

**Transitional Aid Application for Calendar Year 2013**  
**Division of Local Government Services**  
**Department of Community Affairs**

**General Instructions:** This application must be submitted in its entirety by March 15, 2013 for funding consideration under this program. Information contained in the application is subject to independent verification by DLGS. Refer to Local Finance Notice 2013-05 when preparing this application for specific instructions and definitions, and review the Submission Checklist on Page 7.

<b>Name of Municipality:</b> <u>Beverly City</u>		<b>County:</b> <u>Burlington</u>
<b>Contact Person:</b> <u>Dorothea Jones</u>		<b>Title:</b> <u>Treasurer / CMFO</u>
<b>Phone:</b> <u>609-387-1881</u>	<b>Fax:</b> <u>609-387-3558</u>	<b>E-mail:</b> <u>djones@thecityofbeverly.com</u>

**I. Aid History**

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

CY 2012	CY 2011	CY 2010
\$0	\$0	\$0

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

<b>Amount of aid requested for the Application Year:</b>	<b>\$337,000</b>
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*If not seeking a decrease, a letter from the Mayor is required. See Local Finance Notice #*

**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
2012 Annual Financial Statement	<u>1/16/13</u>
2011 Annual Audit	<u>3/30/12</u>
2011 Corrective Action Plan	<u>6/14/12</u>
Application Year Introduced Budget	<u>3/12/13</u>
Budget Documentation Submitted to Governing Body	<u>3/15/13</u>

**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		

**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. If this application is being submitted due solely to expenditure and revenue impacts of Superstorm Sandy, please skip this section.

The City of Beverly, for the past several years, has utilized as much fund balance as possible to offset recurring expenditures in the budget. December 31, 2007, the City had a Fund Balance (Reserve) of \$1,004,016, of which, \$448,893 was used in the CY2008 budget. December 31, 2008 the City had a Fund Balance of \$1,024,050, of which, \$440,000 was used in the CY2009 budget. December 31, 2009, the City had a Fund Balance \$852,458, of which, \$622,000 was used in the CY2010 budget. December 31, 2010, the City had a Fund Balance of \$443,379, of which \$358,579 was used in the CY2011 budget. December 31, 2011, the City had a Fund Balance of \$334,496, of which \$270,065 was used in the CY2012 budget. December 31, 2012, the City had a Fund Balance of \$126,980, of which, the City is anticipating the use \$75,000 in the CY2013 budget.

In addition to the above, there are several line items that will increase in the CY2013 budget. Administration Salary and Wages will see an increase of -\$33,731; part of which is due to the restructuring of the City Administrator/Public Safety Director positions that will now be funded mainly through the Administration line item instead of charged to the Police line item and due to an overlap of payment to the former City Administrator and the new Acting City Administrator. Group Insurance will increase -\$76,201 due to the addition of employees eligible to be enrolled and increases in the SHBP. Liability and Workman's Comp Insurance will increase -\$38,762 due to normal increases in insurance coverages and due to the number of claims submitted by the City. Pensions, PERS, PFRS, and DCRP will have increases in the CY2013 Budget of at least \$30,000. The auditor has identified 7 employees who need to be enrolled in the pension system. The City will have to pay a penalty for two employees who should have been enrolled in pensions over two years ago. In CY2011 the City issued BANs in the amount of \$1,628,205 in addition to an existing general bond of \$37,500. In CY2012, the City issued another BAN in the amount of \$500,000 for a total of \$2,165,705 outstanding. The introduced budget for CY2013 anticipates a payment of \$100,000 towards the outstanding BANs, which is the first payment (excluding the first interest payment of \$32,473.64) to pay down these BANs.

Litigation and claims continue to be an ongoing issue with the City of Beverly. In the 2012 fiscal year, Over \$154,000 was spent on legal fees and an additional \$18,000 in a judgment was rolled into the 2013 fiscal year. These legal fees represent fees normally charged by the City Solicitor in addition to defense attorney costs related to lawsuits and claims against the City. It is anticipated these legal fees will continue in the 2013 fiscal year until the outstanding claims have been satisfied. Currently there are 11 open claims against the City.

