

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:	City of Salem	County:	Salem
Contact Person:	Stephen F. Labb	Title:	Chief Financial Officer
Phone:	856-935-0372 Ext 206	Fax:	856-935-6360
E-mail:	slabb@cityofsalemnj.gov		

I. Aid History

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

FY2025 / CY2024	FY2024 / CY2023	FY2023 / CY2022
\$1,889,000.00	\$1,889,000.00	\$1,658,000.00

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:	\$ 1,889,000.00
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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

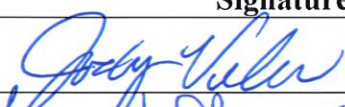
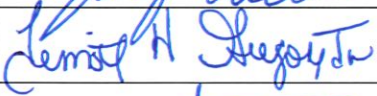
The following items must be submitted with or prior to the submission of this application. Indicate the date of submission of each.

Item	Date Submitted to DLGS
2025 Annual Financial Statement	3/7/2025
2024 Annual Audit	Due Date of 6/30/2025
2024 Corrective Action Plan	9/9/2024
Application Year Introduced Budget	4/14/2025
Budget Documentation Submitted to Governing Body	3/20/2025

Application Year: CY2025 / FY2026	Municipality: City of Salem	County: Salem
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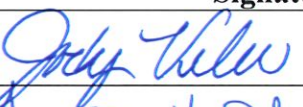
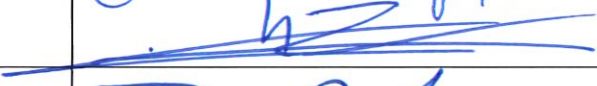
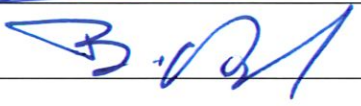
IV. A. Application Certification

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		3/20/25
Governing Body Presiding Officer		3/20/25
Chief Financial Officer		3/20/25
Chief Administrative Officer		3/20/25

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		3/20/25
Governing Body Presiding Officer		3/20/25
Chief Financial Officer		3/20/25
Chief Administrative Officer		3/20/25

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?

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

Salem City is aware of the requirement to only apply for 85% of last year's award amount. In our case that would be a \$283,350.00 decrease (from \$1,889,000.00 to \$1,605,650.00). We have worked very hard to meet the TA program goal of requesting 85%, but several factors have sidetracked that plan.

First, the sale of the W&S Utility was delayed by the NJ Office of State Comptroller (OSC). OSC mandated that the City procure a second independent financial evaluation. Your office generously provided the City with Supplemental Transitional Aid to cover the cost of that evaluation. This new mandate delayed the possible sale of the utilities. Then the residents of the City distributed a petition and acquired enough signatures to have the City put the sale question on the November 2023 ballot. The City voters overwhelmingly approved the City sale of the Water and Wastewater Utility for \$18 Million. That sale was finalized in June of 2024. The City was still responsible for the costs of running the utilities for half of 2024.

The second issue that has hindered our efforts to lower our request for Transitional Aid is our tax collection rate. Our Tax collector resigned in July of 2024 and although we were able to hire an exceptional tax collector, she could not start until August. Ms. Jennifer Koeturius has worked very hard to get our collection rate up and the rate is anticipated to have increased from 74.29% in 2023 to approximately 80% in 2024. With the 2024 tax levy being \$9,445,671.32, this is an additional \$519,511.92 collected based on a 5.5% increase. We have confidence that our collection rate will continue to climb under Jen's leadership and management.

Salem total ratable base had declined for several years. The ratable base dropped to \$114.8M in 2024. That declined from \$121,862,280.00 in 2023. When we added this decline to the fact that the collection rate had dropped to 74.29% it created a serious financial situation. Moving forward and because of the diligent work of our Governing Body and professional staff the ratable base for 2025 is \$116,617,230.00.

We are also faced with the fact that two of our highest taxed properties did not pay taxes in 2024. The Campbell center is in bankruptcy and that leaves a \$1,041,842.27 unpaid balance. The former Ardaugh Glass factory site is sitting with a \$1.9 Million tax balance. In 2024, the City started the foreclosure process on both of those properties.

Another issue that continues to plague the City involves the Finlaw Building. Last year we listed the fact that the 3rd Legislative District moved out of the Finlaw Building which left a \$135,000 revenue shortfall for 2022. That same space has now been taken by the newly elected 3rd District Officials, but for a smaller area and much less rental rate. The difference in rent severely hinders our ability to pay back the Finlaw refinancing bonds. In the last two years, we were required to replace the HVAC system for \$575,000 and

that was added to \$35,000 for immediate repairs. We were just notified that we are required to replace the carpet and paint the interior in 2024 of the Finlaw Building. Rough estimates are \$400,000 for carpet and \$250,000 for painting. Our plan is to put these projects off until 2026, but we will have to get an agreement from the tenants.

