

**CITY OF SALEM**

**Jody Veler**  
Mayor

17 New Market Street Salem, New Jersey 08079  
856-935-0372 Fax 856-935-6360

**Kenia Nunez-Acuna**  
Chief Financial Officer

March 31, 2022

To: Transitional Aid Program  
Division of Local Government Services  
101 South Broad Street  
PO Box 803  
Trenton, NJ 08625-0803

Re: City of Salem, Salem County 2022 Transitional Aid Application

Enclosed are two hard copies of our 2022 Transitional Aid (T/A) application along with items on the checklist. The TA application will be sent overnight and electronically.

If you have any questions, please feel free to contact me, Kenia Nunez, CFO, at 856-935-0372x206 or Ben Angeli, Clerk/Administrator at 856-935-0372 x219

Respectfully submitted,

**Kenia Nunez-Acuna**  
Chief Financial Officer

**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 20 of this application and listed on Page 7 of the Local Finance Notice.

<b>Name of Municipality:</b>		City Of Salem		<b>County:</b>	Salem
<b>Contact Person:</b>		Ben Angeli		<b>Title:</b>	Clerk/Administrator
<b>Phone:</b>	8569350372x219	<b>Fax:</b>	8569354095	<b>E-mail:</b>	<a href="mailto:bangeli@cityofsalemnj.gov">bangeli@cityofsalemnj.gov</a>

**I. Aid History**

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

CY 2021	CY 2020	CY 2019
\$ 1,500,000	\$ 1,500,000	\$ 1,500,00

**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.)

<b>Amount of aid requested for the Application Year:</b>	<b>\$ 1,658,000.00</b>
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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
2022 Annual Financial Statement	11/18/2021
2020 Annual Audit	9/30/2021
2020 Corrective Action Plan	11/8/2021
Application Year Introduced Budget	2022
Budget Documentation Submitted to Governing Body	03/21/2022



CITY OF SALEM

17 New Market Street Salem, New Jersey 08079  
856-935-0372 Fax 856-935-4095

Jody Veler  
Mayor

Ben Angeli  
City Administrator/Clerk

Dear Director,

As Mayor of the City of Salem, I am aware of the LFN 2022-3 requirement to only apply for 85% of last year's award amount. In our case that would be a \$225,000 decrease (from \$1.5M to \$1.275M). The City was on track to meet this requirement and comply with it. However, two unanticipated financial events happened that are both outside the City's control and prevent us from meeting this TA program goal.

First, the sale of the Water and Sewer Utilities was held up by the NJ Office of State Comptroller. OSC has requested a second independent financial evaluation on our facilities. We issued RFP's and selected a firm to handle the work. NW Financial Group LLC. submitted a proposal for the work at a cost of \$23,000. The \$23,000 is an unexpected expense and the delay with the process has extended the time in which we again must subsidize the W&S Utility deficit from the municipal budget. That deficit is \$385,000, so together that's an additional \$400,000 we didn't have in our financial plan for 2022.

Second, the 3<sup>rd</sup> Legislative District moved out of the Finlaw Building and that will leave a \$135,000 revenue shortfall for 2022. The rent payment is necessary to pay back the Finlaw refinancing bonds. This situation will put an additional burden on the 2022 budget.

Due to these two circumstances, the City of Salem is not able to comply with the 85% rule. In fact, on behalf of the City I am respectfully asking for at least \$158,000 more in TA to cover the Finlaw debt service deficit and the \$23,000 for the Water and Sewer Utilities Study. This will bring our request for 2022 to a total of \$1,658,000.

I cannot thank you enough for the understanding and consideration shown to our great City in the past. Our State Monitor, Ed Sasdelli has been a tremendous source of guidance as we navigate these difficult financial waters. I know that the people in Trenton are working on our behalf to help us bring Salem City back to a level of financial stability that will benefit our residents and the State of New Jersey as a whole.

Thank you for your time and consideration with this request.

