

**Transitional Aid Application for State Fiscal Year 2013  
Division of Local Government Services  
Department of Community Affairs**

**General Instructions:** This application must be submitted in its entirety by **September 28, 2012** for funding consideration under this program. Information contained in the application is subject to independent verification by DLGS. Refer to Local Finance Notice 2012-19 when preparing this application for specific instructions and definitions, and review the Submission Checklist on Page 7.

<b>Name of Municipality:</b>	City of Trenton	<b>County:</b>	Mercer
<b>Contact Person:</b>	Sam Hutchinson	<b>Title:</b>	Business Administrator
<b>Phone:</b>	609-989-3807	<b>Fax:</b>	609-989-4250
<b>E-mail:</b>	shutchinson@trentonnj.org		

**I. Aid History**

List amount of Transitional or former Discretionary Aid (Extraordinary, Special Municipal, or Capital Cities) received for the last three years, if any:

FY 2012	FY 2011	FY 2010
\$22,000,000	\$27,100,000	\$34,900,000

**II. Aid Request for Application Year:** (All municipalities currently operating under a Transitional Aid MOU are advised that a decrease from prior year funding is likely.)

<b>Amount of aid requested for the Application Year:</b>	<b>\$21,200,000</b>
--	---------------------

*If not seeking a decrease, a letter from the Mayor is required. See Local Finance Notice #2012-19*

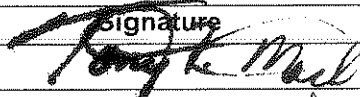
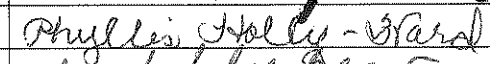
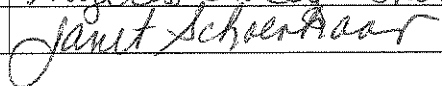
**III. Submission Requirements**

The following items must be submitted with, or prior to, submission of this application. Indicate date of submission of each.

Item	Date Submitted to DLGS
2012 Annual Financial Statement	9/27/2012
2011 Annual Audit	10/1/2012
2011 Corrective Action Plan	To be submitted
Application Year Introduced Budget	9/27/2012
Budget Documentation Submitted to Governing Body	9/18/2012

**IV. Application Certification**

The undersigned herewith certify that they have reviewed this application and, to the best of their ability, find its contents to be true and that it accurately portrays the circumstances regarding the municipality's fiscal practices and need for financial assistance. By submitting the application, the municipality acknowledges that the law provides that the decision of the Director regarding aid awards is final and not subject to appeal.

Official	Signature	Date
Mayor/Chief Executive Officer		9/28/12
Governing Body Presiding Officer		9-28-12
Chief Financial Officer		9/28/12

**V-A. Explanation of Need for Transitional Aid**

Explain the circumstances that require the need for Transitional Aid in narrative form. Include factors that result in a constrained ability to raise sufficient revenues to meet budgetary requirements, and if such revenues were raised, how it would substantially jeopardize the fiscal integrity of the municipality.

The City of Trenton is not unlike most of the State's older urban cities that can not generate enough local property tax revenue or other local revenues to support the services required of its citizens and the business and their employees located in the City. During the past few years, this historical problem has been exacerbated by the nation's economic downturn which has hit the urban areas of the State even harder than other areas. Although there are signs of some recovery, growth is still slow and the economic benefits to the City are not likely to occur during the current budget year.

Increasing taxes to the level necessary to meet the budgetary needs of providing these services would result in more and more citizens and businesses leaving the City, thus further diminishing the tax base of the City.

Since the 1980s, the State has agreed that many of the cities and towns in the State require additional aid over and above the normal formula driven programmatic aid to continue to provide even the basic services to the residents and businesses. Last year and this year, due to its own budget difficulties, the State has been forced to reduce the level of assistance it can provide Trenton and other cities and towns throughout New Jersey.

