

NEW ISSUE (BOOK-ENTRY)

RATING ON BONDS: Moody's: "A1"
RATING ON NOTES: Moody's: "MIG 1"
 (See "RATINGS" herein)

In the opinion of Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, Bond Counsel ("Bond Counsel") to the City (as hereinafter defined), under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance by the City with certain covenants described herein, interest on the Bonds and the Tax-Exempt Notes (as respectively defined herein) (i) is not includable in gross income of the holders of the Bonds and the Tax-Exempt Notes for Federal income tax purposes pursuant to section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) will not be treated as a preference item under section 57 of the Code for purposes of computing the Federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the Federal alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. Bond Counsel is further of the opinion that, under existing laws of the State of New Jersey, interest on the Bonds and the Notes (as defined herein) and any gain on the sale thereof are not includable in gross income under the New Jersey Gross Income Tax Act, as amended. Bond Counsel's opinions described herein are given in reliance on representations, certifications of fact, and statements of reasonable expectation made by the City in its Tax Certificate (as defined herein), assume continuing compliance by the City with certain covenants set forth in its Tax Certificate, and are based on existing statutes, regulations, administrative pronouncements and judicial decisions. See "TAX MATTERS" herein.

**CITY OF JERSEY CITY
 IN THE COUNTY OF HUDSON
 STATE OF NEW JERSEY**

\$124,450,000*

**GENERAL IMPROVEMENT BONDS, SERIES 2025
 (Callable)**

Dated: Date of Delivery

Due: October 1, as shown on the inside front cover

**\$86,028,000 BOND ANTICIPATION NOTES,
 SERIES 2025C (TAX-EXEMPT)
 (Non-callable)**

Dated: Date of Delivery

Due: October 20, 2026

Coupon: _____%

Reoffering Yield: _____%

CUSIP No.: 476576 _____

**\$6,000,000 SPECIAL EMERGENCY NOTES,
 SERIES 2025D (FEDERALLY TAXABLE)
 (Non-callable)**

Dated: Date of Delivery

Due: October 20, 2026

Coupon: _____%

Reoffering Yield: _____%

CUSIP No.: 476576 _____

The City of Jersey City, in the County of Hudson, State of New Jersey (the "City") is offering (i) \$124,450,000* General Improvement Bonds, Series 2025 (the "Bonds"), (ii) \$86,028,000 Bond Anticipation Notes, Series 2025C (Tax-Exempt) (the "Tax-Exempt Notes"), and (iii) \$6,000,000 Special Emergency Notes, Series 2025D (Federally Taxable) (the "Taxable Notes") and together with the Tax-Exempt Notes, the "Notes") for sale to prospective purchasers.

The Bonds are being issued pursuant to (i) the provisions of the Local Bond Law of the State of New Jersey, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law"); (ii) a bond ordinance duly adopted by the City Council of the City on the date set forth herein, approved by the Mayor, and published as required by law; and (iii) a resolution duly adopted by the City Council of the City on September 24, 2025 (the "Resolution").

The Tax-Exempt Notes are being issued pursuant to (i) the provisions of the Local Bond Law, (ii) various bond ordinances duly adopted by the City Council of the City on the dates set forth herein, approved by the Mayor, and published as required by law, and (iii) the Resolution.

The Taxable Notes are being issued pursuant to (i) the provisions of the Local Budget Law of the State of New Jersey, N.J.S.A. 40A:4-1 et seq., as amended and supplemented (the "Local Budget Law"), (ii) various special emergency ordinances duly adopted by the City Council of the City on the dates set forth herein, approved by the Mayor, and published as required by law, (iii) special emergency resolutions duly adopted by the City Council of the City, and (iv) the Resolution.

The Bonds are being issued to refund, on a current basis, a \$124,450,000 principal portion of prior outstanding bond anticipation notes of the City issued in the aggregate principal amount of \$181,450,000 on October 23, 2024 and maturing on October 22, 2025 (the "Prior Bond Anticipation Notes") (a \$57,000,000 portion of the Prior Bond Anticipation Notes will be currently refunded through the issuance of the Tax-Exempt Notes).

The Tax-Exempt Notes are being issued to (i) refund, on a current basis, a \$57,000,000 principal portion of the remaining Prior Bond Anticipation Notes, and (ii) temporarily finance various capital improvements in and for the City in the amount of \$29,028,000.

The Taxable Notes are being issued to refund, on a current basis, a \$6,000,000 principal portion of prior special emergency notes issued in the principal amount of \$12,600,000 on October 23, 2024 and maturing on October 22, 2025 (the "Prior Special Emergency Notes"), which Prior Special Emergency Notes were originally issued to temporarily finance the cost of special emergency appropriations of the City for contractually required severance liabilities due and payable to certain employees of the City (the remaining balance of the Prior Special Emergency Notes will be paid by a 2025 budget appropriation in the amount of \$6,600,000).

The Bonds are general obligations of the City for which the full faith and credit of the City are pledged. The City is authorized and required by law to levy *ad valorem* taxes upon all the taxable property within the City for the payment of the principal of the Bonds and the interest thereon without limitation as to rate or amount.

The Notes are also general obligations of the City, payable in the first instance from the proceeds of the sale of bonds or notes, but if not so paid or if not paid from other sources, are payable ultimately from *ad valorem* taxes levied upon all the taxable property within the City for the payment of the principal of each series of the Notes and the interest thereon without limitation as to rate or amount.

One certificate shall be issued for the principal amount of the Bonds maturing in each year, and one certificate shall be issued for the principal amount of each series of the Notes. The Bonds and the Notes will be issued in fully registered book-entry form and, when issued, will be registered in the name of, and held by, Cede & Co., as nominee of The Depository Trust Company, Brooklyn, New York ("DTC"). DTC, an automated depository for securities and clearing house for securities transactions, will act as securities depository for the Bonds and the Notes. Individual purchases of the Bonds and Notes will be made in book-entry form in the principal amount of \$5,000 each or any integral multiple of \$1,000 in excess thereof.

The Bonds shall bear interest from the date of delivery thereof, payable semi-annually on the first (1st) day of April and October of each year, commencing April 1, 2026, at such rates of interest as shown on the inside front cover page hereof until maturity or prior redemption.

The Notes of each series will bear interest at the respective rates set forth above, commencing their date of delivery. Principal of and interest on the Notes will be payable by the City or a duly designated paying agent at the date of maturity thereof, as set forth above.

While DTC is acting as securities depository for the Bonds and the Notes, the principal of and interest on the Bonds and the Notes will be payable by wire transfer to DTC or its nominee, which is obligated to remit such principal and interest payments to DTC Participants. DTC Participants and Indirect Participants will be responsible for remitting such principal and interest payments to the Beneficial Owners of the Bonds and the Notes. See "BOOK-ENTRY SYSTEM" herein.

The Bonds are subject to optional redemption prior to their stated maturities as set forth herein. See "DESCRIPTION OF THE BONDS" under the subheading entitled "Optional Redemption". The Notes are not subject to redemption prior to their stated maturity. See "DESCRIPTION OF THE NOTES" under the subheading entitled "Optional Redemption".

The Bonds and the Notes are not debt or obligations, legal, moral or otherwise, of the State of New Jersey, or any county, municipality or political subdivision thereof other than the City.

This cover page and inside front cover page contain certain information for quick reference only. It is not a summary of the issue. Investors must read the entire Official Statement, including all appendices, to obtain information essential to making an informed investment decision.

The Bonds and Notes are offered when, as and if issued and delivered subject to the approval of the legality thereof by Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, Bond Counsel, and certain other conditions. NW Financial Group, LLC, Bloomfield, New Jersey has served as Municipal Advisor to the City in connection with the issuance of the Bonds and the Notes. Certain legal matters will be passed upon for the City by Brittany Murray, Esq., Jersey City, New Jersey, Acting Corporation Counsel to the City. It is anticipated that the Bonds and the Notes will be available for delivery through DTC on or about October 21, 2025.

ELECTRONIC BID SUBMISSIONS FOR THE BONDS, IN ACCORDANCE WITH THE FULL NOTICE OF SALE FOR THE BONDS, MUST BE MADE VIA PARITY AT [HTTPS://NEWISSUE.MUNI.SPGLOBAL.COM](https://newissue.muni.spglobal.com) UNTIL 11:00 A.M., PREVAILING NEW JERSEY TIME, ON OCTOBER 7, 2025. FOR MORE DETAILS ON HOW TO BID ELECTRONICALLY, VIEW THE FULL NOTICE OF SALE POSTED AT WWW.MUNI.HUB.COM.

BIDS FOR THE TAX-EXEMPT NOTES, IN ACCORDANCE WITH THE FULL NOTICE OF SALE FOR THE TAX-EXEMPT NOTES, WILL BE RECEIVED BY THE CITY'S MUNICIPAL ADVISOR, ON BEHALF OF THE CITY, UNTIL 11:15 A.M., PREVAILING NEW JERSEY TIME, ON OCTOBER 7, 2025 VIA ELECTRONIC MAIL AT TEISMEIER@NWFINANCIAL.COM, OR VIA PARITY AT [HTTPS://NEWISSUE.MUNI.SPGLOBAL.COM](https://newissue.muni.spglobal.com). FOR MORE DETAILS ON HOW TO BID ELECTRONICALLY, VIEW THE FULL NOTICE OF SALE POSTED AT WWW.MUNI.HUB.COM.

BIDS FOR THE TAXABLE NOTES, IN ACCORDANCE WITH THE FULL NOTICE OF SALE FOR THE TAXABLE NOTES, WILL BE RECEIVED BY THE CITY'S MUNICIPAL ADVISOR, ON BEHALF OF THE CITY, UNTIL 11:30 A.M., PREVAILING NEW JERSEY TIME, ON OCTOBER 7, 2025 VIA ELECTRONIC MAIL AT TEISMEIER@NWFINANCIAL.COM, OR VIA PARITY AT [HTTPS://NEWISSUE.MUNI.SPGLOBAL.COM](https://newissue.muni.spglobal.com). FOR MORE DETAILS ON HOW TO BID ELECTRONICALLY, VIEW THE FULL NOTICE OF SALE POSTED AT WWW.MUNI.HUB.COM.

* Preliminary, subject to change.

** Registered trademark of the American Bankers Association. CUSIP numbers are provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers listed above are being provided solely for the convenience of Noteholders only at the time of issuance of the Notes and the City does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP numbers are subject to being changed after the issuance of the Notes as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to the Notes.

\$124,450,000*

**CITY OF JERSEY CITY
IN THE COUNTY OF HUDSON
STATE OF NEW JERSEY**

**GENERAL IMPROVEMENT BONDS, SERIES 2025
CALLABLE**

Dated: Date of Delivery

Due: October 1, as shown below

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS

<u>Year (October 1)</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP Number**</u>
2026	\$ 5,400,000	%	%	476576__
2027	5,400,000			476576__
2028	5,600,000			476576__
2029	5,800,000			476576__
2030	7,620,000			476576__
2031	7,925,000			476576__
2032	8,245,000			476576__
2033	8,570,000			476576__
2034	8,915,000			476576__
2035	9,270,000			476576__
2036	9,645,000			476576__
2037	10,030,000			476576__
2038	10,430,000			476576__
2039	10,800,000			476576__
2040	<u>10,800,000</u>			476576__
	<u>\$124,450,000</u>			

* Preliminary, subject to change.

** Registered trademark of the American Bankers Association. CUSIP numbers are provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Bonds and the City does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

**CITY OF JERSEY CITY
IN THE COUNTY OF HUDSON
STATE OF NEW JERSEY**

MAYOR

Steven M. Fulop

CITY COUNCIL

Joyce E. Watterman	Council President
Amy M. DeGise	Councilwoman-at-Large
Daniel Rivera	Councilman-at-Large
Denise Ridley	Ward A Councilwoman
Maureen K. Hulings	Ward B Councilwoman
Richard Boggiano	Ward C Councilman
Yousef J. Saleh	Ward D Councilman
James Solomon	Ward E Councilman
Frank E. Gilmore	Ward F Councilman

BUSINESS ADMINISTRATOR

John J. Metro

CHIEF FINANCIAL OFFICER

John Mercer

DIRECTOR OF THE DEPARTMENT OF FINANCE

Carmen Gandulla

CITY CLERK

Sean J. Gallagher

ACTING CORPORATION COUNSEL

Brittany Murray, Esq.
Jersey City, New Jersey

CITY AUDITOR

Donohue, Gironda, Doria & Tomkins, LLC
Bayonne, New Jersey

MUNICIPAL ADVISOR

NW Financial Group, LLC
Bloomfield, New Jersey

BOND COUNSEL

Wilentz, Goldman & Spitzer, P.A.
Woodbridge, New Jersey

No dealer, broker, salesperson or other person has been authorized by the City of Jersey City, in the County of Hudson, State of New Jersey (the "City") to give any information or to make any representations with respect to the Bonds and Notes other than those contained in this Official Statement and if given or made, such information or representation must not be relied upon as having been authorized by the City. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds and Notes in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale.

The information contained herein has been provided by the City, The Depository Trust Company, Brooklyn, New York ("DTC") and other sources deemed reliable by the City; however, no representation or warranty is made as to its accuracy or completeness, and as to the information from sources other than the City, such information is not to be construed as a representation or warranty by the City.

This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or owners of any of the Bonds or Notes. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in any of the information herein since the date hereof, or the date as of which such information is given, if earlier. The City has not confirmed the accuracy or completeness of information relating to DTC, which information has been provided by DTC.

References in this Official Statement to laws, rules, regulations, resolutions, ordinances, agreements, reports and documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. This Official Statement should be read in its entirety.

The presentation of information is intended to show recent historical information except as expressly stated otherwise, is not intended to indicate future or continuing trends in the financial condition or other affairs of the City. No representation is made that past experience, as is shown by the financial and other information, will necessarily continue or be repeated in the future.

The order and placement of materials in this Official Statement, including the Appendices, are not deemed to be a determination of the relevance, materiality or importance of such materials, and this Official Statement, including the Appendices, must be considered in its entirety.

In order to facilitate the distribution of the Bonds and Notes, the respective underwriters may engage in transactions intended to stabilize the price of the Bonds and Notes at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The prices at which the Bonds and Notes are offered to the public by the respective underwriters and the yields resulting therefrom may vary from the initial public offering prices or yields shown on the cover page and/or inside cover page hereof. In addition, the respective underwriters may allow concessions or discounts from such initial public offering prices to dealers and others.

The Underwriters have reviewed the information in this Official Statement in accordance with and as part of their responsibilities to investors under the Federal Securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

TABLE OF CONTENTS

	Page
INTRODUCTION.....	1
DESCRIPTION OF THE BONDS	1
General Description	1
Optional Redemption	2
Notice of Redemption	2
Authorization for the Issuance of the Bonds.....	3
Purpose of the Bonds	3
Payment of Bonds	3
DESCRIPTION OF THE NOTES	3
General Description	3
Optional Redemption	4
Authorization for the Issuance of the Notes.....	4
Purpose of the Notes	4
Payment of Notes	6
SECURITY FOR THE BONDS AND NOTES	6
NO DEFAULT	6
MARKET PROTECTION.....	6
BOOK-ENTRY SYSTEM.....	6
Discontinuance of Book-Entry System	8
CITY OF JERSEY CITY	8
RECENT FINANCIAL RESULTS AND FINANCIAL OUTLOOK.....	9
Financial Overview	9
Financial Results	9
PROVISIONS FOR THE PROTECTION OF GENERAL OBLIGATION DEBT	9
Procedure for Authorization	9
Local Bond Law (N.J.S.A. 40A:2-1 <u>et seq.</u>).....	10
Short Term Financing	10
Refunding Bonds (N.J.S.A. 40A:2-51 <u>et seq.</u>).....	10
Statutory Debt Limitation (N.J.S.A. 40A:2-6 <u>et seq.</u>).....	11
Exceptions to Debt Limitation – Extensions of Credit (N.J.S.A. 40A:2-7 <u>et seq.</u>)	11
Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 <u>et seq.</u>).....	11
Annual Financial Statement (N.J.S.A. 40A:5-12 <u>et seq.</u>)	11
Investment of Municipal Funds	12
DEBT INFORMATION OF THE CITY	12
FINANCIAL MANAGEMENT.....	12
Accounting and Reporting Practices	12
Local Budget Law (N.J.S.A. 40A:4-1 <u>et seq.</u>).....	13
Local Examination of Budgets (N.J.S.A. 40A:4-78(b))	13
State Supervision (N.J.S.A. 52:27BB-1 <u>et seq.</u>).....	13
Limitations on Expenditures ("Cap Law") (N.J.S.A. 40A:4-45.1, <u>et seq.</u>).....	14
Deferral of Current Expenses	14
Budget Transfers	15

TABLE OF CONTENTS

(cont'd)

	Page
Anticipation of Real Estate Taxes.....	15
Anticipation of Miscellaneous Revenues.....	15
CAPITAL IMPROVEMENT PROGRAM.....	16
RECENT HEALTHCARE DEVELOPMENTS	16
AMERICAN RESCUE PLAN ACT OF 2021	16
CLIMATE.....	17
CYBERSECURITY.....	17
TAX ASSESSMENT AND COLLECTION.....	17
Assessment and Collection of Taxes	17
Tax Appeals.....	18
TAX MATTERS	19
Federal Income Tax Treatment	19
[Original Issue Premium]	19
[Original Issue Discount].....	19
Additional Federal Income Tax Consequences Relating to Bonds and Tax-Exempt Notes	20
State Taxation.....	20
Prospective Tax Law Changes.....	20
Other Tax Consequences.....	20
LEGALITY FOR INVESTMENT	20
RISK TO HOLDERS OF BONDS AND NOTES	21
Municipal Bankruptcy.....	21
Remedies of Holders of Bonds or Notes (N.J.S.A. 52:27-1 <u>et seq.</u>)	21
CERTIFICATES OF THE CITY.....	22
APPROVAL OF LEGAL PROCEEDINGS	22
ADDITIONAL INFORMATION	22
MUNICIPAL ADVISOR	22
LITIGATION	23
COMPLIANCE WITH SECONDARY MARKET DISCLOSURE REQUIREMENTS FOR THE BONDS.....	23
COMPLIANCE WITH SECONDARY MARKET DISCLOSURE REQUIREMENTS FOR THE NOTES	23
PREPARATION OF OFFICIAL STATEMENT	24
RATINGS	24
UNDERWRITING.....	25
FINANCIAL STATEMENTS	25
MISCELLANEOUS.....	25

TABLE OF CONTENTS
(cont'd)

Page

APPENDIX A	
Certain General Information Concerning the City of Jersey City, in the County of Hudson, State of New Jersey	A-1
APPENDIX B	
Independent Auditor's Report and Audited Financial Statements	B-1
APPENDIX C	
Form of Approving Legal Opinion for the Bonds	C-1
APPENDIX D	
Forms of Approving Legal Opinions for the Notes	D-1
APPENDIX E	
Form of Continuing Disclosure Certificate for the Bonds	E-1
APPENDIX F	
Form of Continuing Disclosure Certificate for the Notes	F-1

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OFFICIAL STATEMENT
OF THE
CITY OF JERSEY CITY
IN THE COUNTY OF HUDSON, STATE OF NEW JERSEY
RELATING TO
\$124,450,000* GENERAL IMPROVEMENT BONDS, SERIES 2025
AND
\$92,028,000 GENERAL OBLIGATION NOTES
Consisting of:
\$86,028,000 BOND ANTICIPATION NOTES, SERIES 2025C (TAX-EXEMPT)
And
\$6,000,000 SPECIAL EMERGENCY NOTES, SERIES 2025D (FEDERALLY TAXABLE)

INTRODUCTION

The purpose of this Official Statement is to provide certain information regarding the financial and economic condition of the City of Jersey City (the "City"), in the County of Hudson (the "County"), State of New Jersey (the "State"), in connection with the sale and issuance of \$124,450,000* General Improvement Bonds, Series 2025 (the "Bonds"), and \$92,028,000 aggregate principal amount of General Obligation Notes, consisting of \$86,028,000 Bond Anticipation Notes, Series 2025C (Tax-Exempt) (the "Tax-Exempt Notes") and \$6,000,000 Special Emergency Notes, Series 2025D (Federally Taxable) (the "Taxable Notes", and together with the Tax-Exempt Notes, the "Notes") of the City. This Official Statement, which includes the cover page, inside front cover page and appendices attached hereto, has been authorized by the City Council of the City, and executed by and on behalf of the City by its Chief Financial Officer, and is being distributed in connection with the sale of the Bonds and Notes.

This Official Statement contains specific information relating to the Bonds and Notes including their general description, the purposes of their issuance, a summary of borrowing procedures, certain matters affecting the financing, certain legal matters, historical financial information and other information pertinent to the issuance and sale of the Bonds and the Notes. This Official Statement should be read in its entirety.

All financial and other information presented herein has been provided by the City from its records, except for information expressly attributed to other sources. The presentation of information is intended to show recent historical information and, but only to the extent specifically provided herein, certain projections of the immediate future, and is not necessarily indicative of future or continuing trends in the financial position or other affairs of the City.

This Official Statement is "deemed final", as of its date, within the meaning of Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "Rule").

DESCRIPTION OF THE BONDS

General Description

The Bonds are dated the date of delivery thereof and shall bear interest at the rates shown on the inside front cover page hereof from such date, and shall be payable semi-annually on the first (1st) day of April and October of each year (each an "Interest Payment Date"), commencing April 1, 2026, until maturity or prior

* Preliminary, subject to change.

redemption. Interest on the Bonds is calculated on the basis of twelve (12) thirty (30) day months in a three hundred sixty (360) day year and will be paid by check, draft or wire transfer mailed, transmitted or delivered to the registered owners of the Bonds as of each respective March 15 and September 15 preceding each Interest Payment Date (the "Record Dates"), at the address shown on the registration books for the Bonds kept for that purpose by the City's Chief Financial Officer or Director of the Department of Finance, as Registrar and Paying Agent.

The Bonds will mature on October 1 in each of the years and in the respective principal amounts as set forth on the inside front cover page.

The Bonds, when issued, will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, Brooklyn, New York ("DTC"). DTC will act as securities depository (the "Securities Depository") for the Bonds. Purchases of beneficial ownership interests in the Bonds will be made in book-entry form, without certificates, in denominations of \$5,000 each or any integral multiple of \$1,000 in excess thereof, through book entries made on the books and records of DTC and its participants. Under certain circumstances, such beneficial interests in the Bonds are exchangeable for one or more fully registered Bond certificates of like series, maturity and tenor in authorized denominations.

The Bond certificates will be on deposit with DTC. DTC will be responsible for maintaining a book-entry system for recording the interests of its participants and transfers of the interests among its participants. The participants will be responsible for maintaining records regarding the beneficial ownership interests in the Bonds on behalf of the individual purchasers. Individual purchasers of the Bonds will not receive certificates representing their beneficial ownership interests in the Bonds, but each book-entry owner will receive a credit balance on the books of its nominee, and this credit balance will be confirmed by an initial transaction statement stating the details of the Bonds purchased. So long as DTC or its nominee, Cede & Co., is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made directly by the City as Paying Agent, or a duly designated paying agent as may be designated by the City, to Cede & Co. Disbursement of such payments to the DTC Participants (as hereinafter defined) is the responsibility of DTC and disbursement of such payments to the owners of beneficial interests in the Bonds is the responsibility of the DTC Participants and Indirect Participants (as hereinafter defined). See "BOOK-ENTRY ONLY SYSTEM" herein.

Optional Redemption

The Bonds of this issue maturing prior to October 1, 2033 are not subject to redemption prior to their stated maturities. The Bonds of this issue maturing on or after October 1, 2033 are subject to redemption, at the option of the City, as a whole or in part, on any date on or after October 1, 2032, upon notice as required herein, at a redemption price equal to one hundred percent (100%) of the principal amount thereof being redeemed (the "Redemption Price"), plus accrued interest to the date fixed for redemption.

Notice of Redemption

Notice of redemption ("Notice of Redemption") shall be given by mailing such notice at least thirty (30) days but not more than sixty (60) days before the date fixed for redemption by first class mail in a sealed envelope with postage prepaid to the registered owners of such Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the City or a duly appointed Bond Registrar. So long as DTC (or any successor thereto) acts as Securities Depository for the Bonds, Notice of Redemption shall be sent to such Securities Depository and shall not be sent to the beneficial owners of the Bonds. Any failure of the Securities Depository to advise any of its participants or any failure of any participant to notify any beneficial owner of any Notice of Redemption shall not affect the validity of the redemption proceedings. If the City determines to redeem a portion of the Bonds prior to maturity, such Bonds shall be selected by the City. The Bonds to be redeemed having the same maturity shall be selected by the Securities Depository in accordance with its regulations.

If Notice of Redemption has been given as provided herein, the Bonds or the portion thereof called for redemption shall be due and payable on the date fixed for redemption at the Redemption Price, together with accrued interest to the date fixed for redemption. Interest shall cease to accrue on the Bonds after the date fixed for redemption.

Authorization for the Issuance of the Bonds

The Bonds are authorized by, and are issued pursuant to, (i) the provisions of the Local Bond Law of the State of New Jersey, N.J.S.A. 40A:2-1 *et seq.*, as amended and supplemented (the “Local Bond Law”); (ii) a bond ordinance duly adopted by the City Council of the City on the date set forth in the chart below under the subheading “Purpose of the Bonds”, approved by the Mayor, and published as required by law; and (iii) a resolution duly adopted by the City Council of the City on September 24, 2025 (the “Resolution”).

The bond ordinance authorizing the Bonds was published in full or in summary after its final adoption along with the statement that the twenty (20) day period of limitation within which a suit, action or proceeding questioning the validity of such bond ordinance could be commenced began to run from the date of the first publication of such statement. The Local Bond Law provides that, after issuance, all obligations shall be conclusively presumed to be fully authorized and issued by all laws of the State, and all persons shall be estopped from questioning their sale, execution or delivery by the City. Such estoppel period has concluded as of the date of this Official Statement.

Purpose of the Bonds

The Bonds are being issued to refund, on a current basis, a \$124,450,000 principal portion of prior outstanding bond anticipation notes of the City issued in the aggregate principal amount of \$181,450,000 on October 23, 2024 and maturing on October 22, 2025 (the “Prior Bond Anticipation Notes”) (a \$57,000,000 portion of the Prior Bond Anticipation Notes will be currently refunded through the issuance of the Tax-Exempt Notes).

The purposes for which the Bonds are to be issued have been authorized by a duly adopted, approved and published bond ordinance of the City, which bond ordinance is described in the following table by Ordinance Number, Description and Date of Final Adoption and the Amount of Bonds to be issued for such purposes. The bond ordinance is:

<u>\$124,450,000*</u>		
<u>General Improvement Bonds, Series 2025</u>		
Ordinance Number	Description and Date of Final Adoption	Amount of Bonds
22-034	Various Capital Improvements, finally adopted 4/13/2022	<u>\$124,450,000</u>
	TOTAL	<u>\$124,450,000*</u>

Payment of Bonds

As hereinafter stated, the Bonds are general obligations of the City for which the full faith and credit of the City will be pledged. The City is authorized and required by law to levy *ad valorem* taxes upon all taxable property within the City for the payment of principal of and interest on the Bonds without limitation as to rate or amount.

DESCRIPTION OF THE NOTES

General Description

Each series of the Notes shall be dated the date of delivery thereof and shall bear interest at the rates as indicated on the front cover page of this Official Statement, payable upon the maturity date thereof. Interest on the Notes is calculated on the basis of twelve (12) thirty (30) day months in a three hundred sixty (360) day year.

* Preliminary, subject to change.

The Notes will be issued as fully registered notes in book-entry form, and when issued, one certificate for the principal amount of each series of the Notes will be registered in the name of and held by Cede & Co., as nominee of DTC. DTC will act as Securities Depository for the Notes. Principal of and interest on the Notes will be payable by the City or a duly designated paying agent on the date of maturity thereof by wire transfer of immediately available funds to DTC or its nominee, Cede & Co. Purchases of beneficial ownership interests in the Notes will be made in book-entry form, without certificates, in denominations of \$5,000 each or any integral multiple of \$1,000 in excess thereof, through book entries made on the books and records of DTC and its participants. Under certain circumstances, such beneficial interests in the Notes are exchangeable for one or more fully registered Note certificates in authorized denominations.

The Note certificates will be on deposit with DTC. DTC will be responsible for maintaining a book-entry system for recording the interests of its participants and transfers of the interests among its participants. The participants will be responsible for maintaining records regarding the beneficial ownership interests in the Notes on behalf of the individual purchasers. Individual purchasers of the Notes will not receive certificates representing their beneficial ownership interests in the Notes, but each book-entry owner will receive a credit balance on the books of its nominee, and this credit balance will be confirmed by an initial transaction statement stating the details of the Notes purchased. So long as DTC or its nominee, Cede & Co., is the registered owner of the Notes, payments of the principal of and interest on the Notes will be made by the City or a duly designated paying agent directly to DTC or its nominee, Cede & Co., which will in turn remit such payments to DTC Participants and Indirect Participants, which will in turn remit such payments to the beneficial owners of the Notes. See "BOOK-ENTRY SYSTEM" herein.

Optional Redemption

The Notes are not subject to redemption prior to their stated maturity.

Authorization for the Issuance of the Notes

The Tax-Exempt Notes are authorized by, and are issued pursuant to, (i) the provisions of the Local Bond Law; (ii) various bond ordinances duly adopted by the City Council of the City on the dates set forth in the chart on the following page under the subheading "Purpose of the Notes", approved by the Mayor, and published as required by law; and (iii) the Resolution.

The Taxable Notes are authorized by, and are issued pursuant to, (i) the provisions of the Local Budget Law of the State of New Jersey, N.J.S.A. 40A:4-1 et seq., as amended and supplemented (the "Local Budget Law"), (ii) various special emergency ordinances duly adopted by the City Council of the City on the dates set forth in the chart on the following page under the subheading "Purpose of the Notes", approved by the Mayor, and published as required by law, (iii) special emergency resolutions duly adopted by the City Council of the City, and (iv) the Resolution.

The bond ordinances authorizing the Notes were published in full or in summary after their final adoption along with the statement that the twenty (20) day period of limitation within which a suit, action or proceeding questioning the validity of such bond ordinances could be commenced began to run from the date of the first publication of such statement. The Local Bond Law and Local Budget Law provide that after issuance, all obligations shall be conclusively presumed to be fully authorized and issued by all laws of the State, and all persons shall be estopped from questioning their sale, execution or delivery by the City. Such estoppel period has concluded as of the date of this Official Statement.

Purpose of the Notes

The Tax-Exempt Notes are being issued to (i) refund, on a current basis, a \$57,000,000 principal portion of the remaining Prior Bond Anticipation Notes, and (ii) temporarily finance various capital improvements in and for the City in the amount of \$29,028,000.

The Taxable Notes are being issued to refund, on a current basis, a \$6,000,000 principal portion of prior special emergency notes issued in the principal amount of \$12,600,000 on October 23, 2024 and maturing on October 22, 2025 (the "Prior Special Emergency Notes"), which Prior Special Emergency Notes were originally issued to temporarily finance the cost of special emergency appropriations of the City for contractually required severance liabilities due and payable to certain employees of the City (the remaining

balance of the Prior Special Emergency Notes will be paid by a 2025 budget appropriation in the amount of \$6,600,000).

The Tax-Exempt Notes and the improvements or purposes for which the Tax-Exempt Notes are to be issued have been authorized by various bond ordinances duly adopted by the City Council of the City, which bond ordinances are described on the following table by Ordinance Number, Description and Date of Final Adoption, and the Amount of Tax-Exempt Notes to be issued for such purposes. The bond ordinances are as follows:

\$86,028,000
Bond Anticipation Notes, Series 2025C (Tax-Exempt)

Ordinance Number	Description and Date of Final Adoption	Amount of Tax-Exempt Notes
17-146	Acquisition of Street Sweepers for the Department of Public Works, finally adopted 10/25/2017	\$2,600,000
22-099	Construction, Reconstruction, Rehabilitation, Improvement and Repair of Various Public Buildings, finally adopted 12/14/2022	\$11,428,000
22-111	Transfer of Loew's Jersey Theatre Property to Jersey City Redevelopment Agency to Implement Journal Square 2060 Redevelopment Plan, finally adopted 1/11/2023	\$15,000,000
24-047	Various Capital Acquisitions and Improvements, finally adopted 6/26/2024	<u>\$57,000,000</u>
TOTAL		<u>\$86,028,000</u>

The Taxable Notes and the improvements or purposes for which the Taxable Notes are to be issued have been authorized by special emergency ordinances duly adopted by the City Council of the City, which special emergency ordinances are described on the following table by Ordinance Number, Description and Date of Final Adoption, and the Amount of Taxable Notes to be issued for such purposes. The special emergency ordinances are as follows:

\$6,000,000
Special Emergency Notes, Series 2025D (Federally Taxable)

Ordinance Number	Description and Date of Final Adoption	Amount of Taxable Notes
20-101	Providing for the Payment of Contractually Required Severance Liabilities, finally adopted 12/16/2020	\$0
21-073	Providing for the Payment of Contractually Required Severance Liabilities, finally adopted 11/29/2021	\$2,000,000
22-095	Providing for the Payment of Contractually Required Severance Liabilities, finally adopted 11/28/2022	<u>\$4,000,000</u>
TOTAL		<u>\$6,000,000</u>

Payment of Notes

As hereinafter stated, the Notes are general obligations of the City for which the full faith and credit of the City will be pledged. The City is authorized and required by law to levy *ad valorem* taxes on all taxable property within the City for the payment of principal of and interest on the Notes without limitation as to rate or amount.

SECURITY FOR THE BONDS AND NOTES

The Bonds and Notes are valid and legally binding general obligations of the City for which the full faith and credit of the City are irrevocably pledged for the punctual payment of the principal of and interest on the Bonds and Notes. Unless otherwise paid from other sources, the City has the power and is obligated by law to levy *ad valorem* taxes upon all the taxable property within the City for the payment of the principal of the Bonds and Notes and the interest thereon without limitation as to rate or amount.

The City is required by law to include the total amount of principal of and interest on all of its general obligation indebtedness, such as the Bonds and Notes, for the current year in each annual budget unless provision has been made for payment of such general obligation indebtedness from other sources. The enforceability of rights or remedies with respect to the Bonds and Notes may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights or remedies heretofore or hereafter enacted. See "RISK TO HOLDERS OF BONDS AND NOTES" herein.

The Bonds and Notes are not a debt or obligation, legal, moral or otherwise, of the State or any county, municipality or political subdivision thereof, other than the City.

The Bonds and Notes are not entitled to the benefits of the Municipal Qualified Bond Act, Title 40A of the New Jersey Statutes, Section 40A:3-1 et seq., as amended and supplemented, the School Qualified Bond Act, Title 18A of the New Jersey Statutes, Section 18A:24-85 et seq., as amended, or the New Jersey School Bond Reserve Act, P.L. 1980 (N.J.S.A. 18A:56-17 et seq.).

NO DEFAULT

There is no report of any default in the payment of the principal of, redemption premium, if any, and interest on the bonds, notes or other obligations of the City as of the date hereof.

MARKET PROTECTION

Other than the Bonds and the Notes, the City does not presently expect to issue any debt obligations within the next ninety (90) days.

BOOK-ENTRY SYSTEM

The description which follows of the procedures and record keeping with respect to beneficial ownership interests in the Bonds and Notes, payment of principal and interest, and other payments on the Bonds and Notes to DTC Participants or Beneficial Owners (as such terms are defined or used herein), confirmation and transfer of beneficial ownership interests in the Bonds and Notes and other related transactions by and between DTC, DTC Participants and Beneficial Owners, is based on certain information furnished by DTC to the City. Accordingly, the City does not make any representations concerning these matters.

DTC will act as securities depository for the Bonds and Notes. The Bonds and Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds as set forth on the inside front cover page hereof, and will be deposited with DTC. One fully registered Note certificate will be issued for each series of the Notes in the principal amount of each series of the Notes, as set forth on the cover page hereof, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a

member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds or Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds or Notes on DTC's records. The ownership interest of each actual purchaser of Bonds or Notes ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds or Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds or Notes, except in the event that use of the book-entry system for the Bonds or Notes is discontinued.

To facilitate subsequent transfers, all Bonds or Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds or Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds or Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds or Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds or Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds or Notes, such as redemptions, tenders, defaults, and proposed amendments to the Bond or Note documents. For example, Beneficial Owners of the Bonds or Notes may wish to ascertain that the nominee holding the Bonds or Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners, or in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds or Notes, unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds or Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds and Notes will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct

Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, nor its nominee, Paying Agent or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest on the Bonds and Notes to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds or Notes at any time by giving reasonable notice to the City or Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond and Note certificates are required to be printed and delivered.

The City, or the Paying Agent, upon direction of the City, may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond and Note certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

Discontinuance of Book-Entry System

In the event that the book-entry system is discontinued and the Beneficial Owners become registered owners of the Bonds or Notes, the following provisions apply: (i) the Bonds or Notes may be exchanged for an equal aggregate principal amount of Bonds or Notes in authorized denominations and of the same maturity, upon surrender thereof at the office of the City or Paying Agent; (ii) the transfer of any Bonds or Notes may be registered on the books maintained by the City or Paying Agent for such purposes only upon the surrender thereof to the City or Paying Agent together with the duly executed assignment in form satisfactory to the City or Paying Agent; and (iii) for every exchange or registration of transfer of Bonds or Notes, the City or Paying Agent may make a charge sufficient to reimburse for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer of the Bonds or Notes. Interest on the Bonds or Notes will be payable by check or draft, mailed on the Interest Payment Date to the registered owners thereof.

CITY OF JERSEY CITY

The City is New Jersey's second largest municipality with a population of 292,449 according to the United States Department of Commerce's 2020 Census. The City is located on the west side of the Hudson River, directly across from lower Manhattan in New York City, and is part of the major business and industrial concentration spanning the New York - Northern New Jersey metropolitan area.

The City's land area is 15.8 square miles, including a five mile long stretch of Hudson River waterfront that has experienced considerable high rise office tower, residential and multi-family development over the past ten years. The City is connected to New York City by the Holland Tunnel and the PATH railroad tubes and is within ten miles of the Newark International Airport and the container and cargo facilities of Port Newark-Elizabeth. The City is located in the County of Hudson. The City's size and current development activity cause it to dominate the economy of Hudson County (the Jersey City Labor Area). The City also serves as the seat of the County government. Of the approximately 275,000 persons employed in the County, approximately 43% are employed in Jersey City. For additional information regarding the City and its finances, see "APPENDIX A - Certain General Information Concerning the City of Jersey City, in the County of Hudson, State of New Jersey".

RECENT FINANCIAL RESULTS AND FINANCIAL OUTLOOK

Financial Overview

Appendix A contains information relative to the financial operations of the City. Over the last few years, the City's financial position has improved due to structurally balanced operations and strong prospects for continued tax base growth. The City has benefited from successful efforts to raise additional recurring revenues while reducing personnel related expenditures.

The calendar year that ended December 31, 2024 resulted in a deficit of \$1,640,372.75 in operations and the City's unaudited fund balance was \$33,455,677. The calendar year that ended December 31, 2023 resulted in an excess of \$17,930,389.75 in operations and the City's unaudited fund balance was \$57,044,404.55. The calendar year that ended December 31, 2022 resulted in an excess of \$81,476,263 in operations and the City's unaudited fund balance was \$107,411,575. The calendar year that ended December 31, 2021 resulted in a deficit of \$92,939,388 in operations and the City's audited fund balance was \$25,935,312. The calendar year that ended December 31, 2020 resulted in an excess of \$23,368,802 in operations and the City's audited fund balance was \$43,528,930. The calendar year that ended December 31, 2019 resulted in an excess of \$25,702,736 in operations and the City's audited fund balance was \$55,512,431.

Financial Results

2025 Budget. The City's budget for the 2025 Calendar year was introduced on April 23, 2025 and was adopted on September 17, 2025. The Municipal Tax Levy increased to \$384,974,613. The City's 2025 budget anticipates \$65,156,648 in State Aid.

2024 Budget. The City's budget for the 2024 Calendar year was introduced on May 8, 2024 and adopted on August 14, 2024. The Municipal Tax Levy increased to \$368,302,283.09. The City's 2024 budget realized \$71,784,564.00 in State Aid.

2023 Budget. The City's budget for the 2023 Calendar year was introduced on May 10, 2023 and adopted on August 16, 2023. The Municipal Tax Levy increased to \$349,926,168.84. The City's 2023 budget realized \$64,836,191.00 in State Aid.

2022 Budget. The City's budget for the 2022 Calendar year was introduced on June 15, 2022 and adopted on October 26, 2022. The Municipal Tax Levy increased to \$319,566,148.10. The City's 2022 budget realized \$67,724,631 in State Aid.

2021 Budget. The City's budget for the 2021 Calendar year was introduced on June 16, 2021 and adopted on September 1, 2021. The Municipal Tax Levy decreased to \$207,394,643. The City's 2021 budget realized \$65,113,285 in State Aid.

2020 Budget. The City's budget for the 2020 Calendar year was introduced on February 13, 2020 and adopted on August 25, 2020. The Municipal Tax Levy increased to \$266,727,890. The City's 2020 budget realized \$65,149,580 in State Aid.

2019 Budget. The City's budget for the 2019 Calendar year was introduced on March 27, 2019 and adopted on August 5, 2019. The Municipal Tax Levy increased to \$247,989,793. The City's 2019 budget realized \$66,221,886 in State Aid.

PROVISIONS FOR THE PROTECTION OF GENERAL OBLIGATION DEBT

Procedure for Authorization

The City has no constitutional limit on its power to incur indebtedness other than that it may issue obligations only for public purposes pursuant to State statutes. The authorization and issuance of City debt, including the purpose, amount and nature thereof, the method and manner of the incurrence of such debt, the maturity and terms of repayment thereof, and other related matters are statutory. The City is not required to submit the proposed incurrence of indebtedness to a public referendum.

The City, by bond ordinance, may authorize and issue negotiable obligations for the financing of any capital improvement or property which it may lawfully acquire, or any purpose for which it is authorized or required by law to make an appropriation, except current expenses and payment of obligations (other than those for temporary financings). Bond ordinances must be finally adopted by the recorded affirmative vote of at least two-thirds of the full membership of the City Council and approved by the Mayor. The Local Bond Law requires publication and posting of the bond ordinance. If the bond ordinance requires approval or endorsement of the State, it cannot be finally adopted until such approval has been received. The Local Bond Law provides that a bond ordinance shall take effect twenty (20) days after the first publication thereof after final adoption. At the conclusion of the twenty-day period all challenges to the validity of the obligations authorized by such bond ordinance shall be precluded except for constitutional matters. Moreover, after issuance, all obligations are conclusively presumed to be fully authorized and issued by all laws of the State and any person shall be estopped from questioning their sale, execution or delivery by the City.

Local Bond Law (N.J.S.A. 40A:2-1 et seq.)

The Bonds and Tax-Exempt Notes are being issued pursuant to the provisions of the Local Bond Law. The Local Bond Law governs the issuance of bonds and bond anticipation notes to finance certain municipal capital expenditures. Among its provisions are requirements that bonds or notes must mature within the statutory period of usefulness of the projects being financed, that bonds be retired in serial or sinking fund installments, and that, unlike school debt, and with some exceptions, including self-liquidating obligations and the improvements involving State grants, a five percent (5%) cash down payment must be generally provided. Such down payment must have been raised by budgetary appropriations, from cash on hand previously contributed for the purpose or by emergency resolution adopted pursuant to the Local Budget Law, N.J.S.A. 40A:4-1 et seq., as amended and supplemented (the "Local Budget Law"). All bonds and notes issued by the City are general "full faith and credit" obligations.

Short Term Financing

Local governmental units (including the City) may issue bond anticipation notes to temporarily finance a capital improvement or project in anticipation of the issuance of bonds if the bond ordinance or subsequent resolution so provides. Such bond anticipation notes for capital improvements may be issued in an aggregate amount not exceeding the amount of bonds authorized in the ordinance, as may be amended and supplemented, creating such capital expenditure. A local unit's bond anticipation notes may be issued and renewed for periods not exceeding one (1) year, with the final maturity occurring and being paid no later than the first day of the fifth month following the close of the tenth fiscal year after the original issuance of the notes, provided that no notes may be renewed beyond the third anniversary date of the original notes and each anniversary date thereafter, unless an amount of such note at least equal to the first legally payable installment of the anticipated bonds (the first year's principal payment), is paid and retired from funds other than the proceeds of obligations on or before the third anniversary date and each anniversary date thereafter.

The issuance of tax anticipation notes by a municipality is limited in amount by the provisions of the Local Budget Law and may be renewed from time to time, but, in the case of a municipality such as the City, all such notes and renewals thereof must mature not later than 120 days after the end of the fiscal year in which such notes were issued.

Refunding Bonds (N.J.S.A. 40A:2-51 et seq.)

Refunding bonds may be issued by a local unit pursuant to the Local Bond Law for the purpose of paying, funding or refunding its outstanding bonds, including temporary emergency appropriations, emergency appropriations, the actuarial liabilities of a non-State administered public employee pension system, the present value of unfunded accrued liabilities for State administered early retirement incentive benefits, amounts owing to others for taxes levied in the local unit, or any renewals or extensions thereof, and for paying the cost of issuance of refunding bonds. Refunding bonds issued to pay, fund, or refund outstanding bonds may be issued in accordance with N.J.A.C. 5:30-2.5 and, therefore, no approval is required by the Local Finance Board, in the Division of Local Government Services, New Jersey Department of Community Affairs (the "Local Finance Board"); however, the details of the sale, issuance and delivery of the refunding bonds will be delivered to the Local Finance Board within ten (10) days of the delivery of the refunding bonds.

Statutory Debt Limitation (N.J.S.A. 40A:2-6 et seq.)

There are statutory requirements which limit the amount of debt which the City is permitted to authorize. The authorized bonded indebtedness of a city is limited by the Local Bond Law and other laws to an amount equal to three and one-half percent (3 1/2%) of its stated average equalized valuation basis, subject to certain exceptions noted below. The stated equalized valuation basis is set by statute as the average of the equalized valuations of all taxable real property, together with improvements to such property, and the assessed valuation of certain Class II railroad property within the boundaries of the City for each of the last three (3) preceding years as annually certified in the valuation of all taxable real property, in the Table of Equalized Valuation by the Director of the Division of Taxation, in the New Jersey Department of the Treasury (the "Division of Taxation"). Certain categories of debt are permitted by statute to be deducted for the purposes of computing the statutory debt limit. The Local Bond Law permits the issuance of certain obligations, including obligations issued for certain emergency or self-liquidating purposes, notwithstanding the statutory debt limitation described above; but, with certain exceptions, it is then necessary to obtain the approval of the Local Finance Board. See "Exceptions to Debt Limitation-Extensions of Credit" herein.

As shown in APPENDIX A, the City has not exceeded its statutory debt limit.

Exceptions to Debt Limitation – Extensions of Credit (N.J.S.A. 40A:2-7 et seq.)

The debt limit of the City may be exceeded with the approval of the Local Finance Board. If all or any part of a proposed debt authorization is to exceed its debt limit, the City must apply to the Local Finance Board for an extension of credit. The Local Finance Board considers the request, concentrating its review on the effect of the proposed authorization on outstanding obligations and operating expenses and the anticipated ability to meet the proposed obligations. If the Local Finance Board determines that a proposed debt authorization is not unreasonable or exorbitant, that the purposes or improvements for which the obligations are issued are in the public interest and for the health, welfare and convenience or betterment of the inhabitants of the City and that the proposed debt authorization would not materially impair the credit of the City or substantially reduce the ability of the City to meet its obligations or to provide essential services that are in the public interest and makes other statutory determinations, approval is granted. In addition to the aforesaid, debt in excess of the debt limit may be issued to fund certain obligations, for self-liquidating purposes and, in each fiscal year, in an amount not exceeding two-thirds of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of obligations issued for utility or assessment purposes) plus two-thirds of the amount raised in the tax levy of the current fiscal year by the local unit for the payment of bonds or notes of any school district.

As shown in APPENDIX A, the City has not exceeded its debt limit.

Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et seq.)

The Local Fiscal Affairs, N.J.S.A. 40A:5-1 et seq., as amended and supplemented (the "Local Fiscal Affairs Law"), regulates the non-budgetary financial activities of local governments. An annual, independent audit of the local unit's accounts for the previous year must be performed by a Registered Municipal Accountant licensed in the State of New Jersey. The audit, conforming to the Division of Local Government Services, in the New Jersey Department of Community Affairs (the "Division") "Requirements of Audit", which must be completed within six (6) months (June 30) after the close of the City's fiscal year (December 31), includes recommendations for improvement of the local unit's financial procedures. The audit report must be filed with the City Clerk and is available for review during regular municipal business hours and shall, within five (5) days thereafter, be filed with the Director of the Division (the "Director"). A synopsis of the audit report, together with all recommendations made, must be published in a local newspaper within thirty (30) days of the City Clerk's receipt of the audit report. Accounting methods utilized in the conduct of the audit conform to practices prescribed by the Division, which practices differ in some respects from generally accepted in the United States.

Annual Financial Statement (N.J.S.A. 40A:5-12 et seq.)

An annual financial statement ("Annual Financial Statement") which sets forth the financial condition of a local unit for the fiscal year must be filed with the Division not later than January 26 (in the case of a

county) and not later than February 10 (in the case of a municipality) after the close of the calendar fiscal year, such as the City, or not later than August 10 of the State fiscal year for those municipalities which operate on the State fiscal year. The Annual Financial Statement is prepared either by the Chief Financial Officer or the Registered Municipal Accountant for the local unit. Such Annual Financial Statement reflects the results of operations for the year of the Current and Utility Funds. If the statement of operations results in a cash deficit, the deficit must be included in full in the succeeding year's budget. The entire annual financial statement is filed with the clerk of the local unit and is available for review during business hours.

Investment of Municipal Funds

Investment of funds by municipalities is governed by N.J.S.A. 40A:5-14 et seq. Such statute requires municipalities to adopt a cash management plan pursuant to the requirements outlined by said statute. Once a municipality adopts a cash management plan it must deposit or invest its funds pursuant to such plan. N.J.S.A. 40A:5-15.1 provides for the permitted securities a municipality may invest in pursuant to its cash management plan. Some of the permitted securities are as follows: (a) obligations of, or obligations guaranteed by, the United States of America ("Government Obligations"), (b) Government money market mutual funds which invest in securities permitted under the statute, (c) bonds of certain Federal Government agencies having a maturity date not greater than 397 days from the date of purchase, (d) bonds or other obligations of the particular municipality or school districts of which the local unit is a part or within which the school district is located, and (e) bonds or other obligations having a maturity date not greater than 397 days from the date of purchase and approved by the Division of Investment, in the New Jersey Department of the Treasury. Municipalities are required to deposit their funds in banks satisfying certain security requirements set forth in N.J.S.A. 17:9-41 et seq. Municipalities are required to deposit their funds in interest-bearing bank accounts to the extent practicable and other permitted investments.

DEBT INFORMATION OF THE CITY

The City must report all new authorizations of debt or changes in previously authorized debt to the Division through the filing of Supplemental and Annual Debt Statements. The Supplemental Debt Statement must be submitted to the Division before final passage of any debt authorization other than a refunding debt authorization. Before the end of the first month (January 31) of each fiscal year of the City, the City must file an Annual Debt Statement which is dated as of the last day of the preceding fiscal year (December 31) with the Division and with the City Clerk. This report is made under oath and states the authorized, issued and unissued debt of the City as of the previous December 31. Through the Annual and Supplemental Debt Statements, the Division monitors all local borrowing. Even though the City's authorizations are within its debt limits, the Division is able to enforce State regulations as to the amounts and purposes of local borrowings.

FINANCIAL MANAGEMENT

Accounting and Reporting Practices

The accounting policies of the City conform to the accounting principles applicable to local governmental units which have been prescribed by the Division. A modified accrual basis of accounting is followed with minor exceptions. Revenues are recorded as received in cash except for certain amounts which may be due from other governmental units and which are accrued. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the City's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the City which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue only when received. Expenditures are generally recorded on the accrual basis, except that unexpended appropriations at December 31, unless canceled by the governing body, are reported as expenditures with offsetting appropriation reserves. Appropriation reserves are available, until lapsed at the close of the succeeding fiscal year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are credited to the results of operations. As is the prevailing practice among municipalities and counties in the State, the City does not record obligations for accumulated unused vacation and sick pay.

Local Budget Law (N.J.S.A. 40A:4-1 et seq.)

The foundation of the State local finance system is the annual cash basis budget. Every local unit, including the City, must adopt an annual operating budget in the form required by the Division. Certain items of revenue and appropriation are regulated by law and the proposed operating budget cannot be finally adopted until it has been certified by the Director, or in the case of a local unit's examination of its own budget as described herein, such budget cannot be finally adopted until a local examination certificate has been approved by the Chief Financial Officer and governing body of the local unit. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service and the Director, or in the case of the local examination, the local unit may review the adequacy of such appropriations. Among other restrictions, the Director or, in the case of local examination, the local unit may examine the budget with reference to all estimates of revenue and the following appropriations: (a) payment of interest and debt redemption charges, (b) deferred charges and statutory expenditures, (c) cash deficit of the preceding year, (d) reserve for uncollected taxes, and (e) other reserves and non-disbursement items. Taxes levied are a product of total appropriations, less non-tax revenues, plus a reserve predicated on the prior year's collection experience.

The Director, in reviewing the budget, has no authority over individual operating appropriations, unless a specific amount is required by law, but the Director's budgetary review functions, focusing on anticipated revenues, and serves to protect the solvency of the local unit. Local budgets, by law and regulation, must be in balance on a "cash basis", i.e., the total of anticipated revenues must equal the total of appropriation. N.J.S.A. 40A:4-22. If in any year the City's expenditures exceed its realized revenues for that year, then such excess (deficit) must be raised in the succeeding year's budget.

In accordance with the Local Budget Law and related regulations, (i) each local unit, with a population of 10,000 persons, must adopt and annually revise a six (6) year capital program, and (ii) each local unit, with a population under 10,000 persons, must adopt (with some exceptions) and annually revise a three (3) year capital program. The capital program, when adopted, does not constitute the appropriation of funds, but sets forth a plan of capital expenditures which the local unit may contemplate over the next six (6) years or the next three (3) years, as applicable. Expenditures for capital purposes may be made either by ordinances adopted by the governing body which set forth the items and the methods of financing, or from the annual operating budget. See "CAPITAL IMPROVEMENT PROGRAM" herein.

Municipal public utilities are supported by the revenues generated by the respective operations of the utilities, in addition to the general taxing power upon real property. For each utility, there is established a separate budget. The anticipated revenues and appropriations for each utility are set forth in the separate section of the budget. The budget is required to be balanced and to provide fully for debt service. The regulations regarding anticipation of revenues and deferral of charges apply equally to the budgets of the utilities. Deficits or anticipated deficits in utility operations which cannot be provided for from utility surplus, if any, are required to be raised in the "current" or operating budget.

Local Examination of Budgets (N.J.S.A. 40A:4-78(b))

Chapter 113 of the Laws of New Jersey of 1996 (N.J.S.A. 40A:4-78(b)) authorizes the Local Finance Board to adopt rules that permit certain municipalities to assume the responsibility, normally granted to the Director, of conducting the annual budget examination required by the Local Budget Law. Since 1997 the Local Finance Board has developed regulations that allow "eligible" and "qualifying" municipalities to locally examine their budget every two (2) of three (3) years. Under the regulations prescribed by the Local Finance Board, the City was ineligible for local examination of its budget in 2025. The City has adopted its 2025 budget in accordance with the procedures described under the heading entitled, "FINANCIAL MANAGEMENT – Local Budget Law (N.J.S.A. 40A: 4-1 et seq.)".

State Supervision (N.J.S.A. 52:27BB-1 et seq.)

State law authorizes State officials to supervise fiscal administration in any municipality which is in default on its obligations; which experiences severe tax collection problems for two (2) successive years; which has a deficit greater than four percent (4%) of its tax levy for two (2) successive years; which has failed to make payments due and owing to the State, county, school district or special district for two (2) consecutive years; which has an appropriation in its annual budget for the liquidation of debt which exceeds

twenty-five percent (25%) of its total operating appropriations (except dedicated revenue appropriations) for the previous budget year; or which has been subject to a judicial determination of gross failure to comply with the Local Bond Law, the Local Budget Law or the Local Fiscal Affairs Law which substantially jeopardizes its fiscal integrity. State officials are authorized to continue such supervision for as long as any of the conditions exist and until the municipality operates for a fiscal year without incurring cash deficit.

Limitations on Expenditures ("Cap Law") (N.J.S.A. 40A:4-45.1, et seq.)

N.J.S.A. 40A:4-45.3 places limits on municipal tax levies and expenditures. This law is commonly known as the "Cap Law" (the "Cap Law"). The Cap Law provides that the City shall limit any increase in its budget to 2.5% or the Cost-Of-Living Adjustment, whichever is less, of the previous year's final appropriations, subject to certain exceptions. The Cost-Of-Living Adjustment is defined as the rate of annual percentage increase, rounded to nearest half percent, in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services produced by the United States Department of Commerce for the year preceding the current year as announced by the Director. However, in each year in which the Cost-Of-Living Adjustment is equal to or less than 2.5%, the City may, by ordinance, approved by a majority vote of the full membership of the governing body, provide that the final appropriations of the City for such year be increased by a percentage rate that is greater than the Cost-Of-Living Adjustment, but not more than 3.5% over the previous year's final appropriations. See N.J.S.A. 40A:4-45.14. In addition, N.J.S.A. 40A:4-45.15a restored "CAP" banking to the Local Budget Law. Municipalities are permitted to appropriate available "CAP Bank" in either of the next two (2) succeeding years' final appropriations. Along with the permitted increases for total general appropriations there are certain items that are allowed to increase outside the "CAP".

Additionally, P.L. 2010, c.44, effective July 13, 2010, imposes a two percent (2%) cap on the tax levy of a municipality, county, fire district or solid waste collection district, with certain exceptions and subject to a number of adjustments. The exclusions from the limit include increases required to be raised for capital expenditures, including debt service, increases in pension contributions in excess of two percent (2%), certain increases in health care costs in excess of two percent (2%), and extraordinary costs incurred by a local unit directly related to a declared emergency. The governing body of a local unit may request approval, through a public question submitted to the legal voters residing in its territory, to increase the amount to be raised by taxation, and voters may approve increases above two percent (2%) not otherwise permitted under the law by an affirmative vote of fifty percent (50%).

The Division of Local Government Services has advised that counties and municipalities must comply with both budget "CAP" and the tax levy limitation. Neither the tax levy limitation nor the "CAP" law, however, limits the obligation of the City to levy *ad valorem* taxes upon all taxable property within the boundaries of the City to pay debt service on bonds and notes, including the Bonds and Notes.

Deferral of Current Expenses

Supplemental appropriations made after the adoption of the budget and determination of the tax rate may be authorized by the governing body of a local unit, including the City, but only to meet unforeseen circumstances, to protect or promote public health, safety, morals or welfare, or to provide temporary housing or public assistance prior to the next succeeding fiscal year. However, with certain exceptions described below, such appropriations must be included in full as a deferred charge in the following year's budget. Any emergency appropriation must be declared by resolution according to the definition provided in a provision of the Local Budget Law, N.J.S.A. 40A:4-48, -49, and approved by at least two-thirds of the full membership of the governing body, and shall be filed with the Director. If such emergency appropriations exceed three percent (3%) of the adopted operating budget, consent of the Director is required. N.J.S.A. 40A:4-49.

The exceptions are certain enumerated quasi-capital projects ("special emergencies") such as (i) the repair and reconstruction of streets, roads or bridges damaged by snow, ice, frost, or floods, which may be amortized over three (3) years, and (ii) the repair and reconstruction of streets, roads, bridges or other public property damaged by flood or hurricane, where such expense was unforeseen at the time of budget adoption, the repair and reconstruction of private property damaged by flood or hurricane, tax map preparation, re-evaluation programs, revision and codification of ordinances, master plan preparations, drainage map preparation for flood control purposes, studies and planning associated with the construction and installation of sanitary sewers, authorized expenses of a consolidated commission, contractually required severance liabilities resulting from the layoff or retirement of employees and the preparation of sanitary and storm system

maps, all of which projects set forth in this section (ii) may be amortized over five (5) years. N.J.S.A. 40A:4-53, -54, -55, -55.1. Additionally, a special emergency appropriation may be made to fund a deficit in prior year operations experienced by any municipality, utility, or enterprise during, or in the fiscal year immediately following, a fiscal year in which a public health emergency pursuant to the "Emergency Health Powers Act," P.L.2005, c.222 (C.26:13-1 et seq.), or a state of emergency, pursuant to P.L.1942, c.251 (C.App.A:9-33 et seq.), or both, has been declared by the Governor in response to COVID-19, the adoption of which shall be subject to approval of the Director. Such special emergency appropriation related to the COVID-19 pandemic may be amortized over five (5) years. Emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project as described above.

Budget Transfers

Budget transfers provide a degree of flexibility and afford a control mechanism for local units. Pursuant to N.J.S.A. 40A:4-58, transfers between major appropriation accounts are prohibited until the last two (2) months of the municipality's fiscal year. Appropriation reserves may be transferred during the first three (3) months of the current fiscal year to the immediately preceding fiscal year's budget. N.J.S.A. 40A:4-59. Both types of transfers require a two-thirds vote of the full membership of the governing body. Although sub-accounts within an appropriation are not subject to the same year-end transfer restriction, they are subject to internal review and approval. Generally, transfers cannot be made from the down payment account, the capital improvement fund, contingent expenses or from other sources as provided in the statute.

Anticipation of Real Estate Taxes

The same general principle that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. N.J.S.A 40A:4-29 sets limits on the anticipation of delinquent tax collections and provides that, "[t]he maximum which may be anticipated is the sum produced by the multiplication of the amount of delinquent taxes unpaid and owing to the local unit on the first day of the current fiscal year by the percentage of collection of delinquent taxes for the year immediately preceding the current fiscal year."

In regard to current taxes, N.J.S.A. 40A:4-41(b) provides that, "[r]eceipts from the collection of taxes levied or to be levied in the municipality, or in the case of a county for general county purposes and payable in the fiscal year shall be anticipated in an amount which is not in excess of the percentage of taxes levied and payable during the next preceding fiscal year which was received in cash by the last day of the preceding fiscal year."

This provision requires that an additional amount (the "reserve for uncollected taxes") be added to the tax levy required to balance the budget so that when the percentage of the prior year's tax collection is applied to the combined total, the sum will at least equal the tax levy required to balance the budget. The reserve requirement is calculated as follows:

$$\begin{array}{lcl} \text{Total of Local, County,} & - & \text{Anticipated Revenues} \\ \text{and School Levies} & & \\ \hline \text{Cash Required from Taxes to Support Local Municipal Budget and Other Taxes} & = & \text{Amount to be Raised by Taxation} \end{array}$$

Anticipation of Miscellaneous Revenues

N.J.S.A 40A:4-26 provides that, "[n]o miscellaneous revenues from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the director shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing, to the local unit."

No budget or amendment thereof shall be adopted unless the Director shall have previously certified his approval of such anticipated revenues except that categorical grants-in-aid contracts may be

included for their face amount with an offsetting appropriation. The fiscal years of such grants rarely coincide with a municipality's calendar fiscal year. Grant revenues are fully realized in the year in which they are budgeted by the establishment of accounts receivable and offsetting reserves.

CAPITAL IMPROVEMENT PROGRAM

In accordance with the Local Budget Law, the City must adopt and may from time to time amend rules and regulations for capital budgets, which rules and regulations must require a statement of capital undertakings underway or projected for a period not greater than over the next ensuing six (6) years as a general improvement program. The Capital Budget and Capital Improvement Program must be adopted as part of the annual budget pursuant to N.J.A.C. 5:30-4. The Capital Budget does not by itself confer any authorization to raise or expend funds, rather it is a document used for planning. Specific authorization to expend funds for such purposes must be granted, by a separate bond ordinance, by inclusion of a line item in the Capital Improvement Section of the budget, by an ordinance taking money from the Capital Improvement Fund, or other lawful means.

RECENT HEALTHCARE DEVELOPMENTS

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. On March 13, 2020, the President of the United States declared a national public health emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. The Governor of the State (the "Governor") declared a state of emergency and a public health emergency on March 9, 2020. In response to the COVID-19 pandemic, federal and State legislation and executive orders were implemented to mitigate the spread of the disease and provide relief to State and local governments. The pandemic and certain mitigation measures altered the behavior of businesses and people with negative impacts on regional, State and local economies. The national public health emergency and the State public health emergency have since ended, while the state of emergency declared by the State and several executive orders signed by the Governor remain to manage COVID-19 on an endemic level. Depending on future circumstances, ongoing actions could be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19, its variants or other critical health care challenges.

In order to provide additional means for local governmental units to address the financial impact of the COVID-19 outbreak, the Governor signed into law P.L. 2020, c. 74 ("Chapter 74") on August 31, 2020. Chapter 74, which took effect immediately, adds two new purposes to the list of special emergency appropriations which may be raised by municipalities or counties over a five year period (either through the issuance of special emergency notes or raised internally without borrowing). Specifically, Chapter 74 authorizes special emergency appropriations for: (1) direct COVID-19 response expenses; and (2) deficits in prior year's operations attributable to COVID-19 (the beginning of the five year repayment schedule is delayed by one year for these new purposes). Upon approval by the Director of the Division of Local Government Services, New Jersey Department of Community Affairs, in cases of significant fiscal distress, the five year period may be extended to up to ten years. In addition, the statute permits school districts and public authorities to issue debt with a maximum five year maturity schedule for direct COVID-19 expenses. Chapter 74 provides for State supervision of all local government unit borrowings related to the COVID-19 pandemic. The statute also grants the Director the authority to modify municipal budgeting rules concerning anticipated revenues in order to lessen the impact of revenue reductions due to COVID-19. The City is issuing the Taxable Notes pursuant to Chapter 74.

To date, the overall finances and operations of the City have not been materially adversely affected by the COVID-19 pandemic. Nonetheless, the degree of any future impact to the City's operations and finances is difficult to predict due to the dynamic nature of the COVID-19 pandemic and any additional actions that may be taken by governmental and other health care authorities to manage the COVID-19 pandemic.

AMERICAN RESCUE PLAN ACT OF 2021

The American Rescue Plan Act of 2021, H.R. 1319 (the "Plan"), signed into law by President Biden on March 11, 2021, provided \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic.

The Plan includes various forms of financial relief including up to a \$1,400 increase in direct stimulus payments and various other forms of economic relief, including extended unemployment benefits, continued eviction and foreclosure moratoriums, an increase in the child tax credit, an increase in food and housing aid, assistance grants to restaurants and bars, and other small business grants and loans. The Plan, in part, provides funding for state and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the City.

The City received \$139,971,935 in Federal Aid under the Plan, \$69,985,967.50 of which amount was received by the City on May 21, 2021 and \$69,985,967.50 of which amount was received on June 6, 2022. The deadline to commit the funds was December 31, 2024 and to spend the funds is December 31, 2026.

The City currently estimates that the COVID-19 pandemic will result in additional expenditures during the 2025 budget year. Continuous monitoring of revenues provide guidance that there are no additional material weaknesses resulting from the COVID-19 pandemic. However, the immediate and long-term impacts of the COVID-19 pandemic, and the federal and state responses thereto, remain fluid. Accordingly, the COVID-19 pandemic may have a material adverse impact on the City and its finances. The City is issuing the Taxable Notes to currently refund a portion of the Prior Special Emergency Notes, which Prior Special Emergency Notes were originally issued to temporarily finance the cost of special emergency appropriations of the City for contractually required severance liabilities due and payable to certain employees of the City.

CLIMATE

The State is naturally susceptible to the effects of extreme weather events and natural disasters, including floods, earthquakes and hurricanes, which could result in negative economic impacts on communities. Such effects can be exacerbated by a longer-term shift in the climate over several decades (commonly referred to as climate change), including increasing global temperatures and rising sea levels. The occurrence of such extreme weather events could damage local infrastructure that provides essential services to the City, as well as resulting in economic impacts such as loss of *ad valorem* tax revenue, interruption of municipal services, and escalated recovery costs. No assurance can be given as to whether future extreme weather events will occur that could materially adversely affect the financial condition of the City.

CYBERSECURITY

The City relies on a complex technology environment to conduct its various operations. As a result, the City faces certain cybersecurity threats at various times including, but not limited to, hacking, phishing, viruses, malware and other attacks on its computing and digital networks and systems. To mitigate the risks of business operations impact and/or damage from cybersecurity incidents or cyber-attacks, the City has invested in multiple forms of cybersecurity and operational safeguards. In addition, the City maintains certain insurance coverage for cyberattacks and related events. No assurances can be given that the City's efforts to manage cyber threats and attacks will be successful or that any such attack will not materially impact the operations or finances of the City.

TAX ASSESSMENT AND COLLECTION

Assessment and Collection of Taxes

Property valuations (assessments) are determined on true values as arrived at by the cost approach, market data approach and capitalization of net income (where applicable). Current assessments are the result of maintaining new assessments on a "like" basis with established comparable properties for newly assessed or purchased properties resulting in a decline of the assessment ratio to true value to its present level. This method assures equitable treatment to like property owners.

Upon the filing of certified adopted budgets by the City, the local school district and the County, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provisions for the assessment of property, levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4-1 et seq. Special taxing districts are

permitted in New Jersey for various special services rendered to the properties located within the special district.

For calendar year municipalities, tax bills are sent in June of the current fiscal year. Taxes are payable in four quarterly installments on February 1, May 1, August 1 and November 1. The August and November tax bills are determined as the full tax levied for municipal, county and school purposes for the current municipal fiscal year, less the amount charged as the February and May installments for municipal, county and school purposes in the current fiscal year. The amounts due for the February and May installments are determined as by the municipal governing body as either one-quarter or one-half of the full tax levied for municipal, county or school purposes for the preceding fiscal year.

Fiscal year municipalities follow the same general rationale for the billing of property taxes, however billing is processed semi-annually. The provisions of P.L. 1994, C. 72 changed the procedures for State fiscal year billing originally established in P.L. 1991, C. 75. Chapter 72 moves the billing calculation back on a calendar year basis, which permits tax levies to be proved more readily than before.

The formula used to calculate tax bills under P.L. 1994, C. 72 are as follows:

The third and fourth installments, for municipal purposes, would equal one-half of an estimated annual tax levy, plus the balance of the full tax levied during the current tax year for school, county and special district purposes. The balance of the full tax for non-municipal purposes is calculated by subtracting amounts due on a preliminary basis from the full tax requirement for the tax year. The first and second installments, for municipal purposes, will be calculated on a percentage of the previous year's billing necessary to bill the amount required to collect the full tax levy, plus the non-municipal portion, which represents the amount payable to each taxing district for the period of January 1 through June 30.

Tax installments not paid on or before the due date are subject to interest penalties of eight percent (8%) on the first \$1,500 of the delinquency and, then eighteen percent (18%) per annum on any amount in excess of \$1,500. A penalty of up to six percent (6%) of the delinquency in excess of \$10,000 may be imposed on a taxpayer who fails to pay that delinquency prior to the end of the tax year in which the taxes become delinquent. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with State Statutes. Tax title liens are periodically assigned to the City's Corporation Counsel (as defined herein) for in rem foreclosures in order to acquire title to these properties.

The provisions of Chapter 99 of the Laws of New Jersey of 1997 allow a municipality to sell its total property tax levy to the highest bidder either by public sale with sealed bids or by public auction. The purchaser shall pay the total property tax levy bid amount in quarterly installments or in one annual installment. Property taxes will continue to be collected by the municipal tax collector and the purchaser will receive as a credit against his payment obligation the amount of taxes paid to the tax collector. The purchaser is required to secure his payment obligation to the municipality by an irrevocable letter of credit or surety bond. The purchaser is entitled to receive all delinquent taxes and other municipal charges owing, due and payable upon collection by the tax collector. The statute sets forth bidding procedures, minimum bidding terms and requires the review and approval of the sale by the Division.

Tax Appeals

New Jersey Statutes provide a taxpayer with remedial procedures for appealing an assessed valuation that the taxpayer deems excessive. The taxpayer has a right to file a petition on or before the 1st day of April of the current tax year for its review or the 1st day of May for municipalities that have conducted revaluations. The County Board of Taxation and the Tax Court of New Jersey have the authority after a hearing to increase, decrease or reject the appeal petition. Adjustments by the County Board of Taxation are usually concluded within the current tax year and reductions are shown as cancelled or remitted taxes for that year. If the taxpayer believes the decision of the County Board of Taxation to be incorrect, appeal of the decision may be made to the Tax Court of New Jersey. State tax court appeals tend to take several years to conclude by settlement or trial and any losses in tax collection from prior years, after an unsuccessful trial or by settlement, are charged directly to operations.

TAX MATTERS

Federal Income Tax Treatment

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements which must be met at the time of, and on a continuing basis subsequent to, the issuance of the Bonds and the Tax-Exempt Notes in order for the interest on the Bonds and Tax-Exempt Notes to be and remain excluded from gross income for Federal income tax purposes under Section 103 of the Code. Noncompliance with such requirements could cause the interest on the Bonds or Tax-Exempt Notes to be included in gross income for Federal income tax purposes retroactive to the date of issuance of the Bonds and/or Tax-Exempt Notes, respectively. The City will represent in its applicable tax certificates relating to the Bonds and the Tax-Exempt Notes, respectively, that it expects and intends to comply, and will comply, to the extent permitted by law, with such requirements.

In the opinion of Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, Bond Counsel to the City ("Bond Counsel"), under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance by the City with the requirements of the Code and the representations and covenants made by the City in the tax certificates described above, interest on the Bonds and Tax-Exempt Notes is not includable in gross income of the owners of the Bonds and Tax-Exempt Notes, respectively, for Federal income tax purposes pursuant to Section 103 of the Code and is not treated as a preference item under Section 57 of the Code for purposes of computing the Federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the Federal alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022.

The Bonds and Tax-Exempt Notes will not be designated as "qualified tax-exempt obligations" as defined in and within the meaning of Section 265(b)(3) of the Code.

[Original Issue Premium]

[The Bonds maturing on October 1 in the years _____ through _____, inclusive (collectively, the "Premium Bonds") were purchased at a premium ("original issue premium") over the stated principal amounts of the Bonds. For Federal income tax purposes, original issue premium generally must be amortized over the term of the Premium Bonds. Amortizable bond premium is accounted for as reducing the tax-exempt interest on the Premium Bonds rather than creating a deductible expense or loss. Under Section 171(a)(2) of the Code, no deduction is allowed for the amortizable bond premium (determined in accordance with Section 171(b) of the Code) on tax-exempt bonds. Under Section 1016(a)(5) of the Code, however, an adjustment must be made to the purchaser's basis in the Premium Bonds to the extent of any amortizable bond premium that is disallowable as a deduction under Section 171(a)(2) of the Code. Holders of the Premium Bonds should consult their tax advisors for an explanation of the bond premium amortization rules.]

[Original Issue Discount]

[Bond Counsel is also of the opinion that the difference between the stated principal amount of the Bonds maturing on October 1 in the years ____ through ____, inclusive (collectively, the "Discount Bonds") and their respective initial public offering prices to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which prices a substantial amount of the Discount Bonds of the same maturity and interest rate were sold, constitutes original issue discount which is treated as interest and is excludable from gross income for Federal income tax purposes to the same extent described above. In the case of any holder of the Discount Bonds, the amount of such original issue discount which is treated as having accrued with respect to the Discount Bonds is added to the cost basis of the holder in determining, for Federal income tax purposes, gain or loss upon disposition (including sale, redemption or payment at maturity). Holders of the Discount Bonds should consult their tax advisors for an explanation of the original issue discount rules.]

Additional Federal Income Tax Consequences Relating to Bonds and Tax-Exempt Notes

Prospective purchasers of the Bonds and Tax-Exempt Notes should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Bonds and Tax-Exempt Notes, may have additional Federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty insurance companies, foreign corporations and certain S corporations. Prospective purchasers of the Bonds and Tax-Exempt Notes should also consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

State Taxation

Bond Counsel is further of the opinion that, under existing laws of the State, interest on the Bonds and Notes, and any gain on the sale thereof, are not includable in gross income of the holders thereof under the existing New Jersey Gross Income Tax Act, 1976 N.J. Laws c. 47, as amended.

Prospective Tax Law Changes

Federal, state or local legislation, administrative pronouncements or court decisions may affect the Federal tax-exempt status of interest on the Bonds and the Tax-Exempt Notes and the State tax-exempt status of interest on the Bonds and Notes, gain from the sale or other disposition of the Bonds and Notes, the market value of the Bonds and Notes, or the marketability of the Bonds and Notes. The effect of any legislation, administrative pronouncements or court decisions cannot be predicted. Prospective purchasers of the Bonds and Notes should consult their own tax advisors regarding such matters.

