

Transitional Aid Application for State Fiscal Year 2014
Division of Local Government Services
Department of Community Affairs

General Instructions: This application must be submitted in its entirety by September 30, 2013 for funding consideration under this program. Information contained in the application is subject to independent verification by DLGS. Refer to Division E-mail when preparing this application for specific instructions and definitions, and review the Submission Checklist.

Name of Municipality:	City of Paterson	County:	Passaic
Contact Person:	Russell R. Forenza	Title:	Budget Officer
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E-mail:	rforenza@patersonnj.gov		

I. Aid History

List amount of Transitional received for the last three years, if any:

SFY 2013	SFY 2012	SFY 2011
\$ 22,400,000 *	\$ 21,000,000	\$ 28,225,000

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:	\$ 27,000,000
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If not seeking a decrease, a letter from the Mayor is required. See Division E-mail.

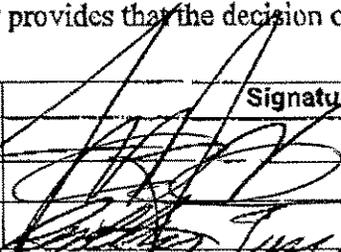
III. Submission Requirements

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
2013 Annual Financial Statement	July 30, 2013
2012 Annual Audit	May 23, 2013
2012 Corrective Action Plan	October 24, 2013
Application Year Introduced Budget	October 29, 2013
Budget Documentation Submitted to Governing Body	October 25, 2013

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		10/31/13
Governing Body Presiding Officer		10/31/13
Chief Financial Officer		10/31/13

* Amount of award (\$30,000 withheld by DCA)

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 not raised, how it would substantially jeopardize the fiscal integrity of the municipality.

The City of Paterson has been participating in this state aid program, now known as Transitional Aid, for the better part of two and one-half decades. Twenty-five years ago, the City operated under a calendar year budget, with a December 31st year end. In those years, the City also existed with huge cash flow deficits. In 1991, the City became the first City to change its budget year to a June 30th year end. When it did, it was able to eliminate the huge cash deficit, which at that time was in excess of \$38.6 million, by the issuance of Fiscal Year Adjustment bonds ("FYABs").

Since the changeover, the City has been cash solvent. In certain years (less than 5), the City ended its fiscal year with some cash deficits which were resultant from the particular year's revenue plans not materializing (i.e., accelerated tax sale, sale of real property, and the like). Still, when the cash deficits occurred, the City raised the amount in the subsequent budget year and eliminated same.

The major problem **plaguing** the City year after year after year is the **BUDGETARY DEFICIT**. This deficit exists, and will continue to exist, because the revenues of the City are essentially fixed in nature and finite. Since 2010, the City has raised the tax levy in excess of \$35 million, or 34% (average almost \$12 million, or 11% annually). In the four years prior (2006-2010), the City's tax levy increased by \$13.5 million, or 17% (average \$3.4 million, or 4% annually). In this SFY 2014, the City is poised to increase the tax levy by another \$11.1 million over last year's levy. If we receive the same TA funding as we did in SFY 2013, then the increase in the tax levy would be \$10 million. Even so, this amount of tax levy would exceed our tax levy cap by at least \$4 million. **The problem becomes – how much of the budgetary deficit can be handled by the City's taxpayers.**

The City cannot make due without the continued support of Transitional Aid. In fact, as we articulate regularly and support statistically, the City really needs a much larger sum than we have been awarded in recent years, closer to an annual allotment of \$30 million. In this SFY 2014, aid of \$27 million would still require an increase by at least \$5.3 million in the tax levy, up to the levy cap maximum.

The financial statistics demonstrate the following:

Transitional Aid Amounts

2006 – 2009 \$110,600,000 total, or \$27,650,000 average per year

2010 – 2013 \$ 98,725,000 total, or \$24,681,250 average per year

The City received \$11,875,000 less in TA for the three year period 2010-2013 (or \$3.9 million each year).

