

Transitional Aid Application for State Fiscal Year 2012
Division of Local Government Services
Department of Community Affairs

General Instructions: This application must be submitted in its entirety by **September 2, 2011** for funding consideration under this program. Information contained in the application is subject to independent verification by DLGS. Refer to Local Finance Notice 2011-22 when preparing this application for specific instructions and definitions, and review the Submission Checklist on Page 6.

Name of Municipality: City of Camden		County: Camden
Contact Person: Dana L. Redd		Title: Mayor
Phone: 856-757-7200	Fax: 856-963-1841	E-mail: DaRedd@ci.camden.nj.us

I. Aid History

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

FY 2011	FY 2010	FY 2009
\$69,000,000	\$67,000,000	\$56,350,000

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

Amount of aid requested for the Application Year:	\$67,500,000
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An aid request does not constitute guarantee of receipt of any funds.

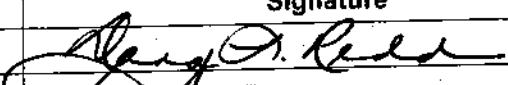
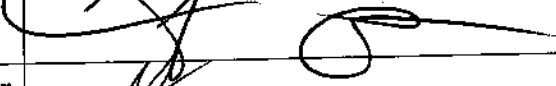

III. Submission Requirements

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
Prior Year Annual Financial Statement	In process
Previous Year Annual Audit	March 2011
Previous Year Audit Corrective Action Plan	March 2011
Application Year Introduced Budget	8/9/11
Budget documentation submitted to governing body	8/9/11

IV. Application Certification

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

Official	Signature	Date
Dana L. Redd, Mayor		8/29/11
Francisco Moran, President, City Council		8/30/11
Glynn E. Jones, Chief Financial Officer		8/24/11

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.

1. Even though FY2011 included implementation of the City's first property revaluation since 1992 that produced a doubling of the taxable values, the fact remains is that fifty-two (52%) percent of all properties are tax exempt, yet require services from the City's Police, Fire and Public Works departments;
2. The City operates under the Municipal Rehabilitation and Economic Recovery Act, P.L. 2002, c. 43 ("MRERA"). Until January 18, 2010, MRERA prohibited the City from increasing the municipal portion of the tax rate. The January 18, 2010 amendment to MRERA permits the City to raise the tax levy by three (3%) percent per annum. With the approval of the Local Finance Board, the tax levy can be increased in excess of three (3%) percent. For FY2011, City Council rejected the Mayor's budget which had included a twenty-three (23%) percent in the tax levy to bring back public safety personnel following the layoff of 46% of the City's police officers and 27% of the fire fighters. Instead, City Council adopted a budget with a 9.8% increase in the tax levy leaving the City with having to rely on federal grants to support the rehire of public safety personnel;
3. The FY 2011 budget was \$172,973,295.39 million. Total State aid to the City for FY2011 was \$115 Million which included \$21 million in Energy receipts taxes (ERT), \$25 million in Consolidated Municipal property Tax Relief (CMPTRA) and \$69 in Transitional Aid. Taxes for Municipal purposes including the Reserve for Uncollected Taxes for FY2011 raised \$22,676,503.51;
4. The FY 2012 introduced budget is \$158,108,897.20. Total State aid is anticipated to be \$114,086,963, which includes the level funding of ERT and CMPTRA in the total amount of \$46 million and \$67,500,000 million in Transitional Aid. The amount to be raised by taxation, excluding the Reserve for Uncollected Taxes, is \$23,544,464.87. This is a four (4%) percent increase in the tax levy from FY2011 to FY2012.
5. Pension costs for FY12 are \$19,319,349;
6. The first payment for the FY2009 pension deferral is due in FY2012 in the amount of \$875,828;
7. The City still operates under expired contracts with all collective bargaining units. There have been no concessions. Labor negotiations continue;
8. The City is party to a Memorandum of Agreement with the County of Camden and State Department of Community Affairs, Division of Local Government Services for the establishment of a County Police Department to enhance public safety, increase efficiency and reduce costs of police services. The introduced budget anticipated a shared services

agreement with the County of Camden under which the City would pay \$14,000,000 for police services;

9. A feasibility study was conducted to assess the City's transitioning to the County of Camden's emergency call center (911) which determined that, as of this time, it is cost prohibitive for all parties to absorb the City in the County 911 system. Different radio frequencies are used. Options will, however, continue to be explored for the 911 system as the City and the County work on regionalization of police services.

10. The City has already undertaken transitioning library services to the County of Camden and entered into a partnership with Rutgers University to further expand and enhance library services.

V-B Alternate Eligibility Calculation

Complete this section only if Transitional Aid **was not** received in the prior year. If the requirements of this section are met, this application must also reflect that the criteria in Section C, items 2-7 of Local Finance Notice 2011-22 are met.

