

April 14, 2015

Regular meeting of the Mayor and Council of the Borough of Victory Gardens, held on April 14, 2015.

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

Pledge of Allegiance to the Flag of Our Country.

Please remains 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 Hedgepath, Councilman Jacobus, Councilman Lorenzo, Councilwoman Garcia Montes.

Attorney Feintuch was also present at this meeting.

ABSENT: None

The Mayor asked for a motion to go out of the regular order of business so that we can adopt our budget tonight. Our Auditor Bill Schroeder is here.

Motion was made to go out of the regular order of business by Councilwoman Montes, seconded by Councilman Jacobus and approved on verbal vote. None opposed.

Bill Schroeder - The State reviewed our budget again this year. Most towns do every three years but because we do not have an encumbrance accounting system we get reviewed every year. They gave us the approval. There was only one thing we forgot to do and that was sign one of the sheets. That was for Amy and I to do. We have done it and everything is fine. That was the least amount of things that they ever requested from any of my towns. We have the public hearing tonight and then if you wish we can adopt.

Your budget looks good. As I stated at the last meeting I was present at, the budget is going up 3.3 points which is about \$22,700. Every \$7,070 for you is a tax point. The State gave their approval. We have a very low ratable base here.

Of the 3.3 points we went up it breaks down as: capital expenditures was 1.4 points, 1.5 points was an increase in operating expenditures and .4 of the points were reserve for uncollected taxes. The 1.4 point increase was because we put \$10,000 back into the Capital Improvement Fund to start replenishing that.

This means that every home assessed at \$200,000 it will cost that homeowner another \$5.50 per month or \$66.00 per year. The \$200,000 is a little higher than the actual average. The average for a house is about \$187,000. Your financial administration did a good job with the budget.

There were no questions from the Council on the budget.

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

Joan Cegelka - There was a change in the Clerks O & E and Clerks S & W. Do you believe this was a fair budget? Councilwoman Montes said yes we kept it at the Cap. For the last two years you have balances in the Clerks O & E. The Auditor said what we don't spend in a line item goes back to replenish the fund balance. We are using \$332,000 of fund balance as a revenue. Our fund balance at the end of last year was \$669,000. Whatever we use as a fund balance revenue we have to have a plan to replenish that to keep the fund balance around the same. If you use too much of the fund balance then the following year you can only raise taxes 2% and then you will have to start cutting services because we can't raise taxes more than 2% . If we don't do what we are doing then we will run out of fund balance.

Why do we have padding in the budget? If you have over expenditures in your budget one year, that becomes a deferred charge which has to be raised in the next years budget. Which comes out of inside the CAP line item. You have very little CAP space. You need to have money in your budget to make sure you don't run into an over expenditure.

You have to be consistent every year. You don't want to run out of fund balance. You aren't being taxed on this money because we are using it as a fund balance revenue which lowers taxes.

Attorney Feintuch said we do this because we have expended money that is in our reserves and you are replenishing that money and that is why there is more in the line items that actually needed. The Auditor agreed. We can lower taxes and not have an increase and use our fund balance but next year you are dead.

What happened to the 1 million from the school budget? We are using \$49,925 a year from that.

Jim Janone - Why can't we use more of that school money so tax increases won't be that high? Bill said he could use all the money in one year and have no increase. We are trying to be consistent and practical. In 25 years from now, we will run out of that \$49,925 that we can use every year. When that happens we will have a \$49,925 hole in our budget. It may not affect these people that are sitting here today, but it will affect the next generation of taxpayers. The more money you use, the more you run out of quicker. Bill said in his opinion, solid conservative budgeting is right. Your tax rate is the lowest in the State. Salary increases alone in this budget was about \$12,000 that we could live without. Would you recommend as the Auditor to the town that you are having an increase in taxes this year and maybe you shouldn't get raises? No. I don't look at individual line items and say take this out or put this in. I look overall at the budget. I make suggestions where they need to be made. You can't use money if there isn't an appropriation for? Correct but there are avenues that you can use. You can do transfers in October, November and December.

There are no other comments from the public.

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

The Mayor asked the Auditor about the 1.3 million that was in the school budget? How did that come about? It was when the State shut down the local school board. This is money they had in their budget. Dover tried to take it but we took it. That money was there fund balance. We have been using that to offset taxes.

BE IT RESOLVED by the Governing Body of the Borough of Victory Gardens, County of Morris, that the budget herein before set forth is hereby adopted and shall constitute an appropriation for the purposes stated of the sums therein set forth as appropriations of the amount of \$660,919.00.

