

Transitional Aid Application for Calendar Year 2024 and Fiscal Year 2025

Division of Local Government Services Department of Community Affairs

General Instructions: This application must be submitted in its entirety by April 1, 2024, for CY2024 applicants and September 30, 2024, for FY2025 applicants, for funding consideration under this program. Information contained in the application is subject to independent verification by the Division. Refer to Local Finance Notice 2024-06 when preparing this application for specific instructions and definitions and review the Submission Checklist on Page 19 of this application and listed on Page 7 of the Local Finance Notice.

Name of Municipality:		CITY OF SALEM		County:	SALEM
Contact Person:		KENIA NUNEZ-ACUNA		Title:	CHIEF FINANCIAL OFFICER
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:

FY2024 / CY2023	FY2023 / CY2022	FY2022 / CY2021
\$1,889,000	\$1,658,000	\$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 of 15% 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 2024-06

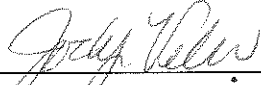

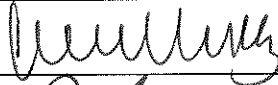
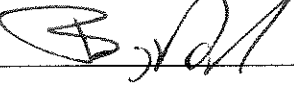
III. Submission Requirements

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
2024 Annual Financial Statement	FAST 3/8/2024
2023 Annual Audit	Not available
2023 Corrective Action Plan	Not available
Application Year Introduced Budget	4/8/2024
Budget Documentation Submitted to Governing Body	4/1/2024

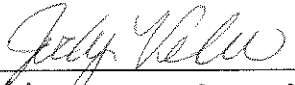

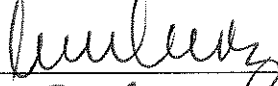
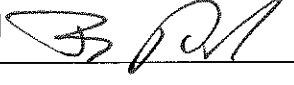
IV.A Application Certification

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 aid awards is final and not subject to appeal.

Official	Signature	Date
Mayor/Chief Executive Officer	JODY VELER 	3/28/24
Governing Body Presiding Officer	SHAREN CLINE 	3/28/24
Chief Financial Officer	KENIA NUNEZ ACUNA 	3/28/24
Chief Administrative Officer	BEN ANGELI 	3/28/24

IV.B Transitional Aid Recipients Applying in CY2024 / FY2025

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

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Governing Body Presiding Officer	SHAREN CLINE 	3/28/24
Chief Financial Officer	KENIA NUNEZ ACUNA 	3/28/24
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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.

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	2022 Value	2023 Value	Amount of Loss/Increase
TAX COLLECTION revenue	0	0	\$1,600,000 loss
Description:			
RUT UNCOLLECTED TAXES	0	179,601.66 INCR	\$537,878.00 INCR
Description:			
POLICE DEPT	0	0	\$265,000 INCR
Description:			
POLICE/FIRE RETIREMENT	0	0	\$108,172. INCR
Description:			
HEALTH BENFITS	0	0	\$672,000 INCR
Description:			
LANDFIL WASTE DISPOSAL	0	0	\$54,000 INCR
Description:			
	0	0	
Description:			



The City of Salem, NJ

Mayor Dr. Jody Veler

17 New Market Street
856-935-0372

Ben Angeli, City Administrator

Dear Director,

As Mayor of the City of Salem, I am aware of the Local Finance Notice requirement to only apply for 85% of last year's award amount. In our case that would be a \$283,350.00 decrease (from \$1,889,000.00 to \$1,605,650.00). We have worked very hard to meet the TA program goal of requesting 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 residents of the City distributed a petition and acquired enough signatures to have the City put the sale question on the November 2023 ballot. The City voters overwhelmingly approved the City sale of the water and Wastewater Utility for \$18 Million. That sale should be finalized in June of 2024. In the meantime, the City continues to deal with a situation where the Water/Sewer Utility operates with a deficit.


