

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:		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 2019	CY 2018	CY2017
\$ 550,000.00	\$ 450,000.00	\$ 356,000.00

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:	\$ 475,000.00
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If not seeking a decrease, a letter from the Mayor is required. See Local Finance Notice 2020-5

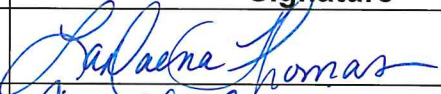
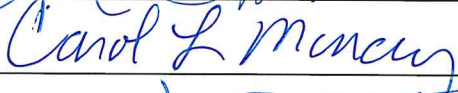

III. Submission Requirements

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
2019 Annual Financial Statement	03/02/2020
2018 Annual Audit	11/12/2019
2018 Corrective Action Plan	3/09/2020
Application Year Introduced Budget	3/31/2020
Budget Documentation Submitted to Governing Body	3/20, 3/23, 3/24 & 3/25/2020

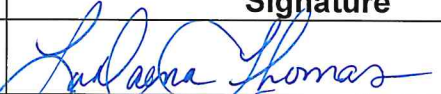
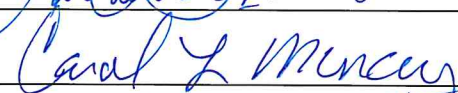
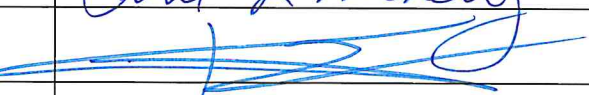
IV.A Application Certification

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		4/2/20
Governing Body Presiding Officer		4/2/20
Chief Financial Officer		4/2/20
Chief Administrative Officer		

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		4/2/20
Governing Body Presiding Officer		4/2/20
Chief Financial Officer		4/2/20
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 2020, some of these are continuing conditions mentioned in prior applications which are updated. Since the 2019 Application, the redeveloper did not abide by the terms of the redevelopment agreement and the Borough had to terminate the contract and remove Riverwalk junction as the redeveloper. The Borough is continuing its best efforts in bring Development to the Riverfront, which is the Municipality best assist and best hope in becoming self-sufficient. Additional update on redevelopment will be in Section **V-C: Actions to Reduce Further Aid**.

FACTOR 1:

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 \$18,662.00 versus the state average of \$ 40,895.00, which is 45.6% lower than the New Jersey State average. Medium household income for Penns Grove is \$ 34,500.00 versus the state average of \$ 79,363.00, which is 43.4% lower than the New Jersey State average. Persons below poverty levels in Penns Grove are at 32.50% versus New Jersey State average of 10.40%, which is more than double the state average Unemployment rate as of March 2019 is 5.5% vs New Jersey State average of 4.1%. As the data suggest, the Borough of Penns Grove qualifies as distressed

FACTOR 2:

The Borough suffers from a high percentage of properties, which are non-ratable. As of 2020, it is estimated that **35.22%** 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: 2020 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. Tri-County Community Action Agency.
5. Puerto Rican Action Committee of Salem County.
6. Travelers Temple Association
7. Salem County Counseling Services.

D. Churches:

The Borough of Penns Grove presently has fourteen (13) active churches within it's' boundaries that own twenty-two (15) 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 (35.22%), there is a tremendous burden placed on the existing (64.78%) 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 \$ 22,213.74 in 2019. 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 **\$42,000.00** 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 for the 120 unit complex.

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 2019, a Penns Grove homeowner with an average assessment of **\$ 87,000.00** paid **\$1,976.64** 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 \$ 22,213.74 in 2019. 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 - \$116.91 per unit payment.

The Penn Village Apartments - Payment in Lieu, \$ 350.00 per unit.

Mallard Park - \$ 708.86 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 2020 in the amount of \$1,478,000.00 for Salaries & Wages and Other Expenses. Factoring in \$ 720,226.86 for Health Insurance Payments, which includes \$ 434,810.86 in payments for retiree's and officers retired on disability. The grand total for the Police Department is \$ 2,198,226.86. This amount represents over 31.61 % of the 2020 introduced budget for the Borough of Penns Grove.

FACTOR 4:

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 12/31/2019 is \$139,049.08. The Budget Appropriation for 2020 is \$27,809.82 (See attached Appendix B for information concerning Tax Appeal Judgement and Appendix C Tax Appeal Calculation.)

