

Transitional Aid Application for Calendar Year 2021
Division of Local Government Services
Department of Community Affairs

General Instructions: This application must be submitted in its entirety by April 9, 2020 for funding consideration under this program. Information contained in the application is subject to independent verification by the Division. Refer to Local Finance Notice 2021-6_ when preparing this application for specific instructions and definitions and review the Submission Checklist on Page 7 of the Local Finance Notice.

| | | | | |
|------------------------------|----------------|-------------|----------------|-------------------------------------|
| Name of Municipality: | Paterson | | County: | Passaic |
| Contact Person: | Kathleen Long | | Title: | Business Administrator |
| Phone: | (973) 321-2370 | Fax: | | E-mail: klong@patersonnj.gov |

I. Aid History

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

| CY 2020 | FY 2019 | FY2018 |
|----------------|----------------|---------------|
| \$24,650,000 | \$33,000,000 | \$27,000,000 |

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

| | |
|----------------------------------------------------------|--------------------------------------------------------------------------------------|
| Amount of aid requested for the Application Year: | \$21,057,116.25 (\$20,952,500 plus reversion costs of \$104,616.25) |
|----------------------------------------------------------|--------------------------------------------------------------------------------------|

If not seeking a decrease, a letter from the Mayor is required. See Local Finance Notice 2021-6

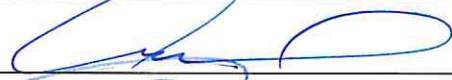
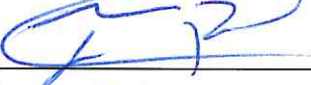
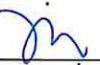
III. Submission Requirements

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 |
|--------------------------------------------------|-------------------------------|
| 2021 Annual Financial Statement | 3/5/2021 |
| 2020 Annual Audit | Estimated May 2021 |
| 2020 Corrective Action Plan | Estimated June 2021 |
| Application Year Introduced Budget | Estimated May 11, 2021 |
| Budget Documentation Submitted to Governing Body | Estimated May 4, 2021 |


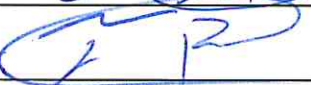

IV.A Application Certification

The undersigned herewith certify that they have reviewed this application and, individually, believes the contents to be true and accurately portray the circumstances regarding the municipality's fiscal practices and need for financial assistance. By submitting the application, the municipality acknowledges that the law provides that the decision of the Director regarding aid awards is final and not subject to appeal.

| Official | Signature | Date |
|----------------------------------|------------------------------------------------------------------------------------|----------|
| Mayor/Chief Executive Officer |  | 4/8/21 |
| Governing Body Presiding Officer |  | 4/9/2021 |
| Chief Financial Officer |  | 4/8/21 |
| Chief Administrative Officer | Kathleen M Long | 4/8/21 |
| | | |

IV.B CY2020 Transitional Aid Recipients Applying in 2021

CY2021 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 |  | 4/8/21 |
| Governing Body Presiding Officer |  | 4/9/2021 |
| Chief Financial Officer |  | 4/8/21 |
| Chief Administrative Officer | Kathleen M Long | 4/8/21 |
| | | |

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.

As Mayor Andre Sayegh entered office in July 2018, he prioritized using his political capital to build coalitions and make long overdue yet difficult decisions to build a stronger fiscal future for the City of Paterson.

This tough work began in FY2019, when the Administration and City Council worked together to 1) switch from a self-insured health plan to the State Health Benefits Plan (SHBP) for employees, and 2) create a self-liquidating sewer utility.

- Had the City not accomplished the health insurance conversion, its operating budget would have increased by close to \$12M in FY20. The City is currently engaged in litigation with the police and fire unions regarding the SHBP conversion and may need to cut into some of those annual savings with a prescription plan carve-out. The City is, however, committed to maintaining the medical aspect of this plan and limiting the prescription carve-out as much as possible to control health insurance spending.
- Creating a sewer utility removed approximately \$5 million of sewer expense from the annual operating budget. Notwithstanding recent challenges by the Council to the utility, it remains in effect and is self-liquidating.

Difficult decision-making continued in FY20 as the COVID-19 pandemic crisis crippled revenue in the last third of the year. The Administration froze spending and hiring, planned for a potential reduction in force, and in collaboration with the Division of Local Government Services and the City Council, instituted a reversion to a calendar year budget year with a July-December 2020 transition year. The City continued its conservative spending and planned for a surplus. Due to COVID spending that is being reimbursed through CARES and ARP funding in 2021, the anticipated surplus will not be realized until the end of CY21, but will likely result in close to \$8M of surplus. We also created \$5M in health insurance reserves and \$3M in accumulated absence reserves. Additionally, the reversion allowed the City to transition to regular tax lien sales instead of needing to rely on accelerated tax sales in the same fiscal year.

These important decisions to utilize political capital and make sound fiscal policies were essential to Paterson surviving the pandemic without layoffs or a deficit. But they address only a few of the numerous challenges facing Paterson in a “normal year,” including our historical legacy, limited revenue, and obligatory expenses. Consequently, the City of Paterson still requires substantial Transitional Aid from the State of New Jersey to provide continued stability to the city’s operations and services while the Administration and Council again work together to grow revenues, limit expenses, and make government more efficient.

HISTORICAL LEGACY

While the City of Paterson has a storied history as the first industrial city in the United States, it has fallen victim over the last 60 years to the same decline in manufacturing and industry that has devastated countless cities across the country. In particular, the loss of its once significant corporate base has led to a sharp decline in rateables for city government. Simultaneously, the closed factories and shuttered businesses have led to loss of income for many families. The U.S. Census Bureau estimates the median household income in Paterson is just over \$41,000, with over a quarter of the population living in poverty. These 2019 figures are pre-COVID-19 and suggest current statistics are more dire.

