

Transitional Aid Application for Calendar Year 2025 and Fiscal Year 2026

Division of Local Government Services Department of Community Affairs

General Instructions: This application must be submitted in its entirety by March 7, 2025, for CY2025 applicants and September 29, 2025, for FY2026 applicants for funding consideration under this program. Information contained in the application is subject to independent verification by the Division of Local Government Services (DLGS). Refer to Local Finance Notice 2025-03 when preparing this application for specific instructions and definitions and review the Submission Checklist on page 19 of this application and listed on page 7 of the Local Finance Notice.

Name of Municipality:	Borough of Penns Grove	County:	Salem
Contact Person:	Stephen F. Labb	Title:	Chief Financial Officer
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I. Aid History

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

FY2025 / CY2024	FY2024 / CY2023	FY2023 / CY2022
\$550,000.00	\$550,000.00	\$550,000.00

II. Aid Request for Application Year: (All municipalities currently operating under a Transitional Aid Memorandum of Understanding (MOU) are advised that a decrease from prior year funding of 15% should be anticipated.)

Amount of aid requested for the Application Year:	\$550,000.00
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If not seeking a decrease, a letter from the Mayor is required. See Local Finance Notice 2025-03.

III. Submission Requirements

The following items must be submitted with or prior to the submission of this application. Indicate the date of submission of each.

Item	Date Submitted to DLGS
2025 Annual Financial Statement	3/7/2025
2024 Annual Audit	Due Date of 6/30/25
2024 Corrective Action Plan	Findings to be reviewed with the New Business Administrator for further actions.
Application Year Introduced Budget	Date to be discussed on 3/18/25
Budget Documentation Submitted to Governing Body	3/14/25

Application Year: CY2025 / FY2026	Municipality: Borough of Penns Grove	County: Salem
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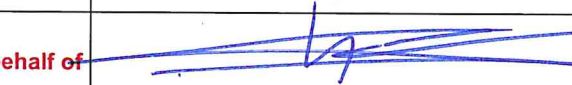
IV. A. Application Certification

The undersigned herewith certify that they have reviewed this application and, individually, believe 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 an aid award is final and not subject to appeal.

Official	Signature	Date
Mayor/Chief Executive Officer		3/14/25
Governing Body Presiding Officer		3/14/25
Chief Financial Officer		3/14/25
Chief Administrative Officer Stephen F. Labb, CMFO Signing on behalf of Administrator		3/14/25

IV. B. Transitional Aid Recipients Applying in CY2025 / FY2026

Municipalities operating under a (MOU must certify that they are in substantial compliance with all conditions and requirements of the MOU.

Official	Signature	Date
Mayor/Chief Executive Officer		3/14/25
Governing Body Presiding Officer		3/14/25
Chief Financial Officer		3/14/25
Chief Administrative Officer Stephen F. Labb, CMFO Signing on behalf of Administrator		3/14/25

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 would it jeopardize the fiscal integrity of the municipality?

The following factors, which exist in the Borough of Penns Grove help justify the need of awarding Transitional Aid in 2025, some of these are continuing conditions mentioned in prior applications which are updated. Since the 2024 Application, the redeveloper did not abide by the terms of the redevelopment agreement and the Borough had to terminate the contract and remove Riverwalk junction as the redeveloper, currently the project is in litigation. The Borough is continuing its best efforts in bringing Development to the Riverfront, which is the Municipality best asset and best hope in becoming self-sufficient. An additional update on redevelopment will be in Section V-C: **Actions to Reduce Further Aid.**

FACTOR 1: Continuing Condition Municipal Statistics Updated:

It is difficult to offset revenue decreases or budget increases in the Borough of Penns Grove. The Borough of Penns Grove is less than one square mile in total area. Based on the Demographics and Social Economic Characteristics, estimated per capita income for Penns Grove is \$ 18,364.00 versus the state average of \$ 53,118.00, which is 34.57% lower than the New Jersey State average. Medium household income for Penns Grove is \$ 43,889.00 versus the state average of \$ 101,050.00, which is 43.43% lower than the New Jersey State average. People below poverty levels in Penns Grove are at 36.30%, which more than **doubles** the state rate of 9.8%. Penns Grove unemployment rate is 8.4% vs New Jersey State average of 4.6% As the data suggest, the Borough of Penns Grove qualifies as distressed and is **listed number (3) on the Municipal Distressed Cities Index.** (Statistical data from Census Reporter & NJ.Gov)

FACTOR 2: Continuing Condition Tax Exempt Properties Updated:

The Borough suffers from a high percentage of properties which are non-ratable. As of 2025, it is estimated that **34.69%** of the total value of land and improvement (property) within the Borough of Penns Grove are non-taxable. Below is a sample listing of properties, for full listing see attached (**Appendix A: 2025 Table of Aggregates & Exempt Property Listing**).

A. Government, Schools, and Institutions:

1. Salem County Board Welfare Office.
2. Salem County Counseling Services.
3. The Penns Grove – Carneys Point School District Office.
4. The Penns Grove – Carneys Point Middle School.
5. The Penns Grove – Carneys Point Carleton School.
6. The Borough Hall.
7. The Ambulance and Public Works building.
8. Fire Department building.
9. Penns Grove Sewerage Authority.
10. United State Post Office.

FACTOR 2: Continuing Condition Tax Exempt Properties Updated:**A. Public Housing**

1. Penns Grove Housing Authority (2 Properties).
2. Penn Village.
3. Penns Grove Gardens.

B. Non-profit Organizations and Clubs:

1. Tri-County Community Action Agency
2. B.P.O.E Elks.
3. Penns Grove Historical Society.
4. American Legion.
5. Travelers Temple Association

D. Churches:

The Borough of Penns Grove presently has fourteen (14) active churches which own twenty-two properties, all of which are exempt from taxes. The Borough surely does not object to having these religious institutions, but this gives a clear picture of just how severe the non-ratable situation is for the Borough.

FACTOR 3: FULL-TIME TAX COLLECTOR RESIGNED

The Borough of Penns Grove Tax Collector status changed from full-time to part-time on September 1st. This limited office hours to 10 hours per week as the Tax Office did not have a Deputy Clerk. The Tax Clerk then resigned on October 30th and a new part time collector was hired October 24th. The CFO dedicated over a week to set up the new collector into Office 365 and the Edmunds Software System, with Borough's IT Consultants and Edmunds IT representative. The Tax Sale that was scheduled for November had to be rescheduled to December 31st. A Full-Time Deputy Tax was hired and started on November 18th.

The Tax Collection Rate decreased by **3.55%** due to the changes and issues that arise from the change in the Tax Office. The decrease in the collection rate resulted in a loss of over **\$ 268,000.00** in Tax Revenues. This was out of the Boroughs control. The governing body took the necessary steps as soon as possible to have the office up and running, knowing the importance of the Tax Office and how the collection rate effect the Municipal Budget.

FACTOR 4: Block 57 Lot 1 Effect on Municipal Collections:

The Borough of Penns Grove Municipal Lien Balance as of 12/31/2024 is \$ 1,785,499.83. Argorosomus LLC Municipal Lien Balance as of 12/31/24 is \$ 641,142.92 (**Appendix B**) This one owner accounts for approximately **35.91%** of the Municipal Lien uncollected balance.

In summary, when considering the size of the Borough of Penns Grove and the percentage of non-ratable properties (**34.69%**), in conjunction with the amount of uncollected Municipal Lien from one owner, there is a tremendous burden placed on the existing (**65.31%**) of payers. In many cases the Municipality provides additional services and support without any financial contribution.