In June 2012, the City estimated that with an projected Transitional Aid amount of \$19m., it would be facing a deficit of approximately \$7 million. The administration on September 25<sup>th</sup> introduced its FY 2013 budget with a projected gap of \$4m. Costs for pensions, social security and health benefits were projected to increase by \$2 million; debt service was projected to increase by over \$1.6 million; negotiated contractual salary increases and contractual sick and vacation leave payouts were projected to increase by \$0.7 million and costs for insurance was projected to increase by \$0.5 million. In addition, \$1.7 million was included for three months of salaries and wages for firefighters currently funded under the SAFER grant. This additional cost is necessary until the City receives a new grant award in January 2013. In the City's FY 2013 introduced budget much these increases have been offset by additional savings of \$1.5 million reduction in projected overtime in the Fire Department as a result of hiring additional eighteen firefighters in the spring of 2012. Also \$2.1 million in unemployment payments will be saved since no layoff are scheduled in FY 2013. These unemployment contributions were substantial in 2012 because the City was forced to layoff 104 police officers and 36 civilians. The City is facing severe staffing shortages in critical service areas. Therefore, further layoffs will be catastrophic.

As with all cities and towns the City of Trenton has two options for dealing with these shortfalls: raise revenues and/or decrease spending. Over the past few years Trenton has relied on a combination of these two options. However, the continued increase in property taxes places undue hardship on struggling homeowners in the City, many of whom are on fixed income. In addition, as more and more reductions in spending are made, critical services needed by residents are seriously diminished and in some cases eliminated.

The FY 2013 budget presented to City Council on September 25<sup>th</sup> continues to reduce costs in several areas and takes into account the State's requirement to reduce the reliance on Transitional Aid. The budget, not including grants and Reserve for Uncollected Taxes, will be decreased from \$179.6 million to \$179.3 million. Taking the austerity measures put in place over a two year period, the City's budget has been reduced from \$181.7 million to \$179.3 million (not including grants and Reserve for Uncollected Taxes).

The City funded full time positions have decreased from 961 in FY 2011 to a projected 820 in FY 2013. This is a decrease 141 employees, or approximately 14 % of the City funded positions in FY 2011, and approximately 31% from FY 2010 level.

The continued significant increase in property taxes would be very difficult on the residents and businesses in the City. The City was forced to raise taxes in FY 2010 of over \$12 million, or nearly 22.5%. This increase was followed by a tax increase of nearly \$6 million in FY 2011. For FY 2012, the amount of tax increase was \$1 million. Over a three year period property taxes in Trenton increased from \$66 million to \$77 million, an increase of 17%. The FY 2013 introduced budget included \$18,750,000 for Transitional Aid, 85% of FY 2012 award of \$22 million, as directed by DCA. If the actual award is \$18,750,000, the City will be required to increase taxes by \$4 million in order to balance the FY 2013 budget. This would represent an increase of close to 6%, on top of this substantial increase in previous years.

Exacerbating the City's budget problems is the fact that more than 50% of the City's property is currently exempt from property taxes. In 2011, \$2.167 billion of the City's \$4.147 billion in assessed value was exempt from property tax. Of this amount State property accounted for \$932 million or 43% of the exempt property and 22% of all assessed value in the City. These exemptions place the City of Trenton at a severe disadvantage when compared to other municipalities throughout the State. In addition, other public buildings (county, federal, etc.) account for another \$535 million in assessed value for a total of \$1.467 billion, or more than 2/3rds of the total exempt property in the City.

If the City was receiving the municipal portion of the property tax from these properties that the City would be collecting nearly \$80 million in property taxes (based on 2012 tax rate 3.69). The City does receive some PILOT payments for the State, County and commercial owners that totaled nearly 19 million in the FY 2012 budget. If the State were paying its fair share of the municipal portion of the local property tax, the current approximately \$15 million in PILOT payments would increase to nearly 34 million. This is an increase of 19 million and represents 86% of the 22 million in Transitional Aid that the City received in FY 2012.

**V-B. Alternate Eligibility**


<b>Demonstration of Revenue Loss/Substantial Cost Increase</b>			
<p>Complete Part 2 if eligibility was not met in Part 1. Show: (1) specific, extraordinary revenue losses, but not as the aggregate of many revenue line items; and (2) specific, extraordinary increases in appropriations, but not as the aggregate of many appropriation line items. Describe the item on the cell below each entry. If applicable, indicate in the description of the extraordinary increase in expenditure if the increase was the result of a policy decision made by the municipality (i.e. a back-loaded debt service schedule, deferred payment, costs associated with additional hires, etc.)</p>			
Revenue or Appropriation	2011 Value	2012 Value	Amount of Loss/Increase
<b>Description:</b>			
<b>Description:</b>			
<b>Description:</b>			
<b>Description:</b>			
<b>Description:</b>			
<b>Description:</b>			
<b>Description:</b>			
<b>Description:</b>			
<b>Description:</b>			

**V-C. Actions to Reduce Future Need for Aid**

Detail the steps the municipality is taking to reduce the need for aid in the future. Include details about long-term cost cutting and enhanced revenue plans, impact of new development, potential for grants to offset costs, and estimated short and long-term annual savings. Use additional pages if necessary. (Items included in a Transition Plan submitted by a current recipient need not be repeated here.)

