, the Wildwood workforce (workers 16 years and older) was numbered at 1,516. 56% of these employees drive alone to work and another 17% walk to work. About 10% of the workforce carpool and only 7% use public transportation. Approximately 84% of those working commute less than 35 minutes to their employment while approximately 9% commute between 45 and 90 minutes.

Approximately 18% of the workforce in Wildwood is employed in managerial, professional and executive occupations. About 27% is employed in sales, technical, or administrative support occupations. Another 30% is employed in service occupations particularly associated with the tourism industry. The remaining employees are predominantly employed in farming, production, repairs, or as machine operators, assembly workers, transportation of materials and labor occupations.

The city is host to the new Wildwoods Convention Center, which is owned and operated by the New Jersey Sports and Exposition Authority. The nearest hospital, Burdett Tomlin Memorial Hospital, is located on the mainland, less than 10 miles from Wildwood. There is also a county airport on the mainland, located about five miles outside of Wildwood.

Scope of Review

The City of Wildwood requested this review jointly with the Wildwood Housing Authority and the Wildwood Board of Education. The city and the housing authority reviews will be included in this report; the school district report will be delivered under separate cover. We commend the city commissioners, the board of education, and the housing authority for inviting this review.

Unless otherwise noted, budget figures used in this report come from the adopted municipal budget for the year reviewed and will refer to one or both of the two major budget headings authorized for use in New Jersey municipal budgets, salary and wages and other expenses. The team requested data from current and prior year's activities. Our report is intended to give a review and evaluation of the operations of this municipality as they existed in one complete calendar year, the most practical being 1999. The reader should note that certain financial data for 1999, particularly relating to payroll, was not available at the time of our review. To overcome this, we applied year 2000 projected payroll information to existing staffing levels to establish the labor cost of operations. This approach, although not empirically accurate due to inherent assumptions on overtime and final staffing levels, allows the reader to apply real dollars to the cost of this municipal operation. It also allows the reader to comparatively evaluate costs within the municipal operation. The team was careful to point out any changes in staffing that occurred between 1999 and the time of our report in an effort to consistently portray actual labor costs. All other data, unless specifically noted, will relate to calendar year 1999.

The reader will see references to "*position value*" throughout this report. Position value is a figure that is used to describe the total dollar amount paid by the municipality to fill a position. It includes the employee's base salary, monetary benefits (longevity, sick or vacation buy-back, clothing allowance, shift differentials, etc.), employer's pension contribution, unemployment and

social security payments, health benefit costs paid by the employer and any other hard costs that the employer pays on behalf of the employee. This is in contrast to an employee's salary, which only represents a portion of the cost to the employer. The reader should also note that the value of sick and vacation time taken is not included in position value.

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.

Wildwood is participating in a local, regional program for the arraignment of prisoners whereby municipal court judges from Cape May County take turns traveling to the Cape May County Corrections Facility during the summer months for the preliminary arraignment of prisoners being held on felony charges.

Wildwood boardwalk merchants have joined with their counterparts in North Wildwood to form a special improvement district (SID) encompassing the boardwalk districts of both towns.

The chief of the Wildwood Beach Patrol has developed a sound operations manual that could serve as an example to other communities that provide lifeguard services.

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 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 will 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

Wildwood has adopted the commission form of government as specified in N.J.S.A. 40:70-1 et. seq. (commonly referred to as the Walsh Act). The statute establishes the number of commissioners that can serve under this form of government based on the population of the municipality. In a community with a population less than 12,000, such as Wildwood, the statute calls for three commissioners. Each commissioner has all of the executive, administrative, judicial and legislative powers and duties that would be exercised by comparable bodies in a mayor/council form of government, giving them complete control of the affairs of their community. In a three-commissioner community such as Wildwood, the affairs of the government are divided by statute into three departments, one for each commissioner; they are the department of public affairs and safety, the department of revenue and finance and the department of public works, parks and public property. In addition to the powers granted to the commission as a governing body, each commissioner has substantial executive and administrative powers over the individual departments that they each oversee. The commission,

as a whole, establishes which of its members shall be director of each department. Once established, the director of a department, not the commission as a whole, has full authority over that department. All powers of appointment for a given department reside exclusively with the director of that department.

Each commissioner is paid a salary of \$15,600. Additionally, two of the three accept health care benefits for a combined total of \$12,558. In light of the part-time nature of governing in small communities, even under the commission form of government, we believe commission members should reimburse the township for these benefits or decline to take them altogether.

Recommendation:

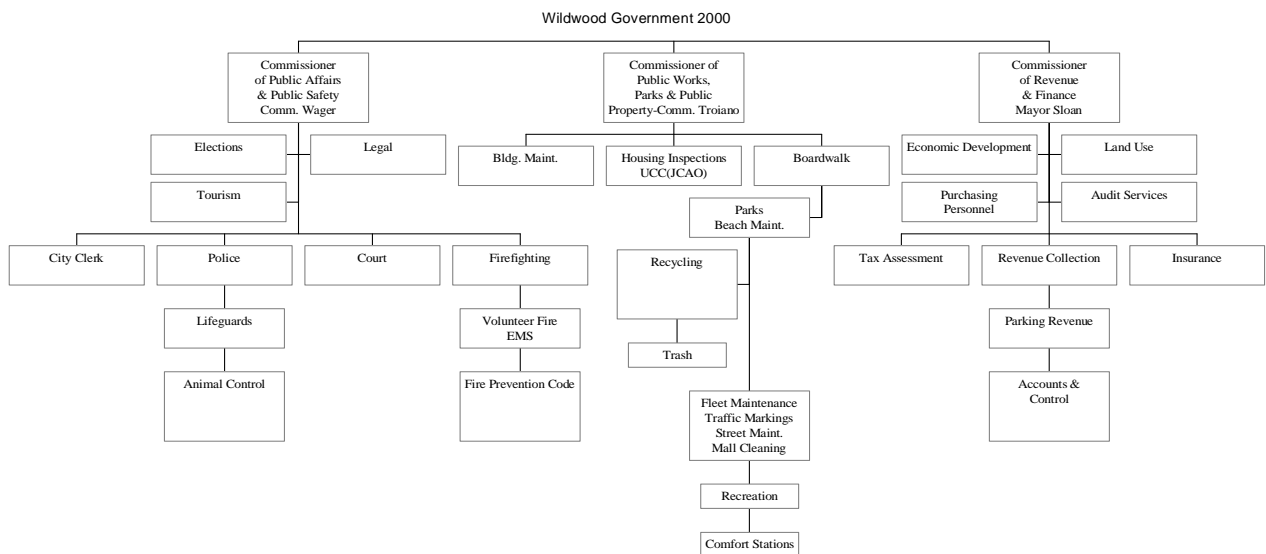
We recommend that the committee members either reimburse the city for the health benefits premium or decline to take coverage.

Cost Savings: \$12,558

Wildwood holds municipal, nonpartisan, elections every four years, on the second Tuesday in May, as specified by the Uniform Nonpartisan Elections Law (N.J.S.A. 40:45-5 et. seq.). All three commissioners serve four-year terms and all three seats are up for re-election at the same time. The last municipal election was held on May 11, 1999. There were 3,649 citizens eligible to vote in that election. Of those eligible, 1,762 (48%) cast their ballots.

The commission members select one from among their number to serve as mayor. This title remains with the commissioner for the duration of his/her term. The commission, acting as a board, has the responsibility to establish various departments and assign powers and duties to each. The commission body retains the authority to act on matters deemed of such importance as to require an ordinance or a resolution.

Below is an organizational chart illustrating the span of control for each commissioner.



MUNICIPAL CLERK

There are four permanent, full-time employees in the municipal clerk’s office: the clerk, deputy clerk, administrative clerk, and principal clerk stenographer. Based on year 2000 salary information provided by the finance office, the position value for the department totaled \$194,397. The current municipal clerk has served in this capacity since 1993; however, her tenure in the clerk’s office dates back to 1975. She is the only member of the staff who is a registered municipal clerk. The deputy clerk has satisfied the course requirements and needs only to take and pass the test to gain certification.

The following table compares budgeted “salary and wages” and “other expenses” figures taken from the year 2000 adopted budget with actual dollars spent from 1996 through 1999. The reader will note a reduction of \$14,570 in the 2000 budget as compared to what was actually spent in 1996. This was largely due to a reduction in staff and lower “other expense” appropriations.

Municipal Clerk	2000 (Budgeted)	1999 (Actual)	1998 (Actual)	1997 (Actual)	1996 (Actual)
Salary & Wages	\$123,020	\$130,982	\$147,707	\$132,045	\$133,615
Other Expenses	\$19,350	\$19,350	\$20,905	\$21,270	\$23,325
Total	\$142,370	\$150,332	\$168,612	\$153,315	\$156,940

Staffing

The clerk’s office performs all of the statutory duties set forth in N.J.S.A. 40A:9-133 et. seq. including:

- act as secretary of the municipal corporation;
- act as secretary to the governing body;
- serve as the chief administrative officer in all elections held in the municipality;
- serve as chief registrar of voters in the municipality;
- serve as the administrative officer responsible for the acceptance of applications for licenses and permits and the issuance of licenses and permits, except where statute or municipal ordinance has delegated that responsibility to some other municipal officer;
- serve as coordinator and records manager, responsible for implementing local archives and records retention programs; and
- perform such other duties as are now, or hereafter, imposed by statute, regulation or by municipal ordinance or regulation.

Two of these functions, vital statistics and gaming, are not burdensome in Wildwood. The tables below provide a synopsis of this activity over the past few years.

VITAL STATISTICS						
YEAR	Marriage Licenses		Marriage Certified Copies		Birth & Death Certified Copies	
	# Issued	Revenues	# Issued	Revenues	# Issued	Revenues
2000	33	\$924	24	\$72	14	\$42
1999	53	\$1,484	26	\$78	37	\$111
1998	49	\$1,372	14	\$42	22	\$66

GAMING LICENSES				
YEAR	Raffle Licenses		Bingo Licenses	
	Number	Revenues	Number	Revenues
2000	8	\$450	3	\$1,510
1999	17	\$1,170	3	\$1,500
1998	15	\$900	3	\$1,510
1997	17	\$990	3	\$1,510

The full-time staff in the municipal clerk’s office also performs duties that, although allowed under the statutes, could be assigned to other departments in the local government. These additional duties support the need for the four full-time staff currently employed. Among these duties are the billing and collecting of mercantile licenses and other related fees, including I.D. cards for employees of merchants on the boardwalk, bus permits, parking permits, solicitation permits, and numerous others. All told, revenues from these other fees totaled almost \$700,000 in 1999. The office also issues correspondence for the public works and zoning departments.

Mercantile License

Mercantile and rooming licenses consume a lot of municipal clerk time and attention. In 1999, the city collected a total of \$198,051 in mercantile licenses, \$116,187 in rental and lease fees, and fees dedicated to the promotion of tourism, which will be discussed in the next section. In the first six months of 2000, total fees collected amounted to \$545,357. The collection rate is skewed to the first months of the year because most fees must be paid before May 1st to avoid a late-payment penalty. This year’s pace is well behind last year’s. In the first six months of 1999, a total of \$646,780 in fees was collected.

Mercantile license renewals are called for by May 1st of each year. Early in January, the clerk prints a computer-generated list of licensees from the previous year and a bill is sent to everyone on that list. The clerk updates this list as payments are made or names are deleted. Then, during the second or third week in May, the computer generates a delinquent list based on all those who are still on the list but have not purchased a mercantile license. A second bill is sent to each of these businesses, along with a warning that failure to pay could result in a summons. The delinquent list is also forwarded to the chief of the paid fire department whose members serve as fire safety and code inspectors during their down time. The firemen follow-up on this delinquent list as part of their inspection duties. If they find that a previous business or a new business is operating, they advise the owner that a mercantile license is needed; if the business is closed they advise the clerk to remove the name from the delinquent list. They also issue summonses to any businesses that do not comply with the mercantile advisory.

Although the enforcement of the mercantile license ordinance regarding delinquencies is now being handled admirably by the fire department, the citywide process of inspection-violation-enforcement is somewhat haphazard, leading to voids in the overall regulatory function of the city. The team had an opportunity to see first hand, a classic example of a shortfall in this process. During our review, the team witnessed a structural fire on the boardwalk. In discussing the matter with volunteer fire officials, we discovered that the building owner had various outstanding fire code violations that had not been abated. Section 7-2.6 of the city code provides that no mercantile license will be issued to any person who has not complied with the laws of the

state or ordinances of the city that provide for the safety and health of persons who will use the premises. Had the municipal clerk been aware of the fire code violations on this property, she could have withheld the mercantile license until the violations were abated. Correcting the violations may have prevented the fire. Staff reports that this sort of information, e.g., outstanding violations, fees due etc., are not normally reported to the clerk's office. The lack of coordination between departments contributes to a reduction in the checks and balances that normally serve to promote compliance with municipal regulations that, in this case, are designed to enhance public safety and welfare.

The Wildwood City Code, Section 7:1.3, provides that an application for a mercantile license can be denied to any applicant who owes the city for anything except current taxes. Without a system that demands interdepartmental communication, it is feasible that a penalty such as this could be levied by the fire department and that same property owner could apply for and receive another mercantile license next summer.

Staff reports this sort of information, e.g., outstanding violations, fees due, etc., is not normally reported to the clerk's office. This lack of coordination between departments is most evident in areas regarding inspections. There is no one person responsible to see that all the various regulatory functions of the municipality are met and coordinated prior to the issuance of city authorizations. The responsibility for coordinating all of the inspection and licensing functions, a responsibility which is currently shared between the clerk's office, the fire inspectors office, the code enforcement office, etc., should rest with one office.

Recommendation:

The team recommends that the governing body create the position of inspection and licensing coordinator (ILC) and combine these duties with those of the zoning official (expanded duties of the zoning officer are addressed in the planning/zoning piece of this report). The ILC would administer all local inspections and subsequent enforcement up to and including summonses and court appearances. Using the ILC in this capacity would reduce the man-hours currently required for court appearances by the paid fire department, thus freeing them to perform other tasks. This person would also act as a clearinghouse for the coordination of information needed to process and approve permits and licenses. The actual issuing of the license would remain with the departments that currently issue them. However, before a license or permit is issued, the ILC would sign off, indicating that the applicant has met all other local codes.

Minutes of Commission Meetings

Arguably, maintaining the records of a municipality, particularly its laws and the minutes of governing body meetings, is the single most important responsibility in the clerk's office. The team reviewed the 1999 and 2000 minutes for work sessions, regular meetings, and special meetings. The minutes of regular meetings are stored in large, bound minute books. Bill lists were not attached to these regular-meeting minutes; instead, they are filed in separate folders. The reason for this is that their bulk would make binding impractical. Prior to 2000, minutes for work meetings were also stored in file folders. Starting in January, 2000, the clerk initiated the

practice of binding the work session minutes in the same substantial binders used for the regular meetings.

In many instances, reading the minutes shed little light on what had taken place in the meetings. There is little text and sparse detail. Rather, the minutes consist primarily of lists of ordinances, resolutions, and topics of discussion. Agendas are not attached. Unless a member of the public speaks about a particular topic, or official action is taken, topics of discussion are not discernible. Although good minutes need not reflect minute details, they should provide a rendition of the events that will give the reader an understanding of what transpired at the meeting.

Recommendation:

The team recommends that the clerk institute a policy of requiring that the minutes of governing body meetings be drafted in such a way that all topics of discussion are revealed. This will give the uninformed reader a better grasp of what has transpired. To that same end, it is further recommended that agendas be attached to the minutes.

Audio/Videotaping of Meetings

The commission has a practice of audio- or videotaping some, but not all, regular, special, and work sessions. The team has found that other municipalities record (audio or video) either all or none of their governing body's meetings. Although the work and regular sessions are held on the same night and in adjacent rooms of city hall, instances were noted in which one of the sessions was recorded while the other was not. For example, the commission chamber is wired with an integrated amplifying/recording system for sound, but there are no facilities for video taping proceedings. The caucus room, where work sessions and other less formal meetings are held, uses only a dictaphone type recorder without amplification.

Staff reports that the reason for the inconsistency in the recording process is that the audio recording equipment in the caucus room is broken, and has been for some time. The purchasing department estimated the cost of replacement at under \$500. The reason for inconsistencies with respect to the videotaping is that the video equipment used is the property of one of the commissioners and, at times, it may not be available or no one is available to operate it. According to the municipal clerk, the subject matter of the meeting is never a factor in deciding whether or not to audio or video tape the meetings. Without taking exception to that conclusion, the team reviewed the recording history for 2000 and found that a number of meetings that were not recorded dealt with topics that normally instill interest among taxpayers, i.e., budget hearings, hearings on utility service contracts, etc. Based on the issues that were not recorded, a skeptical public may raise questions about the wisdom of permitting inconsistency in recording, whatever the cause.

Recommendation:

The city commission should establish a policy regarding audio and/or videotaping public meetings of the governing body, and not deviate from it. At a minimum, the recording equipment in the caucus room should be repaired and used so that all meetings would have the benefit of an audio record.

One-time Value Added Expense: \$500

Notes from which to write the minutes are taken in shorthand in alternating months by the administrative clerk and principal clerk stenographer. The clerk also attends the meetings, but devotes her energies to assisting the governing body rather than taking minutes. The minutes are then drafted by the stenographer taking them, written up in summary rather than verbatim form, and provided to the clerk for review and, sometimes, correction. The commission approves the minutes at a subsequent public meeting. N.J.S.A. 40:72-14 requires that at least a majority of the commissioners sign the minutes. The clerk, or in her absence the deputy clerk, attests to these signatures and the approval of the minutes.

The 1999 minutes were found to be current and properly executed. In 2000, however, the signatures of two or more members of the governing body are frequently missing from meeting minutes. In many instances, the attesting signature of the clerk is nonetheless included. From February 9 - July 12, the last meeting available for review by the team, there are one or more governing body signatures missing for every meeting.

Recommendation:

The governing body is required by N.J.S.A. 40:72-14 to acknowledge that the minutes of their meetings are an accurate rendition of their actions as attested by the signature of a majority of its members. Further, the minutes should be signed in a timely manner so that the records can be stored and properly maintained. The clerk should refrain from witnessing the signatures of the commissioners until a majority has signed.

Resolutions and Ordinances

A municipality's adoption of an ordinance is a significant act, establishing legal obligations for citizens and businesses. Ordinances and resolutions also communicate public policy to those affected. It is important that citizens, municipal employees, and others having affairs with a municipality have a single resource from which they can easily find all of the laws and policies that the municipality has adopted. The orderly compilation of these ordinances is called "codification" and results in the development of a municipal codebook. The codebook is a serviceable document and must be supplemented with new material as it becomes available. Older sections need to be updated to reflect current practice and the evolution of relevant law. The City of Wildwood has 25 codebooks and has been diligently submitting ordinances for codification to their code publisher since the last supplements were published in 1996. The commission has delayed publishing these codification updates in anticipation of approval of a revised traffic code. In the meantime, revisions to the code are tracked in a single document maintained by the municipal clerk. The result is that anyone seeking the most current law or policy must go to the clerk's office to get the most updated material.

The extended time period since the last update will not require a reprinting of the existing code book; however, it will result in significant changes and cost the city more than if the updates had been done in a more timely fashion. Based on experience with other municipal code updates, the team estimates that an update of this magnitude will cost the city between \$5,000 and \$10,000. The impact of this expense can be reduced by spreading the codification over two years and by ordering a minimal number of supplements.

Recommendation:

The team recommends that the City of Wildwood update their codebook and purchase only enough supplements to update the number of codebooks outstanding.

Value Added Expense: \$5,000 - \$10,000

Codification companies can produce their products in both hard copy and electronic medium, such as CD's or floppy disks. The electronic version allows for the search and retrieval of information with just the touch of a button. Each City of Wildwood department has access to computers. Computerization will be discussed more fully in the technology section of this report. For the purpose of this section, however, making the city code available through a citywide network would put city codes at the fingertips of all city employees. The team has reviewed this option with one of the major codification companies and has found that network-capable software, which would provide for full text search and retrieval capability, is available for \$3,200 plus \$500 per year in annual licensing fees and updates (does not include supplementation of printed code). The city may also wish to make their code available to the public through the Internet. The City of Wildwood does operate a web site that could be altered to provide this service to the public. The cost to make this available on the Internet would be an additional \$200 plus \$25 per month.

Resolutions were found to be current and properly maintained in a separate binder. Ordinances are also maintained in their own binders. It was noted that the governing body faithfully signs resolutions; however, the same could not be said for ordinances. N.J.S.A. 40:74-3 requires that each ordinance be signed by every commissioner voting in favor of it. A review of the ordinances passed in 2000 revealed that some had been signed by less than two of the commissioners.

The municipal clerk is responsible for collecting and filing Financial Disclosure Statements (FDS) from officials and employees as specified under N.J.S.A. 40A:9-22.1, et. seq. Each municipal official, as specified under the statute, must file two copies of the FDS, each with an original signature. The clerk sends the original to the Local Finance Board and retains a second copy for local files. An analysis of the FDS filed from 1998 to 2000 is summarized in the following chart.

Financial Disclosure Statements			
Year	# Required	# Filed	%
1998	77	33	43%
1999	66	38	58%
2000	79	33	42%

The administrative clerk prepares a list of the officials and employees who are required to file. The form is sent to every person on the list, either directly or through the chairperson of his or her board, along with a notice specifying the need to file and the deadline for filing. As forms are received, the clerk checks the names off the list. After the filing deadline has passed, one copy of the FDS is sent to the local finance board and the second copy is filed. Adequate records are kept of FDS' returned and sent to the local finance board.

Despite the low percentage of compliance with the law requiring financial disclosure, it is the practice of the clerk's office not to follow up with reminders to those who have failed to comply. The disclosure statements do not reflect incomes, only sources of income, and are public records subject to inspection by the public. It is felt that the required disclosures, though not onerous, are important to the municipality's ability to maintain the confidence of the public in the integrity of its officials and key personnel.

Recommendation:

The financial disclosure forms are an integral part of the public information system designed to make it easier for the public to recognize real or perceived conflicts of interest among their public officials. Records that are not accurately maintained cast a cloud over this process. The team recommends that the clerk press compliance with N.J.S.A. 40A:9-22.1, et. seq. by forwarding the list of all officials who are required to submit financial disclosure forms, but have not, to the city commissioners and city attorney for further action.

Alcoholic Beverage Control (ABC)

Municipalities are authorized by statute to charge fees for liquor licenses according to a set schedule. Once the fees are set by ordinance, the municipality may increase their liquor license fees, again by ordinance, up to the maximum allowed in the statute, at a rate of no more than 20% per year, or \$500, whichever is less (N.J.S.A. 33:1-12). Fees, such as these charged for the privilege to sell alcoholic beverages in concert with commercial operations, are used by the municipality to mitigate the cost of managing the impact of these operations, such as administrative overhead, infrastructure maintenance and public safety.

ABC LICENSES ISSUED AND REVENUES GENERATED						
	1998		1999		2000	
	Number/Revenues		Number/Revenues		Number/Revenues	
Plenary Retail Consumption	50@\$1,000	\$50,000	50@\$1,000	\$50,000	50@\$1,000	\$50,000
Plenary Retail Distribution	3@\$720	\$2,160	3@\$720	\$2,160	3@\$720	\$2,160
Club	4@150	\$600	4@150	\$ 600	3@150	\$450
TOTAL	57	\$52,760	57	\$52,760	56	\$52,610

The City of Wildwood issued 57 liquor licenses in both 1998 and 1999, and 56 in 2000. The above chart illustrates the fees charged for these licenses and the revenues generated by each. Staff reported that liquor license fees have not changed for at least the last 19 years. On the other hand, costs to the municipality to provide services associated with the sale of alcohol, such as public safety salaries, health insurance and capital costs have all risen during that time. The

presence of alcohol is accepted in the law enforcement community as a significant factor contributing to the incidence of disorderly person's offenses and is the cause of all DWI offenses. Records show that the City of Wildwood handles over 2,350 of these types of cases each year. The team was not able to pinpoint what it cost the taxpayers of the City of Wildwood to manage these 56/57 licenses, but it is safe to say that the cost has risen substantially over the last 19 years.

The city charges \$1,000 for each bar license (plenary retail consumption), \$750 for each liquor store license (plenary retail distribution), and \$150 for each club license. Title 33 allows a municipality to charge up to \$2,000 for every plenary retail consumption or plenary retail distribution license and \$150 for each club license. According to a survey by the New Jersey State League of Municipalities released in 1996, four of the nine Cape May County municipalities that responded charged liquor license fees higher than the City of Wildwood. If the city were to systematically increase its fees until they all reached their allowable limit, revenue from the sale of liquor licenses would increase \$230,729 over the next six years.

The table below illustrates how a 20% increase in fees would impact revenues. Merchants in Wildwood and elsewhere are inclined to resist municipally imposed costs, such as license fees. However, the reader will note that under the proposed schedule, increases of \$1,000 - \$1,280 per year, spread out over a period of three to six years, would hardly be considered confiscatory, particularly in light of the increased costs born by the taxpayers referenced above.

	Bar License Maximum: \$2,000	Liquor Store Maximum: \$2,000	Club License Maximum: \$150	Bar License	Liquor Store	Club License
No. Issued	50	3	4	50	3	4
Current Cost Each	\$1,000	\$720	\$150	\$1,000	\$720	\$150
Current Total	\$50,000	\$2,160	\$600			
Total Revenue	\$52,760	Six year revenue = \$316,560				
	20% Increase in Each License Fee Per Year			Revenues Generated with 20% Increase		
Year 1	\$1,200	\$864	\$150	\$60,000	\$2,592	\$600
Year 2	\$1,440	\$1,037	\$150	\$72,000	\$3,110	\$600
Year 3	\$1,728	\$1,244	\$150	\$86,400	\$3,732	\$600
Year 4	\$2,000	\$1,493	\$150	\$100,000	\$4,479	\$600
Year 5	\$2,000	\$1,792	\$150	\$100,000	\$5,375	\$600
Year 6	\$2,000	\$2,000	\$150	\$100,000	\$6,000	\$600
SIX YEAR TOTALS:				\$518,400	\$25,289	\$3,600
SIX YEAR GRAND TOTAL WITH INCREASES:				\$547,289		
SIX YEAR GRAND TOTAL WITH NO INCREASES:				\$316,560		
INCREASED REVENUES OVER SIX YEARS:				\$230,729		

Recommendation:

The team recommends that the City of Wildwood increase their liquor license fees to the maximum allowed by law.

Increased Revenue:	1st year	\$10,432
	2nd year	\$22,950
	3rd year	\$37,972
	4th year	\$52,319
	5th year	\$53,215
	6th year	\$53,840
	Revenue Enhancement Over Six Years	\$230,729

Dog Licenses

N.J.S.A. 4:19-15.1 et. seq., requires that municipalities provide for the licensing of all dogs within the community. This process includes the issuance of numbered tags that correspond to each license sold, annual reports to the state regarding license activity and a bi-annual (at minimum) canvass of all dogs in the community. The City of Wildwood provides for the licensing and tagging of dogs through their municipal clerk’s office. This office also organizes and conducts a yearly dog clinic, through which free rabies inoculations are made available to all eligible dogs.

The City of Wildwood charges \$4.20 per license for any dog spayed or neutered and \$7.20 for any dogs that are not spayed or neutered. The actual portion of this license that goes to the municipality is \$3.00. N.J.S.A. 4:19-15.12 sets the limits that a municipality can charge for a dog license at \$1.50 to \$7.00; this is exclusive of any other charges such as registration costs, animal population control costs, and pilot clinic costs. The City of Wildwood could raise both of their dog license fees by \$4.00 and still remain within the limits set by statute. Such an increase would fund costs associated with conducting the required dog canvass and other costs associated with enforcing the licensing ordinance. An estimate of the revenue generated by this increase is presented further on in this section.

It is important to note here that the purpose of the dog licensing regulations is to protect the human population from the onset of rabies. Southern New Jersey Counties were advised in the early 1990’s that the incidence of rabies was spreading across the Delaware into New Jersey. The expectation was that the disease would spread south among both wild and domestic warm-blooded animals. Cape May County took a pro-active step to attempt to prevent the disease from spreading into the Southern New Jersey peninsula. In 1992, they began a pilot program, pending FDA approval, to ‘seed’ their wooded areas along the border between Atlantic and Cape May Counties with a rabies vaccine. The program eventually received FDA approval and the county has continued yearly seeding since then. Information provided by the Atlantic County Department of Health shows that reported cases of rabies in Atlantic County have been persistent since 1992. A comparison of reported cases between Atlantic and Cape May Counties since 1998 reveals that there were 23 cases of rabies reported in Atlantic County while none were reported in Cape May County for that same period. These results are an obvious indication that their program has been successful.

The team commends Cape May County for its aggressive approach to preventing the spread of rabies into the Cape May Peninsula.

Rabies is present in New Jersey. The efforts of Cape May County to prevent its migratory spread, although laudatory, need to be reinforced through the efforts of local municipalities. Each municipality must diligently perform the dog canvass and see that as many pets as possible, including cats, are inoculated against the disease. The team was able to gather data regarding the incidence of rabies in Atlantic County since 1992. During that period, there were 153 reported cases of rabies of which 4% were among cats and none among dogs. A representative of the Cape May County Department of Health reported that, although there have been no cases of rabies in the county since January, 1997, the department considers inoculating cats to be an important matter. The department has encouraged municipalities to adopt ordinances requiring the inoculation of cats. To date, only four municipalities in the county have done so and Wildwood was not among them. The team encourages the City of Wildwood to develop a cat-licensing ordinance to further protect the residents and the domestic cat population in Wildwood from rabies.

The American Veterinary Medical Association - Center for Information Management publishes data used to estimate the number of pets found in a community. For example, they estimate that 31.6% of all households have dogs as pets and that each of these households harbors 1.69 dogs. They also provide a formula for estimating the number of cats in a community: 27.3% of all households have cats as pets, with each of these households harboring 2.19 cats. The team considered the nature of the City of Wildwood as a resort community, and used their year-round population, and a figure of 2.5 persons per household, to estimate the number of households in Wildwood at 1,750. Applying the above formulas to Wildwood, the team estimates that there are approximately 930 dogs and 1,045 cats in the city.

The table below represents the current fees charged by the City of Wildwood for dog licenses. Only 82 dog licenses were sold in 1999. Records indicate that total revenue to the city from the sale of these dog licenses was \$243. In prior years, a contractor separate from the animal control officer conducted the dog canvass. During the team’s visit to Wildwood, a new animal control officer was hired at an increased cost of \$1,800 per year. The new animal control officer will perform all of the functions normally performed by the previous animal control officer, plus conduct the dog census, issue notices to dog owners who have not licensed their pets, issue warrants, and appear in court when necessary. Assigning these duties to the animal control officer is a positive step toward lessening the risk of rabies in the City of Wildwood and increasing the number of licenses sold. The subsequent increase in revenues will more than cover the increased cost of the animal control officer. The team commends the commission for taking the action to invigorate enforcement of the dog-licensing ordinance.

