

Transitional Aid Application for Calendar Year 2019
Division of Local Government Services
Department of Community Affairs

General Instructions: This application must be submitted in its entirety by May 24, 2019 for funding consideration under this program. Information contained in the application is subject to independent verification by the Division. Refer to Local Finance Notice 2019-8 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: Toro Aboderin		Title: Chief Financial Officer
Phone: 609-347-5800	Fax: 609-347-6110	E-mail: aaboderin@cityofatlanticcity.org

I. Aid History

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

CY 2018	CY 2017	CY2016
\$3,900,000.00	\$13,000,000.00	\$26,200,000.00

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

Amount of aid requested for the Application Year:	\$3,315,000.00
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If not seeking a decrease, a letter from the Mayor is required. See Local Finance Notice 2019-8.

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
2019 Annual Financial Statement	April 26, 2019
2018 Annual Audit	Not yet Submitted
2018 Corrective Action Plan	Not yet Submitted
Application Year Introduced Budget	May 15, 2019
Budget Documentation Submitted to Governing Body	May 15, 2019

IV.A Application Certification

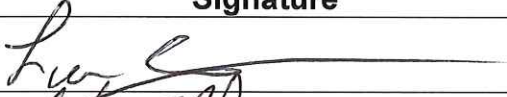
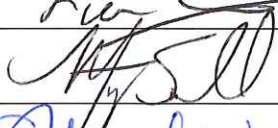

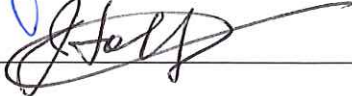
The undersigned herewith certify that they have reviewed this application and, individually, believes the contents to be true and accurately portray the circumstances regarding the municipality's fiscal practices and need for financial assistance. By submitting the application, the municipality acknowledges 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		5/29/19
Governing Body Presiding Officer		5/29/19
Chief Financial Officer		5/29/19
Chief Administrative Officer		5/29/19

IV.B CY2018 Transitional Aid Recipients Applying in 2019

CY2018 Municipalities operating under a Memorandum of Understanding ("MOU") must certify that they are in substantial compliance with all conditions and requirements of the MOU.

The municipality is governed by the strictures of the Local Government Supervision Act and the Municipal Stabilization and Recovery Act and acts in compliance therewith.

Official	Signature	Date
Mayor/Chief Executive Officer		5/29/19
Governing Body Presiding Officer		5/29/19
Chief Financial Officer		5/29/19
Chief Administrative Officer		5/29/19

V-A. Explanation of Need for Transitional Aid

Explain the circumstances that warrant 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 excessive number of tax appeals the City experienced for a number of years resulted in large overpayments, and issuance of a Tax Appeal Refunding Bond. This led to a devastating decrease in the Ratables from \$20 Billion in 2008 to \$2.5 Billion in 2018. (Excluding the Casino PILOT properties).

In addition, the City had another judgement against it this year for the Hard Rock Casino.

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 in 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	2018 Value	2019 Value	Amount of Loss/Increase
	\$1,800,000.00	\$1,000,000.00	(800,000.00)
Description:	Interest and Cost on Taxes		
	\$1,500,000.00	\$100,000.00	(\$1,400,000.00)
Description:	Refunds & Reimbursements		
	\$10,000,000.00	\$5,000,000.00	(\$5,000,000.00)
Description:	Atlantic City Alliance		
	\$2,500,000.00	\$1,100,000.00	(\$1,400,000.00)
Description:	Capital Surplus		
	14,012,951	-0-	(14,012,951)
Description:	Interest on Investments and Deposits		
	150,000	950,000	800,000
Description:			
Description:			

V-C. Actions to Reduce Future Need for Aid

Detail the steps the municipality is taking to reduce the need for future aid. Include details about shared services and consolidation, 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 collective negotiation, attrition, consolidation, restructuring, or other personnel actions; and
- A plan to eliminate, reduce or constrain the costs of non-essential 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

The City is actively working to revamp its Planning and Development Department and has hired a highly qualified Director to head the department.

