



State of New Jersey
DEPARTMENT OF COMMUNITY AFFAIRS
101 SOUTH BROAD STREET
PO Box 803
TRENTON, NJ 08625-0803

CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

LORI GRIFA
Commissioner

August 25, 2010

Dear Mayor:

Since my appointment as Commissioner of the Department of Community Affairs, I have spoken with local government officials all across New Jersey. Their concerns are largely the same in all parts of our state: how to make government operate more efficiently, provide needed services and prudently manage the taxpayers' financial resources. The Department of Community Affairs shares in these concerns and is committed to working together with all of New Jersey's municipalities in changing the way we conduct business.

Governor Chris Christie understands that these extraordinary times require strong actions and significant reforms. More than ever before, every level of government; state, county and local, needs to work together to provide necessary services to their residents while controlling property taxes. In his Fiscal Year 2011 budget presentation in March, the Governor introduced his agenda for keeping our State liveable and affordable through effective and efficient management of taxpayer dollars. The Governor presented the Legislature with a set of "Tool Kit" proposals to strengthen the partnership with local governments, help limit property tax increases and manage within the new 2 percent cap law.

One of the tools included in the Fiscal Year 2011 budget, approved with bipartisan legislative support, is the Best Practices initiative which provides measures and incentives designed to support local governments in planning and managing their budgets more effectively without raising property taxes. It sets up a platform that enables officials at all levels of government do a better job reviewing their existing services, programs and workforces and setting budget priorities.

Attached is the Best Practice checklist which is designed for you to perform a self-assessment of your municipal operations. Each municipality will need to meet an established percentage of the checklist items in order for all or part of your last State Aid payment to be released. Upon completion of the checklist, your Chief Financial Officer will need to certify compliance. We are asking that the checklist be completed and submitted no later than October 1, 2010.

Working together, we can improve efficiency at all levels of government in New Jersey and bring property taxes under control. If you have any questions, please feel free to give us a call at 609-292-6610.

Sincerely yours,

DEPARTMENT OF COMMUNITY AFFAIRS

Lori Grifa
Commissioner

CC: Chief Municipal Finance Officer



LOCAL GOVERNMENT BEST PRACTICES

Categories: (Explanations are in bold & underlined)

GENERAL MANAGEMENT *Administrative:*

- | | Yes | No |
|---|-------------------------------------|-------------------------------------|
| 1. Do you require your Elected Officials to attend basic courses on their Responsibilities and obligations in Local Government? (Courses should include: Budgeting, Policy Setting, Local Government Contracting, Risk Management, and Open Public Records Act. These courses should be coordinated through, Rutgers, County and State League of Municipalities, Mayors Association, NJAC and JIFs) <u>While most, if not all, of our elected officials do attend such courses, there is no such REQUIREMENT to do so.</u> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. Has your municipality established an "Absence from Meetings Policy" for elected officials/appointed board members? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 3. Do you share service of a Tax Assessor, Tax Collector or Chief Financial Officer? <u>The Village's CFO is also the Village Administrator and the Assessor is also the Purchasing Agent</u> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4. Did you renew Shared Service Contracts or Agreements during the last calendar/fiscal year? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 5. Does your municipality maintain an up-to-date municipal website containing, but not limited to the following? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| a. Both proposed and adopted budgets for at least 3 years; | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. Notification(s) for solicitation of Bids and RFPs; | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| c. Employee business contact information; | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| d. Minutes and Agendas – Governing Body, Planning Board, Board of Adjustment and Commissions; | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| e. Proposed ordinances for public hearing and all other required public Notices | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| f. Display annual up-to-date Municipal and Land Use Ordinances on website. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 6. In the last year, did you participate in any type of strategic planning process designed to help you restructure to reduce costs? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Personnel:

- | | Yes | No |
|---|-------------------------------------|--------------------------|
| 1. Do you have a Personnel Manual and/or Employee Handbook? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. Do you conduct Ethics Training? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 3. Does your municipality provide annual Employment Practice Liability training for Elected Officials, Managers, Administrators, Department Heads and Supervisors? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4. Has your municipality in contract negotiations considered overtime assignments to be based on the work to be performed rather than seniority? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 5. Do your new contract increases limit salary & wages to 2% or less? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 6. Does your municipality limit Health Benefits to full-time (35 or more hours weekly), excluding from coverage all part-time employees, elected or appointed officials? <u>Yes, including p/t crossing guards coverage which was negotiated away and will expire at the end of the current contract</u> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 7. Has your municipality implemented cost sharing for health benefits of at least 1.5 percent of salary for all employees? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

