

Transitional Aid Application for State Fiscal Year 2012
Division of Local Government Services
Department of Community Affairs

General Instructions: This application must be submitted in its entirety by **September 2, 2011** for funding consideration under this program. Information contained in the application is subject to independent verification by DLGS. Refer to Local Finance Notice 2011-22 when preparing this application for specific instructions and definitions, and review the Submission Checklist on Page 6.

Name of Municipality:		City of Trenton		County:	Mercer
Contact Person:		Eric Berry		Title:	Business Administrator
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I. Aid History

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

FY 2011	FY 2010	FY 2009
\$27,100,000	\$34,900,000	\$32,040,000

II. Aid Request for Application Year: (All municipalities currently operating under a Transitional Aid MOU are advised that a decrease from prior year funding is likely.)

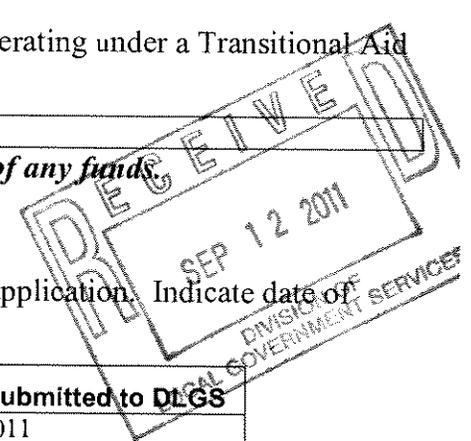
Amount of aid requested for the Application Year:	\$25,600,000
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An aid request does not constitute guarantee of receipt of any funds.

III. Submission Requirements

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	9/08/2011
Previous Year Annual Audit	To be submitted
Previous Year Audit Corrective Action Plan	To be submitted
Application Year Introduced Budget-Mayors Proposed Budget	9/08/2011
Budget documentation submitted to governing body	9/08/2011



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	<i>[Signature]</i>	9/10/11
Governing Body Presiding Officer	<i>[Signature]</i>	9/1/11
Chief Financial Officer	<i>[Signature]</i>	9/3/11

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.

The City of Trenton is not unlike most of the State's older urban cities that can not generate enough local property tax revenue or other local revenues to support the services required of its citizens and the business and their employees located in the City. During the past few years, this historical problem has been exacerbated by the nation's economic downturn which has hit the urban areas of the State even harder than other areas. Even though there are signs of some recovery, the economic benefits to the City are not likely to occur during the current budget year.

Increasing taxes to the level necessary to meet the budgetary needs of providing these services would force more and more of the citizens and the businesses to leave the City.

Since the 1980s, the State has agreed that many of the cities and towns in the State require additional aid over and above the normal formula driven programmatic aid to continue to provide even the basic services to the residents and businesses. Last year and this year, due to its own budget difficulties, the State has been forced to reduce the level of assistance it can provide Trenton and other cities and towns.

Unlike last year, the City does not have to deal with any reduction in the normal formula driven State aid programs, however, the major cost drivers of the City's budget continue to increase.

In July, the City estimated without any Transitional Aid, it would be facing a deficit of nearly \$34 million. This was comprised of the \$27.1 million in Transitional Aid and approximately \$6.5 million in increased spending needs. Costs for pensions, social security and health benefits were projected to increase by nearly \$5 million; debt service was projected to increase by over \$1.7 million; negotiated salary increase and contractual sick and vacation leave payouts were projected to increase by \$1 million and other centralized costs for insurance, utilities, etc were projected to increase by \$1 million. In addition, the projection included \$1.5 million as a deferred cost to continue the "pay down" of the \$16.5 million that was included in the budget in 2001 without any State appropriation to fund it. These increases have been offset by additional savings of \$2.2 million to the City from the federal SAFER and other savings from initiatives in FY 2011.

As with all cities and towns the City has two options for dealing with these shortfalls – raise revenues and/or decrease spending. Over the past few years Trenton has relied on a combination of these two options. However, the continued increase in property taxes places more pressure on struggling homeowners and as more and more reductions in spending are made the services the residents need and demand for these higher taxes are diminished and in some cases eliminated.

