



CLASS PROJECT 2010

Purpose of project:

- Participants will learn about an issue – in-depth – and be required to research said issue
- Participants will work determine team structure and roles to achieve project goals
- The product/outcome of the project will be presented at a public forum

Issue:

How can government best provide the appropriate level of needed services to residents in a time of very limited resources?

Home rule and shared services are themes that resonate throughout every topic highlighted in Bergen LEADS seminars. Today's economic realities have brought the issue to the forefront, as municipalities, the County and the State all struggle to provide more service with fewer resources.

Several strategies have been set forth, which would purportedly reduce the cost of providing service. While each has its merits, discussion frequently is guided more by emotion than by a rational examination of the issues at hand.

The Bergen LEADS Class of 2010 Class Project will be to examine the issue from three perspectives, to develop arguments in support of each perspective, and to debate the topic at a public forum in June.

Positions:

1. Eliminate County government and let individual municipalities provide services
2. Eliminate municipal government and let County government provide services
3. Continue as is, with both County and municipal governments providing services, but make delivery of services more efficient and cost-effective

Method:

The class will be split into three teams of 10 (they will self-select), each of which will develop an argument in favor of one of the positions outlined above. The impact of each of the following factors must be incorporate into the argument:

- Economic
- Municipal/County identity
- Political argument/message
- Barriers/stumbling blocks
- How "slack" will be picked up

Each team will be required to:

- Develop ground rules/principles/operating philosophies/values statement
- Conduct at least 30 interviews with individuals that would be affected by any changes – “real voices”
- Research where similar strategies have been implemented
- Develop compelling argument in support of their strategy
- Present executive summary of their argument at Bergen LEADS Closing Retreat for critique
- Participate in a public debate in June 2010 to support their strategy

Eliminate County Government

EXECUTIVE SUMMARY

Ten percent of our tax dollars goes towards county taxes. Is an additional layer of government adding value or is it driving up our taxes? Public opinion shows that county government is an under-utilized, non-responsive, invisible, and unaccountable form of government with duplicative services. This report proposes the elimination of Bergen County Government and explains how its elimination will directly benefit the taxpayers. Further, it provides an overview of how services previously offered through the county government can be undertaken by the local municipalities, private-public partnerships, and State government without loss in services and quality.

BENEFITS

Structurally, the proposed new system will eliminate and redistribute departments as shown below:

1. Eliminate the Board of Chosen Freeholders and the County Executive.
2. Eliminate clerk to the board, counsel to the board, and county administrator.
3. County Clerk and County Surrogate responsibilities would go to the state.
4. Eliminate the departments of Admin & Finance, Public Works, and State appointments. Most of the positions are duplicated at the state and town levels.
5. Roll up departments of Law, Human Services and Health Services, and Sheriff to the State level.
6. Push Planning and Parks to the town level.
7. Department of Public Safety gets split between the state and municipalities.

Savings and Impact

1. Each town has a clerk. According to the state commission of investigations, funding has been provided but little progress has been made in using technology to modernize record keeping. If the public is offered a way to file forms electronically, municipalities should be able to handle the County Clerk's work. This would save \$4.7 million.
2. If half of the public work budget gets allocated to the state, there would be over \$11 million saved.
3. The departments of Law & Public Safety, Law, Health Services & Human Services have a \$52 million budget. If half of these department budgets are reallocated to the State, there would be a \$26 million savings.
4. The new structure would be phased in with minimum disruption in services.

DISADVANTAGES

1. In terms of population and per capita income, the municipalities in Bergen County are very diverse. This creates a unique challenge in regionalization.
2. The citizens in the County are strong supporters of unions and home rule. It would also be difficult to make the amendments to the constitution necessary to eliminate key positions that are currently mandated by law.

OBSTACLES

1. It will be difficult to accomplish this unilaterally and will need bipartisan support politically from local and state government.

2. There will be a temporary increase in unemployment.
3. The escalating costs of supporting existing labor contracts and associated benefits are very challenging and unsustainable. A pragmatic approach to deal with this has to be formulated.

