



AGENDA

CITY OF CAMDEN

CITY COUNCIL SPECIAL MEETING

August 27th, 2020 – 12:00 noon

Honorable Curtis Jenkins, President
Honorable Marilyn Torres, Vice President
Honorable Victor Carstarphen
Honorable Sheila Davis
Honorable Angel Fuentes
Honorable Felisha Reyes-Morton
Honorable Shaneka Boucher

Honorable Francisco “Frank” Moran, Mayor

Michelle Spearman, City Attorney
Howard McCoach-Acting Counsel to Council

Luis Pastoriza, Municipal Clerk



CITY COUNCIL AGENDA

SPECIAL MEETING

THURSDAY, AUGUST 27TH, 2020 – 12:00 P.M.

CALL TO ORDER

FLAG SALUTE

ROLL CALL

STATEMENT OF COMPLIANCE

NOTICE OF MEETING

ORDINANCES FIRST READING

Department of Planning & Development

1. ORDINANCE APPROVING APPLICATION FOR EXEMPTION AND EXECUTION OF FINANCIAL AGREEMENT BETWEEN THE CITY OF CAMDEN AND CRAMER HILL SENIOR URBAN RENEWAL, LLC, PURSUANT TO N.J.S.A. 40A:20-1 ET SEQ.
2. ORDINANCE APPROVING APPLICATION FOR EXEMPTION AND EXECUTION OF FINANCIAL AGREEMENT BETWEEN THE CITY OF CAMDEN AND CRAMER HILL FAMILY URBAN RENEWAL, LLC, PURSUANT TO N.J.S.A. 40A:20-1 ET SEQ.

Department of Administration

3. ORDINANCE AUTHORIZING THE TRANSFER OF BLOCK 823, LOTS 1, 2, 3, 4, 21, 22, 23, 24, 81 & 82; BLOCK 856, LOTS 40, 40.01, 51, 54, 60, 60.01, 60.02, 60.03, 61, & 61.01; BLOCK 868, LOT 14.01; BLOCK 831, LOTS 3, 4, 5, 7, 11, 12, 13, 21, 22, 23, 24, 25, 26, 53, and 54 TO THE CAMDEN REDEVELOPMENT AGENCY

RESOLUTIONS

Department of Public Works

1. RESOLUTION AUTHORIZING THE CITY OF CAMDEN TO ENTER INTO A MINI-PITCH PROGRAM GRANT AGREEMENT AND SEPARATE LICENSING AGREEMENT WITH THE U.S. SOCCER FOUNDATION AND ITS SPECIALTY CONTRACTOR FOR THE INSTALLATION OF A SOCCER MINI-PITCH AT RALPH WILLIAMS JR. PARK IN EAST CAMDEN LOCATED AT N. 28TH & MITCHELL STREET, CAMDEN, NJ

Department of Finance

2. RESOLUTION ACCEPTING CORRECTIVE ACTION PLAN AS PER THE FY2019 ANNUAL MUNICIPAL AUDIT

PUBLIC COMMENT

ADJOURNMENT

Please note summary of Public Decorum rules below.

Rule XVII: Decorum

Any person who shall disturb the peace of the Council, make impertinent or slanderous remarks or conduct himself in a boisterous manner while addressing the Council shall be forthwith barred by the presiding officer from further audience before the Council, except that if the speaker shall submit to proper order under these rules, permission for him to continue may be granted by a majority vote of the Council.

City Council meetings shall be conducted in a courteous manner. Citizens and Council members will be allowed to state their positions in an atmosphere free of slander, threats of violence or the use of Council as a forum for politics. Sufficient warnings may be given by the Chair at any time during the remarks and, in the event that any individual shall violate the rules of decorum heretofore set forth, the Chairperson may then cut off comment or debate. At the discretion of the Chairperson, light signals may be used to display the commencement of the time for speaking and a warning light may be flashed to show that the appropriate time has passed. A red light will signal that there is no longer time.

Please note: Since the City of Camden remains under a Declaration of a Health Emergency related to the COVID-19 virus, City Hall is closed. Therefore, this Special Meeting will be conducted as a virtual meeting via a remote conferencing platform; Zoom. Instructions on accessing this virtual Special meeting can be found on the City of Camden's website: <https://www.ci.camden.nj.us/>.

MBS:dh
08-27-20

**ORDINANCE APPROVING APPLICATION FOR EXEMPTION AND EXECUTION
OF FINANCIAL AGREEMENT BETWEEN THE CITY OF CAMDEN AND
CRAMER HILL SENIOR URBAN RENEWAL, LLC, PURSUANT TO N.J.S.A.
40A:20-1 ET SEQ.**

WHEREAS, Cramer Hill Senior Urban Renewal LLC, a New Jersey limited liability company (hereinafter referred to as the "Sponsor") has or will lease the land comprising Block 831, Lots 3, 4, 5, 7, 11, 12, 13, 21, 22, 23, 24, 25, 26, 53, and 54, on the official Tax Map of the City of Camden and more particularly described in Exhibit "A" hereto (the "Property") from the City of Camden Housing Authority; and

WHEREAS, Sponsor proposes to construct a new 55 unit affordable rental community (hereinafter referred to as the "the Project") pursuant to the provisions of the New Jersey Long Term Exemption Law, (N.J.S.A. 40A:20-1 et seq.) (hereinafter referred to as the "Act") in the Cramer Hill neighborhood within the City of Camden (hereinafter referred to as the "Municipality") the Property" which Project shall be known as Cramer Hill Senior Housing; and

WHEREAS, in order to implement the development, financing, rehabilitation, preservation, operation and management of the Project, the Housing Authority of the City of Camden ("HACC") and Michaels Development Company received Low Income Housing Tax Credits from the New Jersey Housing Mortgage Finance Agency which will provide the required equity to allow this US HUD CHOICE Neighborhoods Implementation neighborhood revitalization project to proceed; and

WHEREAS, in accordance with the Act, Sponsor has submitted a written application ("Application") to the City for approval of a tax exemption for the land and improvements to be constructed on the Property; and

WHEREAS, City Council has heretofore determined that there is a need for affordable housing in the Cramer Hill neighborhood and that such housing will be beneficial to the City of Camden; and

WHEREAS, City Council finds and determines that Sponsor will not be able to proceed with the Project without the tax exemption because the Project would not be financially feasible; and

WHEREAS, the Acts permits a municipality to enter into a financial agreement exempting real property from taxation and accepting payment in lieu of taxes where the project meets an affordable housing need; and

WHEREAS, the Sponsor, has presented to City Council a revenue projection for the Project which sets forth the anticipated revenue to be received by the Sponsor from the operation of the Project as estimated by the Sponsor, a copy of which is attached hereto and made a part hereof as Exhibit "B"; now therefore

BE IT ORDAINED, by the City Council of the City of Camden as follows:

SECTION 1. The Council finds and determines that the proposed Project will meet or meets an existing housing need.

SECTION 2. The Council finds and determines that Sponsor will not be able to proceed with the Project without the tax exemption because the Project will not be financially feasible.

SECTION 3. The Council does hereby adopt the within Ordinance and makes the determinations and findings contained herein by virtue of, pursuant to, and in the conformity with the provisions of the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1.

SECTION 4. The Council does hereby approve Sponsor's application for tax exemption pursuant to the Long Term Tax Exemption Law.

SECTION 5. The Council does hereby adopt the within Ordinance with the further intent and purpose that from the date that the Project obtains its Certificate of Occupancy, the land and improvements of the Project will be exempt from real property taxation for a period of thirty (30) years as provided in the Act, provided that payments in lieu of taxes for municipal services supplied to the Project in the amount of five (5%) percent of the Gross Shelter Rents are made to the City of Camden as more particularly set forth the Financial Agreement attached hereto as Exhibit "C".

SECTION 6. The Council hereby authorizes and directs the Mayor of the City of Camden to execute, on behalf of the City of Camden the Financial Agreement in substantially the form annexed hereto as Exhibit "C" upon the review and approval of the City Attorney.

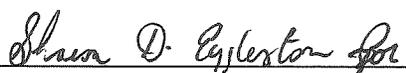
SECTION 7. The Council understands and agrees that the revenue projections set forth in Exhibit "B" are estimates and that the actual payments in lieu of taxes to be paid by the Sponsor to the City of Camden shall be determined pursuant to the Financial Agreement executed between the Sponsor and the City of Camden.

SECTION 8. This ordinance shall take effect twenty (20) days after its final passage and publication as provided by law.

BE IT FURTHER ORDAINED, that pursuant to N.J.S.A. 52:27BBB-23 and N.J.S.A. 40:69A-41, a true copy of this Ordinance shall be forwarded to the Mayor, who shall have ten (10) days from the receipt thereof to approve or veto this Ordinance. Additionally, pursuant to N.J.S.A. 52:27BBB-23, a true copy of this Ordinance shall be forwarded to the State Commissioner of Community Affairs, who shall have ten (10) days from the receipt thereof to veto this Ordinance, and the action by the Commissioner regarding this Ordinance shall supersede any action by the Mayor on the same Ordinance. All notices of approval and/or veto shall be filed in the Office of the Municipal Clerk.

Date of Introduction: August 27, 2020

The above has been reviewed and approved as to form.



MICHELLE BANKS-SPEARMAN
City Attorney

CURTIS JENKINS
President, City Council

FRANCISCO MORAN
Mayor

ATTEST: _____
LUIS PASTORIZA
Municipal Clerk

CITY OF CAMDEN
CITY COUNCIL REQUEST FORM

Council Meeting Date: September 8, 2020

TO: Jason J. Asuncion, Esq., Business Administrator

FROM: Edward C. Williams, PP, AICP, CSI, Director

Department Making Request: Planning and Development

TITLE OF RESOLUTION/ORDINANCE: Ordinance approving application for exemption and execution of Financial Agreement between the City of Camden and Cramer Hill Senior Family Urban Renewal, LLC pursuant to N.J.S.A. 40A:20-1 ET SEQ

BRIEF DESCRIPTION OF ACTION: The purpose of this action is to approve the ordinance for the determination of need for an affordable senior housing project in the Cramer Hill section of the City.

BIDDING PROCESS: N/A

Procurement Process: Bid#, RFP#, State Contract#, Non-Fair & Open, EUS:

APPROPRIATION ACCOUNT(S): n/a

AMOUNT: n/a

Waiver Attached for State (DCA) Approval
*Contracts for Services, Grant Applications/Awards, License Agreements, etc.
(Any Resolution that has Impact on City budget)*

	<u>Date</u>	<u>Signature</u>
Approved by Relevant Director:	<u>8/8/20</u>	<u>[Signature]</u>
Approved by Grants Management:	_____	_____ (If applicable)
Approved by Finance Director:	_____	_____
<input type="checkbox"/> CAF –Certifications of Availability of Funds		
Approved by Purchasing Agent:	_____	_____
Approved by Business Administrator:	<u>8-25-20</u>	<u>Jason J. Asuncion</u>
Received by City Attorney:	<u>8-25-20</u>	<u>Edward C. Williams</u>

(Name) Please Print

(Extension #)

Please note that the Contact Person is the point person for providing pertinent information regarding request.

If request is a walk-on, the Contact Person will be responsible for picking up the Council request(s) from the City Attorney's Office to make necessary copies for Council Meeting.

****Please attach all supporting documents****

Prepared By: _____
Contact Person: _____

Please note that the Contact Person is the point person for providing pertinent information regarding request.

If request is a walk-on, the Contact Person will be responsible for picking up the Council request(s) from the City Attorney's Office to make necessary copies for Council Meeting.

*****Please attach all supporting documents*****

**STATE OF NEW JERSEY
DEPARTMENT OF COMMUNITY AFFAIRS
DIVISION OF LOCAL GOVERNMENT SERVICES
CONTRACT REQUEST FORM**

This form must be filled out in its entirety and is intended to provide the Division with appropriate information to determine whether to approve a new or extended service. Please provide any additional information you believe will help the Division make an informed decision.

Municipality	City of Camden
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Professional Service or EUS Type	Professional Service
Name of Vendor	Cramer Hill Senior Family Urban Renewal, LLC
Purpose or Need for service:	Financial Agreement
Contract Award Amount	n/a
Term of Contract	One Year
Temporary or Seasonal	
Grant Funded (attach appropriate documentation allowing for service through grant funds)	
Please explain the procurement process (i.e. bids, RFQ, competitive contracting, etc.)	n/a
Were other proposals received? If so, please attach the names and amounts for each proposal received?	No other proposals received.

Please attach the RFP, evaluation memoranda or evaluation forms used to evaluate the vendors and a list of all bidders and the bid amounts associated with each bidder.

If the lowest bidder was not selected, please have the appropriate personnel sign the certification on page 2.

Mayor's Signature*

Date _____

Business Administrator/Manager Signature

Date _____

*For direct appointments of the Governing Body, Council President or at the discretion of the Director, the most senior member of the Governing Body may sign the waiver in lieu of the Mayor.

The Chief Financial Officer affirms that there is adequate funding available for this personnel action.
_____ Funding Source for this action

Chief Financial Officer Signature

I certify that the vendor selected is in compliance with the adopted Pay to Play Ordinance and that the vendor was notified of any restrictions with respect to campaign contributions.

Certifying Officer

Date _____

For LGS use only:
 Approved Denied

Date _____

Director or Designee,
Division of Local Government Services

Number Assigned _____

**FINANCIAL AGREEMENT PURSUANT TO
THE LONG TERM TAX EXEMPTION LAW
N.J.S.A. 40A:20-1 ET. SEQ.**

BETWEEN THE CITY OF CAMDEN
AND
CRAMER HILL SENIORFAMILY URBAN RENEWAL, LLC.

This Financial Agreement (this "Agreement") is made and entered into as of this _____ day of _____, 2020, by and between the **City of Camden**, a Municipal Corporation of the County of Camden and State of New Jersey, hereinafter referred to as the "City" and **Cramer Hill SeniorFamily Urban Renewal, LLC**, a New Jersey limited liability company having its principal office at 2 Cooper Street, 14th Floor, Camden, New Jersey 08102, hereinafter referred to as the "CHSF-URE, LLC", which is qualified to do business under the provisions of the "Long Term Tax Exemption Law of 1998", as amended, said law being set forth in N.J.S.A. 40A:20-1- through 20 (hereinafter referred to as the "Act").

WITNESSETH:

WHEREAS, the project is or will be situated on that parcel of land designated as Block 831, Lots 3, 4, 5, 7, 11, 12, 13, 21, 22, 23, 24, 25, 26, 53, and 54 as shown on the Official Assessment Map of the City of Camden, and located between North 24th Street and North 25th Street, and between Harrison Avenue and Pierce Avenue and will be comprised of fifty-five (55) affordable rental units, as more specifically described and identified on Exhibit A, which is attached hereto and made a part hereof (the "Project"). In the event the property constituting the Project is subdivided, CHS-URE, LLC agrees to amend this Agreement to reflect the correct block, lots and addresses; and

~~designated as Block 823, Lots 1, 2, 3, 4, 21, 22, 23, 24, 81 & 82; Block 856, Lots 40, 40.01, 51, 54, 60, 60.01, 60.02, 60.03, 61, & 61.01; Block 868, Lot 14.01 as shown on the Official Assessment Map of the City of Camden, and located in the Cramer Hill section of the City and will be comprised of seventy five (75) affordable rental units, as more specifically described and identified on Exhibit A, which is attached hereto and made a part hereof (the "Project"). In the event the property constituting the Project is subdivided, CHF-URE, LLC agrees to amend this Agreement to reflect the correct block, lots and addresses; and:~~

WHEREAS, the City of Camden is authorized pursuant to the Act to grant a real property tax exemption for low to moderate income housing projects located within the City; and

WHEREAS, in accordance with the Act, ~~CHSF~~-URE, LLC has heretofore made written application to the City for approval of a tax exemption for the Project ("Application"), a copy of which application is attached hereto as Exhibit B; and

WHEREAS, -City Council by Ordinance MC- , hereby incorporated into this Agreement and made a part hereof, -adopted on _____, approved said Application and the instant Financial Agreement, and a certified copy of such Ordinance of approval is attached hereto as Exhibit "C" ; and

WHEREAS, the City believes that the in lieu of tax consideration to be given the Project pursuant to this Agreement affords maximum redevelopment of the Property and is, therefore, in the best interest of the City and the health, safety, morals and welfare of its residents and is in accordance with the provisions of the Act and the public purposes pursuant to which the redevelopment of Project's area of the City has been undertaken and is being assisted in accordance with the applicable provisions of State law:

NOW THEREFORE, it is mutually agreed as follows:

1. This Agreement shall be governed by the provisions of the Act, it being expressly understood and agreed that the City relies upon the facts, data and representations contained in the Application, and Redeveloper covenanting and agreeing to use its reasonable best efforts to conform in the development, construction and operation of the Project to the matters and things set forth in the Application; that is, the manner in which CHSF-URE, LLC proposes to develop, manage and operate the Project and the plans for financing the Project, it being understood, however, with respect to the Project costs, interest rate, financing terms and mortgage amortization, rents and lease terms, that the same are projected and estimated and may be modified as particular circumstances may require, but that in all material respects it is the intent of CHSF-URE, LLC to comply as closely as shall be practicable with the information and representations set forth in the said Application. This Agreement shall be subject to the US Department of Housing and Urban Development Davis-Bacon wage requirements ~~which mandate either the use of Davis-Bacon wage rates or New Jersey Prevailing Wage rates, whichever is higher.~~

2. (a) The City hereby grants to CHSF-URE, LLC to the extent provided in this Agreement exemption from real property taxation on the land comprising the Property and the improvements thereon for a period of not more than thirty (30) years from the "Date of Completion of the Project" (as hereinafter defined). Such tax exemption shall be claimed and allowed in the same or similar manner as in the case of other real property exemptions. In the event that the exemption status changes during a tax year, the procedure for the apportionment of taxes for said year shall be the same as in the case of other changes in the tax exemptions status during the tax year.

(b) As used herein, the term "Date of Completion of the Project" is defined as the date of issuance by the City of a Certificate of Occupancy or Temporary Certificate of Occupancy for the

Project. If the City issues more than one Certificate of Occupancy for the Project, the parties stipulate that for purposes of establishing the term of the exemption and for ease of administration, the Date of Completion of the Project will be the date on which the City issues the Certificate of Occupancy or Temporary Certificate of Occupancy for the last unit of the Project. CHSF-URE, LLC shall promptly provide copies of all Certificates of Occupancy or the Temporary Certificates of Occupancy to the Tax Assessor and the Tax Collector along with a request that the tax exemption be implemented. The tax exemption shall commence for each parcel of the Project on the Date of Completion of the Project (the "Effective Date") notwithstanding different parcels or units may be occupied earlier than others. This Agreement shall run for the full thirty (30) years from the Date of Completion of the Project but in no event longer than thirty-five (35) years from the date of execution of this Agreement, so that the tax exemption for all parcels within the Project shall terminate simultaneously.