The second issue that has hindered our efforts to lower our request for Transitional Aid is the loss in our tax ratable base. For the fourth consecutive year, the Salem total ratable base has declined. The ratable base declined from \$121.8M to \$114.8M. When we add this decline to the fact that the collection rate has dropped to 74.29% it creates a serious financial situation.

We are also faced with the fact that two of our highest taxed properties did not pay taxes in 2023. The Campbell center is in the process of a bank foreclosure and that leaves a \$395,534 unpaid balance. The former Ardaugh Glass factory site is sitting with a \$447,221 tax balance.

Due to these two circumstances, the City of Salem is not able to comply with the 85% rule.

I cannot thank you enough for the understanding and consideration shown to our great City in the past. Our State Monitor, Ed Sasdelli has been a tremendous source of guidance as we navigate these difficult financial waters. I know that the 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.


Respectively
Mayor Dr. Jody Veler

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

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

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The second issue that has hindered our efforts to lower our request for Transitional Aid is our tax collection rate. For the fourth consecutive year, the Salem total ratable base has declined. The ratable base declined from \$121.8M to \$114.8M. When we add this decline to the fact that the collection rate has dropped to 74.29% it creates a serious financial situation.

We are also faced with the fact that two of our highest taxed properties did not pay taxes in 2023. 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 same space has now been taken by the newly elected 3rd District Officials, but for a smaller area and much less rental rate. The difference in rent severely hinders our ability to pay back the Finlaw refinancing bonds. We were required to replace the HVAC system for \$575,000 and that was 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 had determined, that we needed to hire a Grant writer/administrator. We have had difficulty filling the position, but getting the right person is vital for the success of our housing plan.

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 2024, with the following being the main contributors to the problem:

- ◆ Salem City Received \$1,889,000.00 in Transitional Aid last year and our fiscal condition at the Water Sewer Utility continued to put a drain on the City budget.
- ◆ 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. Until the sale is final, we need to deal with the almost daily issues.

- ◆ Although the refinancing of the Finlaw Building debt did ease some of the City's immediate burden, the building does continue to put a drain on the City. Under the State lease new carpet is required and that cost will be coming soon.

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 less 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 in water revenue

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.

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. 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 being 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 2024. The Commerce Department had 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. Unfortunately, the Foreclosure process has been delayed due to a Supreme Court ruling concerning foreclosures in another state. The New Jersey Legislature is currently looking into this issue. We have about 140 properties already in the process that has been put on hold. Since we already incurred legal expenses to begin the process, this delay has really impacted our plans. The owners of these properties are not paying taxes and this as severely affected our tax collection rate.

Mr. Bailey has been talking to developers concerning the Ardaugh Glass property. The plant has been shut down for years and a one time was the largest employer in the City. Our Redevelopment Attorney has prepared an RFP that will be issued in the next couple of weeks that will include the Ardaugh property and other properties on the Salem City waterfront. This is one of several examples of the City working in collaboration with our NJ DEP representative, Vince Caliguire, on important projects. Vince works with the

City through NJ DEP's Community Collaborative Initiative Program (CCI) and he has been extremely helpful in the time he has been assigned to Salem City.

The City has worked diligently over the last few years to reduce our need for aid and with the Wind Turbine facility being developed nearby, that seems to be back on track, 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. The City has issued a letter of support to a company interested in the landfill for a Recycling Center. They are now moved on to the County as the next step before purchasing the property. The next step would be to involve the City Redevelopment Attorney, Jim Maley. This is another area where we have worked in collaboration with Vince Caliguire and NJ DEP to help move this project forward.

The City has been designated an **Opportunity Zone** by the Governor, which will allow for capital gain incentives to investors and Salem City was one of only 13 communities awarded the **State Resource Network (SRN)** grant by Commissioner Oliver for economic development technical assistance, including a financial recovery plan and economic development strategy.