CURRENT DOG LICENSES COSTS		
	Spayed/Neutered	Non-Spayed, Non-Neutered
Fee to Wildwood	\$3.00	\$3.00
Fee to NJ	\$1.00	\$1.00
Pilot Spay/Neutering Clinic Fund	\$.20	\$.20
Additional Fee		\$3.00
Total:	\$4.20	\$7.20

Increasing the city's share of the dog license fee up to \$7 and licensing the estimated 930 dogs in the city, would bring in \$6,510. This represents an increase to the city of \$6,267.

Recommendation:

The team commends the City of Wildwood for recognizing the need to improve animal control services. The team further recommends that the city raise dog license fees to the maximum allowed under statute and actively seek to license all of the dogs and cats in the City of Wildwood.

Revenue Enhancement (sale of dog licenses only): \$6,267

ADMINISTRATION

Wildwood has no central management or administration charged with coordinating the overall workings of the government. They have no "go-to-person" employees can routinely rely on to coordinate multi-departmental functions or make policy-related decisions. This can be problematic, particularly in areas requiring a multi-functional approach or interdepartmental cooperation such as land use, personnel, planning, etc. The team received a number of comments from staff, professionals and even private citizens regarding instances where this municipal government was less than efficient due to a lack of non-political, administrative coordination. This observation will be a recurring theme throughout our report and examples will be offered to substantiate its validity.

Throughout this report we have highlighted areas where central administration would be beneficial to the operation of this municipal government. Below is a summary of some of the observations we've made and a suggestion of how a manager or administrator would remedy the situation:

- The citywide process of inspection-violation-enforcement is not coordinated. One person responsible for the all city operations would bring more structure to the process.
- The condition of some public facilities is deteriorating causing members of the public to perceive a double standard being applied to private homes and public buildings. One person responsible for all of the operations within the city would be more inclined to see the different facilities under one vision, recognizing how one sore spot taints the entire city image.
- The team found that some contracts were agreed to without the benefit of formal contract language. Rather, they were in the form of proposals by a professional that were then accepted by the signature of a commissioner. Central administration would funnel all contractual work through one review process, standardizing procedures and insuring that the city has clearly protected its interests.
- There is a discrepancy of 40 full-time employees between city payroll records and state civil service records. Payroll records show 178 full-time employees. Civil service

records indicate that there are 203 who are classified and enjoy civil service benefits, and 15 who are unclassified and do not. Personnel matters span each department of the city. Functions such as civil service compliance, diversity monitoring, discipline, evaluations, etc., are more easily administered through a central authority.

- Most Wildwood employees punch time clocks. That is not to say that there is a general policy followed by all departments concerning the requirements and procedures for using them. A central administration would establish citywide policies that all departments would follow.
- There appears to be a consensus among employees that attendance is not well monitored throughout the city. There is no one person who can review citywide conditions such as this and implement policy to correct the situation.
- Interviews with staff and local merchants uncovered a perception that the city was not moving in a unified direction. Rather, the members of the governing body were so intent on administering the function within their individual span of control that coordinated efforts were the exception rather than the norm. Separating the legislative function from the administrative function, with each commissioner relinquishing their individual administrative authority to a manager or administrator, would insure that all aspects of the government were working in harmony.

N.J.S.A. 40:72-2 places all executive, administrative, judicial and legislative powers normally exercised by a mayor and city council under other forms of government, squarely under each commissioner within a commission form of government. The law allows for the distribution of authority for executive and administrative action, except where ordinance is necessary, to one or another commissioner. The law does not prohibit the creation of the position of *city administrator* nor the delegation, by appointment of each commissioner, of these powers to that administrator.

Recommendation:

The team recommends that the city commissioners direct their legal council to investigate procedures for the creation of a city administrator position under the authority of the commission as a whole.

Value Added Expense: \$75,000

PERSONNEL

The personnel office is staffed by two employees within the division of personnel and purchasing under the commissioner responsible for revenue and finance. Those employees include the purchasing agent (referred to in this section as personnel director), and principal personnel clerk. The total combined position value of the two positions is \$100,019. The team estimates that the

purchasing agent spends 25% of his total time on personnel matters. Therefore, for purposes of this review, we will allocate only 25% of his cost to personnel or approximately \$25,000, bringing total personnel costs to \$64,983.

Wildwood is a civil service jurisdiction and is, therefore, subject to the provisions of N.J.S.A. 11A:1-1 et. seq. The personnel office processes approximately 300 seasonal hires at a payroll cost of \$831,376 in the following departments:

- Police
- Fire
- Streets
- Recreation
- Lifeguards
- Parks
- Comfort Stations
- Boardwalk
- Environmental Maintenance (Beach)
- Recycling
- Sanitation

There is a discrepancy of 40 full-time employees between city payroll records and state civil service records. Payroll records show 178 full-time employees. Civil service records indicate that there are 203 who are classified and enjoy civil service benefits, and 15 who are unclassified and do not.

Recommendation:

The team recommends that the personnel director examine and resolve the discrepancy between city payroll records and civil service records.

Out-of-title-assignments of city employees were also observed. If it appears to the state department of personnel that a person is performing the duties of one civil service job, but designated as performing duties of another civil service job and the result is lower wages than appropriate for the job performed, the state department could take action. The action normally taken is to require a raise in salary to the appropriate level, and payment retroactively to the time that DOP began its investigation.

Recommendation:

The team recommends that the personnel director investigate out-of-title assignments, correct any discovered, and bring city records in line with civil service rules and regulations.

Operations

Although the business agent performs dual duty as head of the personnel department, not all personnel functions are performed by that office. The personnel office oversees hiring, civil

service matters, grievances, and some minor employee information services. The chief financial officer also performs personnel functions, including attendance records, insurance information, health questions, loan information, contractual questions related to pay, and some other minor functions.

The team recommends that the city centralize personnel functions under the personnel officer. The need to recruit, and to process applications and terminations in Wildwood is constant, requiring daily attention during at least ten months of the year. The lack of that attention is reflected by the city's inability to fill seasonal police and lifeguard positions, and turnover problems in public works.

The current practice of bifurcating the personnel function is inefficient, and creates the risk that issues will not be addressed. The team recommends the creation of a technical civil service position to take on responsibility for all personnel duties. Specifically, we recommend renaming and upgrading the position of personnel clerk to the position of personnel technician and giving the position full responsibility for personnel functions. The personnel technician would report directly to the appropriate commissioner or other appropriate official.

Recommendation:

The team recommends that an ordinance be passed upgrading the position of principal personnel clerk to the position of personnel technician, with a pay increase of 5%, reporting directly to the appropriate commissioner or other official.

It is further recommended that those personnel functions now performed under the oversight of the chief financial officer be removed from that office, and assigned to the personnel technician, resulting in the functions listed below being assigned to a single office:

- **Recruitment**
- **In and Out Processing**
- **Civil Service Matters**
- **Discipline**
- **Grievances**
- **Attendance**
- **Training**
- **Health Insurance Issues**
- **Loan Information**
- **ADA Issues**
- **Contractual Issues**

Value Added Expense: \$1,950

The most recent census data (2000) indicates a 33% minority population in the City of Wildwood. Current cultural diversity percentages were not made available to the team, but the following observations were made and are considered by the team to be valid. The entire department is composed of 10% racial minorities. There is one female sworn officer. The fire

department has no minority representatives. The data does not support the existence of a successful affirmative action program. At the time of our review, the city was considering a change in the position of affirmative action officer. It was a topic of concern for the governing body as well as the public. The team recommends that the city take a proactive approach to this situation by appointing a culturally sensitive individual to the position.

Currently, there are no training programs in place for sexual harassment, the Americans With Disabilities Act, supervisory training, or grievance reduction. The New Jersey Department of Personnel offers some such training at no or minimal cost.

Recommendation:

The team recommends that training be included in the duties of the personnel technician. Specifically, training programs should be developed in sexual harassment, ADA, supervisory training, and grievance reduction and computer training. Issues affecting discipline and progressive discipline could be addressed under this component.

Attendance Records

Most Wildwood employees punch time clocks. That is not to say that there is a general policy followed by all departments concerning the requirements and procedures for using them. In public works, time clocks are used for payroll. In departments located in city hall, time clocks are not used for payroll, but rather to keep track of tardiness and attendance in departments that use them at all.

There appears to be a consensus among employees that attendance is not well monitored throughout the city. Some department heads pay little if any attention to attendance. A review of records from 1998 revealed that the following departments had attendance problems reflected by the averages shown:

Department	Average Sick Days for 1998
Accounts & Control	25.85 days
Traffic	20.73 days
Sanitation	16.08 days
City Clerk	12.67 days
Fleet Maintenance	11.89 days
Municipal Court	11.73 days
Police	11.60 days
Carpenters	9.65 days
Building Maintenance Public Works	9.37 days
Fire	8.75 days
Purchasing	6.83 days
Average Sick Leave – 81 Positions	12.71 days per year for 1998

The reader will note that the *average* sick leave in some departments is measured in double digits. The average sick leave used by state employees is 11 days. That number is considered a

valid standard against which to measure sick leave used in municipalities. The average sick leave for the 81 employees shown above exceeds the state standard by 1.71 days. The average position value for those 81 positions is \$96 per day. The team recommends that management attention be brought to bear on this problem. Department heads should counsel employees regarding extensive use of sick leave and disciplinary measures should be taken in event of abuse.

Recommendation:

It is recommended that a concerted effort be made to address issues of attendance for all city employees. The effort should include training, counseling, and accountability on the part of management. The governing body should provide for discipline in cases of abuse. A goal should be set to reduce the average throughout the city to no more than 11 days.

Productivity Enhancement: \$13,297

Human resources issues are complex, and cannot be addressed effectively without computer support. Software packages are available to record and track attendance, and create payroll spreadsheets.

Recommendation:

The team recommends that a software package to record attendance and create payroll spreadsheets be purchased and used.

One-time Value Added Expense: \$7,500

Pensions

Records indicate that there are individuals working for the city who do not participate in the state pension fund, apparently in violation of the law. The city risks penalties for allowing this condition to continue.

Recommendation:

The city should assure itself that all employees are placed in the pension system based on rules and regulations established for such under the Division of Pensions and Benefits in the State Department of the Treasury.

HEALTH BENEFITS

Major Medical and Hospitalization

The city provides managed medical, dental, prescription, and optical insurance coverage to its salaried, full-time employees and their eligible dependents at no cost to the employee. Medical coverage includes a two-tier program provided through a major health care provider; one is a direct access plan and the other is a traditional plan.

The team analyzed medical billing data and insurance roster information provided by Wildwood staff in an effort to compare the cost of the City of Wildwood’s present health insurance plan with comparable plans provided by the State of New Jersey Health Benefits Plan (SHBP). We used costs and coverage categories taken from an actual bill for the period 6/1/99 to 7/1/99 and extrapolated this information to estimate a yearly cost to the city. The totals were then compared to comparable coverage and costs as provided by the SHBP.

The same procedure was used to compare the City of Wildwood’s prescription drug plan with similar coverage also provided by the SHBP. The tables below summarize our findings.

**NEW JERSEY HEALTH BENEFIT PLAN (NJSHBP)
1999 COSTS ***

MONTHLY RATES TRADITIONAL COVERAGE						
	98/99	99/00	Average	Cost Per Employee/Year	# of Employees	Total Yearly Cost
S	\$245.20	\$268.49	\$257	\$3,082	3	\$9,246
M/S	\$532.30	\$582.87	\$558	\$6,691	4	\$26,764
F	\$622.92	\$682.10	\$653	\$7,830	5	\$39,151
P/C	\$356.76	\$390.65	\$374	\$4,484	1	\$4,484
SUB TOTAL					\$79,646	

MONTHLY RATES TRADITIONAL COVERAGE						
	98/99	99/00	Average	Cost Per Employee/Year	# of Employees	Total Yearly Cost
S	\$178.39	\$192.66	\$186	\$2,226	45	\$100,184
M/S	\$397.04	\$428.80	\$413	\$4,955	38	\$188,292
F	\$461.96	\$498.92	\$480	\$5,765	99	\$570,763
P/C	\$263.42	\$284.49	\$274	\$3,287	21	\$69,037
SUB TOTAL					\$928,274	

Total 1999 cost to Wildwood under NJSHBP: \$1,007,920

*Rates span 1999 and 2000 and include prescription coverage, an average for both years is used: S – Single coverage; M/S – Member/Spouse coverage; F – Family coverage; P/C – Parent/Child coverage.

	Actual Cost to Wildwood for Health Coverage in 1999			Cost of Similar Coverage Under the NJSHBP
	Health	Prescription	Total	Health and Prescription
S	\$123,071	\$37,048	\$160,119	\$109,430
P&C (P/C)	\$85,796	\$20,311	\$106,107	\$73,521
H&W (M/S)	\$184,645	\$51,872	\$236,517	\$215,056
F	\$607,989	\$191,657	\$799,646	\$609,913
		TOTAL	\$1,302,389	\$1,007,920

Savings from NJSHBP: \$294,469

The result of these analyses revealed that the City of Wildwood could have reduced the cost of their employee health and prescription plans by \$294,469 in 1999 had they participated in the New Jersey State Health Benefits Plan. The team recognizes that changes in health care programs present serious issues of concern for employees and their bargaining units. Negotiations to implement such changes, although possible, can be divisive and require some trade-off in other areas. They must be approached with resolve and applied incrementally over time. The results, however, can produce significant savings.

Recommendation:

The team recommends that the City of Wildwood review its current health benefits package and compare the costs associated with it to the cost of a similar program through the State of New Jersey Health Benefits Plan.

Cost Savings: \$294,469

During the course of these analyses, the team found that the city provided paid health benefits for two commissioners, the municipal public defender, the municipal judge and the tax assessor. Payroll information identifies these employees as part-time employees, who are salaried and carried on the municipal payroll (as opposed to being paid as a contractor). The city can establish criteria for providing health benefits to include any class of employee they choose. Local Government Budget Review recommends that municipalities mirror the state practice of limiting their health coverage to full-time employees only. The State Health Benefits Program uses the following definition: “Full-time shall mean employment of an eligible employee who appears on a regular payroll and who receives salary or wages for an average number of hours specified by the employer, but not to be less than 20 hours per week. It also means employment in all 12 months of the year except in the case of those employees engaged in activities where the normal work schedule is ten months.”

Recommendation:

The team recommends that the City of Wildwood review their criteria for providing paid health benefits to their employees and that the criteria be clearly set forth, including employment status and hours worked, in the Municipal Code Book.

Dental Plan

The city provides employees and their dependents with dental coverage that, according to data provided and excluding costs for water utility employees, is estimated to cost the city \$90,350 in 1999. The State of New Jersey currently requires its employees to contribute 50% of the premium as a co-pay for dental coverage. If the Wildwood were to negotiate this level of co-pay with its employees, the city would save its taxpayers about \$45,000 per year. The team realizes that negotiations of this type can be arduous and adversarial, often resulting in tradeoffs by both sides. That notwithstanding, the team has experienced other municipalities that have, over time, negotiated similar concessions.

Recommendation:

The team recommends that the city negotiate the State of New Jersey co-pay standard for dental coverage of 50% into their labor contracts.

PROFESSIONAL SERVICES

The City of Wildwood is represented by a solicitor who works an estimated 20 – 25 hours per week on city business, at a salary of \$60,000. This averages out to slightly less than \$50 per hour. He has practiced law for 18 years, and municipal law in various capacities for much of that time. His law associate, for no additional compensation, performs some of the duties he has undertaken as solicitor. Similarly, he assumes the cost of clerical and secretarial/paralegal support. He is permitted by his contract to charge an amount not to exceed \$500 per year for supplies and professional dues. In addition to his salary, the solicitor billed an additional \$107,000 for litigation in 1999 at a rate of \$100 per hour.

Matters for which he billed in 1999 include, among others, the following; gender discrimination in Federal Court; job discrimination based on race; Americans with Disabilities Act disputes; inverse condemnation case involving riparian rights; state tax appeals (handled by a different attorney as of 2000); pension matters; wrongful termination of employment; and the New Jersey relocation assistance program.

The team compared the annual cost for legal support paid by the City of Wildwood against the cost to have an in-house legal department similar to that which the City now has access to, e.g., a lawyer, a legal assistant and a secretary/paralegal. The chart below, taken from the New Jersey Occupational Wages: 1997 Occupational Employment Statistics Wage Survey, illustrates the cost of such a staff.

New Jersey Occupational Wages NJ 1997 Occupational Employment Statistics Wage Survey				
Title	Mean Hourly Rate	Middle 50 %	Mid Point of Middle 50%	Annualized Salary Based on Mid Point
Lawyer	\$37.10	\$25.40 - \$56.10	\$40.75	\$84,760
Paralegal	\$17.30	\$14.10 - \$19.60	\$16.85	\$35,048
Legal Assistant	\$15.70	\$13.50 - \$18.00	\$15.75	\$32,760

The cost of salaries alone would exceed \$150,000 per year; with benefits, the position value of such a staff would approach \$200,000 annually. There would also be significant, one-time expenses incurred such as the purchase and maintenance of a law library, computer software and additional office space. The contracted municipal attorney now absorbs these costs.

The team commends the city for keeping the hourly cost of legal support to a minimum.

The solicitor’s contract is detailed in its description of the duties for which he is responsible as an employee. Included in the services he provides as solicitor are: acting as advisor to mayor, commissioners, and department heads; drafting and advising on the sufficiency of ordinances and resolutions; rendering legal opinions; maintaining a record of all law suits involving the city, whether he handles the action or not and attending all regularly scheduled public meetings of the commission. Although not specifically articulated in his contract, he negotiates with all unions (except in one case, where a labor specialist was retained) and handles all tax appeals except, state tax appeals, which are handled by another firm. Much of the solicitor’s activities involve trouble shooting citizen complaints, a task often performed by a business administrator in other communities.

The solicitor’s contract is well constructed and clearly defines the duties covered therein. Although it reportedly has never been an issue, the solicitor’s duties, with respect to labor matters and disputes, should be addressed in the next contract. It should articulate what negotiations are to be handled by municipal counsel as opposed to those handled by outside counsel. There should also be reference to the extent to which he will handle grievances and disputes without extra billing.

Recommendation:

It is recommended that future contracts for city solicitor specify the duties to be performed with respect to union negotiations and disputes, as well as the circumstances under which outside specialized counsel will be employed.

The solicitor does bill for certain services over and above his salary. These bills are limited to litigation and similar services, such as, appearing before state labor boards like PERC (Public Employment Relations Commission). Any litigation costs involving city officials is reimbursed by the city’s insurance carrier under their Errors and Omissions policy. Personal tort actions are self insured by the city up to the first \$100,000 per action, they carry insurance to cover any claims above \$100,000.

The team commends the city for controlling its legal costs through a combination of low hourly rates for their solicitor and the use of insurance for major legal battles.

State Tax Appeals

An attorney other than the solicitor handles tax appeals and *in rem* foreclosures. The contract for these services calls for the attorney to handle all litigation emanating from departments under the city's director of revenue and finance. For the most part, this includes *in rem* foreclosures, condemnations, and appeals to the state tax court. This attorney also charges \$100 per hour for all cases except *in rem* proceedings; for these he charges a flat fee of \$550 per certificate. In the first six months of 2000, his billings were \$6,100. The attorney does divert the cost of any foreclosure from the city to the property owner for any property that is redeemed during the course of the foreclosure.

Estimates to foreclose on properties vary, based on the number of properties involved. Legal work for up to 100 properties will be relatively the same regardless of the exact number. The cost to perform searches will be in direct proportion to the number of searches executed. Although it is impossible for the team to estimate what the actual cost should be in the City of Wildwood for foreclosures, we note that foreclosures in another southern New Jersey community that the team is familiar, ranged in price from \$225 - \$235 per item.

Recommendation:

The team recommends that the city obtain competitive proposals for all foreclosure services in the future.

CONTRACTS FOR PROFESSIONAL SERVICES

Professional service contracts are those contracts awarded by public entities without benefit of public, competitive bidding. The Local Public Contracts Law, N.J.S.A. 40A:11-1 et. seq., requires all public entities to competitively bid public contracts which exceed a certain monetary threshold. This threshold is examined and, sometimes, changed biannually and there are local administrative factors that can influence the threshold for certain municipalities. The minimal threshold as of July 1, 1999 is \$12,800. The law allows for exceptions to these bidding requirements, providing that any contract, the amount of which exceeds the bid threshold, may be negotiated and awarded by the governing body without public advertising for bids and bidding, therefore, shall be awarded by resolution of the governing body if the contract falls within one of the exceptions set forth in N.J.S.A. 40A:11-5.

One of the exceptions listed is referred to as the "professional services" exception. It is under this exception that local units generally award contracts for services by auditors, attorneys, engineers, etc.

The team reviewed the City of Wildwood's professional service contracts for 1999 and 2000. Each was authorized by a resolution signed by all three members of the governing body and each was properly advertised. Some of the contracts detail the duties to be performed, specifying

what would be included and what would not. Typically, however, the contracts were lacking in detail concerning the duties to be performed. The language most often used was on the line of "... the contractor will perform the duties of . . . [what ever the title may be]". Although the team found no serious disputes arising over contract language, such brevity invites differing interpretations.

Recommendation:

The team recommends that all professional service contracts contain language that provides the public with as much information as possible regarding the nature, duration, service provided and amount of the contract being issued.

The table below illustrates the amount of money spent by Wildwood on professional service contracts for 1999 and YTD 2000.

	1999	Jan 1 – June 30, 2000
Audit/Accounting	\$67,316	\$67,200
Engineer	\$526,842	\$472,474
Finance	\$0	\$71,028
Legal	\$328,756	\$205,455
Professional	\$8,479	\$1,642
Psychology	\$8,425	\$0
Total	\$939,818	\$817,799

The team found that all parties did not sign some of the actual contracts reviewed. One of the contracts was not signed by any representative of the city government. In those contracts that were lacking signatures, there was a provision that stated: "Either party may terminate the effect of the Agreement on the anniversary date hereof. Failure to terminate this Agreement on the anniversary date shall constitute a renewal hereof on the terms and conditions set forth herein." It appeared that these contracts had been renewed under that provision since no new contract was executed in 2000. Although this provision and practice may be legal in the private sector, The Local Public Contracts Law (N.J.S.A. 40A:11-15, duration of certain contracts) contains specific limits on the duration of certain contracts that can be issued by a public unit. Further, continued renewals without appropriate advertising and commission oversight is in conflict with the requirements of the professional service exception. A review of all professional service contracts by the municipal attorney would insure that the city is properly executing its contracting responsibilities.

The City of Wildwood has certain affirmative action responsibilities under P.L. 1975, c. 127 and N.J.A.C. 17:27-1.1 et. seq. with respect to all contracts, including professional services. Specifically, the city must require certain affirmative action language to be placed in every contract. Additionally, professionals must submit proof to the city of their compliance with the affirmative action law. Appropriate affirmative action language was present in each contract

reviewed by the team. However, we did find that some of the professional service providers had not delivered proof of compliance. The proof can be provided, depending on circumstances, by one of three methods:

- letter of Federal Approval;
- Certificate of Employee Information Report; and
- a completed Form AA 302.

Recommendation:

The team recommends that all professional service contracts be reviewed by the city attorney for compliance with the Local Public Contracts Law and that all contracts be properly executed by the appropriate authorities. Further, the municipal clerk, as custodian of municipal contracts, should examine all contracts, including professional services, for compliance with the provisions of N.J.A.C. 17:27-1.1 et. seq., e.g., mandatory contract language, and proof of the contractor’s compliance with the affirmative action law.

The team found that some contracts were agreed to without the benefit of formal contract language. Rather, they were in the form of proposals by a professional that were then accepted by the signature of a commissioner. Under the commission form of government, the commissioners do have the authority to execute certain contracts. This authority does not exempt such contracts from the Local Public Contracts Law referenced above, nor compliance with Technical Accounting Directive # 85-1, January 1, 1985, which requires funds to be encumbered prior to any work being performed or service authorized. All contracts for the purchase of goods and/or services must be in writing (N.J.S.A. 40A:11-14).

Recommendation:

The city should discontinue the practice of authorizing work by way of a city official’s signature on a vendor’s proposal. All authorizations must meet the requirements of the Local Public Contracts Law (N.J.S.A. 40A:11-1 et. seq.) that governs the purchasing of goods and services by municipalities. Further, the team recommends that the city attorney draw up contracts for goods and/or services where appropriate and, if need be, that vendor provided proposals only be made a part of such contract through reference therein.

Some of the contracts that the team reviewed contained language stating that the total cost for services would not exceed a particular amount. There was one instance where the contract provided that the professional firm would charge its standard hourly rates, which would vary according to the level of responsibility involved and the experience level of the personnel providing the service. However, there was no standard hourly rate schedule attached to the contract. Further, upon review of the invoices, the team found that hourly charges were not broken out, rather, the invoices reflected “progress payments” and “balances” due. None of the invoices examined for that firm included any backup showing hours worked and hourly rates charged.

Recommendation:

Contracts which specify “not to exceed” terms as a maximum exposure predicated upon hourly rates must set forth the rates to be charged as part of the contractual terms. Billing against such contracts should reflect hours worked and rates charged as set forth in the contract, rather than “progress payments” toward the maximum figure.

Other invoices for professional services revealed flaws in the “accounts payable” control process. In a nutshell, the team found that no one was examining invoices to determine whether they comply with the contracts that cover them. Personnel in Purchasing and Finance were asked whether they examined bills for content or questioned their legitimacy; all responded in the negative. They did check to see that a purchase order was open to cover each bill and they did check that all the charges added up to the total on the bill. However, no one checked invoicing detail to insure that “not-to-exceed” terms were being applied, or that hourly rates were charged as agreed to, or even that the city was paying for the goods and/or services that had been authorized. The team found one case in which a contractor was paid almost \$200,000 on the basis of statement-like invoices that contained no back up whatsoever.

Recommendation:

The purchasing department should be given the responsibility for authenticating all invoices before the purchasing agent signs them. Authentication should include matching billing method (e.g., hours worked x hourly rate, or a set contract figure), availability of funds against the budget, and any “not-to-exceed” terms.

FINANCIAL ADMINISTRATION

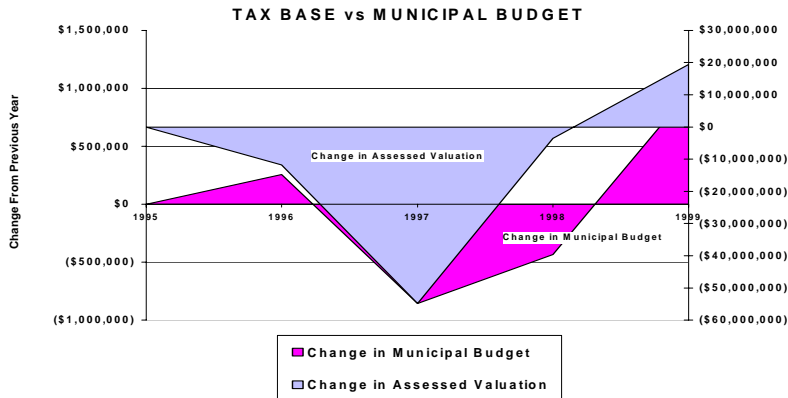
Budget

The City of Wildwood holds nonpartisan elections in May of each year, yet its budget is based on a calendar year. This creates a situation where newly elected officials have, at the very least, six months before they can initiate a budget of their own. The city had recently hired a new chief financial officer as the team began this review. Subsequently, information provided is based on her predecessor’s policies.

Budget/Tax Rate

From 1995 to 1999, the municipal budget has shown yearly fluctuations, dropping just over 5% in 1997 and then raising over 6% in 1999. Any discussion of the budgetary process in Wildwood needs to be considered in light of the economic health of the community. The chart below shows the changes in property values and budgets experienced by Wildwood from 1995 through 1999. The reader will note that, except for a small budgetary increase in 1996, both property values and budgets declined from 1995 through 1998.

From 1995 to 1999, the municipal tax rate dropped 2.55%. Tightening expenditures, although a factor, was not the principle cause for the declining tax rate. Other prominent factors will be discussed further in this section. During this six-year period, the county tax rate increased by 1.4%, while the school tax rate has increased by 17.58%. The overall tax rate has increased 0.52%. The next table below is a comparison of the municipal tax rate and overall taxes, which includes the school and county apportionment. It should be noted that the county tax rate combines the county library tax and the county open space tax.



The reader should also note that from 1995 through 1999, the City of Wildwood municipal tax rate was considerably greater than that of the Wildwood School District. The City of Wildwood’s municipal tax rate was the highest among all 15 communities in the county. Normally, school tax rates are higher than municipal tax rates. Further, the school district tax for 1999 was the second highest in the county. This fact is somewhat misleading since the Wildwood School District is a K - 12 district and many of the other districts in the county are K - 8. The enrollment in this district is another factor that drives the school rate high in comparison to other districts in the county. Based on these and other factors, the Local Government Budget Review team that reviewed the school district found that, although their tax rate was comparatively high, their cost per pupil was appropriate. For further information regarding school costs, please refer to the LGBR review of the Wildwood school district.

The last chart below compares the equalized tax rates for all communities in Cape May County.

Comparison of Municipal Tax Rates vs. County, School and Total Tax Rate

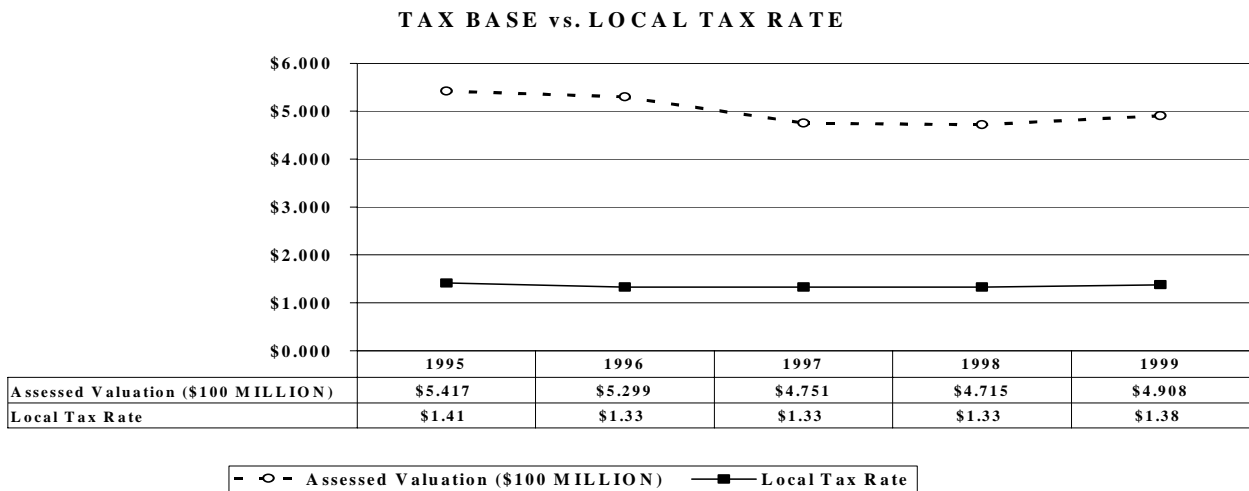
	1995	1996	1997	1998	1999
Local Tax Rate	\$1.413	\$1.328	\$1.326	\$1.327	\$1.377
County	\$0.419	\$0.424	\$0.43	\$0.429	\$0.425
School	\$1.018	\$1.088	\$1.134	\$1.164	\$1.197
Overall Tax Rate	\$2.850	\$2.840	\$2.890	\$2.920	\$2.999

Comparison of Equalized Tax Rates Cape May County Communities

Municipalities	1999 School EQ Rate	1999 Municipal EQ Rate	1999 Total EQ Rate
Cape May City	\$0.516	\$0.471	\$1.419
Cape May Point Borough	\$0.079	\$0.437	\$0.952
Dennis Township	\$1.090	\$0.147	\$1.694
Lower Township	\$1.096	\$0.720	\$2.265
Middle Township	\$1.319	\$0.511	\$2.278
North Wildwood City	\$0.701	\$1.283	\$2.432
Ocean City	\$0.474	\$0.640	\$1.510
Sea Isle City	\$0.254	\$0.635	\$1.318
Stone Harbor Borough	\$0.104	\$0.388	\$0.906
Upper Township	\$1.137	\$0.000	\$1.603
West Cape May Borough	\$0.888	\$0.417	\$1.751
West Wildwood Borough	\$0.705	\$1.042	\$2.181
Wildwood City	\$1.191	\$1.370	\$2.983
Wildwood Crest Borough	\$0.579	\$0.969	\$2.023
Woodbine Borough	\$1.055	\$0.366	\$1.875

Tax Rates

The City of Wildwood has worked to keep its local purpose tax rate stable over the past five years. They have done this even in the face of a declining tax base. The chart below illustrates this fact.

