

Consolidation Options and Impacts for Princeton, NJ

A Report to the Joint
Consolidation/Shared
Services Study Commission

May, 2011

Prepared for:
**Joint Consolidation/Shared Services Study Commission of
Princeton Borough and Princeton Township**

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FOREWORD:

A User's Guide to This Report

This report details options available to the Princeton community in the event it decides to consolidate the Borough and Township governments or pursue additional shared services in the areas of police and public works. This initial report is intended to be formative, with its primary purpose being to inform the final report of the Joint Consolidation/Shared Services Study Commission (“the Commission”) as it begins to make a final recommendation on consolidation or shared services.

The report builds on a comprehensive baseline review issued by the Commission in January 2011, entitled *Municipal Services & Financial Overview: Borough and Township of Princeton*. That report, prepared by CGR on behalf of the Commission, established a foundational understanding of how the Borough and Township deliver and fund essential services; their basic governing structures; assets, debts and liabilities; municipal codes and ordinances; and other issues that may bear on the question of consolidation and/or shared services.

In order to fully understanding the options discussed in the current report in their proper context, readers are encouraged to review the baseline document.¹

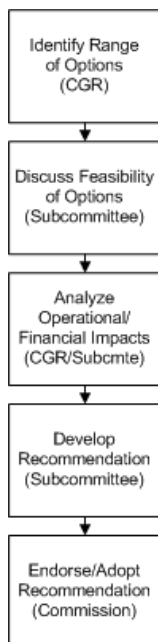
How this report was developed

This report is the product of a several months-long iterative process involving Commission members, CGR’s study team and stakeholders in the Borough and Township. To facilitate detailed data collection and analysis, as well as a full vetting of available options in all issue areas, the Commission established a series of subcommittees with specific departmental/substantive responsibilities. The subcommittees and their focus areas were as follows:

- **Municipal Consolidation Subcommittee**
Bernard Miller, Chair
To consider and make recommendations on form of government; models of governance; service districts; planning/zoning; codes and ordinances; and departmental changes in areas other than police and public works

¹ The baseline report is available on the Commission’s website at www.cgr.org/princeton.

- **Police Subcommittee**
William Metro, Chair
To consider and make recommendations regarding the consolidation and/or sharing of Borough and Township police operations
- **Public Works Subcommittee**
Valerie Haynes, Chair
To consider and make recommendations regarding the possible consolidation and/or sharing of Borough and Township public works operations
- **Finance Subcommittee**
Chad Goerner, Chair
To consider and make recommendations on the disposition of debt and the general financial impact of consolidation on taxpayers
- **Community Engagement Subcommittee**
Carol Golden, Chair
To develop and implement the Commission’s public education, outreach and engagement strategy, and ensure the effectiveness of mechanisms for community input



For each subcommittee (except Community Engagement), the CGR study team identified a *range of general options* for the respective subcommittee to consider in the first instance. In delineating the available options, the study team’s role was to inform the subcommittee on the range of possibilities; facilitate its consideration thereof; and document the subcommittee’s final recommendations. In many cases, subcommittee deliberations led to the further development of “hybrid” options, as members sought to address perceived community expectations, desires or issues in greater detail.

In sum, initial options were developed by the CGR study team for consideration by each of the Subcommittees and the Commission (in a process facilitated by CGR). Following that consideration, the Subcommittees and the Commission made final decisions on recommended courses of action.

Using this process, the *development of options* led to the *consideration of their feasibility and relative impacts*, which in turn led to the *development of a subcommittee recommendation*. According to the Commission’s agreed-upon process, those subcommittee recommendations were then forwarded to the full Commission for formal consideration and approval.

How this report is structured

This report, then, presents the options considered by the subcommittees in each of the primary areas relevant to the consolidation/shared services discussion. *In cases where the subcommittee and/or Commission have endorsed a recommended option, that recommendation is so noted.* In an effort to share with the public the full menu of options, the report presents the *range* of options considered by the subcommittee, rather than simply the final recommended course of action.

The primary sections of the report are as follows:

- 1. Form of Government**
- 2. Handling Existing Debt**
- 3. General Municipal Services**
- 4. Police**
- 5. Public Works**
- 6. Facilities**
- 7. Codes and Ordinances**
- 8. Planning and Zoning**

The Commission's recommendations

As noted above, in cases where the subcommittee and/or Commission have endorsed a recommended option, those recommendations are presented in this report. Recommendations *with associated savings* have been made in the areas noted below. The total projected savings of these recommendations at full implementation is \$3.321 million.

- **Police** (\$2.100 million)
- **Public Works / Engineering / PSOC** (\$0.442 million)
- **Governing Body** (\$0.061 million)
- **Administrator** (\$0.206 million)
- **Clerk** (\$0.199 million)
- **Finance / Tax Collection** (\$0.217 million)
- **Court** (\$0.079 million)
- **Tax Assessment** (\$0.017 million)

TOTAL = \$3.321 million

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OPTIONS: FORM OF GOVERNMENT

Recommendation:

The Municipal Consolidation Subcommittee and full Commission have recommended adoption of the Borough Form of government in the event of municipal consolidation

In the event the Commission determines to recommend consolidation of the Borough and Township, the State of New Jersey's Municipal Consolidation Act (NJSA 40:43-66.50) requires that the Commission's report recommend a "name, type, plan or form of government of the proposed new municipality." The recommended form would be part of the referendum question for voters on the proposed consolidation. A positive vote for consolidation would mean that the recommended form of government would become the form of the new municipality at its inception.

Under State law (NJSA 40:43-66.58), the Commission can select from among a defined list of possible forms of government:

"(1) The adoption of one of the plans or forms of government authorized under the 'Optional Municipal Charter Law,' the 'commission form of government law,' or the 'municipal manager form of government law;' or,

(2) That the governing bodies of the participating municipalities shall petition the Legislature, pursuant to Article IV, Section VII, paragraph 10, of the Constitution, for the enactment of the special charter set forth in the final report of the commission; or,

(3) That the plan or form of government of one of the participating municipalities be retained as the plan or form of government of the consolidated municipality."

Hence, the Borough and Township of Princeton, should they choose to consolidate, may choose among the following eight forms:

- Borough
- Township
- OMCL Council-Manager
- OMCL Mayor-Council
- OMCL Mayor-Council Administrator
- Commission
- Municipal Manager
- Special Charter

Borough Form

(RECOMMENDED BY SUBCOMMITTEE & COMMISSION)

The *Borough Form* is currently used by 218 municipalities in New Jersey, including the Borough of Princeton. Of the communities currently using this form, the mean population is 7,061, collectively representing 17.7 percent of the state population. The form is highlighted by a mayor-council structure and has the following characteristics:

- Direct election of the mayor, with a four-year term;
- Six-member council, elected at-large to staggered three-year terms using partisan elections;
- Mayor presides over council meetings, but votes only to break ties;
- Mayoral veto, subject to override by a 2/3 vote of the council;
- Mayoral appointment of subordinate officers, subject to council approval;
- Council has all executive responsibilities not specifically assigned to the mayor;
- No requirement for a chief administrative officer, although the council may delegate by ordinance some executive responsibility to an administrator; and
- No initiative and referendum.

Township Form

The *Township Form* is used by 141 municipalities in New Jersey, including the Township of Princeton. Of the communities currently using this form, the mean population is 10,879, collectively representing 17.7 percent of the state population. The governing body is formed as a Township Committee, which annually selects a Mayor from among its members, and has the following characteristics:

- Appointment of one of the committee members to serve as mayor for a one-year term;
- Either a three- or five-member committee, elected at large to staggered three-year terms using partisan elections;
- Mayor presides over committee meeting and votes as a member of the committee, but has no other powers unique to the position;
- The committee as a whole exercises all legislative and executive powers, including appointment;
- No requirement for a chief appointed administrative officer, although the council may delegate by ordinance some executive responsibility to an administrator; and
- No initiative and referendum.

OMCL Mayor-Council Form

The *Faulkner Mayor-Council Form* is used by 70 municipalities in New Jersey. Of communities currently using this form, the mean population size is 46,309, collectively representing 37.3 percent of the state population. The municipality has flexibility at the time of selecting this form (and at any time after an initial waiting period) to choose the size of council; partisan or non-partisan elections; provision of run-off elections, if no majority is attained in non-partisan elections; staggered or concurrent terms; and use of ward representation in combination with at large representation. The mayor-council form is distinctly more of a “strong mayor” type, with the following characteristics:

- Direct election of the mayor, with a four-year term;
- A five, seven or nine-member council is elected, on either an entirely at-large or combined at-large/ward basis, to four-year terms (which can be concurrent or staggered), through elections that may be partisan or non-partisan;
- Mayor may attend council meetings (but is not required) with a voice but no vote;
- Mayoral veto, subject to override by a 2/3 vote of the council;
- Mayor is the chief executive and oversees all departments, including a required department of administration headed by a business administrator; appoints all members of boards with the consent of council; and prepares the budget and presents it to council for review and adoption;
- Mayor appoints department heads (coincident with the term of the mayor but subject to council approval) and can remove department heads (subject to council disapproval by 2/3 vote);
- The council has only legislative authority, acting as a body, and deals with municipal personnel only through the mayor (the council does appoint the municipal clerk), but the council may require the mayor or mayor’s designee to report before council;
- The council selects the president of council from among its members;
- Administrative officer is required, and may supervise the administration of departments subject to mayor’s direction; and
- Initiative and referendum.

OMCL Council-Manager Form

The *Faulkner Council-Manager Form* is used by 43 municipalities in New Jersey. Of communities currently using this form, the mean population size is 22,720, collectively representing 11.2 percent of the state population. The municipality has flexibility at the time of selecting this form (and at any time after an initial waiting period) to choose the size of

council; partisan or non-partisan elections; provision of run-off elections if no majority is attained in non-partisan elections; staggered or concurrent terms; use of ward representation in combination with at large representation; and selection of the mayor by public vote or by appointment from the council membership. It places significant authority in an appointed manager and has the following characteristics:

- Governing body may be five, seven or nine council members *or* a mayor and four, six or eight council members;
- The mayor can be elected directly by the voters on an at-large basis or through the council, and can serve a term of two or four years (if elected by council), or four years (if elected by voters);
- Council is elected on either an entirely at-large or combined at-large/ward basis to four-year terms (which can be concurrent or staggered), through elections that may be partisan or non-partisan;
- Mayor presides over council meetings with a voice and a vote, but has no other unique powers;
- Council as a whole appoints a manager, municipal clerk, and tax assessor;
- The council has only legislative authority, acting as a body, and deals with municipal personnel only through the manager;
- The manager acts as the chief executive with the power to appoint all subordinate personnel not otherwise provided for; prepares the budget and presents it to council for review and adoption; and attends all council meetings with voice, but no vote;
- A majority vote of the council may remove the manager at any time; and
- Initiative and referendum.

OMCL Mayor-Council-Administrator

The *Faulkner Mayor-Council-Administrator Form* is used by 3 municipalities in New Jersey. Of communities currently using this form, the mean population size is 26,890, collectively representing 0.9 percent of the state population. The form resembles the Borough form, except that it includes a charter-provided requirement for an administrator. Unlike other OMCL forms, it has few options. It has the following characteristics:

- Mayor is directly elected to a four-year term;
- Six-member council is elected to three-year staggered terms through partisan elections;
- Mayor presides over council, but votes only to break ties;
- Mayoral veto is subject to 2/3 council override;

- Mayor appoints clerk, administrator, attorney, tax collector, tax assessor, treasurer and department heads subject to council approval;
- Council has legislative authority and prepares the budget, but has no administrative duties or appointment power;
- Administrator supervises all departments and may be removed by the mayor or by a 2/3 vote of council;
- Chief administrative officer is required; and
- Initiative and referendum.

Municipal Manager Form

The *Municipal Manager Form* is used by 7 municipalities in New Jersey. Of communities currently using this form, the mean population size is 27,777, collectively representing 2.2 percent of the state population. Created in 1923, it has the following characteristics:

- No direct election of mayor – mayor is elected by the council to serve either a two-year term (if elections are staggered) or a four-year term (if elections are concurrent);
- Three, five, seven or nine-member council is elected at-large to four-year concurrent through non-partisan elections (or staggered three-year terms, if prior form of government used them);
- Council appoints manager, clerk, tax assessor, treasurer, auditor, and attorney, but otherwise functions as a legislative body;
- Mayor presides over council meetings and votes;
- Chief administrative officer/manager is required, with power to appoint and remove department heads; and
- Initiative and referendum.

Commission Form

The *Commission Form* is used by 30 municipalities in New Jersey. Of communities currently using this form, the mean population size is 11,768, collectively representing 4.1 percent of the state population. Originally popular after its introduction in 1911, this form has declined in use. It has the following characteristics:

- No direct election of mayor – mayor is elected by the board of commissioners to serve a four-year term;
- Five-member board of commissioners (three members in towns with less than 12,000 population) is elected at-large to four-year concurrent terms through non-partisan elections;
- Mayor presides over board of commissioners, but has few powers beyond those of any other commissioner;

- Board of commissioners exercises legislative power, and each commissioner acts as a department head;
- There is no requirement for an administrator, and, although the position can be established by ordinance, it is seldom done since each commissioner has administrative authority over his/her department; and
- Initiative and referendum.

Special Charter Form

The *Special Charter* is used by 11 municipalities in New Jersey. The mean population size of those municipalities is 15,340, collectively representing 3.4 percent of the state population. Special charter forms are variants of the standard forms presented above. Special charter forms are subject to State approval before their implementation. As such, in the event the Commission recommended a special charter for a consolidated Princeton, State approval would be sought *after* an affirmative referendum on consolidating the Borough and Township.

The following summary tables present the major provisions of each form available to a consolidated Princeton, as well as information on their current usage throughout the State of New Jersey.

A summary table illustrating the key provisions, similarities and differences of the optional forms of government is presented on the following page.

| | Borough | Township | OMCL Mayor-Council | OMCL Council-Manager | OMCL Mayor-Council-Admin | Comm-ission | Municipal Manager |
|----------------------------------|------------|----------|----------------------|----------------------|--------------------------|----------------------|-------------------|
| Directly Elected Mayor | Yes | No | Yes | Optional | Yes | No | No |
| Mayor Vote in Council | Ties, Veto | Votes | Voice, No Vote, Veto | Votes | Tie, Veto | Votes | Votes |
| Mayor Term of Office | 4 | 1 | 4 | 4 or 2 | 4 | 4 | 4 |
| Governing Body Size | 6 | 3 or 5 | 5, 7 or 9 | 5, 7 or 9 | 6 | 5 if pop is > 12,000 | 3, 5, 7 or 9 |
| Governing Body Presiding Officer | Mayor | Mayor | Council President | Mayor | Mayor | Mayor | Mayor |
| Governing Body Term of Office | 3 | 3 | 4 | 4 | 3 | 4 | 4 |
| Require Chief Administrator | No | No | Yes | Yes | Yes | No | Yes |
| Limit Staff Contact | No | No | Council | Mayor, Council | No | No | No |
| Use of Wards | No | No | Optional | Optional | No | No | No |
| Non-Partisan Elections | No | No | Optional | Optional | No | Yes | Yes |
| Staggered Terms | Yes | Yes | Optional | Optional | Yes | No | No |
| Initiative and Referendum | No | No | Yes | Yes | Yes | Yes | No |

OPTIONS: DEBT

Recommendation:

The Finance Subcommittee and full Commission have recommended combining the Borough and Township's pre-existing debt in the event of municipal consolidation

In the event the Commission determines to recommend consolidation of the Borough and Township, the State of New Jersey's Municipal Consolidation Act (NJSA 40:43-66.50) requires that the Commission's report recommending consolidation set forth a plan for handling pre-consolidation debts of both municipalities. Specifically, the section notes that the Commission plan shall contain the following:

"Details of adjustment of the indebtedness and other obligations of the participating municipalities, and if appropriate, of the school districts therein, in such manner as to preserve a fair and equitable burden of taxation for debt service."

