

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 Salem		County:	Salem
Contact Person:		Kenia Nunez		Title:	Deputy Treasurer
Phone:	856-935-0372 x206	Fax:	856-935-6360	E-mail:	KNunez@cityofsalemnj.gov

I. Aid History

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

CY 2019	CY 2018	CY2017
\$1,500,000	\$1,400,000	\$1,130,000

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

Amount of aid requested for the Application Year:	\$1,500,000
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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	March 31,2029
2019 Annual Audit	September 20, 2019
2019 Corrective Action Plan	November 18, 2019
Application Year Introduced Budget	April 20,2020
Budget Documentation Submitted to Governing Body	March 26, 2020

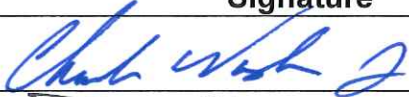
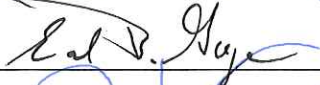

IV.A Application Certification

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

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		
Chief Administrative Officer		4/2/20

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.

See Attachment A

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
Anticipated Utility Fund Deficit	\$211,000	\$518,587.363	\$307,587.36
Description:	Appropriation Increase due to WS Utility Revenue shortage		
Financial Administration SW	\$97,000	\$138,608	\$41,608
Description:	Deputy Treasure hired to replace CFO who is retiring		
Street and Roads Maint. SW	\$362,369	\$399,264	\$36,895
Description:	Hired Laborer in 2019. Also 1.5 % increase for cost of living,		
Housing Inspection SW	\$52,848	\$73,700	\$20,852
Description:	Plan to hire to Housing Inspector @20K Per year		
Aid to Volunteer Ambulance	\$10,000	\$33,000	\$23,000
Description:	Paid Ambulance Service is charging due to lost grant. 25k yr		
Sanitary Landfill OE	\$124,007	\$135,000	\$10,993
Description:	Recycling tonnage fees increases also fines for contaminated loads		
Buildings and Grounds	\$70,000	\$80,000	\$10,000
Description:	Due to Covid 19 have to start cleaning bldgs., have not for years		

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

See Attachment B

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.

Using SHBP

VI. Historical Fiscal Statistics

Item	2018	2019	Introduced Application Year
1. Property Tax/Budget Information			
Municipal tax rate	\$3.602	\$3.631	\$3.879
Municipal Purposes tax levy	\$4,481,556	\$4,495,346	\$4,853,048.02
Municipal Open Space tax levy	\$NA	\$NA	\$NA
Total general appropriations	\$9,095,119.35	\$9,598,577.18	\$9,738,791.90
2. Cash Status Information			
% Of current taxes collected	77.67%	81.39%	%
% Used in computation of reserve	82.00 % 3yr avg	80.55% - 3yr avg	80.01%
Reserve for uncollected taxes	\$1,542,848.37	\$1,685,779.88	\$1,843,559.69
Total year end cash surplus	\$786,277.17	\$1,481,666.44	
Total non-cash surplus	\$0	\$5,542.96	
Year end deferred charges	\$0	\$0	
3. Assessment Data			
Assessed value (as of 1/10)	\$124,382,603	\$123,788,835	\$125,115,488
Average Residential Assessment	\$45,767.72	\$45,685	\$45,740
Number of tax appeals granted	5	18	
Amount budgeted for tax appeals	\$0	\$0	\$0
Refunding bonds for tax appeals	\$0	\$0	\$0
4. Full time Staffing Levels			
Uniformed Police - Staff Number	21	22	21
Total S&W Expenditures	\$1,694,185.82	\$1,724,195.01	\$1,757,980
Uniformed Fire - Staff Number	Volunteer	Volunteer	Volunteer
Total S&W Expenditures	\$NA	\$NA	\$NA
All Other Employees - Staff Number	21	22	23
Total S&W Expenditures	\$854,343.61	\$886,374.23	\$1,037,614.00
5. Impact of Proposed Tax Levy			
			Amount
Current Year Taxable Value			125,115,488
Introduced Tax Levy			4,853,048.02
Proposed Municipal Tax Rate	3.911	Average Res. Value (#4 above)	45,740
Current Year Taxes on Average Residential Value (#4 above)			1,774.25 (Local Only)
Prior Year Taxes on Average Residential Value			1,643.44 (Local Only)
Proposed Increase in average residential taxes			130.82 (Local Only)

VII. Application Year Budget Information

A. Year of latest revaluation/reassessment

2017
A1. Most current equalized ratio
90.82%

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	
3.5%		
2. Amount of appropriation cap bank available going into this year		
\$146,848.52		
3. Is the Application Year budget at (appropriation) cap? If NO, amount of remaining balance	X	
\$25,001.45		
4. Does the Application Year anticipate use of a waiver to exceed the appropriation cap? If YES, amount:		X
\$NA		

C. List the five largest item appropriation increases:

Appropriation	Prior Year Actual	Application Year Proposed	\$ Amount of Increase
Anticipated Utility Deficit	\$211,000	\$518,587	\$307,587.36
Finance Admin. SW	\$78,537.46	\$138,608.00	\$41,608.00
Streets and Roads Maint. SW	\$336,938.09	\$399,264.00	\$36,895.00
Aid to Volunteer Ambulance	\$8,640.68	\$33,000.00	\$23,000.00
Housing and Inspections SW	\$51,650.98	\$72,700.00	\$20,852.00

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

Department/Agency	Position	Number	Dollar Amount
Housing SW	Part Time Housing Officer	1	\$15,000

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	\$4,898,410	3,773,885	1,500,000	2,796,000	752,759
Second year	4,999,000	4,075,000	1,000,000	2,746,000	700,000
Third year	5,100,000	4,375,000	500,000	2,396,000	650,000

VIII. Financial Practices

A. Expenditure controls and practices:

Question	Yes	No
1. Is an encumbrance system used for the current fund?	X	
2. Is an encumbrance system used for other funds?	X	
3. Is a general ledger maintained for the current fund?	X	
4. Is a general ledger maintained for other funds?	X	
5. Are financial activities largely automated? If so, please identify system being used. Edmunds	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	2020	Volunteer	2019	2019
Average total cost percentage increase	1.75%	%	1.5%	1.5%
Last contract settlement date	2019		2016	
Contract expiration date	2022 (3yr)		2019 (4yr)	

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)	No	Volunteer	No	No
Wage Freezes (describe below)	No	Volunteer	Yes	Yes
In negotiations for contract with Blue Collar union.				
Layoffs (describe below)	No	Volunteer	No	No

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. Congenital Tax Sale Used On :Line		X
2. When was the last foreclosure action taken or tax assignment sale held: Date:	May 10, 2019	
3. On what dates were tax delinquency notices sent out in 2019: Date:	03 06, &12	
4. Date of last tax sale: Date:	03/11/2020	

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	\$1,143.56	2019	\$5,282.01	Anticipated Application Year:	\$0
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2. List the instruments in which idle funds are invested:

Bank Accounts	

3. What was the average return on investments during 2019?

.05%

4. Left Blank Intentionally

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

Bowman and Company

6. When was the last time the municipality changed auditors? 2004

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 FOP	2022	
Blue Collar's	2019	In Negations – two meetings
Crossing Guards	2022	

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
Harvest Point Block 106 Lot 3	Affordable Housing	\$375,954	\$11,050,000	781,125	30 Years
Senior Village Block 57 Lot 15	Sr. Citizen Housing	\$16,500	\$6,077,500	\$429,618	30 Years

Application Year: CY2020	Municipality:	County:
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**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
Clerk SW	\$85,348	\$78,244	Combined Clerk and Administrators position.
Commerce Director	0	\$65,000	Entered into a shred service with Salem City School Board.
			They will contribute \$40,000 towards the Director's Salary.

Application Year: CY2020 Municipality: County:

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
Gasoline	\$38,291	\$58,000	Cooperative Purchasing with Salem County.
Various			Cautious to lower line item due to fluctuating market.
			Appointed a Certified Purchasing Agent.

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

Local Revenues and services provided through the General/Current Fund	Check if services is provided	Are fees charged to cover the costs of the program?	If fees do not cover costs, what is the amount of subsidy?	If there is a subsidy, explain why fees cannot be increased to reduce or eliminate subsidy.
Recreation programs	<input type="checkbox"/>			
Sewer Fees	<input checked="" type="checkbox"/>	Yes		
Water Fees	<input checked="" type="checkbox"/>	Yes	\$518,587	We are raising fees in 2020
Swimming Pool	<input checked="" type="checkbox"/>	No	\$10,000	School District and Donations cover most costs
Uniform Construction Code	<input type="checkbox"/>	State No Charge		
Uniform Fire Code	<input type="checkbox"/>	State		
Land Use Fees	<input type="checkbox"/>			
Parking Fees	<input checked="" type="checkbox"/>	Meters		
Beach Fees	<input type="checkbox"/>			
Insert other local fees below:	<input type="checkbox"/>			
Land Use Escrow fees for in-house staff	<input type="checkbox"/>			
Land Use Escrow fees for independent contractors	<input type="checkbox"/>			
Trash Removal	<input checked="" type="checkbox"/>	Yes	\$80,000	Trash Stickers sold at \$1 per 33 gallon bag.

