

Transitional Aid Application for Calendar Year 2022
Division of Local Government Services
Department of Community Affairs

General Instructions: This application must be submitted in its entirety by April 1, 2022 for funding consideration under this program. Information contained in the application is subject to independent verification by the Division. Refer to Local Finance Notice 2022-3 when preparing this application for specific instructions and definitions, and review the Submission Checklist on Page 7 of the Local Finance Notice.

Name of Municipality:		City of Atlantic City		County:	Atlantic
Contact Person:		Adetoro Aboderin		Title:	Chief Financial Officer
Phone:	609-347-5800	Fax:	609-347-6110	E-mail:	aaboderin@acnj.gov

I. Aid History

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

CY 2021	CY 2020	CY 2019
\$2,395,087.50	\$2,817,750.00	\$3,315,000.00

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

Amount of aid requested for the Application Year:	\$2,035,824.37
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If not seeking a decrease, a letter from the Mayor is required. See Local Finance Notice 2022-3.




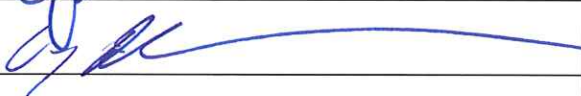
III. Submission Requirements

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
2021 Annual Financial Statement	March 10, 2000
2021 Annual Audit	Not Yet Submitted
2021 Corrective Action Plan	Not Yet Submitted
Application Year Introduced Budget	April 20, 2022
Budget Documentation Submitted to Governing Body	April 5, 2022


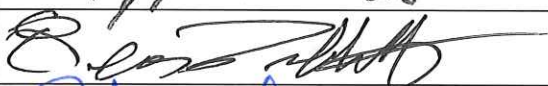
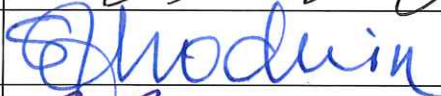
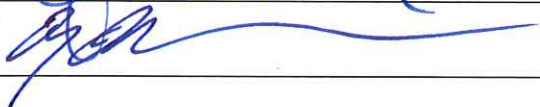
IV.A Application Certification

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		4-2-22
Governing Body Presiding Officer		4.4.22
Chief Financial Officer		4/2/22
Chief Administrative Officer		4/4/22

IV.B CY2021 Transitional Aid Recipients Applying in 2022

CY2021 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		4/2/22
Governing Body Presiding Officer		4.4.22
Chief Financial Officer		4/2/22
Chief Administrative Officer		4/4/22

V-A. Explanation of Need for Transitional Aid

Explain the circumstances that require the need for 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 substantially jeopardize the fiscal integrity of the municipality.

The excessive number of tax appeals the City experienced over the past few years resulted in large overpayments, and the issuance of a Tax Appeal Refunding Bond. This led to a devastating decrease in the City's Net Valuation from \$20 billion in 2008 to \$2.524 billion in 2019 and \$2.429 billion in 2021 and for 2022 Budget Year a Net Valuation of \$2.410 (Excluding the Casino PILOT properties).

In addition, the City had another judgement against it in 2019 for the Hard Rock Casino.

The City is in the process of right-sizing but is still in need of Financial Assistance.

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 on 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	2021 Value	2022 Value	Amount of Loss/Increase
	700,000.00	190,000.00	(510,000.00)
Description:	Interest on Investments and Deposits		
	380,000.00	114,000.00	(266,000.00)
Description:	PILOT – Atlantic City Development Corp.		
	66,651,000.00	46,650,000.00	(20,001,000.00)
Description:	Casino - PILOT		
	22,500,000.00	45,000,000.00	22,500,000.00
Description:	Investment Alternative Tax		
	1,200,000.00	2,000,000.00	800,000.00
Description:	Uniform Construction Code Fees		
	230,000.00	170,000.00	(60,000.00)
Description:	Gardener’s Basin		
	-0-	267,180.00	267,180.00
Description:	AtlantiCare Medical Center – Acute Care Beds		

V-C. Actions to Reduce Future Need for Aid

Detail the steps the municipality is taking to reduce the need for aid in the future. Include details about 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. Use additional pages if necessary. (Items included in a Transition Plan submitted by a current recipient need not be repeated here.)

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

The highly qualified Director of the department is working to bring greater confidence to the redevelopment process. She is actively looking at the list of abandoned properties to auction them and get them back on the City's tax rolls.