FACTOR 5: Subsidized Housing Continuing Condition Updated:

Penns Grove hosts an excessive number of subsidized housing units. Although being less than one square mile, the borough has five subsidized low-income housing facilities. The facilities are Penn Village Apartments, Silver Run Apartments, Mallard Park Apartments, the Penn Towers Senior Citizens Complex and Penns Grove Gardens, which have a combined total of 448 units. The owners of these facilities are receiving funding from the federal government, none of which are passed on to the Borough. The facilities continue to place a financial strain on the Borough's limited resources.

Example 1: The Penns Grove Housing Authority, which includes the Silver Run Apartments and the Penn Towers Senior Citizens facility, are assessed at **\$8,982,800.00**. Both facilities have a combined total of 272 units. Which is exempt per 15C as Public Housing 55:14A-20.

Example 2: Penn Village Apartments, which has an assessed value of **\$5,884,900.00**, provides a payment in lieu of taxes to the Borough in the amount of **\$42,500.00** per year. This payment does not in any way reflect the amount of attention that this facility receives by way of police calls, municipal court, and other services for the 120-unit complex.

Example 3: Mallard Park Apartments (99 Regional LLC) is a subsidized housing facility, with an assessed value of **\$998,400.00**. The revenue received does not offset the cost associated with this property.

FACTOR 5: Subsidized Housing Continuing Condition Updated:

Subsidized Housing grossly underpays its' fair share of property taxes. In 2024, a Penns Grove homeowner with an average assessment of \$ 86,728.26 paid \$ 2,198.00 in local property taxes. Compare this with one of the subsidized housing complexes in the Borough of Penns Grove. The Penns Grove Housing Authority, which has 272 combined apartment units, paid \$ 46,164.81 for 2024. As has been stated previously, the complexes place a much greater demand on the services provided by the Borough, particularly the Police Department. 2024 payment per unit are shown below:

Penns Grove Housing Authority – 242.97 per unit.

The Penn Village Apartments -Payment in Lieu, \$ 354.17 per unit.

Mallard Park Apartments - \$ 790.61 in local taxes per unit.

The Social Economic factors, which result from this place a burden on the budget. We have a police budget for 2025 in the amount of \$1,722,000.00 for Salaries & Wages and Other Expenses. Factoring in \$ 995,089.36 for Health Insurance Payments, which includes \$ 605,935.44 in payments for retirees and officers retired on disability. The total for the Police Department is \$ 2,717,089.36. This amount represents over 33.80 % of the 2025 of the tentative introduced budget for the Borough of Penns Grove.

Application Year: CY2025 / FY2026	Municipality: Borough of Penns Grove	County: Salem
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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 expenditure increase if the increase resulted from 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	2024 Value	2025 Value	Amount of Loss/Increase
Revenue	\$191,385.42	\$ -0-	(\$191,385.42)
Description:	Municipal Relief Fund Aid		
Appropriation	\$1,116,000.00	\$1,211,000.00	\$95,000.00
Description:	Group Health Insurance		
Appropriation	\$1,581,579.00	\$1,638,000.00	\$56,421.00
Description:	Police Salary & Wages		
Appropriation	\$316,779.00	\$364,106.00	\$47,327.00
Description:	Police & Firemen's Retirement System		
Description:			
Description:			
Description:			

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, the impact of new development, the 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.

PENN GROVE FISCAL EVALUATION & RECOMMENDED RECOVERY PLAN:

1. Continuing to follow the advice of the Recovery Plan for better Government and Fiscal Stability.

BUSINESS ADMINISTRATORS UPDATE:

2. Due to the passing of the Borough Administrator in 2024 the Mayor and the Chief Financial Officer have been doing their best in continuing with the objective of the Administrator's Office. As you well know this is not sustainable. The governing body is currently interviewing potential candidates. The latest round of interviews was recently conducted on March 7th.

CONTINUING THE MISSION STATEMENT OF THE BOROUGH OF PENNS GROVE

- Continuing the Mission of the Municipal Government of the Borough of Penns Grove is maintaining the Borough as a safe, clean, and healthy environment for residents, the business community, their guests, employees, and customers. We will accomplish our mission by providing cost-effective municipal programs that will promote, enhance, and protect the quality of life in the Borough of Penns Grove, and deliver municipal services in an efficient,

CONTINUING THE MISSION STATEMENT OF THE BOROUGH OF PENNS GROVE

- responsive, courteous, and professional manner. We are a community that appreciates our differences and recognizes that unique skills, knowledge, and backgrounds bring strength to our community. Municipal government will be open, receptive, and willing to embrace innovative strategies for municipal progress. Our government is a partnership, and we will continue to seek creative ways to encourage communication among residents, elected and appointed officials and staff.

AUCTION / PROPERTY SALE UPDATE

3. For decades Penns Grove has suffered with a high level of abandoned and vacant properties. Under the previous administration, there were dozens of foreclosures for unpaid taxes or sewer bills. In the beginning of 2021, the borough owned approximately 90 properties that it had no interest in. Those properties included non-conforming lots, conforming lots, and structures including houses and a few commercial properties. Learning lessons from the past, the borough avoided managing its own auction. We wanted to create a wider net throughout the region to attract quality investors, contractors, in those who have an interest in growing in Penns Grove so that we could raise the most money. The borough selected Max Spann to manage the auction because the company has a history of success in the region. We studied how the auction occurred in Philadelphia, Trenton, and Atlantic City in particular. Max Spann and the administration looked at every property and determined that every property except for those with questionable ownership or squatters would be auctioned. Max Spann hosted an information session that attracted dozens of people from the area and throughout the northeast region. As of November 14, 2022, the results of the Borough of Penns Grove Property Auction by Max Spann are as follows:

1. 18 Properties sold.
2. The amount received by the Borough of Penns Grove from Property Auction is \$ 580,000.00.
3. \$ 991,400.00 in Assessed Valuation added to the Municipal Tax Base.

Property Sales as of 12/31/2023 are as follows:

1. 5 Properties sold.
2. The amount received by the Borough of Penns Grove from Property Auction is \$ 292,000.00
3. \$ 297,000.00 in Assessed Valuation added to the Municipal Tax Base.

Property Sales as of 12/31/2024 are as follows:

1. 9 Properties sold.
2. The amount received by the Borough of Penns Grove is \$ 141,135.00
3. \$ 399,200.00 Assessed Valuation added to the Municipal Tax Base.

CONTINUING ECONOMIC DEVELOPMENT

Continuing the borough's economic development plan. Continuing the core strategy to attract new businesses to the borough and to keep existing businesses here. We are continuing the process of examining our zoning rules to make sure that they are appropriate and modern through the updating of the borough's Master Plan. The Master Plan will give future municipal guidance in the areas of physical, economic, and social development and set the basis of policy surround the same for the borough. At the completion of the Master Plan the borough intends to develop a Redevelopment Plan as the borough has already been deemed in need of rehabilitation. The Redevelopment Plan will define the borough's desired outcomes effectively creating policies related to future business occupancy, job creation, commercial and residential growth. The borough also shares information from federal and state programs, including the NJEDA, with business owners so that they are aware of the grants and other opportunities that they have for growth. Penns Grove is small enough that we can directly talk to many business owners to give them confidence that the borough is advancing; those advancements include updating our technology infrastructure with municipal management software, updating our website, and updating our ordinances.

CONTINUING TO EXPAND THE RATABLE BASE

4. The Borough of Penns Grove expanded the ratable base by an additional \$ **399,200.00** in 2024 from the auction of Borough owned properties. This will be a continuing process that will benefit the Municipality by making sure that properties are put back on the tax rolls, which increases the Municipalities Tax Base, which distributes the tax burden and increases home ownership.
- The Borough is continuing to review all designated **Areas in Need of Development** designated over the last decade. With the guidance from the reexamination of the Master plan, we are identifying spaces that can be developed into small businesses. We speak about these opportunities at events such as the local Rotary.
- We are continuing to strengthen the relationship with DCA's Construction officials. They meet with contractors every Thursday at the office. We are encouraging landlords and contractors to utilize the service and share their methods with contractors or vendors that come to the borough hall for various reasons.

