

Transitional Aid Application for Calendar Year 2016
Division of Local Government Services
Department of Community Affairs

General Instructions: This application must be submitted in its entirety by March 21, 2016 for funding consideration under this program. Information contained in the application is subject to independent verification by the Division. Refer to Local Finance Notice 2016-4 when preparing this application for specific instructions and definitions, and review the Submission Checklist on Page 7 of the Local Finance Notice.

Name of Municipality: Town of Harrison		County: Hudson	
Contact Person: Paul J. Zarbetski		Title: Town Clerk/Attorney	
Phone: (973) 268-2447	Fax: (973) 484-4571	E-mail: pjzarbetski@townofharrison.com	

I. Aid History

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

CY 2015	CY 2014	CY 2013
\$1,600,000	\$1,950,000	\$1,950,000

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:	\$1,360,000
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If not seeking a decrease, a letter from the Mayor is required. See Local Finance Notice 2016-4.

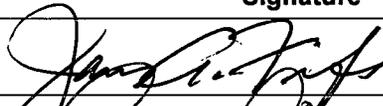
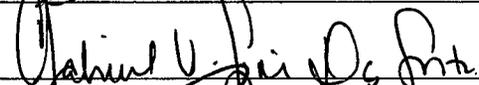
III. Submission Requirements

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
2015 Annual Financial Statement	February 10, 2016
2014 Annual Audit	June 22, 2015
2014 Corrective Action Plan	July 14, 2015
Application Year Introduced Budget	March 1, 2016
Budget Documentation Submitted to Governing Body	March 1, 2016

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		3-18-16
Governing Body Presiding Officer		3-18-16
Chief Financial Officer		3-18-16
Chief Administrative Officer TOWN CLERK		3-18-16

V-A. Explanation of Need for Transitional Aid

Explain the circumstances that require the need for Transitional Aid in narrative form. Include factors that result in a constrained ability to raise sufficient revenues to meet budgetary requirements, and if such revenues were raised, how it would substantially jeopardize the fiscal integrity of the municipality.

See Letter from Mayor James A. Fife

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	2015 Value	2016 Value	Amount of Loss/Increase
Revenue	\$ 500,000	\$ 255,000	\$ 245,000 Loss
Description:	BOE Administrative In-Kind reimbursement		
Revenue	\$ 140,000	\$ -0-	\$ 140,000 Loss
Description:	Heller MOU expired/terminated		
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.)

See Letter from Mayor James A. Fife

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 or risk manager, 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.

<p>N/A</p>

VI. Historical Fiscal Statistics

Item	2014	2015	Introduced Application Year
1. Property Tax/Budget Information			
Municipal tax rate	\$3.622	\$3.670	\$3.778
Municipal Purposes tax levy	\$18,239,543	\$18,449,364.65	\$18,748,576.98
Municipal Open Space tax levy	\$ N/A	\$ N/A	\$ N/A
Total general appropriations	\$39,800,505.43	40,537,411.53	\$41,075,378.06
2. Cash Status Information			
% Of current taxes collected	99.99%	99.94%	%
% Used in computation of reserve	98.50%	98.50%	98.50%
Reserve for uncollected taxes	\$520,060	\$523,220	\$533,050
Total year end cash surplus	\$993,044	\$1,044,325.24	
Total non-cash surplus	\$21,987	\$22,236.99	
Year end deferred charges	\$146,000	\$73,000	
3. Assessment Data			
Assessed value (as of 1/10)	\$503,475,484	\$502,679,323	\$496,257,649
Average Residential Assessment	\$148,124	\$150,614	\$151,397
Number of tax appeals granted	16	36	
Amount budgeted for tax appeals	\$150,000	\$150,000	\$161,000
Refunding bonds for tax appeals	\$ N/A	\$ N/A	\$ N/A
4. Full time Staffing Levels			
Uniformed Police - Staff Number	38	38	38
Total S&W Expenditures	\$4,319,500	\$5,403,500	\$5,669,000
Uniformed Fire - Staff Number	29	29	29
Total S&W Expenditures	\$3,561,025	\$3,670,575	\$3,974,000
All Other Employees - Staff Number	77	77	77
Total S&W Expenditures	\$5,318,275	\$4,557,685	\$4,751,230
5. Impact of Proposed Tax Levy			
			Amount
Current Year Taxable Value			496,257,649
Introduced Tax Levy			18,748,576,98
Proposed Municipal Tax Rate	3.778	Average Res. Value (#3 above)	151,397
Current Year Taxes on Average Residential Value (#3 above)			5,719.77
Prior Year Taxes on Average Residential Value			5,527.53
Proposed Increase in average residential taxes			192.23

