

# Transitional Aid Application for Calendar Year 2024 and Fiscal Year 2025

## Division of Local Government Services Department of Community Affairs

**General Instructions:** This application must be submitted in its entirety by April 1, 2024, for CY2024 applicants and September 30, 2024, for FY2025 applicants, for funding consideration under this program. Information contained in the application is subject to independent verification by the Division. Refer to Local Finance Notice 2024-06 when preparing this application for specific instructions and definitions and review the Submission Checklist on Page 19 of this application and listed on Page 7 of the Local Finance Notice.

<b>Name of Municipality:</b>		South Brunswick Township		<b>County:</b>	Middlesex
<b>Contact Person:</b>		Samantha Rampacek		<b>Title:</b>	CFO
<b>Phone:</b>	732-329-4000 x7321	<b>Fax:</b>	732-274-8864	<b>E-mail:</b>	srampacek@sbtanj.net

### I. Aid History

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

FY2024 / CY2023	FY2023 / CY2022	FY2022 / CY2021
\$0.00	\$0.00	\$0.00

**II. Aid Request for Application Year:** (All municipalities currently operating under a Transitional Aid MOU are advised that a decrease from prior year funding of 15% should be anticipated.)

<b>Amount of aid requested for the Application Year:</b>	<b>\$7,000,000.00</b>
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*If not seeking a decrease, a letter from the Mayor is required. See Local Finance Notice 2024-06*




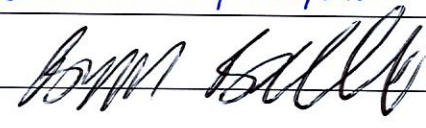
### III. Submission Requirements

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

Item	Date Submitted to DLGS
2024 Annual Financial Statement	August 26, 2024
2023 Annual Audit	August 26, 2024
2023 Corrective Action Plan	Not Yet Submitted
Application Year Introduced Budget	Not Yet Submitted
Budget Documentation Submitted to Governing Body	Not Yet Submitted

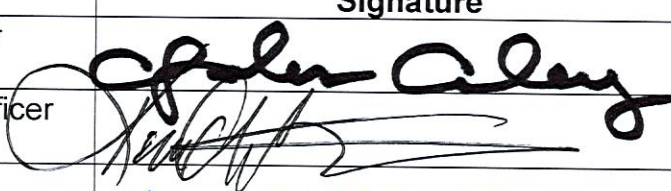


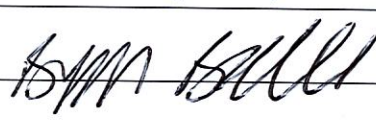
**IV.A Application Certification**

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 aid awards is final and not subject to appeal.

Official	Signature	Date
Mayor/Chief Executive Officer		8/28/24
Governing Body Presiding Officer		8/28/24
Chief Financial Officer		8/28/24
Chief Administrative Officer		8/28/24

**IV.B Transitional Aid Recipients Applying in CY2024 / FY2025**

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

Official	Signature	Date
Mayor/Chief Executive Officer		8/28/24
Governing Body Presiding Officer		8/28/24
Chief Financial Officer		8/28/24
Chief Administrative Officer		8/28/24



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

Explain the circumstances that warrant Transitional Aid in narrative form. Include factors that result in a constrained ability to raise sufficient revenues to meet budgetary requirements, and if such revenues were raised, how it would jeopardize the fiscal integrity of the municipality.

South Brunswick Township experienced several revenue-loss circumstances that warrant assistance from the Transitional Aid program. In April 2023, due to water scarcity, a water moratorium was placed on the township that hindered us from issuing any building permits. Due to us not being able to issue any permits for several months, our Uniform Construction Code Fees and Water Connection Fees experienced extreme revenue losses. In 2023, for Uniform Construction Code Fees, we collected approximately \$1.8M less than we anticipated based on 2022 projections and for Water Connection Fees, we collected approximately \$1.2M less than we anticipated. The 15 months that we fell under this moratorium constricted our ability to raise sufficient revenues to meet our budgetary requirements. Also, the conclusion of the American Rescue Plan Funding had an impact on our budget. The loss of the \$2.3M that we used to offset salary costs added to the predicament that we are in.

Also, we had several large increases to some of our budget line items. Police Salaries and Wages increased by approximately \$1.7M, Employee Group Insurance increased by approximately \$1.6M, and Garbage and Trash Removal increased by approximately \$750K.

