

PARK HOUSING POLICY REVIEW COMMITTEE REPORT

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PARK HOUSING POLICY REVIEW – HOUSING COMMITTEE REPORT

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Park Housing Policy Review - Housing Committee Report

The main thrust of the work of the Committee is based on the Freeholder/Recreation Commissioners request to review this housing program with the following goals. As requested, this memo outlines our findings and offers background, history and suggested plans going forward.

- Policy and Background
- Providing a written summary, the acreage involved general and site-specific description of the 24-hour responsibilities at each park location.
- Estimate value of the after-hour services provided by employees.
- Measure the discount in dollars compared to the services provided.
- Determine condition of the homes, safety shortfalls and estimated costs of certificate of occupancy and upgrades to current codes – *In Progress*.
- In park areas with multiple housing units, consider any overlapping coverage or redundant responsibilities.
- Eliminate unnecessary costs, if any.

This report includes facts and figures which can be interpreted differently by the reader. We have found it more productive to review the residence program in its entirety and in most cases refer to “average” which are supported by detailed spreadsheets. We have provided the scope of our work, our findings and recommendations and expect others might come to different conclusions which we would be pleased to discuss.

Summary of Residence Policy in Place

Resolution - R-06-8-21=312 – Policy Requiring Certain Management and Supervisory Employees to Reside in County Park Dwelling as Condition of Employment.

NJSSA 40:12-6 sets forth that “The custodians, supervisors and assistants appointed by the board shall, while on duty and for the purpose of preserving order and the observance of the rules, regulations and by-laws of the board, have all the power and authority of police officers of the respective municipalities in and for which they are severally appointed.”

It is important to note that the Park Housing Program is directly related and essential to the performance of the employees official assigned duties with regard to the maintenance of security of park visitors and county park property that includes the enforcement of park rules and regulations and the rendering of assistance for the benefit of the health, safety, and welfare of members of the public.

Occupancy is specifically targeted for Management and Supervisors who, **are paid a salary and are not compensated for off duty hours arising at the parks.** Many have received the same training as County Park Rangers and have the same authority as granted by Title 40:12-1 to 40:12-9. ***It is important to note that the employees who reside in park houses do not receive additional compensation or overtime pay when responding to unscheduled duties after hours.***

General & Specific Description of 24-Hour Responsibilities

In a February 9, 2009, memo to the Freeholders/Park Commissioners, Mr. James Truncer outlines some of the key issues:

“...The park system employees are responsible for managing 15,015 acres at 36 locations countywide supporting 5,000,000 visitors annually...”

“...Having responsible managers and supervisors reside in the parks is a cost effective way of protecting the public’s investment without impacting county taxpayers. It is an efficient approach to providing on-site safety and security and after hour’s response and assistance. It avoids the need for additional staff or the additional expense of call-in or overtime pay to respond to unscheduled needs of the park areas 24 hours a day, 365 days a year...”

- Fees paid by resident employees offset the costs of maintaining the residences.
- Resident employees do not receive additional monetary compensation or compensatory time when responding to emergencies or monitoring park operations after hours.

Several other key points in the memo include:

1. Protecting the public’s investment in:

- Open space
- Natural resources
- Public facilities; including, visitor, activity, and craft centers
- Historic sites
- Beach areas
- Nature centers
- Swimming pools
- Campgrounds
- Equestrian center
- Golf courses
- Lakes
- Marina
- Beaches
- Restroom and support facilities

2. Providing assistance to park visitors

3. Responding to emergencies

4. Acting as a deterrent to unlawful acts including theft and vandalism

Perhaps one of the most important aspects of park housing is services to the public. A sign is posted at each residence “**Monmouth County Park System – Ranger Residence Assistance provided**”. Park brochures and maps designate the location of the Ranger Residence. Many citizens have knocked on the doors of these homes for assistance at any hour of the day or night (see Assistant Superintendent of Parks Tom Fobes remarks).

In addition to the points above the reader should consider the key financial issues which comprise the foundation of the existing program.

1. The MCPS housing program encourages employees to live in our parks to accomplish the goals set forth above.
2. The program recognizes some uncompensated employee time already.
3. The program deliberately provides fee incentives (discounts to market) to entice employee to live in the parks.
4. The current program currently operates at a surplus of \$62,273 for the 27 homes occupied (\$179,976 in revenues and \$117,703 in expenses).
5. Maximizing housing profits would render the program ineffective and result in the need to incur substantially more costs for security while diminishing service to the public.

Living where you work, paying a maintenance fee and foregoing home ownership and to varying degree providing 24/7/365 security is not for everyone. In order to accomplish the MCPS goals, our housing fee structure recognizes the “uncompensated time of the employee” and provides the additional incentive of favorable discounts to market.

While the system was working fine, questions have been raised whether the actual fees collected are reasonable or unreasonable bargains. Unfortunately due to the publicity and uncertainty surrounding the “bargain fee” issue some employees are balking at moving into park housing for fear of large future increases.

The reader should consider that under normal circumstances, young people with lower salaries obtain smaller 1 bedroom apartments, move to more inexpensive neighborhoods, share apartments and/or split costs, or continue living at home.

These solutions to affordable housing are not possible as the Park System is requiring employees to live in specific park homes without these cost reducing methods available.

Some are quite comfortable in their own places and neighborhoods and must relocate as a condition of employment to a park home. As an example of the success of the program, offering incentives on park housing, MCPS has continued to successfully recruit golf management right out of schools in and out of state. Typically they are concerned about the high costs of living in NJ.

For a single person receiving a relatively low starting salary a policy change to charge market rates for homes with 3 or 4 bedrooms would effectively end this successful program. It would defeat the purpose of the program as employees would seek more affordable and smaller homes elsewhere. 11 of the 27 employees involved earn less than the \$50,040 salary NJAR and HUD benchmark deemed necessary to afford even a two bedroom apartment at the market rent of \$1,250 per month (more on this later in the report).