The City is continuing to implement the initiatives presented in the NJ SRN report (12/2015) in coordination with our State Monitor's recommendations. The City has already implemented the following:

- 1) Salem City has 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 through privatization.
- 4) The City refinanced the 19 Million Dollar Finlaw Building debt. This has made debt service payments more manageable moving forward. In this effort our team was able to renegotiate leases with the Department of the Treasury to extend them from 2028 to 2048. This will guarantee a revenue stream to service the debt.
- 5) We are consolidating from three fire houses to one. This will also allow the City to sell three properties and eliminate equipment.

In addition, the City has doubled down on efforts to address the closed supermarket (Incollingos) and through a collaboration with Stand Up for Salem was able to secure a grant through **Salem Health and Wellness** to perform a feasibility study for a supermarket. This was the first step in attracting new investors. The site of the old supermarket was purchased and the City has been working with the new owner to secure grants. The City's established NTI program (Neighborhood Transformation Initiative) is a partnership with the **USDA** to increase homeownership in Salem. The initiative allows for Low/Moderate income households to receive loans at 0% down payment, 1% interest, up to 38-year mortgages. We recently amended the Ordinance to make the program more accessible to City residents. In addition, the City is looking into a possible partnership with NACA (Neighborhood Assistance Corporation of America) for similar homeownership incentives and help

for people facing foreclosure. We had a meeting with the NACA Director that was very well received and looks to present some exciting opportunities.

During the budget preparation process as we became aware of the staggering loss in our ratable base, we had several serious discussions with Mr. Sasdelli. Mr. Sasdelli has always been a great advocate for the City and we rely on his guidance in many ways. Ed made several recommendations on how to handle the loss in ratables issue moving forward. As a result, on March 15, 2024 at a City Council Council Meeting, the Governing Body unanimously adopted Resolution 2024-122 that is included with this application. The Resolution set forth a plan that will be the number one focus of the City officials and staff. We have already created a special Council Committee to move the plan forward.

The City continues to Collaborate with Stand Up for Salem, Salem County, Salem County Community College, the State of New Jersey, State of New Jersey Department of Labor, and the South Jersey Transportation Planning Organization, United States Department of Agriculture (USDA).

B: Plan to constrain or reduce staffing costs.

The City had eliminated staff in all departments throughout the last few years through attrition. In 2017 when the paid municipal alliance coordinator resigned, the City absorbed the duties with current staff. The City settled its 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 2023 the City continued to move forward with the sale of its Water and Sewer Utility systems due to five consecutive years of running at an operating deficit. This evaluation was recommended in the State Resource Network study (page 48 & 49) in 2018.

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. This process is currently on hold due to the Supreme Court ruling on foreclosures. The City is also exploring selling (assigning) some of the Municipally held liens.

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.

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 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 dollar value of the commission paid in each year.

USING SHBP

Application Year: CY2024 / FY2025	Municipality: CITY OF SALEM	County: SALEM
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VI. Historical Fiscal Statistics

Item	2022	2023	Introduced Application Year
1. Property Tax/Budget Information			
Municipal tax rate	\$4.113	4.654	\$4.872
Municipal Purposes tax levy	\$5,082,418.24	5,178,032.89	\$5,596,955.65
Municipal Open Space tax levy	\$0	\$0	\$0
Total general appropriations	\$9,786,472.51	\$11,586,858.49	\$10,362,535.07
2. Cash Status Information			
% Of current taxes collected	75.45%	74.29%	%
% Used in computation of reserve	79%	77.5%	74.29%
Reserve for uncollected taxes	\$1,989,308.10	\$2,125,826.92	\$2,660,454.77
Total year end cash surplus	\$1,009,341.52	\$655,895.72	
Total non-cash surplus	\$0	\$0	
Year-end deferred charges	\$0	\$188,727.38	
3. Assessment Data			
Assessed value (as of January 10)	\$123,563,054	121,862,280	\$114,888,810
Average residential assessment	\$50,000	\$50,000	\$50,000
Number of tax appeals granted	14	4	
Amount budgeted for tax appeals	\$0	\$0	\$0
Refunding bonds for tax appeals	\$0	\$0	\$0
4. Staffing Levels			
Total Number of Sworn Police -	21	21	24
Total S&W Expenditures	\$1,830,000	\$1,935,000	\$2,200,000
Class 2 and Class 3 Officers	0	0	0
Total S&W Expenditures	0	0	0
Uniformed Fire – Staff Number	Volunteers	Volunteers	Volunteers
Total S&W Expenditures	\$0	\$0	\$0
Number of Other Full-time Employees			16
Total S&W Expenditures	\$	\$	\$1,503,074
Number of Other Part-time Employees			
Total S&W Expenditures			

