



Citizen's Budget Advisory Committee (CBAC)
Report to the Orange City Council

**RE: Mayor's Recommended Budget
Calendar Year 2020**

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CBAC Members

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- Carol Perkins
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Executive Summary:

An Expanded Vision of Orange

- Firstly, the CBAC wishes to thank the Council for its continued support to keep the CBAC active in the annual Budget process.
- The CBAC intends to inform and improve the budget process in a way that is in the best interest of both the Council and fellow citizens. Further, we remain dedicated to providing the Council with efficient and economical recommendations for a responsible expenditure of Orange's money. If any budgetary concerns are discovered, we intend to uphold our sworn obligation to inform the Council and citizens and offer recommendations for the Council to consider during the deliberation process. Although we are mid-way through the budget year, when making decisions in support or opposition to expenditures both now and the future, please take into consideration the following information.
- To formulate its recommendations, members of the Committee:
 - Attended departmental budget hearings
 - Reviewed and analyzed the introduced budget and **limited** other documents
 - Held informational sessions with the Business Administrations office
 - Reviewed other municipal budget advisory committee documents
 - Read various research, news articles and publications

Executive Summary:

An Expanded Vision of Orange (contd.)

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- The City of Orange, as with other municipalities, has to maintain services while controlling the tax burden on their residents. The CBAC urges the City of Orange, to expand its vision of the future for the benefit of its citizens. This includes:
 - Demilitarize the police department
 - Eliminate Jim-crow era laws; eliminate red-line policies to accelerate the path to homeownership for people of color; cease predatory payment collections while improving business and personal credit; dispel the criminalization of people of color, etc.
 - Increase home ownership for people of color by creating and supporting policies and procedures, e.g., economic and property development projects, shared services and modernizing transportation infrastructure to improve quality of life for all
 - Increasing and promoting mental health and substance abuse programs at no cost to those in need of care
 - Improve transparency in the budget process by documenting the following:
 - Who controls and reprograms the budget vs. what portion the township has control over
 - How the process works and the sources of revenue
 - How spending has changed over time
 - Outlining a vision summary that communicates goals, context, and rationale
 - Visualizing spending by departments and services proportional to the overall budget

CBAC's DEPARTMENTAL RECOMMENDATIONS

Department of Administration

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- a) The CBAC requests the written Regulations for the Towns reprogramming, including
 - a) What is the approval process for reprogramming each budget line item
 - b) Are there metrics reviewed of who does reprogramming? By Whom? Who does the most?
- b) As mentioned in the budget presentation, not of all the salaries were accurate, due to increases from stipends or cost of living, e.g. the BA's salary is overstated by \$5k. The CBAC would like to know which salaries are not accurately presented and why.
- c) The CBAC recommends expenses for postage and office supplies be aggregated across all departments by vendor in order to assess if there are cost savings (if not done already). We are particularly interested in ways that we can centralize certain print projects, purchasing of office materials, and streamline shipping costs with accounts.
- d) Regarding fleet management: Please confirm why vehicle leasing is BA budget item. Even if this line item is for all city vehicles, why is there a maintenance line item in the police department budget.
- e) Regarding the Alcohol Beverage Control Board: Is there, or can there be, a more accurate (e.g., modernized) way of tracking the selling and transferring of liquor licenses.
- e) The CBAC recommends that budget for vacancies of city employees be totaled & tracked in order to have a more accurate spending pattern & gain efficiencies.
- f) The span of control of the BA should be reviewed for operational efficiency
- g) There is currently 1 full-time and 1 part-time Public Defender for the City of Orange. An assessment should be conducted to determine if the Public Defender ratio to cases is reasonably apportioned.

Municipal Council & City Clerk

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- a) The CBAC recommends there be more transparency around professional services
- b) Regarding the way revenue is tracked from the collection of tickets, a report, titled "Municipal Court Operations, Fines, and Fees", released by NJ Supreme Court Committee sought to examine the "public perception that municipalities are increasingly relying on fines from tickets as a source of significant revenue. This calls into question the overall fairness of such practices. Further, the report stated that a "vast majority of monies turned over to municipalities from the courts go to the respective municipality general fund and can be used for any purpose".

The CBAC recommends that the City of Orange provides clarity into how the city uses the money collected from ticketing and how the revenue has changed over the years.

Department of Finance

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- a) The CBAC recommends a tax assessment freeze through 2021, until COVID19 is under control; if not they
- b) Debt Service – CBAC recommends continued support of development project that supports homeownership
- c) Telephone services must be modernized to reduce cost. The CBAC noted that the city needed additional funds for a \$400,000 phone bill.
- d) The CBAC recommends that the pension are continually reviewed so that they are we fully funded
- e) CBAC recommends that an **economic and operational disaster recovery (DR) plan** be instituted and executed. Given the unforeseen catastrophic effect of COVID-19, the city is at risk for furloughs and service cuts.

Department of Law

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- a) There needs to be more transparency around the process for selecting law firms.
 - i. We would like to know what determines which cases will be outsourced to an outside firm and which will be kept in house. To that point, how are firms selected and what is the criteria for devising a list for potential firms?
 - ii. The CBAC is unable to make recommendations without an understanding of the process (ex. Whether or not to reduce the amount of legal work, or whether or not to improve in-house expertise, etc.)

