

**BOROUGH OF STOCKTON
BOROUGH COUNCIL**

**OFFICIAL MINUTES
APPROVED:**

**REGULAR MEETING
MAY 24, 2021**

A Special Meeting of the Borough Council of the Borough of Stockton was called to order by Mayor Timothy Nemeth at 7:09 pm on May 24, 2021. The meeting was held online using Zoom technology due to the COVID-19 pandemic. Mayor Nemeth read the "Sunshine Statement" indicating the meeting was being held in accordance with the Open Public Meetings Act. Ms. Michele Hovan called the roll. The following members of Council were present: Ms. Rebecca Hendricks, Mr. Adam Juncosa, Mr. Aaron Lipsen, Mr. Michael Mann, Mr. Nic Messina and Mr. Donald Vandegrift. Borough Administrator/Clerk Hovan and Chief Financial Officer Diane McDaniel were also present. There were 15 members of the public present.

Mayor Nemeth opened the meeting to the public. There being no questions or comments, the meeting was closed to the public on motion by Mr. Mann, seconded by Mr. Messina and carried.

Ordinance No. 21-05 – Exceed Cap Limits/Establish Cap Bank - First Reading

**ORDINANCE TO EXCEED THE 2021 MUNICIPAL BUDGET APPROPRIATION LIMITS
AND TO ESTABLISH A CAP BANK**

Ms. Hovan read Ordinance No. 21-05 by title and explained that the ordinance permits the cost-of-living adjustment to the cap amount and is used in preparation of the budget, and that any amount unused can be used in the next two budget cycles.

Resolution No. 2021-40, as filed in the Borough Clerk's office and to introduce Ordinance No. 21-05, was adopted on motion by Mr. Juncosa, seconded by Ms. Hendricks and carried.

Roll Call: Ayes: Hendricks, Juncosa, Lipsen, Mann, Messina, Vandegrift
 Nays: None
 Absent: None
 Abstain: None

Ordinance No. 21-06 – Water Rates – Second Reading/Public Hearing

**AN ORDINANCE AMENDING AN ORDINANCE ENTITLED "AN ORDINANCE
PRESCRIBING CHARGES, RENTALS, RULES AND REGULATIONS FOR THE
MUNICIPAL WATER SYSTEM FOR THE BOROUGH OF STOCKTON, COUNTY OF
HUNTERDON, STATE OF NEW JERSEY**

Ms. Hovan read Ordinance No. 21-06 by title and explained that the adjustment was necessary to keep pace with the water utility's operational costs in order to maintain self-liquidating status. She said that during the finance committee meeting, Mr. Lipsen suggested that the adjustment be applied to the base unit fee that that all users pay instead of the per thousand gallon rate that is more commonly used and that the base fee would go from \$200.76 to \$250 per unit, per year. Mr. Vandegrift added that by adjusting the fixed amount, the utility would not be subject to shortfalls caused by low usage and Ms. Hovan explained that in wet summers we collect less

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revenue and it hurts the utility the following year Mr. Juncosa added that each bill would go up \$12 each quarter.

Resolution No. 2021-41, as filed in the Borough Clerk's office and to introduce Ordinance No. 21-06, was adopted on motion by Mr. Mann, seconded by Mr. Messina and carried.

Roll Call: Ayes: Hendricks, Juncosa, Lipsen, Mann, Messina, Vandegrift
 Nays: None
 Absent: None
 Abstain: None

Ms. Hovan said that both ordinances and the budget would be held on June 28, 2021.

Introduction of 2021 Municipal Budget

Ms. Hovan said that prior to introducing the budget, a resolution authorizing self-examination was required. Ms. McDaniel said that the State reviews each town every three years and in the off years, the budget is adopted under self-examination.

Resolution No. 2021-42, as filed in the Borough Clerk's office and to authorize the self-examination of the 2021 Municipal Budget was adopted on motion by Mr. Juncosa, seconded by Ms. Hendricks and carried.

Roll Call: Ayes: Hendricks, Juncosa, Lipsen, Mann, Messina, Vandegrift
 Nays: None
 Absent: None
 Abstain: None

Introduction of 2021 Municipal Budget

Ms. Hovan provided an overview of the proposed budget and said it was a difficult one to prepare. She said that significant increases in professional costs were incurred already and the expectation that those increases could continue have caused some line items to double or triple, even as care was taken to cut or keep flat in others. She said that the budget is so small to begin with that every increase has an impact, adding that every penny on the tax rate equals \$9,100. Ms. McDaniel said that due to the levy cap limits, she shifted some of the line items and was able to use less surplus than the finance committee had approved. Ms. Hovan explained that for Stockton, an ideal amount of surplus is \$500k and that using an extra hundred thousand of it to keep the rate down is a bit of a risk although she said everyone would do all they could to see the amount returned at the end of the year, as is always the goal. Ms. McDaniel said that the County rate was flat for 2021 and Ms. Hovan said that the county and school shares are approximately 3/4 of the tax bill. Ms. Hovan said that if there is a silver lining, it is that the increase is on the smallest share, but said again that this budget was a difficult one to offer.

