

Transitional Aid Application for Fiscal Year 2016
Division of Local Government Services
Department of Community Affairs

General Instructions: This application must be submitted in its entirety by November 6, 2015 for funding consideration under this program. Information contained in the application is subject to independent verification by the Division. Refer to Local Finance Notice 2015-19 when preparing this application for specific instructions and definitions, and review the Submission Checklist on Page 7.

Name of Municipality: City of Trenton, New Jersey		County: Mercer
Contact Person: Terry McEwen		Title: Business Administrator
Phone: 609-989-3807	Fax: 609-989-4250	E-mail: tmcewen@trentonnj.org

I. Aid History

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

SFY 2015	SFY 2014	SFY 2013
\$24,860,000.00	\$22,860,000.00	\$25,400,000.00

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.)

Amount of aid requested for the Application Year:	\$24,860,000.00
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If not seeking a decrease, a letter from the Mayor is required. See Local Finance Notice 2015-19.

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
2015 Annual Financial Statement	9/2015
2014 Annual Audit	3/2015
2014 Corrective Action Plan	6/18/2015
Application Year Introduced Budget	10/27/15
Budget Documentation Submitted to Governing Body	10/27/15

IV. Application Certification

The undersigned herewith certify that they he or she has reviewed this application and, to his or her knowledge, believe the 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		11/5/15
Governing Body Presiding Officer		11/5/15
Chief Financial Officer		11/5/15

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 for its citizens and the businesses and their employees located in the City. During the past several 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. Over the last few years, 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.

As with all cities and towns the City of Trenton has two options for dealing with budget 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 2015 budget presented to City Council in November 2014 continued to reduce costs in several areas and takes into account the State's requirement to reduce the reliance on Transitional Aid. The introduced budget for FY2016 was presented to City Council on October 27, 2015 and totals \$216.4 million.

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 2016 budget included \$24,860,000 for Transitional Aid. If the actual award is \$24,860,000, **the City will be required to increase taxes by \$4.1 million** in order to balance the FY 2016 budget. This would represent an increase of approximately 4%, 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 in property was exempt from property tax. Of this amount State property accounted for \$964 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 \$88 million in property taxes (based on a 2016 tax rate of 4.04). If the State were paying its fair share of the municipal portion of the local property tax, it would pay nearly \$39 million annually. As the capital city, the State's level of current aid is therefore below the level of taxes that would be paid. Any decrease in aid would represent a proportional detriment to the City of Trenton and would unfairly hinder the ability of the City to continue to support its residents while providing essential services to these non-taxable properties.

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	2015 Value	2016 Value	Amount of Loss/Increase
Description:	Left blank intentionally		
Description:			
Description:			
Description:			
Description:			
Description:			
Description:			
Description:			
Description:			
Description:			

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 2016 budget that was presented to City Council on October 27, 2015 continued to reduce bloat and recognizes the need to return the capital city to the right size in order to provide critical and necessary services to the citizens of Trenton. It does, however, represent marked increases in expenditures supported by commensurate increases in revenue which has increased the total budget. The budget will be \$216.4 million.

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. Furthermore the capital city needs to focus on rightsizing in order to provide necessary services – not cutting into those critical areas that provide for the health and welfare of its residents.

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.

As was agreed to with DCA, the City has taken 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 has received the approval of the Administrative Office of the Courts and the approved vendor, Pioneer, will be beginning work shortly.

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 has taken advantage of the pilot program in FY 2013 that allows 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 has also engaged a third party firm for the collection of delinquent taxes.

In FY2016 it is also the City's intention to hire a Risk Manager, a search that has been ongoing since FY2015. This individual will serve to control much of the losses to the City but with a specific eye to Worker's Compensation. By implementing controls on workplace safety and following any Worker's Compensation claims from their outset, we anticipate cost savings of over \$1 million, a 25% decrease from the \$4 million expended on Worker's Compensation claims in FY2015.