Over the last several years, the City has taken possession of over 150 properties, and we continue to work diligently on developing a housing strategy. We recognize the need to prioritize getting these properties back on the tax rolls. Our Commerce Director, Mr. Bailey, resigned in July of 2024 and this set us back as we searched for the right candidate to replace him. We were able to hire Sean Brown in mid-November and the results have been promising. Mr. Brown has organized his department and improved efficiency in every way. He has helped develop a Housing Strategy that includes auctions, a single house developer program and a dollar house program. He continues to be creative to find options for getting City owned properties back on the tax rolls. This month Council adopted a Resolution to enter into a contract with Max Spann Auction Co. for an auction in early April. The plan is for 50 City owned properties to be on that auction list.

At the April 14, 2025, Council meeting, the second reading for two Ordinances will be on the agenda to complete the sale of five City properties. Sean has been instrumental in working with people looking to rehab many of our distressed City properties. He helped facilitate redevelopers working with homeowners that have fallen behind in their taxes. This process will produce tax revenue on properties where the owner would most likely have simply walked away from their tax debt. These property owners are basically "underwater" with their properties with not much chance of paying the tax debt that continues to grow every quarter. Mr. Brown has also done crucial work reaching out to developers and investors. He has brought many new players into the picture to help create a better future for the City of Salem.

For a City that applies for and in many cases, depends on grant money, the position of grant writer/manager has become vital. Mr. Bailey was also handling Grant writing and management. The Governing Body had determined that we needed to hire a separate Grant writer/Administrator. Thanks to the Supplemental Transitional Aid that we received, we were able to hire an excellent person to fill this position in 2024. Emily Hazy has already made a big impact in this area. Having one person focus on grants has put us in a better position to get and manage the grants in a timely manner. We had difficulty filling the position, but in the short time she has been with us, Emily has proven that she is the right person.

If DCA is generous enough to grant us the full request (\$1.889M), our residents will still experience about a \$75.00 per year tax increase on the average home.

In addition to the items listed above, Salem City continues to face the reality of a possible financial crisis for CY 2025, with the following being the main contributors to the problem:

- ◆ Salem City Received \$1,889,000.00 in Transitional Aid last year and our fiscal condition at the Water Sewer Utility continued to put a drain on the City budget through the first six months of 2024.
- ◆ Water and sewer infrastructure issues continued to be an almost daily issue. The costs associated with these repairs/replacements could not be ignored.
- ◆ 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 carpeting and painting is required and that cost will be coming soon.

Application Year: CY2025 / FY2026	Municipality: City of Salem	County: Salem
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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 #2** in the State.

- ◆ with these repairs/replacements could not be ignored.
- ◆ 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 that cost will be coming soon.

B. 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 in September 2019 and then moved into the position of CFO in December 2020. The City hired an Administrator / Certified Clerk in August of 2019. In July of 2024, three key management positions were vacant due to resignations. The Tax Collector, CFO and Housing/Grant/Commerce Director resigned partly due to the City being unable to match salaries being offered in other municipalities. The City has filled these positions with highly qualified professionals and the results have already produced many positive results. We filled our CFO position with a shared service agreement with Penns Grove. We were very fortunate to be able to hire Mr. Stephen Labb through the shared service agreement. Stephen is an excellent CFO and is very experienced with the Transitional Aid Application.

Application Year: CY2025 / FY2026	Municipality: City of Salem	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
Appropriation	\$1,925,000.00	\$2,185,000.00	\$ 260,000.00
Description:	Group Insurance Plan for Employees, 1 New Employee pro-rated to start 7/1/2025.		
Appropriation	\$2,200,000.00	\$2,372,000.00	\$172,000.00
Description:	Police Salary & Wages, Step increase, in negotiations.		
Appropriation	.00	\$160,000.00	\$160,000.00
Description:	Group Insurance Plans Retiree Water/Sewerage: Due to sale of Water/Sewerage Plant, Budget Appropriation moved from Water/Sewerage Budget to City of Salem Current Fund Budget.		
Appropriation	.00	\$156,757.00	\$156,757.00
Description:	Liability Insurance: Due to sale of Water/Sewerage Plant, Budget Appropriation moved from Water/Sewerage Budget to City of Salem Current Fund Budget.		
Revenue	\$ 145,604.13	.00	(145,604.13)
Description:	Municipal Relief Fund: No longer in the State Budget		
Description:			
Description:			
Description:			

Application Year: CY2025 / FY2026	Municipality: City of Salem	County: Salem
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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.