Application Year: CY2020	Municipality:	County:
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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)
Emergency Dispatch 911	Salem County	\$129,000	2012
Gas Pump Station	Salem County	Per Gallon	2018
Trash Removal	SJ Sanitation	\$93,000	2018 Low Bid
Code Enforcement	State of New Jersey	No Charge	By Statute
IT Services	Premier Technology	\$7,000	2019
Woodstown Ambulance	EMS Coverage	\$25,000	2020
Web Site Design and Maintenance	Green Technologies	\$2,400	2019

Application Year: CY2020	Municipality:	County:
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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	Street Dept. Saturday Hours		Sept. 1	1/2		\$6,000
2	Part time Housing Officer		Sept 1	0	1	\$15,000

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

Rank Order	Service	Cost Savings	Impact on Services
1	Recreation	\$10,000	Eliminate contribution to Pool
2	Cleaning Service	\$6,000	

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: _____

Chief Administrative Officer:  Date: 4-2-20

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: 4-2-20

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: Shah Wadood Date: 4-2-20

Chief Financial Officer: Davey Date: _____

Chief Administrative Officer: [Signature] Date: 4-2-20

ATTACHMENT A -- SECTION V-A
"EXPLANATION OF NEED FOR TRANSITIONAL AID"

Salem City is facing a financial crisis for CY 2020, with the following being the main contributors to the problem:

The City's request for 2020 is 1,500,000 based on the following reasons:

- ◆ City Received \$1,500,000 last year and our fiscal condition at the Water Sewer Utility has grown worse.
- ◆ The 2020 Water and Sewer Budget has an anticipated deficit revenue from the current fund in the amount of \$518,587 a 307,586 increase from 2019 (\$211,000 deficit in 2019)
- ◆ Estimated \$125,00 deficit for Finlaw Building operations. This year under the State lease new carpet is required.
- ◆ City is attempting to implement the State Resource Network (SRN) recommendation of establishing a "Senior Management Team". This year the City has duplication of salaries for CFO / Tax collector while the new CFO is being trained. The new CFO is taking the CTC classes in hopes of being certified in December of this year

As detailed below.

A. Salem City's Economy is weak.

Salem City resident's Median Household Income equals \$27,047. The poverty rate is an elevated 39.6% -Moody's report. Unemployment is currently at 29.4%.

Salem City (Wildwood, Camden & Atlantic City) had the highest percentage of residents making less than \$20,000 per year who paid more than 30 percent of their income for housing costs. - NJ.com Dec. 12, 2016

City population has declined 27% in the last 20 years.

Existing Municipal Revitalization Index Update (MRI): **Salem City ranked #1** which means the most distressed community.

Before the update, 2017 Municipal Revitalization Index: **Salem City ranked #2.**

B. The Water and Sewer Utility is under extreme financial stress.

The Water and Sewer utility realized 377,055 less in revenue than what was budgeted. The Utility has over the last 4 years been billing minimum charges because the meter reading system has not been recording accurate reads. This has resulted in loss water revenue. The last water shut off procedure did not produce many payments as in years past.

Also many capital needs have arisen over 2019 that could not be paid for like a new vacuum / jet truck. The old one could not be salvaged and the City must ren

rent one every time an emergency happens. He Public Works director, a certified engineer estimates that 3 million dollars in improvements are needed to keep the water and sewer plants properly operating. In 2 years the membrane at the water plant will need to be replaced at a cost of 2 million dollars. Under the Water Quality Accountability Act (N.J.S.A. 58:31-1 et seq.) the city will be required to budget 20% of operation costs for future capital improvements / maintenance of the plants and systems. This would be nearly impossible while operating in a deficit situation.

c. **Finlaw Building Deficit.** The Finlaw Building Redevelopment Project was a cooperative effort by the State, the Salem County Improvement Authority ("SCIA") and Salem City to redevelop a massive multi-story brick structure of historic significance located in the heart of Salem's downtown which had been abandoned, was in danger of collapse and had been acquired by Salem City through tax foreclosure into a modern day office building (with parking garage facilities across the street) for use by the State as the MVC facility for Salem County as well as housing a number of other state offices including DYFS, Public Defender, etc. as well as executive offices for SCIA in the basement. The project was financed through the issuance of \$19.5M in bonds through SCIA which were backed by the unlimited guaranty of Salem City all of which had been approved by the State Local Finance Board ("LFB").

After construction was completed and the State/SCIA took occupancy in 2009 it became apparent that the rental income was insufficient to pay the expenses of the building and amortize the debt service. This along with deficits that had arisen as a result of construction delays, cost overruns and protracted litigation with the contractor/architect, caused withdrawals from the Debt Service Reserve Fund which caused Moody's and other financial rating services to downgrade Salem City's credit rating to "junk bond status" (Ba3). As a result Salem could not successfully convert its outstanding BAN's into bonds and was facing default on existing BAN's until the LFB approved Salem's participation in the State Qualified Bond Program.

Although that crisis was averted, Salem cannot successfully raise capital through BAN's or bonds ... it is not even able to finance the purchase of a new ambulance, fire truck or necessary infrastructure improvements.

In Moody's most recent report (March 14, 2018 - copy attached) Salem's outlook remains negative. The Moody's report states – “the Ba3 underlying rating reflects the extremely high leverage caused by the City's large and probably unaffordable guaranty of debt issued to fund an office building project. The rating also reflects the limited tax base and weak resident wealth and income”

Finally, numerous articles have listed Salem as within the top 20 municipalities in the US likely to become bankrupt.

In CY 2012, after meetings with DLGS, Salem was directed to begin appropriating funds in its tax payer budget as necessary to fund the projected deficit on payments due on bonds. Although the utilization of the budgeted taxpayer funds has prevented further "material negative event" notices, Moody's has not increased the City's credit rating because the project has not achieved self-sustaining status. The debt service in the CY 2019 Budget is \$75,000 however appropriations since CY 2012 have totaled \$660,000 almost 52 cents added to the tax rate. As the building gets older, maintenance costs are rising. For example, under the lease terms the building 's interior must be painted every 3 years. The low bid from Certa Pros to paint the building this year was \$55,000. Carpet will need to be replaced in 2020. Salem needs assistance in inducing the principal tenant in the building (e.g., the State of New Jersey) to increase the base amount of the rent so that the project can become self-sustaining. In 2020 under the lease all carpet must be replaced at an estimated cost of \$100,000.

D. Establishing a "Senior Management Team"

The City's Business Administrator resigned in March of 2019. The City's acting clerk could not pass her first certification class. The CMFO / CTC who has been with the City 26 years is retiring in May 2020. This was recommended by the State Nation Resource study completed in December 2018. See attached. A Deputy Treasurer was hired in October 2019 to train for six months under the retiring CFO. The City hire an Administrator / Clerk in August of 2019. He is a certified Clerk, The Deputy Treasurer is attending Tax Collectors classes in hopes of becoming a certified tax collector (CTC) in December of this year.

Attachment B: V-C. Actions to Reduce Future Need for Aid

A. Economic Development

The City is taking an aggressive approach to gain fiscal recovery and economic revitalization, which it believes is the only way towards sustainable financial stability and quality of life for its community. To stimulate the economy the City began investing in economic development to capitalize on its assets. This includes investing in strategies using the city's Commerce Department and Brownfield Development Area Steering Committee (BDA). The Commerce Department and BDA Committee have completed its *Waterfront Redevelopment Zone Plan*, established a *Neighborhood Transformation Initiative*, and is collaborating with the County of Salem to revitalize the railroad. In addition, the City is actively marketing its resources and working with individual investors and government organizations to provide incentives for labor, energy, and taxes to those businesses locating in New Jersey. The mayor has been interviewed with Comcast Newsmakers and Latin Motion to market the Port area and NTI program. The City has secured a new firm, Empire Blended, which is establishing approximately 130 new jobs when it opens in the late spring of 2018. In addition, the brownfield area of the Ardagh plant recently sold and three separate companies are interested in securing space at the location, which may create an additional 400 jobs by the end of 2019. the city continues to provide site visits to its 400 acres of property to businesses and developers. The City has been experiencing increased interest in the properties and provides site tours every week.

The City was recently designated an *Opportunity Zone* by the Governor, which will allow for capital gain incentives to investors and was one of only 13 communities awarded the *State Resource Network (SRN)* grant by Commissioner Oliver for economic development technical assistance, including a financial recovery plan and economic development strategy.