The FY 12 budget that was presented to City Council on September 1st continues to reduce costs and recognizes the requirement to reduce the reliance on Transitional Aid. The budget, not including grants, will be decreased from \$184.4 million to \$183.4 million. Over the two year period the budget will have been reduced from \$189.3 million to \$183.4 million (not including grants).

The State Civil Service Commission has approved a layoff/demotion plan that will result in the elimination of 108 police officers and 36 civilian employees. In addition, 29 police captains, lieutenants and sergeants will be demoted. The City will achieve \$5.2 million in savings in FY 12 from these actions. In FY 13 the savings from these actions will grow to approximately \$10 million.

Over the two year period the number of City employees will have decreased from 1,339 in FY 10 to a projected level of 979 in FY 12, a decrease of 360 employees, or nearly 27% of the FY 10 level. The City funded full time positions during this period will have decreased from 1,180 in FY 10 to a projected 817 in FY 12. This is a decrease 363 employees, or approximately 31% of the City funded positions in FY 10. Part time City funded positions will have decreased during this period from 96 in FY 10 to projected 72 in FY 12. This is a decrease of 24 positions, or 25%.

The total operating budgets for the City's departments will decrease from \$106.3 million in FY 10 to a projected \$85.9 million in FY 12. This is a decrease of \$20.4 million, or nearly 20%.

The continued significant increase in property taxes would be very difficult on the residents and businesses in the City. The City was forced to raise taxes in FY 2011 by nearly \$6 million, an increase of nearly 9%. This increase followed an increase in FY 2010 of over \$12 million, or nearly 22.5%. Over a two year period property taxes in Trenton increased from \$53 million to \$71 million, an increase of 33%. If Transitional Aid is provided at close to the level requested the increase for FY 2012 would be approximately \$2.2 million or another 3%. If Transitional Aid is not provided, the maximum that the City can raise its tax levy under the new State cap law is approximately \$5.3 million. Any reduction in the requested amount above the expected award would result in additional spending reductions since the City did not avail itself of the option to ask the voters to exceed the cap amount.

Exacerbating the City's problems is the fact that more than 50% of the City's property is currently exempt from property taxes. In 2011 \$2.167 billion of the City's \$4.147 billion in assessed value was exempt from property tax. Of this amount State property accounted for \$932 million or 43% of the exempt property and 22% of all assessed value in the City. Other public buildings (county, federal, etc) account for another \$535 million in assessed value for a total of \$1.467 billion, or more than 2/3rds of the total exempt property in the City.

If the City was receiving the municipal portion of the property tax from these properties that City would be collecting nearly \$79 million in property taxes (based on 2011 tax rate of \$3.63). The City does receive some PILOT payments for the State, county and commercial owners that totaled nearly \$18.6 million in the FY 2011 budget. If the State were paying its fair share of the municipal portion of the local property tax the current approximately \$15 million in PILOT payments would increase to nearly \$34 million. This is an increase of \$19 million and represents 70% of the \$27 million in Transitional Aid that the City received in FY 2011.

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.

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The City will continue to be diligent in attempting to find ways to reduce costs and increase local revenues.

It is highly unlikely however those significant additional reductions in the workforce can be achieved due to the reductions noted above. Due to the restrictive nature of the current statutes and regulations on furloughs, it is not likely that City could enact a program that would be fair to its employees and generate significant savings. If however, the State changed the statute and/or regulations to allow for staggered furloughs they would become a better option for Trenton and other cities.

The City will continue to aggressively try to control salary increases as contract negotiations occur. However, the salary increases for public safety workers will likely be set by arbitrators. The City will begin to benefit in the future from the newly enacted law increasing health benefit contributions. In the short term, however, the impact will be minimal since many employees are still under contract and for those that are not the first and second year impact of the new payments is not that much more than they are currently paying.

The City continues the initiatives of the past year to review contracts and purchasing and is considering entering into a contract with one of the numerous companies that provide a review of contracts and purchasing.

As was agreed to with DCA, the City will take advantage of the recent New Jersey Administrative Office of the Courts decision to allow outside collection agencies for the collection of court revenue owed to the City. Initial estimates are that there is approximately \$10 million in unpaid obligations to the City. It is estimated that 50% of this revenue would be considered City revenue and the remainder is considered state and county money. What is not known is how much of this revenue is currently being collected under Time Payment Orders and thus will eventually be collected and will not be eligible for the collection agency initiative. The City is attempting to have this program up and running early in calendar year 2012 depending on the bidding process and AOC approvals.

