

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.

MAY 24 2019

Name of Municipality:		Borough of Penns Grove		County:	Salem
Contact Person:		Stephen F. Labb		Title:	Chief Financial Officer
Phone:	(856) 299-0098 Ext 107	Fax:	(856) 299-0975	E-mail:	slabb@pennsgrove-nj.org

I. Aid History

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

CY 2018	CY 2017	CY2016
\$ 450,000.00	\$ 356,000.00	\$ 358,000.00

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:	\$ 550,000.00
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If not seeking a decrease, a letter from the Mayor is required. See Local Finance Notice 2019-8.

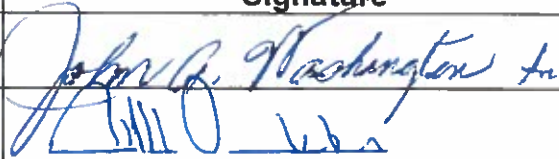


III. Submission Requirements

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
2018 Annual Financial Statement	4/12/19 (Had open FAST Items)
2017 Annual Audit	7/3/2018
2017 Corrective Action Plan	11/9/2018
Application Year Introduced Budget	4/2/2019
Budget Documentation Submitted to Governing Body	3/26/2019

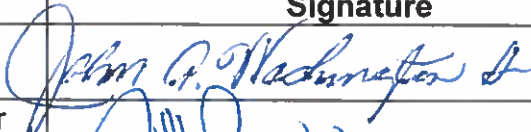


IV.A Application Certification

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		5/23/19
Governing Body Presiding Officer		5/23/19
Chief Financial Officer		5/23/19
Chief Administrative Officer		

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.

Official	Signature	Date
Mayor/Chief Executive Officer		5/23/19
Governing Body Presiding Officer		5/23/19
Chief Financial Officer		5/23/19
Chief Administrative Officer		

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 following factors, which exist in the Borough of Penns Grove help justify the need of awarding Transitional Aid in 2019, some of these are continuing conditions mentioned in prior applications which are updated. Mayor and Council entered into new redevelopment agreement with Frameworks at Penns Grove. The developer intends to build a glass blowing studio with student housing. This will be marketed to Salem Community College glass blowing curriculum, which is the only glass blowing program in the country. Ryan Homes provided a letter of intent to build townhomes on the water front, hopefully this will come to realization.

FACTOR I:

It is difficult to offset revenue decreases or budget increases in the Borough of Penns Grove. The Borough of Penns Grove is less than one square mile in total area. Based on the Demographics and Social Economic Characteristics, estimated per capita income for Penns Grove is \$15,956.00 versus the state average of \$ 37,538.00, which is 57% lower than the New Jersey State average and 47% lower than the national average. Medium household income for Penns Grove is \$ 34,439.00 versus the state average of \$ 73,702.00, which is 53% lower than the New Jersey State average and 38% lower than the national average. Persons at Poverty Levels in Penns Grove are at 29.90% versus New Jersey State average of 10.90%, which is 174% higher than state average Unemployment rate is 12.60 % vs New Jersey State average of 5.20%, which is 148% higher than the state average, as the data suggest, the Borough of Penns Grove qualifies as distressed. See below comparison to state average.

Penns Grove compared to New Jersey State Average:

- Median household income 53% below state average.
- Median house value 64% below state average.
- Median age 22% below state average.
- Renting percentage above state average.
- Percentage of population with a bachelor’s degree or higher significantly below State Average.

FACTOR 2:

The Borough suffers from a high percentage of properties, which are non-ratable.

As of 2019, it is estimated that **34.91%** of the total value of land and improvement (property) within the Borough of Penns Grove are non-taxable. Below is a sample listing of properties, for full listing see attached (Appendix A: 2019 Exempt Property Listing).

A. Government, Schools and Institutions:

1. Salem County Board of Freeholders-Welfare Office
2. The Penns Grove-Carneys Point School District Office.
3. The Penns Grove-Carneys Point Middle School.
4. The Penns Grove-Carneys Point Carleton School.
5. The Salem County Social Services Main Office.
6. The Borough Hall.
7. The Ambulance and Public Works building.
8. Fire Department building.
9. Penns Grove Sewerage Authority.
10. United State Post Office.

