

Transitional Aid Application for State Fiscal Year 2014
Division of Local Government Services
Department of Community Affairs

General Instructions: This application must be submitted in its entirety by September 30, 2013 for funding consideration under this program. Information contained in the application is subject to independent verification by DLGS. Refer to Division E-mail when preparing this application for specific instructions and definitions, and review the Submission Checklist.

Name of Municipality:		City of Trenton		County:	Mercer
Contact Person:		Sam Hutchinson		Title:	Business Administrator
Phone:	(609)-989-3807	Fax:	(609) 989-4250	E-mail:	shutchinson@trentonnj.org

I. Aid History

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

SFY 2013	SFY 2012	SFY 2011
\$25,400,000	\$22,000,000	\$27,100,000

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:	\$ 22,860,000
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If not seeking a decrease, a letter from the Mayor is required. See Division E-mail.

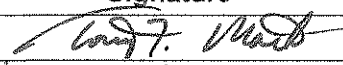
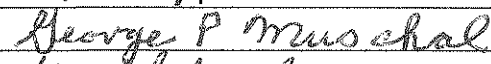
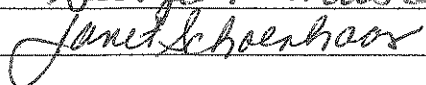
III. Submission Requirements

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
2013 Annual Financial Statement	9/5/2013
2012 Annual Audit	6/2013
2012 Corrective Action Plan	8/29/2013
Application Year Introduced Budget	9/24/2013
Budget Documentation Submitted to Governing Body	9/20/2013

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		10/2/13
Governing Body Presiding Officer		10/3/13
Chief Financial Officer		10/3/13

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 not raised, how it would substantially jeopardize the fiscal integrity of the municipality.

Given the present state of finance and revenues in most of New Jersey's older urban cities, the City of Trenton is not in a position to generate enough property taxes or other local revenues to support services required for its citizens, to retain existing businesses or attract new businesses into the City. During the past few years this historical problem has been exacerbated by the high level of unemployment in the City of Trenton, the lack of available market jobs, and the nation's economic downturn which has disproportionately affected the urban areas in the State. While recovery continues, growth is still slow and there is a continuous need for financial assistance during the current budget year.

A substantial increase in taxes in order to sustain the current level of services needed would result in a continued exodus of citizens and businesses from the City, further diminishing the tax revenues of the City.

Since the 1980s, the State has agreed that many of the cities and towns in New Jersey require additional aid over and above the normal formula driven programmatic aid for the provision of basic services to the residents and businesses. Last year and this year, due to its own budget difficulties, the State has been forced to reduce the level of assistance it can provide Trenton and other cities and towns throughout New Jersey.

On September 24th, the City administration introduced its FY 2014 budget with an estimated \$22.8 million in Transitional Aid and a projected gap of \$3.5M. Costs for health benefits are projected to increase by over \$1.7 million. The City continues to face severe staffing shortages in critical service areas including several functions related to the City's revenue generating initiatives. While the City moves to staff these critical positions where the budget permits, the City reinforces its position that further layoffs would substantially reduce service delivery in many significant areas and program functions.

Similar to options available to many cities and towns, the City of Trenton has limited options for dealing with budget shortfalls, including increasing taxes, raising revenues, and/or decreasing spending. Trenton continues to rely on a combination of these options. However, it should be noted that the steady increase in property taxes over the years have placed an undue hardship on struggling homeowners in the City, many of whom are elderly or on fixed income. In addition, as more and more reductions in spending are made, critical services are seriously diminished and in some cases eliminated. This has placed a substantial hardship on the City of Trenton.

The FY 2014 budget presented to City Council on September 24th endeavors to reduce costs in several areas and takes into account the State's requirement to reduce the reliance on Transitional Aid. This year's budget, not including grants and Reserve for Uncollected Taxes, will decrease from \$176.9 million to \$176.4 million. Taking into account the continued cost-saving initiatives put in place by the City over the last three years, Trenton's budget has been reduced from \$181.7 million to \$176.4 million (not including grants and Reserve for Uncollected Taxes).

