



**CITY OF ORANGE TOWNSHIP**

**Citizens Budget Advisory Committee  
(CBAC)**

**Transitional Fiscal Year 2011**

**Report to the Orange City Council**

**January 3, 2012**

**CBAC Committee Members :**

<b>Crishelle Lytle</b>	-	<b>President</b>
<b>Adrienne Wooten</b>	-	<b>Vice President</b>
<b>Robert L. Mitchell</b>	-	<b>Secretary</b>
<b>Charles Barner</b>		<b>Eric Dunlap</b>
<b>Eddie Grubbs</b>		<b>Christopher Jackson</b>
<b>Harold Johnson</b>		<b>Bruce Meyer</b>
<b>Sam Nurse</b>		<b>Dave Rossi</b>
<b>Sondra Sykes</b>		<b>Schermelle Wright</b>

## The Citizens Budget Advisory Committee

### 2011 Transitional Year Budget Conclusions & Recommendations

#### Introduction

The CBAC is an independent citizen committee convened by an Orange City Council resolution. Each council person has the option to select two Orange residents as committee members. The committee reviews and makes recommendations concerning the city budget and or independent issues that help our municipal government become more efficient and effective.

The CBAC wishes to ensure that the Council understands its intent is to inform and improve the budget process in the best interest of both the Council in its representative capacity and fellow citizens, who depend on the economical and responsible expenditure of Orange's money. The CBAC is dedicated to the efficiency of the budgetary process and committee members' sworn obligation to inform the Council and citizens of what budgetary concerns have been discovered and to offer recommendations for the Council to consider as it deliberates adoption of the proposed budget. Although the temporary budget has been adopted provisionally prior to this presentation, please consider the following information along with any other information to be used in making decisions of support or opposition to expenditures.

To formulate its recommendations, the Committee:

- Attended departmental and budget hearings
- Reviewed and analyzed the introduced budget and *limited* other documents
- Held informational sessions with a variety of sources including financial experts, consultants, municipal representatives and other municipal budget advisory committees
- Gathered citizen comments and concerns

The City of Orange, as with other municipalities, has to maintain services while controlling the tax burden on their residents.

This fiscal review period only covers a 6-month cycle due to the transition from a fiscal year end of June 30<sup>th</sup> 2011 to ending on the calendar year of Dec 31<sup>st</sup> 2011. The CBAC in a relatively short period of time reviewed as much financial information as was accessible. During this short review cycle the CBAC held informational sessions with the City Council Advisor Dieter Lerch, Finance Director John Ditiynak and CFO Joy Lascari. The CBAC's approach was to make recommendations based on information available, our understanding of the community and services rendered by the City of Orange Township.

This report is formatted with the following sections:

- Observations of the Budget Process
- Major Recommendations concerning Transitional Year 2011 budget
- Departmental Recommendations concerning Transitional Year 2011 budget
- Long Term Recommendations

## **Observations of the Budget Process**

The budget was introduced three months into a six month fiscal cycle. Time had passed to make any meaningful recommendations that would have any positive impact to the budget. The CBAC quickly determined that a different approach focused on the entire budget process was necessary. Through our analysis the CBAC noticed repeated patterns and themes in regards to the city of Orange Township budget practices.

- 1) Lack of a detailed strategic financial plan
- 2) Lack of transparency
- 3) Aversion to change and process improvement

### **Lack of a Strategic Plan**

The City does not appear to have a comprehensive strategic financial plan that describes the overall goals and initiatives. Comments from the administration include mentions of pursuing grants to offset some expenses, past employee contract restructuring and the fact that a new tax increase was not going to be introduced twice in the same calendar year. Those are very targeted initiatives but what is the overall vision? If a financial plan was in place more contexts would have been provided in areas such as:

- a) Current trending for revenue
- b) Strategies are under review to reduce or maintain a zero increase tax burden on residents
- c) Expense trending major purchases and their cost impacts past one fiscal year.  
Example: Implementation of new finance system will have multi-year costs associated due to license and maintenance.
- d) What are the identified/known risks? Example: What are the city's anticipated judgments and claims?
- e) Where is a detailed report on the City Capital Debt and obligations?

