



José "joey" Torres
Mayor

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October 21, 2014

Thomas Neff, Director
Division of Local Government Services
101 South Broad Street
Trenton, NJ 08625

Dear Director Neff:

I am writing this letter to you to respectfully request that the Division of Local Government Services consider the extraordinary needs of the taxpayers and citizens of the City of Paterson, and permit us to submit the SFY 2015 Transitional Aid Application with a request for an increase. Our current request exceeds SFY 2014 by \$4,000,000.

The need for additional aid is directly related to the annual budget deficit, which is \$7,600,000 for SFY 2015. The deficit is structural, and stems from the fact that the City's available and realizable revenues this year are less than the costs of providing the minimum, essential local government services for the same twelve month period.

We have made some very tough and mandatory decisions for the governance of this year, which began July 1st. We have cut services and reduced costs, and still we have a gap. We have steadily increased revenues besides our property taxes each year. In fact, in 2015 the City will complete a four year cycle of increased sewer rates that doubled during the last four years.

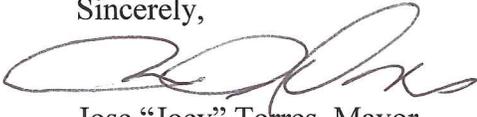
Our application requests an amount of \$27,000,000 to assist us in ameliorating the SFY 2015 budget gap, excluding any consideration of Transitional Aid, and a mandatory property tax increase of not more than the 2 % annual cap as calculated under the state formula.

Thomas Neff-DLGS
Submission of Transitional Aid Application FY 2015
10/21/14
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The City needs this aid. It improves the quality of services and the quality of life for our property owners, residents and visitors.

I thank you for your careful consideration and attention to our situation and I ask, again, that you are able to consider the extraordinary needs that confront the City of Paterson's taxpayers, residents and visitors.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jose Torres', written in a cursive style.

Jose "Joey" Torres, Mayor

Transitional Aid Application for Fiscal Year 2015
Division of Local Government Services
Department of Community Affairs

General Instructions: This application must be submitted in its entirety by September 30, 2014 for funding consideration under this program. Information contained in the application is subject to independent verification by DLGS. Refer to Local Finance Notice 2014-12 when preparing this application for specific instructions and definitions, and review the Submission Checklist on Page 7.

Name of Municipality: City of Paterson		County: Passaic
Contact Person: Nellie Pou		Title: Acting Business Administrator
Phone: 973-371-1370	Fax: 973-371-1372	E-mail: npou@patersonnj.org

I. Aid History

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

SFY 2014	SFY 2013	SFY 2012
\$23,000,000	\$22,370,000	\$21,000,000

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 Local Finance Notice 2014-12.

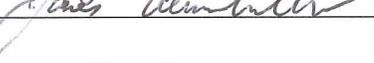
III. Submission Requirements

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
2014 Annual Financial Statement	9/15/2014
2013 Annual Audit	5/27/2014
2013 Corrective Action Plan	6/25/2014
Application Year Introduced Budget	9/30/2014
Budget Documentation Submitted to Governing Body	9/23/2014

IV. Application Certification

The undersigned herewith certify that they he or she has reviewed this application and, to his or her knowledge, believe the contents to be accurate true and represent it accurately portrays the circumstances regarding the municipality's fiscal practices and need for financial assistance. By submitting the application, the municipality acknowledges that the law provides that the decision of the Director regarding aid awards is final and not subject to appeal.

Official	Signature	Date
Mayor/Chief Executive Officer		
Governing Body Presiding Officer		10/19/14
Chief Financial Officer		10/17/14

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.

WHAT IS THE CITY'S BIGGEST OBSTACLE

As the SFY 2015 budget process commences, Paterson is facing a **BUDGETARY DEFICIT of \$7,600,000**. This deficit occurred from several cost factors which are not within the ability of the Administration to decrease or ameliorate further. Notwithstanding any additional support in state aid, the last resort is to burden the City's taxpayers by curing this deficit through property taxation. **In doing so, it would mean a 5.2 % increase in the SFY 2015 tax levy over last year.** Reported as an increase to the average City taxpayer, their tax bill would rise by almost \$340 for the billing year, or \$85 each quarter. Paterson's taxpayer's cannot pay their property bills as it is, never mind such an increase. The demographics in Paterson is most unique when contrasted to our sister urban cities. We are comprised mostly of residential properties.