Once the MCPS has a good employee who has adapted well to park housing and associated duties, it is the goal of MCPS to keep them in park housing. 19 of the 27 currently occupied homes have employees who have 10 or more year’s experience and average salaries of \$58,741. Years of experience brings a more intimate knowledge of the park, park neighbors and an awareness of the specific issues and concerns of MCPS and the surrounding community. Good decision making and judgment also becomes more routine and efficient.

The Committee recognizes that most of the criticism of the program has been targeted at long-term park housing residents in management positions with the most experience and corresponding higher salary levels. Currently there are four employees living in park housing with over 25 years of experience with salaries of \$69,613, \$71,519, \$79,242 and \$97,355 with fees ranging from \$504 to \$665 per month.

However, we hope the reader puts the salary and park housing in perspective. For example, the highest paid manager living in park housing is the General Manager of the Golf Courses with 33 years experience. His duties today include eight golf courses at six sites, 220,975 rounds of golf, revenue exceeding \$9.5 million and overseeing 86 full and hourly employees. (The provision of providing housing at no additional cost is a golf industry standard.)

This area of concern will be addressed in the report.

Please note the duties fluctuate by location and the Housing Committee has provided more specific explanations for each location later in this report.

As an example the more specific after-hour duties for parks:

Holmdel Park – 565 Acres - Park contains playground, arboretum, farm buildings and running trails. Heavy volume, after-hour neighbor response, visitor injuries, farm animal care / sickness, fire watch farm buildings, lost dogs, deer collisions, ponds, skating, sledding, protection from vandalism.

Seven Presidents – 38 Acres - Beach, Skate Park, Tony's Place Playground, Concessions - Weather, storm prep, storm damage, debris or other wash ups, skateboard park, after-hour swimmers, surf after hour, protection from vandalism, many access points in busy urban area

New Jersey Green Acres rules and regulations limit park housing to use as an employee residence or other park use.

Current Status Facts

In the past there have been as many as 36 units available for employee occupancy but not all were being utilized. In early 2009 there were 34 units in place.

As of May 15, 2010, the current status is:

- 31 residences are available for *management and supervisory* employees.
- 27 units are currently occupied by employees and four (4) are *vacant*
- Five (5) recently occupied units are scheduled for demolition. (see Table 1)

TABLE 1

	Building	Status
Holmdel Park	230	Out of service; <i>needs major repairs</i>
Thompson Park	554	Sch for demolition
Mt Mitchell Scenic Overlook	2904	Sch for demolition
Tatum	902	Sch for demolition
Manasquan Reservoir	2301	Sch for demolition
Metedeconk River Greenway	3401	Sch for demolition

- The units range from one (1) bedroom which is part of a larger public building to a large historic home.
- Most units are two (2) - four (4) bedroom units.
- Only one (1) unit was actually constructed by the Park System as most were either purchased or gifted as part of the park land acreage.
- On average including the employee, three (3) family members live in the unit. Seven (7) employees live alone and nine (9) live with one (1) other person.
- The employees utilizing the units range from three (3) to 33 years of service with the average being 16 years.

Maintenance Fee Related Stats

- The current salaried employees (27) units totals \$1,484,022, an average of \$54,964 excluding benefits.
- Although paid a salary, the supervisor's time is worth \$26.42 per hour on average (\$54,964 average salary divided by 2,080 hours per year--40 hours per week).
- **Current fee in 2010 is estimated at \$6,666 per employee (27) or \$555 monthly.**
- Current fee of \$6,666 per employee equates to 12% of average \$54,964 salary.
- The highest salary is our General Manager of all (6) golf courses with 33 years of service and \$97,355 salary with a maintenance fee of \$539 per month.
- The lowest salary is a County Park Manager with five (5) years of service and a \$41,500 salary with a fee of \$468 per month.
- Fee increases have averaged 3.54% per year over last 10 years, as follows: (see Table 2)

TABLE 2

Year	Fee Incr	Room Rate
2000	2.20%	\$72.00
2001	3.20%	\$74.00
2002	1.60%	\$75.00
2003	3.20%	\$77.00
2004	2.70%	\$79.00
2005	3.00%	\$81.00
2006	4.10%	\$84.00
2007	4.20%	\$88.00
2008	4.00%	\$92.00
2009	4.20%	\$96.00
2010	3.00%	\$99.00
Avg	3.54%	

As shown above the current base room rate is \$99.00 up from \$72.00 in 2000. There are some formulas for other rooms in the home and those employees who live in the park where they work also receive a 12% discount.

The basis of the current room rates of \$99 or the \$72 room rates in 2000 do not appear to be based on the fair market rate. The Committee was informed the rates were derived years ago based on formulas utilized by State Parks to cover costs of housing expenses.

Along with the actual attached files and photos of the homes, we have enclosed a typical "2010 Dwelling Rate Schedule" for your review which we excerpt two examples below: (see Table 3)

TABLE 3

Building	104	444
Title	Sr Park Mgr	Golf Superintendent
Location	Shark River Park	Bel-aire Golf Course
Salary	\$54,980	\$59,280
Year of Service	24	12
Live where work	No	No
Living Room	\$99	\$99
Kitchen	\$99	\$50
4 Bedroom	\$198	
3 Bedroom		\$150
Family Room	\$50	
Dining Room	\$50	\$99
Full Bath	\$50	\$50
Half Bath		\$25
Basement	\$25	
Utility Room	\$25	\$25
Garage	\$25	\$25
Additional Assement	\$70	\$60
Monthly Rent	<u>\$691</u>	<u>\$583</u>
Yearly Fee	\$7,935	\$6,675
Utilities	\$4,885	\$2,295

Some issues:

- The rates are based on the number of rooms with no consideration of location.
- The \$99 room rate is not tied to market rates.
- There is no consideration for salary levels.
- Utilities are accounted for separately.
- The current methods are accepted as fair by management and the staff. This of course has been questioned by some taxpayers. In particular, our higher-paid employees have been highlighted as abuses by the public sector compared to private sector. This is discussed in detail later in the report.
- All other maintenance expenses are included in the fees.