In addition, the City has re-established a *Mayor's Task Force* to address the closed supermarket (Incollingos) and through a collaboration with Stand Up for Salem was able to secure a grant through *Salem Health and Wellness* to perform a feasibility study for a supermarket. This is the first step in attracting new investors. The City's established NTI program (Neighborhood Transformation Initiative) is a partnership with the *USDA* to increase homeownership in Salem. The initiative allows for Low/Moderate income households to receive loans at 0% down payment, 1% interest, up to 38- year mortgages. In addition, the City is looking into a possible partnership with NACA (Neighborhood Assistance Corporation of America) for similar homeownership incentives and help for people facing foreclosure.

The City continues to Collaborate with Stand Up for Salem, Salem County, Salem County Community College, the State of New Jersey, State of New Jersey Department of Labor, and the South Jersey Transportation Planning Organization, United States Department of Agriculture (USDA).

In 2020 the City hired a full time Economic Director at a cost of \$65,000 per year. The City then entered into a shared service agreement with the School District in which they will contribute \$40,000 towards his salary.

B: Plan to constrain or reduce staffing costs.

The City has eliminated staff in all departments throughout the last 4 years through attrition. In 2017 when the paid municipal alliance coordinator resigned, the City absorbed the duties with

current staff. The City settled its two major contracts Blue Collars and FOP just before reentering the TA program 3 years ago. The City settled with the FOP union in 2019 with a contract below 2% increase per year. The City is currently negotiating with the Blue Collars Union.

The City negotiated with the South Jersey Port Authority to move its one staff member into City facilities, as a shared service, eliminating \$15,000 in rent expense that is now applied to the City's budget for marketing of the Port.

The City is working with the Salem/Cumberland County Animal control and shelter committee to find alternatives to the SPCA, which substantially increased its costs from 2017.

C: Plan to eliminate , reduce or constrain the costs of non-essential services.

The City eliminated the recreation pragmats at the JB Campbell Community center due to decreased participation. The contract at the center was at a cost of \$20,000. The City hired licensed wastewater operator and terminated expensive consulting contract.

D: Plan to maximize recurring revenues.

The City instituted an abandoned property Ordinance two years ago. This year the fee increases from \$1,000 to \$1,500.

In 2020 the City is evaluating the sale of its Water Sewer system due to two consecutive years of running at an operating deficit. This evaluation was recommended in the State Resource Network study (page 48 & 49) in 2018.

In April the City will introduce an Ordinance increasing Water and Sewer rates by 3%..

The City passed In Rem Tax Foreclosure resolutions on May 6, 2019 (13 Properties totaling \$979,624 in unpaid charges) and November 19, 2018 (30 Properties totaling \$1,338,023 in unpaid charges). One of the properties being foreclosed on is the old glass plant, the City's largest ratable. The company that held the mortgage on the glass plant pad in the City (redeemed the lien) all back taxes including 2019 charges. This increased the City's year end surplus and help raise the 2019 collection percentage by 3.72 %. The City hired special labor counsel Keith Bonchi to execute these and all future In Rem foreclosures. Mr. Bonchi is the counsel to the NJ Tax Collectors Association and an expert in In Rem tax foreclosures in New Jersey. The City will prepare an IN Rem Foreclosure list of at least 30 properties in 2020. The City is also exploring selling (assigning) some of the Municipally held liens,

E: A Plan to address findings contained in various audits.

A letter was sent this year to the Division of Local Government Services addressing a corrective action plan to address repeat audit findings.

Trust Other funds; TTL reserve: New process has been implemented. All deposits will be recorded in a Ledger with dates of receipt and disbursement and balance by certification number. Internal controls are being created to address timing issues of lien holder notification for certificates. The City is posting a Request for Qualifications to hire an attorney to investigate all liens that have passed to bankruptcy.

Liens ledger: The 2017 Annual Financial Statement has been completed. The auditor has identified the liens to be removed and worked with the CFO to reconcile the ledger.

General Ledger: The 2019 Annual Financial Statement has been completed. We started with firm 2019 beginning balances and continue to maintain revenue in Edmunds and post the clearing account entries. The Deputy Treasurer, future CFO, has been posting to the General Ledger daily.,

Other: Bank Reconciliations and Health Benefit Payments have been made current.

2020 Budget Worksheet
 General Administration

Schedule 1

		2019 Base	Raise	2020 Total	Gen Budget	WS Budget
Bern Angelli	Administrator	40,000.00	1.50%	40,600.00	40,600.00	0.00
Charles Bailey *	Commerce Dir.	65,000.00	1.50%	65,975.00	30,000.00	

* 40K Paid by School Bd. 35,975 offset salary

20 Budget	70,600.00
19 Budget	71,000.00
20 Increase	(400.00)

2020 Budget Worksheet
 Clerk Salary and Wages

Schedule 2

Union 1.5%	2019 Base	Raise	2019 Total	Gen Budget	WS Budget
Ben Angelini	40,000.00	1.5%	40,600.00	40,600.00	0.00
Jane Pankok	37,088.00	1.5%	37,644.00	37,644.00	0.00
			20 Budget	78,244.00	
			19 Budget	85,594.00	
			Decrease 19	(7,350.00)	

2020 Budget Worksheet
 Finance - SW

Schedule 3

		2019 Base	Raise	2020 Total	Gen Budget	WS Budget
David Crescenzi (11 Mos)	CFO / Tax Collect	100,473.00	0.015	93,482.00	62,633.00	30,849.00
Kenia Nunez(6mos @85K)	Deputy Treasurer	65,000.00	0.0150	75,975.00	75,975.00	
				20 Budget	138,608.00	
				19 Budget	97,000.00	
				20 Increase	41,608.00	

2020 Budget Worksheet
 Tax Collection

Schedule 4

		2019 Base	Raise 2019	2019 Gen Budget
Trenee Thompson	Prin PR Clerk	\$39,500.00	1.5%	\$40,092.50
		20 Budget		\$40,092.50
		19 Budget		\$39,325.00
		Increase		\$767.50

		2019 Base	Raise	2020 Total
Carol Wright	Housing Officer	52,848.00	1.50%	53,640.72
PT Housing Officer	Housing Officer	20,000.00	0.00%	20,000.00
			20 Budget	73,640.72
			19 Budget	52,848.00
			20 Increase	20,792.72

2020 Budget Worksheet
Street SW

Last Name	First	Title	Hire Date	Gross Salary	2019		2020	
					Union 1.5%	OT 2019	2020	OT 2019
Cagle	Gene	Sr.Mechanic	06/15/93	72,143.00	1.50		73,225.15	3,918.00
Ray	Howard	Gen Supervisor	05/01/88	\$77,760.00	1.50		78,926.40	0.00
Carter	Bobby	Laborer	02/07/05	47,010.00	1.50		47,715.15	4,204.00
Wygor	Charles	Equip Operator	08/05/06	58,101.00	1.50		58,972.52	5,488.00
Thompson	Jamar	Laborer	02/06/17	39,427.00	1.50		40,018.41	3,982.00
Fahaber	Dave	Laborer	04/01/19	38,996.00	0.00		40,889.00	2,802.00
Alissa	Miquel	Laborer	02/18/20	36,427.00			37,517.00	
					2020 Budget		377,263.62	20,394.00
					OT		22,000.00	
					Budget		399,263.62	
					2019 Budget		362,369.00	
					Increase		36,894.61	

2020 Budget Worksheet
Street Cleaning

Last Name	First	Title	Hire Date	Gross Salary	2019		2020	
					Union 1.50	OT	2020	OT
Thompson	Brian	Mechanic	05/01/06	46,920.00	1.50		47,623.80	4,916.00
					2020 Budget		47,623.80	
					OT		5,000.00	
					Budget		52,624.00	
					2019 Budget		52,997.00	
					Decrease		(373.00)	

