



DEPARTMENT OF FINANCE
CITY OF CAMDEN
NEW JERSEY

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MAYOR

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April 9, 2021

Jacquelyn Suarez, Director
Division of Local Government Services
101 S. Broad Street
P.O. Box 803
Trenton, NJ 08625-0803

Re: City of Camden – Transitional Aid Application for CY 2021

Dear Director Suarez;

I am writing this letter to further inform the Division of Local Government Services (DGLS) of the City of Camden's need to submit a partially completed CY 2021 Transitional Aid Application, explain the underlying factors of the partial submission and request approval of a later submission of a CY 2021 Transitional Aid Application completed in its entirety. Additionally, this letter will outline the manner in which the same underlying factors causing the partial Transitional Aid Application impede statutory submissions such as a TY 2020 audit, an AFS for TY 2020, and the adoption of a CY 2021 budget.

The salient circumstance prohibiting the completeness of the City of Camden's CY 2021 Transitional Aid Application is the state of cash and non-cash transactions abundantly devoid posting to the general ledger for TY 2020. The City's former Treasurer retired abruptly and left transactions unposted for the approximate period of September 2020 through December 2020. Adequate staffing to implement a sound financial administration and accounting turnaround plan was hired in January 2021.

In the context of the aforementioned circumstance, the factors that have contributed to the absence of a TY 2020 audit are as follows:

- TY 2020 financial transactions have not been posted in their entirety and therefore the year remains unclosed.
- An audit cannot ensue until all transactions have been posted.

Factors that have contributed to the absence of a TY 2020 Annual Financial Statement are as follows:

- An AFS must start with the prior year's certified audit ending balance as the AFS beginning balance and end with the unaudited ending balance. The necessary ending balances to complete a TY 2020 AFS are unable to be obtained until the year can be properly posted and closed out.

Factors that have contributed to the CY 2021 budget not being introduced are as follows:

- The introduction, adoption and submission of the CY 2021 budget requires the municipality to analyze the current year versus the prior year. This analysis cannot take place until TY 2020 is fully recorded in the general ledger.

Factors that contribute to the incomplete status of the CY 2021 Transitional Aid Application are as follows:

- A core component of the Transitional Aid Application is the presentation of Application Year Budget information and subsequent years' projections. The Application Year Budget cannot be Introduced and Adopted until TY 2020 is fully recorded, closed and the ASF is able to be prepared. Therefore, the City does not currently possess the financial information required for the submission of the Transitional Aid Application in its entirety.

The City has put measures in place to address the circumstance at hand as well as ensure corrective action yields future compliant administrative practices. The most noteworthy measure is that new accounting staff was obtained as of January 2021 and has been fully trained and stabilized as of March 2021. As of March 2021, the newly mobilized staff have begun the process of posting all transactions to the general ledger to close out TY 2020. The staff is also maintaining the accounting of CY 2021 in the effort and fashion of best practices of municipal accounting in which they have been trained from the onset. With identification of challenges and underlying conditions coupled with the corrective action already in full implementation, we respectfully request that the DGLS accept this partial submission of the City of Camden's CY 2021 Transitional Aid Application with a fully completed application submitted at a later date.

Respectfully,

Francisco Moran
Mayor, City of Camden

Transitional Aid Application for Calendar Year 2021
Division of Local Government Services
Department of Community Affairs

General Instructions: This application must be submitted in its entirety by April 9, 2020 for funding consideration under this program. Information contained in the application is subject to independent verification by the Division. Refer to Local Finance Notice 2021-6_ when preparing this application for specific instructions and definitions and review the Submission Checklist on Page 7 of the Local Finance Notice.

Name of Municipality: City of Camden		County:	Camden
Contact Person: Jason Asuncion		Title:	Business Administrator
Phone:	856-757-7150	Fax:	
E-mail:		jaasunci@ci.camden.nj.us	

I. Aid History

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

SFY 2020	SFY 2019	SFY2018
\$ 22,300,000	\$ 23,237,816	\$18,200,000

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:	\$19,250,500 (\$18,955,000:15% reduction +\$295,500: cost of reversion)
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If not seeking a decrease, a letter from the Mayor is required. See Local Finance Notice 2021-6

III. Submission Requirements

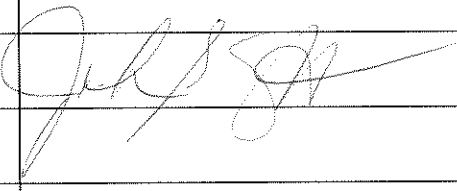
The following items must be submitted with, or prior to, submission of this application. Indicate date of submission of each.

