

CITY OF SALEM

Jody Veler
Mayor

17 New Market Street Salem, New Jersey 08079
856-935-0372 Fax 856-935-4095

Ben Angeli
City Administrator/Clerk

3-29-23

Dear Director,

As Mayor of the City of Salem, I am aware of the requirement to only apply for 85% of last year's award amount. In our case that would be a \$243,500 decrease (from \$1.658,000 to \$1.414,500). We have worked very hard to meet the TA program goal of requesting the 85%, but several factors outlined in depth in our application have sidetracked that plan.

The sale of the Water and Sewer Utilities was held up by the NJ Office of State Comptroller. OSC requested a second independent financial evaluation on our facilities which created further costs and delays. A required independent financial study for \$23,000 along with our Water and Sewer Utility deficit cost the city \$400,000 that was not in the 2022 financial plan. This was exasperated by \$135,000 in revenue shortfalls from the Finlaw Building, and an \$842,755 tax shortfall from our two highest rated commercial properties along with a tax collection rate that had declined to 76.88%. It should also be noted that moving forward this year we will be required to replace the failing HVAC system for the Finlaw Building at \$575,000 added to \$35,000 already spent for immediate repairs to the system.

Due to these two circumstances, the City of Salem is not able to comply with the 85% rule. In fact, on behalf of the City I am respectfully asking for \$1.889M in TA to cover the additional expenses as outlined in the application. In addition to the Finlaw debt service, the city is also requesting funds to hire a grant writer/consultant to assist with our grant submissions and management. As the number two ranked city on the state MRI index, we rely heavily on grants to provide services to residents and work towards the sustainability of the city. To date, the writing of grants has fallen to our Commerce Director in addition to all his other duties. This lack of capacity has hindered the city in applying for much needed funds.

I cannot thank you enough for the understanding and consideration shown to our great City over the past years. Our State Monitor, Ed Sasdelli, has been a tremendous source of assistance as we work to achieve solid financial footing. I also know that people in Trenton are working on our behalf to help us bring Salem City back to a level of financial stability that will benefit our residents and the State of New Jersey as a whole.

Thank you for your time and consideration with this request.

Sincerely,

Jody Veler
Mayor
City of Salem

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 \$243,500 decrease (from \$1.658,000 to \$1.414,500). We have worked very hard to meet the TA program goal of requesting the 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. The City continues to deal with a situation where the Water/Sewer Utility operates with a critical deficit. In our 2023 budget, the City must deal with an expected shortfall of \$1,151,490.

The second issue that has hindered our efforts to lower our request for Transitional Aid is our tax collection rate. For the third consecutive year, the Salem total ratable base has declined. The ratable base declined from \$125.8M to \$121.8M. When we add this decline to the fact that the collection rate has dropped to 76.88% it creates a serious financial situation. In 2022, the City was able to finance and hire a fulltime tax collector for the first time in over twenty years and we do expect that collection rate to improve.

We are also faced with the fact that two of our highest taxed properties did not pay taxes in 2022. The Campbell center is in bankruptcy and that leaves a \$395,534 unpaid balance. The former Ardaugh Glass factory site is sitting with a \$447,221 tax balance.

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 space has not been filled and the \$135,500 is money due to pay back the Finlaw refinancing bonds. This year we are looking at replacing the HVAC system for \$575,000 added to \$35,000 for immediate repairs.

Over the last several years, the City has taken possession of over 150 properties and this year we worked on developing a housing strategy. We need to prioritize getting these properties back on the tax rolls. Our Commerce Director, Mr. Bailey, in addition to handling our grants had been tasked with putting that Housing plan into action. Unfortunately 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 can no longer be a one-man band if we are to continue to make grants a priority. The Governing Body has determined, that if it is at all possible that we hire a Grant Consultant. We do not have the financial means to support this much needed position. We are respectively asking for additional aid in the amount of \$80,000 to fund this position that will bring in much more than that in grant money.

The City hired two full time Code Enforcement Official in 2022 and they have already increased efficiency, code compliance and revenue. The department software is antiquated and the cost is \$16,000 to get an updated and user-friendly system up and running. This expense will undoubtedly produce more revenue and compliance.

