



CITY OF JERSEY CITY

Office of the Business Administrator

Jerramiah T. Healy, Mayor
John W. Kelly, Business Administrator

280 Grove Street
Jersey City, New Jersey 07302
Telephone (201) 547-5146
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March 10, 2011

Thomas H. Neff
Director of Local government Services
Transitional Aid Program
Division of Local Government Services
101 South Broad Street
Trenton, New Jersey 08625-0803

Re: Jersey City Transitional Aid Application

Dear Director Neff:

Enclosed please find the City of Jersey City's application for "Transitional Aid for Calendar Year 2011". An electronic copy of this application, along with the required back up documentation, has also been forwarded to your agency. I ask that you pay special attention section VI "Historical Fiscal Statistics" item 1 Property Tax/Budget Information. We have duplicated this page to demonstrate the differences between Fiscal Years presentation versus Calendar Years presentation.

We hope you look favorably upon our application and the actions we have already taken to address the consistent rise in property taxes since 2005.

If you need additional information, please feel free to call my office at 201-547-4642.

Thank you for your anticipated cooperation.

Very truly yours,

A handwritten signature in black ink, appearing to read "Jack Kelly".

Jack Kelly
Business Administrator

c: Rosemary McFadden, Mayor's Chief of Staff
Donna Mauer, Chief Financial Officer
Bob Kakoleski, Asst. Business Administrator
file

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:		City of Jersey City		County:	Hudson
Contact Person:		Jack Kelly		Title:	Business Administrator
Phone:	201-547-5147	Fax:	201-547-4833	E-mail:	jackkelly@jcnj.org

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
\$14,000,000	\$5,000,000	\$8,000,000

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:	\$12,000,000
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An aid request does not constitute guarantee of receipt of any funds.

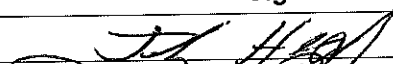
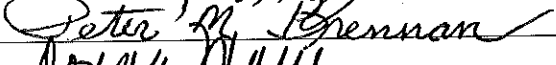
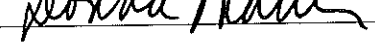
III. Submission Requirements

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	February 10, 2011
Previous Year Annual Audit	February 18, 2010
Previous Year Audit Corrective Action Plan	June 10, 2010
Application Year Introduced Budget	March 9, 2011
Budget documentation submitted to governing body	March 7, 2011

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		
Governing Body Presiding Officer		
Chief Financial Officer		03/09/2011

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.

We are reviewing our fee schedule annually but any increases could make us uncompetitive with other municipalities.

The Amount to Be Raised by Taxation increased by 22.36% from FY2009 to FY2010. The Introduced CY2011 budget reflects an additional 12.75% increase.

Property taxes have increased an average of 11.5% each year over the last five years.

In fact, Jersey City's tax increase was singled out in a recent Wall Street Journal article for its size and impact (WSJ 9/28/10 page one). It is probable that no municipality within New Jersey has increased taxes so significantly over the last six years.

The salient conditions that are driving this year's enormous increase in the tax levy can be attributed to the following:

1. The loss of \$27.6 million of COMPTRA and Special Municipal Aid.
2. The loss of \$2 million in Uniform Construction Code Fees due to the weakened economy and the resultant reduction in new construction or rehabilitation.
3. The unexpected spike in retirements among Police and Fire Uniformed Personnel and the resultant spike in large terminal leave payouts (\$17 million in CY2010 – partially financed with special emergency notes payable over 5 yrs...1st of 5 payments included in CY2011 budget).
4. The exhaustion of one time revenue items that plugged gaps in previous budgets:
 - Pension Deferral
 - Honeywell Contamination Settlement (\$25 million over two FYs)
 - Reserve for Capital Debt funds (\$8.5 mil)
 - Depleting pool of municipal property for sale
5. **\$4 million loss** in revenues from the franchise agreement with Jersey City Municipal Utilities Authority (for the operation of the City's water utility).
6. **\$6.5 million spike** in pension contributions/payments (15.5% increase).
7. **\$5.6 million spike** in health care costs (9% increase).
8. **\$4 million spike** in salaries required by existing Police and Fire contracts (2.75% increase).

