

**Transitional Aid Application for Calendar Year 2020**  
**Division of Local Government Services**  
**Department of Community Affairs**

**General Instructions:** This application must be submitted in its entirety by April 3, 2020 for funding consideration under this program. Information contained in the application is subject to independent verification by the Division. Refer to Local Finance Notice 2020-5 when preparing this application for specific instructions and definitions, and review the Submission Checklist on Page 7 of the Local Finance Notice.

<b>Name of Municipality:</b>		Township of Hillside		<b>County:</b>	Union
<b>Contact Person:</b>		Glynn Jones		<b>Title:</b>	CFO
<b>Phone:</b>	973-926-3002	<b>Fax:</b>		<b>E-mail:</b>	gjones@hillside.nj.us

**I. Aid History**

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

CY 2019	CY 2018	CY2017
\$0	\$0	\$0

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

<b>Amount of aid requested for the Application Year:</b>	<b>\$1,000,000.00</b>
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*If not seeking a decrease, a letter from the Mayor is required. See Local Finance Notice 2020-5*

**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
2020 Annual Financial Statement	
2019 Annual Audit	
2019 Corrective Action Plan	
Application Year Introduced Budget	
Budget Documentation Submitted to Governing Body	2/28/20

#### IV.A Application Certification

The undersigned herewith certify that they have reviewed this application and, individually, believes the contents to be true and accurately portray 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		4/3/2020
Governing Body Presiding Officer		4/3/20
Chief Financial Officer		4/3/20
Chief Administrative Officer		4/3/2020

#### IV.B CY2019 Transitional Aid Recipients Applying in 2020

CY2020 Municipalities operating under a Memorandum of Understanding ("MOU") must certify that they are in substantial compliance with all conditions and requirements of the MOU.

Official	Signature	Date
Mayor/Chief Executive Officer		
Governing Body Presiding Officer		4/3/20
Chief Financial Officer		4/3/20
Chief Administrative Officer		

N/A Transitional Aid not received in 2019

**V-A. Explanation of Need for Transitional Aid**

Explain the circumstances that warrant 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 jeopardize the fiscal integrity of the municipality.

The Township has not increased taxes to coincide with ever increasing expenses in several years. The tax levy was higher in 2014 (\$29,442,267) than it was in 2019 (\$28,446,921.48). For the first time in several years, the Township will significantly increase taxes to properly fund appropriations.

The Fire Department's sworn table of organization is 48. We are currently at 36. 8 additional new hires would be ideal. The 2020 budget anticipates 4 new hires. The new hires are needed to curb overtime and maintain optimal coverage.

**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 in 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	2019 Value	2020 Value	Amount of Loss/Increase
Revenue	\$6,182,383.91	\$878,403.91	\$5,303,980.00
<b>Description:</b>	Council amended budget presented by the Administration and used Surplus to balance the 2019 budget to avoid having a tax increase.		
<b>Description:</b>			
<b>Description:</b>			
<b>Description:</b>			
<b>Description:</b>			
<b>Description:</b>			
<b>Description:</b>			
<b>Description:</b>			
<b>Description:</b>			

**V-C. Actions to Reduce Future Need for Aid**

Detail the steps the municipality is taking to reduce the need for future aid. Include details about shared services and consolidation, 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.

These steps should demonstrate initiatives taken to bring structural balance to the Municipality's finances and shall include, but are not limited to the following:

*Use additional pages if necessary*

- Efforts to bring economic development to the Municipality; and
- A plan to constrain or reduce staffing costs through collective negotiation, attrition, consolidation, restructuring, or other personnel actions; and
- A plan to eliminate, reduce or constrain the costs of non-essential services and activities; and
- A plan to maximize recurring revenues, including, as appropriate: updating fees, fines and penalties; maximizing enforcement of delinquencies; and selling surplus land and property; and
- A plan to address findings contained in various audits, investigations, and reports with respect to the Municipality, including municipal audits, applicable State Comptroller and State Auditor reports and audits, federal program audits, and other audits as identified by the Director

To increase our tax base, the Township is planning to take the follow actions:

- Foreclose on properties to prepare for an auction of Township owned properties.
- Upon the awarding of a professional service contract to a professional planner, the Township will work on designating areas in need of redevelopment to attract to developers.

The Township intends to have an accelerated tax sale in 2020.

The Administration is discussing possible Shared Services with the County of Union for Police 911 dispatch services. There is currently a shared service agreement with Union County for Fire and EMS dispatch services.

The Administration is researching privatizing school crossing guard services for the upcoming school year.

The Township is also contemplating selling our sewer system. Studies are currently being conducted by the Township Engineer.

The Township would like to have a revaluation completed within the next 2 years.

Many positions lost through attrition over the years have not been filled.

**V-D. Discussion of Health Benefits**

Skip this section if using SHBP. If not using SHBP, explain why the municipality's current health benefits plan is cheaper, or what other reasons exist to reject this alternative. 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.