In addition the City is in the final phases of completing a parking study. This study will determine the most effective disposition of the City's parking and parking enforcement. Considerations include replacing meters with kiosks that would accept credit cards as well as considering outside agencies to handle enforcement. Based on gains from nearby municipalities when moving to a kiosk structure, the City expects to generate more than \$700,000 per annum once the program is up and running.

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. Furthermore the City has recently passed an ordinance intended to address privately owned vacant properties by assessing a fee on those vacant property owners who are not actively developing or preparing their properties for occupancy. We expect to generate approximately \$650,000 in the next twelve months.

LONG TERM PLAN TO PHASE OUT TRANSITIONAL AID

Assuming that Trenton receives \$24.86 million for its FY 2016 budget, the requirement to provide a phase out plan of no more than 3 years would result in over \$7 million reductions in FY 2017 through FY 2019. A phase out of this magnitude is infeasible.

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 to \$15.24 million in FY 2017 to approximately \$8 million in FY 2018, coupled with increase in salaries and other expenses.

Assumptions are as follows:

- 1) Transitional aid decrease by \$8 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 nearly \$39 million in property taxes based on FY 2016 tax rates. Absent this recognition that 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

Skip this section if using SHBP. If not using SHBP, explain why the health benefit plan being used is cheaper, or what reasons exist for failing to move to SHBP. Additionally, list all brokers (primary broker, all co-brokers, and sub-brokers) together with their compensation for the current and prior two fiscal years. Compensation must be disclosed in this section whether provided directly by the municipality or as a commission from the insurance provider. It is the municipality's right, and obligation, to determine whether the broker is compensated with commission in order to fully complete this section. If commissions are being earned, provide both how the commission is calculated (percentage of premium or self-insurance) and the actual \$ value of the commission received in each year.

Left blank intentionally

VI. Historical Fiscal Statistics

Item	2014	2015	Introduced Application Year
1. Property Tax/Budget Information			
Municipal tax rate	\$3.837	\$3.892	\$4.035
Municipal Purposes tax levy	\$75,830,045	\$77,035,051	\$80,556,789
Municipal Open Space tax levy	\$	\$	\$
Total general appropriations	\$184,179,545	\$188,712,566	\$216,363,751
2. Cash Status Information			
% Of current taxes collected	95.608%	94.032%	%
% Used in computation of reserve	96.11%	95.61%	94.03%
Reserve for uncollected taxes	\$4,389,992	\$4,981,436	\$6,982,766
Total year end cash surplus	\$2,338,918	\$8,125,258	
Total non-cash surplus	\$0	\$0	
Year end deferred charges	\$12,087,676	\$10,004,824	
3. Assessment Data			
Assessed value (as of 7/1)	\$1,979,405,344	\$1,996,653,658	\$1,996,653,658
Average Residential Assessment	\$64,292	\$64,215	\$64,215
Number of tax appeals granted	384	395	
Amount budgeted for tax appeals	\$0	\$0	\$0
Refunding bonds for tax appeals	\$0	\$0	\$0
4. Full time Staffing Levels			
Uniformed Police - Staff Number	256	258	236
Total S&W Expenditures	\$26,875,369	28,586,135	\$27,903,560
Uniformed Fire - Staff Number	160	215	218
Total S&W Expenditures	\$20,678,751	19,653,399	21,220,039
All Other Employees - Staff Number	435	523	537
Total S&W Expenditures	\$25,460,084	25,799,281	\$30,751,757
5. Impact of Proposed Tax Levy			
			Amount
Current Year Taxable Value			1,996,653,658
Introduced Tax Levy			80,556,789
Proposed Municipal Tax Rate	4.035	Average Res. Value (#4 above)	64,215
Current Year Taxes on Average Residential Value (#4 above)			2,591
Prior Year Taxes on Average Residential Value \$62,800 @ 3.89			2,443
Proposed Increase in average residential taxes			148