The City is reviewing opportunities to refinance its current debt to achieve multiple year savings. In the past, Trenton and other cities, as well as the State, have proceeded with refinancings that push all of the savings into the first year and help for one year while providing spikes in future years. It is anticipated that any refinancing the City enacts will maintain savings levels for a minimum of three to five years. In addition, the City is reviewing all completed capital projects that were financed with bonds to use any remaining funds to either offset new capital or provide revenue to offset current debt service.

The City also plans to take advantage of the pilot program that will allow accelerated tax lien sales on-line rather than the current requirement that the potential purchaser has to appear in person. It is expected that this will increase the number of bidders and thus result in the more liens being sold and potentially at a lower interest rate for the homeowners. The City is also examining the potential of other methods of increasing the revenue generated from delinquent taxes.

As was noted last year, a major concern is the fact that the City of Trenton is the guarantor for the debt incurred related to the Lafayette Yard Community Development Corporation and the construction of the Marriott Hotel. The FY 2012 City budget contains approximately \$1.4 million in debt service for the hotel and this amount will remain constant until 2026. In addition, the State will be paying approximately \$1.8 million in debt service for this project as well and this amount will also continue to escalate to nearly \$2.7 million in 2020. It is hoped that the City, the State and the hotels operator can work together to eliminate the potential for continuing financial exposure and the possible expenditures necessary to cure any default on the debt, and to hopefully effectuate the sale of the property to not only remove that expense but also extract the City from the hotel business.

Again as was noted last year, the City has approximately 1,500 vacant City owned parcels scattered throughout our neighborhoods. We have determined to adopt a scattered site redevelopment plan so that we may be able to return these parcels to the tax rolls and generate approximately an additional \$3.6 million in local purpose taxes while improving the City at large and making it a more attractive place. We have also accelerated the auction of other developable properties to not only realize additional immediate income but again to realize a return of these properties to the tax rolls while encouraging the growth of our commercial community.

Finally, the Mayor has appointed an Economic Development Council of business and civic leaders to assist in the revitalization of the City. This group has been tasked with developing short term and long term proposals for economic development throughout the City. For this effort to be successful, the State needs to become a partner in this effort. The Governor and the Legislature has made numerous changes to the Urban Transit Hub initiatives to assist other cities, it is hoped that changes can be made to help Trenton attract development under this program.

LONG TERM PLAN TO PHASE OUT TRANSITIONAL AID

Assuming that Trenton receives \$24 million for its FY 12 budget, the requirement to provide a phase out plan of no more than 4 years would result in \$6 million reductions in FY 13 through FY 16. As outlined below, a phase out of this magnitude is probably not doable.

Under the following assumptions Trenton would face budget shortfalls of approximately \$7 million in each year. The assumptions are as follows:

- 1) Transitional aid decreased by \$6 million per year; Other municipal aid remains constant
- 2) Property taxes increase by 4% per year
- 3) Spending is increased by 2% per year

This approximately \$7 million per year shortfall will be impacted slightly by the recently enacted changes to employee health benefits and pensions (assuming the payments extend past the four year sunset). The remainder of the annual shortfall will have to be offset by additional reductions in employees and services provided and/or additional increases above 4% in property taxes. It is highly unlikely that a significant increase in ratables is going to occur in the next few years.

Base on the current status of the City budget, it is highly unlikely that the City of Trenton could achieve a phase-out of Transitional Aid over this period. A phase out of \$3 million per year that would eliminate Transitional Aid in FY 2019 would still result in annual budget shortfalls of approximately \$4 million per year based on the same assumptions.

As was noted earlier, the City of Trenton should be looked at differently than the other Transitional Aid recipients since it is the State's Capital. As has been noted previously, the State of New Jersey owns 22% of the value of all property in the City. If the State paid the municipal property taxes the City would receive approximately \$34 million in property taxes based on FY 2011 tax rates. This is \$19 million more than the PILOT payments the City is currently receiving. If the City and State agreed to apply all or a portion of this \$19 million against the Transitional Aid then it is very likely that the City could develop a plan to eliminate the need for the remaining \$5 million in Transitional Aid over a few years. Absent this recognition that the a portion of the Transitional Aid should permanently be provided to the City as additional PILOT payments the City will be faced with shortfalls of \$4 million to \$7 million a year depending on the phase out period of Transitional Aid.

