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PUBLIC HEARING

before

ASSEMBLY SUBCOMMITTEE ON THE
PRIVATIZATION OF THE DIVISION OF MOTOR VEHICLES

To Elicit Information
and to Study the Costs of the Privatization
of the Functions Performed by
Motor Vehicle Agencies in this State

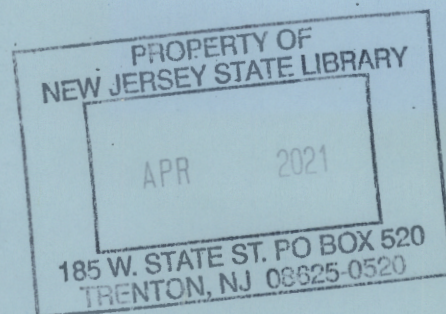
July 22, 1987
Room 341
State House Annex
Trenton, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Assemblyman Robert W. Singer, Chairman
Assemblyman Thomas P. Foy

ALSO PRESENT:

Aggie Szilagyi
Office of Legislative Services
Aide, Assembly Select Committee on the
Division of Motor Vehicles



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New Jersey State Legislature

ASSEMBLY SELECT COMMITTEE ON THE DIVISION OF MOTOR VEHICLES

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July 13, 1987

NOTICE OF PUBLIC HEARING

The ASSEMBLY SUBCOMMITTEE ON THE PRIVATIZATION OF THE DIVISION OF MOTOR VEHICLES will hold a public hearing on Wednesday, July 22, 1987 at 10:00 a.m. in Room 341 of the State House Annex in Trenton.

The purpose of this hearing is to elicit information and to study the costs of the privatization of the functions performed by motor vehicle agencies in this State. Testimony from private individuals currently working as motor vehicle agents will be taken and a cost comparison of the public versus private system will be conducted.

Anyone who would like to testify should contact Aggie Szilagyi, Committee Aide, at (609) 984-0231.

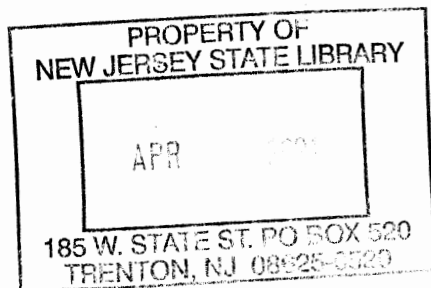


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ASSEMBLYMAN ROBERT W. SINGER (Chairman): Forgive me for beginning a little late. It's a hazard of the business. I'm Assemblyman Singer. On my left is Assemblyman Foy. Assemblyman Martin, unfortunately, could not make it here today. But we both want to welcome you. As most of you are aware, this Subcommittee has been established to undertake a process to determine private sector interest in operating the field agency system of the State Division of Motor Vehicles, and to determine the feasibility of such a system from both the private and public sector points of view. The Subcommittee is interested in making the agency system efficient, responsive, and cost-effective with the least possible cost to the citizens of the State of New Jersey.

In evaluating the overall operation of the Division of Motor Vehicles, the full Committee on the Division of Motor Vehicles found several major problems with the State operation of the agency system: the cost, the level of service, and particularly the difficulty of reducing government at a later time. Today, we will be hearing from private sector agents who currently operate a motor vehicle agency. They represent the only individuals in the State who can give firsthand information on the operation of an agency by a private sector vendor. Your assistance today is very much appreciated. Let me just share one point of view with you.

I have said it in the past and I'll say it again, that certainly renewing your license or your registration should be as easy as buying a lottery ticket. It is probably the one time that most people come into the agency -- at least I can speak from my experience as a fleet operator of vehicles -- that I go in there once a year to renew my fleet operation, as well as the fact that I have to renew my license. We certainly want to make sure that that experience is a pleasant experience and a professionally handled one. By the way, not to taint it, but I happen to have my license renewed at a private sector

one, not a public sector one. I found it to be very efficient and they treated us very well. But certainly, that is the point that we're going to look at and the concerns--that--we have. Mr. Foy, is there anything that you'd like to say?

ASSEMBLYMAN FOY: I just want to welcome the participants who are going to testify at today's hearing and to advise them that I don't come to these hearings with any preconceived notions about what should be what. I'm here to learn from all the people who are going to give us the benefit of their experience and expertise, and it's my hope that as a result of the testimony that we receive, that the documents that we examine, and that the individuals that we are able to talk to, we can then come up with an analysis that will provide the people of this State whom we are sworn to serve, with the best possible system. If that means improvements to the existing system, I can be for that. If it were to mean alterations to the existing system, I can be for that. I don't have any particular bias. I'm here to learn, and I appreciate the opportunity to learn from you.

ASSEMBLYMAN SINGER: Thank you, Assemblyman Foy. The first person that we're going to be calling on is the President of Motor Vehicle Agencies, Frank DeLello. Please sit up here so that you can be picked up by the tape. We are on tape here.

F R A N K H. D e L E L L O: Okay. I'm very happy to be able to speak to you people and give the knowledge of my four years in Motor Vehicle -- since 1982. As a private agent, I have seen many changes since that time. Some changes are considered very, very good; other changes, we feel could save the State money and also have better rapport with the public.

One of our greatest concerns as private agents is to give the people exactly what they deserve. And that's courteous service, prompt service, and treat them as if they are a customer; to try to get them in and out in a reasonable time. You must also understand that there isn't any gadget

that we have that we can know approximately how many people are going to come in on any given day. Now, the private agencies have been criticized in the past to a point where I don't feel, and we don't feel, it was justified. First of all, I can recall when I took the job in the latter part of '82 -- October in fact -- I was one of the very first private agencies.

And let me say for the record, so it doesn't come up later on and say, "political appointment" -- I am County Chairman of Warren. I have been a County Chairman for the past 14 years. I have been in politics for 41 years. I have been around the loop. I have also been my own businessman. I don't come to Motor Vehicle, as an agent of Motor Vehicle inexperienced. I am a full-time employee of Motor Vehicle. And when I say that, under our new contract we are to put in 35 hours a week. Most, I will use the word "most," agents are putting in 45, sometimes 50 hours, and yes, occasionally even more hours than that.

Where do we go under the guidelines of the new contract that we received, and we negotiated in fairness? These same three people and myself negotiated this contract with the understanding that at a later date we would go over the contract with the Director and his staff and pick out some of the things that we felt maybe for our mutual benefit should be taken out of the contract.

One of the problems that I foresee and face it -- I'm at the age right now that I have no bones-- I'm like what Mr. Foy just mentioned that he's out to learn. Well I've learned. I'm 69. I will be 69 in August. I'm almost ready to retire. And I can say what I want to say with no fear because I don't have to worry that my job is going to be knocked off because of it. I intend to do a good job to the best of my ability and I assure you that the agents that are there now in their private agencies are doing a much better job than State-operated agencies.

I could go down names and say which State agency is working right and which one isn't. That's not the purpose. Although I do say, that within the last year and (inaudible) negotiated this contract. It's still not 100% satisfactory. We had a meeting the other day and I think that now we're getting the results of the contract. I honestly believe that motor vehicles agencies, in particular the private agencies, are in a position to do -- have been and will be doing even better because of the pay structure.

Now, one of the problems in the past was that we were not able to pay our help competing wages, such as the State-operated agencies. We could not hire the number of people that the State agencies could, because we were restricted with the amount of money on a commission basis that we had at that time. Many of us -- and I say this as a matter of record -- that during the last hearing, and I'm not going to criticize the Chairman of that Committee at that time -- but there were a lot of things reported in that Committee that never were checked, to verify whether they were correct or not. They just took it at random. I have the report, so I know what I'm talking about.

For example, they showed at that hearing that some agencies were making as high as \$90,000 to a \$125,000 profit. That is an unjust thing. It's not true. It might have been gross. It could have been gross. But I know agents that had to go out and borrow money to meet their payroll at that time. And I'm not giving you a full backup because of my four or five years that I've been in it.

Now, one other thing that was happening. The private agencies were getting to be the scapegoat. No one would take the part of the private agencies. Why, I don't know. The news media wouldn't do it with one or two exceptions. They only went and heard some of the complaints that were given at the hearings and also, justifiably, some of the complaints that

were coming in from the public, although there are two sides to the complaints. . . . You have to weight the complaints and see whether or not the complaints were justifiable. In the eyes of the public, yes they were justifiable because you have to do everything you can. But we're restricted. Agencies are restricted in what they can do.

Now, if you come into my agency and, for example, you want to put another name on a title -- I'm only using this as an example -- there are certain restrictions that we can't do. You have to go to Trenton. So, right away you are going to be annoyed and you are going to say, "I came here, you are a motor vehicle agency, you should be able to do it. Why should I have to go to Trenton?" Right away they blame the private agency because we won't do it. So, they're calling up Assemblyman Singer, Assemblyman Foy, Senator Dumont, you name them. They're calling up these legislators -- rightly so, because they represent the public.

But you have to know both sides. You can't just take the one side. I'm not saying the public was all wrong. We had some bad apples too. We weeded them out. And how did we weed them out? We weeded them out because with this new contract we were able to give and compete with the State on money. Even though we're not up to what the State is paying. We're not up-- And I don't think I want to make that much of an issue, but I can also say that in my opinion, if the agents were asked to run -- the private agents I'm talking about -- were asked to run their agencies the way they saw fit with a set amount of dollars to run it, I think that the State could save money, the agencies would be better off, and we would not be under pressure all the time.

Believe me, when I say that most agents regardless if they're political or not, are trying to do the best job that they can possibly do and are doing a better job than the State operators. Now if you check around at your own convenience--

Check around and go to some State-operated ones and then go to the private ones and see which ones are doing a better job. I'll tell you, and I'm not being here to just praise the private agencies because we did have some bad ones, but we got rid of them. We know how to do it within our own system -- how to get rid of them if they are bad. But I tell you that right now I don't see many private agencies that aren't doing the job that they are appointed to do.

Now, talking about money. Work, and we save some money. What can we do to save the State some money? I feel, personally let me tell you that we are not a 40 hours-a-week. Most people think that we are 40 hours-a-week. We're 52 hours-a-week. Our doors must be open 48 hours. But by the time that you finish your work, get them out -- the people in the line -- you don't tell them to go home, you are going to finish them. We're not like, well I should say, an inspection station, because they do cut you out -- we're not. At 4:30, if you're in that line, we don't close that door. We're going to let you come in until that line is finished and get it finished. So, many times we're here until 5:30 to 6:00. We have overtime factors. Whereas before we weren't being compensated for, we are now -- hopefully it's enough money.

At that area where I say if a private agent were to be able to manage the agency the best way he saw fit with his help, I think there's where we can save money in this manner. Right now under the program, under the contract that we all signed, each one's an individual contractor. It specifies in accordance to how many items we did per year based on last year. And it gives you 90% that you have to do of last year's work in order to meet the minimum that the agent would earn with a holdback of \$5000 on a monthly payment basis.

Everybody seems to think that the agency is going to make \$65,000 this year. Well let me tell you right now, the way I see it, and the way the work has been cut down, whether

good or bad, there are some agencies that are-- Most agencies are down to about 90% to 94% of last year's work. So, if that continues for the balance of the year -- in my case, I'm 92% of last year -- I will be lucky if I make the minimum in salary. So, the \$64,000 is not there for me. I can't see it, judging from the amount of work that I've done for the past six months. Not that I don't want to do the work. We're not getting the work in there. There are some things that have been cut out and some things that are better statewide.