This has contributed to an increased need for the very city services that are perennially cut in tough financial times -- social services and housing programs to support the unemployed, underemployed and their families; inexpensive yet high-quality health care; police officers and recreation programs to combat crime; emergency services and anti-overdose medicine for those struggling with addiction, to name a few. These social programs support, complement,

or mitigate the required services for any municipality - public works, engineering/roads/sewer, police and fire, library, municipal court, licensing and inspections, etc.

The city further struggles with the abundance of tax exempt property owned by local schools as well as county, state, and federal governments, accounting for approximately 28% of city property. Through this combination of factors, expenses annually and significantly outpace revenue, even when the city operates, as is does now, in a bare bones capacity.

IMPROVED REVENUE, BUT LIMITED OVERALL

Each year, we review and appropriately increase fees across departments for licenses, inspections, and permits. We have begun this process again for CY21, even though many revenues have decreased drastically due to the COVID-19 pandemic, especially Municipal Court fees and restaurant licenses (ABC, dance hall, and entertainment/show licenses).

From sewer connection fees to the sewer utility to an escrow ordinance, the Administration and City Council have also taken initial steps over the past few years to create additional streams of revenue. Some of these opportunities have only realized a portion of what can be captured by law, so the Administration will work in CY21 to revisit these fees with the City Council to attempt full revenue capture.

In TY20, the City also settled a longstanding tax litigation with St. Joseph's Health, resulting in \$1.2M of revenue a year for the City of Paterson for five years from 2020-2024. On the flip side of the same coin, this settlement resulted in a significant decrease to the City's total net valuation taxable (NVT) as the hospital system's \$187M of assessed value was removed.

In FY20, the City of Paterson provided letters of support to applicants for medical cannabis licenses, and in TY20, the City instituted an ordinance to collect revenue from these entities as allowable by state law. In CY21, we will amend this ordinance to include revenue from recreational cannabis as state regulations are promulgated. This is the most positive recent development in revenue generation for the City of Paterson.

While this progress is important, the City of Paterson needs more development to increase revenue through taxation, and due to numerous historical incentive programs, the City won't fully realize funds connected to most current development for years to come. This is even though Paterson is witnessing historic growth in residential, commercial, and mixed-use development, including direct and indirect development associated with the \$130 million in projects resulting from the NJ Economic Development Authority Economic Redevelopment and Growth (ERG) tax credits.

Transitional aid supports the City while the Administration prioritizes restoring and reinventing the City's corporate base.

OBLIGATORY EXPENSES

Properly managing the City's obligatory expenses has been a priority of the Sayegh Administration, especially after inheriting a structural deficit and no reserves. In FY19, the Administration limited non-contractual salary increases and expenses, instituted a non-essential hiring freeze, and began work cleaning up its CAMPS civil service system to lay the groundwork for a formal reduction-in-force (RIF) if necessary. The City was ready to implement a RIF if necessary during COVID in TY20, but enough revenue was collected and expenses cut to postpone this drastic action.

But obligatory expenses remain – including salary expenses with likely annual 2% increases once the next round of collective bargaining agreements are completed (3.5% increase to absorb in the TY20 budget due to the length of negotiations), statutory expenditures, debt service, and reserve for uncollected taxes.

In FY20 we added an appropriation for a previously unfunded liability – reserve for accumulated absences. This will support payouts for retirements which the City previously funded through bond ordinances. This large legacy expense, especially for public safety employees is funded through the operating budget, and going forward, with some support from the reserve.

The largest area of obligatory expense -- 45% of the overall CY21 budget and \$112M -- is for employee salaries. This includes filling some current vacancies, with the Administration prioritizing those which provide constituent services or generate revenue, including public works, collections, and inspectors in numerous departments. But even with this limited hiring, employees in every department still struggle with work that used to be shared among numerous colleagues, affecting productivity and morale.

Over 23% of the budget expenses are for other obligatory expenses, including 13% for statutory expenditures (\$32.8M), and close to 10% for debt service and reserve for uncollected taxes (\$24.6M).

These few categories – salaries, statutory expenditures, and debt service – account for over two-thirds of the city’s operating budget. Transitional aid helps support the remainder of the budget, including “other expenses,” or the very life blood of the various departments. But even with this support, there is very little wiggle room for other spending. Better talent recruitment and top-level retention is nearly impossible, precisely when the city needs the best and brightest to create a sustainable pathway to economic growth and job creation. Additionally, the current budget leaves almost no opportunity to invest in technology or training to improve efficiency and professional development of employees. We continue to rely heavily on grant funding, including maximizing CARES funding, to try to fill those gaps.

SUMMARY

The City of Paterson continues to fund essential positions and expenses while also keeping budgets tight during this pandemic. While we are requesting a 0% tax levy increase in the CY21 budget and as part of this application, it is because the residents of Paterson are absorbing the decrease to the NVT largely stemming from the hospital settlement. Due to our prudent planning, this flat tax levy does not require us to increase our transitional aid request; in fact, we are decreasing by the mandatory 15%. Finally, we are judiciously planning for additional contributions to insurance and accumulated absence reserves due to the fiscal benefits of the calendar year reversion, as well as realizing a \$8M surplus, which we are not using in the CY21 budget.

V-B. Demonstration of Revenue Loss/Substantial Cost Increase

Show: (1) specific, extraordinary revenue losses, but not as the aggregate of many revenue line items; and (2) specific, extraordinary increases in appropriations, but not as the aggregate of many appropriation line items. Describe the item in the cell below each entry. If applicable, indicate in the description of the extraordinary increase in expenditure if the increase was the result of a policy decision made by the municipality (i.e. a back-loaded debt service schedule, deferred payment, costs associated with additional hires, etc.)

| Revenue or Appropriation | 2019 Value | 2020 Value | Amount of Loss/Increase |
|---------------------------------|-------------------|-------------------|--------------------------------|
| Description: | | | |
| Description: | | | |
| Description: | | | |
| Description: | | | |
| Description: | | | |
| Description: | | | |
| Description: | | | |
| Description: | | | |
| Description: | | | |

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.