5. Impact of Proposed Tax Levy

			Amount
Current Year Taxable Value			114,888,810
Introduced Tax Levy			5,596,955.65
Proposed Municipal Tax Rate	\$4.872	Average res. value (#3 above)	\$50,000
Current Year Taxes on average residential value (#3 above)			\$2,436
Prior Year Taxes on average residential value			\$2,347
Proposed increase in average residential taxes			\$109

Application Year: CY2024 / FY2025	Municipality: CITY OF SALEM	County: SALEM
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VII. Application Year Budget Information

A. Year of latest revaluation/reassessment

A1. Most current equalized ratio

2017 last revaluation

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%		
\$10,406.90		
	x	
\$0		
	x	
\$630,497.77		

C. List the five largest item appropriation increases:

Appropriation	Prior Year Actual	Application Year Proposed	\$ Amount of Increase
RUT UNCOLLECTED TAXES	2,122,576.76	2,660,454.77	\$537,878.00
HEALTH BENEFITS	1,258,145.00	1,925,000.00	\$672,000.00
PUBLIC SAFETY POLICE DEPT	2,008,400.00	2,200,000.00	265,000.00

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

Department/Agency	Position	Number	Dollar Amount
PUBLIC SAFETY	POLICE OFFICER (RE-HIRE)	22	\$80,000.00
PUBLIC SAFETY	POLICE OFFICER (cops grant covers \$39,245)	23	\$43,147.00
PUBLIC SAFETY	POLICE OFFICER (cops grants covers \$39,245)	24	\$43,147.00

Application Year: CY2024 / FY2025	Municipality: CITY OF SALEM	County: SALEM
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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 public assistance program?		x
7. Are expenditures controlled centrally (Yes) or decentrally by dept. (No)?		x
8. At any point during the year are expenditures routinely frozen?	x	
9. Has the municipality adopted a cash management plan?	x	
10. Have all negative findings in the prior year's audit report been corrected?		x
If not, be prepared to discuss why not in your application meeting.		

B. Risk Management: Indicate ("x") how each type of risk is insured.

Coverage	JIF/HIF	Self	Commercial
General Liability	x		
Vehicle/Fleet Liability	x		
Workers Compensation	x		
Property Coverage	x		
Public Official Liability	x		
Employment Practices Liability	x		
Environmental			x
Health Benefits	SHBP x		

C. 1) Salary and employee contract information (when more than one bargaining unit for each category, use average):

Question	Police	Fire	Other Contract	Non-Contract
Year of last salary increase	2023	0	2023	2023
Average total cost percentage increase	1.75%	0%	1.75%	1.75%
Last contract settlement date	2022	0	2020	
Contract expiration date	2024	0	2023	

Application Year: CY2024 / FY2025	Municipality: CITY OF SALEM	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)	n/a	n/a	n/a	n/a
Wage Freezes (describe below)	n/a	n/a	n/a	n/a
Layoffs (describe below)	n/a	n/a	n/a	n/a

D. Tax Enforcement Practices:

Question	Yes	No
1. Did the municipality complete its accelerated tax sale by December 31, if included in 2024 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:	May 2023	
3. On what dates were tax delinquency notices sent out in 2023: Date:	All 4 quarters	
4. Date of last tax sale: Date:	9/13/2023	

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:

2022	\$0.00	2023	\$0.00	Anticipated Application Year:	\$0.00
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2. List the instruments in which idle funds are invested:

none	

3. What was the average return on investments during 2023?

zero%
Not applicable

4. Left Blank Intentionally

Application Year: CY2024 / FY2025	Municipality: CITY OF SALEM	County: SALEM
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5. The name and firm of the municipality's auditor?