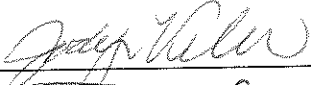
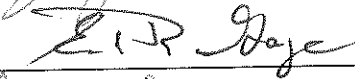
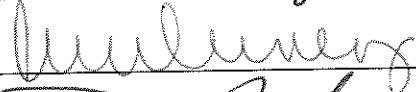
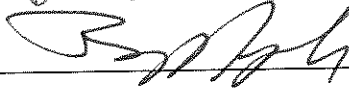
Sincerely,

Jody Veler  
Mayor  
City of Salem

Application Year: CY2022	Municipality: SALEM CITY	County: SALEM
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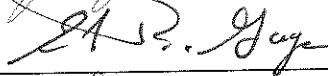
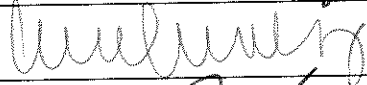

#### IV.A Application Certification

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 JODY VELER		3/31/22
Governing Body Presiding Officer EARL GAGE		3/31/22
Chief Financial Officer KENIA NUNEZ		3/31/2022
Chief Administrative Officer BEN ANGELI		3/31/22

#### 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 JODY VELER		3/31/22
Governing Body Presiding Officer EARL GAGE		3/31/22
Chief Financial Officer KENIA NUNEZ		3/31/2022
Chief Administrative Officer BEN ANGELI		3/31/22

**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

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

Salem City is aware of the LFN 2022-3 requirement to only apply for 85% of last year's award amount. In our case that would be a \$225,000 decrease (from \$1.5M to \$1.275M). We were on track to meet this and comply with it. However, two unanticipated financial events happened that are both outside the City's control and prevent us from meeting this TA program goal.

First, the sale of the W&S Utility was held up by the NJ Office of State Comptroller. They want a second independent financial evaluation, which we are doing. This will be performed by NW Financial and will cost \$23,000. The \$23,000 is not the biggest problem, the biggest problem is we have to again subsidize the W&S Utility deficit from the municipal budget by \$385,000. So together that's an additional \$400,000 we didn't have in our financial plan for 2022.

Second, the 3<sup>rd</sup> Legislative District moved out of the Finlaw Building which will leave a \$135,000 revenue shortfall for 2022. This amount is necessary to pay back the Finlaw refinancing bonds.

It is for the above two reasons that we are not able to comply with the 85% rule. In fact, we need to ask for at least \$135,000 more in TA to cover the Finlaw debt service plus the \$23,000 for WIPA study for a 2022 total of \$1,658,000.

If DCA is generous enough to fund us the full request (\$1.658M), our residents will still experience about a \$60.00 per year tax increase on the average home.

The City is faced with an aging infrastructure and will need to eventually bond money via the Qualified Bond Act (QBA). In order to be eligible for QBA, the City has to have enough available CMPTRA to make the debt service payment. Currently the City of Salem has no available CMPTRA to use if we wanted to apply for QBA. We are not asking for any additional aid other than our \$1.658M request, but to have a portion of the Transitional Aid converted to CMPTRA. If we are granted our full amount request, we would request that \$500,000 of the total be converted from Transitional Aid to CMPTRA. This would certainly put the City in a better position to deal with infrastructure issues moving forward.

In addition to the two items listed above, Salem City continues to face the reality of a possible financial crisis for CY 2022, with the following being the main contributors to the problem:

- ◆ Salem City Received \$1,500,000 in Transitional Aid last year and our fiscal condition at the Water Sewer Utility has continued to put a drain on the City budget.
- ◆ Water and sewer infrastructure issues are an almost daily issue. The costs associated with these repairs/replacements cannot be ignored. The can cannot be kicked down the road, we are talking about the health and safety of the public.
- ◆ Although the refinancing of the Finlaw Building debt did ease some of the City's immediate burden, the building does continue to put a drain on the City. Under the State lease new carpet is required and a new HVAC system is needed at a cost of \$225,000. As previously listed. the Third District Legislative team has vacated their offices in the building and that will create a \$134,000 loss in rental revenue.
- ◆ The City efforts to implement the State Resource Network (SRN) recommendation of establishing a "Senior Management Team". The City is in need of a fulltime Tax Collector to deal with the poor tax collection rate and the many tax liens and bankruptcies.
- ◆ The number of vacant and abandoned houses continues to grow and this puts added burden on the

people who are paying their municipal taxes. The City payments to the schools and County for these properties adds to the strain on the budget.