She is working to promote development throughout the City and bring greater confidence in the redevelopment process. She is actively looking at the list of abandoned properties to auction them and get them back on the City's Tax Rolls

The City is working with newly created Atlantic City Initiatives Project Office to improve communications with the City, its residents, redevelopers and other key stakeholders. This will help to improve the City's overall effectiveness and accountability.

The City is currently in negotiation with its non-uniformed bargaining units.

The City awarded a contract on May 15th to perform a revaluation of real estate properties with the hopes of stabilizing property assessments throughout the City.

The PILOT program for Casinos continues.

Payroll Services & Health Services have been outsourced.

Atlantic County is paying the tipping fees on behalf of the City, up to \$955,300

The City is working more closely with the CRDA to provide funding for additional Street Cops, Boardwalk Lumber etc.

V-D. Discussion of Health Benefits

Skip this section if using SHBP. If not using SHBP, explain why the municipality’s current health benefits plan is cheaper, or what other reasons exist to reject this alternative. 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 is currently using the State Health Benefits Plan for its employees & retirees.

The Broker of Record is Corporate Employee Benefit

<u>2017</u>	<u>2018</u>	<u>2019</u>
\$50,000	\$50,000	\$50,000

The City is advertising a Request for Proposals for Broker of Record Services.

VI. Historical Fiscal Statistics

Item	2017	2018	Introduced Application Year
1. Property Tax/Budget Information			
Municipal tax rate	\$1.798	\$1.799	\$1.799
Municipal Purposes tax levy	\$55,853,861	\$51,843,953	\$45,424,399
Municipal Open Space tax levy	\$-0-	\$-0-	\$-0-
Total general appropriations	\$223,673,293	\$233,672,386	\$207,711,277

2. Cash Status Information			
% Of current taxes collected	%	94.52%	%
% Used in computation of reserve	98%	95.75%	94.52%
Reserve for uncollected taxes	\$2,206,307	\$5,968,036	\$5,505,836
Total year end cash surplus	\$(43,748,883)	\$6,358,773	
Total non-cash surplus	\$12,683,470	\$15,247,440	
Year end deferred charges	\$52,227,724	\$6,153,702	

3. Assessment Data			
Assessed value (as of 1/10)	\$3,100,472,200	\$3,106,630,800	\$2,544,182,590
Average Residential Assessment	\$141,517	\$141,530	\$121,200
Number of tax appeals granted			
Amount budgeted for tax appeals	\$28,810,000	\$	\$
Refunding bonds for tax appeals	\$80,000,000	\$-0-	\$-0-

4. Full time Staffing Levels			
Uniformed Police - Staff Number	334	251	268
Total S&W Expenditures	\$33,447,215	\$27,345,436	\$27,345,436
Uniformed Fire - Staff Number	138	191	175
Total S&W Expenditures	\$16,210,994	\$18,093,804	\$18,639,459
All Other Employees - Staff Number	996	384	682
Total S&W Expenditures	\$24,321,553	\$24,678,909	\$24,133,314

5. Impact of Proposed Tax Levy

			Amount
Current Year Taxable Value			2,544,182,590
Introduced Tax Levy			45,424,399
Proposed Municipal Tax Rate	1.799	Average Res. Value (#4 above)	121,200
Current Year Taxes on Average Residential Value (#4 above)			2,180
Prior Year Taxes on Average Residential Value			2,180
Proposed Increase in average residential taxes			-0-

VII. Application Year Budget Information

A. Year of latest revaluation/reassessment

2008

A1. Most current equalized ratio

104.54

B. Proposed Budget – Appropriation Cap Information

Item	Yes	No
1. Was an appropriation cap index rate ordinance adopted last year? If YES: % that was used	X	
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:		X

C. List the five largest item appropriation increases:

Appropriation	Prior Year Actual	Application Year Proposed	\$ Amount of Increase
Department of Public Safety – Other Expenses	1,971,316	3,575,665	1,604,349
Utility Expense & Bulk Purchases	4,994,443	6,400,000	1,405,557
Judgement	0	1,237,388	1,237,388
Debt Service	34,274,287	35,298,705	1,024,419
Dept. of Planning & Development – Other Expenses	709,518	1,009,300	299,782

