

Transitional Aid Application for Calendar Year 2018
Division of Local Government Services
Department of Community Affairs

General Instructions: This application must be submitted in its entirety by May 25, 2018 for funding consideration under this program. Information contained in the application is subject to independent verification by the Division. Refer to Local Finance Notice 2018-14 when preparing this application for specific instructions and definitions, and review the Submission Checklist on Page 7 of the Local Finance Notice.

Name of Municipality: City of Atlantic City		County: Atlantic
Contact Person: Michael P Stinson		Title: Director of Revenue & Finance / CFO
Phone: 609-347-5800	Fax: 609-347-6110	E-mail: Mstinson@cityofatlanticcity.org

I. Aid History

List amount of Transitional Aid received for the last three years, if any:

CY 2017	CY 2016	CY 2015
\$13,000,000.	\$26,200,000.	\$13,000,000.

II. Aid Request for Application Year: (All municipalities currently operating under a Transitional Aid MOU are advised that a decrease from prior year funding is likely.)

Amount of aid requested for the Application Year:	\$3,900,000.
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If not seeking a decrease, a letter from the Mayor is required. See Local Finance Notice 2018-14.

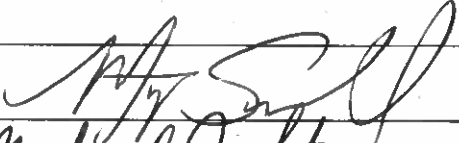

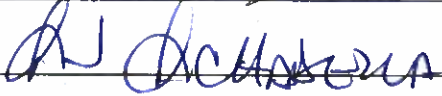
III. Submission Requirements

The following items must be submitted with, or prior to, submission of this application. Indicate date of submission of each.

Item	Date Submitted to DLGS
2017 Annual Financial Statement	2/20/18
2016 Annual Audit	5/18/17
2016 Corrective Action Plan	6/20/17
/Application Year Introduced Budg	6/13/18
Budget Documentation Submitted to Governing Body	6/13/18

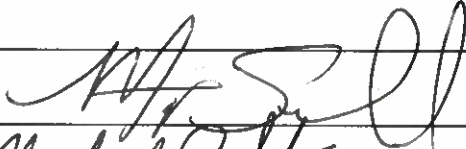


IV.A Application Certification

The undersigned herewith certify that they, he or she has reviewed this application and, to his or her knowledge, believes the contents to be true and accurately portrays the circumstances regarding the municipality's fiscal practices and need for financial assistance. By submitting the application, the municipality acknowledges that the law provides that the decision of the Director regarding aid awards is final and not subject to appeal.

Official	Signature	Date
Mayor/Chief Executive Officer		
Governing Body Presiding Officer		7/6/18
Chief Financial Officer		6/25/18
Chief Administrative Officer		8/1/2018

IV.B CY2017 Transitional Aid Recipients Applying in 2018

CY2017 Municipalities operating under a Memorandum of Understanding ("MOU") must certify that they are in substantial compliance with all conditions and requirements of the MOU, including, but not limited to the following: establishment of a pay-to-play ordinance; elimination of longevity for employees not contractually entitled to longevity pay, legal pursuit of elimination of longevity and other remuneration (not base pay) through collective negotiations for all other employees and receipt of signed approval forms as required prior to hiring personnel and contracting with professional service vendors.

Official	Signature	Date
Mayor/Chief Executive Officer		
Governing Body Presiding Officer		7/6/18
Chief Financial Officer		6/25/18
Chief Administrative Officer		8/1/2018

Longevity Pay has been frozen since the City started receiving Transitional Aid. City employees that were receiving Longevity Pay may still receive it at the same level.

V-A. Explanation of Need for Transitional Aid

Explain the circumstances that require the need for Transitional Aid in narrative form. Include factors that result in a constrained ability to raise sufficient revenues to meet budgetary requirements, and if such revenues were raised, how it would jeopardize the fiscal integrity of the municipality.

The City has experienced for a number of years of excessive tax appeals. This has resulted in large overpayments, and issuance Tax Appeal Refunding Bonds.

In addition, because of a settlement with Atlantic County that grants them a higher percentage of the PILOT amounts, the City still needs Transitional Aid to balance it's operating budget.

Retables decreased from \$20 Billion in 2008 to \$3.1 Billion. (Excluding the Casino PILOT properties) in 2017

V-B. Demonstration of Revenue Loss/Substantial Cost Increase

Show: (1) specific, extraordinary revenue losses, but not as the aggregate of many revenue line items; and (2) specific, extraordinary increases in appropriations, but not as the aggregate of many appropriation line items. Describe the item on the cell below each entry. If applicable, indicate in the description of the extraordinary increase in expenditure if the increase was the result of a policy decision made by the municipality (i.e. a back-loaded debt service schedule, deferred payment, costs associated with additional hires, etc.)

