

Final Report of the Consolidation Transition Task Force

Princeton, New Jersey

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Princeton, New Jersey

SUMMARY

This report documents the transition process leading to the formal consolidation of Princeton Borough and Princeton Township, New Jersey, into a single municipality. The consolidation takes effect January 1, 2013 pursuant to a referendum approved by residents of both municipalities on November 8, 2011.

Readers should note that this report covers the structure, process and progress of transition that occurred during calendar year 2012. Additional information and reports related to the original study and plan completed by the Joint Consolidation and Shared Services Study Commission from 2010-11 is available online at the Commission's website (www.cgr.org/princeton/commission).

This report is presented as follows:

- *Process Overview*: How was the Transition Task Force (TTF) established, and how was it structured to address items and issues related to transition?
- *Priority Tasks*: How did the TTF identify key tasks and timelines, and how did it prioritize among them?
- *Recommendations and Rationale*: On a subcommittee-by-subcommittee basis, what key questions did the TTF address, what options did it identify, what review did it complete, what recommendations did it make, and what was the rationale for those decisions? Related, how did each conform to the original consolidation plan developed by the Joint Commission?
- *Financial Impacts*: What are the financial implications associated with each of the TTF's recommendations, and how did each conform to the original plan developed by the Joint Commission? Related, what transition costs have been identified and / or incurred during the transition process, and which costs are transition-specific (as opposed to costs that would have been incurred even in the absence of merger)?

- *Strategic Considerations:* Although the TTF’s focus has been on transitioning to “Day One” of the consolidated Princeton, what additional elements – operational, financial and structural – has the TTF process identified for consideration beyond the immediate transition process?

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INTRODUCTION | Process Overview

On November 8, 2011, voters in both Princeton Borough and Princeton Township, New Jersey approved a referendum proposal to consolidate the two municipalities into one, effective January 1, 2013.¹

The vote capped a process that began in 2009, when officials in both local governments initiated an effort to explore the potential benefits of a merger. Following three public hearings in December 2009, the governing bodies of both the Borough and Township received approval from the State of New Jersey Department of Community Affairs' Local Finance Board to create a Joint Consolidation / Shared Services Study Commission and establish a process for a feasibility study of consolidation and shared services. The Joint Commission, comprising both Borough and Township representatives, was charged with studying potential consolidation and shared services opportunities, and assessing the operational and financial implications thereof.

Following months of detailed review and analysis, in May 2011 the Joint Commission passed a resolution recommending that the governing bodies permit a referendum on consolidation of the Borough and Township, as follows:

The Princeton Joint Consolidation / Shared Services Study Commission recommends that the Borough of Princeton and Township of Princeton be consolidated into a single municipality to be known as Princeton, and governed under the Borough form of government, with a separately elected Mayor and six (6) member Council to be elected at large with partisan elections and staggered terms of office.

The November 2011 referendum on consolidation passed by 63 percent (1,385-for to 802-against) in the Borough and 85 percent (3,542-for to 604-against) in the Township.

With the referendum approved and looking toward a year of implementation, the governing bodies of the Borough and Township in January 2012 appointed a Transition Task Force (TTF) to facilitate the process. The Governing Bodies charged the TTF with reviewing the myriad issues associated with implementing the consolidated Princeton and making recommendations to the Borough and Township governing bodies. The governing bodies would then act to formalize decisions in preparation for "Day One" of the consolidated municipality.

¹ The approval followed three previously unsuccessful consolidation referenda, the most recent of which was in 1996.

Both governing bodies made appointments to the TTF, with the membership including elected officials and residents selected pursuant to an application and interview process.

Borough Appointees to the Task Force

Jo Butler, Member of Borough Council
Hendricks Davis
Mark Freda
Jim Levine (*alternate*)
Brad Middlekauff
Yina Moore, Mayor

Township Appointees to the Task Force

Dorothea Berkhout
Chad Goerner, Mayor
Linda Mather
Bernie Miller, Member of Township Committee
Gary Patteson (*alternate*)
Scott Sillars

Both municipal administrators and a DCA representative were non-voting members of the TTF.

After the full membership of the TTF was seated, it elected Mark Freda as Task Force Chair and Scott Sillars as Task Force Vice Chair.

By New Jersey law, the Joint Consolidation Study Commission was to remain in existence in an advisory capacity until 180 days following the consolidation of the Borough and Township (*i.e.* June 30, 2013). In its advisory capacity, Commission members served as liaisons to the Task Force's subcommittees and frequently provided opinions to the Governing Bodies and the Task Force regarding the Commission's recommendations and intentions.

The TTF engaged the services of two outside consultants² to facilitate the transition process:

- **CGR Inc.** (Center for Governmental Research), a Rochester, New York-based research consulting organization with expertise in

² CGR and Kearns provided legal counsel, strategic advice and project management services to the TTF throughout the process. Additional consultants were engaged as part of the detailed review of certain implementation options.

municipal consolidation and management processes, which had served as consultant to the Joint Consolidation and Shared Services Study Commission in the development of the initial consolidation plan; and

- **William John Kearns, Jr.**, of the Kearns, Reale & Kearns law firm, an expert in New Jersey municipal law and General Counsel for the New Jersey League of Municipalities.

Recognizing that the most critical elements of implementation spanned a variety of issue areas (particularly operations, process, legal, financial, technology and human resources), and in light of timeline constraints, the TTF established a subcommittee structure that would facilitate detailed review along parallel, simultaneous tracks. Subcommittees consisted of Task Force members and other citizen volunteers, solicited to lend additional expertise, perspective and representativeness to the TTF's consideration of implementation issues.

Note: In each committee roster presented below, voting members are denoted with an “*”

Personnel Subcommittee

The Personnel Subcommittee focused on issues related to workforce sizing, severance options, personnel selection, employee benefits, employee policies and procedures, and organizational structure in departments such as administration, finance and court.

Task Force Members

Dorothea Berkhout, Chair*
Jo Butler*

Jim Levine*
Gary Patteson*

Other Members

Bob Bruschi
Jill Jachera*
Shirley Meeker*
Kathy Monzo

Sue Nemeth*
Bruce Topolosky*
Sandy Webb

Infrastructure and Operations Subcommittee

The Infrastructure and Operations Subcommittee focused on issues related to service levels for garbage, brush, leaf and composting collection; the

organizational structure in public works, engineering and sewer operations; public works facilities; and capital plan items.

Task Force Members

Jo Butler*	Brad Middlekauff, Chair*
Mark Freda*	

Other Members

Wayne Carr	Bob Hough
John Clearwater*	Bob Kiser
Don Hansen	Ben Stentz
John Heilner*	Jack West

Public Safety Subcommittee

The Public Safety Subcommittee focused on issues related to consolidating the Borough and Township Police Departments into a single unit, including organizational structure, facilities, policies and procedures, information technology (*i.e.*, dispatch) and potential collaborative opportunities with Princeton University Public Safety.

Task Force Members

Jo Butler*	Bernie Miller*
Mark Freda, Chair*	

Other Members

Bob Altman*	Frank Setnicky
Robert Buchanan (<i>through 3/12</i>)	Dan Tomalin
David Dudeck	Kevin Wilkes*
Bob Gregory	Treby Williams
Paul Ominsky	Dick Woodbridge*

Finance Subcommittee

The Finance Subcommittee focused on fiscal and budgetary issues related to consolidation, including the tracking of transition costs, savings estimates, combination of the budgets, and establishing an open space tax rate.

Task Force Members

Chad Goerner*	Scott Sillars, Chair*
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Other Members

Jenny Crumiller*	Roger Martindell*
Heather Howard*	Kathy Monzo
Adrienne Kreipke*	Patrick Simon*
Liz Lempert*	Sandy Webb

Information Technology Subcommittee

The Information Technology Subcommittee focused on the technological aspects of consolidation, including inventorying existing hardware, software and vendor support, and developing integration plans for general IT needs (*e.g.*, servers, software, printers, email, websites and phones), specialized technology requirements (*e.g.*, general ledger, tax collection) and consulting services.

Task Force Members

Dorothea Berkhout*	Gary Patteson, Chair*
Jo Butler*	

Other Members

Jenny Crumiller*	Wendy Rayner*
Bob Hough	Irina Rivkin*
Lance Liverman*	Patrick Simon*
Bob McQueen	Henry Singer*

Facilities and Other Assets Subcommittee

The Facilities and Other Assets Subcommittee focused on capital aspects of consolidation, including: inventorying existing space utilization in municipal facilities; making recommendations for the deployment of municipal operations in facilities post-consolidation; and reviewing modification needs and schedules to prepare municipal facilities for consolidated operations.

Task Force Members

Hendricks Davis*	Yina Moore*
Bernie Miller, Chair*	Scott Sillars*

Other Members

Alexi Assmus*	Marc Schiebner*
Eugene McCarthy	Anne St. Mauro
Marvin Reed*	

Boards, Commissions and Committees Subcommittee

The Boards, Commissions and Committees Subcommittee focused on aligning the municipalities' existing boards / committees structure with a consolidated government, including recommending how successor bodies would be constituted and appointed.

Task Force Members

Hendricks Davis, Chair*
Bernie Miller*

Gary Patteson*

Other Members

Bill Enslin*
Wanda Gunning

Eugene McCarthy

Communications and Outreach Subcommittee

The Communications and Outreach Subcommittee focused on ensuring the Task Force's public information was being consistently, accurately and accessibly disseminated. In addition, the Subcommittee managed preliminary planning for a consolidation celebration scheduled for the launch of the new municipality.

Task Force Members

Linda Mather, Chair*

Yina Moore*

Other Members

Carol Golden*
Anton Lahnston*
Teri McIntire*

Mimi Omiecinski*
Roger Shatzkin*
Bill Zeruld*

PRIORITY TASKS | Review & Recommendations

The Task Force was given the Consolidation Report to use as a guide to follow for implementation. After the TTF constituted its subcommittees, CGR in collaboration with the subcommittees developed for each a "priority task inventory" of key issues that needed to be addressed as part of the transition process. The priority task inventory was vetted with the full Task Force, as well as members of the Borough and Township governing bodies in a joint public session. The document would serve as

the “roadmap” for much of the transition process during 2012, ensuring the various subcommittees were working in parallel fashion and that the entire TTF was progressing toward the common goal of preparing the two municipalities for the January 1, 2013 consolidation.

That priority task inventory serves as the framework for this section of the report. Priority tasks addressed by the TTF are presented on a subcommittee-by-subcommittee basis, along with the following:

- Anticipated timeline for addressing the component;
- Key questions raised;
- Options identified;
- A summary of analytical elements considered, where applicable;
- Recommendations (and where applicable, notation of where recommendations differed from the Joint Commission’s initial consolidation plan recommendations); and
- Estimated financial implications.

Personnel Subcommittee

Task 1a: Severance Options

Workforce sizing options, including severance and early retirement incentive alternatives

Deliverable: Develop a summary of options and preliminary cost analysis based on workforce sizing assumptions

Timeline: Completed in late May / early June 2012

The workforce sizing issue considered by the Personnel Subcommittee related to how the Borough and Township – and ultimately the new municipality – would implement the “involuntary separations” resulting from the elimination of certain duplicate positions through consolidation. The Committee considered a range of options, from simple attrition (*i.e.*, eliminating duplicate positions only as current employees leave on their own), to the *status quo* (*i.e.*, current employment separation benefits already offered by the Borough and Township), to a formal early retirement incentive (ERI) program that could be implemented with assistance from the State of New Jersey. After considering the various options, the Committee determined that attrition and ERI were not viable alternatives – the first because it would defer or otherwise not ensure

savings consistent with the original consolidation plan and voter mandate, and the second because of the magnitude of its costs and eligibility challenges and application differentials across departments.

With that preliminary determination made, the Subcommittee focused its attention on mapping out a range of severance options for individuals not selected for duplicate positions. The options consisted of, at the low end, current Borough and Township policy (*i.e.*, two weeks of pay in the Borough and four weeks of pay in the Township), as well as an incremental increased benefit of one week of pay per year of local service, with a minimum of eight and a maximum of sixteen weeks. The Subcommittee also considered more generous possible severance options, including one week of pay per year without minimums / maximums. The Subcommittee also considered the possibility of funding outplacement assistance services for employees whose positions were eliminated.

In the context of evaluating severance options, the Subcommittee also acknowledged the importance of maintaining service continuity and institutional knowledge throughout the transition process. As a result, it considered conditioning any enhanced separation benefit (*i.e.*, beyond current policy) on employees' consenting to remain employed by the Borough or Township through an agreed-upon date.

Using position reduction counts provided by the various TTF Subcommittees, the Personnel Subcommittee analyzed the estimated cost range of these severance options as follows:

Estimated cost range of employee severance options

Source: Personnel Subcommittee analysis and exhibit, May 17, 2012

Note: Excludes sworn police personnel, but includes civilian staff

Estimated Cost Range

	Low	High
Current policy (<i>i.e.</i> , 2 weeks pay in Boro, 4 weeks pay in Twp)	\$102,144	\$290,403
Incremental increased benefit (<i>i.e.</i> , one week salary per year of local service, minimum of 8 maximum of 16)	\$125,323	\$236,704
Outplacement services	\$6,000	\$10,000
Total cost of current + incremental increased + outplacement services	\$233,467	\$537,107

Recommendation

Based on its review and analysis, the Subcommittee recommended implementation of a separation / severance plan with the following components:

1. A separation package consisting of the current policy *plus* the incremental increased benefit would be communicated to departing employees upon notification of the decision to terminate their position;
2. The official termination date would be determined by the governing bodies, but employees would have to remain employed with the Borough or Township through that date in order to receive the incremental increased benefit;
3. In consideration for separation packages and eligibility for the incremental increased benefit, employees would be required to sign a waiver;
4. Any employee who opted to voluntarily leave prior to the end of his / her retention period would be eligible to receive *only* the current policy separation benefit, and would forfeit eligibility for the incremental increased benefit; and
5. Outplacement services would be provided to departing employees.

Status

The Subcommittee's recommendation was approved by the full Transition Task Force on May 16, 2012, and by the Joint Governing Bodies on May 21, 2012.

Task 1b: Personnel Selection Process

Process recommendations for personnel selection at strategic positions

Deliverable: Develop a process and criteria for selecting key administrative personnel and department heads by mid-year, such that "Day One" leadership can assist in framing the new government

Timeline: Completed in late May / early June 2012

Early in the transition process, it was determined that the selection of "Day One" personnel in certain key administrative positions was critically important to moving implementation forward in at least two ways. First, the designation of individuals in these key positions would enable them to engage the transition process with their appointment in mind, recognizing

that they would be formulating the department / function *they* would be tasked with administering once the merger took effect. Second and related, such designations would eliminate any confusion over “who is in charge” and would contribute to a greater level of service continuity as the transition process moved forward.

The Personnel Subcommittee and the TTF were *not* tasked with making the actual selection of individuals to serve in the key administrative positions, but rather setting forth a process for their selection that was transparent, balanced and based on facially neutral criteria.

The determined selection process would apply to the following positions:

- *Administrator*, of which there were two incumbents (one permanent and one “acting”);
- *Police Chief*, of which there were two incumbents (one permanent and one “acting”);
- *Chief Financial Officer*, of which there were two incumbents (both permanent and tenure holders, although one was acting in the capacity of “acting administrator” in the Township);
- *Director of Public Works*, of which there were two incumbents; and
- *Engineer*, of which there were two incumbents.

Certain other positions where duplication would be eliminated as part of consolidation – Tax Collector, Clerk and Assessor – only had one incumbent at the time of transition, making the selection process clearer.

Recommendation

The Subcommittee produced a “recommended procedure to achieve... staffing goals for all non-sworn police and non-union positions” in May 2012. Notably, while initial discussion of the selection procedure focused primarily on the key administrative positions referenced above, the Subcommittee’s recommended policy included procedures for these key positions *and* the general “reduction in force” expected to occur elsewhere in the Borough and Township’s workforce.

The procedure³ was presented as follows:

Objectives

It is important that any Reduction in Force (“RIF”) necessitated by the consolidation be properly designed and implemented such that it:

1. Be completed in a timely manner;
2. Achieves the reduction targets and cost savings;
3. Supports affected employees;
4. Results in the selection of the best employees;
5. Takes into consideration a desire for a balance between Borough and Township employees; and
6. Is explainable and defensible so as to avoid litigation, negative publicity and poor employee morale.

Process Steps

1. Approve organization chart consistent, to the extent appropriate, with the staffing blueprint in the (Joint Commission) report...
2. Prepare / revise job descriptions and experience / skill requirements for the new and / or consolidation positions (Administrators).
3. Prepare RIF rationale documentation identifying the departments / functions that will be subject to the RIF and the positions that will need to be eliminated, created or consolidated (Administrators).
4. Governing bodies to name members of the selection committee for senior positions (in addition to Administrator include Chief of Police, Director of Finance, CFO, Director of Public Works and Engineer) as follows:
 - Up to 3 representatives each from the Township and Borough, named by the governing bodies (these can be governing body members or citizens);

³ The procedure is shown verbatim as developed by the Personnel Subcommittee.

- Administrator (Borough) and Acting Administrator (Township) – except for selection of Administrator – as voting members; and
- A facilitator – an individual with a professional HR / employment specialization to facilitate the process for both the selection committee in making selections for the senior positions and the administrators in making non-senior position selections.

Selection decisions must be approved by both governing bodies.

Note: For non-senior positions, the Administrator and Acting Administrator will make the selections for those positions targeted for reduction using the same process as that outlined for the selection committee, and these selections as a group must be approved by both governing bodies.

5. Eligible employees in the pool of candidates must express their intent to be considered for one or more positions for which they are eligible by applying and providing an updated résumé to the appropriate selection committee. The pool of candidates should include incumbents, those in “acting positions” and those currently in redundant positions who are eligible for a different redundant position and who have expressed interest to the committee through application.
6. Administrators will compile the documentation that will be examined by those involved in the selection process, such as organization chart, personnel files, performance evaluations for past 2 years, written discipline records, attendance records, supervisor files regarding performance, updated résumés, and job descriptions.
7. Selection criteria will be as follows:
 - Skills and abilities (including experience)
 - Past performance (including any disciplinary action)

If the candidates are equal in these areas, then the following should apply in this order:

- Seniority
- Township or Borough employee

8. Selection committees will conduct interviews with candidates.

The facilitator will do the following, relying on additional legal counsel as needed:

9. Provide training to selection committee members as to the appropriate criteria, selection process and communication;
10. Distribute the RIF Process Guidelines and assist in the preparation of a RIF selection matrix for job consolidations in which the skills and abilities of the employees being considered for the position will be ranked and a RIF Selection Rationale Form for each employee selected for RIF.

The facilitator will work with the selection committee and administrators to ensure the following steps are taken:

11. Determine if the selections would breach any employment contract or employment law.
12. Determine how and when decisions will be communicated, taking into consideration the time required for review of the requested release, which in the case of the Older Workers Benefit Protection Act (“OWBPA”) (for selected employees who are over 40) can be up to 45 days in a group termination.
13. Prepare appropriate releases for under 40 and over 40 (OWBPA release will require accompanying demographic data).
14. Obtain legal review of the process, decisions, and releases to insure decisions were not based on age, disability, gender, race, claims of discrimination, whistleblower, or any other protected class and all Federal and State laws have been complied with.
15. Train managers in appropriate communication in anticipation of the RIF and meetings to communicate decisions.
16. Administrators will communicate RIF decisions to affected employees in individual meetings and communicate decisions to remaining employees and the public. They will provide severance package information to affected employees... obtain releases from terminated employees, and prepare for employee exits (security, computers, etc.).

Status

The Subcommittee’s recommendation was approved by the full Transition Task Force on May 16, 2012, and accepted by the Joint Governing Bodies

on May 21, 2012. The Governing Bodies ultimately amended the TTF recommendation to include three appointees from the Borough Council and two from the Township on the selection committee. The two municipal administrators were also part of this committee for senior positions, and the committee included a facilitator. Those committee appointments were made in June 2012 and the selection committee began meeting in that month, with all selections completed by the first week of October 2012.

Task 1c: Organizational Structures

Review proposed reconfigurations of department structures for Administration, Finance, Community Services and Affordable Housing

Deliverable: Vet departmental organization structure proposals and make recommendations on deployment and span of control

Timeline: Completed in May 2012

This component of the Personnel Subcommittee's work focused on translating the departmental recommendations made by the Joint Commission's original consolidation plan into reality, recognizing the importance of service continuity, facility deployment of various departments, span of control (*i.e.*, number of administrative staff vis-à-vis line personnel) and workforce savings contemplated by the original plan.

The Personnel Subcommittee was responsible for reviewing and recommending organizational structures for departments spanning the following service areas:

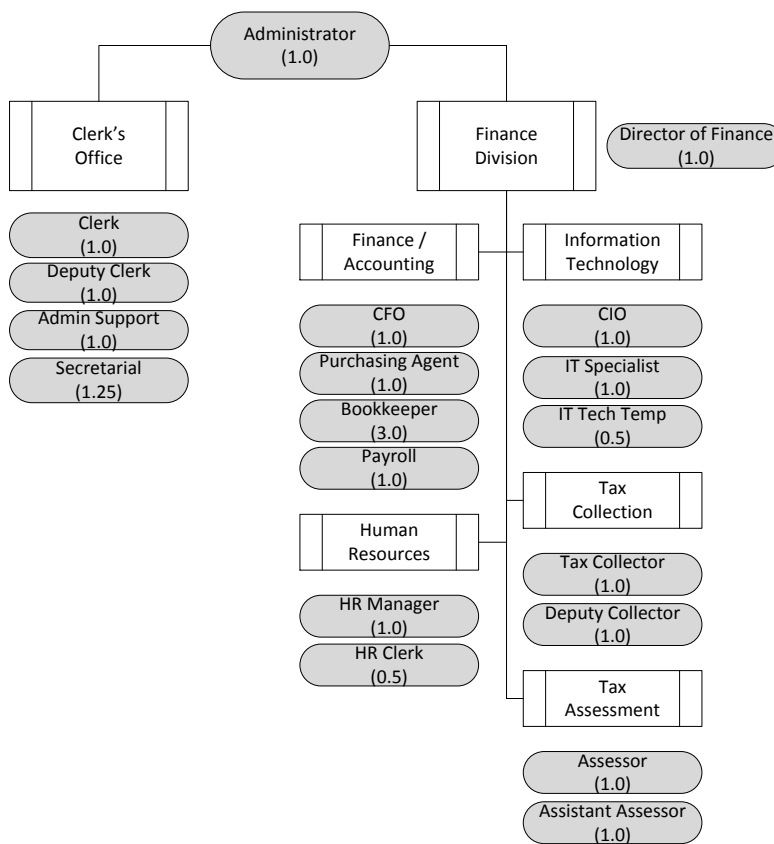
- Administration
- Finance
- Health
- Social Services
- Affordable Housing
- Court; and
- Recreation.

Organizational structures for the remaining functional areas in the new municipality – police and public works / engineering – were addressed by the Transition Task Force's Public Safety Subcommittee and Infrastructure / Operations Subcommittee, respectively, and are presented later in this report under the corresponding subcommittee.

Recommendation: Administration and Finance

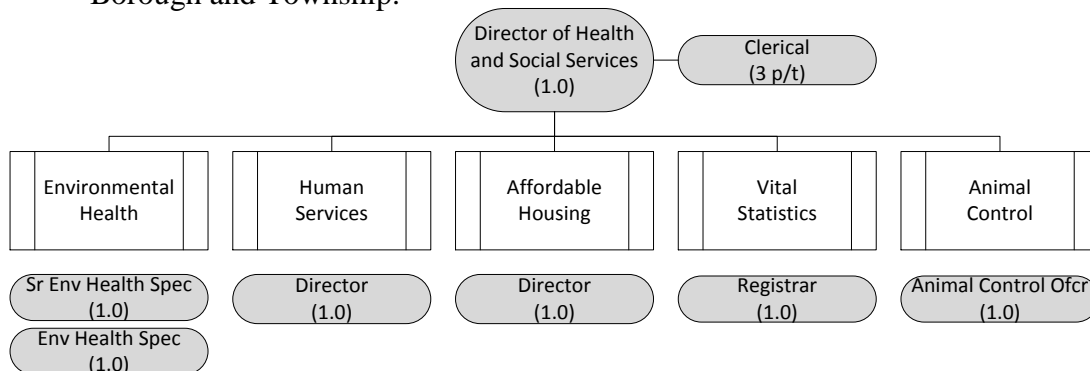
The Personnel Subcommittee recommended creation of a single Department of Administration and Finance, headed by the Administrator and including both the Clerk's Office and a Division of Finance. The Division of Finance would aggregate a number of related functions, including general financial / accounting management, human resources, information technology, tax collection and tax assessment. The recommendation included a total of 20.25 full-time equivalent positions, one above what was contemplated in the original Commission plan (19.25), but four-and-a-half fewer positions than are currently in place across these functions in the Borough and Township (24.75). Key variations from the Commission plan were:

- The recommendation to repurpose one Deputy Clerk position to an administrative support position;
- Reducing both the Assistant CFO and Comptroller positions;
- Adding a Director of Finance to oversee general financial administration and the related functions integrated within the Financial Division;
- Reducing a part-time Tax Clerk position; and
- Retaining a part-time temporary information technology technician position.