CONTINUING TO EXPAND THE RATABLE BASE

- Two of our biggest real estate assets - one at the waterfront facing the Delaware River and there other three of four blocks on a central borough intersection – are currently locked in litigation due to decisions made under the prior administration. Although we hoped to win or settle the case by now, due to a slowed system in Superior Court, the suits for linger. The borough is prepared to deal with any outcome so that the land can be developed as a tax-paying entity that will also attract more residents and new businesses to come. The owner Argorosomus LLC Municipal Lien Balance as of 12/31/23 is \$ 809,325.19. This one owner accounts for approximately 48% of the Municipal Lien uncollected balance.

SHARED SERVICES

5. To provide the best service to the Taxpayers of the Borough of Penns Grove, it was decided to bring the Tax Collector in house to continue the exceptional services that were provided last year. Also with much consideration, Public Works was outsourced through private contracting which provides savings to the Taxpayers.
- We also have a police dispatch agreement with Salem County and intend to keep that in place. The borough has participated in conversations about municipal court and school district consolidation. We have done a preliminary analysis to determine potential advantages and issues that could arise if approved.
 - The DCA Construction office processes permit's and has a great working relationship with the zoning officer and other staff to deliver good services to the public.
 - New Shared Service with the City of Salem for Financial Administration, Chief Financial Officer Services. The Borough of Penns Grove and the City of Salem entered into a Shared Service Agreement in November 2024. The Shared Service benefits all parties involved, as after much consideration and speaking with Administration from the City of Salem the Chief Financial Officer agreed on participating in the Shared Service. In many ways the Borough of Penns Grove and the City of Salem mirror each other. The Chief Financial Officer brings over 30 years of experience in the Municipal Government to the City of Salem.

POLICE DEPARTMENT

6. The Borough's police department operates best with three officers on patrol, totaling 16 rank and file officers. We have operated two or three shifts throughout the last year due to an ongoing shortage. The Department is actively seeking candidates and conducting interviews to reach the goal of 16 Officers in which the Department will be fully staffed.
- The Borough was requested by the State Monitor to do an evaluation of the Police Department. The Borough of Penns Grove has expressed a desire to restructure the department. On February 6th a Resolution was passed authorizing the Police Department Evaluation and exploring all options that are fiscally sound and cost effective. Any option must consider the community policing model that considers ethnic and financial diversity.
 - There is already an existing mutual aid agreement with several surrounding municipalities including Carney's Point, which is a force multiplier based on demand and needs no additional cost to Penns Grove.
 - Continuing to reduce overtime by hiring new officers. We are strategically moving officers from shift to shift to cover gaps. Our OIC comes four hours early to cover shifts when needed. Officers from other places may fill time for a full platoon, as is with the mutual aid agreement.
 - The reputation of the department continues to improve. There has been a reduction of citizen complaints based on internal affairs investigations and community feedback. This also decreases the chances of lawsuits.

CONTROL AND REDUCE SPENDING

7. We have taken serious demonstrable steps to control and reduce spending. As mandated by our state monitor and reflective of fiscal responsibility, we only increase the expenditure that are necessary and prepare the Budget with State Monitor input. The Borough will implement the Edmunds on Cloud System, in which offsite departments will have access to the department's budget. The Finance Office will also implement online department purchase orders through the Edmunds system, which will make approval ordering and processing much more efficient.

PROPERTY SALE UPDATE 2024

8. An additional (9) Properties were sold in 2024 in the amount of \$ 141,135.00 with an Assessed Valuation of \$ 399,200.00 added to the Municipal Tax Base. (See Appendix D) for Properties Sold and added Assessed Valuations.

PLANNING BOARD/TTL FORECLOSURES ATTORNEY UPDATE**IN REM FORCLOSURES**

9. In the Fall of 2024, the Borough successfully litigated and resolved in substance one of two long standing land development disputes which has suspended development in its Waterfront areas. The Borough's filings resulted in an uncontested foreclosure of the Borough's development held Waterfront parcels. These areas will now be available for active development. The Borough is also seeking to conclude its litigation regarding its Main Street redevelopment zone.

WAWA REDEVELOP ZONE

Construction of the WaWa retail establishment was completed in 2024. Due to the success of this project, the developer brought forth a project to develop a pad site to construct a McDonald's. The Project was approved by the Planning Board in 2024 and is currently under construction. The estimate completion and opening of McDonald's is spring 2025.

DEVELOPMENT OF NEW MASTER PLAN

In 2024, the Borough's governing body and planning board completed the development and adoption of the new Borough Master Plan. Development of ordinances and zoning designations are in line with this new vision of the governing body.

DEVELOPMENT OF ADDITIONAL COMMERCIAL RATABLES

The Borough's land use board and council authorized designation of the entirety of the municipality as an area in need of rehabilitation. Since this resolution, the Borough has approved and authorized the development and operation of two cannabis operators. One is a manufacturing establishment which is already operational, the second, a retailer which is currently under construction.

SOLICITORS 2024/2025 UPDATE OF CURRENT MATTERS

10. The Borough has been working on a comprehensive Redevelopment Plan which includes both the Riverwalk Area as well as the Scattered Sites Areas which were the subject of litigation. As Solicitor, I have overseen the recent acquisition of several waterfront properties previously belonging to Agrosomous, LLC. We are currently working on a plan for acquisition of the premier property which will be the key to the Borough's success in redevelopment.

As Solicitor, I have initiated programs for the Borough to generate revenue and maintain required information and documentation from business entities. A business registration policy is slated to be enacted in April 2025. A policy has been drafted, and I have assisted with developing and training the personnel required to oversee this effort. Historically, the Borough has lacked the ability to provide meaningful oversight to businesses due to the lack of a registration system. Additionally, the Borough has been unable to collect licensing revenue due to the lack of a viable system.

SOLICITORS 2024/2025 UDATE OF CURRENT MATTERS

We have undertaken a strong initiative to identify landlords in the Borough who have failed to comply with the registration process or to obtain the requisite documentation, including but not limited to Certificates of Occupancy and Lead Paint Certifications. As part of the process for bringing these landlords into compliance, attorney letters are now being sent to those who are in violation in addition to citations. This letter will serve as constructive notice and will allow us to explore potential civil remedies.

Consistent with our obligations under new state and federal regulations, we have drafted stormwater policies to bring the Borough in compliance with both FEMA and DE P requirements. Ordinances and resolutions have been drafted to adopt those stormwater policies. We are currently working on policies related to the Floodplain Plan for the Borough. Much of the Borough of Penns Grove is subject to flooding and as such these policies are urgently needed.

The State of New Jersey Department of Community Affairs has placed a strong urging on municipalities to engage in shared services agreements. To that end, we have been tasked with exploring the possibility of shared services agreements with several neighboring municipalities. We have entered into a shared services agreement with the City of Salem for the use of our CFO. We have sought to enter into additional agreements with Salem relating to street sweeping services and have also discussed the potential for a limited law enforcement shared services agreement. All shared services agreements have been negotiated by the Solicitor.

Due to the death of the Municipal Court Clerk and our ability to find a suitable replacement, the Borough is preparing to enter into a shared services agreement for a Joint Court with the Townships of Carney's point and Pennsville. This shared services agreement, and the logistics of dissolving the Municipal Court will be the responsibility of the Solicitor. It will require extensive time and effort; however, the Borough should recognize savings because of these efforts. In addition, the Borough will be applying for LEAP credits from the DCA for the services that need to be provided.

