



CITY OF ABSECON
Municipal Complex
500 Mill Road
Absecon, New Jersey 08201

Carie A. Crone, RMC
Municipal Clerk

Phone (609) 641-0663x101
Fax (609) 645-5098

CITY COUNCIL

FEBRUARY 25, 2021

BUDGET MEETING - 5:30 PM

MINUTES

The meeting was called to order by Council President Keith Bennett at 5:30 pm.

FLAG SALUTE

ROLL CALL

PRESENT: Butch Burroughs (5:40), Sandy Cain, Caleb Cavileer, Betty Howell, Nick Larotonda, Steve Light, Keith Bennett

STATEMENT OF THE SUNSHINE LAW

NOTIFICATION THAT THIS MEETING IS ELECTRONICALLY RECORDED

WORK AGENDA

2021 MUNICIPAL BUDGET DISCUSSION

FIRE DEPT.

Chief Laughlin – since the last meeting, Chief Talley and Nick were able to locate a fire truck that would meet our needs that he had discussed at the last meeting. It was used as a demo and has some miles on it. We would get full warranty and everything would be covered. It's not a straight up ladder truck, but rather a dual purpose. It's smaller length wise, but it will have a pumper and a bucket at the end. It would be able to reach 110 ft., the same capability as the one we have. It will fit better in the streets and it will be the first truck to respond. We are in talks with the company, Pierce and right now we are under \$900,000, but we're trying to get it down more. Chief Talley presented to the membership to put some money towards the truck and they will put \$15,000 towards it. He feels this is a good deal and we could probably see getting it by June. He's worried about the aerial that we have now that is 33 years old and parts are getting difficult to get and expensive to fix. It could take awhile to find another one even. He thinks the City should move on and it makes everyone happy. It's a good financial solid decision too.

Jessica – said we can buy it through a co-op and don't have to go out to bid, which saves time and money. She then explained how this would work.

Steve - what does it cost to outfit it? And what are we replacing this with or are we having trade in?

J.R. - the lettering is part of the deal in the final price and Roy proposed for them to cover the final touches of the truck from the manufacturer. The money they will put up will cover that. The radios and stuff could be taken off the old truck and put on this one. The trade in would be the ladder truck we own now.

Nick – they had a buyer for \$10,000, but they wanted repairs done and it could be \$5,000. We could also scrap it for the aluminum and maybe get \$15,000 for it. It's a shame to have to do that. The new one is a good truck and it's a good compromise and easier to operate. To get this new it would be about \$1,200,000. It's only a year and half old and has only been to convention centers at trade shows.

Sandy - thinks it's great that the fire department is contributing towards it. It comes from our taxes, but residents who donate can see where their money goes

POLICE DEPT.

Keith – asked about police grants for traffic enforcement. Are there any grants?

J.R. – we apply all the time and get some of the smaller ones. We are trying to get back into normalcy again, but COVID was hard and it's still not gone. We are down 5 people and it's made it hard.

Keith – he thought maybe we should allocate funds for overtime for specific traffic enforcement reasons. It could possibly help cut down on the speeding that he sees happening all over.

Steve – said that Brigantine does it and it has been beneficial to them.

CAPITAL BUDGET

Jessica went over the expenditures for this year.

POLICE DEPT. – \$170,000 for two new vehicles; one SUV and one pickup truck and the body cameras.

FIRE DEPT. - \$900,000 for a new vehicle. Hopefully it will come in lower

ROAD PROGRAM - \$800,000

Dredging Phase 2 - \$55,000

Engineering - Shore Road Flood Mitigation - \$125,000

Engineering – Faunce Landing/Streetscape Phase 4 - \$100,000 if we get a discretionary grant. If we don't receive the grant, then the funds could be allocated to a project in 2022. We

Miscellaneous Items

HVAC/ Bldg Improvements for City Hall	- \$30,000
2019 Road Program change order	- \$36,463.76
Pitney Road Change Order	- \$2,529
City Hall Bulkhead Change Order	- \$6,708.54
Frankoski extended general conditions	- \$36,277.77
Firehouse – additional engineering	- \$15,000
Opticum – traffic light control	- \$95,000
Fire Department Equipment	- \$10,000
City Entrance Signs	- \$12,000

Eddie was called and explained the Opticom and said we can't wait six months. The DOT is involved and they have jurisdiction over these intersections, they have sent us documents for us to sign into a cost sharing agreement with them to do the work. To get it scheduled, we have to enter into that agreement, once that's done, there will be a long process to do the work. We want to be able to get it scheduled. If we wait till May or June, then it will take longer to get completed.