Motion on the adoption of the budget by Councilwoman Montes, seconded by Councilwoman Hedgepath and approved on roll call:

Councilwoman Cheatham	Yes
Councilman Glass	Yes
Councilwoman Hedgepath	Yes
Councilman Jacobus	Pass
Councilman Lorenzo	Yes
Councilwoman Garcia Montes	Yes
Councilman Jacobus	Yes

Motion was made to go out of the regular order of business while Bill Schroeder is here to discuss the Audit. Motion made by Councilman Glass, seconded by Councilman Jacobus and approved on verbal vote. None opposed.

Bill Schroeder said we had a good audit. We had two recommendations. One is for the segregation of duties. You only have a small amount of people doing the work so this is something you will always have In 80% of my towns we right up the same thing. The other one is for the encumbrance accounting system. 40% of our towns don't have this. It usually costs about \$20,000. These are very minor. We cleared everything from last year.

No questions from Council.

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

Jim Janone - What is the encumbrance system? If someone is ordering stuff for the town, you have to put it through this system so we know what is being ordered before we buy it. What is the cost? It depends on the system you use. It can be from \$10,000 upward of \$30,000 or more. Ballpark for Victory Gardens would be \$15,000 to \$20,000 . In this town you do not have a lot of people making purchases. It is a State requirement and not having it makes us have to get our State review of the budget every year. That being said, a small operation like this one is easier than a larger town. Is that why we pay you \$30,000 a year for the audit? No. It is the audit, the budget work we do, we are involved all through the year. Other towns are cheaper. Not ones we do. Joan got figures from the internet that lists your firm as doing work and it is much cheaper than Victory Gardens. Bill said that isn't true. Get him the information.

GOVERNING BODY CERTIFICATION OF THE ANNUAL AUDIT
FORM OF RESOLUTION

WHEREAS, N.J.S.A.40A:5-4 requires the Governing Body of every local unit to have made an annual audit of its books, accounts and financial transactions, and

WHEREAS, the Annual Report of Audit for the year 2014 has been filed by a Registered Municipal Accountant with the Borough Clerk pursuant to N.J.S.A. 40A:5-6, and a copy has been received by each member of the Governing Body, and

WHEREAS, R.S. 52:27BB-34 authorizes the Local Finance Board of the State of New Jersey to prescribe reports pertaining to the local fiscal affairs; and

WHEREAS, the Local Finance Board has promulgated N.J.A.C.5:30-6.5, a regulation requiring that the Governing Body of each municipality shall, by resolution, certify to the Local Finance Board of the State of New Jersey that all members of the Governing Body have reviewed, as a minimum, the sections of the Annual Audit entitled "Comments and Recommendations"; and

WHEREAS, the members of the Governing Body have personally reviewed as a minimum, the Annual Report of Audit, and specifically the sections of the Annual Audit entitled "Comments and Recommendations", as evidenced by the group affidavit form of the Governing Body attached hereto; and

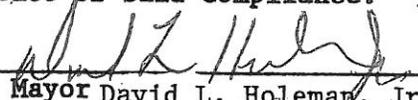
WHEREAS, such resolution of certification shall be adopted by the Governing Body no later than forty five days after the receipt of the Annual Audit, pursuant to N.J.A.C.5:30-6.5; and

WHEREAS, all members of the Governing Body have received and have familiarized themselves with, at least, the minimum requirements of the Local Finance Board of the State of New Jersey, as stated aforesaid and have subscribed to the affidavit, as provided by the Local Finance Board; and

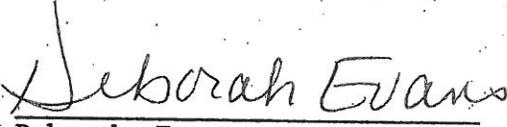
WHEREAS, failure to comply with the regulations of the Local Finance Board of the State of New Jersey may subject the members of the local Governing Body to the penalty provisions of R.S.52:27BB-52, to wit:

R.S. 52:27BB-52: A local officer or member of a local governing body who, after a date fixed for compliance, fails or refuses to obey an order of the Director (DLGS) under the provisions of this Article, shall be guilty of a misdemeanor and, upon conviction, may be fined not more than one thousand dollars (\$1,000.00) or imprisoned for not more than one year, or both, in addition shall forfeit his office.

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and Council of the Borough of Victory Gardens, hereby states that it has complied with N.J.A.C. 5:30-6.5 and does hereby submit a certified copy of this resolution and the required affidavit to said Board to show evidence of said compliance.


Mayor David L. Holeman, Jr.

I, Deborah Evans, Clerk of the Borough of Victory Gardens, do hereby certify that this is a true and exact copy of the Resolution passed at a meeting held on 4-14-15.


