

**Transitional Aid Application for Calendar Year 2026
and Fiscal Year 2027**

**Division of Local Government Services
Department of Community Affairs**

General Instructions: This application must be submitted in its entirety by February 27, 2026, for CY 2026 applicants and September 25, 2026, for FY 2027 applicants for funding consideration under this program. Information contained in the application is subject to independent verification by the Division of Local Government Services (DLGS). Refer to Local Finance Notice 2026-03 when preparing this application for specific instructions and definitions and review the Submission Checklist on page 19 of this application.

Name of Municipality:	Borough of Seaside Heights	County:	Ocean
Contact Person:	Christopher Vaz	Title:	Borough Administrator
Phone:	732-793-9100	Fax:	N/A
E-mail:	administrator@seaside-heightsnj.org		

I. Aid History

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

FY 2026 / CY 2025	FY 2025 / CY 2024	FY 2024 / CY 2023
\$448,801	\$528,009	\$621,187

II. Aid Request for Application Year

If not seeking a decrease, a letter from the Mayor is required. See Local Finance Notice 2026-03.

Amount of aid requested for the Application Year:	\$2,200,000
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III. Submission Requirements

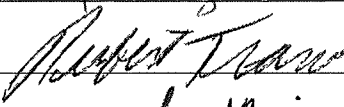
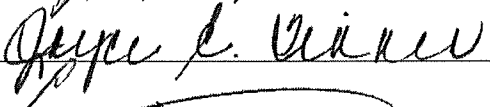
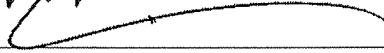
The following items must be submitted with or prior to the submission of this application. Indicate the date of submission of each.

Item	Date Submitted to DLGS
2026 Annual Financial Statement	TBD
2025 Annual Audit	TBD
2025 Corrective Action Plan	TBD
Application Year Introduced Budget	TBD
Budget Documentation Submitted to Governing Body	TBD

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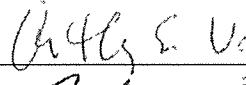
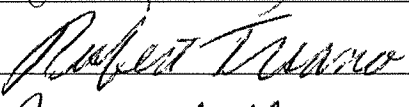
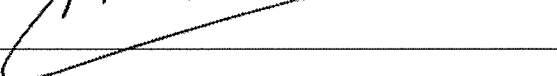
IV. A. Application Certification

The undersigned herewith certify that they have reviewed this application and, individually, believe 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 an aid award is final and not subject to appeal.

Official	Signature	Date
Mayor/Chief Executive Officer		02/26/2026
Governing Body Presiding Officer		02/26/2026
Chief Financial Officer		02/26/2026
Chief Administrative Officer		02/26/2026

B. Transitional Aid Recipients Applying in CY2026 / FY2027

Municipalities operating under a MOU must certify that they are in substantial compliance with all conditions and requirements of the MOU.

Official	Signature	Date
Mayor/Chief Executive Officer		02/26/2026
Governing Body Presiding Officer		02/26/2026
Chief Financial Officer		02/26/2026
Chief Administrative Officer		02/26/2026

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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 would it jeopardize the fiscal integrity of the municipality?

1. Beach utility surplus was deleted from 2025 municipal budget at the direction DLGS budget reviewer. This resulted in the need to increase use of water utility, electric utility and current fund surpluses to support appropriations. Therefore, the same level of surplus is not available for 2026.

Water utility fund balance = \$1,565,191. Our draft budget anticipates using \$0 in the current fund.

Electric utility fund balance = \$1,311,592. Our draft budget anticipates using \$0 in the current fund.

Beach utility fund balance = \$1,007,391. Our draft budget anticipates using \$550,000 in the beach utility budget.

Also, it is important to note that the Borough's electric wholesale costs have substantially increased due to the capacity price problem. The Borough increased rates in 2025 and is monitoring the market for potential implementation of a new rate increase during the third or fourth quarters of 2026. In meantime, the utility is absorbing the wholesale rate increases to minimize impact on ratepayers.

