

**Transitional Aid Application for Calendar Year 2014**  
**Division of Local Government Services**  
**Department of Community Affairs**

**General Instructions:** This application must be submitted in its entirety by **March 14, 2014** for funding consideration under this program. Information contained in the application is subject to independent verification by DLGS. Refer to Local Finance Notice 2014-2 when preparing this application for specific instructions and definitions, and review the Submission Checklist on Page 7.

<b>Name of Municipality:</b> City of Beverly		<b>County:</b> Burlington	
<b>Contact Person:</b> Richard Wolbert		<b>Title:</b> City Administrator	
<b>Phone:</b> (609) 747-4090	<b>Fax:</b> (609) 387-3558	<b>E-mail:</b> rwolbert@thecityofbeverly.com	

**I. Aid History**

List amount of Transitional Aid received for the last three years, if any:

CY 2013	CY 2012	CY 2011
\$337,000	\$ None	\$ None

**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>\$303,300</b>
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*If not seeking a decrease, a letter from the Mayor is required. See Local Finance Notice 2014-2.*

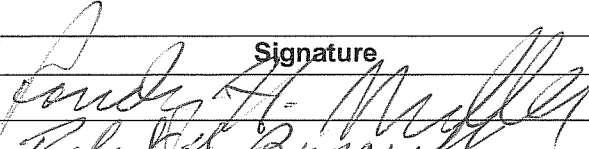
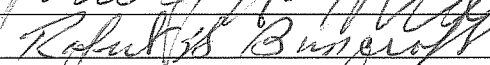
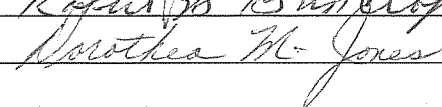
**III. Submission Requirements**

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
2013 Annual Financial Statement	2/18/14
2012 Annual Audit	2/19/13
2012 Corrective Action Plan	4/9/13
Application Year Introduced Budget	3/11/14
Budget Documentation Submitted to Governing Body	3/10/14

**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 within application, the municipality acknowledges the law provides that the Director's decision regarding aid awards is final and not subject to appeal.

Official	Signature	Date
Mayor/Chief Executive Officer		3/12/14
Governing Body Presiding Officer		3/12/14
Chief Financial Officer		3/12/14

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

Explain in narrative form the circumstances requiring the need for Transitional Aid. 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 Beverly, for the past several years, has utilized as much fund balance as possible to offset recurring expenditures in the budget. December 31, 2007, the City had a Fund Balance (Reserve) of \$1,004,016, of which, \$448,893 was used in the CY2008 budget. December 31, 2008 the City had a Fund Balance of \$1,024,050, of which, \$440,000 was used in the CY2009 budget. December 31, 2009, the City had a Fund Balance \$852,458, of which, \$622,000 was used in the CY2010 budget. December 31, 2010, the City had a Fund Balance of \$443,379, of which \$358,579 was used in the CY2011 budget. December 31, 2011, the City had a Fund Balance of \$334,496, of which \$270,065 was used in the CY2012 budget. December 31, 2012, the City had a Fund Balance of \$126,980, of which, the City utilized \$75,000 in the CY2013 budget, the City is anticipating using \$30,000.00 of reserve in the CY2014 budget

In addition to the above, there are several line items that will increase in the CY2014 budget. Group Insurance will increase again in CY2014 along with Liability and Workman's Comp Insurance due to normal increases in insurance coverages and due to the number of claims submitted by the City.

The auditor identified 7 employees who needed to be enrolled in the pension system in CY2013. The City has enrolled all eligible individuals in the pension system. The City has a Delayed Appropriation of \$7,359.48 and a Delayed Enrollment Liability of \$2,051.61 in the total amount of \$9,411.09 for one employee that will be paid in CY2014.