LESSONS LEARNED

1. Connecticut, Massachusetts, and Rhode Island have abolished county government due to mismanagement, duplication, inefficiencies, rising costs, corruption, and patronage. In addition, there is a proposal in its grass roots level in Westchester County, New York.
2. County governments were eliminated in these states by transferring the administrative responsibilities and costs of Welfare/Social Services, Court System, and County Clerk functions to the state.
3. In Massachusetts, a state-wide referendum was passed that limited the counties taxation power. The referendum put the county governments out of business by eliminating essentially their taxation driven revenue stream.
4. In Connecticut, the elimination of counties went quite smoothly. "On the day that the counties ended their 300-year existence, it is doubtful if many persons...were aware of the occasion." *County Government in Connecticut; Its History and Demise* by Rosaline Levenson.

LEADERSHIP SKILLS

1. There is a need for a "Change Agent" who can sell and bring the change to the masses. This Change Agent should be a bold & courageous leader who can influence people from both sides of the aisle who has brains, guts, and passion. He should be driven towards the purpose of saving tax dollars and adding value to the community.
2. This Change Agent should be a visionary and be able to win the support of the County Executive, Freeholders, Assemblymen, Senators, Mayor, and councils.
3. He/she should be able to keep the citizens involved by using the traditional and new media. For example, newspapers, websites, television ads, Public Service Announcements (PSAs), and social networking.

CONCLUSION

1. Over 45% of county residents in Bergen County work in the Financial, Insurance, and Real Estate sectors. These have been hit hard by the recession. Just recently, the Governor's office suggested steep cuts to programs that benefit local communities as the cost of delivery have increased. People want services, without an ever-increasing tax bill.
2. 65% of our local taxes go towards education and there are over 600 school districts in New Jersey that don't share resources effectively. Hence, regionalization and shared services must play an important role in our sustainability.
3. In this maelstrom of economic uncertainty, change is inevitable. The status quo to provide current levels of services only increases the debt at all levels of the government. This jeopardizes not only our future but also the future of coming generations.
4. In short, we need to apply a more traditional business oriented "Value Received" analysis for all that we want or expect from our county government. Whether local, county, or state, in our view, there is little the county government does that can't be more efficiently handled at either the state or local levels.

REFERENCES

McNerney, D. (2010, March 03). *State of the County address 2010*. Retrieved from <http://www.co.bergen.nj.us/bcresources/countyreport.html>

Rethinking Westchester Government, Initials. (n.d.). *States without County government*. Retrieved from <http://www.rethinkingwestchestergov.com/>

Eliminate Municipal Government

Description of Problem

- More local governments per square mile than any other state in the US and more than these 8 combined: Arizona, Delaware, Hawaii, Maryland, Nevada, New Mexico, Rhode Island, Wyoming
- Crushing tax burden for families and businesses
- Over 70 school districts with 76 superintendents and totally redundant administrative staff
- Wasteful spending, duplication of services and duplication of positions (e.g. police chiefs, borough administrators, assessors, court personnel, judges, public works, etc.etc.)
- More fire and safety equipment than in all of NYC
- Significant disparity in the way services are delivered to our citizens.

Proposed Solution

- Consolidation of Bergen County's 70 municipalities into fewer regional structures of approximately 30,000 – 100,000 people
- Consolidation of the administration of school districts to serve 3,500 – 6,000 students
- While maintaining individual town identity

How Will It Work Structurally?

- Regional administration will provide these government services:
 - Executive
 - Administration
 - Police
 - Fire and EMS
 - Public Works
 - Court System
 - School Administration

- Although not in our team's purview, County government will also have to change
- Analysis of functions performed by the County and the municipalities to determine:
 - Should they remain publicly provided or privatized?
 - Who is best positioned to provide them – municipality, county or state?

