Best Practices Worksheet CY 2016/SFY2017

| | | Dumont Borough (Bergen) | |
|---|---|---|---|
| 0210 | | *Please see Color Key at bottom of sheet for limits on answers* | |
| | Answer | Question | Comments |
| | | General Management - GM | |
| 1 | Yes | Has your municipality 1) explored all potential shared service opportunities; and 2) filed a copy of all shared service agreements presently in effect for which it provides the service, along with any amendments thereto, with the Division (excluding cooperative purchasing agreements governed by the Local Public Contracts Law)? **In the Comments section, please identify all explored all potential shared service opportunities, whether an agreement resulted and, where no agreement was reached, the reason(s) why.** | **Bergenfield Shared Municipal Building under discussion. Gas & Electricity with County. Northwest Bergen Utilities. Paramus-Repair of Vehicles.** |
| 2 | Yes | Has your municipality adopted a written vehicle use policy prohibiting personal use of municipal vehicles (except for commuting), and providing that employees authorized to use such vehicles for commuting to/from work have a fringe benefit value added to the gross income reported on the employee's W-2 (unless the vehicle meets the "qualified non-personal vehicle" criteria specified by the IRS)? **Only answer "N/A" if your municipality does not have any municipally-owned vehicles.** | |
| 3 | Yes | Active monitoring management of a municipality's ratable base is fundamental to helping ensure fiscal stability. Does your municipality have an established written policy requiring its tax assessor to notify the chief financial officer and the governing body of all tax appeals upon filing, but no later than June 1st each year? | |

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| 4 | Yes | Does your municipality maintain an up-to-date municipal website containing at minimum the following: past three years adopted budgets; the current year's proposed budget (including the full adopted budget for the current year when approved by the governing body); most recent annual financial statement and audits; notification(s) for solicitation of bids and RFPs; and meeting dates, minutes and agendas for the governing body, planning board, board of adjustment and all commissions? | |
| 5 | Yes | A municipality's participation in FEMA's National Flood Insurance Program Community Rating System can lead to significant flood insurance premium reductions for its homeowners. An explanation of the program may be found on FEMA's website at http://www.fema.gov/national-flood-insurance-program/national-flood-insurance-program-community-rating-system, and more information on how the NJDEP's statewide CRS coordinator can assist with improving your rating can be found at http://www.nj.gov/dep/floodcontrol/about.htm. Does your municipality have, or has your municipality made an application to FEMA for, a Community Rating System ranking of at least Class 9? | |

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| 6 | N/A | The "Director's Ratio" (the average ratio of assessed to true market value) for each municipality as determined by the Director of the Division of Taxation, in the Table of Equalized Valuations promulgated annually pursuant to N.J.S.A. 54:1-35.1. A Director's Ratio of lower than 85 percent generally denotes lack of uniformity in assessments and indicates a need for revaluation. N.J.A.C. 18:12A-1.14. If the ratio of assessed values to market values in your municipality is presently **less than 85%**, has your municipality at minimum awarded a contract for the updating of tax maps and earmarked funds in its budget for the hiring of relevant firms and/or professionals? | **Above 85%** |
| 7 | Yes | The Local Government Ethics Law, designed to ensure transparency in government, requires local government officers to file Financial Disclosure Forms. Compliance by local elected officials is particularly important. Have all of your local elected officials filed their Financial Disclosure Form in 2016 that covers the 2015 calendar year? | |
| 8 | Yes | While outside employment by municipal officials can sometimes be acceptable, it is imperative that no conflicts of interest impinge on municipal governance. Does your municipality have 1) an established documented process requiring department heads to submit notice of outside employment, and 2) upon receiving such notice, does your municipality have a documented process within its human resources function to determine whether or not a conflict of interest exists? | |

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| 9 | N/A | Many municipalities have created one or more authorities (including fire districts, utilities authorities, redevelopment authorities, housing authorities, port authorities, etc.) to provide greater focus and attention on addressing a public need, or to reduce governing body burdens. While creation of an authority is often appropriate, and many authorities successfully fulfill their missions, authorities with weak membership or insufficient local-level monitoring can become wasteful, inefficient and unresponsive to the public they serve. N.J.S.A. 40A:5A-20 allows a local governing body to dissolve an authority subject to certain parameters and with Local Finance Board approval. Municipalities should at least annually assess the authority or authorities they created and publicly discuss their findings and conclusions. Findings and conclusions should address whether their existing authorities 1) continue to serve the public interest, and 2) are more efficient than other potential alternatives in providing services and financing public facilities. Within the past year, 1) has the above-referenced discussion appeared as a listed agenda item on a scheduled governing body meeting, and 2) do the findings and conclusion appear in publicly-available meeting minutes? **Please identify the meeting date under "Comments"** | **No authorities.** |

