

CITY OF ATLANTIC CITY

DEPARTMENT OF REVENUE & FINANCE

1301 Bacharach Boulevard
City Hall - Room 306
Atlantic City, NJ 08401
(609) 347-5800 / Fax: (609) 347-6110



April 3, 2020

Transitional Aid Program
Division of Local Government Services
101 South Broad Street
P. O. Box 803
Trenton, NJ 08625-0803

Dear Sir/Madam:

Re: 2020 Transitional Aid Application

Please accept this package as the City of Atlantic City's application for the 2020 Transitional Aid Program.

The following documents are therein contained:

- Signed & certified CY2020 Transitional Aid Application
- 2019 Annual Financial Statement
- Current Organization Chart
- Copy of salary ordinance
- Debt service schedules with payments listed by date
- Labor Contracts

The 2020 Budget has not been introduced yet. I will send the budget as soon as it is introduced and the MOAs to the Labor Contracts as soon as I have them. The new contracts are in the draft process.

Please contact me at the number listed above if additional documents or information is required.

Sincerely,

A handwritten signature in blue ink, appearing to read "Adetoro Aboderin".

Adetoro Aboderin
Chief Financial Officer
City of Atlantic City

Transitional Aid Application for Calendar Year 2020
Division of Local Government Services
Department of Community Affairs

General Instructions: This application must be submitted in its entirety by April 3, 2020 for funding consideration under this program. Information contained in the application is subject to independent verification by the Division. Refer to Local Finance Notice 2020-5 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 2019	CY 2018	CY2017
\$3,315,000.00	\$3,900,000.00	\$13,000,000.00

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:	\$2,817,750.00
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If not seeking a decrease, a letter from the Mayor is required. See Local Finance Notice 2020-5

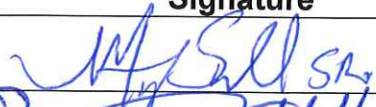
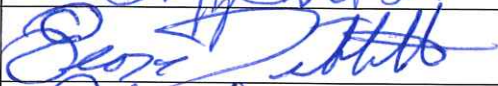
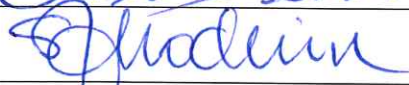
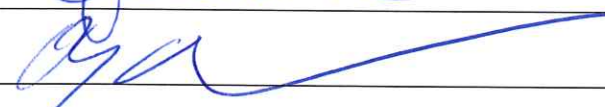
III. Submission Requirements

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
2020 Annual Financial Statement	Not Yet Submitted
2019 Annual Audit	Not Yet Submitted
2019 Corrective Action Plan	Not Yet Submitted
Application Year Introduced Budget	Not Yet Submitted
Budget Documentation Submitted to Governing Body	Not Yet Submitted


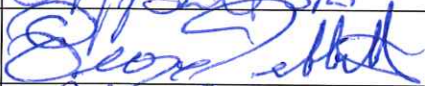
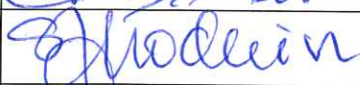
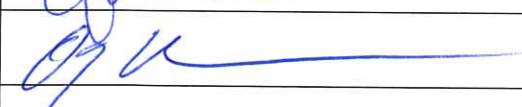
IV.A Application Certification

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		4/3/2020
Governing Body Presiding Officer		4/3/2020
Chief Financial Officer		4/3/2020
Chief Administrative Officer		3 April 2020

IV.B CY2019 Transitional Aid Recipients Applying in 2020

CY2020 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		4/3/2020
Governing Body Presiding Officer		4/3/2020
Chief Financial Officer		4/3/2020
Chief Administrative Officer		3 APR 2020

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 over the past few years resulted in large overpayments, and the issuance of a Tax Appeal Refunding Bond. This led to a devastating decrease in the Ratables from \$20 billion in 2008 to \$2.524 in 2019. (Excluding the Casino PILOT properties)

In addition, the City had another judgement against it in 2019 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	2019 Value	2020 Value	Amount of Loss/Increase
	\$950,000	\$1,500,000	\$550,000
Description:	Interest on Investments		
	\$69,699,000	\$86,200,000	\$16,501,000
Description:	Casino - PILOT		
	\$13,810,000	\$ -0-	(\$13,810,000)
Description:	Investment Alternative Tax		
	29,803,682	27,258,988	(\$2,544,694)
Description:	Consolidated Municipal Property Tax Relief Aid		
	\$11,457,032	\$14,001,726	\$2,544,694
Description:	Energy Receipts Tax		
	\$2,400,000	\$1,200,000	(\$1,200,000)
Description:	Uniform Construction Code Fees		
	\$1,100,000	\$ -0-	(\$1,100,000)
Description:	Reserve for Sale of Municipal Properties		

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 newly revamped Planning & Development Department is working on the City's Master Plan and working to attract new & viable industry & development to the City.