The FY 2013 budget that was presented to City Council on September 25th continues to reduce costs and recognizes the requirement to reduce the reliance on Transitional Aid. The budget, not including grants and Reserve for Uncollected Taxes, will be decreased from \$179.6 million to \$179.3 million. Over the two year period the budget will have been reduced from \$181.7 million to \$179.3 million (not including grants and Reserve for Uncollected Taxes).

The City funded full time positions have decreased from 961 in FY 2011 to a projected 820 in FY 2013. This is a decrease 141 employees, or approximately 14 % of the City funded positions in FY 2011, and approximately 31% from FY 2010 level.

The City will continue to be diligent in attempting to find ways to reduce costs and increase local revenues.

It is highly unlikely however those significant additional reductions in the workforce can be achieved due to the reductions noted above. Due to the restrictive nature of the current statutes and regulations on furloughs, it is not likely that City could enact a program that would be fair to its employees and generate significant savings. If however, the State changed the statute and/or regulations to allow for staggered furloughs they would become a better option for Trenton and other cities.

The City will continue to aggressively try to control salary increases as contract negotiations occur. However, the salary increases for public safety workers will likely be set by arbitrators. The City has recently processed the 2<sup>nd</sup> year of the "phase in" employee contribution for those who are out of contracts, which doubled the contribution amount from last year for the same groups. By January 2013, except for one civilian supervisor's union, the remaining three uniformed employee unions will start the "phase in" contributions.

As was agreed to with DCA, the City will take advantage of the recent New Jersey Administrative Office of the Courts decision to allow outside collection agencies for the collection of court revenue owed to the City. Initial estimates are that there is approximately \$10 million in unpaid obligations to the City. It is estimated that 50% of this revenue would be considered City revenue and the remainder is considered state and county money. What is not known is how much of this revenue is currently being collected under Time Payment Orders and thus will eventually be collected and will not be eligible for the collection agency initiative. The City is attempting to have this program up and running early in calendar year 2013 depending on the bidding process and AOC approvals.

The City is reviewing opportunities to refinance its current debt to achieve multiple year savings. In addition, the City is reviewing all completed capital projects that were financed with bonds to use any remaining funds to either offset new capital or provide revenue to offset current debt service.

The City also plans to take advantage of the pilot program in FY 2013 that will allow accelerated tax lien sales on-line rather than the current requirement that the potential purchaser has to appear in person. It is expected that this will increase the number of bidders and thus result in the more liens being sold and potentially at a lower interest rate for the homeowners. The City is also examining the potential of other methods of increasing the revenue generated from delinquent taxes and tax liens. A RFP is being prepared for an outside agency for the collection of the city's liens.

Again as was noted last year, the City has approximately 1,500 vacant City owned parcels scattered throughout our neighborhoods. We have determined to adopt a scattered site redevelopment plan so that we may be able to return these parcels to the tax rolls and generate approximately an additional \$3.6 million in local purpose taxes while improving the City at large and making it a more attractive place. We have also accelerated the auction of other developable properties to not only realize additional immediate income but again to realize a return of these properties to the tax rolls while encouraging the growth of our commercial community.

## LONG TERM PLAN TO PHASE OUT TRANSITIONAL AID

Assuming that Trenton receives \$18.7 million for its FY 2013 budget, the requirement to provide a phase out plan of no more than 3 years would result in \$6 million reductions in FY 2014 through FY 2016. A phase out of this magnitude is probably not doable.

Under the following assumptions Trenton would face budget shortfalls of over \$12 million in the first year. The shortfall escalates in the second year when Transitional Aid will decrease from \$18.7 million in FY 2013 to approximately \$6.8 million in FY 2015, coupled with increase in salaries and other expenses. Assumptions are as follows:

- 1) Transitional aid decrease by \$6 million per year; Other municipal aid remains constant
- 2) Property taxes increase by 2% per year
- 3) Spending is increased by 2% per year

The annual shortfall will have to be offset by additional reductions in employees and services provided and/or significant increases in property taxes. It is highly unlikely that a significant increase in ratables is going to occur in the next few years.