- ◆ The City pool needs \$800,000 in repairs in order to open in 2023. The pool is one of the only recreation areas available to the kids and their families. The City continues to work on the parks by replacing broken equipment and making them safer for the children.

#### **A. Salem City's Economy is weak.**

Salem City Residents 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 \$385,000 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. Due to COVID, the City could not institute a water shut off schedule and procedure. In many past years, a shut-off notice would bring in a significant amount of outstanding payments.

The list of Capital items that the Utilities is in need of, continues to grow. The department has needed a jet/vac for several years. The old one could not be salvaged and the City must rent one every time an emergency happens. The City paid out almost \$80,000 in rental fees over an 24-month period. The Orbal aeration system in the Sewer Treatment Plant must be replaced and the estimate is close to \$100,000 for parts and labor. Our Public Works Director and our licensed Sewer Operator both resigned in 2021. Due to the difficulty in hiring qualified licensed operators, the City contracted with an engineering firm to provide licensed operators and a lab technician at a monthly cost of \$36,600. The former Public Works Director, a certified engineer estimated that three million dollars in improvements are needed to keep the water and sewer plants properly operating. In 2 years the membranes 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. 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 retired in 2020. The State Resource Network study completed in December 2018 stressed the importance of putting together a strong management team. A Deputy Treasurer was hired September 2019 and then moved into the position of CFO December 2020. The City hired an Administrator / Certified Clerk in August of 2019. The City hired a new part time tax collector (CTC) in February of 2021. Due to the work load in the tax office, it will be necessary to hire a fulltime Tax Collector. Improving the City tax collection rate is the number one priority on a long list of priorities. In addition the City will be hiring a second fulltime code enforcement officer as soon as possible.



**V-B. Demonstration of Revenue Loss/Substantial Cost Increase**

Show: (1) specific, extraordinary revenue losses, but not as the aggregate of many revenues 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	2020 Value	2021 Value	Amount of Loss/Increase
General Administration (a)	70,600	111,675	Incr \$41,075
<b>Description:</b>	Brd of Ed did not contribute to Commerce Director Salary		
Aid to Volunteer Ambulance	33,000	42,500	Incr 9,500
<b>Description:</b>	Contract agreement with Independent Volunteer Squad		
Police Salary and Wages (a)	1,757,980	1,808,551	Incr 50,571
<b>Description:</b>	For new hires		
Contingent Expenses	0	10,000	Incr 10,000
<b>Description:</b>	For unforeseen expenses for public safety and works dept		
Reserve for Uncollected Taxes	1,786,887.37	1,930,331.60	Incr 143,444.23
<b>Description:</b>	Average Tax Collection rate at 75.93		
General Liability Insurance	405,055	4447,561.75	Incr 42,506.75
<b>Description:</b>	Increase due to addl cybercrime policy and rate experience		
Pensions PFRS&PERS	553,596	616,441	Incr 62,845
<b>Description:</b>	NJ State Pension increase		

**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**

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

### **A. Economic Development**

The City continues to take 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*** and, established a ***Neighborhood Transformation Initiative***. 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.

In 2020 the City hired Charles Bailey as Commerce/Economic Development Director and the results of that strategic move have been very encouraging. Having someone that can dedicate their time and efforts full time on projects like housing, grant applications, working with developers and Government agencies has created several avenues for the City to move forward.