3. (a) In consideration for the tax exemption, CHSF-URE, LLC shall make an annual PILOT payment, as defined below, for municipal services supplied to the Project based on a percentage of the "Gross Shelter Rents" of the Project. The Annual PILOT Payment shall be adjusted from time to time following the submission by CHSF-URE, LLC's annual Auditor's Report as provided in Section 3 (b) below. CHSF-URE, LLC and the City specifically agree that, in the interpretation and administration of this paragraph:

(i) Gross Shelter Rents shall be calculated by taking the Annual Gross Revenue (defined below) and subtracting therefrom (a) a five percent (5%) vacancy allowance as set forth in Exhibit "D" attached hereto and (b) the costs of the Common Utilities (defined below) paid by CHSF-URE, LLC;

(ii) the computation of "Annual Gross Revenue" means the total annual gross rental or carrying charge or other income of the Sponsor from the Project less the costs of utilities furnished by the Project, which shall include the costs of gas, electricity, heating fuel, water supplied, and sewage charges, and less vacancies if any. Annual Gross Revenues shall not include any rental subsidy contributions received from any federal or state program.

(iii) CHSP-URE, LLC and the City acknowledge that the figures contained in Exhibits B and D are projections only and that the calculation of Gross Shelter Rents will be based on actual income and expenses.

(b) The Annual PILOT Payment, as defined herein, shall be calculated as follows (the "Annual PILOT Payment") :

- (1) Commencing on the Effective Date and continuing for a period of fifteen (15) years thereafter, the Annual PILOT Payment shall be five (5%) of the Project's Annual Gross Shelter Rents;
- (2) Commencing on the fifteenth (15th) anniversary of the Effective Date and continuing for a period of five (5) years thereafter, the Annual PILOT Payment shall be the greater of: (i) five percent (5%) of the Project's Annual Gross Shelter Rents, or (ii) twenty percent (20%) of the amount of taxes on the land and improvements otherwise due according to the general law applicable to non-exempt property in the City;
- (3) Commencing on the twentieth (20th) anniversary of the Effective Date and continuing for a period of four (4) years thereafter, the Annual PILOT Payment shall be the greater of: (i) five percent (5%) of the Project's Annual Gross Shelter Rents, or (ii) forty percent (40%) of the amount of the taxes on the land and

improvements otherwise due according to the general law applicable to non-exempt property in the City;

(4) Commencing on the twenty-fourth (24th) anniversary of the Effective Date and continuing for a period of four (4) years thereafter, the Annual PILOT Payment shall be the greater of: (i) five percent (5%) of the Project's Annual Gross Shelter Rents; or (ii) sixty percent (60%) of the amount of the taxes on the land and improvements otherwise due according to the general law applicable to non-exempt property in the City;

(5) Commencing on the twenty-eighth (28th) anniversary of the Effective Date and continuing for a period of two (2) years thereafter, the Annual PILOT Payment shall be the greater of: (i) five percent (5%) of the Project's Annual Gross Shelter Rents, or (ii) eighty percent (80%) of the amount of the taxes on the land and improvements otherwise due according to the general law applicable to non-exempt property in the City.

(c) Notwithstanding the provisions of this Agreement to the contrary, the Annual PILOT Payment shall in no case be less than the amount of the total taxes levied against all real property in the area covered by the Project in the last full tax year in which the area was subject to taxation. Notwithstanding the foregoing, the Minimum Annual PILOT Payment shall be \$15,000.00 ("Minimum Annual PILOT Payment"). The Minimum Annual PILOT Payment shall be paid in each year in which the Annual PILOT Payment calculated pursuant to paragraph 3(b) above is less than the Minimum Annual PILOT Payment.

(d) In each year during the term hereof, the Minimum Annual PILOT Payment will be increased as follows commencing on the ~~second year of the Effective Date~~ first anniversary of the first full year after the Date of Completion of the Project: the prior year's Gross Shelter Rents shall be multiplied by 1.5% and that product shall then be multiplied by 5.0% and the amount by which that product shall exceed the prior year's Minimum Annual PILOT Payment shall then be added to the prior year's Minimum Annual PILOT Payment (the "New Minimum Annual PILOT Payment") for that year. Provided, however, in resetting the New Minimum Annual PILOT Payment annually, in no case may the New Minimum Annual PILOT Payment ever exceed the actual Gross Shelter Rents for the prior year utilizing a vacancy allowance of ten (10%) percent in place of the allowance set forth in Paragraph 3(a)(i)(a). Examples of how this shall operate are set forth on Exhibit "E" attached hereto.

Commented [1]: Deleted language reads better and does not have the exemption changing in the middle of the year.

(e) The Annual PILOT Payment shall be paid to the City on a quarterly basis, pro rata, in a manner consistent with the City's tax collection schedule.

(f) Water, sewer, gas and electric charges that are for common areas within the Project and not for a specific unit within the Project and water and sewer charges for tenant units (the "Common Utilities") shall be paid by CHSF-URE, LLC. Each tenant within the Project will pay their own utility charges. The Landlord will pay all water and sewer charges.

(g) The City acknowledges that the rents at the Property are subject to the jurisdiction of HUD, and are not subject to any rent control or rent leveling ordinance of the City.

4. A Financial Plan, showing the anticipated Project funding, and a Fiscal Plan, computing the estimated Annual PILOT Payment, are attached hereto as Exhibit "E" and made a part hereof.

5. CHSF-URE, LLC further covenants and agrees as follows:

(a) To limit its profits and dividends from operations payable in accordance with the provisions of the Act.

(b) During the period of tax exemption, CHSF-URE, LLC shall distribute any excess profits earned by it in accordance with N.J.S.A. 40A:20-15. CHSF-URE, LLC shall have the right to establish and maintain reserves against vacancies, unpaid rentals and contingencies in an amount not exceeding 10% of the gross revenues of CHSF-URE, LLC for the last full fiscal year preceding the year for which a determination is being made with respect to allowable net profit; and, CHSF-URE, LLC may retain such part of any excess net profit as may be necessary to eliminate the deficiency, if any, in such reserves.

(c) To pay the Annual PILOT Payment as provided for in paragraph 3 hereof, pro rata on a quarterly basis, in a manner consistent with the municipality's tax collection schedule. In the event CHSF-URE, LLC fails to so pay within the time set forth in (d) below, the amount unpaid shall bear the same rate of interest permitted in the case of the unpaid taxes or tax liens on land until paid ("Late Fee"). For ~~the second year of~~ first year after the Effective Date, the Tax Collector shall issue quarterly bills based on the Minimum Annual PILOT Payment set forth in Paragraph 3(d) on a pro-rata basis. Thereafter, pro rata quarterly bills will be based on five percent (5%) of the actual Gross Shelter Rents of the prior year, if same has been provided to the Tax Collector, or five percent (5%) of the prior year's projection of Gross Shelter Rents. Within ninety (90) days after the City's receipt and review of the Auditor's Report described in Paragraph 6(e), the City shall adjust the Annual PILOT Payment to reconcile with CHSF-URE, LLC's actual Gross Shelter Rents. The City will promptly issue a credit where it is determined that there has been an overpayment or an invoice where it is determined that there has been an underpayment of the Annual PILOT Payment.

Commented [2]: Does not seem to read right. Second year after the Effective Date???

(d) The failure of CHSF-URE, LLC to pay any quarterly installment of the Annual PILOT Payment and/or sewer and water charge payments, in a timely manner shall constitute a violation and breach of this Agreement. With respect to delinquent water and sewer charges, the City shall retain all rights reserved to municipalities under New Jersey law and the Code of the City of Camden, New Jersey Chapters 840 and 675564 and ~~465~~, including the right to proceed against CHSF-URE, LLC's interest in the property and its ownership interest in the improvements pursuant to the In Rem Tax Foreclosure Act, N.J.S.A. 54:55-1, et seq. In the event that CHSF-URE, LLC shall fail to pay the Annual PILOT Payment within 30 (thirty) days after said payment is due, then the City shall send written notice to CHSF-URE, LLC and any Lender entitled to Notice hereunder that said payment is overdue and CHSF-URE, LLC is in Default under the terms of this Agreement (the "Default Notice"). In the event that CHSF-URE, LLC fails to make payment of the delinquent installment of the Annual PILOT Payment and/or sewer and water charges together with the Late Fee within sixty (60) days after the date of the Default Notice, then this Agreement shall terminate on the sixtieth (60th) day after the date of the Default Notice.

(e) To submit annually, within ninety (90) days after the close of each of CHSF-URE, LLC's fiscal years, to the City's Chief Financial Officer and the Municipal Clerk, a financial audit, which audit shall include a note disclosure which both defines and calculates the amount of Annual PILOT Payment due for that audit year, which calculations shall be attested to by the Certified Public Accountant of CHSF-URE, LLC as to the accuracy of the computation and the compliance with this Agreement. CHSF-URE, LLC's fiscal year runs from January 1 to December 31. Such auditor's report shall include, but not be limited to, a rental schedule of the improvements, the terms and interest rate on any mortgage associated with the Property and the improvements, and

such details as may relate to the financial affairs of CHSF-URE, LLC and its operation of the improvements and performance under this Agreement.

(f) Following receipt of the annual audit and transmittal letter required by subsection (e) above, the Chief Financial Officer shall modify the Annual PILOT Payment for the then-current calendar year. The remaining amount due on the Annual Pilot payment for the then-current calendar year, following receipt of the audit and transmittal letter, shall be increased (or decreased) by the difference between the audited amount and the Annual Pilot payment being utilized for that year with the intention that, by the end of that calendar year, CHSF-URE, LLC will have paid an Annual PILOT Payment equal to the amount identified in the most recent audit.

Upon initial review of the audit and schedule of payments stated in the cover letter, the Chief Financial Officer or designee may acknowledge acceptance of the audit and payment schedule while reserving the Chief Financial Officer's right to contest or modify the audit and payment schedule upon a more detailed examination of the audit. The City may undertake its audit, if at all, not later than 90 days after delivery of CHSF-URE, LLC's audit above. Should the Chief Financial Officer not issue its preliminary acceptance of the audit and proposed payment schedule before the next quarterly payment is due, then CHSF-URE, LLC shall continue to make quarterly payments equal to the first quarter payment.

Upon finalizing the audit for the previous year, CHSF-URE, LLC will have thirty (30) days from receipt of an invoice or other written notice from the City to pay any additional amounts owed for the previous year or that would have been owed in the previous quarters of the current year if the audit had been accepted before those payments were made. Interest and penalties shall not be imposed upon any shortfall for the previous year or previous quarters if payment is made

within thirty (30) days of receipt of an invoice or other written notice from the Chief Financial Officer.

(g) If the City and CHSF-URE, LLC dispute either (i) the correctness of the audit, or (ii) the calculation of the Annual PILOT Payment, either party may, pursuant to N.J.S.A. 40A:20-9f, submit this dispute to the American Arbitration Association in Camden, New Jersey to be determined in accordance with its rules and regulations in such a fashion as to accomplish the purposes of the Act. The arbitration shall be before one neutral arbitrator to be selected in accordance with the AAA Rules and whose decision shall be rendered in writing. The results of the arbitration shall be final and binding upon the parties, with each party paying its own costs of the arbitration and 50% of the costs of the neutral arbitrator, and judgment on the award may be entered in any court having jurisdiction thereof. In rendering the award, the arbitrator shall determine the rights and obligations of the parties according to the laws of the State of New Jersey.

(h) Upon request of the City, to permit inspection of the property, equipment, buildings and other facilities of CHSF-URE, LLC at the Project, and to permit examination and audit of any of its books, contracts, records, documents and papers relating to this Agreement or the Project, by duly authorized representatives of the City, provided same are at reasonable hours on reasonable notice and in the presence of designated representatives of CHSF-URE, LLC.

(i) At all times prior to the expiration or other termination of this Financial Agreement, to remain bound by the provisions of the Act and other applicable laws of the State of New Jersey, including N.J.S.A. 52:15C-1 et seq.

(j) Not to effect or execute any agreement, lease, conveyance, or other instrument, whereby the Project, or any part thereof, or the use thereof, is restricted upon the basis of race,

color, creed, religion, ancestry, national origin, sex, or marital status, in sale, lease or occupancy thereof, nor to discriminate upon the basis of race, color, creed, religion, ancestry, national origin, sex, or marital status, in the sale, lease, or rental, or in the use or occupancy of the Project or any improvement erected or to be erected thereon, or any part thereof, and to comply with all State and local laws prohibiting discrimination or segregation by reason of race, color, creed, religion, ancestry, national origin, sex or marital status.

(k) That operation under this Agreement shall be terminable by CHSF-URE, LLC in the manner provided for under the Act.

(l) That CHSF-URE, LLC's agreement to pay: (i) the Annual PILOT Payment, including the methodology of computation thereof; (ii) water and sewer charges, and (iii) any interest payments due pursuant this Agreement (collectively the "Material Conditions") are material conditions of the Agreement. The Material Conditions shall be deemed independent and severable, and the invalidity or unenforceability of any other provision or portion of this Agreement shall not affect the enforceability or validity of the Material Conditions.

(m) It shall be the obligation of CHSF-URE, LLC to make application for and make all reasonable efforts to obtain Certificates of Occupancy for the improvements in a timely manner as identified in the Application. The failure of CHSF-URE, LLC to use reasonable efforts to secure and obtain the Certificate of Occupancy for the improvements shall constitute a Default by CHSF-URE, LLC provided the City has reasonably cooperated in processing CHSF-URE, LLC's request for the issuance of such Certificate of Occupancy. In the event that CHSF-URE, LLC does not obtain a Certificate of Occupancy within five (5) years after the date hereof then this Agreement will terminate.

6. It is understood and agreed that, commencing on the thirty-first (31st) anniversary of the Effective Date, the tax exemption upon the Project shall thereupon absolutely cease, and the property and improvements comprising the Project shall thereupon be assessed and taxed according to general law as other property in the City is assessed and taxed and, on the date on which the tax exemption upon the Project absolutely ceases, as described above, all restrictions and limitations herein contained as provided by law shall absolutely terminate and be at an end and CHSF-URE, LLC shall thereupon render its final account to the City.

7. (a) The City, on written application by CHSF-URE, LLC, will not unreasonably withhold, delay or condition its consent to a transfer of CHSF-URE, LLC's interest in the Property, the improvements and this Agreement to an entity eligible to operate the Project under the Act (a "Permitted Transferee"), provided: (i) there is at the time of the request no uncured event of default by CHSF-URE, LLC regarding any performance required of it under this Agreement; (ii) CHSF-URE, LLC has fully complied with the Act at the time of the request; and (iii) the Permitted Transferee fully assumes CHSF-URE, LLC's obligations under this Agreement. Notwithstanding the foregoing, upon written notice by any lender advancing funds to CHSF-URE, LLC for the development of the Project (a "Lender"), whether or not there is an uncured event of default by CHSF-URE, LLC under this Agreement, the City will consent to a transfer of CHSF-URE, LLC's interest in the Property, the improvements, and this Agreement to a Lender or any entity organized, controlled or designated by the Lender (a "Lender Transferee") which succeeds to the interest of CHSF-URE, LLC in the Property and the improvements as a result of the foreclosure of the leasehold mortgage held by the Lender or by assignment of such interest to the Lender Transferee in lieu of foreclosure, provided that the Lender Transferee complies with the requirements of the Act and continues to operate the improvements as contemplated by this

Agreement. Upon the assumption by the Permitted Transferee and/or Lender Transferee of the remaining obligations under this Agreement, the tax exemption of the improvements of the Project shall continue and inure to the Permitted Transferee and/or Lender Transferee, their respective successors or assigns.

(b) The City and CHSF-URE, LLC acknowledge that subsequent changes or expansions within the area of the Project may occur which may not now be in the contemplation of the parties. In connection with such changes or expansions, the City agrees that unimproved portions of the Project area (including surface parking areas) may be withdrawn by CHSF-URE, LLC from the coverage of this Agreement upon written notice to the City. Any such withdrawals shall not affect the continued applicability of the Agreement to the remainder of the Project.

(c) The City recognizes and acknowledges that CHSF-URE, LLC is a New Jersey limited liability company and as such intends to sell ownership interests in CHSF-URE, LLC through syndication of certain low income housing tax credits allocated to CHSF-URE, LLC. The City specifically recognizes and consents to such syndication and sale or resale of ownership interests in CHSF-URE, LLC.

8. CHSF-URE, LLC may at any time after the expiration of one (1) year from the Date of Completion of the Project notify the City that, as of a certain date designated in said notice, it relinquishes its tax exemption status as to all or any designated portion of the Project. As of the date so set, the tax exemption, the service charges, the profit restrictions and all other restrictions and limitations imposed by this Agreement or by the Act shall terminate as to the Project or any designated portion of the Project, as applicable.

9. Upon any termination of such tax exemption, obligations and restrictions, whether by affirmative action of CHSF-URE, LLC as provided in paragraph 8 above or by the provisions

of the Act or pursuant to this Agreement, and subject to paragraph 5(d) above, the date of such termination shall be deemed to be the end of the fiscal year of CHSF-URE, LLC, and within ninety (90) days after the date of such termination CHSF-URE, LLC shall pay to the City a sum equal to the amount of the reserve described in Section 6(b) above, if any, maintained pursuant to N.J.S.A. 40A:20-16, as well as the excess profit, if any, payable pursuant to N.J.S.A. 40A:20-16, and pursuant to paragraph 5 of this Financial Agreement by reason of the treatment of such date as the end of the fiscal year.

10. Unless otherwise provided by law, neither CHSF-URE, LLC nor any of its partners (or members of any of its partners), officers, employees, members, or Trustees shall be personally liable under this Agreement for the payment of the Annual PILOT Payment nor for the payment of any tax or assessment which may be levied or assessed against any land or building now or hereafter constituting all of or a portion of the Project.

11. (a) Any notice, demand or other communication under this Agreement by any party to any other shall be sufficiently given or delivered if sent registered or certified mail, postage prepaid and return receipt requested, or delivered personally and, in the case of CHSF-URE, LLC, addressed to: Cramer Hill SeniorFamily Urban Renewal, LLC, 2 Cooper Street, P.O. Box 90708, Camden, NJ 08101; and, in the case of the City, addressed to the Municipal Clerk of Camden, New Jersey, with a copy to the City Attorney, each of the foregoing having an address for this purpose at City Hall, 520 Market Street, Room 419, P.O. Box 95120, Camden, New Jersey 08101-5120; or to any such other address with respect to any such party as that party may, from time to time, designate in writing and forward to the others as provided in this paragraph.

(b) Whenever the City shall deliver any notice or demand to CHSF-URE, LLC with respect to any breach or default by CHSF-URE, LLC in its obligations or covenants under this

Agreement, the City shall at the same time forward a copy of such notice or demand to each Lender, provided the City has received notice of the name and address of such Lender.