Based on the current status of the City budget, it is highly unlikely that the City of Trenton could achieve a phase-out of Transitional Aid over this period.

As was noted earlier, the City of Trenton should be looked at differently than the other Transitional Aid recipients since it is the State's Capital. As has been noted previously, the State of New Jersey owns 22% of the value of all property in the City. If the State paid the municipal property taxes the City would receive approximately \$34 million in property taxes based on FY 2012 tax rates. This is \$19 million more than the PILOT payments the City is currently receiving. If the City and State agreed to apply all or a portion of this \$19 million against the Transitional Aid then it is very likely that the City could develop a plan to eliminate the need for the remaining Transitional Aid over a few years. Absent this recognition that the a portion of the Transitional Aid should permanently be provided to the City as additional PILOT payments, the City will be faced with significant budget shortfalls depending on the phase out period of Transitional Aid and the amount of reduction each year.

**V-D. Discussion of Health Benefits****Discussion of Health Benefits**

The City of Trenton continues to participate in the NJ State Health Benefits Program. Pursuant to the Pension and Health Benefits Reform (Chapter 78, PL. 2011), all government employees are required to contribute more to their healthcare coverage. The City of Trenton currently has approximately 2,300 combined active and retired employees enrolled in the State Health Benefits Program. The City currently pays \$2.2 million dollars per month to the State at this time. The projected FY 2013 budget for health care premium for active and retirees is approximately \$27 million. With the second year "phase-in" contributions, the City is expected to receive approximately \$1.6 million.

In addition to the health care payments, the City must make payments for prescription and dental coverage. The City is in the process of awarding a FY 2013 contract for the Medco Health Solutions to provide prescription drug coverage to the employees of the City of Trenton. The total amount of the first year of this contract is in the amount of \$4.5 million dollars, as compared to \$3.9 million dollars in previous year contracts. As with most cities, the escalated increase in prescription drug coverage will inevitably add to the budget deficit in the City's budget.

The City utilizes Delta Dental and Dental Services Organization (DSO) for Dental Coverage at this time. The combined Dental budget is close to \$1 million dollars. However, it is the City's intent to go out to bid for a dental services insurance broker within the next few months. This will be done in a fair and open process in accordance with NJSA 19:44A-20.5. This broker will identify the issues, exposures, and assist the City in negotiating the dental insurance coverage to ensure reasonable cost coverage to the City.

The City of Trenton is in the process of reviewing our health benefits coverage based on the 2012 Best Practices inventory checklist provided by DCA.

## VI. Historical Fiscal Statistics

Item	2011	2012	Introduced Application Year
<b>1. Property Tax/Budget Information</b>			
Municipal tax rate	\$3.63	\$3.69	\$3.88
Municipal Purposes tax levy	\$70,071,609	\$72,955,663	\$76,957,617
Municipal Open Space tax levy	\$0	\$0	\$0
Total general appropriations	\$205,467,742	\$185,636,964	\$186,461,642
<b>2. Cash Status Information</b>			
% Of current taxes collected	96.664%	96.016%	%
% Used in computation of reserve	98.22%	98.1%	97.48%
Reserve for uncollected taxes	\$2,665,626	\$2,092,622	\$2,875,761
Total year end cash surplus	\$0	\$0	
Total non-cash surplus	\$5,090,021	\$	
Year end deferred charges	\$15,158,587	\$12,081,865	
<b>3. Assessment Data</b>			
Assessed value (as of 7/1)	\$1,980,295,615	\$1,984,535,097	\$1,984,535,097
Average Residential Assessment	\$64,837	\$62,832	\$62,832
Number of tax appeals granted	518	808	
Amount budgeted for tax appeals	\$0	\$0	\$0
Refunding bonds for tax appeals	\$0	\$0	\$0
<b>4. Full time Staffing Levels</b>			
Uniformed Police - Staff Number	334	229	229
Total S&W Expenditures	\$35,773,236	\$27,030,973	\$26,786,645
Uniformed Fire - Staff Number	163	163	163
Total S&W Expenditures	\$23,129,655	\$21,584,450	\$21,380,085
All Other Employees - Staff Number	539	429	428
Total S&W Expenditures	\$24,491,198	\$22,981,973*	\$24,046,124

\* due to late adoption of FY 2012 budget, most vacancies were frozen and salaries were reduced accordingly