Revenue or Appropriation	2017 Value	2018 Value	Amount of Loss/Increase
Description: Transitional Aid	13,000,000	3,900,000.	<9,100,000.>
Description: ACA Funds	15,000,000.	10,000,000	<5,000,000.>
Description: IAT Fun	14,000,000.	6,700,000	<7,300,000>
Description: Amount to be Raised by Taxes	56,906,370	52,777,042	<4,129,328.>
Description: Fire Department Salary	14,022,965.	17,709,943.	3,686,978
Description: Interest on Bonds	11,964,426.	16,729,287.	4,764,861.
Description:			

V-C. Actions to Reduce Future Need for Aid

Detail the steps the municipality is taking to reduce the need for aid in the future. Include details about long-term cost cutting and enhanced revenue plans, impact of new development, potential for grants to offset costs, and estimated short and long-term annual savings.

These steps should demonstrate initiatives taken to bring structural balance to the Municipality's finances and shall include, but are not limited to the following:

Use additional pages if necessary

- Efforts to bring economic development to the Municipality; and
- A plan to constrain or reduce staffing costs through aggressive collective negotiation agreements, attrition, consolidations, restructuring, or other personnel actions; and
- A plan to eliminate, reduce or constrain the costs of non-essential and low-priority services and activities; and
- A plan to maximize recurring revenues, including, as appropriate: updating fees, fines and penalties; maximizing enforcement of delinquencies; and selling surplus land and property; 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

- 1) PILOT (Casino)**
- 2) Employee Collective Bargaining Agreement**
- 3) Outsourcing of Servicers**

V-D. Discussion of Health Benefits

Skip this section if using SHBP. If not using SHBP, explain why the health benefit plan being used is cheaper, or what reasons exist for failing to move to SHBP. Additionally, list all brokers (primary broker or risk manager, all co-brokers, and sub-brokers) together with their compensation for the current and prior two fiscal years. Compensation must be disclosed in this section whether provided directly by the municipality or as a commission from the insurance provider. It is the municipality's right, and obligation, to determine whether the broker is compensated with commission in order to fully complete this section. If commissions are being earned, provide both how the commission is calculated (percentage of premium or self-insurance) and the actual \$ value of the commission received in each year.

The City continues to provide Employee Health Insurance coverage through the State Health Benefit Plan. (SHBP)

VI. Historical Fiscal Statistics

Item	2016	2017	Introduced Application Year
1. Property Tax/Budget Information			
Municipal tax rate	\$1,897.	\$1,798.	\$1,798.
Municipal Purposes tax levy	\$123,637,277.	\$55,853,861.	\$51,843,953.
Municipal Open Space tax levy	\$-0-	\$-0-	\$-0-
Total general appropriations	\$242,850,256.	\$223,673,293.	\$225,334,875.

2. Cash Status Information			
% Of current taxes collected	95.22%	%	%
% Used in computation of reserve	98%	98%	94.25%
Reserve for uncollected taxes	\$6,032,615.	\$2,206,307.	\$5,968,036.
Total year end cash surplus	\$(149,506,526.)	\$	
Total non-cash surplus	\$11,584,894.	\$	
Year end deferred charges	\$154,232,225.	\$52,227,724.	

3. Assessment Data			
Assessed value (as of 1/10)	\$6,515,881,304.	\$3,100,472,200.	\$3,106,630,800.
Average Residential Assessment	\$154,778.	\$141,517.	\$141,530
Number of tax appeals granted			
Amount budgeted for tax appeals	\$2,100,000.	\$28,810,000.	\$1,000,000.
Refunding bonds for tax appeals	\$-0-.	\$80,000,000.	\$-0-

4. Full time Staffing Levels			
Uniformed Police - Staff Number	346	334	251
Total S&W Expenditures	\$31,889,178.	\$33,447,215.	\$27,345,436.
Uniformed Fire - Staff Number	143	138	191
Total S&W Expenditures	\$16,730,147.	\$16,210,994.	\$18,093,804.
All Other Employees - Staff Number	1037	996	384
Total S&W Expenditures	\$27,550,605.	\$24,321,553	\$24,678,909.