Benefits of Proposed Solution

- Significant reduction of redundancies and costs leading to lower taxes and more efficient government
- Enhanced quality of services through a more experienced and dedicated staff
- Even distribution of services
- Consistency in government reporting
- Increased transparency

Disadvantages of Proposed Solution

- Large scale implementation introduces risk to achieving goals
- Impact on town employees, i.e. reductions in force

Obstacles to Proposed Solution

- The history of home rule in N.J.
- Lack of standardization of property assessments
- Revision of tax structure to equalize impact on towns
- Political stagnation – desire to keep things the same

Lessons Learned From Others

- This is not Utopian
- Others have done this:
 - Louisville, KY
 - Fulton Co, GA
 - Seneca Falls, NY
- Others have never split up:
 - Woodbridge Township
 - Bernards Township

Key Success Factors For Implementation

- Courageous leaders in the political and civic arenas
- An informed public

- Economic incentives from the state
- Detailed implementation plan with professional project management
- Education and PR Plan
- An engaged county government

Conclusion

Our team believes that this is the only option for solving the crisis and problems which face Bergen County while positioning it for the future. Additionally, New Jersey's current serious financial condition provides momentum for pursuing this solution. Other communities have successfully done this. Before 1896, there were 14 regional entities comprising Bergen County – this could provide a template for going forward.

Maintain Status Quo

Overview

There are benefits and drawbacks to the current structure of County and Municipal government in Bergen County. However, given economic, environmental, demographic and political considerations, the optimal governmental structure going forward would be to preserve both forms of County and Municipal government in some capacity, and make delivery of government services more efficient and cost-effective.

What are some key facts?

Bergen County's tax levy for 2009 was 339,475,000 for a county population of 891,000.

- The estimated cost of county government per capita is \$382.
- The average property tax in Bergen County is approximately \$8,000.

What are the benefits of local/municipal government?

There has been a long tradition of local government in Bergen County, and as a result, most citizens expect some form of local representation. Each of the 70 municipalities in Bergen County, has its own public issues and unique political agenda..

Some of the benefits of preserving local government include:

-Municipal leaders have a greater understanding of local issues and the priorities expressed by their constituents.

- Local leaders are more accessible and have a greater appreciation of the needs of their community.
- Greater transparency in local government
- More personal contact, interaction and responsiveness to residents
- Constituents want and prefer home rule
- Historical value and pride associated with towns and schools
- Greater efficiencies in some services such as leaf collection, snow plowing, minor road repairs, maintenance of ball fields)
- Greater volunteerism spirit within the community

What are the benefits of county government?

Despite the historical popularity and success of municipal government in Bergen County, there is no doubt that county government also provides a valuable function. For example, the county can provide facilities and services that cannot be provided by the multiple municipal governments and cannot be provided cost effectively by state government.

Some of the areas where County government provides better services and economies of scale:

- county colleges
- larger parks and recreational facilities
- county jails
- county courts
- hospitals
- county road (longer roads passing through multiple municipalities)
- health and human services (housing, health, senior services, mass transportation)
- training of emergency medical and firefighters

Regional Emergency management and planning

The County coordinates shared services in many cases. Examples of which are cooperative salt purchase for municipalities, cooperative snow plowing agreements, handicap ramp construction is provided under a cooperative bid administered by the County. In addition, a county government can provide a wider scope in regional planning and strategy that can benefit all municipalities, for example in mass transit.

Issues with Consolidation of Municipal and County Government Services

A counter proposition to maintaining both County and municipal governments as they

currently exist is to consolidate municipalities. Recent efforts to force consolidation have resulted in local officials “digging in their heels.” It is our opinion that mandating consolidation/regionalization will meet with a great deal of public resistance for a number of reasons - expected loss of service quality and possibly an increase in cost (due to mismanagement and the loss of transparency).

As a result of consolidation being a very tricky political proposition, generating wide-spread public support is often complicated. History has shown that municipalities have voted to reject consolidation plans in the past (e.g. Hasbrouck Heights/Woodridge).

