

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 Washington		County:	Warren
Contact Person:		Richard D. Phelan		Title:	Borough Manager
Phone:	908-689-3600 x119	Fax:	908-689-9485	E-mail:	rphelan@washingtonboro-nj.org
Population:	6,700				

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
\$550,000	\$0	\$0

II. Aid Request for Application Year

Amount of aid requested for the Application Year:	\$650,000.00
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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	4/12/10
Previous Year Annual Audit	11/3/09
Previous Year Audit Corrective Action Plan	11/6/09
Application Year Introduced Budget	3/23/10
Budget documentation submitted to governing body	3/1/10

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		7/14/10
Governing Body Presiding Officer	N/A	

Application Year CY 2010/SFY 2011	Municipality: Washington Borough	County: Warren
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Chief Financial Officer	<i>gunlean</i>	7/16/10

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)

Prior to 2009, there was lax financial oversight and poor fiscal management within the Borough of Washington, as indicated in the May 6, 2009 Audit of Procurement Practices issued by the Office of the State Comptroller. The Borough of Washington has failed to plan accordingly for both present and future needs. This was due in part to having multiple Municipal Managers in a very short period of time, as well as no strong Chief Financial Officer for several years. Subsequent to this, changes to policies and procedures relating to all aspects of Borough operations have been implemented which has served as the foundation for a stronger financial institution, which has been acknowledged in the April 16, 2010 Follow-up Audit of Procurement Practices issued by the Office of the State Comptroller. Unfortunately, while we have made tremendous strides, a decade of mismanagement can not be corrected in one (1) year. As a result, the Borough had a need to apply for (and receive) Extraordinary Aid in the amount of \$550,000 in 2009. This allowed the Borough to reduce the tax rate to property owners, while allowing us to focus on improving the overall financial situation of the Borough.

In 2009, the Borough began implementing a strict “want” versus “needs” mentality as it relates to spending. Specifically, departmental budgets in 2009 were at or below what was actually spent in 2008. In 2010, unless required by statute or legitimate departmental need, all departmental spending has remained flat or further reduced.

As you will see in this application, the Borough Council has reduced their introduced budget by and additional \$223,227.72 from the original amount, and we are still hindered by the Levy CAP. The largest factors that contribute to this issue are as follows:

- Increase in the Reserve for Uncollected Taxes
 - 2009 Amount – \$690,638.00
 - Tax Collection Rate – 94.78%
 - 2010 Amount – \$905,020.56
- Reduction in 2010 State Aid of 17.45%
- Loss of Extraordinary Aid
 - -\$550,000
- Increased Snow/Ice Control Costs due to more frequent and extreme snow fall amounts.
- Loss of Revenue at the Borough Pool
 - As a result of the financial changes that Borough has implemented since 2009, it was discovered that membership at the Borough pool has steadily decreased, which has resulted in lower revenues. This reduction has caused the pool to begin running at a deficit. In order to keep the pool open, hours of operation have been reduced and procedural changes have been implemented.
- Unwillingness for Blue/White Collar unionized employees to make concessions of any type.
 - During the last 12 months, there have been many meetings with the CWA Local 1032 to inform them of the financial situation in the Borough, to which they were unsympathetic. As a result, four (4) employees were laid off in 2009, with an additional two (2) slated in 2010. Additionally, as a result of one (1) resignation and one (1) retirement, these full-time positions will be filled with part-time employees.
- Non-Unionized Employees (3)
 - Only one (1) of the two (2) eligible non-unionized employees has voluntarily decided to make concessions. Specifically, making contributions to their health insurance coverage.
- Increase in debt service
- In 2009, the Borough entered into a Shared Service Agreement for Police Services with a neighboring municipality. As result, the Borough was no longer able to receive the benefit of a pension CAP adjustment.
 - Due to increased costs associated with law enforcement (and crossing guards), the cost of this service

went from \$1.8M in 2009 to \$2.1M in 2010.

Taking all of the above into account, the Borough currently exceeds the Levy CAP by \$573,847. As a result, even with the budget cuts noted above, property owners within the Borough are looking at an average property tax increase of \$379.90. (This number is based on the average property assessment of \$142,300.00 combined with the 2010 Borough Tax Point of \$37,425.36)

Please see the attached document labeled "Budget Amendments", which addresses the additional budget cuts proposed by the Governing Body.

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	Prior Year Director’s Table Equalized Value	Decrease
	(a)	(b)	(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:			

This page is not applicable to the Borough of Washington

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.