Fees & Expenses – Current

Please note that the revenue and expense data present a moving target in that people move, fees change and are not always based upon the calendar year. In some cases residences are part of larger public buildings. If there is no one in a building, revenue ceases but the expenses such as utility and maintenance continue.

Since the main purpose of this report is to measure the fairness of fees being charged compared to market rents many of our statistics are related to the 27 units presently occupied. The data for the other four units presently unoccupied is included in the spreadsheet, and we assume once occupied again the results would be similar to the 27 units in our detailed test.

The latest data for the Year 2009, as of March 10, 2010 for the 27 units presently occupied, indicates revenue and expense as follows:

1. Revenues of \$179,976
2. Expenses of \$123,232 including utilities of \$86,286 and maintenance of \$31,417.
3. Difference of \$56,744 (\$179,976 less \$123,232) should be considered surplus/and *the program is self supporting and not supported by taxpayer funds.*

Although the main goal is to protect the park property conservatively valued at \$458 million and save security and other expenses, the program has historically run at a surplus. *Of the 27 units occupied, the surplus for 2009 totals \$56,744.*

Current Rent versus Monmouth County Market Rates

As mentioned above, **current fees in 2010 are estimated at \$6,516 per employee (27) or \$543 monthly.**

The Committee reviewed “market rents” in Monmouth County.

- The New Jersey Association of Realtors puts out data related to median-priced homes and rentals for each NJ County including Monmouth. As of 2008 the median-priced home totaled \$405,000 with required income of \$132,286. As noted our average employee makes \$54,964, about 42% of the required income to afford a median-priced home. For *Monmouth County, NJAR statistics indicate \$50,040 earnings are required to afford a two bedroom apartments at \$1,250 per month.*

Market Rent - Method 1 – Data Base Analysis

NJAR provides a data base which allows the applicant to plug in various job descriptions to establish the rental markets including Monmouth. As shown we selected various professions similar to those staff members occupying rental housing including: Admin Mgr, Customer Service Rep, Firefighter, Nurse, Teacher and others: (see Table 4)

TABLE 4

Source of Data - Sate - NJ Associate of Relators - 2008		2 Bedroom
Apartment / House		\$1,250
Typical Tenants - NJAR data base selected		Salary 2008
Administrative Mgr		\$61,866
Accountant		\$56,182
Customre Service Rep		\$41,572
Elem School Teacher		\$56,414
Fire Fighter		\$45,283
Librarian		\$62,297
Nurse		\$69,434
Parole Officer		\$55,565
Secondary School Teacher		\$58,824
Retail Store Mgr		\$52,765
Total		\$560,202
Average		\$56,020
Average Park Employee of 27 Currently Renting		\$54,964

(a) Note from NJAR utilizes 2008 data and "the hourly wage needed to afford is the hourly wage that must be earned so rent does not exceed 30% of income

On the rental side, NJAR reports the use of the database Fair Market Rents (FMR) established by the U.S. Department of Housing and Urban Development. Information on prevailing wages for the selected occupations comes from a proprietary database maintained by www.Salary.com.

As shown above, this analysis shows the average salary of \$56,020 for the selected group. The average fair market value rent is \$1,025 for a one (1) bedroom and **\$1,250 for a two (2) bedroom apartment.**

This average of \$56,020 is similar to the \$54,964 average park employee pay. The average hourly rate would total \$26.42 based on 2,080 hours ($\$54,964 / 2,080$).

HUD & Fair Market Rents for Monmouth

After putting together the above analysis, we noted a press release dated June 3, 2010, from Family Promise, the only shelter in Monmouth indicating 2009 Fair Market Rent per Hud is currently \$1,263 for a two bedroom apartment, similar to the \$1,250 we noted from New Jersey Association of Realtors for Monmouth.

"...The results of the 2003 Monmouth County Department of Human Services Community Needs Assessment, conducted as an update to the 1998 United Way assessment, identified affordable housing as the most significant problem for Monmouth County of all issues included in the survey. The cost of renting a two-bedroom apartment in Monmouth County (2009 Fair Market Rent per HUD) is \$1,263. To afford this amount requires a family to earn \$45,468 a year. This has been dramatically increasing each year. The federal government defines affordability as housing that costs less than a third of a household's income..."

Another website “the Frugal Landlord” <http://frugallandlord.com/2010-HUD-Fair-Market-Rents/NJ?order=countyname&sort=asc> which lists 2010 NJ Fair Market Rents for all NJ counties including Monmouth.

A two bedroom apartment in Monmouth is listed at \$1,271. (see Table 5)

TABLE 5

2010 HUD NJ Fair Market Rents					
<u>State</u>	<u>County</u>	<u>Metro Area</u>	<u>Efficiency</u>	<u>1-Bedrm</u>	<u>2-Bedrm</u>
NJ	Monmouth	Monmouth/Oce	\$901	\$1,041	\$1,271

In summary, we believe the NJAR statistic of \$1,250 is a Fair Market Rent for a two bedroom apartment in Monmouth 2009 which requires salary of \$50,040 needed to reasonably afford payments.

Although some apartments are still rented with utilities, most are rent plus utilities. For purposes of this report, we have assumed the tenant (park employee) is responsible for the established fee plus all utilities.

Utilities

Utilities vary and it is difficult to find an average which would apply to our various housing. Some have septic tanks and well water while others have sewers and wells or town water. Residences have gas, propane, oil or some combination.

Since we have a history of the utilities for each location for years, we are utilizing the actual utilities which apply to each specific location.

After establishing the average Fair Market Rent of \$1,250 for two bedroom apartments, we are simply adding the actual utilities being incurred for each location.

There are exceptions which warranted an adjustment to utilities. Dorbrook and Baysholm are large historic homes with poor insulation. For these two buildings we utilized the average utilities of the other park residences, or \$3,259 per year.

Dollar Value of Services and Benefits of Housing Employees Living in the Parks

Members of the Recreation Commission and staff have discussed various ways to measure the value of security and protecting our parks and the alternate cost of after-hours duties and responsibilities.

