



Division of Local Government Service

Department of Community Affairs

Lt. Governor Sheila Y. Oliver
Commissioner

Melanie Walter
Director of Local Government Services



The Shared Service Czars

- ❑ **Nic Platt** is Former Mayor of Harding Township and current member of the Township Committee. He spearheaded creation of a 5 Town Joint Municipal Court that is among the most effective in the State of New Jersey, demonstrating extraordinary savings and superior performance. The participating towns include Madison, Chatham Township, Chatham Borough, Morris Township and Harding.
- ❑ **Jordan Glatt** is Director of Strategic Partnerships at the Community Foundation of New Jersey (CFNJ) where he works with corporations, entrepreneurs, and families to design charitable vehicles that deliver impact in New Jersey communities. Mr. Glatt is a former two-term Mayor of Summit. As Mayor, he worked with his and surrounding municipalities to cut costs for his taxpayers while maintaining a high level of essential services.



SUSSEX AND MORRIS COUNTIES CONTRACTED SERVICE INMATE HOUSING ANALYSIS

Presenters:

Rick Richardella - Local Assistance Bureau Chief

Chris Rath - Municipal Technical Advisor

Phil Gonzalez - Municipal Technical Advisor



Professional Background

Rick Richardella

40 Plus Years of Law Enforcement Experience

- 26 years as a municipal police officer, 7 as Chief of Police
- 18 years with the State of New Jersey, NJ Department of Community Affairs-Division of Local Government Services-Public Safety Liaison
- 2 years as a Subject Matter Expert Consultant working with International City/County Management Association (ICMA) in Washington D.C.
- Facilitated implementation of the Camden County Regional Police Department and the Lake Como/Belmar Shared Service Police Department;
- Presently Assigned - Local Assistance Bureau (L.A.B.) Chief.



Professional Background

Chris Raths

- 28 years experience as a Municipal Manager: North Carolina, Massachusetts, 18 Years Roxbury, New Jersey
- 28 years as a “Member of the International City/County Management Association (ICMA) in Washington D.C.; 18 year member of the New Jersey Manager Association including serving as the Association’s Vice President
- Published multiple articles in professional journals on Financial Trend Monitoring, Legacy costs and the Provision of Municipal Service in various states
- Part Time Division of Local Government Services Municipal Technical Advisor



Professional Background

Felipe "Phil" Gonzalez

- 25 years as a municipal police officer, 10 as a Police Captain
- 3 years as an investigator with auto insurance industry
- Participated as a Panelist in Police Promotional Interviews with the Governor's Initiative for Atlantic City
- Division of Local Government Services Public Safety Liaison

Purpose Of This Presentation

- ❑ Provide an impartial and comprehensive review of the proposed contract service arrangement whereby Morris County provides Inmate Housing for Sussex County.
- ❑ Determine whether the proposed contract service agreement can promote the welfare of parties by promoting efficiency, effectiveness, and performance.
- ❑ Promote optimal outcomes for all individuals and entities that would be affected by implementation of the proposal, including identifying opportunities to achieve any staffing adjustments in an equitable fashion that emphasizes attrition and reemployment whenever possible.



The Desired Outcome

- ❑ Apply fiscally responsible and operationally sound best practices to enhance the Sussex and Morris County “Inmate Housing Contract Service Agreement”
- ❑ Facilitate informed decision-making by providing recommendations based on relevant facts, examples, and established corrections principles.
- ❑ Support decision-makers in reaching and implementing their objectives. DLGS recognizes there is “no one right way” nor do we suggest a “one-size-fits-all” approach to organize such a service.



Recognizing the Fiscal Challenge

- ❑ In government, tipping points can occur surprisingly quickly, are rarely good, and often result in tax increases.
- ❑ Sussex County is confronting an estimated \$62 million in essential capital improvements to maintain its current corrections facility. This has been identified as a tipping point for the County budget.
- ❑ The Sheriff, County Freeholders, and Administration have been proactive in recognizing this challenge and mustering the courage to address the issue head on.



Relevant Factors

- ❑ Taxpayer Concerns
- ❑ Increasing budgetary pressure caused by escalating demand for essential services and other non-discretionary spending
- ❑ Existing redundant layers of administration and bureaucracy
- ❑ Potential for efficiencies and cost savings
- ❑ Effect of increasing operational costs and impending capital needs on Morris and Sussex Counties' capacity to operate within the 2% cap





Team Building

Essential to Progress

- ❑ **Political will** is the willingness of the elected and appointed decision makers to give serious consideration to proposals for significant change designed to adopt best practices and achieve improved outcomes despite anticipated resistance.
- ❑ Although external sources can provide valuable guidance and help you research and develop service models, there is no effective substitute for the direct and personal involvement and commitment of the elected officials and other stakeholders. It takes your time, effort, and dedication to advance a meaningful shared service initiative.