The Local Option Municipal Consolidation Act, passed in 2007, provides additional flexibility to the Commission in deciding how to handle pre-existing debt of both municipalities. In particular, the Local Option law (NJSA 40A:65-26) provides the option to apportion debt between the two former municipalities using special taxing districts, as follows:

"The following policies may be considered and implemented under an application for approval of a consolidation plan, and may be included as part of a study under the Municipal Consolidation Act... the apportionment of existing debt between the taxpayers of the consolidating municipalities, including whether existing debt should be apportioned in the same manner as debt within special taxing districts so that the taxpayers of each consolidating municipality will continue to be responsible for their own pre-consolidation debts."

Generally speaking, the Commission has two basic options for handling pre-consolidation debt of the Borough and Township. First, all pre-consolidation debt of the Borough and Township could be combined and then spread over all taxpayers in the consolidated municipality regardless of location within the consolidated community. Under this approach, a single uniform tax rate would be applied to all taxpayers, and the debt obligations would be met in shared fashion. Second, the concept of "debt districts" could be used to pay down pre-consolidation debts until they are fully retired. Under this approach, the Borough and Township's pre-consolidation debt would be apportioned within the consolidated community, such that taxpayers in the former Borough would pay off the Borough's pre-consolidation debt, and taxpayers in the former Township would pay off the Township's pre-consolidation debt. Thus, a different

tax rate would apply to property owners depending on whether their taxable property is located in the area of the former Borough or the former Township.

Under either model, all newly acquired debt after consolidation (*i.e.* indebtedness incurred by the consolidated community) would be shared equally based on ratable value.

It should be noted that the consolidation law places a prohibition on the issuance of new debt for a specific period of the transition year, as cited in the following section from NJS 40:43-66.70. However, there remains the possibility that either (or both) municipalities can continue to authorize and/or issue debt during much of the transition year (*i.e.* up to the point at which new officers are elected). Given the potential impact this could have on the fiscal impact of consolidation, it is something the Commission should take note of:

“During the period between the date of election of new officers for the consolidated municipality, and the date of consolidation, no new debt obligations, excepting emergency notes issued pursuant to NJS 40A:4-51, shall be authorized and issued by any participating municipality or constituent school district. Any bonds of the participating municipalities, or any constituent school districts to be combined into a new school district, which have been authorized prior to the date of such election, or in anticipation of the issuance of which temporary notes have been issued prior to the date of such election, may be issued and delivered or permanent bonds issued, as the case may be.”

Analysis of Impact

This section considers the different impacts of either basic model for handling pre-consolidation debt. For purposes of standardization, the debt information reviewed herein is based on the Borough and Township’s Annual Debt Statements (ADS) of December 31, 2010. At the close of each year, municipalities in the State of New Jersey are required to submit an ADS pursuant to NJS 40A:2-40. The ADS presents in standard form the total municipal debt at year-end, both general obligation and self-liquidating in nature, as well as debt ratios that permit comparisons of the relative debt burden across municipalities.

At the highest level of detail, debt can be one of two basic types: *general* or *self-liquidating*. General purposes include debt related to standard infrastructure improvements, the purchase of major capital items or the refunding of existing debt (typically done to achieve better interest rates). By contrast, self-liquidating purposes relate to “utility” or fee-based accounts which are self-funding in nature, or already have a dedicated revenue stream separate and apart from the general property tax. Examples of self-liquidating debt in Princeton include the parking utility debt in the Borough, and sewer-related debt in both the Borough and Township.

In order to accurately assess the impact of the different models for handling debt, the total debt figures must first be adjusted to “net out” self-liquidating or fee-based debt, leaving *only* debt that falls on the general tax.

As of December 31, 2010, the Borough and Township had a total of \$117.9 million in outstanding debt *across all accounts, including self-liquidating*. Approximately 41 percent of that total (\$48.5 million) was Borough debt; the remaining 59 percent (\$69.4 million) was Township debt. When self-liquidating and fee-based debt is netted out, the Borough’s net general debt as of December 31, 2010 was \$26.3 million; the Township’s net general debt as of December 31, 2010 was \$51.7 million. In other words, the total net general debt between the Borough and Township was \$78.0 million – 34 percent attributable to the Borough, and 66 percent attributable to the Township.

The table below reflects the process of netting out the self-liquidating and fee-based debt. The analyses that follow are based on the “Net General Tax Debt” line at the bottom of the table.

| | Borough | Township | Total |
|--|---------------------|---------------------|---------------------|
| Total Debt (as of Dec 31, 2010) | \$48,488,493 | \$69,425,758 | \$117,914,251 |
| <i>Remove Parking Utility Debt</i> | (\$12,205,000) | n/a | (\$12,205,000) |
| <i>Remove Sewer Debt</i> | (\$10,007,505) | (\$17,284,801) | (\$27,292,306) |
| <i>Remove Housing Utility Debt</i> | n/a | (\$380,000) | (\$380,000) |
| Net General Tax Debt | \$26,275,988 | \$51,760,957 | \$78,036,945 |

Relative Debt Burden

A first way of evaluating the differences between the two debt options is to present current debt burdens as a percentage of equalized property valuation in the Borough and Township. This is a “big picture” comparison, in that it looks at the full load of outstanding net general tax debt, rather than debt service (*i.e.* principal and interest installments paid by the Borough and Township in any given year). For analytical purposes, the 2010 equalized value totals are used – \$2.596 billion in the Borough, and \$5.111 million in the Township.

| | Former Borough | Former Township |
|---------------------------------|-------------------|--------------------|
| Currently | \$26,275,988 | \$51,760,957 |
| <i>As % of equalized value</i> | 1.01% | 1.01% |
| Option 1: Combine Debt | \$26,288,595 | \$51,748,350 |
| <i>As % of equalized value</i> | 1.01% | 1.01% |
| Option 2: Apportion Debt | \$26,275,988 | \$51,760,957 |
| <i>As % of equalized value</i> | 1.01% | 1.01% |

Debt Service

Presenting debt in relation to equalized value allows for high-level comparison, but does not permit detailed analysis of the impact on actual property owners. To determine the impact on property owners, we have to look specifically at *debt service*, which is the structure of yearly payments made by the Borough and Township against their outstanding debt liabilities. Generally speaking, debt service is a function of the *type* of indebtedness (*e.g.* bond, note or loan), the *interest rate* of each debt, and the *term/length* the debt is expected to remain outstanding until it is fully paid off.

The following table reflects the projected debt service for the Borough and Township for the period 2011 through 2015, based on current outstanding net general tax debt. Annual debt service is presented as a percentage of total equalized value, as well as in terms of the cost to the average Borough and Township property. For analytical purposes, 2010 equalized value totals are used for each year – \$2.596 billion in the Borough, and \$5.111 million in the Township. To determine the cost to the average property, 2010 average equalized property values are used – \$877,155 in the Borough, and \$907,400 in the Township.

| | Borough | Township |
|---------------------------------------|---------------------|---------------------|
| 2011 Debt Service | \$3,032,245 | \$5,018,137 |
| <i>As % of equalized value</i> | 0.12% | 0.10% |
| <i>Cost to average property</i> | \$1,024 | \$891 |
| 2012 Debt Service | \$2,949,168 | \$5,238,993 |
| <i>As % of equalized value</i> | 0.11% | 0.10% |
| <i>Cost to average property</i> | \$996 | \$930 |
| 2013 Debt Service | \$2,889,206 | \$5,852,407 |
| <i>As % of equalized value</i> | 0.11% | 0.11% |
| <i>Cost to average property</i> | \$976 | \$1,039 |
| 2014 Debt Service | \$2,817,508 | \$5,926,342 |
| <i>As % of equalized value</i> | 0.11% | 0.12% |
| <i>Cost to average property</i> | \$952 | \$1,052 |
| 2015 Debt Service | \$2,741,610 | \$5,904,001 |
| <i>As % of equalized value</i> | 0.11% | 0.11% |
| <i>Cost to average property</i> | \$926 | \$1,048 |
| Total Debt Service (2011-14) | \$14,429,737 | \$27,939,880 |
| <i>Total cost to average property</i> | <i>\$4,875</i> | <i>\$4,961</i> |

The following table reflects the allocation of total debt service costs from 2011 through 2015, as well as the cost impact to the average property, for both debt allocation options.

| Projected Debt Service 2011 through 2015 | Former Borough | Former Township |
|---|-------------------|--------------------|
| Currently | \$14,429,737 | \$27,939,880 |
| <i>Cost to average property</i> | \$4,875 | \$4,961 |
| Option 1: Combine Debt | \$14,273,210 | \$28,096,407 |
| <i>Cost to average property</i> | \$4,822 | \$4,988 |
| Option 2: Apportion Debt | \$14,429,737 | \$27,939,880 |
| <i>Cost to average property</i> | \$4,875 | \$4,961 |

OPTIONS: GENERAL MUNICIPAL SERVICES

The Commission and its subcommittees were tasked with reviewing a range of options for providing municipal services under two different scenarios:

- First, how services could be provided assuming a full municipal consolidation of the Borough and Township, and
- Second, assuming that a full consolidation of the Borough and Township *does not occur*, what additional shared service opportunities might be available in the areas of police and public works.

This section presents the primary options considered by the Commission and its subcommittees regarding municipal services. Summaries are presented on a department-by-department basis, and generally adhere to the following format.

First, the ***current state*** is documented by identifying the number of staff positions, titles and associated workforce costs of that operation presently in the Borough and Township. Workforce costs are calculated as the *total* compensation cost (including salaries, fringes and applicable state pension and Social Security costs) employees currently operating in that function.

Next, a ***merged baseline*** is presented. This model assumes that in the event of consolidation, all current staff/titles would transfer to a consolidated Princeton in their current form. No analysis is provided in this model regarding the duplication of positions and/or responsibilities. However, where applicable the merger baseline *does* include an assumed harmonization of salaries between the Borough and Township for like-titled and like-responsibility positions within the same department. Also known as salary harmonization or “leveling up,” this involves increasing the direct salary of like-titled positions to the highest current level between the two municipalities. Associated costs that are salary-driven (*e.g.* state pension and Social Security) are adjusted accordingly; fringe benefits such as health insurance are not, since they remain largely a function of the employee’s choice as to which plan to enroll in (or whether to enroll at all).

Next, ***model #1*** is presented. This is the first “true” restructuring model for most departments, in that it envisions changes to the current staffing level (and deployment thereof) as a result of consolidation. The goal of this model is to retain the full workforce complement (*i.e.* the same

number of full-time equivalent positions) in a consolidation, but leverage a merged department to “re-purpose” or “re-deploy” duplicative administrative-level titles into lower-level line staff positions. Savings in this model are generally derived from the cost differential between line-staff positions and the administrative titles they replace.

Next, *model #2* is presented. This pushes the restructuring further by eliminating one or more titles as a result of consolidation. As such, it is the first model to reduce overall headcount as a result of merger. Typically, the reduction is applied to one or more administrative-level titles only.

In some departments, a *model #3* or *model #4* is presented. Where available, these models contemplate possible reduction in duplicative support and/or line staff titles. They may also consider cross-departmental synergies in a consolidated government, where multiple departments are currently performing reasonably similar functions in parallel fashion.

Governing Body

Recommendation:

The Commission’s recommendation of the Borough form of government would result in the reduction of five elected positions, leaving a mayor and a six-member governing body in the event of municipal consolidation. The Municipal Consolidation Subcommittee has recommended the elected positions in a consolidated Princeton be compensated at the level currently paid in the Borough for its mayor and governing body. This would result in recurring annual savings of approximately \$61,466.

Current State

The Borough and Township currently have a combined 12 elected officials. Both have a mayor; the Borough has six council members and the Township has four committee members. There are salary differentials between the mayors and governing body members. The Borough’s mayor (\$15,000) earns more than the Township’s (\$12,716); by contrast, the Township’s governing body members earn more (\$9,975) than the Borough’s (\$7,500).

When all current salaries, pension and Social Security costs are accounted for between the two governing bodies, the total cost to the Princetons is \$130,770.

Leveling Up

Assuming that the mayor's and governing body's salaries are "leveled up" to the higher of the present rates between the Borough and Township, the salary cost to a consolidated Princeton would total \$86,916. That would represent recurring annual savings of \$43,854, a reduction of 34 percent off current salary costs.

Leveling Down

Assuming that the mayor's and governing body's salaries are "leveled down" to the lower of the present rates between the Borough and Township, the salary cost to a consolidated Princeton would total \$67,020. That would represent recurring annual savings of \$63,750, a reduction of 49 percent off current salary costs.

***Assume Current Borough Compensation Levels
(RECOMMENDED BY SUBCOMMITTEE)***

Given the recommendation to adopt the Borough form of government in the event of consolidation, another option may be to simply apply the current compensation rates in the Borough to the mayor and governing body of a consolidated Princeton. Under this assumption, recurring annual savings of \$61,466 would be generated.

Administrator***Recommendation:***

The Municipal Consolidation Subcommittee has recommended adoption of Model 2 for the Administrator function. This would result in recurring annual savings of approximately \$206,000.

Current State

The day-to-day operations of the Borough and Township are overseen by two professional administrators – one in each municipality. There are salary differentials between the administrators. The Township's administrator (\$180,506) earns more than the Borough's administrator (\$172,359).

When all salary, pension, Social Security and medical insurance costs are accounted for between the two administrator's offices, the total cost to the Princetons is \$425,279.

Merged Baseline

Assuming that both administrator positions are retained, and the salary of the lower-paid administrator is "leveled up" to that of the higher-paid

administrator, the total cost to a consolidated Princeton would be \$434,739. That would represent an additional cost of \$9,460, an increase of 2 percent over current costs.

Model #1

Assuming that only one administrator position is retained (*i.e.* a reduction of one administrator position); the remaining administrator is paid at the rate of the higher-paid administrator; and that the second administrator position is repurposed into a full-time clerical position (at a fully-loaded cost of \$80,000) to serve as dedicated support staff to the administrator function, the total cost to a consolidated Princeton would be \$299,522. That would represent recurring annual savings of \$125,756, a reduction of 30 percent off current costs.

Model #2 (net reduction of 1.0 fte)

(RECOMMENDED BY SUBCOMMITTEE)

Assuming Model #1 but without the full-time clerical position, the total cost to a consolidated Princeton would be \$219,522. Under this approach, the administrator's office would continue to receive clerical support on an as-needed basis from neighboring departments, similar to how both function today. That would represent recurring annual savings of \$205,756, a reduction of 48 percent off current costs.

Clerk

Recommendation:

The Municipal Consolidation Subcommittee has recommended adoption of Model 3 for the Clerk function in the event of municipal consolidation. This would result in recurring annual savings of approximately \$199,000.

Current State

The clerk's offices in the Borough and Township are currently staffed by seven individuals collectively representing 5.75 full-time equivalent positions. The Borough has a full-time clerk, a full-time deputy clerk, one full-time administrative secretary and two part-time clerical support staff. The Township has a full-time clerk and a full-time deputy clerk. There are salary differentials between the clerk and deputy clerk positions. The Borough's clerk (\$92,115) earns more than the Township's (\$80,266), while the Township's deputy clerk (\$78,604) earns more than the Borough's (\$56,591).

When all salary, pension, Social Security and medical insurance costs are accounted for between the two clerk's offices, the total cost to the Princetons is \$579,254.

Merged Baseline

Assuming that all positions are retained, and the salaries of the clerk and deputy clerk are leveled up to the higher of the present rates, the total cost to a consolidated Princeton would be \$613,116. That would represent an additional cost of \$33,862, an increase of 6 percent over current costs.

Model #1

Assuming that the full staff complement is retained, but that the lower-paid clerk and deputy clerk titles are repurposed into support staff positions (at a fully-loaded cost of \$80,000 per), the total cost to a consolidated Princeton would be \$540,363. That would represent recurring annual savings of \$38,892, a reduction of 7 percent off current costs.