The Tax Collector/Treasurer/CFO has verbally notified the City she will be leaving in April of CY2014. The City is attempting to find another municipality to share services with, at this time however, the City has reserved \$25,000 in the CY2014 budget to pay for the Non-auditing services vendor which includes CFO services until a shared service can be retained or a part-time CFO can be contracted. The City may face an increase trying to find a replacement for the Tax Collector/Treasurer/Payroll Clerk but the City will not know until the search is conducted and a candidate is selected.

In CY2011 the City issued BANs in the amount of \$1,628,205 in addition to an existing general bond of \$37,500. In CY2012, the City issued another BAN in the amount of \$500,000 for a total of \$2,165,705 outstanding in CY2013. The BANs were consolidated in CY 2013 and the City used \$400,000 out of Capital Reserve and \$100,000 from the CY2013 budget to pay down a total of \$500,000 toward the BANs. An outstanding balance of over \$1,600,000 is still outstanding.

Litigation and claims continue to be an ongoing issue with the City of Beverly. In the 2012 fiscal year, Over \$154,000 was spent on legal fees and an additional \$18,000 in a judgment was rolled into the 2013 fiscal year. These legal fees represent fees normally charged by the City Solicitor in addition to defense attorney costs related to lawsuits and claims against the City. It is anticipated these legal fees will continue in the 2014 fiscal year until the outstanding claims have been satisfied. There was one new Tort Claim filed with the City in the amount of \$1,000,000 and although it has no merit the City will need to pay to defend the case. The City received a notice of final judgment from our insurance carrier in CY2014 for a global settlement in a harassment suit. The amount of the judgment is \$62,190.77. The City was able to successfully negotiate the amount to be payable over a three-year period with an annual payable amount of approximately \$20,730.00.

The City of Beverly is the smallest incorporated city in the State of New Jersey, with only 2,500 residents, is approximately ½ square mile, has few commercial ratables, has a defunct central business district, a low to mod population of 86.8% according to the 2000 Census, over 70% of the school children qualify for free or reduced breakfast/lunch, is home to a federal housing project, ranks 36 on the MDI and currently is the highest tax rate in Burlington County. Approximately 34% of the population is senior citizens and approximately 32% of the housing stock is rental units. The city was hit very hard with the recession and as a result the City has approximately 9% of our available housing stock as vacant/unoccupied. If revenues were increased to the extent necessary, it would only further the unaffordability of homeownership and increase the transient population that is negatively affecting home values and the school system of the city. The City has already taken advantage of shared services with several surrounding communities and the City is expanding these services this coming year.

**V-B. Demonstration of Revenue Loss/Substantial Cost Increase**

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.)

Revenue or Appropriation	2013 Value	2014 Value	Amount of Loss/Increase
Surplus Anticipated	75,297.11	30,000.00	(45,297.11)
<b>Description:</b>	Decrease in Fund Balance		
Transitional Aid	337,000.00	303,300.00	(33,700.00)
<b>Description:</b>	90% of Prior Year Anticipated		
Receipt from Delinquent Taxes	177,600.00	140,000.00	(37,600.00)
<b>Description:</b>	Decrease in maximum amount allowed to anticipate		
Police S/W	560,700.00	610,000.00	49,300.00
<b>Description:</b>	Contractual obligations, transitioning funds and payout of a possible litigation matter related to employment.		
<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 City is anticipating utilizing \$30,000 of Fund Balance to offset expenditures, implementing across the board cuts for all departments, increasing shared services with neighboring municipalities, raising the local municipal tax levy to the maximum allowed by law, re-examining fees charged for other City services with the intent to raise fees that are not consistent, submit for and receive all outstanding grant monies due to the city for all projects, and reduce all BANs to the lowest amounts possible.

The City has been working with our Fiscal Monitors to reduce the City's dependence on Transitional Aid. In addition to reducing expenditures the City still in the process of shared service discussions with a neighboring municipality. The progress has been slower than expected but still progressing.

