



City of Lambertville
Regularly Scheduled Council Meeting
Thursday, June 2, 2022, 7:00 P.M.
Phillip L. Pittore Justice Center, 25 South Union
Street, Lambertville

STATEMENT OF COMPLIANCE WITH THE OPEN PUBLIC MEETINGS ACT

Mayor Nowick called the meeting to order at 7:00 p.m. and he asked the city clerk to read the statement of compliance with the Open Public Meetings Act into the record.

The city clerk read the following statement into the record: This meeting is being held in compliance with the Open Public Meetings Act with the posting of the annual meeting schedule in the Trenton Times, provide to the Hunterdon County Democrat and the Trenton Times and with the notice sent out to various individuals on the listserv, department heads, the city engineer and city attorney. The meeting agenda provides for all action items known at the time of publication and is subject to change. This meeting is being recorded using the Zoom Meeting Platform.

ROLL CALL

The City Clerk called the roll as follows:

PRESENT: Councilwoman Lambert, Councilman Sanders, Councilman Stegman, Council President Taylor, Mayor Nowick

ALSO PRESENT: Michael Drulis – Budget Consultant, Christopher Battaglia – CMFO (Via Zoom), Christie Ehret – CMFO (Via Zoom), Cynthia Ege – City Clerk, Michael Humphrey – Deputy Clerk, Susan Bacorn – Deputy Treasurer, Ryan Burger – Budget Consultant’s Assistant, Kenneth Rogers – Construction Official and Robert Brown – Lt. and Officer in Charge of the Police Department.

PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE

Mayor Nowick led the public in the Pledge of Allegiance and a moment of silence.

BOARDS AND COMMISSIONS

Parks and Recreation Commission – nomination of Russ Lambert

Mayor Nowick asked for a motion to confirm his nomination of Russ Lambert to serve on the Parks and Recreation Commission, filling an unexpired term ending 12/31/2023. Councilman Sanders made the motion and Councilman Stegman seconded the motion. An affirmative voice vote was taken in favor of the motion by all members present, with Councilwoman Lambert recusing herself. MOTION CARRIED.

RESOLUTIONS

RESOLUTION NUMBER 94-2022: *A Resolution to Authorize the EMAA Grant for the 2022/2023 Cycle.*

Mayor Nowick read the resolution into the record by title. He asked for a motion to authorize the EMAA Grant for 2022/2023 and explained that this grant is to fund the Office of Emergency Management’s staffing.

RESOLUTION NUMBER 94-2022

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A Resolution Authorizing the Grant Application for EMAA

NOW THEREFORE BE IT RESOLVED by the Governing Body of the City of Lambertville, that the grant application for EMAA in the amount of \$10,000 for the Office of Emergency Management is hereby authorized

ADOPTED: June 2, 2022

Councilwoman Lambert made the motion and Councilman Stegman seconded the motion. An affirmative voice vote was taken in favor of the motion by all members present. MOTION CARRIED.

RESOLUTION NUMBER 95-2022: A Resolution to Amend the 2022 Meeting Schedule to Remove July and August Work Schedules.

Mayor Nowick read the resolution into the record by title. He informed the members of the governing body that since we are in the summer months, he thought it was a good idea to give a little relief to the meeting schedule. This resolution will remove July 5 and August 2 from the meeting schedule.

Mayor Nowick asked for a motion to authorize the amended meeting schedule.

RESOLUTION NUMBER 95-2022

“AMENDING THE 2022 MEETING SCHEDULE”

BE IT RESOLVED by the Governing Body of the City of Lambertville, County of Hunterdon, State of New Jersey, that pursuant to the Open Public Meetings Act, N.J.S.A. 10:4 6 et seq., that the following is the regular meeting scheduled for 2022 is hereby amended to remove the summer work sessions:

WORK SESSIONS: Thursday, September 1, 2022, Tuesday, October 6, 2022, Thursday, November 1, 2022 and Thursday, December 1, 2022.