Model #2 (net reduction of 1.0 fte)

This builds on model #1, but assumes that only one of the re-purposed support staff titles is retained (as opposed to two). The total cost to a consolidated Princeton would be \$460,363. That would represent recurring annual savings of \$98,892, a reduction of 17 percent off current costs.

Model #3 (net reduction of 2.0 fte)

(RECOMMENDED BY SUBCOMMITTEE)

Assuming that only one clerk and deputy clerk are retained (*i.e.* a reduction of one clerk and one deputy clerk position); those remaining positions are leveled up to the higher of the present rates; and the full support staff complement is retained in its current form, the total cost to a consolidated Princeton would be \$380,363. That would represent recurring annual savings of \$198,892, a reduction of 34 percent off current costs.

Finance and Tax Collection

Recommendation:

The Municipal Consolidation Subcommittee has recommended adoption of Model 3 for the Finance and Tax Collection functions in the event of municipal consolidation. This would result in recurring annual savings of approximately \$217,000.

Current State

The finance and tax collection offices in the Borough and Township are currently staffed by thirteen individuals collectively representing 12.25 full-time equivalent positions. Both departments have a full-time CFO/tax collector. Additionally, the Borough has a full-time comptroller, full-time deputy tax collector, full-time bookkeeper and part-time tax clerk. The Township staff includes the following full-time positions: assistant CFO, purchasing agent, accounts payable, payroll/tax clerk, accounts payable assistant, bookkeeper and HR manager. There are salary differentials between several positions with similar responsibilities. For example, the Borough's CFO (\$113,886) earns more than the Township's (\$112,509); by contrast, the Township's assistant CFO (\$92,882) earns more than the Borough's comptroller (\$63,603). All other clerical/support staff salaries are reasonably in line.

When all salary, pension, Social Security and medical insurance costs are accounted for between the two finance/tax collection offices, the total cost to the Princetons is \$1,114,601.

Merged Baseline

Assuming that all positions are retained, and the salaries of the chief financial officer and assistant CFO/comptroller are leveled up to the higher of the present rates, the total cost to a consolidated Princeton would be \$1,145,257. That would represent an additional cost of \$30,656, an increase of 3 percent over current costs.

Model #1

Assuming that the full staff complement is retained, but that the lower-paid CFO and assistant CFO/comptroller titles are repurposed into support staff positions (at a fully-loaded cost of \$80,000 per), the total cost to a consolidated Princeton would be \$1,074,884. That would represent recurring annual savings of \$39,717, a reduction of 4 percent off current costs.

Model #2 (net reduction of 1.0 fte)

This builds on model #1, but assumes that only one of the re-purposed support staff titles is retained (as opposed to two). The total cost to a consolidated Princeton would be \$994,884. That would represent recurring annual savings of \$119,717, a reduction of 11 percent off current costs.

Model #3 (net reduction of 2.0 fte)

(RECOMMENDED BY SUBCOMMITTEE)

Assuming that only one CFO and assistant CFO/comptroller are retained (*i.e.* a reduction of one CFO and one assistant CFO/comptroller position); those remaining positions are leveled up to the higher of the present rates;

and the full support staff complement is retained in its current form, the total cost to a consolidated Princeton would be \$897,105. That would represent recurring annual savings of \$217,496, a reduction of 20 percent off current costs.

Engineering

Recommendation:

The Municipal Consolidation Subcommittee and Public Works Subcommittee have recommended adoption of Model 2 for the Engineering function in the event of municipal consolidation. The recurring annual savings associated with this Model (approximately \$177,000) are recognized in the integrated Public Works/Engineering/Sewer model presented in the Public Works section of this report.

Current State

The engineering departments in the Borough and Township are currently staffed by eighteen individuals, all of whom are full-time. The Borough's staff complement includes an engineer, assistant engineer, three engineering aides, a project engineer and two clerical positions. The Township's department includes a chief engineer, an assistant engineer, a design manager/surveyor, one engineering assistant, a development review official, an engineering development administrator, a construction administrator, one project manager/CAD operator and two clerical positions. It is important to note that one staff member in each department also serves the role of municipal zoning officer – in the Borough, an engineering aide serves that role; in the Township, it is the assistant engineer.

Comparing the two departments, there are salary differentials between certain key positions with similar responsibilities. For example, the Borough engineer is salaried at \$138,257, compared to \$153,830 for the Township engineer. The assistant engineer in the Township (\$101,216) earns more than the assistant engineer in the Borough (\$83,610). The remaining comparable titles in both departments – including engineering assistant, engineering aides, development review official and project managers are reasonably similar in salary.

When all salary, pension, Social Security and medical insurance costs are accounted for between the two departments, the total cost to the Princetons is \$1,974,087 (including the currently vacant engineer title in the Borough).

Merged Baseline

Assuming that all positions are retained, and the salaries of the engineer and assistant engineer are leveled up to the higher of the present rates, the total cost to a consolidated Princeton would be \$2,007,266. That would represent an additional cost of \$33,179, an increase of 2 percent over current costs.

Model #1

Assuming that the full staff complement is retained, but that the lower-paid engineer and assistant engineer are repurposed into staff engineer titles (at a fully-loaded cost of \$100,000 per), the total cost to a consolidated Princeton would be \$1,896,619. That would represent recurring annual savings of \$77,468, a reduction of 4 percent off current costs.

Model #2 (net reduction of 1.0 fte)**(RECOMMENDED BY SUBCOMMITTEE)**

Assuming that only one engineer is retained (*i.e.* a reduction of one engineer), and the duplicate assistant engineer is repurposed into a staff engineer title (at a fully-loaded cost of \$100,000), the total cost to a consolidated Princeton would be \$1,796,619. That would represent recurring annual savings of \$177,468, a reduction of 9 percent off current costs.

Model #3 (net reduction of 2.0 fte)

Assuming Model #2, but reducing the clerical support staff from four full-time equivalents to three (by cutting the lowest-cost title), the total cost to a consolidated Princeton would be \$1,737,502. This would represent recurring annual savings of \$236,585, a reduction of 12 percent off current costs.

Court***Recommendation:***

The Municipal Consolidation Subcommittee has recommended adoption of Model 3 for the Courts function in the event of municipal consolidation. This would result in recurring annual savings of approximately \$79,000.

Current State

The municipal courts in the Borough and Township are staffed by seven individuals representing a combined 6.6 full-time equivalent positions, plus a part-time municipal judge in each court. Notably, the Borough and Township utilize the services of the same judge. Both courts are staffed by a full-time court administrator; both also have a deputy administrator, although the Borough's is full-time while the Township's is 0.6 FTE. The Borough also has three full-time records clerks, a recognition of the fact that its annual caseload is approximately six times greater than that of the Township.

The only notable salary differential between the two courts regards the title of court administrator. The Borough's administrator earns approximately 27 percent more than the Township's.

When all salary, pension, Social Security and medical insurance costs are accounted for between the two courts, the total cost to the Princetons is \$582,316.

Merged Baseline

Assuming that all positions are retained, and the salary of the court administrator is leveled up to the higher of the present rates, the total cost to a consolidated Princeton would be \$599,268. That would represent an additional cost of \$16,952, an increase of 3 percent over current costs.

Model #1

Assuming all positions are retained, but that the lower-paid court administrator was re-purposed into a records clerk position (at a fully-loaded cost of approximately \$65,000) to accommodate combined workload, the total cost to a consolidated Princeton would be \$568,702. That would represent recurring annual savings of \$13,614, a reduction of 2 percent off current costs.

Model #2 (net reduction of 1.0 fte)

The ratio of court staff-to-caseload suggests that additional workforce efficiencies may be achievable with a consolidated court. Although the Township's court staff total is less than one-third of the Borough's, its ratio of staff-to-case volume approximately double. With this as a guide, it is possible that a consolidated court could generate additional efficiencies while still disposing of the merged workload. As such, this model assumes the re-purposing of the lower-paid administrator (as shown in model #1), but also elimination of the part-time deputy administrator position. (Note: A full-time deputy administrator would still remain under this model.) Under this assumption, the total cost to a consolidated Princeton would be \$542,900. That would represent recurring annual savings of \$39,416, a reduction of 7 percent off current costs.

Model #3 (net reduction of 1.0 fte)**(RECOMMENDED BY SUBCOMMITTEE)**

This model applies the rationale behind model #2, but eliminates the lower-paid administrator position rather than the part-time deputy administrator. Under this assumption, the total cost to a consolidation Princeton would be \$503,176. That would represent recurring annual savings of \$79,140, a reduction of 14 percent off current costs.

Construction***Recommendation:***

The Municipal Consolidation Subcommittee has recommended adoption of Model 1 for the Construction function in the event of municipal consolidation.

However, it notes that any savings attributable to the merger of the Construction function would have no impact on property taxes, since Construction is a fee-based service. Thus, any savings would be passed on to applicants in the form of a revised fee schedule.

Current State

The construction code offices in the Borough and Township are currently staffed by fourteen individuals representing a combined 10.4 full-time equivalent positions. Both are overseen by a full-time construction/building official, and include a full-time technical assistant and combinations of full- and part-time support staff to handle enforcement of various subcodes. At least one pending retirement exists – the Borough’s building official is retiring effective July 1, 2011.

There are some salary differentials between comparable positions in the Borough and Township. For example, the construction/building official in the Borough (\$98,175) earns more than the same position in the Township (\$94,470); similarly, the title of technical assistant to the construction officer has a salary difference of approximately \$12,000, and the building inspector titles are roughly \$3,500 apart. While salary differences exist in certain subcode inspector titles, this is likely a reflection of different full-time equivalency for those titles between the Borough and Township.

When all salary, pension, Social Security and medical insurance costs are accounted for between the two departments, the total cost to the Princetons is \$1,021,125.

In looking at a merged Princeton, there are two unique things about the construction office that should be noted. The state’s Uniform

Construction Code requires that permit fees offset the costs of the programs. At the time of merger, it would be wise to determine whether the fee schedule should be changed to fit with changing costs of the merged department. Because of the consideration that the costs and fees must be offsetting, there is no tax advantage in a potentially more efficient merged department, but there is a potential advantage to property owners (and prospective developers) in the potential reduction in permit fees. A more detailed discussion of the differences in current construction fees is presented in the Baseline Report.

The second factor is that the Township's construction fund is dedicated by rider, requiring that it be kept in a separate fund in which all construction revenues are to be deposited and from which all construction expenses are to be paid. In essence, this serves to tighten the state requirement that fees and costs are offsetting. If merger occurs, the new municipality would need to determine if construction would be accounted for in a separate fund, that is, dedicated by rider, or become part of the general fund.

Merged Baseline

Assuming that all positions are retained, and the salaries of the construction official, technical assistant and building inspector titles are leveled up to the higher of the present rates, the total cost to a consolidated Princeton would be \$1,041,794. That would represent an additional cost of \$20,669, an increase of 2 percent over current costs.

A merged department should offer greater convenience to the property owner, because of the increased availability of staff both to assist in filing the permit application and to perform inspections. In addition, the Borough has begun to evaluate potentials for more efficient filing and retrieval of the permit folders, while the Township has scanned all of its documents back to 1923. Both initiatives should help in making headcount reduction feasible, without a reduction in service levels.

Model #1

(RECOMMENDED BY SUBCOMMITTEE)

Assuming that the full staff complement is retained, but both the lower paid Construction Official and the Technical Assistant to the Construction Official are repurposed into lower paid positions of sub-code inspector and administrative secretary, the recurring annual savings would be \$43,609. The total costs, including leveling up would be \$998,185, which would represent a 2 percent reduction in overall costs.

Model #2 (net reduction of 0.65 fte)

Assuming that the duplicate position of the lower paid Construction Official is reduced to a part-time sub-code official with hours similar to the existing part-time sub-code officials, the total costs are reduced to

\$933,223. The recurring annual cost savings resulting from part-time hours and the reduction in health insurance premiums (estimated at \$15,000) represents 9 percent of the current combined costs.

Model #3 (net reduction of 1.15 fte)

If the recurring annual savings of Model #2 were extended by reducing the lower paid Technical Assistant to a part-time clerical assistant (at a fully-loaded cost of \$30,000) without health benefits (estimated at \$15,000), the total costs would be \$908,249. Under this approach, total costs are reduced by 11 percent off current levels.

Affordable Housing

Recommendation:

The Municipal Consolidation Subcommittee has recommended the continuation of a single full-time Affordable Housing Coordinator, supplemented by contracted services for marketing and processing of applicant qualifications, in the event of municipal consolidation. There are no associated annual recurring savings.

Current State

The affordable housing functions in the Borough and Township are staffed by three individuals representing 1.5 full-time equivalent positions. The organization and staffing of the functions are very different in the Borough and Township. The Township has a full-time coordinator and secretarial support for almost a half-time position. The Borough utilizes about ten percent of the zoning officer's time to coordinate affordable housing functions, with no significant additional staff support. The Borough also contracts with the Somerset County Council on Affordable Housing (SCCOAH) to be the administrative agent and provide marketing and applicant services on behalf of the Borough. In addition, both municipalities contract for various professional services to support the affordable housing function, including an accountant, planner, an attorney in the Township and someone to take minutes of the Affordable Housing Board in the Borough.

When all salary, pension, Social Security and medical insurance costs are accounted for between the two affordable housing operations, the total cost to the Princetons is \$125,610. Additionally, contract expenses for professional services include the Borough's contract with SCCOAH at \$26,520. Most other contracted costs are for professional services that are

paid for depending on the need (subject to the volume of property transactions).

Both municipalities have an affordable housing utility in place as the budgeting mechanism. The operating portion of the budgets, which includes only salaries/wages and other expenses, provides a realistic picture of the total costs of running the two programs. In 2010, the operating budgets totaled \$319,597 (*i.e.* \$111,300 in the Borough and \$208,297 in the Township). The annual budgets can vary considerably depending on acquisitions, sales of properties and debt service. The 2010 total budget in the Township included over \$400,000 in debt service. The Township has provided \$200,000 annually to the affordable housing utility from its general budget.

In the event of consolidation, the affordable housing function will require decisions in order to meld the different scope and operation of the two departments. The Borough owns five units and monitors about fifty deed-restricted units; the Township owns 130 units and monitors over 150 deed-restricted units. Both departments support Princeton Community Housing and the Princeton Housing Authority.

Merged Baseline

Salary harmonization would likely not apply to this function. There is no duplication of titles, since the individual acting as the affordable housing coordinator in the Borough is paid primarily out of other budget cost centers. However, decisions would need to be made about how to assume the additional workload of the 0.1 FTE and whether the merged department would continue to contract for administrative services or increase staff. Under the baseline approach, there would be no change in current cost.

Model #1

Assuming that the full staff complement is retained, but that the part-time coordinator is repurposed into administrative support, such as is currently provided in the Township by 0.4 FTE, the result would consist of a full-time coordinator and 0.5 FTE of secretarial/administrative support. The total cost of this consolidated model would be \$122,170. That would represent recurring annual savings of \$3,440, a reduction of 3 percent off current costs.

Model #2 (contracted model)

The Borough has provided administrative support for its affordable housing operation through an annual contract for \$26,520, an amount very similar to the staff costs of \$26,337 in the Township. One option that can be considered is to increase the contract services and amount of cost to replace existing staff administrative costs. However, CGR's analysis does

not suggest that this would likely reduce costs or satisfy the needs of a larger affordable housing function.

Model #3 (staff model)

An alternative to model #2 is to discontinue the contract with SCCOAH and replace it with additional in-house staff. The amount of additional staff would need to be determined, but an increase to 1.0 FTE for administrative support would effectively increase current costs. At current salary levels, but increased to full-time status and discontinuing the SCCOAH contract, the total costs would become \$155,091, an increase of 2 percent over the current staff and SCCOAH costs. If the current part-time administrative support position became full-time, additional costs of about \$15,000 for health insurance costs could result in an additional ten percent increase.