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|-----|--|-------------------------------------|-------------------------------------|
| 8. | Has your municipality reviewed its accrued absence policy? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 9. | Does your municipality have a policy for use of municipal vehicles? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 10. | Does your municipality have an approval process for overtime that is not limited to the department head? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 11. | Does the municipality review overtime by department by category year over year? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 12. | Does your municipality maintain a minimum work year of 2080 hours, for all full time employees? <u>44 of our 154 Full Time employees currently work a 35 hour work week</u> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Procurement Policies:

- | | | Yes | No |
|----|--|-------------------------------------|--------------------------|
| 1. | Has your municipality solicited for competitive insurance proposals or self-insured funds in the last three years? (Liability and/or Health) | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. | Are you utilizing the Fair and Open process for <i>Professional Service Agreements</i> ? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 3. | Does your municipality utilize some or all contract awards through the "Fair and Open" versus "Nonfair and Open" process? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4. | Do you RFP <i>Professional Services Agreements</i> at least every three years? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 5. | Do you employ a Qualified Purchasing Agent? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

FINANCIAL MANAGEMENT

Financial Standard:

- | | | Yes | Yes |
|-----|---|-------------------------------------|-------------------------------------|
| 1. | Did you adopt your budget without a waiver from the Local Finance Board? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. | Did the municipality introduce and adopt its last budget within the filing deadline? <u>While the Village introduced it budget within the extended deadline, adoption was delayed in order to realize the majority of the year's tax appeals prior to adoption.</u> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 3. | Did your municipality hold a tax lien sale within the past year, and all eligible properties included, ensuring the property stays current or return to, a tax paying basis? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4. | Have you conducted an annual random internal controls review and documentation inspection to ensure that controls are functioning as required? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 5. | Does your most recent Audit Report reflect that the general ledger, fixed asset accounting and encumbrance systems are in place, and maintained on a current basis? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 6. | Do you conduct a revaluation at intervals frequent enough to ensure that the discrepancy between assessed valuation and fair market value of properties is no more than 30%? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 7. | Do you participate in the purchase of fuel, electric or gas in bulk through Cooperative Purchasing (County/State) and or a member of a SEM (Sustainable Energy Meeting) or any other similar group purchase program? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 8. | Did you file your Annual Statutory Debt Statement within the required time period? <u>While not filed by the statutory filing dates, it was filed within the timelines historically established for consideration for additional aid and will be filed by the statutory dates in the future.</u> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 9. | Did you file your Annual Financial Statement within the required time period? <u>While not filed by the statutory filing dates, it was filed within the timelines historically established for consideration for additional aid and will be filed by the statutory dates in the future.</u> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 10. | Do you annually review and update your investment policy and compare it to actual investments at least once a year to document that principle is maintained, and interest is maximized? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 11. | Do your municipal utilities show a five year infrastructure plan, including | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

holding rates stable and/or less than 2.0%, as well as fund balance stability? The East Orange Water Commission Executive director has so certified.

- | | | |
|--|---|---|
| 12. Does the municipality obtain a Type II SAS 70 Report, for service providers, including but not limited to Payroll Service and Third Party Administrators for self insurance funds? | ■ | □ |
| 13. Have you reviewed your banking relationships within the past two years to ensure that you are receiving the best value for your deposits? | ■ | □ |

Budget Preparation:

Yes No

- | | | |
|--|---|---|
| 1. Did you prepare a five year summary showing the amount of surplus anticipated and the percentage of the budget that this represents? | ■ | □ |
| 2. Did the summary demonstrate the entities ability to retain and regenerate fund balance at a sufficient level to maintain the entities current Bond Rating? | ■ | □ |
| 3. Did your municipality prepare a five year analysis showing the surplus utilized compared to the surplus regenerated? | ■ | □ |
| 4. Did you prepare a detailed schedule of appropriations by the following categories: (Including a chart showing the amounts compared by category for five years)? | ■ | □ |
| • Salary and Wages | ■ | □ |
| • Other Expenses | ■ | □ |
| • Deferred Charges | ■ | □ |
| • Capital Debt Service | ■ | □ |
| • Reserve for Uncollected Taxes | ■ | □ |
| 5. Was a five year chart or graph prepared showing, in declining order, the largest dollar line items to the smallest dollar line items? | ■ | □ |
| 6. Was a five year analysis prepared showing the expense categories with the largest <i>dollar</i> increase year over year and the expense categories with the largest <i>percentage</i> increase? | ■ | □ |
| 7. Did you prepare an analysis of major cost centers such as, Health Insurance, Energy, Pension, Salaries for the last five years, showing year over year and cumulative increases? | ■ | □ |
| 8. Did your municipality begin internal budget discussions with reviews of historical budget vs. actual data for the past three years on a department by department basis? | ■ | □ |
| 9. Were departmental budget requests above a certain threshold presented and discussed by the respective department heads? | ■ | □ |
| 10. Do you use charting and graphing in your budget analysis for pictorial analysis of major items and their respective percentage of the total budget? | ■ | □ |

Budget Presentation:

Yes No

- | | | |
|--|---|---|
| 1. Was a multi-year budget history and projection showing three years of history and two years of projections prepared in a "Viewer Friendly" style for public use? | ■ | □ |
| 2. Did your municipality categorize revenue into five to ten major groupings and prepare a five year history to demonstrate the revenue trend and the entities ability to realize the amounts anticipated in the current year? | ■ | □ |
| 3. Did your budget presentation list the percent increase year-over-year for each line item? | ■ | □ |
| 4. Did your budget presentation present the percentage increases in line items | ■ | □ |

from highest percentage increase to lowest?