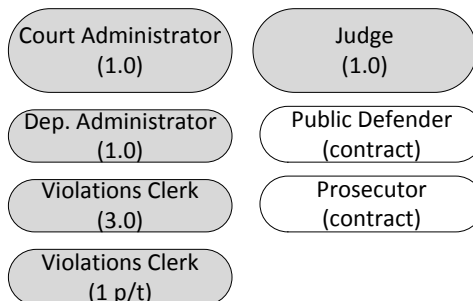
Recommendation: Health and Social Services

The Personnel Subcommittee recommended creation of a Department of Health and Social Services, reporting to the Administrator, and including Health, Human Services and Affordable Housing functions. The department would also include vital statistics, environmental health and animal control services. The recommendation included a total of 10.00 positions, matching the total contemplated in the original Commission plan and equal to what is currently in place across these functions in the Borough and Township.



Recommendation: Court

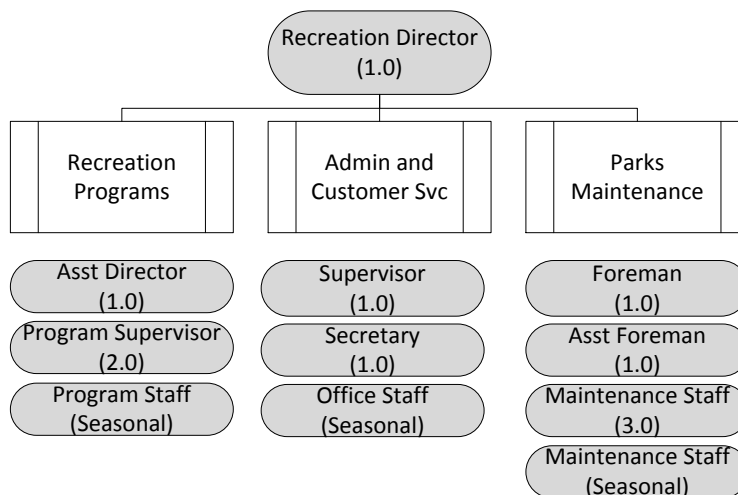
The Personnel Subcommittee recommended that the consolidated court function be slightly smaller in workforce size than what was contemplated in the original Commission plan. Reporting to the Administrator, the court would include a single court administrator, one judge and support staff positions. In total, the recommendation calls for 6.50 positions, supplemented by a contracted prosecutor and public defender. Although the total staff size equals that of the Commission’s plan, the Subcommittee’s recommendation reduces the Commission’s recommended staff load for Deputy Court Administrator (from 1.50 to 1.00), while increasing the staff load for violations clerk (from 3.00 to 3.50).



Recommendation: Recreation

The Personnel Subcommittee recommended that park maintenance and recreation programming activities be administered by a Department of Recreation, reporting to the Administrator. The recommendation diverges slightly from the original Commission plan, which recommended park maintenance activities be consolidated within a broader Department of Public Works and Engineering, in order to leverage perceived efficiencies in infrastructure and park maintenance activities. Upon review, the Personnel Subcommittee concluded that the new municipality would be best served (and recreation programming quality ensured) by retaining park maintenance responsibilities within the department that also handles recreation.

The department as recommended by the Subcommittee would function under a single Recreation Director, and include a total of 11.00 full-time employees *plus* seasonal personnel to support programming and administrative needs. The workforce size recommendation matched the recommendation of the original Commission plan, as well as the current combined total of Borough and Township parks and recreation personnel.



Status

The Subcommittee's recommendation was approved by the full Transition Task Force on May 16, 2012, and accepted by the Joint Governing Bodies on May 21, 2012.

Task 1d: Reconcile Employee Benefits

Review benefit types and levels for Borough and Township employees and determine options

Deliverable: Document existing differences in Borough and Township employee benefits, evaluate options and make recommendations for an integrated approach

Timeline: Completed in July 2012

This component of the Personnel Subcommittee’s work focused on reviewing all benefits provided to employees and former employees in the Borough and Township, documenting differences, and generating options and recommendations for a unified approach under the new municipality. As part of this charge, the Subcommittee reviewed the following:

- Medical / health insurance (for active employees and retirees);
- Pension;
- Overtime provisions;
- Compensatory (*i.e.*, “Comp”) time provisions;
- Longevity provisions;
- Bereavement leave provisions;
- Terminal leave pay provisions;
- Short-term disability benefits; and
- Time off *mechanisms* (*i.e.*, categories of time granted to employees) and *amounts* (*i.e.*, levels of time allocated to employees within each category).

As part of its review, the Subcommittee also compared benefits currently offered by the two municipalities to both the private sector and neighboring municipalities and considered whether the rationale for more generous benefits still held, given the fact that employee salaries were now more on par with those in the private sector for many positions.

Medical / Health Insurance: Active Employees

The Borough and Township currently use different approaches to provide health insurance to their combined 187 employees. Borough employees are covered through the State Health Benefits Program (SHBP), of which the Borough is a participating employer. The program offers participants fourteen plan choices. By contrast, Township employees are covered through a privately placed plan that offers four choices. The Personnel Subcommittee’s review determined that while the benefits are largely

comparable across the Borough and Township plans (notwithstanding small network coverage differences), the cost of insuring through the SHBP is approximately 20 percent less than through the private plan.

The Subcommittee recommended that the new municipality move entirely to the SHBP plan, which would produce estimated savings for active employees of approximately \$300,000.

Medical / Health Insurance: Retirees

The structure of retiree medical insurance mirrors that of active employees, with the Borough in the State Health Benefits Program and the Township providing coverage through its private plan. Eligibility levels differ, however. The Borough uses the state standard of 25 years of pensionable service, regardless of age; the Township has a more stringent threshold, requiring 25 years of *local* service (*i.e.*, with the Township) to qualify, regardless of age.

In the Borough, retiree benefits are provided via SHBP, with benefits in place at the time of retirement continued. The Borough requires that eligible retirees be enrolled in Medicare A and B, with Borough coverage secondary.

In the Township, the benefit consists of a reimbursement up to set dollar amounts established by the Township. The reimbursement level is based on insurance premium cost paid at the time of retirement. In 2011, the payments were as follows:

- Single 65+ \$5,500
- Single under 65 \$8,200
- Parent/Children \$13,950
- Two Adults \$18,900
- Family \$19,850

In total, 72 current retirees are covered by the Borough and Township combined.

The Subcommittee recommended adoption of the Borough system for establishing future retiree eligibility *and* that future retiree coverage be provided through the SHBP (as the Borough does currently). It also recommended no change for current retirees; that is, current retirees would remain in their existing coverage program.⁴ The Subcommittee also

⁴ The Subcommittee reviewed a series of options for coverage, including moving all employees and retirees into SHBP; moving all employees into the private plan and

recommended that the new municipality consider reimbursement options when the health care exchanges associated with the Patient Protection and Affordable Care Act are established in 2014. According to the Subcommittee's review, the exchanges may provide an opportunity for the new municipality to realize savings while ensuring continuation of coverage for retirees.

Pension

Both the Borough and Township are participating employers in the state's pension systems – the Public Employees Retirement System (PERS), which covers non-sworn employees, and the Police and Fireman's Retirement System (PFRS). Coverage levels and participation requirements are the same, with eligibility for full retirement being 25 years of service regardless of age.

The Subcommittee recommended no change to the pension benefit. Current pension accounts would remain intact and service credit combined under the new municipality.

Overtime Provisions

Both the Borough and Township compensate employees additionally for overtime service. In both, the basic benefit is the same:

- Hours worked beyond 40 / week are compensated at a rate of 1.5x; and
- Hours worked between regular hours and 40 are compensated at a rate of 1.0x.

Beyond the basic benefit, there are slight distinctions. In the Borough, salaried employees working on a holiday (see below) receive 1.5x pay plus any eligible holiday pay. In the Township, holiday pay consists of 2.0x pay plus any eligible holiday pay. Another difference involves absences: In the Borough, absences count as time worked; in the Township, they do not.

providing retirees with a stipend similar to the Township retiree benefit; and moving all employees into SHBP but benefiting retirees through a Township-type stipend. One option deemed impractical was using the Township private plan for all active employees and the SHBP for all retirees, since the SHBP does not permit participating employers to enroll *only* retirees.

The Subcommittee reviewed a series of alternatives for a unified overtime plan: Utilizing the current Borough policy, utilizing the current Township policy, or utilizing the current Township policy *with* non-exempt employees working on a holiday receiving holiday pay plus straight-time pay (or overtime pay if time worked meets the overtime criteria).

The Subcommittee recommended a unified overtime framework as follows:

- Hours worked beyond 40 / week be compensated at a rate of 1.5x;
- Hours worked between regular hours and 40 be compensated at a rate of 1.0x;
- Working on a holiday be compensated at a rate of 1.5x plus any eligible holiday pay; and
- Absences not be counted as time worked.

Compensatory Time

Both the Borough and Township recognize compensatory time for employees who work beyond their normal hours, but the policies are reasonably loose. In both, compensatory time is allowed with manager approval and tracked, but typically not fully used up by employees. In the Borough, a defined list of positions is eligible for comp time; it is considered to be “occasional, non-accruing and not hour-for-hour,” according to the employee policies manual; and it may be replaced with bonus pay.

Upon review, the Personnel Subcommittee recommended elimination of the compensatory time policy *but maintenance of the practice*, acknowledging that the tracking of compensatory time accumulation and usage was not essential and could be adequately overseen by managers.

Longevity Provisions

The Borough and Township both offer longevity incentives for longer-tenured employees, although the benefit levels differ. In the Borough, the benefit was discontinued for staff hired after January 1, 2000, but previous hires are eligible for the following:

- For 10 to 14 years of service, \$900;
- For 15 to 19 years of service, \$1,200;
- For 20 to 25 years of service, \$1,700; and
- For more than 25 years of service, \$1,850.

In the Township, the benefit level differs based on hire date, with those hired after January 1, 2004 receiving a lower amount than previous hires. Employees hired after January 1, 2004 receive the following:

- After 5 years of service, 1%;
- After 10 years of service, 2%;
- After 15 years of service, 3%;
- After 20 years of service, 4%; and
- After 25 years of service, 5%.

Township employees hired prior to January 1, 2004 receive the following:

- After 5 years of service, \$725;
- After 10 years of service, \$1,375;
- After 15 years of service, \$1,675;
- After 20 years of service, \$2,175; and
- After 24 years of service, \$2,325.

The Personnel Subcommittee reviewed a series of alternatives for a unified longevity benefit, including the following:

- Maintaining the current policies using *either* the Township or Borough-based dollar amounts;
- Maintaining current policies, but eliminating the benefit for new hires (similar to the Borough's approach);
- Eliminating longevity pay altogether;
- Suspending longevity pay for a year in which an employee's performance is found to be below standard; and
- Creating a performance-based pay mechanism for employees whose performance is found to be above standard.

Upon review, the Personnel Subcommittee recommended that the longevity pay benefit be eliminated, similar to the Borough's policy for new hires since 2000, *but that the amount that would have been in place for employees on December 31, 2013 be rolled into their base pay*. Under this approach, the longevity benefit would effectively increase automatically with future salary adjustments, but will not be based on a separate longevity schedule linked to tenure.

Bereavement Leave

Both the Borough and Township offer bereavement leave benefits to employees. The Borough provides five days off for a defined list of

immediate family members (*i.e.*, spouse, parent or in-law, child or in-law, sibling, grandparent or grandchild) and two days off for other family members (*i.e.*, uncle, aunt, nephew, niece, sibling in-law or first cousin). Employees have the right to take one of those days at a future date (within three months) to attend to bereavement-related matters. In the Township, the benefit provides for five days leave for a defined list of immediate family members (*i.e.*, spouse, domestic / civil union partner, parent or in-law, child or in-law, sibling or in-law, grandparent or grandchild), with a two-day extension option that may be granted for travel.

The Subcommittee reviewed a series of options, including utilizing the current Township or Borough policy; combining the current policies to provide five days for immediate family and two days for less-immediate family; or eliminating bereavement as a separate benefit and rolling it into a comprehensive paid-time-off (PTO) “bank.”

Upon review, the Personnel Subcommittee recommended the new municipality utilize the Township’s bereavement policy.

Terminal Leave

The Borough and Township both currently offer terminal leave benefits to departing employees. The requirement to qualify for terminal leave is the same in both: 25 years of *local* service. Benefit levels differ, however. In the Borough, eligible employees receive one day’s pay per year of service, capped at 30; in the Township, the benefit is 2 days per year of service.

The Subcommittee recommended that the new municipality eliminate the terminal leave benefit as of January 1, 2015 and that the Borough policy be utilized between January 1, 2013 and that end-date. The Subcommittee also recommended that in order to retain eligibility, employees should be required to provide two months’ notice of their planned departure in order to enable a smooth transition.

Short-Term Disability

The Borough and Township both currently provide short-term disability benefits to employees. The Borough utilizes a self-funded plan that pays 100 percent of an employee’s salary for six months after 44 days of disability. During the first 44 days, employees either draw from their sick bank or the time goes unpaid. The Township utilizes the state insurance plan, funded jointly by the employer and employee. The benefit provides for two-thirds of salary replacement, capped at \$572 per employee per week. Like the Borough plan, the Township plan requires that sick bank time be utilized until an employee becomes eligible for the disability benefit.

Based on the review and endorsement of the current Borough and Township Administrators, the Subcommittee recommended that the new municipality utilize the Borough plan.

Time Off

The Personnel Subcommittee completed an in-depth review of time off provided to Borough and Township employees that are not otherwise covered by time off provisions in collective bargaining agreements. That review addressed two related components:

- First, the Subcommittee examined the *mechanism* by which time off is provided, and considered options that could be implemented by the new municipality;
- Second, the Subcommittee examined the *type and level* of time off that is provided to Borough and Township employees.

Time Off Mechanism

Both the Borough and Township utilize a “traditional” time off system that grants employees leave in a variety of use-specific categories, including sick, holidays, personal and vacation. As part of its review, the Subcommittee considered two basic options regarding the time off mechanism in the new municipality. The first option was to simply retain the traditional system and provide employees with paid leave “banks” in a series of use-specific categories. The second option was to shift from a traditional system to a “paid time off” system, known as PTO. Under a PTO system, paid leave categories are combined into a single universal “bank” of time from which employees can draw as needed.

In reviewing the merits of shifting to a PTO system, the Subcommittee identified the following:

- It could be developed in a way that protects current time off allocations provided to employees;
- It could simplify the administration of employee leave, obviating the need to track separate types of time off *and* using a perpetual calendar that would eliminate the need for carryover provisions;
- It could offer employees additional flexibility beyond the current time off system which constrains their time off usage within specific categories;
- It could provide a simple methodology for transitioning future employees to a lower level of time off;

- It could enhance disability coverage by offering employees a more generous benefit when it is needed most, eliminate the need for banked time and save employees an estimated \$60 / year in state disability payments;
- It could offer a replicable change methodology for contract negotiations; and
- It is a model already widely used in private industry.

The Subcommittee also identified some potential drawbacks of implementing a PTO system:

- It is a change to the current system, and one that has not yet been adopted by other municipalities in the state;
- Unless unscheduled time off is limited, the system could create managerial challenges;
- It could lead to an increase in time off usage (at least initially);
- It could place Princeton at a competitive disadvantage against other municipalities for qualified employees; and
- Under certain circumstances, the relationship between PTO and disability payments could potentially result in slightly lower take-home pay for certain lower-paid employees during a period of disability.

Time Off Type and Level

As noted, the Borough and Township both provide employees with time off allocations in a number of use-specific categories. Both provide sick time, holidays, personal days and vacation; additionally, the Township provides floating holidays. In both municipalities, there are varying rules for whether, what and how much accrued time off is paid out to employees upon separation.

Sick Leave

The Borough provides 12 days per year and a carry-over maximum of 180 days. The Township provides 12 days per year (all of which are credited on January 1), and a carry-over maximum of 100 days. Regarding payout of accrued time at separation, employees in the Borough are eligible *after five years of service* for the following: 40 percent of the value upon retirement and 25 percent of the value for all other separations, up to a maximum of \$11,000. The Township does not offer any payout benefit upon separation.

In reviewing sick leave alternatives, the Personnel Subcommittee identified the following:

- Utilize the Borough policy;
- Utilize the Township policy;
- Utilize the Borough carry-over provision (*i.e.*, 180 days) but the Township lack-of-payout policy at separation;
- Reduce sick leave levels to 3, 6 or 9 days per year;
- Eliminate sick leave altogether and allow unlimited use on an as-needed basis; and
- Consolidating sick leave within a single PTO bank.

Vacation

The Borough provides 10 days in an employee's first year, accrued at one day per month, followed by 12 days in years one to five; 15 days in years six through ten; 21 days in years eleven through twenty; and 28 days beyond twenty years.

The Township provides 12 days in an employee's first year, accrued at one day per month, followed by 15 days in years one to seven; 20 days in years eight through fourteen; 25 days in years fifteen through nineteen; and 30 days in year 20 and beyond.

In reviewing vacation leave alternatives, the Personnel Subcommittee identified the following:

- Utilize the Borough policy;
- Utilize the Township policy;
- Develop a new policy in line with neighboring municipality norms and / or general industry norms;
- "Grandfather" all current incumbents at their current levels and move to a new policy for future hires;
- Offer no vacation in an employee's first year if they are hired after a certain date (*e.g.*, September 1 or October 1); and
- Consolidate vacation leave within a single PTO bank.

Vacation Carryover

The Borough and Township have different policies governing the amount of unused vacation leave that employees can carry over from year-to-year. In the Borough, employees may carry over their entire unused allotment, but all carried over time must be taken in the following year. In the Township, non-exempt employees can carry over 5 days and exempt employees can carry over 30 days, but they are restricted from using more than 10 carryover days in a given year (except the year of their retirement).

In reviewing vacation carryover alternatives, the Personnel Subcommittee identified the following:

- Utilize the Borough policy;
- Utilize the Township policy;
- Develop a hybrid policy between the Borough and Township;
- Eliminate vacation carryover altogether; and
- Consolidate vacation carryover within a single PTO bank.

Holidays

The Borough and Township both provide 13 holidays to employees, but allocate them differently. Both observe New Year's Day; Martin Luther King's birthday; Presidents' Day; Good Friday; Memorial Day; Independence Day; Labor Day; Thanksgiving and the day after Thanksgiving; Christmas Eve; and Christmas Day. Additionally, the Borough observes Veterans' Day, while the Township observes New Year's Eve. Finally, both offer a floating holiday – in the Borough it is determined each year; in the Township it is up to the employee.

In reviewing holiday alternatives, the Personnel Subcommittee identified the following options:

- Utilize the Borough policy;
- Utilize the Township policy;
- Reduce the number of paid holidays to 12 by eliminating Veterans' Day or New Year's Eve, and separately decide on whether to adopt the Borough or Township's treatment of the annual floating holiday;

- Reduce the number of paid holidays to 11 and add a separate day into the PTO calculation (assuming adoption of a single PTO bank); and
- Consider replacing Good Friday with another holiday or floating holiday.

Personal Leave

The Borough and Township both provide employees three days of personal leave per year on a non-accumulating basis. It can be paid out to employees upon separation from the Township; it is not in the Borough.

In reviewing personal leave options, the Personnel Subcommittee identified the following options:

- Utilize the Borough policy (*i.e.*, no payout upon separation);
- Utilize the Township policy (*i.e.*, payout upon separation);
- Consolidate personal leave within a single PTO bank; and
- Eliminate personal leave altogether.

Recommendation

Considering all paid time off benefits, the Personnel Subcommittee ultimately reviewed four alternatives:

- A proposal developed by the Borough and Township Administrators that leaves the current system intact and harmonizes the number of days off, while utilizing the Borough's current policy for short-term disability;
- A consolidated PTO system that utilizes the same number of days as the administrator proposal, with a revised short-term disability plan;
- A consolidated PTO system that utilizes the same number of days as the administrator proposal for *current employees* and a reduced number for *future employees*, with a revised short-term disability plan; or
- Alternative #1 (*i.e.*, the plan proposed by the Administrators) with the recommendation that the new governing body study the viability of a PTO system *and* conduct a pilot program in 2013 to consider possible change to a PTO system in the future.

The Subcommittee endorsed the last of those options: The Administrator proposal with the recommendation that the new governing body examine the potential of a PTO system in the future.

Status

The Subcommittee's recommendation was approved by the full Transition Task Force on July 25, 2012, and accepted by the Joint Governing Bodies on July 30, 2012. A draft of the new policy manual is in development and will be completed by the end of December 2012, including legal review.

Task 1e: Early Retirement Incentive Process

Analyze the need for completion of a state actuarial analysis on early retirement incentive (ERI) eligibility and impact

Deliverable: Make determination as to whether an ERI is applicable and, if so, facilitate analysis of impact by the state Department of Community Affairs and / or the state pension system

Timeline: Completed in March 2012

The Personnel Subcommittee examined the possibility of leveraging an early retirement incentive (ERI) program through the state to assist Princeton in meeting the workforce reduction targets contained in the consolidation plan. ERI programs are permissible under the state's Municipal Consolidation Act, and typically provide additional pension year credit, though can separately include one-time payments and / or annuity payments. They can be applied municipality-wide (*i.e.*, to all employees) *or* only to specific departments / sections, in the event workforce reductions are intended to be more targeted in nature. The only eligibility requirement is 20 years of service; no age minimum is required, but municipalities reserve the right to apply such a requirement.

Because an ERI program would likely involve providing additional pension credit to certain employees as an inducement to separate from their employment, municipal implementation of ERI requires approval from the state and its pension system. As part of that process, the state would conduct an actuarial analysis to determine likely implementation costs, an exercise which would cost the Borough and Township approximately \$20,000.

Therefore, prior to expending the costs related to the analysis, the Personnel Subcommittee completed a review to determine the applicability, viability and benefit an ERI program might provide.

For all non-police departments, the Subcommittee examined two potential approaches to an ERI: a “blanket” program, which would offer the benefit to employees municipality-wide, and a “targeted” program, which would implement the benefit on a positional basis to achieve specific separations. Its review of a blanket ERI program concluded the following:

- It would not guarantee achievement of headcount and / or savings targets, and would create a large potential for excessive departures in non-redundant (*i.e.*, non-targeted) positions; and
- It could potentially cost \$5.0 million upfront if all eligible employees took the package, but would only produce net savings over five years of \$2.4 million.

Its review of a targeted ERI program concluded the following:

- It would not guarantee achievement of headcount and / or savings targets, primarily because of a mismatch between targeted positions and employee eligibility for the ERI.

Moreover, the Subcommittee concluded that an ERI program applied to non-police departments would expose the municipalities to upfront costs (as high as \$20,000 for the actuarial analysis); face an extremely tight timeframe for implementation; and create a potential loss of critical institutional knowledge with incumbents in targeted positions leaving employment during the peak of the late-2012 transition process.

The Subcommittee separately examined an ERI option for the police department, where the original consolidation plan contemplated the highest number of position reductions. A blanket ERI was found to be less than optimal in the police department for the following reasons:

- It would not guarantee achievement of headcount and / or savings targets, and would create a large potential for excessive departures in non-targeted positions; and
- It could potentially cost \$6.5 million upfront if all eligible employees took the package, but would only produce net savings over five years of \$3.9 million.

Like the ERI modeled for non-police departments, the Subcommittee found the upfront actuarial costs and extremely tight timeframe as impediments to implementing an incentive program for police.

Recommendation

Based on its findings, the Personnel Subcommittee concluded that an ERI plan would not accomplish headcount reduction goals; nearly half of the positions targeted for reduction were filled by employees who would not qualify under a standard ERI program; and incumbents in certain non-targeted positions *would* qualify, potentially creating unintentional position vacancies. For these reasons, the Subcommittee recommended against utilizing an ERI, and not moving forward with the \$20,000 actuarial analysis.

Status

The Subcommittee's recommendation was presented to the full Transition Task Force on March 28, 2012, and accepted by the Joint Governing Bodies on April 10, 2012.