VII. Application Year Budget Information

A. Year of latest revaluation/reassessment	1986
A1. Most current equalized ratio	44.72

B. Proposed Budget – Appropriation Cap Information

	Yes	No
1. Was an appropriation cap index rate ordinance adopted last year? If YES: % that was used	X	
3.5%		
2. Amount of appropriation cap bank available going into this year		
\$1,809,043.69		
3. Is the Application Year budget at (appropriation) cap? If NO, amount of remaining balance		X
\$1,730,255.38		
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
Fire Salaries & Wages	\$3,670,575	\$3,974,000	\$303,425
Police Salaries & Wages	\$5,403,500	\$5,669,000	\$265,500
Employee Group Health Insurance	\$6,136,000	\$6,258,720	\$122,720
PFRS Pension Payment	\$1,990,852	\$2,073,922	\$83,070
PERS Pension Payment	\$627,145	\$703,635	\$76,490

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

Department/Agency	Position	Number	Dollar Amount

Application Year: CY 2016	Municipality: Harrison	County: Hudson
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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	Please see attached	worksheets	for three year	Projections.	
Second year	Please see attached	worksheets	for three year	Projections.	
Third year	Please see attached	worksheets	for three year	Projections.	

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? If so, please identify system being used. MUNIDEX	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.		

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	2015	2015	2015	
Average total cost percentage increase	2%	2%	2%	%
Last contract settlement date	06/21/2013	06/21/2013	06/21/2013	
Contract expiration date	12/31/2015	12/31/2015	12/31/2015	

Application Year: CY 2016	Municipality: Harrison	County: Hudson
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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)				
See Letter from Mayor James A. Fife				
Wage Freezes (describe below)				
See Letter from Mayor James A. Fife				
Layoffs (describe below)				
See Letter from Mayor James A. Fife				

D. Tax Enforcement Practices:

Question	Yes	No
1. Did the municipality complete its accelerated tax sale by December 31, if included in 2015 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:	1996	
3. On what dates were tax delinquency notices sent out in 2015: Date:	02/23; 05/18; 08/17; 11/17	
4. Date of last tax sale: Date:	12/15/2015	

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:

2014	\$3,248	2015	\$3,696.64	Anticipated Application Year:	\$1,000
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2. List the instruments in which idle funds are invested:

New Jersey Cash Management	
Various Approved Checking Accounts	
Various Approved Certificates of Deposit	

Application Year: CY 2016	Municipality: Harrison	County: Hudson
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- 3. What was the average return on investments during 2015?
- 4. Left Blank Intentionally
- 5. The name and firm of the municipality's auditor?
- 6. When was the last time the municipality changed auditors?

.10%
Joseph J. Faccione Samuel Klein & Company
30 Plus Years

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
Harrison Civil Service Association	12/31/2015	In Negotiation
Harrison Fire Benevolent Association	12/31/2015	In Negotiation
Harrison Police Benevolent Associations 22/22A	12/31/2015	In Negotiation
Harrison Department Heads Association	12/31/2015	In Negotiation
Harrison Police Chief	12/31/2015	In Negotiation

H. Tax Abatements. Please provide a detailed discussion of any short-term or long-term tax abatements that are currently in place or are currently being negotiated including the following information:

Project Name/Property	Type of Project	2015 PILOT Billing	2015 Assessed Value	2015 Taxes If Billed in Full at 2015 Total Tax Rate	Term of Tax Abatement
Port Authority of NY & NJ	Other	84,392.			
Harrison Waterfront URE	Commercial	170,000	7,900,000	553,553.	20
River Park @ Harrison 1 URE	Commercial/Residential	1,184,069	25,029,829	1,753,840	20
Harrison Bldg. 1 URE	Commercial/Residential	768,052	14,643,750	1,026,087	30
ARC SPHRSNJ001	Commercial/Residential	88,896	1,771,500	124,129	30