ACTIONS TO REDUCE FUTURE NEED FOR AID

CUTTING COSTS

1. Switched to State Health Benefit Plan (SHBP) from City of Paterson Self-Insurance

Immediately upon taking office in July 2018, the Sayegh Administration began the process of moving health care benefits from the City of Paterson's self-insured plan to the state's program. In September 2018, the City Council passed the necessary resolutions that allowed the City to prepare and implement the switch in January 2019. As noted earlier, the City is currently engaged in litigation with the police and fire unions regarding the SHBP conversion and may need to cut into some of the annual savings with a prescription plan carve-out. The City is, however, committed to maintaining the medical aspect of this plan and limiting the prescription carve-out as much as possible to control health insurance spending.

2. Unfilled vacancies and overtime approvals

In FY19, the Administration left over 100 positions vacant, understanding that while it would result in \$4 million in savings, a large portion would be sacrificed to overtime expenses caused by staff coverages. The vacancies also resulted in a drop in basic city services, but it was necessary to fill a revenue gap.

For FY20, the Administration filled vacancies to stabilize city services, but also aggressively managed overtime to keep departments in line with the budget. The Office of the Business Administrator instituted a policy requiring pre-approval of all overtime, including public works and public safety, which continues to this day.

During TY20, most vacancies and retirements remained unfilled, and the CY21 budget reflects only essential and grant funded growth. Numerous departments, from Fire to Finance to Law, have reconfigured their tables

of organization when attrition allows, consolidating positions and distributing work more evenly. In fact, the overall salary and wage expense (\$112M) is less in CY21 than it was in FY20 (\$115M).

3. Labor contract negotiations

All 17 labor contracts expired at the end of June 2019, and the Administration is aggressively negotiating new contracts with city employee bargaining units that limit impacts to taxpayers. All increases will be limited to a maximum 2% increase, inclusive of all economic benefits. Two bargaining unit agreements have been approved by our municipal technical advisors from Local Government Services and will soon be reviewed by the City Council for approval, with progress being made on the remaining 15.

4. Local Government Energy Audit/Electric Vehicles

The City of Paterson received grant-funded technical support from Sustainable Jersey to work with a firm through New Jersey's Clean Energy Program to create a Local Government Energy Audit (LGEA) for all city facilities. This roadmap to long-term financial savings through energy upgrades was completed in March 2021 and also includes potential government funding opportunities to mitigate the cost of improvements. The Administration has begun talks with a private funder interested in supporting the next phase of implementation via a project manager/consultant. This project will also dovetail nicely with Administration efforts to utilize state and federal incentive programs to begin adding electric vehicles and docking stations to the city fleet when replacements are needed or purchases are planned.

INCREASING REVENUE

1. Increasing sewer rates and creating utility

For decades, the City's sewer expenses outpaced sewer revenues, and in recent years over \$5M annually was being absorbed by the general operating budget. In FY19, the Administration and City Council implemented changes recommended by expert consultants to increase rates and measure all users by flow volume. This allowed the City to separate sewer expenses and revenue in a self-liquidating utility, eliminating the need for general operating support for FY20. Although the City Council attempted to repeal the utility in March 2021, it remains. Updates to the billing formula will likely be implemented in mid-2021, but the overall structure will continue as self-liquidating.

2. Updated/new fees

Each year city departments are asked to examine and increase existing fees for licenses, inspections, permits, and other services as appropriate. Some departments have also added new fees, including re-inspection fees. The City is also now collecting \$600,000 annually from sewer connection fees as sewer utility revenue and looks to collect at least \$60,000 annually from annual escrow fees for development as operating fund revenue, with potential for both to increase as the Administration looks to partner with the City Council to increase these amounts to the maximum allowable by state statute.

3. Cannabis

In FY20, the City of Paterson provided letters of support to applicants for medical cannabis licenses (both "grow" and retail dispensing), and in TY20, the City instituted an ordinance to collect revenue from these entities as allowable by state law. In CY21, we will amend this ordinance to include revenue from recreational cannabis as state regulations are promulgated. This is the most positive recent development in revenue generation for the City of Paterson, as it may eventually lead to hundreds of thousands of dollars in revenue annually.

SHARED SERVICES AND CONSOLIDATION

1. Fire Restructuring; Police Civilianization

The Public Safety Fire Division, under the leadership of Chief Brian McDermott, has continued to think creatively about streamlining expenses without reducing services, reducing their overall table of organization to more appropriate levels - supporting 365 positions for firefighters and eliminating 4 of 16 fire inspection positions to properly right-size the department.

The Division in FY20/TY20 has also begun managing vehicles in the City's fleet from the Health Department, Community Improvements Division, and Community Development, providing tremendous savings and efficient service. Finally, the Division is also consulting with the Department of Public Works to identify inefficiencies in their processes and create a more cost effective and service oriented environment.

In CY21, the Police Division has begun civilianizing numerous clerical positions to save on officer overtime and return police officers to police functions. The Division delayed hiring replacement officers after a round of retirements to help offset the new civilian positions in this first year's budget. These positions include one for budgeting/account management, two in property and evidence, one in training, and one in the near future for body-worn camera compliance.

2. Shared Services Agreements

The Sayegh Administration began examining numerous shared services agreements with partner entities to increase services while minimizing expenses. Some have already contributed to budgetary savings and led to increased revenue, while many were put on hold in FY20/TY20 due to the pandemic. The Administration is restarting these conversations to explore new revenue opportunities.

