

**Transitional Aid Application for Calendar Year 2026
and Fiscal Year 2027**

**Division of Local Government Services
Department of Community Affairs**

General Instructions: This application must be submitted in its entirety by February 27, 2026, for CY 2026 applicants and September 25, 2026, for FY 2027 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 2026-03 when preparing this application for specific instructions and definitions and review the Submission Checklist on page 19 of this application.

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

I. Aid History

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

FY 2026 / CY 2025	FY 2025 / CY 2024	FY 2024 / CY 2023
\$1,250,250.00	\$1,470,882.50	\$1,730,450.00

II. Aid Request for Application Year

If not seeking a decrease, a letter from the Mayor is required. See Local Finance Notice 2026-03.

Amount of aid requested for the Application Year:	\$1,062,712.50
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III. Submission Requirements

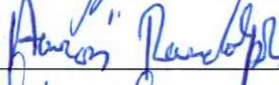
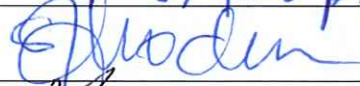
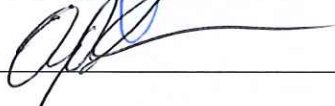
The following items must be submitted with or prior to the submission of this application. Indicate the date of submission of each.

Item	Date Submitted to DLGS
2026 Annual Financial Statement	Not yet submitted
2025 Annual Audit	Not yet submitted
2025 Corrective Action Plan	Not yet submitted
Application Year Introduced Budget	April 22, 2026
Budget Documentation Submitted to Governing Body	April 22, 2026

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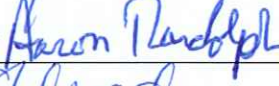
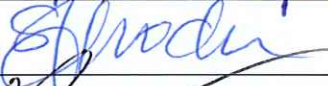
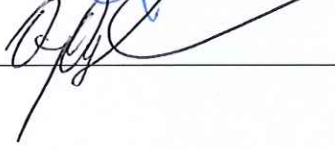
IV. A. Application Certification

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	Honorable Marty Small Sr. 	2-26-26
Governing Body Presiding Officer	Aaron "Sporty" Randolph 	2-26-26
Chief Financial Officer	Adetoro Aboderin 	2-26-26
Chief Administrative Officer	Anthony Swan 	2-26-26

B. Transitional Aid Recipients Applying in CY2026 / FY2027

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	Honorable Marty Small Sr. 	2-26-26
Governing Body Presiding Officer	Aaron "Sporty" Randolph 	2-26-26
Chief Financial Officer	Adetoro Aboderin 	2-26-26
Chief Administrative Officer	Anthony Swan 	2-26-26

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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 City has made significant progress in recent years toward stabilizing and strengthening its fiscal position. Through consistent effort and the leadership of a strong management and financial team, the City has achieved notable improvements in its financial standing. Despite this progress, continued financial assistance remains essential to sustain this positive momentum.

The City's current fiscal challenges stem largely from an unprecedented wave of tax appeals that occurred during the real estate market collapse. These appeals resulted in substantial refund obligations that the City could only satisfy through the issuance of Tax Appeal Refunding Bonds.

The market downturn further compounded these difficulties when the Casinos were removed from the City's tax rolls, causing a catastrophic 87% decline in Net Valuation—from \$20 billion in 2008 to \$2.524 billion in 2019. The fact that the Net Valuation has failed to recover even to 2019 levels underscores the critical need for transitional aid.

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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
Interest on Investments & Deposits	10,232,138.26	6,828,561.94	Loss of 3,403,576.32
Description:	Resulting from lower interest rates		
Municipal Relief Fund	4,303,725.53	0.00	Loss of 4,303,725.53
Description:	Results from the program been canceled by the State		
General Liability	2,300,650.54	4,013,051.24	Increase of 1,712,400.7
Description:	Cost of General Liability Insurance		
Employee Group Health Insurance	33,991,935.24	37,867,362.04	Increase of 3,875,426.8
Description:	Cost of Group Health Benefits - Contractual		
Description:			
Description:			
Description:			

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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:

- 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.