Item	Date Submitted to DLGS
2020 Annual Financial Statement	9/1/2020
2020 Annual Audit	Just completed. Not received yet. Will be submitted ASAP
2020 Corrective Action Plan	Will be submitted ASAP
Application Year Introduced Budget	
Budget Documentation Submitted to Governing Body	

Application Year: CY2021	Municipality:	County:
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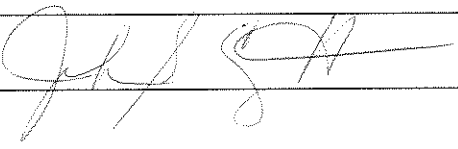
IV.A Application Certification

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		
Governing Body Presiding Officer		
Chief Financial Officer		4/9/21
Chief Administrative Officer		

IV.B CY2020 Transitional Aid Recipients Applying in 2021

CY2021 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		
Governing Body Presiding Officer		
Chief Financial Officer		4/9/21
Chief Administrative Officer		

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.

Despite the City of Camden's multi-fold approach of identifying additional resources of revenue and potential expense savings, the municipality continues to be unable to fiscally support its operational requirements. As suffered by all industries, the COVID-19 Pandemic has resulted in significant decreases/losses to various anticipated revenue items. Strategically, in an effort to mitigate the losses realized by the Pandemic and prior year revenues, the City has employed cost-saving methods of lay-offs and furloughs and has also utilized surplus funds to stabilize recent fiscal year budgets. The tax levy has consistently been increased and the collection rate has increased in each of those years. The City of Camden remains committed toward the goals of increased fiscal responsibility and independence. However, City has not obtained complete financial self-sustainability as of this period.

V-B. Demonstration of Revenue Loss/Substantial Cost Increase

Show: (1) specific, extraordinary revenue losses, but not as the aggregate of many revenue line items; and (2) specific, extraordinary increases in appropriations, but not as the aggregate of many appropriation line items. Describe the item 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	2019 Value	2020 Value	Amount of Loss/Increase
Revenue	12,141,932	11,872,418	(269,514)
Description:	PILOT's		
Revenue	1,350,000	1,151,000	(199,000)
Description:	Delinquent taxes		
Appropriation	7,000,000	7,350,000	350,000
Description:	Garbage and Trash Removal		
Appropriation	4,842,960	5,185,900	342,940
Description:	PFRS		
Description:			
Description:			
Description:			
Description:			

Application Year: CY2021	Municipality:	County:
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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.

The City of Camden has taken considerable steps to decrease its reliance on Transitional Aid. In July of 2020, the City applied for and was granted approval to convert from a state fiscal year to a calendar year municipality. Inherent in that application to the Local Finance Board was the required 15% reduction of Transitional Aid each year until the City is no longer dependent on it to meet its recurring obligations.

Over the course of the last year, the City has taken significant steps to address the ongoing audit comments related to the finances of the City. There have been several retirements in the finance and treasury operations over the course of the last year. The Finance Department has been re-staffed with capable professionals who have been fully trained and whose charge is to reconstruct the financial books of the City, implement best practices of NJ municipal accounting practices and perform the accurate financial activities of the municipality in a timely manner.

The new Finance Department leadership has commenced and continues to develop and implement appropriate procedures, policies and practices to ensure that the record keeping of the information that is vital to the understanding of the City's financial condition is properly maintained.

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.

The City of Camden belongs to the State Health Benefits Program for all coverages including pharmacy drug prescriptions.

The City of Camden provides a Dental Program which is annually bid out for the requested services. There are no brokers utilized in the solicitation of this coverage.