We are currently involved in negotiations for the Collective Bargaining Agreement with the FOP which represents the Borough's police officers. The Solicitor is the chief negotiator, and the individual tasked with the responsibility of ensuring that the agreement terms are successfully negotiated on behalf of the Borough. To the extent that funds are limited, it is expected that these negotiations may be somewhat protracted. However, there are signs that an amicable resolution can be made.

We have begun negotiations with two of the largest housing entities in the Borough relative to their request for PILOT agreements. We have had numerous meetings with the operators of Penn Village Apartments relative to an extension of their existing pilot agreement. We also met with the attorneys for and the principles of Fairstead, a New York corporation seeking to purchase Penn Gardens. It is expected that within the next 60 days both agreements can be finalized.

SOLICITORS 2024/2025 UDATE OF CURRENT MATTERS

As Solicitor, I have been an integral part of three significant grants on behalf of the Borough. We recently awarded the New Jersey TAMP grant which will allow us to institute a ridesharing transportation system for the Borough. We were one of three recipients of that grant, with the other two recipients being County government entities. Recently, we applied for the NJBIDE grant through the Board of Public Utilities for the provision of broadband services in the Borough and throughout Salem County. This is a which we engaged in in conjunction with a private entity partner. We applied for a \$25,000 grant through the New Jerseys DCA for recreation services which we received. Finally, we applied for a New Jersey DCA grant for recreation services in order to purchase playground equipment for Barber Avenue Park.

In support of our new Public Works Department, we have been involved in providing the legal infrastructure for its operation. In this regard, documents required for compliance with PEOSH as well as documents required for the daily and efficient operation of the department have been drafted by the Solicitor.

Under the solicitor's guidance, our Cannabis Initiative has begun with three entities identified and one in service. Little Leaf, LLC has opened and has returned revenue to the Borough before suffering a fire related emergency causing them to shut down. Reopening is expected shortly. Uncle Beez Dispensary is the Borough's only retail cannabis establishment. This is a ground-up operation with groundbreaking for a new building expected within the coming weeks. Triple G is a cultivation facility which has recently purchased a large building in the Borough and is expected to open within the next year. It is expected that the Borough will be able to capitalize on the revenue base presented by these entities in full fashion in the year 2026.

TAX COLLECTION PROCEDURES

11. The New Tax Collector will implement the same procedures as the prior Collect. The Tax Collector has incorporated the following Collection Practices:

- Online payment portal through Borough website (credit, debit, e check).
- Drop box for after hour's payment.
- Accept online payment checks from various banks (owner online banking).
- Accept wire transfers for payment.
- Accept partial payment for quarterly taxes.
- Multiple notice of delinquency and tax sale intentions.
- Multiple emails to mortgage companies notifying them of delinquency and tax sale.
- Bills issued reflect payment options available.
- Work with the Assessor to maintain accurate records for mailing bills to new owners.
- Monitors deeds recorded at County level to update billing for new owners.
- Issues notices of delinquency to lenders who do not escrow but maintain a mortgage on the property.

TAX COLLECTION PROCEDURES

- Provide information on deductions (Senior, veteran, Disabled, Homestead, and Property Reimbursement) to owners as tax relief options.
- Credit and debit cards are accepted at the Tax Office Window
- Accept an appropriate municipal lien assignment by resolution which allows collections to resume on parcel.
- Addition-accepting appropriate redemption in installments plan for municipal lien by resolution, which allows collections to resume.

12. **BOROUGH OF PENNS GROVE ENGINEERING**
&
INSPECTIONS STATUS REPORT

MARCH 2025

MATTERS FOR GENERAL DISCUSSION & FOLLOW UP

1. The FY' 2024 NJDOT Municipal Aid application period opened on April 30, 2023. The Borough has indicated that it is interested in pursuing an application for the reconstruction of Lanning Avenue between W Pitman Street and W Line Street. RVE coordinated with the Borough to provide engineering assistance for an application for funding which was submitted to the NJDOT through the PMRS system on June 28, 2023. The funding of \$189,377.00 for this project was approved. A design proposal was submitted to the Borough for approval at their February 6, 2024, council meeting. The design was submitted to NJDOT for approval of the plans and specifications. The Lanning Avenue project was advertised on August 15, 2024, and no one submitted a bid at the bid opening on September 10, 2024. The project was re-bid and advertised on September 16, 2024. The bid opening on September 26, 2024, resulted in one bidder, Asphalt Paving Systems, whose bid was over budget. The Borough will submit an application to the NJDOT to modify the limits to W Pitman Street to 118 Lanning Avenue for the funding received. The Borough submitted an application to NJDOT for Discretionary Aid for 118 Lanning Avenue to W Line Street on February 5, 2025.
2. RVE submitted an application for Discretionary Municipal Aid to NJDOT on December 13, 2023, for the resurfacing of Penn Street from Poplar Street to W Line Street (Penn Street, Phase V Project). A resolution of approval for the submittal of this application to NJDOT was approved by Borough Council at the February 6, 2024, meeting. The project received FY2024 LAIF funding in the amount of \$135,000. A design proposal will be submitted at the March 4, 2025, council meeting.
3. The FY' 2025 NJDOT Municipal Aid application period opened in April 2024. The Borough has indicated that it is interested in pursuing an application for the reconstruction of Walnut Street between S Virginia Avenue and S Broad Street. RVE coordinated with the Borough to provide

MATTERS FOR GENERAL DISCUSSION & FOLLOW UP

engineering assistance for an application for funding which was submitted to the NJDOT through the PMRS system on May 14, 2024, and the resolution of support by Borough Council submitted on May 22, 2024. The total amount requested for the reconstruction of Walnut Street was \$503,839.00. Penns Grove received a total award amount of \$170,109.00, which includes \$27,237.00 in Urban Aid. The project must be constructed in phases due to the amount of funding received annually. Phase I will be S Broad Street to Westminster Avenue. A design proposal will be submitted at the March 4, 2025, council meeting.

ENGINEERING STUDIES, INVESTIGATIONS, & GRANT APPLICATIONS

MUNICIPAL STORMWATER ASSISTANCE GRANT

This NJDEP grant offers up to \$25,000.00 in funding for original Tier A municipalities for efforts required for compliance with the 2023 Final Municipal Separate Storm Sewer (MS4) Tier A Permit. \$15,000.00 is disbursed upon receipt of the grant application, with the remainder to be disbursed upon receipt of the MS4 Infrastructure map required within 36 months of the Effective Date of Permit Authorization (EDPA).

The Tier A MS4 permit, and grant application was forwarded electronically to NJDEP on June 30, 2023. The Borough has received the initial disbursement of \$15,000.00.

Our office was approved to provide engineering and reporting services and outfall mapping required for permit compliance previously. RVE prepared a proposal for GIS infrastructure mapping services for the Borough's stormwater structures as required for the Tier A MS4 permit, which was approved at the August 17, 2023, Council Meeting. The surveying field work of all public and private areas has been completed, and the plan mapping was forwarded to Borough representatives on November 10, 2023, for review and comments. RVE submitted the infrastructure mapping to NJDEP on January 30, 2024. No comments have been received by the NJDEP to date.

NJ ASSET ACTIVATION PLANNING GRANT PROGRAM

RVE is working with the Cumberland County Improvement Authority and Triad Associates to complete the predevelopment planning necessary for the \$50,000 grant received by the Borough from the NJEDA to support the development of an economic analysis and feasibility study to guide and assist the Borough in its pursuit to spur economic development through the use of otherwise under-utilized land and buildings within the Borough. The final documents were submitted to the NJEDA on June 20, 2024.

MATTERS FOR GENERAL DISCUSSION & FOLLOW UP**FY 2025 HUD COMMUNITY DEVELOPMENT FUND FOR ECONOMIC DEVELOPMENT INITIATIVES (EDI) GRANT APPLICATION**

RVE worked with the Borough to complete the application to HUD for the Penns Grove Community Center Initiative for improvements necessary for a proposed community center at 111 Lanning Avenue. This community center would contain educational and social services for adults and children in the community. The total grant amount requested was \$2.1 million, which would include \$1.9 million in hard costs for improvements to the structure and \$200,000 in soft costs for engineering design and inspection services.