VII. Application Year Budget Information

A. Year of latest revaluation/reassessment

1992

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
%		
\$0		
	X	
\$		
		X
\$0		

C. List the five largest item appropriation increases:

Appropriation	Prior Year Actual	Application Year Proposed	\$ Amount of Increase
Grants	2,334,983	16,555,976	14,220,993
Reserve Uncollected Tax	4,981,436	6,982,766	2,001,330
Vacation/Sick Pay for Retirees	4,176,189	2,565,622	1,610,567
Group Health Insurance	26,293,073	28,154,886	1,861,813
Police Salaries	34,893,457	37,830,116	2,936,659

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

Department/Agency	Position	Number	Dollar Amount
ADMINISTRATION	MIS COORDINATOR	1	41,341.00
FINANCE	ASST. MUNICIPAL TREASURER	1	73,867.00
FINANCE	MUNICIPAL TAX COLLECTOR	1	76,000.00
FINANCE	ASST. TAX COLLECTOR	1	52,045.00
FINANCE	DATA CONTROL CLERK	1	23,522.00
FINANCE	ACCOUNT CLERK	1	24,000.00
FINANCE	ASST. ASSESSOR	1	27,882.00
FINANCE	CLER-BILINGUAL	1	20,398.00
HEALTH & HUMAN SVCS	ASST. ADMIN ANALYST	1	54,517.00

POLICE	POLICE OFFICERS	12	432,000.00
PUBLIC WORKS	ASST. DIRECTOR, PUBLIC WORKS	1	62,633.00
PUBLIC WORKS	SECRETARIAL ASSTISTANT	1	28,032.00
PUBLIC WORKS	SEASONAL LABORERS	6	24,960.00
PUBLIC WORKS	SUPV OF STREETS	1	30,600.00
PUBLIC WORKS	ASST. SUPV OF LABOR	1	32,769.00
PUBLIC WORKS	HEAVY EQUIP OPER	1	28,648.00
PUBLIC WORKS	PRINCIPAL ENGINEERING CLERK	1	28,648.00
PUBLIC WORKS	TRAFFIC SIGNAL TECH i	1	28,648.00
PUBLIC WORKS	SEASONAL LABORERS	12	149,760.00
PUBLIC WORKS	GARAGE ATTENDANT	1	23,786.00
PUBLIC WORKS	SECURITY GUARD	3	73,506.00
HOUSING ECO/DEV	PRINCIPAL PLANNER	1	35,205.00
HOUSING ECO/DEV	ASSISTANT PLANNER	1	25,392.00
HOUSING ECO/DEV	SENIOR PLANNER	2	101,538.00
RECREATION	SEASONAL LABORERS	12	74,880.00
RECREATION	SEASONAL BUS DRIVER	2	7,800.00
ADMINISTRATION	MIS COORDINATOR	1	41,341.00
FINANCE	ASST. MUNICIPAL TREASURER	1	73,867.00
FINANCE	MUNICIPAL TAX COLLECTOR	1	76,000.00
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RECREATION	SEASONAL BUS DRIVER	2	7,800.00

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
First year	82,167,925	39,106,145	24,800,000	84,089,797	112,520,185
Second year	83,811,283	40,279,329	24,800,000	85,771,594	118,632,148
Third year	85,487,509	41,487,709	24,800,800	87,487,025	125,150,143

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? If not, be prepared to discuss why not in your application meeting.		X

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	SHBP 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	2015	2012	2001/2013	2011
Average percentage increase	1.25%	3.5%	3.5%/3.0%	%
Last contract settlement date	3/2015	2009	2009	
Contract expiration date	12/31/2018	2012	2011 /2013	

2) Explain, if any, actions that 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