This model may be attractive because of the operational efficiencies that could result from one department with all administrative support provided by department staff. To offset the costs of going to a full-time administrative support person, there are several options:

- Utilize two part-time people, resulting in full-time equivalent staffing adequate to the task but less than 1.0 FTE;
- Utilize a full-time person, but share the individual to provide support to similar departments, such as zoning and historic preservation; or
- Consider a merger of affordable housing with similar departments, such as zoning and historic preservation, reducing overall administrative support costs by providing a pool of flexible support personnel.

Emergency Management

Recommendation:

The Municipal Consolidation Subcommittee has recommended the continuation of a single full-time Emergency Management Coordinator in the event of a municipal consolidation. There are no associated annual recurring savings.

Under formal charge from the state's Department of Homeland Security, counties and municipalities are required to catalogue their emergency preparedness resources and develop emergency plans. The administrative responsibility for emergency management in both the Borough and

Township is vested in a police captain – one in each municipality. This function is fulfilled by the two captains in addition to their other normal police department responsibilities (*i.e.* they are not solely emergency management directors). It is therefore likely that a consolidated Princeton would not experience any direct savings from merger of the two emergency management functions. In fact, a consolidated municipality may desire to vest this responsibility in multiple positions, to facilitate integration and transition issues that might accompany consolidation.

Beyond the emergency management responsibilities, the Borough established a full-time Director of Emergency Services in 2009. The position, funded by Princeton University, is separate from the management role played by the police captains. It oversees coordination of emergency services (fire and first aid) and serves an administrative oversight role for the fire department. The position also serves as liaison between the fire department and other agencies such as Princeton First Aid and Rescue Squad and Princeton University Department of Public Safety. As the position is currently funded by the University to enhance communication and coordination regarding emergency services and preparedness, *ceteris paribus* we believe the position would not be affected by consolidation and would continue in its current form in a merged Princeton.

Fire Inspection

Recommendation:

The Municipal Consolidation Subcommittee makes no formal staffing recommendation for the Fire Inspection function in the event of municipal consolidation, except to note that the program should continue to be designed in such a way that the fee schedule covers the overhead costs of providing the service. Any associated savings would be passed on to applicants in the form of a revised fee schedule.

Current State

The fire inspection functions in the Borough and Township are staffed by eight individuals collectively representing 6.7 full-time equivalent positions. Both departments are led by a full-time fire official. The Borough additionally has a full-time deputy fire official. To support the key responsibility of the departments, both also include fire inspector staff – the Borough has two full-time inspectors, while the Township has one part-time inspector (since the Township’s fire official also serves as an inspector). In addition, both departments have administrative support –

the Borough has a full-time administrative assistant (who also serves as rental coordinator); the Township has a part-time administrative assistant.

In comparing the two departments, the most notable salary differential between common positions regards the fire official himself. The Borough's fire official earns approximately 26 percent more than the Township's. There are also slight disparities in the pay of fire inspectors, where (annualized to full-time equivalency) the Township's part-time inspector earns slightly more than the Borough inspectors. But because there is no apples-to-apples comparison between full-time fire inspectors between the Borough and Township, no harmonization of those salaries is assumed here.

When all salary, pension, Social Security and medical insurance costs are accounted for between the two fire inspection offices, the total cost is \$504,560.

Merged Baseline

Assuming that all positions are retained, and the salary of the fire officials are leveled up to the higher of the present rates, the total cost to a consolidated Princeton would be \$522,182. That would represent an additional cost of \$17,622, an increase of 3 percent over current costs.

Model #1

Recognizing that a consolidated fire inspection department would likely only require a single fire official, one option would be to simply consolidate the current workforce complement as a whole *without* any salary harmonization up or down. This would effectively shift the Township's current fire official title over to serve as a fire inspector (a role it already serves in the Township) into a merged department *without* salary adjustment. Under this scenario, the total cost would remain \$504,560 – that is, no change in current costs.

Model #2

A variant to model #1 could recognize that the lower-cost fire official title, if re-deployed exclusively as a fire inspector, could be reduced in salary cost to reflect the salary level of other inspectors in the consolidated operation. Reducing the cost of the re-purposed fire official to the highest salary of the remaining fire inspectors would result in total costs of \$488,647. That would represent recurring annual savings of \$15,912, a reduction of approximately 3 percent off current costs.

Model #3 (net reduction of 1.0 fte)

This model builds on model #2, retaining the full inspector workforce to handle combined inspection workload, but assumes that one full-time clerical support staff position would be sufficient to service the

department's needs. This would alleviate the need for the duplicate part-time administrative assistant position (currently 0.4 FTE). Under this model, the cost to a consolidated Princeton would total \$475,586. That would represent recurring annual savings of \$28,973, a reduction of 6 percent off current costs.

Tax Assessment

Recommendation:

The Municipal Consolidation Subcommittee has recommended adoption of Model 2 for the Tax Assessment function in the event of municipal consolidation. This would result in recurring annual savings of approximately \$17,000.

Current State

Although the tax assessment functions in the Borough and Township are technically separate operations, they are both overseen by the same assessor. That staff member works a full-time schedule in the Township, as well as a part-time schedule in the Borough. In total, the tax assessment function across the two municipalities is staffed by three individuals collectively representing 2.8 full-time equivalent positions. In addition to the full-time assessor, the Township has a full-time assistant assessor; the Borough, in addition to the part-time (0.3 FTE) assessor has a half-time assistant assessor. Because the assessor title is filled by the same individual in both municipalities, and the assistant assessor positions are different full-time loads in both, no salary harmonization is assumed in the following models.

When all salary, pension, Social Security and medical insurance costs are accounted for between the two tax assessment offices, the total cost is \$222,577.

Merged Baseline / Model #1

Assuming that all positions are retained in their current form, the total cost to a consolidated Princeton would remain the same (\$222,577).

Model #2 (net reduction of 0.5 fte)

(RECOMMENDED BY SUBCOMMITTEE)

In a consolidated municipality, the overall workload of the tax assessment function would remain basically unchanged. That is, the current parcel count in the Township (5,959) would simply be added to the parcel count in the Borough (2,862). At present, the staff-to-parcel ratios are not significantly different between the two – the Township has one FTE per

2,979 parcels; the Borough has one FTE per 3,577. In a consolidated tax assessment office, the ability to reduce staff by any significant amount would likely be limited. At most, a merged department may be able to shed a part-time assistant assessor title going forward. (Note: The assistant assessor title in the Borough is generally 0.25 FTE, but was budgeted at 0.5 FTE in 2010 to address additional workload generated by the recent revaluation.) Under this assumption, the total cost to a consolidated Princeton would be \$204,935. That would represent recurring annual savings of as much as \$17,642, a reduction of 8 percent off current costs.

Zoning and Historic Preservation

Recommendation:

The Municipal Consolidation Subcommittee has recommended adoption of Model 1 initially for the Zoning and Historic Preservation function in the event of municipal consolidation, transitioning to Model 2 over the first two years. Although the model produces operational efficiencies – allowing certain staff positions to return to other primary functions – there are no associated recurring annual savings.

Current State

The zoning and historic preservation functions in both the Borough and Township are difficult to “carve out” as standalone operations and cost centers, since both are staffed in part with individuals whose primary responsibilities are in other departments. In total, the zoning and historic preservation functions are staffed by a collective of six individuals representing approximately 5.0 full-time equivalent positions. The Township has the larger combined operation – a full-time zoning officer/development enforcement officer (who serves as assistant engineer in the engineering department); a full-time deputy zoning officer; a full-time secretary to the zoning officer/zoning board; and a full-time secretary to support the historic preservation officer. The Borough’s operation includes a nearly full-time zoning officer/historic preservation officer (whose full-time responsibilities are rounded out by affordable housing and engineering functions) and approximately 0.1 FTE in clerical support from the engineering department.

Because several of the Borough and Township staff that are assigned to the zoning/HPO function have portions of their time and salaries funded from other parts of the budget (particularly engineering), it is difficult to

approximate a salary harmonization approach in this department. As such, no salary harmonization is assumed in the following models.

Merged Baseline / Model #1

(RECOMMENDED BY SUBCOMMITTEE IN YEAR 1)

Assuming that all positions are retained in their current form, the total cost to a consolidated Princeton would remain the same.

Model #2

(RECOMMENDED BY SUBCOMMITTEE BY YEAR 2)

In all likelihood, the efficiencies to be gained from a merged zoning and historic preservation department are *operational* more than they are financial. That is, a consolidated function would enable a unified Princeton to reallocate certain key staff back to their “home” departments (in this case, engineering) while retaining sufficient staff levels to meet the workload created by a merged zoning/HPO department. Simply reducing the staff levels within zoning/HPO would not necessarily result in direct savings, since many of those staff have primary responsibilities outside the zoning/HPO function.

Under this model, a merged zoning/HPO function could be administered by one full-time zoning/historic preservation officer, supported by a deputy zoning officer and two clerical staff (a secretary to the zoning board and one to the historic preservation function). This scenario would enable a re-deployment of one current zoning officer back to the engineering department.

Information Technology

Recommendation:

The Municipal Consolidation Subcommittee has recommended the continuation of a single full-time Director of Information Technology in the event of municipal consolidation, with the utilization of outside vendor support as necessary. There are no associated annual recurring savings.

The Borough and Township administer the IT function in quite different ways. The Borough relies on outside vendors for nearly all information technology services; the Township, by contrast, has a dedicated staff presence in the form of a full-time Director of IT.

Since there is no parallel staff presence in the Borough, the restructuring options regarding information technology in a consolidated Princeton are limited. The most obvious options appear to be as follows:

1. Retain the position of Director of IT, supplemented by outside vendor support (as the Township currently does); or
2. Eliminate the position of Director of IT, and outsource all functions to vendors.

Based on CGR’s review of current operations and our expectations regarding the integration/maintenance tasks related to the proposed consolidation, we believe the first option is likely the most appropriate for a merged Princeton. This would result in no direct workforce cost reductions. However, there is likely to be potential going forward in “bulking” vendor services. For example, the Borough and Township currently utilize different web hosting vendors; consolidating with a single vendor may yield modest cost savings. We also believe there is potential to reduce (or possibly eliminate) the \$29,000 paid by the Borough for computer and network support, as the Township’s Director of IT currently serves those functions.

Legal Services

Neither the Borough nor Township has municipal attorney personnel on staff. Rather, both contract with outside providers for legal-related services. The Township uses Mason, Griffin & Pierson, PC for its general legal services; Harry Haushalter for tax appeal issues; and special labor counsel for contract negotiations on an as needed basis. All legal services are paid according to hourly rates provided for in the Township’s contract for service with each attorney/firm. The Borough relies upon Hill Wallach for general legal services; Apruzzese, McDermott, Mastro & Murphy for special labor matters; Harry Haushalter for tax appeals; and Herbert, VanNess, Cayci & Goodell for special legal matters. All legal services are paid according to hourly rates provided for in the Borough’s contract with each attorney/firm.

Since there is no in-house legal staff in the Borough or Township, the restructuring options are limited. Given the familiarity with outside counsel – and the precedent in both communities – we would recommend that a consolidated Princeton retain the current framework of relying on private vendors to provide legal services. As services are provided according to hourly rates, we do not believe there is a substantial savings opportunity in this area. The only exception to that may be legal matters that currently include *both* the Borough and Township, where both are spending legal service fees on identical issues.

Joint Services

The Borough and Township already provide a number of joint services to the entire community. For all intents and purposes, these services operate

in consolidated fashion. Administrative and financial oversight is handled pursuant to a “banking” structure, in which the service is “banked” by either the Borough or Township. Services banked by the Borough treat employees as Borough employees; the service as a Borough budget cost center; and the Township’s financial contribution as a revenue in the Borough budget. Conversely, services banked by the Township treat employees as Township employees; the service as a Township budget cost center; and the Borough’s financial contribution as a revenue in the Township’s budget.

Unlike Borough and Township departments that operate separately at the present time, there is likely to be little in the way of *new* opportunities available to joint services. That is, joint services already have opportunities available to them that other departments do not, since they are already consolidated. Administrative efficiencies are already evident as a result. Each has a unified administrative structure, saving certain overlapping costs. For example, one health department serves the entire community, avoiding costs that would otherwise exist from a second health officer, registrar and clerical support team.

As such, CGR’s review of these already-consolidated services was different from the review of other functions. Based on our review of services (and service levels) provided, and our understanding of the current administrative and staffing structure in each, we identified (where applicable) potential opportunities for enhancing operational and financial efficiency. Where no such opportunities were identified, it is noted accordingly.

Sewer

As noted in the review of Public Works operations, CGR believes a consolidated Princeton may offer potential efficiency opportunities for the Princeton Sewer Operating Commission (PSOC) and the services it provides. These potential opportunities involve *both* staffing and capital facilities.

For additional information and detail on potential options, see the review of Public Works operations.

Recreation

As noted in the review of public works operations, CGR believes a consolidated Princeton may offer potential efficiency opportunities for the joint recreation department and the services it provides (specifically grounds maintenance). These potential opportunities would shift certain parks/grounds maintenance to the public works department and enable the recreation department to focus exclusively on programming issues.

For additional information and detail on options, see the review of Public Works operations.

Regional Planning

The regional planning board and joint planning department offer critical institutional framework in the event of a Borough/Township consolidation. Particularly regarding issues of community “character,” development and future planning, the existence of a regional board has already afforded the community a mechanism to jointly discuss Borough and Township issues, concerns and desires, as well as setting planning policy in the context of separate zoning ordinances that reflect different “needs and wants” in different parts of the community.

CGR does not believe a consolidated Princeton would provide additional opportunities to substantively restructure or generate additional efficiencies from the operations of the regional planning board and joint planning department. We estimate that the current staff level – 3.8 full-time equivalent positions – would remain reasonably stable as its workload and purview stay the same. It is likely that the planning department’s workload would be benefited to some degree by being able to work with *one* historic preservation commission, *one* shade tree commission, and so on (it currently works with two – the Borough’s and the Township’s).

Corner House

CGR does not believe a consolidated Princeton would provide additional opportunities to substantively restructure or generate additional efficiencies from the operations of Corner House and the services it delivers.

Public Health

CGR does not believe a consolidated Princeton would provide additional opportunities to substantively restructure or generate additional efficiencies from the operations of the Public Health Department (including the joint Boards of Health) and the services it delivers.

Environmental Commission

CGR does not believe a consolidated Princeton would provide additional opportunities to substantively restructure or generate additional efficiencies from the operations of the Joint Princeton Environmental Commission and the services it delivers.

Human Services Commission

CGR does not believe a consolidated Princeton would provide additional opportunities to substantively restructure or generate additional efficiencies from the operations of the Princeton Human Services Commission and the services it delivers.

Fire

CGR does not believe a consolidated Princeton would provide additional opportunities to substantively restructure or generate additional efficiencies from the operations of the Princeton Fire Department and the services it delivers.

Solid Waste

CGR does not believe a consolidated Princeton would provide additional opportunities to substantively restructure or generate additional efficiencies from the PSOC's administration of the solid waste convenience station on River Road.

OPTIONS: POLICE

Recommendation #1 (Consolidation):

The Police Subcommittee has recommended a combined Princeton Police Department of 51 sworn personnel in the event of municipal consolidation. The Subcommittee has recommended this implementation be staged over time, such that after a period of initial consolidation to ensure that there is not a lapse in police services, and while others are working to merge police resources, the governing body should move aggressively to implement the target recommendation of 51 sworn personnel as soon as reasonably and safely as possible. This may take as much as three years, but could occur sooner. The exact timing should be determined by the progress of the consolidation and direction coming from the governing body. At full implementation, this will result in recurring annual savings of approximately \$2.1 million.