Other Tax Consequences

Except as described above, Bond Counsel expresses no opinion with respect to any Federal, state, local or foreign tax consequences of ownership of the Bonds and Notes. Bond Counsel renders its opinion under existing statutes, regulations, rulings and court decisions as of the date of issuance of the Bonds and Notes and assumes no obligation to update its opinion after such date of issuance to reflect any future action, fact, circumstance, change in law or interpretation, or otherwise. Bond Counsel expresses no opinion as to the effect, if any, on the tax status of the interest paid or to be paid on the Bonds and Notes as a result of any action hereafter taken or not taken in reliance upon an opinion of other counsel.

See APPENDIX C for the complete text of the proposed form of Bond Counsel's legal opinion with respect to the Bonds and APPENDIX D for the complete text of the proposed forms of Bond Counsel's legal opinions with respect to each series of the Notes.

ALL POTENTIAL PURCHASERS OF THE BONDS AND THE NOTES SHOULD CONSULT WITH THEIR TAX ADVISORS WITH RESPECT TO THE FEDERAL, STATE AND LOCAL TAX CONSEQUENCES (INCLUDING BUT NOT LIMITED TO THOSE LISTED ABOVE) OF THE OWNERSHIP OF THE BONDS AND THE NOTES.

LEGALITY FOR INVESTMENT

The State and all public officers, municipalities, counties, political subdivisions and public bodies, and agencies thereof, all banks, bankers, trust companies, savings and loan associations, savings banks and institutional building and loan associations, investment companies, and other persons carrying on banking business, all insurance companies, and all executors, administrators, guardians, trustees, and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any obligations of the City, including the Bonds and Notes, and such Bonds and Notes are authorized security for any and all public deposits.

RISK TO HOLDERS OF BONDS AND NOTES

It is understood that the rights of the holders of the Bonds and Notes, and the enforceability thereof, may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

Municipal Bankruptcy

THE CITY HAS NOT AUTHORIZED THE FILING OF A BANKRUPTCY PETITION. THIS REFERENCE TO THE BANKRUPTCY CODE AND THE STATE STATUTE SHOULD NOT CREATE ANY IMPLICATION THAT THE CITY EXPECTS TO UTILIZE THE BENEFITS OF THEIR PROVISIONS, OR THAT IF UTILIZED, SUCH ACTION WOULD BE APPROVED BY THE LOCAL FINANCE BOARD, OR THAT ANY PROPOSED PLAN WOULD INCLUDE A DILUTION OF THE SOURCE OF PAYMENT OF AND SECURITY FOR THE BONDS AND NOTES, OR THAT THE BANKRUPTCY CODE COULD NOT BE AMENDED AFTER THE DATE HEREOF.

The undertakings of the City should be considered with reference to 11 U.S.C. §101 et seq., as amended and supplemented (the "Bankruptcy Code"), and other bankruptcy laws affecting creditors' rights and municipalities in general. The Bankruptcy Code permits the State or any political subdivision, public agency, or instrumentality that is insolvent or unable to meet its debts to commence a voluntary bankruptcy case by filing a petition with a bankruptcy court for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of petitioner's creditors; provides that a petition filed under this chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; grants priority to certain debts owed, and provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds in amount and more than one half in number of the allowed claims of at least one (1) impaired class. The Bankruptcy Code specifically does not limit or impair the power of a state to control by legislation or otherwise, the procedures that a municipality must follow in order to take advantage of the provisions of the Bankruptcy Code.

The Bankruptcy Code provides that special revenue acquired by the debtor after the commencement of the case shall remain subject to any lien resulting from any security agreement entered into by such debtor before the commencement of such bankruptcy case. However, special revenues acquired by the debtor after commencement of the case shall continue to be available to pay debt service secured by those revenues. Furthermore, the Bankruptcy Code provides that a transfer of property of a debtor to or for the benefit of any holder of a bond or note, on account of such bond or note, may be avoided pursuant to certain preferential transfer provisions set forth in such act.

Reference should also be made to N.J.S.A. 52:27-40 et seq. which provides that a local unit, including the City, has the power to file a petition in bankruptcy with any United States Court or court in bankruptcy under the provisions of the Bankruptcy Code, for the purpose of effecting a plan of readjustment of its debts or for the composition of its debts; provided, however, the approval of the Local Finance Board, as successor to the Municipal Finance Commission, must be obtained.

Remedies of Holders of Bonds or Notes (N.J.S.A. 52:27-1 et seq.)

If the City defaults for over sixty (60) days in the payment of the principal of or interest on any bonds or notes outstanding, any holder of such bonds or notes may bring an action against the City in the Superior Court of New Jersey (the "Superior Court") to obtain a judgment that the City is so in default. Once a judgment is entered by the Superior Court to the effect that the City is in default, the Municipal Finance Commission (the "Commission") would become operative in the City. The Commission was created in 1931 to assist in the financial rehabilitation of municipalities which were in default in their obligations. The powers and duties of the Commission are exercised within the Division, which constitutes the Commission.

The Commission exercises direct supervision over the finances and accounts of any municipality which has been adjudged by the Superior Court to be in default of its obligations. The Commission continues in force in such municipalities until all bonds, notes or other indebtedness of the municipality which have fallen due, and all bonds or notes which will fall due within one (1) year (except tax anticipation or revenue anticipation notes), and the interest thereon, have been paid, funded or refunded, or the

payment thereof has been adequately provided for by a cash reserve, at which time the Commission's authority over such municipality ceases. The Commission is authorized to supervise tax collections and assessments, to approve the funding or refunding of bonds, notes or other indebtedness of the municipality which the Commission has found to be outstanding and unpaid, and to approve the adjustment or composition of claims of creditors and the readjustment of debts under the Bankruptcy Code.

CERTIFICATES OF THE CITY

Upon the delivery of the Bonds and Notes, the respective original purchasers shall receive a certificate, in form satisfactory to Bond Counsel and signed by officials of the City, stating to the best knowledge of said officials, that this Official Statement as of its date did not contain any untrue statement of a material fact, or omit to state a material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading; and stating, to the best knowledge of said officials, that there has been no material adverse change in the condition, financial or otherwise, of the City from that set forth in or contemplated by this Official Statement to the date of issuance of the Bonds and Notes. In addition, the respective original purchasers of the Bonds and Notes shall also receive certificates in form satisfactory to Bond Counsel evidencing the proper execution and delivery of the Bonds and Notes and receipt of payment therefor, and a certificate dated as of the date of the delivery of the Bonds and Notes, and signed by the officers who signed the Bonds and Notes, stating that no litigation is then pending or, to the knowledge of such officers, threatened to restrain or enjoin the issuance or delivery of the Bonds or Notes or the levy or collection of taxes to pay the principal of or interest on the Bonds or Notes, as applicable, or questioning the validity of the statutes or the proceedings under which the Bonds or Notes, as applicable, are issued, and that neither the corporate existence or boundaries of the City, nor the title of any of the said officers of the City to their respective offices, is being contested.

APPROVAL OF LEGAL PROCEEDINGS

All legal matters incident to the authorization, issuance, sale and delivery of the Bonds and Notes are subject to the approval of Bond Counsel, whose approving legal opinions will be delivered with the Bonds and Notes substantially in the forms set forth in APPENDIX C and APPENDIX D, respectively, hereto. Certain legal matters with respect to the Bonds and Notes will be passed on for the City by its Acting Corporation Counsel, Brittany Murray Esq., Jersey City, New Jersey (the "Acting Corporation Counsel"). The various legal opinions to be delivered concurrently with the delivery of the Bonds and Notes express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or the future performance of parties to the transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to the City of Jersey City, John Mercer, Chief Financial Officer, 280 Grove Street, Jersey City, New Jersey 07302, (201) 547-4417; Everett M. Johnson, Esq., Bond Counsel, Wilentz, Goldman & Spitzer, P.A., 90 Woodbridge Center Drive, Woodbridge, New Jersey 07095, (732) 855-6149; or Timothy S. Eismeier, Municipal Advisor, NW Financial Group, LLC, 522 Broad Street, Bloomfield, New Jersey 07003, (551) 655-7595.

MUNICIPAL ADVISOR

NW Financial Group, LLC, Bloomfield, New Jersey has served as municipal advisor to the City with respect to the issuance of the Bonds and the Notes (the "Municipal Advisor"). The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement and the appendices hereto. The Municipal Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

LITIGATION

To the knowledge of the Acting Corporation Counsel, after due inquiry, there is no litigation of any nature now pending or threatened, restraining or enjoining the issuance or the delivery of the Bonds or Notes, respectively, offered for sale, or the levy and collection of any taxes to pay the principal of or the interest on said Bonds or Notes, respectively, or in any manner questioning the authority or the proceedings for the issuance of the Bonds or Notes, respectively, or for the levy or collection of taxes to pay the principal of and interest on the Bonds or Notes, or any action contesting the corporate existence or boundaries of the City or the title of any of its present officers. Further, to the knowledge of the Acting Corporation Counsel, except as set forth in APPENDIX A under the section entitled "Pending Litigation", there is no litigation presently pending or threatened against the City that, in the opinion of the Acting Corporation Counsel, would have a material adverse impact on the financial condition of the City if adversely decided. The respective original purchasers of the Bonds and Notes will receive a certificate or an opinion of the Acting Corporation Counsel to such effect upon the closing of the Bonds and Notes, respectively.

COMPLIANCE WITH SECONDARY MARKET DISCLOSURE REQUIREMENTS FOR THE BONDS

The City has covenanted for the benefit of the holders of the Bonds and the beneficial owners of the Bonds to provide certain financial information and operating data of the City on or prior to September 15 of each year and to comply with the provisions of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended and supplemented, and as detailed in a Continuing Disclosure Certificate (the "Bond Disclosure Certificate") to be executed on behalf of the City by its Chief Financial Officer or Director of the Department of Finance, in the form appearing in APPENDIX E attached hereto. Such Bond Disclosure Certificate shall be delivered concurrently with the delivery of the Bonds. Annual financial information, including operating data, and notices of events specified in the Rule shall be filed with the Municipal Securities Rulemaking Board (the "MSRB"). These covenants are being made by the City to assist the hereinafter-defined Underwriter in complying with the Rule.

The City has entered into prior undertakings to provide continuing disclosure for certain outstanding issuances. In connection with such undertakings, the City has filed audited financial statements and other financial documents with the MSRB's Electronic Municipal Market Access ("EMMA") website as required in accordance with the Rule. Certain operating data items were either filed in a different format than in previous filings, or not filed (for only one bond issue in 2003) because said information is no longer available or no longer produced. The City has failed to timely file its 2021, 2022, 2023, and 2024 Operating Data. The 2021, 2022, and 2023 Operating Data has since been filed with MSRB. The City has implemented certain procedures to file its Annual Reports on a more consistent and timely basis in future years. The City's implementation of procedures to file its Annual Reports also includes the continued utilization of Digital Assurance Certification, LLC to assist with the City's disclosure requirements. The City failed to timely file notices of the incurrence of financial obligations relating to (i) a lease-purchase transaction that closed in 2020; and (ii) a Jersey City Municipal Utilities Authority financing with the New Jersey Infrastructure Bank that closed in June 2021. Notices have since been filed with the MSRB.

COMPLIANCE WITH SECONDARY MARKET DISCLOSURE REQUIREMENTS FOR THE NOTES

The City has covenanted for the benefit of the holders of the Notes to provide notices of the occurrence of certain enumerated events with respect to the Notes (the "Notices"), as set forth in Section (b)(5)(i)(C) of the Rule promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended and supplemented. The Notices will be filed by, or on behalf of, the City with the MSRB. The specific nature of the Notices will be detailed in a certificate (the "Note Disclosure Certificate") to be executed on behalf of the City by its Chief Financial Officer or Director of the Department of Finance, in the form appearing in APPENDIX F hereto, such Note Disclosure Certificate to be delivered concurrently with the delivery of the Notes. These covenants are being made by the City to assist the hereinafter-defined Underwriters in complying with the Rule.

The City has entered into prior undertakings to provide continuing disclosure for certain outstanding issuances. In connection with such undertakings, the City has filed audited financial statements and other financial documents with the MSRB's Electronic Municipal Market Access ("EMMA") website as required in accordance with the Rule. Certain operating data items were either filed in a different format than in previous filings, or not filed (for only one bond issue in 2003) because said information is no longer available

or no longer produced. The City has failed to timely file its 2021, 2022, 2023, and 2024 Operating Data. The 2021, 2022, and 2023 Operating Data has since been filed with MSRB. The City has implemented certain procedures to file its Annual Reports on a more consistent and timely basis in future years. The City's implementation of procedures to file its Annual Reports also includes the continued utilization of Digital Assurance Certification, LLC to assist with the City's disclosure requirements. The City failed to timely file notices of the incurrence of financial obligations relating to (i) a lease-purchase transaction that closed in 2020; and (ii) a Jersey City Municipal Utilities Authority financing with the New Jersey Infrastructure Bank that closed in June 2021. Notices have since been filed with the MSRB.

PREPARATION OF OFFICIAL STATEMENT

Bond Counsel has participated in the preparation and review of this Official Statement but has not participated in the collection of financial, statistical or demographic information contained in this Official Statement, nor has it verified the accuracy, completeness, or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto, but takes responsibility for the information contained under the headings entitled "TAX MATTERS" and "APPROVAL OF LEGAL PROCEEDINGS" (as it relates to Bond Counsel) and the information provided in Appendices C and D hereto.

Donohue, Gironda, Doria & Tomkins, LLC, Bayonne, New Jersey, Certified Public Accountants and Registered Municipal Accountants, the Auditor to the City, has not participated in the preparation of the information contained in this Official Statement, and, accordingly, expresses no opinion or other assurance with respect thereto, but has reviewed the section under the caption entitled "FINANCIAL STATEMENTS" and takes responsibility for the financial statements to the extent specified in the Independent Auditors' Report appearing in Appendix B hereto.

The Municipal Advisor has participated in the review of this Official Statement and in the preparation of Appendix A, but has not verified the accuracy, completeness, or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto, but takes responsibility for the information contained under the heading entitled "MUNICIPAL ADVISOR" and expresses no opinion or other assurance other than that which is specifically set forth therein with respect thereto.

The Acting Corporation Counsel has not participated in the preparation of the information contained in this Official Statement, nor has she verified the accuracy, completeness, or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto, but has reviewed the section under the captions entitled "LITIGATION" and "APPROVAL OF LEGAL PROCEEDINGS" (as it relates to the Acting Corporation Counsel) and expresses no opinion or assurance other than that which is specifically set forth therein with respect thereto.

All other information has been obtained from sources which the City considers to be reliable but it makes no warranty, guarantee or other representation with respect to the accuracy and completeness of such information.

RATINGS

Moody's Ratings (the "Rating Agency") has assigned a rating of "A1" to the Bonds, and a short-term rating of "MIG 1" to the Notes.

An explanation of the significance of the ratings on the Bonds and Notes may be obtained from the Rating Agency. Such ratings reflect only the views of the Rating Agency, and there is no assurance that the ratings will continue for any period of time or that they will not be revised or withdrawn entirely, if in the judgment of the Rating Agency, circumstances so warrant. Any revision or withdrawal of the ratings may have an adverse effect on the market price of the Bonds and Notes, as applicable. Except as set forth in the Bond Disclosure Certificate and the Note Disclosure Certificate, the City has not agreed to take any action with respect to any proposed rating changes or to bring the rating changes, if any, to the attention of the owners of the Bonds and Notes.

UNDERWRITING

The Bonds have been purchased from the City at a public sale by _____ (the "Bond Underwriter") at a price of \$_____. The purchase price of the Bonds reflects the par amount of Bonds (\$_____), less a Bond Underwriter's discount in the amount of \$_____, plus a[n] [net] original issue premium in the amount of \$_____.

The Tax-Exempt Notes have been purchased from the City at a public sale by _____ (the "Tax-Exempt Note Underwriter") at a price of \$_____. The purchase price of the Tax-Exempt Notes reflects the par amount of Tax-Exempt Notes (\$_____), less a Tax-Exempt Underwriter's discount in the amount of \$_____, plus a[n] [net] original issue premium in the amount of \$_____.

The Taxable Notes have been purchased from the City at a public sale by _____ (the "Taxable Note Underwriter" and together with the Bond Underwriter and the Tax-Exempt Note Underwriter, the "Underwriters") at a price of \$_____. The purchase price of the Taxable Notes reflects the par amount of Taxable Notes (\$_____), less a Taxable Underwriter's discount in the amount of \$_____.

The Bond Underwriter intends to offer the Bonds to the public initially at the offering yields set forth on the inside front cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Bond Underwriter reserves the right to join with dealers and other underwriters in offering the Bonds to the public. The Bond Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investments trusts) at yields higher than the public offering yields set forth on the inside front cover page of this Official Statement, and such yields may be changed, from time to time, by the Bond Underwriter without prior notice.

The Tax-Exempt Note Underwriter may offer and sell the Tax-Exempt Notes to certain dealers (including dealers depositing the Tax-Exempt Notes into investment trusts) at a yield higher than the public offering yield stated on the front cover page hereof.

FINANCIAL STATEMENTS

The comparative balance sheets – regulatory basis of the various funds of the City as of and or the years ended December 31, 2024 and 2023, and the related comparative statement of operations and changes in fund balance – regulatory basis, statement of revenues – regulatory basis and statement of appropriations – regulatory basis, of the Current Fund, and the related statement of changes in Fund Balance – regulatory basis, of the General Capital Fund, for the years then ended, together with the related Notes to the Financial Statements for the years then ended, are presented in Appendix B to the Official Statement. The financial statements referred to above have been audited by Donohue, Gironda, Doria & Tomkins, LLC, Bayonne, New Jersey, an independent auditor, as stated in its report appearing in Appendix B.

MISCELLANEOUS

All quotations from summaries and explanations of the provisions of the laws of the State herein do not purport to be complete and are qualified in their entirety by reference to the official compilation thereof.

This Official Statement is not to be construed as a contract or an agreement between the City and any purchasers or holders of any of the Bonds or Notes. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Bonds or Notes made hereunder shall, under any circumstances, create any implication that there have been no changes in the affairs of the City, the State or any of their agencies or authorities, since the date hereof.

This Official Statement has been duly executed and delivered on behalf of the City by its Chief Financial Officer.

**CITY OF JERSEY CITY,
IN THE COUNTY OF HUDSON,
STATE OF NEW JERSEY**

**JOHN MERCER,
Chief Financial Officer**

DATED: October __, 2025

APPENDIX A

**CERTAIN GENERAL INFORMATION
CONCERNING THE CITY OF JERSEY CITY,
IN THE COUNTY OF HUDSON, STATE OF NEW JERSEY**

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THE CITY OF JERSEY CITY

The legislative power of the City of Jersey City (the “City”) is vested in the Municipal Council (the “Council”), which is composed of nine members, six of whom are elected from the City's six wards and three of whom are elected at large. The Council meets regularly and operates in accordance with the Optional Municipal Form of Government, Section 40:69A-1 *et seq.*, of the New Jersey statutes. The Council members serve four-year terms beginning on the first day of January following their election. Their current term commenced on January 1, 2022. The members of the Council, their titles and the date they first took office are shown on the following table:

MUNICIPAL COUNCIL

<u>Name</u>	<u>Title</u>	<u>Date First In Office</u>
Joyce E. Watterman	Council President	July 1, 2013
Amy M. DeGise	Council At-Large	January 1, 2022
Daniel Rivera	Council At-Large	July 1, 2013
Denise Ridley	Ward A Council	January 1, 2018
Maureen K. Hulings	Ward B Council	April 23, 2025
Richard Boggiano	Ward C Council	July 1, 2013
Yousef J. Saleh	Ward D Council	April 30, 2020
James Solomon	Ward E Council	January 1, 2018
Frank E. Gilmore	Ward F Council	January 1, 2022

The executive power of the City is exercised by the Mayor, who is responsible for administering the charter and ordinances and general laws of the City. The Mayor is responsible for preparing and administering the City's annual expense and capital budgets. The Mayor supervises all of the departments in the City and reports annually to the Council and the public the results of the previous year's operations. The Mayor has the power to approve ordinances adopted by the Council or to return them to the Council with a statement of his objections. A vote by two-thirds of the members of the Council may override the Mayor's veto. The Mayor may attend meetings of the Council and may take part in discussions. The Mayor has no vote in the proceedings of the Council except to fill a vacancy in the Council, in which case he may cast the deciding vote. The Mayor appoints the Business Administrator and the Directors of nine City departments with the advice and consent of the Council. In the event that the Mayor is unable to fulfill his responsibilities under the applicable provisions of the New Jersey Statutes and the Jersey City Charter, the Council is required to appoint a Mayor to serve until the next election. There are no term limits for the office of Mayor or for any Council member.

The most recent election for Mayor and all nine Council Members was held on November 2, 2021. A runoff election for one Council seat was held on December 7, 2021. Mayor Fulop and seven of the nine incumbent Council members were re-elected.

Administration

Following are biographical sketches of the City officials with responsibility for financial management:

STEVEN M. FULOP, Mayor

Steven Michael Fulop, a Democrat, is the 49th and current Mayor of Jersey City, New Jersey. He is the youngest mayor in the country of a city with a population larger than 250,000. Mayor Fulop was elected Mayor on May 14, 2013, defeating a three term incumbent mayor and the political establishment. Prior to serving as Mayor, Steven Fulop served as the Ward E Councilman of the City for eight years. Mayor Fulop was re-elected for a third four-year term on November 2, 2021.

A first generation American, Mayor Fulop grew up in an immigrant family in Edison, New Jersey. His father owned a delicatessen in Newark, where Mayor Fulop often worked. His mother, the daughter of Holocaust survivors, worked in an immigration services office helping others gain citizenship.

Mayor Fulop graduated from Binghamton University in 1999, and in 2006 completed both his Masters in Business Administration at the New York University Stern School of Business and his Masters in Public Administration at Columbia University School of International and Public Affairs (SIPA). While attending Binghamton University, he spent time abroad studying at Oxford University in England.

Upon graduating from college, Mayor Fulop joined Goldman Sachs. After working in financial services for several years and seeing first hand the effects of the September 11 attacks, he decided to put his career at Goldman Sachs on hold and join the United States Marine Corps. Shortly after completion of Marine Corps boot camp on January 14, 2003, Mayor Fulop was deployed to Iraq, where he served as part of the 6th Engineer Support Battalion. He and his unit were recipients of numerous awards and recognition for service including the Overseas Service Ribbon, Meritorious Masts, and the Presidential Unit Citation.

Currently, Mayor Fulop is a trustee of the Liberty Science Center, and previously served on the Board of Directors for the Columbia University Alumni Association and the board for the Learning Community Charter School. He is an avid tri-athlete completing the 2012 NY Ironman Championship in less than 12 hours.

JOHN J. METRO, Business Administrator

John J. Metro was formally appointed Business Administrator of the City effective January 2, 2022, having replaced Brian Platt, who resigned following his appointment as City Manager of the City of Kansas City, Missouri. Mr. Metro previously served as Acting Business Administrator.

Mr. Metro began his career in public service in 2013 as an Analyst with the Jersey City Department of Administration, where he was responsible for generating and analyzing monthly reports on actual revenue performance and compared with budgeted projections.

In 2015, he was named Budget Officer, a role assigned to assuring the accountability and effectiveness of the City government by providing efficient innovative services, public policy analysis, and financial expertise in support of all departments. He served in this role until December 18, 2019, when he was appointed the Director of Finance.

Mr. Metro is also appointed to the Jersey City Insurance Fund Commission, the Municipal Budget Committee and elected to the Jersey City Employee Retirement System Commission. He earned a degree in Bachelor of Arts in Political Science from St. Peter's University.

BRITTANY MURRAY, ESQ., Acting Corporation Counsel

Brittany M. Murray, Esq., serves as acting corporation counsel, having taken over the position in February 2024 from now Judge Peter J. Baker, who formally resigned in April 2024.

Ms. Murray is a 2011 graduate of University of Maryland, College Park, where she received a Bachelor of Arts degree in History while a member of the Division 1 Softball Team. She attended Seton Hall University School of Law, graduating with a Juris Doctor in May 2015.

After graduation, she served as a judicial law clerk for the Honorable Frederic R. McDaniel, J.S.C., in the Superior Court of New Jersey, Union Vicinage, Criminal Division, before joining the law firm of Cottrell Solensky, P.A., practicing civil litigation in New Jersey, New York, and federal courts.

In October 2018, she joined the Jersey City Law Department as an Assistant Corporation Counsel in the litigation division before being named First Assistant Corporation Counsel in September 2022.

ANNISIA CIALONE, Director of Housing, Economic Development and Commerce

Annisia R. Cialone, PP, AICP, LEED AP, joined the City administration in February of 2017 as the Director of City Planning. Prior to joining public service, Annisia practiced urban design and planning with an expertise in the management and design of large-scale urban design and strategic master planning projects for both public and private clients. She holds a Bachelor of Architecture (B. Arch) from The Cooper Union for the Advancement of Science and Art and a Master of Architecture in Urban Design (MAUD) from Harvard University's Graduate School of Design. Ms. Cialone was appointed Director of Housing, Economic Development, and Commerce on August 10, 2018.

CARMEN GANDULLA, Director of Finance

In February 2021, Ms. Gandulla was appointed by the Mayor to serve as Acting Director of Finance. On April 27, 2022, Ms. Gandulla was appointed Director of the Department of Finance, effective April 13, 2022.

Ms. Gandulla received her Bachelor of Liberal Arts and Science, with Concentration in Business Policy Law from Rider University which led to a successful career in the banking and finance field before joining the City as the Director of the Division of Community Development in 2014. While working for financial services firms she held various licenses from Series 6, 63, Life Insurance, and Mortgage solicitors.

Ms. Gandulla serves as Chairperson for the Affordable Housing Trust Fund Review Committee, administering funds at the municipal level for the development and preservation of affordable housing units. Within the County of Hudson, she serves on the Alliance to End Homelessness and Homelessness Trust Fund Executive Board.

JOHN G. MERCER, Chief Financial Officer

John G. Mercer was appointed Chief Financial Officer, effective April 12, 2023.

Mr. Mercer earned his Bachelor of Arts in Anthropology from Franklin and Marshall College and his Master of Science in Public Management and Policy from Carnegie Mellon University.

Beginning his employment with the City as a Senior Systems Analyst, Mr. Mercer has served as Assistant Director of Information Technology, Director of Information Technology, and Assistant Business Administrator.

Mr. Mercer is a Certified Municipal Finance Officer, Certified Tax Assessor, Certified Tax Collector, Qualified Purchasing Agent, Registered Public Purchasing Specialist, and LEED Accredited Professional.

City Employees

As of December 31, 2024, the City had 3,007 employees. The following table shows a breakdown of the City's employees over the past five years:

CITY EMPLOYEES

	<u>Permanent</u>	<u>Provisional/ Unclassified</u>	<u>Grants/ Enterprise Fund</u>	<u>Water Utility</u>	<u>Total⁽¹⁾</u>
December 31, 2024	2,620	387	0	0	3,007
December 31, 2023	2,691	383	0	0	3,074
December 31, 2022	3,006	254	0	0	3,260
December 31, 2021	3,214	212	0	0	3,426
December 31, 2020	2,968	142	0	0	3,110

⁽¹⁾ Total does not include Seasonal Employees

Approximately 2,608 of the City's employees are represented by one of 9 different bargaining units. The New Jersey Public Employee Relations Act, as amended, specifies a negotiation and advisory fact finding process (civilian unions) or interest arbitration (uniformed service unions) in the event of a negotiations impasse. The major public employee unions of the City are set forth below with a description of each:

LOCAL 1064 represents approximately 186 fire officers in the rank of Captain, Battalion Chief and Deputy Chief. A new collective bargaining agreement was reached for the period January 1, 2021 to December 31, 2024. The salary increases were as follows: (1) January 1, 2021 (1.5% increase); (2) January 1, 2022 (1.5% increase); (3) January 1, 2023 (1.5% increase); and (4) January 1, 2024 (1.5% increase).

LOCAL 1066 represents approximately 490 fire fighters. A new collective bargaining agreement was reached for the period January 1, 2021 to December 31, 2024. The salary increases were as follows: (1) January 1, 2021 (1.5% increase); (2) January 1, 2022 (1.5% increase); (3) January 1, 2023 (1.5% increase); and (4) January 1, 2024 (1.5% increase).

THE POLICE SUPERIOR OFFICERS' ASSOCIATION represents approximately 174 Superior Officers in the rank of Sergeant, Lieutenant and Captain. A new collective bargaining agreement was reached for the period January 1, 2021 to December 31, 2024. The salary increases were as follows: (1) January 1, 2021 (1.5% increase); (2) January 1, 2022 (1.5% increase); (3) January 1, 2023 (1.5% increase); and (4) January 1, 2024 (1.5% increase).

THE POLICE OFFICERS' BENEVOLENT ASSOCIATION represents approximately 632 Police Officers and Detectives below the rank of Sergeant. A new collective bargaining agreement was reached for the period January 1, 2021 to December 31, 2024. The salary increases were as follows: (1) January 1, 2021 (1.5% increase); (2) January 1, 2022 (1.5% increase); (3) January 1, 2023 (1.5% increase); and (4) January 1, 2024 (1.5% increase).

JERSEY CITY SUPERVISORS' ASSOCIATION represents approximately 187 civilian Supervisors holding titles above the rank of "foreman", but below the level of Division Head. On March 6, 2024, a Memorandum of Agreement was ratified for the period January 1, 2023, through December 31, 2026. The MOA provides for salary increases of 4.3% retroactive to January 1, 2023, 3.5% retroactive to January 1, 2024, 3.75% effective January 1, 2025, and 3.75% effective January 1, 2026.

JERSEY CITY PUBLIC EMPLOYEES, LOCAL 245, (327 total) represents approximately one hundred thirty seven (137) foremen and their subordinates, in the Department of Public Works and the Department of Recreation. Also, approximately two hundred (200) non-supervisory school traffic guards. On November 28, 2022 the School Traffic Guards ratified a Memorandum of Agreement for the period January 1, 2017 through December 31, 2026. The DPW and Recreation contract expired in 2019 and is currently in negotiations.

JERSEY CITY SCHOOL TRAFFIC GUARDS ASSOCIATION, LOCAL 245 represents all regularly employed non-supervisory school traffic guards. The Memorandum of Agreement ratified by City Council on November 28, 2022 includes the following pay increases, including retroactive pay through 2022: January 1, 2017 - \$15.50 per hour; January 1, 2018 - \$16.00 per hour; January 1, 2019 - \$16.50 per hour; January 1, 2020 - \$17.00 per hour; January 1, 2021 - \$17.50 per hour; January 1, 2022 - \$18.00 per hour; January 1, 2023 - \$20.00 per hour; January 1, 2024 - \$20.00 per hour; January 1, 2025 - \$21.50 per hour; January 1, 2026 - \$22.00 per hour.

LOCAL 641 (TEAMSTERS), joined the City on April 1, 2016, under a prior agreement with the Jersey City Incinerator Authority ("JCIA"). This union represents employees under designated titles within the Department of Public Works, Divisions of Sanitation and Neighborhood Improvement. Currently, it represents 71 active employees. On Nov 29 2023, a Memorandum of Agreement was ratified for the period January 1, 2022 through December 31, 2025. This agreement provides salary increases of 3.5% for 2024 and 3.75% for 2025.

JERSEY CITY PUBLIC EMPLOYEES, LOCAL 246, represents approximately 538 employees who are subordinate to Supervisors in the Mayor's Office, the Department of Administration, the Department of Human Resources, the Department of Law, the Department of Health and Human Services, and the Department of Housing, Economic Development and Commerce, the Office of the City Clerk, the Office of the Tax Assessor, and the Department of Public Safety (non-uniformed). The contract expired in December 2022 and is currently in negotiations.

INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 68-68A-68B, AFL-CIO ("Local 668") represents 3 employees holding titles of boiler operators or chief engineer. A new four year contract was agreed to on August 30, 2021.

The agreement calls for the following salary increases: effective January 1, 2020 - \$2,000; January 1, 2021 - \$2,400; January 1, 2022 - \$2,500; January 1, 2023 - \$2,500.

The Jersey City Public Schools

The public school system of the City, the second largest school district in the State, had an average daily enrollment of 29,037 students during the 2024-2025 school year. This does not include the 6,835 students that were enrolled in Charter schools throughout Jersey City.

The system employs professional and non-professional personnel, including teacher's aides. The student population is provided with a comprehensive school program including college preparatory programs, vocational training and special education classes housed in regular elementary and secondary schools. In school fiscal year 2023-2024, the school district had 4,749 full-time employees. The school system currently includes thirty-one elementary schools (Pre-K – 8), three middle schools (6 – 8), six high schools (9 – 12), and four early childhood centers.

Since October 1989, the school system had been operated by the State of New Jersey pursuant to the New Jersey Public School Education Act of 1975, as amended, N.J.S.A. 18A:7A-1 *et seq.* The Commissioner of Education appointed a State Superintendent to manage the district. The school system was returned to the control of City oversight in September of 2022.

The State-operated school district enabling legislation, N.J.S.A. 18A:7A-34 *et seq.*, makes provision for the City to provide moneys to the State-operated school district for the payment of operating expenditures. Chapter 139 of the Pamphlet Laws of 1991 provided a mechanism similar to the pre-existing one for the authorization and issuance of school promissory notes and school serial bonds by the City secured by the power and authority of the City to levy *ad valorem* real property taxes. The Capital Project Control Board of the City's Public Schools has the authority to review and recommend the necessity for capital projects proposed by the Superintendent. Following the adoption of a resolution by the Capital Project Control Board, the Municipal Council of the City shall consider a School bond ordinance. The State, by the takeover of the school system in the City, has not affected, modified or impaired the authority or the obligation of the City for the levy and collection of sufficient real property taxes to pay the interest and principal on outstanding school debt.

Related Authorities and Functions

Sewer services are provided to the City through the Jersey City Municipal Utilities Authority (the "JCMUA") and solid waste disposal is provided by the JCIA. On December 10, 1997, the Jersey City Sewerage Authority was reorganized to form the JCMUA. On January 15, 1998, the City and the JCMUA executed a Franchise and Service Agreement pursuant to which the JCMUA assumed operation of the City's Water Utility until January 31, 2008. In May 2003, the City and the JCMUA executed an amended and restated franchise and service agreement pursuant to which the JCMUA's obligations to operate the City's Water Utility was extended through March 31, 2028. See "Jersey City Municipal Utilities Authority" and The Jersey City Incinerator Authority" under "CITY INDEBTEDNESS AND DEBT LIMITS –Other City-Related Obligations" herein.

City Budget Requirements - General

State law imposes specific budgetary procedures upon local government units such as the City. Pursuant to the Local Budget Law, the City is required to have an operating budget, which provides for sufficient cash collections to pay all debt service and operating costs during the fiscal year and, in addition, provide for any statutory and mandatory payments, such as pension and insurance costs, required to be made during the fiscal year.

The City's operating budget must be in the form required by the Division of Local Government Services in the Department of Community Affairs, State of New Jersey (the "Division"). Items of revenue and appropriation are statutorily regulated and must be certified by the Director of the Division (the "Director") prior to final adoption of the budget by the Council. The Director is required to review the adequacy of such appropriations for certification. The Director has no authority over individual operating appropriations, unless a specific amount is required by law, but the review, which focuses on anticipated revenues, is intended to insure revenues are sufficient to pay expenses.

The Business Administrator and Budget Director prepare the Municipal Budget of the City for the Mayor. During the month of November, all department heads are required to submit requests for appropriations for the next budget year and appear before the Business Administrator, the Budget Director and the Council at public hearings to explain their departmental requests. The Mayor then submits his recommended budget to the Council. The Council may reduce any item or items in the budget by a majority vote but may

increase any item or items only upon an affirmative vote of two-thirds of the members of the Council. After the budget is introduced, it may be approved on first reading by majority vote of the Council. After the Council approves the budget, it is submitted to the Director for approval and advertised. A public hearing is held. Upon completion of the public hearing, the budget is adopted by the Council and submitted to the Division for certification.

Under State law, the City is required to have a budget adopted by March 20, although the Director, with the approval of the Local Finance Board, may extend this date and the Municipal Council may adopt the budget within ten days after the Director shall have certified his approval thereof pursuant to N.J.S.A. 40A:4-5.1. The 2017 budget was introduced on March 22, 2017 and adopted on July 10, 2017. The 2018 budget was introduced on March 14, 2018 and adopted on July 18, 2018. The 2019 budget was introduced on March 27, 2019 and adopted on August 5, 2019. The 2020 budget was introduced on February 13, 2020 and adopted on August 25, 2020. The 2021 budget was introduced on June 16, 2021 and adopted September 1, 2021. The 2022 budget was introduced on June 15, 2022 and adopted October 18, 2022. The 2023 budget was introduced on May 10, 2023 and adopted on September 8, 2023. The 2024 budget was introduced on May 20, 2024 and adopted on July 10, 2024. The 2025 budget was introduced on April 23, 2025 and was adopted on September 17, 2025.

Prior to formal budget adoption, the City uses a temporary operating budget to guide expenditures. Temporary appropriations may be made pursuant to N.J.S.A. 40A:4-19.1 and, in addition, emergency temporary appropriations may be made pursuant to N.J.S.A. 40A:4-20. The City's budget for the first quarter of its calendar year (January 1 through March 31) is equal to one-fourth of the annual budget for the preceding calendar year. If a budget for a calendar year is not adopted by March 31, the City establishes periodic temporary budgets.

The monitoring of the budget is a continuous process, and encompasses financial controls in the areas of encumbrance of obligations and public contracts law. Under State law, expenditures cannot be made unless there is a certification as to availability of funds from the operating or capital budget. The budget is utilized throughout the operating year as a management tool and policy instrument representing the City's plan of action for the provision of services. Expenditures are monitored throughout the year and, two months before the end of the fiscal year, the budget may be amended to transfer expenditures from one line item to another. Emergency appropriations may be made to the extent revenues are insufficient to pay expenditures, with the amounts so appropriated raised in the succeeding fiscal year.

No local unit in New Jersey is permitted to issue long-term bonds for the payment of current expenses or to pay outstanding obligations (except for the refunding or repayment of successful real property tax appeals and certain statutorily authorized non-recurring expenses, which requires the approval of the Local Finance Board). Like other New Jersey municipalities, the City makes a major portion of its expenditures early in each year while receipts are heaviest late in the year. The City has managed this cash flow imbalance through temporary transfers from its capital and grant accounts, and restoring these funds by year end with the tax and State aid revenues received. A local unit may issue tax anticipation notes for the payment of current expenses under the Local Budget Law. The City has not issued tax anticipation notes since April 1991.

Public School Budgeting Process

Under the provisions of the New Jersey Public Education Act of 1975, as amended, the Superintendent of a State-operated school district, after preparation of and hearing on a proposed budget, is required to fix and determine the amount of money necessary to be appropriated for the school year and is required to certify the amounts to be raised by taxes. The City may appeal to the Commissioner of Education the amount determined necessary. The Commissioner, upon receipt of such appeal and completion of the hearing process, shall determine the amount necessary for the district to provide a thorough and efficient educational program including the implementation of the plan to correct deficiencies. The City may apply to the Director of the Division for a determination that the local share of revenues needed to support the district's budget results in an unreasonable tax burden. Based upon this review, the Director certifies the amount of revenues, which can be raised locally to support the budget of the State-operated district. Any difference between the amount which the Director certifies and the total amount of local revenues required by the budget approved by the Commissioner is paid by the State in the fiscal year in which the expenditures are made, subject to the availability of appropriations. The State supplemented the City's school tax revenues with \$20,000,000 for the Fiscal Year 1999. Since Fiscal Year 2000, the State has not supplemented the City's school tax revenues.

Limitation on Expenditures

Section 40A:4-45.3 of the Local Budget Law, commonly known as the "Cap Law," as enacted provided that a municipality shall limit any increase in its operating budget to five percent or the calculated Index Rate, whichever is less, over the previous year's final appropriations, subject to certain exceptions. The Local Finance Board has the authority, under Section 40A:4-45.3 of the Local

Budget Law, to grant additional exceptions to the Cap Law under certain circumstances. The Index Rate is defined as the annual percentage increase in the Implicit Price Deflator for State and Local Government Purchasers of Goods and Services produced by the United States Department of Commerce as announced by the Director. Municipalities may elect, upon adoption of an ordinance, to approve an increase in appropriations that is greater than the Index Rate, not to exceed five percent, when the Index Rate is less than five percent. Major exceptions not subject to the spending limitation include: capital expenditures and debt service; State and Federal appropriations; expenditures mandated as a consequence of certain public emergencies; certain expenditures mandated by law; cash deficits of the preceding year approved by the Local Finance Board; amounts required to be paid pursuant to any contract with respect to use, services or provision of any project, facility or public improvement for water, sewer, solid waste, parking, senior citizen housing or similar purpose, or payments on account of debt service therefor or lease payments as made with respect to a facility owned by a county improvement authority where such lease payments are a necessity to amortize debt of the authority; amounts expended to meet the standards established by the New Jersey Public Employees' Occupational Safety and Health Act; amounts appropriated for expenditures resulting from impact of a hazardous waste facility; any expenditure mandated as a result of a natural disaster, civil disturbance or other emergency that is specifically authorized pursuant to a declaration of an emergency by the President of the United States or by the Governor; expenditures for the cost of services mandated by any order of court, statute or administrative rule issued by a State agency which has identified such cost as mandated expenditures on certification to the Local Finance Board by the State agency; and amounts reserved for uncollected taxes. The "Cap Law" does not limit the obligation of the City to levy *ad valorem* taxes upon all taxable property within the City to pay debt service.

On June 21, 2004, the Legislature enacted amendments to the "Cap Law", under which municipalities are required to limit any increase in its operating budget to 2.5% or the "cost-of-living adjustment" (formerly known as the "Index Rate"), whichever is less, over the previous year's final appropriations, subject to certain exceptions. Municipalities are permitted to elect, upon adoption of an ordinance, to approve an increase in appropriations that is greater than the cost-of-living adjustment, not to exceed 3.5%, when the cost-of-living adjustment is less than or equal to 2.5%. However, the amendment eliminates the existing option to exceed the current 5% increase, but not to exceed the Index Rate, when the Index Rate is greater than 5%. The amendment also eliminates certain of the exceptions to the spending limitation, including: amounts expended to meet the standards established by the New Jersey Public Employees' Occupational Safety and Health Act; amounts appropriated for expenditures resulting from the impact of a hazardous waste facility; amounts appropriated for the cost of administering a joint insurance fund; amounts appropriated for the cost of implementing an estimated tax billing system and the issuance of tax bills thereunder; and amounts expended to pay the salaries of police officers hired under the federal "Community Oriented Policing Services" program.

The amendment also requires Local Finance Board approval to utilize existing exceptions for: expenditures of amounts actually realized in the local budget year from the sale of municipal assets; and expenditures related to the cost of conducting and implementing a total property tax levy sale. The exception for amounts expended for the staffing and operation of the municipal court was replaced with an exception for newly authorized operating appropriations for the municipal court or violations bureau when approved by the vicinage Presiding Judge of the Municipal Court after consultation with the mayor and governing body of the municipality.

The "Cap Law" is subject to frequent amendment by the Legislature. See "CITY REVENUES - Property Tax Reform" below.

Additionally, legislation constituting P.L. 2010, c. 44, effective July 13, 2010, imposes a two percent (2%) cap on the tax levy of a municipality, county, fire district or solid waste collection district, with certain exceptions and subject to a number of adjustments. The exclusions from the limit include increases required for capital expenditures, including debt service, increases in pension contributions in excess of 2%, certain increases in health care over 2%, and extraordinary costs incurred by a local unit directly related to a declared emergency. The governing body of a local unit may request approval, through a public question submitted to the legal voters residing in its territory, to increase the amount to be raised by taxation, and voters may approve increases above 2% not otherwise permitted under the law by an affirmative vote in excess of 50%.

The Division has advised that counties and municipalities must comply with both budget "CAP" and the tax levy limitation. Neither the tax levy limitation nor the "CAP" law, however, limits the obligation of the City to levy *ad valorem* taxes upon all taxable property within the boundaries of the City to pay debt service on bonds and notes.

In accordance with the Local Budget Law, each local unit must adopt and may from time to time amend rules and regulations for capital budgets, which rules and regulations must require a statement of capital undertakings underway or projected for a period not greater than over the next ensuing six years as a general improvement program. The capital budget, when adopted, does not constitute the approval or appropriation of funds, but sets forth a plan of the possible capital expenditures, which the local unit may contemplate over the next six years. Expenditures for capital purposes may be made either by ordinances adopted by the governing body setting forth the items and the method of financing or from the annual operating budget if the terms were detailed.

Anticipation of Real Estate Taxes

With regard to current taxes, Section 40A:4-41 of the Local Budget Law provides that “receipts from the collection of taxes levied or to be levied in the municipality, or in the case of a county for general county purposes and payable in the fiscal year shall be anticipated in an amount which is not in excess of the percentage of taxes levied and payable during the next preceding fiscal year which was received in cash by the last day of the preceding fiscal year.”

This provision requires that the City establish a non-spending appropriation reserve for uncollected taxes in the current year as a percentage of the current levy equal to the percent uncollected of the prior year's levy. This additional amount must be added to the tax levy required in order to balance the budget.

Section 40A:4-29 of the Local Budget Law sets limits on the anticipation of delinquent tax collections: “The maximum which may be anticipated is the sum produced by the multiplication of the amount of delinquent taxes unpaid and owing to the local unit on the first day of the current fiscal year by the percentage of collection of delinquent taxes for the year immediately preceding the current fiscal year.”

The City school district and the County receive 100% of their tax levies, which are collected and paid to them by the City. As a result of the structure of the State's system of taxation, the City, along with other similarly situated municipalities, bears the full burden of the uncollected taxes.

Anticipation of Miscellaneous Revenues

Section 40A:4-26 of the Local Budget Law provides: “No miscellaneous revenues from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing, to the local unit.”

Deferral of Current Expenses

Supplemental emergency appropriations may be authorized by the governing body of the City after the adoption of the budget and determination of the tax rate. However, with minor exceptions, such appropriations must be included in full in the following year's budget. Under Sections 40A:4-48 and 40A:4-49 of the Local Budget Law, any emergency appropriation must be declared by resolution according to the definition provided in Section 40A:4-46 of the Local Budget Law, approved by at least two-thirds of the governing body and must also be approved by the Director if all emergency appropriations made during the year exceeds 3% of the total current and utility operating appropriations in the budget for that year.

Protection of Municipal Funds and Investment Policy

The City complies with the State statutory and regulatory requirements for the deposit and investment of public monies. The City on a daily basis deposits cash receipts in institutions located in New Jersey which are approved by the State and are insured by the Federal Deposit Insurance Corporation or by other agencies of the United States (although the amount of the City's deposit may exceed the insurance coverage limits) or in the State of New Jersey Cash Management Fund. The Cash Management Fund, which was established in 1977, is a short-term investment pool for the State and its cities, towns and school districts. The investments held by the Cash Management Fund must have average maturities not exceeding one year. The types of investments are regulated by the State Investment Council. The regulations allow investment in repurchase agreements with the purchased securities held by a custodian. The regulations also permit reverse repurchase agreements; however, the proceeds are invested in the Cash Management Fund.

In addition to making deposits with the above described financial institutions, pursuant to N.J.S.A. 40A:5-15.1, the City is permitted to purchase the following types of securities as investments:

- 1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America (Treasury Bills, notes and bonds).
- 2) U.S. Government money market funds.

- 3) Any obligation that a Federal agency or a Federal instrumentality has issued in accordance with an Act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependable on any index or other external factor
- 4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located.
- 5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by The Department of Treasury, Division of Investments.
- 6) Local government investment pools, such as New Jersey Class, and the New Jersey Arbitrage Rebate Management Program.
- 7) Deposits with the State of New Jersey Cash Management Fund.
- 8) Repurchase agreements of fully collateralized securities, if:
 - a) The underlying securities are permitted investments pursuant to N.J.S.A. 40A: 5-15.1;
 - b) The custody of the collateral is transferred to a third party;
 - c) The maturity of the agreement is not more than 30 days;
 - d) The underlying securities are purchased through banks approved by the Department of Banking and Insurance under the Government Unit Depository Projection Act. ("GUDPA").
 - e) A master repurchase agreement providing for the custody and security of the collateral is executed.

Compliance with the State statutes may not assure that the City's investments will have the liquidity, security or adequate deposit insurance to protect the City against all losses. For example, the relevant deposit statute, N.J.S.A.17:9-44, only requires public depository banks to maintain collateral for deposits of public funds exceeding insurance limits (\$100,000) generally equal to five percent of the average daily balance of public funds. Additionally, the State has the power to require that all banks holding public funds contribute amounts sufficient to reimburse an eligible municipality if any bank holding public funds becomes insolvent. However, it is unclear how quickly other state-qualified depositories could act to reimburse an exposed municipality through the State supervised program which may result in limited liquidity and a shortage of cash for the City and other municipalities in the State. Furthermore, it is currently unclear whether the State of New Jersey Cash Management Fund could maintain sufficient liquidity during a period of economic stress if many municipalities including the City sought the immediate return of cash.

CITY INDEBTEDNESS AND DEBT LIMITS

State law regulates the issuance of debt by local government units. No local unit is permitted to issue bonds for the payment of current expenses or to pay outstanding obligations, except for, among certain other limited purposes, refunding purposes with the approval of the Local Finance Board. Like other New Jersey municipalities, the City makes a major portion of expenditures early in each year while receipts are heaviest late in the year. Historically, the City has managed this cash flow imbalance through temporary transfers from its capital and grant accounts and restores these funds with the tax and State aid revenues received by year-end. The City also has options, which it may exercise to reduce, defer or fund appropriations remaining at the end of a fiscal year for which insufficient cash is available. The Local Budget Law empowers the City to issue, but limits the amount of, tax anticipation notes ("TANs") that may be issued and requires the repayment of such notes within four months of the end of the fiscal year in which issued. The City has not issued TANs since April 1, 1991.

Debt Limits

State statutes set forth debt limits for counties and municipalities. The City's net debt is limited by the Local Bond Law to an amount equal to 3.50% of its average equalized valuation basis. The average equalized valuation basis of the City is set by statute as the average for the last three preceding years of the sum total of (a) the aggregate equalized valuation of real property together with

improvements and (b) the assessed valuation of Class II railroad property within its boundaries as annually determined by the State Board of Taxation. See “CITY REVENUES – Equalization Rate and Tax Collection Rates” herein for a discussion of the City's assessed valuations. The debt limit pursuant to Title 18A of the New Jersey Statutes for the City school district, a Type I district of the first class, is 8% of such average valuation basis. Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit. Pursuant to law, the City has deducted the amount of authorized school debt.

Exception to Debt Limit - Extensions of Credit

The debt limit of the City may be exceeded only with the approval of the Local Finance Board. If all or any part of a proposed debt authorization would exceed its debt limit, the City must apply to the Local Finance Board for an extension of credit. An extension of credit may be granted based on a formula tied to the annual retirement of principal or need to protect the health, welfare or safety of the residents in a municipality. The Local Finance Board considers the request, concentrating its review on the effect of the proposed authorization on outstanding obligations. If the Local Finance Board determines pursuant to statute and regulation that a proposed debt authorization would materially impair the ability of the City to meet its obligations or to provide essential services, approval is denied.

In calendar years ending December 31, 2018, December 31, 2019, December 31, 2020, December 31, 2021, December 31, 2022, December 31, 2023 and December 31, 2024, net debt as a percentage of the equalized value of the City was 2.028%, 1.611%, 1.338%, 1.338%, 1.221%, 1.186% and 1.492%, respectively.

State law permits the City school district acting through the Municipal Council to authorize debt in excess of its individual debt limit. It does so by using the borrowing capacity of the City for school purposes after the school debt margin has been exhausted. The Local Finance Board is involved only if the proposed debt authorization exceeds the debt limit of both the City and the City school district.

Exception to Debt Limit - Real Property Tax Appeal Refunding Notes

The City revalued the real property located in the City in 2017. See “CITY REVENUES -- Equalization Rate and Tax Collection Rates”. After the revaluation, the number of tax appeals increased substantially. In order to file a tax appeal, a property owner must first pay the taxes that are owed. If the appeal is successful, the taxes are then refunded to the owner. The refund may occur in a fiscal year subsequent to the fiscal year in which the owner paid the taxes. Because of the magnitude of the tax appeals and the amount that was required to be refunded, the Local Finance Board and the Municipal Council have allowed the City to issue tax refunding obligations to finance the tax refunds. The tax refunding obligations issued to date are one-year notes, renewable annually for five to seven years after their date of issuance, with the amortization schedule approved by the Local Finance Board. In 2024, the City issued \$18,720,000 in tax appeal refunding notes (the “2024 TARN Notes”) for successful appeals of commercial property based on reduced occupancy resulting from the COVID-19 pandemic. In 2025, the City issued to refund, on a current basis, a \$12,480,000 principal portion of 2024 TARN Notes (a \$6,240,000 portion of the 2024 TARN Notes will be paid by the City with a 2025 budget appropriation).

Debt Statements

The City must report all new authorizations of debt or changes in previously authorized debt to the Division through the filing of Supplemental and Annual Debt Statements. The Supplemental Debt Statement must be submitted to the Division before final passage of any debt authorization. Before the end of the first month of each fiscal year, the City must file an Annual Debt Statement as of the last day of the preceding fiscal year with the Division. Through the Annual and Supplemental Debt Statements, the Division monitors all local borrowing.

In calculating the debt limit, the City is allowed to deduct certain types of debt. Deductions from gross debt are allowed for school purposes of an amount equal to 8% of average equalized valuations and for any additional State School Building Aid Bonds authorized (P.L. 1968, c. 177, as amended P.L. 1971, c. 10, as amended and P.L. 1978, c. 74). The deduction from municipal gross debt includes bonds issued and bonds authorized but not issued to meet cash grants-in-aid for a housing authority, redevelopment agency or municipality acting as its local redevelopment entity (Section 40A:12A-37(d) of the Local Redevelopment and Housing Law) and funds in hand (including proceeds of bonds held to pay other bonds).

The following table sets forth the amount of debt that the City has outstanding, authorized but not yet issued as well as deductions for each purpose (school, municipal and water) and the amount of debt that the City has authorized for each purpose but has not yet incurred. In addition, the table sets forth the amount of debt that has been issued by public bodies but that the City is or may be responsible for paying. See “Other City-Related Indebtedness”. The table then sets forth the amount of the debt that, pursuant to State

law, is excluded from the calculation of the debt limitations imposed on the City. Such deductions include debt for school purposes (a portion of which are subject to their own debt limitation), debt for the water utility because it operates on a self-liquidating basis, refunding debt, debt issued in anticipation of grants and bonds issued by public entities (even though the City may be responsible for all or a portion of the debt service on such debt). As shown in the table, although the City's gross debt as of December 31, 2024 was 1,508,159,791, only \$744,954,432 of that debt is included for purposes of calculating the debt limitation on the City.

The table also shows the statutory net debt as a percentage of the average equalized value of property in the City (the average calculated for the past three years). See “CITY REVENUES - Real Estate Tax” herein.

**Annual Debt Statement
As of December 31, 2024**

Gross Debt:		
School Purposes:		
Issued and Outstanding:		
Bonds	\$55,305,000	
Authorized But Not Issued	<u>1,587,258</u>	
Total School		\$56,892,258
Municipal Purposes:		
Issued and Outstanding:		
Bonds	326,182,000	
Notes	281,414,685	
Green Trust Loan	219,118	
Authorized But Not Issued	<u>162,353,629</u>	
Total Municipal		770,169,432
Issued by Public Bodies Guaranteed by the Municipality:		
Jersey City Redevelopment Agency	142,760,000	
Jersey City Municipal Utilities Authority	<u>538,338,101</u>	
Total Gross Debt		<u>681,098,101</u>
		1,508,159,791
Statutory Deductions:		
For School Purposes - Statutory 4%	56,892,258	
For Jersey City Municipal Utilities Authority - Water	3,515,000	
For ERI Pension Refunding	14,000,000	
For Energy Savings Improvement Program Refunding	7,700,000	
For Funds on Hand for Retirement of Debt	0	
For Bonds Issued by Public Bodies	<u>681,098,101</u>	
Guaranteed by the Municipality		
Total Statutory Deductions		<u>763,205,359</u>
Statutory Net Debt		<u>\$744,954,432</u>
Statutory Net Debt Percentage		1.492%

Source: Derived from the Audited Annual Debt Statement of the City for Calendar Year 2024.

The following table summarizes the information included in the preceding table, and shows, among other things, the gross debt outstanding for each purpose, the amount of such debt allowed under State law to be excluded from the calculation of the debt limitation and the statutory net debt.

Statutory Debt as of December 31, 2024

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Purposes	\$56,892,258	\$56,892,258	\$ -0-
Municipal Purposes	770,169,432	25,215,000	744,954,432
Other Public Bodies Guaranteed by City	<u>681,098,101</u>	<u>681,098,101</u>	<u>-0-</u>
Total	<u>\$1,508,159,791</u>	<u>\$763,205,359</u>	<u>\$744,954,432</u>
Average Equalized Valuation of Real Property (Yrs. 2022-2024)			\$49,915,947,809
Statutory Net Debt			1.492%
Debt Limitation Per N.J.S.A. 40A:2-6 (Municipalities – 3.50% of Three Year Average Equalized Valuation)			1,747,058,173
Total Net Debt			<u>744,954,432</u>
Remaining Net Debt Capacity			<u>\$1,002,103,741</u>

Source: Derived from the Audited Annual Debt Statement of the City for Calendar Year 2024.

The table below outlines the total debt of the City and sets forth the amount that the debt represents per capita for the last five years.

	<u>December 31, 2024</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Gross Debt ⁽¹⁾	1,508,159,792	\$1,093,389,663	\$1,167,474,186	\$972,675,853	\$873,775,785
Net Debt Statutory ⁽²⁾	744,954,432	574,526,663	564,823,351	577,840,952	527,197,935
Population ⁽³⁾	292,449	292,449	292,449	292,449	247,597
Gross Debt per Capita	5,157	3,739	3,992	3,326	3,529
Net Debt per Capita	2,547	1,965	1,931	1,976	2,129
Net Debt - Statutory Percentages	1.492%	1.186%	1.221%	1.338%	1.338%

⁽¹⁾⁽²⁾ The figures representing Gross Debt and Net Debt Statutory are from the 2020- 2024 Annual Debt Statement.

⁽³⁾ Source: U.S. Department of Commerce, Bureau of the Census.

The following table lists the total bonded debt of the City for the last five years.

	<u>December 31, 2024</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Bonds:					
General	\$326,182,000	\$352,557,000	\$311,843,000	\$227,603,000	\$272,848,000
School	55,305,000	59,670,000	5,350,000	6,295,000	8,755,000
Water	-0-	-0-	4,825,000	6,620,000	9,675,000
Other	<u>681,098,101</u>	<u>432,248,691</u>	<u>562,373,577</u>	<u>356,277,265</u>	<u>293,369,198</u>
Total Outstanding Bonds	1,062,585,101	844,475,691	884,391,577	596,795,265	584,647,198
Notes:					
General	281,414,685	141,650,000	175,709,530	294,828,551	212,111,700
School	-0-	-0-	-0-	-0-	-0-
Water	-0-	-0-	-0-	-0-	-0-
Other (Loan)	<u>219,118</u>	<u>323,084</u>	<u>432,191</u>	<u>539,150</u>	<u>644,000</u>
Total Outstanding Notes	<u>281,633,803</u>	<u>141,973,084</u>	<u>176,141,721</u>	<u>295,367,701</u>	<u>212,755,700</u>
Total Bonds and Notes Issued and Outstanding	1,344,218,904	986,448,775	1,060,533,298	892,162,966	797,402,898
Bonds and Notes Authorized but Not Issued					
General	162,353,629	105,353,629	105,353,629	78,925,629	74,735,629
School	1,587,259	1,587,258	1,587,258	1,587,258	1,587,258
Water	-0-	-0-	-0-	-0-	50,000
Other	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Bonds and Notes Authorized But Not Issued	163,940,887	106,940,887	106,940,887	80,512,887	76,372,887
Total Issued and Outstanding, and Authorized But Not Issued	<u>\$1,508,159,792</u>	<u>\$1,093,389,663</u>	<u>\$1,167,474,185</u>	<u>\$972,675,853</u>	<u>\$873,775,785</u>

Source: Derived from the 2020-2024 Annual Debt Statements of the City.

Included in the debt shown on this table are tax appeal refunding notes of the City outstanding for the 5-year period. The following table sets forth the amount of tax appeal refunding notes that were issued and outstanding in each of the five years preceding such date.

Real Property Tax Appeal Refunding Notes Outstanding

<u>Year</u>	<u>Amount Issued⁽¹⁾</u>	<u>Balance end of year</u>
December 31, 2024	\$18,720,000	\$18,720,000
December 31, 2023	-0-	-0-
December 31, 2022	-0-	-0-
December 31, 2021	-0-	-0-
December 31, 2020	-0-	-0-

Source: Derived from the Calendar Year 2020-2024 Audited Financial Statements of the City.

⁽¹⁾ These amounts do not include tax appeal refunding notes issued to refund prior issues of tax refunding notes.

The table below sets forth the total overlapping debt of the City for the last five years. The County of Hudson (the "County") debt overlap was 43.12% in 2024, 42.73% in 2023, 41.82% in 2022, 43.84% in 2021, 35.25% in 2020, and 41.89% in 2019. The overlap for all other debt was 100%. The City's percentage of overlap for County debt is determined by the State based on (i) the assessed value of Class II Railroad Property in the City and (ii) the true value of real property in the City. The sum of these two figures is used to calculate a percentage of the sum of the assessed value of Class II Railroad Property in the County, plus the true value of real property in the County. Overlapping debt is debt for which the City is not required to levy taxes.

Schedule of Overlapping Debt⁽¹⁾

	<u>December 31, 2024</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Jersey City Municipal Utilities Authority	\$ 538,338,101	\$ 445,949,785	\$ 410,723,577	\$ 343,377,265	\$ 280,469,198
Jersey City Redevelopment Agency	142,760,000	143,435,000	151,650,000	12,900,000	12,900,000
Hudson County	<u>274,064,579⁽³⁾</u>	<u>270,350,574⁽⁴⁾</u>	<u>241,508,784⁽⁶⁾</u>	<u>248,534,599⁽⁵⁾</u>	<u>478,320,241⁽²⁾</u>
TOTAL	<u>\$ 955,162,680</u>	<u>\$ 859,735,359</u>	<u>\$803,882,361</u>	<u>\$604,811,864</u>	<u>\$ 771,689,439</u>

Source: Derived from the Annual Debt Statements of the County and City.

⁽¹⁾ The outstanding debt of the Hudson County Utilities Authority, the Rockaway Valley Regional Sewerage Authority and the Hudson County Improvement Authority are not included (see further discussion herein).

⁽²⁾ This figure represents 35.25% of the total County Gross Debt of \$1,356,802,807.

⁽³⁾ This figure represents 43.12% of the total County Gross Debt of \$637,904,870.

⁽⁴⁾ This figure represents 42.73% of the total County Gross Debt of \$632,695,003.

⁽⁵⁾ This figure represents 43.84% of the total County Gross Debt of \$566,883,979.

⁽⁶⁾ This figure represents 41.82% of the total County Gross Debt of \$577,539,831.

The table below lists the principal and interest repayment schedule on all outstanding bonds of the City from 2025 through 2051.

**Combined Principal and Interest Repayment Schedule
Outstanding Bonds of the City
As of December 31, 2024**

CALENDAR	COMBINED				
<u>YEAR</u>	<u>TOTAL</u>	<u>GENERAL</u>	<u>PENSION</u>	<u>WATER</u>	<u>SCHOOL</u>
2025	41,533,595	38,526,016	1,498,789	443,789	1,065,000
2026	39,548,837	36,375,346	1,608,334	445,156	1,120,000
2027	39,654,335	36,304,656	1,728,871	460,807	1,160,000
2028	32,110,476	29,805,652	1,859,306	445,519	-
2029	32,235,726	29,767,559	1,993,685	474,482	-
2030-2034	131,028,405	119,662,713	9,481,092	1,884,601	-
2035-2039	93,054,111	93,054,111	-	-	-
2040-2044	22,394,350	22,394,350	-	-	-
2044-2049	1,645,156	1,645,156	-	-	-
2050-2051	<u>660,000</u>	<u>660,000</u>	-	-	-
TOTAL	<u>\$ 433,864,990</u>	<u>\$ 408,195,559</u>	<u>\$ 18,170,077</u>	<u>\$ 4,154,354</u>	<u>\$ 3,345,000</u>

In addition to the debt service requirements on outstanding bonds, the City also pays debt service on notes. Notes generally mature within one year from their date of issuance. Notes, other than tax appeal refunding notes, may be renewed three times without principal payments and must then be amortized over a ten-year period (unless refunded by bonds). The debt service payable on notes depends on the interest rate established upon the renewal of the notes. For Calendar Year 2018 the amount was \$2,879,921, for Calendar Year 2019 the amount was \$5,904,480, for Calendar Year 2020 the amount was \$6,134,983, for Calendar Year 2021 the amount was \$8,834,855, for Calendar Year 2022 the amount was \$5,117,897, for Calendar Year 2023 the amount was \$8,764,803, and for Calendar Year 2024 the amount was \$7,060,437.

Other City-Related Obligations

Rockaway Valley Regional Sewerage Authority

In compliance with a court decree, the City entered into an agreement, dated July 30, 1971, with the Rockaway Valley Regional Sewerage Authority ("RVRSA"), whereby the City agreed to share in the operating costs of the RVRSA which provides sewerage treatment services in the vicinity of the City's watershed properties. In 2020, 2021, 2022, 2023 and 2024 the JCMUA contributed \$3,860,866, \$3,270,630, \$4,200,000, \$3,810,444, \$4,480,000, and \$4,200,000 respectively.

Under the same agreement, the City is also required to pay a share of the capital and operating cost of construction of an advanced treatment sewerage facility, which the RVRSA has designed. Under the current plans, the cost of construction is estimated to be \$60,000,000, less any federal funds, the amount of which is presently uncertain. Based upon the design capacity, the City will be responsible for 37 1/2% of the excess cost of financing construction over available federal funds. The amount of the City's contribution for the new facility is a portion of the City's share of the operating costs outlined in the immediately preceding paragraph. The RVRSA has permanently financed substantially all of the non-grant share of project costs with the sale of long-term tax-exempt bonds.

Jersey City Incinerator Authority

On October 14, 2015, the City adopted an ordinance dissolving the JCIA and assigning its powers to City departments. The JCIA was officially dissolved April 1, 2016. The City has merged all of the responsibilities of the JCIA, included but not limited to the collection and disposal of all residential and municipal solid waste for the City, mechanical and manual street sweeping, cleaning of City owned lots, roll-off container service, recycling, demolition, snow plowing, salting and snow removal into the City Department of Public Works without interruption of services. As the JCIA annual budget was approximately 95% funded by City appropriations, the dissolution has not had any material impact on the financial strength of the City.

Jersey City Municipal Utilities Authority

The JCMUA, formerly the Jersey City Sewerage Authority, is responsible for the construction and operation of two pumping stations, at which sewage collected from the City and portions of the City of Union City is pumped to the secondary sewage treatment plant of the Passaic Valley Sewerage Commissioners ("PVSC") at Newark, New Jersey. The JCMUA formerly operated primary sewage treatment plants at the sites of the pumping stations. The Passaic Valley Connection Project, consisting of the pumping stations and connecting sewer lines, was commenced in 1985 and completed in 1989, using certain federal and state grants and funds of the JCMUA, for which the JCMUA issued its bonds. The City of Bayonne and the Town of Kearny each, separately, sought and obtained permission to hook up their own sewage transmission lines to a portion of the JCMUA's lines, and have agreed to share the costs of the common portions used by them.

The indebtedness of the JCMUA as of December 31, 2024 was \$538,338,101. The JCMUA imposes user charges on all sewer users in its service area, at the rate of \$7.01 per 100 cubic feet of water consumption. The JCMUA imposes user charges on all water users in its service area, at the rate of \$5.08 per 100 cubic feet of water consumption. From its user charge revenues, the JCMUA is required to pay its debt service costs and operating costs of the pumping stations and collector system. The JCMUA also pays, from user charges, operating charges of PVSC which are the obligation of the City. In addition, the JCMUA imposes a \$12.50 monthly charge per dwelling unit for solid waste collection and disposal fees.

Pursuant to a Sewer Service Contract between the City and the JCMUA, dated as of December 1, 1985 (the "Sewer Service Agreement"), the City is obligated to pay to the JCMUA any amounts by which the JCMUA's sewer operating expenses and amounts required to be paid or set aside under the JCMUA's bond resolution for its sewer bonds exceed the JCMUA's revenues from user charges. The JCMUA is obligated to increase user charges in future years to make up any such deficiency, and to pay back sums advanced by the City under the Service Contract. No payments by the City have been required since the execution of the Sewer Service Contract.

The Municipal Council adopted an ordinance on December 10, 1997 to reorganize the Sewerage Authority as the JCMUA. The JCMUA and the City initially entered into a water services franchise and service agreement on April 1, 1998 (the "Initial Water Franchise Agreement") pursuant to which a) the JCMUA obtained a franchise from the City to operate the City's Water System for a ten year period which was to terminate on March 31, 2008 and b) the City agreed to provide security for the holders of the obligations of the JCMUA related to the Water System.

The JCMUA and the City agreed in the Amended and Restated Water Services Franchise and Service Agreement dated as of May 1, 2003 (the "2003 Amended Water Franchise Agreement") to: a) provide for the acquisition by the JCMUA from the City of an extension of the franchise granted under the Initial Water Franchise Agreement, in order to operate the Water System through March 31, 2028 (the "2003 Project") and b) provide for the City to continue to provide security to the holders of obligations of the JCMUA which are issued for or with respect to the Water System for the extended franchise period.

In September 2005, the City and the JCMUA entered into the 2005 Amended and Restated Water Services Franchise and Service Agreement (the "2005 Amended Agreement" and together with the Initial Franchise Agreement and the 2003 Amended Water Franchise Agreement, the "Water Franchise Agreement") to reflect a payment schedule for the cost of acquiring the City's water franchise that more accurately reflects the projected availability of revenues to the JCMUA. Pursuant to the Water Franchise Agreement, the JCMUA has agreed to pay the City certain amounts annually from January 1, 2005 to December 31, 2027 for the rights to such franchise, and the City has agreed to convey such franchise rights to the JCMUA and to provide for the payment annually, if necessary, of any deficiencies in Water Revenues of the JCMUA in connection with the Water System. As required by the Water Franchise Agreement, the City, by ordinance adopted on September 14, 2005, consented to the JCMUA's issuance of \$17,000,000 Water Revenue Refunding Bonds on December 13, 2005, which are secured by the provisions of the Water Franchise Agreement and the Sewer Service Contract.

The Water Franchise Agreement is subject to the existing private management operating agreement in effect between the City and United Water Resources executed in 1996.

Under the Water Franchise Agreement, the City will continue to authorize indebtedness for necessary water capital improvements and the JCMUA will continue to be responsible to reimburse the City for debt service on this indebtedness. The City will also continue its obligation to make payments of any necessary annual charges or deficiency payments in the event the JCMUA does not collect sufficient revenues in any year to provide for the expenses of operation of the Water System, to maintain required reserves, and to pay annual water related debt service when due. Since 1998, the City has not been required to make any annual payment to the JCMUA under the Water Franchise Agreement. The JCMUA has taken a number of financial measures to assure that it can meet

all of its operations, maintenance and debt service obligations, including required payments to the City pursuant to the Water Franchise Agreement. These measures include (i) the provision of necessary improvements from time to time to the water and sewer system, (ii) the amendment of the Water Franchise Agreement in order to reschedule the annual payments to the City to more accurately match the revenues projected to be generated by the JCMUA during the life of the Water Franchise Agreement, which runs through December 31, 2027, (iii) a rate increase of 15% effective July 1, 2005, (iv) the approval by the JCMUA of annual CPI rate increases, and (v) the restructuring of certain outstanding water and sewer system debt of the Authority based upon the projected revenues once the rate increases are in effect and the financial measures implemented.

Jersey City Medical Center

The Jersey City Medical Center is a voluntary not-for-profit hospital independent of the City. Previously, the Medical Center had been a public hospital.

The City contributed \$12 million for the construction cost of a new hospital facility in the Liberty Harbor North Redevelopment Area to replace the old Medical Center's buildings. The new building started operation on May 15, 2004.

The County of Hudson

The City is located in the County and, in accordance with the regulations governing financial reporting for New Jersey Municipalities, a pro rata share of certain direct debt of the County is treated as "Overlapping Debt" of the City for financial reporting purposes. See "Schedule of Overlapping Debt" herein.

The County issues its bonds and notes for the financing of capital projects of the County, including County roads, buildings, parks and educational facilities. Major facilities of the County that were financed in recent years include a golf course and administration building. In addition, the County guarantees certain of the debt of the Hudson County Improvement Authority.

The gross debt of the County as of December 31, 2024 was \$637,904,870.36 and its net statutory debt was \$569,119,077.93.

Municipal Qualified Bond Act

In addition to being secured by the pledge of the City's full faith and credit, certain bonds of the City are entitled to the benefits of the Municipal Qualified Bond Act, Title 40A of the New Jersey Statutes, Section 40A:3-1, et seq., as amended (the "Municipal Qualified Bond Act"). Pursuant to the Municipal Qualified Bond Act, a portion of certain State aid allocated to the City, in amounts sufficient to pay debt service on such bonds, is to be withheld by the State Treasurer and forwarded to the paying agent on or before the principal and interest payment dates for such bonds for deposit into accounts established for the purpose of paying debt service on such bonds.

Pursuant to the provisions of the Municipal Qualified Bond Act, the City shall certify to the State Treasurer the name and address of the paying agent, maturity schedule, interest rate or rates and dates of payment of debt service on any Qualified Bonds within ten days after the issuance thereof. After receipt of such certificate, the State Treasurer is required to withhold with respect to such bonds from the amount of business personal property tax replacement revenues, gross receipts tax revenues (now known as "energy receipts" tax revenues), municipal purposes tax assistance fund distributions and certain other funds appropriated as State aid payable to the City and not dedicated to a specific purpose by the State (the "municipal qualified revenues") an amount which will be sufficient to pay debt service on such bonds as it becomes due. Municipal qualified revenues do not include Aid to Distressed Cities.

The Municipal Qualified Bond Act provides that the municipal qualified revenues so withheld and paid or to be paid to and held by the paying agent are deemed to be held in trust and exempt from being levied upon, taken, sequestered or applied toward paying the debts of the City other than the payment of debt service on any such Qualified Bonds of the City issued for municipal purposes (including fiscal year adjustment or pension obligation purposes) or water utility purposes and entitled to the benefits of the Municipal Qualified Bond Act.

The Municipal Qualified Bond Act does not relieve the City of its obligation to include in its annual budget amounts necessary to pay, in each year, the principal of and interest becoming due on any such Qualified Bonds. However, such budgeted amounts may be applied to the payment of operating expenses of the City for the then current year to the extent that appropriated amounts have been withheld from the municipal qualified revenues payable to the City and have been forwarded to the paying agent. Such budgeted amounts must be used to pay debt service becoming due on any such Qualified Bonds of the City issued for municipal purposes (including fiscal

year adjustment or pension obligation purposes) or water utility purposes and entitled to the benefits of the Municipal Qualified Bond Act in any year in which sufficient municipal qualified revenues are not appropriated.

The State has covenanted in the Municipal Qualified Bond Act with the holders of bonds entitled to the benefits of such act, that it will not repeal, revoke, rescind, modify or amend the provisions of such act providing for the withholding of municipal qualified revenues and payment of such revenues to the paying agent for such bonds so as to create any lien or charge on or pledge, assignment, diversion, withholding payment or other use of or deduction from such revenues which is prior in time or superior in right to the payment of debt service on such bonds.

The Municipal Qualified Bond Act does not contain a pledge or guarantee that any amounts payable to the Paying Agent will, in fact, be made or continued. Each such annual amount is subject to appropriation by the State Legislature. Moreover, the State is not required to continue to make appropriations of such amounts, nor is the State limited or prohibited from repealing or amending any law heretofore or hereafter enacted for the payment or apportionment of such amounts or in the manner, time or amount thereof. Further, the amount payable to the Paying Agent does not constitute an additional source of revenues available to the City.

The table below shows the qualified revenues, debt service on bonds subject to the Municipal Qualified Bond Act, and coverage ratios for the last five years. State aid is distributed by the State to the City on a “phased aid” schedule.