The highly qualified Director of the department is working to bring greater confidence to 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 Atlantic City Project Initiatives Office continues to work on improving communications between the City, its residents, redevelopers and other key stakeholders.

The City has successfully negotiated a sustainable contract with its non-uniformed bargaining units.

The City completed a revaluation of real estate properties to stabilize property assessments throughout the City and hopes to have the new defensible values on the books for 2020.

The PILOT program continues for the Casinos.

The City is working more closely with the CRDA & the State to provide funding for additional Street Paving, the Police Department etc.

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

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.

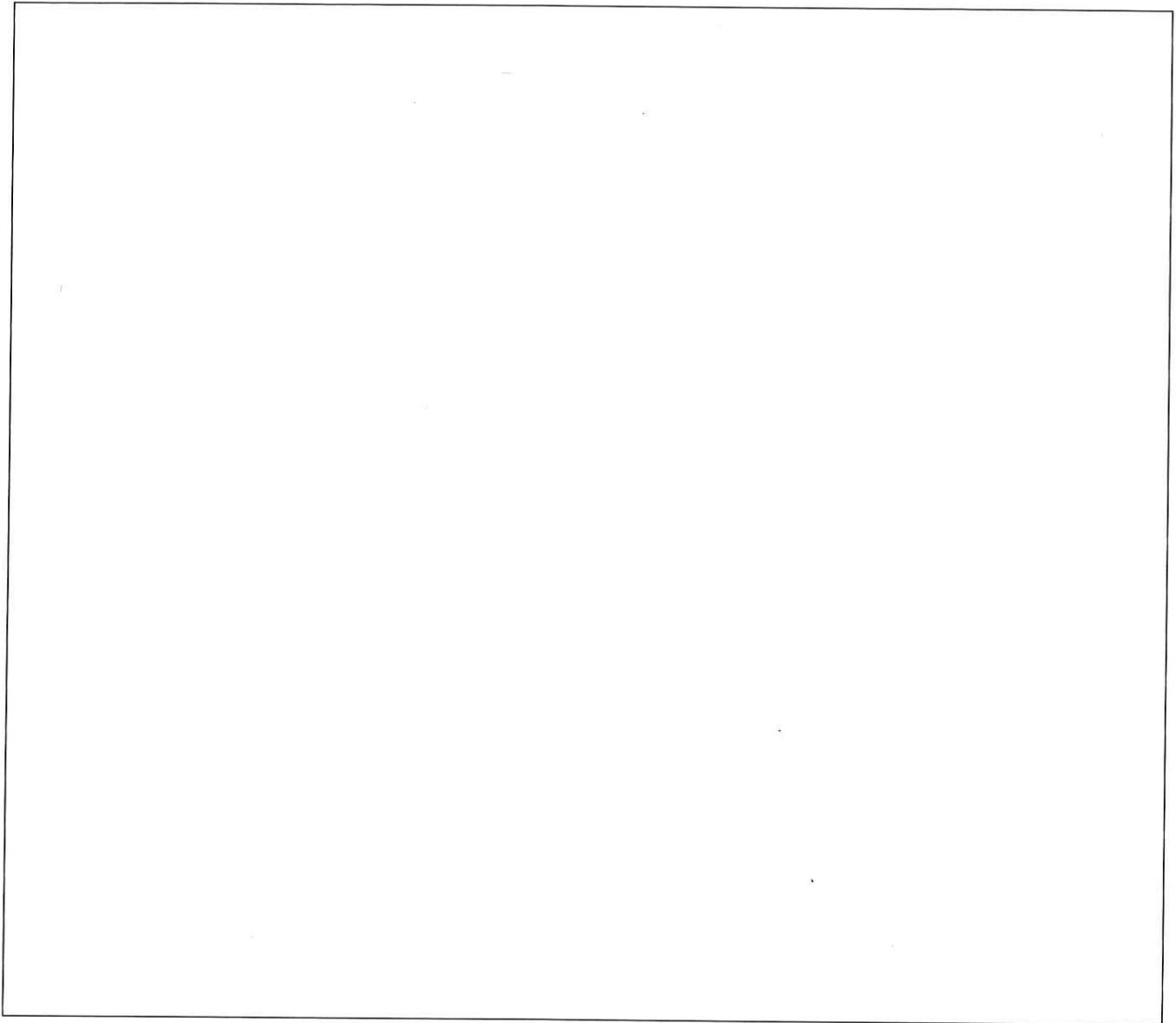
The City is currently using the State Health Benefits Plan for its employees & retirees.