The Atlantic City is marketing itself as 'open for business' to stakeholders and sustainable industries. The Shoprite broke ground for it's new supermarket in the city, AtlantiCare's Maternal Care Building is almost complete, the new Water Park on Pacific Avenue also broke ground. The City is finalizing various contracts with the Wind Institute and proposals for Bader Field.

The City is in the process of negotiating a sustainable contract with its non-uniformed & uniformed bargaining units.

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

The City is working more closely with the MUA & the Sewer Company complete the street work and paving in a coordinated effort.

V-D. Discussion of Health Benefits

Skip this section if using SHBP. If not using SHBP, explain why the health benefit plan being used is cheaper, or what reasons exist for failing to move to SHBP. Additionally, list all brokers (primary broker or risk manager, all co-brokers, and sub-brokers) together with their compensation for the current and prior two fiscal years. Compensation must be disclosed in this section whether provided directly by the municipality or as a commission from the insurance provider. It is the municipality's right, and obligation, to determine whether the broker is compensated with commission in order to fully complete this section. If commissions are being earned, provide both how the commission is calculated (percentage of premium or self-insurance) and the actual \$ value of the commission received in each year.

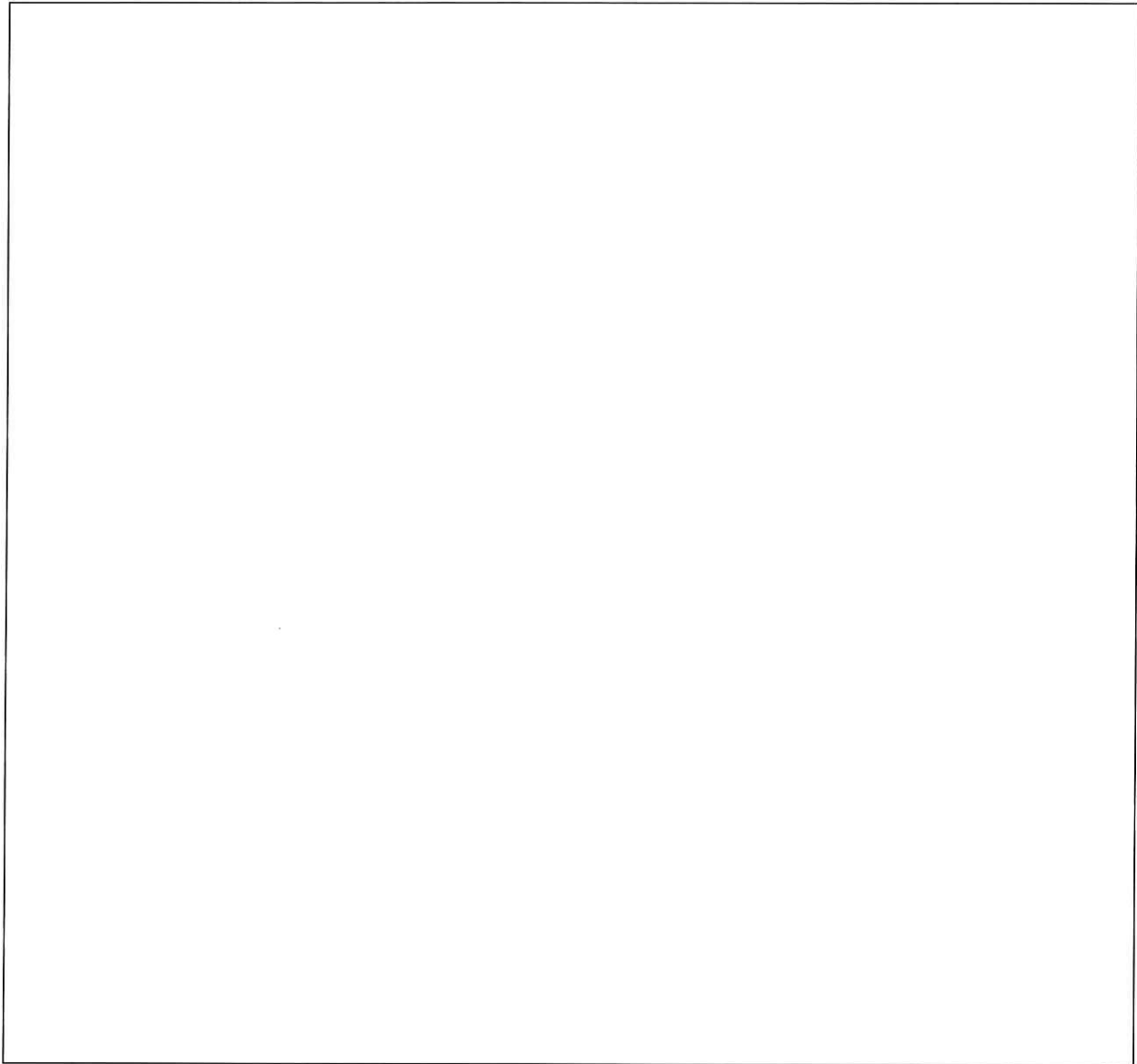
The City is currently using the State Health Benefits Plan for its employees & retirees.