These are just some of the projects that he has worked on that have been successful:

Charles worked on the application for the COPS grant and the City was awarded \$250,000 to cover the cost of two officers over a three-year period which was received in 2020. In 2021 the City also received an \$800,000.00 Multipurpose Brownfield Cleanup grant from the Federal EPA. In addition the Commerce department worked on a \$250,000 grant award that is being used for our fire department consolidation and received \$100,000 in Small Cities funding to help homeowners maintain their property through home owner rehabilitation.

The City Commerce Department also worked with Grieves Parkway LLC to select a location and navigate through our planning and zoning process. Earlier this year, the Planning Hearing board approved two large warehouses to be built by the company providing up to 160 new jobs. The warehouses will be built on vacant land with large two large structures, 160,000 sq ft and 230,000 sq ft. This will result in additional tax revenue for the City of Salem. A PILOT is likely to be negotiated for this \$28 Million investment project.

Three public auctions for City owned properties have been held. Fourteen properties were sold and the auction produced almost \$200,000 in revenue in 2021. Even more important, fourteen properties were placed back on the tax rolls and these blighted properties are being cleaned up and restored. More auctions will be held this year in 2022. In addition, through the direction of the Commerce Department the city has begun the foreclosure process on 49 properties with \$2.3 million in uncollected taxes, fees, and interest within two target areas. Downtown, and on Olive and Union streets. Downtown will be part of a downtown business revitalization project and Olive and Union streets are part of a neighborhood initiative called the Quality of Life Impact Zone (QIZ) designed to increase home ownership and reduce crime.

Mr. Bailey has been working with developer that is interested in the Ardaugh Glass property. The plant has been shut down for years and a one time was the largest employer in the City. The developer is looking to bring in several companies and would create several hundred much needed jobs. There has been some positive movement with this project in recent weeks. At this time a full proposal for the sale of the factory has been submitted. The developers have had their onboard meeting with the City of Salem and have been introduced to our Redevelopment attorney. At this time this information remains confidential. This is one of several examples of the City working in collaboration with our NJ DEP representative, Vince Caliguire, on

important projects. Vince works with the City through NJ DEP's Community Collaborative Initiative Program (CCI) and he has been extremely helpful in the time he has been assigned to Salem City.

The City has worked diligently over the last few years to reduce our need for aid and with the Wind Turbine facility being developed nearby, we expect to share in the influx of new support businesses in the County. Mr. Bailey will be at the forefront of the Salem's efforts to lure those companies into our available facilities.

The City has experiencing increased interest in our properties including our landfill, through the Brownfield marketing that has been provided by the City Commerce Department. The City has been contacted by multiple investors for that prime piece of City property. In recent weeks, a new developer with an interesting project has approached the City. This project would bring jobs and considerable tax revenue to the City. Since then over the course of the last 5 months several developers have approached the City with a financial offer. At this time the City will be meeting again with one of the developers who has expressed strong interest and urgency for the purchase of the property. The next steps would be to involve the City redevelopment attorney. This is another area where we have worked in collaboration with Vince Caliguire and NJ DEP to help move this project forward.

The City has been designated an *Opportunity Zone* by the Governor, which will allow for capital gain incentives to investors and Salem City 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.

The City is continuing to implement the initiatives presented in the NJ SRN report (12/2015) in coordination with our State Monitor's recommendations. The City has already implemented the following:

- 1) Salem City has built a strong management team by Hiring a Fulltime Certified RMC, appointing a Business Administrator, appointing a certified CFO and CTC and appointing a Commerce and Economic Development Director. We will be hiring a fulltime Tax Collector to move the City forward with improving our tax collection rate. A second Code Enforcement Official will be hired in 2022 to help clean up the City's overall appearance.
- 2) The City land sales have produced \$175,000 and more auctions are planned.
- 3) The City is exploring all options to resolve the Water and Sewer Utility deficit, including but not limited to the privatization option.
- 4) The City refinanced the 19 Million Dollar Finlaw Building debt. This will make debt service payments more manageable moving forward. In this effort our team was able to renegotiate leases with the Department of the Treasury to extend them from 2028 to 2048. This will guarantee a revenue stream to service the debt.
- 5) We are partnering with DLGS subject experts to explore consolidating from three fire houses to one. This will also allow the City to consolidate and eliminate equipment.

