

February 4, 2020

A workshop meeting of the Mayor and Council of the Borough of Victory Gardens, held on February 4, 2020.

Mayor Holeman called the meeting to order and declared a quorum present.

Pledge of Allegiance to the Flag of Our Country.
Please remain standing for a moment of silence for our military.

This meeting has been advertised in one newspaper, The Daily Record, in compliance with the New Jersey Open Public Meetings Act.

ATTENDANCE: Councilwoman Cheatham, Councilman Glass, Councilwoman Hedgepath, Councilwoman White, Councilman Lorenzo, Councilwoman Garcia Montes.

ABSENT: None

The Mayor stated that tonight's meeting is for discussion on the 2020 Municipal Budget.

** At this time the meeting was turned over to our CFO, Joe Costantino.

Joe said that him and the Clerk went over the budget and put in what we could put in. We talked about projects that we would like to, or need to get done. We looked at storm drains on Franklin Road, which we are looking to take out of Capital. Also the tree work on Franklin Road, the DOT grant for Garfield, Taft and Polk Court and the fence at the leaf dump.

We looked at sanitation costs that are going up - not too much. We have a draft document from the RVRSA. They have not given us exact totals but we are looking at an increase. We tried to factor all of that into this budget.

Deb and I had conversation about salaries and wages. As there was given a 5% raise last year in the budget, we did that again for this year. It is just a starting point. You can go up or down whichever you want to do. At the 5% for an across the board raise for all employees would be an increase of \$23,000 in the budget.

Councilwoman Montes said a 5% raise is too much. We did it last year. That is why we plugged that number in. It doesn't mean you have to do that again. For the purpose of trying to put the budget together, that is what we did. You can change that. I think we should do a 2%.

This budget is in draft form. We did very well with interest this year. We do have to look at the sewer rates though. The money we are paying out to the RVRSA is getting dangerously close to what we are collecting for the sewer rates now. It doesn't take into account the collection of the sewer rents that goes on at Borough Hall.

1997 was the last time sewer fees were raised here. Councilwoman Montes asked Joe to look at what Netcong pays for sewer. They are small like us, and can you check to see what they pay? Yes, I can check. I was looking at the costs from the other towns that belong to the RVRSA. The Mayor asked Joe if he knew how much the RVRSA bill is going up? No, they haven't given us a definite answer. Do you know if it goes up to say \$140,000 what would be the impact on the residents? Not yet. I am waiting on some numbers from Leon. Once I get them then I should be able to make a guess a little better. Other member towns that belong to the RVRSA, our rates are extremely low. I'm trying to see about the commercial properties. Make them pay a larger increase. Once I get the information from Leon, then I can really take a look at it. I want to do moderate increases.

Councilman Glass asked about the 2nd page that says alcohol rehab and education. Joe said that was a mistake that he forgot to fix. It should read for the DOT grant. Is that income? No, it is the DOT grant And the CIF? That is Capital Improvement Fund. RUT? Reserve for Uncollected Taxes. This is mandatory from the State.

Councilwoman Montes asked if we could have his report like he normally gives us? We can't see on the paperwork you gave us, what was left over in last years budget. Sure, I can do that. Councilman Lorenzo said it makes it harder for us to see what was spent in last years budget going by the paperwork you gave us. Joe reminded them that the last report given was from November so we still have include what was spent in December.

Out of last years budget of 1.275 million we had \$160,000 that we did not spend.

Councilman Lorenzo said that we need the 2019 year ending report so we can look at what was actually spent and what we have left. Can you get that to us for the next meeting? Yes. Councilman Lorenzo said that the other insurance is another line item where I am not sure about the money. Joe said that again they have the November 2019 report. When he gives them the close out for the year, then they will see that the numbers have changed.

Joe said that group insurance went down as well as other insurance went down. Workers Comp costs went down. They re-figured and we are charged less.

One more thing about the DOT grant. Is that money we got in? No. The grant works on a reimbursement basis. It goes in the budget but it doesn't affect the taxes? Correct.

