



CITY OF ABSECON
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CITY COUNCIL

FEBRUARY 27, 2020

BUDGET MEETING - 5:00 PM

MINUTES

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

FLAG SALUTE

ROLL CALL

PRESENT: Butch Burroughs, Sandy Cain, Caleb Cavileer, Betty Howell, Steve Light, Frank Phillips, Keith Bennett

ABSENT:

ALSO PRESENT: Mayor Horton, Jessica Thompson, Carie Crone

STATEMENT OF THE SUNSHINE LAW

NOTIFICATION THAT THIS MEETING IS ELECTRONICALLY RECORDED

2020 BUDGET DISCUSSION

Jessica – asked if anyone had any suggestions

Steve – said he'd like to see the police department get another tag reader if possible

POLICE

There was a decrease of \$20,000 in ticket revenue from the police department this year and they asked the police for a report as to why. They requested three police cars and Keith requested a fleet list, but they haven't turned it in yet. Steve feels we should hold off on getting a hybrid vehicle until we see how the one we just got goes, especially with maintenance costs. They could cost more. Jessica said they feel the same way and the new ones would be regular vehicles. She mentioned that we really need to change or ordinance on police fees and if we do, additional monies would be brought in.

AMBULANCE SQUAD – All agreed with the budget requested

FIRE

Asked for \$72,000 and they have previously received \$68,000 for a couple of years. All departments have stayed the same or have been lowered. Keith suggested maybe \$70,000. They typically don't spend the bulk of their budget until the end of the year. Sandy asked what happened to the tires that were so needed last year. Jessica explained what happened after they did get tires and the wrong ones were replaced. The consultant's report that was done when designing the new firehouse stated that we didn't need a new truck for a few years, so we don't need one right now. Maintenance has been done on them to keep them going.

Greg Seher (in audience) – asked if the city had a whole fleet management list for all their vehicles and who does the maintenance.

Jessica explained what the city has, but not to the extent that the ACUA does. Each department usually takes care of their own schedules.

Steve brought up the money that is raised by the fire department with their donations they receive. It was mentioned that there are two groups and they have separate accounts.

Frank said we should give them the \$72,000 they requested, but after polling the others, it was agreed to keep it at \$68,000.

PLANNING BOARD

Bob Preston (Chairman) – he had a nice meeting with Jessica yesterday and part of what we are seeking is for better communication between the Planning Board and Administration. We are not asking for an increase in the budget this year. He did mention that a couple of things they hope to do this year is to send recommendations to council that have come out the Master Plan that was adopted in 2017. With the budget they would look at the revitalization of the downtown district and the parking requirements of the city being relaxed and to draft two ordinances for council to consider. We would use our budgeted money for that.

Keith – asked if the sign ordinance would be part of this and Bob said no, but it does need to be studied. Keith then asked if they were including Air BnB's and Bob said they'd only review it if the council brought it to them. Keith suggested to have sub-committees of the boards if something is going to involve all groups and even Mike O'Hagan. Communication is an important issue.

CAPITAL BUDGET

Jessica handed out an updated list of all the items. She added \$20,000 for the license plate reader and also to the firehouse \$23,000 potentially for the washer and dryer should we not get grant money for that. It could always be used for something that comes up or allocate it for something else in the future. Those two things were discussed to be prepared for. The bond ordinance will still only have two categories: roads and firehouse and by putting it in the capital, we are only putting in 5% down payment on a bond ordinance and not the full cost of the budget. The budget is mostly how we discussed it two weeks ago. With this budget we see tonight, we would have a 2 cent

Increase in taxes; we haven't had an increase in years. Everyone needs to say to the public that this has nothing to do with the firehouse in any way, shape or form. To date, we have not borrowed any money for that firehouse. We will need to pay the contractor by March and then we will have to. We still have the money we received from the developer of the sale of the old firehouse for now. That will bring us over the hump until we start making some major payments to the contract. The city has no long term bonds right now. We do have some notes that include the road program, the recreational fields and other items in the capital program. Bonding is an expensive process. Money was saved from the generator project that can pay for the bonding costs. Firehouse or not, we would have had to do a bond anyway. The normal things we are going to need to pay for out of the ordinary is the short term firehouse note and interest from the note last year. We won't have to pay principle on that bond at all this year, just interest. She then explained when the bond payments would begin and how it will be structured with our debt service. You won't see an increase in the budget for the firehouse right now. The hope was when the improvements on the development site falling under the PILOT program and the taxes coming into the city would be extra revenue and when we want to do a bigger road program or buy a new firetruck, that debt would get added to the bond we would have in place.

Keith simplified it to say that the increase is not because of the firehouse, because anything paid out this year is coming from the proceeds of the purchase from the developer. Moving forward, we won't have any payment on the bond that we are borrowing for the firehouse. The term of the loan and any payment won't happen until 2021. Our debt would have decreased to a point where we wouldn't see an increase in our taxes because it will be debt we are used to.

Jessica said the police salaries have gone up for several years and we've used money from our fund balance and not taxing for these recurring costs and we need to start doing it. A third of our budget is the Police Department and eventually we will run out. Public Safety is important and we want to have a good department to handle our needs.

Steve asked the condition of the retaining wall and maybe putting that off maybe and seeing how much longer we can get out of it. It's all about perception.

A one cent tax increase is about \$70,000. Discussion regarding the school budget was held too. The budget should be introduced at the next Council meeting on March 5th.

ADJOURNMENT

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

Respectfully submitted,


Carrie A. Crone, City Clerk

Approved: 3-19-2020