

February 1, 2022

A workshop meeting of the Mayor and Council of the Borough of Victory Gardens held on February 1, 2022.

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 Meetings Act.

ATTENDANCE: Councilwoman Cheatham, Councilman Glass, Councilwoman Hedgepath, Councilman Hale, Councilman Lorenzo.

ABSENT: Councilwoman Garcia Montes

** Also present was Joe our Chief Financial Officer.

Mayor Holeman stated that the meeting tonight is for discussion on the 2022 Municipal Budget. At this time the Mayor turned the meeting over to the CFO.

Joe stated that he is working on closeouts for 2021. I am not as far along as I would like to be. Borough Hall was closed for a few days and then my whole family came down with covid. I was out for 2 weeks.

I have a good feeling for where our revenues are. If you look at page 2 that will show the revenues. Some of our revenues rebounded nicely this year. Last year we had a deficit in construction. No one was doing projects during covid. We are rebounding there. The new sewer rates we put in last year are already bearing fruit. We took in good money for the sewer revenue.

Places that we aren't doing well and especially with the economy the way it is, Interest is no where near where we were 2 years ago. We went from making \$35,000 to down to \$11,000 this year. We may be only bringing in \$8,000 for this years budget.

I don't want to hit the fund balance as hard as we hit it last year. My preliminary numbers look like we are on schedule. We were hit hard in 2021 because some of our revenues were way down. I don't want to hit the fund balance as hard this year as we did last year.

Total revenues from last year are higher than this year. However, a part of the is the DOT grant. We got the grant in 2021 and I don't have anything for a DOT grant for 2022. We did get an email for a CDBG grant for 2022. That amount was \$27,950.

Other than that I feel pretty comfortable with what I have in the revenue forecast. I think the 1,505,838.42 is attainable. It represents a 3.5% tax increase. That is not carved in stone yet either.

What is NOT on your paperwork is the Recovery Act money that we got in. That was during 2021. We need to have a broader discussion on how we are going to spend those dollars. Some of it can be for revenue replacement. Some can be used for infrastructure. We have had some conversatioin about using some of it to camera the sewer lines.

What I really want to do tonight is find out from the Mayor and Council what you need for the 2022 budget. Are there any projects or any items that you need me to put in for this year?

On the expense side, realizing that I have about \$1,500.00 to play with. Right now on the expenditure side, I have \$1,486.00 projected. There are a lot of things that are not in the money yet. We have about \$60,000 that I haven't spread out yet.

I have not factored in anything for raises right now. We held at zero last year and you need ot let me know if we are still holding at zero for this year. We need to talk about legal bills. We did 2 different transfer resolutions for Phil last year. We ended up spending about \$65,000 on legal fees last year. Where we put in for \$48,000 for the year we spent closer to \$65,000. Of course some of that is the litigation with the RVRSA and Jersey City. A lot was spent on dealing with the school board.

We also are very close with the Engineering budget. This is all Leon Hall. No raises are in this budget. We don't have a settled garbage bid yet. we have no odea what the price of pickup will be this year.

Councilman Glass asked if there are no raises figured in this budget, where does the 3.5% increase come in? That is on the revenue side of the budget.

Our biggest part of the budget are the following 5 things: legal, engineering, garbage, pension and RVRSA. These five things makeup well over a third of your budget. We have to pay these bills. They are mandatory. The pension bill for this year is \$37,357. That is up \$1,500 from last year.

Deb told me there are a few projects that need to be done around here. Deb said we are looking at removing a few trees, codifying the ordinances, storm drain at 372 Washington Avenue. Councilman Glass talked about air purifiers, and the railing outside and the windows in the garage. We had money left over in Streets & Roads where we could have bought the snowblower. Small things like that you can come to me at the end of the year, maybe around November. If there is money in these line items we can take from there and then we don't have to worry about doing this stuff in the beginning of the year.

American Recovery Act we lost a lot of money from interest. The Mayor asked how much money did we get from the Recovery Act? We received only 1 of 2 payments that we are supposed to get. The first one was about \$76,000. I believe the second one will be right about the same. We don't have a deadline as to when these funds have to be spent. We can use some of it for the Capital Improvement Fund. If there are projects in the future where the Borough has to pay some of the costs, we can use it for that. We can do the scoping of the sewer lines just to see what they look like. If they are good, wonderful. If they aren't let's use the government's money instead of ours.

Councilman Glass asked about the air purifiers. We just ordered them at my building Joe said. The ones we looked at are installed in the ceiling and they hook up to the air conditioners. You would have to ask a professional the costs and what is better for this building.

The Mayor asked how does the budget look and with the cost of living and everything going up how do we balance out? I don't want to have to take a lot of money out of fund balance.

Regarding the school stuff. You received a refund of school monies before I got here. I am concerned that the current course that we charted, where we decided not to give the school board any money, is going to come back on us and not in a good way. At the end of the day, when all is said and done, we will owe the school district something. I would rather fight them for a refund at the end then have them charge us for interest because we held their money. I am pulling \$48,000 a year to help balance the tax bill. If we get stuck having to pay interest on what we haven't paid the school the money will come from that reserve. That will shorten the time and amount of years that you wanted to stretch this out for. If we lose the lawsuit then we will have to pay Dover in full. There maybe other charges added to that. The Clerk asked what Joe thinks we should do? Should we give them all this money that we have been holding? Council will have to have a conversation with your Borough Attorney. The schools should be giving you a breakdown of students at the end of the year and then again at the beginning of the year. They should give you a breakdown of how much is paid per pupil and by grades. You should be given this information every year. Councilwoman Hedgepath said they also said on the record at a school board meeting that they miscalculated for Victory Gardens.

The Clerk said that the problems with the professionals is not so much them but the governing body. No one really takes a hard look at things. I've said many times, if you have questions for the professionals write them down and give them to me so that only one of us will do the speaking. Phil for example, rewrites resolutions, ordinances etc., several times because Council keeps changing their minds. If you write down what your concerns or ideas are and we give it to Phil then he can go over all that and write up what needs to be done. We have things that drag on forever. We have people that if they see Leon outside they talk to him. That costs us money. The same with Phil. You call him and everytime you call, it costs us.

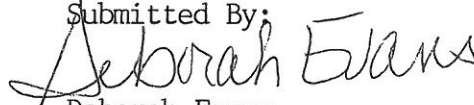
Joe said he will have a transfer resolution for our next council meeting. He wants to put extra money in for engineering and legal.

Motion to open the meeting to the public by Councilwoman Hedgepath, seconded by Councilman Hale. None opposed.

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

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

Submitted By:



Deborah Evans
Borough Clerk