Discussion Points

1. The enacted FY 2007 budget anticipated savings from management efficiencies ($50 million), information technology efficiencies ($20 million) and procurement efficiencies ($15 million). These savings, while reflected in the Interdepartmental Accounts section of the budget, were to be obtained from executive agency budgeted appropriations, presumably in direct correlation with identified efficiency improvements.

- **Question:** What amount of the department's original FY 2007 appropriations were reallocated to Interdepartmental Accounts as savings from management efficiencies, information technology efficiencies and procurement efficiencies, respectively? What specific efficiencies were achieved by the department that correlate to the reallocations? What adverse impacts, if any on the output and outcomes of department programs and services resulted or will result from these funding reallocations, in the current fiscal year and as projected for FY 2008?

A total of $853,000 of the department's original FY 2007 appropriations was reallocated to Interdepartmental Accounts as savings from management efficiencies, information technology efficiencies and procurement efficiencies. This reallocation has adversely impacted the department's ability to backfill positions and replace or upgrade outdated computer equipment.
Discussion Points (Cont'd)

2. P.L.2005, c.163 created the Special Needs Housing Trust Fund, a nonlapsing revolving fund under the auspices of the New Jersey Housing and Mortgage Finance Agency (NJHMFA), to be funded through the issuance of bonds by the New Jersey Economic Development Authority (NJEDA) under the “Motor Vehicle Surcharges Securitization Act of 2004.” The purpose of the fund is to finance permanent supportive housing and community residences for individuals with special needs, through loans, grants or other investments to finance or otherwise pay the costs of special needs housing projects. Section 5 of P.L.2005, c.163 provided that the Special Needs Housing Trust Fund was to receive an amount not to exceed $200,000,000 to fund the costs of special needs housing projects. In December, 2005, the NJEDA issued $51.4 million in bonds pursuant to this act and deposited $50 million into the Trust Fund.

- Question: How many units of housing for individuals with special needs have been constructed as of March 1, 2007? How many of these units were occupied as of March 1, 2007? How many units will eventually be constructed with these Trust Fund resources? Where are constructed and planned units of housing located or to be located? What percentage of funding awarded to date takes the form of grants and loans, respectively? What percentage of funding assistance was provided to for-profit and not-for-profit sponsors, respectively? Please provide a list of the agencies that have received or been awarded funds from the Special Needs Housing Trust Fund, the amount per each agency and the number of units funded. How many units of housing does the NJHMFA intend to finance in FY 2008? Where will those units of housing be located?

Special Needs Housing:
- 194 units are completed
- 271 units are under construction
- 21 units are under contract (construction has not begun)
- 486

Under other special needs programs:
- 68 completed units
- 13 units are under construction
- 81

Approximately 2,000 units will eventually be constructed.

Ninety-five (95) % of the funding awarded is in the form of loans. Grants are only considered if it is determined that loans are not permitted in conjunction with other sources of funding such as certain federal housing programs. Twenty-five (25) percent of funding assistance is provided to For-profit agencies and 75% to Non-Profit agencies.

With the resources available at this time it is expected that approximately 600 units of special needs housing will be constructed/acquired/or rehabbed in FY 2008.
### Discussion Points (Cont’d)

<table>
<thead>
<tr>
<th>Name</th>
<th>County/Municipality</th>
<th>Agency Type</th>
<th># of Units</th>
<th>Amount</th>
</tr>
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<tbody>
<tr>
<td>Advance Housing</td>
<td>Bergen: Teaneck &amp; Hackensack</td>
<td></td>
<td>18</td>
<td>2,343,000</td>
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<tr>
<td></td>
<td>Sussex: Sparta</td>
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<tr>
<td>Alternatives</td>
<td>Somerset: Bound Brook</td>
<td></td>
<td>7</td>
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<td></td>
<td>Warren: Lopatcong</td>
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<tr>
<td>Burlington Family Services</td>
<td>Burlington: Lumberton</td>
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<td>9</td>
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<td>Cape May Counseling</td>
<td>Cape May: Wildwood</td>
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<td>Center For Family Services</td>
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<tr>
<td>Center For Great Expectations</td>
<td>Somerset: Franklin Twp.</td>
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<td>Covenant House</td>
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<td>East Orange General Hospital</td>
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<td>Essex: Newark</td>
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<td>Camden: Cherry Hill</td>
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<tr>
<td>RPM Development</td>
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<tr>
<td>Home Front</td>
<td>Mercer: Trenton</td>
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<td>12</td>
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<tr>
<td>Jersey City CDC</td>
<td>Hudson: Jersey City</td>
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<td>8</td>
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<tr>
<td>JP Affordable</td>
<td>Monmouth: Middletown</td>
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<td>Long Term Supportive Housing</td>
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<td>New Bridge</td>
<td>Morris: Boonton &amp; Mt. Olive</td>
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<td>NJ Community Dev Corp</td>
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<td>x</td>
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<td>Ocean Mental Health</td>
<td>Ocean: Berkeley Twp</td>
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<tr>
<td>Pennrose/Camden Housing</td>
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<td>X</td>
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<td>Pallisades Emergency</td>
<td>Hudson: Union City</td>
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<td>6</td>
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<td>Project Freedom</td>
<td>Mercer: Trenton</td>
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<td>52</td>
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<td>Project Live</td>
<td>Essex: Newark</td>
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<tr>
<td>Regan Development</td>
<td>Passaic: Clifton</td>
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<td>40</td>
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<td>Rely Properties</td>
<td>Mercer: Ewing</td>
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<td>Robins Nest</td>
<td>Gloucester: Glassboro</td>
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<td>30</td>
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<td>SERV</td>
<td>Hudson: Jersey City</td>
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<td>5</td>
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<td>Tara Construction</td>
<td>Salem: Pennsville</td>
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<td>14</td>
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<td>Center House</td>
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<tr>
<td>Trenton Prospect House LLC</td>
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<td>x</td>
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<tr>
<td>Triple C Housing</td>
<td>Middlesex: Dunellen</td>
<td>x</td>
<td>8</td>
<td>779,000</td>
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<tr>
<td>United Cerebral Palsy Morris/Somerset</td>
<td>Hunterdon: Tewksbury</td>
<td>x</td>
<td>25</td>
<td>442,000</td>
</tr>
</tbody>
</table>

**Total**  
|             |                      |             | 466        | 44,835,000|
Discussion Points (Cont’d)

3. The FY 2008 recommendation for Special Municipal Aid is $132 million, down $42.7 million from FY 2007 combined funding for Special/Supplemental Special Municipal Aid of $174.7 million. Both the final allocation to municipalities of FY 2007 funding and the proposed allocation of FY 2008 funding is unknown. As of March 1, 2007, $52.1 million had been disbursed and $71.8 million was unspent and in ‘reserve’ status. Camden City, Bridgeton, Union City, Harrison, Paterson and Ewing have been among the most recent recipients of this aid. The program is intended to assist municipalities with severe budgetary and fiscal problems that could not be resolved without State assistance, and involves some degree of enhanced State oversight of municipal budgeting, hiring and fiscal policies as a condition of receiving aid.

- Question: Please list, by municipality, for State FY 2007, the amount of Special Municipal Aid expended to date, including to which local fiscal year the disbursement was credited. Please provide the same information for recommended FY 2008 funding. Which municipalities are targeted to receive any unspent FY 2007 funds, in what amount per municipality and for which local fiscal year? What was the purpose of the additional line item of Supplemental Special Municipal Aid? Which municipalities received funding under that line item? Has the Local Finance Board established a memorandum of understanding that sets forth the terms and conditions of enhanced State oversight with each municipality receiving Special Municipal Aid? If so, please provide a copy of each memorandum of understanding. If not, please identify the recipient municipalities with which no memorandum of understanding has been established, and state the reasons for the lack thereof. Please also provide detailed information on any permanent and temporary department staff assignments, as well as any private consultant contracts and assignments, for each municipality receiving Special Municipal Aid.

The chart below provides FY 2007 Special Municipal Aid and FY 2007 Supplemental Special Municipal Aid distributions and includes the local fiscal year to which disbursements were credited. Similar information relative to FY 2008 funding is not available at this time.

The purpose of the Supplemental Special Municipal Aid was to fund aid for local FY 2006 budgets. When combined with the “regular” appropriation for FY 2007, this brings the program to a “current” funding position (i.e. State FY 2008 would cover local FY 2008).

The Division Assistant Director oversees the program. Two (2) staff members provide public safety technical advice to program municipalities. The Division’s Supervising Community Service Officer/Tax Collection provides tax collection guidance as necessary. Public procurement assistance is provided as needed by the Division’s Chief of the Bureau of Local Management Services and a Community Service Officer 2. Other Division staff provides incidental support as necessary. All staff also provides assistance to other municipalities. There are no private consultant contracts.
Discussion Points (Cont’d)

<table>
<thead>
<tr>
<th>Municipality</th>
<th>FY07 Supplemental Spec Muni Aid¹</th>
<th>For Local FY</th>
<th>FY07 Spec Muni Aid</th>
<th>For Local FY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asbury Park (CY)*</td>
<td>$2,069,098</td>
<td>2007</td>
<td>$5,430,902</td>
<td>2007</td>
</tr>
<tr>
<td>Bridgeton</td>
<td></td>
<td></td>
<td>2,500,000</td>
<td>2007</td>
</tr>
<tr>
<td>Camden</td>
<td>47,130,902</td>
<td>2006</td>
<td>47,130,902</td>
<td>2007</td>
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<tr>
<td>Ewing</td>
<td></td>
<td></td>
<td>2,000,000</td>
<td>2006</td>
</tr>
<tr>
<td>Harrison (CY)*</td>
<td>3,400,000</td>
<td>2005</td>
<td>2,900,000</td>
<td>2006</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2,900,000</td>
<td>2007</td>
</tr>
<tr>
<td>Paterson</td>
<td>30,800,000</td>
<td>2006</td>
<td>22,800,000</td>
<td>2007</td>
</tr>
<tr>
<td>Union City</td>
<td></td>
<td></td>
<td>2,800,000</td>
<td>2006</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2,800,000</td>
<td>2007</td>
</tr>
</tbody>
</table>

¹ Supplemental SMA was, when combined with the "normal" appropriation, intended to bring funding for this program to a current year basis - that is, using funds for the current State fiscal year and eliminating the "lag" that has existed prior to this.

Memorandums of Understanding: as a condition of receiving aid, all municipalities receiving SMA funds must enter into a MOU with the Local Finance Board. SFY 07 funding cycle is pending before the Local Finance Board for aid awards. Once aid has been awarded, MOU's will be prepared for execution. Copies are attached.

