

**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.

<b>Name of Municipality:</b>		BOROUGH OF LAWNSIDE		<b>County:</b>	CAMDEN
<b>Contact Person:</b>		MARK K. BRYANT		<b>Title:</b>	MAYOR
<b>Phone:</b>	856-573-6200	<b>Fax:</b>	856-546-3232	<b>E-mail:</b>	markbryant@camcare.net
<b>Population:</b>	2692				

**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	\$100,000.00	\$400,000.00

**II. Aid Request for Application Year**

<b>Amount of aid requested for the Application Year:</b>	\$ 1,600,000
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*An aid request does not constitute guarantee of receipt of any funds.*



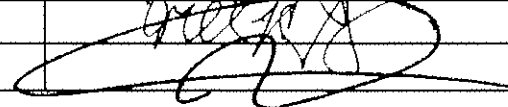
**III. Submission Requirements**

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	9-29-10
Previous Year Annual Audit	
Previous Year Audit Corrective Action Plan	
Application Year Introduced Budget	9-29-10
Budget documentation submitted to governing body	9-29-10

**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		9/29/10
Governing Body Presiding Officer		9/29/10
Chief Financial Officer		9/29/10

**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)

Please see attached:

The Borough of Lawnside governing body when left on its own through Fiscal Year 2008 had built up a surplus of \$900,000 to absorb the budgetary shocks that occur in preparing municipal budgets. These shocks like skyrocketing energy prices for its fleet of cars and trucks, spikes in health and other insurance premiums, revenue shortfalls from anticipation of building permits when the construction industry bottomed out and may more which would only serve to further illustrate the need and prudence for maintaining some level of surplus. It should be noted, the decade before FY 2008 Lawnside's municipal tax levy had fluctuated within a narrow band resulting in the levy being less than 10% higher at the end of the ten year period than at the beginning. The governing body thought this was good planning and that our citizens would rather have a dependable stable tax rate rather than a severe decrease followed by a whipsaw severe tax increase for which they were not prepared. A simple business adage would apply here one would think "if it isn't broken don't fix it". It seems our State government which cannot fix its own affairs cannot help but meddle in the affairs of municipalities which it is ill equipped to handle and too removed to understand.

The State thought otherwise and in FY2009 through 2011 has been foisting on the people of Lawnside imprudent and in some cases unconscionable budget edicts through the Department of Community Affairs and Local Finance Board which have resulted in the current near bankrupt state of affairs for the Borough of Lawnside. How did Lawnside get here you ask? The FY 2009 budget was introduced in the fall of 2008 because we could not get reliable information from DCA on the amount of Extraordinary Aide to anticipate in the current budget. Eventually, the community was told to anticipate last year's aide and \$450,000 was included in the budget. The budget's final adoption was delayed by DCA until mid-April of 2009 two months before the fiscal year closed and the Extraordinary Aide was reduced to \$100,000 a \$350,000 shortfall with no time to make it up. The FY 2010 budget was introduced again in the fall of 2009 due to the lack of fiscal information from DCA. The DCA instructs Lawnside to anticipate all revenues at 100% of 2008 levels even in areas where the community knew those levels to be unachievable (like the building permit revenues during the height of the building boom). Again DCA was late in coming up with the Extraordinary Aide numbers delaying final adoption of the budget until May Of 2010 a month before the close of the fiscal year ended. To make things worse the State dipped into Lawnside's Gross Receipts and Franchise Tax revenue taking \$150,000 in budget anticipated revenues at the twelfth hour. To add insult to injury, the Local Finance Board in what the people of Lawnside can only pray was it last act of insanity decided it would not approve Lawnside's \$150,000 cap waiver in April of 2010. Lawnside was also encouraged to employ other gimmicks like deferring its pension obligations to keep the tax rate low.

