

Shared Services Proposal

Justification:

With Governor Jon Corzine's proposed funding reductions in state aid to small municipalities across New Jersey, all of the municipalities in Hunterdon County are facing significant cuts. Compounding the loss of state aid is the proposal by the legislature and the governor to require rural municipalities to partially reimburse the New Jersey State Police for its police services. Eleven such municipalities are situated in Hunterdon County. One, East Amwell, has already undertaken a shared-services study to merge with the City of Lambertville and West Amwell Township.

The Office of the Sheriff is in the best position to offer a more cost efficient alternative to those municipalities facing cuts in state aid and reimbursement costs to the New Jersey State Police. The Sheriff believes that her Office, with an administrative structure and physical plant already in place, can, through the creation of a patrol division, meet the police needs of the residents of the affected locales and provide more efficient and more comprehensive police services at a significantly reduced cost.

Municipalities:

The Sheriff's Office's proposed Patrol Division would offer comprehensive patrol (active and passive) and investigative services to the following municipalities: Alexandria Township, Bethlehem Township, Bloomsbury Borough, Glen Gardner Borough, Hampton Borough, Kingwood Township, Lebanon Borough, Milford Borough, Stockton Borough, and Union Township.

The estimated combined population of these municipalities is 26,696, according to the 2004 updated census information.

The total number of housing units equals 9,012.

The total square mileage equals 111.65.

The combined road miles in these municipalities are 395.8.

Municipal Rankings:

By Population (% of total)

Union Township	6,373	(23.9%)
Alexandria Township	4,943	(18.5%)
Bethlehem Township	3,994	(15.0%)
Kingwood Township	3,978	(14.9%)
Glen Gardner Borough	1,993	(7.5%)
Hampton Borough	1,589	(6.0%)
Milford Borough	1,201	(4.5%)
Lebanon Borough	1,162	(4.4%)
Bloomsbury Borough	899	(3.4%)
Stockton Borough	564	(2.1%)
TOTAL	26,696	

By Housing Unit (% of total)

Union Township	1,725	(19.1%)
Alexandria Township	1,598	(17.7%)
Kingwood Township	1,422	(15.8%)
Bethlehem Township	1,303	(14.5%)
Glen Gardner Borough	829	(9.2%)
Hampton Borough	574	(6.4%)
Milford Borough	484	(5.4%)
Lebanon Borough	477	(5.3%)
Bloomsbury Borough	342	(3.8%)
Stockton Borough	258	(2.9%)
TOTAL	9,012	

By Road Mile (% of total)

Alexandria Township	92.1	(23.3%)
Kingwood Township	85.0	(21.5%)
Union Township	80.1	(20.2%)
Bethlehem Township	76.7	(19.4%)
Lebanon Borough	13.5	(3.4%)
Glen Gardner Borough	13.2	(3.3%)
Hampton Borough	11.7	(3.0%)
Milford Borough	10.1	(2.6%)
Bloomsbury Borough	9.2	(2.3%)
Stockton Borough	4.2	(1.1%)
TOTAL	395.8	

By Square Mile (% of total)

Kingwood Township	35.7 (32%)
Alexandria Township	27.75 (24.9%)
Bethlehem Township	21.8 (19.5%)
Union Township	20.5 (18.4%)
Glen Gardner Borough	1.6 (1.4%)
Hampton Borough	1.5 (1.3%)
Milford Borough	1.3 (1.2%)
Bloomsbury Borough	1.0 (.009%)
Lebanon Borough	0.9 (.008%)
Stockton Borough	0.6 (.005%)
TOTAL	111.65

Overall Ranking Percentages	Pop.	Hous.	R.Mile	Raw Total	Comprehensive Percentage
Union Township	23.9	19.1	20.2	63.2	21.07%
Alexandria Township	18.5	17.7	23.3	59.5	19.83%
Kingwood Township	14.9	15.8	21.5	52.2	17.40%
Bethlehem Township	15.0	14.5	19.4	48.9	16.30%
Glen Gardner Borough	7.5	9.2	3.3	20.0	6.67%
Hampton Borough	6.0	6.4	3.0	15.4	5.13%
Lebanon Borough	4.4	5.3	3.4	13.1	4.37%
Milford Borough	4.5	5.4	2.6	12.5	4.17%
Bloomsbury Borough	3.4	3.8	2.3	9.5	3.17%
Stockton Borough	2.1	2.9	1.1	6.1	2.03%

Personnel:

The Patrol Division would consist of a Chief Sheriff's Officer, a Sergeant, three (3) Corporals, twelve (12) Sheriff's Officers, and two (2) Investigators.