* Draft budgets only – Asbury Park and Harrison local calendar year 2007
Discussion Points (Cont'd)

4. During FY 2007, the Governor stated his intent to create and preserve 100,000 units of affordable housing for middle-income, moderate-income and low-income New Jersey residents over the next ten years. On September 26, 2006, while giving the keynote address at the Governor’s Housing and Community Development Conference, the Governor linked the State’s economic success to the housing market and the State’s ability to provide affordable housing opportunities to its workforce. During her remarks, the Commissioner discussed the programs available to municipalities, through the department and the New Jersey Housing and Mortgage Finance Agency (NJHMFA), to assist in the development of affordable housing, and also announced several new State initiatives to create affordable housing opportunities. The CHOICE Pilot program is intended to develop mixed-income, home ownership housing in all municipalities. Towns and developers will be able to create their own mix of housing based on local conditions and local need. Projects can include market rate housing, affordable housing for low and moderate households, subsidized market rate housing and subsidized affordable housing for middle income families earning between 80% and 120% of area median income. The Municipal Loan Acquisition Program will provide funds to municipalities having an approved COAH plan or a Court approved plan, for the acquisition of vacant land where affordable housing can be developed, and for the closing costs for the purchase of the land. Municipalities have the option of developing the land themselves or may select a developer (either for-profit or non-profit) to develop the units of housing. The existing NJHMFA Closing Cost/Downpayment program, which provides loans for closing costs or down payments on homes, to bring homeownership within reach of more State residents, will include middle income households earning 120% of area median income, and up to 140% some in urban areas.

- Question: Please provide information as to the number of affordable units created or preserved Statewide in FY 2007, and the location of those units. Please also provide information on the number of projects constructed, or planned, under the CHOICE Pilot program; the number of loans to municipalities under the Municipal Loan Acquisition Program along with the municipalities to which the loans have been made, and the amount of each loan; and the number of middle-income households that have received loans under the Closing Costs/Downpayment program. How many units of affordable housing are likely to be constructed or preserved in FY 2008? Does the department anticipate that the Governor’s goal of 100,000 units preserved or created in 10 years will be met? If not, why not? To the extent that the Governor’s 100,000-unit goal is met by preserving affordable housing units, then fewer affordable housing units will be created. What is the anticipated goal for creating and preserving affordable housing units, respectively? If no pre-determined targets have been set, what will determine whether greater emphasis will be placed on the creation of new units or the preservation of existing units?
Discussion Points (Cont'd)

Affordable Housing in calendar year 2006 – 7,679 units in approximately 400 municipalities in all 21 counties

CHOICE Program approximately 250 units in FY 2007

Municipal Loan Acquisition Program activity includes:

Three (3) executed loans:
Red Bank Borough - $2,431,300
Evesham Township - $2,700,000
Alpine - $2,000,000

Two (2) loan requests under review:
Harrison Township - $4,000,000
Medford Township - $2,500,000

The Closing Costs/Downpayment Program has assisted approximately 600 households totaling $3,600,000 in FY 2007.

The Governor's goal of creating or preserving 100,000 units over 10 years will be met.
Discussion Points (Cont'd)

5. a. The FY 2008 budget contains a new form of municipal aid, the Consolidation Fund, and provides a $15 million appropriation for that fund. The FY 2008 Budget In Brief provides a short description of the intent behind the creation of the fund. It appears that the Consolidation Fund is intended to augment the existing Sharing Available Resources Efficiently (SHARE) program to encourage the consolidation of local units of government, and the sharing of services between local units of government. Between the SHARE program and the Consolidation Fund, approximately $20 million in assistance will be available to local units of government for these purposes in FY 2008. The Budget in Brief also states that these two programs will allow the State to develop new incentives for municipalities, counties and other local units of government to conduct their work more efficiently.

- **Question:** Please provide information about how Consolidation Fund aid will be awarded, and the requirements that must be met by local units of government seeking eligibility for aid from the fund. What types of consolidation activities will be funded by the Consolidation Fund aid? What criteria will be used by the department in determining the types of consolidation activities that will be funded using these monies? What types of new incentives does the department intend to develop for local governments using Consolidation Fund aid and SHARE aid? Does the department intend to award the aid for a feasibility study between local units seeking to consolidate? For start-up costs connected with a consolidation? Will Consolidation Fund aid be contingent upon the achievement of certain efficiencies by local units of government after a consolidation?

The criteria and parameters of the proposed Consolidation Fund are under review and have not been completed at this time. It is possible that the fund could be used to support the newly created Local Unit Alignment, Reorganization, and Consolidation Commission.
Discussion Points (Cont’d)

5. b. The FY 2008 budget recommends $4.2 million for the SHARE program. If approved, this would be the fourth consecutive year of funding the program at that level. A review of fiscal records indicates that in fiscal year 2005 only $2.2 million of SHARE funds were expended or obligated; in FY 2006 the amount expended or obligated totaled only $912,000; and thus far in FY 2007, only $2.1 million has been expended or obligated. Furthermore, of the total available balance as of March 1, 2007 of $9.4 million, $6.2 million is in 'reserve' status. Also, a significant amount of recent SHARE grant activity has taken the form of COUNT grants to counties, which, according to the department’s Website, are three year grants; thus, participating county shared service activities have been pre-funded through either 2008 or 2009 using state FY 2007 resources. Given the apparent abundance of unexpended SHARE resources, the historically low levels of funding award and disbursement relative to annual appropriations, and the recent practice of multi-year funding of COUNT activity, it appears that the SHARE program can continue apace in FY 2008 without any additional funding.

- Question: How do the Governor and the Department justify the recommended FY 2008 funding for SHARE? What changes in statute, program focus or structure, or local government behavior has occurred or is anticipated that will result in full utilization of current and newly recommended SHARE resources by the close of FY 2008? Is the FY 2008 funding recommendation predicated on the lapse at the end of FY 2007 of the $6.2 million in ‘reserve’ status?

For several reasons, the Department is anticipating a heightened awareness and interest of the possibilities of shared services and possible consolidation on the part of local officials, which will result in increased grant application activities.

- The effect of A-4, legislation providing relief of statutory impediments to shared services and consolidation will highlight shared services and provide local officials additional incentives to study or implement programs. SHARE grants are the key source of one-time expenses to develop or implement a new program.

- The Local Unit Alignment, Reorganization, and Consolidation Act (LUARC) requires the Department to develop and implement a one-of-a-kind performance measurement system for all municipalities. This new system must be developed from scratch and implemented as a way to allocate a portion of municipal state aid. The law provides for funding for this system to come from SHARE funding.

- The increased attention to shared services as a government policy also warrants increased staff activities undertaken by the Department.

- Funds may be needed to support the newly created Local Unit Alignment, Reorganization, and Consolidation Commission. While there was an initial $95,000 appropriation for FY 2007, the expectation of an Executive Director and staff to run the Commission during FY 2008 has not been addressed by the budget. SHARE funds could be used to support this activity as well.

- New county shared service offices in 11 counties, with 4 pending applications, funded with new COUNT grants, will result in increased SHARE applications.

- New caps will require towns to share services in order to meet the statutory requirements.

The FY 2008 funding recommendation anticipates the re-appropriation of the FY 2007 $6.2 million in “reserve” status.
Discussion Points (Cont'd)

6. P.L.2004, c.140 established a State Rental Assistance Program, patterned after the federal section 8 rental housing choice voucher program, for low income individuals or households. The program provides rental assistance grants comparable to the federal section 8 program to State residents who are not currently holders of federal section 8 vouchers. (Because the State Rental Assistance Program is not tied to federal funds, the State is not constricted by federal guidelines on the operation of the program or the use of its funds.) Assistance from this program is terminated when the individual or family is awarded assistance under the federal section 8 rental assistance program. P.L.2004, c.140 required the commissioner to annually allocate from the Neighborhood Preservation Nonlaping Revolving Fund not less than $3 million to qualified senior citizens, and not less than $7 million to the other program participants. Both the FY 2007 enacted budget and the FY 2008 recommended budget provide that not less than $20 million is to be made available to the program from this source. In addition to the annual funding allocation from this source, the FY 2008 budget recommends funding the program with $17.9 million from general State revenues.

Pursuant to State Rental Assistance Program rules (N.J.A.C.5:42-1.1 et seq.) rental assistance grants are awarded through a lottery-type process only to applicants currently on the department's existing Section 8 Housing Choice Voucher program waiting list. Project-based rental assistance is also a component of the program, whereby payments are allocated to new or rehabilitated housing units for 15 years, and paid when qualified tenants occupy those units. The program's regulations also require that 31% of the rental assistance grants are reserved for households currently on the department's existing Housing Choice Voucher Program waiting list. Essentially, this funding will be provided to people under the department's jurisdiction as a public housing authority for the purposes of the federal section 8 program. The regulations also provide that 30% of the rental assistance grants are reserved for senior citizens aged 65 years or older who are not currently receiving a rental subsidy under the Housing Choice Voucher Program.

The regulations also define the "calculation of S-RAP (State rental assistance program) subsidy" as the difference between the tenant rent and the applicable department payment standard. That payment standard ranges from the current federal Department of Housing and Urban Development-approved fair market rent to 110% of the fair market rent based upon bedroom size and housing market. The renter is responsible for all rent payments in excess of the payment standard.

Question: Please provide a report, by month, of the number and amount expended for tenant-based rental assistance vouchers in FY 2007 to date. Please also provide a report of the total expended and obligated for project-based new construction and project-based substantial rehabilitation vouchers, respectively, and the number of units awarded vouchers in each category. How many families and individuals were directly assisted by the program's funding? Please also provide a list of all of the municipalities under the department's jurisdiction as a public housing authority. Why are no other public housing authority waiting lists utilized for eligibility for the 31% of the grants reserved for households on the Housing Choice Voucher Program waiting list? Does reserving 30% of all program funding for senior citizens aged 65 or older not receiving a rental subsidy under the Housing Choice Voucher Program result in too heavy a shift of benefits away from needy families? On what basis did the department choose to allow a department payment standard for
Discussion Points (Cont’d)

the calculation of the amount of the subsidy up to 110% of fair market rents, but not beyond that amount, given that many of the State’s municipalities have little or no housing available at 110% of fair market rent?

<table>
<thead>
<tr>
<th>STATE RENTAL ASSISTANCE PROGRAM</th>
<th>TENANT BASED VOUCHER PRODUCTION</th>
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<tbody>
<tr>
<td>Month</td>
<td>Payments</td>
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<tr>
<td>07/06</td>
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<td>08/06</td>
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<tr>
<td><strong>Total</strong></td>
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<th>PROJECT BASED VOUCHER PRODUCTION</th>
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</tr>
</tbody>
</table>

The number of unduplicated families and individuals that have been assisted through the State Rental Assistance Program is approximately 2,500.

Public Housing Authorities (PHAs) do not come under DCA jurisdiction.

With regard to the use of waiting lists, there are multiple PHAs in each county. Each one has its own selection policies. Merging a multitude of waiting lists from divergent databases would pose an extraordinarily difficult administrative challenge. Moreover, the Department believes that everyone should have an equal opportunity to apply when a list is opened. Everyone on DCA’s Housing Choice Voucher Program received the offer of an SRAP voucher. This resulted in opening new lists, which will provide an opportunity for eligible households to apply. Households may apply to waiting lists for both state and local housing authorities, thus increasing their opportunity to receive housing assistance.
SRAP waiting lists for senior citizens were opened in Sussex, Essex, Morris, Union, Hunterdon, Bergen, Camden, Salem and Mercer Counties in 2007. The remaining twelve county waiting lists for senior citizens will be opened in the next several months. The SRAP waiting list for disabled individuals was opened on February 23, 2007 and 5,000 applications were accepted. Applications are accepted on a continuous basis for homeless families in Section 8 offices and through the Department of Human Services.