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

Department/Agency	Position	Number	Dollar Amount

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	52,641,640	98,000,000	2,817,750	72,011,268	132,228,837
Second year	61,496,217	98,150,000	2,395,088	73,451,493	139,372,525
Third year	32,224,341	138,300,000	2,035,824	74,920,523	148,425,357

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				

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 2018 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:	2/21/18	
3. On what dates were tax delinquency notices sent out in 2018: Date:	2/16, 5/15, 9/21, 11/19	
4. Date of last tax sale: Date:	12/17/18	

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:

2017	\$153,757	2018	\$957,491	Anticipated Application Year:	\$950,000
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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 2018?

	%
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4. Left Blank Intentionally

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

Ford Scott & Associates

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

Over 20 years ago

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
IAFF	12/31/17	
PBA	12/31/15	
Police Superior Officers Association	12/31/15	
White Collar	12/31/14	Ongoing Negotiations
AFSCME new Union is Teamsters #331 (Blue Collar)	12/31/14	Ongoing Negotiations
IBEW	12/31/14	Ongoing Negotiations
Alliance of AC Supervisory Employees	12/31/14	Ongoing Negotiations

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	2018 PILOT Billing	2019 Assessed Value	2019 Taxes If Billed in Full at 2018 Total Tax Rate	Term of Tax Abatement
Housing - PILOT	Housing - PILOT	\$3,807,515.25	\$759,458,800	\$13,662,982	

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
Community Services – Kelly Act	600,000	-0-	City has contracted with a vendor to pick up trash for the condos at a lower rate.

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"/>	Partially		
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)
Tippling Fees	County of Atlantic	\$955,300	2019
Health Officer Services	County of Gloucester	\$25,000	2018
Elevator Inspections	Pleasantville, Ventnor, Margate, Longport	\$56,000	2017
Demolition Program	Atlantic County Improvement Authority	\$25,000	2016
Special Tourism Police Officer	Casino Reinvestment Development Authority	\$1,000,000	2018
Various Cooperative Purchasing Program	NJ Department of Purchase & Property	Varies	2018
Various Cooperative Purchasing Program	Middlesex County Cooperative	Varies	2018
Electric & Natural Gas Supply	South Jersey Power Cooperative	\$1,000,000	2018
Rock Salt	Atlantic County Cooperative	\$500,000	2018
Fuel	Atlantic County Cooperative	\$500,000	2018

Section XI – Impact of Limited or No Aid Award

Describe in detail the impact if aid is not granted for the current fiscal year. Essential services needs should be given priority. 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 will make absent a grant of aid.**

Rank Order	Department	# of Layoffs	Effective Date	2018 Full Time Staffing	2019 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.	X	
2. Implement actions directed by the Director to address the findings of Division staff.	X	
3. Enter into a new Memorandum of Understanding and comply with all its provisions, without exception.	X	

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 2018 MOU and is operating in good faith to correct those area of noncompliance that have been identified.

Mayor:  Date: 5/29/19
 Chief Financial Officer:  Date: 5/29/19
 Chief Administrative Officer:  Date: 5/29/19


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

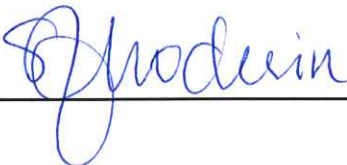
For Civil Service municipalities, the undersigned, being knowledgeable thereof, hereby certify that the municipality has placed the names of all current civil service employees in NJ "CAMPS."


Human Resources or Personnel Director: _____ Date: _____
 Chief Administrative Officer: _____ Date: _____

XV. CERTIFICATION OF APPLICATION FOR TRANSITIONAL AID

The undersigned acknowledges the municipality must comply with the foregoing requirements to receive Transitional Aid. In addition, included with this application is a copy (printed or electronic) of the budget documentation supporting the budget calculation that was provided to the governing body.

Mayor:  Date: 5/28/19

Chief Financial Officer:  Date: 5/29/19

Chief Administrative Officer:  Date: 5/29/19