Task 1f: Promote “Cross-Pollination”

Encourage Borough and Township departments to “shadow” one another during 2012 and begin coordinating service delivery

Deliverable: Regularly report to the Transition Task Force regarding cross-departmental interactions

Timeline: Process implemented in April and May 2012

The Personnel Subcommittee identified as a high priority its desire to have Borough and Township departments begin working together. The intent was twofold: to initiate service integration and ease functional consolidations that would occur with the inception of the new municipality in 2013, and to bridge any “cultural gaps” – real or perceived – between Borough and Township agencies.

Recommendation

The Subcommittee requested Borough and Township departments to coordinate a “shadowing” process and schedule.

Status

Borough and Township departments actively and enthusiastically endorsed the concept of cross-pollination. By mid-April 2012, most

departments had begun coordinating activities consistent with the Subcommittee's recommendation.

Task 1g: Review Salary Differentials

Identify discrepancies and determine a reconciliation process

Deliverable: Develop an acceptable and defensible process for aligning Borough and Township salaries in common positions

Timeline: Task Force process completed in July 2012; Recommendations from the Administrators are awaiting approval by the new Governing Body in January 2013

Upon review and based on the recommendation of the Administrators, the Personnel Subcommittee passed this task onto the Administrators for completion. Staff was tasked with working on the collection of data on which a new combined salary and wage plan would be based. Additionally, the Administrators will develop a plan on addressing salaries for similar positions where there is a significant compensation discrepancy (*i.e.*, 10 percent or greater). Salaries for any positions covered by a collective bargaining agreement will be reconciled through the relevant CBA.

Recommendation

As noted, the Subcommittee tasked the Administrators with seeing this issue to completion.

Status

Recommendations from the Administrators are awaiting approval by the new Governing Body in January 2013.

Task 1h: Merging of Union Contracts

Monitor integration of collective bargaining agreements

Deliverable: Regularly report to the Transition Task Force regarding contract integration process

Timeline: Task Force process completed in July 2012; Administrators and PERC have responsibility of completing by year-end, which they are on track to do

Certain Borough and Township employees are represented by collective bargaining units, and by extension contracts negotiated by those unions. The Borough has five:

- Borough Blue Collar CWA;
- Borough Teamsters Local 676;
- Borough PBA Local 130 (Patrol Officers);
- Borough PBA Local 130 (Superior Officers / Sergeant); and
- Borough PBA Local 130 (Superior Officers / Lieutenant).

The Township has two:

- Township AFSCME Local 1530; and
- Township PBA Local 387.

In order to integrate the relevant Borough / Township collective bargaining agreements, the municipalities sought the assistance of PERC, the state's Public Employment Relations Commission. Under the state's Local Option Municipal Consolidation law, section 40A:65-27, "The Public Employment Relations Commission is authorized to provide technical advice, pursuant to section 12 of P.L. 1968, c.303 (C.34:13A-8.3), to assist a new municipality and existing labor unions to integrate separate labor agreements into consolidated agreements and to adjust the structure of collective negotiations units, as the commission determines appropriate for the consolidated municipality."

The team responsible for integrating the collective bargaining agreements includes both the Borough and Township Administrators, both municipalities' attorneys, PERC and representatives of the affected labor groups and departments.

Recommendation

Aside from ensuring this transition element was appropriately tasked and being attended to, the Personnel Subcommittee and Transition Task Force had no formal role to serve or recommendation to make.

Status

This element is intended to be completed by the Administrators, legal counsel, PERC and representatives of the unions and departments by year-end. A year-end completion is anticipated.

Infrastructure & Operations Subcommittee

Task 2a: Organizational Structure

Review and propose organizational structure options for the Department of Public Works, Engineering, Recreation Maintenance and Princeton Sewer Operating Committee, including a determination as to whether these organizations should be combined or left free-standing

Deliverable: Vet departmental organization structure proposals and make recommendations on deployment and span of control

Timeline: Completed in May 2012

This component of the I&O Subcommittee's work focused on translating the departmental recommendations made by the Joint Commission's original consolidation plan into reality, recognizing the importance of service continuity, facility deployment, span of control (*i.e.*, number of administrative staff vis-à-vis line personnel) and workforce savings contemplated by the original plan.

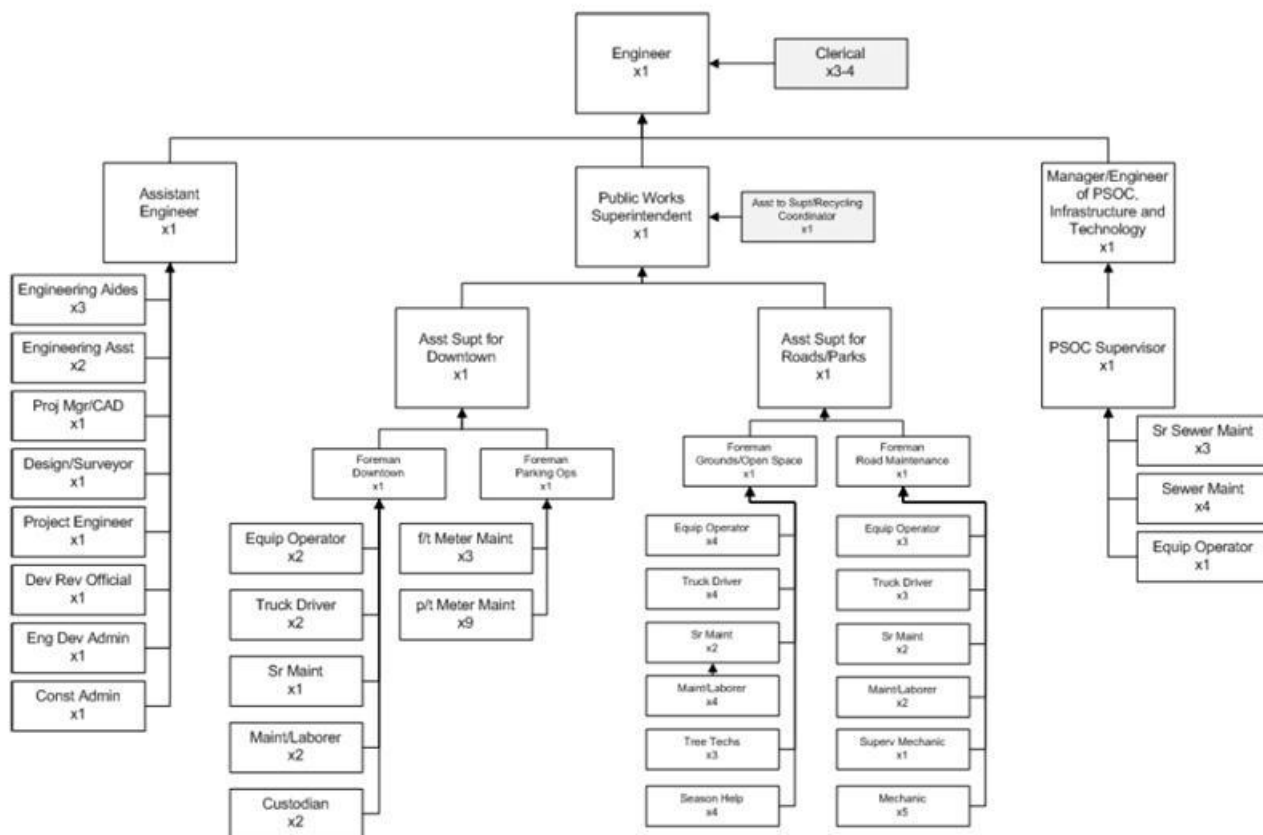
The I&O Subcommittee was responsible for reviewing and recommending organizational structures for departments spanning the following areas:

- Public Works
- Engineering
- Sewer Operating Committee
- Recreation Maintenance

Notably, the original Commission plan envisioned an "integrated" department spanning all of these departments, with engineering serving as the administrative and coordinating lead. The Commission recommended the integrated department as a way of leveraging perceived efficiencies and synergistic skill sets across the separate workforces of the municipalities' public works, engineering, recreation maintenance and sewer operations. The preliminary organizational chart presented in the original Commission plan is shown below.

(Note: The Commission's original plan also incorporated the maintenance functions of the Recreation Department within this new integrated department, as a way of leveraging common functions between parks / public works and recreation grounds maintenance. However, as discussed further below, the I&O Subcommittee ultimately recommended separate departments / organizations for public works, engineering and recreation maintenance (to remain a part of the Princeton Recreation Department), rather than the integrated approach endorsed by the Commission. As a

result, the specific organizational recommendation for recreation maintenance was tasked to the Personnel Subcommittee, as discussed earlier in this report.)



The Subcommittee's initial task, then, was to evaluate the Commission's recommended organizational structure and determine its applicability in the consolidated Princeton. The Subcommittee set as its primary goals the following:

- Sustain existing service levels (at a minimum), and
- Achieve savings equal to or greater than those identified in the original Commission plan.

Based on its review, the I&O Subcommittee recommended diverging from the Commission plan in favor of an organizational structure where public works, engineering and recreation maintenance are *separate* organizations (the latter as part of the Princeton Recreation Department) collaborating on as-needed bases, as opposed to a single integrated department. Of particular note, the Subcommittee engaged in robust discussion around recreation maintenance and concluded that the public was best served by keeping this function as part of the Recreation Department. The Subcommittee did, however, endorse the recommendation that sewer

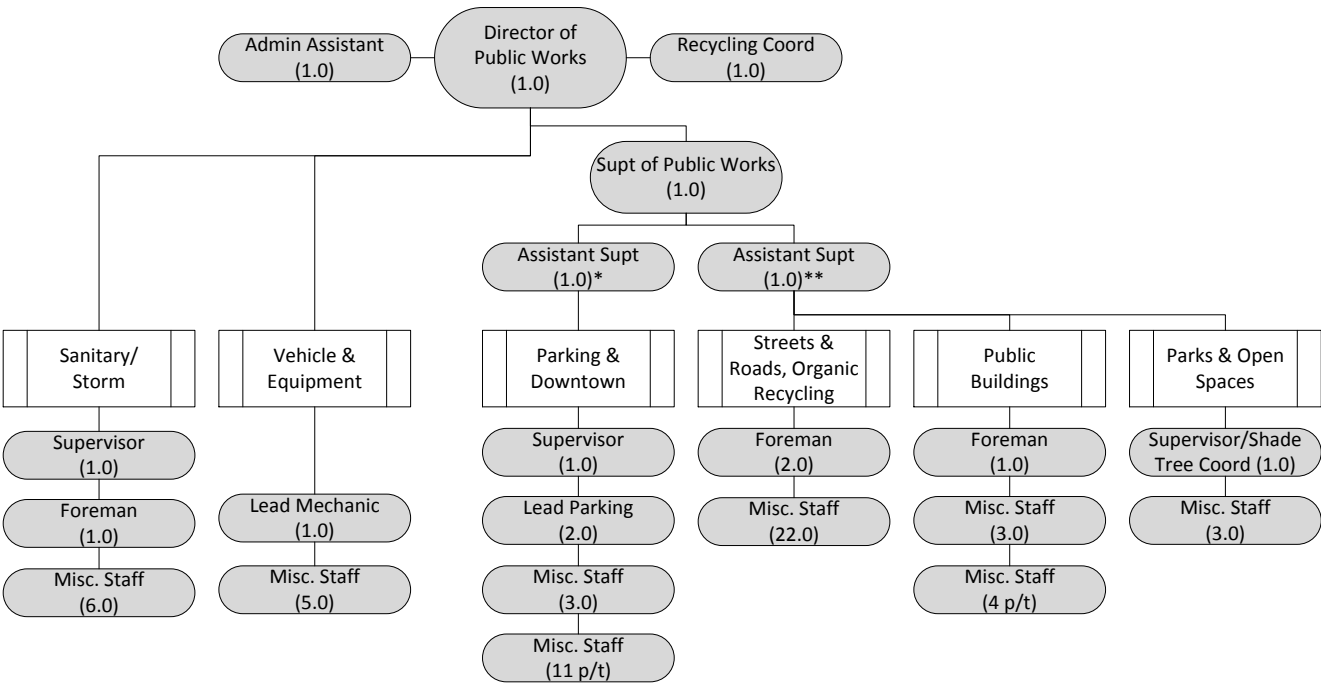
operations be integrated within the Department of Public Works, as discussed below.

Recommendation: Public Works

The I&O Subcommittee recommended an organizational structure for a Department of Public Works that spans the following key functions:

- Streets, roads and organic recycling;
- Public buildings;
- Parks and open space;
- Parking and downtown;
- Vehicle and equipment maintenance; and
- Sanitary / storm sewer.

The formal organizational recommendation is reflected in the following chart:



Notes:

* Recommended for 2013. During 2013, it is anticipated this position would be eliminated.

** Recommended for 2013. Over time and at the discretion of the new governing body and Administrator / Director of Public Works, this position *may* be phased out.

The department would be led by a single Director of Public Works, and include a Superintendent of Public Works overseeing parking / downtown, streets and roads, buildings and parks / open spaces. As shown in the chart, sewer operations (currently a separate organization) are built into the new Department of Public Works. The Subcommittee concurred with the original Commission recommendation regarding the initial value of a separate Assistant Superintendent position specifically responsible for parking and downtown functions, but noted that this position would be required for only the first year of the consolidated municipality in order to help facilitate transition. In total, the recommendation calls for 70.0 positions, a reduction of six from the original Commission plan recommended staff load (76.0) and three from the current (*i.e.*, May 2012) staff level (73.0) – two equipment operators and a maintenance person. The appropriate employees of Princeton Township and Borough, including the administrator of each entity, expressed the view that these positions could be eliminated with no diminution in services.

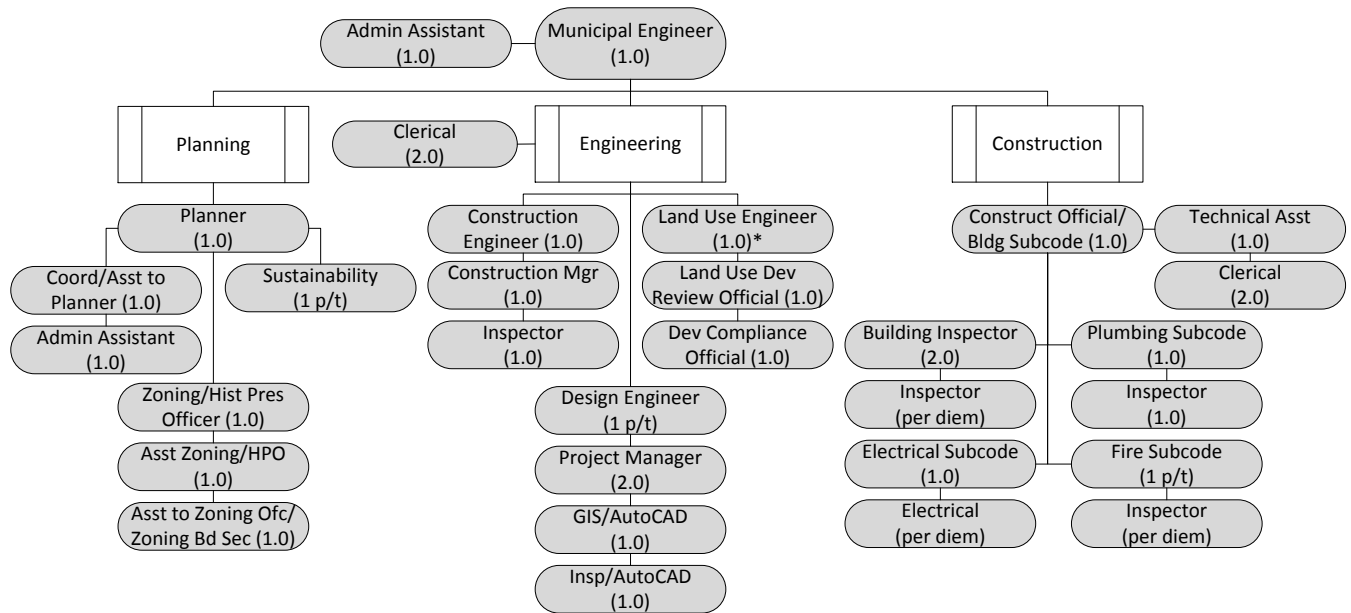
Recommendation: Engineering

The I&O Subcommittee's recommendation for organizing the Department of Engineering integrates traditional engineering functions alongside organizations that are related, but currently separate from engineering in both the Borough and Township: planning and construction. The intent of this integration is to formalize the substantive connections between these services and leverage engineering resources and expertise inter-departmentally.

The recommendation for the new Department of Engineering therefore spans the following key functions:

- Engineering (*i.e.*, land use, construction, design);
- Construction; and
- Planning.

The formal organizational recommendation is reflected in the following chart:



Notes:

* Recommended for 2013. Over time and at the discretion of the new governing body and Administrator / Municipal Engineer, this position *may* be phased out.

The department would be led by a single Municipal Engineer overseeing engineering, planning and construction inspection functions. As noted, both planning and construction – currently organized as separate departments outside engineering in the Borough and Township – would be integrated within it. In total, the recommendation calls for 30.8 positions, a reduction of two from the original Commission plan (32.8) and five from the current staff level (35.8) – a construction inspector, zoning officer, administrative secretary for zoning, administrative assistant and electrical subcode official. The appropriate employees of Princeton Township and Borough, including the administrator of each entity, expressed the view that these positions could be eliminated with no diminution in services.

Status

The Subcommittee's recommendation was approved by the full Transition Task Force on May 16, 2012, and accepted by the Joint Governing Bodies on May 21, 2012.

Note regarding Parks and Recreation

In reviewing and recommending an organizational structure spanning Infrastructure and Operations-related functions, the Subcommittee recommended that the new Governing Body give serious consideration to

creating a Parks and Recreation Department. (See “Strategic Items” section presented later in this report.)

Task 2b: Service Levels

Review service level options for leaf, brush, garbage and food waste collection, and consider existing service differentials between Borough and Township and recommend a rationalized approach across the entire Princeton

Deliverable: Recommend appropriate service level(s)

Timeline: Completed for leaf and brush collection in October 2012; final recommendation for garbage/food waste collection expected December 2012

This component of the I&O Subcommittee’s work focused on reconciling existing service level differences between the Borough and Township, and developing recommendations for how the new municipality would be served in terms of (1) leaf and brush pickup and (2) trash and food waste pickup. The current approaches to providing these services are as follows:

- *Garbage Collection and Recycling:* The Borough provides weekly trash collection services to residents via a private vendor contract that is funded out of its general operating budget. The Borough enters into its contract triennially with the vendor to remove trash from private residences. The Borough contract also provides for some commercial pickup for small businesses that utilize cans, not dumpsters.

By contrast, the Township does not provide trash hauling services and thus includes no related charge in the municipal budget. Residents in the Township are required to provide for their own trash removal. Private pickup in the Township occurs two days / week, but many residents contract for only one weekly pickup.

Some households in both municipalities currently contract for back-door pickup, which is an additional charge to the property owner.

There are varied pickup methods. Borough residents provide their own containers – sometimes simply plastic bags; some Township residents use containers provided by their private contractor, while others use their own containers.

Recycling is provided through county contract in both the Borough and Township.

- *Brush and Leaf Pickup:* Both municipalities provide a formal leaf and brush pickup. The Borough offers a formal leaf pickup during November and December. However, it also dispatches employees on a regular basis to pick up leaves and brush year round, typically on an every other week basis.

The Township is divided into four sectors to coordinate brush and leaf pickup. It schedules brush pickups in the spring from the end of March through Memorial Day and early fall from mid-August to mid-October. Each sector is offered two opportunities for residents to have their brush collected. During the months of October to December, the Township collects leaves. Residents are offered a weekly bag leaf pickup service for ten weeks where each sector is collected on certain days of the week. The Township also collects and compacts loose leaves if residents choose to put leaves out at the curb. Each sector's loose leaves are collected twice during this time period.

Composting services are provided through formal agreement among the Borough, Township and Lawrence Township, whereby the Princetons provide manpower on a daily basis to help operate a joint composting facility, while Lawrence serves as the host community. The Borough and Township both provide approximately 1.5 full-time equivalents of personnel each week to help operate the facility. It is located approximately one-half mile into Lawrence Township, easily accessible to both the Borough and Township.

Garbage and Food Waste Collection Options

Regarding garbage and food waste collection, the Subcommittee's primary objective involved scoping out a range of "bidding options" for servicing the new municipality. Those options would then be submitted to private vendors for proposals, at which point the Subcommittee would reconvene and endorse a "best case" alternative. The options developed by the Subcommittee were as follows:

- *Option 1: Weekly manual curbside pickup, including bulk waste, with property owner supplying the container(s)*

	Up to 5 zones with one zone picked up per day (M-F)	Entire town picked up on one day	Include separate food waste collection on same schedule as garbage
Option 1a	X		
Option 1b		X	
Option 1c	X		X
Option 1d		X	X

- *Option 2: Weekly automated and semi-automated curbside pickup, including bulk waste, with municipality purchasing and supplying the container(s) – 60 / 95 gallon*

	Up to 5 zones with one zone picked up per day (M-F)	Entire town picked up on one day	Include separate food waste collection on same schedule as garbage
Option 2a	X		
Option 2b		X	
Option 2c	X		X
Option 2d		X	X

- *Option 3: Weekly automated and semi-automated curbside pickup, including bulk waste, with contractor supplying the container(s) – 60 / 95 gallon*

	Up to 5 zones with one zone picked up per day (M-F)	Entire town picked up on one day	Include separate food waste collection on same schedule as garbage
Option 3a	X		
Option 3b		X	
Option 3c	X		X
Option 3d		X	X

The Subcommittee noted several other elements to be considered as part of the bid process, as follows.

- The food waste collection bid should be based on the number of pickups. For example, 0 to 500, 501 to 1,000, 1,001 to 1,500, 1,501 to 2,000, 2,001 to 2,500, and over 2,500 pickups.
- The initial contract should be bid for two years. The municipality may choose to extend the contract annually for up to three additional years.
- The contract should be bid based on a per-ton cost and a total yearly cost.
- 60- and 95-gallon containers should be standard for any company that bids the contract. Residents would be able to lease additional containers with a maximum total of 200 gallons per dwelling.

In October 2012, following receipt of the bids for garbage and food waste collection, the Subcommittee made recommendations to the Transition Task Force.

Garbage Pick-Up – Based on the variables included in the bids, the Transition Task Force, on the recommendations of the Subcommittee,

made the following recommendations for the garbage pick-up system for the new Princeton:

- manual pick-up (less expensive and greater flexibility for residents);
- different zones picked up on different days of the week (less expensive);
- bulk picked up once a week (no cost differential and more convenient for residents);
- a two year contract with the option to extend up to five years at a pre-negotiated price (greater certainty and flexibility for Princeton).

Food Waste Collection Program – the I&O Subcommittee recommended to the Transition Task Force continuing a food waste collection program to be funded by Princeton. The Subcommittee presented the following information:

- for each 1,000 households in a food waste collection program, the net additional cost to Princeton is estimated at \$88,200 (not factoring in state grants, which may decrease the net cost)
- cost will likely come down as food/waste processing facilities are established in New Jersey.
- cost ultimately is dependent on a number of variables – examples: garbage tonnage and how many participated in food waste program.

The Transition Task Force recommended to continue the food waste pilot program and have the parameters set by the new Princeton governing body.

Leaf and Brush Collection Options

The goals of the Infrastructure & Operations Subcommittee with respect to leaf and brush collection were:

- To rationalize pickup across Princeton;
- To account for differences across town;
 - Density
 - Traffic flow
 - On-street parking

- For each part of town, to provide a comparable level of service as compared to the *status quo*;
- To allow for efficient pickup by municipal employees; and
- To comply with New Jersey storm water regulations.

The following table summarizes the recommendation made by the Transition Task Force, on the recommendation of the Infrastructure & Operations Subcommittee for **fall** brush and leaf collection.

<u>Current Program</u>	<u>Proposed Program for Consolidated Princeton</u>
<u>Borough</u> <ul style="list-style-type: none"> • Every 2 weeks (approximately) 	<u>Princeton-wide</u> <ul style="list-style-type: none"> • Weekly bagged collections (Mid-Oct to Mid-Dec) • 2 unbagged brush collections (Mid-Aug to Early Oct) • 2 unbagged leaf collections (Mid-Oct to Mid-Dec) <u>Central Princeton</u> <ul style="list-style-type: none"> • 2 additional unbagged collections (1 brush + 1 leaf)
<u>Township</u> <ul style="list-style-type: none"> • Weekly bagged collections • 2 unbagged brush collections • 2 unbagged leaf collections 	

The following table summarizes the recommendation made by the Transition Task Force, on the recommendation of the Infrastructure & Operations Subcommittee, for **spring and summer** brush and leaf collection.