In addition, the City has doubled down on efforts 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 was the first step in attracting new investors. The site of the old supermarket was purchased and the City has worked with the new owner to secure a USDA grant. That has progressed to a very positive point and there should be some good news soon. 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).

**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 with the Blue Collars and FOP with average increases of less than 2% over the terms of the contracts.

The City had 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 currently talking to the Port Authority about ways to increase City revenues through the port especially with the expected added interest in our port due to the new Turbine facility.

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

Several years ago the City eliminated the recreation programs at the JB Campbell Community center due to decreased participation. The contract at the center was at a cost of \$20,000. The City eliminated a consultant that worked on vacant property registrations and some other department programs and is now doing the work in-house.

**D: Plan to maximize recurring revenues.**

The City instituted an abandoned property Ordinance three years ago. The fees increase each year that the houses remain vacant.

In 2021 the City continued to evaluate the sale of its Water and Sewer Utility systems due to three consecutive years of running at an operating deficit. This evaluation was recommended in the State Resource Network study (page 48 & 49) in 2018.

In 2019 the City introduced 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 that was being foreclosed on was the old glass plant, the City's largest ratable. The company that held the mortgage on the glass plant paid 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 has hired special counsel to execute these and all future In Rem foreclosures. The City moved forward with In Rem foreclosure on 48 properties in 2021. This list has already produces nearly \$200,000 in revenue as some property owners have stepped up and paid in order to maintain possession of their properties. The City is also exploring selling (assigning) some of the Municipally held liens.

**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.

**SALEM CITY IS IN THE NEW JERSEY STATE HEALTH BENEFIT PROGRAM**

### VI. Historical Fiscal Statistics

Item	2020	2021	Introduced Application Year
<b>1. Property Tax/Budget Information</b>			
Municipal tax rate	\$3.688	\$3.774	\$4.113
Municipal Purposes tax levy	\$4,614,906.36	\$4,646,950.50	\$5,082,418.24
Municipal Open Space tax levy	\$0	\$0	\$0
Total general appropriations	\$10,221,104.58	\$9,786,472.51	\$11,747,163.39
<b>2. Cash Status Information</b>			
% Of current taxes collected	75.63%	81.39%	%
% Used in computation of reserve	78.55%	80.01%	79%
Reserve for uncollected taxes	\$1,789,887.37	\$1,786,887.37	\$1,989,308.10
Total year end cash surplus	\$1,280,900.14	\$1,280,900.14	
Total non-cash surplus	\$0	\$0	
Year-end deferred charges	\$0	\$0	
<b>3. Assessment Data</b>			
Assessed value (as of 1/10)	\$125,115,488	\$123,081,736	\$123,563,054
Average Residential Assessment	\$45,740	\$45,740	\$45,740.00
Number of tax appeals granted	7		
Amount budgeted for tax appeals	\$0.00	\$0.00	\$0.00
Refunding bonds for tax appeals	\$0.00	\$0.00	\$0.00
<b>4. Staffing Levels</b>			
Total Number of Sworn Police -	21	19	19
Total S&W Expenditures	\$1,757,980	\$1,808,551	\$1,830,000
Class 2 and Class 3 Officers	0	0	0
Total S&W Expenditures	\$0	\$0	\$0
Uniformed Fire - Staff Number	VOLUNTEERS	VOLUNTEERS	VOLUNTEERS
Total S&W Expenditures	\$0	\$0	\$0
Number of Other Full-time Employees	See attachment		
Total S&W Expenditures	\$	\$	\$
Number of Other Part-time Employees	See Attachment		
Total S&W Expenditures			
<b>5. Impact of Proposed Tax Levy</b>			
			<b>Amount</b>
Current Year Taxable Value			\$123,563,054
Introduced Tax Levy			\$5,082,418.24
Proposed Municipal Tax Rate	4.113	Average Res. Value (#4 above)	\$45,740
Current Year Taxes on Average Residential Value (#4 above)			\$1,881.29
Prior Year Taxes on Average Residential Value			\$1,816.33
Proposed Increase in average residential taxes			\$64.96