(c) (1) After any breach or default under this Agreement, each Lender shall (insofar as the rights of the City are concerned) have the right, at its option, to cure or remedy such breach or default in accordance with Section 6(d) above.

(2) Any such Lender who shall cure or remedy any breach or default under this Agreement shall be entitled to the benefits of the tax exemption previously granted to CHSF-URE, LLC pursuant to the Act and this Agreement, to the same extent that CHSF-URE, LLC would then have been if no default had occurred.

12. (a) Except as set forth in Paragraph 5(g), in the event of a breach of the within Agreement by either of the parties hereto or a dispute arising between the parties in reference to the terms and provisions as set forth herein, either party may apply to the Superior Court of New Jersey by an appropriate proceeding to settle and resolve said dispute in such fashion as will tend to accomplish the purpose of the Act, including the termination of the exemption. In the event that the Superior Court shall not entertain jurisdiction, then the parties shall submit the dispute to the American Arbitration Association in Camden, New Jersey utilizing the arbitration process as set forth in paragraph 5(g) above.

(b) Anything in the foregoing to the contrary notwithstanding: (i) any dispute between the parties hereto concerning any provision of this Agreement shall be governed by the laws of the State of New Jersey; and (ii) no arbitrator shall have the power or authority to amend, alter, or modify any part of this Agreement, in any way. In the event of any inconsistency between the terms of this Agreement and the Act, such ambiguity or inconsistency shall be rendered in favor of the Act.

13. (a) Since the Housing Authority of the City of Camden, pursuant to agreements arising from the CNI Grant Agreement dated December 12, 2016, has assumed responsibility for oversight during construction phases, including but not limited to overseeing or being held responsible for any and all documentation, monitoring and/or filing requirements mandated by the CNI Grant and/or HUD, which has been previously approved by HUD Officials, it is agreed that CHS-URE, LLC shall enter into an agreement with the Housing Authority to continue Affirmative Action monitoring during the construction phase of this project.

(b) CHS-URE, LLC agrees to enter into an agreement with the Housing Authority to submit an Affirmative Action Plan prior to the execution of this Agreement to the Housing Authority for approval if determined satisfactory by the Housing Authority Section 3 Compliance Officer and to thereafter comply with said Plan during the construction phase, including submitting such documents as are requested from the Housing Authority's Section 3 Compliance Officer for the purpose of determining CHS-URE, LLC's compliance with its Affirmative Action Plan. If CHS-URE, LLC fails to comply with the Affirmative Action Plan, such failure could lead to sanctions by the Housing Authority for failing to comply with Section 3 and/or NJ HMFA Affirmative Action requirements and/or constitute an event of default and be cause for the City to implement paragraph 12 of this Agreement.

14. It is understood and agreed that in the event the City shall be named as a party defendant by a third party in any action brought against CHSF-URE, LLC by reason of any breach, default, or a violation of any of the provisions of this Agreement and/or the provisions of N.J.S.A. 40A:20-1, et seq., as a result of the actions or inaction of CHSF-URE, LLC, CHSF-URE, LLC

shall indemnify and hold the City harmless and shall further defend any such action at its own expense.

Commented [3]: HACCTMO Please review

15. If any clause, sentence, subdivision, paragraph, section or part of this Agreement be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder hereof, but shall be confined in its operation to the clause, sentence, subdivision, paragraph, section or part hereof directly involved in the controversy in which said judgment shall have been rendered.

16. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

17. This Agreement shall be binding upon and inure to the benefit of CHSF-URE, LLC, the City, and their respective successors and permitted assigns.

IN WITNESS WHEREOF, the City has caused this Agreement to be duly executed in its name and on its behalf by the Mayor, and CHS~~F~~-URE, LLC has caused this Agreement to be duly executed on its behalf by duly authorized officers, all as of the day and year first above written.

WITNESS:

CRAMER HILL FAMILY URBAN
RENEWAL, LLC

By: Cramer Hill ~~Senior Family~~-Michaels,
LLC
Its Managing Member

John J. O'Donnell, President

ATTEST:

CITY OF CAMDEN

Name: Luis Pastoriza
Title: City Clerk

By: _____
Name: Francisco "Frank" Moran
Title: Mayor

Authorized by Ordinance
MC-_____. This Agreement has
been approved as to form:

City Attorney

**EXHIBIT A
PROPERTY**

EXHIBIT B
ORDINANCE APPROVING THE APPLICATION AND FINANCIAL AGREEMENT

**EXHIBIT C
APPLICATION**

EXHIBIT D
FISCAL PLAN AND GROSS REVENUE PROFORMA

EXHIBIT E
EXAMPLES OF MINIMUM ANNUAL PILOT PAYMENT

**ORDINANCE APPROVING APPLICATION FOR EXEMPTION AND EXECUTION
OF FINANCIAL AGREEMENT BETWEEN THE CITY OF CAMDEN AND
CRAMER HILL FAMILY URBAN RENEWAL, LLC, PURSUANT TO N.J.S.A.
40A:20-1 ET SEQ.**

WHEREAS, Cramer Hill Family Urban Renewal LLC, a New Jersey limited liability company (hereinafter referred to as the "Sponsor") has or will lease the land comprising Block 823, Lots 1, 2, 3, 4, 21, 22, 23, 24, 81 & 82; Block 856, Lots 40, 40.01, 51, 54, 60, 60.01, 60.02, 60.03, 61, & 61.01; Block 868, Lot 14.01, on the official Tax Map of the City of Camden and more particularly described in Exhibit "A" hereto (the "Property") from the City of Camden Housing Authority; and

WHEREAS, Sponsor proposes to construct a new 75 unit affordable rental townhome community (hereinafter referred to as the "the Project") pursuant to the provisions of the New Jersey Long Term Exemption Law, (N.J.S.A. 40A:20-1 et seq.) (hereinafter referred to as the "Act") in the Cramer Hill neighborhood within the City of Camden (hereinafter referred to as the "Municipality") the Property" which Project shall be known as Cramer Hill Family Housing; and

WHEREAS, in order to implement the development, financing, rehabilitation, preservation, operation and management of the Project, the Housing Authority of the City of Camden ("HACC") and Michaels Development Company received Low Income Housing Tax Credits from the New Jersey Housing Mortgage Finance Agency which will provide the required equity to allow this US HUD CHOICE Neighborhoods Implementation neighborhood revitalization project to proceed; and

WHEREAS, in accordance with the Act, Sponsor has submitted a written application ("Application") to the City for approval of a tax exemption for the land and improvements to be constructed on the Property; and

WHEREAS, City Council has heretofore determined that there is a need for affordable housing in the Cramer Hill neighborhood and that such housing will be beneficial to the City of Camden; and

WHEREAS, City Council finds and determines that Sponsor will not be able to proceed with the Project without the tax exemption because the Project would not be financially feasible; and

WHEREAS, the Acts permits a municipality to enter into a financial agreement exempting real property from taxation and accepting payment in lieu of taxes where the project meets an affordable housing need; and

WHEREAS, the Sponsor, has presented to City Council a revenue projection for the Project which sets forth the anticipated revenue to be received by the Sponsor from the operation of the Project as estimated by the Sponsor, a copy of which is attached hereto and made a part hereof as Exhibit "B"; now therefore

BE IT ORDAINED, by the City Council of the City of Camden as follows:

SECTION 1. The Council finds and determines that the proposed Project will meet or meets an existing housing need.

SECTION 2. The Council finds and determines that Sponsor will not be able to proceed with the Project without the tax exemption because the Project will not be financially feasible.

SECTION 3. The Council does hereby adopt the within Ordinance and makes the determinations and findings contained herein by virtue of, pursuant to, and in the conformity with the provisions of the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1.

SECTION 4. The Council does hereby approve Sponsor's application for tax exemption pursuant to the Long Term Tax Exemption Law.

SECTION 5. The Council does hereby adopt the within Ordinance with the further intent and purpose that from the date that the Project obtains its Certificate of Occupancy, the land and improvements of the Project will be exempt from real property taxation for a period of thirty (30) years as provided in the Act, provided that payments in lieu of taxes for municipal services supplied to the Project in the amount of five (5%) percent of the Gross Shelter Rents are made to the City of Camden as more particularly set forth the Financial Agreement attached hereto as Exhibit "C".

SECTION 6. The Council hereby authorizes and directs the Mayor of the City of Camden to execute, on behalf of the City of Camden, the Financial Agreement in substantially the form annexed hereto as Exhibit "C" upon the review and approval of the City Attorney.

SECTION 7. The Council understands and agrees that the revenue projections set forth in Exhibit "B" are estimates and that the actual payments in lieu of taxes to be paid by the Sponsor to the City of Camden shall be determined pursuant to the Financial Agreement executed between the Sponsor and the City of Camden.

SECTION 8. This ordinance shall take effect twenty (20) days after its final passage and publication as provided by law.

BE IT FURTHER ORDAINED, that pursuant to N.J.S.A. 52:27BBB-23 and N.J.S.A. 40:69A-41, a true copy of this Ordinance shall be forwarded to the Mayor, who shall have ten (10) days from the receipt thereof to approve or veto this Ordinance. Additionally, pursuant to N.J.S.A. 52:27BBB-23, a true copy of this Ordinance shall be forwarded to the State Commissioner of Community Affairs, who shall have ten (10) days from the receipt thereof to veto this Ordinance, and the action by the Commissioner regarding this Ordinance shall supersede any action by the Mayor on the same Ordinance. All notices of approval and/or veto shall be filed in the Office of the Municipal Clerk.

Date of Introduction: August 27, 2020

The above has been reviewed
and approved as to form.



MICHELLE BANKS-SPEARMAN
City Attorney

CURTIS JENKINS
President, City Council

FRANCISCO MORAN
Mayor

ATTEST: _____
LUIS PASTORIZA
Municipal Clerk

**CITY OF CAMDEN
CITY COUNCIL REQUEST FORM**

Council Meeting Date: September 8, 2020

TO: Jason J. Asuncion, Esq., Business Administrator

FROM: Edward C. Williams, PP, AICP, CSI, Director

Department Making Request: Planning and Development

TITLE OF RESOLUTION/ORDINANCE: Ordinance approving application for exemption and execution of Financial Agreement between the City of Camden and Cramer Hill Family Urban Renewal, LLC pursuant to N.J.S.A. 40A:20-1 ET SEQ

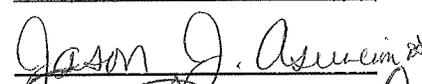
BRIEF DESCRIPTION OF ACTION: The purpose of this action is to approve the ordinance for the determination of need for an affordable family housing project in the Cramer Hill section of the City.

BIDDING PROCESS: N/A
Procurement Process: Bid#, RFP#, State Contract#, Non-Fair & Open, EUS:

APPROPRIATION ACCOUNT(S): n/a

AMOUNT: n/a

Waiver Attached for State (DCA) Approval
*Contracts for Services, Grant Applications/Awards, License Agreements, etc.
(Any Resolution that has Impact on City budget)*

	Date	Signature
Approved by Relevant Director:	8/25/20	
Approved by Grants Management:	_____	_____ (If applicable)
Approved by Finance Director:	_____	_____
<input type="checkbox"/> CAF --Certifications of Availability of Funds		
Approved by Purchasing Agent:	_____	_____
Approved by Business Administrator:	8-25-20	
Received by City Attorney:	8/25/20	
	(Name) Please Print	(Extension #)

Please note that the Contact Person is the point person for providing pertinent information regarding request.
If request is a walk-on, the Contact Person will be responsible for picking up the Council request(s) from the City Attorney's Office to make necessary copies for Council Meeting.

****Please attach all supporting documents****

Prepared By: _____
Contact Person: _____

Please note that the Contact Person is the point person for providing pertinent information regarding request.

If request is a walk-on, the Contact Person will be responsible for picking up the Council request(s) from the City Attorney's Office to make necessary copies for Council Meeting.

******Please attach all supporting documents******

**STATE OF NEW JERSEY
DEPARTMENT OF COMMUNITY AFFAIRS
DIVISION OF LOCAL GOVERNMENT SERVICES
CONTRACT REQUEST FORM**

This form must be filled out in its entirety and is intended to provide the Division with appropriate information to determine whether to approve a new or extended service. Please provide any additional information you believe will help the Division make an informed decision.

Municipality	City of Camden
--------------	----------------

Professional Service or EUS Type	Professional Service
Name of Vendor	Cramer Hill Family Urban Renewal, LLC
Purpose or Need for service:	Financial Agreement
Contract Award Amount	n/a
Term of Contract	One Year
Temporary or Seasonal	
Grant Funded (attach appropriate documentation allowing for service through grant funds)	
Please explain the procurement process (i.e. bids, RFQ, competitive contracting, etc.)	n/a
Were other proposals received? If so, please attach the names and amounts for each proposal received?	No other proposals received.

Please attach the RFP, evaluation memoranda or evaluation forms used to evaluate the vendors and a list of all bidders and the bid amounts associated with each bidder.

If the lowest bidder was not selected, please have the appropriate personnel sign the certification on page 2.

Mayor's Signature*

Date _____

Business Administrator/Manager Signature

Date _____

*For direct appointments of the Governing Body, Council President or at the discretion of the Director, the most senior member of the Governing Body may sign the waiver in lieu of the Mayor.

The Chief Financial Officer affirms that there is adequate funding available for this personnel action.
_____ Funding Source for this action

Chief Financial Officer Signature

I certify that the vendor selected is in compliance with the adopted Pay to Play Ordinance and that the vendor was notified of any restrictions with respect to campaign contributions.

Certifying Officer

Date _____

For LGS use only:

Approved Denied

Date

Director or Designee,
Division of Local Government Services

Number Assigned _____

**FINANCIAL AGREEMENT PURSUANT TO
THE LONG TERM TAX EXEMPTION LAW
N.J.S.A. 40A:20-1 ET. SEQ.**

BETWEEN THE CITY OF CAMDEN
AND
CRAMER HILL FAMILY URBAN RENEWAL, LLC.

This Financial Agreement (this "Agreement") is made and entered into as of this _____ day of _____, 2020, by and between the **City of Camden**, a Municipal Corporation of the County of Camden and State of New Jersey, hereinafter referred to as the "City" and **Cramer Hill Family Urban Renewal, LLC**, a New Jersey limited liability company having its principal office at 2 Cooper Street, 14th Floor, Camden, New Jersey 08102, hereinafter referred to as the "CHF-URE, LLC", which is qualified to do business under the provisions of the "Long Term Tax Exemption Law of 1998", as amended, said law being set forth in N.J.S.A. 40A:20-1- through 20 (hereinafter referred to as the "Act").

WITNESSETH:

WHEREAS, the project is or will be situated on that parcel of land designated as Block 823, Lots 1, 2, 3, 4, 21, 22, 23, 24, 81 & 82; Block 856, Lots 40, 40.01, 51, 54, 60, 60.01, 60.02, 60.03, 61, & 61.01; Block 868, Lot 14.01 as shown on the Official Assessment Map of the City of Camden, and located in the Cramer Hill section of the City and will be comprised of seventy five (75) affordable rental units, as more specifically described and identified on Exhibit A, which is attached hereto and made a part hereof (the "Project"). In the event the property constituting the Project is subdivided, CHF-URE, LLC agrees to amend this Agreement to reflect the correct block, lots and addresses; and-

Field Code Changed

WHEREAS, the City of Camden is authorized pursuant to the Act to grant a real property tax exemption for low to moderate income housing projects located within the City; and

WHEREAS, in accordance with the Act, CHF-URE, LLC has heretofore made written application to the City for approval of a tax exemption for the Project (“Application”), a copy of which application is attached hereto as Exhibit B-; and

WHEREAS, -City Council by Ordinance MC- , hereby incorporated into this Agreement and made a part hereof, -adopted on _____, approved said Application and the instant Financial Agreement, and a certified copy of such Ordinance of approval is attached hereto as Exhibit “C” ; and

WHEREAS, the City believes that the in lieu of tax consideration to be given the Project pursuant to this Agreement affords maximum redevelopment of the Property and is, therefore, in the best interest of the City and the health, safety, morals and welfare of its residents and is in accordance with the provisions of the Act and the public purposes pursuant to which the redevelopment of Project’s area of the City has been undertaken and is being assisted in accordance with the applicable provisions of State law:

NOW THEREFORE, it is mutually agreed as follows:

1. This Agreement shall be governed by the provisions of the Act, it being expressly understood and agreed that the City relies upon the facts, data and representations contained in the Application, and Redeveloper covenanting and agreeing to use its reasonable best efforts to conform in the development, construction and operation of the Project to the matters and things set forth in the Application; that is, the manner in which CHF-URE, LLC proposes to develop, manage and operate the Project and the plans for financing the Project, it being understood,

Field Code Changed

however, with respect to the Project costs, interest rate, financing terms and mortgage amortization, rents and lease terms, that the same are projected and estimated and may be modified as particular circumstances may require, but that in all material respects it is the intent of CHF-URE, LLC to comply as closely as shall be practicable with the information and representations set forth in the said Application. This Agreement shall be subject to the US Department of Housing and Urban Development Davis-Bacon wage requirements ~~which mandate either the use of Davis-Bacon wage rates or New Jersey Prevailing Wage rates, whichever is higher.~~

2. (a) The City hereby grants to CHF-URE, LLC to the extent provided in this Agreement exemption from real property taxation on the land comprising the Property and the improvements thereon for a period of not more than thirty (30) years from the "Date of Completion of the Project" (as hereinafter defined). Such tax exemption shall be claimed and allowed in the same or similar manner as in the case of other real property exemptions. In the event that the exemption status changes during a tax year, the procedure for the apportionment of taxes for said year shall be the same as in the case of other changes in the tax exemptions status during the tax year.

(b) As used herein, the term "Date of Completion of the Project" is defined as the date of issuance by the City of a Certificate of Occupancy or Temporary Certificate of Occupancy for the Project. If the City issues more than one Certificate of Occupancy for the Project, the parties stipulate that for purposes of establishing the term of the exemption and for ease of administration, the Date of Completion of the Project will be the date on which the City issues the Certificate of Occupancy or Temporary Certificate of Occupancy for the last unit of the Project. CHF-URE, LLC shall promptly provide copies of all Certificates of Occupancy or the Temporary Certificates of Occupancy to the Tax Assessor and the Tax Collector along with a request that the tax exemption

Field Code Changed

be implemented. The tax exemption shall commence for each parcel of the Project on the Date of Completion of the Project (the "Effective Date") notwithstanding different parcels or units may be occupied earlier than others. This Agreement shall run for the full thirty (30) years from the Date of Completion of the Project but in no event longer than thirty-five (35) years from the date of execution of this Agreement, so that the tax exemption for all parcels within the Project shall terminate simultaneously.