In order to meet budgetary requirements without Transitional Aid, the City would require continued and substantial tax increases which would be extremely detrimental to already struggling residents and to businesses that are trying to stay open. Over the past several years, the tax burden on Trenton residents has been significant. The City was forced to raise taxes in FY 2010 of over \$12 million, or nearly 22.5%. This increase was followed by a tax increase of nearly \$6 million in FY 2011. In FY 2012, the tax increase was over \$1 million. For FY 2013 the increase was over \$1.4 million. This is tantamount to a four year tax increase from \$66 million to \$74.3 million. The FY 2014 introduced budget included \$22,860,000 in Transitional Aid, commensurate with 90% of FY 2013 Transitional Aid award of \$25.4 million. If the \$22,860,000 is awarded by DCA, the City would still be required to increase taxes by \$3.5 million in order to balance the FY 2014 budget. This would represent an increase of approximately 5% for this year alone, further compounding the financial tax burden on Trenton residents from the previous years.

Further compounding Trenton's budget problem is the fact that more than 50% of the City's property continues to be exempt from property taxes. In 2011, \$2.167 billion of the City's \$4.147 billion in assessed value was exempt from property tax. This is significant because the State property alone accounted for \$932 million or 43% of the exempt property and 22% of all assessed value in the City. These exemptions uniquely affect Trenton and place the City at a

severe disadvantage when compared to other municipalities throughout the State. Moreover, other public buildings (county, federal, etc.) account for an additional \$535 million in assessed value for a total of \$1.467 billion, which is 66% of the total exempt properties in the City. The City is currently in the process of re-evaluating property values which will likely increase property assessments in future years. This will lead to higher property values and an increase in the magnitude of revenues not contributed due to exempted properties.

If the City received the municipal portion of the property tax from these exempted properties, the City would collect approximately \$81 million in property taxes based on the 2013 tax rate of 3.75%. While the City receives approximately \$12.7 million in FY 2013 for PILOT payments from the State, county and commercial owners, this amount is not nearly enough to support the infrastructure and burden on City services. If the State were paying its fair share of the municipal taxes instead of PILOT payments, its contribution to the City of Trenton would be nearly \$35 million instead of the \$8.7 million it currently pays.

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V-B. Alternate Eligibility

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	2012 Value	2013 Value	Amount of Loss/Increase
Description:			
Description:			
Description:			
Description:			
Description:			
Description:			
Description:			
Description:			
Description:			
Description:			

V-C. Actions to Reduce Future Need for Aid

Detail the steps the municipality is taking to reduce the need for aid in the future. Include details about long-term cost cutting and enhanced revenue plans, impact of new development, potential for grants to offset costs, and estimated short and long-term annual savings. Use additional pages if necessary. (Items included in a Transition Plan submitted by a current recipient need not be repeated here.)

The FY 2014 budget that was presented to City Council on September 24th continues to reduce costs and recognizes the requirement to reduce the reliance on Transitional Aid. The budget, not including grants and Reserve for Uncollected Taxes, will be decreased from \$176.9 million to \$176.4 million. Over the three year period the budget will have been reduced from \$181.7 million to \$176.4 million (not including grants and Reserve for Uncollected Taxes).

The City continues its diligent effort to find ways to reduce expenditures and costs and to increase local revenues. This includes the recent issuance of an RFP for municipal tax lien collections. In the latter part of FY2014 the City will also commence an initiative to collect delinquent and outstanding municipal court fees. In this process, the City will take advantage of the recent New Jersey Administrative Office of the Courts decision to allow collection by outside entities. Revenues generated from these collections will be shared between the City and Municipal Court. In this fiscal year, the City has also introduced a number of Ordinances to increase municipal fees for services, permits, and operations related to inspections, health and human services, fire, and housing code violations. Other increases are under consideration.