D. Tax Enforcement Practices:

Question	Yes	No
1. Did the municipality complete its accelerated tax sale by June 30, if included in 2015 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.	YES	
2. When was the last foreclosure action taken or tax assignment sale held: Date:	7/1/15	
3. On what dates were tax delinquency notices sent out in 2015: Date:	9/8/15	
4. Date of last tax sale: Date:	6/24/15	

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:

2014	\$10,973	2015	\$10,973	Anticipated Application Year:	\$16,015
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2. List the instruments in which idle funds are invested:

State Cash Management Fund	
Sun Bank	

3. What was the average return on investments during SFY2015?

	08%

4. Left Blank Intentionally

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

Mercadien

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

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	12/31/2012	Awaiting City Council approval
TFOA	12/31/2012	Currently negotiating
PBA LOCAL 11	12/31/2010	Settled 3/2015

TSOA	12/31/2012	Settled 3/2015
AFSCME LOCAL 2286	12/31/2011	Currently negotiating
AFSCME LOCAL 2281	12/31/2013	Currently negotiating

H. Tax Abatements. Please provide a detailed discussion of any short-term or long-term tax abatements that are currently in place or are currently being negotiated including the following information:

Project Name/Property	Type of Project	2015 PILOT Billing	2015 Assessed Value	2015 Taxes If Billed in Full at 2015 Total Tax Rate	Term of Tax Abatement
See attached B					

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	X	Partial		
Sewer Fees	X	YES		
Water Fees	X	YES		
Swimming Pool	X	NO		Decision made that residents should not pay to use pools-It is covered in their property taxes
Uniform Construction Code	X	YES		
Uniform Fire Code	X	PARTIAL		
Land Use Fees	X	YES		
Parking Fees	X	YES		
Beach Fees		NO		
Insert other local fees below:	<input type="checkbox"/>			
VITALS STATISTICS	X	PARTIAL		
MARRIAGE CIVIL UNION	X	PARTIAL		
SLAUGHTER HOUSE	X	PARTIAL		
DOG LICENSING	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)
HOMELAND SECURITY RENDER AND DETECT SAFE PROGRAM/TRENTON	HOMELAND SECURITY	N/A	2015
US MARSHALL'S FUGITIVE TASK FORCE	U.S. MARSHALL SERVICES	\$16,000	2015(annual)
DRUG ENFORCEMENT TASK FORCE	DRUG ENFORCEMENT AGENCY	\$17,202	2015(annual)
HOMICIDE TASK FORCE	HOMICIDE TASK FORCE	N/A	2015
VICE TASK FORCE	VICE TASK FORCE	N/A	2015
SHARED SERVICES AGREEMENT FOR THE PROVISION OF EMERGENCY MEDICAL DISPATCH TO CITY OF TRENTON	MERCER COUNTY	\$200,000	2015
FY2016 CONTRACT TO PROVIDE POOL MANAGEMENT SERVICES FOR THE 2015 SUMMER POOL PROGRAM HEATING OIL NO.2	YMCA OF TRENTON	\$216,761	2015
MAINTENANCE AND MONTHLY INTERNET CONNECTION SERVICE	MERCER COUNTY REGIONAL EDUCATIONAL SERVICE COMMISSION (#65MCESCCPS)	\$475,543	2013-2016
	MIDDLESEX REGIONAL EDUCATIONAL SERVICE COMMISSION(#65MCESCCPS)	\$108,952	2013-2016

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	2014 Full Time Staffing	2015 Full Time Staffing	\$ Amount to be Saved

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 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 new 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 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 2015 MOU and is moving in good faith to correct those areas 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: 11/5/15

Chief Financial Officer:  Date: 11/5/15

Chief Administrative Officer:  Date: 11/5/15

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

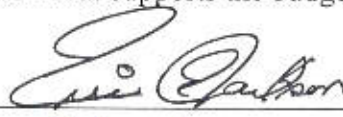


For Civil Service municipalities, the undersigned, being knowledgeable thereof, hereby certify that the municipality has placed the names of all current civil service employees in NJ "CAMPS".

