

**RECOMMENDATIONS**  
**FOR**  
**REDUCING LOCAL PROPERTY TAXES,**  
**INCREASING LOCAL GOVERNMENT EFFICIENCY,**  
**AND**  
**FINDING NEW SOURCES OF LOCAL REVENUE**

**Summary of Recommendations**  
**Applicable to the Cherry Hill Board of Education**

**CHERRY HILL REFORM COMMITTEE**

March 13, 2010

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Co-Chairmen

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## **Preface... about us**

### CHERRY HILL REFORM GROUP FINDS SUCCESS

“They are Democrats, Republicans, Independents and Greens. They are old, young and middle-aged. They are from the township's east side and west side.

And they are of one mind-set.

The surest path to good government is increased civic participation.

They call themselves the Cherry Hill Reform Committee and to date the group has proposed five different ordinances to township council, one of which was unanimously adopted this summer after a successful petition drive that netted more than 3,600 signatures of registered voters.

"We're trying to make democracy work again," said township resident Bob Shinn, the group's founder and one of its leaders.

The group is meant to give people a voice at the local level where they're most likely to affect change, Shinn said.”

Courier- Post Article, Monday, Nov 26, 2007

By Lisa Gryzboski

We are a non-partisan volunteer group dedicated to improving democracy and civic engagement. This year we are also dedicated to finding constructive ways to cut the cost of local government and address, at the local level, one of the state’s most intractable problems: the highest property taxes in the nation.

Starting in January 2007 as the Cherry Hill Pay-to-Play Reform Committee, our first goal was passage of a local law that would ban the practice of “pay-to-play,” the exchange of no-bid municipal contracts for campaign donations from professional service contractors. We were successful in getting the Town Council to pass this law after gathering enough signatures to put our proposal on the ballot. Following the adoption of the ordinance, we re-organized to form the Cherry Hill Reform Committee.

In October 2007 we introduced three more reform ordinances to ensure that Cherry Hill’s government is more transparent and open to civic involvement. One provides procedures for citizens to learn about and apply for appointed positions that are available and the qualifications and experience that the Township is seeking for such positions. The second ensures that zoning variances are decided through a fair and impartial process by

requiring full disclosure of political contributions by developers and professionals with an interest in the zoning outcome. The third ensures the township is getting the most qualified professional contractors through a transparent process at the best possible price. It provides qualification-based, competitive negotiation procedures to ensure “fair and open” competition through published rules and decision-making criteria.

When the Town Council initially deferred action on these ordinances for further study, we led a drive to gather thousands of signatures on petitions to put the measures on the ballot. The Council then passed all three ordinances.

We are transforming Cherry Hill politics by limiting the influence of special interests and making Cherry Hill government open and transparent. We are making participatory democracy a reality in Cherry Hill.

Now we need your help to make Cherry Hill not only a better place to live, but also more affordable. Cherry Hill taxpayers pay a higher average property tax than all but three other municipalities in Camden County.

We are recommending the local government cost cutting proposals, new sources of local revenue, and suggestions for increased efficiency in this report as our constructive effort to stop and slow down the run-away property tax train and at the same time preserve essential local government services. The State of New Jersey is on a path to dramatically reduce state aid to local governments. If we are unable to win adoption of the ideas and measures described in this report, the inevitable result will be not only more and significant local property tax increases, but also significant cuts on local government employment. The choice is clear.

Contact us to get involved. You can you make a difference and help make Cherry Hill a better, more affordable, place to live: Join the Cherry Hill Reform Committee. Bring a friend to our meetings. Attend town council meetings. Help enact one of more of the cost cutting proposals contained in this report. Contact us: [CHReform@gmail.com](mailto:CHReform@gmail.com) 856-428-8672.

## Report participants

All of the recommendations contained in this report were approved by at least a majority vote of the Reform Committee members who attended the review meetings.<sup>1</sup> The Reform Committee thanks and appreciates the contributions of the following members for helping to assemble, review, or support this report's recommendations:

Ramin Abbaszaddah  
Fred Astmann  
Doug Breskin  
Gregory A. Bruno  
Doris Carey  
Barbara Davis  
John Davis  
Bob Esposito  
Phil Guerrieri  
George Hickman  
Ken Lehr  
Bob Moran  
Jim Morris  
Nick Naum  
Nancy O'Dowd  
Angela Pizzo  
Norman Pratt  
Brian Quigley  
Robert Shinn  
Roxane Shinn  
John Tremble  
Susan Wolf

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<sup>1</sup> Not all members of the Cherry Hill Reform Committee participated in the preparation, review and approval of the recommendations contained in this report and some requested that their names not be listed. Not all participating members fully agree with all of the recommendations of this report and some advocated measures that are not included.

