

BOROUGH OF HAWTHORNE

LOCAL GOVERNMENT BEST PRACTICES

See Attached Notes For Items Marked With Asterisk

Categories:

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) | <input checked="" type="checkbox"/> | <input 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? | <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? | <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"/> | * |

- | | | |
|--|-------------------------------------|--------------------------|
| 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? | <input checked="" type="checkbox"/> | <input 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 type="checkbox"/> | <input checked="" 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 type="checkbox"/> | <input checked="" type="checkbox"/> |
| 5. Do you employ a Qualified Purchasing Agent? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

FINANCIAL MANAGEMENT

Financial Standard:

- | | Yes | No |
|---|-------------------------------------|-------------------------------------|
| 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? | <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 type="checkbox"/> | <input checked="" 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? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 9. Did you file your Annual Financial Statement within the required time period? | <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?
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? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 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? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 3. Did your municipality prepare a five year analysis showing the surplus utilized compared to the surplus regenerated? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 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)? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| • Salary and Wages | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| • Other Expenses | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| • Deferred Charges | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| • Capital Debt Service | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| • Reserve for Uncollected Taxes | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 5. Was a five year chart or graph prepared showing, in declining order, the largest dollar line items to the smallest dollar line items? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 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? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 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? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 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? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 9. Were departmental budget requests above a certain threshold presented and discussed by the respective department heads? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 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? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

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? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 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? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 3. Did your budget presentation list the percent increase year-over-year for each line item? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4. Did your budget presentation present the percentage increases in line items | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

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? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. Do you maintain a formal Safety Program which includes written policies and claims review? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 3. Do you retain a management approved physician for workers compensation claims management? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 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? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 5. Is your Police/Fire Dispatch handled by civilian (non-sworn) employees? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 6. Does your Fire Department (controlled agency) participate in the NFIRS reporting system? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 7. Does your municipality have a Shared Service Agreement for Firearms Range utilization or use of county facilities? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

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? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 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) | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 3. Have you limited your publicly funded pick-up of trash and recycling to curb-side or central drop-off service? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4. Do you maintain a minimum recycling rate of 35% or above? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 5. Have you increased your local recycling collection by at least 5% in the last year? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 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? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

HEALTH

- | | Yes | No |
|--|-------------------------------------|--------------------------|
| 1. Do you have a local Health Department and employ a full-time Health Officer? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. Do you share health services or welfare services with another municipality or county? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 3. Do you employ outside services for a local nurse or share with another municipality? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

ENERGY & UTILITIES

- | | Yes | No |
|---|-------------------------------------|--------------------------|
| 1. Have you conducted energy audit at all municipal facilities to evaluate heating, lighting, ventilating and air conditioning systems updates that may | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

- 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

- | | Yes | No |
|--|-------------------------------------|-------------------------------------|
| 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? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 2. Do you share playing fields/recreation services with your Board of Education? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 3. Do you share equipment with the Board of Education? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4. Have you held a joint budget presentation of the municipal and school budgets to the Community? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Date Certified:

Chief Financial Officer
Name/Certification #

Percentage ranges:

Number of "Yes" Answers	Percentage of Final State Aid payout
76 - 88	100%
61 - 75	99
46 - 60	98
31 - 45	97
16 - 30	96
0 - 15	95

	Total Available Points	Scored "Yes" Points
General Management	29	27
Financial Management	33	29
Public Safety	7	6
Public Works	6	5
Health	3	3
Energy & Utilities	6	5
Municipal & School Relations	4	2
TOTAL	88	77

BOROUGH OF HAWTHORNE
NOTES TO "BEST PRACTICES" CHECKLIST FOR 2010

Below are explanations for the answers given asterisks on the Checklist:

GENERAL MANAGEMENT

Administrative

1. *Qualified 'Yes'* - The Borough has no written requirement for elected officials to attend courses, but all elected officials attend training offered annually by the JIF the Borough belongs to, for which the JIF provides credits to the premium.
3. *Qualified 'Yes'* - Although the Borough doesn't have an interlocal agreement, the Borough employs on a part-time basis the assessor who works f/t in another municipality, thereby achieving the same cost-saving benefit of having a shared assessor

