

April 4, 2023

This is a workshop meeting of the Mayor and Council of the Borough of Victory Gardens, held on April 4, 2023.

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: Councilman Glass, Councilwoman Hedgepath, Councilman Hale,
Councilman Lorenzo, Councilwoman Garcia Montes.

ABSENT: Councilwoman Cheatham.

Tonights meeting is for discussion on the 2023 Municipal Budget. At this time them eeting is being turned over to the CFO.

Since the last meeting a few things have become a little clearer. The State came up a little bit in the municipal aid. It went up \$500.00 . COMPTRA & Energy receipts are now one line item. We received supplemental aid last year and that will show up as \$950.00 this year. I am working on closing the books. I increased fund balance a little. We have a fund balance of \$352,800. I am comfortable with us at that amount.

Councilwoman Montes asked if that is with the money we are supposed to be getting from Dover? we don't have that money yet and can't anticipate it.

Joe said we are very conservative in what we can do. There are no structural deficits. On the appropriation side there are a few items that have changed. I increased Legal and Engineering based upon the minutes that I read that they submitted for increases. At the last meeting we talked about the health benefits going up. The State is not supplying any revenue for health benefits. That is for this year. This year this cost is going up 24% . The theory they are talking about is that in 2024 they will relaease some of the revenue. Everything else is pretty much status quo. The only things that may change between now and later is if we get grant money in. You have 4 different scenarios with raises. I gave you 2%,2.5%,3% and 3.5 %.

Councilwoman Montes said some raises don't have to be. The DPW just got raises and Letty is new so she was hired at a higher rate.

Councilman Glass said raises would be no more than \$6,000. If the raises were given. I also pointed out that you had in for the Collector a 6% raise. Joe said that will be adjusted. It is not a significant amount Councilwoman Montes said.

Joe said if we take the raises out that will still have the budget or tax increase going up about \$29,000. There isn't much we can do about this. Biggest factor is the raise in health benefits, RVRSA went oup about \$6,200. Theonly thing that would change slightly is your reserve for uncollected taxes. That would go down a little if you don't do raises.

Councilwoman Montes asked what the tax increase would be with everything Joe has done so far? About 4 1/2%. I'm asking about pay raises. Ok. Joe said the cost of living has gone up. I have seen raises between 2.5 % and 3.5 % . Every place varies. If you have done say 2% in the past, I would say that you are looking at 3 or 3.5 % . Is where I would look. The way I see things is that your employees are your most valuable asset. If you have a good staff you want to keep them. I reward the people that I think deserve it. The reason I do that is because it will cost me more money if I have to start training other people. When you lose people things go much slower and there are increased costs forthe town. To me, it's all about keeping your staff.

Councilwoman Montes said so all we have to do is decide if we are giving raises and how much and then the rest of the budget is fine? Well, you have to let me know what Capital projects you are looking at.

The Clerk said we have a partial grant to do sidewalks on Coolidge and Monroe Avenues. The Mayor said we need a new door at the firehouse for the utility room and there is nothing in here for tree removal.

Councilman Glass asked how mu ch money is left in the account where we take \$48,000 a year to help keep taxes down? I have enough for 3 more years. That can't be right the Clerk said. Whatever money we have in there, when we get this money form Dover, it should go into that account. This way it will help to keep the taxes low.

Joe said he will be in his office in Wharton over the weekend doing all this paperwork. At the next meeting I should have all your answers. By the end of June I will be able to give you full status reports. I will be able to tie everything in. It's easier to put the money from Dover into Capital. American Rescue money and CDBG funds are both grants and you can't use them to offset each other. It's against the law to do that.

Councilman Glass asked about the American Rescue money. Did we get all of that money? Yes. The Clerk said we want to use that money to finish off scoping of the sewer lines and then to make any repairs that are needed. We have until 2024 to spend that money. I would say to leave \$10,000 to \$20,000 in the money to pay for other items. You are going to have Federal Single Audits. It will cost us money and one of the items we can charge to the ARP is the single audit costs. We can do 2023 and 2024 single audit.

