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Local Finance Notice

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Freeholders

Questionnaire for Municipalities and Counties Seeking Local Finance Board Approval for Certain Applications

This Local Finance Notice sets forth a standard questionnaire that must be submitted by counties and municipalities seeking Local Finance Board approval for the following items: issuance of refunding bonds/notes relating to tax appeals or emergencies, waiver of the 5% down payment for bonds as required by N.J.S.A. 40A:2-11, and for issuance of debt with nonconforming maturity schedules.

Municipalities and counties should only seek approval to finance costs for which they could not adequately prepare. Applicants must undertake measures to increase efficiency and restrain costs before submitting the above-referenced Local Finance Board applications. Be aware that the questionnaire will be a matter of public record.

As part of the new Board questionnaire, counties and municipalities must disclose:

- The extent of their preparation for tax appeal impacts and reasonably foreseeable emergencies. For example, has a municipality set aside funds for pending litigation commensurate with their legal counsel's risk assessment?
- The extent to which efficiencies have been implemented, including but not limited to personnel actions such as layoffs, furloughs, and/or attrition as well as the elimination or reduction of non-essential services.
- Whether the municipality refrains from paying excessive compensation to part time officials, including elected officials.

Please note that the Board will closely scrutinize questionnaire responses. Municipalities or counties whose answers indicate a lack of preparation for reasonably foreseeable liabilities or an unwillingness to pay down liabilities through efficiency and spending restraint, risk denial of their applications.

The questionnaire may be found at http://www.nj.gov/dca/divisions/dlgs/programs/lfb_docs/lfns_2012-16_supplemental_questionnaire.doc on the Division's [Local Finance Board](#) webpage. Questions on this subject may be directed to the Local Finance Board at (609) 292-0479.

Approved: Thomas H. Neff, Director