The City of Beverly is the smallest incorporated city in the State of New Jersey, with only 2,500 residents, is approximately ½ square mile, has few commercial ratables, has a defunct central business district, a low to mod population of 86.8% according to the 2000 Census, over 70% of the school children qualify for free or reduced breakfast/lunch, is home to a federal housing project, ranks 36 on the MDI and currently is the highest tax rate in Burlington County. Approximately thirty percent of the population is senior citizens and approximately 28% of the housing stock is rental units. The city was hit very hard with the recession and we have many abandoned and/or vacant properties as a result. If revenues were increased to the extent necessary, it would only further the unaffordability of homeownership and increase the transient population that is negatively affecting home values and the school system of the city. The City has already taken advantage of shared services with several surrounding communities and the City is expanding these services this coming year.

Application Year: CY 2013	Municipality: Beverly City	County: Burlington
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**V-B. Alternate Eligibility**

If this application is being submitted due solely to expenditure and revenue impacts of Superstorm Sandy, please skip this section.


**Demonstration of Revenue Loss/Substantial Cost Increase**

Complete Part 2 if eligibility was not met in Part 1. 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	2011 Value	2012 Value	Amount of Loss/Increase
Legal fees	\$69,183.88	\$154,159.43	+\$84,975.55
<b>Description:</b>	Litigation costs/defense attorney costs not covered by JIF		
Engineering fees	\$13,584.24	\$21,585.05	+\$8,000.81
<b>Description:</b>	UST remedial action		
Police O&E	\$31,219.97	\$43,322.14	+\$12,102.17
<b>Description:</b>	Various items including computers, supplies, and maintenance		
Sanitation	\$65,917.60	\$68,390.84	+\$2,473.24
<b>Description:</b>			
Municipal Court S&W	\$47,499.00	\$58,199.23	+\$10,700.33
<b>Description:</b>			
Interest on BANs	\$0.00	\$32,473.64	+\$32,473.64
<b>Description:</b>	The City borrowed \$2.2 million in 2011/2012		
Insurance Proceeds	\$10,738.50	\$0	(\$10,738.50)
<b>Description:</b>	Did not receive insurance proceeds due to claims		

**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.) If this application is being submitted due solely to expenditure and revenue impacts of Superstorm Sandy, please skip this section.

The City is anticipating utilizing \$75,000 of Fund Balance to offset expenditures, implementing across the board cuts for all departments, reduction of personnel, increasing shared services with neighboring municipalities, raising the local municipal tax levy to the maximum allowed by law, re-examining fees charged for other City services with the intent to raise fees that are not consistent, submit for and receive all outstanding grant monies due to the city for all projects, reduce all BANs to the lowest amounts possible, seek long-term bonding through the Burlington County Bridge Commission for the balance of the BANs that cannot be paid off in the near term.

The City has discussed its fiscal issues with the Department of Community Affairs and met with several members of the department, including the Director of Shared Services. With guidance and assistance from the Department, the City is currently discussing a shared service agreement with a neighboring municipality. The City is confident an agreement can be reached this year that will negate the need for continued assistance from the State in the form of Transitional Aid. Depending on the timing of approvals and the negotiation process, the savings may be reduced for this year however future annual savings will offset if not entirely eliminate the need for ongoing assistance.

**V-D. Discussion of Health Benefits**

If this application is being submitted due solely to expenditure and revenue impacts of Superstorm Sandy, please skip this section.