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| | | **Finance & Audit - FA** | |
| 10 | No | Audit findings address areas needing improvement. Ignoring these findings devalues the process; therefore, municipalities should correct noted deficiencies. Have all audit findings from the 2014 audit been 1) identified in the corrective action plan and 2) addressed such that they are not repeated in the 2015 audit? **If the answer is no, please list the repeat findings, along with the date the corrective action plan was submitted to DLGS, under Comments. Only answer "N/A" if there were no audit findings in 2014.** | **1)Developer's Escrow Procedures comply with N.J. Statutes; 2)Enhancement of Encumbrance System to ensure purchase orders are executed prior to ordering materials;3) Fixed Asset Accounting Records be maintained and integrated with Borough's financial accounting software; 4)Action be taken to collect the outstanding General Capital Fund grant receivable balances or clear them of record; 5) Verification on a monthly basis that various federal and state taxes have been paid by the Borough's payroll service by the required due dates.** |
| 11 | Yes | Payments In Lieu of Taxed (PILOTs) are often used as a tool for economic development. It is imperative that municipalities monitor PILOT agreements to ensure recipients complying with all agreement terms, including but not limited to timely payment and reporting. Does your municipality 1) have an official designated to monitor exemptions granted pursuant to the Long-Term Tax Exemption Law (N.J.S.A. 40A:20-1 et seq.) and Five-Year Exemptions/ Abatements granted pursuant to N.J.S.A. 40A:21-1 et seq., and 2) have in place a documented process for ensuring compliance with the terms of each PILOT agreement? | |
| 12 | Yes | N.J.S.A. 40A:5-4 requires municipalities to complete their annual audit for the preceding fiscal year within 6 months after the close of their fiscal year. Further, N.J.S.A. 40A:5-6 requires the municipality's auditor to submit a certified duplicate copy of the audit report and recommendations with the Division within 5 days after filing the original with the municipal clerk. Has your municipality received its completed audit for the preceding fiscal year within the statutory timeframe, and confirmed that your auditor has filed a certified duplicate copy of the audit report with the Division? **You may only answer this question "N/A" if the Director expressly granted an extension in response to a governing body resolution petitioning for same.** | |

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| 13 | Yes | Pursuant to N.J.S.A. 40A: 2-40, the chief financial officer each municipality shall, before the end of the first month of the fiscal year, file its Annual Debt Statement with the Division of Local Government Services. The annual debt statement must be filed electronically following the procedure described in Local Finance Notice 2013-3. Did your municipality file its electronic Annual Debt Statement for the preceding fiscal year with the Division no later than January 31 (July 31 for SFY municipalities)? | |
| 14 | Yes | Local Finance Notice 2014-09 contains important information about the need for municipalities that have certain outstanding debt to abide by requirements to annually disclose certain information with respect to financial conditions. The continuing financial disclosure obligations are required by federal law and local agreements executed as part of past issuances of debt. Failure to comply can result in penalties against local governments and individual officers responsible for various filings. Failure to comply can also result in a lack of access to capital markets. Is your municipality up to date and fully compliant with continuing disclosure obligations as discussed in Local Finance Notice 2014-09? | |
| 15 | Yes | The Prompt Payment Law, enacted as P.L. 2006 c.96, establishes timing standards for the payment of obligations under a wide range of construction-related contracts. The law seeks to ensure that contractors submitting bills for completed work are paid on a timely, established schedule, and that the full chain of subcontractors receive timely payment from their hiring contractor. Local Finance Notice 2006-21 discusses the law and its impact on local governments. Have your municipality's claim payment procedures been reviewed by legal counsel and appropriate municipal staff to ensure compliance with the Prompt Payment Law? | |
| 16 | Yes | While the issuance and renewal of bond anticipation notes can be a reasonable and prudent financing mechanism, failing to take advantage of low interest rates on permanent financing can cause municipalities to incur unnecessary carrying costs and inflated costs of issuance. Has your municipality evaluated its outstanding bond anticipation notes and developed a strategy to move toward permanent financing? | |
| | | **Procurement - P** | |

