



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

MAY 21, 2020

REGULAR MEETING MINUTES

THIS MEETING WAS HELD AS A ZOOM MEETING.

The meeting was called to order by Council President, Keith Bennett at 5:00 p.m.

ROLL CALL

PRESENT: Butch Burroughs, Sandy Cain, Caleb Cavileer, Betty Howell, Keith Bennett

ABSENT: Steve Light, Frank Phillips

ALSO PRESENT: Mayor Horton, Fred Scerni, Jessica Thompson, Carie Crone, Tony, Bond Attorney

PRESIDENT'S STATEMENT ON THE SUNSHINE LAW

NOTIFICATION THAT THIS MEETING IS ELECTRONICALLY RECORDED

REGULAR MEETING AGENDA

2020 ORDINANCES FOR ADOPTION

- 04** Bond Ordinance providing for the 2020 Road Improvement Program, by and in the City of Absecon, in the County of Atlantic, State of New Jersey; appropriating \$133,000 therefore and authorizing the issuance of \$126,350 Bonds or Notes of the city to finance part of the cost thereof.

Motion for second reading – Councilwoman Cain – second – Councilman Burroughs

ROLL CALL: Burroughs, yes; Cain, yes; Cavileer, yes; Howell, yes; Bennett, yes

Motion to open to the public – Councilwoman Cain – second – Councilwoman Howell

All were in favor. No public comment

Jessica – explained they are the funds that will take care of a portion of the work on Bayview Drive. We received grant funds as well.

Motion to close public – Councilwoman Howell – second – Councilwoman Cain

All were in favor.

Motion for final reading and adoption – Councilwoman Cain – second – Councilwoman Cain

ROLL CALL: Burroughs, yes; Cain, yes; Cavileer, yes; Howell, yes; Bennett, yes

- 05** Providing for a Supplemental Appropriation of \$278,000 for the acquisition of Block 220, Lots 12 and 13 on the tax map of the City of Absecon, in the County of Atlantic, New Jersey and the construction of a new Firehouse of in and by the City, authorizing the issuance of \$278,000 Bonds or Notes to finance the cost thereof.

Motion for second reading – Councilwoman Howell – second – Councilwoman Howell

ROLL CALL: Burroughs, yes; Cain, yes; Cavileer, yes; Howell, yes; Bennett, yes

Motion to open to the public – Councilwoman Howell - second – Councilwoman Cain

All were in favor. No public comment

Jessica – these are additional funds that will be added to the two previous ordinances passed when we issued the contract last year. There were two ways to move forward and it was decided to go with the pole barn with using some funds in this year's budget.

Motion to close public – Councilwoman Cain – second – Councilwoman Howell

All were in favor.

Motion for final reading and adoption – Councilwoman Cain – second – Councilwoman Howell

ROLL CALL: Burroughs, yes; Cain, yes; Cavileer, yes; Howell, yes; Bennett, yes

- 06** Re-appropriating \$353,000.00 proceeds of obligations not needed for their original purposes to provide for Road Improvements.

Motion for second reading – Councilman Burroughs – second – Councilman Cavileer

ROLL CALL: Burroughs, yes; Cain, yes; Cavileer, yes; Howell, yes; Bennett, yes

Motion to open to the public – Councilwoman Howell – second – Councilman Burroughs

All were in favor. No public comment

Jessica – explained that we are taking some unused proceeds from the 2018 and 2019 projects and reallocating them to projects this year. This will not incur any new debt. An example of a project where funds were not all used was the generator project for City Hall and another was a Pitney Park project that was not all used.

Motion to close public – Councilman Burroughs – second – Councilwoman Howell

All were in favor.

Motion for final reading and adoption – Councilwoman Cain – second – Councilwoman Cain

ROLL CALL: Burroughs, yes; Cain, yes; Cavileer, yes; Howell, yes; Bennett, yes

- 07** Amending Chapter 330 to designate a multi-way stop intersection at Highland Blvd., Morton Ave., Tenth Ave. and Ritz Dr.

Motion for second reading – Councilman Burroughs – second – Councilwoman Howell

ROLL CALL: Burroughs, yes; Cain, yes; Cavileer, yes; Howell, yes; Bennett, yes

Motion to open to the public – Councilman Cavileer – second – Councilwoman Howell

All were in favor. No public comment

Keith – this four way stop sign is going to make it a safer intersection. The signs are up but covered for now.