### **Lack of transparency**

Based on our experience transparency is still concern.

- There were delays in obtaining financial information when requested. For example, cash flow analysis, current expenditures, and salary and staffing information were not made readily available.
- An entire page dedicated to Orange's open government should appear on the city's website. This site should include not only the introduced and submitted state budget but also presentations relating to the budget (i.e. Departmental and CBAC).
- The website should also show the Memorandum of Understanding (MOU)<sup>1</sup>, "State's Best Practice Report" between the city and state as a condition of transitional aid (if applicable to the current fiscal year) as well as the capital budgets for all departments. Other information that should be easily assessable is the amount of debt service that the town carries as well as payment schedules and bond ratings.

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<sup>1</sup>Appendix A

## **Aversion to change and process improvement**

As demonstrated in previous fiscal cycles the budget was introduced late. The budget was introduced in September which is 3 months into the 6-month transitional period for 2011. Hearings were held in late October 2011 through early November 2011. The budget was adopted in mid-November. Our suggested processes for future budget planning are as follows:

- Review with City Council Finance Committee and meet with City department heads through end of January and budget introduction.
- Organize materials in committee and follow-up with City Council Finance Committee through March.
- Present findings to the City Council Finance Committee in March.
- Track budget process from March to adoption through April.
- Begin preliminary review of the following fiscal year July through December.

During the departmental hearings, discussions lacked consistency in their format. No visual aids were available that would allow the audience to follow information that was being presented

## **Major Recommendations**

### **Follow State Recommendations**

Follow in its entirety the MOU which sets forth the minimum conditions, requirements, orders, and oversight required as a condition of receiving Transition Aid. This is the same recommendation from FY 2011 CBAC Recommendations Report<sup>2</sup>. Focus on categories as outlined in the MOU:

- Submission of a transition plan
- Restrictions on Hiring
- Restrictions on Longevity Pay, Assignment of Individuals in Acting Capacities, Overtime, Salary Increases, Promotions and Transfers
- Restrictions on Certain Professional Service Contracts
- Restrictions on the Award of Long Term Tax Exemptions
- Restrictions on the Creation or Expansion of Services
- Requirement to Have a Pay to Play Ordinance
- State Payment of UEZ Funds
- Individual and Collective Negotiation Agreements
- Reporting Requirements - Miscellaneous
- Meeting Requirements

### **Suggested Budget Practices**

- Institute a quarterly review process through which department identify goals and the means to achieve operating efficiencies, as well as establishing the metrics by which results are to be measured
- Create a presentation for the council and citizens that outlines the current fiscal plan goals. Include items such as

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<sup>2</sup> [http://www.ci.orange.nj.us/CBAC\\_Recommendations\\_FY2010.pdf](http://www.ci.orange.nj.us/CBAC_Recommendations_FY2010.pdf)

- Summary of major accomplishments
- Graphical representation of municipal tax distribution
- Graphical representation on revenue and expense trending
- Establish “zero-based budgeting” process for 2012 and beyond.
- Provide transition plans for any loss of state funding.

### **Urban Enterprise Zone Funding**

Create transition plan to address the loss of funding from the State which should show:

- Budget re-allocations to cover salaries and expenses originally funded by UEZ revenue.
- Analysis and implementation of effective strategies and best practices for replacing UEZ funds

Conduct an annual standardized review of individual department operations to:

- Align those operations with core-service delivery
- Eliminate non-core service programs
- Determine if departments are “right-sized”
- Devise and document a multi-year action plan to make the department "right-sized"

### **Fleet Audit**

An audit of the city’s vehicle fleet would cover all vehicles in all departments and could include:

- An analysis of the number of vehicles owned and leased
- A review of all existing fleet policies
- A review of the specific types of vehicles, such as sedans, sport utility vehicles, and trucks
- An assessment of how the total number of vehicles needed is determined
- A review of bidding procedures used in purchasing and disposing of vehicles
- A review of how decisions to personally assign vehicles are made and monitored, including how departments determine whether it is less costly to pay employees mileage for use of their own personal vehicles rather than to purchase city vehicles
- A determination of the extent to which municipal employees have reimbursed the city for personal mileage on city vehicles and whether existing policies appropriately limit the personal use of city vehicles
- Review the cost effectiveness of all current maintenance processes, both those performed in-house and those contracted to outside vendors
- Audit fleet fuel card usage and EZ Pass charges

## **Departmental Recommendations**

### **Mayor’s Office**

While we recognize the standard of performance reviews and merit based increases, the thought of providing a pay raise in the 25% range for one of the Confidential Secretaries in the same role that was identified during the FY 2011 departmental budget hearings is not typical given these tough economic times. A more reasonable increase should have been proposed by administration management.