Department of Planning and Development

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- a) Planning and Zoning Board – improve transparency of all meeting minutes and results
- b) Historic Preservation - procedures needs to be developed and publicized about the functions and existence
- c) Inspections & Licenses – streamline how licenses are issued and funds are allocated
- d) Rent Leveling Board – The line item in the budget for this department was only \$200. There needs to be an assessment conducted to determine if this amount is impactful.

Department of Community Services

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- a) The CBAC recommends the City of Orange partners with other municipalities to bring this cost of the animal shelter down given it has been the same for more than 8 years.
- b) CBAC recommends the City of Orange increase expenditure and reserves for federal grants through Federal Emergency Management Agency (FEMA) and state grants/funds for Coronavirus and other city healthcare initiatives as required.
- c) The department's total requested budget seems to be inaccurate, and enough information was not presented for the committee to make an informed statement

Department of Police

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Other police departments are looking to reduce their budgets in the coming years. The City of Orange's police department should do the same and make expense efficiency a part of the Mayor's 4-year plan.

- a) Since crime has significantly gone down over the years and technology has improved, why are there still increases in officers? The city should create a data driven methodology to better manage the number of officers to gain operational and budgetary efficiencies.
- b) We recommend the police department devise a recurring efficiency plan to best capture savings
- c) The CBAC recommends documented procedures and standards around the use of educational stipends, e.g., are they reimbursements for proven completed coursework or a lump sum provided as part of their compensation package. Stipends and clothing allowances should be eliminated through the forthcoming contract negotiations since they are no longer sustainable.
- d) The CBAC opposes the militarization of the police force, as noted through the acquisitions of a police dog, canine vehicle, dog training, semi-automatic military-style weapons and riot gear.
- e) The CBAC recommends that a system of compliance be created that requires Police Officers attest to Outside Business Interests.
- f) There needs to be a system of accountability for planned retirement, departures and new hires to ensure budgeted headcount are sync to actual
- g) There was a plan to move civilian, positions such as crossing guards, out of the police department budget. The
- h) CBAC agrees that this should be separate department in order to lend transparency to the operating costs of the police department.
- i) The CBAC recommends that a process be developed for capturing metrics and data on crime and arrests, making the information, readily, easily and publicly accessible. For example West Orange has a repository of reports on their police department.

Fire Department

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- a) As CBAC recommended last year, evaluate feasibility of **sharing** fire suppression and fire prevention services with adjoining municipalities. Such a reorganization, if approved, would take the form of a **Suburban Essex County Regional Fire District** and would operate as such regional fire districts operate in western states. The CBAC believes significant savings could be affected.
- b) There needs to be a system of accountability for planned retirement, departures and new hires to ensure budgeted headcount are sync to actual

Department of Public works

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- a) Better and more frequent reporting, e.g., monthly with PWC participation,
- b) Water and sewer - Focus and accelerate the self liquidation capabilities of the City's water service to the point where the City budget can be self funding, as per BA and SUEZ presentation last year
- c) Accelerate and provide regular status of water meter digitization effort and the netting of sewage charges for homes with pools and irrigation systems
- d) Snow removal funds- has this been rolled over for 2021 or repurposed for use elsewhere
- e) 2020 road re-pavement - is this \$10mm project still on schedule to be completed by 11/20

Library

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- a) The CBAC has the following recommendations around transparency of the process for:
Audit of all grant money and budget
- i. Library Board of Trustees - establish an effective oversight committee to implement governance and accountability,
 - ii. Monthly operational and spend reports should be provided by the director to the City and appropriate reporting channels,
 - iii. Consideration should be made to convert Library to a technology service, e.g., Library's merge with other area libraries via a digitization transformation plan for unfettered e-access, e.g., to youth and senior citizens

Long Term Recommendations

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The Administration as well as the City Council are charged with the responsibility of good stewardship regarding Orange Residents tax dollars. The installation of the CBAC as a standing committee of the city council would be another step in the right direction to ensure recommendations are adopted in a timely manner and is sustainable. As such, the CBAC recommends the following:

- a) Maintain and increase the involvement of Orange City residents in their municipal budget process.
 - i. The CBAC represents the citizens of Orange and helps to provide a voice to their needs and concerns.
 - ii. Citizens can feel confident that their perspective is taken into consideration every step of the way

- b) Propose CBAC as a Standing Committee to participate in ongoing fiscal oversight and improve transparency
 - i. Every year, the CBAC works diligently to assist the City Council during the budget process. This year's budget presented some opportunities in that more descriptions were included for vendors and expenses . However, transparency for metrics, trends, and key risk indicators remains a challenge.
 - ii. The CBAC can better serve the City Council by working year-round instead of just for the budget review process. In addition, the finance committee should be expanded to include additional CBAC members.
 - iii. The work done in any given budget cycle is excellent preparation for the next cycle. The current CBAC format does not allow for an efficient level of productivity. The CBAC has experienced professionals that could help the council anticipate and prepare for the next budget cycle.