

**New Jersey Department of Community Affairs
Division of Local Government Services
Local Finance Board**

Waiver Request Application

Applicant Name:

Agency Name: City of Orange Township
County: Essex
Municode: 0717

Provide a general explanation and summary of waiver requested. The submission should include the following information at a minimum:

1. General overview of waiver requests
2. Reasons for any new programs, hiring, or spending initiatives in the budget
3. Expiration dates of all existing labor contracts
4. Explanation of actions taken to control costs, including productivity improvements, shared services, and changes in service delivery in other areas
5. Tax impact on average home if the waivers are approved
6. Other information the applicant wants the Local Finance Board to know.

Begin Executive Summary Below:

The City of Orange Township is requesting a surplus appropriation waiver related to the CY 2021 budget in the amount of \$3,700,000. If the City is not granted this waiver, it would result in a significant reduction in workforce, including police and fire which could endanger the safety and welfare of the City's residents.

The City hired 10 police officers and 5 special law enforcement officers – class II in CY 2019 and hired an additional 16 new officers and 4 new special law enforcement officers – class II in CY 2020. These hires were critical to provide adequate public safety and to ensure compliance with the Governor's Executive Order in response to COVID-19. It was also significant to reduce overtime costs.

The City's fire department was significantly understaffed in the prior years. In order to protect the safety of its residents, the City hired 19 firefighters in CY 2019. These hires were necessary to maintain the table of organization as recommended by the director of the fire department.

Furthermore, the collective bargaining agreements which provided a 3% annual wage increase plus steps for both police and fire expired December 31, 2020. The City is now faced again with the collective bargaining process.

The City has restructured and increased staffing in the police department over the last 4 years. During that same period and as a direct result of staffing changes the City is experiencing an aggregate decrease in violent crime of 70%. While not yet at full staffing levels, schedule changes and manpower increases have increased patrol coverage on all shifts and permitted the creation of an intelligence unit and a specialized gang unit. Reduced overtime pre COVID should continue to decrease post COVID.

Fire department staffing remains below NFPA standards but are getting better. We are replacing retirees at a better rate than previously and should get to full operational staffing levels with the next recruit class of 10. As a result of retirements and replacements of lower paid personnel we have a smaller fire contribution to the waiver request. We are still currently 16 below keeping up with appropriate staffing levels but will make up 10 additional spots this year. Fire fatalities have dropped to zero.

The additional tax increase if the waiver is granted is \$496 per average household assessed at \$175,000. However, this has been offset by the utilization of cash surplus. The introduced CY 2021 budget calls for a tax increase of \$290 inclusive of the waiver.

CITY COUNCIL

The City of Orange Township, New Jersey

DATE May 4, 2021

NUMBER 256-2021

TITLE: **A RESOLUTION MAKING APPLICATION TO THE LOCAL FINANCE BOARD PURSUANT TO N.J.S.A. 40A:4-45.3ee**

WHEREAS, the City Council of the City of Orange Township in the County of Essex desires to make application to the Local Finance Board for its approval of a proposed surplus waiver pursuant to N.J.S.A. 40:4-45.3ee and,

WHEREAS, the City Council believe that:

- (a) it is in the public interest to accomplish such purpose; and,
- (b) the surplus waiver is for the health, wealth, convenience or betterment of the inhabitants of the City of Orange Township and,
- (c) the proposal is an efficient and feasible means of providing services for the needs of the inhabitants of the City of Orange Township and will not create an undue financial burden to be placed upon the City of Orange Township;

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Orange Township as follows:

Section 1. The application to the Local Finance Board is hereby approved, and the Chief Financial Officer, along with other representatives of the City of Orange Township are hereby authorized to prepare such application and to represent the City of Orange Township in matters pertaining thereto.


Section 2. The Municipal Clerk of the City of Orange Township is hereby directed to file a copy of the proposed surplus waiver with the Local Finance Board as part of such application.

Section 3. The Local Finance Board is hereby respectfully requested to consider such application and to record its findings, recommendations and/or approvals as provided by the applicable New Jersey Statute.