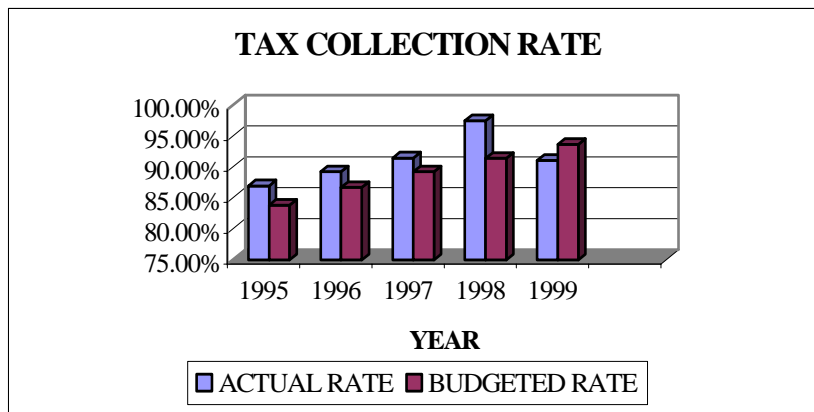


Normally, a stabilized municipal tax rate is viewed as a positive indication that the overall financial health of a municipality is good. In this case, however, because the local rate is so high and due to the steps that were used to maintain its stability, this feature becomes questionable.

The first example of how the city stabilized its local purpose tax rate involves the city's tax collection rate and its impact on the *reserve for uncollected taxes*. The reserve for uncollected

taxes is a “non-spendable appropriation” carried in the municipal budget. The purpose of this appropriation is to make up for property taxes that are not paid in a given year. Each municipality is responsible for collecting taxes not only for local municipal services, but also for the local school district, the county, special districts, etc. State statutes require that the municipality pay 100% of billed taxes to the schools and the county, regardless of whether the taxes are collected or not. Because someone does not pay their share of the taxes does not excuse the municipality from paying for all of the services the municipality provides or uses. Therefore, any shortfall in collections is subsidized by the taxpayers that do pay their taxes on time. This subsidy is called the *reserve for uncollected taxes*. The municipality collects extra from the “paying” taxpayers to make up for the “non-paying” taxpayers. Estimates for tax revenues for the current year are based on the previous year’s collection rate. It is this collection rate that is used to calculate the reserve for uncollected taxes. Sound budgeting practices call for estimating a collection rate approximately 2% below the previous year’s collection rate. This provides a buffer to guard against a downturn in the economy, bankruptcies, etc. Another advantage to this type of budgeting practice is that estimating a conservative collection rate will result in an increase in surplus for the following year if collections follow their normal trend.

Wildwood has shown a propensity to anticipate a collection rate almost equal to that which was collected in the previous year. During the period between 1996 and 1998, the city was able to get away with this because their actual collection rate was rising each year and surpassing their anticipated collection rate. Their practice of aggressively estimating current year collection rates resulted in lower reserves for uncollected taxes and higher anticipated revenues from current year tax collections, all of which contributed to stabilizing the tax rate while their tax base was declining. The problem occurs when the budgeted collection rate is not met, resulting in a deficit in revenues which must be raised in the subsequent year. This is what happened in 1999. The graph below illustrates how the anticipated collection rate was not met in 1999 resulting in a deficit in 2000. Had the city anticipated collection rates in a more conservative fashion during these years, the impact of this shortfall could have been spread out rather than taken all in one year.



Recommendation:

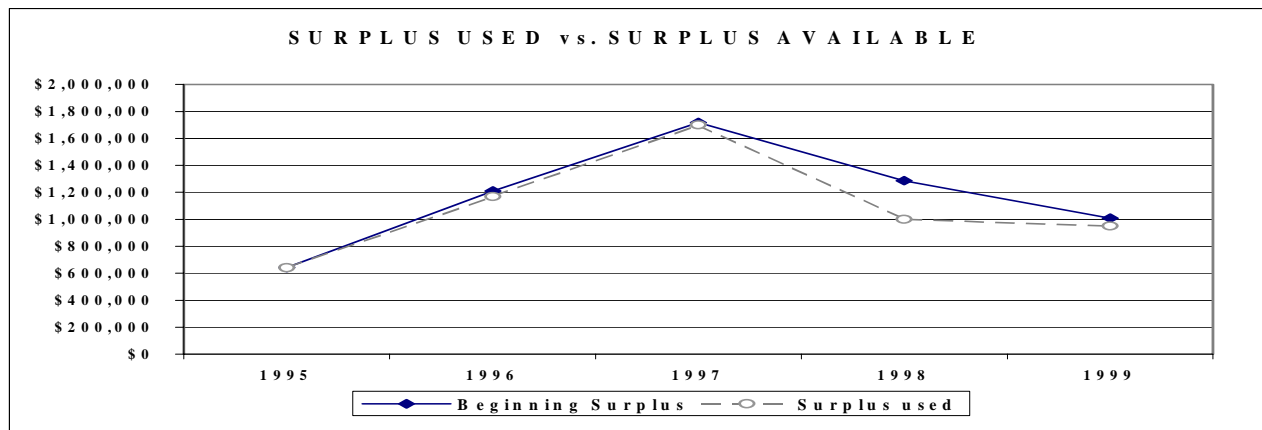
The team recommends that the city decrease their anticipated tax collection rate to at least 2% below the prior year actual collection rate, thus, reducing the risk of overestimating revenues.

The reader will note that the city experienced a sharp increase in its collection rate in 1998. This was due to an “accelerated tax sale.” Amendments to the statute governing tax sales have created an accelerated tax sale option for municipalities. Unlike the traditional tax lien sale conducted the year following the tax delinquency, the accelerated sale option allows the municipality to sell the lien in the same year in which the property becomes delinquent. This results in the receipt of the tax sale proceeds in the current budget year rather than in the subsequent budget year as was traditionally done. In the initial year of the accelerated sale, the receipt of funds from both the accelerated tax sale and the prior year’s traditional tax sale create inflated, one-time revenue that becomes surplus for the following year. Caution must be taken to hold accelerated sales each year thereafter to continue the flow of delinquent tax revenue. Because this is a one-time revenue source and has a potentially negative financial impact in subsequent years, it is not recommended without careful consideration of the long-term impacts. Wildwood did not hold an accelerated sale in 1999, resulting in a collection rate below that which they had anticipated. The resulting shortfall put further pressure on their municipal budget.

Another example of questionable fiscal policies used by the city involves their use of surplus to offset or reduce tax increases. The principle of using surplus to maintain a stable tax rate is commendable. The problem arises when a municipality consistently uses most or all of their surplus to balance a budget. Doing so limits revenue from interest and investments and makes the municipality more vulnerable to economic fluctuations that may influence other revenue factors such as collection rates, property values, etc.

While there is no universally accepted percentage or amount of surplus that is deemed appropriate for a municipality to keep, each municipality should maintain an adequate surplus. Two “rules of thumb” that the team has had experience with in other municipalities include: maintain enough surplus to cover one year’s debt service or maintain a surplus amounting to 5% - 10% of your operating budget. Further, it is recommended that the amount of surplus anticipated as revenue in any budget year be limited to only that which can be reasonably generated in that year. Since 1995, the city has failed only once, in 1998, to generate the amount of surplus anticipated in a given year. However, in each of those years the city depleted almost their entire available surplus, leaving little or no funds in case of emergencies. The table and graph below illustrate this point.

	1995	1996	1997	1998	1999
Mun. Budget Before Surplus	\$15,685,144	\$15,414,887	\$14,882,887	\$14,728,815	\$15,295,291
Beginning Surplus	\$641,488	\$1,209,571	\$1,718,158	\$1,287,471	\$1,008,560
Surplus Used	\$640,000	\$1,168,000	\$1,700,000	\$1,000,000	\$950,000
Total Municipal Budget	\$16,325,144	\$16,582,887	\$15,728,815	\$15,295,291	\$16,263,470
Remaining Surplus as % of Total Budget	0.009%	0.251%	0.115%	1.879%	0.360%



Recommendation:

The team recommends that the City of Wildwood develop a revenue/surplus policy that consistently builds surplus and limits the amount of surplus used each year so that enough remains to prudently offset unforeseen emergencies.

The reader will note that the local budget rose over \$968,000 from 1998 to 1999. During that same period, the amount of surplus available, and subsequently used, was reduced. The city was able to meet its responsibilities in 1999 with only a modest increase in their local purpose tax, because of the sale of its water utility operations to *Azurix North American Corporation*. The city’s 1999 municipal budget was conditionally approved in November of 1999 by the Division of Local Government Services, pending approval by the local finance board and the board of public utilities. One of the reasons for the conditional approval and the delay was the inclusion of a more than \$3,000,000 revenue in this budget, which consisted mainly of the Water Utility Management Company Concession Fee specified in the agreement between Azurix and the City of Wildwood. This influx of revenue appears to be part of the \$5,450,000 initial payment referenced in Article VII of the water services agreement. Subsequent annual concession payments of \$3,000,000 (1st year anniversary of commencement date), \$2,000,000 (2nd year anniversary of commencement date) and \$250,000 (3rd year anniversary of commencement date) are additionally specified in the water services agreement. The reader should also note that, in contrast to the fees that Azurix pays the city, the water services agreement specifies that the city pay a yearly management fee to Azurix for a 20-year period. This management fee begins at \$2,991,904 in the first year of the agreement and gradually escalates to \$4,195,015 in the final year of the agreement. The team did not analyze the full contract, rather these terms are being referenced to point out possible pitfalls in future year’s financial planning for the city.

The \$3,000,000 proceeds from the water utility sale allowed the city to meet their obligations and still maintain a relatively stable tax rate. This sale will continue to provide revenues on a declining scale through 2002, after which the city will be faced with a serious deficit while continuing to pay the annual management fee to Azurix.

Recommendation:

The team recommends that the city plot out short term and long-term budget projections considering traditional operational costs, standard cost of living increases, the windfall revenue from the Azurix deal and the management fees associated with it. These projections should then be used to identify areas where operational costs can be reduced and/or revenues increased in an effort to formulate a plan to gradually mitigate the impending loss of revenue from the Azurix deal with minimal impact on the local purpose tax.

Debt Service/Capital Improvements

The goal of any municipality that seeks to properly manage its debt service is to stabilize its debt payments in such a way so as to avoid severe fluctuations. As of December 31, 1999, the city was carrying \$11,129,732 in net debt. The city is limited by state statute (N.J.S.A. 40A:2-6) to a maximum bonded indebtedness equal to 3½% of its equalized assessed valuation. According to the city’s 1999 annual debt statement, the city’s net debt was at 2.32% of its equalized assessed valuation.

In 2000, the city’s total debt service payments were \$1,253,889. This expenditure accounted for 6.88% of the budget. The following table shows amounts actual spent from 1995 through 1999 for debt service; the years 1999 and 2000 are unaudited figures.

	1995	1996	1997	1998	1999	2000
Debt Service	\$2,449,583	\$2,209,781	\$2,427,544	\$2,289,519	\$2,295,749	\$1,253,889

The last two bond ordinances passed by the city were in 1992 (\$4,099,000) and 1996 (\$3,980,000). These funds were allocated for various projects, including facility improvements, demolition, redemption of gasoline contaminants, and equipment purchases. As of December 31, 1998, the city was carrying debt of \$2,060,800 for Bond Anticipation Notes (BANs, short term financing as opposed to long term serial bonds). These BANs are included in the debt service shown above.

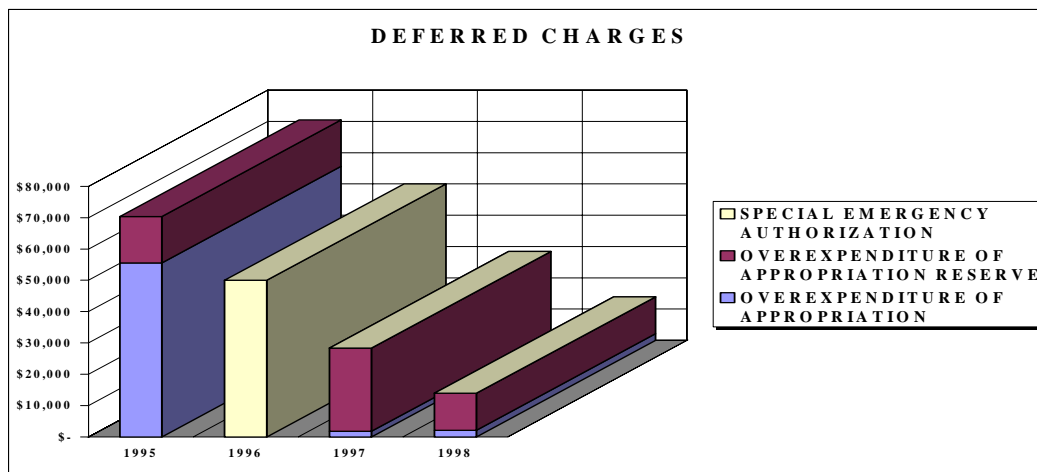
Audit Findings

A review of the audit findings from 1995 through 1998 (the 1999 audit was not completed at the time of our review), revealed that the city averages about 13 recommendations each year, with an average of about four repeat recommendations each year. Based on state requirements, the chief finance officer is required to respond to the auditor’s findings and must submit a corrective action plan within 60 days from the date the audit is received by the governing body. The city was able to provide corrective action plans for the years 1997 and 1998. No plans were available for prior years and the 1999 audit had not yet been completed.

Deferred Charges

Deferred charges are expenditures from a prior year that must be funded in the current year budget. Three categories of deferred charges that are reported in the Wildwood municipal audits from 1995 through 1998 are: over expenditures in appropriations, over expenditures in appropriation reserves and special emergency authorizations. All three represent over

expenditures of the city's budget, either by spending more than what was budgeted without approval of the governing body or by over expending with the approval of the governing body. In either case, such actions result in deficits that must be filled. According to N.J.S.A. 40A:4-42, deficits or over expenditures must be funded in the following year. This funding results in a charge that must be added to the following year's budget. The chart below shows that the city averaged \$40,717 in deferred charges from 1995 through 1998.



Banking

The relationship between a municipal government and its financial service provider is usually described in a written agreement between the local entity and its banking partner. The new certified municipal finance officer (CMFO) was soliciting proposals for banking services during the time of our review. There were no previous requests for proposals for banking services available for the team's review.

The city does not use automated on-line products such as account reconciliation, electronic fund transfers, balance reporting, and direct deposit. Certain automated products may be a viable alternative to using staff time, even for the small commercial customer. The best way for a local entity to determine the practicality of any banking service or product is to meet with its government banking representative and discuss user needs versus what the vendor has to offer. The current CMFO has included these features in the proposals now being considered.

The team commends the city for competitively quoting banking services and we encourage them to continue this process regularly in the future.

Cash Management Plan (CMP)

The city adopted a cash management plan (Resolution No. 125-4-99) in accordance with the Local Fiscal Affairs Law, N.J.S.A. 40A:5-14. The plan includes the designated public depository(s), permissible investments, the approval of plan modifications by vote of the governing body, and other conditions as set forth in the statute. This plan was approved for calendar year 1999 only; no previous nor subsequent CMP's or approvals were available for the team's review.

Recommendation:

The team recommends that the city comply with the Local Fiscal Affairs Law, N.J.S.A. 40A:5-14, by annually reviewing and approving a cash management plan to insure that it reflects changes in federal or state law or regulations, or in the designations of depositories, funds or investment instruments or the authorization for investments.

The team analyzed bank statements from 30 various municipal accounts plus the city's tax lien redemption account for a period covering 14 months in 1999 - 2000 to evaluate investment opportunities available to the city. All of the aforementioned accounts were in one banking institution. The team recognizes the need to segregate funds to a certain degree, however 31 accounts is high compared to other similar communities. Each account demands monthly attention in the form of reconciliations, postings, etc., which are a drain on manpower and pose unnecessary opportunities for lapses in security.

Recommendation:

The team recommends that the CMFO review the need for each municipal bank account with an eye to reducing their number.

The analysis included cash that was available for investment as specified in the monthly account analysis provided by the banking institution. This amounted to an average of \$5,234,450 per month. The analysis revealed that the city received an average, annualized interest rate of 4.9%. The total investment revenue received for this period was \$298,514. We compared results from this banking institution to those that were available through investments in the New Jersey Cash Management Fund (NJCMF) and investments in Treasury bills (T-bills). We found that, for the same period, using the same available cash, NJCMF and T-bills both yielded higher rates of return. In the case of NJCMF, the city would have received an additional \$28,739 in revenue, while T-bills would have yielded an additional \$15,007.

Recommendation:

The team recommends that the city develop a cash flow plan to better enable them to invest available cash. Utilizing such a plan will allow the city to deposit funds in higher yielding accounts such as the NJCMP.

Revenue Enhancement: \$28,739

TAX COLLECTION

The Office of Revenue Collection began the year organized with six full time employees: a tax collector, deputy tax collector, supervisor of accounts, principle accounts clerk, principle cashier and clerk cashier. Subsequent to our beginning the review, one of the staff, the supervisor of accounts, was transferred to the treasurer's office. A second staff member, the deputy tax collector, was out due to an injury. Due to these staff changes, our report will focus on costs for the year 2000. The remaining five staff members represent a projected total position value for

the department in 2000 of \$173,603. This includes base salary, mandatory costs, vacation and sick buy backs, etc. In addition to these costs, the city budgeted an additional \$5,350 in operating expenses for the department.

As of the writing of this report, the office has five full-time employees. One was out on extended sick leave, bringing the total available for work to four. None of the staff, other than the collector, is certified and none have had any formal tax collecting training. It is important to note that the current tax collector was hired in early 2000 and is new to this tax office. The office is responsible for billing and collecting taxes from the approximately 4,500 taxpayers in Wildwood. They are currently responsible for collecting sewer rents from 3,500 sewer customers. This responsibility is to be turned over to a private firm in compliance with an agreement involving the water utility.

The office was billing and collecting for water payments from 3,500 customers up until 2000. The city has since sold the management rights to their water utility to a private firm. This firm, Azurix North America Corporation, is now responsible for the water utility's billing and collection. The office is still responsible for arrears water payments prior to 1998 and, also, the banking and monthly reconciliation of the city's water revenue account.

In addition to sending out regular tax bills, the office is also required by law to send out advisory bills. Advisory bills are notices sent to property owners whose taxes are paid through a mortgage company, they advise the property owner of what their actual taxes are. Tax bills, duplicate bills (copies maintained for permanent files) and advisory bills are printed by a firm that specializes in software and materials for tax offices. Once printed, the bills and their duplicates are sent to the tax office already burst and separated by bank code. Tax office staff reported that in the past bills were not usually checked for accuracy. They attributed this to a lack of time, caused by the city's tendency to delay passing their budget. The budget delays would cause the tax bills to be delayed and result in cash flow problems for the city. When the bills were finally printed there was pressure to get them out as soon as possible. In an effort to comply, the staff would mail the bills out without checking them. A review of the budget history beginning in 1995 shows that the last three budgets, including 2000, have been passed late enough to have delayed the issuing of tax bills. The impact that budget delays have had on the finances of the city will be discussed in another section of this report.

Recommendation:

The tax office is responsible for insuring the accuracy of the bills that they issue. Staff should make every effort to eliminate errors by verifying tax bills against the tax levy as set forth in the tax duplicate register.

The office utilizes a well-recognized brand name software package to post and record tax payments. Although the software is used throughout the state, this collector is not familiar with it and is experiencing difficulties with its operation. Further, the staff has not been fully trained in its operation. This has led to frustration at all levels.

Available technology is partially used to process tax bills. Two of the major mortgage companies that serve Wildwood pay their client's taxes from electronic medium rather than from paper tax bills. All of the city's tax information is sent to them on a floppy disk, in lieu of separate tax bills. They pick out their clients and send the corresponding tax payment back with a floppy disk identifying the clients they are paying for. The collector receives the payment and posts the credits to the accounts specified. The entire batch can be posted as a single transaction. This not only saves on printing and mailing individual tax bills, it saves on the time needed to handle and post each bill.

The office does not use scanners to process payments. Scanners allow the computer to read pertinent tax information directly from the tax bill via bar codes. The bar codes provide electronic information such as the block and lot of the parcel, ownership information and the amount of taxes due. When payment is made, the returned stub is scanned, the payment is compared to the amount due and, if no changes are required, the payment is recorded with the push of a button. Without the use of scanners, each payment has to be recorded manually. They do validate payments electronically which provides an electronic record of their transactions at days end.

Recommendation:

The office is not fully utilizing available technology, resulting in lost efficiencies. The software problems that the collector is facing should be addressed either through additional training for the collector and staff, or the purchase of a system that meets the needs of the office. Scanners (4 @ \$850) should be installed to expedite bill processing, two at the front window and two at the clerk's desks.

One-time Value Added Expense: \$3,400

Local Government Budget Review has established a benchmark for the number of staff in municipal tax offices; it is one employee for every 3,000± tax lines. This figure is adjusted to reflect other duties performed in the office such as sewer rent collections, etc. Staff levels in this office are one employee for every 900 tax lines, well below the benchmark. In addition to the low tax line per employee ratio, the office has no special assessments and, beginning in 2001, no utilities to contend with. According to the figures provided by the Office of Accounting and Control, the 2000 total position cost for this department, including fixed benefits and mandatory costs, will be \$173,603. Based on this figure and 4,500 tax lines, each bill costs \$38.58, over twice as much as some other South Jersey communities that the team has reviewed.

Recommendation:

The team recommends a reduction in staff for the tax collection department from five full-time employees to two full time employees, the tax collector and one clerk.

Cost Savings: \$107,266

Municipalities normally hold tax sales in the early part of each year, at which they sell liens on properties that are delinquent as of December 31st of the previous year. Delinquent properties

not only withhold revenue from the municipality in the form of taxes, they also put an extra burden on taxpayers since the remaining taxpayers must make up for the lost tax revenue and they must pay the delinquent property's share of school and county taxes. This extra cost is shown in the municipal budget as a non-spendable appropriation called "reserve for uncollected taxes."

They also have the option to hold an accelerated sale any time after November 10th. An accelerated sale allows a municipality to sell liens on delinquent properties in the **same** year that they become delinquent rather than waiting until the following year for the sale. Accelerated sales are viewed as a one-time tactic used to lower taxes through the reduction of the reserve for uncollected taxes in the subsequent year. Although the desired effect is achieved, the accelerated sale must be repeated each year to prevent a future shortfall. Also, revenue from interest on delinquent taxes and the payment of prior year's taxes will be eliminated. The elimination of this non-spending appropriation, the reserve for uncollected taxes, will reduce the appropriations side of the budget. However, it does nothing to either increase revenue or reduce spending.

The city held an accelerated tax sale in 1998. They did not, however, repeat the practice in 1999. They are planning a regular tax sale in October of this year. The city will go almost two years without the benefit of the revenue from these delinquencies. The collector is holding off on this year's tax sale because she is not confident in the accuracy of the current delinquent list. As a result, the team was unable to establish the value of the delinquent properties and the subsequent amount of tax revenue not collected and interest income that the city was losing.

Recommendation:

The municipality automatically holds any liens that are not sold during the tax sale. These municipal liens can then be foreclosed upon after being held for six months. The team recommends that the city foreclose and take ownership of said properties as soon as possible. By doing so, the municipality takes a "win-win" step; it gains a parcel that could be made available for public use and it removes a parcel from the school and county tax roles.

The city was holding liens on 126 properties as of the writing of this report. The table below describes the liens.

Lien Type	Number Of Parcels	Balance Of Payment Due
Property Tax	49	\$455,361
Water Rental	29	\$27,777
Sewer Rental	31	\$84,109
Special Assessment	1	\$345
Misc.	16	\$247,683
Total	126	\$815,275

These liens go back as far as 1991 and represent all of the municipal liens that the tax collector can identify at this time. The collector is reluctant to proceed with foreclosures on all of these properties because she has uncovered numerous problems with the status of the city held

certificates. The city did foreclose on three properties earlier this year and is in the process of foreclosing on another 18 properties which, combined, owe the city in excess of \$298,000. The total assessed value of the remaining properties believed to be eligible for foreclosure is \$2,086,900. The average county and school tax rate over the last two years amounted to \$1.6685 per \$100 of assessed value. Based on this, the team estimates that, over the last two years, the City of Wildwood taxpayers paid approximately \$69,640 in unnecessary county and school taxes because these properties were not foreclosed.

Recommendation:

The city should take immediate steps to clarify the status of all municipally held liens and continue with an aggressive foreclosure program.

Cost Savings: \$34,820

The State of New Jersey recognizes an average acceptable tax collection rate of 96%. The collection rate for Wildwood had shown a modes, yet steady, increase since 1995, spiking in 1998 due to the accelerated tax sale. When the tax sale was not repeated in 1999, the rate fell to its 1997 level. The tax office now sends out quarterly delinquent notices and has recently begun to include letters with these notices to encourage payments. Below is a synopsis of the collection rates for the last 5 years:

<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
86.95%	89.23%	91.44%	97.48%	91.08%

Recommendation:

The team recommends that the staff continue to reach out to delinquent taxpayers in an effort to reduce the number of delinquencies and to maintain their previous trend of improving the collection rate each year.

The collection office and the tax assessor's office use the same municipal software packages. As a result, the offices are integrated and any information can be shared electronically by both offices.

The tax office currently keeps a close watch on tax overpayments. Once an overpayment is identified, an appropriate resolution is requested and the overpayment is applied to future taxes or refunded to the property owner. The township is carrying \$72,477.72 on its books from overpayments made in years gone by. Many of these overpayments are very old and span numerous property owners. As a result, it becomes very difficult to establish rightful ownership of these overpayments. The collector and the deputy collector are gradually investigating these past overpayments and are working to return them to their rightful owners.

TAX ASSESSOR

Local Government Budget Review normally solicits the aid of State Division of Taxation personnel to review municipal tax assessment operations. In this case, communication between the Division of Taxation and the city assessor's office failed to materialize, even after several attempts by both the team and the division to communicate. This made it difficult for us to produce a meaningful section.

The City of Wildwood is the 11th out of 16 communities in net taxable value in Cape May County. The 1999 Cape May County Abstract of Ratables reports the City of Wildwood has an equalized valuation of \$463,106,087. This is based on a county equalization ratio of 108.58%, meaning the city is valued at 8.58% above market value. The following is a summary of the ratable base for the last four years:

Property Type	1999 # Line Items	1998 # Line Items	1997 # Line Items	1996 # Line Items
Vacant Land	339	371	375	378
Residential	2,903	2,901	2,896	2,874
Farmland/Qfarm	0/0	0/0	0/0	0/0
Commercial/Ind.	497	507	507	511
Apartments	<u>462</u>	<u>471</u>	<u>480</u>	<u>487</u>
Total	4,201	4,250	4,258	4,250

Property Type	1999 Valuation	1998 Valuation	1997 Valuation	1996 Valuation
Vacant Land	\$14,793,100	\$18,305,600	\$19,152,200	\$21,562,800
Residential:				
Land	\$87,087,500	\$88,352,800	\$88,162,800	\$88,921,400
Improvements	\$126,519,600	\$ 133,601,800	\$134,899,700	\$148,172,600
Farmland/Qfarm	\$0	\$0	\$0	\$0
Commercial/Ind:				
Land	\$99,982,400	\$100,493,000	\$101,489,700	\$114,923,800
Improvements	\$54,965,200	\$57,870,800	\$59,318,400	\$66,479,500
Apartments:				
Land	\$51,200,500	\$51,200,500	\$52,561,900	\$53,620,000
Improvements	\$55,501,600	\$65,186,100	\$67,890,300	\$76,306,400
Exempt Properties (Total)	\$1,418,000	\$3,511,300	\$3,302,600	\$3,078,900
Total Net Valuation (Not Equalized)	\$488,631,900	\$512,002,000	\$520,172,400	\$566,907,600
General Tax Rate PER \$100	\$3.00	\$2.920	\$2.890	\$2.840
Equalization Ratio	108.58%	109.48%	106.88%	109.27%

The municipality has a combined Vacant Land and Residential Ratable Base of 77.2%. This is up from the 1996 figure of 76.5%. Although these two categories represent over 75% of the properties in Wildwood, they represent just over 46% of the assessed value of the community. The 497-commercial/industrial properties make up about 11% of the properties and comprise just over 31% of the net valuation of the city. Apartments also make up 11% of the properties, but they account for more than 21% of the city's value, the number of commercial line items has decreased each year due to demolitions and assemblages. Of greater note is the decline in net valuation of the city. Records show that the town has decreased in value almost 14% in just four years.

Office Staff and Operations

The office is staffed by a part-time tax assessor and a full-time tax assessor clerk. The assessor has served in this capacity since November, 1982, and the clerk since 1988. There is no job description identifying the hours that the assessor is expected to work, nor any set schedule for when the assessor is available to the public. Estimations from staff set hours at 20 - 25 during the summer and less than that in the winter. The assessor also serves as the part-time assessor for West Wildwood. This is an on-call position that is serviced as needed.

Based on the International Association of Assessing Officers (IAAO) standards, an assessing office responsible for 15,000 line items should have between five - six employees. That works out to just over 2,700 line items per employee. The City of Wildwood has about 4,200 line items, indicating that staffing levels in the office are in line with IAAO standards.

