

**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 Camden			County:	Camden
Contact Person:	Tim Cunningham			Title:	Administrator
Phone:	(856) 757-7150	Fax:		E-mail:	Timothy.Cunningham@camdennj.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
\$40,500,000	\$18,955,000	\$18,955,000

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:	\$55,000,000
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III. Submission Requirements

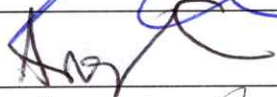
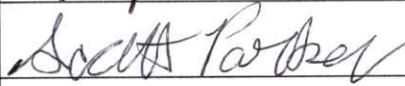
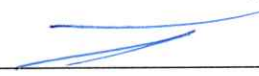
The following items must be submitted with or prior to the submission of this application. Indicate the date of submission of each.

Item	Date Submitted to DLGS
2025 Annual Financial Statement	3/10/2026
2024 Annual Audit	9/23/2025
2024 Corrective Action Plan	9/23/2025
Application Year Introduced Budget	3/10/2026
Budget Documentation Submitted to Governing Body	3/03/2026

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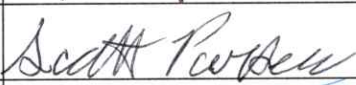
IV. A. Application Certification

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		
Governing Body Presiding Officer		2.24.26
Chief Financial Officer		2/24/2026
Chief Administrative Officer		2/28/26

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		
Governing Body Presiding Officer		2.24.26
Chief Financial Officer		2/24/2026
Chief Administrative Officer		2/24/26

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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 of Camden has been fiscally distressed for many years. We now have a better understanding of the challenges we will face and can plan feasible solutions, because we review 5-year budget trends and project budgets 5-years into the future.

Requesting an increase in Transitional Aid to \$55,000,000 allows for a balanced 2026 budget. Success in 2026 will set forth a direction toward long-term stability of the city. For 2026 we face a \$55 million deficit and then a \$5 million deficit for each year 2027 through 2031.

It should be noted that this deficit existed in the 2022 budget but was pushed forward by using \$24 million from a \$47 million Trust Fund Reserve to subsidize the Health Benefit Appropriation. In closing the 2024 budget, the Trust Fund Reserve is now fully exhausted. While not clearly obvious during the years where the Trust Reserve was subsidizing Health Benefits Appropriations, the City has been successful in containing the cost of Health Benefits. Those efforts include migrating away from the State Health Benefits Plan (SHBP) into less costly alternatives, originally into a fully insured premium based plan and then into a "self-insured" Health Insurance Fund (HIF) made up of a group of municipalities.

The City, on paper, does have a large Surplus balance that could provide relief while transitioning into a long-term financial plan. However, it must be noted that roughly \$45 million of that balance was created by adjusting the Metro Police Contract to a Calendar Year Budget and must be available to make payments to the County in January and April of each year. The remainder of the increase in Surplus was created by liquidating over \$30 million of interfund receivables. Neither of these are available as recurring items of revenue. They cannot be replaced.

Utilizing Surplus as Revenue in any amount in excess of what can be anticipated as actual operations can only be considered as a short-term solution, and one representative of a Camden before it fully partnered with the State in an embrace of fiscal discipline and responsibility. The 2026 budget proposes the use of \$27.3 million from Surplus Funds. We can reasonably expect to replace \$14 million of surplus from 2026 operations. Thus, we project a decline of \$13.3 million in Surplus available for 2026. This can be sustained for a very limited number of years. Our 5-year projections anticipate reducing Surplus by \$48 million by 2031. The city also used an extra 5 Million in surplus within the 2025 budget to make up for difference between TA requested & TA awarded in 2025.

To sum up the financial position, the City has a \$55,000,000 structural deficit. Reducing the amount of TA in the 2026 budget would have a devastating long-term impact.

The City operates a Water and Sewer Utility. Water and sewer rates were significantly increased in the fourth quarter 2023. 2025 and thereafter rates will increase in anticipation of State/Federal mandates and projected cost of living (3% - 6%). The City will work closely with the contract operator to enhance collection efforts and control operating costs. This essential asset must be sustained as a self-supported operation.

It is important to note that the City has procured a grant writer to secure State and Federal funds as a possible funding source for City capital improvements, road infrastructure projects and social programs.

There are solutions being discussed that will continue to improve City finances, including planned, and well-advertised, building expansions that will bring significant tax dollars into the City. If the City is supported in its plan to cover the gap between the 2026 City Budget and when tax revenue from the development begins to materialize the City will be in strong fiscal shape. To help the City bridge that gap, we ask to increase Transitional Aid for at least the next 5 budget years.