VOTING SESSIONS: Thursdays, June 16, 2022, July 21, 2022, August 18, 2022, September 15, 2022, October 20, 2022, November 17, 2022, December 15, 2022.

BE IT FURTHER RESOLVED that all meetings will be held in the meeting room at the Phillip L. Pittore Justice Center located at 25 South Union Street in the City and will start at 7:00 pm prevailing time unless announced otherwise; and

BE IT FURTHER RESOLVED that notice of this schedule shall be published in the next issue of The Times.

ADOPTED: June 2, 2022

Councilman Sanders made the motion and Councilwoman Lambert seconded the motion. An affirmative voice vote was taken in favor of the motion by all members present. MOTION CARRIED.

2022 BUDGET DISCUSSION

Mayor Nowick gave the following overview of the 2022 Budget to the members of the governing body and public:

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- The proposed budget for 2022 has a total expenditure of \$6,449,114.41.
- It is supported by a municipal levy of \$3,502,930.52, (excludes the library levy).
- The Estimated Tax Rate for municipal purposes will increase by .042, an 11.25% increase over 2021.
- The average tax bill will increase approximately \$43.00 per quarter.
- The average residential assessment is characterized as \$409,489.94.
- Expenditures are increasing \$385,754.50 over 2021 (6.36%).
- The \$385,754.50 increase is comprised of: \$117,287.50 in Capital Improvements and Debt Service. \$84,338.35 first of five years of COVID special emergency payments.
- \$70,578.97 increase in insurance costs (medical and worker's comp).
- The remaining \$113,549.68 relates to increases in operations and is only a 1.87% increase over the total 2021 appropriations.
- This budget maintains funding levels for departmental expenses, expands operations in Public Works and Solid Waste, includes a significant rebuilding cost because of Tropical Storm Ida, invests in deferred capital needs for equipment and vehicles, continues to reduce financial reliance on depleted reserves, makes investments in long term contractual obligations, regenerates surplus, and conservatively assumes increased.

Michael Drulis, the Budget Consultant, was present to answer any questions that may arise from the review of department heads budgets.

The following department heads reviewed their budgets with the members of the public.

CONSTRUCTION BUDGET – KENNETH ROGERS

Mr. Rogers addressed the members of the public and the governing body and he said he was looking forward to a heavy year in the construction office. He informed them that the city is currently at construction levels of 2005 when Lamberts Hill was built. There are between 17 and 21 new homes which is a large number of new homes for our area and many alterations and additions going on within the city. Our normal annual permit number is 350 permits per year, and as of this date we are already at 250 permits, so that's approaching a normal year. Revenues in the budget are at \$140,000 and we project that they will far exceed \$300,000 for the construction office. There are some expenses (new code books) that we do every three years, and the cost is about \$3,000. Frenchtown is a little slower than normal and we are expecting 5 single family homes to be built, 6 new townhomes country classic, and an unknown number of units in the old George Michaels project to be built this year (24 new townhouses in that development). Overall the outlook for revenues is very good and we are working on staffing and the ability to make sure that all of that work is covered with no issues.

Councilwoman Lambert asked if the expectation is for Frenchtown's revenues to meet the requirement that Lambertville has regarding that arrangement. The new activity in Lambertville, which is obvious, what are you projecting that additional spike of activity, how long do you anticipate that? Ken: The spike in work from the flood is gone. We still have a lot we are picking up on and few projects that have not been started. We waived a

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lot of fees last year. What we are dealing with is just normal construction unrelated to flood issues.

CLERK'S BUDGET – CYNTHIA EGE

The City Clerk gave the following presentation to the members of the public and governing body:

The Clerk's budget includes fees for advertising Ordinances, Meeting Notices, Boards and Commissions Meeting Notices, printing, legal services (for all unbudgeted items, tort claims that are not covered by our insurance), Consultation Fees (Technology, Website, SDL), Contractual items (Copier Fees), Office Supplies (paper, pens, etc.), Mileage (education, to pick up printing, etc.), Election Expenses (new machines this year), and Codification of Ordinances (hard copy, online access).