Human Resources or Personnel Director:  Date: 11/5/2015

Chief Financial Officer:  Date: 11/5/15

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: 11/15/15
Chief Financial Officer:  Date: 11/5/15
Chief Administrative Officer:  Date: 11/5/15

Attachment A

The consequences of Trenton receiving no Transitional Aid award, or even a significant reduction to the \$24.86 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 2016, the options are discussed below as requested.

The \$24.86 million that has been requested by the City represents approximately 11.5% of the City's proposed \$216.4 million FY 2016 budget. This amount represents approximately 22% of the operating budgets of the City's departments (including the Library) and represents over 30% of the projected salary costs for FY 2016. 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.

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

1. 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
2. Mandatory furloughs in the minimal areas that legally could be attained
3. Targeted layoffs in areas where the City would cease providing services
4. 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
5. Consider withholding part or all of the City's payments to the pension funds
6. Cut the 50 Vacant Police Officer positions that are included in the introduced budget

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 \$24.86 million requested, the City will be forced to readjust its spending and revenue priorities and would be forced to cut into critical and necessary operational areas in the proposed FY 2016 budget.

SECTION G IN THIS YEAR TRANSITIONAL AID PACKAGE

Prior Budget Year's Payments in Lieu of Tax (PIL/OT) - Long Term Tax Exemptions		YEAR 2015		YEAR 2015		YEAR 2015		term of abatement
Project Name	Type of Project (use drop-down for data entry)	PIL/OT Billing	Assessed Value	Taxes if Billed In Full				
ARCHITECTS HOUSING	HOUSING	73,283	5,052,800	288,313				40 YEARS
ARTISAN STREET URBAN RENEWAL	HOUSING	27,261	1,024,900	58,481				30 YEARS
BROAD ST BANK	HOUSING	57,928	11,437,700	652,635				40 YEARS
BELLEVEUE ASSOCIATES	HOUSING	80,000	2,531,800	144,465				50 YEARS
CATHEDRAL SQUARE	HOUSING	80,000	4,929,600	281,283				50 YEARS
CHESTNUT MONMOUTH APTS	HOUSING	8,197	486,400	27,754				30 YEARS
CITYSIDE I	HOUSING	89,958	3,409,600	194,552				31 YEARS
CITYSIDE II	HOUSING	78,483	3,664,400	209,091				29 YEARS
CLINTON PARK APTS	HOUSING	6,000	723,800	41,300				30 YEARS
CLINHAM HALL	HOUSING	29,369	561,700	32,051				30 YEARS
EAST HANOVER URBAN RENEWAL	HOUSING	14,000	961,900	54,886				30 YEARS
EL BARRIO ACADEMY ASSOC	HOUSING	12,000	1,535,800	87,633				30 YEARS
ESCHER SRO PROJECT	HOUSING	22,000	1,792,600	102,286				30 YEARS
KINGSBURY	HOUSING	322,502	10,977,700	626,388				50 YEARS
LALOR URBAN RENEWAL	COMMERCIAL	56,650	2,793,100	159,374				30 YEARS
1546 LAMBERTON URBAN RENEWAL	COMMERCIAL	14,008	1,104,800	63,040				ENDED 2014
L&F URBAN RENEWAL 311 N CLINTON	COMMERCIAL	7,600	427,800	24,410				20 YEARS
L&F URBAN RENEWAL 1 OTT ST	COMMERCIAL	6,000	339,200	19,355				20 YEARS
L&F URBAN RENEWAL 305 N CLINTON	COMMERCIAL	10,000	448,700	25,603				20 YEARS
L&F URBAN RENEWAL 307 N CLINTON	COMMERCIAL	8,000	608,800	34,738				20 YEARS
L&F URBAN RENEWAL 309 N CLINTON	COMMERCIAL	4,000	461,500	26,333				20 YEARS
L&F URBAN RENEWAL 315 N CLINTON	COMMERCIAL	12,600	546,700	31,195				20 YEARS
L&F URBAN RENEWAL 313 N CLINTON	COMMERCIAL	8,000	110,700	6,317				20 YEARS
L&F URBAN RENEWAL 1132 E STATE	COMMERCIAL	30,000	1,440,000	82,166				20 YEARS
LAMBERTON ST REDEVELOPMENT	HOUSING	10,000	999,300	57,020				20 YEARS
LTHER ARMS	HOUSING	206,400	6,436,800	367,284				50 YEARS
MATRIX EAST FRONT ST	COMMERCIAL	90,992	5,829,700	332,643				30 YEARS
27 NORTH CLINTON URBAN RENEWAL	HOUSING	18,000	385,600	22,002				30 YEARS
NORTH 25 ASSOCIATES	HOUSING	189,537	10,290,300	587,165				42 YEARS
NORTH WARREN URBAN RENEWAL I	HOUSING	3,274	229,700	13,107				30 YEARS
NORTH WARREN URBAN RENEWAL II	HOUSING	28,429	1,132,900	64,643				30 YEARS
NORTH WARREN URBAN RENEWAL III	HOUSING	11,369	777,700	44,376				15 YEARS
PATRIOT VILLAGE	HOUSING	54,000	2,852,800	162,781				30 YEARS
PELLETIERI HOMES	HOUSING	18,000	2,445,000	139,512				30 YEARS
PENNINGTON VILLAGE SHOPPING	COMMERCIAL	77,375	6,362,800	363,061				15 YEARS

