

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:		City of Asbury Park		County:	Monmouth
Contact Person:		Terence J. Reidy		Title:	City Manager
Phone:	732-502-5753	Fax:	732-775-1483	E-mail:	Terence.reidy@cityofasburypark.com
Population:	16,930				

I. Aid History

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

Prior Year	Previous Year	Previous less one year
\$10,500,000.00	\$ 12,000,000.00	\$ 7,500,000.00

II. Aid Request for Application Year

Amount of aid requested for the Application Year:	\$ 14,000,000.00
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An aid request does not constitute guarantee of receipt of any funds.

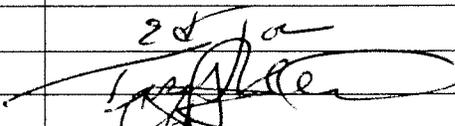
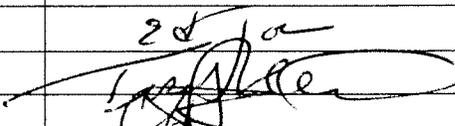
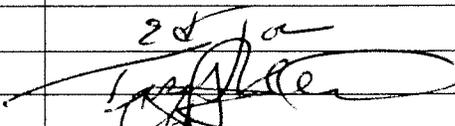
III. Submission Requirements

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	February 10,2010
Previous Year Annual Audit	July 9,2009
Previous Year Audit Corrective Action Plan	August 5,2009
Application Year Introduced Budget	May 21,2010
Budget documentation submitted to governing body	February 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		July 15,2010
Governing Body Presiding Officer		July 15,2010
Chief Financial Officer		July 15,2010

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)

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CITY COUNCIL
ED JOHNSON, MAYOR
JOHN LOFFREDO, DEPUTY MAYOR
KEVIN G. SANDERS
JAMES BRUNO
SUSAN HENDERSON

TERENCE REIDY, CITY MANAGER

Section V-A

INTRODUCTION

The following narrative explains how the City of Asbury Park developed a structural imbalance in its municipal budget. It is important to note that Asbury Park's "imbalance" is a symptom of a much larger and insidious challenge for all urban centers in New Jersey - **THE NEED TO REGIONALIZE SERVICES**.

While this issue will be addressed more rigorously in Section V- C, it is critical to note that the root cause of Asbury Park's "structural imbalance" lies within the overall structure of government in New Jersey. In an effort to play by the existing rules, which required Asbury Park to provide the majority of its core services itself (despite decades of encouraging shared services), Asbury Park developed a well-run and effective service delivery system. Unfortunately, this is also at the heart of the City's inability to balance its budget. In section V-C, we will document the extraordinary increase in revenues generated by the City over the past three years alone. With a deficit of over \$12 million annually, however, it will take a decade to generate enough revenue to pay for needed services. In the meantime, Asbury Park continues to be overly dependent on state aid. **This is not acceptable.**

As the City flourishes, the challenges that we faced continue and are compounded by the additional "challenges of success". The answer is not to play the "chase the ratables" game. This has been proven to be an unreliable and short sighted approach to economic recovery; nor is the debate about bigger government versus smaller government.

In their 1992 book, "**Reinventing Government**" David Osborne and Ted Gaebler frame the issue this way:

"Not too much government or too little government. We had debated that issue endlessly since the tax revolt of 1978, and it has not solved our problems. Our fundamental problem is that we have the wrong kind of government. We do not need more government or less government, we need better government. To be more precise, we need better governance. Governance is the process by which we collectively solve our problems and meet our society's needs. Government is the instrument we use. The instrument is outdated, and the process of reinvention has begun."

BACKGROUND

As noted in the introduction, the following information tracks the path that Asbury Park took in an effort to balance its budget the "old fashioned way". As you will see, the effort needed to bring Asbury Park back from decades of corruption, mismanagement and shifting economic trends required a massive infusion of capital and a dramatic investment in our public safety budget. While all of these actions were required to bring people and businesses back to Asbury Park, they also established a much larger operating budget for the City.

The results of these investments can be seen today. Asbury Park was voted the fourth best beach in New Jersey for 2010; new businesses are opening every month and the quality of life in Asbury Park is better today than it has been in 40 years. **The price for this success, however, is a budget that cannot be sustained by the residents and businesses of Asbury Park. The introduced 2010 municipal budget raises taxes by 110%.**

Here is the chronology:

In 2003, the Mayor and Council hired a new city manager. As part of the 2003 municipal budget process, the city applied for Extraordinary Aide for the first time. The State awarded \$500,000 to Asbury Park with the caveat that a complete management/fiscal audit (“the audit”) would be conducted by a State management team. The city gladly agreed to this requirement and during the balance of 2003 and 2004, a full audit was performed covering general administration, finance, public works, police, fire, construction, code enforcement, and court operations.

IMPLEMENTATION and FUNDING

In 2005, the audit was delivered and after careful evaluation the administration and the governing body agreed with the state’s proposed changes. The City of Asbury Park ‘s governing body had already begun to implement the first of three re-organization plans recommended by the City Manager that were in sync with the state’s proposed improvements. **Absent a regional solution, it was time for the City to design a funding mechanism that would support the development of the community.**

By 2005, the Waterfront Redevelopment Plan for the city was in full bloom. Two major developments were under construction and a third project was approved and moving forward. Homes throughout the City were being renovated and the Central Business District was developing in accordance with the Central Business District Redevelopment Plan adopted in June of 2003. Typical of distressed urban centers, for this revitalization to be successful, Asbury Park needed to address issues of public safety, infrastructure, public maintenance and perhaps most importantly recreation for our youth.

