

Transitional Aid Application for Application Years CY 2010/SFY 2011
Division of Local Government Services
Department of Community Affairs

General Instructions: This application must be submitted in its entirety by July 16 (for CY 2010) and September 30 (for SFY 2011) for funding consideration under this program. Information contained in the application is subject to independent verification by DLGS. Refer to Local Finance Notice **2010-14** when preparing this application for specific instructions and definitions.

Name of Municipality:		Borough of Keansburg		County:	Monmouth
Contact Person:		Thomas Cusick		Title:	Mun. Clerk/Collector
Phone:	732-787-0215	Fax:	732-787-0787	E-mail:	thomas.cusick@keansburg-nj.us
Population:	10,732				

I. Aid History

List amount of Discretionary Aid (Extraordinary, Special Municipal, or Capital Cities) received for the last three years, if any:

TY Prior Year	SFY 09 Previous Year	Previous less one year
\$ -0-	\$100,000.00	\$300,000.00

II. Aid Request for Application Year

Amount of aid requested for the Application Year:	\$400,000.00
--	---------------------

An aid request does not constitute guarantee of receipt of any funds.

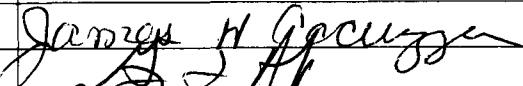
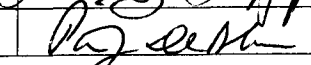
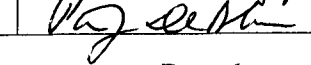
III. Submission Requirements

Without exception, 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
Prior Year Annual Financial Statement	02/10/2010
Previous Year Annual Audit	07/05/2010
Previous Year Audit Corrective Action Plan	10/26/2009
Application Year Introduced Budget	2010 calendar year
Budget documentation submitted to governing body	04/14/2010

IV. Application Certification

The undersigned herewith certify that they have reviewed this application and, to the best of their ability, find its 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		7/15/10
Governing Body Presiding Officer		7/15/10
Chief Financial Officer		7/15/10

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 item B-5 in Local Finance Notice 2010-14 for details)

The Borough of Keansburg has just completed a year end change from a fiscal year to a calendar year conversion. Our budget approach this calendar year was to reduce all expenditures for non-essential services, reductions in labor force, reductions in service providers, employee furloughs, and non-replacement of retirees. On the flip side, our budget maximizes all available revenue line items and utilizes all of our available surplus.

Our Community is mainly comprised of blue-collar workers who are suffering through this bleak economy. The poverty and unemployment rates in the Borough are one of the highest in Monmouth County. Our town has been inundated with HUD subsidized rentals which have thwarted any growth in the business and residential areas. Property owners who have historically lived under modest circumstances now do not have any available resources to improve their properties or expand their businesses.

Tax appeals rose from 24 in 2008 (loss of tax revenue - \$ 19,666.84) to 79 in 2009 (loss of tax revenue – \$ 65,887.94) and the Borough was forced to undertake a reassessment to stabilize our tax base. The Borough recently completed the Reassessment which resulted in a reduction of property values in excess of 30%.

The crime rate continues to be a drain on our town and the resources of our emergency services. The Borough has a privately owned amusement park, water park and bars that bring in a large amount of day visitors. The large amount of rentals, many of which are converted bungalows, have unfortunately attracted tenants that are members of gangs and have been trafficking illegal narcotics. Keansburg is ranked highest in the number of domestic violence incidents in Monmouth County. This has taken a toll on our Police Department as well as lowering the value and image of our town. Due to these factors it is virtually impossible to reduce public safety line items.

Revenues are running lower than expected due to the economy. Our Borough has a large number of rental units on which we charge a licensing fee. Revenues are lagging behind on this revenue due to the high amount of foreclosures in the Community. Owners are walking away from their investment properties in Keansburg causing unsafe conditions and a detriment to the neighborhoods. Water and sewer collections are also lagging due to this situation causing the largest number of properties shut off from service in the Borough's history. Additionally, construction permit fees have dramatically decreased.

Local fee ordinances have been reviewed and appropriate increases have been instituted. The Borough will raise the landlord registration fee this year to offset the loss of revenue in that particular category.

The information contained in this application compares SFY 09 data with that of the 2010 introduced budget for the reason of having a twelve month data comparison.

V-B Alternate Eligibility Calculation

Complete this section only if Discretionary aid **was not** received in the prior year. If the requirements of this section are met, this application must also reflect that the criteria in Section B, items 2-7 of Local Finance Notice 2010-14 are met.

Part 1 calculates loss of equalized value. If there is a loss of *2% of equalized value*, the eligibility criteria is met and the rest of the form does not have to be completed.