	<u>December 31, 2024</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Qualified Revenues:					
Energy Receipt Tax:	\$64,605,995	\$64,286,002	\$63,334,703	\$60,481,954	\$59,757,371
Consolidated Municipal Property	<u>0</u>	<u>0</u>	<u>509,982</u>	<u>3,362,731</u>	<u>4,087,314</u>
Total Qualified Revenues:	<u>\$64,605,995</u>	<u>\$64,286,002</u>	<u>\$63,844,685</u>	<u>\$63,844,685</u>	<u>\$63,844,685</u>
Debt Service:					
General Improvement Bonds:	6,188,265	9,269,961	20,812,776	37,238,557	39,301,038
Water Bonds:	<u>334,700</u>	<u>348,825</u>	<u>363,875</u>	<u>1,882,209</u>	<u>2,294,676</u>
Total Debt Service:	<u>\$ 6,253,015</u>	<u>\$ 9,618,786</u>	<u>\$21,176,651</u>	<u>\$39,120,766</u>	<u>\$41,595,714</u>
Coverage Ratio:	10.33	6.68	3.01	1.63	1.53

Source: Derived from the Calendar Year 2020-2024 Audited Financial Statements of the City.

The City has outstanding bonds, notes and loans for municipal purposes which are not entitled to the benefits of the Municipal Qualified Bond Act. The debt service for the calendar year ending December 31, 2024 was \$42,120,745 for such bonds, \$7,030,437 for such notes and \$109,871 for such loans. The debt service for the calendar year ending December 31, 2023 was \$37,459,522 for such bonds, \$8,764,803 for such notes and \$117,209 for such loans. The debt service for the calendar year ending December 31, 2022 was \$29,083,218 for such bonds, \$8,309,202 for notes and \$117,209 for such loans. The debt service for December 31, 2021 was \$31,518,985 for such bonds, \$9,134,855 for notes and \$117,209 for such loans. December 31, 2020 was \$25,812,848 for such bonds, \$4,948,204 for notes and \$117,214 for such loans. The City may also be responsible for the payment of debt service on the bonds issued by certain independent authorities. See "CITY INDEBTEDNESS AND DEBT LIMITS -- Other City-Related Obligations" herein.

Certain outstanding issues of General Improvement Bonds, Pension Obligation Bonds, Water Bonds and FYABs of the City are entitled to the benefits of the Municipal Qualified Bond Act and certain School Bonds of the City are entitled to the benefits of the School Qualified Bond Act, Title 18A of the New Jersey Statutes, Section 18A:24-85 *et seq.*

School Qualified Bond Act

In addition to being secured by the pledge of the City's full faith and credit, certain bonds of the City are entitled to the benefits of The School Qualified Bond Act, Title 18A of the New Jersey Statutes, Section 18A:24-85 *et seq.*, as amended (the “School Qualified Bond Act”). Pursuant to the School Qualified Bond Act, a portion of the amount of State school aid payable to the school district, in amounts sufficient to pay debt service on such bonds, is to be withheld by the State Treasurer and forwarded directly to the paying agent

on or before the principal and interest payment dates for such bonds. Those funds are further deposited into accounts established for the purpose of paying debt service on such bonds.

Pursuant to the provisions of The School Qualified Bond Act, the City shall certify to the State Treasurer the name and address of the paying agent, maturity schedule, interest rate or rates and dates of payment of debt service on such bonds within ten days after the issuance thereof. After receipt of such certificate, the State Treasurer is required to withhold with respect to such bonds from the amount of State school aid payable to the school district an amount which will be sufficient to pay debt service on such bonds as it becomes due. For purposes of The School Qualified Bond Act, “State school aid” means funds made available to local school districts pursuant to the Quality Education Act of 1990, N.J.S.A. 18A:7D-4.

The School Qualified Bond Act provides that the State school aid so withheld and paid or to be paid to and held by the paying agent are deemed to be held in trust and exempt from being levied upon, taken, sequestered or applied toward paying the debts of the City other than the payment of debt service on such bonds and other bonds of the City issued for school purposes and entitled to the benefits of the School Qualified Bond Act.

The School Qualified Bond Act does not relieve the City of its obligation to include in its annual budget amounts necessary to pay, in each year, the principal of and interest becoming due on such bonds. However, such budgeted amounts will be forwarded by the City to the school district, to the extent that appropriated amounts have been withheld from the State school aid payable to the school district and have been forwarded to the paying agent. Such budgeted amounts must be used to pay debt service becoming due on such bonds and other bonds of the City issued for school purposes and entitled to the benefits of the School Qualified Bond Act in any year in which sufficient State school aid is not appropriated.

The State has covenanted in The School Qualified Bond Act with the holders of bonds entitled to the benefits of such act, that it will not repeal, revoke, rescind, modify or amend the provisions of such act providing for the withholding of State school aid and payment of such monies to the paying agent for such bonds so as to create any lien or charge on or pledge, assignment, diversion, withholding payment or other use of or deduction from such monies which is prior in time or superior in right to the payment of debt service on such bonds.

The School Qualified Bond Act does not contain a pledge or guarantee that any amounts payable to the Paying Agent will, in fact, be made or continued. Each such annual amount is subject to appropriation by the State Legislature. Moreover, the State is not required to continue to make appropriations of such amounts, nor is the State limited or prohibited from repealing or amending any law heretofore or hereafter enacted for the payment of such amounts or in the manner, time or amount thereof. Further, the amount payable to the paying agent does not constitute an additional source of revenues available to the City.

The table below shows the qualified revenues, debt service on bonds subject to the School Qualified Bond Act, and coverage ratios for the last five years.

	<u>December 31, 2024</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Qualified School Revenues:	\$137,417,279	\$184,699,706	\$253,238,977	\$324,393,336	\$379,711,659
Total School Debt Service:	1,184,450	1,189,550	1,188,150	2,788,848	2,869,646
Coverage Ratio:	116.02	155.27	213.14	116.32	132.32

New Jersey School Bond Reserve Act

All school bonds issued are also entitled to the benefits of the provisions of the New Jersey School Bond Reserve Act, P.L. 1980 (N.J.S.A. 18A:56-17 *et seq.*) (the “School Bond Reserve Act”).

In accordance with the School Bond Reserve Act, there is established within the State Fund for the Support of Free Public Schools (the “Fund”) a school bond reserve (the “Reserve”), which is pledged by law to secure payments of principal and interest due

on such bonds in the event of the inability of any issuer thereof to make payments. The school bond reserve consists of two accounts, the old school bond reserve account and the new school bond reserve account. The old school bond reserve account is to be funded in an amount equal to 1.5% of the aggregate of such issued and outstanding bonded indebtedness for all counties, municipalities and school districts in the State for school purposes for all such indebtedness issued prior to July 1, 2003. The new school bond reserve account is to be funded in an amount equal to 1% of the aggregate of such issued and outstanding bonded indebtedness for all such indebtedness issued on or after July 1, 2003.

The Fund was established in 1817. The present State Constitution, adopted in 1947, provides that “the Legislature shall only appropriate Fund moneys for Public School purposes.” A Constitutional Amendment ratified in 1958 provides that “the Legislature may also appropriate Fund moneys for the payment of principal or interest on any school related Bonds of counties, municipalities or school districts of the State.”

Trustees of the Fund are charged with making an annual determination of the amount of school bonds outstanding and with adjusting the level of the Reserve accordingly, to the extent that moneys are available in the Fund. The State may, but is not required to, appropriate amounts to be deposited in the Fund. The School Bond Reserve Act provides that moneys received from the sale of lands belonging to the State as of 1980 or formerly lying under water are dedicated to the support of public schools and shall constitute a part of the Fund. In the event that proceeds from the sale of State riparian interests are, in the future, made payable by law to purposes other than the Fund, they may not be applied to such purposes so long as there is a deficit in the Reserve.

The State Constitution also provides that the Fund be “securely invested and perpetual in nature.” The School Bond Reserve Act requires that the Reserve be made up entirely of obligations of, or guaranteed by, the United States Government, at least one third of which must mature within one year of issuance or purchase. Investments in the Fund may include stocks, bonds and other investments prescribed by the State Investment Council Regulations.

Under the School Bond Reserve Act, the old school bond reserve account and the new school bond reserve account respectively, are pledged as security for the prompt payment of principal of and interest on bonds issued by counties, municipalities or school districts for school purposes prior to July 1, 2003 (in the case of the old school bond reserve account) or on or after July 1, 2003 (in the case of the new school bond reserve account), in the event any issuer thereof is unable to make payment. Any issuer which anticipates that it will be unable to make such payment is instructed to certify its inability to the Commissioner of Education and the Director of the Division of Local Finance at least 10 days prior to the date payment is due. If the Commissioner and the Director approve the certification, they then certify the same to the Fund Trustees. On receipt of the certification or other notice, the Trustees are required, within the limits of the Reserve, to purchase such bonds at the face amount or pay such interest when due. The amount which may be applied to any one issuer's bonds is not limited. The amount of any such payment of interest or purchase price shall be deducted from the appropriation or apportionment of State aid payable to the issuer and shall not obligate the State to make, nor entitle the issuer to receive, any additional appropriation or apportionment. There have not been any required withdrawals from the Reserve since its establishment.

The School Bond Reserve Act does not contain a covenant by the State to refrain from repealing, revoking, rescinding, modifying or amending the provisions of that act.

CITY FINANCIAL INFORMATION

Audit Requirement

State law requires every municipality to have an annual audit of its books and accounts to be completed within six months after the close of its fiscal year. The audit must be conducted by a registered municipal accountant and the audit report must be filed with the municipal clerk and with the Director.

Copies of the Annual Financial Statements and the City’s Audited Financial Statements for the Calendar Year ended December 31, 2024 are available for inspection during normal business hours at the office of the City Clerk, as well as on the City’s Official website at <https://www.jerseycitynj.gov/cityhall/finance/municipalfinancialreports> .

Accounting Principles and Fund Structure

Accounting Principles

The City does not prepare its financial statements in accordance with generally accepted accounting principles (“GAAP”). The City prepares its financial statements in accordance with the accounting policies prescribed by the Division, which differ from those prescribed under GAAP. The accounting policies prescribed by the Division are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. See “FINANCIAL STATEMENTS OF THE CITY OF JERSEY CITY” in APPENDIX B for a more complete discussion of the City's accounting policies.

Fund Structure

Under the method of accounting prescribed by the Division, the City accounts for its financial transactions through separate funds which differ from the fund structure required by GAAP. See “FINANCIAL STATEMENTS OF THE CITY OF JERSEY CITY” in APPENDIX B herein for a detailed description of the fund structure utilized by the City.

Basic Financial Statements

The City presents the financial statements which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements to be referenced to the supplementary schedules. This practice differs from GAAP.

Reporting Entity

The Division requires the financial statements of component units of the City to be reported separately unlike GAAP pursuant to which there are criteria to be used to determine which component units should be included in the financial statements of the oversight entity. Inasmuch as their activities are administered by separate boards, the financial statements of the Jersey City Board of Education, Jersey City Public Library, Jersey City Municipal Utilities Authority, Jersey City Municipal Port Authority and Jersey City Redevelopment Agency are reported separately.

Uniform Chart of Accounts

In an attempt to instill uniformity in financial reporting among the numerous municipal and county entities in New Jersey, the Division of Local Government Services has required the implementation of a Flexible Chart of Accounts (“FCOA”) and Other Comprehensive Basis of Accounting — Comprehensive Annual Financial Report (“OCBOA-CAFR”) by all New Jersey local and governmental entities. Procedures as to implementation dates are still pending by the State.

An important goal of the FCOA is to enable a comparison of local unit expenditures and revenues. Because municipalities and counties have different approaches to budgeting, common budget activity categories have been developed to facilitate comparison. These categories are necessary to prepare the Comprehensive Annual Financial Report and comply with budget regulations.

In order for each municipality and county to maintain the same minimum number of financial records and classify financial transactions in similar account classification structure, a uniform, flexible chart of accounts is already in place. This standardized chart of accounts, (“FCOA”), facilitates the electronic filing of budgets and other financial documents. The City converted its existing account numbers to that of FCOA and OCBOA-CAFR.

Current Fund – Revenues and Expenditures

The Current Fund is used to account for the revenues and expenditures for governmental operations of a general nature, including debt service on general improvement and school bonds, and tax appeal refunding notes. The fund balance in the Current Fund at the end of each fiscal year is comprised of cash, investments and certain receivables. Under State law, only the amount of Current Fund balance held in cash or quick assets may be included as anticipated surplus in the succeeding fiscal year's budget, unless the Director gives written consent to an exception.

The information presented in the following tables has been derived from the City's Audited Financial Statements for the fiscal years ending December 31, 2020, December 31, 2021, December 31, 2022 and December 31, 2023; and December 31, 2024. The fund balance does not reflect a cash surplus and the balance consists primarily of receivables. The amount of the fund balance that may be

used in the succeeding year's budget consists of receivables which have a high probability of being realized in the succeeding fiscal year and which are permitted by the Director to be included in the succeeding year's budget. The fund balances as of 2020 through 2024, and the amounts included in the budget for each succeeding year are shown below:

Fiscal Year Ending	Current Fund Fund Balance	Used in Succeeding Year Budget
December 31, 2024	\$32,594,184	\$27,929,353
December 31, 2023	39,114,017	38,355,725
December 31, 2022	107,411,575	68,297,558
December 31, 2021	25,935,312	0
December 31, 2020	43,528,930	17,593,618

Source: Derived from the Calendar Year 2020-2024 Audited Financial Statements

The following table summarizes the Current Fund revenues for the last five years with a comparison of budgeted revenues and expenses to actual amounts. The tables on the succeeding pages set forth the City's appropriations for the last five years and show the operations and changes in the Current Fund over the past five years.

	<u>December 31, 2024</u>		<u>December 31, 2023</u>		<u>December 31, 2022</u>		<u>December 31, 2021</u>		<u>December 31, 2020</u>	
Revenues (In Thousands)	<u>Budgeted⁽¹⁾</u>	<u>Realized</u>	<u>Budgeted⁽¹⁾</u>	<u>Realized</u>	<u>Budgeted⁽¹⁾</u>	<u>Realized</u>	<u>Budgeted⁽¹⁾</u>	<u>Realized</u>	<u>Budgeted⁽¹⁾</u>	<u>Realized</u>
Fund Balance Utilized.....	\$38,356	\$38,356	\$68,298	\$68,298	\$ -	\$ -	\$ 17,594	\$ 17,594	\$ 35,352	\$ 35,352
Municipal Levy.....	368,302	380,132	380,132	323,996	319,566	331,348	207,395	213,452	266,728	279,583
Addition to School Tax Levy.....	653	653	655	655	654	654	1,536	1,536	1,581	1,581
Minimum Library Tax	16,927	16,927	16,460	16,460	15,121	15,732	14,744	14,744	13,377	13,638
Delinquent Taxes.....	1,405	671	6,837	8,884	2,049	4,681	1,050	982	1,345	1,066
Miscellaneous Revenue Anticipated:										
Building Aid Allowance for Schools	532	532	534	534	534	534	1,253	1,253	1,289	1,289
Consolidated Municipal Property Tax Relief Aid	6,659	6,659	-	-	510	510	3,363	3,363	4,087	4,087
Miscellaneous	183,692	220,459	172,384	225,339	329,537	356,964	322,509	285,049	276,779	259,598
Energy Receipt Tax	64,606	64,606	64,286	64,286	63,335	63,335	60,482	60,482	59,757	59,757
Municipal Utilities Authority Franchise	53,000	53,000	22,000	22,000	22,000	22,000	22,000	7,333	22,000	22,000
Total Miscellaneous Revenue Anticipated	<u>308,489</u>	<u>345,256</u>	<u>259,204</u>	<u>312,159</u>	<u>415,916</u>	<u>443,343</u>	<u>409,607</u>	<u>357,480</u>	<u>363,912</u>	<u>346,731</u>
Unanticipated Revenues (Non Budget).....	<u>-</u>	<u>6,068</u>	<u>-</u>	<u>3,365</u>	<u>-</u>	<u>27,472</u>	<u>-</u>	<u>5,736</u>	<u>-</u>	<u>6,989</u>
Total Revenues	<u>\$734,132</u>	<u>\$788,063</u>	<u>\$1,380,030</u>	<u>\$733,817</u>	<u>\$753,306</u>	<u>\$795,758</u>	<u>\$651,926</u>	<u>\$611,524</u>	<u>\$682,295</u>	<u>\$684,940</u>

Source: Derived from the Calendar Year 2020-2024 Audited Financial Statements of the City.

⁽¹⁾ Includes amendments to the budget subsequent to adoption, such as grant awards.

	Appropriations (In Thousands)				
	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020
Operating Expenses					
Salaries and Wages	\$ 267,121	\$ 263,095	\$ 270,065	\$ 228,126	\$ 237,738
Pensions	89,405	77,444	77,120	73,929	68,703
Health Benefits	118,735	126,127	102,150	75,000	94,000
Deferred Charges ⁽²⁾	34,161	41,243	63,835	3,106	3,036
Other Expenses ⁽¹⁾	132,317	156,817	160,745	181,942	191,855
Reserve for Uncollected Taxes	<u>16,369</u>	<u>8,457</u>	<u>14,634</u>	<u>5,140</u>	<u>9,007</u>
Total	658,108	673,183	688,549	567,243	604,339
 Capital and Debt Service...	 66,911	 65,231	 62,424	 82,926	 77,009
School Debt Service	1,185	1,190	1,188	2,747	2,870
Tax Refunds and					
Operational Debt Service..	<u>17,588</u>	<u>21,658</u>	<u>11,145</u>	<u>7,410</u>	<u>7,988</u>
 Total	 <u>\$ 743,792</u>	 <u>\$ 761,262</u>	 <u>\$ 763,306</u>	 <u>\$ 660,326</u>	 <u>\$ 692,206</u>

Source: Derived from the Calendar Year 2020-2024 Audited Financial Statements of the City.

(1) Includes COVID-Related Expenditures Funded by Federal Programs such as the CARES Act.

(2) Represents funding for deferred charges, other than deferred charges for which operational debt is issued.

Statement of Operations and Changes in Fund Balance In Thousands

	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020
Revenue and Other Income Realized:					
Fund Balance Utilized	\$ 38,356	\$ 68,298	\$ -	\$ 17,594	\$ 35,352
	-	-			
Miscellaneous Revenue Anticipated	345,255	312,159	443,343	357,478	346,731
Current Year Taxes	1,014,381	963,660	872,207	649,803	633,091
Delinquent Taxes	671	8,884	4,681	982	1,066
Non-Budget Revenue	6,068	3,365	8,666	5,736	6,989
Other Credits to Income:					
Unexpended Balance of Appropriation Reserves	14,180	5,827	3,550	7,017	7,002
Cancellation of Contracts Payable & Checks	113	6,524	0	0	597
Miscellaneous	8,281	4,797	367	85	8,634
Interfunds Liquidated	<u>58</u>	<u>575</u>	<u>32,689</u>	<u>3,446</u>	<u>18,626</u>
Total Revenue and Other Income Realized	<u>1,427,363</u>	<u>1,374,089</u>	<u>1,365,503</u>	<u>1,042,142</u>	<u>1,058,088</u>
Expenditures:					
Budget and Emergency Appropriations:					
Appropriations Within "CAP" Operations:					
Salaries and Wages	271,550	266,435	260,425	233,261	237,738
Other Expenses	225,679	219,896	207,215	172,026	180,614
Deferred Charges and Statutory					
Expenditures	102,445	111,674	103,156	74,156	68,859
Appropriations Excluded from "CAP" Operations:					
Salaries and Wages	--	--	750	-	-
Other Expenses	65,146	73,623	69,005	98,712	107,541
Capital Improvements	3,000	--	6,550	4,789	2,582
Municipal Debt Service	63,911	65,278	56,999	78,601	74,427
Deferred Charges -- Municipal	34,160	24,050	10,568	9,568	8,568
Judgments	--	--	-	3,644	-
Local School District Purposes	1,184	1,190	1,188	2,747	2,870
Reserve for Uncollected Taxes	--	8,457	14,634	5,140	9,007
School Taxes	439,120	430,510	352,134	233,627	162,869
County Taxes	186,132	187,619	177,515	176,302	167,153
Amount Due County on Added & Omitted Taxes	5,489	2,211	7,365	2,813	3,302
Special District Taxes	3	0	18	5,336	4,965
Municipal Open Space Tax	1,161	1,110	1,069	1,002	-
Arts and Culture Trust Tax	1,135	1,099	1,024	-	-
Miscellaneous	109	22,065	4,711	8,502	2,163
Interfunds Created	<u>16,005</u>	<u>2,152</u>	<u>1,589</u>	<u>57,174</u>	<u>15,061</u>
Total Expenditures	<u>1,416,229</u>	<u>1,417,369</u>	<u>1,275,915</u>	<u>1,167,399</u>	<u>1,047,719</u>
Excess (Deficit) in Revenue	11,134	(43,280)	89,588	(125,257)	10,369
Adjustments to Income before Fund Balance:					
Expenditures included above which are by Statute					
Deferred Charges to Budget of Succeeding Year	<u>0</u>	<u>1,639</u>	<u>12,824</u>	<u>32,317</u>	<u>13,000</u>
Excess in Operations (Deficit to be Raised) After Adjustment	<u>31,836</u>	<u>(1,641)</u>	<u>81,476</u>	<u>(92,939)</u>	<u>23,369</u>
Fund Balance Beginning of Year	39,114	107,412	25,935	43,529	55,512
	70,950	107,412	107,412	43,529	80,512
Amount Utilized as Anticipated Revenue	<u>38,356</u>	<u>68,298</u>	<u>-</u>	<u>17,594</u>	<u>35,352</u>
Fund Balance, End of Year	<u>\$32,594</u>	<u>\$39,114</u>	<u>\$107,412</u>	<u>\$25,935</u>	<u>\$43,529</u>

Source: Derived from the Calendar Year 2020-2024 Audited Financial Statements of the City.

CITY REVENUES

Overview

The City derives its revenues from a variety of local taxes, user charges and miscellaneous revenues, as well as from Federal and State unrestricted and categorical grants. Local revenues provided approximately 80% of total revenues in Calendar Year 2024 while Federal and State aid, including unrestricted aid and categorical grants, provided 12%. A discussion of the City's principal revenue sources follows.

Cash Flow Management

While State law requires the City to adopt and operate under a balanced budget and the City has not had a cash deficit at the end of any of the last ten fiscal years, the City's historic experience in the timing of the receipt of its various revenues has shown significant variance. The management of matching receipts and expenditures for operating purposes has required the use of significant amounts of temporary interfund transfers between operating and capital accounts. The City has undertaken an initiative to analyze and report cash flows (receipts and expenditures) on a monthly cycle to enable better matching of receipts with expenditures during each fiscal year. However, as long as the receipt of substantial appropriated revenues is dependent upon State, Federal and special program sources, there is no certainty that additional temporary interfund transfers or other short-term funding mechanisms will not be required should temporary cash flow imbalances persist.

Real Estate Tax

The real estate tax, the single largest source of the City's local revenues, is the primary source of funds for the City's Current Fund. The City derived approximately 50% of its total revenues for Calendar Year 2024 from the City's portion of the real estate tax.

The amount of real property taxes payable by a property owner is based on the assessed value of the property taxed and the combined tax rate for the City, the County and the School District. The assessed value of property is determined by the City's Tax Assessor. Although property may be reassessed at any time, the Tax Assessor generally reassesses property upon a revaluation and upon a resale. The last revaluation took place in 1988. The City's tax rate is determined by the City after adopting the final budget. The City's tax rate is determined based on the amount of budgeted expenditures, the amount of other available revenues and the aggregate assessed value of all taxable property in the City. The tax rates allocable to the County and School District are determined based on their respective budgets. The City must submit its tax rate to the County which certifies the aggregate rate to be levied.

Analysis of Tax Rates and Percent Distribution Rate Per \$1,000 Assessed Valuation

<u>Year</u>	<u>Total</u>	<u>Municipal⁽¹⁾</u>	Percent of <u>Total</u>	<u>County</u>	Percent of <u>Total</u>	<u>County Open Space Tax</u>	Percent of <u>Total</u>	<u>School</u>	Percent of <u>Total</u>
2024	22.33	\$8.51	38.11%	4.10	18.36%	\$0.00	0.00%	\$9.71	43.48%
2023	22.46	8.36	37.22%	4.27	19.01%	0.00	0.00%	9.83	43.77%
2022	21.18	8.19	38.67%	4.34	20.49%	0.00	0.00%	8.65	40.84%
2021	16.04	5.65	35.22%	4.45	27.74%	0.00	0.00%	5.94	37.03%
2020	16.10	7.37	45.78%	4.40	27.33%	0.00	0.00%	4.33	26.89%

⁽¹⁾ Includes Library Tax, Local Open Space Tax and Local Arts and Culture Tax.
Source: Derived from the County Board of Taxation Certification

Tax Collection Procedure

Taxes are payable quarterly on February 1, May 1, August 1 and November 1. Tax bills are sent out twice during the year, generally in June and December. The bill for taxes payable in February and May is based on the assessed value of the property as of January of the preceding year. The bill for taxes payable in August and November reflects adjustments made so that the taxes paid for the calendar year reflect the assessed value of the property as of January of the current year.

The City is required to send out tax bills at least 45 days before the taxes are due; however, if the budget has not been adopted by that time, the City may delay sending out the bills to a date at least 25 days before the taxes are payable. If the budget has not been adopted by that time, the bill is based on an estimated rate and the second bill will be adjusted to compensate for any difference between the actual rate and the estimated rate. Taxpayers are allowed a 10-day grace period for paying their taxes. Interest is charged on any late payments of taxes from the date the taxes were due until they are paid at a rate of 8% per annum for the first \$1,500 of delinquent taxes and 18% on any delinquent amount in excess of \$1,500. All unpaid taxes for the previous year are annually placed in a tax sale prior to putting a lien on the property, in accordance with the New Jersey Statutes. If the tax lien is sold, depending upon the amount of the lien sold, there is an additional penalty of 2%, 4% or 6%. *In rem* tax foreclosure proceedings may be instituted to enforce the tax collection or acquisition of title to the property by the City.

The City collects taxes for itself and for the County and the School District. The City pays to the County and the School District 100% of the amount of taxes billed by those entities, regardless of the number of taxpayers that are delinquent. The City pays the County its share of real property taxes quarterly (on February 15, May 15, July 15 and November 15) and pays the School District its share monthly.

Equalization Rate and Tax Collection Rates

The State determines, based on market data, the relationship between the assessed value of property and the “true value” or market value of the property. The State then calculates the equalization rate, which is the assessed value divided by the true value, expressed as a percentage. The assessed value divided by the equalization rate provides the equalized value, which is the value used to calculate the City's debt limit. See “CITY INDEBTEDNESS AND DEBT LIMITS - Debt Limits” herein. The following table sets forth the assessed valuation, equalization rate and equalized value of property in the City of the last 5 calendar years.

Assessed Valuations

<u>Year</u>	<u>Land</u>	<u>Improvements</u>	<u>Land and Improvements⁽¹⁾</u>	<u>Public Utility</u>	<u>Net Valuation Taxable⁽²⁾</u>	<u>Equalization Ratio</u>	<u>Equalized Valuation of Taxable Real Property</u>
2024	\$17,802,871,272	\$27,974,244,285	\$45,777,115,557	\$68,212,845	\$45,392,365,002	86.55	\$57,015,256,641
2023	16,963,988,535	27,408,429,185	44,372,417,720	64,553,490	43,959,568,210	82.91	50,780,919,429
2022	15,635,662,535	25,932,723,185	41,568,385,720	62,929,044	40,952,142,064	87.37	47,369,570,417
2021	15,340,341,326	24,927,864,495	40,268,312,026	2,334,566	39,640,675,892	87.51	45,299,692,487
2020	15,256,857,835	23,364,748,940	38,621,606,775	59,859,994	37,995,411,969	87.91	43,661,131,939

Source: The City of Jersey City, Office of the Tax Assessor

⁽¹⁾ Includes partial exemptions and abatements.

⁽²⁾ Excludes properties exempt from real property taxes.

Taxpayers are required to pay taxes based on the assessed value of their property and then are permitted to appeal. If the taxpayers are successful on appeal, they will receive a refund. In the past, the City has utilized both the Reserve for Tax Appeals account, which is funded through budget appropriations, and has issued refunding notes to pay for the appeals. During the years ended December 31, 2024 and 2023 the City appropriated a total of \$1,250,000 and \$1,050,000, respectively, to fund tax appeal interest and overpayments. During the years ended December 31, 2023 and 2022, the City further funded tax appeal payments through a charge to operations of \$9,953,145 and \$4,711,707, respectively. Also during the year ended December 31, 2023, the City adopted an Emergency Appropriation which was partially used to fund \$8,963,299 of tax appeals. Subsequent to year end, in January 2024, the City paid an additional \$9,792,495 of tax appeals.

The City is authorized to issue bonds to reimburse itself for payments made pursuant to successful tax appeals. The City has not authorized the issuance of bonds to fund tax appeals since 2012. See “CITY INDEBTEDNESS AND DEBT LIMITS – Exception to Debt Limit - Real Property Tax Appeal Refunding Notes” herein.

The following table sets forth the amount of taxes levied in each year and the amount and percentage of such levy collected or canceled. In addition, the table sets forth the amount and percentage of delinquent taxes from all prior years collected in a particular year, the amount transferred to tax lien, the tax lien balance, and the value of foreclosed property acquired by the City. The tax collection rate in the Calendar Year ending December 31, 2024 was 97.38%.

Analysis of Real Estate Tax Billings and Collections

<u>Tax Billings</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Municipal ⁽¹⁾	\$412,612,567	\$378,317,661	\$347,734,723	\$236,309,518	\$295,436,101
School	439,120,284	431,165,280	352,133,550	233,627,146	162,869,751
County	<u>191,621,317</u>	<u>189,830,215</u>	<u>179,114,629</u>	<u>179,114,629</u>	<u>170,455,510</u>
Total Billings	<u>\$1,043,354,168</u>	<u>\$999,313,156</u>	<u>\$878,982,902</u>	<u>\$649,051,293</u>	<u>\$628,761,362</u>
Taxes Collected	1,014,380,576	955,203,312	866,046,771	644,545,106	624,084,622
Percent Collected	97.22%	95.59%	98.53%	99.30%	99.25%
Taxes Canceled or Remitted	27,508,179	43,750,108	2,266,981	2,387,276	3,657,918
Delinquent Taxes Collected, Including Liens	671,345	8,884,287	6,538,968	1,987,960	1,065,780
Total Current and Delinquent Collected	1,015,051,921	964,087,599	872,585,739	646,533,066	625,150,402
Percent Collected ⁽²⁾	97.29%	96.48%	99.27%	99.61%	99.42%
Delinquent Tax Balance					
Current Year	2,439,556	346,499	7,323,949	2,118,911	1,018,822
Prior Year's Tax Balance	991,611	1,228,148	2,682,199	2,234,692	2,148,149
Taxes Receivable Balance	1,447,945	1,574,647	10,006,148	4,353,603	3,166,971
Transferred to Tax Title Liens					
Current Year	17,468	13,237	-0-	-0-	-0-
Tax Title Lien Balance	31,889	26,970	13,242	13,242	13,242
Foreclosed Property Balance	-0-	-0-	-0-	2,428,700	2,428,700

Source: Derived from the Calendar Year 2019-2024 Audited Financial Statements of the City.

(1) Includes Minimum Library Tax, Special Improvement District Taxes and Additional to Local District School Tax.

(2) Includes receipts and balances of current taxes, delinquent taxes and tax title liens.

The ten entities that paid the most real property taxes in 2024 are set forth below and are the taxpayers whose property has the greatest assessed valuations in the City:

Ten Largest Assessed Valuations in the City

<u>Name</u>	<u>Type of Business</u>	<u>2024 Assessed Valuations</u>
Mack Cali Plaza II & III	Office	379,141,000
COA 99 Hudson, LLC	Residential, Retail	374,496,700
GSJC Land, LLC	Office	353,692,100
101 Hudson Realty, LLC	Office, Retail	351,950,000
Mack Cali Plaza IV, LLC	Office	264,510,000
Hancock S-REIT J City Corp	Office	220,403,400
Liberty Towers TIC I&II, LLC	Residential, Retail	220,000,000
MEPT Newport Tower (Texas)	Office	261,395,100
Town Cove JC Urban Renewal	Residential	214,660,000
Waver Property, LLC	Retail	214,647,000
		<u><u>\$2,809,895,002</u></u>

Tax-Exempt Properties

As per the table of Aggregates prepared for January 30, 2025, approximately 38.48% of the total assessed value of the City's real property was exempt from real property taxation. However, this number does not include certain service charges for PILOTS.

Tax-Exempt Properties in the City

	<u>2024 Assessed Valuation</u>
Public Schools	\$ 1,296,793,600
Schools Other Than Public	339,886,600
Public Property	6,250,375,982
Church and Charities	928,819,500
Cemeteries	95,283,300
Other Exempt Properties	<u>8,528,858,300</u>
	<u><u>\$ 17,440,017,282</u></u>

Source: The City of Jersey City, Office of the Tax Assessor.

Properties in Tax Abatement

Under the provisions of State law, the City may abate the taxes payable on newly constructed commercial and residential properties. The owners of such properties generally pay taxes on the value of the land on which the property is located but, pursuant to agreements with the City, pay payments-in-lieu-of-taxes ("PILOTS") on the value of the improvements on the property instead of taxes. Such abatements are used as an incentive to encourage development in areas within the City. State law provides different abatement programs for commercial and residential development. The law allows a 15-year abatement period during which the taxes on the improvements on property could be abated and PILOTS charged instead. The PILOTS for commercial properties were based on the construction cost of the property (initially 2% of the costs) or on the revenues received from leasing of the property. The law also allows for a 5-year short-term abatement period in which PILOTS are based on a percentage of what the tax bill otherwise would have been. Residential property is eligible for a 30-year abatement period and the PILOTS for residential property are based either on the sale price of the property (if condominiums are involved) or the rent roll (for a rental property). In April 1992, the law was amended to allow an abatement period of up to 30 years for commercial property, also during which PILOT payments are the higher of an amount based on construction costs and a percentage of the taxes that would have been payable. However, the City has made it a policy to only grant 30 year abatements for affordable housing projects.

In addition to the difference between the amount of a PILOT and the amount of taxes, PILOTs differ from taxes in two other ways. First, PILOTs are paid to the City and no portion of the PILOT is payable to the County or the School District. Second, there is no incentive for a property owner to appeal the assessed value of the property while it is subject to abatement. Therefore, it is not clear whether the assessed value determined during the abatement period will be appealed when the property is no longer subject to abatement. When the abatement period ends, the property becomes subject to taxation on both the land and improvements. See “CITY ECONOMIC AND DEMOGRAPHIC INFORMATION” and “ECONOMIC DEVELOPMENT” herein.

The City's authority to enforce payments in lieu of taxes and the remedies available to it for delinquent payments are the same as those for real property taxes, including sale of liens and foreclosures. In addition, the City may revoke the taxpayers' ability to make payments in lieu of taxes. Further, the City has engaged the services of several independent accounting firms to review the records of properties in abatement to ensure the accurate reporting of development costs upon which payments in lieu of taxes are calculated.

**Municipal Revenues From Payments In Lieu Of Taxes (PILOT)
On Properties In Tax Abatement**

<u>Year Ending</u>	<u>PILOT Revenue</u>
December 31, 2024	\$108,490,755
December 31, 2023	107,476,942
December 31, 2021	108,596,099
December 31, 2020	108,596,099
December 31, 2019	122,133,735
December 31, 2018	133,574,847
December 31, 2017	141,808,933

Source: Derived from the Calendar Year 2017-2024 Audited Financial Statements of the City.

The estimated development cost of the 35 major commercial properties currently covered by abatements exceeds \$3 billion.

Listed below are the five entities that were responsible for the highest PILOT payments in Calendar Year 2024:

Five Largest PILOT Payers

<u>Name</u>	<u>Calendar Year 2024 Payment Amount</u>
Liberty Harbor North, Urban Renewal (Metro Homes) – Gulls Cove	\$6,390,360
K. Hovnanian at 77 Hudson	6,324,715
Vector UR Assoc. I	5,154,102
Harborside Unit A	4,250,747
Newport Shore Club South	3,704,588
TOTAL	<u>\$25,824,512</u>

Source: Derived from the Calendar Year 2024 Unaudited Financial Statement of the City.

Delinquent Taxes

Delinquent taxes can be anticipated only to the extent of the last preceding year's delinquent tax collection percentage.

The following chart shows the amount and percentage of delinquent taxes budgeted for collection by the City and the amount and percentage of delinquent taxes which were actually collected in such fiscal year, for the last five years. The amount of delinquent taxes represents an aggregate amount of unpaid taxes for all prior years.

Delinquent Taxes and Tax Title Liens

<u>Year Ending</u>	<u>Balance of Delinquent Taxes at Start of Year</u>	<u>Budgeted Amount of Delinquent Taxes to Be Collected</u>	<u>Percent of Delinquent Taxes Budgeted to be Collected</u>	<u>Amount of Delinquent Taxes Collected</u>	<u>Percent of Delinquent Taxes Collected</u>
December 31, 2024	\$1,574,647	\$1,405,259	89.24%	\$671,345	42.63%
December 31, 2023	10,200,507	6,837,016	67.02%	8,884,287	87.10%
December 31, 2022	6,538,968	2,049,360	31.34%	4,681,530	71.59%
December 31, 2021	1,987,959	1,050,106	52.82%	937,853	47.18%
December 31, 2020	1,910,613	1,344,879	70.39%	1,065,780	55.78%

Source: Derived from the Calendar Year 2020-2024 Audited Financial Statements of the City.

The City currently reviews the status of real property with outstanding delinquent taxes to institute a more rapid disposition of property through foreclosure and sale. The City usually sells tax liens annually at auction and retains unsold liens. In 2020, 2021, 2022, and 2023 the City sold an aggregate of \$7,359,828, \$5,937,394, \$6,650,377, \$3,636,692, and \$7,372,267 of tax title lien certificates, respectively.

Property Tax Reform

In recent years, the New Jersey Legislature has considered various proposals to lessen the dependence of local governments on property taxes and to find alternative means to fund vital governmental services.

On July 13, 2010, the Governor approved legislation which, in addition to the "Cap Law" described under "THE CITY OF JERSEY CITY - Limitation on Expenditures" above, amends the property tax levy cap that was initially enacted in 2007. This law puts a limitation of 2% on the property tax levy set in the annual budget. The law allows for exclusions for capital expenditures, debt service, increases in pension contributions and accrued liability for pension contributions in excess of 2%, and increases in health care costs in excess of 2%. This limitation may be exceeded by approval of an affirmative vote in excess of 50% of the people voting at a special referendum held for such purpose.

The tax levy limitation does not limit the obligation of the City to levy *ad valorem* taxes upon all taxable property within the City to pay debt service on the Notes.

Any legislation or constitutional amendments which alter the existing system of real property taxation in New Jersey may adversely affect the security and/or market value of bonds, notes and other obligations of counties and municipalities (such as the City).

City Payroll Tax

Pursuant to State legislation approved in July, 2018, the Municipal Council adopted an ordinance on November 20, 2018 establishing a one percent (1%) tax on employer payrolls. Wages of City residents and certain charitable organizations are generally excluded from the tax. Under the ordinance, all proceeds of the payroll tax are to be deposited in a trust fund to be used exclusively for school purposes, including charter schools. Payroll tax receipts will be used to offset anticipated reductions in State education aid to the City's Board of Education resulting from a recent statutory amendment to the statewide school funding formula.

State Aid Programs

The State of New Jersey provides financial support to local governments and school systems through various programs aimed at reducing reliance on the local property tax base. As described below, the City received or receives (i) urban enterprise aid, (ii) aid on distributed tax and (iii) aid on State reimbursement for certain categories of taxpayers. The State maintains a variety of smaller programs of grants-in-aid to municipalities in such fields as housing, neighborhood preservation, health, and social services, and has assumed funding of other programs previously financed by the City, thereby relieving the City from funding such costly programs. The City is allowed a credit for certain administrative charges under Federal programs.

Urban Enterprise Zone Funds. Under the State's Urban Enterprise Zone program which is administered by the State Department of Commerce and Economic Development, Division of New Jersey Urban Enterprise Zones, three percent (3%) of the sales tax levied by the State on certain specified goods and services paid by certified businesses operating within specially-created urban enterprise zones is paid into a segregated account within the State's Zone Assistance Fund for the benefit of the municipality in which the zone is located. To encourage businesses to locate in urban enterprise zones, the State exempts certified urban enterprise zone businesses from State sales taxes on equipment and supplies utilized in daily operations, as well as building materials. Monies held for the account of a municipality within the Zone Assistance Fund may be used to pay for capital projects or municipal services, following the filing of an application by the municipality and approval of the application by the members of the State Urban Enterprise Zone Authority.

One-third of the City's total acreage qualifies as a State-approved "urban enterprise zone". The City's urban enterprise zone incorporates the major retail corridors located within the City, as well as its primary commercial and industrial areas. In the past, the City utilized the funds it has received under the State Urban Enterprise Zone Program for capital improvements, economic development, redevelopment, special improvement districts and business improvement districts. However, the City has not received any funds since 2009 due to State budgetary constraints.

Distributed Taxes. The State collects various taxes for distribution to local governments. Of these, Energy Receipt Tax (formerly known as Public Utilities Franchise and Gross Receipts Taxes) and Consolidated Municipal Property Tax Relief Aid are the two largest programs of State Aid in New Jersey and the major sources of state aid to the City. The energy receipt tax represents taxes received by the State on properties and right-of-ways owned by public utilities. These funds are disbursed to municipalities based on a formula reflecting such property located within each municipality. The consolidated municipal property tax relief aid, created in fiscal year 1996, consolidated 14 separate state programs (i.e., urban aid, business personal property tax replacement aid and municipal revitalization aid) into a single aid program. Building Aid Allowance for School represents state aid to support the public educational programs in the City including aid on facilities construction and improvements.

The chart below provides the amount of State aid received by the City in the last five fiscal years. Certain State aid is required to be withheld by the State Treasurer and paid to the paying agents for certain bonds of the City in an amount sufficient to pay debt service on such bonds. See "CITY INDEBTEDNESS AND DEBT LIMITS — Municipal Qualified Bond Act" and "— School Qualified Bond Act" herein.

State Aid to Jersey City

	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020
Energy Receipt Tax	\$64,605,995	\$64,286,002	\$63,334,703	\$ 60,481,954	\$ 59,757,371
Building Aid Allowance for School ⁽¹⁾	531,706	534,352	533,722	1,252,763	1,289,058
Garden State Preservation Trust	19,502	19,502	0	0	0
Consolidated Municipal Property Tax Relief Act	<u>6,659,361</u>	<u>0</u>	<u>509,982</u>	<u>3,362,731</u>	<u>4,087,314</u>
TOTALS:	<u>\$71,816,564</u>	<u>\$64,839,856</u>	<u>\$64,378,407</u>	<u>\$ 65,097,448</u>	<u>\$ 65,133,743</u>

Source: Derived from the Calendar Year 2020-2024 Audited Financial Statements of the City.

⁽¹⁾ Supplemental School Tax Relief allows state-operated schools to reduce the tax levy for school purposes.

Tax Exemption Reimbursement. The State reimburses municipalities for the full cost of mandated property tax deductions and exemptions for certain categories of taxpayers. The State reimbursed the City for seniors/veterans/disabled citizens for the calendar years ending December 31, 2020, December 31, 2021, December 31, 2022, December 31, 2023 and December 31, 2024 in the amount of \$256,500, \$275,054, \$260,314, \$250,118 and \$235,969 respectively.

Summary of State/Federal Aid to School Districts

In 1973, the Supreme Court of the State ruled in Robinson v. Cahill that the existing method of financing, school costs principally through property taxation was unconstitutional. Pursuant to the Supreme Court's ruling, the State Legislature enacted the Public School Education Act of 1975 (P.L. 1975, Ch. 212) which required funding of the State's School Aid through the New Jersey Gross Income Tax Act (P.L. 1975, Ch. 47) enacted for the purpose of providing property tax relief.

On June 5, 1990, the Supreme Court ruled in Abbott v. Burke, that the school aid formula enacted under the Public School Education Act was unconstitutional as applied. The Court found that poorer urban districts were significantly disadvantaged under that school funding formula because school revenues were derived primarily from property taxes. The Court found that wealthy districts were able to spend more, yet tax less for educational purposes.

The Quality Education Act of 1990

The Legislative response to Abbott v. Burke was the passage of the QEA (P.L. 1990, C. 52), which was signed into law on July 3, 1990. This law established a new formula for the distribution of State aid for public education commencing with the 1991-92 fiscal year. The law provided a formula that took into account property value and personal income to determine a district's capacity to raise money for public education. A budgetary limitation or "CAP" on expenditures was also provided in the law. The "CAP" was intended to control the growth in local property taxes. The QEA was amended and revised by Chapter 62 of the Pamphlet Laws of 1991 of New Jersey, effective March 14, 1991 and further amended by Chapter 7 of the Pamphlet Laws of 1993 effective December 14, 1993.

On July 12, 1994, the Supreme Court of New Jersey declared the school aid formula under the QEA, as amended, unconstitutional on several grounds as it is applied to the 30 special needs districts designated by the State in ongoing litigation commonly known as Abbott v. Burke II. The City's school district was a special needs district. No specific remediation was ordered, but the Supreme Court ultimately held that the Legislature and the Governor were required to have a new funding formula in effect by December 31, 1996, so that the new formula would be implemented in the 1997-98 fiscal year.

Comprehensive Educational Improvement and Financing Act of 1996

In keeping with the Supreme Court's deadline, Governor Christine Todd Whitman signed into law on December 20, 1996, the *Comprehensive Educational Improvement and Financing Act of 1996* ("CEIFA"). CEIFA affects how public schools are funded by the State, beginning in the 1997-98 fiscal year.

CEIFA departs from other funding formulas adopted in New Jersey by defining what constitutes a "thorough and efficient" education, which is what the New Jersey Constitution requires every public school student to receive. CEIFA further establishes the costs to provide each student with an education that is "thorough and efficient."

In defining what constitutes a "thorough" education, the New Jersey State Board of Education adopted a set of Core Curriculum Content Standards. The purpose of these standards is to provide all students with the knowledge and skills that will enable them to be productive citizens when they graduate from any New Jersey high school, regardless of the school's location or socioeconomic condition. CEIFA provides State aid assistance in the form of Core Curriculum Standards Aid based on a school district's financial ability to raise sufficient tax revenue for its students to achieve the Core Curriculum Content Standards.

The definition of an "efficient" education under CEIFA determines the cost to provide each student with an education that fulfills the requirements for the Core Curriculum Content Standards. The efficiency standard defines such things as optimal class size, administrators/teachers per student, schools per district, and the types and amount of classroom supplies, services, and materials. CEIFA establishes an approximate amount per student to educate each student at various grade levels in the Core Curriculum Content Standards. This amount will be adjusted biennially for inflation by the consumer price index.

In determining how much Core Curriculum Standards Aid a school district will receive, CEIFA considers each school district's financial ability to fund such a level of education. This component of CEIFA is referred to as the local share requirement, namely, the amount of taxes that a school district can raise relative to other school districts based on property wealth and income levels. The purpose of the Core Curriculum Standards Aid is to provide school districts with adequate State assistance that is proportionate to their ability to pay. The purpose of this type of aid is to ensure that all school districts have the economic ability to provide their students with the ability to achieve the Core Curriculum Content Standards. In addition to the Core Curriculum Standards Aid, CEIFA also provides per pupil assistance from the State for special education, early childhood programs, demonstrably effective programs, instructional supplement, bilingual education, county vocational schools, and distance learning network. For Fiscal Year 2023-2024, the school district received Equalization Aid (formerly known as Core Curriculum Standards Aid) in the amount of \$98,107,475.

Another form of aid that is provided by CEIFA is school facilities aid. During the 1997-1998 fiscal period, this type of aid was provided to those school districts that qualified for aid under the QEA. The amount of school facilities aid that the State provided during the 1997-98 fiscal year was determined by the amount budgeted in the approved State budget.

Beginning in the 1998-99 fiscal year, State aid for school facilities was supposed to consist of a ratio that divides (i) the amount of debt service or the amount of facilities rent for lease terms that exceed five years required to be budgeted for a fiscal period into (ii) the costs that are approved by the New Jersey Department of Education for a proposed building or renovation project. The approved facility costs under CEIFA have not yet been determined. CEIFA required the governor to submit to the legislature 60 days prior to the 1998 budget address, criteria for determining approved facilities costs, State support levels, and maintenance incentives applicable to the 1998-99 fiscal period. The Legislature enacted and the Governor signed into law the Educational Facilities Construction and Financing Act ("EFCFA"), constituting Chapter 72 of the Pamphlet Laws of 2000, effective July 18, 2000. That law provides full funding for qualified costs of facilities required for Abbott Districts and funding for qualified costs of facilities for all other districts in an amount equal to the ratio between their core curriculum facilities aid and their T&E budget times 115% or 40% of the qualified costs, whichever is greater. In lieu of debt service aid, school districts may receive grants for the State share of the project and authorize bonds only for the local share of the project. School districts may receive debt service aid under that formula for certain projects begun prior to the effective date of the law. On December 28, 2000, a Complaint was filed in the Superior Court of New Jersey challenging the authority of the Economic Development Authority under the State Constitution's Debt Limitation clause to issue bonds secured by a contract with the State Treasurer, the funding of which is subject to annual appropriation, and requesting that the Court grant an injunction restraining the State and the New Jersey Economic Development Authority from issuing bonds to fund the State's financial obligation under the Educational Facilities Construction and Financing Act. On January 24, 2001, the Superior Court of New Jersey granted the State's motion to dismiss the case as a matter of law. The Plaintiff filed a notice of appeal on February 5, 2001.

CEIFA also limits the amount school districts can increase their annual current expenses and capital outlay budgets. Generally, these budgets can increase by either 3% or the consumer price index, whichever is greater. Budgets can also increase because of certain adjustments for enrollment increases, certain capital outlay expenditures, pupil transportation costs, and special education costs that exceed \$40,000 per pupil. Waivers are available from the Commissioner based on increasing enrollments and other fairly narrow grounds or by approval of the voters at the annual school election.

Under CEIFA, rent payments made pursuant to a facilities lease purchase agreement for a term that exceeds five years are treated as debt service. Such rent payments are not included in the spending limits and receive aid at the same level as debt service. Rent payments under a facilities lease with a term of five years or less are budgeted in the general fund and are subject to a school district's spending growth limitation amounts under CEIFA.

On May 14, 1997, the New Jersey Supreme Court held that CEIFA is unconstitutional as applied to the 28 special needs districts because (1) its funding provisions fail to assure that students in such districts will receive a thorough and efficient education and (2) supplemental programs to increase student performance in such districts have neither been adequately identified nor funded. The Court recognized the Core Curriculum Standards as a valid means of identifying what is a "thorough and efficient" education under the State Constitution, but found that the State did not adequately determine or provide the adequate funding level to allow those standards to be met in the special needs districts. CEIFA was not held unconstitutional as applied to the non-special needs districts. The City's district is not a special needs district.

The Court ordered the State (1) to increase State aid to the special needs districts for the 1997-98 school year to a level such that the per-pupil expenditure in such districts is equivalent to the average per-pupil expenditure in wealthy suburban districts, (2) through the Commissioner, to manage the additional spending to assure that it will be used to allow the students to meet the educational content standards and (3) under the supervision of the Superior Court, Chancery Division, to determine a plan to provide supplemental educational and facilities programs in the special needs districts.

Provisions for the additional amounts of money were appropriated in the 1997-98 State budget. The Court has ruled that the Commissioner and the State Department of Education will be responsible for maintaining the educational system in accordance with the orders of the Court.

In response to the Court's order and in an attempt to remedy inadequacies that exist in the safety, the quality and the utility of state-wide school facilities, the New Jersey Legislature enacted the EFCFA. See "Summary of Educational Facilities Construction and Financing Act" herein. The EFCFA provides certain levels of funding for facilities' improvements for both special needs and non-special needs districts. Under EFCFA, special needs districts will receive State funding of 100% of the eligible costs of a school facilities project. The State will provide non-special needs districts with facilities aid of at least 40% of the eligible costs of a school facilities project. A non-special needs district must elect to receive its level of facilities aid in either the form of a grant or ongoing annual debt service aid.

On June 27, 2001, the Superior Court of New Jersey, Appellate Division, affirmed the trial court's decision that no public referendum is required for the State's bonds under the EFCFA. By a 2-to-1 majority, the Appellate Division held that the Debt Limitation Clause of the State Constitution is not violated by the EFCFA. On appeal, the New Jersey Supreme Court held that the EFCFA and its provisions authorizing the EDA's issuance of bonds do not violate the Debt Limitation Clause of the State Constitution.

On June 24, 2004, the Legislature enacted amendments to CEIFA, which amendments impose strict limits on annual increases in their operating budgets. Commencing with the 2005-06 school year, boards of education will be required to submit proposed budgets in which the advertised per pupil administrative costs do not exceed the lower of (i) the prior year per pupil administrative costs for the district's region inflated by the greater of 2.5% or the "cost of living" (defined as the average annual increase in the consumer price index for the New York City and Philadelphia areas) and (ii) the district's per pupil administrative costs, increased (by up to the greater of 2.5% or the cost of living) by such additional costs as may be approved by the Commissioner of Education due to increases in enrollment, administrative positions necessary as a result of mandated programs, administrative vacancies, nondiscretionary fixed costs, and such other items as may be permitted by regulation (provided, that for the 2005-06 school year the amount in clause (ii) shall instead be the per pupil administrative cost limits for the district's region as determined by the Commissioner of Education). Various existing limitations on budget increases were amended from the greater of 3% or the consumer price index to the greater of the cost of living or 2.5%. Under this amendment, proposals to exceed these limits cannot (i) include any new programs and services necessary for students to achieve the thoroughness standards established pursuant to CEIFA, (ii) include any programs or services that were included in the prior year's budget unless approved by the Commissioner, and (iii) be submitted to the voters or the board of school estimate if the county superintendent of schools determines that the district has not implemented all potential efficiencies in the administrative operations of the district. This bill also reduces the amount of surplus that may be maintained by a school district from 6% to 2% (2% for the 2005-06 school year) of the general fund balance.

Summary of Federal Aid to School Districts

Federal funds are available for certain programs approved by the federal government with allocation decided by the State, which assigns a proportion to each local school district. The Elementary and Secondary Education Act, as amended by the Improving America's Act of 1994 is a federal assistance program for which a school district qualifies to receive aid. A remedial enrichment program for children of low income families is available under Title I Aid. Federal aid is generally received in the form of block grants.

Welfare

The State pays the entire nonfederal share of Medicaid. As of July 1, 1991, the State also assumed one hundred percent of the costs of the nonfederal share of federal welfare programs managed by County governments and one hundred percent of the costs of General Assistance, the program of financial aid to needy people who are not otherwise provided for under New Jersey Laws that is managed by municipalities. Thus, New Jersey municipalities have no financial obligation for these programs.

As of January 1, 1999, the City consolidated the General Assistance Program into the County's Welfare Program, as permitted by State Law, and has retained its case records per State mandate.

Transit

The subsidization of public mass transit is the responsibility of the State. Municipalities are not required to make financial contributions.

Higher Education

The State subsidizes the system of State colleges and universities, with no municipal financial obligation. County colleges are supported by county governments with State assistance. Municipalities have no financial responsibility for the county college system.

Medical Care Services

The Jersey City Medical Center, which is an established New Jersey not-for-profit medical and health care corporation, provides certain hospital and medical care services for persons residing in the City and in the adjacent communities. For many years, the City provided direct and indirect financial assistance to the Jersey City Medical Center. The several agreements and programs have generally been consolidated. The City assisted the Jersey City Medical Center in the development and construction of a new hospital and medical care facility located at Grand and Jersey Avenues in the City. The City made a capital contribution of \$12,000,000 for the acquisition of the real property for the new hospital and for certain preliminary development expenses. This contribution was funded through the issuance of serial bonds. The new medical center has an obligation to provide hospital and certain medical care services for all persons residing in the City regardless of their ability to pay. The operating and debt service expenses for the new facility are being met through Federal and State health care payments and third-party reimbursements.

CITY EXPENDITURES

The City has historically spent nearly half of its operating budget on public safety and statutory expenditures. For Calendar Year 2024, appropriations for public safety personnel equaled 28% of the budget and statutory expenditures were 14% of the budget as adopted. The remaining 58% of the municipal budget was appropriated for the legal, financial and administrative management of the City, and the provision of public works, human resources, recreation and housing and development services and programs and debt service.

CAPITAL IMPROVEMENT PROGRAM

The City maintains and continuously reviews a six-year program for capital improvements. Priority within the program is given to the maintenance of the existing infrastructure, to completion of projects under construction and to projects deemed necessary to the economic strength of the City. For the calendar years 2024 to 2029, inclusive, the City expects to appropriate approximately \$9 to \$35 million annually for capital projects for the City. The City anticipates the funding of these projects to be provided through the future sale of notes or bonds and grant programs.

Major projects of the general capital program of the City for the calendar years 2024 to 2029, inclusive, are: City Hall improvements, acquisition of new fire apparatus and public works equipment and machinery; continued development of recreation facilities building reconstruction; acquisition and installation of new computer systems; street resurfacing and widening; construction of a new police precinct building; construction of a new fire house and improvements to public libraries. The City estimates that its funding needs to meet general capital improvement program objectives for the six-year period will be \$399 million. The City is also making major infrastructure improvements, including the construction of new roads in connection with major development projects in the City. See "CITY ECONOMIC AND DEMOGRAPHIC INFORMATION" and "ECONOMIC DEVELOPMENT" herein. Many of these projects will be financed primarily through direct developer contributions or local improvement assessments.

THE WATER SYSTEM

Background

Prior to the reorganization of the Jersey City Municipal Utilities Authority, the City operated the Water System as a self-liquidating utility within the City's budget. The City determined that it was in the best interest of the users of the Water System to reorganize the Jersey City Sewerage Authority as the Jersey City Municipal Utilities Authority (the "JCMUA") to operate both the Sewerage System and the Water System, creating economies for both systems. On January 15, 1998, the JCMUA assumed the operation, maintenance and management of the Water System, subject to the short-term private operating agreement then in existence between the City and United Water. The agreement with the JCMUA was subsequently amended and extended to run through December 31, 2027 in order to better plan for long term improvements and operations. The City will continue to be responsible for the financing of all extensions and improvements to the Water System, but the JCMUA has assumed the responsibility for the payment of debt service on any future bonds issued by the City for such purposes as well as the responsibility for payment of debt service on the outstanding bonds of the City issued to finance the Water System. Debt service on the First Lien City Water Obligations has previously been paid from revenues collected by the City in connection with the use of the Water System.

General Description

The Water System consists of five major components, impoundment, water treatment facilities, water transmission facilities, water distribution facilities and land. Much of the Water System is located outside City limits. All of the water for the City is supplied by the Boonton Reservoir which is located in the Town of Boonton and the Township of Parsippany-Troy Hills, Morris County, New Jersey. The Splitrock Reservoir, located in the Township of Rockaway, Morris County, New Jersey is an emergency source of water. A water treatment plant, located next to the Boonton Reservoir was completed in 1978. The water treatment plant capacity is 80 million gallons per day ("MGD"). Its current peak usage is 60 MGD while its average usage is 45 MGD and its safe yield is 56.8 MGD. Water is conveyed from the Boonton Reservoir by an extensive gravity piping and tunnel system, approximately 23 miles in length, to the City's Reservoir Tank at the end of Troy Street in the City. The distribution system consists basically of the Troy Street Pump Station and adjacent Reservoir Tank and the piping network that supplies water throughout the City. Each residence or apartment unit and business concern in the City must be connected to the Water System. The City owns over 2,500 acres of land related to the Water System.

Veolia Water is responsible for the full operation of the Water System under a contract with the JCMUA expiring April 30, 2027, and currently bills all of the users of the Water System. The City has estimated that economic benefits will be derived from the privatization of the operation of the Water System over the term of the contract with Veolia, anticipated savings in costs of operations, anticipated increases in revenues from the Water System due to repairs of leaking pipes, and improvements in billing and collection.

Water Rate Covenant

Under the terms of the Water System Service Contract, the Authority has covenanted to make, impose, charge and collect Water Service Charges in each fiscal year in accordance with the provisions of the Act so that Water Revenues for each fiscal year will be at least sufficient to pay (a) Water Operating Expenses in such fiscal year, (b) all interest on and principal of all Water Bonds and the City Water Bonds (as defined in the Water System Service Contract) as the same shall become due and payable without recourse to or withdrawal from the Water Bond Reserve Fund, (c) payments to the City required under the Water System Service Contract, and (d) all other amounts that are required to be paid pursuant to the Water System Service Contract. Water Revenues include any excess sewer revenues anticipated to be available for deposit in the Water Revenue Fund established by the Water System Service Contract.

PENSION FINANCING

Substantially all City employees who are eligible for pension coverage are enrolled in either a State or City administered retirement plan.

State Plans

The three State-administered plans are the Public Employees' Retirement System, the Consolidated Police and Firemen's Pension Fund and the Police and Firemen's Retirement System. The Public Employees' Retirement System includes all non-uniformed City employees who are not eligible for enrollment in the City's Municipal Employees' Pension Fund. The Consolidated Police and Firemen's Pension Fund includes uniformed employees who were employees before 1944, while the Police and Firemen's Retirement System enrolls all uniformed employees who began employment after 1944.

The Division of Pensions in the State Department of Treasury administers the plans and charges municipalities annually for their respective contributions. The charges are based on actuarial valuations. The City pays such charges on a monthly basis.

City Plans

All permanent City employees who are age 39 or younger when commencing employment with the City are required to enroll in the Employees' Retirement System of the City as of date of hire. All temporary employees who are age 39 or younger when commencing employment with the City are required to work one year before they are enrolled in the Employees' Retirement System of the City which is administered by a Pension Commission consisting of the Mayor, Chief Financial Officer, two elected employee representatives, and one appointed citizen member. Buck Consultants an ACS Company, serves as consulting actuary ("Actuary") for the system. In its latest report dated June 6, 2024, the Actuary reported:

GASB Statement No. 67 only requires valuation be performed every two years. The contributions of the City consist of a normal contribution which is the present value of benefits to be accrued in the year following the valuation converted to a percentage of the annual salaries of all active members and, until the unfunded accrued liability is liquidated, an additional amount known as the accrued liability

contribution which is an amount, increasing 4% per year, that will pay off the unfunded accrued liability over a period of 30 years. The Annual Recommended Contributions payable for calendar years 2024, 2023, 2022, 2021 and 2020 are as follows:

<u>Annual Recommended Contribution</u>	<u>Year Ended December 31,</u>
\$13,776,663	2024
12,956,624	2023
12,640,609	2022
12,491,051	2021
12,127,234	2020

Three other City pension plans are not maintained on an actuarial basis, but the City appropriates funds annually as required to provide benefit payments for the year. The plans are Employees' Non-Contributory Pension, Pensioned Employees and Payments to Widows and Dependents – Members of Police and Fire Departments.

In December 1996, the City received a bill from the Police and Firemen's Retirement System (PFRS) for approximately \$18,500,000 to pay for accrued pension liability due to an early retirement incentive program established in 1994. Legislation (P.L. 2002, c.42) was enacted that permitted the City to sell refunding bonds pursuant to the Local Bond Law to retire the present value of the unfunded accrued liability to PFRS. With an approval from the Local Finance Board, the City financed said liability through the issuance of \$23,595,000 Pension Obligation Refunding Bonds Series 2003A dated January 15, 2003 (Federally Taxable) and \$17,456,000 Pension Obligation Refunding Bonds Series 2003B dated March 15, 2003 (Federally Taxable).

The following table shows the City's contributions to the respective pension systems for the last five years.

City Contributions to Employee Pensions

	<u>December 31, 2024</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
State of New Jersey					
Public Employees' Retirement System	\$5,758,948	\$5,209,115	\$5,375,603	\$4,893,526	\$4,336,441
Consolidated Police and Firemen's Pension Fund	-0-	-0-	-0-	-2,071-	-0-
Police and Firemen's Retirement System of New Jersey	61,634,767	59,036,271	52,355,604	49,718,788	44,792,893
Defined Contribution Retirement Plan	151,870	127,864	84,852	66,837	56,185
City of Jersey City					
Municipal Employees' Pension Fund	13,776,663	12,956,624	12,640,609	12,491,051	12,127,234
Employees Non-Contributory Pension (R.S. 43:8 B-1)	117,637	115,000	89,623	147,765	139,751
Pensioned Employees (R.S. 43:4-1)	-0-	-0-	-0-	36,647	(82,074)
Payments to Widows & Dependents-Members of Police & Fire Depts.	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>120</u>
TOTAL	<u>\$81,439,885</u>	<u>\$77,444,875</u>	<u>\$70,546,291</u>	<u>\$67,354,614</u>	<u>\$61,370,550</u>

Source: Derived from the Calendar Year 2020-2024 Audited Financial Statements of the City.

Post-Employment Benefits

The City provides eligible retirees with medical, prescription drug and life insurance benefits. The City's net pension liability as of December 31, 2023, 2022, 2021 and 2020 are \$1,182,164,156, \$1,418,603,618, \$1,208,152,775, and \$1,182,164,156, respectively. The plan has no fiduciary net position.

INSURANCE

Insurance Fund Commission

The Jersey City Insurance Fund Commission was established in 1984 pursuant to N.J.S.A. 40A:10-1, *et seq.* and consists of three (3) Commissioners, appointed by the Mayor with the advice and consent of the City Council, who shall be officials of the city and shall serve for two (2) years. All insurance upon property owned or controlled by the City or any of its departments, boards, agencies or commissions, is required to be placed and effected by the Commission. The powers of the Commission are statutory and include the power to invest the funds and all additions and accretions thereto in such securities as they shall deem best suited for the purposes of the statute; keep on hand at all times sufficient money, or have the same invested in such securities as can be immediately sold for cash, for the payment of losses to any buildings or property of the City, or liability resulting from the operation of publicly owned motor vehicles, equipment or apparatus; and fix reasonable rates of premium for all insurance carried by the insurance fund, and shall effect all insurance in the insurance fund or with any insurance company or companies authorized to do business in this State.

LITIGATION

General

The City, its officers and employees are defendants in a number of lawsuits including, but not limited to, lawsuits arising out of alleged torts, alleged breaches of contract and alleged violations of civil rights. The City is also engaged in activities, such as police protection and public works construction, which could result in future litigation with a possible significant monetary exposure to the City.

Based upon the information available to date, it does not appear that any individual lawsuit or the cumulative effect of these lawsuits will impair the City's ability to pay any judgments or settlements in an orderly manner, since the likelihood is that the amount of any judgments and eventual settlements will be much less than the amount claimed, and payments can be spread over two or more fiscal years. Because many lawsuits are still in the discovery stage, the Corporation Counsel is unable to determine the probability of a successful defense to them at this time.

The City self-insures against tort claims, which include general liability, automobile liability, employment practices, public officials and police professional and workers compensation lawsuits. The self-insured retention depends upon the date of incident and which of two excess policies provides coverage.

Pending Litigation

The following information has been compiled as of September 2025. The cases listed below have a potential monetary exposure in excess of \$1,000,000.

- *John Doe 2 v. City of Jersey City & John Doe 3 v. City of Jersey City* - There are two John Doe cases: John Doe 2 v. City of Jersey of Jersey City and John 3 v. City of Jersey City. In these matters, the John Doe plaintiffs claim that they were sexually abused while attending a City of Jersey City recreational program in 1986. The City is currently undergoing settlement discussions in an attempt to resolve the matters for a reasonable sum. Historical verdicts and settlements in these types of cases have ranged from \$90,000 to \$750,000.
- *212 Marin Blvd. et. al. v City of Jersey City (Sixth Street Embankment)* – This case involves various complex lawsuits involving the original plaintiffs, counter suits and notices of intent to file by outside parties. It was originally brought by several commonly owned/controlled LLC (“the LLCs”) entities owning property known as the Sixth Street Embankment, alleging that the City has interfered with their development rights and violated constitutional rights. These matters have been pending in Superior Court for several years despite numerous attempts to achieve a settlement. The main case is now before the Surface Transportation Board (STB) in Washington DC where the City has so far been successful. The state court cases have been “stayed” pending

resolution of the matter in Washington. On January 13, 2016, the City was authorized to file an Offer of Financial Assistance (OFA) (a federal eminent domain remedy) to acquire this property. The LLCs have filed a State lawsuit contesting the City's authority to invoke the OFA remedy. During 2016, a third party sought to file an OFA in competition with the City but on behalf of a developer. A series of motions, sanctions and appeals related to the involvement of this third party may continue to delay the issuance of any "OFA" schedule by the STB. Further, on July 14, 2017, the New Jersey State Historic Preservation Office found the entire branch eligible for listing on the State and National registers and entirely protected by Section 106. The STB, under Section 106, is required to assess whether the license required for the abandonment of the railroad branches within the Sixth Street Embankment will have an adverse impact on (potential) historic assets. The local historic landmarking of the Embankment has been upheld against the LLCs challenge. The LLCs are also appealing the denial of demolition permits by the Zoning Board of Adjustment. Such appeal has been stayed. The City's claim to set aside Conrail deeds to the LLCs, as well as the LLCs related damage claims alleging deprivation of property rights and alleged tortious interference and similar tort claims, have been stayed pending the outcome of federal litigation. The property has an appraised value in excess of \$6,000,000. The developer's last demands may have been in the range of \$30 million to \$100 million. The City continues to vigorously pursue its efforts to keep a transportation corridor on the Harsimus Branch intact for both rail and trail purposes, and for compatible park and historic preservation purposes, both through STB litigation and now in settlement negotiations. On August 22, 2022 the STB issued a finding that Conrail did not engage in anticipatory demolition. These matters have been pending for several years despite numerous attempts to achieve a settlement. The matters concerning Plaintiffs are all currently stayed pending a STB review of the abandonment and subsequent actions of Conrail and Plaintiffs. At this time the Parties have entered into potential settlement negotiations and have also filed a request with the STB to put forward an Offer of Financial Assistance to acquire the rail. The initial request was rejected by the commissioner, and is now pending review by the full STB.

- *Chesler et al v. City of Jersey City* - This case involves employment-related causes of action (discrimination, retaliation, violation of civil rights, etc.) brought by two (2) supervisory-level Jersey City police officers against the City and several individual defendants. The two plaintiffs in this case are among the 3 officers in the above mentioned criminal case. During the period while the criminal charges were pending, the civil case was administratively terminated by the federal court. Plaintiffs reactivated the case in light of the dismissal of the criminal case. They also added an additional defendant and a conspiracy claim related to the criminal investigation and trial. The plaintiff's demand is for \$2.5 million. Extended discovery is continuing. Per the most recent Case Management Order, fact discovery will close on October 15, 2024; expert discovery will close on November 18, 2024. Dispositive motions by all parties/counsel are anticipated following the close of discovery.
- *O'Garro vs. City of Jersey City* - Class action complaint alleging various streets, sidewalks and curbs are not ADA compliant. Under the material terms of the agreement, the City will incur costs of approximately \$200,000 for the compensation to the class members. Counsel expects fees in the range of \$500,000 to \$1,500,000.
- *Peterson vs. City of Jersey City* - Plaintiff alleges various civil rights claims including excessive force as well as negligence caused being hit and run over by a police vehicle twice. Officer M. chased plaintiff on foot and fell into the street while attempting to arrest Plaintiff. Officer S. backed up his car and accidentally hit Officer M. and Plaintiff. Current settlement demand is just over \$5 million. Because civil rights claims are asserted, a verdict in favor of Plaintiff would entitle his attorneys to reasonable counsel fees. City will be filing a motion for summary judgment seeking to dismiss the matter. If that is unsuccessful, this is a matter that may have to be tried.
- *Gregory vs. City of Jersey City* - Complaint alleges excessive force, unlawful search seizure, false arrest, unlawful arrest, false imprisonment, assault and battery, conspiracy, and malicious prosecution. Because civil rights claims are asserted, a verdict in favor of Plaintiff would entitle his attorneys to reasonable counsel fees. The City will be conducting discovery and seeking dismissal, but if discovery reveals that to be a difficult task, the District Court will also force the City into settlement negotiations.
- *Rockaway Valley Regional Sewerage Authority*. In compliance with a court decree, the City entered into an agreement, dated July 30, 1971, with the Rockaway Valley Regional Sewerage Authority ("RVRSA"), whereby the City agreed to share in the operating costs of the RVRSA which provides sewerage treatment services in the vicinity of the City's watershed properties. In

2013, 2014 and 2015, the JCMUA contributed \$2,730,857. In 2016 and 2017, the JCMUA contributed \$3,429,757 and \$2,858,130, respectively. In 2018 RVRSA assessed JCMUA \$4,883,399 for operating and maintenance and capital expenditures. Under the same agreement, the City is also required to pay a share of the capital and operating cost of construction of an advanced treatment sewerage facility, which the RVRSA has designed. Under the current plans, the cost of construction is estimated to be \$60,000,000, less any federal funds, the amount of which is presently uncertain. Based upon the design capacity, the City will be responsible for 37 1/2% of the excess cost of financing construction over available federal funds. The amount of the City's contribution for the new facility is a portion of the City's share of the operating costs outlined in the immediately preceding paragraph. The RVRSA has permanently financed substantially all of the non-grant share of project costs with the sale of long-term tax-exempt bonds. The case went to trial and the Court entered a partial judgment on October 31, 2018 which dismissed most of JCMUA and the City's claims and also directed additional discovery and requires a second trial on the issue of whether certain RVRSA project cost fit within certain definitions the Court has imposed on the parties. The second trial was held in March and May of 2021, after which a judge entered a judgment dismissing RVRSA's counterclaim. Accordingly, no damages are owed to RVRSA by either JCMUA or the City at this time. All parties have appealed from the trial court's judgments and orders and the appeals are fully briefed and awaiting the scheduling of oral argument as of the date of this letter. The City's objective is to void the settlement agreements for a potential cost savings of many millions of dollars. On October 25, 2022, RVRSA filed a Complaint against JCMUA and the City seeking approximately \$2,500,000 in what RVRSA alleges are operating expenses owed for the period from 2018 through the filing of the 2022 Complaint. JCMUA and the City moved to dismiss or stay the 2022 Complaint on the basis that it is duplicative of the prior action between the parties. The Court denied JCMUA's motion to dismiss or stay, but the motion resulted in RVRSA amending its Complaint to be more specific as to its claims and to eliminate the duplicative allegations. In JCMUA and the City's responsive pleading, they asserted counterclaims against RVRSA, seeking to invalidate the 1984 settlement agreement and for a declaration that no monies are owed to RVRSA. Depending on the outcome of the pending appeals in the related action, specifically if the Appellate Division adopts JCMUA and the City's arguments, then RVRSA's 2022 lawsuit would be mooted. In the meantime, the parties are proceeding with the 2022 litigation relating to RVRSA's claims. The Appellate Division issued an opinion in this matter on May.

- *PJ vs. City of Jersey City* - Federal matter similar to the John Doe Cases. Plaintiff alleges being sexually assaulted by Jersey City police officers when he was approximately 8 years old in the 1970s. Settlement negotiations are ongoing, however, a jury could return a verdict in excess of \$750,000 given the details of the assault.
- *Ockomba vs. City of Jersey City* - Plaintiff alleges various civil rights claims and personal/psychological injuries as a result of a motor vehicle accident w/ accidental discharge resulting from a traffic stop. Because civil rights claims are asserted, a verdict in favor of Plaintiff would entitle his attorneys to reasonable counsel fees. The City is engaging in discovery but, per counsel, this does not seem to be a matter in which dismissal on the facts will be warranted. The City will have to seek settlement negotiations or try the matter.
- *Belden vs. City* - This case arises from the construction of a new firehouse for the City. Plaintiff initially sued for unpaid materials ordered by a subcontractor. This case has escalated as there are cross-claims between the City, the general contractor and surety regarding the work performed at the property, the City's termination of the general contractor and the City's demand for the surety to take over the project. Moreover, substantial damage was caused to the adjoining landowner property wherein the City could possibly be held liable. The adjoining owner is not currently party to the case. The City, surety and general contractor will participate in non-binding mediation and will engage binding arbitration pursuant to the relevant contracts if a resolution is not reached at mediation. On June 10, 2024, formal binding Arbitration had been initiated to resolve all disputes between the City and M&M through a single Construction Law Arbitrator to be selected under the rules of the American Arbitration Association ("AAA").
- *Estate of Robertson vs. City* - This matter arises from a police shooting wherein the decedent was shot while holding a loaded gun to his wife and failing to comply with police directions. The claims include civil rights violations such as excessive force. This case is relatively new and discovery is ongoing. Because civil rights claims are asserted, a verdict in favor of Plaintiff would entitle his attorneys to reasonable counsel fees. Depending on the facts uncovered in discovery, wrongful death/survivorship matters can exceed \$1,000,000.