Recommendation #2 (Facilities):

The Police Subcommittee has recommended that a combined Princeton Police Department, including emergency dispatch operations, be housed in the Township Municipal Building in the event of municipal consolidation.

Recommendation #3 (Shared Services):

The Police Subcommittee has recommended that, in the event a municipal consolidation is not adopted, the Borough and Township implement a Princeton Police Department as a shared service. The department would be governed by a “Princeton Public Safety Authority,” to which a single Chief of Police would report, pursuant to a joint meetings framework. The shared department would implement the same organizational and facility recommendations offered above in Recommendations #1 and #2.

Overview

The Princeton community is currently served by two separate Police Departments – the Borough’s and the Township’s. The departments have a combined budgeted level of 60 sworn personnel. In addition, the departments have a complement of civilian staff responsible for the discharge of records keeping, clerical and emergency dispatch responsibilities.

This options section considers alternatives to the *status quo* that would be available to the Princeton community in the event that the Borough and Township remain separate *or* choose to consolidate into a single municipality. The continuation of the two municipalities as separate units does not preclude options to work more closely together to share and/or consolidate certain functions – up to and including a merger of the two departments as a shared service. Of course, in the event that a full municipal consolidation is approved, the two Police Departments will be required to meld into a single department.

Consolidated Options

The Princeton community could have a single consolidated Police Department under two different scenarios: First, through a municipal consolidation of the Borough and Township into a single government; second, through a functional consolidation whereby one department serves the two municipalities (*i.e.* a shared service). The latter scenario would require consolidation of the police function *and* a contractual agreement between the Borough and Township to provide specific services at an agreed-upon cost. A single shared department serving two municipalities would also require certain administrative/governance issues to be addressed, as reviewed later in this section.

Regardless of the implementation scenario, the basic differences among consolidated options involve staffing levels, service levels and departmental structure. This section considers a series of basic models for providing a consolidated police service to the Princeton community, regardless of whether that consolidated service is offered to a merged municipality or two independent municipalities under terms of a shared service contract.

In developing and reviewing a series of structural options, the Commission’s Police Subcommittee worked with a task force of members from both the Borough and Township Police Departments, including both Chiefs and command staff personnel. Other model variations were also prepared by CGR based on its own analysis and Subcommittee discussion.

Model 1 (60 sworn personnel)

The first model builds on a structure submitted for consideration by the Borough Police Department, and presents a “headcount neutral” approach to melding the two departments into one. It assumes 60 sworn personnel (equivalent to the current budgeted level), integrated into a single command framework, along with 15 civilian positions, as follows:

Sworn

- 1 chief
- 2 captains
- 4 lieutenants
- 9 sergeants
- 4 corporals
- 6 detectives
- 24 patrol officers, 4 traffic officers, 6 community services officers

Civilian

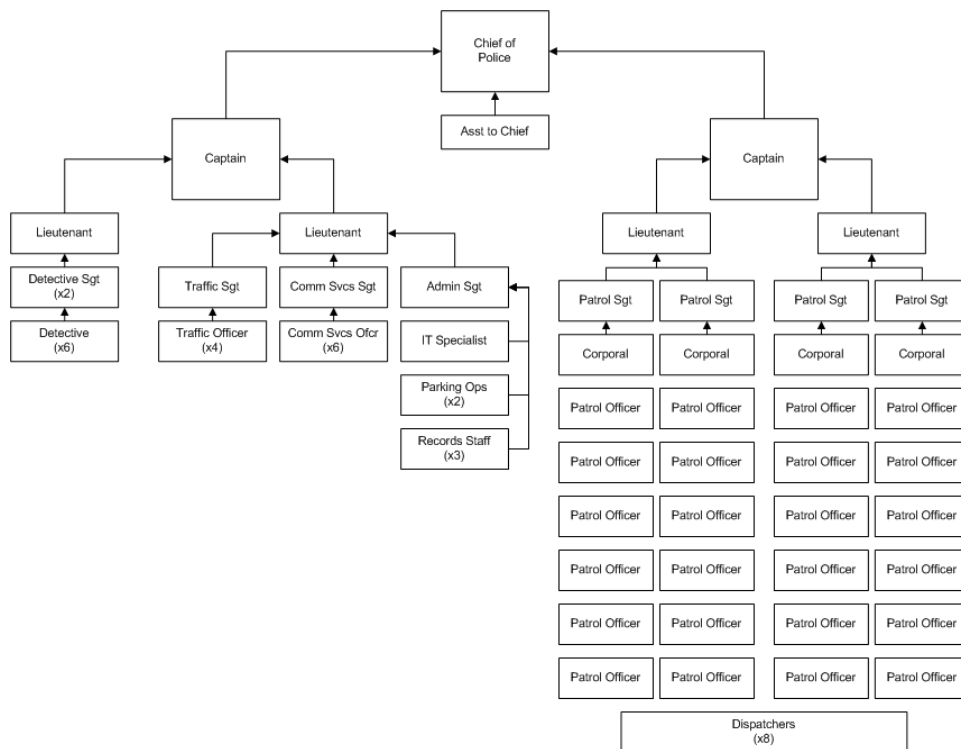
- 1 administrative assistant
- 3 records staff
- 2 parking enforcement
- 8 dispatch
- 1 information technology specialist

Operational Considerations

This model would re-establish a dedicated community services (*i.e.* “Safe Neighborhoods”) unit to allow for additional proactive policing strategies. Both the Borough and Township Police Departments previously had such units, but budgetary pressures have resulted in their reduction over recent years. The model would also create a dedicated traffic services unit, to provide regular safety coverage for road construction sites, and adds a detective. From a patrol perspective, the model melds the Borough and Township’s current four-platoon system for ensuring 24/7 coverage. Each patrol unit would be headed by a patrol sergeant and patrol corporal, and include six patrol officers.

Financial Considerations

Based on an analysis of median salary and “all-in” (*i.e.* salary plus benefits) costs for all current Borough and Township personnel at each title, it is estimated that the framework proposed under Model 1 would reduce direct salary costs by approximately \$400,000, or 5.4 percent off of current aggregate salary costs. The estimated “all-in” recurring annual savings of the model is \$590,000, or 5.4 percent of current all-in costs.



Model 2 (60 sworn personnel)

(RECOMMENDED BY SUBCOMMITTEE IN YEAR 1)

The second model builds on a structure submitted for consideration by the Township Police Department, and presents a “headcount neutral” approach to melding the two departments into one. It assumes 60 sworn personnel (equivalent to the current budgeted level), integrated into a single command framework, along with 18 civilian positions. Unlike Model 1 which was also a headcount neutral option, Model 2 seeks to preserve current headcount in a way that integrates current rank to the extent possible. In so doing, it may help to ease the transition to a single department.

Sworn

- 1 chief
- 2 captains
- 4 lieutenants
- 12 sergeants
- 4 corporals
- 4 detectives
- 28 patrol officers, 3 traffic officers, 2 community services officers

Civilian

- 2 administrative assistant

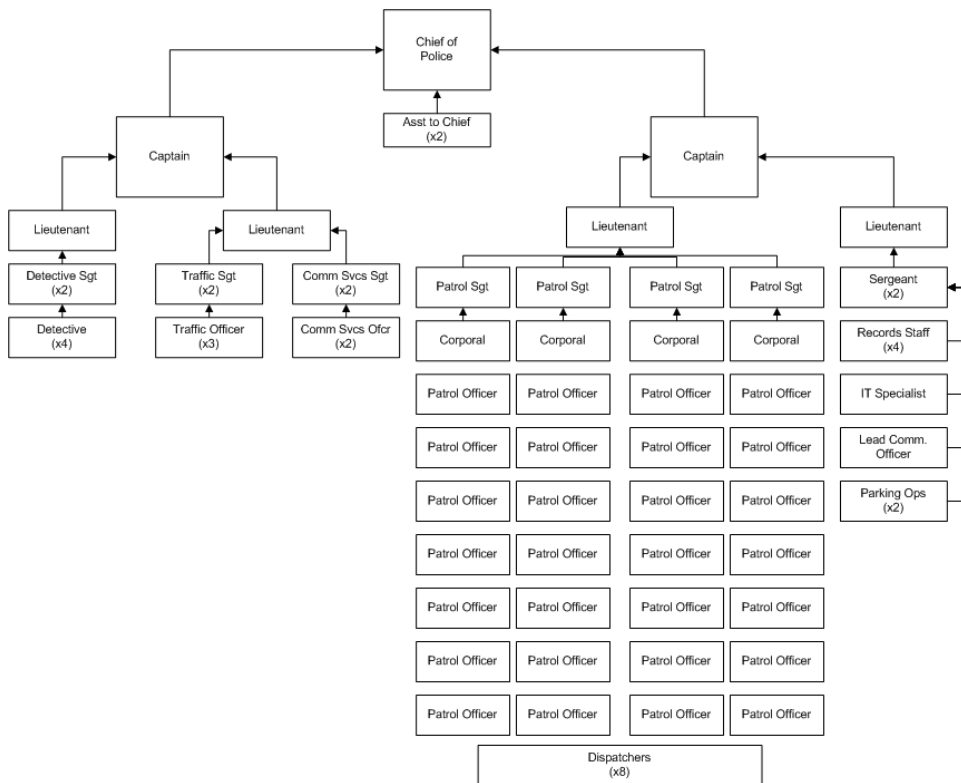
- 4 records staff
- 2 parking enforcement
- 9 dispatch (incl. one lead communications officer)
- 1 information technology specialist

Operational Considerations

This model shares some of the operational considerations of Model 1. It would re-establish a dedicated community services unit, albeit slightly smaller in size than that proposed in Model 1. Its detective unit would be slightly smaller than that of Model 1, with two detective sergeants (one nights, one day) and four detectives. The patrol structure is different from Model 1 – whereas Model 1 assumed a patrol sergeant, corporal and six officers in each platoon, Model 2 assumes a sergeant, corporal and seven patrol officers in each.

Financial Considerations

Based on an analysis of median salary and “all-in” (i.e. salary plus benefits) costs for all current Borough and Township personnel at each title, it is estimated that the framework proposed under Model 2 would reduce direct salary costs by approximately \$175,000, or 2.4 percent off of current aggregate salary costs. The estimated “all-in” recurring annual savings of the model is \$250,000, or 2.3 percent of current all-in costs.



Model 3 (54 sworn personnel)

(RECOMMENDED BY SUBCOMMITTEE IN YEAR 2)

The third model was developed based on independent analysis by CGR and Michael Carpenter, Principal of Police Management Services LLC, a New York-based firm with expertise in law enforcement management studies and structural analysis of police departments. The key distinction between Model 3 and the two preceding models is that it is designed irrespective of current staffing levels and rank. Although the model retains the current four-platoon patrol structure, the assumed size of the patrol workforce is based upon Police Management Services' analysis of workload data (including the number of calls per shift and the average length of time spent on each call).

Based on the analysis, we conclude that a combined Princeton PD would at minimum need the equivalent of 26 full-time patrol officers to adequately meet the current call-for-service demand level *after accounting for the length of time spent on the average call and actual officer availability*. This figure only pertains to uniformed police officers, and does not include supervisors, command level officers, other executive officers *or* officers assigned to specialized units (*e.g.* community services, safe neighborhoods, traffic). This number represents just the *minimum* number of officers needed to handle calls for service.

This approach distinguishes Model 3 from the two preceding models, since it does not seek to integrate the current departments using a "headcount/rank neutral" approach. As a result, the model assumes a reduction to 54 sworn positions and 15 civilian positions, as follows:

Sworn

- 1 chief
- 1 captain
- 2 lieutenants
- 8 sergeants
- 4 corporals
- 6 detectives
- 24 patrol officers, 3 traffic officers, 4 community services officers, 1 accreditation officer

Civilian

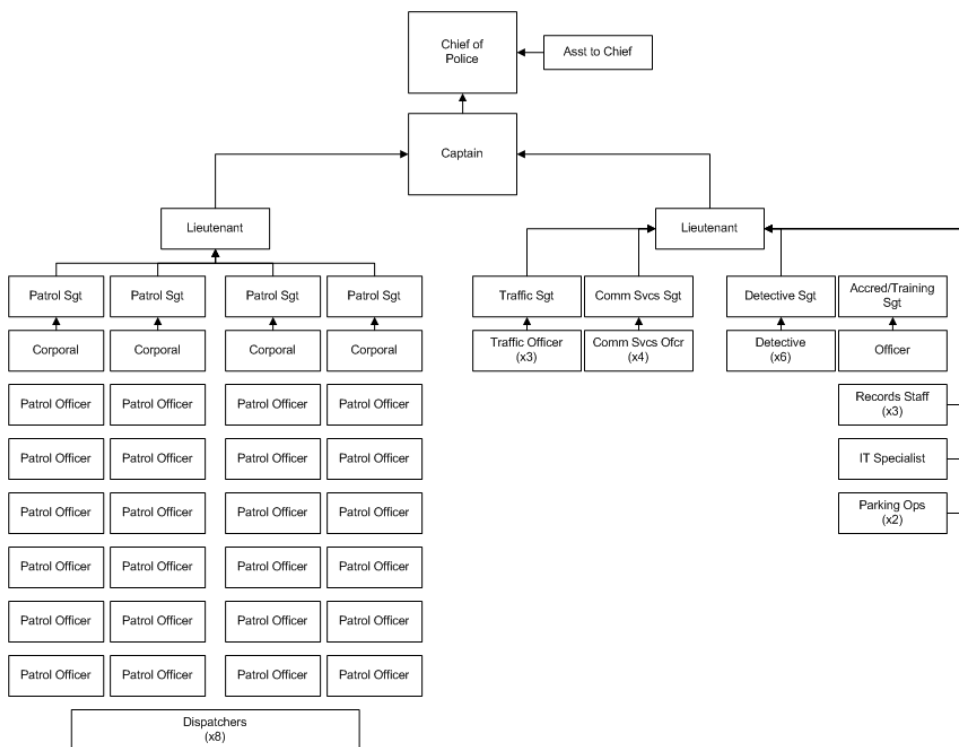
- 1 administrative assistant
- 3 records staff
- 2 parking enforcement
- 8 dispatch
- 1 information technology specialist

Operational Considerations

This model is characterized by a smaller overall command staff. Unlike Models 1 and 2, it has a single captain (compared with two in each other model); two lieutenants (compared with four in each other model); and eight sergeants (compared with 12 in Model 2). As noted above, patrol platoon workforce size is assumed to be slightly above the minimum level suggested by current workload volume. Even with the overall reduction in workforce size, the model allows for re-establishment of a dedicated special projects/neighborhoods unit and a regular traffic division, each under the direction of a sergeant. The model also assumes a dedicated sergeant in charge of accreditation and training issues.

Financial Considerations

Based on an analysis of median salary and “all-in” (*i.e.* salary plus benefits) costs for all current Borough and Township personnel at each title, it is estimated that the framework proposed under Model 3 would reduce direct salary costs by approximately \$1,090,000, or 14.9 percent off of current aggregate salary costs. The estimated “all-in” recurring annual savings of the model is \$1,651,000, or 15.0 percent of current all-in costs.