B. Public Housing

1. Penns Grove Housing Authority (2 Properties).
2. Penn Village.
3. Penns Grove Gardens.

C. Non-profit Organizations and Clubs:

1. B.P.O.E Elks.
2. Penns Grove Historical Society.
3. American Legion.
4. Puerto Rican Action Committee of Salem County.
5. Travelers Temple Association.
6. New Jersey Housing & Mortgage Finance Agency.
7. Salem County Counseling Services.

C. Churches:

The Borough of Penns Grove presently has fourteen (13) active churches within it's boundaries that own twenty-two (21) properties, all of which are exempt from taxes. The Borough surely does not object to having these religious institutions, but this gives a clear picture of just how severe the non-ratable situation is for the Borough.

In summary, when considering the size of the Borough of Penns Grove and the percentage of non-ratable properties (34.91%), there is a tremendous burden placed on the existing (65.09%) of tax payers. Not only does the Borough have these exempt facilities within its boundaries, but in many cases, provides additional services and support without any financial contribution.

FACTOR 3:

Penns Grove host an excessive number of subsidized housing units. Although being less than one square mile, the borough has five subsidized low-income housing facilities. The facilities are Penn Village Apartments, Silver Run Apartments, Mallard Park Apartments, the Penn Towers Senior Citizens Complex and Penns Grove Gardens, which have a combined total of 448 units. The owners of these facilities are receiving funding from the federal government, none of which are passed on to the Borough. The facilities continue to place a financial strain on the Borough's limited resources.

Example 1: The Penns Grove Housing Authority, which includes the Silver Run Apartments and the Penn Towers Senior Citizens facility, are assessed at \$7,666,400.00. Paid \$ 22,329.00 in 2018. Both facilities have a combined total of 190 units.

Example 2: Penn Village Apartments, which has an assessed value of \$5,895,600.00, provides a payment in lieu of taxes to the Borough in the amount of \$42,500.00 per year. This payment does not in any way reflect the amount of attention that this facility receives by way of police calls, municipal court and other services.

Example 3: Mallard Park Apartments is a subsidized housing facility, with assessed value of \$998,400.00. The revenue received does not offset the cost associated with this property.

Subsidized Housing grossly underpays its' fair share of property taxes. In 2018, a Penns Grove homeowner with an average assessment of \$ 106,000.00 paid \$1,970.54 in local property taxes. Compare this with one of the subsidized housing complexes in the Borough of Penns Grove. The Penns Grove Housing Authority, which has 190 apartment units payed \$ 22,329.00 in 2018. As has been stated previously, the complexes place a much greater demand on the services provided by the Borough, particularly the Police Department. The average per unit payment for subsidized housing complexes, based on Local Tax rate for 2018 are shown below:

- Penns Grove Housing Authority - \$117.52 per unit payment.
- The Penn Village Apartments -Payment in Lieu, \$ 354.17 per unit.
- Mallard Park - \$874.26 in local taxes per unit.

The Social Economic factors, which result from this place a burden on the budget. We have a police budget for 2019 in the amount of \$1,416,539.00 for Salaries & Wages and Other Expenses. Factoring in \$ 739,308.93 for Health Insurance Payments, which includes \$ 396,740.15 in payments for retiree's and officers retired on disability. The grand total for the Police Department is \$ 2,155,847.93. This amount represents over 33.11 % of the 2019 introduced budget for the Borough of Penns Grove.

FACTOR 4:

Tax Collection Continues to Decline

1. 2018 tax collection was 82.65% a decrease of 3.09%
 - a. 2017 - 85.74%
 - b. 2016 - 87.38%

2. 2018 budget anticipated a collection percentage of 87.21% (average of collection percentage 2014/2015/2016)
 - a. 2018 tax collection was 4.56% less than amount anticipated/budgeted amount, as a result the Amount to be Raised by Taxes fell short of budgeted amount by \$298,388.93 (anticipated \$3,108,918.76, actual was \$2,810,529.83)

FACTOR 5:

In the case of Seaboard Landing vs. Penn Grove tax appeals on Property Block 57: Lot 1, the Taxpayer is due a credit for the following years; 2007-2014 in the amount of \$ 339,475.29. The Borough and AGR agreed that any funds due to it from Tax Appeal Judgement shall be paid back at an amount of no more than 20% of the Taxes due for any particular year. The Balance of the Judgement as of 12/31/2018 is \$173,811.35. The Budget Appropriation for 2019 is \$34,762.27 (See attached Appendix B for information concerning Tax Appeal Judgement and Appendix C Tax Appeal Calculation.)