- *Mansour/Polanco and Reilly vs. City* – Officers tested positive for cannabis. The City was ordered to reinstate three officers. The City intends to seek an emergent appeal with the New Jersey Appellate Division to address the conflicting federal law that provides that individuals who are users of Schedule I CDS are prohibited from carrying firearms and ammunition. While the motion for reconsideration was pending, both officers filed a civil Complaint in Superior Court alleging, among others, wrongful termination and violation of their civil rights. The case is now pending a motion to dismiss in the New Jersey Superior Court.
- *Washington v. City* – A federal lawsuit was filed by the family of Andrew Washington who was fatally shot during an encounter with members of the Jersey City Police Department. The Attorney General’s Office, by law, handled the investigation into the officers’ conduct and a grand jury failed to indict any officer. This case is at the very early stages of litigation but we expect the plaintiff’s demand to be in the seven figures.

Five Year History of Settlement Payments

During the calendar years 2020 through 2024, the City paid the following amounts in judgments and settlements:

<u>Year</u>	<u>Amount Paid*</u>
CY 2024	\$4,678,500
CY 2023	9,596,999
CY 2022	4,725,210
CY 2021	4,344,207
CY 2020	1,744,961

*Source: Jersey City Insurance Fund Commission

Environmental Issues

There are many privately and governmentally owned parcels of real estate in the City containing various levels of environmental contaminants. With respect to privately owned real estate, the City, State and Federal health and safety officers have undertaken and continue to compel compliance by the owners with the existing regulations. The City aggressively uses its building inspectors and health officers to monitor and compel abatement of harmful environmental hazards. With respect to environmental contamination which does not pose an immediate or substantial public safety or health issue, the City is increasingly using local business incentives to stimulate previously dormant property for conversion to useful economic initiatives including the removal of environmental contaminants. The City itself monitors its own real estate and has undertaken and is currently performing building and facility improvement programs to remove all violations of Federal, State and City environmental regulations.

CITY ECONOMIC AND DEMOGRAPHIC INFORMATION

The City is New Jersey's second largest municipality with a population of 292,449 according to the 2020 U.S. Bureau of the Census. The City is located on the west side of the Hudson River, directly across from lower Manhattan in New York City, and is part of the major business and industrial concentration spanning the New York – Northern New Jersey metropolitan area.

The City's land area is 15.8 square miles, including a five mile long stretch of Hudson River waterfront that has experienced considerable high rise office tower, residential and multi-family development over the past ten years. The City is connected to New York City by the Holland Tunnel and the PATH railroad tubes and is within ten miles of Newark International Airport and the container and cargo facilities of Port Newark-Elizabeth. The City's size and current development activity cause it to dominate the economy of the County (the Jersey City Labor Area). The City also serves as the seat of the County government. Of the approximately 401,602 persons employed in the County, approximately 41% are employed in the City.

Population

The City had experienced a population decline from 1970 through 1980, however due to increased residential housing developments, the population has shown a trend toward increasing.

Population Trend (Calendar Year)

<u>Year</u>	<u>City</u>	<u>County</u>	<u>State</u>
2020	292,449	724,854	9,288,994
2010	247,597	634,266	8,791,894
2000	240,055	608,975	8,414,350
1990	228,537	553,099	7,730,188
1980	223,532	556,972	7,364,823

Source: U.S. Bureau of the Census: Censuses of Population and Housing.

School Enrollment

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2024-2025	29,037	-2.3%
2023-2024	29,710	0.16%
2022-2023	29,663	0.02%
2021-2022	29,656	-2.44%
2020-2021	30,402	-1.24

Source: Jersey City Public Schools: www.jcboe.org

Residential Dwelling Units

Most of the housing stock in the City was constructed in the first half of the twentieth century, primarily for renter-occupied use.

Housing Characteristics

Owner Occupied	39,748
Total Units	138,013

Source: U.S. Bureau of the Census: American Community Survey 2023 – 1 Year Estimate

Employment

Labor Force - The City of Jersey City

<u>Year</u>	<u>Total Labor Force</u>	<u>Employed</u>	<u>Percent (%) Unemployed</u>
2024	174,008	166,389	4.4%
2023	172,121	165,152	4.0%
2022	165,785	159,946	3.5%
2021	157,187	146,452	6.8%
2020	158,582	144,022	9.2%

Source: New Jersey Department of Labor, Labor Force Estimates (annual average)

Overview of Jersey City

Founded in 1630 and incorporated in 1820, Jersey City once served as a shipping, manufacturing, and rail transportation hub. Home to Ellis Island, Jersey City has served as the gateway to the United States for millions of immigrants.

Today Jersey City is a vibrant and thriving city, where rail yards, factories, and warehouses have been transformed into parks, restaurants, shops, and modern skyscrapers. Eight of the ten tallest buildings in the state are found in Jersey City. Recently, the tallest building in the State and the tallest residential building in the western hemisphere outside of New York City was constructed along Jersey City's waterfront. Jersey City residents and visitors enjoy spectacular views of the New York City skyline with miles of Hudson River waterfront. Jersey City's robust transportation infrastructure allows for easy access to New York City using the PATH train subway system, NY Waterway Ferries, or the Holland Tunnel. An expansive above-ground light rail system that opened in April of 2000 connects Jersey City to neighboring municipalities.

The 2020 Census population of Jersey City is currently 292,449. From 2010 to 2020 the population of Jersey City increased by 18.1%. The vacancy rate for rental units in Jersey City for 2023 is 2.3%. The occupied housing rate has been growing steadily since a low in 1980. At the present time, Jersey City has established itself as a leader in urban development within the State of New Jersey:

Downtown – 14,803 units approved
6,054 units under construction, and 30,966 units completed within the last 25 years

Journal Square – 11,716 units approved
1,230 units under construction, and 4,689 units completed within the last 20 years

Bergen Lafayette – 2,685 units approved
1,347 units under construction, and 2,623 units completed within the last 20 years

West Side Avenue – 3,514 units approved
203 units under construction, and 4,613 units completed within the last 25 years

As of August 2024, there are 15,828 housing units under construction.

Employment

JPMorgan Chase, RBC, Forbes, Imperial Bag, Nautica, and Ahold are some of the largest companies relocating or expanding Jersey City operations. Jersey City has also seen an increase in construction jobs with more than 4,000 jobs recently started or planned as part of approved upcoming projects.

Largest Private Employers in Jersey City*

<u>Employer Name</u>	<u>Total Full Time and Part Time Employees</u>
Insurance Service Office Inc	6,495
John Wiley & Sons Inc	5,700
Goldman Sachs & Co. Inc.	3,782
Imperial Bag & Paper Co. LLC	3,430
Kuehn & Nagel, Inc.	3,300
Pershing LLC/Mellon Bank	2,000
ICAP Services North America LLC	1,796
JP Morgan Chase Bank	1,592
IPC Systems Inc	1,555
Citigroup	1,500
Marsh USA Inc	1,500
IPC Acquisition Corp.	1,150
Fidelity Investments	1,000
AvePoint Inc.	1,400
Computershare Investor Services, LLC	1,000

Charles Komar & Sons Inc	920
Arch Insurance Group, Inc	875
Equitable Life Insurance Co.	816
Bank of Tokyo Mitsubishi Trust	800
Brown Bros Harriman & Co.	700
Forbes Management Co. Inc.	700
E1 Asset Management, Inc.	700

*As reported to the State of New Jersey, January 2022 (latest update). Does not include public employers, i.e. hospitals, schools, or other government agencies
Source: Hudson County Economic Development Corporation, Jersey City.

Tourism

Tourism is a growing industry for Jersey City with three new hotels (700 new hotel rooms) under construction. While Liberty State Park, Liberty National Golf Course, Ellis Island, and the Statue of Liberty attract millions of visitors each year, in 2014, Jersey City proudly hosted the Seattle Seahawks and Denver Broncos, their families, and many of their fans for the week leading up to the Super Bowl. Jersey City is also home to one of the largest 4th of July fireworks displays in the country.

Higher Education

Jersey City is home to St. Peter's University, with an enrollment of approximately 3,572 students in 2024, and New Jersey City University, with an estimated enrollment of 5,465 students, both of which offer full and part-time undergraduate studies in liberal arts, business and the natural and social sciences. In addition, St. Peter's has graduate programs in education, nursing, accounting, and business administration and New Jersey City University offers a wide variety of graduate programs. Jersey City is also the home to Hudson County Community College, which offers entry-level occupational and career certificates and associate degrees to prepare students for employment and to upgrade existing skills. The Community College has an estimated enrollment of over 7,000.

Sources: Saint Peter's University Website: www.saintpeters.edu;
New Jersey City University Website: www.njcu.edu;
Hudson County Community College Website: www.hccc.edu.

Healthcare

The Jersey City Medical Center, a voluntary not-for-profit hospital, moved to a new hospital facility in 2004 at a site on Grand Street and Jersey Avenue to replace the Medical Center complex built in the 1930s. The facility is currently operated by Liberty Health and is the region's "state designated trauma center" and the only hospital in Hudson County approved for open heart surgery. A new 5-story Medical Office Building was completed in 2010 and is fully leased, including the Cristie Kerr Women's Health Center. See "CITY INDEBTEDNESS AND DEBT LIMITS – Other City-Related Obligations" herein.

Economic Incentives

Jersey City's Urban Enterprise Zone (UEZ) is one of the top performing zones in the state. It is comprised of approximately 1/3 of the city's total land acreage. Revenue from the UEZ program had previously funded many development initiatives throughout the City, such as national and international marketing campaigns, special events, preservation, city beautification projects, CCTV program, job training, tourism and business improvement and relocation grants. Due to State budgetary constraints, the City has not received any funds for projects since 2011. However, eligible businesses can still apply for the tax benefits of the program.

The Jersey City Economic Development Corporation (JCEDC) manages and maintains business support systems. JCEDC assists with the UEZ Certification process. Some of the benefits available to Jersey City UEZ certified businesses include:

- Tax Free purchases on certain items such as capital equipment, facility expansions, upgrades, and certain personal property;
- Reduced sales tax for certified retail businesses; and

- Tax Credit Options: up to \$1,500 for new permanent full-time employees hired or up to 8% Corporate Business Tax Credit on qualified investments

The JCEDC has expanded opportunities for Jersey City small business owners to access capital, through partnerships with private and non-profit lenders. The JCEDC also offers small businesses and entrepreneurs one-on-one counseling, free business development workshops on various topics, and marketing support.

The Hudson River Waterfront

The Hudson River Waterfront was the first area of Jersey City to see substantial redevelopment and revitalization, and has become New Jersey's single most valuable market for real estate development. Initially a 9-5 office district from the 1980s to the 2000s, a more recent shift to high rise residential development has reinvented the Hudson River Waterfront as a 24-hour live-work-play mixed use district. In the 2010s and 2020s, development has steadily moved inland, connecting the initial wave of waterfront development with established residential neighborhoods in Jersey City's Historic Downtown to form a single combined central business district.

Since the early 1980's, more than 18 million square feet of office space, over 30,000 new residential units, more than 2.5 million square feet of retail, and eight hotels providing more than 2000 rooms have been completed. Rapid redevelopment of the waterfront and nearby neighborhoods has been virtually uninterrupted for more than forty years, supported by the Hudson Bergen Light Rail and PATH rail systems. As of September 2024, nearly 6,000 residential units and more than 300,000 square feet of retail are under construction and expected to come online in the next eighteen months in the Hudson River Waterfront and adjacent neighborhoods. Plans for the continued redevelopment of formerly industrial land along Jersey City's waterfront currently include as much as 30 million square feet of office space and more than 35,000 new residential units.

With 15 buildings taller than 500 feet, Jersey City's Hudson River Waterfront has the tenth largest skyline in the United States. 99 Hudson, a 781 unit condominium tower is the tallest building in Jersey City at 900 feet. Another 12 buildings 500 feet or taller are planned or under construction for the neighborhood.

The Newport Neighborhood is the largest single development on the Hudson River Waterfront. Built on 300 acres of abandoned rail yards at the edge of the river, this area now is home to more than 10,000 residential units and 20 residential towers, a park with a man made beach overlooking the river, the 1.1 million square foot Newport Centre Mall, and a variety of office buildings.

Liberty Harbor North is another planned community on the Hudson River Waterfront, rivalling Newport in size and scope. The development, built on former industrial land along the bed of the historic Morris Canal, is designed according to New Urbanist principles to facilitate a walkable traditional neighborhood environment while accommodating high densities. Currently consisting of more than 4,200 residential units, upon full buildout, the development will contain more than 8,500 residential units, two hotels, and more the half a million square feet of commercial retail space.

The Hackensack River Waterfront

The Hackensack River Waterfront is another powerful City resource whose value has only recently been re-discovered. The improved environmental quality of the Hackensack River and the return of water-related recreation to the river have helped to reinforce its value. The first signs of its rebirth include: the fully sold out Society Hill and Droyers Point development, a 1,400 Dwelling unit condominium community; the establishment of Meadows Path which is a planned pedestrian walkway along the Hackensack River stretching from Bergen County to Bayonne; commitment by the County of Hudson to establish an extension to the county park system; the completion of the 9 hole Golf course within the Hackensack River Edge Redevelopment Area; implementation of the City homes at Westside Station loft style residential project within the Water Street Redevelopment Plan area; transformation of a 32-acre former federal superfund site into the "Marion Greenway" - Phase I involves the remediation and capping of the site for passive recreation and Phase II includes a 2000 foot waterfront walkway, soccer fields, jogging paths and an Environmental Center; implementation of the remediation plan and environmental clean-up of the 100 acre former Honeywell site for the creation of a mixed use new-urbanist neighborhood within the Bayfront I Redevelopment Plan Area. This development will include the creation of over 15 acres of parkland in the form of a bikeway, central greenway, new pedestrian-friendly streets, light rail extension and station, fire house, K-8 grade public school, public library, upgraded sewer infrastructure, up to 8,000 new dwelling units, 200,000 to 600,000 sq. ft. of retail space, 19 acres of public open space, a new public school and a new fire station.

All this development is part of a larger plan for the Jersey City western waterfront known as the Bayfront Redevelopment Area. The planned expansion of the Hudson Bergen Light Rail stop from the West Side station to a new station at the Bayfront stop will additionally open the opportunity for future connections to Kearny Point and Newark. In 2018, the City bonded to purchase the 95 acres of Bayfront and sell sites through RFPs based on 4 phases of development. Each development is required to build at least 20% onsite affordable housing to households of very low-income, low-income or moderate-income as promulgated by the United States Department of Housing and Urban Development, and each development is encouraged to build up to 35% onsite affordable housing, which additional affordable housing units may include workforce housing. RFPs (request for proposals) were awarded for the first six blocks of Bayfront. Phase 1 will include 1, 092 units, 35% of which is affordable and workforce housing, 2 parks, roadways and infrastructure. Bayfront is the largest ever mixed-income development in the tri-state area.

New Jersey City University has been in the process of a \$350 million expansion that includes 5 private residential buildings totaling 900 units, a new Shop-Rite, and a new 424 bed dormitory all on the 21 acre lot the University owns between Route 440 and West Side Avenue. It also includes the construction of 2 new streets, providing more efficient connection along West Side Avenue.

Journal Square

Functioning as a major regional transportation hub, Journal Square encompasses the neighborhood surrounding the Journal Square PATH station and bus terminal, which provides access to New York City, Newark, Hoboken, and Harrison via the PATH subway train system and bus service throughout the region via 7 different bus lines. Taking advantage of its strong transportation links to New York City, the neighborhood is re-emerging in the 2020s as a major residential, retail, and cultural hub. Since 2010, more than 5,200 residential units and 2.5 million square feet of office space has been built in the neighborhood. In the 2020s, Journal Square has overtaken the Hudson River Waterfront as the largest concentration of new development in the city. As of September 2024 a further 8,000 residential units and 176,000 square feet of retail space are under construction and expected to come online within the next eighteen months. A further 13,000 residential units and 300,000 square feet of retail space is approved for future construction. Journal Squared is a three-tower residential and retail complex. It was the first large modern development project in the Journal Square neighborhood to be fully completed. Located adjacent to the PATH station, the development contains a total of 1,940 residential units, 36,000 square feet of retail space, and a new public plaza adjacent to the Summit Avenue entrance to the Journal Square Transportation Center known as Magnolia Landing. The 54-story J1 Tower opened in 2016, followed by the 68-story J2 Tower in 2021, and the 60-story J3 Tower in 2024.

One Journal Square is a two-tower residential and retail complex under construction located on land adjacent to the Journal Square Transportation Center. Under construction as of September 2024, Once complete, the 710-foot tall complex will provide 1,723 residential units, 41,227 square feet of retail space, and a brand new public plaza that will function as the main gateway from the Journal Square Transportation Center to the wider neighborhood.

Homestead Place consists of a series of 10 mixed-use high rises arranged linearly along the right-of-way of a brand-new pedestrian walkway providing a more direct connection for residents of the northern areas of Journal Square to the transportation center. Upon full buildout, the complex will consist of more than 4,000 residential units and a shopping gallery with more than 50,000 square feet of retail space. As of September 2024, the first three towers consisting of 871 residential units have been completed, and a further two towers containing 1,198 units are under construction.

The Loew's Jersey Theatre, a 3,000 seat "movie palace" originally opened in 1929, is a priority restoration project for Jersey City. The facility will soon undergo an extensive multi-million dollar renovation to restore the energy, glory, and full functionality to the theatre and to the neighborhood as a whole. AEG Live, the second largest event promotion company in the world, is planned to manage programming (along with partnerships with NJCU, Mana Contemporary, and a variety of community groups) and ACE Theatrical Group, the premiere theatre restoration company in the country, is planned to manage the construction and renovation of the facility.

In a unique public-private partnership, KRE, the City of Jersey City, and the Centre Pompidou are currently collaborating to create a fine arts hub behind the Loews Theatre. A multi-phase development located at 808 Pavonia Avenue developed by KRE will contain 1,189 residential units alongside 100,000 square feet of multipurpose space to be owned by the City of Jersey City. This space will be occupied by the Pompidou x Jersey City, the first North American branch location of the famous French modern art museum. The development will also facilitate the creation of the Loews Art Walk, a pedestrian promenade connecting the Loews Theatre to the Pompidou x Jersey City, terminating in a public park, outdoor performance space, and a sculpture garden.

On the periphery of the Square is the adaptive re-use of the old American Can Factory. The CANCO Loft project entails the creation of over 1,300 new loft style residential units and associated retail services. The new CANCO Park, completed in 2010, features an "orchard" of trees that is lit up at night by ground lighting, park benches, and a terraced layout. The park's perimeter is lined with bamboo shoots in raised planters. Mana Contemporary Fine Arts is truly a diamond in the rough with art exhibits almost every weekend. Several other smaller projects, like 25 Senate Place or the Kennedy Lofts at 100 Newkirk Street, continue to make this the new hip artist community in the New York Metropolitan region.

Transportation Improvements and Funding

The City received federal high priority project funding for transportation access in the amount of approximately \$26 Million and the creation of an urban boulevard along Routes 440/1&9 Truck in the amount of \$1.8 Million.

North Jersey Transportation Planning Authority, (NJTPA) Area metropolitan Planning Organization awarded Jersey City the following grants:

- FY 2008-2009 Subregional Study Program grant for Update to the Circulation Element of the Jersey City Master Plan in the amount of \$250,000.
- FY 2010-2011 Subregional Study Program Grant co-sponsored with Hudson County for a Study to improve transportation connections between the Cities of Hoboken and Jersey City in the amount of \$300,000.
- FY 2012-2013 Subregional Study Program grant for the Liberty State Park Circulator Cost-Benefit Analysis in the amount of \$220,000.
- FY 2012-2013 Subregional Study Program grant for the Morris Canal Greenway Plan in the amount of \$220,000.
- FY 2012-2013 Subregional Study Program grant co-sponsored with Hudson County for The Jersey City/Journal Square/Bayonne Bus Rapid Transit Study in the amount of \$250,000.
- FY 2019-2020 Subregional Study Program grant for Parking Management Plan in the amount of \$300,000.
- FY 2019-2020 Subregional Study Program grant for Parking Management Plan in the amount of \$300,000.
- Over \$1 million in FY 2012 Local Safety Program grants for pedestrian improvements along Summit Avenue.
- \$885,838 in FY 2016 Local Safety Program grants for safety improvements along Marin Boulevard.
- \$288,524 in FY 2016 Local Safety Program grants for intersection improvements at St. Pauls Avenue and Oakland Avenue.
- \$3.8 million in FY 2017 Local Safety Program grants for pedestrian safety improvements along West Side Avenue.
- \$2.6 million in FY 2017 Local Safety Program grants for pedestrian safety improvements along Sip Avenue.

NJ Transit has completed the Hudson-Bergen Light Rail 440 Extension Alternatives Analysis, which identified the extension of the HBLR from its current terminus at West Side Avenue station across Route 440 to a new station at the northern boundary of the Bayfront Redevelopment Plan area as a locally-preferred alternative.

Infrastructure Improvements and Public Amenities

- The Exchange Place PATH station was renovated in 1990 at a cost of \$65,000,000. The PATH provides a 3-minute ride from Exchange Place to the World Trade Center Station. The Port Authority's \$1.3 billion project to replace PATH's entire 340 car fleet and to overhaul the PATH signal system thereby enabling a significant increase in the number of train movements while improving on-time performance and efficiency is underway, with the entire rolling stock upgraded between 2008 and 2012 and signal system enhancements still underway.

- The \$1 billion Hudson Bergen Light Rail Transit System (HBLR) launched operation on April 15, 2000. Since then ridership has steadily grown as the system expands further north and south. It now connects with Hoboken's Lackawanna Station, which is adjacent to Jersey City and is a hub for regional commuter train service. It also now connects to a new Park & Ride station on Tonnel Avenue in North Bergen that attracts commuters from Bergen County and other North Jersey locations, and which has been highly successful. Direct service is provided between the Park & Ride and the Jersey City waterfront employment center. A new extension to 8th Street in Bayonne opened in January 2011. Hudson County and Bergen County municipalities have urged NJTransit to expand the HBLR into Bergen County, with all municipalities with current or potential HBLR infrastructure passing resolutions in favor of this plan.
- Ferry service connects the Exchange Place/Paulus Hook, Hudson Exchange, Port Liberté and Liberty Harbor North areas to lower Manhattan, and also connects Exchange Place/Paulus Hook to 39th Street in Manhattan.
- The City has completed its renovations of the Owen Grundy Pier Park at the foot of Exchange Place. This is one of several significant public spaces that exist along the Jersey City Waterfront.
- The Hudson River Waterfront Walkway is advancing toward completion along the waterfront as development of properties adjacent to the waterfront continues. It is now possible to walk from the Goldman-Sachs tower at the south eastern corner of Paulus Hook and Downtown to the Newport area and into Hoboken. The Newport Walkway now connects to Hoboken at the Hoboken Train Station and Newport Associates Development Co. has completed "Newport Green" a Waterfront park at Fourteenth Street. The development of Veterans Park will include the critical portion of the waterfront walkway at the park's edges along the Hudson River and the Morris Canal.
- New Jersey Department of Transportation completed the reconstruction of the 12th and 14th Street viaducts from Route 139 to Jersey Avenue. The next phase will be the reconstruction of Route 139. NJ DOT is constructing a new Wittpenn Bridge over the Hackensack River and a new St. Pauls Avenue Viaduct that will link the bridge to Route 139, Tonnel Avenue, Route 1&9 Truck, and a proposed new road parallel to Tonnel Avenue. NJDOT is also constructing a vehicular bridge on Jersey Avenue across the Liberty Harbor to allow easier travel from downtown Jersey City into Liberty State Park, Bergen Lafayette, and other parts of the city. Currently only a small foot bridge exists which will remain to serve pedestrians and bicyclists.
- Capital Improvement, Federal Grant, and UEZ Funding have been pooled to finance the re-surfacing and beautification of Christopher Columbus Drive. This is the main and most visible travel route from the NJ Turnpike to downtown neighborhoods and the waterfront.
- Jersey City launched the CitiBike bike-share system in September 2015. Because CitiBike is the same system used in New York City, residents can now seamlessly integrate into the broader regional bike-share network across the Hudson River. As of March 2016, only six months after the programs launch, 75,000 rides had already been taken.

Key districts and development areas within Jersey City

Hackensack River Edge Redevelopment Area. The City Council adopted a redevelopment plan that encompasses a number of properties on the City's western waterfront, the redevelopment of which will include the remediation of the PJP landfill. An Urban Transit Hub tax credit package of \$34.6 million over ten years has been approved by the Board of the New Jersey Economic Development Authority which allowed Peapod and Ahold to utilize 344,000 square feet of the Pulaski Distribution Center, an 878,564 square foot warehouse along Route 1 & 9 by Prologis. In late 2020, the City announced the dedication of \$10 million for the development and construction of Skyway Park, a 12-acre public park under the Pulaski Skyway which will further the PJP landfill remediation.

Claremont Industrial Center. West of Caven Point, the Claremont Industrial Center was developed on a 30-acre site by the New Jersey Economic Development Authority. Hartz Mountain Industries built and leased a 175,000 square foot warehouse for Walong Marketing, a food distributor and importer in the summer of 2002. Demand for warehouse space here dropped as the recession hit and the City responded by amending the Zoning to allow entertainment venues. In January 2011, PM Raceway opened an 80,000 square foot facility featuring two quarter-mile tracks. The high-performing all electric karts can reach speeds of 45 miles per hour. The facility features a Tailgate Café, video and arcade games, meeting and party rooms, and an impressive display of racing memorabilia. The industrial center is complete with a third facility of 260,000 square feet home to Fabuwood Cabinetry Corporation manufacturing kitchen cabinets.

Canal Crossing. A 111 acre plan that was formerly part of the Claremont Industrial Redevelopment Plan and is adjacent to the southern boundary of the Morris Canal Redevelopment Plan. The majority of the plan area is under remediation as a result of the City's lawsuit with PPG, the remediation is very close to completion. The plan creates a new road grid that is the continuation of the existing grid to the north and west. Additionally, the plan was amended to allow for the continuation of industrial and commercial uses and to also be readapted for film studio and makerspace uses. Taking advantage of this new zoning, a 135,000 sq. ft. renovation of an existing former warehouse for film studio at 21 Caven Point Avenue is currently under construction. The plan area also saw the 2020 completion of a micro-brewery home to 902 Brewing Company. The remainder of the plan envisions mixed use and a potential new light rail station. Phase 1 of the mixed use development portion of Canal Crossing was submitted for City review at the end of 2020 and development of six City blocks.

Liberty Industrial Park. Sysco Food Services of Metro New York has renovated the former Allied/Sterns building into 345,000 square feet of freezer/warehouse space. This project provides over 500 jobs. The total project cost was \$25 million, \$8 million of which was provided through the City and HUD by a Section 108 Loan. In 2018, a warehouse distribution center of 95,000 square feet was completed at 79 Thomas McGovern Drive and is now home to Amazon. The Liberty Self Storage facility received approval in 2020 to construct a hotel with 123 rooms. A film studio, "Caven Point Studios," at 14 Burma Road received approval in early 2021. The same company is in preliminary phase to obtain approvals to build a second film studio at 150 Theodore Conrad Drive.

Port Jersey/Greenville Yards. On the southernmost portion of the waterfront, the Port Jersey Corporation has developed 3,000,000 square feet for industrial distribution buildings since assuming control of the urban renewal project in 1969. The Corporation has invested \$150 million to date. The Port Authority of New York and New Jersey has constructed an imported automobile facility on its 80-acre portion of Port Jersey and on 65 acres of the Greenville Yards. Iron Mountain Information Management has leased 123,000 square feet at 100 Harbor Drive, providing more than 100 full time jobs. In addition, Summit Import Corp. and Preferred Freezer Services have recently opened warehouse facilities in Greenville Yards. Preferred Freezer is also undertaking building a second new facility freezer. Keystone Properties constructed two warehouse facilities consisting of over 500,000 square feet of available warehouse space.

Jersey Eagle Sales Co. A 100% minority owned business exclusively distributing for Anheuser-Busch in Hudson County has completed construction of a 70,000 square foot, \$4.5 million chilled warehouse and distribution facility, providing nearly 100 full-time jobs.

Rajbhog Foods expanded their family business at 20 Amity Street; it is the same family that owns the real estate. The company is an Indian specialty food business that prepares and distributes foods to the large chain retailers, like Blue Apron, Target, United Airlines, British Airways, Costco, to name a few.

Montgomery Industrial Center. The 32-acre industrial park adjacent to **The Beacon** was developed by the New Jersey Economic Development Authority, which also makes development bond financing available to potential tenants. The firms in the Montgomery Industrial Center have created more than 300 construction jobs and 600 permanent jobs. Rajbhog Foods, makers of Indian bread, constructed a new plant with assistance from the New Jersey Business Employment Incentive Program and the New Jersey Local Development Finance Fund, and a \$50,000 relocation grant from the Jersey City Urban Enterprise Zone. Other food related services attracted to this location are Wei Chuan USA and Woolco Foods. DeBragga & Spitler relocated to 55-77 Amity Street from the Meatpacking District in Manhattan. They are leasing an existing warehouse and purchasing the adjacent vacant land for parking and eventual expansion. They certified into the UEZ Program and took advantage of Jersey City's \$50,000 relocation grant. Lastly, PSE&G is currently constructing a new 69/13k Substation and expanding the 69kV network in Jersey City.

Newport Redevelopment Area Project. The Newport Center project is a 300-acre, master-planned mixed use community consisting of retail, residential, office, leisure, and entertainment facilities. In December 1982, Jersey City received approval of a \$40 million Urban Development Action Grant (UDAG), the largest ever awarded in the history of that Federal program, that effectively jump started the Newport development. The first building constructed was the Newport Centre Mall. It is a premier shopping center with 130 individual stores, roadways, transportation choices and other community amenities. The Newport Associates Development Co. has just completed "Newport Green", a new 5-acre playground and park connecting Washington Boulevard to the Waterfront Walkway at Fourteenth Street. It includes the first urban beach in New Jersey, a recreational field, a merry-go-round, an outdoor ping pong table, and several landscaped gardens. The development of Newport is moving into the latter phases of development. Currently under construction are several high-rise residential buildings in the "Northeast Quadrant" nearest to the Hoboken Rail Terminal.

"The Wave – Site 4A" is a 24-acre, 336 apartment rental building with approximately 16,490 square feet of permitted retail and/or commercial space that is currently under construction. Over \$2 billion has been invested and more than 11 million square feet has been constructed at Newport. When completed, the \$10 billion investment into the Newport community will provide housing for approximately 30,000 residents in 9,000 apartments and have a 1.5 mile section of the Hudson River Waterfront Walkway, 7 million sq. ft. of prestigious office space and two million square feet of retail and shopping opportunities. The Newport Redevelopment Area has developed into another new thriving neighborhood of the city. In addition to the mall, area residents and visitors can take advantage of 14 acres of green space, educational facilities, health and wellness facilities, and even a yacht club.

Powerhouse Arts District Redevelopment Area. The Powerhouse Arts District Redevelopment Plan area includes a collection of historic warehouses that have been re-used for residential, art, and entertainment uses. The district is unique and lends itself to conversion to a funky, trendy, retail and entertainment center. This district is 2-4 blocks west of the waterfront and is anchored by the Powerhouse building, an historic structure formerly the power station for the Hudson and Manhattan Railroad. The 100-year-old castle-like building near the waterfront is owned by the City of Jersey City. The Cordish Company in conjunction with the NY/NJ Port Authority and the Jersey City Redevelopment Agency have entered into a memorandum of agreement to stabilize and rehabilitate the former powerhouse into an entertainment destination for the waterfront. The Cordish Company plans to breathe life into the deteriorating power plant just as it has successfully done in the Baltimore Inner Harbor.

Toll Brothers City Living by 2018 completed the first two phases of the Provost Square development, a 3 acre site in downtown Jersey City just a block from the Grove Street PATH station. The development includes 3 high-rise towers, 38, 33, and 28 stories, totaling 927 units, 960 parking spaces, 45,000 square feet of retail, and a state of the art 24,000 square foot theater as well as 17,000 square feet of art related space. In between the buildings is a half-acre public plaza that is partly completed and open to the public.

In 2019, Lennar completed a mixed-use high rise building inclusive of a 90-seat theater and +20,000 square foot rehearsal arts space occupied by the Nimbus Works dance company. The Lively is a first new theater in operation in Downtown Jersey City.

Immediately adjacent to the Powerhouse area is the MGM Redevelopment Plan Area where two mixed-use high rises are under construction. In addition to roughly 600 dwelling units, the developments include the development of a 6,000 square foot black box theater, 3,000 square foot public plaza and +\$2 million open space contribution slated for \$6 million Newark Avenue Pedestrian Plaza construction.

Liberty Harbor North. This highly successful project does not look like a project at all. It is designed to be an extension of the existing neighborhoods that surround it. This project has two marinas, several miles of waterfront walkway, direct connections to Liberty State Park, ferry service to NYC, two Light Rail Stations and enjoys sweeping views of Liberty State Park, Lower Manhattan and the NY Harbor. It was designed and master planned by the Congress for New Urbanism co-founders Andres Duany and Elizabeth Plater-Zybek. New retail establishments have opened, including the immensely popular Zeppelin Hall Beer Garden, Surf City Beach Bar, and Brew Shot Coffee Shop. Several mixed use projects by a number of different developers have also followed on the coattails of this project, including Gulls Cove, a 320 Condominium building, completed in 2007, "225 Grand", completed in the summer of 2010 with 348 unit rental building by Ironstate Development, Inc. and the KRE Group, and "18Park", completed in the spring of 2014 with over 400 units. The 11 story 18Park facility also includes space for the Boys and Girls Club of Hudson County. In 2020, the completion of 235 Grand added a 49 story building with 549 units.

Harborside Financial Center. The Harborside Financial Center began with a successful warehouse conversion from a refrigerated rail warehouse to Class A office space, which was followed by the construction of new office towers. It is an office and commercial holding of Mack-Cali Realty located on the Hudson River Waterfront. The complex includes restaurants, a retail promenade, two tiered waterfront walkway with outdoor dining and additional service amenities. The Harborside Financial Center currently consists of six office buildings, an indoor and outdoor garden/plaza, and a HBLRT Station. It is all just minutes away from downtown Manhattan via PATH train or ferry. The complex also contains luxury rental apartments on the North Pier and a full service hotel on the South Pier. The Hyatt Regency Jersey City was the first full-service hotel on the Jersey City waterfront. It features 350 guest rooms, over 19,000 square feet of meeting and facility space, a 165-seat restaurant, and a 75-seat lounge and incredible views of Manhattan and the New York Harbor. The current Master Plan for Harborside envisions one more office tower for Plaza 4 and six residential towers on Plazas 6, 7, 8 & 9, new roadway extensions and a widening of the pedestrian plaza adjacent to the light rail station.

Existing Commercial/office building of Harborside are as follows:

Harborside Plaza 1	430,000 Sq. ft.	Re-Use
Harborside Plaza 2	761,200 Sq. ft.	Re-Use
Harborside Plaza 3	725,600 Sq. ft.	Re-Use
Harborside Plaza 4a	207,670 Sq. ft.	New Construction
Harborside Plaza 5	977,225 Sq. ft.	New Construction
Harborside Plaza 10	577,575 Sq. ft.	New Construction

There are approximately 13,600 employees in the existing office towers.

2017 saw the completion of the Jersey City Urby building, a partnership with Ironstate and Roseland Residential, a 69 story, 713 foot tower with 762 apartments. The acclaimed Dutch design firm, Concrete, designed the iconic tower known for its Jenga-like architecture. The second and final building in the Urby project will also add a pedestrian plaza/entrance to the Harismus Cove Light Rail Station.

In 2017 Mack-Cali constructed and opened a new ferry terminal for New York Waterway connecting residents and commuters in that area to and from Jersey City and Battery Park City.

Hamilton Square. The Hamilton Square project accomplishes adaptive re-use of the former St. Francis Hospital complex. The old hospital formed an artificial barrier, separating Hamilton Park, a 2-acre Victorian Square, from the east side of the neighborhood. The new retail includes a restaurant (GP's), an ice cream parlor that has received significant press and very positive reviews (Milk Sugar Love), wine store, pet store, and vintage department store. It brings the neighborhood together once again by re-establishing the cobblestone street leading to the park, rehabilitating some building, and replacing others. The blocks in the Hamilton Park historic district neighborhood are filled with classic row houses and lush, tree-lined streets. The final building as a part of the neighborhood project is near completion at 107 Erie St.

Colgate. Colgate Redevelopment Area is a 24 acre, 10 block site of Jersey City waterfront south of Exchange Place. It was formerly the location of the manufacturing facility for the Colgate Palmolive Company. This area has experienced rapid growth over the past five years and is approaching its planned build-out of six million square feet of office space and close to 2,000 residential units. The first major project in the Colgate Redevelopment Area was 101 Hudson Street with 1.2 million square feet of office space in a well designed Art DECO Revival style skyscraper. Next, developed by Hartz Mountain Industries were 70 and 90 Hudson Street, two office towers on the riverfront with 358, 000 and 372,000 square feet. SJP Properties' renovation of 95 Greene Street, provides 280,000 square feet of office space in the former Colgate Perfume Building. In March 2020, Thor Sciences purchased 95 Greene Street from SJP and has begun construction repositioning the building for research & development laboratory uses. Goldman Sachs' now controls three site within the redevelopment plan area and treats this facility and the Sussex Street pier that they renovated as a public campus with ferry and helicopter access to their sister campus on the Manhattan side of the River. Goldman Sachs has completed their owner occupied office building, a 42 story, 793 feet tall tower with 1.5 million square feet of space, 1,000 underground car garage, ground floor pedestrian and retail amenities. Recent plan amendments and tenant fit out have been for life science labs specifically in the buildings at 70 and 80 Hudson Street.

Tidewater Basin Redevelopment Area. The Tidewater Basin Redevelopment Area links new waterfront development with the existing Paulus Hook Historic District. The charm of this area is especially enhanced by watching cars share the path of the light rail trolley along the historic cobblestone street. The 324-unit Windsor at Liberty House was completed in September 2000. Other projects include the Pier House (106 condo units) and Hudson Point (181 rental units), two projects at the foot of Warren Street, Liberty Pointe, a 32 unit condo project just up Warren Street from those previously described, Fulton's Landing with 105 condominium units, and K. Hovnanian at Paulus Hook with 71 condominiums units are all occupied and complete. 198 Van Vorst Street, a 131 unit, 7-story residential project with 4,426 square feet of retail, is completed and occupied.

Harsimus Cove Station Redevelopment Area. Several residential projects have been completed and leased. Among the completed projects are the following condominium and rental units: Avalon Cove, Mandalay Bay on the Hudson, Portofino, Marbella, and the 'A'. These residential building encompass over 2,000 market rate units. Metro Plaza shopping center contains four retail buildings totaling 255,000 square feet. The Doubletree Hotel contains 200 rooms. The most recent project to be completed in the area

is the Monaco, a residential development of 524 rental units in two 39 story towers atop a 10 story 558 space parking garage and 6,100 square feet of ground floor retail on what is was the Doubletree Hotel's parking lot. The Redevelopment Plan calls for a residential-commercial mixed-use district where certain lands are dedicated to the City of Jersey City for streets and parks. Projects recently completed include 110 First Street, Marbella phase II, VYV north and south towers. The VYV first building, 474 Warren St., also includes a 20% onsite affordable housing component.

Block 13102 Redevelopment Area. A 750 unit, 50 story building at 25 Christopher Columbus Drive is almost complete. The project includes a stand alone 2 story, 25,000 sq. ft. public school annex, 5% onsite affordable units and the preservation of over 300 affordable units at 100 Montgomery St. a/k/a Paulus Hook Tower.

Port Liberté, Liberty National Golf Course and Country Club, and the Residences at Liberty. Redevelopment of this scenic area adjacent to Liberty State Park began in 1985 with the development of docks, jetties, and canals for luxury residential apartments and town homes, some with private boat slips at their front door. Later phases replaced new canal construction with an 18-hole professional Majors golf course and private club. Liberty National Golf Course hosted its first international PGA TOUR event, the Barclays, in August of 2009 and again in August 2013, and the President's Cup in 2017.

Liberty State Park and Ellis Island. Over 2,000,000 persons visit Liberty State Park annually, making it the most popular of all state parks in New Jersey. It is the largest urban park in the state, at approximately 1,200 acres. It currently houses, two marinas, a boat launch, the Liberty House (a 15,000 square foot restaurant and banquet facility), the recently expanded Liberty Science Center, the restored historic Central Railroad of New Jersey Terminal, and an award-winning Interpretive Center. Maritime Parc Restaurant & Catering opened in October 2010 with a 30,000 square foot event space. In 2020, the NJ Department of Environmental Protection has begun seeking input through a series of community meetings to plan, design and build the 234-acre interior of the State park. The interior is currently closed to the public but it will be remediated and redeveloped into passive recreation including trails and picnicking areas and active recreation such as courts, fields and skate parks.

The restoration of Ellis Island is ongoing and the result of a partnership between the National Parks Service and Save Ellis Island, Inc. The South Side of the island contains valuable historic resources such as the hospital facility, laundry and luggage building, open space and recreation area, nursing residence and other various support building, totaling 30 in all, built at the turn of the century to welcome immigrants to our land. It is the intent of the National Park Service to renovate these buildings and keep them in public use. The American Family Immigration History Center was unveiled in 2001. Given its national and international stature, the Ellis Island Institute is proposed to be a unique cultural, educational and conferencing facility that will use the power of place to create a venue for international cultural events and meetings. It will involve reuse of the 29 existing buildings on the island and new construction of a hotel, museum and educational facilities. At completion, it will employ 275 full-time and 350 part-time workers.

Ferries to the Statue of Liberty and Ellis Island leave from Jersey City, Liberty State Park throughout the day. The park, a state and regional amenity that attracts visitors from a wide area, is frequently the site of state-wide events, including concerts, festivals, and tournaments.

The Jersey Avenue bridge connection through Liberty State Park crossing over the Morris Canal Basin will open a vehicular access and connection for the Morris Canal neighborhood to downtown Jersey City. The completion of this bridge is expected in Spring of 2021.

Journal Square 2060 Redevelopment Plan Area. The Journal Square 2060 Redevelopment Plan was approved in 2010 and brought significant development to the square. The project known as Journal Squared includes 3 buildings that sit immediately adjacent to the Journal Square PATH. The first building, a 54 story, 540 unit building is complete. The second 70 story building with 700 units is anticipated to be complete by the spring or summer of 2021. The third and final building is approved at 60 stories and an additional 600 units. Other major approvals in the area will bring thousands of units to the square. 1 Journal Square, which includes 2 towers, 49 and 79 stories, for a total of 1,725 units, received planning board approval in December 2020. 808 Pavonia, a/k/a the Harwood site, received planning board approval in 2019 and proposes two 50 story buildings with 1,200 units. The project also proposes a pedestrian ROW through the project connecting the Marion section to the Square through the expansion of the Gloria Esposito/Journal Square Concourse West. Additionally, the preservation and expansion of the Jersey Journal building at 30 Journal Square has approvals to construct a 72 story building with 741 units.

The Journal Square Plan also creates the expansion of the existing Homestead Place through to Newark Avenue, creating a pedestrian access way from Newark Avenue to the Pavonia Avenue to the PATH station. The Homestead extension will be created through a bonus that will bring roughly 6 new buildings along the extension and an additional 1,000 units.

The plan also creates the widening of Oakland Avenue and the creation/expansion of Central Avenue from Hoboken Avenue to Newark Avenue. The County is currently constructing a new Court House with frontages along Newark Avenue, Oakland Avenue and the newly created portion of Central Avenue. A building at 626 Newark Avenue, 27 stories and 538 units, contributed to the financing of the construction of the Central Avenue extension. The existing County Administration Building is slated for demolition and in its place will be the construction of a new park.

The Beacon. This central City project is the rehabilitation of a monumental Art Deco New Deal Governmental/Hospital Complex. It consists of the adaptive re-use and renovation of ten (10) high rise structures, interior and exterior historic renovation of significant Art Deco and WP Project artifacts, including two theaters, meeting rooms, and lobby space, and new construction of a multi-level garage, health spa, pool, museum, and various types of amenity space. Completion of this project, which is the largest historic restoration project in the nation, created approximately 1,200 market rate residential units. The last of the historic buildings, called the Roxy, is to be completed in 2021. This project represents a significant private investment that is outside of the City's downtown waterfront financial center. Shuttle and full concierge services are provide to various mass transit choices throughout the city.

Grove Plaza. As recently as 2000, the Grove Plaza area was considered to be too far from the waterfront to be desirable for high end market rate units. Today, Grove Plaza is considered the heart of downtown. The newly renovated and re-designed Grove Street PATH Station Plaza has served as a festival site and farmers market adding to the vitality of the shopping destination. 2 new 60-story residential towers, 70 and 90 Columbus, connected by the Marriot Hotel in a 150 foot base. This project also provides a newly constructed entrance to the Grove Street Path. New residential construction is moving west along Newark Avenue, including 8 new restaurants along a pedestrian walkway has been completed.

Martin Luther King Drive/Jackson Hill Redevelopment Plan. The redevelopment of Martin Luther King Drive now known as the Jackson Hill Redevelopment Plan began as a grassroots community based initiative with far-reaching support. Since the adoption of the MLK Drive Redevelopment Plan by the City Council in December 1993, the development of the MLK HUB Shopping Plaza has been accomplished. A 55,000 square feet supermarket and ancillary stores are in place. The HUB development is now under new ownership. Through a partnership of the Jersey City Redevelopment Agency, Universal Companies of Philadelphia, and Brandywine Corp., MLK Drive will be receiving approximately 205 units of work force housing to be built on City land in and around the HUB. Goldman-Sachs has sponsored a 20 unit housing development just north of the HUB Plaza and light rail station, which has been completed and sold as affordable condominiums. Many other mixed-use and residential projects are underway and completed at the HUB, mostly along Ocean Avenue and Kearny Avenue.

In 2015, The Jersey City Employment and Training Program (JCETP) relocated to the HUB, with Speaker of the House of Representatives Nancy Pelosi, New Jersey Governor Chris Christie, Senator Robert Menendez, NAACP President Cornell Brooks, Congressman Donald Payne Jr., Congressman Albio Sires, and former New Jersey Governors Brendan Byrne and Thomas Kean all attending the ribbon cutting ceremony. JCETP includes the prisoner re-entry program that provides addiction treatment, housing, and employment services as well as standard employment programs for youth, seniors, veterans, and welfare recipients.

In 2017, the City completed the first building, 1 Jackson Square, in the City Hall Annex complex, a 45,000 square foot building that houses the City's Health, Planning, Zoning, Tenant Landlord relations, and Economic Development. In 2019, renovation of 344 MLK Jr. Drive provided office and constituent space for Community Development and the newly created Division of Housing Preservation. In 2020, the City began construction of the third Annex building that will house a public meeting room for planning, zoning, historic and tenant-landlord meetings. It also includes offices for the newly created Division of Affordable Housing, Community Development and Commerce. The construction of a 10 story public safety building along Martin Luther King Jr. Drive, to the south of 1 Jackson Square, is expected to begin construction..

Monticello Avenue/Jackson Hill Redevelopment Plan. The Monticello Redevelopment Plan, now known as the Jackson Hill Redevelopment Plan, covers Monticello Avenue between Communipaw Avenue and Montgomery Street. It encompasses 19 blocks geographically located at the center of Jersey City. The goal is to establish a historically preserved and revitalized neighborhood - a shopping district with a mix of retail, restaurant and service businesses, as well as arts-related venues and activities that reflect the diversity and strong sense of community that prevail in the area. The 12 unit "Rock Garden Plaza" and the 6 unit "120-122 Monticello Avenue" with approximately 7,000 square feet of childcare space on the ground floor, have been completed.

Berry Lane Park. Berry Lane Park is a 17.5 acre park was completed on a former brownfield site in the Communipaw-Lafayette Section of Jersey City, New Jersey. Construction of the park began in 2012 and opened in the summer of 2016. The park is located between Garfield Avenue and Woodward Street near the Garfield Avenue Hudson Bergen Light Rail station. Directly south of Berry Lane Park is Canal Crossing, an adjacent brownfield site slated for a future residential development.

Berry Lane Park is the largest municipal park in Jersey City. The site includes two basketball courts, two tennis courts, a baseball field, a soccer field, a playground, a rain garden, 600 new trees, and a splash pad water park. New park features coexist with older existing structures that will be preserved or modified: for example, the large concrete silos from a former rail yard will be renovated to contain water features. In 2020, the City built a bathroom facility and premier skate park. The City Council approved in December 2020 an amendment to the Morris Canal redevelopment plan that will redevelop a site immediately adjacent to Berry Lane Park fronting on both Communipaw Avenue and Woodward Street. This amendment includes the construction of a 20,000 sq. ft. indoor recreation center that will front on Berry Lane Park.

Holland Tunnel and Jersey Avenue Redevelopment Area. The expanse of land bounded by the entry/exit of the Holland Tunnel, the base of the Palisade Cliffs and neighboring the City of Hoboken, had remained unnoticed for many years. Its newly discovered attractiveness has accelerated an effort to re-connect existing streets, create more building lots and street frontages. There are NJ Transit and adjacent developer proposals for the creation of a new HBLRT Station at Jersey Avenue and Eighteenth Street. Residential re-development of the 10th Street corridor is almost complete. In November 2007, The Home Depot opened a 105,121 square feet multi-level store, which employs 177 people and generating \$50 million in annual sales. Other completed residential additions include The Cliffs, 700 Grove Street, Cast Iron Lofts, and Zephyr Lofts.

Proposed plans include the Hoboken Redevelopment Plan area and the New York Avenue Redevelopment Plan area. The 7 acre Van Leer Chocolate Factory site, now known as the Enclave, was completed in 2019 and includes a walking path, public park and plaza with rain gardens.

Majestic Theater and the Majestic II Projects. The adaptive re-use of the historic Majestic Theater across from City Hall including the three adjacent historic revival mixed use properties that were vacant and dilapidated, and development of a new adjoining 45 unit residential building. All of the constructed residential units have been sold or rented, and all of the highly desirable commercial spaces have been filled. Majestic II, which is a new mixed use classic mid-rise building with ground floor retail, will complete the third corner of the Montgomery Street & Grove Street intersection, connecting the eclectic buildings of the Van Vorst Historic District to the new City Hall neighborhood redevelopment. Across the street from the Majestic Projects and City Hall is an additional 99 unit 7 story building with ground floor retail space, which opened in early 2016.

New Jersey City Medical Center and Grand Jersey Redevelopment Plan Area. The Jersey City Medical Center opened its 325 bed medical facility at Grand and Jersey Avenues in 2004. This \$180 million facility was financed by the FHA. Liberty Health has just completed a 5-story Medical Arts Building adjacent to the Medial Center. There are also plans to triple the capacity of the Emergency Department.

The Grand Jersey Redevelopment Plan was amended at the end of 2017 to allow for a multi-phased residential and retail project that would create 2,000 new units and 50,000 square feet of new retail space. The plans require the clean-up of the Mill Creek Outfall through the construction of a 5 million gallon storm tank to be built with a new public city park on top. For decades the areas surrounding this site have been revitalized while these tracts remained barren. This will provide not only an opportunity for redevelopment, but also for one of the State's largest combined sewer outfall remediation and resiliency project.

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APPENDIX B

INDEPENDENT AUDITOR'S REPORT AND AUDITED FINANCIAL STATEMENTS

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CITY OF JERSEY CITY
NEW JERSEY

REPORT OF AUDIT
(WITHOUT SUPPLEMENTARY INFORMATION)

FOR THE YEARS ENDED
DECEMBER 31, 2024 AND 2023

CITY OF JERSEY CITY
AUDIT OF FINANCIAL STATEMENTS (WITHOUT SUPPLEMENTARY INFORMATION)
TABLE OF CONTENTS
DECEMBER 31, 2024

	<u>PAGE</u>	<u>EXHIBIT</u>
<u>Financial Section</u>		
Independent Auditor's Report	B-3	
Current Fund (with Federal and State Grants Fund)		
Comparative Balance Sheet - Regulatory Basis	B-7	A
Comparative Statement of Operations and		
Changes in Fund Balance - Regulatory Basis	B-9	A-1
Statement of Revenues - Regulatory Basis	B-11	A-2
Analysis of Budget Revenues	B-18	A-2a
Analysis of Non-Budget Revenues	B-19	A-2b
Statement of Appropriations - Regulatory Basis	B-20	A-3
Trust Funds		
Comparative Balance Sheet - Regulatory Basis	B-27	B
General Capital Fund		
Comparative Balance Sheet - Regulatory Basis	B-31	C
Comparative Statement of Changes in Fund Balance - Regulatory Basis	B-32	C-1
General Fixed Assets		
Comparative Balance Sheet - Regulatory Basis	B-33	D
Notes to Financial Statements		
Note 1. Summary of Significant Accounting Policies	B-34	
Note 2. Cash and Cash Equivalents	B-42	
Note 3. Property Taxes	B-44	
Note 4. Municipal Debt	B-46	
Note 5. Fund Balances Appropriated	B-65	
Note 6. Retirement Systems and Deferred Compensation	B-66	
Note 7. Post-Employment Benefits	B-80	
Note 8. Compensated Absences	B-88	
Note 9. Risk Management	B-89	
Note 10. Prepaid Debt Service - Qualified Bonds	B-89	
Note 11. Clearing Accounts	B-90	
Note 12. Fixed Assets	B-90	
Note 13. Prepayment of PILOT Revenues	B-91	
Note 14. Deferred Charges to be Raised in Succeeding Budgets	B-91	
Note 15. Related Party Transactions	B-95	
Note 16. Interfund Balances	B-98	
Note 17. Revenue Accounts Receivable	B-99	
Note 18. Other Intergovernmental Receivables	B-100	
Note 19. Economic Dependency	B-100	
Note 20. Lease Commitments and Installment Purchases	B-102	
Note 21. Lessor Agreements	B-104	
Note 22. Aggregation of Encumbrances	B-104	
Note 23. Tax Abatements	B-105	
Note 24. Contingencies	B-106	
Note 25. Subsequent Events	B-110	

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the City Council
City of Jersey City, New Jersey

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements – regulatory basis of the City of Jersey City, New Jersey (the “City”), which comprise the comparative balance sheet – regulatory basis, of each fund and General Fixed Assets as of December 31, 2024 and 2023, and the related comparative statement of operations and changes in fund balance – regulatory basis, statement of revenues – regulatory basis and statement of appropriations – regulatory basis, of the Current Fund, and the related statement of changes in Fund Balance – regulatory basis, of the General Capital Fund, for the years then ended, and the related notes to the financial statements.

Unmodified Opinions on the Current Fund, Federal and State Grant Fund, Trust Funds and General Capital Fund on the Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the comparative financial position – regulatory basis, of each fund of the City as of December 31, 2024 and 2023, the Current Fund’s respective operations and changes in fund balance – regulatory basis, revenues – regulatory basis and appropriations – regulatory basis, the General Capital Fund’s changes in fund balance – regulatory basis, for the years then ended, in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”) as described in Note 1.

Disclaimer of Opinion on General Fixed Assets

Because of the significance of the matter described in the “Basis for Disclaimer of Opinion on General Fixed Assets” section of our report, we have not been able to obtain sufficient appropriate evidence to provide a basis for an audit opinion on the General Fixed Assets of the City for the years ended December 31, 2024 and 2023. Accordingly, we do not express an opinion on the General Fixed Assets financial statements.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2024 and 2023, and the changes in its financial position for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the “Auditor's Responsibilities for the Audit of the Financial Statements” section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Disclaimer of Opinion on General Fixed Assets

As described in Note 12, general fixed assets inventory was not properly updated and inventoried by the City in accordance with the requirements of the Division, resulting in an ending inventory that is incomparable to the prior year ending balance. The extent of the adjustments required to the fixed assets inventory at December 31, 2024 and 2023 is not reasonably determinable, however, it is presumed to be material.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by the City on the basis of the financial reporting provisions of the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Division. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Emphasis of a Matter Regarding Valuation of Other Post Employment Benefits

As described in Note 7, the City did not obtain an actuarial valuation of its other postemployment health benefit plan as required under Governmental Accounting Standards Board Statement No. 75 (GASB 75), and as required for note disclosure under the financial reporting provisions of the Division. The information presented is based on reporting dates of December 31, 2023 and 2022. Under the financial reporting provisions of the Division, the absence of the December 31, 2024 GASB 75 valuation impacts the City's notes to financial statements, but does not impact the City's financial statements, as the Division does not require the recording of deferred inflows, outflows or pension liabilities in the financial statements. Accordingly, our opinion on the basic financial statements is not affected by this matter.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted the management discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context, but is not required by the financial reporting provisions of the Division. Our opinion on the basic financial statements is not affected by the missing information.

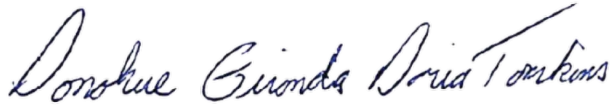
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2025, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



DONOHUE, GIRONDA, DORIA & TOMKINS, LLC

Certified Public Accountants



MARK W. BEDNARZ

RMA No. 547

Bayonne, New Jersey
September 22, 2025

**CITY OF JERSEY CITY
CURRENT FUND
AS OF DECEMBER 31, 2024 AND 2023**

Exhibit A
Sheet 1 of 2

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	2024	2023
<u>Assets</u>		
Current Fund:		
Cash and Cash Equivalents	\$ 87,547,603	\$ 152,633,192
Petty Cash	-	195
Change Fund	1,714	1,714
	<u>87,549,317</u>	<u>152,635,101</u>
Intergovernmental Receivables:		
Due from State of NJ -		
Senior Citizen and Veteran Deductions	410	7,513
Prepaid Debt Service - Qualified Bonds	1,163,825	3,753,290
	<u>1,164,235</u>	<u>3,760,803</u>
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	2,439,556	1,574,647
Tax Title Liens Receivable	31,889	26,970
Revenue Accounts Receivable	1,122,913	1,696,127
Sales Contracts Receivable - Property Acquired for Taxes	-	285,550
Prepaid Lease Payments	-	869,782
Interfunds Receivable:		
Due from Payroll Clearing Fund	11,422,952	282,226
Due from CDBG Trust Fund	543,122	565,104
Due from Vendor Clearing	3,181,578	1,277,583
Due from Federal and State Grant Fund	857,438	-
Due from Animal Control Fund	-	11,493
Due from Payroll Tax Agency Fund	-	16,105
Due from Other Trust Funds	-	-
	<u>19,599,448</u>	<u>6,605,587</u>
Deferred Charges		
Overexpenditures	11,942,881	11,372,191
Deficit in Operations	36,085,059	47,566,621
Emergency Authorizations	-	21,000,000
Special Emergency Authorizations	29,600,000	32,080,000
	<u>77,627,940</u>	<u>112,018,812</u>
Total Current Fund Assets	<u>185,940,940</u>	<u>275,020,303</u>
Federal and State Grant Fund:		
Cash and Cash Equivalents	31,536,219	18,309,086
Deferred Charges: Expenditure without Appropriations	-	199,184
Federal and State Grants Receivable	61,135,806	55,302,643
Interfunds Receivable:		
Due from Current Fund	-	6,009,509
Due from Vendor Clearing	-	3,948,694
Due from Payroll Clearing	-	29,212
	<u>92,672,025</u>	<u>83,798,328</u>
Total Federal and State Grant Fund Assets	<u>92,672,025</u>	<u>83,798,328</u>
Total Assets	<u>\$ 278,612,965</u>	<u>\$ 358,818,631</u>

See Accompanying Notes to Financial Statements

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	2024	2023
<u>Liabilities and Reserves</u>		
Current Fund:		
Appropriation Reserves	\$ 14,448,073	\$ 19,070,321
Reserve for Encumbrances	25,204,313	9,166,034
Contracts Payable	17,016	21,553
Prepaid Taxes	10,603,625	5,582,220
Tax Overpayments	4,656,854	10,726,800
Tax Court Judgments Payable	-	2,009,136
Interfunds Payable:		
Due to General Capital Fund	383,550	50,458,518
Due to Federal and State Grant Fund	-	6,009,509
Due to Vendor Clearing Fund	-	-
Due to Municipal Open Space Fund	26,626	59,956
Due to CDBG Trust Fund	-	-
Due to Other Trust Fund	-	1,633,704
Due to Payroll Clearing Fund	-	-
Prepaid PILOT Revenues	2,942,776	-
County Taxes Payable	5,488,951	2,211,120
PILOT Fees Due to County	2,853,642	2,560,508
Due to Special Improvement Districts	175,304	89,185
Due to Jersey City Municipal Utilities Authority	413,193	614,408
Due to State of New Jersey:		
Marriage Licenses	12,475	10,525
Burial Permits	545	490
Reserve for Deposits on Sale of Property Acquired for Taxes	-	20,303
Reserves - Other	2,463,518	4,221,175
Emergency Notes Payable	64,044,685	96,126,247
Reserve for Municipal Relief Aid	-	6,659,361
Due to Local School District - Qualified Debt of Prior Year	-	1,631,749
Reserve for Revaluation	-	604,442
Reserve for Master Plan	12,162	11,962
Reserve for Tax Appeals Emergency	-	9,801,473
	133,747,308	229,300,699
Reserve for Receivables and Other Assets	19,599,448	6,605,587
Fund Balance	32,594,184	39,114,017
Total Current Fund Liabilities, Reserves and Fund Balance	185,940,940	275,020,303
Federal and State Grant Fund:		
Reserve for Encumbrances	8,704,532	7,504,751
Reserve for Other	145,280	81,437
Reserve for State and Federal Grants:		
Appropriated	52,932,389	43,633,813
Unappropriated	741,090	2,659,320
Due to Grantor	186,150	-
Interfunds Payable:		
Due to General Capital Fund	29,105,146	29,105,146
Due to Current Fund	857,438	-
Due to Other Trust	-	813,861
Total Federal and State Grant Fund Liabilities and Reserves	92,672,025	83,798,328
Total Liabilities, Reserves and Fund Balance	\$ 278,612,965	\$ 358,818,631

**CITY OF JERSEY CITY
CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

Exhibit A-1
Sheet 1 of 2

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS**

	2024	2023
<u>Revenue and Other Income Realized:</u>		
Fund Balance Utilized	\$ 38,355,725	\$ 68,297,558
Miscellaneous Revenue Anticipated	345,255,570	312,158,574
Receipts from Delinquent Taxes	671,345	8,884,287
Receipts from Current Taxes	1,014,380,576	955,203,312
Non-Budget Revenues	6,067,955	3,365,242
Other Credits to Income:		
Unexpended Appropriation Reserves	14,179,781	5,826,878
Clear Stale Dated Checks	112,784	5,035,060
Prior Year Prepaid Assets Realized or Refunded	869,782	-
Prior Year Interfunds Returned	58,110	574,660
Previously Cancelled Grants Realized	993,035	-
Trust Reserves Cancelled	8,529	1,458,055
Grant Reserves Cancelled	-	1,507,126
Cancel Overpayments	5,784,285	647
Close Deposits on Reserve	20,303	-
Revaluation Reserves Cancelled	604,442	-
Other Reserves Cancelled	960	-
Contracts Payable Cancelled	-	1,489,048
Prepaid PILOTs Realized	-	1,445,095
Excess Special Improvement District Funds	-	367,858
Prior Year Special Improvement District Taxes Realized	-	17,887
	<u>1,427,363,182</u>	<u>1,365,631,287</u>
<u>Expenditures</u>		
Budgetary and Emergency Appropriations:		
Appropriations within "CAPS"		
Operations		
Salaries and Wages	271,550,473	266,434,703
Other Expenses	225,678,598	219,896,442
Deferred Charges and Statutory Expenditures	102,444,507	111,673,939
Appropriations Excluded from "CAPS"		
Operations		
Other Expenses	65,145,750	73,623,279
Capital Improvements	3,000,000	-
Debt Service	63,911,076	65,278,405
Deferred Charges	34,160,089	24,049,662
Type 1 School District Debt	1,184,450	1,189,550
	<u>767,074,943</u>	<u>762,145,980</u>

**CITY OF JERSEY CITY
CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

Exhibit A-1
Sheet 2 of 2

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS**

	2024	2023
<u>Expenditures (continued)</u>		
Local District School Tax	\$ 439,120,284	\$ 430,510,082
County Taxes	186,132,366	187,619,095
Due County for Added and Omitted Taxes	5,488,951	2,211,120
Municipal Open Space Tax	1,134,809	1,098,989
Municipal Open Space - Added and Omitted Taxes	26,626	10,737
Arts and Culture Tax	1,134,809	1,098,989
Interfunds Advanced Originating in Current Year	16,005,090	2,152,511
Prior Year Interest	60,060	294,527
Refund Prior Year Bid Reception	44,113	-
Senior Citizen and Veteran Receivable Adjustment	4,263	-
Correct Balance Due Special Improvement Districts	2,617	-
Petty Cash / Change Fund Adjustment	195	16
Tax Appeals	-	18,916,444
Due to Local School District - Qualified Debt of Prior Year	-	1,631,749
Establish Prepaid Lease Payments Reserve	-	869,782
Refund of Prior Year Revenue	-	198,794
State Bank Reconciliation Adjustments	-	135,376
Fund Grant Cancellations of Receivables	-	16,123
Marriage License Fee Payable Adjustment	-	1,096
	<u>1,416,229,126</u>	<u>1,408,911,410</u>
Excess in Revenue	11,134,056	-
Deficit in Revenue	-	43,280,123
Adjustments to Income before Fund Balance:		
Expenditures Included Above Which are by Statute		
Deferred Charges to Budget of Succeeding Year:		
Overexpenditure of Budget Appropriations	11,701,836	10,639,749
Emergency Appropriations -		
Tax Appeals and General Liabilities	-	21,000,000
Special Emergency Appropriations -		
Contractual Severance Liabilities	9,000,000	10,000,000
Statutory Excess to Fund Balance	31,835,892	
Deficit in Operations to be Raised in Budget of Succeeding Year		<u>\$ 1,640,374</u>
Fund Balance, Beginning of Year	<u>39,114,017</u>	<u>107,411,575</u>
Subtotal: Beginning Fund Balance and Statutory Exces	<u>70,949,909</u>	<u>107,411,575</u>
Decreased by:		
Utilized as Anticipated Revenue	<u>38,355,725</u>	<u>68,297,558</u>
Fund Balance, December 31	<u>\$ 32,594,184</u>	<u>\$ 39,114,017</u>

See Accompanying Notes to Financial Statements

**CITY OF JERSEY CITY
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

Exhibit A-2
Sheet 1 of 7

STATEMENT OF REVENUES - REGULATORY BASIS

	Anticipated			
	Budget as Adopted	N.J.S.A 40A:4-87	Realized	Excess or (Deficit)
<u>SURPLUS:</u>				
Surplus Anticipated	\$ 38,355,725	\$ -	\$ 38,355,725	\$ -
<u>MISCELLANEOUS REVENUES:</u>				
LOCAL REVENUES				
Licenses:				
Alcoholic Beverages	767,670	-	764,051	(3,619)
Fines and Costs:				
Municipal Court Fines and Costs	10,543,706	-	10,910,464	366,758
Interest and Costs on Taxes	1,706,079	-	1,490,109	(215,970)
Parking Meters	785,822	-	639,673	(146,149)
Interest on Investments and Deposits	4,476,138	-	3,530,940	(945,198)
Recycling Rebates	50	-	175,124	175,074
Birth Certificates	133,840	-	123,950	(9,890)
Cannabis Licenses	78,474	-	147,803	69,329
Cannabis Quarterly Tax	1,788	-	15,000	13,212
Tire Permits	1,400	-	1,400	-
Sidewalk Café Licenses	111,191	-	89,634	(21,557)
Trade Licenses	777	-	786	9
Junk Yard Licenses	4,000	-	4,000	-
Auto Repair Licenses	20,200	-	25,400	5,200
Retail Florist Licenses	3,213	-	3,300	87
Filming Permits	112,560	-	125,590	13,030
Zone 1 Ordinance Fees	92,930	-	115,034	22,104
Smoke Shop Licenses	10,000	-	33,000	23,000
Landlord Registration Fees	180,682	-	566,000	385,318
Marriage Licenses	6,899	-	6,981	82
Tax Sale Fees	525,460	-	277,772	(247,688)
Search Fees	71	-	-	(71)
Hotel Occupancy Tax	10,598,465	-	11,533,452	934,987
Lot Cleaning Fees	35,032	-	45,062	10,030
Tax Collector Fees	23,294	-	27,335	4,041
Sewer & Street Opening Permits	300,930	-	267,375	(33,555)
Tax Assessor Fees	58,020	-	47,030	(10,990)
Swimming Pool Fees	88,293	-	130,973	42,680
Ice Skating Rink Fees	30,347	-	33,627	3,280
Laundry Licenses	67,846	-	58,870	(8,976)
Vending Machine Licenses	52,314	-	43,821	(8,493)
Food Establishment Licenses	715,550	-	671,388	(44,162)
Police Report Copies	239,038	-	285,963	46,925
Parking Lot Tax	10,087,221	-	8,320,388	(1,766,833)
Dine & Dance Permits	34,400	-	35,800	1,400
Elevator Inspector Fees	527,985	-	130,076	(397,909)
Taxicabs & Omnibus Licenses	50,740	-	48,760	(1,980)
Bingo & Raffle Licenses	4,220	-	3,685	(535)
Parking Lot Licenses	427,522	-	574,666	147,144
Site Plan Review Fees	1,058,430	-	1,353,486	295,056
Hotel/Motel Licenses	86,762	-	100,160	13,398
BOE Fuel Reimbursements	158,130	-	120,971	(37,159)
Interstate Waste Fees	478,191	-	598,156	119,965

See Accompanying Notes to Financial Statements

**CITY OF JERSEY CITY
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

Exhibit A-2
Sheet 2 of 7

STATEMENT OF REVENUES - REGULATORY BASIS

	Anticipated			
	Budget as Adopted	N.J.S.A 40A:4-87	Realized	Excess or (Deficit)
LOCAL REVENUES				
Certified Marriage License Copies	\$ 61,943	\$ -	\$ 61,405	\$ (538)
Zoning Permits/Ordinance Copies	726,177	-	664,497	(61,680)
Death Certificates	57,355	-	47,030	(10,325)
Vacant Property Registration Fees	659,583	-	303,930	(355,653)
Rental Reimbursements	251,018	-	401,992	150,974
Parking Enforcement Fees	2,450,213	-	1,917,970	(532,243)
Passaic Valley Sewerage Rebate Program	163,993	-	167,392	3,399
Recycling Receptacle Fees	18,154	-	40,928	22,774
Driver Fees	56,423	-	109,541	53,118
Hackensack Meadowlands Tax Share Adjustment	1,111,638	-	1,243,027	131,389
Cable TV Franchise Fees	1,459,522	-	1,459,523	1
Recreation Program Fees	241,472	-	294,689	53,217
Scrap Metals	124,673	-	33,947	(90,726)
Container/Dumpster Fees	150,246	-	98,850	(51,396)
Shade Tree	56,521	-	178,746	122,225
Driveway Permits	10,030	-	8,245	(1,785)
City Clerk Fees	39,740	-	34,174	(5,566)
Mechanical Amusement Devices Licenses	9,850	-	18,375	8,525
Used Motor Vehicles Licenses	52,800	-	41,000	(11,800)
	<u>52,387,031</u>	<u>-</u>	<u>50,602,316</u>	<u>(1,784,715)</u>
STATE AID WITHOUT OFFSETTING APPROPRIATIONS				
Building Aid Allowance for School Aid	531,706	-	532,060	354
Garden State Preservation Trust	19,502	-	19,502	-
Energy Receipts Tax	64,605,995	-	64,605,995	-
Municipal Relief Fund	6,659,361	-	6,659,361	-
	<u>71,816,564</u>	<u>-</u>	<u>71,816,918</u>	<u>354</u>
DEDICATED UNIFORM CONSTRUCTION CODE FEES OFFSET WITH APPROPRIATIONS				
Uniform Construction Code Fees	<u>10,360,931</u>	<u>-</u>	<u>8,440,394</u>	<u>\$ (1,920,537)</u>
PUBLIC AND PRIVATE REVENUES OFFSET WITH APPROPRIATIONS				
Federal and State Grants Fund				
Community Services Block Grant (CSBG)	631,490	-	631,490	-
Community Services Block Grant (CSBG)	-	632,837	632,837	-
CSBG Non-Discretionary (ND) funds	-	976,320	976,320	-
CSBG Non-Discretionary (ND) funds	-	9,933	9,933	-
Title III Older American - Senior Nutrition	1,154,147	499,606	1,653,753	-
Senior Nutrition - CARES Act	213,310	-	213,310	-
Peer Grouping	40,000	-	40,000	-
(CLPPP) Childhood Lead Poisoning	-	856,283	856,283	-
Sexually Transmitted Disease Services	115,000	-	115,000	-
Substance Abuse and Mental Health Services	125,000	-	125,000	-
Substance Abuse and Mental Health Services	-	125,000	125,000	-
Substance Abuse and Mental Health Services	-	125,000	125,000	-

See Accompanying Notes to Financial Statements

**CITY OF JERSEY CITY
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

Exhibit A-2
Sheet 3 of 7

STATEMENT OF REVENUES - REGULATORY BASIS

	Anticipated			
	Budget as Adopted	N.J.S.A 40A:4-87	Realized	Excess or (Deficit)
PUBLIC AND PRIVATE REVENUES OFFSET WITH APPROPRIATIONS				
Federal and State Grants Fund				
Ending the HIV Epidemic (EHE) Services	\$ -	\$ 46,320	\$ 46,320	\$ -
Peaceful Families for a Healthier JC	500,000	-	500,000	-
OLPH - Strengthening Capacity	74,664	-	74,664	-
WIC Health Service Grant (HSG)	-	1,936,284	1,936,284	-
Summer Food Service Program	313,407	-	313,407	-
Senior Farmers Market	4,313	-	4,313	-
Inflation Reduction Act - Urban Forestry	-	2,000,000	2,000,000	-
Byrne Peaceful Families	250,000	250,000	500,000	-
National Community Courts Initiative	-	649,065	649,065	-
Assistance to Firefighters Grant - ARP	-	40,000	40,000	-
FEMA Disaster Assistance Grants - COVID	5,725	-	5,725	-
UASI - Local Share Grant Program	-	1,659,000	1,659,000	-
Port Security Grant Program	-	75,000	75,000	-
Municipal Aid Program - West Side Ave.	1,768,519	-	1,768,519	-
Subregional Transportation Planning	-	128,163	128,163	-
Subregional Studies Project	-	420,000	420,000	-
Environmental Justice for JC Youth	-	1,000,000	1,000,000	-
CLFRF - Lead Remediation (LRAP)	-	2,000,000	2,000,000	-
City of Jersey City Apprenticeship Program	-	750,000	750,000	-
Spotted Lantern Fly	20,000	-	20,000	-
Comprehensive Cancer Control	20,000	-	20,000	-
Employment Authorization Assistance Program	-	225,500	225,500	-
UEZ - West Side Ave.	2,136,000	-	2,136,000	-
UEZ - Off Duty Police	1,961,968	-	1,961,968	-
UEZ - Administrative Budget	784,787	-	784,787	-
UEZ - Administrative Budget	784,787	-	784,787	-
UEZ - Administrative Budget	-	693,034	693,034	-
UEZ - 5 Year Plan	-	125,000	125,000	-
Clean Communities Program	589,712	-	589,712	-
Recreational Opportunities (ROID)	20,000	-	20,000	-
Local Recreation Improvement Grant (LRIG)	95,000	-	95,000	-
Body Armor Replacement Fund	60,137	-	60,137	-
Safe and Secure Communities Grant Program	150,498	-	150,498	-
Municipal Alliance - Drug Elimination	78,260	-	78,260	-
Municipal Alliance - Drug Elimination	28,373	-	28,373	-
Christopher Columbus Drive Phase I	-	1,876,000	1,876,000	-
Christopher Columbus Drive Phase II	-	1,899,372	1,899,372	-
2023 Bikeway Program	-	670,000	670,000	-
ARC Round 10 - Community Transportation	250,000	-	250,000	-
Animal Surrender	2,750	-	2,750	-
NJACCHO	7,500	-	7,500	-
Library Summerfest	13,500	-	13,500	-
Opioid Crisis Response Strategy	45,488	-	45,488	-
Opioid Crisis Response Strategy	547,225	-	547,225	-
Opioid Crisis Response Strategy	55,570	-	55,570	-
Opioid Crisis Response Strategy	-	107,826	107,826	-
Ward A Initiatives	200,000	-	200,000	-
Project Safe Neighborhoods	227,595	-	227,595	-