Sheriff's Office's Costs:

Chief Sheriff's Officer Salary	\$65,000
Sergeant's Salary	\$62,500
Corporals Salaries	\$120,000
Sheriff's Officer salaries (1)	\$480,000
Sheriff's Investigators' Salary	\$80,000
Employee benefits (2)	\$411,825
Overtime	\$35,000
Sheriff's Officer Equipment (uniforms, weapons, ammo, etc.) (3)	\$45,000
Fuel (1583 miles/day x 7 days x 52 weeks = 576,212 miles @ 15 MPG = 38,414 gallons x \$2.25/gallon) (4)	\$86,432
Vehicles (5 patrol cars, 1 unmarked, 1 SUV) (5)	\$215,000
Vehicle Equipment (MDT, Radar, in-car camera, etc.) (6)	\$30,000
Vehicle Outfitting (window tinting, security glass, lights, etc.) (7)	\$6,000
Vehicle Engine/Body Maintenance (8)	\$17,500
Administrative Fee (4% of total cost)	<u>\$65,771</u>
TOTAL	\$1,720,028

Cost Analysis:

Per Municipality by Comprehensive % (8):

Union Township	\$362,410	21.07%
Alexandria Township	\$341,082	19.83%
Kingwood Township	\$299,285	17.40%
Bethlehem Township	\$280,365	16.30%
Glen Gardner Borough	\$114,726	6.67%
Hampton Borough	\$88,237	5.13%
Lebanon Borough	\$75,165	4.37%
Milford Borough	\$71,725	4.17%
Bloomsbury Borough	\$54,525	3.17%
Stockton Borough	\$34,917	2.03%

Per Housing Unit:	\$190.86:Unit	#Units	%
Union Township	\$329,234	1,725	19.1%
Alexandria Township	\$304,994	1,598	17.7%
Kingwood Township	\$271,403	1,422	15.8%
Bethlehem Township	\$248,691	1,303	14.5%
Glen Gardner Borough	\$158,223	829	9.2%
Hampton Borough	\$109,554	574	6.4%
Milford Borough	\$92,376	484	5.4%
Lebanon Borough	\$91,040	477	5.3%
Bloomsbury Borough	\$65,274	342	3.8%
Stockton Borough	\$49,242	258	2.9%

Per Road Mile:	\$4,346:Mile	Miles	%
Alexandria Township	\$400,267	92.1	23.3%
Kingwood Township	\$369,410	85.0	21.5%
Union Township	\$348,115	80.1	20.2%
Bethlehem Township	\$333,338	76.7	19.4%
Lebanon Borough	\$58,671	13.5	3.4%
Glen Gardner Borough	\$57,367	13.2	3.3%
Hampton Borough	\$50,848	11.7	3.0%
Milford Borough	\$43,895	10.1	2.6%
Bloomsbury Borough	\$39,983	9.2	2.3%
Stockton Borough	\$18,253	4.2	1.1%

By Population:	\$64.43:Person	Pop.	%
Union Township	\$410,612	6,373	23.9%
Alexandria Township	\$318,477	4,943	18.5%
Bethlehem Township	\$257,333	3,994	15.0%
Kingwood Township	\$256,303	3,978	14.9%
Glen Gardner Borough	\$128,409	1,993	7.5%
Hampton Borough	\$102,379	1,589	6.0%
Milford Borough	\$77,380	1,201	4.5%
Lebanon Borough	\$74,868	1,162	4.4%
Bloomsbury Borough	\$57,923	899	3.4%
Stockton Borough	\$36,339	564	2.1%

The final cost analysis demonstrates, at least to this writer, that the most equitable measure is by housing unit. It reduces the costs for the larger townships and, thus, makes them more likely to participate. On the other hand, it increases costs to the smaller boroughs by offsetting their advantages of fewer roads. The calculations by population or road miles, however, provides artificially low figures for the boroughs. In truth, Stockton Borough could never provide itself comprehensive police services for \$18,253, \$34,917 or \$36,339. Even \$49,242 is a tremendous bargain. Finally, the utilization of costs per housing unit by the Sheriff's Office permits the municipalities to evaluate their costs directly against the proposed costs of the New Jersey State Police.

By Hour:

It appears impossible at this time to accurately assess a per-hour cost for each municipality. Too many variables are still unknown (i.e., how many municipalities will participate; of those that do, are they seeking part- or full-time coverage, etc.). An average per-hour rate (e.g., simply taking the total cost and divide it by the number of hours in a year and then divide same by ten municipalities) is too simplistic, and does not provide an accurate figure because it would be far too high for a borough such as Stockton, and far too low for a township like Alexandria.

Moreover, even using the per-housing cost price and breaking same down by the hour does not work, as the following table demonstrates. The table shows the hourly rate if the municipality participates on a full-time, 24/7/365 basis. The table also shows the hourly rate if the municipality seeks only part-time coverage. For 12/7/365, the hourly rate was increased by 50% of the full coverage rate because some costs are fixed (i.e., a patrol car is needed whether the coverage is for 24 or 12 hours, etc.). This 50% increase is not based on anything other than estimations. There are 8,760 hours in a year. Obviously then, 12/7/365 would equal 4,380 hours.