FACTOR 6:

Closer look at 2018 results from AFS

- 1. Excess in Revenues on Statement of Operations – \$45,688.26
 - a. 2017 Appropriation Reserves Lapsed at 12/31/18 \$146,720.42
 - b. 2018 Encumbrances/Appropriation Reserves at 12/31/18 combined are only \$135,569.89

FACTOR 7:

Mandated to do a Revaluation, additional Budget Appropriation of \$ 68,000.00 in 2019 Budget.

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
Description: Reserve for Uncollected Taxes - Appropriation	\$ 864,899.62	\$ 966,725.55	\$ 101,825.93
Description: Special Emergency Authorizations: Revaluation	.00	\$ 68,000.00	\$ 68,000.00
Description:			
Description:			
Description:			
Description:			
Description:			
Description:			

- Reserve for Uncollected Taxes Appropriation would have been \$ 1,279,432.82, an increase of \$ 414,533.20 from 2018 if the actual prior year collection percentage of 82.65 was used instead of a resolution to authorizing the Three Year Average Calculation. This reduced the 2019 Reserve for Uncollected Taxes Appropriation by \$ 312,707.27

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

REDEVELOPMENT:

1. The Borough is continuing to work with the redeveloper on the Penns Grove redevelopment project. The Borough has recently entered into a new agreement called the Frameworks at Penns Grove. The concept is that the redeveloper will build and rehab buildings in the center of town that will be marketed to Salem Community College students enrolled in the glass blowing curriculum. Salem Community College is the only college in the country that offers a degree in glass blowing and it attracts students from around the country. The redeveloper intends to build a glass blowing studio in the center of town for the students to utilize and will have housing next door. The redeveloper has obtained site plan approval and is working on the rest of their approval and intends to begin construction shortly. (See Appendix F). Additionally, the redeveloper has received a letter of intent from Ryan Homes to construct townhomes on the waterfront. This is still being worked on, however, there is movement.

IN REM FORECLOSURES:

2. Since October 2018, the Borough successfully foreclosed on 42 and have taken ownership of those properties. In addition, during the foreclosure process, 11 properties redeemed their tax sale certificates. The Borough also filed for final judgement on 10 more properties and in the process, 5 more properties redeemed. Additionally, we have filed another foreclosure complaint for 20 more properties, 4 of which have been redeemed. This complaint is not ready for final judgement. We are also currently working on a new list of 51 properties to foreclosure on and are in the process of obtaining title work so that the complaints can be filed.

PROPERTY SALES:

3. In February 2019 the Borough sold 34 properties for a total of \$ 41,291.00, the governing body had made it a priority to have Borough owned property back on the tax rolls (see Appendix L.), currently the Borough is preparing to conduct another sale and offer an additional 13 properties to the public for purchase.

WAWA:

4. Borough representatives met with the attorneys for Wawa in March of 2019. The corporation is under contract to purchase the lot on the corner of Route 130 and Route 38, which contains Incollings's Market and other business. They intend to raze the building and construct a Super Wawa on said property. They will also construct two building, one to house the current Pizza shop, Chinese takeout and Liquor store and with the other building, hoping to market it to a fast food chain (see Attachment G).

HABITAT FOR HUMANITY:

5. The Borough has provided 3 lots to Habitat for Humanity, Habitat has also purchased other lots from private owners. Habitat plans to construct 5-6 new homes by the end of 2020, which will add to the tax base.

TAX COLLECTION PROCEDURES:

6. In an effort to increase the Tax Collection Percentage, the Tax Collector has incorporated the following Collection Practices:
- Online payment portal through Borough website (credit, debit, e check).
 - Drop box for after hour's payment.
 - Accept online payment checks from various banks (owner online banking).
 - Accept wire transfers for payment.
 - Accept partial payment for quarterly taxes.
 - Multiple notice of delinquency and tax sale intentions.
 - Bills issued reflect payment options available.
 - Work with Assessor to maintain accurate records for mailing of bills to new owners.
 - Provide information on deductions (Senior, veteran, Disabled, Homestead and Property Reimbursement) to owners as tax relief options.
7. Cost savings implemented by the Police Chief (see Attachment D)
8. The only non-essential service that can be eliminated would be recreation, but due to Social Economic Conditions. Council believes that providing programs will curb mischief and help promote the good aspects of the community.
9. The Borough is currently at minimal staffing. The only aggressive collective negotiation agreement would be with the Police Association. The Borough currently has four shared services agreement, Public Works Functions and Tax Collection with Carneys Point Township, Dispatching Services with Salem County and Uniform Construction Code with the state of New Jersey.

