

Transitional Aid Application for Application Years CY 2010/SFY 2011
Division of Local Government Services
Department of Community Affairs

General Instructions: This application must be submitted in its entirety by July 16 (for CY 2010) and September 30 (for SFY 2011) for funding consideration under this program. Information contained in the application is subject to independent verification by DLGS. Refer to Local Finance Notice **2010-14** when preparing this application for specific instructions and definitions.

Name of Municipality:		Borough of Haledon		County:	Passaic
Contact Person:		Allan Susen		Title:	Clerk/Acting Adm
Phone:	973-595-7766, x 103	Fax:	973-790-4781	E-mail:	asusen@haledonboronj.com
Population:	8,250				

I. Aid History

List amount of Discretionary Aid (Extraordinary, Special Municipal, or Capital Cities) received for the last three years, if any:

Prior Year	Previous Year	Previous less one year
\$450,000.00	\$140,000.00	\$ 0

II. Aid Request for Application Year

Amount of aid requested for the Application Year:	\$450,000.00
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An aid request does not constitute guarantee of receipt of any funds.

III. Submission Requirements

Without exception, 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	2/18/2010
Previous Year Annual Audit	9/30/2009
Previous Year Audit Corrective Action Plan	4/26/2010
Application Year Introduced Budget	4/8/2010
Budget documentation submitted to governing body	3/12/2010

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. (See item B-5 in Local Finance Notice 2010-14 for details)

The Borough of Haledon is a one square mile municipality located between the City of Paterson and Wayne Township. Straddling the Haledon/Wayne border is William Paterson University. This geographic location brings many demands upon a small community which include; public safety, public works, fire, and housing/property maintenance. Haledon is basically fully developed, having been so since the 1960's. The most recent development was a Beazer Homes project of a "55 and older" community which brought in 48 new townhouse style units in 2007 to 2009. One additional building with 24 units remains un-built and probably will remain un-built until the real estate market changes. The lack of additional land resources for development hinders the municipality's ability to generate additional ratables.

This lack of ability to generate additional ratables combined with the decreased valuation of property has unfortunately not impacted the population growth of the Borough. The growing population has placed pressure and demands on the Borough's ability to provide services. These services include garbage pickup, recycling, recreation, fire protection, and police protection.

Haledon's population has grown from 8250 in 2000 to an estimated 8705 in July 2009. The population of our grammar school is 1064 students. 15.1% of our students qualify for the reduced lunch program, while 30.1 % qualify for the free lunch program. The median home cost is \$296,700 with home appreciation down 14.28%. Our unemployment rate is 11.20%, and out cost of living is 28.20% higher than the National average. Our demographics point toward a population that is struggling with current economic conditions.

The past two calendar year budgets included discretionary aid. Last year, the Borough was fortunate to receive \$450,000 in discretionary aid. Because the Borough already works with a limited work force, layoffs and furloughs have not occurred. The full time position of Administrator has been combined with the Municipal Clerk and the following positions are part time: Chief Municipal Financial Officer, Tax Collector, Construction Official, all sub-code officials, and Tax Assessor. Other full time positions include: our police force has 16 officers including the Chief and Deputy Chief, 2 full time civilian dispatchers and 10 Department of Public Works employees. Although the need for additional police and DPW workers has arisen, these requests have been denied.

This year the Borough investigated privatizing garbage pickup service. The bids received did not reflect a cost savings to the Borough. Staff utilized for garbage pickup are also part of the same staff that plow the Borough streets, maintain Borough property, clean the streets, etc. If the Borough were to privatize garbage pickup in order to realize a cost savings, layoffs would have to occur. Layoffs would then mean the Borough would not have the staff in place to perform other required public works functions.

Because the Borough is continuing to experience severe budget difficulties, the Governing Body is working on a five day furlough plan for all employees. Layoffs remain a definite option and possibility as the Governing Body continues to manage the Borough's finances.

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V-B Alternate Eligibility Calculation

Complete this section only if Discretionary 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 B, items 2-7 of Local Finance Notice 2010-14 are met.

