

Transitional Aid Application for Calendar Year 2013
Division of Local Government Services
Department of Community Affairs

General Instructions: This application must be submitted in its entirety by March 15, 2013 for funding consideration under this program. Information contained in the application is subject to independent verification by DLGS. Refer to Local Finance Notice 2013-05 when preparing this application for specific instructions and definitions, and review the Submission Checklist on Page 7.

Name of Municipality: City of Salem		County: Salem	
Contact Person: David Crescenzi		Title: CFO	
Phone: 856-935-0361	Fax: 935-6360	E-mail: salemcfo@comcast.net	

I. Aid History

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

CY 2012	CY 2011	CY 2010
\$0	\$0	\$300,000

II. Aid Request for Application Year: (All municipalities currently operating under a Transitional Aid MOU are advised that a decrease from prior year funding is likely.)

Amount of aid requested for the Application Year:	\$400,000
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If not seeking a decrease, a letter from the Mayor is required. See Local Finance Notice #

III. Submission Requirements

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

Item	Date Submitted to DLGS
2012 Annual Financial Statement	February 11, 2013
2011 Annual Audit	June 18, 2012
2011 Corrective Action Plan	August 20, 2012
Application Year Introduced Budget	March 13, 2013
Budget Documentation Submitted to Governing Body	February 20, 2013

IV. Application Certification

The undersigned herewith certify that they have reviewed this application and, to the best of their ability, find its contents to be true and that it accurately portrays the circumstances regarding the municipality's fiscal practices and need for financial assistance. By submitting the application, the municipality acknowledges that the law provides that the decision of the Director regarding aid awards is final and not subject to appeal.

Official	Signature	Date
Mayor/Chief Executive Officer		
Governing Body Presiding Officer		
Chief Financial Officer		

V-A. Explanation of Need for Transitional Aid

Explain the circumstances that require the need for Transitional Aid in narrative form. Include factors that result in a constrained ability to raise sufficient revenues to meet budgetary requirements, and if such revenues were raised, how it would substantially jeopardize the fiscal integrity of the municipality. If this application is being submitted due solely to expenditure and revenue impacts of Superstorm Sandy, please skip this section.

See Attachment A

V-B. Alternate Eligibility

If this application is being submitted due solely to expenditure and revenue impacts of Superstorm Sandy, please skip this section.

Demonstration of Revenue Loss/Substantial Cost Increase

Complete Part 2 if eligibility was not met in Part 1. Show: (1) specific, extraordinary revenue losses, but not as the aggregate of many revenue line items; and (2) specific, extraordinary increases in appropriations, but not as the aggregate of many appropriation line items. Describe the item on the cell below each entry. If applicable, indicate in the description of the extraordinary increase in expenditure if the increase was the result of a policy decision made by the municipality (i.e. a back-loaded debt service schedule, deferred payment, costs associated with additional hires, etc.)

Revenue or Appropriation	2011 Value	2012 Value	Amount of Loss/Increase
Water / Sewer Utility Surplus	\$180,000.00	\$0.00	(\$180,000.00)
Description:	Utility Operating Fund has no surplus at 12/31/12, therefore none can be turned over to General 2013 budget for indirect costs/etc.		
Reserve for uncollected taxes	\$1,041,195.94	\$1,312,013.82	\$270,817.88
Description:	88.32% (3yr ave) collection % used in 2012 budget, dropped to 86.05% in 2013 budget, (2012 actual collection % was 86.05%)		
Description:			
Description:			
Description:			
Description:			
Description:			
Description:			

V-C. Actions to Reduce Future Need for Aid

Detail the steps the municipality is taking to reduce the need for aid in the future. Include details about long-term cost cutting and enhanced revenue plans, impact of new development, potential for grants to offset costs, and estimated short and long-term annual savings. Use additional pages if necessary. (Items included in a Transition Plan submitted by a current recipient need not be repeated here.) If this application is being submitted due solely to expenditure and revenue impacts of Superstorm Sandy, please skip this section.

See attachment B

V-D. Discussion of Health Benefits

If this application is being submitted due solely to expenditure and revenue impacts of Superstorm Sandy, please skip this section.

City participates in the State Health Benefits Plan.