In 2003, the City faced an impaired collection rate, public image problem and a budgetary imbalance due to previous one-time non-recurring revenue sources. From that time forward, Asbury Park has seen massive new construction and the promise of revenues from this development.

On May 31, 2005, the governing body authorized the City Manager and his financial team to present a “multi-year financing plan” to the Local Finance Board (LFB). This plan proposed to refinance the city’s sewer treatment plant, and would generate approximately \$11.6 million. This money would be used to make capital improvements on the sewer plant, restructure the debt at a lower rate, and assist in the funding of the structural deficit in the city’s budget for the next five years. While the LFB and the City understood the risks with this approach – not restructuring the sewer debt would bring all progress in the City’s revitalization to an end.

According to what were considered “conservative” estimates at the time, the City projected that by 2010, the Payment In Lieu of Taxes (P.I.L.O.T.) revenues and other city-generated income from the completed waterfront development projects would be used to take the place of the money raised through the sewer plant refinancing and fund the structural deficit in the municipal budget. **Not only did this not happen in the time frame projected by the City, the world underwent a seismic shift in the financial markets.**

CIRCUMSTANCES REQUIRING THE NEED FOR AID

The development on the waterfront was stalled during the high point of the market due to a confluence of developer breakdowns and market conditions outside of the city’s control. Although units continued to sell, the housing market and the national economy shifted before all three projects were completed (the Esperanza still stands unfinished). This altered the timing of the financial projections made at the May 2005 presentation to the LFB. While elements of the plan are still viable, the governing body has been working with the state, developers and financial institutions to determine how best to reframe the development of the waterfront. The City and developers have learned much from the past five years.

By 2007, the city had used all of the \$11.6 million raised to address the shortfall and made application to the state for

“Special Municipal Aid”.

The City of Asbury Park received \$2.2 million of Extraordinary Aid from 2003 to 2006. In 2007, the City received \$7.5 million of “Special Municipal Aid”; in 2008, the City received \$12 million in “Special Municipal Aid” and in 2009, the City received \$10.5 million in "Special Municipal Aid" accompanied by a \$1.5 million deferral of pension payments for that year. During this time, the city aggressively pursued and was successful in attracting new developers to the city. Madison Marquette, a well-capitalized development firm, invested over \$60 million in Asbury Park between 2007 and 2009. The 2009 season was the most successful summer the City has seen in over 30 years. The City's beach revenue exceeded the \$500,000 mark for the first time in the memory of City employees and elected officials. As of the July 4th weekend, the 2010 beach revenue is currently \$160,000 ahead of the 2009 season.

PRIOR YEAR REVENUES THAT WILL NOT BE REALIZED IN 2010 AND SIGNIFICANT APPROPRIATION INCREASES

In 2009, the City of Asbury Park was offered \$10.5 million of the \$12 million requested and given the opportunity to use the "pension deferral" option offered by the state. Asbury Park was allowed to defer \$1.5 million of its pension obligation. In essence, that deferral amounted to \$1.5 million of additional revenue. In the introduced 2010 budget, that translates into a \$1.5 million increase in appropriations. Blue Cross and Blue Shield (BC/BS) premiums went up 31% in 2010. This translates to another \$1.5 million increase in appropriations.

In 2010, **COMPTRA aid for Asbury Park was reduced by \$1.2 million.**

ARBITRATION AWARD

All employees in the City of Asbury Park have been without a new contract since January 2008. The City entered arbitration with the

PBA that year. No salary increases have been given since that time. In May of 2010 Jim Mastriani awarded the PBA a three year settlement. This award would provide a 2.5% increase effective July 1, 2008; July1, 2009 and July 1, 2010. **The City has appealed this award.**

The arbitration award, if extended to all employees, would add almost \$2 million to the introduced budget. Asbury Park's salary and wage budget is approximately \$20 million. Of that 75% consists of Police and Fire salaries. Since the award was generated after the 2010 budget was introduced, it is not funded in the introduced budget.

Despite dramatic increases in revenue and drastic cuts in operating costs (including two lay off plans, several retirements and a three year wage freeze), there still exists a structural imbalance in the municipal budget. Without the infusion of the special municipal aid, the city will not be able to balance its budget in 2010.

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 (a)	Prior Year Director's Table Equalized Value (b)	Decrease (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.			