2020 Budget Worksheet
Police SW

Last Name	First	Title	Hire Date	2019		2019		19 OT		Union 1.75		2020	
				Gross Salary	Longevity								
Brooks	Michael		06/18/07	79,550.43	3,381.34			9,795.72				84,383.08	
Brown	Robert D.		03/26/01	\$74,462.56	\$3,684.56			\$12,325.30				79,514.69	
Christy	Walter R.		07/24/06	\$74,455.20	\$2,947.68			\$8,055.81				78,757.43	
Dimauro	Dale R.		04/01/16	\$66,637.68	\$0.00			\$15,593.43				67,803.84	
Hogate	Douglas L.		03/27/17	\$32,580.00	\$0.00			\$1,920.00				33,150.15	
Hoglen	Larvie A.		08/27/17	\$74,455.20	\$2,947.68			\$4,725.15				78,757.43	
Klien III	Robert		03/05/18	\$56,646.12	\$0.00			\$16,904.49				57,637.43	
May	Sean W.		08/27/19	\$74,455.20	\$2,947.68			\$3,830.87				78,757.43	
McMullen	Christopher		07/01/06	\$79,550.43	\$3,149.36			\$1,524.62				84,147.04	
McDonald	Andrew D.		08/02/15	\$70,259.34	\$0.00			\$7,153.48				71,488.88	
Mease	Matthew		04/01/16	\$73,009.50	\$0.00			\$9,868.14				74,287.17	
Pelura	John		01/05/98	\$90,480.24	\$7,153.66			\$0.00				99,342.49	
Pelura	Michael		06/07/04	\$74,462.56	\$3,684.56			\$17,325.90				79,514.69	
Pew	Christopher		01/01/93	\$81,109.68	\$6,412.88			\$613.41				89,054.20	
Riley	James P.		03/05/18	\$56,646.12	\$0.00			\$14,220.14				57,637.43	
Robinson	William		03/01/95	\$79,578.69	\$6,037.72			\$8,296.53				87,114.70	
Simpkins	Sean W.		03/07/11	74,451.62	2,579.20			7,931.29				78,378.86	
Smith	David		01/25/95	79,579.66	6,312.96			8,059.46				87,395.74	
Wentz	Alisa A.		03/04/19	35,402.53	0.00			2,777.26				58,991.00	
Callahan	Dominique			43,315.13								44,073.14	
Vanaman	Sharron			42,549.82								43,294.44	
X Guards				80,000.00								81,400.00	

150,921.00 2020 Budget 1,594,881.26
 OT 154,000.00
 Budget 1,748,881.26
 2019 Budget 1,757,980.00
 Decrease (9,098.74)

SCHEDULE OF WATER SEWER UTILITY BUDGET - 2019

BUDGET REVENUES

Source	Budget	Received in Cash	Excess or Deficit*
Operating Surplus Anticipated 91301-	100,000.00	100,000.00	-
Operating Surplus Anticipated with Consent of Director of Local Government 91302-			-
Water & Sewer Rents	2,424,757.00	2,182,212.75	(242,544.25)
Miscellaneous	576,307.00	441,795.97	(134,511.03)
			-
			-
			-
Reserve for Debt Service 91307-			-
Capital Fund Balance			
Added by N.J.S. 40A:4-87:(List)	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX
			-
			-
Subtotal	3,101,064.00	2,724,008.72	(377,055.28)
Deficit (General Budget) ** 91306-	211,000.00	211,000.00	-
91307-	3,312,064.00	2,935,008.72	(377,055.28)

** Amount in "Received in Cash" column for "Deficit (General Budget)" and amount expended for "Surplus (General Budget)" must agree with amounts shown for such items on Sheet 45.

STATEMENT OF BUDGET APPROPRIATIONS

Appropriations:	XXXXXXXXXX
Adopted Budget	3,312,064.00
Added by N.J.S. 40A:4-87	
Emergency	
Total Appropriations	3,312,064.00
Add: Overexpenditures (See Footnote)	
Total Appropriations and Overexpenditures	3,312,064.00
Deduct Expenditures:	
Paid or Charged	3,293,064.50
Reserved	18,999.50
Surplus (General Budget)**	
Total Expenditures	3,312,064.00
Unexpended Balance Canceled (See Footnote)	-

FOOTNOTES: - RE: OVEREXPENDITURES:

The Need to Evaluate City Assets:

Salem's Water / Sewer Utility

- Salem's Water and Sewer Utility has been self-sustaining in recent years, though the fund depends on the use of prior-year surplus as a source of revenue.
- However, the system's outdated water meters are negatively impacting the City's ability to collect revenue:
 - A 2017 report by Water Resource Management (WRM) found that a sample pool of meter reads resulted in a 49 percent failure rate.
 - WRM was unable to determine the total amount of revenue Salem is losing out on as a result of the system's faulty water meters.
- Based on the City's 2017 audit, the Water/Sewer Utility's cash collections decreased by approximately 5 percent from 2015 to 2017.
- To avoid a potential Water/Sewer Utility deficit from uncollected revenue, Salem could evaluate monetizing or leasing its Water/Sewer Utility.
 - Salem's newly hired Utility Director should work with legal counsel and the City leaders to determine if a one-time cash infusion from an asset monetization would offset potential risks.

The Need to Evaluate City Assets:

Water System Monetization in New Jersey

- Other New Jersey municipalities have monetized or considered monetizing their water and sewer systems in recent years:
 - West Milford, NJ is nearing the close of its \$12.5 million water system sale to Suez Water New Jersey Inc. The \$12.5 million sale price covers \$5 million in debt owed to the NJDEP for system violations.
 - The water system in High Bridge, NJ was valued by American Water at \$4.12 million. High Bridge voters rejected the sale in November 2017.
 - American Water also bid \$11 million for the water system in Long Hill, NJ. Voters rejected the sale in November 2017.
- Salem has pursued this option in the past and could revisit.
 - The City is also looking into upgrading the water meters and is pursuing grant funds to do so.

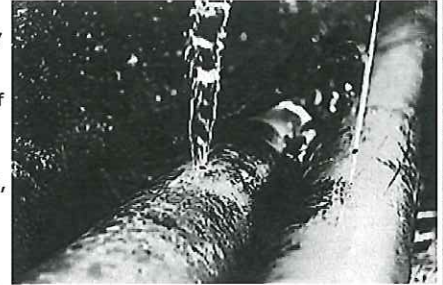


- Water Supply Home
- Drinking Water Customers
- Drinking Water Systems
- Wells
- NJ Geological and Water Survey
- Water Allocation
- General Information
- Contact Us
- Open Public Records Act (OPRA)

Water Quality Accountability Act (N.J.S.A. 58:31-1 et seq.)

- Background
- Requirements
- FAQs
- Resources
- Funding
- Contact Info

What is the Water Quality Accountability Act?
The Water Quality Accountability Act, P.L. 2017, c. 133 (WQAA), enacted on July 21, 2017, established new requirements for purveyors of public water to improve the safety, reliability, and administrative oversight of water infrastructure. The WQAA became effective on October 19, 2017. The full text of the Act, N.J.S.A. 58:31-1 et seq., can be found [here](#).



Who does the Water Quality Accountability Act affect?
The Act applies to public water systems with more than 500 service connections, which is approximately 300 water systems in New Jersey.

What are the new requirements created by the Water Quality Accountability Act?

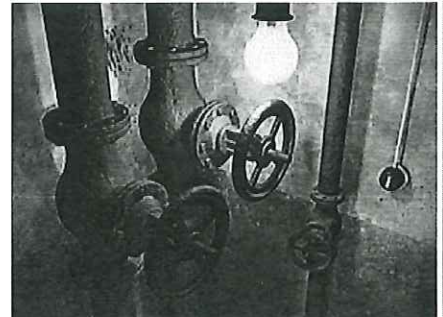
The Act requires purveyors to create and implement an asset management plan designed to inspect, maintain, repair, and renew its infrastructure consistent with standards established by the American Water Works Association. In addition, the Act also specifies a methodology for routinely testing valves and fire hydrants. Also, the Act supplements the Safe Drinking Water Act (N.J.S.A. 58:12A- 1 et seq.), by requiring the submittal of a mitigation plan by purveyors that exceed a certain number of violations in a within any 12-month period. Purveyors regulated by the Act that have internet connected control systems will also need to create cybersecurity programs and join the NJ Cybersecurity and Communications Integration Cell.

How will the Water Quality Accountability Act be implemented by the NJDEP?

While the Act establishes the New Jersey Department of Environmental Protection (NJDEP) as having a central role in its implementation, it also identifies several other agencies (New Jersey Board of Public Utilities, New Jersey Office of Homeland Security and Preparedness, and the New Jersey Department of Community Affairs), with essential roles. The NJDEP is committed to the successful implementation of the Water Quality Accountability Act, and is working to identify all options for implementation that will improve the reliability, resiliency, and sustainability of NJ's water utilities, ultimately improving the protection of public health and the environment. NJDEP continues to coordinate with partner agencies and also initiated the stakeholder process with a meeting held on November 27, 2017, to solicit comments/input.

Valves (Section 3)

Component	Requirement
Valves Greater than or equal to 12"	Inspect every 2 years – by 10/19/2019 and every other year thereafter
All other valves	Inspect every 4 years – by 10/19/2021 and every four years thereafter
All valves	GPS to the extent possible
Repair all valves when found to be broken or otherwise not operational	Beginning 10/19/2017



Inspection includes:

1. clearing the area
2. cleaning out valve box
3. dynamic testing – opening and closing valve according to manufacturer or the number of turns equal to 15% of completely open

Hydrants (Section 3)

Component	Requirement
All fire hydrants	Test annually – by 10/19/2018
	Implement a plan for hydrants and dead mains
	GPS all to the extent possible
	Label each with the purveyor's name (eg. Abbreviation or corporate symbol), as well as an identifying number or symbol, with paint, brand, or soft metal plate



Cybersecurity Plans (section 4)

Existing MRI Update

As the MRI had not been updated since 2008, DCA initially updated the index using the existing methodology with the latest data. All eight indicators were updated.