Part 1 calculates loss of equalized value. If there is a loss of *2% of equalized value*, the eligibility criteria is met and the rest of the form does not have to be completed.

If 2% the criteria 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 2010-14, 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			
Percent of loss from prior year (c) divided by (b) as percent: 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 extraordinary revenue losses (exclusive of State CMPTRA/ETR aid reductions), but not as the aggregate of many revenue line items; or specific, extraordinary appropriations. Describe the item on the cell below each entry.

Revenue or Appropriation	Prior Year Value	Current Year Value	Amount of Loss/Increase
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.

In 2006 the Borough of Haledon sold its unused reservoir and surrounding property to the Borough of Franklin Lakes for \$6,500,000. Each year the Borough of Haledon has included a portion of these funds in the Budget. The immediate use of \$3,921,000 was to reduce outstanding debt which reduced the Borough's debt service payments.

As mentioned in V-A, the Borough has investigated privatizing its garbage collection; currently done by Department of Public Works employees. Privatizing garbage collection and the resulting layoffs will impact staff on other DPW functions. This must be investigated by the Governing Body as it explores future financial questions. One possible solution may include interlocal agreements with other municipalities.

Staff reductions have occurred in most Departments. The Police Department is down to 16 full time officers (Includes Chief and Deputy Chief) from 20. Our Department of Public Works has 10 full time workers, down from 17. The Borough's business office has also seen staff reductions. The full time Administrator position and a full time Administrative Assistant position have been eliminated. The Municipal Clerk's position has been combined with the Administrator position. A full time Recreation Director position has been eliminated. Our recreation program is now contracted with the Boys and Girls Club of Northwest New Jersey.

Other actions instituted this year:

Furloughs: Plans are being implemented to require five (5) furlough days from each employee. This should realize a savings of approximately \$55,000.

Elimination of non-essential expenses: elimination of conference expenses including the League of Municipalities Conference hotel expenses should realize a savings of approximately \$7,000

Interlocal agreements:

- City of Paterson: we are currently working on contracting with Paterson for emergency ambulance service. The local volunteer organization is disbanding the beginning of 2011.
- Passaic County Technical Institute: For website services. We currently do not have a web master and the Borough's website desperately needs updating. This service will provide the Borough with a tool which could help reduce costs and improve communication with the Community.
- Borough of Prospect Park: attempts were made last year to institute shared services agreements which ultimately failed. The Mayors are meeting to again investigate the possibility of shared service agreements

There were across the board reductions in operating expenses this year. Each department was asked to reduce their O&E by 5%.

Annual Fireworks display was eliminated: cost savings \$17,000.

The Borough is currently investigating with the County of Passaic the possibility of purchasing electricity in bulk to reduce costs. Passaic County has established a Cooperative Pricing System as the mechanism for this purchase; which the Borough has agreed to join.

VI. Historical Fiscal Statistics

Item	Actual Previous Year	Actual Prior Year	Introduced Application Year
1. Property Tax/Budget Information			
Municipal tax rate	\$1.5166	\$1.6419	\$1.924
Municipal Purposes tax levy	\$5,009,968	\$5,446,736	\$6,382,355
Municipal Open Space tax levy	\$	\$	\$
Total general appropriations	\$12,216,374	\$8,927,189	\$8,915,904
3. Cash Status Information			
% Of current taxes collected	96.97%	97.09%	%
% Used in computation of reserve	96.59%	96.70%	96.80%
Reserve for uncollected taxes	\$610,480	\$625,000	\$625,000
Total year end cash surplus	\$0	\$92,087	
Total non-cash surplus	\$0	\$139,060	
Year end deferred charges	\$0	\$120,000	
4. Assessment Data			
Assessed value (as of 7/1)	\$330,471,372	\$331,843,618	\$331,785,800
Average Residential Assessment	\$160,000	\$160,000	\$160,000
Number of tax appeals granted	18	31	
Amount budgeted for tax appeals	\$0	\$15,000	\$10,000
Refunding bonds for tax appeals	\$0	\$0	\$0
5. Full time Staffing Levels			
Uniformed Police - Staff Number	18	17	16
Total S&W Expenditures	\$1,562,935	\$1,623,008	\$1,690,000
Uniformed Fire - Staff Number	n/a	n/a	n/a
Total S&W Expenditures	\$n/a	\$n/a	\$n/a
All Other Employees - Staff Number	45	45	44
Total S&W Expenditures	\$1,581,966	\$1,597,878	\$1,634,022
6. Impact of Proposed Tax Levy			
			Amount
Current Year Taxable Value			331,785,800
Introduced Tax Levy			6,382,355
Proposed Municipal Tax Rate	1.924	Average Res. Value (#4 above)	160,000
Current Year Taxes on Average Residential Value (#4 above)			3,078
Prior Year Taxes on Average Residential Value			2,627
Proposed Increase in average residential taxes			451