Adopted: May 4, 2021



 Joyce L. Lanier
 City Clerk



 Kerry J. Coley
 Council President

Certified to be a true copy of a resolution adopted by the Governing Body of the City of Orange Township.

at a public meeting on MAY 4, 2021



 Municipal Clerk

RESOLUTION NO. 256-2021

ON CONSENT AGENDA

REGULAR MEETING – May 4, 2021

MOTION TO ADOPT: Montague, III

SECOND: Ross

YEAS: Eason, Johnson, Jr., Montague, III, Ross, Summers-Johnson, Wooten & Council President Coley

NAYS: None

ABSTENTIONS: None

ABSENCES: None

STATE OF NEW JERSEY
DEPARTMENT OF COMMUNITY AFFAIRS
DIVISION OF LOCAL GOVERNMENT SERVICES

LOCAL FINANCE BOARD
APPLICATION CERTIFICATION

APPLICANTS NAME:

COUNTY:

I, Chris M. Hartwyk, Business Administrator of the City of Orange Township in the County of Essex do hereby declare:

1. That the documents submitted herewith and the statements contained herein are true to the best of my knowledge and belief; and
2. That the contents and subject matter of this application was considered and its submission to the Local Finance Board approved by the governing body of the City of Orange Township on May 4, 2021.



(Signature)

Attest:



Date: 5/18/2021

Municipality
 (Click on C2 to select from
 Drop Down menu)

Local Finance Board Budget Cap Waiver Application

Orange City (Essex)

0717

Agency Information	
Agency Name:	Orange City
County:	Essex
Address 1:	29 North Day Street
Address 2:	
City:	Orange City
State:	New Jersey
Zip Code:	07050

Type of Waiver Requested	Amount
Surplus Appropriation [N.J.S.A. 40A:4-45.3(ee)]	\$3,700,000
Total Amount Requested	\$3,700,000

Application Resolution Status	
Adopted and is being mailed on:	05/19/21

Applicant Contact Information

Contact Person:	Chris M. Hartwyk
Title:	Business Administrator
Organization/Firm:	City of Orange Township
Address 1:	29 North Day Street
Address 2:	
City:	Orange City
State:	New Jersey
Zip:	07050
Phone Number:	973-266-4021
Fax Number:	
E-mail:	chartwyk@orangenj.gov
Date:	05/19/21

Budget Cap Waiver Application

0717

Orange City (Essex)

Resolution Service List

Municipal or Freeholder Clerk Information:

Name:	Joyce Lanier
Address:	29 North Day Street
Address 2:	
City:	Orange City
State:	New Jersey
Zip:	07057
Phone:	973-266-4025
Fax:	
E-mail:	ilanier@orangenj.gov

Mayor (or Chief Executive) Information:

Name:	Dwayne D. Warren, Esq.
Address:	29 North Day Street
Address 2:	
City:	Orange City
State:	New Jersey
Zip:	07050
Phone:	973-266-4005
Fax:	
E-mail:	mayor@orangenj.gov

CFO Information:

Name:	Nile Clements
Address:	29 North Day Street
Address 2:	
City:	Orange City
State:	New Jersey
Zip:	07050
Phone:	973-266-4245
Fax:	
E-mail:	nclements@orangenj.gov

Auditor Information:

Name:	David J. Gannon
Firm Name:	PKF O'Connor Davies, LLP
Address:	20 Commerce Drive, Suite 301
Address 2:	
City:	Cranford
State:	New Jersey
Zip:	07016
Phone:	908-272-6200
Fax:	908-272-2416
E-mail:	dgannon@pkfod.com

Budget Cap Waiver Application

Budget Consultant Information:

Name:	Dieter P. Lerch
Firm Name:	Lerch, Vinci & Higgins, LLP
Address:	17-17 Route 208
Address 2:	
City:	Fair Lawn
State:	New Jersey
Zip:	07410
Phone:	201-791-7100
Fax:	201-791-3035
E-mail:	dlersch@lhcpa.com

Budget Cap Waiver Application

Orange City (Essex)