BOWMAN

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	IN PROCESS OF FINALIZING
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	2023 PILOT Billing	2023 Assessed Value	2023 Taxes If Billed in Full at 2022 Total Tax Rate	Term of Tax Abatement
HARVEST POINT BLK 106 LOT 3	AFFORDABLE HOUSING	\$233,394	\$11,050,000	\$868,640.50	30 years
Senior village Blk53 lot 5	AFFORDABLE HOUSING	\$18,000	\$6,077,500	\$447,752.28	30 years
Carpenter St Ph 1 and 2	AFFORDABLE HOUSING	\$67,755.85	\$2,844,300	\$223,511.81	30 years

Application Year: CY2024 / FY2025	Municipality:	County:
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Application Year: CY2024 / FY2025	Municipality:	County:
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Application Year: CY2024 / FY2025	Municipality:	County:
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IX-A. List actions that limited Salary and Wage costs: i.e., layoffs, furloughs, freezes, contract concessions, etc. (See item C-3 in Local Finance Notice for details)

[illegible][illegible][illegible][illegible]

Application Year: CY2024 / FY2025	Municipality:	County:
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Application Year: CY2024 / FY2025	Municipality:	County:
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Application Year: CY2024 / FY2025	Municipality:	County:
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IX-B. List actions that limited or reduced Other Expense costs: i.e., reductions, changes, or elimination of services, procurement efficiencies or restraint. Include changes in spending policies that reduce non-essential spending.

[illegible]

Application Year: CY2024 / FY2025	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 for \$1 for a 30-gallon trash bag

X. Service Delivery

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

[illegible]

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 ones that the municipality will make absent a grant of aid.**

Rank Order	Department	# Of Layoffs	Effective Date	2022 Full Time Staffing	2023 Full Time Staffing	\$ Amount to be Saved
1	STREET DEPT SATURDAY HOURS		09/1/2024	½	0	\$8,000.00

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

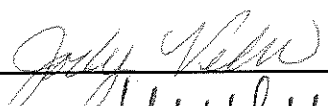
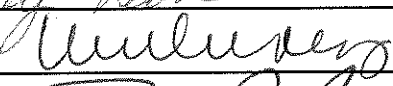
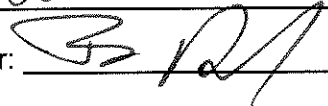
XII. Agreement to Improve Financial Position of Municipality

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 (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 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 (MOU) and comply with all its provisions, without exception.	X	

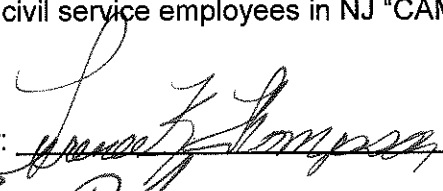

XIII. Certification of Past Compliance for Municipalities Currently Operating Under a Transitional Aid MOU:

The undersigned certify that the municipality is in substantial compliance with the conditions and requirements of the 2023 MOU and is operating in good faith to correct those areas of noncompliance that have been identified.

Mayor:  Date: 3/28/24
 Chief Financial Officer:  Date: 3/28/24
 Chief Administrative Officer:  Date: 3/28/24

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

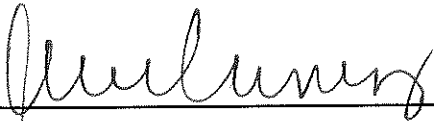
For Civil Service municipalities, the undersigned, being knowledgeable thereof, hereby certify that the municipality has placed the names of all current civil service employees in NJ "CAMPS."