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.

1. Identify the company that is the broker of record for health insurance.

Conner Strong & Buckelew Companies, Inc. are the broker of record for health insurance.

2. How much in commissions or fees does the broker of record receive from: (a) the municipality \$. N/A; and (b) commission the Broker is receiving from the insurance company. The Broker is receiving 2% commission for Medical from the insurance company in 2019 and 3.00% commission for prescription in 2019. The Actual value of commission for the last three years are:

- March 2017-February 2018 \$28,574.66
- March 2018-February 2019 \$22,820.49
- March 2019-December 2019 \$14,695.88

3. As an attachment, have the broker list the provided coverage, and the categories and number of employees in each program. Create a side by side comparison with the State Health Benefits Plan and outline costs (See Appendix E).

4. Provide a clear and concise explanation as to why the State Health Benefits Plan is not being used and discuss the relative costs of insurance used and the State Health Benefits Plan. (It is advisable for you to share this question with your broker of record and have them fill it out.)

- Comparing the State cost to the proposed Horizon cost and factoring in Medicare costs as the State requires Parts A & B of Medicare, the Borough of Penns Grove is saving an estimated \$ 19,250.44 or 2.48% by not converting over to the State Plan for time period of 1/01/2019-12/31//2019. A requirement for enrollment into the State Plan is that all eligible persons must be enrolled in Medicare Part A & B. It will cost the Borough and estimated \$ 25,000.00 for those who are eligible for Part A & B, but do not have it.
- From a provider disruption basis, only 66% of current providers being used by Borough employees participate with the State plan. Our experience is 85% participation deemed acceptable to avoid arbitration issues, also Borough of Penns Grove has Traditional and PPO plans that are greater in benefit as compared to the State plan, therefore, "equal to or better than" provisions of collective bargaining would be a contractual issue.
- As of 7/01/2018 the Borough joined the **Southern Coastal Regional Employee Benefits Fund (HIF)**, obtaining savings through a **shared service** (See Appendix J).

VI. Historical Fiscal Statistics

Item	2017	2018	Introduced Application Year (Revaluation 2019)
1. Property Tax/Budget Information			
Municipal tax rate	\$ 1.812	\$ 1.859	\$ 2.414
Municipal Purposes tax levy	\$ 3,087,223.72	\$ 3,108,918.76	\$ 3,315,730.82
Municipal Open Space tax levy	\$ 0.00	\$ 0.00	\$.00
Total general appropriations	\$ 6,662,496.00	\$ 6,572,009.28	\$ 6,511,884.47
2. Cash Status Information			
% Of current taxes collected	85.74%	82.65%	%
% Used in computation of reserve	87.30%	87.21%	86.31%
Reserve for uncollected taxes	\$ 872,730.52	\$864,899.62	\$ 966,725.55
Total year end cash surplus	\$ 12,178.35	\$ 77,545.48	
Total non-cash surplus	\$ 19,678.87	\$ 0.00	
Year end deferred charges	\$ 19,678.87	\$ 0.00	
3. Assessment Data			
Assessed value (as of 1/10)	\$ 170,375,100	\$ 167,205,200	\$ 137,375,200
Average Residential Assessment	\$ 107,944.00	\$ 107,944.00	\$ 87,500.00
Number of tax appeals granted	18	48	
Amount budgeted for tax appeals	\$.00	\$.00	\$.00
Refunding bonds for tax appeals	\$.00	\$.00	\$.00
4. Full time Staffing Levels			
Uniformed Police - Staff Number	15 FT Police, 1 FT Clerk, 2 Crossing Guards, 2 PT Booking Clerks	16 FT Police, 1 FT Clerk, 2 Crossing Guards, 2 PT Booking Clerks	16 FT Police, 1 Class 2, 1 FT Clerk, 2 Crossing Guards, 1 PT Booking Clerks
Total S&W Expenditures	\$ 1,278,522.47	\$ 1,288,898.79	\$ 1,338,539.00
Uniformed Fire - Staff Number	N/A	N/A	N/A
Total S&W Expenditures	\$	\$	\$
All Other Employees - Staff Number	24	24	24
Total S&W Expenditures	\$ 383,421.61	\$ 412,403.29	\$ 430,760.00
5. Impact of Proposed Tax Levy			

