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

BUDGET MEETING

FEBRUARY 27th, 2025 - 6:30 P.M.

MINUTES

FLAG SALUTE

ROLL CALL
PRESENT: Councilmembers Alex Clark, Steve Light, Christine Parker, Mike Sykes and Council President Rich DeRose
ABSENT: Linda Evans and Nick LaRotonda
ALSO PRESENT: Mayor Thomas Marrone and City Clerk Carie Crone

STATEMENT OF SUNSHINE LAW
NOTIFICATION THAT THIS MEETING IS ELECTRONICALLY RECORDED

WORK MEETING AGENDA

Councilman President DeRose: this is a work meeting to discuss the 2025 budget.

Motion to open to the public – Councilman Sykes – second – Councilman Clark
All were in favor.
No public comment
Motion to close – Councilman Clark – second – Councilwoman Parker
All were in favor.

Council President DeRose – we are all aware that our previous CFO of many years retired in December and we brought on a new one in January. We are going through the process and we are looking to do changes and create a more wholesome plan moving forward. We are working the old no stone unturned. There is a high probability that we are going to request to the state to extend our budget process. It is normal and okay to do it and our reason is legitimate. This will give the new CFO and auditors time to look through some things. There is still a possibility that we will not need to do it. He proposes that if an extension is requested, that we would all agree to come back and have another budget meeting. If we do not get an extension, the latest we can introduce the budget is 3/20, which would allow us on 4/3 to pass it and then be within the filing requirements. If come March

6th if she believes we do not need to, we would just go to plan B. If we stick with plan A, we introduce on the 3/6 and adopt on 4/3. His hope is to get the budget over with and been finished with the process.

Councilman Clark – the new CFO, Kristin and Deputy CFO, Nelly finally got a lot of information to Jerry, our auditor and he is working to come up with the surplus to work with for 2025. We have all the department budgets and looking at what we can cut and what to keep. Many things have gone up. Healthcare costs alone went up 10%. We need to get more revenue and only getting new businesses in town can help us. His focus was with the engineer and he met with him today. We crossed some things off the list and the road program might have to be cut in half this year. We did get some grants in the past two years, but we still need to pay the engineering costs. That money comes from our surplus.
Surplus balances from past years: 2020 roughly $2.9 million; 2021 - $3.2 million, 2022 - $3.3 million; 2023 roughly $3 million and 2024 - $2.1 million. Last year we used roughly $1.9 million of the surplus to balance the budget. We can not sustain that and we can not keep going down that path. We had a one-time fee from Crown Tower of $50,000 that we received last year, but we will not be getting it this year. We received state aid last year of about $200,000, which we are not getting this year. We used the capital spending account last year at $200,000, which we no longer have. Ways to make the budget work last year, are impacting us significantly this year. The style of one CFO and the style of the new one and auditor are completely different and they are more cautious. We maxed out all our revenues last year. He has worked with Kristen and the auditor and are trying to come up with ways to get the budget where we need to be. Jerry's biggest gripe is that taxes were not raised for many years. It has only gone up 3.2 cents when inflation rose higher. Not raising them one or two cents a year is impacting us. Hiring is impacting us as well. The firehouse bond went up another $150,000 from the year before. The debt from 2023 to 2025 in our case is up a little over $300,000 on just the firehouse. Just that alone is a 5-cent tax increase. We have been using surplus to try and balance everything out and we are at the stage where surplus is at $2.1 million. Our auditor would like to be at $3 million, but obviously is not the case. We need to do our best to get back there. We talked about increasing license fees and administrative fees, which Rich will be doing. The police and code enforcement offices are looking where fees can go up. We will take our time and not make any rash decisions. We will do our best. We are looking at all avenues to make it this as efficient as possible, but his only fear is that he does not want to rush something done without having to plan how we can get the surplus back to where we need it to be. We need to lay things out so residents understand what we are trying to accomplish. Things are different now than what they used to be. It is going to be a tough budget year. Expenses will be cut for certain departments.

He then went over Eddie's list. Certain things we know are not going to happen. They are wishful things. Many have been on there for 10 years. One of things he has a high importance on is #5, pedestrian crosswalks and safety improvements. We worked hard to get a grant and he thinks it is around $550-578,000. That would cost us roughly $55,000, which is less than 10% of the grant. That is urgent to do and we are estimating to get about 16-22 of them. Shore Road improvements #3 is $30,000.

Mayor Marrone – the issue of the flooding on Shore Road and Ohio Avenue past Illinois Avenue has been an ongoing issue for the entire history of the City. Over the years, it has gone from 3-4 times a year to 3-4 times a month to where we are shutting down roads and having road blocks. We are putting the police and fire departments in danger. It is no longer a nuisance, but a safety hazard. He has spoken with Eddie and the County on the plan and they are waiting to hear back. Once it is approved, we could move forward. He humbly asked Council to move forward with this project.