## The Problem that Trenton alone cannot solve...

New Jersey residents pay the highest property taxes in the nation.<sup>2</sup> Camden County residents pay a greater percent of their median home value in property taxes than all the other counties in the nation except nine.<sup>3</sup> In 2008 Cherry Hill Township had the fourth highest average residential total property tax (\$7,280) amount Camden County's 35 municipalities, exceeded only by Haddonfield and Haddon Heights Boroughs and Voorhees Township.<sup>4</sup>

Cherry Hill reported "total expenditures and tax requirements" for FY 2009<sup>5</sup> of \$285.45 million broken down as shown in the table below. The Cherry Hill Board of Education passed a FY 2009 budget of \$178.8 million supported by a local property tax levy of \$146.8 million. Camden County received \$58.9 million of its FY 2009 County Tax of \$242.2 million from Cherry Hill property tax payers. The Cherry Hill Township municipal appropriations of \$59.2 million for FY 2009 were supported by a municipal property tax levy of \$37.8 million.<sup>6</sup>

Cherry Hill Township Expenditures and Taxes Requirements <sup>7</sup>					
Entity	(\$ THOUSANDS 000'S)				
	<u>% total</u>	<u>FY 2009</u>	<u>FY 2008</u>	<u>Change</u>	<u>% Change</u>
<b>School Taxes</b>	51.43%	146,803	142,523	4,280	3.00%
<b>County Taxes</b>	20.63%	58,890	59,473	-583	-0.98%
<b>Municipal Appropriations<sup>8</sup></b>	20.75%	59,218	56,587	2,631	4.65%
<b>Fire District Taxes*</b>	7.20%	20,539	19,374	1,165	6.01%
Sum of 4 jurisdictions	100.00%	285,450	277,957	7,493	2.70%
SFY 2010 Municipal Data Sheet State Fiscal Year					

<sup>2</sup> <http://www.taxfoundation.org/research/topic/44.html>

<sup>3</sup> <http://www.taxfoundation.org/press/show/23654.html>. The County ranks as the 10<sup>th</sup> highest county in the United States in median real estate taxes as a percentage of median home value

<sup>4</sup> The list excludes the "golf course" municipalities of Pine Hill and Tavistock. The average total property taxes also exclude the taxes Cherry Hill residents pay for professional fire services. Most other Camden County municipalities have volunteer or mixed professional and volunteer fire companies.

<sup>5</sup> July 1, 2009 – June 30, 2010.

<sup>6</sup> SFY 2010 Municipal Data Sheet State Fiscal Year, Sheet 3, Certified 9/14/2009.

<sup>7</sup> Sheet 39, Appendix to Budget Statement, Current Fund Balance Sheet for SFY 2009,

<sup>8</sup> Total general appropriations for Cherry Hill Township in FY 2009 were \$63.3 million, which included \$3.36 million for library maintenance and \$1.63 million in library lease payments. .

Cherry Hill Fire District <sup>9</sup>		20,533	20,544	-11	-0.06%	
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<sup>9</sup> Note: The Fire District reports taxes raised amounts slightly differently from the Cherry Hill Municipal Data Sheet.

New Jersey faces an immediate budget crisis at all levels of government and a long-term fiscal problem that can no longer be solved by budget gimmicks.

On February 11, 2010, Governor Christie invoked emergency powers to balance the current state budget and cut a \$2 billion projected deficit for the balance of the fiscal year. The Governor cut 375 line items in all and struck a broad range of areas,<sup>10</sup> including a \$475 million reduction in state aid to education.<sup>11</sup> The governor said his decision to cut state aid to over 500 school districts should not lead to property tax hikes or hinder the education of children this fiscal year.

Governor Christie projects an \$11 billion deficit in the approximately \$28 billion state budget for FY 2010-2011. He said the state pension system "cannot continue to sustain" its levels of support but ruled out shrinking the pensions of current retirees. He said his budget for the next fiscal year will "be a vehicle for real property tax reform" that attacks costs at the county, municipal and school board levels along with the state. He said he intends to give tools to the municipalities and the school boards so they can control costs as well so "then, as we tighten our belts at the state level, they just don't expand at the municipal level."<sup>12</sup>

All New Jersey local governments will face enormous fiscal and budget challenges over the next few years. Responsible local government cost-cutting is the next big challenge. More than 6 out of every 10 tax dollars are spent at the local level. This is a problem that cannot be solved by Trenton alone.