5. Does the budget presentation present each department's costs, inclusive of direct & indirect costs, as a percentage of the overall budget?

PUBLIC SAFETY

Yes No

1. Has your municipality appointed a Safety Officer out of current municipal workforce to train management and staff in formal risk assessment process to decrease liability claims and injuries?
2. Do you maintain a formal Safety Program which includes written policies and claims review?
3. Do you retain a management approved physician for workers compensation claims management?
4. Is your Police Department accredited by the Commission on Accreditation of Law Enforcement Agencies, Inc., (CALEA) or have senior officers had advanced training through professional agencies/academy? Some senior officers have attended advance training at Quantico, Virginia's FBI Academy.
5. Is your Police/Fire Dispatch handled by civilian (non-sworn) employees?
6. Does your Fire Department (controlled agency) participate in the NFIRS reporting system?
7. Does your municipality have a Shared Service Agreement for Firearms Range utilization or use of county facilities?

PUBLIC WORKS

Yes No

1. Do you have Shared Service Agreements, either as a provider or receiver, for public works equipment, rolling stock or services on a regular basis?
2. Did you evaluate your solid waste removal and recycling costs in the last 3 years or when contracts expire? (Either municipal operated or contracted out)
3. Have you limited your publicly funded pick-up of trash and recycling to curb-side or central drop-off service? Except for disabled persons
4. Do you maintain a minimum recycling rate of 35% or above?
5. Have you increased your local recycling collection by at least 5% in the last year?
6. If your municipality issues published or posted newsletters to the residents, did it promote recycling efforts & solid waste management in compliance with the storm water regulations?

HEALTH

Yes No

1. Do you have a local Health Department and employ a full-time Health Officer?
2. Do you share health services or welfare services with another municipality or county?
3. Do you employ outside services for a local nurse or share with another municipality?

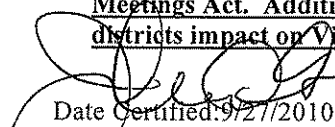
ENERGY & UTILITIES

1. Have you conducted energy audit at all municipal facilities to evaluate heating, lighting, ventilating and air conditioning systems updates that may reduce energy consumption

- 2. Do you participate in the League's Sustainable Jersey Certification program? ■
- 3. Are you a certified Sustainable Jersey town? ■
- 4. Has the municipality conducted an inventory of all active telephone numbers that are billed to the municipality? ■
- 5. Does the municipality have a cell phone policy? If so, does it conduct spot reviews of the itemized bills? ■
- 6. Does the municipality review its calling plan to ensure appropriate level? ■

MUNICIPAL SCHOOL RELATIONS

- 1. Have you held or scheduled a "Joint Yearly Open Public Meeting" between the School Board and the Governing Body to discuss Community needs and shared services? Village Trustees are members of the Board of School Estimate (BOSE) for a Shared school district with the Township of Maplewood and participate in the BOSE Budget meetings to set the tax levy for the combined district. These type of discussions would occur at the Board of School Estimate Public Meetings with members of the governing bodies from South Orange & Maplewood along with members of the Board of Education. Also, there are separate meetings of the School Liaison Committee where these discussion occur. ■
- 2. Do you share playing fields/recreation services with your Board of Education? ■
- 3. Do you share equipment with the Board of Education? ■
- 4. Have you held a joint budget presentation of the municipal and school budgets to the Community? Village Trustees are members of the Board of School Estimate (BOSE) for a Shared school district with the Township of Maplewood and participate in the BOSE Budget meetings to set the tax levy for the combined district. These meeting are public and advertised in accordance with the Open Public Meetings Act. Additionally, during the Village's Budget Hearing process, the school districts impact on Village Taxes is identified publically. □ ■


 Date Certified: 9/27/2010
 John O. Gross N-0451
 Chief Financial Officer

Percentage ranges:

Number of "Yes" Answers	Percentage of Final State Aid payout	South Orange Village Tally
<u>76 - 88</u>	<u>100%</u>	<u>82 yes, 6 no</u>
61 - 75	99	
46 - 60	98	
31 - 45	97	
16 - 30	96	
0 - 15	95	