3. (a) In consideration for the tax exemption, CHF-URE, LLC shall make an annual PILOT payment, as defined below, for municipal services supplied to the Project based on a percentage of the "Gross Shelter Rents" of the Project. The Annual PILOT Payment shall be adjusted from time to time following the submission by CHF-URE, LLC's annual Auditor's Report as provided in Section 3 (b) below. CHF-URE, LLC and the City specifically agree that, in the interpretation and administration of this paragraph:

(i) Gross Shelter Rents shall be calculated by taking the Annual Gross Revenue (defined below) and subtracting therefrom (a) a five percent (5%) vacancy allowance as set forth in Exhibit "D" attached hereto and (b) the costs of the Common Utilities (defined below) paid by CHF-URE, LLC;

(ii) the computation of "Annual Gross Revenue" means the total annual gross rental or carrying charge or other income of the Sponsor from the Project less the costs of utilities furnished by the Project, which shall include the costs of gas, electricity, heating fuel, water supplied, and sewage charges, and less vacancies if any. Annual Gross Revenues shall not include any rental subsidy contributions received from any federal or state program.

Field Code Changed

(iii) CHF-URE, LLC and the City acknowledge that the figures contained in Exhibits B and D are projections only and that the calculation of Gross Shelter Rents will be based on actual income and expenses.

(b) The Annual PILOT Payment, as defined herein, shall be calculated as follows (the "Annual PILOT Payment") :

- (1) Commencing on the Effective Date and continuing for a period of fifteen (15) years thereafter, the Annual PILOT Payment shall be five (5%) of the Project's Annual Gross Shelter Rents;
- (2) Commencing on the fifteenth (15th) anniversary of the Effective Date and continuing for a period of five (5) years thereafter, the Annual PILOT Payment shall be the greater of: (i) five percent (5%) of the Project's Annual Gross Shelter Rents, or (ii) twenty percent (20%) of the amount of taxes on the land and improvements otherwise due according to the general law applicable to non-exempt property in the City;
- (3) Commencing on the twentieth (20th) anniversary of the Effective Date and continuing for a period of four (4) years thereafter, the Annual PILOT Payment shall be the greater of: (i) five percent (5%) of the Project's Annual Gross Shelter Rents, or (ii) forty percent (40%) of the amount of the taxes on the land and improvements otherwise due according to the general law applicable to non-exempt property in the City;
- (4) Commencing on the twenty-fourth (24th) anniversary of the Effective Date and continuing for a period of four (4) years thereafter, the Annual PILOT Payment shall be the greater of: (i) five percent (5%) of the Project's Annual

Field Code Changed

Gross Shelter Rents; or (ii) sixty percent (60%) of the amount of the taxes on the land and improvements otherwise due according to the general law applicable to non-exempt property in the City;

(5) Commencing on the twenty-eighth (28th) anniversary of the Effective Date and continuing for a period of two (2) years thereafter, the Annual PILOT Payment shall be the greater of: (i) five percent (5%) of the Project's Annual Gross Shelter Rents, or (ii) eighty percent (80%) of the amount of the taxes on the land and improvements otherwise due according to the general law applicable to non-exempt property in the City.

(cd) Notwithstanding the provisions of this Agreement to the contrary, the Annual PILOT Payment shall in no case be less than the amount of the total taxes levied against all real property in the area covered by the Project in the last full tax year in which the area was subject to taxation. Notwithstanding the foregoing, the Minimum Annual PILOT Payment shall be \$15,000.00 ("Minimum Annual PILOT Payment"). The Minimum Annual PILOT Payment shall be paid in each year in which the Annual PILOT Payment calculated pursuant to paragraph 3(b) above is less than the Minimum Annual PILOT Payment.

(d) In each year during the term hereof, the Minimum Annual PILOT Payment will be increased as follows commencing on the ~~second year of the Effective Date~~ first anniversary of the first full year after the Date of Completion of the Project: the prior year's Gross Shelter Rents shall be multiplied by 1.5% and that product shall then be multiplied by 5.0% and the amount by which that product shall exceed the prior year's Minimum Annual PILOT Payment shall then be added to the prior year's Minimum Annual PILOT Payment (the "New Minimum Annual PILOT

Commented [1]: Deleted language reads better and does not have the exemption changing in the middle of the year.

Field Code Changed

Payment”) for that year. Provided, however, in resetting the New Minimum Annual PILOT Payment annually, in no case may the New Minimum Annual PILOT Payment ever exceed the actual Gross Shelter Rents for the prior year utilizing a vacancy allowance of ten (10%) percent in place of the allowance set forth in Paragraph 3(a)(i)(a). Examples of how this shall operate are set forth on Exhibit “E” attached hereto.

(e) The Annual PILOT Payment shall be paid to the City on a quarterly basis, pro rata, in a manner consistent with the City’s tax collection schedule.

(f) Water, sewer, gas and electric charges that are for common areas within the Project and not for a specific unit within the Project and water and sewer charges for tenant units (the “Common Utilities”) shall be paid by CHF-URE, LLC. Each tenant within the Project will pay their own utility charges. The Landlord will pay all water and sewer charges.

(g) The City acknowledges that the rents at the Property are subject to the jurisdiction of HUD, and are not subject to any rent control or rent leveling ordinance of the City.

4. A Financial Plan, showing the anticipated Project funding, and a Fiscal Plan, computing the estimated Annual PILOT Payment, are attached hereto as Exhibit “E” and made a part hereof.

5. CHF-URE, LLC further covenants and agrees as follows:

(a) To limit its profits and dividends from operations payable in accordance with the provisions of the Act.

(b) During the period of tax exemption, CHF-URE, LLC shall distribute any excess profits earned by it in accordance with N.J.S.A. 40A:20-15. CHF-URE, LLC shall have the right to establish and maintain reserves against vacancies, unpaid rentals and contingencies in an amount not exceeding 10% of the gross revenues of CHF-URE, LLC for the last full fiscal year preceding

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the year for which a determination is being made with respect to allowable net profit; and, CHF-URE, LLC may retain such part of any excess net profit as may be necessary to eliminate the deficiency, if any, in such reserves.

(c) To pay the Annual PILOT Payment as provided for in paragraph 3 hereof, pro rata on a quarterly basis, in a manner consistent with the municipality's tax collection schedule. In the event CHF-URE, LLC fails to so pay within the time set forth in (d) below, the amount unpaid shall bear the same rate of interest permitted in the case of the unpaid taxes or tax liens on land until paid ("Late Fee"). For ~~the second year of~~ first year after the Effective Date, the Tax Collector shall issue quarterly bills based on the Minimum Annual PILOT Payment set forth in Paragraph 3(d) on a pro-rata basis. Thereafter, pro rata quarterly bills will be based on five percent (5%) of the actual Gross Shelter Rents of the prior year, if same has been provided to the Tax Collector, or five percent (5%) of the prior year's projection of Gross Shelter Rents. Within ninety (90) days after the City's receipt and review of the Auditor's Report described in Paragraph 6(e), the City shall adjust the Annual PILOT Payment to reconcile with CHF-URE, LLC's actual Gross Shelter Rents. The City will promptly issue a credit where it is determined that there has been an overpayment or an invoice where it is determined that there has been an underpayment of the Annual PILOT Payment.

Commented [2]: Does not seem to read right. Second year after the Effective Date???

(d) The failure of CHF-URE, LLC to pay any quarterly installment of the Annual PILOT Payment and/or sewer and water charge payments, in a timely manner shall constitute a violation and breach of this Agreement. With respect to delinquent water and sewer charges, the City shall retain all rights reserved to municipalities under New Jersey law and the Code of the City of Camden, New Jersey Chapters ~~840 and 675564~~ and 465, including the right to proceed against CHF-URE, LLC's interest in the property and its ownership interest in the improvements

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pursuant to the In Rem Tax Foreclosure Act, N.J.S.A. 54:55-1, et seq. In the event that CHF-URE, LLC shall fail to pay the Annual PILOT Payment within 30 (thirty) days after said payment is due, then the City shall send written notice to CHF-URE, LLC and any Lender entitled to Notice hereunder that said payment is overdue and CHF-URE, LLC is in Default under the terms of this Agreement (the "Default Notice"). In the event that CHF-URE, LLC fails to make payment of the delinquent installment of the Annual PILOT Payment and/or sewer and water charges together with the Late Fee within sixty (60) days after the date of the Default Notice, then this Agreement shall terminate on the sixtieth (60th) day after the date of the Default Notice.

(e) To submit annually, within ninety (90) days after the close of each of CHF-URE, LLC's fiscal years, to the City's Chief Financial Officer and the Municipal Clerk, a financial audit, which audit shall include a note disclosure which both defines and calculates the amount of Annual PILOT Payment due for that audit year, which calculations shall be attested to by the Certified Public Accountant of CHF-URE, LLC as to the accuracy of the computation and the compliance with this Agreement. CHF-URE, LLC's fiscal year runs from January 1 to December 31. Such auditor's report shall include, but not be limited to, a rental schedule of the improvements, the terms and interest rate on any mortgage associated with the Property and the improvements, and such details as may relate to the financial affairs of CHF-URE, LLC and its operation of the improvements and performance under this Agreement.

(f) Following receipt of the annual audit and transmittal letter required by subsection (e) above, the Chief Financial Officer shall modify the Annual PILOT Payment for the then-current calendar year. The remaining amount due on the Annual Pilot payment for the then-current calendar year, following receipt of the audit and transmittal letter, shall be increased (or decreased) by the difference between the audited amount and the Annual Pilot payment being utilized for that

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year with the intention that, by the end of that calendar year, CHF-URE, LLC will have paid an Annual PILOT Payment equal to the amount identified in the most recent audit.

Upon initial review of the audit and schedule of payments stated in the cover letter, the Chief Financial Officer or designee may acknowledge acceptance of the audit and payment schedule while reserving the Chief Financial Officer's right to contest or modify the audit and payment schedule upon a more detailed examination of the audit. The City may undertake its audit, if at all, not later than 90 days after delivery of CHF-URE, LLC's audit above. Should the Chief Financial Officer not issue its preliminary acceptance of the audit and proposed payment schedule before the next quarterly payment is due, then CHF-URE, LLC shall continue to make quarterly payments equal to the first quarter payment.

Upon finalizing the audit for the previous year, CHF-URE, LLC will have thirty (30) days from receipt of an invoice or other written notice from the City to pay any additional amounts owed for the previous year or that would have been owed in the previous quarters of the current year if the audit had been accepted before those payments were made. Interest and penalties shall not be imposed upon any shortfall for the previous year or previous quarters if payment is made within thirty (30) days of receipt of an invoice or other written notice from the Chief Financial Officer.

(g) If the City and CHF-URE, LLC dispute either (i) the correctness of the audit, or (ii) the calculation of the Annual PILOT Payment, either party may, pursuant to N.J.S.A. 40A:20-9f, submit this dispute to the American Arbitration Association in Camden, New Jersey to be determined in accordance with its rules and regulations in such a fashion as to accomplish the purposes of the Act. The arbitration shall be before one neutral arbitrator to be selected in accordance with the AAA Rules and whose decision shall be rendered in writing. The results

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of the arbitration shall be final and binding upon the parties, with each party paying its own costs of the arbitration and 50% of the costs of the neutral arbitrator, and judgment on the award may be entered in any court having jurisdiction thereof. In rendering the award, the arbitrator shall determine the rights and obligations of the parties according to the laws of the State of New Jersey.

(h) Upon request of the City, to permit inspection of the property, equipment, buildings and other facilities of CHF-URE, LLC at the Project, and to permit examination and audit of any of its books, contracts, records, documents and papers relating to this Agreement or the Project, by duly authorized representatives of the City, provided same are at reasonable hours on reasonable notice and in the presence of designated representatives of CHF-URE, LLC.

(i) At all times prior to the expiration or other termination of this Financial Agreement, to remain bound by the provisions of the Act and other applicable laws of the State of New Jersey, including N.J.S.A. 52:15C-1 et seq.

(j) Not to effect or execute any agreement, lease, conveyance, or other instrument, whereby the Project, or any part thereof, or the use thereof, is restricted upon the basis of race, color, creed, religion, ancestry, national origin, sex, or marital status, in sale, lease or occupancy thereof, nor to discriminate upon the basis of race, color, creed, religion, ancestry, national origin, sex, or marital status, in the sale, lease, or rental, or in the use or occupancy of the Project or any improvement erected or to be erected thereon, or any part thereof, and to comply with all State and local laws prohibiting discrimination or segregation by reason of race, color, creed, religion, ancestry, national origin, sex or marital status.

(k) That operation under this Agreement shall be terminable by CHF-URE, LLC in the manner provided for under the Act.

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(l) That CHF-URE, LLC's agreement to pay: (i) the Annual PILOT Payment, including the methodology of computation thereof; (ii) water and sewer charges, and (iii) any interest payments due pursuant this Agreement (collectively the "Material Conditions") are material conditions of the Agreement. The Material Conditions shall be deemed independent and severable, and the invalidity or unenforceability of any other provision or portion of this Agreement shall not affect the enforceability or validity of the Material Conditions.

(m) It shall be the obligation of CHF-URE, LLC to make application for and make all reasonable efforts to obtain Certificates of Occupancy for the improvements in a timely manner as identified in the Application. The failure of CHF-URE, LLC to use reasonable efforts to secure and obtain the Certificate of Occupancy for the improvements shall constitute a Default by CHF-URE, LLC provided the City has reasonably cooperated in processing CHF-URE, LLC's request for the issuance of such Certificate of Occupancy. In the event that CHF-URE, LLC does not obtain a Certificate of Occupancy within five (5) years after the date hereof then this Agreement will terminate.

6. It is understood and agreed that, commencing on the thirty-first (31st) anniversary of the Effective Date, the tax exemption upon the Project shall thereupon absolutely cease, and the property and improvements comprising the Project shall thereupon be assessed and taxed according to general law as other property in the City is assessed and taxed and, on the date on which the tax exemption upon the Project absolutely ceases, as described above, all restrictions and limitations herein contained as provided by law shall absolutely terminate and be at an end and CHF-URE, LLC shall thereupon render its final account to the City.

7. (a) The City, on written application by CHF-URE, LLC, will not unreasonably withhold, delay or condition its consent to a transfer of CHF-URE, LLC's interest in the Property,

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the improvements and this Agreement to an entity eligible to operate the Project under the Act (a “Permitted Transferee”), provided: (i) there is at the time of the request no uncured event of default by CHF-URE, LLC regarding any performance required of it under this Agreement; (ii) CHF-URE, LLC has fully complied with the Act at the time of the request; and (iii) the Permitted Transferee fully assumes CHF-URE, LLC’s obligations under this Agreement. Notwithstanding the foregoing, upon written notice by any lender advancing funds to CHF-URE, LLC for the development of the Project (a “Lender”), whether or not there is an uncured event of default by CHF-URE, LLC under this Agreement, the City will consent to a transfer of CHF-URE, LLC’s interest in the Property, the improvements, and this Agreement to a Lender or any entity organized, controlled or designated by the Lender (a “Lender Transferee”) which succeeds to the interest of CHF-URE, LLC in the Property and the improvements as a result of the foreclosure of the leasehold mortgage held by the Lender or by assignment of such interest to the Lender Transferee in lieu of foreclosure, provided that the Lender Transferee complies with the requirements of the Act and continues to operate the improvements as contemplated by this Agreement. Upon the assumption by the Permitted Transferee and/or Lender Transferee of the remaining obligations under this Agreement, the tax exemption of the improvements of the Project shall continue and inure to the Permitted Transferee and/or Lender Transferee, their respective successors or assigns.

(b) The City and CHF-URE, LLC acknowledge that subsequent changes or expansions within the area of the Project may occur which may not now be in the contemplation of the parties. In connection with such changes or expansions, the City agrees that unimproved portions of the Project area (including surface parking areas) may be withdrawn by CHF-URE, LLC from the coverage of this Agreement upon written notice to the City. Any such withdrawals shall not affect the continued applicability of the Agreement to the remainder of the Project.

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(c) The City recognizes and acknowledges that CHF-URE, LLC is a New Jersey limited liability company and as such intends to sell ownership interests in CHF-URE, LLC through syndication of certain low income housing tax credits allocated to CHF-URE, LLC. The City specifically recognizes and consents to such syndication and sale or resale of ownership interests in CHF-URE, LLC.

8. CHF-URE, LLC may at any time after the expiration of one (1) year from the Date of Completion of the Project notify the City that, as of a certain date designated in said notice, it relinquishes its tax exemption status as to all or any designated portion of the Project. As of the date so set, the tax exemption, the service charges, the profit restrictions and all other restrictions and limitations imposed by this Agreement or by the Act shall terminate as to the Project or any designated portion of the Project, as applicable.

9. Upon any termination of such tax exemption, obligations and restrictions, whether by affirmative action of CHF-URE, LLC as provided in paragraph 8 above or by the provisions of the Act or pursuant to this Agreement, and subject to paragraph 5(d) above, the date of such termination shall be deemed to be the end of the fiscal year of CHF-URE, LLC, and within ninety (90) days after the date of such termination CHF-URE, LLC shall pay to the City a sum equal to the amount of the reserve described in Section 6(b) above, if any, maintained pursuant to N.J.S.A. 40A:20-16, as well as the excess profit, if any, payable pursuant to N.J.S.A. 40A:20-16, and pursuant to paragraph 5 of this Financial Agreement by reason of the treatment of such date as the end of the fiscal year.

10. Unless otherwise provided by law, neither CHF-URE, LLC nor any of its partners (or members of any of its partners), officers, employees, members, or Trustees shall be personally liable under this Agreement for the payment of the Annual PILOT Payment nor for the payment

Field Code Changed

of any tax or assessment which may be levied or assessed against any land or building now or hereafter constituting all of or a portion of the Project.

11. (a) Any notice, demand or other communication under this Agreement by any party to any other shall be sufficiently given or delivered if sent registered or certified mail, postage prepaid and return receipt requested, or delivered personally and, in the case of CHF-URE, LLC, addressed to: Cramer Hill Family Urban Renewal, LLC, 2 Cooper Street, P.O. Box 90708, Camden, NJ 08101; and, in the case of the City, addressed to the Municipal Clerk of Camden, New Jersey, with a copy to the City Attorney, each of the foregoing having an address for this purpose at City Hall, 520 Market Street, Room 419, P.O. Box 95120, Camden, New Jersey 08101-5120; or to any such other address with respect to any such party as that party may, from time to time, designate in writing and forward to the others as provided in this paragraph.

(b) Whenever the City shall deliver any notice or demand to CHF-URE, LLC with respect to any breach or default by CHF-URE, LLC in its obligations or covenants under this Agreement, the City shall at the same time forward a copy of such notice or demand to each Lender, provided the City has received notice of the name and address of such Lender.

(c) (1) After any breach or default under this Agreement, each Lender shall (insofar as the rights of the City are concerned) have the right, at its option, to cure or remedy such breach or default in accordance with Section 6(d) above.

(2) Any such Lender who shall cure or remedy any breach or default under this Agreement shall be entitled to the benefits of the tax exemption previously granted to CHF-URE, LLC pursuant to the Act and this Agreement, to the same extent that CHF-URE, LLC would then have been if no default had occurred.