### 5. Impact of Proposed Tax Levy

		Amount
Current Year Taxable Value		1,984,535,097
Introduced Tax Levy		76,957,617
Proposed Municipal Tax Rate	\$3.88	Average Res. Value ( #4 above)     62,832
Current Year Taxes on Average Residential Value (#4 above)		\$2,438
Prior Year Taxes on Average Residential Value		\$2,319
Proposed Increase in average residential taxes		\$119



**VII. Application Year Budget Information**

A. Year of latest revaluation/reassessment

1992
------

B. Proposed Budget – Appropriation Cap Information

- | Item  | Yes | No |
|---|-----|----|
| 1. Was an appropriation cap index rate ordinance adopted last year?<br>If YES: % that was used              |     | x  |
| 2. Amount of appropriation cap bank available going into this year  |     |    |
| 3. Is the Application Year budget at (appropriation) cap?<br>If NO, amount of remaining balance             | x   |    |
| 4. Does the Application Year anticipate use of a waiver to exceed the appropriation cap?<br>If YES, amount: |     | x  |

Item	Yes	No
1. Was an appropriation cap index rate ordinance adopted last year? If YES: % that was used		x
2. Amount of appropriation cap bank available going into this year		
3. Is the Application Year budget at (appropriation) cap? If NO, amount of remaining balance	x	
4. Does the Application Year anticipate use of a waiver to exceed the appropriation cap? If YES, amount:		x

C. List the five largest item appropriation increases:

Appropriation	Prior Year Actual	Application Year Proposed	\$ Amount of Increase
Health, Prescription, Dental	\$25,770,251	\$27,125,946	\$1,355,695
Municipal Debt Service	\$20,727,437	\$22,407,620	\$1,680,183
Police & Fire Pension	\$12,693,006	\$13,882,976	\$1,189,970
Salary Adjustment Program	\$1,248,246	\$2,138,586	\$890,340
Reserve for Uncollected Taxes	\$2,092,623	\$2,875,761	\$783,138

D. List all new property tax funded full-time positions planned in the Application Year:

Department/Agency	Position	Number	Dollar Amount
Mayor's Office	Keyboarding Clerk I	1	\$26,955
Attorney	Administration (offset by elimination of Municipal Court Director position)	1	\$105,384
Human Resources Specialist	Administration	3	\$150,000
Assistant City Attorney	Law	1	\$86,811
Recreation, Natural Resources & Culture	Dept. Director, Recreation, Natural Resources & Culture	1	\$105,384
Recreation, Natural Resources & Culture	Assistant Administrative Analyst	1	\$39,323
Recreation, Natural Resources & Culture	Keyboarding Clerk I	1	\$26,955

E. Display projected tax levies, local revenues (not grants), anticipated (gradually reduced) Transitional Aid, total salary and wages, and total other expenses projected for the three post-application years:

Application Year SFY 2013	Municipality:	County:
---------------------------	---------------	---------

	Tax Levy*	Local Revenues**	Transitional Aid***	Total S&W****	Total OE*****
First year	75,903,072	40,849,348	15,937,500	73,111,489	113,582,250
Second year	77,421,133	42,074,828	13,546,875	76,817,719	119,553,434
Third year	78,969,556	43,337,073	11,514,844	80,553,193	125,917,177

**Assumptions:**

\* 2% increase each year, \*\* 3% increase each year, \*\*\* 15% reduction each year, \*\*\*\* 2% increase each year, assuming SAFER grant award in place for calendar year 2013 & 2014, \*\*\*\*\*2% increase in miscellaneous OE, 8% in health benefits and pension and 5% in debt service

**VIII. Financial Practices**

A. Expenditure controls and practices:

Question	Yes	No
1. Is an encumbrance system used for the current fund?	X	
2. Is an encumbrance system used for other funds?	X	
3. Is a general ledger maintained for the current fund?	X	
4. Is a general ledger maintained for other funds?	X	
5. Are financial activities largely automated?	X	
6. Does the municipality operate the general public assistance program?		X
7. Are expenditures controlled centrally (Yes) or de-centrally by dept. (No)?		X
8. At any point during the year are expenditures routinely frozen?		X
9. Has the municipality adopted a cash management plan?	X	
10. Have all negative findings in the prior year's audit report been corrected?		X
If No, list those uncorrected as an appendix.	See	Appendix

