Transitional Aid Application for Fiscal Year 2018
Division of Local Government Services
Department of Community Affairs

General Instructions: This application must be submitted in its entirety by October 13, 2017 for funding consideration under this program. Information contained in the application is subject to independent verification by the Division. Refer to Local Finance Notice 2017-17 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:**	Business Administrator
Phone:	973-321-1370	**Fax:**	973-321-1372	**E-mail:**	npou@patersonnj.gov

I. Aid History

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

SFY 2017	SFY 2016	SFY 2015
$25,250,000	$25,000,000	$25,000,000

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**

If not seeking a decrease, a letter from the Mayor is required. See Local Finance Notice 2015-19.

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
2017 Annual Financial Statement	8/10/2017
2016 Annual Audit	7/17/2017
2016 Corrective Action Plan	10/23/2017
Application Year Introduced Budget	To be intro'd 11/1/2017
Budget Documentation Submitted to Governing Body	To be submitted 10/30/2017

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 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	[illegible]	10/27/17
Governing Body Presiding Officer	Lilia M Cotto	10/27/17
Chief Financial Officer	Margaret L. Chirone	10/27/17

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.

CITY OF PATERSON'S SFY 2018 BUDGET TO BE INTRODUCED WITH SIGNIFICANT ANTICIPATED SURPLUS OF $8,200,000

The City ended its SFY 2017 year with an increase of more than $8.5 million to its current fund surplus. The revenues performed quite well, contributing just about $6.75 million of the surplus. The rest of the surplus came in the form of cancellations of prior period spending reserves, which provided an overall net increase of $1.7 million.

The SFY 2018 budget process started with a similar mantra from the Governing Body as last year – there cannot be a property tax increase. The primary concerns are to balance the needs of providing municipal services to the community by maintaining a course of property tax stabilization.

We started the FY18 municipal budget process with a gap of approximately $15.6 million - $2 million resulted from less revenues and $13.6 million in increased operational costs. We are able to cover the increase largely from anticipating our miscellaneous revenues (licenses, fees, permits, court fees, ambulance fees, sewer charges, etc.) at the same level that we collected last year (totaling $129.3 million, including our delinquent tax receipts.) We have also anticipated surplus of $8.2 million. Finally, we are increasing the municipal tax levy by $3.8 million, which is an increase of 2.5% over last year.

Total miscellaneous revenues	$115,703,529
Receipts from delinquent taxes	$ 6,307,529
Surplus revenue	$ 8,200,000
Total miscellaneous revenues	$130,211,053
Total Amount to be raised by Taxation	$155,220,996
Total General Revenues - SFY 2018	$285,432,049

We have maximized our revenue potentials. In areas where we feel it might be difficult to realize what we collected last year, we are implementing strategies to target the desired outcomes. For example, in the area of delinquent tax collections, we have determined it essential to hold several tax sales, and increase the frequencies of mailing of delinquent tax notices and special notices for our lien holders. For the first time in many years, the City will be auctioning a large inventory of properties recently acquired through the In Rem foreclosure process.

On the spending side, we have evaluated every line item in every department and statutory agency in the process of finding areas to make cuts. We eliminated most vacant positions, and reduced all vacancies with waivers to a fraction of their true costs. All contracts were analyzed to ascertain any amounts that will not be incurred. The end result allowed us to make spending cuts in excess of $7.9 million.

In summary, the gap of $15.5 million was reduced by additional revenues of $2 million (In Rem auction), and cuts of $7.9 million. We have also maximized using our surplus balance, and propose an increase of $3.8 million in the municipal tax levy for FY2018. In this range of increase, the City meets the standard of raising taxes while maintaining a stable tax bill, from FY2017 to FY2018. This is the level at which the annual tax bill change from last year does not increase. We can only do this with an additional $2 million in Transitional Aid for FY2018. Thus, the City is submitting this year's application with a request for an increased aid award of $27,000,000.

Application Year: SFY 2018	Municipality: City of Paterson	County: Passaic

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	2017 Value	2018 Value	Amount of Loss/Increase
Description: Surplus			
Not available in FY 2018	$11,425,000	$8,200,000	-$3,225,000
Description:Ambulance Fees			
Not available in FY 2018	$3,863,657	$3,505,146	-$358,511
Description: UCC Fees			
Less redevelopment FY 2018	$2,288,997	$1,895,697	-$393,299
Description: Health Insurance			
$1.2M loss of SAFER grant	$50,000,000	$53,449,597	$3,449,597
Description: Workers Comp Insur			
Actual experience in claims	$4,900,000	$6,100,000	$1,200,000
Description: Liability Insurance			
Actual experience in claims	$3,900,000	$4,451,759	$551,759
Description: PERS/PFRS Estimated increase in costs FY18	$20,336,026	$21 105,899	$769,873

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.)