- Paterson Parking Authority – PPA currently shares the services of a grant writer with the City of Paterson, leading to over **\$11 million** in grants in 2020, an increase of \$6.5 million over 2019. The City will look to negotiate an updated agreement in CY21 that increases reimbursements for numerous city services, including public safety and solid waste. Projections pre-pandemic suggested factual support to increase annual reimbursement to over \$1M, instead of \$400,000.
- County of Passaic – In TY20, the City Council asked the Administration to explore a potential agreement with Passaic County to add the two flagship parks, Eastside and Westside, to the County Parks System, thus reducing the expense to the City budget. The City and County will begin exploratory meetings on this topic in 2021. *In FY20, the City began work with a consultant hired by the County to explore a consolidation of City and County Public Health services; the pandemic obviously put this project on hold for the foreseeable future.*
- Paterson Public Schools – An updated agreement in CY21 will look to cover shared use of fields, school buildings, landscaping and snow plowing equipment, and the cost-sharing of salary and wages for the Recreation Division Director.
- Housing Authority – An updated agreement in CY21 will look to increase reimbursement for numerous city services, including public safety, solid waste, and recycling collection at housing complexes. Early projections suggest factual support to increase annual reimbursement to over \$500,000, instead of \$227,448.

- Neighboring municipalities – Paterson Fire Department currently provides ambulance service to the residents of Haledon, North Haledon, Little Falls, and Prospect Park at no cost to the towns, recouping money only by billing patients; in CY21 the City looks to negotiate expiring and future agreements to include fee paid by municipality to support capital expenses.

IMPACT OF NEW BUSINESS AND DEVELOPMENT

It is difficult to estimate potential revenue from increased economic development, but Paterson is actively engaged in this arena.

- Even with numerous pandemic related challenges, including New Jersey halting construction in March 2020, the City continues to proactively support business growth. When construction regulations were lifted, Paterson saw many businesses expand, including pharmacies that added testing and vaccination sites, while other companies began producing personal protective equipment (PPE). Excel Hobby, Gaeta Recycling, and RISE (medical cannabis) also underwent major expansions. We had one business relocate from New York to Paterson and is in the process of hiring 64 Paterson employees. Al Basha Restaurant opened a second location in Paterson with seating for 250 people and will be employing approximately 30 residents at the new location. Many smaller restaurants opened with outdoor dining and delivery services. These businesses, coupled with many other smaller expansions, secured approximately \$40,857,200 in funding.
- The Planning Board and Zoning Board of Adjustment heard and conditionally approved approximately 90 applications in 2020 for residential, commercial/retail, educational, medical, warehousing and self-storage development, valued at \$121M. This is a tremendous feat, as after the middle of March 2020, all Board meetings were moved to remote hearings only and continue as same. The virtual meeting learning curve was slow, but as other sectors of the economy suffered greatly, those able to take advantage of the decline in long term interest rates saw opportunities in Paterson and invested in residential housing, commercial and retail properties, public/private partnerships and not for profit endeavors. As of this writing, both Boards have backlogs of applications to hear. Paterson's close proximity to the New York City and the tristate metropolitan area, its location to an accessible highway network and its ready and willing employment base has long been a positive factor for manufacturing and wholesale companies to set up shop in the City.
- The Administration continues to work to take advantage of the federal opportunity zone program, which is meant to spur investment in low-income census tracts, eight of which are located in Paterson. Utilization of these opportunity zones, including participating in the NJ Economic Development Authority's Opportunity Zone Challenge for grant funding, is a high priority.
- The Sayegh Administration, working alongside the Paterson Parking Authority, will be breaking ground in CY21 on numerous development projects approved by NJEDA to utilize \$130M in ERG tax credits. These include restoration of historic Hinchliffe Stadium, valued at \$90M, which will lead to additional development opportunities in that neighborhood just north of the Paterson Great Falls National Historical Park (PGFNHP), and a Visitor's Center at the PGFNHP. The City continues to work to encourage restaurant and retail establishments in the neighborhoods around the Falls to spur tax revenue increases and growth.

V-D. Discussion of Health Benefits

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

| | | |
|---------------------------------|-------------------------------|------------------------|
| Application Year: CY2021 | Municipality: Paterson | County: Passaic |
|---------------------------------|-------------------------------|------------------------|

VI. Historical Fiscal Statistics

| Item | 2019 | 2020 | Introduced Application Year |
|-------------------------------------------|-----------------|-----------------|-----------------------------|
| 1. Property Tax/Budget Information | | | |
| Municipal tax rate | \$2.742 | \$2.548 | \$2.65 |
| Municipal Purposes tax levy | \$156,114,799 | \$159,237,095 | \$162,412,686 |
| Municipal Open Space tax levy | \$0 | \$0 | \$0 |
| Total general appropriations | \$283,364,468 | \$263,737,141 | \$245,317,095 |
| 2. Cash Status Information | | | |
| % Of current taxes collected | 96.76% | 97.28% | % |
| % Used in computation of reserve | 96.76% | 97.28% | 94.82% |
| Reserve for uncollected taxes | \$8,117,915 | \$11,055,809 | \$12,402,884 |
| Total year end cash surplus | \$973,623 | \$1,232,039 | |
| Total non-cash surplus | \$339,402 | \$108,902 | |
| Year end deferred charges | \$710,695 | \$0 | |
| 3. Assessment Data | | | |
| Assessed value (as of 1/10) | \$5,813,344,628 | \$6,375,550,328 | \$6,121,731,879 |
| Average Residential Assessment | \$186,951 | \$197,502 | \$197,089 |
| Number of tax appeals granted | 1207 | 852 | |
| Amount budgeted for tax appeals | \$0 | \$0 | \$0 |
| Refunding bonds for tax appeals | \$0 | \$0 | \$0 |
| 4. Staffing Levels | | | |
| Total Number of Sworn Police - | 418 | 393 | 419 |
| Total S&W Expenditures | \$42,440,828 | \$44,345,043 | \$41,000,000 |
| Class 2 and Class 3 Officers | | | |
| Total S&W Expenditures | | | |
| Uniformed Fire - Staff Number | 385 | 385 | 365 |
| Total S&W Expenditures | \$36,822,764 | \$40,563,121 | \$40,500,000 |
| Number of Other Full-time Employees | 867 | 890 | 828 |
| Total S&W Expenditures | \$33,138,528 | \$35,568,433 | \$30,520,777 |
| Number of Other Part-time Employees | | | |
| Total S&W Expenditures | | | |
| 5. Impact of Proposed Tax Levy | | | |