Finally, there were several staffing issues in the Finance Department that created a problem for the Township. Due to illnesses and retirements, there was no Chief Financial Officer for approximately a year, which led to poor oversight controls and management of the office. The audits and financial statements were severely behind, which meant that accounts were not being reconciled in a timely manner and by the time mistakes were caught during the audit, it was complicated to fix them since so many months had passed. As of January 2024, the Finance Department is fully staffed, and all positions have been filled. The audits and financial statements are current, and we are on track to have our 2023 audit completed well before the end of 2024.

**V-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 increase in expenditure if the increase was the result of a policy decision made by the municipality (i.e., a back-loaded debt service schedule, deferred payment, costs associated with additional hires, etc.).

Revenue or Appropriation	2022 Value	2023 Value	Amount of Loss/Increase
	\$2,579,683.00	\$1,361,049.67	(\$1,218,633.33)
<b>Description:</b>	Water Connection Fees		
	\$2,417,425.00	\$592,670.50	(\$1,824,754.50)
<b>Description:</b>	Uniform Construction Code Fees		
	\$12,252,782.00	\$13,960,845.00	\$1,708,063.00
<b>Description:</b>	Police Salaries and Wages		
	\$2,390,000.00	\$0.00	(\$2,390,000.00)
<b>Description:</b>	American Rescue Plan Funding		
	\$10,052,335.00	\$11,667,327.00	\$1,614,992.00
<b>Description:</b>	Employee Group Insurance		
	\$3,124,795.00	\$3,883,950.00	\$759,155.00
<b>Description:</b>	Garbage and Trash Removal		
<b>Description:</b>			



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

Detail the steps the municipality is taking to reduce the need for future aid. Include details about shared services and consolidation, long-term cost cutting and enhanced revenue plans, impact of new development, potential for grants to offset costs, and estimated short and long-term annual savings.

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

Use additional pages if necessary.

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

**The municipality is working diligently to ensure we are operating efficiently and remaining fiscally responsible. We are bringing economic development to the township by undergoing extensive redevelopment projects which will be completed over the next few years. These projects will bring in large amounts of PILOT revenue which will greatly impact our budget. We are also being mindful of our staffing requirements by consolidating departments when possible and not filling positions that are no longer necessary. Also, we are going to closely review collective bargaining contracts when they are ready for negotiations to see if there are any ways to cut down the costs of the township. Another action we are doing to reduce the future need for aid is addressing our fees, fines, and penalties. We recently raised our utility fees by 7% to bring in more money for the township. Finally, we are addressing audit findings by ensuring our financial statements are completed in a timely manner, reconciling our bank accounts on a monthly basis, having strict control on purchasing, and overall having strong management tactics in our Finance Department.**

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

Skip this section if using SHBP. If not using SHBP, explain why the municipality's current health benefits plan is cheaper, or what other reasons exist to reject this alternative. Additionally, list all brokers (primary broker or risk manager, all co-brokers, and sub-brokers) together with their compensation for the current and prior two fiscal years. Compensation must be disclosed in this section whether provided directly by the municipality or as a commission from the insurance provider. It is the municipality's right, and obligation, to determine whether the broker is compensated with commission to fully complete this section. If commissions are being earned, provide both how the commission is calculated (percentage of premium or self-insurance) and the actual dollar value of the commission paid in each year.

**South Brunswick Township is not currently enrolled in the SHBP. Each year, we hire Acrisure to review and perform an analysis of our medical and prescription benefits plan. We utilize their results to determine which plan best fits our needs for the lowest cost. Based on Acrisure's analysis dated April 1, 2024, we felt it was best to remain with Horizon Blue Cross Blue Shield. Horizon first offered an increase of 9.39% to the benefit plan, however, after lengthy negotiations, they agreed to offer us a 3% increase for the upcoming 2024/2025 plan for medical and prescription and a 0% increase for our dental plan. After the significant concessions provided by Horizon on the renewal, and the fact that there were no changes to the benefit plans, Acrisure recommended to renew with Horizon Blue Cross Blue Shield of New Jersey for Medical, Prescription, and Dental coverages.**