WHAT WE WOULD LIKE TO ACCOMPLISH

It is prudent and in keeping with the spirit of our New Jersey property tax reform to limit the annual property tax levy increase to no more than 2 % over the prior year. In doing so, the City would be limited to a cap of \$2,850,000 to balance the SFY 2015 budget. **Then, we would see that the average City taxpayer's bill would increase \$130 for the billing year, or \$33 each quarter.**

Put simply, we still have miles to go to solve the gap of the remaining \$4,750,000.

WHAT WE HAVE DONE THUS FAR

Here are the results of the rigorous efforts we made to limit all operating costs and to maximize all available revenue sources :

We imposed a cap of 1.5% on SFY 2015 salary and wage increases. Our operating salaries are substantial at approximately \$102 million. However, with available grants to offset some of these, our net increase to salaries this year is slightly more than \$1.1 million.

Our health benefit costs were contained this year by a variety of changes, including a change from self-funded to premium paid benefits for our retirees and their dependents. The actual costs would have been at least \$1.9 million greater, if not for these revisions.

We continue to maintain zero growth in the remaining other expenses. These limits require continuous oversight and retooling of very limited resources, covering such necessary items such as information technology, computer hardware and other office equipment.

WHAT IS THIS YEAR'S COST OF OUR BIGGEST OBSTACLE

Below are the main factors causing the **BUDGETARY DEFICIT of \$7,600,000:**

Health benefit costs for employees – UP \$2,800,000 over last year. **(This is after we consider the impact of savings to these costs from shifting retirees to a premium based plan)**

Workers' compensation costs – UP \$600,000 over last year. **(Our increase is due to specific caseload. We are implementing quality internal controls this year to include safeguards for work-related injuries)**

Bond principal payments – UP \$1,000,000 over last year. **(Debt deferral arrangements approved two-three years ago are now due)**

Bond interest payments – UP \$1,200,000 over last year **(The interest on the deferred debt naturally increased, too)**

Application Year: SFY 2015	Municipality: Paterson	County: Passaic
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BAN interest payments – UP \$570,000 over last year **(The City increased its short term debt borrowings in the prior fiscal year, thereby increasing the interest costs this year)**

Reserve for Uncollected Taxes – UP \$2,905,000 over last year **(In spite of using a three year averaging of the tax collection rate, largely due to the enormous amount of ratables lost causing taxes to be uncollected)**

PFRS Retroactive amount is \$2,310,902.

Transition Aid Revenue anticipated – DOWN \$1,150,000 from last year **(The required 5% reduction of Transition Aid received in SFY2014)**

WHAT IS DRIVING OUR STEADY DECLINE

In the last fiscal year, Paterson refunded more than \$9,000,000 in successful tax appeals. The appeal process shows no sign of tapering off. On top of the refunded tax payments, the City continues to lose its ability to collect revenues through the property abandonment or foreclosure process:

- In 2011, 75 properties were foreclosed.
- In 2012, 207 properties were foreclosed
- In 2013, 413 properties were foreclosed
- In 2014 thus far, 193 properties were foreclosed

When you consider that these properties are not paying taxes, on average \$1.4 million each year, the aggregated loss could measure as much as \$12 million during the past three years. As the City loses a ratable to a foreclosure, it is a rare case that the property taxes are paid currently by the mortgage holder or even resold to a new owner. Hence, many neighborhoods throughout the City are experiencing vacant properties that bring more crime and deepen the urban blight syndrome. What this means in the long-term is that the City will find it harder, even impossible, to recover its taxable asset base. Once this happens, the recovery is slow at best and can take decades. We need to arrest this problem before it strangles the City. We need the continued support from the State, and insist that particular attention to the need for additional support be given very serious consideration.

WHAT DOES THE NEXT FISCAL YEAR LOOK LIKE TODAY

In our SFY 2015 Municipal Budget, at BS3b-2, we explained the structural problems faced in the current budget, which will have a larger impact in the next several budget years. **We will start SFY 2016 with at least a budget gap of \$6.8 million due to lost grants or revenues!!**

The expiration of our grant in aid for our public safety uniformed personnel, starting with the Federally funded COPS grant of \$538,000 **(this grant provides for 6 police officers, on duty currently)**

Next year, we will roll into our costs of operations for our firefighters in excess of \$5 million due to the expiration of the SAFER grant **(which covers the employment of almost 50 firefighters, currently on duty)**

SFY 2015 is the final year of a four year phase in of a doubling of our sewer charges to our property owners **(when we start the budget process on July 1, 2015, we have at least \$1.3 million gap since the revenue spike ends this year)**

WHAT WE NEED FROM THE STATE

So, while this narrative is meant to provide a rationale as to why the City of Paterson needs to not only receive 100% of the grant it received in SFY 2014, we truly are in dire need of an additional sum, bringing our request to a sum of \$27,000,000.

