

April 6, 2021

A workshop meeting of the Mayor and Council of the Borough of Victory Gardens, held on April 6, 2021.

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 (phone), Councilwoman Hedgepath, Councilwoman White (phone), Councilman Lorenzo, Councilwoman Garcia Montes.

ABSENT: None

Mayor Holeman said that tonight's meeting is for discussion on the 2021 Municipal Budget. At this time the meeting was turned over to our CFO.

Joe said we had some good news since the last time we met. Deb said that Council is going into an extension of the current contract for garbage at the same price. That is all we were waiting on since our last meeting. We weren't sure what the price was going to be. Now we know.

There will be no raises this year. The only increases will be a 2% increase for the Attorney and the Engineer.

Everyone has a copy of the paperwork we copied for tonight. Joe said there was enough in their line items to cover those costs.

The only change I want to make in this budget is a structural change. Debbe and I had a few discussions on it. These changes only have to do with Herbert Evans and Jerry Flatt. Currently they are considered independent contractors. The IRS is taking a closer look at those that are called employees over those that are called independent contractors. We always give both these persons 1099's at the end of the year. Their income is always reported. During our Workers Compensation Review this year, the insurance company wants all certificates of insurance. I think moving forward, it would be in the Borough's best interest, to redefine both these persons and put them on actual payroll so they are considered employees and not independent contractors. By doing this, it will eliminate future issues with the IRS and it will make the Workers Comp Audit go easier. There will be a small increase to the Borough for deductions such as FICA. We have the money to cover those minor costs. It is better getting this done so we don't face any fines in the future.

Councilwoman Montes asked if they will be paid the same amount? Yes, except they will have taxes taken out every paycheck instead of doing it once at the end of the year. With Herb he gets the same amount every month. With Jerry it will keep everything flat. He will get a flat rate every month and if there is a lot of work where he needs the overtime because of all the animals he picks up then we will be able to do that. I went back and went over the last 10 years to see what his average was. His fee per month will be approximately \$216 per month. We will be moving Herb's money from O & E to Salary and Jerry's will come from Dog O & E and move up into the Salary line.

Councilwoman Montes asked with this budget are both the sewer and taxes going up? Yes. Joe said taxes are going up 3½ percent. Why 3½%? We did not regenerate the fund balance that we used in the 2020 budget. Conditions related to the covid pandemic we did not recoup money as we normally do. We had several revenues that fell short. I am not anticipating the increase in sewer because that really doesn't come in to play until the third quarter. I can't anticipate any more money in the sewer utility than I took in last year. I can't use those additional sewer costs to offset taxes until the cash comes in and then I can use it in 2022.

Joe said we did an index rate ordinance at one of our meetings that allows us to go up to the 3½ percent. That is a total increase of \$25,000. We only went up a portion on the sewer. It is raised \$20 per household. In a year or two we will have to look at it again and most likely will have to raise it again. That is because the Council didn't want to do the full increase at this time that I originally suggested. It was 23 plus years since we actually raised the sewer fees.

Councilwoman Montes said that we need to have a zero tax increase. Joe said that he doesn't ever see that happening. Simply because of inflation and the revenue stream that we have here in Victory Gardens. You have a limited amount of options for revenue. You are built out. You don't have a lot of new housing. You don't have a big variety of ways to bring money into the Borough. The economic impact when Covid hit made the interest rates go way down. Last year in interest we earned \$56,000. We barely made \$36,000. We lost \$20,000 in potential interest revenue. I'll be happy if we make \$18,000 this year.

I did get an email today and this is only preliminary. There might be a grant coming for towns that lost revenue during the pandemic. We may be able to apply to get some of that revenue back. We would have to show where we lost money. We would have to prove that it is pandemic related.

Councilwoman Garcia Montes asked if that is what Jim Janone was talking about that time he was at our meeting? The Clerk said she didn't think so. We were doing research. I don't know where he came up with those figures for our town. What I found was that counties with a population over 500,000 would be given money. Morris County does not have over 500,000 people. They listed all the counties that would be receiving monies, but Morris County was not one of them.

Joe said we would have a fighting chance showing that we had a loss of interest revenue, I would have to sit down with Karen and look at the loss of gallonage for the sewer rates, we can maybe show where we lost revenue on the sewer, construction we did not make normally what we do. We may be able to claim that. We will try when the time comes for a grant.

Joe said you can look at adding more liquor licenses. The Clerk said that we have no control over that. The State does all that. Based on your size and population, the State says what you can and can't have.

Another thing to look at is the fee schedule. The Clerk said she worked all of that up and gave it to the Attorney. I am waiting on him to draw it up so Council can get it and pass it. Our fees are so low compared to the State and what other towns charge. They really need to be updated. So, it was given to the Attorney. I'm waiting on him.

Joe said the Attorney should look into putting in our fees, a liquor license transfer fee. Other towns do it, why not us? Liquor license fees are done by the State also the Clerk said. We are at our limits.

It is a tight budget. It is fiscally responsible. We will use a little more tax dollars but it will put more back in to the town by the end of the year. We aren't digging into our savings as much as we have done in the past. I was hoping that we could replenish that this year but with the bottom falling out from interest rates, that isn't going to happen.

This is a very conservative budget. The Mayor asked if Joe said we lost over \$20,000 in interest. Yes, that is close to what we lost. We did not put back into fund balance what we took at last year. Our overall fund balance will be down. The Mayor asked how much we took out of fund balance? It was \$395,000. We only put back \$314,000.

Councilwoman Montes asked if we heard anything back from the monies from Dover on ambulance calls. We haven't. I did hear back from the Chief and told him exactly what I was looking for. I told him the Mayor and I would like to meet with him and also the Administrator. He said he will set something out and get back to me. I told him it would have to be after hours so the Mayor can be there also. The Mayor also said that the majority oftickets the state police write, they get the money.

If Council is okay with this budget, then I will send it to the Auditors and then once it goes on the Council agenda then we will send it off to the State.

The Clerk asked if everyone was okay with the budget and they all agreed that it was good. The Clerk said she will put this on the agenda for our meeting of 4/13/21.

The Mayor asked if Council had any more questions. There were none.

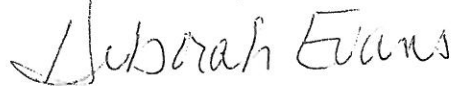
Motion to open the meeting to the public by Councilwoman Montes, seconded by Councilwoman Hedgepath and approved on verbal vote. None opposed.

No Public Present.

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 Hedgepath and approved on verbal vote. Noen opposed.

Submitted By:

A handwritten signature in cursive script that reads "Deborah Evans".

Deborah Evans  
Borough Clerk