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.

Mr. Brown has been very active in marketing the City at conferences and anywhere he sees an opportunity to bring commerce to the City. Having someone that can dedicate their time and efforts full time on projects like housing, working with developers and Government agencies has created several avenues for the City to move forward.

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

The City applied 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.

The City worked with Grieves Parkway LLC to select a location and navigate through our planning and zoning process. 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 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 being negotiated for this \$28 Million investment project.

The City is excited to be holding our auction for 50 City owned properties in May. Even more important, these properties will be back on the tax rolls and these blighted properties will be cleaned up and restored.

The City is planning additional auctions for 2025. The City has 104 properties currently in the final stages of the In Rem foreclosure process. Unfortunately, the Foreclosure process was delayed due to a Supreme Court ruling concerning foreclosures in another state. The owners of these properties are not paying taxes, and this has severely affected our tax collection rate. They are also not maintaining the properties which does create health, welfare and safety issues. Many of these houses are near the point of being unrepairable, therefore creating a need for money for demolition.

The City applied for and has been approved for the DCA Demolition Bond Loan Program. We are waiting for the final approval to move forward on the demolition of 17 buildings that have been certified a "Structure as an Imminent & Extreme Hazard".

The City has targeted two areas, the 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.

The City has been talking to developers concerning the Ardaugh Glass property. The plant has been shut down for years and at one time was the largest employer in the City. Our Redevelopment Attorney prepared an RFP that was issued that included the Ardaugh property and other properties on the Salem City waterfront. 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 experienced an 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. The City has issued a letter of support to a company interested in the landfill for a Recycling Center. They are now moving on to the County as the next step before purchasing the property. The next step would be to involve the City Redevelopment Attorney, Jim Maley. 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 rebuilt a strong management team by appointing a certified CFO through a shared services agreement with a nearby Penns Grove. The City brought in Mr. Brown to handle Housing and Commerce. We hired a new and well experienced full-time Tax Collector to move the City forward with improving our tax collection rate. Jennifer has already moved that needle 6%. Two Code Enforcement Officials were hired in 2022 to help clean up the City's overall appearance and the difference has been very noticeable.
- 2) The City auction of 50 properties scheduled for April will produce well-needed revenue and more auctions are planned.
- 3) The City has entered into an agreement with Restrepo & Associates to build six new market value homes on Linden Street.
- 4) The City refinanced the 19 Million Dollar Finlaw Building debt. This has made 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 consolidating from three fire houses to one. This will also allow the City to sell three properties 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 been working with the new owner to secure grants. 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. We recently amended the Ordinance to make the program more accessible to City residents. 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. We had a meeting with the NACA Director that was very well received and looked to present some exciting opportunities.

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 had eliminated staff in all departments throughout the last few years through attrition. In 2017 when the paid municipal alliance coordinator resigned, the City absorbed the duties with current staff. The City settled its contracts with the Blue Collars at a fair and financially responsible rate. We are currently negotiating with the FOP and our intention is to do the best we can to hold the line at a fair

and financially workable rate increase. We do have a severe issue recruiting police officers and given our crime issues, we do not want to lose the very good officers that we do have.

The City owns and is responsible for over 250 properties. Keeping those properties maintained has put a tremendous strain on our Public Works staff. Keeping the grass cut and property cleared of trash and debris has proven to be an impossible task. Many of these properties have been abandoned and are not secure, making them prime locations for squatters. We started a program to board up properties, but trying to get to all of them with our limited staff has been a problem. We also have over 100 privately owned properties that have been abandoned and many are not secured. Those properties are also open to squatters and need to be boarded up as soon as possible. We are in desperate need of at least one additional employee in the Public Works Department to help us get this work done. Squatters create dangerous health and safety issues since often they start small fires inside which have in the past become full building fires. We have been fortunate lately that we have not had any major fires due to squatters. As we try to bring in new homeowners and businesses, the appearance of the City is important and we do not have the staff to keep up with keeping the City looking its best.

We do recognize the importance in getting these properties back on the tax rolls and in the hands of homeowners and business owners that will maintain their properties. The end result being less stress on our employees and a better appearance for our City. Our auction is set for early May and will include 50 properties, and we will look to schedule another auction once the In Rem process on 104 properties is complete.

The City had negotiated with the South Jersey Port Authority to move one of its staff members into City facilities, as a shared service, eliminating \$4,800.00 in rent expense that is now applied to the City's budget for marketing 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 possibility of future development at 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.