VI. Historical Fiscal Statistics

Item	2019	2020	Introduced Application Year
1. Property Tax/Budget Information			
Municipal tax rate	\$1.671	\$1.655	\$
Municipal Purposes tax levy	\$28,213,825.56	\$28,953,118	\$
Municipal Open Space tax levy	\$0	\$0	\$
Total general appropriations	\$209,430,409	\$186,358,186	\$

2. Cash Status Information			
% Of current taxes collected	90.85%	91.69%	%
% Used in computation of reserve	%	%	%
Reserve for uncollected taxes	\$5,180,888	\$5,027,684	\$
Total year end cash surplus	\$11,333,650	\$23,490,711	\$
Total non-cash surplus	\$168,700	\$218,102	\$
Year end deferred charges	\$0	\$0	\$

3. Assessment Data			
Assessed value (as of 1/10)	\$1,688,244,310	\$1,712,794,938	\$1,714,453,640
Average Residential Assessment	\$56,800	\$56,961	\$57,260
Number of tax appeals granted	117	96	\$
Amount budgeted for tax appeals	\$	\$	\$
Refunding bonds for tax appeals	\$	\$	\$

4. Staffing Levels			
Total Number of Sworn Police -	0	0	\$
Total S&W Expenditures	\$	\$	\$
Class 2 and Class 3 Officers			
Total S&W Expenditures			
Uniformed Fire - Staff Number	196	190	
Total S&W Expenditures	\$19,872,803.00	\$20,586,148	\$
Number of Other Full-time Employees	507	292	
Total S&W Expenditures	\$21,022,239.00	\$19,780,557.34	\$
Number of Other Part-time Employees		118	
Total S&W Expenditures		\$1,490,148	

5. Impact of Proposed Tax Levy

Current Year Taxable Value		1,714,453,640
Introduced Tax Levy		
Proposed Municipal Tax Rate	Average Res. Value (#4 above)	\$57,260
Current Year Taxes on Average Residential Value (#4 above)		
Prior Year Taxes on Average Residential Value		\$1,811.36
Proposed Increase in average residential taxes		

Application Year: CY2021

Municipality:

County:

VII. Application Year Budget Information

A. Year of latest revaluation/reassessment

2011

A1. Most current equalized ratio

93.40

B. Proposed Budget – Appropriation Cap Information

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

	Yes	No
	x	
3.5%		
\$		
\$		
\$		

C. List the five largest item appropriation increases:

Appropriation	Prior Year Actual	Application Year Proposed	\$ Amount of Increase

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

Department/Agency	Position	Number	Dollar Amount

Application Year: CY2021	Municipality:	County:
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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					
Second year					
Third year					

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. Edmunds	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? If not, be prepared to discuss why not in your application meeting.		X

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

Coverage	JIF/HIF	Self	Commercial
General liability	X		
Vehicle/Fleet liability	X		
Workers Compensation	X		
Property Coverage	X		
Public Official Liability	X		
Employment Practices Liability	X		
Environmental	X		
Health	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	N/A	2020	2021	
Average total cost percentage increase	%	1.25%	2.81%	%
Last contract settlement date		2020	2020	
Contract expiration date		12/31/2020	12/31/2021 & 12/31/2019	

Application Year: CY2021	Municipality:	County:
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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)			X	
55 Crossing Guards				
Wage Freezes (describe below)				
Layoffs (describe below)				
3 Fire Personnel		X		

D. Tax Enforcement Practices:

Question	Yes	No
1. Did the municipality complete its accelerated tax sale by December 31, if included in 2020 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:	3/10/2020	
3. On what dates were tax delinquency notices sent out in 2020: Date:	3/15/20 AND 11/17/2020	
4. Date of last tax sale: Date:	12/14/2020	

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:

2019	\$765,789.90	2020	\$	Anticipated Application Year:	\$
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2. List the instruments in which idle funds are invested:

Black Rock Investments	
New Jersey Cash Management	
Santander Investment Account	

3. What was the average return on investments during 2020?

%

4. Left Blank Intentionally

Application Year: CY2021	Municipality:	County:
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5. The name and firm of the municipality's auditor?