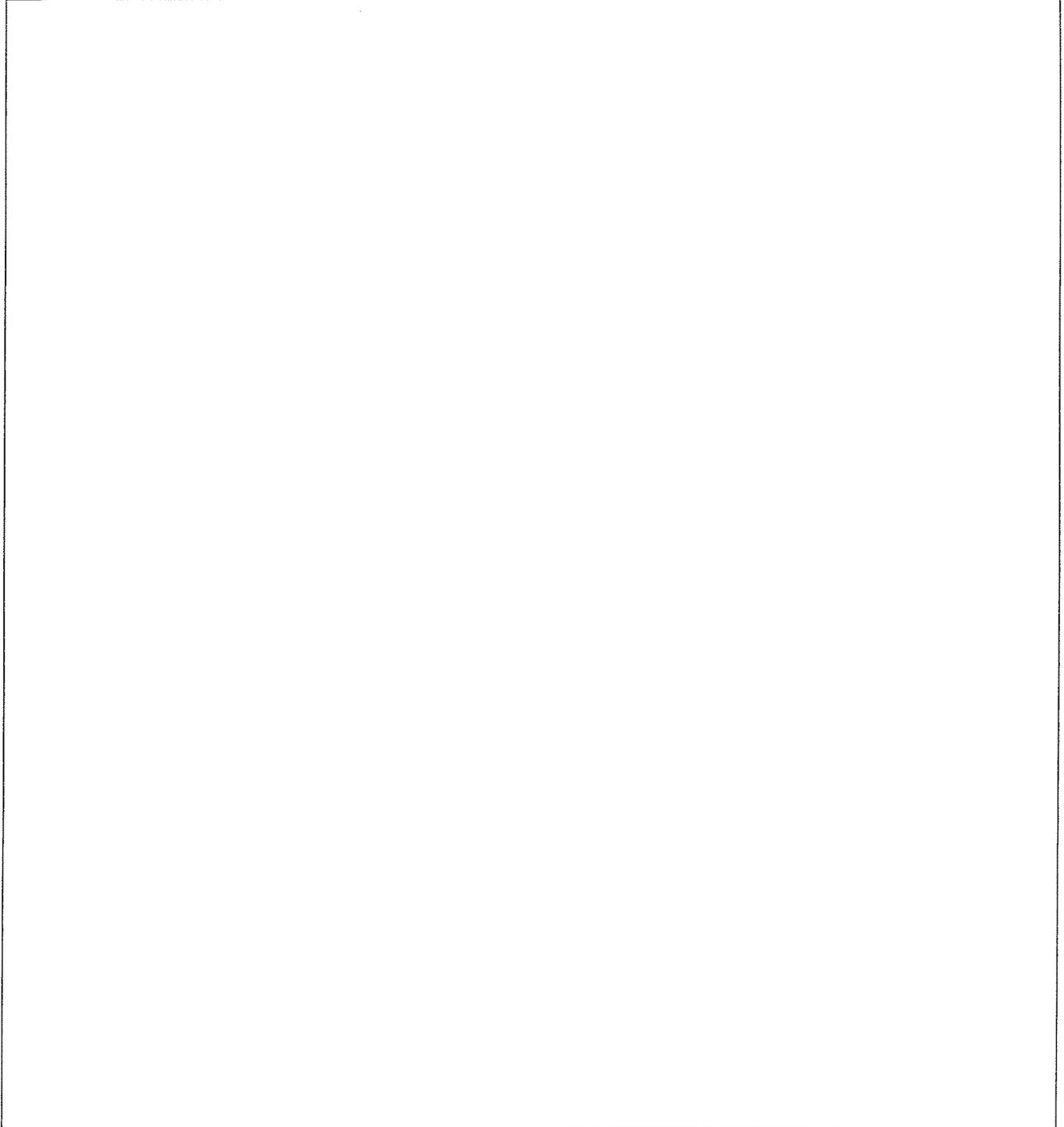
Part 2 – Demonstration of Revenue Loss/Substantial Cost Increase

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
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.



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Section V-C

In order to “reduce the need for aid in the future”, **the City of Asbury Park proposes an emergency plan to regionalize municipal services throughout the state** as part of the solution to the financial challenge facing all urban centers and the State of New Jersey.

The federal government and the State of New Jersey cannot currently use the time-honored method of solving its financial challenges by "growing" its way out of this economic crisis, and neither can the City of Asbury Park. Nor is the solution for Asbury Park to "cut" its way out of this situation by reducing crucial services to our residents, businesses and visitors. **The answer lies in a better and more cost-effective way to deliver services.**

Asbury Park is in the middle of an unprecedented economic and social revival. Even in the midst of "the great recession", Asbury Park has continued to attract new businesses, home buyers and visitors. Asbury Park is now viewed as an "edgy" yet "safe" place to visit. In 2008, Asbury Park experienced the lowest crime rate in the past 10 years and continues to see decreases in all crime categories.

However, this public safety stability is a function of increasing the number of sworn police officers by over 30% in the last five years (as per the DCA management audit referenced in V-A). Despite this, the City faces daily challenges. Two 16 year old young men died by gun shot in the last six months. The fight for safety in our urban centers is far from over. **Reducing police presence would severely threaten Asbury Park's comeback.**

Our City is attracting visitors from all over the region (as well as the

international crowd that comes to visit the Stone Pony). Suburban families who would not have dreamed of visiting Asbury Park even five years ago are coming for Asbury's fine dining and eclectic entertainment venues.

A perfect example of how Asbury Park's public identity has changed was witnessed during the recent discussion about establishing a "TOPLESS BEACH". The primary argument against this policy was that Asbury Park was a "**family-oriented**" **destination**. This argument was made by parents who would not have set foot in Asbury Park five years ago.