Enacting significant cost-saving measures at the local level and building a new culture of savings provides a constructive alternative to higher property taxes and shrinking of essential services that will otherwise be the certain outcome of dramatic and continuing declines in state aid to municipalities and school districts.<sup>13</sup>

That is why the Cherry Hill Reform Committee decided to research local government cost-cutting, increased efficiency proposals, and new sources of local revenue that its members could present and advocate to the local governments supported by Cherry Hill

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<sup>10</sup> College funding was reduced \$62 million. Hospitals will absorb a \$25 million aid reduction, half from the state and half from federal matching funds. Subsidies for NJ Transit were cut by \$32.7 million, with budget documents indicating that a fare increase was likely. On health care, 11,700 legal immigrants who are not yet citizens will be taken off the state's FamilyCare health care program, saving \$2.5 million per month. A \$58 million jobs creation program, which gave tax credits for new hires, was scrapped and labeled as ineffective. The Governor said he would defer \$100 million of pension payments, increasing the long-term deficit in the state's retirement funds. Several hundred million dollars of savings, including \$300 million of school aid cuts, came from proposals first raised by Gov. Jon S. Corzine in an attempt to leave with a balanced spending plan, though some had not been enacted. Governor Christie also relied on some added federal aid and \$175 million of increased revenues. An additional \$450 million was made up by taking back money from state programs with excess funds.

<sup>11</sup> Tamari, Jonathan, "Christie balances budget with cuts," The Philadelphia Inquirer, Feb. 12, 2009, [http://www.philly.com/inquirer/business/20100212\\_Christie\\_balances\\_budget\\_with\\_cuts.html](http://www.philly.com/inquirer/business/20100212_Christie_balances_budget_with_cuts.html)

<sup>12</sup> [http://www.nj.com/news/index.ssf/2010/02/gov\\_chris\\_christie\\_defends\\_inv.html](http://www.nj.com/news/index.ssf/2010/02/gov_chris_christie_defends_inv.html)

<sup>13</sup> [www.jointhecampaign.com](http://www.jointhecampaign.com)

property taxes. The proposals contained in this report offer the potential for major savings.

The Reform Committee's goal is not only to win adoption of these cost-saving measures, but to build a culture of savings where citizens and elected officials focus on constructive ways to address the property tax crisis and put frugality front and center.

Few of these proposals are new. Most have been advocated by other bi-partisan panels of the New Jersey legislature.

The Reform Committee reviewed and discussed a variety of sources for suggestions for cutting the cost of local government and reducing property taxes. These include the proposals that were contained in or came from: (1) the New Jersey 2006 Joint State Legislative Committee, (2) the Gannet Newspaper "Tax Crush" series of articles and editorials that ran in the Courier Post and Asbury Park Press in October 2009, (3) the State Commission on Investigations Report published in December 2009, (4) the Citizens' Campaign January 2010 cost savings proposals, and (5) a variety of other sources including the members of the Reform Committee's Subcommittee on Taxes and Government Efficiency.

## **Equitable State Aid for Cherry Hill Schools**

*We strongly recommend that the District and Cherry Hill's elected officials mount a public relations campaign to demonstrate to the Governor and the State Legislature that Cherry Hill has been and will continue to be "short-changed" by approximately \$12 million in state aid per year if the State continues to allocate school aid as it has in the recent past.*

*We recommend that Cherry Hill elected representatives fight for Cherry Hill's legal and fair share of state school aid resist any and all efforts to reduce it or reclaim unused funds or surpluses which can and must be used for property tax relief in Cherry Hill.*

*We recommend that the District and all Cherry Hill elected officials communicate the historic and continuing inequities of the way the current funding formula is capped and manipulated to deprive Cherry Hill taxpayers of their fair share of state aid and make recommendations to the Governor or a more equitable methodology.*

*We recommend that the District enlist the support of local state legislators in this effort, including Senators Beach and Sweeney and Assemblypersons Greenwald and Lampitt.*

## **“Salary sunshine online” budget information**

We recommend that the State put all top municipal and local government salaries online in a form where citizens can compare across towns of similar size and scope.

*We agree with the Citizens’ Campaign and recommend that each unit of local government that receives property tax revenue from Cherry Hill (the County, the Township, the School District, and the Fire District) institute a program called “Sunshine On-Line.” This would include putting on the agencies website the following information: easy to follow budget summaries and staffing levels by major budget category, lists of the top 10% of salaries or the top 5 salaries for each department, whichever is greater, and budgeted and actual overtime dollars used per each department, and all labor contracts.*

## **Inform the public about compensation**

*We recommend that the Board of Education direct the Superintendent to include a summary table which shows the range of salaries and proposed changes from the previous year by major employee category (e.g., teachers, principals, maintenance workers, etc.) in any proposed budget as well as all other major proposed changes in payroll related budget assumptions as part of public information budget package mailed to all taxpayers.*

*We recommend that the Board of Fire Commissioners direct the Fire Chief to include a summary table which shows the range of salaries and proposed changes from the previous year by major employee category (e.g., firefighter, fire prevention specialist, public education officer, emergency management technician, chief, deputy chief, workers, etc.) in any proposed budget as well as all other major proposed changes in payroll related budget assumptions as part of public information budget package mailed to all taxpayers.*

## **Public disclosure of summary health benefits**

*We recommend that Camden County and all Cherry Hill local governments disclose and include the major elements of their current and proposed health benefits budgets on their websites and in the proposed budget package mailed to all taxpayer.*

