

**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> | TOWN OF HARRISON               | <b>County:</b> | HUDSON              |
| <b>Contact Person:</b>       | Paul J. Zarbetski              | <b>Title:</b>  | Town Clerk/Attorney |
| <b>Phone:</b>                | 973-268-2447                   | <b>Fax:</b>    | 973-484-4571        |
| <b>E-mail:</b>               | pjzarbetski@townofharrison.com |                |                     |

**I. Aid History**

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

|                |                |                |
|----------------|----------------|----------------|
| <b>CY 2013</b> | <b>CY 2012</b> | <b>CY 2011</b> |
| \$1,950,000.00 | \$1,950,000.00 | \$4,500,000.00 |

**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>\$1,950,000.00 (CMPTRA)</b> |
|--|--------------------------------|

*If not seeking a decrease, a letter from the Mayor is required. See Local Finance Notice 2014-2.*

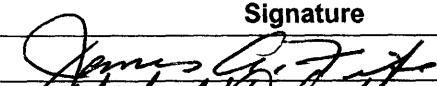
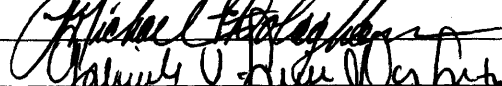

**III. Submission Requirements**

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                  | 03/03/14               |
| 2012 Annual Audit                                | 10/16/13               |
| 2012 Corrective Action Plan                      | 10/16/13               |
| Application Year Introduced Budget               | 03/12/14               |
| Budget Documentation Submitted to Governing Body | 03/12/14               |

**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    |  | 3/13/14 |
| Governing Body Presiding Officer |  | 3/13/14 |
| Chief Financial Officer          |  | 3/13/14 |

**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.

**See Letter from Mayor James A. Fife**

**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.)

| <b>Revenue or Appropriation</b> | <b>2013 Value</b>   | <b>2014 Value</b> | <b>Amount of Loss/Increase</b> |
|---------------------------------|---|-------------------|--------------------------------|
|                                 | \$1,500,000   | \$0.00            | \$1,500,000 (Loss)             |
| <b>Description:</b>             | Reserve for Debt Service – One shot revenue   |                   |                                |
|                                 | \$418,000   | \$0.00            | \$418,000 (Loss)               |
| <b>Description:</b>             | Developer Deficiency Payments – One shot revenue  |                   |                                |
|                                 | \$379,000   | \$435,473         | \$56,473 (Increase)            |
| <b>Description:</b>             | Offset to Utility deficit due to large increase in water charged by PVWC. Deficit subsidized in utility budget with increased rates also. |                   |                                |
| <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.)

**See Letter from Mayor James A. Fife**

**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.

**N/A – Entered SHBP August 1, 2013.**

## VI. Historical Fiscal Statistics

| Item   | 2012          | 2013                           | Introduced<br>Application Year |
|--|---------------|--------------------------------|--------------------------------|
| <b>1. Property Tax/Budget Information</b>                  |               |                                |                                |
| Municipal tax rate   | \$3.143       | \$3.423                        | \$3.682                        |
| Municipal Purposes tax levy                                | \$15,745,004  | \$17,191,823.                  | \$18,536,503.                  |
| Municipal Open Space tax levy                              | \$N/A         | \$N/A                          | \$N/A                          |
| Total general appropriations                               | \$39,394,383  | \$40,897,674.                  | \$39,361,230                   |
| <b>2. Cash Status Information</b>                          |               |                                |                                |
| % Of current taxes collected                               | 99.74%        | 99.95%                         | %                              |
| % Used in computation of reserve                           | 93.18%        | 98.50%                         | 98.50%                         |
| Reserve for uncollected taxes                              | \$724,400     | \$504,750                      | \$524,520.                     |
| Total year end cash surplus                                | \$905,661     | \$977,779                      |                                |
| Total non-cash surplus                                     | \$11,084      | \$22,442                       |                                |
| Year end deferred charges                                  | \$292,000     | \$219,000                      |                                |
| <b>3. Assessment Data</b>                                  |               |                                |                                |
| Assessed value (as of 7/1)                                 | \$500,863,542 | \$502,106,618                  | \$503,475,484                  |
| Average Residential Assessment                             | \$140,995.00  | \$142,044                      | \$142,044                      |
| Number of tax appeals granted                              | 45            | 51                             |                                |
| Amount budgeted for tax appeals                            | \$175,000.00  | \$150,000                      | \$150,000                      |
| Refunding bonds for tax appeals                            | \$N/A         | \$N/A                          | \$N/A                          |
| <b>4. Full time Staffing Levels</b>                        |               |                                |                                |
| Uniformed Police - Staff Number                            | 38            | 38                             | 38                             |
| Total S&W Expenditures                                     | \$4,211,300.  | \$4,261,800.                   | \$4,319,500                    |
| Uniformed Fire - Staff Number                              | 29            | 29                             | 29                             |
| Total S&W Expenditures                                     | \$3,599,500.  | \$3,420,925.                   | \$3,561,025                    |
| All Other Employees - Staff Number                         | 76            | 77                             | 77                             |
| Total S&W Expenditures                                     | \$4,970,400   | \$5,059,675                    | \$5,318,275                    |
| <b>5. Impact of Proposed Tax Levy</b>                      |               |                                |                                |
|  |               |                                | <b>Amount</b>                  |
| Current Year Taxable Value                                 |               |                                | 503,475,484                    |
| Introduced Tax Levy  |               |                                | 18,536,503.                    |
| Proposed Municipal Tax Rate                                | 3.682         | Average Res. Value ( #4 above) | 142,044                        |
| Current Year Taxes on Average Residential Value (#4 above) |               |                                | 5,191                          |
| Prior Year Taxes on Average Residential Value              |               |                                | 4,826                          |
| Proposed Increase in average residential taxes             |               |                                | 7.57%                          |