In 2008, Asbury Park was voted the 6th best beach in the state. In 2009, we were voted the 5th best beach in the state and in 2010, yes you guessed it, **Asbury Park was voted the 4th best beach in the state of New Jersey.**

So, the challenge before us is to retain the level of services that provide the safety and quality of life needed, while expanding the economic base of the city and reducing the cost of delivering those services. Asbury Park has been investing in new infrastructure to grow economic capacity, but it cannot be sustained without addressing the bigger picture. We are part of a vibrant county and must operate as part of that larger governmental entity. **The days of stand-alone government are over.**

Here is the solution we propose to achieve this:

A task force headed by **Lieutenant Governor Kim Guadagno** would be formed to recommend a regionalization implementation plan. This task force would differ from dozens of prior efforts in that it would have the full executive authority of the governor's office and the administrative expertise of the DCA Commissioner behind it. **It would be given until the end of 2010 to IMPLEMENT the first changes.** While we recognize that this is a very short window, we see immediate opportunities for collaboration and ways to reduce costs and are committed to making these changes in a

timeframe that will impact the 2011 budget year. The Governor's Office and the Department of Community Affairs are currently crafting standards and guidelines to measure effective government and reduce costs. This task force would be empowered to effect those standards.

The City of Asbury Park offers the following recommendations as a starting point:

I. REDUCE COSTS WITHOUT SACRIFICING SERVICES

- Asbury Park has frozen all salaries, including Police and Fire, for the past three years.
- Asbury Park's **second layoff plan** has been approved by the state and implemented as of July 1, 2010 (see attached). The City further shed \$250,000 worth of expenses at the end of 2009 (our **first layoff plan**) by transferring an entire division to the Asbury Park Housing Authority (a successful shared service). The City has started the formal process for a **third layoff plan**.
- The City received a \$1.2 million SAFER grant to hire 12 new firefighters. This grant enabled the fire department to reduce overtime costs by 55% in 2009 and will further reduce overtime costs in 2010 by 20 to 25%. This translates to an approximate annual savings of \$ 300,000.
- The firefighters union agreed to freeze salaries on the SAFER grant hires. The savings from the union salary freeze amounts to over \$ 1 million during the life of the SAFER grant.
- During the last three years, the City has not filled open positions unless necessary and then only with the written permission of the DCA.
- The City eliminated **11 full-time special police officer positions** (effective 1/1/09); these positions were replaced with

part-time and seasonal special police officers. This will save the City \$250,000 annually in health benefit and related costs.

- The City has implemented a **parking management system** to administer its parking needs and generate revenue to support the operation and enforcement of parking throughout Asbury Park. This action, recommended by the DCA staff, is designed to enhance the city's economic development strategy while adding to the revenue stream needed to support it. **This program has generated approximately \$467,000 over an 18 month operational timeframe.**
- The City is in discussion with surrounding municipalities to **provide EMT services**. Asbury Park is confident that this is the first step in building a more effective (and revenue producing) regional EMT service provider network. This is a strong candidate for the Lt. Governor's Task Force to make progress.
- The City is preparing bid specifications to purchase **solar power** from an innovative solar farm in Monmouth County. This is one of several "green" initiatives that the city is undertaking to reduce energy costs in 2010 and the future. The Board of Education and the Housing Authority are participating in this effort.
- The City has also been extremely competitive in **seeking and receiving grants and donations** to underwrite needed services and projects in the city:
- The Urban Enterprise Zone (UEZ) purchased a state of the art beach sweeper. This sweeper is currently rented to other municipalities as a way to generate additional revenue for the City. In November of 2009, the city awarded a bid (partially funded with UEZ revenue) to install surveillance cameras in key locations of the city. A wayfaring signage program is also underway in Asbury Park supported by UEZ funding. Asbury Park is experiencing thousands of new visitors and this system will make it easier to navigate the City's retail and entertainment

venues.

- The UEZ also partnered with the City to purchase a hook and ladder truck and three engines for the Fire Department. Up until this purchase (which dedicates \$50,000 annually toward the debt service for this equipment) the Asbury Park Fire Department was fighting fires with borrowed equipment from its next door neighbor Wannamassa and Hoboken. Our fire fighters worked shoulder to shoulder with the Hoboken firefighters in the aftermath of September 11th. UEZ funds have also been used to purchase police cars, fund a community police officer in the downtown and purchase the first holiday lights for the City in 20 years.
- The APUEZ has awarded \$719,716.25 in façade improvement grants to 85 businesses. These grants have not only beautified our UEZ commercial districts, but resulted in \$8.1 million of new capital improvements. This program has been a strong recruiting tool in attracting new businesses.
- The City combined a Smart Growth Grant and a Smart Futures Grant (totaling \$135,000) to fund the Main Street Redevelopment Plan. Due to the city's "Center Designation" the state departments have attended numerous planning meetings and greatly supported this process. NJDOT Center of Place Grant for physical improvements to the James T. Howard Transportation Center in the amount of \$180,000; Monmouth County Open Space Grant in the amount of \$86,000 for acquisition of land to establish a new public park along Springwood Avenue.
- The Police Department has been averaging \$50,000 annually in Law Enforcement Trust Funds to support its operation. This money is a direct function of arrests and items confiscated as part of the arrest process. Asbury Park has been at the forefront of these activities as a result of networking with the Monmouth County Sherriff's Department and the Prosecutor's Office.
- The Police Department also put together four funding sources,

UEZ, Justice Department, developer and Neighborhood Revitalization Tax Credits, to purchase surveillance cameras for critical areas in the City.