Use additional pages if necessary.

Atlantic City continues to position itself as a welcoming destination for stakeholders and sustainable industries. For five consecutive years, the city has delivered tax relief to taxpayers, demonstrating to businesses that Atlantic City offers a viable environment for growth and success.

The City is collaborating closely with the Municipal Utilities Authority and the Sewer Company to coordinate street improvements and paving projects. These infrastructure enhancements are being funded entirely through grants, ensuring no additional burden on taxpayers.

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The Health Brokers of record for 2024, 2025 & 2026 are Corporate Employee Benefits, LLC & Fairview Insurance Agency.

<u>5/1/23 - 4/30/24</u>	<u>5/1/24 - 4/30/25</u>	<u>5/1/25 – 4/30/26</u>
\$35,000.00	\$35,000.00	\$40,000.00 - Corporate Employee Benefits, LLC
<u>1/1/24 – 12/31/24</u>	<u>1/1/25 - 12/31/25</u>	<u>1/1/26 – 12/31/26</u>
\$72,000.00	\$96,000.00	\$96,000.00 - Fairview Insurance Agency

Risk Management Broker:

Fairview Insurance Agency Associates for 2023, 2024, 2025 & 2026

<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
\$73,000.00	\$73,000.00	\$73,000.00	\$73,000.00

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D. Discussion of Health Benefits

Please provide details on the municipality's current medical, prescription, and other health benefits plans (SHBP, HIF, self-insured, etc.) and all research undertaken to confirm they are the most cost-effective options. Additionally, if applicable, 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's health, prescription, and related benefit plans operate on a self-insured basis. Prior to transitioning from the State Health Benefits Program (SHBP), a broker was retained to conduct a comprehensive review of all available options. The broker's compensation is detailed on page 6. The decision to transition has proven sound — the City's 12% rate increase compares favorably to the State's, affirming that the move was in the City's best interest.

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VI. Historical Fiscal Statistics

Item	2024	2025	Introduced Application Year
A. Property Tax/Budget Information			
Municipal tax rate	\$1,4487	\$1.4150	\$1.4150
Municipal Purposes tax levy	\$34,857,200.67	\$34,003,844.32	\$34,101,989.10
Municipal Open Space tax levy	\$-0-	\$-0-	\$-0-
Total general appropriations	\$307,458,105.24	\$279,855,150.99	\$268,337,410.18

B. Cash Status Information			
% Of current taxes collected	98.80%	99.99%	%
% Used in the computation of reserve	95.20%	95.20%	95.20%
Reserve for uncollected taxes	\$4,016,714.62	\$4,005,029.90	\$3,983,239.74
Total year-end cash surplus	\$61,356,269.57	\$61,356,269.57	
Total non-cash surplus	\$12,334,494.22	\$12,334,494.22	
Year-end deferred charges	\$-0-	\$-0-	

C. Assessment Data			
Assessed value (as of January 10)	\$2,406,105,833.0	\$2,402,908,563.00	\$2,410,000,000.00
Average residential assessment	\$123,513.00	\$124,990.00	\$125,596.00
Number of tax appeals granted	-0-	-0-	
Amount budgeted for tax appeals	\$-0-	\$-0-	\$-0-
Refunding bonds for tax appeals	\$-0-	\$-0-	\$-0-

D. Staffing Levels			
Total Number of Sworn Police -	317	315	326
Total S&W Expenditures	\$31,143,724.00	\$33,915,402.00	\$33,979,002.00
Class 2 and Class 3 Officers	8	9	17
Total S&W Expenditures	\$240,000.00	\$270,000.00	\$510,000.00
Uniformed Fire – Staff Number	196	197	198
Total S&W Expenditures	\$22,501,106.00	\$25,383,694.00	\$25,893,821.00
Number of Other Full-time Employees	731	732	740
Total S&W Expenditures	\$30,125,090.00	\$34,507,706.00	\$36,067,184.00
Number of Other Part-time Employees	114	103	123
Total S&W Expenditures	\$2,060,000.00	\$2,260,000.00	\$2,460,000.00