**VII. Application Year Budget Information**

A. Year of latest revaluation/reassessment

1986

B. Proposed Budget – Appropriation Cap Information

- Item**
1. Was an appropriation cap index rate ordinance adopted last year?  
If YES: % that was used
  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
  4. Does the Application Year anticipate use of a waiver to exceed the appropriation cap?  
If YES, amount:

|                | Yes | No |
|----------------|-----|----|
|                | X   |    |
| 3.5%           |     |    |
| \$4,389,505.48 |     |    |
|                |     | X  |
| \$1,697,003.65 |     |    |
|                |     | X  |
| \$             |     |    |

C. List the five largest item appropriation increases:

| Appropriation                 | Prior Year Actual | Application Year Proposed | \$ Amount of Increase |
|-------------------------------|-------------------|---------------------------|-----------------------|
| Public Works Salaries & Wages | 1,155,400.        | 1,315,000                 | 159,600               |
| Fire Salaries & Wages         | 3,420,925.        | 3,561,500.                | 140,575               |
| Fire Hydrant Service          | 18,000.           | 98,000.                   | 80,000.               |
| Snow Removal (S&W / OE)       | 200,000           | 300,000                   | 100,000.              |
| Deficit in Water Sewer Budget | 379,000.          | 435,473.                  | 56,473.               |

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

| Department/Agency | Position | Number | Dollar Amount |
|-------------------|----------|--------|---------------|
| Public Works      | Laborer  | 4      | 120,000.      |
|                   |          |        |               |

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>  | <b>See Attached Projections</b> | <b>See Attached Projections</b> | <b>See Attached Projections</b> | <b>See Attached Projections</b> | <b>See Attached Projections</b> |
| <b>Second year</b> | <b>See Attached Projections</b> | <b>See Attached Projections</b> | <b>See Attached Projections</b> | <b>See Attached Projections</b> | <b>See Attached Projections</b> |
| <b>Third year</b>  | <b>See Attached Projections</b> | <b>See Attached Projections</b> | <b>See Attached Projections</b> | <b>See Attached Projections</b> | <b>See Attached Projections</b> |

**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  | 2014       | 2014       | 2014           |              |
| Average percentage increase   | 1.5%       | 1.5%       | 1.5%           | %            |
| Last contract settlement date | 06/21/2013 | 06/21/2013 | 06/21/2013     |              |
| Contract expiration date      | 12/31/2015 | 12/31/2015 | 12/31/2015     |              |

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

| Action                                     | Police | Fire | Other Contract | Non-Contract |
|--|--------|------|----------------|--------------|
| Furloughs (describe below)                 |        |      |                |              |
| Wage Freezes (describe below)              |        |      |                |              |
| Layoffs (describe below)                   |        |      |                |              |
| <b>See Letter from Mayor James A. Fife</b> |        |      |                |              |



|                                  |                               |                       |
|----------------------------------|-------------------------------|-----------------------|
| <b>Application Year: CY 2014</b> | <b>Municipality: HARRISON</b> | <b>County: HUDSON</b> |
|----------------------------------|-------------------------------|-----------------------|

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: <span style="float: right;">Date:</span>  | 1996                 |    |
| 3. On what dates were tax delinquency notices sent out in 2013: <span style="float: right;">Date:</span>   | 2/19,5/15,8/14,11/13 |    |
| 4. Date of last tax sale: <span style="float: right;">Date:</span>   | 12/18/13             |    |

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 | \$3,508.08 | 2013 | \$3,250.23 | Anticipated<br>Application Year: | \$2,500. |
|------|------------|------|------------|----------------------------------|----------|

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

|   |  |
|---|--|
| New Jersey Cash Management                |  |
| Various Approved Checking Accounts        |  |
| Various Approved Certificated of Deposits |  |
|   |  |