CY2011 MAIN BUDGET DRIVERS

REVENUES	FY 2010 ADOPTED	CY 2011	Increase/ Decrease
<i>Surplus Anticipated</i>	\$11,292,000	\$15,000,000	\$3,708,000
<i>State Aid</i>	\$99,780,216	\$72,159,369	(\$27,620,847)
<i>Uniform Construction Code Fees</i>	\$4,590,890	\$2,672,937	(\$1,917,953)
<i>Sale of Municipal Prop - Land Sales</i>	\$5,800,000	\$17,000,000	\$11,200,000
<i>MUA Franchise Concession Payment</i>	\$16,000,000	\$12,000,000	(\$4,000,000)
<i>Res. for Payment of Capital Debt</i>	\$8,500,000	\$0	(\$8,500,000)
<i>Abatement Transfer Fee</i>	\$0	\$2,800,000	\$2,800,000
<i>Red Light Camera</i>	\$0	\$0	\$1,600,000
TOTAL	\$145,963,106	\$121,632,306	(\$24,330,800)

APPROPRIATIONS	FY 2010 ADOPTED	CY 2011	Increase/ Decrease
<i>Employee Health Insurance</i>	\$69,100,000	\$74,452,000	(\$5,352,000)
<i>Pension</i>	\$42,989,369	\$49,682,890	(\$6,693,521)
<i>Debt Service</i>	\$59,270,580	\$70,303,028	(\$11,032,448)
<i>All City Depts - S/W & O/E</i>	\$217,404,641	\$208,561,092	\$8,843,549
<i>Accumulated Absences</i>	\$8,404,000	\$0	\$8,404,000
TOTAL	\$397,168,590	\$402,999,010	(\$5,830,420)

AMOUNT TO BE RAISED BY TAXATION	FY 2010 ADOPTED	CY 2011	Increase/ Decrease
<i>For Municipal Purposes</i>	\$185,058,594	\$208,650,271	\$23,591,677

% INCREASE **12.75%**

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 2011-7 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	22,429,974,947	23,625,777,535	1,195,802,588
Percent of loss from prior year (c) divided by (b) as percent:			5.06%
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
Not applicable			
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. **The City has eliminated the "Traditional" health insurance option for ALL current employees. A resolution will be presented to the Municipal council shortly removing all retirees from the "Traditional" health plan.**
2. **Through challenging bargaining process, the police unions have agreed to a pay lag and salary step concessions that will provide \$3,900,000 savings in CY2011.**
3. **The City has implemented a 12 day furlough plan for each of the last two years for all full-time employees, with an additional 7 days by June 30, 2011 and is developing a plan for 6 additional days from July thru December 31, 2011.**
4. **The City terminated over 270 seasonal and provisional employees on February 26, 2010 and seven (7) Police civilians were laid off February 2011.**
5. **Through attrition the City is down 304 fulltime employees in the previous 21 months.**
6. **The City has not replaced over 150 Police and Firefighters who retired in CY 2010.**
7. **Each City Department has reduced their budget in CY2011. Funding for the Jersey City Museum and Afro-American Museum has been eliminated, saving \$650,000. Funding for the Jersey City Incinerator Authority, Parking Authority and Public Library have also been cut saving an additional \$3.1 million.**
8. **The City will forward a plan to the Civil Service Commission later this month to lay off 116 fulltime civilian employees, with an effective date of June 1, 2011. This represents 10% of the non-uniform workforce.**
9. **The City's "Management" employees did not receive a cost of living increase in 2008, 2009 and 2010. They are not scheduled to receive an increase nor are funds budgeted for in 2011. Also, two civilian unions have already agreed to 0% in 2010.**
10. **The City is continuing with its plan to merge the operations of the Jersey City Incinerator Authority with the Department of Public Works pending legislative changes. If those changes do not materialize, the JCIA was provided with the requisite one (1) year written notification February 2011 that it will be abolished February 2012 with the DPW assuming their operations. The consolidation of those two (2) entities will result in a reduced workforce and greater synergy.**

The following chart demonstrates the City's progressive reduction in employees.