It is for the above reasons that we are not able to comply with the 85% rule. In fact, we respectfully request an increase of an additional \$231,000 in TA. Our most important need would be for the grant management position. Operational Capacity is an area where Salem City is lacking and bringing in someone to handle the many grant opportunities will help us get into a better financial position to move forward with less Transitional Aid in the future. The Finlaw shortage due to the 3rd Legislative District move out is also an

important area of need as we look for funding sources for the \$575,000 HVAC system. The new software for code enforcement would definitely help the City raise revenues and increase compliance in that department. This would bring our total request for 2023 TA to \$1,889,000.

If DCA is generous enough to fund us the full request (\$1.889M), our residents will still experience about a \$60.00 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 2022, with the following being the main contributors to the problem:

- ◆ Salem City Received \$1,658,000 in Transitional Aid last year and our fiscal condition at the Water Sewer Utility has continued to put a drain on the City budget.
- ◆ Water and sewer infrastructure issues continue to be an almost daily issue. The costs associated with these repairs/replacements cannot be ignored. The can cannot be kicked down the road any longer, this is about the health and safety of the public.
- ◆ 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 a new HVAC system is needed at a cost of \$575,000. This is in addition to the loss incurred when the Third District Legislative team vacated their offices in the building.

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.

B. The Water and Sewer Utility is under extreme financial stress.

The Water and Sewer utility realized \$501,130.00 less in revenue than what was budgeted. The Utility has over the last several years been billing minimum charges because the meter reading system has not been recording accurate reads. This has resulted in loss water revenue. Due to COVID, the City could not institute a water shut off schedule and procedure. In many past years, a shut-off notice would bring in a significant amount of outstanding payments.

The list of Capital items that the Utilities is in need of, continues to grow. The City continues to have difficulty in hiring qualified licensed operators, the City contracted with an engineering firm to provide licensed operators and a lab technician at a monthly cost of \$36,600. The former Public Works Director, a certified engineer estimated that three million dollars in improvements are needed to keep the water and sewer plants properly operating. In the very near future the membranes at the water plant will need to be replaced at a cost of 2 million dollars. Under the **Water Quality Accountability Act (N.J.S.A. 58:31-1 et seq.)** the city is required to budget 20% of operation costs for future capital

improvements / maintenance of the plants and systems. This would be nearly impossible while operating in a deficit situation.

C . 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 September 2019 and then moved into the position of CFO December 2020. The City hired an Administrator / Certified Clerk in August of 2019. The City hired a full-time tax collector (CTC) and a full-time tax clerk in 2022. Improving the City tax collection rate is the number one priority on a long list of priorities. As mentioned earlier, the City hired two full time Code Enforcement Official in 2022 and they have already increased efficiency, code compliance and revenue. In March of this year, based on the Monitor's recommendation we hired an experienced full-time Deputy Clerk to help with the overall efficiency of the City Management Team. This will help free up the Administrator to direct his attention to the long list of issues and priorities in the City of Salem. Improving our operational capacity is a key if we are to achieve our structural and financial goals. We now have a solid team of professionals that work every day to make our City a better place for our residents to work, live and play.

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.

In 2020 the City hired Charles Bailey as Commerce/Economic Development Director and the results of that strategic move have been very encouraging. Having someone that can dedicate their time and efforts full time on projects like housing, grant applications, working with developers and Government agencies has created several avenues for the City to move forward.

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

Charles worked on the application 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. In addition the Commerce department worked on a \$250,000 grant award that is being used for our fire department consolidation and received \$100,000 in Small Cities funding to help homeowners maintain their property through home owner rehabilitation.

The City Commerce Department also worked with Grieves Parkway LLC to select a location and navigate through our planning and zoning process. Earlier this year, 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 large 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 likely to be negotiated for this \$28 Million investment project.