As I said, in the last eight or nine months a lot of things have changed in Motor Vehicle for the better. They are doing a much better job statewide. I'm not talking about State agencies. I'm taking about the Division doing a much better job by getting things brought in, mail going out a little better, and the customer-- It's not as late as before -- two to three months -- or lost. They weren't getting their renewals. Now that's changed a little bit. We are on a different computerized system. I honestly believe that there's still some (inaudible) as we know of because our terminals go down periodically, and there still is some work that has to be done to correct it. But I honestly believe that they are on the right track now, that in time, the Division of Motor Vehicles will be able to service all the customers -- and they are all customers in my eyes -- to where they don't have to go wait three or four hours and come back. We can't do it. It's impossible to do it. I think it's getting to the point and turning around where it's better.

But I'm skipping the main thing that I wanted to talk about -- money. And that's what you wanted to know. I get rattling and then I keep thinking of some of the things that I feel were wrong and what is right, and I'm trying to be very unbiased. I'm trying to give you a true picture of what I saw in the last several years.

We give service to the public. That's one thing that we strive on. At our Association meetings, we keep hitting that at every meeting. Make sure that you treat your people, the customers, courteously. Make sure that you don't smoke in front of people. Make sure you are dressed properly. We don't want patches coming up, or that the customer can see you with a blouse that has funny names on it. We don't want that. And we have the control to tell them, our workers, if that they keep doing that, they are fired. We're going to let them go. But with the State operator you can't do that, because the State operator, in most cases, will be civil service. Right now they aren't.

It's a mix-up. You got four different systems in the State -- at motor vehicle agencies. You have a county-run one that was falsified in their statements too -- that they were doing so much and was doing so good and that it wasn't costing any money to the State. But they forget to tell you that the county was picking up "X" amount of money on it. They forget to tell you that. So, I happen to know that it was costing the county money in Atlantic County where it's a county-operated facility. So, the picture wasn't given quite truly through the news media. I'm telling you right now, check it out and you'll see that I'm correct.

You've got another one that is a State-operated agency and is not civil service. You have another one, or maybe more than one, that are a mixture -- State-operated employees and civil service. You have some that get certain benefits, others don't get those benefits. You have that mix-up in Motor Vehicle that too many people are working under a title and are not getting paid for it, which I think is wrong. If you're working in your title, I would say that the minimum of a provisional should be around three months and then give that person the money that they deserve. I'm talking generalities now with everything.

We are responsible where the State is not, and this is a savings to the State. The private agencies are responsible for any shortages, money that is short that comes in. And if you're handling \$50,000, \$60,000, \$40,000, \$30,000 dollars a day, sometimes even more than that, you're bound to have some shortages. So, the private agents are responsible for that. We have to make that up. We have to make that up. That comes out of my pocket; out of my salary. It doesn't come out of the State's. That comes out of my salary. I have to make good for it. Where the State agencies-- Who makes good for it? For the taxpayer, right? Because who's going to pay to make that up? That's one thing where we save money for the State.

Robberies, and we do have them -- you've read it in the paper. In fact I had the misfortune also, a couple of years ago, and I can be one to testify on this, because I know the problems that I had with it -- where one my girls was making a night deposit drop and two people with masks-- And I won't go into much of describing the people, but two people were masked, put a point (sic) at her, told her to give them the bag, took the bag and her car, and took the money and the checks. Yes, we're bonded, we have insurance, we pay for that, we've paid for it in the past. Now we're being compensated to a point.

But, it is a big responsibility that the writer collect that money from the insurance companies. And I'll tell you the reason why. The insurance companies feel that, "Yes, with your cash, we'll pay you. You said that you lost cash." A large amount of money-- And say it was \$50,000 -- I'll make differently -- \$10,000 in checks in that deposit that was lost. You can't find them -- the robbers. What they did with it, I don't know, but they can't find them. I asked the State to send a letter on my behalf to the people that-- We went down the list from the computerization print-out, and knew from my cash register who paid cash and who paid checks, and broke

it down, and know approximately -- not 100%, but approximately -- who were the ones who paid checks. The State won't help you on that. The insurance companies would not pay me on the checks because they say that you could have stopped the checks. The State could write a letter stating that your license will be suspended unless you give us another check. We will pay you for the stoppage of the check so it wouldn't cost the customer any money, only the inconvenience of making out another check for us, because it wouldn't cost the customer a penny. We know that in some cases the banks was charging \$7.50 for a stop check, some places \$10, some banks even \$12. I was willing to pay it, because I'd rather lose \$1000 than lose \$10,000.

To make the story short, an insurance broker, and I won't name the broker, but the insurance broker did me a great favor. He, himself wrote a letter. I gave him the names, he wrote a letter to each individual and had them make checks out to both the New Jersey Division of Motor Vehicle or gave them a choice of the insurance company. Through all the paying of their stoppage, through all of that, I still had to pay about \$900 shortage. But the State won't help you. What I'm trying to bring out is if it happens at a State-operated and run agency, who picks up that loss where it's \$40,000, \$50,000, \$30,000 -- some State-operated agencies probably bring in more than that. I know one agency that's a big State agency. So, if my daily take in is approximately \$40,000 to \$50,000 average, we'll say \$30,000, what do these big State agencies bring in? If they were to be hit, who loses that?

These are considerations that we have to take and say, "Hey, this is where a private agency is costing less money than a State-run agency." Now State-run agencies work on 35 hour-a-week. As I stated earlier, we work on 52 hours. They work on 52 hours also. They are open 52 hours. All of them are open the same hours, but their help is 35 hours-a-week.

And if I'm not mistaken, they get time and a half after 35 hours. We, in turn, under our new contract are based on 40 hours. ~~And we can pay time-and-a-half after the 40 hours.~~ Now, ~~whether or not that's enough money to do that for full~~ staffing under the State's criteria on staffing, I'm not too sure of yet -- whether we're going to be short on that overtime allocation that they gave us. Each individual agency has their own allocation. It's too early to judge that.

But let me say that just the other day, we had a meeting with the Director. In fact, when was it, Monday? We came to the conclusion that if any monies are not expended through part-time or overtime money I don't think the agent is going to go down south with it. Because we're not. We made it known that that money would be returned to the State. And I can see at the end of the year there will be money returned to the State.

Not-- (inaudible) Now each agency is different. There are some agents that are telling us that the State has 16 people working. They do have about 14 or 16 people. They are trying to change it now, I've heard. But, some of these State agencies were overloaded with workers where the private agencies, some of them, were scratching. Now, it's a little better. Now they went to the extreme in some cases. In some cases, some of my agents are saying that, "Hey, I could save a lot of money where I'm supposed to put out 14 people." They gave me a criteria of putting out 14 people. I only need 10. I operate very good with 10. Or I operate very good with 11 or 12. Why don't you give me that prerogative? Why don't you give it to me? Let me, as the agent, decide how many people I need, who I want to work, how much I have to pay those people.

Don't tell me that you are going to give me an allocation of one person for \$10,000. In my case, I'm going by my case, three people at \$12,000, two people at \$14,000, one receptionist -- the receptionist idea is a very good idea --

but the receptionist is getting paid more than one of my better girls at \$15,000 a year. And then my supervisors--and these are all the same wages for each contract for each agency--\$17,000--one person. Top it off with some overtime, they made each an average, hopefully, a thousand dollars if they do that a year.

The savings can be had for the State by private run agencies versus State agencies if they would give us the full authority of how to operate. Under the guidelines of the Director, we're out there to do work for the Director and his staff to the best of our ability, to give the services that are requested, and rightfully so, required to give to the public. In several cases, I was told by our private agencies that they have as many as four people too many. Now, there aren't any four people too many in a private agency versus a State agency that has even more people -- a comparable State agency. I can see where private agencies could save much money for the State.

I'm going to embark on one other thing, and then I'm going to leave my colleagues to say a few things, because they are just as aware as I am. They have been on the negotiating team with me. I put them on. They have good agencies. And let me say one thing for the record, there is no one -- and I don't care who it is -- that doesn't make mistakes. You are going to get some complaints, whether it's private, whether it's State-run, whether it's county-run, and some of them will be justified.

You try to do the best. You hope that your help will listen. We do have an edge. Private agents have an edge over State agencies in this respect, that if we fail and we see that our help, our employees are not cutting the mark of what they are supposed to be doing-- And they all know what they are suppose to be doing because they are preached to almost every other week. And it's a tough job for those girls. They take a lot of abuse. But if we see there's one bad apple in there, I

can usually let that girl go. But with State operators, you can't. It's hard. Especially if it's civil service. You're stuck with them. With us, we've got better control. I think privately operated agencies have better control with their help and can give better service. And we're proving, we are actually proving that we are giving better and courteous service to the public and trying to get them out as fast as we can.

The hopeful area that we feel we would like to strive-- Even the private agencies are striving to do what the Director would like see happen, to get out a transaction -- person -- get them out in 15 or 20 minutes. That's nice on paper. It really is, but it's not an actual. Because I'm going to tell you that I timed every one of my workers just before this hearing, and I've been doing it for the last two weeks. I timed it before, but then if things are running smooth you let things go. But in this particular case, I told my outfit, that I wanted them to work at the best performance they could possibly work, for a purpose that I needed. I wouldn't tell them what, but I had to know how much work they could actually do.

Now, if they are at the in-take window, and their work is given-- The individual person -- we're working on one on one now. We changed that method, which the agent is doing, and it's working out better. Maybe some agents aren't doing it. But each agent has to work at what's best for him.

It takes 18 minutes, I kid you not, if they are up on the front window, because you have inquiry time that many times you have to get on the phone and call Trenton to find out something on a particular item. Now while, you're waiting for that particular transaction to be cleared by a Trenton agency assistant, and sometimes it's tough getting them right away and to get an answer, you're holding up the rest, so that figure is not a true figure. For example, if I had 40 people come in all

at one time, and I've got four terminal operators working -- if I'm lucky, I'll have four terminal operators working with the number of staff that I'm required to have. -- I'll never get it to that moving 15 to 20 minutes. Because by the time they are in line, just to get up to the front window, it will take 10 minutes.

So, some of the things that we are striving for, hopefully will happen. And we are striving for it. Fifteen minute- 20-minute turnaround time -- we're trying to do it. But, I want you to know that there are going to be some days that you can't do it; it's impossible to do it, because if we were geniuses, and knew how many people were going to come in at a given hour, then we could go out and hire part-time people and use all our terminals up and hopefully get them out. But we're not geniuses. We haven't come down to that yet. We can't tell you how many people are going to come in. We can give you an average on how many people could come in on a given day, but we can't give you what hours they are going to come in or when they are going to come in.

So I want to make that clear, because a lot is being said about the time a person gets in and out. Again I repeat myself, we are striving-- The private agencies are doing their best to try to get them out in 15 to 20 minutes. There are exceptions to the rule, and you must understand that.

With that I'd just like to sum it up. If there are any questions, I'll be happy to try to answer them. And if I don't have the answer today, I'll definitely get you the answer. But to sum it up, I honestly feel that since we are now a little bit more competitive with money -- that we are unable to pay our help -- and I'll give you a for instance:

I was paying \$3.75 for a clerk/typist, you are not going to be able to keep them. You teach them. It takes six months to teach them, and they are going to go on their merry way, and I don't blame them, to get a better job. Now, I'm able to pay a minimum for one of \$4.80 which I think that is a

little too low yet; and up to a part-timer I pay \$5.00. And with the pay scale that I gave you on the other people--with the -- I feel that they are telling us that we are private agencies, but we're not private agencies. Our hands are tied. I would hope that in the future -- and I hope that it goes private, because I still think the private agencies can do it cheaper and better for all concerned -- but I do hope this; that if we go into private agencies in the future, that the agent is the one who best knows and operates his own agency in the best way he knows how and is given "X" amount of dollars to work with. If that agent, whoever it is, me or anybody else, can't fulfill the contract, the Director has at his discretion to let him go at any time.