The DCA proposed a rule revision for SRAP in October 2006 to amend the set-aside for senior citizens from thirty percent of the allocation to not less than $7.5 million. The $7.5 million is the set-aside mandated in the SRAP legislation. This allowed the program to expand the set-aside for homeless families from seventeen percent to not less than twenty-two percent of the allocation and created a set-aside of not less than ten percent of the allocation for disabled individuals. The proposed rule is expected to be adopted in May 2007.

SRAP uses the same payment standards as the federal Section 8 Housing Choice Voucher Program administered by DCA. SRAP regulations do permit exception rents where the federal program has authorized them. Providing SRAP with a payment standard higher than the standard used for the federal program would create a situation where property owners would select households with an SRAP voucher to collect the higher rents from the state program.
Discussion Points (Cont'd)

7. The Department’s FY 2007 budget included funds for new initiatives, as follows: $4 million for Capital Improvements for Homeless Shelters; $500,000 for Capital Improvements for Rape Care Centers; and $1.5 million for Capital Improvements for Women’s Shelters. Each program was characterized as meeting one-time needs of grantees selected to receive funding, and no additional funding is recommended to continue these initiatives in FY 2008, so in retrospect they may be one-time. A review of fiscal records indicates that as of March 1, 2007, the department had committed substantially all funding for homeless shelters and rape care centers, but had apparently committed no funding for women’s shelters, with the entire $1.5 million in ‘reserve’ status.

- **Question:** Please provide a progress report on these three FY 2007 capital funding grant initiatives, including a list of grantees selected for funding, the amount awarded to each, and a description of the purposes for which grant funds will be spent and the impact these funds will have on client service levels. Did the Department successfully leverage any other funds when allocating these state funds? What percentage of grants applied for, in number and in dollars were funded by grant awards for homeless shelters and rape care centers, respectively? Why is there an apparent delay in implementing the initiative for women’s shelters?

**Capital Improvements for Homeless Shelters - $4,000,000**

DCA awarded grants to 28 organizations to improve the habitability, safety and availability of homeless shelters and services. (See attached listing). In addition to the $4,000,000 awarded by the DCA, $7,967,554 was leveraged from Private, Federal, local and other State funding sources. Expressed as a percentage of total amount awarded to total amounts requested, the DCA funded 68% of requested funds. Expressed as a percentage of applications awarded to applications received, the DCA approved 72% of the applications.

<table>
<thead>
<tr>
<th>Total Amount of Awards</th>
<th>$4,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Amount Requested</td>
<td>$5,917,483</td>
</tr>
<tr>
<td>Percentage of Requested Funding that was Awarded</td>
<td>68%</td>
</tr>
<tr>
<td>Number of Awards</td>
<td>28</td>
</tr>
<tr>
<td>Number of Requests for Funding</td>
<td>39</td>
</tr>
<tr>
<td>Percentage of Funding Requests that were Awarded</td>
<td>72%</td>
</tr>
</tbody>
</table>

**Capital Improvements for Rape Care Centers - $500,000**

The Division on Women awarded grants to 19 rape care organizations to renovate and improve buildings, purchase office furniture and equipment, provide training and educational materials and upgrade computer software and technology. (See attached listing).
Discussion Points (Cont'd)

Capital Improvements for Women’s Shelters - $1,500,000
Responses to the Capital Improvement for Women’s Shelters grants RFP are currently under review. Twenty-three (23) applications totaling $4,018,000 were received. Decisions will be announced shortly.
Discussion Points (Cont'd)

8. The FY 2008 budget recommends an appropriation of $6 million for transfer to the Lead Hazard Control Assistance, with language providing for an additional $8 million; this is the same level of funding as is authorized for FY 2007. In response to an OLS discussion point on the FY 2007 recommended budget, the department projected that it would require funding for Lead Hazard Control Fund programs and activities as follows:

   Outreach Program – lead hazard awareness and program promotion: $1.5 million.
   Non-profit partners – outreach, relocation and loans: $2.5 million.
   Lead hazard abatement project loans – 400 loans averaging $30,000 each: $12 million.
   Total: $23.3 million

As of March 1, 2007, the combined FY 2006 and 2007 Fund fiscal activity was as follows:

   Transfer from state FY 2006 appropriations: $10 million
   Other income: $1.36 million
   Balances from prior years: $1.568 million
   **Total Resources:** **$12.928 million**
   Expended: $1.056 million
   Obligated: $9.09 million
   Pre-encumbered: $3.581 million
   **Total expended/committed:** **$5.546 million**
   Balance available: $7.382 million

   None of the FY 2007 state appropriation has been transferred to the Fund; the entire $6 million is in ‘reserve’ status.

• **Question:** Please provide information on FY 2006 and FY 2007 spending to date based on the budget for those two fiscal years provided to the Legislature last year, as summarized above. Does the department still project that it will spend or commit an additional $17.8 million, as previously planned, by the end of FY 2007? If not, what is the revised budget for the Lead Hazard Control Fund for combined FY 2006 and FY 2007? For FY 2008? Is the FY 2008 recommended appropriation to the Fund predicated on the FY 2007 State appropriation being lapsed rather than transferred to the Fund in FY 2007? If not, how do the Governor and the Department justify the FY 2008 funding recommendation, since it implies that between $13.8 million and $19.8 million will be spent or committed in a 16-month time period?

By the end of FY 2007, we anticipate having spent approximately $7.5 million in total LHCA funds for both FY 2006 and FY 2007. This would include spending $4.8 million of the current total available resources, which would leave a $4.7 million year-end uncommitted balance.
Discussion Points (Cont'd)

Specifically, the FY 2006 and FY 2007 budget includes:

- **Education and Outreach** – $1,300,000
  Over the past year we have dramatically increased the amount of education and outreach. Our efforts include:
  - Mailings to all health departments, pediatricians, legislators, churches, mayors and school superintendents that include advertising materials
  - Advertisements on NJ Transit buses statewide
  - Radio ads
  - Grants to 10 organizations throughout the state to engage in grassroots education and outreach and produce applications
  - Contract with Rutgers University to provide Lead Safe training

- **LHCA Loans** – $4,000,000
  - 85 loans for owner-occupied homes
  - 2 loans for multi-unit buildings

- **Emergency Lead Poisoning Relocations (ELPR)** – $1,200,000
  - 44 short-term emergency relocations
  - 12 long-term relocations
  - Pilot program with East Orange, Newark and Elizabeth to administer the relocation program directly

- **Administration** - $1,000,000 ($500,000 per fiscal year)

Based on the projected application rate and new initiatives outlined below, the FY 2008 budget includes:

- Education and Outreach $ 1,000,000
- LHCA Loans* $ 8,000,000
- Relocation** $ 1,600,000
- Lead Free Unit Registry $ 200,000
- Administration $ 700,000
- **TOTAL FY08 BUDGET:** $11,500,000

* includes approximately 160 loans averaging $50,000 each

** includes 120 short-term, and 15 long-term relocations.
Discussion Points (Cont'd)

There are five (5) initiatives that will increase FY 2008 activity:

- **Forgivable Loans**: program regulations are being changed to provide forgivable loans to families at 80% of median income, up from 50% of median income.

- **Marketing**: a $500,000 marketing contract will be awarded to continue to increase awareness and applications.

- **Outreach and Education Grants**: 10 organizations have received grants to engage in grassroots education and outreach.

- **Multi-unit Abatement Loans**: loans are now available to owners of multi-unit buildings.