*We recommend that this take the form of a simple matrix which identifies each health care plan and carrier, the type of coverage (e.g., Single, family, single plus one), the approximate number of employees proposed to be covered by each plan, the primary levels of coverage, the amounts of major deductibles and/or co-pays required, and the amounts, if any, that employees are proposed to contribute towards their health insurance premium cost.*

## **Cost-cutting and efficiency “suggestion box” incentives**

*We recommend that the Camden County Freeholders, the Cherry Hill Mayor, Council, Board of Education, Library Board, and Fire Commissioners implement modern employee “suggestion box” and idea management systems and provide financial incentives to reward workers based on suggestions that increase productivity, efficiency, and reduce the cost to provide public services.*

## **Citizen Service Efficiency Advisory Committees**

*We recommend that the Camden County Freeholders and the Cherry Hill Mayor, Board of Education, and Fire District appoint committees of citizen volunteers to identify additional local government service efficiencies and how citizen volunteers can augment and provide certain functions in place of municipal employees.*

*We recommend that these committees be invited to provide year round advisory and efficiency progress monitoring services for the appointing government agencies rather than limiting their comments only to annual periods of budget review.*

## **Ensure transparency and accountability**

*We recommend that local government authorities fully disclose the terms and conditions of all special compensation and benefit arrangements negotiated with and awarded to select individuals upon resignation, retirement and/or termination.*

## **Managing Local Government Employee Benefits**

*We recommend that the Cherry Hill School District join the New Jersey State School Employees Health Benefits Plan (SEHBP) by July 1, 2010 or as soon as possible thereafter to provide comparable health insurance benefits to its employees and significant annual cost savings of \$6 -78 million against the cost of purchasing health insurance from its current providers.*

*We recommend that Cherry Hill Township seek to lower its health insurance plan costs by joining with and participating in larger groups that regularly hold open competition to secure the most cost-effective health plans that provide comparable service.*

*We recommend that Camden County and all Cherry Hill local governments, including the Board of Education, establish a total health care benefit allowance for each*

*employee group that encourages employees to select the best value plan that minimizes costs to the local government unit.*

*We recommend that local government employees be permitted to select higher cost health insurance plans provided the employee bears the higher cost above the allowance.*

*We recommend that each local government unit consider establishing different dollar levels of allowance for different employee salary ranges with higher paid employees expected to contribute more towards their benefits.*

## **Maximize competition among health insurance providers**

*We recommend that all Cherry Hill local taxing governments ensure that all health benefit plans are competitively bid and that specifications for plans are drawn up to maximize a competitive response.*

*We recommend that all insurance brokers be paid based on the value of the savings and packages they negotiate rather than just a straight commission percentage of the cost of the insurance.*

*We recommend that all local governments self insure for its pharmaceutical benefit plans and competitively select one or more pharmaceutical service managers who can guarantee the greatest discounts, or, if eligible, join the State Health Benefit Plan for pharmaceutical benefits. They should also consider catastrophic claim insurance to cover any extraordinary risk identified by their health insurance plan consultant.*

## **Public employee contributions to health insurance premiums**<sup>14</sup>

*We recommend that the Camden County Freeholders and Cherry Hill Mayor and Council, Board of Education, and Board of Fire Commissioners adopt health insurance benefit plans and negotiate labor agreements in which all employees pay for a portion of the premium cost of their health insurance at least equal to 4.5% of their salary or 22% of their health insurance premium cost, whichever is less, whether or not S-3 passes, and that the amounts paid by employees be increased over time to be comparable to the percentages of costs paid by the average taxpayer who receive employer supplied health care in New Jersey.*

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<sup>14</sup> The Reform Committee recommends 10 of 20 measures that were explained in the Gannet Newspaper "Tax Crush" series and advocated in Courier Post editorials on October 5 and 6 in 2009. Health insurance premium sharing is the first of the ten we recommend. The reasons for the recommendation set forth in this section and other include significant sections of those editorials largely as they appeared. They also include supporting rational and supporting information from other sources. The Committee added Cherry Hill specific information and updated the editorial language where appropriate.