And believe me, under this contract that we signed, I would have never signed a new one like this. We were anxious to get a contract, and yes, I was very anxious to get the money. And we signed a contract that today, I would tell them to throw the contract in "jebib," because where do you ever have something that anyone person can let you go for any reason without a hearing? It's in there. I don't think that the Director would do it -- I'm not saying that he would -- but he could if he wanted to under this contract. Now, I could be accused of something and without even a hearing, the Director could say that, "You're done." There's a lot of flaws in the contract. I went over some of them. Hopefully we can get some of these things straightened out.

And you have to understand that a lot-- We had a contract prior to this that was even worse than this. They are all trying. The Director is trying, the Deputy Director, the Assistant Director; they are all trying. They are trying to work with us. Believe me when I say that. There is a difference. I can see the difference. There's a better rapport. But I'll also repeat it again, please, and I say this with all my heart: Please don't let anyone tell you that State

operators can be better than private because it's not true. State operators have more complaints than private. Now check that out. And when they say politically you shouldn't -- And this, I thought -- Whoever said it. Even my own Governor and the Attorney General, Cary Edwards -- I say to you that in my case in particular and I know and I'll justify my statement with other people who are in politics, do you think for one moment that because I'm in politics, that I won't even try to do better than someone else at the particular job so that I don't hurt whoever gave me that job? And do you think that if I were not qualified for the job, I would have the job?

I want to restate that. If I was hired, as some people seem to think because of my political background, let me also say that I was also hired because of my business background. I've been in business for 25 years in the furniture business. I was semi-retired. And I tell you now, don't retire too early, none of you. Because it's not good. The first two years is good, but after that it's no good. So that's why I wanted something.

And getting back to political appointments. Where do these jobs come from if they are not political? Where? I can tell you because I'm a County Chairman. Where does a judge come from if it's not a political appointment? In fact, I was just called yesterday requesting some information on a particular judge out of my county for information -- a Federal judge. Looking for a Federal judge. I was called yesterday. Now, if they are not giving political jobs to anyone, I buy it. But don't pick on our motor vehicle when you've got the judges, the prosecutors --

I'll go on and sit and name a heck of a lot political jobs that are done politically. Look at right here in Trenton. How many political jobs are there on both sides of the aisle? You know, I happen to know a little bit of the workings of the Legislature because I've been a sergeant at

arms among other things under five, I'll repeat it, under five Speakers--- head sergeant at arms when we used to have a head sergeant at arms--- I understand they don't have with any more. Now the clerk--- But under five different Speakers. And I had a 100% rating. I didn't miss a day. So, I know what the legislators do. I know how hard they work. And I know the criticism that they get.

I guess what I'm trying to say is that it isn't all bad when there are political appointments providing that they are qualified. I'm done with that. Thank you.

ASSEMBLYMAN SINGER: Mr. DeLello, please stay for a second, because I'm sure Mr. Foy has some questions and I have some questions also. I just want to state two things for the record, though. Number one is that I was in touch with Director Paulsen concerning a list. Tom, I don't know if you've seen it. We gave him a long list of information that we wanted him to bring to us. He asked for an additional several weeks before we would have it. We could not have it for us today. So that's why he's not here today.

But one thing he did say to us which I am concerned about. His feeling was that once the reliability is gained back, the confidence in the public is gained back in the mail situation where people can renew their licenses and registration via mail, that is going to take some of the pressure off the agencies that they are seeing right now; and the pressures that came about were because of the shutdown of the mail system and people not being confident in using the mail. They were coming into overcrowded agencies. Do you feel that's a reasonable statement that he is making to us?

MR. DeLELLO: I agree. I happen to agree with that statement. That's a very reasonable statement. That is not a reason why I say that in most cases now, we are down below last year's figures because there is more going into Trenton through mailing. And eventually it may happen. But you are going to

need agencies. Regardless, you are going to need agencies. And whether it's a small amount, when still say in that case private agencies are best. I understand they don't have it any more.

ASSEMBLYMAN SINGER: Tom, what I would like to do, and the other agents are here, I have a number of questions.

ASSEMBLYMAN FOY: We could hear from everybody first and then ask questions later.

ASSEMBLYMAN SINGER: I think what we might want to do, because I want to hear from Virginia Wolf, who's here from CWA -- what I'd like to do is this. We have a number of questions. Tom is going to ask you first. Then I'll ask the questions too. Maybe if you feel that one of you might want to answer the question other than Mr. DeLello, maybe you can up and answer it also. So, let's ask some of the questions and see who wants to feed that answer to us. Okay, Tom?

ASSEMBLYMAN FOY: Yeah. I have a number of questions. Again, to reiterate my position, I'm concerned with what you are concerned with. And I appreciate the forthright and the frank nature of your remarks about telling it like it is out in the field. Because that is what we need to hear. You know our goal and our obligation as public policy makers, it seems to me, is to ensure that the delivery of the service occurs in the most effective, efficient, and courteous manner. I think that's everybody's goal.

And there are a lot of, in a sense, institutional roadblocks that occur to that. You know, we rely on computers and we rely on telephones and rely on equipment, and we rely on transportation of the mail and a lot of different things in anywhere in any given process. From when a person needs something to when it's delivered, there can be problems.

Our whole goal really is to minimize the number of problems that a constituent, citizen, or taxpayer encounters in receiving that particular service. And in terms of the delivery of those services, to me, the system that's

utilized-- I don't have any problems with politics. I'm in politics myself and I don't have any problems with patronage. I'll be very honest with you about that. I don't count that as a strike against somebody because they are in politics and have received an appointment as a motor vehicle agent as result of being a Democrat or a Republican or an activist or a supporter of the party, provided that the delivery of the services meets the appropriate performance criteria that is established overall for all purveyors of those services.

So, if you are a State-run agency that has civil service personnel and there are a set of performance goals, you perform them. I have no problem with that. If you are a private agency and you are a political appointee and you are a County Chairman, you perform those same goals under the same set of criteria, I have no problem with that. If you're Pep Boys-- And in a system in which we were to expand the provision of services to private enterprise that isn't involved in politics, the strictly business people in chain stores, and they provide it under the same performance criteria-- I have no problem with that.

The issue is ensuring that the motoring public receives a service in a courteous and prompt fashion at a reasonable cost. I think we all share the same goals. Now the objectives, in terms of getting the goals, I think are the purposes of this Committee. That's why I have some specific questions for you.

One: In terms of the inquiries that you get in the office, would it be useful for you to be able to provide a toll free number, for example, for people who come in and they have a question for you, and then you have to say to them, "Look, that's not something we can handle in our office. I'm sorry? This is the one that you talk about where they get mad at you right away. Would it be useful if you had, for example, phones provided in your office where they can go off to a section,

pick up a phone and get Trenton directly with a person who could respond to them regarding that. Because I know the problems and the complaints I get out there. I don't count that as a strike. I'll give you an example. Somebody goes to the local motor vehicle agency. They are told, "Look, you have to call Trenton." So, they say, "Well, can I use a phone?" They say, "Well, we can't let you use the phone because they are linked to our computer lines. I'm sorry, you are going to have to use a pay phone." There's a line to get to the pay phone for people calling home saying that they are going to be late, or they are going to be late for work, or they are going to miss this; through no fault of yours or anybody else's. Or you get the line, "The computer is down," which happens frequently. Would it be helpful to have phone banks installed where people could go over and pick up hot lines to Trenton?

MR. DeLELLO: I can answer that because we did have it at one time. I've been in a new building now-- That is another thing that I think is an asset to the State -- that they are going to new facilities that are larger facilities. Before, I had 1600 square feet. Now the ideal one is mine. Mine is going to be a prototype. It's got 4000 square. I'm a small agency, but it works well.

To answer your question, I had a toll free number. In my old system, for some reason the State decided to take it out. Now one of the reasons why they took it out, from what I was told, is that, and I could see it, that they would have to wait sometimes an hour or an hour-and-a-half to get the number, even with the toll free number. That would aggravate you even more. See, because you are mad/angry because we already told you that we can't do it at the local agencies: "Sir, there's a toll free number. Call Trenton for your information." They get on the phone, and they wait and they wait and they wait. I even know the number that they used to try to call, a 7500 number and 6500 number.

ASSEMBLYMAN FOY: See, ideally what I'm getting at is a lot of problems-- a lot of problems, it seems to me, could be resolved by proper telephone advice to an individual applicant or customer. Somebody goes to the local

MR. DeLELLO: I agree with you.

ASSEMBLYMAN FOY: And if we had a statewide toll free network where it didn't cost my constituents money to call Trenton, and we had available State staffed personnel in Trenton as support and backup to you, I think it's a way to integrate the two systems to provide the best possible service.

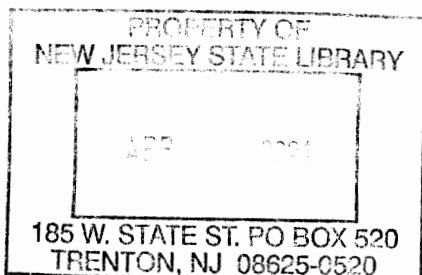
The next point is it seems to me that you serve, in a sense, a dual function. You serve the general public, but you also serve a certain segment of the business community -- the automobile industry. It seems to me that to better provide services to the general public, we ought to try to divide the nature of your work between agency and dealer work; large volume work, as opposed to individual service. So, my thought would be, would it be possible -- and I want to hear your comments about it -- to kind of segment your offices? I know sometimes there are dealer lines in your office. What I'm suggesting is, should the whole issue of dealing with the industry be separated from dealing with the public as a whole in order to more readily accommodate the public at agencies that are specifically designed to serve the public as opposed to dealer oriented agencies? Anybody who can answer this?

MR. DeLELLO: If I can answer that-- If you want me to try it? I can answer it and you can answer it too. Go ahead, you answer it. (speaking to the next speaker)

ASSEMBLYMAN SINGER: Please come up here because we are taping the meeting and just give your name for the record.

ASSEMBLYMAN FOY: Just identify yourself, your name, your county, and your agency.

C H A R L E S T. K R O H: My name is Charles Kroh. I'm from Gloucester County. I operate the Williamstown Agency. We



do have throughout the State several agencies that are established just for doing dealer work and other agencies that were established proper telephone advice to an individual applicant.

ASSEMBLYMAN FOY: Okay, are they private agencies?

MR. KROH: No, they are State-operated.

ASSEMBLYMAN FOY: Okay.

MR. KROH: I operate an agency in Gloucester that when I took it over in 1982 was doing 72,000 transactions a year. Last year we processed 192,000 transactions in that agency. This year we will exceed 200,000.

ASSEMBLYMAN FOY: There's not that many people in Gloucester County.

MR. KROH: But I can assure you that an agency, be it private-operated or State-operated, can still serve the public and serve the dealers. People tend to forget that dealer work is public work. It is not for the dealer, it's for the private individual who bought a car and wants to get that work back. Okay?

ASSEMBLYMAN FOY: It's for the individual owner of the vehicle. I realize that.

MR. KROH: We rely on that dealer work because that's a constant.

ASSEMBLYMAN FOY: Right.

MR. KROH: You cannot rely on the amount of general public that is going to come through that door.

ASSEMBLYMAN FOY: Because you don't know how many are going to come in each day.

MR. KROH: So, you need the mixture in order to support the staff that you've got to maintain to operate an agency, and without that you are going to kill the operation.