CITY OF JERSEY CITY EMPLOYEE COUNT

FULL TIME	June-05	June-10	March-11
<i>Non- Uniform</i>	1110	1087	1018
<i>Fire - Uniform</i>	581	548	496
<i>Police - Uniform</i>	851	880	831
TOTAL FULL TIME	2542	2515	2345

PART TIME/SEASONAL	June-05	June-10	March-11
<i>Non- Uniform</i>	377	117	124
<i>Fire Non-Uniform</i>	2	4	4
<i>Police Non-Uni/School Guards</i>	189	207	191
TOTAL PT/SEASONAL	568	328	319

TOTAL EMPLOYEES	June-05	June-10	March-11
<i>Non- Uniform</i>	1487	1204	1142
<i>Fire Non-Uniform</i>	583	552	500
<i>Police Non-Uni/School Guards</i>	1040	1087	1022
TOTAL EMPLOYEES	3110	2843	2664

Application Year CY 2011	Municipality: Jersey City	County: Hudson
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VI. Historical Fiscal Statistics

Item	Fiscal Year 2009	Fiscal Year 2010	Calendar Yr Introduced Application Year
1. Property Tax/Budget Information			
Municipal tax rate	\$2.578	\$3.142	\$3.564
Municipal Purposes tax levy	\$153,281,683	\$185,058,594	\$208,650,271
Municipal Open Space tax levy	\$0	\$0	\$0
Total general appropriations	\$475,673,391	\$509,869,483	\$477,320,913
2. Cash Status Information			
% Of current taxes collected	99.90%	99.90%	%
% Used in computation of reserve	99.55%	99.55%	99.55%
Reserve for uncollected taxes	\$1,503,973	\$1,692,045	\$1,891,754
Total year end cash surplus	\$11,292,345	\$4,318,949	
Total non-cash surplus	\$804,000	\$804,000	
Year end deferred charges	\$0	\$0	
3. Assessment Data			
Assessed value (as of 7/1)	\$5,946,690,737	\$5,890,926,606	\$5,853,597,043
Average Residential Assessment	\$93,407	\$93,500	\$93,500
Number of tax appeals granted	1302	1819	
Amount budgeted for tax appeals	\$300,00	\$300,000	\$400,000
Refunding bonds for tax appeals	\$0	\$0	\$0
4. Full time Staffing Levels			
Uniformed Police - Staff Number	895	880	831
Total S&W Expenditures	\$95,898,624	\$93,390,240	\$92,380,650
Uniformed Fire - Staff Number	596	560	496
Total S&W Expenditures	\$64,500,516	\$64,330,031	\$62,430,168
All Other Employees - Staff Number	1415	1382	1018
Total S&W Expenditures	\$48,668,100	\$52,861,668	\$37,343,192
5. Impact of Proposed Tax Levy			
			Amount
Current Year Taxable Value			5,853,597,043
Introduced Tax Levy			208,650,271
Proposed Municipal Tax Rate	3.564	Average Res. Value (#4 above)	93,500
Current Year Taxes on Average Residential Value (#4 above)			6,682
Prior Year Taxes on Average Residential Value			6,454
Proposed Increase in average residential taxes (includes County and School)			282

Application Year CY 2011	Municipality: Jersey City	County: Hudson
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VI. Historical Fiscal Statistics

Item	Calendar Yr 2009	Calendar Yr 2010	Calendar Yr Introduced Application Year
1. Property Tax/Budget Information			
Municipal tax rate	\$2.858	\$3.568	\$3.564
Municipal Purposes tax levy	\$170,000,000	\$210,198,898	\$208,650,271
Municipal Open Space tax levy	\$0	\$0	\$0
Total general appropriations	\$475,673,391	\$509,869,483	\$477,320,913
2. Cash Status Information			
% Of current taxes collected	99.90%	99.90%	%
% Used in computation of reserve	99.55%	99.55%	99.55%
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Amount budgeted for tax appeals	\$300,00	\$300,000	\$400,000
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4. Full time Staffing Levels			
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			Amount
Current Year Taxable Value			5,853,597,043
Introduced Tax Levy			208,650,271
Proposed Municipal Tax Rate	3.564	Average Res. Value (#4 above)	93,500
Current Year Taxes on Average Residential Value (#4 above)			6,682
Prior Year Taxes on Average Residential Value			6,454
Proposed Increase in average residential taxes (includes County and School)			282

VII. Application Year Budget Information

A. Year of latest revaluation/reassessment

1988 – contract awarded
Feb’ 11 for effective date
1/1/13.

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%		
\$19,227,971		
		X
\$24,418,709		
		X
\$		

C. List the five largest item appropriation increases:

Appropriation	Prior Year Actual	Application Year Proposed	\$ Amount of Increase
Employee Group Health Insurance	\$68,214,000	\$74,452,000	\$6,238,000
Debt Service	\$59,270,580	\$70,303,028	\$11,032,448
Pension: PFRS/PERS/JCERS	\$42,989,369	\$49,682,890	\$6,693,521
Fire Department	\$63,515,965	\$64,437,768	\$921,803
Police Department	\$93,584,000	\$95,298,383	\$1,714,383

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

Department/Agency	Position	Number	Dollar Amount
None	Hiring Freeze - If we hire, only critical positions will be replaced...one for one.		