			Amount
Current Year Taxable Value			137,375,200
Introduced Tax Levy			3,315,730.82
Proposed Municipal Tax Rate	2.414	Average Res. Value (#4 above)	87,500.00
Current Year Taxes on Average Residential Value (#4 above)			2,111.93
Prior Year Taxes on Average Residential Value			1,970.54
Proposed Increase in average residential taxes			141.00

VII. Application Year Budget Information

A. Year of latest revaluation/reassessment	2018
A1. Most current equalized ratio	99.83%

B. Proposed Budget – Appropriation Cap Information

	Yes	No
1. Was an appropriation cap index rate ordinance adopted last year? If YES: % that was used	X	
3.50%		
2. Amount of appropriation cap bank available going into this year		
\$ 399,337.23		
3. Is the Application Year budget at (appropriation) cap? If NO, amount of remaining balance		X
\$ 570,403.00		
4. Does the Application Year anticipate use of a waiver to exceed the appropriation cap? If YES, amount:		X
\$.00		

C. List the five largest item appropriation increases:

Appropriation	Prior Year Actual	Application Year Proposed	\$ Amount of Increase
Reserves for Uncollected Taxes	\$ 864,899.62	\$ 966,725.55	\$ 101,825.93
Special Emergency Authorizations 5 Years (N.J.S.40A:4-55.13)	\$.00	\$ 68,000.00	\$68,000.00
Police Salaries & Wages	\$1,288,898.79	\$1,338,539.00	\$49,640.21
Interest on Notes	\$28,202.00	\$51,100.00	\$22,898.00
Shared Service Agreements Public Work Functions Other Expenses	\$598,457.00	\$617,026.00	\$18,569.00

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

Department/Agency	Position	Number	Dollar Amount
	N/A		

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	*	*	*	*	*
Second year	*	*	*	*	*
Third year	*	*	*	*	*

***As stated in prior Applications, significant reductions in Aid cannot be realized until River Front Development is achieved or Consolidated Police Services.**

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		
Vehicle/Fleet liability	X		
Workers Compensation	X		
Property Coverage	X		
Public Official Liability	X		
Employment Practices Liability	X		
Environmental	X		
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	2017	N/A	Chief: Lieutenant	Court Admin:Clerk:CFO
Average total cost percentage increase	1.44 %	N/A %	.91% : 1.43 %	2.00%:1.24%:1.24%
Last contract settlement date	3/5/2019	N/A	1/19/18: 11/8/2018	
Contract expiration date	2021	N/A	2020: 2021	

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)				
Governing Body decision				
Wage Freezes (describe below)				
Contracts and Wage request are submitted to State Monitor for review and approval through Waiver process.				
Layoffs (describe below)				
Governing Body decision				

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:	4/20/18, 10/1/18, 11/1/18, 1/25/19	
3. On what dates were tax delinquency notices sent out in 2018: Date: 3 a Delinquent File Export to Mortgage Servicing Companies in 2018: 2/15/18, 3/13/18, 5/14/18, 6/7/18, 6/25/18, 8/16/18, 9/14/18, 11/30/18, 12/7/18	2/21/18, 5/14/18, 8/21/18, 12/4/18, 12/11/18	
4. Date of last tax sale: Date:	10/15/2018	

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	\$ 1,065.10	2018	\$ 3,809.91	Anticipated Application Year:	\$ 3,000.00
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2. List the instruments in which idle funds are invested:

Various Operating & trust Funds Checking Accounts.	

3. What was the average return on investments during 2018?

.34%

- 4. Left Blank Intentionally
- 5. The name and firm of the municipality's auditor?
- 6. When was the last time the municipality changed auditors?