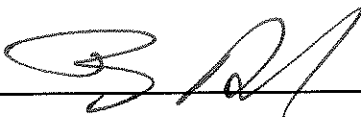
Human Resources or Personnel Director:  Date: 3/28/24
 Chief Administrative Officer:  Date: 3/28/24

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: 3/28/24

Chief Financial Officer:  Date: 3/28/24

Chief Administrative Officer:  Date: 3/28/24

**CITY OF SALEM
ORDINANCE 23-12**

**AN ORDINANCE OF THE CITY OF SALEM AMENDING SECTION 2 OF
CHAPTER 43 OF THE MUNICIPAL CODE OF THE CITY OF SALEM FIXING
THE TITLES, SALARIES AND COMPENSATION RANGES OF OFFICERS AND
EMPLOYEES OF THE CITY OF SALEM**

BE IT ORDAINED by the Common Council of the City of Salem, in the County of Salem and State of New Jersey that Section 2 of Chapter 43 of the Municipal Code as last amended by Ordinance 1307, 1622, 1907 and 2008 be amended as follows:

SECTION 1.

This ordinance sets the minimum and maximum salaries (listed in Attachment A) for the non-contractual officers and employees of the City of Salem, Salem County, State of New Jersey, in accordance with the provisions of this Ordinance, as set forth below to be effective upon adoption.

SECTION 2. Collective Bargaining Units

Salaries, remuneration, allowances and expenses as may be provided for by any Collective Bargaining Agreement or Employment Agreement approved by the Common Council of the City of Salem shall be paid in accordance with said agreement(s).

SECTION 3. All ordinances or parts of ordinances or any resolutions of the City of Salem inconsistent herewith are repealed in full.

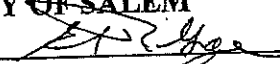
SECTION 4. If any part or parts of the Ordinance are for any reason held to be invalid by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance.

SECTION 5. This Ordinance shall take effect immediately after final passage and publication as provided by law.

ATTEST:


Ben Angeli, RMC

CITY OF SALEM


Earl Gage, Council President

COUNCIL	MOVED	SECONDED	Y	N	ABSTAIN	ABSENT
S. Cline			X			
R. Davis						X
T. Gregory			X			
V. Groce						X
S. Kellum	X		X			
G. Slaughter						X
C. Smith		X	X			
E. Gage			X			

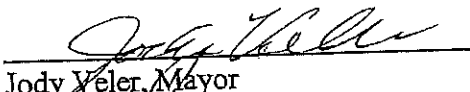
I, Ben Angeli, City Clerk of the City of Salem, in the County of Salem, do hereby certify the foregoing to be a true and correct copy of an Ordinance introduced by the Common Council of the City of Salem on July 17, 2023. Public Hearing shall take place on August 21, 2023.

7-17-23
Date


Ben Angeli, RMC

COUNCIL	MOVED	SECONDED	Y	N	ABSTAIN	ABSENT
S. Cline			X			
R. Davis			X			
T. Gregory						X
V. Groce			X			
S. Kellum	X		X			
G. Slaughter			X			
c. Smith		X	X			
E. Gage			X			

8-21-23
Date


Jody Veler, Mayor

I, Ben Angeli, Municipal Clerk of the City of Salem, in the County of Salem, do hereby certify the foregoing to be a true and correct copy of an Ordinance adopted by the Common Council of the City of Salem after a second reading and public hearing on August 21, 2023.