See Accompanying Notes to Financial Statements

**CITY OF JERSEY CITY
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

Exhibit A-2
Sheet 4 of 7

STATEMENT OF REVENUES - REGULATORY BASIS

	Anticipated			
	Budget as Adopted	N.J.S.A 40A:4-87	Realized	Excess or (Deficit)
PUBLIC AND PRIVATE REVENUES OFFSET WITH APPROPRIATIONS				
Trust Fund (Housing and Urban Development Grants):				
Community Development Block Grant	\$ -	\$ 5,267,978	\$ 5,267,978	\$ -
Home Investment Partnerships	-	1,853,580	1,853,580	-
Emergency Solutions Grant	-	448,922	448,922	-
Housing Opp. For Persons with AIDS	-	2,598,046	2,598,046	-
	<u>13,274,725</u>	<u>29,944,069</u>	<u>43,218,794</u>	<u>-</u>
OTHER SPECIAL ITEMS				
Sale of Easements	1,098,000	-	-	(1,098,000)
Due from Vendor Clearing Interfund	1,277,583	-	1,277,583	-
MUA Franchise Fee	53,000,000	-	53,000,000	-
MUA Water Debt Service Payment	776,149	-	776,150	1
Veolia Water Reimbursement	65,905	-	-	(65,905)
JCMC Settlement	346,020	-	367,786	21,766
MUA Municipal Stormwater Reimbursement	700,000	-	700,000	-
Due from Payroll Clearing Interfund	1,166,020	-	1,166,020	-
Due from HOPWA Trust Interfund	534,592	-	534,592	-
Capital Fund Balance	9,626,290	-	9,626,290	-
Payments in Lieu of Taxes				
PANYNJ - 2 Montgomery	1,469,267	-	1,469,268	1
PANYNJ - 100 Academy	231,316	-	231,316	-
Bergen Academy UR	153,558	-	155,362	1,804
Montgomery Gardens F.Ph.1	234,955	-	227,360	(7,595)
Garabrant, LLC	133,478	-	132,647	(831)
323 Pine St.	47,329	-	47,349	20
SL Hospitality, UR	199,239	-	194,080	(5,159)
Grant 170, LLC	55,682	-	55,336	(346)
Brunswick 124, LLC	53,448	-	53,115	(333)
461-463 Newark Ave., LLC	79,811	-	79,847	36
Gs Fc Pep 2 Ur, LLC	559,173	-	828,231	269,058
190 Academy Ur, LLC	66,457	-	150,322	83,865
160 Lafayette Assoc., LP	415,218	-	406,927	(8,291)
KKF Block 1 Ur, LLC	338,789	-	336,855	(1,934)
3224-3228 JFK Blvd., LLC	121,098	-	158,554	37,456
HC West Campus UR II	488,451	-	560,992	72,541
170 Lafayette UR	86,499	-	104,773	18,274
16 Bennett UR	137,348	-	136,175	(1,173)
312 Pacific	45,524	-	48,691	3,167
Genesis Ocean, UR	15,091	-	54,200	39,109
Ash Ur, LLC	335,302	-	363,174	27,872
Hc West Campus I, UR (B3)	383,363	-	287,179	(96,184)
Montgomery Senior Living	12,385	-	1,865	(10,520)
380 Newark Real	486,405	-	499,388	12,983
Hudson Main UR	10,489	-	5,397	(5,092)
Athena JC UR, LLC	3,234,871	-	3,329,437	94,566
Grove Pointe Condo UR	610,779	-	622,433	11,654
Erie-Tenth Renewal	711,449	-	728,486	17,037
Greene Street UR, LLC	411,972	-	426,589	14,617
GS FC Pep 1	461,858	-	550,072	88,214

See Accompanying Notes to Financial Statements

**CITY OF JERSEY CITY
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

Exhibit A-2
Sheet 5 of 7

STATEMENT OF REVENUES - REGULATORY BASIS

	Anticipated			
	Budget as Adopted	N.J.S.A 40A:4-87	Realized	Excess or (Deficit)
OTHER SPECIAL ITEMS				
Payments in Lieu of Taxes				
Liberty Harbor North UR	\$ 6,200,700	\$ -	\$ 6,390,360	\$ 189,660
Liberty Harbor North 4 UR	1,356,615	-	1,401,258	44,643
North Brown	1,323,870	-	1,367,550	43,680
95 Van Dam	1,216,946	-	1,260,467	43,521
Lafayette Community LP	150,169	-	120,452	(29,717)
159 Second Street UR, LLC	1,025,435	-	1,091,056	65,621
Centex Homes	421,256	-	426,321	5,065
Newport Shore Club South	3,406,246	-	3,704,588	298,342
Laidlaw Properties UR, LLC	212,838	-	231,352	18,514
720-726 Bergen Ave UR LLC	82,526	-	106,353	23,827
Hudson Palisades UR	61,512	-	62,486	974
Montgomery Greene UR, Llc	1,367,131	-	1,485,537	118,406
K. Hovnanian@Jcv UR	943,031	-	970,019	26,988
Second St Waterfront	2,672,028	-	2,721,108	49,080
Ah Moore Ph II (G.Rob II)	46,618	-	55,780	9,162
Storms Ave Elderly Apts	104,987	-	130,707	25,720
B284N St Francis Hospital	1,364,629	-	1,860,906	496,277
272 Grove St.	287,484	-	430,426	142,942
Lf. Fam. P3 (Barbara Pl)	47,697	-	46,877	(820)
Lafayette Senior Living	17,925	-	17,977	52
Salem Lafayette Housing	689,047	-	714,817	25,770
Mt Carmel - Ocean Towers	137,656	-	137,656	-
Vector I	4,601,326	-	5,154,102	552,776
Villa Borenquin PR	438,086	-	492,847	54,761
PANYNJ - Journal Square	86,729	-	86,729	-
Jones Hall Associates	167,345	-	174,318	6,973
Port Auth of NY/NJ Greenville	736,304	-	736,304	-
Montgomery Gateway I	274,128	-	573,731	299,603
Roseville Avenue Redevelopment UR	326,646	-	410,154	83,508
2854 Kennedy Blvd LLC	278,243	-	385,863	107,620
Ah Moore Ph 1 (G. Rob Ct)	45,195	-	59,625	14,430
Ah Moore Ph3	65,747	-	101,970	36,223
475 Claremont Llc(Condos)	213,854	-	216,369	2,515
NC Housing Assoc.#100	1,275,063	-	1,373,509	98,446
NC Housing Assoc.#200	1,902,923	-	2,061,082	158,159
412-420 Mlk Drv LLC	1,837	-	-	(1,837)
Volunteers Of America	194,107	-	198,277	4,170
Lafayette Fam. Phase II	54,703	-	80,605	25,902
769 Montgomery St UR	213,029	-	237,782	24,753
The Toy Factory Apts	40,440	-	65,453	25,013
The Rialto Capital UR LLC	1,526,824	-	1,607,420	80,596
Lhn Owner 33 Park	923,535	-	1,411,539	488,004
20 River Court West	1,906,219	-	1,117,876	(788,343)
Kre Hamilton Ur, LLC	898,148	-	949,050	50,902
Arlington Arms Apartments	40,357	-	46,024	5,667
Padua Court Urban Renewal	3,378	-	1,999	(1,379)
Equality Housing	170,279	-	178,372	8,093
Audubon Park Associates	126,767	-	144,891	18,124
Laf Fam Llc-Woodward Terrace	50,308	-	52,296	1,988

See Accompanying Notes to Financial Statements

**CITY OF JERSEY CITY
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

Exhibit A-2
Sheet 6 of 7

STATEMENT OF REVENUES - REGULATORY BASIS

	Anticipated			
	Budget as Adopted	N.J.S.A 40A:4-87	Realized	Excess or (Deficit)
OTHER SPECIAL ITEMS				
Payments in Lieu of Taxes				
Mid-City Apt UR II #01184	\$ 7,428	\$ -	\$ 6,886	\$ (542)
The Mercury UR Co, LLC	345,596	-	379,380	33,784
Mid-City Apt UR I #01160	8,888	-	11,088	2,200
J.H. & R.C. Senior Homes	78,958	-	124,145	45,187
3 Journal Square	532,840	-	570,664	37,824
Fairmount Hotel	104,355	-	90,484	(13,871)
Liberty View Terrace	1,714,447	-	1,779,408	64,961
Project Home Urban Renewal	10,964	-	13,978	3,014
Athena Bldg 110 U.R.	1,615,926	-	1,964,016	348,090
17-19 Division UR	50,462	-	64,498	14,036
99 Rutgers Avenue	3,745	-	7,277	3,532
Bramhall Avenue Urban Renewal	51,515	-	130,627	79,112
Devi Ma Newkirk UR	22,569	-	20,869	(1,700)
Raine Court-Urb.Rnl.	141,663	-	23,853	(117,810)
The Orpheum Ur Co, LLC	400,699	-	467,363	66,664
Hp Lincoln Urban Renewal	411,392	-	427,606	16,214
Fulton's Landing	1,285,212	-	1,319,375	34,163
The Paramount Ur Co, LLC	444,264	-	633,389	189,125
Majestic Theatre	85,033	-	89,516	4,483
Let's Celebrate	50,316	-	68,637	18,321
140 Bay Street	715,714	-	827,178	111,464
700 Grove Street	2,346,060	-	2,369,302	23,242
Liberty Point	350,316	-	366,323	16,007
Bostwick Court	55,486	-	58,061	2,575
Henderson Lofts	781,379	-	813,535	32,156
The Tower Ur, LLC	241,833	-	297,152	55,319
Eqr-Ur 77 Hudson St UR	2,784,874	-	2,724,180	(60,694)
K. Hovanian@ 77 Hudson St	5,486,788	-	6,324,715	837,927
Shore Club North Ur LLC	3,307,307	-	3,398,953	91,646
Genesis Jc Prtnrs (Webb)	26,146	-	32,683	6,537
Acc Tower 1A (Amer Can)	846,186	-	859,487	13,301
Forrest Sr. Citizens	33,747	-	32,360	(1,387)
Ahm Housing Associates IV	57,596	-	63,241	5,645
PANYNJ - Global	1,360,030	-	1,360,030	-
Fred W. Martin Apt UR	30,643	-	29,385	(1,258)
Kennedy Lofts UR, LLC	58,190	-	110,156	51,966
Provost Square I UR, LLC	1,307,676	-	2,609,249	1,301,573
Chosen Condominiums	148,953	-	42,221	(106,732)
Harborside Unit A	2,583,200	-	4,250,747	1,667,547
70 Columbus UR	1,776,379	-	2,435,049	658,670
Marbella Tower Phase II	1,262,908	-	1,723,434	460,526
Lafayette Ph. IV Aka Glen	43,956	-	47,236	3,280
242 Bergen Court	1,749	-	-	(1,749)
148 First Street Ur LLC	403,540	-	497,275	93,735
160 First Street Ur LLC	954,421	-	963,121	8,700
Grand Lhn I Urban Renewal	1,277,187	-	1,277,188	1
Goya 75Th UR	432,488	-	404,443	(28,045)
Ocean Greene Senior	31,229	-	31,440	211
Senate Place UR	441,820	-	490,382	48,562

See Accompanying Notes to Financial Statements

**CITY OF JERSEY CITY
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

Exhibit A-2
Sheet 7 of 7

STATEMENT OF REVENUES - REGULATORY BASIS

	Anticipated			
	Budget as Adopted	N.J.S.A 40A:4-87	Realized	Excess or (Deficit)
OTHER SPECIAL ITEMS				
Payments in Lieu of Taxes				
Cheesecake Lofts	\$ 163,012	\$ -	\$ 165,609	\$ 2,597
360 Ninth St	445,682	-	467,511	21,829
456 Grand	376,873	-	419,176	42,303
Journal Square Lofts	88,058	-	81,284	(6,774)
Ocean MLK	90,180	-	74,747	(15,433)
Bergen Ave Investments LLC	107,310	-	106,641	(669)
205 Baldwin Avenue LLC	50,367	-	48,899	(1,468)
Snaps India LLC	23,562	-	23,415	(147)
65 Newkirk Street	80,449	-	79,948	(501)
39 New York Avenue Apartments	191,766	-	139,996	(51,770)
KKF Block 5B UR	1,100,000	-	2,047,549	947,549
Greenville Steering Comm.	5,895	-	4,280	(1,615)
234 Suydam UR	251,168	-	253,535	2,367
68 Erie St	108,992	-	112,483	3,491
Glennview Townhouses II	67,012	-	122,788	55,776
Vaishno Ma Summit Ur, LLC	105,366	-	145,856	40,490
276 St Pauls Ave	8,236	-	8,236	-
NPP Jackson Hill	174,136	-	160,204	(13,932)
One Exchange	731,427	-	1,422,526	691,099
Community Asset 2 UR	56,190	-	57,911	1,721
Columbus Hotel UR	30,531	-	256,888	226,357
	<u>160,649,314</u>	<u>-</u>	<u>171,177,148</u>	<u>10,527,834</u>
Total Miscellaneous Revenues	<u>308,488,565</u>	<u>29,944,069</u>	<u>345,255,570</u>	<u>6,822,936</u>
<u>RECEIPTS FROM DELINQUENT TAXES:</u>	<u>1,405,259</u>	<u>-</u>	<u>671,345</u>	<u>(733,914)</u>
Subtotal - General Revenues	<u>348,249,549</u>	<u>29,944,069</u>	<u>384,282,640</u>	<u>6,089,022</u>
<u>AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET:</u>				
Local Tax Including Reserve for Uncollected Taxes	368,302,283	-	380,132,324	11,830,041
Addition to Local District School Tax	652,744	-	652,744	-
Minimum Library Tax	16,926,956	-	16,926,956	-
Total Amount to be Raised by Taxes	<u>385,881,983</u>	<u>-</u>	<u>397,712,024</u>	<u>11,830,041</u>
Total Budget Revenues	734,131,532	29,944,069	781,994,664	17,919,063
Non-Budget Revenues	<u>-</u>	<u>-</u>	<u>6,067,955</u>	<u>6,067,955</u>
Total General Revenues	<u>\$ 734,131,532</u>	<u>\$ 29,944,069</u>	<u>\$ 788,062,619</u>	<u>\$ 23,987,018</u>
	Budgeted		\$ 781,994,664	
	Non-budgeted		6,067,955	
			<u>\$ 788,062,619</u>	

See Accompanying Notes to Financial Statements

**CITY OF JERSEY CITY
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

Exhibit A-2a

STATEMENT OF REVENUES - REGULATORY BASIS - ANALYSIS OF BUDGET REVENUES

Allocation of Current Tax Collections:

Collected in Current Year, including Homestead Benefit	\$ 1,007,143,477	
Less: Overpayments Payable	590,226	
Add: Tax Judgments Applied	2,009,136	
Current Year Taxes Collected in Current Year	1,008,562,387	
Current Year Taxes Collected in Prior Year	5,582,220	
State Share of Sr. Citizens & Veterans Deductions	235,969	
Current Taxes Realized in Cash		\$ 1,014,380,576
Add: Appropriation for "Reserve for Uncollected Taxes"		16,369,294
		<u>1,030,749,870</u>
Allocated to:		
School Taxes	439,120,284	
County Taxes	191,621,317	
Arts and Culture Tax	1,134,809	
Municipal Open Space Tax	1,161,436	
Total Allocated to School and County Taxes		<u>633,037,846</u>
Amount for Support of Municipal Budget Appropriations		<u>\$ 397,712,024</u>
<u>Receipts from Delinquent Taxes:</u>		
Delinquent Taxes Collected		\$ 657,617
Tax Title Liens Collected		13,728
Total Receipts from Delinquent Taxes		<u>\$ 671,345</u>
<u>Miscellaneous Revenues Anticipated:</u>		
Cash Receipts		\$ 216,549,454
Revenues from Other Funds, Reserves and Deposits		13,670,404
State Aid Allocation Realized		71,816,918
State and Federal Grants		43,218,794
Total Miscellaneous Revenues Anticipated		<u>\$ 345,255,570</u>
<u>Fund Balance</u>		<u>\$ 38,355,725</u>
Total Realized Budget Revenues		<u>\$ 781,994,664</u>

See Accompanying Notes to Financial Statements

**CITY OF JERSEY CITY
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

Exhibit A-2b

STATEMENT OF REVENUES - REGULATORY BASIS - ANALYSIS OF NON-BUDGET REVENUES

Increased by Cash Received for:		Increased by Cash Received for (continued):	
Affordable Housing Fees	\$ 28,000	Cancel Void Checks	9,140
Special Emergency Note Premium	19,165	Business Liquidation	50
254 Bergen Ave - SID	46	Food Handler's Course	11,979
Miscellaneous	278,253	Rental of Polling Places	950
Third Party Delivery Licenses	5,000	Poultry Keeping	650
Car Impound Fees - Towing and Admin.	22,948	Spray Paint / Markers	175
Car Impound Fees - Storage Fees	37,567	Pet Shop Licenses	75
Loading Zones	300	Marathon Public Safety	122,500
Miscellaneous Inspection Fees	81,795	PSE&G Receipts / Easement	75,650
Bus Shelter	9,505	DPW Training Facility	25,612
Childcare Certificate License	22,470	Settlements	13,000
Lead Inspection Fees	91,160	Exhibition Licenses	3,850
Restitution	205,519	JC Employment and Training	34,441
Unclaimed Property	97,569	2% Administrative Payment	4,776
Bail Forfeiture	34,756	PILOT Fees Not Budgeted:	
Special Priveleges	1,000	MLK Drive UR	1,929
Initial License Inspection / Review Plan	14,480	Newport Office Center VII	1,817,184
Citywide Festivals	17,401	Port Liberte II	507,560
Burglar Alarm System	3,405	PILOT Application and Administration Fees	2,396,594
Special Beverage Permit	100	Pacific Landing	6,998
Carnival Fee	5,100	Rav Group LLC	10,220
FEMA Reimbursement - Hurricane Ida	27,540	Saint Bridget Senior Residence	21,543
		<u>\$ 6,067,955</u>	
			\$ 154,462
			5,913,493
			<u>\$ 6,067,955</u>

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriations		Expended			Unexpended Balance Canceled	Over Expended
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved		
(A) Operations - Within "CAPS"							
<u>OFFICE OF THE MAYOR</u>							
Mayor's Office							
Salaries and Wages	\$ 1,050,870	\$ 1,050,870	\$ 1,016,240	\$ -	\$ 34,630	\$ -	\$ -
Other Expenses	39,000	39,000	22,582	5,122	11,296	-	-
Cultural Affairs							
Salaries and Wages	1,001,716	1,001,716	925,623	-	76,093	-	-
Other Expenses	605,339	605,339	438,653	81,415	85,271	-	-
<u>CITY CLERK AND MUNICIPAL COUNCIL</u>							
Office of the City Clerk							
Salaries and Wages	1,111,927	1,111,927	1,100,454	-	11,473	-	-
Other Expenses	192,150	192,150	125,758	54,497	11,895	-	-
Municipal Council							
Salaries and Wages	3,433,200	2,033,200	1,997,984	-	35,216	-	-
Other Expenses	112,025	112,025	36,951	13,882	61,192	-	-
General and Primary Election							
Other Expenses	130,000	130,000	124,178	-	5,822	-	-
Municipal Election							
Other Expenses	160,000	-	-	-	-	-	-
<u>DEPARTMENT OF ADMINISTRATION</u>							
Administrator's Office							
Salaries and Wages	2,204,868	2,204,868	2,187,222	-	17,646	-	-
Other Expenses	123,425	123,425	48,876	2,920	71,629	-	-
Communications							
Salaries and Wages	584,932	584,932	558,386	-	26,546	-	-
Other Expenses	161,798	161,798	79,433	1,385	80,980	-	-
Utility Management							
Salaries and Wages	73,155	73,155	65,179	-	7,976	-	-
Human Resources							
Salaries and Wages	2,623,551	2,648,551	2,618,864	-	29,687	-	-
Other Expenses	1,487,500	1,387,500	497,796	670,005	219,699	-	-
Internal Audit							
Salaries and Wages	425,781	430,781	429,061	-	1,720	-	-
Other Expenses	5,000	5,000	362	-	4,638	-	-
Information Technology							
Salaries and Wages	711,066	776,066	744,521	-	31,545	-	-
Other Expenses	814,800	814,800	554,053	246,923	13,824	-	-
Municipal Court							
Salaries and Wages	5,678,071	5,583,071	5,393,729	-	189,342	-	-
Other Expenses	199,050	199,050	122,334	17,951	58,765	-	-
Public Defender							
Salaries and Wages	218,233	218,233	203,363	-	14,870	-	-
Other Expenses	468,000	468,000	256,183	66,135	145,682	-	-
<u>FINANCE</u>							
Director's Office							
Salaries and Wages	421,347	421,347	415,544	-	5,803	-	-
Other Expenses	17,000	17,000	3,287	1,272	12,441	-	-
Management & Budget							
Salaries and Wages	993,732	968,732	934,447	-	34,285	-	-
Other Expenses	1,350	1,350	249	-	1,101	-	-
Purchasing & Central Services							
Salaries and Wages	846,984	826,984	790,995	-	35,989	-	-
Other Expenses	199,753	199,753	83,169	25,482	91,102	-	-
Treasury & Debt Management							
Salaries and Wages	463,931	413,931	350,109	-	63,822	-	-
Other Expenses	567,600	567,600	52,316	435,568	79,716	-	-
Grant Administration							
Salaries and Wages	255,000	255,000	253,692	-	1,308	-	-
Other Expenses	504,750	504,750	375,829	60,455	68,466	-	-
Accounts & Control							
Salaries and Wages	712,955	672,955	600,957	-	71,998	-	-
Other Expenses	459,500	459,500	439,587	10,280	9,633	-	-
Collections							
Salaries and Wages	783,881	783,881	747,691	-	36,190	-	-
Other Expenses	214,750	214,750	132,850	40,365	41,535	-	-

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriations		Expended			Unexpended	Over
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Canceled	Expended
<u>OFFICE OF ASSESSMENTS</u>							
Tax Assessor							
Salaries and Wages	\$ 1,295,010	\$ 1,195,010	\$ 1,078,694	\$ -	\$ 116,316	\$ -	\$ -
Other Expenses	361,500	361,500	176,837	76,504	108,159	-	-
<u>DEPARTMENT OF LAW</u>							
Corporation Counsel's Office							
Salaries and Wages	3,172,401	3,072,401	2,910,491	-	161,910	-	-
Other Expenses	941,590	941,590	595,835	165,206	180,549	-	-
<u>DEPARTMENT OF PUBLIC WORKS</u>							
Director's Office							
Salaries and Wages	395,162	409,162	408,358	-	804	-	-
Other Expenses	900	900	659	47	194	-	-
Building and Street Maintenance							
Salaries and Wages	3,824,117	3,824,117	3,695,582	-	128,535	-	-
Other Expenses	878,000	878,000	399,492	457,636	20,872	-	-
Sanitation							
Salaries and Wages	6,373,277	6,009,277	5,552,614	-	456,663	-	-
Other Expenses	2,081,500	2,081,500	1,786,575	162,990	131,935	-	-
Solid Waste Management							
Salaries and Wages	1,763,550	1,763,550	1,694,141	-	69,409	-	-
Other Expenses	2,812,000	2,812,000	1,886,908	683,707	241,385	-	-
Administrative Services							
Salaries and Wages	1,580,481	1,530,481	1,396,506	-	133,975	-	-
Other Expenses	13,718,200	13,618,200	12,373,991	1,167,680	76,529	-	-
Forestry							
Salaries and Wages	604,959	604,959	550,435	-	54,524	-	-
Other Expenses	16,500	16,500	9,458	2,568	4,474	-	-
Automotive Services							
Salaries and Wages	2,969,789	2,769,789	2,638,340	-	131,449	-	-
Other Expenses	2,982,000	3,382,000	3,230,812	114,882	36,306	-	-
<u>PUBLIC SAFETY</u>							
Director's Office							
Salaries and Wages	1,258,700	1,388,700	1,360,749	-	27,951	-	-
Other Expenses	700	700	320	-	380	-	-
Police							
Salaries and Wages	107,836,432	108,136,432	108,021,470	-	114,962	-	-
Other Expenses	2,176,696	2,176,696	1,986,557	172,989	17,150	-	-
Fire & Emergency Services							
Salaries and Wages	77,096,506	78,746,506	78,476,683	-	269,823	-	-
Other Expenses	1,806,302	1,806,302	1,395,031	279,927	131,344	-	-
O.S.H.A. (PL 1983, c.516)							
Fire - Other Expenses	1,500,000	1,500,000	336,942	941,957	221,101	-	-
Emergency Management							
Salaries and Wages	235,427	250,427	245,375	-	5,052	-	-
Other Expenses	2,000	2,000	-	-	2,000	-	-
Communications and Technology							
Salaries and Wages	6,437,195	6,372,195	6,199,006	-	173,189	-	-
Other Expenses	5,269,147	5,269,147	4,832,702	265,437	171,008	-	-
Quality of Life							
Salaries and Wages	3,944,771	3,944,771	3,782,682	-	162,089	-	-
Other Expenses	92,750	92,750	46,719	21,025	25,006	-	-
Traffic and Parking							
Salaries and Wages	6,451,695	6,521,695	6,453,633	-	68,062	-	-
Other Expenses	245,000	245,000	92,927	92,380	59,693	-	-
<u>HEALTH AND HUMAN SERVICES</u>							
Director's Office							
Salaries and Wages	835,160	835,160	802,679	-	32,481	-	-
Other Expenses	139,000	139,000	10,210	5,315	123,475	-	-
Environmental Health							
Salaries and Wages	829,968	829,968	889,269	-	-	-	59,301
Other Expenses	97,853	97,853	24,182	5,316	68,355	-	-
Disease Prevention							
Salaries and Wages	458,477	458,477	429,305	-	29,172	-	-
Other Expenses	183,298	183,298	67,215	30,407	85,676	-	-
Community Health & Wellness							
Salaries and Wages	416,943	416,943	399,387	-	17,556	-	-
Other Expenses	85,150	85,150	22,419	5,308	57,423	-	-

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriations		Expended			Unexpended Balance Canceled	Over Expended
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved		
<u>HEALTH AND HUMAN SERVICES (continued)</u>							
Senior Citizen Affairs							
Salaries and Wages	\$ 538,016	\$ 538,016	\$ 480,996	\$ -	\$ 57,020	\$ -	\$ -
Other Expenses	166,700	166,700	24,018	4,109	138,573	-	-
Animal Care and Control							
Salaries and Wages	1,121,788	1,121,788	1,037,054	-	84,734	-	-
Other Expenses	666,080	662,780	460,772	189,278	12,730	-	-
Food and Nutrition							
Salaries and Wages	171,430	171,430	31,623	-	139,807	-	-
Other Expenses	293,256	296,556	247,709	35,500	13,347	-	-
Veteran Affairs							
Salaries and Wages	109,700	109,700	156,916	-	-	-	47,216
Other Expenses	96,925	96,925	11,987	1,651	83,287	-	-
Immigration Affairs							
Salaries and Wages	102,000	102,000	101,769	-	231	-	-
Other Expenses	29,500	29,500	3,607	-	25,893	-	-
Injury Prevention							
Salaries and Wages	100,871	100,871	118,277	-	-	-	17,406
Other Expenses	1,160,409	1,160,409	21,362	6,207	1,132,840	-	-
Community Relations & Social Services							
Salaries and Wages	151,021	151,021	123,904	-	27,117	-	-
Other Expenses	143,223	143,223	4,605	9,675	128,943	-	-
<u>HOUSING, ECONOMIC DEVELOPMENT AND COMMERCE</u>							
Director's Office							
Salaries and Wages	730,248	730,248	673,524	-	56,724	-	-
Other Expenses	7,050	7,050	5,269	1,484	297	-	-
Historic Preservation Commission							
Other Expenses	8,500	8,500	5,676	2,824	-	-	-
City Planning							
Salaries and Wages	1,254,980	1,165,980	1,093,648	-	72,332	-	-
Other Expenses	158,200	158,200	126,227	28,993	2,980	-	-
Planning Board							
Other Expenses	186,500	186,500	124,778	46,332	15,390	-	-
Zoning Officer							
Salaries and Wages	623,806	623,806	612,546	-	11,260	-	-
Other Expenses	9,200	9,200	5,018	-	4,182	-	-
Board of Adjustment							
Other Expenses	110,500	126,500	87,227	30,473	8,800	-	-
Economic Development							
Salaries and Wages	209,200	212,200	211,372	-	828	-	-
Housing Preservation							
Salaries and Wages	913,070	913,070	895,091	-	17,979	-	-
Other Expenses	174,774	124,774	57,282	44,113	23,379	-	-
Construction Code Official							
Salaries and Wages	3,714,461	3,314,461	3,165,630	-	148,831	-	-
Other Expenses	98,000	98,000	53,884	11,228	32,888	-	-
Commerce							
Salaries and Wages	480,157	480,157	464,825	-	15,332	-	-
Other Expenses	154,500	124,500	43,859	51,616	29,025	-	-
Affordable Housing							
Salaries and Wages	499,900	499,900	457,869	-	42,031	-	-
Other Expenses	535,920	415,257	249,928	28,805	136,524	-	-
Community Development							
Other Expenses	3,000	3,000	1,544	-	1,456	-	-
<u>RECREATION AND YOUTH DEVELOPMENT</u>							
Enrichment							
Salaries and Wages	1,841,700	1,811,700	1,591,817	-	219,883	-	-
Other Expenses	805,780	805,780	326,537	147,140	332,103	-	-
Recreation							
Salaries and Wages	1,728,186	1,658,186	1,481,655	-	176,531	-	-
Other Expenses	383,142	383,142	205,242	101,995	75,905	-	-
Park Maintenance							
Salaries and Wages	2,062,331	2,092,331	2,075,247	-	17,084	-	-
Other Expenses	1,399,845	1,399,845	1,354,960	116,868	-	-	71,983

CITY OF JERSEY CITY
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

Exhibit A-3
Sheet 4 of 7

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriations		Expended			Unexpended	Over
	Adopted	Budget After	Paid or	Encumbered	Reserved	Balance	Expended
	Budget	Modification	Charged			Canceled	
DEPARTMENT OF INFRASTRUCTURE							
Director's Office							
Salaries and Wages	\$ 652,791	\$ 652,791	\$ 613,447	\$ -	\$ 39,344	\$ -	\$ -
Other Expenses	1,700	1,700	881	-	819	-	-
Architecture							
Salaries and Wages	915,138	759,138	650,466	-	108,672	-	-
Other Expenses	79,800	79,800	20,807	21,473	37,520	-	-
Engineering							
Salaries and Wages	914,705	734,705	606,886	-	127,819	-	-
Other Expenses	23,200	23,200	6,179	458	16,563	-	-
Traffic Engineering							
Salaries and Wages	566,530	536,530	469,417	-	67,113	-	-
Other Expenses	10,000	10,000	2,164	-	7,836	-	-
Transportation Planning							
Salaries and Wages	277,317	283,317	279,317	-	4,000	-	-
Other Expenses	8,500	8,500	3,032	170	5,298	-	-
Sustainability							
Salaries and Wages	252,500	232,500	179,411	-	53,089	-	-
Other Expenses	61,000	61,000	-	20,431	40,569	-	-
Innovation							
Salaries and Wages	310,167	280,167	218,677	-	61,490	-	-
Other Expenses	17,500	17,500	-	5,000	12,500	-	-
UNCLASSIFIED							
Insurance Fund Commission	18,750,000	18,750,000	18,473,357	276,604	39	-	-
Employee Group Health Insurance	122,000,803	124,669,803	118,734,774	17,440,959	-	-	11,505,930
Reserve for Bargaining							
Agreements and Salaries	1,000,000	-	-	-	-	-	-
Ethical Standards Board	50,000	50,000	16,000	2,100	31,900	-	-
Bank Adjustments	100,000	100,000	92,699	-	7,301	-	-
Electricity	2,500,000	2,500,000	2,359,572	2,525	137,903	-	-
Street Lighting	3,500,000	3,500,000	3,262,706	24,117	213,177	-	-
Municipal Rent	609,465	609,465	413,573	5,777	190,115	-	-
Office Services	3,925,500	3,925,500	3,791,104	32,883	101,513	-	-
Gasoline	1,350,000	1,350,000	1,349,451	462	87	-	-
Communications	795,000	795,000	472,973	128,125	193,902	-	-
State of Emergency Overtime	1,010,317	1,010,317	1,010,317	-	-	-	-
Contractual Severance Liabilities	-	9,000,000	9,000,000	-	-	-	-
(B) Contingent	350,000	350,000	317,230	-	32,770	-	-
Total Operations Including							
Contingent within "CAPS"	476,203,898	485,527,235	461,529,391	25,204,313	10,495,367	-	11,701,836
Detail:							
Salaries and Wages	273,627,550	271,426,550	267,121,161	-	4,429,312	-	123,923
Other Expenses	202,576,348	214,100,685	194,408,230	25,204,313	6,066,055	-	11,577,913
(E) Deferred Charges and Statutory Expenditures within "CAPS"							
(1) DEFERRED CHARGES							
Prior Years' Bills	274,460	274,460	274,460	-	-	-	-
Overexpenditure of Appropriations	11,452,959	11,452,959	11,372,191	-	-	80,768	-
Due to Trust Funds	456,040	456,040	456,040	-	-	-	-
Due to Capital Fund	439,020	439,020	439,020	-	-	-	-
Overexpenditure of Grant Appropriations	284,765	284,765	199,184	-	-	85,581	-
(E) Deferred Charges and Statutory Expenditures within "CAPS"							
(2) STATUTORY EXPENDITURES							
Contribution to:							
Public Employees Retirement (PERS)	5,759,182	5,759,182	5,758,948	-	234	-	-
Social Security System (O.A.S.I.)	7,250,000	7,250,000	6,964,947	-	285,053	-	-
Police/Fire Retirement System (PFRS)	61,634,767	61,634,767	61,634,767	-	-	-	-
Unemployment Compensation Ins.	1,000,000	1,000,000	1,000,000	-	-	-	-
Employees Non-Contributory Pension	118,000	118,000	117,637	-	363	-	-
City Employee Retirement System	14,100,000	13,776,663	13,776,663	-	-	-	-
Defined Contribution Plan (DCRP)	165,000	165,000	151,870	-	13,130	-	-
	102,934,193	102,610,856	102,145,727	-	298,780	166,349	-
(H-1) TOTAL GENERAL APPROPRIATIONS FOR							
MUNI. PURPOSES WITHIN "CAPS"	579,138,091	588,138,091	563,675,118	25,204,313	10,794,147	166,349	11,701,836

See Accompanying Notes to Financial Statements

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriations		Expended			Unexpended	Over
	Adopted	Budget After	Paid or			Balance	Expended
	Budget	Modification	Charged	Encumbered	Reserved	Canceled	
(A) Operations - Excluded From "CAPS"							
<u>GENERAL GOVERNMENT:</u>							
Maintenance of Free Public Library	\$ 16,926,956	\$ 16,926,956	\$ 13,475,000	\$ -	\$ 3,451,956	\$ -	\$ -
Tax Overpayments	1,250,000	1,250,000	1,118,909	-	131,091	-	-
Tax Appeal Settlements and Judgements	3,000,000	3,000,000	2,994,104	-	5,896	-	-
	21,176,956	21,176,956	17,588,013	-	3,588,943	-	-
<u>PUBLIC AND PRIVATE APPROPRIATIONS</u>							
<u>OFFSET BY REVENUES</u>							
Matching Funds for Grants	750,000	64,983	-	-	64,983	-	-
Federal and State Grants Fund							
Community Services Block Grant	631,490	631,490	631,490	-	-	-	-
Community Services Block Grant	-	632,837	632,837	-	-	-	-
CSBG Non-Discretionary (ND) Funds	-	976,320	976,320	-	-	-	-
CSBG Non-Discretionary (ND) Funds	-	9,933	9,933	-	-	-	-
Title III Older American - Senior Nutrition							
Grant	1,154,147	1,154,147	1,154,147	-	-	-	-
Match	-	384,716	384,716	-	-	-	-
Title III Older American - Senior Nutrition							
Grant	-	499,606	499,606	-	-	-	-
Match	-	166,535	166,535	-	-	-	-
Senior Nutrition - ARP							
Grant	213,310	213,310	213,310	-	-	-	-
Match	-	23,701	23,701	-	-	-	-
Peer Grouping	40,000	40,000	40,000	-	-	-	-
(CLPPP) Childhood Lead Poisoning	-	856,283	856,283	-	-	-	-
Sexually Transmitted Disease Services	115,000	115,000	115,000	-	-	-	-
Mental Health Awareness (MHAT)	125,000	125,000	125,000	-	-	-	-
Mental Health Awareness (MHAT)	-	125,000	125,000	-	-	-	-
Mental Health Awareness (MHAT)	-	125,000	125,000	-	-	-	-
Ending the HIV Epidemic (EHE)	-	46,320	46,320	-	-	-	-
Peaceful Families for a Healthier JC	500,000	500,000	500,000	-	-	-	-
OLPH - Strengthening Capacity	74,664	74,664	74,664	-	-	-	-
WIC Health Service Grant (HSG)	-	1,936,284	1,936,284	-	-	-	-
Summer Food Service Program	313,407	313,407	313,407	-	-	-	-
Senior Farmers Market	4,313	4,313	4,313	-	-	-	-
Inflation Reduction Act - Urban and							
Community Forestry Program	-	2,000,000	2,000,000	-	-	-	-
Byrne Discretionary Community Proj.	250,000	250,000	250,000	-	-	-	-
Byrne Discretionary Community Proj.	-	250,000	250,000	-	-	-	-
BJA - National Community Courts	-	649,065	649,065	-	-	-	-
Assistance to Firefighters Grant - ARP							
Grant	-	40,000	40,000	-	-	-	-
Match	-	4,500	4,500	-	-	-	-
FEMA Disaster Public Assistance	-	1,659,000	1,659,000	-	-	-	-
Port Security Grant Program							
Grant	-	75,000	75,000	-	-	-	-
Match	-	25,000	25,000	-	-	-	-
Municipal Aid Program - West Side	1,768,519	1,768,519	1,768,519	-	-	-	-
Subregional Transportation Planning	-	128,163	128,163	-	-	-	-
Subregional Studies Project	-	420,000	420,000	-	-	-	-
Environmental Justice for JC Youth	-	1,000,000	1,000,000	-	-	-	-
CLFRF - Lead Remediation (LRAP)	-	2,000,000	2,000,000	-	-	-	-
Community Project Funding	-	750,000	750,000	-	-	-	-
Spotted Lantern Fly	20,000	20,000	20,000	-	-	-	-
Comprehensive Cancer Control	20,000	20,000	20,000	-	-	-	-
Employment Auth. Assistance Program	-	225,500	225,500	-	-	-	-
UEZ - West Side Ave	2,136,000	2,136,000	2,136,000	-	-	-	-
UEZ - Off Duty Police	1,961,968	1,961,968	1,961,968	-	-	-	-
UEZ - Administrative Budget	784,787	784,787	784,787	-	-	-	-
UEZ - Administrative Budget	784,787	784,787	784,787	-	-	-	-
UEZ - Administrative Budget	-	693,034	693,034	-	-	-	-
UEZ - 5 Year Plan	-	125,000	125,000	-	-	-	-
Clean Communities Program	589,712	589,712	589,712	-	-	-	-
Recreational Opportunities for Individuals with Disabilities (ROID)							
Grant	20,000	20,000	20,000	-	-	-	-
Match	-	4,000	4,000	-	-	-	-
Local Recreation Improvement Grant	95,000	95,000	95,000	-	-	-	-
Destination Marketing - Match	-	57,000	57,000	-	-	-	-
Body Armor Replacement Fund	60,137	60,137	60,137	-	-	-	-
Safe and Secure Communities	150,498	150,498	150,498	-	-	-	-

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled	Over Expended
	Adopted Budget	Budget After Modification		Encumbered	Reserved		
Municipal Alliance - Drug Elimination							
Grant	\$ 28,373	\$ 28,373	\$ 28,373	\$ -	\$ -	\$ -	\$ -
Grant	78,260	78,260	78,260	-	-	-	-
Match	-	19,565	19,565	-	-	-	-
Christopher Columbus Drive Phase I	-	1,876,000	1,876,000	-	-	-	-
Christopher Columbus Drive Phase II	-	1,899,372	1,899,372	-	-	-	-
2023 Bikeway Program	-	670,000	670,000	-	-	-	-
ARC Round 10 - Community Trans.	250,000	250,000	250,000	-	-	-	-
Animal Surrender	2,750	2,750	2,750	-	-	-	-
NJACCHO Strike Team	7,500	7,500	7,500	-	-	-	-
Library Summerfest	13,500	13,500	13,500	-	-	-	-
Opioid Crisis Response Strategy	45,488	45,488	45,488	-	-	-	-
Opioid Crisis Response Strategy	547,225	547,225	547,225	-	-	-	-
Opioid Crisis Response Strategy	55,570	55,570	55,570	-	-	-	-
Opioid Crisis Response Strategy	-	107,826	107,826	-	-	-	-
Ward A Initiatives	200,000	200,000	200,000	-	-	-	-
Project Safe Neighborhoods	227,595	227,595	227,595	-	-	-	-
FEMA Disaster Public Assistance	5,725	5,725	5,725	-	-	-	-
Trust Fund (Housing and Urban Development Grants):							
Community Development Block Grant	-	5,267,978	5,267,978	-	-	-	-
Home Investment Partnerships	-	1,853,580	1,853,580	-	-	-	-
Emergency Solutions Grant	-	448,922	448,922	-	-	-	-
Housing Opp. For Persons with AIDS	-	2,598,046	2,598,046	-	-	-	-
	<u>14,024,725</u>	<u>43,968,794</u>	<u>43,903,811</u>	<u>-</u>	<u>64,983</u>	<u>-</u>	<u>-</u>
Total Operations - Excluded from "CAPS"	<u>35,201,681</u>	<u>65,145,750</u>	<u>61,491,824</u>	<u>-</u>	<u>3,653,926</u>	<u>-</u>	<u>-</u>
Detail:							
Salaries and Wages	-	-	-	-	-	-	-
Other Expenses	35,201,681	65,145,750	61,491,824	-	3,653,926	-	-
(C) Capital Improvements - Excluded from "CAPS"							
Down Payments on Improvements	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(D) Municipal Debt Service							
Payment of Bond Principal	28,225,000	28,225,000	28,225,000	-	-	-	-
Interest on Bonds	13,454,345	13,454,345	13,454,345	-	-	-	-
Interest on Notes	7,082,500	7,082,500	7,060,437	-	-	22,063	-
Green Trust Loan Repayments for Principal and Interest							
Apple Tree House	7,335	7,335	7,335	-	-	-	-
Roberto Clemente Park	17,660	17,660	17,660	-	-	-	-
Sgt. Anthony Park	9,016	9,016	9,016	-	-	-	-
Marion Pavonia Pool	26,426	26,426	26,426	-	-	-	-
Multi Park Development	38,242	38,242	38,242	-	-	-	-
Montgomery Gateway Development	3,108	3,108	3,108	-	-	-	-
Berry Lane Park	8,084	8,084	8,084	-	-	-	-
Water Debt Service:							
Qualified Refunding Bonds - Principal	325,000	325,000	325,000	-	-	-	-
Non-Qualified Refunding Bonds - Prin.	340,000	340,000	340,000	-	-	-	-
Qualified Refunding Bonds - Interest	9,750	9,750	9,750	-	-	-	-
Non-Qualified Refunding Bonds - Int.	101,400	101,400	101,400	-	-	-	-
Capital Lease Program - Principal	1,038,536	1,038,536	840,528	-	-	198,008	-
Capital Lease Program - Interest	7,687,475	7,687,475	7,611,733	-	-	75,742	-
Pathside - Principal	245,000	245,000	245,000	-	-	-	-
Pathside - Interest	617,175	617,175	617,175	-	-	-	-
Interest on Notes - Special Emergencies	<u>5,841,875</u>	<u>5,841,875</u>	<u>4,970,837</u>	<u>-</u>	<u>-</u>	<u>871,038</u>	<u>-</u>
	<u>65,077,927</u>	<u>65,077,927</u>	<u>63,911,076</u>	<u>-</u>	<u>-</u>	<u>1,166,851</u>	<u>-</u>
(E) Deferred Charges - Municipal - Excluded from "CAPS"							
Emergency Authorizations							
Special Emergency Authorization -							
5 Years (N.J.S.A. 40A:4-55)	11,198,527	11,198,527	11,198,527	-	-	-	-
Special Emergency Authorization -							
3 Years (N.J.S.A. 40A:4-55.1 &	<u>22,961,562</u>	<u>22,961,562</u>	<u>22,961,562</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excluded from "CAPS"	<u>34,160,089</u>	<u>34,160,089</u>	<u>34,160,089</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(H-2)TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES - EXCLUDED FROM "CAPS"	<u>137,439,697</u>	<u>167,383,766</u>	<u>162,562,989</u>	<u>-</u>	<u>3,653,926</u>	<u>1,166,851</u>	<u>-</u>

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled	Over Expended
	Adopted Budget	Budget After Modification		Encumbered	Reserved		
(K) Local District School Purposes - Excluded from "CAPS"							
<u>TYPE 1 DISTRICT SCHOOL DEBT</u>							
Payment of Bond Principal	\$ 1,020,000	\$ 1,020,000	\$ 1,020,000	\$ -	\$ -	\$ -	\$ -
Interest on Bonds	164,450	164,450	164,450	-	-	-	-
	<u>1,184,450</u>	<u>1,184,450</u>	<u>1,184,450</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(O) TOTAL GENERAL APPROPRIATIONS - EXCLUDED FROM "CAPS"	<u>138,624,147</u>	<u>168,568,216</u>	<u>163,747,439</u>	<u>-</u>	<u>3,653,926</u>	<u>1,166,851</u>	<u>-</u>
(L) Subtotal General Appropriations	717,762,238	756,706,307	727,422,557	25,204,313	14,448,073	1,333,200	11,701,836
(M) Reserve for Uncollected Taxes	<u>16,369,294</u>	<u>16,369,294</u>	<u>16,369,294</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL GENERAL APPROPRIATIONS	<u>\$ 734,131,532</u>	<u>\$ 773,075,601</u>	<u>\$ 743,791,851</u>	<u>\$ 25,204,313</u>	<u>\$ 14,448,073</u>	<u>\$ 1,333,200</u>	<u>\$ 11,701,836</u>

Budget As Adopted	\$ 734,131,532	\$ 310,716,418	Cash Disbursements
Added by N.J.S.A. 40A:4-87	29,944,069	16,369,294	Reserve for Uncollected Taxes
Added by Special Emergency	<u>9,000,000</u>	<u>6,253,015</u>	Qualified Bonds Paid by State
	773,075,601	14,252,191	Deferred Charges - Non Cash
Add: Overexpenditures Deferred to future Budget	11,701,836	341,631,693	Payroll Clearing
Less: Reserve for Uncollected Taxes	16,369,294	15,122,177	Insurance Trust
Less: Appropriations Canceled	<u>1,333,200</u>	<u>1,000,000</u>	Unemployment Insurance
	<u>\$ 767,074,943</u>	<u>1,094,244</u>	Deferred Charges of Other Funds
		43,218,794	State and Federal Grants
		685,017	State and Federal Grants - Match
		3,000,000	Down Payments on Improvements
		15,000	Reserve for Sinking Fund Payments
		<u>14,702</u>	Prepaid Municipal Rent
		753,372,545	
		236,284	Less: Budget Reimbursements
		<u>9,344,410</u>	Less: Budget Reimbursements
		<u>\$ 743,791,851</u>	

**CITY OF JERSEY CITY
TRUST FUND
AS OF DECEMBER 31, 2024 AND 2023**

Exhibit B
Sheet 1 of 4

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	2024	2023
<u>Assets:</u>		
Animal Control Fund:		
Cash and Cash Equivalents	\$ 60,442	\$ 104,830
Other Trust:		
Cash and Cash Equivalents:		
Other Trust	34,515,017	37,685,130
Insurance Trust	4,257,697	2,577,886
Unemployment Insurance Trust	686,407	83,570
Law Enforcement Trust	1,624,580	1,254,073
Total Cash and Cash Equivalents	41,083,701	41,600,659
Deferred Charges	-	456,040
Interfunds Receivable		
Due from Vendor Clearing	-	5,290
Due from Federal and State Grants Fund	-	813,861
Due from Open Space Trust	-	255,337
Due from Current Fund	-	1,633,704
	41,083,701	44,764,891
CDBG Trust:		
Cash and Cash Equivalents:		
Community Development Block Grant	2,421,826	1,637,765
Emergency Solutions Grant	80,441	39,708
Home Investments Partnership Program	895,552	517,026
HOPWA Grant	597,281	558,053
Martin Luther King (MLK)	6,334	6,334
Total Cash and Cash Equivalents	4,001,434	2,758,886
Federal Grants Receivable	39,522,630	36,650,461
Deferred Charges	-	3,634,739
Interfunds Receivable: Due from Payroll Clearing Fund	-	3,146
	43,524,064	43,047,232
Municipal Open Space, Recreation, and Farmland and Historic Preservation Trust Fund		
Cash and Cash Equivalents	5,237,252	4,500,398
Interfunds Receivable:		
Due from Current Fund	26,626	59,956
	5,263,878	4,560,354
Arts and Culture Trust Fund		
Cash and Cash Equivalents	1,911,611	1,894,847

See Accompanying Notes to Financial Statements

**CITY OF JERSEY CITY
TRUST FUND
AS OF DECEMBER 31, 2024 AND 2023**

Exhibit B
Sheet 2 of 4

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	<u>2024</u>	<u>2023</u>
<u>Assets: (continued)</u>		
Payroll Tax Agency Fund:		
Cash and Cash Equivalents	\$ 61,131,872	\$ 21,291,158
Payroll Clearing Fund:		
Cash and Cash Equivalents	2,758,186	588,550
Deferred Charges	3,100,000	3,100,000
Payroll Deductions Prepaid	9,059,679	-
Interfunds Receivable:		
Due from Other Trust	-	8,041
	<u>14,917,865</u>	<u>3,696,591</u>
Vendor Clearing Fund:		
Cash and Cash Equivalents	-	5,111,087
Funding Advances	3,181,578	-
Interfunds Receivable:		
Due from Other Trust	2,994,000	-
Due from Payroll Clearing Fund	-	120,320
Due from CDBG Trust Fund	-	160
	<u>6,175,578</u>	<u>5,231,567</u>
Affordable Housing Trust Fund		
Cash and Cash Equivalents	<u>7,187,161</u>	<u>-</u>
Total Trust Fund Assets	<u>\$ 181,256,172</u>	<u>\$ 124,591,470</u>

**CITY OF JERSEY CITY
TRUST FUND
AS OF DECEMBER 31, 2024 AND 2023**

Exhibit B
Sheet 3 of 4

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	2024	2023
<u>Liabilities and Reserves:</u>		
Animal Control Fund:		
Interfunds Payable: Due to Current Fund	\$ -	\$ 11,493
Due to State of New Jersey	348	202
Reserve for Encumbrances	5,503	34,855
Reserve for Expenditures	17,674	39,538
Prepaid Licenses	14,039	18,742
Animal Shelter Fees	22,878	-
	<u>60,442</u>	<u>104,830</u>
Other Trust:		
Interfunds Payable:		
Due to Vendor Clearing Fund	2,994,000	-
Due to Payroll Clearing Fund	-	8,041
Intergovernmental Payables	872,364	611,757
Reserve for:		
Encumbrances	6,808,384	6,250,168
Dedicated Revenues and Special Deposits	28,385,370	32,829,357
Insurance Expenditures	697,647	2,988,391
Unemployment Expenditures	686,407	343,415
Federal Forfeitures	402,714	1,483,579
State Forfeitures	236,815	250,183
	<u>41,083,701</u>	<u>44,764,891</u>
CDBG Trust:		
Interfunds Payable:		
Due to Vendor Clearing	-	160
Due to Current Fund	534,593	565,104
Reserve for:		
Encumbrances	11,353,751	8,608,828
Federal Grant Expenditures	31,635,720	33,873,140
	<u>43,524,064</u>	<u>43,047,232</u>
Municipal Open Space, Recreation, and Farmland and Historic Preservation Trust Fund		
Interfunds Payable:		
Due to Other Trust	-	255,337
Reserve for Expenditures - Open Space Tax	5,208,395	3,994,197
Reserve for Other Open Space Contributions	-	255,337
Reserve for Encumbrances	55,483	55,483
	<u>5,263,878</u>	<u>4,560,354</u>
Arts and Culture Trust Fund:		
Reserve for Expenditures	1,846,123	1,829,623
Reserve for Encumbrances	65,488	65,224
	<u>1,911,611</u>	<u>1,894,847</u>

See Accompanying Notes to Financial Statements

**CITY OF JERSEY CITY
TRUST FUND
AS OF DECEMBER 31, 2024 AND 2023**

Exhibit B
Sheet 4 of 4

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	2024	2023
<u>Liabilities and Reserves: (continued)</u>		
Payroll Tax Agency Fund:		
Reserve for Payroll Tax	\$ 61,131,872	\$ 21,275,053
Due to Current Fund	-	16,105
	<u>61,131,872</u>	<u>21,291,158</u>
Payroll Clearing Fund:		
Interfunds Payable		
Due to Current Fund	11,422,952	282,226
Due to Federal and State Grants Fund	-	29,212
Due to Vendor Clearing	-	120,320
Due to CDBG Trust	-	3,146
Reserve for Payroll Deductions	3,494,913	3,261,687
	<u>14,917,865</u>	<u>3,696,591</u>
Vendor Clearing Fund:		
Cash Overdraft	2,994,000	-
Interfunds Payable:		
Due to Current Fund	3,181,578	1,277,583
Due to Federal and State Grants Fund	-	3,948,694
Due to Other Trust	-	5,290
	<u>6,175,578</u>	<u>5,231,567</u>
Affordable Housing Trust Fund:		
Reserve for Expenditures	<u>7,187,161</u>	<u>-</u>
Total Trust Fund Liabilities and Reserves	<u>\$ 181,256,172</u>	<u>\$ 124,591,470</u>

See Accompanying Notes to Financial Statements

**CITY OF JERSEY CITY
GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS**

Exhibit C

AS OF DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<u>Assets</u>		
Cash and Cash Equivalents	\$ 104,418,898	\$ 64,211,569
Deferred Charges to Future Taxation:		
Funded	499,965,389	530,352,892
Unfunded	324,310,887	248,590,887
Overexpenditures	67,607	506,627
Interfund Receivable		
Due from Current Fund	383,550	50,458,518
Due from Federal and State Grant Fund	29,105,146	29,105,146
Due from Remediation Escrow	651,523	647,626
Due from Municipal Utilities Authority	3,515,000	4,180,000
	<u>\$ 962,418,000</u>	<u>\$ 928,053,265</u>
<u>Liabilities and Reserves</u>		
Reserve for Encumbrances	\$ 31,153,476	\$ 42,652,836
Improvement Authorizations:		
Funded	37,965,722	56,403,563
Unfunded	168,545,929	141,910,816
School Serial Bonds Payable	3,345,000	4,365,000
General Serial and Term Bonds Payable	282,086,000	306,491,000
Pension Refunding Bonds	14,000,000	17,225,000
Water Serial Bonds Payable	3,515,000	4,180,000
Local Improvement Bonds	7,061,000	7,656,000
Green Trust Loans Payable	219,120	323,087
Installment Purchase Agreements Payable	193,254,269	194,292,805
Bond Anticipation Notes	198,650,000	141,650,000
Tax Appeal Refunding Notes	18,720,000	-
Reserve for Retirement of Debt	330,183	330,183
Other Reserves	950,580	946,683
	<u>959,796,279</u>	<u>918,426,973</u>
Fund Balance	<u>2,621,721</u>	<u>9,626,292</u>
Total Liabilities, Reserves, and Fund Balance	<u>\$ 962,418,000</u>	<u>\$ 928,053,265</u>
Bonds and Notes Authorized But Not Issued	<u>\$ 106,940,887</u>	<u>\$ 106,940,887</u>

See Accompanying Notes to Financial Statements

**CITY OF JERSEY CITY
GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2024 and 2023**

Exhibit C-1

COMPARATIVE STATEMENT OF CHANGES IN FUND BALANCE - REGULATORY BASIS

	<u>2024</u>	<u>2023</u>
<u>Receipts</u>		
Premiums on Bonds and Notes, Net of Closing Costs	\$ 2,621,719	\$ 2,185,035
	<u>2,621,719</u>	<u>2,185,035</u>
<u>Expenditures</u>		
Funding Downsize of Notes	-	530
Anticipated as Budget Revenue	<u>9,626,290</u>	<u>-</u>
	<u>9,626,290</u>	<u>530</u>
Change in Fund Balance	(7,004,571)	2,184,505
Fund Balance, January 1	<u>9,626,292</u>	<u>7,441,787</u>
Fund Balance, December 31	<u><u>\$ 2,621,721</u></u>	<u><u>\$ 9,626,292</u></u>

See Accompanying Notes to Financial Statements

**CITY OF JERSEY CITY
GENERAL FIXED ASSETS
AS OF DECEMBER 31, 2024 AND 2023**

Exhibit D

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	<u>2024</u>	<u>2023</u>
<u>Assets</u>		
Land	\$ 964,091,100	\$ 127,760,200
Improvements	252,393,900	234,112,321
Machinery and Equipment	<u>431,821,500</u>	<u>429,990,937</u>
Total Assets (Note 12)	<u><u>\$ 1,648,306,500</u></u>	<u><u>\$ 791,863,458</u></u>
 <u>Investment in Fixed Assets:</u>		
Investment in Fixed Assets	<u><u>\$ 1,648,306,500</u></u>	<u><u>\$ 791,863,458</u></u>

See Accompanying Notes to Financial Statements

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

The City of Jersey City (the “City”) is organized as a Mayor – Council municipality under the provisions of N.J.S.A. 40:69A. The City is governed by an elected Mayor and Council, and by such other officers and employees as may be duly appointed. The Council consists of nine members, six of whom are elected from the City’s six wards and three of whom are elected at-large by voters of the City. The Mayor is also elected directly by the voters of the City. The Mayor and each Council member serve a term of four years beginning on the first day of July next following their election.

The financial statements of the City include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the City, as required by N.J.S.A. 40A:5-5. The Governmental Accounting Standards Board (herein referred to as “GASB”) establishes criteria to be used to determine which component units should be included in the financial statements of the primary government (the City). The State of New Jersey, Department of Community Affairs, Division of Local Government Services (the “Division”) requires the financial statements of the City to be reported separately from its component units. If the provisions of GASB had been complied with, the financial statements of the following component units would have been discretely presented with the financial statements of the City:

Jersey City Central Ave SID	Jersey City Free Public Library
Historic Downtown SID	Jersey City Redevelopment Agency
Exchange Place Alliance SID	Jersey City Housing Authority
Journal Square SID	Jersey City Economic Development Corp
Jackson Hill Main Street SID	Jersey City Municipal Utilities Authority
West Side Ave SID	Jersey City Employees' Retirement System
McGinley Square SID	

Audit reports of the component units are available at the offices of each of the respective component units.

The Jersey City Board of Education became a Type II School District effective November 4, 2008, rendering the entity no longer a component unit of the City. However, material outstanding bonds remain on the City’s books which were originally issued prior to this date when the City operated as a Type I School District, at which time it met the criteria for inclusion as a component unit. See also “Note 15. Related Party Transactions”.

BASIS OF PRESENTATION

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes three fund categories to be used by general purpose governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP).

The financial statements of the City have been prepared in conformity with accounting principles and practices prescribed by the Division, which differ from GAAP. The principles and practices prescribed by the Division are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the City accounts for its financial transactions through the following separate funds and account group, which differ from the fund structure required by GAAP.

CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

DESCRIPTION OF FUNDS

Current Fund - is used to account for all resources and expenditures for governmental operations of a general nature.

Federal and State Grants Fund – is used to account for receivables due from grantor agencies and the balance of grant awards available for spending, after first having been formally adopted by Current Fund budget or subsequent insertion in the budget in accordance with N.J.S.A. 40A:4-87. This fund is presented within the City’s Current Fund statements and schedules.

Trust Funds - are used to account for receipts, custodianship and disbursement of dedicated revenues in accordance with the purpose for which each reserve was created, subject to available cash in each individual trust fund reserve established pursuant to applicable state statutes or as an agent for individuals and other governmental agencies. The City has the following Trust Funds:

Animal Control Trust Fund – is used to account for fees collected from dog and cat licenses and expenditures which are regulated by N.J.S.A 4:19-15.11.

Trust Fund – Other Funds – is used to account for the assets and resources held by the City in a trustee or agent capacity. Included in this fund are monies collected and disbursed for the purposes of: employee and employer contributions and obligations resulting from the administration of unemployment benefits, Council on Affordable Housing and NJHMFA fees, tax sale redemption and premiums, restitution, dedicated penalties, bid deposits, developer and other escrow accounts, the parking offenses adjudication act, public defender fees, self-insurance reserves, federal and state forfeitures, miscellaneous other items and donations of various sorts and the outside employment of off-duty police officers whereas fees are charged contractors for the use of police officers and vehicles and police officer overtime is then paid from these contractor’s fees.

CDBG Trust Fund – is used to account for the assets and resources held by the City in a trustee or agent capacity, the source of which is United States Housing and Urban Development grant awards such as the Community Development Block Grant, Home Investment Partnership Grant, Housing Opportunities for Persons with AIDS, Emergency Shelter and MLK.

Municipal Open Space, Recreation and Historic Preservation Fund - is used to account for the receipt of funds raised through a dedicated tax and corresponding expenditures as allowable under N.J.S.A. 40:12-15.7 and as authorized by referendum. This fund was established in 2017.

Payroll Tax Agency Fund – is an agency fund established to account for payroll taxes received from employers for services performed, or supervised from a place, within the City by non-City resident employees of the employer, pursuant to Article IV of Chapter 304 of the Municipal Code of the City and as authorized by N.J.S.A. 40:48C-14 et seq. These funds are paid monthly to the treasurer of school monies in an amount equal to one-twelfth of the difference in State school aid provided to the School District pursuant to N.J.S.A. 18A:7F-43 and 67 et al between State fiscal year 2018 and the current year. This fund was established in 2019.

Vendor Clearing Fund – is an agency fund established to account for assets transferred by the City from its other funds for the payment of vendor claims. This fund was established in 2021.

CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Payroll Clearing Fund – is an agency fund established to account for assets transferred by the City from its other funds for the payment of employee payrolls and as agent of federal and state governments in the collection and remittance of employee withholding taxes, retirement contributions, social security taxes and other required remittances.

Arts and Culture Trust Fund - is used to account for the receipt of funds raised through a dedicated tax and corresponding expenditures as allowable under N.J.S.A. 40:12-15.12 and as authorized by referendum. This fund was established in 2021.

Affordable Housing Trust Fund – was created for the purposes of depositing development fees collected from residential and non-residential developers pursuant to the Fair Housing Act of 1985 (N.J.S.A. 52:27d-301 et seq). Funds deposited in the Affordable Housing Trust Fund may be used for any activity approved by the Council on Affordable Housing and/or the Superior Court to address the need for affordable housing in the City.

General Capital Fund - is used to account for the receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund or other funds. Also included in this fund are bonds and notes payable offset by deferred charges to future taxation and deferred charges to future water rents.

General Fixed Assets - is used to account for all fixed assets of the City.

The accounts of the City are maintained in accordance with the Division's principles of fund accounting to ensure observance of limitations and restrictions on resources available. The Division's principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance (equity), revenues and expenditures. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. General Fixed Assets, on the other hand, is a financial reporting device designed to provide accountability for certain fixed assets and the investment in those fixed assets that are not recorded in the funds because they do not directly affect net expendable available financial resources.

BASIS OF ACCOUNTING

The Special Purpose Framework accounting principles and practices prescribed for municipalities by the Division differ in certain respects from GAAP applicable to local governments units. The current financial resources focus and modified accrual basis of accounting is generally followed with exceptions, the more significant of which are explained in the paragraphs that follow:

Revenues – Revenues are realized when received in cash except for certain amounts which are due from other governmental units. Receipts from Federal revenue sharing funds and other Federal and State grants are realized as revenue when anticipated in the budget. Receivables for property taxes and other amounts that are due to the City are recorded with offsetting reserves on the balance sheet of the Current Fund. Such amounts are not recorded as revenue until collected. Accordingly, no provision has been made to estimate that portion of receivables that are uncollectible. Taxes and payments in lieu of taxes collected in advance are recorded as cash liabilities in the financial statements. GAAP requires revenues to be recognized in the accounting period when they become measurable and available and in certain instances reduced by an allowance for doubtful accounts.

CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reserve for Uncollected Taxes – Reserve for Uncollected Taxes is required to provide assurance that cash collected for taxes in the current year will provide sufficient cash flow to meet expected obligations. The minimum amount of Reserve for Uncollected Taxes is determined on the percentage of collections experienced in the immediate preceding year, unless allowable alternative methods are utilized. A Reserve for Uncollected Taxes is not established under GAAP.

Encumbrances – Encumbrances are contractual orders outstanding at year end reported as expenditures through the establishment of an encumbrance payable. Outstanding encumbrances at year end are reported as a cash liability in the financial statements. Encumbrances do not constitute expenditures under GAAP.

Expenditures – Expenditures are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the encumbrance accounting system. Appropriation reserves covering unexpended appropriation balances are automatically created at the end of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriations for principal and interest payments on general capital indebtedness are provided on the cash basis. GAAP requires expenditures in the current (or general) fund, to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for un-matured interest on general long-term debt, which should be recognized when due.

Appropriation Reserves – Appropriations are available until lapsed at the close of the succeeding year to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Transfers are allowed between certain line items during the first three months of the fiscal year. Lapsed appropriation reserves are recorded as other credits to income. Appropriation Reserves do not exist under GAAP.

Interfunds - Advances from the current fund are reported as interfunds receivable with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfunds receivable in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time the individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

Property Acquired for Taxes – Property Acquired for Taxes is recorded in the current fund at the assessed valuation when the property was acquired and is subsequently updated for revaluations. The value of the property is fully reserved. GAAP requires such property to be recorded as a fixed asset at market value on the date of acquisition.

Long-Term Obligations - General long-term debt is recognized as a liability of the General Capital Fund for the full principal amount.

Leases - Under GASB Statement No. 87, lease commitments, including those with bargain purchase options, are required to be recorded as lease liabilities at the present value of future lease payments, offset with a tangible asset or right-of-use asset as applicable. Commitments for the purchase and ownership of capital assets are recorded as financed purchases reflected in the amount of the liability and corresponding asset. In accordance with accounting practices prescribed by the Division, leases for operating expenditures are not shown as liabilities and accordingly no corresponding asset is recorded. Leases for non-operating expenditures for the acquisition of assets with useful lives exceeding five years may be recorded at historical cost as capital leases or installment purchase agreements payable with offsetting deferred charges if there is either a transfer of ownership of property or an option for ownership.

CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Improvement Authorizations – Improvement Authorizations in the general capital fund represent the unexpended balance of an ordinance appropriation and is similar to the unexpended portion of the budget in the current fund. GAAP does not recognize these amounts as liabilities.

Deferred Charges to Future Taxation (Funded and Unfunded) - Upon the authorization of general capital projects, the City establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized costs of capital projects. The City may levy taxes on all taxable property within the City to repay the debt. Annually, the City raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced. GAAP does not require the establishment of deferred charges to future taxation.

Deferred Charges to Future Water Rents – Upon the authorization of water capital projects, the City establishes deferred charges for the costs of the capital projects to be raised by future water rents. Funded deferred water rents relate to permanent debt issued. The City may impose water rents on all water users within the City to repay the debt. GAAP does not require the establishment of deferred charges to future water rents.

Compensated Absences - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. GAAP requires that the amount that would normally be liquidated with expendable financial resources to be recorded as an expenditure in the operating funds and the remaining obligations be recorded as long-term obligations.

Pension Liabilities – Note disclosures regarding pensions are required to the full extent of the applicable GASB Statements. However, financial reporting provisions of the Division do not allow for the accrual of net pension liabilities or pension expense in excess of obligations paid from current resources by budget appropriation. This is in contrast to the following GAAP requirements.

For defined benefit pension plans, cost-sharing employer is required by GAAP to recognize a liability for its proportionate share of the net pension liability and pension expense and report deferred outflows of resources and deferred inflows of resources related to pensions for its proportionate shares of collective pension expense and collective deferred outflows of resources and deferred inflows of resources related to pensions. In the case of a special funding situation, adjustments for the involvement of non-employer contributing entities are required, as well as additional pension expense and revenue for the pension support of the non-employer contributing entities.

For defined contribution benefit pension plans, an employer is required by GAAP to recognize pension expense for the amount of contributions to employees' accounts that are defined by the benefit terms as attributable to employees' services in the period, net of forfeited amounts that are removed from employees' accounts. A change in the pension liability is required to be recognized for the difference between amounts recognized in expense and amounts paid by the employer to a defined contribution pension plan.

Post-Employment Benefits other than Pensions ("OPEB") Liabilities – Under GASB Statement 75, Accounting and financial Reporting for Postemployment Benefit Plans Other Than Pensions, ("GASB 75"), municipalities would recognize the cost of other postemployment benefits (OPEB) in the year when the employee services are received and report the accumulated liability for OPEB on the face of its financial statements. Under the regulatory basis of accounting prescribed by the Division, the City is not required to recognize the cost of OPEB in the year when the employee services were received, or report the accumulated liability on the face of its financial statements. However, disclosure of such amounts is required.

CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Availability of Audited Employer and Nonemployer Allocations of the State of New Jersey Pension and OPEB Plans -

The New Jersey Division of Local Government Services allows municipalities to include in their annual audits the most recent available audited GASB Statements Numbers 68 and 75 financial information published by the New Jersey Division of Pension and Benefits. GAAP requires the GASB Statements Numbers 68 and 75 financial information to be measured as of a date no earlier than the end of the Borough's prior fiscal year, and the actuarial valuation date is restricted to no more than 30 months and one day prior to the Borough's most recent year-end.

Reserves for Receivables – Receivables of the City, with the exception of certain intergovernmental receivables, are offset on the balance sheet with a credit that is created to preserve the revenue recognition basis required by the Division's accounting policies. The reserve delays the recognition of these revenues until they are received in cash.

Reserves (Other than Reserve for Receivables) - Reserves, other than reserve for receivables, are considered liabilities, and not as a reservation of fund balance.

Sale of Municipal Assets - The proceeds of the sale of municipal assets can be held until made available through a future budget appropriation. GAAP requires such proceeds to be recorded as revenue in the year of sale.

Use of Estimates - The preparation of financial statements requires management to make estimates and assumptions that affect: the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Advertising Costs - Advertising costs are charged against the appropriate budget line as they occur. The City does not engage in direct-response advertising.

Fund Balance - Fund equity represented on the financial statements consists solely of Fund Balance, which is not further categorized with respect to reservations (portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use) or designations (plans for future use of financial resources).

General Fixed Assets - Accounting for Governmental Fixed Assets as promulgated by the Division differs in certain respects from GAAP, and requires the inclusion of a statement of general fixed assets as part of the City's basic financial statements. Fixed assets used in governmental operations (general fixed assets) are accounted for in an account group identified as "General Fixed Assets" and are not included within the records of any fund types. Purchases from these funds for fixed assets are recorded as expenditures within the fund. Public domain (infrastructure) general fixed assets consisting of certain improvements, other than improvements to buildings, such as improvements to roads, bridges, curbs and gutters, streets and sidewalks and drainage systems, are not capitalized. Also not capitalized are intangible assets, such as the City's Franchise Concession agreement with the Jersey City Municipal Utilities Authority. Under GAAP the amount of the facility subject to the Franchise Concession would be capitalized along with a corresponding liability for the present value of contractual obligations to sacrifice financial resources.

All fixed assets, except land, are valued at historical cost or estimated historical cost if actual historical cost is not available, with the exception of real property, the majority of which is valued at assessed value when no historical cost is available. Expenditures for construction in progress are recorded in the Capital Fund against authorizations under which the project was approved until such time as the construction is completed and put into operation. The City is required to maintain a subsidiary ledger of detailed records of fixed assets and to provide property management standards to control fixed assets.

CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

General fixed assets are defined as non-expendable personal property having a physical existence, a useful life of more than five years and an acquisition cost of \$5,000 or more per unit. Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately. No depreciation has been provided in the financial statements.

GAAP requires the recording of infrastructure assets and intangible assets such as Franchise Concession agreements and requires capital assets be depreciated over their estimated useful life unless they are either inexhaustible or are infrastructure assets reported using the modified approach.

Budgets and Budgetary Accounting – The City is required to adopt an annual budget and integrate it into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the City and approved by the Division in accordance with the Local Budget Law. Budgets are adopted on the same basis of accounting utilized for the preparation of the City’s financial statements. The budgetary requirements herein outlined are applicable to only the Current Fund, and not the Trust Fund, Capital Fund or General Fixed Assets.

Statutes further require the City to annually adopt a six-year capital plan. This plan allows the governing body to expend or incur obligations for capital purposes only. Such projects under the plan must be adopted through capital ordinance.

The City must adhere to procedures for adoption of its annual budget as established by the Division. These procedures include statutory deadlines of: February 10 for introduction and approval and March 20 for adoption. These dates are subject to extension by the Division by approval of the Local Finance Board. Appropriations within the adopted budget cannot be modified until the final two months of the year at which time transfers between certain line items are allowed. Transfers from appropriations excluded from “CAPS” are prohibited unless they are between debt service appropriations. Under certain circumstances emergency authorizations and insertions of items of revenue and appropriation are allowed by authorization of the governing body, subject to approval of the Division.

The City must prepare its budgets in compliance with applicable laws capping the amounts by which both the budgeted appropriations and the tax levy can be increased. A description of both “CAPS” follows:

1977 Appropriation "CAP": The 1977 Appropriation Cap is calculated using the formulas and provisions of N.J.S.A. 40A:4-45.1 through 4-45.43a. The law was originally adopted in 1976 and was most recently amended in 2003. Under this law, the City is permitted to increase its overall appropriations (with certain exceptions) by 2.5% or the “cost of living adjustment” (COLA), whichever is less. The COLA is calculated based on the traditional Federal government inflation calculation. The City can, when the COLA is less than or equal to 2.5%, increase its allowable inside-the-cap spending to 3.5%, upon passage of a COLA Rate Ordinance.

2010 Levy "CAP": The 2010 Levy Cap is calculated using the formulas and provisions of N.J.S.A 40A:4-45.44 through 45.47. It establishes limits on the increase in the total City amount to be raised by taxation (tax levy). The core of the levy cap formula is a 2% increase to the previous year’s amount to be raised by taxation, net of any applicable cap base adjustments and emergency or special emergency appropriations.

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Investments - New Jersey governmental units are required to deposit public funds in a public depository. Public depositories are defined by statutes as any state or federally chartered bank, savings bank or an association located in New Jersey or a state or federally chartered bank, savings bank or an association located in another state with a branch office in New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation (“FDIC”) and which receives or holds public funds on deposit, but does not include deposits held by the State of New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of securities which may be purchased by New Jersey municipal units.

The City is also required to annually adopt a cash management plan and to deposit or invest its funds pursuant to the cash management plan. The cash management plan adopted by the City requires it to deposit funds as permitted in N.J.S.A 40:5-15.1, so long as the funds are deposited in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey and requires all public depositories pledge collateral, having a market value of five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories in the collateral pool, is available to pay the full amount of their deposits to the governmental units.

In 2009, legislation revised GUDPA to provide higher levels of security and oversight. The revised GUDPA ensures a common level of deposit risk for each bank choosing to accept local government deposits. It requires banks to fully collateralize deposits over \$200 million, implements enforcement protocol which allows the Department of Banking and Insurance to institute risk-based collateral requirements promptly when a bank shows signs of stress, provides enhanced oversight by the Department of Banking and Insurance and permits GUDPA certificates to be provided through an online system.

Cash Equivalents include certificate of deposits with a maturity date of three (3) months or less.

Also see Note 2 - Cash and Cash Equivalents.

BASIC FINANCIAL STATEMENTS

The GASB Codification also requires the financial statements of a governmental unit presented in the general purpose financial statements to be in accordance with GAAP. The City presents financial statements which are required by the Division and which differ from the financial statements required by GAAP. These financial statements are listed in the table of contents.

Comparative Data - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the City’s financial position and operations. Comparative data is not presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

Reclassifications – Certain reclassifications have been made to the prior year financial statement presentation to correspond to the current year’s format. These reclassifications had no effect on fund balance and changes in fund balance.