## **Finance Department**

Financial Justifications should reflect applicable detail.

## **Office of Administrative Services**

Verification that the City of Orange is meeting statutory requirements regarding key positions such as the City Clerk should be provided.

Employer Disability Insurance policies should be reviewed. Clarify the waiting period and verify the insurance guidelines as they impact the budget.

As also cited under the Mayor's department, a pay raise in the 20% range for what was identified in the budget as part time position of "IT"; is an another example of where a more reasonable increase based on standard of performance could have been proposed.

## **Department of Public Works**

A preventative maintenance schedule for each vehicle will be performed to meet or exceed the manufacturers' recommendations to ensure that vehicles are operating at their maximum efficiency and that all fuel filters, exhaust systems and tire pressures are regularly maintained.

Establish a replacement cycle for vehicles. The vehicle replacement schedule establishes the age and mileage criteria for vehicle replacement. If maintenance costs for any vehicle exceed the usual rate, the Department may recommend the early replacement of the vehicle.

## **City Clerk - Code Enforcement**

Regularly inspect, enforce, and collect fee ordinances in the city that are not being enforced.

The city will immediately benefit from enforcing this ordinance by collecting:

- Permit fees (where applicable)
- Inspection fees
- Development fees for parking lots that do not currently meet city codes.
- Increased property tax base for correctly classifying the properties as having a parking lot on the premises and **in many cases** reclassifying the lots from vacant land to reflect the improved status and proper value.
- Have safe and properly conforming parking lots for our citizens and visitors to use. According to the City of Orange Township ordinance 142-9 through 142-14

## **Long Term Recommendations**

### **Propose CBAC As A Standing Committee**

Every year, the CBAC works diligently to assist the City Council during the budgetary process. This year's transitional budget presented some unique challenges but also allowed for some unique opportunities.

It has become clear that the CBAC can better serve the City Council by working year round instead of just for the budget review process.

1. Participate in ongoing fiscal oversight.
  - a. This will allow CBAC to advise the City Council beyond just recommendations and move toward implementation of those and other best-practices recommendations.
2. Assistance with the preliminary budget process
  - a. The work done in any given fiscal budget cycle is excellent preparation for the next cycle. The CBAC would be in a position to help the council anticipate and prepare of concern areas for the next budget cycle.
  - b. The current CBAC format does not allow for this level of productivity.
3. Maintain an appropriate level of involvement of Orange City residents in their municipal budget process.
  - a. The CBAC represents the citizens of Orange and help to provide a voice for our needs and concerns.
  - b. Citizens can feel confident that their perspective is taken into consideration every step of the way

The Administration as well as the City Council are charged with the responsibility of good stewardship with regard to Orange Residents tax dollars. The installation of the CBAC as a standing committee of the city council would be another step in the right direction to that end.

**Respectfully Submitted,**

**CBAC TY 2011**

## Appendix A

### MEMORANDUM OF UNDERSTANDING

#### Setting forth minimum conditions on the receipt of Transitional Aid to Localities by the municipality of

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**WHEREAS**, the Director of the Division of Local Government Services (the "Director") has determined that the \_\_\_\_\_ (the "Municipality") is in serious fiscal distress an award of \$\_\_\_\_\_ of Transitional Aid to Localities ("Transition Aid") is appropriate, all in accordance with the criteria set forth in P.L. 2011, c.85 (the "State Budget") and after reviewing an application submitted by the Municipality on \_\_\_\_\_; and,

**WHEREAS**, the State Budget conditions Transition Aid on such requirements, orders, and oversight as the Director deems necessary including the implementation of government, administrative, and operational efficiency and oversight measures necessary for the fiscal recovery of the Municipality;

#### **NOW THEREFOR, BE IT RESOLVED:**

- (1) This Memorandum of Understanding (the "Memorandum") sets forth the minimum conditions, requirements, orders, and oversight required as a condition of receiving Transition Aid; and
- (2) The Municipality shall comply with the conditions set forth below in addition to all laws, regulations, Local Finance Notices, and any government, administrative and operational efficiency, and oversight measures necessary for the fiscal recovery of the Municipality as the Director may order from time to time pursuant to the State Budget or any other law.