8-21-23
Date


Ben Angeli, RMC

	SALARY RANGE		
	Minimum	Maximum	
ADMINISTRATION	=====	=====	
Mayor		\$8,700.00	Yearly
Council President		\$7,200.00	Yearly
Council Member		\$6,700.00	Yearly
City Administrator	\$40,000.00	\$85,000.00	Yearly
City Clerk	\$40,000.00	\$55,000.00	Yearly
Deputy Municipal Clerk	\$20,000.00	\$50,000.00	Yearly
Director of Commerce	\$35,000.00	\$90,000.00	Yearly
Analyst (Grant Applications) Program Monitor	\$50,000.00	\$70,000.00	Yearly
MUNICIPAL COURT	=====	=====	
Judge	\$18,000.00	\$24,000.00	Yearly
Court Administrator	\$38,000.00	\$65,000.00	Yearly
Deputy Court Administrator	\$28,000.00	\$40,000.00	Yearly
FINANCE	=====	=====	
Chief Financial Officer / Tax Collector	\$70,000.00	\$104,000.00	Yearly
Chief Financial Officer	\$75,000.00	\$95,000.00	Yearly
Tax Collector	\$50,000.00	\$80,000.00	Yearly
Tax Assesor	\$15,000.00	\$26,000.00	Yearly
Deputy Treasurer	\$40,000.00	\$95,000.00	Yearly
Tax Search Officer	\$800.00	\$1,300.00	Yearly
Deputy Municipal Treasurer (Part Time)	\$40.00	\$50.00	Per Hr.
Municipal Search Officer	\$800.00	\$1,300.00	Yearly
Payroll Supervisor/Pension Fund Supervisor	\$40,000.00	\$57,000.00	Yearly
Public Safety	=====	=====	
Chief of Police	\$80,000.00	\$125,000.00	Yearly
Lieutenant	\$75,000.00	\$100,000.00	Yearly
Corporal - Additional		\$1,000.00	Yearly
Special Officer, Class 2		\$35.50	Per Hr.
Special Officer, Class 1		\$15.30	Per Hr.
Emergency Management Coordinator	\$4,000.00	\$6,000.00	Yearly
Deputy Emergency Mgmt. Coordinator	\$2,000.00	\$4,000.00	Yearly
Confidential Secretary (Full Time)	\$35,000.00	\$50,000.00	Yearly
Confidential Secretary (Part Time)	\$15.00	\$35.00	Per Hr.
Parking Meter Repairer (Part Time)	\$15.00	\$20.00	Per Hr.
Parking Enforcement Officer	\$15.00	\$20.00	Per Hr.
Public Works	=====	=====	
Superintendent of Public Works	\$90,000.00	\$160,000.00	Yearly
Water Superintendent	\$80,000.00	\$95,000.00	Yearly
Sewer Superintendent	\$80,000.00	\$95,000.00	Yearly
Street Superintendent	\$65,000.00	\$95,000.00	Yearly
Planning Board	=====	=====	
Planning Board Secretary		\$200.00	Per Meeting

**CITY OF SALEM
RESOLUTION 2024-122**

**A RESOLUTION OF THE CITY OF SALEM REQUESTING A REALLOCATION
OF FUNDS FROM 2022 SUPPLEMENTAL TRANSITIONAL AID
TO OFFSET THE UNEXPECTED LOSS OF RATABLES**

WHEREAS, the City budget is unexpectedly short this year due to a nearly \$7M drop in ratables attributed to issues outside the City's control including \$5M drop in Commercial ratables and \$2M drop from Verizon as well as a corresponding drop in tax revenue; and

WHEREAS, The City, along with our Monitor, Ed Sasdelli think the best short-term solution to get us through the budget Introduction and to get us to the closing of the Water/Wastewater Utility (which has been sold for \$18M) in June of 2024 is a two-pronged approach: an aggressive revenue collection strategy coupled with a reallocation of a portion of the 2022 Supplemental Transitional Aid. and

WHEREAS, The Director previously awarded the City \$877,000 for Water Quality Issues in the City; and

WHEREAS, since the City is selling the Water/Wastewater Utility, the City will not need all of that allocation for Water Quality Issues; and

WHEREAS, the Common Council of the City of Salem is requesting to re-allocate all or a portion of that money (subject to Monitor approval) to fund the 2024 Municipal Budget Introduction to offset the lost ratables; and

WHEREAS, If the Director deems it necessary, the City will reimburse that line after the closing of the Water/Wastewater Utility sale in June of 2024; and

WHEREAS, in order to address these issues for the future and after consultation with our State Monitor, the City has determined that it is in the best interest of the City to accept and enact Mr. Sasdelli's recommendations as outlined below; and