Existing MRI Update Results

The following table lists the top 25 highest-ranking municipalities on the existing MRI Update. Lower values on the Index indicate more distress, while higher values indicate less distress. The rankings are structured such that #1 means the most distressed community, while #565 is the least distressed. It is important to note that the ranks are less meaningful among the lowest ranks of the existing MRI, and the distress differences are slight. Therefore, only the top-ranking municipalities on the MRI should be considered as "distressed." In order to show absolute measures of distress, Index values are presented such that differences in the magnitude of distress between any two municipalities can be compared independent of rank. In addition, each of the variables are scaled by an appropriate variable (for example, population, labor force, or number of housing units) to ensure strict comparability between communities.

Existing Municipal Revitalization Index Update, Top 25 Municipalities

		2017 MRI Index		Social Indicators				Economic Indicators				Fiscal Indicators				Infrastructure Indicators			
		2017 MRI Index	MRI Rank	Population Change (2008-2014)		Unemployment Rate (2014)		Per Capita Income (2014)		Unemployment Rate (2014)		Population Per Property Tax Rate (2014-2016)		Quality of Property Valuation Per Capita (2014)		Wasting Rate (2014)		Substandard Housing (2014)	
Municipality	County			Rank	Value	Rank	Value	Rank	Value	Rank	Value	Rank	Value	Rank	Value	Rank	Value	Rank	Value
Salem city	Salem	-17.23	1	12	-1.1%	6	18.4	18	\$18,000	4	14.1%	5	4.82	9	\$30,568	105	56.2%	23	1.3%
Winfield township	Union	-17.13	2	409	0.6%	434	0.0	141	\$30,270	213	6.5%	1	18.60	2	\$10,853	5	87.1%	257	0.0%
Penns Grove borough	Salem	-16.17	3	41	-0.7%	12	12.3	8	\$15,713	26	9.8%	14	4.35	7	\$27,080	58	63.2%	1	2.9%
Atlantic City city	Atlantic	-13.72	4	184	-0.2%	4	19.7	16	\$18,162	5	13.2%	86	3.31	368	\$163,937	194	48.4%	33	1.2%
Camden city	Camden	-13.34	5	127	-0.3%	3	23.2	1	\$13,412	12	11.1%	203	2.78	5	\$22,145	55	63.5%	112	0.5%
Widwood city	Cape May	-13.00	6	67	-0.6%	8	15.9	40	\$22,812	1	20.3%	375	2.24	486	\$276,210	114	55.7%	257	0.0%
Egg Harbor City city	Atlantic	-12.42	7	199	-0.2%	11	13.9	29	\$20,905	23	9.9%	18	4.25	42	\$55,141	51	64.7%	23	1.3%
Trenton city	Mercer	-11.28	8	201	-0.1%	10	14.6	12	\$16,914	61	8.0%	6	4.77	8	\$28,013	18	72.7%	112	0.6%
Woodlynne borough	Camden	-11.20	9	211	-0.1%	20	9.5	9	\$16,113	51	8.3%	2	7.56	6	\$23,363	41	66.6%	257	0.0%
Bridgeton city	Cumberland	-10.73	10	188	-0.2%	7	17.6	2	\$13,763	22	10.0%	16	4.30	3	\$19,269	177	49.6%	219	0.1%
Seaside Heights borough	Ocean	-10.69	11	210	-0.1%	1	31.1	14	\$17,793	67	7.8%	443	2.04	448	\$220,392	186	48.8%	257	0.0%
Sussex borough	Sussex	-10.34	12	30	-0.8%	31	7.3	34	\$22,001	106	6.9%	131	3.07	63	\$62,186	32	68.3%	10	2.0%
Paterson city	Passaic	-9.83	13	312	0.2%	9	15.2	10	\$16,142	20	10.1%	40	3.80	15	\$42,592	122	55.1%	136	0.4%
Irvington township	Essex	-9.49	14	277	0.1%	26	8.3	23	\$19,465	47	8.5%	9	4.56	11	\$37,551	71	61.2%	41	1.1%
Downe township	Cumberland	-9.03	15	31	-0.7%	71	3.9	42	\$22,928	59	8.1%	377	2.24	185	\$98,704	148	61.8%	4	2.5%
Audubon Park borough	Camden	-8.64	16	130	-0.3%	241	1.0	95	\$27,852	30	9.7%	3	5.38	4	\$20,746	2	94.6%	257	0.0%
Phillipsburg town	Warren	-8.28	17	55	-0.6%	27	8.2	51	\$23,986	150	6.2%	69	3.45	31	\$50,444	19	72.1%	58	0.9%
Wrightstown borough	Burlington	-8.23	18	228	-0.1%	2	26.4	37	\$22,619	174	5.9%	231	2.70	22	\$47,140	338	36.7%	257	0.0%
East Orange city	Essex	-8.18	19	285	0.1%	19	9.5	33	\$21,656	43	8.6%	12	4.42	14	\$41,716	135	53.6%	97	0.8%
City of Orange township	Essex	-8.09	20	310	0.2%	48	5.3	19	\$19,085	67	7.8%	19	4.19	26	\$47,610	105	56.2%	19	1.4%
Pleasantville city	Atlantic	-7.86	21	387	0.4%	17	11.0	15	\$17,857	10	11.6%	23	4.07	12	\$37,801	289	40.1%	183	0.2%
Passaic city	Passaic	-7.74	22	379	0.4%	22	8.8	4	\$14,956	61	8.0%	121	3.13	25	\$47,621	42	66.3%	58	0.9%
Alpha borough	Warren	-7.72	23	52	-0.6%	208	1.3	152	\$30,869	202	5.6%	116	3.15	157	\$91,906	93	58.5%	4	2.5%
Newark city	Essex	-7.59	24	368	0.4%	16	11.7	11	\$16,791	37	8.8%	166	2.90	29	\$48,803	164	50.6%	70	0.8%
Paulsboro borough	Gloucester	-7.10	25	92	-0.4%	21	8.8	25	\$19,550	26	9.8%	74	3.40	64	\$62,442	145	52.5%	257	0.0%

2017 Municipal Revitalization Index Results

Camden tops the list of the MRI, followed closely by Salem and Atlantic City. Each of these communities receives Transitional Aid, suggesting the Index performs well in identifying municipalities that are fiscally distressed, even with the fiscal indicators weighted at 0.25 each. The 2017 MRI shows a number of other improvements over the existing MRI. Nine of the twelve Transitional Aid municipalities make the top 25 of the 2017 MRI, compared to seven on the existing MRI Update.