#### **A. Submission of a Transition Plan**

The Municipality shall submit a plan on or before December 31, 2011 detailing how it intends to eliminate its reliance on Transition Aid (the "Transition Plan"). In no case shall the Transition Plan provide for a phase out of the aid over a period of more than three years. The Transition Plan must set forth a reasonable reduction in reliance on such funding in the Calendar Year 2012 Budget. The Transition Plan shall discuss initiatives to bring structural balance to the Municipality's finances and shall include, but not be limited to, all of the following:

- An acknowledgement that the Municipality needs to reduce its reliance on Transition Aid; and
- A plan to reduce staffing costs through layoffs, attrition, restructuring, or other personnel actions; and
- A plan to eliminate or reduce the costs of services or activities not deemed essential or that are of low priority; and

- A plan to maximize recurring revenues, including but not limited to: updating fees, fines and penalties; maximizing enforcement of revenue delinquencies; selling surplus land and property; and encouraging sustainable and taxable development; and
- A plan to address findings contained in various audits, investigations, and reports with respect to the Municipality, including municipal audits, applicable State Comptroller and State Auditor reports and audits, federal program audits, and other audits as identified by the Director.

## **B. Restrictions on Hiring**

1. **Hiring Employees Requiring Governing Body Advice and Consent.** A "Request to Hire Employees Requiring Governing Body Advice and Consent Form" (Attachment A) shall be completed and submitted to the Director prior to the Municipality advancing any candidate to the governing body for advice and consent. The Municipality may not submit the candidate to the governing body for advice and consent until the Division has indicated it has completed a preliminary review of the candidate. After receiving an indication from the Division that the candidate has received a preliminary review, the governing body shall conduct a meeting to consider advice and consent and the Municipal Clerk shall return the form indicating the results of the meeting. Upon receipt, the Division shall then make a final determination and indicate approval or disapproval as appropriate. At no time shall the Municipality hire the candidate until approval from the Division has been communicated in writing.
2. **Hiring Senior Level and Confidential Employees Not Requiring Governing Body Advice and Consent.** A "Request to Hire Senior Level and Confidential Employees Not Requiring Governing Body Advice and Consent Form" (Attachment B) shall be completed and submitted to the Director prior to the Municipality hiring any such candidate for employment. Senior Level and Confidential Employees shall include, but not be limited to: the City Manager, Business Administrator, Chief of Staff, Chief Financial Officer, Tax Collector, Chief of Police, Chief of Fire, Department Head, Division Director, and any aides to the mayor or governing body, regardless of title. Any such senior level and confidential employees requiring advice and consent shall be subject to the approval process in #1, above. Nothing herein shall alter any State or Municipal laws governing the necessity to obtain advice and consent. At no time shall the Municipality hire the candidate until approval from the Division has been communicated in writing.
3. **Hiring all employees other than Employees Requiring Governing Body Advice and Consent or Senior Level and Confidential Employees.** A "Request to Hire Employee Approval Form" (Attachment C) shall be approved by the Director in writing prior to the Municipality hiring any person other than an Employee requiring governing body advice and consent or a senior or confidential employee.

## **C. Restrictions on Longevity Pay, Assignment of Individuals in Acting Capacities, Overtime, Salary Increases, Promotions and Transfers**

1. **Elimination of Ordinances Allowing for Future Increases in Longevity Pay or other Forms of Increases for Elected Officials and Non-contractual Employees:** The Municipality shall immediately amend any ordinance that allows for any supplemental compensation increases, including longevity pay, for elected officials and all other employees not contractually entitled to said pay such that no additional increases shall be provided above and beyond those received prior to the effective date of this Memorandum.
2. **Assignment of Individuals to Acting Positions:** The Municipality shall not assign someone to an acting capacity for any position permanently vacated as through death, retirement, termination or resignation if that position is otherwise covered by a "Request to Hire Employees Requiring Governing Body Advice and Consent Form" or a "Request to Hire Senior and Confidential Employees Not Requiring Governing Body Advice and Consent

Form” without first obtaining the written approval of the Director. The assignment of someone in acting capacity for such a position shall be requested in writing by submitting the appropriate form as though the appointment was a new hire.