WHEREAS, at an open public meeting held on March 5, 2024, the Salem Common Council voted unanimously to create the Tax Collection Rate Committee to begin addressing the tax collection rate issue including the decreasing Tax Ratable Rate; and

WHEREAS, the Committee will be charged with putting into action the following recommendations and any additional recommendations that are forthcoming from Mr. Sasdelli:

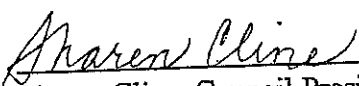
- 1) Evaluate all City owned property, determine which parcels are not needed for municipal services or specific redevelopment projects and liquidate them in accordance with NJSA 40A:12-13.
- 2) Maintain a full time Certified Tax Collector to focus full time on Tax Collection.
- 3) Appoint a Special Legal Counsel for Foreclosures to improve collection compliance or begin foreclosure proceedings.
- 4) Appoint a Special Counsel for Redevelopment to continue to explore retaining and attracting businesses.
- 5) Maintain a fulltime employee dedicated to retaining, attracting and marketing the City to businesses.

NOW, THEREFORE, BE IT RESOLVED, by the Common Council of the City of Salem that the City does formally request a reallocation of the \$877,000 awarded to the City for Water Quality Issues to fund the 2024 Municipal Budget Introduction to offset the lost ratables to the Division of Local Government Services.

ATTEST:


Ben Angeli, RMC

CITY OF SALEM

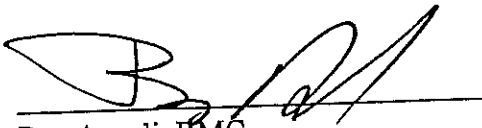

Sharen Cline, Council President

ROLL CALL VOTE

COUNCIL	MOVED	SECONDED	Y	N	ABSTAIN	ABSENT
E. Gage	X		X			
T. Gregory			X			
V. Groce			X			
S. Kellum		X	X			
C. Loatman			X			
J. Long			X			
C. Smith			X			
S. Cline			X			

I, Ben Angeli, Clerk of the City of Salem, in the County of Salem, do hereby certify the foregoing to be a true and correct copy of a Resolution adopted by the Common Council of the City of Salem on March 18, 2024.

3-18-24
Date


Ben Angeli, RMC

APPENDIX A

Submission Checklist:

- ☒ Signed and certified application.
- ☒ Copy of introduced budget, Annual Financial Statement, and budget documentation.
- ☒ Organization charts.
- ☒ Copies of current labor contracts.
- ☒ Copies of salary ordinance/resolutions and any contracts of non-union affiliated individuals.
- ☒ Debt service schedules for all municipal obligations, including municipally operated utilities; all listed by payment date.
- ☒ For prior recipients requesting level or increased funding, a letter from the mayor explaining why they failed to reduce their need for funding.
- ☐ ~~For new applicants, a governing body resolution authorizing application and agreeing to State supervision immediately upon filing of the application.~~
- ☒ A list of all motor vehicles owned or leased by the municipality (excluding construction equipment and fire apparatus); the agency assigned to its use; if the vehicle is assigned to an individual, the name of the individual; and if the vehicle is used by the individual outside of the regular workday or taken home by the individual.
- ☒ A certification that copies of all active collective negotiation agreements and the cost-out of each have been delivered to PERC. Support documentation regarding the method of cost out must also be provided.
- ☒ List of all existing shared service agreements.
- ☒ List of documented efforts to share municipal services, including public safety dispatch, code enforcement, public health services, and other services offered by neighboring municipalities, area boards of education, local authorities, or the county, if those costs are less than the current full cost of providing equivalent service.

Submission Instructions:

- E-mail electronic forms to dlgs@dca.nj.gov, with "<name of municipality> Transitional Aid Application" in the subject line.
- Submit one copy of the signed application form and any printed documents to:
 Transitional Aid Program
 Division of Local Government Services
 101 South Broad Street
 PO Box 803
 Trenton, NJ 08625-0803