CITY OF PATERSON – ACTIONS TO REDUCE FUTURE NEEDS

1. **Health Insurance ($53,449,597)** – the City completed an extensive review of the terms of coverage under its own self-insured program and compared them to those provided by the New Jersey State Health Benefit Program. For the FY 2017, we found that we would save approximately $1.4 million by converting. Thus, we will use the months through April 2018 to see if there are any available ways to cut back our self-insured program costs. If not, the City will coordinate with the state to make a smooth transition to the NJSHBP during the October 2018 enrollment period. **PROJECTED SAVINGS IN THE FY 2019 BUDGET: $2.4 million to $5 million**

2. **Fire Salaries ($38,923,292)**- the SAFER grant, a 3 year new hire program, expired in FY2018. We lost the benefit of more than $2 milllion in cost savings as a result. The federal government has revised the program, incorporating language to permit an application under a retention program. We expect to file an application, and possibly receive the award letter in early 2018. **PROJECTED SAVINGS IN THE FY 2019 BUDGET: $2 million**

3. **Sewer Revenues ($12,246,054)** – the City is in the end stages of completing a sewer rate study, the objective of which was to compile data to sufficiently bill the rate payers for the costs of the entire sewer operations of the City. In addition to the City's tax-paying entities, these increased revenues will come from the growing tax exempt entities in the City and the six tributary towns tied into our sewer system. Ultimately, the City needs to recapture its fair share from the latter groups so that not only the tax paying entities bear the costs through taxation. The current estimated amount to be shared is approximately $6 million, and growing each year. **PROJECTED INCREASE IN REVENUES IN THE FY 2019 BUDGET: $1.5 million**

4. **Fee Restructuring (TBD)**- the City will be updating all of its fee ordinances, as well as implementing new ones. One new area is the sewer connection fees. The Economic Development department, together with the Tax Assessor Office, will be completing the process and presenting the ordinance to the City Council. **PROJECTED INCREASE IN REVENUES IN THE FY 2019 BUDGET: $0.75 million**

The overall structural savings in FY 2019, with the combined revenue increases and cost savings described above, will yield an approximate $6.5 million to $9.175 million.

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.

City of Paterson Health Benefits

There are several major components to review when comparing the City of Paterson (COP) self-insured medical and prescription program to the NJ State Health Benefits Plan (NJSHBP). These components include Cost Analysis, Impact on Collective Bargaining Units, and Budgetary Funding and Cash-flow Considerations.

1) **Cost Analysis** - The City of Paterson recently completed an in-depth cost comparison of the City's plan versus the NJSHBP as well as a review of the level of service compared to the current level of benefits in the City's self-insured plan. Claims paid for City of Paterson vs. NJSHBP were reviewed for a 4 year period from FY 2014 through FY 2017. In reviewing Claims Paid vs. NJSHBP premiums, the cost savings varied from year to year with FY 2014 and FY 2017 showing a cost savings would have been realized with the NJSHBP and in FY 2015 and FY 2016, the costs were less staying with the COP's self-insured plan. We compared the City of Paterson FY 2017 Claims paid to the projection of the NJSHBP for FY 2018. The state plan shows a preliminary savings of $4.5 million. This savings is reduced by $3.1 million for retiree reimbursements of prescription copays to be a $1.4 million net true cost savings.

   The medical and prescription drug plan design covers three categories of employees:

   A) Active employees (1,384 contracts)

   B) Early retirees (363 contracts)

   C) Medicare Eligible retirees (541 retirees, 730 Medicare Advantage contracts)

2) **Impact on Collective Bargaining Units** - The level of benefits was reviewed. Since the Collective Bargaining Units of the City have lower copays for prescription drugs, all of our retiree contract copays would have to be honored. This would result in a $3.1 million cost to reimburse the retirees for the difference in copays. The Aetna Medicare Advantage plan for the COPY has no copays, the NJSHBP does. On average, there were 11,000 office visits in 2017 which result in at a minimum, an $110,000 reimbursement to retirees for these office visits.