2017 Municipal Revitalization Index, Top 25 Municipalities

Municipality		County		MRI Score		Distress Rank		Fiscal Indicators		Economic Indicators		Education		Social Indicators										
								Rank	Value	Rank	Value	Rank	Value	Rank	Value	Rank	Value	Rank	Value					
								Weighted at 0.25 each		Weighted at 1 each		Weighted at 0.25 each												
								Retained	New	Retained	New	Retained	New	Retained	Retained									
Municipality	County	MRI Score	Distress Rank	MRI Rank	Rank	Value	Rank	Value	Rank	Value	Rank	Value	Rank	Value	Rank	Value								
Camden city	Camden	-26.05	100.0	1	120	-3.5%	6	18.3%	1	43.2%	3	23.2	1	39.9%	1	25,042	12	11.1%	7	67.6%	203	2.78	5	22,145
Salem city	Salem	-25.00	97.1	2	28	-10.0%	4	23.6%	2	39.6%	6	18.4	2	39.6%	3	26,320	4	14.1%	25	76.3%	5	4.02	9	30,568
Atlantic City city	Atlantic	-23.33	92.4	3	103	-4.0%	24	14.4%	8	31.8%	4	19.7	3	36.9%	2	25,737	5	13.2%	9	69.6%	86	3.31	368	163,937
Bridgeton city	Cumberland	-21.12	86.3	4	337	2.8%	30	13.5%	7	30.0%	7	17.6	8	32.0%	15	36,208	22	10.0%	2	61.5%	16	4.30	3	19,269
Wilmington city	Cape May	-20.60	84.8	5	109	-3.0%	65	11.2%	25	20.2%	8	15.0	13	20.1%	4	27,067	1	20.3%	37	79.7%	375	2.24	488	276,210
Seaside Heights borough	Ocean	-19.76	82.5	6	70	-6.9%	3	25.3%	16	25.0%	1	31.1	18	26.3%	12	33,958	67	7.6%	34	79.3%	443	2.04	448	220,392
Punns Grove borough	Salem	-19.72	82.4	7	184	-1.7%	19	15.6%	5	36.1%	12	12.3	11	30.4%	5	31,405	26	9.8%	5	66.8%	14	4.35	7	27,080
Paterson city	Passaic	-19.43	81.6	8	247	0.6%	48	11.6%	4	36.4%	9	15.2	13	29.1%	8	32,915	20	10.1%	13	71.4%	40	3.80	15	42,692
Woodbine borough	Cape May	-18.05	77.7	9	139	-3.2%	173	7.6%	10	27.1%	16	11.3	15	28.9%	14	34,906	14	10.9%	1	61.3%	512	1.56	69	63,856
Passaic city	Passaic	-17.46	76.1	10	383	3.9%	115	8.7%	3	30.5%	22	8.8	10	31.6%	8	31,832	81	8.0%	4	65.7%	121	3.13	25	47,621
Trenton city	Mercer	-17.33	75.7	11	178	-1.9%	5	18.6%	11	26.9%	10	14.6	16	28.3%	13	34,267	61	8.0%	11	71.0%	6	4.77	8	28,013
Newark city	Essex	-16.53	73.5	12	332	2.8%	17	15.8%	9	29.3%	15	11.7	12	29.7%	10	33,139	37	8.8%	16	72.3%	166	2.90	29	48,803
Roseland city	Atlantic	-16.37	73.1	13	360	3.3%	74	10.4%	14	25.4%	17	11.0	22	24.8%	27	41,633	10	11.6%	10	70.1%	23	4.07	12	37,801
Wrightstown borough	Burlington	-15.46	70.5	14	238	0.3%	222	0.6%	24	20.4%	2	26.4	29	21.4%	41	46,625	174	5.0%	23	75.7%	231	2.70	22	47,140
Woodlynne borough	Camden	-14.60	68.4	15	291	1.8%	52	11.9%	13	26.0%	20	9.5	20	24.9%	23	40,913	51	8.3%	19	74.7%	2	7.56	6	23,363
Fauquier borough	Gloucester	-14.44	67.7	16	141	-3.1%	12	16.2%	8	29.9%	21	8.8	5	33.6%	24	40,925	26	9.8%	139	88.5%	74	3.40	64	62,442
New Brunswick city	Middlesex	-13.37	64.7	17	606	0.0%	117	8.6%	23	20.4%	41	5.8	4	34.7%	19	38,435	267	5.1%	3	61.6%	246	2.65	46	56,683
Egg Harbor City city	Atlantic	-12.32	61.8	18	70	-5.0%	21	15.3%	54	15.0%	11	13.0	54	15.7%	28	43,235	23	9.9%	38	80.0%	18	4.25	42	55,141
Union City city	Hudson	-12.20	61.5	19	423	4.9%	90	9.8%	12	26.6%	66	4.2	20	24.9%	26	41,107	135	6.4%	6	67.4%	122	3.13	33	51,504
Asbury Park city	Monmouth	-11.98	60.8	20	82	-4.9%	38	12.5%	15	25.1%	55	4.9	9	31.9%	7	32,765	77	7.6%	47	82.0%	462	1.95	140	89,176
East Orange city	Essex	-11.89	60.6	21	148	-2.9%	13	16.1%	20	23.1%	19	9.5	30	21.1%	17	36,921	43	8.6%	78	85.4%	12	4.42	14	41,716
City of Orange township	Essex	-11.75	60.2	22	173	-2.1%	25	14.2%	21	23.0%	48	5.3	17	25.5%	11	33,233	87	7.8%	36	79.6%	19	4.18	26	47,810
Irvington township	Essex	-11.65	59.0	23	92	-4.4%	15	16.0%	35	17.6%	26	8.3	23	23.7%	16	36,782	47	8.5%	45	81.8%	9	4.56	11	37,551
Commercial township	Cumberland	-11.49	59.5	24	169	-2.2%	23	14.5%	19	23.5%	220	1.2	27	22.0%	40	46,195	8	11.8%	27	77.7%	271	2.59	18	45,679
Parth Amboy city	Middlesex	-11.25	58.8	25	471	6.4%	249	8.3%	40	17.3%	76	3.7	25	22.6%	33	44,024	32	9.3%	8	67.9%	158	2.94	57	60,886

Similar to the existing MRI Update, the 2017 MRI shows high concentrations of distress in rural parts of South Jersey, particularly within Cape May, Cumberland, Salem, and Atlantic Counties. New Jersey's urban communities are shown to be almost uniformly undistressed, while urban northeastern New Jersey communities within Bergen, Passaic, Essex, Hudson, and Union Counties register as very distressed.

No municipal distress index can do a perfect job of measuring distress. The sheer diversity of the state's 565 communities makes it impossible for a single measure to completely and accurately assess distress without some degree of bias. Moreover, how distress should be defined and measured is not uniformly accepted and is very much subject to debate. The 2017 MRI, although not a perfect index, is a notable improvement over the existing MRI and is constructed based on the results of a factor analysis and commonly accepted distress indicators. It results from a very robust and rigorous process to develop an adequate measure of municipal distress in New Jersey, as described in this report.

General

2012 Qualified Bond Act Bonds				2002 Bonds			Total Debt				
Date	Interest	Principal	Balance	Date	Interest	Principal	Balance	Year	Interest	Principal	Total
2013	101,303.88	135,000.00	3,110,000.00	2013	16,435.00	140,000.00	416,000.00	2013	117,738.68	275,000.00	3,526,000.00
2014	97,118.90	140,000.00	2,975,000.00	2014	9,666.25	145,000.00	276,000.00	2014	106,785.15	285,000.00	3,251,000.00
2015	92,522.50	165,000.00	2,835,000.00	2015	3,111.25	131,000.00	131,000.00	2015	95,633.75	296,000.00	2,966,000.00
2016	86,828.46	215,000.00	2,670,000.00	2016	-	-	-	2016	86,828.46	215,000.00	2,670,000.00
2017	80,242.57	225,000.00	2,455,000.00	2017	-	-	-	2017	80,242.57	225,000.00	2,455,000.00
2018	73,382.28	235,000.00	2,230,000.00	2018	-	-	-	2018	73,382.28	235,000.00	2,230,000.00
2019	66,247.57	245,000.00	1,995,000.00	2019	-	-	-	2019	66,247.57	245,000.00	1,995,000.00
2020	58,907.06	250,000.00	1,750,000.00	2020	-	-	-	2020	58,907.06	250,000.00	1,750,000.00
2021	51,497.94	250,000.00	1,500,000.00	2021	-	-	-	2021	51,497.94	250,000.00	1,500,000.00
2022	44,020.22	250,000.00	1,250,000.00	2022	-	-	-	2022	44,020.22	250,000.00	1,250,000.00
2023	35,216.18	250,000.00	1,000,000.00	2023	-	-	-	2023	35,216.18	250,000.00	1,000,000.00
2024	25,154.41	250,000.00	750,000.00	2024	-	-	-	2024	25,154.41	250,000.00	750,000.00
2025	15,092.65	250,000.00	500,000.00	2025	-	-	-	2025	15,092.65	250,000.00	500,000.00
2026	5,030.88	250,000.00	250,000.00	2026	-	-	-	2026	5,030.88	250,000.00	250,000.00
2027	-	-	-	2027	-	-	-	2027	-	-	-
2028	-	-	-	2028	-	-	-	2028	-	-	-
2029	-	-	-	2029	-	-	-	2029	-	-	-
2030	-	-	-	2030	-	-	-	2030	-	-	-
2031	-	-	-	2031	-	-	-	2031	-	-	-
832,565.29 3,110,000.00				29,212.50 416,000.00			861,777.79 3,526,000.00				

Proof 861,777.79 3,526,000.00

Note Disclosure	Int	Prin	Total
2013	117,738.68	275,000.00	392,738.68
2014	106,785.15	285,000.00	391,785.15
2015	95,633.75	296,000.00	391,633.75
2016	86,828.46	215,000.00	301,828.46
2017	80,242.57	225,000.00	305,242.57
2018-2022	294,055.07	1,230,000.00	1,524,055.07
2023-2027	80,494.12	1,000,000.00	1,080,494.12
2028-2032	861,777.79	3,526,000.00	4,387,777.79

Name of Municipality	Amount of Loan	Term of Loan	Interest Rate	Yearly Payment	Loan Agreement #	Vendor ID
Salem	\$250,000	20 years	0%	\$12,500	17-0014-00	216001146-99

Repayment Schedule

YEAR	DATE	PAYMENT
1	October 13, 2018	\$12,500
2	October 13, 2019	\$12,500
3	October 13, 2020	\$12,500
4	October 13, 2021	\$12,500
5	October 13, 2022	\$12,500
6	October 13, 2023	\$12,500
7	October 13, 2024	\$12,500
8	October 13, 2025	\$12,500
9	October 13, 2026	\$12,500
10	October 13, 2027	\$12,500
11	October 13, 2028	\$12,500
12	October 13, 2029	\$12,500
13	October 13, 2030	\$12,500
14	October 13, 2031	\$12,500
15	October 13, 2032	\$12,500
16	October 13, 2033	\$12,500
17	October 13, 2034	\$12,500
18	October 13, 2035	\$12,500
19	October 13, 2036	\$12,500
20	October 13, 2037	\$12,500

CITY OF SALEM POLICE DEPT. HOUSING & STREET DEPT.