Bowman and Company LLP
2006

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
Police Chief	2019	
Police Lieutenant	2021	
Police Association	2021	

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 (2018 Tax Rate restated with 2019 Assessments from Revaluation)	Term of Tax Abatement
Penn Village Apartments	Affordable Housing	\$ 42,500.00	\$5,895,600.00	\$ 289,415.04	No more than 50 years nor less than the term of the NJHFA mortgage. Signed 1972.
Penns Grove Gardens	Affordable Housing	\$ 160,000.00	\$3,468,700.00	\$ 170,278.48	Full force as such rate as agreed upon and so long as the successor entity qualifies under HMF-A LAW.
Penns Grove Housing Authority, which includes Silver Run Apartments	Affordable Housing	\$ 27,796.00	\$7,666,400.00	\$ 376,343.58	Shall remain in full force as long as the beneficial title to such project is held by the Local Authority or any other Governmental agency, including HUD.

Application Year: CY2019

Municipality: Borough of Penns Grove

County: Salem

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

S&W Line Item	Prior Year Actual	Application Year Proposed	Explanation of Change
			State Monitor is involved in Contract Negotiations and Contract approval is through the Waiver Process.
			Non-Contract Employees wage increase is requested and processed through the Waiver Process.

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
Electricity and Natural Gas – Electric (See Appendix H).			Joined South Jersey Power Cooperative, savings realized in 2019 Appropriation, First Meter Read After August 31, 2017.
Electricity and Natural Gas – Gas (See Appendix I).			Joined South Jersey Power Cooperative, savings realized in 2019 Appropriation, First Meter read December 2017.

Application Year: CY2019

Municipality: Borough of Penns Grove

County: Salem

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	X	No		
Sewer Fees	<input type="checkbox"/>			
Water Fees	<input type="checkbox"/>			
Swimming Pool	<input type="checkbox"/>			
Uniform Construction Code	<input type="checkbox"/>			
Uniform Fire Code	<input type="checkbox"/>			
Land Use Fees	<input type="checkbox"/>			
Parking Fees	<input type="checkbox"/>			
Beach Fees	<input type="checkbox"/>			
Insert other local fees below:	<input type="checkbox"/>			
Land Use Escrow fees for in-house staff	X	No	S5,463.64 Secretary	Secretary will notify members for agenda discussion, current activity will not cover costs.
Land Use Escrow fees for independent contractors	<input type="checkbox"/>			

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)
Inter Local Service Agreement for Revenue Administration	Carneys Point Township	\$ 64,357.00	2016
Inter Local Service Agreement for Public Work Functions including Trash Collection, Disposal, Storm Water Management, Recycling and Public Works Functions.	Carneys Point Township Council Authorized Request for Proposal for Sanitation Services and Snow Removal on 4/26/2019, one Bid was received for Sanitation Services, which will be rejected because of the high contract price, no Bids were received for Snow Removal. Council will rebid at another date, as the Host Agency is receiving a greater benefit then the receiving Agency.	\$ 617,025.00	2016
Inter Local Service Agreement for Dispatching Services	County of Salem	\$ 155,000.00	2016
Group Health Insurance – Medical (See Appendix J).	Southern Coastal Regional Employee Benefits Fund	\$ 560,016.00	Effective 7/1/18
Group Health Insurance – Prescription (See Appendix K).	Public Employer Benefits Trust Rx Alliance	\$ 214,491.36	Effective 7/1/18
Electricity (See Appendix H)	South Jersey Power Cooperative		8/31/2017
Natural Gas (See Appendix I)	South Jersey Power Cooperative		12/1/2017

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
1	Police Department, the number of cuts will depend on the Aid Award and if the cuts will affect the Health & Welfare of the Community. The Police Budget accounts for 33.11 % of the Municipal Budget. Current Application has a request for additional officer.					
2	General Government, Even though currently staffing is at the minimal level. Governing Body will have to see if cuts are viable.					

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

Rank Order	Service	Cost Savings	Impact on Services
1	Police Services		Depending on the Aid Award, numerous layoffs would have a disastrous effect on Police Services and Public Safety and Public Health and Welfare of the community.
2	General Government		The Borough is at minimum staffing, additional cuts will vastly affect the services provided to the community.

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: *John D. Washington* Date: 5/23/19
 Chief Financial Officer: *[Signature]* Date: 5/23/19
 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 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: John A. Washington Jr Date: 5/23/19

Chief Financial Officer: [Signature] Date: 5/23/19

Chief Administrative Officer: _____ Date: _____