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	200,000,000	33,000,000	10,000,000	196,000,000	139,000,000
Second year	204,000,000	35,500,000	8,000,000	200,000,000	142,000,000
Third year	208,000,000	38,000,000	6,000,000	204,000,000	144,500,000

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.		

B. Risk Management: Indicate ("x") how each type of risk is insured.

Coverage	JIF/HIF	Self	Commercial
General liability		x	x
Vehicle/Fleet liability		x	x
Workers Compensation		x	x
Property Coverage		x	x
Public Official Liability		x	x
Employment Practices Liability		x	x
Environmental			
Health	SHBP	x	x

C. 1) Salary and Employee Contract Information (when more than one bargaining unit for each category, use average):

Question	Police 2011	Fire 2011	Other Contract 2010	Non-Contract 2007
Year of last salary increase	2011	2011	2010	2007
Average percentage increase	2.75%	2.75%	2.7%	0%
Last contract settlement date	May 2010	May 2010	May 2010	
Contract expiration date	12/31/12	12/31/12	6/30/11	

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)	NO	NO	YES	YES
The City has been approved for 7 furlough days from January 1 to June 30, 2011. In addition, the City is considering applying for 6 additional days until December 31, 2011. The City supports legislation allowing the staggering furlough days for the uniformed services .				
Wage Freezes (describe below)	NO	NO	NO	YES
Union employees continue to receive wage increases listed in their respective collective bargaining agreements. Management employees have not received a COLA increase since 2007 and appointed/statutory positions' COLA's have been suspended indefinitely.				

Application Year CY 2011	Municipality: Jersey City	County: Hudson
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Layoffs (describe below)	NO	NO	YES	YES
The City is preparing a plan to layoff approximately 116 civilian employees effective June 1, 2011. The City already executed a lay off plan of seven (7) non-uniform Police employees February 2011.				

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:	6-30-2010	
3. On what dates were tax delinquency notices sent out in 2010: Date:	3/1 5/26 8/15 11/16	
4. Date of last tax sale: Date:	6-21-2010	

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) Note: Some Police used due to civilians not replaced upon seperation.		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:	\$1,114,841	Last Year:	\$292,599	Anticipated Application Year:	\$250,000
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2. List the instruments in which idle funds are invested:

Bank checking account with interest	Certificate of Deposits
Money Market accounts	

3. What was the average return on investments during CY 2010?

0.6%

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

Currently reviewing

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
Fire Fighter- Local 1066	12/31/12	N/A
Fire Supervisor- Local 1064	12/31/12	N/A
Police Office Benevolent Assoc.	12/31/12	N/A
Police Superior Officer Assoc.	12/31/12	Arbitrator's Award issued December 2010
Civilians (blue color) Local 245	6/30/11	N/A
Civilians (white color) Local 246	6/30/11	N/A
Boiler Operators Local 68/68A	12/31/11	N/A
JC School Traffic Guards	12/31/11	N/A

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
All non-uniformed eligible employees, including elected officials – Furlough Days Departments Line 101	\$2,000,000	1,500,000	Less employees on the payroll results in less savings from the furlough program.
Police S/W - 101	0	3,900,000	Uniformed unions agreed to join payroll lag schedule with every other City employee. Also, the 82 officers scheduled for layoff agreed to defer their annual step salary increase for eight (8) months
Various Departments Line 101		3,000,000	Layoff plan of 116 employees will be submitted to Civil Service March 2011 with an effective date of June 1, 2011. Annual savings will be over \$5 million.
Various Departments Line 101			For the fourth (4 th) year in a row, management employees will not receive a COLA
Various Departments Line 101			A resolution approved by the City Council has indefinitely suspended COLA increase for all statutory and appointed officials.
Various Departments Line 101			The three (3) largest civilians CBAs expire 6/30/11. Salary increases effective 7/1/11 are not budgeted.