*We recommend that our elected officials consider setting the health insurance premium cost share at different levels based on pay with the amount paid towards health care increasing as percentage of the premium cost as an employee's pay level increases. The percentage contribution should be adjusted over time to reflect comparable total salary/benefit compensation with the private sector for comparable levels of education and work.*

## **Incentives for selecting lower cost/ no cost health insurance plans**

*We recommend that the Cherry Hill Board of Education study how this waiver incentive plan is operating to determine whether it should be modified or adapted to maximize School District cost savings.*

*We recommend that the Board of Education and all other Cherry Hill and Camden County elected officials ask their health insurance advisors to report on the benefits and costs of "Opt Out" waiver processes and make appropriate recommendations for revision that are likely to reduce local government health care costs.*

*We recommend that the goal be to ensure that employees are provided an adequate incentive to obtain benefits from the plan that costs the least to the employer*

## **Wellness program initiative**

*We recommend that the Mayor and Council, School and Library Boards, Fire District Commissioners and Camden County Board of Freeholders find and implement the "best practice" wellness programs that have proven to reduce health care costs and health insurance premiums in the public sector.*

## **"Across the board" budget discipline**

***We recommend that the Camden County Freeholders convert Freeholder Cappelli's call into hard policy and that all other Cherry Hill Township elected officials (Mayor, Town Council, Board of Education, and the District 13 Fire Commissioners) heed Freeholder Capelli's call. They can do this by adopting the recommendations contained in this report and by directing their administrators to prepare their next budgets with a goal of anticipating a ten percent reduction in revenue and achieving a ten percent reduction in spending "across the board" compared to their current operating budgets. We***

***believe this type of budget discipline is necessary and achievable if our recommendations are followed and if administrators are encouraged and rewarded for cutting waste and inefficiency and reducing low value public services.***

## **Control public employee compensation growth.**

*We recommend that the School Board negotiate a new employment contract with the teachers to reduce and ultimately eliminate this distortion by moderating the percentage increase of each step and increasing the number of steps from the current max of 17 to 20 or more.*

*We recommend that the Township and Fire District also negotiate the step increases of the Township's police and fire employment agreements to increase the number of steps and limit the annual increases permitted on these schedules to more reasonable, single digit percentage increases that reflect the competitive market for their services.*

*We recommend that the Legislature and our local government units should require a two-tier salary system for local government employees -- one for current employees and another for new hires that establishes lower starting salaries and expands the number of steps required reaching the top of the guide.*

*We recommend increasing the number of steps to insure that total compensation does not exceed comparable annual salary increases in the local market and result in excessive annual compensation.*

*We recommend that Camden County and the Cherry Hill Mayor and Town Council, Board of Education and Fire Commissioners establish an annual cap on the percentage amount they will allow total employee compensation to grow each year and be passed on to taxpayers.*

*We recommend that these elected officials adopt a management policy that if growth in total compensation for specific categories of employees threatens to exceed the annual cap, they will authorize reductions in the size of the related category of staff to remain under the allowed cap. We believe this approach is consistent with collective bargaining and would provide an incentive for employee groups to negotiate improved efficiencies and reduced costs.*

## **Temporary salary freeze for all public employees.**

*We recommend that Governor Christie and all Cherry Hill local government elected officials establish a wage freeze for public-sector employees at all levels of local government.*

## **Eliminate health and pension benefits for all non-school part-time public employees<sup>15</sup>**

*We support S-2 and recommend that our local elected officials eliminate health and pension benefits for all non-school district part-time public employees, elected officials and professionals who contract with government.*

## **Limit public pensions to one job per person**

*We support S-2 and recommend that our elected public officials limit public pensions to one job per person to discourage multiple job holding and pension padding.*

## **Require fact-finders and arbitrators to make cost-of-living the most important factor in consideration of binding arbitration cases**

*We recommend that Governor Christie and our state and local elected public officials advocate a change in state law that will require fact-finders and arbitrators to make cost-of-living the most important factor in consideration of binding arbitration cases, and to ensure that there exists sufficient oversight authority to hold arbitrators accountable for abiding by it.*

## **Uniform "use-it-or-lose it" rules: sick, vacation, and compensatory time**

*We support the direction of S-4 and recommend that our elected municipal, school board, and fire district elected officials adopt the recommendations of the 2009 State Commission on Investigations Report, including establishing uniform "use-it-or-lose it" rules for unused sick and vacation time whether or not it passes. Public employees should be limited to no more than 15 paid sick days per year and, at retirement, payment for unused sick leave should, at the very least, be limited to no more than 50 percent of an employee's unused sick leave, calculated at current salary, up to a maximum of \$15,000.<sup>16</sup>*

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<sup>15</sup> This recommendation appeared in the Courier editorials, the State Commission on Investigations Report, and on the Citizens' Campaigns Law and Policy Task Force list ([www.jointhecampaign.com](http://www.jointhecampaign.com))

<sup>16</sup> State Commission on Investigation report, p. 49-50

*We recommend that, as with State employees, no local public employee should be permitted to cash in accumulated unused sick leave at any time prior to retirement, including in the event of termination or resignation, and that a maximum of 15 paid vacation days per year after 20 years of service, the State limit, apply to local public employees.*

*We agree with the State Commission that terminal leave should be eliminated as it enables public employees to remain on the public payroll at full salary and benefits without showing up for work in the weeks and months preceding retirement. This prevents local governments from hiring permanent replacements since the positions in question are still technically occupied.*