IMPACT STATEMENT: Between 2010 and 2013, the City collected \$3.9 million less each year in state aid.

Tax Levy Amounts

2006 – 2009 \$13, 535,640, or \$3,383,910 average increase per year

2010 – 2013 \$35,770,336, or \$11,923,445 average increase per year

The City received \$22,234,696 more in property taxes for the three year period ended 2010-2013 (or \$7.4 million each year) compared to the previous four year period (2006-2009).

IMPACT STATEMENT: Between 2010 and 2013, the City collected \$7.4 million more each year from its taxpayers.

BOTTOM LINE IMPACT STATEMENT: Between 2010 and 2013, the City made up for the annual loss of TA by doubling the amount of taxes collected from its taxpayers (\$3.9 million vs. \$7.4 million).

During this same period, the current tax collections have dropped off, increasing the accrual of the amount of the delinquent tax revenues which become City owned liens. At the same time, the residential tax appeals have grown exponentially. In four years, the total assessed values have dropped by 8%! This is reflective of the rapid decline in the market values of real estate in the City, due largely to the excessively high property tax, which is \$9,800 for the average homeowner (25 x 100 lot, no driveway/garage).

Now, as we start the annual budget process for SFY 2014, we declare a true need of Transitional Aid in the amount of \$27,000,000, based upon the total operating costs and net of total other general revenues, derived as follows:

Total General Appropriations	\$ 241.7 million
Less: Total General Revenues	
Without TA and Taxes	<u>\$ 69.3 million</u>
Balance before TA & taxes	<u>\$ 172.4 million</u>
Less: Estimated Tax levy:	
SFY 14 Estimated tax levy	\$ 151.0 million
Less: Tax levy in excess of cap	<u>(\$ 5.2 million)</u>
Net SFY 14 Estimated Tax Levy	<u>\$ 145.8 million</u>
<u>Balance</u>	<u>\$ 26.6 million</u>

It is worthy to mention that the City has increased other revenues by \$2.5 million for the SFY 14. Significant items are:

1. Municipal court, up \$55k
2. Interest & Costs on taxes, up \$261k
3. Municipal Sewer charges, up \$1M
4. UCC fees, up \$249k
5. Fire Inspection fees, up \$59k
6. Delinquent taxes, up \$385k
7. Health premiums, up \$670k

Ratable Decline

Again in CY 2013, the city experienced more than 5,000 tax appeals filed at the County Board of Taxation. At the current time we are calculating total value of these assessment reductions and the potential loss of revenues. In CY 2012 there were more than 7,000 reductions of current assessments on top of 4,600 tax appeals at the county level in 2011. The effect of the 2012 tax appeals from these reductions equaled a net loss of \$405,904,000 of ratables and more than \$10 million of tax refunds. Since January 1, 2007, the City's ratable base has declined from \$9,388,617,000 to \$8,505,986,000 a loss of more than \$882,631,000 taxable ratables. The effect of the calendar year 2013 ratable loss will be felt by the tax payers in the first half of calendar year 2014.

Collection Rate Decline

In addition to the declining ratable base over the last four fiscal years, the City's current tax collection rate has dropped by more than 5% from 98.74% to 93.52% thereby increasing our reserve for uncollected tax appropriation by more than \$8,259,000. It can be said that the decline in the City's collection rate is attributed to the ever increasing tax levy burden on the citizens of the City of Paterson. In addition, the declining collection of current taxes has increased

our delinquent taxes and tax title lien receivable balances. Four years ago the City's delinquent taxes and lien balance was \$2,573,000. By June 30, 2013 this balance increased to \$10,719,000.

Conclusion

The fiscal integrity of the City of Paterson is at risk, now more than ever. We propose that if the Transitional Aid grant was fixed at a sum adequate to eliminate the City's budgetary deficit, which hovers at approximately \$30 million, that the City of Paterson would be able to strike a well balanced budget annually for the foreseeable future!