If 2% the criteria is **not** met, continue with Part 2 to identify individual revenue losses (exclusive of State CMPTRA/ETR formula aid reductions) or specific, extraordinary appropriation increases (pursuant to Local Finance Notice 2010-14, Item B-8).

Part 1 – Eligibility of Value Loss	Current Year County Equalization Table County Apportionment	Prior Year Director’s Table Equalized Value	Decrease
	(a)	(b)	(c)
Equalized Value Reduction			
Percent of loss from prior year (c) divided by (b) as percent:			
If this exceeds 2%, stop and proceed to the next page.			

Part 2 – Demonstration of Revenue Loss/Substantial Cost Increase

Complete Part 2 if eligibility was not met in Part 1. Show extraordinary revenue losses (exclusive of State CMPTRA/ETR aid reductions), but not as the aggregate of many revenue line items; or specific, extraordinary appropriations. Describe the item on the cell below each entry.

Revenue or Appropriation	Prior Year Value	Current Year Value	Amount of Loss/Increase
Pensions	SFY 09 \$416,000	2010 \$931,000	\$515,000
Description:	Previously Deferred pension payment		
Group Insurance	SFY 09 \$1,840,000	2010 \$2,102,000	\$262,000
Description:			
Other Insurance	SFY 09 \$636,000	2010 \$760,000	\$124,000
Description:			
LOSAP	SFY 09 -0-	2010 \$100,000	\$100,000
Description:	Due to referendum		
Res for Uncollected Taxes	SFY 09 \$125,000	2010 \$300,000	\$175,000
Description:	Due to decrease in collections		
Debt Service Requirements	SFY 09 \$1,356,000	2010 \$1,458,000	\$102,000
Description:			
Extra-Ordinary Aid	SFY 09 \$100,000	2010 -0-	\$100,000
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.

Assessed Valuations- During State Fiscal Year 2009, the Borough implemented its Re-assessment Program in the Borough. The Re-assessment Program has resulted in a reduction of tax appeals in 2010.

Business Improvement District-The Borough expects to begin discussion with respect to creation and implementation of a Business Improvement District (BID) with the Borough of Keansburg. It is anticipated that the District would provide funds and resources to offset municipal appropriations, and provide for needed improvements within the targeted (BID) designation.

Borough Redevelopment-Redevelopment has commenced in the Borough with the initial construction of Beachfront Townhouses. It is estimated that the project may provide tax ratables in excess of \$20,000,000. However, as the current market conditions are not favorable the project has been delayed. The Borough has been in communication with the Developer who is negotiations to sell the property to an established developer who hopes to complete the first phase of construction within twelve months.

Federal, State & Local Grants-The Borough continues to aggressively search and apply for grant awards.

The Borough was awarded a grant and loan from the New Jersey Environmental Infrastructure Trust for funding of \$3,100,000 for Construction of a Water Desalination Plant in the Borough of Keansburg, County of Monmouth. The New Jersey Environmental Infrastructure Trust Loans provide for zero and low interest terms. The Borough did receive ARRA (American Recovery & Reinvestment Act of 2009) federal funds to finance half the cost of the construction of the desalination plant.

Capital Improvement Financing Program-The Borough has formulated a capital financing plan to permanently fund the current outstanding temporary financing amounts in order to stabilize future budgetary requirements.

Shared Services: The Borough has begun Interlocal agreements with the Board of Education in regard to computer services, garbage collection and recycling.

Personnel: Four full-time and three part-time positions are being eliminated through lay-offs (August, 2010). Additionally, the Borough has furloughed non-emergency personnel for five days for 2010 and seven days for 2011.