The following outlines both short-term and long-term changes that have/will be made to help stabilize the Borough's finances:

1. Unless required by statute or legitimate departmental need, all departmental spending has remained flat or further reduced. Current spending levels are reflective of what was actually spent in 2008
2. Instituted a hiring and promotion freeze.
3. All part-time/seasonal/temporary employees are not receiving any increase in their salaries for the current year (unless statutorily required). As a result, the salaries being paid are at/below 2008 levels.
4. Elimination of all non-essential overtime.
5. Elimination of overnight stays and meal allowances associated with meeting/conferences and conventions.
6. Elimination of all non-essential capital projects/purchases requested for 2010.
7. Restructuring of staff in more efficient ways (IE: Department realignments).
8. We will be seeking approval for a levy CAP waiver from the Local Finance Board if needed.
9. Vacancies for all full-time employees in which the positions are essential are being filled with part time staff.
 - a. Reduction in Staff
 - i. 2009 – Four (4) employees
 - ii. 2010 – Two (2) employees
10. In the process of entering into a Shared Service Agreement with a neighboring municipality for the provision of Municipal Court Services (Effective start date is October 1, 2010. Savings of \$55,000 - \$65,000 per year)
11. Previously consolidated our Police Department with the Washington Township Police Department via Shared Service Agreement. (Effective date August 1, 2009)
12. In discussions with Washington Township to discuss the feasibility of entering into a Shared Service Agreement for the provision of construction/building permits. (IE: Shared Construction Department)
13. The Borough Council has committed to placing a referendum question on the November general election ballot as it relates to garbage collection. Specifically, whether or not the Borough should privatize garbage in-lieu of the publicly funded garbage collection that it in place now. Privatization would result in an annual savings of \$450,000 - \$500,000.
 - a. As of 2010, the Borough no longer collects/disposes of "Bulk Trash", which will result in a savings of \$35,000/year (Excluding disposal costs)
14. Reduced the operation hours of the public library from 59 hours in 2009 to 35 hours in 2010.
15. Awarded Board of Adjustment and Planning Board Attorney Contracts (via Fair-and-Open Process) to reflect hourly amounts in-lieu of flat fees. Based on the case loads for each Board, the amount spent on legal representation will be drastically lower than previous years.
16. Cancelled the contract with the third-party vendor that provided sewer billing services and brought the service in house. This will result in a savings of \$60,000/year in the Municipal Sewer Utility, which will ultimately result in savings in the Current Fund.
17. No new debt issued since 2008.
18. We are investigating the feasibility of a debt restructuring bond to allow the Borough to reduce our annual debt obligations.
19. Annual review of Borough fee schedule.
 - a. All fees are at the same level as 2009. This is due to the fact that our fees are in-line with neighboring municipalities.
20. Actively seeking reimbursement money from all outstanding grants (IE: Outstanding receivables) in order to improve our cash flow.
21. Cancellation of all non-fee based recreation events. (IE: Tree Lighting, Movies in the park)

VI. *Historical Fiscal Statistics

Item	(2008) Actual Previous Year	(2009) Actual Prior Year	(2010) Introduced Application Year
1. Property Tax/Budget Information			
Municipal tax rate	\$1.054	\$1.239	\$1.528
Municipal Purposes tax levy	\$3,962,751.00	\$4,665,738.64	\$5,716,739.53
Municipal Open Space tax levy	N/A	N/A	N/A
Total general appropriations	\$6,746,185.99	\$6,928,510.19	\$7,539,989.78

3. Cash Status Information			
% Of current taxes collected	95.76%	94.78%	%
% Used in computation of reserve	96.6%	95.76%	94.78%
Reserve for uncollected taxes	\$521,136.00	\$690,638.00	\$405,020.56
Total year end cash surplus	\$39,381.41	\$159,656.15	
Total non-cash surplus	\$7,924.49	\$7,174.49	
Year end deferred charges	\$60,656.00	\$0	

4. Assessment Data			
Assessed value (as of 7/1)	\$383,362,790.00	\$376,386,626.00	\$374,523,624.00
Average Residential Assessment	\$147,612.00	\$144,830.00	\$142,300.00
Number of tax appeals granted	41	146	
Amount budgeted for tax appeals	\$0	\$75,000	\$0
Refunding bonds for tax appeals	\$0	\$0	\$0

5. *Full time Staffing Levels			
Uniformed Police - Staff Number	13	13 (through 8/1/09)	N/A
Total S&W Expenditures	\$1,366,979.29	\$985,393.19	N/A
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	118	125 (through 8/1/09)	86
Total S&W Expenditures	\$1,374,510.82	\$1,266,785.42	\$1,320,950.00

*Entered into SSA for Police Services on August 1, 2009, which is why the Police S & W number decreased. Staffing numbers decreased to account for removal of 13 Police Offices, 1 Clerical, and 17 Crossing guards no longer employed by the Borough. Also included are the four (4) employees that were subject to layoff in 2009. The 2010 staff levels do not reflect the two (2) employees subject to layoff as the SSA for Court Services does not begin until October 1, 2010.