V-B. Alternate Eligibility

Not Applicable			
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Application Year SFY 2014	Municipality: Paterson	County: Passaic
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Demonstration of Revenue Loss/Substantial Cost Increase

Complete Part 2 if eligibility was not met in Part 1. Show: (1) specific, extraordinary revenue losses, but not as the aggregate of many revenue line items; and (2) specific, extraordinary increases in appropriations, but not as the aggregate of many appropriation line items. Describe the item on the cell below each entry. If applicable, indicate in the description of the extraordinary increase in expenditure if the increase was the result of a policy decision made by the municipality (i.e. a back-loaded debt service schedule, deferred payment, costs associated with additional hires, etc.)

Revenue or Appropriation	2012 Value	2013 Value	Amount of Loss/Increase
Description:	Not Applicable		
Description:			

V-C. Actions to Reduce Future Need for Aid

Detail the steps the municipality is taking to reduce the need for aid in the future. Include details about long-term cost cutting and enhanced revenue plans, impact of new development, potential for grants to offset costs, and estimated short and long-term annual savings. Use additional pages if necessary. (Items included in a Transition Plan submitted by a current recipient need not be repeated here.)

STEPS

1. Suspend overtime work and remuneration of same for non-essential work by mandating monthly forecasts compared to actual from each City department head and statutory agency head. Any exception(s) shall require the express approval of the Mayor or his designee. Via Executive Order of the Mayor.
2. Prohibit and restrict all non-essential spending of any other expenses which are not set by an annual contract by mandating monthly forecasts compared to actual from each City department head and statutory agency head. Any exception(s) shall require the express approval of the Mayor or his designee. Via Executive Order of the Mayor.
3. Commenced the third year of a four year plan which phases in a 100 % increase in the Municipal Sewer User Charges.
4. Vacant positions created by attrition shall remain vacant and the duties and responsibilities shall be restructured for future fiscal years, thereby eliminating non-essential positions.
5. Increase City Inspector activities, particularly regarding vacant buildings and land. Require monthly activity reports of activity production against assignments. Review outcome for possibility of entering a shared service agreement for Licensed inspector services from County or other municipalities.
6. Contract negotiations with all non-uniformed bargaining units (for three years ending 2014) to be settled in short term.
7. Commenced Year 2 of 3 Year Solid Waste contract on April 1st, with continued savings.
8. Intragovernmental work assignment with Legal, Insurance and Administration to review the general liability and workers compensation claims and related attorney fees to reduce and contain costs. Focus to commence with an inventory of all cases assigned and status report.
9. Prepare property list to conduct an In Rem Foreclosure sale of City owned properties.
10. Prepare property list of City owned liens to conduct a Bulk Lien Assignment Sale.
11. Conduct regular meetings with Special Events groups (parades, carnivals, etc.) in order to properly assess the costs associated with the event and charge to the organization, as permitted by City ordinance.
12. Review of services provided by City for fee revisions and/or creation.
13. Hire consultant engineer to review the sewer utilization and outflows from contiguous municipalities and non-profits to identify fee revisions and potential new customers.

V-D. Discussion of Health Benefits

The City prepared RFPs for the solicitation of an Insurance Consultant/Broker in the last fiscal year, and successfully appointed same. Currently, the City has the RFPs outstanding for the solicitation of the City's Prescription, Hospital/Medical and Dental Plans. One of the requirements of the costing of these services is to compare the costs to those of the State Health Benefits Plan, as a means to minimize costs, if applicable.

Since last year, the City was able to implement Chapter 78 provisions on all eligible city employees. In so doing, our reimbursement increased by 44%, or \$670,000 over last fiscal year 2013. Additionally, we incorporated a formal Employee Benefit Election form so all employees sign off that they have correctly chosen their Medical/Dental benefits.

We continue to benefit from subsidies offered by the Federal Government. We prepare the annual applications for Retiree Drug Subsidies from the Center for Medicare and Medicaid (Part D). We qualify for this program because we provide prescription coverage to our "Medicare Eligible" retirees. In addition, we have applied for another program, the "Early Retirement Reinsurance Program" for subsidies made available for the early retirees (ages 55-64) who receive our insurance coverage. Once Federal funds are available, we should receive this benefit.