The result of these actions by DCA and its controlled organizations has resulted in the Borough of Lawnside presenting a budget which has a \$433,000 cash deficit which must be raised in the current year's budget. Yes that is right in two years our community has gone from a surplus of \$900,000 to a cash deficit of -\$433,000 which is a -\$1,333,000 swing. This is in a municipality where the total appropriations are \$3,600,000. Lawnside lost \$425,000 this year and the \$433,000 cash deficit from last year which is over \$800,000 in tax levy which must be made up in the current (FY 2011) budget. Also, anticipating the \$450,000 loss in Extraordinary (Transitional) State Aid in this year's budget means Lawnside's municipal tax levy will be forced to increase by about \$1.19 per \$100 of assessed valuation. The current municipal rate is \$1.00 per \$100 of assessed value. Without last year's \$450,000 in Extraordinary (Transitional)

State Aid the new tax rate will be in the \$2.19 per \$100 of assessed value or an increase of nearly 120%. Lawnside issue is not on the expenditure side it is on the revenue side as follows:

Revenue side – a cash deficit that has to be raised presently is .27 cent which wasn't in last year's budget. Surplus replacement is .26, State Aide of \$450,000 and Energy Receipts reduction is .36 cent which is a \$1.00 increase. Reserve for un-collected taxes presently is around .19 cent with the collection rate down from 93.25% to 92.71%.

Total salaries in Lawnside for all positions are slightly less than \$1,400,000. That is to say, if every salaried position in Lawnside were to be eliminated Police, emergency services, public works it would not equate to the current year revenue deficit Lawnside finds itself in due to the prior level of State meddling in its local governing issues.

**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).

<b>Part 1 – Eligibility of Value Loss</b>	<b>Current Year County Equalization Table County Apportionment</b> (a)	<b>Prior Year Director’s Table Equalized Value</b> (b)	<b>Decrease</b> (c)
<b>Equalized Value Reduction</b>			
<b>Percent of loss from prior year (c) divided by (b) as percent:</b>			
<b>If this exceeds 2%, stop and proceed to the next page.</b>			

<b>Part 2 – Demonstration of Revenue Loss/Substantial Cost Increase</b>			
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.			
<b>Revenue or Appropriation</b>	<b>Prior Year Value</b>	<b>Current Year Value</b>	<b>Amount of Loss/Increase</b>
<b>Description:</b>			
<b>Description:</b>			
<b>Description:</b>			
<b>Description:</b>			
<b>Description:</b>			
<b>Description:</b>			
<b>Description:</b>			
<b>Description:</b>			
<b>Description:</b>			

**NOT APPLICABLE**

**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.

- **Revenues are fairly inelastic. Our major local revenue is Interest and Costs on Taxes. This revenue is approximately \$100K per year; and obviously the amount anticipated is limited by the rules. However, it is counter intuitive to expect this revenue to increase because of the opposite affect it has on revenue from Tax Collections. We continue to encourage the Police Department to aggressively enforce the laws for public safety purposes; while providing a steady source of revenue; although it has been declining in recent years. \$40k in SFY 2010 alone.**
- **We would especially like to build back our Surplus to prior year levels; approx \$ 900K in FY 2008.**
- **Historically, State Aid for the Borough has been just over \$1M. Approximately 25% of our total budget. This revenue clearly has a significant impact on our revenue stream; and has dropped \$450K the past two years. If we lose the Transitional Aid this year or \$450K; we would experience a \$900K loss over 3 years.**
- **It is not an easy; and perhaps an unrealistic expectation to offset the loss in State Aid the Borough has experienced and will be likely be experiencing in the future by simply reducing costs. The loss would require significant cuts to be made which would have an obviously negative effect on services. Accordingly, we believe a more practical and prudent approach to the loss in revenues would be a combination of increasing taxes while cutting costs.**
- **A revaluation is planned for 2011.**
- **(3) Positions were cut in FY 2011 \$135K, including benefits**
- **Police vehicles reduced \$15K**
- **Road Maintenance reduced \$ 14K**
- **Shared services with the County of Camden, the Lawnside School District and the Boroughs of Magnolia, Barrington & Haddonfield**
- **We continue to work with our engineer and the County of Camden to enhance our revenue source from grants.**