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12. (a) Except as set forth in Paragraph 5(g), in the event of a breach of the within Agreement by either of the parties hereto or a dispute arising between the parties in reference to the terms and provisions as set forth herein, either party may apply to the Superior Court of New Jersey by an appropriate proceeding to settle and resolve said dispute in such fashion as will tend to accomplish the purpose of the Act, including the termination of the exemption. In the event that the Superior Court shall not entertain jurisdiction, then the parties shall submit the dispute to the American Arbitration Association in Camden, New Jersey utilizing the arbitration process as set forth in paragraph 5(g) above.

(b) Anything in the foregoing to the contrary notwithstanding: (i) any dispute between the parties hereto concerning any provision of this Agreement shall be governed by the laws of the State of New Jersey; and (ii) no arbitrator shall have the power or authority to amend, alter, or modify any part of this Agreement, in any way. In the event of any inconsistency between the terms of this Agreement and the Act, such ambiguity or inconsistency shall be rendered in favor of the Act.

13. (a) Since the Housing Authority of the City of Camden, pursuant to agreements arising from the CNI Grant Agreement dated December 12, 2016, has assumed responsibility for oversight during construction phases, including but not limited to overseeing or being held responsible for any and all documentation, monitoring and/or filing requirements mandated by the CNI Grant and/or HUD, which has been previously approved by HUD Officials, it is agreed that CHF-URE, LLC shall enter into an agreement with the Housing Authority to continue Affirmative Action monitoring during the construction phase of this project.

(b) CHF-URE, LLC agrees to enter into an agreement with the Housing Authority to submit an Affirmative Action Plan prior to the execution of this Agreement to the Housing

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Authority for approval if determined satisfactory by the Housing Authority Section 3 Compliance Officer and to thereafter comply with said Plan during the construction phase, including submitting such documents as are requested from the Housing Authority's Section 3 Compliance Officer for the purpose of determining CHF-URE, LLC's compliance with its Affirmative Action Plan. If CHF-URE, LLC fails to comply with the Affirmative Action Plan, such failure could lead to sanctions by the Housing Authority for failing to comply with Section 3 and/or NJ HMFA Affirmative Action requirements and/or constitute an event of default and be cause for the City to implement paragraph 12 of this Agreement.

14. [It is understood and agreed that in the event the City shall be named as a party defendant by a third party in any action brought against CHF-URE, LLC by reason of any breach, default, or a violation of any of the provisions of this Agreement and/or the provisions of N.J.S.A. 40A:20-1, et seq., as a result of the actions or inaction of -CHF-URE, LLC, CHF-URE, LLC shall indemnify and hold the City harmless and shall further defend any such action at its own expense.]

Commented [3]: HACCTMO Please review

15. If any clause, sentence, subdivision, paragraph, section or part of this Agreement be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder hereof, but shall be confined in its operation to the clause, sentence, subdivision, paragraph, section or part hereof directly involved in the controversy in which said judgment shall have been rendered.

16. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

Field Code Changed

17. This Agreement shall be binding upon and inure to the benefit of CHF-URE, LLC, the City, and their respective successors and permitted assigns.

IN WITNESS WHEREOF, the City has caused this Agreement to be duly executed in its name and on its behalf by the Mayor, and CHF-URE, LLC has caused this Agreement to be duly executed on its behalf by duly authorized officers, all as of the day and year first above written.

WITNESS:

CRAMER HILL FAMILY URBAN
RENEWAL, LLC

By: Cramer Hill Family-Michaels, LLC
Its Managing Member

John J. O'Donnell, President

ATTEST:

CITY OF CAMDEN

Name: Luis Pastoriza
Title: City Clerk

By: _____
Name: Francisco "Frank" Moran
Title: Mayor

Authorized by Ordinance
MC-_____. This Agreement has
been approved as to form:

City Attorney

Field Code Changed

**EXHIBIT A
PROPERTY**

Field Code Changed

EXHIBIT B
ORDINANCE APPROVING THE APPLICATION AND FINANCIAL AGREEMENT

Field Code Changed

**EXHIBIT C
APPLICATION**

Field Code Changed

EXHIBIT D
FISCAL PLAN AND GROSS REVENUE PROFORMA

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EXHIBIT E
EXAMPLES OF MINIMUM ANNUAL PILOT PAYMENT

Field Code Changed

MBS:yh
08-27-20

AN ORDINANCE AUTHORIZING THE TRANSFER OF BLOCK 823, LOTS 1, 2, 3, 4, 21, 22, 23, 24, 81 & 82; BLOCK 856, Lots 40, 40.01, 51, 54, 60, 60.01, 60.02, 60.03, 61, & 61.01; BLOCK 868, LOT 14.01; BLOCK 831, LOTS 3, 4, 5, 7, 11, 12, 13, 21, 22, 23, 24, 25, 26, 53, and 54 TO THE CAMDEN REDEVELOPMENT AGENCY

WHEREAS, the City of Camden desires to have certain real property located in the Cramer Hill neighborhood redeveloped to provide family and senior housing as part of the Cramer Hill Transformation Plan proposal, to be submitted to the US Department of Housing and Urban Development ("HUD") by the Housing Authority of the City of Camden ("HACC") and the City of Camden ("City") in 2020; and

WHEREAS, the City desires to transfer property identified on the Tax Maps of the City of Camden as Block 823, Lots 1, 2, 3, 4, 21, 22, 23, 24, 81 & 82; Block 856, Lots 40, 40.01, 51, 54, 60, 60.01, 60.02, 60.03, 61, & 61.01; Block 868, Lot 14.01; and, Block 831, Lots 3, 4, 5, 7, 11, 12, 13, 21, 22, 23, 24, 25, 26, 53, and 54 (collectively the "Property") to the Camden Redevelopment Agency ("CRA") for redevelopment pursuant to the HUD proposals; and

WHEREAS, the Property has been designated as an area in need of redevelopment and rehabilitation by the City and the City has adopted the Cramer Hill Redevelopment Plan to implement the redevelopment of the Cramer Hill neighborhood; and

WHEREAS, the CRA has been designated the Redevelopment Entity responsible for the implementation of the Cramer Hill Redevelopment Plan; and

WHEREAS, the City of Camden will transfer the Property to the CRA and the CRA will then convey the Property to the HACC and/or its co-developer pursuant to a Redevelopment Agreement for the development of affordable family and senior housing on the Property; and

WHEREAS, the HACC will be submitting a 2020 HUD Choice Neighborhood Implementation ("CNI") Grant Application and will need to show site control in the application for those parcels of land both on-site and off-site; and

WHEREAS, 9% tax credit applications are being submitted to New Jersey Housing Mortgage Finance Agency ("NJHMFA") in September 2020 and site control has to be established in the tax credit applications; now therefore

BE IT ORDAINED, by the Council of the City of Camden in order to establish site control for the NJHMFA 9% tax credit applications being submitted in September 2020 and the HACC HUD CNI application being submitted in 2020, as follows:

SECTION 1. The proper officers of the City of Camden are hereby authorized to convey the Property to the Camden Redevelopment Agency for the total consideration of one dollar (\$1.00).

SECTION 2. All ordinances or parts of ordinances inconsistent with the provisions of this ordinance are hereby repealed as to such inconsistency only.

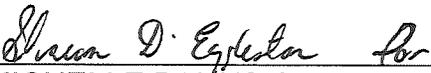
SECTION 3. This ordinance shall take effect twenty (20) days after its final passage and publication as provided by law.

BE IT FURTHER ORDAINED, that pursuant to N.J.S.A. 52:27BBB-23 and N.J.S.A. 40:69A-41, a true copy of this Ordinance shall be forwarded to the Mayor, who shall have ten (10) days from the receipt thereof to approve or veto this Ordinance. Additionally, pursuant to N.J.S.A. 52:27BBB-23, a true copy of this Ordinance shall be forwarded to the State Commissioner of Community Affairs, who shall have ten (10) days from the receipt thereof to veto this Ordinance, and the action by the Commissioner regarding this Ordinance shall supersede any action by the Mayor on the same

Ordinance. All notices of approval and/or veto shall be filed in the Office of the Municipal Clerk.

Date of Introduction: August 27, 2020

The above has been reviewed and approved as to form.



MICHELLE BANKS-SPEARMAN
City Attorney

CURTIS JENKINS
President, City Council

FRANCISCO MORAN
Mayor

ATTEST: _____
LUIS PASTORIZA
Municipal Clerk

MBS:dh
08/27/20

RESOLUTION AUTHORIZING THE CITY OF CAMDEN TO ENTER INTO A MINI-PITCH PROGRAM GRANT AGREEMENT AND SEPARATE LICENSING AGREEMENT WITH THE U.S. SOCCER FOUNDATION AND ITS SPECIALTY CONTRACTORS ACE SURFACES AND MUSCO LIGHTING FOR THE INSTALLATION OF A SOCCER MINI-PITCH AT THE RALPH WILLIAMS JR. PARK IN EAST CAMDEN LOCATED AT N. 28TH & MITCHELL STREET, CAMDEN, NJ

WHEREAS, the U.S. Soccer Foundation's ("Foundation") "Safe Places to Play" Program transforms abandoned courts, empty schoolyards, vacant lots and the like into state-of-the-art soccer fields for children, and

WHEREAS, the Foundation's funding partner has chosen to fully fund a soccer mini-pitch system at the Ralph Williams Jr. Park, located at N. 28th & Mitchell Street in East Camden, and

WHEREAS, there is no financial commitment required from the City of Camden. Soccer mini-pitches are small, customized areas that are perfectly suited for organized soccer programs and pick-up games. Hardcourt concrete or asphalt surfaces are the ideal locations for mini-pitches, and

WHEREAS, the City desires to enter into a Mini-Pitch Program Grant Agreement grantor U.S. Soccer Foundation, substantially in the form of agreement attached hereto as Exhibit A, to facilitate the Foundation's grant as supplied by its specialty contractor, Ace Surfaces and Musco Lighting, which work shall be valued by the Foundation, in its sole and absolute discretion, in an amount up to \$100,000.00, and

WHEREAS, the City of Camden desires to authorize and approve, via an appropriate negotiated license agreement, the Foundation and its Contractor to access the Ralph Williams Jr. Park, located at N. 28th & Mitchell Street for the purposes of installing the mini-pitch system. The necessary license agreement will be terminable at the will of Licensor City. Licensee Foundation and its Contractor will complete indemnify and hold harmless the City for all their activities conducted thereon with respect to and during the installation project, and

WHEREAS, the Foundation and Contractor shall be solely responsible for any and all necessary expenses or any damage to the Ralph Williams Jr. Park, located at N. 28th & Mitchell Street and City rights of way as a result of their installation activities; now, therefore

BE IT RESOLVED, by the City Council of the City of Camden that it hereby accepts and approves the U.S. Soccer Foundation's grant in the form of the installation of a soccer mini-pitch, as detailed above, and hereby authorizes the Mayor of the City of Camden to enter into a Mini-Pitch Program Grant Agreement with grantor U.S. Soccer Foundation substantially in the form of the agreement attached hereto as Exhibit A, and

BE IT FURTHER RESOLVED, by the City Council of the City of Camden that the Mayor of the City of Camden is hereby authorized to enter into a License Agreement to facilitate the soccer mini-pitch installation project at the Ralph Williams Jr. Park, located at N. 28th & Mitchell Street for all the purposes discussed above, and

BE IT FURTHER RESOLVED, that pursuant to N.J.S.A. 52:27BBB-23, a true copy of this Resolution shall be forwarded to the State Commissioner of Community Affairs, who shall have ten (10) days from the receipt thereof to veto this Resolution. All notices of veto shall be filed in the Office of the Municipal Clerk.

MBS:dh
08/27/20

RESOLUTION AUTHORIZING THE CITY OF CAMDEN TO ENTER INTO A MINI-PITCH PROGRAM GRANT AGREEMENT AND SEPARATE LICENSING AGREEMENT WITH THE U.S. SOCCER FOUNDATION AND ITS SPECIALTY CONTRACTORS ACE SURFACES AND MUSCO LIGHTING FOR THE INSTALLATION OF A SOCCER MINI-PITCH AT THE RALPH WILLIAMS JR. PARK IN EAST CAMDEN LOCATED AT N. 28TH & MITCHELL STREET, CAMDEN, NJ

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WHEREAS, the City desires to enter into a Mini-Pitch Program Grant Agreement grantor U.S. Soccer Foundation, substantially in the form of agreement attached hereto as Exhibit A, to facilitate the Foundation's grant as supplied by its specialty contractor, Ace Surfaces and Musco Lighting, which work shall be valued by the Foundation, in its sole and absolute discretion, in an amount up to \$100,000.00, and

WHEREAS, the City of ^{Camden} desire ~~authorization and approval to allow~~ ^{to authorize and approve}, via an appropriate negotiated license agreement, the Foundation and its Contractor to access the Ralph Williams Jr. Park, located at N. 28th & Mitchell Street for the purposes of installing the mini-pitch system. The necessary license agreement will be terminable at the will of Licensor City. Licensee Foundation and its Contractor will complete indemnify and hold harmless the City for all their activities conducted thereon with respect to and during the installation project, and

WHEREAS, the Foundation and Contractor shall be solely responsible for any and all necessary expenses or any damage to the Ralph Williams Jr. Park, located at N. 28th & Mitchell Street and City rights of way as a result of their installation activities; now, therefore

BE IT RESOLVED, by the City Council of the City of Camden that it hereby accepts and approves the U.S. Soccer Foundation's grant in the form of the installation of a soccer mini-pitch, as detailed above, and hereby authorizes the Mayor of the City of Camden to enter into a Mini-Pitch Program Grant Agreement with grantor U.S. Soccer Foundation substantially in the form of the agreement attached hereto as Exhibit A, and

BE IT FURTHER RESOLVED, by the City Council of the City of Camden that the Mayor of the City of Camden is hereby authorized to enter into a License Agreement to facilitate the soccer mini-pitch installation project at the Ralph Williams Jr. Park, located at N. 28th & Mitchell Street for all the purposes discussed above, and

BE IT FURTHER RESOLVED, that pursuant to N.J.S.A. 52:27BBB-23, a true copy of this Resolution shall be forwarded to the State Commissioner of Community Affairs, who shall have ten (10) days from the receipt thereof to veto this Resolution. All notices of veto shall be filed in the Office of the Municipal Clerk.

Date of Introduction: August 27, 2020

The above has been reviewed
and approved as to form.



MICHELLE BANKS-SPEARMAN
City Attorney

CURTIS JENKINS
President, City Council

ATTEST:

LUIS PASTORIZA
Municipal Clerk

**CITY OF CAMDEN
CITY COUNCIL REQUEST FORM**

Council Meeting Date: Next Available

TO: Jason Asuncion, Business Administrator

FROM: Keith L. Walker, Director, DPW

Department Making Request: Department of Public Works

TITLE OF RESOLUTION/ORDINANCE: Resolution authorizing the City of Camden to enter into a mini-pitch program grant agreement and separate licensing agreement with the U.S Soccer Foundation and its speciality contractor for the installation of a soccer mini-pitch at Ralph Williams Jr. Park in East Camden located at N. 28th & Mitchell St.

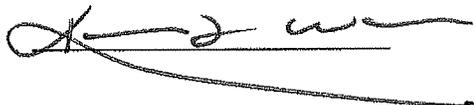
BRIEF DESCRIPTION: The US Soccer Foundation grant award is in the form of an acrylic mini pitch surface with goal and lighting installation supplied by Ace Surfaces and Musco Lighting which shall be valued by Foundation in an amount up to \$100,000.00.

BIDDING PROCESS: N/A

Procurement Process: Bid#, RFP#, State Contract#, Non-Fair & Open, EUS:

APPROPRIATION ACCOUNT(S): N/A

AMOUNT: N/A

	<u>Date</u>	<u>Signature</u>
Approved by Municipal Engineer:	_____	_____
Approved by Relevant Director:	8-19-20	
Approved by Grants Management:	_____	_____
		<small>(If applicable)</small>
Approved by Finance Director:	_____	_____
<input type="checkbox"/> CAF –Certifications of Availability of Funds		
Approved by Purchasing Agent:	_____	_____
Approved by Business Administrator:	8-25-20	
Received by City Attorney:	_____	_____

(Name) Please Print

(Extension #)

Prepared By: Tamara M. Jefferson

ext. 7393

Please note that the Contact Person is the point person for providing pertinent information regarding request.

If request is a walk-on, the Contact Person will be responsible for picking up the Council request(s) from the City Attorney's Office to make necessary copies for Council Meeting.

Please attach all supporting documents

MINI PITCH PROGRAM
GRANT AGREEMENT – FISCAL YEAR 2021

Pursuant to this Mini Pitch Program Grant Agreement (“Agreement”), dated as of **August 10, 2020** (“Effective Date”), the United States Soccer Federation Foundation, Inc. (“Foundation”) agrees to award the Grant (“Grant”) to the **City of Camden**, (“Grantee”) **FY21-702a**, and Grantee accepts such Grant, in accordance with the terms and conditions set forth herein.

1. **Foundation:** **U.S. Soccer Foundation**
Attn: Grants Department
1140 Connecticut Ave. NW, Suite 1200
Washington, DC 20036

Grantee: **City of Camden**
Attn: Hon. Francisco Moran
City Hall, 4th Floor
P.O. Box 95120
Camden, NJ 08101-5120

2. **Grant:** This Grant, awarded in the form of an acrylic mini pitch surface with goal and lighting installation (“Mini Pitch”), supplied by Ace Surfaces and Musco Sports Lighting (together “Vendors”), which shall be valued by Foundation, in its sole and absolute discretion, in an amount up to **\$100,000**.
3. **Acrylic Mini Pitch:** Consistent with Foundation’s interests in promoting youth soccer, particularly within vulnerable communities, this Grant will provide the Mini Pitch at **Ralph Williams Park** (the “Grant Project”).
4. **Execution of the Grant Agreement:** Grantee must return an executed copy of this Agreement to the Foundation by the **September 9, 2020**.
5. **Grantee Covenants:** In order to induce Foundation to enter into this Agreement, and to award the aforementioned Grant, Grantee covenants as follows:
 - (a) The Foundation’s afterschool soccer program, *Soccer for Success*, will receive scheduling priority on the Mini Pitch for a minimum of 20 weeks per year, 3 days per week, should Grantee and the Foundation agree upon a suitable program operator. Should Grantee elect to run the *Soccer for Success* program itself, a separate agreement will be initiated to enumerate Foundation support and Grantee obligations for program operation.
 - (b) Foundation will be granted usage of the Mini Pitch for one (1) day per year over the first five (5) years following its completion, including, without limitation, for Special Events (as defined below) that are organized by Foundation. Foundation will make best efforts to schedule such usage for dates and times mutually agreed upon with the Grantee, and Grantee will not unreasonably withhold play space time for such usage. For purposes of this Agreement, “Special Events” shall be defined as tournaments, clinics, events, training sessions, media functions and any other similar event the Foundation so determines.
 - (c) Upon completion, the Mini Pitch will be maintained in accordance with Vendors’ recommendations for user safety. Grantee acknowledges and agrees that it will be responsible for the maintenance and safety of the Mini Pitch following its completion.

