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NEW JERSEY

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Thomas Neff, Director
Department of Community Affairs
Division of Local Government Services
101 S. Broad Street
PO Box 803
Trenton, NJ 08625-0803

RE: Supplement to Transition Aid to Localities ("TAL") Application

Dear Director Neff:

The City of Camden submitted a Transition Aid to Localities ("TAL") application requesting \$54 Million, which is the amount of State aid anticipated in the City's FY2011 introduced budget. The \$54 Million requested does not cover the increased pension costs, which the City was notified of after the filing of the TAL application. Since the filing of the TAL application in late September 2010, the City received its 2011 pension bill in the amount of \$17 Million, which is \$5,784,223.18 more than is appropriated in the FY2011 introduced budget.

Subsequent to the filing of the TAL application, it has been determined that the cash deficit from the prior fiscal year, FY2010, is \$4,250,655.14, which will now have to be raised in the FY2011 budget. This leaves the City with a \$10 Million shortfall over and above the \$28 Million shortfall projected in the FY 2011 introduced budget. We are also required to increase the Reserve for Uncollected Taxes by \$2,056,600.05.

Further, we need an additional \$1 Million for solid waste removal and \$200,000 for street sweeping to meet our storm water management obligations. Please also consider that the City needs an additional \$200,000 for emergency snow removal.

The City's FY2011 introduced budget, which anticipates \$54 Million in Transition Aid, provides for a 24% reduction of all departmental budgets. When the pension costs, cash deficit, Reserve for Uncollected Taxes and public works needs, as described above are factored in, the City needs an additional \$13.5 Million to avoid further cuts to the FY2011 budget – beyond the very substantial 24% reduction reflected in the introduced budget. This would bring the amount of Transition Aid requested to \$67.5 Million.

A 24% reduction will severely impact City services in all areas including police, fire and public works. A 24% reduction of the Police Department's budget means the loss of approximately one hundred seventy three (173) of the three hundred seventy-three (373) uniformed positions in the Police Department for a staggering reduction of the police force of 46.38%. For the Fire Department, there would be a loss of approximately sixty-nine (69) of the two hundred twenty (220) uniformed positions or 31.36%. In all other departments, approximately one hundred fifty (150) out of three hundred fifty (350) positions would be lost, reducing non-uniformed personnel by 42.85%. While these cuts are drastic, the reductions in force would be necessary to remain compliant with the current fiscal constraints given the limited availability of State Aid.

While we continue to do more with less as the Governor has called for, any further reductions of sworn officers within our Police and Fire Departments will result in a severe public safety crisis affecting residents, workers, and visitors. Additional depletions of the non-uniformed workers would also leave the City without the ability to support the uniformed departments and will result in the elimination of essential services adversely impacting the quality of life of all who live and work in the City.

In order to avoid the very substantial reductions in force described above, which is necessitated by reducing the budget 24%, additional Transition Aid above the \$67.5 Million is required. For instance, to save sixty (60) of the one hundred seventy-three (173) uniformed positions in the Police Department that would otherwise have to be laid off, an additional \$4.2 Million is needed. To save thirty (30) of the sixty-nine (69) positions in the Fire Department that would otherwise be laid off, an additional \$2.1 Million is needed. For all other departments, in order to save fifty (50) positions, \$2 Million is needed. This means a total of \$8.3 Million is needed to continue protecting public safety and welfare of our residents.

Based on the foregoing, including the need to reduce the number of proposed layoffs to protect the public, the City of Camden hereby amends its Transition Aid application to increase the requested amount from \$54 Million to \$75.8 Million:

Initial Request.....	\$54 Million
Pension, Cash Deficit, Reserve for Uncollected Taxes and Public Works needs.....	\$13.5 Million
Reductions in Layoffs.....	<u>\$8.3 Million</u>
Total Aid Requested.....	\$75.8 Million

Please feel free to contact me if there is additional information you need to review the City's FY 2011 TAL application and/or would like to meet with me and members of my administration.

I thank you for your consideration, assistance, and guidance throughout the TAL application process. While the City of Camden, its workforce and its residents have already made significant sacrifices, my Administration will continue to work in partnership with the Governor's Administration to move Camden forward.

Sincerely,



Dana L. Redd
Mayor

cc: Commissioner Lori Grifa, Department of Community Affairs
Francisco ("Frank") Moran, President, City Council