VI. Historical Fiscal Statistics

Item	2010	2011	Introduced Application Year
1. Property Tax/Budget Information			
Municipal tax rate	\$3.33	\$3.63	\$4.97
Municipal Purposes tax levy	\$65,064,469	\$70,071,609	\$96,227,832
Municipal Open Space tax levy	\$0	\$0	\$0
Total general appropriations	\$214,911,598.67	\$205,467,742	\$185,624,799

2. Cash Status Information			
% Of current taxes collected	97.5537%	95.9151% %	%
% Used in computation of reserve	98.225%	98.10%	98.1%
Reserve for uncollected taxes	\$1,846,974	\$2,665,626	\$2,574,722
Total year end cash surplus	\$0	\$0	
Total non-cash surplus	\$5,090,021	\$5,090,021	
Year end deferred charges	\$15,000,000	\$ 15,158,586.97	

3. Assessment Data			
Assessed value (as of 7/1)	\$1,983,835,190	\$1,980,295,615	\$1,980,295,615
Average Residential Assessment	\$64,744	\$64,837	\$64,827
Number of tax appeals granted	360	518	
Amount budgeted for tax appeals	\$0	\$0	\$0
Refunding bonds for tax appeals	\$0	\$0	\$0

4. Full time Staffing Levels			
Uniformed Police - Staff Number	371	334	229
Total S&W Expenditures	\$35,676,160	\$35,773,236	\$27,704,484
Uniformed Fire - Staff Number	243	163	163
Total S&W Expenditures	\$211,177,211	\$23,129,655	\$19,041,535
All Other Employees - Staff Number	728	539	497
Total S&W Expenditures	\$24,999,827	\$24,491,198	\$24,481,385

5. Impact of Proposed Tax Levy

			Amount
Current Year Taxable Value			\$1,980,295,615
Introduced Tax Levy			\$96,227,832
Proposed Municipal Tax Rate	\$4.97	Average Res. Value (#4 above)	\$64,827
Current Year Taxes on Average Residential Value (#4 above)			\$3,222
Prior Year Taxes on Average Residential Value			\$2,354
Proposed Increase in average residential taxes			\$868

VII. Application Year Budget Information

A. Year of latest revaluation/reassessment

1992

B. Proposed Budget – Appropriation Cap Information

- Item**
1. Was an appropriation cap index rate ordinance adopted last year?
If YES: % that was used
 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
 4. Does the Application Year anticipate use of a waiver to exceed the appropriation cap?
If YES, amount:

	Yes	No
	X	
3.5%		
\$15,420,682		
	X	
\$		
		X
\$		

C. List the five largest item appropriation increases:

Appropriation	Prior Year Actual	Application Year Proposed	\$ Amount of Increase
PFRS	\$12,341,107	\$15,066,969	\$2,725,862
Unemployment Fund	\$1,901,970	\$4,260,493	\$2,358,523
Deferred Charges	\$0	\$1,658,587	\$1,658,587
Municipal Debt Service	\$19,820,122	\$21,336,164	\$1,516,042
Group Health, Prescription, Dental	\$24,964,460	\$26,207,655	\$1,243,195

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

Department/Agency	Position	Number	Dollar Amount
City Clerk	Deputy Clerk	1	\$57,676

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	73,800,000	39,565,000	25,500,000	74,958,706	116,800,000
Second year	75,645,000	40,554,125	23,000,000	76,457,880	121,500,000
Third year	77,536,125	41,567,978	20,000,000	77,987,037	126,400,000

* assumes 2.5% increase each year; ** assumes annualization of layoff savings, elimination of SAFR and 2% increase for others in first year and then 2% in second and third year; *** assumes 6% increase in health benefits, 8% in pensions/SS and 2% in other including debt service

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? 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	X	Rx	

C. 1) 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	2010/2011	2011	2011	2011
Average percentage increase	pending/3.5%	3.5%	3.25%	%
Last contract settlement date	2009/	2009	2009	
Contract expiration date	2010/	2012	2011	