The City does not currently have a Broker of Record for Health Services. We did not have one for 2020 and 2021 either

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

Risk Management Broker: Willis of New Jersey, Inc.

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$52,043.00	\$42,833.00	\$69,157.67	\$73,000.00



VI. Historical Fiscal Statistics

Item	2020	2021	Introduced Application Year
1. Property Tax/Budget Information			
Municipal tax rate	\$1.702	\$1.648	\$1.586
Municipal Purposes tax levy	\$42,741,066.42	\$40,034,242.05	\$38,240,257.44
Municipal Open Space tax levy	\$-0-	\$-0-	\$-0-
Total general appropriations	\$245,052,297.99	\$221,441,262.48	\$230,030,373.17
2. Cash Status Information			
% Of current taxes collected	94.84%	97.60%	%
% Used in computation of reserve	94.25%	95.00%	95.50%
Reserve for uncollected taxes	\$5,390,393.21	\$4,810,699.73	\$4,248,797.37
Total year end cash surplus	\$14,283,026.59	\$28,726,091.40	
Total non-cash surplus	\$14,604,963.49	\$28,283,718.38	
Year end deferred charges	\$3,692,222.24	\$2,461,482.24	
3. Assessment Data			
Assessed value (as of 1/10)	\$2,509,823,023.00	\$2,429,644,683.00	\$2,410,451,333.00
Average Residential Assessment	\$124,426.00	\$122,867.00	\$122,983.92
Number of tax appeals granted	1,884	1,577	
Amount budgeted for tax appeals	\$1,237,387.67	\$1,237,387.67	\$1,237,387.67
Refunding bonds for tax appeals	\$-0-	\$-0-	\$-0-
4. Full time Staffing Levels			
Uniformed Police - Staff Number	252	265	230
Total S&W Expenditures	\$26,697,344.00	\$26,567,495.00	\$25,891,252.00
Uniformed Fire - Staff Number	180	180	180
Total S&W Expenditures	\$19,077,687.00	\$18,748,277.00	\$20,286,060.00
All Other Employees - Staff Number	190	525	
Total S&W Expenditures	\$26,485,778.00	\$27,553,274.00	\$30,265,570.00
5. Impact of Proposed Tax Levy			
			Amount
Current Year Taxable Value			2,410,451,333.00
Introduced Tax Levy			38,240,257.44
Proposed Municipal Tax Rate	1.586	Average Res. Value (#3 above)	122,983.92
Current Year Taxes on Average Residential Value (#4 above)			4,760.66
Prior Year Taxes on Average Residential Value			122,867.00
Proposed Increase in average residential taxes			-0-

VII. Application Year Budget Information

A. Year of latest revaluation/reassessment

2021
93.15

A1. Most current equalized ratio

B. Proposed Budget – Appropriation Cap Information

- Item**
1. Was an appropriation cap index rate ordinance adopted last year?
If YES: % that was used
 2. Amount of appropriation cap bank available going into this year
 3. Is the Application Year budget at (appropriation) cap?
If NO, amount of remaining balance
 4. Does the Application Year anticipate use of a waiver to exceed the appropriation cap?
If YES, amount:

	Yes	No
	X	
%		
\$		
		X
\$		
		X
\$ -0-		

C. List the five largest item appropriation increases:

Appropriation	Prior Year Actual	Application Year Proposed	\$ Amount of Increase
Debt Service	\$38,325,339.36	\$41,101,237.76	\$2,775,898.40
Police & Firemen's Retirement System	\$13,372,250.85	\$14,486,943.00	\$1,114,692.15
Dept. of Public Safety - Fire Division: Salaries & Wages	\$18,748,277.00	\$20,286,060.00	\$1,537,783.00
Dept of Public Works. – Facilities – Salaries & Wages	\$399,124.00	\$586,708.00	\$187,584.00
Dept. of Public Safety Communication: Salaries & Wages	\$1,748,062.00	\$2,220,295.00	\$472,233.00
Dept. of Public Safety – Police Civilian Division: Salaries & Wages	\$3,082,645.00	\$3,814,397.00	\$731,752.00

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

Department/Agency	Position	Number	Dollar Amount
See Attached List			

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	37,777,872.68	115,583,000.00	1,730,450.40	78,115,117.38	143,630,868.62
Second year	37,188,009.89	116,684,660.00	1,470,882.84	81,098,253.51	143,521,013.22
Third year	36,857,098.24	117,805,353.20	1,250,250.41	83,531,201.12	146,662,214.73

VIII. Financial Practices

A. Expenditure controls and practices:

Question	Yes	No
1. Is an encumbrance system used for the current fund?	X	
2. Is an encumbrance system used for other funds?	X	
3. Is a general ledger maintained for the current fund?	X	
4. Is a general ledger maintained for other funds?	X	
5. Are financial activities largely automated? If so, please identify system being used.	X	
6. Does the municipality operate the general public assistance program?		X
7. Are expenditures controlled centrally (Yes) or de-centrally by dept. (No)?	X	
8. At any point during the year are expenditures routinely frozen?	X	
9. Has the municipality adopted a cash management plan?	X	
10. Have all negative findings in the prior year's audit report been corrected? If not, be prepared to discuss why not in your application meeting.		X

B. Risk Management: Indicate ("x") how each type of risk is insured.

Coverage	JIF/HIF	Self	Commercial
General liability		X	Excess
Vehicle/Fleet liability		X	Excess
Workers Compensation		X	Excess
Property Coverage			X
Public Official Liability			X
Employment Practices Liability			X
Environmental			
Health	SHBP		
	X		

C. 1) Salary and Employee Contract Information (when more than one bargaining unit for each category, use average):

Question	Police	Fire	Other Contract	Non-Contract
Year of last salary increase			2021	2021
Average total cost percentage increase	%	2%	2%	2%
Last contract settlement date			2019	
Contract expiration date			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)				
Wage Freezes (describe below)				
Layoffs (describe below)				

D. Tax Enforcement Practices:

Question	Yes	No
1. Did the municipality complete its accelerated tax sale by December 31, if included in 2021 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:	12/21/2021	
3. On what dates were tax delinquency notices sent out in 2021: Date:	2/11, 5/18, 8/17, 11/18 & 12/3	
4. Date of last tax sale: Date:	12/17/2021	

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:

2020	\$728,942.45	2021	\$193,702.96	Anticipated Application Year:	\$190,000.00
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2. List the instruments in which idle funds are invested:

Bank Account	

3. What was the average return on investments during 2021?	2.25%
4. Left Blank Intentionally	
5. The name and firm of the municipality’s auditor?	Ford, Scoot & Associates
6. When was the last time the municipality changed auditors?	Over 21 years ago

G. Status of Collective Negotiation (Labor) Agreements: List each labor agreement by employee group, contract expiration date, and the status of negotiations of expired contracts.

Employee Group	Expiration Date	Status of Negotiations of Expired Agreement
IAFF	12/31/2022	Signed 8/26/2019
PBA	12/31/2015	Under Negotiations
Police Superior Officers Association	12/31/2015	Under Negotiations
White Collar	12/31/2021	Under Negotiations
Blue Collar – Teamsters Local 331	12/31/2021	Under Negotiations
IBEW	12/31/2021	Under Negotiations
Alliance of AC Supervisory Employees	12/31/2021	Under Negotiations

H. Tax Abatements. Please provide a detailed discussion of any short-term or long-term tax abatements that are currently in place or are currently being negotiated including the following information:

Project Name/Property	Type of Project	2021 PILOT Billing	2022 Assessed Value	2022 Taxes If Billed in Full at 2021 Total Tax Rate	Term of Tax Abatement
Housing PILOT	PILOT	4,103,150.00	2,448,165.00	95,502.92	Various

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

S&W Line Item	Prior Year Actual	Application Year Proposed	Explanation of Change
Compensated Absences	700,000.00	500,000.00	Terminal Leave is capped at \$15,000.00
Longevity			Dollar Amount Capped at 12/31/2018 Rates

IX-B. List actions that limited or reduced Other Expense costs: i.e., reductions, changes, or elimination of services, procurement efficiencies or restraint. Include changes in spending policies that reduce non-essential spending.