Three public auctions for City owned properties have been held. Fourteen properties were sold and the auction produced almost \$200,000 in revenue in 2021. Even more important, fourteen properties were placed back on the tax rolls and these blighted properties are being cleaned up and restored. More auctions will be held this year in 2022. In addition, through the direction of the Commerce Department the city has begun the foreclosure process on 49 properties with \$2.3 million in uncollected taxes, fees, and interest within two target areas. 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.

Mr. Bailey has been working with developer that is interested in the Ardaugh Glass property. The plant has been shut down for years and a one time was the largest employer in the City. The developer is looking to bring in several companies and would create several hundred much needed jobs. There has been some positive movement with this project in recent weeks. At this time a full proposal for the sale of the factory has been submitted. The developers have had their onboard meeting with the City of Salem and have been introduced to our Redevelopment attorney. At this time this information remains confidential. 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 worked diligently over the last few years to reduce our need for aid and with the Wind Turbine facility being developed nearby, we expect to share in the influx of new support businesses in the County. Mr. Bailey will be at the forefront of the Salem's efforts to lure those companies into our available facilities.

The City has experiencing 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. Since then over the course of the last 5 months several developers have approached the City with a financial offer. At this time the City will be meeting again with one of the developers who has expressed strong interest and urgency for the purchase of the property. The next steps would be to involve the City redevelopment attorney. 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 built a strong management team by Hiring a Fulltime Certified RMC, appointing a Business Administrator, appointing a certified CFO and CTC and appointing a Commerce and Economic Development Director. We hired a fulltime Tax Collector to move the City forward with improving our tax collection rate. Two Code Enforcement Officials were hired in 2022 to help clean up the City's overall appearance.
- 2) The City land sales have produced \$175,000 and more auctions are planned.
- 3) The City is exploring all options to resolve the Water and Sewer Utility deficit, including but not limited to the privatization option.
- 4) The City refinanced the 19 Million Dollar Finlaw Building debt. This will make 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 partnering with DLGS subject experts to explore consolidating from three fire houses to one. This will also allow the City to consolidate 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 worked with the new owner to secure a USDA grant. That has progressed to a very positive point and there should be some good news soon. 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. 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.

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 has eliminated staff in all departments throughout the last 4 years through attrition. In 2017 when the paid municipal alliance coordinator resigned, the City absorbed the duties with current staff. The City settled its two major contracts with the Blue Collars and FOP with average increases of less than 2% over the terms of the contracts.

The City had negotiated with the South Jersey Port Authority to move its one staff member into City facilities, as a shared service, eliminating \$15,000 in rent expense that is now applied to the City's budget for marketing of 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 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 2022 the City continued to explore the sale of its Water and Sewer Utility systems due to four consecutive years of running at an operating deficit. This evaluation was recommended in the State Resource Network study (page 48 & 49) in 2018.

In 2023 the City introduced an Ordinance increasing Water and Sewer rates by 25%.

The City passed In Rem Tax Foreclosure resolutions in 2023 to foreclose on 134 properties. The City has hired special counsel to execute these and all future In Rem foreclosures. The City is also exploring selling (assigning) some of the Municipally held liens.

Transitional Aid Application for Calendar Year 2023
Division of Local Government Services
Department of Community Affairs

General Instructions: This application must be submitted in its entirety by March 31, 2023, for funding consideration under this program. Information contained in the application is subject to independent verification by the Division. Refer to Local Finance Notice 2023-3 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:		Salem City		County:	Salem
Contact Person:		Kenia Nunez		Title:	CFO
Phone:	8569350372x206	Fax:	8569356360	E-mail:	knunez@cityofsalemnj.gov

I. Aid History

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

CY 2022	CY 2021	CY 2020
\$1,658,000	\$1,500,000	\$1,500,000

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

Amount of aid requested for the Application Year:	\$1,889,000
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If not seeking a decrease, a letter from the Mayor is required. See Local Finance Notice 2023-3

III. Submission Requirements




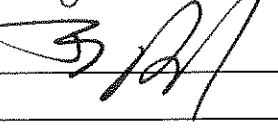
The following items must be submitted with, or prior to, submission of this application. Indicate date of submission of each.