Deborah Evans, Borough Clerk

AUDIT RESOLUTION AND GROUP AFFIDAVIT CONTINUED - Public Portion Continued -

Jim Janone Continued - Jim said that all these other towns that you are doing are costing the towns less but Victory Gardens is more. Why?

Attorney Feintuch said that Mr. Janone is not here tonight to negotiate for the town. What do you call what you are doing? I am talking to the Auditor about the audit.

Regarding Capital money on C5 in the audit you list all the old ordinances that we have money on. The ordinance has a useful life until it gets cancelled. Shouldn't these old ones be cancelled out? Not really. You have one for the municipal building that we can still use money against. We did cancel alot of them out a year or two ago.

Joan Cegelka - We have \$669,000 in fund balance. Where is that showing in the audit? Fund balance is in the current fund. How much money do we have? You would have to look at the balance sheets. You are using \$50,000 a year. We are using some fund balance that I don't like. We didn't replenish that last year. Bill explained the process for Bond Ordinances and having 5% down if you need to borrow money. He spoke about debt service. Ordinances can be cancelled out. It would go back to fund balance. It is good in a way to have it because you can still use it if you have one for the town hall. If something comes up and you need money for something here you can take it from that ordinance because it is already funded.

Motion to close this portion of the meeting to the public by Councilwoman Montes, seconded by Councilwoman Hedgepath and approved on verbal vote. None opposed.

(See Resolution Next Page)

AUDIT CONTINUED -

Motion was made on the approval of the Resolution for Audit by Councilwoman Montes, seconded by Councilwoman Cheatham and approved on roll call:

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

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

Motion to accept the minutes of March 24, 2015 as received by Councilwoman Montes, seconded by Councilman Jacobus and approved on verbal vote. None opposed.

CORRESPONDENCE:

DONNELLY ENERGY - I had this company in before a few years ago. They came back to do a free audit. They are looking at the lighting in the Borough Hall, Firehouse and Garage. They will do a report up and send it to me. Last time they did this it cost the Borough 30% of the total. It would be the same this time around if you decide to do it again. Once I get the estimate I will give everyone a copy.

SENATOR BUCCO/ASSEMBLYMAN BUCCO - We received a letter from them telling us we are getting a \$40,000 grant from DOT for sidewalk improvements to Roosevelt Avenue, South Salem Street and Washington Avenue and Washington Place.

Normally we get this information directly from DOT. I will wait until we get final word from them.

JCP & L - Mike came in and said they are starting in mid May to trim trees. He told me they are doing Coolidge and Washington Avenue. The company doing the tree trimming came in and they said they are doing Franklin and Victory Court. I will talk to Mike and see what they are doing.

TOWNSHIP OF JEFFERSON - We have a letter from the Administrator. There is a civil lawsuit going on with the Tax Assessor of Jefferson. He filed OPRA requests with every town in this part of New Jersey. The information he was requesting was from the Assessors and Mark gave him as much as the information he had. Well it wasn't good enough and I imagine it wasn't good enough with other towns and he filed suits against everyone. Jefferson Administrator is letting us know that it has nothing to do with his employment with them and they are not a part of it.

Attorney Feintuch said he spoke with our Assessor and this person has about 30 suits against the towns throughout the State. He wants information that most towns don't have. We can access it but our Assessor doesn't use that program. Therefore my thing that I told the Assessor is that if we don't have it we don't have it. You can't create something you don't have. It would cost about \$150.00 to comply with the request. On principle I am against it but if it goes to court it would be cheaper to get the information. I want to talk to some of the other towns and see what they are going to do. What is he looking for? Some statistics.

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

VOUCHERS:

Are there any questions on any of the bills. Hearing none, the Mayor asked for a motion to pay the bills.

Motion to approve the vouchers for payment by Councilwoman Montes, seconded by Councilwoman Cheatham and approved on roll call:

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

Date	Voucher #	Payable to:	Type of Service	Amount
4/14/15	4-001	Dover Bd. Of Education	School Taxes	\$68,424.25
4/14/15	4-002	RVRSA	RVRSA Share	\$ 9,424.00
4/14/15	4-003	Waste Management of NJ	Garbage Trash Remova	\$ 8,188.91
4/14/15	4-004	Door Jockey, Inc.	Buildings & Grounds	\$ 5,810.90
4/14/15	4-005	State of NJ – Treasury	Group Insurance	\$ 4,771.21
4/14/15	4-006	Cargill, Inc.	Streets & Roads	\$ 2,325.06
4/14/15	4-007	Philip Feintuch, ESQ.	Legal Services OE	\$ 1,925.00
4/14/15	4-008	Dover Muni Court	Muni Court Dover	\$ 1,412.75
4/14/15	4-009	JCP&L	Street Lighting	\$ 681.21
4/14/15	4-010	US Bank Cust/First Trust	Tax Collector OE	\$ 584.43
4/14/15	4-011	Shell	Road OE	\$ 540.45
4/14/15	4-012	NJNG	Fire OE	\$ 474.15
4/14/15	4-013	Ideal Air Inc.	Bldgs. & Grnds.	\$ 350.00
4/14/15	4-014	Herbert Evans, Jr.	Bldgs. & Grnds.	\$ 300.00
4/14/15	4-015	Mill Supply Inc.	Streets & Roads	\$ 299.82
4/14/15	4-016	Metro Flag Co.	Bldgs. & Grnds.	\$ 286.00
4/14/15	4-017	Verizon	Utilities	\$ 207.68
4/14/15	4-018	Verizon	Fire OE	\$ 98.56
4/14/15	4-019	Morris County MUA	Road OE	\$ 144.00
4/14/15	4-020	Daily Record	Clerk OE	\$ 139.92
4/14/15	4-021	Munidex, Inc.	Tax Assessor OE	\$ 115.33
4/14/15	4-022	Vision Service Plan	Group Insurance	\$ 121.79
4/14/15	4-023	AT&T	Utilities	\$ 100.69
4/14/15	4-024	Sunnyside Florist	Clerk OE	\$ 85.00
4/14/15	4-025	State of NJ – Treasury	State Training Fees	\$ 80.00
4/14/15	4-026	Econo Signes, LLC.	Road OE	\$ 76.26
4/14/15	4-027	Daily Record	Clerk OE	\$ 64.24
4/14/15	4-028	State of NJ – Treasury	State Training Fees	\$ 60.00
4/14/15	4-029	Home Depot	Road OE	\$ 48.86
4/14/15	4-030	Essex Cty. Registrars Assoc.	Clerk OE	\$ 12.00
4/14/15	4-031	Edwardo Martinez	Streets & Roads SW	\$ 2,547.01
4/14/15	4-032	Hector Lorenzo	Streets & Roads SW	\$ 1,426.64
4/14/15	4-033	Deborah Devery	Admin SW	\$ 798.00
4/14/15	4-034	Anderson & Denzler	Engineering OE	\$ 1,845.10
4/14/15	4-035	US Bank Cust./Redemption	Tax Collector OE	\$ 999.45
4/14/15	4-036	Alarms & Electrick by Russ, LLC	Buildings & Grounds	\$ 950.00
4/14/15	4-037	Jerry Flatt	Dog OE	\$ 420.00
4/14/15	4-038	MGL Printing Solutions	Dog OE	\$ 254.00
4/14/15	4-039	Konica Minolta Business	Clerk OE	\$ 101.99
			TOTAL	\$116,194.97

NEW BUSINESS: AUDIT RESOLUTION/GROUP AFFIDAVIT FORM - Already done earlier in the meeting.

OLD BUSINESS: ADOPTION /PUBLIC HEARING OF 2015 BUDGET - Already done earlier in the meeting.

FINANCIAL DISCLOSURE STATEMENTS - Reminder that if you filed last year you need to file again this year. It must be done by April 30, 2015. If you did file last year and I gave you notice, you have to file this year as a first timer. They do give out penalties so you must file before the deadline.

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

Jim Janone - Who would have the itemized breakdown of the O & E account in the budget? I don't know if there is one. Maybe Amy. I will put in an OPRA. Did you ever find out about the window in the garage? I asked and told them to look into getting it fixed. What about the drain in the parking lot? Eddie is making a list for me. Once he gets that done I will give it to Leon to look at and then we will have to get quotes. When are they going to clean the lower part of Franklin Road? I told them they said they would get to it.

The Attorney asked Mr. Janone when the last time was that he complimented this Governing Body for doing something right? You have insulted this Body several times today.

The Attorney said if the member of the public needs information they ask a question for that information. If they try to single one particular person out is for the purpose of embarrassing that person. There is no reason to single out one person. If someone in the public wants an answer then anyone that may have that information can give it to them.

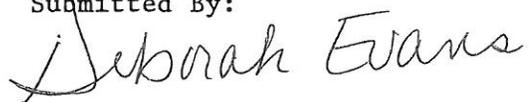
I would suggest some type of resolution that individual members of this Council are not required to answer any member of the public while we are in session. You are not up here to be cross examined. It is not your duty or your responsibility. We spend a lot of time up here for a minimum amount of money and you don't have to be insulted by anybody and any time.

Joan Cegelka - It is one thing when you are sitting up there and you are listening to the people. It is another thing when we see you as we are talking, talking among yourselves. It is very impolite. Councilwoman Montes said you do the same thing. It is not polite for us.

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

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

Submitted By:



Deborah Evans
Borough Clerk