- The City is in discussions with a neighboring municipality regarding a possible shared service for police services.
- The City contacted, Mark Remsa, the Director of Regional Planning and Economic Development to assist the City with our redevelopment strategies. Mr. Remsa has met with the Council Economic Development Subcommittee and there are several actions the Council has taken.
- Development and community reinvestment have been stalled for the last several years. The Council is currently drafting a new Five-year Tax Abatement Ordinance for our Redevelopment Areas. Council is reviewing the option of designating the entire municipality in Need of Rehabilitation to allow for inclusion in the Abatement Ordinance. To date, this initiative is getting wide support from the community even though it has yet to be implemented. This will also lead to increased revenues coming into the Construction/Community Development office.
- The City is in discussions with a national developer to redevelop a prominent corner in the center of the business district known as Five-Points. The developer is to break ground this year and plans to invest \$1.5M in the property, increasing the tax ratable and adding 15 jobs to the local economy. This project has sparked interest from several other investment firms to start investigating other properties in the community.
- The City has 83 unoccupied/vacant properties. A database has been generated listing all of these properties. To date, two investment firms have received copies of the list and are in the process of negotiating settlements for some of the properties.
- The Mayor met with Assemblyman Troy Singleton regarding Economic Development and the Assemblyman will be meeting with City officials and the NJEDA at the end of March 2014. The City is looking to the NJEDA for assistance in our Economic Development effort.
- In CY 2013, the City came to an agreement with New Jersey American Water Company and the City now owns the property located on the waterfront in Beverly. This property will be the center of the City's redevelopment efforts once the City's Master Plan Re-exam is completed in CY 2014.
- The City Administrator met with members of the NJDEP Land Use office to discuss opportunities for development on the waterfront parcels. The NJDEP has agreed to meet with City officials for a pre-guidance meeting.
- The City has a newly formed Economic Development Subcommittee and an Economic Development Advisory Committee. The charge of the committees is to focus on business retention, business attraction and business relocation. The Burlington County Office of Regional Planning and Economic Development is assisting with this effort.
- The Community Development/Housing office has revamped its enforcement program relative to rental properties and the City is currently discussing the vacant property situation with Willingboro Township for a possible shared service for property maintenance, enforcement and returning properties to active tax status.

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

Skip this section if using the State Health Benefits Program (SHBP). If not using SHBP, explain why the health benefit plan being used is cheaper or other reasons that may exist for failing to move into SHBP.

The City of Beverly is currently in the State Health Benefits Plan (SHBP). Every employee who is eligible for benefits is enrolled in the plan. The City offers waivers under a cafeteria plan for eligible employees to waive health benefits and pays \$1,040 per employee. There is currently only one employee receiving this benefit.

## VI. Historical Fiscal Statistics

Item	2012	2013	Introduced Application Year
<b>1. Property Tax/Budget Information</b>			
Municipal tax rate	\$1.217	\$1.367	\$1.406
Municipal Purposes tax levy	\$1,490,349.84	\$1,665,412.84	\$1,702,268.00
Municipal Open Space tax levy	\$-	\$-	\$-
Total general appropriations	\$2,976,733.19	\$3,157,895.43	\$2,873,478.47
<b>2. Cash Status Information</b>			
% Of current taxes collected	96.02%	95.82%	%
% Used in computation of reserve	95.50%	95.50%	95.50%
Reserve for uncollected taxes	\$258,871.95	\$235,815.74	\$234,391.00
Total year end cash surplus	\$65,194.82	\$66,928.04	
Total non-cash surplus	\$61,785.31	\$38,581.60	
Year end deferred charges	\$42,400.00	\$21,200.00	
<b>3. Assessment Data</b>			
Assessed value (as of 7/1)	\$122,442,960	\$121,033,423	\$121,033,423
Average Residential Assessment	\$129,000	\$127,400	\$127,400
Number of tax appeals granted	28	18	
Amount budgeted for tax appeals	\$-	\$-	\$-
Refunding bonds for tax appeals	\$-	\$-	\$-
<b>4. Full time Staffing Levels</b>			
Uniformed Police - Staff Number	8	7	7
Total S&W Expenditures	\$565,075.28	\$507,693.95	\$610,000.00
Uniformed Fire - Staff Number	-	-	-
Total S&W Expenditures	\$-	\$-	\$-
All Other Employees - Staff Number	20	20	18
Total S&W Expenditures	\$338,645.58	\$358,409.97	\$364,000.00
<b>5. Impact of Proposed Tax Levy</b>			
			<b>Amount</b>
Current Year Taxable Value			\$121,033,423.00
Introduced Tax Levy			\$1,702,268.00
Proposed Municipal Tax Rate	\$1.406	Average Res. Value (#4 above)	\$127,400
Current Year Taxes on Average Residential Value (#4 above)			\$1,791.81
Prior Year Taxes on Average Residential Value			\$1,742.80
Proposed Increase in average residential taxes			\$49.01