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| 17 | Yes | Pursuant to N.J.S.A. 52:15C-10(a), municipalities (among other government entities) must notify the State Comptroller within no later than 20 business days of awarding most contracts greater than $2 million but less than $10 million. For contracts $10 million or more, N.J.S.A. 52:15C-10(b) requires written notification to the State Comptroller of any negotiation or solicitation no later than 30 days before advertisement; from which point the State Comptroller has 30 days to approve the procurement moving forward unless said period is waived. Further information on the law and applicable forms is available on the State Comptroller's website. Did your municipality comply with the notice and approval provisions of N.J.S.A. 52:15C-10 in the prior year? | |
| 18 | N/A | Pursuant to N.J.S.A. 40A:11-25, the Director of the Division of Local Government Services must approve all prequalification regulations enacted by contracting units subject to the Local Public Contracts Law. Prequalification requirements can be fixed according to experience, financial ability, capital, and equipment. Absent Director approval, bid prequalification regulations are of no force and effect and may not be required as a condition of bid acceptance on any public contract. Local Finance Notice 2016-12 goes into further detail concerning prequalification regulations under the Local Public Contracts Law. Is your municipality following the process set forth in N.J.S.A. 40A:11-25, including seeking Director approval prior to implementing and enforcing all prequalification regulations? **"N/A" is only applicable where the municipality has not adopted any prequalification regulations.** | |
| 19 | Yes | N.J.S.A. 40A:11-5 (a)(i) states that, if a municipality utilizes the professional services exemption from the Local Public Contracts Law, "The governing body shall in each instance state supporting reasons for its action in the resolution awarding each contract and shall forthwith cause to be printed once, in the official newspaper, a brief notice stating the nature, duration, service and amount of the contract, and that the resolution and contract are on file and available for public inspection in the office of the clerk of the [] municipality...". With respect to the award of professional services contracts, is your municipality complying with the above referenced provision of the Local Public Contracts Law? | |

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| | | **Budget Preparation and Presentation - BP** | |
| 20 | Yes | N.J.A.C. 5:30-3.8(a) requires that the introduced annual municipal budget incorporate a User-Friendly Budget section. Is your municipality providing the public with its introduced User-Friendly Budget at least one week prior to the date of the public hearing on adopting the annual budget? | |
| 21 | No | Unless the Director sets forth a later date pursuant to N.J.S.A. 40A:4-5.1, N.J.S.A. 40A:4-5 requires that calendar year municipalities approve their introduced budgets no later than February 10 (or August 10 for state fiscal year municipalities) and N.J.S.A. 40A:4-10 requires that calendar year municipalities adopt their budgets no later than March 20 (or September 20 for state fiscal year municipalities). Did your municipality introduce and adopt its current year budget no later than the dates provided by law or as extended by the Director in Local Finance Notice 2015-27? This question may only be answered N/A if your municipality is under State Supervision or if the Division instructed the municipality to delay budget adoption. | |
| | | **Health Insurance - HI** | |
| 22 | Yes | Does your municipality exclude from healthcare coverage part-time elected and appointed officials (less than 35 hours per week)? **Only answer "yes" if no part-time elected or appointed officials receive health benefits. If your municipality has part-time elected or appointed officials who elect to take State Health Benefits Program (SHBP) health benefits (or receive a waiver for not doing so) by virtue of serving in their position continuously since May 21, 2010, you must answer "No". If you answered "No", please list in the Comments section the name and title of each elected or appointed official receiving either health benefits or a waiver payment in lieu of health benefits.** | |
| 23 | Yes | Is your municipality collecting at least the amount set forth by the Chapter 78 Grid for health benefit contributions (or 1.5% of base salary, whichever is greater) for all officers and employees? | |

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| 24 | Yes | Payments for waivers filed before May 21, 2010, and maintained continuously since, cannot exceed fifty percent (50%) of the amount saved by the local unit as a result of the employee's waiver of coverage. For waivers filed on or after May 21, 2010, which is the effective date of P.L. 2010, c. 2, payments cannot exceed the lesser of twenty-five percent (25%) of the amount saved by the local unit as a result of the waiver, or $5,000. When calculating an employee's waiver payment, the local unit must deduct the employee's healthcare contribution obligation from the total premium cost. Local units have sole discretion as to whether or not to offer employees payments for waiver of health benefits, and may offer waiver payments lower than the statutory maximum. Health benefit waiver payments are statutorily excluded from collective bargaining. See Local Finance Notices 2010-12 and 2016-10 for further discussion on health benefit waiver payments. Does your municipality 1) refrain from paying waiver payments in excess of the statutory maximum; 2) deduct employee healthcare contribution obligations from the total premium cost when calculating waiver payments; and 3) refrain from incorporating healthcare waiver payments in any labor agreement? **"N/A" is only applicable where the municipality has a policy of not making payments in lieu of health benefits.** | |

