

Letter to the Editor: Waste & Abuse in Passaic Valley Sewerage Commission

On Dec 1, 2009, the State of New Jersey Commission of Investigation issued a report entitled “The Beat Goes On – Waste and Abuse in Local Government Employee Compensation and Benefits”. In a cross-sampling of 14 local government entities across NJ, the Commission identified more than \$39 million worth of excessive cash benefit payouts to public employees. Some of their findings include: inconsistent or non-existent restrictions or caps on the accrual and cashing-in of unused accumulated sick, vacation and other leave that allows local employees to collect huge lump-sum payments in amounts more than a full year’s salary; generous health insurance benefits with no requirement that local government employees contribute toward the cost of this health insurance; payments of huge cash bonuses improperly called “severance”; and costly allocation of various forms of so-called “terminal leave” where local government employees stay on the public payroll using up their accrued sick time and leave at full salary and benefits without showing up for work.

The Passaic Valley Sewerage Commission (PVSC) was one of these 14 local government entities that the Commission examined. The abuse and waste is obscene and is funded by Clifton taxpayers since Clifton is one of the local ratepayers to this entity. The salaries and benefits of PVSC employees are underwritten by the local ratepayers that PVSC serves.

Here is what the Commission found about PVSC. Unlike state employees who can only collect no more than \$15,000 for accrued unused sick time at retirement, PVSC employees have no such cap and are also allowed to cash in a portion of such leave each and every year while on the job before retirement. The Commission found that during the 2005- 2007 period, the cost of these payouts for active PVSC employees totaled over \$681,000.

Certain PVSC employees are entitled to special lump-sum departure payments. For example, under the current contract of Commission Executive Director Bryan Christiansen, if terminated, he “is guaranteed a cash severance benefit equal to six months’ salary for every year employed, up to a maximum of 24 months”. In the private sector, the normal or average severance benefit for a person who is terminated is two weeks for each year employed with a cap of 12 months. Imagine six months for every year employed. It is no wonder Clifton taxpayer sewer fees are so outrageous since we are paying for this benefit!

Additionally, unlike state employees who are required to contribute 1.5% of their annual salaries to the cost of their health care insurance, PVSC employees do not contribute anything to the cost. The Commission found that the savings to taxpayers in Fiscal 2008 if PVSC employees had contributed 1.5% would have been \$730,240.

Why is this important to Clifton taxpayers? Since Clifton is one of the top five largest ratepayers to PVSC, this waste and abuse is costing Clifton taxpayers millions in wasteful spending. Each and every Clifton taxpayer foots part of the cost of this wasteful spending each and every quarter when they pay their sewer fee! It is any wonder that our sewer fees are increasing?

What can Clifton taxpayers do about this? As I Clifton taxpayer, I have called upon the Clifton City Council to speak out against this abuse. I suggested the Council call for an immediate independent audit of PVSC. Additionally, the Council should explore the

possibility of withholding payments to PVSC until these costs are brought inline with state employees. Additionally, since there is strength in numbers, I suggested the Council ban together with the other local municipalities who are also ratepayers to PVSC in an effort to form a coalition against this abuse! There are 47 other municipalities who are ratepayers to PVSC. Some of these 47 include our next door neighbors such as Passaic, Paterson, Garfield, Wallington and Bloomfield.

The Clifton City Council should hold a public forum on this issue and invite both their counterparts of these 47 other municipalities as well as the residents and taxpayers of these other municipalities as well as the Governor-Elect Chris Christie. Clifton should be the role model for these other communities and be the first to speak out against this abuse. Clifton taxpayers can not afford these outrageous sewer fees! Clifton elected officials need to step up to the plate and take a stand on this issue immediately!

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