V-B. Demonstration of Revenue Loss/Substantial Cost Increase

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	2014 Value	2015 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. Enacted capital ordinance to provide funds to resurface citywide streets impacted by storm damage and neglect. This will provide the city with working capital of \$35 million to complete the resurfacing project within the city's 8 square miles.
2. 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.
3. 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.
4. Commenced the final year of a four year plan which phases in a 100 % increase in the Municipal Sewer User Charges.
5. 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.
6. 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.
7. Contract negotiations with all non-uniformed bargaining units (for three years ending 2014) to be settled in short term.
8. Commenced final year of 3 Year Solid Waste contract on April 1st, with continued savings.
9. Intra-governmental 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.
10. Prepare property list to conduct an In Rem Foreclosure sale of City owned properties.
11. Prepare property list of City owned liens to conduct a Bulk Lien Assignment Sale.
12. 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.
13. Review of services provided by City for fee revisions and/or creation and to ensure fees are matched with the cost of the service provided.
14. 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

Skip this section if using SHBP. If not using SHBP, explain why the health benefit plan being used is cheaper, or what reasons exist for failing to move to SHBP. Additionally, list all brokers (primary broker, all co-brokers, and sub-brokers) together with their compensation for the current and prior two fiscal years. Compensation must be disclosed in this section whether provided directly by the municipality or as a commission from the insurance provider. It is the municipality's right, and obligation, to determine whether the broker is compensated with commission in order to fully complete this section. If commissions are being earned, provide both how the commission is calculated (percentage of premium or self-insurance) and the actual \$ value of the commission received in each year.)

The initial process of remediating the health benefits for city employees began with a solicitation and appointment of a consultant to evaluate the various component costs of benefits (medical for employees and retirees/dependents; prescription; dental) by way of a Request for Proposal process, and compare the aggregate cost results to those under a similar State Health Benefit Plan ("SHBP").

The cost comparison revealed that the City's aggregate anticipated self-funded cost is roughly equivalent to the SHBP Horizon Direct 10 plan, both with and without costs for Medicare-eligible retirees, and is 3%-5% lower than the cost of the SHBP Aetna Freedom 10 plan.

In addition to determining the pure premium cost of SHBP participation, Paterson also had to calculate costs of terminating its self-funded plan, which include:

- Potential grievance procedures filed by Paterson's unions
- Incurred and unreported claim liability estimated between \$5.5 and \$6 million
- Current claim funding liability estimated between \$3 and \$4 million

After completing this process, the City has implemented changes to its plan that will result in potential savings as follows:

Medical administrative fees	\$ 112,000
Medicare Advantage utilization	\$1,046,000
Prescription Benefit management	\$ 976,000
Dental	<u>\$ 50,000</u>
Total potential savings	\$2,184,000

Also included in the revised plan is an Employee Health Management Initiative ("Wellness") for the City's active employees and their dependents. Horizon Blue will assist the employees in completing personal and confidential medical assessments and indices as well as provide educational seminars routinely in promoting the Wellness program. These initiatives are

designed to enable the City to yield lower costs of benefits provided.

Another internal management element of cost containment the City utilizes is the annual application to the Federal government for Retiree Drug subsidies from the Center for Medicare and Medicaid (Part D). The city qualifies because we provide prescription coverage to our "Medicare Eligible" retirees.