FACTOR 5:

For the Health and Public Safety for the residents of the Borough of Penns Grove, it was necessary for the Borough to replace the 1989 Aerial ladder and 1994 Pumper and replace with a new Aerial Ladder. (See Attachment D). The Borough was able to acquire \$ 400,000.00 in funding from Small Cities, but had to authorize debt in the amount of \$ 534,600.00. First principal payment is \$ 53,460.00

FACTOR 6:

Mandated to do a Revaluation, Budget Appropriation of \$ 68,000.00 in 2020 Budget.

FACTOR 7:

Loss of ratable for 2020 in the amount of \$ 637,400.00, which results in a decrease of \$ 32,054.86 in total tax revenue of which \$ 14,666.57 is local tax revenue (based on 2019 Tax Rate.).

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
Revenue	\$ 940,157.68	\$ 1,033,218.05	\$ 93,060.39
Description:	Reserve for Uncollected Taxes		
Appropriation: Payment of Bond Anticipation Notes and Capital Notes	\$ 110,000.00	\$ 207,460.00	\$ 97,460.00
Description:	Payment for Fire Apparatus, \$ 44,000.00 is from Capital Reserve.		
Appropriation: Administrator S&W	\$.00	\$ 50,000.00	\$ 50,000.00
Description:	Waiting upon second reading and Salary Discussion		
Appropriation: Police S&W	\$ 1,338,539.00	\$ 1,394,000.00	\$ 55,461.00
Description:			
Description:			
Description:			
Description:			
Description:			

- Reserve for Uncollected Taxes Appropriation would have been \$ 1,140,904.26, an increase of \$ 200,746.60 from 2019 if the actual prior year collection percentage of 83.97 was used instead of a resolution to authorizing the Three Year Average Calculation. This reduced the 2020 Reserve for Uncollected Taxes Appropriation by \$ 107,686.21

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 working with another redeveloper who has expressed interest in building a strip mall on Virginia Avenue or in that area. The Borough is currently working with the redeveloper to help secure the necessary property to help develop the plans that they intend to pursue.

WAWA:

2. The Borough has entered into a redevelopment agreement with ZAWA Penns Grove, Inc. to construct a new Wawa on the corner of Main Street and Virginia Avenue. This will be a Super Wawa and construction shall commence by November 2020 and be completed by the end of 2021. In addition to the Wawa, the plans shall relocate the businesses currently located on that property to another portion of the property. The plans also include two pad sites for potential fast food establishments. A copy of the redevelopment agreement is attached. (See Appendix F).

HABITAT FOR HUMANITY:

3. During 2019, the Borough entered into a sales agreement with Habitat for Humanity to provide three properties to Habitat for the construction of three single family homes. This type of development helps clean up the community and clean up vacant properties which will hopefully spark interest and development in Penns Grove.

MEDICAL MARIJUANA:

4. The Borough of Penns Grove had several parties express interest in opening medical marijuana facilities in the Borough. The Borough welcomed the applicants and provided support to the applicants so that they could try to obtain the necessary licenses. So far, no licenses were issued for any Penns Grove location. The Borough remains interested in medical marijuana because it will result in tax dollars for the community and could spark additional development.

PROPERTY SALES:

5. In an effort to spark redevelopment in Penns Grove, the Borough conducted two mass sales of property in 2019. The first sale occurred in February 2019 and resulted in bids on 40 separate properties. The second sale occurred in June 2019 and resulted in another round of bids on 12 separate properties. It is the Borough's hope that such sales will result in the cleanup of the community, home ownership and development. The Borough was able to generate \$ 117,535.57 from the property sales.

IN REM FORECLOSURES

6. On February 12, 2020 the Borough received Final Judgment of Foreclosure on 10 separate properties. In addition, 7 properties were removed from that list by virtue of redemption of the tax sale certificates. The Judgment has been recorded with the County Clerk and those properties are now owned by the Borough of Penns Grove.

On September 12, 2019 we received Final Judgment of Foreclosure on 12 separate properties. In addition, 7 properties were removed from that list by virtue of redemption of the tax sale certificate. The Judgment has been recorded with the County Clerk and those properties are now owned by the Borough of Penns Grove. I have attached a copy of the Final Judgment. (See Appendix G).