Chief Laughlin - the line striping should be next week and then the signs will be uncovered.

Keith - the size of the signs on Morton seem to be standard, but he thought they would be bigger. He will check with Eddie.

Betty – one of the signs is blocked by a pole, but it's supposed to be moved.

Chief Laughlin – if it helps, it will also say "stop" on the roadway and that pole will be moved.

Motion to close public – Councilman Burroughs – second – Councilwoman Cain

All were in favor.

Motion for final reading and adoption – Councilwoman Howell - second – Councilman Burroughs

ROLL CALL: Burroughs, yes; Cain, yes; Cavileer, yes; Howell, yes; Bennett, yes

CONSENT AGENDA

- 66** Providing for the combination of certain Bond Ordinances and determining the form and other details of the offering of \$11,763,000 General Obligation Bonds, series 2020 of the City of Absecon, County of Atlantic, State of New Jersey and providing for their sale.

Jessica – this will combine ordinances that we had previously for other city projects and the firehouse. She asked our bond attorney, Tony Solimine to explain.

Tony – this combines several past bond ordinances into one bond sale. The total amount being sold is \$11,763,000.00. This will authorize a sale to be held on July 14, 2020 by an electronic sale. We will come up with a maturity schedule. We are required to give certain notices and this resolution will also allow us to do that. Our office will work with everyone needed to prepare it. Assuming all goes well as planned on July 14th, the monies would close and the proceeds deposited into the city's account by July 30th.

Kim – do we have any ideas what the rates could be?

Tony – the estimated borrowing rate is 3.2% to borrow for 25 years.

Keith - we know the rates fluctuate, and he asked if the bond prices go along with what the mortgage rates are.

Tony - it's based off the highest rated credits across the country. So it all depends on different factors. There is some correlation with those two markets. Right now we have a supply and demand problem. That 3.2% is a low rate to borrow for 25 years.

Keith - does it help with us being on a good financial footing too?

Tony – yes. As part of the sale, we request a bond rating and they look at a lot of things. The better your economics are, the better rating you will receive, which helps with a lower rate.

Caleb – he wanted to confirm that it will be a fixed rate that we get for 25 years.

Tony – yes it will be. They could start out with a lower rate the first or second years, but then it's the fixed rate. You can't sell variable rate bonds.

- 67** Authorizing a refund of an overpayment of taxes for the 2nd Quarter of 2020 on the listed property.

- 68** Authorizing the Tax Collector to cancel taxes for 2020 Final/2021 Preliminary and to refund the overpayment of taxes for the 2nd Quarter of 2020 on the property located at 902 Highland Blvd. (Block 38, Lot 1).

PUBLIC PORTION (Agenda Items only)

Motion to open to the public – Councilwoman Howell – second – Councilwoman Cain

All were in favor.

Motion to close public – Councilwoman Cain – second – Councilman Burroughs

All were in favor.

Keith read the Consent Agenda Resolutions again.

Motion to approve Consent Agenda – Councilman Burroughs – second – Councilman Cavileer

ROLL CALL: Burroughs, yes; Cain, yes; Cavileer, yes; Howell, yes; Bennett, yes

APPROVAL OF BILL LIST – \$2,229,757.98

Motion to approve – Councilman Cavileer – second – Councilman Burroughs

ROLL CALL: Burroughs, yes; Cain, yes; Cavileer, yes; Howell, yes; Bennett, yes

APPROVAL OF MINUTES

Special Emergency Minutes (Regular) – 4/17/2020

Special Emergency Minutes (Closed) – 4/17/2020

Regular Meeting Minutes – 5/7/2020

Motion to approve – Councilwoman Cain – second – Councilman Burroughs

ROLL CALL: Burroughs, yes; Cain, yes; Cavileer, yes; Howell, yes; Bennett, yes

REPORTS

Caleb – met with Jessica and everything we discussed was what was covered tonight. If that 3.2% really materializes, we would be in good shape with our debt service for a few years. If we get more development in town, that will help us out as well.

Keith – the 3.2% would be much better than the 5.5% that was estimated in 2018 when we were working on this.