Reconciliation of Accounting Basis – As described throughout Note 1, substantial differences exist between GAAP and the budgetary basis prescribed by the Division. Reconciliation between the two would not be meaningful or informative and therefore is not provided herein.

CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

NOTE 2. CASH AND CASH EQUIVALENTS

DEPOSITS

The City's cash and cash equivalents on deposit are partially insured by the FDIC up to \$250,000 for each depository. Deposits in excess of FDIC limits, as noted below, are insured or collateralized by a collateral pool maintained by public depositories as required by GUDPA (see Note 1 - Cash and Investments) or are on deposit with the New Jersey Cash Management Fund or Municipal Investors Service Corporation.

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City does not have a deposit policy for custodial credit risk. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are:

- a. Uncollateralized.
- b. Collateralized with securities held by the pledging financial institution.
- c. Collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name.

The City's cash and cash equivalents on deposit are summarized in the following table. At December 31, 2024 and 2023, 86% and 90%, respectively, of the City's deposits were with one financial institution. The remaining deposits were distributed among eight financial institutions.

	At December 31,	
	2024	2023
FDIC Insured	\$ 1,750,000	\$ 1,750,000
GUDPA Insured	344,946,218	318,963,157
New Jersey Cash Management Fund	134,827	128,080
	<u>\$ 346,831,045</u>	<u>\$ 320,841,237</u>

At December 31, 2024 and 2023, the City had \$2,994,000 and \$-0-, respectively in cash overdrafts. These amounts were reported as liabilities on the balance sheets of the City.

Foreign Currency Risk - Foreign currency risk is the risk that changes in exchange rates will adversely affect deposits. None of the City's deposits as of December 31, 2024 and 2023 are known to be held in foreign currency.

INVESTMENTS

Custodial Credit Risk - In the case of investments, custodial credit risk is the risk that, in the event of failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities in the possession of an outside party. Investments are exposed to custodial credit risk if they are uninsured, are not registered in the City's name and are held by either the counterparty or its trust department or agent, but not in the City's name.

New Jersey statutes permit the City to purchase the following types of securities when authorized by the cash management plan (described in Note 1):

- ◆ Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. Government money market mutual funds.
- ◆ Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.

CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

NOTE 2. CASH AND CASH EQUIVALENTS (continued)

- ◆ Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located.
- ◆ Bonds or other obligations having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units.
 - Local Finance Notice 2017-24 further authorizes local governments, such as the City, to invest in notes issued by New Jersey municipalities, counties, fire districts and boards of education without prior Division approval, so long as such investments are incorporated into a cash management plan.
 - Debt obligations from the following local government entities are statutorily authorized to be incorporated into a cash management plan without being subject to a 397-day maturity limit: Parking Authorities, Sewerage and Utilities Authorities, County Improvement Authorities, Pollution control Financing Authority, certain Water Commissions, Municipal Port Authorities, Municipal Shared Service Energy Authority as well as bonds issued pursuant to the Local Redevelopment and Housing Law by authorities, redevelopment agencies, municipalities and counties.
- ◆ Local government investment pools.
- ◆ Deposits with the State of New Jersey Cash Management Fund.
- ◆ Agreements for the repurchase of fully collateralized securities if (a) the underlying securities are permitted investments pursuant to the first and third bullets of this section, (b) the custody of collateral is transferred to a third party, (c) the maturity of the agreement is not more than 30 days, (d) the underlying securities are purchased through a public depository and (e) a master repurchase agreement providing for the custody and security of collateral is executed.

The City's investments at December 31, 2024 and 2023 are presented as follows:

Investment Type	Fair Value*	Investment Maturities (in Years)			
		< 1	1 - 5	6 - 10	> 10
At December 31, 2024:					
Government Investment Pools	\$ 134,827	\$ 134,827	\$ -	\$ -	\$ -
At December 31, 2023:					
Government Investment Pools	\$ 128,080	\$ 128,080	\$ -	\$ -	\$ -

* Short-term investments are carried at cost, which approximates fair value and are considered Level 1 investments.

Government Investment Pools consists of investments in the New Jersey Cash Management Fund. Because of its liquidity, these investments are classified as cash and cash equivalents on the financial statements of the City, reported at fair value. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective future values. Furthermore, although the City believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. These investments are described in more detail as follows:

New Jersey Cash Management Fund - All investments in the New Jersey Cash Management Fund are governed by the regulations of the State Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In addition to the Investment Council regulations, the Division of Investment sets further standards for specific investments and monitors the credit of all eligible securities issues on a regular basis.

CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

NOTE 2. CASH AND CASH EQUIVALENTS (continued)

In all the years of the Division of Investment's existence, it has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated in the New Jersey Cash Management Fund as additional protection for the other-than-State participants, which includes the City. The City does not own specific identifiable securities, but instead has a net realizable interest in the joint value of the fund. There is no available credit rating for the New Jersey Cash Management Fund. As of December 31, 2024 and 2023, the City had a balance of \$134,827 and \$128,080, respectively, in the New Jersey Cash Management Fund

Foreign Currency Risk - Investments are also exposed to the same foreign currency risk as deposits. It is the risk that changes in exchange rates will adversely affect investments. The City does not have any investments denominated in foreign currency as of December 31, 2024 and 2023.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City does not have an investment policy regarding the management of credit risk.

Concentration of Credit Risk - The City places no formal limit on the amount it may invest in any one issuer. New Jersey Statutes limit municipal investments to those specified and summarily identified in the first paragraph of the "Investments" section of this Note. Currently, the City's only investments consist of deposits in the New Jersey Cash Management Fund, which is classified as a Government Investment Pool.

NOTE 3. PROPERTY TAXES

PROPERTY TAX CALENDAR

Property tax revenues are collected in quarterly installments due February 1, May 1, August 1 and November 1. The City annually holds an accelerated tax sale which includes unpaid taxes, as well as assessments and other municipal charges, as of November 11 of the current year. The amount of tax levied includes not only the amount required in support of the City's annual budget, but also the amounts required in support of the budget of the following entities:

County Taxes - The City is responsible for levying, collecting and remitting county taxes for the County of Hudson. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. Monies are forwarded to the County quarterly. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current year, and due to be paid to the County by February 15 of the following year. As of December 31, 2024 and 2023, the City had County taxes payable of \$5,488,951 and \$2,211,120, respectively.

School Taxes - The City is responsible for levying, collecting and remitting school taxes for the local school district. Monies are forwarded to the school district monthly. Operations is charged for the full amount due to operate the local school district and is based upon the annual County certification of apportionment of levies. As of December 31, 2024 and 2023, the City had no school taxes payable.

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 3. PROPERTY TAXES (continued)

Special Improvement District - The City is responsible for levying, collecting and remitting Special Improvement District (SID) taxes for the Central Ave SID, Journal Square Restoration Corp. SID, Historic Downtown / Newark Ave SID, McGinley Square Partnership SID, Jackson Hill Main Street SID, Exchange Place Alliance SID and West Side Avenue SID. SID taxes are billed by the City after the approval of a tax roll by City Council Resolution, notice of which is published. City Council also approves the and ratifies the budget for each SID, which is used to determine the amount of the annual SID tax assessment. Assessments are collected quarterly by the Tax Collector from properties within each SID, following the same schedule of quarterly tax payments. Monies are then forwarded to the SIDs generally monthly. As of December 31, 2024 and 2023, the City had SID Payables of \$175,304 and \$89,185, respectively.

Municipal Open Space Taxes – In 2017, voters of the City approved a referendum for the collection of an additional assessed valuation to be added to the tax levy and dedicated to provide funding for approved open space purposes. During 2024 and 2023, the rate of this additional assessment was \$0.0025 per \$100 of assessed valuation. Operations is charged for the amount due to the Open Space Trust Fund, based upon the annual County certification of apportionment of levies. The municipal open space tax levied during the years ended December 31, 2024 and 2023 was \$1,134,809 and \$1,098,989, respectively. During the year ended December 31, 2024 and 2023, an additional \$26,626 and \$10,737, respectively, in open space tax was levied for added and omitted taxes.

Arts and Culture Taxes – In 2020, voters of the City approved a referendum for the collection of an additional assessed valuation to be added to the tax levy and dedicated to provide funding for approved arts and culture purposes. During 2023 and 2022, the rate of this additional assessment was \$0.0025 per \$100 of assessed valuation. Operations is charged for the amount due to the Arts and Culture Trust Fund, based upon the annual County certification of apportionment of levies. The municipal arts and culture tax levied during the years ended December 31, 2024 and 2023 was \$1,134,809 and \$1,098,989, respectively.

PROPERTY TAXES RECEIVABLE

Reserve for Uncollected Taxes - Reserve for Uncollected Taxes is a non-spending item of appropriation required by statute to be included in the City's annual budget. This appropriation protects the City from taxes not paid currently by providing assurance that cash collected in the current year will provide sufficient cash flow to meet obligations as they become due. The minimum amount required to be appropriated in the budget is determined on the percentage of collections experiences in the immediate preceding year, unless the three-year average option is chosen. For the years ended December 31, 2024 and 2023, the budgeted reserve for uncollected taxes was \$16,369,294 and \$8,457,423, respectively.

Delinquent Taxes and Tax Title Liens - As described in Note 1, taxes receivable and tax title liens are realized as revenue when collected. Uncollected receivables are fully reserved, so no provision is made for the uncollectible portions of these taxes. As of December 31, 2024 and 2023, property taxes receivable were \$2,439,556 and \$1,574,647, respectively, and tax title liens receivable were \$31,889 and \$26,970, respectively.

Prepaid Taxes - Taxes collected in advance are recorded as cash liabilities in the financial statements. Prepaid taxes as of December 31, 2024 and 2023 were \$10,603,625 and \$5,582,220, respectively.

Tax Overpayments - Overpaid taxes collected during the year and due to taxpayers either as a refund or tax credit are recorded as cash liabilities in the financial statements. Tax overpayments as of December 31, 2024 and 2023 were \$4,656,854 and \$10,726,800, respectively. In addition, the City has tax court judgments payable at December 31, 2024 and 2023 of \$-0- and \$2,009,136, respectively.

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 3. PROPERTY TAXES (continued)

Property Acquired by Tax Title Lien Liquidation – During the year ended December 31, 2024, the City held an accelerated tax sale on December 18, 2024. The City held two tax sales during the year ended December 31, 2023. This is because the city did not hold an annual accelerated tax sale in 2022 due to delays in the issuance of final 2022 tax bills, therefore the effective 2022 tax sale was held February 24, 2023 as a standard tax sale. The City held an additional accelerated tax sale on December 15, 2023. The value of properties acquired by tax title liens at December 31, 2024 and 2023 were \$-0-, each year.

When such property is sold in the manner provided by statute and sales contracts are entered into in lieu of cash sales, a separate account must be maintained for “Sales Contracts Receivable – Property Acquired for Taxes”. The value of such receivables at December 31, 2024 and 2023 was \$-0- and \$285,550, each respectively.

NOTE 4. MUNICIPAL DEBT

SUMMARY OF MUNICIPAL DEBT

The Local Bond Law governs the issuance of bonds to finance general municipal and utility capital expenditures. Most bonds are retired in serial installments within the statutory period of usefulness. Other bonds may be term bonds with sinking fund requirements. Bonds issued by the City are general obligation bonds, backed by the full faith and credit of the City. Bond Anticipation Notes, which are issued to temporarily finance capital projects, must be paid off within ten years or retired by the issuance of bonds.

Statutory Debt - At December 31, 2024 and 2023, the City’s statutory debt as defined by the Local Bond Law is summarized as follows:

	Dec. 31, 2024			Dec. 31, 2023
	Issued and Outstanding	Authorized but Not Issued	Total	Total
General:				
General Improvement Bonds	\$ 282,086,000	\$ 103,843,994	\$ 385,929,994	\$ 411,844,629
Green Trust Loans	219,120	-	219,120	323,087
Tax Appeal Refunding Notes	18,720,000	-	18,720,000	-
Bond Anticipation Notes	198,650,000	-	198,650,000	141,650,000
Local Improvement Bonds	7,061,000	1,509,635	8,570,635	7,656,000
Water Improvement Bonds	3,515,000	-	3,515,000	4,180,000
School Improvement Bonds	3,345,000	1,587,258	4,932,258	5,952,258
Pension Refunding Bonds	14,000,000	-	14,000,000	17,225,000
Total Gross Statutory Debt Issued	527,596,120	106,940,887	634,537,007	588,830,974
Debt Issued by Jersey City Public Schools	55,305,000	-	55,305,000	55,305,000
Debt of JCRA Guaranteed by City	142,760,000	-	142,760,000	143,435,000
Debt of JCMUA Guaranteed by City	538,338,101	-	538,338,101	445,949,785
	1,263,999,221	106,940,887	1,370,940,108	1,233,520,759
Less Statutory Deductions to Debt Limit:				
Debt Guaranteed by City	681,098,101	-	681,098,101	589,384,785
Due from JCMUA for Issued Water Debt	3,515,000	-	3,515,000	4,180,000
Funds on Hand for Retirement of Debt	330,183	-	330,183	330,183
Bonds and Notes for School Purposes	58,650,000	1,587,258	60,237,258	61,257,258
Energy Savings Imp. Program Refunding	-	7,700,000	7,700,000	7,700,000
NJSA40A:2-52 Pension Refunding Bonds	14,000,000	-	14,000,000	17,225,000
Net Statutory Bonds and Notes Issued and Authorized but not Issued	<u>\$ 506,405,937</u>	<u>\$ 97,653,629</u>	<u>\$ 604,059,566</u>	<u>\$ 553,443,533</u>

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 4. MUNICIPAL DEBT (continued)

In addition to the general capital debt shown in the preceding schedule, the City had additional debt which, in accordance with statutes, is not included as part of the City's statutory debt position. Such debt is as follows:

Type	Fund	Dec. 31, 2024	Dec. 31, 2023
Special Emergency Notes (40A:4-55)	Current Fund	\$ 64,044,685	\$ 96,126,247
Installment Purchase Agreements Payable	General Capital Fund	193,254,269	194,292,805
		<u>\$ 257,298,954</u>	<u>\$ 290,419,052</u>

Summary of Long-Term Debt – The following is a summary of changes in long-term debt for the year ended December 31, 2024:

	Balance Dec. 31, 2023	Decrease	Balance Dec. 31, 2024	Minimum Due in 2025
School Serial Bonds	\$ 4,365,000	\$ 1,020,000	\$ 3,345,000	\$ 1,065,000
General Serial and Term Bonds	306,491,000	24,405,000	282,086,000	23,025,000
Pension Refunding Bonds	17,225,000	3,225,000	14,000,000	755,000
Water Serial Bonds	4,180,000	665,000	3,515,000	345,000
Local Improvement Bond	7,656,000	595,000	7,061,000	595,000
Green Trust Loans	323,087	103,967	219,120	72,098
Installment Purchase Agreements	194,292,805	1,038,536	193,254,269	1,647,383
	<u>\$ 534,532,892</u>	<u>\$ 31,052,503</u>	<u>\$ 503,480,389</u>	<u>\$ 27,504,481</u>

The following is a summary of changes in long-term debt for the year ended December 31, 2023:

	Balance Dec. 31, 2022	Increase	Decrease	Balance Dec. 31, 2023	Minimum Due in 2024
School Serial Bonds	\$ 5,350,000	\$ -	\$ 985,000	\$ 4,365,000	\$ 1,020,000
General Serial and Term Bonds	282,777,000	51,259,000	27,545,000	306,491,000	24,405,000
Pension Refunding Bonds	20,815,000	-	3,590,000	17,225,000	3,225,000
Water Serial Bonds	4,825,000	-	645,000	4,180,000	665,000
Local Improvement Bond	8,251,000	-	595,000	7,656,000	595,000
Green Trust Loans	432,194	-	109,107	323,087	103,967
Installment Purchase Agreements	195,200,682	-	907,877	194,292,805	1,038,536
	<u>\$ 517,650,876</u>	<u>\$ 51,259,000</u>	<u>\$ 34,376,984</u>	<u>\$ 534,532,892</u>	<u>\$ 31,052,503</u>

School Debt (Included as Obligations of the City) – In the general election of November 4, 2008, the Jersey City Board of Education was voted to become a Type II School District. As such, statutes require bonds and notes issued and authorized by the Board of Education to be included in the City's statutory gross debt, but are not obligations of the City. Only the amount of school district debt exceeding the school district's debt limit, if any, is included in the net debt of the City. However, prior to the general election of November 4, 2008, including its time as a State-Operated School District from October 4, 1989 through April 17, 2008, the Jersey City Board of Education operated as a Type I school district. Therefore bonds and notes issued and authorized by the Board of Education prior to November 4, 2008, and still outstanding as of December 31, 2024 and 2023 in the amounts of \$3,515,000 and \$4,180,000, respectively, remain general obligations of the City.

Debt Refunding – During the year ended December 31, 2024, the City refunded and renewed \$55,044,685 of Special Emergency Notes and \$141,650,000 of Bond Anticipation Notes at various interest rates and maturities as noted on the pages that follow.

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 4. MUNICIPAL DEBT (continued)

During the year ended December 31, 2023, the City refunded and renewed \$19,200,000 of Special Emergency Notes and \$124,450,000 of Bond Anticipation Notes. The City also permanently financed \$51,259,000 of Bond Anticipation Notes through the issuance of Series 2023 General Improvement Bonds. Ordinances financed under these bonds included numbers 13.031 & 17.108 adopted for Hurricane Sandy Recovery, 16.106 for West Campus Redevelopment, 20-082 for Various Capital Improvements and 21-050 for Energy Conservation Improvement Program (ESIP).

Qualified Bonds - Certain bonds of the City are issued pursuant to the Municipal Qualified Bond Act. Under this act, portions of State Aid revenues are withheld by the State of New Jersey and forwarded directly to paying agents for principal and interest payments of such bonds. The City is responsible to certify maturity schedules of the qualified bonds to the State. Qualified bonds are identified within each of the bond schedules that follow. During the years ended December 31, 2024 and 2023, the State of New Jersey paid \$6,253,015 and \$9,618,786, respectively, of qualified bond interest and principal maturities on behalf of the City in lieu of direct State Aid payments to the City

BONDS PAYABLE

General Serial and Term Bonds Payable - The City has outstanding at December 31, 2024 and 2023 various general serial and term bonds. The following table, which includes fiscal year adjustment bonds in addition to the general improvement bonds, is a summary of the activity for such debt during the year ended December 31, 2024 and the short term liability for each bond outstanding at year end:

2024 Summary of General Serial Bonds Activity					
Description	Balance Dec. 31, 2023	Increase	Decrease	Balance Dec. 31, 2024	Minimum Due in 2025
Qualified General Improvement Refunding Bonds, Series 2012A Issued 9/6/2012 for \$16,405,000 To refund Qualified General Improvement Bonds dated 5/15/2005 Maturing annually on Sept. 1, 2013-2025 Bearing interest rates of 2.75-4.00%	\$ 3,510,000	\$ -	\$ 1,735,000	\$ 1,775,000	\$ 1,775,000
General Improvement Bonds, Series 2014 Issued 12/11/2014 for \$31,820,000 To Fund Ordinance No. 14.131 Maturing annually on Dec. 1, 2015-2027 Bearing interest rates of 3-5%	11,555,000	-	2,740,000	8,815,000	2,850,000
General Improvement Refunding Bonds, Series 2015A Issued 11/25/2015 for \$13,060,000 To refund Qualified Public Improvement Refunding Bonds dated 12/07/2007 Maturing on Feb. 15, 2016 and annually thereafter from 2018-2024 Bearing interest rates of 2.0%-4.0%	2,085,000	-	2,085,000	-	-
General Improvement Refunding Bonds, Series 2016A Issued 5/13/2016 for \$26,000,000 To refund Qualified General Improvement Bonds dated 2/10/2009 And to refund Qualified General Improvement bonds dated 12/30/2009 Maturing on July 15, 2016 and annually on Jan. 15 from 2020 through 2029 Bearing interest rates of 3.25%-5%	16,735,000	-	2,480,000	14,255,000	2,600,000

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 4. MUNICIPAL DEBT (continued)

2024 Summary of General Serial Bonds Activity - continued

Description	Balance Dec. 31, 2023	Increase	Decrease	Balance Dec. 31, 2024	Minimum Due in 2025
General Improvement Bonds, Series 2016 Issued 6/29/2016 for \$25,867,000 To fund Ordinance No. 16.083 Providing for Various Capital Improvements Maturing annually on July 15 from 2017 through 2029 Bearing interest rates of 2%-4%	\$ 12,757,000	\$ -	\$ 2,025,000	\$ 10,732,000	\$ 2,065,000
General Improvement Refunding Bonds, Taxable Series 2017A (Refunding \$71,970,000 of Build America Bonds, Series 2010B, Issued 11/03/2010 for \$84,495,000 Refunding Ordinance No. 16.133) Maturing annually on November 1 from 2021 - 2040, Bearing interest rates of 3.375% - 5.0%)	63,385,000	-	2,755,000	60,630,000	2,855,000
General Improvement Bonds, Series 2018 (Funding PJP Landfill Ordinance No. 09-097 and Newark Ave Streetscape Ordinance No. 09-127, Issued 11/20/2018 for \$9,125,000 Maturing annually on December 1 from 2019 through 2038, Bearing interest rates of 3.5% - 5.0%)	7,435,000	-	365,000	7,070,000	385,000
General Obligation Refunding Bonds, Series 2020 (Refunding Recovery Zone Economic Development Bonds Taxable Series 2010C, Issued 11/3/2010 for \$6,420,000 Refunding Ordinance No. 16.131 & 20-030) Maturing annually on November 1 from 2021 through 2040 Bearing an interest rate of 4%	5,410,000	-	240,000	5,170,000	255,000
General Obligation Refunding Bonds, Taxable Series 2021A (Refunding \$10,035,000 of Qualified General Improvement Bonds Series 2012, Issued 8/31/2012 for \$24,875,000, and Refunding \$2,930,000 of Qualified General Improvement Refunding Bonds, Taxable Series 2012C, Issued 9/20/2012 for \$4,930,000 as authorized by Refunding Ordinance No. 20-094) Maturing annually on September 1 from 2022 through 2033 Bearing interest rates of 0.4% to 2.29%	11,110,000	-	2,255,000	8,855,000	2,300,000
General Improvement Bonds, Taxable Series 2021 (To Finance Balance of Bond Anticipation Notes Originally Issued 8/31/2010 for \$7,500,000 to fund the Sixth Street Embankment Ord. 10-085) Maturing annually on March 1 from 2022 through 2051 Bearing interest rates of 2.375% to 4.00%	6,245,000	-	160,000	6,085,000	165,000

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 4. MUNICIPAL DEBT (continued)

2024 Summary of General Serial Bonds Activity - continued					
Description	Balance Dec. 31, 2023	Increase	Decrease	Balance Dec. 31, 2024	Minimum Due in 2025
General Improvement Bonds, Series 2022A (To Finance \$32,132,000 of the \$43,422,600 Bond Anticipation Notes Originally Issued 6/20/18 for \$45,031,115 to fund Various Improvements Ord. 18-038 & 20-081, and to finance \$66,298,000 of the \$82,448,586 Bond Anticipation Notes Originally Issued 9/9/2021 for \$82,448,586 to fund Various Improvements Ord. 21-040) Maturing annually on February 15 from 2023 through 2038 Bearing interest rates of 3.0% to 5.0%	\$ 88,650,000	\$ -	\$ 4,455,000	\$ 84,195,000	\$ 4,605,000
General Improvement Bonds, Taxable Series 2022B (To Finance \$11,290,000 of the \$43,422,600 Bond Anticipation Notes Originally Issued 6/20/18 for \$45,031,115 to fund Various Improvements Ord. 18-038 & 20-081, and to finance \$16,150,000 of the \$82,448,586 Bond Anticipation Notes Originally Issued 9/9/2021 for \$82,448,586 to fund Various Improvements Ord. 21-040) Maturing annually on February 15 from 2023 through 2038 Bearing interest rates of 2.25% to 4.75%	26,355,000	-	1,300,000	25,055,000	1,360,000
General Improvement Bonds, Series 2023 (To Finance \$51,259,000 of the Series 2022A Bond Anticipation Notes Originally Issued for \$10,000,000 on 12/12/2013, \$4,135,000 on 12/8/16, \$8,010,000 on 1/18/18, \$30,000,000 on 12/3/20 and \$7,550,000 on 12/1/21. These notes were originally issued to fund \$1,878,750 of Ord. 13.031/17.108, \$11,630,250 of Ord. 16.106, \$30,000,000 of Ord. \$7,750,000. Maturing annually on October 1 from 2024 through 2043 Bearing interest rates of 2.25% to 4.75%	51,259,000	-	1,810,000	49,449,000	1,810,000
	\$ 306,491,000	\$ -	\$ 24,405,000	\$ 282,086,000	\$ 23,025,000

The following table is a summary of the activity for such debt during the year ended December 31, 2022 and the short term liability for each bond outstanding at year end:

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 4. MUNICIPAL DEBT (continued)

2023 Summary of General Serial Bonds Activity					
Description	Balance Dec. 31, 2022	Increase	Decrease	Balance Dec. 31, 2023	Minimum Due in 2024
Qualified General Improvement Refunding Bonds, Series 2012A Issued 9/6/2012 for \$16,405,000 To refund Qualified General Improvement Bonds dated 5/15/2005 Maturing annually on Sept. 1, 2013-2025 Bearing interest rates of 2.75-4.00%	\$ 5,210,000	\$ -	\$ 1,700,000	\$ 3,510,000	\$ 1,735,000
General Improvement Bonds, Series 2014 Issued 12/11/2014 for \$31,820,000 To Fund Ordinance No. 14.131 Maturing annually on Dec. 1, 2015-2027 Bearing interest rates of 3-5%	14,165,000	-	2,610,000	11,555,000	2,740,000
Qualified General Improvement Refunding Bonds, Tax-Exempt Series 2014A Issued 11/20/2014 for \$16,590,000 To refund Qualified General Improvement Bonds dated 11/2/2006 Maturing annually on August 1, 2015-2023 Bearing interest rates of 2-5%	2,655,000	-	2,655,000	-	-
General Improvement Refunding Bonds, Series 2015A Issued 11/25/2015 for \$13,060,000 To refund Qualified Public Improvement Refunding Bonds dated 12/07/2007 Maturing on Feb. 15, 2016 and annually thereafter from 2018-2024 Bearing interest rates of 2.0%-4.0%	4,095,000	-	2,010,000	2,085,000	2,085,000
General Improvement Refunding Bonds, Series 2016A Issued 5/13/2016 for \$26,000,000 To refund Qualified General Improvement Bonds dated 2/10/2009 And to refund Qualified General Improvement bonds dated 12/30/2009 Maturing on July 15, 2016 and annually on Jan. 15 from 2020 through 2029 Bearing interest rates of 3.25%-5%	19,105,000	-	2,370,000	16,735,000	2,480,000
General Improvement Bonds, Series 2016 Issued 6/29/2016 for \$25,867,000 To fund Ordinance No. 16.083 Providing for Various Capital Improvements Maturing annually on July 15 from 2017 through 2029 Bearing interest rates of 2%-4%	14,747,000	-	1,990,000	12,757,000	2,025,000
General Improvement Refunding Bonds, Taxable Series 2016A Issued 11/2/2016 for \$18,635,000 To refund Qualified General Improvement Bonds dated 4/25/2007 Maturing annually on Sept. 1 from 2017 through 2021 and 2023. Bearing interest rates of 1.137%-2.573%	3,685,000	-	3,685,000	-	-
General Improvement Refunding Bonds, Taxable Series 2017A (Refunding \$71,970,000 of Build America Bonds, Series 2010B, Issued 11/03/2010 for \$84,495,000 Refunding Ordinance No. 16.133) Maturing annually on November 1 from 2021 - 2040, Bearing interest rates of 3.375% - 5.0%)	66,000,000	-	2,615,000	63,385,000	2,755,000

CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

NOTE 4. MUNICIPAL DEBT (continued)

2023 Summary of General Serial Bonds Activity - continued

Description	Balance Dec. 31, 2022	Increase	Decrease	Balance Dec. 31, 2023	Minimum Due in 2024
General Improvement Bonds, Series 2018 (Funding PJP Landfill Ordinance No. 09-097 and Newark Ave Streetscape Ordinance No. 09-127, Issued 11/20/2018 for \$9,125,000 Maturing annually on December 1 from 2019 through 2038, Bearing interest rates of 3.5% - 5.0%	\$ 7,790,000	\$ -	\$ 355,000	\$ 7,435,000	\$ 365,000
General Obligation Refunding Bonds, Series 2020 (Refunding Recovery Zone Economic Development Bonds Taxable Series 2010C, Issued 11/3/2010 for \$6,420,000 Refunding Ordinance No. 16.131 & 20-030) Maturing annually on November 1 from 2021 through 2040 Bearing an interest rate of 4%	5,640,000	-	230,000	5,410,000	240,000
General Obligation Refunding Bonds, Taxable Series 2021A (Refunding \$10,035,000 of Qualified General Improvement Bonds Series 2012, Issued 8/31/2012 for \$24,875,000, and Refunding \$2,930,000 of Qualified General Improvement Refunding Bonds, Taxable Series 2012C, Issued 9/20/2012 for \$4,930,000 as authorized by Refunding Ordinance No. 20-094) Maturing annually on September 1 from 2022 through 2033 Bearing interest rates of 0.4% to 2.29%	13,345,000	-	2,235,000	11,110,000	2,255,000
General Improvement Bonds, Taxable Series 2021 (To Finance Balance of Bond Anticipation Notes Originally Issued 8/31/2010 for \$7,500,000 to fund the Sixth Street Embankment Ord. 10-085) Maturing annually on March 1 from 2022 through 2051 Bearing interest rates of 2.375% to 4.00%	6,405,000	-	160,000	6,245,000	160,000
General Improvement Bonds, Series 2022A (To Finance \$32,132,000 of the \$43,422,600 Bond Anticipation Notes Originally Issued 6/20/18 for \$45,031,115 to fund Various Improvements Ord. 18-038 & 20-081, and to finance \$66,298,000 of the \$82,448,586 Bond Anticipation Notes Originally Issued 9/9/2021 for \$82,448,586 to fund Various Improvements Ord. 21-040) Maturing annually on February 15 from 2023 through 2038 Bearing interest rates of 3.0% to 5.0%	92,495,000	-	3,845,000	88,650,000	4,455,000

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 4. MUNICIPAL DEBT (continued)

2023 Summary of General Serial Bonds Activity - continued

Description	Balance Dec. 31, 2022	Increase	Decrease	Balance Dec. 31, 2023	Minimum Due in 2024
General Improvement Bonds, Taxable Series 2022B (To Finance \$11,290,000 of the \$43,422,600 Bond Anticipation Notes Originally Issued 6/20/18 for \$45,031,115 to fund Various Improvements Ord. 18-038 & 20-081, and to finance \$16,150,000 of the \$82,448,586 Bond Anticipation Notes Originally Issued 9/9/2021 for \$82,448,586 to fund Various Improvements Ord. 21-040) Maturing annually on February 15 from 2023 through 2038 Bearing interest rates of 2.25% to 4.75%	\$ 27,440,000	\$ -	\$ 1,085,000	\$ 26,355,000	\$ 1,300,000
General Improvement Bonds, Series 2023 (To Finance \$51,259,000 of the Series 2022A Bond Anticipation Notes Originally Issued for \$10,000,000 on 12/12/2013, \$4,135,000 on 12/8/16, \$8,010,000 on 1/18/18, \$30,000,000 on 12/3/20 and \$7,550,000 on 12/1/21. These notes were originally issued to fund \$1,878,750 of Ord. 13.031/17.108, \$11,630,250 of Ord. 16.106, \$30,000,000 of Ord. \$7,750,000. Maturing annually on October 1 from 2024 through 2043 Bearing interest rates of 2.25% to 4.75%	-	51,259,000	-	51,259,000	1,810,000
	\$ 282,777,000	\$ 51,259,000	\$ 27,545,000	\$ 306,491,000	\$ 24,405,000

General and Water Serial and Term Bonds – Sinking Fund Redemption -

The following table represents the required remaining sinking fund schedule for each of the term bond payments:

SCHEDULE OF FUTURE MANDATORY SINKING FUND PAYMENTS

	Series 2016A Term Bonds Maturing Dec. 1, 2031	Series 2016B Term Bonds Maturing Sept. 1, 2033	Series 2017A Term Bonds Maturing Nov. 1, 2040	Series 2020 Term Bonds Maturing Nov. 1, 2040	Series 2022B Term Bonds Maturing Feb. 15, 2038
2025	\$ -	\$ 15,000	\$ -	\$ -	\$ -
2026	-	15,000	-	-	-
2027	-	15,000	-	-	-
2028	-	15,000	-	-	-
2029	-	395,000	-	-	-
2030	595,000	405,000	-	-	-
2031	595,000	425,000	-	315,000	-
2032	-	435,000	-	325,000	-
2033	-	455,000	-	330,000	1,910,000
2034	-	-	-	330,000	1,990,000
2035	-	-	-	340,000	2,075,000
2036	-	-	-	350,000	2,165,000
2037	-	-	-	350,000	2,100,000
2038	-	-	4,695,000	380,000	2,150,000
2039	-	-	4,860,000	390,000	-
2040	-	-	5,010,000	400,000	-
	\$ 1,190,000	\$ 2,175,000	\$ 14,565,000	\$ 3,510,000	\$ 12,390,000

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 4. MUNICIPAL DEBT (continued)

The General Improvement Refunding Bonds Taxable Series 2016A and 2017A, the General Obligation Refunding Bonds Series 2020, Local Improvement Bonds Series 2016A, Water Refunding Bonds Taxable Series 2016B and General Improvement Bonds Taxable Series 2022B consist partially of term bonds in addition to serial payments. These term bonds are subject to mandatory sinking fund redemption prior to maturity, as noted above, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest thereon to the date fixed for redemption.

Pension Refunding Bonds Payable - The City has outstanding at December 31, 2024 and 2023 various pension refunding bond debt issues. The following table summarizes the activity of such debt during the year ended December 31, 2024 and the short term liability for each bond outstanding at year end:

2024 Summary of Pension Refunding Bonds Activity				
Description	Balance Dec. 31, 2023	Decrease	Balance Dec. 31, 2023	Minimum Due in 2025
Pension Obligation Refunding Bonds Series 2003A, Taxable Issued 1/15/2003 for \$23,595,000 Maturing annually from 2012 to 2024 Bearing interest rates of 4.8-5.5%	\$ 2,615,000	\$ 2,615,000	\$ -	\$ -
Pension Obligation Refunding Bonds Series 2003A, Taxable Issued 3/15/2003 for \$17,465,000 Maturing annually from 2012 to 2033 Bearing interest rates of 4.58-5.46%	14,610,000	610,000	14,000,000	755,000
	<u>\$ 17,225,000</u>	<u>\$ 3,225,000</u>	<u>\$ 14,000,000</u>	<u>\$ 755,000</u>

The following table is a summary of the activity for such debt during the year ended December 31, 2023 and the short term liability for each bond outstanding at year end:

2023 Summary of Pension Refunding Bonds Activity				
Description	Balance Dec. 31, 2022	Decrease	Balance Dec. 31, 2023	Minimum Due in 2024
Pension Obligation Refunding Bonds Series 2003A, Taxable Issued 1/15/2003 for \$23,595,000 Maturing annually from 2012 to 2024 Bearing interest rates of 4.8-5.5%	\$ 5,730,000	\$ 3,115,000	\$ 2,615,000	\$ 2,615,000
Pension Obligation Refunding Bonds Series 2003A, Taxable Issued 3/15/2003 for \$17,465,000 Maturing annually from 2012 to 2033 Bearing interest rates of 4.58-5.46%	15,085,000	475,000	14,610,000	610,000
	<u>\$ 20,815,000</u>	<u>\$ 3,590,000</u>	<u>\$ 17,225,000</u>	<u>\$ 3,225,000</u>

CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

NOTE 4. MUNICIPAL DEBT (continued)

Local Improvement Bonds Payable – The City has outstanding at December 31, 2024 and 2023 a bond issued for the Greene Street Local Improvement Project. The following table is a summary of the activity for such debt during the year ended December 31, 2024 and the short term liability outstanding at year end:

2024 Summary of Local Improvement Bonds Activity				
Description	Balance Dec. 31, 2023	Decrease	Balance Dec. 31, 2024	Minimum Due in 2025
Local Improvement Bonds, Taxable Series 2016A (Funding of Ordinance No. 01-057) Maturing annually from 2018 to 2036 Bearing interests of 3.00-4.25%	\$ 7,656,000	\$ 595,000	\$ 7,061,000	\$ 595,000
	<u>\$ 7,656,000</u>	<u>\$ 595,000</u>	<u>\$ 7,061,000</u>	<u>\$ 595,000</u>

The following table is a summary of the activity for such debt during the year ended December 31, 2023 and the short term liability outstanding at year end:

2023 Summary of Local Improvement Bonds Activity				
Description	Balance Dec. 31, 2022	Decrease	Balance Dec. 31, 2023	Minimum Due in 2024
Local Improvement Bonds, Taxable Series 2016A (Funding of Ordinance No. 01-057) Maturing annually from 2018 to 2036 Bearing interests of 3.00-4.25%	\$ 8,251,000	\$ 595,000	\$ 7,656,000	\$ 595,000
	<u>\$ 8,251,000</u>	<u>\$ 595,000</u>	<u>\$ 7,656,000</u>	<u>\$ 595,000</u>

School Serial Bonds Payable - The City has outstanding at December 31, 2024 and 2023 various school serial bond debt issues. The following table is a summary of the activity for such debt during the year ended December 31, 2024 and the short term liability for each bond outstanding at year end:

2024 Summary of School Serial Bonds Activity				
Description	Balance Dec. 31, 2023	Due in 2024	Balance Dec. 31, 2024	Minimum Due in 2025
School Refunding Bonds, Series 2015B Issued 11/25/2015 for \$9,830,000 To Refund Qualified School Bonds dated 2/23/2007 Maturing on Feb. 15, 2016 and annually thereafter from 2018-2027 Bearing interest rates of 2.0%-4.0%	\$ 4,365,000	\$ 1,020,000	\$ 3,345,000	\$ 1,065,000
	<u>\$ 4,365,000</u>	<u>\$ 1,020,000</u>	<u>\$ 3,345,000</u>	<u>\$ 1,065,000</u>

CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

NOTE 4. MUNICIPAL DEBT (continued)

The following table is a summary of the activity for such debt during the year ended December 31, 2023 and the short term liability for each bond outstanding at year end:

2023 Summary of School Serial Bonds Activity				
Description	Balance Dec. 31, 2022	Decrease	Balance Dec. 31, 2023	Minimum Due in 2024
School Refunding Bonds, Series 2015B	5,350,000	985,000	4,365,000	985,000
Issued 11/25/2015 for \$9,830,000				
To Refund Qualified School Bonds dated 2/23/2007				
Maturing on Feb. 15, 2016 and annually thereafter from 2018-2027				
Bearing interest rates of 2.0%-4.0%				
	\$ 5,350,000	\$ 985,000	\$ 4,365,000	\$ 985,000

Water Serial Bonds Payable - The City has outstanding at December 31, 2024 and 2023 various water serial bond debt issues. The following table is a summary of the activity for such debt during the year ended December 31, 2024 and the short term liability for each bond outstanding at year end:

2024 Summary of Water Serial Bonds Activity				
Description	Balance Dec. 31, 2023	Decrease	Balance Dec. 31, 2023	Minimum Due in 2024
Qualified Water Improvement Refunding Bonds, Series 2012B	\$ 325,000	\$ 325,000	\$ -	\$ -
Issued 9/6/12 for \$4,265,000				
To refund Water Capital Improvement Bonds dated 3/1/2003 and Qualified Water Improvement Bonds dated 5/15/2005				
Maturing annually: 2013-2024				
Bearing interest rates of 2.75-4.00%				
Water Refunding Bonds, Taxable Series 2016B	2,190,000	15,000	2,175,000	15,000
Issued 11/2/16 for \$3,945,000				
To Refund Qualified Water Refunding Bonds dated 4/25/2007				
Maturing annually on Sept. 1 from 2017 to 2021 and 2023.				
Bearing interests of 1.137-3.758%				
General Obligation Refunding Bonds, Taxable Water Series 2021B	1,665,000	325,000	1,340,000	330,000
(Refunding \$1,660,000 of callable Qualified Water Refunding Bonds, Series 2011B, Issued 12/30/2011 for \$1,987,000)				
Refunding Ordinance No. 20-094)				
Maturing annually on Sept. 1 from 2017 to 2022 to 2028.				
Bearing interests of 0.400%-1.610%				
	\$ 4,180,000	\$ 665,000	\$ 3,515,000	\$ 345,000

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 4. MUNICIPAL DEBT (continued)

The following table is a summary of the activity for such debt during the year ended December 31, 2023 and the short term liability for each bond outstanding at year end:

2023 Summary of Water Serial Bonds Activity				
Description	Balance Dec. 31, 2022	Decrease	Balance Dec. 31, 2023	Minimum Due in 2024
Qualified Water Improvement Refunding Bonds, Series 2012B Issued 9/6/12 for \$4,265,000 To refund Water Capital Improvement Bonds dated 3/1/2003 and Qualified Water Improvement Bonds dated 5/15/2005 Maturing annually: 2013-2024 Bearing interest rates of 2.75-4.00%	\$ 655,000	\$ 330,000	\$ 325,000	\$ 325,000
Water Refunding Bonds, Taxable Series 2016B Issued 11/2/16 for \$3,945,000 To Refund Qualified Water Refunding Bonds dated 4/25/2007 Maturing annually on Sept. 1 from 2017 to 2021 and 2023. Bearing interests of 1.137-3.758%	2,485,000	295,000	2,190,000	15,000
General Obligation Refunding Bonds, Taxable Water Series 2021B (Refunding \$1,660,000 of callable Qualified Water Refunding Bonds, Series 2011B, Issued 12/30/2011 for \$1,987,000) Refunding Ordinance No. 20-094) Maturing annually on Sept. 1 from 2017 to 2022 to 2028. Bearing interests of 0.400%-1.610%	1,685,000	20,000	1,665,000	325,000
	<u>\$ 4,825,000</u>	<u>\$ 645,000</u>	<u>\$ 4,180,000</u>	<u>\$ 665,000</u>

LOANS PAYABLE

Green Trust Loans - The City has outstanding at December 31, 2024 and 2023 various Green Trust Loans.

The following table summarizes such loan activity for the year ended December 31, 2024 and the short term liability for each loan outstanding at year end:

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 4. MUNICIPAL DEBT (continued)

2024 Summary of Green Trust Loans Activity				
Description	Balance Dec. 31, 2023	Decrease	Balance Dec. 31, 2024	Minimum Due in 2025
Apple Tree House Loan Received 7/07/2004 - \$235,894 Due semi-annually until 2024 Bearing an interest rate of 2%	\$ 7,262	\$ 7,262	\$ -	\$ -
Sgt. Anthony's Park Project Loan Received 7/08/2005 - \$145,000 Due semi-annually until 2025 Bearing an interest rate of 2%	13,259	8,795	4,464	4,464
Roberto Clemente Park Project Loan Received 7/08/2005 - \$284,000 Due semi-annually until 2025 Bearing an interest rate of 2%	25,970	17,227	8,743	8,743
Marion Pavonia Pool Project Loan Received 7/08/2005 - \$425,000 Due semi-annually until 2025 Bearing an interest rate of 2%	38,862	25,779	13,083	13,083
Multi-Park Loan Received 6/30/2009 - \$615,000 Due semi-annually until 2028 Bearing an interest rate of 2%	181,104	34,793	146,311	35,493
Montgomery Gateway Loan Received 6/30/2009 - \$50,000 Due semi-annually until 2028 Bearing an interest rate of 2%	14,724	2,828	11,896	2,886
Berry Lane Park Loan Received 6/30/2010 - \$130,000 Due semi-annually until 2029 Bearing an interest rate of 2%	41,906	7,283	34,623	7,429
	<u>\$ 323,087</u>	<u>\$ 103,967</u>	<u>\$ 219,120</u>	<u>\$ 72,098</u>

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 4. MUNICIPAL DEBT (continued)

The following table summarizes such loan activity for the year ended December 31, 2023 and the short term liability for each loan outstanding at year end:

2023 Summary of Green Trust Loans Activity				
Description	Balance Dec. 31, 2022	Decrease	Balance Dec. 31, 2023	Minimum Due in 2024
Apple Tree House Loan Received 7/07/2004 - \$235,894 Due semi-annually until 2024 Bearing an interest rate of 2%	\$ 21,571	\$ 14,309	\$ 7,262	\$ 7,262
Sgt. Anthony's Park Project Loan Received 7/08/2005 - \$145,000 Due semi-annually until 2025 Bearing an interest rate of 2%	21,881	8,622	13,259	8,795
Roberto Clemente Park Project Loan Received 7/08/2005 - \$284,000 Due semi-annually until 2025 Bearing an interest rate of 2%	42,856	16,886	25,970	17,227
Marion Pavonia Pool Project Loan Received 7/08/2005 - \$425,000 Due semi-annually until 2025 Bearing an interest rate of 2%	64,133	25,271	38,862	25,779
Multi-Park Loan Received 6/30/2009 - \$615,000 Due semi-annually until 2028 Bearing an interest rate of 2%	215,212	34,108	181,104	34,793
Montgomery Gateway Loan Received 6/30/2009 - \$50,000 Due semi-annually until 2028 Bearing an interest rate of 2%	17,497	2,773	14,724	2,828
Berry Lane Park Loan Received 6/30/2010 - \$130,000 Due semi-annually until 2029 Bearing an interest rate of 2%	49,044	7,138	41,906	7,283
	<u>\$ 432,194</u>	<u>\$ 109,107</u>	<u>\$ 323,087</u>	<u>\$ 103,967</u>

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 4. MUNICIPAL DEBT (continued)

DEBT SERVICE REQUIREMENTS TO MATURITY

The debt service requirements to maturity for City bonds and loans at December 31, 2024 are as follows:

Year	Total Bonded Obligations			Green Acres Loans		
	Total	Principal	Interest	Total	Principal	Interest
2025	\$ 38,526,016	\$ 25,785,000	\$ 12,741,016	\$ 75,990	\$ 72,098	\$ 3,892
2026	36,375,346	24,725,000	11,650,346	49,436	46,728	2,708
2027	36,304,656	25,715,000	10,589,656	49,436	47,667	1,769
2028	29,805,652	20,240,000	9,565,652	49,437	48,626	811
2029	29,767,559	21,147,000	8,620,559	4,041	4,001	40
2030-2034	119,662,713	89,165,000	30,497,713	-	-	-
2035-2039	93,054,111	80,886,000	12,168,111	-	-	-
2040-2044	22,394,350	20,274,000	2,120,350	-	-	-
2045-2049	1,645,156	1,430,000	215,156	-	-	-
2050-2051	660,000	640,000	20,000	-	-	-
	<u>\$408,195,559</u>	<u>\$310,007,000</u>	<u>\$ 98,188,559</u>	<u>\$ 228,340</u>	<u>\$ 219,120</u>	<u>\$ 9,220</u>

NOTES PAYABLE

Bond Anticipation Notes – The City issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year, but the notes may be renewed from time to time for a period not exceeding one year. Generally, such notes may be paid no later than the close of the tenth fiscal year next following the date of the original notes. The Division also prescribes that notes cannot be renewed past the third anniversary date of the original note unless an amount equal to at least the first legally required installment is paid prior to each anniversary date.

- **Various 2024 Capital Improvements** – On October 23, 2024, the City issued Bond Anticipation Notes in the amount of \$57,000,000 to fund costs of various improvements and acquisitions of the City, as authorized by Ordinance No. 24-047. Improvements authorized by this ordinance include improvements to Reservoir #3, general infrastructure improvements, Riverview Fisk retaining wall improvements, roadway improvements, building improvements, information technology improvements and the acquisition of various vehicles for the Departments of Public Works and Public Safety.
- **2023 Property Acquisition** – On July 14, 2023, the City issued Bond Anticipation Notes in the amount of \$17,200,000 to fund costs of various improvements and acquisitions of the City, as authorized by Ordinance No. 23-050. This ordinance provided for the acquisition of real property located at Block 9501, Lot 21, commonly known as 68-74 Sip Avenue.
- **West Campus Redevelopment** – On December 8, 2016, the City issued Bond Anticipation Notes in the amount of \$4,135,000 to fund costs associated with redevelopment of the West Campus Redevelopment Area, such as road construction, storm sewer improvements, sidewalks, benches, bins, landscaping, electric line excavation, traffic signal installation, road paving, the widening of Route 440 and the construction of sewers, water lines, storm sewers, catch basins, manholes and a pedestrian plaza and walkway, as authorized by Ordinance No. 16.106. Additional Bond Anticipation Notes were issued in connection with this project on December 6, 2018 in the amount of \$8,010,000. These notes were permanently financed through the issuance of bonds in 2023.

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 4. MUNICIPAL DEBT (continued)

- **Hurricane Sandy Recovery** – On December 12, 2013, the City issued Bond Anticipation Notes in the amount of \$10,000,000 to fund costs associated with efforts to recover, repair or replace streets, roads and other public property lost or damaged in Hurricane Sandy, as authorized by Ordinance No. 13.031. These notes were permanently financed through the issuance of bonds in 2023.
- **Various 2020 Capital Improvements** – On December 3, 2020, the City issued Bond Anticipation Notes in the amount of \$30,000,000 to fund costs of various improvements and acquisitions of the City, as authorized by Ordinance No. 20-082. These notes were permanently financed through the issuance of bonds in 2023.
- **Energy Savings Improvement Program** – On December 1, 2021, the City issued Bond Anticipation Notes in the amount of \$7,750,000 to fund costs associated with providing for the acquisition, installation and construction of various items of energy conservation, equipment and improvements, as authorized by Ordinance No. 21-050. These notes were permanently financed through the issuance of bonds in 2023.
- **Various 2022 Capital Improvements** – On October 27, 2022, the City issued Bond Anticipation Notes in the amount of \$124,450,000 to fund costs of various improvements and acquisitions of the City, as authorized by Ordinance No. 22-034.

The following is a schedule of bond anticipation note activity for the year ended December 31, 2024.

Ordinance Number	Original Issue:		Interest Rate %	Date of Maturity	Balance Dec. 31, 2023	Notes Issued	Notes Refunded	Balance Dec. 31, 2024
	Date	Amount						
Property Acquisition								
23-050	07/14/2023	\$ 17,200,000	5.00%	07/12/2024	\$ 17,200,000	\$ -	\$(17,200,000)	\$ -
23-050	07/14/2023	17,200,000	4.50%	07/10/2025	-	-	17,200,000	17,200,000
Various Improvements								
22-034	10/27/2022	124,450,000	5.000%	10/24/2024	124,450,000	-	(124,450,000)	-
22-034	10/27/2022	124,450,000	4.500%	10/22/2025	-	-	124,450,000	124,450,000
24-047	10/23/2024	57,000,000	4.500%	10/22/2025	-	57,000,000	-	57,000,000
					\$141,650,000	\$ 57,000,000	\$ -	\$198,650,000

The following is a schedule of bond anticipation note activity for the year ended December 31, 2023.

Ordinance Number	Original Issue:		Interest Rate %	Date of Maturity	Balance Dec. 31, 2022	Notes Issued	Notes Refunded	Paid Down	Bonds Issued	Balance Dec. 31, 2023
	Date	Amount								
Various Improvements										
20-082	12/03/2020	\$ 30,000,000	5.000%	10/26/2023	\$ 30,000,000	\$ -	\$ -	\$ -	\$ 30,000,000	\$ -
22-034	10/27/2022	124,450,000	5.000%	10/26/2023	124,450,000	-	(124,450,000)	-	-	-
22-034	10/27/2022	124,450,000	5.000%	10/24/2024	-	-	124,450,000	-	-	124,450,000
Energy Conservation Improvements										
21-050	12/01/2021	7,750,000	5.000%	10/26/2023	7,750,000	-	-	-	7,750,000	-
W. Campus Redevelopment										
16.106	12/08/2016	4,135,000	5.000%	10/26/2023	3,924,726	-	-	226	3,924,500	-
16.106	01/18/2018	8,010,000	5.000%	10/26/2023	7,705,821	-	-	71	7,705,750	-
Hurricane Sandy Recovery										
13.031/17.108	12/12/2013	8,717,417	5.000%	10/26/2023	1,878,983	-	-	233	1,878,750	-
Property Acquisition										
23-050	07/14/2023	17,200,000	5.00%	07/12/2024	-	17,200,000	-	-	-	17,200,000
					\$175,709,530	\$ 17,200,000	\$ -	\$ 530	\$ 51,259,000	\$141,650,000

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 4. MUNICIPAL DEBT (continued)

Tax Appeal Refunding Notes – Statutes allow the City to issue Tax Appeal Refunding Notes to finance the cost of paying back property tax refunds to taxpayers who have won their property tax levy assessment appeals.

- **2024 Tax Appeal Refunding** – On June 12, 2024 the City adopted Ordinance No. 24-034 in the amount of \$18,720,000 authorizing the issuance of refunding bonds or refunding notes to fund an emergency appropriation to fund the payment of tax appeal judgments and settlements with various City taxpayers, (ii) fund an emergency temporary appropriation to fund the payment of tax appeal judgments and settlements with various City taxpayers, including interest owed on such judgments and settlements, and (iii) pay costs associated with the issuance of refunding bonds and/or refunding notes. On July 11, 2024, the City issued Tax Appeal Refunding Notes in the amount of \$18,720,000, as authorized by the ordinance

The following is a schedule of tax appeal refunding note activity for the year ended December 31, 2024. There was tax appeal refunding note activity during the year ended December 31, 2023.

Ordinance Number	Original Issue:		Interest Rate %	Date of Maturity	Balance Dec. 31, 2023	Notes Issued	Balance Dec. 31, 2023
	Date	Amount					
Tax Appeal Settlements and Refunds							
24-034	07/11/2024	\$ 18,720,000	6.020%	07/10/2025	\$ -	\$ 18,720,000	\$ 18,720,000
					<u>\$ -</u>	<u>\$ 18,720,000</u>	<u>\$ 18,720,000</u>

Special Emergency Notes - Statutes allow the City to adopt ordinances authorizing special emergency appropriations for the carrying out of certain specific purposes, including the revaluation of real property and contractually required severance liabilities resulting from the layoff or retirement of employees. Statutes further provide for the borrowing of money and the issuance of Special Emergency Notes to finance such special emergency appropriations, which may be renewed from time to time, but at least 1/5 of all such notes, and the renewals thereof, shall mature and be paid in each year, so that all notes and renewals shall have matured and have been paid not later than the last day of the fifth year following the date of the emergency resolution. The following is a schedule of special emergency note activity for the year ended December 31, 2024.

Ordinance Number	Original Issue:		Interest Rate %	Date of Maturity	Balance Dec. 31, 2023	Notes Issued	Notes Refunded	Funded by Ordinance	Budget Appropriation	Balance Dec. 31, 2024
	Date	Amount								
Special Emergency Notes										
Contractual Severance Payments										
20-101	12/28/20	\$ 13,000,000	4.750%	10/22/25	\$ -	\$ -	\$ 2,600,000	\$ -	\$ -	\$ 2,600,000
20-101	12/28/20	13,000,000	6.000%	10/24/24	5,200,000	-	(2,600,000)	-	2,600,000	-
21-073	12/22/21	10,000,000	6.000%	10/24/24	6,000,000	-	(4,000,000)	-	2,000,000	-
21-073	12/22/21	10,000,000	4.750%	10/22/25	-	-	4,000,000	-	-	4,000,000
22-095	12/28/22	10,000,000	4.750%	10/22/25	-	-	6,000,000	-	-	6,000,000
22-095	12/28/22	10,000,000	6.000%	10/24/24	8,000,000	-	(6,000,000)	-	2,000,000	-
23-116	12/28/23	10,000,000	6.250%	07/12/24	10,000,000	-	(8,000,000)	-	2,000,000	-
23-116	12/28/23	10,000,000	5.750%	07/10/25	-	-	8,000,000	-	-	8,000,000
24-100	12/27/24	9,000,000	4.699%	07/10/25	-	9,000,000	-	-	-	9,000,000
COVID-19 Deficit (Federally Taxable)										
2021	07/14/23	45,926,247	6.000%	07/12/24	45,926,247	-	(34,444,685)	-	11,481,562	-
2021	07/14/23	45,926,247	5.750%	07/10/25	-	-	34,444,685	-	-	34,444,685
Emergency Notes										
Tax Appeals and General Liabilities										
R. 23-943	12/28/23	12/28/2023	6.250%	07/12/24	21,000,000	-	-	9,801,473	11,198,527	-
					<u>\$ 96,126,247</u>	<u>\$ 9,000,000</u>	<u>\$ -</u>	<u>\$ 9,801,473</u>	<u>\$ 31,280,089</u>	<u>\$ 64,044,685</u>

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 4. MUNICIPAL DEBT (continued)

The following is a schedule of special emergency note activity for the year ended December 31, 2023.

Ordinance Number	Original Issue: Date	Amount	Interest Rate %	Date of Maturity	Balance Dec. 31, 2022	Notes Issued	Notes Refunded	Budget Appropriation	Balance Dec. 31, 2023
Special Emergency Notes									
Contractual Severance Payments									
20-101	12/28/20	\$ 13,000,000	5.25%	10/26/23	\$ 7,800,000	\$ -	\$ (5,200,000)	\$ 2,600,000	\$ -
20-101	12/28/20	13,000,000	6.00%	10/24/24	-	-	5,200,000	-	5,200,000
18-114	12/06/18	14,500,000	5.25%	10/26/23	2,900,000	-	-	2,900,000	-
21-073	12/22/21	10,000,000	6.00%	10/24/24	-	-	6,000,000	-	6,000,000
21-073	12/22/21	10,000,000	5.25%	10/26/23	8,000,000	-	(6,000,000)	2,000,000	-
22-095	12/28/22	10,000,000	3.87%	10/02/23	10,000,000	-	(8,000,000)	2,000,000	-
22-095	12/28/22	10,000,000	6.00%	10/24/24	-	-	8,000,000	-	8,000,000
23-116	12/28/23	10,000,000	6.25%	07/12/24	-	10,000,000	-	-	10,000,000
COVID-19 Deficit (Federally Taxable)									
2021	07/14/23	45,926,247	6.00%	07/12/24	-	45,926,247	-	-	45,926,247
Emergency Notes									
Tax Appeals and General Liabilities									
R. 23-943	12/28/23	12/28/2023	6.25%	07/12/24	-	21,000,000	-	-	21,000,000
					<u>\$ 28,700,000</u>	<u>\$ 76,926,247</u>	<u>\$ -</u>	<u>\$ 9,500,000</u>	<u>\$ 96,126,247</u>

Contractual Severance Liabilities – The City has passed various special emergency appropriations for the purposes of funding contractually required severance liabilities resulting from the retirement of City employees as allowed by N.J.S.A. 40A:4-53h.

COVID-19 Deficit – The City incurred a deficit in operations in 2021 of \$92,939,388. Of this amount, \$35,531,579 was raised by taxation in the 2022 budget. The DLGS allowed for the remaining \$57,407,809 to be raised in five annual installments of \$11,481,562 from 2023 through 2027 on the basis of a COVID-19 Special Emergency. The City issued first issued notes pursuant to this deficit on July 14, 2023 in the amount of \$45,926,247.

Emergency for Tax Appeals and General Liabilities – On December 13, 2023, the city adopted Resolution No. 23-943 authorizing emergency appropriations totaling \$21,000,000 for tax appeals and general liabilities pursuant to N.J.S.A. 40A:4-46. The City first issued notes to finance this emergency on December 28, 2023.

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

At December 31, 2024 and 2023, the City has authorized but not issued bonds and notes of \$106,940,887, each year, in the General Capital Fund. The following activity relates to bonds and notes authorized but not issued that occurred during the years ended December 31, 2024:

	Total	General / Local	School	Water
Balance: December 31, 2023	\$ 106,940,887	\$ 105,353,629	\$ 1,587,258	\$ -
Add: Authorized	75,720,000	75,720,000	-	-
	182,660,887	181,073,629	1,587,258	-
Less: Notes Issued	75,720,000	75,720,000	-	-
Balance: December 31, 2024	<u>\$ 106,940,887</u>	<u>\$ 105,353,629</u>	<u>\$ 1,587,258</u>	<u>\$ -</u>

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 4. MUNICIPAL DEBT (continued)

The following activity relates to bonds and notes authorized but not issued that occurred during the years ended December 31, 2023:

	Total	General / Local	School	Water
Balance: December 31, 2022	\$ 91,940,887	\$ 90,353,629	\$ 1,587,258	\$ -
Add: Authorized	32,200,000	32,200,000	-	-
	124,140,887	122,553,629	1,587,258	-
Less: Bonds Issued	17,200,000	17,200,000	-	-
Balance: December 31, 2023	<u>\$ 106,940,887</u>	<u>\$ 105,353,629</u>	<u>\$ 1,587,258</u>	<u>\$ -</u>

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement. At December 31, 2024: Net Debt of \$604,059,566 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$49,915,947,809 = 1.210%.

	At December 31, 2024		
	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 60,237,258	\$ 60,237,258	\$ -
General Debt	1,310,702,850	706,643,284	604,059,566
	<u>\$ 1,370,940,108</u>	<u>\$ 766,880,542</u>	<u>\$ 604,059,566</u>

BORROWING POWER UNDER N.J.S.A. 40A:2-6 AS AMENDED

Three-Year Average Equalized Valuation	\$ 49,915,947,809
3 1/2 % of Equalized Valuation Basis	1,747,058,173
Net Debt	<u>604,059,566</u>
Excess Borrowing Power	<u>\$ 1,142,998,607</u>
Net Debt as a Percentage of Three-Year Average Equalized Valuation Basis:	1.210%

At December 31, 2023: Net Debt of \$553,443,533 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$48,444,549,134 = 1.142%.

	At December 31, 2023		
	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 61,257,258	\$ 61,257,258	\$ -
General Debt	1,172,263,501	618,819,968	553,443,533
	<u>\$ 1,233,520,759</u>	<u>\$ 680,077,226</u>	<u>\$ 553,443,533</u>

BORROWING POWER UNDER N.J.S.A. 40A:2-6 AS AMENDED

Three-Year Average Equalized Valuation	\$ 48,444,549,134
3 1/2 % of Equalized Valuation Basis	1,695,559,220
Net Debt	<u>553,443,533</u>
Excess Borrowing Power	<u>\$ 1,142,115,687</u>
Net Debt as a Percentage of Three-Year Average Equalized Valuation Basis:	1.142%

Equalized valuation basis is the average of the equalized valuations of real estate, including improvements, and the assessed valuation of class II Railroad Property of the County for the last 3 preceding years.

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 4. MUNICIPAL DEBT (continued)

CITY-GUARANTEE OF OTHER PUBLIC BODY DEBT

The City has entered into Water and Sewer Service Contracts with the Jersey City Municipal Utilities Authority (MUA), part of which calls for the City to fund any deficiency in debt principal and interest. The City has also entered into a Subsidy Agreement with the Jersey City Redevelopment Agency (JCRA) providing for similar guarantees. The payments are payable from, if funds not otherwise available, ad valorem taxes upon all the taxable real property of the City. The amount of debt guaranteed by the City on behalf of the JCRA and MUA as of December 31, 2024 and 2023 is as follows:

	2024	2023		2024	2023
Debt of the JCMUA Guaranteed by the City:			Debt of the JCMUA Guaranteed by the City:		
Water Revenue Bonds, Series 2003	\$ 12,970,000	\$ 16,855,000	Sewer NJIB Bonds, Series 2015A-2	\$ 7,222,425	\$ 7,840,372
Water NJIB Bonds, Series 2007	1,815,587	2,495,537	Sewer NJIB Bonds, Series 2018 A-2	3,525,469	3,771,347
Water NJIB Bonds, Series 2008	38,000	47,000	Sewer NJIB Bonds, Series 2021A-1 (15/20)	27,925,025	28,956,372
Water NJIB Bonds, Series 2010	2,888,899	3,450,480	Sewer NJIB Bonds, Series 2021A-1 (28/31/34)	9,491,143	9,818,302
Water NJIB Bonds Series 2013	5,924,812	6,658,404	Sewer NJIB Bonds, Series 2021A-2 (33)	7,015,953	7,220,803
Water NJIB Bonds, Series 2015A-1	367,108	486,143	Sewer NJIB Bonds, Series 2022	-	3,160,244
Water NJIB Bonds, Series 2016A-1	3,243,511	3,539,319	Sewer NJIB Bonds, Series 2020	-	106,930,693
Water Project Notes, Series 2023B	-	50,000,000	Sewer Construction Loan 2024 NJIB S340928-3	13,027,088	-
Water Revenue Refunding Bonds, Series 2020	2,660,000	3,505,000	Sewer Revenue Refunding Bonds, Series 2020	13,515,000	15,320,000
Water Bonds, Series 2022A-1	9,193,901	9,450,527	Sewer NJIB Bonds, Series 2023A	-	1,285,000
Water NJIB Bonds, Series 2020-09	-	2,742,574	Sewer NJIB Bonds, Series 2023A-1	12,788,065	11,684,996
Water NJIB Bonds, Series 2020-25	-	24,752,475	Sewer Project Notes, Series 2023A	-	80,000,000
Water Construction Loan 2023-35	20,853,889	11,094,575	Sewer Project Notes, Series 2024B	80,000,000	-
JCMUA Construction Loan - 24	5,609,860	-	Sewer NJIB Bonds, Series 2024A	98703250	-
Water NJIB Bonds, Series 2023A	21,210,973	3,195,000	Sewer NJIB Bonds, Series 2024A	2781184	-
Water NJIB Bonds, Series 2023C	-	18,214,524	Total JCMUA Debt Guaranteed by City	538,338,101	445,949,785
Water NJIB Bonds, Series 2024A-W1/C-W1	29,043,606	-			
Water Revenue Bonds, Series 2024C	50,000,000	-	Debt of JCRA Guaranteed by City		
Water Franchise Revenue Bonds, Series 2024D	35,000,000	-	Project Note: Series 2024 Pathside Redevel.	9,245,000	-
Water Project Notes, Series 2024A	25,000,000	-	Project Note: Series 2023 Pathside Redevel.	-	9,495,000
Water Project Notes, Series 2024E	25,000,000	-	Bayfront Revenue Bonds, Series 2022	54,135,000	54,135,000
Sewer NJIB Bonds, Series 2007	1,239,813	1,903,783	Bayfront Revenue Bonds, Series 2022A	-	52,370,000
Sewer NJIB Bonds, Series 2010 ARRA	701,300	829,558	Bayfront Revenue Bonds, Series 2024A	59,980,000	-
Sewer NJIB Bonds, Series 2010 Supp A	79,000	92,000	Bayfront Revenue Bonds, Series 2024B	9,625,000	-
Sewer NJIB Bonds, Series 2010 Supp B	1,072,820	1,257,525	Bayfront Revenue Bonds, Series 2023	7,500,000	7,500,000
Sewer NJIB Bonds, Series 2012	175,633	267,553	Bayfront Project Note, Series 2023B (Taxable)	-	9,570,000
Sewer NJIB Bonds, Series 2013	2,060,715	2,311,429	Bayfront Project Note, Series 2023A (Tax Exem)	-	7,930,000
Sewer NJIB Bonds, Series 2014	3,650,518	4,029,841	Special Assessment Bonds, Series 2020	2,275,000	2,435,000
Sewer NJIB Bonds, Series 2015A-1	2,543,554	2,783,409	Total JCRA Debt Guaranteed by City	142,760,000	143,435,000
				\$ 681,098,101	\$ 589,384,785

NOTE 5. FUND BALANCES APPROPRIATED

Fund balance of the City consists of cash surplus and non-cash surplus. The City can anticipate fund balance to support its budget of the succeeding year, however, the use of non-cash surplus is subject to the prior written consent of the Division. Fund balances at December 31, 2024 and 2023 which were appropriated and included as anticipated revenue in the current fund budget of the succeeding year were as follows:

	Fund Balance Dec. 31, 2024	Utilized in 2025 Budget	Fund Balance Dec. 31, 2023	Utilized in 2024 Budget
Current Fund				
Cash Surplus	\$ 17,846,694	\$ 27,929,353	\$ 19,460,649	\$ 38,355,725
Non-Cash Surplus	14,747,490	-	19,653,368	-
	<u>\$ 32,594,184</u>	<u>\$ 27,929,353</u>	<u>\$ 39,114,017</u>	<u>\$ 38,355,725</u>
Capital Fund	<u>\$ 2,621,721</u>	<u>\$ -</u>	<u>\$ 9,626,292</u>	<u>\$ 9,626,290</u>

DECEMBER 31, 2024 AND 2023

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION

Substantially all City employees participate in the Consolidated Police and Fireman's Pension Fund (CPFPPF), Public Employees Retirement System (PERS), Police and Fireman's Retirement System of New Jersey (PFRS) or the Defined Contribution Retirement Program (DCRP), all of which are multiple employer plans sponsored and administered by the State of New Jersey, with the exception of the CPFPPF, which is a single employer plan. The CPFPPF, PERS and PFRS are cost sharing contributory defined benefit public employee retirement systems. The DCRP is a defined contribution plan. In addition, certain employees participate in the Employees' Retirement System of the City of Jersey City (JCERS) and the City's Deferred Compensation Plan.

STATE-MANAGED PENSION PLANS – CPFPPF

The Consolidated Police and Fireman's Pension Fund (CPFPPF) is a single employer contributory defined benefit plan which was established on January 1, 1952, under the provisions of N.J.S.A. 43:16 to provide retirement, death and disability benefits to county and municipal police and firemen who were appointed prior to July 1, 1944. The fund is a closed system with no active member and therefore no base payroll. The City currently only makes contributions for its retirees who are enrolled in this pension fund. During the years ended December 31, 2024, 2023 and 2022, the City made no contributions to the fund.

STATE-MANAGED PENSION PLANS – PERS

Plan Description and Eligibility - The PERS was established in January, 1955 under provisions of N.J.S.A. 43:15A and provides retirement, death, disability and post-retirement medical benefits to certain qualifying Plan members and beneficiaries. Membership is mandatory to substantially all full time employees and vesting occurs after 8 to 10 years of service for pension benefits. Significant modifications to enrollment, benefits and eligibility for benefits under the plan were made in 2007, 2008, 2010 and 2011. These changes resulted in various "tiers" which distinguish period of eligibility for enrollment. The delineation of these tiers is as follows:

- Tier 1: Employees enrolled before July 1, 2007.
- Tier 2: Employees eligible for enrollment after June 30, 2007 but before November 2, 2008.
- Tier 3: Employees eligible for enrollment after November 1, 2008 but before May 22, 2010.
- Tier 4: Employees eligible for enrollment after May 21, 2010 but before June 28, 2011.
- Tier 5: Employees eligible for enrollment after June 27, 2011.

Tier 1 and 2 employees must earn a base salary of \$1,500 or more to enroll in the plan. Pensionable salaries are limited to the IRS maximum salary compensation limits for Tier 1 employees and social security maximum wage for Tier 2 employees. Tier 2 employees earning over the social security maximum wage are eligible to participate in DCRP for the excess amount. Tier 3 employees must earn a base salary that is annually adjusted. For the fiscal year ended December 31, 2024 and 2023 this base salary amount was \$9,300 and \$9,000, respectively. Employees earning between \$5,000 and the Tier 3 minimum base salary are eligible for participation in DCRP. Pensionable salaries are limited to the social security maximum wage. Employees earning over the social security maximum wage are eligible to participate in DCRP for the excess amount. Tier 4 and 5 employees do not have a minimum salary requirement to enroll, but must work a minimum of 32 hours per week. Employees not meeting the minimum hour requirement but that make over \$5,000 are eligible to enroll in DCRP. Pensionable salaries are limited to the social security maximum wage. Employees earning over the social security maximum wage are eligible to participate in DCRP for the excess amount.

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

Plan Benefits - Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier. Each of the 5 Tiers have eligibility requirements and benefit calculations which vary for deferred retirements, early retirements, veteran retirements, ordinary disability retirements and accidental disability retirements. There is no minimum service requirement to receive these pension benefits. State-paid insurance coverage may be obtained after 25 years of service for employees in Tiers 1 through 4 and 30 years of service for Tier 5 employees.

Contributions and Liability - The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and their employers. Such contributions may be amended by State legislation. Employers' contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and non-contributory death benefits. The employee contributions include funding for basic retirement allowances and contributory death benefits. Contributions made by the City and its employees for the previous three years are as follows:

Year Ended December 31,	City Contribution		Base Wages Subject to Contributions	Employee Contributions	
	Amount Paid or Charged	As a Percentage of Base Wages		As a Percentage of Base Wages	Amount Contributed
2024	\$ 5,758,948	16.8%	\$ 34,327,473	7.50%	\$ 2,575,577
2023	5,209,116	16.3%	31,911,317	7.50%	2,393,875
2022	5,375,603	17.0%	31,535,466	7.50%	2,370,332

At June 30, 2024 and 2023, the City's net pension liability for PERS, including the City's proportionate share, was as follows:

Year Ended June 30,	Proportionate Share		Net Pension Liability
	Rate	Change	
2024	0.40579%	-0.01844%	\$ 55,139,125
2023	0.42423%	0.02029%	\$ 61,214,279

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the City's proportionate share of the net pension liability of the as of June 30, 2024 and 2023, calculated using the discount rate as disclosed in the table and paragraphs that follow as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% lower or 1% higher than the current rate:

At:	2024		2023	
	Rate	Amount	Rate	Amount
1% Decrease	6.00%	\$ 73,266,341	6.00%	\$ 79,687,967
Current Discount Rate	7.00%	55,139,125	7.00%	61,214,279
1% Increase	8.00%	39,712,964	8.00%	45,490,728

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

Actuarial Assumptions - The total pension liability for the June 30, 2024 and June 30, 2023 measurement dates were determined by actuarial valuations as of July 1, 2023 and 2022, respectively, which were rolled forward to June 30, 2023 and 2022, respectively. These actuarial valuations used the following actuarial assumptions, applied to all periods in the measurement:

Measurement Date	Inflation Rate		Salary Increases Based on Years of Service	Investment Rate of Return
	Price	Wage		
June 30, 2024	2.75%	3.25%	2.75-6.55%	7.00%
June 30, 2023	2.75%	3.25%	2.75-6.55%	7.00%

Discount Rate – The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024 and 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024 and June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS target asset allocations as of June 30, 2024 and 2023 are summarized in the following table:

Asset Class	June 30, 2024		June 30, 2023	
	Target Allocation	Long-Term Expected Rate of Return	Target Allocation	Long-Term Expected Rate of Return
U.S. Equity	28.00%	8.63%	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	8.85%	12.75%	9.22%
International Small Cap Equity	1.25%	8.85%	1.25%	9.22%
Emerging Markets Equity	5.50%	10.66%	5.50%	11.13%
Private Equity	13.00%	12.40%	13.00%	12.50%
Real Estate	8.00%	10.95%	8.00%	8.58%
Real Assets	3.00%	8.20%	3.00%	8.40%
High Yield	4.50%	6.74%	4.50%	6.97%
Private Credit	8.00%	8.90%	8.00%	9.20%
Investment Grade Credit	7.00%	5.37%	7.00%	5.19%
Cash Equivalents	2.00%	3.57%	2.00%	3.31%
U.S. Treasuries	4.00%	3.57%	4.00%	3.31%
Risk Mitigation Strategies	3.00%	7.10%	3.00%	6.21%

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

Mortality – For the June 30, 2024 and 2023 Measurement Dates, preretirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021. The actuarial assumptions used in the July 1, 2023 and 2022 valuations were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Deferred Outflows and Inflows of Resources - The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources for the years ended June 30, 2024 and 2023:

	June 30, 2024			June 30, 2023		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflow / (Inflow)	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflow / (Inflow)
Changes of Assumptions	\$ 68,500	\$ 627,356	\$ (558,856)	\$ 134,475	\$ 3,709,848	\$ (3,575,373)
Difference Between Expected and Actual Experience	1,104,538	146,796	957,742	585,287	250,224	335,063
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	2,556,650	(2,556,650)	281,900	-	281,900
Changes in Proportion	1,940,303	2,468,280	(527,977)	3,010,639	836,716	2,173,923
	<u>\$ 3,113,341</u>	<u>\$ 5,799,082</u>	<u>\$ (2,685,741)</u>	<u>\$ 4,012,301</u>	<u>\$ 4,796,788</u>	<u>\$ (784,487)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Amount	Year Ended June 30,	Amount
2025	\$ (2,331,844)	2024	\$ (3,779,337)
2026	2,133,623	2025	(923,839)
2027	(1,097,926)	2026	3,541,628
2028	(1,341,023)	2027	310,079
2029	(48,570)	2028	66,982
	<u>\$ (2,685,741)</u>		<u>\$ (784,487)</u>

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

STATE-MANAGED PENSION PLANS – PFRS

Plan Description and Eligibility - The PFRS was established in July, 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firefighters and state police appointed after June 30, 1944. Membership is mandatory for such employees with vesting occurring after 10 years of membership. Significant modifications to enrollment, benefits and eligibility for benefits under the plan were made in 2010 and 2011. These changes resulted in various “tiers” which distinguish period of eligibility for enrollment. The delineation of these tiers is noted as follows:

- Tier 1: Employees enrolled before May 22, 2010.
- Tier 2: Employees enrolled after May 21, 2010 but before June 29, 2011.
- Tier 3: Employees enrolled after June 28, 2011.