On September 12, 2019 we received Final Judgment of Foreclosure on another 10 separate properties. In addition, 5 properties were removed from that list by virtue of redemption of the tax sale certificate. The Judgment has been recorded with the County Clerk and those properties are now owned by the Borough of Penns Grove. I have attached a copy of the Final Judgment. (See Appendix G)

In addition, on December 20, 2019, I filed a new complaint for In Rem foreclosure on 16 properties. (Copy of the Complaints are attached). Furthermore, on January 28, 2020, I filed a complaint for In Rem foreclosure on another 17 properties (See Appendix G).

Additionally, the Borough is expect to receive another round of properties to foreclose on shortly. Update on items 1 through 6 were provided by (Appendix H).

TAX COLLECTION PROCEDURES:

7. 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.
8. Cost savings implemented by the Police Chief (see Appendix M)
9. 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.
10. In order to maximize receipts of Court Revenues, the Borough of Penns Grove has received \$ 34,491.00 as of 2/29/2020 for an Outside Collections Agency. (See Appendix I.)
11. 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 2020 and 3.00% commission for prescription in 2020. The Actual value of commission for the last three years are:

- March 2018-February 2019 \$22,820.49
- March 2019-December 2019 \$14,695.88
- January2020-December 2020 \$17,511.94

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 \$ **25,170.55 or 3.40%** by not converting over to the State Plan for time period of 1/01/2020-12/31//2020. A requirement for enrollment into the is estimated at \$ **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	2018	2019	Introduced Application Year
1. Property Tax/Budget Information			
Municipal tax rate	\$ 4.033	\$ 5.029	\$ 5.126
Municipal Purposes tax levy	\$ 1.859	\$ 2.301	\$ 2.272
Municipal Open Space tax levy	\$	\$	\$
Total general appropriations	\$ 6,912,009.28	\$ 6,902,160.35	\$ 6,953,037.03
2. Cash Status Information			
% Of current taxes collected	82.65 %	83.97 %	%
% Used in computation of reserve	87.21 %	86.31 %	85.26 %
Reserve for uncollected taxes	\$ 864,899.62	\$ 940,157.66	\$ 1,033,218.05
Total year end cash surplus	\$ 105,139.47	\$ 486,155.13	
Total non-cash surplus	\$ 0.00	\$ 0.00	
Year end deferred charges	\$ 0.00	\$ 0.00	
3. Assessment Data			
Assessed value (as of 1/10)	\$ 167,205,200	\$ 137,375,200	\$ 136,737,800
Average Residential Assessment	\$ 106,000	\$ 87,000	\$ 87,000
Number of tax appeals granted	48	23	
Amount budgeted for tax appeals	\$ 0.00	\$ 0.00	\$ 0.00
Refunding bonds for tax appeals	\$ 0.00	\$ 0.00	\$ 0.00
4. Full time Staffing Levels			
Uniformed Police - Staff Number	15 FT Police, 1 FT Clerk, 2 Crossing Guards, 2 PT Booking Clerks,	15 FT Police, 1 Class 2, 1 FT Clerk, 2 Crossing Guards, 1 PT Booking Clerks, 1 SLEO 2	15 FT Police, 1 Class 2, 1 FT Clerk, 2 Crossing Guards, 1 PT Booking Clerks, 1 SLEO 2
Total S&W Expenditures	\$ 1,306,030.97	\$ 1,330,409.40	\$ 1,394,000.00
Uniformed Fire - Staff Number	N/A	N/A	N/A
Total S&W Expenditures	\$ N/A	\$ N/A	\$ N/A
All Other Employees - Staff Number	24	24	25
Total S&W Expenditures	\$ 420,543.46	\$ 466,695.60	\$ 516,747.00

5. Impact of Proposed Tax Levy

			Amount
Current Year Taxable Value			136,737,800
Introduced Tax Levy			3,146,113.05
Proposed Municipal Tax Rate	2.301	Average Res. Value (#4 above)	87,000
Current Year Taxes on Average Residential Value (#4 above)			2,001.73 (local only)
Prior Year Taxes on Average Residential Value			1,976.64 (local only)
Proposed Increase in average residential taxes			25.09 (local only)