Line Item	Prior Year Actual	Application Year Proposed	Explanation of Change
Tipping Fees	-\$0-	-\$0-	The County of Atlantic County is paying up to \$915,000

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

Local Revenues and services provided through the General/Current Fund	Check if services is provided	Are fees charged to cover the costs of the program?	If fees do not cover costs, what is the amount of subsidy?	If there is a subsidy, explain why fees cannot be increased to reduce or eliminate subsidy.
Recreation programs	<input checked="" type="checkbox"/>			
Sewer Fees	<input type="checkbox"/>			
Water Fees	<input type="checkbox"/>			
Swimming Pool	<input type="checkbox"/>			
Uniform Construction Code	<input checked="" type="checkbox"/>	Yes		
Uniform Fire Code	<input checked="" type="checkbox"/>	Yes		
Land Use Fees	<input checked="" type="checkbox"/>	Yes		
Parking Fees	<input checked="" type="checkbox"/>	Yes		
Beach Fees	<input type="checkbox"/>			
Insert other local fees below:	<input type="checkbox"/>			
Land Use Escrow fees for in-house staff	<input checked="" type="checkbox"/>	Yes		
Land Use Escrow fees for independent contractors	<input checked="" type="checkbox"/>	Yes		

X. Service Delivery

List all services that the municipality contracts to another organization: i.e., shared services with another government agency, including formal and informal shared services, memberships in cooperative purchasing program, private (commercial), or non-profit organization.

Service	Name of Contracted Entity	Estimated Amount of Contract	Year Last Negotiated (as applicable)
Tippling Fees	County of Atlantic	\$915,000	2021
Fuel	Atlantic County Cooperative	\$500,000	2020
Demolition Program	Atlantic County Improvement Authority	\$25,000	2020
Special Tourism Police Officer	Casino Reinvestment Development Authority	\$1,000,000	2020
Various Cooperative Purchasing Program	NJ Department of Purchase & Property	Varies	2021
Various Cooperative Purchasing Program	ESCNJ	Varies	2021
Electric & Natural Gas Supply	South Jersey Power Cooperative	\$1,000,000	2020
Rock Salt	Atlantic County Cooperative	\$500,000	2020
Various Cooperative Purchasing Program	Somerset County Cooperative	Varies	2020
Various Cooperative Purchasing Program	SourceWell Cooperative	Varies	2020
Various Cooperative Purchasing Program	Houston Galveston Cooperative	Varies	2020

Section XI – Impact of Limited or No Aid Award

Describe in complete detail the actual impact if aid is not granted for the current fiscal year; **this priority setting requires that the municipality will maintain a minimum level of essential services.** 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 is committing to make if they do not receive aid.**

Rank Order	Department	# of Layoffs	Effective Date	2021 Full Time Staffing	2022 Full Time Staffing	\$ Amount to be Saved

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

Rank Order	Service	Cost Savings	Impact on Services

Application Year: CY2022	Municipality: City of Atlantic City	County: Atlantic
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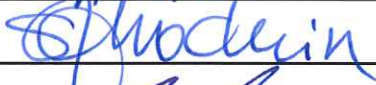

XII. Agreement to Improve Financial Position of Municipality

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 2020 MOU and is operating in good faith to correct those area of noncompliance that have been identified.

Mayor:  Date: 4-2-22
 Chief Financial Officer:  Date: 4/2/22
 Chief Administrative Officer:  Date: 4/9/22

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: 4/4/22
 Chief Administrative Officer:  Date: 4/4/22

Application Year: CY2022	Municipality: City of Atlantic City	County: Atlantic
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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: M Sullivan Date: 4-2-22

Chief Financial Officer: Shoderin Date: 4/2/22

Chief Administrative Officer: [Signature] Date: 4/4/22