

CITY OF PORT REPUBLIC
6:00 P.M. FEBRUARY 29, 2024
SPECIAL CITY COUNCIL MEETING & BUDGET WORKSHOP

Adequate notice of this meeting was given as required by the Open Public Meetings Act. On the motion of Council President Giberson, seconded by Councilmember Bugdon and carried to close the workshop portion of the meeting.

COUNCILMEMBERS PRESENT: Doris Bugdon, Roger Giberson, Eugene Hawn, Donna Riegel (via telephone), Jeffrey Ropiecki, Michael Turner

COUNCILMEMBERS ABSENT: Steven Allgeyer

MAYOR: Monica Giberson

MUNICIPAL CLERK: Kimberly A. Campellone, RMC

DEPUTY CITY CLERK: Brandy M. Blevin, RMC

ATTORNEY: William Kaufmann, Esq.

MUNICIPAL AUDITOR: Nancy Sbrolla, CPA, RMA

CHIEF FINANCIAL OFFICER: Jenna Kelly, CMFO

Council President Giberson called the meeting to order and lead the flag salute. This is to advise the general public and to instruct that it be recorded in the minutes, in compliance with Chapter 231 of the Public Laws of 1975, entitled the “Open Public Meetings Act”. The Municipal Clerk of the City of Port Republic posted at City Hall, 143 Main Street, Port Republic and mailed and/or faxed to the Atlantic City Press and the Current Newspaper, a meeting notice setting for the time, date, and location of this meeting.

UNFINISHED BUSINESS:

- Lease of City-Owned Property Located at 400 English Creek Road, Block 24, Lot 34 – as edited by Scarborough Marine Group
 - Attorney Kaufmann explained that the week prior he received a copy of the lease, which was included in the bid package from John Ridgway, the attorney representing Scarborough Marine Group. They are requesting some changes be made to the lease, for example, extending the term. Attorney Kaufmann indicated that changes to the lease are allowed once it has been signed by all parties. They have asked for changes that cannot be made since it went out for public bid. But there are some minor changes he feels can be made with Council’s approval.
 - Councilmember Bugdon pointed out that Scarborough Marine Group is looking to do this project as a redeveloper and the Council does not want that. Attorney Kaufmann agreed.
 - Mayor Giberson stated that they do have a meeting scheduled for Friday, March 1st with herself, Council President Giberson, Councilmember Hawn, Councilmember Turner, Engineer Doran, Attorney Kaufmann, Sean Scarborough, and Attorney Ridgway. All these points will be discussed.

- Attorney Kaufmann relayed that Scarborough has received permission to obtain the GP24 permit. In order to obtain that type of permit they will need the City to cooperate and support them with obtaining it.
- It was reiterated that the bid document allowed a year for the bidder to obtain their permits and rent would be due after permits are obtained.
- Councilmember Riegel stated that they need to ensure that the terms of the lease are exactly as they were in the advertised bid. If not, that could open the City up to potential litigation.
- There will not be any language regarding a redevelopment or redeveloper.
- Council President Giberson stated that they will not be changing the terms of the lease. There are a few things they can agree to change, such as limiting the fence to the front of the property, allowing them to have access to the site to do what they need to do, allowing them to have a building and hookup to electricity, etc.
- At the meeting they will be having, if they do not agree to the City's terms and the compromises we're willing to make, then we will vote to walk away at the next Council Meeting.
- Attorney Kaufmann recommended the Committee hear them out, agree to what they can agree to and get the lease signed and move forward.

OPEN TO PUBLIC PORTION

On the motion of Councilmember Bugdon, seconded by Councilmember Turner and carried.

Becca Wessler, 601 Chestnut Neck Road, expressed her concerns about making changes to the lease with Scarborough. If the terms of the bid and/or lease were different, someone else may have submitted a better bid. They agreed to the terms listed by bidding on the project. Council President Giberson responded that they will not be changing any of the terms.

Kevin Wessler, 601 Chestnut Neck Road, questioned the status of the letters to the State regarding the Levy Cap Referendum Special Election. Attorney Kaufmann explained that he felt the DLGS was correct in saying we could not have the referendum because it is a matter of timing. The budget needs to be introduced prior to knowing the results of the election. Auditor Sbrolla explained that if the NJ Department of Local Government Services was to grant permission to move forward with the election, they can put the anticipated number into the budget. However, if the referendum fails the budget would need to be amended. It will prolong the budget process, but it is possible to do if we are given permission to do so. Discussion ensued regarding where the school budget stands now and what their plans are next.

It was discussed how much should be budgeted for the Special Election. The figure discussed was between \$30,000 and \$40,000. CFO Kelly reminded Mayor and Council that if the referendum were to fail, we need to find the money to pay for the election within our budget. Mayor Giberson stated that the school could pay for half the election. Auditor Sbrolla responded that this would be possible with a shared services agreement. However, the question was raised of where they would pay for this from if the referendum were to fail.

On the motion of Councilmember Turner, seconded of Councilmember Bugdon to direct Attorney Kaufmann to draft a letter to the D.L.G.S. explaining why a referendum should be allowed.

YES: Bugdon, Giberson, Riegel, Ropiecki, Turner

NO: Hawn

ABSENT: Allgeyer

ABSTAIN:

Kathy Cox, 123 Moss Mill Road, asked if the City could get the word out that the referendum is not a vote on whether to keep the school open and is to keep us out of default and having the State step in. Council President Giberson responded absolutely. Kevin Wessler stated that the School Board could work on getting information out to the public.

CLOSED TO THE FLOOR FOR TOPICS FOR PUBLIC PORTION:

Hearing nothing more from the public, Councilmember Turner moved, seconded of Councilmember Bugdon, and carried to close the public portion.

BUDGET WORKSHOP:

Auditor Sbrolla explained:

- The budget presented to Mayor and Council tonight does not include the \$250,000 which was discussed for the referendum nor the projected election costs.
- There is zero tax increase, but they are \$5,201 over the appropriation cap.
- The \$5,201 was cut from the projected costs of extra hours for the part-time Public Works employee.
- The \$60,000 anticipated revenue for the lease will have to be removed since we do not have a signed lease yet.
- The \$30,000 allocated for the grant match will be removed.
- If they want to keep the increase at zero, they could use the fund balance. They ended 2023 with \$493,000. In 2023 they budgeted \$324,000 and brought in \$305,000. The budget presented tonight is using \$290,000. She is comfortable with them using another \$25,000 from the fund balance. She is confident it will be made back. Council agreed.
- Council decided to budget \$30,000 for the cost of the special election. This is a 4% increase. It is outside the cap currently. If the referendum fails, they will need to cut \$30,000 from the budget.
- The sale of property in the amount of \$25,000 was added.
- Council decided on a 1-cent increase.
- Council decided to eliminate the part-time public works employee. This would be effective at the end of March. This would reduce the amount of fund balance being used.
- She reminded Mayor and Council that the \$30,00 is still out of the cap and if the referendum fails, it will need to be cut from the budget.

CFO Kelly is comfortable with the amount that was budgeted for the new hire's benefits.

Councilmember Turner questioned if we could put our money in CD's. CFO Kelly responded that it is possible, but the bank would require us to pass a resolution to do so.

ADJOURNMENT

On the motion of Councilmember Bugdon, seconded of Councilmember Turner and carried to adjourn at 7:47 p.m.

Respectfully submitted,

Kimberly A. Campellone, RMC
Municipal Clerk