In 2024 the City continued to move forward with the sale of its Water and Sewer Utility systems due to five consecutive years of running at an operating deficit. This evaluation was recommended in the State Resource Network study (page 48 & 49) in 2018.

The City passed In Rem Tax Foreclosure resolutions in 2023 to foreclose 134 properties. The City has hired special counsel to execute these and all future In Rem foreclosures. This process was on hold due to the Supreme Court ruling on foreclosures, but the process has now been resumed the City will also be putting together another foreclosure list for 2025. The City is also exploring selling (assigning) some of the Municipally held liens.

E: Report from the City's Director of Housing & Economic Development.

In 2024, our department has made significant strides in advancing economic development, community revitalization, and strategic planning for the City of Salem. We have successfully managed multiple grants, including the Choice Neighborhoods Grant, the Food Insecurity Grant, and the DEP NJEDA Grant, which support our efforts in housing, food access, and environmental sustainability. Additionally, we are preparing for an upcoming property auction, progressing with the creation of a land bank, and actively reviewing applications from developers interested in purchasing city-owned properties to promote homeownership and community investment. Our redevelopment efforts have gained momentum, including finalizing agreements for a new warehouse project, engaging with companies interested in relocating to Salem, and advancing plans for the redevelopment of the historic glass factory and a former landfill site. Environmental and infrastructure improvements remain a priority, with brownfield remediation, marina enhancements, and support for dredging and expanding the Salem Port. We are also strengthening property management and revitalization through the implementation of the Abandoned and Vacant Properties Act, tax lien redemptions, and updated software systems. Finally, we are nearing the completion of our updated Master Plan, which will guide Salem's growth and development in the coming years. Looking ahead to 2025, our goals include expanding grant opportunities, advancing redevelopment projects, fostering economic growth, and ensuring that Salem remains a thriving, sustainable community for residents and businesses alike.

F: Report from the City Tax Collector.

Our Department's Plans for 2025:

Increase the 2025 collection rate from the anticipated 2024 rate of 80% to 81.5%. This would be the highest collection rate since 2019.

Completion of the active In Rem Foreclosure Schedules for 104 parcels, which would reduce the uncollected revenue balances.

Completion of Municipal Lien Assignments for full redemption, allowing the collection of outstanding prior and current year revenue.

Completion of City owned property sales allowing parcels to become ratable and collectible accounts.

Offering credit card processing in office as an additional means of revenue collection.

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.

The City of Salem is utilizing SHBP.

VI. Historical Fiscal Statistics

Item	2023	2024	Introduced Application Year
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A. Property Tax/Budget Information

Municipal tax rate	\$4.654	\$4.157	\$4.619
Municipal Purposes tax levy	\$5,178,032.89	\$4,715,264.05	\$5,386,463.86
Municipal Open Space tax levy	\$0.00	\$0.00	\$0.00
Total general appropriations	\$11,586,858.49	\$13,058,678.25	\$13,550,450.86

B. Cash Status Information

% Of current taxes collected	74.29%	80%	%
% Used in the computation of reserve	77.50%	76.00%	78.00%
Reserve for uncollected taxes	\$2,125,826.92	\$2,286,584.80	\$2,237,502.05
Total year-end cash surplus	\$1,222,394.35	\$2,904,695.34	
Total non-cash surplus	\$215,336.58	\$59,565.76	
Year-end deferred charges	\$215,336.58	\$59,565.76	

C. Assessment Data

Assessed value (as of January 10)	\$121,862,280	\$114,888,810	\$116,617,230
Average residential assessment	\$50,000.00	\$50,000.00	\$50,000.00
Number of tax appeals granted	4	0	
Amount budgeted for tax appeals	\$0	\$0	\$00
Refunding bonds for tax appeals	\$0	\$0	\$0

D. Staffing Levels

Total Number of Sworn Police -	23	24	24
Total S&W Expenditures	\$2,000,836.37	\$2,188,333.66	\$2,137,000.00
Class 2 and Class 3 Officers	0	0	0
Total S&W Expenditures	0	0	0
Uniformed Fire – Staff Number	N/A	N/A	N/A
Total S&W Expenditures	\$0	\$0	\$0
Number of Other Full-time Employees	22	26	24
Total S&W Expenditures	\$1,804,880.70	\$1,982,511.14	\$1,657,033.75
Number of Other Part-time Employees	23	24	22
Total S&W Expenditures	\$205,194.58	\$205,822.26	\$224,800.00