The City does not currently have a Broker of Record for Health Services. The City will put out a request for proposals for a Broker of Record for Health Services in the next few weeks.

<u>2018</u>	<u>2019</u>
\$50,000.00	\$20,833.02

Risk Management Broker: Willis of New Jersey, Inc.

<u>2018</u>	<u>2019</u>
\$52,043.00	\$42,833.00



VI. Historical Fiscal Statistics

Item	2018	2019	Introduced Application Year
1. Property Tax/Budget Information			
Municipal tax rate	\$1.799	\$1.799	\$1.704
Municipal Purposes tax levy	\$51,843,953	\$45,424,399	\$42,773,378
Municipal Open Space tax levy	\$-0-	\$-0-	\$-0-
Total general appropriations	\$233,672,386	\$207,711,277	\$208,377,721

2. Cash Status Information			
% Of current taxes collected	91.90%	94.84%	%
% Used in computation of reserve	95.75%	94.52%	94.5%
Reserve for uncollected taxes	\$5,968,036	\$5,505,836	\$5,392,170
Total year end cash surplus	\$6,358,773	\$(8,414,223.46)	
Total non-cash surplus	\$15,247,440	\$20,158,341.13	
Year end deferred charges	\$6,153,702	\$4,922,962.24	

3. Assessment Data			
Assessed value (as of 1/10)	\$3,106,630,800	\$2,524,921,690	\$2,509,823,023
Average Residential Assessment	\$141,530	\$121,200	\$124,426
Number of tax appeals granted		2,102	
Amount budgeted for tax appeals	\$	\$	\$
Refunding bonds for tax appeals	\$-0-	\$-0-	\$

4. Full time Staffing Levels			
Uniformed Police - Staff Number	251	251	252
Total S&W Expenditures	\$27,345,436	\$27,345,436	\$26,697,344
Uniformed Fire - Staff Number	191	175	190
Total S&W Expenditures	\$18,093,804	\$18,639,459	\$19,077,687
All Other Employees - Staff Number	384	682	850
Total S&W Expenditures	\$24,678,909	\$24,131,314	\$27,822,884

5. Impact of Proposed Tax Levy

			Amount
Current Year Taxable Value			2,509,823,023
Introduced Tax Levy			42,773,378
Proposed Municipal Tax Rate	1.704	Average Res. Value (#4 above)	124,426
Current Year Taxes on Average Residential Value (#4 above)			2,120.52
Prior Year Taxes on Average Residential Value			2,238.42
Proposed Increase in average residential taxes			-0-

VII. Application Year Budget Information

A. Year of latest revaluation/reassessment

2020
A1. Most current equalized ratio 93.15

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	
1%		
2. Amount of appropriation cap bank available going into this year		
\$1,600,342.14		
3. Is the Application Year budget at (appropriation) cap? If NO, amount of remaining balance		
\$53,754,340		
4. Does the Application Year anticipate use of a waiver to exceed the appropriation cap? If YES, amount:		X
\$-0-		

C. List the five largest item appropriation increases:

Appropriation	Prior Year Actual	Application Year Proposed	\$ Amount of Increase
Department of Administration – Salaries & Wages	3,273,500	4,051,068	777,568
Department of Public Safety – Salaries & Wages	52,442,821	53,585,513	1,142,692
Department of Public Works – Salaries & Wages	5,279,888	53,585,513	1,122,912
Department of Public Works – Other Expenses	7,061,849	8,881,040	1,819,191
Debt Service	35,298,705	36,891,490	1,592,784

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	42,234,210	106,900,000	2,395,087.50	75,069,873	132,240,134
Second year	41,743,282	107,050,000	2,035,824.00	76,571,271	139,040,549
Third year	40,395,637	107,200,000	1,730,450.72	78,102,696	138,009,106

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		8/26/2019		
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 2019 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:	August 2019	
3. On what dates were tax delinquency notices sent out in 2019: Date:	2/16, 5/17 9/20, 11/22 – Tax Sale 12/6 – Tax Sale	
4. Date of last tax sale: Date:	12/16/2019	

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:

2018	\$957,492	2019	\$2,005,480	Anticipated Application Year:	\$1,500,000
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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 2019?