SECTION G IN THIS YEAR TRANSITIONAL AID PACKAGE

Prior Budget Year's Payments in Lieu of Tax (PILOT) - Long Term Tax Exemptions						
Project Name	Type of Project (use drop-down for data entry)	YEAR 2015 PILOT Billing	YEAR 2015 Assessed Value	YEAR 2015 Taxes if Billed In Full	term of abatement	
PROJECT FREEDOM	HOUSING	5,000	3,164,500	180,566	30 YEARS	
ROEBLING URBAN RENEWAL	COMMERCIAL	231,458	8,263,800	471,532	25 YEARS	
ROKOR GARDENS	HOUSING	227,020	5,986,900	341,613	40 YEARS	
ROWAN TOWERS	HOUSING	85,000	5,685,600	324,420	50 YEARS	
SERVICE CENTER	HOUSING	8,000	635,700	36,273	30 YEARS	
SOUTH VILLAGE I	HOUSING	131,363	4,268,600	243,566	40 YEARS	
SOUTH VILLAGE II	HOUSING	197,491	10,260,900	585,487	40 YEARS	
STATE ST SQUARE	COMMERCIAL	669,239	25,770,600	1,470,470	ENDED 2014	
STOCKTON ST APTS	HOUSING	3,000	784,500	44,764	ENDED 2014	
STUYVESANT URBAN RENEWAL	HOUSING	16,804	404,700	23,092	30 YEARS	
T-KAT	COMMERCIAL	34,499	2,040,000	116,402	NONE	
TEN WEST LAFAYETTE URBAN RENEWAL	COMMERCIAL	22,603	96,400	5,501	25 YEARS	
TRENTON PROSPECT HOUSE	HOUSING	45,481	5,710,600	325,847	15 YEARS	
TRENT CENTER EAST	HOUSING	84,175	8,607,000	491,115	35 YEARS	
TRENT CENTER WEST	HOUSING	104,984	10,887,000	621,212	35 YEARS	
TRENTON ZEPHYR	COMMERCIAL	41,113	1,190,800	67,947	15 YEARS	
WEST HANOVER URBAN RENEWAL	HOUSING	8,000	548,600	31,303	30 YEARS	
222 W STATE URBAN RENEWAL	COMMERCIAL	15,376	1,427,600	81,459	20 YEARS	
		3,689,821	190,848,400	10,889,810		