The City will continue to negotiating with local unions to agree on reasonable salary increases given the current state of the City's finances. The City has also processed the third year of the "phase in" employee contribution for health benefits, which includes a 50% increase over the previous year. With the exception of one local, all other unions have initiated the "phase in" requirements. The remaining union will begin in the "phase in" process in January 2014 as agreed to in collective bargaining negotiations.

The City continues to review opportunities toward refinancing its current debt to achieve multiple year savings. In addition, the City is reviewing all completed capital projects that were financed with bonds to use any remaining funds to either offset new capital expenditures or to provide revenue to offset current debt services.

In FY 2013, the City also initiated a new test program that allows for accelerated tax lien sales on-line. This new program augments in-person-payments and is expected to increase the number of bidders and increase the number of liens that are sold. The City has also engaged the services of a third party firm for the collection of delinquent taxes. As of September 2013, the collected amount was over \$200,000 in the first four months of this program.

LONG TERM PLAN TO PHASE OUT TRANSITIONAL AID

If the City of Trenton did not receive the estimated \$22.8 million in Transitional Aid, the annual shortfall will have to be offset by additional reductions in employees and services provided and/or significant increases in property taxes. It is highly unlikely that a significant increase in the City of Trenton tax base will occur in the next few years.

Based on the current status of the City budget, it is highly unlikely that the City of Trenton could achieve a phase-out of Transitional Aid over this period.

As was noted earlier, the City of Trenton should be looked at differently than the other Transitional Aid recipients since it is the State's Capital. As has been noted previously, the State of New Jersey owns 22% of the value of all property in the City of Trenton. If the State paid the municipal property taxes proportionately the City would receive approximately \$35 million in property taxes based on FY 2013 tax rates. This is \$26.3 million more than the PILOT payments the City is currently receiving. If the State of New Jersey provided the full \$26.3 million gap to the City of Trenton through another funding mechanism then the City of Trenton would no longer need to rely on Transitional Aid. Furthermore, if the State only provided a significant portion of the \$26.3 million gap, a reasonable plan to reduce reliance on Transitional Aid could be developed by the City of Trenton. Absent this recognition that the portion of the Transitional Aid should be permanently provided to the City as additional PILOT or through some other funding mechanism, the City will be faced with significant budget shortfalls in future years.

V-D. Discussion of Health Benefits

The City of Trenton continues to participate in the New Jersey State Health Benefits Program. Pursuant to Pension and Health Benefits Reform Chapter 78, P.L. 2011, employees are required to pay an increased contribution toward the cost of health benefits coverage based on a specified percentage of the medical and prescription drug plan premiums. For most employees the contribution increase is being phased in over four years with these employees paying $\frac{1}{4}$, $\frac{1}{2}$, $\frac{3}{4}$, and the full amount of the contribution rate during the phase-in years. The 'Year Three' amount of the phase-in began July 1, 2013, in which most employees are now paying $\frac{3}{4}$ of the full contribution rate. New employees are required to pay the full contribution rate, if health benefits coverage is elected. The City of Trenton currently has approximately 1,900 combined active and retired employees enrolled in the State Health Benefits Program. The City currently pays approximately \$2.37 million dollars per month to the New Jersey State Health Benefits Program for the medical coverage of retired and active employees.

In addition to medical coverage, the City of Trenton continues to provide prescription drug coverage and dental coverage to eligible employees. The City of Trenton currently utilizes Delta Dental of New Jersey and Dental Services Organization (DSO) for dental coverage. The combined dental budget is approximately \$1 million. The City of Trenton currently pays more than \$300,000 per month, plus monthly administrative fees, to Express Scripts, Inc., (Medco Health Solutions) to provide prescription drug coverage to employees.

The City of Trenton is currently reviewing prescription drug coverage. The City is in contact with a New Jersey State Health Benefits Program Account Manager to review options in transitioning under the New Jersey State Health Benefits Program for employee prescription drug coverage.