- **Emergency Relocation Qualifications**: the threshold is being lowered to qualify for ELPR from 20ug/dl to 15ug/dl which will result in increased relocations.
<table>
<thead>
<tr>
<th>Grantee</th>
<th>Amount</th>
<th>Project Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>180 Turning Lives Around</td>
<td>21,500</td>
<td>Domestic violence shelter for women and children. Funding to replace flooring in the entry way; purchase furniture, replace air conditioning ducts; re-caulk window in the playroom; replace kitchen flooring.</td>
</tr>
<tr>
<td>Catholic Charities of Newark-Hope House</td>
<td>165,315</td>
<td>Shelter for women and children. Funding to replace elevator, windows, basement flooring and to purchase kitchen appliances.</td>
</tr>
<tr>
<td>Catholic Charities of Newark-Ironbound</td>
<td>87,500</td>
<td>Shelter for women. Funding to replace windows, install security cameras, replace kitchen flooring and upgrade electrical system.</td>
</tr>
<tr>
<td>Catholic Charities of Newark-St. Bridget's</td>
<td>191,625</td>
<td>Shelter for men. Funding to replace flooring, paint interior, purchase furniture &amp; appliances, replace roof and purchase van.</td>
</tr>
<tr>
<td>Catholic Charities of Trenton Providence House</td>
<td>157,500</td>
<td>Domestic Violence Shelter for women and children. Funding to construct a group room addition to the existing building.</td>
</tr>
<tr>
<td>Catholic Charities, Diocese of Metuchen</td>
<td>57,214</td>
<td>Shelter for families. Funding to replace HVAC system, replace parking lot lights, install two 9-camera DVD security system, replace playground equipment, and purchase furniture.</td>
</tr>
<tr>
<td>Catholic Charities, Diocese of Metuchen Ozanam Inn</td>
<td>4,890</td>
<td>Shelter for men. Funding to replace bathroom flooring with safety flooring.</td>
</tr>
<tr>
<td>Center for Family Services</td>
<td>218,950</td>
<td>Domestic Violence project for women and children. Funding to install privacy fence, replace windows, make a bathroom &amp; bedroom doorway handicap accessible, install ductless air conditioning, install surveillance camera, install security lighting, replace flooring, replace fire egress &amp; rear doors, purchase furniture, install security gate, purchase kitchen appliances, renovate basement for laundry &amp; storage areas, extend the parking lot for additional parking spaces, convert garage into counseling offices &amp; bathroom facilities (purchase computer and purchase printer) and 20 new beds.</td>
</tr>
<tr>
<td>Center for Family Services, Inc.</td>
<td>80,000</td>
<td>Shelter for women and children. Funding to install handicap ramp, make 1 unit handicapped accessible, paint interior replace carpet; purchase van, install fire &amp; front doors, purchase appliances and install security monitoring system w/cameras.</td>
</tr>
<tr>
<td>Communities of Faith for Housing - Hoboken</td>
<td>100,000</td>
<td>Shelter for women and men. Funding to install a wheelchair lift.</td>
</tr>
<tr>
<td>Covenant House - AC Rights of Passage</td>
<td>360,000</td>
<td>Transitional Housing for aging-out youth. Funding for building construction.</td>
</tr>
<tr>
<td>Domestic Abuse and Rape Crisis Center</td>
<td>57,570</td>
<td>Domestic Violence project for women and children. Funding to install flooring in laundry &amp; bathrooms, upgrade cabinets and countertops, install new handicap accessible appliances, upgrade emergency alert systems for the hearing impaired, removal of underground oil tanks.</td>
</tr>
<tr>
<td>Domestic Abuse Services, Inc.</td>
<td>366,708</td>
<td>Domestic Violence Shelter for women and children. Funding for security system upgrade, replacement of air conditioning system, purchase commercial dishwasher, replace attic stairs, replace porch, upgrade ventilation system, replace flooring, purchase storage shed, renovate kitchens &amp; bathrooms, replace windows, upgrade heating system, lead paint testing, upgrade electrical system, replace roof, install fire and security systems, plumbing repairs, install a children's playground purchase a van.</td>
</tr>
<tr>
<td>Goodwill Rescue Mission</td>
<td>118,400</td>
<td>Shelter/Transitional Housing for men. Funding to replace boiler in shelter and install a/c in transitional housing.</td>
</tr>
<tr>
<td>Grantee</td>
<td>Amount</td>
<td>Project Description</td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
<td>--------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Gospel Services Benevolent Society - GSEH Homeless Shelter</td>
<td>370,000</td>
<td>Shelter for women and men. Funding to install handicap ramps, install elevators, railings, ADA bathrooms, and equipment, furniture, handicap-accessible van.</td>
</tr>
<tr>
<td>HomeFront, Inc.</td>
<td>125,425</td>
<td>Shelter for women. Funding to replace wiring, upgrade electrical, plumbing &amp; telephone systems, fireplace repairs, install window guards,</td>
</tr>
<tr>
<td>Homeless Solutions, Inc.</td>
<td>98,273</td>
<td>Shelter/Transitional Housing for men, women and families. Funding to purchase vans, purchase appliances, bathroom upgrade, office furniture, replace flooring and install security system.</td>
</tr>
<tr>
<td>IMPACT CDC</td>
<td>316,727</td>
<td>Domestic Violence project for women and children. Funding to purchase a single family home, replace electrical, plumbing and HVAC systems, install security system, landscaping, purchase furniture and a van.</td>
</tr>
<tr>
<td>Interfaith Hospitality Network for the Homeless of Essex County, Inc.</td>
<td>30,000</td>
<td>Shelter for families. Funding to purchase a van.</td>
</tr>
<tr>
<td>Jersey Battered Women's Service</td>
<td>97,485</td>
<td>Domestic Violence project for women and children. Funding to install HVAC system, install sump pump, renovate bathrooms, replace furniture, lead-paint assessment.</td>
</tr>
<tr>
<td>Resource Center for Women and Their Families, Inc.</td>
<td>40,000</td>
<td>Domestic Violence project for women and children. Funding for mold remediation, exterior painting, purchase air conditioners and repave parking lot.</td>
</tr>
<tr>
<td>Shelter Our Sisters - Teaneck</td>
<td>68,000</td>
<td>Domestic Violence project for women and children. Funding to paint interior &amp; exterior building, repave driveway, replace sidewalk and inspect &amp; test for lead based paint.</td>
</tr>
<tr>
<td>Shelter Our Sisters - Ramsey</td>
<td>32,650</td>
<td>Domestic Violence project for women and children. Funding to paint interior &amp; exterior building and inspect &amp; test for lead based paint.</td>
</tr>
<tr>
<td>Strengthen Our Sisters</td>
<td>180,985</td>
<td>Transitional Housing for women and children. Funding to install sprinkler system, install fire escape, install fire alarms, install fire doors, install lighting and purchase vans.</td>
</tr>
<tr>
<td>Womanspace, Inc</td>
<td>29,993</td>
<td>Domestic Violence project for women and children. Funding to replace flooring, paint common and client areas, (install commercial satellite television and internet) replace door locks, purchase refrigerator.</td>
</tr>
<tr>
<td>Women's Crisis Services of Hunterdon</td>
<td>197,000</td>
<td>Domestic Violence Shelter for women and children. Funding to renovate kitchen &amp; bathroom purchase appliances &amp; furnishings, new large load washer and dryer, new vinyl privacy fence around perimeter, replace alarm system, playground equipment, replace air conditioning system.</td>
</tr>
<tr>
<td>Young Men's / Women's Christian Association of Newark and Vicinity</td>
<td>320,287</td>
<td>Shelter for men, women and families. Funding to renovate the shelter including upgrading existing floors, new beds, dressers, lounge furniture, freezers, pay for contractor, architect, and engineer fees.</td>
</tr>
<tr>
<td>YWCA of Eastern Union County</td>
<td>106,003</td>
<td>Domestic Violence project for women and children. Funding for kitchen, living room and bathroom renovations, make 1 bathroom handicapped accessible, new cabinets, relocation of laundry facility, new kitchen tile floor, two kitchen tables and chairs, new pantry door, removal of a wall to expand living room and kitchen, replace living room floor, replace television and VCR, replace sinks, toilets, tubs and showers in bathrooms, install new floor and ceiling, upgrade plumbing and electrical systems.</td>
</tr>
</tbody>
</table>

**Total** 4,000,000
<table>
<thead>
<tr>
<th>Agency</th>
<th>County</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Jersey Domestic Violence Crisis</td>
<td>Camden</td>
<td>28.700</td>
</tr>
<tr>
<td>Center</td>
<td>Essex</td>
<td>477.25</td>
</tr>
<tr>
<td>WVC of Bergen</td>
<td>Burlington</td>
<td>100.000</td>
</tr>
<tr>
<td>Bergen</td>
<td>Cumberland</td>
<td>25.269</td>
</tr>
<tr>
<td>Center for Family Services</td>
<td>Gloucester</td>
<td>20.100</td>
</tr>
<tr>
<td>Center for Family Services</td>
<td>Hudson</td>
<td>26.722</td>
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<tr>
<td>Women's Crisis Center</td>
<td>Hunterdon</td>
<td>23.325</td>
</tr>
<tr>
<td>Mercer</td>
<td>Middlesex County</td>
<td>14.806</td>
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<tr>
<td>Women's Center</td>
<td>Monmouth</td>
<td>22.560</td>
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<tr>
<td>Around the Region</td>
<td>Morris</td>
<td>18.023</td>
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<tr>
<td>180 Turning Lives</td>
<td>Ocean</td>
<td>23.831</td>
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<tr>
<td>Center for Family Services</td>
<td>Sussex</td>
<td>45.000</td>
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<tr>
<td>Women's Crisis Center</td>
<td>Union County</td>
<td>26.379</td>
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<tr>
<td>Rape Crisis Center</td>
<td>Warren</td>
<td>18.738</td>
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<tr>
<td>Domestic Violence Crisis Center</td>
<td>West Milford</td>
<td>43.600</td>
</tr>
<tr>
<td>Theater</td>
<td>Total</td>
<td>500.000</td>
</tr>
</tbody>
</table>

**Project Description:**

- To purchase computer hardware and software for the Rape Crisis Center to improve the efficiency of services.
- To purchase physical improvements of the rape care center by purchasing office furniture for the holistic office and new computer equipment.
- To purchase new lighting, computers, software, and equipment needed for the improvement of educational and informational assistance functions of the center.
- To purchase needed capital equipment and furniture that directly support the community education and informational assistance functions.
MEMORANDUM OF UNDERSTANDING

WHEREAS, the City of Bridgeton (hereafter the City) qualifies as an "eligible municipality" for the receipt of Special Municipal Aid pursuant to R.S. 52:27D-118.25 et seq., and

WHEREAS, the Director (Director) of the Division of Local Government Services has determined, in accordance with the criteria set forth in R.S. 52:27D-118.25 et seq., that the City is experiencing fiscal distress and warrants the receipt of Special Municipal Aid to enable the City to meet both its current year budget needs by providing essential services related to the safety and public health of its residents and to work towards regaining its financial stability; and

WHEREAS, the Local Finance Board has, on the basis of the Director's findings and of its own review of such findings, determined that State Aid, in the form of Special Municipal Aid shall be granted to the City subject to the requirements of the law and provisions and requirements of this agreement; and

WHEREAS, the Local Finance Board has further determined that a grant in the amount of $2,500,000 for FY 2006 should accordingly be provided to the City subject to the requirements set forth in the Municipal Aid Act, R.S. 52:27D-118.25 et seq., and the contractual provisions set forth herein; and

WHEREAS, continued participation and State supervision in the distressed cities program remains a condition of receiving such assistance or any future assistance. As such, the City is directed to implement any government, administrative and operational efficiencies and oversight measures necessary for the fiscal recovery of the City as may be recommended by the Director and approved by the Board; and

WHEREAS, the Director may withhold any State aid payments or any future Special Municipal Aid payments that are disbursed by the Division of Local Government Services if the Director finds that the City has failed to implement fiscal recovery measures approved by the Board.

NOW, THEREFORE, IT IS AGREED by and between the City and the Director that, in consideration for a grant in the amount of $2,500,000 for FY 2006, the City shall observe and comply with the requirements established for the receipt of such assistance, shall implement any and all government, administrative and operational efficiency, and oversight measures necessary for the fiscal recovery of the City as may be recommended by the Director and approved by the Local Finance Board, and shall otherwise completely and fully cooperate with the Director and the Board in achieving the purposes for which assistance is being made available, that is to alleviate the City's financial distress, to meet its immediate budgetary needs and to restore its financial stability.

BE IT FURTHER AGREED, that the City shall comply with certain personnel requirements as stated below:
1. The City shall impose a hiring freeze on new employees. Any request for new employees (request of waiver) shall be made to the Director with justification for the need of the new hire. Advertising or posting for new employees is not permitted without prior approval by the Director of a waiver. This freeze shall include replacements for persons who have left the employment of the municipality and whose position is not filled at the time of the award.

2. The City shall freeze all salaries for all employees not covered by a current contractual agreement.

3. The City shall not fund vacancies for non-essential positions.

4. No budget monies shall be expended for charities or “the sunshine fund” type expenditures.

5. The City shall freeze promotions and transfers involving salary increases unless required by contractual obligations.

6. The City shall prepare a plan for reduction of staff through attrition.

7. The City shall submit, prior to Board approval, a list of all employees with their title, salary and date hired.

8. In the event a waiver is granted from the hiring freeze, the City must submit copies of job applications and resumes for all potential employees.

9. The City shall provide details of labor negotiations with Division on a monthly basis and prior to ratification.

10. The City shall submit copies of all ratified labor contracts to Division.

11. The City shall not hire any consultants including outside attorneys, without prior written approval of the Director.

12. The City shall pay salaries and wages in a given year in an amount not to exceed the annual rate of compensation established by ordinance for each job title.

13. The City shall seek reimbursement from employees who, in any of the five preceding years, were paid salaries and wages with the addition of a 27th pay period in excess of the annual rate of compensation established by ordinance for the job title.

BE IT FURTHER AGREED that the City, for any requested replacement, shall prepare and submit a waiver to the Director for the hiring of any replacement personnel and/or the transfer of any employee in compliance with a resolution adopted by the Board for municipalities receiving Special Municipal Aid. The waiver must include a description of the personnel action, salary implication, and a detailed explanation of the need for such action. The waiver must contain the signatures of the Mayor, Business Administrator and Chief Financial Officer.

BE IT FURTHER AGREED that the City shall comply with certain budget and operations requirements as stated below:

1. The City shall submit detailed monthly revenue and expenditure budget reports, including any fees paid to consultants, and copies of budget transfer resolutions approved by the governing body to the Director.

2. The City shall not fund nor expand new programs or services without the prior approval of the Division.
3. Out-of-state travel is prohibited and overnight stays within New Jersey are prohibited, except when essential for licensure or certification required for employment or where required as a condition of a grant.