5. Impact of Proposed Tax Levy

		Amount
Current Year Taxable Value		2,882,992,240
Introduced Tax Levy		51,843,953
Proposed Municipal Tax Rate	Average Res. Value (#4 above)	128,221
Current Year Taxes on Average Residential Value (#4 above)		2,305
Prior Year Taxes on Average Residential Value		2,305
Proposed Increase in average residential taxes		-0-

VII. Application Year Budget Information

A. Year of latest revaluation/reassessment

2008
Under Protest

A1. Most current equalized ratio

B. Proposed Budget – Appropriation Cap Information

- Item**
1. Was an appropriation cap index rate ordinance adopted last year?
If YES: % that was used
 2. Amount of appropriation cap bank available going into this year
 3. Is the Application Year budget at (appropriation) cap?
If NO, amount of remaining balance
 4. Does the Application Year anticipate use of a waiver to exceed the appropriation cap?
If YES, amount:

	Yes	No
	X	
%		
\$		
\$		
		X
\$		

C. List the five largest item appropriation increases:

Appropriation	Prior Year Actual	Application Year Proposed	\$ Amount of Increase
Mis. – other Expenses	1,074,080.	1,518,500.	444,420.
Fire Salaries	14,367,965.	17,709,943.	3,341,978.
Public Works – Other Expenses	1,341,300.	1,678,914.	337,614.
Sanitation – Other Expenses	2,285,692.	3,517,630.	1,231,938.
Library	-0-	720,030.	720,030.
Capital Improvements	-0-	3,800,000.	3,800,000.

D. List all new property tax funded full-time positions planned in the Application Year:

Department/Agency	Position	Number	Dollar Amount
N/A			

Application Year: CY 2018	Municipality: Atlantic City	County: Atlantic
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E. Display projected tax levies, local revenues (not grants), anticipated (gradually reduced) Transitional Aid, total salary and wages, and total other expenses projected for the three post-application years:

	Tax Levy	Local Revenues	Transitional Aid	Total S&W	Total OE
First year			2,000,000		
Second year			1,500,000		
Third year			1,000,000		

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? If so, please identify system being used.	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 all negative findings in the prior year's audit report been corrected? If not, be prepared to discuss why not in your application meeting.	X	

B. Risk Management: Indicate ("x") how each type of risk is insured.

Coverage	JIF/HIF	Self	Commercial
General liability		X	Excess
Vehicle/Fleet liability		X	Excess
Workers Compensation		X	Excess
Property Coverage			X
Public Official Liability			X
Employment Practices Liability			X
Environmental			
Health			
	SHBP		
	X		

C. 1) 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				
Average total cost percentage increase	%	%	%	%
Last contract settlement date				
Contract expiration date				

**Contracts are currently being negotiated

2) Explain, if any, actions that have been taken or are under consideration for the Application Year:

Action	Police	Fire	Other Contract	Non-Contract
Furloughs (describe below)				
Wage Freezes (describe below)				
Layoffs (describe below)				

D. Tax Enforcement Practices:

Question	Yes	No
1. Did the municipality complete its accelerated tax sale by December 31, if included in 2017 budget? If not, please include a letter from the tax collector explaining why he/she failed to complete the sale in a timely manner and what the impacts were on cash flow and lost investment earnings.	X	
2. When was the last foreclosure action taken or tax assignment sale held: Date:		
3. On what dates were tax delinquency notices sent out in 2017: Date:		
4. Date of last tax sale: Date:		December 2017

E. Specialized Service Delivery:

If the answer to either question is "Yes," provide (as an appendix) a cost justification of maintaining the service without changes.

Service	Yes	No
Sworn police or firefighters are used to handle emergency service call-taking and dispatch (in lieu of civilians)		X
The municipality provides rear-yard solid waste collection through the budget	X	

F. Other Financial Practices

1. Amount of interest on investment earned in:

2016	\$34,705	2017	\$153,757	Anticipated Application Year:	\$150,000
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2. List the instruments in which idle funds are invested:

Bank Money Market	

3. What was the average return on investments during 2017?

Minimal %

4. Left Blank Intentionally

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5. The name and firm of the municipality's auditor?

Ford – Scott Associates
Over 20 Years

6. When was the last time the municipality changed auditors?

G. Status of Collective Negotiation (Labor) Agreements: List each labor agreement by employee group, contract expiration date, and the status of negotiations of expired contracts.

Employee Group	Expiration Date	Status of Negotiations of Expired Agreement

H. Tax Abatements. Please provide a detailed discussion of any short-term or long-term tax abatements that are currently in place or are currently being negotiated including the following information:

Project Name/Property	Type of Project	2017 PILOT Billing	2017 Assessed Value	2017 Taxes If Billed in Full at 2016 Total Tax Rate	Term of Tax Abatement

IX-A. List actions that limited Salary and Wage costs: i.e., layoffs, furloughs, freezes, contract conpressions, etc. (See item C-3 in Local Finance Notice for details)

S&W Line Item	Prior Year Actual	Application Year Proposed	Explanation of Change

IX-B. List actions that limited or reduced Other Expense costs: i.e., reductions, changes, or elimination of services, procurement efficiencies or restraint. Include changes in spending policies that reduce non-essential spending.

