

MILLSTONE TOWNSHIP COMMITTEE BUDGET WORKSHOP MEEETING MINUTES FOR APRIL 21, 2021 AT 215 Millstone Road, Millstone Township, NJ 08510

Mayor Gary Dorfman calls the meeting to order at 5:37 P.M followed by a flag salute and a moment of silence.

STATEMENT OF NOTICE AS REQUIRED BY P.L. 1975, C231 IS READ.

I HEREBY ANNOUNCE THAT PURSUANT TO THE OPEN PUBLIC MEETING ACT, ADEQUATE NOTICE OF THIS MEETING HAS BEEN PROVIDED TO THE ASBURY PARK PRESS AND THE TRENTON TIMES, POSTED ON THE PUBLIC ANNOUNCEMENTS BULLETIN BOARD IN TOWN HALL AND FILED IN THE OFFICE OF THE TOWNSHIP CLERK ON APRIL 19, 2021.

ROLL CALL: Committeeman Al Ferro - present, Deputy Mayor Nancy Grbelja – absent, Committeeman Michael McLaughlin – present, Committeeman Chris Morris – present and Mayor Gary Dorfman - present. Also, in attendance: Township Administrator – Kevin Abernethy; Kathleen Hart - Municipal Clerk; Matt Holman and Anthony Mannino, Financial Consultants.

Due to the COVID-19 pandemic the Township Committee Budget Workshop Meeting of April 21, 2021 is also being held virtually, utilizing the Zoom platform.

Join Zoom Meeting

<https://us02web.zoom.us/j/81936747753?pwd=SnRvUGlQNDNWVm5ucGFVVTJWVWxUUT09>

Meeting ID: 819 3674 7753; Passcode: 187028

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NEW BUSINESS:

1. Review of the 2021 Municipal Budget

Matt Holman and Anthony Mannino reviews the 2021 municipal budget with the Township Committee.

Matt Holman states that the municipal local purpose tax increases to \$3,813.856. The prior year local purpose tax was \$3,319,261. This equates to an average house of \$538,724 municipal tax increase of \$133.41. The big driving factor is the debt service. In 2021 budget the total debt service is \$1.2 million in bond, which is an increase from prior year of \$695,000. This was due to a new bond that was adopted in 2020, which combined all the bond anticipation notes that have been rolling for the Municipality (short term financing up to 10 years) into a permanent bond (long term financing). In this budget the debt service increases from \$1,158,883.35 from the prior budget to \$2,127,871.25 that is required payments that are statutory payments. This is a \$968,000.00 increase along in the debt service in this year budget. The total budget overall is \$7,785,433.30. That increase in the budget from last year to this is year is actually only \$840,000 from year to year. Even though the debt service increase is \$968,000, \$840,000 is the increase that has been applied. This is all attributable to the debt service and administration has done a great job on the budget, very thin and no wiggle room.

M/Dorfman asks Matt Holman to discuss what a BAN (bond anticipation note) are used for and what they pay down and what a transition to a long term bond means and effect on principal.

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Matt Holman states that a BAN is short-term financing on debt of the municipality. It is a one year note that will roll forward for three years and then you start to make down payments on that money. The BAN needs to be paid off in 10 years. Millstone was making minimum payments on the BANs and the principal payments that would have to be incorporated into the budget would have been a larger number than the bond principal payment, that this budget would not have been able to be put together if you did not permanently finance the debt. Through permanently financing the debt, we have been able to put it out longer and make the budget attainable. This will continue to get worse through 2025, then their will be a significant decrease in the principal payment. No more bonding will take place during this time. Another big factor the aggressive road program Millstone Township does. Debt services is about 27% of the budget. The timing of consolidating the BAN's into the bond for permanent financing was excellent because of the low interest rate and going with Monmouth County Improvement Authority (MCIA) program.

The American Rescue Plan (federal stimulus money) is not recognized in the budget and still waiting for guidelines from the State. It might be recognized in the budget this year but not at this time.

In 2020 and due to COVID, the Municipal Court fees took the biggest hit in revenue. In 2021 Construction/Building Department is anticipating permit fees to increase due to a warehouse project to be built. This would be added to surplus at the end of the year.

State Aid will be the same as last year. Tax Collection is based on last year's collection rate which was 98.65%. This is a very lean budget and there is no wiggle room.

Township Administrator states that the departments are running very lean and did the best to accommodate the requests that were reasonable from the departments.

Matt Holman continues with the appropriation side of the budget discussing the increase in insurance, PERS and the interlocal fire department expenditures.

Capital Budget is the township's "wish list". The proposed capital budget is a plan for the future which includes repairs to Millstone Park, Wagner Farm Park, Millstone Town Hall along with equipment and vehicles. These are estimates only and you only need the 5% down to be included in the budget if you choose to move forward with the projects. There is no road program this year so you don't need to fund a road program this year. Capital improvement numbers are not included in debt of 2.7%.

The Open Space budget is such a very important part of the township and the amount to be raised by taxation is \$1,141,016.63 revenue, payment of bond principal of \$200,000, interest on the bonds is \$222,000.00 leaving you with a reserve for future use of \$718,000.00. The current Open Space Trust Fund sits at about \$3,000,000. If you don't use any of the funds, the amount at end of year would be approximately \$3,700,000.

M/Dorfman states that if we stood still for about two years with the Open Space Trust Fund, we would be able to pay down the debt while collecting \$1.2 million with the current ratables. Matt Holman said you could not make early payments on bond payments.

M/Dorfman states that Matt Holman did a great job presenting the budget.

PRIVILEGE OF THE FLOOR:

M/Dorfman opens the budget workshop at 6:45 p.m.

Pat Butch, 40 Prodelin Way, on behalf of the Ag Council, Open Space Council and Historic Commission points out that there is a good size balance in the open space trust fund and we are servicing the debt every year. If we don't spend the money on the projects that are in the works, then we won't receive

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money in the forms of grants from Green Acres or SADC going forward to add to our money so we can leverage to purchase more land. Our main objective in the Master Plan, is preservation of land. If we do nothing for the next two years, we would lose out on a million dollars in state funding. It will hurt us if we do nothing.

M/Dorfman closes the public portion at 6:48 p.m.

Motion to adjourn meeting: Moved C/Morris, Second C/Ferro. All in Favor.

Time Out: 6:49 p.m.

Audio of the meeting is available in the Municipal Clerks Office. April 21, 2021 Township Committee Budget Workshop meeting minutes approved at a Township Committee meeting held on July 7, 2021.

Kathleen Hart, RMC
Municipal Clerk