Police Department

1999 Ford Crown Victoria Vin# 2FAFP71W7XX180015

1999 Ford Crown Victoria Vin# 2FAFP71W0XX195584

2000 Ford Crown Victoria Vin# 2FAFP71W0YX106405

2001 Dodge Durango Vin# 1B4HS28N81F644611

2001 Ford Crown Victoria Vin# 2FAFP71WX1X197575

2001 Ford Crown Victoria Vin# 2FAFP71W01X197603

2002 Dodge Durango SLT K-9 Unit Vin# 1B4HS48N72F210631

2003 Ford Crown Victoria Vin# 2FAFP71W93X173500

2003 Ford Crown Victoria Vin# 2FAFP71W83X201870

2005 Dodge Durango Vin# 1D4HB38N05F550028

2005 Ford Crown Victoria Vin# 2FAFP71W15X158217

2008 Ford Crown Victoria Vin# 2FAFP71V08X132915

2008 Ford Crown Victoria Vin# 2FAFP71V98X132914

2008 Ford Crown Victoria Vin# 2FAFP71V88X175625

2009 Mercury Marquis Vin# 2MEHM75V99X619634

2009 Mercury Marquis Vin# 2MEHM75V49X619654

2014 Ford Explorer Vin#1FM5K8AR9E6B20062

2016 Ford Explorer Vin#FM5K8AR4GGA01693

2016 Ford Explorer Vin# 1FM5K8AR9GGA01690

CITY OF SALEM POLICE DEPT. HOUSING & STREET DEPT.

Housing Office

1999 Mercury Mountaineer Vin# 4M2DU55P9XUJ05089

2012 Dodge Dakota

Street Department

1992 Chevrolet Caprice Vin# 1G1BL537XNW144688

1995 Ford F80 Recycling Vin# 1FDXF80C9SVA29374

1995 Ford F150 Pickup Vin# 1FTEF15NXSNB13331

1998 International 4700 Box Truck Vin# 1HTSCABN0WH580474

2000 Pelican Street Sweeper

2003 Ford F450 Dump Truck Vin# 1FDXF47P23ED84163

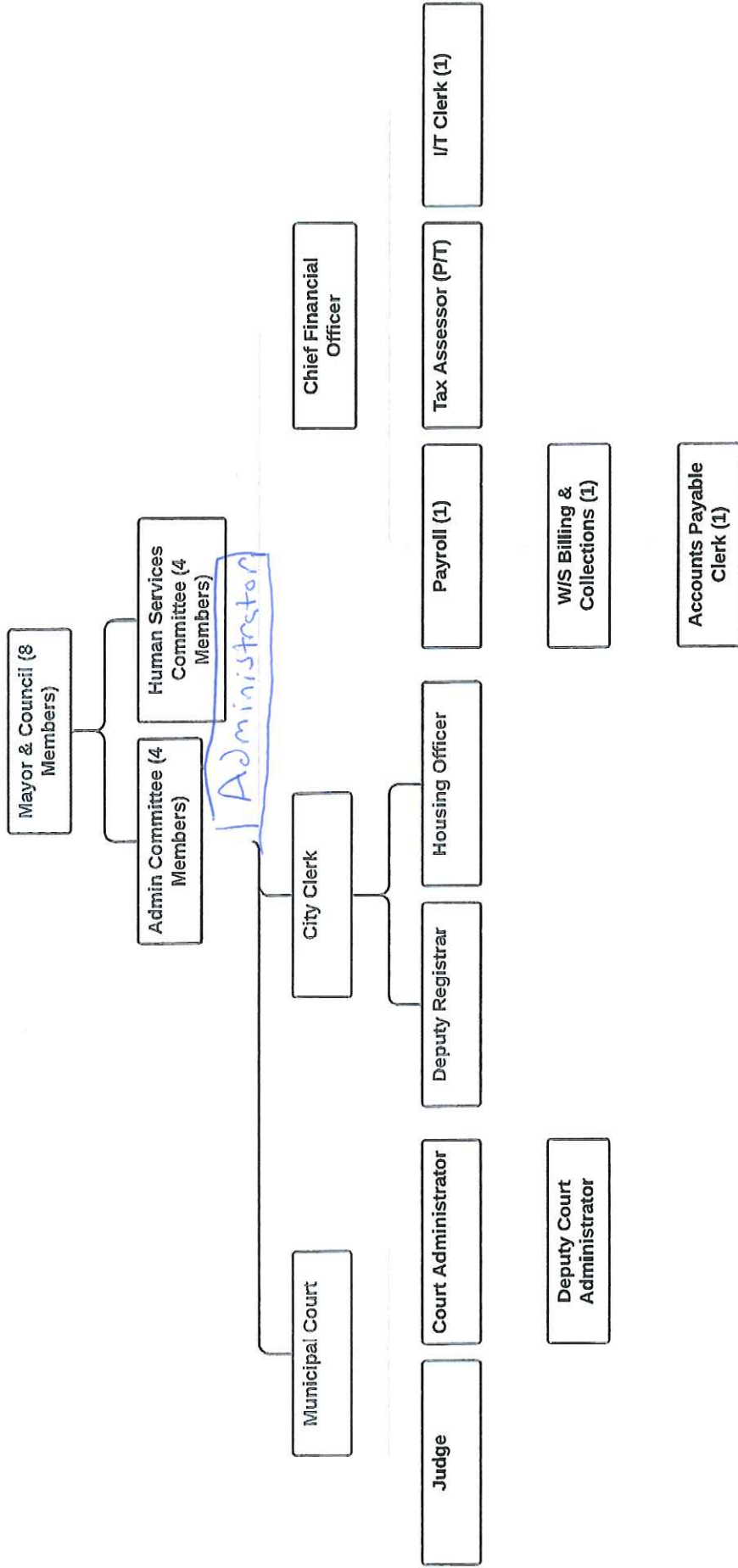
2007 Ford F650 Recycling Truck Vin# 3FRXF65RX7V543920

2007 Chevy Silverado Vin# 31GCEK14C57E564024

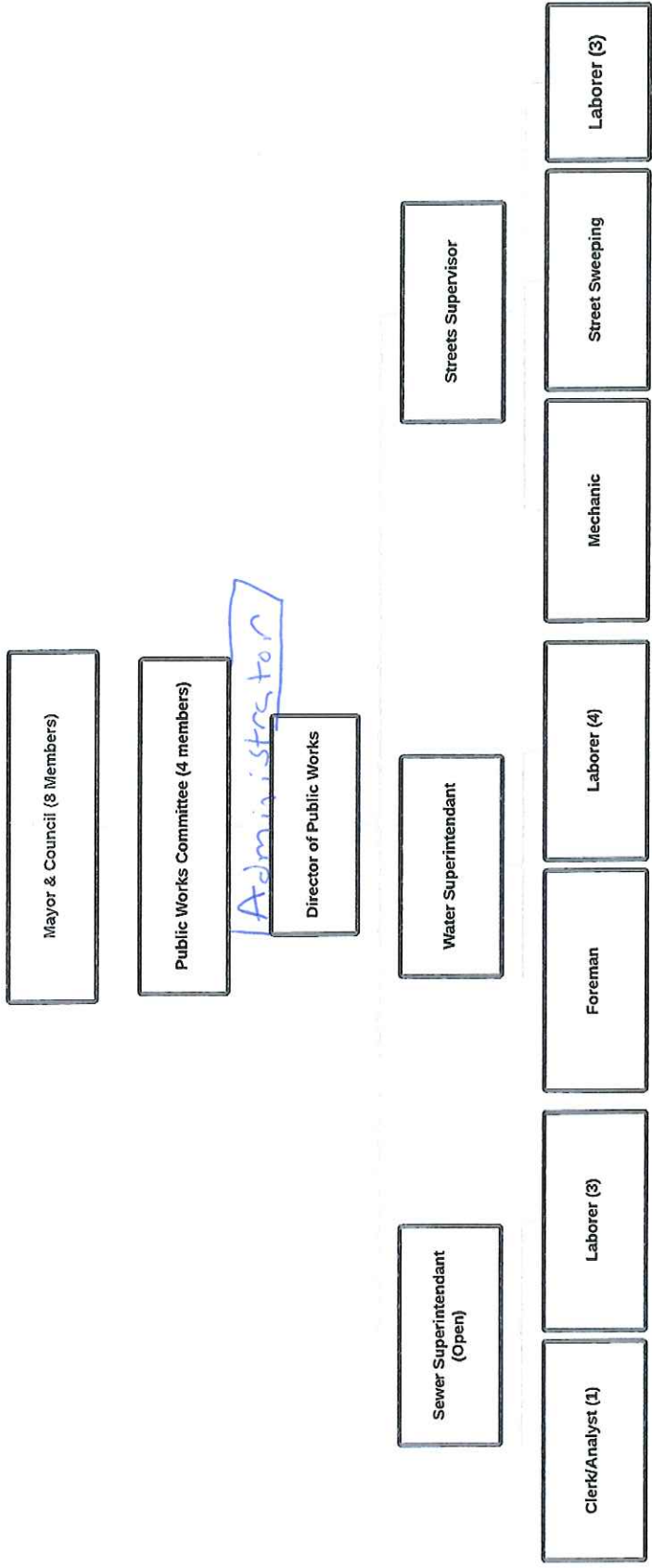
2008 Ford F350 Dump Truck Vin# 1FDWF37538EE39084