NJDOT TRANSPORTATION ACCESSIBILITY & MOBILITY PILOT (TAMP) PROGRAM

RVE worked with Penns Grove to complete the application necessary for a grant in the amount of \$185,000.00 for the purchase of an ADA accessible ridesharing vehicle for 14 or less passengers, and the yearly cost for driver and administrative duties. We are proposing a locally based transit service to complement other transit services in the region. The individuals who may not be able to secure transportation to healthcare, social services or employment will now be provided with a means of transportation. The application was submitted to the NJDOT on November 15, 2024. We received correspondence from the NJDOT dated December 18, 2024, that the grant was awarded to Penns Grove for \$185,000.00. A kickoff meeting with NJDOT was held on February 18, 2025. We are waiting for information regarding a standard agreement between NJDOT and the Borough.

BROWNFIELD DEVELOPMENT AREA (BDA) GRANT APPLICATION

RVE worked with the Borough to complete the application to the NJDEP for a BDA grant for multiple sites (Block 84, Lots 1 & 21; Block 66, Lots 9 & 10). The BDA application was submitted on July 31, 2024. The BDA Steering Committee, consists of the following individuals:

- Dena Moore Johnson, RVE
- Honorable Mayor LaDaena Londo
- Michael Bercute
- Dr. Gust Davis
- Edward Hill
- Darryl Rhone
- Norman (Tony) Scott
- Robert L. Tarver Jr
- Charles Washington Jr.
- Dr. Edward C. Williams

The BDA application was denied, but the NJDEP met on February 26, 2025, with the Borough regarding assistance with future funding.

MATTERS FOR GENERAL DISCUSSION & FOLLOW UP**NEW JERSEY BROADBAND INFRASTRUCTURE DEPLOYMENT EQUITY (NJBIDE) PILOT PROGRAM**

RVE worked with the Borough to complete the application on February 7, 2025, to the New Jersey Office of Broadband Connectivity (OBC) for a grant to fund the construction and deployment of broadband infrastructure that is designed to deliver, upon project completion, service that reliably meets or exceeds symmetrical download and upload speeds of 100 Mbps. The project must be substantively completed by December 31, 2026. The Office of Broadband Connectivity will announce NJBIDE Pilot Program recipients and project areas served by April 30, 2025.

CAPITAL IMPROVEMENT AND / OR GENERAL ENGINEERING PROJECTS**GENERAL ENGINEERING**

1. RVE is assisting the Borough as necessary for Street Opening Permit requests.
2. RVE has assisted the Borough's Office of Emergency Management Coordinator with the preparation of Penns Grove's portion of Salem County's Hazard Mitigation Plan.
3. RVE has updated the tax maps to reflect the lot consolidations and subdivisions created within the last few years.
4. RVE is assisting the Borough with its floodplain management services. A community assessment visit was held with Jack Hofmann and George Ibrahim with NJDEP's Division of Dam Safety and Flood Management on June 3, 2024, to review how floodplain management is handled within the Borough. An updated ordinance, floodplain management webpage, and Borough floodplain development permit are required. A draft copy of the updated flood damage prevention ordinance (Chapter 252) was submitted and approved for review by NJDEP and FEMA Region II. The ordinance was submitted for approval and acceptance by Borough Council on October 1, 2024. The approved ordinance was submitted to the NJDEP Office of Dam Safety and Flood Engineering on October 29, 2024, as required.

DELAWARE AVENUE PUMP STATION

This project involves upgrades to the Delaware Avenue Stormwater Pumping Station funded by the FY' 2020 Small Cities Community Development Block Grant (CDBG) Program in the amount of \$440,000.00. An extension was granted by the DCA for which the project must be constructed by 12/31/2023. The project was advertised on June 26, 2023, and the bid opening was Tuesday, July 18, 2023, at 10:30am at Borough Hall. Sub-Level Installations, Inc. was the low bidder. The project was awarded to Sub-Level Installations, Inc. at the August 17, 2023, Council Meeting. The preconstruction meeting was held on August 31, 2023, and the project construction is ongoing. The project has been completed in January 2024, with the installation of the tide gate. Additional

CAPITAL IMPROVEMENT AND / OR GENERAL ENGINEERING PROJECTS

electrical work requested by the electrical code official is being reviewed by RVE and Triad Associates. The remaining funds available were approved by NJDCA on January 22, 2025, to be used to replace a pump at the Mill Street Pump Station.

STRAUGHENS LANE PUMP STATION

RVE was approved for the Straughens Lane Pumping Station project at the July 18, 2023, Council Meeting. This project involves upgrades to the Straughn's Lane Pump Station funded by the FY' 2022 Small Cities Community Development Block Grant (CDBG) Program in the amount of \$345,600.00. RVE has submitted a proposed change of scope to Triad Associates to replace the variable frequency drive (VFD) which determines the pump speed and to replace pump no.1. The scope change would include the replacement of the outfall pipe which has been dislodged and cracked. Triad Associates agreed that no approval from NJDCA for the change of scope would be necessary. The project design was submitted for review and approval to Triad Associates and NJDCA in June 2024. The project was advertised on June 20, 2024, for the bid opening date of July 16, 2024, at 10am in Borough Hall. No bidders responded. The project was re-advertised on July 22, 2024, for the bid opening date of August 6, 2024, at 10am in Borough Hall. Municipal Maintenance was awarded the contract for the project by Borough Council at their August 13, 2024, meeting. The preconstruction meeting was held on October 1, 2024. Construction commenced in January 2025 and will be completed in March 2025.

EAST PITMAN STREET STORM SEWER INFRASTRUCTURE IMPROVEMENTS

This project involves improvements to the storm drainage system along East Pitman Street between Broad Street and Barber Avenue, funded by the FY'2021 Small Cities Community Development Block Grant (CDBG) Program in the amount of \$400,000.00. Our office submitted a scope of services and cost proposal for professional services in the amount of \$52,225.00 in March of 2022. The project was awarded to RVE at the July 5, 2023, Council Meeting. A request was made to the DCA to extend the limits of the project to include an area of potholes along East Pitman Street beyond Barber Avenue. DCA approved this project limit extension on July 31, 2023, and the project design has been completed and advertised. The bids came in over budget and RVE has proposed to reject the bids. RVE adjusted the design to allow for a lower cost which was reviewed by Triad Associates and the DCA for rebid. The lowest bidder for the project was Perma Finnigan, Inc. for \$342,227.02. A preconstruction meeting was held in June 2024 and construction commenced on July 15, 2024. The project was constructed, and final paving occurred on September 24, 2024.

76 S VIRGINIA AVE (BLOCK 95, LOT 14) ENVIRONMENTAL ASSESSMENT

This project involves environmental due diligence services for Block 95, Lot 14 which was recently acquired by the Borough through tax lien foreclosure. Our office has conducted a Preliminary Assessment in compliance with the New Jersey Department of Environmental Protection (NJDEP) Technical Requirements for Site Remediation due to its designation as a

CAPITAL IMPROVEMENT AND / OR GENERAL ENGINEERING PROJECTS

“Known Contaminated Site” with a “Known Source or Release with Groundwater Contamination”. We have prepared and submitted a Preliminary Assessment Report (PAR) to the Borough on March 31, 2023, which was approved at the April 18, 2023, Council meeting. The resolution approving Remington & Vernick Engineers to provide LSRP services was also approved at that Council meeting. The preparation of the LSRP paperwork necessary to close out the

76 S VIRGINIA AVE (BLOCK 95, LOT 14) ENVIRONMENTAL ASSESSMENT

environmental work with NJDEP at this site is ongoing and an additional proposal for these services was approved at July 5, 2023, Council Meeting. We submitted the Hazardous Discharge Site Remediation Fund (HDSRF) Grant application to NJDEP on October 18, 2023, to assist with the funding for LSRP services. Grant documents were forwarded to the Borough and signed by Mayor Londo for resubmission to the NJDEP Contract Administrator on September 25, 2024. The RVE contract to perform this work was signed in January 2025.