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

0.10%

4. Left Blank Intentionally

5. The name and firm of the municipality's auditor?

Joseph J. Faccone, Samuel  
Klein and Company, CPA's

6. When was the last time the municipality changed auditors?

30 Plus Years

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 |
|---|-----------------|---|
| Harrison Civil Service Association            | 12/31/2015      |   |
| Harrison Fire Benevolent Association          | 12/31/2015      |   |
| Harrison Police Benevolent Association 22/22A | 12/31/2015      |   |

|                                  |                               |                       |
|----------------------------------|-------------------------------|-----------------------|
| <b>Application Year: CY 2014</b> | <b>Municipality: HARRISON</b> | <b>County: HUDSON</b> |
|----------------------------------|-------------------------------|-----------------------|

|                                       |            |  |
|---------------------------------------|------------|--|
| Harrison Department Heads Association | 12/31/2015 |  |
| Harrison Police Chief                 | 12/31/2015 |  |





**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 though 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  | ✓                             | Yes   |  |   |
| Sewer Fees   | ✓                             | Separate Utility                                    |  |   |
| Water Fees   | ✓                             | Separate Utility                                    |  |   |
| Swimming Pool  | <input type="checkbox"/>      |   |  |   |
| Uniform Construction Code  | ✓                             | Yes   |  |   |
| Uniform Fire Code  | ✓                             | Yes   |  |   |
| Land Use Fees  | ✓                             | Yes   |  |   |
| Parking Fees   | ✓                             | Yes   |  |   |
| Beach Fees   | <input type="checkbox"/>      |   |  |   |
| Insert other local fees below:                                       | <input type="checkbox"/>      |   |  |   |
|  |                               |   |  |   |
|  |                               |   |  |   |
|  |                               |   |  |   |
|  |                               |   |  |   |
|  |                               |   |  |   |
|  |                               |   |  |   |
|  |                               |   |  |   |
|  |                               |   |  |   |
|  |                               |   |  |   |
|  |                               |   |  |   |



**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 |
|------------|--|--------------|----------------|-------------------------|-------------------------|-----------------------|
|            | <b>See Letter from Mayor James A. Fife</b> |              |                |                         |                         |                       |
|            |  |              |                |                         |                         |                       |
|            |  |              |                |                         |                         |                       |
|            |  |              |                |                         |                         |                       |

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

| Rank Order | Service                                    | Cost Savings | Impact on Services |
|------------|--|--------------|--------------------|
|            | <b>See Letter from Mayor James A. Fife</b> |              |                    |
|            |  |              |                    |
|            |  |              |                    |
|            |  |              |                    |
|            |  |              |                    |

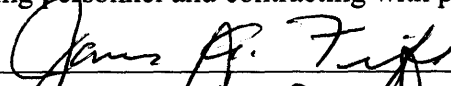
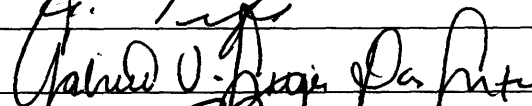

**XII. Agreement to Improve Municipal Financial Position**

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   |    |

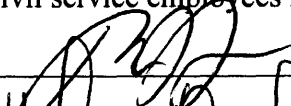
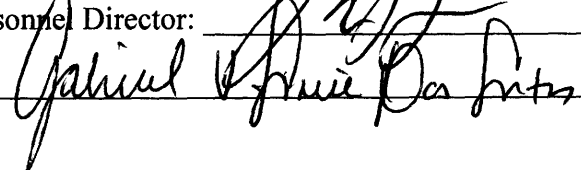
**XIII. Certification of Past Compliance for Municipalities Currently Operating Under a Transitional Aid MOU:**

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:  Date: 3/13/14  
 Chief Financial Officer:  Date: 3/13/14  
 Chief Administrative Officer:  Date: 3/13/14

**XIV. CAMPS Certification (County and Municipal Personnel System - Civil Service municipalities only)**

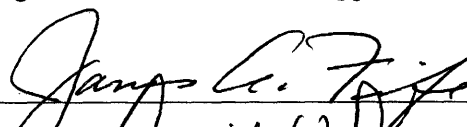
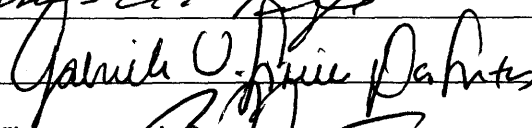

For Civil Service municipalities, the undersigned, being knowledgeable thereof, hereby certify that the municipality has placed the names of all current civil service employees in NJ "CAMPS".

Human Resources or Personnel Director:  Date: 3/13/14  
 Chief Financial Officer:  Date: 3/13/14



**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:  Date: 3/13/14  
Chief Financial Officer:  Date: 3/13/14  
Chief Administrative Officer:  Date: 3/13/14