2. As we have reduced appropriations over time, department heads have been spending their complete budgets. This has led to a significant reduction in appropriation reserves lapsing to surplus. With less "fat" in the budget there is less surplus.
3. The Borough faced an EMS crisis in 2025 when the longtime provider, Tri-Boro First Aid Squad, announced that it was unable to support its operations with the \$125,000 annual contribution permitted under N.J.S.A. 40:5-2. Seaside Heights engaged in a formal bid solicitation on behalf of itself, Seaside Park, and Berkeley Township, the three municipalities serviced by Tri-Boro First Aid Squad. Tri-Boro was the sole bidder. The contract is \$800,000 per year with Seaside Heights paying approximately 66% based on call volume. Seaside Park and Berkeley Township pay the balance to Seaside Heights under a shared services agreement. It is necessary to adjust our budget for the full \$800,000 because Seaside Heights is the lead agent under the shared services agreement. Seaside Heights direct share in 2026 is approximately \$528,000. The net annual increase for Seaside Heights is \$403,000.
4. Parking revenue in 2025 was down 29% compared to 2023 and 7.5% compared to 2024.
5. There are numerous and substantial state-mandated costs, such as all of the annual costs related to body worn cameras, that have been implemented without any source of state reimbursement. The body worn camera contract is \$107,055 in 2026

6. Health insurance premiums increased \$725,126.

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B. Demonstration of Revenue Loss/Substantial Cost Increase

Show: (1) specific, extraordinary revenue losses, but not as the aggregate of many revenues 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 expenditure increase if the increase resulted from 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	2024 Value	2025 Value	Amount of Loss/Increase
Description:	Water Surplus used to support current fund budget		
	\$750,000	\$1,787,500	\$1,037,500
Description:	Electric Surplus used to support current fund budget		
	\$750,000	\$1,787,500	\$1,037,500
Description:	Parking Meters		
	\$2,104,025	\$1,957,661	(\$146,364)
Description:	Hotel/Motel Tax		
	\$281,949	\$216,609	(\$65,339)
Description:			
Description:			
Description:			

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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, the impact of new development, the 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:

- 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.

Use additional pages if necessary

1. Economic Development

The Borough continues to meet with developers to pitch mixed use redevelopment of the Boulevard and residential construction opportunities on and off the Boulevard. Numerous "area in need of redevelopment" studies have been completed and approved. Unfortunately, two of the larger projects are having trouble with financing. The Borough terminated one of the redevelopment agreements and will soon be issuing a Request for Expressions of Interest.

We are also actively involved with "Gallery 619" on the Boulevard. This is an art incubator project that is financed, in large part, with Boulevard Redevelopment Funding that was provided through Supplemental Transitional Aid several years ago. This is a partnership with the Seaside Heights Business Improvement District. Eight of the ten second floor artist spaces will be occupied as of April 1st. We have been hosting art shows, theatrical projects, musical events, and private rentals

Grants

The Borough continues to access millions of dollars of grant and loan funding, with 80%-100% principal forgiveness, through the NJ Environmental Infrastructure Financing Program. The funding is being used for substantial Clean Water and Drinking Water infrastructure improvements throughout the Borough. We have been very aggressive seeking financing through this program.

Appropriations

We continue to actively monitor spending and rely on end of year line-item balances to make major necessary purchases.

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Health Insurance

Seaside Heights participates in the SHBP, and we were hit with another large rate increase in 2026. We are implementing something named The Difference Card that would reduce costs without having to leave SHBP. But at the same time we will be exploring something completely different for 2027.

Hotel/Motel Tax

We are working with NJ Division of Taxation to collect the Borough's short-term rental tax. They started collecting from Air-B-N-B recently but there other markeyplaces.

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D. Discussion of Health Benefits

Please provide details on the municipality's current medical, prescription, and other health benefits plans (SHBP, HIF, self-insured, etc.) and all research undertaken to confirm they are the most cost-effective options. Additionally, if applicable, 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 a commission. If commissions are being earned, provide both how the commission is calculated (percentage of premium or self-insurance) and the actual dollar value of the commission paid each year.

The Borough participates in the NJ SHBP.

The Borough will be implementing – on a voluntary basis – “The Difference Card” in May 2026. However, we do not anticipate that many employees will take this option because the anticipated savings are not meaningful

The Borough is working with a broker to find a more cost-effective plan other than SHBP. This includes exploring self-insurance through a managed care plan.