The elimination of county government would not take away the financial burden of the taxpayers. It would simply shift the responsibility and cost of these services to State and local governments. Furthermore, widespread changes in local laws would need to be mandated consistently across all municipalities throughout the State to account for shifts in governmental responsibility.

That being said, interest in sharing services appears to be growing. Somerset County reported saving \$13 million in 2005. There are already several successful examples in Bergen County. The Bergen County mutual aid system, County training of emergency medical personnel and firefighters, County communication system for emergencies, shared service agreements that provide street sweepers, Jet Vac's and police cars, and the Bergen Municipal Bank. Another example of shared service that provides economics of scale is tax collection. The municipality collects taxes on behalf of the county and the local school board. This cost-effective measure could be successful throughout the State. Unfortunately, many times municipal governments sometimes take the blame for rising taxes when in fact only a small portion of the taxes collected remain with the municipalities.

There are many other opportunities for shared services and the benefits of regionalization. Some of the most promising areas to consider shared services include:

- *Consolidation of police services; consolidate county police, Sheriff's office (557 employees, \$59M budget), Department of Law and Public Safety (133 employees; \$19M budget) and Prosecutor's office (298 employees / \$28.4M budget)*
- *Consolidate police and emergency dispatching through Bergen Communication Center*
- *Consolidation of local municipal courts (70 into 6 regional courts, for example).*
- *Creation of a modernized county based system of tax assessment*
- *Consolidate fire districts similar to the way it was done in Cherry Hill, New Jersey yielding a 36% reduction in cost*
- *Create and encourage the formation of energy consortiums and J.I.F. (Joint Insurance Funding)*
- *Share or consolidate garbage and recycling services/contracts, road paving jobs,*

fuel purchase, electricity

- *Merge or share planning and zoning boards to reduce management, secretarial, engineer and lawyer fees, as well as code enforcement and construction officials.*
- *Continue to promote regional Co-ops similar to Riverside Co-ops (which includes 13 municipalities) to purchase in bulk and share expenses.*
- *Centralized risk management and health insurance.*

Unfortunately, regionalization is not a one size fits all initiative, and as a result, there are some areas needed to proceed with caution. They include:

- Emergency service dispatching - this service may be best served on a regional basis vs. local or county-wide basis. This initiative brings in efficiencies and keeps some level of familiarity with the regional area served.
- Merging fire departments and ambulance corps – this initiative will be more difficult when dealing predominantly volunteer organizations.
- Consolidation and regionalization of small school districts (78 in total) or at least share administrative service. However, too large of a school district would result in too many layers of executive and possibility for corruption (Bergen Tech problem).
- Structurally, shared services provide the best opportunity for correcting errors. Consolidation of municipalities would be irreversible, since there would no longer be a local unit representation.
- Some of the obstacles to accomplishing shared services seems to be a lack of a unified code of regulations in the State law. There are currently 300 provisions for service sharing. Civil Service rules should be viewed as another obstacle. The question arises “How does one set of employees who are civil service merge into a local unit that is not civil service? What happens to their rights under civil service law? Even without civil service, there are multiple, conflicting personnel policies and pay schedules. Public Law 07/63 allows for a Management Committee comprised of officials and administrators from each municipality.
- Shared Services would be implemented by the Mayor/Council, Board or Commission in the local administration, but there are provisions for citizen participation in the decisions. (e.g. formation of Citizen Commission P.L. 07/63). The county administers grants for needs assessments (e.g. the PARIS Grant for shared records management). On the state level, Local Finance Board (Division of Local Services in the Department of Community Affairs) decides the statutory basis under which shared services would be governed. The state would also be involved since different State Departments oversee specific activities.

- The motivation to enter into shared service agreements may become even stronger as a result of Governor Christie's 33 bills which include a proposed 2.5% cap on property taxes and reduced pay and benefits for public employees.
- Citizens are interested in reducing their tax burden. Shared Services has not been explored thoroughly to prove its potential of saving funds. Due to the administrative obstacles, the leaders in each community need to be persistent and patient.. Shared Services has the most promise for maintaining local control, community identity and quality of life while cutting costs.