VI. Historical Fiscal Statistics

Item	2012	2013	Introduced Application Year
1. Property Tax/Budget Information			
Municipal tax rate	\$1.4709	\$1.5697	\$1.7756
Municipal Purposes tax levy	\$135,000,000	\$139,886,458	\$151,034,240
Municipal Open Space tax levy	\$0	\$0	\$0
Total general appropriations	\$235,030,223	\$237,744,028	\$241,655,961
2. Cash Status Information			
% Of current taxes collected	95.16%	93.52%	%
% Used in computation of reserve	97.28%	96.09%	95.19%
Reserve for uncollected taxes	\$6,038,137	\$8,567,478	\$11,198,176
Total year end cash surplus	\$0	\$0	
Total non-cash surplus	\$227,201	\$734,849	
Year-end deferred charges	\$3,726,675	\$0	
3. Assessment Data			
Assessed value (as of 7/1)	\$9,178,236,215	\$8,911,890,115	\$8,505,985,737
Average Residential Assessment	\$351,000	\$341,000	\$322,000
Number of tax appeals granted	7,622	5,000	
Amount budgeted for tax appeals	\$0	\$0	\$0
Refunding bonds for tax appeals	\$3,300,000	\$0	\$ To be determined
4. Full time Staffing Levels			
Uniformed Police - Staff Number	363	368	399
Total S&W Expenditures	\$41,450,252	\$36,127,706	\$39,324,880
Uniformed Fire - Staff Number	297	331	341
Total S&W Expenditures	\$29,286,916	\$30,007,952	\$31,976,778
All Other Employees - Staff Number	765	804	1,049
Total S&W Expenditures	\$26,787,529	\$27,466,947	\$34,874,936
5. Impact of Proposed Tax Levy			
			Amount
Current Year Taxable Value			8,505,985,737
Introduced Tax Levy			151,034,240
Proposed Municipal Tax Rate	1.7756	Average Res. Value (#4 above)	322,000
Current Year Taxes on Average Residential Value (#4 above)			5,717
Prior Year Taxes on Average Residential Value (based on avg. assess. 341,000)			5,352
Proposed Increase in average residential taxes			365

VII. Application Year Budget Information

A. Year of latest revaluation/reassessment

2007

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%		
\$14,976,170		
	x	
\$0		
		x
\$0		

C. List the five largest item appropriation increases:

Appropriation	Prior Year Actual	Application Year Proposed	\$ Amount of Increase
Police Personnel S&W	39,266,596	42,332,209	3,065,613
Municipal Debt Service	7,397,858	8,583,578	1,185,720
Insurance	37,018,489	42,149,571	5,131,082
Reserve for Uncollected Taxes	8,567,478	11,198,176	2,630,698
DPW S&W	10,109,336	11,156,920	1,047,584
Deferred Charges – Special Emergency	1,374,000	2,248,000	874,000

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
First year	151,301,779	67,082,464	26,000,000	104,765,789	139,618,454
Second year	157,335,850	69,027,855	24,000,000	106,861,105	143,520,600
Third year	163,507,865	71,029,662	22,000,000	108,998,327	147,539,200

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.	x	

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. 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	FY2012	FY2010	FY2011	FY2011
Average percentage increase	2%	3.75%	3.5 & 4.0%	4%
Last contract settlement date	3/11	7/09	8/08	
Contract expiration date	6/30/2012	7/31/2010	6/30/2011	

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)				
Furloughs were implemented during SFY 2011 and SFY 2012. The benefits derived produced insignificant cost savings and major productivity disruptions.				
Wage Freezes (describe below)				
The City has presented this element of cost savings as part of the contract negotiation process for non-uniformed personnel.				
Layoffs (describe below)				

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There are no layoff plans considered for SFY 14. During SFY 11, there were massive layoffs of Police personnel and others.