**VI. Historical Fiscal Statistics**

Item	Actual Previous Year	Actual Prior Year	Introduced Application Year
<b>1. Property Tax/Budget Information</b>			
Municipal tax rate	\$.9172	\$1.00	\$2.19
Municipal Purposes tax levy	\$1,474,280	\$1,631,000	\$3,556,000
Municipal Open Space tax levy	\$0.00	\$0.00	\$0.00
Total general appropriations	\$4,078,021	\$4,176,800	\$4,804,000

<b>3. Cash Status Information</b>			
% Of current taxes collected	93.31%	92.71%	%
% Used in computation of reserve	93.25%	92.00%	92.00%
Reserve for uncollected taxes	\$488,247	\$505,376	\$785,545
Total year end cash surplus	\$432,011	\$0	
Total non-cash surplus	\$50,367	\$168,034	
Year end deferred charges	\$50,367	\$612,956	

<b>4. Assessment Data</b>			
Assessed value (as of 7/1)	\$160,728,433	\$162,300,031	\$162,026,674
Average Residential Assessment	\$99,000	\$99,000	\$103,470
Number of tax appeals granted	NONE	NONE	
Amount budgeted for tax appeals	NONE	NONE	NONE
Refunding bonds for tax appeals	NONE	NONE	NONE

<b>5. Full time Staffing Levels</b>			
Uniformed Police - Staff Number	10	10	9
Total S&W Expenditures	\$665,000	\$650,000	\$590,000
Uniformed Fire - Staff Number	1	1	1
Total S&W Expenditures	\$4,120	\$4,245	\$4,245
All Other Employees - Staff Number	52	52	48
Total S&W Expenditures	\$811,870	\$831,975	\$791,975

**6. Impact of Proposed Tax Levy**

		Amount
Current Year Taxable Value		\$162,026,674
Introduced Tax Levy		\$3,556,000
Proposed Municipal Tax Rate	\$2.19	Average Res. Value ( #4 above) <span style="float: right;">\$103,470</span>
Current Year Taxes on Average Residential Value (#4 above)		\$2,270
Prior Year Taxes on Average Residential Value		\$1,039
Proposed Increase in average residential taxes		

**4. Application Year Budget Information**

A. Year of latest revaluation/reassessment

Revaluation to be completed in 2011

4. Proposed Budget – Appropriation and Levy Cap Information

- | Item                                                                                               | Yes         | No |
|----------------------------------------------------------------------------------------------------|-------------|----|
| 1. Was an appropriation cap index rate ordinance adopted last year?<br>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?<br>If NO, amount of remaining balance    | \$0.00      |    |
| 4. Does the Application Year anticipate use of a waiver to exceed the levy cap?<br>If YES, amount: | X           |    |
|                                                                                                    | \$1,603,378 |    |

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	\$0.00	
4. Does the Application Year anticipate use of a waiver to exceed the levy cap? If YES, amount:	X	
	\$1,603,378	

C. List the five largest item appropriation increases:

Appropriation	Prior Year Actual	Application Year Proposed	\$ Amount of Increase
CASH DEFICIT	\$ 0.00	\$433,062	\$433,062
RESERVE FOR UNCOLLECTED	505,375	785,545	280,170
DEFERRED CHARGES	86,000	123,000	37,000
PUBLIC EMPLOYEES RETIREMENT	80,384	112,155	37,771
POLICE & FIRE RETIREMENT	78,020	106,305	28,285
LEGAL OTHER EXPENSES	90,000	107,000	17,000

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
<b>First year</b>	<b>+75,000</b>	<b>SAME</b>	<b>-150,000</b>	<b>-75,000</b>	<b>SAME</b>
<b>Second year</b>	<b>+75,000</b>	<b>SAME</b>	<b>-150,000</b>	<b>-75,000</b>	<b>SAME</b>
<b>Third year</b>	<b>+75,000</b>	<b>SAME</b>	<b>-150,000</b>	<b>-75,000</b>	<b>SAME</b>



**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	<b>SHBP</b>		
	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	2004	2008	2009	2008
Average percentage increase	3.5%	4.0%	4.0%	4.0%
Last contract settlement date	7-01-05	N/A	7-01-05	
Contract expiration date	6-30-08	N/A	6-30-09	