E. Impact of Proposed Tax Levy

			Amount
Current Year Taxable Value			\$116,617,230.00
Introduced Tax Levy			\$5,386,463.86
Proposed Municipal Tax Rate	\$4.619	Average res. value	\$50,000.00
Current Year Taxes on average residential value			\$2,309.46
Prior Year Taxes on average residential value			\$2,078.50
Proposed increase in average residential taxes			\$230.96

Application Year: CY2025 / FY2026	Municipality: City of Salem	County: Salem
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VII. Application Year Budget Information

A. Year of latest revaluation/reassessment

1. Most current equalized ratio

2017
66.03%

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	
3.50%		
\$2.23		
	X	
\$954,894.04		
	X	
\$954,894.04		

C. List the five largest item appropriation increases:

Appropriation	Prior Year Actual	Application Year Proposed	\$ Amount of Increase
Group Insurance Plans for Retired Water/Sewerage Employees	\$0.00	\$160,000.00	\$160,000.00
Liability Insurance	\$360,000.00	\$516,757.00	\$156,757.00
Police Department Salary & Wages	\$2,254,414.82	\$2,372,000.00	\$117,585.18
Fire Hydrant Services	\$0.00	\$99,600.00	\$99,600.00
Public Employee Retirement System	\$202,097.00	\$289,644.00	\$87,547.00

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

Department/Agency	Position	Number	Dollar Amount
Public Works	Laborer-Budgeted to start 7/1/2025, including Health Benefits	1	\$55,600.00

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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 Reduction in Aid cannot be realized until the Tax Base is increased through Development/Redevelopment, sale of City owned property and continuing to increase the Tax Collection Percentage Rate.

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. The Edmunds System.	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.		

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	2024	2024
Average total cost percentage increase	2%	%	4%	4%
Last contract settlement date	2022	0	2024	
Contract expiration date	2024	0	2027	

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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)				
Governing Body/Monitor Decision				
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? Appendix A Date:	2/15/23	
3. On what dates were tax delinquency notices sent out in 2024? E-mailed Mortgage Companies Monthly Date:	2/15,5/15,8/28,9/27,11/15,12/3/24	
4. Date of last tax sale? Date:	6/3/2024	

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	\$275,001.54	2024	\$461,684.43	Anticipated Application Year:	\$400,000.00
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2. List the instruments in which idle funds are invested:

New Jersey Cash Management Plan as of January 2025	

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

2.15%

4. Left Blank Intentionally

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

Bowman and Company

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

2004

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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
Blue Collar Workers Association	2027	
Police Officers Association	2024	In 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	2025 Assessed Value	2025 Taxes If Billed in Full at 2024 Total Tax Rate	Term of Tax Abatement
Harvest Point	Affordable Housing	\$395,088.00	\$11,050,000.00	\$908,531.00	30 Years
Salem Senior Village	Affordable Housing	\$13,500.00	\$6,077,500.00	\$499,692.05	30 Years
Carpenter Street Phase 1 and 2	Affordable Housing	.00	\$2,844,300.00	\$233,858.35	30 Years

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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]

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				
Sewer Fees	X	Sold 6/25/24		
Water Fees	X	Sold 6/25/24		
Swimming Pool				
Uniform Construction Code		State Providing Services.		
Uniform Fire Code		State Providing Services.		
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				

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X. Service Delivery

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

[illegible]

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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 and Welfare of the Community.					
2	General Government, even though currently staffing is at manageable levels, Governing Body would have to determine if cuts are feasible and what effect it would have on Municipal Services					

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, Public Safety and the Health and Welfare of the Community.
2	General Government		Cuts for the Cities General Government Employees will vastly affect the services provided to the community.

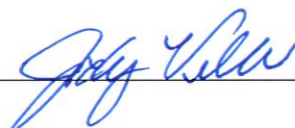
XII. Agreement to Improve Financial Position of Municipality

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: 3/20/25

Chief Financial Officer:  Date: 3/20/25

Chief Administrative Officer:  Date: 3/20/25

XIV. CAMPS Certification (County and Municipal Personnel System - Civil Service municipalities only)

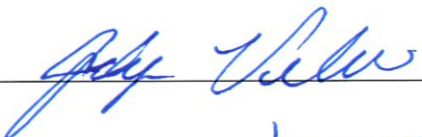
For Civil Service municipalities, the undersigned, being knowledgeable thereof, hereby certify that the municipality has listed the names of all current civil service employees in NJ "CAMPS."

Human Resources or Personnel Director:  Date: 3/20/25

Chief Administrative Officer:  Date: 3/20/25

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: 3/20/25

Chief Financial Officer:  Date: 3/20/25

Chief Administrative Officer:  Date: 3/20/25

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