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 <u>tax assignment</u> sale held: Date:	5/31/13	
3. On what dates were tax delinquency notices sent out in 2013: Date:	9/24, 12/15, 4/15, 6/3	
4. Date of last tax sale: Date:	6/26/13	

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) <ul style="list-style-type: none"> The department is staffed with both civilian and uniformed employees. The city has a plan to fully civilinize the department. 		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:

2012:	\$24,924	2013:	\$32,485	Anticipated Application Year:	\$26,000
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2. List the instruments in which idle funds are invested:

Money Market Accounts	
NJ Cash Management fund	

- What was the average return on investments during SFY 2013?
- When was the last time fee schedules were reviewed and updated?
- The name and firm of the municipality's auditor?
- When was the last time the municipality changed auditors?

De minimis .10%
SFY 2012
Fred Tomkins, RMA of Donohue, Girona & Doria
2002 (Note: the City conducts an annual RFP process for selection of auditor)

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
Superior Officers Association (SOA)	6/30/2012	Preliminary discussions
Police Benevolent Association (PBA)	6/30/2012	Preliminary discussions

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Fire Chief Contract	TBD	Review in council committee
Fire Battalion Chiefs	2010	Ongoing negotiations
Fire Captains	2010	Ongoing negotiations
Deputy Fire Chiefs	2010	Ongoing negotiations
Paterson Firefighters Association	2010	Ongoing negotiations
White Collar Supervisors Local 3474A	6/30/2014	N/A
DPW Blue Supervisors Local 3474	6/30/2011	Mediations scheduled 11/4, 11/14
DPW Blue Local 2272	6/30/2011	Mediations scheduled 11/4, 11/14
Free Public Library Local 3474B	6/30/2011	Mediations scheduled 11/4, 11/14
Free Public Library Local 2903	6/30/2011	Mediations scheduled 11/4, 11/14
White Collar Police Civilians, Municipal Court Employees Local 3724	6/30/2011	Mediations scheduled 11/4, 11/14
Division of Health Employees' Assoc. 430	6/30/2011	Mediations scheduled 11/4, 11/14
Police Motor Pool Local 76B	6/30/2011	Mediations scheduled 11/4, 11/14
Crossing Guards Local 74 (SEIU)	6/30/2012	Memorandum review in council committee
Police Chief Contract	TBD	Draft memorandum under review

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	<input checked="" type="checkbox"/>	No	2,467,741	The City falls into a below-average socioeconomic profile.
Sewer Fees	<input checked="" type="checkbox"/>	Partially	3,000,000	An ordinance has been approved which phases in rate increase over a 4 year period to offset the budget shortfall. January 2014 will initiate year 3.
Water Fees	<input type="checkbox"/>			
Swimming Pool	<input checked="" type="checkbox"/>	No	Included above in recreation programs	The City falls into a below-average socioeconomic profile.
Uniform Construction Code	<input checked="" type="checkbox"/>	Yes		
Uniform Fire Code	<input checked="" type="checkbox"/>	Yes		
Land Use Fees	<input type="checkbox"/>			
Parking Fees	<input type="checkbox"/>			
Beach Fees	<input type="checkbox"/>			
Insert other local fees below:	<input type="checkbox"/>			

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)
Sewer manhole frame covers	Morris County Cooperative Pricing	\$42,750	2012-2013
Rock salt	Passaic County	\$253,000	2012-2013
Calcium chloride	Passaic County	\$5,838	2012-2013
Traffic paint	Morris County Cooperative Pricing	\$45,000	2012-2013
Garbage collection and disposal	Paterson Housing Authority	\$95,000	2012-2013
Paterson is the provider of services for the following:	Municipalities:		
Animal control	Haledon	12,000*	2012
	North Haledon	12,000*	2012
	*plus any overtime incurred.		
Ambulance service	Haledon, Prospect Park, William Paterson University	205,940	2012 & 2013