VI. Historical Fiscal Statistics

Item	TY 2009 Actual Previous Year	SFY 09 Actual Prior Year	Introduced Application Year
1. Property Tax/Budget Information			
Municipal tax rate	\$1.101	\$1.075	\$1.953
Municipal Purposes tax levy	\$4,410,000	\$8,400,191.13	\$10,323,186.58
Municipal Open Space tax levy	\$ -0-	\$ -0-	\$ -0-
Total general appropriations	\$7,510,926.89	\$13,506,205.40	\$14,842,822.35
3. Cash Status Information			
% Of current taxes collected	95.50%	99.78%	%
% Used in computation of reserve	99+%	99+%	98.29%
Reserve for uncollected taxes	\$300,000.00	\$125,000.00	\$300,000.00
Total year end cash surplus	\$511,853.68	\$409,174.23	
Total non-cash surplus	\$14,701.81	\$63,585.38	
Year end deferred charges	\$116,000.00	\$116,000.00	
4. Assessment Data			
Assessed value (as of 7/1)	\$774,755,975	\$774,755,975	\$529,023,278
Average Residential Assessment	\$220,693.00	\$220,693.00	\$146,000.00
Number of tax appeals granted	79	24	
Amount budgeted for tax appeals	\$ -0-	\$ -0-	\$ -0-
Refunding bonds for tax appeals	\$ -0-	\$ -0-	\$ -0-
5. Full time Staffing Levels			
Uniformed Police - Staff Number	34	35	34 * (33 eff 7/1/10)
Total S&W Expenditures	\$1,735,793.00	\$3,510,861.00	\$3,868,338.00
Uniformed Fire - Staff Number	-0-	-0-	-0-
Total S&W Expenditures	\$ -0-	\$ -0-	\$ -0-
All Other Employees - Staff Number	48	46	48* (44 /August layoffs)
Total S&W Expenditures	\$1,218,758.00	\$2,239,217.00	\$2,462,535.00
6. Impact of Proposed Tax Levy			
			Amount
Current Year Taxable Value			529,023,278
Introduced Tax Levy			10,323,186.58
Proposed Municipal Tax Rate	1.951	Average Res. Value (#4 above)	146,000.00
Current Year Taxes on Average Residential Value (#4 above)			2,848.46
Prior Year Taxes on Average Residential Value			2,429.83
Proposed Increase in average residential taxes			418.63

VII. Application Year Budget Information

A. Year of latest revaluation/reassessment 2010

B. Proposed Budget – Appropriation and Levy Cap Information

Item	Yes	No
1. Was an appropriation cap index rate ordinance adopted last year? If YES: % that was used	Yes	
3.5%		
2. Amount of appropriation cap bank available going into this year		
\$ -0-		
3. Is the Application Year budget at (appropriation) cap? If NO, amount of remaining balance		No
\$863,308		
4. Does the Application Year anticipate use of a waiver to exceed the levy cap? If YES, amount:		No
\$		

C. List the five largest item appropriation increases:

Appropriation	SFY 09 Prior Year Actual	2010 Application Year Proposed	\$ Amount of Increase
Pensions	\$416,000.00	\$931,000.00	\$515,000.00
Group Insurance	\$1,840,000.00	\$2,102,000.00	\$262,000.00
Reserve for Uncollected Taxes	\$125,000.00	\$300,000.00	\$175,000.00
Insurance-Other	\$636,000.00	\$760,000.00	\$124,000.00
Debt Service	\$1,356,000.00	\$1,458,000.00	\$102,000.00

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

Department/Agency	Position	Number	Dollar Amount
	-NONE-		

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	10,323,186.00	1,561,000.00	400,000.00	6,458,861.00	8,383,961.00
Second year	10,877,994.00	1,592,220.00	300,000.00	6,588,038.00	8,803,159.00
Third year	11,489,575.00	1,624,064.00	200,000.00	6,719,799.00	9,243,317.00

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 No, list those uncorrected as an appendix.		

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 – converting to SHBP 8/2010

C. 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	2010	N/A	2010	2009
Average percentage increase	4%	%	3%	3%
Last contract settlement date	8/22/2007		1/27/2010	
Contract expiration date	6/30/2011		12/31/2011	

Explain if any of the following actions have been taken or are under consideration for the Application Year:

Action	Police	Fire	Other Contract	Non-Contract
Furloughs (describe below)	No	N/A	X	X
The CWA Union as well as administrative personnel will be taking 5 furlough days in 2010 and seven furlough days in 2011.				
Wage Freezes (describe below)	X	N/A	X	X
CWA has agreed to a salary freeze for calendar year 2011. Police Union has agreed to freeze of wages due to mandatory promotions (as per local referendum)				
Layoffs (describe below)			X (3)	X (4)
Layoffs effective August, 2010: 4 full-time clerical; 2 part-time code enforcement inspectors, 1 part-time housing inspector; 1part-time clerical (municipal court)				

D. Tax enforcement practices:

Question	Yes	No
1. Does the municipality use the accelerated tax sale program?	X SFY 09	
2. When was the last foreclosure action taken or tax assignment sale held: Date:	2000	
3. During 2009, on what dates were tax delinquency notices sent out: Date:	Monthly	
4. Date of last tax sale: Date:	June 26, 2009	

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:

Prior Year:	\$10,535.14	Last Year:	\$30,650.86	Anticipated Application Year:	\$10,000.00
-------------	-------------	------------	-------------	-------------------------------	-------------

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

Bank CD's	
Money Market Type Accounts	

3. What was the average return on investments during CY 2009?

1.00%

4. When was the last time fee schedules were reviewed and updated?

2009

F. 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
Communications Workers of America	12/31/2011	Reopened agreement in regard to furlough days and health insurance coverage
PBA	06/30/2011	Reopened in regard to health insurance coverage