**VII. Application Year Budget Information**

A. Year of latest revaluation/reassessment

2012
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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  |

	X	
3.5%		
\$31,945.61		
\$123,901.65		X
\$-		X

C. List the five largest item appropriation increases:

Appropriation	Prior Year Actual	Application Year Proposed	\$ Amount of Increase
Police S/W	\$507,693.95	\$610,000.00	\$102,306.05
Employee Group Insurance	\$200,461.27	\$246,000.00	\$45,538.730
Legal O/E	\$107,999.72	\$135,457.00	\$27,457.28
Finance O/E	\$4,325.00	\$26,600.00	\$22,275.00
Workers Compensation Insurance	\$105,284.00	\$124,000.00	\$18,716

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

Department/Agency	Position	Number	Dollar Amount
N/A	None		

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:

	Tax Levy	Local Revenues	Transitional Aid	Total S&W	Total OE
<b>First year</b>	\$1,759,164	\$817,234	\$257,805	\$993,480	\$1,151,480
<b>Second year</b>	\$1,809,349	\$833,579	\$219,134	\$1,013,350	\$1,162,995
<b>Third year</b>	\$1,853,849	\$850,250	\$186,264	\$1,033,617	\$1,174,625

### 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 not, be prepared to discuss why not in your application meeting.		

#### 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	2013	N/A	2014	N/A
Average percentage increase	1.5%	%	1.75%	0%
Last contract settlement date	2/16/12	N/A	9/24/13	
Contract expiration date	12/31/13	N/A	12/31/15	

#### 2) Explain, if any, actions taken or under consideration for the Application Year:

Action	Police	Fire	Other Contract	Non-Contract
Furloughs (describe below)	No	N/A	No	No
Wage Freezes (describe below)	No	N/A	No	Yes
Administrative positions including Municipal Clerk, Tax Collector, Tax Assessor, UCC Subcode Official, Electrical Subcode Official, Supervisor of Public Works, City Administrator are frozen.				
Layoffs (describe below)	Yes	N/A	No	No
Possible shared service agreement with neighboring municipality.				



Application Year: CY 2014	Municipality: City of Beverly	County: Burlington
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D. Tax Enforcement Practices:

Question	Yes	No
1. Did the municipality complete its accelerated tax sale by December 31, if included in 2013 budget? If not, please include a letter from the tax collector explaining why he/she failed to complete the sale in a timely manner and what the impacts were on cash flow and lost investment earnings.		X
2. When was the last foreclosure action taken or tax assignment sale held: Date:	None	
3. On what dates were tax delinquency notices sent out in 2013: Date:	2/26, 4/10, 5/30, 7/10, 9/24, 12/12	
4. Date of last tax sale: Date:	6/25/13	

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:

2012	\$1,856.44	2013	\$1,214.20	Anticipated Application Year:	\$950.00
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2. List the instruments in which idle funds are invested:

Checking Accounts	

3. What was the average return on investments during CY 2013?

	.08%
4. Left Blank Intentionally	
5. The name and firm of the municipality's auditor?	Rob Inverso, CPA RMA
6. When was the last time the municipality changed auditors?	2013

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
Beverly Police Assoc., Cushane Law Firm	12/31/13	Pending
CWA 1036 AFL/CIO	12/31/15	



**IX-B. List any actions limiting or reducing Other Expense costs: i.e., reductions, changes, or elimination of services, procurement efficiencies or restraint. Include changes in spending policies that reduce non-essential spending.**

Line Item	Prior Year Actual	Application Year Proposed	Explanation of Change
4-01-30-420-000-200	3,300	0	Eliminated Celebration of Public Events – Community sponsors
All departments – all lines			Enforcing purchasing & administrative policies to curb spending

**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.**

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	<input type="checkbox"/>			
Sewer Fees	<input type="checkbox"/>			
Water Fees	<input type="checkbox"/>			
Swimming Pool	<input type="checkbox"/>			
Uniform Construction Code	<input checked="" type="checkbox"/>	Yes	N/A	
Uniform Fire Code	<input type="checkbox"/>			
Land Use Fees	<input checked="" type="checkbox"/>	Yes	N/A	
Parking Fees	<input type="checkbox"/>			
Beach Fees	<input type="checkbox"/>			
Insert other local fees below:	<input checked="" type="checkbox"/>			
- Rental Registration/ Inspect.		Yes	N/A	
- Property Maintenance		Yes, but increasing	N/A	
- Mercantile License		Yes	N/A	
- Dog licensing		Yes, but increasing	N/A	

**X. Service Delivery**

List all services 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)
Vehicle Maintenance	Willingboro Township	\$20,000	2013
Rental Inspection Services	Willingboro Township	\$16,000	2013
Animal Control Services	Willingboro Township	\$12,000	2012
Public Works Equip & Personnel	Willingboro Township	\$1,000	2011
Fuel	Delanco Township	\$23,000	N/A
Composting Facility	Delanco Township	\$4,000	N/A
Plowing & Salting	Burlington County	\$4,000	2013
Vehicle & Equipment Washing	Willingboro Township	\$500	2014
Trash Collection cooperative purchase	Delanco and Edgewater Park / SJ Sanitation	\$72,465	2012

**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 municipality is committing to the cuts outlined below 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
1	Police (No other option)	7	7/1/14	9	8	\$587,402

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

Rank Order	Service	Cost Savings	Impact on Services

**XII. Agreement to Improve Municipal Financial Position**

If aid is granted, the municipality will be required to submit to certain reporting conditions and oversight as authorized by law and a new Memorandum of Understanding to be signed by the municipality. 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 new 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 is in substantial compliance with the conditions and requirements of the 2013 MOU and is moving in good faith to correct those area of noncompliance that have been identified, including, but not limited to, the following: establishment of a pay to play ordinance; termination of longevity pay for officers and employees not contractually entitled to longevity pay; termination of health benefits for part time officers and employees; receipt of signed approval forms as required prior to hiring personnel and contracting with professional service vendors.

Mayor: *Paul H. Nulty* Date: *3/12/14*  
 Chief Financial Officer: *Rothea M. Jones* Date: *3/12/14*  
 Chief Administrative Officer: *Rubel A. White* Date: *3/12/14*

**XIV. CAMPS Certification (County and Municipal Personnel System - 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 NJ "CAMPS".

Human Resources or Personnel Director: *Jonna F. Snyder* Date: *3/12/2014*  
 Chief Financial Officer: *Rothea M. Jones* Date: *3/12/14*

**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: *Sandy H. Miller* Date: *3/12/14*

Chief Financial Officer: *Dorothea M. Jones* Date: *3/12/14*

Chief Administrative Officer: *Richard M. ...* Date: *3/12/14*