MS4 COMPLIANCE SERVICES

The Borough is currently working to comply with New Jersey Department of Environmental Protection (NJDEP) regulations for the 2023 Final Municipal Separate Storm Sewer (MS4) Tier A Permit. RVE was approved to coordinate with the NJDEP and bring the Borough up to date with reporting requirements, assist with implementation of Community Wide Ordinances, and develop a Stormwater Pollution Prevention Plan (SPPP). Our office has continued to coordinate with the NJDEP to meet reporting requirements. We have gathered stormwater system information and prepared the required Annual Reports and Supplemental Questionnaires for retroactive compliance from 2017 to 2021, which were submitted through the NJDEP online portal. We will be updating the 2022 Annual Report for submittal to NJDEP and we will begin the development of the Stormwater Pollution Prevention Plan (SPPP) in accordance with the 2023 General Permit. We attended the mandatory Stormwater Program Coordinator training and Stormwater Management Design Reviewer training in August 2023. RVE is working on completing the required annual MS4 documentation for the Borough.

FY' 2021 NJDOT TRUST FUND IMPROVEMENTS TO PENN STREET (PHASE IV)

This project involves improvements to Penn Street from West Pitman Street to West Line Street, including replacement of concrete sidewalk, curb and gutter, and ADA compliant curb ramps along this section of roadway. We assisted the Borough in preparing a time extension request for \$173,893.00 in NJDOT State Aid funding for this project. We have received an additional time extension request to allow time for NJDOT review of project documents and award by August 16, 2023. RVE developed the plans, specifications, and bid documents for the bid opening to occur on Tuesday, July 25, 2023, at 10:30am at Borough Hall. Think Pavers Hardscaping, LLC, was the low bidder. The project was awarded at the August 2, 2023, Council Meeting. The preconstruction meeting was held on September 21, 2023. The contractor began construction on October 19, 2023. The construction project and the punch list were completed. A final change order in the amount of \$1,859.52 was submitted on January 25, 2024, to NJDOT for approval. The NJDOT provided final

CAPITAL IMPROVEMENT AND / OR GENERAL ENGINEERING PROJECTS

approval for the project and all documentation was submitted to NJDOT on April 18, 2024, to close out this project with the NJDOT. The project payments to the contractor must be reconciled to close out the project with the NJDOT.

FY' 2022 NJDOT TRUST FUND IMPROVEMENTS TO PENN STREET (PHASE IV)

This project involves the resurfacing (mill & overlay) of Penn Street from West Pitman Street to Poplar Street. The total NJDOT State Aid funding received for this project is \$61,527.00 from the grant award and urban allotment. RVE developed the plans, specifications, and bid documents for the bid opening to occur on Friday, October 13, 2023, at 10am at Borough Hall. Think Pavers Hardscaping, LLC, was the low bidder. The project was awarded at the October 17, 2023, Council Meeting. The contractor began construction on November 21, 2023, for the roadway resurfacing. The concrete gutter replacement at the Poplar Street intersection was completed in February 2024. The NJDOT has provided a final inspection of the project. The project payments to the contractor must be reconciled to close out the project with the NJDOT.

MASTER PLAN PREPARATION

This project involves the preparation of a new Master Plan in coordination with the Borough of Penns Grove. The Steering Committee consists of the following individuals:

- Ashton Jones, RVE
- Dena Moore Johnson, RVE
- Honorable Mayor LaDaena Londo
- Councilman John Rambo
- Raymond Haldeman
- Edward Hill
- Erin Maurer
- Andy Plagge
- Darryl Rhone
- Robert L. Tarver Jr
- Charles Washington Jr.
- Dr. Edward C. Williams

An initial meeting was held on May 15, 2023. Members have completed the SWOT (Strengths/Weaknesses/Opportunities/Threats) analysis for the report, and our office work regarding the land use element is ongoing. The first public meeting to discuss the Master Plan occurred on Monday, October 23, 2023. A Steering Committee meeting was scheduled on January 31, 2024, and a draft copy of the Master Plan was submitted for review to the Steering Committee. A public meeting to discuss the Master Plan was scheduled for a special meeting on April 30, 2024, at 6:30pm. The Master Plan was presented and approved at the August 21, 2024, Planning Board meeting. Copies of the Master Plan and approval resolution were submitted to the State Office of Planning Advocacy and Salem County on October 17, 2024.

CAPITAL IMPROVEMENT AND / OR GENERAL ENGINEERING PROJECTS

COMMUNITY CENTER – 111 LANNING AVENUE/ 64 EAST MAIN STREET

This project involves the design and reconstruction of the existing building at 111 Lanning Avenue as a community center. The Borough received \$413,000 in FY2021 from the USDA Community Facilities Program for the engineering design and reconstruction of this community center and Triad Associates requested additional funding of \$250,000 in FY2024 for the engineering design only, which was denied. The proposal from RVE to prepare the feasibility study and building evaluation necessary to complete the USDA Application (CDS – Congressionally Directed Spending) was approved at the August 17, 2023, Council Meeting. A draft of the report was forwarded to the Borough and Triad Associates on October 17, 2023. Triad Associates has coordinated with the USDA regarding the application for funding and the application is pending submission by Triad Associates in anticipation of finding additional funding. The Borough is considering the location of 64 East Main Street as a future community center site. RVE was approved at the September 3, 2024, Borough Council meeting to perform a facility assessment at 64 East Main Street. The site visit for the assessment was on October 8, 2024. The facility assessment was completed and forwarded to Borough Officials in early December 2024.

PLANNING BOARD INSPECTION PROJECTS

ZAWA PENNS GROVE (McDONALD'S)

This project consists of the construction of a McDonald's restaurant and the necessary site improvements as approved. Minor demolition has been approved to occur at the site with inspection services. The preconstruction meeting was held on July 17, 2024. Site clearing has been completed, and soil erosion and sediment control items have been installed. Site work construction is approximately 80% complete, with an approximate completion date in April 2025.

LITTLE LEAF LABS, LLC

This project consists of the improvements to an existing building for a cannabis processing and manufacturing facility. The preconstruction meeting was held on May 8, 2024. Minor site work construction was completed and observed by our inspector in June 2024.

GATEWAY COMMUNITY ACTION PARTNERSHIP

This project consists of the construction of a 2,230 square foot building in addition to an existing preschool facility along with additional parking spaces. The preconstruction meeting was held on February 13, 2024. Site clearing has been completed, and soil erosion and sediment control items have been installed. Site work construction is 100% complete.

PLANNING BOARD INSPECTION PROJECTS**PRELIMINARY INVESTIGATION FOR THE AREA IN NEED OF REDEVELOPMENT STUDY FOR 76 S. VIRGINIA AVENUE (BLOCK 95, LOTS 10 & 14)**

This project consists of the preparation of preliminary investigation for redevelopment eligibility which will require an analysis of existing conditions to determine the extent to which conditions reflect the statutory criteria necessary to sustain a redevelopment declaration as determined by the Local Redevelopment and Housing Law N.J.S.A. 40A:12A-5. The proposal from RVE to prepare this investigation was approved at the October 17, 2023, Council Meeting. The results of the investigation were presented on January 10, 2024, planning board meeting. The Planning Board accepted the findings to designate Block 95, Lots 10 & 14 a non-condemnation area in need of redevelopment. A subsequent resolution from Borough Council was received at the February 20, 2024, Council Meeting.