**VII. Application Year Budget Information**

A. Year of latest revaluation/reassessment

2017 last revaluation
91.53

A1. Most current equalized ratio

B. Proposed Budget – Appropriation Cap Information

- |  | Yes | No |
|--|-----|----|
| <b>Item</b>  |     |    |
| 1. Was an appropriation cap index rate ordinance adopted last year?<br>If YES: % that was used                 | x   |    |
| 2.5%   |     |    |
| 2. Amount of appropriation cap bank available going into this year   |     |    |
| \$202,563.24   |     |    |
| 3. Is the Application Year budget at (appropriation) cap?<br>If NO, amount of remaining balance                |     | x  |
| \$272,060.62   |     |    |
| 4. Does the Application Year anticipate use of a waiver to exceed the<br>appropriation cap?<br>If YES, amount: |     | x  |
| Not Applicable   |     |    |

C. List the five largest item appropriation increases:

Appropriation	Prior Year Actual	Application Year Proposed	\$ Amount of Increase
Pensions pfrs and pers	689836	792004	102168
General liability insurance	599750	638479	38729
Reserve for uncollected taxes	1930332	1989308	58976
Capital improvement Fund	190000	485750	295,750
Animal control services	28600	45000	16,400
Health Benefits	1160000	1185000	25000

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

Department/Agency	Position	Number	Dollar Amount
Tax department	FT tax collector	1	65000
Housing	FT Housing/Code Inspector	1	42000



<b>Application Year: CY2022</b>	<b>Municipality: SALEM CITY</b>	<b>County: SALEM</b>
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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:

	<b>Tax Levy</b>	<b>Local Revenues</b>	<b>Transitional Aid</b>	<b>Total S&amp;W</b>	<b>Total OE</b>
<b>First year</b>	<b>5,100,000</b>	<b>4,350,000</b>	<b>1,500,000</b>	<b>2,900,000</b>	<b>3,100,000</b>
<b>Second year</b>	<b>5,200,000</b>	<b>4,575,000</b>	<b>1,000,000</b>	<b>2,900,000</b>	<b>3,250,000</b>
<b>Third year</b>	<b>5,300,000</b>	<b>4,950,000</b>	<b>500,000</b>	<b>2,900,000</b>	<b>3,375,000</b>

**VIII. Financial Practices**

A. Expenditure controls and practices:

<b>Question</b>	<b>Yes</b>	<b>No</b>
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.

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

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

<b>Question</b>	<b>Police</b>	<b>Fire</b>	<b>Other Contract</b>	<b>Non-Contract</b>
Year of last salary increase	2021	0	2020	0
Average total cost percentage increase	%	%	1.75%	1.5%
Last contract settlement date	12/2021	NA	12/30/2020	
Contract expiration date	negotiating	NA	2024	

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	na	no	no
Wage Freezes (describe below)	no	na	no	no
Layoffs (describe below)	no	na	no	no

D. Tax Enforcement Practices:

Question	Yes	No
1. Did the municipality complete its accelerated tax sale by December 31, if included in 2022 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: <span style="float:right">Date:</span>		Oct 2021
3. On what dates were tax delinquency notices sent out in 2021: <span style="float:right">Date:</span>		All 4 quarters
4. Date of last tax sale: <span style="float:right">Date:</span>		06/21/2021

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	\$0	2021	\$0	Anticipated Application Year:	\$
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2. List the instruments in which idle funds are invested:

NONE	

3. What was the average return on investments during 2021?

zero%

4. Left Blank Intentionally

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

BOMAN

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	12/31/2021	CURRENTLY NEGOTIATING
BLUE COLLAR	12/31/2024	
CROSSING GUARDS	12/31/2020	WAITING ON NEW SHOP STEWARD

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	2021 Assessed Value	2021 Taxes If Billed in Full at 2020 Total Tax Rate	Term of Tax Abatement
HARVEST POINT BLK106 LOT 3	AFFORDABLE HOUSING	\$394,788	11,050,000	785,876	30 YEARS
SENIOR VILLAGE BLK 53 LOT 5	SENIOR CITIZEN HOUSING	18,000	6,077,500	432,231.8	30 YEARS
CARPENTER STR PH 1&2	AFFORDABLE HOUSING	125,397.82	2,844,300	202,286.62	30 YEARS





Application Year: **CY2022** Municipality: \_\_\_\_\_ County: \_\_\_\_\_

**IX-C. Evaluate existing local revenues, as to whether 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 are 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		
Swimming Pool	<input checked="" type="checkbox"/>	NO		NON OPERATIONAL SINCE PANDEMIC
Uniform Construction Code	<input type="checkbox"/>			
Uniform Fire Code	<input type="checkbox"/>			
Land Use Fees	<input type="checkbox"/>			
Parking Fees	<input checked="" type="checkbox"/>	NO		
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	X	YES	\$80,000	TRASH STICKERS SOLD AT \$1 FOR A 30 GALLON TRASH BAG

<b>Application Year: CY2022</b>	<b>Municipality:</b>	<b>County:</b>
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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.

Type of Service	Name of Contracted Entity	Estimated Amount of Contract	Estimated Savings	Year Last Negotiated (as applicable)
DISPATCH 911	SALEM COUNTY	129,010	0	2012
GAS PUMP	SALEM COUNTY	PER GALLON	0	2018
TRASH REMOVAL	SEASIDE WASTE	99,000	0	2018 LOW BID
STATE CODE ENFORCEMENT	STATE OF NEW JERSEY	NO CHARGE	0	NOT REQUIRED

<u>Application Year: CY2022</u>	<u>Municipality:</u>	<u>County:</u>
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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	2021 Full Time Staffing	2022 Full Time Staffing	\$ Amount to be Saved
1	STREET DEPT SATURDAY HOURS		9/1/2021	½	0	\$6,700

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	\$25,000	ELIMINATE COMMUNITY SERVICES TO PARKS AND POOL
2	CLEANING SERVICE	\$8,000	BUILDING MAINTENANCE



Application Year: CY2022	Municipality:	County:
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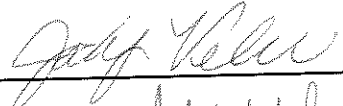
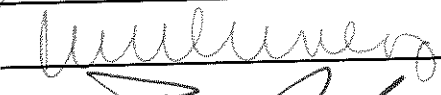

**XII. Agreement to Improve Financial Position of Municipality**

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	

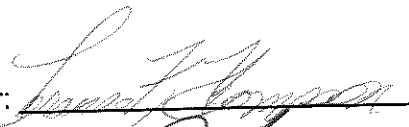

**XIII. Certification of Past Compliance for Municipalities Currently Operating Under a Transitional Aid MOU:**

The undersigned certify that the municipality is in substantial compliance with the conditions and requirements of the 2021 MOU and is operating in good faith to correct those area of noncompliance that have been identified.

