



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

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City Clerk

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**MARCH 25, 2010**  
**BUDGET MEETING**  
**MINUTES**

**FLAG SALUTE** – Lynn

**ROLL CALL**

**Present:** Seher, Fishman, Green, Falivene, Vizthum, Gorman, Caterson

**Absent:** Green

Also Present: Mayor Elco (arrived late) Terry Dolan, Jessica Thompson, Carie Crone

**Statement on Sunshine Law**

**Notification of Meeting** – Lynn

**Lynn** - prepared a budget summary for everyone and went through it with everybody. The proposal includes a 3.6 cent tax increase and it will not require approval from the Local Finance Board to get approval. We would be using \$573,300 of our fund balance compared to the \$524,000 in 2009 that we used, leaving \$160,000 in the fund balance. We had to reduce the state aid reduction of \$196,000 and we had to make an adjustment to our levy cap of \$29,000 bringing the total reduction necessary to reduce by \$225,000 from the initial budgeted amount given to us in January.

She then explained where the cuts came from to make up the \$225,000 that we lost.

\$53,000 - from public works employee's account of salary and wage and move it to the sewer budget.

\$56,000 - from the transfer of public events to the library

\$15,000 – salary adjustment in the salary and wages lines

\$10,000 – reducing LOSAP (based on experience)

\$37,000 – no police vehicle

\$10,000 – NJ Ave. project transferred to escrow account of the water company

\$3,000 – holiday party gone

\$11,400 – elimination of purchase of new trees and bushes

\$10,000 – no more vault upgrades

\$2,000 – sports associations – four of them being reduced by \$500

\$17,520 – equipment replacement and miscellaneous of operating expenses that could be cut

Total = \$225,000

There will be no staff cuts, no give-backs, no closing of city hall on any day, same trash & recycling pickup as 2009, no reduction in our police force, there will be increases to cover costs of public works during the storms, HVAC replacement in City Hall, no reduction to Senior Center, no raises for Mayor and Council, increase in legal fees for zoning board because of lawsuit, proposing a 2.5% salary increase for all non-union, non-contract staff.

There is a new law concerning health benefit give back but I don't know when it's going to be in effect. Clearly if we get information regarding that, we will be able to consider reducing the budget. I will have a special budget meeting before April 8<sup>th</sup> if we get that information. That's the next council meeting and we must introduce the budget then.

**Jerry** – asked what the fund balance was left last year.

Discussion was then held on what goes into the fund balance; tax collection and what could be in the fund balance by 2011.

**Jerry** – this budget is safe and is getting us where we want to be, but what is going to happen next year and the year after. That is why I worry about the fund balance. We don't want taxes going up a lot each year.

**Drew** – you talked about maintaining the regular work schedule. A number of towns in the summer seem to go to that 4-day work week and he doesn't know what the savings would be, but has it ever been looked at?

**Terry** – no, it hasn't.

**Jerry** – since Galloway is closed on Monday, it's burdensome. Doesn't think people expect their government to be shut down a day during the week. They are doing what they have to do though.

**Lynn** – one of things that the finance committee does is to keep an eye on the budget for the city. If we were to sell a piece of property or two in 2010, could that money go in the fund balance for 2011?

**Jess** – if we finish the sale in 2010 we absolutely could use it in 2011.

**Chris** – asked Terry why he estimated the hotel tax rate at about 10% lower than 2009.

**Terry** – explained he felt with the economy it would not be more and he estimated it to be lower because he feels room rates will have to go down to get occupancy up, which will then also lower the tax rate.

**Jess** – if we have underestimated, which would be a good thing, anything over would go directly into the fund balance for the beginning of next year. We've not really hurt ourselves too much.

**Chris** – commented that past councils must have been doing something right for us not to have to make cuts, layoffs, etc. in preparing the budget this year. It was great planning and budgeting. To the issue of the 2.5% pay raises, he thinks it is more than fair to go with that number this year. It's only a handful of non-union employees and it would be better if we do it.

Mayor arrived at 7:00 p.m.

**Mayor** – most pleased that there will be no cutting of employees and that we can stand proudly and say at this point in time, we don't have to have furloughs, we don't have to shorten our week and some of the things that other municipalities are having to do. We should be aggressive as possible and if we believe in something, let's stand by it. Believes it's the soundest budget it could be under these circumstances. Thanked Terry and Jessica for their efforts.

**Drew** – hopes to see the resolution ready by April 8<sup>th</sup> dealing the utilities tax. With the hotel tax, hotels have been dropping their rates to build up their occupancy.

**Chris** – hopes the Holiday Inn Express opens by the summer so that can up the hotel tax.

Motion to open to the public – Councilman Fishman – second – Councilwoman Gorman  
All were in favor.

**Gerald Hoenes – 740 Shelburne Avenue** – are there revenue projections that you will have in your budget and are you comfortable with them? You took a conservative view this year.

**Lynn** – I am. They're down though. We are projecting total revenue difference down about 18%. We used \$573,700 from the fund balance and remaining is \$150,000. We've used \$50,000 more this year than last year.

**Hoenes** – thinks you will be okay with the fund balance in the beginning of 2011 unless you have extraordinary emergency where you have to draw money out of it. That's what I got out of it.

What was the tax increase for 2009?

**Jess** - 2.9% - One cent is around \$100.00

**Terry** - The total assessed valuation of our city has only gone down .34%. We were able to hold our own in part because of new development that came online in the last year or so and that was offset by people who appealed their taxes. In my opinion, that is remarkable and it comes back to all of you. The budget is going up very modestly. It does not include any anticipated grant funds so if you take out those grant funds, this budget does go up but not by a lot. The budget will go up by roughly \$160,000 compared to last year. He attributes all of that to the need to increase our reserve for uncollected taxes, which went up by \$162,000 due to people not paying their taxes.

**Chief Cowan** – has no problem being a team player, but the only concern he has is that a car was ordered in December is about to be here. Rather than take a car off the line, I asked the maintenance contractor if it would last throughout this year. They came back and said yes, but we have to keep an eye on it. I would like to run it until it falls apart so we can spread out our usage of the cars. Then we wouldn't have to run one around the clock.

**Jerry** – if that's what will work then we will do it.

Motion to close public – Councilman Fishman – second – Councilman Falivene  
All were in favor.

## **ADJOURNMENT**

Motion to adjourn meeting – Councilman Seher - second – Councilman Fishman  
All were in favor.

Respectfully submitted,

Carie A. Crone, Clerk

Approved: \_\_\_\_\_