Jessica – if we didn't have any development in town, our debt for the firehouse will be 4 cents included in our budget. If Phase I of the development gets completed, it covers about 55% of our debt payment. Phase II of the project, which is the middle portion of the site, gets developed, that would cover about 75% of our debt payment. If the whole project is completed, after a few years we'd have all our debt payment paid off and have some extra for a revenue stream.

Betty – No Report

Don – No Report

Betty explained the micro surfacing and it's done because we can't do a complete new paving every year. The lines still have to be painted. There are some rough spots, but it will get cleaned up.

Sandy – not much happening. The Memorial Day parade was cancelled. She asked residents to social distance if they go out. The senior center is still closed, but she gave a shout out to the County who is delivering frozen meals to seniors who need it.

Betty – the Creek Fest committee met and we are moving ahead with some plans now. We would need to decide by July if we are cancelling the event, so we don't lose any money with a penalty clause that is in the contracts for the bands.

Kim – concerts in the park might possibly go on, but with social distancing taking place

Jessica – the ACUA will be operating on Monday Memorial Day for trash pickup. NJDOT will be starting a project in the next few months on Route from Mullica down to Absecon at Haddon Avenue. More details will follow. The NJ DOT project at Route 30 and Mill Road contract was awarded in April, but she has no time table yet. This work will be to change the timing of the lights; amending the lanes and other safety issues to try and ease the traffic in that intersection. The fire truck tires on Engine 84 were replaced in March and Rescue 8's in May. We have a committee for the bicycle and pedestrian study that will help with moving forward with the transit village and help getting grants. Lt. Adams has given them a lot of information to work with. They need to do some outreach, but right now they can't. We have our debt service in our budget every year at about \$800,000 for many years and what we are doing with this new bond is not changing anything. It's hopefully that development will take place and help us financially.

MONTHLY REPORTS – Carie

March

Clerk's Office \$2,482.00
Tax Collection \$770,843.22
Court \$8,934.99
Construction Office \$11,190.00

April

Clerk's Office \$1,835.00
Tax Collection \$1,786,534.75
Court \$3,760.65
Construction Office \$5,314.00

Mayor – thanked Mike Monteith and Charlie Rosenbaum who are planning a virtual commemoration for Memorial Day. Adam and Evan, sons of Mike, produced the video. This will be placed on our website for everyone to view. Charlie is also planning memorial hono at Veteran's Park at noon on Monday and will handle it quietly and respectfully. She also thanked Fr. Perry and Fr. Nevitt for inviting our emergency management team and herself to a meeting for planning to safely reopen the church for services when the state allows. This plan will be submitted to the diocese by the end of the month. She feels they are on target on keeping the parishioners safe and they will be recommending to the elderly not to attend. They will also keep the live streaming going. She thanked Claire Mangione, president of the Mom's Club of Absecon and Galloway for inviting her to partake in a project with local leaders to say a little hello and reassurance to their residents. She gave an update on the 8th grade graduation and read a letter on how it will be handled.

Chief Laughlin – tomorrow flounder season opens and he asked everyone to be patient at the boat ramp. Our new Class II's will be in that area. Maintain social distancing as well. With the break in the weather, car burglaries go up, so please lock them up.

PUBLIC PORTION

Motion to open to the public was made by Councilwoman Howell – second – Councilwoman Cain All were in favor.

Carie read questions from the chat room.

Greg Seher – wanted to know the expected additional annual tax revenue from the PILOT and how will that compare with the additional bond payments. Will our revenue cover this?

Jessica – no PILOT funds will be coming in until the improvements are done. If the Royal Farms and Firestone taxes come in 2022, that would be about \$146,000 estimated from a year ago. It would be 55% of the yearly bond payment that gets paid. If the next phase gets completed, then 75% of the firehouse debt and if Phase III gets built out, in about 10 years it would pay all the debt and have a small revenue stream to pay for other projects that we had.

C. Seher – many towns are directing their department heads to work at reduced budget targets for 2020. Has Council, Mayor or Administrator considered such actions based on uncertain revenue this year?

Keith – I know Council has not discussed it. Have the Mayor or Jessica?

Jessica – we are a pretty skeleton crew here as far as personnel goes. As for other expenses in the budget, things are continuing. We are using any efficiencies we can, but our utilities, insurances and legal expenses aren't going down. So for the most part, there aren't a whole lot of places to reduce the budget based on activities we haven't already reduced to the bare bone. We have been like that the past few years. Our services have continued.