Paterson is the provider of services for the following: (continued)			
Public Health Administration	Hawthorne, Haledon, North Haledon, Woodland Park, Totowa & Prospect Park	71,059	2013
Health Education			Combined Total
Nursing Supervision			
Health Services Officer			
Flu Clinics			
Recreational Bathing Sanitary Inspector			
Campgrounds Sanitary Inspector			
Youth Camps Sanitary Inspector			
Occupational Health Services Inspector			
Public Health Nuisance Sanitary Inspector			
Control of Acute Communicable Disease- Public Health Nurse Provides Immunizations.			
Rabies			
Tuberculosis Control – Public Health Nurse			
Venereal Disease Control – Public Health Center, Social Hygiene.			
Infants & Preschool Children – Public Health Nurse			
Lead Poisoning Control – Public Health Nurse			
Lead Poisoning Control – Public Health Nurse			
Improved Pregnancy Outcome – Public			

Health Nurse			
Paterson is the provider of services for the following: (continued)			
Diabetes Control – Public Health Nurse			
Heart & Circulatory Disease – Public Health Nurse			
Health for Older Adults – Public Health Nurse			
Aids Prevention – Health Educator			
Paterson provides grant administration services for the Ryan-White Grant Program	For Bergen/Passaic County through various non-profit agencies.	3,754,878	2013/2014
Paterson is a provider of gasoline for:	The Paterson Parking Authority	18,000	2010
HUD Housing Assistance Qualification & Process	Paterson Housing Authority	100,000	2013

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	2013 Full Time Staffing	2014 Full Time Staffing	\$ Amount to be Saved
1	Statutory & Community Development	212	4/28/14	210	212	968,909
1	Human Services & Legal	98	4/28/14	105	98	691,412
1	Public Works, Administration & Finance	410	4/28/14	393	410	2,375,294
1	General Government, Police & Fire	1,069	4/28/14	1,044	1,069	11,603,897
	Total	1,789		1,752	1,789	15,639,512

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

Rank Order	Service	Cost Savings	Impact on Services
1	Statutory & Community Development	175,625	Other expense
1	Human Services & Legal	137,437	Health, nursing & legal
1	Public Works, Administration & Finance	904,844	Parks, recreation, auto maintenance, traffic, water & sewer, public buildings

1	General Government, Police & Fire	9,116,637	Health insurance, liability, worker compensation insurance, elections, other expenses
1	Unclassified	2,281,847	Solid waste, utilities, gasoline
	Total	12,616,390	

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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	

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

The undersigned certify that the municipality is in substantial compliance with the conditions and requirements of the 2013 MOU and is moving in good faith to correct those area of noncompliance that have been identified, including, but not limited to, the following: establishment of a pay to play ordinance; termination of longevity pay for officers and employees not contractually entitled to longevity pay; termination of health benefits for part time officers and employees; receipt of signed approval forms as required prior to hiring personnel and contracting with professional service vendors.

Mayor: [Signature] Date: 10/31/13
 Chief Financial Officer: [Signature] Date: 10/24/13
 Chief Administrative Officer: [Signature] Date: 10/30/13

XIV. CAMPS Certification (County and Municipal Personnel System - Civil Service municipalities only)

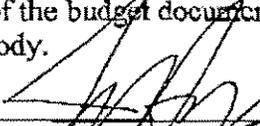
For Civil Service municipalities, the undersigned, being knowledgeable thereof, hereby certify that the municipality has placed the names of all current civil service employees in NJ "CAMPS"

Human Resources or Personnel Director: [Signature] Date: 10/31/13
 Chief Financial Officer: [Signature] Date: 10/24/13

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.

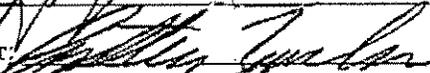
Mayor:



Date:

10/27/13

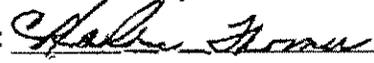
Chief Financial Officer:



Date:

10/31/13

Chief Administrative Officer:



Date:

10/31/13