<u>Current Program</u>	<u>Proposed Program for Consolidated Princeton</u>
<u>SPRING</u>	
<u>Borough</u> <ul style="list-style-type: none"> • Every 2 weeks (approximately) 	<u>Princeton-wide</u> <ul style="list-style-type: none"> • Weekly bagged collections (Late Mar to Early Jun) • 2 unbagged brush/leaf collections (Early Apr to Late May) <u>Central Princeton</u> <ul style="list-style-type: none"> • 1 add'l unbagged brush/leaf collection
<u>Township</u> <ul style="list-style-type: none"> • 2 unbagged brush/leaf collections 	
<u>SUMMER</u>	
<u>Borough</u> <ul style="list-style-type: none"> • Every 2 weeks (approximately) 	<u>Central Princeton</u> <ul style="list-style-type: none"> • Every 2 weeks (bagged)
<u>Township</u> <ul style="list-style-type: none"> • None 	

Note: In the above table of options, “Central Princeton” is to be determined by staff, but based on three criteria:

- *Streets with parking restrictions;*
- *Streets with high parking/traffic density; and*
- *Streets with width issues.*

For bagged pickup, Princeton would be divided into four or five zones, with weekly bagged pickup scheduled for a different zone each day. In all cases, leaves would need to be separated from brush and vegetative waste.

Based on its review, the Subcommittee proposed , and the Transition Task Force recommended, a brush and leaf collection program that would provide uniform service for comparable streets / properties throughout the new municipality. Importantly, this new program would comply with New Jersey state storm water regulations.

How would the program affect current Borough residents?

- New program of weekly collection of bagged leaves / brush / vegetative waste in the spring and fall, with more frequent pickups *but* a requirement that waste be placed in bags.
- Less frequent pickups for unbagged materials.
- Notably, regardless of consolidation, changes to the *status quo* would be required in the Borough in order to comply with state law regarding yard waste removal as it relates to storm water regulations.

How would the program affect current Township residents?

- New program of weekly collection of bagged leaves / brush / vegetative waste in the spring.

Based on an analysis performed by Princeton senior management, the foregoing program will reduce manpower requirements for leaf and brush removal, thus freeing up time of Department of Public Works staff for:

- Central business area clean up (more routine maintenance of sidewalks, cans, benches, sidewalk gum removal, etc.)
- Storm sewer cleaning
- Park maintenance and care
- Road repair/paving program (past history shows that the DPW staff can do this work at 35–40% of the contracted cost)

Status

The Subcommittee's recommendation on the garbage collection bidding parameters were presented to, and approved by, the full Transition Task Force on June 13, 2012, and accepted by the Joint Governing Bodies on June 26, 2012, after which a bid process was initiated. Following receipt of bids, the recommendations described above on the garbage and food waste collection programs were presented to, and approved by, the full Transition Task Force on October 17, 2012. Because of legal issues around the bidding process, these recommendations have not yet been presented to the Joint Governing Bodies.

Regarding leaf and brush collection, on September 19, 2012, the Transition Task Force approved the proposal of the I&O Subcommittee described above. This proposal was subsequently presented to, and approved by, the Joint Governing Bodies on October 22, 2012.

Task 2c: Facilities

Vet proposals for housing the consolidated public works and related departments

Deliverable: Recommend facility deployment

Timeline: Completed in June 2012

This component of the Infrastructure & Operations Subcommittee's work was integrated within the Facilities and Other Assets Subcommittee, which developed a comprehensive recommendation spanning all municipal facilities and the deployment of functions therein. The Task Force chair also established a special ad hoc Committee on Public Works and the Sewer Operating Committee Facilities. The I&O Subcommittee assigned a liaison to the Special Committee on Public Works and the Sewer Operating Committee Facilities to participate in the Special Committee's discussions and to ensure inter-committee communication. The recommendations of the Special Committee on Public Works and the Sewer Operating Committee Facilities are included elsewhere in this report.

Task 2d: Integration of Capital Improvement Plans

Develop draft capital improvement plan and equipment replacement plan for consolidated department

Deliverable: Recommend appropriate service level(s)

Timeline: Completed in June 2012

This component of the Infrastructure and Operations Subcommittee's work was integrated within the Facilities and Other Assets Subcommittee, which developed a comprehensive recommendation spanning all municipal facilities and the deployment of functions therein. The TTF Chair also set a Special Committee on Public Works and the Sewer Operating Committee Facilities. The I&O Subcommittee assigned a liaison to the Special Committee on Public Works and the Sewer Operating Committee Facilities to participate in the Special Committee's discussions and to ensure inter-committee communication. The recommendations of the Special Committee on Public Works and the Sewer Operating Committee Facilities are included elsewhere in this report.

Facilities & Other Assets

Task 3a: Inventory of Existing Assets

Document all existing facilities, space, utilization and condition

Deliverable: Develop comprehensive inventory of current spaces and their use as a foundation for making future recommendations

Timeline: Completed in May / June 2012

The primary responsibility of the Facilities & Other Assets Subcommittee involved developing recommendations for deploying the new municipality's offices and functions across existing municipal buildings. To facilitate the review of options and development of recommendations, the Borough and Township jointly engaged an outside consultant – KSS Architects – to work with the Facilities & Other Assets Subcommittee.

KSS' role was to lead a two-phase process addressing the physical consolidation of offices and facilities within Borough Hall, Township Hall, the Recreation Building, Corner House and the Public Works Administrative Offices. Phase I, focused on planning and programming, aligned with the Subcommittee's inventory of existing assets. Based on KSS' final scope proposal, it involved analyzing "the current existing physical space allocations to support the development of a comprehensive program for each building based on the anticipated staffing allocations identified and agreed to by the administrations..." The inventory was intended to serve as the foundation for making recommendations "for department relocation with consideration of: Citizens expectations of 'presence' of government service, working relationships and functional adjacencies, way finding considerations, and space parameters and area."

The following detailed summary of the inventory process is drawn from the official minutes of the Facilities & Other Assets Subcommittee, dated July 10, 2012.

With the assistance of KSS Architects, the Facilities Subcommittee undertook a study that examined the working relationships between departments and functions in order to assess the need for municipal operations to be physically close to each other. For example, it was determined that it would be desirable for Court to be in the same building with the Police Department from the standpoint of security when moving prisoners from their jail cell to the court room. Another example is the frequency of interaction between the Mayor, Administrator and Municipal Clerk's Office that suggests that these offices also should be in the same building. Moreover, the Administrator pointed out the frequent interaction between the Engineering Department and the Administrator's office. The study also inventoried the current space needs of the present Borough and Township municipal departments and estimated the space needs of the departments when merged under the new Princeton. Issues of cost, time needed to rework facilities to accommodate

the merged departments were considered at a qualitative level, along with other qualitative criteria such as, “walkability” and the prominence of the location in the community were considered in recommending where the merged departments should be located. Estimates of parking needs for staff and visitors were provided by the municipal staff.

While inventorying the space needs of the departments and functions, KSS observed that many of these organizations had problems with insufficient file space for the paper copies of documents that they were retaining...

Public Works and Sewer Operating Committee (SOC) facilities were recognized as a special case and were not studied by the Facilities Subcommittee. It has been generally recognized for several years that the existing public works and SOC facilities are obsolete and inadequate for the needs of the Princeton community. The need for new Public Works and SOC facilities has been studied in the past; however, any effort to build new facilities was set aside as a result of the possibility of merging the two departments if the municipalities consolidated. The problem of antiquated and inadequate public works facilities remains, and now that consolidation has been approved, the problem should be addressed by the municipal governing bodies.

To a great extent, KSS and the Subcommittee were dependent on input from the professional staff to identify the relationships between departments from the standpoint of the need for adjacency. Current space utilization was estimated from building floor plans and interviews conducted by KSS with department heads. The information was presented to the Subcommittee by KSS, reviewed, and modified as deemed necessary by the Subcommittee.

Task 3b: Facility Recommendations

Recommend allocation of space for consolidated municipality functions

Deliverable: Space utilization recommendation for all departments

Timeline: Completed in July 2012

As noted above, the Subcommittee’s outside consultant engaged in a two-phase study process. Following the Phase I inventory of existing space and utilization, the Subcommittee and KSS Architects worked through Phase II, which involved developing an accommodation plan for how and where consolidated municipal offices would be housed.

The following detailed summary is drawn from the official minutes of the Facilities & Other Assets Subcommittee, dated July 10, 2012.

After examining the working relationships between departments and their space requirements, the task of locating the merged departments and functions in the two municipal building was approached in stages. The Subcommittee took as a given that the Senior Resource Center and the Recreation Department would remain in their present locations. The Subcommittee then focused on the Police Department and the Court, Violations Bureau and associated supporting functions, reaching a consensus at its meeting on May 12, 2012 that the Police Department, Court and Violations Bureau be

housed in their present locations in the Township Municipal Complex. It should be noted that Police Dispatch was treated as a special case. The location for the Police Dispatch function was considered separately by the Public Safety Subcommittee as part of an examination of the possibility of a regional dispatch center serving several Mercer County municipalities or outsourcing Police Dispatch to a private contractor. After considering these alternatives, the Public Safety Subcommittee recommended that Police Dispatch be retained as a municipal function, and that it be housed with the Police Department in its current location in the Township Municipal Complex. The recommendation for the location of the Police Department, Court and Violation Bureau was endorsed by the Transition Task Force and approved by the governing bodies...

The Subcommittee then addressed the housing of the merged Engineering, Planning, Historic Preservation, Building/Construction Departments and functions. It was recommended by the Subcommittee, at its meeting on June 14, 2012 that these merged organizations be housed in the space currently used by the Township for these organizations. This recommendation was also subsequently endorsed by the Task force and approved by the governing bodies.

Parking of staff and visitors vehicles was discussed as a factor in the location of the organizations. It was generally agreed that parking would be a problem if these organizations were housed in either existing municipal building, but that parking problem in the Township Municipal Complex upper lot (the lot accessible from Witherspoon Street) would be exacerbated during the summer months especially on those days when the court was in session and the Community Park Pool in use. However, there are possibilities that may alleviate this parking problem that should be explored, including the former Princeton Hospital parking lot on Franklin Avenue that is now not used as result of the relocation of the hospital.

While this parking lot may eventually be used for other purposes, it could provide space for staff parking at least on a temporary basis. The Subcommittee also suggested that it may be necessary to dedicate the Township Municipal Complex lower lot, accessible from Valley Road, for Police use and the storage of certain Recreation Department equipment.

On June 27, 2012 the Subcommittee met for the purpose of reviewing the alternatives for the location of the following municipal departments and functions:

- *Mayor, Administrator and Municipal Clerks Office*
- *Finance, Tax Collection, Assessor*
- *Health Department*
- *Affordable Housing*
- *Human Services*
- *Public Works Department and Sewer Operating Committee Management*
- *Fire Inspection*

Three options for the location of the above departments and functions were presented to the Subcommittee by our consultant, KSS. The three options are attached to this report. Option 1 showed the Mayor, Administrator and merged Municipal Clerk's Office, along with the merged Finance, Tax collection and Tax Assessor's office retained in their present location in the Township Municipal Complex.

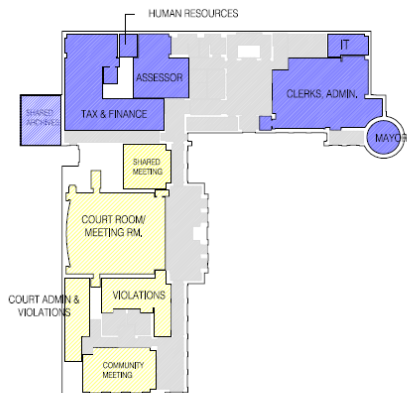
Option 2 showed the Mayor, Administrator, and the merged Municipal Clerk's Office in the current location occupied by these offices in the upper level of the Borough Hall. Also, in Option 2, the Finance Department, and the Tax Collection and Tax Assessor functions were shown as occupying the space that is currently occupied by the Borough

Police Department and Police Dispatch. KSS presented qualitative measures of the cost and time needed to modify the existing Township and Borough buildings for Options 1 and 2, along with qualitative assessments of parking impact, “walkability” and “town prominence” of the two options. KSS pointed out that it would be necessary to renovate the area now used by the Borough Police Department as jail cells in order to move Finance, Tax Collection and the Tax Assessor into that area, and that the removal of the cells and renovation of the jail cells into office space would entail significant cost and require a lengthy lead time. On the other hand, the location of these merged functions, along with the Mayor, Administrator and the Municipal Clerk’s Office in their existing locations in the Township Municipal Complex would entail only minor modifications of the Township building. Parking was discussed, and using data presented by the two Engineering Departments it was realized that the impact was essentially the same at either location; i.e., neither location had a clear advantage from the perspective of parking. The Borough Hall location scored higher than the Township Complex location on “walkability”. The meaning of the “walkability” measure was discussed. It was not clear whether “walkability” as used by planners provides a measure of the accessibility of a location by pedestrians, or of the accessibility of shopping, restaurants and other amenities from that location (see for example, Walk Score algorithm: <http://www.walkscore.com/professional/methodology.php>).

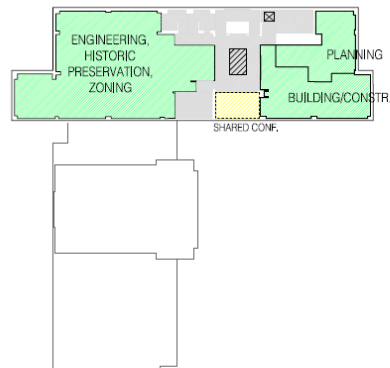
The measure, “town prominence” was intended to indicate the visibility and presence of the location to both residents and visitors to the community. Although the Township Complex is in the geographical center of the merged Princeton, it was the belief of the Subcommittee that the Borough Hall location and its adjacency to the “downtown” business district and higher density housing areas provided greater “town prominence”. It was also pointed out that the openness of the access to the Clerk’s office in the Borough Hall provided a more inviting and clearer entry into the municipal offices than the positioning of the Clerk’s Office in the Township Complex. During this discussion the Administrators pointed out the desirability of being near the Engineering and Finance operations from an operations standpoint, as well as the desirability of maintaining an administrative presence in the downtown location that was seen as having greater “town prominence.”

KSS then reviewed Option 3. In Option 3 part of the space now occupied by the Mayor, Administrator and Clerk’s Office in the Borough hall would be preserved as a “downtown” administrative office satisfying the expressed desire for an administrative presence in the location that has the higher measure of “town prominence”. In Option 3, a space adjacent to the “downtown” administrative offices, the area of the jail cells and the “sally port” are surplus space that could be modified at a future date for municipal or community uses. Following discussion, including public input, it was the consensus of the Facilities Subcommittee to recommend Option 3 to the TTF for endorsement, and (if endorsed) for subsequent presentation to the governing bodies for approval. Although not discussed in detail by the Facilities Subcommittee, it was suggested that the counter and the space now used by the Borough Clerk could be repurposed for a number of potential uses. These include a Princeton Welcome and Information Center that could be staffed by a business group such as the Princeton Chamber of Commerce at no cost to the municipality. Other potential uses include the possibility of renting space to the US Postal Service (USPS) for a downtown Princeton Post Office if the USPS sells its current location on Palmer Square.

OPTION 1

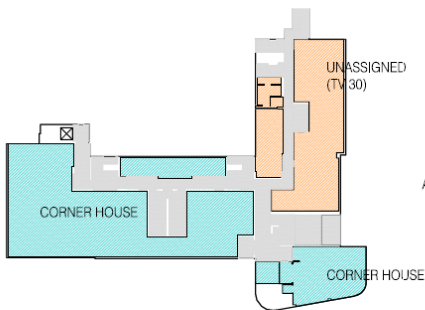


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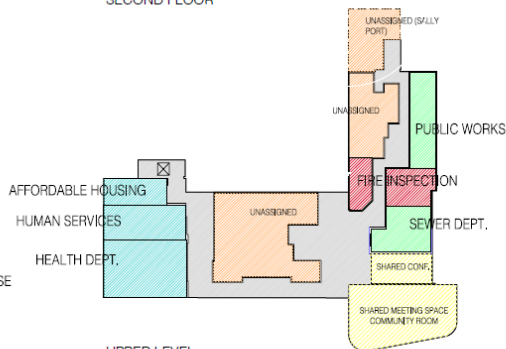


SECOND FLOOR

WITHERSPOON BUILDING



LOWER LEVEL

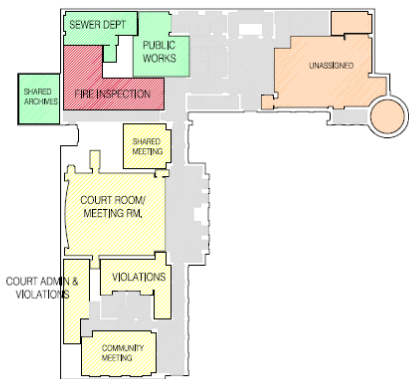


UPPER LEVEL

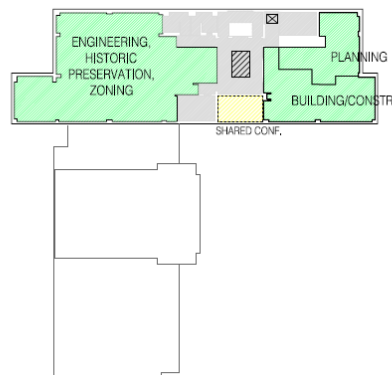
MONUMENT BUILDING



OPTION 2

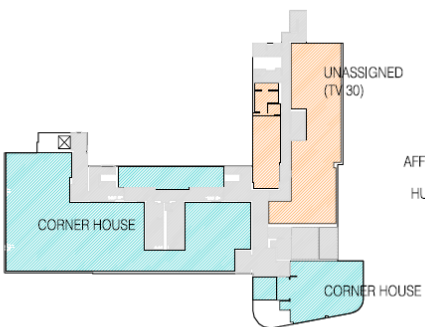


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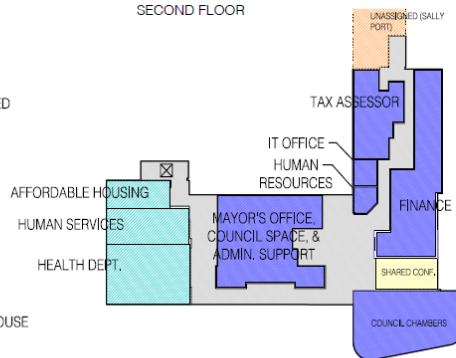


SECOND FLOOR

WITHERSPOON BUILDING



LOWER LEVEL

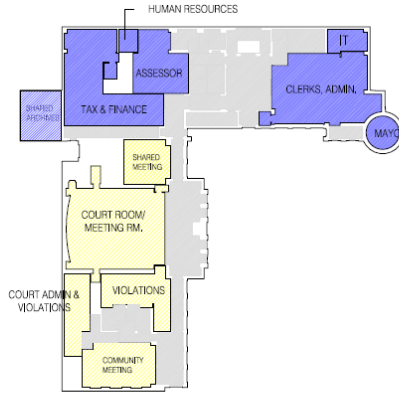


UPPER LEVEL

MONUMENT BUILDING

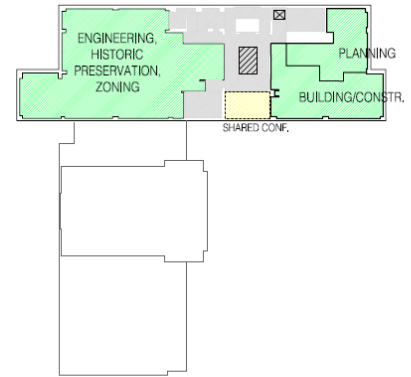


OPTION 3

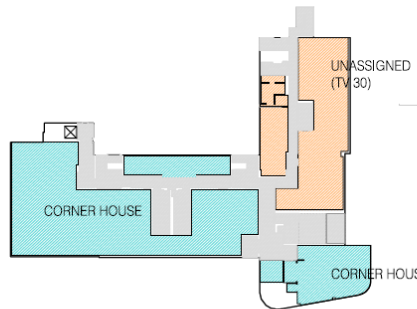


WITHERSPOON BUILDING

FIRST FLOOR

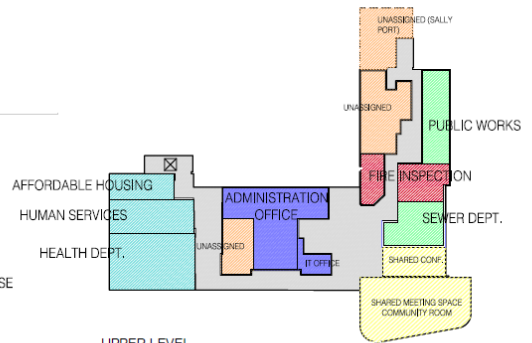


SECOND FLOOR



MONUMENT BUILDING

LOWER LEVEL



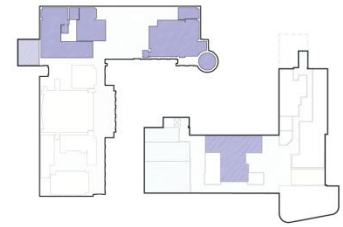
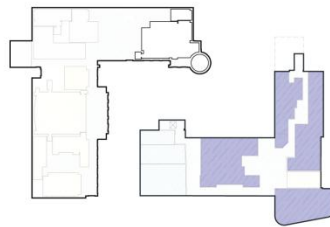
UPPER LEVEL



Option 1

Option 2

Option 3



COST \$

TIME

PROGRAM RELATIONSHIP

PARKING

WALKABILITY

TOWN PROMINENCE

COST \$\$\$

TIME

PROGRAM RELATIONSHIP

PARKING

WALKABILITY

TOWN PROMINENCE

COST \$

TIME

PROGRAM RELATIONSHIP

PARKING

WALKABILITY

TOWN PROMINENCE



Recommendations

The following detailed summary of the recommendations is drawn from the official minutes of the Facilities & Other Assets Subcommittee, dated July 10, 2012.

In prior meetings on May 12, and June 14, 2012, the Subcommittee had recommended, the TTF had endorsed and the two municipal governing bodies had approved the following for the merged departments as listed below:

- 1. The Recreation Department and the Senior Resource Center will remain in their present locations and offices.*
- 2. The merged Police Department will be housed in the existing Police facilities in the lower level of the Township Municipal Complex.*
- 3. The merged Municipal Court, Violations Bureau and supporting functions will be housed in the existing Court and Violations Bureau facilities in the ground level of the Township Municipal Complex.*
- 4. The merged Engineering, Planning, Building/Construction Departments and functions will be housed in their existing facilities in the 2nd floor of the Township Municipal Complex.*

The Facilities Subcommittee, in a meeting on June 14, 2012, recommended that Corner House be in the west lower level of the Borough Hall, that the Health, Human Services and Affordable Housing Departments be accommodated on the west side of the upper level of the Borough Hall. At this same meeting, the Facilities Subcommittee recommended that TV 30/PCTV be offered the use of the east side lower level of Borough Hall on a rental basis. At this meeting the Facilities Subcommittee also recommended that the Council Meeting Room in Borough hall be retained as space for community meetings and municipal functions. These recommendations were presented to the meeting of the TTF with the two governing bodies on 26 Jun 2012, but endorsement by the TTF and approval by the governing bodies was deferred to a later date.

In a meeting on June 19, 2012 the Public Safety Subcommittee recommended that the merged Police Dispatch function be housed in the existing Dispatch center and co-located with the merged Police Department in the lower level of the Township Municipal Complex. This recommendation was presented to the meeting of the TTF with the two governing bodies on June 26, 2012, but endorsement by the TTF and approval by the was deferred to a later date.

In summary, the final recommendation of the Facilities Subcommittee is shown in the Option 3 plan in the attached plans. The key features of this recommendation, by building location are:

Borough Hall

- + Affordable Housing*
- + Human Services*
- + Health Department*
- + Fire Inspection*
- + Public Works Department and Sewer Operating Committee management*
- + Downtown administrative offices*

- + *Corner House*
- + *Space to be offered to TV 30/PCTV on a rental basis*
- + *Community / municipal meeting room (present Borough Council meeting room)*
- + *Unassigned space that could be modified for future municipal/community use*

Township Municipal Complex

- + *Police Department and Police Dispatch*
- + *Municipal Court, Violations Bureau and supporting functions*
- + *Mayor, Administrator and Municipal Clerks Office*
- + *Engineering Department, Zoning, Historic Preservation*
- + *Planning Department, Building and Construction Departments*
- + *Committee room / Community Room to be maintained for municipal / community use*

The municipal administrators and department heads participated in the meetings where these recommendations were made, and the recommendations were well received by the professional staff. Based on the quantitative and qualitative information reviewed during Phase 1, the Subcommittee believes that the above recommendations represent a low cost solution to accommodating the merged municipal departments and functions in the two existing municipal buildings. As the modifications to the existing buildings that are required to effect the merger are at the low end of the scale, the Subcommittee also believes that the recommendations will require less lead time to implement than other possibilities that were considered.