ASSEMBLYMAN FOY: Okay. I'm not talking about taking it away from you. What I'm talking about is in a sense, if you owned a building, segregating the facilities so that you have a door that would say, "dealer work," because they batch their

deals generally when they bring them in to you. They don't just come with one title or one registration or something like that. -- You know, they have a courier that comes in with, if they sold 15 cars that day, they're coming in with a batch. I wouldn't want to be an average citizen, coming in to get my license renewed behind the dealer courier who has 15 of them.

MR. KROH: They don't. They go to a different window.

MR. DeLELLO: Right.

MR. KROH: They go to a different window, their work is dropped off, and they return at a later point to pick it up. It may be the same day, it may be the next day, or it may be the day after that. I happen to have in my agency a runner that comes up from Atlantic County, bringing dealer work, and he goes through, and he accumulates from about 15 dealerships in Atlantic County. He brings that work on Tuesday, and drops it off, comes back on Friday to pick it up at which time, he drops off other dealer work, which he in turn will pick up the following Tuesday. There's the schedule.

ASSEMBLYMAN FOY: That's a good system.

MR. KROH: The work can be spread out. The other dealers that are in the area-- And we have some sizable dealerships close by to us that are bringing in large volumes of work. Our dealer work that is brought in today is done tomorrow and the work for the general public isn't sacrificed for it.

ASSEMBLYMAN FOY: That's the question that I had.

MR. KROH: It is not. I have certain people who are responsible in the agency for working on dealer work and I have other people who are responsible for handling the public. And by the same token, if our public volume gets busy because a bus pulled up out front and 40 people got off all of a sudden, I'd pull the girls off the dealer work, that had been working on that and they would work on the public to get them out.

One of the key things that I think is being forgotten, I live in that community, and therefore what happens in that agency affects my reputation in the community. That's where if private agent can do a far better job because it is his reputation that's on the line as opposed just a simple employee that works for the State. It doesn't mean as much to that employee as it means to the individual. I have to instill that in my girls that work for me. And I think I have. That's why my agency has grown.

ASSEMBLYMAN FOY: What about this business, in terms of your experience, of the problem that we hear frequently about, you know, "I went to the agent, they said it was a matter to be handled by Trenton. I can never get through to Trenton."

SALVATORE LOVECCHIO: It's true.

MR. KROH: It's true. There are many times when I can't get through to Trenton. There are many times when I can't get Trenton and there are times when I call Trenton and I'll be lucky if I get a phone call back from the individual I'm trying to get through to by 7:30 or 8:30 that night. They'd call me at home.

ASSEMBLYMAN SINGER: Excuse me though. In my recollection when I've been in the State agency in my district, there's a red phone on the wall that connects directly into Trenton. There's a sign on the wall that says, "If you have an inquiry to Trenton, use that."

MR. KROH: I have a phone in my agency in the lobby that all they do is pick up the receiver, push a button along the side of it, and they are into Trenton. That's there. Can they get to it and how many people can use it? There are many times when an individual gets on that phone and they are on that phone for an hour -- one individual. You begin to stack them up behind.

Now they pick up the phone number that's in the phone book. They want to call the Williamstown Agency. They go to the phone book, open it up, and it says, "Williamstown Motor Vehicle Agency," and it gives a number. They call that number that puts them into Trenton. The people don't know it. The people do not designate on the phone when they answer the phone in Trenton that this is Trenton responding. The people believe that they have talked to the private agency. They have talked to the employee right in that local motor vehicle agency, and they come in and they've been given wrong information and when we tell them what it really takes to do what they are doing, they get mad, "I just talked to you on the phone." And they didn't.

ASSEMBLYMAN FOY: You hit the nail right on the head and it's a serious problem of interface.

ASSEMBLYMAN SINGER: But I think the decentralization of the Trenton situation, Tommy, is going to help that also.

ASSEMBLYMAN FOY: Well, it's a serious problem of interface between the public and the actors in the process -- and that's the central location in the State -- and their particular jobs and obligations at a motor vehicle agency. And it causes a serious problem. Let me give an example.

Burlington County -- the agency located in Burlington Township which is my hometown. If I want to call that agency, I can't call a toll free 386 exchange in there. I have a number, a 292 number, that I have to call. For every resident of the Seventh Legislative District who wants to talk to their District's motor vehicle agency, they've got to pay a toll call to Trenton, New Jersey. And they don't get somebody-- So, I think I'm calling my agency which is located on Route 541 in Burlington Township and I am getting somebody in Trenton who may be unfamiliar with this specific situation in the agency. I see that as a major communications problem.

MR. KROH: Assemblyman Foy, let me say this. Up until ~~own~~ ~~two-and-a-half~~ years ago, maybe three years ago, we had phone ~~sys.~~ ~~"In local agencies"~~ that the people could call in. They would talk to somebody. In my agency we had two numbers. One number was published, if that number that was published was busy it automatically rang down on the other number in the agency.

We had a tape recorder on the one phone. That was provided by the State with a specific message that would answer most of the questions that would come in, like what are the hours of operation, what forms do I need for this, or whatever. Generalized statements. And then at the end of that, if they had a question that was not answered by the tape, they were given another number which was in the agency to call.

I received a phone call from Trenton 15 minutes before those two phone lines were pulled out and this central answering system that was put into effect went into operation. Fifteen minutes notice. That was the first word that we had that we were losing the phones out of a local agency; the first word at all about this central answering system being set up. And there's no identification when they answer the phone to let the people know that they are talking to Trenton. And yes, in fact, they do have a toll call.

People from Williamstown calling for a number in Haddon Heights or Haddonfield; it's a toll call to there. They don't have-- There's a number for Gloucester County. There is not a number for Gloucester County. The number that Gloucester residents call-- They are calling a number in Camden County, and it is a toll call. They are not being told about that.

You talked about having an 800 toll free type number for people to begin to use in this State, by God, it's long past due that people be able to call and talk to that department on a toll free number and not have to pay some of the horrendous phone bills that I have seen people bring in

where they have been put on hold for an hour. They think they're talking to us and that we've put them on hold for an hour. ~~By God, we haven't.~~ Every time there's a news article that comes out about Motor Vehicle, the next day, forget it. My girls take a heck of a lot of abuse in the agency because we've taken a bum rap.

MR. DeLELLO: Mr. Foy, I would just like to clarify one thing though, so that we don't go off-- As I said, I'm going to call it as it is.

To have a phone where we have to answer, now we had it, where we have to answer questions in the agencies-- I would think that you would go back to these same old problems because--

ASSEMBLYMAN FOY: That's not what I'm proposing. What I'm proposing is a statewide toll free number with a bank of intelligent, informed State employees whose obligation, between eight and six o'clock--

MR. DeLELLO: That's a different situation.

ASSEMBLYMAN FOY: --is to answer people's questions, to direct them to the appropriate portion of the agency or local agency or that can solve their problems. That seems to me to be maybe expensive in terms if you are going to have to hire people and train them. But that certainly is what the business of government is about -- to serve our people. It will make your life easier, it will make the public's situation easier, and it may cost us a few bucks for a toll free line. It seems so simple an answer to so many problems that it will never be achieved in our world of bureaucracy. I'm sure of it.

MR. KROH: It can be achieved, Assemblyman Foy. You said that key, "trained people answering the phone." I said that our phones were pulled out of the agency on 15 minutes notice. I'm thankful that they were, believe me. And I appreciate the fact that the State has tried to do something in that regard, because consequently, I had one girl tied up all

day long answering the phone, just answering the phone. That was it. ~~And that was not a productive employee on hold for an hour.~~ ASSEMBLYMAN FOY: You see, that shouldn't be the function of your office. I don't see that as the function of your office.

ASSEMBLYMAN SINGER: Tom, I think we're getting a little bit astray of what we are trying to accomplish here though, and I'll just share with you why.

The issue of whether the State has to put in more phone banks or whether we are going to have regionalization or decentralization of the master agency in Trenton is an issue. I don't want to make light of that. But I think right now we're talking about privatization of agencies. This becomes a State situation. You understand that, and I know you have been involved in that heavily in the past.

And I happen to be very much in favor of bringing some of those systems out of Trenton and have a north agency and a south agency so you can say from Gloucester County, or we can say from Ocean County that you don't have to drive into Trenton where parking is impossible, where it's difficult to get to. You can drive down to Cumberland County, you could drive up to Monmouth County or you can go to Bergen and there's a centralized agency there that could answer all your questions and do the work that they did in Trenton. I think that would take off a lot of pressure also, the fact that somewhere nearer or outside the Trenton area there's help for the people. And they are doing it.

But I think some of the concerns that I have and some of the questions that I think we've got to get to is concerning the new contract you gentlemen have signed, and I have some specific dollar figures that are quite concerning, too. I don't know what else you'd want to ask on it, Tommy, but I think--

MR. DeLELLO: Do you have a copy of this? If you don't, I'll give you all the answers you want.

ASSEMBLYMAN SINGER: Well, there's a few things that we would like to get on the record: one list of the function of

ASSEMBLYMAN FOY: Go ahead if you want to start your questions. I'm going to have to leave at 11:30 for a 12:00 appointment. But I've got a few more minutes.

ASSEMBLYMAN SINGER: In March of 1987, the Division of Motor Vehicles and the private agencies agreed on a new contract for compensation. Instead of the sliding reimbursement scale ranging from 90 cents per transaction to 40 cents per transaction, the fee declining as the number of transactions increases, the State now has agreed to provide a minimum dollar level. That is correct.

As a representative of the agency during the contract process, can you please explain the background behind the agreed upon terms? Please elaborate on the agency's request that DMV offer an eventual compromise. What happened here? Can you kind of fill us in on that?

MR. DeLELLO: What happens on what?

ASSEMBLYMAN SINGER: Exactly what the DMV wanted and what you wanted, and how you compromised.

MR. DeLELLO: How we compromised?

ASSEMBLYMAN SINGER: Yes.

MR. DeLELLO: I was a prime on that one and with this set of three people I could probably answer that. We originally requested not this type of setup. We originally requested, based on a number of items that we were doing, at that time it was 90 cents that was top, then after 50,000, I believe, it was 70 cents, and then after another 50,000 it went down to 40 cents. It got to the point that in the first half of the year, you were okay, in most cases, because you were still at the 70 cents. But then when it got to the 40 cents and 50 cents, you didn't have enough money to pay your help.

So, we went in and we suggested -- give us an overall. At that time, I believe, we said a dollar an item. I may be wrong on that figure, but I think it was a straight dollar an item. That we would. Well, it came to the point where if we did that right (inaudible) -- some agents then would be making a lot of money. Because you take an agency -- and this is no reflection on any agency, but I'm going to give you one. You take an agency -- such as Lodi, in 1986 they do 287,663 items. So, that agent would have gotten \$287,663 to operate his agency as best he could with the number of help that he wanted to put in, not what we were told to put in and do the job.

Right now, under the system that Trenton gave us and we compromised with, that transaction changes. The salary will be \$202 per agency for Lodi, and with an expense of 35% of \$75,000, it still was less than ours for the big agencies. But, we capped it. We said, "All right--" So that no one-- So, you can't, "Hey, the Director--" I know how much he is making. I don't want to say it. But, "the Director is making 'X' amount of dollars. You're making more money than the Director as an agent." It seemed that there was a little bit of hard feelings I should say; not because of the Director. The Director never mentioned that. But some people on the working staff there felt that, "Hey, we're going to get a bonanza. You're going to be making \$80,000 or \$90,000 as stated in the past." It isn't true. It isn't true today even under this new contract, is what I'm saying.