0717

Justification of Waiver Request

Budget Line Item Title	Sheet Number	Purpose and Justification of Waiver See the Instructions to ensure full information about the waiver is provided, including: 1) Basis of the increase spending; 2) Specific efforts to control costs of the item, including productivity improvements, shared services, changes in service delivery, etc; 3) What happens if waiver is not granted	Waiver Amount Requested	Check if exhibits submitted:
N.J.S.A 40A:4-45.3ee				None
Police Department S&W	15b	Total CY 2020 budgeted appropriation within "CAPS" was \$12,683,635, in addition the City	\$ 2,900,000	None
		was granted a waiver of \$2,900,000. Total CY 2021 required appropriation is \$15,411,550.		None
		This budget appropriation for 2021 represents a slight decrease of \$172,085. In order to		None
		maintain the safety and well being of the City residents, the City is once again requesting		None
		a waiver of \$2,900,000 in 2021.		None
				None
				None
				None
Fire Department S&W	15b	Total CY 2020 budgeted appropriation within "CAPS" was \$6,776,465, in addition the City	\$ 800,000	None
		was granted a waiver of \$1,800,000. Total CY 2021 required appropriation is \$7,531,095		None
		resulting in a budget decrease of \$1,045,370. This decrease is mainly due to retirements.		None
		As such the City is requesting a waiver of \$800,000 in 2021, which reflects a decrease of		None
		\$1,000,000 from the 2020 waiver request.		None
				None
				None
				None
		Total Request	\$3,700,000	None

Budget Cap Waiver Application

Orange City (Essex)

0717

General Information - Complete for All Waivers

Statutory Filings	Yes/No (Choose One)
Has the FY 2020 Annual Financial Statement been completed and submitted to the DLGS?	Yes
Has the FY 2019 Audit Report been completed and submitted to the DLGS?	Yes
Has the FY 2020 Annual Debt Statement been completed and submitted to the DLGS?	Yes
Has the 2021 Annual Budget been introduced?	Yes
If so, has the Annual Budget been submitted to the DLGS?	Yes

Property Tax Information (municipal only)

	Local Purpose Tax/\$100 of Assessed Value	Actual Tax Collection Percentage (per AFS Sheet 22)	Budgeted Tax Collection Percentage	Appropriation for Reserve for Uncollected Taxes
2018	\$3.669	94.34%	92.96%	\$4,750,000
2019 (Accelerated Tax Sale)	\$3.725	97.64%	96.40%	\$2,500,000
2020	\$4.002	97.86%	96.92%	\$2,250,000
2021 Projected	\$4.168	N/A	97.02%	\$2,250,000

Assessment Information (municipal only)

Date of Last Revaluation (Year)	2014
Director's Ratio of Assessments to True Value of Real Property (%)	91.49%
Average residential property assessed value	\$175,000

Deferred Charges Analysis

	Cash Deficits At Year End	Overexpenditures /Expenditures Without an Appropriation at Year End	Emergency Appropriations Authorized Pursuant to N.J.S.A. 40A: 4-46
2018 (per audit)	\$0	\$86,368	\$1,000,000 *
2019 (per audit)	\$0	\$0	\$1,810,000
2020 (per AFS)	\$0	\$0	\$600,000 **

* There was a utility overpenditure of \$656 and an additional emergency of \$102,802 was approved in the Water Utility Fund.

** There were special emergencies approved for COVID related revenue loss and expenditures of \$5,000,000 and \$1,800,000 in the Current Fund and Water Utility Fund, respectively.

Budget Cap Waiver Application

Orange City (Essex)

0717

Amount of Available Surplus Anticipated in the Budget for Reduction of Taxation

a) Cash:	\$4,001,555
b) Non-Cash:	\$129,551
c) Total: (a+b)	\$4,131,106
d) Amount of Surplus anticipated in the 2021 Budget:	\$3,700,000
2020 Surplus Balance Unappropriated: (c-d)	\$431,106

Surplus Appropriation Waiver Requested	\$3,700,000
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Complete For Cash Deficit, Surplus, and Asset Sale Waivers Only

Tax Appeal Information (per AFS)

	Reserve for Tax Appeals Balance at End of Year	Amount Budgeted for Tax Appeals
2017	NONE	NONE
2018	NONE	NONE
2019	NONE	NONE
2020	NONE	NONE

Appropriation Cap COLA Rate Ordinance or Referendum

Year	Ordinance or Referendum	Amount	%	If Referendum: Approved (Yes or No)
2018	Ordinance	\$537,553	1.00%	No
2019	Ordinance	\$558,702	1.00%	No
2020	Ordinance	\$589,524	1.00%	No
2021	Ordinance	\$1,540,715	2.50%	No