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)	YES	YES	YES	YES
Layoffs (describe below)	YES	YES	YES	YES

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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: <span style="float: right;">Date:</span>	2006	
3. During 2009, on what dates were tax delinquency notices sent out: <span style="float: right;">Date:</span>	FEB & MAY	
4. Date of last tax sale: <span style="float: right;">Date:</span>	JUNE 2010	

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

1. Other Financial Practices

1. Amount of interest on investment earned in:

Prior Year:	\$8,166	Last Year:	\$4,080	Anticipated Application Year:	\$4,000
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2. List the instruments in which idle funds are invested:

NO IDLE FUNDS	

3. What was the average return on investments during CY 2009?	1.5%
4. When was the last time fee schedules were reviewed and updated?	2009

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
AFSCME	6-30-09	PRESENTLY ON GOING
PBA	6-30-08	PRESENTLY ON GOING

**IX-A. Demonstrated reductions or actions that limited otherwise ordinary increases in Salary and Wage costs.  
(See item B-4 in Local Finance Notice 2010-14 for details)**

S&W Line Item	Prior Year Actual	Application Year Proposed	Explanation of Change
GENERAL ADMINISTRATION	132,000	122,000	(1) P/T CLERK NOT REPLACED
POLICE	650,000	560,000	(2) P/T OFFICERS NOT REPLACED
TOTAL \$ 100,000 REDUCTION			

**IX-B. Demonstrated reductions or actions that limited otherwise ordinary increases in Other Expense or other costs. (See item B-6 in Local Finance Notice 2010-14 for details). Include changes in spending policies that reduce non-essential spending.**

Line Item	Prior Year Actual	Application Year Proposed	Explanation of Change
GENERAL ADMINISTRATION	\$24,500	\$22,100	WEB PAGE & GENERAL EXPENSES
TAX ASSESSOR	7,550	5,550	COMPUTER/PRINTING MAINTENANCE
GROUP INSURANCE	492,000	460,000	(2) LOSS OF (2) POSITIONS
POLICE	73,100	58,400	POLICE VEHICLES
ROAD REPAIRS	25,000	11,500	REPAIRS EXPENSE
PUBLIC BUILDINGS	44,600	25,200	EQUIPMENT & MAINTENANCE (BUILDING)
RECYCLING	23,500	15,100	HAULING & EQUIPMENT
PARKS AND PLAYGROUNDS	18,550	14,800	SUPPLIES

**IX-C. Evaluate existing local revenues, as to whether or not the rates or collections can be increased, and if so, how changes will be implemented. (See B-7 in Local Finance Notice 2010-14 for details)**

Local Revenues	Prior Year Realized	Application Year Anticipated	Evaluation, Recommendation, and Implementation Plan
Ratables		2011	Revaluation scheduled for 2011
Other Licenses	20,423	20,000	
Fees & Permits	2,941	2,000	
Municipal Court Fines & Costs	68,101	68,000	Statute
Interest & Cost on Taxes	102,575	100,000	Statute
Interest on Investments	4,080	4,000	

**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)
AMBULANCE SERVICES	BOROUGH OF BARRINGTON	\$57,000	2010
RECREATION FACILITIES	LAWNSIDE SCHOOL BOARD	BARTER	BARTER
SNOW PLOWING	LAWNSIDE SCHOOL BOARD	BARTER	BARTER
PUBLIC WORKS EQUIPMENT	MAGNOLIA BOROUGH	BARTER	BARTER
LICENSED SEWER OPERATOR	HADDONFIELD BOROUGH	BARTER	BARTER

**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
	12090 Intergov and Municipal					
	Levy on One Year					

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 <i>only if Lakeside's Sovereignty is maintained</i>	X	X
3. Enter into a Memorandum of Understanding <i>As long as the above Sovereignty is maintained</i>		X

*the service leads our people expect we provided*  
*SAFE*  
*resound within it.*

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 *[Signature]* Date 9/30/10  
 Chief Financial Officer \_\_\_\_\_ Date 9/30/10  
 ATTEST: *[Signature]* Date 9/30/10  
 Municipal Clerk