The overall operation of the assessor's office is professional. The space allocated is conducive to both the needs of the public and the employees. The assessor does have the necessary privacy to separate himself from the public so that he can take part in confidential discussions and phone conversation. The public can access the tax books in an outer office where there is space to review tax books or sales data. This office is small and also houses the tax assessor clerk, so more than one or two people at a time reviewing records would be crowded.

Budget

The assessor's office budgeted a total of \$75,200 in 1999. Of this, \$63,000 (83.7%) was for salary and wages and \$12,200 (16.3%) was for other expenses. The fully loaded wage costs were \$80,088. The International Association of Assessing Officers (IAAO) standards indicate an acceptable range of 80 - 85 percent for salaries and benefits compared to other expenses in a tax assessor's office. This comparison is between fully loaded costs for salaries and other expenses such as computer maintenance fees, on-line services, contracted services, etc. Staff reported that the office does not contract for outside services and the other costs were not available from the assessor's office at the time of our review. However, based on the information available to us, the ratio of fully loaded salaries to expenses for Wildwood in 1999 was 86.8%.

Nationally, the average cost per line item is \$10 - \$12. Based on information gathered from the 1999 fiscal budget, the City of Wildwood assessor's office is functioning at \$21.97 per line item. Although the cost per line is about twice that of the national average, without further information the team was unable to identify what was driving the cost per line so high.

POLICE

Introduction

The Wildwood Police Department was recreated through ordinance number 380–95. Under the commission form of government (N.J.S.A. 40A:14-118) the governing body authority shall be the Director of Public Affairs and Public Safety. At the time of the Local Government Budget Review (LGBR) of Wildwood, the chief of police had less than two years of experience as chief, due to the recent retirement of the previous chief executive. The public safety director had been commissioner for a number of years under several chiefs.

As background to the report, one must understand the nature of this resort community. Wildwood is a central figure in the development of “Five-Mile Beach Island;” it is a Cape May County resort nestled between Wildwood Crest to the south and North Wildwood and West Wildwood to the north. It is less than two square miles with a year-round population of 4,365 residents. As an island community, it is bounded by water both to the east and west and is served by three egress and access points. At the present time, two of these bridges are raised manually and could effect a quick exodus in the event an emergency evacuation should be necessary.

Notwithstanding the permanent population of Wildwood being 4,365, the population in the summer escalates dramatically to figures approaching 150,000. Historically, much of this increase begins during Memorial Day and spikes on most weekends through Labor Day. As a result of the increase in summer tourism, police department resources are stretched to a point where performance expectations are seldom satisfied.

Mission Statement

No single statement of the police mission can be expected to fit perfectly the differing needs, priorities, and capabilities of America’s 17,000 state, county, and municipal police agencies. It is important, however, for each agency to express its purpose, philosophy, and values in such a way that members, employees, citizens, and visitors know what the agency stands for. The Wildwood Police Department did not provide a mission statement to the LGBR team.

Recommendation:

If the department has no mission statement, it should develop and implement one that articulates the values and philosophy of the agency. Once prepared, the department should transmit the statement in the form of a directive to its members and employees, and post the statement in a conspicuous place in the public reception area of the police department headquarters facility.

Finances

The police department provides coverage at a projected annual cost of \$3,009,676, which is approximately 17% of the total city budget. This number reflects approximately 93 members and employees assigned to the police department, including seasonal employees.

Member and Employee Position Value Estimates (PVE)

Title	PVE
Chief of Police	\$92,567
Captain	\$85,719
Lieutenant	\$79,464
Sergeant	\$72,784
Police Officer	\$53,557
SLEOs (seasonal)	\$6,729
Clerk	\$37,040
Dispatcher	\$42,833

NOTE: The SLEO PVE is calculated at \$10.51 hourly rate.

Average salaries are comparable to other communities in New Jersey, with the possible exception of sergeants, clerical support, and dispatchers. Records indicate that compensatory time accumulated in 1999 approximated a total of 433 hours for the entire department. Actual dollar liability amounted to \$13,087. These figures compare well with other police departments and indicate that compensatory time is kept to a minimum. As with other jurisdictions, much of the comp time is a result of court overtime, special events, and high profile cases.

The team commends the efforts of the department to control the amount of compensatory time and associated costs.

Records indicate that over the last three years, the city has spent the following amounts for police services:

Police Department Budget Appropriations

Year	Appropriated		Vehicle Purchase		Total
	Funds	As Modified	OE	Costs	
1997	\$2,469,684	\$2,469,684	\$119,025	\$66,000	\$2,654,709
1998	\$2,570,035	\$2,520,156	\$121,700	\$67,976	\$2,709,832
1999	\$2,770,105	\$2,777,605	\$122,200	\$71,400	\$2,971,205
Total	\$7,809,824	\$7,767,445	\$362,925	\$205,376	\$8,335,746

Budgetary requests for summer seasonal help have been near the \$250,000 level over the last few years. Departmental figures reveal that summer police hires have not been meeting expected budgeted goals. The most likely reason is that the entry-level hourly wage was not competitive with surrounding shore communities.

Rules/Regulations

Rules, regulations, policies, procedures, and codes of conduct were first organized in official documents in 1990 and are presently codified in a police department duty manual available to agency members and employees. Codification is maintained by the clerical support staff and is updated by the department executive staff from year to year. A cursory review of the document reveals numerous updates and changes over the last ten years.

The team recognizes and commends the department's effort to maintain a comprehensive review of its general orders, particularly those concerning issues of liability. This effort, although labor-intensive, permits the city to maintain levels of confidence in its police, which is enhanced by the written documentation.

The team acknowledges the effort of the department to continuously update the police department duty manual by establishing and enforcing performance and behavioral standards.

Organization/Operations

The department is organized along line and staff functions, each commanded by a captain. The police department total member strength during the LGBR analysis (2000) was 47. A delineation of the department staffing distribution is as follows:

Chief	01
Captain	02
Lieutenant	03
Sergeant	07
Detective	04
<u>Police Officer</u>	<u>30</u>
Total	47

The department had 20 police officers assigned to basic patrol operations, one police officer in the high school, one police officer assigned to record's management, three police officers receiving basic training in the police academy, and three police officers assigned to the housing authority on bicycle patrol. One police officer was injured at the time of the LGBR review, and one police officer was assigned to the Cape May County Prosecutor's Office.

The investigative section consisted of a sergeant (who is also responsible for evidence storage integrity) and four detectives. According to the operations captain, cases and case management are supervised by the sergeant while detectives often have more cases assigned to them than they can reasonably be expected to bring to a conclusion. Detective staffing position values were in the amount of \$324,539.

Due to the "summer resort" nature of the community, the department hired 37 seasonal employees (Special Law Enforcement Officers, Class I [SLEOs]) to cover the boardwalk and provide additional foot patrols. With the supplemental staffing in place during the summer months, the department consisted of 84 uniformed members and employees. Additionally, the city employed five record management clerks and four dispatchers (four supplementary dispatchers were temporarily employed during the summer season).

As of October 13, 2000, basic patrol operations consisted of three shifts (A/B/C shift) commanded by a lieutenant with a total of six sergeants acting as direct line supervisors and organized as indicated in the following table:

Table 1: Basic Patrol Operations Staffing

Shift "A"	#	Shift "B"	#	Shift "C"	#
Lieutenant	1	Lieutenant	1	Lieutenant	1
Sergeant	2	Sergeant	2	Sergeant	2
Police Officer	6	Police Officer	6	Police Officer	8
SLEO	3	SLEO	2	SLEO	1
Total	12		11		12

The table above illustrates the level of police coverage available in early October following the loss of the seasonal uniform force. Through observations and interviews it was learned that shift commander's perform certain administrative functions periodically requiring a minimal amount of time to be spent inside police headquarters (perhaps 30%-40% of their respective tour). Thus, between 60% and 70% of their tours are spent overseeing field operations.

Special Operations Unit & Traffic Unit

The traffic unit was under review at the time of the team analysis and had one police officer assigned thereto. According to the chief of police, the unit was organized to investigate and reconstruct accident scenes, and to develop reports identifying significant causation factors. Although the organizational structure implies that the traffic unit is a full-time unit, in actuality the unit functions on a part-time basis. For the most part, the traffic safety specialist is assigned to a patrol shift as current staffing levels do not permit the traffic unit to be a full-time service.

A special operations unit acts a tactical response team (aka SWAT) and is comprised of specially trained members of the department. A SWAT team *per se* does not really exist, but this group is able to provide some of the necessary ingredients typically associated with tactical operations to perform in such a manner. The team believes a regional approach to this function is most reasonable.

Recommendation:

The team supports the concept of a special unit to promote traffic safety and investigate serious automobile accidents. However, the team believes the city should not hire additional police officers to staff such a unit; instead, the team supports efforts to restructure the line operation to include a two-member operation on a year-round basis.

The LGBR team does believe there is a need for a tactical response team. The *Law Enforcement Study Commission Report* (1992) recommends that the tactical response team (aka SWAT) function be assigned to the respective county governments. Therefore, the City of Wildwood should negotiate a shared service agreement in which the city receives remuneration from the county government for maintenance of its police department Special Operations Unit in the absence of a county SWAT team. The tactical response team could then perform as a regional response team with minimal impact on the city's budget.

Regional Efficiency Development Incentive (REDI) and Regional Efficiency Aid Program (REAP) financial assistance may be available from the Department of Community Affairs for the development and implementation of a regional shared service agreement to accomplish this objective.

Schedule and Coverage

Police officers are scheduled to work 2,080 hours annually. Sick and vacation time detract from this schedule. Members assigned to the operations component have been working a 5 x 2 (five days on duty followed by two days off duty) permanent (as opposed to rotating) shift schedule consisting of the following coverage times:

Midnight Tour	11:00 p.m. – 7:00 a.m.
Day Tour	7:00 a.m. – 3:00 p.m.
Night Tour	3:00 p.m. – 11:00 p.m.

For field deployment purposes, the city is arranged in three geographic patrol sectors (or “wards”) with two radio patrol cars assigned to each area, whenever possible. Radio patrol cars are staffed with one member unless specific circumstances dictate otherwise. At six-month intervals, members assigned to basic patrol shifts may request a change-of-shift transfer, which is considered on the basis of seniority, shift vacancy, and management prerogatives.

During the summer and some portions of the spring and fall, the department activates a boardwalk foot patrol detail housed in a special sub-station on the boardwalk. A police officer is assigned to supervise this function and granted the non-civil service title of corporal to reflect the additional duties and responsibilities. During the past summer, as many as 18 special law enforcement officers were assigned to the boardwalk while another six were assigned to walking beats throughout the city².

The department was able to field eight parking enforcement officers to issue citations for both meter and curbside parking violations. They also provided motorcycle and/or bicycle patrols when staffing levels permitted. These, on occasion, were assigned to the housing authority. During the winter schedule, the department has a member assigned to the “quarterdeck” (the public reception area inside police headquarters) to help with the record management function and respond to citizen inquiries.

As previously indicated, one member is assigned to the Cape May County Narcotics Task Force on an *ad hoc* basis. The team believes this inter-agency arrangement benefits the city directly when specialized drug enforcement support services are required.

Proposed Organization

Although a small community geographically, it would appear that the department is relatively large. However, upon careful examination of the number and type of service calls and crime rate figures, the department is satisfactorily staffed. A beat patrol analysis based on minimum patrol staffing levels indicates that the department is over-staffed by three sworn members. The

² Note: Many of the SLEOs were working with little or no experience, except that provided by the winter academy for Special Law Enforcement Officers.

analysis indicates that the city should have 29 members rather than the current 32 assigned to patrol operations. The team believes this model is helpful in determining appropriate staffing levels; however, it alone cannot be used to address issues related to fluctuating populations in shore areas.

The team does believe that all sworn members should be assigned to patrol duties rather than perform headquarters-based administrative duties.

Recommendation:

Members presently assigned to record's management should be reassigned to basic patrol operations at the earliest possible opportunity.

The team does not suggest major changes in the complement of sworn police officers. Lieutenants assigned to winter station duties should remain in the field as much as possible to focus on crime related activity. Also, officers assigned to the front reception desk should be replaced with civilians, allowing the officers to return to patrol duty. If the lieutenants worked in headquarters for the majority of their tours, the team would likely recommend a reduction in staff of two lieutenants in order to add two additional police officers to basic police operations. The chief of police indicated that lieutenants do spend the majority of their tours supervising the patrol force and the team was able to verify his statement through observations.

The structure of the Wildwood Police Department does not include a deputy chief of police. The team believes the current structure (two captains) adequately addresses both administrative and operational necessities.

The current administrative captain oversees budget preparation, personnel administration, training, equipment, management information systems, record's management, dispatchers, and the radio car fleet, which includes 24 vehicles. The radio car fleet consists of nine marked patrol cars, four unmarked cars, a DARE vehicle, and the chief's car. Additional vehicles include a Cushman (similar to a golf cart), two motorcycles and three Jeeps. According to the administrative captain, the department plans to buy three cars per year. Members are expected to have their radio cars serviced every 3,000 – 4,000 miles. Wildwood does not mandate a maximum mileage per vehicle.

The operations captain is responsible for various assignments which include the preparation and review of various and sundry reports, and the many law enforcement/crime repression operational activities. In addition, the operations captain may be required to act in the chief's stead.

The department does provide community policing walking beats and has a juvenile officer assigned to the high school. The department also participates with the county and state in special narcotics task forces organized to reduce crime in specific areas.

Recommendation:

The team recommends the department maintain its current staff despite projected reductions in patrol staff.

The team recommends that all lieutenants be assigned to street duty during the summer months to reinforce the basic patrol operations and provide better supervision, particularly because the patrol force is supplemented with seasonal Class II SLEOs.

The team recommends that police officers assigned to the front desk/reception area at police headquarters be replaced with civilians and returned to patrol duty as soon as possible.

The team commends the department for its efforts to involve residents through community policing and bike patrols, as evidenced at the housing authority.

Police Personnel

Although the city had a minority population of 33% at the time of this review, the police department was comprised of only four members classified as minorities. Of this number, one was a female. The city is also subject to civil service guidelines. Based on conversations with citizens in the minority community and city employees, Wildwood has done little to increase the number of minority police officers over the years. The chief of police indicated that the city could only hire from the civil services lists.

Many departments conduct regular training in diversity and sensitivity as part of their routine training regiment. This is mostly done as a preventive measure rather than as a response to a particular problem. Wildwood does not provide any such training. Given the diversity of the community, this lack of training is particularly unusual.

While the city has made a minimal attempt to recruit minorities (including potential female applicants), a greater effort needs to be undertaken to attract minority candidates. The city has sent letters to colleges and universities in an effort to recruit minority candidates. However, the department has not provided on-site recruitment at the local community college, high school, or vocational school to stimulate interest in careers in law enforcement. The current diversity of the force indicates that the city needs to take a more proactive approach regarding the issue of minority recruitment. By doing so, virtually all sectors of the community could participate in public safety employment opportunities, thus creating a department that more closely mirrors the diversity of the city. At the time of our review, the city adopted a residency policy that may further restrict quality minority applicants from joining the department. The minority community also supports affirmative action measures to stimulate minority hiring as well as promotional opportunities.

Recommendation:

The team recommends that sensitivity and diversity training for members and employees of the department be initiated. Also, the team recommends that the department take steps to involve all segments of the community in their recruiting process. Recruiting initiatives should include the following institutions: Rider University; Stockton College; the College of New Jersey; Monmouth College; Rutgers University; and the community colleges of Atlantic, Cape May, Cumberland, Gloucester, and Ocean counties. The city should also expand civil service examination opportunities to residents of Cape May County in an effort to attract a more diverse range of applicants.

The team also recommends that the department create positions within their organization that reflect the diversity of the people that they serve. For example, we recommend the creation of the following position: **police officer bi-lingual in Spanish and English.**

At the time of our review, police personnel recorded their own attendance and prepared time records that were subsequently forwarded to the finance department to be used for payroll purposes. The team also observed that officers contacted clerical support staff to report out sick for a shift.

Recommendation:

The team recommends that all time keeping functions be centralized in the clerical support unit and recorded by computer and forwarded via computer to both personnel and finance departments. Based on the team’s experience in other municipalities regarding systems of this type, the cost associated with this recommendation, including installation, could be as low as \$3,000 and as high as \$10,000.

One-time Value Added Expense (Estimate): \$6,500

The team also recommends that officers be required to report sick time to their immediate superior rather than to clerical support personnel.

Statistics

The police department is faced with increased criminal activity due mostly to drug and alcohol related activity. A comparison of surrounding communities based on the *Uniform Crime Report* (UCR, 1999) data indicates the following activity:

Table 2: UCR Comparisons/Municipalities

Municipality	Crime Rate	Population	Square Miles
Wildwood	205.5	4,365	1.3
North Wildwood	78.4	4,885	1.71
Wildwood Crest	54.3	3,516	1.1
Cape May	60.5	4,427	2.25
Cape May County	53.7	98,069	372.8

Table 3: UCR Comparisons/County and State

Jurisdiction	Crime Rate	Population	Square Miles
Cape May County	53.7	98,069	372.8
State of New Jersey	34.2		

The City of Wildwood has one of the highest crime rates in New Jersey. As a result, the department frequently finds itself participating with State and County officials to reduce the narcotics traffic in the city. This statistic alone helps to indicate the reluctance of LGBR to recommend staff reductions.

In addition to the above UCR data, the following data on calls for service was provided by staff, the reader will note that 1998 data was not available:

Table 4: Calls For Service (CFS) History

Year	CFS
1996	41,892
1997	51,339
1998	Not Available
1999	48,936

The reader will note that calls for service appear quite high. This information should be tempered by two factors that are included in this formula: property checks and foot patrol calls, both of which tend to inflate the actual number of calls for service. The following comparison reveals the impact of these factors on calls for service:

Table 5: Selected Year Comparisons/Selected Called For Services

Year	Foot Patrols	Warrants	Disorderly Persons	Property Checks	Suspicious Persons
1996	0	2,179	1,197	12,434	1,396
1997	813	1,547	1,278	20,711	1,409
1999	10,772	1,003	1,274	10,227	1,089
Total	11,585	4,729	3,749	43,372	3,894

The city encourages property inspection checks as a service to absentee landlords. Although the practice is laudable, the team recommends that this data be removed from “calls for service” totals unless they result in further investigative activity. Additionally, the team recommends that foot patrol call-ins also be removed from the data. With these factors removed, called-for service totals will accurately reflect the number of service calls for a given year.

Wildwood has been successful in obtaining grants to maintain and increase the presence of police officers throughout the city. The LGBR team supports the efforts of the department to seek out grant funding for both staffing and crime prevention programs. However, the team

recommends that the city establish a quality review process to determine if increased staffing levels and associated crime prevention-related initiatives actually contribute to crime reduction as well to enhancing the quality of life for people who live, work, and visit the city.

Training and Quality Issues

Since Wildwood is a civil service community, minimum standards for police applicants do not include college attendance or degree requirements. The department does have annual budget funding for training, although not all of the dedicated monies are used for this purpose. According to police executives, members are authorized and encouraged to submit requests for in-county training. Such requests are typically approved provided there is no negative impact on department staffing levels. Opportunities are posted for out-of-county training programs as well.

Our report previously referenced the high levels of criminal activity in the City of Wildwood. Comparisons used in Table 2 suggest that the city has nearly three times the crime rate of other Cape May County communities. Some of this activity may be related to alcohol usage, but much of it is narcotics related.

Although Wildwood does have a member of the police department assigned to the Cape May County Narcotics Task Force, the team believes that members of the department need to be specially trained to deal with contemporary policing issues such as drug and alcohol abuse, diversity issues, and crowd control. Crime statistics identified previously do not support a city renaissance; issues related to housing, education, unemployment, and transportation are also influencing the city's quality of life and its reputation in the region. A highly trained police department can help mitigate some of these conditions.

Recommendation:

The team recommends that the city appropriate funds for advanced training relating to narcotics, diversity, etc.

Public Safety Telecommunication

The City of Wildwood dispatches the fire department, emergency medical services, the office of emergency management, and the police department. The communications center, located in the main dispatching office, employs four public safety telecommunicators at a cost of \$146,540. These positions are both public safety answering point (PSAP) and public safety dispatch point (PSDP) certified which means that they are capable of providing cardiopulmonary resuscitation (CPR) and emergency medical technician (EMT) services if required.

Wildwood does not estimate other expenses (OE) related to the administration and operation of the communications center. These costs are filtered through the police OE budget. The team estimates that as much as \$25,000 would be needed to complete upgrades and provide for other OE expenses into the department. This would bring the total annual cost of Public Safety telecommunications to approximately \$170,000.

The County of Cape May does operate a county dispatch center, but they do not indicate a great desire to enlarge their current back-up roll within the county. The team met with local police

chiefs at a meeting held in the Cape May County Seat where each chief indicated a reluctance to abandon his department's individual police dispatching functions. Although there are many successful county dispatching operations in the southern part of the state, such as Camden, Gloucester, and Burlington counties, the prospect of Cape May County providing a similar service appears remote.

Recommendation:

The team recommends that the communities of West Wildwood, Wildwood, North Wildwood, and Wildwood Crest consolidate their dispatching services into one 800 MHZ system. The cost to upgrade to such a system will vary with each community. Some recent examples that the team is familiar with are: Egg Harbor Township costs approached \$950,000; Township of Hamilton nearly \$280,000. In addition to these upgrades, the location of the actual physical plant must be determined and funded. One advantage that may be available to the Wildwood communities is that North Wildwood recently built an emergency services building funded by the Federal Emergency Management Administration (FEMA). The building may be large enough to house an island-wide dispatch center. These and other variables would have to be explored before any consolidation of services could proceed.

The Department of Community Affairs, Division of Local Government Services, offers a program called the Regional Efficiency Development Incentive Program (REDI). This program offers grants and loans to help local units study, develop, and implement new, shared service programs. An island-wide dispatching operation would be an ideal candidate for such a program.

Recommendation:

The team recommends that the City of Wildwood join with neighboring communities on Five-Mile Beach Island and pursue funds through the Department of Community Affairs REDI program for the purpose of consolidating emergency services dispatching for the entire island.

Parking Enforcement

The team made numerous daytime and evening visits to the island during the summer months for the purpose of ascertaining whether or not the city is tourist-friendly. One measure of visitor satisfaction is the amount of parking available to the public. It was apparent that the city provides adequate parking facilities. The City of Wildwood employs eight parking enforcement officers during the summer season along with two yearly temporary positions. The LGBR team believes that Class II SLEOs, employed during the summer months, could be tasked with this function on an "as-needed" basis, which should be sufficient.

Recommendation:

The LGBR team suggests that both temporary parking enforcement officer positions be dissolved. It would appear that permanent police assigned to this function could effectively handle off-season parking problems. Class II SLEOs should be re-deployed on an as-needed basis to enforce the city’s parking ordinances.

Cost Savings: \$14,466

Clerical Support/Records

Police department clerical support is provided by a supervising clerk transcriber, a senior clerk typist, two principal clerk typists, and a clerk transcriber. Although Wildwood is a community of approximately 4,400 permanent residents, the level of the police department support staff is consistent with municipalities of 25,000 residents. The LGBR team believes that the police department can be served with a secretary to the chief of police, a secretary to the captains, and a small cadre of record management clerks. Computerized information management and storage would likely obviate the need for certain clerical positions.

The LGBR team would suggest the following clerical support staff by title:

- Secretarial Assistant
- Principal Clerk Typist
- Senior Records Clerk
- Records Clerk

Recommendation:

Reorganize the clerical support positions by title as illustrated above and reduce the clerical staff by one position, saving approximately \$37,471.

Cost Savings: \$37,471

Court Activity

Police overtime is projected at approximately \$70,000 per year. Based on a review of relevant records, approximately 50% of police overtime is accounted for in the courts. Wildwood has a highly active court requiring many appearances by both police and parking enforcement officers.

Based on comparisons with other communities, it is common practice for court administrators to coordinate calling police during work time where schedule and appearances can be coordinated. It is our understanding that the Wildwood Municipal Court does attempt to perform this service for the police department. Despite these efforts, police officers continue to be compensated in accordance with their union contract if they are required to attend court. The LGBR team suggests that the city consider the appointment of a court liaison officer, who is a court officer under the direction of the judge, to meet with the prosecutor and judge in an effort to control the time spent by police officers in the courtroom. The LGBR team does not believe all overtime can be eliminated through this protocol, but it does believe that a significant portion of the overtime could be controlled if the prosecutor and judge are amenable to this approach.

By engaging this protocol, police officers would meet with the court liaison officer during the week to discuss the case. The team believes a part-time civilian position, costing approximately \$20,000, could address many of the cases normally requiring appearances from several individual officers. This value-added cost would create potential savings of \$15,000 annually, but more significantly, it allows police officers to remain on the street where they are most needed.

Recommendation:

Create a civilian court liaison officer to represent police officers in court.

Cost Savings: \$15,000

A police department records clerk and either a sergeant or lieutenant also attend the court sessions. The clerk monitors attendance of officers who are called to court and also records the disposition of cases. Case dispositions are also recorded by court personnel, thus creating a duplication of effort. The practice of monitoring attendance is also questionable. The team has observed other municipalities that use a simple log in system with the court clerk to accomplish this task. The city spent \$10,320 in 1999 to have a clerk and sergeant or lieutenants attend the court sessions.

Recommendation:

The team recommends that the police department discontinues the practice of having a records clerk plus a sergeant or lieutenant attend each court session.

Cost Savings: \$10,320

Closed Circuit TV Arraignments

People who are arrested for a non-indictable crime within a local municipality and are then held in a county facility, must be transported back to the municipality for an arraignment hearing before a local judge. The hearing is brief, it is then that the defendant is informed by the court of the charges the police have asserted. The defendant is asked for a plea. When a defendant pleads not guilty, a trial date is set. If the defendant pleads guilty, the arraignment hearing can then become a sentencing hearing at which time the defendant can offer explanations and the judge may impose penalties, thus disposing of the matter fully. This process involves not only the physical transport of the prisoners to and from their county cells, it includes their supervision as they await arraignment and may also include the feeding of the prisoners. The normal practice in Cape May County is for the sheriff's office to provide transportation and supervision of inmates to and from local courts when arraignments are called for. There are times, however, when they are unable to provide this service, particularly between April and September of each year. During these times, the local police departments must take on this responsibility. Such instances place an added financial burden on the local departments that can be quite costly. The team estimated that the City of Wildwood expended approximately \$13,000 in 1999 to have police officers transport and monitor inmates for arraignments.

One way to eliminate arraignment costs is to use closed circuit television to perform “video arraignments.” The Cape May County Jail has been equipped to perform video arraignments. The City of Wildwood did not participate in the video arraignments at the time of our review, but they had committed to the process and had purchased the necessary equipment. The team estimates that the process would be functional by year-end 2000.

Recommendation:

The team commends the city for its efforts to participate in video arraignments and recommends that the process begin as soon as possible.

Cost Savings: \$13,000

The court operates the automated traffic system (ATS) and automated criminal system (ACS) provided by the State Administrative Office of the Courts. The ATS/ACS computers provide elaborate record keeping and case tracking for both the municipality and the state judicial system. The staff has been operating the ATS since 1993 and the ACS since 1998 and they appear knowledgeable in the various features and uses of the systems.

Much of the manpower in the court office is devoted to entering data in the ACS. A significant part of that data could be eliminated if the police department were to adopt the practice of utilizing the ACS for generating complaints. Doing so would not materially affect the workload of the officers, because the same data is currently being given to the court office for entry. It would reduce the paperwork of the court’s office significantly.

Recommendation:

The team recommends that police officers be required to generate complaints by use of the ACS system, thus reducing time spent by court personnel to input the information on their computers.

The *Law Enforcement Study Commission Report* (1992) assigned the function of prisoner transportation to the respective counties. According to city officials, however, prisoner transports are not undertaken on a routine basis by the county sheriff’s office. Instead, transports to/from the county correctional facility are conducted on the basis of availability. Since Wildwood’s crime rate is significant, the county needs to be more expedient in providing this service in order for police officers to be relieved of prisoner monitoring and/or transportation responsibilities.

The team understands Cape May County may be faced with many of the same fiscal restraints facing Wildwood. However, the team believes a regional solution would be more economical. Furthermore, the distance traveled (ten miles round-trip) can place two police officers in out-of-service status for up to one hour, denying the city necessary coverage.

Recommendation:

The team recommends that the city petition the county to provide all prisoner transport services between October 1 and May 1. Additional transports required during summer months will continue to be made by the city police department.

Utilizing Cape May County law enforcement officers to transport prisoners will also allow the city to reduce the number of police officers provided to the court. The team also recommends that Class II seasonal employees be utilized in this capacity during the summer months.

Grants

Police Grants

Year	Grant	Amount Realized
2000 (Anticipated)	Drunk Driving Enforcement	\$0
	Municipal Alliance	\$1,710
	Safe & Secure	\$90,000
	Law Enforcement Block	\$33,635
	Cops Fast	\$0
	County Narcotics Task Force	\$10,000
1999	Drunk Driving	\$3,390
	Municipal Alliance	\$1,710
	Safe & Secure	\$90,000
	Cops Universal	\$75,000
	Federal Equipment Grant	\$34,561
	Body Armor Grant	\$4,593
	Cops in Schools	\$125,000
	Cops Fast	\$0
1998	Drunk Driving	\$5,463
	Municipal Alliance	\$0
	Safe & Secure	\$90,000
	Cops Universal	\$75,000
	Cops in Shops	\$6,009
	Federal Equipment Grant	\$34,065
Totals	Grants(12)	\$680,136

As evidenced by the table above, Wildwood has had some success in obtaining grants from both State and Federal agencies, allowing the department to expand its force. The LGBR team commends the city for its efforts to obtain these grants; however, it should be pointed out that police hired under a grant will end up being funded through the regular budget following the grant termination. Most grants used to hire police officers require that a certain staffing level be maintained for a fixed period of time, e.g. three years. This can lead to a grant/staffing cycle that may lead to more police officers than the community needs. Here is a hypothetical example of how the cycle might work:

A community hires an officer through a grant to meet an appropriate staffing level. That level must be maintained for three years. During the third year, attrition reduces the staff below the required level, but the town does not want to raise taxes to fund another officer, so they get another grant. Now the required “window” of staffing extends another three years. The process repeats itself until the town finds that their appropriate police staffing level is lower than what they are required to maintain, but they are obligated to maintain that level.

We suggest the city analyze the need for more police over the next few years to determine appropriate staffing levels. As attrition allows or requires the addition of more officers, the City of Wildwood should consider funding the positions through municipal funds.

Recommendation:

The team commends the efforts of the Wildwood Police Department in obtaining grant monies to support its police mission.

The LGBR team suggests the finance officer determine the impact on the budget to retain members hired under the provisions of grants once the funding is discontinued.

Crossing Guards

The city employs three part-time traffic guards with a combined salary of \$15,189. These guards are used at the elementary school, parochial school, and high school.