Model 4 (51 sworn personnel)

(RECOMMENDED BY SUBCOMMITTEE IN YEAR 3)

This model begins with the assumptions of Model 3, but envisions a

smaller degree of service enhancement in the areas of traffic and community services/safe neighborhoods. Instead of having one sergeant each overseeing traffic and community services, this model consolidates those roles into a single sergeant position. It also reduces the sworn officer complement assigned to those functions. Rather than 3 traffic officers and 4 community service officers – as envisioned in Model 3 – it assumes 2 traffic officers and 3 community service officers. Although in reality, the officer complement assigned to traffic and community services (referred to in the chart as “special services”) would provide a deeper pool of sworn personnel out of which to deliver those two special functions. The model therefore assumes 51 sworn positions and 15 civilian positions, as follows:

Sworn

- 1 chief
- 1 captain
- 2 lieutenants
- 7 sergeants
- 4 corporals
- 6 detectives
- 24 patrol officers, 2 traffic officers, 3 community services officers, 1 accreditation officer

Civilian

- 1 administrative assistant
- 3 records staff
- 2 parking enforcement
- 8 dispatch
- 1 information technology specialist

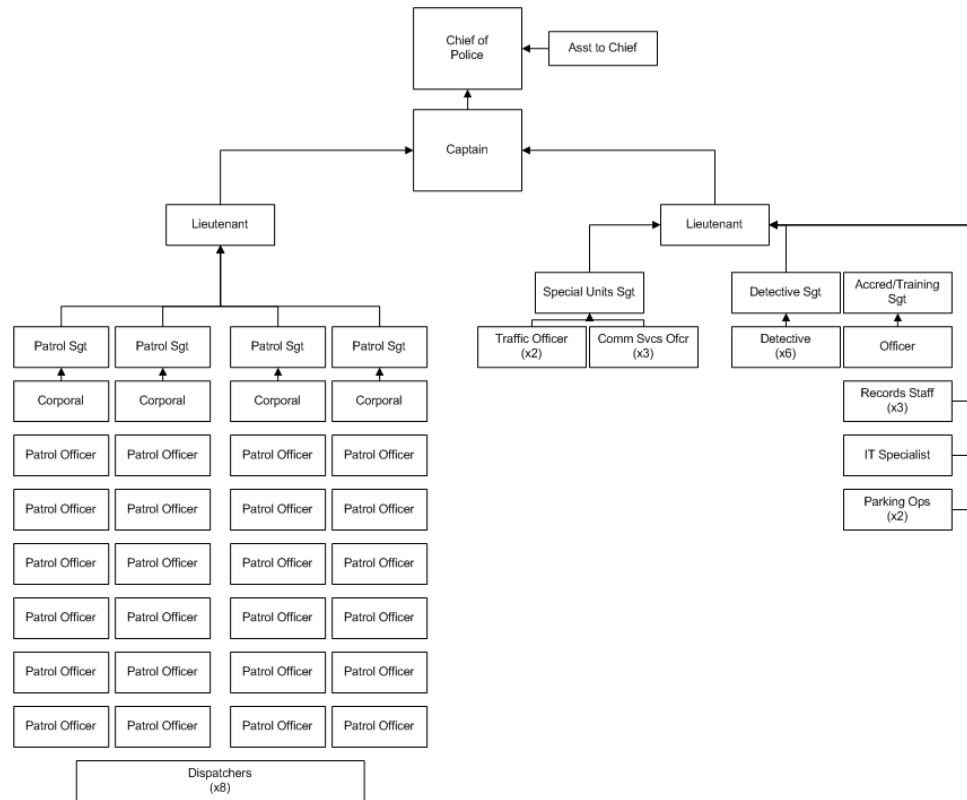
Operational Considerations

As with Model 3, this framework is characterized by a smaller overall command staff. The key distinction from Model 3 involves the extent of investment in specialized traffic and community services divisions. Model 4 still envisions investment in providing those dedicated services – more so than the two departments are able to currently provide as separate entities – but the investment is less than contemplated in Model 3.

Financial Considerations

Based on an analysis of median salary and “all-in” (*i.e.* salary plus benefits) costs for all current Borough and Township personnel at each title, it is estimated that the framework proposed under Model 3a would reduce direct salary costs by approximately \$1,391,000, or 19.0 percent off of current aggregate salary costs. The estimated “all-in” recurring

annual savings of the model is \$2,100,000, or 19.1 percent of current all-in costs.



Model 5 (46 sworn personnel)

At the request of the Commission and Police Subcommittee, CGR developed a model to reflect “minimum current service levels.” That is, the model seeks to structure a department that would preserve current levels of service *without* investing in additional functions, such as a dedicated community services division or traffic unit. This approach would effectively have the greatest reduction in overall workforce size – and reduction in total cost – of any of the models considered here. The model reflects the general framework of Models 3/4, but with the removal of the traffic sergeant and three traffic officers, and the community services sergeant and four community service officers. The resulting department would be comprised of 46 sworn personnel and 15 civilian personnel, as follows:

Sworn

- 1 chief
- 1 captain
- 2 lieutenants
- 7 sergeants

- 4 corporals
- 6 detectives
- 24 patrol officers, 1 accreditation/special unit officer

Civilian

- 1 administrative assistant
- 3 records staff
- 2 parking enforcement
- 8 dispatch
- 1 information technology specialist

Operational Considerations

As noted, this model is characterized by the smallest sworn and total workforce size of all models considered. It would integrate the two departments with the minimum goal of preserving current levels of service, *without* re-establishing some of the more proactive components that the Borough and Township departments have shed in recent years as a result of budgetary pressures. In all likelihood, this model would preclude most or all “proactive” policing strategies such as bike patrols and community service/safe neighborhood efforts. It would also tax patrol capabilities when officer resources are diverted to specialized services, such as traffic control.

Financial Considerations

Because this model results in the greatest size reduction, its cost savings potential is highest among all models. Based on an analysis of median salary and “all-in” (*i.e.* salary plus benefits) costs for all current Borough and Township personnel at each title, it is estimated that the framework proposed under Model 5 would reduce direct salary costs by approximately \$1,858,000, or 25.4 percent off of current aggregate salary costs. The estimated “all-in” recurring annual savings of the model is \$2,793,000, or 25.4 percent of current all-in costs.

Contracted Options

Each of the consolidated models presented above could apply *regardless* of whether or not the Borough and Township consolidate into a single municipality. Of course, if the two municipalities do merge, the police departments would naturally become a single agency as part of the consolidation. However, in the absence of municipal merger, the Borough and Township could agree to share a single police department (including emergency dispatch functions), similar to the manner in which they already share more than a dozen services.

One general approach could be a service contract to jointly provide law enforcement services. Notably, the section of law that provides for contracts for joint provision of law enforcement services (NJSA 40:48B-4.1) states the following:

3. Whenever the governing bodies of two or more local units enter into a joint contract as provided in P.L. 1952, c.72 (C.40:48B-1 et seq.) for the joint operation of law enforcement services within their respective jurisdictions, the joint contract shall recognize and preserve the seniority, tenure, and pension rights of every full time law enforcement officer who is employed by each of the participating local units and who is in good standing at the time the ordinance or resolution, as the case may be, authorizing the contract is adopted, and no such law enforcement officer shall be terminated except for cause; however, for reasons of economy and efficiency the contract may authorize a reduction in force.

To provide for the efficient administration and operation of the joint law enforcement services within the participating local units, the joint contract may provide for the appointment of a chief law enforcement officer. In such cases, the joint contract shall provide that any person who is serving as the chief law enforcement officer in one of the participating local units at the time the joint contract is adopted may elect either:

- a. To accept a demotion of no more than one rank without any loss of seniority rights, impairment of tenure, or pension rights; or
- b. To retire from service.

If the person elects retirement, he shall not be demoted but shall retain the rank of chief law enforcement officer and shall be given terminal leave for a period of one month for each five year period of past service as a law enforcement officer with the participating local unit. During the terminal leave, the person shall continue to receive full compensation and shall be entitled to all benefits, including any increases in compensation or benefits, that he may have been entitled to if he had remained on active duty.

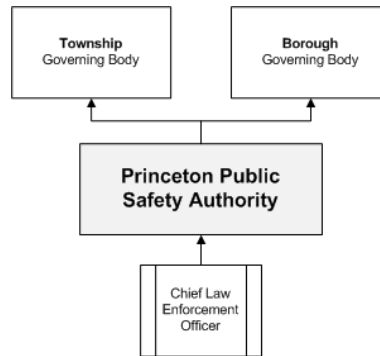
One basis for the joint contractual model of providing police services could be a “joint meeting” framework, authorized under NJSA 40:48B-2.1. According to that section of law,

- a. The joint meeting shall be a public body corporate and politic constituting a political subdivision of the State exercising public and essential governmental functions to provide for the public health and welfare. The joint meeting shall have the following powers and authority, which may be exercised by the management committee to the extent provided in the joint contract:
 - (1) To sue and be sued;
 - (2) To acquire and hold real and personal property by deed, gift, grant, lease, purchase, condemnation or otherwise;
 - (3) To enter into any and all contracts or agreements and to execute any and all instruments;

- (4) To do and perform any and all acts or things necessary, convenient or desirable for the purposes of the joint meeting or to carry out any powers expressly given in this act;
- (5) To sell real and personal property owned by the joint meeting at public sale;
- (6) To operate all services, lands, public improvements, works, facilities or undertakings for the purposes and objects of the joint meeting;
- (7) To enter into a contract or contracts providing for or relating to the use of its services, lands, public improvements, works, facilities or undertakings, or any part thereof, by local units who are not members of the joint meeting, and other persons, upon payment of charges therefor as fixed by the management committee;
- (8) To receive such State or Federal aids or grants as may be available for the purposes of the joint meeting and to make and perform such agreements and contracts as may be necessary or convenient in connection with the application for, procurement, acceptance or disposition of such State or Federal aids or grants; and
- (9) To acquire, maintain, use and operate lands, public improvements, works or facilities in any municipality in the State, except where the governing body of such municipality, by resolution adopted within 60 days after receipt of written notice of intention to so acquire, maintain, use or operate, shall find that the same would adversely affect the governmental operations and functions and the exercise of the police powers of such municipality.

Under the joint meeting structure, the budget for the Princeton Police Department would be raised jointly by the two municipalities, subject to a formula they agreed upon contractually.

The joint meeting could take the form of a “Princeton Public Safety Authority,” with the joint meeting body itself assuming the role of “appropriate authority” under New Jersey law. The joint meeting/committee would serve as a unified administrative body above the chief law enforcement officer, reporting to the governing bodies of the Borough and Township. The joint meeting/committee would be comprised of some equal combination of Borough and Township representatives, with a designated “Chairperson” and possibly one or more civilian representatives.



Facility Options

The Borough and Township Police Departments currently operate out of their own space, located within their respective municipal hall. Of the two current facilities, the Township's provides significantly more (and updated) space in which to house a consolidated (or shared) police department. Housing a single department within the current Township PD space would likely require some modifications in areas such as the evidence room, locker rooms and dispatch center (including the likely addition of a third dispatch console), but the Township's current PD space is considerably more conducive to hosting a merged department than is the Borough's.

Transition Issues

In the event of a municipal consolidation or consolidation of police as a joint service between the Borough and Township, a series of transition issues would have to be addressed. For example, technology (*i.e.* report writing software, in-car consoles, etc.) would need to be unified between the two departments; uniforms would need to be standardized; and weaponry would need to be standardized. Decisions on those detailed items are most appropriately left to the departmental administrators and stakeholders tasked with leading any implementation.

OPTIONS: PUBLIC WORKS

Recommendation #1 (Consolidation):

The Public Works Subcommittee has recommended Model 4, an integrated model that links Engineering, Public Works, Recreation Maintenance and Sewer Operating functions into a unified department in the event of municipal consolidation. This will result in recurring annual savings of approximately \$442,000.

Recommendation #2 (Facilities):

The Public Works Subcommittee has recommended facilities Model 4, a staged approach to housing merged public works operations in the event of a municipal consolidation. Initially, current public works facilities would continue to be relied upon, although steps would be taken to begin transitioning out of both Valley Road and John Street. River Road would assume additional public works operations and storage over time, with Harrison Street being retained as a light-use facility focused primarily on servicing the Downtown area.

Recommendation #3 (Shared Services):

The Public Works Subcommittee makes no recommendation in favor of shared services for public works in the event municipal consolidation does not take place.

Overview

The Borough and Township each maintain a comprehensive Public Works Department providing services appropriate to the needs of their respective communities. The departments have a combined total of 43 full-time staff and employ some seasonal help, as needed.

The Consolidation Commission determined to evaluate options that would be available to the Princeton community in the event that the Borough and Township remain separate *or* choose to consolidate into a single municipality. The continuation of the two municipalities as separate units does not preclude options to work more closely together to share and/or consolidate certain functions – up to and including a merger of the two departments. If a full municipal consolidation is approved, the two Public Works Departments will be required to meld into a single department.

This section primarily considers options for a single merged department, whether operating within a consolidated government, or constructed as a shared service pursuant to an agreement between two separate municipalities should municipal consolidation not occur. Options for staffing, merged facilities, and joint capital planning and acquisition of vehicles and equipment are presented. The section concludes with considerations of how a merged department could be governed if the municipalities remain separate.

The Commission's *Baseline Report* noted some of the significant differences in the services delivered by public works in the Borough and the Township. This options analysis retains these different services and current service levels. It does not contemplate changing them, which might change the appropriate organizational structure and the staffing needs. Such a change, if it was deemed to be warranted, could be recommended by the Commission, could be approved by a new consolidated governing body, or could be considered by the consolidated governing body in subsequent years.

Consolidation of the Borough and Township public works functions through either municipal or functional consolidation (*i.e.* shared services in some form) should yield some savings, but the gains in operational efficiency may be greater. This could lead to longer-term savings due to cost avoidance through joint capital planning and increased capacity to perform needed services with a reduced work force, a work force which could be cross-trained and deployed flexibly as conditions and seasons change. More significant gains appear more likely with greater restructuring, including the consolidation of all municipal maintenance functions (maintenance of sewer infrastructure and recreation facilities) under one department, because of the potential to reduce administrative needs by combining similar functions that are currently spread across multiple departments. Greater restructuring could also increase flexibility in allocating the workers as operational needs change seasonally or more frequently.

The members of the Subcommittee agree with the staff members, who they consulted during this evaluation, about the need to plan and control the implementation of a merged Public Works Department. If the voters approve municipal consolidation, it is critical to form a public works task force during the transition year in 2012. Members of this task force must include knowledgeable staff members who can apply their experience to working out the details of a staff allocation model and a facilities plan for the merged operation.

Staffing Options

The full analysis of the options for the consolidation of the Borough and Township public works functions indicates some savings will be realized, but the gains in operational efficiency may be greater. While it is important to consider the potential for long-term gains in cost avoidance and better capital planning that could result from a more efficient staffing framework, this analysis remains conservative. It is restricted to the immediate results that were estimated in a detailed analysis of each option.

The analysis also uses the most conservative assumption of the impact of a functional or municipal merger on the salary and benefits structure – that

is, it assumes the salaries and benefits packages will be leveled up to the highest of the existing pay and benefit scales in the two pre-merged structures. Although this is the most common action in mergers, the Commission could recommend a different salary and benefit option be used for the analysis and enacted at the time of a merger.

Notably, there are salary differentials between certain corresponding public works titles in the Borough and Township. For example, the Borough's DPW superintendent (\$102,805) earns less than his Township counterpart (\$110,272). Similarly, the Borough's foreman title earns approximately 23 percent less than the same title in the Township; Borough equipment operators earn approximately 20 percent less; and Borough mechanics earn approximately 15 percent less. When all current salaries, pension and Social Security costs are accounted for between the two Departments of Public Works, the total cost to the Princetons is \$4,585,754.

Four options are presented in comparison to a merged baseline structure. The merged baseline of 43 positions plus seasonal workers indicates an estimated increase in salary and benefit costs of \$113,766 (about 2 percent of total wage and benefit costs) due to the leveling up of wages and benefits under one bargaining unit contract and one management structure.

In developing and reviewing a series of possible options, the Public Works Subcommittee worked with staff members from both the Borough and Township Public Works Departments. In addition, in evaluating a broader restructuring combining maintenance functions currently provided by other departments, the Subcommittee worked with management personnel in the joint Sewer Operating Committee, the joint Recreation Department, and both the Borough and Township Engineering Departments.

Each of the proposed models is considered in greater detail below.

Model 1 (Headcount Neutral)

The first model assumes that the full staff complement is retained, but that the lower-paid of the duplicative superintendent positions is repurposed into a maintenance title (at \$75,000 per).