**The City of Beverly is currently in the State Health Benefits Plan (SHBP). Every employee who is eligible for benefits is enrolled in the plan. The City offers waivers under a cafeteria plan for eligible employees to waive health benefits and pays \$1,040.50 per employee.**

## VI. Historical Fiscal Statistics

Item	2011	2012	Introduced Application Year
<b>1. Property Tax/Budget Information</b>			
Municipal tax rate	\$1.70	\$1.217	\$1.636
Municipal Purposes tax levy	\$1,429,820.00	\$1,490,349.84	\$1,665,412.84
Municipal Open Space tax levy	\$-	\$-	\$-
Total general appropriations	\$2,109,119.00	\$2,976,773.19	\$2,820,598.32

<b>2. Cash Status Information</b>			
% Of current taxes collected	95.70%	96.02%	%
% Used in computation of reserve	%	%	95.50%
Reserve for uncollected taxes	\$256,491.00	\$235,815.74	\$258,871.95
Total year end cash surplus	\$334,296.07	\$126,980.13	
Total non-cash surplus	\$	\$67,004.79	
Year end deferred charges	\$	\$42,400.00	

<b>3. Assessment Data</b>			
Assessed value (as of 7/1)	\$84,082,112	\$122,442,960	\$122,442,960
Average Residential Assessment	\$86,500	\$129,000	\$128,300
Number of tax appeals granted	7	28	
Amount budgeted for tax appeals	\$-	\$-	\$-
Refunding bonds for tax appeals	\$-	\$-	\$-

<b>4. Full time Staffing Levels</b>			
Uniformed Police - Staff Number	9	8	8
Total S&W Expenditures	\$583,643.38	\$565,075.28	\$575,000.00
Uniformed Fire - Staff Number	-	-	-
Total S&W Expenditures	\$-	\$-	\$-
All Other Employees - Staff Number	29	20	19
Total S&W Expenditures	\$367,536.12	\$338,645.58	\$368,650

### 5. Impact of Proposed Tax Levy

			Amount
Current Year Taxable Value			\$122,442,960
Introduced Tax Levy			1,665,412.84
Proposed Municipal Tax Rate	1.636	Average Res. Value ( #4 above)	\$128,300
Current Year Taxes on Average Residential Value (#4 above)			\$2,098.98
Prior Year Taxes on Average Residential Value			\$1,561.41
Proposed Increase in average residential taxes			\$537.57

**VII. Application Year Budget Information**

A. Year of latest revaluation/reassessment

2012

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%		
\$		
		X
\$122,866.60		
		X
\$		

C. List the five largest item appropriation increases:

Appropriation	Prior Year Actual	Application Year Proposed	\$ Amount of Increase
Admin S&W	\$20,268.14	\$54,000	\$33,731.86
Insurance – Group	\$173,951.19	\$250,153	\$76,201.81
Insurance – Liability & W/C	\$208,544.00	\$247,306	\$38,762.00
PERS	\$24,841.04	\$52,000	\$27,158.96
Engineer	\$21,585.05	\$25,000	\$3,414.95

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:

	Tax Levy	Local Revenues	Transitional Aid	Total S&W	Total OE
First year	\$1,665,413	\$1,180,185	187,000	\$400,377	\$1,486,088
Second year	\$1,665,413	\$1,280,185	93,500	\$406,383	\$1,511,088
Third year	\$1,665,413	\$1,320,185	0	\$418,575	\$1,536,088

### 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		
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	2013	-	2011	-
Average percentage increase	1.5%	-%	3%	0%
Last contract settlement date	2/16/12	-	6/23/09	
Contract expiration date	12/31/13	-	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)	-	-	-	-
Wage Freezes (describe below)	-	-	-	-
Layoffs (describe below)	X	-	X	X
Possible shared services agreement with a neighboring municipality would require the dissolving of the police department and laying off of the entire force. The layoff of the seasonal/part-time Public Works employee.				



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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: <u>None</u> Date:		
3. On what dates were tax delinquency notices sent out in 2012: 12/12/12 Date:	2/28, 6/11 & 11/28	
4. Date of last tax sale: Date:	9/26/12	

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:

2011	\$3,760.98	2012:	\$1,856.44	Anticipated Application Year:	\$1,800
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2. List the instruments in which idle funds are invested:

Checking accounts	

3. What was the average return on investments during CY 2012?
4. When was the last time fee schedules were reviewed and updated?
5. The name and firm of the municipality's auditor?
6. When was the last time the municipality changed auditors?