**IX-A. Demonstrated reductions or actions that limited otherwise ordinary increases in Salary and Wage costs.
(See item B-4 in Local Finance Notice 2010-14 for details)**

S&W Line Item	Prior Year SFY 09 Actual	Application Year Proposed	Explanation of Change
Dispatchers	127,200	119,300	Resignation. Position not filled.
SRO Interlocal-Police	195,000	103,303	Board of Education did not renew agreement
Health	37,000	11,000	Reduction in service
Recreation	11,500	-0-	Recreation Director position eliminated
Construction Code Official	224,000	175,000	Reduction in staff/ previous layoff

IX-B. Demonstrated reductions or actions that limited otherwise ordinary increases in Other Expense or other costs.
(See item B-6 in Local Finance Notice 2010-14 for details). Include changes in spending policies that reduce non-essential spending.

Line Item	Prior Year Actual sfy09	Application Year Proposed	Explanation of Change
Borough Council	8,300.	2,500.	All non-essential items were cut out.
Borough Manager	13,500.	4,250.	“ “ “
Tax Collector	11,000.	9,750.	“ “ “
Tax Assessor	6,800.	3,000.	“ “ “
Public Safety/Police	104,550.	71,725.	“ “ “
Crossing Guards	750.	200.	“ “ “
Fire Department	132,500.	125,500.	“ “ “
Emergency Medical Services	35,000.	32,900.	“ “ “
Code Enforcement	7,500.	3,000.	“ “ “
Uniform Fire Safety Act	6,200.	3,950.	“ “ “
Uniform Construction	13,700.	3,475.	“ “ “
Streets and Roads	90,000.	60,619.	“ “ “
Buildings and Grounds	80,000.	63,500.	“ “ “
Garage	80,000.	62,500.	“ “ “
Sanitation/Contract	594,000.	385,000.	Re-bid of contract/consolidation of routes
Sanitation/Landfill Waste	455,500.	434,500.	Stepped up enforcement of recycling to reduce tipping fees
Parks and Recreation	37,000.	21,500.	Reduction relying on volunteer fundraising
Celebration of Public Events	9,500.	2,000.	Most events canceled
Historical Society	3,500.	500.	All non-essential items reduced
Municipal Prosecutor	31,500.	30,000.	All non-essential items reduced
Planning Board	11,400.	9,500.	Training sessions to be staggered/limit use of professionals
Municipal Court	12,000.	8,065.	All non-essential items reduced

IX-C. Evaluate existing local revenues, as to whether or not the rates or collections can be increased, and if so, how changes will be implemented. (See B-7 in Local Finance Notice 2010-14 for details)

Local Revenues	Prior Year Realized	Application Year Anticipated	Evaluation, Recommendation, and Implementation Plan
Landlord Registration License	\$245,750.00	\$ 245,750.00	Borough Council to amend ordinance to raise fee from \$ 150.00 to \$ 200.00 effective 1/1/2011.

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)
Gasoline, Diesel, Sodium Chloride, and Senior Citizen Transportation	County of Monmouth Cooperative	148,000.00	2010
Gasoline, Trash Removal, Computer Services	Keansburg Board of Education	48,000.00	2010
Mechanic Services	Township of Hazlet	As Needed	Open
Animal Control Services	Associated Humane Society	35,952.24	2009
Fire Fighting	Keansburg Volunteer Fire Department	N/A	
EMS Ambulance Services	Keansburg Volunteer EMS	N/A	
Board of Health Inspections	Monmouth County Health Commission	88,000.00	2007
Police Services	Bayshore Task Force	2,000.00	
Police Services	Bayshore Strike Force	No Cost	

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	2010 Full Time Staffing	2011 Full Time Staffing	\$ Amount to be Saved
1	Municipal Library	1	Immediate	1	0	52,000.00
2	Department of Public Works	2	Immediate	13	11	82,000.00
3	Water/Sewer Department	1	Immediate	8	7	42,000.00
4	Any other cuts would be in salary items which would result in less than minimum services afforded to the Community. The governing body believes that to be to be detrimental to the health, safety and well-being of the residents.					

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

Rank Order	Service	Cost Savings	Impact on Services
	There are no services that can be reduced at this time. When garbage and recycling collection contracts expire the Borough will reduce amount of collection days to curtail costs.		

Xii. Agreement to improve Financial Position of Municipality

If aid is granted, are you willing to enter into a “memorandum of understanding” that will, among other restrictions and requirements:

	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 as recommended by the Director to address the findings of Division staff	X	
3. Enter into a Memorandum of Understanding	X	

The undersigned herewith 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 James H. Cocuzza Date 1/15/10

Chief Financial Officer Raymond Date 1/15/10

ATTEST: Jh P. Curcio Date 1/15/10
Municipal Clerk