Councilwoman Lambert asked why we needed hard copies of the Ordinance. The City Clerk explained they are needed for various reasons: it isn't always easy to download and print the ordinances from the website; and you aren't always at a computer when you are dealing with the public and need something right at your fingertips. The company that codifies our ordinances does this annually, they send us replacement pages to update our books.

POLICE BUDGET – ROBERT BROWN

Lt. Brown addressed the members of the public and governing body and gave the following overview of the budget for the police department:

Staffing: 9 sworn police officers and one special; Support staff: one manager, full time parking officer, 2 part time officers. For the last three years, the police department has had the following positions open and they were not filled: Part-Time office staff person, and Class II special police officer. The salary & wage has decreased. The PBA Contract is a 4-year contract; the first year the officers did not take a raise. The increase in the salary & wage line is because some officers moved up in steps. The operating expenses are at \$50,000, however, in 2017, it was \$56,000. The capital expenses include Livescan Equipment (fingerprinting) which is mandatory for the Bail Reform Act and domestic violence has to be fingerprinted. He noted that this was required two years ago and our police were using the Township of West Amwell's equipment during that time. The other big ticket item is the purchase of a police vehicle. There was a 6-year rotation for vehicle purchases and that process kept the cost down for maintenance. We had a six year plan, and we are off by two-years. The vehicle that is being replaced was involved in an accident. Coin counter, discussed, it's older than 30 years and we now have to separate the coins, can only put the same coins together and it isn't cost effective. In 2021, the city was hit by Hurricane Ida, and we were recovering from COVID, and we kept the police station open 24 hours a day. The outbreak from COVID was minimized at police headquarters and we did not need to use our emergency plan. The numbers for revenue generated (overtime) are as follows: Road jobs (Elizabethtown Gas) traffic controls, 2,077 hours; No parking signs: \$35,000; Ida hours: 1,365 overtime hours. All

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of this took a toll on the department with only 9 officers. Lt. Brown thanked the officers who were watching via the Zoom link for their dedication.

Police Overtime, turnover in employees, accumulated absences, training time, equipment needs, all were discussed.

SWORN OFFICERS:

- Lt. Brown's position was combined with the Police Director position.
- Officers work 3 days on and 3 days off. We had to move that schedule to fill our minimal standards for operations.
- Turnover: In 2021, 4 officers resigned and went to other departments who paid higher salaries (Somerset and Mercer). We also had a Special Officer full-time special officer, he has three-years to get a full time police job or his certification runs out. Every year the City is training 3 new officers and we spend \$8,000 per year and it isn't cost effective.
- Overtime: the city receives additional money for utility work. In 2021, the total was \$48,000 after all FICA is paid. There are 4 (four) officers off when that squad is off, except when they switch from days to midnights. This year we budgeted \$80,000 in overtime. It is often easier to pay overtime rather than hire a full time staff. With that said, last year was low because no one was taking vacations. The
- Training of officers was discussed. 16 hours required plus an additional 6 hours that were scenario based. Training is number 1 priority for the current situation.
- Accumulated compensation was discussed. Accumulated leave budget for 2022 is \$30,000. Future contractual obligations, carried over vacation, comp hours, sick hours were discussed. The numbers are significant and it's something we need to plan for better. The spreadsheet completed reflects about half a million dollars spread across the entire department and this has not been worked into the budget, but as officers move through careers they build up time and benefits. We will start and begin to have separate line items to accommodate future payouts. Discussion ensued. It's part of the contract to meet obligations.

DEBT SERVICE

The governing body discussed debt service. Mr. Battaglia commented that in 2024 is when you will want to sell your next round of bonds for debt incurred, short term financing, drop off goes down about \$525,000 in the 2025 budget year. Currently, 12/31/2021, balance was \$197,236.81. We are using \$100,000 in this year's budget compared to \$400,000 in 2020, and \$941,000 in 2019.

Mr. Drulis, the Budget Consultant commented that he has been working with the CMFO and he believes they have it wrangled down to a point where a \$100,000 is a sustainable number with the future with the borrowing ahead of us. The replenishment would be \$100,000 to use in 2023. In 2020 the fund was going to be completely exhausted and we stretched it. The idea is to get slowly off of using these funds, to offset interest for debt service.