There are additional costs associated with potential grievance procedures, arbitrations and legal proceedings that will be brought by Paterson's unions for situations when the NJSHBP is not "equal to or better" than the City of Paterson plan. Even the highest PPO plan offered in the NJSHBP, the Direct 10 plan, does not have comparable out-of-network benefits to those offered in the current COP medical plan. The NJSHBP is based on 80% of Fair Health (Reasonable & Customary) for out-of-network claims and the City of Paterson PPO Plan uses 90% of Fair Health (R&C). The SHBP has no Traditional Plan. This means more out-of-pocket expense for members if we go to the NJSHBP.

3) **Budgetary Funding and Cash-flow Considerations** – There is a cash flow cost associated with terminating the COP's self-insured plan. The run-out liability is estimated to be $10.8 million based on 2 ½ months of claims. Historically, our high uncollected taxes present cash shortages at different points in the year. Being self-insured give us some flexibility with our cash flow situation. Current unpaid medical and prescription claims can be as high as $2.5 - $3 million at any point in time. The City does not have a plan or the ability to incur these costs in FY 2018 or FY 2019.

   The City of Paterson currently utilizes Brown & Brown and IMAC as our Health Insurance Consultant instead of a broker. The City of Paterson entered into a contract for an annual flat fee in the amount of $160,000 per year. The flat fee is paid by the City of Paterson to the consultants on a monthly basis.

Summary

In the City of Paterson's opinion, the cost savings analyzed, was not a compelling savings to make a switch to the NJ State Health Benefits Plan for the October 2017 enrollment period. The City continues to pursue other cost savings measures through our self-insured plan because it is a never-ending process to stay competitive with the NJSHBP. We intend to wrap up this evaluation by March 31, 2018. If the cost savings projections of the self-insured program is inadequate, the City will commence the process of converting to the NJSGBP in time for the October 2018 enrollment period.

VI. Historical Fiscal Statistics

Item	2016	2017	Introduced Application Year
1. Property Tax/Budget Information			
Municipal tax rate	$2.640	$2.782	$2.6245
Municipal Purposes tax levy	$154,637,232	$149,280,705	$149,232,544
Municipal Open Space tax levy	$0	$0	$0
Total general appropriations	$276,532,831	$274,931,166	$236,540,091
2. Cash Status Information			
% Of current taxes collected	97.88%	95.69%	%
% Used in computation of reserve	92.85%	n/a %	n/a %
Reserve for uncollected taxes	$15,663,522	$10,382,273	$10,400,924
Total year end cash surplus	$11,677,471	$7,404,135	
Total non-cash surplus	$120,499	$1,533,126	
Year end deferred charges	$13,999	$ n/a	
3. Assessment Data			
Assessed value (as of 7/1)	$5,756,156,146	$5,686,403,428	$5,686,403,428
Average Residential Assessment	$192,500	$185,023	$185,023
Number of tax appeals granted	492 (667 appeals filed)	n/a	
Amount budgeted for tax appeals	$0	$0	$0
Refunding bonds for tax appeals	$2,079,749	$1,085,000	$0
4. Full time Staffing Levels			
Uniformed Police - Staff Number	403	419	418
Total S&W Expenditures	$41,753,764	$43,845,613	$42,696,996
Uniformed Fire - Staff Number	372	372	375
Total S&W Expenditures	$32,158,202	$38,961,469	$37,255,213
All Other Employees - Staff Number	887	807	845
Total S&W Expenditures	$27,923,410	$28,639,556	$24,911,998

20145. Impact of Proposed Tax Levy

			Amount
Current Year Taxable Value			5,686,403,428
Introduced Tax Levy			$151,378,398
Proposed Municipal Tax Rate	$4.16	Average Res. Value (#3 above)	$185,023
Current Year Taxes on Average Residential Value (#3 above)			$7,696.96
Prior Year Taxes on Average Residential Value			$7,988.01
Proposed Increase in average residential taxes			(291.05) decrease

VII. Application Year Budget Information

A. Year of latest revaluation/reassessment: 2014

B. Proposed Budget – Appropriation Cap Information

Item		Yes	No
1. Was an appropriation cap index rate ordinance adopted last year?		x	
If YES: % that was used	3.5%		
2. Amount of appropriation cap bank available going into this year	$1,125,837		
3. Is the Application Year budget at (appropriation) cap?			x
If NO, amount of remaining balance	$694,981		
4. Does the Application Year anticipate use of a waiver to exceed the appropriation cap?			x
If YES, amount:	$		

C. List the five largest item appropriation increases:

Appropriation	Prior Year Actual	Application Year Proposed	$ Amount of Increase
HEALTH INSURANCE	50,000000	53,449,597	3,449,597
POLICE SALARIES	44,857,882	46,405,938	1,548,056
WORKERS COMPENSATION INSUR	4,900,000	6,100,000	1,200,000
GENERAL LIABILITY INSURANCE	3,900,000	4,451,759	551,759
PERS/PFRS	20,336,026	21,105,899	769,873

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

Department/Agency	Position	Number	Dollar Amount
NA			

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	151,374,716	127,488,334	25,250,000	111,659,617	173,772,432
Second year	156,813,075	118,704,535	24,505,000	101,835,736	173,682,234
Third year	152,897,007	99,314,580	21,850,000	102,104,871	150,117,440

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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.		