VI. Historical Fiscal Statistics

Item	2012	2013	Introduced Application Year
1. Property Tax/Budget Information			
Municipal tax rate	\$3.69	\$3.75	\$3.94
Municipal Purposes tax levy	\$72,755,663	\$74,325,008	\$77,841,148
Municipal Open Space tax levy	\$0	\$0	\$0
Total general appropriations	\$185,636,964	\$199,725,452	\$181,591,442

2. Cash Status Information			
% Of current taxes collected	96.016%	96.114%	%
% Used in computation of reserve	98.1%	97.48%	97.11%
Reserve for uncollected taxes	\$2,092,622	\$2,809,420	\$4,468,224.11
Total year end cash surplus	\$0	\$5,245,399	
Total non-cash surplus	\$0	\$0	
Year-end deferred charges	\$12,081,865	\$12,069,670	

3. Assessment Data			
Assessed value (as of 7/1)	\$1,984,535,097	\$1,976,511,504	\$1,976,511,504
Average Residential Assessment	\$62,832	\$62,570	\$62,570
Number of tax appeals granted	808	626	
Amount budgeted for tax appeals	\$0	\$0	\$0
Refunding bonds for tax appeals	\$0	\$0	\$0

4. Full time Staffing Levels			
Uniformed Police - Staff Number	229	229	279
Total S&W Expenditures	\$27,030,973	\$24,069,403	\$26,875,369
Uniformed Fire - Staff Number	163	160	160
Total S&W Expenditures	\$21,584,450	\$21,253,294	\$20,678,751
All Other Employees - Staff Number	429	424	435
Total S&W Expenditures	\$22,491,198	\$21,149,315	\$25,460,084

5. Impact of Proposed Tax Levy

			Amount
Current Year Taxable Value			\$1,976,511,504
Introduced Tax Levy			77,841,148
Proposed Municipal Tax Rate	\$3.94	Average Res. Value (#4 above)	\$62.570
Current Year Taxes on Average Residential Value (#4 above)			\$2,465
Prior Year Taxes on Average Residential Value			\$2,346
Proposed Increase in average residential taxes			\$119

VII. Application Year Budget Information

A. Year of latest revaluation/reassessment

1992

B. Proposed Budget – Appropriation Cap Information

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

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

C. List the five largest item appropriation increases:

Appropriation	Prior Year Actual	Application Year Proposed	\$ Amount of Increase
Reserved for Uncollected Taxes	\$2,809,420	\$4,468,224	\$1,658,804
Group Insurance, Prescription and Dental	\$27,010,910	\$28,711,454	\$1,700,544
Police Salaries & Wages	\$27,351,570	\$28,286,690	\$935,120
Salary Adjustment Program	\$2,189,237	\$3,110,774	\$921,537
Election OE	\$38,000	\$300,000	262,000

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

Department/Agency	Position	Number	Dollar Amount
Administration	Personnel Assistants (effective 1/1/2014)	2	\$44,802
Administration	Principal Purchasing Assistant (effective 1/1/2014)	1	\$18,531
Administration	Keyboarding Clerk I	1	\$13,478
Police	Police Officers (effective 12/1/2013)	50	\$1,150,625
Public Works	Heat & Air Conditioning Mechanics (eff. 10/1/2013)	1	\$37,552
Economic Development	Economic Development Rep. II (effective 11/1/2013)	1	\$41,341
Economic Development	Keyboarding Clerk II (effective 10/1/2013, no longer funded by CDBG)	1	\$22,052
Housing Inspections	Housing Inspectors (effective 10/1/2013)	2	\$51,566
Technical Service	Building Inspector Part-Time (effective 10/1/2013)	1	\$16,440
Natural Resources	Senior Security Guard (effective 7/1/2013)	1	\$50,267

- 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	\$79,397,971	\$34,489,811	\$20,574,000	\$77,473,746	\$112,430,502
Second year	\$80,985,930	\$35,524,505	\$18,516,600	\$81,728,221	\$117,827,025
Third year	\$82,605,649	\$36,590,240	\$16,664,940	\$83,262,785	\$123,555,922