*We recommend the Commission's proposal that the Legislature should narrow the circumstances under which bonuses, stipends, separation payouts and other forms of special compensation can be awarded and that the terms of such compensation be subject to full public disclosure. Local officials who are fired from their jobs for cause should be denied severance pay. Under existing law, terminated local officials are guaranteed severance pay worth up to three months' salary unless they are convicted of a crime.<sup>17</sup>*

*We recommend that compensatory time be allocated strictly based upon hours actually worked beyond the normally scheduled hours of employment as confirmed by daily attendance records, that public employees should be required to use such time within one year of its allocation, and that it should never be exchanged for cash payment. The State Commission found instances where compensatory leave was awarded in advance of actually having been earned and in some cases was exchanged for cash on a yearly basis or allowed to accumulate for cash redemption at retirement.<sup>18</sup>*

*We recommend that any claims for past service, whether in the form of unused sick leave, vacation time, or compensatory time, be refused unless included in a written contract approved by a majority of the responsible elected officials on Town Council, the School Board, or Fire Commission.*

## **Establish ceiling of 10 paid holidays for all public employees**

*We recommend that our local elected officials negotiate employment contracts that provide a maximum 10 paid holidays for all public employees.*

## **Reform public employee pensions**

*We support the direction of S-2 and public employee pension reform. .*

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<sup>17</sup> Report, p. 52

<sup>18</sup> P. 52.

*In the meantime, we recommend that our local elected officials increase employee contributions to the traditional pension plans, increase the age at which employees are entitled to full pension benefits, and temporarily halt the cost of living increases in the pension plans.*

## **Establish best practice and efficiency benchmarks for public services and provide incentives for regionalization of and shared services**

*We recommend that the Governor Christie propose legislation to establish and measure efficiency benchmarks for public services and concentrate on encouraging the delivery of regional services where it makes sense. If necessary, we recommend that he establish efficiency benchmarks and measure performance of local government services through executive order.*

*We recommend that Governor Christie direct the Department of Community Affairs to collect public service delivery information and establish best practice performance measures as a condition of receiving state municipal aid. If necessary he should seek legislative authority to implement such a program and point out that it was already recommended by the 2006 NJ Joint Legislative Committee on Government Consolidation and Shared Services.*

*We recommend that the DCA publish a local government report card similar to the school building and district report cards published by the State Department of Education.*<sup>19</sup>

*We recommend that the State consider establishing measures of efficiency for local units of government by expanding the parameters of the Public Archives and Records Infrastructure Support (PARIS) grants to measure the services that counties and local governments provide. PARIS grants fund strategic advancements to build and improve the infrastructure of public records administration for county and municipal government and archives and records programs Statewide.*<sup>20</sup>

*We recommend that Camden County and the Cherry Hill Township, Fire District, School District, and Library identify, measure, and cost the public services they deliver and development benchmarks for measuring their performance against nationally recognized or locally comparable “best practices” to insure that they are*

<sup>19</sup> <http://education.state.nj.us/rc/>

<sup>20</sup> See comments of Jonathan Stomberger and David Crossed from Smart Business Advisory and Consulting, LLC, who testified at a Joint Committee Hearing on “Privatization and Other Methods for Reducing the Size of State Government” on October 25, 2005, Joint Report, p. 29.

*delivering the appropriate quality and quantity of such services needed at the lowest possible cost.*

*We recommend that the Legislature create a commission to study the potential operating and capital cost savings from regionalization of police, public works and other services and to provide significant incentives (including reductions of state aid) if communities where savings would be realized by regionalizing services failed to act within a reasonable period of time.*

## **Incentive pay for Administrators.**

*We recommend that Camden County, the Cherry Hill Board of Education, and all other Cherry Hill local governments provide that all their administrators have performance /merit pay goal criteria that are heavily weighted towards reducing costs and improving efficiency in their sphere of responsibility.*

## **Efficiency goals for organized labor**

*We recommend that Camden County, the Cherry Hill Board of Education, and all other Cherry Hill local governments negotiate provisions in their labor agreements that tie a portion of year to year salary adjustments to the achievement of agreed upon reduced costs and efficiency goals. For teachers we recommend that the Board of Education negotiate a labor agreement in which a portion of overall salary adjustments for the entire bargaining unit will be tied to the achievement of agreed upon reduced costs and efficiency goals.<sup>21</sup>*

## **Shared Computer Administration (network administrator)**

*We recommend that Camden County and all Cherry Hill local governments consider adopting an open source software evaluation policy similar to the one currently used by the City and County of San Francisco to reduce costs and improve efficiency.*

## **Energy Audits of local government buildings**

*We recommend that the Camden County Freeholders and elected Cherry Hill Mayor, Council, Board of Education, Library Board, and Fire Commissioners insure that every public building under their control received an energy audit by the end of 2010*

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<sup>21</sup> This is not a recommendation for teacher “merit pay” in which individual salaries are tied to the academic performance of students assigned to specific teachers. This is a recommendation to give teacher and other school district bargaining units an incentive to help identify and share in savings realized as a result of achieving efficiency improvements that save money.