VI. Historical Fiscal Statistics

Item	2011	2012	Introduced Application Year
1. Property Tax/Budget Information			
Municipal tax rate	\$1.707	\$1.753	\$1.998
Municipal Purposes tax levy	\$4,004,950	\$4,103,551	\$4,623,009
Municipal Open Space tax levy	\$NA	\$NA	\$NA
Total general appropriations	\$8,036,959	\$8,979,700	\$8,420,053
2. Cash Status Information			
% Of current taxes collected	86.55%	86.05%	%
% Used in computation of reserve	89.00%	88.32%	86.05%
Reserve for uncollected taxes	\$976,602	\$1,041,195	\$1,312,014
Total year end cash surplus	\$1,317,796	\$333,688	
Total non-cash surplus	\$0	\$0	
Year end deferred charges	\$0	\$0	
3. Assessment Data			
Assessed value (as of 7/1)	\$234,662,914	\$234,023,857	\$231,331,758
Average Residential Assessment	\$100,152	\$99,588	\$98,291
Number of tax appeals granted	15		
Amount budgeted for tax appeals	\$0	\$0	\$0
Refunding bonds for tax appeals	\$0	\$0	\$0
4. Full time Staffing Levels			
Uniformed Police - Staff Number	23	23	23
Total S&W Expenditures	\$1,934,182.05	\$1,870,154.45	\$1,970,000.00
Uniformed Fire - Staff Number	Volunteer	Volunteer	Volunteer
Total S&W Expenditures	\$0.00	\$0.00	\$0.00
All Other Employees - Staff Number	43	43	42
Total S&W Expenditures	\$1,091,719.80	\$1,023,913.55	\$1,055,927.00
5. Impact of Proposed Tax Levy			
			Amount
Current Year Taxable Value			\$231,331,758
Introduced Tax Levy			\$4,623,009
Proposed Municipal Tax Rate	1.998	Average Res. Value (#4 above)	98,291
Current Year Taxes on Average Residential Value (#4 above)			\$1,964.28
Prior Year Taxes on Average Residential Value (1.753 x 99,588)			\$1,745.79
Proposed Increase in average residential taxes			\$218.49

VII. Application Year Budget Information

A. Year of latest revaluation/reassessment

2007

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

	Yes	No
	X	
3.5%		
\$152,429		
		X
\$248,437		
		X
\$		

C. List the five largest item appropriation increases:

Appropriation	Prior Year Actual	Application Year Proposed	\$ Amount of Increase
Reserve for Uncollected Taxes	1,041,196	1,312,014	270,818
Police SW	1,881,000	1,970,000	89,000
Employee Group Health	1,097,265	1,161,940	64,675
Police & Fire Pension Bill	364,100	398,548	34,448
Court SW (deputy position wasn't filled entire year, salaries were transferred out of line item at year end)	76,500	98,000	21,500

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

Department/Agency	Position	Number	Dollar Amount
	<u>NONE</u>		

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	4,307,715	3,863,044	268,000	3,056,186	5,382,573
Second year	4,462,102	3,929,044	132,000	3,086,748	5,436,398
Third year	4,613,333	3,995,044	0	3,117,615	5,490,762

Application Year: CY 2013	Municipality: City of Salem	County: Salem
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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?	x	
6. Does the municipality operate the general public assistance program?		x
7. Are expenditures controlled centrally (Yes) or de-centrally by dept. (No)?		x
8. At any point during the year are expenditures routinely frozen?	x	
9. Has the municipality adopted a cash management plan?	x	
10. Have all negative findings in the prior year's audit report been corrected?		x
If No, list those uncorrected as an appendix. (per auditor 1-6 will repeat)		

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	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	2013	Volunteer	2013	2012
Average percentage increase	1.5%	%	2%	1.5%
Last contract settlement date		Volunteer		
Contract expiration date	12/31/2013	Volunteer	12/31/2014	

2) Explain if any of the following actions have been taken or are under consideration for the Application Year:

Action	Police	Fire	Other Contract	Non-Contract
Furloughs (describe below)	NO	VOLUNTEER	NO	NO
Blue Collar's Union and Non Contract agreed to 5 day furlough in 2012.				
Wage Freezes (describe below)	NO	Volunteer	NO	Yes
Layoffs (describe below)	NO	Volunteer	Yes	Yes
One retirement and two possible terminations in Police Dept. One lay off in Housing Dept effective Feb 28, 2013				

Application Year: CY 2013	Municipality: City of Salem	County: Salem
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D. Tax Enforcement Practices:

Question	Yes	No
1. Does the municipality use the accelerated tax sale program?		X
2. When was the last foreclosure action taken or tax assignment sale held: Date:	Foreclosure planned in 2013	
3. On what dates were tax delinquency notices sent out in 2012: Date:	3/22, 6/4, 12/12	
4. Date of last tax sale: Date:	8/22/12	

E. Specialized Service Delivery:

If the answer to either question is "Yes," provide (as an appendix) a cost justification of maintaining the service without changes.

Service	Yes	No
Sworn police or firefighters are used to handle emergency service call-taking and dispatch (in lieu of civilians)		NO
The municipality provides rear-yard solid waste collection through the budget		NO

F. Other Financial Practices

1. Amount of interest on investment earned in:

2011	\$818.34	2012:	\$1,920.38	Anticipated Application Year:	\$0
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2. List the instruments in which idle funds are invested:

Money Market	

3. What was the average return on investments during CY 2012?

	%
2010	
Bowman and Co.	
2004	

4. When was the last time fee schedules were reviewed and updated?

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

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

G. Status of Collective Negotiation (Labor) Agreements: List each labor agreement by employee group, contract expiration date, and the status of negotiations of expired contracts.

Employee Group	Expiration Date	Status of Negotiations of Expired Agreement
Police – FOP	12/31/13	
Blue Collars Workers	12/31/15	

IX-C. Evaluate existing local revenues, as to whether or not the rates or collections can be increased or imposed, and if so, how changes will be implemented; i.e., recreation fees, utility fees, land use fees, construction, housing, and fire code.