Operational Considerations

The duplicate superintendent is removed from the proposed structure, but a lower-cost role is added to maintain the FTE headcount of the merged department and add to the resources directly providing services.

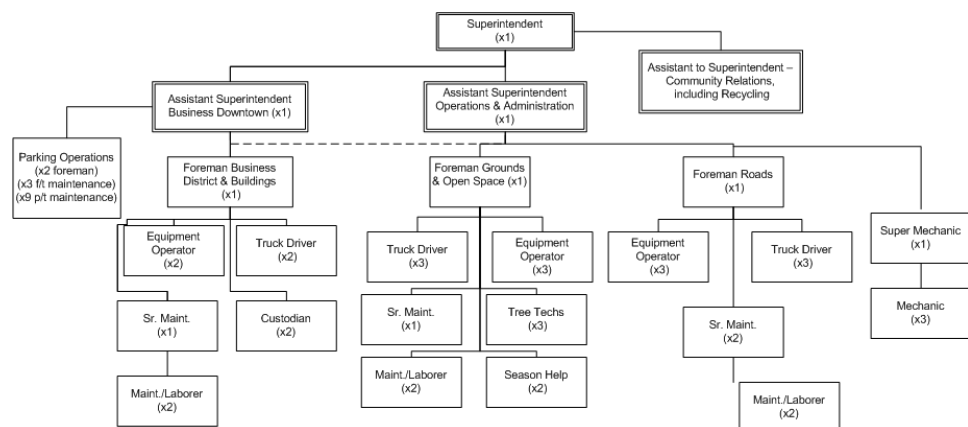
Financial Considerations

The total cost to a consolidated Princeton would be \$4,639,816. That would represent an additional cost of \$54,062, an increase of 1 percent over current costs.

Model 2 (Headcount Reduction, Slight Reorganization)

This model removes certain duplicative positions and suggests one functional organization that recognizes and melds the differences in public works services in the two municipalities currently, but does not change them. It reduces the total headcount by two positions, a superintendent and a foreman role. The primary difference from Model 1 is that all operations that are specific to the Downtown business district become the singular responsibility of an assistant superintendent for the Downtown area. The role of an assistant for parking operations is supplanted by this broader role, which requires additional management skills. This assistant superintendent also has a “dotted line” relationship to the foremen responsible for grounds and roads, although this needs to be with the knowledge of the assistant superintendent responsible for those areas.

The general service needs for road services (including leaf and brush pickup), road maintenance (road repair) and solid waste collection (contracted or private) will be under the purview of the foreman of roads. The foreman of grounds and open space will be responsible for park and field maintenance (as is currently conducted by the Departments of Public Works in the Borough and Township), shade tree maintenance, open space development, and maintenance of municipal buildings (directly or by contract). As noted, this yields a structural reduction in one superintendent and one foreman.



Operational Considerations

This model provides a division of Public Works dedicated to servicing the enhanced needs of the Downtown. That unit will have responsibility primarily for the tourist and commercial areas and the enhanced services

received by the properties and infrastructure serving the interest of tourism and commerce. This unit will assure that the Downtown business district is serviced to a level that will retain its distinctive status within the community.

A second division is responsible for roads and buildings and grounds. This should guarantee the continued provision of appropriate services without recognizing the borders of the pre-merged municipalities.

Financial Considerations

Under Model 2, the total cost to a consolidated Princeton would be \$4,373,242. That would represent recurring annual savings of \$105,096, a reduction of 2 percent off current costs.

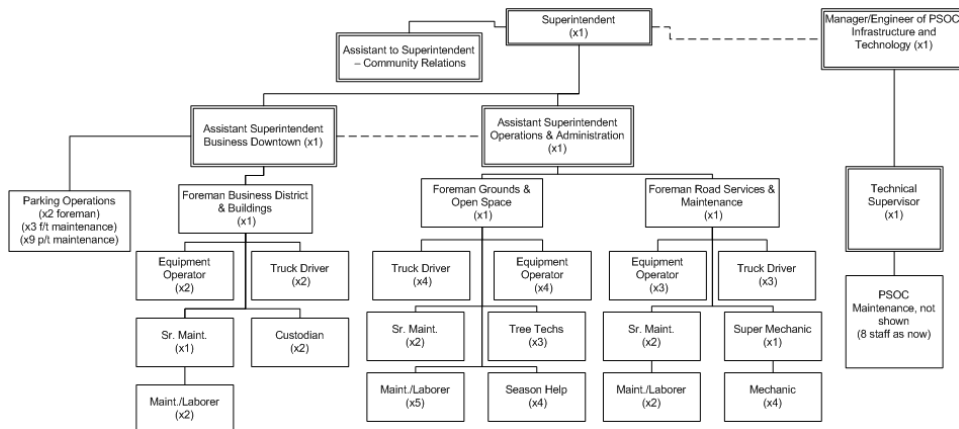
Model 3 (Integrated Maintenance Functions)

This option represents a more global approach to seeking efficiencies by examining Public Works in the context of certain other related departments. It contemplates a Public Works Department responsible for the maintenance of all assets in the merged municipality as well as the provision of services to residents and the community that are often considered part of the central mission of public works in other communities. While this model is not simply an outgrowth of either municipal or functional consolidation, the proposed structure is suggested by the prior development of joint operations for recreation and sewer services, as well as clear synergies between certain functions currently being performed by Recreation or the Sewer Operation Committee and those that are (or could be) performed by Public Works.

This restructuring proposal retains recreation *programming* in the Recreation Department, and moves recreation *maintenance* tasks under Public Works. With regard to the maintenance of sewer services, it considers sewer maintenance activities as part of the general maintenance functions under Public Works, but recognizes the more technical skills required by sewer maintenance activities. It proposes a new role for the Manager/Engineer of PSOC, involving all the technical functions that fall under Public Works. Including vehicle mechanics among those reporting to the PSOC Supervisor also expands that role.

For discussion purposes, the following organizational chart divides staff among specific functional areas of this proposed hybrid Department of Public Works. However, the final allocation of these staff members is better left to the Public Works Superintendents and their foremen. (Note: The Subcommittee has suggested that a task force be formed to determine the optimal allocations during the 2012 transition year, if consolidation is approved.) The proposed structure encourages managerial flexibility in the allocation of staff on an operational basis to deal with changing

conditions and seasonal variations. It uses a dotted line relationship among the assistant superintendents and between the Public Works Superintendent and the PSOC Manager/Engineer of Infrastructure and Technology to represent that flexibility.



Operational Considerations

This model retains the operational benefits of Model 2. Two specific divisions have responsibility for Downtown maintenance and for roads and buildings/grounds. The structure encourages these divisions to cross-train personnel and allocate them to meet changing conditions.

The broadening of the role of the PSOC Manager/Engineer cures a situation found in many municipalities, without staff trained and experienced to address technical issues. An engineer in this role can provide planning and project monitoring for capital and infrastructure projects, as well as provide expertise in technical and technological issues throughout Public Works.

Another aspect of this model may create considerable operational efficiencies with both immediate and long-term benefits. Other towns that have previously merged recreation maintenance and public works maintenance have seen similar advantages and increased abilities to use the capacities of the combined staff more fully, reducing under-utilization during non-peak service demand periods, such as the winter season, and providing broader expertise for needed repairs and specialized maintenance.

Financial Considerations

Savings likely to result from this option are difficult to quantify with precision. At a minimum, the recurring annual savings attained in Model 2 would be attained in this option, resulting in \$105,096 in total personnel costs representing the reduction of one superintendent and one foreman position (*i.e.* an overall reduction in public works costs by 2 percent), offset by a “leveling up” of other titles.

Model 4 (Inter-Departmental Restructuring with Engineering Oversight)

(RECOMMENDED BY SUBCOMMITTEE)

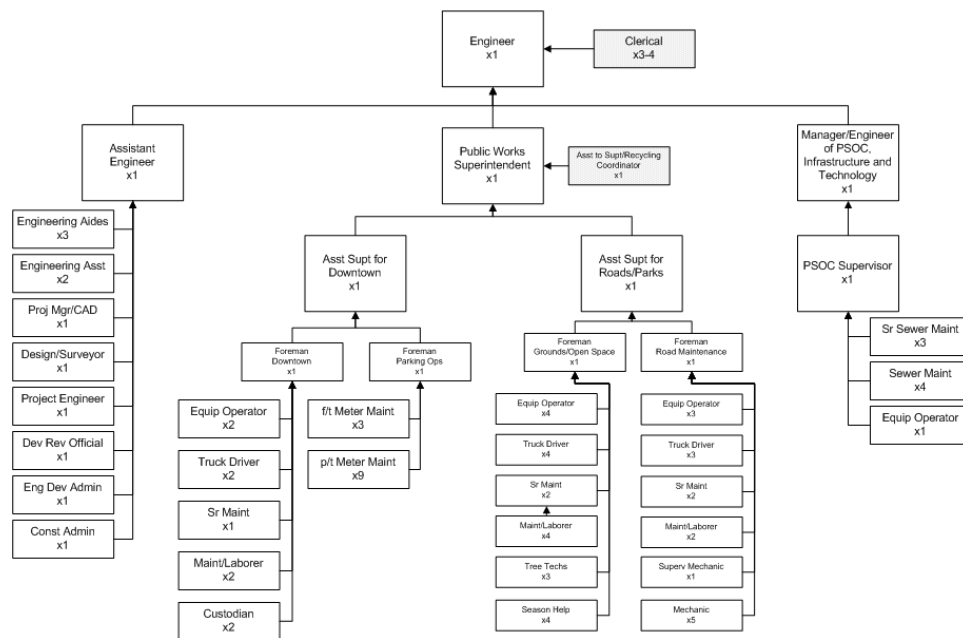
This model expands the organizational restructuring proposed in Model 3 by combining Public Works, Princeton Sewer Operating Committee personnel and the maintenance function in the Recreation Department under the auspices of the Engineering Department. In both communities currently, there is a close relationship between Engineering and Public Works. This option recognizes that informal relationship and direction and extends it in order to provide greater opportunities for cross-departmental flexibility in the use of cross-trained personnel, equipment and facilities.

As in the prior model, the following organizational chart divides staff among specific functional areas of this proposed hybrid Department of Public Works. This is not intended to be a “hard and fast” allocation of personnel resources, but rather to illustrate sufficient staff resources within each primary area of responsibility. In reality, the merged structure would allow for increased flexibility for allocation of staff on an operational basis across different divisions.

Clerical personnel, who are currently allocated to the Borough and Township Engineering Departments, are shown in the following organization chart near the top as direct support to the Engineer. In reality, these positions would likely be distributed throughout the structure (or retained in a “pool”) for use throughout the various divisions of this consolidated department.

This model also assumes that greater organizational integration of Engineering, DPW and PSOC functions could yield reductions in certain currently outsourced services. One in particular involves engineering inspections. Whereas PSOC currently contracts out approximately \$200,000 per year in sewer inspection services, it is expected that a greater synergy between incumbent Engineering staff and PSOC’s inspection needs could enable an “in-housing” of some of those costs. PSOC estimates those savings to be approximately \$160,000 per annum. To a lesser extent, some maintenance services, which Recreation currently contracts, may be able to be done in-house more cost-effectively with the availability of additional resources and expertise.

This model retains the division of Public Works into two basic operations – Downtown and Roads/Parks – but it is anticipated that personnel will be cross-trained and able to be reallocated to changing operating conditions and service needs.



Note: This organization assumes that all current engineering functions would be delivered out of this structure. Those functions are detailed further in the Engineering section of this options report and the *Baseline Report*.

Operational Considerations

This model combines the managerial flexibility in personnel allocation, which results from Model 3, with increased technical capacity and administrative resources of the Engineering Department. This formalizes current practice and makes these resources more readily available to Public Works and the Sewer Operating Committee. In addition to infrastructure design and construction management resources provided to Public Works and inflow and infiltration reduction and system improvement expertise provided to the Sewer Operating Committee, the Engineering Department retains its functions of providing expertise and support to the Regional Planning Board, zoning and the Historic Preservation Commission in the completion of land use reviews, approvals and inspections.

Financial Considerations

As in Model 3, savings likely to result from this option are difficult to quantify with precision, but are anticipated to result eventually in the largest cost reductions of any of the options proposed. In addition to the recurring annual savings of \$105,096 identified earlier we have identified an additional \$160,000 in non-personnel costs related to the “in-housing” of certain PSOC inspection services that are currently outsourced. In addition, if the savings in Engineering from the adoption of Engineering Model 2 (\$177,468) are carried over, the total minimum recurring annual savings are \$442,564.

Facility Options

After the Public Works Subcommittee toured all facilities currently used by the Public Works Departments in the Borough and Township, the general comment was that the departments' facilities are inadequate to support the level and nature of the services the Borough and the Township provide to the public. Not only are current facilities insufficiently sized or functionally deployed to effectively house a consolidated operation, but neither the Borough nor Township have sufficient cold storage space to cover their current fleet/equipment when not in use. Given the significant cost of major public works apparatus, the inability to protect equipment from environmental elements almost certainly decreases its useful life and quality, driving up costs in the long-term.

It is important to note that, given the current size, utilization and general condition of the Borough and Township's public works facilities, it is likely that all will require some degree of capital repair/investment in the not-too-distant future. This need exists irrespective of the consolidation effort. However, a consolidated department (or consolidated government) would afford the community the ability to plan for its future public works facility deployment in more coordinated fashion. Rather than the Borough and Township addressing its own facility issues independently, a more coordinated strategic planning approach has the potential to yield significant avoided cost.

The current state of public works facilities had been recognized previously by the governing bodies and administrations of both the Borough and Township. In 2009, the Joint Finance Committee of the Borough and the Township received a report it had commissioned from USA Architects to evaluate the feasibility and estimate costs of developing the property on River Road currently housing the operations of the Princeton Sewer Operating Committee. The cost estimates of that study were significant.

After developing several options for the integration of the facilities of a merged Public Works Department, the Public Works Subcommittee asked the Engineers and Superintendents from the Borough, Township, and the Princeton Sewer Operating Commission to develop a more practical plan to accomplish the goals of the USA Architects report. The results of that effort, which are summarized below, informed the recommendation of Subcommittee to embark on a staged approach to a comprehensive upgrade in order to provide appropriate facilities to a merged Public Works Department.

In the context of reviewing facility options, it is also important to bear in mind the potential long-range fiscal impact of shedding some or all current public works properties. Doing so would produce an immediate benefit through the actual sale, but recurring benefit could be achieved by

returning those properties to taxable status. Alternative options would repurpose some of those facilities to serve a public purpose, such as affordable housing or parks development to improve the immediate neighborhood. These choices, which are not necessary at this time, should be the responsibility of the new government, if consolidation is approved by the voters.

To provide a framework to consider the analysis of options for public works facilities, the uses of the existing facilities are described below along with the functional allocations within each facility:

- Valley Road houses the administrative offices of the Township Public Works Department in a trailer on a site comprising about one acre. Vehicle maintenance for the Township is done on this site in a building including one large bay and three car-sized bays. Vehicles waiting to be serviced are parked in the open area outside the building. Fueling (diesel and gasoline) is done at this site. The location of the administrative offices proximate to the Township offices is convenient and accessible for the public. One of the services offered from the trailer is recycling, but the space for storage of recycling containers and small recycled materials (electronics) is very limited.
- The John Street facility is on a site of about one and one-half acres. It contains a salt and sand dome, which is used by the Borough and the Regional School, as well as the Township. Most Township Public Works vehicles are parked and stored here. (Some are stored at the PSOC site, when not in use.) The vehicles are parked in the open, unprotected from the elements. A trailer provides space for the foremen and other workers.
- The Harrison Street facility is the only public works facility for the Borough. There is administrative and employee staff space in one large building. That building is used to park the salt trucks inside, to perform all fleet maintenance of all Borough vehicles and PSOC vehicles, and to store small equipment, signs and materials. The building has a drain for vehicle washing. Some vehicles, such as the tree truck and garbage truck, do not fit in the building. The department fuels diesel vehicles here, but fuels gasoline vehicles at PSOC. (Note that Borough police vehicles are fueled at the University at an additional cost of \$4,000 in 2010.) A firehouse remains on the site, but its use is limited to infrequent use by volunteers. The site provides parking for some fire equipment and for public use for adjoining housing.