*and that they authorize all energy saving measures and investments that will save more than the annual cost of implementing (including labor, capital, and interest).*

## **Out-source vehicle maintenance**

*We recommend that each Cherry Hill local government unit study the benefits and cost of out-sourcing vehicle maintenance.*

## **Shared Services**

*We recommend that the NJ DOE and County Superintendent require all Camden County districts to evaluate and pursue all viable shared service opportunities and that they create a Task Force if necessary to coordinate and insure that best practices are followed.*

## **Outsource services**

*We recommend that the Cherry Hill School District study the current compensation and benefits it pays to all non-instructional employees and compare them with rates currently charged by outsource staffing services.*

*We recommend that the Cherry Hill School District and all other local governments consider outsourcing all non-critical administrative, clerical, and secretarial positions where cost advantage exists.*

## **Controlling Overtime**

*We recommend that the Cherry Hill Police Department and Cherry Hill Fire District consider and continue to implement every available tool to significantly reduce overtime and to conduct rigorous analyses monthly of their use of overtime and post the results and any corrective action planned on the Internet.*

## **Recreation Programming and Fees**

*We recommend that governing bodies all adopt a formal policy outlining the extent to which all direct and indirect costs generated by their recreation program are to be covered by fees and other non-tax revenues and establish a specific target date for the goal to be met. Adoption of such a policy should result in a detailed review of the costs of each program, the number of registrations that occur per class, event or season as appropriate and the revenues that are derived.*

*We recommend that the Cherry Hill School District charge fees that are not 100% of the cost and that should be capped initially at between \$20 to \$50, depending on the*

*relative cost of each program, then increased over time if the cost of providing the extracurricular activity increases. We recommend that students who qualify for the no cost/reduced cost lunch program should be exempt from the fees. We note that the majority of clubs and sport teams currently have boosters that already aid in funding.*

## **Increased share of fines from law enforcement**

*We recommend that Cherry Hill's elected state officials amend this law to give municipal governments two thirds all revenue received from traffic violation fines and penalties assessed from tickets and arrested generated by municipal police officers.*

## **Address unfunded federal and state mandates**

*We recommend that Camden County and Cherry Hill's municipal government, school district, and fire district each identify any significant unfunded mandates required by the Federal and state governments and their estimated costs.*

## **Local sales tax on clothing**

*We recommend that the State Legislature enact a law to which will allow local governments to levy a sales tax of 2 percent on clothing to be collected and distributed by the state to the local municipal government and local school district in proportion to their local property tax levy . The Legislature should require that these funds be used for tax relief by counting the tax as local funds within all local applicable annual caps on spending and tax levy changes.*

## **Class size**

*We recommend that the District increase efficiency by increasing average class size as recommended by the Superintendent.*

*We recommend that in addition to accepting the Superintendent's budget recommendation to increase class size maxima, the Board of Education should also establish minimum class size to insure efficiency. For example, all fifth grades should have a minimum of 24 and a maximum of 26 students.*

*We recommend that the District use alternative strategies that are less costly and more effective than "class size reductions" to improving the academic achievement for "at risk" students. These include more professional development to foster more high quality teachers, increased instruction time, a longer school year, and expanded use of student teachers from local colleges as educational assistants.<sup>22</sup>*

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<sup>22</sup> <http://www.policystudies.com/studies/youth/Promising%20Programs%20FINAL.pdf>;

*We recommend that such after school initiatives be combined with the SACC program where feasible.*

*We recommend that the District conduct an accelerated study to determine if there are more efficient and less costly ways to organize and configure its 12 elementary schools. We recommend that the District include in this study and consider re-organizing and structuring its elementary schools by grade level groupings (e.g. 6 schools with grades Kindergarten through Grade 2 and 6 schools with Grades 3 through 5) to take optimum class sizes, take advantage of economies of scale, and provide broader access and foster greater professional collaboration between the best teachers/ mentors at each grade level. Such a re-organization could eliminate class size disparities between schools and reduce the number of staff and perhaps the number of school buildings needed. .*

## **Improve teacher efficiency by improved time management and use of integrated information technology**

Cherry Hill teachers' representatives estimate that the average teacher spends 5 hours per day "in front of students" (teaching in the class room, working in labs, or providing one on one instruction) and 2.5 hours performing non-teaching administrative and reporting work, including reporting attendance, grades, lesson plans, ordering materials, etc. Teacher representatives report having to use 5 or 6 different computer software programs, few of which "talk to each other" or integrate reports. They believe that the use of best practice time management and computer software tools could substantially reduce the non-teaching time in half – a potential savings of 1.25 hours per day.