## VI. Historical Fiscal Statistics

Item	2018	2019	Introduced Application Year
<b>1. Property Tax/Budget Information</b>			
Municipal tax rate	\$3.114	\$3.115	\$3.283
Municipal Purposes tax levy	\$27,818,720.82	\$27,831,221.70	\$29,313,194.48
Municipal Open Space tax levy	\$	\$	\$
Total general appropriations	\$44,705,558.62	\$46,806,882.07	\$43,893,901.03
<b>2. Cash Status Information</b>			
% Of current taxes collected	95%	96%	%
% Used in computation of reserve	95%	96.03%	96%
Reserve for uncollected taxes	\$3,356,645.00	\$2,719,645.00	\$800,000.00
Total year end cash surplus	\$6,182,383.91	\$878,403.91	
Total non-cash surplus	\$	\$	
Year end deferred charges	\$829,840.05	\$	
<b>3. Assessment Data</b>			
Assessed value (as of 1/10)	\$890,477,072.00	\$893,334,601.00	\$892,787,082.00
Average Residential Assessment	\$121,500.00	\$121,536.00	\$121,650.00
Number of tax appeals granted	7	11	
Amount budgeted for tax appeals	\$10,000.00	\$10,000.00	\$10,000.00
Refunding bonds for tax appeals	\$	\$	\$
<b>4. Full time Staffing Levels</b>			
Uniformed Police - Staff Number	60	67	66
Total S&W Expenditures	\$8,150,000.00	\$7,966,500.00	\$8,125,830.00
Uniformed Fire - Staff Number	42	39	36
Total S&W Expenditures	\$5,955,000.00	\$6,012,800.00	\$6,192,300.00
All Other Employees - Staff Number	153	154	155
Total S&W Expenditures	\$5,645,444.74	\$5,431,520.19	\$5,581,250.59
<b>5. Impact of Proposed Tax Levy</b>			
			<b>Amount</b>
Current Year Taxable Value			\$892,787,082.00
Introduced Tax Levy			\$29,313,194.48
Proposed Municipal Tax Rate	3.283	Average Res. Value ( #4 above)	\$121,650.00
Current Year Taxes on Average Residential Value (#4 above)			\$3,993.77
Prior Year Taxes on Average Residential Value			\$3,789.40
Proposed Increase in average residential taxes			\$204.37

**VII. Application Year Budget Information**

A. Year of latest revaluation/reassessment	1998
A1. Most current equalized ratio	48.34%

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		
\$1,372,812.65		
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
Garbage Collection	\$1,900,000.00	\$2,200,000.00	\$300,000.00
PFRS	\$3,398,478.00	\$3,465,335.00	\$66,857.00
Fire S & W	\$5,837,800.00	\$6,013,800.00	\$176,000.00
Police S & W	\$7,966,500.00	\$8,125,830.00	\$159,330.00
Engineering OE	\$175,000.00	\$250,000.00	\$75,000.00

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

Department/Agency	Position	Number	Dollar Amount
Fire	Firefighter	4	\$140,000.00



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:

	<b>Tax Levy</b>	<b>Local Revenues</b>	<b>Transitional Aid</b>	<b>Total S&amp;W</b>	<b>Total OE</b>
<b>First year</b>	<b>\$29,899,458.37</b>	<b>\$4,972,230.00</b>	<b>\$900,000.00</b>	<b>\$20,297,368.20</b>	<b>\$14,277,268.39</b>
<b>Second year</b>	<b>\$30,497,447.54</b>	<b>\$5,021,952.30</b>	<b>\$800,000.00</b>	<b>\$20,703,315.57</b>	<b>\$14,562,813.76</b>
<b>Third year</b>	<b>\$31,107,396.49</b>	<b>\$5,072,171.82</b>	<b>\$700,000.00</b>	<b>\$21,117,381.88</b>	<b>\$14,854,070.03</b>

**VIII. Financial Practices**

A. Expenditure controls and practices:

<b>Question</b>	<b>Yes</b>	<b>No</b>
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. <b>MUNIDEX</b>	X	
6. Does the municipality operate the general public assistance program?		X
7. Are expenditures controlled centrally (Yes) or de-centrally by dept. (No)?	X	
8. At any point during the year are expenditures routinely frozen?	X	
9. Has the municipality adopted a cash management plan?	X	
10. Have all negative findings in the prior year's audit report been corrected? If not, be prepared to discuss why not in your application meeting.		X

B. Risk Management: Indicate ("x") how each type of risk is insured.

<b>Coverage</b>	<b>JIF/HIF</b>	<b>Self</b>	<b>Commercial</b>
General liability	X		
Vehicle/Fleet liability	X		
Workers Compensation	X		
Property Coverage	X		
Public Official Liability	X		
Employment Practices Liability	X		
Environmental	X		
Health	<b>SHBP</b>		
	X		