E. Impact of Proposed Tax Levy

			Amount
Current Year Taxable Value			\$2,401,713,645.00
Introduced Tax Levy			35,000,000.00
Proposed Municipal Tax Rate	1.4150	Average res. value	\$125,596.00
Current Year Taxes on average residential value			\$4,324.68
Prior Year Taxes on average residential value			\$4,296.84
Proposed increase in average residential taxes			\$27.84

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VII. Application Year Budget Information

A. Year of latest revaluation/reassessment

1. Most current equalized ratio

2021

64.98%

B. Proposed Budget – Appropriation Cap Information

1. Was an appropriation cap index rate ordinance adopted last year?

If YES: % that was used

Yes

No

X

1%

2. Amount of appropriation cap bank available going into this year

\$945.97

3. Is the Application Year budget at (appropriation) cap?

If NO, amount of remaining balance

\$2,438,386.96

X

4. Does the Application Year anticipate the use of a waiver to exceed the appropriation cap?

If YES, the amount:

\$-0-

X

C. List the five largest item appropriation increases.

Appropriation	Prior Year Actual	Application Year Proposed	\$ Amount of Increase
Group Health Insurance	\$37,867,362.04	\$46,292,400.00	\$8,425,037.96
Police & Fireman's Retirement System	\$17,850,430.00	\$19,195,424.00	\$1,344,994.00
Recreation & Cultural Services	\$2,072,983.78	\$3,554,946.00	\$1,481,962.22
Police – Salaries & Wages	\$30,385,888.40	\$31,697,842.00	\$1,311,953.60
Police Civilians – Salaries & Wages	\$4,218,962.07	\$4,795,703.00	\$576,740.93
Construction Office	\$1,339,156.87	\$1,641,010.00	\$301,853.13

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

Department/Agency	Position	Number	Dollar Amount
See Attached List			

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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	32,907,467.97	131,500,000.00	1,062,712.85	98,190,156.75	154,242,311.21
Second year	32,655,260.00	133,000,000.00	903,305.92	101,626,812.24	153,078,447.77
Third year	32,250,652.67	134,500,000.00	767,810.03	105,183,750.67	152,641,902.00

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.	X Edmunds	
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			
Environmental			
Health Benefits	SHBP	X	

C. 1. Salary and employee contract information

When more than one bargaining unit for each category, use the average.

Question	Police	Fire	Other Contract	Non-Contract
Year of last salary increase	2026	2026	2025	2025
Average total cost percentage increase	Various	Various	2%	2%
Last contract settlement date	2022	2019	2019	
Contract expiration date	2025	2025	2025	

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2. Explain, if any, actions that have been taken/are under consideration for the Application Year.

Action	Police	Fire	Other Contract	Non-Contract
Furloughs (describe below)				
- NONE -				
Wage Freezes (describe below)				
- NONE -				
Layoffs (describe below)				
- NONE -				

D. Tax Enforcement Practices

Question	Yes	No
1. Did the municipality complete its accelerated tax sale by December 31, if included in the 2026 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 12/19	
2. When was the last foreclosure action taken or tax assignment sale held? Date:	8/2024 & 2/2025	
3. On what dates were tax delinquency notices sent out in 2025? Date:	2/20, 5/19, 9/26, 11/21 & 12/5	
4. Date of last tax sale? Date:	12/19/2025	

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:

2024	\$9,818,456.25	2025	\$6,828,561.94	Anticipated Application Year:	\$5,500,000.00
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2. List the instruments in which idle funds are invested:

Liquidity Account – TD Bank	Liquidity Account – NJ Arm

3. What was the average return on investments during 2025?

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

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

3.5%
Ford, Scott & Associates
Over 20 years ago

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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
IAFF	12/31/2025	Signed
PBA	12/31/2025	Signed
Police Superior Officers Association	12/31/2025	Signed
White Collar	12/31/2025	Signed
Blue Collar – Teamsters Local 331	12/31/2025	Signed
IBEW	12/31/2025	Signed
Alliance of AC Supervisory Employees	12/31/2025	Signed