Per Housing Unit:	Total Cost:Unit	24/7/365 Hourly Rate	12/7/365 Hourly Rate
Union Township	\$329,234	\$37.58	\$56.38
Alexandria Township	\$304,994	\$34.82	\$52.22
Kingwood Township	\$271,403	\$30.98	\$46.47
Bethlehem Township	\$248,691	\$28.39	\$42.58
Glen Gardner Borough	\$158,223	\$18.06	\$27.09
Hampton Borough	\$109,554	\$12.51	\$18.76
Milford Borough	\$92,376	\$10.55	\$15.82
Lebanon Borough	\$91,040	\$10.39	\$15.59
Bloomsbury Borough	\$65,274	\$7.45	\$11.18
Stockton Borough	\$49,242	\$5.62	\$8.43
AVERAGE		\$19.64	

As one can see, it would be impossible for the Sheriff's Office to provide the boroughs with comprehensive, 24/7/365 coverage for hourly rates under \$20. So how does one solve the dilemma? At this point, even using the New Jersey State Police's per-housing unit cost, with a 10% discount, and then dividing that figure by the number of hours in a year doesn't work for the boroughs. Although the hourly rate increased, the rate is still far too low.

Per Hour:	NJSP: Hsg Unit	HCSO Hourly Rate
Union Township	\$495,075	\$50.86
Alexandria Township	\$458,626	\$47.12
Kingwood Township	\$408,114	\$41.93
Bethlehem Township	\$373,961	\$38.42
Glen Gardner Borough	\$237,923	\$24.44
Hampton Borough	\$164,738	\$16.93
Milford Borough	\$138,908	\$14.27
Lebanon Borough	\$136,899	\$14.06
Bloomsbury Borough	\$98,154	\$10.08
Stockton Borough	\$74,046	\$7.61
AVERAGE		\$26.57

If one were to use the average hourly rate under our per-housing unit cost or the discounted NJSP's per-housing unit cost, \$19.64 and \$26.57 respectively, the costs to a borough like Stockton to pay at either hourly rate for 12/7/365 coverage would exceed the cost of full

coverage. At \$19.64 per hour, part-time coverage would cost Stockton Borough \$86,023. At \$26.57, the cost would be \$116,377.

Cost Comparison to New Jersey State Police:

The information provided to the Sheriff's Office is that the New Jersey State Police are seeking compensation per housing unit. The cost per housing unit is allegedly \$287 per housing unit. The Sheriff's projected total costs are \$1,720,028. At \$287 per housing unit and 9,012 housing units involved, the NJSP's total projected cost to these municipalities would total \$2,586,444. This represents a difference of \$866,416 or approximately 50% higher.

Per Housing Unit:	\$287:Unit	\$190.86:Unit	#Units	Savings
Union Township	\$495,075	\$329,234	1,725	\$165,841
Alexandria Township	\$458,626	\$304,994	1,598	\$153,632
Kingwood Township	\$408,114	\$271,403	1,422	\$136,711
Bethlehem Township	\$373,961	\$248,691	1,303	\$125,270
Glen Gardner Borough	\$237,923	\$158,223	829	\$79,700
Hampton Borough	\$164,738	\$109,554	574	\$55,184
Milford Borough	\$138,908	\$92,376	484	\$46,532
Lebanon Borough	\$136,899	\$91,040	477	\$45,859
Bloomsbury Borough	\$98,154	\$65,274	342	\$32,880
Stockton Borough	\$74,046	\$49,242	258	\$24,804

Revenues:

In addition to saving participating municipalities money, the Sheriff's proposal would also generate revenue for the municipalities. Currently, because the New Jersey State Police write all of the motor vehicle tickets and complaints in these locales, the municipalities only receive court costs. The State of New Jersey obtains all of the fines. Through a shared services agreement, the County and the municipalities could split the revenue generated by the Sheriff's Office.

Because no detailed information regarding motor vehicle tickets, summons or other complaints specific to these particular municipalities, data from other sources was used for comparison and estimation purposes. The municipal court-generated revenues for Clinton Township and Hopewell Township, one municipality within Hunterdon County and one that borders the county, were utilized. Both have their own police forces. Clinton Township has 13,788 citizens and is 33.9 square miles. Hopewell Township has a population of 17,742 and covers 60.4 square miles. Combined, they have a population of 31,530 and a square mileage of 94.3 miles. According to both townships 2007 budgets, revenue generated by their municipal courts totals \$668,325 (Clinton Twp. - \$285,000, Hopewell Twp. \$383,325). Revenue analysis shows that Hopewell Township's municipal court generated \$6,346 per square mile, and \$21.61 per citizen. Clinton Township generated \$8,407 per square mile, and \$20.67 per citizen.