ZAWA PENNS GROVE

This project consists of the construction of a Wawa building and gas station, pad site buildings, parking lots, utilities, and stormwater management systems. The preconstruction meeting was held on June 28, 2022. Demolition of the existing buildings has been completed, and construction of the new Wawa commenced in November 2023. Site work construction is 100% complete. The new Wawa opened at 8am on Thursday, August 15, 2024.

AZ PENNS GROVE (Auto Zone)

This project consists of the construction of an Auto Zone building, parking lot, utilities, and stormwater management system. RVE recommended the release of the performance guarantee on January 5, 2023. The applicant posted the maintenance bond of \$3,334.50 and stormwater management bond of \$977.25 on March 6, 2023. The maintenance bond expires on February 20, 2025.

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 a commission. If commissions are being earned, provide both how the commission is calculated (percentage of premium or self-insurance) and the actual dollar value of the commission paid each year.

1. Identify the company that is the broker of records for health insurance.

Conner Strong & Buckelew Companies, Inc. are the brokers of records for health insurance.

2. How much in commissions or fees does the broker of record receive from: (a) the municipality \$. N/A; and (b) commission the Broker is receiving from the insurance company. The Broker is receiving 2% commission for Medical from the insurance company in 2024 and 3.00% commission for prescription in 2024. The Actual value of commission for the last three years are:

• January – December 2022	\$ 21,553.56
• January – December 2023	\$ 25,549.84
• January – December 2024	\$ 23,600.01

3. As an attachment, have the broker list the provided coverage, and the categories and number of employees in each program. Create a side-by-side comparison with the State Health Benefits Plan and outline costs (**See Appendix E**).
4. Provide a clear and concise explanation as to why the State Health Benefits Plan is not being used and discuss the relative costs of insurance used and the State Health Benefits Plan. (It is advisable for you to share this question with your broker of record and have them fill it out.)
 - Comparing the State cost to the proposed Horizon cost and factoring in Medicare costs as the State requires Parts A & B of Medicare, the Borough of Penns Grove is saving an estimated **\$ 206,619.56 or 19.67%** by not converting over to the State Plan for the period of 1/01/2025-12/31/2025.
 - From a provider disruption basis, only 66% of current providers being used by Borough employees participate with the State plan. Our experience is 85% participation deemed acceptable to avoid arbitration issues, also Borough of Penns Grove has Traditional and PPO plans that are greater in benefit as compared to the State plan, therefore, "equal to or better than" provisions of collective bargaining would be a contractual issue.

Application Year: CY2025 / FY2026	Municipality: Borough of Penns Grove	County: Salem
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VI. Historical Fiscal Statistics

Item	2023	2024	Introduced Application Year Tentative
A. Property Tax/Budget Information			
Municipal tax rate	\$2.479	\$2.534	\$2.694
Municipal Purposes tax levy	\$3,352,944.96	\$3,447,432.78	\$3,668,028.04
Municipal Open Space tax levy	\$0.00	\$0.00	\$0.00
Total general appropriations	\$8,833,661.29	\$8,941,719.62	\$8,039,347.65
B. Cash Status Information			
% Of current taxes collected	88.80%	85.25%	%
% Used in the computation of reserve	85.89%	86%	86.50%
Reserve for uncollected taxes	\$1,017,476.47	\$1,049,960.02	\$1,075,874.90
Total year-end cash surplus	\$1,735,128.65	\$	
Total non-cash surplus	\$0.00	\$0.00	
Year-end deferred charges	\$0.00	\$0.00	
C. Assessment Data			
Assessed value (as of January 10)	\$135,239,350.00	\$136,028,550.00	\$136,137,350.00
Average residential assessment	\$86,226.70	\$86,728.36	\$87,000.00
Number of tax appeals granted	0	0	
Amount budgeted for tax appeals	\$0	\$0	\$0.00
Refunding bonds for tax appeals	\$0	\$0	\$0.00
D. Staffing Levels			
Total Number of Sworn Police -	14	14	16
Total S&W Expenditures	\$1,378,521.78	\$1,464,186.05	\$1,530,791.12
Class 2 and Class 3 Officers	N/A	N/A	N/A
Total S&W Expenditures	.00	.00	.00
Uniformed Fire – Staff Number	N/A	N/A	N/A
Total S&W Expenditures	\$.00	\$.00	\$.00
Number of Other Full-time Employees	10	11	11
Total S&W Expenditures	\$667,835.24	\$728,552.23	\$772,664.82
Number of Other Part-time Employees	22	18	19
Total S&W Expenditures	\$241,915.86	\$156,249.13	\$246,105.06
E. Impact of Proposed Tax Levy			
			Amount
Current Year Taxable Value			\$136,137,350.00
Introduced Tax Levy			3,668,028.04
Proposed Municipal Tax Rate	2.694	Average res. value	\$87,000.00
Current Year Taxes on average residential value			\$2,344.09
Prior Year Taxes on average residential value			\$2,204.58
Proposed increase in average residential taxes			\$139.51

Application Year: CY2025 / FY2026	Municipality: Borough of Penns Grove	County: Salem
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VII. Application Year Budget Information

A. Year of latest revaluation/reassessment

1. Most current equalized ratio

2018
84.32%

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 the use of a waiver to exceed the appropriation cap?
If YES, the amount:

	Yes	No
	X	
3.5%		
\$299.03		
		X
\$372.75		
		X
\$		

C. List the five largest item appropriation increases:

Appropriation	Prior Year Actual	Application Year Proposed	\$ Amount of Increase
Group Insurance Plan for Employees	\$1,073,734.11	1,211,000.00	\$137,265.89
Police Salary & Wages	\$1,511,712.74	\$1,638,000.00	\$126,287.26
Public Works Salary & Wages	\$76,597.31	\$129,000.00	\$52,402.69
Solid Waste Collection	\$397,253.76	\$447,680.00	\$50,426.24
Police & Fireman's Retirement System	\$316,779.00	\$364,106.00	\$47,327.00

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

Department/Agency	Position	Number	Dollar Amount
	N/A		

Application Year: CY2025 / FY2026	Municipality: Borough of Penns Grove	County: Salem
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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:

	Tax Levy	Local Revenues	Transitional Aid	Total S&W	Total OE
First year	*	*	*	*	*
Second year	*	*	*	*	*
Third year	*	*	*	*	*

***Significant reductions in Aid cannot be realized until Riverfront Development is achieved or Consolidated Police Services.**

VIII. Financial Practices

A. Expenditure controls and practices:

Question	Yes	No
1. Is an encumbrance system used for the current fund?	X	
2. Is an encumbrance system used for other funds?	X	
3. Is a general ledger maintained for the current fund?	X	
4. Is a general ledger maintained for other funds?	X	
5. Are financial activities largely automated? If so, please identify the system being used. (Edmunds GovTech)	X	
6. Does the municipality operate a 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?		X
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 Benefits	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	2024	N/A	N/A	2024
Average total cost percentage increase	2%	%	%	2%
Last contract settlement date				
Contract expiration date	2024			

Application Year: CY2025 / FY2026	Municipality: Borough of Penns Grove	County: Salem
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2. Explain, if any, actions that have been taken or are under consideration for the Application Year:

Action	Police	Fire	Other Contract	Non-Contract
Furloughs (describe below)				
Governing Body/Monitor Decision				
Wage Freezes (describe below)				
Contracts and Wage requests are submitted to the State Monitor for review and approval through the Waiver Process				
Layoffs (describe below)				
Governing Body/Monitor Decision				

D. Tax Enforcement Practices:

Question	Yes	No
1. Did the municipality complete its accelerated tax sale by December 31, if included in the 2025 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:	12/11/2020	
3. On what dates were tax delinquency notices sent out in 2024? Date: E-Mailed Mortgage Companies monthly.	2/24,5/24,8/24, 11/24	
4. Date of last tax sale? Date:	12/31/2024	