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	2025 PILOT Billing	2025 Assessed Value	2025 Taxes If Billed in Full at 2024 Total Tax Rate	Term of Tax Abatement
Various Housing PILOTs	PILOT	4,494,000.00	283,843,300.00	9,763,750.72	Various

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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	☒	No	Varies	Low income population with high unemployment and high crime
Sewer Fees	☐			
Water Fees	☐			
Swimming Pool	☐			
Uniform Construction Code	☒	Yes		
Uniform Fire Code	☒	Yes		
Land Use Fees	☒	Yes		
Parking Fees	☒	Yes		
Beach Fees	☐			
Insert other local fees below:	☐			
Land Use Escrow Fees for In-House Staff	☒	Yes		
Land Use Escrow Fees for Independent Contractors	☒	Yes		

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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.

Type of Service	Name of Contracted Entity	Estimated Amount of Contract	Estimated Savings	Year Last Negotiated (as applicable)
Tipping Fees	County of Atlantic	\$915,000	\$915,000	2021
Fuel	Atlantic County Cooperative	\$500,000	Unknown	2025
Various Cooperative Purchasing Program	NJ Department of Purchase & Property	Varies	Varies	2025
Various Cooperative Purchasing Program	ESCNJ	Varies	Varies	2025
Rock Salt	Atlantic County Cooperative	\$500,000	Unknown	2025
Various Cooperative Purchasing Program	Somerset County Cooperative	Varies	Varies	2025
Various Cooperative Purchasing Program	Source Well Cooperative	Varies	Varies	2025

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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/ Division	# Of Layoffs	Effective Date	2024 Full-Time Staffing	2025 Full-Time Staffing	\$ Amount to be Saved

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

Rank Order	Service	Cost Savings	Impact on Services

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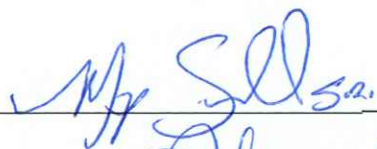
XII. Agreement to Improve Financial Position of Municipality

If aid is granted, the municipality will be required to submit to certain reporting conditions and oversight as authorized by law, and a new 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.

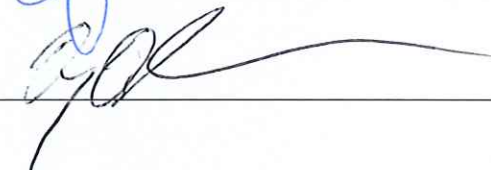
	Yes	No
1. Allow the Director of DLGS to assign management, financial, and operational specialists to assess your municipal operations.	X	
2. Implement actions directed by the Director to address the findings of DLGS staff.	X	
3. Enter into a new MOU and comply with all its provisions without exception.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

XIII. Certification of Past Compliance for Municipalities Currently Operating Under a TA MOU

The undersigned certifies that the municipality is in substantial compliance with the conditions and requirements of the 2025 MOU and is operating in good faith to correct those areas of noncompliance that have been identified.

Mayor:  Date: 2-26-26

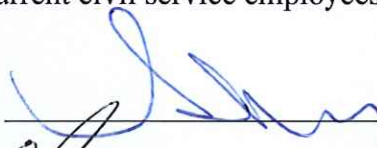
Chief Financial Officer:  Date: 2/26/26

Chief Administrative Officer:  Date: 2/26/26

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: 2.26.2026

Chief Administrative Officer:  Date: 2/26/26

XV. Public Employment Relations Commission (PERC) Certification

The undersigned certifies that copies of all active collective negotiations' agreements and the cost-out of each have been delivered to PERC. Support documentation regarding the method of cost out must also be provided.

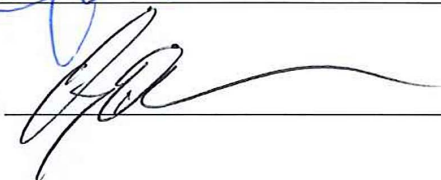
Chief Administrative Officer:  Date: _____

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: 2-20-24

Chief Financial Officer:  Date: 2/26/26

Chief Administrative Officer:  Date: _____