Part 1 calculates loss of equalized value. If there is a loss of at least *2% of equalized value*, the eligibility criteria is met and the rest of the form does not have to be completed.

If the 2% criterion is **not met**, continue with Part 2 to identify individual revenue losses (exclusive of State CMPTRA/ETR formula aid reductions) or specific, extraordinary appropriation increases (pursuant to Local Finance Notice 2011-22, Item B-8).

Part 1 – Eligibility of Value Loss	Current Year County Equalization Table County Apportionment (a)	Prior Year Director's Table Equalized Value (b)	Decrease (c)
Equalized Value Reduction			
Percent of loss from prior year (c) divided by (b) as percent: If this exceeds 2%, stop and proceed to the next page.			

Part 2 – Demonstration of Revenue Loss/Substantial Cost Increase

Complete Part 2 if eligibility was not met in Part 1. Show: (1) extraordinary revenue losses (exclusive of State CMPTRA/ETR aid reductions, but inclusive of other aid, including payments under various open space State payments in lieu of tax programs), but not as the aggregate of many revenue line items; and (2) or specific, extraordinary increases in appropriations. 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	Prior Year Value	Current Year Value	Amount of Loss/Increase
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.

1. Faced with a \$28 million shortfall in FY2011 the City implemented a layoff plan effective 1/18/11 reducing the workforce by nearly 450 employees. Prior to Mayor Redd taking office in January 2010, the employee count was 1181. By March 2011 the employee count dropped to 745. The layoffs which took place on 1/18/11 account for more than 350 of the reduction. The balance is attributed to attrition.

There were reductions in all departments, including, police and fire. Initially, there was a layoff of 168 police officers and 67 firefighters. However, with concerns for public safety, Mayor Redd worked with Governor Christie to make available \$2.5 million from a South Jersey Port Payment in Lieu of Taxes (PILOT) for FY2011 for the rehire of 50 police officers and 15 firefighters. Federal grants are also used to for public safety personnel: \$4.3 in COPS Grant funding funded the re-hire of an additional 19 police officers. \$5.1 in SAFER Grant funds was used for the re-hire of 16 firefighters. The return of police and fire personnel is anticipated for 18 months while the Mayor explores regionalized or shared services for police and fire services as a long-term solution for public safety and the fiscal challenges confronting the City. Mayor Redd began to reduce employee expenses prior to the FY 2011 budget. A review of earnings between 2009 and 2010 reveals this fact. Employee earnings in 2009 were \$88 million. In 2010 earnings reduced to \$82 million. The City of Camden had reduced wages \$5.8 million in a 12 month period. This was achieved through furloughs, attrition and reduction in overtime expenses;

2. Completed implementation of a property revaluation increasing the City's net taxable property from \$814,135,056 to \$1,750,193,190;
3. During FY2011, transitioned the City's libraries to the Camden County system;
4. The City is party to a Memorandum of Agreement with the County of Camden and State Department of Community Affairs, Division of Local Government Services for the establishment of a County Police Department to enhance public safety, increase efficiency and reduce costs of police services. The introduced budget anticipated a shared services agreement with the County of Camden under which the City would pay \$14,000,000 for police services;
5. Established the Mayor's Business Growth and Development Team with the designation of an Ombudsman to serve as a single point of contact for developers; and
6. See also the City of Camden Transition Plan submitted in June, 2011.

VI. Historical Fiscal Statistics

Item	2010	2011	Introduced Application Year
1. Property Tax/Budget Information			
Municipal tax rate	\$2.550%	\$2.550%	\$1,359
Municipal Purposes tax levy	\$20,760,443	\$20,676,503	\$23,791,378
Municipal Open Space tax levy	\$0	\$0	\$348,060
Total general appropriations	4.593%	\$4.593%	\$2,481
2. Cash Status Information			
% Of current taxes collected	89.3%	87%	%
% Used in computation of reserve	89%	87%	87%
Reserve for uncollected taxes	\$4,478,774.98	\$4,421,963.88	\$5,222,659.90
Total year end cash surplus	\$0	\$0	
Total non-cash surplus	\$1,883,144.93	\$3,000,000	
Year end deferred charges	\$2,142,000.00	\$	
3. Assessment Data			
Assessed value (as of 7/1)	\$814,135,056	\$825,000,000	\$1,750,193,190
Average Residential Assessment	\$26,968	\$26,968	\$55,000
Number of tax appeals granted	6	125	
Amount budgeted for tax appeals	None	\$0	\$0
Refunding bonds for tax appeals	N/A	\$0	\$0
4. Full time Staffing Levels			
Uniformed Police - Staff Number	411	374	269
Total S&W Expenditures	\$38,884,612.00	\$31,745,420	\$31,580,000
Uniformed Fire - Staff Number	233	220	186
Total S&W Expenditures	\$21,517,620.00	\$18,081,874	\$16,300,000
All Other Employees - Staff Number	485	450	324
Total S&W Expenditures	\$20,157,267.81	\$16,492,077	\$16,109,945
5. Impact of Proposed Tax Levy			
			Amount
Current Year Taxable Value			1,750,193,190
Introduced Tax Levy			23,544,464.87
Proposed Municipal Tax Rate	1.359	Average Res. Value (#4 above)	55,000
Current Year Taxes on Average Residential Value (#4 above)			1,364.00
Prior Year Taxes on Average Residential Value			1,238.00
Proposed Increase in average residential taxes			126.00