4. The City must have certified personnel where required by statute.

5. The City shall impose an expenditure restriction for educational expense. Educational expense should be limited to certified personnel or those in certification programs requiring CEUs or training.

6. The City shall utilize the maximum percent allowable for "Reserve for Uncollected Taxes calculation" and shall hold accelerated tax sale.

7. The City shall not make a change in insurance plan or carrier without Division approval.

8. The City shall hold timely foreclosures and lien sales.

9. The City shall insure that all interfunds must be liquidated by year-end.

10. The City must have functional general ledger, fixed asset and encumbrance accounting systems.

11. The City shall prepare its tax billings in compliance with Ch. 72, P. L. 1994, related to State Fiscal Year estimated tax bills and tax billing.

12. Reimbursement for employee meals or entertainment is prohibited and City funds cannot be used for receptions for City employees.

BE IT FURTHER AGREED that the City shall introduce its budget within 20 days of the statutory deadline and shall adopt the budget within 45 days of introduction.

BE IT FURTHER AGREED that the City shall submit the following documents/reports to the Division:

1. Monthly revenue and expenditure reports.

2. Analysis of fees set by ordinance vs. cost of services provided.

3. Cash management plan to Division.

4. Plan for sharing services and cooperative purchasing with contiguous municipalities or the County where practical.

5. Analysis of current debt structure and plan for debt reduction.


7. Annual fiscal recovery plans for 5 years and shall include details on efforts to eliminate the need for Special Aid and shall include a capital project/acquisition plan.

BE IT FURTHER AGREED that the City agrees to comply to the general procedural and operational requirements as listed below:

1. The City's representatives shall meet with Division staff quarterly to discuss budget and fiscal progress, or more often as requested by the Division.

2. The City shall agree to a review of operations by Division staff.

3. The City shall agree to implement recommendations of Division.

4. The City must sign a Memorandum of Understanding each year municipality is in program (before they receive allocation).
5. The City is directed to implement any government, administrative and operational efficiencies and oversight measures necessary for the fiscal recovery of the municipality.

6. Director may withhold any State Aid payments or future Special Municipal Aid payments if Director finds that municipality has failed to implement fiscal recovery measures approved by Local Finance Board.

7. The City shall observe and comply with all statutory requirements with respect to prudent budgeting, fiscal controls, and tax collection procedures, (for municipality, county and schools).

8. The City shall comply with all requirements imposed by the Board and the Director and shall fully cooperate with the Director and the Board in achieving the purposes for which assistance shall be made available.

9. Participants are subject to the restrictions for one fiscal year following receipt of the award.

BE IT FURTHER AGREED that, at the discretion of the Director, the Special Municipal Aid allocation may be made in quarterly payments and that such payments will be made based on a compliance review of the terms of this agreement. If this agreement is for less than the entire year, then payments will be made in equally divisible amounts for the remaining months of the year.

BE IT FURTHER AGREED that the City Governing Body shall review this Memorandum of Understanding and pass a Resolution authorizing this Agreement within 20 days of the date of execution of this Agreement.

BE IT FURTHER AGREED that the Director may withhold from the City any State aid payments that are disbursed by the Division of Local Government Services if the Director finds the City has failed to implement fiscal recovery measures approved by the Board, and

IT IS FINALLY AGREED that the terms of this agreement shall be binding upon the City for any and all subsequent years in which Special Municipal Aid funds are allocated to the City.

Signature of Mayor

Date 8/31/06

Signature of Director

Date 8/24/00

Certification of Municipal Clerk

Date 8/21/06
MEMORANDUM OF UNDERSTANDING

WHEREAS, the City of Camden (hereafter the City) qualifies as an “eligible municipality” for the receipt of Special Municipal Aid pursuant to R.S. 52:27D-118.25 et seq., and

WHEREAS, the Director (Director) of the Division of Local Government Services has determined, in accordance with the criteria set forth in R.S. 52:27D-118.25 et seq., that the City/Town is experiencing fiscal distress and warrants the receipt of Special Municipal Aid to enable the City/Town to meet both its current year budget needs by providing essential services related to the safety and public health of its residents and to work towards regaining its financial stability; and

WHEREAS, the Local Finance Board has, on the basis of the Director’s findings and of its own review of such findings, determined that State Aid, in the form of Special Municipal Aid shall be granted to the City/Town subject to the requirements of the law, including but not limited to the Municipal Rehabilitation and Economic Recovery Act, N.J.S.A. 52:27BBB-7, and provisions and requirements of this agreements; and

WHEREAS, the Local Finance Board has further determined that a grant in the amount of $47,130,901.69 for FY 2006 should accordingly be provided to the City subject to the requirements set forth in the Municipal Aid Act, R.S. 52:27D-118.25 et seq., the contractual provisions set forth herein, and consistent with the Municipal Rehabilitation and Economic Recovery Act; and

WHEREAS, continued participation and State supervision in the distressed cities program remains a condition of receiving such assistance or any future assistance. As such, the City/Town is directed to implement any government, administrative and operational efficiencies and oversight measures necessary for the fiscal recovery of the City as may be recommended by the Director and approved by the Board; and

WHEREAS, the Director, upon notification of the Chief Operating Officer, may withhold any State aid payments or any future Special Municipal Aid payments that are disbursed by the Division of Local Government Services if the Director finds that the City/Town has failed to implement fiscal recovery measures approved by the Board.

NOW, THEREFORE, IT IS AGREED by and between the City, the Chief Operating Officer, and the Director that, in consideration for a grant in the amount of $47,130,901.69 for FY 2006, the City shall observe and comply with the requirements established for the receipt of such assistance, shall implement any and all government, administrative and operational efficiency, and oversight measures necessary for the fiscal recovery of the City as may be recommended by the Director, and approved by the Local Finance Board, and shall otherwise completely and fully cooperate with the Director and the Board in achieving the purposes for which assistance is being made available, that is to alleviate the City’s financial distress, to meet its immediate budgetary needs and to restore its financial stability.
BE IT FURTHER AGREED, the City’s Chief Operating Officer shall review all requests and documentation before being submitted to the Director;

BE IT FURTHER AGREED, that the City/Town shall comply with certain personnel requirements as stated below:

1. The City shall impose a hiring freeze on new employees. Any request for new employees (request of waiver) shall be made to the Director with justification for the need of the new hire. Advertising or posting for new employees is not permitted without prior approval by the Director of a waiver. This freeze shall include replacements for persons who have left the employment of the municipality and whose position is not filled at the time of the award.

2. The City shall froze all salaries for all employees not covered by a current contractual agreement.

3. The City shall not fund vacancies for non-essential positions.

4. No budget monies shall be expended for charities or “the sunshine fund” type expenditures.

5. The City shall freeze promotions and transfers involving salary increases unless required by contractual obligations.

6. The City shall prepare a plan for reduction of staff through attrition and shall submit the plan to the COO for review to insure consistency with the Municipal Rehabilitation and Economic Recovery Act.

7. The City shall submit, prior to Board approval, a list of all employees with their title, salary and date hired.

8. In the event a waiver is granted from the hiring freeze, the City/Town must submit copies of job applications and resumes for all potential employees.

9. The City shall provide details of labor negotiations with Division on a monthly basis and prior to ratification.

10. The City shall submit copies of all ratified labor contracts to Division.

11. The City shall not hire any consultants including outside attorneys, without prior written recommendation of the COO and approval of the Director.

12. The City shall pay salaries and wages in a given year in an amount not to exceed the annual rate of compensation established by ordinance for each job title.

13. The City shall seek reimbursement from employees who, in any of the five preceding years, were paid salaries and wages with the addition of a 27th pay period in excess of the annual rate of compensation established by ordinance for the job title.

BE IT FURTHER AGREED that the City, for any requested replacement, shall prepare and submit a waiver to the Director for the hiring of any replacement personnel and/or the transfer of any employee in compliance with a resolution adopted by the Board for municipalities receiving Special Municipal Aid. The waiver must include a description of the personnel action, salary implication, and a detailed explanation of the need for such action. The waiver must contain the signatures of the Mayor, Business Administrator, Chief Financial Officer and Chief Operating Officer.
BE IT FURTHER AGREED that the Director will provide a written response to waiver requests with a detailed explanation of any denials within three (3) business days of receipt of the waiver. The response will be directed to the Chief Operating Officer with copies to the Mayor and Business Administrator.

BE IT FURTHER AGREED that the City/Town shall comply with certain budget and operations requirements as stated below:

1. The City shall submit detailed monthly revenue and expenditure budget reports, including any fees paid to consultants, and copies of budget transfer resolutions approved by the governing body to the Director.
2. The City shall not fund nor expand new programs or services without the prior approval of the Division.
3. Out-of-state travel is prohibited and overnight stays within New Jersey are prohibited, except when essential for licensure or certification required for employment or where required as a condition of a grant.
4. The City must have certified personnel where required by statute.
5. The City shall impose an expenditure restriction for educational expense. Educational expense should be limited to certified personnel or those in certification programs requiring CEUs or training.
6. The City shall utilize the maximum percent allowable for “Reserve for Uncollected Taxes calculation” and shall hold accelerated tax sale.
7. The City shall not make a change in insurance plan or carrier without the Chief Operating Officer’s recommendation and Division approval.
8. The City shall hold timely foreclosures and lien sales.
9. The City shall insure that all interfunds must be liquidated by year-end.
10. The City must have functional general ledger, fixed asset and encumbrance accounting systems.
11. The City shall prepare its tax billings in compliance with Ch. 72, P. L. 1994, related to State Fiscal Year estimated tax bills and tax billing.
12. Reimbursement for employee meals or entertainment is prohibited and City funds cannot be used for receptions for City employees.

BE IT FURTHER AGREED that the City shall introduce its budget within 20 days of the statutory deadline and shall adopt the budget within 45 days of introduction.

BE IT FURTHER AGREED that the City shall submit the following documents/reports to the Division:

1. Monthly revenue and expenditure reports.
2. Analysis of fees set by ordinance vs. cost of services provided.
3. Cash management plan to Division.
4. Plan for sharing services and cooperative purchasing with contiguous municipalities or the County where practical.
5. Analysis of current debt structure and plan for debt reduction.
7. Annual fiscal recovery plans for 5 years and shall include details on efforts to eliminate the need for Special Aid and shall include a capital project/acquisition plan.

BE IT FURTHER AGREED that the City/Town agrees to comply to the general procedural and operational requirements as listed below:

1. The City’s representatives shall meet with Division staff quarterly to discuss budget and fiscal progress, or more often as requested by the Division.
2. The City shall agree to a review of operations by Division staff.
3. The City shall agree to implement recommendations of Division upon notification of the Chief Operating Officer.
4. The City must sign a Memorandum of Understanding each year municipality is in program (before they receive allocation).
5. The City is directed to implement any government, administrative and operational efficiencies and oversight measures necessary for the fiscal recovery of the municipality made in consultation with the Chief Operating Officer.
6. Director may withhold any State Aid payments or future Special Municipal Aid payments if Director finds that municipality has failed to implement fiscal recovery measures approved by Local Finance Board.
7. The City shall observe and comply with all statutory requirements with respect to prudent budgeting, fiscal controls, and tax collection procedures, (for municipality, county and schools).
8. The City shall comply with all requirements imposed by the Board and the Director and shall fully cooperate with the Director and the Board in achieving the purposes for which assistance shall be made available.
9. Participants are subject to the restrictions for one fiscal year following receipt of the award.