The employees intimately knowledgeable of their park understand the typical situations, know the neighbors and work well with the local police. Above all they represent the Monmouth County Park System as managers with high levels of decision-making authority. They have pride and a much larger stake in our success and reputation.

In the chart below, we list the park, the special concerns, number of acres and access issues. In addition, we list the substantial assets requiring protection and monitoring. We have summarized this information and assume the reader is somewhat familiar with the parks. (See Table 6)

As an example, for the Bayshore Waterfront, the “Marina” is listed as an asset to protect. We assume the reader will know the marina is in a flood zone location with docks, gas, boats of customers, and work shops in a major flood zone. The other assets there include Wilson Seabrook House, a fishing jetty and over one mile of accessible beachfront. The entire area has relatively easy access at night. **(as of May 2010)**

TABLE 6

Ref	Park Area Name	Special Concerns	Easy After Hours Access	Substantial Physical Structures/ Assets	Acres
1	Shark River Park / GC too	Spread out Neptune, Wall, Tinton Falls - fishermen, hikers, after hrs issues, neighbors have employee cell phone, access rds, hunters, tree cutters + GC	Yes	GC, Clubhouse, picnic areas, playgrounds	1,109
2	Shark River Park / GC too	Spread out Neptune, Wall, Tinton Falls - fishermen, hikers, after hrs issues, neighbors have employee cell phone, access rds, hunters, tree cutters + GC	Yes	GC, Clubhouse, picnic areas, playgrounds	1,109
3	Turkey Swamp Park	24 hour use - Huge areas of access, 4 wheelers, hunters, hikers, lost dogs, lost children, lost keys, alcohol and campers, injuries etc.	Yes	Camp, playgrounds	2,048
4	Turkey Swamp Park	24 hour use - Huge areas of access, 4 wheelers, hunters, hikers, lost dogs, lost children, lost keys, alcohol and campers, injuries etc.	Yes	Camp, playgrounds	2,048
5	Howell Park GC	GC protection, supervision issues on off days, winter watch	Yes	CG & Yellow Brook tract	645
6	Howell Park GC	GC protection, supervision issues on off days, winter watch	Yes	CG & Yellow Brook tract	645
7	Thompson Park	Protection numerous buildings, fire watch, dog park area, hikers, pond, border Brookdale & Reservoir	Yes	Headquarters, Creative Art Center, Many Facilities	665
8	Thompson Park	Protection numerous buildings, fire watch, dog park area, hikers, pond, border Brookdale & Reservoir	Yes	Headquarters, Creative Art Center, Many Facilities	665
9	Baysholm Conservat Area	Hikers, bikers,	Yes	Park + Multiple trails	71
10	Tatum Park	Many access points, hikers, bikers, many deer collisions, difficult intersection on border of park multiple accidents	Yes	Playground, Holland Activity Cntr, Red Hill (Heath) Cntr, Other	366
11	Tatum Park	Many access points, hikers, bikers, many deer collisions, difficult intersection on border of park multiple accidents	Yes	Playground, Holland Activity Cntr, Red Hill (Heath) Cntr, Other	366
12	Hartshorne Woods Park	Huge areas access, unsafe skate pond, hunters, fishermen, hikers, bikers (injury), night visitorsn, donated estates	Yes	Fisher Stern Estate, Dan Sietz estate donation, former batteries from fort	787
13	Hartshorne Woods Park	Huge areas access, unsafe skate pond, hunters, fishermen, hikers, bikers (injury), night visitorsn, donated estates	Yes	Fisher Stern Estate, Dan Sietz estate donation, former batteries from fort	787
14	Huber Woods Park	Large area frequented by runners, bikers, horse people, injuries, hunters, unsafe skating ponds etc	Yes	Environmental Cntr, Timelot	450
15	Seven Presidents**	Weather, storm prep, storm damage, washups, skate park, swim, surf after hour	Yes	Beach, Skatepark, Tony's Place, Concessions,	38
16	Hominy Hill GC	GC protection, supervision issues on off days, winter watch, older buildings (fire watch), deer collisions	Yes	GC, Clubhouse + land	300
17	Hominy Hill GC	GC protection, supervision issues on off days, winter watch, older buildings (fire watch), deer collisions	Yes	GC, Clubhouse + land	300
18	Deep Cut Gardens	Mansion turned garden center, greenhouses, gardens	No, fence	Gardens, Center	54
19	Clayton Park	Secluded and rural area, many trail areas	Yes		422
20	Manasquan Reservoir	Fishermen, runners, protect, , kayaks, boaters equip etc	Yes	Environmental Cntr, Rec Cntr	152
21	Dorbrook Recreation Area	Runners, ball players, model airplane flyers, farmed areas, ponds, over 2 miles of trails	Yes	Spray park, playgrounds, in-line rink, basketball, other bldgs, including Historic building	535
22	Charleston Springs GC	Hikers, many access points, hunters	Yes	GC 36 holes, clubhouse	770
23	Bayshore Waterfront Park	Fishermen, beach, weather, debris, boat watch, vandalism, trail crime	Yes	Marina, Wilson Seabrook, Beach,	222
24	Manasquan River Grnway	Many access points, trails, tree cutters, 4 wheelers, pollution watch for river, etc	Yes	Spreadout area	337
25	Crosswicks Creek**	Large area frequented by runners, bikers, horse people, hunters, fishermen	Yes	also Wainford historic site, mill etc	1,448
26	Bel-Aire GC	Encroaching development, adjacent park property	Yes	GC - 27 hole, golf center + land	150
27	Perrineville Lake Park	Secluded area, fishermen, kayakers, skaters, 1.5 mile trail	Yes		897

A way to measure the value of the uncompensated time utilized by our supervisors is to estimate the time involved. We debated the length of time per day incurred, and it varies by location, size of the park, season and events. For purposes of this report, we have assumed ½ hour per day of “employee uncompensated time” which we consider the minimum.

For purposes of this report, we consider 30 minutes per day as a reasonable average of uncompensated time spent and value of security and service to the public.