The Mayor said we need to get a new sidewalk also for our building here. Where will that money come from? Capital Improvement Fund. You can also do a bond ordinance. That is if you want to issue debt. The Clerk said no. We don't want to go into debt. The Clerk said all this talk about the money coming from Dover, we don't know if it is going to be money, which I doubt, or if it will appear as a credit. We have all those checks that we wrote out to Dover but never gave them.

Joe said he would ask the Auditor if we can rescind the checks we wrote out to Dover and bring that in as miscellaneous revenues. They are going to want to know how we are going to handle this moving forward.

Tree removal there is nothing in the budget for that. Tree removal can come out of the road budget which is where we always take it out of.

Councilwoman Montes said we have to get moving with this budget. Usually we are done by now. We have until the end of April to introduce the budget so basically we have until May. As long as you adopt by the end of June we are ok. As the CFO I can tell you what I would do - but you are the ones that make the final decisions.

Councilwoman Montes said that legal and engineering both have contracts that we approved in January. It went up from what I read in the minutes that it went up 2.5%. That is what is in this budget but there is no raise on top of that.

Councilwoman Montes said to take the raise out for the attorney and the engineer. That will be \$2,112.50 that will come out of the budget.

Joe said then all we need to decide is raises and what will be done with the Capital funds. Capital will be sidewalks on Monroe and Coolidge if we do them, the door at the firehouse, sidewalk at Borough Hall. The Clerk said we did get a grant for the sidewalks on Monroe and Coolidge. However, it wasn't enough to cover the costs.

Joe said this weekend he will be driving the roads in Victory Gardens. I am not stalking anyone, I want to see what the condition of them are. The Mayor said we have enough of those out there already.

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

Jim Janone - It was \$780,000 in the minutes from the Board of Education. When is that agreement coming? whenever Dovers attorney gets it to us so we can look it over before signing anything. Phil is supposed to get it before us. I don't know how they are going to handle this in their budget. Who cares about their budget. We are concerned with our own. Taxes are going up \$70.00 this year for the Dover Board of Ed. Their budget just came out. The County isn't going up at all so there is no reason why this town would have a small increase. Last year it cost a renter about \$1,200 a year because of the increase in the town.

The Mayor said there is a complete difference in what a homeowner pays in taxes compared to a renter. Your landlord gets the same increase that every other tax payer gets. If your landlord chooses to go higher than that amount, that is something you take up with the landlord. That is between the tenant and the landlord. If taxes went up \$5 per month your landlord gets that same increase. If he wants to charge you \$100 per month that is between you and the landlord. He is going to charge the renter what he wants to charge. With the old Board of Ed that we had, how much money are we using from what was left over from them? \$48,000 a year. That was from the money we charged them for rent. It was also money that was left in their budget. That money stayed with us. Well, the other auditor said we were using that money to offset taxes. Yes, that is correct. How much is left in that money? Joe has to look at it. We are offsetting taxes by \$48,000. We are using that amount of money every year. We based the money on \$48,000 a year the Clerk said. If you take out \$100,000 in one year it will be less time that you are trying to hold your taxes down. When the money runs out, it is gone. That is why we are doing it like we are. You don't want to create a structural deficit in this budget.

PUBLIC PORTION CONTINUED -

Jim Janone Continued - Councilman Glass said that is the reason why when we get this money from Dover we should set it side and put it into this account so we have money in there to last to help offset taxes. No one needs raises. The newest person on DPW is making over \$50,000 a year. I don't want to hear that you try to hold on to your people that work here. You get rid of someone and you will have someone to walk into that position the next day.

Laura from 64 Adams Avenue - I'm trying to get my money back from when we built the house. I am trying to get my escrow money back that is owed to me. Council said this is a budget meeting only. Joe said he is already looking into this.

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

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

Submitted By:

Deborah Evans
Deborah Evans
Borough Clerk