2019 Ford F350 Dump Truck Vin# 1FDRF3H6XKED01151

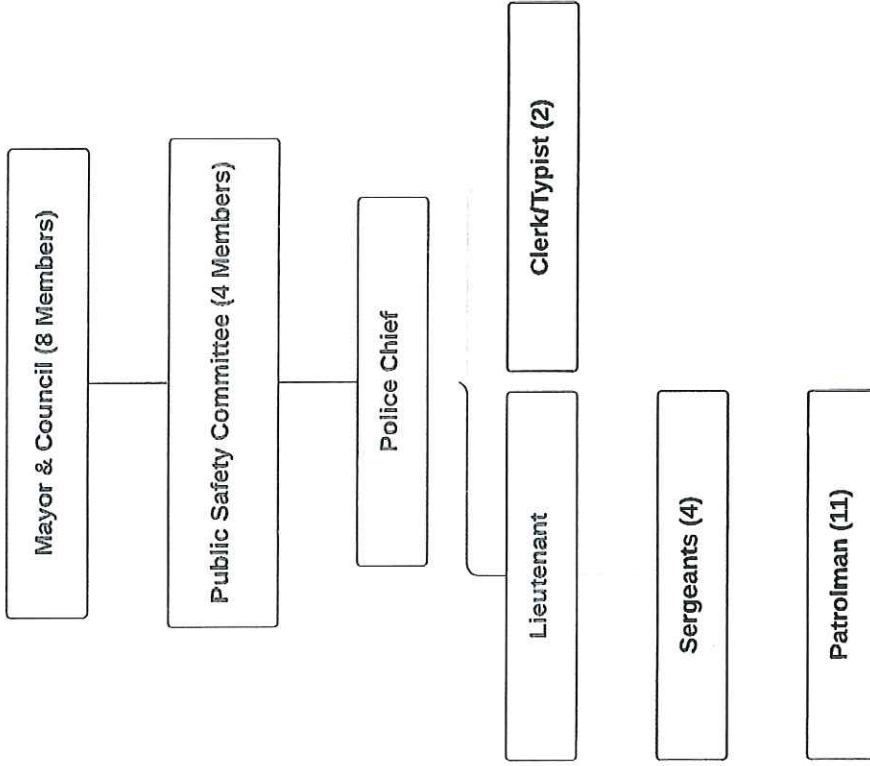
City of Salem Organizational Chart - ADMIN



City of Salem Organizational Chart - Public Works



City of Salem Organizational Chart - Public Safety



**CITY OF SALEM
ORDINANCE NO. 1907**

**AN ORDINANCE OF THE CITY OF SALEM AMENDING SECTION 2 OF
CHAPTER 43 OF THE MUNICIPAL CODE OF THE CITY OF SALEM FIXING
THE TITLES, SALARIES AND COMPENSATION RANGES OF OFFICERS AND
EMPLOYEES OF THE CITY OF SALEM**

BE IT ORDAINED by the Common Council of the City of Salem, in the County of Salem and State of New Jersey that Section 2 of Chapter 43 of the Municipal Code as last amended by Ordinance 1307 and 1622 be amended as follows:

SECTION 1.

This ordinance sets the minimum and maximum salaries (listed in Attachment A) for the non-contractual officers and employees of the City of Salem, Salem County, State of New Jersey, in accordance with the provisions of this Ordinance, as set forth below to be effective upon adoption.

SECTION 2. Collective Bargaining Units

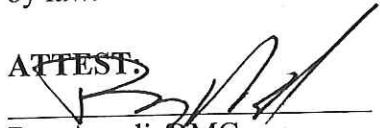
Salaries, remuneration, allowances and expenses as may be provided for by any Collective Bargaining Agreement or Employment Agreement approved by the Common Council of the City of Salem shall be paid in accordance with said agreement(s).

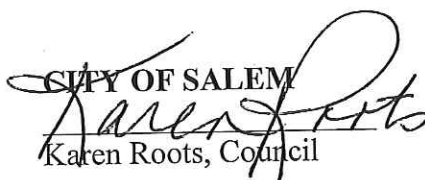
SECTION 3. All ordinances or parts of ordinances or any resolutions of the City of Salem inconsistent herewith are repealed in full.

SECTION 4. If any part or parts of the Ordinance are for any reason held to be invalid by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance.

SECTION 5. This Ordinance shall take effect immediately after final passage and publication as provided by law.

ATTEST:


Ben Angeli, RMC

CITY OF SALEM

Karen Roots, Council

Introduced: August 19, 2019

COUNCIL	MOVED	SECONDED	Y	N	ABSTAIN	ABSENT
R. Carter			X			
W. Corbin			X			
E. Gage	X		X			
T. Gregory			X			
V. Groce			X			
S. Kellum		X	X			
J. Smith			X			
K. Roots			X			

I, Ben Angeli, City Clerk of the City of Salem, in the County of Salem, do hereby certify the foregoing to be a true and correct copy of an Ordinance introduced by the Common Council of the City of Salem on August 19, 2019. Public Hearing shall take place on September 16, 2019.

8-19-19

Date



Ben Angeli, RMC

Final Adoption: September 16, 2019

COUNCIL	MOVED	SECONDED	Y	N	ABSTAIN	ABSENT
R. Carter			X			
W. Corbin			X			
E. Gage	X		X			
T. Gregory			X			
V. Groce			X			
S. Kellum		X	X			
J. Smith						X
K. Roots			X			

9-23-19

Date


Charles Washington Jr, Mayor

I, Ben Angeli, Municipal Clerk of the City of Salem, in the County of Salem, do hereby certify the foregoing to be a true and correct copy of an Ordinance adopted by the Common Council of the City of Salem on September 16, 2019.

9-16-19

Date


Ben Angeli, RMC

Salary Ordinance - Attachment

	SALARY RANGE		
	Minimum	Maximum	
ADMINISTRATION	=====	=====	
Mayor		\$8,700.00	Yearly
Council President		\$7,200.00	Yearly
Council Member		\$6,700.00	Yearly
City Administrator	\$40,000.00	\$85,000.00	Yearly
City Clerk	\$40,000.00	\$55,000.00	Yearly
Deputy Municipal Clerk	\$18,000.00	\$30,000.00	Yearly
Planning Board Solicitor		\$8,300.00	Yearly
Director of Commerce	\$35,000.00	\$67,000.00	Yearly
MUNICIPAL COURT	=====	=====	
Judge	\$18,000.00	\$24,000.00	Yearly
Court Administrator	\$38,000.00	\$60,000.00	Yearly
Deputy Court Administrator	\$28,000.00	\$40,000.00	Yearly
FINANCE	=====	=====	
Chief Financial Officer / Tax Collector	\$70,000.00	\$104,000.00	Yearly
Chief Financial Officer	\$75,000.00	\$90,000.00	Yearly
Tax Collector	\$30,000.00	\$50,000.00	Yearly
Tax Assesor	\$15,000.00	\$24,000.00	Yearly
Deputy Treasurer	\$40,000.00	\$65,000.00	Yearly
Tax Search Officer	\$800.00	\$1,300.00	Yearly
Municipal Search Officer	\$800.00	\$1,300.00	Yearly
Public Safety	=====	=====	
Chief of Police	\$80,000.00	\$105,000.00	Yearly
Lieutenant	\$75,000.00	\$86,000.00	Yearly
Corporal - Additional		\$1,000.00	Yearly
Special Officer, Class 2		\$35.50	Per Hr.
Special Officer, Class 1		\$15.30	Per Hr.
Emergency Management Coordinator	\$4,000.00	\$6,000.00	Yearly
Deputy Emergency Mgmt. Coordinator	\$2,000.00	\$4,000.00	Yearly
Public Works	=====	=====	
Superintendent of Public Works	\$80,000.00	\$150,000.00	Yearly
Water Superintendent	\$80,000.00	\$95,000.00	Yearly
Sewer Superintendent	\$80,000.00	\$95,000.00	Yearly
Street Superintendent	\$65,000.00	\$76,000.00	Yearly