Bowman & Company, LLP

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

8/21/2013

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

Employee Group	Expiration Date	Status of Negotiations of Expired Agreement
CWA Blue Collar/White Collar/Supervisors	12/31/2021	N/A
IAFF 788 (Fire Fighters)	12/31/2020	
IAFF 2578	12/31/2020	
CWA Crossing Guards	12/31/2019	

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	2020 PILOT Billing	2021 Assessed Value	2021 Taxes If Billed in Full at 2020 Total Tax Rate	Term of Tax Abatement
Please See Attachment "Tax Abatements"					

Application Year: CY2021	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 is provided	Are fees charged to cover the costs of the program?	If fees do not cover costs, what is the amount of subsidy?	If there is a subsidy, explain why fees cannot be increased to reduce or eliminate subsidy.
Sewer Fees	<input checked="" type="checkbox"/>	Yes		
Water Fees	<input checked="" type="checkbox"/>	Yes		
Uniform Construction Code	<input checked="" type="checkbox"/>	Yes		
Uniform Fire Code	<input checked="" type="checkbox"/>	Yes		
Land Use Fees	<input checked="" type="checkbox"/>	Yes		
Parking Fees	<input checked="" type="checkbox"/>	Yes		
Beach Fees	<input type="checkbox"/>	N/A		
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 checked="" type="checkbox"/>	Yes		
Vacant Property Fees	<input checked="" type="checkbox"/>	Yes		
Rental Fees	<input checked="" type="checkbox"/>	Yes		

X. Service Delivery LC

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

Service	Name of Contracted Entity	Estimated Amount of Contract	Year Last Negotiated (as applicable)
Police Services	Camden County Metro Police Department	\$72MM	2012
Waste Water Treatment	Camden County Municipal Utilities Authority		1976
Water System and Wastewater, Storm Sewer Distribution	American Water Service Company	\$14,000,000	2019
Office Supplies	Camden County Cooperative Purchasing	\$30,000	2020
Trash/Recycling Collection	Waste Management Inc.	\$2.6MM	2020
Trash Disposal - Covanta	Camden County Cooperative Purchasing	\$3.5MM	2018
Recycling Disposal – Republic Services	Camden County Cooperative Purchasing	\$30,000	2020
Salt/Ice Control Products- Atlantic Salt	Camden County Cooperative Purchasing	\$200,000	2020
Landscaping- Maple leaf Lawn care	Camden County	\$334,000	2020
Building Maintenance	Camden County	\$122,000	2018
Long Term Pollution Control Plan	CCMUA and Gloucester City	At Cost	NJDEP Timeline
Brownfields Management	Camden Redevelopment Agency	\$1,000,000	Varies
Salt & Calcium	Camden Parking Authority	\$80,000	Dependent upon weather
Salt & Calcium	Camden Board of Education	\$80,000	Dependent upon weather
Fuel	Camden Board of Education	\$80,000	
Brine	Gloucester City		Dependent upon weather
Electric Power & Gas	South Jersey Power Consortium	\$150,000	2020

Application Year: **CY2021** Municipality: _____ County: _____

Affirmative Action Officer	Camden Redevelopment Agency	\$50,000	2020
Co-Op	Hunterdon County Cooperative Purchasing		2020
Co-Op	Morris County Cooperative Purchasing		2020
Co-Op	Middlesex County Cooperative Purchasing (ESCNJ)		2020
Co-Op	Cranford County Cooperative Purchasing		2020
Historical Mural	Camden County Cooperative Purchasing	\$80,000	2020
Residential Demolition	Camden County		2020
Fleet Garage (Road Access Construction)	Camden Redevelopment Agency		2020
Engineering Services	Camden County		

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	2020 Full Time Staffing	2021 Full Time Staffing	\$ Amount to be Saved

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

Rank Order	Service	Cost Savings	Impact on Services

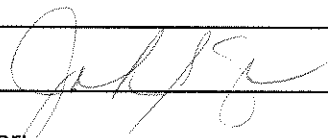
XII. Agreement to Improve Financial Position of Municipality

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 2020 MOU and is operating in good faith to correct those area of noncompliance that have been identified.

Mayor: _____ Date: _____
 Chief Financial Officer:  _____ Date: 4/9/21
 Chief Administrative Officer: _____ Date: _____

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

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

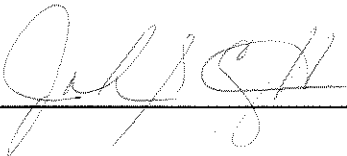
Human Resources or Personnel Director: _____ Date: _____
 Chief Administrative Officer: _____ Date: _____

Application Year: CY2021	Municipality:	County:
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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: 4/9/21

Chief Administrative Officer: _____ Date: _____