Although the Engineering Departments in both municipalities provided quantitative estimates of parking availability and requirements for the various alternatives, it was not possible to remove all of the uncertainties and concerns about possible parking shortfalls at both municipal buildings after the merger. However, it is clear that four municipal operations will generate the greatest visitor parking demands. These are Recreation during the summer months when the pool is in operation, the Municipal Court on court session days, Corner House and the Senior Resource Center. The locations of the pool and the Senior Resource center are fixed. The combination of the demand for parking from the pool during summer months and the Court is likely to strain the capacity of the Township upper lot on Court session days. Similarly, under some circumstances, the combination of the demand for parking from the Senior Resource Center and Corner House could exceed the capacity of the Borough Hall parking lot. The parking problem could not be addressed in sufficient detail during the Phase 1 Facilities study. It is recommended that the municipalities initiate a separate study to define the problem and potential solutions. The Subcommittee understands that TV 30/PCTV, while not a municipal department, performs an important function for the Princeton community and is closely related to municipal operations. Hence, the Subcommittee recommends that the space in the east lower level of the Borough Hall be offered to TV 30/PCTV on a rental basis with the terms and conditions to be negotiated by the governing body of the new Princeton. The Subcommittee does not suggest that these recommendations are optimum, lowest cost or shortest schedule to implement. The information that the Subcommittee would need to provide an optimum, lowest cost or shortest schedule set of recommendations was not available for the study, and as a result the recommendations to a great extent are based on either qualitative information or the best quantitative information that could be provided by the staff. However, we do believe that they represent a workable set of recommendations that can be fine-tuned by the governing body of the merged Princeton after a period of experience with organization locations.

It is recognized by the Subcommittee that there is work to be done before the recommendations can be implemented and the departments and functions moved to effect the merger of municipal operations for the new Princeton. The work will range from a minimum, such as rearranging partitions, office furniture, computer and telephone

access, to the internal construction of new office space. Modifying the west lower level of Borough Hall to accommodate Corner House is likely to be the most costly and require the longest lead time to accomplish as it is necessary for the Corner House facilities to be compliant with NJ Administrative Code as it applies health and medical facilities. Consequently, because of the need to sequence the and then modify the space, the municipalities should be prepared for Corner House to remain in its present location in the basement of the old Valley Road School building through 2013.. On the other hand, the facilities modifications necessary to accommodate the merged Police Department, the Courts, Violation Bureau, Engineering, Building/Construction, Planning, Historic Preservation and Zoning appear to be much less extensive, with the modifications required to accommodate the other merged departments falling somewhere between these two extremes.

The actual moving of the merged departments into their recommended locations will represent a transition cost that cannot be fully defined until the necessary detailed specifications are prepared for the implementation of each recommendation. Preliminary estimates of the cost and schedule to implement each recommendation can then be made either by the municipal staff or by KSS.

Public Safety

Task 4a: Organizational Structure (Police)

Review organizational structure options for the combined Police Department

Deliverable: Vet departmental organization structure / size proposals and make recommendations on deployment and span of control

Timeline: Completed in May 2012

This component of the Public Safety Subcommittee’s work focused on translating the departmental recommendations made by the Joint Commission’s original consolidation plan into reality, recognizing the importance of service continuity, span of control, service demand and workforce savings contemplated by the original plan. Notably, the original Commission plan considered a multi-year implementation plan to reach its stated workforce goals. That notwithstanding, the Subcommittee focused its efforts on recommending a “Day One” structure for the consolidated Police Department, with the expectation that the new Governing Body would be responsible for making implementation decisions from 2013 forward.

The original Commission plan contemplated a staged implementation of sworn personnel in the combined Police Department: A “headcount neutral” 60 personnel in year one, reduced to 56 in year two and 51 in year three. In developing its organizational recommendation, the Subcommittee considered the fact that the Township Police Department *already had* four vacant sworn positions.

The Subcommittee concluded that the existing vacancies offered the new municipality an opportunity to accelerate savings, and thus it successfully encouraged the Joint Governing Bodies to pend any new police hires for the remainder of the fiscal year. This would enable achievement of the year two staffing goal at the start of year one, generating greater savings earlier in the transition process.

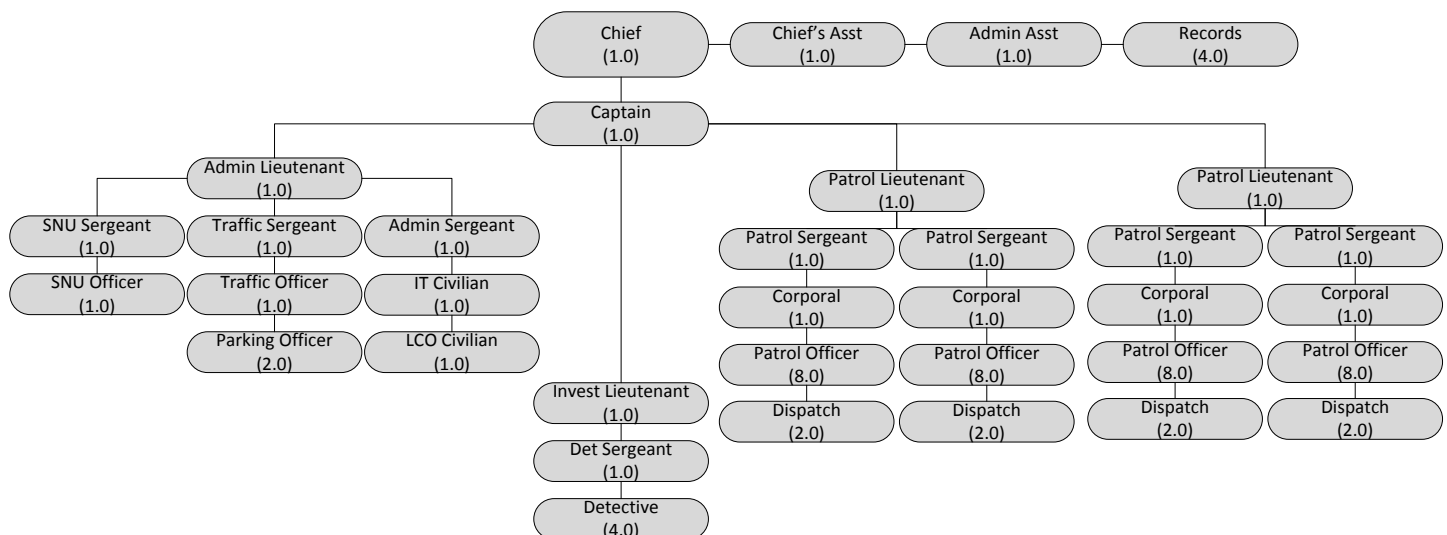
The Subcommittee resolved that a staffing level of 56 sworn personnel would likely provide for required service levels past 2013 as well, but concluded that a formal review of staff size and service level in mid-2013 would be the most appropriate way of making that determination. On that basis the Subcommittee did not provide a specific staffing recommendation beyond 2013. The model recommended by the Subcommittee encompassed *both* the number of sworn personnel *and* departmental structure.

Recommendation

The Subcommittee endorsed a 56-sworn model for 2013.

The Subcommittee's model included the following positions:

- One chief;
- One captain;
- Four lieutenants;
- Eight sergeants;
- Four corporals;
- Four detectives;
- Two support personnel (*i.e.*, parking);
- Thirty-two patrol officers;
- Eight communications officers / dispatchers; and
- Ten civilian employees.



Related to this organizational framework, the Subcommittee noted the following recommendations:

- The current dispatcher workforce totals 9 (*i.e.*, 5 in the Township, including 1 lead dispatcher, and 4 in the Borough). The new municipality should retain all 9 in year one, and reduce to 8 in year two. However, if a position is vacated between now and the end of 2013, the Subcommittee recommends not filling that position.
- The current records clerk workforce totals 4 (*i.e.*, 2 each in the Township and Borough). The new municipality should retain all 4 in year one, and reduce to 3 in year two. However, if a position is vacated between now and the end of 2013, the Subcommittee recommends not filling that position.
- The current chief's administrative support staff totals 2 (*i.e.*, 1 each in the Township and Borough). The new municipality should retain both positions in year one, and reduce to 1 in year two. However, if a position is vacated between now and the end of 2013, the Subcommittee recommends not filling that position, but rather using part-time / temporary staff *or* redistributing workload to meet the need. (The Subcommittee added a note to this recommendation that, in 2014, there would only be one administrative support position for the group of six superior officers, potentially creating capacity issues. To this point, the Subcommittee encouraged the new Governing Body to consider staffing level at this position as part of their mid-2013 review of the Police Department.)
- Regarding the information technology position and two parking meter positions, the Subcommittee noted that they should all be retained going forward. However, it acknowledged that the technology position in the Police Department could end up in the new IT department for the consolidated municipality.

It should also be noted that aside from the formal Police Department structure, the Public Safety Subcommittee recommended shifting emergency management responsibilities from the Police Chief to the Director of Emergency Services (DES), and adding an administrative assistant position to support the responsibilities of the DES.

Status

The Subcommittee's recommendation was approved by the full Transition Task Force on May 16, 2012, and reviewed by the Joint Governing Bodies on May 21, 2012. The Governing Bodies endorsed the initial 56-sworn

headcount, and formally approved the recommended organizational structure at a subsequent meeting.

Task 4b: Facilities

Vet proposals for housing the consolidated police department

Deliverable: Recommend facility deployment

Timeline: Completed in June 2012

This component of the Public Safety Subcommittee’s work was integrated within the Facilities and Other Assets Subcommittee, which developed a comprehensive recommendation spanning all municipal facilities and the deployment of functions therein. The Public Safety Subcommittee reviewed the deployment of police operations and dispatch functions in the consolidated department; full details on the facilities plan and recommendations are presented earlier in this report as part of the Facilities and Other Assets Subcommittee.

Task 4c: Police Policies and Procedures

Review integration process for police operating procedures

Deliverable: Recommend integrated standard operating procedures

Timeline: Completed in July 2012

The Borough and Township police departments operate with their own standard operating procedures (SOPs). As part of implementing a consolidated police department, those procedures and protocols need to be integrated into a single, coherent departmental standard. Given the technical nature of drafting new departmental SOPs, the Borough and Township engaged an outside consultant – The Rodgers Group LLP – to facilitate the review and draft recommendations for the consolidated department.

The combined “Rules and Regulations” document drafted by Rodgers Group spanned the following areas:

- Code of ethics
- Mission and core values
- Organization
- Rules of conduct
 - General conduct
 - Issuing orders

- Receiving orders
- Police records and information
- Gifts, rewards, etc.
- Alcoholic beverages and drugs
- Duty conflict
- Uniform appearance and identification
- Department equipment and property
- Communication and correspondence
- Conduct toward public
- Political activities
- Judicial appearance and testimony
- Personnel regulations
 - Hours and leave
 - Secondary employment
 - Resignation
- Disciplinary regulations
 - Disciplinary action
 - Department authority to discipline

Status

The Subcommittee approved the proposed rules and regulations on June 19, 2012. Acknowledging that it was beyond the Transition Task Force's collective expertise, the full Task Force opted to not render a formal approval of the revised rules and regulations at its meeting on July 11, 2012. It passed them on to the Governing Bodies for their approval, which was rendered by both at a subsequent meeting.

Task 4d: Police IT and Dispatch Issues

Recommend actions necessary to integrate technology, particularly involving emergency dispatch

Deliverable: Recommend approach and scale of integrated police technology

Timeline: Completed in June / July 2012

The Borough and Township each operate their own emergency dispatch system, serving their respective police department. As part of implementing the consolidated department, the Public Safety Subcommittee reviewed the technology issues involved in merging the dispatch operations – from the number of required positions, to the state of the departments' technology, to the appropriate location for the new municipality's emergency communications tower. Given the technical nature of this task, the Borough and Township engaged an outside

consultant – WPCS International Incorporated – to conduct a formal review and make preliminary recommendations.

Note: In the case of both IT-related public safety items – 911 and Computer Aided Dispatch (CAD) – the Joint Governing Bodies actually acted in advance of receiving the formal recommendation from the Transition Task Force, based upon information collected by the Public Safety Subcommittee and its technical consultant. Based upon the recommendation of the Chair of the Public Safety Subcommittee, early action was taken by the Governing Bodies in the interest of time and a desire to initiate public safety-related technology integration as soon as possible. The Joint Governing Bodies’ action was reported on at the July 11, 2012 meeting of the Transition Task Force, and ratified by the Task Force unanimously.

Recommendation on 911 / Dispatch Upgrade

Consistent with the facilities recommendation to locate the new municipality’s emergency dispatch operation in the Township Building, the Joint Governing Bodies endorsed adding two new Zetron Series 3200 “positions” (*i.e.*, physical dispatch computer stations, not personnel) to the Township’s current setup, as well as a third position in the Communications Systems area of the facility to accommodate large-scale emergencies as needed. The additions will include an upgrade of the mapping system.

Note: WPCS also reviewed the capacity and integrity of the radio equipment room and communications tower at the Borough Hall, to evaluate its sufficiency in serving the new municipality. It determined that the tower was structurally capable of supporting the municipality’s needs, and recommended that the Borough antenna site remain at its current location.

(Note: The Subcommittee also spent time examining options to outsource the dispatch function. That discussion led to a consideration of building out a new dispatch center that could be expanded into a regional center, in the lower level of Borough Hall. The timing and level of interest by other municipalities in regional dispatch options was seen as a potential opportunity to have Princeton in the position of building a facility that no other municipality may have joined, so the option was declined.

Another consideration that worked against outsourcing was the amount of time that would be required to implement this solution, and concern over whether existing dispatchers would seek employment elsewhere instead of waiting to see if the outsourced provider would hire them.)

Recommendation on CAD / Records Management

The Public Safety Subcommittee had also reviewed potential vendors for integrating the two police departments' CAD systems (including records management software). Three companies were evaluated, with Lawsoft being recommended because of cost, functionality, implementation and integration considerations. The Subcommittee also added components for fire and emergency medical dispatch and record-keeping to the recommended base Lawsoft product.

Status

As noted, the Governing Bodies acted on these items in advance of a formal recommendation by the Transition Task Force.

Task 4e: Capital Equipment, Firearms and Related

Determine equipment to be integrated, and develop recommendations as to need and timing

Deliverable: Recommendations on integration process

Timeline: Completed in June / July 2012

After preliminary review, the Public Safety Subcommittee recommended that details on firearms, vehicles, uniforms and other police-related capital equipment and supplies be dealt with by the two existing police departments jointly, with the two administrators, for approval by the Governing Bodies, obviating the need for any detailed review by the Subcommittee or Transition Task Force. The full Task Force endorsed this recommendation at its meeting on July 11, 2012. It was felt by the Subcommittee that the level of detail was best handled outside the Subcommittee and Transition Task Force. As October 2012, the weapons system had been agreed upon, though was not scheduled to go operational until approximately November 1, 2012. At that point personnel would be trained and qualify as part of the implementation process in both police departments.

Task 4f: Police Department – University Interaction

Review the relationship between the municipal Police Department and Princeton University Public Safety

Deliverable: Where possible, identify options and opportunities to enhance collaboration between the new municipality and Princeton University

Timeline: Completed in June / July 2012

The Public Safety Subcommittee also considered potential options for collaborating more closely with Princeton University's Department of Public Safety. Discussions focused on several areas of possible interaction. In particular, the Subcommittee explored two areas: Operations (*e.g.*, jointly serving certain areas) and technology (*e.g.*, sharing dispatch functions). To facilitate these discussions, key stakeholders from the University's public safety community were invited to be active participants in the Subcommittee's deliberations. They included Paul Ominsky, Princeton University Executive Director of Public Safety, and Treby Williams, Princeton University Assistant Vice President for Safety and Administrative Planning.

No formal recommendations were generated by the Public Safety Subcommittee or Transition Task Force relative to collaborative efforts that may be undertaken by the new municipality and University. Topics discussed as part of the Public Safety Subcommittee's objectives included the following:

How can the new municipality and University collaborate operationally?

The Subcommittee examined potential opportunities for the University and municipality to work together more closely, both to lessen the burden on the new municipal police force and to possibly enhance coverage in the areas adjacent to campus and in the community generally. As part of this discussion, the Subcommittee considered the potential for a Memorandum of Understanding (MOU) between the municipality and University that could establish a mutually-agreed allocation of response and service responsibility in the campus area. The Mercer County Prosecutor's Office was engaged as part of this discussion, outside of the Subcommittee / TTF process, lending expertise on process and agency authority both on- and off-campus, as well as defining what "on" and "off campus" mean. Meetings between the Borough, Township and Prosecutor's Office brought clarity on certain points, most notably the conclusion that the University's Department of Public Safety is not capable of serving as a "force multiplier" for the municipal Police Department. These discussions with the Prosecutor's Office are ongoing. University representatives noted that, although the number of police calls on campus represents a small percentage (*i.e.*, approximately 1.4 percent) of total municipal Police Department calls, addressing those calls without burdening municipal police could enable a reallocation of police resources to other community priorities. It was noted that the University's handling of approximately 600 out of 42,000 total calls in the community would not allow for any material reallocation of police department resources.

How could the new municipality and University collaborate on emergency dispatch?

The Subcommittee considered potential collaboration on emergency dispatch, reviewing statutory requirements on the number of Public Safety Answering Points (PSAPs, or emergency dispatch centers) in a community.⁵ The University expressed an interest in helping to support the new combined municipal dispatch center going forward, though no practical way to do this was yet identified.

Boards, Commissions and Committees

Task 5a: Inventory Existing Bodies

Develop baseline from which to make recommendations on constituting and populating municipal boards, commissions and committees

Deliverable: Document existing boards, commissions and committees, their genesis, objectives and methods of appointment

Timeline: Completed in May 2012

As a foundation for generating recommendations, the BCC Subcommittee began by identifying all existing boards, commissions and committees serving either the Borough or Township (or in certain cases, both). As part of that process, the Subcommittee documented the geographic jurisdiction each covers; its purpose / scope; the statutory or ordinance reference that provides for its authority; its membership and representation; the method of appointing members; and its meeting schedule. Where possible, the Subcommittee also documented the demographic composition of the current membership.

Existing boards, commissions and committees reviewed by the Subcommittee are listed below.

Joint BCCs where membership is set by state law

- Environmental Commission
 - Human Services Commission
-

⁵ Two items were raised in this discussion. First, ensuring that the restructured emergency dispatch framework in Princeton was compliant with state regulations on Public Safety Answering Points; and second, to ensure “end-user” understanding that 911 calls initiated on campus would not reach the municipal police department.

- Regional Library Board
- Regional Health Commission
- Regional Planning Commission
- Site Plan Review Advisory Board (SPRAB)

Joint BCCs where membership is set by local law

- Corner House Board
- Joint Princeton Cable Television Committee
- Joint Recreation Board
- Bicycle and Pedestrian Advisory Committee
- Princeton Alcohol and Drug Alliance
- Sewer Operating Committee
- Transportation Trust Fund
- Alexander / University Place Transit Study Task Force

Duplicate BCCs where membership is set by state law

- Construction Board of Appeals (Borough)
Construction Board of Appeals (Township)
- Historic Preservation Review Committee (Borough)
Historic Preservation Commission (Township)
- Zoning Board of Appeals (Borough)
Zoning Board of Appeals (Township)

Duplicate BCCs where membership is set by local law

- Affordable Housing Board (Borough)
Township Housing Board (Township)
- Shade Tree Commission (Borough)
Shade Tree Commission (Township)

Distinct BCCs

- Citizens Finance Advisory Committee (Township)
- Flood and Storm Water Commission (Township)
- General Board for Making Assessments of Benefits from Local Improvements (Township)
- Housing Authority (Borough)
- Public Safety Committee (Borough)
- Traffic and Transportation Committee (Borough)
- Traffic Safety Committee (Township)
- Animal Control Advisory Committee (Township)

Task 5b: Recommendation on New BCCs

Develop process for populating BCCs as soon as practicable post-consolidation

Deliverable: Recommendations on boards, commissions and committees structure to serve the new municipality

Timeline: Completed August / September 2012

In developing recommendations for the boards, commissions and committees that would serve the new municipality, the Subcommittee identified a number of “principles” to guide its work. They were:

- Recommend boards, commissions and committees *where needed*;
- Recommend disbandment of *unnneeded* bodies;
- Maximize participation where possible and tap local expertise;
- Obtain efficiencies and cost savings where possible;
- Provide training and education of citizen participants; and
- Encourage improved inclusive processes of candidate review.

Recommendations

The Subcommittee’s recommendations are presented in the following table.

(Note: In following summaries, mayoral appointments are assumed to be made with the consent of Council, as denoted by an “*”).

<i>Joint BCCs where membership is set by state law</i>	
1. Environmental Commission	Recommendation of membership composition as governed by state statute. Seven residents and 2 alternates appointed by mayor*. Chair also appointed by mayor. Three year terms, staggered in beginning. One member must also be a member of the Planning Board.
2. Human Services Commission	Nine appointed by mayor* for three-year terms, plus 1 non-voting liaison from Council. Five members of the Commission are to serve as the Local Assistance Board (LAB), with only this sub-group handling LAB matters.
3. Public Library Board	Seven appointed by mayor*, 2 by state statute (mayor and superintendent of schools or their designees).
4. Health Commission	Seven appointed by mayor* plus 2 alternates and 1 non-voting liaison from Council. Previous experience or demonstrated interest in public health helpful. Regional Health Commission to be replaced by Princeton Health Board.

5. Planning Board	Nine plus 2 alternates includes: 1 Class I (mayor or designee), 1 Class II (non-Governing Body official of municipality appointed by mayor*), 1 Class III (member of Governing Body appointed by it), 6 Class IV (citizens appointed by mayor*, one of which serves on Environmental Commission), and 2 Class IV alternates.
6. Site Plan Review Advisory Board (SPRAB)	Six members plus 2 alternates appointed by mayor*, plus 2 members of the Environmental Commission. Qualifications might be expanded to include “green and sustainability” credentials.

Joint BCCs where membership is set by local law

8. Corner House Board	Seven appointed by mayor* plus 1 member of the Corner House Foundation and 1 liaison from Council.
9. Cable TV Committee	Nine appointed by mayor* , plus 1 member from Council. Citizen members to have three-year terms.
10. Recreation Board	Nine voting members appointed by mayor* for three-year terms, plus 1 non-voting liaison from Council.
11. Bicycle/Pedestrian Cmte	Six citizens appointed by mayor* plus one voting member from Traffic and Transportation Committee, also named by mayor (and chair). One non-voting liaison from Council and 1 non-voting liaison from schools. One non-voting liaison from Engineering. Bylaws to be written. Joint reports/ recommendations with Traffic and Transportation Committee wherever possible for matters presented to Planning and Zoning Boards, and to the municipality.
12. Alcohol and Drug Alliance	Keep intact as is, but only one municipal liaison.
13. Sewer Operating Committee	Four citizen voting members, at least one of which with civil engineering or municipal waste experience, and one voting Council member. Appointed by mayor*.
14. Transportation Trust Fund	Six appointed by mayor*. Three appointed by the University.
15. Alexander / University Place Transit Study Task Force	Two citizen appointees, two Council members, two Princeton University appointees. Staff to include municipal engineer and Planning Board planner.

Duplicate BCCs where membership is set by state law

16. Construction Board of Appeals (combined)	No changes to membership; state statute prevails. Five members appointed by mayor*. At least 1 registered architect or licensed professional engineer, at least 1 qualified plumbing sub-code official, 1 qualified electrical sub-code official. No more than 2 from the same business or profession.
17. Historic Preservation Commission (combined)	Seven members and 2 alternates appointed by mayor*. There should be 1 Class A member (knowledgeable in building design

	and construction, and may reside outside Princeton); 1 Class B member (knowledgeable/interested in local history, and may reside outside Princeton); 5 regular members (if possible, one owner of a property in an historic preservation zoning district); and 2 Class C alternates.
18. Zoning Board of Adjustment (combined)	No changes to membership; state statute prevails. Governing Body appoints 7 regular members and 2 alternates. Four-year terms for regular members, two-year terms for alternates.