**VI. Historical Fiscal Statistics**

Item	2022	2023	Introduced Application Year
<b>1. Property Tax/Budget Information</b>			
Municipal tax rate	\$ .973	\$1.041	\$N/A
Municipal Purposes tax levy	\$40,543,350.44	\$43,630,669.63	\$N/A
Municipal Open Space tax levy	\$1,666,410.00	\$1,674,000.00	\$N/A
Total general appropriations	\$65,497,732.17	\$73,082,349.65	\$N/A
<b>2. Cash Status Information</b>			
% Of current taxes collected	99.75%	99.83%	%
% Used in computation of reserve	99.00%	99.45%	99.75%
Reserve for uncollected taxes	\$2,117,347.25	\$1,204,882.69	\$612,044.72
Total year end cash surplus	\$5,910,916.23	\$(3,636,478.89)	
Total non-cash surplus	\$7,155,916.23	\$2,336,180.16	
Year-end deferred charges	\$4,169,946.12	\$5,972,659.05	
<b>3. Assessment Data</b>			
Assessed value (as of January 10)	\$4,166,026,200	\$4,185,023,600	\$4,223,855,260
Average residential assessment	\$194,400	\$195,300	\$196,500
Number of tax appeals granted	1	3	
Amount budgeted for tax appeals	\$0.00	\$0.00	\$0.00
Refunding bonds for tax appeals	\$0.00	\$0.00	\$0.00
<b>4. Staffing Levels</b>			
Total Number of Sworn Police -	91	87	91
Total S&W Expenditures	\$12,264,957.82	\$14,492,832.24	\$14,901,551.37
Class 2 and Class 3 Officers	5	4	5
Total S&W Expenditures	\$223,246.78	\$262,390.74	\$291,677.51
Uniformed Fire – Staff Number	32	27	29
Total S&W Expenditures	\$982,093.46	\$1,012,808.60	\$1,089,320.80
Number of Other Full-time Employees	230	224	221
Total S&W Expenditures	\$17,351,634.84	\$17,662,484.50	\$18,485,172.79
Number of Other Part-time Employees	148	152	129
Total S&W Expenditures	\$1,483,972.98	\$1,467,004.63	\$1,559,158.78

**5. Impact of Proposed Tax Levy**

			Amount
Current Year Taxable Value			\$4,223,855,260.00
Introduced Tax Levy			\$47,259,448.58
Proposed Municipal Tax Rate	1.119	Average res. value (#3 above)	\$195,500.00
Current Year Taxes on average residential value (#3 above)			\$2,187.65
Prior Year Taxes on average residential value			\$2,033.07
Proposed increase in average residential taxes			\$154.58

**VII. Application Year Budget Information****A. Year of latest revaluation/reassessment**

1987

A1. Most current equalized ratio

36.72%

**B. Proposed Budget – Appropriation Cap Information**

- Item**
- Was an appropriation cap index rate ordinance adopted last year?  
If YES: % that was used
  - Amount of appropriation cap bank available going into this year
  - Is the Application Year budget at (appropriation) cap?  
If NO, amount of remaining balance
  - Does the Application Year anticipate use of a waiver to exceed the appropriation cap?  
If YES, amount:

	Yes	No
	X	
3.5%		
\$121,305.12		
	X	
\$		
	TBD	
\$TBD		

**C. List the five largest item appropriation increases:**

Appropriation	Prior Year Actual	Application Year Proposed	\$ Amount of Increase
Special Emergency Authorization – 5 Years	\$582,532.60	\$2,200,598.40	\$1,618,065.80
Special Emergency Authorization – 3 Years	\$0.00	\$676,347.50	\$676,347.50
Overexpenditure of Appropriation Reserves	\$23,150.56	\$658,391.26	\$635,240.70
Deficit of Operations	\$0.00	\$1,777,256.25	\$1,777,256.25
Police Salaries and Wages	\$13,960,845.00	\$14,400,000.00	\$439,155.00

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

Department/Agency	Position	Number	Dollar Amount



- 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	\$47,259,448.58	\$8,337,444.00	\$7,000,000.00	\$30,727,000.00	\$25,919,052.55
Second year	\$48,204,637.55	\$8,504,193.00	\$0.00	\$31,341,540.00	\$26,437,433.60
Third year	\$49,168,730.30	\$8,674,276.00	\$0.00	\$31,968,370.80	\$26,966,182.27

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

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

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

### C. 1) Salary and employee contract information (when more than one bargaining unit for each category, use average):

Question	Police	Fire	Other Contract	Non-Contract
Year of last salary increase	2024	2024	2024	2024
Average total cost percentage increase	3.5%	3%	3%	3%
Last contract settlement date	1/1/2023	1/1/2020	1/1/2023	
Contract expiration date	12/31/2027	12/31/2024	12/31/2027	