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VI. Historical Fiscal Statistics

Item	2024	2025	Introduced Application Year
A. Property Tax/Budget Information			
Municipal tax rate	\$1.130	\$ 0.478	\$0.658
Municipal Purposes tax levy	\$7,862,651	\$8,149,672	\$11,108,443
Municipal Open Space tax levy	\$0	\$0	\$0
Total general appropriations	\$19,349,170	\$21,195,812	\$19,134,840

B. Cash Status Information			
% Of current taxes collected	100%	100	%
% Used in the computation of reserve	98.44%	98.49 %	99 %
Reserve for uncollected taxes	\$297,563	\$321,100	\$256,152
Total year-end cash surplus	\$2,732,684	\$2,778,628	
Total non-cash surplus	\$	\$	
Year-end deferred charges	\$1,532,549	\$388,499	

C. Assessment Data			
Assessed value (as of January 10)	\$696,026,000	\$1,705,658,300	\$1,688,309,800
Average residential assessment	\$257,089	\$594,149	\$598,952
Number of tax appeals granted	11	30	
Amount budgeted for tax appeals	\$0	\$0	\$0
Refunding bonds for tax appeals	\$	\$	\$

D. Staffing Levels			
Total Number of Sworn Police -	26	26	26
Total S&W Expenditures	\$	\$	\$
Class 2 and Class 3 Officers	30	30	30
Total S&W Expenditures			
Uniformed Fire – Staff Number	0	0	0
Total S&W Expenditures	\$	\$	\$
Number of Other Full-time Employees	40		
Total S&W Expenditures	\$	\$	\$
Number of Other Part-time Employees	23		
Total S&W Expenditures			

E. Impact of Proposed Tax Levy

			Amount
Current Year Taxable Value			\$1,688,309,800
Introduced Tax Levy			25,540,125
Proposed Municipal Tax Rate	.658	Average res. value	598,952.00
Current Year Taxes on average residential value			9,076.58
Prior Year Taxes on average residential value			7,702,60
Proposed increase in average residential taxes			1,373,98

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VII. Application Year Budget Information

A. Year of latest revaluation/reassessment

1. Most current equalized ratio

2025
110.75

B. Proposed Budget – Appropriation Cap Information

1. Was an appropriation cap index rate ordinance adopted last year?

If YES: % that was used

2. Amount of appropriation cap bank available going into this year

3. Is the Application Year budget at (appropriation) cap?

If NO, amount of remaining balance

4. Does the Application Year anticipate the use of a waiver to exceed the appropriation cap?

If YES, the amount:

	Yes	No
1. Was an appropriation cap index rate ordinance adopted last year?	X	
If YES: % that was used		
2. Amount of appropriation cap bank available going into this year	\$2,094,854	
3. Is the Application Year budget at (appropriation) cap?		
If NO, amount of remaining balance	\$	
4. Does the Application Year anticipate the use of a waiver to exceed the appropriation cap?		X
If YES, the amount:	\$	

C. List the five largest item appropriation increases.

Appropriation	Prior Year Actual	Application Year Proposed	\$ Amount of Increase
Employee Health Insurance	\$1,274,873	\$2,000,000	\$725,126
Police Salary	\$4,354,327	\$4,606,550	\$252,222
Police Other Expense	\$468,128	\$700,000	\$231,871
Aid to EMS	\$195,000	\$800,000	\$605,000

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

Department/Agency	Position	Number	Dollar Amount

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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					
Second year					
Third year					

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 the system being used.	X	
6. Does the municipality operate a 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 Benefits	SHBP		
	X		

C. 1. Salary and employee contract information

When more than one bargaining unit for each category, use the average.

Question	Police	Fire	Other Contract	Non-Contract
Year of last salary increase	2025	N/A	DPW	2025
Average total cost percentage increase	%	%	%	%
Last contract settlement date				
Contract expiration date				

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2. Explain, if any, actions that have been taken/are under consideration for the Application Year.

Action	Police	Fire	Other Contract	Non-Contract
Furloughs (describe below)				X
Parking Enforcement Division				
Wage Freezes (describe below)				
Layoffs (describe below)				X
Beach Patrol				

D. Tax Enforcement Practices

Question	Yes	No
1. Did the municipality complete its accelerated tax sale by December 31, if included in the 2026 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:	N/A	
3. On what dates were tax delinquency notices sent out in 2025? Date:	2/17, 5/14, 8/14, 11/13	
4. Date of last tax sale? Date:	12/29/2025	

E. Specialized Service Delivery

If the answer to either question is "Yes," provide (as an appendix) a cost justification for 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:

2024	\$514,468	2025	\$418,272	Anticipated Application Year:	\$350,000
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2. List the instruments in which idle funds are invested:

NJ Cash Management Plan	

3. What was the average return on investments during 2025?

0.025%
Holman, Frenia, Allison
2026

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

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

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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
PBA Local 252	12/31/2025	PBA submitted initial proposal
Teamsters Local 97	12/31/2027	

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	2025 PILOT Billing	2025 Assessed Value	2025 Taxes If Billed in Full at 2024 Total Tax Rate	Term of Tax Abatement
Seaside Senior Apartments	Senior housing	\$57,346	\$13,513,800	\$173,517	Long-term
Ocean View	Restaurant	\$25,443	\$9,161,000	\$125,505	5-year
401 Boulevard	Condos	\$0	\$8,505,000	\$109,204	Long-term

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IX. A. List actions that limited Salary and Wage costs.

