

APRIL 14, 2022
REGULAR MEETING MINUTES

The Regular Meeting of the Board of Commissioners of the Borough of Cape May Point was called to order by Clerk Wallace at 6:00 PM. The Open Public Meetings Statement was read by the Mayor who then led those present in the flag salute. Mayor Moffatt, Commissioner Busch and Commissioner vanHeeswyk answered roll call. Also in attendance: Administrator Ed Grant, Clerk Elaine Wallace, Solicitor John Amenhauser, CFO Jim Craft, and Borough Auditor Mike Garcia. This meeting was held electronically via Zoom under local operation guidance from the NJDCA pursuant to P.L. 2020, c. 11.

COMMISSIONERS' REPORTS:

Commissioner Busch stated that Yale Avenue reconstruction started this week with the upgrading of the storm drains. Thru traffic will be blocked at times. The post office will be open to pedestrians. The majority of work will be completed around Memorial Day if everything goes as planned.

Commissioner vanHeeswyk stated CFO Jim Craft and our Auditor Mike Garcia will be presenting the 2022 budget.

Mayor Moffatt stated that beach tags are available online. Our website has a link if you would like to have them mailed to you. There are processing fees, so if you would like to mail in a check and pick them up at the booth instead you may do that. The preseason Seasonal tag price is \$36.00.

ADMINISTRATOR'S REPORT:

Mr. Grant stated that he wanted to clarify that tonight's meeting will be divided into two parts. The first part is the budget hearing where we can answer any questions specific to the 2022 budget. Questions that are not related to the budget should be held until the public portion of the second part of the meeting.

2022 BUDGET

Presentation by Auditor Mike Garcia

Auditor Garcia provided a slide show and reviewed the highlights of the budget which will result in a 1.5 cent tax increase. The Borough will be using a higher percentage of surplus than usual, particularly in the Water Sewer Utility to balance the budget. The budget than was \$7,000 below the spending cap and \$2,200 below the tax levy cap.

CAP ORDINANCE FOR SECOND READING / PUBLIC HEARING

01-2022 Calendar Year 2022 Ordinance to Exceed the Municipal Budget Appropriation Limits and Establish a Cap Bank

Auditor Garcia explained the purpose behind the ordinance.

Motion to open public hearing: vanHeeswyk, Moffatt

Roll call: all in favor

When no one wished to speak, the public hearing was closed.

Motion to adopt: vanHeeswyk, Moffatt

Roll call: all in favor

BUDGET RESOLUTIONS AND PUBLIC HEARING

51-22 Read by Title Only and Open Public Hearing on 2022 Municipal Budget

Motions: vanHeeswyk, Moffatt

Roll call: all in favor

Dan Simmler, 111 Lincoln Avenue, asked what impact the closing of the trash yard had on the budget since the decision was made after it was introduced. He thought surely the CFO and Commissioners had a conversation at a work session. Administrator Grant explained each Commissioner is solely responsible for their own department and its budget, which is provided to the CFO who then prepares the draft budget which the Commissioners go over at a work session. Mr. Simmler said a service was being removed under the pretense of budget constraints without any input from the other Commissioners. Commissioners vanHeeswyk and Moffatt both stated they did not have any input into the decision. Mr. Simmler asked Commissioner Busch what review and evaluation she did on the operation of the trash yard to deem it necessary to meet her budget. Mr. Grant explained this public hearing is on the budget financial matter, not how decisions were made and what factors were considered. Mr. Simmler was worried the budget would be adopted as is and, by de facto, the yard will be closed without any discussion amongst the Commissioners. Mr. Grant explained questions on the savings and employees and so forth would be pertinent to this discussion. He had already provided a FAQ email to anyone who asked, which stated the yard costs totaled roughly \$8,000 in other expenses and salaries, which would be higher this year and the following years as minimum wage increases. In addition, the dumpster would have to be replaced at a cost of roughly \$9,000. Mr. Simmler respectfully disagreed with the statement that the bottoms were falling out of the dumpsters, based on his 40-year career in the refinery business. He argued dumpsters are virtually perpetually repairable at about \$400-500 each and a damaged dumpster could be sold for \$100-150. As president of the Taxpayers Association, he announced the executive board had a meeting and granted him the authority to offer \$4,000 to the Borough to reopen the yard. He also felt everyone should wonder why the dumpsters were disposed of immediately. Administrator Grant said when the Public Works Supervisor, who does a great job for the Borough, told him they had to go because they couldn't be repaired anymore, he took him at his word. Solicitor Amenhauser, with all due respect, explained public comments are limited to 4 minutes and that rule must be invoked to keep the meeting moving and productive. Mr. Simmler acquiesced with the caveat that no discussion of closing the yard was done at a public meeting and the public can ask all the Commissioners about it during the regular public portion.