ASSEMBLYMAN SINGER: Well, let me ask you a follow-up question. There certainly were general concerns that the private sector agencies were not being compensated enough for their work and therefore, you had problems with staffing and stuff like that. Do you feel this new contract is going to rectify that, and are you satisfied that that is going to bring up your compensation to the proper level?

MR. DeLELLO: Yes. I feel that the 35% expense salary they are giving us for hospitalization, which you wanted to know about, -- Most of us didn't have our hospitalization. Today, all of us have hospitalization that is good. We will be able to keep the help there and be competitive with the industries around us. That's a good plus.

We're able to give sick leave and also some vacation time on a cumulative basis. Nothing crazy. We don't do that. We're able because we do have a 3% bankruptcy clause. If we don't meet that, we'd lose money also. We are able to pay our bonding where, before, it was coming out of my own salary. We're able to pay for the unemployment insurance and workmen's compensation on this 35%. I think the 35% is a just figure that will help compensate for some of the expenses that were being made by the agencies before and where the true picture never came out. Now we're being compensated for it.

MR. KROH: Yeah. I think Frank just hit on a very important point, Mr. Chairman. There are expenses that an agency had to undertake that were never recognized. I was subpoenaed to appear before Assemblyman Bocchini's Committee a couple of years back when he was the Chairman and looking at Motor Vehicle on an Assembly Committee. I've been before the SCI Committee. I've been before a number of various committee meetings that have been called, and never once would people look and address the issues of expenditures that we were required to fulfill.

Instead, they were being presented a case where, in my situation, they were given figures that showed my income from commissions for a full 12-month period. Then they were told that my expenses were my payroll figures for a 9-month period. They did not include matching FICA, matching SUI, any of those. They didn't discuss the cost for my liability insurance that I had to carry, that the State requires that I carry on the operation; my bond, my workers' comp, and we can go on.

They weren't concerned about those, and they wouldn't address those and they were real problems. This contract finally addresses those and it recognizes them as irrevocable problems. In the area of expenditures that was never done before. And when I went before Assemblyman Bocchini's Committee a couple of years back and began to address these, we looked at the situation under the old contract. You start out at 90 cents an item for the first 50,000 items. So, you're making decent money and you can meet your payroll. By God, when you get down around to September and October and you're getting 40 cents an item, that's less than half of what you started out with. You've still got the same expenditures, the same weekly payroll to meet and everything, but the income is less than half. It just doesn't work. And it didn't work.

Because it didn't work, many of the agents were forced to be shorthanded in their agencies on operations. Or, they faced an out-of-pocket expense which they had to meet themselves to keep the staff there. It's the reality of the thing. At least with this contract, we'll be able to have stability throughout the year. They are recognizing the expenditures that are real expenditures that we must face and they are compensating for it. By the same token, I'm putting in an average of 53 hours per week in my agency. I'm there. It's a full-time commitment. I'm certainly worth something.

ASSEMBLYMAN SINGER: To go to the next situation, what specific performance standards were in the new contract? Specific performance standards, were they in the new contract?

MR. KROH: We were required before this contract to spend a minimum of 30 hours a week in the agency.

MR. DeLELLO: Thirty-five.

MR. KROH: Under this contract we have a requirement for 35. We were previously directed by Motor Vehicle to have a certain staffing level. Under this contract, they didn't put it out as a suggestion, it's some mandatory situation. So, we

have a staffing requirement, we have a staffing payroll requirement that we must meet, and then we have a performance requirement. We had to sign a code of conduct, we had to sign a performance operation standard, and our employees had to sign a code of conduct and so forth. So, there's a lot of compliance that comes about with this new contract. There's a lot of loose ends that were tied together. There's a lot of restrictions on the agent. There's a lot of requirements on the agent. And some of them are very justified. Believe me, they are very justified.

ASSEMBLYMAN SINGER: Do you feel that you have been able to meet these standards, the agencies in general, both financial accountability and the general staffing? Do you feel there's no problem that the agency has been able to meet that--

MR. KROH: Yes. And even with this cost, we are under what it costs to operate a State agency. Because in many cases what we're dealing with in the way of salaries for the classification of people, we're dealing with entry level where they don't have entry level at the State-operated agencies. Those people are a step or two above on the ladder.

The other thing is they are dealing at the State agencies with a 35-hour workweek and we are dealing with those same wages. If we took it-- We have to pay an employee, in this classification, \$10,000 a year and this one \$12,000 a year, that's the entry level for a 35-hour workweek. In our regard, it's the level to be paid for an employee working 40 hours a week. There's a big difference in savings and cost too.

ASSEMBLYMAN FOY: The only thing is the Division of Motor Vehicles announced that under the contract entered in March, it would cost the State approximately \$21,600 per private agency. This compares to \$22,000 per month for the public agency. Prior to this contract, the figures were \$12,774 per month to operate a private agency. There's a large jump that way. I realize you're cheaper, per se, than the public agency. We're only talking about \$400 difference per month.

MR. KROH: It's a lot more than \$400 because they have not recognized in their figures and and we faced it all through the negotiations and they kept looking at their figures for the costs, based on the same hours that our employees are working, when in reality, it is not. They didn't recognize the cost for overtime, and when they did, they only recognized it as maybe four hours a week, when in reality, it's a lot more than four hours of overtime per week, per employee.

The other thing is they look at the cost of benefits in a totally different fashion than what we have to on an individual basis. Where they take and develop a percentage figure for the total Division of Motor Vehicles to ascertain what it costs for certain benefits, when they take those high block salaries that they have in certain areas or higher level salaries -- as compared to the occupations out in the motor vehicle agency, and you're dealing with 12, 16 employees out here and you're dealing with several employees over here, the percentage relationship is altogether different.

ASSEMBLYMAN SINGER: Who provides your office supplies -- paper, pencils, etc.?

MR. DeLELLO: They do.

MR. KROH: They do in some cases; not in all. There are many times when we have to go out and buy our own supplies because they don't have them on hand. Many times they are not reimbursed because when you need a pack of pens you just run to the store right next door and grab a pack of pens and pay for it out of your pocket, and they want a canceled check to show proof that you brought it.

MR. DeLELLO: In that respect, though, I must say that they came a long way. They reimburse, you know, almost everything.

ASSEMBLYMAN SINGER: Does the Division provide all the agencies all the necessary forms? I mean do they provide you with everything?

MR. KROH: They provide us with the forms. Yes.

ASSEMBLYMAN SINGER: Who pays for the cost of the leasing or renting of a place where you are? The facility? Does the State pay on the same basis that our employees are working?

MR. DeLELLO: The State compliance (sic) out of the Treasury Department.

ASSEMBLYMAN SINGER: So, the State does pay for it. Is the furnishing you obtain your own or the State's?

MR. KROH: It's a combination.

ASSEMBLYMAN SINGER: A combination.

MR. KROH: Desks and so forth that are in there for most of my staff have been bought and paid for by me. They did supply a desk for the receptionist and they finally supplied two file cabinets. But previous to that we had to buy our own file cabinets. They are now buying cash registers which previous to now we had to go out and buy our own. Since I already had a cash register when they implemented the program, I did not get reimbursed for mine. They will now buy some adding machines too. They finally recognized that we needed adding machines, so they will provide those, but previously we had to buy our own adding machines. We had to buy chairs. We had to buy tables for the employees to sit at and eat lunch at, buy chairs for those tables, and what have you.

There's many expenditures in an agency that are still today the private agent's responsibility, and rightly so. I'm not saying that we need to have everything given to us. There are certain things that if we are to be in business, we need to bear the expense of that, and I'm willing to. And we all have been.

ASSEMBLYMAN SINGER: Okay. On the computer -- I realize the supply of a computer -- do you have any expense tied to the computer, or is that all picked by the State?

MR. KROH: It's all picked up by the State. The only expenditure that we would have there is if the employees go for

training. In the past we had to pay for their training. Now we've got some form of compensation for either the cost of the leasing. ASSEMBLYMAN SINGER: Okay. Can anybody just give me for the record -- are you required to carry any type of insurance on your agency?

MR. KROH: Yes. We must carry a performance bond that's on the agent. We also have to carry a liability package on the agency so that if somebody comes in and falls and gets injured, they sue us and not the State, so the State's protected that way. We also have to carry workers' comp.

ASSEMBLYMAN SINGER: Are you required to provide any health or pension benefits to your employees?

MR. KROH: Yes we are. We must carry a full medical package for the employees now.

ASSEMBLYMAN SINGER: Does the State assume any of that cost or is it strictly on the agency?

MR. KROH: That's in the contract -- the 35% in the contract.

ASSEMBLYMAN SINGER: I think that you provided one concern for the comparisons that we're talking about. We want to make sure we're looking at the true cost of the private sector agencies as opposed to the public -- that we're comparing apples to apples, not apples to oranges. So, therefore, we want to make sure that we're getting any hidden costs in there that might not be figured on the bottom line.

MR. KROH: Let me give an example of the sum of the things that we run into. It just happened within the past two years in my agency and another agency that's right close by.

I worked for two years to get a new facility because we were operating my agency in a 1200 square foot little office. The volume was unbelievable, and consequently the people were packed in like sardines. Now we've been criticized that we private agents have not been getting the best facilities; we've been scrimping and saving money on rent.

That's not the case, because the State has been paying the rent for years on the facilities, and the facilities have to be approved by the State. SINGER: Okay... Can anybody just give me -- the It took me two years to get my new facility -- of larger facility and it's 3200 square foot. It went through and the building was built, the equipment was installed, and the State forgot that they needed wiring to connect in the computers. Consequently, we've got a 3200 square foot building ready to open up and there's no electric to hook into the computers. So, they said to me that, "We're in a bind, go out and get an electrician to come in to do the work so we can bring your agency up." I did. It cost six hundred and thirty some dollars, I think, -- the electrical bill -- to put in all the wiring that had to be done to bring the agency on-line with the computer and everything else.

They turn around and they had the same situation come up at the Cherry Hill agency when they reopened that in a new and larger facility. The same electrical work had to be done. They went out for bid. I'm told by the people in Trenton, that the bill for the same work that I got done for \$635 cost them in Cherry Hill over \$6000. This is where private agents have a better handle in doing some things than the State.

ASSEMBLYMAN SINGER: The next thing that I wanted to ask you about is concerning handling certain documents and the concerns that people have about security and the integrity of the agencies, and concerns including among other things, titles for-- Things of that sort. In your positions in the agencies, do you feel there are any specific function whether, it's titling or anything else like that, that the private sector agencies are unable to handle -- or is better handled by the public sector agencies?

MR. DeLELLO: Mr. Singer, I'm going to answer this question, but I'd like to back up once, because it's important, on the question that you asked before, or a statement you made

before -- the total dollars -- which one is less; State versus the private and why only such a small differential? My colleague here hits on some of the things why it shows up with not that much differential -- State versus private. But they don't give you the true picture. There are many different things that the State does that we have to pay for -- that the State has other people doing it -- that the State is paying for.

One good example, and when I mentioned shortages-- When checks are lost -- and there are checks that are lost, believe it or not -- we have no way of knowing when that check was lost maybe until four, five, or six months down the road. Who lost the check? Our deposit slip shows that the check was made. It could have been lost in the bank, it could have been lost, God knows where. What happens with us-- We have to make good for that. What happens with the State-- Who eats it? Now if they're lost with us, I'm sure they are lost also with the State.

Accounting is another thing. Many of us haven't got the knowledge to go out and do all the accounting work that's required. It's a lot of accounting work to be done. I'm fortunate that I know the figures and that I can do my own, but there's many that cost money. In a State sell, who does it? The State. They pick up the tab. It doesn't show up. But we have to pick up that tab.