C. 1) Salary and Employee Contract Information (when more than one bargaining unit for each category, use average):

<b>Question</b>	<b>Police</b>	<b>Fire</b>	<b>Other Contract</b>	<b>Non-Contract</b>
Year of last salary increase	2019	2019	2019	
Average total cost percentage increase	0%	0%	%	%
Last contract settlement date	2019	2010		
Contract expiration date	2020	2013		

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)				
Wage Freezes (describe below)				
Layoffs (describe below)				

D. Tax Enforcement Practices:

Question	Yes	No
1. Did the municipality complete its accelerated tax sale by December 31, if included in 2019 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: <span style="float: right;">Date:</span>	2015	
3. On what dates were tax delinquency notices sent out in 2019: <span style="float: right;">Date:</span>	10/24/19	
4. Date of last tax sale: <span style="float: right;">Date:</span>	12/13/19	

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:

2018	\$238,000.00	2019	\$213,000.00	Anticipated Application Year:	\$213,000.00
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2. List the instruments in which idle funds are invested:

Interest bearing bank accounts	

3. What was the average return on investments during 2019?

1%
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4. Left Blank Intentionally

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

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6. When was the last time the municipality changed auditors? 1998

G. Status of Collective Negotiation (Labor) Agreements: List each labor agreement by employee group, contract expiration date, and the status of negotiations of expired contracts.

Employee Group	Expiration Date	Status of Negotiations of Expired Agreement
FMBA LOCAL 35	6/30/2013	In negotiations
LOCAL 255, USWU, IUJAT - PUBLIC WORKS UNIT	6/30/2013	In negotiations
FOP LODGE #160	6/30/2017	Pending negotiations
FMBA LOCAL 235	6/30/2017	Pending negotiations
LOCAL 22, USWU, IUJAT – CLERICAL UNION	6/30/2017	In negotiations
FOP 82	6/30/2020	
OFFICE & PROFESIONAL EMPLOYEES INTERNATION UNION, AFL-CIO LOCAL 32 – CROSSING GUARDS	6/30/2020	
COMMUNICATION WORKERS – DISPATCHERS	6/30/2021	

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	2019 PILOT Billing	2020 Assessed Value	2020 Taxes If Billed in Full at 2019 Total Tax Rate	Term of Tax Abatement
Gargiulo Urban		\$82,435.08	\$7,500,000.00	\$570,900.00	15 years
North Broad Auto		\$130,733.25	\$3,605,405.00	\$274,443.43	15 years
North Broad II		\$50,918.38	\$4,792,362.00	\$364,794.60	15 years

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

Application Year: **CY2020** Municipality: **Top of Hillside** County: **Unim**

**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
Group Insurance Plan	\$7,717,779.30	\$6,400,000.00	Switch to SHBP

**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"/>	yes	No subsidy	Fees should be increased
Sewer Fees	<input checked="" type="checkbox"/>	yes		
Water Fees	<input type="checkbox"/>			
Swimming Pool	<input type="checkbox"/>			
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"/>			
Land Use Escrow fees for in-house staff	<input type="checkbox"/>			
Land Use Escrow fees for independent contractors	<input checked="" type="checkbox"/>	yes		

**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)
Health Officer	County of Union	\$23,000.00	2020
Fire Dispatch	County of Union	\$44,325.00	

**Section XI – Impact of Limited or No Aid Award**

Describe in detail the impact if aid is not granted for the current fiscal year. Essential services needs should be given priority. 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 will make absent a grant of aid.**

Rank Order	Department	# of Layoffs	Effective Date	2019 Full Time Staffing	2020 Full Time Staffing	\$ Amount to be Saved

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

Rank Order	Service	Cost Savings	Impact on Services



**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 2019 MOU and is operating in good faith to correct those area of noncompliance that have been identified.

Mayor: \_\_\_\_\_ Date: \_\_\_\_\_

Chief Financial Officer: \_\_\_\_\_ Date: \_\_\_\_\_

Chief Administrative Officer: \_\_\_\_\_ Date: \_\_\_\_\_

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

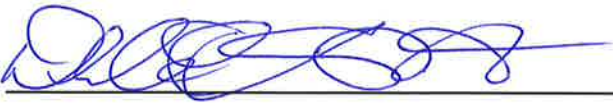
For Civil Service municipalities, the undersigned, being knowledgeable thereof, hereby certify that the municipality has placed the names of all current civil service employees in NJ "CAMPS."

Human Resources or Personnel Director: \_\_\_\_\_ Date: \_\_\_\_\_


Chief Administrative Officer:  \_\_\_\_\_ Date: 4/3/2020

**XV. CERTIFICATION OF APPLICATION FOR TRANSITIONAL AID**

The undersigned acknowledges the municipality must comply with the foregoing requirements to receive Transitional Aid. In addition, included with this application is a copy (printed or electronic) of the budget documentation supporting the budget calculation that was provided to the governing body.

Mayor:  Date: 4/3/2020

Chief Financial Officer:  Date: 4/3/20

Chief Administrative Officer:  Date: 4/3/2020