* PBA/TSOA

2) 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
Without the ability to do staggered furloughs, the number of employees impacted would be minimal for any furloughs and would treat those employees differently than those that can not be furloughed				
Wage Freezes (describe below)	NO	NO	NO	NO
Current contracts provide for increases, Police contract for PBA is currently being negotiated and will likely go to arbitration Contract for major civilian union will expire on Dec 31, 2011 and City will likely seek a no wage increase contract for at least 2012 No employee union has volunteered to defer or eliminate scheduled pay raises				

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Layoffs (describe below)	YES	NO	YES	NO
Civil Service Commission has approved City plan to layoff 108 uniformed police officers effective September 16, 2011 for a net first year savings of \$4,135,847. In addition, plan will provide estimated net savings of \$1,133,723 through layoff of 36 civilian employees and the demotions of two others. The civilian departments impacted are – Administration; Health and Human Services; Public Works; Inspections, Recreation, and Culture; and the Municipal Court.				

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:	Nov 9, 2009/Aug 2010	
3. On what dates were tax delinquency notices sent out in 2010: Date:	3/12/10;5/28/10; 9/1/10; 11/29/10	
4. Date of last tax sale: Date:	6/28/11	

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:	\$199,274.47	Last Year:	\$21,436.50	Anticipated Application Year:	\$21,436.50
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2. List the instruments in which idle funds are invested:

NJ Cash Management Fund	Sun Bank Investment Account
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3. What was the average return on investments during SFY 2011?

.20%

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

April 2011

G. 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
FMBA Local #6/TFOA	12/31/12	
TSOA	12/31/12	
PBA Local #11	12/31/10	Likely arbitration
AFSCME Local #2281	12/31/13	
AFSCME Local #2286	12/31/11	

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**IX-A. List actions that limited Salary and Wage costs: i.e., layoffs, furloughs, freezes, contract concessions, etc.
(See item C-3 in Local Finance Notice 2011-22 for details)**

S&W Line Item	Prior Year Actual	Application Year Proposed	Explanation of Change
Mayors Office	\$682,188	\$631,727	Elimination of Chief of Staff position
Administration	\$937,302	\$903,436	Downgraded title
Law	\$610,967	\$475,980	Eliminate three in house attorneys, shift to outside counsel
Health & Human Services	\$2,585,936	\$1,939,707	8 layoffs, eliminate vacancies
Fire	\$21,709,076	\$19,322,397	Full year impact of SAFER grant
Police	\$39,737,046	\$32,569,458	108 layoffs, eliminate vacancies
Public Works	\$6,780,226	\$6,564,027	6 layoffs, 1 downgraded title
Housing	\$307,248	\$163,504	Shift of funding to grants
Inspections	\$1,764,241	\$1,615,149	7 layoffs
Recreation	\$1,558,944	\$768,427	12 layoffs

IX-B. List actions that limited or reduced Other Expense costs: i.e., reductions, changes, or elimination of services, procurement efficiencies or restraint. Include changes in spending policies that reduce non-essential spending.

Line Item	Prior Year Actual	Application Year Proposed	Explanation of Change
City Clerk	50,800.00	41,596.00	Reduction in professional services and consultant fees
Police Communications	425,148.00	351,520.00	Reductions in various equipment maintenance costs
Accounts & Control	8,650.00	8,400.00	Reduction in training and professional services and consultant fees
Tax Office	316,736.00	186,700.00	Reduction in legal fees for foreclosures
Children's Health Services	68,835.00	23,535.00	Reduction in professional services and consultant fees
Animal Control	111,500.00	95,500.00	Reduction in professional services and consultant fees
Fire - Emergency Management	4,200.00	2,200.00	Reduction in replacement uniforms and equipment
Pub Works - Streets	460,414.00	350,414.00	Reduction in cost for rock salt
Pub Works - Public Property	672,194.00	642,482.00	Reduction in water bills for public property
Inspections - Technical Services	62,760.00	34,680.00	Reduction in professional services and consultant fees
R, NR & C Director	1,000.00	500.00	Reduction in photocopying and books, publications
Other Insurance	55,000.00	-	Elimination of professional services costs
Other Employee Benefits	90,500.00	77,500.00	Elimination professional services costs, reductions in employee auto reimbursement and optical reimbursement
Medicare - Employer Share	1,270,368.00	1,069,465.00	Reduction in employees
Postage	300,000.00	270,000.00	
Vehicle Maintenance & Repair Services	142,700.00	70,000.00	Reallocated portion of budget back to Police
Vehicle Tires, Tube & Parts	175,500.00	70,000.00	Reallocated portion of budget back to Police
Social Security	1,787,639.00	1,626,889.00	Reduction in employees
Municipal Court	279,650.00	231,300.00	Reduction in rent
Trenton Free Library	2,100,000.00	2,000,000.00	Reduction similar to other departments
Reserve for Uncollected Tax	2,665,626.37	2,574,722.36	Formula