Statistics Per Average Employee

- Average hourly rate - \$26.42 (see spreadsheet)
- Average uncompensated time per day - 30 minutes per day
- Average uncompensated wage cost per day - \$13.21 (\$26.42 / 2)
- Average uncompensated wage cost per month - \$402 (\$13.21 x 30.42)
- Average uncompensated wage cost per year - \$4,823 (\$13.21 x 365)

In the following report section, the chart shows the value of uncompensated time per employee for each park by location which as we note is \$402 per month and \$4,823 per year average per employee.

Comparison of Market Rent/Utility versus Actual Rent/Value of Service

We have summarized below our findings related to market and actual rent and utilities for the 27 occupied units. (See Table 7)

- We have estimated market rent and utilities would total \$491,286 per year.
- The actual fees, utilities and value of services provided totals \$310,185.
- Therefore the discount to market currently provided totals \$181,102 (\$491,286 less \$310,185).
- The \$181,102 discount equates to a **37%** overall average discount. To market rent/utilities.
- The average resident employee receives a discount of \$6,707 per year or \$559 per month

TABLE 7

2009 MANAGER & SUPERVISORY RESIDENT RENT ANALYSIS										
Comparison of Market Rent / Utility Vs Actual Rent/Value of Service										
Ref	Park Area Name	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Note
		2 Bedroom FMV NJAR Mnthly Rent	Utilities Total For Building	Market Rent & Util	Actual Rent & Util Monthly	Value of Services 1/2 Hr Per Day	Actual Rent + Value Uncomp Serv	Market Discnt \$	Market Discnt %	
		\$1,250					0.5			
	Total Year	\$405,000	\$86,286	\$491,286	\$179,976	\$130,209	\$310,185	\$181,102	37%	Avg
	Avg Month	\$33,750	\$7,191	\$40,941	\$14,998	\$10,851	\$25,849	\$15,092	37%	Avg
	Avg Empl Yr (27)	\$15,000	\$3,196	\$18,196	\$6,666	\$4,823	\$11,488	\$6,707	37%	Avg
	Avg Empl Mmth (27)	\$1,250	\$266	\$1,516	\$555	\$402	\$957	\$559	37%	Avg

Since members of the Recreation Commission have asked detailed questions concerning certain rents, utilities and other specific park issues, we have included the details of each occupied residential unit. (see Table 8)

TABLE 8

2009 MANAGER & SUPERVISORY RESIDENT RENT ANALYSIS										
Comparison of Market Rent / Utility Vs Actual Rent/Value of Service										
Ref	Park Area Name	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly	Monthly		Note
		2 Bedroom FMV NJAR Mnthly Rent	Utilities Total For Building	Market Rent & Util	Actual Rent & Util Monthly	Value of Services 1/2 Hr Per Day	Actual Rent + Value Uncomp Serv	Market Discnt \$	Market Discnt %	
		\$1,250					0.5			
1	Shark River Park / GC too	\$1,250	\$407	\$1,657	\$691	\$402	\$1,093	\$564	34%	OK
2	Shark River Park / GC too	\$1,250	\$174	\$1,424	\$719	\$347	\$1,066	\$358	25%	OK
3	Turkey Swamp Park	\$1,250	\$315	\$1,565	\$504	\$414	\$918	\$647	41%	OK
4	Turkey Swamp Park	\$1,250	\$368	\$1,618	\$515	\$365	\$880	\$738	46%	Review
5	Howell Park GC	\$1,250	\$196	\$1,446	\$353	\$432	\$785	\$661	46%	Review
6	Howell Park GC	\$1,250	\$196	\$1,446	\$372	\$311	\$683	\$763	53%	Review
7	Thompson Park	\$1,250	\$231	\$1,481	\$665	\$311	\$976	\$505	34%	OK
8	Thompson Park	\$1,250	\$276	\$1,526	\$640	\$400	\$1,040	\$485	32%	OK
9	Baysholm Conservat Area	\$1,250	\$272	\$1,522	\$665	\$509	\$1,174	\$348	23%	OK
10	Tatum Park	\$1,250	\$340	\$1,590	\$466	\$321	\$787	\$803	50%	Review
11	Tatum Park	\$1,250	\$354	\$1,604	\$529	\$409	\$938	\$666	42%	OK
12	Hartshorne Woods Park	\$1,250	\$244	\$1,494	\$450	\$403	\$853	\$641	43%	OK
13	Hartshorne Woods Park	\$1,250	\$163	\$1,413	\$559	\$428	\$987	\$425	30%	OK
14	Huber Woods Park	\$1,250	\$171	\$1,421	\$468	\$303	\$771	\$649	46%	Review
15	Seven Presidents**	\$1,250	\$193	\$1,443	\$478	\$347	\$825	\$619	43%	OK
16	Hominy Hill GC	\$1,250	\$271	\$1,521	\$539	\$712	\$1,251	\$270	18%	OK
17	Hominy Hill GC	\$1,250	\$298	\$1,548	\$444	\$433	\$877	\$671	43%	OK
18	Deep Cut Gardens	\$1,250	\$302	\$1,552	\$633	\$523	\$1,156	\$396	26%	OK
19	Clayton Park	\$1,250	\$381	\$1,631	\$747	\$333	\$1,080	\$551	34%	OK
20	Manasquan Reservoir	\$1,250	\$386	\$1,636	\$563	\$422	\$985	\$651	40%	OK
21	Dorbrook Recreation Area	\$1,250	\$272	\$1,522	\$670	\$366	\$1,036	\$486	32%	OK
22	Charleston Springs GC	\$1,250	\$201	\$1,451	\$453	\$311	\$764	\$687	47%	Review
23	Bayshore Waterfront Park	\$1,250	\$231	\$1,481	\$478	\$287	\$765	\$716	48%	Review
24	Manasquan River Grmway	\$1,250	\$368	\$1,618	\$504	\$579	\$1,083	\$535	33%	OK
25	Crosswicks Creek**	\$1,250	\$174	\$1,424	\$562	\$342	\$904	\$520	37%	OK
26	Bel-Aire GC	\$1,250	\$191	\$1,441	\$583	\$433	\$1,016	\$425	29%	OK
27	Perrineville Lake Park	\$1,250	\$216	\$1,466	\$748	\$406	\$1,154	\$312	21%	OK
	Total Year	\$405,000	\$86,286	\$491,286	\$179,976	\$130,209	\$310,185	\$181,102	37%	Avg
	Avg Month	\$33,750	\$7,191	\$40,941	\$14,998	\$10,851	\$25,849	\$15,092	37%	Avg
	Avg EmPLY Yr (27)	\$15,000	\$3,196	\$18,196	\$6,666	\$4,823	\$11,488	\$6,707	37%	Avg
	Avg EmPLY Mmth (27)	\$1,250	\$266	\$1,516	\$555	\$402	\$957	\$559	37%	Avg