Harrison Hotel 1 URE	Commercial	176,237	13,650,000	956,455	30
River Park @ Harrison 1 URE – Water’s Edge	Residential	452,492	9,517,500	666,891	30

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 though 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	√	Yes		
Sewer Fees	√	***See Below		
Water Fees	√	***See Below		
Swimming Pool	<input type="checkbox"/>			
Uniform Construction Code	√	Yes		
Uniform Fire Code	√	Yes		
Land Use Fees	√	Yes		
Parking Fees	√	Yes		
Beach Fees	<input type="checkbox"/>			
Insert other local fees below:	<input type="checkbox"/>			
Land Use Escrow fees for in-house staff	√	No		
Land Use Escrow fees for independent contractors	√	Yes		
Water/Sewer Utility Fees	***	Yes	\$890K	Temporary Structural Deficit due to 2007 Debt Restructuring which ends this year. Current Rates are Commensurate/Higher than surrounding towns. Raising rates in excess of 30% for a temporary deficit is not feasible. Will continue to review rates for future increases.

Section XI – Impact of Limited or No Aid Award

Describe in complete detail the actual 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	2014 Full Time Staffing	2015 Full Time Staffing	\$ Amount to be Saved
	See Letter from Mayor James A. Fife					

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

Rank Order	Service	Cost Savings	Impact on Services
	See Letter from Mayor James A. Fife		

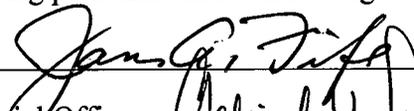
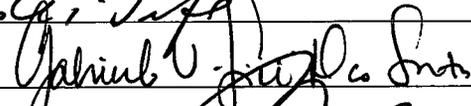
XII. Agreement to Improve Financial Position of Municipality

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	

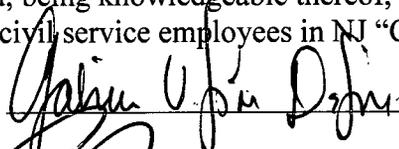
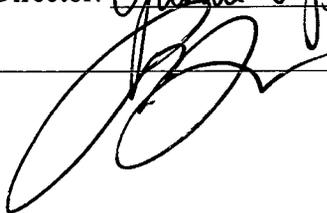
XIII. Certification of Past Compliance for Municipalities Currently Operating Under a Transitional Aid MOU:

The undersigned certify that the municipality is in substantial compliance with the conditions and requirements of the 2015 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: 3-18-16
 Chief Financial Officer:  Date: 3-18-16
 Chief Administrative Officer:  Date: 3-18-16
 Town Clerk

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

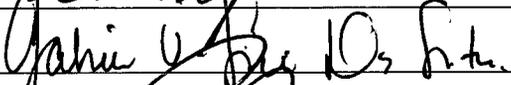
For Civil Service municipalities, the undersigned, being knowledgeable thereof, hereby certify that the municipality has placed the names of all current civil service employees in NJ "CAMPS".

Human Resources or Personnel Director:  Date: 3-18-16
 Chief Administrative Officer:  Date: 3-18-16
 Town Clerk

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: 3-18-16

Chief Financial Officer:  Date: 3-18-16

Chief Administrative Officer:  Date: 3-18-16
Town Clerk

**TOWN OF HARRISON
TRANSITIONAL AID APPLICATION
CALENDAR YEAR 2016**

<u>APPENDIX</u>	<u>DESCRIPTION</u>
A	Letter from Mayor James A. Fife
B	2016 Introduced Budget
C	2016 Budget Documentation Submitted to Governing Body
D	Three Year Projections
E	2014 Corrective Action Plan
F	2015 Unaudited Financial Statement
G	2016 Organization Chart
H	Debt Service Schedules
I	Salary Ordinances & Labor Contracts
J	Vehicle List