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
Item		
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		
\$ 263,776.86		
3. Is the Application Year budget at (appropriation) cap? If NO, amount of remaining balance		
\$ 254,189.15		
4. Does the Application Year anticipate use of a waiver to exceed the appropriation cap? If YES, amount:		
\$ N/A		

C. List the five largest item appropriation increases:

Appropriation	Prior Year Actual	Application Year Proposed	\$ Amount of Increase
Payment of Bond Anticipation Notes and Capital Notes	\$ 110,000.00	\$ 207,460.00	\$ 97,460.00
Reserve for Uncollected Taxes	\$ 940,157.66	\$ 1,033,249.47	\$ 93,091.51
Police Salary and Wages	\$ 1,330,409.40	\$ 1,394,000.00	\$ 55,461.00
Administrator Salary and Wages	.00	\$ 50,000.00	\$ 50,000.00
Group Insurance Plans for Employees	\$ 807,755.51	4 847,000.00	\$ 22,490.00

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

Department/Agency	Position	Number	Dollar Amount
Administration	* Part-Time Administrator	1	\$ 50,000.00
	<ul style="list-style-type: none"> • As of application date, the second reading for Administrator has not been completed and the Salary has not been set. 		

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. (Edmunds System)	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 2019 2020	Court Admin:Clerk:CFO 2018
Average total cost percentage increase	1.44%	%	91% 1.39%	2.00,1.24,1.24%
Last contract settlement date	3/5/2019		1/19/18: 11/8/2018	
Contract expiration date	2021		2019:2021	

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 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: Foreclosure Complaints Filed 12/20/19 and 1/28/20. Final Judgement granted 02/12/20		12/20/19,1/28/20 and 2/12/20
3. On what dates were tax delinquency notices sent out in 2019: Mailed to Owners Date: Notice to Mortgage Company: E- Mailed 1/14/19, 2/13/19, 3/15/19, 5/15/19, 8/15/19, 8/29/19, 11/15/19, 12/10/19		2/14/19, 5/15/19, 6/18/19, 7/2/19, 11/5/19, 11/18/19, 12/11/19
4. Date of last tax sale: Date:		10/07/2019

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	\$ 3,809.91	2019	\$ 7,320.69	Anticipated Application Year:	\$ MRNA
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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 2019?
4. Left Blank Intentionally
5. The name and firm of the municipality's auditor?
6. When was the last time the municipality changed auditors?

.50 Annual Percentage Yield%
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	In Negotiations
Police Lieutenant	2020	
Police Association	2020	

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
Penn Village Apartments	Affordable Housing	\$ 42,000.00	\$5,895,600.00	\$ 296,489.72	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	\$ 174,440.92	Full force as such rate as agreed upon and so long as the successor entity qualifies under HMFA LAW
Penns Grove Housing Authority, which includes Silver Run Apartments	Affordable Housing	\$ 22,213.74	\$7,666,400.00	\$ 385,543.26	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.

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

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		Due to Social Economic Conditions, Council believes that providing programs will curb mischief and help promote the good aspects of the community.
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		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	\$ 64,644.19	2016
Inter Local Service Agreement for Public Work Functions including Trash Collection, Disposal, Storm Water Management, Recycling and Public Works Functions.	Carneys Point Township	\$ 623,484.61	2016
Inter Local Service Agreement for Dispatching Services	County of Salem	\$ 75,000.00	2016
Group Health Insurance – Medical (See Appendix J).	Southern Coastal Regional Employee Benefits Fund	\$ 553,860.00	Effective 7/1/18
Group Health Insurance – Prescription (See Appendix	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		8/31/2017

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	2019 Full Time Staffing	2020 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 31.61 % 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.

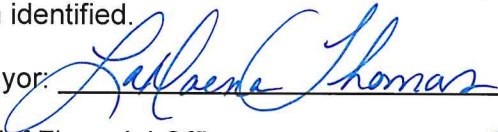

XII. Agreement to Improve Financial Position of Municipality

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

Mayor:  Date: 4/2/20
 Chief Financial Officer:  Date: 4/2/20
 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: *Jalena Thomas* Date: *4/2/20*

Chief Financial Officer: *[Signature]* Date: *4/2/20*

Chief Administrative Officer: _____ Date: _____