BE IT FURTHER AGREED that, at the discretion of the Director, the Special Municipal Aid allocation may be made in quarterly payments and that such payments will be made based on a compliance review of the terms of this agreement. If this agreement is for less than the entire year, then payments will be made in equally divisible amounts for the remaining months of the year.

BE IT FURTHER AGREED that the City’s Governing Body shall review this Memorandum of Understanding and pass a Resolution authorizing this Agreement within 20 days of the date of execution of this Agreement.

BE IT FURTHER AGREED that the Director, may withhold from the City any State aid payments that are disbursed by the Division of Local Government Services if the Director finds the City has failed to implement fiscal recovery measures approved by the Board, and

IT IS FINALLY AGREED that the terms of this agreement shall be binding upon the City/Town for any and all subsequent years in which Special Municipal Aid funds are allocated to the Town.
Signature of Mayor, Gwendolyn Faison

Signature of Chief Operating Officer Acting – Susan Jacobucci

Signature of Director
Susan Jacobucci

Certification of Municipal Clerk

Date 2-13-2006

Date 12-13-2006

Date 2-13-2006

Date ______
MEMORANDUM OF UNDERSTANDING

WHEREAS, the Township of Ewing (hereafter the Township) qualifies as an “eligible municipality” for the receipt of Special Municipal Aid pursuant to R.S. 52:27D-118.25 et seq., and

WHEREAS, the Director (Director) of the Division of Local Government Services has determined, in accordance with the criteria set forth in R.S. 52:27D-118.25 et seq., that the Township is experiencing fiscal distress and warrants the receipt of Special Municipal Aid to enable the Township to meet both its current year budget needs by providing essential services related to the safety and public health of its residents and to work towards regaining its financial stability; and

WHEREAS, the Local Finance Board has, on the basis of the Director’s findings and of its own review of such findings, determined that State Aid, in the form of Special Municipal Aid shall be granted to the Township subject to the requirements of the law and provisions and requirements of this agreements; and

WHEREAS, the Local Finance Board has further determined that a grant in the amount of $4,500,000 for FY 2006 should accordingly be provided to the Township subject to the requirements set forth in the Municipal Aid Act, R.S. 52:27D-118.25 et seq., and the contractual provisions set forth herein; and

WHEREAS, continued participation and State supervision in the distressed cities program remains a condition of receiving such assistance or any future assistance. As such, the Township is directed to implement any government, administrative and operational efficiencies and oversight measures necessary for the fiscal recovery of the Township as may be recommended by the Director and approved by the Board; and

WHEREAS, the Director may withhold any State aid payments or any future Special Municipal Aid payments that are disbursed by the Division of Local Government Services if the Director finds that the Township has failed to implement fiscal recovery measures approved by the Board.

NOW, THEREFORE, IT IS AGREED by and between the Township and the Director that, in consideration for a grant in the amount of $4,500,000 for FY 2006, the Township shall observe and comply with the requirements established for the receipt of such assistance, shall implement any and all government, administrative and operational efficiency, and oversight measures necessary for the fiscal recovery of the Township as may be recommended by the Director and approved by the Local Finance Board, and shall otherwise completely and fully cooperate with the Director and the Board in achieving the purposes for which assistance is being made available, that is to alleviate the Township’s financial distress, to meet its immediate budgetary needs and to restore its financial stability.
BE IT FURTHER AGREED, that the Township shall comply with certain personnel requirements as stated below:

1. The Township shall impose a hiring freeze on new employees. Any request for new employees (request of waiver) shall be made to the Director with justification for the need of the new hire. Advertising or posting for new employees is not permitted without prior approval by the Director of a waiver. This freeze shall include replacements for persons who have left the employment of the municipality and whose position is not filled at the time of the award.

2. The Township shall freeze all salaries for all employees not covered by a current contractual agreement.

3. The Township shall not fund vacancies for non-essential positions.

4. No budget monies shall be expended for charities or "the sunshine fund" type expenditures.

5. The Township shall freeze promotions and transfers involving salary increases unless required by contractual obligations.

6. The Township shall prepare a plan for reduction of staff through attrition.

7. The Township shall submit, prior to Board approval, a list of all employees with their title, salary and date hired.

8. In the event a waiver is granted from the hiring freeze, the Township must submit copies of job applications and resumes for all potential employees.

9. The Township shall provide details of labor negotiations with Division on a monthly basis and prior to ratification.

10. The Township shall submit copies of all ratified labor contracts to Division.

11. The Township shall not hire any consultants including outside attorneys, without prior written approval of the Director.

12. The Township shall pay salaries and wages in a given year in an amount not to exceed the annual rate of compensation established by ordinance for each job title.

13. The Township shall seek reimbursement from employees who, in any of the five preceding years, were paid salaries and wages with the addition of a 27th pay period in excess of the annual rate of compensation established by ordinance for the job title.

BE IT FURTHER AGREED that the Township, for any requested replacement, shall prepare and submit a waiver to the Director for the hiring of any replacement personnel and/or the transfer of any employee in compliance with a resolution adopted by the Board for municipalities receiving Special Municipal Aid. The waiver must include a description of the personnel action, salary implication, and a detailed explanation of the need for such action. The waiver must contain the signatures of the Mayor, Business Administrator and Chief Financial Officer.

BE IT FURTHER AGREED that the Township shall comply with certain budget and operations requirements as stated below:
1. The Township shall submit detailed monthly revenue and expenditure budget reports, including any fees paid to consultants, and copies of budget transfer resolutions approved by the governing body to the Director.

2. The Township shall not fund nor expand new programs or services without the prior approval of the Division.

3. Out-of-state travel is prohibited and overnight stays within New Jersey are prohibited, except when essential for licensure or certification required for employment or where required as a condition of a grant.

4. The Township must have certified personnel where required by statute.

5. The Township shall impose an expenditure restriction for educational expense. Educational expense should be limited to certified personnel or those in certification programs requiring CEUs or training.

6. The Township shall utilize the maximum percent allowable for “Reserve for Uncollected Taxes calculation” and shall hold accelerated tax sale.

7. The Township shall not make a change in insurance plan or carrier without Division approval.

8. The Township shall hold timely foreclosures and lien sales.

9. The Township shall insure that all interfunds must be liquidated by year-end.

10. The Township must have functional general ledger, fixed asset and encumbrance accounting systems.

11. The Township shall prepare its tax billings in compliance with Ch. 72, P. L. 1994, related to State Fiscal Year estimated tax bills and tax billing.

12. Reimbursement for employee meals or entertainment is prohibited and Township funds cannot be used for receptions for Township employees.

BE IT FURTHER AGREED that the Township shall introduce its budget within 20 days of the statutory deadline and shall adopt the budget within 45 days of introduction.

BE IT FURTHER AGREED that the Township shall submit the following documents/reports to the Division:

1. Monthly revenue and expenditure reports.

2. Analysis of fees set by ordinance vs. cost of services provided.

3. Cash management plan to Division.

4. Plan for sharing services and cooperative purchasing with contiguous municipalities or the County where practical.

5. Analysis of current debt structure and plan for debt reduction.


7. Annual fiscal recovery plans for 5 years and shall include details on efforts to eliminate the need for Special Aid and shall include a capital project/acquisition plan.

BE IT FURTHER AGREED that the Township agrees to comply to the general procedural and operational requirements as listed below:

1. The Township’s representatives shall meet with Division staff quarterly to discuss budget and fiscal progress, or more often as requested by the Division.

2. The Township shall agree to a review of operations by Division staff.
3. The Township shall agree to implement recommendations of Division.
4. The Township must sign a Memorandum of Understanding each year municipality is in program (before they receive allocation).
5. The Township is directed to implement any government, administrative and operational efficiencies and oversight measures necessary for the fiscal recovery of the municipality.
6. Director may withhold any State Aid payments or future Special Municipal Aid payments if Director finds that municipality has failed to implement fiscal recovery measures approved by Local Finance Board.
7. The Township shall observe and comply with all statutory requirements with respect to prudent budgeting, fiscal controls, and tax collection procedures, (for municipality, county and schools).
8. The Township shall comply with all requirements imposed by the Board and the Director and shall fully cooperate with the Director and the Board in achieving the purposes for which assistance shall be made available.
9. Participants are subject to the restrictions for one fiscal year following receipt of the award.

BE IT FURTHER AGREED that, at the discretion of the Director, the Special Municipal Aid allocation may be made in quarterly payments and that such payments will be made based on a compliance review of the terms of this agreement. If this agreement is for less than the entire year, then payments will be made in equally divisible amounts for the remaining months of the year.

BE IT FURTHER AGREED that the Township Governing Body shall review this Memorandum of Understanding and pass a Resolution authorizing this Agreement within 20 days of the date of execution of this Agreement.

BE IT FURTHER AGREED that the Director may withhold from the Township any State aid payments that are disbursed by the Division of Local Government Services if the Director finds the Township has failed to implement fiscal recovery measures approved by the Board, and

IT IS FINALLY AGREED that the terms of this agreement shall be binding upon the Township for any and all subsequent years in which Special Municipal Aid funds are allocated to the Township.

Signature of Mayor

Date 4/17/06

Signature of Director

Date 4/10/06

Certification of Municipal Clerk

Date 4/10/06
MEMORANDUM OF UNDERSTANDING

WHEREAS, the Town of Harrison (hereafter the Town) qualifies as an “eligible municipality” for the receipt of Special Municipal Aid pursuant to R.S. 52:27D-118.25 et seq., and

WHEREAS, the Director (Director) of the Division of Local Government Services has determined, in accordance with the criteria set forth in R.S. 52:27D-118.25 et seq., that the Town is experiencing fiscal distress and warrants the receipt of Special Municipal Aid to enable the Town to meet both its current year budget needs by providing essential services related to the safety and public health of its residents and to work towards regaining its financial stability; and

WHEREAS, the Local Finance Board has, on the basis of the Director’s findings and of its own review of such findings, determined that State Aid, in the form of Special Municipal Aid shall be granted to the Town subject to the requirements of the law and provisions and requirements of this agreements; and

WHEREAS, the Local Finance Board has further determined that a grant in the amount of $2,900,000 for CY 2006 should accordingly be provided to the Town subject to the requirements set forth in the Municipal Aid Act, R.S. 52:27D-118.25 et seq., and the contractual provisions set forth herein; and

WHEREAS, continued participation and State supervision in the distressed cities program remains a condition of receiving such assistance or any future assistance. As such, the Town is directed to implement any government, administrative and operational efficiencies and oversight measures necessary for the fiscal recovery of the Town as may be recommended by the Director and approved by the Board; and

WHEREAS, the Director may withhold any State aid payments or any future Special Municipal Aid payments that are disbursed by the Division of Local Government Services if the Director finds that the Town has failed to implement fiscal recovery measures approved by the Board.