6. ** Impact of Proposed Tax Levy

			Amount
Current Year Taxable Value			\$374,253,624.00
Introduced Tax Levy			\$5,716,739.53
Proposed Municipal Tax Rate	1.528	Average Res. Value (#4 above)	\$142,300.00
Current Year Taxes on Average Residential Value (#4 above)			\$2,174.34
Prior Year Taxes on Average Residential Value			\$1,794.44
Proposed Increase in average residential taxes			\$379.90

**In anticipation of Transitional Aid Applications, the 2010 amounts listed above reflect Borough Council budget reductions made after budget introduction, and will be incorporated into the final budget upon adoption via amendments. Please see the attached document labeled "Budget Amendments", which addresses the cuts made.

VII. Application Year Budget Information

A. Year of latest revaluation/reassessment

1998

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. 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	

***** The Borough may not need to apply for a Levy CAP Waiver if Transitional Aid is awarded.**

C. List the five largest item appropriation increases:

Appropriation	Prior Year Actual	Application Year Proposed	\$ Amount of Increase	Offset
Police	\$1,569,826.00	\$2,157,100.00	\$587,274.00	
• Decrease in Health Insurance				-\$117,826.00
• Decrease in PFRS				-\$122,029.00
NET INCREASE			\$347,419.00	
PERS	\$66,868.00	\$132,586.91	\$65,718.91	
TAN Interest	\$17,400	\$60,000.00	\$42,600.00	
Interest on Notes	\$48,140.00	\$101,872.48	\$53,732.48	
Reserve for Uncollected Taxes	\$690,638.00	\$905,020.56	\$214,382.56	
***Tax Collection S & W	\$93,255.00	\$154,281.00	\$61,026.00	

*****NOTE: Tax Collection S & W has not increased other than increases dictated by the organized labor agreement. The reason for the increase was due to the fact that we are no longer charging any salaries in this department to the Municipal Sewer Utility.**

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

Department/Agency	Position	Number	Dollar Amount
N/A	No New Full-Time Positions 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	\$5,142,893.00	\$244,300.00	\$650,000.00	\$1,394,720.00	\$5,942,540.00
Second year	\$5,332,921.00	\$152,300.00	\$358,431.00	\$1,100,743.00	\$5,959,455.00
Third year	\$5,439,579.00	\$167,530.00	\$249,112.00	\$1,139,269.00	\$6,063,498.00

****** The amounts in the second and third year above reflect the removal of (1) Municipal Court costs (O/E and S & W) due to the Borough entering into an SSA for this service, (2) reduction in Recreation S & W as the goal is to have this department rely on the Dedication by Rider accounts, and (3) reduction of Police S & W for Police which accounted for payment of unused sick time.**

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	N/A	N/A	2010	2010
Average percentage increase	N/A	N/A	3.5%	3.0%
Last contract settlement date	N/A	N/A	12/31/2008	
Contract expiration date	N/A	N/A	12/31/2012	

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)	N/A	N/A	X	X
- The Borough does not have a paid police or fire department. -CWA Local 1032 unwilling to make any concessions. -There are only three (3) non-union employees. No furloughs implemented for these people as would hurt operations while realizing minimal savings.				
Wage Freezes (describe below)	N/A	N/A	X	X
- The Borough does not have a paid police or fire department. -CWA Local 1032 unwilling to make any concessions. -Non-Unionized Employees: *One (1) is tenured employee required to receive salary increase per statute *One (1) employee covered by contract. NOTE: This employee has voluntarily decided to contribute to their health insurance costs				

Application Year CY 2010/SFY 2011	Municipality: Washington Borough	County: Warren
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*One (1) employee 2010 salary increase mirrored that which was received by unionized employees (3.5%)				
Layoffs (describe below)	N/A	N/A	X	X
Four (4) layoffs in 2009 and two (2) layoffs planned for 2010				

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:	July 7, 2006	
3. During 2009, on what dates were tax delinquency notices sent out: Date:	Delinquency notices are sent out 10 days after each quarterly tax bill is due.	
4. Date of last tax sale: Date:	November 17, 2009	

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:	\$48,600.00	Last Year:	\$13,538.36	Anticipated Application Year:	\$9,000.00
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2. List the instruments in which idle funds are invested:

Checking Account Interest (Amount of interest realized was limited due to shortage of cash)	

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

0.39%
2010

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

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
CWA Local 1032	12/31/2012	No Contracts are scheduled to expire until 2012

**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
N/A			
-No Sworn Police Officers or Fire Fighters used for 9-1-1 Dispatch.)			
-No rear-yard garbage collection			

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
Mayor and Council (S & W)	\$14,349.36	\$10,500.00	Voluntary reduction in Council member salaries
Mayor and Council (O/E)	\$8,423.00	\$7,298.00	Reduction in meeting/seminar/conference attendance
Tax Appeals	\$75,000.00	\$0	Borough was able to build a small reserve from 2009 that can be used to pay for tax appeals.
Capital Improvement Fund	\$90,000.00	\$37,500.00	Cancellation on all non-essential capital projects/purchases
Shade Tree Commission (O/E)	\$14,522.31	\$8,000.00	Reduction due to receipt of grant funding.
Municipal Clerk (O/E)	\$8,599.21	\$7,699.50	Borough will postpone full ordinance codification
Recreation (O/E)	\$43,086.14	\$40,172.03	Cancellation of several non-fee based programs
Library (O/E)	\$63,451.40	\$50,664.75	Reduction of O/E costs
Contingency	\$0	\$5000	Reduction of contingency funds proposed by Governing Body. (-\$5,000 in 2010)
Downtown Redevelopment	\$0	\$10,000	Reduction of Downtown Redevelopment funds proposed by Governing Body. (-\$10,000.00 in 2010)
Forensic Audit	\$0	\$100,000.00	Reduction of Forensic Audit funds proposed by Governing Body. (-\$100,000.00 in 2010)
Health Insurance	\$380,794.60	\$286,598.22	Due to Police Shared Services Agreement, our health insurance did not increase and we were able to reap savings. Although, via SSA payments, we are still making payments toward Police health insurance.
PFRS	\$122,029.00	\$0	Due to Police Shared Services Agreement, no longer have PFRS obligations. We share 50% of the cost with Washington Township per the Shared Service Agreement.

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
Bingo Fees	\$550.00	\$550.00	Fees are evaluated annually. Borough Council decided to keep all fees flat in 2010 as they are compatible to other communities.
Business Licenses	\$830.00	\$830.00	
Yard Sale Permits	\$215.00	\$215.00	
Property Certification List	\$90.00	\$90.00	
Raffle License	\$110.00	\$110.00	
Retail Food Handler	\$1,620.00	\$1,620.00	
Zoning Books/Maps	\$90.00	\$90.00	
Garbage Collection Stickers	\$1,872.00	\$1,832.00	
Parking Stickers	\$2,293.50	\$2,293.00	
Certificate of Occupancy	\$1,875.00	\$1,875.00	
Variance Fees	\$1,375.00	\$1,375.00	
Fire Inspections	\$10,446.00	\$10,446.00	
Zoning Permits	\$3,676.00	\$3,676.00	
TOTAL REVENUE LISTED ABOVE	\$25,042.50	\$25,000.00	
Recreation Fees			Obtained a Dedication by Rider. The goal is to have the Recreation department function without assistance from the current fund.
Police Misc. (ID Cards, Fingerprinting, Gun Permit, Accident Report) Special Police Services	\$1,891.72 \$24,070.08		NOTE: The Borough will not realize any revenue from the Police Department as these services are provided by Washington Township via Shared Services Agreement.

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 (2010)	Year Last Negotiated (as applicable)
Shared Service Agreement for Police Services	Township of Washington (Warren County)	\$2,079,000.00	2009
Members of the Following County Cooperative Purchasing Groups:	County of Warren Township of Randolph County of Somerset	Varies depending on purchasing needs	N/A
<ul style="list-style-type: none"> • Warren County • Morris County • Somerset County 			
Shared Services Agreement for Municipal Court Services (10/1/10)	Township of Mansfield (Shared Court)	\$147,667.00	2010
Professional Service Agreements (In-Lieu of Paid Staff)			
<ul style="list-style-type: none"> • Municipal Attorney • Planner • Auditor • Municipal/Sewer Engineer • Redevelopment Attorney • Bond Attorney • Tax Appeal Attorney • Prosecutor • Public Defender 	Gebhart & Kiefer Heyer, Gruel and Associates Ferraiolo, Wielkotz, Cerullo & Cuva Suburban Consulting Engineering McManimon & Scotland Hawkins, Delafield & Wood Richard M. Conley Roger Skoog Winegar, Wilhelm, Glynn, Roemersma	\$50,000.00 \$0 (Will certify funds as-needed) \$24,850.00 Not to Exceed \$65,000.00 \$0 (Will certify funds as-needed) \$5,000.00 \$15,000.00 \$21,600.00 \$6,000.00	2010