3. **Salary Restraints for Elected Officials and Noncontractual Employees:** The Municipality shall not increase salaries or compensation for elected officials and employees not otherwise entitled to increases pursuant to the terms of a contract in effect as of the date of this Memorandum.
4. **Overtime Compensation:** The Municipality in no case shall allow for management or other employees to receive overtime compensation if federal or state law does not require overtime to be paid.
5. **Renewal, Extensions, and Changes to Individual Employment Contracts:** No new individual employment contracts, extension of the terms of an individual employment contract, or any other change to an individual employment contract shall be executed without prior written approval of the Director.
6. **Promotions, Transfers, Title Changes:** The Municipality shall freeze promotions, transfers, and title changes involving salary increases unless required by contractual obligations.
7. **Exceptions for Good Cause:** Upon written request to the Director for good cause, the Director may authorize salary increases or promotions. Good cause may include salary increases or promotions that are part of a plan to restructure personnel or service delivery in an effort to obtain cost reductions.

#### **D. Restrictions on Certain Professional Service Contracts**

1. The hiring or retention of consultants or professionals (and any amendments or change orders with respect thereto), either directly or through a sub-contract, regardless of cost, shall be subject to the prior written approval of the Director of a “Contract Request Form” (Attachment D). This restriction shall include, but not be limited to legal services, insurance brokers, risk management advisors or services, grant writing, public relations, government affairs, engineering and public works, accounting and financial services and advice, public safety and health, management services; and without exception, all professional services and extraordinary services contracts as defined in the Local Public Contracts Law without regard to value.
2. Unless otherwise approved in advance by the Director, all contracts that are exempt from public bidding shall be procured subject to a “fair and open process” pursuant to N.J.S.A. 19:44A-20.4 et seq. unless otherwise procured pursuant to a process that provides greater transparency and competition than the minimum requirements under the “fair and open process.”
3. Nothing herein shall require approval of the retention of consultants and professionals whose services are needed to address an emergency, provided however, that such retention to address an emergency shall be reported to the Director as soon as practical.

#### **E. Restrictions on the Award of Long Term Tax Exemptions**

1. The Municipality shall receive prior written approval of the Director for any Redevelopment Plan or Redeveloper Agreement executed after the date of this Memorandum unless any Payment in Lieu of Taxes awarded under the plan or agreement are allocated to county, school district, and other local government jurisdictions in the same proportion as ordinary taxes are allocated to such jurisdictions. To request approval of long term tax exemptions pursuant to this section, the Municipality shall provide information containing a cost benefit discussion of the project, assurances that the project would not move forward but for the

existence of a PILOT, the taxes that would be collected if the project were subject to ordinary taxation, and the proposed PILOT.

#### **F. Restrictions on the Creation or Expansion of Services**

1. The Municipality shall neither create nor expand services without the Municipality first receiving a "Creation/Extension of Services Form" (Attachment E) approved by the Director. This restriction extends to the creation of a new program, increase in funding, or expansion of eligibility for any existing program. By way of example only, the following things would need approval of DLGS: creating a new recreational program; expanding the total number of enrollees in a particular service; establishing a new regulatory program in the area of code enforcement; establishing, or increasing funding for, a grant or loan program.