- (d) Grantee presently owns, or is currently tenant to an appropriate long-term lease of, the property on which the Mini Pitch will be built. An appropriate long-term lease shall mean a lease of at least ten (10) years in length following the Effective Date.
- (e) Prior to commencing installation of the Mini Pitch, Grantee will obtain, or shall assist (where necessary) in obtaining, all permits, authorizations and consents from third parties, including governmental entities, necessary for the installation of the Mini Pitch.

6. **Facts and Representations True and Correct:** Grantee hereby affirms the representations made in its conversations and communications with Foundation are true and correct and that Foundation may rely upon the truth and correctness of the representations made in all conversations and communications regarding this Grant Project, without further independent investigation. Grantee further affirms that it has not omitted any material facts, the knowledge of which would adversely impact the awarding of the Grant to Grantee. Grantee avows that no adverse events have occurred since the latest communication which have materially and adversely altered the truth or reliability of the Grant Project, including the tax status of Grantee and the Grantee's ability to allow successful completion of the Grant Project. Grantee agrees to immediately inform the Foundation within five (5) business days of any material change, in Grantee or the Grant Project, which might affect any terms of this Agreement.

7. **Grantee Books and Records:** Grantee agrees to maintain sufficient operating and financial books, records and related documentation regarding the activities of Grantee and other evidence sufficient for Foundation to satisfy its fiduciary, public and governmental responsibilities and duties.

8. **Grantee Reports:**

(a) **Impact Reports:** Following completion of the Mini Pitch, Grantee shall complete to Foundation a report, provided by the Foundation, describing the impact of the Mini Pitch. Such report shall be submitted to Foundation annually, for five (5) years after completion of the Mini Pitch and shall include photographs of the Mini Pitch in use by youth soccer players and provide information on play space usage rates, stories of impact on the community, and any other information reasonably requested by Foundation.

(b) **Site Visits:** Grantee will use its best efforts to accommodate any representative of Foundation who requests to conduct a site visit, at the sole cost of Foundation, for the purposes of collecting information about the Grant's impact.

(c) **Photographs/Videos/Stories/Testimonials:** Grantee shall submit the same to the Foundation upon request by the Foundation, including before and after photographs, both in daytime and at night, of the Mini Pitch site area.

9. **Publicity Material and Recognition:**

(a) Grantee, upon written approval by the Foundation, shall recognize the Foundation and acknowledge the Grant in Grantee's written materials, news releases, website and related marketing or publicity.

(b) Provided that the Foundation or local program operator have obtained the proper releases from the subjects or if applicable, their parents or legal guardians, the Foundation shall have the right to publicize, show photographs of, and use the name of the Mini Pitch and otherwise promote its contributions in any and all media, including the Internet. Grantee authorizes the Foundation to utilize those logo or logos, owned or controlled by Grantee and associated with the Grant Project, for related marketing and/or publicity.

- (c) Grantee agrees to fully assist and cooperate in a mutually acceptable dedication event, should the Foundation request such, which may include appearances by athletes affiliated with the Foundation.

10. **Awareness Opportunities:** Grantee grants to Foundation the right to permanently place Foundation's trademark, trade name or any design/logo owned or controlled by Foundation (each, a "Mark" and together, the "Marks"), and/or that of its funding partners, on the surface of the Mini Pitch. Unless Foundation chooses to forego the right, standard Marks will be included during installation of the Mini Pitch, per the rendering found in Attachment A. Foundation may change its Marks at any time in its sole discretion and at its sole cost. Each Mark will remain on the surface of the Mini Pitch for as long as the Mini Pitch is operational, unless removed by Foundation or unless Foundation otherwise gives its written consent to the removal of such Mark.

Additionally, Grantee will allow Foundation to install signs/banners on the premises on which the Mini Pitch is built, per the rendering found in Attachment A, in order to promote and recognize the Foundation and other funders for their contribution to the Mini Pitch.

11. **Grant Not Assignable:** Grant is intended solely for the benefit of Grantee. No benefit of the Grant may be delegated, assigned or otherwise transferred without the advance, written consent of Foundation, which consent shall be in the sole and absolute discretion of Foundation.

12. **Proper Authority:** Each of the parties and its officers represent and warrant that they are authorized to enter into this Agreement and execute the same without further authority.

13. **Absence of Warranties:** FOUNDATION MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, AS TO ANY MATTER INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY OR OTHERWISE RELATING TO THE MINI PITCH OR ANY COMPONENT PART THEREOF, OR ANY OTHER ENTITIES AND THEIR ASSOCIATED SERVICES. IN NO EVENT WILL FOUNDATION BE LIABLE FOR ANY DAMAGES OF ANY KIND INCLUDING, BUT NOT LIMITED TO, PERSONAL INJURY, LOST PROFITS, OR OTHER CONSEQUENTIAL, EXEMPLARY, INCIDENTAL OR PUNITIVE DAMAGES ARISING OUT OF THIS AGREEMENT OR PERFORMANCE OF THE OBLIGATIONS HEREUNDER.

14. **Assumption of Risk:** Grantee hereby agrees to assume all risks and liabilities associated with the use, operation, maintenance, safety and condition of the Mini Pitch.

15. **Indemnification:** Grantee agrees to indemnify, defend and hold harmless Foundation, its parent, subsidiary and affiliated companies, sponsors, benefactors, donors, officers, directors, employees, accountants, attorneys, agents, successors and assigns ("Foundation Parties") from and against any and all third party claims, demands, losses, damages, liabilities, costs and expenses (including reasonable legal/attorneys' fees and expenses arising out of or related to any legal proceeding and any legal appeal) ("Claim" or "Claims") related to the Grant, the Mini Pitch or this Agreement and liabilities of any kind or nature whatsoever, whether in contract, tort, or otherwise, resulting from any claim (including, without limitation, personal injury, death, or property damage) actually or allegedly arising out of or in connection with the maintenance, location, or condition of the Mini Pitch, or any person's use of the Mini Pitch, whether authorized or unauthorized, proper or improper. Grantee's indemnification obligation hereunder shall survive the expiration or earlier termination of this Agreement. Without limiting this obligation, Grantee will maintain the insurance described in Section 18 of this Agreement.

Grantee represents to Foundation that the Mini Pitch does not violate any applicable law, regulation, ordinance, lease, or otherwise violate the rights of any person or entity.

16. **Insurance Requirements:**

- (a) **Insurance Requirements of the Mini Pitch.** At all times while the Mini Pitch is in place, Grantee shall provide and maintain, at its expense, the following insurance, or appropriate self-insurance, which shall protect Grantee and the Foundation on a primary basis from any and all Claims arising out of or in connection with the Grant Project and the Mini Pitch pursuant to this Agreement:
- (i) Commercial General Liability insurance with limits not less than \$1,000,000 each occurrence and \$2,000,000 in the aggregate. Such insurance shall include coverage for contractual liability, premises liability, products-completed operations, personal and advertising injury, property damage and bodily injury liability (including death). Said policy shall be endorsed to name the Foundation and Foundation Parties as Additional Insureds.
 - (ii) Automobile Liability insurance covering liability arising out of the Grantee's use, operation and/or maintenance of any auto (including trucks and other construction vehicles), with limits not less than \$1,000,000 each accident combined single limit for bodily injury and property damage.
 - (iii) Workers' Compensation insurance covering employees of Grantee involved with the use and maintenance of the Mini Pitch, with limits as required by statutory law, including Employer's Liability coverage with limits not less than \$1,000,000 each accident, \$1,000,000 disease-each employee and \$1,000,000 disease-policy limit.
 - (iv) Umbrella and/or Excess Liability insurance with limits not less than \$2,000,000 each occurrence shall apply in excess of the Commercial General Liability, Automobile Liability and Employer's Liability policy limits.
 - (v) Participant Accident insurance covering all Participants and other individuals using the Mini Pitch with limits not less than \$5,000 per participant for Accident Medical coverage and \$1,000 per participant for AD&D coverage.

All such insurance required above shall be (1) considered primary with respect to Claims arising out of the use and maintenance of the Mini Pitch; and (2) shall be written by insurance companies that are satisfactory to Foundation and that are licensed to do business in the state in which the Mini Pitch is located. Grantee shall not allow any of the required policies to be materially changed, reduced or cancelled unless Grantee provides thirty (30) days prior written notice thereof to Foundation.

Upon execution of this Agreement, Grantee shall provide Foundation with a certificate of insurance confirming that the appropriate insurance is in place and that the policies have been properly endorsed to meet the insurance requirements as set forth above.

17. **Participant Waiver and Release Forms:** To the extent that Grantee requires Participants in its programs or others who use the Mini Pitch to sign waiver and release forms, Grantee shall include the Foundation and the Foundation Parties as released parties in the form.
18. **Use of Mark:** Notwithstanding anything in this Agreement to the contrary, in the event Grantee desires to use a Mark owned or controlled by Foundation in a manner consistent with this Agreement, Grantee shall first submit a sample of the concept of the proposed use to Foundation for prior written approval, which approval may be withheld in the sole discretion of Foundation. Any such use by Grantee shall create no rights for Grantee in or to the Mark. Each Mark shall remain at all times the sole and exclusive intellectual property of Foundation, and Foundation shall have the right, from time to time, to request samples of use from which it may determine compliance with these terms and conditions. Notwithstanding

any provision of this Agreement to the contrary, Foundation reserves, in its sole and absolute discretion, the right to prohibit use of its Marks.

19. **Applicable Law; Jurisdiction:** This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey, without regard to principles of conflict of laws. Each party agrees that any action or proceeding with respect to this Agreement may only be brought in a federal or state court situated in the State of New Jersey, and by execution and delivery of this Agreement, such party irrevocably consents to jurisdiction and venue in each such court.
20. **Attorneys' Fees:** Grantee agrees to pay all costs and expenses, including reasonable attorneys' fees, incurred by Foundation in connection with any litigation concerning this Agreement should Foundation prevail against Grantee in such litigation, whether commenced by Foundation or Grantee.
21. **Third Party Beneficiaries:** It is expressly agreed and by this statement specifically intended by the parties that nothing within this Agreement shall be construed as indicating any intent by either party to benefit any other entity or person not a party signatory to this Agreement by any provision or to entitle any such third party to any right of action on account hereof.
22. **Notices:** Any notices or communications given under this Agreement must be made in writing (a) if to Foundation, at the address of Foundation as hereinabove set forth or at such other address as Foundation may designate by notice, or (b) if to Grantee, at the address of Grantee as hereinabove set forth or at such other address as Grantee may designate by notice
23. **Entire Agreement; Modifications:** This Agreement contains the entire agreement between Foundation and Grantee and cannot be changed, modified, amended, waived or canceled except by an agreement in writing and executed by each of the parties hereto.
24. **Counterparts and Facsimile Signatures:** This Agreement may be executed in one or more counterparts each of which shall be deemed an original but all of which together shall constitute one and the same instrument. This Agreement may be executed by facsimile signature by any party and such signature will be deemed binding for all purposes hereof without delivery of an original signature being thereafter required.

IN WITNESS WHEREOF, the parties have executed this Agreement by their duly authorized signatories as of the date first above written.

U.S. Soccer Foundation

City of Camden

By: _____

By: _____

Name: Rob Kaler

Name: _____

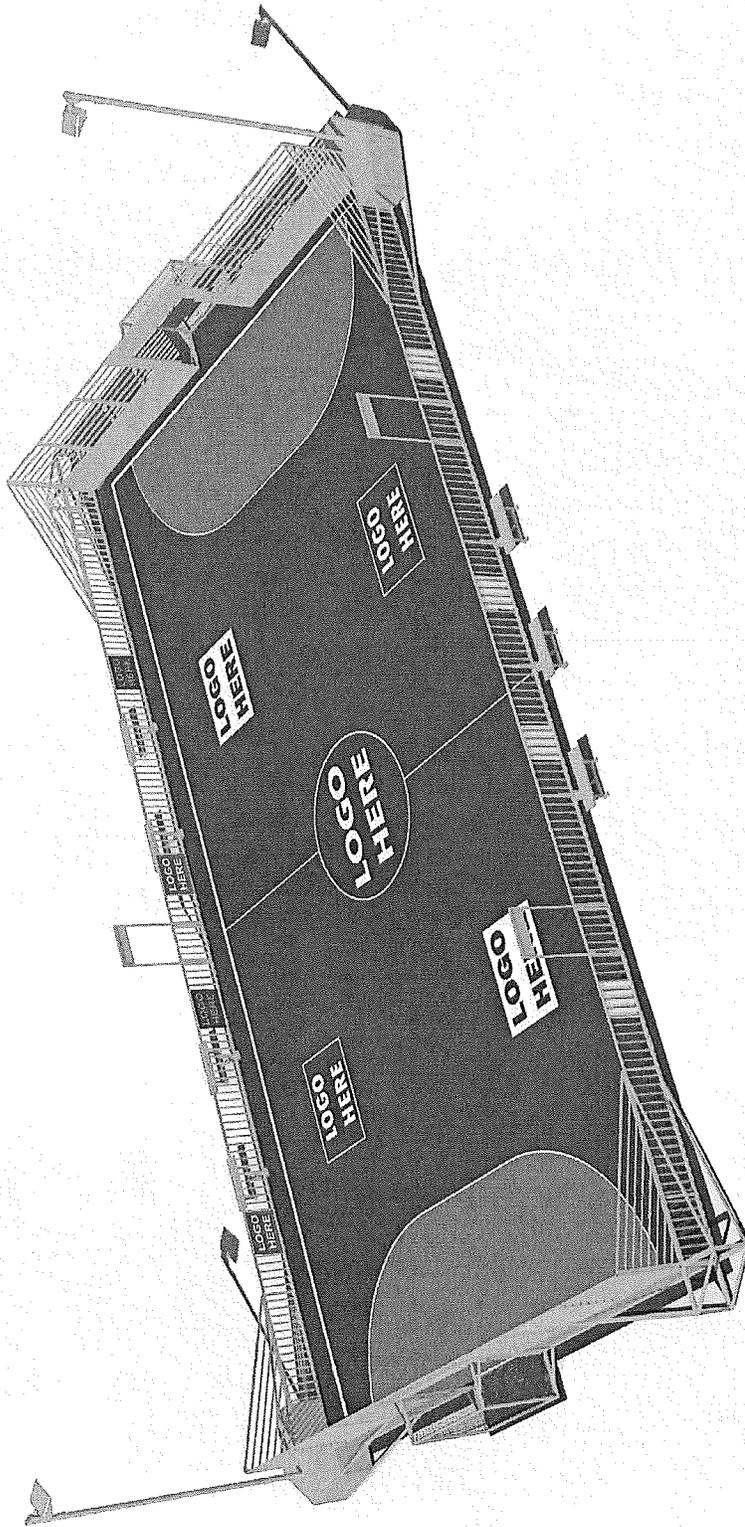
Title: COO & General Counsel

Title: _____

Date: _____

Date: _____

ATTACHMENT A



N 28th St

5th St

Mitchell St

Camden Iron & Metal

Ralph Williams Memorial Park

Mitchell St

Howell St

Lelo's Auto Repair

Howell St

Mitchell St

Mitchell St

27th St Food Trailer Takeout

Howell St

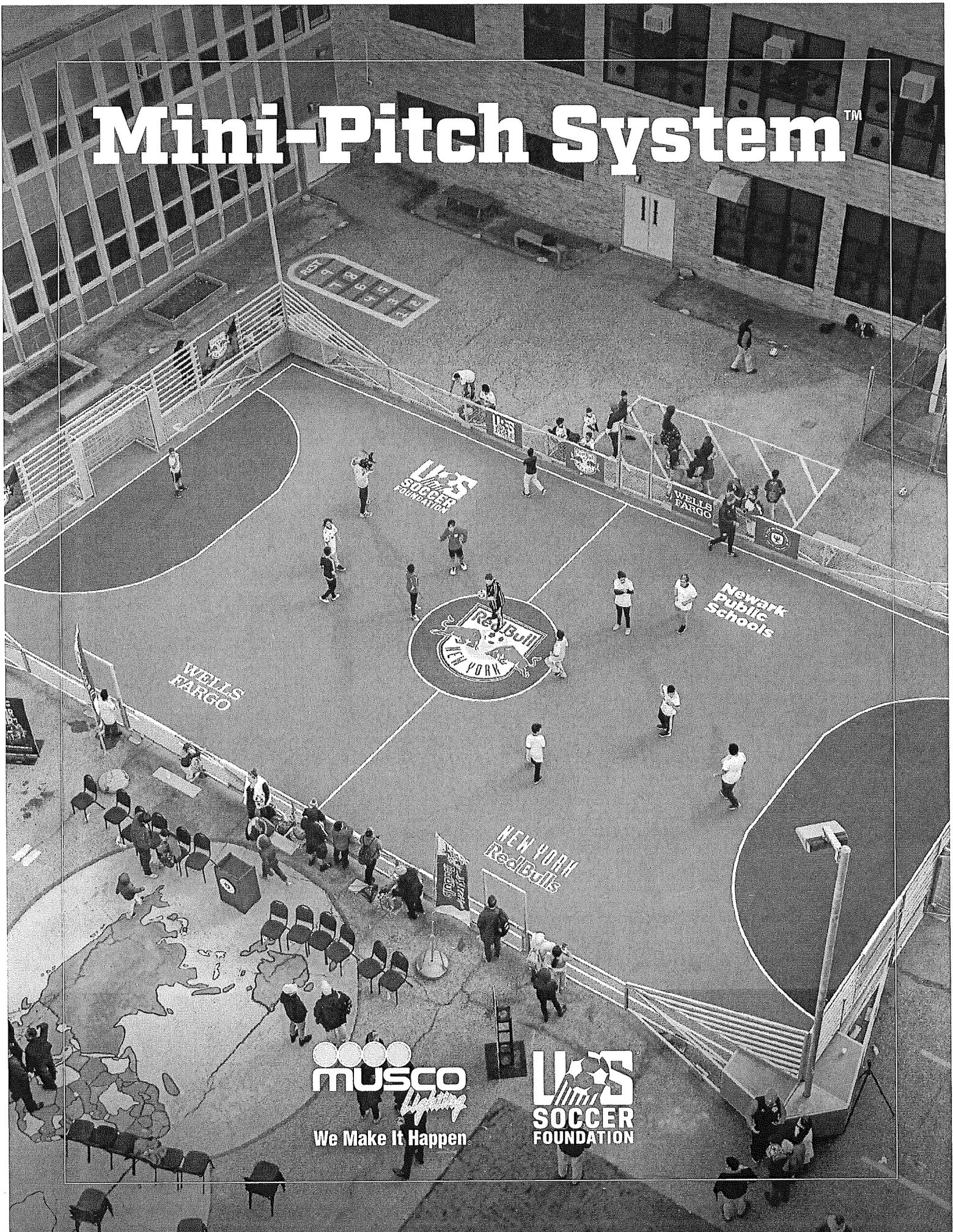
N 27th St

IG Tire Center & Auto Sales Used tire shop

Thompson St



Mini-Pitch System™



MUSCO
Lighting
We Make It Happen.