Duplicate BCCs where membership is set by local law

19. Affordable Housing Board (combined)	Seven voting members plus 1 voting liaison from Council. If state law allows, raise to 8 members plus one voting liaison. Three year terms.
20. Shade Tree Commission (combined)	Ordinance being drafted by existing Shade Tree Commissions to be presented to Council. Seven members plus 2 alternates, plus one non-voting liaison from Council. Three-year terms. New members will participate in the training and accreditation program offered by the State Forester.

Distinct BCCs

21. Citizens Finance Advisory Committee	Five members appointed by mayor* for three-year terms, minimum of one non-voting liaison from Council. Administrator, Deputy Administrator and CFO as non-voting members.
22. Flood and Storm Water Commission	Use Township ordinance as a model for new ordinance (<i>i.e.</i> 1 member of Governing Body, 1 member from Environmental Commission, 1 appointee by Engineer and 4 citizens).
23. General Board for Making Assessments of Benefits from Local Improvements	Use Township ordinance as a model for new ordinance (<i>i.e.</i> 5 members appointed by Governing Body for terms of two years, where one member shall be the Tax Assessor).
24. Housing Authority	Borough currently uses 6 voting appointees appointed by mayor*, 1 Governor's appointee, 1 Council liaison.
25. Public Safety Committee	Use Borough ordinance as a model for new ordinance (<i>i.e.</i> mayor, administrator and 2 members of Governing Body).
26. Traffic and Transportation Committee	7 regular members appointed by mayor* and Governing Body, holding no other municipal office or employment. One of the seven members also to be member of PBAC, named by mayor (and chair).
27. Traffic Safety Committee	Disband this committee and merge with Public Works Committee. Ensure Public Works Committee adopts as part of its responsibilities the recommendation of correction of hazardous traffic and road conditions.
28. Animal Control Advisory Committee	Retain current membership structure (2 citizens, municipal legal

	staff member, animal control officer, non-voting liaison from Governing Body), but add requirement that at least one of the citizen members have experience in animal biology or control. This committee should also be ordinances.
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Status

The Subcommittee approved the recommendations incrementally from June through September 2012, with the Transition Task Force and Joint Governing Bodies ratifying the recommendations as they were received.

Note

The Boards, Commissions and Committees Subcommittee also developed a “Suggested BCC Selection Process” for populating the new bodies in advance of (or as early as possible in) January 2013. That process entails the following:

- The Municipal Clerk of the new municipality shall serve as “process manager.”
- Applications may be submitted online or in hard copy mirrored after existing Township and Borough forms. The application process shall be publicized on Borough and Township websites and local newspapers. Applications shall also be made available in the Princeton Library and Clerks’ offices.
- A letter shall be sent by the respective mayors to all existing board, commission and committee members in the Borough and Township by early October, notifying them of their last day of membership on December 31, 2012, and the added request that they complete new application forms either online or in hard copy if interested in serving on successor bodies or a new body. Deadline for submission shall be the same as that of all candidates.
- A listing shall be prepared of all new boards, commissions and committees for the new municipality and shown on the Borough and Township websites, with summaries of purpose, membership, terms and mandated credentials. Hard copy summaries should also be made available in the Princeton Library and Clerks’ offices.
- Timetable: Application period shall begin September 30, 2012 and end November 6, 2012.
- The last three weeks of November shall be used by the Municipal Clerk to organize submitted applications.

- Following the election of officers for the new government, the Mayor-Elect and Council-Elect shall determine the most efficient process to evaluate / vet submitted applications. The list of nominees should be completed as soon as practical. Open Public Meetings Act compliance should be followed.

The following new BCCs governed by State statute require priority appointment by January 1, 2013 or as soon thereafter:

- Environmental Commission
- Human Services Commission
- Municipal Library Board (formerly a Regional Library Board)
- Municipal Health Board (formerly a Regional Health Commission)
- Site Plan Advisory Board
- Construction Board of Appeals
- Historic Preservation Commission
- Zoning Board of Adjustment

Communications and Outreach

Task 6a: Effective Process and Access for TTF Work

Monitor communications process for Task Force agendas, subcommittee documentation, minutes and public meeting notices

Deliverable: Regular reporting at Transition Task Force meetings; development of “Q&A” document on transition website

Timeline: Remains ongoing throughout 2012

The Communications and Outreach Subcommittee’s primary responsibility was to establish and sustain the Transition Task Force’s public information effort throughout the implementation process. The Subcommittee’s work built on the momentum created by the original Consolidation Commission, which made public engagement a high priority. In order to ensure continuity and leverage the Commission’s investment in public information processes, two members of the Commission (Anton Lahnston and Carol Golden, who were also both involved in the Commission’s Community Engagement Subcommittee) participated in the Communications and Outreach Subcommittee.

In addition to providing general oversight of the Task Force’s outreach efforts and ensuring public access to documents and materials, the Subcommittee leveraged the following:

- An official website designed for the Transition Task Force (www.cgr.org/princeton/transition). Launched in late January 2012, the site was linked to the original Commission site through a main portal (www.cgr.org/princeton) that offered comprehensive information on the pre-2011 planning process *and* the 2012 transition.

The transition site contains background information on the process, members of the Task Force, official meeting schedules for the Task Force and all of its subcommittees, key documents, media coverage, links and two options for facilitating public communications – a portal for users to submit comments to the Task Force, and an “email alert” system to inform users of important Task Force notices or events.

Since the website’s inception date *through the end of November 2012*, the site generated 47,876 page views, 30,114 visits, and 16,383 document downloads. The “Meetings” page, which contained Task Force and subcommittee schedules, agendas, minutes and exhibits, was the most active of the site’s pages, followed by the “Documents” page.

- A “Frequently Asked Questions” section on the site was developed to provide additional information on items like the Transition Task Force’s authority, the status of existing boards / commissions in the post-merger municipality, public works maintenance, the new government’s website and the status of unions post-consolidation.
- Recommend a variety of ways to improve the structure of Transition Task Force meetings, such as a resolution format, terms of engagement and a media policy.
- Overview presentations on the Task Force process throughout 2012 to various community groups.

Task 6b: Public Forums to Update Residents

Organize and facilitate periodic forums to inform community and solicit feedback

Deliverable: Convene public forum in spring to update residents, and another in the fall / winter to “wrap” transition process

Timeline: Princeton Future forum held in May 2012; public forum held at Princeton Library in December 2012

The Subcommittee planned, organized and convened the Transition Task Force’s May 5, 2012, public forum with the community at Princeton Future. The event overviewed the Task Force process and progress to-date. Video of the event is accessible here: <http://vimeo.com/42149884>. It also facilitated overview presentations on the Task Force process throughout 2012 to various community groups.

The Subcommittee convened another community forum to review a draft of the Task Force’s final report on December 3, 2012, at the Princeton Library.

The Subcommittee is also compiling communication recommendations to make the transition to consolidation easy and clear to residents. All communication materials are to have a consistent branded look, so that residents will immediately recognize consolidation information and messages. Related, the Subcommittee offered suggestions on a more accessible website.

Task 6c: Plan Celebration of Unified Princeton

Organize a celebratory event to capture the excitement and history of Princeton’s consolidation, coinciding with its January 1, 2013, inception

Deliverable: Plan event for start of 2013

Timeline: Ongoing

Recognizing the historic nature of the Borough and Township’s consolidation, the Subcommittee recommended holding a “Celebrate Princeton” event coinciding with the start of 2013. As noted in the Subcommittee’s recommendation: “It is important to celebrate the work that has gone before as well as the possibilities of the future. It is important to provide a symbolic recognition of the joint community now called Princeton together with the recognition that any community is the sum of its citizens.” It also noted the importance of recognizing the contribution of a variety of citizens throughout the work of the Commission and Task Force process.

With further details pending, the Subcommittee recommended the following: An informal, town-wide consolidation celebration will be held in the Municipal Building on Witherspoon Street on the morning of January 1. The event will include a video showing iconic Princeton images as well as a lottery for a Princeton Best Basket and a “Consoli-Cake.” Residents will be able to tour the municipal building, meet the new Mayor and Council, and visit with old and new friends.

The traditional swearing-in ceremony will follow.

Information Technology

Task 7a: Inventory Existing Systems

Develop baseline from which to make recommendations on hardware, software and vendor support

Deliverable: Document existing hardware, software and vendor support in the Borough and Township and across all departments

Timeline: Largely completed in April 2012; Revised through August 2012

As a foundation for generating recommendations, the IT Subcommittee began by identifying all existing hardware, software and vendor support utilized by the Borough and Township as part of their respective technology infrastructure systems. As part of the inventory process, the Subcommittee reviewed the following elements for each hardware, software and vendor component:

- Organization (*i.e.*, Borough, Township, Shared – Borough hosting, Shared – Township hosting, or Consolidated) and functional department where the component is currently in use;
- “Point(s) of contact” in each affected department, as a resource for gathering information on replacement, upgrading and / or integration issues;
- Type of IT component or service, whether support, software, hardware, infrastructure or administration / management;
- Priority / “mission criticality” of the item as it relates to preparing for the start of the new municipality;
- Level of urgency for addressing the item (*i.e.*, now, pre-consolidation or post-consolidation);
- Name of the product and supplier when acquired (or current service provider, where applicable) and current annual costs; and
- Current service strategy (*i.e.*, in-house, not contract, outsourced as item, outsourced as bundle, shared service, retired).

Task 7b: Resource Integration Plans (General)

Draft plan for integrating general information technology of the Borough and Township

Deliverable: Recommendations for IT software, hardware and support

Timeline: Completed incrementally between May and September 2012

Based on its inventory of existing IT systems in the Borough and Township, as well as input of municipal staff whose functions rely (in whole or part) on specialized technology items, the Subcommittee reviewed options and made recommendations for software, hardware, systems and vendor support to be utilized by the new municipality. RFPs from multiple vendors were received on many services, with special attention paid to quality of past service, future service levels and future annual costs, with an eye toward savings (where possible).

Recommendations and Status

The Subcommittee's recommendations (where applicable) are presented in the following summary table, along with approval dates from the Transition Task Force and Joint Governing Bodies and pre- vs. post-consolidation cost comparisons.

IT SERVICE DECISIONS MADE					Current Annual Costs					New Costs		
IT Service	Approved Vendor	TTF Approval Date	Jt. Session Approval Date	Dept	Borough	Township	Shared B	Shared T	Total	Upfront	Annual	Annual Savings
Dog Licensing	Municipal Software	16-May	21-May	Clerk	\$0	\$408	\$0	\$0	\$408	\$0	\$408	\$0
Email	First Class	16-May	21-May	Muni-wide	\$9,000	\$3,300	\$0	\$0	\$12,300	\$5,635	\$4,476	\$7,824
Phone System	VOIP	16-May	21-May	Muni-wide	\$3,700	\$11,348	\$0	\$0	\$15,048	\$54,940	\$11,348	\$3,700
Boards & Commissions	In House	30-May	26-Jun	Clerk	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Parking Permits	In House	30-May	26-Jun	Clerk	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Resolutions	In House	30-May	26-Jun	Clerk	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Website	City Connections	13-Jun	26-Jun	Muni-wide	\$3,075	\$6,929	\$0	\$0	\$10,004	\$3,450	\$9,199	\$805
Anti-Virus	CMIT Solutions	25-Jun	26-Jun	Muni-wide	\$0	\$1,855	\$0	\$0	\$1,855	\$0	\$0	\$1,855
IT Consultant	CMIT Solutions	25-Jun	26-Jun	Muni-wide	\$72,000	\$63,996	\$0	\$0	\$135,996	\$0	\$106,488	\$29,508
Network Server/Switches	CMIT Solutions	25-Jun	26-Jun	Muni-wide	\$0	\$2,530	\$0	\$0	\$2,530	\$0	\$0	\$20,530
Web Filter and Spam	Barracuda	25-Jun	26-Jun	Muni-wide	\$0	\$1,600	\$0	\$0	\$1,600	\$0	\$0	\$1,600
Assessor	Vital	30-Jun	30-Jul	Assessor	\$0	\$0	\$0	\$12,576	\$12,576	\$34,000	\$9,000	\$3,576
Mass Calling System	Rapid Notify	30-Jun	30-Jul	Muni-wide	\$0	\$9,500	\$0	\$0	\$9,500	\$0	\$9,500	\$0
Building Security - Cameras	Open Systems	15-Aug	1-Oct	Muni-wide	\$0	\$2,500	\$0	\$0	\$2,500	\$47,900	\$3,640	-\$1,140
Construction Management	Mitchell Humphries	15-Aug	1-Oct	Construction	\$2,000	\$2,070	\$0	\$0	\$4,070	\$14,000	\$3,370	\$700
General Ledger	Edmunds	15-Aug	1-Oct	Finance	\$7,194	\$6,744	\$0	\$0	\$13,938	\$2,400	\$7,194	\$6,744
Panic Alarm Monitoring	TBD by Yearend	15-Aug	1-Oct	Muni-wide	\$0	\$193	\$0	\$0	\$193	\$5,000	\$270	-\$77
Tax Collection	First Byte	15-Aug	1-Oct	Finance	\$3,835	\$3,235	\$0	\$0	\$7,070	\$10,280	\$5,985	\$1,085
Time & Attendance	Visual Computer Solutions	15-Aug	1-Oct	HR	\$0	\$5,174	\$0	\$0	\$5,174	\$6,000	\$7,140	-\$1,966
Web Interface	Citinet	15-Aug	1-Oct	Muni-wide	\$2,500	\$4,000	\$0	\$0	\$6,500	\$0	\$6,500	\$0
Payroll Management	Prime Point	5-Sep	1-Oct	HR	\$9,625	\$2,000	\$0	\$0	\$11,625	\$550	\$9,600	\$2,025
Birth Records	Munidex	None Required	None Required	Health	\$0	\$0	\$540	\$0	\$540	\$0	\$540	\$0
Fire Inspection	In House	None Required	None Required	Fire	\$0	\$0	\$1,458	\$0	\$1,458	\$0	\$1,458	\$0
Fire Management	In House	None Required	None Required	Fire	\$0	\$0	\$4,800	\$0	\$4,800	\$0	\$4,800	\$0
Totals					\$112,929	\$127,382	\$6,798	\$12,576	\$259,685	\$184,155	\$200,916	\$76,769
IT SERVICE DECISIONS DEFERRED UNTIL 2013					Current Annual Costs							
IT Service	Approved Vendor	TTF Approval Date	Jt. Session Approval Date	Dept	Borough	Township	Shared B	Shared T	Total			
CAD Software	No Change	16-May	21-May	Engineering	tbd	tbd	\$0	\$0	tbd			
GIS	No Change	30-May	26-Jun	Engineering	tbd	\$4,028	\$0	\$0	\$4,028			
Building Security - Doors	No Change	15-Aug	1-Oct	Muni-wide	\$0	\$4,000	\$0	\$0	\$4,000			
Records Archiving	No Change	15-Aug	1-Oct	Construction	\$0	\$1,700	\$0	\$0	\$1,700			
IT SERVICE DECISIONS HANDLED BY STATE OF NEW JERSEY												
Court System	State of NJ											

* Network Server/Switches savings figure includes \$18,000 in annual savings from elimination of a T-1 line

Task 7c: Resource Integration Plans (Police)

Draft plan for integrating specialized police-related information technology of the Borough and Township

Deliverable: Recommendations for integrating dispatch, CAD, records software and related

Timeline: Completed June / July 2012

Completed in June 2012

This component of the Information Technology Subcommittee's work was integrated within the Public Safety Subcommittee (see Task 4d), which reviewed with both Police Departments options for dispatch system integration, location and hardware / software decisions for records management and CAD.

Finance

Task 8a: Monitor Budgetary Impacts of Changes

Document costs and savings associated with departmental integrations, workforce adjustments and related decisions of the Task Force

Deliverable: Regular reporting at Transition Task Force meetings; development of summary report mid-fall

Timeline: Ongoing

Note: Detailed information on budgetary impacts is provided later in this report in the "Financial Matters" section.

Task 8b: Compile Transition Costs

Document costs related to transition and implementation of new municipality, including salary / wage adjustments, facilities, legal, technology and others; Determine allocation of costs as "transition costs" vs. costs that would have been borne even in the absence of consolidation

Deliverable: Regular reporting at Transition Task Force meetings; development of summary report mid-fall

Timeline: Ongoing

Note: Detailed information on transition cost tracking is provided later in this report in the “Financial Matters” section.

Task 8c: Preliminary Draft Combination of Budgets

Draft a draft integrated budget using approved 2012 spending plans for the Borough and Township, which can be used as a framework for developing the 2013 Princeton budget

Deliverable: Draft integrated budget

Timeline: The Finance Subcommittee completed a draft integrated budget in May / June 2012 using the current-year approved budgets of the Borough and Township; subsequently, the Administrators and Finance Officers of the Borough and Township will produce a working 2013 budget proposal, an effort which remains in process

Task 8d: Sewer Rates and Open Space Tax

Determine process for establishing sewer rates and open space tax rate for the new municipality

Deliverable: Recommend a rate-setting process and level

Timeline: Completed in June 2012; rate approved by voter referendum on November 6, 2012

Open Space Tax Recommendation

Both the Borough and Township currently have an Open Space Tax, which is authorized for a variety of uses, including;

- Acquisition, development and maintenance of lands for recreation and conservation purposes;
- Farmland acquisition and preservation;
- Historic preservation; and
- Payment of debt service incurred for authorized purposes.

While both municipalities have a tax, the rates are different. The Borough’s current rate is 1-cent, while the Township’s is 2-cents. The rates, adopted by referendum in both municipalities, do not carry over to the new municipality. As such, a new referendum would be required to

retain an Open Space Tax in the consolidated Princeton, regardless of the rate. Moreover, a single municipality can only have one unified rate.

Upon review, the Finance Subcommittee recommended a “revenue neutral” rate of 1.7-cents, which would effectively split the difference between the Borough and Township rates in such a way as to not impact current revenues. As the Subcommittee noted in its materials, this recommendation is “not establishing policy (but) just maintaining *status quo*.” The recommendation was consistent with the original Commission financial impact projections, which assumed flat revenue from the Open Space Tax.

Table
Effect of Change to Open Space Tax Rate on Property Owners
Source: Finance Subcommittee analysis and exhibit, June 26, 2012

	Borough*	Township*	Total
Current Tax (1-cent Boro, 2-cents Twp)	\$74.81	\$164.34	\$1,135,920
Proposed Tax (1.7-cents)	\$127.17	\$139.69	\$1,151,399
<i>Difference</i>	\$52.36	(\$24.65)	\$15,479

* Based on the average assessment in the Borough (\$748,070) and Township (\$821,711)

Table
Sensitivity Analysis of Changes in Open Space Tax Rate:
Impact of change on average property at different rates
Source: Finance Subcommittee analysis and exhibit, June 26, 2012

	Borough*	Township*	Total
If new rate was 1-cent...	n/c	(\$82.17)	(\$458,626)
If new rate was 1.7-cents...	\$52.36	(\$24.65)	\$15,479
If new rate was 2-cents...	\$74.81	n/c	\$218,667

* Based on the average assessment in the Borough (\$748,070) and Township (\$821,711)

Open Space Tax Status

The Transition Task Force approved the Finance Subcommittee’s recommendation of a 1.7-cent Open Space Tax on June 25, 2012. The Joint Governing Bodies approved the recommendation on June 26, 2012 and then held second readings at subsequent separate governing body meetings for inclusion of this as a referendum question on the ballot. The referendum question was passed by the voters of both municipalities 8,121 to 2,460 on November 6, 2012.

Sewer Rates

Upon review, the Finance Subcommittee concluded that since current sewer rates are already set through June 2013, the determination of new rates can be deferred to the new Governing Body next year.

Task 8e: Debt Combination Process

Determine what steps (if any) are required to formally combine the outstanding debt held by the Borough and Township

Deliverable: Identify process steps, facilitate work by bond counsel to combine / transfer debt obligations to the new municipality

Timeline: Based on the evaluation and conclusion of bond counsel, the Finance Subcommittee determined in April 2012 that the existing debt of the Borough and Township would automatically transfer to the new municipality under state law, and that no formal action was required.

Legal

Task 9a: Integration of CBAs

Integrate the Borough and Township's separate labor contracts covering public works employees and sworn police personnel

Deliverable: No formal role for Transition Task Force; primary responsibility rests with State Public Employment Relations Commission, municipal administrators, municipal attorneys and representatives of the collective bargaining units

Timeline: In process

Currently, the Borough and Township have seven collective bargaining agreements covering portions of their respective workforces. Five exist in the Borough: Blue Collar Workers CWA, Teamsters Local 676, PBA Local 130 covering police patrol officers, PBA Local 130 covering police superior officers / sergeants, and PBA Local 130 covering police superior officers / lieutenants. Two exist in the Township: AFSCME Local 1530 and PBA Local 387.

The Transition Task Force is merely monitoring the integration process without a formal negotiation role. Implementation is the responsibility of the State Public Employment Relations Commission and municipal attorneys / administrators, working with representatives of the affected bargaining units.

FINANCIAL MATTERS | Impacts & Transition

As noted in the Finance Subcommittee section above – specifically tasks 8a and 8b – one of the key roles of the Transition Task Force involved tracking the financial implications of consolidation. The Subcommittee focused on two categories of financial impact: **Budgetary Impacts** and **Transition Costs**.

The analysis of **Budgetary Impacts** included:

- **Salary and Wage Budget Reductions** that would result from implementation of departmental combinations, workforce reductions and other efficiencies or costs created by merging the Borough and Township;
- **Other Budgetary Impacts**, involving the preliminary identification of non-personnel savings and costs from consolidation; and
- ***Pro-forma* tax impacts from consolidation.**

The second category of focus were **Transition Impacts**, specifically those costs borne by the Borough and Township in 2012 (or the new municipality beginning in 2013) directly related to the merger implementation process, including identifying potential funding sources for the costs and identifying “coincidental costs” incurred during the transition process but not strictly due to the result of consolidation (*i.e.* they would have been incurred otherwise).

This section presents the budgetary, transition and tax impact summaries developed by the Task Force’s Finance Subcommittee.

Budgetary Impacts: Salary & Wage Budget Reductions

The original consolidation plan recommended by the Joint Commission set forth mergers across all municipal departments, intending to create a single municipality that would generate savings and service efficiencies. At full implementation – which the Commission anticipated would occur over a three year period – the plan was projected to produce budgetary efficiencies totaling approximately \$3.32 million, approximately 5 percent of the total combined appropriations of the Borough and Township.

The Finance Subcommittee tracked all the departmental and workforce recommendations of the Task Force in order to assess conformance with

the projected savings of the original Commission plan. Current projections are shown in the following tables, by year.

In considering the Finance Subcommittee's review of consolidation's budgetary impacts of staffing recommendations, several points should be noted:

- Budgetary savings shown in the following tables reflect *only* personnel costs based on the impact of staffing recommendations.
- The Finance Subcommittee updated the savings projections developed by the Joint Commission to reflect inflation in salary and benefit costs. The updated analysis shows year-three savings of \$3.61 million, as compared to the Commission's original estimate of \$3.32 million.
- Task Force and Finance Subcommittee projections for police and public works include the estimated impact of potential salary harmonization, which is conservatively estimated at \$250,467 annually. The Subcommittee also conservatively included salary harmonization as a Transition Cost in 2013. *The reader is cautioned that this double-counts salary harmonization costs in 2013.*
- In analyzing savings ranges, the Finance Subcommittee created "low" and "high" projections. For the Police Department, "Low" assumes sworn officer staffing remains at the Public Safety Subcommittee's recommended level for year one of 56 officers. "High" assumes the current sworn officer staff complement of 54 through 2014, followed by a reduction to the Joint Commission-recommended level of 51 at full implementation. For other departments, the "low" and "high" projections reflect the potential reduction of 2 additional positions (in Public Works and Engineering) in 2014.

Key Findings

1. The Finance Subcommittee's projections find personnel savings levels for year one (*i.e.* 2013) that are **at least 40 percent higher** than the Joint Commission's original estimates - \$2.26 million vs. \$1.61 million.
2. At the three-year full implementation, savings projections give the new Governing Body the opportunity to exceed the original savings estimates projected by the Joint Commission. Achieving savings in excess of the original projections may depend on future staffing decisions of the new Governing Body.

3. Accelerated staffing changes completed in 2012 – in advance of consolidation – will result in approximately \$705,000 in additional savings vs. budgets (see following table). These savings can be used to assist in offsetting transition costs.