#### **G. Restrictions of Miscellaneous Nature**

1. The Municipality shall not expend funds on out-of-State travel or overnight stays within New Jersey, without first submitting a "Travel Approval Form" (Attachment F) to the Director and receiving written approval from the Director. The Municipality shall explain good cause for the expenditure, which may include, but is not limited to, a need to ensure licensure or certification of statutory employees or essential training for public safety employees.
2. Expenditures and reimbursements for officer and employee meals (other than as required pursuant to contractual provisions as of the date of this Memorandum) or entertainment is prohibited and Municipal funds cannot be used for receptions for Municipal officers or employees.
3. The Director shall be notified upon any application for a grant that requires current or long term matching funds or a commitment of any resources or staffing levels of the Municipality to ensure sustainability and in no event shall such a grant be accepted or executed unless the acceptance or execution is first approved by the Director upon review of a "Grant Approval Form" (Attachment G).
4. No funds shall be expended for non-statutory charitable contributions, bereavement, or celebratory purposes, for individuals or organizations.
5. Any bond ordinance or contract exceeding \$1 million shall first obtain the written approval of the Director and a request for such approval shall be provided by the Municipality with information sufficient to allow the Director to understand the purpose of the ordinance or contract (Attachment H).

#### **H. Requirement to Have a Pay to Play Ordinance**

The Municipality shall have a pay to play ordinance pursuant to PL 2005, c.271 limiting the awarding of public contracts by the Municipality or its agencies to business entities that have made a contribution pursuant to C19:44A-1 *et seq* and limiting the contributions that the holders of a contract can make during the term of a contract. The ordinance shall not be repealed or amended for so long as this Memorandum is in effect. The ordinance shall be substantively identical to the provisions of model ordinance concerning pay to play which can be found at [www.state.nj.us/dca/lgs/muniaid/pay\\_to\\_play\\_ordinance-contractor.doc](http://www.state.nj.us/dca/lgs/muniaid/pay_to_play_ordinance-contractor.doc).

#### **I. Requirement to Consider a Model Insurance Broker Ordinance**

Insurance costs, especially health care benefits and prescription benefits, are very costly for municipalities. In an effort to obtain the lowest possible price for insurance, if the Municipality desires to retain the services of a broker, a model ordinance (Attachment I) shall be considered and discussed at a public hearing held by the governing body.

#### **J. State Payment of UEZ Funds**

The Municipality received a payment from the State of \$\_\_\_\_\_ of UEZ funds. According to State records, \$\_\_\_\_\_ of these funds have been allocated for specific projects and \$\_\_\_\_\_ remain unallocated. On or before December 31, 2011, with respect to the \$\_\_\_\_\_ of funds have been allocated, the Municipality shall provide DLGS with a listing of projects and related amounts that have been allocated, together with a status of the projects and a projected timeline for the expenditure of funds. With respect to the \$\_\_\_\_\_ that remains unallocated, no funds shall be allocated, pre-encumbered, encumbered, or spent or otherwise committed without the Director's approval.

#### **K. Individual and Collective Negotiation Agreements**

1. The Municipality will provide the Director with copies of letters (substantially similar to the draft letter set forth on Attachment J) that it has provided to each of the collective bargaining units representing employees of the Municipality. Furthermore, in the event that a collective negotiation has been submitted for binding arbitration, the Municipality will provide the Director with a copy of a letter (substantially similar to the draft letter set forth on Attachment J) to the arbitrator.
2. The Municipality acknowledges that the State does not provide Transition Aid for the purpose of subsidizing health benefits or prescription plans that are more expensive than the health benefits or prescription plans received by public employees in the State Health Benefits Program. The Municipality understands that if it approves an individual or collective negotiating agreement that contains a new or continued health benefits plan or prescription plan more expensive than the State Health Benefits Plan, it will become ineligible for aid in the future.
3. The Municipality acknowledges that the State does not provide Transition Aid for the purpose of providing health benefits to part-time elected or appointed officials and shall eliminate such benefits for all officials and employees not contractually entitled to them.
4. The Municipality acknowledges that the State does not provide Transition Aid for the purpose of allowing compensation increases that are not sustainable. The Municipality understands that if it approves any individual or collective negotiation agreements that increase annual compensation for a group of employees on average by more than 2% annually for that same group year over year, it may become ineligible for aid in the future.
5. The Municipality shall provide a copy of any proposed employment contract or settlement agreement for the Division's review at least ten days prior to execution.