There are approximately 1000 teachers in the Cherry Hill school system who work about 180 days a year. If better time management and more efficient application of information technology could save just 1 hour a day from non-teaching activity and allow it to be re-allocated to teaching activity, the district would "save" or convert 180,000 teacher hours per year, the equivalent of 133 full time teachers working 7.5 hour days. Using the District's factor of \$62,000 per teacher, the value of such an efficiency improvement would be over \$8 million.

*We recommend that the School District deploy state of the art and best practices time management and information technology to improve teacher efficiency, increase the number of teaching hours, and reduce teaching time on non-teaching administrative activities.*

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<http://www.city-journal.org/2009/bc0313cs.html>; <http://www.csmonitor.com/USA/2009/1110/p23s01-usgn.html>;  
[http://www.americanprogress.org/issues/2009/11/elt\\_union\\_districts.html](http://www.americanprogress.org/issues/2009/11/elt_union_districts.html)

## **Physical education waiver**

*We recommend that the Board of Education waive the requirement that students participating in athletics take a physical education course at the same time.*

## **College level courses**

*We recommend that the District partner with local colleges and replace comparable courses currently offered at the high schools with courses offered at the college level (both online and on campus).*

## **Expand the “Hub” bus transportation system**

*We recommend that the hub concept be expanded to cover all middle and high school students and as many elementary students as practical to shorten the distance and time duration of bus routes and to increase the district’s ability to tier routes and reduce bus transportation costs.*

## **Review and revise boundaries to reduce bus costs**

*We recommend that the District re-examine school geographic districts to ensure that all school “sending” boundaries are drawn to optimize transportation efficiency and minimize costs. This is especially important as part of our recommendation to re-organize elementary schools by grade level groupings.*

## **Shared bus services**

*We recommend that all area school districts consolidate and share transportation services and, where possible, include NJ Transit.*

*We recommend that area school districts cooperate in seeking the most efficient providers of bus services even if it is only for “economies of scale” bidding purposes.*

*We recommend that a Camden County task force be established to explore such possibilities to see if it would be possible to manage and negotiate more favorable transportation costs with higher numbers of students across a broader geographic area and gain negotiating power and economies of scale.*

## **Lower transportation costs by through “Aid in Lieu”**

*We recommend that the District offer to provide expense reimbursement in lieu of transportation services the District is legally obligated to provide if the family of the*

*eligible student is willing and able to provide such service on their own at lower cost and sign the appropriate waivers.*

## **Building climate control**

*We recommend that the District reduce temperature in all buildings in cooler months and encourage students and staff to wear warmer winter clothing (sweaters, sweatshirts, and other permitted clothing).*

## **SACC rates and cost recovery**

*We recommend that the District charge SACC for the actual and full annual costs of the program, including floor space costs (heating, lighting, maintenance, etc.) and the District services it uses (e.g. payroll, purchasing, accounting, etc.).*

## **Non-hazardous courtesy busing fees**

*We recommend that the District adopt state guideline for providing bus service and charge non-hazardous “courtesy busing fees” for trips that do not qualify for aid under state guidelines and that could be made to school along routes the District and Cherry Hill Township have determined are not hazardous.<sup>23</sup>*

## **Extra-curricular activity fees**

*We recommend that the District charge extra-curricular activity fees of ranging from \$20 to \$50 per year, depending on the cost of providing the activity, to all participating students.*

*To avoid a hardship on low income families, we recommend that students who qualify for free or reduced price lunch programs be exempt from such fees.*

## **Cap Enterprise funds surplus funds**

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<sup>23</sup> State law requires a school district providing any courtesy busing to adopt a policy addressing the busing of students who walk along hazardous routes between their homes and schools. The policy must include a list of hazardous routes that require courtesy busing of students and the criteria used in designating the routes as hazardous. A school district must work in conjunction with municipal officials in identifying the criteria to designate a route as hazardous. Among the factors that may be considered are the volume of traffic, the speed of vehicles, the existence or absence of adequate sidewalks, roads with steep inclines or blind curves, and the crossing of busy roads, bridges, overpasses and train tracks.<sup>10</sup> Another state law provides for a municipality to pay for safety busing instead of a school district. When a governing body of a municipality finds that for safety reasons it is desirable to provide busing, the governing body and the school district can enter into a contract whereby the school district would provide the safety busing but the municipality would pay for it. Under this type of arrangement, the municipality may defray the costs of busing by charging the parents of the students who are bused for safety reasons, except that parents of students qualifying for free or reduced price meals under the state school lunch program are not required to pay for busing.

*We recommend that the District apply a similar cap on surplus funds retained in the District's non-academic Enterprise funds (SACC & Food Service) and that it appropriate the difference.*

## **Transfer unused capital project funds**

*We recommend that the District review all completed capital projects, identify all unexpended funds, and either appropriate or transfer unused funds to support ongoing or new capital projects.*