Alarms

The team discovered that the city does indeed have a false alarm ordinance. (Careful review of this ordinance indicates it is written primarily for fire alarms, although it is difficult to determine absolutely.) The team was unsuccessful in determining the number of citations issued under this ordinance. Some officers and staff interviewed by the team were unaware of its existence. The LGBR team recommends the department implement and enforce the provisions of the ordinance in order to reduce police responses on reported property intrusions that prove to be false.

Recommendation:

The team recommends the city take action to review its alarm ordinance to both register alarms and provide for violations after three false alarms. Such an ordinance would allow the police to verify locations of alarm systems and offer relief from excessive false alarms. A registration fee of \$25 applied to an estimated 500 alarms (this figure is not based on actual counts) would generate annual revenues of \$12,500. The team recommends that commercial and rental property inspectors as well as Certificate of Occupancy (CO) inspections be used to verify ordinance compliance.

Revenue Enhancement: \$12,500

MUNICIPAL COURT

While the team recognizes the separate authority and responsibility of the judicial branch of government, we make the following comments and recommendations to provide the city with information on current and potential operations, procedures and programs available to the court. We make recommendations with the knowledge that further review and approval by the appropriate personnel is required.

Court personnel include the judge and six clerical staff made up of an administrator, a deputy administrator, two senior data entry machine operators, and two principal data entry machine operators. Estimated gross payroll for 2000 totaled \$226,634, plus another \$59,180 in benefits for a total position value of \$279,814.

Revenues

The court disbursed revenues to the city of \$489,224 in 1998, \$484,308 in 1999, and \$114,615 through May 31, 2000. The pace for the first five months of 2000 exceeds the pace for the same period in 1998 by \$15,736, and for the same period in 1999 by \$19,757.

The City of Wildwood is a resort town and, as such, the court experiences many out-of-state parking tickets that are left unadjudicated (adjudicate: *Law*. To hear and settle (a case) by judicial procedure). The court does not follow up on these parking tickets. The team has experienced similar situations in other municipalities and has found that many municipalities reach out to the appropriate State motor vehicle department to obtain current addresses for these scofflaws in order to contact them directly and demand payment. They send forceful letters, written on official court stationary and have found that this results in improved collections. The Administrative Office of the Courts also recommends this kind of follow up to improve collections.

Recommendation:

The team recommends that the Wildwood court staff follow up on scofflaws to improve on adjudication of outstanding parking summonses.

Case Management

Wildwood is the third busiest court in Cape May County in terms of total cases added; only Ocean City and Cape May City handle more cases. In 1999, Wildwood ranked third in number of cases disposed of. On the other hand, in 1999 it was 15th out of the 15 municipalities in Cape May County in cleared cases (difference between added and disposed; a cleared case is one which has come to conclusion, resulting in either a dismissal or a penalty). In 2000, this turned around and it ranked first in that category. They cleared 2,021 cases in 2000, after clearing a negative 649 the year before. Most of the increase (1,715) came from parking tickets. The reader should note that, although a case is cleared, there might still be an outstanding fine resulting from the case. A healthy 15% of the indictable caseload was cleared as well.

Municipal courts maintain statistics on a fiscal year from July 1 to June 30. A case flow analysis shows an overall reduction in backlogged cases from year ending June 30, 1999 to year ending

June 30, 2000. Records show that at the end of June 1999, the backlog for all cases numbered 3,909, representing 63.2% of all cases pending. At the end of June, 2000, that number was reduced to 2,010, representing 46.9% of all cases pending. As previously noted, the clearance of parking tickets was largely responsible for this positive trend.

The team commends the City of Wildwood municipal court for their dramatic improvement in clearing cases in 2000.

Collections

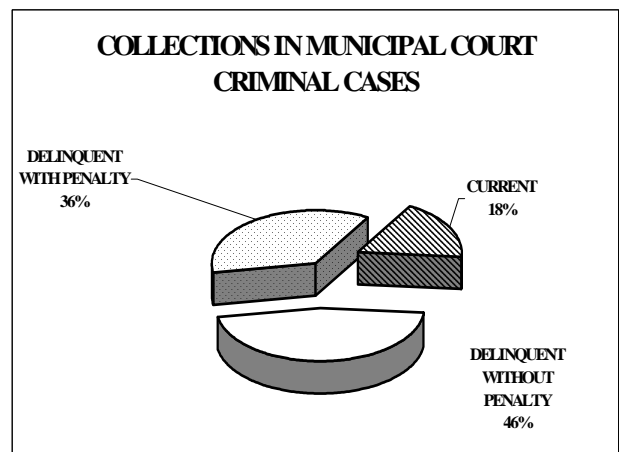
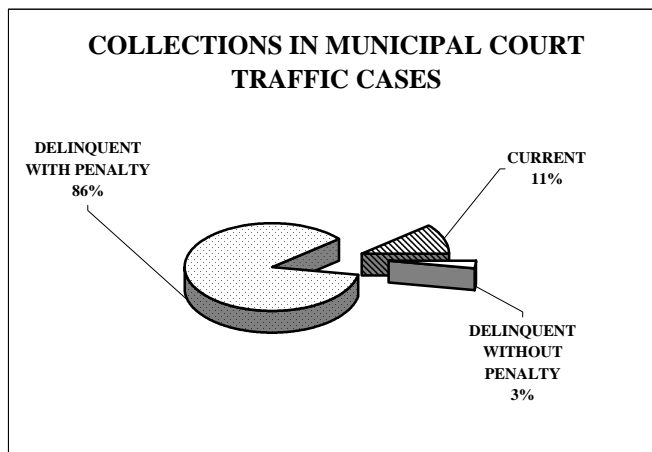
The latest information taken from the City of Wildwood municipal court shows a total of \$1,562,870 owed to the city in court fines and costs. The court permits defendants who are unable to pay their fines at the time of sentencing to enroll in a time payment plan. Unfortunately, the collection rate on these accounts is very low. The city collects approximately 18% of the monies owed as traffic fines on time payment plans. Similarly, the collection rate for fines on criminal complaints is approximately 14%. In total, the city collects only 16% of dollars outstanding for traffic and criminal complaints through time payments.

The team analyzed the cases from which money is owed to the city. Almost 90% of the money owed to the city for traffic violations is not being collected; over 80% of the fines owed to the city for criminal violations are not being collected. The following is a synopsis of the status of fines for both traffic and criminal complaints, along with charts to illustrate collections for both.

Traffic

Eleven percent of the money owed for traffic cases are on accounts that are current. Three percent of the total amount due from traffic cases are delinquent accounts for which warrants have not been issued, and no suspension of driver’s license has been proposed or achieved. Eighty-six percent of the accounts consist of cases where license suspensions have been proposed or licenses have been suspended or warrants issued.

Criminal



Eighteen percent of the monies due are on accounts that are current. Forty-six percent of the monies due are on accounts described as delinquent w/o penalty. Thirty-six percent of the accounts are delinquent with penalty.

The State of New Jersey has instituted a Comprehensive Enforcement Program (CEP) through the Administrative Office of the Courts in an effort to enhance time payment collections for municipal courts. Their fee for this service is 25% of the amount collected. One of the big advantages of the CEP is that they act as the enforcing agency. They have extensive capabilities for locating people and their affiliation with the penal system instills a certain urgency to their requests. The City of Wildwood does not participate in the CEP. The team was not able to gather firm estimates on the success rate of the CEP collection efforts. However, for the purpose of this report, we will project a 25% success rate. Based on this projection, had the city turned over their entire batch of delinquencies to CEP for collection, over \$390,700 would have been collected. This would have resulted in a net revenue gain to the City of Wildwood of more than \$293,000.

Recommendation:

The team recommends that the municipal court utilize the comprehensive enforcement program to collect delinquent time-payment accounts.

Revenue Enhancement: \$293,000

Facilities

The municipal court is housed in a separate building adjacent to the Wildwood municipal building. The team found the building to be dreary and in disrepair. The courtroom itself has poor lighting, the walls are in need of painting, and a number of ceiling tiles were water stained and in need of replacing (one tile was missing altogether). The acoustics are poor, and there is no amplification system, making it difficult to hear the words of the judge, attorneys, or other parties involved. A team member sat in various sections of the second row of seats, and was unable to hear and understand those who were taking part in the proceedings. There is no speakerphone system in the court. Such a system would facilitate the services of a translator for defendants who do not have sufficient command of the English language to allow them to be fairly heard by the court. Although there is a single room set-aside for the prosecutor and defense counsel to confer, there is not a separate room available for each. The result is that much of the prosecutor's conferencing occurs in the back of the court during sessions. This contributes to the inadequacy of the acoustics. There is ample seating for about 75 people. However, there is no assembly occupancy posting showing the maximum capacity allowed as per the Uniform Fire Code, F-601.7.

Members of the public enter the building through a single corridor. The effective passageway of this entrance is narrowed by vending machines against one wall. The sidewalk in front of the building is significantly cracked and uneven, creating an opportunity for accidental falls, particularly for the elderly.

The court administration office is adjacent to the courtroom. It consists of two rooms, one occupied by the court administrator, and one by the deputy administrator along with four clerical personnel. There are no dividers separating the clerical personnel.

Adjacent to the courtroom, on the opposite side from the administrative office, are the judge's chamber, a holding room, the court document filing room, and a vacated suite of offices formerly used by the public assistance office. Drooping, stained, and missing ceiling tiles characterize the ceilings throughout the building. The carpet is worn and stained in many places.

Team members observed several court sessions, all of which took place during the summer months. All of the cases appeared to be disposed of with dispatch. The court schedule for the summer season (defined as May through September), includes Monday afternoons plus three sessions on Wednesdays; morning, afternoon, and evening. Monday sessions are not held during the rest of the year and the Wednesday schedule is reduced to twice per month. Trials are scheduled for Wednesdays. A high percentage of defendants were youths charged with alcohol-related offenses. This is not an unusual occurrence in resort communities where alcohol is sold.

As mentioned above, there is a suite of rooms in the building, accessible by interior corridors that had been used for public assistance until 1999, when administration of the welfare program was relinquished to the county. When the team arrived, these rooms were not in use. The court staff indicated that they hoped to use the rooms for storage space. A sizable storeroom is currently being used for records by the court office. However, use of the room is sharply curtailed due to a badly leaking roof and a falling ceiling, a condition that, according to staff, has existed for quite a long time. The pictures below accurately depict the condition of the records-storage area for the court (left) and the ceiling in the storage area (right). The leaking roof is responsible for much of the damage throughout the building.



There is a storage area adjacent to the judge's chambers that would be a practical spot for the prosecutor to meet with defense attorneys and enforcement officials for plea bargaining and case preparation. The suite of rooms formerly used for public assistance has easy access from the court clerk's office and would be suitable for the storage space that the staff is in need of.

Public works staff provided the team with an estimate of \$41,250 to repair the roof, and \$1,000, not including labor, to paint, repair, and replace damaged walls and ceilings. The construction section of the public works staff reported that they were capable of performing the mostly cosmetic repairs that would be required. Lighting in this area is covered in the Public Works section of this report.

Recommendation:

The team recommends that the city execute repairs to both the interior and exterior of the building including the roof. Office space should then be made available to the prosecutor for plea-bargaining and conferences with enforcement officials. It is further recommended that storage of court files be moved to the area formerly used for public assistance.

One-time Value Added Expense: \$42,250

Court Security

One police officer is assigned to the court to provide security for the Wednesday trial sessions, those times when prisoners are present. The officer is present on an average of six hours per week in the summer, and six hours, twice per month, during the winter. At an average position value of \$25.75/hour for a Wildwood police officer, security for the court cost the city \$4,944 in 1999-2000. Wildwood does employ Special Law Enforcement Officers, Class II, at an average cost of \$10.50 per hour; however, these officers are used only in the summer and not in court.

Recommendation:

It is recommended that the police department provide security to the court by employing part-time, special officers rather than regular police officers.

Cost Savings: \$2,926

The city is, however, currently participating in a local, regional program for the arraignment of prisoners. Municipal court judges from Cape May County take turns traveling to the Cape May County Corrections Facility during the summer months for the preliminary arraignment of prisoners being held on felony charges from all participating municipalities. The City of Wildwood municipal court judge participates on Mondays, thus reducing, even if only marginally, the total number of arraignments held in Wildwood.

The team commends the City of Wildwood for taking steps to cut police costs by joining with other Cape May County communities in reducing the number of arraignments held in local courtrooms.

The team observed activity in the court office during a court session in which guilty pleas were being accepted and fines were imposed. It is the experience of the team that these activities typically require the full-time attention of all municipal court office personnel, including the court administrator. Our observations led us to conclude that the Wildwood court personnel had no difficulty in handling all dispositions without the participation of their court administrator. To their credit, the staff was observed politely confirming personal information with the

defendants, giving instructions, answering questions, providing application forms when needed, collecting and receipting fines and penalties, and entering dispositions in the computer system with apparent proficiency.

Technology

As mentioned above, the court staff inputs dispositions into their computer system after receiving documentation from the judge. The process is as follows: one of the court staff gathers pertinent documentation from the files in the court office, then delivers the documentation to the bench where the judge notes the disposition and then returns the documentation to the court office after each case is heard. There is no computer terminal in the courtroom to facilitate entering dispositions of cases as sentences are imposed. The reason given by the Administrator for not operating a terminal in the courtroom is that to do so would require two people in the courtroom. She prefers having the second person in the court office rather than the courtroom.

The team discussed this process with the municipal judge, who reported that if there were a terminal on the bench, he would enter dispositions himself, thus eliminating the need to physically transport the documents and have court staff input dispositions. This would not only eliminate the redundant recording of dispositions, it would allow the documentation to remain in the court office with the court staff working solely from their terminals. Staff reported that a computer has been purchased for just this purpose; however, it has not yet been installed.

Recommendation:

The team recommends that the municipal court contact the state to request an ATS/ACS terminal for the judge's bench to be used for disposition entry by court staff. This would be at no cost to the municipality.

The court's caseload in the summer months, like all business in the city, is much heavier than in the off-season. The Administrative Office of the Courts vicinage weighted-caseload analysis of the appropriate staffing level for the Wildwood court for 1999 was 4.28 employees. Based on that analysis and the recommendations for improved efficiencies described in this section, it is our recommendation that court contact the vicinage to review staffing needs and determine whether or not the staffing is adequate for a court of this size and this type (seasonal).

Operations

The small community of West Wildwood is one of the four communities fully located on Five-Mile Beach Island (along with Wildwood, North Wildwood, and Wildwood). It has, by far, the smallest weighted case load in Cape May or Atlantic County (a three-year average of 953 cases per year compared to 5,930 cases for the next smallest court), and holds municipal court only one morning a month, normally for about one or two hours.

West Wildwood physically holds court in the Wildwood courthouse, and it employs Wildwood's deputy court administrator as its administrator, and Wildwood's court administrator as its deputy. Court sessions, which these personnel both attend, are held at 9:30 a.m. on the second Thursday of each month. The two employees are paid modest sums for their services (\$3,300 and \$1,500, respectively) by West Wildwood. West Wildwood does not compensate the City of Wildwood

for their employees' time, nor do the employees work additional hours or take reduced compensation from the City of Wildwood for the time consumed in attending court for the other municipality. The administrator and deputy record dispositions on the Wildwood computer system, but under entry codes unique to West Wildwood.

There is a provision in the laws of the state of New Jersey for the creation of inter-municipal courts, which are equivalent to interlocal agreements used by municipalities for other joint services. Such agreements are to be applauded, and the team believes the sharing of services by these two municipalities is a natural progression.

Two problems exist, however. There appears to be no economic benefit to Wildwood, notwithstanding the modest costs they incur. Additionally, there appears to be no legal authority for the arrangement. No one in Wildwood city hall was able to locate an agreement between the two municipalities. The West Wildwood court administrator asked the West Wildwood city clerk to locate an agreement, ordinance, or resolution establishing the practice, and was told none could be found.

The Administrative Office of Courts was aware of the arrangement. According to that office, the arrangement is not a formal inter-municipal court. Based on information provided by Wildwood staff members, the agreement appears to be a loose arrangement, which has been in place for many years. As practical as this arrangement is, it is inappropriate for the taxpayers of Wildwood to subsidize court administration costs for the city of West Wildwood, and for employees of Wildwood to be compensated by Wildwood for time spent working for the city of West Wildwood. The Department of Community Affairs, Division of Local Government Services, offers a program called the Regional Efficiency Development Incentive Program (REDI). This program offers grants and loans to help local units study, develop, and implement new, shared service programs. We urge both communities to take advantage of this program and enter into an agreement that equitably establishes the responsibilities of each party.

One practical approach would be for West Wildwood to pay Wildwood of the use of their facilities and staff and discontinue paying their staff directly. As noted above, the West Wildwood court administrator works on court reports after regular hours. This practice would then move into the regular workday or be compensated accordingly. The team estimated the hourly position value of the two Wildwood employees at \$43.22. We also estimated that court and preparation time for both employees would not exceed three hours per month and the cost of using Wildwood's facilities and equipment at \$100 per month.

Recommendation:

The team recommends that an inter-municipal court be created by the municipalities of Wildwood and West Wildwood, specifying terms and conditions for the use of Wildwood's court facilities and staff. It is further recommended that the municipality of West Wildwood not directly compensate the administrator and deputy administrator. The team was unable to estimate the total impact that this agreement would have on West Wildwood.

Revenue Enhancement (Wildwood):

Reimbursement for labor:	\$1,556
Rental of building and equipment:	<u>\$1,200</u>
TOTAL:	\$2,756

FIRE DEPARTMENT

Overview

The Wildwood Fire Department is a combination fire department consisting of a paid and volunteer force with a rich history, dating back to the early 1900s. The city established a paid staff many years ago and presently employs 18 firefighters. The Holly Beach and Pine Avenue companies have a volunteer force of 63 active members, with a maximum of 35 members per-house. The Holly Beach volunteer fire station is located across the street from the city’s central fire station, just off New Jersey Avenue. A ladder truck and one engine are housed in the Holly Beach facility. (The LGBR team mentions this due to its proximity to the city’s main firehouse.) The Holly Beach firehouse is relatively new and is owned by the volunteer company.

It should be noted for the record that all apparatus, with the exception of an antique ladder truck, are municipally owned. The city is 1.3 square miles (26 blocks wide) on an island of approximately 5.2 miles. Wildwood is situated on an island with West Wildwood, Wildwood Crest, North Wildwood, and portions of Lower Township’s Diamond Beach subdivision. With the exception of Diamond Beach, all the remaining municipalities provide fire service to their respective communities. The island is accessible by three bridges connecting it to the mainland. The nearest hospital (Burdette Tomlin) is located on the mainland approximately 10 miles (or 20 minutes) from Wildwood City via Rio Grande Boulevard.

Operations

The City of Wildwood established a paid department, commanded by a captain, some years ago. Volunteer chiefs are in charge of their respective companies. Within the last two years, the city adopted an ordinance creating the position of fire chief, with oversight responsibility for both the paid and volunteer companies. The LGBR team commends this decision. The fire chief was quick to point out that issues relating to non-operational concerns remain with the local companies. Volunteer companies schedule social events from time to time for fund raising purposes. The city currently has 18 Firefighters with a firefighting force, excluding the chief, consisting of five lieutenants and 12 firefighters. One of the lieutenants has been assigned to the Fire Prevention Bureau and is currently taking courses to achieve his fire official’s license.

Paid members of the department are scheduled for 2,304 hours annually (or 44 hours weekly) on a 4X4 (4 days on duty, 4 days off duty) schedule on two day/night tours: two 10-hour day tours followed by two 14-hour evening tours. Shifts are staffed with one lieutenant and three firefighters. Present shift staffing enables the department to respond to an incident with two pieces of apparatus. According to policy, the volunteer companies are typically dispatched to structure fires as a supplementary firefighting force to the paid service; the incident commander determines if additional resources are required.

Although Wildwood may be experiencing diminishing revenues as a result of depreciating residential property values, the city is, nevertheless, responsible for coverage along the boardwalk and commercial corridors. We state this fact to underscore the need for an immediate and prompt response to so-called “high value” districts within the city, those typically associated with a paid fire service. It was obvious during the review that the volunteer service has historically provided adequate coverage over the years. Contemporarily, the volunteer service nationwide is facing problems related to membership availability during daytime hours and Wildwood is not an exception.

According to information provided by the volunteer service, the Holly Beach company could expect from six to 12 volunteers during the day with about a 20-minute response time (that interval between the time the alarm is sounded to the time they arrive at the fire station). Pine Avenue company officials indicated approximately five to six members are typically available during daytime hours with a possible 10 - 15 minute response time. Incident reports contained in National Fire Incident Reporting System (NFIRS) records show the volunteers were requested to respond only seven times in 1999. Figures for previous years were unavailable.

Station coverage has one of the volunteer companies and the paid department within approximately 30 yards of each other. The Pine Avenue station is located in the north end of the city, but still less than one mile from the main station. Logistically, the city established three stations to serve approximately 5,400 year-around residents and, possibly, as many as 150,000 on some weekends in the summer. New Jersey Avenue is a wide access street enabling fire apparatus to move easily from north to south. Side streets leading to the boardwalk and adjacent to the bay are narrow but passable. The boardwalk itself cannot support the weight of the apparatus but it can support a makeshift squirt rig, which can access water supply pipes along the boardwalk. During the review, the fire department responded to a multiple alarm fire on the boardwalk as well as several minor structure fires in the city.

When needed, Wildwood receives mutual aid assistance from contiguous municipalities (i.e., North Wildwood [a paid/volunteer force] and Wildwood Crest [all volunteer]). Mutual aid from the mainland is problematic, with bridges and seasonal traffic making access somewhat limited and delayed. The team concludes that the present firefighting force in the city is adequate, although somewhat “stretched” during summer months. For this and other reasons, we support a shared service/regional approach to fire coverage on the island. At the present time, North Wildwood occupies two houses for fire (although a new building for emergency services has been constructed but not occupied). Wildwood Crest houses its volunteer equipment in one house. West Wildwood maintains its fire headquarters at their municipal building. Diamond Beach, a section of Lower Township represented by a fire district housed on the mainland, provides no direct service on the island. As a result, this five-mile stretch of beach is served by seven fire stations, in addition to ambulance buildings in North Wildwood and Wildwood Crest.

LGBR has reviewed other shore communities with similar characteristics to Wildwood that provide fire protection over a larger scale and with fewer houses. One example is the City of Ocean City that provides fire service to nearly 20,000 residents (close to 175,000 summer residents) with three stations strategically located within an eight-mile corridor on a barrier island.

Recommendation:

Based on these observations, our first recommendation is that all five municipalities represented on Five-Mile Beach Island meet to discuss a regional shared service arrangement to provide island-wide fire protection. The LGBR team offers this observation noting that, as previously stated, New Jersey offers incentives in programs such as the *Regional Efficiency Development Incentive (REDI)* and the *Regional Efficiency Aid Program (REAP)* to offset some of the initial costs involved in bringing shared services to communities. The team supports a regionalized approach with Wildwood as the centerpiece, potentially saving the five communities thousands of dollars in future expenses. That being said, this report will now focus on recommendations for the existing fire services offered in the City of Wildwood.

National Fire Protection Association (NFPA) standards suggest that one firehouse can provide adequate fire protection covering a three-mile radius surrounding the firehouse location. The City of Wildwood is just over one mile in length, bringing the entire city well within the recommended radius for one fire station. Based on this, Wildwood could consolidate its fire services to a single location near the municipal building, possibly on city owned property, and then close the remaining volunteer stations (except for Holly Beach), thus reducing operating costs by approximately \$10,000. The team does not suggest that the volunteer companies, with their long histories and traditions, abandon the closed buildings. Rather, the city and the volunteers would need to establish ownership of each building and see that appropriate titles are issued. All city-owned equipment would be relocated to the central location. Centralizing the existing fire apparatus would allow the city to reduce their rolling stock by two pumpers.

Recommendation:

The team recommends that Wildwood centralize its fire services operations to its main fire station location and the Holly Beach Firehouse. Centralizing operations would allow the city to sell some equipment, save some utility cost, and add credibility to an island-wide consolidation of fire services. As part of this centralization, the team recommends that the city divest itself of two engines (pumpers).

Operational Cost Savings: \$10,000

One-time Revenue Enhancement: \$35,000 (Sale of 2 Pumpers)

Salary costs for the entire department are estimated at \$960,069 for 2000. The actual amount spent for 1999 was \$903,893. Other expenses for 1999 were \$46,465.

In addition to firefighting, members of the department perform the following adjunct duties and responsibilities, some of which are compensated through separate stipends (see contracts section for more detail on stipends):

- emergency medical service coverage;
- first responder coverage;
- life hazard inspections;
- non-life hazard inspections;

- property maintenance inspections;
- supervision of all other inspection activities, with the exception of sanitation; and
- smoke detector inspections.

Table 1 below shows statistics reported through the National Fire Incident Reporting System (NFIRS). It is limited to the top five types of incidents that Wildwood responded to during 1999 and 1998.

Table 1

	Good Intent	Leaks	Structure	1st Response	Mutual Aid
1999	185	65	57	32	21
1998	164	64	56	30	27
Total	349	129	113	52	48

The statistics reported above illustrate that the fire department is relatively busy. Although structure fires amount to just over one response per-week, this number is significantly higher than in Ocean City, a substantially larger and more populated jurisdiction. At any rate, the above statistical analysis supports the LGBR team’s recommendation that the current work schedule be maintained, including both EMS calls and inspections.

The average firefighter has an annual position value of \$58,598. Lieutenants average \$77,365 in position value, while the fire chief’s position was valued at \$91,902. These costs are similar to costs reviewed in other shore communities, but are somewhat higher than towns with the population similar to Wildwood. Of course, southern state shore communities with paid departments include Atlantic City, Margate, Ocean City, and Cape May. Wildwood compares favorably with Atlantic City, but is approximately equal to Ocean City and Margate.

Wildwood has been successful in adopting sick time and vacation benefits based on hours rather than days or shifts. This conversion allows for a more equitable comparison to benefits offered to other employees who work 7.5 or 8-hour days. According to records obtained for 1998, the fire department staff used an average of 8.75 sick days. The collective bargaining agreement contains a provision for sick leave buy-back, budgeted at \$28,000 for 2000. The average reimbursement for all firefighters is estimated to be approximately \$1,555. The team recommends that the city review this benefit and, in the future, negotiate to convert its usage to a flat fee per year, rather than an accumulated benefit.

Recommendation:

The team supports the conversion of sick and vacation time to hours. Further, the team recommends that sick leave buy-back be capped at a dollar figure rather than an accumulated number of hours. We realize that this recommendation involves labor agreements and may take time and effort to accomplish.

The team believes position values in Wildwood are reasonable. We recommend that the practice of paying stipends be eliminated in favor of including the compensation as regular pay.

Standard Operating Procedures

The city has developed policies, rules, and regulations governing emergency response operating procedures. At the same time, the fire chief has established training mandates, response protocols, and performance standards for both the paid and volunteer force. However, each volunteer company had small numbers of members still waiting to complete Firefighter I Training mandated by the Department of Community Affairs. The team recommends that this training should be implemented under orders from the fire chief to reduce potential liabilities to the city.

In addition, the city has not fully implemented a policy on volunteers working for the city's paid department. The current arrangement has paid fire fighters as active members in the volunteer service. This can lead to wage and hour liabilities for the city in the form of overtime compensation for volunteer work. The LGBR team recommends the city take a proactive role in reducing costs by implementing a policy whereby paid firefighters are directed to make a choice between paid or volunteer service. Without such a policy, the city is obligated under current law to pay full-time firefighters for their work with the volunteer squads.

Recommendation:

The LGBR team recommends all volunteer firefighters complete Firefighter I training. Further, the team recommends that the city adopt a policy forbidding paid firefighters from participating as volunteers.

Conceptual Approach

Once more, the LGBR team emphasizes the need for all the municipalities on Five-Mile Island Beach to meet and discuss shared services for both fire and communications. We believe the greatest savings could result from a sharing of apparatus, personnel, and equipment along with the skills and technical proficiencies of the paid and volunteer members.

The LGBR team supports the objective of maintaining three fire stations on the island consisting of an apparatus fleet of six engines (pumpers) and two ladder trucks available around the clock. We believe one paid department covering North Wildwood and Wildwood could deliver a full response throughout the island. Furthermore, a one-time revenue enhancement would be realized through the sale of property no longer necessary under this proposal. The LGBR team recommends EMS, fire safety inspections and other duties performed by firefighters be the subject of further study.

We make this proposal with the full knowledge of the obstacles present for each jurisdiction, which may include, but not necessarily be limited to, the following factors:

- history and tradition of the volunteer service;
- home rule and local coverage;

- union concerns, as well as civil service issues;
- technical, administrative, and political concerns;
- command and leadership issues;
- facility expenses;
- disposition of apparatus and equipment;
- training;
- financial considerations for each jurisdiction; (i.e., the ability to pay for services); and
- Lower Township’s status as an independent fire district.

With the assistance of the Department of Community Affairs, strong leadership and taxpayer support from all municipalities, the team believes these issues can be overcome. The team will not make a formal recommendation in this area, but we support the position that the municipalities involved form an exploratory committee comprised of citizens and public leaders to consider the concept and, subsequently, present the findings and conclusions to the public. Wildwood should take a lead role in forming the study commission.

Equipment

The following table lists an inventory of major firefighting equipment owned by the City of Wildwood Fire Department.

Table 2: Equipment Roster/Wildwood Fire Department

Company	Fire Apparatus	Ambulance	Miscellaneous
Wildwood Fire Department Central Fire Station	1997 Pierce Pumper 1987 Ford Pumper	1992 Ford 1994 Ford	1980 14’ boat (9.9 horsepower) 1987 Astro Van(2) 1965 Kaiser Jeep Quad 1991 Chev. Caprice
Holly Beach Fire Company	1975 Mack Maxim 100 ft. ladder 1984 Mack Pumper	0	Antique Ladder (owned by volunteers)
Pine Avenue Fire Company	1969 Mack Pumper	0	1984 Jeep Scrambler Utility
Totals	4 Engines (Pumpers) 1 Ladder	2 Ambulances	2 Utility Vehicles 1 Command Car 1 Quad 1 boat 2 Vans

A previous section of this report recommended that two of the four engines (pumpers) could be sold. This eventuality leaves two engines to cover 1.3 square miles. The ladder truck and other pieces of equipment have not been certified for a number of years. The team does not recommend that the ladder truck be replaced; however, it should be subject to certification procedures as soon as possible.

Recommendation:

The team recommends the city budget for certification and possible repairs of the ladder truck to reduce liability risks and improve safety.

The remaining issues concerning apparatus appear to be relatively minor. The city is well prepared for most emergencies, with the possible exception of heavy rescue, which is available through mutual aid.

Emergency Medical Services

The Wildwood fire fighters perform all emergency medical services (hereafter, EMS). The city has been collecting revenues from insurance billing for the previous five-plus years. As a result, the city is able to provide a \$1,000 stipend, which is included in the base pay for firefighters, and a \$750 stipend, above their base pay, for those firefighters who attain an EMTD (an EMS certification with added defibrillation certification). The city hires additional EMTs (emergency medical technicians) on each shift during the summer to supplement the EMS work carried out by the firefighters. The team was unable to establish how many runs were carried out by seasonal employees vs. full-time fire fighters, so for purposes of this report, each run is treated as though it were carried out by paid fire fighters. The result will be a “cost per run,” which is higher than actuality due to the difference in salaries between seasonal help and full-time fire fighters.