| | | | Amount |
|------------------------------------------------------------|-------|--------------------------------|---------------|
| Current Year Taxable Value | | | 6,121,731,879 |
| Introduced Tax Levy | | | 162,412,686 |
| Proposed Municipal Tax Rate | 2.680 | Average Res. Value (#4 above) | 197,089 |
| Current Year Taxes on Average Residential Value (#4 above) | | | 5,223 |
| Prior Year Taxes on Average Residential Value | | | 5,032 |
| Proposed Increase in average residential taxes | | | 191 |

VII. Application Year Budget Information

| | |
|--------------------------------------------|-------|
| A. Year of latest revaluation/reassessment | 2014 |
| A1. Most current equalized ratio | 78.12 |

B. Proposed Budget – Appropriation 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 | | |
| \$ | | |
| 3. Is the Application Year budget at (appropriation) cap? If NO, amount of remaining balance | | x |
| \$ | | |
| 4. Does the Application Year anticipate use of a waiver to exceed the appropriation cap? If YES, amount: | | x |
| \$ | | |

C. List the five largest item appropriation increases:

| Appropriation | Prior Year Actual | Application Year Proposed | \$ Amount of Increase |
|------------------------|-------------------|---------------------------|-----------------------|
| Bond Payment Principal | 6,050,000 | 8,017,702 | 1,967,702 |
| Solid Waste | 10,500,000 | 12,000,000 | 1,500,000 |
| Pension | 26,947,175 | 28,366,720 | 1,419,545 |
| Recreation | 1,925,235 | 2,800,000 | 874,765 |
| UCC Code Improvements | 110,473 | 700,000 | 589,527 |
| | | | |

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

| Department/Agency | Position | Number | Dollar Amount |
|-------------------|----------|--------|---------------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

| | | |
|---------------------------------|------------------------|-----------------|
| Application Year: CY2021 | Municipality: Paterson | County: Passaic |
|---------------------------------|------------------------|-----------------|

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 | 165,660,940 | 12,165,000 | 17,809,625 | 114,687,616 | 72,540,027 |
| Second year | 168,974,159 | 12,165,000 | 15,138,181 | 116,981,368 | 73,990,827 |
| Third year | 172,353,642 | 12,165,000 | 12,867,454 | 119,320,995 | 75,470,644 |

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

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

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

| Question | Police | Fire | Other Contract | Non-Contract |
|----------------------------------------|---------------|-------------|-----------------------|---------------------|
| | FY20 | FY20 | FY20 | FY20 |
| Year of last salary increase | | | | |
| Average total cost percentage increase | 2% | 2% | 2% | 2% |
| Last contract settlement date | 4/21/17 | 8/4/16 | 10/8/16 | |
| Contract expiration date | 7/31/19 | 7/31/19 | 6/30/19 | |

| | | |
|---------------------------------|-------------------------------|------------------------|
| Application Year: CY2021 | Municipality: Paterson | County: Passaic |
|---------------------------------|-------------------------------|------------------------|

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

| Action | Police | Fire | Other Contract | Non-Contract |
|-------------------------------|---------------|-------------|-----------------------|---------------------|
| Furloughs (describe below) | | | | |
| Wage Freezes (describe below) | | | | |
| Layoffs (describe below) | | | | |

D. Tax Enforcement Practices:

| Question | Yes | No |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-----------|
| 1. Did the municipality complete its accelerated tax sale by December 31, if included in 2020 budget? If not, please include a letter from the tax collector explaining why he/she failed to complete the sale in a timely manner and what the impacts were on cash flow and lost investment earnings. | X | |
| 2. When was the last foreclosure action taken or tax assignment sale held: Date: | 11/29/18 | |
| 3. On what dates were tax delinquency notices sent out in 2020: Date: | 5/22 & 11/27 | |
| 4. Date of last tax sale: Date: | 12/10/20 | |

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:

| | | | | | |
|------|--------------|------|-----------|-------------------------------|-----------|
| 2019 | \$224,511.89 | 2020 | \$262,785 | Anticipated Application Year: | \$250,000 |
|------|--------------|------|-----------|-------------------------------|-----------|

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

| | |
|-----------------------|--|
| Cash Management Fund | |
| Money Market Accounts | |
| | |
| | |

3. What was the average return on investments during 2020?

| |
|-------|
| 1.57% |
|-------|

4. Left Blank Intentionally

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

| |
|-------------------------|
| Wielkotz & Company, LLC |
|-------------------------|