U.S.
SOCCER
FOUNDATION

The Mini-Pitch System™
is an innovative, all-in-one
solution designed to help
communities create fun
and active play spaces by
revitalizing public areas.

Created to assist the U.S. Soccer Foundation in providing safer places to play the game, the Mini-Pitch System is ideal for transforming abandoned courts and other underutilized areas into places where children and families can come together in the spirit of teamwork, empowerment, and physical activity. The system supports the Foundation's *It's Everyone's Game* movement to ensure that all children have access to the game and its many benefits.

Complete

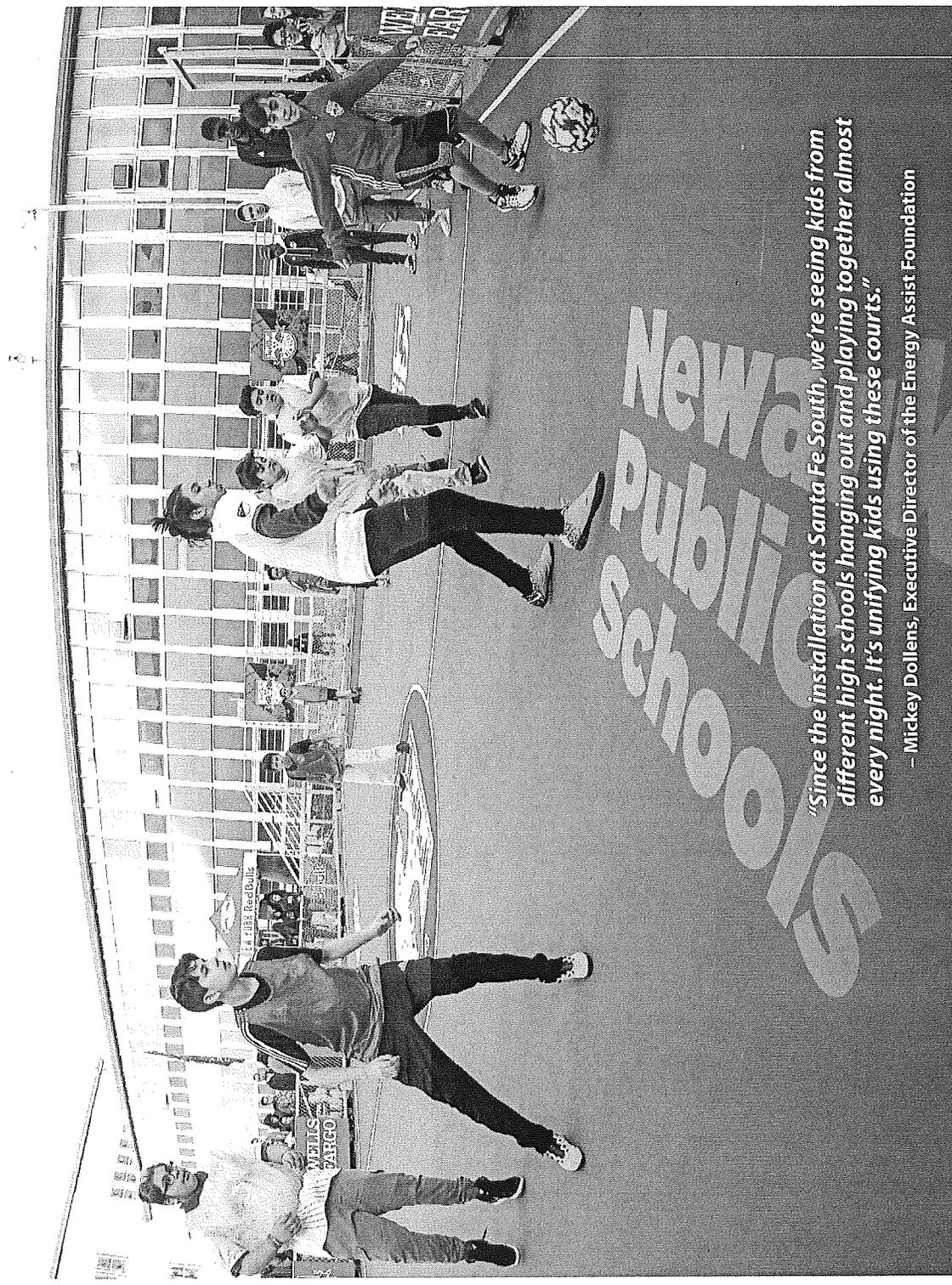
The mini-pitch comes as a modular system complete with lighting, fencing, goals, benches, ADA-compliant access, and lockable storage.

Convenient

Assembly of the Mini-Pitch System can be completed in approximately 1-2 days.

Customizable

You'll have options on the size of your pitch and custom signage to ensure it meets your exact needs. Typically, surfacing is handled by another vendor on a project-by-project basis.



"Since the installation at Santa Fe South, we're seeing kids from different high schools hanging out and playing together almost every night. It's unifying kids using these courts."

— Mickey Dollens, Executive Director of the Energy Assist Foundation

Complete System

The Mini-Pitch System™ includes lighting, structural, and electrical components designed and engineered to work together for streamlined installation and reliable operation.

- Factory-built, wired, aimed, and tested.
- Fast, trouble-free installation.
- Rugged reliability, designed to be long-lasting in all weather conditions and atop all surfaces.
- 10-year warranty covers all parts and labor.

TLC for LED® Lighting

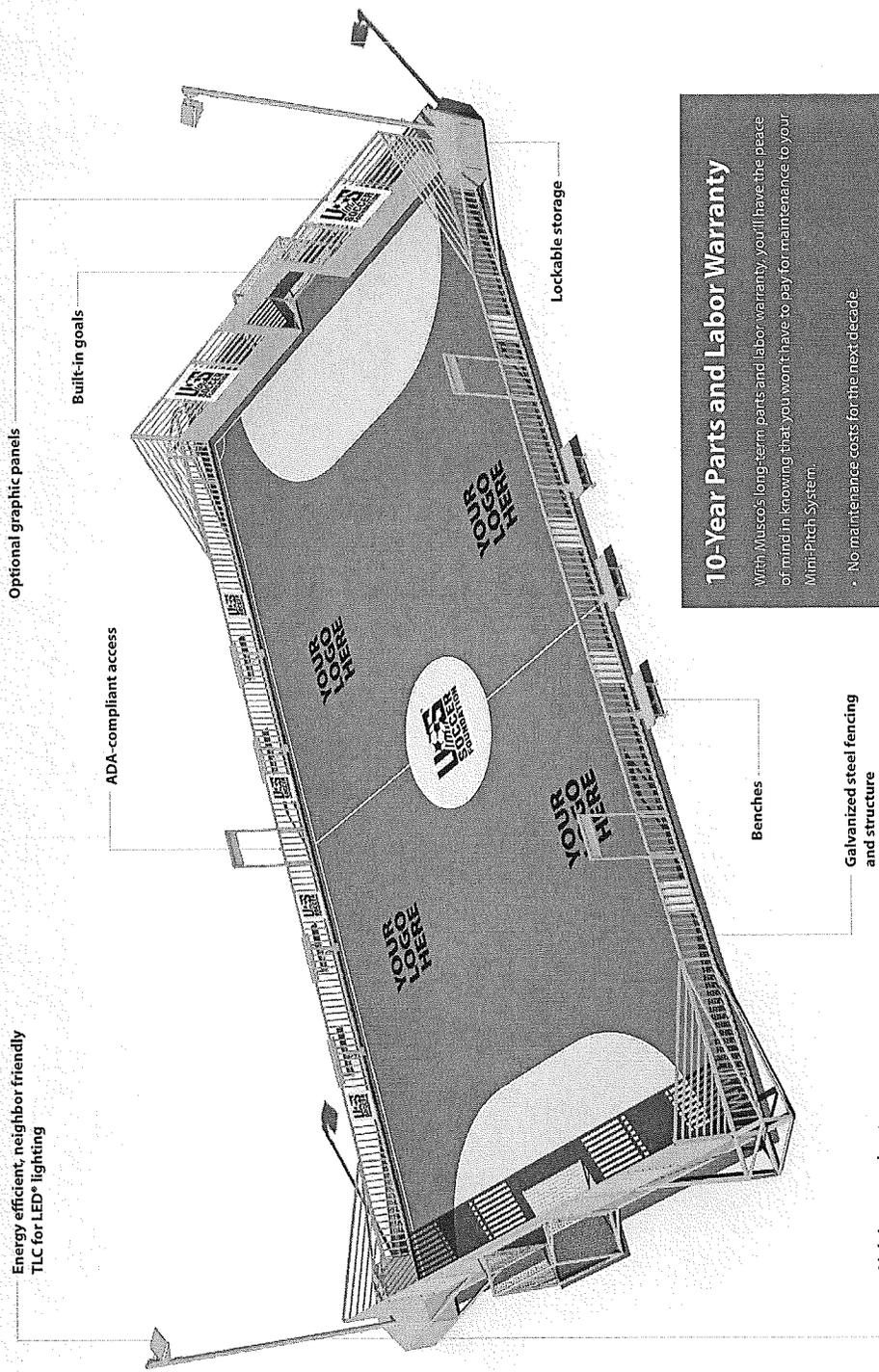
Enjoy the benefits of the LED sports lighting technology of choice at venues around the world.

- Custom optics create a more uniform distribution of light for better visibility.
- Patented glare control preserves darkness around your pitch, keeping neighbors happy.
- Instant on/off and energy efficient operation.

Control-Link® Service

Your system will be supported by Musco's Control-Link control and monitoring service.

- Manage your lights instantly, from anywhere, with a touch of a smart phone.
- 24/7 support from the Musco Team includes proactive monitoring and scheduling assistance.
- Get a real, live voice on the other end of the phone anytime you call Control-Link Central™.



10-Year Parts and Labor Warranty

With Musco's long-term parts and labor warranty, you'll have the peace of mind in knowing that you won't have to pay for maintenance to your Mini-Pitch System.

- No maintenance costs for the next decade.
- Every part and all labor covered.
- Supported by Musco's regionally-based technicians.

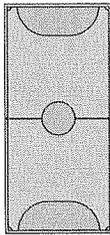
And with the 24/7 proactive monitoring of Control-Link, if any issues with your mini-pitch lighting arise, we'll probably know before you do. *Separate playing surface warranty is provided by the surface contractor.*

* Surfaces provided by others, evaluated on a project-by-project basis.

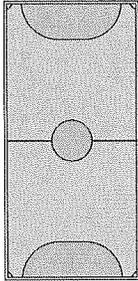
Size

Your Pitch, Your Way

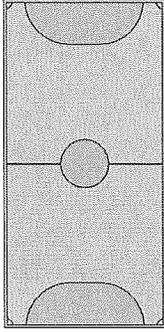
The Mini-Pitch System gives you options to customize the solution that meets your exact needs.



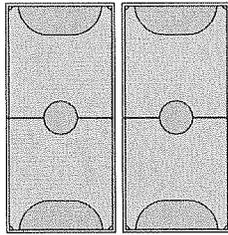
40 ft x 84 ft
12 m x 25 m



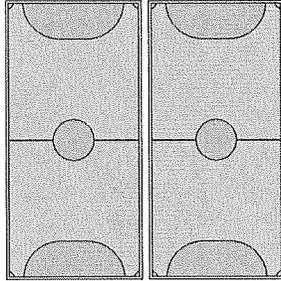
50 ft x 102 ft
15 m x 31 m



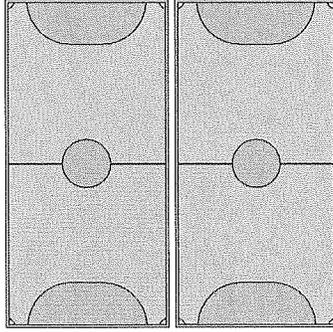
60 ft x 120 ft
18 m x 36 m



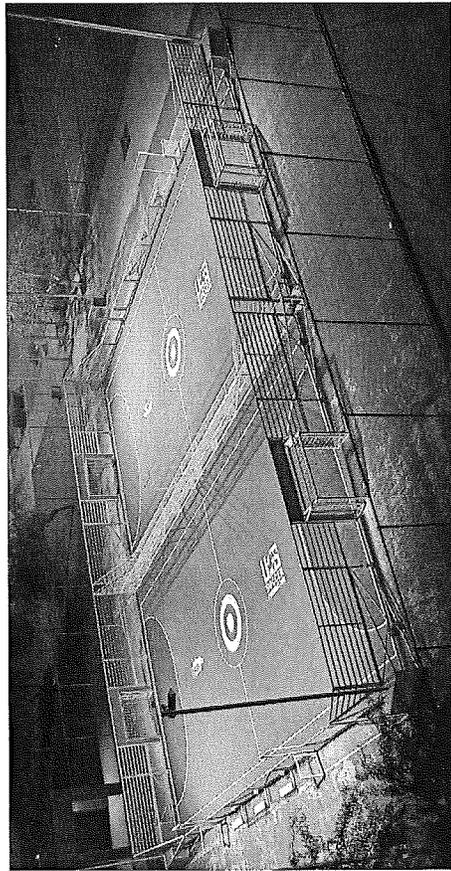
83 ft x 84 ft
25 m x 25 m



103 ft x 102 ft
31 m x 31 m



123 ft x 120 ft
37 m x 36 m



Desert West, Phoenix, Arizona, USA



Eakin Elementary School, Columbus, Ohio, USA




We Make It Happen

www.musco.com
e-mail: lighting@musco.com


**SOCCER
FOUNDATION**

www.ussoccerfoundation.org
e-mail: info@ussoccerfoundation.org

©2019 Musco Sports Lighting LLC · M-3208-enUS-1
U.S. and foreign patents issued and pending.

**RESOLUTION ACCEPTING CORRECTIVE ACTION PLAN AS PER THE
FY2019 ANNUAL MUNICIPAL AUDIT**

WHEREAS, the Director of the Division of Local Government Services has formally directed all municipalities to adopt a Corrective Action Plan as part of their annual municipal audit process; and

WHEREAS, this Corrective Plan shall be submitted to the Director of Local Government Services upon adoption by the City Council of the City of Camden and shall be kept on file with the Municipal Clerk's Office; and

WHEREAS, the Corrective Action Plan shall cover all audit findings and recommendations, and be prepared in accordance with Local Finance Notice CFO-97-16; now, therefore

BE IT RESOLVED, by the City Council of the City of Camden that it hereby approves and accepts the attached Corrective Action Plan for the 2019 Annual Municipal Audit, dated June 30, 2019, which is incorporated by reference thereto as if fully set forth herein.

BE IT FURTHER RESOLVED, that a certified copy of this Resolution and the Corrective Action Plan for the 2019 Annual Municipal Audit shall be filed with the Division of Local Government Services and the Municipal Clerk's Office.

BE IT FURTHER RESOLVED, that pursuant to N.J.S.A. 52:27BBB-23, a true copy of this Resolution shall be forwarded to the State Commissioner of Community Affairs, who shall have ten (10) days from the receipt thereof to veto this Resolution. All notices of veto shall be filed in the Office of the Municipal Clerk.

Date of Introduction: September 27, 2020

The above has been reviewed
and approved as to form.



MICHELLE BANKS-SPEARMAN
City Attorney

CURTIS JENKINS
President, City Council

ATTEST:

LUIS PASTORIZA
Municipal Clerk



**City of Camden
New Jersey
FYE 2019 Audit Findings
Corrective Action Plan**

**CITY OF CAMDEN
CORRECTIVE ACTION PLAN
SFY 2019**

CITY OF CAMDEN
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2019

Section 2 - Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Finding No. 2019-001

Criteria or Specific Requirement

In accordance with maintaining an internal control environment that is effective in the prevention and / or identification of potential financial statement misstatement and / or misclassification, the City should review, in a timely manner, balances contained in the general ledgers for the proper recording and / or disposition of balances.

Condition

During our examination of the City's general ledgers and subsidiary records of the various funds, the following were noted: (1) in the City's federal and state grant fund, there exists several aged unexpended grant appropriated reserve balances and aged receivable balances, along with awards that have grant periods that have ended; (2) reserves in the City's trust - other funds were not supported by an analyses detailing the composition of the fiscal year-end balances held in trust, and several other reserves had limited or no apparent activity during the fiscal year; (3) several inter-fund balances were not reconciled to one another; (4) the subsidiary ledgers for the improvement authorizations, appropriated federal and state awards, accounts receivable for federal and state awards, and encumbrances did not agree to the balances in the City's general ledgers; (5) several general ledgers were not in balance; and (6) reallocation / correcting entries posted in the City's general ledgers related to inter-fund transactions were not properly recorded.

Context

- Several aged unexpended grant appropriated reserve balances (\$3,022,529.30) and aged receivable balances (\$1,175,125.34) dated back to fiscal year 2000 through fiscal year 2015;
- reserves not supported by an analysis for developers' escrow fees (\$1,544,810.00), premium on tax sale (\$2,707,600.00), and redemption of tax title lien certificates (\$1,028,948.36); miscellaneous trust reserves in the amount of \$472,655.26 should be reviewed for proper disposition as they had limited or no activity;
- interfund activity amongst the various funds did not agree to one another;

CITY OF CAMDEN
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2019

Section 2 - Schedule of Financial Statement Findings (Cont'd)

Finding No. 2019-001 (Cont'd)

- variances of \$7,680,798.53, \$26,560,195.94, and \$10,245,358.15 exist when comparing the subsidiary ledgers for the improvement authorizations in the City's general capital fund, water utility capital fund, and sewer utility capital fund, respectively, variances of \$141,528.22 and \$14,102,488.91 exist when comparing the subsidiary ledgers for appropriated and accounts receivable, respectively, for federal and state awards, and variance of \$1,079,501.38 exist when comparing the subsidiary ledger for encumbrances in the current fund to the balances in the City's general ledgers; and
- the general ledgers of the current fund, water utility operating fund, sewer utility operating fund, and sewer utility capital fund were not in balance by \$920,746.50, \$31,567.47, \$1,180,468.69, and \$1,149,272.43, respectively.

Effect

Potential errors, irregularities, and factors which could have a negative impact on the City's financial position could develop and not be detected in a timely manner to enable the City to institute prompt corrective actions.

Cause

The City did not reconcile, review, and monitor all such transactions and balances during the fiscal year.