- The Asbury Park Public Library secured over \$40,000 in grants from “Jules Plangere Jr.” to purchase a new heating system, front steps, a photocopier and a new door for the Children’s reading Room. The library also received a \$5,300 grant from the “Bill and Melinda Gates Foundation” for high-speed internet access and \$1,173 from the Rita and Harry Greenberger Foundation for website development. For the past 13 years the library has applied annually to the Universal Service Administrative Corporation (e-rate) for internet and telecommunication funding and each year has received the maximum grant allowed. Without these grants, the Library’s ability to provide its free computer service to the residents would be impossible.
- From 2004 through 2010, Asbury Park’s Engineering Department has procured over \$2.2 million for road improvement projects from the New Jersey Department of Transportation Municipal Aid and Discretionary Aid Programs. This enabled Asbury Park to have one of the best capital project completion and budget drawdown rates in the state. Unlike previous years where 20 % of grant funds would be allocated for third party consultants for design and inspection costs. This is now administered by our in-house Engineering department. The benefit has been that design and inspection costs have been reduced. The City is now able to allocate 95% to 100% to actual construction costs. This additional investment in our 80 to 150 year old infrastructure has been critical to our City’s rebirth.

Our Engineering Department has generated over \$900,000 in engineering fees from its design review and construction review activities of private development projects (another revenue that used to go directly to third party consultants).

Our City Engineer also serves as both the Planning Board and

Zoning Board Engineer. This synergy ensures that private developers are held accountable for their pro rata share of upgrade costs to the City's infrastructure.

- The APUEZ helped raise private dollars to maintain the City's mounted police unit.
- The US Department of Justice approved a grant for \$209,475 for firefighter equipment replacement. The fire department is replacing (42) Air Pak breathing apparatus with these funds.
- A grant from Bruce Springsteen (\$25,000) was used to purchase a used aerial rescue truck for our Fire Department. The "Boss" also donated \$200,000 toward the new senior citizen center on Springwood Avenue (This project was referenced earlier in describing partnerships with local non-profit organizations).
- The Department of Public Maintenance received four grants totaling \$70,100 for forestry management, tree maintenance, recycling programs and clean communities.
- In addition to thousands of dollars in donations to feed the homeless and underprivileged in Asbury Park, the Department of Community Relations and Social Services received a \$120,509 grant from the State's Division of Mental Health Services.
- The Springwood Avenue Redevelopment Area was designated as a Brownfield Development area. It was one of only four designated BDA's in 2008. Since environmental costs can add significantly to a development budget, these funds (up to \$25 million over five years) it provides the City with another incentive for site investigations and/or environmental remediation at four planned development sites. To date, almost \$60,000 in funding has been approved by State agencies.
- A \$205,000 annual Administrative fee was negotiated with the master redeveloper for allowing odor control improvements to the City's Sewerage Treatment Plant to be financed through the

NJEIT.

II. INCREASE REVENUES

- The tax collection rate for the City is 99.4 %. We achieve this by holding an accelerated tax sale every year.
- All fees and fines are reviewed annually and increased to raise revenue without losing our competitive edge.
- Beach revenue has increased from \$35,000 in 2003 to \$540,000 in 2009.
- Revenue generated by the police and court increased from \$600,000 in 2003 to over \$1 million in 2009.
- A parking utility was established in 2008, which generated 275,000 in 2009 and is expected to double that revenue in 2010.
- The Asbury Park Fire Department has been providing ambulance services (EMT) for over 50 years (perhaps the first fire department in the state to do so). In 2009, the city fired its existing billing company, hired a new firm and increased revenue from \$69,000 annually to over \$400,000 annually.
- The Planning and Redevelopment Department now conducts many of the reviews for applications for development before the Planning Board and Board of Adjustment generating revenue for the City rather than having fees paid to outside consultants. Additionally, land use ordinances and amendments are drafted in-house rather than utilizing and paying outside consultants.

III. EXPAND THE ECONOMIC BASE

- Asbury Park is blessed with several national and local well financed and savvy developers who have continued to invest in

our city even during these challenging times. The key to our future growth is for the City to take a greater role in both guiding development through the "redevelopment" process (by keeping our redevelopment plans current and responsive to the market as it comes out of the recession) as well as using all County, State and Federal capital resources to "prime" the pump to increase private sector investment.

