

Jefferson Township

Bringing Business Efficiency to Government

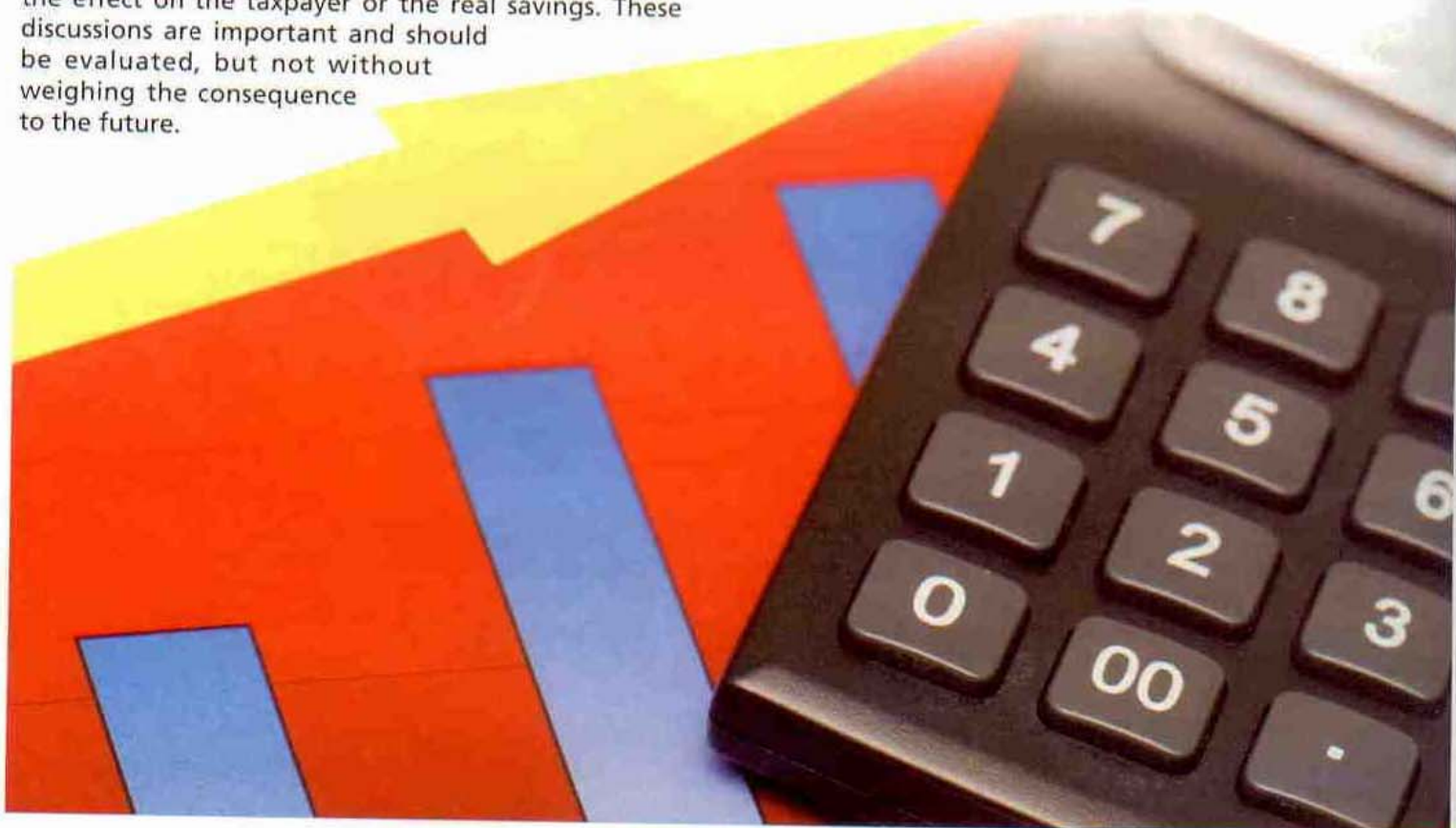


By Russell Felter, Mayor, Jefferson Township & Shawn Hopkins, Chief Technology Officer and Tax Assessor, Jefferson Township

Obtaining efficiency in government is an immediate need and part of the long term solution to help solve the budgetary crisis that all levels face in today's economic climate. In Jefferson Township, we have applied business efficiency frameworks that produced real savings while increasing the level of service.

Our most recent success was the reassessment implemented for 2010, which saved \$328,000 in direct cost; another \$180,000 in future cost and mitigated the potential of \$8,200,000 in tax refunds. The entire process took less than two months and delivered integrated property information over the Internet, a first in the State of New Jersey. Most initiatives proposed today simply deal with cutting positions and consolidating services without thought to the effect on the taxpayer or the real savings. These discussions are important and should be evaluated, but not without weighing the consequence to the future.

OUR MOST RECENT SUCCESS WAS THE REASSESSMENT IMPLEMENTED FOR 2010, WHICH SAVED \$328,000 IN DIRECT COST; ANOTHER \$180,000 IN FUTURE COST AND MITIGATED THE POTENTIAL OF \$8,200,000 IN TAX REFUNDS.