Projected Savings from Staffing Changes vs 2012 Budgeted (Baseline) Staffing

Year	Actual	Commission	Finance Subcommittee Est.	
		Estimate	Low	High
2012	\$ 705,000			
2013		\$ 1,612,000	\$ 2,255,000	\$ 2,525,000
2014		3,125,000	2,586,000	3,546,000
2015		3,610,000	2,586,000	4,003,000

*In addition to the personnel savings levels cited above, preliminary operating budget savings for 2013 is estimated at \$350,000 to \$400,000 annually (see **2013 Operating Budget** below).*

Estimate of the benefits of consolidation in 2012, due to personnel and other organizational changes

<u>department</u>	<u>staff change</u>	<u>savings</u>
Clerk	-1	\$116,000
Police	-9	\$551,000
Zoning/Histor	-1	\$74,000
IT	0.5	(\$36,000)
totals	-10.5	\$705,000

notes:

1. Sworn police officers currently at 54, vs. baseline of 61. Emergency dispatch personnel currently at 8, vs. baseline of 10.

2013 Financial Projections

department	Commission Estimate for 2013		Finance Subcommittee Estimate for 2013 (low)		Finance Subcommittee Estimate for 2013 (high)	
	FTE change	savings	FTE change	savings	FTE change	savings
Police	-1	\$270,000	-7	\$781,000	-9	\$1,051,000
Public Works	-2	\$114,000	-3.33	\$278,000	-3.33	\$278,000
Engineering	-1	\$192,000	-2	\$263,000	-2	\$263,000
PSOC (non-tax)		\$160,000	-1	\$235,000	-1	\$235,000
Governing Body		\$67,000		\$67,000		\$67,000
Administrator	-1	\$211,000	-1	\$192,000	-1	\$192,000
Clerk	-2	\$215,000	-1	\$135,000	-1	\$135,000
Finance / Tax Collection	-2	\$235,000	-2.5	\$241,000	-2.5	\$241,000
Court	-1	\$85,000	-1	\$72,000	-1	\$72,000
Tax Assessment	-0.5	\$19,000	-0.5	\$19,000	-0.5	\$19,000
Construction (non-tax)		\$44,000	-0.4	\$39,000	-0.4	\$39,000
Emergency Management			1	(\$75,000)	1	(\$75,000)
Zoning/Historical Preservation/Affordable Housing			-1	\$74,000	-1	\$74,000
IT			0.13	(\$12,000)	0.13	(\$12,000)
Other				(\$54,000)		(\$54,000)
total	-10.5	\$1,612,000	-19.6	\$2,255,000	-21.6	\$2,525,000
total tax / general revenues		\$1,408,000		\$1,981,000		\$2,251,000
total personnel savings, excluding governing body		\$1,385,000		\$2,018,000		\$2,288,000
average savings per position		\$131,905		\$102,933		\$105,901
1. "Other" row takes into account estimated salary harmonization, where it is not already accounted for in department numbers.						
2. Finance Subcommittee 2013 low estimate assumes the recommendations of the TTF Public Safety Subcommittee for police and emergency dispatch, which includes hiring two additional patrol officers. Finance Subcommittee 2013 high estimate assumes the same staffing as the low estimate, except that in this model police stay at current staffing levels, with no new hires.						

2014 Financial Projections

department	Commission Estimate for 2014		Finance Subcommittee Estimate for 2014 (low)		Finance Subcommittee Estimate for 2014 (high)	
	FTE change	savings	FTE change	savings	FTE change	savings
Police	-10	\$1,783,000	-9	\$962,000	-11	\$1,650,000
Public Works	-2	\$114,000	-4	\$368,000	-5	\$494,000
Engineering	-1	\$192,000	-2	\$263,000	-3	\$409,000
PSOC (non-tax)		\$160,000	-1	\$235,000	-1	\$235,000
Governing Body		\$67,000		\$67,000		\$67,000
Administrator	-1	\$211,000	-1	\$240,000	-1	\$240,000
Clerk	-2	\$215,000	-1	\$135,000	-1	\$135,000
Finance / Tax Collection	-2	\$235,000	-2.5	\$241,000	-2.5	\$241,000
Court	-1	\$85,000	-1	\$72,000	-1	\$72,000
Tax Assessment	-0.5	\$19,000	-0.5	\$19,000	-0.5	\$19,000
Construction (non-tax)		\$44,000	-0.4	\$39,000	-0.4	\$39,000
Emergency Management			1	(\$75,000)	1	(\$75,000)
Zoning/Historical Preservation/Affordable Housing			-1	\$74,000	-1	\$74,000
Other				(\$54,000)		(\$54,000)
total	-19.5	\$3,125,000	-22.4	\$2,586,000	-26.4	\$3,546,000
total tax / general revenues		\$2,921,000		\$2,312,000		\$3,272,000
total personnel savings, excluding governing body		\$2,898,000		\$2,349,000		\$3,309,000
average savings per position		\$148,615		\$104,866		\$125,341
1. "Other" row takes into account estimated salary harmonization, where it is not already accounted for in department numbers.						
2. Finance Subcommittee 2014 low estimate uses TTF's recommendations for police department sworn officers in 2013 and civilians in 2014, with no further changes. Finance Subcommittee 2014 high estimate uses the commission's recommendations for police staffing in 2014, plus 2 additional positions potentially reduced in other departments as noted by the TTF.						

2015 Financial Projections

department	Commission Estimate for 2015		Finance Subcommittee Estimate for 2015 (low)		Finance Subcommittee Estimate for 2015 (high)	
	FTE change	savings	FTE change	savings	FTE change	savings
Police	-13	\$2,268,000	-9	\$962,000	-14	\$2,107,000
Public Works	-2	\$114,000	-4	\$368,000	-5	\$494,000
Engineering	-1	\$192,000	-2	\$263,000	-3	\$409,000
PSOC (non-tax)		\$160,000	-1	\$235,000	-1	\$235,000
Governing Body		\$67,000		\$67,000		\$67,000
Administrator	-1	\$211,000	-1	\$240,000	-1	\$240,000
Clerk	-2	\$215,000	-1	\$135,000	-1	\$135,000
Finance / Tax Collection	-2	\$235,000	-2.5	\$241,000	-2.5	\$241,000
Court	-1	\$85,000	-1	\$72,000	-1	\$72,000
Tax Assessment	-0.5	\$19,000	-0.5	\$19,000	-0.5	\$19,000
Construction (non-tax)		\$44,000	-0.4	\$39,000	-0.4	\$39,000
Emergency Management			1	(\$75,000)	1	(\$75,000)
Zoning/Historical Preservation/Affordable Housing			-1	\$74,000	-1	\$74,000
Other				(\$54,000)		(\$54,000)
total	-22.5	\$3,610,000	-22.4	\$2,586,000	-29.4	\$4,003,000
total tax / general revenues		\$3,406,000		\$2,312,000		\$3,729,000
total personnel savings, excluding governing body		\$3,383,000		\$2,349,000		\$3,766,000
average savings per position		\$150,356		\$104,866		\$128,095
1. "Other" row takes into account estimated salary harmonization, where it is not already accounted for in department numbers.						
2. Finance Subcommittee 2015 low estimate uses TTF's recommendations for police department sworn officers in 2013 and civilians in 2014, with no further changes. Finance Subcommittee 2015 high estimate uses the commission's recommendations for police staffing in 2015, plus 2 additional positions potentially reduced in other departments as noted by the TTF.						

Other Budgetary Impacts

2013 Operating Budget

The Finance Subcommittee is facilitating development of a draft 2013 operating budget for the new municipality, which offered the opportunity to identify other potential financial impacts beyond the personnel adjustments discussed above. These were items either included in or beyond those contemplated in the Joint Commission's original plan and projections.

One expenditure that was identified by the Commission to increase in consolidation was residential municipal solid waste collection, which is municipally funded in the Borough and privately contracted for in the Township. The Commission and Task Force both recommended municipally funded residential collection be extended town-wide after consolidation. At this time the municipal staffs are in the process of bid solicitation. The Finance Subcommittee is awaiting the conclusion of bidding and contract negotiations to include this cost in its analysis. The Commission's analysis estimated a cost of \$1,648,528 for town wide solid waste collection, which would replace a Borough cost \$468,528.

Rather than simply combine each Borough and Township department's budget to determine a merged figure, the Subcommittee requested each department to produce a "zero-based budget" presentation, starting from scratch and determining a 2013 cost estimate. Upon delivery of those estimates, the Subcommittee, administrators and finance officers met with department heads to review and justify assumptions.

This exercise is ongoing. The Finance Subcommittee has preliminarily identified an estimated \$350,000 to \$400,000 in additional savings in the new municipality's 2013 operating budget. Again, these savings are *in addition to* the staffing impacts detailed above.

Transition Impacts

As with any merger, municipal or corporate, one-time transition costs are incurred. The Joint Commission identified a range of potential transition costs which it estimated at \$1.7 million. This estimate included an earmark for employee severance but, because of the various possibilities, did not assign a specific dollar amount.

Key Findings

1. *Including separation costs*, the Finance Subcommittee estimates the transition costs to be approximately \$2.5 million.

2. Transition costs include a conservative estimate of \$274,000 for salary harmonization. The Subcommittee also conservatively included salary harmonization as an annual expense in its analysis of the Budgetary Impacts of Salary & Wage Reductions. *The reader is cautioned that this double-counts salary harmonization costs in 2013.*
3. The new municipality will have the option to amortize most transition costs over five years following consolidation (e.g. 20 percent per year between 2013 and 2017).
4. The municipalities will receive a 20 percent reimbursement from the State of New Jersey on mutually agreed-to expenses (approximately equal to the transition expense to be amortized in 2013).
5. The new municipality can choose to apply the \$705,000 of savings realized in 2012 from accelerated staffing changes in advance of consolidation to assist in offsetting transition costs.
6. Additionally, the municipalities also received \$500,000 from Princeton University for transition-related expenses.
7. The Finance Subcommittee identified approximately \$1.1 million of other expenditures that are being made in connection with departmental relocations as costs that the municipalities would have incurred regardless of whether or not consolidation occurred (identified below as Coincidental Costs). Indeed, postponement of some of these expenditures until consolidation likely resulted in minimizing duplicative expenditures between the two municipalities.

What is a “transition cost”?

Evaluating and tracking transition costs requires an understanding of what constitutes a transition cost. It is important to recognize that just because a cost may have been incurred during transition, it may not necessarily be a true transition cost.

In the case of Princeton, the working definition the Transition Task Force applied to the issue of transition costs was as follows:

A cost qualifies as a true transition cost if it was (or is expected to be) incurred directly as a result of the consolidation of the Borough and Township, and would not otherwise have been incurred in the absence of a consolidation process, either in 2012 or the near future.

The categorization of some expenses as true transition costs is relatively clear and indisputable. For example, the costs associated with physically relocating merged offices into the same municipal facility will be borne *only* as a result of consolidation, and would not have been incurred otherwise. Similarly, specialized consultants and legal counsel utilized to assist in facilitating transition would not have been required absent a consolidation, and thus qualify as true transition costs. Updated building signage, integrated tax maps and redesigned websites can be similarly categorized as true transition costs.

By contrast, certain other costs – referred to in the following pages as “coincidental costs” – incurred during the transition process are not so easily or clearly categorized. For example, some technology upgrades that would be implemented as part of the consolidation process may have been required in the near future regardless, even in the absence of consolidation. To be sure, transition may be the “trigger” for incurring these costs *now* (as opposed to later), but those costs would have been incurred in the near future *even if consolidation had not occurred*. This is particularly true in instances where equipment may be near the end of its useful life.

Moreover, in certain cases it is important to acknowledge that there may be deferred cost / cost avoidance benefits, in that consolidation allows the upgrade investment to be made *once* for the new municipality as opposed to *twice* by the Borough and Township separately. These deferred cost / cost avoidance / scale benefits are difficult to quantify with reasonable precision, but are important to acknowledge in the process of tracking costs incurred during the transition process.

For example, both the Borough and Township 911, dispatch and radio systems were nearing the end of their respective useful lives. Separately replacing each system would have been significantly more costly, and partnering with other communities would not be implementable in the immediate term.

Another example involves Corner House – its need for a new location is not a *consequence* of consolidation, nor a cost of it. However, freeing up space in existing facilities for Corner House may represent a cost avoidance opportunity compared to the alternatives that would have existed absent consolidation.

In tracking transition-related costs, the Finance Subcommittee established the following principles:

- First, document *all costs* incurred (or expected to be incurred) during the transition process, both directly resulting from the consolidation transition *and* coincidental to it; and

- Second, isolate the subset of those costs most clearly determined to be *true transition costs* that would not otherwise have been incurred in the absence of a consolidation process, either in 2012 or the near future.

The Finance Subcommittee’s summary of transition and coincidental costs of consolidation are presented in summary fashion below.

Transition Costs and Coincidental Costs of Consolidation			
	FINANCE SUBCOMMITTEE EST.		<i>Commission</i>
	<u>Low</u>	<u>High</u>	<u>Est.</u>
All Transition Costs			
General Government	\$ 1,699,543	\$ 1,722,043	\$ 537,500
Public Safety	582,485	599,985	747,841
Public Works	68,000	98,000	82,500
Transition Task Force	<u>121,550</u>	<u>121,550</u>	<u>115,000</u>
	\$ 2,471,578	\$ 2,541,578	\$ 1,482,841
Coincidental Costs			
Public Safety (911, dispatch & radio upgrades)	\$ 612,109	\$ 648,366	\$ 220,750
Corner House relocation	<u>437,397</u>	<u>437,397</u>	<u>-</u>
	\$ 1,049,506	\$ 1,085,763	\$ 220,750

A more function-specific summary of key transition costs is presented below, detailing the “All Transition Costs” section of the summary table above.

	FINANCE SUBCOMMITTEE EST.		Commission
	Low	High	Est.
Employee Separation Costs	\$ 250,467	\$ 250,467	\$ -
Salary Harmonization Costs	274,000	274,000	275,000
IT Costs	190,155	190,155	205,000
Legal Costs (excl TTF)	344,390	344,390	180,000
Tax Maps	188,400	188,400	-
Building Modifications	579,631	579,631	-
Departmental Relocation	100,000	112,500	47,500
Public Safety Systems, Equipment & Procedures (incl portion of 911 & disp)	361,486	378,986	522,841
Transition Task Force	121,550	121,550	115,000
All Other	61,499	101,499	137,500
	\$ 2,471,578	\$ 2,541,578	\$ 1,482,841

Transition Cost Funding

Generally speaking, transition costs can be amortized over the five years following consolidation, thereby, (1) substantially reducing the impact that transition costs have on the municipal budget and taxes in any one year, and (2) permitting the savings generated by consolidation to (more than) offset the budgetary and tax impact of transition costs.

1. Additionally, the Finance Subcommittee notes that there are three other funding sources for transition costs that will potentially offset the need for the new municipality to fund more than eighty percent of these cost with general revenues.

In September 2011, a month before voters in Princeton endorsed the consolidation plan, the State of New Jersey offered to underwrite 20 percent of the costs of transition as follows:

The Division of Local Government Services will review proposed transition expenses and provide a grant to cover 20 percent of approved transition costs, representing the first-year amount under the new legislation, allowing residents in both municipalities to share in the identified savings as soon as possible and without any

*impact on property taxes in the interim period while those savings are being achieved.*⁶

2. For 2012 and subsequent years, Princeton University provided \$250,000 to each municipality (\$500,000 total) specifically for any transition-related expense.

Accelerated staffing changes completed in 2012 – in advance of consolidation – will result in approximately \$705,000 in additional savings vs. budgets. The new municipality can elect to apply these savings to offset the budgetary impact of transition costs.

Pro-Forma Tax Impact

The adoption by the new municipality of the recommendations of the Task Force, along with other factors, will, by themselves, reduce property taxes in Princeton. There are two basic categories of impact:

- First, direct property tax impacts resulting from the recommendations made by the Task Force, as cited earlier in this Report.

At full implementation in 2015, the direct property tax impact of consolidation will result in annual savings of \$117 to \$312 for the average Borough property, and \$121 to \$334 for the average Township property.

- Second, secondary impacts – tax and non-tax – that indirectly result in part from the process of consolidating the Borough and Township into a single tax base. Among these are the distribution of County tax, County open space tax, regional school tax and municipal open space tax, each of which would experience “equalization” impacts from bringing the two municipal tax bases into a uniform whole.

When the secondary impacts of consolidation are factored in, the average Borough property tax would see total savings in 2015 of \$426 to \$620, while the average Township property would see total savings in 2015 of \$367 to \$580, this estimate is based on 2012 data and includes the impact of equalizing county and school taxes. The effect of equalization changes over time and cannot be predicted with reasonable certainty.

⁶ Press release from the Office of Governor Chris Christie, September 30, 2011, accessed online at <http://www.nj.gov/governor/news/news/552011/approved/20110930a.html>.

Note: The impacts presented in this summary are based on the average valued property in the Borough and Township. The actual impact on individual properties will differ proportionately to its value relative to the municipal average.

Longer-Term and Other Considerations

The following analysis looks explicitly at the financial impact of specifically identified items, which are:

- The impact of consolidating the Borough's and Township's budgets and tax base;
- The budgetary impact of extending residential solid waste collection across the new community;
- The budgetary impact of staffing recommendations and other non-personnel-related savings;
- The funding of the costs of consolidation (Transition Costs); and
- The secondary impact of equalization.

There are other potential savings – and costs – that could arise from consolidation that are not included in the analysis, such as joint facility planning and staffing flexibility.

Calculating the Financial Impact

Calculating the financial impact of consolidation is an iterative process based on current spending and tax levels and assumptions about future costs. It begins with a calculation of the “current state” in both municipalities, based on 2012 budget data and assessed valuations. Next, it builds in the impact of direct property tax impacts that result from recommendations and estimates made by the Task Force and, in some instances, the Commission and implementation actions taken by the municipalities. Finally, it factors in a series of secondary impacts, both tax and non-tax in nature, that indirectly result from the consolidation of the Borough and Township into a single municipal tax base.

It is essential to note that the calculation of actual financial impacts resulting from consolidation is subject to a number of “moving parts,” and any variation – in municipal costs and staffing decisions, county equalization ratios, transition cost funding or other factors – could impact the end result.

The following steps detail the calculation process and follow the same process used by the Commission in its report, “Summary of Residential Tax and Non-Tax Impacts from Consolidation,” dated June 2011.

Step 1: The Current State

In 2012, the average municipal property tax bill (municipal and library levy) in the Borough was \$3,516 and the average municipal property tax bill (municipal and library levy) in the Township was \$3,862. These figures are derived from two basic numbers: first, the 2012 property tax “levy” (*i.e.* the amount of money the governing bodies decide to generate through property taxes to fund their respective budgets), and second, the 2012 taxable assessed valuation (*i.e.* the assessed value of all taxable properties within each municipality). Dividing the levy into the assessed valuation determines the tax rate. In 2012, the tax rate in both the Borough and Township was 0.470 (per \$100 of assessed value). The rate is then applied to individual properties to determine the property tax bill for each.

Table 1: Current State --2012 Baseline	Former Borough	Former Township
2012 Property Tax Levy (municipal & library tax only)	\$10,256,352	\$21,568,099
Taxable Assessed Value	\$2,186,674,516	\$4,586,262,990
Tax Rate	0.470	0.470
Average Property Value	\$748,070	\$821,711
Average Tax Bill (municipal & library tax only)	\$3,516	\$3,862

Step 2: Remove Borough Solid Waste Costs

One of the key service distinctions between the Borough and the Township regards solid waste collection. In The Borough, residents paid for collection through their municipal taxes and the service was included in the municipal budget. By contrast, residents in the Township did not receive municipal collection nor paid for it in their taxes. Upon consolidation, Princeton has extended residential solid waste collection to the entirety of the merged community.

To account for this service accurately, we have to remove that portion of Borough taxes attributable to solid waste collection (totaling \$393,100) and spread the new total cost proportionally across all properties in the consolidated community. The following table shows the removal of the Borough costs; the addition of the new community-wide cost is addressed in a later step.

Table 2: Adjustment for Borough Solid Waste	Former Borough	Former Township
Remove Borough Solid Waste	(\$393,100)	-
Revised Borough Tax Levy	\$9,863,252	-
Revised Borough Tax Rate (munic. & lib. only)	0.451	-
Revised Borough Tax Bill	\$3,374	-
Net Reduction Attributable to Solid Waste	(\$142)	-

Step 3: Current Combined State, Minus Borough Solid Waste Costs

With the Borough's solid waste costs netted out, we can now show a combined current state that assumes a merger of the Borough and Township without any changes attributable to consolidation. The following table combines the property tax levels of the two municipalities; combines their taxable assessed value; and derives a combined tax rate.

Table 3: Current State, Combined (Minus Solid Waste)	Combined
Combined Tax Levy (excl solid waste)	\$31,431,350
Combined Taxable Assessed Value	\$6,772,937,506
Subtotal: Revised Combined Tax Rate	0.464

Step 4 Direct Tax Impacts of Consolidation

There are four aspects that are analyzed in calculating the Direct Tax Impacts of Consolidation:

- First, the impact of community-wide residential solid waste collection costs, based on the new community-wide contract for \$1,539,148 is calculated.

Table 4a: Direct Impacts of Consolidation	Combined
Starting Combined Tax Levy	\$31,431,350
Apply Cost of Townwide Solid Waste Collection	\$1,539,148
Revised Combined Tax Levy incl. Townwide Solid Waste	\$32,970,498
Revised Combined Tax Rate	0.487

- Second, the impact that accelerated savings actions had on the 2012 Borough and Township municipal budgets and tax bills has to be captured. In preparing their respective 2012 municipal budgets, both entities chose not to replace several employees that departed in 2012 because the municipalities recognized that the positions were potentially to be eliminated upon consolidation and an accelerated reduction was more advantageous than other alternatives. These savings were included in the 2012 budget appropriations and thereby reduced the tax levies, but these savings were also included in the year one Task Force Savings because they were identified as staff reductions arising from consolidation (*i.e.* the 2013 savings were accelerated into and budgeted for 2012).

Table 4b: Direct Impact of Accelerated Savings on 2012 Tax Bills	Former Borough	Former Township
Accelerated Savings Utilized in 2012 Budgets	(\$118,000)	(\$200,000)
Impact on (reduction in) Tax Rate due to Accelerated Savings	0.005	0.004
Impact on Average 2012 Tax Bill	(\$40)	(\$36)

- Third, as outlined in earlier sections of this Report, the Task Force recommended ranges of staffing levels to be implemented over the first, second and third year following consolidation. These recommendations, together with Commission recommendations for Police Department staffing levels in years 2 and 3, became the basis for “low” and “high” savings estimates used by the Finance Subcommittee for the years 2013 through 2015. In addition, the Finance Subcommittee identified \$350,000 to \$400,000 of other annual operating savings that are not included in the savings from staffing changes.

Using the “Revised Combined Tax Levy incl. Townwide Solid Waste” derived in Table 4b, we can determine the direct impact of consolidation in 2012 through 2015 (before the impact of transition costs, which are covered next) on the Tax Levy in 2013 through 2015.

Table 4c: Impact of Savings on Future Tax Rates	Combined - Lo	Combined - Hi
Incremental Efficiency Savings - 2013*	(\$2,013,000)	(\$2,333,000)
Revised Combined Tax Levy - 2013	\$30,957,498	\$30,637,498
Revised Combined Tax Rate - 2013	0.457	0.452
Incremental Efficiency Savings - 2014	(\$331,000)	(\$1,021,000)
Revised Combined Tax Levy - 2014	\$30,626,498	\$29,616,498
Revised Combined Tax Rate - 2014	0.452	0.437
Incremental Efficiency Savings - 2015	\$0	(\$457,000)
Revised Combined Tax Levy - 2015	\$30,626,498	\$29,159,498
Revised Combined Tax Rate - 2015	0.452	0.431

* excludes (reduced for) savings realized in 2012 budgets

Applying the Combined Tax Rates in Table 4c to the starting average tax bill (and adjusting for 2012 accelerated savings) is then used to determine the Direct Tax Impact of Consolidation for 2012 through 2015 on average residential tax bills in each of the Borough and Township.