The city currently spends \$12,750 for the EMTD stipends. Wildwood does not carry an “other expenses” (OE) line item in their budget for ambulance services. However, the city does provide an OE cost for overall fire services, which is approximately \$46,000. Staff was unable to isolate EMS costs within this OE budget. However, they did provide some detail with regard to the overall fire budget. The team was able to estimate EMS costs as a percentage of the overall budget through information gathered from staff interviews. Based on this information, the team estimates EMS “other expense” cost to be \$13,800. Combining this figure with the \$12,750 mentioned above, the cost of EMS operations approaches \$26,550. The actual cost is much greater, however, because the base salaries of the fire fighters used for EMS are not included in this figure.

Recommendation:

The team recommends that the city carry a separate line in their budget to better track costs associated with EMS delivery.

One important factor in evaluating EMS services is the time it takes to make a complete run. To start with, there is “response time;” how long it takes to get the ambulance out and to the person needing service. Recorded response times were generally less than five minutes. In addition to response times, there is time spent with the patient at the site and then transport to the medical facility. In the case of Wildwood, the ambulances must leave the island for travel to Cape May Court House where Burdette Tomlin Hospital is located. This 10-mile trip could consume 20

minutes each way. The final piece of the equation is the time spent at the medical facility. Average time at the hospital varies; the LGBR team used 10 minutes as an average. Based on this scenario, an average transport run may consume a total of 55 minutes.

Staff reported a total of 2,052 runs in 1999. Of these, 1,370 included patient transport to a hospital and 682 were listed as refusals. A refusal is a situation where a crew is called out but the patient refuses transport to a medical facility. Staff was able to report the number of refusals in 1999; however, they were not able to estimate the length of time each refusal took. For purposes of this report, the team estimates that total time spent per refusal is 30 minutes.

Based on the estimated times for transport runs and refusal calls, the team estimated that the total time spent on EMS services in 1999 was 3,194 hours (based on a two member crew per call). The team applied the average position value of the paid fire fighters to the 3,194 hours spent on EMS services (again, assuming that paid fire fighters made all of the runs) and arrived at a position value cost of \$101,633. This brings the total cost of EMS, including operating expenses to approximately \$128,183. Applying this figure to the total number of runs (2,052), including refusals, you arrive at an average cost per run of \$62.47. We want to point out at this point that the figures used represent only current cost of operations, e.g., salary and wages and other expenses. Prudent fiscal policy would require that monies be set aside annually for capital replacement and major facility repair. Any capital funds applied to the budget will effectively increase the average cost per run.

The city bills for their EMS services through a third party billing service. Their rates are \$350 for patient transport to a hospital and \$67.50 for a non-patient transport call, such as a refusal. The vendor charges the city 10% of the amount they collect. Based on the figures provided for 1999, the city billed a total of \$525,535. Records indicate that the city brought in EMS service delivery revenues in 1999 amounting to \$163,976. This equates to gross 1999 collections, before the vendor takes their share, of \$182,196, representing a collection rate of 34.7%. They receive an average of \$79.91 per call out, including refusals, from their third party billing agency. At this rate of reimbursement, the city is more than covering its non-capital costs for EMS services. There is also enough to establish a capital fund program for future capital expenses.

Table 3: Revenues Generated from EMS Service Delivery

Year	Revenue
1996	\$180,275
1997	\$193,628
1998	\$167,233
1999	\$163,976
2000 (Estimated)	\$163,900
Total	\$869,012

Inspections

The Wildwood Fire Department performs the following inspections for the city:

- Life Hazard
- Non-Life Hazard
- Property Maintenance
- Smoke Detector

A lieutenant from the Wildwood Fire Department supervises the inspection division. At the time of the LGBR review, the lieutenant was attending school to obtain his fire official's license. The fire chief was acting as the statutory fire official. All firefighters were performing some inspections daily, with the support of one part-time civilian inspector and one full-time civilian inspector. Staff reported that the fire fighters had not received certification as fire prevention specialists. Multiple dwelling inspections are carried out by a part-time, State of New Jersey inspector. The 1999 budget figures show that the city paid \$69,225 for salaries and \$4,604 in OE to support the city inspectors. Despite an increase in workload, the city reduced the 2000 salary appropriation to \$59,750.

Recommendation:

The team recommends that the lieutenant charged with oversight responsibility of the inspection function attain the appropriate licensing for the fire official's credential. In conjunction with this, the personnel office should apply the appropriate civil service title to the lieutenant, since firefighting is no longer his primary duty. Further, the team recommends that all firefighters be encouraged to attain certification as fire prevention specialists.

Housing Inspections

In the late 1980s, the City of Wildwood adopted the BOCA Maintenance Code (Building Officials and Code Administrators International, Inc). The ordinance has not since been amended to reflect more current BOCA Maintenance Codes. The property maintenance code permits the city to inspect property prior to occupancy or during occupancy. At present, a mercantile ordinance enables the city to register rental properties.

Recommendation:

The LGBR team recommends that the city amend their property maintenance ordinance to include the most current BOCA Code.

According to information obtained from the housing officer, there are approximately 801 properties registered with mercantile licenses. City officials have advised the LGBR team that they believe housing to be one of the major problems confronting Wildwood. Greater emphasis on property maintenance code compliance through the use of uniform inspections and vigorous enforcement will move the city to improved housing conditions. The use of fire fighters to supplement the inspection process and a centralized clearing house within the planning office

(discussed in more detail in the planning and zoning portion of this report) to coordinate inspection results, violations, compliance and licensing, will insure that Wildwood's codes are met.

The team discussed the use of fire fighters in an inspection capacity with the Department of Community Affairs (DCA) in an effort to determine whether it was appropriate to assign a firefighter to supervise this function. The DCA decided the assignment of the fire department lieutenant to supervise the actions was appropriate because the duties performed are related to the Uniform Fire Safety Act. Their decision was to permit such activity as it applies to the Uniform Fire Safety Act. Inspections in other areas will be monitored by the Division of Fire Safety within the Department of Community Affairs to determine whether they are appropriate.

Recommendation:

The team commends the city for their use of fire fighters to supplement the inspection process since their activity associated with fire safety inspections puts them into a position to observe other violations that can then be cited or referred to the appropriate official. We recommend that this process be used to improve registrations under the city's mercantile ordinance. Tying property maintenance violations into receipt of mercantile licenses, via a centralized license/inspections clearing house, will improve compliance citywide.

It was obvious that much needs to be done to improve computer capability within the department. At the time of the review, computer technology was being introduced into the organization. The fire department lieutenant overseeing inspections indicated that computerized record keeping established to facilitate and track revenues was only now beginning to be used. Records were retrieved regarding revenues for life hazard and non-life hazard inspections. According to budgets made available to the team, cash income received via the Uniform Fire Safety program amounted to \$259,903 from 1995 to 1999.

Recommendation:

The team recommends that electronic information management training be provided to fire department personnel to facilitate the tracking of inspections and reduce the need for clerical support.

Table 4 below illustrates the need to improve revenue from fire safety. The application of the paid fire fighters as inspectors will certainly improve collections.

Table 4: Annual and Total Revenue from the Uniform Fire Safety Program/1995-2000.

Year	Anticipated	Realized
1995	\$45,000	\$65,795
1996	\$68,714	\$67,760
1997	\$67,000	\$56,406
1998	\$56,400	\$56,484
1999	\$56,400	\$13,458
2000	\$51,275	N/A
Totals	\$344,789	\$259,903

These revenue sources are inclusive of all inspections included in the fire safety act, but do not include any nuisance code penalties, property maintenance penalties, or certificate of occupancy permits generated by the civilian code enforcement officer or his assistant.

Revenues currently generated through the inspections department relative to fire safety are placed in the general fund. The Department of Community Affairs has indicated that Wildwood must account for Uniform Fire Safety revenue separate from general funds. One example would be through the use of a dedicated rider to the municipal budget. This would insure that revenues raised in excess of costs would remain available for use by Uniform Fire Safety.

(As a matter of information, approximately 10 years ago the four Wildwoods combined their Uniform Construction Offices into a Joint Construction Office of the Wildwoods. The City of Wildwood currently refers citizens to that office to obtain permits and review zoning issues. Firefighters do make referrals to this agency, but feedback is extremely slow or non-existent.)

Staff reported that minor capital needs are met through budget allocation. This amounted to only \$16,000 from 1996 through 2000. Large capital outlays, e.g. fire trucks, building costs, etc., are funded through bonding. Capital replacements are regularly anticipated in any fire safety organization. The team recommends that the city plan for capital replacements through annual contributions to their capital improvement fund. This type of “savings account” will soften the tax impact when the purchase is needed. Improved fire safety revenues could provide a source for future capital improvement funds.

The city should establish a Capital Replacement Fund with revenues from the budget reserve, revenues generated from inspectional service fees, and a reduction in monies allocated to the volunteers. As much as \$50,000 could be set aside annually to enable the city to purchase equipment over a five year period using its own funds.

The city should negotiate inter-local service agreements with the other island communities to provide either full-time or backup service if additional EMTs are employed.

EMERGENCY MANAGEMENT

The City of Wildwood Office of Emergency Management has developed an Emergency Operations Plan under the authority of the Emergency Management Act. The Division of State Police, Emergency Management Section, last approved this plan in October of 1996. All recommendations from the State Police were forwarded to the appropriate persons responsible for each plan annex. All recommendations were implemented. The approval calls for yearly updates and a resubmission of the plan to the State Police by October, 2000. This update was underway at the time of our review. Emergency management plays a significant role on this five-mile barrier island where varying degrees of flooding can be a routine occurrence.

The Emergency Operation Center (EOC) is located in the annex building along with the municipal court offices. In 1999 and 2000, the city appropriated \$5,000 as a stipend to the emergency management coordinator. No other lines in the municipal budget reflect emergency management activity. The city's fire chief has been appointed for the past eight years to be the emergency management coordinator.

Recommendation:

The team recommends that an emergency management line item be created in the budget listing both salary and other expenses associated with emergency management so that the operation can be tracked as a cost center.

The team reviewed the location and equipping of the EOC and found that, although it is located on a high section of the island, its first floor location left it susceptible to flooding. Staff reported that, although the building that housed the EOC did have access to an emergency generator, it was insufficient to meet the needs of the EOC. The center does not have a base station radio; rather, all communication was carried out through portable radios. There is no ability to transfer communication and dispatching to the EOC in case of citywide emergency. There was no Internet access in the EOC that would provide up-to-the-minute weather information.

The nature of barrier islands is to provide a protective buffer between the ocean and the mainland. Therefore, by their very nature, they face the brunt of severe storms like hurricanes and the worst of severe geological events like flooding. All of these conditions place a high toll on life and property. The City of Wildwood and the other communities that make up Five-Mile Beach Island face common problems regarding emergency management. The proximity of their resources makes it practical for these communities to share plans, equipment and facilities. Doing so would not only be economical, it would place more resources at the disposal of each community in times of emergency.

Recommendation:

The team recommends that the city investigate relocating the EOC to higher ground and providing it with basic emergency support, such as a true base station radio for the emergency management room, possibly via federal auctions. In addition, the EOC should

be provided with adequate emergency electrical power, Internet access, etc. Further, the team recommends that the City of Wildwood reach out to the other communities on Five-Mile Beach Island in an effort to consolidate their emergency management operations.

The Emergency Operations Plan calls for yearly drills involving all of the various elements of the plan; each element of the plan is referred to as an “annex.” The city will forgo the use of drills whenever natural events occur and cause the emergency operations plan to be put into effect. In the absence of natural events, they alternate actual drills and paper drills each year. In addition to the drills and exercises, the fire chief holds quarterly strategy meetings to plan for future emergencies.

The team commends the fire chief for holding quarterly meetings to develop emergency plans for responses to major incidents within the city.

There are only three evacuation routes serving the island. A combination of a heavy, northeast wind, a high tide, and a full moon can create extreme conditions on the island that, very likely, would cause a full evacuation. The city has mutual agreements with Cape May County and some mainland communities to provide emergency shelter in the event of emergency evacuations. The city has also made arrangements to relocate some of their emergency equipment to the mainland in the event of severe flooding.

Organization

Two or three deputy emergency management coordinators (DEMC) assist the EMC. With the assistance of several local firefighters and police officers, the emergency management team in Wildwood is responsible for the following activities:

- development, implementation, and coordination of the city’s emergency management plan corresponding bi-annual training exercise;
- coordination with the county emergency management team;
- annual table-top training exercises;
- emergency communications;
- shelter assessment (in conjunction with the American Red Cross);
- evacuations (using military surplus equipment);
- closure of roads (under the direction of the State and County);
- supplies (during extreme conditions);
- establishing a secure operating area (with air and water if necessary);
- medical assistance (when necessary and appropriate); and
- assessment of fire and security threat levels should they arise during evacuations.

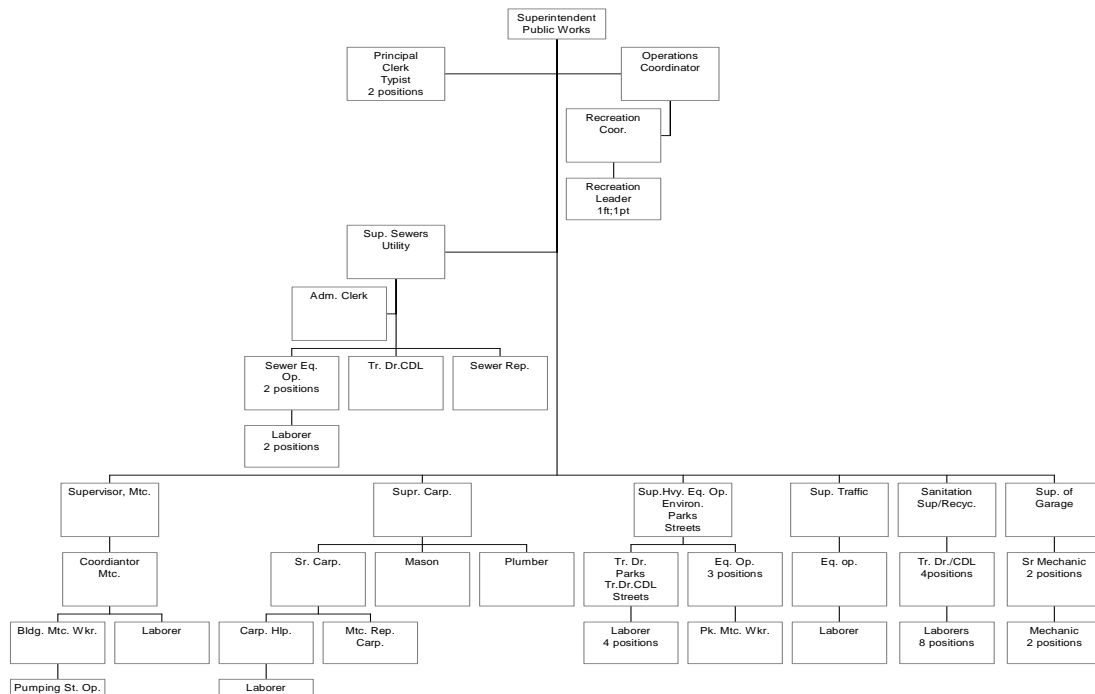
In addition to the activities indicated above, the city conducts annual training exercises to determine under what circumstances the assistance of the National Guard or Coast Guard might be needed.

In large measure, the city expects cooperation and direction from the Cape May County EMC. Based on this expectation, the fire chief expressed concerns about the capabilities of the county communications network and the level of assistance actually received from the county.

A review of the equipment and the location of material resources within the city revealed a need for the authorities to evaluate the capabilities of their computer system, their overall communications equipment, and the security of the site. While the team does not believe there are major problems, Wildwood needs to reexamine its commitment to emergency management. By way of example, the facility currently housing the emergency management team needs to be cleaned-up and “professionalized.”

PUBLIC WORKS

Based on payroll information and interviews with staff, the team established that the public works department employed 61 full-time people, including a superintendent, a general supervisor, and the heads (usually supervisors) of eight divisions. The department is responsible for a wide array of services including: maintaining the city’s buildings, streets, grounds, beaches, and vehicles; recycling and trash collection programs; carpentry, masonry, and plumbing on the boardwalk and other municipal property; a sewer utility; and a recreation program. The team has reviewed this organizational makeup and their corresponding responsibilities and is recommending consolidation in certain areas that will reduce the number of divisions down to five. Below is the public works department organizational chart as it existed at the time of our review. The commissioner of public works is shown on this chart because his salary comes out of this department.



The table below shows the allocation of public works manpower, by division, according to staff and available payroll records for the year 2000.

Divisions Within Public Works	Number of Employees, Including Supervisors
Commissioner	1
Superintendent	4
Building Maintenance + Pumping Station	5
Construction	7
Fleet Maintenance	5
Recreation	3
Environmental Maintenance, Parks, Recycling, Sanitation, Street Maintenance	27
Sewer Utility	7
Traffic Markings	3
Total	62

Building Maintenance Division

The building maintenance division consists of a supervisor, and four building maintenance workers. The total position value for the division, based on year 2000 information, is \$179,766. The supervisor has successfully completed all of the courses required for certification as a certified public works manager, but has not yet passed the state test for that title. He has been in public works for almost 30 years, the last 20 with the city.

According to the staff, the division's mission is to clean and care for the 45,000 square feet of public buildings that comprise the city hall, the police department, the court complex, the information center on the boardwalk, and various other municipal buildings. The duties of the building maintenance division are primarily custodial. The only maintenance they do is minor repairs and replacement of parts, like ceiling tiles and light bulbs. If electrical or plumbing work is needed, other public works personnel are assigned by the public works general supervisor or superintendent.

The building maintenance supervisor currently does some cleaning and maintenance, in addition to supervising four personnel. There are no job descriptions, work orders, checklists, or schedules for doing tasks on a routine basis. Most custodial duties can be scheduled on a routine basis, one cycle of chores followed by another identical to it. For such tasks, schedules identifying assignments and checklists demonstrating their completion are standard operating procedure. Work performed outside the schedule is then the subject of a work order which should show what is to be done, identify the worker who did it, and the time and materials consumed.

The team has established custodial benchmarks from other public works units throughout the state and has determined that one custodial employee should be able to care for 25,000 - 30,000 square feet of office and adjacent spaces per day. Based on this, Wildwood's custodial staffing is excessive.

The city paid out \$197,987 in other expenses and position value costs in 2000 for the building maintenance division. This amounts to just under \$4.40 per square foot. The team has established a benchmark of roughly \$1.30 per square foot (including the cost of chemicals and paper products) for custodial services in the private sector. On this basis, the cost for custodial services is excessive; it should be in the range of \$58,500 for the buildings now maintained. The reader will note that the team is recommending further on in this report that the custodial responsibility for the city's comfort stations be included with other city buildings. Even if the city's comfort stations are added to the list of buildings maintained under a custodial service agreement the total would not exceed \$75,000.

There are two alternatives for reducing the cost of the custodial function for the city, staff reductions or some form of outsourcing. The team considered the first option, staff reduction, as a means to bring the division more in line with industry standards. This option did not prove to be most desirable because it would involve split shifts and employees working with little or no supervision. It also contained inherent problems, such as, the distance between buildings, the safety concerns that accompany individuals working alone, after hours, and the management necessary to efficiently provide the service. Considering these factors, and the economic impact of civil service staff reductions, the results would be less economical to the city and would require more hands-on management than that which is now provided.

The second option is some form of outsourcing the services. The 1998 unemployment rate in Wildwood was an estimated 24.4%. It would follow that privatizing custodial services would create opportunities for employment in the private sector that would be welcomed and, presumably, result in low, competitive prices. The estimated \$1.30 per square foot cost for these services referenced above is, therefore, deemed appropriate. With the inclusion of the city's comfort stations in any custodial agreement, the responsibility to monitor contract compliance would fall under the environmental division. Any outsourcing agreement should include a provision requiring the contracted firm to offer employment to any employees displaced through the outsourcing.

It should be noted that one of the duties of the building maintenance supervisor is handling incoming and outgoing mail. This function should not be outsourced, but should be reassigned. The team discusses this function and its associated cost in the zoning section of this report.

Recommendation:

The team recommends that the responsibilities of the building maintenance division of the public works department be privatized.

Gross Savings: \$197,987
Value Added Expense: \$75,000
Net Savings: \$122,987

Construction Division

The construction division's personnel include a supervising carpenter, a senior carpenter, a carpenter, a maintenance repair carpenter, a mason, a plumber, and a laborer. The 1999 position value, which includes benefits, totaled \$258,698. The mission of this division is to maintain

city-owned buildings and building exteriors (exclusive of landscaping) and to provide labor for the preparation of grounds for special events. The buildings they maintain and repair include city hall, six comfort stations, the municipal fire house, the sewer building, the court house, the life guard stations, the tourist center, the public works garage, the environmental building, and a meeting hall known as the “Hut.” Their work includes painting interiors and exteriors; repairing and installing plumbing; building and replacing handicap ramps (including two that run from the boardwalk several hundred feet toward the ocean); replacing light fixtures, and installing lighting for outside facilities like a bocci court; erecting fences at athletic fields; building decorative trash containers on the boardwalk; inspecting, repairing, and replacing iron rails on the boardwalk; and building benches for the boardwalk. Some of their more significant accomplishments include designing and constructing a building on the boardwalk that is leased by the city to a producer of monster truck events; building and/or renovating the tourist center and various comfort stations; and constructing building additions, including one onto the sewer department building.

The team commends the construction division for its range of expertise and competence.

One of the responsibilities of the construction division is the repair/replacement of light fixtures in the municipal buildings. All of the lighting in all of the municipal buildings is provided through conventional incandescent or fluorescent fixtures. The team has had experience in other communities where significant savings were enjoyed by replacing conventional bulbs and ballast with new, high efficiency lighting systems.

A survey conducted at the team’s request indicated that there were roughly 347 lighting fixtures in city buildings that could to be replaced by efficient fluorescent lighting. Public works construction personnel are capable of replacing these fixtures. Assuming in-house labor, the cost to replace one 48-inch, four tube light fixture, including the ballast, with a new, high efficiency fixture and ballast, is \$68.29. The number of those that need replacing is 240. The extended cost would be \$16,390. Similarly, there are 107, 24-inch, four tube fixtures, which cost \$43.76 each to replace. The extended cost for this project would be \$4,682. Both projects would total \$21,072.

The electrical bill for all city public buildings in 1999 was \$116,965. In other municipalities that the team is familiar with, lighting replacement projects of this nature have generated savings in the range of 15% to 20% in lighting and cooling. Conservative projected savings of 15% would shave well over \$17,000 from the city’s electric bill each year. At that rate, this efficiency upgrade project would pay for itself in less than two years.

Recommendation:

The team recommends that the city undertake a program to convert its interior lighting to modern, high-efficient fluorescent lighting and ballasts.

One-time Value Added Expense: \$21,072
Annual Cost Savings: \$17,000
Five-Year Projected Savings: \$63,928

The City of Wildwood has 1,063 streetlights. In 1999, the electric bill for these lights amounted to \$263,788. The city did take advantage of deregulation and has contracted with Niagara Mohawk Energy for the supply of their electricity and with Conectiv to transmit it.

The city does not have an inventory of streetlights, e.g., a listing of streetlights verifying pole numbers and locations. Many communities have found that they are paying for streetlights located on state or county roads or that they are being billed for lights that are not functioning or for lights that do not exist on poles that have been removed. The utility, upon request, will provide an inventory of the streetlights that a community is paying for. This inventory can then be used to verify that the city is in fact not being charged for services it is not receiving.

Recommendation:

The team recommends that the city obtain an inventory of the street lights it is being billed for and that this inventory be used to confirm (audit) street lighting bills.

The city entered into an inter-local service agreement with Cape May County to share in the cost of operating traffic lights at intersections of county local roads. This agreement was first entered into in 1993 and has since expired without renewal. This notwithstanding, the city continues to pay \$950/year per traffic control device to Cape May County for each of the 37 intersections under the original agreement. The team reviewed this agreement and found that three of these devices are at locations where no local roads are involved. Under these circumstances, the city should not be responsible for sharing the expense of these lights.

Recommendation:

Sharing the cost of traffic control devices with county or state agencies is not only common practice in our state, it is an economical way to ensure safe, standardized traffic control. Responsibilities for sharing costs, upkeep, etc. are issues that must be clearly spelled out through a valid interlocal service agreement. The team recommends that the city of Wildwood review the traffic control devices that fall under joint jurisdiction and that a new agreement be entered into with the County of Cape May identifying only those devices that serve both jurisdictions.

Cost Savings: \$2,850

The total electric bill for the city in 1999 was approximately \$605,500. Staff reported that utility bills are routinely paid without verification of service, usage, etc. This becomes particularly significant in light of the many changes that have taken place in the city over the last five years regarding additions or deletions of municipal structures. No effort has been made to determine whether all utility services that are being billed to the city still exist or that they even are the city's responsibility.

Recommendation:

The team recommends that the city competitively seek a contract for utility rate and billing error review services. Qualified contractors will, on a shared savings basis, retroactively review utility bills and assist the municipality in obtaining refunds arising from discovered billing errors by the utility supplier. The contractor can then recommend changes to existing rate structures applied to identified facilities and will assist the municipality in negotiating the implementation of any changes to the rate structure with the utility supplier. It is impossible to estimate the savings that could be realized through such a contract; however, similar reviews in other municipalities have resulted in significant cost avoidance.

The city does not utilize demand side energy management systems (controls) to monitor and control energy usage for building lighting, heating and cooling. The city engineer would be familiar with energy services companies that conduct energy surveys of building on a shared-savings basis. Simple measures like programmable, setback thermostats could significantly improve energy efficiency with little out-of-pocket costs.

Recommendation:

Install demand-side energy management controls for building heating, cooling and lighting.

Fleet Maintenance

The supervisor of the automotive equipment maintenance section is the head of the citywide motor pool. Two senior mechanics and two mechanics reporting this individual. Together, they maintain the city's fleet of approximately 170 motor vehicles, ranging in size from sedans to flatbed trailers. The supervisor does little of the actual mechanical repair work. Most of his time is spent running the car pool. In addition to vehicles, the unit maintains all motorized tools and instruments. The fleet can fairly be described as aging. The average model year on the list provided the team was 1989. This average does not include a vintage, 1913 *American LaFrance* aerial fire truck that is in beautifully restored condition.

The public works maintenance garage, has two vehicle lifts (12,000 lb., and 7,000 lb.), three overhead doors, and sufficient space to work on five vehicles at one time. Every vehicle in the fleet, with the exception of one flatbed trailer, will fit into the garage, thus eliminating the necessity of working outside.

Virtually all vehicle maintenance is done in-house, from bodywork to fixing flat tires. Only specialized jobs, like transmission and engine overhauls, are outsourced. Worn tires are recapped several times before being discarded; this provides a significant saving over the exclusive use of new tires. Parts are purchased under state contracts, or by solicited, competitive pricing. In 1999, the city spent a total of \$183,628 on replacement parts and outsourced services. The total position value for the division, plus overtime, amounted to \$198,359 for the same period. This brought the total cost of running the department to \$381,987.

All of the routine preventive maintenance and general repairs to the city's vehicles and equipment are carried out by the four full-time mechanics. They currently use a limited work order system for police vehicles. The form used provides adequate information for their immediate needs, and there are plans to expand the use of this system to include all city vehicles. To facilitate this program, the department has purchased a new computer system for the motor pool that will electronically monitor and track their vehicle maintenance program.

The team commends the public works department for taking the initiative to upgrade their vehicle maintenance monitoring program.

Local Government Budget Review uses a technique referred to as "vehicle equivalents" (VE) to evaluate the staffing level needed to provide an acceptable level of vehicle maintenance. The process was developed by the United States Air Force and is recognized by various fleet-maintenance consulting firms as one of the best guidelines for analyzing staffing levels. The method is based on the average, or benchmark, number of man-hours (17.5 man-hours) that are required to maintain and repair one passenger vehicle receiving normal, full-time use, for one year. This benchmark then becomes one vehicle equivalent (one VE). The analysis requires defining each piece of motorized equipment in terms of how many "vehicle equivalents" are required to maintain that piece of equipment for one year. For example, the benchmark passenger vehicle requires 17.5 hours of maintenance per year while a trash compactor truck requires 136 hours of maintenance per year, or roughly eight times that of the passenger vehicle. Accordingly, the compactor truck is equivalent to eight passenger vehicles, or eight VE's. Once the whole fleet is converted into a total VE number and the benchmark man-hours are applied, we can then estimate the size of the staff needed to maintain that fleet.

The team reviewed Wildwood's 1999 fixed asset inventory and calculated that the city's fleet of motorized vehicles and equipment added up to a total of 383 VE's, requiring 6,703 hours of maintenance and repairs. That total, however, included vehicles that had been assigned to the water utility, which has since been privatized. Based on the revised information provided to the team, the balance of vehicles and equipment that remain with the city total 341 VE's and require 5,968 man-hours of maintenance and repair.

An analysis of records shows that the four mechanics are scheduled to work a total of 6,007 hours in the year 2000. Based on this projection, the staffing of the motor pool is in line with the standard established by the Air Force benchmarks. Another measure of the efficiency of any vehicle maintenance program is how it compares to costs on the open market. Factors other than position value come into play when estimating the cost of an in-house vehicle maintenance program. The cost of overhead such as utilities, service contracts, equipment capitalization, etc. must be included in the calculation. Although all of this information was not available at the time of our review, the team applied a conservative markup of 30% to the position value of the Automotive Equipment Maintenance Section to estimate overhead for this operation. Based on this estimate, the cost of the in-house vehicle maintenance program provided by the public works department, not including parts, is \$43/hour. This compares quite favorably to the competitive hourly rate of approximately \$60 per hour charged to other municipalities in the area by a local Cape May County auto dealer.

The team commends the automotive equipment maintenance section for its efficient and cost effective maintenance of the city's fleet and motorized equipment.

Sanitation and Recycling

The total position value of public works employees involved in the collection of trash and recycling, including overtime, for 2000 is estimated at \$466,854. Other expenses appropriated for that same period were \$20,650. This brings the total 2000 expenditure for this division to \$487,504, not including costs associated with vehicle and equipment purchases, operations, or maintenance.

The city offers trash collection to its residents on a split schedule: from the second week of May through the second week of October trash is collected from residences and commercial establishments two times per week; from October to May, the collections are once a week.

Recycling is generally collected once a week, year round. An exceptionally heavy user can request to be placed on a "specials" list and thus receive two pickups per week. Pickups are scheduled Monday through Thursday. For those on the "specials" list who have regular pickups on Monday, Tuesday or Wednesday, their extra pickup is scheduled for Friday. For those on the "specials" list who have regular pickups on Thursday or Friday, their extra pickup is scheduled for Monday.

