

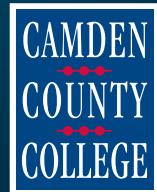
TRANSFORMATION

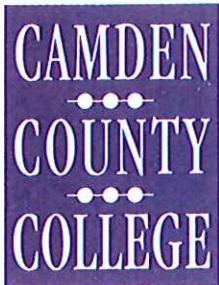
camden  county

INITIATIVE

3rd Quarter Report
September 1 - November 30, 2009

Louis S. Bezich
Principal Investigator





January 19, 2010

Hon. Louis Cappelli, Jr.
Members, Camden County Board of Freeholders
520 Market Street, 15th Floor
Camden, NJ 08102-1375

RE: Camden County Transformation Initiative Third Quarter Report

Dear Director Cappelli and Freeholders:

I am pleased to present Camden County Transformation Initiative's Third Quarter Report for the period September 1, 2009 through November 30, 2009. Progress has continued as we move toward the completion of our first year.

The report contains recommendations for the consolidation of several support functions. Together, these actions represent structural changes consistent with our mission. The proposals have the ability to improve the effectiveness of the services and produce long-term savings. In at least one area, our work suggests that change is not appropriate and would not yield any benefits at this time.

In those areas requiring more extensive research and analysis we have moved forward by completing the tasks required to conclude our findings and ultimately prepare recommendations. Finally, our use of small-scale "pilot" projects has also had a positive yield, providing us with the basis to embark on a more extensive investigation.

The ongoing support of the Board of Freeholders is greatly appreciated.

Sincerely,

CAMDEN COUNTY COLLEGE

L
Louis S. Bezich
Vice President-Administrative Services

LSB/tp

William G. Rohrer
Center
1889 Rt. 70 East
Cherry Hill, NJ 08003
(856) 874-6000

Executive Summary

The quarter ending November 30th produced a number of recommendations for consolidations. Chief among them are: the creation of a self-insured insurance pool for property and casualty insurance, consolidation of publications, greater use of alternative media for citizen communication, expansion of the courier service pilot program, consolidated security and compliance functions and unified human resource initiatives.

Additionally, progress continued on those areas requiring more extensive analysis: building maintenance, custodial, grounds, fleet management, the virtual law firm, and information technology. Seven coordinating committee meetings were conducted during the quarter.

In some instances, the research results demonstrated that consolidation should not be pursued. For example, investigation into health insurance for the three County organizations in the New Jersey State Health Benefits Plan concluded that despite a projected 23% increase in State premiums, the State plan was still more economical than consolidating into the County's insurance plan.

On September 15th, Principal Investigator Louis Bezich presented a PowerPoint report to the Board of Freeholders on the Initiative's second quarter results consistent with the terms of the College/County shared services agreement. A briefing of the Courier-Post Editorial Board was conducted on October 8th and on October 9th an article summarizing the report was published. The article is attached in the Appendix.

Of particular note this quarter was the publication of research from the Pew Charitable Trust Foundation. Pew studied how 13 major cities across the country were dealing with the economic downturn. Contrary to the structural changes embodied in the Camden County Transformation Initiative, none of the 13 cities studied implemented any fundamental changes to how their governments operated. Rather, they opted for quick fixes. The findings confirmed the need for local governments to take a harder look at the operations of their entities and more generally represent an endorsement of the Transformation Initiative. In response to this research, an opinion essay concerning the Pew research and its implication for Camden County was written by Louis Bezich and published in the *Philadelphia Inquirer* on December 20th. It is contained in the Appendix.

The following is a summary of highlights from the third quarter:

- The Second Quarter Report was submitted and PowerPoint presentation delivered to the Board of Freeholders on September 15th.

- Public dissemination of the second quarter results was accomplished through a meeting with the Courier-Post Editorial Board on October 8th and an article published in the *Courier-Post* on October 9th.
- A cost allocation model was developed to produce unit costs for building maintenance, janitorial, groundskeeping and fleet management functions. Preliminary data required for the unit cost analysis was collected and provided to the cost accountant.
- The property and casualty insurance study was completed with a recommendation to form a County self-insurance pool. The pool is modeled on the highly successful municipal “Joint Insurance Fund” or “JIF” approach that has been employed in New Jersey for many years. Further, the study recommends Camden County’s participation in an inter-county pool for excess coverage. The excess pool is modeled after an equally successful municipal model known as the Municipal Excess Liability Fund or “MEL.” Over time, this approach has reduced insurance costs for municipalities in the range of 30%. In Camden County similar savings would generate well in excess of \$1 million annually.
- Research on health insurance coverage for the College, Technical School and Social Services Board resulted in a recommendation not to consolidate these organizations into the County plan.
- On September 23rd, the IT team presented its recommendations for the general architecture and software to construct the “virtual law firm”. The team identified SharePoint as the recommended software. The model and layout of the site was completed and approved by County Counsel. Data collection of legal materials for the site was initiated.
- A tour of the print shops within the County system was conducted on September 1st by the Berkshire Group and County officials to assess printing resources and capabilities. Findings from the tour are incorporated into the recommendations of the Publications Committee.
- The Publications Committee completed an inventory of County-wide publications and presented these findings along with a series of recommendations for centralized citizen communications. In sum, the recommendations include the consolidated procurement of outside printing, greater use of in-house printing capabilities, consolidated publications and greater use of alternative media. Collectively, these initiatives are projected to yield a savings in excess of \$300,000 and improve citizen communications (see Appendix).

- A consolidated exterminating bid was issued and received. Five county agencies participated. The pricing was \$6,000 lower than the prior year reflecting a savings of 15%.
- The Security Committee met on November 5th and identified a number of security, security-related and compliance functions that could be managed on a consolidated, County-wide basis. These functions or areas include: technology, security assessments, emergency operations planning, and equipment procurement (i.e., fire suppression, access control, CCTV, locksmith, safety training). With annual expenditures in these areas in the range of \$5-\$6 million annually, over time, a conservative savings of 10%-20% could yield savings in excess of \$1 million.
- The courier service pilot project between the County and the College implemented in the second quarter was deemed successful. As a result, a more comprehensive, County-wide study was commissioned this quarter with the goal of assessing an inter-County “Fed-Ex” model that consolidates all courier services.
- IT survey findings were presented to the CEOs on September 23rd with consensus on further investigation into consolidation of several IT functions. At the October 26th meeting of the IT Committee, an action plan was developed. Exploration continues on a consolidated IT Response Team that could serve multiple organizations, particularly where the county affiliates are in close proximity.
- At the CEO meeting of September 23rd, Jim Lex (CCIA) presented a geographic mapping of all the County facilities by location. The mapping graphically displays clustering of County facilities and entities and serves as a useful tool for analysis of consolidation opportunities based on proximity (see Appendix).
- The Human Resource Committee completed the drafting of policies on absenteeism, sick leave abuse and limits on medical leave. The policies were presented to the CEO Committee on September 23rd and consensus was reached on the adoption of the policies county-wide. As of the end of the quarter, several entities have adopted the policies. More are expected to adopt in the fourth quarter. In addition, the committee presented a wide range of projects to support the new policies. These projects include: research into automated timekeeping systems, attendance reporting, and supervisory training programs.

Scheduled actions and key events for the fourth quarter:

- Adoption of the absenteeism policies by additional organizations and implementation of some of the supporting projects.
- Creation of the insurance commission.
- Research into expansion of consolidated courier services.
- Additional mapping – employees by geographic cluster.
- CEO briefings and planning for year-end public forum.