NOW, THEREFORE, IT IS AGREED by and between the Town and the Director that, in consideration for a grant in the amount of $2,900,000 for CY 2006, the Town shall observe and comply with the requirements established for the receipt of such assistance, shall implement any and all government, administrative and operational efficiency, and oversight measures necessary for the fiscal recovery of the Town as may be recommended by the Director and approved by the Local Finance Board, and shall otherwise completely and fully cooperate with the Director and the Board in achieving the purposes for which assistance is being made available, that is to alleviate the Town’s financial distress, to meet its immediate budgetary needs and to restore its financial stability.
BE IT FURTHER AGREED, that the Town shall comply with certain personnel requirements as stated below:

1. The Town shall impose a hiring freeze on new employees. Any request for new employees (request of waiver) shall be made to the Director with justification for the need of the new hire. Advertising or posting for new employees is not permitted without prior approval by the Director of a waiver. This freeze shall include replacements for persons who have left the employment of the municipality and whose position is not filled at the time of the award.

2. The Town shall freeze all salaries for all employees not covered by a current contractual agreement.

3. The Town shall not fund vacancies for non-essential positions.

4. No budget monies shall be expended for charities or “the sunshine fund” type expenditures.

5. The Town shall freeze promotions and transfers involving salary increases unless required by contractual obligations.

6. The Town shall prepare a plan for reduction of staff through attrition.

7. The Town shall submit, prior to Board approval, a list of all employees with their title, salary and date hired.

8. In the event a waiver is granted from the hiring freeze, the Town must submit copies of job applications and resumes for all potential employees.

9. The Town shall provide details of labor negotiations with Division on a monthly basis and prior to ratification.

10. The Town shall submit copies of all ratified labor contracts to Division.

11. The Town shall not hire any consultants including outside attorneys, without prior written approval of the Director.

12. The Town shall pay salaries and wages in a given year in an amount not to exceed the annual rate of compensation established by ordinance for each job title.

13. The Town shall seek reimbursement from employees who, in any of the five preceding years, were paid salaries and wages with the addition of a 27th pay period in excess of the annual rate of compensation established by ordinance for the job title.

BE IT FURTHER AGREED that the Town, for any requested replacement, shall prepare and submit a waiver to the Director for the hiring of any replacement personnel and/or the transfer of any employee in compliance with a resolution adopted by the Board for municipalities receiving Special Municipal Aid. The waiver must include a description of the personnel action, salary implication, and a detailed explanation of the need for such action. The waiver must contain the signatures of the Mayor, Business Administrator and Chief Financial Officer.

BE IT FURTHER AGREED that the Town shall comply with certain budget and operations requirements as stated below:
1. The Town shall submit detailed monthly revenue and expenditure budget reports, including any fees paid to consultants, and copies of budget transfer resolutions approved by the governing body to the Director.

2. The Town shall not fund nor expand new programs or services without the prior approval of the Division.

3. Out-of-state travel is prohibited and overnight stays within New Jersey are prohibited, except when essential for licensure or certification required for employment or where required as a condition of a grant.

4. The Town must have certified personnel where required by statute.

5. The Town shall impose an expenditure restriction for educational expense. Educational expense should be limited to certified personnel or those in certification programs requiring CEUs or training.

6. The Town shall utilize the maximum percent allowable for “Reserve for Uncollected Taxes calculation” and shall hold accelerated tax sale.

7. The Town shall not make a change in insurance plan or carrier without Division approval.

8. The Town shall hold timely foreclosures and lien sales.

9. The Town shall insure that all interfunds must be liquidated by year-end.

10. The Town must have functional general ledger, fixed asset and encumbrance accounting systems.

11. The Town shall prepare its tax billings in compliance with Ch. 72, P. L. 1994, related to State Fiscal Year estimated tax bills and tax billing.

12. Reimbursement for employee meals or entertainment is prohibited and Town funds cannot be used for receptions for Town employees.

BE IT FURTHER AGREED that the Town shall introduce its budget within 20 days of the statutory deadline and shall adopt the budget within 45 days of introduction.

BE IT FURTHER AGREED that the Town shall submit the following documents/reports to the Division:

1. Monthly revenue and expenditure reports.
2. Analysis of fees set by ordinance vs. cost of services provided.
3. Cash management plan to Division.
4. Plan for sharing services and cooperative purchasing with contiguous municipalities or the County where practical.
5. Analysis of current debt structure and plan for debt reduction.
7. Annual fiscal recovery plans for 5 years and shall include details on efforts to eliminate the need for Special Aid and shall include a capital project/acquisition plan.

BE IT FURTHER AGREED that the Town agrees to comply to the general procedural and operational requirements as listed below:

1. The Town's representatives shall meet with Division staff quarterly to discuss budget and fiscal progress, or more often as requested by the Division.
2. The Town shall agree to a review of operations by Division staff.
3. The Town shall agree to implement recommendations of Division.
4. The Town must sign a Memorandum of Understanding each year municipality is in program (before they receive allocation).
5. The Town is directed to implement any government, administrative and operational efficiencies and oversight measures necessary for the fiscal recovery of the municipality.
6. Director may withhold any State Aid payments or future Special Municipal Aid payments if Director finds that municipality has failed to implement fiscal recovery measures approved by Local Finance Board.
7. The Town shall observe and comply with all statutory requirements with respect to prudent budgeting, fiscal controls, and tax collection procedures, (for municipality, county and schools).
8. The Town shall comply with all requirements imposed by the Board and the Director and shall fully cooperate with the Director and the Board in achieving the purposes for which assistance shall be made available.
9. Participants are subject to the restrictions for one fiscal year following receipt of the award.

BE IT FURTHER AGREED that, at the discretion of the Director, the Special Municipal Aid allocation may be made in quarterly payments and that such payments will be made based on a compliance review of the terms of this agreement. If this agreement is for less than the entire year, then payments will be made in equally divisible amounts for the remaining months of the year.

BE IT FURTHER AGREED that the Town Governing Body shall review this Memorandum of Understanding and pass a Resolution authorizing this Agreement within 20 days of the date of execution of this Agreement.

BE IT FURTHER AGREED that the Director may withhold from the Town any State aid payments that are disbursed by the Division of Local Government Services if the Director finds the Town has failed to implement fiscal recovery measures approved by the Board, and

IT IS FINALLY AGREED that the terms of this agreement shall be binding upon the Town for any and all subsequent years in which Special Municipal Aid funds are allocated to the Town.

[Signatures]

Date 6/29/06

Date 6/30/06

Date 6/29/06
MEMORANDUM OF UNDERSTANDING

WHEREAS, the City of Paterson (hereafter the City) qualifies as an "eligible municipality" for the receipt of Special Municipal Aid pursuant to R.S. 52:27D-118.25 et seq., and

WHEREAS, the Director (Director) of the Division of Local Government Services has determined, in accordance with the criteria set forth in R.S. 52:27D-118.25 et seq., that the City is experiencing fiscal distress and warrants the receipt of Special Municipal Aid to enable the City to meet both its current year budget needs by providing essential services related to the safety and public health of its residents and to work towards regaining its financial stability; and

WHEREAS, the Local Finance Board has, on the basis of the Director's findings and of its own review of such findings, determined that State Aid, in the form of Special Municipal Aid shall be granted to the City subject to the requirements of the law and provisions and requirements of this agreement; and

WHEREAS, the Local Finance Board has further determined that a grant in the amount of $30,800,000 for FY 2006 should accordingly be provided to the City subject to the requirements set forth in the Municipal Aid Act, R.S. 52:27D-118.25 et seq., and the contractual provisions set forth herein; and

WHEREAS, continued participation and State supervision in the distressed cities program remains a condition of receiving such assistance or any future assistance. As such, the City is directed to implement any government, administrative and operational efficiencies and oversight measures necessary for the fiscal recovery of the City as may be recommended by the Director and approved by the Board; and

WHEREAS, the Director may withhold any State aid payments or any future Special Municipal Aid payments that are disbursed by the Division of Local Government Services if the Director finds that the City has failed to implement fiscal recovery measures approved by the Board.

NOW, THEREFORE, IT IS AGREED by and between the City and the Director that, in consideration for a grant in the amount of $30,800,000 for FY 2006, the City shall observe and comply with the requirements established for the receipt of such assistance, shall implement any and all government, administrative and operational efficiency, and oversight measures necessary for the fiscal recovery of the City as may be recommended by the Director and approved by the Local Finance Board, and shall otherwise completely and fully cooperate with the Director and the Board in achieving the purposes for which assistance is being made available, that is to alleviate the City's financial distress, to meet its immediate budgetary needs and to restore its financial stability.

BE IT FURTHER AGREED, that the City shall comply with certain personnel requirements as stated below:
1. The City shall impose a hiring freeze on new employees. Any request for new employees (request of waiver) shall be made to the Director with justification for the need of the new hire. Advertising or posting for new employees is not permitted without prior approval by the Director or a waiver. This freeze shall include replacements for persons who have left the employment of the municipality and whose position is not filled at the time of the award.

2. The City shall freeze all salaries for all employees not covered by a current contractual agreement.

3. The City shall not fund vacancies for non-essential positions.

4. No budget monies shall be expended for charities or "the sunshine fund" type expenditures.

5. The City shall freeze promotions and transfers involving salary increases unless required by contractual obligations.

6. The City shall prepare a plan for reduction of staff through attrition.

7. The City shall submit, prior to Board approval, a list of all employees with their title, salary and date hired.

8. In the event a waiver is granted from the hiring freeze, the City must submit copies of job applications and resumes for all potential employees.

9. The City shall provide details of labor negotiations with Division on a monthly basis and prior to ratification.

10. The City shall submit copies of all ratified labor contracts to Division.

11. The City shall not hire any consultants including outside attorneys, without prior written approval of the Director.

12. The City shall pay salaries and wages in a given year in an amount not to exceed the annual rate of compensation established by ordinance for each job title.

13. The City shall seek reimbursement from employees who, in any of the five preceding years, were paid salaries and wages with the addition of a 27th pay period in excess of the annual rate of compensation established by ordinance for the job title.

BE IT FURTHER AGREED that the City, for any requested replacement, shall prepare and submit a waiver to the Director for the hiring of any replacement personnel and/or the transfer of any employee in compliance with a resolution adopted by the Board for municipalities receiving Special Municipal Aid. The waiver must include a description of the personnel action, salary implication, and a detailed explanation of the need for such action. The waiver must contain the signatures of the Mayor, Business Administrator and Chief Financial Officer.

BE IT FURTHER AGREED that the City shall comply with certain budget and operations requirements as stated below:

1. The City shall submit detailed monthly revenue and expenditure budget reports, including any fees paid to consultants, and copies of budget transfer resolutions approved by the governing body to the Director.

2. The City shall not fund nor expand new programs or services without the prior approval of the Division.
3. Out-of-state travel is prohibited and overnight stays within New Jersey are prohibited, except when essential for licensure or certification required for employment or where required as a condition of a grant.

4. The City must have certified personnel where required by statute.

5. The City shall impose an expenditure restriction for educational expense. Educational expense should be limited to certified personnel or those in certification programs requiring CEUs or training.

6. The City shall utilize the maximum percent allowable for "Reserve for Uncollected Taxes calculation" and shall hold accelerated tax sale.