Refuse and recyclables are taken to one of two locations. The first is a transfer station in Burleigh, New Jersey, a distance of approximately seven miles from the City of Wildwood. The second is the Cape May County Municipal Utilities Authority landfill located in Woodbine, a distance of approximately 30 miles.

Three employees man the city trash trucks and recycling trucks: a driver and two laborers. The city has a practice of allowing the two laborers to ride to and from the transfer station in Burleigh. The round trip takes roughly 45 minutes, barring any waiting in line at the transfer station. The number of trips involved varies with the seasons. During summer months, the city runs two trash trucks and one plastic/cardboard truck every day (five trips per week), the single bulk truck makes one trip per week and the recycle truck makes an average of 12.5 trips per week. With two men sitting idle for 45 minutes during each of these trips, the total time wasted amounts to 43 man-hours per week. In the winter, the total number of trips falls off, but there are still significant hours wasted. The team estimated that more than 1,600 man-hours were lost as a result of this practice, at a cost to the city of more than \$22,000. If the city chooses to continue in-house trash and recycling operations, this saving can be captured immediately.

Recommendation:

The team recommends that the practice of allowing the trash and recycle truck laborers to travel with the trucks to the Burleigh transfer station be discontinued. Instead, a schedule should be devised to provide practical work for these people while they await the return of the trucks.

Productivity Enhancement: \$22,000

In 1999, the City of Wildwood disposed of 5,530 tons of municipal solid waste and dry bulk waste at the Cape May County Municipal Utilities Authority. The tipping fee (what the Authority charges to dispose of the material, or “tip” it off the truck) for this material was \$410,606. In the same year, they disposed of 2,295 tons of recycled materials at the authority. The authority does not charge to tip recyclable materials, nor do they pay for them. The average per ton cost (tipping-fee) for trash and recyclables combined totaled \$52.47. Based on a combined position value of \$466,854 for the Sanitation/Recycling Division, the labor cost to collect and transport this material amounted to \$59.66 per ton.

The sanitation division collects trash from businesses and residents alike according to the split schedule referenced above. During the summer months, businesses on the boardwalk receive an added benefit: not only do they receive their normal bi-weekly trash collection from the sanitation/recycling division, they also receive trash collection the remaining five days from the environmental division. This division is sometimes aided by the sanitation and recycling division. Boardwalk businesses place their trash at the ends of the streets abutting the boardwalk, where it is collected every day during the summer. Many municipalities do not provide trash collection for commercial properties, while others may give only the same service to businesses that they do to residents. Recognizing that free service has been the standard for years, and that businesses in Wildwood are taxed separately in support of tourism, the team believes nonetheless that unrestricted trash collection from businesses is an added burden for residential taxpayers that could be eliminated.

A more equitable arrangement would be to provide the same trash collection services to commercial properties as are provided to residential properties. To accomplish this, standards need to be established for both. Currently, there is no enforceable limit to the number of containers or volume of trash that can be set out per customer. Many communities set this limit at two 30-gallon trash containers or their equivalent, per household, per pick-up. Similarly, many communities provide once-per-week trash pick-ups in the winter and increase that to two pick-ups in the summer. Considering the nature of the Wildwood economy, with its dependence on rental units in the summer, the team recommends a split pick-up schedule, once per week in the winter and twice per week in the summer. Also, we recommend a limit on the volume of trash to five 30-gallon containers or their equivalent, per household, per pick-up. This same limit would apply to both residential and commercial properties. Commercial properties that generate more trash than would be accommodated under these conditions would be responsible for providing their own private trash collection service.

In conjunction with this recommendation, the team is also recommending that the current 50-pound weight limit on trash containers should be strictly enforced. This weight limit, along with the proposed volume limit, will allow the city to reduce its trash teams from the current three per truck, including the driver, down to two, for a reduction in staff of two laborers. If the city chooses to continue in-house trash and recycling operations, this recommendation will save the city \$56,800 per year, based on the average laborer position value for this department.

Recommendation:

The team recommends that volume limits and weight limits be placed on municipal trash that will allow a reduction in staff of two laborers.

Cost Savings: \$56,800

The City of North Wildwood has privatized its trash collection services at an annual rate of \$381,000, plus additional costs for special events. The two communities are somewhat similar. North Wildwood has more residents, but fewer commercial enterprises and they both collect the same number of days, both summer and winter. The team was unable to obtain actual proposals for trash and recycling collection for Wildwood. However, based on the North Wildwood contract we conservatively estimate that it would cost \$425,000 to \$450,000 per year.

Total 2000 position value for both trash and recycling collection in the City of Wildwood is \$455,483. The team estimates that the capitalization of the equipment used by both the recycling and sanitation departments, spread over a ten year-period at a flat 5%, with a 20% salvage value, costs the city \$165,352 per year. In addition to these costs, maintenance of the recycling and sanitation equipment (labor only) is estimated at \$47,932 per year. The total cost to the City of Wildwood to operate in-house trash and recycling collection, exclusive of utilities, facilities, and parts, is \$668,770.

Recommendation:

The team recommends that Wildwood privatize its trash and recycling operations, sell the trash and recycling equipment, and eliminate both departments, as well as one employee in the vehicle maintenance department.

Cost Savings: \$218,770

One-time Revenue Enhancement from Sale of Equipment: \$300,000

Recreation

The recreation division is led by the city commissioner of public works, parks, and public safety. The division includes a volunteer recreation commission, and a staff consisting of a program director, two recreation leaders, and eight summer camp counselors. The total of all position values in the recreation division for 2000 was \$120,703.

Payroll costs and other expenses budgeted for the recreation division over the past three years are shown in the table below.

	1998	1999	2000
Payroll	\$80,417	\$99,603	\$100,800
Other Expenses	\$8,350	\$9,825	\$9,825

The recreation division has one building, the recreation center, one mobile home structure, two athletic fields/playgrounds, and two vehicles. The vehicles are used for transporting youths, mainly to and from the summer camp operated by the city. The recreation center is a two-story structure built in 1961, with a total of 9,038 square feet. On the first level (6,488 square feet) is a

large room that accommodates a basketball court, two pool tables, and a television. There is also office space and a lounge/library area on the first floor. Most of the indoor activities and programs take place here. Upstairs (2,550 square feet) are the computer clubroom, a kitchen, and a sizable room that is used for larger social functions.

The city's largest outdoor facility is Maxwell Field. This has a lighted football field and unlighted baseball and soccer fields. There is a modern rubberized track surrounding the football field. The mobile home mentioned above is located at Maxwell Field and is used as an office for the summer camp and, during football season, as a refreshment stand. Concessions are run by the various organizations that sponsor teams.

Adjacent to Maxwell Park is Maultrie Park, featuring a playground, two basketball courts and two tennis courts. Another outdoor facility is Fox Park, located just one block from the beach. It has six tennis courts, a softball field, basketball court, and a playground.

Sharing of Facilities with Wildwood High School

Wildwood High School has no outdoor sports facilities. The schools teams use city-owned fields, including both Maxwell and Fox Fields. The recreation department, in turn, uses school facilities. The procedure is for the recreation coordinator to write a proposal to the school board, which then approves or denies the proposal. Staff reports that no proposals in recent memory have been denied. Most of the school property used by the city has been equipment, e.g., football blocking sleds and football pads, weight equipment, and video and audio equipment. There are occasions when school basketball facilities have been used by the city for youth clinics. There is no formal arrangement set up between these two governmental units and no compensation, other than the return of the favor, is paid.

The team commends both the city and the school board for combining their efforts and facilities to provide recreational services to the Wildwood community. We do recommend that a simple agreement be drawn up formalizing this arrangement and establishing a clear liability path for both parties to direct any future claims to the appropriate insurance carrier.

Field and Building Maintenance

Most of cleaning and maintenance of the recreation center is done by the program coordinator and his staff. Work requiring electrical or other expertise is referred to public works. Field maintenance is done primarily by public works. Recreation staff will pitch in when time permits.

The recreation program coordinator majored in physical education and fine arts in college, and lends his painting and music talents to his job. In addition to teaching music, he has collaborated with others to paint murals in the recreation center at Maxwell Field. See the pictures below:



Programs

The recreation department's motto is "*We are building a stronger community, one child at a time.*" To that end, the department provides numerous programs for its citizens, both young and old. The following table provides a synopsis for their programs:

Program	Ages	Fee	App. # of Participants
Open gym, supervised, and instruction given daily	Pre-first to 3 rd grade; 4 th to 6 th ; 7 th to 9 th ; 10 th to 12 th ; Adults	None	100
Half Pint Basketball League	Pre-first to 2 nd grade	None Bus./ individual sponsor	100
HS Basketball League	9 th to 12 th excludes HS team	None - No sponsors	66
Open Men's Basketball	Post High School	None	30
Coed Volleyball	High School and Adults	None	72
Jr. Wrestling (The Greater Wildwood Jr. Wrestling Organization)	Ages 7 - 14	\$25/child and \$5 for each additional child in same family – no sponsor	24
Jr. Football	Ages 8 - 14	\$35 per child and \$10 for each additional child in same family Supported in part by fund raisers and donations	150 players and cheerleaders
Boys Club	Ages 10 - 14	None Funded in part by C.I.T.Y. (Community in Touch with Youth)	24
Girls Club	Ages 10 – 14	None Funded in part by C.I.T.Y. (Community in Touch with Youth)	16
Hoops for Hope See "Best Practice" section of this report.	High School	None	100 – 200 per weekend (2 nights)
Family Roller-skating	Preschool to 8 th grade, accompanied by a parent	None Groups sponsoring Recreation programs sell hot dogs, etc to raise funds	Average of 100 per night
Youth Dances	Pre-first to 8 th grade	None, but at holiday time, brought canned goods for the needy	100 – 200
Saturday Morning Fever	Ages 8 – 14	None	30 – 50
Tennis	Ages 8 through adults and seniors	None, except \$20 for an 8-week clinic	28
Cardio Kick Boxing	Ages 8 and up	None	12 – 15
Seniors on Wheels	Senior Citizens	None Provide own bike	10
Senior Card Parties	Senior Citizens	None	20 – 30
Foam Hockey	5 - 14	Sponsored	92
Arts and Crafts	5 - 14	None, but participants supplied some materials for selves and others	20 – 30
Summer Day Camp	Elementary school age and up	Residents: \$180/1 st ; \$140/2 nd ; \$100/3+. Nonresidents-\$340	42
End Zone Dance Club	Ages 14 – 18	None	0 to 30
Big Kahuna's Beach Party	Pre-school to 8 th grade	None	100 – 150
Richard Maultrie Basketball League	Pre-1 st grade through 2 nd grade	Sponsored	15 – 25
Be Cool & Stay in School	Pre-1 st through 2 nd grade	Sponsored	300
Special Events/Activities	Halloween Decorating Contest; Halloween Parade; Christmas Decorating Contest; Punt Pass & Kick Contest; Tennis Tournaments; Family Non-Alcohol New Years Eve Bash		

Environmental Division

The environmental division is primarily responsible for operations on the 227 acres of Wildwood's beach. This task is time consuming, particularly during the summer season. In addition to beach operations, they are responsible for boardwalk cleaning, Pacific Avenue maintenance (this is an area away from the beach that was once a walking mall, but has now been returned to vehicular traffic), some minor demolition, and maintenance of parks. The division is located at the recycling yard and is housed in a 4,000 square foot building that can only accommodate some of their smaller pieces of equipment.

The costs of operations for this division are as follows:

Year	Boardwalk Cleaning	Parks	Environmental	Totals
1999	\$28,743	\$114,147	\$129,636	\$272,526
2000(Projected)	\$32,300	\$135,465	\$108,666	\$276,431

Civil service records identify the division supervisor as a supervising heavy equipment operator. A more appropriate title for this supervisor would be public works supervisor, emphasizing the more generic needs of the entire division. At the time of our review, the division was staffed with four permanent, full-time employees. In addition to these employees, the division employed 13 seasonal workers.

Recommendation:

The team recommends that this division be responsible for monitoring a custodial contract for all municipal buildings, including the city's comfort stations. Also, we recommend that the position of supervising heavy equipment operator be upgraded to that of public works supervisor.

Value Added Expense: \$2,000

Street Division, Sewers, Traffic Marking

The traffic markings division consists of a supervisor, a senior traffic maintenance worker, and a traffic maintenance worker. Their combined position value is \$107,781. Budgeted other expenses are \$53,565. The division's principal functions are two-fold: painting lines in streets, and erecting/replacing signs of every sort.

The division is responsible for traffic markings on 68 linear miles of roadway in the City of Wildwood. In addition to the centerlines that they paint on all the local roadways, they paint curbs, curb setbacks, and markings to identify residential driveways in parts of the city where traffic is heaviest. Their work is limited by weather conditions, so it takes several years to make one complete sweep of the city.

The sewer division maintains 147,388 feet of local sewer pipes and storm drains. Sewer treatment is provided on a regional basis by the Cape May County Utility Authority (CMCUA). Sewer mains are the responsibility of CMCUA. However, the city does operate and maintain one pump station. Staff reports that infrastructure improvements are performed by both outside

vendors and city crews, with the former doing most of the larger capital projects. As a result, most in-house work is limited to emergency repairs and routine cleaning of manholes and storm sewer inlets.

The streets division has six full-time employees whose primary responsibility is to operate street cleaning equipment. There is no formal supervision within the department; instead, there is an informal hierarchy led by one of the equipment operators.

At the present time, the sewer utility, the traffic markings division and the streets division operate as separate divisions within public works. The following chart depicts manpower and budget projections (position value) for 2000.

Department	Employees	Salary & Wages	OE
Traffic	3	\$107,800	\$52,665
Streets	6	\$192,662	\$6,375
Sewer	9	\$337,624	\$141,264
Totals	18	\$638,086	\$200,304

The majority of the work performed by these three divisions includes some sort of work involving city streets, e.g., street openings, street and sewer reconstruction, street cleaning, and traffic line work. As a result of this, the team believes that these three operations should be combined into one division, under one supervisor, thus, coordinating efforts and increasing efficiency. We also recommend that the sewer function remain intact as a utility, for purposes of accounting. Efforts to coordinate activities involving street work will save administrative cost and reduce manpower needs through sharing of personnel. The team believes that this reorganized unit could function under one supervisor and one assistant supervisor while still maintaining its sewer utility identity and continuing to offer an efficiency aimed at reducing manpower associated with street activity. The team recommends that the existing position of supervisor of traffic markings be changed to assistant public works supervisor.

Recommendation:

The team recommends that the sewer utility be combined with the divisions of traffic markings and streets under the direction of a public works supervisor. Further, we recommend that one supervisory position be downgraded to assistant public works supervisor.

Cost Savings: \$3,137

The 2000 payroll for the city shows six equipment operators/and or CDL truck drivers assigned to the existing three divisions. These employees are responsible for street related functions throughout the 1.3 square miles of the city. By combining these divisions into one, the number of equipment operators and/or CDL truck drivers could be reduced to three, resulting in position value savings of \$101,382.

Recommendation:

The team recommends that, upon consolidation, the total number of equipment operators and truck drivers in these three departments be reduced to three positions designated as either equipment operator or CDL truck driver.

Cost Savings: \$101,382

Additional savings can be realized through the consolidation of these departments by reducing the number of laborers assigned to both sewer and streets. There are currently four laborers counted among these three departments. The team recommends that two of these positions be eliminated for a savings of \$61,887. The team also recommends that the city increase their seasonal staff in these departments by two positions, to handle increased summer activity.

Recommendation:

The team recommends that, upon consolidation, the total number of laborers in these three departments be reduced to two positions and that an additional two seasonal employees be hired to mitigate increased summer activities.

Cost Savings: \$61,887

Value Added Expense: \$7,840

Net Savings: \$54,047

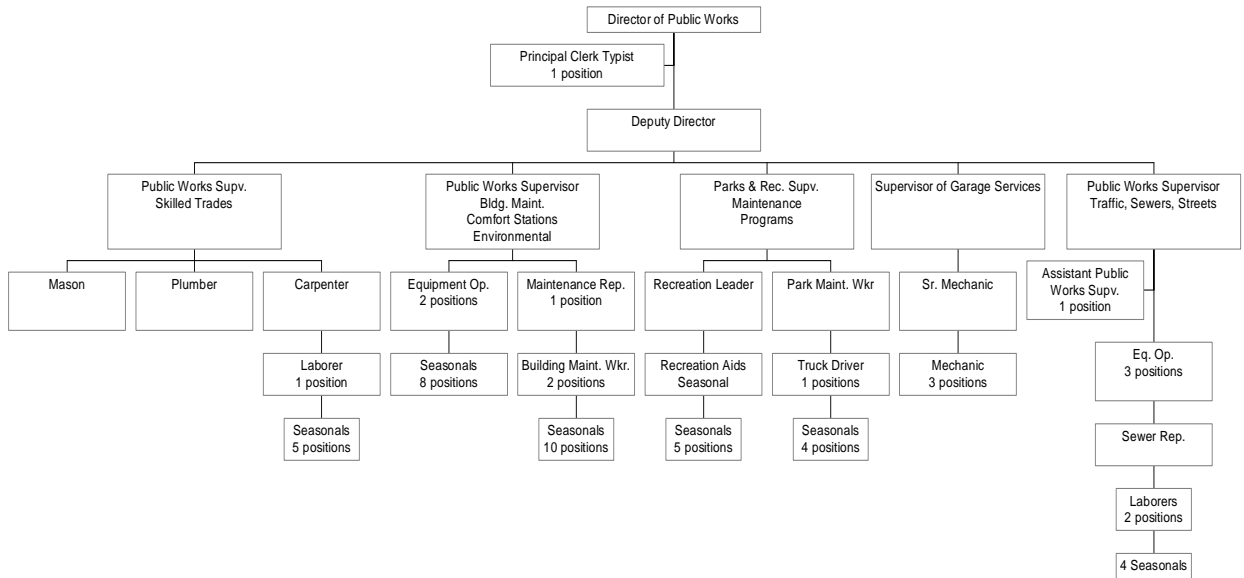
There are two principal clerk typists currently assigned to the superintendent of public works, and one administrative clerk assigned to the sewer division. The team recommends that one principal clerk typist be moved to the sewer division to provide clerical help for the public works supervisor, thus eliminating the need for the administrative clerk. The reduction of this one position would save the city \$38,940 per year.

Recommendation:

The team recommends that one principal clerk typist be moved from the department of public works to the sewer utility replacing the administrative clerk currently assigned to the utility.

Cost Savings: \$38,940

Based on the the recommendations made above, the proposed organization chart for the public works department would be as follows:



Special Events

The City of Wildwood features several special events in the summer and autumn designed to attract tourists. It has been their practice not to charge the sponsors of such events for additional municipal support, such as, added police coverage or public works assistance. It is not uncommon for municipalities to charge organizers of events for the cost of additional municipal involvement that results from such events. The cost in man-hours and equipment can be substantial, and the city taxpayers should not be responsible for these additional costs.

Events that are held each year include motorcross events, monster truck events, a hotrod rally, a motorcycle rally, and a season-opening Memorial Day celebration. The public works department provided an analysis of what the cost would be to support two of the more significant events, including personnel and equipment, in the private sector and estimated the cost at \$20,880. A more appropriate estimate, based on actual costs to the city for these two events, would be \$20,000. These events occur in the early summer and again in the fall, resulting in an estimated yearly cost to the city of \$40,000 for just these two events. The reader will note that the costs referenced above do not include any police related activities.

The team raised the question of not charging event organizers for additional public assets used in support of these promotional activities. The rationale for the policy is that the events are important to the local economy, and charging a fee might result in the decision not to bring the events to Wildwood. This questionable logic is resulting in lost revenue to the city. Entrepreneur's expectations include costs of operations. Amounts paid might be negotiable, but paying nothing is unreasonable.

Recommendation:

The team recommends that future contracts be drawn up with sponsors of special events that include an escrow fee, paid up front, to cover the city for the use of any extraordinary manpower and/or equipment used in association with the event. Any balances remaining after all costs are paid would be returned to the sponsor.

Revenue Enhancement: \$40,000

ECONOMIC DEVELOPMENT

Special Improvement District (SID)

Merchants in Wildwood have joined with their counterparts in North Wildwood and petitioned their respective governments to form a special improvement district (SID) encompassing the boardwalk districts of both towns. As a result of this effort, the Boardwalk Special Improvement District (BSID) was established on April 14, 1997, pursuant to N.J.S.A. 40:56-65 et. seq., through the formal actions taken by both municipalities; Ordinance No. 429-97 in Wildwood and Ordinance No. 1263 in North Wildwood. These ordinances also designated the management company that administers the services that are carried out in the BSID. This organization, the *Wildwood Boardwalk Special Improvement District Management Corporation*, is a non-profit organization dedicated to improving economic development along their boardwalks. The team reviewed the ordinance establishing this SID and found that certain reporting requirements, i.e. filing of the annual report and audit, are not being fully met. Further review indicated that this was caused by confusion over the disparity between the ordinance-established fiscal year of the SID (July 1st to June 30th) and the calendar year under which the SID operates.

The management corporation is organized with a paid executive director, a 14 member, volunteer board of directors, and a small maintenance staff. N.J.S.A. 40:56-68 sets forth that one member of the governing body of the municipality shall be a member of the board of directors of the management corporation if said corporation is to receive funds and exercise powers pursuant to the statute. The City of Wildwood does not have a member of their governing body on the board, rather, a public official has been appointed to represent the city. The goals of the Boardwalk SID, as set forth in their 1998 financial report submitted to the governing body, are as follows:

“To work with the Cities of Wildwood and North Wildwood to make the Wildwoods Boardwalk, the greatest family entertainment district on the East Coast. Furthermore, the Boardwalk SID is committed to the overall economic revitalization of the Wildwoods.”

Funding for the SID comes from two sources: a \$0.10 tax imposed on commercial properties within the district and from the varied fundraising efforts performed by the staff. Budget reports issued to the municipalities for 1998 and 1999 showed tax revenue at \$110,535 for both years. Expenses were \$219,125 and \$235,010, respectively. Revenues needed to balance these budgets were derived primarily from sponsorships, donations, advertising sales, etc.

The SID points to a number of successes during their short tenure, a sampling of which is expressed here. They have improved security on the boardwalk by equipping their cleaning crews with radios that can be used to summon police or other emergency service providers. They have also installed closed circuit TV cameras to monitor activity on the boardwalk. They have improved the appearance of the boardwalk through the use of their special cleaning crews that are assigned to clean the boardwalk from 4:00 p.m. - 12:30 a.m. Banners and signage have also been installed to add to the festive atmosphere on the boardwalk. Free entertainment in the form of fireworks, and other family oriented activities such as clowns, face painters, musicians, magicians, jugglers, etc., are provided on the boardwalk throughout the summer season. Indications from the business community are that the boardwalk has improved considerably since the SID has come into being.

The team commends the (cities) of Wildwood and North Wildwood for forming the Boardwalk Special Improvement District and taking steps to supplement municipal efforts to maintain and promote the boardwalk. However, greater oversight on the part of the governing body, including active participation on the board of directors of the management corporation, is required to meet the municipal responsibilities as set forth by statute and local ordinance.

In an effort to increase tourism and bolster their economies, the oceanfront communities on Five-Mile Beach Island joined together and formed the *Greater Wildwood Tourism Improvement and Development Authority*. The City of Wildwood went one step further and formed their own *City of Wildwood Tourist Development Commission*. Both organizations, designed to promote and improve tourism, are funded in part through user fees; the former on an island-wide basis and the latter focusing on Wildwood proper.

The city collects two assessments that are dedicated to promoting tourism: a sales tax upon predominately tourism related retail receipts and a tourism development fee (hereafter TDF). All licensed businesses in the city pay both. The former assessment consists, in part, of a 2% tax added to the state tax of 6% on predominantly tourism-related retail receipts. The tax is collected by the merchants, and forwarded to the State Division of Taxation as part of its collected sales taxes. The 2% portion is then returned by the State to the Greater Wildwood Tourism Improvement and Development Authority.

The TDF consists of a fee charged to all mercantile license holders, except those collecting the additional 2% tax. The fees are charged according to a schedule, based on the nature and size of the business. For example, parking lots of 40 cars or less are charged \$100 and those with more than 40 cars are charged \$200. Retail stores of 1,000 square feet or less are charged \$150. Those larger than that are charged an additional \$5 for each additional 100 square feet. Apartments, hotels, motels and residences that rent rooms are charged \$3 per sleeping room. A total of \$93,042 was collected in flat fees in 1999. The cities of North Wildwood and Wildwood Crest also participate in the Greater Wildwood Tourism Improvement and Development Authority, and generate and contribute funds in the same dual manner. Businesses, such as taxis that operate in all three municipalities, must pay the TDF in one municipal, but are exempt from paying in the other two.

The second fee used to promote the tourism industry is the promo fee. It is a fee charged to all businesses that are required to obtain a mercantile license. The amount of the fee is one-half the particular mercantile license fee, up to a maximum of \$50. These funds are turned over to the City of Wildwood Tourist Development Commission, which deposits the funds in a trust account, and uses them for publicity and promotion of Wildwood. A total of \$125,160 in such fees was collected in 1999 and, as of the writing of this report, \$112,126 had been collected in 2000. Both the flat portion of the TDF fee and the promo fee are collected and accounted for by the municipal clerk.

The team commends the city for its cooperative effort (Greater Wildwood Tourism Improvement and Development Authority) and its independent effort (City of Wildwood Tourist Development Commission) to promote tourism and economic development.

PLANNING/ZONING BOARDS

The City of Wildwood combined its planning and zoning boards approximately ten years ago as permitted by statute for municipalities with fewer than 10,000 residents. At the present time, there are 11 members of the combined board, all appointed by the mayor. The board meets twice a month except during July and August when it meets once per month.

At the time of the team’s review, the zoning officer did not attend any monthly meetings of this combined board. The city engineer, who is also a professional planner, attended all board meetings, as did the solicitor.

The combined position value for employees in the land use office is shown in the following chart:

Employee	Position Value
Attorney	\$9,150
Zoning Officer	\$7,369
Secretary, Board	\$12,105
Totals - 3	\$28,624

Zoning Officer

The joint construction office of the Wildwoods (JCOW) is a consolidation of services among municipalities on Five-Mile Beach Island. The type of consolidation used is called a “joint meeting.” It was created approximately ten years ago, and provides a single construction office to Wildwood, West Wildwood, North Wildwood, and Wildwood Crest. It employs code enforcement officials who service all four communities. The joint meeting was not a subject of the team's review; however, the team applauds the shared-services effort.

Wildwood’s part-time zoning officer also works at JCOW as a building inspector. JCOW is located in Wildwood, but its office is some distance from the municipal building. The zoning officer conducts Wildwood zoning business from that location, somewhat to the inconvenience of residents.

The secretary to the zoning/planning board is also part-time. There are significant periods during which the municipal building is open, but there is no staff to provide service to the public in the construction department. Citizens and taxpayers who are unaware of split services offered by the city and JCOW, including office locations, hours, and responsibilities, do not have an obvious resource for that information. The team discussed this with the current zoning officer and it was his opinion that his location and hours were not a problem. The team does not share this outlook, believing instead that the office should be represented whenever city hall is open.

Currently, the only times there is such coverage is during the three days that the secretary works. The zoning officer performs his Wildwood duties at the same time and place as he works for JCOW. He is paid \$7,369 as zoning officer. There is no delineation of the hours he is expected to work, nor the duties he is expected to perform. He seldom, if ever, inspects properties in his capacity as zoning officer. The position should be described by ordinance to include hours worked, a delineation of duties from those of JCOW duties, and a description of duties performed, including, at a minimum, the acceptance and review of applications to the zoning office, attendance at zoning meetings, and field inspections. Scheduling of the zoning officer and the zoning board secretary should provide coverage by at least one of them during city hall business hours.

The zoning board secretary currently works three days a week at a salary of \$11,245. The work week should be increased to four days a week. One of the days that the zoning officer works in city hall should be the day of the week on which the secretary does not work. There will be two days a week when both are working, which would be propitious for the zoning officer's working in the field.

The duties of the zoning officer and secretary together should be increased to include responsibility which has been referenced in other sections of this report. One of the duties that is currently carried out by the building maintenance/janitorial staff is the mail function. This is one of the duties the team recommends be transferred to the zoning office staff.

Another function that the team has commented on is the coordination of inspections and licensing within the city. There is no central clearing house to insure that all properties are properly inspected as per existing city codes, nor that all requirements of compliance from such inspections are met prior to any city-issued licensing or certifications being issued. The result is that the city, on one hand, may issue a license while, on the other hand, the license applicant has outstanding code violations.

Just such an instance occurred on the boardwalk during our team's visit. A merchant was issued a mercantile license for a property that had outstanding fire code violations. The property subsequently caught on fire, causing the city and its neighbors to expend great resources to extinguish the fire and prevent it from spreading to adjacent properties. Fire inspectors, at the time, indicated that they suspected that the violations in question may have contributed to the fire. Had the mercantile license been held up pending correction of the violations, the disaster and subsequent costs, may have been prevented.

In consideration of these added duties and hours, the staff should receive appropriate salary increases. The salary of the zoning officer should be increased to \$20,000 to reflect the longer workweek and increased responsibilities, and the salary for secretary should be increased to \$15,000.

Recommendation:

The team recommends that the hours worked in the zoning office be increased and that added duties be placed in the office, including mail sorting and delivery and coordination of licensing and inspections. We recommend that the part-time position of zoning officer be modified to require working three days a week, at least one of which to be within city hall. The other two days will be in the field, in the office, and in attendance at all zoning/planning meetings. Further, we recommend that the days worked by the zoning/planning board secretary be increased to four days a week and that both schedules be coordinated to insure that at least one of them is in the office whenever city hall is open.

Value Added Expense: \$16,809

The team was not able to address fees and collections in its usual manner. There was no breakdown of fees, but total collection amounts were available. There is no computerization of records or files. The office is assigned a computer, but has no specialized software and is, therefore, underutilized. Many vendors that offer software geared to tracking fees and collections associated with land use regulations can be accessed at the League of Municipalities Conference held each fall in Atlantic City.

Recommendation:

The team recommends that the zoning office be provided with software and training specially designed for zoning offices.

One-time Value Added Expense: \$1,000

At the time of the team’s review, the master plan re-examination was being undertaken. It was not available to the team. The team encouraged the staff to use this opportunity to make needed improvements to their land use ordinance and encourage more focused zoning enforcement.

The team was provided with the following data relevant to planning and zoning applications for the periods indicated in the chart:

Year	Type	Number	Fee/Escrow
1998	Commercial	13	\$8,280
	Residential (Zoning)	4	\$3,000
1999	Commercial	18	\$13,400
	Residential (Zoning)	4	\$3,500
2000	N/A	22	\$19,956
Totals		61	\$48,136

The chart above indicates that applications have been increasing, with a year-to-date total figure for 2000 above the previous year. A review of current escrows reveal that they do not cover costs allowable by statute. The current fee structure should be reviewed as part of the master plan review in an attempt to increase fees so that only the applicants are responsible for the costs of their actions, rather than the general tax-paying public. With the recommendations previously made concerning improved focus on zoning matters, it is likely that the number of zoning applications will increase. Without an adequate fee structure that covers the costs associated with zoning applications, this expected increase will place an added burden on the Wildwood taxpayer.