**2) Explain, if any, actions that have been taken or are under consideration for the Application Year:**

Action	Police	Fire	Other Contract	Non-Contract
Furloughs (describe below)	N/A	N/A	N/A	N/A
Wage Freezes (describe below)	N/A	N/A	N/A	N/A
Layoffs (describe below)	N/A	N/A	N/A	N/A

**D. Tax Enforcement Practices:**

Question	Yes	No
1. Did the municipality complete its accelerated tax sale by December 31, if included in 2024 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.	N/A	N/A
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 2023:	Date:	3/14/23, 5/16/23, 8/15/23, 11/16/23
4. Date of last tax sale:	Date:	9/19/23

**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:

2022	\$22,968.95	2023	\$50,266.12	Anticipated Application Year:	\$50,000.00
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2. List the instruments in which idle funds are invested:

Bank Account	
BAN's lending to other towns	

3. What was the average return on investments during 2023?

0.45%

4. Left Blank Intentionally



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

PKF O'Connor Davies

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

2022

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

Employee Group	Expiration Date	Status of Negotiations of Expired Agreement
FMBA	12/31/2024	Currently in MOA, working on wording in the contract
PWEA	12/31/2023	Currently in MOA from 1/1/24-12/31/28, waiting on signatures for contract
SBSA	12/31/2023	Currently in MOA from 1/1/24-12-31-28, waiting on signatures for contract

**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	2023 PILOT Billing	2023 Assessed Value	2023 Taxes If Billed in Full at 2022 Total Tax Rate	Term of Tax Abatement
SBCD	PILOT	\$41,948.26	\$3,950,000	\$207,375.00	Year 2035
CIL Woods	PILOT	\$11,988.76	\$676,000	\$35,206.08	Year 2038
VOA	PILOT	\$24,998.40	\$480,000	\$24,998.40	Year 2036
Oakwoods	PILOT	\$41,938.36	\$1,931,000	\$100,566.48	Year 2036
ARC	PILOT	\$4,000.00	\$661,000	\$34,702.50	Varies
Car Sense	PILOT	\$423,980.55	\$14,030,600	\$736,606.50	Year 2046







IX-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 amount of subsidy?	If there is a subsidy, explain why fees cannot be increased to reduce or eliminate subsidy.
Recreation programs	X	Yes		
Sewer Fees	X	Yes		
Water Fees	X	Yes		
Swimming Pool	<input type="checkbox"/>			
Uniform Construction Code	X	Yes		
Uniform Fire Code	X	Yes		
Land Use Fees	X	Yes		
Parking Fees	<input type="checkbox"/>			
Beach Fees	<input type="checkbox"/>			
Insert other local fees below:	<input type="checkbox"/>			
Land Use Escrow fees for in-house staff	X	Yes		
Land Use Escrow fees for independent contractors	X	Yes		





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

Describe in detail the impact if aid is not granted for the current fiscal year. Essential services needs should be given priority. List the appropriate category of impact if the aid is not received. Rank each item from both lists as to the order in which elimination will take place. If across the board cuts will be made, indicate under service. **For rank order purposes, consider the two sections as one list. The cuts outlined here are ones that the municipality will make absent a grant of aid.**

Rank Order	Department	# Of Layoffs	Effective Date	2022 Full Time Staffing	2023 Full Time Staffing	\$ Amount to be Saved

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

Rank Order	Service	Cost Savings	Impact on Services
1	10% cut across all appropriations	\$7,308,235	This would have a severe impact on services and operations of the township.






## XII. Agreement to Improve Financial Position of Municipality

If aid is granted, the municipality will be required to submit to certain reporting conditions and oversight as authorized by law and a new Memorandum of Understanding (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 Local Government Services to assign management, financial, and operational specialists to assess your municipal operations.	X	
2. Implement actions directed by the Director to address the findings of Division staff.	X	
3. Enter into a new Memorandum of Understanding (MOU) and comply with all its provisions, without exception.	X	

## XIII. Certification of Past Compliance for Municipalities Currently Operating Under a Transitional Aid MOU:

The undersigned certify that the municipality is in substantial compliance with the conditions and requirements of the 2023 MOU and is operating in good faith to correct those areas of noncompliance that have been identified.

Mayor:  Date: 8/29/24  
 Chief Financial Officer:  Date: 8/28/24  
 Chief Administrative Officer:  Date: 8/29/24

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

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

Human Resources or Personnel Director: \_\_\_\_\_ Date: \_\_\_\_\_  
 Chief Administrative Officer: \_\_\_\_\_ Date: \_\_\_\_\_

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

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

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

Date: 8/29/24

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

Date: 8/28/24

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

Date: 8/29/24