Council President DeRose – Would fully support this project, especially since it is the main thing that his constituents reach out to him about. The other is speeding. Our police department has been proactive on the speeding and it will only get better having the new officers. The flooding needs to be addressed.
Councilman Clark - #4 on the list is Crestview Avenue Phase II. We have a grant for this and the bid came in under what we expected, so we have some excess money there that we can do on Crestview Ave. We are going to run a path from the soccer field all the way through to Crestview Ave. We received a grant for storm management improvement systems, known as a NGIB grant, and we are eligible for up to $2 million in funding, which is 100% principal forgiveness, so for line #7, the Hobart Avenue drainage and Absecon streets drainage, #'s 7, 8 and 9 are strictly covered by that bank at no cost to the city. We should move forward with projects that we get grants for. #10 Heritage Park restrooms – we would like to get this at some point, but this year is not the year for it because it is about $400,000. We talked about doing things in phases. He tied #'s 12 and 13 into that one. #11 we received a grant for $80,000 to make the back of the building handicapped accessible. The front is not compliant, so we will start there and then we can work our way inside the building and then eventually the steps in the back of the building. It will be a process and not happen all at once. It might be a 5-year plan. #14 – Crestview Ave. parking improvements. Eddie is going to check into this. The grant we get might be able to cover this as well. #15 – we put in for a grant for batting cages and we do not know what we would qualify for or the actual costs, but we know we would not be able to spend $200,000 this year on it. If we do get the grant, we would need to pay for the engineering costs of it. #16 and #17 – Cleaning the Sewer and Sanitary – those items would come from the sewer budget and to stay compliant, there are things that we need to look at. Ed is supposed to get back to him to let him know the costs. #18 General engineering – this is Ed's costs for the year so he put in $50,000. We were going to budget $100,000. Last year we did $70,000. #21 mapping updates – we need to do that to stay compliant, so he put in $15,000.

Motion to open to the public – Councilman Light – second – Councilman Clark
All were in favor.

Greg Seher – 625 Yarmouth Ave. – you mentioned the CFO and the new one. They have not been at the meetings and is that something they should be doing?
Council President DeRose – he appreciates everything they are doing right now and with the insane number of hours they are working part time for us, he told them they did not need to attend. I think the only negative is that if there is a specific question that only a CFO could answer, then we would have to go back and ask her and get back to you. They will be here when we introduce the budget along with the auditor.

Greg – questioned when the decision would be made whether to ask for an extension of introducing the budget. Regarding the surplus, is there a standard where it should be?
Council President DeRose – there is technically, no legal statutory amount that is needed.
Councilman Clark – spoke to different auditors as for their input and their rule of thumb is generally 20-25% of your budget, which is around $3.1 million.
Greg – he appreciates the police presence in his area. The I Bank funding is great. So obviously, our CFO is a shared service agreement and he feels it is a good thing.
Council President DeRose – he appreciated everyone who sat in the interviews that were held and this shared service with Galloway could genuinely be a poster child for the rest of the state. He is very pleased how it is working out. This budget is so hard because they are bringing in new techniques and new wealth of information and this year for the first time ever, we are not going to pass a budget and move on. We will pass the budget and we are going to produce a 3,5 and 7-year plan. This will be made public as well.

Councilman Clark – every town is experiencing the same things because State Aid has expired in 2024. You had that extra $200,000 for four years and now it is gone.
Greg – is the city still in the State Healthcare?
Council President DeRose – No. last year we pulled out of it and switched and saved about $100,000. This year it is going up roughly 10%. The state is going up over 20%.
Greg – he deals with this at work as well and everything goes up. He knows you will get push back from residents, but the reality is what it is and some things need to happen.

Harry Hartman – 632 Woodland Ave. - there has been a lot of reference to past practices and the way things are. If you look at your audit reports, which everyone should have reviewed, that report projects the numbers that you are talking about. It goes from $1.1 million to $2.5 million in terms of debt owned. It should not be a surprise. We are paying over $700,000 in interest. He is pleased that you are making hard decisions by saying some of these items on the Engineering list are not going to get done. The budget has been inflated significantly and it was by choice. Agree or disagree. You guys decided that. He has always been a critic of saying there are two budgets. The day-to-day allocations and expenditures and there is never enough money. We have always lived by borrowing money. Those numbers you mentioned is like living off credit card. 2024 had $635,000 in interest.
Council President DeRose – You are welcome to be part of these conversations.

Harry – looking at the percentages of the debt, it goes from 6.6% down to 4.4% and then 7.6%. I bet this year it will be about 8%. That should be a prime target. He also feels that if we do get out of having to send our kids to Pleasantville High School, it will cost us more and an increase to our school taxes.
Council President DeRose – the one thing that was concerning was that we are paying off debt from 2017 that we bonded and we have just been doing the bare minimum to cover the interest on it. It was showing $11 million and we did not know what project that cost that much. The bonds from 2015 and up were just consolidated and now we are up to $11 million.

Council President DeRose - thanked Greg and Harry for attending the meeting tonight. These are tough conversations and making cuts are hard. We have some tough decisions to make. It was suggested to ask the Legion about putting more Absecon notices up on their digital sign.

Motion to close public portion – Councilman Light – second – Councilman Clark
All were in favor.

Councilman Light – maybe in a ten-year plan, we could put in it to have our own digital sign.

Discussion about having our own Facebook page with just announcements and no public comments.

ADJOURNMENT
Motioned to adjourn: Councilman Clark; Seconded: Councilwoman Parker
All in Favor, None Opposed.

Respectfully submitted,

Carie A. Crone

Carie A. Crone, City Clerk

Approved: 5-15-25