Assumptions:

2% increase in Tax Levy each year, 3% increase in Local Revenues, 10% reduction in Transitional Aid, 2% increase each year in S&W, with SAFER grant that funds 64 Firefighters ending in January, 2015, 2% increase in miscellaneous OE, 8% increase in health benefits and pension and 5% increase in debt service

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	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	2010/2012	2012	2011/2013	2011
Average percentage increase	3.5%/3.5%%	3.5%	3.5%/3.0%	%
Last contract settlement date	2009	2009	2009	
Contract expiration date	2010/2012	2012	2011/2013	

*PBA/TSOA, **Local 2286/Local 2281, Department Directors at 2005 range, unclassified at 2011

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	No	No
Wage Freezes (describe below)	No	No	No	No
Layoffs (describe below)	No	No	No	No

D. Tax Enforcement Practices:

Question		Yes	No
1. Does the municipality use the accelerated tax sale program?		X	
2. When was the last foreclosure action taken or tax assignment sale held:	Date:	7/2010	
3. On what dates were tax delinquency notices sent out in 2013:	Date:	9/10/12,11/27/12, 3/1/13,5/14/13, 5/28/13,6/4/13	
4. Date of last tax sale:	Date:	6/26/13	

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:

2012:	\$116.55	2013:	\$6648.47	Anticipated Application Year:	\$6,648.47
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2. List the instruments in which idle funds are invested:

State Cash Management	
Sun Bank	

3. What was the average return on investments during SFY 2013?

	.07%
4. When was the last time fee schedules were reviewed and updated?	April 2013
5. The name and firm of the municipality's auditor?	Mercadien P.C.
6. When was the last time the municipality changed auditors?	2001

G. Status of Collective Negotiation (Labor) Agreements: List each labor agreement by employee group, contract expiration date, and the status of negotiations of expired contracts.

Employee Group	Expiration Date	Status of Negotiations of Expired Agreement
FMBA#6 & TFOA	12/31/2012	Negotiations Pending
PBA Local #11	12/31/2010	Negotiations Pending
TSOA	12/31/2012	Negotiations Pending
AFSCME Local #2286	12/31/2011	Negotiations Pending
AFSCME Local #2281	12/31/2013	

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 for details)

S&W Line Item	Prior Year Actual	Application Year Proposed	Explanation of Change
Fire S&W	\$21,875,832	\$20,699,293	FY 2013 budget included 3 months funding for 61 Firefighters, new SAFER grant was awarded in January 2013

Application Year SFY 2014

Municipality: Trenton

County: Mercer

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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
Communications	\$625,188	\$511,516	New Radios to be purchased from Capital Budget
Fire	\$514,661	\$407,110	Special equipment needs were met last year
Landfill	\$5,528,204	\$5,342,924	Reduction based on FY 2013 expenditure
Inspections	\$815,948	\$77,455	Demolition costs to be funded in Capital Budget
Workers Compensation	\$3,786,644	\$3,150,577	Reduction based on FY 2013 expenditure
Electricity & Gas	\$1,690,000	\$1,590,000	Based on lower FY 2013 Expenditure
Police Pension	\$7,757,466	\$5,587,782	Billing amount per state, city laid off 105 Police Officer 9/2011
Hurricane Sandy Costs	\$600,000	\$0	Amount needed in FY 2013

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	X	Partial		
Sewer Fees	X	Yes		
Water Fees	X	Yes		
Swimming Pool	X	No		City has made policy decision that residents should not pay for use of pools – it should be covered by their property taxes
Uniform Construction Code	X	Partial		
Uniform Fire Code	X			
Land Use Fees	X	Yes		
Parking Fees	X	Yes		
Vital Records	X	Partial		
Marriage/Civil Union	X	Partial		
Amendment Fees	X	Partial		
Slaughter House	X	Partial		
Vital Records	X	Partial		
Marriage/Civil Union	X	Partial		
Amendment Fees	X	Partial		
Slaughter House	X	Partial		
Dog Licensing	X	Partial		

X. Service Delivery

List all services that the municipality contracts to another organization: i.e., shared services with another government agency, including formal and informal shared services, memberships in cooperative purchasing program, private (commercial), or non-profit organization.