Item	Date Submitted to DLGS
2023 Annual Financial Statement	3/3/2023
2022 Annual Audit	n/a
2022 Corrective Action Plan	n/a
Application Year Introduced Budget	2023
Budget Documentation Submitted to Governing Body	3/27/2023

Application Year: CY2023	Municipality: Salem City	County: Salem
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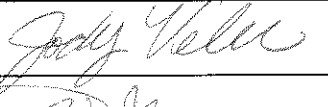

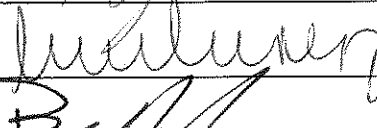
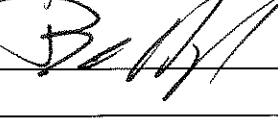
IV.A Application Certification

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

Official	Signature	Date
Mayor/Chief Executive Officer	Jody Veler 	3/31/23
Governing Body Presiding Officer	Earl Gage 	3/31/23
Chief Financial Officer	Kenia Nunez 	3/30/23
Chief Administrative Officer	Ben Angeli 	3/30/23

IV.B CY 2022 Transitional Aid Recipients Applying in 2023

CY 2022 Municipalities operating under a Memorandum of Understanding ("MOU") must certify that they are in substantial compliance with all conditions and requirements of the MOU.

Official	Signature	Date
Mayor/Chief Executive Officer	Jody Veler 	3/31/23
Governing Body Presiding Officer	Earl Gage 	3/31/23
Chief Financial Officer	Kenia Nunez 	3/30/23
Chief Administrative Officer	Ben Angeli 	3/30/23

Application Year: CY2023	Municipality: Salem City	County: Salem
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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 it would jeopardize the fiscal integrity of the municipality.

Application Year: CY2023	Municipality: Salem City	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 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	2021 Value	2022 Value	Amount of Loss/Increase
Financial Administration	\$111,675	\$152,000	Increase 40,325.00
Description:			
Aid to Volunteer Squad	\$42,500	\$67,000	Increase \$24,500
Description:			
Economic Development	\$7,000	\$33,000	Increase \$26,000
Description:			
Reserve for Uncollected Taxes	\$1,930,331.60	\$1,993,295.45	Increase \$62,963.85
Description:			
State Health Benefits Employees	\$1,160,000	\$1,191,000	Increase \$31,000
Description:			
Property City Clean Up	\$0	\$45,000	Increase \$45,000
Description:			
Gen liability insurance	\$447,562	\$478,859	Increase \$31,297
Description:			

Application Year: CY2023	Municipality: Salem City	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, impact of new development, 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.

Application Year: CY2023	Municipality: Salem City	County: Salem
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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 commission in order to fully complete this section. If commissions are being earned, provide both how the commission is calculated (percentage of premium or self-insurance) and the actual \$ value of the commission received in each year.

Not Applicable

Application Year: CY2023	Municipality: Salem City	County: Salem
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VI. Historical Fiscal Statistics

Item	2021	2022	Introduced Application Year
1. Property Tax/Budget Information			
Municipal tax rate	\$3.774	4.113	\$4.654
Municipal Purposes tax levy	\$4,646,950.50	\$5,082,418.24	\$5,178,032.89
Municipal Open Space tax levy	\$0	\$0	\$0
Total general appropriations	\$9,786,472.51	\$11,747,163.39	\$11,586,858.49
2. Cash Status Information			
% Of current taxes collected	81.39%	75.45%	%
% Used in computation of reserve	80.01%	79.00%	77.5%
Reserve for uncollected taxes	\$1,786,887.37	\$1,989,308.10	\$2,125,826.92
Total year end cash surplus	\$1,280,900.14	\$1,009,341.52	
Total non-cash surplus	\$0	\$0	
Year-end deferred charges	\$0	\$0	
3. Assessment Data			
Assessed value (as of 1/10)	\$123,081,736	\$123,563,054	121,862,280
Average Residential Assessment	45,740	45,740	45,740
Number of tax appeals granted	16	14	
Amount budgeted for tax appeals	\$0	\$0	\$0
Refunding bonds for tax appeals	\$0	\$0	\$0
4. Staffing Levels			
Total Number of Sworn Police -	19	21	21
Total S&W Expenditures	\$1,808,551	\$1,830,000	\$1,935,000
Class 2 and Class 3 Officers	0	0	0
Total S&W Expenditures	Volunteers	Volunteers	Volunteers
Uniformed Fire - Staff Number			
Total S&W Expenditures	\$	\$	\$
Number of Other Full-time Employees			
Total S&W Expenditures	\$	\$	\$
Number of Other Part-time Employees			
Total S&W Expenditures			