B. Risk Management: Indicate ("x") how each type of risk is insured.

Coverage	JIF/HIF	Self	Commercial
General liability		X	
Vehicle/Fleet liability		X	
Workers Compensation		X	
Property Coverage			X
Public Official Liability		X	
Employment Practices Liability		X	
Environmental			X
Health	<b>SHBP</b>		
	X		

C. 1) Salary and Employee Contract Information (when more than one bargaining unit for each category, use average):

Question	Police*	Fire	Other Contract**	Non-Contract
Year of last salary increase	2010/2012	2012	2011/2012	2011
Average percentage increase	Pending/3.5%	3.5%	Pending/3.0%	0%
Last contract settlement date	2009	2009	2009	
Contract expiration date	2010/2012	2012	2011/2013	

\* PBA/TSOA, \*\*Local 2286/Local 2281

2) Explain if any of the following actions have been taken or are under consideration for the Application Year:

Action	Police	Fire	Other Contract	Non-Contract
Furloughs (describe below)	No	No	No	No
Wage Freezes (describe below)	No	No	No	No
Layoffs (describe below)	No	No	No	No

<b>Application Year SFY 2013</b>	<b>Municipality:</b>	<b>County:</b>
----------------------------------	----------------------	----------------

--

D. Tax Enforcement Practices:

Question	Yes	No
1. Does the municipality use the accelerated tax sale program?	x	
2. When was the last foreclosure action taken or tax assignment sale held: <span style="float: right;">Date:</span>	7/2010	
3. On what dates were tax delinquency notices sent out in 2011: <span style="float: right;">Date:</span>	3/11/11, 9/14/11,11/29/11, 7/27/12	
4. Date of last tax sale: <span style="float: right;">Date:</span>	6/27/2012	

E. Specialized Service Delivery:

If the answer to either question is "Yes," provide (as an appendix) a cost justification of maintaining the service without changes.

Service	Yes	No
Sworn police or firefighters are used to handle emergency service call-taking and dispatch (in lieu of civilians)		X
The municipality provides rear-yard solid waste collection through the budget		X

F. Other Financial Practices

1. Amount of interest on investment earned in:

2011	\$21,436.50	2012:	\$116.55	Anticipated Application Year:	\$116.55
------	-------------	-------	----------	-------------------------------	----------

2. List the instruments in which idle funds are invested:

State Cash Management	
Sun Bank	

- 3. What was the average return on investments during SFY 2012?
- 4. When was the last time fee schedules were reviewed and updated?
- 5. The name and firm of the municipality's auditor?
- 6. When was the last time the municipality changed auditors?

0.05%
April 2012
Mercadien P.C.
2001

G. Status of Collective Negotiation (Labor) Agreements: List each labor agreement by employee group, contract expiration date, and the status of negotiations of expired contracts.

Employee Group	Expiration Date	Status of Negotiations of Expired Agreement
FMBA Local #6 & TFOA	12/31/2012	
PBA Local #11	12/31/2010	
TSOA	12/31/2012	
AFSCME Local #2286	12/31/2011	

Application Year SFY 2013	Municipality:	County:
---------------------------	---------------	---------

AFSCME Local #2281	12/31/2013	
--------------------	------------	--





**IX-C. Evaluate existing local revenues, as to whether or not the rates or collections can be increased or imposed, and if so, how changes will be implemented; i.e., recreation fees, utility fees, land use fees, construction, housing, and fire code.**

Local Revenues and services provided through the General/Current Fund	Check if services is provided	Are fees charged to cover the costs of the program?	If fees do not cover costs, what is the amount of subsidy?	If there is a subsidy, explain why fees cannot be increased to reduce or eliminate subsidy.
Recreation programs	X	Partial		
Sewer Fees	X	Yes		
Water Fees	X	Yes		
Swimming Pool	X			City has made policy decision that residents should not pay for use of pools – it should be covered by their property taxes
Uniform Construction Code	X	Partial		
Uniform Fire Code	X			
Land Use Fees	X	Yes		Fees raised in November 2010 for FY 11 budget
Parking Fees	X	Yes		
Beach Fees	<input type="checkbox"/>			
Insert other local fees below:	<input type="checkbox"/>			
Vital Records	X	Partial		Fees raised in November 2010 for FY 11 budget
Marriage/Civil Union	X	Partial		Fees raised in November 2010 for FY 11 budget
Amendment Fees	X	Partial		Fees raised in November 2010 for FY 11 budget
Slaughter House	X	Partial		Fees raised in November 2010 for FY 11 budget



Application Year SFY 2013		Municipality: Trenton	County: Mercer
Animal Adoption	X	Partial	Fees raised in November 2010 for FY 11 budget
Animal Control Redemption	X	Partial	Fees raised in November 2010 for FY 11 budget
Dog License	X	Partial	Fees raised in November 2010 for FY 11 budget
Owner Registration Fee	X	Partial	

**X. Service Delivery**

List all services that the municipality contracts to another organization: i.e., shared services with another government agency, including formal and informal shared services, memberships in cooperative purchasing program, private (commercial), or non-profit organization.