Local Revenues and services provided through the General/Current Fund	Check if services is provided	Are fees charged to cover the costs of the program?	If fees do not cover costs, what is the amount of subsidy?	If there is a subsidy, explain why fees cannot be increased to reduce or eliminate subsidy.
Recreation programs	<input checked="" type="checkbox"/>	No		Due to poverty % of residents.
Sewer Fees	<input type="checkbox"/>	W/S Utility		
Water Fees	<input type="checkbox"/>	W/S Utility		
Swimming Pool	<input type="checkbox"/>			
Uniform Construction Code	<input type="checkbox"/>			State took over in October 2011
Uniform Fire Code	<input type="checkbox"/>			
Land Use Fees	<input type="checkbox"/>			
Parking Fees	<input checked="" type="checkbox"/>			
Beach Fees	<input type="checkbox"/>			
Insert other local fees below:	<input type="checkbox"/>			
Trash Collection	<input checked="" type="checkbox"/>			One dollar sticker per bag.

X. Service Delivery

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

Service	Name of Contracted Entity	Estimated Amount of Contract	Year Last Negotiated (as applicable)
Emergency Dispatch	County of Salem	126,480	2012
Trash Collection	South Jersey Sanitation	70,000	2010
Uniform Construction Code	State of NJ	0	
Police – Salem City Initiatives	County of Salem – Sheriff & Prosecutor’s Office.	0	
Municipal Court Space	County of Salem	0	
Gasoline	County of Salem	99,000	
Animal Shelter	Ron’s Animal Shelter	9,420	2013
Animal Control	Ned Shimp Animal Control Services	14,400	2009
Computer Server Maint. And Repairs	Premier Technology Solutions	12,000	2009

Section XI – Impact of Limited or No Aid Award

Describe in complete detail the impact if aid is not granted for the current fiscal year; **this priority setting requires that the municipality will maintain a minimum level of essential services.** List the appropriate category of impact if the aid is not received. Rank each item from both lists as to the order in which elimination will take place. If across the board cuts will be made, indicate under service. **For rank order purposes, consider the two sections as one list. The cuts outlined here are one that the municipality is committing to make if they do not receive aid.**

Rank Order	Department	# of Layoffs	Effective Date	2012 Full Time Staffing	2013 Full Time Staffing	\$ Amount to be Saved
1	Police Admin	1	8/1/13	2	1	20,000 (remainder of 13)
2	Various	Various	8/1/13			To be determined

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

Rank Order	Service	Cost Savings	Impact on Services

Section XII – SPECIAL SECTION FOR APPLICANTS FILING DUE TO IMPACTS OF SUPERSTORM SANDY

Attach a copy of any application filed with FEMA to receive assistance pursuant to the Community Disaster Loan Program. Explain why the funding sought through that program is insufficient to address budget needs.

Explain the loss of tax ratables due to Sandy and the impact of this tax ratable loss on remaining properties. Attach related disclosure statements issued in conjunction with notes/debt, Assessor documentation of reassessments filed pursuant to guidelines issued by the Division of Taxation, and any other documents that explain taxable ratable losses. Do not include other losses of ratables such as tax appeals unrelated to Sandy.

Explain the loss of other revenues (beach fees, parking revenues, court fines etc.) attributable to the impacts of Sandy.

Explain in detail, all claims and applications your municipality has filed with FEMA, insurance companies and third parties. Provide a good faith estimate of how much in funding you expect to receive. Detail any cost share that your municipality believes it will have to be responsible for paying, including an assessment as to whether those costs are being financed. Please provide any relevant supporting documents.

Application Year: CY 2013	Municipality: City of Salem	County: Salem
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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 Memorandum of Understanding will need to be signed. Please mark each box below indicating that the applicant understands, and agrees to comply with these broad reporting and oversight provisions.

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

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

The undersigned certify that the municipality is in substantial compliance with the conditions and requirements of the 2012 MOU and is moving in good faith to correct those area of noncompliance that have been identified, including, but not limited to, the following: establishment of a pay to play ordinance; termination of longevity pay for officers and employees not contractually entitled to longevity pay; termination of health benefits for part time officers and employees; receipt of signed approval forms as required prior to hiring personnel and contracting with professional service vendors.

Mayor: _____ Date: _____

Chief Financial Officer: _____ Date: _____

Chief Administrative Officer: _____ Date: _____

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

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

Human Resources or Personnel Director: _____ Date: _____

Chief Financial Officer: _____ Date: _____

XV. CERTIFICATION OF APPLICATION FOR TRANSITIONAL AID

The undersigned acknowledges the foregoing requirements with which the municipality must comply in order to receive aid as outlined above. In addition, included with this application is a copy (printed or electronic) of the budget documentation that supports the budget calculation that was provided to the governing body.

Mayor: _____ Date: _____

Chief Financial Officer: _____ Date: _____

Chief Administrative Officer: _____ Date: _____