Although the average \$559 discount equates to a 37% overall average discount to market, there is some disparity between units.

- Seven units have discounts to market of 45% or more

The Committee has flagged seven individual units to be further reviewed by park management. These seven units have discounts ranging from 46% to 53%.

The Committee has also requested additional review of two buildings operating at a loss. Building #319 in Turkey Swamp Park is operating at a \$50 loss per month. Building #1305 at Hominy Hill GC is operating at a \$49 loss per month. It is likely these losses are due to major repairs during the particular year studied. (see Table 9)

Table 9

2009 MANAGER & SUPERVISORY RESIDENT RENT ANALYSIS											2009 MANAGER & SUPERVISORY RESIDENT RENT ANALYSIS												
PRK NO.	Park Area Name	Bldg #	Title	Yrs of Serv	Current Salary	Hourly Rate 2,080 Hours	Monthly Rent	Revenue Year	EXPENSES			Total Expense Utilities & Exp	Comparison of Market Rent / Utility Vs Actual Rent/Value of Service										
									Utilities (0)	Amortize Improvment Yrly	Exp		Monthly 2 Bdrm FMV NJAR Rent	Monthly Utilities Total For Building	Monthly Market Rent & Util	Monthly Actual Rent & Util	Monthly Value of Services 1/2 Hr Per Day	Monthly Actual Rent + Value Uncomp Serv	Monthly Market Discrt \$	Monthly Market Discrt %	Note		
411	Thompson Park	502	Asst. Golf Superintendent	3	\$42,518	\$20.44	\$665	\$7,900	\$2,771	\$1,315	\$4,086	\$1,250	\$231	\$1,481	\$665	\$311	\$976	\$606	34%	OK			
434	Charleston Springs GC	2625	Asst. Golf Superintendent	3	\$42,518	\$20.44	\$453	\$5,436	\$2,414	\$1,904	\$4,318	\$1,250	\$201	\$1,451	\$463	\$311	\$764	\$887	47%	Review			
410	Howell Park GC	404B	Asst. Golf Superintendent	5	\$42,518	\$20.44	\$372	\$4,464	\$2,352	\$2,43	\$2,996	\$1,250	\$196	\$1,446	\$372	\$311	\$683	\$763	53%	Review			
419	Huber Woods Park	1901	County Park Manager	5	\$41,500	\$19.95	\$468	\$5,616	\$2,050	\$591	\$3,640	\$1,250	\$171	\$1,421	\$468	\$303	\$771	\$649	46%	Review			
417	Hartshorne Woods Park	1102	Chief Landscape Architect	6	\$58,603	\$28.17	\$559	\$6,708	\$1,953	\$1,516	\$3,469	\$1,250	\$163	\$1,413	\$559	\$428	\$987	\$425	30%	OK			
448	Perrineville Lake Park	3302	County Park Manager	7	\$55,521	\$26.69	\$748	\$8,976	\$2,597	\$594	\$3,192	\$1,250	\$216	\$1,466	\$748	\$406	\$1,154	\$312	21%	OK			
424	Clayton Park	1821	Asst. Golf Superintendent	8	\$45,521	\$21.89	\$747	\$8,954	\$4,567	\$1,813	\$6,380	\$1,250	\$381	\$1,631	\$747	\$333	\$1,080	\$651	34%	OK			
439	Bayshore Waterfront Park	2849	Storekeeper	8	\$39,240	\$18.87	\$478	\$5,736	\$2,774	\$309	\$3,083	\$1,250	\$231	\$1,481	\$478	\$287	\$766	\$716	48%	Review			
410	Howell Park GC	404A	Golf Superintendent	12	\$59,089	\$28.41	\$363	\$4,236	\$2,352	\$243	\$2,996	\$1,250	\$196	\$1,446	\$353	\$432	\$785	\$661	46%	Review			
444	Bel-Aire GC	3007	Golf Superintendent	12	\$59,280	\$28.50	\$583	\$6,996	\$2,295	\$918	\$3,113	\$1,250	\$191	\$1,441	\$583	\$433	\$1,016	\$425	29%	OK			
441	Crosswicks Creek**	1714	Superv. of Historic Sites	13	\$46,782	\$22.49	\$562	\$6,744	\$2,091	\$2,610	\$4,701	\$1,250	\$174	\$1,424	\$562	\$342	\$904	\$520	37%	OK			