VII. Application Year Budget Information

A. Year of latest revaluation/reassessment

2011

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
%		
\$14,634,364		
		X
\$14,634,364		
		X
\$		

C. List the five largest item appropriation increases:

Appropriation	Prior Year Actual	Application Year Proposed	\$ Amount of Increase
Debt Service	\$11,918,584	11,017,881	N/A
Accumulated Leave Payout	\$2,600,000	1,450,000	N/A
Workers Compensation Insurance	\$4,125,000	4,125,000	N/A
Utilities	\$3,695,546	3,695,546	N/A
Street Lighting	\$1,956,000	1,956,000	N/A

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

Department/Agency	Position	Number	Dollar Amount
Mayor's Office	With the transitioning of police services to the County of Camden - Aide to the Mayor to monitor the shared services agreement	1	Not to exceed \$85,000

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
First year	\$24,250,797	16,900,000	\$66,000,000	48,199,945.87	64,358,138.46
Second year	\$24,978,320	17,200,000	\$64,500,000	49,163,943.90	65,645,301.23
Third year	\$25,727,670	17,544,000	\$63,000,000	50,147,222.77	66,958,207.25

VIII. Financial Practices

A. Expenditure controls and practices:

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

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	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
	1/1/09	1/1/08	1/1/08	1/1/06
Year of last salary increase				
Average percentage increase	3.75%*	4%	4%	2%
Last contract settlement date	1/1/09	1/1/05	1/1/05	
Contract expiration date	12/31/09	12/31/08	12/31/08	

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

Action	Police	Fire	Other Contract	Non-Contract
Furloughs (describe below)				
The City furloughed non-uniformed employees during FY 2011.				
Wage Freezes (describe below)				
The City is subject to the Memorandum of Understanding (MOU) with the Department of Community Affairs imposing a wage and hiring freeze except as required by collective bargaining agreement or approval of the Division of Local Government Services, as applicable.				

Application Year SFY 2012	Municipality: Camden	County: Camden
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Layoffs (describe below)

The City conducted a layoff effective 1/18/11 to implement a 24% reduction in salary and wages. The City is also a party to a Memorandum of Agreement with the County of Camden and State Department of Community Affairs, Division of Local Government Services under which the City is transitioning to a County regional police services.

D. Tax Enforcement Practices:

Question	Yes	No
1. Does the municipality use the accelerated tax sale program?	X	
2. When was the last foreclosure action taken or tax assignment sale held: Date:	1994 (A) 2006 (F)	
3. On what dates were tax delinquency notices sent out in 2010: Date:	September, 2009 December, 2009 March 2010 and May, 2010	
4. Date of last tax sale: Date:	6/21/10	

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:

Prior Year:	\$100,844.43	Last Year:	\$44,228.00	Anticipated Application Year:	\$40,000.00
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2. List the instruments in which idle funds are invested:

3. What was the average return on investments during SFY 2011?

.16%

4. When was the last time fee schedules were reviewed and updated?

July 1, 2010

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
Camden Fraternal Order of Police	12/31/09	Pending

Application Year SFY 2012	Municipality: Camden	County: Camden
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("FOP") Lodge #1, having an address at 1 FOP Plaza, 1137 Federal Street, Camden, New Jersey 08102		
Camden Organization of Police Superiors ("COPS") having an address of P.O. Box 1024 Camden, New Jersey 08101-1024	12/31/08	Pending
International Association of Fire Fighters ("IAFF), Local 2578, Camden Fire Officers Assoc., AFL-CIO, CLC , having an address of 6829 Waldorf Avenue, Pennsauken, NJ 08110	12/31/08	Pending
Camden City Firefighters Union, International Association of Fire Fighters ("IAFF"), Local Union 788, having an address of 4 North Third Street, Camden. N.J. 08102	12/31/08	Pending
Camden County Council #10, with units for Non-Supervisors, Supervisors and School Crossing Guards, having an address at 330 Market Street, Camden, N.J. 08102	12/31/08	Pending
Teamsters, Local 676, having an address at 101 West Crescent Boulevard, Collingswood, N.J. 08108	12/31/08	Pending

Application Year SFY 2012

Municipality:

County:

**IX-A. List actions that limited Salary and Wage costs: i.e., layoffs, furloughs, freezes, contract concessions, etc.
(See item C-3 in Local Finance Notice 2011-22 for details)**

S&W Line Item	Prior Year Actual	Application Year Proposed	Explanation of Change
The City is subject to the Memorandum of Understanding (MOU) with the Department of Community Affairs imposing a wage and hiring freeze except as approved by the Division of Local Government			Continues
Mayor's Freeze on overtime			Continues
Sick Leave Verification Policies for all departments			Continues
The use of an automated time and attendance system	FY2009	2011	Continues
The City is party to a Memorandum of Agreement with the County of Camden and State Department of Community Affairs, Division of Local Government Services under which the City is transitioning to a County regional police services.		2012	To improve public safety, increase efficiency and reduce costs of providing police services.

IX.B. List actions that limited or reduced 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
As of 6/4/10 the City collects 1.5% of base salary for all employees for health benefits	6/4/10	FY 2011 and beyond	State law to collect 1.5% of base salary from all employees as a contribution to health benefits costs
As of 6/4/10 the City no longer makes payments to employees who opt-out of health benefit coverage with the City	6/4/10	FY 2011 and beyond	With all labor contracts having expired and pursuant to State law, the City no longer pays employees who opt-out of the City's health insurance plans
The City is subject to the Memorandum of Understanding (MOU) with the Department of Community Affairs restricting expenditures to only essential spending.	Since FY 2007	FY 2011 and beyond	The City has been subject to the provisions of Memoranda of Understanding since FY2007
Mandatory Purchase Review Committee by Qualified Purchasing Agent, Finance Director and Business Administrator	Per Directive of the Mayor in FY 2010	FY 2011 and beyond	Mandatory expenditure control process per directive of the Mayor
Implementation of health benefit reforms under Ch. 78, P.L. 2011	N/A	FY2011 and beyond	Implementation of Ch. 78, P.L. 2011 to receive contributions from employees for health benefit costs.

Application Year SFY 2012

Municipality:

County:

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

Local Revenues and services provided through the General/Current Fund	Check if services is provided	Are fees charged to cover the costs of the program?	If fees do not cover costs, what is the amount of subsidy?	If there is a subsidy, explain why fees cannot be increased to reduce or eliminate subsidy.
Recreation programs	Yes	No	Grant funded	Grant funded
Sewer Fees	Yes	Yes		Increased 7/1/11
Water Fees	Yes	Yes		Increased 7/1/11
Swimming Pool	Yes	No		Partially grant funded
Uniform Construction Code	Yes	Yes		Increased during FY 2011
Uniform Fire Code	Yes	Yes		Increased during FY 2011
Land Use Fees	Yes	Yes		Increased during FY 2011
Parking Fees	N/A			Collected by the Parking Authority of the City of Camden.
Beach Fees	N/A			
Insert other local fees below:				

Application Year SFY 2012

Municipality:

County:

Section X – 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	2010 Full Time Staffing	2011 Full Time Staffing	\$ Amount to be Saved
	Would not be able to deliver any services					

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

Rank Order	Service	Cost Savings	Impact on Services
	Would not be able to deliver any services.		No Services


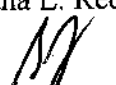
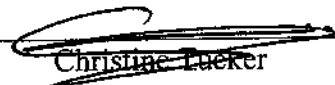
XI. Agreement to Improve Financial Position of Municipality

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

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

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

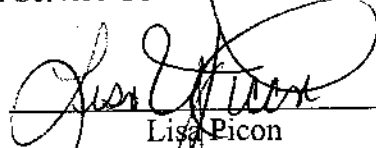

The undersigned certify that the municipality has complied with all the conditions and requirements of 2010 MOU conditions, including, but not limited to, the following: submission of a Transition Plan, adoption of a pay to play ordinance, receipt of signed approval forms as required prior to hiring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

Mayor:  Date: 8/29/11
Dana L. Redd
Chief Financial Officer:  Date: 8/29/11
Glynn Jones
Chief Administrative Officer:  Date: 8/29/11
Christine Lueker

XIII. CAMPS Certification (Civil Service municipalities only)


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

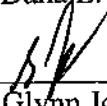
*Except for Police and Fire hired after April 1, 2011 from Special Re-employment Lists as the Certifications have not been returned to the Civil Service Commission.

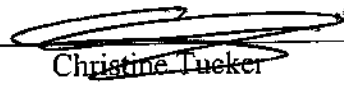
Human Resources or Personnel Director:  Date: 8-29-11
Lisa Picon
Chief Financial Officer:  Date: 8/29/11
Glynn Jones

XIV. 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: 8/29/11
Dana L. Redd

Chief Financial Officer:  Date: 8/19/11
Glynn Jones

Chief Administrative Officer:  Date: 8/29/11
Christine Tucker