Councilman Glass asked if we could give Hector a raise on DPW? He's making half of what Eddie is making. The Clerk said he hasn't been here as long as Eddie. Councilwoman Montes said we should take the 5% out and give everyone a 2% raise. The Mayor said this was put in the budget at 5%. Joe said that was a starting point. We can go lower if Council wants. Councilwoman Cheatham asked if we ever considered to do merit raises instead of across the Board? Councilman Lorenzo said you can do merit. Joe said you would have to have some kind of employee evaluation. In that way it is based on performance. The Mayor said it should be across the Board. Councilman Glass said basically you are only talking about the road crew. Everyone else is from everywhere else. The Clerk said it would be all employees. Debbie, me and all your part time employees.

Councilwoman Montes said we can't do much more now because we have nothing to look back on.

Joe asked if Council had any projects aside from what Debbe told me that you are looking at that needs to be done. Now is the time to let me know about them. The Mayor said a new door for the back of the firehouse. The one that is by the furnaceroom. We have a property maintenance budget, a building and grounds budget. We also need a new door on the town hall. Councilman Glass said we want to put a switch outside so the DPW can open the doors from the outside.

Council had no other questions for tonights meeting. Councilman Glass asked if it was off the table for a bigger raise for Hector? No, it isn't off the table but we will discuss that in closed session. We gave Debbie D. a raise last year. Yes, it was tied to her passing the Clerks exam. Councilman Glass said what if we do an evaluation on the road crew? Joe asked him what numbers he wanted to do? The Mayor said this would have to be closed session.

Councilwoman Montes said we need to say how much of a raise we are giving. I say 2%. Councilwoman Cheatham said 3%. Councilpersons Hedgepath and White agreed with the 3%.

Motion to open the meeting to the public by Councilwoman Montes, seconded by Councilman Glass and approved on verbal vote. None opposed.

Jim Janone - I don't know how the County does it but again they are saying that they are at a zero tax increase. Why can't you do that here? What is the proposed tax increase? It would be 2% overall. What does that come to overall for the town? \$14,000. What is it per household? I didn't break it down that far because this is the first budget discussion. You don't have that many employees here. I don't know why you can't do a merit raise system. Dover just did it and they gave merit raises based on where they thought each person should be at. A lot of their employees are union so they are locked into a contract. I don't know why you can't do merit raises. You have one employee here that almost got a 20% increase as a raise. One employee isn't up to where he needs to be but yet the other one got that much of a raise in one year. Council doesn't need a raise. you are doing the same thing that you do every year. You have no increase in responsibility, why should you get a raise? How much interest did we earn for last year? \$56,875. That's pretty good I don't think we ever made that much money on interest. You mentioned about raising sewer rates. I believe based on the numbers I received from the tax collector awhile back, I think I got a figure for collected revenue about \$135,000 or \$140,000. We are expending between \$95,000 and \$110,000 a year. We are left over about \$30,000. Joe said no, your figures are wrong. That is incorrect. What did we spend on the RVRSA? \$116,127. Where has all the excess money gone that we have collected over the years? What is your definition of excess? Well, if you took in \$140,000 and you only paid out \$116,000 where is the rest of that money? That goes back to surplus. You've never been in the red on collections for sewer. That is by your definition. Sending money over to the RVRSA is just part of the operating costs. What are the other operating costs? You have the time and salaries of the people doing the collections. You have the tax collectors time in inputting all the information and doing her documents. You have supplies that have to be bought to do the work for the sewer billings. Why don't we do billings like other towns that bill on water consumption? That would be fair and reasonable. You have like the laundry that probably uses a lot of water. The Mayor said we were talking about that at the beginning of the meeting. Joe said that is why we want to do an analysis of the water usage.

Motion to close the meeting to the public by Councilwoman Montes, seconded by Councilman Lorenzo and approved on verbal vote. None opposed.

Councilwoman Montes asked Joe if he can do the budget with a zero tax rate. Is there anyway we can not raise taxes this year? Joe said he will look at what it will be. How much are we pulling out from our reserve? \$48,000.

Motion to adjourn the meeting by Councilwoman Montes, seconded by Councilwoman Cheatham and approved on verbal vote. None opposed.

Submitted By:

Deborah Evans

Deborah Evans
Borough Clerk