421	Hominy Hill GC	1305	Golf Superintendent	14	\$59,280	\$28.50	\$444	\$5,328	\$3,577	\$2,341	\$5,918	\$1,250	\$268	\$1,648	\$444	\$433	\$877	\$671	43%	OK			
416	Tatum Park	366	Supv. Greenhouses & Gardens	15	\$43,899	\$21.11	\$466	\$5,592	\$4,077	\$585	\$4,662	\$1,250	\$340	\$1,590	\$466	\$321	\$787	\$803	50%	Review			
432	Dorbrook Recreation Area	2035	Senior County Park Manager	15	\$50,053	\$24.06	\$670	\$8,040	\$3,259	\$398	\$3,657	\$1,250	\$272	\$1,522	\$670	\$366	\$1,036	\$486	32%	OK			
420	Seven Presidents**	1201	Asst. Manager Golf Facilities	16	\$47,444	\$22.81	\$478	\$5,736	\$2,321	\$1,319	\$3,641	\$1,250	\$193	\$1,443	\$478	\$347	\$826	\$619	43%	OK			
409	Turkey Swamp Park	309	Asst. Superintendent of Parks	18	\$66,679	\$27.26	\$504	\$6,048	\$3,784	\$205	\$3,989	\$1,250	\$315	\$1,565	\$504	\$414	\$918	\$647	41%	OK			
417	Hartshorne Woods Park	1101	Senior Construction Inspector	18	\$55,164	\$26.52	\$450	\$5,400	\$2,930	\$1,508	\$4,439	\$1,250	\$244	\$1,494	\$450	\$403	\$883	\$641	43%	OK			
415	Tatum Park	366	Training Officer	22	\$55,908	\$26.88	\$529	\$6,348	\$4,244	\$659	\$5,104	\$1,250	\$354	\$1,604	\$529	\$409	\$938	\$666	42%	OK			
409	Turkey Swamp Park	319	Superv. County Park Ranger	23	\$49,891	\$23.98	\$515	\$6,180	\$4,411	\$2,373	\$6,784	\$1,250	\$368	\$1,618	\$515	\$365	\$880	\$738	46%	Review			
406	Shark River Park / GC too	104	Senior County Park Manager	24	\$54,980	\$26.43	\$691	\$8,292	\$4,885	\$1,892	\$6,777	\$1,250	\$407	\$1,657	\$691	\$402	\$1,093	\$664	34%	OK			
406	Shark River Park / GC too	122	Principal County Park Ranger	24	\$47,416	\$22.80	\$719	\$8,628	\$2,089	\$775	\$2,863	\$1,250	\$174	\$1,424	\$719	\$347	\$1,066	\$358	25%	OK			
411	Thompson Park	570	Superv. Carpenter	24	\$54,770	\$26.33	\$640	\$7,680	\$3,308	\$1,883	\$5,192	\$1,250	\$276	\$1,526	\$640	\$400	\$1,040	\$485	32%	OK			
426	Manasquan Reservoir	2302	Asst. Superintendent of Parks	24	\$57,729	\$27.75	\$553	\$6,756	\$4,631	\$1,150	\$5,781	\$1,250	\$388	\$1,638	\$553	\$422	\$956	\$651	40%	OK			
440	Manasquan River Gmway	2701	Superv. Planner of Parks	26	\$79,242	\$38.10	\$504	\$6,048	\$4,415	\$766	\$5,182	\$1,250	\$368	\$1,618	\$504	\$579	\$1,063	\$535	33%	OK			
423	Deep Cut Gardens	1411	Asst. Superintendent of Parks	32	\$71,519	\$34.38	\$633	\$7,596	\$3,922	\$741	\$4,363	\$1,250	\$302	\$1,552	\$633	\$523	\$1,156	\$396	26%	OK			
412	Blayholm Conservat Area	801	Senior County Park Manager	33	\$69,613	\$33.47	\$665	\$7,980	\$3,259	\$2,338	\$5,697	\$1,250	\$272	\$1,522	\$665	\$509	\$1,174	\$348	23%	OK			
421	Hominy Hill GC	1304	General Manager Golf Courses	33	\$97,355	\$46.81	\$539	\$6,468	\$3,256	\$326	\$3,682	\$1,250	\$271	\$1,521	\$539	\$712	\$1,251	\$270	18%	OK			
	Total Year				\$1,484,022	\$28.42		\$179,976	\$86,286	\$31,417	\$117,703	\$405,000	\$95,286	\$491,286	\$179,976	\$130,209	\$310,105	\$181,102	37%	Avg			
	Avg Month				\$123,669			\$14,998	\$7,191	\$2,618	\$9,809	\$33,750	\$7,191	\$40,941	\$14,998	\$10,951	\$25,849	\$15,092	37%	Avg			
	Avg Empty Yr (27)				\$54,664			\$6,686	\$3,196	\$1,164	\$4,359	\$15,000	\$3,196	\$18,196	\$6,686	\$4,923	\$11,488	\$6,707	37%	Avg			
	Avg Empty Month (27)				\$4,580			\$555	\$266	\$97	\$363	\$1,250	\$296	\$1,516	\$555	\$402	\$957	\$559	37%	Avg			