Service	Name of Contracted Entity	Estimated Amount of Contract	Year Last Negotiated (as applicable)
Homeland Security Render and Detect Safe Program	Homeland Security	N/A	FY 11
Fugitive Task Force	U.S. Marshall Services	\$16,000	FY 13 (annual)
Drug Enforcement Task Force	Drug Enforcement Agency	\$17,202.25	FY 13 (annual)
Furnishing and delivery of Rock Salt on an as needed basis	Mercer County Cooperative Contract Purchasing System	\$112,500.00	2012-2013
Furnishing and delivery of Road Materials on an as needed basis	Mercer County Cooperative Contract Purchasing System	\$600,000.00	2013
Heating Oil No.2	Mercer County Cooperative Contract Purchasing System	\$238,480.08	2012-2013
Maintenance and monthly service for City's Internet Connection (80MBPS) for Division of Management Information Systems	Middlesex Regional Educational Service Commission (MRESC)	\$108,952	2013-2016
Furnish, delivery and installation of three (3) smart boards for the Trenton Police Department	Middlesex Regional Educational Service Commission (MRESC)	\$34,999.49	2013
Furnish and delivery of Unleaded 87 Octane Gasoline	New Jersey State Contract #80909	\$910,000.00	2013-2014
Annual Maintenance for Communications Division's 911 Patriot Telephone System	New Jersey State Contract #83925	\$38,085.12	2013-2014
Radio Communication Equipment and Accessories for Trenton Police Department	New Jersey State Contract #53764	\$375,035.50	2013
Purchased two Ceragon 10060-Hicapacity Broadband Wireless Radio Systems for Administration and Information Systems	New Jersey State Contract #61405	\$26,820.00	2013
Purchased twelve (12) flashback 2 in-car video system assembly cameras with required accessories for the Trenton Police Department	New Jersey State Contract #81311	\$62,569.47	2013
Purchase of forty four (44) Armor Express Body Armor Vest – Model No. Vortex 3A with carriers, plates and accessories for the Trenton Police	New Jersey State Contract #81348	\$45,117.76	2013

Department	Municipality: Trenton	County: Mercer
Furnish and delivery of bleachers for the City of Trenton, Division of Recreation	New Jersey State Contract #81413	\$34,788.00 2013
Maintenance Services for the Radio Communication Equipment and accessories for Trenton Police	New Jersey State Contract #83909	\$254,325.00 2013
Purchased of twelve (12) Chevy Tahoe PPV Patrol Vehicles with all required accessories	New Jersey State Contract #82926	\$507,228.00 2013
Purchased of one (1) 2014 Model ford explorer SUV for the Department of Public Works	New Jersey State Contract #83013	\$25,715.99 2013
Purchased of one (1) 2014 Model ford F-250 Pick-up truck with extended cab 4wd and utility body for Department of Public Works	New Jersey State Contract #83577	\$35,302.00 2013
Purchased of five (5) 2014 Model Express Chevrolet Cargo Vans for the Department of Public Works	New Jersey State Contract #83174	\$96,190.00 2013
Purchased of two (2) 2014 Model Chevrolet AWD Cargo Vans for the Department of Public Works	New Jersey State Contract #83174	\$58,600.00 2013
Purchased sixty (60) Dell Desktop Computers for the Trenton Police	National Cooperative State Contract (WSCA) NASPO #70256	\$39,949.80 2013
Purchased wireless services for air cards, cellular telephones, blackberries, and required accessories for the Trenton Police, Fire Department and Communications	National Cooperative State Contract (WSCA) #1907	\$121,614.33 2013
Purchased of two (2) Powervault NX3200 servers and one Poweredge T620 San Data Storage system for the Department of Administration	National Cooperative State Contract (WSCA) NASPO#70256	\$32,599.36 2013
Purchased of one hundred (100) desktop computers for the City of Trenton	National Cooperative State Contract (WSCA) NASPO#70256	\$120,170.00 2013
Purchase of an upgrade to the Cisco Unified Communications Application in order to Implement a Contact Center for the Water Department	Hunterdon County Educational Services Commission	\$181,948.41 2013