Will Things Change?- *Yes* Are These Impossible Challenges? - *No*

Residents and staff may raise legitimate issues and concerns that must be resolved to effectively implement significant organizational changes.

Common challenges include:

- Establishing new lines of authority
- Mitigating community impacts
- Protecting the interests of affected employees

5 Year Capital Plan for Keogh-Dwyer Corrections Facility

Capital Requests from Facilities Department

2020	\$2,260,969
2021	927,583
2022	3,466,935
2023	9,013,814
2024	605,000
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	\$16,274,301

- In 2014, Pulitzer/Bogard & Associates, LLC issued a Needs Assessment Report to accommodate with ADA and Department of Corrections Compliances. Phase 1 cost was anticipated to be \$23,963,722 and the Phase 2 cost to be \$42,623,043.
- Sussex County does not maintain an inmate population to support these anticipated costs.

Proposed Staffing Levels for Sussex County Jail

CORRECTIONS				
	2017 Actual	2018 Actual	2019 Actual	2020 Proposed
Undersheriff	1	1	1	1
Captain	1	1	1	
Lieutenants	3	4	4	1
Sergeants	13	12	11	9
Corrections Officers	67	64	53	23
Counselor	1	1	1	
Nurses	5	5	5	
Kitchen Staff	3	3	3	
Civilians	6	6	4	4
County Division Head	1	1		
Total	101	98	83	38

Projected Costs for Sussex County Correctional Facility

Description	2019 Adopted Budget	2020 Projected	2021 Projected	2022 Projected	2023 Projected	2024 Projected
SCENARIO 1) STATUS QUO (ASSUMES 15 FEMALE INMATES PER DAY AT MORRIS)						
SALARIES & WAGES	\$7,254,742.00	\$7,399,839.00	\$7,547,841.00	\$7,698,803.00	\$7,852,785.00	\$8,009,847.00
OTHER EXPENSES	\$1,308,450.00	\$1,334,620.00	\$1,361,336.00	\$1,388,589.00	\$1,416,384.00	\$1,444,736.00
CONTRACT COSTS	\$164,444.00	\$574,875.00	\$586,373.00	\$598,101.00	\$610,064.00	\$622,266.00
TRANSPORT COSTS	-	173,232.65	176,698.00	180,232.00	183,837.00	187,514.00
INDIRECT COSTS	3,592,828.00	3,937,957.42	4,186,691.00	4,454,845.00	4,744,127.00	5,056,400.00
TOTAL CURRENT FUND COSTS	\$12,320,464.00	\$13,420,524.07	\$13,858,939.00	\$14,320,570.00	\$14,807,197.00	\$15,320,763.00
CAPITAL COSTS	-	2,260,989.00	927,583.00	3,466,934.66	9,013,813.70	605,000.00
Description	2019 Adopted Budget	2020 Projected	2021 Projected	2022 Projected	2023 Projected	2024 Projected
SCENARIO 2) ALL INMATES TO MORRIS COUNTY- TEMPORARY HOLDING FACILITY (ASSUMES 75 INMATES PER DAY)						
SALARIES & WAGES	\$7,254,742.00	\$4,952,163.00	\$5,051,210.00	\$5,152,239.00	\$5,255,290.00	\$5,360,402.00
OTHER EXPENSES	\$1,308,450.00	\$949,010.00	\$968,013.00	\$987,399.00	\$1,007,169.00	\$1,027,337.00
CONTRACT COSTS	\$164,444.00	\$2,877,108.00	\$2,934,651.00	\$2,993,345.00	\$3,053,212.00	\$3,114,277.00
TRANSPORT COSTS	-	346,465.30	353,395.00	360,463.00	367,673.00	375,027.00
INDIRECT COSTS	3,592,828.00	3,905,161.95	3,541,925.00	3,199,154.00	3,411,106.00	3,640,130.00
TOTAL CURRENT FUND COSTS	\$12,320,464.00	\$13,029,908.25	\$12,849,194.00	\$12,692,600.00	\$13,094,450.00	\$13,517,173.00
CAPITAL COSTS						