There is no minimum salary requirement to enroll, regardless of tier. Pensionable salaries are limited to the social security maximum wage for Tier 2 and 3 employees and federal pensionable maximum for Tier 1 employees. Employees earning over the social security maximum wage are eligible to participate in DCRP for the excess amount.

Plan Benefits - Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Contributions and Liability - The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and their employers. Such contributions may be amended by State legislation. Employers’ contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. The annual employer contributions include funding for basic retirement allowances and non-contributory death benefits. The employee contributions include funding for basic retirement allowances and contributory death benefits. Contributions made by the City and its employees for the previous three years are as follows:

Year Ended December 31,	City Contribution		Base Wages Subject to Contributions	Employee Contributions	
	Amount Paid or Charged	As a Percentage of Base Wages		As a Percentage of Base Wages	Amount Contributed
2024	\$ 61,634,767	36.8%	\$ 167,442,064	10.00%	\$ 16,750,359
2023	59,036,271	36.1%	163,512,650	10.00%	16,351,377
2022	52,355,604	32.6%	160,723,104	10.00%	16,082,034

Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001.

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

The amounts contributed on behalf of the City under this legislation are considered to be a special funding situation. As such, the State is treated as a non-employer contributing entity. Since the City does not contribute under this legislation directly to the plan (except for employer specified financed amounts), there is no net pension liability to report in the financial statements of the City related to this legislation. However, the notes to the financial statements of the City must disclose the portion of the State's total proportionate share of the collective net pension liability that is associated with the City. At June 30, 2024 and 20223 the City's net pension liability for PFRS, including the special funding situation described above and changes in the City's proportionate share, was as follows:

Year Ended June 30,	Unit	City (employer)		State of N.J. (nonemployer)		
		Proportionate Share		Net Pension	On-Behalf	Total
		Rate	Change	Liability	of City	
2024	Police	2.43188%	-0.06271%	\$ 251,130,461	\$ 49,509,834	\$ 300,640,295
2024	Fire	1.94528%	-0.02459%	200,881,772	39,603,412	240,485,184
2024	Total		*	<u>\$ 452,012,233</u>	<u>\$ 89,113,246</u>	<u>\$ 541,125,479</u>
2023	Police	2.49459%	0.06044%	\$ 275,622,047	\$ 50,786,567	\$ 326,408,614
2023	Fire	1.96988%	0.04684%	217,647,574	40,104,097	257,751,671
2023	Total	*	*	<u>\$ 493,269,621</u>	<u>\$ 90,890,664</u>	<u>\$ 584,160,285</u>

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the City's proportionate share of the net pension liability as of June 30, 2024 and 2023, calculated using discount rates of 7.00%, each year, as well the City's proportionate share of the net pension liability if calculated using discount rates that are 1% lower or 1% higher than the current rate:

At:	2024		2023	
	Rate	Amount	Rate	Amount
1% Decrease	6.00%	\$ 704,773,683	6.00%	\$ 687,284,843
Current Discount Rate	7.00%	493,269,621	7.00%	493,269,621
1% Increase	8.00%	317,134,547	8.00%	331,701,296

Actuarial Assumptions -The total pension liability for the June 30, 2024 and June 30, 2023 measurement dates were determined by actuarial valuations as of July 1, 2023 and 2022, respectively, which were rolled forward to June 30, 2024 and 2023, respectively. These actuarial valuations used the following actuarial assumptions:

Measurement Date	Inflation Rate		Salary Increases Based on Years of Service	Investment Rate of Return
	Price	Wage		
June 30, 2024	2.75%	3.25%	3.25-16.25%	7.00%
June 30, 2023	2.75%	3.25%	3.25-16.25%	7.00%

Mortality – For the June 30, 2024 measurement date, employee mortality rates were based on the Pub-2010 Safety Employee amount-weighted mortality table (sex-specific) projected generationally from 2010 with Scale MP-2021 mortality projection. For healthy annuitants, mortality rates were based on the Pub-2010 Safety Retiree Below Median amount-weighted mortality table (sex-specific), projected generationally from 2010 with Scale MP-2021 mortality projection. Disability rates were 144% of the Pub-2010 Safety Disabled Retiree amount-weighted mortality table for males and 100% of the Pub-2010 Safety Disabled Retiree amount-weighted mortality table for females, projected generationally from 2010 with Scale MP-2021 mortality projection. The actuarial assumptions used in the July 1, 2023 valuation was based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

For the June 30, 2023 measurement dates, employee mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021. The actuarial assumptions used in the July 1, 2022 valuation was based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024 and 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on these assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024 and June 30, 2023) is determined by the State Treasurer, after consultation with the PFRS Board of Trustees, and the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS target asset allocations as of June 30, 2024 and 2023 are summarized in the following table:

Asset Class	June 30, 2024		June 30, 2023	
	Target Allocation	Long-Term Expected Rate of Return	Target Allocation	Long-Term Expected Rate of Return
U.S. Large Cap Equity	24.00%	6.90%	*	*
Private Equity	10.00%	10.10%	13.00%	12.50%
Non-U.S. Developed Large Cap Equity	9.50%	6.70%	*	*
Private Debt/Credit	8.00%	9.10%	8.00%	9.20%
U.S. Treasury Bond	7.00%	4.10%	4.00%	3.31%
Emerging Markets Large Cap Equity	6.00%	9.60%	*	*
Global Multisector Fixed Income	6.00%	6.50%	*	*
U.S. Corporate Bond	5.00%	5.90%	*	*
U.S. Mortgage-Backed Securities	5.00%	4.40%	*	*
Real Estate Non-Core	4.00%	6.50%	*	*
U.S. Small/Mid Cap Equity	4.00%	7.40%	*	*
Infrastructure	3.00%	7.00%	*	*
Real Estate Core	3.00%	5.10%	*	*
Cash Equivalents	2.00%	3.40%	2.00%	3.31%
Non-U.S. Developed Small Cap Equity	2.00%	7.50%	*	*
Emerging Markets Small Cap Equity	1.50%	9.60%	*	*
Emerging Markets Equity	*	*	5.50%	11.13%
High Yield	*	*	4.50%	6.97%
International Small Cap Equity	*	*	1.25%	9.22%
Investment Grade Credit	*	*	7.00%	5.19%
Non-U.S. Developed Markets Equity	*	*	12.75%	9.22%
Real Assets	*	*	3.00%	8.40%
Real Estate	*	*	8.00%	8.58%
Risk Mitigation Strategies	*	*	3.00%	6.21%
U.S. Equity	*	*	28.00%	8.98%

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

Deferred Outflows and Inflows of Resources - The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the years ended June 30, 2024 and 2023:

	June 30, 2024			June 30, 2023		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflow / (Inflow)	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflow / (Inflow)
Changes of Assumptions	\$ 714,547	\$ 13,274,853	\$ (12,560,306)	\$ 1,064,651	\$ 33,307,516	\$ (32,242,865)
Difference Between Expected and Actual Experience	28,476,419	15,474,372	13,002,047	21,120,816	23,524,585	(2,403,769)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	3,537,819	(3,537,819)	25,121,291	-	25,121,291
Changes in Proportion	19,455,312	10,728,863	8,726,449	26,206,852	9,829,425	16,377,427
	<u>\$ 48,646,278</u>	<u>\$ 43,015,907</u>	<u>\$ 5,630,371</u>	<u>\$ 73,513,610</u>	<u>\$ 66,661,526</u>	<u>\$ 6,852,084</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

As of June 30, 2024		As of June 30, 2023	
Year Ended June 30,	Amount	Year Ended June 30,	Amount
2025	\$ (17,410,986)	2024	\$ (17,872,212)
2026	27,824,500	2025	(12,305,574)
2027	(4,608,331)	2026	32,929,913
2028	(1,923,627)	2027	497,081
2029	1,639,187	2028	3,181,785
Thereafter	109,629	Thereafter	421,092
	<u>\$ 5,630,371</u>		<u>\$ 6,852,084</u>

STATE-MANAGED PENSION PLANS - GENERAL

The State established and administers the Supplemental Annuity Collective Trust Fund (SACT) and Pension Adjustment Fund (PAF). The SACT is available to active members of several State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The State or local government employers do not appropriate funds to SACT. The PAF provides cost of living increases, equal to 60 percent of the change in the average consumer price index, to eligible retirees in all State-sponsored pension systems except SACT. The cost of living increases for PFRS and PERS are funded directly by each of the respective systems and are considered in the annual actuarial calculation of the required State contribution for that system.

According to state statutes, all obligations of PERS and PFRS will be assumed by the State of New Jersey should the PERS and PFRS be terminated.

PERS and PFRS Fiduciary Net Position - The State of New Jersey issues publicly available financial reports that include the financial statements, required supplementary information and detailed information about the fiduciary net position of the PERS and PFRS. These financial statements were prepared in accordance with accounting principles generally accepted in the United States. This report may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295 or accessed at www.state.nj.us/treasury/pensions.

CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

STATE-MANAGED PENSION PLANS – PENSION DEFERRAL

Legislation, known as Chapter 19 of the Public Laws of 2009 (P.L. 2009, c. 19), was enacted and effective on March 17, 2009 allowing for an adjustment in the contributions that local employers, such as the City, must make to the PERS and PFRS during the year ended June 30, 2009. Under this legislation, local governments were given the option to defer exactly 50% of their required pension contribution as certified by the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits or pay the full amount of the required contribution for the year ended June 30, 2009. The City elected the 50% deferral, totaling \$14,826,590, consisting of \$14,129,001 for PFRS and \$697,589 for PERS. Under the terms of the pension deferral, the City is obligated to repay the entire deferral in 15 amortized annual installments starting April 1, 2012 and ending April 1, 2026. These payments will be added to the regular pension bills. In 2016, the City dissolved the Jersey City Incinerator Authority, and therefore assumed its share of pension deferral obligations.

The amount of the deferral paid during the years ended December 31, 2024 and 2023, as well as the short term liability of the deferral, are as noted below:

	Combined Interest and Principal		
	Paid During Year Ended Dec. 31,		Due April 1,
	2024	2023	2025
PERS	\$ 151,354	\$ 150,107	\$ 152,581
PFRS	2,179,576	2,149,310	2,197,430
Total	<u>\$ 2,330,930</u>	<u>\$ 2,299,417</u>	<u>\$ 2,350,011</u>

DEFINED CONTRIBUTION RETIREMENT PROGRAM

The Defined Contribution Retirement Program (the “DCRP”), was established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. It provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Individuals eligible for membership in the DCRP include (a) state or local officials elected or appointed on or after July 1, 2007, (b) employees enrolled in PERS on or after July 1, 2007 or PFRS after May 21, 2010 who earn salary in excess of established maximum compensation limits and (c) employees otherwise eligible for PERS on or after November 2, 2008 or PFRS after May 21, 2010 that do not earn below the minimum PFRS or PERS salary but more than \$5,000 annually. Participation in DCRP can be irrevocably waived if an official earns less than \$5,000. Vesting occurs upon commencement of the third year of membership. Should the vesting period not be reached, contributions will be refunded to the appropriate contributing parties. Employer matching contributions and earnings are only available after the age of 55. Distributions render the member retired and ineligible for future participation in any State-administered plans. Otherwise, distributions are available at any time as lump sum, fixed term or life annuity.

Members are covered by employer-paid life insurance in the amount of 1 ½ times the annual base salary on which DCRP contributions was based. Members are also eligible for employer-paid long-term disability coverage after one year of participation. Eligibility occurs after six consecutive months of total disability. Members would receive a regular monthly income benefit up to 60% of the base salary on which DCRP contributions were based during the 12 months preceding the onset of the disability, offset by any other periodic benefit the member may be receiving. Benefits will be paid until the age of 70 so long as the member remains disabled and has not begun receiving retirement annuity payments.

DCRP activity for the years previous three years were as follows:

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

Year Ended Dec. 31,	Employee Contributions		City Contributions	
	Estimated Amount	As a Percentage of Base Payroll	Amount	As a Percentage of Base Payroll
2024	\$ 278,428	5.50%	\$ 151,870	3.00%
2023	234,417	5.50%	127,864	3.00%
2022	155,562	5.50%	84,852	3.00%

EMPLOYEES' RETIREMENT SYSTEM OF JERSEY CITY

The Employees' Retirement System of Jersey City (JCERS) became effective February 22, 1965, under N.J.S.A. 43:13-22.50, et seq. Legislation was approved amending the JCERS on May 9, 1990, effective June 1, 1990 and August 19, 1996 to revise the retirement and survivorship benefits payable to retirees and beneficiaries. Legislation in 2003 (Chapter 167, P.L. 2003) increased retirement allowances to 100% of CPI increases, replacing the previous 60%. Finally, Chapter 247, P.L. 2005 decreased the early retirement factor from 2/12 of 1% to 1/12 of 1% per month for retirees prior to the age of 60. The following plan description reflects these amendments. Under Chapter 282, P.L. 2013, legislation amends Section 43:13-22.73 to decrease retirants' Cost of Living Adjustments from 100% to 50% of the percentum of change in the Department of Labor's Consumer Price Index, which is assumed to increase at 3% per year.

Plan Members - The number of plan members at January 1, 2024 and 2023 was as follows:

	2024	Expected Remaining Years of Service	2023	Expected Remaining Years of Service
Inactive plan members or beneficiaries currently receiving	444	-	444	-
Inactive members entitled to but not yet receiving benefits	29	-	29	-
Former members with account balances still payable from the plan	270 *	8,140.53	270 *	8,416.07
Active plan members	695 *	8,140.53	695 *	8,416.07
	<u>1,438</u>		<u>1,438</u>	

Plan Description - The Plan is a single employer defined benefit pension plan covering certain employees of the City. Employees who were members of the former pension system (other than police, fire and Board of Education employees) hired after February 22, 1965, and under age 40 at the date of employment must become members of the Plan. In addition, temporary employees hired after October 7, 1984, with one year's continuous service, and under age 40 at the date of employment, must also become members of the Plan. Employees of the City who are not eligible to become members of the Plan are covered under the Public Employees' Retirement System which is managed by the State of New Jersey. The activities of the JCERS are administered by a Pension Commission, which consists of the Mayor, Chief Financial Officer, two elected employee representatives, and one appointed citizen member. UBS and Trust Company of the West are designated custodians of the Plan's investments.

The JCERS has an actuarial valuation performed bi-annually as required by GASB. The most recent actuarial position of the JCERS was conducted as of January 1, 2024. Such valuations provide a basis for determining the contributions payable by the City.

The JCERS issues publicly available financial reports that include the financial statements and required supplementary information of the system. The financial report may be obtained by writing to the City Clerk, City of Jersey City, 280 Grove Street, Jersey City, NJ 07302.

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

Funding Policy - The JCERS is supported by joint contributions of its members and of the City. Each member, on the effective date of the system, is required to contribute 6% to 8.5% of gross payroll. The contribution percentage varies with the member's age at the time of appointment. Each active member, who became a member after the effective date of the Plan, is required to contribute from 6.2% to 10.15% of their salary. The contribution percentage varies with the member's age on the date of entry to the Plan. Although it has not expressed any intention to do so, the City has the right to discontinue its contributions to the JCERS at any time and to terminate the JCERS subject to legislation.

Year Ended December 31,	City Contribution		Base Wages Subject to Covered Payroll		Employee Contributions	
	Amount Paid or Charged	As a Percentage of Covered Payroll			As a Percentage of Covered Payroll	Amount Contributed
2024	\$ 13,776,663	32.7%	\$ 42,172,578	A	7.2%	\$ 3,039,835
2023	\$ 12,956,624	32.4%	\$ 40,051,342	B	7.6%	\$ 3,039,835
2022	\$ 12,640,609	31.6%	\$ 40,051,342	B	7.1%	\$ 2,850,200

A - Covered payroll at January 1, 2024.

B - Covered payroll at January 1, 2022.

Pension Benefits - For the purpose of this section "final salary" for benefit purposes is to be defined as the average annual salary during the member's final 3 years of service or for any 3 fiscal years of membership providing the largest possible benefit to the member or beneficiary. Final Salary for employees hired after January 17, 2014 is changed to be the average annual compensation for any five fiscal years of membership providing the largest benefit.

Pension benefits partially vest after 10 years of credited service. If a member has completed 10 years of credited service, and is separated from service either voluntarily or involuntarily, prior to age 60 (65 for employees hired after January 17, 2014), the member may elect to receive a lump- sum distribution of their own contributions, or to receive a deferred pension commencing at age 60 (65 for employees hired after January 17, 2014). The deferred pension is equal to 50% of the member's final salary multiplied by the ratio of years of credited service to years of credited service which would have been attained had the member continued to age 60 (65 for employees hired after January 17, 2014). The minimum annual pension is \$3,600.

On August 19, 1996, the Plan was amended. Participants are eligible to receive normal retirement benefits upon completion of 20 years (25 years for employees hired after January 17, 2014) of service and attainment of age 60 (age 65 for employees hired after January 17, 2014). Benefits under the Plan are calculated on the basis of 55% of final salary, plus 1% of the final salary for each year in excess of 20 (25 years for employees hired after January 17, 2014) years.

Participants are eligible for retirement benefits upon attaining age 60 (65 for employees hired after January 17, 2014) with less than 20 (25 years for employees hired after January 17, 2014) years of service. Benefits under the Plan are calculated on the basis of 2% of the retirant's final salary for each year of creditable service.

For members electing early retirement, prior to age 60 (65 for employees hired after January 17, 2014), with 25 (30 years for employees hired after January 17, 2014) years of credited service, benefits under the Plan equal 55% of final salary reduced by 1/12 of 1% for each month that the member is less than age 60 (3/12 of 1% for each month that the member is less than age 65 for employees hired after January 17, 2014). The minimum annual pension is \$3,600.

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

Disability and Death Benefits - Any member who has 5 or more years of creditable service and has become permanently disabled may retire on a disability pension computed on the basis of 50% of their final salary plus 1% for each year of creditable service in excess of 20 years. Any member who becomes permanently disabled as a result of the performance of their regular duties during employment may retire on a disability pension. The pension is equal to two-thirds of final salary.

In the event of the member's death, there is a survivorship benefit to the member's surviving spouse of 50% of the member's final salary provided the member was employed by the City for a period of five years. In the case of no surviving spouse, other dependents receive a benefit to a lesser extent. Death of a retirant will result in the surviving spouse, minor children or dependent parents, receiving a survivorship benefit equal to 50% of the retirant's pension at retirement, not less than \$3,600.

Net Pension Liability - The components of the net pension liability as of December 31, 2024 and 2023 are as follows:

	As of December 31,	
	2024	2023
Total Pension Liability	\$ 314,853,747	\$ 296,500,702
Plan Fiduciary Net Position	177,384,000	161,187,446
City's Net Pension Liability	<u>\$ 137,469,747</u>	<u>\$ 135,313,256</u>
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	56.3%	54.4%
Net Pension Liability as a Percentage of Covered Payroll	326% **	338%
**Based on covered payroll of \$42,172,578 at January 1, 2024.		
*Based on covered payroll of \$40,051,342 at January 1, 2022.		

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability, calculated using the discount rate of 7.40%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1- percentage-point higher than the current rate:

	2024		2023	
	Rate	Amount	Rate	Amount
Net Pension Liability At:				
1% Decrease	6.40%	\$ 175,193,559	6.40%	\$ 171,220,280
Current Discount Rate	7.40%	137,469,747	7.40%	135,313,256
1% Increase	8.40%	106,066,563	8.40%	105,438,894

Actuarial Assumptions - The total pension liability as of December 31, 2024 was determined by use of update procedures to roll forward the Plan's total pension liability as of January 1, 2024 to December 31, 2024. The total pension liability as of December 31, 2023 was determined by use of update procedures to roll forward the Plan's total pension liability as of December 31, 2022 to December 31, 2023. Total pension liability for both years was calculated using the actuarial cost method "entry age normal, level percentage of pay" and an inflation rate of 3.00% per annum, applied to all periods included in the measurement.

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

Additional assumptions applied were as follows:

Salaries increases were assumed to increase as follows:

Age	Annual Rate of Salary Increase	Age	Annual Rate of Salary Increase
20	4.91%	50	3.57%
25	5.00%	55	3.09%
30	4.86%	60	2.74%
35	4.50%	62	2.57%
40	4.23%	65	2.30%
45	3.85%	69	1.86%

Investment rate of return – As of December 31, 2024 and 2023: 7.40%, net of pension plan investment expenses. This is based on an average inflation rate of 3.00%, a real rate of return of 4.25% and 0.15% for administrative expenses. The Commission, during its December 18, 2019 meeting, adopted a change in the long-term rate of investment return assumption from 7.95% per annum to 7.25% per annum effective with the fiscal year beginning January 1, 2020. The 7.25% rate is net of both investment and administrative expenses. The 7.40% noted above is net of investment expenses only.

Mortality rates – For December 31, 2024 and 2023, mortality rates among healthy annuitants were based on The PubG-2010 (Above Median) Amount Weighted General Mortality table and further projected from the base year of 2010 using a generational approach based on the Buck Modified 2020 projection scale. Mortality rates among beneficiaries were based on the Pub-2010 (Above Median) Amount Weighted Contingent Survivor Mortality table and further projected from the base year of 2010 using a generational approach based on the Buck Modified 2020 projection scale. Mortality rates among disabled annuitants were based on the PubT/G-2010 Amount Weighted Teachers/General Mortality Disability table and further projected from the base year of 2010 using a generational approach based on the Buck Modified 2020 projection scale.

The long-term expected rate of return – For December 31, 2024 and 2023, the long-term expected rates of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the pension plan's target asset allocation are summarized in the following table (note that the rates shown below include the inflation component).

Asset Class	Long-Term Expected Rate of Return at December 31,	
	2024	2023
Private Equity	9.29%	9.75%
International Core	6.40%	7.31%
SMID Core	6.29%	6.79%
Real Estate	5.96%	6.52%
Large Value	6.14%	6.61%
Large Growth	5.87%	6.40%
Hedge Funds	6.50%	5.74%
High Yield	5.97%	5.92%
Intermediate Bond	4.82%	4.36%
TIPS	4.42%	3.87%
International Bond	4.61%	4.10%

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

Discount Rate - The discount rates used to measure the total pension liability were 7.40% as of December 31, 2024 and 2023. The projection of cash flows used to determine the discount rate assumed that the City contributions will continue to follow the current funding policy. Based on these assumptions, the pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. In the event the pension Plan's fiduciary net position was projected to be not sufficient to pay benefit payments a municipal bond rate as of December 31, 2024 and 2023 would have been used to discount the benefit payments not covered by the Plan's fiduciary net position. The rate is based on the S&P Municipal Bond 20 Year High Grade Rate Index. However, since the pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members as of December 31, 2024 and December 31, 2023, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for both fiscal years. The assumed discount rates have been determined in accordance with the method prescribed by GASB.

Collective Deferred Outflows of Resources and Deferred Inflows of Resources - Annual changes to the net pension liability (asset) resulting from differences between expected and actual experience with regard to economic and demographic factors and from changes of assumptions about future economic or demographic factors or other inputs are deferred and amortized over a closed period equal to the average of the expected service lives of all employees that are provided with pension benefits determined for the period during which the changes occurred. Differences between projected and actual earnings on pension plan investments are amortized over a closed five-year period. The following presents a summary of changes in the collective outflows of resources and deferred inflows of resources:

	December 31, 2024			December 31, 2023		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflow / (Inflow)	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflow / (Inflow)
Changes of Assumptions	\$ 4,114,431	\$ -	\$ 4,114,431	\$ 7,875,057	\$ -	\$ 7,875,057
Difference Between Expected and Actual Experience	10,659,084	297,608	10,361,476	1,985,725	446,415	1,539,310
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	12,635,114	10,381,456	2,253,658	18,952,670	10,372,649	8,580,021
	<u>\$ 27,408,629</u>	<u>\$ 10,679,064</u>	<u>\$ 16,729,565</u>	<u>\$ 28,813,452</u>	<u>\$ 10,819,064</u>	<u>\$ 17,994,388</u>

The deferred outflows of resources and deferred inflows of resources reported in the chart above will be amortized in the pension expense as follows:

As of December 31, 2024		As of December 31, 2023	
Year Ended Dec. 31,		Year Ended Dec. 31,	
2025	\$ 7,576,716	2024	\$ 6,119,269
2026	6,342,588	2025	6,837,377
2027	173,834	2026	5,603,247
2028	739,338	2027	(565,505)
2029	1,897,089	2028	-
Thereafter	-	Thereafter	-
	<u>\$ 16,729,565</u>		<u>\$ 17,994,388</u>

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 6. RETIREMENT SYSTEMS AND DEFERRED COMPENSATION (continued)

DEFERRED COMPENSATION PLAN (unaudited)

The City has established a deferred compensation program for its employees under Section 457 of the Internal Revenue Code. The deferred compensation program is a Public Employees' Deferred Compensation Plan, covering employees and elected officials who perform services for the City. The Plan is underwritten by Prudential Insurance Company.

The Plan is a tax-deferred supplemental retirement program that allows City employees to contribute a portion of their salaries, before federal taxes, to a retirement account. Contributions, or deferrals, are made through payroll deductions. Individuals are 100% vested. Distributions are not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are solely the property and rights of the individual contributors and are not subject to the claims of the City's general creditors. Assets of the plans are invested in various mutual funds at the discretion of the participants.

NOTE 7. POST-EMPLOYMENT BENEFITS

The City did not obtain a 2024 actuarial valuation of its the post employment benefit plan further described below, as required by GASB Statement No. 75 (GASB 75). The Division does not require accrual of this liability on the City's books, but does require note disclosure in accordance with GASB 75. Changes in the pension liability are presumed to be material.

Plan Description - The City provides eligible retirees with medical, prescription drug, and life insurance benefits (the plan). Retirees who do not meet eligibility requirements for 100% City paid coverage but meet the eligibility requirements for 100% employee paid coverage can continue coverage by paying premiums established by the City. To be eligible for retiree benefits, employees must retire and have completed 25 years of employment and met all other retirement criteria of the Public employees Retirement System (PERS). Spouses may continue coverage after the death of the retiree. Police and Fireman are allowed credit for service in the New Jersey Police and Firemen's Retirement System. Disability eligibility is 4 years of service for Police and Firemen and 5 years for all others.

Retirees 65 and older have the same benefits as those younger than 65, with the exception that the plan is secondary to Medicare. This is a direct access plan which, in-network, covers hospital, surgical and diagnostic and physician services at 100%. Physician visits are subject to a \$10 copay. Out of Network, the plan covers hospital, surgical, diagnostic and physician services at 70% of allowed charges subject to a deductible of \$100/\$250 for single/family, 70% coinsurance with an out of pocket maximum of \$2,000/\$5,000 for single/family. Coverage for prescription drugs varies from group to group. Typically, costs are covered at 100% subject to co-pays of \$5/\$25/\$35 for generic/preferred brand/non formulary brand. (Mail delivery is available with generally the same the copays specified above). High cost drugs are subject to copays of \$50/\$100/\$150 if the cost of the drug exceeds \$1,000/\$2,000/\$3,000. Medicare eligible retirees are covered under an EGWP plan with copays of \$8/\$17/\$34 for generic/preferred brand/non formulary brand. Dental and Vision benefits are available to eligible retirees and their dependents, however, retirees are required to pay 100% of the cost of these plans.

Retirees of the Jersey City Police Officers Benevolent Association, Jersey City Police Superior Officers Association, Uniformed Fire Fighters Association of Jersey City and Jersey City Uniformed Fire Officers Associations receive life insurance or death benefits ranging from \$1,500 to \$2,500 dependent on retirement date. Employees other than Police and Firemen have no postemployment death benefits paid by Jersey City. Eligible dependents of retirees are provided medical and prescription drug benefits for their lifetime.

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 7. POST-EMPLOYMENT BENEFITS (continued)

In March 2010, the Patient Protection and Affordable Care Act (PPACA) was signed into law. The high cost excise tax ("Cadillac tax") provisions of the Act are applicable. Additionally, on June 28, 2011 P.L. 2011 c. 78 (Chapter 78) was enacted. Chapter 78 contained many changes to the retirement and healthcare plans offered to employees and retirees of New Jersey State and Local government.

Funding Policy - Current retirees, dependents and survivors are not required to contribute toward the cost of the postretirement medical and prescription drug coverage. All costs are paid 100% by the City. Any employee who retires after satisfying the eligibility requirements who had less than 20 years of PERS or PFRS as of June 28, 2011, shall be required to contribute toward the cost of postretirement healthcare benefits. The retiree contributions are based on a percentage of the postretirement healthcare cost. The contribution percentages, which are phased-in over a four-year period, vary based on healthcare coverage tier and amount of PERS or PFRS pension amounts. Retired Police and Firefighters are not required to contribute toward the cost of post-retirement life insurance benefits. The City's contribution is as follows:

Year Ended December 31,	City Contribution		Covered Payroll
	Amount Paid or Charged	As a Percentage of Covered Payroll	
2023	\$ 51,837,507	20.3%	\$ 255,697,889
2022	\$ 50,190,458	20.2%	\$ 248,250,378
2021	\$ 49,574,945	20.4%	\$ 243,126,600

Net OPEB Liability - Under GASB criteria, the City would recognize the cost of other post-employment benefits in the year when the employee services are received, report the accumulated liability from prior years, and provide information useful in assessing potential demands on the City's future cash flows. However, since the City is using the modified accrual basis of accounting as prescribed by the Division, the City is not required to show any accrued liability on the face of its financial statements, only to the notes to those financial statements.

The reporting date of December 31, 2023 is based on a valuation date of December 31, 2022 and a measurement date of December 31, 2022. The reporting date of December 31, 2022 is based on a valuation Date of December 31, 2021 and a measurement date of December 31, 2021. The results of the December 31, 2021 valuation are based on employee and retiree census data and claims information as of December 31, 2022 that was provided by the City and Horizon Blue Cross/Blue Shield of New Jersey, the third-party plan administrator, with the results projected backwards to December 31, 2021, assuming no actuarial gains or losses. Demographic data as of December 2022 for current retirees and for active employees was provided by the City and the plan's third-party administrator.

	2022	Average		2021	Average	
	Total	Age	Service	Total	Age	Service
Active Employees	<u>3,188</u>	44.0	10.9	<u>3,180</u>	42.2	9.9
Retirees	2,796			2,729		
Retiree Spouses	<u>1,436</u>			<u>1,416</u>		
	<u>4,232</u>	70.7		<u>4,145</u>	70.4	

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 7. POST-EMPLOYMENT BENEFITS (continued)

The components of the collective net OPEB liability of the Plan as of December 31, 2023 and 2022 is as follows:

	As of December 31,	
	2023	2022
Total Pension Liability	\$ 1,182,164,156	\$ 1,418,603,618
Plan Fiduciary Net Position	-	-
City's Net Pension Liability	<u>\$ 1,182,164,156</u>	<u>\$ 1,418,603,618</u>
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	0.0%	0.0%
Net Pension Liability as a Percentage of Covered Payroll	462%	571%

Actuarial Assumptions and Methods

The values are determined using the Individual Entry Age Normal Cost method of valuation with the normal cost determined as a percentage of pay. Standard roll forward and backward techniques were used to adjust valuation dates to measurement dates. Actuarial assumptions used to value the City's post-employment benefits are as follows:

Discount Rate - The discount rate is based on "The Bond Buyer 20-Bond GO Index" as of the measurement date, which represents the average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA. The discount rate is 3.7% and 2.05%, respectively, for the reporting periods December 31, 2023 and 2022.

Inflation Rate - 2.50% for the December 31, 2022 reporting date. Not indicated for the December 31, 2023 reporting date.

Salary Increases - 3.5% and 3.00%, respectively, for the December 31, 2023 and 2022 reporting dates.

Health Care Cost Trend - For 2023: prescription drug of 6.1% down to 4.5% in 2027 and later, pre-65 medical of 5.2% down to 4.5% in 2027 and later and post-65 medical of 4.5% from 2022 through 2027 and later. For 2022: prescription drug of 6.4% down to 4.5% in 2027 and later, pre-65 medical of 5.4% down to 4.5% in 2027 and later and post-65 medical of 4% from 2022 through 2027 and later.

Administrative Expenses - Included in per capita claim costs.

Rates of Mortality - For 2023 Police and Fire: Pre-retirement PUB-2010 (S) Headcount-Weighted Healthy Employee Male / Female Mortality Projected with Scale MP-2021; Post-Retirement PUB-2010 (G) Headcount-Weighted Healthy Annuitant Male / Female Mortality Projected with Scale MP-2021; Disabled PUB-2010 (S) Headcount-Weighted Disabled Retiree Male / Female Projected with Scale MP-2021.

For 2023 Civilian: Pre-retirement PUB-2010 (G) Headcount-Weighted Healthy Employee Male / Female Mortality Projected with Scale MP-2021; Post-retirement PUB-2010 (G) Headcount-Weighted Healthy Annuitant Male / Female Mortality Projected with Scale MP-2021; Disabled PUB-2010 (G) Headcount-Weighted Disabled Retiree Male / Female Mortality Projected with Scale MP-2021.

For 2022: PUB-2010 (G) Headcount-Weighted Disabled Retiree Male / Female Mortality Projected with Scale MP-2021. For 2021, PUB 2012 Tables projected to 2025 with scale MP 20.

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 7. POST-EMPLOYMENT BENEFITS (continued)

Rates of Turnover - For 2023 and 2022: Turnover rates for Police and Fire vary by years of service. No termination is assumed after attainment of retirement eligibility, from 2% for 0 years of service to 0% for 20 years of service. Turnover rates for Civilian vary by age and service. No termination is assumed after attainment of retirement eligibility, for those less than 31 years of age ranging from 21% for 0 years of service to 0.3% for 29 years of service, for those 31 and older ranging from 12% for 0 years of service to 0.3% for 29 years of service.

Rates of Retirement - Employees are assumed to retire according to rates that vary by age and service, with 100% assumed retirement at age 65 for Police and Fire and at age 75 for Civilians.

Rates of Disability - None assumed.

Spouse Assumption - For actives, 55% of future retirees will have spousal coverage upon retirement. Current retiree spousal coverage information was provided. Males are assumed to be 3 years older than females if birth dates are missing.

Retiree Participation - 100% of eligible retirees are assumed to elect to participate in the plan.

Per Capita Claims Cost and Premium - The annual per capital claims cost for 2023 and 2022 is \$18,372 for those age 45 to \$6,467 for those age 80 or higher, with a peak cost of \$29,703 for those age 60.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate - The following presents the collective net OPEB liability as of December 31, 2023 and 2022, calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

At:	2023		2022	
	Rate		Rate	
1% Decrease	2.70%	\$ 1,372,255,413	1.05%	\$ 1,721,770,667
Current Discount Rate	3.70%	1,182,164,156	2.05%	1,418,603,618
1% Increase	4.70%	1,030,320,298	3.05%	1,247,519,817

Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate - The following presents the net OPEB liability as of December 31, 2023 and 2022, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

At:	2023	2022
1% Decrease	\$ 1,013,965,521	\$ 1,237,059,069
Current Healthcare Cost Trend Rate	1,182,164,156	1,418,603,618
1% Increase	1,400,043,786	1,743,583,192

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 7. POST-EMPLOYMENT BENEFITS (continued)

Deferred Outflows of Resources and Deferred Inflows of Resources

	December 31, 2023			December 31, 2022		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflow / (Inflow)	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflow / (Inflow)
Changes of Assumptions	\$ 285,055,856	\$ 224,149,029	\$ 60,906,827	\$ 361,339,468	\$ 11,430,415	\$ 349,909,053
Difference Between Expected and Actual Demographic Experience	-	37,437,501	(37,437,501)	-	48,781,447	(48,781,447)
	<u>\$ 285,055,856</u>	<u>\$ 261,586,530</u>	<u>\$ 23,469,326</u>	<u>\$ 361,339,468</u>	<u>\$ 60,211,862</u>	<u>\$ 301,127,606</u>
Employer Contributions Subsequent to the Measurement Date	\$ 52,310,319			\$ 51,837,507		

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in OPEB expense as follows:

As of December 31, 2023		As of December 31, 2022	
Year Ended December 31,		Year Ended December 31,	
2024	\$ 20,109,860	2023	\$ 53,509,251
2025	20,109,860	2024	64,939,666
2026	20,109,855	2025	64,939,666
2027	7,969,556	2026	64,939,661
2028	(44,829,805)	2027	52,799,362
Thereafter	-	Thereafter	-
	<u>\$ 23,469,326</u>		<u>\$ 301,127,606</u>

OPEB (Benefit) Expense - The components of allocable OPEB (benefit) expense, which exclude OPEB expense related to specific liabilities of individual employers, for the year ending December 31, 2022 and 2021 are as follows:

	2023	2022
Service Cost	\$ 54,705,380	\$ 25,599,989
Interest cost	29,671,500	24,173,149
<i>Current Period Recognition of deferred (inflows)/outflows of resources</i>		
Change in Assumptions	20,023,391	78,156,495
Difference in Actual and Expected	<u>(11,343,946)</u>	<u>44,478,544</u>
OPEB Expense	<u>\$ 93,056,325</u>	<u>\$ 172,408,177</u>

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 7. POST-EMPLOYMENT BENEFITS (continued)

Schedule of Changes in Total OPEB Liability and Related Ratios

	2023	2022
Service Cost	\$ 54,705,380	\$ 25,599,989
Interest Cost	29,671,500	24,173,149
Experience Gains	-	-
Changes in assumptions or other inputs	(268,978,835)	231,302,133
Actuarial Demographic (gain) or loss	-	(20,433,970)
Contributions made	(51,837,507)	(50,190,458)
(Decrease) / Increase in OPEB liability	(236,439,462)	210,450,843
Total OPEB liability - Beginning of year	1,418,603,618	1,208,152,775
Total OPEB liability - End of year	\$ 1,182,164,156	\$ 1,418,603,618
Retirees	\$ 743,336,812	\$ 926,254,769
Active Employees	438,827,344	492,348,849
Net OPEB liability - end of year	\$ 1,182,164,156	\$ 1,418,603,618
Covered payroll	\$ 255,697,889	\$ 248,250,378
Net OPEB liability as a		
Percentage of Covered Payroll	462%	571%
End of Year Discount Rate	3.70%	2.05%

Participation in State Health Benefits Plan

Regulatory Basis Disclosure –The New Jersey Division of Local Government Services allows counties to include in their annual audits the most recent available audited GASB 75 financial information published by the New Jersey Division of Pension and Benefits. As of the date of this report information for the period ended June 30, 2024 was not available, therefore the information dated June 30, 2023 is disclosed.

Plan Description – As of June 30, 2022 and 2021, the City has 7 retired employees, each year, which are members of the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan with a special funding situation administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents. The SHBP was extended to employees, retirees and dependents of participating local public employers in 1964.

Local employers must adopt a resolution to participate in the SHBP. The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.state.nj.us/treasury/pensions.

Funding Policy – Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Borough on a monthly basis.

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 7. POST-EMPLOYMENT BENEFITS (continued)

Retiree Contributions - Future retirees who do not fall under the grandfathering provisions of Chapter 78 of the 2011 Pension and Health Benefit Reforms will be required to contribute to the costs of their retiree health care. Participant contributions are based on salary level and pension benefit amounts and are phased in as a percentage based on salary or pension earnings. Grandfathered participants include those with greater than 20 years of service as of June 28, 2011 who retire with 25 years of service with the City, or who reached age 62 as of that date with 15 years of service will receive benefits at no cost to the participant.

Net OPEB Obligation – The City’s share of the net OPEB liability of the City at June 30, 2023 and 2022 was as follows:

Year Ended June 30,	Proportionate Share		Net Pension Liability
	Rate	Change	
2023	0.008770%	0.00124%	\$ 1,316,074
2022	0.007529%	-0.00005%	\$ 1,215,903

The Plan’s fiduciary net position as a percentage of the total OPEB liability was -.76% and -.36%, respectively.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following presents the City’s share of the SHBP net OPEB liability as of June 30, 2023 and 2022, calculated using the discount rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

At:	2023		2022	
1% Decrease	2.65%	\$ 1,524,433	2.54%	\$ 1,409,476
Current Discount Rate	3.65%	1,316,074	3.54%	1,215,903
1% Increase	4.65%	1,148,481	4.54%	1,060,155

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate - The following presents the City’s net OPEB liability as of June 30, 2022 and 2021, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

At:	2023	2022
1% Decrease	\$ 1,118,508	\$ 1,031,487
Current Discount Rate	1,316,074	1,215,903
1% Increase	1,569,019	1,452,088

Actuarial Assumptions - The total OPEB liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The total OPEB liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. These actuarial valuations used the following actuarial assumptions, applied to all periods in the measurement:

		2023	2022
Inflation Rate		not noted	not noted
Salary increases:		<i>based on years of service</i>	<i>based on years of service</i>
PERS	All Future Years	2.75% to 6.55%	2.75% to 6.55%
PFRS	All Future Years	3.25% to 16.25%	3.25% to 16.25%

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 7. POST-EMPLOYMENT BENEFITS (continued)

Mortality Rates – Pre-Retirement Healthy Mortality: PERS mortality rates were based on the Pub-2010 General classification Headcount-Weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for June 30, 2023 and 2022. PFRS mortality rates were based on the Pub-2010 Safety classification Headcount-Weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for June 30, 2023 and 2022.

Post-Retirement Healthy Mortality: For both June 30, 2023 and 2022, Chapter 330 Retirees: PUB-2010 “Safety” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 Other Retirees: PUB-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Disabled Retiree Mortality: For both June 30, 2023 and 2022, PERS Future Disabled Retirees: PUB-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 PFRS Future Disabled Retirees: PUB-2010 “Safety” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 Chapter 330 Current Retirees: PUB-2010 “Safety” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 Other Current Retirees: PUB-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Experience Studies – Actuarial assumptions used in the July 1, 2022 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021. Actuarial assumptions used in the July 1, 2021 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

Discount Rate - The discount rate for June 30, 2024 and 2023 was 3.654% and 3.54%, respectively. The discount rate will change each year based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index rate each year.

Deferred Outflows and Deferred Inflows of Resources - The OPEB expense and deferred outflows and deferred inflows of resources at June 30, 2023 and 2022 were as follows:

	June 30, 2023			June 30, 2022		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflow / (Inflow)	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflow / (Inflow)
Changes of Assumptions	\$ -	\$ 217	\$ (217)	\$ 162,268	\$ 414,965	\$ (252,697)
Difference Between Expected and Actual Experience	60,691	357,402	(296,711)	62,791	225,376	(162,585)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	170,481	372,012	(201,531)	320	-	320
Changes in Proportion	298,269	94,762	203,507	81,184	136,803	(55,619)
	<u>\$ 529,441</u>	<u>\$ 824,393</u>	<u>\$ (294,952)</u>	<u>\$ 306,563</u>	<u>\$ 777,144</u>	<u>\$ (470,581)</u>

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 7. POST-EMPLOYMENT BENEFITS (continued)

The amounts reported as a deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Amount	Year Ended June 30,	Amount
2024	\$ (88,349)	2023	\$ (124,945)
2025	(72,364)	2024	(125,055)
2026	(39,147)	2025	(98,754)
2027	(18,351)	2026	(44,104)
2028	(37,042)	2027	(9,888)
Thereafter	(39,698)	Thereafter	(67,834)
	<u>\$ (294,952)</u>		<u>\$ (470,581)</u>

OPEB Expense - The components of allocable OPEB expense, which exclude OPEB expense related to specific liabilities of individual employers, for the years ending June 30, 2023 and 2022, are as follows:

	2023	2022
Proportionate Share of Allocable Plan OPEB (Benefit) / Expense	\$ 11,365	\$ 11,365
Net Amortizations of Deferred Amounts from Changes in Proportion	(24,380)	(24,380)
Prior Period Adjustment	1,145	1,145
	<u>\$ (11,870)</u>	<u>\$ (11,870)</u>

Special Funding Situation - In regards to the City's enrollment in the SHBP, under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989. Therefore, the City is considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity. Since the City does not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. The State's share of the net OPEB liability associated with the City at June 30, 2023 is \$1,240,512 for 7 plan members and which constitutes 0.035554% of the State's total proportionate share of the net OPEB liability. The State's share of the net OPEB liability associated with the City at June 30, 2022 is \$1,663,435 for 7 plan members, which constitutes 0.043079% of the State's total proportionate share of the net OPEB liability..

NOTE 8. COMPENSATED ABSENCES

Under the existing contracts and policies of the City, certain employees are allowed to accumulate certain levels of vacation and sick pay over the duration of their employment. As of December 31, 2024 and 2023, the total accumulated absence liability was \$83,204,993 and \$56,393,209, respectively. During the years ended December 31, 2024 and 2023, the City appropriated by special emergency resolution \$9,000,000 and \$10,000,000, respectively, for compensated absences. As of December 31, 2024 and 2023, the City retained in reserves \$755,394 and \$2,207,523 respectively, each year, to fund such obligations. As described more fully in Note 4, total Special Emergency Notes issued for contractual severance payments and outstanding as of December 31, 2024 and 2023 were \$29,600,00 and \$29,200,000, respectively.

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 9. RISK MANAGEMENT

Disaster Recovery - The City has entered into contracts with various vendors in an effort to protect its financial processes and data in the event unforeseen disaster should occur. Included in these contracts are offsite storage of financial data tapes and payroll data offsite backup. The latter also provides the City the ability to run such process offsite if needed.

Insurance Coverage - The City established a self-insurance program in 1982 in accordance with New Jersey Statute Chapter 40:10-6. The Chapter enables the governing body of any local unit to create a fund to provide insurance coverage for its exposure to a wide variety of property casualty risks, including property damage caused to any of the unit's property, motor vehicles, equipment or apparatus; liability resulting from the use or operation of such motor vehicles, equipment or apparatus; liability for the unit's negligence, including that of its officers, employees and servants and workers' compensation obligations. The City self-insures against tort claims (including claims arising from the use of motor vehicles), claims arising from police activities, unemployment compensation and workers' compensation lawsuits. The City is currently in the process of engaging third parties to provide the amounts incurred but not reported. In accordance with the regulatory basis of accounting prescribed by the Division, no amount for claims incurred but not reported have been recorded in the financial statements as of December 31, 2024 and 2023.

Health Benefits - The City provides health insurance coverage to eligible employees through a self-insured program. Coverage is available through Horizon Blue Cross Blue Shield New Jersey, and the program is administered through a third party administrator. The City records expenditures for health insurance claims on a pay-as-you-go basis. At December 31, 2024 and 2023, the City estimated \$24,170,085 and \$13,934,802 in health insurance and prescription claims were incurred but not reported. This calculation was not supported by actuarial valuation. In accordance with the regulatory basis of accounting prescribed by the Division, no amount for claims incurred but not reported have been recorded in the financial statements as of December 31, 2024 and 2023.

NOTE 10. PREPAID DEBT SERVICE – QUALIFIED BONDS

From July 1, 2010 to December 31, 2010 the City operated on a six-month transition year as an interim period between its fiscal year ended June 30, 2010 and its reversion to a calendar fiscal year beginning January 1, 2011. Since this transition year, Qualified Bond have been made by the State on the City's behalf and incorporated into the City's State Aid formula on a State Fiscal Year basis, while the City operations on a Calendar Year. This results in prepaid debt service in the amount of Qualified Bonds paid by the State on the City's behalf for the six month period subsequent to year end. The following schedule summarizes the State Aid received, qualified bond payments applied and the prepaid amounts as of December 31, 2024 and 2023.

	2024	2023
Balance, Beginning of Year	\$ 3,753,290	\$ 4,311,208
Add: State Aid	71,816,918	71,499,217
	75,570,208	75,810,425
Less: Received in Cash	68,153,368	62,438,349
Qualified Bond Payments	6,253,015	9,618,786
Balance, End of Year	\$ 1,163,825	\$ 3,753,290

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 11. CLEARING ACCOUNTS

The City maintains several clearing accounts including a clearing account in the Current Fund General Ledger named undistributed revenue so that cash received for revenues may be deposited promptly and distributed to proper accounts at a later date; a claims account, or vendor clearing account, from which bills are paid for the Current, Trust and Capital Funds; and a payroll clearing account to account for transfers from other funds for the payment of employee payrolls and as agent of federal and state governments in the collection and remittance of employee withholding taxes, retirement contributions, social security taxes and other required remittances.

NOTE 12. FIXED ASSETS

In accordance with accounting practices prescribed by the Division, and as further detailed in Note 1, no depreciation has been provided for and fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

During the year ended December 31, 2024, the City provided an inventory that required an adjustment of \$854,871,645 to the prior year inventory. Inventory additions and disposals were not accurately tracked. Activity and ending inventory could not be audited as to whether it is free from a material misstatement, as a result, the audit opinion on fixed assets has been disclaimed. The activity for the year ended December 31, 2024, as provided by the City and including an adjustment to inventory of \$854,871,645, is as follows:

	Balance, Dec. 31, 2023	Adjusted	Additions	Disposals	Balance, Dec. 31, 2024
Land	\$ 127,760,200	\$ 836,330,900	\$ -	\$ -	\$ 964,091,100
Improvements	234,112,321	18,168,882	112,697	-	252,393,900
Machinery and Equipment	429,990,937	371,863	1,458,700	-	431,821,500
	<u>\$ 791,863,458</u>	<u>\$ 854,871,645</u>	<u>\$ 1,571,397</u>	<u>\$ -</u>	<u>\$ 1,648,306,500</u>

During the year ended December 31, 2023, the City provided an inventory that required an adjustment of \$362,858,340 to the prior year inventory. Inventory additions and disposals were not accurately tracked. 2023 activity and ending inventory could not be audited as to whether it is free from a material misstatement, as a result, the audit opinion on fixed assets has been disclaimed. The activity for the year ended December 31, 2023, as provided by the City and including an adjustment to inventory of \$362,858,340, is as follows:

	Balance, Dec. 31, 2022	Adjusted	Additions	Disposals	Balance, Dec. 31, 2023
Land	\$ 127,760,200	\$ -	\$ -	\$ -	\$ 127,760,200
Improvements	232,791,826	(34,505)	1,355,000	-	234,112,321
Machinery and Equipment	62,110,503	362,892,845	5,015,333	27,744	429,990,937
	<u>\$ 422,662,529</u>	<u>\$ 362,858,340</u>	<u>\$ 6,370,333</u>	<u>\$ 27,744</u>	<u>\$ 791,863,458</u>

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 13. PREPAYMENTS OF PILOT REVENUES

The City has entered into certain financial agreements under the Long Term Tax Exemption Law, which allows developers to pay Annual Service Charges in Lieu of Taxes (PILOTs) upon completion of such construction projects. The City further structured many PILOT agreements prior to 2009 whereas (a) entities would prepay to the City, upon execution of the agreement and well in advance of project completion, the first year's estimated Annual Service Charge and (b) the City would be required to refund or credit this prepayment to the entity once the project is completed, typically over a period of four years. Additional agreements since 2009 have included prepayments with different terms, including periods of realization. Other agreements are structured in which the developers have the option to pay a nonrefundable deposit in exchange for a reduced future Annual Service Charge schedule. As of December 31, 2024 and 2023, the balance of City revenues collected in prior years which will be applied as refunds and credits to future Annual Services Charges was \$2,942,776 and \$-0-, respectively.

NOTE 14. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2024, the following deferred charges are shown on the balance sheets of the various funds:

	Balance, Dec. 31, 2023	2024 Additions	2024 Deductions	Balance, Dec. 31, 2024	2025 Budget Appropriation	Balance to Succeeding Budgets
Current Fund:						
Special Emergency Authorizations (40A:4-53.h)						
Contractual Severance Payments-2019	\$ 2,880,000	\$ -	\$ 2,880,000	\$ -	\$ -	\$ -
Contractual Severance Payments-2020	5,200,000	-	2,600,000	2,600,000	2,600,000	-
Contractual Severance Payments-2021	6,000,000	-	2,000,000	4,000,000	2,000,000	2,000,000
Contractual Severance Payments-2022	8,000,000	-	2,000,000	6,000,000	2,000,000	4,000,000
Contractual Severance Payments-2023	10,000,000	-	2,000,000	8,000,000	2,000,000	6,000,000
Contractual Severance Payments-2024	-	9,000,000	-	9,000,000	1,800,000	7,200,000
Emergency Appropriation N.J.S.A. 40A:4-46						
Tax Appeals	9,801,473	-	9,801,473	-	-	-
Group Health Insurance	11,198,527	-	11,198,527	-	-	-
Overexpenditure						
2024 Appropriations	-	11,701,836	-	11,701,836	123,923	11,577,913
2023 Appropriations	10,639,749	-	10,639,749	-	-	-
2022 Appropriations	692,984	-	692,984	-	-	-
2023 Appropriation Reserves	-	241,045	-	241,045	-	241,045
2020 Appropriation Reserves	39,458	-	39,458	-	-	-
Deficit in Operations						
2021 Operations	45,926,247	-	11,481,562	34,444,685	11,481,562	22,963,123
2023 Operations	1,640,374	-	-	1,640,374	1,640,374	-
General Capital Fund						
Improvement Authorizations	506,627	-	439,020	67,607	67,607	-
Other Trust Fund:						
Unemployment Reserves	456,040	-	456,040	-	-	-
Payroll Clearing Fund:						
Payroll Agency Reserves	3,100,000	-	-	3,100,000	-	3,100,000
CDBG Trust Fund:						
Uncollectible Receivables	3,634,739	-	3,634,739	-	-	-
Federal and State Grants Fund:						
Grant Reserves	199,184	-	199,184	-	-	-
	<u>\$ 119,915,402</u>	<u>\$ 20,942,881</u>	<u>\$ 60,062,736</u>	<u>\$ 80,795,547</u>	<u>\$ 23,713,466</u>	<u>\$ 57,082,081</u>

Further descriptions of the above deferred charges follow.

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 14. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS (continued)

At December 31, 2023, the following deferred charges are shown on the balance sheets of the various funds:

	Balance, Dec. 31, 2022	2023 Additions	2023 Deductions	Balance, Dec. 31, 2023	2024 Budget Appropriation	Balance to Succeeding Budgets
Current Fund:						
Special Emergency Authorizations (40A:4-53.h)						
Contractual Severance Payments-2018	\$ 2,900,000	\$ -	\$ 2,900,000	\$ -	\$ -	\$ -
Contractual Severance Payments-2019	5,760,000	-	2,880,000	2,880,000	2,880,000	-
Contractual Severance Payments-2020	7,800,000	-	2,600,000	5,200,000	2,600,000	2,600,000
Contractual Severance Payments-2021	8,000,000	-	2,000,000	6,000,000	2,000,000	4,000,000
Contractual Severance Payments-2022	10,000,000	-	2,000,000	8,000,000	2,000,000	6,000,000
Contractual Severance Payments-2023	-	10,000,000	-	10,000,000	2,000,000	8,000,000
Special Emergency Authorizations (40A:4-53.d)						
Master Plan-2018	188,100	-	188,100	-	-	-
Emergency Appropriation N.J.S.A. 40A:4-46						
Tax Appeals	-	9,801,473	-	9,801,473	-	9,801,473
Group Health Insurance	-	11,198,527	-	11,198,527	11,198,527	-
Overexpenditure						
2023 Appropriations	-	10,639,749	-	10,639,749	10,720,517	(80,768)
2022 Appropriations	2,823,494	-	2,130,510	692,984	692,984	-
2021 Appropriations	17,507,953	-	17,507,953	-	-	-
2022 Appropriation Reserves	4,591,767	-	4,591,767	-	-	-
2021 Appropriation Reserves	39,458	-	-	39,458	39,458	-
Deficit in Operations						
2021 Operations	57,407,809	-	11,481,562	45,926,247	11,481,562	34,444,685
2023 Operations	-	1,640,374	-	1,640,374	-	1,640,374
General Capital Fund						
Improvement Authorizations	220,027	506,627	220,027	506,627	439,020	67,607
Capital Improvement Fund	572,000	-	572,000	-	-	-
Other Trust Fund:						
Unemployment Reserves	91,915	456,040	91,915	456,040	456,040	-
Payroll Clearing Fund:						
Payroll Agency Reserves	883,794	3,100,000	883,794	3,100,000	-	3,100,000
CDBG Trust Fund:						
Uncollectible Receivables	-	3,634,739	-	3,634,739	-	3,634,739
Federal and State Grants Fund:						
Grant Reserves	591,099	199,184	591,099	199,184	284,765	(85,581)
	<u>\$ 119,377,416</u>	<u>\$ 51,176,713</u>	<u>\$ 50,638,727</u>	<u>\$ 119,915,402</u>	<u>\$ 46,792,873</u>	<u>\$ 73,122,529</u>

Special Emergency Authorizations – Statutes, specifically N.J.S.A 40A:4-53, allow the City to adopt ordinances authorizing appropriations for the carrying out of certain purposes. Special Emergencies adopted according to the statutes are required to be funded over a period not exceeding five years, with the minimum annual payment being one-fifth of the authorized amount. Some of the purposes allowed under the statutes, and which the City has adopted and has funded during the years ended December 31, 2024 and 2023, which remain to be funded by the City as of December 31, 2024 and 2023, are as follows:

- **Contractual Severance Liabilities** - A significant number of employees either retired or otherwise had their employment with the City terminated. The City passed special emergency appropriations allowed under N.J.S.A 40A:-43(h) to provide for payment of the resulting severance liabilities. Emergency appropriations which remain on the books of the City as deferred charges at December 31, 2024 and 2023 include emergencies passed in the years 2019, 2020, 2021, 2022, 2023 and 2024 in the amounts of \$14,400,000, \$13,000,000, \$10,000,000, \$10,000,000, \$10,000,000 and \$9,000,000 respectively. The current balance to be raised is noted in the preceding tables. The special emergency appropriations were financed with special emergency notes, discussed further in Note 4.

CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

NOTE 14. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS (continued)

- **Master Plan** - During the year ended December 31, 2018, the City passed a special emergency appropriation allowed under N.J.S.A 40A:-43(d) in the amount of \$940,500 for the preparation of a master plan to conform to the planning laws of the State of New Jersey. The final installment was funded by the City in 2023. The special emergency appropriations were financed with special emergency notes, discussed further in Note 4.

Emergency Appropriations – Statutes, specifically N.J.S.A. 40A:4-53(d) permit the City to adopt an Emergency Appropriation for unforeseen purposes after their annual budget is adopted. The total amount of an emergency appropriation shall be fully funded as a deferred charge in the succeeding fiscal year’s budget, except if the appropriation is to be funded through the authorization of bonds pursuant to 40A:2-3. If the emergency appropriation, together with all other emergency appropriations made during the year, exceeds 3% of the total of current and utility operating appropriations funded in the budget adopted for that year %, the City must request permission from the Division to exceed the limitation. Some of the purposes which the City has adopted and has funded during the years ended December 31, 2024 and 2023, which remain to be funded by the City as of December 31, 2024 and 2023, are as follows:

- **Group Health Insurance Liabilities** - On December 13, 2023, the City passed an Emergency Appropriation, Resolution No. 23-943 in the amount of \$21,000,000. \$11,198,527 of this amount is for the payment of group health insurance Liabilities. This portion of the emergency was raised in full in the City’s budget of the year ended December 31, 2024. The emergency appropriations were financed with emergency notes, discussed further in Note 4.
- **Tax Appeals** - On December 13, 2023, the City passed an Emergency Appropriation, Resolution No. 23-943 in the amount of \$21,000,000. \$9,801,473 of this amount is for the payment of tax appeal and settlement liabilities. Subsequently on June 12, 2024, the City adopted ordinance 24-034 providing for the payment of these liabilities through the issuance of tax appeal refunding bonds, discussed further in Note 4.

Deficit in Operations – The City is required by statutes to raising deficits in operations in full in the budget of the succeeding year. Deficits in operations which the City has incurred during the years ended December 31, 2024 and 2023, or which remain to be funded by the City as of December 31, 2024 and 2023, are as follows :

- **2023 Operating Deficit** - During the year ended December 31, 2023, the City incurred an operating deficit of \$1,640,374. This amount was funded in full in the City’s Current Fund budget, as required by law.
- **2021 Operating Deficit** - During the year ended December 31, 2021, the City incurred an operating deficit of \$92,939,388. Primary causes of the deficit included a deficit in revenues of \$40,402,935 and interfund advances originating in the current year in the amount of \$57,173,686. Accounting principles and practices prescribed by the Division require such interfunds receivable to be reserved against operations until collected in cash. Statutes require such operating deficits to be raised in full in the budget of the succeeding year, however, \$57,407,809 of the operating deficit was identified subsequent to adoption of the budget and would have to be raised in future years. Additionally, the State of New Jersey, Local Finance Board, approved this additional deficit of \$57,407,809 as applicable under COVID-19 emergency stipulations, and authorized these deferred charges to be raised in equal installments of \$11,481,562 over a period of 5 years, from 2023 through 2027, given certain preconditions of its 2023 budget.

DECEMBER 31, 2024 AND 2023

NOTE 14. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS (continued)

Overexpenditures – State laws limit expenditures to the amounts appropriated by budget appropriation, improvement authorization or, in the case of Trust Funds, amounts collected for such purposes pursuant to a Dedication by Rider. Expenditures which exceed legally appropriated amounts are required by statutes to be raised in full in the budget of the succeeding year, however, due to the timing of audits in relation to succeeding year budgets, various balances were or will be budgeted in subsequent years. Overexpenditures which the City has incurred during the years ended December 31, 2024 and 2023, or which remain to be funded by the City as of December 31, 2024 and 2023, are as follows:

- **Overexpenditure of Budget Appropriations** – During the years ended December 31, 2024, 2023, 2022 and 2021, the City expended \$11,701,836, \$10,639,749, \$2,823,494 and \$22,317,305, respectively in excess of the amount appropriated in its budget of the same years. As of December 31, 2024 and 2023, budget overexpenditures of \$11,701,836 and \$11,332,733, respectively, remain as deferred charges to be funded in future budgets.
- **Overexpenditure of Appropriation Reserves** - The City also overexpended \$241,045 of appropriation reserves in 2024 from its 2023 budget, \$4,591,767 of appropriation reserves in 2022 remaining from its 2021 budget, and \$39,458 of appropriation reserves in 2021 remaining from its 2020 budget. As of December 31, 2024 and 2023, appropriation reserves of \$241,045 and \$39,458, respectively, remain as deferred charges to be funded in future budgets.
- **Overexpenditure of Grant Awards** – During the years ended December 31, 2024 and 2023, the City expended \$-0- and \$199,184, respectively, of various grant awards. These deferred charges are accounted for in the City's Federal and State Grant. These deferred charges were funded in full in the City's 2024 Current Fund budget.
- **Overexpenditure of Trust Fund Reserve** – During the year ended December 31, 2023, the City expended \$456,040 in excess of available unemployment trust fund reserves. In addition, during the year ended December 31, 2023, the City determined a 2019 overpayment to the IRS and NJ Division of Revenue totaling \$3,100,000 was not collectible from these agencies, and was recategorized as a deferred charge. These deferred charges are accounted for in the City's Trust Funds. The \$456,040 deferred charges incurred for the overexpenditure of 2023 unemployment trust fund reserves was funded in full in the City's 2024 Current Fund budget. The City is expected to fund the remaining \$3,100,000 uncollectible IRS and NJ Division of Revenue payments in its 2025 Current Fund budget.
- **Overexpenditure of General Capital Funding** – During the year ended December 31, 2023, the City expended \$506,627 in excess of funds available in certain improvement authorizations. The City funded \$439,020 of these deferred charges in its 2024 Current Fund budget, with the remaining \$67,67 expected to be funded in the City's 2025 Current Fund budget.
- **CDBG Trust Fund** – As a result of cumulative prior year activity (2015 through 2022) not reconciled in the CDBG Trust Fund to other City accounting records, a receivable of \$3,634,739 accumulated and is unlikely to be collected by the City. The City has reported as a Material Weakness in audits from 2015 through 2022 regarding the reconciliation concern. During the year ended December 31, 2024, additional information obtained from recently reconciled IDIS data determined CDBG Trust Funds were also maintaining spending reserves on its books in excess of amounts available to commit or draw from the Federal Government. As a result, this deferred charges was cancelled in 2024 and charged to these excess spending reserves.

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 15. RELATED PARTY TRANSACTIONS

JERSEY CITY MUNICIPAL UTILITIES AUTHORITY

On February 1, 1998, the City transferred its water operating functions to the Jersey City Municipal Utilities Authority (JCMUA). On December 13, 2023 the City adopted Ordinance No. 23-097 authorizing the execution of an amended and restated water services franchise and service agreement. As part of the amended and restated agreement, the City and the JCMUA would agree that the JCMUA will, in addition to continuing an annual franchise concession fee of \$23,000,000 for 40 years from the execution of the agreement, will pay the City additional up-front franchise fees of \$30,000,000 in 2024, \$10,000,000 in 2025 and \$10,000,000 in 2026. In addition, the JCMUA would continue to (a) assume the responsibility for and the payment of the principal and interest on the City's water bonds; (b) pay the City for the oversight of the operations of the water system and (c) provide water and sewer service to the City free of charge for all governmental public facilities as identified by the City.

A summary of the amounts due from the JCMUA at December 31, 2024 is as follows:

	Balance Dec. 31, 2023	Increased	Payments Received	Payable Applied	Balance Dec. 31, 2024
Current Fund:					
Franchise Concession Payment	\$ -	\$ 53,000,000	\$ 53,000,000	\$ -	\$ -
Water Debt Service Payment	-	776,150	161,742	614,408	-
Stormwater Catch Basins	-	700,000	700,000	-	-
Federal and State Grant Fund:					
Stormwater Quality Control Grant	896,823	-	-	-	896,823
Capital Fund:					
Water Bond Principal	4,180,000	-	665,000	-	3,515,000
	<u>\$ 5,076,823</u>	<u>\$ 54,476,150</u>	<u>\$ 54,526,742</u>	<u>\$ 614,408</u>	<u>\$ 4,411,823</u>

A summary of the amounts due from the JCMUA at December 31, 2023 is as follows:

	Balance Dec. 31, 2022	Increased	Payments Received	Balance Dec. 31, 2023
Current Fund:				
Franchise Concession Payment	\$ -	\$ 22,000,000	\$ 22,000,000	\$ -
Water Debt Service Payment	-	772,906	772,906	-
Stormwater Catch Basins	-	700,000	700,000	-
Federal and State Grant Fund:				
Stormwater Quality Control Grant	896,823	-	-	896,823
Capital Fund:				
Water Bond Principal	4,825,000	-	645,000	4,180,000
	<u>\$ 5,721,823</u>	<u>\$ 23,472,906</u>	<u>\$ 24,117,906</u>	<u>\$ 5,076,823</u>

Further descriptions of the above follow.

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 15. RELATED PARTY TRANSACTIONS (continued)

During the year ended December 31, 2024 and 2023, the City realized the following revenues from the JCMUA:

- ◆ Franchise concession payments of \$53,000,000 and \$22,000,000, respectively. The amount uncollected and due from the JCMUA for these fees as of December 31, 2024 and 2023 was \$-0-, each year.
- ◆ Water debt service payments of \$776,150 and \$772,906, respectively. The amount uncollected and due from the JCMUA for these fees as of December 31, 2024 and 2023 was \$-0-, each year. Of the \$776,150 realized revenues in 2024, \$161,742 was received in cash from the JCMUA and the remaining \$614,408 was credited to the amount owed from amounts overpaid by the JCMUA in 2022.
- ◆ Stormwater catch basin payments of \$700,000, each. The amount uncollected and due from the JCMUA for these fees as of December 31, 2024 and 2023 was \$-0-, each year.
- ◆ During the year ended December 31, 2019, the JCMUA awarded the City a \$4,000,000 stormwater quality control grant for the purchase of a stationary compactor, packers and street sweepers. The City received \$3,103,177 pursuant to the grant, resulting in a receivable from the JCMUA at December 31, 2024 and 2023 of \$896,823.
- ◆ The item identified “Water Bond Principal” represents the remaining principal amortization due from the JCMUA as recorded in the General Capital Fund and is equal to the amount of Water Bonds outstanding at year end. The City budgets the annual amounts due for principal and interest, which is reflected in the “Water Debt Service Payment” item in the tables above.

In addition, the JCMUA overpaid the amount of debt service reimbursement due to the City in 2022 by \$614,408. This amount was credited to the JCMUA’s debt service payment obligation in 2024. The amount due from the City to the JCMUA as of December 31, 2024 and 2023 is \$-0- and \$614,408, respectively.

As noted in the agreement, the JCMUA is responsible to reimburse the City for payments of principal and interest on water bonds. The amount of debt service principal and interest received from the JCMUA is equal to the amount noted in respective amortization schedules in the corresponding debt of the JCMUA for which the City is directly responsible. The amount of Water Serial Bonds payable, and therefore the corresponding amount receivable from the JCMUA to the City’s Capital Fund, at December 31, 2024 and 2023 was \$3,515,000 and \$4,180,000, respectively.

Additionally, the City received \$11,000,000 from the JCMUA during the year ended December 31, 2020, which was reflected in the City’s 2020 financial records which the JCMUA considers a transfer of unrestricted net position. The JCMUA records this payment as a prepaid revenue on its books and is funding this disbursement through charges to its budget over five years, beginning with a \$2,750,000 charge to its 2023 budget. The City received and expended these funds and has no outstanding obligations or receivables related to the transaction.

In addition, the City provides a guaranty on bonds and notes issued by the JCMUA. The amount of the outstanding bonds and notes under this guaranty at December 31, 2024 and 2023 is \$538,338,101 and \$445,949,785, respectively.

JERSEY CITY REDEVELOPMENT AGENCY

the City and the Jersey City Redevelopment Agency (JCRA) have further determined that in order to obtain the most advantageous interest rates with respect to various bond and/or project notes that would be economical and otherwise advantageous to them and to the residents of the City, the City and the JCRA would enter into Subsidy Agreements providing for, among other things, the securing of the payment of the principal of and interest on all bonds and/or project notes issued by the JCRA for various Redevelopment Projects. As a result of these Subsidy Agreements, the City has guaranteed total outstanding debt of the JCRA as of December 31 2024 and 2023 of \$142,760,000 and \$143,435,000, respectively. The guarantees are further detailed in Note 4.

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 15. RELATED PARTY TRANSACTIONS (continued)

JERSEY CITY BOARD OF EDUCATION

As described in Note 4, the Jersey City Board of Education (JCBOE) became a Type II School District effective November 4, 2008. Prior to that date, the JCBOE operated as a Type I School District, therefore, bonds and notes authorized by the JCBOE prior to November 4, 2008 are general obligations of the City and reported on the balance sheet of the City's General Capital Fund and. The City continues to budget the principal and interest payments of the JCBOE obligations as they become due. These obligations are funded by the City through an amount to be raised by taxation called "addition to local district school tax", less any regular school debt service aid received from the State of New Jersey. The amount of School Serial Bonds payable at December 31, 2024 and 2023 was \$3,345,000 and \$4,365,000, respectively.

For the years ended December 31, 2024 and 2023, the City's budget included the following debt service requirements of the Board of Education and corresponding anticipated revenues:

	<u>Dec. 31, 2024</u>	<u>Dec. 31, 2023</u>
Debt Service Requirements of the Board of Education:		
Maturing Serial Bonds	\$ 1,020,000	\$ 985,000
Interest on Bonds	164,450	204,550
	<u>1,184,450</u>	<u>1,189,550</u>
Less: Applicable Revenues Anticipated		
Building Aid Allowance for School Aid*	<u>531,706</u>	<u>534,352</u>
Balance for Support of Board of Education:		
Addition to Local District School Tax	<u>\$ 652,744</u>	<u>\$ 655,198</u>

In 2018, the City adopted Ordinance No. 18-133 which imposes a tax on employers for services performed, or supervised from a place, within the City by non-City resident employees of the employer, pursuant to Article IV of Chapter 304 of the Municipal Code of the City and as authorized by N.J.S.A. These funds are paid monthly to the treasurer of school monies in an amount equal to one-twelfth of the difference in State school aid provided to the School District pursuant to N.J.S.A. 18A:7F-43 and 67 et al between State fiscal year 2018 and the current year. The Payroll Tax Agency Fund was established in 2019 in order to account for the collection and disbursement of this payroll tax.

During the years ended December 31, 2024 and 2023, the City had the following activity in its Payroll Tax Agency Fund for amounts due to the JCBOE:

	<u>2024</u>	<u>2023</u>
Due to JCBOE, Beginning Balance	\$ 21,275,053	\$ 18,010,724
Add: Taxes Collected	103,713,460	67,537,099
Add: Interest	<u>1,143,359</u>	<u>727,230</u>
	126,131,872	86,275,053
Less: Disbursed to JCBOE	<u>65,000,000</u>	<u>65,000,000</u>
Due to JCBOE, Ending Balance	<u>\$ 61,131,872</u>	<u>\$ 21,275,053</u>

JERSEY CITY HOUSING AUTHORITY

On January 11, 2023, the City adopted Ordinance No. 22-112 authorizing a lease agreement with the Jersey City Housing Authority (JCHA) for property at 514 Newark Avenue for the purpose of providing services to people experiencing homelessness. The lease is for 10 years through 2033 with a total cost of \$1,533,287 plus an additional \$2,100,400 approved for alterations and improvements to the property. The lease contains an option to renew for an additional 10 years through 2043 with a total cost of \$1,832,170. This lease is considered an operating lease in Note 20.

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 15. RELATED PARTY TRANSACTIONS (continued)

JERSEY CITY ECONOMIC DEVELOPMENT CORPORATION

The City receives funding from the State of New Jersey for the Urban Enterprise Zone (UEZ) program. The State of New Jersey Urban Enterprise Zone Authority allows the City to designate a nonprofit corporation as its Zone Development Corporation to formulate and propose a zone development plan and to prepare, monitor, administer and implement the zone development plan. Pursuant to City Resolution No. 21-861 adopted December 15, 2021, The City designated the Jersey City Economic Development Corporation (JCEDC) as Jersey City's UEZ Development Corporation. Most UEZ funds received by the City are passed through to the JCEDC for the administration of this program. During the year ended December 31, 2024, the City accepted and approved \$6,360,576 of State UEZ awards. Of this amount, \$4,171,970 was passed through to the UEZ.

NOTE 16. INTERFUND BALANCES

The City has various transactions by and between its individual funds. Certain accounts of the Trust and Capital Funds earn interest which is required to be recorded as revenue in the Current Fund budget. Other transactions include budget appropriations in the Current Fund which are required to be turned over to the Federal and State Grant, Trust and Capital Funds. All these transfers are routine and are consistent with the activities of the funds making the transfers.

As of December 31, 2024 and 2023, the City had the following interfunds on its balance sheets:

2024	2023	Due From Fund	Due To Fund	Purpose
\$ -	\$ 255,337	Open Space	Trust - Other	Duplicate Transfer
-	3,146	Payroll Clearing	CDBG Trust	Federal Grant Payrolls
-	11,493	Animal Control	Current	Cumulative Statutory Excess
543,122	565,104	CDBG Trust	Current	HOPWA Funds Reimbursement
26,626	59,956	Current	Open Space Trust	Added Open Space tax
11,422,952	282,226	Payroll Clearing	Current	Advance of January 3, 2025 Payroll
				2023 Cash Advances and Note Mispostings /
383,550	50,458,518	Current	General Capital Fund	2024 Reversal of Capital Reimbursement
-	16,105	Payroll Tax Agency	Current	Parking Enforcement Fee Misposting
857,438	-	F&S Grants Fund	Current	Matching Funds & Balance Adjustments
-	6,009,509	Current	F&S Grants Fund	Passthrough Interfund Loans
3,181,578	1,227,583	Vendor Clearing	Current	Advance Funding of Insurance Bills
-	1,633,704	Current	Trust - Other	Affordable Housing,
-	120,320	Payroll Clearing	Vendor Clearing	Owed for Bills List Funding
-	8,041	Other Trust	Payroll Clearing	Interfund Advances
29,105,146	29,105,146	F&S Grants Fund	General Capital	Passthrough Interfund Loans
-	29,212	Payroll Clearing	F&S Grants Fund	Excess Payroll Funding Advance
-	3,948,694	Vendor Clearing	F&S Grants Fund	Excess Bills List Funding
2,994,000	-	Other Trust	Vendor Clearing	Owed for Bills List Funding
-	5,290	Vendor Clearing	Other Trust	Overpayment of Bills List Funding
-	160	CDBG Trust	Vendor Clearing	Owed for Bills List Funding
-	813,861	F&S Grants Fund	Other Trust	Collected by Incorrect Fund

Current Fund interfunds receivable are fully reserved and recognized as credits to operations in the year the interfunds are received in cash. Interfunds receivable in the Trust Funds and General Capital Fund are not reserved.