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SALARIES AND BENEFITS: In 2021, the governing body committed to increase staff salaries and to add a benefit for prescription drugs and it has impacted our budget this year.

BUSINESS ADMINISTRATOR: Mayor Nowick commented that he has received many questions and comments about hiring a Business Administrator and we are not going to hire a BA this year, and at this point, won't need to do it in 2023. He is not committing to not doing it but for right now, he would rather put the money somewhere else. The City owns 13 buildings and they all need maintenance. The priorities were on staffing public works. They are back up to full staff. He has been very sensitive to tax increases, but I think that it's hard to pay high taxes without seeing the benefit. We can't have everything we want unless we pay for it.

CORRESPONDENCE

Mayor Nowick read the correspondence into the record.

Resolution from the Lambertville Cable Television Advisory Committee's request for an expansion of functions to include potential ways to bring competition to Lambertville; reviewing and assessing residents regarding complaints; educating residents regarding the regulations; and providing assistance to the Mayor and Governing Body.

ANNOUNCEMENTS

Mayor Nowick read the announcements into the record.

Sustainable Jersey Grant Award: for trees and native plantings at N. Union Street Park.

PUBLIC PARTICIPATION

Mayor Nowick asked for public comments or questions.

IN-PERSON:

George Sirusas commended the Mayor for his work. He said he looks forward to seeing line by line items in the budget and asked about the phrase Budget Surplus. He asked how long it took to accumulate? How much is the surplus after spending the \$250,000? What is the appropriate level to maintain? He also asked how the city accumulates reserves for debt? He also commended the police chief for running a 24/7 department with 9 people.

The CMFO, Chris Battaglia offered the following response: the surplus balance is a live number, it didn't accumulate over any number of years. You are utilizing, replenishing, a dozen different ways it has replenished and used over a number of years. We didn't touch on how we lost surplus. COVID: We anticipated revenue and we got less because there weren't any parking or hotels being utilized.

Surplus anticipated is the formal accounting term. It is a fund balance which is used to balance your current fund. What I mean by that is you have a \$6 million budget and an amount to be raised by taxes is over \$300,000, you have expenses in January, general operations, fund balances give you the cash hopper while you wait for taxes to come in. You don't get 1/12th of it every month, it allows you to manage cash flow. He completed a

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surplus analysis back to 2015, and we were at \$1,050,000 and that is where we will land this year. We are flat in our fund balance, highs and lows (due to COVID), but it's a live number.

Accumulating reserve for debt: Mr. Drulis, the Budget Consultant commented that it should be used to offset the cost of borrowing to reduce the to taxpayers, to use that to close that gap. Reserve for debt service is to offset operational cost. The cost of operation year after year was drawn on over the years. It may not be there next year. How much should you have, that's a magical question, but if you think about cash flow, you want to have $\frac{3}{4}$ months in your surplus. Reserve for debt service isn't used traditionally as much as it was used in Lambertville.

Mr. Sirusas commented that he didn't understand your accumulated reserve for debt unless it's through taxation. Mr. Drulis responded that you pay that interest back, Float a bond for a million, and the premium is determined by the bond houses. They use the premium to attract your sale. For instance: if everyone's offering 3%, but this company is going to give you \$50,000 in premium on top of it.

User friendly be out by June 10th.

ZOOM: 8 attendees, no hands raised.

Mayor Nowick asked for a motion to close the public participation portion of the meeting. Councilman Sanders made the motion and Councilwoman Lambert seconded the motion. An affirmative voice vote was taken in favor of the motion by all members present. MOTION CARRIED.

ADJOURNMENT

The meeting adjourned at 8:35 p.m. with a motion made by Councilwoman Lambert and seconded by Councilman Sanders. An affirmative voice vote was taken in favor of the motion by all members present. MOTION CARRIED.

Respectfully submitted,
Cynthia L. Ege
CMR, RMC, City Clerk