Recommendation

That the City reconcile, review, and monitor, at the end of each month, balances contained in the general ledgers and subsidiary reports to ensure that potential errors, irregularities, and factors which could have a negative impact on the City's financial position are detected and adjusted in a timely manner.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

Corrective Action:

In the past year, Edmunds provided training on the electronic financial management system to the Finance Department staff. A review of the positions in the department was conducted and recommendations were made to realign job responsibilities. Due to budgetary constraints and planning concerns, not all of the recommendations were implemented. The City intends to revisit the recommendations.

The implementation of review procedures for the analysis of items identified will be assigned accordingly. The City will develop formal policies and procedures for the Treasury Division of the Finance Department. The policy will outline the following:

- Roles and responsibility
- Accurate General Ledger maintenance
- Timely cancellation of aged balances and expired grants
- Proper and timely reconciliation between inter-fund accounts
- Discreet postings to subsidiary ledgers
- Centralize document repository
- Formal review and verification process
- Deadline for completion and review
- Process for resolving variances

CITY OF CAMDEN
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2019

Section 2 - Schedule of Financial Statement Findings (Cont'd)

Finding No. 2019-002

Criteria or Specific Requirement

In accordance with requirements promulgated by the State of New Jersey, Division of Local Government Services, capital ordinances with cash deficits in excess of five years old should be financed by the issuance of bonds and / or notes, or be funded by a budget appropriation.

Condition

At fiscal year end June 30, 2019, there exist ordinances in the City's general capital fund, water utility capital fund, and sewer utility capital fund with cash deficits in excess of five years old.

Context

There exist cash deficits in excess of five years old in the amounts of \$1,395,365.82, \$2,262,085.32, and \$253,590.70 in the City's general capital fund, water utility capital fund, and sewer utility capital fund, respectively.

Effect

By not providing timely funding for capital ordinances, the City could experience difficulties with cash flow as a result of cash being utilized from other sources to pay for capital expenditures.

Cause

The City has not provided the necessary funding within five years of the date in which such capital ordinances were adopted.

Recommendation

That the City seek the necessary funding, either through the issuance of bonds, notes, or budget appropriation, for capital ordinances with cash deficits in excess of five years old.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

Corrective Action:

The City has commenced with partial funding of prior year authorizations through the use of current revenues. We are currently working with financial consulting professionals to develop the Debt Plan. These discussions include identifying appropriate funding sources for the unfunded obligations in the General, Water Utility and Sewer Utility capital funds.

CITY OF CAMDEN
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2019

Section 2 - Schedule of Financial Statement Findings (Cont'd)

Finding No. 2019-003

Criteria or Specific Requirement

In accordance with maintaining an internal control environment that is effective in the prevention and / or identification of potential financial statement misstatement and / or misclassification, the City should review and verify, on a timely (monthly) basis, that all bank account reconciliations contain valid reconciling items, such as deposits in transit and outstanding checks which clear the bank in the subsequent month, that the general ledger include all receipt and disbursement activity, and that the activity is both accurate and properly classified, and reconciled to applicable subsidiary reports and bank statements; and that all bank accounts are reconciled monthly and such reconciliations verified to the cash balance recorded in the applicable funds' general ledger.

Condition

During our examination of the City's general ledgers and bank reconciliations as of June 30, 2019, the following was noted: several of the bank accounts were not reconciled or the reconciliations included improper reconciling items; several of the bank reconciliation balances did not agree to the applicable balances in the general ledgers, the general ledgers did not include all receipt and disbursement activity reported on the City's bank statements, and recorded receipt and disbursement activity in the City's general ledgers was not accurate or properly classified.

Context

- Seven bank accounts were not reconciled during the fiscal year and improper reconciling items from three bank reconciliations totaled \$2,400,603.09; and
- balances of various bank reconciliations prepared by the City did not agree to the balances contained in the general ledgers by \$6,218,266.69.

Effect

Potential errors, irregularities, and factors which would have a negative impact on the City's financial position could develop and not be detected in a timely manner to enable the City to institute corrective actions. In addition, the financial position of several funds at fiscal year-end could be materially misstated, and, at times, the audit trail is not always apparent for some of the reconciling items recorded.

Cause

The City did not reconcile to subsidiary reports and bank statements, review and adjust, and monitor all such transactions and balances during the fiscal year. In addition, there are several receipt types collected by the City which are coded by central cashing, however such codes are not properly integrated in the accounting software system.

Recommendation

That the City reconcile, on a monthly basis, all bank accounts and verify that the reconciliations only include proper reconciling items, that the reconciliation balances agree to the applicable balances in the general ledgers, that the general ledgers include all receipt and disbursement activity reported on the City's bank statements, and that recorded receipt and disbursement activity in the City's general ledgers be verified for accuracy and proper classification and be reconciled, on a monthly basis, to subsidiary reports and bank statements.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

Corrective Action:

Training will be secured to provide guidance to employees as to the proper methods of assuring accurate data through reconciliations. The City will develop formal policies and procedures for the performance of bank reconciliations for all accounts. The policy will outline the following:

- Roles and responsibility
- Standard bank reconciliation process
- Centralize document repository (in hard copy and electronic form)
- Formal review and verification process
- Deadline for completion and review
- Process for resolving variances

CITY OF CAMDEN
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2019

Section 2 - Schedule of Financial Statement Findings (Cont'd)

Finding No. 2019-004

Criteria or Specific Requirement

Pursuant to N.J.A.C. 5:30-6.1, uniform accounting system for local units, the *Requirements of Audit* have been promulgated to govern the accounting basis for municipalities. In addition, pursuant to N.J.A.C. 5:30-5.7, all local units must maintain a general ledger accounting system that provides for the immediate and current identification of its assets, liabilities, revenues, expenditures, and fund balance. The general ledger together with the books of original entry, and supporting subsidiary ledgers, constitute a complete accounting system.

Condition

The reports provided by the City's third-party service organization that it engaged to administer its water and sewer utility operations were not prepared in accordance with the accounting basis that the City is required to follow. In addition, in its general ledger, the City did not record all related tax receivable transactions and all related consumer accounts receivable transactions. In regards to the City's operation of its water and sewer utility functions, the City does not have policies and procedures in place to review and reconcile the monthly and year-to-date reporting data provided by the third-party service organization to its general ledger. Lastly, receipts collected for interest and penalties on water and sewer rents were not recorded to the proper revenue classification.

Context

Transactions reported by the City's third-party service organization related to the interest and penalties accrued on delinquent consumer accounts receivable balances and the collections of such are not properly segregated from the transactions related to the billings and collections of rents. The transactions not recorded in the general ledger consisted of the following: the certified tax levy and consumer rents, related lien transactions / prepaid / overpayment transactions, and other various adjustments. In addition, the City does not have policies and procedures in place to review and reconcile the monthly and year-to-date reporting data provided by the third-party service organization. Consequently, the amount of consumer accounts receivable transferred to lien, and rents collected, during fiscal year 2019 as reported by the City did not agree to the amounts reported by the third-party service organization.

Effect

The City is not in compliance with rules and regulations as mandated by State administrative codes governing the general ledger accounting system.

Cause

The City does not have policies and procedures in place to review and reconcile the monthly and year-to-date reporting data provided by the third-party service organization to the City's general ledgers.

Recommendation

That the City verify that reports provided by the third-party service organization that it engaged to administer its water and sewer utility operations are prepared in accordance with the accounting basis that the City is required to follow. In addition, that the City record in its general ledgers all related tax receivable transactions and all related consumer accounts receivable transactions. In addition, that the City establish formal policies and procedures to review and reconcile the monthly and year-to-date reporting data provided by the third-party service organization to its general ledger. Lastly, that the City verify that receipts collected for interest and penalties on water and sewer consumer rents are recorded to the proper revenue classification.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

Corrective Action:

The City is working with American Water and their new accounting and billing subcontractor, Rostech Inc., to ensure the accurate separation of principle, interest and penalties.

The City will develop formal policies and procedures for the review and reconciliation of monthly and year-to-date reporting data from American Water and Rostech Inc. The policy will outline the following:

- Roles and responsibility
- Standard reconciliation process
- Formal review and verification process
- Deadline for completion and review
- Process for resolving variances

Section 2 - Schedule of Financial Statement Findings (Cont'd)

Finding No. 2019-005

Criteria or Specific Requirement

An entity should maintain suitably designed internal controls that promote sound financial reporting and the proper custodianship of records supporting financial transactions.

Condition

The City was not always able to produce documents supporting financial transactions related to recorded activity of water and sewer utility consumer rents.

Context

- Documentation supporting six receipts tested was unavailable for inspection;
- eleven consumer accounts recorded by the City as liens receivable were deemed to be improperly recorded as such;
- documentation supporting the balance of twenty recorded consumer accounts receivable was unavailable for inspection; and
- receipt documentation supporting the balance of seven recorded prepaid consumer accounts was unavailable for inspection.

Effect

Without having proper supporting documentation, the amounts and classifications of transactions and balances cannot be verified to identify potential misstatements or misclassifications.

Cause

The City does not have policies and procedures in place to review and reconcile the monthly and year-to-date reporting data provided by the third-party service organization to the City's general ledgers.

Recommendation

That the City establish suitably designed internal controls to support and validate the financial transactions related to the recording of water and sewer utility consumer rents activity.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

Corrective Action:

The City will develop formal policies and procedures for the accurate recording of water and sewer utility income. The policy will outline the following:

- Roles and responsibility
- Weekly validation of postings
- Standard reconciliation process
- Centralize document retention
- Formal review and verification process
- Deadline for completion and review
- Process for resolving variances

CITY OF CAMDEN
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2019

Section 2 - Schedule of Financial Statement Findings (Cont'd)

Finding No. 2019-006

Criteria or Specific Requirement

For sound financial reporting, internal controls should be established to timely review outstanding purchase orders for proper disposition.

Condition

The City did not have internal control procedures in place for the timely review of outstanding purchase orders in order to determine proper disposition.

Context

Seven open purchase orders tested totaling \$202,553.61 were recorded as a liability at June 30, 2019 but should have been canceled prior to the end of the fiscal year.

Effect

Weakening of internal controls over financial reporting.

Cause

Client oversight.

Recommendation

That the City establishes and implements internal control procedures for the timely review of outstanding purchase orders to determine proper disposition.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

Corrective Action:

The City has implemented weekly Purchasing Review Committee meetings wherein aged purchase orders are reviewed for timely disposition. The procedure for the review and disposition of age purchase orders will be memorialized.

CITY OF CAMDEN
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2019

Section 2 - Schedule of Financial Statement Findings (Cont'd)

Finding No. 2019-007

Criteria or Specific Requirement

For sound financial reporting and a strong internal control structure, cash receipts should be posted in the general ledgers in definite amounts on a timely basis.

Condition

A clear audit trail to the City's bank statements is not always apparent for cash receipts posted in the City's general ledgers for various bank accounts.

Context

Not applicable.

Effect

Weakening of internal controls over financial reporting regarding cash receipts.

Cause

The City is collecting and depositing individual receipts throughout the month, however such receipts are not posted as individual amounts in the City's general ledgers and are not posted in the general ledgers on a timely basis (the month-to-date amount is posted at the end of the month).

Recommendation

That the City timely post cash receipts in the general ledgers in definite amounts in order to provide a clear audit trail to the City's bank statements.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

Corrective Action:

The City will develop formal policies and procedures for the timely and accurate posting of discreet cash receipts. The policy will outline the following:

- Roles and responsibility
- Discreet posting requirements
- Timeline for cash receipt posting
- Weekly validation of postings
- Standard reconciliation process
- Formal review and verification process
- Deadline for completion and review
- Process for resolving variances

CITY OF CAMDEN
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2019

Section 2 - Schedule of Financial Statement Findings (Cont'd)

Finding No. 2019-008

Criteria or Specific Requirement

In accordance with maintaining an internal control environment that is effective in the prevention and / or identification of potential financial statement misstatement and / or misclassification, the City should review, in a timely manner, balances contained in the general ledgers for the proper and accurate recording.

Condition

The amount of cash receipts posted in the City's general ledger for the U.S. Department of Housing and Urban Development program receivable balances were not accurate and exceeded the amounts deposited in the City's bank accounts. In addition, the respective grants receivable balances were not reconciled to the applicable reserves on a monthly basis, and the reserve balances reported by the U.S. Department of Housing and Urban Development were not reconciled to the City's general ledger. Lastly, the subsidiary ledger for the various reserve balances did not agree to the balances in the City's general ledger.

Context

- Cash receipts posted in the general ledger exceeded the amount deposited in the City's bank account by \$218,372.58;
- unexplained variances when comparing the receivable balances to the related reserve balances for the Community Development Block Grant, Emergency Solutions Grant Program, HOME Investment Partnerships Program, and Housing Opportunities for Persons with AIDS were \$139,530.47, \$19,621.89, \$176,777.01, and \$17,819.52, respectively;
- unexplained variances when comparing reserve balances to those reported by the U.S. Department of Housing and Urban Development for the Community Development Block Grant, HOME Investment Partnerships Program, and Housing Opportunities for Persons with AIDS were \$66,116.09, \$196,341.38, and \$3,811.63, respectively.

Effect

Potential errors, irregularities, and factors which could have a negative impact on the City's financial position could develop and not be detected in a timely manner to enable the City to institute prompt corrective actions.

Cause

The cash receipts posted in the general ledger are not reconciled to the cash receipts on the bank statements, nor did the City reconcile, review, and monitor all such transactions and balances during the fiscal year.

Recommendation

That the amount of cash receipts posted in the City's general ledger for the U.S. Department of Housing and Urban Development program receivable balances be reconciled to the amounts deposited in the City's bank accounts. Also, that the respective grants receivable balances be reconciled to the reserves reported in the City's general ledger and those reported by the U.S. Department of Housing and Urban Development on a monthly basis. Lastly, that the subsidiary ledger for the aforementioned reserve balances be reconciled and in agreement to the balances in the City's general ledger.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

Corrective Action:

The City has engaged an accounting firm to investigate the cash balances in the cited bank accounts and have performed the journal entries necessary for an accurate bank reconciliation. The two Edmunds accounts have been separated into four discreet accounts for the CDBG, HOME, ESG and HOPWA programs. Journal entries will be checked for accuracy and Program Income will be treated appropriately.

CITY OF CAMDEN
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2019

Section 2 - Schedule of Financial Statement Findings (Cont'd)

Finding No. 2019-009

Criteria or Specific Requirement

In accordance with maintaining an internal control environment over financial reporting that is effective in the prevention and / or identification of potential financial statement misstatement and misappropriation, the City should establish and implement formal oversight procedures for the timely and accurate updating of the detailed fixed asset subsidiary ledger, and have policies and procedures in place establishing adequate data backup (storage) of such records.

Condition

The City's fixed asset subsidiary report was not timely nor accurately updated and maintained to include all additions that qualified as a fixed asset and properly reflect additions at historical cost.

Context

Upon the recreation of the City's fixed asset subsidiary ledger file, several fixed assets were not properly added and / or were not added at historical cost.

Effect

By not establishing and implementing oversight procedures for the timely and accurate updating of the fixed asset subsidiary report, the potential exists for financial statement misstatement and misappropriation. In addition, by not having adequate policies and procedures in place establishing backup (storage) of electronic files, complete data loss and record reconstruction could be experienced by the City.

Cause

The City was not periodically reviewing and monitoring the fixed asset subsidiary ledger and reconciling it to appropriate fiscal year activity.

Recommendation

That the City's fixed asset subsidiary report be timely and accurately updated and maintained to include all additions that qualify as a fixed asset, that such fixed asset additions are recorded at historical cost, and that policies and procedures be established for adequate backup (storage) of such records.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

Corrective Action:

Upon recreating the computer program, direction to staff has been provided as to the recording of the fixed assets inventory and the items it should be covering. The Purchasing Agent and Fiscal Monitor have been assigned the task to rewrite the policy and the method of providing information for the acquisition and disposal of inventory.

CITY OF CAMDEN
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2019

Section 3 - Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Finding No. 2019-010 (Prior Fiscal Year Finding No. 2018-010)

Information on the Federal Program

Child Nutrition Cluster - Summer Food Service Program for Children (CFDA No. 10.559), U.S. Department of Agriculture (pass through entity: New Jersey Department of Agriculture)

Criteria or Specific Requirement

In accordance with the grant agreement and cash management requirements, meal count forms must be completed based on the number of meals served and reported on the monthly reimbursement vouchers. Reimbursement vouchers must be reviewed for accuracy and be submitted by the 10th day following the claiming month.

Condition

The supporting documentation of meals served for the month and sites sampled did not agree to meals reported on reimbursement vouchers, and in addition, reimbursement vouchers were not timely filed.

Questioned Costs

None.

Context

For two of the months tested, a total of 130,550 meals were reported as being served for all sites, however, supporting documentation maintained on file supported a total of 130,554 meals as being served for all sites, thus yielding a variance of 4 meals. In addition, two of the reimbursement vouchers were not filed timely.

For the six sites tested, a total of 10,528 meals were reported as being served, however, supporting documentation maintained on file supported 10,406 meals served, thus yielding a variance of 122 meals. The sample was not intended to be, and was not, a statistically valid sample.

Effect

As a result of the variances noted with the cash management requirements for the federal award, the potential exists that the City may be responsible for reimbursing the grantor agency.

Cause

The original source documentation for the accumulation of monthly totals submitted for reimbursement and daily meals served at several of the sites were not accurately maintained and reconciled to meals reported.

Recommendation

That supporting documentation of meals served for the months and sites agree to meals reported on reimbursement vouchers, and that reimbursement vouchers be filed timely.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

Corrective Action:

Training will be provided to ensure accurate counts and timely reimbursements and filings. However, this training will not be provided in time to impact the FY 2020 audit as the Summer Food Program ended in August 2019.

CITY OF CAMDEN
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2019

Section 3 - Schedule of Federal Award Findings and Questioned Costs (Cont'd)

Finding No. 2019-011

Information on the Federal Program

Housing Opportunities for Persons with AIDS (HOPWA) (CFDA #14.241), U.S. Department of Housing and Urban Development

Criteria or Specific Requirement

In accordance with reporting requirements, financial reports (Consolidated Annual Performance and Evaluation Report) must be accurate and complete.

Condition

The report filed for the fiscal year did not accurately report the expenditures recorded in the City's financial accounting software system.

Questioned Costs

None.

Context

The expenditures for the fiscal year 2019 did not agree to the City's financial accounting software system by \$47,825.18. No sample over the compliance requirement of reporting is applicable as only one annual report is required to be filed.

Effect

Noncompliance with the reporting requirements.

Cause

A reconciliation between the City's financial accounting software system and the Consolidated Annual Performance and Evaluation Report was not performed.

Recommendation

That the City perform a reconciliation between its financial accounting software system and the Consolidated Annual Performance and Evaluation Report, and when variances are identified, that the City make the necessary adjustments as applicable.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

Corrective Action:

Loss of personnel in the Operating Department has resulted in new training and procedures to be developed in the implementation and operation of this program. Further, Grants Management staff has increased the overview of the program. All staff have been directed not to process any incomplete requests.