One other point. When it comes to other insurance work, such as security, we have to do that work. We're not getting paid for that work. That's something we have to do. The payroll -- we have to do it. With the State, it's hidden. The State has their own people doing it. The Treasury Department does it, but the cost of the Treasury Department -- the State monied it to that payroll. But it's a hidden cost to us. So, there are a lot of hidden costs that don't show up -- State versus private.

ASSEMBLYMAN SINGER: I appreciate it, concerning security and why only such a small differential. My colleague MR. KROH: on Your other question, Mr. Chairman, concerning security, what has transpired when an agency went from private-operated to State-operated? The same employees that were there under the private-operated agent became the employees in the State-operated agency. The same people dealing with the same documents-- What's the difference? They can't tell me there is any difference.

By the same token, I'll take you a step further. They shouldn't be able to do anything more in a State-operated agency than we can do in the private sector operation. They should be identical services.

ASSEMBLYMAN SINGER: Are your people bonded, by the way?

MR. KROH: No. The agent is bonded. The agent is personally liable for everything that is there.

ASSEMBLYMAN SINGER: You don't think it would make sense if possibly your employees be bonded? I know for example, in my business which my employees are in-- I do business in food service. We're in many large department stores when they are closed. All my people are bonded.

MR. KROH: Employees are in a controlled environment and the documents are in a controlled environment and I am personally liable for them.

ASSEMBLYMAN SINGER: I want to go on. I have a few points that I want to bring up.

MR. DeLELLO: Mr. Singer, if you would like to address some questions to these other two, it's not fair for us to do all of it.

ASSEMBLYMAN SINGER: Okay. Again, they certainly can jump in and respond. But wait, a few more things. Recently in The Star-Ledger, Attorney General Cary Edwards was quoted as stating the State so far has been unable to find any retail

chain interested in taking over the motor vehicle agency system -- raising the prospect that the system may be eventually operated by the State. Now, that was based in his comments. Let me just throw a few thoughts out to you. ag is there thinking, at all, from you that run agencies that if you are able to run more than one agency, in other words, you're able to contract to run more than one State agency; that you might be able to run them because of volume of scale and because you're running multiple agencies? You might be able to do it more cost-effectively and make your position more flowing because you are dealing with several locations?

MR. KROH: I was given the opportunity back a couple of years ago to pick up a second agency and operate it because they couldn't get an agent to operate the Northfield agency, and many people in the Association were not aware of that fact. But they asked me to go from Williamstown right down the Black Horse Pike to Northfield and operate both.

I was willing to do it but only as a temporary measure, because I feel that the responsibility within the agency is such that you can't spread yourself that thin, and to have the proper management operating more than one facility. I don't think there's a good rationale behind that unless you enter into many of the other problem areas. Then you would have to go and consider getting other employees bonded because the agent is not there. He's got to spread himself far too thin.

The responsibilities between the agencies, the distances, and so forth-- It would not be a very workable thing. There are many times when the general public comes in and they want to talk to the agent. Now if you've got more than one agency, you can't be all places all the time.

ASSEMBLYMAN SINGER: Okay. Let me just throw one follow-up question to that. We've heard about, and I've heard it before, that the compensation does not really meet the

headaches and the problems that the agent has. There's been a big bone of contention that everyone has talked about -- it's a problem and it's a difficult job, and everything else like that. Why do you continue to hold the position of agents, with all these problems?

MR. KROH: If I knew in 1982 what I know today, I would not have taken the job. By the same token, I am a man of personal pride. When I take on a task, I want to see it through. I think this is the case with almost all of the motor vehicle agencies, because we've put in a lot of hours -- all of us. Frank has spent many, many hours, so has Ben and Sonny, in working to improve the overall operation of the agency system. When we're committed to something, we don't give up. I think that's the key to the whole thing. I'm not willing to give up, because I think we're on the right track. I think we've been on the right track.

If you could go back to Bocchini's Committee and go through some of the testimony that I gave under oath, or was supposed to be under oath, and then at the last minute we found out that they had determined that it wasn't going to be a full-fledged hearing, so therefore, it didn't count -- and whatever happened to it, who knows, because the testimony didn't come in the way they wanted it-- You would see some of the changes that have come about. And we got to look at what has taken place and transpired in Motor Vehicle because of this administration. Okay? We've got to point that out.

Prior to my becoming the agent in Williamstown, that agency was operated by an absentee agent. The agent hadn't set foot inside the agency in six years. The employees in that agency didn't even know who he was. They had never met him until the day he came in to sign off on the inventory when I signed on. There were four employees in Williamstown's motor vehicle agency: three were full-time, one was part-, and that's what was operating in the agency.

Today I have 15 employees on the payroll because this administration said that we're going to have our hands on management. We're going to have better staffing. We're going to do more things. -- We've made positive steps. Now, finally after many, many months of negotiation that started last June, and we met on a regular basis -- almost a weekly basis -- hammering out this contract, we saw the light at the end of the tunnel. We saw it. That light's there.

ASSEMBLYMAN SINGER: Okay. Three quick questions and then I want to bring Virginia Wolf in. One, are you currently aware of any incentive programs that any private agencies are paying employees for doing a more efficient job? Is there any?

MR. KROH: No.

MR. DeLELLO: What was the question?

ASSEMBLYMAN SINGER: Is there any incentive program that you know of at any private agencies that are given to employees who are doing an efficient job of transactions or anything like that?

MR. DeLELLO: Not that I know of.

ASSEMBLYMAN SINGER: Okay, I just wanted to know that. Number two, if we're talking about a method of how private sector agencies should be given out, is it your opinion that they should be given out on a bid situation or should it be continued the same way it's done now?

MR. KROH: I wouldn't know how to bid on it.

MR. DeLELLO: Let me answer the question. I've worked on that. These gentlemen didn't work on that. I worked on that. I worked where there was another gentleman who was there prior to this Director. We were talking about how would you go about asking for a bid if you were to go on a bid area? What is the criteria of the bid? How do you go about it? How do you know how much to figure out? Would you go by this, that they are giving us? Because this sometimes doesn't work out either. Or are you going to give them a guarantee on the

bid? Are you going to say that you will be getting so much per item, you will be paying for the rent, you would be doing this and you will be doing that, how much in a particular area is it going to be? things. We've made positive steps. Now, finally

Now, coming to bids and getting back to your question that you saw about Cary Edwards' statement in the newspaper -- private agencies going out into a Sears, Roebuck or into a Penney's or into a big chain. I see nothing but catastrophe if that were to happen today. Because now, you are going to again change your whole system that you put in there and put these computers and terminals into these areas such as a Sears store, and there's nothing wrong with a Sears store -- I'm not criticizing any store -- I was in business, so I know what I'm talking about.

ASSEMBLYMAN SINGER: Excuse me. By the way, just to correct you for the record, according to the Director, they were not going to put in computer terminals in the stores.

MR. DeLELLO: Pardon?

ASSEMBLYMAN SINGER: They were not going to put computer terminals in the stores.

MR. DeLELLO: They were not going to do that?

ASSEMBLYMAN SINGER: They were not. We discussed this with him at the meeting we had with him.

MR. DeLELLO: Well, this is news to me, because at the time when they were talking about it, they were thinking of doing just that. And they were also saying because I was under the gun with -- not the Bocchini Commission, but with the people from the Motor Vehicle staff. And they were thinking at that time, how would they even control it? How would they teach the personnel?

ASSEMBLYMAN SINGER: In discussion with Director Paulsen concerning this at our meeting we had a few weeks ago, we talked about this and they told us that if we had gone to something like this, in other words, a Sears or anything else

like that, it would not be a terminal situation, that it would be a pickup situation. In other words, you would be picking up the paperwork on a daily basis. Much in a particular area is it going to MR. KROH: That defeats the purpose of being computerized.

ASSEMBLYMAN SINGER: Well, we were concerned about that. They said again, that the system could not handle additional members. So, if you go to a large chain which has a number of stores throughout the State, now you are talking about another whole situation of more terminals or anything else like that.

MR. KROH: They already had in the warehouse in Trenton, computers to go in to every one of the Sears stores under that contract for photo licensing. The computers were there on hand in the warehouse. Now that means to me that they were--

ASSEMBLYMAN SINGER: That was prior to Director Paulsen. You have to remember his thinking was not along those same lines. So, I think this is what his thinking has been to us and we've talked about whether it was a Pep Boys or some other place that might be, again, strictly renewal of a registration or renewal of a license; not the full blown-- And he told us at times -- and again, I don't have the minutes before me -- that it was never the intent of these areas to be full-blown agencies doing everything anyway. They are going to be limited in what they are doing. He said to us, again, that the concerns would have to be if we went to a mandatory picture on a license, that we would have to find some outside area to do that because of the large volume of photography we're talking about alone.

MR. KROH: Let me answer something there, Mr. Chairman. We went to a mandatory licensing procedure back in 1984, I believe it was. And we geared up in the private agencies with additional people and everything else, because we

were going to mandatory photo licensing. They guaranteed us that ~~because this mandatory photo licensing was going to come into play, we would be compensated by the items that we would be getting from the mandatory photo license, and thus we could pay for the additional help that we would be putting on.~~

Well, this State never went into the mandatory photo licensing. And I'll tell you, when you stop and look at it, and I've testified to this before, in front of Bocchini and the SCI, if this State could ever make up their mind what they are going to do on the photo licensing, we'd all be better off.

But we've got the worst of all situations and we have become the laughing stock of the nation, because we've got three and four different types of licenses out there, and it's crazy.

MR. LOVECCHIO: Mr. Chairman-- (speaking from audience)

MR. KROH: We can't even get the equipment serviced properly, because they are not adhering to the contract that they went out to bid on. When you want to go out to bid on a private agency situation or even look at it as a consideration, all we have to do is look back at what transpired with photo licensing that Motor Vehicle was forced to do by the Legislature. And then the Legislature turned around and changed their mind after it was implemented, and said, no, we're not going to go that route.

ASSEMBLYMAN SINGER: Just one second. Could you just get to the mike so that we can pick you up and just identify yourself?

MR. LOVECCHIO: My name is Sal Lovecchio from the great city of Vineland. Mr. Chairman, I'm hearing this about the motor vehicle agent, and it seems that everything goes to the agents and the agencies. And it disturbs me, because I know every one of us privately-owned and run agencies work very hard at this thing. And I think a lot of these things could be straightened out so easily. We're talking about money which is a big factor.

But I want to say one thing. I've been involved in city government, and your PR man plays an important role in any one of these endeavors. We have a PR man who has been absolutely no help to the Division of Motor Vehicles -- that is, the agents. Comes a problem, he doesn't protect us in any way and say, "It's not the agents' fault, or your local agent's fault." He doesn't put anything in the paper stating that if you have not received your documents in your mail, go to your local agency and get them renewed. Many people come in with three years expiration. I had one the other day. I thought the guy was going to clip me, because I went up to him, the girl said to me, "Sonny, I think we have a problem." I said "What's the problem?" She said, "Mr. Singer doesn't want to pay this money." I go up to him and say, "Mr. Singer, what's the problem?" He says, "It's suppose to be \$53.50. You're charging me \$107.00." I said, "That's what we call a post audit. You didn't do it last time." He said, "I never received anything, and furthermore, I had the sticker on my car two years ago and they took the money!" Now, this is a everyday occurrence. I finally got him straightened out and I got him under control.