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 16. INTERFUND BALANCES (continued)

Transfers by and between the City's funds during the years ended December 31, 2024 and 2023 consisted of the following:

	December 31, 2024		December 31, 2023	
	Transfers In	Transfers Out	Transfers In	Transfers Out
Current Fund	\$ 1,646,793,707	\$ 1,718,397,797	\$ 1,825,617,393	\$ 1,921,881,539
Federal & State Grants Fund	68,047,098	58,016,106	67,445,177	71,398,284
General Capital Fund	366,060,241	315,985,273	452,461,998	349,021,167
Animal Control Fund	92,073	103,566	45,978	66,641
Trust Fund - Other Funds	97,841,592	92,147,441	123,230,431	126,778,785
CDBG Trust Fund	16,629,739	16,648,735	29,062,068	29,089,658
Open Space Trust Fund	1,450,102	1,672,109	1,420,640	1,146,089
Arts and Culture Trust Fund	2,285,992	2,285,992	2,074,481	2,074,481
Payroll Tax Agency Fund	65,012,656	65,028,761	65,038,405	65,029,440
Vendor Clearing Fund	1,459,333,790	1,464,257,299	1,542,983,946	1,541,923,059
Affordable Housing Trust Fund	6,263,968	6,263,968	-	-
Payroll Clearing Fund	433,105,601	422,109,512	417,878,465	418,849,839
	<u>\$ 4,162,916,559</u>	<u>\$ 4,162,916,559</u>	<u>\$ 4,527,258,982</u>	<u>\$ 4,527,258,982</u>

NOTE 17. REVENUE ACCOUNTS RECEIVABLE

Revenue accounts receivable include various receivables due from entities for revenues anticipated in support of the City's budget. These receivables are fully reserved. The following table illustrates the activity of the revenue accounts receivable balances for the year ended December 31, 2024:

	Balance Dec. 31, 2023	Current Year Accruals	Collections	Cancellations	Balance Dec. 31, 2024
Municipal Court Fines and Costs	\$ 772,930	\$ 11,089,600	\$ 10,910,464	\$ -	\$ 952,066
Veolia Water Reimbursement - Operations	923,197	48,836	-	801,186	170,847
Total of Revenue Accounts Not Accruing Receivables	-	219,309,394	219,309,394	-	-
Total Revenue Accounts Receivable	<u>\$ 1,696,127</u>	<u>\$ 230,447,830</u>	<u>\$ 230,219,858</u>	<u>\$ 801,186</u>	<u>\$ 1,122,913</u>

The following table illustrates the activity of the revenue accounts receivable balances for the year ended December 31, 2023:

	Balance Dec. 31, 2022	Current Year Accruals	Collections	Balance Dec. 31, 2023
Municipal Court Fines and Costs	\$ 774,125	\$ 10,542,512	\$ 10,543,707	\$ 772,930
Veolia Water Reimbursement - Operations	801,187	122,010	-	923,197
Sale of Easements	4,500	-	4,500	-
Total of Revenue Accounts Not Accruing Receivables	-	190,120,687	190,120,687	-
Total Revenue Accounts Receivable	<u>\$ 1,579,812</u>	<u>\$ 200,785,209</u>	<u>\$ 200,668,894</u>	<u>\$ 1,696,127</u>

In 2024, receivables for Veolia Water Operations reimbursements were cancelled in the amount of \$801,186 to reflect the amount billable and realizable by the City for operations reimbursements through 2024. Billings from 2019 through 2022 were deemed uncollectible as of December 31, 2024.

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 18. OTHER INTERGOVERNMENTAL RECEIVABLES

In addition to fully reserved revenue accounts receivable as identified in Note 17 and Prepaid Debt Service discussed in Note 10, the City has receivables at December 31, 2024 and 2023 due from other governments for Federal and State Grants, Senior Citizen and Veterans Deductions and overpayments of payroll tax and pension obligations. Other intergovernmental receivables as of December 31, 2024 are as follows:

	Balance Dec. 31, 2023	Increase	Decrease	Balance Dec. 31, 2024
Current Fund:				
Sr. Citizens and Veterans Deductions	\$ 7,513	\$ 235,969	\$ 243,072	\$ 410
Federal and State Grant Fund:				
Federal and State Grants Receivable	55,302,643	34,043,303	28,210,140	61,135,806
CDBG Trust Fund:				
Federal Grants Receivable - HUD	36,650,461	14,038,029	11,165,860	39,522,630
General Capital Fund:				
Due from JCMUA (see also Note 15)	4,180,000	-	665,000	3,515,000
	<u>\$ 96,140,617</u>	<u>\$ 48,317,301</u>	<u>\$ 40,284,072</u>	<u>\$ 104,173,846</u>

Other intergovernmental receivables as of December 31, 202 are as follows:

	Balance Dec. 31, 2022	Increase	Decrease	Balance Dec. 31, 2023
Current Fund:				
Sr. Citizens and Veterans Deductions	\$ 9,131	\$ 248,500	\$ 250,118	\$ 7,513
Federal and State Grant Fund:				
Federal and State Grants Receivable	75,616,257	28,648,780	48,962,395	55,302,642
CDBG Trust Fund:				
Federal Grants Receivable - HUD	37,126,738	18,001,044	18,477,321	36,650,461
Payroll Clearing Fund:				
Overpayment of IRS Payroll Tax	2,500,000	-	2,500,000	-
Overpayment of NJ State Payroll Tax	600,000	-	600,000	-
General Capital Fund:				
Due from JCMUA (see also Note 15)	4,825,000	-	645,000	4,180,000
	<u>\$ 120,677,126</u>	<u>\$ 46,898,324</u>	<u>\$ 71,434,834</u>	<u>\$ 96,140,616</u>

NOTE 19. ECONOMIC DEPENDENCY

State Aid - The City is a recipient of State Aid. During the years ended December 31, 2024 and 2023, State Aid accounted for 9.2% and 8.9%, respectively, of the City's realized Current Fund revenues. Significant changes in State Aid policy, if they were to occur, in conjunction with legislation capping increases to the tax levy, could have a material impact on the City's operations, if any such policy modifications were to occur.

Major Taxpayers - The City does not have significant economic dependence on any one taxpayer. However, the ten largest taxpayers of the City as provided by the Tax Assessor of the City and listed in the following table comprise 6.2% and 7.5%, respectively, of the City's total tax levies for the years ended December 31, 2024 and 2023.

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 19. ECONOMIC DEPENDENCY (continued)

2024 Top 10 Taxpayers			2023 Top 10 Taxpayers		
Name	Type	Assessed Value	Name	Type	Assessed Value
1. Mack Cali Plaza II & III.....	Office.....	379,141,000	1. COA 99 Hudson, LLC.....	Retail.....	\$ 473,605,700
	Residential &			Office &	
2. COA 99 Hudson, LLC.....	Retail.....	\$ 374,496,700	2. Newport Centre, LLC (Indianapolis)	Retail.....	405,053,000
3. GSJC Land, LLC	Office.....	353,692,100	3. Mack Cali Plaza II & III.....	Office.....	379,141,000
	Office &		4. GSJC Land, LLC	Office.....	353,692,100
4. 101 Hudson Realty, LLC	Retail.....	351,950,000		Office &	
5. Mack Cali Plaza V, LLC	Office.....	264,510,000	5. 101 Hudson Realty, LLC	Retail.....	351,950,000
6. Hancock S-REIT J City Corp	Office.....	220,403,400		Residential &	
	Residential &		6. Liberty Towers TIC I & II, LLC	Retail.....	290,317,300
7. Liberty Towers TIC I & II, LLC	Retail.....	220,000,000	7. Newport Centre, LLC (Indianapolis)	Office.....	266,281,400
8. MEPT Newport Tower (Texas)	Office.....	216,395,100	8. Mack Cali Plaza V.....	Office.....	264,510,000
9. Town Cove JC Urban Renewal	Residential...	214,660,000	9. MEPT Newport Tower (Texas)	Office.....	261,230,000
	Residential &		10. Town Cove JC Urban Renewal	Residential...	247,342,500
10. Waver Property, LLC	Retail.....	214,647,000			\$ 3,293,123,000
		<u>\$ 2,809,895,300</u>			
	Net Valuation Taxable	\$45,392,365,002		Net Valuation Taxable	\$43,959,568,210
Top 10 Taxpayers as a Percentage of Assessments		6.2%	Top 10 Taxpayers as a Percentage of Assessments		7.5%

Major Payers in Lieu of Taxes

Below are listed the ten largest PILOT agreements in terms of realized revenues for the years ended December 31, 2024 and 2023. These PILOT agreements comprise 37.4% and 34.7%, respectively, of the PILOT revenues collected and 5.2% and 5.1%, respectively, of total Current Fund revenues.

2024 Top 10 PILOTs		2023 Top 10 PILOTs	
Name	Payment	Name	Payment
1. Liberty Harbor North, Urban Renewal (Metro Homes) - Gulls Cove	\$ 6,390,360	1. Liberty Harbor North, Urban Renewal (Metro Homes) - Gulls Cove	\$ 6,251,606
2. K. Hovnanian at 77 Hudson St., Urban Renewal Co., LLC	6,324,715	2. K. Hovnanian at 77 Hudson St., Urban Renewal Co., LLC	5,584,534
3. Vector UR Assoc. I (Harborspire I)	5,154,102	3. Vector UR Assoc. I (Harborspire I)	4,629,778
4. Harborside Unit A	4,250,747	4. Newport Shore Club South	3,448,481
5. Newport Shore Club South	3,704,588	5. Shore Club North UR, LLC	3,321,154
6. Shore Club North UR, LLC	3,398,953	6. Athena JC Urban Renewal	3,295,333
7. Athena JC Urban Renewal	3,329,437	7. EQR- UR 77 Hudson Street UR	2,804,140
8. EQR- UR 77 Hudson Street UR	2,724,180	8. Second Street Waterfront	2,714,693
9. Second Street Waterfront	2,721,108	9. 70 Columbus UR	2,657,540
10. Provost Square I UR, LLC	2,609,249	10. 90 Columbus Co. LLC	2,568,920
	<u>\$ 40,607,439</u>		<u>\$ 37,276,179</u>
Total PILOT Revenues	\$108,490,755	Total PILOT Revenues	\$107,476,942
Top 10 PILOT Revenues as a Percentage of:		Top 10 PILOT Revenues as a Percentage of:	
PILOT Revenues	37.4%	PILOT Revenues	34.7%
Total Revenues	5.2%	Total Revenues	5.1%

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 20. LEASE COMMITMENTS AND INSTALLMENT PURCHASES

The City has various lease commitments and installment purchase agreements which are not subject to statutory debt limitations.

Under GASB Statement No. 87, lease commitments, including those with bargain purchase options, are required to be recorded as lease liabilities at the present value of future lease payments, offset with a tangible asset or right-of-use asset as applicable. Commitments for the purchase and ownership of capital assets are recorded as financed purchases reflected in the amount of the liability and corresponding asset. In accordance with accounting practices prescribed by the Division, leases for operating expenditures are not shown as liabilities and accordingly no corresponding asset is recorded. Leases for non-operating expenditures for the acquisition of assets with useful lives exceeding five years may be recorded at historical cost as capital leases or installment purchase agreements payable with offsetting deferred charges if there is either a transfer of ownership of property or an option for ownership. The present value of both the liability and right-of-use asset as of December 31, 2024 and 2023 had the GASB leasing standard been used, is \$201,208,799 and \$201,632,819, respectively. The following is a schedule of minimum future payments:

Minimum Payments for the Year Ended December 31,	Total	Installment Purchase Agreements	Leases for Operating Expenditures	Leases for Non-Operating Expenditures with: Transfer of Ownership
2025	\$ 10,778,944	\$ 9,226,003	\$ 572,543	\$ 980,398
2026	12,135,155	10,801,048	353,708	980,398
2027	11,529,150	10,187,969	360,783	980,398
2028	12,406,818	11,150,672	367,998	888,148
2029	12,593,562	11,330,056	375,358	888,148
2030-2034	61,988,716	59,452,741	1,987,356	548,618
2035-2039	64,852,118	64,432,876	419,242	-
2040-2044	65,307,938	65,307,938	-	-
2045-2049	46,195,197	46,195,197	-	-
2050-2054	24,615,879	24,615,879	-	-
Total Lease Payments Required as of Dec. 31, 2024	322,403,476	312,700,379	4,436,988	5,266,109
Less: Amount Representing Interest	121,194,677	119,446,110	910,153	838,414
Present value of net minimum lease payments	<u>\$ 201,208,799</u>	<u>\$ 193,254,269</u>	<u>\$ 3,526,835</u>	<u>\$ 4,427,695</u>

Leases for non-operating activities in which ownership is transferred at the end of the lease include acquisitions of various fire apparatus, animal shelter vehicles and public works vehicles. Under criteria established under GASB Statement No. 87, the principal value of the following leases would be considered financed purchases and recorded as liabilities. These acquisitions were authorized by resolution pursuant to N.J.A.C. 5:30-5.5d with funding to be provided by future budget appropriation, not the authorization of debt, and accordingly are not recorded as capital fund liabilities.

- In 2017, the City entered into a capital lease for a heavy-duty rescue apparatus, with payments totaling \$922,506 payable in ten annual installments of \$92,251 through 2027.
- In 2019 the City acquired three pumpers and an aerial platform ladder at a total cost of \$3,133,145. This lease is payable in ten annual installments of \$379,496 through 2029.
- In 2021, the City acquired two pumpers at a total cost of \$1,456,246. This lease is payable in ten annual installments of \$145,625 through 2031.
- In 2022, the City acquired a pumper with a total cost of \$857,900. This lease is payable in ten annual installments of \$85,790 through 2032.
- In 2024, the City acquired five pickup trucks and two vacuum sweepers for the Department of Public Works with a total cost of \$204,163. This lease is payable in five installments of \$236,405 through 2029.
- In 2024, the City acquired two cargo vans for use by the Health and Human Services Animal Shelter. This lease is payable in five installments of \$40,833 through 2029.

DECEMBER 31, 2024 AND 2023

NOTE 20. LEASE COMMITMENTS AND INSTALLMENT PURCHASES (continued)

Had the City been required to adopt the criteria established under GASB Statement No. 87, the following leases and installment purchase contracts would be recorded as lease liabilities at the present value of principal and interest payments:

- ◆ Leases for operating expenditures include operating leases for the rental of office space, warehouse space and parking spaces. No liability recorded on the City's books for these transactions.
- ◆ Leases for non-operating expenditures with options to buy include the acquisition of police vehicles. Final payment on these leases occurred in 2020. These leases contained a bargain purchase option of \$1 for each vehicle. No liability recorded on the City's books for these transactions.
- ◆ Installment Purchases with options to buy included property acquisitions in which developers would finance the construction of such properties and the City in turn would make payments over a 25 to 30 year period according to agreed-upon schedules of monthly payments, with no distinction between principal and interest obligations. These installment purchases are as follows:
 - **2015 MLK HUB** – This lease and purchase agreement contains a \$1 bargain purchase option for the “MLK HUB” located at the intersection of Kearney Avenue and Martin Luther King Drive as authorized by Ordinance No. 15.020 adopted on March 11, 2015. The basic term of this lease agreement is 25 year bondable triple net lease with base rent payments commencing on the date of substantial completion of the building. Payments are to be made monthly from September 1, 2017 through August 1, 2042. Annual rent will range from a minimum of \$963,000 in the first five years of the lease to a minimum payment of \$1,944,708 in year 25. As of December 31, 2024 and 2023, future minimum payments remaining under this agreement total \$28,291,403 and \$29,546,078, respectively, including principal portions of \$19,048,745 and \$19,453,508, respectively, as determined by a net present value calculation at origination at an interest rate of 4.6%.
 - **2018 MLK HUB** – An additional \$1 bargain purchase option was entered into for additional office at the “MLK HUB” and a parking deck with commercial space, both located at the intersection of Kearney Avenue and Martin Luther King Drive as authorized by Ordinance No. 18.040 adopted on May 10, 2018. The basic term of this lease agreement is 25-year installment purchase agreement pursuant to NJSA 40A:12-5(b) commencing on November 1, 2020 and ending October 1, 2045. Rent terms will change annually and range from a minimum of \$2,661,602 in year one to \$4,259,117 in year 25. As of December 31, 2024 and 2023, future minimum payments remaining under this agreement total \$72,803,451 and \$75,599,049, respectively, including a principal portion of \$44,224,039 and \$44,857,812, respectively, as determined by a net present value calculation at origination at an interest rate of 4.85%.
 - **2019 Public Safety Complex**– This lease and purchase agreement contains a \$1 bargain purchase option for building property located at the northeast corner of the intersection of Martin Luther King Drive and Kearny Avenue. This building will house certain offices for the City's Department of Public Safety, including a Police Department headquarters, a fire department headquarters, parking enforcement offices and 9-1-1 operations offices. The basic term of the lease and purchase agreement is a 30 year term, with payments to begin on December 1, 2022. Rent terms will change annually and range from a minimum of \$4,599,996 in year one to \$9,052,450 in year 30. Total minimum payments under the lease are \$222,741,900, including principal payments of \$129,756,195, as determined by a net present value rate of 3.6%. As of December 31, 2024 and 2023, future minimum payments remaining under this agreement total \$212,391,099 and \$216,991,905, respectively, including a principal portion of \$129,981,485 and \$129,981,485, respectively, as determined by a net present value calculation at origination at an interest rate of 4.85%.

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 21. LESSOR AGREEMENTS

As described more fully in Note 15, the City has entered into a Franchise Concession Agreement with the Jersey City Municipal Utilities Authority (“JCMUA”) in 1998, renewed and extended again in 2003, 2005 and 2023. The 2023 Amended and Restated Franchise and Service Agreement calls for annual payments of \$23,000,000 due for 40 years through 2043, and an upfront payment of \$50,000,000 payable in installments of \$30,000,000 in 2024, \$10,000,000 in 2025 and \$10,000,000 in 2026. The execution of this new agreement was approved by the City’s adoption of Ordinance No. 23-097. The information in the following paragraph assumes approval and completed execution of this agreement.

Had the City been required to adopt the criteria established under GASB Statement No. 87 (“GASB 87”) in its financial statements, the Borough would recognize a lease receivable at present value of any lease payments expected to be received during the lease term and a deferred inflow of resources at the commencement of the lease term. The Borough would also recognize interest revenue on the lease receivable from the deferred inflows of resources in a systematic manner over the term of the lease. Under GASB 87, the present value of the leases receivable as of December 31, 2024 and 2023 would be recorded as \$382,457,396 and \$432,861,581, respectively. Further, the City would recognize deferred inflows for lease and interest revenue for the years ended December 31, 2024 and 2023 of \$422,040,041 and \$432,861,581, respectively. In accordance with accounting practices prescribed by the Division, these leases are not recorded as receivables and are recognized as revenues as the payments are received in cash. The City received revenues from these leases during the year ended December 31, 2024 and 2023 of \$53,000,00 and \$22,000,000, respectively. Had GASB 87 been implemented, lease revenues for the years ended December 31, 2024 and 2023 would have amounted to \$10,821,540 and \$22,164,081, respectively, and implied interest revenue of \$2,595,815 and \$278,488, respectively.

NOTE 22. AGGREGATION OF ENCUMBRANCES

Other significant commitments include encumbrances outstanding for the Current, Trust and General Capital Funds. Below are the aggregated outstanding encumbrances as of December 31, 2024.

	Current Fund	Federal and State Grants Fund	Trust Funds	General Capital Fund	Total Aggregated Encumbrances
Budget Year 2024	\$ 25,204,313	\$ -	\$ -	\$ -	\$ 25,204,313
Other Reserves	-	-	6,934,858	-	6,934,858
Grant Reserves	-	8,704,532	11,353,751	-	20,058,283
Improvement Authorizations	-	-	-	31,153,476	31,153,476
	<u>\$ 25,204,313</u>	<u>\$ 8,704,532</u>	<u>\$ 18,288,609</u>	<u>\$ 31,153,476</u>	<u>\$ 83,350,930</u>

Below are the aggregated outstanding encumbrances as of December 31, 2023.

	Current Fund	Federal and State Grants Fund	Trust Funds	General Capital Fund	Total Aggregated Encumbrances
Budget Year 2023	\$ 11,938,245	\$ -	\$ -	\$ -	\$ 11,938,245
Other Reserves	200	-	6,405,730	-	6,405,930
Grant Reserves	-	7,504,751	8,608,828	-	16,113,579
Improvement Authorizations	-	-	-	42,652,836	42,652,836
	<u>\$ 11,938,445</u>	<u>\$ 7,504,751</u>	<u>\$ 15,014,558</u>	<u>\$ 42,652,836</u>	<u>\$ 77,110,590</u>

All encumbrances noted above are included on the balance sheets of the City.

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 23. TAX ABATEMENTS

The City negotiates property tax abatement agreements on an individual basis. The City has long term tax abatement agreements with 153 entities and 1,460 five-year exemptions as of December 31, 2024:

Purpose of Agreements	Taxing Government	Taxes if Billed at Full 2024 Tax Rate	Received for Payments in Lieu of Taxes & Land Tax	Payments to Other Governments	Taxes Abated		Aggregate Reduction of Government Revenue
					Amount	(%)	
Construction of Commercial and	School	\$100,786,412	\$ -	\$ -	\$100,786,412	100%	\$ -
Residential Redevelopment Projects,	County	42,792,578	-	5,323,471	37,469,107	88%	-
Low and Moderate Income Housing	City	88,916,938	108,490,755	(5,323,471)	(14,250,346)	-16%	-
Projects and Relocation Projects	Total	<u>\$232,495,927</u>	<u>\$108,490,755</u>	<u>\$ -</u>	<u>\$124,005,172</u>	53%	<u>\$ -</u>
Budget Revenues			\$103,728,727				
Non-Budget Revenues			<u>4,762,028</u>				
			<u>\$108,490,755</u>				

The City has long term tax abatement agreements with 163 entities and 1,413 five-year exemptions as of December 31, 2023:

Purpose of Agreements	Taxing Government	Taxes if Billed at Full 2023 Tax Rate	Received for Payments in Lieu of Taxes & Land Tax	Payments to Other Governments	Taxes Abated		Aggregate Reduction of Government Revenue
					Amount	(%)	
Construction of Commercial and	School	\$108,290,973	\$ -	\$ -	\$108,290,973	100%	\$ -
Residential Redevelopment Projects,	County	47,294,425	-	4,525,183	42,769,242	90%	-
Low and Moderate Income Housing	City	92,710,333	107,476,942	(4,525,183)	(10,241,426)	-11%	-
Projects and Relocation Projects	Total	<u>\$248,295,731</u>	<u>\$107,476,942</u>	<u>\$ -</u>	<u>\$140,818,789</u>	57%	<u>\$ -</u>
Budget Revenues			\$105,797,079				
Non-Budget Revenues			<u>1,679,863</u>				
			<u>\$107,476,942</u>				

The full amount to be raised by taxes for support of each Government's budget is levied on properties not subject to such agreements, therefore there is no aggregate reduction of tax revenue to the Governments as a result of the abatement.

These agreements were negotiated under the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq. (the Law), which authorizes municipalities to enter into financial agreements with Urban Renewal Entities. An Urban Renewal Entity is a limited-dividend entity or a nonprofit entity which undertakes redevelopment projects (both commercial and residential), relocation projects for residents displaced by the redevelopment area, and low and moderate income housing projects in return for tax exemptions, or payments in lieu of taxes referred to as "annual service charges".

The Law allows annual service charges to be calculated as a percentage of either gross revenue from each unit of the project or from total project cost, if the project is not undertaken in units. In the case of low and moderate income housing projects, the annual service charge shall not exceed 15% of annual gross revenue or 2% of total project cost. For all other projects, the annual service charge shall not be less than 10% of annual gross revenue or 2% of total project cost. The City's abatements are across in multiple categories. There are a total of five stages in the abatement period. The final four phases require the Urban Renewal Entity to remit the greater of the agreed upon annual service charge or 20%, 40%, 60% and 80%, respectively, of the amount of taxes otherwise due on the value of the land and improvements.

Under the Law, abatements may provide for an exemption period of less than 30 years from the completion of the entire project or less than 35 years from the execution of the financial agreement. Further, Urban Renewal Entity profits are restricted and any excess profits are payable to the municipality as an additional annual service charge.

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 23. TAX ABATEMENTS (continued)

The Law only allows for taxes on improvements to be abated. Taxes on land are billed quarterly to the Urban Renewal Entity and are credited against the annual service charges due. To administer the billing, the land value and improvement value of the abated property are separate line items in the tax assessment and collection records. The land value is billed quarterly at the total property tax rate. The improvement value is classified as exempt property (Class 15F), generating no bill.

The Law does not provide for the recapture of abated taxes in the event an abatement recipient does not fulfill the commitment it makes in return for the tax abatement. However, in the event of default, the City has the right to proceed against the property pursuant to the In Rem Tax Foreclosure Act, N.J.S.A. 54:5-1 and/or may terminate the agreement. The City has not made any commitments as part of the agreements other than to reduce taxes. The City is not subject to any tax abatement agreements entered into by other governmental entities.

NOTE 24. CONTINGENCIES

Non-Recourse Debt - On November 13, 2013, the City adopted Ordinances 13.122 through 13.124 approving the execution of financial agreements with Journal Square I Urban Renewal, LLC, Journal Square II Urban Renewal, LLC and Journal Square III Urban Renewal, LLC related to the authorization and issuance by the Jersey City Redevelopment Agency (JCRA) of not to exceed \$10,000,000 for each agreement (\$30,000,000 total) of Redevelopment Area Bonds. On August 19, 2015 the City adopted Ordinance 15-107 approving the execution of a financial agreement with GS FC Jersey City Pep I Urban Renewal, LLC related to the authorization and issuance by the JCRA of not to exceed \$10,000,000 of Redevelopment Area Bonds. On February 8, 2017, Ordinance 16.194 was adopted approving the execution of a financial agreement with Paulus Hook Urban Renewal, LLC related to the authorization and issuance by the JCRA of not to exceed \$1,000,000 of Redevelopment Area Bonds

Pursuant to these approvals, the JCRA issued federal taxable Redevelopment Area Bonds as follows: On November 6, 2015, \$10,000,000 of federally taxable Hudson Exchange (Forest City) PEP-1 Redevelopment Area Bonds with a final maturity date of September 15, 2040 and bear interest at a rate of 7% per annum. On March 19, 2020 \$10,000,000 of federally taxable Hudson Exchange (Forest City) PEP-2 Redevelopment Area Bonds with a final maturity date of March 15, 2040, and bear interest at a rate of 7% per annum. On January 28, 2016, \$10,000,000 of federally taxable Journal Square Project Redevelopment Area Bonds –Redevelopment Area Bonds with a final maturity date of September 1, 2042 and bear interest at a rate of 7% per annum. On December 12, 2019, \$999,920 of federally taxable PH Urban Renewal LLC Project Redevelopment Area Bonds with a final maturity date of February 1, 2047 and bear interest at a rate of 7% per annum.

Under N.J.S.A. 40A:12A-67, these bonds are issued as non-recourse obligations to the full faith and credit of the City and are not considered to be direct and general obligations of the City. The City is not obligated to levy and collect tax sufficient in an amount to pay the principal and interest on the bonds when they become due and payable. Further, these bonds are not considered gross debt of the City on any debt statement filed in accordance with the Local Bond Law, N.J.S.A. 40A:2-1 et seq.

During the years ended December 31, 2024 and 2023, the City did not enter into additional financial agreements resulting in non-recourse debt or Redevelopment Area Bonds.

Arbitrage Rebate - The City is subject to Section 148 of Internal Revenue Code, which was enacted to minimize the arbitrage benefits from investing gross proceeds of tax-exempt bonds in higher yielding investments and to remove the arbitrage incentives to issue more bonds, to issue bonds earlier, or to leave bonds outstanding longer than is otherwise reasonably necessary to accomplish the governmental purposes for which the bonds were issued. During the year ended December 31, 2023 and 2022, the City was not obligated to remit any funds for arbitrage rebate, yield reduction and interest payments.

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 24. CONTINGENCIES (continued)

Grant Programs - The City participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. The state and federal grants received and expended in the years ended December 31, 2024 and 2023 were subject to the Uniform Guidance and NJ OMB Circular 15-08, which mandate that grant revenues and expenditures be audited in conjunction with the City's annual audit. In addition, these programs are also subject to compliance and financial audits by the grantors or their representatives. In a report dated March 30, 2016, the City was notified by the Office of Inspector General (HUD OIG) that, among other concerns, the City should reimburse \$11,532,769 million in program income to the City's CDBG bank account, for program income the OIG claims the City generated on the disposition of real property. The City continues to appeal these findings. It has been the opinion of outside Counsel that the City should be able to defend its CDBG expenditures and develop the documentation needed to avoid repayment of funds. On April 29, 2025, HUD OIG reiterated its request for Jersey City repay \$11,532,769 from non-federal funds to its local CDBG account, to be receipted as program income in HUD's IDIS system. HUD OIG requested either a lump sum payment or a three year repayment plan by virtue of a voluntary grant reduction of \$3,844,256 per year. As of the date of this audit, the City is considering next steps or legal action against HUD, but no definitive action has been decided upon. There is no formal resolution of this matter as of the date of this report.

Tax Appeals - The City is a defendant in various tax appeals, the extent of which is not unusual for a municipality of its size. In the past, the City has utilized both the Reserve for Tax Appeals account, which is funded through budget appropriations, and has issued refunding notes to pay for the appeals. During the years ended December 31, 2024 and 2023 the City appropriated a total of \$3,000,000 and \$1,050,000, respectively, to fund tax appeal interest and overpayments. During the years ended December 31, 2024 and 2023, the City further funded tax appeal payments through a charge to operations of \$-0- and \$9,953,14, respectively. In addition, on June 12, 2024 the City adopted Ordinance No. 24-034 in the amount of \$18,720,000 for the purposes of funding \$9,801,474 of 2023 tax appeal judgments and settlements, including any interest owed, and \$8,899,041 of 2024 tax appeal settlements and judgments, including interest owed.

Unfunded Capital Improvements - The City has \$13,041,080 of capital improvement projects that were completed and fully expended more than five years prior, with projects dating as far back as the 1970's and 1980's. The City is unable to fund these projects through the issuance of notes or bonds, and must be raised by taxation via budget appropriation. The City is planning to fund these projects over a period of ten years, beginning with the 2026 budget.

Litigation - The City of Jersey City, its officers and employees are defendants in a number of lawsuits including, but not limited to, lawsuits arising out of alleged torts, alleged breaches of contract and alleged violations of civil rights, none of which is unusual for a municipality of its size. The City is also engaged in activities, such as police protection and public works construction, which could result in future litigation with a possible significant monetary exposure to the City.

Based upon the information available to date, it does not appear that any individual lawsuit or the cumulative effect of these lawsuits will impair the City's ability to pay any judgments or settlements in an orderly manner, since the likelihood is that the amount of any judgments and eventual settlements will be much less than the amount claimed, and payments can be spread over two or more fiscal years. Because many lawsuits are still in the discovery stage, the Corporation Counsel is unable to determine the probability of a successful defense to them at this time.

The City self-insures against tort claims, which include general liability, automobile liability, employment practices, public officials and police professional and workers compensation lawsuits. The self-insured retention depends upon the date of the incident and which of two excess policies provides coverage.

CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

NOTE 24. CONTINGENCIES (continued)

These cases below collectively involve significant financial exposure, with some exceeding \$1 million in potential liability. The City is actively defending all claims.

- **212 Marin Blvd. et. al. v City of Jersey City (Sixth Street Embankment)** – The City of Jersey City is engaged in a lengthy legal proceeding before the Surface Transportation Board (STB) regarding Consolidated Rail Corporation's (Conrail) unlawful sale of the Harsimus Branch rail line without obtaining the required abandonment authorization. The City filed an Offer of Financial Assistance (OFA) to acquire the property, which was rejected by the STB despite statutory compliance. The City has appealed the decision, and the STB has yet to rule on the appeal. If the appeal is denied, the City plans to seek judicial review and may invoke state law remedies to acquire the property. Settlement discussions with the developer have been inconsistent, and the City is prepared to pursue all available legal remedies in the event of adverse rulings.
- **Rockaway Valley Regional Sewerage Authority (RVRSA Litigation)** - The City challenges agreements requiring millions in annual payments to RVRSA. The case involves potential exposure of \$5.7 million in capital costs and \$2.5 million in operating expenses.
- **Norhan Mansour & Omar Polanco v. City of Jersey City** - Plaintiffs, former police officers, allege unlawful termination for off-duty cannabis use under the CREAMM Act. After their termination was reversed by the Civil Service Commission and they were reinstated, the officers filed an eight-count complaint alleging civil rights violations and other torts. The case is currently stayed pending the outcome of the City's appeal in the Appellate Division, with potential damages exceeding \$1 million if the plaintiffs prevail.
- **Mackenzie Reilly v. City of Jersey City** - Plaintiff, a former police officer, claims unlawful termination for off-duty cannabis use under the CREAMM Act. The case is consolidated with the Mansour matter and stayed pending the appellate decision, with the outcome uncertain.
- **Gregory Corrado v. City of Jersey City** - Plaintiff, an Assistant Business Administrator, alleges age discrimination under the NJ Law Against Discrimination. The City denies the claims and is vigorously defending the case, which is in the discovery phase.
- **Kelly Chesler & Joseph Ascolese v. City of Jersey City** - Plaintiffs, former police officers, allege discrimination, retaliation, and civil rights violations. Discovery extended, with plaintiff demand at \$2.5 million.
- **Jonathan Gomez-Noreiga v. City of Jersey City** - Plaintiff, a former mayor's aide, alleges wrongful termination for protected speech and whistleblower claims, demanding over \$2 million. The City disputes the claims and is defending the case.
- **M&M Construction Co. v. City of Jersey City** - A \$5.6 million dispute over a terminated firehouse construction contract is in arbitration. The City is defending the claims and seeking to pass liability to subcontractors and consultants.
- **Estate of Robertson v. City of Jersey City** - A wrongful death lawsuit involving a police shooting is in discovery. The City asserts the shooting was justified and plans to defend the case. Discovery ongoing, with potential damages exceeding \$1 million.
- **Samuel Nehemiah v. City of Jersey City** - Plaintiff alleges negligence in a police vehicle accident, claiming over \$328,000 in future medical costs. The City is defending the case, which is in the discovery phase.
- **Keir Carter v. City of Jersey City** - Plaintiff, a bicyclist, alleges a dangerous road design caused his accident, resulting in quadriplegia. The City disputes liability but acknowledges potential exposure exceeding \$1 million.
- **Travis Pittman v. Jersey City et al.** - A legal claim has been filed by Plaintiff against Jersey City and a City employee related to an automobile accident allegedly caused by the City employee while acting within the scope of his employment. The Plaintiff alleges serious injuries, including disc bulges, herniation, and an ankle fracture, and has undergone chiropractic care and epidural injections. The case is scheduled for trial on October 6, 2025, though a motion for summary judgment is being pursued.

CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

NOTE 24. CONTINGENCIES (continued)

- **Linda Alago v. Jersey City** - Plaintiff has filed a legal claim against Jersey City alleging gender discrimination, age discrimination, and retaliation in an employment dispute. The case was assigned to legal counsel on August 9, 2025, and is currently under review.
- **Linda Aristondo v. Jersey City** - Plaintiff has filed a legal claim against Jersey City alleging labor-wage violations, race discrimination, and age discrimination. An amended complaint was filed on October 23, 2024, removing a defendant. Legal counsel was assigned to the case on August 9, 2025, and is currently reviewing the matter.
- **Renee Hester v. Jersey City et al.** - Plaintiff has filed a legal claim against Jersey City alleging discrimination, negligence, hostile work environment, and negligent infliction of emotional distress. Several claims were dismissed prior to the assignment of legal counsel on August 9, 2025. The case is currently under review.
- **O'Garro v. City of Jersey City, et al.** - Class action alleging ADA non-compliance of streets, sidewalks, and curbs. Settlement reached for \$200,000 compensation to class members, with plaintiff's counsel fees expected between \$500,000 and \$1,500,000.
- **John Doe #2 and John Doe #3 v. Jersey City Recreation Affairs, et al.** - Both cases are allegation of sexual molestation by a baseball coach in 1986. Settlement discussions are ongoing, with potential verdicts ranging from \$90,000 to \$750,000.
- **PJ v. Jersey City** - Allegation of sexual assault by a police officer in the 1970s. Settlement negotiations ongoing, with potential jury verdict exceeding \$750,000.
- **Anthony Peterson v. City of Jersey City, et al.** - Civil rights claims involving excessive force and negligence after being hit by a police vehicle. Settlement demand exceeds \$5 million, with a motion for summary judgment pending.
- **Ronald Gregory v. City of Jersey City, et al.** - Allegations of excessive force, false arrest, and other civil rights violations. Discovery ongoing, with potential settlement negotiations anticipated.
- **Ockomba v. City, et al.** - Civil rights claims and injuries from a motor vehicle accident involving accidental firearm discharge. Discovery ongoing, with settlement or trial likely.
- **Crystal L. DeJesus v. City of Jersey City, et al.** - Consolidated case involving a patrol car running a red light, causing injuries. Settlement demand is \$1.5 million, with trial scheduled for October 15, 2024.
- **Kathleen Marcellette v. City of Jersey City, et al.** - Trip-and-fall case involving a bike lane barrier, resulting in traumatic brain injury. Discovery ongoing, with potential settlement range of \$250,000 to \$300,000.
- **Belden v. Jersey City v. M&M, et al.** - Dispute over unpaid materials and construction issues for a firehouse. Mediation and arbitration anticipated.
- **Estate of Andrew Washington v. City of Jersey City** - Fatal police shooting during a mental health episode. Civil rights and disability claims brought by the decedent's estate. Attorney General declined criminal charges against the officer. Discovery ongoing.

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 25. SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 22, 2025, the date which the financial statements were available to be issued. The following material subsequent events have been noted:

Issuance of Debt:

The following debt was issued by the City subsequent to the balance sheet date:

- ◆ \$17,200,000 Bond Anticipation Notes, Series 2025A (Tax Exempt) issued on July 9, 2025 to renew Series 2024A Notes issued originally to finance City Ordinance 23-050 adopted for the purposes of acquiring real property located at 68-74 Sip Avenue in the City. The notes mature July 8, 2026 at an interest rate of 4.0%
- ◆ \$36,136,123 Special Emergency Notes, Series 2025B issued on July 9, 2025 to renew 2024B Notes issued originally finance City Ordinance 23-040 adopted for the purposes of approving a Special Emergency for the balance of the COVID-19 related deficit resultant from 2021 City operations, less the required installment. These notes additionally refund Series 2024 and 2024B Notes issued to finance Ordinances 23-116 and 24-100 adopted to provide for the payment of contractually required severance liabilities of 2023 and Ordinance 24-1, less the required installments. The notes mature July 8, 2026 at an interest rate of 4.75%.
- ◆ \$12,480,000 Tax Appeal Refunding Notes, Series 2025B issued on July 9, 2025 to renew Series 2024C Notes issued originally to finance City Ordinance 24-034 adopted for the purpose of funding payments for tax appeals, settlements and related interest, less the required installment. The notes mature July 8, 2026 at an interest rate of 4.75%.
- ◆ The City is expecting to issue \$124,450,000 General Improvement Bonds, Series 2025, \$86,028,000 Bond Anticipation Notes, Series 2025C (Tax-Exempt), and \$6,000,000 Special Emergency Notes, Series 2025D (Federally Taxable). A resolution authorizing the issuance of these bonds and notes is expected to be on the agenda of the City's September 24, 2025 meeting.

Non-Recourse Debt:

On August 20, 2025, the City adopted Resolution No. 25-563 authorizing the issuance of \$600,000 non-recourse Redevelopment Area Bonds in support of projects within the Bayfront Redevelopment Plan.

Issuance of Debt Guaranteed by the City:

Debt issued by other entities, and which is guaranteed by the City, subsequent to the balance sheet date is as follows:

- ◆ On April 16, 2025, the JCMUA issued \$250,585,000 Obligations, Series 2025, consisting of \$87,370,000 Water Project Notes maturing May 1, 2026 at an interest rate of 5%, \$8,925,000 Water Project Notes maturing May 1, 2026 at an interest rate of 4.8%, \$17,820,000 Sewer Project Notes maturing May 1, 2026 at an interest rate of 5%, \$48,065,000 Water Revenue Bonds maturing in annual installments from 2028 through 2055 issued at an interest rate of 5.75%, \$78,405,000 Sewer Revenue Bonds maturing in annual installments from 2028 through 2025 issued at an interest rate of 5.75% and \$10,000,000 Water Franchise Revenue Bonds maturing in annual installments from 2030 through 2055 issued at interest rates ranging from 4.82% to 6.15%.
- ◆ On September 23, 2025, the JCMUA expects to issue \$52,308,245 Sewer Project Notes, Series 2025, consisting of the \$26,433,245 Sewer Project Note, Series 2025G (Federally Taxable) and the \$25,875,000 Sewer Project Note, Series 2025H.

**CITY OF JERSEY CITY
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2024 AND 2023

NOTE 25. SUBSEQUENT EVENTS (continued)

Grant Obligations

April 29, 2025, HUD OIG reiterated its request for Jersey City repay \$11,532,769 from non-federal funds to its local CDBG account, to be receipted as program income in HUD's IDIS system. HUD OIG requested either a lump sum payment or a three year repayment plan by virtue of a voluntary grant reduction of \$3,844,256 per year. As of the date of this audit, the City is considering next steps or legal action against HUD, but no definitive action has been decided upon. There is no formal resolution of this matter as of the date of this report.

Overexpenditures

The City's 2025 (unaudited) financial records indicate a possible overexpenditure of its 2024 appropriation reserves of approximately \$6,300,000. Should this overexpenditure not be funded or otherwise correct prior to the close of the fiscal year, and if it is verified during the close of the City's financial records and preparation of the 2025 Annual Financial Statement, the City will be required to fund the overexpenditure in its 2026 Current Fund budget.

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APPENDIX C

FORM OF APPROVING LEGAL OPINION FOR THE BONDS

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90 Woodbridge Center Drive
Suite 900 Box 10
Woodbridge, NJ 07095-0958
732.636.8000

October ____, 2025

Mayor and City Council
of the City of Jersey City
Jersey City, New Jersey

Ladies and Gentlemen:

We have served as Bond Counsel in connection with the authorization, sale, issuance, execution and delivery of the \$124,450,000* aggregate principal amount of General Improvement Bonds, Series 2025 (the "Bonds") of the City of Jersey City, in the County of Hudson (the "City"), a municipal corporation organized and existing under the laws of the State of New Jersey.

The Bonds are authorized by, and are being issued pursuant to: (i) the provisions of the Local Bond Law of the State of New Jersey, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law"); (ii) a bond ordinance duly adopted by the City Council of the City, approved by the Mayor, and published as required by law (the "Ordinance"); and (iii) a resolution duly adopted by the City Council of the City on September 24, 2025 (the "Resolution").

The Bonds are being issued by the City to refund, on a current basis, a \$124,450,000 principal portion of prior outstanding bond anticipation notes of the City issued in the aggregate principal amount of \$181,450,000 on October 23, 2024 and maturing on October 22, 2025 (the "Prior Bond Anticipation Notes") (a \$57,000,000 portion of the Prior Bond Anticipation Notes will be currently refunded through the issuance of \$86,028,000 Bond Anticipation Notes, Series 2025C (Tax-Exempt)).

The Bonds are issued in fully registered, book-entry form, without coupons, initially registered in the name of, and held by, Cede & Co., as nominee for The Depository Trust Company, Brooklyn, New York ("DTC"), an automated depository for securities and clearing house for securities transactions. One certificate shall be issued for the aggregate principal amount of Bonds maturing in each year. Individual purchases of the Bonds will be made in book-entry form in the principal amount of \$5,000 each or any integral multiple of \$1,000 in excess thereof, through book entries made on the books and records of DTC and its participants. So long as DTC or its nominee is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made by the City, as paying agent (or a paying agent duly appointed by the City), directly to Cede & Co., as nominee for DTC. Disbursal of such payments to DTC participants is the responsibility of DTC and disbursal of such payments to the beneficial owners of the Bonds is the responsibility of DTC participants.

* Preliminary, subject to change.

The Bonds are dated and shall bear interest from their date of delivery, which interest shall be payable semi-annually on the first (1st) day of April and October in each year (each an “Interest Payment Date”), commencing April 1, 2026, until maturity or prior redemption. The Bonds shall mature on October 1 in each of the years, in the principal amounts, and at the interest rates set forth below:

<u>Year</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>
2026	\$ 5,400,000	%	2034	\$ 8,915,000	%
2027	5,400,000		2035	9,270,000	
2028	5,600,000		2036	9,645,000	
2029	5,800,000		2037	10,030,000	
2030	7,620,000		2038	10,430,000	
2031	7,925,000		2039	10,800,000	
2032	8,245,000		2040	10,800,000	
2033	8,570,000				

* Preliminary, subject to change.

The Bonds of this issue maturing prior to October 1, 2033 are not subject to redemption prior to their stated maturities. The Bonds of this issue maturing on or after October 1, 2033 are subject to redemption, at the option of the City, as a whole or in part, on any date on or after October 1, 2032, upon notice as required therein, at a redemption price equal to one hundred percent (100%) of the principal amount thereof being redeemed, plus accrued interest to the date fixed for redemption.

We have examined such matters of law, certified copies of the proceedings, including all authorization proceedings for the Bonds, and other documents and proofs relative to the authorization, sale, issuance, execution and delivery of the Bonds as we have deemed necessary or appropriate for the purposes of the opinion rendered below. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and documents.

We are of the opinion that (i) such proceedings and proofs show lawful authority for the authorization, sale, issuance, execution and delivery of the Bonds pursuant to the Local Bond Law, the Ordinance and the Resolution; (ii) the Bonds have been duly authorized, executed and delivered and constitute valid and legally binding general obligations of the City enforceable in accordance with their terms; and (iii) the City has pledged its full faith and credit for the payment of the principal of and interest on the Bonds and, unless paid from other sources, all the taxable

property within the City is subject to the levy of *ad valorem* taxes, without limitation as to rate or amount, for the payment of the principal of and interest on the Bonds.

The Internal Revenue Code of 1986, as amended (the “Code”), establishes certain requirements which must be met at the time of, and on a continuing basis subsequent to, the issuance and delivery of the Bonds in order for interest thereon to be and remain excludable from gross income for Federal income tax purposes under Section 103 of the Code. Noncompliance with such requirements could cause the interest on the Bonds to be included in gross income for Federal income tax purposes retroactive to the date of the issuance of the Bonds. The City has covenanted in a tax certificate relating to the Bonds to maintain the exclusion of the interest on the Bonds from gross income for Federal income tax purposes pursuant to Section 103(a) of the Code.

In our opinion, under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance by the City with the requirements of the Code and the aforementioned covenants and representations stated in its tax certificate, interest on the Bonds is not includable for Federal income tax purposes in the gross income of the owners of the Bonds pursuant to Section 103 of the Code. The Bonds are not “specified private activity bonds” within the meaning of Section 57 of the Code and, therefore, the interest on the Bonds will not be treated as a preference item for purposes of computing the Federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the Federal alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022.

[The Bonds maturing on October 1 in the years ____ through ____, inclusive (collectively, the “Premium Bonds”), have been sold to the public at a premium. Section 171 of the Code provides rules under which a bond premium may be amortized and a deduction allowed for the amount of the amortizable bond premium for a taxable year. Under Section 171(a)(2) of the Code, however, no deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excludable from gross income. Under Section 1016(a)(5) of the Code, the purchaser’s basis in a Premium Bond will be reduced by the amount of the amortizable bond premium disallowable as a deduction under Section 171(2) of the Code. Proceeds received from the sale, exchange, redemption or payment of a Premium Bond in excess of the owner’s adjusted basis (as reduced pursuant to Section 1016(a)(5) of the Code), will be treated as a gain from the sale or exchange of such Premium Bonds and not as interest.]

[We are also of the opinion that the difference between the stated principal amount of the Bonds maturing on October 1 in the years _____ through _____, inclusive (collectively, the “Discount Bonds”), and their respective initial public offering prices to the public (excluding bond houses, brokers or similar person or organizations acting in the capacity of underwriters or wholesalers) at which prices a substantial amount of the Discount Bonds of the same maturity and interest rate were sold, constitutes original issue discount which is treated as interest and is excludable from gross income for Federal income tax purposes to the same extent described above. In the case of any holder of the Discount Bonds, the amount of such original issue discount which is treated as having accrued with respect to the Discount Bonds is added to the cost basis

of the holder in determining, for Federal income tax purposes, gain or loss upon disposition (including sale, redemption or payment at maturity).]

We are also of the opinion that, under existing laws of the State of New Jersey, interest on the Bonds and any gain on the sale thereof are not includable in gross income under the New Jersey Gross Income Tax Act, 1976 N.J. Laws c. 47, as amended and supplemented.

Except as stated in the preceding paragraphs, we express no opinion as to any Federal, state, local or foreign tax consequences of the ownership or disposition of the Bonds. Furthermore, we express no opinion as to any Federal, state, local or foreign tax law consequences with respect to the Bonds, or the interest thereon, if any action is taken with respect to the Bonds or the proceeds thereof upon the advice or approval of other bond counsel.

This opinion is qualified to the extent that the enforceability of the rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights or remedies heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

This opinion is rendered on the basis of Federal law and the laws of the State of New Jersey as enacted and construed on the date hereof.

We have examined each of the Bonds, as executed by the City, and, in our opinion, the form of each Bond and their execution are regular and proper.

Very truly yours,

APPENDIX D

FORMS OF APPROVING LEGAL OPINIONS FOR THE NOTES

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90 Woodbridge Center Drive
Suite 900 Box 10
Woodbridge, NJ 07095-0958
732.636.8000

October __, 2025

Mayor and City Council
of the City of Jersey City
Jersey City, New Jersey

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the City Council of the City of Jersey City, in the County of Hudson, a municipal corporation organized and existing under the laws of the State of New Jersey (the "City"), and other proofs submitted to us relative to the authorization, issuance, sale, execution and delivery of the \$86,028,000 aggregate principal amount of Bond Anticipation Notes, Series 2025C (Tax-Exempt) (the "Tax-Exempt Notes") of the City. The Tax-Exempt Notes are dated October 21, 2025, mature October 20, 2026, and bear interest at the rate of _____ and _____ hundredths per centum (____%) per annum.

The Tax-Exempt Notes are issued in fully registered book-entry form, without certificates, initially registered in the name of, and held by, Cede & Co., as nominee for The Depository Trust Company, Brooklyn, New York ("DTC"), an automated depository for securities and clearing house for securities transactions. Individual purchases of the Tax-Exempt Notes will be made in denominations of \$5,000 each or any integral multiple of \$1,000 in excess thereof, through book entries made on the books and records of DTC and its participants. So long as DTC or its nominee is the registered owner of the Tax-Exempt Notes, payments of principal of and interest on the Tax-Exempt Notes will be made by the City or a duly designated paying agent directly to Cede & Co., as nominee for DTC, which will, in turn, remit such payments to DTC Participants, which will, in turn, remit such payments to the beneficial owners of the Tax-Exempt Notes. The Tax-Exempt Notes are not subject to redemption prior to their stated date of maturity.

The Tax-Exempt Notes are authorized by, and are issued pursuant to: (i) the provisions of the Local Bond Law of the State of New Jersey, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the “Local Bond Law”); (ii) various bond ordinances duly adopted by the City Council of the City, approved by the Mayor, and published as required by law (the “Bond Ordinances”), and (iii) a resolution duly adopted by the City Council of the City on September 24, 2025 (the “Resolution”). The Tax-Exempt Notes are being issued to (i) refund, on a current basis, a \$57,000,000 principal portion of prior outstanding bond anticipation notes of the City issued in the aggregate principal amount of \$181,450,000 on October 23, 2024 and maturing on October 22, 2025 (the “Prior Bond Anticipation Notes”) (a \$124,450,000 portion of the Prior Bond Anticipation Notes will be currently refunded through the issuance of \$124,450,000 aggregate principal amount of General Improvement Bonds, Series 2025), and (ii) temporarily finance various capital improvements in and for the City in the amount of \$29,028,000.

We are of the opinion that (i) such proceedings and proofs show lawful authority for the authorization, issuance, sale, execution and delivery of the Tax-Exempt Notes pursuant to, as applicable, the Local Bond Law, the Bond Ordinances, and the Resolution, (ii) the Tax-Exempt Notes have been duly authorized, executed and delivered and constitute valid and legally binding general obligations of the City, which are enforceable in accordance with their terms, and (iii) the City has pledged its full faith and credit for the payment of the principal of and interest on the Tax-Exempt Notes and, unless paid from other sources, all the taxable property within the City is subject to the levy of *ad valorem* taxes, without limitation as to rate or amount, for the payment of the principal of and interest on the Tax-Exempt Notes.

The Internal Revenue Code of 1986, as amended (the “Code”), establishes certain requirements which must be met at the time of, and on a continuing basis subsequent to, the issuance and delivery of the Tax-Exempt Notes for interest thereon to be and remain excludable from gross income for Federal income tax purposes under Section 103 of the Code. Noncompliance with such requirements could cause the interest on the Tax-Exempt Notes to be included in gross income for Federal income tax purposes retroactive to the date of the issuance of the Tax-Exempt Notes. The City has covenanted in a tax certificate relating to the Tax-Exempt Notes to maintain the exclusion of the interest on the Tax-Exempt Notes from gross income for Federal income tax purposes pursuant to Section 103(a) of the Code.

In our opinion, under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance by the City with the provisions of the Code and the aforementioned covenants in its tax certificate, interest on the Tax-Exempt Notes is not includable for Federal income tax purposes in the gross income of the owners of the Tax-Exempt Notes pursuant to Section 103 of the Code. The Tax-Exempt Notes are not “specified private activity bonds” within the meaning of Section 57 of the Code and, therefore, the interest on the Tax-Exempt Notes will not be treated as a preference item for purposes of computing the Federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the Federal alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022.

We are also of the opinion that, under existing laws of the State of New Jersey, interest on the Tax-Exempt Notes, and any gain on the sale thereof, are not includable in gross income of the holders thereof under the New Jersey Gross Income Tax Act, 1976 N.J. Laws c. 47, as amended and supplemented.

Except as stated in the preceding paragraphs, we express no opinion as to any Federal, state, local or foreign tax consequences of the ownership or disposition of the Tax-Exempt Notes.

Furthermore, we express no opinion as to any Federal, state, local or foreign tax law consequences with respect to the Tax-Exempt Notes, or the interest thereon, if any action is taken with respect to the Tax-Exempt Notes or the proceeds thereof upon the advice or approval of other bond counsel.

This opinion is qualified to the extent that the enforceability of the rights or remedies with respect to the Tax-Exempt Notes may be limited by bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights or remedies heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

This opinion is rendered on the basis of Federal law and the laws of the State of New Jersey as enacted and construed on the date hereof.

We have examined the form of the executed Tax-Exempt Note and, in our opinion, the form of the Tax-Exempt Note is regular and proper.

Very truly yours,



90 Woodbridge Center Drive
Suite 900 Box 10
Woodbridge, NJ 07095-0958
732.636.8000

October __, 2025

Mayor and City Council
of the City of Jersey City
Jersey City, New Jersey

Ladies and Gentlemen:

We have examined certified copies of the proceedings of the City Council of the City of Jersey City, in the County of Hudson, a municipal corporation organized and existing under the laws of the State of New Jersey (the "City"), and other proofs submitted to us relative to the authorization, issuance, sale, execution and delivery of the \$6,000,000 aggregate principal amount of Special Emergency Notes, Series 2025D (Federally Taxable) (the "Taxable Notes") of the City. The Taxable Notes are dated October 21, 2025, mature October 20, 2026, and bear interest at the rate of _____ and _____ hundredths per centum (_____%) per annum.

The Taxable Notes are issued in fully registered book-entry form, without coupons, initially registered in the name of, and held by, Cede & Co., as nominee for The Depository Trust Company, Brooklyn, New York ("DTC"), an automated depository for securities and clearing house for securities transactions. Individual purchases of the Taxable Notes will be made in denominations of \$5,000 each or any integral multiple of \$1,000 in excess thereof, through book entries made on the books and records of DTC and its participants. So long as DTC or its nominee is the registered owner of the Taxable Notes, payments of principal of and interest on the Taxable Notes will be made by the City or a duly designated paying agent directly to Cede & Co., as nominee for DTC, which will, in turn, remit such payments to DTC Participants, which will, in turn, remit such payments to the beneficial owners of the Taxable Notes. The Taxable Notes are not subject to redemption prior to their stated date of maturity.

The Taxable Notes are being issued pursuant to, as applicable, (i) the provisions of the Local Budget Law of the State of New Jersey, N.J.S.A. 40A:4-1 et seq., as amended and supplemented (the “Local Budget Law”), (ii) various special emergency ordinances duly adopted by the City Council of the City, approved by the Mayor, and published as required by law (the “Special Emergency Ordinances”), (iii) special emergency resolutions duly adopted by the City Council of the City (the “Special Emergency Resolutions”), and (iv) a resolution duly adopted by the City Council of the City on September 24, 2025 (the “Resolution” and together with the Special Emergency Ordinances and the Special Emergency Resolutions, the “Authorizing Documents”). The Taxable Notes are being issued to refund, on a current basis, a \$6,000,000 principal portion of prior special emergency notes issued in the principal amount of \$12,600,000 on October 23, 2024 and maturing on October 22, 2025 (the “Prior Special Emergency Notes”) (the remaining balance of the Prior Special Emergency Notes will be paid by a 2025 budget appropriation in the amount of \$6,600,000).

We are of the opinion that (i) such proceedings and proofs show lawful authority for the authorization, issuance, sale, execution and delivery of the Taxable Notes pursuant to the Local Budget Law and the Authorizing Documents, (ii) the Taxable Notes have been duly authorized, executed and delivered and constitute valid and legally binding general obligations of the City, which are enforceable in accordance with their terms, and (iii) the City has pledged its full faith and credit for the payment of the principal of and interest on the Taxable Notes and, unless paid from other sources, all the taxable property within the City is subject to the levy of *ad valorem* taxes, without limitation as to rate or amount, for the payment of the principal of and interest on the Taxable Notes.

In our opinion, under existing statutes, regulations, rulings and court decisions, interest on the Taxable Notes is includable in the gross income of the owners of the Taxable Notes for Federal income tax purposes.

We are also of the opinion that, under existing laws of the State of New Jersey, interest on the Taxable Notes and any gain on the sale thereof are not includable in gross income of the holders thereof under the New Jersey Gross Income Tax Act, 1976 N.J. Laws c. 47, as amended and supplemented.

Except as stated in the preceding paragraphs, we express no opinion as to any Federal, state, local or foreign tax consequences of the ownership or disposition of the Taxable Notes. Furthermore, we express no opinion as to any Federal, state, local or foreign tax law consequences with respect to the Taxable Notes, or the interest thereon, if any action is taken with respect to the Taxable Notes or the proceeds thereof upon the advice or approval of other bond counsel.

This opinion is qualified to the extent that the enforceability of the rights or remedies with respect to the Taxable Notes may be limited by bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights or remedies heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

This opinion is rendered on the basis of Federal law and the laws of the State of New Jersey as enacted and construed on the date hereof.

We have examined the form of the executed Taxable Note and, in our opinion, the form of the Taxable Note is regular and proper.

Very truly yours,

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE FOR THE BONDS

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CONTINUING DISCLOSURE CERTIFICATE FOR THE BONDS

This Continuing Disclosure Certificate dated October __, 2025 (the "Disclosure Certificate") is executed and delivered by the City of Jersey City, in the County of Hudson, State of New Jersey (the "City" or the "Issuer") in connection with the issuance of its \$124,450,000 aggregate principal amount of General Improvement Bonds, Series 2025 (the "Bonds"), all such Bonds being dated October 21, 2025. The Bonds are being issued pursuant to various bond ordinances duly adopted by the City Council of the City, approved by the Mayor, and published as required by law, and a resolution entitled, "RESOLUTION (A) DETERMINING THE FORM AND OTHER DETAILS OF THE OFFERING OF NOT TO EXCEED \$124,450,000 AGGREGATE PRINCIPAL AMOUNT OF GENERAL IMPROVEMENT BONDS, SERIES 2025, OF THE CITY OF JERSEY CITY, IN THE COUNTY OF HUDSON, STATE OF NEW JERSEY (THE "CITY") AND PROVIDING FOR THEIR SALE AND DETERMINING CERTAIN OTHER MATTERS WITH RESPECT THERETO, (B) AUTHORIZING THE SALE AND ISSUANCE OF \$86,028,000 BOND ANTICIPATION NOTES, SERIES 2025C (TAX-EXEMPT) OF THE CITY, AND (C) AUTHORIZING THE SALE AND ISSUANCE OF \$6,000,000 SPECIAL EMERGENCY NOTES, SERIES 2025D (FEDERALLY TAXABLE) OF THE CITY" (the "Bond Resolution"), such Bond Resolution being duly adopted by the City Council of the City on September 24, 2025. The City covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the Beneficial Owners of the Bonds to assist the Underwriter(s) in complying with the Rule (as defined below). The City acknowledges it is an "Obligated Person" under the Rule (as defined below).

SECTION 2. Definitions. In addition to the definitions set forth in the Bond Resolution which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"*Annual Report*" shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"*Beneficial Owner*" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for Federal income tax purposes.

"*Business Day*" shall mean any day other than a Saturday, Sunday or a day on which the City or the Dissemination Agent is authorized by law or contract to remain closed.

"*Continuing Disclosure Information*" shall mean, collectively, (i) each Annual Report, (ii) any notice required to be electronically filed by the City with the MSRB through EMMA pursuant to Section 3 of this Disclosure Certificate, and (iii) any notice of a Listed

Event required to be filed by the City with the MSRB through EMMA pursuant to Section 5 of this Disclosure Certificate.

"Disclosure Representative" shall mean the Chief Financial Officer or the Director of the Department of Finance of the City or his or her designee, or such other person as the City shall designate in writing from time to time for the purposes of this Disclosure Certificate.

"Dissemination Agent" shall mean, initially, Digital Assurance Certification, LLC, or any Dissemination Agent subsequently designated in writing by the City which has filed with the City a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access system, a website created by the MSRB and approved by the SEC to provide a central location where investors can obtain municipal bond information including disclosure documents. The City or the Dissemination Agent shall submit disclosure documents to EMMA as a PDF file to www.emma.msrb.org.

"Financial Obligation" shall mean a: (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) listed hereinabove. The term *"Financial Obligation"* shall not include municipal securities as to which a final official statement has been provided to the MSRB (as defined below) consistent with the Rule (as defined below).

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"National Repository" shall mean the MSRB, through the internet facilities of EMMA, or any other public or private repository or entity that shall hereafter be designated by the SEC (as defined below) as a repository for purposes of the Rule (as defined below).

"Rule" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" shall mean the United States Securities and Exchange Commission.

"State" shall mean the State of New Jersey.

"Underwriter(s)" shall mean the original underwriter(s) of the Bonds required to comply with the Rule in connection with the purchase of the Bonds.

SECTION 3. Provision of Annual Reports.

(a) The City shall provide or cause to be provided to the Dissemination Agent not later than September 15 of each fiscal year, commencing September 15, 2026 (for the calendar year ending December 31, 2025), an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Each Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report; and provided, further, that if the audited financial statements of the City are not available by September 15 of each year, the City shall include unaudited financial statements with its Annual Report and when such audited financial statements become available to the City, the same shall be submitted to the Dissemination Agent no later than thirty (30) days after the receipt of the same by the City.

(b) Not later than October 1 of each year (commencing October 1, 2026), the Dissemination Agent shall provide to EMMA a copy of the Annual Report received by the Dissemination Agent pursuant to subsection (a) hereof.

(c) If the City does not provide or is unable to provide an Annual Report by the applicable date required in subsection (a) above, such that the Dissemination Agent cannot forward the Annual Report to EMMA in accordance with subsection (b) above, the Dissemination Agent shall send a timely notice of such event to EMMA in substantially the form attached hereto as Exhibit A, with a copy to the City (if the Dissemination Agent is not the City).

(d) Each year the Dissemination Agent shall file a report with the City (if the Dissemination Agent is not the City), certifying that the Annual Report has been filed with EMMA pursuant to this Disclosure Certificate, and stating the date it was provided.

(e) If the fiscal year of the City changes, the City shall give written notice of such change to the Dissemination Agent and the Dissemination Agent shall, within five (5) business days after the receipt thereof from the City, forward a notice of such change to EMMA in the manner provided in Section 5(e) hereof.

SECTION 4. Content of Annual Reports. (a) The City's Annual Report shall contain or incorporate by reference the following:

1. The audited financial statements of the City (as of the preceding December 31).

The audited financial statements are to be prepared in accordance with generally accepted auditing standards and audit requirements prescribed by the Division of Local Government Services, State Department of Community Affairs (the "Division") that demonstrate compliance with the modified accrual basis, with certain exceptions, which is a comprehensive basis of accounting other than generally accepted accounting principles (GAAP), and the budget laws of the State.

2. The most current annual debt statement of the City (as of the preceding December 31); and

3. The general financial information and operating data of the City consistent with the information set forth in Appendices A and B to the Official Statement dated October __, 2025, prepared in connection with the sale of the Bonds (the "Official Statement"), and in the forepart thereof under the heading entitled, "LITIGATION".

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the City is an "Obligated Person" (as defined by the Rule), which have been filed with the MSRB, through the EMMA system, or the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The City shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Significant Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Bonds, as applicable:

1. Principal and interest payment delinquencies;
2. Nonpayment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of Bondholders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances of the Bonds;

10. Release, substitution or sale of property securing repayment of the Bonds, if material;
11. Rating changes relating to the Bonds;
12. Bankruptcy, insolvency, receivership or similar event of the City;
13. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee for the Bonds or the change of name of a trustee for the Bonds, if material;
15. Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect Bondholders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

The City shall, in a timely manner not in excess of ten (10) business days after the occurrence of any Listed Event, file a notice of the occurrence of such Listed Event with the MSRB, through the EMMA system, in accordance with the provisions of Section 5 of this Disclosure Certificate. In determining the materiality of any of the Listed Events specified in subsection (a) of this Section 5 that require a materiality determination, the City may, but shall not be required to, rely conclusively on an opinion of counsel.

(b) Whenever the City has or obtains knowledge of the occurrence of any of the Listed Events that require a materiality determination, the City shall, as soon as possible, determine if such event would constitute information material, if applicable, to the Beneficial Owners of the Bonds.

(c) If the City (i) has or obtains knowledge of the occurrence of any of the Listed Events not requiring a materiality determination, or (ii) determines that the occurrence of a Listed Event requiring a materiality determination would be material to the Beneficial Owners of the Bonds, the City shall promptly notify the Dissemination Agent in writing (if the

City is not the Dissemination Agent) and the City shall instruct the Dissemination Agent to report such Listed Event and the Dissemination Agent shall report the occurrence of such Listed Event pursuant to subsection (e) hereof.

(d) If the City determines that the occurrence of a Listed Event requiring a materiality determination would not be material to the Beneficial Owners of the Bonds, the City shall promptly notify the Dissemination Agent in writing (if the Dissemination Agent is not the City) and the Dissemination Agent (if the Dissemination Agent is not the City) shall be instructed by the City not to report the occurrence.

(e) If the Dissemination Agent has been instructed in writing by the City to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB, through the EMMA system, in a timely manner not in excess of ten (10) business days after the occurrence thereof, with a copy to the City (if the Dissemination Agent is not the City). Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) hereof need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the Bondholders of the affected Bonds pursuant to the Bond Resolution.

SECTION 6. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds or when the City is no longer an "Obligated Person" (as defined in the Rule). The City shall file a notice of the termination of its reporting obligations pursuant to the provisions hereof with the Dissemination Agent, which notice shall be filed with the MSRB, through the EMMA system, in accordance with the provisions of Section 5(e) hereof.

SECTION 7. Compliance with the Rule. The City hereby covenants for the benefit of the holders of the Bonds and the beneficial holders of the Bonds to provide certain financial information and operating data of the City, as detailed in Sections 3, 4 and 5 hereof, and to comply with the provisions of the Rule.

The City has engaged the services of Digital Assurance Certification, LLC, to act as dissemination agent to the City with respect to all of the City's outstanding continuing disclosure undertakings. As of the date hereof, the City is in compliance with all existing continuing disclosure agreements in all material respects. This covenant is being made by the City to assist the purchasers of the Bonds in complying with the Rule.

SECTION 8. Dissemination Agent; Compensation. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be Digital Assurance Certification, LLC. The City shall compensate the Dissemination Agent (which shall be appointed) for the performance of its obligations hereunder in accordance with an agreed upon fee structure.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate and any provision

of this Disclosure Certificate may be waived, if such amendment or waiver (supported by an opinion of counsel who is an expert in Federal securities laws acceptable to the City to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof) is (a) made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person, or type of business conducted; (b) the undertaking, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (c) the amendment or waiver does not materially impair the interests of holders, as determined either by parties unaffiliated with the City, such determination being supported by an opinion of counsel who is an expert in Federal securities laws, or by the approving vote of a majority of Beneficial Owners of the Bonds at the time of the amendment. The City shall give notice of such amendment or waiver to this Disclosure Certificate to the Dissemination Agent, which notice shall be filed in accordance with the provisions of Section 5 hereof. Notwithstanding the above, the addition of or change in the Dissemination Agent shall not be construed to be an amendment under the provisions hereof.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the City shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements (i) notice of such change shall be given in the same manner as a Listed Event under Section 5 hereof, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, the Holders of at least 25% aggregate principal amount of Outstanding Bonds or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an

Event of Default on the Bonds and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 12. Duties, Immunities and Liabilities of the Dissemination Agent.

The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and, to the extent permitted by law, the City agrees to indemnify and hold the Dissemination Agent (if the Dissemination Agent is not the City) and its respective officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. To the extent permitted by law, the City further releases the Dissemination Agent from any liability for the disclosure of any information required by the Rule and this Disclosure Certificate. The Dissemination Agent shall not be deemed to be acting in any fiduciary capacity for the City, the Holders of the Bonds or any other party. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Underwriter(s), and the Beneficial Owners of the Bonds, including Bondholders, and shall create no rights in any other person or entity.

SECTION 14. Notices. All notices and submissions required hereunder shall be given to the following, or their successors, by electronic mail or facsimile transmission (with written confirmation of receipt), followed by hard copy sent by certified or registered mail, personal delivery or recognized overnight delivery:

(a) If to the City:

John Mercer
Chief Financial Officer
City of Jersey City
280 Grove Street
Jersey City, New Jersey 07302
Telephone: (201) 547-4417
Email: jmercer@jcnj.org

(b) Copies of all notices to the Dissemination Agent from
time to time with respect to the Bonds:

Digital Assurance Certification, LLC
Attn: DAC Support
315 East Robinson Street, Suite 300
Orlando, Florida 32801
Telephone: (407) 515-1100
Email: Support@DACBond.com

Each party shall give notice from time to time to the other parties, in the manner specified herein, of any change of the identity or address of anyone listed herein.

SECTION 15. Counterparts. This Disclosure Certificate may be executed in any number of counterparts which shall be executed by authorized signatories of the City and the Dissemination Agent, as applicable, and all of which together shall be regarded for all purposes as one original and shall constitute and be but one and the same.

SECTION 16. Severability. If any one or more of the covenants or agreements in this Disclosure Certificate to be performed on the part of the City and the Dissemination Agent should be contrary to law, then such covenant or covenants, agreement or agreements, shall be deemed severable from the remaining covenants and agreements and shall in no way affect the validity of the other provisions of this Disclosure Certificate.

SECTION 17. Governing Law. This Disclosure Certificate shall be construed in accordance with and governed by the Laws of the United States of America and the State, as applicable.

**CITY OF JERSEY CITY, IN THE
COUNTY OF HUDSON,
STATE OF NEW JERSEY**

**JOHN MERCER,
Chief Financial Officer**

**Acknowledged and Accepted by:
DIGITAL ASSURANCE CERTIFICATION, LLC,
as Dissemination Agent**

**BRIANNA STEGER,
Senior Vice President –
Securities Compliance Division**

EXHIBIT A

NOTICE TO MSRB VIA EMMA OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Jersey City, in the County of Hudson, State of New Jersey

Name of Bond Issue: \$124,450,000 General Improvement Bonds, Series 2025
Dated October 21, 2025
(CUSIP Number 476576____)

Date of Issuance: October 21, 2025

NOTICE IS HEREBY GIVEN that the above designated City has not provided an Annual Report with respect to the above-named Bonds as required by the Bond Resolution and a Continuing Disclosure Certificate, dated October 21, 2025, which was executed by the City and acknowledged and accepted by the Dissemination Agent (the "Certificate"). Capitalized terms used herein and not otherwise defined shall have the meaning ascribed to such terms in the Certificate.

DATED: _____

DISSEMINATION AGENT
(on behalf of the City)

cc: City of Jersey City

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APPENDIX F

FORM OF CONTINUING DISCLOSURE CERTIFICATE FOR THE NOTES

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CONTINUING DISCLOSURE CERTIFICATE FOR THE NOTES

I, JOHN MERCER, Chief Financial Officer of the City of Jersey City, in the County of Hudson (the "City"), a municipal corporation organized and existing under the laws of the State of New Jersey, DO HEREBY CERTIFY in connection with the issuance of (i) \$86,028,000 aggregate principal amount of Bond Anticipation Notes, Series 2025C (Tax-Exempt) (the "Tax-Exempt Notes") and (ii) \$6,000,000 aggregate principal amount of Special Emergency Notes, Series 2025D (Federally Taxable) (the "Taxable Notes" and together with the Tax-Exempt Notes, the "Notes"), dated October 21, 2025 and maturing October 20, 2026, that pursuant to the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended and supplemented (the "Rule"), specifically subsections (d)(3) and (b)(5)(i)(C) thereof, the City will provide notice (the "Notice") to the Municipal Securities Rulemaking Board (the "MSRB") via its Electronic Municipal Market Access system ("EMMA") as a Portable Document File (PDF file) to www.emma.msrb.org, of any of the following events with respect to the City and/or the Notes herein described, as applicable: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions or other material events affecting the tax-exempt status of the security; (7) modifications to rights of security holders, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution or sale of property securing repayment of the securities, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the City; (13) consummation of a merger, consolidation, or acquisition, or sale of all or substantially all of the assets of the City other than in the ordinary course of business, entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such action, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or change of name of a trustee, if material; (15) incurrence of a Financial Obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation, any of which affect Noteholders, if material; or (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties (collectively, the "Listed Events").

"Financial Obligation" shall mean a: (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) listed hereinabove. The term *"Financial Obligation"* shall not include municipal securities as to which a final official statement has been provided to the MSRB, through the EMMA system, consistent with the Rule.

If the City (a) has or obtains knowledge of the occurrence of any of the Listed Events not requiring a materiality determination, or (b) determines that the occurrence of a Listed Event requiring a materiality determination would be material to the Beneficial Owners of the Notes, the City shall file a Notice of each such occurrence with the MSRB via EMMA in a timely manner not in excess of ten (10) business days after such determination.

The City's obligations under this Certificate shall terminate upon the redemption, defeasance or payment in full of the Notes.

In the event the City fails to comply with any provision of this Certificate, any Noteholder may take such action as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City to comply with its obligations

under this Certificate. Notwithstanding the above, the remedy for a breach of the provisions of this Certificate or the City's failure to perform hereunder shall be limited to bringing an action to compel specific performance.

This Certificate shall inure solely to the benefit of the City, the purchaser and the holders from time to time of the Notes, and shall create no further rights in any other person or entity hereunder.

The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be Digital Assurance Certification, LLC. The City shall compensate the Dissemination Agent (which shall be appointed) for the performance of its obligations hereunder in accordance with an agreed upon fee structure.

IN WITNESS WHEREOF, I have hereunto set my hand on behalf of the City this ____ day of October, 2025.

**CITY OF JERSEY CITY,
IN THE COUNTY OF HUDSON,
STATE OF NEW JERSEY**

**JOHN MERCER,
Chief Financial Officer**

Acknowledged and Accepted by:

**DIGITAL ASSURANCE CERTIFICATION, LLC
as Dissemination Agent**

**BRIANNA STEGER,
Senior Vice President –
Securities Compliance Division**