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
Jersey City Museum	500,000	0	Eliminated City funding of the Museum.
Jersey City Afro-American Museum	124,000	0	Eliminated City funding of the Museum.
Jersey City Public Library	7,723,535	7,400,000	Statutory Minimum funding was lowered.
Jersey City Incinerator Authority	28,000,000	25,300,000	JCIA has been advise to consider health care changes, furloughs and layoffs in conjunction with the policies currently exhibited by the City.
Group Health Insurance	\$69,100,000	\$74,452,000	By removing the Traditional plan as an option, the percentage increase in funding for CY2011 is less than FY2010.
Reducing Leased Office Space – Municipal Rent	2,586,510	2,600,000	The Administration is preparing a plan that will provide substantial short and long term financial savings by consolidating City offices and, wherever possible, abandoning expensive lease agreements while at the same time provide opportunities for increasing operational efficiencies. Central to the plan is the purchase of three condominium floors at 830 Bergen Ave (the current Provident Bank building). The 126,000 sq. ft. building will have three primary owners: the Hudson County Improvement Authority, the County of Hudson, and the City of Jersey City. <i>City of Jersey City Offices Affected by the Plan</i> <i>Health and Human Services (HHS)</i> As you know, the City was forced to leave 201 Cornelison Avenue due to extensive water damage; the building became uninhabitable overnight. By maximizing space at the Hub and One Journal Square, the Administration has reduced the floor space used by HHS from 38,000 sq. ft. to 20,00 sq. ft. Although the Women, Infants, and Children (W.I.C.) Program, Meals-On-Wheels, and Child Immunization are scheduled to be permanently located at the Hub, the balance of HHS is only temporarily located at One Journal Square. It is planned to relocate HHS to the Jersey City Parking Authority headquarters at 394 Central Avenue, which was recently purchased by the Authority. HHS will occupy the fourth floor (which is currently vacant) and the third floor upon the

relocation of CCTV to the new Public Safety Communication Building. As an addendum to this correspondence, please see attached memorandum describing the CCTV restructuring and relocation written by John Mercer, dated February 15, 2011.

*Housing, Economic Development, and Commerce (HEDC)
Jersey City Redevelopment Agency (JCRA)
Jersey City Economic Development Corporation (EDC)*

The City currently rents space at 30 Montgomery Street at premium waterfront rates. The leases expire at the end of 2011, making this a very opportune time to relocate into less expensive office space. In addition to the annual savings from lower monthly payments, the City will enjoy complete ownership in twenty years (thereby eliminating a rent payment entirely). In addition, the City will be assisting the rejuvenation of Journal Square by investing in the area. At the same time, the City will plan to permanently relocate the Building and Zoning Departments to the HUB.

Police Headquarters

The building at 8 Erie Street has been slated to be sold for many years. Its location, only a block from the Grove Street Path Station, and its adjacent empty lot makes it a prime candidate for commercial development – and therefore an excellent source of revenue to the City. The building is also in need of costly repairs (roof leaks, basement floods) that the City is prudently avoiding. Police Headquarters is considering moving into current City offices at One Journal Square. Displaced offices at One Journal Square would be moved to 830 Bergen Avenue and/or the Jersey City Parking Authority headquarters. The sale of 8 Erie Street will also benefit the City in the long term by returning the property to the City's tax rolls.

830 Bergen Avenue is a Hudson County Project

Besides the consolidation advantages described above, several factors have led the Administration to formally decide on participating in the purchase agreement.

Firstly, Hudson County intends to purchase 830 Bergen Avenue whether or not the City joins the transaction. This means 830 Bergen Avenue is certain to leave the City's tax rolls. Considering this outcome, it is prudent for the City to take partial ownership to meet our space demands.

The transaction is being financed through bonds issued by the Hudson County Improvement Authority (HClA). Traditionally, the HClA has enjoyed bond rates that are lower (and therefore less expensive) than bond rates the City receives. The lower rates will provide meaningful savings over the course of the twenty-

			<p>year issuance.</p> <p>Relocated Operations Produce Synergies and Increased Efficiencies</p> <p>As part of the working plan, the Administration is identifying opportunities to combine or comingle functions to improve City services. The relocation of CCTV and the Fire Department Dispatch to the new Public Safety Communication Building will provide seamless emergency response to residents and allow City supervisors to more efficiently manage response teams. The relocation of the Building and Zoning Departments to the HUB will provide applicants an easy-to-access location with ample parking, while introducing more foot traffic into the HUB's retail space.</p> <p>The Administration strongly recommends the Council support this important improvement to City operations and finances.</p>
Closing Police Academy – Municipal Rent and Police S/W - 101			Officers assigned to Academy were re-assigned to replace officers who retired. Academy Director was laid off.
Health Human Services -101			Transfer of STD program to a federally funded non-profit. Assigned employees will be laid off.
Health Human Services -101	150,000	60,000	Veteran Affairs program will be transferred to the County of Hudson. Assigned employees will be laid off.
Housing Economic & Development & Commerce -101	170,000	70,000	Weights and Measures function will be transferred to the County of Hudson. Assigned employees will be laid off.

