

**MINUTES
SPECIAL MEETING
MUNICIPAL COUNCIL – BOROUGH OF RED BANK
July 29, 2021
6:30 P.M.**

SUNSHINE STATEMENT

Mayor Menna requested the minutes reflect that, in compliance with Public Law 1975, Chapter 231 (Open Public Meetings Act), notice of this meeting has been provided by notifying the Asbury Park Press, the Two River Times and the Star Ledger and by placing a notice on the bulletin board and filing same with the Borough Clerk on July 21, 2021.

PLEDGE OF ALLEGIANCE

ROLL CALL

PRESENT: Mayor Menna and Council Members Yassin, Triggiano, Ballard, Yngstrom, Zipprich and Horgan.

ALSO PRESENT: Interim Administrator McConnell and Borough Clerk Borghi.

*Meeting held via video/telephone conference due to Governor's Executive Order.

Budget Public Hearing/Acknowledgment

Mayor Menna said there had previously been a public presentation of the Municipal Budget and this would be the Public Hearing. He also reviewed to resolution to be considered.

21-194 Mayor Menna read, "Resolution Amending Budget."

Councilman Yassin offered a motion to open the public hearing on the resolution, seconded by Councilman Yngstrom.

ROLL CALL:

AYES: Yassin, Triggiano, Ballard, Yngstrom, Zipprich and Horgan.

NAYS: None

There being six ayes and no nays, the motion was declared approved.

Mayor Menna asked Councilman Yassin, as Chair of the Finance Committee to review the budget.

Councilman Yassin thanked Interim Administrator McConnell for stepping into his roll at the busiest time of year. He also thanked CFO O'Reilly. He said the result of their efforts was a zero percent increase in the tax rate. He said he felt it was the result of the Borough's jurisprudence and the financial decisions they had made. He said he also wanted to thank the other members of the Finance Committee, Councilmembers Triggiano and Horgan as well of the rest of the Mayor and Council for their input and ideas.

Mayor Menna asked if anyone from the public would like to speak.

Ben Forest—16 Locust Avenue—congratulated the Council on a zero increase budget and said, given the last year, it was amazing that they had been able to do that. He thanked the Finance Committee, the Council and the Mayor for their hard work.

Clerk Borghi clarified that this was the Public Comment period on the amendment resolution and noted the public comment on the budget would be done separately.

Suzanne Viscomi—25 Cedar Street—asked if this was only for comment on the amendment. Mayor Menna said this was regarding the amendment only. Ms. Viscomi said she would save her comment for later. No one else appearing, Councilman Yassin offered a motion to close the Public Comment period, Councilwoman Horgan seconded.

ROLL CALL:

AYES: Yassin, Triggiano, Ballard, Yngstrom, Zipprich and Horgan.

NAYS: None

There being six ayes and no nays, the motion was declared approved.

Councilman Yassin offered a motion to adopt resolution 21-194, seconded by Councilwoman Triggiano.

Councilman Zipprich questioned the statement that there was a zero percent increase to the budget.

Mayor Menna said this was a vote on the amendment only.

ROLL CALL:

AYES: Yassin, Triggiano, Yngstrom, Zipprich and Horgan.

NAYS: Ballard

There being five ayes and one nay, the motion was declared approved.

21-195 Mayor Menna read, “Resolution to Read Budget by Title.”

21-196 Mayor Menna read, “A Resolution to Adopt the Municipal Budget”

Councilman Yassin offered a motion to open the Public Hearing, seconded by Councilwoman Triggiano.

ROLL CALL:

AYES: Yassin, Triggiano, Ballard, Yngstrom, Zipprich and Horgan.

NAYS: None

There being six ayes and no nays, the motion was declared approved.

No one appearing, Councilman Zipprich made a motion to close the Public Hearing, Councilwoman Triggiano seconded.

ROLL CALL:

AYES: Yassin, Triggiano, Ballard, Yngstrom, Zipprich and Horgan.

NAYS: None

There being six ayes and no nays, the motion was declared approved.

21-195 Resolution to Read Budget by Title.

Councilman Yassin offered a motion to approve the resolution, seconded by Councilwoman Triggiano.

ROLL CALL:

AYES: Yassin, Triggiano, Ballard, Yngstrom, Zipprich and Horgan.

NAYS: None

There being six ayes and no nays, the motion was declared approved.

21-196 A Resolution to Adopt the Municipal Budget.

Councilman Yassin offered to open the public hearing, seconded by Councilwoman Triggiano.

ROLL CALL:

AYES: Yassin, Triggiano, Ballard, Yngstrom, Zipprich and Horgan.

NAYS: None

There being six ayes and no nays, the motion was declared approved.

Mayor Menna asked if anyone from the public wanted to be heard on the resolution.

Suzanne Visconti—25 Cedar Street—asked about a graph in the document called “Condition of Surplus” that referenced an available surplus of \$2.6 million. She said it also said the amount used to fund the budget was \$3.3 million. She said it looked like there was a negative of \$732,000 in surplus. She asked if that was normal.

IA McConnell said there was not a negative surplus and said he was not sure what chart she was looking at.

Ms. Visconti referenced the specific page and read details from the page.

Clerk Borghi found the page and shared the document on the screen.

After review, CFO O'Reilly said that could be a defect in the State Budget template.

IA McConnell reviewed details of the surplus that was used in the budget.

Mayor Menna asked why the numbers appeared as they did.

Mr. O'Reilly said it was due to template provided by the State. He said these particular cells were locked and were calculated from number he inputted elsewhere.