7. The City shall not make a change in insurance plan or carrier without Division approval.

8. The City shall hold timely foreclosures and lien sales.

9. The City shall insure that all interfunds must be liquidated by year-end.

10. The City must have functional general ledger, fixed asset and encumbrance accounting systems.

11. The City shall prepare its tax billings in compliance with Ch. 72, P. L. 1994, related to State Fiscal Year estimated tax bills and tax billing.

12. Reimbursement for employee meals or entertainment is prohibited and City funds cannot be used for receptions for City employees.

BE IT FURTHER AGREED that the City shall introduce its budget within 20 days of the statutory deadline and shall adopt the budget within 45 days of introduction.

BE IT FURTHER AGREED that the City shall submit the following documents/reports to the Division:

1. Monthly revenue and expenditure reports.

2. Analysis of fees set by ordinance vs. cost of services provided.

3. Cash management plan to Division.

4. Plan for sharing services and cooperative purchasing with contiguous municipalities or the County where practical.

5. Analysis of current debt structure and plan for debt reduction.


7. Annual fiscal recovery plans for 5 years and shall include details on efforts to eliminate the need for Special Aid and shall include a capital project/acquisition plan.

BE IT FURTHER AGREED that the City agrees to comply to the general procedural and operational requirements as listed below:

1. The City's representatives shall meet with Division staff quarterly to discuss budget and fiscal progress, or more often as requested by the Division.

2. The City shall agree to a review of operations by Division staff.

3. The City shall agree to implement recommendations of Division.

4. The City must sign a Memorandum of Understanding each year municipality is in program (before they receive allocation).
5. The City is directed to implement any government, administrative and operational efficiencies and oversight measures necessary for the fiscal recovery of the municipality.

6. Director may withhold any State Aid payments or future Special Municipal Aid payments if Director finds that municipality has failed to implement fiscal recovery measures approved by Local Finance Board.

7. The City shall observe and comply with all statutory requirements with respect to prudent budgeting, fiscal controls, and tax collection procedures, (for municipality, county and schools).

8. The City shall comply with all requirements imposed by the Board and the Director and shall fully cooperate with the Director and the Board in achieving the purposes for which assistance shall be made available.

9. Participants are subject to the restrictions for one fiscal year following receipt of the award.

BE IT FURTHER AGREED that, at the discretion of the Director, the Special Municipal Aid allocation may be made in quarterly payments and that such payments will be made based on a compliance review of the terms of this agreement. If this agreement is for less than the entire year, then payments will be made in equally divisible amounts for the remaining months of the year.

BE IT FURTHER AGREED that the City Governing Body shall review this Memorandum of Understanding and pass a Resolution authorizing this Agreement within 20 days of the date of execution of this Agreement.

BE IT FURTHER AGREED that the Director may withhold from the City any State aid payments that are disbursed by the Division of Local Government Services if the Director finds the City has failed to implement fiscal recovery measures approved by the Board, and

IT IS FINALLY AGREED that the terms of this agreement shall be binding upon the City for any and all subsequent years in which Special Municipal Aid funds are allocated to the City.

[Signatures]

Signature of Mayor

Signature of Director

Certification of Municipal Clerk

Date 4/4/06

Date 4/5/2006

Date 4/4/06
MEMORANDUM OF UNDERSTANDING

WHEREAS, the City of Union (hereafter the City) qualifies as a "distressed municipality" for the receipt of Special Municipal Aid pursuant to R.S. 52:27D-118.25 et seq., and

WHEREAS, the Director (Director) of the Division of Local Government Services has determined, in accordance with the criteria set forth in R.S. 52:27D-118.25 et seq., that the City is experiencing fiscal distress and warrants the receipt of Special Municipal Aid to enable the City to meet both its current year budget needs by providing essential services related to the safety and public health of its residents and to work towards regaining its financial stability; and

WHEREAS, the Local Finance Board has, on the basis of the Director’s findings and of its own review of such findings, determined that State Aid, in the form of Special Municipal Aid shall be granted to the City subject to the requirements of the law and provisions and requirements of this agreements; and

WHEREAS, the Local Finance Board has further determined that a grant in the amount of $2,800,000 for FY 2006 should accordingly be provided to the City subject to the requirements set forth in the Municipal Aid Act, R.S. 52:27D-118.25 et seq., and the contractual provisions set forth herein; and

WHEREAS, continued participation and State supervision in the distressed cities program remains a condition of receiving such assistance or any future assistance. As such, the City is directed to implement any government, administrative and operational efficiencies and oversight measures necessary for the fiscal recovery of the City as may be recommended by the Director and approved by the Board; and

WHEREAS, the Director may withhold any State aid payments or any future Special Municipal Aid payments that are disbursed by the Division of Local Government Services if the Director finds that the City has failed to implement fiscal recovery measures approved by the Board.

NOW, THEREFORE, IT IS AGREED by and between the City and the Director that, in consideration for a grant in the amount of $2,800,000 for FY 2006, the City shall observe and comply with the requirements established for the receipt of such assistance, shall implement any and all government, administrative and operational efficiency, and oversight measures necessary for the fiscal recovery of the City as may be recommended by the Director and approved by the Local Finance Board, and shall otherwise completely and fully cooperate with the Director and the Board in achieving the purposes for which assistance is being made available, that is to alleviate the City’s financial distress, to meet its immediate budgetary needs and to restore its financial stability.

BE IT FURTHER AGREED, that the City shall comply with certain personnel requirements as stated below:
1. The City shall impose a hiring freeze on new employees. Any request for new employees (request of waiver) shall be made to the Director with justification for the need of the new hire. Advertising or posting for new employees is not permitted without prior approval by the Director of a waiver. This freeze shall include replacements for persons who have left the employment of the municipality and whose position is not filled at the time of the award.

2. The City shall freeze all salaries for all employees not covered by a current contractual agreement.

3. The City shall not fund vacancies for non-essential positions.

4. No budget monies shall be expended for charities or "the sunshine fund" type expenditures.

5. The City shall freeze promotions and transfers involving salary increases unless required by contractual obligations.

6. The City shall prepare a plan for reduction of staff through attrition.

7. The City shall submit, prior to Board approval, a list of all employees with their title, salary and date hired.

8. In the event a waiver is granted from the hiring freeze, the City must submit copies of job applications and resumes for all potential employees.

9. The City shall provide details of labor negotiations with Division on a monthly basis and prior to ratification.

10. The City shall submit copies of all ratified labor contracts to Division.

11. The City shall not hire any consultants including outside attorneys, without prior written approval of the Director.

12. The City shall pay salaries and wages in a given year in an amount not to exceed the annual rate of compensation established by ordinance for each job title.

13. The City shall seek reimbursement from employees who, in any of the five preceding years, were paid salaries and wages with the addition of a 27th pay period in excess of the annual rate of compensation established by ordinance for the job title.

BE IT FURTHER AGREED that the City, for any requested replacement, shall prepare and submit a waiver to the Director for the hiring of any replacement personnel and/or the transfer of any employee in compliance with a resolution adopted by the Board for municipalities receiving Special Municipal Aid. The waiver must include a description of the personnel action, salary implication, and a detailed explanation of the need for such action. The waiver must contain the signatures of the Mayor, Business Administrator and Chief Financial Officer.

BE IT FURTHER AGREED that the City shall comply with certain budget and operations requirements as stated below:

1. The City shall submit detailed monthly revenue and expenditure budget reports, including any fees paid to consultants, and copies of budget transfer resolutions approved by the governing body to the Director.

2. The City shall not fund nor expand new programs or services without the prior approval of the Division.
3. Out-of-state travel is prohibited and overnight stays within New Jersey are prohibited, except when essential for licensure or certification required for employment or where required as a condition of a grant.

4. The City must have certified personnel where required by statute.

5. The City shall impose an expenditure restriction for educational expense. Educational expense should be limited to certified personnel or those in certification programs requiring CEUs or training.

6. The City shall utilize the maximum percent allowable for “Reserve for Uncollected Taxes calculation” and shall hold accelerated tax sale.

7. The City shall not make a change in insurance plan or carrier without Division approval.

8. The City shall hold timely foreclosures and lien sales.

9. The City shall insure that all interfunds must be liquidated by year-end.

10. The City must have functional general ledger, fixed asset and encumbrance accounting systems.

11. The City shall prepare its tax billings in compliance with Ch. 72, P. L. 1994, related to State Fiscal Year estimated tax bills and tax billing.

12. Reimbursement for employee meals or entertainment is prohibited and City funds cannot be used for receptions for City employees.

BE IT FURTHER AGREED that the City shall introduce its budget within 20 days of the statutory deadline and shall adopt the budget within 45 days of introduction.

BE IT FURTHER AGREED that the City shall submit the following documents/reports to the Division:

1. Monthly revenue and expenditure reports.

2. Analysis of fees set by ordinance vs. cost of services provided.

3. Cash management plan to Division.

4. Plan for sharing services and cooperative purchasing with contiguous municipalities or the County where practical.

5. Analysis of current debt structure and plan for debt reduction.


7. Annual fiscal recovery plans for 5 years and shall include details on efforts to eliminate the need for Special Aid and shall include a capital project/acquisition plan.

BE IT FURTHER AGREED THAT the City agrees to comply to the general procedural and operational requirements as listed below:

1. The City’s representatives shall meet with Division staff quarterly to discuss budget and fiscal progress, or more often as requested by the Division.

2. The City shall agree to a review of operations by Division staff.

3. The City shall agree to implement recommendations of Division.

4. The City must sign a Memorandum of Understanding each year municipality is in program (before they receive allocation).
5. The City is directed to implement any government, administrative and operational efficiencies and oversight measures necessary for the fiscal recovery of the municipality.

6. Director may withhold any State Aid payments or future Special Municipal Aid payments if Director finds that municipality has failed to implement fiscal recovery measures approved by Local Finance Board.

7. The City shall observe and comply with all statutory requirements with respect to prudent budgeting, fiscal controls, and tax collection procedures, (for municipality, county and schools).

8. The City shall comply with all requirements imposed by the Board and the Director and shall fully cooperate with the Director and the Board in achieving the purposes for which assistance shall be made available.

9. Participants are subject to the restrictions for one fiscal year following receipt of the award.

BE IT FURTHER AGREED that, at the discretion of the Director, the Special Municipal Aid allocation may be made in quarterly payments and that such payments will be made based on a compliance review of the terms of this agreement. If this agreement is for less than the entire year, then payments will be made in equally divisible amounts for the remaining months of the year.

BE IT FURTHER AGREED that the City Governing Body shall review this Memorandum of Understanding and pass a Resolution authorizing this Agreement within 20 days of the date of execution of this Agreement.

BE IT FURTHER AGREED that the Director may withhold from the City any State aid payments that are disbursed by the Division of Local Government Services if the Director finds the City has failed to implement fiscal recovery measures approved by the Board, and

IT IS FINALLY AGREED that the terms of this agreement shall be binding upon the City for any and all subsequent years in which Special Municipal Aid funds are allocated to the City.

Date 6/29/06

Signature of Mayor

Date 6/30/2006

Signature of Director

Date 6/29/06

Certification of Municipal Clerk