

Transitional Aid Application for Calendar Year 2011
Division of Local Government Services
Department of Community Affairs

General Instructions: This application must be submitted in its entirety by March 11, 2011 for funding consideration under this program. Information contained in the application is subject to independent verification by DLGS. Refer to Local Finance Notice 2011-7 when preparing this application for specific instructions and definitions, and review the Submission Checklist on Page 6.

Name of Municipality:	Town of Harrison	County:	Hudson
Contact Person:	Paul J. Zarbetski	Title:	Town Clerk / Attorney
Phone:	(973) 268 - 2447	Fax:	(973) 484 - 4575
E-mail:	pjzarbetski@townofharrison.com		

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:

CY 2010	CY 2009	CY 2008
\$ 1,500,000	\$ 5,300,000	\$ 7,600,000

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:	\$ 6,200,000
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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	03/11/11
Previous Year Annual Audit	02/15/11
Previous Year Audit Corrective Action Plan	03/11/11
Application Year Introduced Budget	03/11/11
Budget documentation submitted to governing body	03/10/11

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
Mayor/Chief Executive Officer		03/11/11
Governing Body Presiding Officer		03/11/11
Chief Financial Officer		03/11/11

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.

Please see attached letter from Mayor Raymond J. McDonough dated 03/11/11.

V-B Alternate Eligibility Calculation ----- N/A

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 2011-7 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 2011-7, 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:			

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.

Please see attached letter from Mayor Raymond J. McDonough dated 03/11/11.

VI. Historical Fiscal Statistics

Item	2009	2010	Introduced Application Year
1. Property Tax/Budget Information			
Municipal tax rate	\$2.590	\$2.760	\$4.188
Municipal Purposes tax levy	\$12,988,018	\$13,939,476	\$21,381,704
Municipal Open Space tax levy	\$N/A	\$N/A	\$N/A
Total general appropriations	\$37,392,602	\$42,429,461	\$44,331,580
2. Cash Status Information			
% Of current taxes collected	95.14%	90.69%	
% Used in computation of reserve	95.90%	95.46%	93.91%
Reserve for uncollected taxes	\$1,108,300	\$1,336,500	\$2,249,800
Total year end cash surplus	\$3,933,249	\$16,831	
Total non-cash surplus	\$6,202	\$9,415	
Year end deferred charges	\$N/A	\$N/A	
3. Assessment Data			
Assessed value (as of 7/1)	\$480,103,440	\$504,926,507	\$510,590,914
Average Residential Assessment	\$139,000	\$139,000	\$140,920
Number of tax appeals granted	45	29	
Amount budgeted for tax appeals	\$50,000	\$50,000	\$50,000
Refunding bonds for tax appeals	\$N/A	\$N/A	\$N/A
4. Full time Staffing Levels			
Uniformed Police - Staff Number	50	47	46
Total S&W Expenditures	\$5,883,846	\$5,863,149	\$5,854,484
Uniformed Fire - Staff Number	53	42	42
Total S&W Expenditures	\$5,249,132	\$5,176,946	\$4,502,300
All Other Employees - Staff Number	160	120	110
Total S&W Expenditures	\$5,800,627	\$5,038,647	\$4,566,550
5. Impact of Proposed Tax Levy			
			Amount
Current Year Taxable Value			510,590,914
Introduced Tax Levy			21,381,704
Proposed Municipal Tax Rate	4.188	Average Res. Value (#4 above)	140,920
Current Year Taxes on Average Residential Value (#4 above)			5,902
Prior Year Taxes on Average Residential Value			3,889
Proposed Increase in average residential taxes			2,012

VII. Application Year Budget Information

A. Year of latest revaluation/reassessment

1986

B. Proposed Budget - Appropriation Cap Information

Item	Yes	No
1. Was an appropriation cap index rate ordinance adopted last year?	x	
IF YES: % that was used	3.5%	
2. Amount of appropriation cap bank available going into this year		\$3,373,262
3. Is the Application Year budget at (appropriation) cap?	x	
IF NO, amount of remaining balance		\$4,745,284
4. Does the Application Year anticipate use of a waiver to exceed the appropriation cap?		x
IF YES, amount:		\$

C. List the five largest item appropriation increases:

Appropriation	Prior Year Actual	Application Year Proposed	\$ Amount of Increase
POLICE & FIRE RETIREMENT SYSTEM	2,425,603	2,764,937	339,334
MUNICIPAL DEBT	5,127,952	7,094,649	1,966,697
RESERVE FOR UNCOLLECTED TAXES	1,336,500	2,249,800	913,300
HEALTH INSURANCE	7,123,720	7,644,000	520,280
PUBLIC EMPLOYEES RETIREMENT SYSTEM	649,235	770,588	121,353