5. Impact of Proposed Tax Levy

	Amount
Current Year Taxable Value	\$121,862,280
Introduced Tax Levy	\$5,178,032.89
Proposed Municipal Tax Rate 4.65 Average Res. Value (#3 above)	\$45,740.00
Current Year Taxes on Average Residential Value (#3 above)	\$2,126.91
Prior Year Taxes on Average Residential Value	\$1,879.91
Proposed Increase in average residential taxes	\$247

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VII. Application Year Budget Information

A. Year of latest revaluation/reassessment

2017 last revaluation

A1. Most current equalized ratio

82.73

B. Proposed Budget – Appropriation Cap Information

- Item**
- Was an appropriation cap index rate ordinance adopted last year?
If YES: % that was used
 - Amount of appropriation cap bank available going into this year
 - Is the Application Year budget at (appropriation) cap?
If NO, amount of remaining balance
 - Does the Application Year anticipate use of a waiver to exceed the appropriation cap?
If YES, amount:

	Yes	No
	x	
3.5%		
\$89,737		
		x
\$128,771		
		x
\$none		

C. List the five largest item appropriation increases:

Appropriation	Prior Year Actual	Application Year Proposed	\$ Amount of Increase
Reserve for Uncollected Taxes	\$1,989,308	\$2,125,826	\$136,518
State Health Benefits	1,160,000	1,191,000	31,000
General Liability Insurance	447,562	478,859	31,297
Property City Clean Up	0	45,000	45,000
Financial Administration	111,675	152,000	40,325
Economic Development	7,000	32,000	26,000

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

Department/Agency	Position	Number	Dollar Amount
General Admin	Grant Writer	1	\$90,000

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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	5,100,000	4,350,000	1,500,000	2,900,000	3,100,000
Second year	5,200,000	4,575,000	1,000,000	2,900,000	3,250,000
Third year	5,300,000	4,950,000	500,000	2,900,000	3,375,000

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 system being used.	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 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	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	2022	0	2022	2022
Average total cost percentage increase	2%	%	2%	1.5%
Last contract settlement date	2022	0	2020	
Contract expiration date	2024	0	2023	

Application Year: CY2023	Municipality: Salem City	County: Salem
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2) Explain, if any, actions that have been taken or are under consideration for the Application Year:

Action	Police	Fire	Other Contract	Non-Contract
Furloughs (describe below)	no	na	no	no
Wage Freezes (describe below)	no	na	no	no
Layoffs (describe below)	no	na	no	no

D. Tax Enforcement Practices:

Question	Yes	No
1. Did the municipality complete its accelerated tax sale by December 31, if included in 2023 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:	Dec 2022	
3. On what dates were tax delinquency notices sent out in 2022: Date:	All 4 quarters	
4. Date of last tax sale: Date:	10/27/2022	

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)		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:

2021	\$0	2022	\$0	Anticipated Application Year:	\$0
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2. List the instruments in which idle funds are invested:

none	

3. What was the average return on investments during 2022?

4. Left Blank Intentionally

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

zero%
BOWMAN

Application Year: CY2023	Municipality: Salem City	County: Salem
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6. When was the last time the municipality changed auditors?