Although the two townships combined have a larger population than the nine potential municipalities in Hunterdon (31,530 v. 26,696), the two townships square mileage is somewhat smaller (111.65 v. 94.3)

Because of the similarities in revenue generated based on population, the average of those two figures (\$21.20) will be used. If the nine municipalities generated \$21.20 per citizen, the combined revenue would total \$565,955. If the County retained 50% of the revenue and the remainder were divided revenue based on population of the municipalities, each would receive the following approximate amount:

By Population	
Hunterdon County	\$282,978
Union Township	\$67,632
Alexandria Township	\$52,351
Bethlehem Township	\$42,447
Kingwood Township	\$42,164
Glen Gardner Borough	\$21,223
Hampton Borough	\$16,979
Milford Borough	\$12,734
Lebanon Borough	\$12,450
Bloomsbury Borough	\$9,621
Stockton Borough	\$5,943

Cost Estimates if fewer Municipalities Participate:

Only two townships (Union and Bethlehem) and three Boroughs (Hampton, Milford and Stockton) participate. The Patrol Division's staffing would be reduced to 1 sergeant, 3 corporals, 6 Sheriff's Officers and 1 Investigator.

Sergeant's Salary	\$62,500
Corporals Salaries	\$120,000
Sheriff's Officer salaries	\$240,000
Sheriff's Investigators' Salary	\$40,000
Employee benefits	\$235,875
Overtime	\$15,000
Sheriff's Officer Equipment (uniforms, weapons, ammo, etc.)	\$30,000
Fuel (731 miles/day x 7 days x 52 weeks = 266,084 miles @ 15 MPG = 17,739 gallons x \$2.25/gallon)	\$39,913
Vehicles (3 patrol cars, 1 unmarked, 1 SUV)	\$155,000
Vehicle Equipment (MDT, Radar, in-car camera, etc.)	\$20,000
Vehicle Outfitting (window tinting, security glass, lights, etc.)	\$4,000
Vehicle Engine/Body Maintenance (7)	\$15,000
Administrative Fee (4% of total cost)	<u>\$39,092</u>
TOTAL	\$1,016,380

Municipal Rankings:

By Population (% of total)

Union Township	6,373	(46.4%)
Bethlehem Township	3,994	(29.1%)
Hampton Borough	1,589	(11.6%)
Milford Borough	1,201	(8.8%)
Stockton Borough	564	(4.1%)
TOTAL	13,721	

By Housing Unit (% of total)

Union Township	1,725	(39.7%)
Bethlehem Township	1,303	(30.0%)
Hampton Borough	574	(13.2%)
Milford Borough	484	(11.1%)
Stockton Borough	258	(5.9%)
TOTAL	4,344	

By Road Mile (% of total)	
Union Township	80.1 (43.8%)
Bethlehem Township	76.7 (42.0%)
Hampton Borough	11.7 (6.4%)
Milford Borough	10.1 (5.5%)
Stockton Borough	4.2 (2.3%)
TOTAL	182.8

Cost Analysis:

Per Housing Unit:	\$233.97:Unit	#Units
Union Township	\$403,598	1,725
Bethlehem Township	\$304,863	1,303
Hampton Borough	\$134,299	574
Milford Borough	\$113,241	484
Stockton Borough	\$60,364	258

Cost Comparison to NJSP:

Per Housing Unit:	\$287:Unit	\$233.97:Unit	#Units	Savings
Union Township	\$495,075	\$403,598	1,725	\$91,477
Bethlehem Township	\$373,961	\$304,863	1,303	\$69,098
Hampton Borough	\$164,738	\$134,299	574	\$30,439
Milford Borough	\$138,908	\$113,241	484	\$25,667
Stockton Borough	\$74,046	\$60,364	258	\$13,682

NOTES

- (1) - Salary is based on the maximum contractual amount the Sheriff can hire a trained officer.
- (2) - Benefits are calculated at 51% of salary, according to the memo from Hunterdon County Human Resources memo dated _____, 2008.
- (3) - The base number is estimated at \$3,000 per officer, with fifteen (15) officers needing to be equipped.
- (4) - With 395.8 total road miles, 1583 per day mean every road mile is patrolled four times a day.
- (5) - The six (6) sedans were estimated at \$30,000 per, while the SUV was estimated at \$35,000.
- (6) - The estimated costs to fully equip the six (6) vehicles (5 patrol cars & SUV) was \$5,000 per vehicle.
- (7) - The estimated cost to outfit each vehicle (decals, window tinting, security cage & glass, lights, etc.) is \$1,000.
- (8) - The estimated cost for vehicle engine and body maintenance is \$2,500 per vehicle.
- (9) - Amounts were rounded up or down.