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

Department/Agency	Position	Number	Dollar Amount
	NONE		

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

	First year	Second year	Third year
SEE ATTACHED	SEE ATTACHED	SEE ATTACHED	SEE ATTACHED
PROJECTION SHEETS	PROJECTION SHEETS	PROJECTION SHEETS	PROJECTION SHEETS
Local Revenues			
Transitional Aid			
Total S&W			
Total OE			

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 No, list those uncorrected as an appendix.		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	2011	2011	2009	N/A
Average percentage increase	**3.125%	**3.125%	3.000%	%
Last contract settlement date	01/01/10	01/01/10	01/01/10	
Contract expiration date	12/31/11	12/31/11	12/31/11	

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)				
Please see attached letter from Mayor Raymond J. McDonough dated 03/11/11.				
Wage Freezes (describe below)				
Please see attached letter from Mayor Raymond J. McDonough dated 03/11/11.				
Layoffs (describe below)				
Please see attached letter from Mayor Raymond J. McDonough dated 03/11/11.				

** Increments for Police & Fire were awarded by the Arbitrator.

Employee Group	Expiration Date	Status of Negotiations of Expired Agreement
None Pending - Current Contracts		Attached

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.

Periodically
.21%

3. What was the average return on investments during CY 2010?
 4. When was the last time fee schedules were reviewed and updated?

New Jersey Cash Management Fund	
Various Approved Checking Accounts	
Various Approved Cert. of Deposit	
MBIA	

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

Prior Year:	\$537,782	Last Year:	\$26,455	Anticipated Application Year:	\$23,000
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F. Other Financial Practices

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

Service Yes No

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

E. Specialized Service Delivery:

1. Does the municipality use the accelerated tax sale program?	Yes	No
2. When was the last foreclosure action taken or tax assignment sale held:	1996	
3. On what dates were tax delinquency notices sent out in 2010:	02/17-05/12-08/23	
4. Date of last tax sale:	12/21/10	

D. Tax Enforcement Practices:

Application Year CY 2011	Municipality: Town of Hartison	County: Hudson
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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 2011-7 for details)

S&W Line Item	Prior Year Actual	Application Year Proposed	Explanation of Change
Please see attached letter from Mayor Raymond J. McDonough dated 03/11/11.			

Application Year CY 2011

Municipality: Town of Harrison

County: Hudson

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	<input checked="" type="checkbox"/>	Yes	Depends on number/types of programs ongoing each year.	The socioeconomic demographic cannot support charges that will fully subsidize the program.
Sewer Fees	<input type="checkbox"/>	Separate Utility		
Water Fees	<input type="checkbox"/>	Separate Utility		
Swimming Pool	<input type="checkbox"/>			
Uniform Construction Code	<input checked="" type="checkbox"/>	Yes		
Uniform Fire Code	<input checked="" type="checkbox"/>	Yes		
Land Use Fees	<input checked="" type="checkbox"/>	Yes		
Parking Fees	<input checked="" type="checkbox"/>	Yes		
Beach Fees	<input type="checkbox"/>			
Insert other local fees below:	<input checked="" type="checkbox"/>			
Ambulance Service Fees		Yes		

Application Year CY 2011

Municipality: Town of Harrison

County: Hudson

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)
Animal Control	Associated Humane Society	\$27,540	ANNUAL
Garbage Disposal	Calli Carting	\$414,667	2009 – 3 Yr. Contract (2009 – 2011)

Section XI – Impact of Limited or No Aid Award - Please see attached letter from Mayor Raymond J. McDonough dated 03/11/11.

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

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 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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Implement actions directed by the Director to address the findings of Division staff.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Enter into a Memorandum of Understanding and comply with all its provisions, without exception.	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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

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

Mayor: _____ Date: 03/11/11
 Chief Financial Officer: _____ Date: 03/11/11
 Chief Administrative Officer: _____ Date: 03/11/11

XIV. CAMPS Certification (Civil Service municipalities only) - **Please see attached

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

Human Resources or Personnel Director: _____ Date: 03/11/11
 Chief Financial Officer: _____ Date: 03/11/11

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: 03/11/11

Chief Financial Officer: _____ Date: 03/11/11

Chief Administrative Officer: _____ Date: 03/11/11