VI. Historical Fiscal Statistics

Item	2013	2014	Introduced Application Year
1. Property Tax/Budget Information			
Municipal tax rate	\$ 1.5697	\$1.7082	\$1.88170
Municipal Purposes tax levy	\$ 139,886,458	\$145,302,249	\$152,897,007
Municipal Open Space tax levy	\$ 0	\$0	\$0
Total general appropriations	\$ 237,744,028	\$245,725,734	\$252,211,587
2. Cash Status Information			
% Of current taxes collected	93.52%	93.89%	%
% Used in computation of reserve	96.09%	95.19%	94.19%
Reserve for uncollected taxes	\$ 8,567,478	\$10,922,467	\$13,828,447
Total year end cash surplus	\$ 0	\$1,933,102	
Total non-cash surplus	\$ 734,849	\$943,344	
Year end deferred charges	\$ 0	\$800,000	
3. Assessment Data			
Assessed value (as of 7/1)	\$ 8,911,890,115	\$8,505,985,737	\$8,193,089,625
Average Residential Assessment	\$ 341,000	\$322,000	\$305,679
Number of tax appeals granted	5,000	5,000	
Amount budgeted for tax appeals	\$ 0	\$0	\$0
Refunding bonds for tax appeals	\$ 1,400,000	\$3,300,000	\$ to be determined
4. Full time Staffing Levels			
Uniformed Police - Staff Number	368	399	399
Total S&W Expenditures	\$ 36,127,706	\$41,582,209	\$42,528,873.00
Uniformed Fire - Staff Number	331	331	331
Total S&W Expenditures	\$ 30,007,952	\$30,460,624	\$33,328,351
All Other Employees - Staff Number	804	825	1076
Total S&W Expenditures	\$ 27,466,947	\$25,689,585	\$24,857,062
5. Impact of Proposed Tax Levy			
			Amount
Current Year Taxable Value			8,193,089,625
Introduced Tax Levy			152,897,007
Proposed Municipal Tax Rate	1.88170	Average Res. Value (#4 above)	305,679
Current Year Taxes on Average Residential Value (#4 above)			5752
Prior Year Taxes on Average Residential Value (based on avg. asses. 322,000)			5,717
Proposed Increase in average residential taxes			35

VII. Application Year Budget Information

A. Year of latest revaluation/reassessment 2007

B. Proposed Budget – Appropriation 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	3.5%	
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 appropriation cap? If YES, amount:		x

C. List the five largest item appropriation increases:

Appropriation	Prior Year Actual	Application Year Proposed	\$ Amount of Increase
Municipal Debt Service	8,583,578	12,011,559	3,427,981
Deferred Charges – Emergency Authorizations	2,289,917	3,378,000	1,088,083
Insurance – Health Benefits and Workers Compensation	46,849,571	49,618,201	2,768,630
Reserve for Uncollected Taxes	10,922,467	13,828,447	2,905,980
Solid Waste Disposal Costs	7,276,752	7,505,867	229,115
Police & Fire Retirement System (“PFRS”) Plus Retro **	16,229,702 0	16,472,158 2,310,902	242,456 2,310,902

**Retro Fire Year 2008 & 2009 / Police Year 2008, 2009, 2010 & 2011

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

Department/Agency	Position	Number	Dollar Amount

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	151,034,240	77,423,485	23,000,000	106,861,105	143,520,600
Second year	163,507,865	71,029,662	22,370,000	108,998,327	147,539,200
Third year	157,335,850	69,027,855	24,000,000	106,861,105	143,520,600

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 not, be prepared to discuss why not in your application meeting.	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
	FY2012	FY2010	FY2011	FY2011
Year of last salary increase				
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	6/30/2011	6/30/2011	

2) Explain, if any, actions that 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.				

Application Year: SFY 2015	Municipality: Paterson	County: Passaic
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Layoffs (describe below)				
There are no layoff plans considered for SFY 2015. During SFY 11, there were massive layoffs of Police personnel and others.				

D. Tax Enforcement Practices:

Question	Yes	No
1. Did the municipality complete its accelerated tax sale by June 30 December 31 , if included in SFY 2014 budget? If not, please include a letter from the tax collector explaining why he/she failed to complete the sale in a timely manner and what the impacts were on cash flow and lost investment earnings.	X	
2. When was the last foreclosure action taken or tax assignment sale held: Date:	6/6/14	
3. On what dates were tax delinquency notices sent out in SFY 2014: Date:	30 days post quarter And prior to tax sale in accordance with statutes.	
4. Date of last tax sale: Date:	6/26/14	

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:

2013	\$32,485	2014	\$24,900	Anticipated Application Year:	\$24,900
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2. List the instruments in which idle funds are invested:

Money Market Accounts	
NJ Cash Management Fund	
s	

3. What was the average return on investments during SF2014?

4. Left Blank Intentionally

5. The name and firm of the municipality's auditor?

6. When was the last time the municipality changed auditors?

De minimis, less than .20%
Fred Tomkins, RMA of Donohue, Gironde & Doria
2002 (Annual RFP process for auditor is performed prior to selection)