Personnel

2. *Qualified 'Yes'* - Licensed officers/employees attend ethics courses as required for continuing education credit. The Borough has provided ethics training for all employees in the past, and will be doing so again by 2011.
4. *Qualified 'Yes'* - Although not reflected in collective negotiations agreements with the PBA and our Blue Collar unit, the existing practice is that many overtime job assignments are made based on the qualifications employees have for doing the specific job.
5. *Qualified 'Yes'* - The most recent collective negotiations agreements (CNAs) for Blue Collar and White Collar units have increases of 2% or less each year (with a 0% increase for 2010). The current PBA agreement, which expires 12/31/2010 was settled in early 2008. The Borough asked to renegotiate the 4% already in place for 2010, but the PBA refused. The Borough expects the subsequent CNA will provide for annual increases below 2%.
6. *Qualified 'Yes'* - The Borough previously offered health benefits to part-time employees, but, via Council resolution, began eliminating this practice through attrition in 2005. In 2010, the Borough put in place a plan to phase out benefits for the remaining 4 individuals.
7. *Qualified 'Yes'* - The Borough began collecting the 1.5% contribution from all non-union employees in June, 2010, and will do so from union employees

upon expiration of the current collective negotiations agreements for the PBA (12/31/2010) and the Blue Collar and White Collar units (both 12/31/2011).

12. *Qualified 'Yes'* - All full-time Blue Collar employees and PBA members work 2080 hours as per their collective negotiations agreements, as do the Police Chief, the water and road superintendents, and our civilian police dispatchers. The collective negotiations agreement for white collar employees sets full-time hours at 35 per week (or 1820 per year). Non-union management employees such as the Borough Administrator, Borough Clerk, CFO, Tax Collector, and DPW Director, although nominally required to work just 35 hours per week, typically work longer hours, in most cases averaging over 40 hours per week.

FINANCIAL MANAGEMENT

Financial Standard

3. *Qualified 'No'* - The 2010 municipal budget was adopted 10 days beyond the extended deadline due to waiting on state aid figures, the difficult decisions that needed to be made in the wake of the loss of significant state aid, and the timing of scheduled meeting dates. The Borough still had to wait another two months for the State to certify the tax levy to the County board of taxation for a rate to be struck so that we could send out our tax bills.
6. *Qualified 'No'* - The Borough has not undertaken a recent revaluation because we believe the large cost to perform the revaluation would outweigh the lost revenue associated with tax appeals and refunds.
7. *Qualified 'Yes.'* Although the Borough does not yet purchase energy through a co-op, the Borough joined the Passaic County Cooperative Pricing system for the purchase of electricity on September 1, 2010, and expects to be enjoying those benefits shortly.
8. *Qualified 'No'* – Although all ledgers for 2009 were completed by the end of the second week in January, the auditor review did not take place until several weeks later and was not received in a timely fashion afterward, resulting in the Borough's 2009 ADS being submitted 20 days late. The Borough has changed auditors for 2010.
9. *Qualified 'No'* - Although all ledgers for 2009 were completed by the end of the second week in January, the auditor review did not take place until several weeks later and was not received in a timely fashion afterward, resulting in the Borough's 2009 AFS being submitted 17 days late. The Borough has changed auditors for 2010.

PUBLIC SAFETY

7. *Qualified 'Yes'* - The Joint Insurance Fund to which the Borough belongs uses First Managed Care Options to manage the medical care for its workers' compensation claims.
7. *Qualified 'Yes'* - Although there is no written agreement, the Borough shares the use of its firing range with units of the Paterson City Police Department.

PUBLIC WORKS

3. *Qualified 'Yes'* - In general, the Borough limits all pick-up of garbage and recyclables to curbside. The exceptions, made for over-all efficiency, are the pick-up of dumpsters at apartment complexes and the pick-up of recyclable metal from businesses, both of which are done on-site rather than at the curb.
8. *Qualified 'No'* - The Borough has run a successful recycling program for years, recycling approximately 75% of its waste stream (well above the 35% target established in Item 4 above in this checklist). This makes it virtually impossible to achieve annual increases of 5%. The Borough should not be penalized for its long-term success in this area.

HEALTH

1. *Qualified 'Yes'* - The Borough meets the statutory requirement in N.J.S.A. 26:3A2-12 for a full-time health officer via an interlocal agreement with the City of Paterson.
3. *Qualified 'Yes'* - Although the Borough does not have an interlocal agreement for a public health nurse, the Borough does meet the objective of cost-savings in this regard by having only a part-time public health nurse (approximately half-time) in its health division.

ENERGY & UTILITIES

1. *Qualified 'Yes'* - The Borough is presently reviewing the draft report of an energy audit performed pursuant to the Clean Energy Program, and expects to implement the most promising recommendations on receipt of the final report.