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

2019

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 |
|-------------------------------|-----------------|---------------------------------------------|
| Dispatcher/Telecommunications | June 30, 2019 | Pending – in negotiations |
| Crossing Guards | June 30, 2019 | Pending – in negotiations |
| DPW Blue | June 30, 2019 | Pending – in negotiations |
| DPW Supervisors | June 30, 2019 | Pending – in negotiations |
| Firefighters | June 30, 2019 | Pending – in negotiations |
| Fire Battalion Chiefs | June 30, 2019 | Pending – in negotiations |
| Fire Captains | June 30, 2019 | Pending – in negotiations |
| Fire Deputy Chiefs | June 30, 2019 | Pending – in negotiations |
| Health | June 30, 2019 | Pending – in negotiations |
| Law | June 30, 2019 | Pending – in negotiations |
| Library | June 30, 2019 | Pending – in negotiations |
| Library Supervisors | June 30, 2019 | Pending – in negotiations |
| Police Motor Pool | June 30, 2019 | Pending – in negotiations |
| Police PBA | June 30, 2019 | Pending – in negotiations |
| Police SOA | June 30, 2019 | Pending – in negotiations |
| White Collar | June 30, 2019 | Pending – in negotiations |
| White Collar Supervisors | June 30, 2019 | Pending – in negotiations |

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 | 2020 PILOT Billing | 2021 Assessed Value | 2021 Taxes If Billed in Full at 2020 Total Tax Rate | Term of Tax Abatement |
|-----------------------|-----------------|--------------------|---------------------|-----------------------------------------------------|-----------------------|
| Aspen Hamilton | PILOT | \$91,257.00 | \$3,737,800.00 | \$154,520.65 | 40 Years |
| Brooks Sloate | PILOT | \$174,304.00 | \$11,760,000.00 | \$486,158.40 | 15 Years |
| Colt Arms | PILOT | \$418,430.00 | \$13,570,000.00 | \$560,983.80 | 50 Years |
| Congdon Mills | PILOT | \$88,609.00 | \$3,736,200.00 | \$154,454.51 | 25 Years |

| | | |
|---------------------------------|-------------------------------|------------------------|
| Application Year: CY2021 | Municipality: Paterson | County: Passaic |
|---------------------------------|-------------------------------|------------------------|

| | | | | | |
|--------------------------------------------------|-------|--------------|------------------|----------------|------------|
| Seniors Tower Paterson | PILOT | \$100,000.00 | \$6,632,000.00 | \$274,166.88 | 30 Years |
| Governor Paterson Tower I,II, III | PILOT | \$641,234.00 | \$19,415,500.00 | \$802,636.77 | 50 Years |
| Riese-Madison Park | PILOT | \$76,298.00 | \$5,027,900 | \$207,853.39 | 50 Years |
| INCCA-Triangle Village | PILOT | \$175,230.00 | \$14,561,600.00 | \$601,976.54 | 50 Years |
| Jackson Slater/Martin Deporres | PILOT | \$215,424.00 | \$4,160,000.00 | \$171,974.40 | 50 Years |
| Madison Ave Apts | PILOT | \$168,285.00 | \$6,926,200.00 | \$286,329.11 | 50 Years |
| Paterson Housing Authority | PILOT | \$49,082.00 | \$123,984,200.00 | \$5,125,506.83 | Var. Abate |
| Great Falls | PILOT | \$241,258.00 | \$7,928,200.00 | \$327,751.79 | 20 Years |
| 446-460 E 19 th St | PILOT | \$25,402.00 | \$2,985,900.00 | \$123,437.11 | 30 Years |
| Belmont/McBride Towers | PILOT | \$39,179.00 | \$4,605,300.00 | \$190,383.10 | 30 Years |
| Hope '98 N Main St Scattered | PILOT | \$68,409.00 | \$8,762,700.00 | \$362,250.02 | 30 Years |
| Hope '98 Beech St | PILOT | \$34,102.00 | \$2,304,800.00 | \$95,280.43 | 30 Years |
| Hope '98 Van Houten St | PILOT | \$32,166.00 | \$4,030,200.00 | \$166,608.47 | 30 Years |
| Rising Dove Senior Apts | PILOT | \$30,812.00 | \$5,076,100.00 | \$209,845.97 | 40 Years |
| Belmont 2007 H.A. | PILOT | \$19,322.00 | \$4,954,300.00 | \$204,810.76 | 30 Years |
| Christopher Hope '99 | PILOT | \$112,814.00 | \$1,721,000.00 | \$71,146.14 | 30 Years |
| Alexander Hamilton Heritage I, II, III, VI & VII | PILOT | \$130,494.94 | \$25,229,400.00 | \$1,042,983.40 | 90 Years |

IX-A. List actions that limited Salary and Wage costs: i.e., layoffs, furloughs, freezes, contract concessions, etc.

(See item C-3 in Local Finance Notice for details)

| S&W Line Item | Prior Year Actual | Application Year Proposed | Explanation of Change |
|--------------------------------------|--------------------------|----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| All Departments & Statutory Agencies | | | Most nonessential vacant positions were removed from the CY21 spending plan. Any pre-approved waivers have been apportioned for the remaining nine months of CY21. |
| All Departments & Statutory Agencies | | | Preapproval of overtime by the Office of the Business Administrator. |
| All Departments & Statutory Agencies | | | Contract negotiations continue, but the City position is that increases are capped at 2% inclusive of all economic benefits. |
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IX-B. List actions that limited or reduced Other Expense costs: i.e., reductions, changes, or elimination of services, procurement efficiencies or restraint. Include changes in spending policies that reduce non-essential spending.