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
Fire Chief Contract	TBD	Preliminary discussions
Fire Battalion Chiefs	6/30/2010	Ongoing negotiations
Fire Captains	6/30/2010	Ongoing negotiations
Deputy Fire Chiefs	6/30/2010	Ongoing negotiations
Paterson Firefighters Association	6/30/2011	Ongoing negotiations
White Collar Supervisors Local 3474A	6/30/2014	Preliminary discussions
DPW Blue Supervisors Local 3474	6/30/2014	Preliminary discussions
DPW Blue Local 2272	6/30/2014	Preliminary discussions
Free Public Library Local 3474B	6/30/2011	Ongoing negotiations
Free Public Library Local 2903	6/30/2014	Preliminary discussions
White Collar Police Civilians, Municipal Court Employees Local 3724	6/30/2014	Preliminary discussions
Division of Health Employees' Assoc. 430	6/30/2014	Preliminary discussions
Police Motor Pool Local 76B	6/30/2014	Preliminary discussions
Crossing Guards Local 74 (SEIU)	6/30/2014	Preliminary discussions
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.

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	\$2,487,000	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 2015 will initiate year 4 and final phase in.
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	2013-2014
Rock salt	Passaic County	\$253,000	2013-2014
Calcium chloride	Passaic County	\$5,838	2013-2014
Traffic paint	Morris County Cooperative Pricing	\$45,000	2013-2014
Garbage collection and disposal	Paterson Housing Authority	\$95,000	2013-2014
Paterson is the provider of services for the following:	Municipalities:		
Animal control	Haledon	12,000*	2014
	North Haledon	12,000*	2014
	*plus any overtime incurred.		
Ambulance service	Haledon, Prospect Park, William Paterson University	205,940	2013-2014

Paterson is the provider of services for the following: (continued)				
Public Health Administration	Hawthorne, Haledon, North Haledon,	71,059	2013-2014	
Health Education	Woodland Park, Totowa & Prospect Park	Combined Total	2013-2014	
Paterson provides grant administration services for the Ryan-White Grant Program	For Bergen/Passaic County through various non-profit agencies.	3,097,922	2014/2015	

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	Imposition of an Overall Furlough (exceptions are to Public Safety Department, uniformed and non-uniformed personnel)	600	2/1/2015			Less than \$1 million

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

Rank Order	Service	Cost Savings	Impact on Services
2	General Layoff	\$7M	The layoffs would be enforced on non-uniformed personnel due to constraints of grant agreements. The number of positions, with an average annual salary of \$30,000 would require the City to cut 233 for a full year, or 466 for a half year. Imputing the costs of self funded unemployment insurance would add 50 or 100 employees, respectively, bringing the required minimum layoff positions to 283 or 566. The impact on services would be chaotic and compromise essential services, such as public health, welfare and safety.

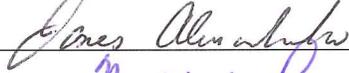
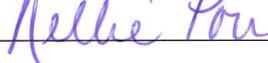
XII. Agreement to Improve Financial Position of Municipality

If aid is granted, the municipality will be required to submit to certain reporting conditions and oversight as authorized by law and a new 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 new Memorandum of Understanding and comply with all its provisions, without exception.	X	

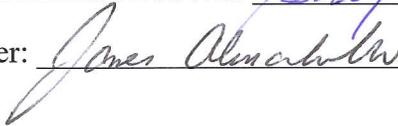
XIII. Certification of Past Compliance for Municipalities Currently Operating Under a Transitional Aid MOU:

The undersigned certify that the municipality is in substantial compliance with the conditions and requirements of the 2014 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:  Date: _____
 Chief Financial Officer:  Date: 10/17/14
 Chief Administrative Officer:  Date: _____

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

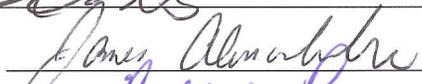
For Civil Service municipalities, the undersigned, being knowledgeable thereof, hereby certify that the municipality has placed the names of all current civil service employees in NJ "CAMPS".

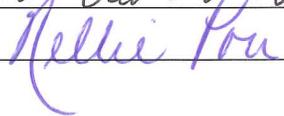
Human Resources or Personnel Director:  Date: _____
 Chief Financial Officer:  Date: 10/17/14

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: _____

Chief Financial Officer:  Date: 70/17/14

Chief Administrative Officer:  Date: _____