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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	2025 Value	2026 Value	Amount of Loss/Increase
Heath Insurance	26,585,000	32,069,000	6,249,000
Description:	Appropriation- Health insurance cost increased by 20%		
County Metro Police SSA	91,463,964	95,228,383	3,764,419
Description:	The City had little to know influence during these negotiations. The current stated amount is net of \$900,000 in anticipated interest earnings as \$2,000,000 in Trust fund reserves. This contract increase is a costly impact on the current deficit.		
Trash	18,000,000	20,080,000	2,080,000
Description:	Appropriation- Cost increased based on contractual increase.		
Description:			
Description:			
Description:			
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.

Economic Development -- As discussed with the Division, the City acknowledges that significant economic development is required to reduce its reliance on Transitional Aid. A robust ratable base is the only realistic solution, but it will take time to develop.

1. The City is working with the Governor's Office, EDA and other State agencies to that end. Recently the Governor signed amendments to the Aspire legislation that designate Camden as a "government restricted municipality" which will increase the available credit amount for project.
2. The City is working with DOT/NJTransit on a \$250 million renovation of the Walter Rand Transpiration Center and development of the long-awaited Glassboro-Camden Light Rail Project.
3. The EDA issued an RFI for the redevelopment of the former prison site along the City's waterfront and DEP is assisting the City in acquiring several adjacent acres that were formally part of the Weeks Marine site.
4. In addition, healthcare entities in the City (Cooper and Virtual) have proposed \$3.5 billion in expansion projects. These expansion with hopefully encourage new businesses to move into the city limits as well as spark real estate growth like the \$250 Million, 25 story Beacon Building which should be complete in 2030

Given the challenges presented by the projected 2026 and 2027 budgets, all programs, and assigned staff, will be examined as we move forward in 2026. Efforts will always continue with the goal of maximizing every dollar of revenue.

Revenue Enhancement includes a more aggressive approach at actively reviewing PILOT receipts against their contracts and audits. Fees will be reviewed as to appropriate amounts.

Tax Collections is an area of success. By aggressively foreclosing upon City-held Liens, properties are made available for development and taxes are made current. The Tax Collection percentage has increased in each of the last three years resulting from this.

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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 was able to hold the gross annual Health Insurance Cost at essentially the same amount in 2023 as was paid in 2022. This was possible by use of a competitive process to procure Health Insurance. The City was able to avoid a 20% increase by leaving the State Health Benefits Plan effective 1/1/2023

While within the South Jersey HIF the City has seen an increase of 24% & 11% in budget years 2024 & 2025 respectively. For the 2026 budget year the City is anticipating a 19% increase vs the 37% increase in SHBP. The City is in a "better" financial situation because of the move from the SHBP 3 years ago.

The City does not pay a brokerage fee.

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VI. Historical Fiscal Statistics

Item	2024	2025	Introduced Application Year
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A. Property Tax/Budget Information

Municipal tax rate	\$ 1.768	\$1.825	\$ 1.908
Municipal Purposes tax levy	\$ 30,553,400	\$31,470,002	\$32,414,101.78
Municipal Open Space tax levy	\$	\$	\$
Total general appropriations	\$ 209,128,033	\$230,984,653	\$244,498,459

B. Cash Status Information

% Of current taxes collected	90.08%	91.36%	%
% Used in the computation of reserve	90.00%	90%	90%
Reserve for uncollected taxes	\$ 6,277,307	\$6,558,065	\$6,738,237.78
Total year-end cash surplus	\$54,138,706.85	\$	
Total non-cash surplus	\$101,396,029.56	\$	
Year-end deferred charges	\$933,420.39	\$466,710	

C. Assessment Data

Assessed value (as of January 10)	\$1,728,378,512	\$1,724,043,350	\$1,698,823,700
Average residential assessment	\$58,500	\$58,771	\$59,095
Number of tax appeals granted			
Amount budgeted for tax appeals	\$ None	\$None	\$None
Refunding bonds for tax appeals	\$ None	\$None	\$None

D. Staffing Levels

Total Number of Sworn Police -			
Total S&W Expenditures	\$	\$	\$
Class 2 and Class 3 Officers			
Total S&W Expenditures			
Uniformed Fire – Staff Number	202	202	201
Total S&W Expenditures	\$25,404,100	\$25,192,600	\$24,009,300
Number of Other Full-time Employees	321	328	329
Total S&W Expenditures	\$21,705,200	\$22,245,900	\$24,925,883
Number of Other Part-time Employees			
Total S&W Expenditures			