E. Specialized Service Delivery:

If the answer to either question is "Yes," provide (as an appendix) a cost justification for 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:

2023	\$21,950.05	2024	\$48,153.64	Anticipated Application Year:	\$ MRNA
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2. List the instruments in which idle funds are invested:

Various Operating & Trust Funds Checking Accounts	Fulton Cash Management

3. What was the average return on investments during 2024?

4. Left Blank Intentionally

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

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

Fulton Cash Management which maximizes earning through analysis %
Bowman and Company
2021

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 Association	2024	In the process of 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	2024 PILOT Billing	2024 Assessed Value	2024 Taxes If Billed in Full at 2023 Total Tax Rate	Term of Tax Abatement
Penn Village Apartments B-110 L-12 B-110 L-13	Affordable Housing	\$42,500.00	\$5,898,600.00	\$327,136.36	No more than 50 years nor less than the term of the NJHFA mortgage. Signed 1972.
Penns Grove Apartments B-141, L-1	Affordable Housing	\$216,000.00	\$3,468,700.00	\$192,374.10	Full force as such rate agreed upon and so long as the successor entity qualifies under HMFA Law.
Penns Grove Housing Auth. Silver Run Apartments B-65, L4,5&6 B-94, L-3 Total P.G. Housing Authority	Affordable Housing	\$46,164.81	\$7,066,400.00	\$391,902.54	Shall remain in full force if the beneficial title to such project is held by the Local Authority or any other Governmental agency, including HUD.

Application Year: CY2025 / FY2026	Municipality: Borough of Penns Grove	County: Salem
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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.

[illegible]

Budgetary Line-Items

After an analysis of each line, only line items that must be increase (Insurances, Statutory Items, or other necessary line-item increases) are increased.

Natural Gas- Natural Gas Bids
Accepted.

The Borough of Penns Grove is receiving pricing for Natural Gas through the South Jersey Power Cooperative to receive the best possible rate. (See Appendix F & G)

Electricity- The 2025 Electricity Bid Participation Form was signed and submitted. The prior round of Electric Bids was rejected as the pricing would not provide savings for the Agencies.

To receiving for Electricity, the Borough joined South Jersey Power Cooperative when they solicited bids. The Borough of Penns Grove signed and submitted the 2025 SJPC Bid Participation Form. (See Appendix H)

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 subsidy amount?	If there is a subsidy, explain why fees cannot be increased to reduce or eliminate the subsidy.
Recreation Programs	x		\$ 20,000.00	Due to Social Economic Conditions, the Governing Body believes that providing programs will curb mischief and help promote the good aspects of the community.
Sewer Fees				
Water Fees				
Swimming Pool				
Uniform Construction Code				
Uniform Fire Code				
Land Use Fees				
Parking Fees				
Beach Fees				
Insert other local fees below:				
Land Use Escrow Fees for In-House Staff				
Land Use Escrow Fees for Independent Contractors				

Section XI. Impact of Limited or No Aid Award

Describe (in detail) the impact of not being granted aid for the current fiscal year. Essential service 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 ones the municipality will make without a grant of aid.**

Rank Order	Department	# Of Layoffs	Effective Date	2023 Full-Time Staffing	2024 Full-Time Staffing	\$ Amount to be Saved
1	Police Department, the number of cuts will depend on the Aid Award and if the cuts will affect the Health & Welfare of the Community. The Police Budget accounts for 33.80% of the Municipal Budget.					
2	General Government, even though currently staffing is still at the minimal level. The Governing Body will have to see if cuts are viable					

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

Rank Order	Service	Cost Savings	Impact on Services
1	Police Services		Depending on the Aid Award, numerous layoffs would have a disastrous effect on Police Services and Public Safety and Public Health and Welfare of the community
2	General Government		The Borough is at minimum staffing, additional cuts will vastly affect the services provided to the community.

XII. Agreement to Improve Financial Position of Municipality

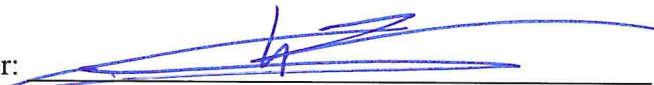
If aid is granted, the municipality will be required to submit to certain reporting conditions and oversight as authorized by law, and a new MOU will need to be signed. Please mark each box below indicating that the applicant understands and agrees to comply with these broad reporting and oversight provisions.

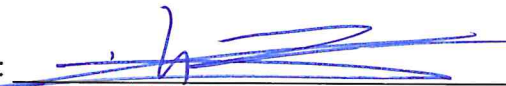
	Yes	No
1. Allow the Director of DLGS to assign management, financial, and operational specialists to assess your municipal operations.	X	
2. Implement actions directed by the Director to address the findings of DLGS staff.	X	
3. Enter into a new MOU and comply with all its provisions without exception.	X	

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

The undersigned certifies that the municipality is in substantial compliance with the conditions and requirements of the 2024 MOU and is operating in good faith to correct those areas of noncompliance that have been identified.

Mayor:  Date: 3/14/25

Chief Financial Officer:  Date: 3/14/25

Chief Administrative Officer:  Date: 3/14/25
 Stephen F. Labb, CMFO Signing on behalf of Administrator

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 listed the names of all current civil service employees in NJ "CAMPS."

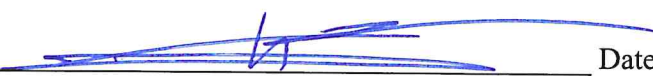
Human Resources or Personnel Director: _____ Date: _____

Chief Administrative Officer: _____ Date: _____

XV. CERTIFICATION OF APPLICATION FOR TRANSITIONAL AID

The undersigned acknowledges that 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: 3/14/25

Chief Financial Officer:  Date: 3/14/25

Chief Administrative Officer:  Date: 3/14/25
Stephen F. Labb, CMFO Signing on behalf of Administrator

Application Year: CY2025 / FY2026	Municipality: Borough of Penns Grove	County: Salem
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APPENDIX A

Submission Checklist:

- ☐ Signed and certified application.
- ☐ Copy of introduced budget, Annual Financial Statement, and budget documentation.
- ☐ Organization charts.
- ☐ Copies of current labor contracts.
- ☐ Copies of salary ordinances/resolutions and any contracts of non-union affiliated individuals.
- ☐ Debt service schedules for all municipal obligations, including municipally operated utilities, all listed by payment date.
- ☐ For prior recipients requesting level or increased funding, a letter from the Mayor explaining why they failed to reduce their need for funding.
- ☐ For new applicants, a governing body resolution authorizing the application and agreeing to State supervision immediately upon filing the application.
- ☐ A list of all motor vehicles owned or leased by the municipality (excluding construction equipment and fire apparatus); the agency assigned to its use; if the vehicle is assigned to an individual, the name of the individual; and if the vehicle is used by the individual outside of the regular workday or taken home by the individual.
- ☐ A certification that copies of all active collective negotiation agreements and the cost-out of each have been delivered to PERC. Support documentation regarding the cost-out method must also be provided.
- ☐ List of all existing shared service agreements.
- ☐ List of documented efforts to share municipal services, including public safety dispatch, code enforcement, public health services, and other services offered by neighboring municipalities, area boards of education, local authorities, or the county, if those costs are less than the current full cost of providing equivalent service.

Submission Instructions:

- E-mail electronic forms to dlgs-ta@dca.nj.gov, with "<name of municipality> Transitional Aid Application" in the subject line.
- Submit one copy of the signed application form and any printed documents to:
Transitional Aid Program
Division of Local Government Services
101 South Broad Street
PO Box 803
Trenton, NJ 08625-0803