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	X Medicare Advantage

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	FY18	FY18	FY18	FY18 *
Average percentage increase	2%	2%	2%	2%
Last contract settlement date	04/21/2017	08/04/2016	10/08/2016	
Contract expiration date	07/31/2019	07/31/2019	06/30/2019	

* *excludes Municipal Department Heads, FY2011 last year of increase*

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)	NA	NA	NA	NA
Wage Freezes (describe below)	NA	NA	NA	NA
The contracts settled in 2016 and 2017 negotiated givebacks in the form of wage freezes (1st two years) and eliminated certain retroactive payments. In FY2018, the final one-half of the retroactive payments is being made.				
Layoffs (describe below)				
The City is merging the Telecommunications/Dispatch operations into one Division within the Police Department. All employees shall meet the CJIS guidelines. If they don't, they shall be laid off.				

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D. Tax Enforcement Practices:

Question	Yes	No
1. Did the municipality complete its accelerated tax sale by June 30, if included in 2017 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:	Foreclosure action 8/25/17 Tax Assignment sale 6/22/17	
3. On what dates were tax delinquency notices sent out in 2017: Date: 6/5/17 AND 6/19/17		
4. Date of last tax sale: ACCELERATED SALE Date:	6/29/17	

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:

2016	$27,826.71	2017	$40,124.32	Anticipated Application Year:	$40,124.32

2. List the instruments in which idle funds are invested:

TD Bank money market/Cash Management fund	

3. What was the average return on investments during SFY2017?	0.25%
4. Left Blank Intentionally	
5. The name and firm of the municipality's auditor?	Donohue Gironda & Doria CPAs
6. When was the last time the municipality changed auditors?	2002/every year RFPs done

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
Dispatcher/Telecommunicators	June 30, 2014	In Negotiations
Crossing Guards	June 30, 2016	Close to Ratification
Police	July 31, 2019	Completed
Fire	July 31, 2019	Completed
Library	June 30, 2019	Completed
White Collar	June 30, 2019	Completed
White Collar Supervisor	June 30, 2019	Completed
Department of Health	June 30, 2019	Completed
Police Motor Pool	June 30, 2014	Mediation

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	2017 PILOT Billing	2017 Assessed Value	2017 Taxes If Billed in Full at 2016 Total Tax Rate	Term of Tax Abatement
ASPEN HAMILTON		$ 88,353.00	$ 3,447,600.00	$ 143,420.00	40 years
BELMONT 2007		$ 21,867.00	$ 4,954,300.00	$ 206,099.00	30 years
BROOKE SLOATE		$164,875.00	$ 11,760,000.00	$ 489,216.00	15 years
COLT ARMS		$277,482.00	$ 13,570,000.00	$ 564,512.00	50 years
CONGDON MILLS		$ 85,423.00	$ 3,736,200.00	$ 155,426.00	25 years
COOKE BLDG ASSOC		$ 14,076.00	$ 3,358,300.00	$ 139,705.00	30 years
FEDERATION APTS		$201,509.00	$ 12,803,000.00	$ 532,605.00	50 years
GOV PAT TOWERS I, II AND III		$574,207.00	$ 19,415,500.00	$ 807,685.00	50 years
RIESE MADISON		$ 75,287.00	$ 5,027,900.00	$ 209,161.00	50 years
INCCA CARROLL ST		$162,171.00	$ 9,800,000.00	$ 407,680.00	50 years
INCCA TRIANGLE VILLAGE		$176,556.00	$ 14,561,600.00	$ 605,763.00	50 years
JACKSON SLATER					