#### **L. Reporting Requirements - Miscellaneous**

1. The Municipality shall submit to the Director, upon request, a list of all employees with their name, salary, title, department or organizational unit, and date of employment with the Municipality together with information indicating which of those employees were direct appointments of the Mayor.
2. The Municipality shall submit to the Director all current and future findings, decisions, penalties, orders and requirements resulting from complaints, investigations, and reports

issued by State regulatory agencies including but not limited to the Department of Labor, Civil Service Commission, and the Public Employee Relations Commission.

3. The Municipality shall file with the Director a copy of any judgment or settlement in excess of \$100,000 rendered or executed after the date of this Memorandum. The Director may, at his discretion, request copies of judgments or settlements prior to the date of this Memorandum.
4. The Municipality shall immediately provide the Director with a copy of any complaint filed with the Superior Court or the Government Records Council against the Municipality or its officers with respect to a request for government records.
5. The Municipality shall file with the Director prior to closing, a copy of any Offering Statement prepared in relation to any financing.
6. The Municipality shall make available to the Director for inspection upon request, any and all records, including bill lists, vouchers, active litigation, etc.

#### **M. Meeting Requirements**

Municipality representatives shall meet with the Director or his staff as scheduled by the Director to discuss budgetary, fiscal, operational and other matters.

The City shall designate a point of contact who shall be responsible for establishing a meeting with Sean Thompson, Director of Local Planning Services of the Department of Community Affairs by contacting him at (609) no later than December 1, 2011 to discuss the Department's ability to assist the City in updating its master plan in an effort to promote economic development.

#### **N. Implementing Provisions and Flexibility**

The Director shall be represented by \_\_\_\_\_ or any other designee who shall be authorized from time to time to act on his behalf as State Fiscal Oversight Officer. All attachments, requests, questions, and issues shall be first addressed to \_\_\_\_\_ by contacting them at \_\_\_\_\_. The Municipality shall provide office space, as needed, so that the Director's designee may conduct business. The Municipality shall, additionally, provide the Director's designee with requested documents and records and shall allow the designee to meet with the Business Administrator, Chief Financial Officer, Registered Municipal Clerk, Tax Collector and various department heads to discuss the Municipality's requests and other issues.

#### **O. Good Faith Exceptions**

The Municipality may apply in writing to the Director for an exception for good cause to any prohibition or requirement contained in this Memorandum.

#### **P. Meeting to Discuss Portion of Transition Aid Being Awarded as Increase in CMPTRA**

The Municipality shall meet with the Division as determined by the Director to discuss what portion of Transition Aid should appropriately be deemed to constitute Consolidated Municipal Property Tax Relief Aid. The purpose of the meeting shall be to determine an appropriate amount of Transition

Aid that the Municipality can reasonably be expected to eliminate over the period covered in its Transition Plan.

**Q. Disbursement of Award**

Provided the Legislature has appropriated, and the Governor has approved, sufficient funding, 75% of Transition Aid shall be disbursed upon execution of the Memorandum and the balance of Transition Aid shall be disbursed at least two weeks prior to the end of the budget year, provided that the municipality is in substantial compliance with this Memorandum in addition to all laws, regulations, Local Finance Notices, and any government, administrative and operational efficiency, and oversight measures necessary for the fiscal recovery of the Municipality as the Director may order from time to time pursuant to the State Budget or any other law. The Municipality may be deemed not to be in substantial compliance if it has hired personnel without appropriate approvals or otherwise knowingly violated any provisions of the Memorandum. Additionally, the Municipality may be deemed not to be in substantial compliance if the Municipality or its officials have failed to attend meetings or produce documents as directed by the Division.

**R. Duration**

The provisions of the Memorandum shall remain in force and effect until December 31, 2012. If the Municipality adopts a budget for Calendar Year 2012 that does not rely on Transition Aid, the State may offer early termination of this Memorandum.

**S. Governing Body Acknowledgement**

The Municipality Governing Body shall review this Memorandum of Understanding and pass a resolution indicating awareness of its contents.

\_\_\_\_\_ Date \_\_\_\_\_  
Signature of Mayor

\_\_\_\_\_ Date \_\_\_\_\_  
Signature of Chief Administrative Officer as Applicable

\_\_\_\_\_ Date \_\_\_\_\_  
Certification of Municipal Clerk

\_\_\_\_\_ Date \_\_\_\_\_  
Signature of Director