It is important to note the actual fees charged is related strictly to the building and unrelated to salary. The value of the service for the lower-paid employees is much less. The market rent analysis of \$1,250 per month for a two-bedroom apartment is based on an average rate of \$54,964 and not all employees earn this much. In fact all six of the seven employees with the highest discounts to market are the lowest paid of the 27 in the group.

As mentioned previously, under normal circumstances, young people with lower salaries obtain smaller one-bedroom apartments, move to more inexpensive neighborhoods, share apartments and/or split rent or continue living at home. NJAR indicates a salary of \$50,040 is required to afford a \$1,250 two bedroom apartment.

An easy way to tell which employee is on a lower pay scale is to review the value of service column which is the way the following chart is sorted. The actual salaries are included in the attached spreadsheet. The reader will note at the top of the chart those receiving the biggest discounts to market are also the lowest paid employees.

Alternatives to the System In Place

We have listed some very conservative alternatives which essentially demonstrate that it would be very difficult to provide a better economical on-site presence of personnel for the management of the 15,015 acres and facilities 365 days that currently exists with supervisory housing.

- *NJAR has Monmouth County statistics indicating Security Guards earn \$33,287 per year which equates to \$16.00 per hour ($\$33,287 / 2,080$ hours). It was noted that “prevailing wage issues” would likely be in force which might raise the hourly rate and benefit package. For purposes of this report we have utilized 50% increase to at least consider benefits raising the hourly rate to \$24 ($\$16 \times 1.50\%$).*
http://.njar.com/paycheck2paycheck/one_county_print.php?hr=r&county_code=13&dataset_id=1&cc_code_list=SC16000212
- Hiring 10 security guards at \$24 per hour to patrol our parks and possibly locate some of them at key locations like Thompson, the Golf Courses, and the Manasquan Reservoir - With seasonal issues, assume the guards work 12 hours a day average, the 10 guards would cost about \$2,880 per day ($\24×12 hours $\times 10$ men). For 365 days this would cost \$1,051,200 ($365 \times \$2,880$). As a note, the security guard would likely have to call Supervision during many events.
- Utilizing current employees such as rangers – Due to various hourly call-out minimums and specific tasks, it would be difficult to find any way to save money over the current system in place. Certainly our park rangers are very capable of handling typical situations, but they do not have the authority vested in our managers. Utilizing park rangers during off hours would require hiring additional staff and other out-of-pocket expenses.
- Over the years there have been periods where rangers have sought to be included in the housing program. This is difficult with the contracts in place and the call-in, overtime and holiday provisions.

Although it is difficult to measure the value of the “deterrent factor” associated with housing, we believe it is similar to an occupied family home in neighborhood and an unoccupied home in a desolate area. Once bad actors know there is no one watching the store, they seem to come out of the woodwork. With employees living inside the parks, we have a set up our own version of “neighborhood watch”.

Summary of Market Rents/Discount to Market Rent

In summary, the Housing Committee finds that on average the supervisory employees are receiving an average discount to market of 37% based on NJAR and HUD statistics for Monmouth.

Monmouth is a large and diverse county and the units currently rented are not standard in size, location or condition.

For the 27 employees, the discount to market amounts to \$181,102 per year, \$15,092 per month and \$6,707 per average employee.

The \$181,102 discount represents 6,852 hours at the average hourly rate of \$26.43, or 254 hours per employee per year, less than one hour per day.

Another way to look at the discount is the program goals outlined earlier in the report are being met for \$18.37 per day per employee (\$6,707 average discount / 365 days).

Summary – Comparison of \$181,102.00 per year discount to market vs. estimated outside security costs/per year of \$1,051,200.00 results in an annual savings of \$870,098.00.

While considering the permanent security and deterrent factor associated with the employee housing is not easily measurable, the \$181,102 discount to market can be compared to the estimate outside and security costs which we estimate at \$1,051,200.

This cost benefit does not include the fact that security guards are not intimately familiar with the parks and would not have authority to handle many of the situations that come up without contacting MCPS management staff.

Other Possible Methods

We considered other methods such as straight percent of income with the employee responsible for utilities which would be deducted from their pay (we have detailed spreadsheets for review if required).

However, this would cause a huge disruption in current pay packages particularly on the higher end of staff without necessarily increasing revenues.

Should the fee be based upon a percent of income, the higher-end staff would receive large fee increases and would likely want to move to the better locations or move out. This would defeat the purpose of the program.

While the current system is not perfect, it's benefits to the efficient and effective operations of the Park System are recognized by the Board.

Conclusion and Proposed Changes

In summary, we conclude the following:

1. The plans to further regionalize employee housing will reduce the number of units by four and related costs without diminishing the benefits of property protection and security.
2. The current housing program operates at a surplus of \$62,273 for 27 occupied homes.
3. Four homes are presently unoccupied, one in need of major renovation.
4. The average market rate in Monmouth County is estimated at \$1,250 per unit per month.
5. Utilities for these particular homes totals \$86,286 per year, \$266 per unit per month.
6. Based on NJAR and HUD statistics, the market rent and utilities averages \$1,516 per month (\$1,250 + \$266) for a two bedroom apartment in Monmouth.
7. The average actual fee paid totals \$555 per month including utilities.
8. The uncompensated time already considered averages \$402 per month representing 30 minutes time worth \$13.21 per day.
9. The total fee and uncompensated time already recognized averages \$957 per month (\$555 rent plus recognized uncompensated time of \$402).
10. The total discount to market for all current 27 employees totals \$181,102, \$6,707 per employee per year, \$559 per month, \$18.37 per day.
11. Another way to view the fee discount equates to \$18.37 per day fee incentive to live in the parks and be available to serve the public.
12. *The Committee flagged seven individual units to be further reviewed by park management. These seven units have discounts ranging from 46% to 53%.*
13. *The Committee has requested additional review of two buildings operating at a loss. Building #309 in Turkey Swamp Park is operating at a \$50 loss per month. Building #1305 at Hominy Hill GC is operating at a \$49 loss per month. It is likely these losses are due to major repairs during the particular year studied.*
14. The analysis shows the current program is working as planned, and the discounts in place are reasonable, on average.
15. The value of services to the public and the “deterrent factor” of staff living in the parks are immeasurable and should be considered.
16. It is important to recognize that the current supervisory staff came into the system in place. In fact, many were enticed into park system employment with an offer of housing and many stayed their entire career reducing turnover.

17. *The committee recommends that when a new employee is hired at or reaches an annual salary of \$70,000 or more, that they be required to pay 50% of the rate (currently \$1,200/mo. plus utilities). The Committee recognizes that at some level in salary, it is difficult to convince the public that a discount is necessary and justified. The committee recommends addressing this issue going forward to preserve public confidence in the housing program.*
18. *The committee recommends an objective review of the per room charge which provides the cornerstone and basis of the current charges.*
19. Utilizing outside services or hired security guards would be more expensive than the current program, and the quality of service would be less than acceptable.
20. Utilizing rangers would require hiring of additional staff and other out-of-pocket expenses.
21. *Some of the buildings are of historical/or utilitarian significance and would not be demolished but considered for some other park use at an additional operating expense.*
22. *Providing management employees with housing has been a standard in the park and golf industry.*

House Committee Summary

We concur with Mr. Truncer's summary:

"...Having responsible managers and supervisors reside in the parks is cost effective way of protecting the public's investment without impacting county taxpayers. It is an efficient approach to providing on-site safety and security and after hours response and assistance. It avoids the need for additional staff or the additional expense of call-in or overtime pay to respond to unscheduled needs of the park areas 24 hours a day, 365 days a year..."

Finally, the Housing Committee thinks this program serves a good and cost-effective purpose which benefits the Park System and the public.