



# City of Newark

City Hall  
920 Broad Street  
Newark, New Jersey 07102

## Legislation Text

File #: 18-1446, Version: 1

**Dept/ Agency:** Offices of Municipal Council/City Clerk

**Action:**  Ratifying  Authorizing  Amending

**Type of Service:** Memorandum of Understanding

**Purpose:** Reducing CY 2018 Transitional Aid Oversight

**Entity Name:** Division of Local Government Services, New Jersey Department of Community Affairs

**Entity Address:** 101 South Broad Street, Trenton, New Jersey 08625

**Contract Amount:** Not Applicable

**Contract Period:** Calendar Year 2018

**Contract Basis:**  Bid  State Vendor  Prof. Ser.  EUS

Fair & Open  No Reportable Contributions  RFP  RFQ

Private Sale  Grant  Sub-recipient  n/a

**Additional Information:**

**Deferred 7R8-c 091918**

**WHEREAS**, the City of Newark (the "City") entered the Transitional Aid to Localities ("Transitional Aid") Program in 2014 as a means of addressing an ongoing and significant structural budget deficit; and

**WHEREAS**, the City has made significant progress in reducing its' structural budget deficit heading into 2018; and

**WHEREAS**, the Director of the Division of Local Government Services (the "Director") has determined that Seven Million, Two Hundred and Forty-One Dollars and Zero Cents (\$7,241,000.00) in Transitional Aid should be reallocated to the City as Consolidated Municipal Property Tax Relief ("CMPTRA"); and

**WHEREAS**, the receipt of said CMPTRA funds as part of the State budget process will assist the City in achieving a balanced budget for 2018; and

**WHEREAS**, the Transitional Aid Program typically requires a graduating municipality to remain under the Division of Local Governments' oversight for a period of one (1) year following receipt of Transitional Aid; and

**WHEREAS**, the Director has considered the City's progress during the past four (4) years and has determined that modified oversight requirements will be sufficient to assist the City with its' efforts in transitioning from the Transitional Aid Program; and

**WHEREAS**, upon the City's adoption of a balanced CY2019 budget that does not leave a structural budget deficit heading into 2020, the Director may recommend that Transitional Aid oversight be terminated in its entirety.

**NOW, THEREFORE, BE IT RESOLVED BY THE MUNICIPAL COUNCIL OF THE CITY OF NEWARK, NEW JERSEY, THAT:**

1. The Municipal Council of the City of Newark hereby authorizes the Mayor, the Business Administrator, and the Municipal Council President to execute the Memorandum of Understanding, as a condition established by the State of New Jersey, Division of Local Government Services, Department of Community Affairs for the receipt of Seven Million, Two Hundred and Forty-One Dollars and Zero Cents (\$7,241,000) as Consolidated Municipal Property Tax Relief Aid ("CMPTRA").
2. The Municipal Council hereby acknowledges that it has reviewed the Memorandum of Understanding and is therefore aware of the contents of the attached Memorandum of Understanding, including all of its' terms and conditions.
3. The Director or his designee, the State Fiscal Monitor, shall continue to participate in collective bargaining sessions with the City's represented units and shall approve any agreement prior to ratification.
4. The Director or his designee, the State Fiscal Monitor, shall continue to collaborate with the City's Economic Development Office to review and approve PILOT's and redevelopment agreements prior to approval by the Governing Body and execution between parties.
5. A copy of the fully executed Memorandum of Understanding shall be filed in the Office of the City Clerk and made available for public inspection
6. This resolution shall be ratified from January 1, 2018 to the date of adoption of this resolution

**STATEMENT**

This resolution authorizes the City of Newark, to execute a Memorandum of Understanding with the State Division of Local Government Services as a condition of the Consolidated Municipal Property Tax Relief in the amount of Seven Million, Two Hundred and Forty-One Dollars and Zero Cents (\$7,241,000.00)