| Line Item | Prior Year Actual | Application Year Proposed | Explanation of Change |
|----------------------------------------|--------------------------|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| All Departments and Statutory Agencies | | | All departments started the CY21 budget process with their baseline being the amount expended for FY20, with some additional analysis of pandemic related cuts. |
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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 though the General/Current Fund | Check if services is provided | Are fees charged to cover the costs of the program? | If fees do not cover costs, what is the amount of subsidy? | If there is a subsidy, explain why fees cannot be increased to reduce or eliminate subsidy. |
|----------------------------------------------------------------------|-------------------------------------|-----------------------------------------------------|------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Recreation programs | <input checked="" type="checkbox"/> | NO | The net program services are covered by municipal budget | The city's socioeconomic profile is below poverty. |
| Sewer Fees | <input checked="" type="checkbox"/> | YES | | |
| Water Fees | <input type="checkbox"/> | | | |
| Swimming Pool | <input checked="" type="checkbox"/> | NO | The net program services are covered by municipal budget | The city's socioeconomic profile is below poverty. |
| Uniform Construction Code | <input checked="" type="checkbox"/> | YES | | Statutory |
| Uniform Fire Code | <input checked="" type="checkbox"/> | YES | | Statutory |
| Land Use Fees | <input type="checkbox"/> | | | |
| Parking Fees | <input type="checkbox"/> | | | |
| Beach Fees | <input type="checkbox"/> | | | |
| Insert other local fees below: | <input type="checkbox"/> | | | |
| Land Use Escrow fees for in-house staff | <input checked="" type="checkbox"/> | YES | | Improving process to utilize escrow payments to fully cover expenses, as money is available but hours by planning professionals have to be properly tracked. |
| Land Use Escrow fees for independent contractors | <input checked="" type="checkbox"/> | YES | | Improving process to utilize escrow payments to fully cover expenses, as money is available but hours by planning professionals have to be properly tracked. |

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) |
|--------------------------------------------------------------------------------|------------------------------------------------------------------------------------|-------------------------------------|---------------------------------------------|
| PISTOL RANGE FOR THE 2019 FISCAL YEAR | BOROUGH OF PARAMUS POLICE DEPARTMENT | \$58,000.00 | 04/23/2019 |
| LEASE/PURCHASE AND DELIVERY OF (2) TYMCO MODEL 600 REGENERATIVE AIR SWEEPERS | HOUSTON-GALVESTON AREA COUNCIL CONTRACT NO. SW04-18 | \$528,785.98 | 07/30/2019 |
| BASEBALL INFIELD REMEDIATION | EDUCATIONAL SERVICES COMMISSION OF NEW JERSEY CO-OP 65MCESCCPS BID #ESCNJ 19/20-10 | \$20,182.50 | 09/10/2019 |
| PREVENTIVE MAINTENANCE/REPAIR OF THE COMMUNICATIONS EQUIPMENT | MORRIS COUNTY COOPERATIVE PRICING | \$46,000.00 | 09/24/2019 |
| PURCHASE OF ROCK SALT | PASSAIC COUNTY COOPERATIVE PRICING SYSTEM #38-PCCP | \$250,000.00 | 11/26/2019 |
| PURCHASE OF (1) 2020 FORD EXPLORER (K8B) BASE 4WD | ESC CO-OP AGREEMENT #65MCESCCP ESCNJ 17/18-21 | \$28,860.20 | 12/17/2019 |
| PURCHASE AND INSTALLATION OF RADIOS AND ACCESSORIES FOR NEW VEHICLES | MORRIS COUNTY COOPERATIVE CONTRACT #41 | \$18,667.20 | 12/17/2019 |
| PURCHASE OF (2) WESTERN STAR CAB AND CHASSIS | ESC CO-OP AGREEMENT #65MCESCCPS BID #ESCNJ 17/18-30 | \$265,392.00 | 12/17/2019 |
| PURCHASE OF (3) SNOW PLOWS AND (3) SPREADERS | ESC CO-OP AGREEMENT #65MCESCCPS CLASS 8 TRUCK BID #ESCNJ 17/18-30 | \$118,336.95 | 12/17/2019 |
| PURCHASE OF (2) NEW LEACH MODEL 2RIII-29 CUBIC YARD REARLOAD REFUSE BODY | ESC CO-OP AGREEMENT #65MCESCCPS BID #ESCNJ 17/18-30 | \$174,795.00 | 12/17/2019 |
| PURCHASE OF (1) TRI-AXLE ROLL-OFF/PLOW SPREADERS AND HYDRAULICS | ESC CO-OP AGREEMENT #65MCESCCPS ESCNJ 17/18-30 | \$64,401.10 | 01/14/2020 |
| PURCHASE OF (1) 2020 FORD TRANSIT PASSENGER WAGON (X2C) | ESC CO-OP AGREEMENT #65MCESCCPS ESCNJ 17/18-21 | \$40,645.83 | 02/11/2020 |
| PURCHASE, DELIVERY AND INSTALLATION OF A SYNTHETIC TURF FIELD AT BRANDERS PARK | SOURCEWELL FORMERLY NATIONAL JOINT POWER ALLIANCE CONTRACT NO. 060518-SII | \$706,345.00 | 02/11/2020 |
| RENTAL OF (1) MAIL PROCESSING SYSTEM | SOURCEWELL FORMERLY NATIONAL JOINT POWER | \$43,072.20 | 03/10/2020 |

| | | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|--------------|------------|
| | ALLIANCE (NJPA) CONTRACT NO. 041917-PIT | | |
| PURCHASE, DELIVERY AND INSTALLATION OF (5) NEW POLES-LED LIGHTING AT BRANDES PARK | SOURCEWELL FORMERLY NATIONAL JOINT POWER ALLIANCE CONTRACT NO. 071619-M8L | \$297,025.00 | 03/10/2020 |
| PURCHASE OF (1) 2021 FORD F-750 DRW (F7D) REGULAR CAB | ESC CO-OP AGREEMENT #65MCESCCPS ESCNJ 17/18-30 | \$70,121.44 | 04/14/2020 |
| PURCHASE AND DELIVERY OF (1) HEAVY DUTY CINDER PUMPER | HOUSTON-GALVESTON AREA COUNCIL CONTRACT NO. FS12-19 | \$93,752.13 | 05/14/2020 |
| PURCHASE, DELIVERY AND INSTALLATION OF (12) STRYKER LOAD AMBULANCES | HOUSTON-GALVESTON AREA COUNCIL CONTRACT NO. AM10-18 | \$528,787.00 | 08/11/2020 |
| PURCHASE AND DELIVERY OF (2) LUCAS 3.1 CHEST COMPRESSION SYSTEMS | HOUSTON-GALVESTON AREA COUNCIL CONTRACT NO. EE08-19 | \$32,663.40 | 08/11/2020 |
| PURCHASE AND DELIVERY OF (2) HEAVY DUTY (2) PASSENGER UTILITY TERRAIN VEHICLES | SOURCEWELL FORMERLY NATIONAL JOINT POWER ALLIANCE CONTRACT NO. 051717-CCI ITEM NO. HD2-1000 | \$27,561.83 | 08/11/2020 |
| PURCHASE, DELIVERY, INSTALLATION AND CONFIGURATION OF FIBER OPTIC CABLES | OMNIA PARTNERS FORMERLY US COMMUNITIES CONTRACT NO. 2018011/SHI | \$42,151.60 | 09/22/2020 |
| PURCHASE, DELIVERY AND INSTALLATION OF FIBER OPTIC CABLES | OMNIA PARTNERS FORMERLY US COMMUNITIES CONTRACT NO. 2018011/SHI | \$53,592.79 | 09/08/2020 |
| PURCHASE AND DELIVERY OF A MOBILE MEDICAL CLINIC | HOUSTON-GALVESTON AREA COUNCIL CONTRACT NO. AM10-18 ITEM NO. MSV-CC-4000-102-37 | \$421,666.60 | 09/22/2020 |
| PURCHASE, DELIVERY AND INSTALLATION OF CAMERAS, SOFTWARE AND ACCESSORIES | OMNIA PARTNERS FORMERLY US COMMUNITIES CONTRACT NO. 2018011-02/SHI | \$210,000.1 | 11/10/2020 |
| FURNISHING AND INSTALLATION OF GPS BIPOLEAR IONIZATION ON ALL HVAC UNITS ON ALL CITY BUILDINGS AND INSTALLATION OF (7) STAND ALONE 5000 CFM AIR HANDLERS | OMNIA PARTNERS FORMERLY US COMMUNITIES CONTRACT NO. R200401 | \$452,955.32 | 12/01/2020 |

Section XI – Impact of Limited or No Aid Award

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

| Rank Order | Department | # of Layoffs | Effective Date | 2020 Full Time Staffing | 2021 Full Time Staffing | \$ Amount to be Saved |
|------------|--------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|-------------------------|---------------------------------------------------|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | City Wide Furlough (Except for all Public Safety department employees, uniformed and non-uniformed) | 828 furloughed | 7/1/2021- 12/31/2021 | Would impact all non-public safety employees only | 828 | Furlough 1 day per pay period: Avg salary pp \$40,000 means 5% reduction for 6 months, or \$2,000 pp \$1,600,000 total savings |
| 2 | General Layoff | 28 (\$30,000) 18 (\$50,000) 7 (\$80,000) 3 (\$100,000) | 8/1/2021 | | 828 | Per 56 employees laid off, over a 5 month period, and after paying self-insured SUI \$698,200 total savings, or avg \$5,912 pp |

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

| Rank Order | Service | Cost Savings | Impact on Services |
|-------------------|---------------------------|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Furlough referenced above | | The general government services, which cover the day to day operations in the City Clerk, City Council, Mayor’s Office, Business Administration, Health & Human Services, Finance, DPW, Law, Economic Development, Municipal Court, Library, Museum would be reduced dramatically. The quality of life services that impact garbage and recycling pickup, downed trees, broken street lights, health services for the indigent and elderly, etc. would all be reduced to 95% of efficiencies. Once the time has passed to perform the service, it cannot be regained. |
| 2 | General Layoff | | Our median salary of \$40,000 would necessitate the layoff of 107 employees on a 5 month basis, for each \$1,000,000 in savings. |
| | | | |
| | | | |
| | | | |

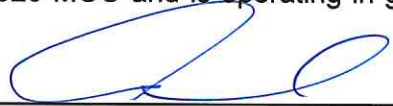


XII. Agreement to Improve Financial Position of Municipality

If aid is granted, the municipality will be required to submit to certain reporting conditions and oversight as authorized by law and a new Memorandum of Understanding will need to be signed. Please mark each box below indicating that the applicant understands and agrees to comply with these broad reporting and oversight provisions.

| | Yes | No |
|------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|
| 1. Allow the Director of Local Government Services to assign management, financial, and operational specialists to assess your municipal operations. | X | |
| 2. Implement actions directed by the Director to address the findings of Division staff. | X | |
| 3. Enter into a new Memorandum of Understanding and comply with all its provisions, without exception. | X | |

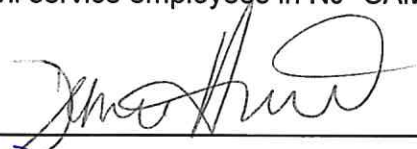

XIII. Certification of Past Compliance for Municipalities Currently Operating Under a Transitional Aid MOU:

The undersigned certify that the municipality is in substantial compliance with the conditions and requirements of the 2020 MOU and is operating in good faith to correct those area of noncompliance that have been identified.

Mayor:  Date: 4/8/21
 Chief Financial Officer:  Date: 4/8/21
 Chief Administrative Officer:  Date: 4/8/21

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: 4/9/21
 Chief Administrative Officer:  Date: 4/8/21

XV. CERTIFICATION OF APPLICATION FOR TRANSITIONAL AID

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

Mayor:  Date: 4/8/21

Chief Financial Officer:  Date: 4/8/21

Chief Administrative Officer: Kathleen M Long Date: 4/8/21