For example, layoffs, furloughs, freezes, contract concessions, etc.

S&W Line Item	Prior Year Actual	Application Year Proposed	Explanation of Change
All line items			Generally speaking, we hire employees only to fill vacancies.
Parking Enforcement Division		2026	Potential furlough of full-time employee.
Beach Patrol		2026	Potential layoff of full-time employee.

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C. Evaluate existing local revenues as to whether 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 are provided	Are fees charged to cover the costs of the program?	If fees do not cover costs, what is the subsidy amount?	If there is a subsidy, explain why fees cannot be increased to reduce or eliminate the subsidy.
Recreation Programs				
Sewer Fees	X	Yes		
Water Fees	X	Yes		
Swimming Pool				
Uniform Construction Code	X	Yes		Fees will increase third quarter of 2026.
Uniform Fire Code				
Land Use Fees	X	Yes		
Parking Fees	X	Yes		
Beach Fees	X	Yes		We removed a middle tier pre-season badge discount.
Insert other local fees below:				
Land Use Escrow Fees for In-House Staff				
Land Use Escrow Fees for Independent Contractors	X	Yes		

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XI. Impact of Limited or No Aid Award

Describe (in detail) the impact of not being granted aid for the current fiscal year. Essential service 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 ones the municipality will make without a grant of aid.**

Rank Order	Department/ Division	# Of Layoffs	Effective Date	2024 Full-Time Staffing	2025 Full-Time Staffing	\$ Amount to be Saved
1	Police Dept.	2	07/01/2026	26	26	\$150,000
2	Public Works	3	07/01/2026	16	16	\$100,000
3	Code Enforcement	2	07/01/2026	3	3	\$50,000
4	Beach Patrol	1	07/01/2026	2	2	\$40,000

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

Rank Order	Service	Cost Savings	Impact on Services
3	Code Enforcement	\$50,000	Loss of property maintenance and boardwalk code enforcement
2	Police Dept.	\$150,000	More crime and less traffic safety
1	Public Works	\$100,000	Reduce # of trash collection days

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 MOU 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 DLGS 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 DLGS staff.	X	
3. Enter into a new MOU and comply with all its provisions without exception.	X	

XIII. Certification of Past Compliance for Municipalities Currently Operating Under a TA MOU

The undersigned certifies that the municipality is in substantial compliance with the conditions and requirements of the 2025 MOU and is operating in good faith to correct those areas of noncompliance that have been identified.

Mayor: Anthony E. Vay Date: 2/26/26

Chief Financial Officer: Joseph P. Vainio Date: 2/26/26

Chief Administrative Officer: [Signature] Date: 02/26/2026

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 listed the names of all current civil service employees in NJ "CAMPS."

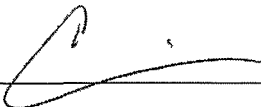
Human Resources or Personnel Director: [Signature] Date: 02/26/2026

Chief Administrative Officer: [Signature] Date: 02/26/2026

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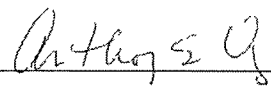
XV. Public Employment Relations Commission (PERC) Certification

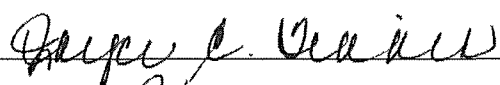
The undersigned certifies that copies of all active collective negotiations' agreements and the cost-out of each have been delivered to PERC. Support documentation regarding the method of cost out must also be provided. See attached.

Chief Administrative Officer:  Date: 02/26/2026

XV. CERTIFICATION OF APPLICATION FOR TRANSITIONAL AID

The undersigned acknowledges that 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: _____

Chief Financial Officer:  Date: 2/26/26

Chief Administrative Officer:  Date: 02/26/2026