2.25%

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	12/31/2022	Signed 8/26/2019
PBA	12/31/2015	No Ongoing Negotiations
Police Superior Officers Association	12/31/2015	No Ongoing Negotiations
White Collar	12/31/2021	
Blue Collar – Teamsters Local 331	12/31/2021	
IBEW	12/31/2021	
Alliance of AC Supervisory Employees	12/31/2021	

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	2019 PILOT Billing	2020 Assessed Value	2020 Taxes If Billed in Full at 2019 Total Tax Rate	Term of Tax Abatement
Housing PILOT	Housing PILOT	\$3,388,050	Not Yet Available	\$30,256,838.59	Various

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
Compensated Absences	1,000,000	1,000,000	Terminal Leave is capped at \$15,000
Longevity			Dollar Amount Capped at 12/31/2018 Rates

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
Tipping Fees	-\$0-	-\$0-	The County of Atlantic County is paying up to \$955,300

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	Minimal		
Sewer Fees	<input type="checkbox"/>			
Water Fees	<input type="checkbox"/>			
Swimming Pool	<input type="checkbox"/>			
Uniform Construction Code	X	Yes		
Uniform Fire Code	X	Yes		
Land Use Fees	X	Yes		
Parking Fees	X	Yes		
Beach Fees	<input type="checkbox"/>			
Insert other local fees below:	<input type="checkbox"/>			
Land Use Escrow fees for in-house staff	X	Yes		
Land Use Escrow fees for independent contractors	X	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)
Tipping Fees	County of Atlantic	\$955,300	2020
Fuel	Atlantic County Cooperative	\$500,000	2019
Elevator Inspections	Pleasantville, Ventnor, Margate, Longport	\$56,000	2019
Demolition Program	Atlantic County Improvement Authority	\$25,000	2019
Special Tourism Police Officer	Casino Reinvestment Development Authority	\$1,000,000	2020
Various Cooperative Purchasing Program	NJ Department of Purchase & Property	Varies	2019
Various Cooperative Purchasing Program	ESCNJ	Varies	2019
Electric & Natural Gas Supply	South Jersey Power Cooperative	\$1,000,000	2019
Rock Salt	Atlantic County Cooperative	\$500,000	2019
Various Items	Ocean City	Varies	2019
Various Cooperative Purchasing Program	Somerset County Cooperative	Varies	2019
Various Cooperative Purchasing Program	Sourcewell Cooperative	Varies	2019
Various Cooperative Purchasing Program	Houston Galveston Cooperative	Varies	2019

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	2019 Full Time Staffing	2020 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

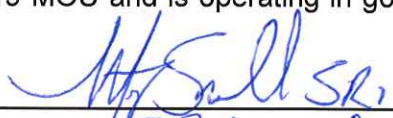
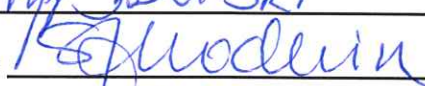

XII. Agreement to Improve Financial Position of Municipality

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 2019 MOU and is operating in good faith to correct those area of noncompliance that have been identified.

Mayor:  Date: 4/3/2020
 Chief Financial Officer:  Date: 4/3/2020
 Chief Administrative Officer:  Date: 3 Apr 2020

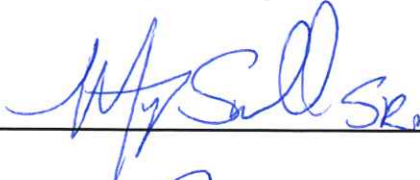
XIV. CAMPS Certification (County and Municipal Personnel System - Civil Service municipalities only)

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."

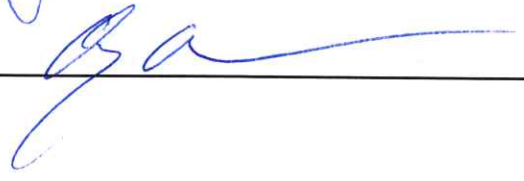
Human Resources or Personnel Director: _____ Date: _____
 Chief Administrative Officer: _____ Date: _____

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: 4/3/2020

Chief Financial Officer:  Date: 4/3/2020

Chief Administrative Officer:  Date: 3 Apr. 2020