Kim – we have many part time people, which helps us out. We are not a large municipality where you can lower the amount of people.

Greg Seher – does that mean the taxpayers are then on the hook for half the remaining cost of the new firehouse minus the funds from the sale of the old firehouse? So of the remaining \$5.5 million for the project, only half of that will be covered by the economic development which caused the need for the new firehouse?

Jessica – I answered that earlier. We hope we will get more development at that site. Even if it was only the half, it would be 2 cents for the cost of the firehouse.

Sandy – she pointed out to people that if we didn't move ahead with this project, and to try to get more ratables in town, we would be spending a lot of money to fix the old firehouse up.

Keith - when we hired the independent company to assess the firehouse, many things were outdated and not up to code.

C. Seher – disappointed that national emergency is not covered in any contract the city signed regarding the 2020 Crab Fest. Also, as he recalls there is at least \$10,000.00 of taxpayer's money in a dedicated account, not donations only.

Betty – there is no city money for the creek fest and we did sign one contract with a band before all this happened. We are working with the bands now, so we don't have a penalty, but it is not tax money.

Jessica – we did put seed money in for the first event at \$20,000 and that money was returned to that account. It was never intended to be a regular amount put in the budget. We figured when the event was held and completed, we would generate extra funds to be able to have an event again.

John Rynkiewicz – 1106 Del Mar Court to Jessica – the city doubled its debt from \$6 to \$12 million. He doesn't understand how annual debt service, principal and interest can be the same as it was historically.

Jessica – the debt service is a combination of bond principal and interest; note principal and interest and based on the different debt that needs to be paid out each year, it has to do with what that yearly payment is, not the total amount of debt. We are replacing old bond principal payments with new bond principal payments; old interest payments with new interest payments. Even though we are getting a new bond, we are basically replacing an old bond that's been paid off and continuing on a regular schedule of debt payment. That is why it can be done with about the same expenditure as we have had each year.

C. Seher – the budget is not bare bones. It typically generates \$500,000 to \$1,000,000 a year. The question is other towns are directing department heads to spend only 90% of discretionary expenditures in 2020. Why not Absecon? It could generate \$100,000 plus of savings.

Jessica – we are not doing any spending that is unnecessary. She believes our budget is bare bones and we have very little money in the departmental spending. Some departments only have a couple thousand dollars. We are not a large community that can just say let's reduce unneeded spending by 20% or so. There is not a whole lot to begin with and not much that could get cut there. We are not doing anything that is not necessary. The bulk of the budget are things that are out of our control, which are statutory expenses. We've spent money on PPE supplies and things that were not anticipated when we did the budget, so where we may have had some savings on other things we could do without, we've had additional expenses for items dealing with the current crisis, we hope to one day recoup some of those funds, but it won't be this calendar year.

C. Seher to Jessica – the carryover of the \$20,000 is still taxpayer's money.

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

CLOSED SESSION - #69-2020 – Litigation

Fred Scerni, attorney – stated the reason for closed session as being litigation, specifically Maddox vs. SSN Absecon, LLC (Days Inn). There may be action taken when we come out of closed session. This action would settle and terminate that litigation.

Motion to enter closed session – Councilwoman Howell – second – Councilwoman Cain
All were in favor.

Fred – we are out of closed session and Council discussed litigation entitled Terrell Maddox v. SSN Absecon LLC; Atlantic County, certain County employees and the City of Absecon and the Absecon Police Department. He provided them with the status of that litigation and the settlement discussions that have taken place. This resolution will enter into a settlement agreement. It will eliminate any and all other claims against the parties mentioned by the Plaintiff. The agreement is a settlement of \$1,500, in which the County will pay \$1,000 and the City \$500.00.

REGULAR MEETING

70 Authorizing the execution of a settlement agreement to resolve the matter titled Maddox v. SSN Absecon, LLC, et al.

Motion to move Resolution #70-2020 made by Councilwoman Cain – second – Councilman Burroughs

ROLL CALL: Burroughs, yes; Cain, yes; Cavileer, yes; Howell, yes; Bennett, yes

ADJOURNMENT

Motion to adjourn – Councilwoman Howell– second – Councilwoman Cain
All were in favor.

Respectfully submitted,



Carie A. Crone, City Clerk

Approved: 6-4-2020