However, I'm going to ask you a question. What would you think if he were to put something in the paper pertaining to this? Would you think it would be a good factor or a good thing for the people of the State of New Jersey to know that they could go their local motor vehicle agent as to not wait to get a document from the State? Would you say that this would be the proper thing to do? Should he be doing something like this?

ASSEMBLYMAN SINGER: Well, I certainly believe that there is not enough publicity or information coming out to the public concerning the motor vehicle agencies, whether they be private or public. I think number one, our police forces are still confused because they are told they cannot ticket people if people have had problems with registration. I know on our

own police force and our own deputy mayor has had some extreme problems with that and your PR man plays an important role in any one of it. I think that certainly the system itself has been a cumbersome system. But you know, you've got to look at both sides of the coin also. In my particular county, we have a number of agencies and one in my district went from private to public several years ago, and I have to tell you that they went there because the private was not able to make money. Because of that, they would be understaffed and everything else like that. It came to be a public agency and therefore has more staff and has more efficiency. You see, I get the best of both worlds. You know I have the private agency where the person solicits my business and says, "Take your fleet and come in here," and wants to do it and bends over backward. Yet we have a public agency now, that's staffed up more and geared more than what was there before.

So, I kind of tend to think that there's room for both in this system. Because in certain areas in the past, because of the fact of whether there was not enough money and the fact that the staff is very low in certain cases of the State, the agencies were suffering.

MR. DeLELLO: Mr. Singer, I agree with you on that. I told the Director just what you're telling me right now.

ASSEMBLYMAN SINGER: Well, it so happens that the person that was running that agency found out that they couldn't make a lot of money by it, because there was not a lot of money to be made, and therefore, it made more sense to turn it over to the public sector and have the public sector bring up the standard of response in that particular situation.

So, I think we've got to be realistic that in some cases, we've found that the public stepping in and taking care of the agency, brought up the efficiency. In other areas where the private has been aggressive and going out there and soliciting the business to come in there, they've been quite successful with that.

MR. DeLELLO: (Interrupts Mr. Lovecchio) If I may, Sonny, ~~adjust on~~ that one point. I've discussed this at length with the Director ~~and the Assistant Director~~ ~~exactly~~ what you're saying, ~~that the combination of both~~ may be a proper way to go. The only thing is that in your statement you said that the other agent in your area, the private agency, couldn't make it because he wasn't making money, so the public went in and overstaffed it, gave more money, and they are doing well. Why didn't they consider that with the private agent at the time? One of the biggest problems, and I'll say this again, one of the biggest problems was because they were underpaid and they wouldn't listen. This contract, I must say, helped a lot.

MR. LOVECCHIO: I want to say something else if I may, Mr. Chairman. I've had the agency, it will be five years in December, and as Charlie stated, even Frank and Ben -- who is behind me and hasn't spoken yet -- but when we first went in, we were under the old system; we'll call it the old system. And I knew you were going to come out with, "Why are you fellows still keeping this job?" because we've had that brought up to us many, many times.

When we went into the system, I had five gals. I acquired five gals from the previous agent, who did approximately 400 and 500 units a day. I turned this thing around. I'm proud to say that I turned it around. We went up from-- I had six full-time girls and we were doing 900 to 1000 to as far as 1200 items a day. Now, you see you can make money, because you are working on a volume basis. We had the old system. Now, we come out with the new system. I think in May of '84 or '85, Charlie, if I'm right, the building caved in. Now we had six or seven girls. Now we had to get more girls. Now we have a total of 11 girls and I'm lucky if we do 800 items a day. Okay?

A guy comes in-- Like you said, you want to compare apples with apples, you can't compare apples with oranges. A

guy comes in-- And I've had this happen to me just recently, because as Charlie says, I'm a local guy. In my town, when I was born 61 years ago, there were 15,000 people, today, there are 61,000 or 63,000 and I'm honestly proud to say I guess maybe 50,000 know me. So, I have my credibility and I have my honor to keep in that city.

A guy comes in the other day and says, "I want to do my registration." Now, on the bottom of the corner of your registration card, it says social security number. The girl says, "We have to have your social security number." He said, "I won't give it to you." So, I went over to the counter and I said, "Gee, Frank, you know, don't be foolish." I know the guy. He said, "It's a matter of principle. I am not going to give my social security number." I said, "You can't get your registration or license or whatever you want." He can't get it. He said, "I'll get it." He said, "Will you give me a 22 cent stamp?" I said, "I certainly will." He filled out the card and mailed it in my office. He came back three or four weeks later, "There's my license; here's my document." What we couldn't do, I would almost have to argue with this guy if I didn't know him. You understand what I am trying to say? (positive response) Okay.

The telephone system -- I have it marked here. It should go onto the 800 number. Anne Sweeney -- I don't know if you know Anne Sweeney. She's my field rep. She happened to be in my office one day, a lady came in; I thought she was going to kill me. She brings a telephone bill of \$3.34. She wanted the money. So I gave her the \$3.34, because of the fact that they call Trenton. They think that they are calling and talking to us, and they are talking to Trenton.

Now why should the agencies be condemned for everything that is wrong? When you build a house, you build the foundation, and this is what I think about the motor vehicle agency. I think we have the finest Director and men

working for our agencies. The agencies that we have left, I think they have been great. Whatever is happening is not their fault. But again, I have to go back to the PR system. I think if the public relations man was a little bit more helpful to us, and let your public know exactly what's going on, I don't think we'd have as many problems.

ASSEMBLYMAN SINGER: Yes. But there is one thing that I would like to keep in the right perspective. In our Assembly offices we get a tremendous amount of concerns with DMV, and we get it on a daily basis; legitimately so. Many times the person that comes with a so-called simple problem is not a simple problem.

MR. LOVECCHIO: Right.

ASSEMBLYMAN SINGER: When you dive into it and get involved with it, you find out that it is not just, "They won't renew my license." There have been a tremendous amount of things that they don't tell us and we find out afterward. I had a woman come in who failed a test three years (sic). She is 80-some odd years old and doesn't understand why she can't get a driver's license. Again, she doesn't tell us that she took the driving test three times. She doesn't fill us in with all the information. It takes time to get this information back to us so that we can at least legitimately look at it. It doesn't happen overnight. You have to get into the records and everything like that. There is a problem with that.

That's why, by the way, I'm very much in favor of the decentralization situation where there are regional offices that you could go to; where you could send them to. It's only a 20-minute drive or a half-hour drive and they park conveniently as opposed to coming to downtown Trenton, which is difficult for a lot of people to get to, especially from the northern part of our State. If you are in the northern part of the State and you talk about coming to Trenton, it may be a two-hour drive down there. It's just not fair to the public.

I think legitimately so, I know that when I've gone into the agencies -- and I use the agencies -- that it annoys ~~me~~ ~~me~~ ~~me~~ get in there and I ask a question and they say, "I can't help you." Whether it's State or private, I feel like, what am I doing here? This is an agency; I'm coming to you. And if there's any problem -- "I can't help you." The public has to understand that. I think that very honestly we have to get that out more -- to understand that the agencies take care of basic things, and if there is any problem with your license, you've got to go to the central or to the regional offices. That will help you out tremendously, as well as the fact they should identify on the phone, "This is the central office; this is not your local agency." So, that's something we're going to talk about when we bring the Commissioner in.

MR. LOVECCHIO: Then they come out with this new system in the title section -- the block areas. You don't know -- you can't imagine how many problems we are having with automobile dealers, because this is the greatest portion of our business. At least Charlie and I do a tremendous job with automobile dealers. You say that they have about seven blocks, maybe the car has 9000 miles and then it ends up 947,000 miles and now we can't alter that. There's not a thing we can do about that. Now he ups and sells the car. He needs that title because-- He can't bring the title to the finance company because we don't have it and can't do anything about it. He's not like Pat Shaffer (phonetic spelling). Those guys are fantastic, but I'm saying that it goes back to the system.

ASSEMBLYMAN SINGER: Well, think about one thing. It takes you between 15 minutes and 18 minutes per transaction and there are 10 people on line. If the person is standing at the end of the line, it's taken him several hours just to get to the window. Forget about how long a transaction is there. That's the problem that we run into with the public. I've been to the agencies at the end of the month when we forgot to renew

something and it's the last few days, and the lines are out the door ~~the~~ either agency. Nobody can gear up for that one day a month that is going to happen, and really that's the problem that portion of the public sees. They come that one day at the end of the month, and the line is out the door and it becomes a three-hour ordeal. There's no question about it, and it's a problem and the person gets up there, and they don't have a pen, and if you give your pen away, you don't have a pen, and it becomes a whole thing. Then you sit down. There are certain things that we understand. Let me just do one thing, and we're going to have to end this, really. I have to bring up Virginia Wolf. I promised that I would let her speak today.

MR. LOVECCHIO: Thank you for the time.

ASSEMBLYMAN SINGER: I thank you for coming in here. Virginia would you just identify yourself for the record, please?

V I R G I N I A A. W O L F: Yes. My name is Virginia Wolf. I'm the Vice President of the Administrative Clerical Bargaining Unit for Local 1038, Communication Workers of America, Woodbury, New Jersey.

Thank you so much for this opportunity to testify this morning. I'm going to say one thing which may sound very-- Some people may laugh at it; some people may not. But as a woman I have to tell you I have been constantly offended this morning -- this is just an aside -- by the constant, constant reference to employees of the agencies as "girls." We are not girls, we are women, we are workers be that as it may.

MR. DeLELLO: We apologize for making that statement, ma'am. Would you accept my apology?

MS. WOLF: I would accept your apology and hope that your consciousness has been raised by it.

MR. DeLELLO: Thank you.

MS. WOLF: The motor vehicle agencies have been under private control for many years and until very recently, every

agency was run by a private agent -- mostly politically connected. I do not intend to offend anyone, by saying that politics is a dirty word. I, myself, am a politician, and thank God for them. They come that one day at the

However, because many times these agencies have been rife with politics, many of the workers that are hired are political appointees. This has tended to make the agencies somewhat less efficient than I think they could be. I feel that the private sector cannot assure the accountability in the area of worker competence. Now there are agents, and I've heard it here this morning, who said that they have control over the competency of their workers and that they could be fired at will. If the agencies were State-run agencies, there are many, many restrictions on the State. Who knows better than I, who defends State employees many times in a separation issue under our civil service laws; which even after they are changed, that will not be altered.

There is a working test period that has to be satisfied. At the end of that working test period, the evaluation is made. If that worker is evaluated as satisfactory, that worker then stays on. If during that working test period, that worker is not satisfactory, that worker is then let go.

There are other things. There was a contract mentioned here this morning. Now, I have not seen this contract. Evidently, this is something new.

ASSEMBLYMAN SINGER: Neither have we.

MS. WOLF: Okay, previous to this, our understanding was that workers in motor vehicles agencies did not have health benefits, pension benefits, and earned leave-time. When you hire a worker at \$3.35 an hour and give that worker no benefits at all, you are going to get what you're paying for which is not a lot.

When you have a worker who is earning a decent wage, and believe me, \$3.35 an hour is not a decent wage--~~Just look at any McDonald's who can't hire people because of it.~~ When you have a worker and you pay them a decent wage, you give them a health benefit package, a pension benefit package, and a earned leave-time benefit package, you now have a worker who has invested his time and effort in that job. This is not a job that is going to easily be given up. This is not a job that is going to be abused. This has been the experience in State work.

Now, I don't know if they have pension benefits now. I understand they have health benefits. I don't know how far that program goes as compared to State health benefits for State workers. There's also an idea that if the agencies are State agencies they are going to be mired down in the bureaucratic mess. Well, some of the bureaucratic mess is-- A worker may be disciplined in State service. The New Jersey personnel system has certain safeguards within the system which are designed to protect the public, but they are not insurmountable difficulties. It's true, that potential applicants have to report any criminal record and are automatically fired for criminal offenses committed during their employment. I don't consider that to be unnecessary bureaucratic red tape.