VII. Application Year Budget Information

A. Year of latest revaluation/reassessment 1987

B. Proposed Budget – Appropriation and Levy 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 | 3.50% | |
| 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
levy cap?
If YES, amount: | X | |

	Yes	No
	X	
3.50%		
\$200,622		
		X
\$467,130		
	X	
\$426,856		

C. List the five largest item appropriation increases:

Appropriation	Prior Year Actual	Application Year Proposed	\$ Amount of Increase
Police & Firemen's Retirement System	186,844	383,219	196,375
Other Insurance Premiums	289,000	381,600	92,600
Interest on Bonds	237,051	286,775	49,724
Police – Salaries & Wages	1,645,019	1,690,000	44,981
Public Employees Retirement System	93,958	138,152	44,194

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

Department/Agency	Position	Number	Dollar Amount
	NON PLANNED		

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	5,868,855	426,700	450,000	3,324,022.00	3,890,957.53
Second year	6,025,000	435,000	425,000	3,260,000.00	3,813,000.00
Third year	6,170,625	443,000	400,000	3,300,000.00	3,813,000.00

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. 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	2009	volunteer	2010	2009
Average percentage increase	3.0%	n/a%	4.15%	2.5 to 3%
Last contract settlement date	2010	n/a	March 2007	
Contract expiration date	2015	n/a	2010	

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)	5	n/a	5	5
Wage Freezes (describe below)	yes	n/a	no	Yes
DPW is in the last year of their contract.				
Layoffs (describe below)	none	n/a	none	none

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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: Date:	Over 10 years ago	
3. During 2009, on what dates were tax delinquency notices sent out: Date:	3/18/09,5/29/09, 8/20/09,12/2/09	
4. Date of last tax sale: Date:	12/02/09	

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:

Prior Year:	\$81,226	Last Year:	\$20,857	Anticipated Application Year:	\$20,000
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2. List the instruments in which idle funds are invested:

Bank Sweep Account	
New Jersey Cash Management	

3. What was the average return on investments during CY 2009? .30%

4. When was the last time fee schedules were reviewed and updated? 2007

F. 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
Police	12/31/2015	Settled May 2010
Department of Public Works	12/31/2010	Negotiations have not begun
Crossing Guards	12/31/2010	
Dispatchers		Negotiations have not taken place

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

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

Rank Order	Service	Cost Savings	Impact on Services

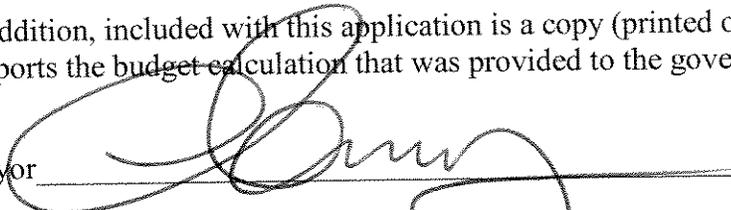
XII. Agreement to Improve Financial Position of Municipality

If aid is granted, are you willing to enter into a “memorandum of understanding” that will, among other restrictions and requirements:

	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 as recommended by the Director to address the findings of Division staff	X	
3. Enter into a Memorandum of Understanding	x	

The undersigned herewith 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 7/15/10

Chief Financial Officer  Date 7/15/10

ATTEST:  Date 7/15/10
Municipal Clerk