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		$208,670.00	$ 4,160,000.00	$ 173,056.00	50 years
PATERSON HOUSING AUTHORITY		$118,443.00	$181,022,080.00	$7,530,519.00	VAR. ABATE
446-460 E 19TH ST		$ 18,486.00	$ 2,985,900.00	$ 124,213.00	30 years
SHELTERING ARMS		$ 18,046.00	$ 4,669,500.00	$ 194,251.00	30 years
BELMONT/McBRIDE TOWERS		$ 21,561.00	$ 4,555,300.00	$ 189,500.00	30 years
N MAIN SCATTERED		$ 24,300.00	$ 8,973,200.00	$ 373,285.00	30 years
HOPE 98 BEECH ST.		$ 34,780.00	$ 2,304,800.00	$ 95,880.00	30 years
HOPE VAN HOUTEN		$ 15,488.00	$ 4,030,200.00	$ 167,656.00	30 years
RISING DOVE		$ 31,854.00	$ 5,076,100.00	$ 211,166.00	40 years
GREAT FALLS		$228,600.00	$ 7,928,200.00	$ 329,813.00	20 years
CHRISTOPHER HOPE 99'		$113,418.00	$ 1,721,000.00	$ 71,594.00	30 years
HERITAGE ALEXANDER HAM.		$103,696.00	TBD	TBD	90 years
504 MADISON AVE		$154,495.00	$ 6,885,400.00	$ 286,433.00	50 years

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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 for details)

S&W Line Item	Prior Year Actual	Application Year Proposed	Explanation of Change
Police and Fire SW			Contract period runs through FY 2018. Still seeing impact of less than 2% on average Salary increase.
All Departments & Statutory Agencies			All vacant positions were removed from the FY 2018 budget. In the case of vacancies with waivers, only fractions of the actual annual salaries remain intact. CUT $4,411,486 from requested amounts.

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
All Departments & Statutory Agencies			Required all departments to reduce or eliminate operational costs, where available, from prior year. Only essential spending was permitted to remain. CUT $3,552,212 from requested amounts.

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	X	NO		THE CITY'S SOCIO-ECONOMIC PROFILE IS BELOW POVERTY.
Sewer Fees	X	PARTIALLY	APPROXIMATELY $3 MILLION	A LOO% INCREASE OVER 4 YEARS WAS IMPOSED ON ALL RATE PAYERS, FINALIZED IN FY 2016.
Water Fees	☐			
Swimming Pool	X	NO		THE CITY'S SOCIO-ECONOMIC PROFILE IS BELOW POVERTY.
Uniform Construction Code	X	YES		STATUTORY
Uniform Fire Code	X	YES		STATUTORY
Land Use Fees	☐			
Parking Fees	☐			
Beach Fees	☐			
Insert other local fees below:	☐			

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)*
Purchase of Rock Salt	Passaic County Cooperative	$338,460.00	2016
Garbage Collection and Disposal	Paterson Housing Authority	$110,000.00	2016
Lease/Purchase of 17 Police Vehicles	Cranford Cooperative Contract #14-CPCPS	$537,739.20 @ payments of $44,811.60	2016
Purchase of (1) 3.5 HD 32 Yard Rear Loader	National Joint Power Alliance	$208,142.00	2016
Lease/Purchase of (1) New Pierce Arrow XT 95 Mid Mount Platform Tower Aerial Device Apparatus	Houston – Galveston Area Council Contract FS12.15	$1,239,970.00 @ $105,210.96 per year	2016
Lease/Purchase of (2) New Demers Type -1 F-450 M x P 150 4x4 Ambulances	Houston – Galveston Area Council Contract	$415,874.00 @ $69,312.40 per year	2016
Lease/Purchase of (4) Tyco Model 600 Regenerative Air Sweepers	Houston – Galveston Area Council Contract	$909,800.00 @ $184,080.00 per year	2016

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	2015 Full Time Staffing	2016 Full Time Staffing	$ Amount to be Saved
1	Overall Furlough – Except for the Public Safety Department (both uniformed and civilian)	600	2/1/2108			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	Net $4 million	Federal Grants restrict access to Police and Fire uniformed layoffs. Average salary of $34,500 would require 147 F/T employees for Full Year and 294 employees for half year. These layoffs would create havoc and compromise all essential services (public health, safety and welfare)

II. 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 2017 MOU and is moving in good faith to correct those areas 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: 10/27/17

Chief Financial Officer: Margaret L. Cherone Date: 10/27/17

Chief Administrative Officer: Nellie Pou Date: 10/27/17

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: Ahly Levern Date: 10/27/17

Chief Financial Officer: Margaret L. Cherone Date: 10/27/17

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: 10/27/17

Chief Financial Officer: Margaret L. Cherone Date: 10/27/17

Chief Administrative Officer: Nellie Pou Date: 10/27/17