

Anton Lahnston, Chairman
Princeton Consolidation and Shared Services Study Commission
c/o Princeton Township Clerk
400 Witherspoon Street
Princeton, NJ 08540
June 6, 2011

Mr. Marc Pfeiffer, Deputy Director
Division of Local Government Services
New Jersey Department of Community Affairs
101 South Broad Street
PO Box 803
Trenton, NJ 08625

Dear Mr. Pfeiffer:

Subject: Request for transition funds to support the proposed consolidation of Princeton Borough and Princeton Township.

In 2009 the Borough and Township's governing bodies initiated an effort to explore the potential benefits of consolidating into a single municipality and -- as you know -- short of full consolidation, further sharing services in police and public works. Following a public hearing in December 2009, the governing bodies received approval from the Local Finance Board to create a Joint Consolidation / Shared Services Study Commission. Following nearly a year of intensive study, the Commission adopted the following resolution on May 25, 2011:

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

The plan recommended by the Commission sets forth consolidations across all municipal departments. At full implementation, it is expected that those consolidations will produce efficiencies totaling approximately \$3.1 million. The direct tax impact of consolidation would result in annual savings of \$201 for the average Borough property, and \$240 for the average Township property. When the secondary impacts of consolidation are factored in, the average Borough property would see total savings (*i.e.* tax and non-tax) of \$591, while the average Township property would see total savings of \$416.*

We come before you now to request funding to support us to make consolidation a reality.

The transition costs presented herein have been identified and analyzed by the Commission, with assistance from its outside consultant (CGR Inc.), key stakeholders and department heads in both municipalities.

* This estimate is based on 2011 data and includes the impact of equalizing county and school taxes. The effect of equalization will change over time and cannot be predicted with total certainty.

The attached documentation includes the following:

- Anticipated Transition Costs for Consolidation
- Draft Report of Official Recommendations
 - Recommendations and Rationale
 - Appendices
 - i. Summary of residential tax and non-tax impacts from consolidation
 - ii. Other considerations regarding consolidation

We are very proud of the analysis in which we engaged and the recommendations presented in the following documentation. It is consistent with the request from our New Jersey State Government to strive for consolidated municipalities and services, and it provides a terrific model which others may choose to follow. Support from the State of New Jersey for the transition costs that are enumerated in the attached would certainly send a powerful message to municipalities considering consolidation as well as to our own governing bodies and residents in the two Princetons.

With urgency, I look forward to discussing this proposal further with DCA.

Yours truly,

Anton Lahnston

Anton Lahnston
Chairman, Joint Consolidation / Shared Services Study Commission

Anticipated Transition Costs for Consolidation

Costs by Category

Salary Harmonization

These are estimated costs related to the “leveling up” of salaries for common-titled positions in merging Borough and Township departments. The largest harmonization cost, in the Police Department, is based upon a positional compensation analysis completed by the Township PD to support the Police Subcommittee’s work. The police cost is a “day one” maximum, which would decline as the recommended plan moved toward full implementation and a reduction in sworn personnel from 60 to 51.

Police Department	\$225,000
Public Works	\$50,000
Other	\$25,000
Total	\$300,000

Supplies and Equipment

These are estimated costs related to the consolidation of the Police Department. The uniform and weaponry costs are based on estimates provided by the Township PD to support the Police Subcommittee’s work, and assume that each sworn officer is outfitted with a standard uniform and weapon. The estimated communications cost was determined by the Police Subcommittee as the likely investment required to add a third dispatch console (enabling a merger of the two 911-dispatch operations); purchase standard portable radios; install standard Mobile Data Terminals in police vehicles; and address miscellaneous technology integration requirements.

Police Uniforms	\$282,000
Police Weaponry	\$24,000
Police Technology	
Dispatch furniture	\$18,000
Radio console modifications	\$68,750
911 system modifications	\$66,500
Additional CAD licenses	\$10,000
Additional RMS licenses (x2)	\$4,000
Evidence data conversion	\$55,000
CAD training (x3)	\$4,000
Dispatch touch screens (x2)	\$5,000
Dispatch monitors (x6)	\$3,000
PC workstations (x5)	\$4,000
GPS-AVL (x10)	\$1,380
Mobile radio XTL5000 (x10)	\$50,000
Portable radios TK-3180 (x30)	\$21,000
Base station radios (x2)	\$10,000
Servers: MobileVision, DataEx	\$12,000
Voice mailbox bundles (x30)	\$7,500
MDT system licenses (x10)	\$13,511
MDT Datalux Tracer (x10)	\$47,000
Mobile Airlink Modem (x10)	\$6,950
Total	\$713,591

Legal

These estimated costs are related to legal and related services that would be required to facilitate consolidation, particularly during the transition year. The general legal fee assumes 375 hours of outside counsel time (at \$200/hour). The consolidated code book fee is based on the estimate developed for the Sussex/Wantage consolidation. The process of consolidating collective bargaining agreements may generate additional attorney costs (125 hours are assumed herein), although the State's Public Employment Relations Commission is authorized to provide technical assistance per NJSA 40A:65-27.

General Legal	\$75,000
Consolidate Code Book	\$20,000
Transfer Titles	\$15,000
<u>Consolidate CBAs (Legal)</u>	<u>\$25,000</u>
Total	\$135,000

Incidental – Organizational

There are several potential cost categories regarding incidental personnel/organizational items. Estimated costs for drafting/reviewing new personnel policies assume 75 hours of attorney work.

Draft new personnel policies	\$15,000
New procedure manuals	\$15,000
<u>Severance and/or buyout (legal)</u>	<u>\$15,000</u>
Total	\$45,000 +

***** Retirement Incentives *****

It is possible that a certain number of employee buyouts will be utilized to implement consolidation, although the matter needs further consideration. It is presently being reviewed in greater detail by the Commission and both municipalities. Though costs related to any such retirement incentive are likely, their actual amounts are indeterminate at the present time.

Incidental – Identity

There are several potential cost categories regarding incidental identity and signage items. Vehicle signage costs are based in part on estimates submitted by the Township Police Department to support the Police Subcommittee's work, and would cover removal of old vehicle logos and application of new ones for Police and Public Works. Other signage costs are based on analysis by the Township Engineering Department. Official forms include items such as summons, construction permits, and the like.

Vehicle signage	\$50,000
Stationery	\$10,000
Official forms	\$15,000
Identity/Logo/Graphics	\$15,000
Website Redesign	\$10,000
<u>Signage (Buildings, Streets)</u>	<u>\$25,000</u>
Total	\$125,000

Incidental – Transitional

There are several potential cost categories regarding the actual physical transition, including physical relocation; a Master Plan update; and anticipated implementation consultation services required during the transition year.

Implementation consultation	\$100,000
Master plan revision	\$40,000
Transition team/task forces	\$15,000
Moving costs (physical)	\$35,000
Moving costs (technology)	\$35,000
Reconciliation of computers	\$80,000
<u>Reconciliation of phone system</u>	<u>\$80,000</u>
Total	\$385,000

Summary of Costs:

Salary Harmonization	\$300,000
Supplies and Equipment	\$713,591
Legal	\$135,000
Incidental / Organizational	\$45,000
Incidental / Identity	\$125,000
Incidental / Transitional	\$385,000
Total	\$1,703,591