- The City adopted redevelopment plans for the Waterfront, the Central Business District (CBD), Main Street, STARS and Springwood Avenue areas. Each of these plans has spurred investment. Using NJEIT "stimulus" funding, the city is currently investing \$15 million of infrastructure work in the downtown and Springwood Avenue area. July 4, 2010 marked the 40th anniversary of the civil disturbances on Springwood Avenue as well as the beginning of significant investment on the west side for the first time since 1970. The City's Engineering Department is managing this project, which will generate approximately \$1.3 million in fees for the City during the next 18 month construction period. This revenue will be used to fund the Engineering Department over three years, in lieu of the traditional use of Project Management fees for third party consultants.
- The original Asbury Partners, who were the "master developer" of The waterfront failed. Their primary financial lender, iSTAR, has taken over the project. During the first six months, iSTAR has demonstrated both a willingness to continue investment in the waterfront and a vision that captures the history and feel of Asbury Park. The Redevelopment Plan is currently being amended to reflect both the "Great Recession" economy and the lessons learned by the failure of previous developers.
- In 1999, there were three businesses in our central business district. Today there are 68 businesses in our downtown. In 2001, three businesses were open on the Asbury Park boardwalk. Last summer, 28 businesses called the Asbury Park boardwalk

home and 18 stayed open year round. **Boardwalk merchant revenues were \$18 million in 2009!**

IV. REGIONALIZING SERVICES

- In the beginning of this report, we noted that the City cannot "cut" its way out of this crisis. Every community requires a level of service that maintains the highest possible quality of life - especially in the domain of public safety. It has been well-documented that the State of New Jersey has the most duplication of services, equipment and programs in the entire country.
- In Monmouth County alone, there are more pieces of fire equipment than in all of New York City. If Monmouth County had a **County Fire Department** modeled after some of the best managed departments in the country, such as the examples set in Maryland and Virginia, we would only need 25% of the equipment and half the fire stations we currently have to "better" protect our lives and property.
- Over the past several years, the State of New Jersey has provided millions of dollars to "study" shared services. In some cases, there have been very successful models developed as a result of these studies. In other cases, the reports have fallen on deaf ears. **The time for additional studies is over and the time for action is here.**

V. ACTION STEPS

Here are some immediate steps (a more detailed plan will come from the Lt. Governor's Task Force) that Asbury Park could take with the support of the DCA Commissioner, Lori Griffa and Governor Chris Christie and Lieutenant Governor Kim Guadagno:

Fire:

- Establish a deadline for Monmouth County to provide police and fire dispatch. **Asbury Park would save approximately \$500,000 annually if this were done.**
- Support legislation (A-2095 and S-818) that would adopt the National Scope of Practice allowing New Jersey municipalities to provide "advanced life support". **New Jersey is the only state in the union that allows hospitals to monopolize this service.** It denies vital life safety services to our residents (because in most cases the Asbury Park ambulance staffed by our firefighters arrives on the scene first) and it cuts off a funding source that could help underwrite municipal services. **Asbury Park estimates that we could bring in an additional \$250,000 a year if we provided this service.**
- Set a strict timeframe for municipalities to establish a county-wide fire protection system using the county as the core. In a more detailed report, we can demonstrate that just by using the existing "paid" firefighters in a wide variety of municipalities in eastern Monmouth County, there are **enough firefighters to provide dramatically increased protection**, reduction in equipment (and therefore capital expenditures for all municipalities) and a reduction in fire houses.
- On a similar note, Fort Monmouth is about to close. For decades, this Monmouth County has relied on the wide variety of technical rescue and hazardous materials services the U.S. Army has provided. **Asbury Park is the only Fire Department** ready to step in and provide many of the fire and emergency support services that Fort Monmouth will no longer supply. Filling this gap in services is problematic as a standalone municipality. However, as part of a County Fire Department, this could be handled in a very transparent manner. Part of the funding to do this is described below.
- The federal government is currently funding a program known as USAR Strike Team within the New York City Metropolitan Area.

The Asbury Park Fire Chief, Kevin Keddy, reached out to the leaders of this program and requested that Monmouth County (Asbury Park) be added to the system. The investment justifications have been approved by the Department of Homeland Security and Preparedness and funding is available to expand the Metro Urban Search And Rescue (USAR) Strike Team to Monmouth County. **Although Asbury Park has been selected as the host, our recommendation is that this be part of a County Fire Department program.** The initial investment of equipment and training is \$1.5 million. On an annual basis this program could generate an additional \$150,000 of operational support to a county or regional fire department. Unfortunately, the process is being held up by the Metro Fire Chiefs and requires the “executive” intervention of Governor Christie or Lieutenant Governor Kim Guadagno.

Police:

- The end game is to develop a county-wide police department. This concept is already working in other states. **Prince William County in Virginia is a perfect example of how a county-wide police department can operate.** A county-wide department (or regional elements of a county entity) would capitalize on the number of patrol officers available, while reducing the number of top brass needed. The result, just as demonstrated in the fire service, would be better coverage, safer streets and more “boots on the ground” at a lower cost. As preliminary steps to a county police department, we offer the following:

Dispatch:

- As noted earlier in this report, a county-wide dispatch facility would save approximately \$500,000 annually for Asbury Park alone.

County-wide detective department and street crimes unit

- Each of these divisions would provide a higher level of service by sharing critical information without allowing the artificial boundaries of municipalities to get in the way. Gangs and drug dealers do not respect geographical boundaries and neither should government in its effort to investigate and prosecute criminals. The level of support both from the Monmouth County Prosecutor's Office and the Sherriff's Office is already high. A county police department would enhance coordination, maximize the personnel already available and reduce costs. Again, having the Lt. Governor (former Monmouth County Sherriff) lead this exploration, would not only add prestige and authority to this analysis, it would add infinite knowledge of the public safety network.

Expand the role of the Sherriff's Department

- Establish a county-wide pool of Special I and II officers that all municipalities could draw upon. This function would fall under the Sherriff's Department and would standardize training, equipment and lower liability for the entire county. This would be an effective tool for the shore communities in particular who have to compete with each other every summer to hire special police officers.