IX-C. Evaluate existing local revenues, as to whether or not the rates or collections can be increased or imposed, and if so, how changes will be implemented; i.e., recreation fees, utility fees, land use fees, construction, housing, and fire code.

Local Revenues and services provided through the General/Current Fund	Check if services is provided	Are fees charged to cover the costs of the program?	If fees do not cover costs, what is the amount of subsidy?	If there is a subsidy, explain why fees cannot be increased to reduce or eliminate subsidy.
Recreation programs	X	Partial		
Sewer Fees	X	Yes		
Water Fees	X	Yes		
Swimming Pool	X	Partial		City has made policy decision that residents should not pay for use of pools – it should be covered by their property taxes
Uniform Construction Code	X			
Uniform Fire Code	X			
Land Use Fees	X	Yes		Fees raised in November 2010 for FY 11 budget
Parking Fees	X	Yes		
Beach Fees	<input type="checkbox"/>			
Insert other local fees below:	<input type="checkbox"/>			
Vital Records	X	Partial		Fees raised in November 2010 for FY 11 budget
Marriage/Civil Union	X	Partial		Fees raised in November 2010 for FY 11 budget
Amendment Fees	X	Partial		Fees raised in November 2010 for FY 11 budget
Slaughter House	X	Partial		Fees raised in November 2010 for FY 11 budget
Animal Adoption	X	Partial		Fees raised in November 2010 for FY 11 budget
Animal Control Redemption	X	Partial		Fees raised in November 2010 for FY 11 budget
Dog License	X	Partial		Fees raised in November 2010 for FY 11 budget

Application Year SFY 2012	Municipality: TRENTON	County: MERCER
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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)
Curbside Collection of Recyclables	Mercer County Improvement Authority	804,000	2008
Purchase of upgrades for the sewer utility's wireless network system	State of NJ Cooperative Purchasing Program	39,936.00	2011
Purchase of Diesel Fuel, Ultra Low Sulfur and Winter Mix	Conjunction with the County of Mercer Cooperative Pricing Agreement	269,992.06	2011
Purchase of #2 Fuel Oil	Conjunction with the County of Mercer Cooperative Pricing Agreement	178,861.56	2011
Unleaded 87 Octane Gasoline	State of NJ Cooperative Program	483,200.00	2010
Unleaded 87 Octane Gasoline	State of NJ Cooperative Program	334,505.00	2011
1,400 tons of Treated Rock Salt with liquid magnesium chloride/liquid organic	County of Mercer Cooperative pricing agreement	99,400.00	2011
13 ea. Optiplex Computers with software, peripherals	State of NJ Cooperative Purchasing Programs	13,144.00	2011
75 Dell Optiplex 780 Desktop base standard PSU Computer upgrades	State of NJ Cooperative Purchasing Programs	96,992.85	2011
Cedar Forest Products	State of NJ Cooperative Purchasing Programs	65,972.00	2011
K-9 Vehicle unmarked Chevrolet Tahoe	State of NJ Cooperative Purchasing Programs	33,748.00	2011
Purchase of maintenance Services for Radios	State of NJ Cooperative Purchasing Programs	264,886.50	2011
Purchase of Computer Mail Server, software and Licenses	State of New Jersey Cooperative Program	24,101.46	2011

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
	SEE ATTACHMENT A				

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

Rank Order	Service	Cost Savings	Impact on Service
	SEE ATTACHMENT A		

XII. Agreement to Improve Financial Position of Municipality

If aid is granted, the municipality will be required to submit to certain reporting conditions and oversight as authorized by law and a Memorandum of Understanding will need to be signed. Please mark each box below indicating that the applicant understands, and agrees to comply with these broad reporting and oversight provisions.