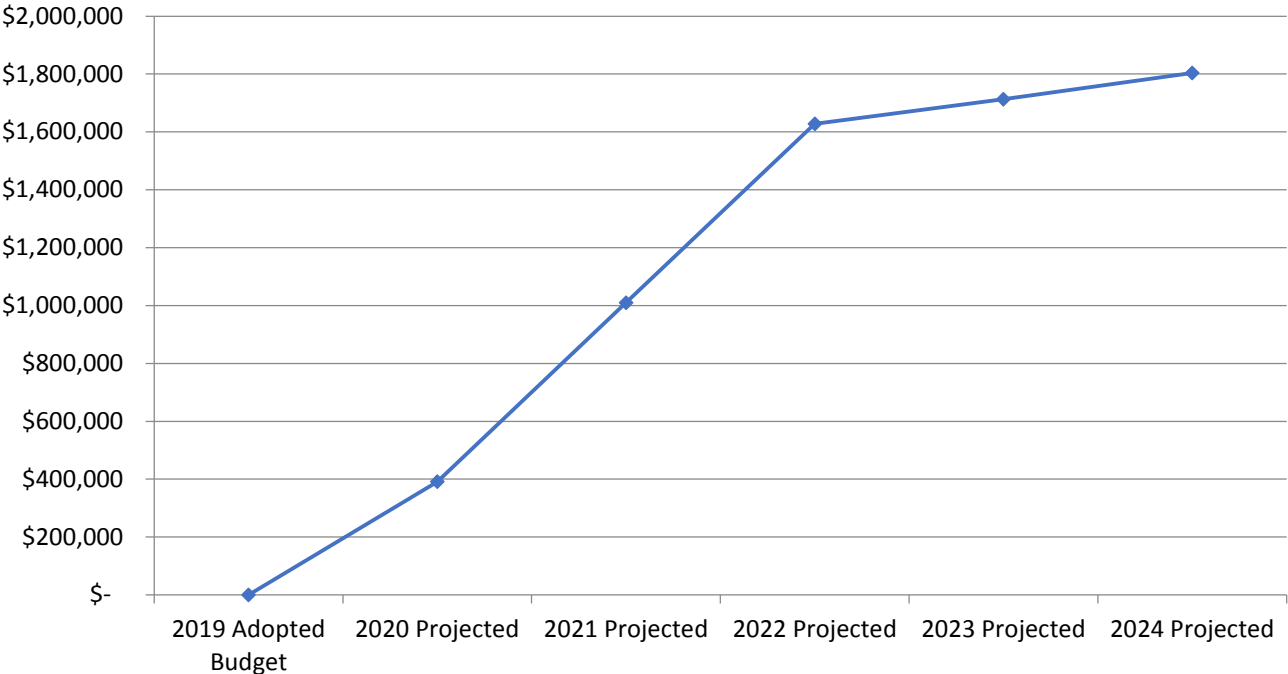
Financial Numbers are based on various assumptions issued by
Sussex County Financial Department

Projected Savings for Sussex County Correctional Facility

SCENARIO 1) STATUS QUO (ASSUMES 15 FEMALE INMATES PER DAY AT MORRIS)

SCENARIO 2) ALL INMATES TO MORRIS COUNTY- TEMPORARY HOLDING FACILITY (ASSUMES 75 INMATES PER DAY)

PROJECTED SAVINGS



Financial Numbers are based on various assumptions issued by Sussex County Financial Department

Estimated Benefit Savings

Anticipated savings achieved through the proposed staffing reduction of 36 Corrections Officer Positions:

	5 Year	10 Year	25 Year
Health Insurance	\$3.6M	\$7.2M	\$18.0M
Pension Costs	<u>\$3.7M</u>	<u>\$7.4M</u>	<u>\$18.5M</u>
Total Savings	\$7.3M	\$14.6M	\$36.5M

This equates to **\$36.5 Million** over the next 25 years

Health based on cost of \$20,000, Pension based on rate of 29.47%, does not take inflation into account





Decision Points

- Communication, Cooperation, and Creativity have brought you to this point.
- This presentation lays out a standard contracted service model that adheres to accepted best practices and guidelines.
- There is no magic wand or secret formula.
- Savings are achievable for both counties through the implementation of this model.
- The parties must decide if this is the best option for them.

Contracted Service Implementation

Ongoing communication, monitoring, assessment, and reform are imperative to long-term success.

- ❑ Set realistic, measurable goals.
- ❑ Select a problem solving method to identify and correct deficiencies.
- ❑ Commit to open and honest communication when difficult choices affecting services, personnel and budgets arise.
- ❑ Take courage and remain focused on the long term goals.

Working Group

- Comprised of:
 - ✓ Freeholders
 - ✓ Sheriff
 - ✓ County Administrator and CFO
 - ✓ DCA - DLGS

Meet monthly to discuss outstanding issues and concerns.



THANK YOU



Local Assistance
B U R E A U

Q&A

New Jersey Department of Community Affairs

Division of Local Government Services

Local Assistance Bureau

609-292-6858