Jim Fraatz, 407 Cedar Avenue, asked what the term "the balances in reserve" meant on sheet 16 of the budget. CFO Craft explained anything not paid and charged by the end of the year goes into the reserved column and goes into fund balance. Mr. Fraatz asked about a proposed Public Works vehicle for \$35,000 and asked if that was a replacement or additional vehicle. Administrator Grant

explained the Borough is putting money aside for several years to purchase an electric dump truck. In addition, the Borough will seek grants to off-set the cost which is expected to total roughly \$85,000. Mr. Fraatz asked if the Borough is committed to purchasing electric vehicle. Mr. Grant said it appears that is the direction that things are moving. Lastly Mr. Fraatz asked if just one Commissioner would make that decision or if the entire Board would. While the Commissioner can make the decision, the entire governing body would vote on the resolution.

Ed Tokarsky, 103 Lincoln Avenue, said the public was not made aware of the closure of the yard and assumes everyone knows how vital the service is to the community

Hope Luken, 109 Lincoln Avenue, asked about money budget in 2021 for an electric vehicle and asked if that was being added to the \$35,000 being budgeted in 2022. Ed Grant explained the 2021 funds were used to purchase an electric vehicle for the Beach Tag program to transport taggers to the beach entrances. The Borough had been anticipating State grant funds to cover the cost. Under the program, the vehicle had to be purchased first then the grant could be applied for reimbursement, but it didn't materialize. A gas-powered Polaris was also purchased in 2021 for the Beach Patrol.

Dan Simmler asked how the budget funds are divvied up among the departments. Ed Grant explained each year the Commissioners examine their departments' needs and budget and put it together with the assistance of the CFO. When the original proposals were submitted to the CFO, the budget was over the cap limits. Fortunately, when the ratables figures came in it resolved that problem, but a large tax increase could not be avoided. The Commissioners decided not to cut too deeply because of the current economic uncertainty. He was aware the figures presented in the introduced budget already anticipated the closing of the yard, but the Commissioners did not have an opportunity to discuss it with each other. He did not realize how popular the yard was. Mr. Simmler stated that any time a service or amenity is eliminated, it is missed. And he was still dumbfounded the information was not shared with others.

Hope Luken, asked the Commissioner to please not approve the budget until they figure out a way to open the yard in some format because it is extremely important to part-time and year-round residents alike.

When no one else wishes to speak, the public hearing was closed on motion of Commissioner vanHeeswyk, seconded by Mayor Moffatt.

Commissioner vanHeeswyk, in light of Hope Luken's request, asked if the \$7,000 left under the spending cap could be used to make a change to the budget.

Auditor Mike Garcia explained the budget could be adopted tonight if amended without increasing any line in excess of 2%, otherwise the amendment would have

to be published and then have a public hearing. The trash line in Public Works is \$62,000, which could be increased by \$6,200 and more surplus could be used the balance that if that is what the Commissioners would like to do. They could accept the Taxpayers donation as a grant. They could do a capital ordinance to purchase dumpsters. Or they could adopt at a later date and give it more consideration.

Commissioner Busch said there were other pressing needs that are unfunded due to budget constraints. She didn't believe what was being discussion was going to be enough to cover what is wanted since last years costs were \$8,000. There are other needs that are being deferred.

52-22 Adoption of 2022 Municipal Budget

Motions: vanHeeswyk, Busch

Roll call: aye – Busch; nay – Moffatt, vanHeeswyk

Auditor Garcia explained it is up to the Borough how they would like to proceed. If they aren't ready to commit now, the budget will have to be considered at a subsequent meeting.