Recommendation:

The team recommends that the master plan re-examination be utilized to stimulate an economic renaissance grounded in zoning enforcement, which, in turn, will stimulate growth. Further, we recommend that the city analyze its fee structure to insure that fees are adequate to cover allowable expenses.

HOUSING AUTHORITY

The team conducted a review of the operations of the City of Wildwood, commencing in July 2000. During the course of that review, the Wildwood Housing Authority (WHA) by its Resolution No. 00-41, adopted July 26, 2000, requested that the team conduct a similar review of its operations. Municipal housing authorities, including Wildwood's, are funded primarily by federal subsidies through the United States Department of Housing and Urban Development (HUD), Office of Public and Indian Housing. Because the funding sources are primarily federal rather than municipal and state, such a review is a departure from normal Division of Local Government Budget Review practices. Nonetheless, the decision was made to conduct the review.

Mission Statement of the Wildwood Housing Authority

The Wildwood Housing Authority's mission statement specifies that the authority is dedicated to providing affordable housing to its community which is decent, safe, well maintained, and free from drugs and violent crime. The stated approach is to reduce the concentration of poverty in public housing, in part, by forming and maintaining partnerships with individuals and organizations. The purpose of the partnerships is to provide housing, education and employment opportunities for low-income families, helping them to become self sufficient, and to improve their quality of life. The plan is to make the best use of available resources, expanding services to the surrounding community, including adult and after school computer classes, future day care facilities, and after school programs. Emphasis is placed on instilling pride and the desire for an enhanced quality of life for residents and families.

It is to the extent that the objectives of the mission statement are achieved at reasonable cost that the relative success of the housing authority can be judged.

Costs and Revenues

HUD subsidizes costs of the housing authority's operations by making up any shortfall remaining after receipt of revenues from the price-controlled housing units. Unlike municipalities, the housing authority's projected expenditures (appropriations) and revenues do not balance. The WHA develops a budget with an estimated revenue schedule based on rentals and a substantial HUD subsidy. The combination of the rentals and the subsidy is normally greater than the appropriations identified. Many programs carried out by the authority that are over and above the fundamental operations of the WHA are paid by grants. These will be discussed further on in the report.

The WHA operates on an April 1 – March 31 fiscal year. Significant appropriations and revenues for the current and last past fiscal years are set out in the table below.

Housing Authority Budget Recap		
	3/31/01	3/31/00
Operating Revenues:		
Dwelling Rental	\$326,598	\$305,120
HUD Operating Subsidy	\$694,047	\$682,027
Congregate Services Program	\$38,627	\$38,627
Little Store Revenues	\$70,000	\$70,000
Grants and Entitlements	\$198,997	\$198,997
Interest on Investments	\$37,378	\$29,870
Total Operating Revenues	\$1,365,647	\$1,324,641
Appropriations:		
Administration		
Salaries & Wages	\$196,711	\$178,080
Fringe Benefits	\$57,152	\$62,048
Other Expenses	\$113,600	\$109,300
Cost of Providing Services		
Salary & Wages	\$254,342	\$246,284
Fringe Benefits	\$57,222	\$63,482
Other Expenses	\$612,318	\$650,210
Total Appropriations	\$1,291,345	\$1,309,404

Two revenue items merit discussion: the congregate services program (CSP), and the little store revenues. The CSP is managed by the congregate services coordinator and is designed to implement an independent living situation for qualified residents receiving public assistance. To qualify, one must either be 62 years of age, handicapped, or disabled.

The staff includes one full-time cook, one part-time cook, one full-time aide for breakfast and dinner, one part-time aide for weekends, and two green thumb employees. Services include meals, housekeeping, laundry, and personal services. Weekday meals consist of breakfast and dinner, either for pickup or dining in; on weekends the program only provides dinners. They provide forty dinners per day either in the dining room or the rental units. Additionally, they provide seven holiday functions/programs per year. Housekeeping personnel provide weekly

cleaning services, using cleaning supplies provided by the tenants. Similarly, laundry service is available once a week, with the tenant bearing the cost of coin-operated machines and supplies. Personal services, like assisting in bathing, dressing and grooming, are provided. The staff will also shop for personal items and provide escort service to assist the participants when traveling to and from doctors, dentists, etc.

Funding for the CSP is provided through a grant by the Department of Health and Senior Services Division of Senior Affairs, in conjunction with a financial match by participating residents. The match by the participants can be as much as 5% of their monthly rent. The program has a current budget of \$156,000. In addition to the duties mentioned above, the program coordinator supervises a storekeeper and 1 van driver, prepares a monthly budget report for state use, maintains computerized records, and acts as liaison with the Office on Senior Citizens in the State of New Jersey Health Department.

The team commends the Housing Authority for obtaining outside funds to promote a more independent lifestyle for a segment of its clientele that might otherwise suffer from a more seculsive existence.

Partnerships

The WHA mission statement calls for the authority to forge partnerships with private and public entities in an effort to improve living conditions for all members of the community, including seniors. The team found that the housing authority was actively pursuing its mission in this respect. In a cooperative purchasing agreement with the Wildwood Board of Education, the authority and the BOE purchased 40 computer stations, with 20 of each going to the Wildwood High School and the Glenwood Elementary School. The computers are to be used by students and adults alike, during the week and, also, on Saturdays.

The team commends the housing authority for their work with the local school board in donating computer hardware that is made available to students and the community as a whole.

Finances

The authority is regularly monitored for financial compliance as part of overall federal policy. The team examined a number of financial documents including budgets, audits, financial statements, and debt statements. We found no indications that the authority's finances were anything but sound. Long-term debt to HUD in the amount of \$9,334,167 was forgiven and written off in accordance with HUD's GAAP Conversion Guide.

Investments

In the fiscal year ending 3/31/00, Investments in the amount of \$906,224 yielded earned income of \$31,014 (the yield was above the \$29,870 budgeted for that year), a return of 3.42%. In comparison, New Jersey Cash Management fund had an average yield of around 5% for the same period. A more aggressive investment policy, still utilizing fully insured vehicles, would have resulted in increased revenue of \$14,300.

Recommendation:

The team recommends that the authority competitively seek higher interest rates on their investments, while still maintaining a level of safety required by federal regulations.

Revenue Enhancement: \$14,300

Audits

The team examines audits for the past five years. We noted that although a “payment in lieu of taxes” (PILOT) had been budgeted for each of those years, none had been paid since 1996. An amount of \$33,471, earmarked for the City of Wildwood, has accrued in that time.

Recommendation:

The team recommends that the authority turn over to the city any money accrued as payment in lieu of taxes.

Personnel

The team reviewed the salaries of the housing authority and found them to be consistent with salaries in the region. The executive director’s base salary of \$98,883 is, however, high in comparison to the salaries of other directors in similar authorities. This can be explained by the fact that the director has led the authority for more than 30 years, and his salary reflects the tenure of his position. The executive director has announced his retirement effective in February, 2001, and the board has passed a resolution acknowledging the retirement and authorizing a search for his replacement. Entry-level salaries for this position are estimated to be in the \$50,000 range, plus benefits.

Recommendation:

The team recommends that the authority focus their search for an executive director within a salary range approximating \$50,000.

Cost Savings: \$48,883

An issue arose during the time that the team was examining the WHA over the granting of longevity pay to one employee. The authority has no policy establishing longevity pay increases, and employees who did not receive the same benefit were outspoken in their disapproval of what they considered selective treatment. Although the authority has established personnel policy procedures, staff indicated that most personnel actions were initiated by the executive director and approved by the board.

It is LGBR’s position that longevity pay is an unfortunate holdover from past policies and union contracts. It is our position that monetary reward based on time in service alone should be eliminated where possible, either by union negotiation, or governing body fiat. Any action that creates the entitlement where it has not existed before is surely questionable. Even more egregious is to create a longevity precedent that is not grounded in current policy. The employee resentment that was created by this action was predictable, and measures should be taken to address the issue.

Recommendation:

The team recommends that the commissioners review this action and make any salary adjustments they deem appropriate by following existing policies rather than granting longevity pay which is not authorized under current policies. It is further recommended that no longevity pay be granted in the future.

It is further recommended that any action taken by the commission is reflected upon all employees of the authority, so that no one employee or group of employees is singled out for special treatment.

LIFEGUARDS

Wildwood employs approximately 66 lifeguards to guard 227 acres of beach, one of the largest in New Jersey. Wildwood enjoys a unique, natural phenomenon that continually adds sand to its beaches, making them wider and wider each year. In some instances, the beach extends nearly a quarter of a mile from the boardwalk to the water's edge. This allows Wildwood to forego beach replenishment while many communities along the Jersey shore are facing costly beach replacement. The phenomenon has an added feature that creates a very gradual sloping of the beach into the water, creating wide stretches of shallow water preferred by most beach enthusiasts. Wildwood's lifeguards have a long and rich tradition of life saving. They not only provide swimming protection, but also monitor lost children, help with minor medical emergencies, and do some emergency boat rescue work.

Wildwood's 1.25 miles of beachfront is broken into three sectors – North Beach, Central Beach and South Beach. The beach patrol is staffed by a captain, four lieutenants, two EMT's and one part-time medic. The main beach patrol headquarters is located at Lincoln Avenue, a second, smaller station is located at Taylor Avenue.

The city normally provides beach protection on at least some beaches from Memorial Day through the weekend after Labor Day. In addition to this coverage, some guards remain on the beach through September performing maintenance work and could be available if a rescue was needed.

The beach patrol conducts several competitive events held in Wildwood, and they also attend similar events outside the city. Listed below are the annual events held by the beach patrol:

- Jr. Lifeguard program;
- Dutch Hoffman Memorial Lifeguard Races;
- Wildwood Women's Invitational Lifeguard Tournament;
- United States Lifesaving Association Mid-Atlantic Regional Jr. Lifeguard Tournament (One-time event for Wildwood);
- Sons of Italy 1 mile ocean swim; and
- Johns Hopkins Oncology Center 1 & 3 mile ocean swims.

It should be pointed out that guards participate in these events voluntarily and provide funding through voluntary sources or fees.

The lifeguard captain has nearly 38 years of experience and he brings a professional approach to the job as well as an admirable ability to work with young people. Getting summer help for the lifeguards is a challenge for Wildwood since they must compete for these seasonal employees with other communities and with their own police department as well. At the time of this report, Wildwood was compensating entry-level guards at \$7.50 per hour, comparable to neighboring communities, with a modest bonus if the guards stayed through September. This hourly rate may not be enough to attract the number of lifeguards needed to continue the degree of coverage that is now provided. Many of the lifeguards employed during our review were from foreign countries, mostly Ireland. The city has made arrangements with travel associations to locate housing and provide employment for these young people in an effort to attract enough people to fill their budgeted positions. Even with this arrangement, the city was not able to hire as many seasonal employees as they planned to.

The lifesaving operation in Wildwood is not a small operation. The lifeguards maintain their two stations and do their own maintenance prior to, and at the close of each season. Mechanical work on their houses and their vehicles is performed by public works. They paint and finish boats and clean all of their equipment annually.

Below is a list of their equipment:

- 3 Broncos;
- 1 Blazer;
- 1 GMC Sonoma;
- 1 Quad;
- 1 *Seadoo* Explorer;
- 17 Lifeboats;
- 28 Stands;
- 8 Rescue Boards;
- 2 Competition lifeboats;
- Wave Runners;
- Lifesaving Cans; and
- 10 radios.

Operations

The lifeguards use the South Jersey (Lifeguard) Chiefs Association testing program to annually qualify rookie lifeguards. The current chief is an active member of this group. The chief uses one of his senior lieutenants to back him up during the season and help with statistics, equipment, and station coverage. The chief has also established a Wildwood Beach Patrol Operations Manual that the team finds exemplary.

The team commends the City of Wildwood Beach Patrol for developing a sound operations manual which could serve as an example to other communities that provide lifeguard services.

There are 17 beach patrol stands located among the three sectors on Wildwood's beach. Based on information supplied by the captain, lifeguard activity for years 1999 and 2000 were as follows:

Year	Rescues	Victims Rescued	Victims Assisted	Medical	Handicap Assists	Lost Child	Arrests
2000	47	66	94	228	392	255	5
1999	45	59	115	243	381	279	6
Totals	92	125	209	471	773	534	11

The above table illustrates the degree of security that lifeguards provide for the City of Wildwood.

Finances

The following chart illustrates non-capital budgetary activity, both allocated and spent, for the Lifeguard Division in Wildwood for the years 1998 through 2000:

Year	S&W	Other Expenses	Total Actually Paid
2000	\$305,000	\$21,500	\$324,651
1999	\$314,000	\$21,500	\$295,096
1998	\$306,000	\$24,000	\$303,464

The reader will note that in 1998 and 1999, amounts actually paid out are significantly lower than amounts budgeted, in some instances as much as 12% lower. This is a result of not being able to fill the budgeted manpower requirements for seasonal help.

It is obvious from the information shown above that the city is not meeting its own manpower projections for providing the beach services they feel are necessary. As mentioned earlier, the city has been starting rookie lifeguards as low as \$7.50 per hour. One way to attract more seasonal help is to increase the starting hourly rate to \$8.50. A 13% increase in the starting salary would cost the city approximately \$4,250, based on new hires in 1999, but would make it a leader in the starting seasonal salary range for the area.

Recommendation:

The team recommends that the City of Wildwood increase its entry-level salary for lifeguards to \$8.50 in an effort improve its seasonal hiring efficiency and meet its projected manpower goals.

Value Added Expense: \$4,264

Beach Fees

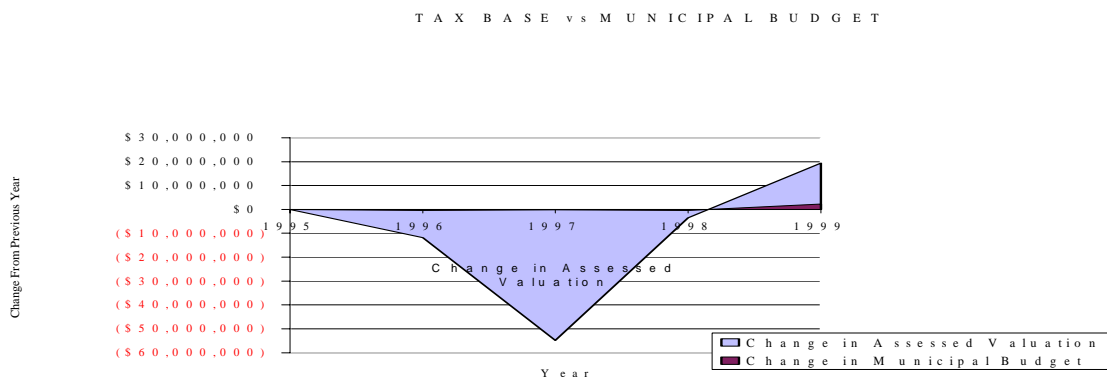
The City of Wildwood, along with all the other municipalities that share the beachfront on Five-Mile Island, does not charge beach fees. Many other beachfront communities in South Jersey do charge beach fees and raise as much as two million dollars annually. Staff and community leaders in Wildwood have indicated that the reason beach fees are not charged is they fear such fees would force beach-goers to other communities, thus, stifling their economy. Those

communities that do charge beach fees do not share this argument. It is the opinion of the team that the quality of Wildwood's beaches and the allure of the Wildwood boardwalk will continue to draw sunbathers to its shores even if there is a nominal charge to do so. Further, an influx of revenue will provide needed capital to effect repairs and improvements in these areas that will spawn additional growth in tourism numbers.

Maintaining a public beach is a costly endeavor, particularly for one as large as Wildwood's. Some of the cost centers associated with this kind of operation are:

- lifeguards and equipment;
- summer help for cleaning the beaches;
- the actual size of the City of Wildwood's beaches;
- privately owned sections of the Wildwood beach;
- outflow pipes located on the beach;
- vehicular traffic permitted on the beach;
- special events conducted on the beach;
- the New Wildwood Convention Center;
- poor drainage on the beach;
- blowing and drifting sand against the boardwalk; and
- bath and sanitary facilities.

Wildwood's housing stock is predominately tailored to attract the daily, or short-term visitor, while other shore communities try to entice the visitor who rents bi-weekly or longer. The consequence to this is that beach related activities are a paramount draw for the Wildwood visitor. As a result, the beaches require a high level of maintenance to continue to attract these visitors. This takes money. Municipalities normally try to support such services through consistent ratable growth and a healthy tax base. In the City of Wildwood, this has not been the case. The graph below illustrates the decline in the tax base for the City of Wildwood over the past few years. The reader will note that this rate of decline, although present until 1998, began to slow in 1997 until there was a small increase in the assessed value of the city in 1999.



The reader will note that the municipal budget has also declined relative to the tax base, with only a modest increase in 1999 appropriations compared to those of 1998.

The point of this illustration is to highlight the fact that costs associated with beach maintenance have not dwindled over this period and, yet, tax revenues, for the most part, have declined. The result is that taxpayers are picking up the lost revenues to pay for the beach maintenance. This expenditure, arguably, has a greater benefit for the business community who profits from the beach-going public. The residential community, on the other hand, reaps no direct benefit from the beach-users. Their benefit would be indirect, through an increase in tax base brought on by an improved economy. The chart above shows that this has not been the case. Another way to mitigate these costs is through a user fee or beach fee.

The team analyzed the costs associated with beach services that could be offset through beach fees. Below is a breakdown of these costs:

Year	Lifeguards	Public Works	Police	Facilities	Total
2000	\$331,375	\$207,516	\$12,000	\$94,000	\$646,891

There were no consistent estimates available from either public or private sources for the number of people who frequent Wildwood’s beaches during the summer. Based on our own observations, the team conservatively estimates that approximately 168,000 people will visit Wildwood’s beachfront over the approximately 14-week period between Memorial Day and Labor Day. It is difficult to estimate what the public demand would be for the tags, e.g. how many daily tags vs. weekly or seasonal tags would be purchased. However, for the purpose of this analysis, the team estimates that 75% of the tags would be split evenly between daily and weekly tags. The remaining 25% would be seasonal tags. Applying a fee schedule of \$2 for a daily tag, \$5 for a weekly tag and \$10 for a seasonal tag, we estimated that annual revenue derived from the sale of beach tags would be \$861,000.

The tags could be sold at information centers, in city hall and even by the tag checkers. The program would require that anyone on the beach between the hours of 9:00 a.m. and 5:00 p.m. would need a beach tag. The number of “checkers” needed to provide this service eight hours per day, seven days per week for a 12-week season, would be seven. The cost for these employees would be approximately \$16,800. The group would need a supervisor to organize and monitor the operation as well as control the sale of tags and the disposition of monies brought in. The team recommends that this employee be hired for a 15-week period at an hourly rate of \$10.50 and report to the captain of lifeguards. This would add an additional \$6,300 to the operation. The estimated cost for labor for this operation would be \$23,100. Additional costs, such as easily identifiable uniforms, producing numbered tags, costs associated with handling the money from tag sales, etc., could bring operating expenses for this operation up to \$20,000, bringing the total cost to approximately \$43,000.

Recommendation:

The team recommends that the City of Wildwood establish a beach fee program to offset the costs associated with maintaining a safe, quality beach. We recommend that the program be based on daily fees of \$2, weekly fees of \$5 and a seasonal cost of \$10 per person. We recommend that seven badge checkers and one supervisor be hired and that the operation fall under the control of the captain of lifeguards.

**Value Added Expense: \$43,000
Revenue Enhancement: \$861,000**

In addition to beach tags, there are other steps that the City of Wildwood could take to improve their beach operation and provide a more appealing destination for sunbathers. One of the beach-related problems that the city faces is that large areas of standing water remain on the beach following a rain. The team observed that these “ponds” could range in size from large puddles to a half-acre or more. One way to reduce this large scale ponding is to create a beachscape between the boardwalk and the shoreline made up of vegetated dunes. The team observed similar beachscapes on the North Wildwood beaches that offered a pleasing landscape while eliminating or hiding any water pockets.

Creating these dunes would reduce the number of acres that are now maintained by the city, including the water pockets mentioned above.

Recommendation:

The team recommends that the city direct their engineer to contact the appropriate state agencies to begin application for the construction of beach dunes.

Another beach-related problem that the team observed is the actual size of the beach. The team observed many instances in which beach-goers struggled to carry children, food and other paraphernalia from the boardwalk to the water’s edge, over hot sands and great distances. The city does provide a limited number of walkways from the boardwalk to the water but these are limited and not widely used. They also provide transportation to the water for handicapped, elderly and/or debilitated individuals, by special request.

The addition of dunes, similar to those found on North Wildwood beaches, or other beachscaping-type features, would limit access to the water to those passes between the features. They would also take up space that might otherwise become flooded and present less pleasant

obstacles to beach goers. The addition of beachscaping features would allow the city to expand their existing beach transportation policy and provide general beach access via tram or other device to all beach goers at well-defined, focused locations.

Recommendations:

The team recommends that the city study the addition of dunes and/or other beachscaping features to their beach in an effort to reduce flooding and focus access to and from the boardwalk and the water's edge. In conjunction with this, we recommend that the city provide transportation from the boardwalk to the water's edge for the general beach-going public.

The city has a policy of cleaning and maintaining the total 1.25 linear miles of beachfront within the City of Wildwood. There is a unique feature to this beachfront however; portions of the beach are privately owned, yet the city treats these sections the same as the publicly owned beaches.

Recommendation:

The team recommends that the city refrain from maintaining privately owned property on the beach. Further, the city is encouraged to establish property maintenance codes for these unique areas to insure that they are maintained in a manner similar to the public areas of the beach.

We mentioned at the start of this section that Wildwood was unique in that its beaches are growing wider each year. One of the results of the ever-growing beaches is that the city's outfall pipes, originally built to transport surface water from city streets out into the ocean, are now discharging storm water right onto the beach itself. This creates large erosion holes in the sand that can be filled with water, thus creating a hazard for small children. It is common for shore communities to obtain administrative and financial help to replenish their beaches. In this case, Wildwood needs assistance because their beaches are *growing*, rather than eroding. The city is urged to work with county and state officials to obtain aid to extend their outfall pipes out into the ocean where they would not present a danger to the sunbathing public.

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.

The City of Wildwood recognizes three bargaining units. They are FMBA Local 50 (for fire fighters); Cape May County Lodge F.O.P (for police); and Amalgamated Local 2327 United Auto, Aerospace, and Agricultural Workers (Public Works, Administration and the Water Department). Two of these units have signed agreements through December 31, 2001. The Amalgamated Local 2327 contract is still being tested over issues related to longevity.

FMBA LOCAL 50

Vacation Time

The current contract for the firemen provides a maximum of 336 working hours of vacation, calculated at 12 working hours per day, or 28 days. The cost for that provision is high, and an effort should be made in future negotiations to restrict the maximum number of vacation days to 25.

Recommendation:

The team recommends that future negotiations include a cap on the total number of vacation hours that equates to maximum of 300 hours, or 25 days.

Sick leave

After the first year, sick leave is earned at the rate of 15 days (180 hours) per year. Wildwood permits firefighters to be paid for (sell back) unused sick leave. An employee who uses less than three days per year can sell up to seven days. Potential cost *per person* for seven days is \$882. Additionally, employees who use between three and five sick days are entitled to sell back a maximum of five days. Potential cost *per person* for five days is \$630.

The policy of permitting the sale back of unused sick leave was established to promote attendance. LGBR generally supports such efforts. As stated previously, the average days used by fire fighters in 1998 was 8.75, well below the state average of 11 days. Nonetheless, sick leave paybacks require actual additional cash expenditures, where sick leave can often result in no additional cash outlay. A study of overtime allocation, response staffing levels and built-in time off as a result of scheduling, would indicate the actual impact that sick leave is having on the delivery of fire protection services. This information can then be compared to the actual dollars spent on sick leave buy-back to further evaluate the effectiveness of the program.

Recommendation:

The team recommends that the city further study the actual impact of their sick leave buy-back program to determine if it is the most economical and efficient program available.

Bereavement Leave

Bereavement leave is permitted from the day of death of a member of the employee's immediate family up to and including the day of the funeral. In the case of other relatives, one day of leave is permitted. Many governmental units extend sick leave to include bereavement leave.

Recommendation:

The team recommends that the city incorporate bereavement leave into their sick leave policy and negotiate to phase this out as a separate benefit.

Longevity Pay

Currently, the FMBA contract provides for longevity pay at a cost to the city of \$47,534 annually. LGBR often sees such provisions, but does not believe they serve the best interests of the taxpayers. The provision should be addressed in future negotiations. At a minimum, future contracts should exclude new hires from the benefit. Often when a municipality seeks to negotiate different terms for future employees than for current employees, the objection is made that a two-tier system of employee classification is detrimental to performance. However, there already exists such a distinction under the current contract, in which employees hired prior to January 1, 1987 earn longevity pay at one rate, and those hired after that date, at a lower rate. See the table below.

The team commends the city for its success in negotiating a drastic reduction in longevity payments for employees hired after January 1, 1987.

Longevity		
Years of Service	Employees Hired Prior to 1/1/87	Employees Hired on/before 1/1/87
5 to 9	2%	1%
10 to 12	4%	2%
13 to 15	6%	3%
16 to 18	8%	4%
19 to 21	10%	5%
22 to 24	12%	6%
25+	14%	7%

Some municipalities have successfully negotiated the elimination of longevity altogether. Usually it has been necessary to incorporate the amount of longevity pay for each individual into that individual's base salary. The municipality benefits from the practice by eliminating the incremental growth of longevity pay.

Recommendation:

The team recommends that efforts be made in future negotiations to eliminate longevity pay for all employees hired after the effective date of the contract.

It is further recommended that those negotiations seek to eliminate longevity as a separate item, even if it is necessary to incorporate current earned longevity into each employee's salary.

Clothing Allowance

In the past, the cost of uniforms was paid by way of reimbursing the individual employee. Currently, the city pays directly to the vendors.

The team commends the city for controlling clothing allowance expenditures by dealing directly with vendors.

Stipends

The contract stipulates that all firefighters and lieutenants must also serve as EMT's (emergency medical technicians), and that their base pay will include a payment of \$1,000 for that duty. An additional \$750 is paid to members who are additionally certified for defibrillation.

At the time of the team's review, firefighters were also carrying out inspections other than fire safety inspections, e.g. code enforcement.

The team commends the city and the fire department for their efforts to improve the productivity of the municipal operation by expanding the responsibilities of the fire department to include both EMT coverage and non-traditional (for firefighters) types of inspections.

CAPE MAY COUNTY LODGE FOP

This bargaining unit includes captains, lieutenants, sergeants, and police officers. The current contract period ends on December 31, 2001.

Vacation

The table below shows the amount of vacation days earned under the current contract.

Vacation	
Years of Service	Number of Days
1 to 10	14
11 to 15	21
16 to 20	28
21+	30

Vacation, in the amount of 28 days per year, is earned after 16 years of employment, and 30 days after 21 years. Similar to the fire fighters contract, this benefit is high in comparison to other municipalities that the team is familiar with. For this reason, an effort should be made in future negotiations to restrict the maximum number of vacation days to 25.

Recommendation:

The team recommends that the city seek to negotiate a reduction in the maximum number of vacation days from 30 to 25.

Sick Leave

The contract entitles member officers to sell back sick days at a rate of up to seven days when less than three are used during the year. As noted in the police section, average usage of sick time is above the state average, by just over 15%. The policy of permitting the employee to sell back unused sick leave was established to promote attendance. LGBR generally supports such efforts. Nonetheless, sick leave paybacks require actual additional cash expenditures where sick leave can often result in no additional cash outlay. A study of overtime allocation, staffing levels and built-in time off as a result of scheduling, would indicate the actual impact that sick leave is having on the delivery of police services. This information can then be compared to the actual dollars spent on sick leave by backs to further evaluate the effectiveness of the program.

Recommendation:

The city should examine the cost and effectiveness of their sick leave buy-back program. Should the program prove to be inefficient, the city is encouraged to negotiate to reduce the amount paid or negotiate it out of the contract completely.

Bereavement Leave

Many governmental units extend sick leave to include bereavement leave. The team encourages the city to negotiate toward this end.

Longevity

The current police contract grants longevity benefits up to 14% of the employees base salary after 25 years of service. Longevity for the police department costs the city \$122,000 a year.

LGBR often sees such provisions, but does not believe they serve the best interests of the taxpayers. The provision should be addressed in future negotiations. At a minimum, future contracts should exclude new hires from the benefit. Often, when a municipality seeks to negotiate different terms for future employees than for current employees, the objection is made that a two-tier system of employee classification is detrimental to performance. The city has already successfully negotiated a similar reduction in longevity benefits in their FMBA Local 50, a feat that LGBR commends.

Some municipalities have successfully negotiated the elimination of longevity altogether. Usually it has been necessary to incorporate the amount of longevity pay for each individual into that individual's base salary. The municipality benefits from the practice by eliminating the incremental growth of longevity pay.

Recommendation:

The team recommends that efforts be made in future negotiations to eliminate longevity pay for all employees hired after the effective date of the contract.

It is further recommended that those negotiations seek to eliminate longevity as a separate item, even if it is necessary to incorporate current earned longevity into each employee's salary.

Clothing

The contract stipulates a schedule of clothing and equipment that the city will replace at no charge to the officers. As those items listed come up for replacement, the city buys them directly from vendors selected through competitive bidding (or state contract), thus insuring the lowest price available. LGBR supports this policy and believes it should be copied and practiced by other municipalities

UNITED AEROSPACE AND AGRICULTURAL WORKERS LOCAL 2327

This union represents employees in the department of public works (34 titles), the administrative unit (37 titles), and the water department (16 titles). Three additional titles were recently added including senior sanitation inspector, public safety telecommunicator, and senior public safety telecommunicator. At the time of the team's review, this contract was being negotiated. Reportedly, the only issue not in agreement pertained to longevity. The balance of the contract has changed little from the previous one. The following comments are, therefore, based on the provisions of the previous contract, except for longevity.

Bereavement Leave

Many governmental units extend sick leave to include bereavement leave. The team encourages the city to negotiate toward this end.

Work Schedules

Currently, workers are paid time-and-a-half for hours worked in excess of 35. There is no legal requirement to pay overtime except hours worked in excess of 40 hours per week. It is preferable to pay straight time for those hours between 35 and 40, and time-and-a-half for hours over 40. The current practice is expensive, and should be discontinued.

The city appropriated \$90,075 for overtime in 2000 in departments other than police, fire, and the court. Staff was not able to estimate how much of this was attributable to those hours

worked between 35 and 40 per week. However, the experience of the team leads us to believe that most of this amount could have been eliminated, had overtime been calculated based on 40+ hours per week.

Recommendation:

The team recommends that the city negotiate overtime language into their contracts that mirror current wage and hour standards, e.g., paying overtime only for hours worked in excess of 40 hours per week.

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