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
1	Municipal Court (Scheduled to enter into a Shared Service Agreement for Municipal Court Services on October 1, 2010. As such, we would no longer need to employ the two (2) full-time court staff.)	2	Oct. 1, 2010	2	0	Minimal in 2010 due to the late start date. Projected \$65,000 - \$75,000 in 2011
N/A	The Borough has reduced their full-time staff in 2009 and will be making additional reductions in 2010. As a result, we are at the bare minimum level of staffing. PERC has advised that we can not reduce full-time staff to part-time without the organized labor unit's consent, which the CWA Local 1032 will not agree to. Any additional staff reductions will affect the health, safety and welfare of the residents.					

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

Rank Order	Service	Cost Savings	Impact on Services
1	Municipal Garbage Collection - The Borough Council has committed to placing a referendum question on the November general election ballot as it relates to garbage collection. Specifically, whether or not the Borough should privatize garbage in-lieu of the publicly funded garbage collection that it in place now.	\$450,000 - \$500,000/year	If approved, there would be little impact on services to residents. Garbage/Recycling would still be collected, but the resident would have the choice to select which vendor they choose. This would alleviate the need for the Borough to raise the costs of this service via property taxes.

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 *Scott McDonald* Date 7/14/10

Chief Financial Officer *Nyrclean* Date 7/16/10

ATTEST: *Bobie Henderson* Date 7/16/10
Municipal Clerk



BOROUGH OF WASHINGTON

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FINANCE Ext. 117
FIRE PREVENTION Ext. 142

MANAGER Ext. 119
SEWER Ext. 116
TAX ASSESSOR Ext. 129
TAX COLLECTOR Ext. 117
ZONING Ext. 139

July 15, 2010

Transitional Aid Program
Division of Local Government Services
101 South Broad Street
PO Box 803
Trenton, NJ 08625-0803

RE: Borough of Washington (Warren County) Transitional Aid Application

To Whom It May Concern:

Enclosed, please find the Borough of Washington's application for Transitional Aid. An original copy of the application will be promptly sent to your attention once signed by the Mayor, Chief Financial Officer and Clerk, which will occur on Friday, July 16, 2010. Along with the application, we will be submitting the following documentation in digital format:

- 2008 Annual Financial Statement
- 2008 Audit Corrective Action Plan
- 2008 Audit Report
- 2010 Introduced Budget
- 2010 Budget Amendments (Proposed by the Governing Body but not formally amended)
- 2010 Budget documentation provided to the Borough Council, along with a brief explanation.
- CWA Local 1032 Organized Labor Agreement
- Borough Manager's Employment Agreement
- Borough Organizational Chart
- Salary Ordinance (2009)
- Salary Ordinance Amendment (2010)

I thank you in advance for your consideration during your review process. If you have any additional questions or concerns, feel free to contact me at any time.

Sincerely,

Richard Phelan
Borough Manager



NEW JERSEY SENATE

MICHAEL J. DOHERTY
SENATOR, 23RD LEGISLATIVE DISTRICT
127 BELVIDERE AVENUE
SECOND FLOOR
WASHINGTON, NJ 07882

TEL. 908-835-0552
FAX. 908-835-8570
sendoherty@njleg.org

August 10, 2010

Mr. Marc Pfeiffer, Acting Director
Division of Local Government Services
Transitional Aid Program
101 South Broad Street
PO Box 803
Trenton, NJ 08625-0803

Re: Borough of Washington Transitional Aid Application

Dear Acting Director Pfeiffer,

On behalf of the Borough of Washington, Warren County, we are writing to support its application for funding under the New Jersey Department of Community Affairs Transitional Aid Program.

The Borough of Washington's request for \$650,000.00 is needed to give the Borough sufficient funds to meet budgetary requirements without jeopardizing the fiscal integrity of the Borough. The Borough's proposed budget does reflect aggressive cost reductions and service modifications, but the budget will still exceed the State Levy CAP resulting in a substantial property tax increase for Borough residents.

Thank you in advance for your consideration of the Borough of Washington's Transitional Aid application. We support the Borough and its efforts to lower the tax rate for residents and improve the Borough's overall financial situation.

Respectfully yours,



Michael J. Doherty
Senator



John DiMaio
Assemblyman



Erik Peterson
Assemblyman

MJD/PB
cc: Richard Phelan