Mayor:  Date: 3/3/22  
 Chief Financial Officer:  Date: 3/2/22  
 Chief Administrative Officer:  Date: 3/3/22

**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: 3/3/22  
 Chief Administrative Officer:  Date: 3/3/22

Application Year: CY2022	Municipality:	County:
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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:  Date: 3/31/22

Chief Financial Officer:  Date: 3/31/22

Chief Administrative Officer:  Date: 3/31/22

Mayor/Council	Councilmember	6,566.00
Mayor/Council	Councilmember	6,566.00
Mayor/Council	Councilmember	7,056.00
Mayor/Council	Councilmember	6,566.00
Mayor/Council	Councilmember	6,566.00
Mayor/Council	Councilmember	6,566.00
Mayor/Council	Councilmember	6,566.00
Mayor/Council	Mayor	8,526.00
		<b>54,978.00</b>
CLERK	Municipal Searcher	1,200.00
CLERK	Clerk	41,820.00
CLERK	Clerk Typist	39,000.00
		<b>82,020.00</b>
GEN ADM	Administrator	46,920.00
GEN ADM	Commerce Dir.	69,675.00
		<b>116,595.00</b>
HOUSING	Housing Officer	54,905.00
HOUSING	Housing Officer	43,000.00
		<b>97,905.00</b>
FINANCE	Account Clerk	36,136.00
FINANCE	CFO	88,435.00
FINANCE	PR/Pension Superv	\$35,000
		<b>159,571.00</b>
Tax Collection	Account Clerk	15,000.00
Tax Collection	Tax Searcher	1,200.00
Tax Collection	PR/Pension Superv	20,000.00
Tax Collection	FT Collector	45,000.00
		<b>81,200.00</b>
Tax Assessment	Tax Assessor	23,500.00
		<b>23,500.00</b>
Planning/Zoning OE	PB Secretary	1,200.00
Planning/Zoning OE	Zoning	2,400.00
		<b>3,600.00</b>
Office EMS	EMS	5,425.00
Office EMS	EMS	2,732.00
		<b>8,157.00</b>

POLICE DEPT	Michael		86,656.00
POLICE DEPT	Robert D.	Half	82,078.00
POLICE DEPT		0	60,000.00
POLICE DEPT	Walter R.		82,304.00
POLICE DEPT	Dale R.		77,432.00
POLICE DEPT	Douglas L.		31,200.00
POLICE DEPT	Larvie A.		85,830.16
POLICE DEPT	Robert		77,432.00
POLICE DEPT	Alaura		77,432.00
POLICE DEPT	Sean W.		86,664.00
POLICE DEPT	Christopher		86,664.00
POLICE DEPT	Andrew D.		77,432.00
POLICE DEPT	Matthew		77,432.00
POLICE DEPT	John		108,000.00
POLICE DEPT	Michael		87,481.00
POLICE DEPT		0	93,000.00
POLICE DEPT	James P.		77,432.00
<b>POLICE DEPT</b>		<b>0</b>	<b>86,832.00</b>
POLICE DEPT	Sean W.		85,830.00
<b>POLICE DEPT</b>		<b>0</b>	<b>87,395.00</b>
POLICE DEPT	Alisa A.		69,117.00
POLICE DEPT	Dominique	half	44,387.00
POLICE DEPT	Sharron		44,475.00
CROSSING GRD	12 x guards		75,000.00
<b>POLICE DEPT</b>	<b>DEPT overtime</b>		<b>160,000.00</b>
			<b>2,007,505.16</b>

v

STREET SW	Sr.Mechanic		76,053.00
STREET SW	Gen Supervisor		80,505.00
STREET SW	Laborer		49,645.00
STREET SW	Equip Operator		61,360.00
STREET SW	Laborer		46,610.00
STREET SW	Laborer		43,900.00
<b>Street Overtime</b>	<b>Overtime</b>		<b>19,000.00</b>
	<b>subttl</b>		<b>377,073.00</b>

STREET SW	Laborer		39,825.00
STREET SW	STREET CLEANING		49,645.00
	<b>subttl</b>		<b>89,470.00</b>
	<b>TOTAL SW/OT</b>		<b>466,543.00</b>

Municipal Court	Court Admin		\$58,183.00
Municipal Court	Deputy Adm		\$35,700.00
Municipal Court	Judge		\$21,017.00
			<b>\$114,900.00</b>