Service	Name of Contracted Entity	Estimated Amount of Contract	Year Last Negotiated (as applicable)
Curbside Collection of Recyclables	Mercer County Improvement Authority	804,000	2008
Purchase of upgrades for the sewer utility's wireless network system	State of NJ Cooperative Purchasing Program	39,936.00	2011
Purchase of Diesel Fuel, Ultra Low Sulfur and Winter Mix	Conjunction with the County of Mercer Cooperative Pricing Agreement	269,992.06	2011
Purchase of #2 Fuel Oil	Conjunction with the County of Mercer Cooperative Pricing Agreement	178,861.56	2011
Unleaded 87 Octane Gasoline	State of NJ Cooperative Program	483,200.00	2010
Unleaded 87 Octane Gasoline	State of NJ Cooperative Program	334,505.00	2011
1,400 tons of Treated Rock Salt with liquid magnesium chloride/liquid organic	County of Mercer Cooperative pricing agreement	99,400.00	2011
13 ea. Optiplex Computers with software, peripherals	State of NJ Cooperative Purchasing Programs	13,144.00	2011
75 Dell Optiplex 780 Desktop base standard PSU Computer upgrades	State of NJ Cooperative Purchasing Programs	96,992.85	2011
Cedar Forest Products	State of NJ Cooperative Purchasing Programs	65,972.00	2011
K-9 Vehicle unmarked Chevrolet Tahoe	State of NJ Cooperative Purchasing Programs	33,748.00	2011
Purchase of maintenance Services for Radios	State of NJ Cooperative Purchasing Programs	264,886.50	2011
Purchase of Computer Mail Server, software and Licenses	State of New Jersey Cooperative Program	24,101.46	2011

### Section XI – Impact of Limited or No Aid Award

Describe in complete detail the impact if aid is not granted for the current fiscal year; **this priority setting requires that the municipality will maintain a minimum level of essential services.** List the appropriate category of impact if the aid is not received. Rank each item from both lists as to the order in which elimination will take place. If across the board cuts will be made, indicate under service. **For rank order purposes, consider the two sections as one list. The cuts outlined here are one that the municipality is committing to make if they do not receive aid.**

Rank Order	Department	# of Layoffs	Effective Date	2011 Full Time Staffing	2012 Full Time Staffing	\$ Amount to be Saved
	Attachment A					

If services will be reduced, describe the service, impact and cost savings associated with it.

Rank Order	Service	Cost Savings	Impact on Services
	Attachment A		

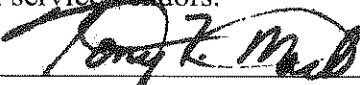
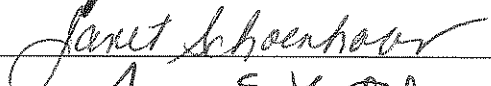
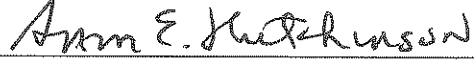
## XII. Agreement to Improve Financial Position of Municipality

If aid is granted, the municipality will be required to submit to certain reporting conditions and oversight as authorized by law and a Memorandum of Understanding will need to be signed. Please mark each box below indicating that the applicant understands, and agrees to comply with these broad reporting and oversight provisions.

	Yes	No
1. Allow the Director of Local Government Services to assign management, financial, and operational specialists to assess your municipal operations.	X	
2. Implement actions directed by the Director to address the findings of Division staff.	X	
3. Enter into a Memorandum of Understanding and comply with all its provisions, without exception.	X	

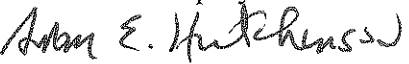
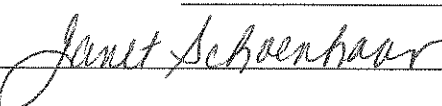
## XIII. Certification of Past Compliance for Municipalities Currently Operating Under a Transitional Aid MOU:

The undersigned certify that the municipality has complied with all the conditions and requirements of 2010 MOU conditions, including, but not limited to, the following: submission of a Transition Plan, adoption of a pay to play ordinance, receipt of signed approval forms as required prior to hiring personnel and contracting with professional service vendors.