	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 directed by the Director to address the findings of Division staff.	X	
3. Enter into a Memorandum of Understanding and comply with all its provisions, without exception.	X	

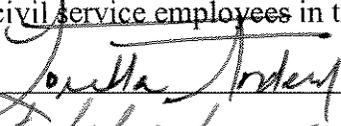
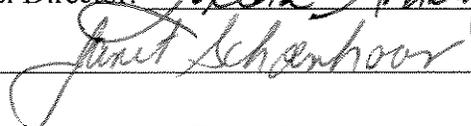
XIII. Certification of Past Compliance for Municipalities Currently Operating Under a Transitional Aid MOU:

The undersigned certify that the municipality has complied with all the conditions and requirements of 2010 MOU conditions, including, but not limited to, the following: submission of a Transition Plan, adoption of a pay to play ordinance, receipt of signed approval forms as required prior to hiring personnel and contracting with professional service vendors.

Mayor:  Date: 9/12/11
 Chief Financial Officer:  Date: 9/8/11
 Chief Administrative Officer:  Date: _____

XIV. CAMPS Certification (Civil Service municipalities only)

For Civil Service municipalities, the undersigned, being knowledgeable thereof, hereby certify that the municipality has placed the names of all current civil service employees in the NJ "CAMPS" system.

Human Resources or Personnel Director:  Date: 9.12.11
 Chief Financial Officer:  Date: 9/12/11

XV. CERTIFICATION OF APPLICATION FOR TRANSITIONAL AID

The undersigned 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: 9/12/11
 Chief Financial Officer:  Date: 9/8/11
 Chief Administrative Officer:  Date: _____

ATTACHMENT A

The consequences of Trenton receiving no Transitional Aid award, or even a significant reduction to the \$25.6 million request are severe and in all probability the City would not be able to balance its budget and provide essential services to the citizens. Although it is unrealistic to think that the State would provide NO award for FY 2012, the options are discussed below as requested.

The new cap law restricts the City's ability to raise the tax levy by only approximately \$5.3 million and due to the fact that a resolution was not adopted by Council, the City would not even have the option to ask the voters if they would approve an increase in taxes above the \$5.3 million allowed by law.

The \$25.6 million that has been requested by the City represents approximately 14% of the City's proposed \$183 million FY 2012 budget (excluding grants). This amount represents approximately 30% of the operating budgets of the City's departments (including the Library) and represents over 36% of the projected salary costs for FY 2012. Based on the magnitude of these amounts only a small portion if any of this lack of funding could be offset in the operating budgets of the City's departments. Based on the proposed FY 2012 budget the operating budgets for the City's departments will have been reduced from \$106 million to \$86 million, a reduction of nearly 20%. During this period the workforce has been reduced from 1,339 in FY 2010 to a proposed level of 982 in FY 2012, a reduction of 357 employees, or 30%.

If no aid is provided or a significant reduction is made, the City would have to consider the following options:

1. Research the ability to abrogated existing contracts and not providing negotiated raises based on fiscal emergency
2. Reviewing all spending to see if it really is essential under these new circumstances – for example with the lack of Transitional Aid, providing twice a week garbage collection may no longer be essential, maintaining a library that is open every day may no longer be essential, etc.
3. Mandatory furloughs in the minimal areas that legally could be attained
4. Targeted layoffs in areas where the City would cease providing services
5. Eliminating funding for the “deferred charge” that reflects the City's agreement with DCA to “pay down” the \$16.5 million that was incorrectly included in the budget over a decade ago
6. Aggressive debt refinancing would have to be considered that would take all savings up front thus causing spikes in future years rather than the more responsible refinancing the City is examining
7. Consider withholding part or all of the City's payments to the pension funds
8. Research the consequences of not providing the \$1.2 million debt payment for the Marriot Hotel.

As can be seen most of the items listed above are dramatic and would either have impact on the services provided to City residents or will provide only short-term benefits and simply push the City's financial problems to the future.

If the State award is only minimally reduced from the \$25.6 million requested, the City will be forced to readjust its spending and revenue priorities but would be able to still likely provide the services anticipated in the proposed FY 2012 budget.