- Storage of small equipment and materials is done at Smoyer Park (for the Township) and in other locations with small amounts of space, including the PSOC site.

The lack of adequate facilities for both departments and the availability of space at the PSOC site suggest a potentially attractive alternative. However, the 2009 facilities study, referred to previously, estimated costs for full development of the PSOC site (*i.e.* for a consolidated public works operation) in excess of \$35 million. The details of the study consider other options not directly involving public works, including moving the School Transportation Department and developing new facilities for PSOC within the \$35 million estimate.

The least expensive option in the study, with a cost of \$26 million, includes new PSOC facilities for PSOC and the School Transportation Department, as well as the Township Public Works Department. It retains the Harrison Street facility for Borough use and provides some cold storage for the Borough at PSOC. This option assumes the public works departments of the Borough and Township do not consolidate and does not include any upgrade or re-fitting of the Harrison Street facility.

None of the three reviewed options for development of the PSOC facility have yet been pursued. In looking at the options below, it is important to be realistic about the willingness of the public or its governing body, even in a consolidated scenario, to fund such a large capital expenditure in the immediate term.

If the departments merge or are part of a newly consolidated government, there are several options for the functional allocations at each of the existing facilities, but each of the options suffers from the overall lack of adequate facilities to support the operations. Without considering a reduction in the service levels, there will be no appreciable reduction in facility needs as a result of a merger. Therefore, the options need to include the possibility of the development of additional space, which must include the PSOC facility, since the other facilities have no room for further development.

In reviewing the models that follow, the Subcommittee focused on the functions that the facilities needed to perform to adequately service a modern Public Works Department. The priority needs were identified as the following:

1. **Vehicle and equipment cold storage** - This would require substantial development of existing space, creating a building for 20 – 35 vehicles. Since space near the center of Princeton is limited, additional cold storage and equipment could be

constructed at River Road for off-season vehicles, mitigating the impact of the distance from the operating sites.

2. **Administration offices** - This requires refitting of existing space to provide additional office space, the precise amount depending on the administrative staffing recommendation for the merged department.
3. **Staff offices** - This should be incorporated into the building of the cold storage facility in the first step. It would put the staff where their equipment is stored.

Longer-term needs were identified as the following:

4. **Upgrade of vehicle maintenance facilities** - The facilities need to provide for a larger operation and improve the capacity to work on the largest equipment in a heated environment. The ability to create adequate maintenance work space needs to be evaluated.
5. **Vehicle and equipment warm storage** - Although this is not a high priority in the current facilities configuration, it should be incorporated in the planning, if not in the initial construction, of the cold storage facility in the first step.
6. **Gasoline and diesel fueling** - If the Valley Road facility is to be repurposed, a new site for fueling will need to be developed.
7. **Salt and sand storage** – If the decision is made to close the John Street facility, a relocation of salt and sand storage is necessary.
8. **“Quick-strike” capability** – A location near the Downtown should be retained in any plan that is developed for facilities. (Note: The Subcommittee strongly believes there is a need to have full and quick service for the Downtown area. Further, it concludes that the most appropriate facility to fulfill that need is the Harrison Street site.)

Merged Baseline

The baseline model contemplates a merged organization using the current facilities. It would seem preferable to allocate each of the three facilities (John Street, Harrison Street, and Valley Road) to serve particular functional areas. If the structure of the merged department is divided into three maintenance functions - business district, buildings and grounds, and roads - John Street seems logistically more appropriate to business district maintenance and Harrison Street to roads maintenance, even though the salt and sand dome is located at the John Street facility. The location of buildings and grounds to either John Street or Harrison Street will depend on what space requirements there are, including proximity to equipment storage. Harrison Street offers the only real potential for administrative offices without considerable fitting out. Without additional

facility development, both vehicle maintenance facilities are needed and will remain separated. The Valley Road facility is probably the best single option for fueling, since it has both diesel and gasoline tanks.

Under this option, there would likely be no significant up-front costs related to consolidation of the public works operation. Still, the condition of the current public works facilities suggests that capital investment would be required in the near term to keep the facilities fully functional. There is no way to precisely estimate that capital requirement, nor put a timeline on when it might be required. (It is important to note, however, that those capital requirements would still exist in the event Princeton does not consolidate.) This baseline model will need to be used during a transition period, if consolidation is approved, either used as they currently are (which will hamper the implementation of a merged department), or re-allocated to specific functions in specific facilities for the merged department.

Model 1 (Partial Development at PSOC)

This model begins a transition to developing the PSOC site, while continuing to operate out of current facilities for the present time. Initial use of PSOC for additional cold storage and some small equipment storage could be done to begin to get staff accustomed to using the facility, to get their work equipment and park their personal vehicles. The first development costs, if they are incurred, should be to provide administrative space and/or cold storage. Closing the John Street facility by relocating the salt and sand dome needs to balance the logistical convenience of the salt and sand dome to the Downtown against the financial returns of selling the property and returning it to the tax rolls of the merged municipality.

Model 2 (Further Development at PSOC)

Model 2 is a continuation of Model 1 with the added development of a fleet maintenance facility and warm storage to the PSOC facility, completing the full facility development for public works. Staff space for lockers and a break room needs to be added, if it was not provided when the administrative space was developed at PSOC. Since the fleet maintenance and warm storage capabilities will be costly, this transition could be planned to occur over a 10- to 15-year period after the merger of the departments or consolidation of the governments.

Model 3 (Downtown Satellite)

Model 3 is a variant on the long-term transition to the PSOC facility that maintains a satellite facility logistically convenient to the Downtown. This is particularly important given the enhanced level of service currently provided to the Downtown area, and to give the Department of Public

Works a “quick-strike” capability in the event of major storms or situations requiring immediate reaction in and around Downtown.

Model 4 (Integrated and Phased Development)

(RECOMMENDED BY SUBCOMMITTEE)

This model leans heavily on the efforts of the engineers and superintendents in both municipalities. It is informed by their experience and knowledge about the sequencing of development activities and the need to consider infrastructure issues. The overall deployment of functions to facilities is the following:

- Harrison Street is used for light vehicle maintenance including all police vehicles. It is the site of the quick-strike capability, which will include storage of in-use equipment and supplies, to reduce trips to River Road. Overall, the intensity of use at Harrison Street is reduced in this model.
- Valley Road is repurposed but may remain a site for downtown gasoline and/or diesel fueling.
- John Street is repurposed or sold eventually.
- River Road is developed to provide cold storage, larger vehicle maintenance and washing, salt and sand storage and off-season vehicle storage. Administrative and other staff offices are developed at this site over time.

A preliminary plan for facilities redevelopment phases the work over the next five years. The cost of the entire project, originally estimated at between \$26 and \$35 million in the USA Architects design, is estimated under \$11 million (including cost escalation in future years and contingency costs) by the engineers and superintendents. The activities and cost in each year are:

- 2012 - \$2 million for design, site work, shared spaces, vehicle storage (covered, open, and unheated), and staff parking.
- 2013 - \$1.6 million for design, demolition, environmental remediation, and an emergency access road.
- 2014 - \$1.9 million for site work, utilities, storm water detention, salt and outdoor storage, vehicle washing and fueling.
- 2015 and 2016 - \$5.3 million for landscaping, a secondary access road, an administration building, visitor parking, a maintenance building, and heated vehicle storage.

Equipment and Capital Planning

The Subcommittee reviewed the combined inventory of major equipment and vehicles. It also examined the six-year capital plans in both municipalities with regard to the intention to purchase major equipment and vehicles. Because of the size of the two departments, there are already multiple pieces of most equipment types in order to meet public service demands. An on-going annual process to replenish equipment and sell equipment no longer needed through public auction is in place in both municipalities. As a result of merging of the Public Works Departments, there is no expectation that these equipment needs would change at Day One or that existing equipment would be redundant. It is anticipated that some replenishment cycles may be lengthened, increasing cost avoidance over time. However, even greater savings are likely by adding adequate cold storage to the facilities available to the merged department.

Shared Services

The Princeton community could have a single consolidated Public Works Department under two different scenarios: First, through a municipal consolidation of the Borough and Township into a single government; second, through a functional consolidation whereby one department serves the two municipalities. The latter scenario would require consolidation of the public works function *and* a contractual agreement between the Borough and Township to provide specific services at an agreed-upon cost. A single shared department serving two municipalities would also require certain administrative/governance issues to be addressed. Regardless of the implementation scenario, the basic differences among consolidated options involve staffing levels, service levels, facilities and equipment needs, and departmental structure.

Each of the consolidated models presented above could apply *regardless* of whether or not the Borough and Township consolidate into a single municipality. In the absence of municipal merger, the Borough and Township could agree to share a single Public Works Department, similar to the manner in which they already share more than a dozen services. One basis for this model would be a shared service contract between the Borough and Township.

Contracted Options

Under this framework, one municipality would effectively dissolve its Public Works Department and negotiate a public works services contract with the other municipality. That contractual relationship would prescribe the type and level of service to be received; the fee to be paid to the municipality providing public works services; and the term of the agreement. The municipality providing the service would govern and

administer the department in much the same way as it does now – one Superintendent, reporting to the governing body and administrator or other management role. In order to accommodate the additional workload associated with serving the entire Princeton community while maintaining current service levels, the municipality providing the service would almost certainly have to increase the size of its workforce (*i.e.* adopt one of the consolidated models presented above, or some variation thereof). It would also have the ability to negotiate acquisition or transfer of certain capital equipment/assets from the disbanded department, which could become a component of the initial service contract between the two municipalities.

There are few personnel restrictions on the contracting of public works services from another municipality when neither pre-merged municipality is a civil service jurisdiction. The New Jersey Division of Local Government Services provides only the following relevant guidance in their reference guide to joint service delivery at

<http://www.state.nj.us/dca/lgs/share/joint/sharedsvcsrefguide.pdf>:

Employees who are laid off from the host jurisdiction under the shared services agreement are entitled to receive a “terminal leave payment” of not less than one month of their regular base salary at the time of termination for each five-year period of past service with the host jurisdiction. Example: an employee with ten years of past service would receive at least two months of regular base salary as a terminal leave payment.

During its consideration of options, the Subcommittee heard mixed perspectives about a single public works operation governed by two elected bodies. Models 3 and 4, which were the most appealing to the Subcommittee because of the potential synergies that could evolve, would be difficult to achieve without municipal consolidation because of the involvement of other departments, some shared and some not.

Discussions of governance mechanisms to address the concerns of having “two masters” ultimately led to the determination that the identified savings of just slightly more than \$100,000 annually from a merged operation were not sufficient to pursue a functional consolidation without a municipal consolidation of the governments.

Partially Shared Service Options

In addition to either the consolidated or contracted options presented above, which assume the community would be served by a single public works department, there may be additional possible shared service options in the event both municipalities *and* both public works departments remain separate entities.

The Subcommittee considered sharing functions such as road maintenance, leaf pick-up, snow removal or other specific services that are now provided by both municipalities within their respective municipal boundaries. These potentials were weighed against the differences between the Borough's operation, dominated by the unique services provided to the Downtown and generally more congested areas, and the Township's operation, dominated by road and open space-related services in a more suburban setting. On balance, the determination was made that the potential savings of any sharing of specific services would fall short of the overall savings projected in departmental consolidation. Further, the operational efficiencies to be gained from sharing only specific services would not rise to a level to justify formalizing limited sharing. The Subcommittee did find that the expansion of informal sharing should be encouraged in order to avoid the practice of terminating maintenance routes (e.g. snow plowing) in an inefficient manner at municipal boundaries.

OPTIONS: FACILITIES

Recommendation:

The Municipal Consolidation Subcommittee has recommended the retention of both the Township Municipal Building and Borough Hall in the event of consolidation, enabling the future governing body to make a decision regarding repurposing and/or resale. The Township Municipal Building would become the primary center of municipal government in the event of consolidation.

Aside from the service-specific facilities discussed in the Police and Public Works sections of this report, the community would also have to make a decision on the disposition of general municipal facilities in the event of a municipal consolidation. At present, the Borough Hall and Township Municipal Building house the general administrative and governance aspects of their respective operations. Available options would appear to include retaining both facilities in the immediate term, and pending a decision on the future repurposing or resale of one or the other facilities.

OPTIONS: CODES AND ORDINANCES

Recommendation:

Exercising authority provided under NJSA 40A:65-26, the Municipal Consolidation Subcommittee has recommended the boundary lines of the former Borough and Township to continue local ordinances that existed prior to consolidation, with the need for any differences being reviewed by the governing body at least every five years, per the following statutory language in NJSA 40A:65-26: “The need for any such differentiation shall be reviewed by the governing body at least every five years and shall only be continued upon the affirmative vote of the full membership of the governing body, and if such continuance fails, the governing body shall then adopt uniform policies for the entire area.”

As noted in the *Baseline Report*, the ordinances applied in the current Borough and Township are in some cases different. The extent of that differentiation varies based on the specific ordinance. The Commission has two basic choices regarding ordinances: First, it can exercise authority provided in the Local Option Municipal Consolidation law to retain current ordinance differences within the former municipal boundaries, consistent with the following statutory language from NJSA 40A:65-26:

The following policies may be considered and implemented under an application for approval of a consolidation plan, and may be included as part of a study under the “Municipal Consolidation Act” ... or as part of a study conducted by a Municipal Consolidation Study Commission ...

(6) the continued use of boundary lines of any or all of the former municipalities to continue local ordinances that existed prior to consolidation that the governing body deems necessary and appropriate. The need for any such differentiation shall be reviewed by the governing body at least every five years and shall only be continued upon the affirmative vote of the full membership of the governing body, and if such continuance fails, the governing body shall then adopt uniform policies for the entire area ...

Alternatively, the Commission can recommend a harmonization of some or all ordinances immediately.

OPTIONS: PLANNING AND ZONING

Recommendation PENDING:

The Municipal Consolidation Subcommittee is continuing to review this option and its final recommendation regarding advisory planning districts is pending.

In the event of a municipal consolidation, the Princeton community would be served by a single Planning Board² and single Zoning Board.

However, the Commission has the ability to exercise authority provided in the Local Option Municipal Consolidation law to recommend advisory planning districts, consistent with the following statutory language from NJSA 40A:65-26:

The following policies may be considered and implemented under an application for approval of a consolidation plan, and may be included as part of a study under the “Municipal Consolidation Act” ... or as part of a study conducted by a Municipal Consolidation Study Commission ...

(4) the use of advisory planning districts, comprised of residents living in the former territories of each former municipality, to provide advice to the planning board and the zoning board of adjustment on applications and master plan changes affecting those areas. A consolidation study plan shall specify the types and nature of the development and zoning applications that the advisory planning districts shall review and the official boards shall be required to respond, at a public meeting, to each suggestion made by an advisory planning district ...

² The community is already served by a single Regional Planning Board.

CONCLUSION: SUMMARY OF POTENTIAL SAVINGS

The following list itemizes recommendations made by the Commission and/or its Subcommittees *that have associated savings*. The total projected savings of these recommendations at full implementation is \$3.321 million.

- **Police** (\$2.100 million)
- **Public Works / Engineering / PSOC** (\$0.442 million)
- **Governing Body** (\$0.061 million)
- **Administrator** (\$0.206 million)
- **Clerk** (\$0.199 million)
- **Finance / Tax Collection** (\$0.217 million)
- **Court** (\$0.079 million)
- **Tax Assessment** (\$0.017 million)

TOTAL = \$3.321 million