Mayor:  Date: 9/28/12  
 Chief Financial Officer:  Date: 9/28/12  
 Chief Administrative Officer:  Date: 9/29/12




## XIV. CAMPS Certification (Civil Service municipalities only)

For Civil Service municipalities, the undersigned, being knowledgeable thereof, hereby certify that the municipality has placed the names of all current civil service employees in the NJ "CAMPS" system.

Human Resources or Personnel Director:  Date: 9/29/12  
 Chief Financial Officer:  Date: 9/28/12

## XV. CERTIFICATION OF APPLICATION FOR TRANSITIONAL AID

The undersigned acknowledges the foregoing requirements with which the municipality must comply in order to receive aid as outlined above. In addition, included with this application is a copy (printed or electronic) of the budget documentation that supports the budget calculation that was provided to the governing body.

Mayor:  Date: 9/28/12  
 Chief Financial Officer:  Date: 9/28/12  
 Chief Administrative Officer:  Date: 9/28/12

**ATTACHMENT A**

The consequences of Trenton receiving no Transitional Aid award, or even a significant reduction to the \$21.2 million request are severe and in all probability the City would not be able to balance its budget and provide essential services to the citizens. Although it is unrealistic to think that the State would provide NO award for FY 2013, the options are discussed below as requested.

The \$21.2 million that has been requested by the City represents approximately 12% of the City's proposed \$179 million FY 2013 budget (excluding grants and Reserve for Uncollected Taxes). This amount represents approximately 27% of the operating budgets of the City's departments (including the Library) and represents over 30% of the projected salary costs for FY 2013. Based on the magnitude of these amounts only a small portion if any of this lack of funding could be offset in the operating budgets of the City's departments. Based on the proposed FY 2013 budget the operating budgets for the City's departments will have been reduced from \$84 million to \$64 million, a reduction of nearly 25%. During this period the workforce has been reduced from 1,339 in FY 2010 to a proposed level of 902 in FY 2013, a reduction of 437 employees, or 33%.

If no aid is provided or a significant reduction is made, the City would have to consider the following options:

1. Research the ability to abrogated existing contracts and not providing negotiated raises based on fiscal emergency
2. Reviewing all spending to see if it really is essential under these new circumstances – for example with the lack of Transitional Aid, providing twice a week garbage collection may no longer be essential, maintaining a library that is open every day may no longer be essential, etc.
3. Mandatory furloughs in the minimal areas that legally could be attained
4. Targeted layoffs in areas where the City would cease providing services
5. Aggressive debt refinancing would have to be considered that would take all savings up front thus causing spikes in future years rather than the more responsible refinancing the City is examining
6. Consider withholding part or all of the City's payments to the pension funds
7. Research the consequences of not providing the \$1.2 million debt payment for the Marriot Hotel.

As can be seen most of the items listed above are dramatic and would either have impact on the services provided to City residents or will provide only short-term benefits and simply push the City's financial problems to the future.

If the State award is only minimally reduced from the \$21.2 million requested, the City will be forced to readjust its spending and revenue priorities but would be able to still likely provide the services anticipated in the proposed FY 2013 budget.

CITY OF TRENTON, COUNTY OF MERCER  
FY 2010 REMAINING FINDINGS  
Appendix

Finding 2010-01 Grants Receivable and Reserves should be closed out timely

Finding 2010-04 Management is responsible for keeping effective internal control over financial reporting.

Finding 2010-09 Contracts should be approved timely

Finding 2010-10 All payroll records should be maintained with proper documentation.

Finding 2010-13 Bids should be advertised at least 10 days prior to the bid due date per the requirement of N.J.S.A. 40A:11-12

Finding 2010-15 All utility receivable balances should be evaluated annually to determine collectability and amount should be adjusted accordingly

Finding 2010-18 All minutes of meetings should be prepared in a timely manner and be approved by the City Council

Finding 2010-19 All rejected bid packages should be adequately maintained to be in compliance with state rules and regulations for procurement.