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| | | **Personnel - PE** | |
| 25 | Yes | The Fair Labor Standards Act (FLSA) is a federal law requiring that overtime pay must be paid for all hours over 40 hours in a work week except for those employees classified as exempt and thus not entitled to overtime. Management employees such as elected officials, managers/administrators, municipal clerks, CFOs, public works superintendents, police chiefs and other department heads are typically classified as having exempt status and thus not entitled to overtime pay. Other municipal employees may also be classified as exempt under the FLSA (you should consult with labor counsel for more detailed guidance). Exempt status would also preclude overtime pay for time worked during emergencies, attendance at night meetings and participation in training sessions. Compensated leave time in lieu of cash payments is considered to be a form of overtime pay unless such leave is utilized in the same pay period. Does your municipality refrain from paying overtime to employees classified as exempt under the FLSA? | |
| 26 | No | For any employees covered by a collective bargaining agreement, has your municipality instituted a policy to not compensate said employees for sick leave accumulated after a certain date? If such provisions were imposed by an arbitrator in binding arbitration but the municipality is seeking to eliminate such a contractual obligation through collective bargaining, your answer can be "N/A". If answering "N/A", the municipality must identify under "Comments" each such provision imposed by an arbitrator, along with the status of the collective bargaining negotiations to eliminate each such provision. | |
| 27 | Yes | Has your municipality instituted a written policy to not compensate non-union employees for sick leave accumulated after a certain date? | |
| 28 | Yes | Has your municipality adopted an ordinance, resolution, regulation or written policy eliminating longevity awards, bonuses or payments for non-union employees? | |

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| 29 | No | For any employees covered by a collective bargaining agreement, has your municipality eliminated all longevity awards, bonuses or payments for employees hired on or after a specified date, and refrained from increasing any longevity awards, bonuses or payments for employees hired before a specified date? The answer to this question can be "N/A" if such provisions were imposed by an arbitrator in binding arbitration but the municipality is seeking to eliminate such a contractual obligation through collective bargaining. If answering "N/A", the municipality must identify under "Comments" each such provision imposed by an arbitrator, along with the status of the collective bargaining negotiations to eliminate each such provision. | |
| 30 | Yes | Employee personnel manuals or handbooks serve as a valuable tool to convey a municipality's policies, procedures and benefits. Many insurance carriers encourage the adoption of such a document and offer discounted rates for their use. These publications should review employees' rights and obligations in areas ranging from discrimination, safety, violence, and harassment to vacation and sick days, holidays, use of township vehicles, smoking and political activity, among others. Has your municipality adopted or updated an employee personnel manual/handbook by resolution or ordinance within the last five years? **If yes, please provide in the Comments section the date of the meeting at which the personnel manual was adopted or updated.** | 4-Oct-16 |
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| | 0 | Select | |
| | 23 | Yes | |
| | 4 | No | |
| | 3 | N/A | |
| | 30 | **Total Answered:** | |
| | | | |
| | 26 | Score (Yes + N/A) | |
| | 87% | Score % | |
| | | | |
| | | **Chief Administrative Officer's Certification** | |
| | | I hereby certify that the information provided in this Best Practices Inventory is accurate | Certification #(s) |
| | | to the best of my knowledge. | |
| | | **Name & Title: Raymond Herr, Administrator** | **14-Oct-16** |
| | | | |
| | | **Chief Financial Officer's Certification** | |
| | | I hereby certify that the information provided in this Best Practices Inventory is accurate | Certification #: N0432 |
| | | to the best of my knowledge. | |
| | | **Name: Raymond Herr** | **14-Oct-16** |
| | | | |
| | | **Municipal Clerk's Certification** | |
| | | I hereby certify that the Governing Body of the <insert Municipality> in the County of | |
| | | <insert County> discussed/will discuss the CY 2016/SFY 2017 Best Practice Inventory as | |
| | | completed herein at a public meeting on <insert date>, with the Inventory results, and the | |
| | | certification thereof by the Chief Administrative and Chief Financial Officers, respectively, to | Certification # C-1468 |
| | | be stated in the minutes of said public meeting. | |
| | | **Name: Susan Connelly** | **14-Oct-16** |
| | | | |