Line Item	Prior Year Actual	Application Year Proposed	Explanation of Change

IX-C. Evaluate existing local revenues, as to whether or not the rates or collections can be increased or imposed, and if so, how changes will be implemented.

Local Revenues and services provided through the General/Current Fund	Check if services is provided	Are fees charged to cover the costs of the program?	If fees do not cover costs, what is the amount of subsidy?	If there is a subsidy, explain why fees cannot be increased to reduce or eliminate subsidy.
Recreation programs	<input checked="" type="checkbox"/>	PARTIAL		
Sewer Fees	<input type="checkbox"/>			
Water Fees	<input type="checkbox"/>			
Swimming Pool	<input type="checkbox"/>			
Uniform Construction Code	<input checked="" type="checkbox"/>	YES		
Uniform Fire Code	<input checked="" type="checkbox"/>	YES		
Land Use Fees	<input checked="" type="checkbox"/>	YES		
Parking Fees	<input checked="" type="checkbox"/>	YES		
Beach Fees	<input type="checkbox"/>			
Insert other local fees below:	<input type="checkbox"/>			
Land Use Escrow fees for in-house staff	<input checked="" type="checkbox"/>	YES		
Land Use Escrow fees for independent contractors	<input checked="" type="checkbox"/>	YES		

X. Service Delivery

List all services that the municipality contracts to another organization: i.e., shared services with another government agency, including formal and informal shared services, memberships in cooperative purchasing program, private (commercial), or non-profit organization.

Service	Name of Contracted Entity	Estimated Amount of Contract	Year Last Negotiated (as applicable)

Section XI – Impact of Limited or No Aid Award

Describe in complete detail the actual impact if aid is not granted for the current fiscal year; **this priority setting requires that the municipality will maintain a minimum level of essential services.** List the appropriate category of impact if the aid is not received. Rank each item from both lists as to the order in which elimination will take place. If across the board cuts will be made, indicate under service. **For rank order purposes, consider the two sections as one list. The cuts outlined here are one that the municipality is committing to make if they do not receive aid.**

Rank Order	Department	# of Layoffs	Effective Date	2016 Full Time Staffing	2017 Full Time Staffing	\$ Amount to be Saved

If services will be reduced, describe the service, impact and cost savings associated with it.

Rank Order	Service	Cost Savings	Impact on Services

XII. Agreement to Improve Financial Position of Municipality

If aid is granted, the municipality will be required to submit to certain reporting conditions and oversight as authorized by law and a new Memorandum of Understanding will need to be signed. Please mark each box below indicating that the applicant understands, and agrees to comply with these broad reporting and oversight provisions.

	Yes	No
1. Allow the Director of Local Government Services to assign management, financial, and operational specialists to assess your municipal operations.	<input type="checkbox"/>	<input type="checkbox"/>
2. Implement actions directed by the Director to address the findings of Division staff.	<input type="checkbox"/>	<input type="checkbox"/>
3. Enter into a new Memorandum of Understanding and comply with all its provisions, without exception.	<input type="checkbox"/>	<input type="checkbox"/>

XIII. Certification of Past Compliance for Municipalities Currently Operating Under a Transitional Aid MOU:

The undersigned certify that the municipality is in substantial compliance with the conditions and requirements of the 2017 MOU and is operating in good faith to correct those area of noncompliance that have been identified, including, but not limited to, the following: establishment of a pay to play ordinance; termination of longevity pay for officers and employees not contractually entitled to longevity pay; termination of health benefits for part time officers and employees; receipt of signed approval forms as required prior to hiring personnel and contracting with professional service vendors.

Mayor: _____ Date: _____

Chief Financial Officer: _____ Date: _____

Chief Administrative Officer: _____ Date: _____

XIV. CAMPS Certification (County and Municipal Personnel System - Civil Service municipalities only)

For Civil Service municipalities, the undersigned, being knowledgeable thereof, hereby certify that the municipality has placed the names of all current civil service employees in NJ "CAMPS".

Human Resources or Personnel Director: _____ Date: _____

Chief Administrative Officer: _____ Date: _____

XV. CERTIFICATION OF APPLICATION FOR TRANSITIONAL AID

The undersigned acknowledges the foregoing requirements with which the municipality must comply in order to receive aid as outlined above. In addition, included with this application is a copy (printed or electronic) of the budget documentation that supports the budget calculation that was provided to the governing body.

Mayor: _____ Date: _____
Chief Financial Officer: Michael D. Esten Date: 6/29/18
Chief Administrative Officer: D. J. Chambers Date: 8/1/2018