Mayor Menna asked what the numbers meant, if there was a negative surplus and why they were showing the way they were.

Mr. O'Reilly said it was not a negative surplus and reviewed the history of the surplus for the year. He said he did not know the rhyme or reason for the calculations and said it was his inclination that it was an issue with the template that had been provided by the State.

Chief McConnell said that the bottom line was that the current surplus was \$4.4 million going into the budget year which was plenty to cover the approximately \$3.4 million they had moved into the budget.

Ms. Visconti thanked the Clerk for finding the document and said her question had been answered. She also asked if there was any money in the budget going for the Redevelopment Agency. She said it was supposed to be self-funded and asked if any money going to them was being loaned to be paid back to the operating account when they began receiving fees.

CFO O'Reilly said there was approximately \$50,000-60,000 budgeted for the Redevelopment Agency in 2021. He said the question regarding fees should be directed to the Redevelopment Agency.

Ms. Visconti asked if the Borough had received any fees back from the Agency.

Mr. O'Reilly said, as the Redevelopment Agency Treasurer, he did not believe any money had been received as of this date.

Councilwoman Triggiano said she just wanted to restate that the Borough did have a surplus and that the

number was not negative. She said there was an error in the document but noted that the error was not the Borough's doing but was due to a formula error from the State. She thanked Ms. Visconti for bringing it to their attention.

Ben Forest—16 Locust Avenue—said he wanted to clarify that his comments earlier had been directed by the budget, not the amendment.

No one else appearing, Councilman Yassin offered a motion to close the Public Hearing, seconded by Councilwoman Triggiano.

Councilman Yassin offered a motion to adopt Resolution 21-196, seconded by Councilwoman Triggiano.

Councilman Ballard said the municipal tax rate remained the same as the prior year which resulted in a zero percent increase but said, in dollars, the taxpayers would be paying more. He asked if that was correct.

Councilwoman Triggiano said they had made it very clear in the budget presentation that the Borough was only able to control the municipal portion of the tax bill. She said she felt it was fair to say that the Borough would not be involved in any increase.

Councilman Ballard said appropriations went up \$1 million and asked how that was possible without an increase.

Chief McConnell said they would be increasing appropriations by \$1 million. He said by using surplus, they were increasing the amount to be raising by taxes by approximately half a million dollars. He said the tax rate would remain flat. He said it was possible that a tax bill could go up for individual tax payers based on their assessments.

Councilman Ballard said appropriations had gone up and said it appeared that revenue had also gone up but said they were still plugging the gap with surplus just to say they did not raise taxes.

Councilman Yassin said it wasn't about saying they were having a zero increase but was about doing it.

Councilman Ballard asked what the rate would be for a home with a \$300,000 value.

Councilman Yassin said they had stated at the Budget meeting that a \$100,000 change in the budget would equate to \$16 for the average homeowner.

IA McConnell said that was correct. He said he didn't have the numbers broken down for \$300,000 but noted the average assessment was approximately \$406,000 and the average tax bill was just over \$2,500.

Councilman Ballard said, last year when revenues were down, they had not used almost all of their surplus to make a zero percent tax increase and questioned why they were doing it this year.

IA McConnell said there were several factors considered including the amount to be taken from surplus, how much to be raised from taxes and how much was anticipated in revenue. He said, as previously noted, anticipated revenue went up over \$400,000. He said last year it had gone down with the Borough losing \$2.5 million in revenue which meant the Borough did not realize its anticipated revenue so they were trying to make up for that in this budget without increasing taxes.

Councilman Ballard said they had added to the surplus from last year because they had budgeted more than was spent. He asked why they hadn't used surplus last year when they needed it to help plug the gap.

Councilman Yassin said there had been a lot of discussion on this matter last year when suggestions had been made to make cuts. He said a lot of the items in the budget were statutorily required and said they did not have a legal right to not fund those to the fullest. He said, if they ended up spending less, it would look like they over budgeted but he said they did not have a choice.

Councilman Ballard said a lot of the cuts he had proposed were not statutory. He reviewed specific items. He said his question was, since they had lower revenues due to the pandemic, why hadn't they filled the gap with reserves to have a zero percent increase last year.

Councilman Yngstrom questioned why he was discussing last year's budget when the subject at hand was this year's budget.

Councilman Ballard said he just wanted to make the point that, this year, the Borough was using most of its reserves to close the gap for lost revenue when they were having higher revenue to make a zero percent tax increase. He said he wanted to point out that they had not done it last year during the heart of the pandemic.

ROLL CALL:

AYES: Yassin, Triggiano, Yngstrom, Zipprich and Horgan.

NAYS: Ballard

There being five ayes and one nay, the motion was declared approved.

Mayor Menna thanked everyone for their comments and said it was a great budget and represented a lot of hard work done by professionals. He thanked the CFO, Interim Administrator and the Finance Committee.

Councilman Zipprich said, when former Councilman DuPont has been Finance Chair, they had set up a "rainy day fund" and said the healthy reserve was through his orchestration.

ADJOURNMENT

There being no further business, Mayor Menna called for a motion to adjourn.

Councilman Yassin offered a motion to adjourn the meeting, seconded by Councilwoman Triggiano.

ROLL CALL:

AYES: Yassin, Triggiano, Ballard, Yngstrom, Zipprich and Horgan.

NAYS: None

There being six ayes and no nays, the motion was declared approved.

Respectfully submitted,
Pamela Borghi