2004

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	12/31/2024	
BLUE COLLAR	12/31/2023	
CROSSING GUARDS	12/31/2025	

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	2022 PILOT Billing	2022 Assessed Value	2022 Taxes If Billed in Full at 2021 Total Tax Rate	Term of Tax Abatement
HARVEST POINT BLK106 LOT 3	AFFORDABLE HOUSING	\$394,788	\$11,050,000	\$785,876	30 YEARS
SENIOR VILLAGE BLK53 LOT 5	AFFORABALE HOUSING	\$18,000	\$6,077,500	\$432,231.80	30 YEARS
CARPENTER STREET PH 1 AND 2	AFFORADABLE HOUSING	\$125,397.82	\$2,844,300	\$202,286.62	30 YEARS

Application Year: CY2023	Municipality:	County:
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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 amount of subsidy?	If there is a subsidy, explain why fees cannot be increased to reduce or eliminate subsidy.
Recreation programs	<input type="checkbox"/>			
Sewer Fees	<input checked="" type="checkbox"/>	YES		
Water Fees	<input checked="" type="checkbox"/>	YES		
Swimming Pool	<input checked="" type="checkbox"/>	NO		NON OPERATIONAL SINCE PANDEMIC
Uniform Construction Code	<input type="checkbox"/>			
Uniform Fire Code	<input type="checkbox"/>			
Land Use Fees	<input type="checkbox"/>			
Parking Fees	<input checked="" type="checkbox"/>	NO		
Beach Fees	<input type="checkbox"/>			
Insert other local fees below:	<input type="checkbox"/>			
Land Use Escrow fees for in-house staff	<input type="checkbox"/>			
Land Use Escrow fees for independent contractors	<input type="checkbox"/>			
TRASH REMOVAL	X	YES	\$80,000	TRASH STICKERS SELL AT \$1.00 FOR A 30 GALLON TRASH BAG

Application Year: CY2023	Municipality:	County:
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Section XI – Impact of Limited or No Aid Award

Describe in detail the impact if aid is not granted for the current fiscal year. Essential services 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 one that the municipality will make absent a grant of aid.**

Rank Order	Department	# Of Layoffs	Effective Date	2021 Full Time Staffing	2022 Full Time Staffing	\$ Amount to be Saved
1	STREET DEPT SATURDAY HOURS		9/1/2021	½	0	\$7,000

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

Rank Order	Service	Cost Savings	Impact on Services
1	RECREATION	\$25,000	ELIMINATE COMMUNITY PARKS
2	PROPERTY CLEAN UP	\$45,000	CITY BLIGHT
3	CLEANING SERVICE	\$8,000	BUILDING MAINTENANCE

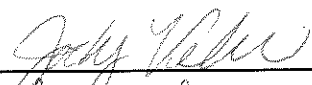
XII. Agreement to Improve Financial Position of Municipality

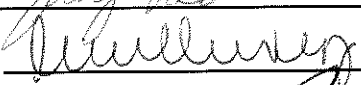
If aid is granted, the municipality will be required to submit to certain reporting conditions and oversight as authorized by law and a new Memorandum of Understanding will need to be signed. Please mark each box below indicating that the applicant understands and agrees to comply with these broad reporting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

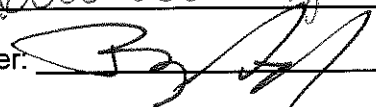
	Yes	No
1. Allow the Director of Local Government Services to assign management, financial, and operational specialists to assess your municipal operations.	X	
2. Implement actions directed by the Director to address the findings of Division staff.	X	
3. Enter into a new Memorandum of Understanding and 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 2022 MOU and is operating in good faith to correct those area of noncompliance that have been identified.


Mayor:  Date: _____

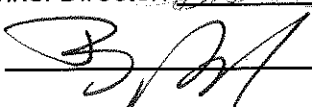
Chief Financial Officer:  Date: 3/30/23

Chief Administrative Officer:  Date: 3/30/23

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."

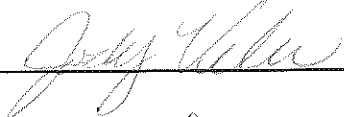
Human Resources or Personnel Director:  Date: 3/30/23


Chief Administrative Officer:  Date: 3/30/23


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XV. CERTIFICATION OF APPLICATION FOR TRANSITIONAL AID

The undersigned acknowledges 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:  Date: 3/30/23

Chief Administrative Officer:  Date: 3/30/23