

April 8, 2014

Regular meeting of the Mayor and Council of the Borough of Victory Gardens, held on April 8, 2014.

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 Cegelka, Councilwoman Cheatham, Councilman Glass, Councilwoman Hedgepath, Councilman Lorenzo, Councilwoman Garcia Montes.

Attorney Feintuch was also present at this meeting.

ABSENT: None

Motion was made to go out of the regular order of business so that Bill Schroeder, our Auditor can go over the budget for 2014. Motion made by Councilwoman Montes, seconded by Councilman Lorenzo and approved on verbal vote. None opposed.

Bill Schroeder - Amy said she gave you the pages for the summary of the budget. This budget is now presented to you. The expenditures were up \$49,000 over the prior year. Our taxes are up \$24,000. We also had a drop in rateables. Our rateables went from 74 million down to 70 million. This was because of appeals. Our local rates would go up about 7.5 points. This equates for a house assessed at \$200,000 (which is larger than your average home - your average home is assessed at about \$184,000) - it would go up about \$150.00 for the year which comes to about \$12.50 a month.

This is much more than we have done in the past years. The good news is the overall tax rate is one of the lowest in the State. The average tax bill last year was below 4,400 and the average in the state is about \$7,900. You are doing very well there.

One positive piece of news, I was speaking with a few Council members before the meeting, the former County Assistant Treasurer did calculations based on the equalized value of all the towns in the County times their tax rate. Most of the County gained rateables. We are projecting that the County money that we have to pay will drop about \$35,000. We are going up \$24,000 they dropped \$35,000 - so we are still dropping 11 overall.

I do not know what the school board is going to do. They are limited to a 2% overall tax dollar increase. Your share can vary as it depends on students and the equalized value. If Dover dropped we should drop. We have to get these figures from the school board.

Overall the budget we are using to get down to the expenditure cap - we had to cut some items - from the proposed budget - we dropped about \$40,000 in reductions to get down to that 3.5% expenditure cap. That spread that we don't spend would go back to balance the fund balance that we use as a revenue to balance the budget - we were using \$380,000 in last years budget and we lowered that to \$340,000 because we don't think we are going to replenish \$380,000. We do not want to have a hole in next years budget. However, to get down to the expenditure cap we had to reduce the Reserve for Uncollected Taxes \$29,000. I am projecting that this \$29,000 will not come back to fund balance. I am concerned about next years fund balance.

We are sitting on, at the end of the year, \$690,000 of fund balance and we are using \$340,000 in this years budget. We do have a few years leeway even if we replenish nothing which I would never let us do - but I think our fund balance is on a downward trend and we need to keep an eye on that.

We are not self review because we do not have one of the technical accounting requirements that the Division requires which is an encumbrance system, so if we introduce tonight we have to send it to the State for review. We will have a hearing in the month. We also have no debt service.

There was discussion on the budget from the Council and Mr. Schroeder answered all their concerns. My suggestion Bill said is to keep everything the same. If you budget \$10,000 and you only spend \$8,000 and then we say let's budget only the \$8,000 we are going to spend, we didn't reduce the actual expenditures, we are still expending \$8,000 and without lapsing the \$2,000 back to fund balance we should reduce the amount of the fund balance so therefore you aren't saving anything.

It reduces the amount of fund balance that we are using. It gives you no tax relief. The only way to save money is to cut actual expenditures. If you lower that actual expenses then you can lower the tax dollars. You would have to lower your budget by \$53,329 in order to cut the taxes. The 7.5 points that you are going up on the tax rate - 3 points of that is because of loss of ratables. Since if you have the exact same budget as last year because of the lost ratables you would still go up 4.3 points. You are actually only going up 3.2 points in the actual increase and the other 4.3 is because of lost ratables.

When will we know about the County? They wait until all budgets are adopted. Maybe around June. They came out with a rate but they haven't certified. We have a reserve in Clean Communities. We had in the beginning of the year \$5,478 and at the end of the year we had \$7,270. The money goes to reserve and then we spend the money out of the reserve. How come some of the group insurance is inside the cap and some outside? There is a formula that the State uses and that is what we go by. They set the rules - we follow them. Employees have paid \$7,361 towards the group insurance.

Do you think there will be a reduction or at least stay even? Right now with ours and the County it will be a reduction. We have to wait to see what the school does. We won't know that for awhile.

We have 1.279 million from the Board of Education when they closed down. We use so much a year and we settled on 26 years. We have \$300,000 in landfill, we have \$195,000 in RUT. We use \$48,425 per year to help reduce taxes.

In order to save any money you would have to lower the expenditures not just line items. You can't use the fund balance to balance operations and not replenish it you will run out of money.

Motion was made to introduce the 2014 Budget by Councilwoman Montes, seconded by Councilwoman Cheatham and approved on roll call:

Councilwoman Cegelka	Yes
Councilwoman Cheatham	Yes
Councilman Glass	Yes
Councilwoman Hedgepath	Yes
Councilman Lorenzo	Yes
Councilwoman Garcia Montes	Yes

Motion to go back into the regular order of business by Councilwoman Montes, seconded by Councilman Glass and approved on verbal vote. None opposed.

