

February 18, 2020

A workshop meeting of the Mayor and Council of the Borough of Victory Gardens held on February 18, 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 Meeting Act.

ATTENDANCE: Councilwoman Cheatham, Councilman Glass, Councilwoman White, Councilman Lorenzo.

ABSENT: Councilwoman Hedgepath, Councilwoman Garcia Montes.

Mayor Holeman said that tonight's meeting is for discussion on the 2020 municipal budget. At this time he turned the meeting over to our CFO.

Joe said everyone has a copy of the handout. It is 3 pages. From the last budget meeting it was asked if I not do the 5% raise. To show us what the 3% raise would be. I was also asked to show us what the budget would be with zero tax increase.

We still having received concrete figures from the RVRSA. Right now we have a preliminary figure which is about \$137,800. I put in the budget for \$140,000. We don't know where this is going. We have to wait for final notice from RVRSA.

Joe asked Council if they had a chance to look at the budget papers? Unfortunately, Councilwoman Montes who asked these questions, is not here tonight. Does the rest of Council have any questions?

Councilman Glass asked what the difference would be in a 2% raise compared to a 3% raise? Joe said he did not figure on 2%. At the last meeting Council said to show the 3% so that is what I did. I did the 3% and looked at the impact on the revenue side of the budget. That came out to \$37,000 and that is with everything included, not just the raises. We went from 5.33 million to 5.70 million. The \$37,000 gives us an overall increase of 2.4%. we did the CAP Ordinance so we are will within the CAP.

Joe said when he looks at what we did in revenues this year, to do the 3% raises with no tax increase, I went up a little higher on the expected revenue from delinquent taxes, I went up a little higher on the anticipated revenue for sewer rents, I took a little bit more interest revenue to make up that difference.

Joe said I will tell you why I don't like it. Interest rates have already started to regress from last year. Last years interest revenue was at its highest than it has been in a very long time. The rates last year were hovering over 2.3 to 2.5. They are already falling and now are about 1.7 . What I have been trying to do with the interest revenue is to leat us earn that revenue and let it fall to fund balance and then use the fund balance for the following year. So if there is a big shift in the interest rates, we are shielded for 2 years.

Joe said I would much rather see us go with the 2% tax increase. That would give us \$14,200 more in revenue and it would have an impact of \$93.00 per household for the year. It comes out to about \$23.00 per quarter. This keeps us from over extending ourselves on other revenues. It also insulates us from market changes.

Joe said his recommendation is that we take the sheet that says preliminary revenue 3% plus tax along with the expenditure sheet we have in front of us and that would be our 2020 budget.

Councilman Lorenzo asked what the line is for UCC? That is our construction revenue. We had an unusual year with collections for this department. A lot of it was from CO's for rental and resales. We will not always have that level of activity.

Councilman Glass said that in the no tax page we are using more out of the reserve for schools. Yes, and that is something that I don't want to do. That reserve we have will last us another almost 20 years. Without that reserve we would be raising taxes a lot higher. If we use that reserve at a measured pace, it is very good business for a long point standpoint. We use \$48,000 out of the budget for the past several years. It's a good number to use. It lowers the impact on the budget.

Joe said we don't have a lot of revenue in town. We are looking at a probable raise in sewer fees. We haven't had a raise in those for at least 15 years. Maybe more. We don't have any additions on homes, we have to deal with the hand we are given.

Councilman Glass asked what CMPTRA is? Joe said that is one of our State Aids. This number has remained at that number for a very long time. Is there a big difference in the raise from 2% to 3%? No. That 1% would be \$3,600 out of a 1.57 million budget.

Councilman Lorenzo said it looks like a good budget. It seems like we are in a good position. You have been very conservative and it is good with me.

The Mayor asked if anyone had any more questions on the budget? Hearing none he asked for Council to move forward on the 3% raises and the tax increase of 2.4%.

Motion to approve the 3% raises and the 2.4% tax increase. Motion was made by Councilman Lorenzo, seconded by Councilwoman Cheatham and approved on roll call:

Councilwoman Cheatham	Yes
Councilman Glass	Yes
Councilwoman White	Yes
Councilman Lorenzo	Yes

Joe said he would get the final paperwork done and get in touch with the Auditors and if all is well with them then we should be ready to introduce the first meeting in March.

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

Jim Janone - What is the total dollar amount on a whole with the raises? \$18,000 as a ball park. Are our sewer rates going up in 2020 or are they staying the same? Right now we are doing a study. We want to do an analysis. Joe said the expectation is that the rates will go up for this year but it is just in the study preliminary phase right now. Bills go out in mid year. We hope to have the study done by then and when the bills go out they would see an increase. Who is doing the study? I am. I am using figures from Dover Water and I am going over figures with the Borough Engineer. We will put some scenarios together based on consumption. It will then be brought before the Mayor and Council for them to vote on it. Out of the money that we are proposing a budget, how come we haven't talked about a generator for the town hall? Joe said it is a capital project and if this body wants to do it out of capital it will be an ordinance. Are you doing trees this year out of the current budget? Out of capital. Jim said you haven't taken into consideration the school budget. Most likely that will go up. Joe said it can only go up the 2%. County is staying flat. On the local part of the budget, it is only going up \$93.00. You are giving raises and at \$18,000 that is a lot of money. You have no control over the school taxes. The Mayor said that is right. We do what we can on our part. Jim said you were talking about the Borough not having a lot of revenue coming in. When I was on the Planning Board, Dave Zimmerman who was our Planner, he talked about letting people relax on the land use. No one does anything here because we are so restricted. The Mayor asked what Jim was talking about with not being able to do stuff. What kind of things are you talking about? Impervious coverage, additions. The Mayor said the impervious is because of the run off. They make materials for things like that. There are no second stories in here. Also, why don't you sell the vacant land? You could make money on that.

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

The Mayor asked if everyone was happy with the budget? They all said yes.

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

Nehorah Evans, Clerk