

Extraordinary Aid Application - CY 2008
Division of Local Government Services
Department of Community Affairs

General Instructions: This application must be submitted by **March 21, 2008** in its entirety for funding consideration under this program. Information contained in the application is subject to independent verification by DLGS. Refer to Local Finance Notice 2008-4 for additional information.

Name of Municipality:	Borough of South River			County:	Middlesex
Contact Person:	Andrew J.Salerno			Title:	Administrator
Phone:	732-257-1999x118	Fax:	732-613-3081	E-mail:	administrator@southrivernj.org
Population:	15,322				

I. Aid History

List amount of Extraordinary Aid received for the last four years, if any:

2007:	50,000.00	2006	200,000.00	2005:	250,000.00	2004:	140,000.00
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I. Aid Request for CY 2008

How much aid is being requested for this year:	\$250,000.00
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An aid request does not constitute guarantee of receipt of any funds.

III. Submission Requirements

Without exception, the following items must be submitted with or prior to submission of this application. Indicate date of submission of each.

Item	Date Submitted
CY 2007 Annual Financial Statement	3/11/08
CY 2006 Annual Audit	6/28/07
CY 2006 Audit Corrective Action Plan	7/23/07
CY 2008 Introduced Budget	3/11/08

IV. Application Certification

The undersigned herewith certify that they have reviewed this application and, to the best of their ability find its contents to be true and that it accurately portrays the circumstances regarding the municipality's fiscal practices and need for financial assistance:

Official	Signature	Date
Mayor		
Governing Body Presiding Officer		
Chief Financial Officer		

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V. Explanation of Need for Extraordinary Aid

A. Explain the unusual circumstances that require the need for Extraordinary Aid for CY 2008 in narrative terms. Detail the extraordinary fiscal conditions that changed from the previous year that necessitate this request. Refer to the Local Finance Notice for additional information. Use additional sheets if necessary.

The Borough has introduced the Budget that is within the CAP. Most if not all operational line items have been held constant for the fifth year in a row. Salaries continue to be one of the biggest factors of the Budget. Pension increases have also impacted negatively. The 2008 Budget does not include any additional Staff when compared to 2007. In fact, the 2008 Budget deletes the planned paid emergency medical services (ambulance), budgeted and started during 2007. In 2007 the Borough successfully joined with Old Bridge Township through an Interlocal agreement where Old Bridge now provides UCC services. The Borough is currently in the Bid solicitation process for both Solid waste collection and Operation Management and Maintenance Services for the Potable Water and Wastewater systems. The Borough has increased fees for services as stated in the 2007 application.

Projected miscellaneous revenues have decreased by \$1,607,522.03 of which \$156,755.00 reflects a reduction in State Aid. Similar to most Urban developed towns in the State of NJ. The Borough of South River will experience a major reduction in service if the revenue shortfall remains at this level. This reduction would include the closure of the Public Library, senior citizen services, recreation and possible public safety staff reductions. As previously stated the Borough is excepting bids to privatize two major current fund services, trash collection and sewer operations together with utility operations. If the bidding results in a reduction in cost, the privatization will be implemented with the resulting reduction and reallocation of resources.

Taking all of this into consideration, the Borough has introduced the 2008 Budget with a 36.4 cents increase (22.4%). This reflects a basic tax levy increase of 13.4 cents and an excess levy subject to a waiver of 23 cents. This budget also incorporates a five year plan. The strategies of the five year plan include the study of future potential interlocal agreements and/or public/private partnerships, continuation and improvement of current interlocals, continue to improve service and delivery operational proficiencies, analyze consolidation of public facilities and its potential affect on economic development, implement a fiscally responsible and strategic infrastructure improvement plan and finally develop a financial model stabilizing the property tax rate.

In conclusion, the Borough's ability to maintain services and achieve long term financial stability will be relatively expensive with the Municipal Property Tax increasing by \$300.00 for the average assessment. Our application for \$250,000.00 of Extraordinary aid will somewhat reduce the impact by an average of \$53.00.

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Section V - continued

- B. Detail the steps the municipality has taken or plans to take to eliminate the need for aid in this and subsequent years. Include details about cost cutting measures, enhanced revenue plans, staffing, potential for grants to offset costs, etc. and estimated short and long-term savings. Use additional pages if necessary.

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VI. Historical Fiscal Statistics