Commissioner vanHeeswyk hated to see the adopted put off and have to readvertise. She asked if the Borough could appropriate \$6,200 more and use equivalent surplus to balance and adopt the budget tonight.

Commissioner Busch explained the \$62,000 budget line is for paying the County and Gold Medal, not the salary line. Mr. Garcia said the salary line is \$141,000, so the Borough could amend by the entire \$7,000 left under the cap.

Commissioner vanHeeswyk asked if she could make a motion to amend that line in the budget by \$7,000 and off-set it by increasing the use of surplus to make it possible to consider opening the yard. Commissioner Busch asked if Commissioner vanHeeswyk was asking to amend the Public Works budget, to which Mrs. vanHeeswyk replied she was. Auditor Garcia said it was permissible from a budgetary stance, but he deferred to counsel on legal opinion. Solicitor Amenhauser said he didn't see a legal problem.

Commissioner Busch asked the auditor to explain the purpose of surplus funds. Auditor Garcia explained the current surplus is down about \$66,000 from the previous year. The CFO tried not to use more surplus to balance the budget than can be rebuilt in that year, but \$7,000 wouldn't have a significant impact. Ms. Busch asked what would happen if one of the Borough contractual relationships fell through necessitating a substantial increase in spending that isn't anticipated. Mr. Garcia explained once the budget is adopted, the surplus couldn't be used to offset such an expense. A different mechanism, namely an emergency appropriation that would have to be funded in 2023, would have to be used. Ms. Busch wasn't sure if the other Commissioners were as aware of certain potential financial liabilities that would affect her department, and everyone budgetarily. Commissioner vanHeeswyk said her amendment would provide more time to make a decision.

Commissioner vanHeeswyk made a motion to increase the Public Works Salary line by \$7,000 and use \$7,000 more surplus to balance the increase. Auditor Garcia said he would prepare an amending resolution to that effect. Mayor Moffatt seconded the motion.

52A-22 Resolution to Amend the Budget

Motions: Moffatt, vanHeeswyk

Roll call: ayes – Moffatt, vanHeeswyk; abstain - Busch

52B-22 Adoption of Municipal Budget for Year 2022 as Amended

Motions: vanHeeswyk, Moffatt

Roll call: all in favor

PUBLIC QUESTIONS ON AGENDA ITEMS: None

APPROVAL OF MINUTES:

February 10, 2022 Regular Meeting

February 22, 2022 Work Session

March 10, 2022 Regular Meeting

March 22, 2022 Work Session

Motions: vanHeeswyk, Moffatt

Roll call: all in favor

ORDINANCES FOR INTRODUCTION/PUBLICATION: None

RESOLUTIONS:

53-22 Authorizing and Directing Payment Plans for Pandemic-Related Water and Sewer Arrearage

Motions: Busch, Moffatt

Roll call: all in favor

54-22 Opposing NJDEP's Proposed Coastal Regulations

Motions: vanHeeswyk, Moffatt

Roll call: ayes - vanHeeswyk, Moffatt; nay - Busch

55-22 Approval of Bill List

Motions: vanHeeswyk, Moffatt

Roll call: all in favor

ORDINANCES FOR SECOND READING AND PUBLIC HEARING: None

PUBLIC PORTION:

Dan Simmler thanked the Commissioners for the additional discussion on the closure of the trash and recycling yard and its effect on tax payers. He continued by stating that as a member of the Tax Payers Association received notification that Mark Wrotney bequeathed 1/3 interest in his home on condition of a veteran's memorial be erected at the flagpole at Lake Lily. He asked that the Borough consider this, and that

the size and shape can be configured as is acceptable, to which Commissioner vanHeeswyk said we could discuss at an upcoming meeting.

Hope Lueken also thanked the Commissioners for amending the budget and giving more consideration to the closure of the trash and recycling yard.

When no one else wished to speak, the meeting was adjourned at 7:35 pm on motion of Commissioner vanHeeswyk, seconded by Mayor Moffatt.

Respectfully submitted,

Accepted:

Elaine L. Wallace, RMC, CMR
Municipal Clerk

Commissioner Busch

Mayor Moffatt

Commissioner vanHeeswyk