Public Works and Engineering:

- Under the guidance of the County, all public works equipment would be coordinated and the special talent of each municipality would be identified and placed into a pool. Asbury Park's Fire Chief and City Engineer are in discussion with the Monmouth County Director of Public Works to design a more effective way of delivering services for Asbury Park. This model will be part of the analysis available to the Lt. Governor's Task Force.
- Public works contracts would be on a county-wide or regional basis using the equipment and personnel available. As employees retire, new hires would be selected to fill specific skill sets by the county, not by the municipality.

- The City of Asbury Park is taking the first step in the above process by transforming its existing Department of Public Maintenance into a Department of Public Works. The new department will be managed by the City Engineer. The shared services and other cost efficiency opportunities for a new Department of Public Works (DPW), which includes Engineering are as follows:
- Offer Engineering services to towns that currently use consultants (example, Red Bank, Interlaken, etc.)
- Execute shared services agreement (SSA) with County for current contractor services such as:
 - (i) Signage (Fabrication and Installation)
 - (ii) Tree Pruning
 - (iii) Salt Procurement
 - (iv) Pothole Repairs (Permanent)
 - (v) Traffic Signal Maintenance.
- Outsource other low margin tasks, such as:
 - (i) Landscaping
 - (ii) Janitorial Services
- Offer construction services to other towns for public infrastructure such as:
 - (i) Storm and Sanitary Sewers
 - (ii) Curbs and Sidewalks

We expect our ability to offer these services will generate revenue for Asbury Park, and save towns both construction and engineering dollars. Expanding this concept on a County-wide level adds efficiencies.

Planning:

- For the past six years, a full-time planner has been essential for

Asbury Park. Our ability to develop professional redevelopment plans in-house as well as review development applications and coordinate proposals from major developers has saved the City over \$1 million to date. The Planning and Redevelopment Department has worked hand-in-hand with the Monmouth County Planning Department on a number of initiatives including the State Plan Cross Acceptance Process, The Asbury Park Transportation Improvement Study, The Coastal Monmouth Plan, and The Asbury Park Main Street Redevelopment Plan. The City values this relationship and will continue to coordinate with the Monmouth County Planning Board on regional, as well as local issues. Despite this, we support the ultimate coordination of a county planning department to serve the needs of the entire county.

Human Services

- Due to fiscal constraints, the State has reduced funding in many of the most critical human services areas. Municipalities find themselves competing with each other for scarce dollars due to the notion of “home rule”. The need for local governments to engage collaborative human service planning efforts on a county level is more than compelling. Competition for dollars must be replaced with collaboration of effort.

SUMMARY

How do we get from conversation to action?

During the last seven years, Asbury Park is a city that has done almost everything right. In 2003, the City applied for Extraordinary Aid. As a condition of receiving this aide, a complete administrative audit was completed, a game plan was proposed and the City followed that plan. In 2009, the State Legislature authorized an audit of all “Special Municipal Aid” communities. Wiss & Company conducted a thorough audit and gave Asbury Park high marks. Asbury Park continues to find new ways to reduce costs and generate revenue. Unfortunately, all of the City’s efforts are not

enough to balance the budget.

There is no reason for the State to continue funding Asbury Park in the “HOPE” that the City will start to do better and slowly wean itself off of state assistance. We need an immediate plan. Asbury Park believes that plan starts with the Commissioner of the DCA and is completed by the Governor’s Office and the Legislature.

Governor Christie has set the stage. Communities are awake. The time for another round of studies is over. It is time for a plan of action that has teeth and begins now. Commissioner Griffa suggested that Asbury Park be used as a “Beta Project” and we are ready for that task.

In an age where so few are willing to be held accountable or responsible, this administration stands ready to do both. Starting in this budget and moving forward, **the day where "COMPTRA Aid" and "Transitional Aid" are distributed without a plan for reducing the costs of government is over.**

From this point forward, each and every community must show that it is doing its part to reduce the cost of government in their community. We recognize that this is not a “one size fits all” solution. We further recognize that there are some communities that are doing so well within their borders that regionalizing their services would not reduce costs. Those cases would have to be documented by the DCA. However, this is not the rule.

VI. Historical Fiscal Statistics

Item	Actual Previous Year	Actual Prior Year	Introduced Application Year
1. Property Tax/Budget Information			
Municipal tax rate	\$ 2.598	\$ 2.687	\$ 5.645
Municipal Purposes tax levy	\$ 11,160,401	\$ 11,560,188	\$ 24,189,817
Municipal Open Space tax levy	\$ 0.00	\$ 0.00	\$ 0.00
Total general appropriations	\$ 39,463,402	\$ 38,189,531	\$ 39,832,968

3. Cash Status Information			
% Of current taxes collected	99.56 %	99.50%	%
% Used in computation of reserve	99.68%	99.50%	99.80%
Reserve for uncollected taxes	\$ 65,473	\$ 105,626	\$ 68,494
Total year end cash surplus	\$ 890,690	\$ 1,377,564	
Total non-cash surplus	\$ 0.00	\$ 0.00	
Year end deferred charges	\$ 0.00	\$ 0.00	