.13%
Partial 2010, partial 2012
Robert Stewart (Inverso & Stewart)
1998

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
Beverly Police Assoc. FOP/NJ Labor	12/31/13	
CWA 1036 AFL/CIO	12/31/11	Pending Ratifications



**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
3-01-26-310-000	15,278.69	9,250	Across the board reductions on non-essential items
All departments – all lines			New purchasing and administrative policies to curb spending

**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 type="checkbox"/>			
Sewer Fees	<input type="checkbox"/>			
Water Fees	<input type="checkbox"/>			
Swimming Pool	<input type="checkbox"/>			
Uniform Construction Code	<input checked="" type="checkbox"/>	No	\$18,000	Fees will be increased in 2013 to reduce subsidy
Uniform Fire Code	<input type="checkbox"/>			
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"/>			
Housing Inspection		Yes		
Property Maintenance		Yes		
Mercantile Licensing		Yes		

**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)
Vehicle Maintenance	Willingboro Township	\$20,000	2011
Housing Inspection Services	Willingboro Township	\$16,000	2013
Fuel	Delanco Township	\$23,000	N/A
Trash Collection cooperative purchase	Delanco and Edgewater Park / SJ Sanitation	\$72,465	2012
Animal Control Services	Willingboro Township	\$12,000	2012
Plowing and Salting	Burlington County	\$4,000	2012
Public Works Equip. & Personnel	Willingboro Township	\$1,000	2011

**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	2011 Full Time Staffing	2012 Full Time Staffing	\$ Amount to be Saved
1	Police (no other option)	8	7/1/13	9	8	\$744,687.13
2	Public Works	1	Immediate	2	2	\$17,492

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

Rank Order	Service	Cost Savings	Impact on Services

**Section XII – SPECIAL SECTION FOR APPLICANTS FILING DUE TO IMPACTS OF SUPERSTORM SANDY**

Attach a copy of any application filed with FEMA to receive assistance pursuant to the Community Disaster Loan Program. Explain why the funding sought through that program is insufficient to address budget needs.

Explain the loss of tax ratables due to Sandy and the impact of this tax ratable loss on remaining properties. Attach related disclosure statements issued in conjunction with notes/debt, Assessor documentation of reassessments filed pursuant to guidelines issued by the Division of Taxation, and any other documents that explain taxable ratable losses. Do not include other losses of ratables such as tax appeals unrelated to Sandy.

Explain the loss of other revenues (beach fees, parking revenues, court fines etc.) attributable to the impacts of Sandy.

Explain in detail, all claims and applications your municipality has filed with FEMA, insurance companies and third parties. Provide a good faith estimate of how much in funding you expect to receive. Detail any cost share that your municipality believes it will have to be responsible for paying, including an assessment as to whether those costs are being financed. Please provide any relevant supporting documents.

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**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 is in substantial compliance with the conditions and requirements of the 2012 MOU and is moving in good faith to correct those area of noncompliance that have been identified, including, but not limited to, the following: establishment of a pay to play ordinance; termination of longevity pay for officers and employees not contractually entitled to longevity pay; termination of health benefits for part time officers and employees; receipt of signed approval forms as required prior to hiring personnel and contracting with professional service vendors.

Mayor: \_\_\_\_\_ Date: \_\_\_\_\_

Chief Financial Officer: \_\_\_\_\_ Date: \_\_\_\_\_

Chief Administrative Officer: \_\_\_\_\_ Date: \_\_\_\_\_

**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: \_\_\_\_\_

Chief Financial Officer: \_\_\_\_\_ Date: \_\_\_\_\_

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**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: \_\_\_\_\_

Chief Financial Officer: \_\_\_\_\_ Date: \_\_\_\_\_

Chief Administrative Officer: \_\_\_\_\_ Date: \_\_\_\_\_