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	2013 Full Time Staffing	2014 Full Time Staffing	\$ Amount to be Saved
	Attachment A					

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

Rank Order	Service	Cost Savings	Impact on Services
	Attachment A		

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 2013 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: *Tony F. Ward* Date: 10/2/13
 Chief Financial Officer: *Janet Schoenhaar* Date: 10/3/13
 Chief Administrative Officer: *Ann E. Hutchinson* Date: 10/3/13

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: *Ann E. Hutchinson* Date: 10/3/13
 Chief Financial Officer: *Janet Schoenhaar* Date: 10/3/13

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: *Tony F. Ward* Date: 10/2/13
 Chief Financial Officer: *Janet Schoenhaar* Date: 10/3/13
 Chief Administrative Officer: *Ann E. Hutchinson* Date: 10/3/13

Attachment A

The consequences of Trenton receiving no Transitional Aid award, or even a significant reduction to the \$22.8 million request are severe and in all probability the City would not be able to balance its budget and provide essential services to the citizens. Although it is unrealistic to think that the State would provide NO award for FY 2014, the options are discussed below as requested.

The \$22.8 million that has been requested by the City represents approximately 13% of the City's proposed \$177 million FY 2014 budget (excluding grants and Reserve for Uncollected Taxes). This amount represents approximately 27% of the operating budgets of the City's departments (including the Library) and represents over 31% of the projected salary costs for FY 2014. Based on the magnitude of these amounts only a small portion if any of this lack of funding could be offset in the operating budgets of the City's departments. Based on the proposed FY 2014 budget the operating budgets for the City's departments will have been reduced from \$86 million to \$63 million, a reduction of nearly 27%. During this period the workforce (excluding grants) has been reduced from 1,276 in FY 2010 to a proposed level of 1019 in FY 2014, a reduction of 257 employees, or 20%.

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

1. Reviewing all spending to see if it really is essential under these new circumstances – for example with the lack of Transitional Aid, providing twice a week garbage collection may no longer be essential
2. Mandatory furloughs in the minimal areas that legally could be attained
3. Targeted layoffs in areas where the City would cease providing services
4. Aggressive debt refinancing would have to be considered that would take all savings up front thus causing spikes in future years rather than the more responsible refinancing the City is examining
5. Consider withholding part or all of the City's payments to the pension funds
6. Not to fund the additional 50 Police Officers as proposed in the introduced budget

As can be seen most of the items listed above are dramatic and would either have impact on the services provided to City residents or will provide only short-term benefits and simply push the City's financial problems to the future.

If the State award is only minimally reduced from the \$22.8 million requested, the City will be forced to readjust its spending and revenue priorities but would be able to still likely provide the services anticipated in the proposed FY 2014 budget.

City of Trenton
FY 2012 Remaining Findings
Appendix

Finding 2012-01 Grants Receivable and Reserves should be closed out in a timely fashion.

Finding 2012-06 All utility receivable balances should be evaluated annually to determine collectability and amount should be adjusted accordingly

Finding 2012-07 All rejected bid packages should be adequately maintained to be in compliance with state rules and regulations for procurement.

Finding 2012-09 The management is responsible for maintaining accurate and complete records

Finding 2012-10 Management is responsible for compliance with the Memorandum of Understanding with the State Department of Community Affairs, Division of Local Government Services

Finding 2012-11 Form SF-SAC, Data Collection Form for reporting on audits of states, local governments and non-profit organizations, is required to be submitted along with the reporting package within the earlier of 30 days after receipt of the auditors' report, or nine months after the end of the audit period