REVENUE

Jessica – our revenue was down by around \$156,706 due to the pandemic. This year might be a little better, but it might not be great. The state is allowing an excess with a 3-year average, but she doesn't think it's a good idea. There are four sources of revenue: State Aid, and we have received the same amount of state aid since 2012; local revenues, which are down; our surplus and our taxes. She has spoken to the auditor and since the City is on a calendar year and the school is on a fiscal year, we are collecting funds in the calendar year and some of them won't be spent. We already have a school deferral as a line in our budget. We are allowed to defer additional monies and give us the ability to put additional money into our surplus to help offset the year we've had. She recommended to take \$800,000 and add it to the deferral and then we can increase the amount of money we have in our surplus, thereby avoiding a large tax increase to offset the budget we have. She suggests raising taxes 1.5% due to offset the increase in pension, which is \$107,652 and will go up every year. It's considered a recurring cost. Hopefully revenues will get better and we could be in a better position next year. The raise in taxes would be \$30.00 on a home valued at \$200,000.00. If we don't make wise decisions now, it will be worse down the road.

Steve – suggested maybe cutting back on the road program again.

Nick – he was just contacted regarding the new fire truck. The original asking price was \$925,000; we got them down to \$915,000, but giving us \$15,000 for the old truck instead of \$10,000. Now you're looking at \$885,000 if the department puts in \$15,000.

PUBLIC PORTION

Motion to open to public – Councilman Light – second – Councilwoman Cain
All were in favor.

Chris Seher – 707 Chelsea Road – he complimented for the fire truck purchase and to Jessica for the good work on the budget. He asked how much on average we give the school board each year. Jessica – whatever they give us for the budget, but it's over 12 million a year.

Chris - so the \$800,000 is about 7% of what we give them each year. He understands the strategy and it's interesting.

Keith – when he first heard about it, he wondered why we haven't done this forever

Jessica – you can't go lower than 50%. There are standards you can't go above. You are taking a risk when you do this. I don't think anything will be going downhill and a lot of communities do it. The danger is you can get stuck. She's not comfortable, however, we've never had a year like the last one and it only makes sense to take advantage of something like this to help us out. The school budget has increased a lot.

Keith – mentioned the numbers that have gone down this year. Court - \$71,000; Construction - \$40,000 and Taxes \$41,000.

Chris – we know there was about \$400,000 carried over from 2019 that goes into the reserve fund. You mentioned there was \$156,000 less in revenue, but what is the net plus or minus for 2020?

Jessica – on February 11th, there was \$671,000

Chris – his recollection with the negotiations with the developer was that the portion along NJ Avenue for site improvements is the responsibility of the City. We need to put the money up to do that or it won't be complete. Are the body cams new replacements and the old ones obsolete?

Jessica – yes, you get 5 years

Chris – he asked what the optimism was on selling land when we couldn't sell the two the last time
Kim – there are bidding wars on homes now and there seems to be a renewed interest in this area. If we don't get what we want, we won't sell them. We feel we should try.

Motion to close public – Councilman Larotonda – second – Councilwoman Cain
All were in favor.

Jessica – if everyone is comfortable tonight, she would plan on introducing it next week. In order to get the fire truck and some other things, it would change the timing.

Kim – seems like there are a lot of good things to be done in this budget. With that increase of the \$35.00 per \$200,000, it's not too bad.

Keith – asked for comments from Council.

Steve – is in favor of the budget as it sits

Nick – in terms of the time frame, what is the process for the truck?

Jessica - explained

Caleb – we had six years where we were flat. Being in this situation now, he thinks that was a mistake. He sees the long-term effect of how much fund balance we are having to use to balance the budget. He thought we should save the money to be used for Opticom if it won't be completely hurt us, but still raise the taxes 1.5 cents. The County is coming in at 2 cents. The school taxes have gone up a lot of the years and if they're getting \$900,000 this year, it would be nice if they can offset the 3-cent increase.

After discussion, it was agreed upon to move the Opticom monies and keep the tax raise at 1.5 cents. The budget will be introduced at the next meeting.

ADJOURNMENT

Motion to adjourn – Councilman Light– second – Councilman Larotonda
All were in favor.

Respectfully submitted,


Carie A. Crone, City Clerk

Approved: 3-4-21