ITEM	Actual CY 2006	Actual CY 2007	Introduced CY 2008 with 0 Aid
1. Property Tax Rates			
Municipal tax rate	1.548	1.626	1.990
School tax rate	3.015	3.144	3.211
County tax rate	.868	.965	1.033
Open Space tax rate	.099	.115	.121
All other unit tax rates			
TOTAL (all units) tax rate	5.530	5.850	6.355
2. Property Tax Levies			
Municipal Purposes	\$6,592,251.76	\$6,924,188.01	\$8,486,130.23
School purposes (all)	\$12,835,051.00	\$13,393,933.00	\$13,700,000.00
County	\$3,691,611.24	\$4,104,828.36	\$4,408,000.00
Open Space	\$416,199.06	\$480,548.19	\$514,261.00
All Other	\$45,928.85	\$35,928.89	\$
Total tax levy	\$23,581,041.91	\$24,939,426.45	\$27,108,391.23
Total general appropriations	\$13,658,647.15	\$14,098,085.17	\$14,589,943.29
3. Cash Status Information			
% of current taxes collected	97.81%	98.09%	%
% used in computation of reserve	97.50%	97.50%	97.50%
Reserve for uncollected taxes	\$589,231.30	\$621,797.20	\$677,709.78
Total year end cash surplus	\$1,544,063.51	\$1,305,223.85	
Total non-cash surplus	\$32,000.00	\$24,000.00	
Year end deferred charges	\$32,000.00	\$24,000.00	
4. Assessment Data			
Assessed value (as of 7/1)	\$425,861,296.00	\$426,314,982.00	\$426,628,526.00
Average Assessment - single family	\$83,189.30	\$83,429.23	\$83,472.00
Number of tax appeals granted		3	
Amount budgeted for tax appeals	\$ 0	\$0	\$0
Refunding bonds for tax appeals	\$0	\$0	\$0
5. Staffing Levels			
Uniformed Police - Staff Number	31	30	30
Total S&W Expenditures	\$2,625,000.00	\$2,750,000.00	\$3,040,000.00
Uniformed Fire - Staff Number			
Total S&W Expenditures	\$	\$	\$
All Other Employees - Staff Number	124	124	124
Total S&W Expenditures	\$2,640,700.00	\$2,806,350.00	\$2,870,700.00

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VII. CY 2007 Budget Information

A. Year of latest revaluation/reassessment:	1986
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B. Proposed Budget - Appropriation Cap Information

Item	Yes	No
1. Was a budget cap index rate ordinance adopted in 2008 If yes: % that was used	X	
1%		
2. Amount of cap bank available going into 2008		
\$None		
3. Is the 2008 budget at cap? If NO, amount of remaining balance		X
\$39,077.76		
4. Does the 2008 budget anticipate use of a surplus waiver to exceed the cap? If yes, amount:		X
\$N/A		
5. Was a referendum conducted to exceed the cap held?		X
6. Does the introduced budget include Levy Cap Waivers If yes, amount:	X	

List the five largest items of CY 2008 appropriation increases:

Appropriation	CY 2007 Budgeted	CY 2008 Proposed	\$ Amount of Increase
PFRS	355,977.00	562,668.00	206,691.00
Police Salaries & Wages	2,750,000.00	3,040,000.00	290,000.00
PERS	61,038.00	119,308.00	58,270.00
County Sewer	770,000.00	914,074.00	144,074.00
Library	530,962.00	570,178.00	39,216.00

C. List all new full time positions planned in CY 2008

Department/Agency	Position	Number	Dollar Amount

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VIII. Financial Practices

A. Expenditure controls and practices:

Question	Yes	No
1. Is an encumbrance system used for the current fund?	X	
2. Is an encumbrance system used for other funds?	X	
3. Is a general ledger maintained for the current fund?	X	
4. Is a general ledger maintained for other funds?	X	
5. Are financial activities largely automated?	X	
6. Does the municipality operate the general public assistance program?		X
7. Are expenditures controlled centrally (yes) or de-centrally by dept. (no)?	X	
8. At any point during the year are expenditures routinely frozen?	X	
9. Has the municipality adopted a cash management plan?	X	
10. Have any negative findings in the prior year's audit report been corrected?	X	

B. Risk Management

Question	Yes	No
1. Is the municipality a member of a joint insurance fund? If yes, list the risks that are insured by a JIF: (i.e., liability, workers comp, health, etc.)	X	
2. Is the municipality self insured for any risks (not through a JIF) ? If yes, list them:		X
3. Is the municipality commercially insured for major risks? i.e., liability, workers comp, health, etc.) If yes, list them:		X

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VIII. Financial Practices (continued)

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

Question	Police	Fire	Other Contract	Non-Contract
Year of last salary increase	2007	0	2007	
Average percentage increase	3.5%	%	3.5%	3.5%
Last contract settlement date	6/19/06	0	12/18/06	
Contract expiration date	12/31/09		12/31/09	

D. Tax enforcement practices:

- Date of last tax sale:
- Does the municipality use the accelerated tax sale program?
- When was the last foreclosure action taken or tax assignment sale held:
- During 2007, on what dates were tax delinquency notices sent out:

1/5, 2/23, 3/28, 4/26, 5/18, 8/17, 11/28

E. Other Financial Practices

1. Amount of interest on investment earned in:

2006:	\$251,230.78	2007:	\$211,115.66	Anticipated in 2008:	\$175,000.00
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2. List the instruments in which idle funds are invested:

PNC – Current & Utility Funds
 Commerce Sweep-Capital
 Bank of America-Capital

- What was the average return on investments during CY 2007?
- When was the last time fee schedules were reviewed and updated?

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IX. Service Delivery

- A. List all services and the organization for which the municipality contracts with another government agency. Include all Interlocal Service Agreements, informal shared services, and memberships in cooperative purchasing program (use additional sheets if necessary),

Middlesex County – Health & Welfare
Middlesex County – Purchasing Co-op
Middlesex County – Recycling Pick up
Middlesex County – Records Retention
East Brunswick Township – Safety Communication
Sayreville Borough – Water/Sewer back up Service
Public Power Association of New Jersey – Electric Resale

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IX. Service Delivery (continued)

B. List the services and the name of the organization which have been contracted or outsourced to private or non-profit organizations

Midco – Garbage pick up and disposal Mike Sacnlon – Animal Control Sayrebrook Vetenary – animal Control shelter services K & J Landscaping – Park Maintenance and Lawn cutting Penta Tek Solutions- Outsourced computer/I.T Professional
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