It is true that veterans of combat service get preference in State jobs over non veterans. That's a commitment the citizens have made to veterans. Again, I don't consider that an unnecessary inconvenience. It is true that certain State workers have to be fingerprinted. The New Jersey Legislature recommends this. Obviously, they don't consider that red tape.

It is true that permanent workers are entitled to a hearing if they are terminated for cause. Due process is a concept that Americans are committed to and we hardly consider

that to be bureaucratic red tape. It does not prevent appointing authorities from punitive action against workers. If it did, UAW representatives would not have to spend their time defending these workers. When a decent wage you give them

State workers are vested in a pension after 10 years of mandatory contributions. Now, if we have workers who don't get a pension, is that really the way we want to save money, by denying workers in this day in age, especially woman workers? Women today don't work like in the good old days to buy drapes or fur coats. Woman today work because they have to work, whether they are married or whether they are single. The two income family is a reality, regardless of what those two incomes are. To deny those women -- and primarily that's who work in our motor vehicle agencies -- to deny those women the right to be in a pension system is unconscionable. If they were State workers, they would be in the pension system.

About the only benefit that workers in an agency if it were private would have, would be the right to strike. And since we intend to organize all of them under any circumstances, perhaps we have to take advantage of that right.

I sat here and I listened to something that disturbed me, not only as a State worker. I was a State worker, incidentally. I worked in an unemployment office. I am puzzled as to why the Division of Motor Vehicles -- or perhaps they have, but I'm not aware of it -- has not fully investigated the possibility of looking into how the unemployment insurance system has worked for 50 years? They just had their 50 year anniversary last year.

There is a counter. There are lines of people. Now, they are computerized. The computers are right at the counter. The claimant comes up, the information is put into the computer, the computer answers back, the claimant goes to the pay station and gets his check. It is not as easy as buying a lottery ticket. With all due respect, Mr. Singer, you

just can't go in and get your license, your registration, or whatever. It has to be a little bit more involved because of the legalities involved. ~~It would not have spend their time defending~~ But ~~we~~ we would hope that the DMV would look into examining how the unemployment insurance system works, and perhaps use it with some modifications as a model for running the agencies that supply people with their licenses, etc. I worked in an unemployment insurance office. We were timed on how long it took to process a claim. Some days were good, some days were not good. We had what we called double days. That would be after the Fourth of July or before Labor Day, Easter holidays, etc., etc. I would suggest to DMV that if they feel they get backed up, that they run a flex-time program. Have some of the workers start from eight and work until four, other workers work nine to five, other workers ten to six, and so on and so on and so on. There is complete coverage in your office from eight o'clock to seven or eight o'clock at night.

There are many, many, many, many things that can be done to improve the motor vehicle office system. Privatizing them is not what will do it. What will do it is getting people together from DMV, from the workers who work in the offices, from the people that work in the central office in Trenton, and incidentally, I agree with you in the contention that there should be some decentralization. There's nothing more frustrating than dealing with the central office. Get that group together -- the people who actually do the work -- and have them come up with a plan on how to solve these problems. These problems are not insurmountable. But privatizing these agencies definitely will not solve these problems -- absolutely not.

We, in CWA, take exception to the criticisms from the public and from some of the Legislature and from some of the private agents themselves, to the criticism of the workers themselves. I've been in my local agency and it's very much

like an unemployment office, and I've been there and have stood there and said to myself, "How in God's name do these women do this job with all this abuse?" It was worse than an unemployment office. And I've had the Assistant Commissioner of Unemployment say that the worst job in the world is working in an unemployment office. It's worse in a motor vehicle agency. They can be hooked into the central computer system the way they are with the computer right there at the counter. The 800 number is a good idea, as long as, like Mr. Foy said, there is somebody on the other end that's going to answer it and say, "Yes, your question is da da da," and give you the answer, and that's fine.

There are so many ways to solve the problems that DMV has with the motor vehicle agencies. They are not insurmountable, they are not difficult, but you should absolutely recommend that they not be privatized, that the workers have input into how to run the program. I thank you very much for this opportunity this morning.

ASSEMBLYMAN SINGER: Thank you. If you would just remain seated for just one second. I just want to ask you a couple of questions. Are you familiar at all with the county-run agencies?

MS. WOLF: No, I'm not. I have heard about the one in Atlantic, but I am not familiar with that at all.

ASSEMBLYMAN SINGER: Are those employees county employees? They are county employees, so in essence they are governmental employees.

MS. WOLF: Right.

MR. DeLELLO: They are a combination of both. If I can correct that a little bit, they are county employees but are being paid by the State. And there is no way for the State to give them back the money.

ASSEMBLYMAN SINGER: Okay.

MR. KROH: They are being paid by the county, right?

MR. DeLELLO: Yeah, but the money--

ASSEMBLYMAN SINGER: For all of us to clearly understand what we are trying to accomplish, we are looking into, again and as I said in the very beginning, the most efficient, the most cost-effective way to service the public. That's what we are all here for.

MS. WOLF: Agreed. Absolutely.

ASSEMBLYMAN SINGER: And whether it's going to be all public or all private, private and public remaining the same. Certainly that's our goal to determine, at least make a recommendation as to the direction that I think we should be going.

I, as I have said before, have seen both sides of the coin in my own district. If I was not a fleet owner, I probably would not have the opportunity to be in the agencies as much as I have in the last few years. Because we run some 35 to 40 vehicles, it's important. In the public agency, I have gone there and they have let me use the dealer thing, because I have such a large thing, and I've come back the next day. In the private agency, they would pick them up in my office and bring them back to me.

So, I've seen the benefits of both worlds. The major problems that I have seen in the agency and in both of them is that end of the month situation. No one is going to be able to cure the fact that someone doesn't take care of something until the end of the month and then you get that long line out the door, and that's the rub. And what happens is when the door is open, because the line is so long, and agency is so small, it is not air conditioned, it's hot, people get their temper up a little bit, and they don't understand a lot of things that are going on. And then of course is the rub when they see you walk up to the dealer's window and give them the work, and they take care of you right away, legitimately so.

Again, we are just looking first to hear all the points of view. I thank all of you for coming down here and ~~gladly, taking time out~~ of your busy day. I realize you are all busy ~~beginning individually~~ with your agencies and with the local to share your views with us. This is going to be the first of a number of appearances we're going to have on this. Mr. Foy asked if we could have something down in his area. I know we're going to look into that; to talk a little bit more, to hear from the public a little bit. We want to hear from the public a little bit. We think it's right to have some of the public come in and share with us their frustrations and their views, and I think we're going to hear a lot of the same things you were saying -- that a lot of the frustration is when you make a phone call, who really answers them, the delay syndrome on that, "Do I have to come to Trenton? Why can't the local agencies do some of the things they are doing?"

And title work is a very serious situation. The answer is, unfortunately sometimes the way the system is built in, if you screw up on the title, you're better off destroying it and saying, "We lost the title." Now there's got to be something wrong with a system that says that's the way you should handle a problem. Forget about having it and don't do it, because you signed in the wrong place, you didn't fill it out. There are a number of things that I've seen that bother me because of the system and maybe we're going to have to talk about that. Maybe some of the local agents, private or public, are going to be able to have to make some of those decisions, be able to do them locally, to speed up the process and to avoid people having to come to a central agency or to make a phone call. That's a very, very important thing.

I think a positive thing that I've seen is the fact that the receptionist that's there helps the person with the form and tells them what to do. I was very frustrated for many years as an individual not having that situation, waiting to

get up to the inquiry window to find out that all I had to do was to fill out the form and bingo, I could have been on the line again and to go back to that line. realize you are all busy -- I think there have been some improvements in that direction, and I'm curious again to see about the mail. This is a very, very important aspect of it, because again the Director made it specific to us. I forget what the exact figures are, but they fell off drastically -- the mail situation -- once they had the problem, and many people who could have been helped via the mails were not using them and are now coming back to use them.

I think it's going to take us a year or so to build confidence back up in the public that mail is a viable way to handle the simple transaction of renewal of your license and the renewal of your registration, as well as the fact that they start coming out now at a steady pace that everyone gets them at their house, that their registration is up for renewal, because the individual doesn't check on it. I know a number of friends of mine have gone down and had to pay for two years in a row and everything else, because you forgot that the registration ever came in the mail. Thank you. We appreciate your comments.

MS. WOLF: Thanks so much.

B E N E D I C T A. F O C A R I N O: Ben Focarino, from Bergenfield Motor Vehicle. I had not intended to make any statement. I basically thought this was going to be a question and answer thing. But I thought that maybe it might be a good idea for me to make a few comments, if you don't mind.

Based on the old contract that we had, I think you have proof that the salary and cost were about one-third less than what they are now. I think that's one good reason why privatization is good for the State. Of course we are still responsible for shortages, we are responsible for minimizing our errors or any errors that have to be typed onto

registrations, licenses, or titles. I believe that there should be flexibility in hiring, in the wages that are paid, and in the number of employees that we should have in each agency. That I believe we're are going to talk to the Director about and maybe bring that up at the next contract.

As far as patronage is concerned, I don't see anything wrong with patronage either. Maybe I don't understand it as well as maybe it's being explained. I would think that patronage might be helping friends; it's also helping the people who are coming into the agencies in trying to get them taken care of so that they won't have to be in there too long.

I might also believe that privatization should be looked into with a possibility of a profit sharing plan with the State where you might have private individuals running an agency whereas the State doesn't have to look into every aspect, such as the employees, the wages, the medical plans, and what have you. And if there is a substantial profit, the State would then share in that profit. But at least the private agent would have the respect of running their own private agency.

The level of service in the State, I would have to say, has improved, not because it is now a private and State operation, but because the computers are being improved as we go along on a day-to-day basis. We were being blamed for a lot of things in the past years that were not the fault of the private agent, but it was the fault of the computer that we had to work with. We now have a better inquiry system. It's still not totally improved, but I think they are working on it.

I would have to say that privatization is really the core of the country and it should be the core of the State. It's something that even other countries are looking into; France, for instance. And I would have to add input stating that we should continue with private enterprise.

ASSEMBLYMAN SINGER: Thank you. Again, I want to thank all of you for taking time out to come. I appreciate you wait. You will be notified of our future meetings and certainly I think that you have opened up our eyes to some factors that we are concerned about.

Just to share one last thing. We've heard a lot of comments about patronage. The general public, I don't think, thoroughly understand that. I think if you ask a person in the street how our Superior Court judges are picked, they will probably tell you by merit and the best person for the job. I think if you asked them how the prosecutor was picked, they would say the same thing. There is some problem with the way agencies are selected through patronage. I think if the average person understood that totally, though it may be the system, I don't know how well it would sit with them. It may be the fact being that they believe it's competitiveness and they don't really understand. I have to tell you that most people don't understand it. And if we were not all in politics, we would not understand it.

Whether it's got to be a long-term contract situation in that direction or something else like that, I think the public has a problem with the patronage situation. And I think that in general, if they thoroughly understood, they would have more of a problem. They don't really understand what we are talking about.

I don't want to debate that. It's just a comment that I wanted to make. Okay. Again, I thank you for coming in and we'll keep you posted.

MR. DeLELLO: Mr. Singer, as President of the Association, will I be getting a transcript of this?

ASSEMBLYMAN SINGER: Absolutely. You will get a full transcript. Thank you again.

(HEARING CONCLUDED)