4. Assessment Data			
Assessed value (as of 7/1)	\$ 429,638,761	\$ 430,292,416	\$ 428,549,386
Average Residential Assessment	\$ 88,833	\$ 89,000	\$ 89,000
Number of tax appeals granted	0.00	0.00	
Amount budgeted for tax appeals	\$ 0.00	\$ 0.00	\$ 0.00
Refunding bonds for tax appeals	\$ 0.00	\$ 0.00	\$ 0.00

5. Full time Staffing Levels			
Uniformed Police - Staff Number	103	104	107
Total S&W Expenditures	\$ 9,266,724	\$ 9,376,597	\$ 9,270,800
Uniformed Fire - Staff Number	45	55	54
Total S&W Expenditures	\$ 4,495,358	\$ 4,549,981	\$ 4,281,400
All Other Employees - Staff Number	147	133	132
Total S&W Expenditures	\$ 19,073,906	\$ 19,594,622	\$ 18,953,209

6. Impact of Proposed Tax Levy

			Amount
Current Year Taxable Value			428,549,386
Introduced Tax Levy			24,189,817
Proposed Municipal Tax Rate	5.645	Average Res. Value (#4 above)	89,000
Current Year Taxes on Average Residential Value (#4 above)			5,024
Prior Year Taxes on Average Residential Value			2,391
Proposed Increase in average residential taxes			2,633

VII. Application Year Budget Information

A. Year of latest revaluation/reassessment

2002

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	X	
2. Amount of appropriation cap bank available going into this year \$ 0.00		
3. Is the Application Year budget at (appropriation) cap? If NO, amount of remaining balance \$ 1,622,728		X
4. Does the Application Year anticipate use of a waiver to exceed the levy cap? If YES, amount: \$ 9,442,309	X	

C. List the five largest item appropriation increases:

Appropriation	Prior Year Actual	Application Year Proposed	\$ Amount of Increase
Health Insurance	5,300,000	6,174,500	874,500
Pensions	1,638,741	3,491,484	1,852,743
Unemployment	75,000	150,000	75,000
Debt Service	1,932,496	2,251,483	318,987

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

Department/Agency	Position	Number	Dollar Amount
	N/A		

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	24,673,800	5,678,500	11,500,000	20,090,402	18,560,000
Second year	25,167,276	5,792,070	9,500,000	18,081,362	18,600,000
Third year	25,670,622	5,907,911	7,500,000	16,273,226	18,650,000

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. See attached		

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

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

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

Question	Police	Fire	Other Contract	Non-Contract
	2007	2007	2007	2007
Year of last salary increase	2007	2007	2007	2007
Average percentage increase	3.25%	3.25%	3.25%	3.25%
Last contract settlement date	July 1,2004	July 1,2004	July 1,2004	
Contract expiration date	Dec. 31,2007	Dec. 31,2007	Dec. 31,2007	

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)				
Wage Freezes (describe below)				
All employee salaries, with the exception of statutory requirements, have not increased from Jan. 1,2008.				



City of Asbury Park

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FINANCE DEPARTMENT

July 15, 2010

VIII. Financial Practices

- # 10. Have all negative findings in the prior year's audit report been corrected?
Answer: No.

There are two findings from the December 31, 2008 audit recommendations that have not been fully corrected. They are:

1. Recommendation: That the data processing system backup media be stored offsite.

Correction: The City is upgrading its computer network and will have the network backup stored offsite by an independent company.

2. Recommendation: That the City strengthen internal controls over the general ledger and financial reporting process.

Correction: The general ledger and financial reporting process has been revised to assist in the ease of year end entries as well as audit documentation.

Layoffs (describe below)				
See attached reports				

D. Tax enforcement practices:

Question	Yes	No
1. Does the municipality use the accelerated tax sale program?	X	
2. When was the last foreclosure action taken or tax assignment sale held: Date:	N/A	
3. During 2009, on what dates were tax delinquency notices sent out: Date:	Quarterly	
4. Date of last tax sale: Date:	Dec. 17,2009	

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:	\$ 234,331	Last Year:	\$ 81,955	Anticipated Application Year:	\$ 80,000
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2. List the instruments in which idle funds are invested:

Various sweep accounts	

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

1%

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

2010

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
PBA – Police Department	Dec. 31,2007	Arbitration award under appeal
SOA – Police Department	Dec. 31,2007	Arbitration award under appeal
IAFF – Firefighters	Dec. 31,2007	Waiting for outcome of Police arbitration
AFL/CIO, Local # 196	Dec. 31,2007	Same as above
AFSCME – Supervisors	Dec. 31,2007	Same as above

Application Year CY 2010/SEY 2011	Municipality: City of Asbury Park	County: Monmouth
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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.
 (*) These cuts will violate DCA staffing levels

Rank Order	Department	# of Layoffs	Effective Date	2010 Full Time Staffing	2011 Full Time Staffing	\$ Amount to be Saved
1	Police Department	67	10/1/2010	107	40	1,153,567 **
2	Fire Department	35	10/1/2010	59	24	552,670 **
3	Streets and Roads	19	10/1/2010	27	8	265,241
4	Code Enforcement/Construction	9	10/1/2010	14	5	87,464

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

Rank Order	Service	Cost Savings	Impact on Services