

**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:**

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The City of Orange Township is requesting a surplus appropriation waiver related to the CY 2020 budget in the amount of \$4,700,000. 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's police department incurred significant overtime costs and retirements over the prior two years. As such the City was required to make additional hires. The City hired 10 police officers and 5 special law enforcement officers – class II in CY 2019 and plans to hire an additional 3 new officers and 2 new special law enforcement officers – class II in CY 2020. These hires are critical to provide adequate public safety and to ensure compliance with the Governor's Executive Order in response to Covid-19 requiring residents to "stay at home". Furthermore, this is the last year of the collective bargaining agreement which provided a 3% annual wage increase plus steps.

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, this is the last year of the collective bargaining agreement which provided a 3% annual wage increase plus steps.

The additional tax increase if the waiver is granted is \$637 per average household assessed at \$175,000. However this has been offset by the utilization of surplus and cash equivalents. The introduced CY 2020 budget calls for a tax increase of \$483 inclusive of the waiver.

**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)]	\$4,700,000
<b>Total Amount Requested</b>	<b>\$4,700,000</b>

Application Resolution Status	
Adopted and is being mailed on:	05/20/20

### 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:	<a href="mailto:chartwyk@orangenj.gov">chartwyk@orangenj.gov</a>
Date:	05/20/20

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:	<a href="mailto:jlancier@orangenj.gov">jlancier@orangenj.gov</a>

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:	<a href="mailto:mayor@orangenj.gov">mayor@orangenj.gov</a>

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:	<a href="mailto:nclements@orangenj.gov">nclements@orangenj.gov</a>

Auditor Information:

Name:	Francis M. McEnerney
Firm Name:	PKF O'Connor Davies, LLP
Address:	293 Eisenhower Parkway Ste 270
Address 2:	
City:	Livingston
State:	New Jersey
Zip:	07039
Phone:	973-535-2880
Fax:	973-535-5893
E-mail:	<a href="mailto:fmcenerney@pkfod.com">fmcenerney@pkfod.com</a>

## 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:	<a href="mailto:dlersch@lvhcpa.com">dlersch@lvhcpa.com</a>

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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 2019 budgeted appropriation within "CAPS" was \$12,447,911, in addition the City	\$ 2,900,000	None
		was granted a waiver of \$2,680,000. Total CY 2020 required appropriation is \$15,583,635		None
		resulting in a budget increase of \$455,724. This increase is mainly due to the settlement		None
		of union agreements for the period 2017 through 2020. In addition thereto, the City hired		None
		10 police officers and 5 special law enforcement officers - class II in 2019 and budgeted for		None
		the hiring of an additional 3 police officers and 2 special law enforcement officers - class II		None
		in 2020. The City is requesting a waiver of \$2,900,000 in 2020.		None
				None
Fire Department S&W	15b	Total CY 2019 budgeted appropriation within "CAPS" was \$6,594,300, in addition the City	\$ 1,800,000	None
		was granted a waiver of \$1,650,000. Total CY 2019 required appropriation is \$8,576,465		None
		resulting in a budget increase of \$332,165. This increase is mainly due to the settlement		None
		of union agreements for the period 2017 through 2020. In addition thereto, the City hired		None
		19 firefighters in 2019. The City is requesting a waiver of \$1,800,000 in 2020.		None
				None
				None
				None
				None
		<b>Total Request</b>	<b>\$4,700,000</b>	

**Budget Cap Waiver Application**

Orange City (Essex)

0717

**General Information - Complete for All Waivers**

<b>Statutory Filings</b>	<b>Yes/No (Choose One)</b>
Has the FY 2019 Annual Financial Statement been completed and submitted to the DLGS?	Yes
Has the FY 2018 Audit Report been completed and submitted to the DLGS?	Yes
Has the FY 2019 Annual Debt Statement been completed and submitted to the DLGS?	Yes
Has the 2020 Annual Budget been introduced?	Yes
If so, has the Annual Budget been submitted to the DLGS?	Yes

**Property Tax Information (municipal only)**

	<b>Local Purpose Tax/\$100 of Assessed Value</b>	<b>Actual Tax Collection Percentage (per AFS Sheet 22)</b>	<b>Budgeted Tax Collection Percentage</b>	<b>Appropriation for Reserve for Uncollected Taxes</b>
2017	\$3.337	93.29%	92.81%	\$4,528,000
2018	\$3.669	94.37%	92.96%	\$4,750,000
2019 (Accelerated Tax Sale)	\$3.725	97.64%	96.40%	\$2,500,000
2020 Projected	\$4.002	N/A	96.92%	\$2,250,000

**Assessment Information (municipal only)**

Date of Last Revaluation (Year)	2014
Director's Ratio of Assessments to True Value of Real Property (%)	91.52%
Average residential property assessed value	\$175,000

**Deferred Charges Analysis**

	<b>Cash Deficits At Year End</b>	<b>Overexpenditures /Expenditures Without an Appropriation at Year End</b>	<b>Emergency Appropriations Authorized Pursuant to N.J.S.A. 40A: 4-46</b>
2017 (per audit)	\$0	\$9,794	\$1,820,000 *
2018 (per audit)	\$0	\$86,368	\$1,000,000 **
2019 (per AFS)	\$0	\$0	\$1,810,000

\* An additional emergency of \$500,000 was approved in the Water Utility Fund.

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

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

a) Cash:	<b>\$4,774,537</b>
b) Non-Cash:	<b>\$420,786</b>
c) Total: (a+b)	<b>\$5,195,323</b>
d) Amount of Surplus anticipated in the 2019 Budget:	<b>\$4,700,000</b>
2019 Surplus Balance Unappropriated: <b>(c-d)</b>	<b>\$495,323</b>

Surplus Appropriation Waiver Requested	<b>\$4,700,000</b>
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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
2016	NONE	NONE
2017	NONE	NONE
2018	NONE	NONE
2019	NONE	NONE

**Appropriation Cap COLA Rate Ordinance or Referendum**

Year	Ordinance or Referendum	Amount	%	If Referendum: Approved (Yes or No)
2017	Ordinance	<b>\$1,555,260</b>	<b>3.00%</b>	No
2018	Ordinance	<b>\$537,553</b>	<b>1.00%</b>	No
2019	Ordinance	<b>\$558,702</b>	<b>1.00%</b>	No
2020	Ordinance	<b>\$589,524</b>	<b>1.00%</b>	No