Table 4d: Direct Impacts on Avg Tax Bills by Year	Former Borough		Former Township	
	Lo	Hi	Lo	Hi
Average Property Value	\$748,070	\$748,070	\$821,711	\$821,711
<i>Impact thru 2012</i>				
Average Tax Bill Excluding Accelerated Savings	\$3,556	\$3,556	\$3,898	\$3,898
Direct Municipal Impact of Consolidation thru 2012	(\$40)	(\$40)	(\$36)	(\$36)
Average Tax Bill Adjusted for Consolidation Impacts	\$3,516	\$3,516	\$3,862	\$3,862
<i>Impact thru 2013</i>				
Average Tax Bill Adjusted for Consolidation Impacts	\$3,419	\$3,384	\$3,756	\$3,717
Direct Municipal Impact of Consolidation thru 2013	(\$137)	(\$172)	(\$142)	(\$181)
<i>Impact thru 2014</i>				
Average Tax Bill Adjusted for Consolidation Impacts	\$3,383	\$3,271	\$3,716	\$3,593
Direct Municipal Impact of Consolidation - thru 2014	(\$174)	(\$285)	(\$182)	(\$305)
<i>Impact thru 2015</i>				
Average Tax Bill Adjusted for Consolidation Impacts	\$3,383	\$3,221	\$3,716	\$3,538
Direct Municipal Impact of Consolidation - thru 2015	(\$174)	(\$336)	(\$182)	(\$360)

- The fourth and final step in calculating the direct impacts is to account for the amortization of Transition Costs totaling \$2,471,578 to \$2,541,578. It is expected that the total transition costs will be amortized over the five-year period of 2013 through 2017. As previously discussed, there are non-tax sources that can potentially pay a significant portion of the transition costs, thus reducing the amount that must be raised through the municipal tax levy, including State reimbursement of 20 percent of “qualified” transition costs, directed funding from Princeton University, and utilization of 2012 municipal surpluses.

Table 4e: 5 - Year Impact of Transition Costs	Lo		Hi	
	Transition Costs before application of any potential offsets	\$2,471,578		\$2,541,578
Annual Amortization over 5 yrs, before offsets	\$494,316		\$508,316	
Annual Amortization after potential funding offsets	\$218,052		\$229,252	
	Former Borough		Former Township	
	Lo	Hi	Lo	Hi
Impact of Transition Cost Amort. on Avg Tax Bill	\$24	\$56	\$26	\$62

A summary of all direct impacts of consolidation for 2012 through 2015 that are outlined above is as follows.

Table 4f: Tax Impact by Year - Direct Impacts	Former Borough		Former Township	
	Lo	Hi	Lo	Hi
Average Tax Bill (Start)	\$3,516	\$3,516	\$3,862	\$3,862
2012	(\$40)	(\$40)	(\$36)	(\$36)
2013	(\$81)	(\$148)	(\$80)	(\$154)
2014	(\$117)	(\$261)	(\$121)	(\$278)
2015	(\$117)	(\$312)	(\$121)	(\$334)

Step 5: Secondary Impacts of Consolidation

Beyond the direct impacts of consolidation discussed in Step 4, there are a series of secondary impacts – both tax and non-tax in nature – that indirectly result in part from the process of consolidating the Borough and Township into a single, uniform tax base. Among these is the distribution of the County tax, County open space tax and regional school tax, each of which would experience “equalization” impacts from bringing the two municipal tax bases into a uniform whole. The municipal open space tax is adjusted to reflect the adoption of a community-wide “revenue neutral” rate of 0.017 in place of the 0.010 rate in the Borough and 0.020 rate in the Township. In addition to the equalization impacts, taxpayers in the former Township can also realize a non-tax savings on their private vendor solid waste costs, since that solid waste collection service is now a municipal service and included in the municipal property tax bill.

Table 5: Secondary Impacts/Adjustments of Consolidation	Former Borough	Former Township
<i>Subcategory 1 (Equalization Impact)</i>		
Adjustment: Distribution of County Tax	(\$135)	\$66
Adjustment: Distribution of County Open Space Tax	(\$6)	\$2
Adjustment: Distribution of School Tax	(\$220)	\$112
<i>Subcategory 2 (Municipal Open Space)</i>		
Adjustment: Revision to Open Space Tax Rate	\$51	(\$26)
<i>Subcategory 3 (Solid Waste Savings)</i>		
Township Savings on Private Solid Waste (non-tax)		(\$400)
Subtotal - Secondary Impacts	(\$309)	(\$246)

Step 6: Final Calculation – Direct and Indirect Impacts

When the final direct and indirect impacts of consolidation are accounted for, the full (*i.e.* tax and non-tax) impact on the average former Borough property in 2015 is a savings of \$426 to \$620. On the average former Township property, it is a savings of \$367 to \$580 in 2015.

Table 6: Final Calculation, Direct & Secondary Impacts	Former Borough		Former Township	
	Lo	Hi	Lo	Hi
Average Tax Bill (Start)	\$3,516	\$3,516	\$3,862	\$3,862
2012	(\$40)	(\$40)	(\$36)	(\$36)
2013	(\$390)	(\$457)	(\$326)	(\$400)
2014	(\$426)	(\$570)	(\$367)	(\$524)
2015	(\$426)	(\$620)	(\$367)	(\$580)

STRATEGIC ITEMS | Beyond “Day One”

Although the Transition Task Force’s focus has been on transitioning to “Day One” of the consolidated Princeton, it is vitally important to acknowledge the governance and administrative issues that will face the new municipality. As part of its detailed analysis of transition and implementation-related issues, the Transition Task Force and its Subcommittees identified a range of “strategic items” that should be on the “radar screens” of new elected officials, managers and employees as Princeton embarks on its consolidated era.

Personnel Subcommittee

1. Continue to evaluate, analyze and consider running a “pilot” program to assess the validity and potential benefits / drawbacks of a paid-time-off (PTO) approach to administering employee paid leave.
2. Reevaluate the municipality’s medical benefit offerings after implementation of the insurance exchanges required by the Patient Protection and Affordable Care Act, in order to determine whether moving to a stipend option for municipal retirees is a better and potentially cost-effective option for all.
3. Continue team-building efforts with merged departments to enhance unified operations and service delivery.
4. Review merged departments on an ongoing basis to ensure staffing levels match combined workload, as well as in the context of changes in community institutions (*e.g.*, the impact on vital statistics workload of Princeton Hospital’s move to West Windsor).

Infrastructure & Operations Subcommittee

1. Render a decision on provisional positions contained within the organizational charts for Infrastructure and Operations functions. The charts contained three “provisional” positions that were to be reconsidered post-consolidation. The Governing Body and Administrator should decide on continuation or phase out of the positions by December 31, 2013, taking into consideration:
 - Whether there is a reduced need after one year of transition and melding of work forces;
 - The required number of senior managers in Infrastructure and Operations for day-to-day operations and emergencies;
 - Total workload in each area and whether retention of each provisional position is required or reduces outsourced work sufficiently to justify; and
 - If workload does require, whether a less expensive position / classification can fulfill this requirement.
2. Consider the formation of an integrated Parks and Recreation Department, which would also have responsibility for open space issues.
3. Consider establishing – between the Governing Body and municipal employees – a “continued education and monitoring” program consisting of a) continuing education, b) monitoring of compliance and c) citizen satisfaction with respect to leaf and brush pickup, the compost program and storm water requirements.
4. Evaluate the potential role of the River Road property and other property / facilities in better serving the consolidated Department of Public Works.

Facilities & Other Assets Subcommittee

1. Conduct a “Phase 2” facilities evaluation to design layout and modifications for municipal facilities reflecting recommendations for location of departments.
2. Conduct a study to determine the extent of potential parking space challenges at municipal facilities that may be exacerbated by department relocations.

3. Conduct a study of file storage management and archiving needs and challenges that may be exacerbated by department relocations and space redeployment.

Public Safety Subcommittee

1. Monitor response times and officer deployment to ensure maintenance of service levels.
2. Monitor effectiveness of space utilization, particularly regarding emergency dispatch operations, evidence storage and administrative offices.
3. Continue dialogue with University regarding potential collaborative ventures in public safety / law enforcement that can reinforce / enhance coverage quality and community safety.
4. Develop staffing / departmental size plan for post-2013.

Boards, Commissions and Committees Subcommittee

1. Determine implementation options for creating Advisory Planning District (APD) framework.
2. Maximize public engagement and participation in the activity of boards, commissions and committees.
3. Seek citizen “talent” for boards, commissions and committees that is broad, diverse and representative of the community.

Communications and Outreach Subcommittee

1. Consider ways to make the activities of the new Governing Body more accessible to the public, including an improved / interactive website, easily available and comprehensive agendas / minutes, and effective use of public comment at meetings.
2. Continue encouraging celebration of consolidation, from merchant sales in January to archiving artifacts of the two towns (*e.g.*, signs).
3. Continue public outreach to explain changes (*e.g.*, brush collection, office locations, where to pay taxes), with an understanding that change is never easy. Related, consider a “consolidation ombudsman” to address citizen concerns, or make administrative

staff accessible at the library occasionally to update the community on progress and implications of changes.

4. Maintain an updated – and growing – list of “frequently asked questions” on the new municipal website.
5. Convene a “staff unity day” to build camaraderie and convey thanks to employees for their patience and assistance since the November 2011 referendum.
6. Provide customer training for municipal staff to ensure public interaction is positive, helpful and productive for residents and the municipality.

Information Technology Subcommittee

1. Develop a document storage / digitization and records management / retention policy.
2. Consider additional shared IT opportunities with the library, schools, county or related entities.
3. Consider appointment of an IT Steering Committee to assist the new Governing Body stay on top of technology developments, identify the most cost-effective IT solutions for the new municipality, and leverage local IT talent, as necessary.
4. Determine IT staffing level beyond March 31, 2013 in conjunction with outsourced opportunities (*i.e.*, whether there is a need to employ full-time in-house staff or utilize staff support from CMIT Solutions).
5. Consider use of integrated software packages across functions (*e.g.*, general ledger and tax collection, payroll management and time and attendance, etc.).

Finance Subcommittee

1. Harmonize sewer rates between Borough and Township.
2. Harmonize construction and other permit fees.
3. Seek review of underlying credit ratings for outstanding debt by rating agencies.

Legal Matters

1. Municipal Ordinances (*see memorandum from William J. Kearns, Attorney to the Transition Task Force, entitled “Municipal Ordinances,” dated July 20, 2012*)
2. Reorganization Matters for new Governing Body (*see memorandum from William J. Kearns, Attorney to the Transition Task Force, entitled “Post-Election Transition Activities,” dated July 20, 2012*)

Other

1. Formalize a process for tracking consolidation-related changes and impacts in the new municipality, both in the short-term (*i.e.*, through 2013) and long-term (*i.e.*, beyond year one). Options could potentially include utilizing the Transition Task Force and / or a hybrid committee of Joint Commission and Task Force members to inform an occasional newsletter or annual report.

APPENDIX MATERIAL

Transition Task Force

Report on Options To Address the Facility Needs of the PW and SOC
Functions

Including the Report of the Special Committee on Public Works and Sewer
Operating Committee Facilities

November 30, 2012

Foreword and Acknowledgement

This forward is written in two parts. First an explanation of the position of the TTF regarding suggestions for addressing the future needs of the Public Works Department and the Sewer Operating Committee Department. The report that follows provides a process to develop a new facility on land owned by the municipality on River Road. That is one option. Also attached to this report is a one page estimate of costs for reusing existing facilities. While this is not as fully developed as the River Road plan it does provide the town with another option to consider. And the new town may develop other options when they review these plans. The TTF and the two governing bodies of the two towns becoming the new town of Princeton have not accepted or endorsed either plan. These two plans are presented as information to the new governing body so they can use them to help them develop a plan to deal with this clear need to provide adequate facilities for the PW and SOC functions.

The second part of this forward is a note from the chair of this special committee:

During the course of the work of the Transition Task Force, two of the Task Force Subcommittees, the Infrastructure & Operations Subcommittee, and the Facilities and Other Assets Subcommittee, recognized that neither subcommittee had the charter to address the operating facility needs of the of the Public Works (PW) and Sewer Operating Committee (SOC) departments. As a result, the Chairs of these two subcommittees approached the Chair of the TTF with a recommendation that the Chair appoint a special committee to address the near term and longer term operating facility needs of these two municipal departments. The Special Committee on Public Works and Sewer Operating Committee Facilities was charged by the TTF with the responsibility to study the short term and long term operating facility needs of these two agencies. As the Facilities and Other Assets Subcommittee of the TTF had identified the office space to accommodate the management staffs of the two agencies, the study focused solely on the facilities required to provide for the field operations of the two agencies.

The Special Committee consisted of the following members of the TTF and the staffs of Princeton Borough and Princeton Township:

Bob Bruschi	John Clearwater	Don Hansen
Bob Hough	Bob Kiser	Bernie Miller (Chair)

In its work, the Special Committee drew heavily on the expertise of many other members of the municipal professional staffs and the results of earlier studies of facility needs of the PW Departments of the two municipalities.

This report was prepared by the Chair of the Special Committee. I wish to thank the members of the Special Committee and the many members of the municipal professional staffs who contributed to the study. As author of the report I take responsibility for any errors of commission or omission.

Bernie Miller

1. Background of Study

As noted in the Final Report of the Facilities and Other Assets Subcommittee of the Transition Task Force (TTF), "Public Works and Sewer Operating Committee (SOC) facilities were recognized as a special case and were not studied by the Facilities and Other Assets Subcommittee. It has been generally recognized for several years that the existing Public Works and SOC facilities are obsolete and inadequate for the needs of the Princeton community." The SOC is a joint agency; although need for new Public Works (PW) facilities for both municipalities has been studied in the past; any effort to build new facilities was set aside as a result of the possibility of merging the two departments if the municipalities consolidated and/or the anticipated high costs to build such facilities. The problem of antiquated and inadequate public works facilities remains, and now that consolidation has been approved, the problem should be addressed by the municipal governing bodies.

The PW Departments and the SOC both have requirements for operating facilities and to house their management personnel. The Facilities and Other Assets Subcommittee of the TTF identified the office space needs of the PW and SOC management personnel and recommended that these personnel be housed in the first floor east wing of the present Borough Hall. The operating facility requirements of the PW Department and the SOC were only briefly reviewed by the Infrastructure & Operations Subcommittee early on in the TTF process. But not more than that for two reasons. Firstly, the task accorded to the TTF by the municipal governing bodies was to facilitate consolidation by 1 Jan 2013. Given the requirement to facilitate consolidation by this date, and that the present PW Departments and SOC are operating out of a mix of inadequate and temporary facilities, it was concluded that the only possible way to achieve the merger of the departments by that date was to continue to operate out of a mix of the existing inadequate permanent facilities supplemented by temporary facilities as needed. Secondly, the task of defining the new needed permanent facilities exceeded both the schedule and the resources of the Facilities and Other Assets Subcommittee of the TTF.

However the need for permanent and improved facilities for the PW and SOC Departments was identified and discussed in both the Infrastructure & Operations Subcommittee and the Facilities and Other Assets Subcommittees of the TTF; but it was realized that neither of these subcommittees, individually or jointly, had the charter under the TTF to address this need.

2. The Study

In order to provide a framework for addressing the long term facility needs of the merged PW Department and the SOC, the Chair of the TTF appointed an ad hoc Special Committee on Public Works and SOC Facilities outside of the framework of the TTF, but drawing on the membership of the TTF and the municipal professional staff. This special committee was charged with studying the facility needs of the PW Departments and SOC in order to maintain the present level of service to the Princeton community after consolidation is affected on 1 Jan 2013, and to identify a possible longer term solution to the facility needs of the PW Department and the SOC.

The objectives of the work of this special committee were to define the facility needs to the PW and SOC Departments in order to maintain continuity of service and service levels in 2013, and define the facilities needed to improve the long term efficiency and cost effectiveness of the two departments.

In its work, the Special Committee drew heavily on the expertise of other members of the municipal professional staffs and the results of earlier studies of facility needs of the PW Departments of the two municipalities. The Special Committee evolved a five year plan, as described in the attachment to this report. A plan to reuse existing facilities was also presented to this Special Committee; but the majority of the Committee preferred the plan that leads to a new facility on River Road.

The goals of the five year plan are to:

- Maintain continuity and level of service of PW and SOC in 2013, first year of the consolidate municipality, and
- Improve the long term cost effectiveness and operational efficiency of the PW and SOC through a five year capital improvement program.

The interim fix proposed for 2013 makes use of existing and newly rented trailers the field personnel for parks, trees and open space management at the Township John Street Public Works site. Sanitary and storm sewer maintenance field personnel are housed in a trailer at the municipal River Road site. The trailers provide changing, rest room and lunch break facilities at these locations. Police and vehicle maintenance is centralized at the Borough Harrison Street Public Works facility, and large truck and equipment maintenance at the Township Valley Road Public Works facility. Although this interim fix enables the PW Department and SOC to maintain continuity and the existing level of service in the first year of the consolidated municipality, the major drawbacks inherent in the present facilities of the two municipalities remain. These are:

- Equipment and the workforce are not centralized
- Departments are divided amongst multiple sites
- Lack of effective communication between sites
- Inability to efficiently deploy the unified workforce
- High value equipment continues to be stored outside shortening the life of the equipment

To overcome the above problems, the Special Committee proposed a five year capital plan that would involve the expenditure of approximately \$11.1 million over a five period to design and construct a modern, efficient facility for PW and SOC operations on municipal land at the River Road site. The estimate of \$11.1 million was prepared by the municipal professional staff and provides for design, permitting, an unheated vehicle storage building, a fueling station, a vehicle wash building, salt and construction material storage, a heated vehicle storage building and administrative offices. Details of the proposed five year capital plan are provided in the attached presentation. The plan was presented to the TTF by the Special Committee on 25 June 2012. But only the interim fix for 2013 was approved by the TTF at that point since this interim fix would fit any plan for the future. It was then presented to a joint meeting of Princeton Borough Council and Princeton Township Committee on 26 June 2012. At that meeting the two

governing bodies approved and authorized funding for only the interim fix for 2013, providing the funds to supplement the existing inadequate facilities with trailers to be used as temporary facilities. The governing bodies did not act on the proposed five year capital plan for a permanent facility for PW and SOC operations, but suggested that the Special Committee bring

its case for permanent facilities before the governing body for the consolidated Princeton in 2013.

In the discussion of the proposed five year capital plan, it was clear that some members of the governing bodies were not convinced that the River Road lands were the best location for the permanent PW and SOC facilities, nor that permanent facilities were needed at this time. And at this meeting the existence of a very preliminary look at how to reuse existing facilities was mentioned as another option besides the River Road new facility option.

3. Conclusions and Recommendations

While the interim fix adopted by the two governing bodies provides what was requested in order to maintain the continuity and level of service in the first year (2013) of the consolidated municipality, it is not a step forward in terms of providing the needed permanent facilities for the PW and SOC Departments for the consolidated municipality. It is an interim “band aid” that enables the departments to operate more effectively than if we were still two municipalities, but does nothing to solve the inefficient use of personnel and costly practices with respect the life of high value equipment. It requires our PW and SOC field employees to work out of facilities that the governing bodies would not find acceptable for any other municipal department. It continues the existing inefficiencies in the management of the field personnel. It does not provide storage out of the weather for high value equipment, causing the equipment to deteriorate more rapidly than if it was stored out of the weather, shortening the life of the equipment and requiring earlier replacement than if it was stored out of the weather.

For all of the above reasons, the Special Committee on Public Works and Sewer Operating Committee Facilities urges the new governing body of Princeton to recognize that the most pressing infrastructure and capital investment need is to provide the much needed permanent facilities for our PW and SOC Departments. This investment in public infrastructure is not a new need, but a need that has been long deferred by both municipalities. The Special Committee has offered a phased program that would lead to the construction of the new facilities at River Road over a five year period of time. The cost estimate developed by our professional staff for the River Road facilities appears to be reasonable and not prohibitive. From the standpoint of the new governing body, if it is necessary to re-examine possible alternate sites for the permanent facilities, this can and should be done quickly, and not allowed to remain as long term obstacle to moving ahead with the appropriation of the funds needed to start to construction process for the new facilities. The Special Committee believes that the delay in providing adequate and permanent PW and SOC facilities has been costly to the community in terms of efficient use of personnel and accelerated deterioration of high-value equipment, and will continue to be an unnecessary financial drain on the new Princeton until adequate permanent facilities are provided. We urge the new governing body to adopt a plan to provide the new facilities and to begin the process that will lead to the new facilities by appropriating the funds in 2013.

IN-TOWN DPW COMPLEX

(Numbers taken from River Road document, or estimated based on those numbers, so some truing up of these will be needed.)

General assumptions of this plan:

1. Nothing is built out the River Road site.
2. Using three existing in-town sites, present Boro Garage, present John Street/salt dome site, present Township Valley Road PW site, close off section of Terhune Road behind present Township PW site to create larger site by expanding to island on other side of Terhune.
3. Existing Twp Valley Rd PW building is demolished, site remediation occurs, new building is built. This building houses offices for PW, it is the main PW facility, all PW staff (except mechanics) report here. Lunch room, lockers, etc. all provided here. Fueling station tank size enlarged and still on this site, vehicle storage for vehicles needed for current season stored here in a heated garage.
4. John Street salt dome site. Salt dome stays where it is. Present trailers, etc are removed. Large heated vehicle storage facility built here for non-in season vehicles and equipment. Also overflow that will not fit at main site.
5. Boro Garage on Harrison Street. This facility becomes the vehicle/equipment repair site. Provides an already built garage facility, truck lifts can be installed. Mechanics work out of this site daily.
6. Work starts in 2012, is completed by end of 2013 or earlier.

Additional trailers for John St while VR site is demolished	\$ 100,000	(assumes additional staff space needed)
Existing Valley Rd Facilities Demo	\$ 207,500	
Environment Remediation VR site	\$ 100,000	
Design and Permitting (VR/John)	\$ 600,000	
New admin/maint building at VR	\$2,000,000	
New Heated Vehicle Storage (John St)	\$1,136,000	
Site work	\$ 350,000	
Landscaping	\$ 50,000	
Contingency	\$ 500,000	
	=====	
Total	\$4,943,500	

RIVER ROAD DPW COMPLEX
Potential Five (5) Year Build Out Plan

Year 1 – 2012

Shared Spaces Construction	\$ 124,000
New Covered Vehicle Storage	\$ 75,000
New Open Air Vehicle Storage	\$ 15,000
New Unheated Vehicle Storage	\$ 370,000
Maintenance & Staff Parking	\$ 21,600
Site work (30%) .30 x \$985,750	\$ 295,725
Design and Permitting	\$1,100,000
	=====
Total	\$2,001,325

Year 2 – 2013

Existing Facilities Demolition	\$ 207,500
Environment Remediation	\$ 100,000
Emergency Access Road from Herrontown Road	\$ 337,500
Design and Permitting	\$ 400,000
Contingency	\$ 500,000
	=====
Total	\$1,545,000

Year 3 – 2014

Vehicle Wash/Fueling Station	\$ 250,000
Salt and Outdoor Storage	\$ 250,000
70% Site Work	\$ 690,025
Utilities	\$ 477,000
Storm Water Detention	\$ 100,000
	=====
Total	\$1,767,025

Years 4/5 – 2015/2016

New Administration Building	\$ 1,600,000
New Maintenance Building	\$ 1,326,000
New Heated Vehicle Storage	\$ 1,136,000
Administration/Visitor Parking	\$ 15,000
Secondary Access Road	\$ 196,800
Landscaping	\$ 50,000
Contingency	\$ 500,000
	=====
Total	\$ 4,823,800

Grand Total \$10,137,150

RIVER ROAD DPW COMPLEX
Potential Five (5) Year Build Out Plan

Year 1 – 2012

Shared Spaces Construction	\$ 124,000
New Covered Vehicle Storage	\$ 75,000
New Open Air Vehicle Storage	\$ 15,000
New Unheated Vehicle Storage	\$ 370,000
Maintenance & Staff Parking	\$ 21,600
Site work (30%) .30 x \$985,750	\$ 295,725
Design and Permitting	\$1,100,000
	=====
Total	\$2,001,325

Year 2 – 2013

Existing Facilities Demolition	\$ 207,500
Environment Remediation	\$ 100,000
Emergency Access Road from Herrontown Road	\$ 337,500
Design and Permitting	\$ 400,000
Contingency	\$ 500,000
Escalation 3%/year	\$ 46,350
	=====
Total	\$1,591,350

Year 3 – 2014

Vehicle Wash/Fueling Station	\$ 250,000
Salt and Outdoor Storage	\$ 250,000
70% Site Work	\$ 690,025
Utilities	\$ 477,000
Storm Water Detention	\$ 100,000
Escalation 3%/year	\$ 107,612
	=====
Total	\$1,874,637

Years 4/5 – 2015/2016

New Administration Building	\$ 1,600,000
New Maintenance Building	\$ 1,326,000
New Heated Vehicle Storage	\$ 1,136,000
Administration/Visitor Parking	\$ 15,000
Secondary Access Road	\$ 196,800
Landscaping	\$ 50,000
Contingency	\$ 500,000
Escalation 3%/year	\$ 447,297
	=====
Total	\$ 5,271,097

Grand Total \$10,738,409