Motion to accept the minutes of March 25, 2014 as received by Councilman Lorenzo, seconded by Councilwoman Cheatham and approved on verbal vote. None opposed.

CORRESPONDENCE:

NOTE FROM COUNCILMAN LORENZO - Letting me know that Hector was taking Monday off from work because he went down to pick up the items from Mr. Janone that he spoke to the Council about.

Motion to accept the correspondence as received by Councilwoman Cheatham, seconded by Councilman Glass and approved on verbal vote. None opposed.

VOUCHERS:

Where does it show that the maintenance or anyone takes off? In personnel files that I have the Clerk said. Should it read it on the voucher? I don't think so. Councilwoman Montes said she has never seen it since she worked here. Also voucher 4021 for mileage to Trenton for the website. It was 112 miles to meet him and discuss the website.

Motion was made to approve the vouchers for payment by Councilman Glass, seconded by Councilwoman Cheatham and approved on roll call:

Councilwoman Cegelka	Yes
Councilwoman Cheatham	Yes
Councilman Glass	Yes
Councilwoman Hedgepath	Yes
Councilman Lorenzo	Yes
Councilwoman Garcia Montes	Yes

VOUCHERS CONTINUED:

DATE	VOUCHER #	PAYABLE TO:	TYPE OF SERVICE	ACCT.#	AMOUNT
4/8/14	4-001	Deborah Evans	Petty Cash		\$ 89.59
4/8/14	4-002	Greg Stafford	Property Maintenance		\$ 75.00
4/8/14	4-003	Philip Feintuch	Borough Attorney		\$ 1,833.33
4/8/14	4-004	NJ Natural Gas	Fire House		\$ 278.50
4/8/14	4-005	Deborah Devery	Reimb. Notary App.		\$ 25.00
4/8/14	4-006	Home Depot	Supplies		\$ 181.34
4/8/14	4-007	Silver Script	Insurance		\$ 67.60
4/8/14	4-008	United Healthcare	Insurance		\$ 10.12
4/8/14	4-009	Herbert Evans	Cleaning		\$ 300.00
4/8/14	4-010	Rockaway Valley	Sewer		\$ 8,001.00
4/8/14	4-011	Dover Bd. of Ed.	Tuition to Dover		\$ 70,350.67
4/8/14	4-012	Shell Fleet	Gas for vehicles		\$ 601.40
4/8/14	4-013	A T & T	Phone bill - Borough Hall		\$ 86.67
4/8/14	4-014	Veroncia Hedgepath	Sunnyside (Debbe's flowers)		\$ 85.60
4/8/14	4-015	Verizon	Phone bill - Borough Hall		\$ 197.03
4/8/14	4-016	US Bank Cust	Taxes		\$ 1,396.84
4/8/14	4-017	US Bank Cust	Taxes		\$ 1,292.28
4/8/14	4-018	Shariflan, P.	Tax overpayment		\$ 1,320.87
4/8/14	4-019	Accomp. Prop. Mgmt.	Tax overpayment		\$ 921.04
4/8/14	4-020	Verizon	Phone bill - Firehouse		\$ 83.61
4/8/14	4-021	Veronica Hedgepath	Admin Exec O & E		\$ 62.72
4/8/14	4-022	Treasurer, State of NJ	State Training Fees		\$ 20.00
4/8/14	4-023	Deborah A. Devery	Admin S & W		\$ 726.00
4/8/14	4-024	Hector Lorenzo	Streets and Roads		\$ 1,329.68
4/8/14	4-025	Edwardo Martinez	Streets and Roads		\$ 2,278.32
TOTAL					\$ 91,614.21

NEW BUSINESS:

INTRODUCTION TO THE 2014 MUNICIPAL BUDGET - This was done earlier in the meeting.

CORRECTIVE ACTION PLAN - Everyone has a copy. I don't know if you want me to read it. The findings and conditions and where Amy got her numbers is listed on the last page of the audit.

Motion was made to approve the corrective action plan submitted by the CFO. Motion made by Councilwoman Montes, seconded by Councilwoman Cegelka and approved on roll call:

- Councilwoman Cegelka Yes
- Councilwoman Cheatham Yes
- Councilman Glass Yes
- Councilwoman Hedgepath Yes
- Councilman Lorenzo Yes
- Councilwoman Garcia Montes Yes

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

Jim Janone - Addressed the Council concerning mileage for trip to Trenton, flowers for Clerk, notary for new person in clerks office, website.

Barbara Nietz - Addressed the Council regarding clerks overtime and OPRA requests.

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

Councilwoman Cegelka said she is getting quotes for the electrical work in the garage and she should have those quotes within a week. At that time I will make sure everyone gets a copy so we can discuss at our next meeting.

Councilwoman Montes asked if the garbage cans can have the trash removed. They are beginning to smell. Also, Eddie needs to look at the potholes in town so we can get them filled. I talked to Eddie the Clerk said and he will go around and find them all so they can be filled in.

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