E. Impact of Proposed Tax Levy

			Amount
Current Year Taxable Value			1,698,823,700
Introduced Tax Levy			32,414,101.78
Proposed Municipal Tax Rate	1.908	Average res. value	\$59,095.13
Current Year Taxes on average residential value			1,127.54
Prior Year Taxes on average residential value			1,072.57

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Proposed increase in average residential taxes	54.97
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VII. Application Year Budget Information

A. Year of latest revaluation/reassessment

1. Most current equalized ratio

2011

65.65

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

3.5%

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

X

\$

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

If YES, the amount:

X

\$

C. List the five largest item appropriation increases.

Appropriation	Prior Year Actual	Application Year Proposed	\$ Amount of Increase
Health Benefits	25,820,000	32,069,000	6,249,000
Metro PD	91,463,964	95,228,383	3,764,419
Trash Removal	18,000,000	20,080,000	2,080,000
Street Lighting	3,050,000	3,500,000	450,000
Animal Control	1,900,000	2,000,000	100,000

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

Department/Agency	Position	Number	Dollar Amount
	None		

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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	33,386,525	151,326,007	60,000,000	50,896,600	143,180,203
Second year	34,388,121	153,556,197	65,000,000	52,232,673	148,643,408
Third year	35,419,765	156,761,992	70,000,000	54,625,737	154,687,429

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	
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 NO	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	2026
Average total cost percentage increase	%	2.5% + Steps	2.75%	2.75%
Last contract settlement date		2025	2022	
Contract expiration date		12/31/2028	12/31/2024	

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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)				
				No
Wage Freezes (describe below)				
				No
Layoffs (describe below)				
				No

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
2. When was the last foreclosure action taken or tax assignment sale held? Date:	April 2025	
3. On what dates were tax delinquency notices sent out in 2025? Date:	Quarterly	
4. Date of last tax sale? Date:	April 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	\$6,796,820	2025	\$5,018,627	Anticipated Application Year:	\$3,646,064
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2. List the instruments in which idle funds are invested:

Demand Deposits	
Certificate of Deposits	

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?

3.81%
Bowman
2015

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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
CWA	12/31/2025	Negotiations expected to start in next few months
IAFF 788	12/31/2028	
IAFF 2578	12/31/2028	

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
		See attached Report			

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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	X	No	100%	Recreation Programs are mainly Grant Funded. Grants could be jeopardized if fees are charged
Sewer Fees	X	Yes		
Water Fees	X	Yes		
Swimming Pool	X	No		Recreation Programs are mainly Grant Funded. Grants could be jeopardized if fees are charged
Uniform Construction Code	X	Yes		
Uniform Fire Code	X	Yes		
Land Use Fees	X	Yes		
Parking Fees	X	Yes		
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.

Type of Service	Name of Contracted Entity	Estimated Amount of Contract	Estimated Savings	Year Last Negotiated (as applicable)
Police	Camden County	95,228,383		2025
Sewer Treatment	Camden County – MUA			1976
Facilities Maintenance	Camden County	122,000		1934
AAO/EEO Compliance Officer	Camden County and Camden County Redevelopment Authority	22,000		2020
Ticketing/Towing – abandoned and illegally parked vehicles	Camden Parking Authority	80,000		
SSA and Capital Infrastructure Coordination	Camden County	150,000 Reimbursement		2024
Trash Collection	Suburban	10,250,000		2023
Recycling	Seaside	2,610,000		2023
Fuel	Camden City School District	134,000		2024

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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
	The City of Camden cannot effectively provide necessary services to the citizens if any reduction in staffing is effectuated					

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

Rank Order	Service	Cost Savings	Impact on Services
	The City of Camden cannot effectively provide necessary services to the citizens if any reduction in staffing is effectuated		

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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: [Signature] Date: _____

Chief Financial Officer: Scott Power Date: 2/24/2026

Chief Administrative Officer: [Signature] Date: 2/21/26

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: Jackie S. Jones Date: 2-25-26

Chief Administrative Officer: [Signature] Date: 2/24/26

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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: 2/24/26

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: _____

Chief Financial Officer: Scott Parry Date: 2/24/2026

Chief Administrative Officer: _____ Date: 2/24/26