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		
Sewer Fees	<input type="checkbox"/>			
Water Fees	<input type="checkbox"/>			
Swimming Pool	<input checked="" type="checkbox"/>			
Uniform Construction Code	<input checked="" type="checkbox"/>	Yes	n/a	Fees cover costs
Uniform Fire Code	<input checked="" type="checkbox"/>	Yes		Need additional inspectors to generate revenue
Land Use Fees	<input checked="" type="checkbox"/>	Yes	n/a	Fees cover costs
Parking Fees	<input checked="" type="checkbox"/>	Yes	n/a	Fees cover costs
Beach Fees	<input type="checkbox"/>			
Insert other local fees below:	<input type="checkbox"/>			
Police Reports	<input checked="" type="checkbox"/>	Yes	160,000	Copying costs controlled by OPRA regulations
Alcoholic Beverage Licenses	<input checked="" type="checkbox"/>	Yes	n/a	Fees cover costs

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)
Ambulance Service	Jersey City Medical Center	3,700,419	
Animal Shelter	Liberty Human Society	283,506	
Emergency Services	American Red Cross	370,000	
Summer Food Program	Maramount Corp	189,000	
Garbage Hauling and Recycling (Waste Management, Inc.)	Jersey City Incinerator Authority	14,000,000	
Parking enforcement	Jersey City Parking Authority	1,082,000	
Free Library Services	Jersey City Public Library	\$7,400,000	
Street Sweeping, Snow Removal, Environmental services, Demolition	Jersey City Incinerator Authority	11,300,000	
Operation, maintenance & repair of water, sewer and storm sewer system	Jersey City Municipal Utilities Authority (City receives payments)	See note	

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	2010 Full Time Staffing	2011 Full Time Staffing	\$ Amount to be Saved
1	All, except Law, Police and Fire	116	6/1/11	2515	2345	3,600,000

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

Rank Order	Service	Cost Savings	Impact on Services
2	Fire Fighter Replacement	3,000,000	The City has reduced fire companies from 26 to 20 since we last hired new fire fighters - Potential slower response time if we do not begin the replacement process... overtime line item has more than doubled to provide adequate staffing
3	Police Officer replacement	2,500,000	Massive retirements in 2010; lack of promotions to supervisory positions have caused increase in overtime. Operational changes due to staffing problems could negatively impact the crime rate
4	Recreational programs	\$425,000	Summer programs reduced by 2 weeks; gyms and pool hours of operation reduced therefore servicing less constituents

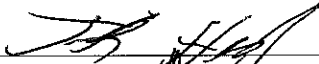
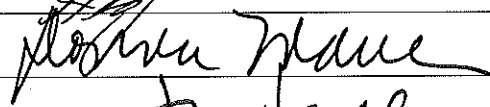
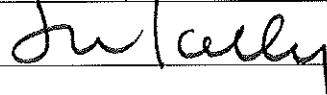
XII. Agreement to Improve Financial Position of Municipality

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.	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	

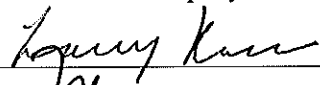
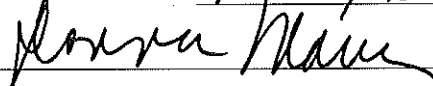
XIII. Certification of Past Compliance for Municipalities Currently Operating Under a Transitional Aid MOU:

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: 3-10-11
 Chief Financial Officer:  Date: 3-10-11
 Chief Administrative Officer:  Date: 3-10-11

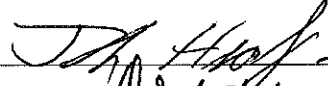
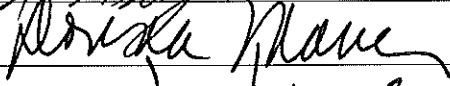
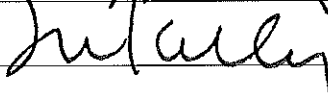
XIV. CAMPS Certification (Civil Service municipalities only)

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.

Human Resources or Personnel Director:  Date: 3/10/11
 Chief Financial Officer:  Date: 3-10-11

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: 3-10-11
 Chief Financial Officer:  Date: 3-10-11
 Chief Administrative Officer:  Date: 3-10-11