Government is a service industry that has maintained the same processes for a long time. Resolving the issue of delivering these services efficiently and effectively calls for leaders to examine "Which ones are necessary and at what level?" Only after that has been established can we begin to define how to re-engineer the process at hand. To bring innovation into the enterprise, you must have a defined business mission, a clear business strategy and align your technology strategy to create long term efficiencies. Sound project and process management along with technology integration are tools that allow businesses to increase productivity, decrease cost and improve quality.

An organization can effectively reinvent itself when all parties to the process are involved. The workers who deliver these services are an invaluable part to the transformation. Their experience and knowledge defines the organization's core competencies. Leveraging this knowledge will enable us to properly bring change to government performance at all levels.

Reassessment In July of 2008, Jefferson was faced with a declining real estate market, placing the average sales ratio at over 100 percent, an unsustainable situation. In 2006, we implemented a long term strategy of faster market analysis, identified financial metrics and integrated newer technology to enable us to improve the valuation process. This was accomplished using "Strategic Project Leadership" along with business process management techniques. An application for reassessment was submitted in September outlining the market trends and explaining the revised process to be implemented. The application was ultimately denied by the Division of Taxation in November.

April of 2009 brought an over 400 percent increase in tax appeals over the prior year with no chance of defending the stated assessments. To compound the problem, most of the appeals consisted of groups from homogenous neighborhoods with similar properties. Reducing a small group from a neighborhood this year would require the reduction of the entire neighborhood the following year. That would impact 25 percent of the entire ratable base (\$800M).

As the assessor, I decided to perform the reassessment as outlined the previous fall and create a "reassessment prototype" for settling the 2009 tax appeals. Proof of concept for the prototype was established by using the reassessment valuation modeling on 2009 market sales and analyzing the new sales ratio study. The results showed

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statutory compliance with assessed values at—but not exceeding—100 percent market value and coefficient of deviation cut in half. This created a more equitable distribution of the tax levy and reduced the risk of further appeal loss.

Another application for reassessment was submitted in August of 2009. This time, the re-engineered process had been tested and validated with acceptance of the stipulations by the County Tax Board. Furthermore, the budgetary crisis made it fiscally impossible to move forward with the traditional method of reassessment. Permission was granted by the state in November with the reassessment completed in less than two months. Every property, neighborhood and sale was reviewed. The net result was a total reduction in assessed value equaling \$436,000,000. The decision, and state permission, to perform the reassessment in-house, without the need for an outside consultant, produced savings of \$328,000. Renewing values to 100 percent market saved an additional \$180,000 in future cost for revaluation. Finally, the reduction in total ratables would have amounted to \$8,200,000 in tax refund if the reassessment had not been performed.

Technology Technology also played an important role in the reassessment process. The revaluation had integrated new database software allowing ad hoc analytics to be created and faster data scenario modeling. There was also in place a technology strategy to build an enterprise wide informational system. One of the obstacles to overcome with the reassessment was to inform the public about how the new values



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were calculated. The problem was solved by producing a web-portal that integrated municipal and county systems involving 11 companies and 14 applications. The records search function found on the homepage at www.jeffersontownship.net produces property information ranging from ownership records, tax history, building permit history, GIS mapping, deed

images, zoning and recent comparable sales. Also, for the first time, property record cards with calculations all updated in real time are available. Future improvements will include voting district and representative information, garbage collection and online tax payment. This brings more transparency to government and better consolidated access to property information

that taxpayers have been requesting for years.

The efficiency frameworks described above can produce similar results when applied to any department, project or service. Jefferson has reduced its paper usage by 33 percent in one year as part of its digital archive and records management program. Power consumption and future hardware cost in the datacenter has been reduced by 50 percent over the same period through server virtualization. GIS mapping and digital tax mapping are being produced at 20 percent of independent cost through a shared service agreement with Morris County Planning and Development.

These are just some of the initiatives that we have engaged these frameworks to produce real results current and future. Leaders can use this as one tool to help resolve budgetary constraint versus service. But it must involve all stakeholders from management to implementer. Government services are cross-functional operations and require the input and knowledge of those experienced with how the process works and the obstacles that exist to change. The need for reassessment would not have been noticed in early 2008 if not for my 21 years of experience as Assessor for Jefferson and knowledge of the local real estate market. Implementing the business efficiency tools would not have been effective without the MBA and Executive Masters in Technology Management education from Stevens Institute of Technology. In addition, the management support and foresight of the Jefferson Township Governing Body, Morris County Tax Board and State Division of Taxation was necessary to foster the environment to move the concept along. Finally, the shared experience and knowledge with organizations like the Morris County Assessor's Association and NJGMIS (New Jersey Government Management Information Sciences) are important resources that should be used and consulted when the subject of reinventing government is broached. That being considered, it is clear that a collaborative solution will produce the most the effective result. ▲

1 Dov Dvir, Aaron J. Shenhar, Reinventing Project Management: The Diamond Approach to Successful Growth & Innovation (Harvard Business School Publishing, 2007)



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