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Resolution No. 2021-43, as filed in the Borough Clerk's office and to authorize the 2021 Municipal Budget, was adopted on motion by Mr. Juncosa, seconded by Mr. Vandegrift and carried.

Roll Call: Ayes: Hendricks, Juncosa, Lipsen, Mann, Messina, Vandegrift
 Nays: None
 Absent: None
 Abstain: None

Mayor Nemeth stated that the public hearing would be on June 28, 2021, at 7pm.

Mayor Nemeth opened the meeting to the public. Ms. Eileen Foley, 11 Bridge Street, asked the amount of the increase. Ms. Hovan said that it was six cents per \$100 in assessed valuation. Ms. Foley asked for additional information. Ms. Hovan explained that the extra discussions surrounding the Preliminary Investigation to Determine an Area of Redevelopment both at the Council and Planning Board levels were unanticipated costs. Ms. Foley asked for the planner line item value and Ms. McDaniel replied that it was \$10,000. Mr. Juncosa clarified what six cents means; that six cents on a \$100,000 house is \$60, and \$600 on a million dollar house. Ms. Foley asked what the planner line item was last year and Ms. McDaniel said it was \$1,000. Mr. Juncosa said 2020 was an unusual year with COVID so the budget reflected a lower activity level. In response to a question raised by Ms. Foley, Ms. Hovan said that, ordinarily, in Stockton Borough, most of the planner's expenses are paid by applicants, through escrow accounts and that unless there are specific other charges, like ordinance or master plan work, the Borough rarely pays planner's fees. She said that the PIR discussions have required responses from the professionals and that those are hourly fees. Ms. Foley asked if the increases would be posted and Ms. Hovan said that the budget would be posted after introduction and that the document shows this year and last year. In response to a question raised by Ms. Foley, Ms. Hovan said that specific detail is not in the budget but can be provided at the public hearing.

Mr. Dennis Bertland asked why the Borough wouldn't have a cost proposal for the PIR. Ms. Hovan said that it did and Mr. Bertland said that it seemed open-ended at the planning board meetings. Ms. Hovan said that it wasn't open-ended, but that some costs for the planner, much like the attorney, are in response to resident issues and not a part of the scope of work for the PIR itself. He said that he works as a consultant and that it is common to have the costs for the work listed up front. Ms. Hovan said that was the case with the PIR. He asked how much it was and she said she didn't have it handy but that it was public and able to be shared. He asked if it would be put on the website and she said it could be. Mr. Bertland again asked if it included the costs for the scope of the work and Ms. Hovan said that it did, and he asked if members of Council knew how much it was and no one said that they did. Ms. Hovan again that she didn't have it at her fingertips but would be able to provide it.

Mr. Lipsen said that at the last meeting, Mr. Bertland mentioned that he would provide information on grant opportunities and he said that he sent them to the Clerk but would send again. Ms. Hovan said that she would double check to see if it came through. Mr. Bertland said

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that he believed the planner would be presenting the park master plan at the next meeting and Mr. Vandegrift clarified that the landscape architect that prepared the plan would be in attendance to discuss the document. Mr. Bertland asked if the copy of the PIR contract could be available at the next meeting and Ms. Hovan again said that it would be.

Ms. Lisa Kozukowski asked if Council was asking if Council was asking residents to pay 6 cents per \$100 that more than half of the residents don't want and that they didn't have a say about. She said that a petition was signed to say they didn't want it. Mayor Nemeth said there are other expenses, not just the PIR. Ms. Kozukowski said that the Clerk said that some of the professional costs were accrued from lawyer fees because the town people were fighting the PIR and that they wouldn't have been accrued if the process was done correctly, in her opinion. Mr. Vandegrift said that the Council doesn't run government by petition and that she is welcome to discuss budget concerns at the public hearing. Mr. Vandegrift started to say that the Inn is vacant when Mr. Lipsen asked if Mr. Butler said it was okay to discuss the PIR, adding that it he's been waiting a couple of weeks for an answer. Ms. Hovan said that this meeting was to introduce the budget only. Mr. Juncosa agreed with Mr. Lipsen in asking if discussion was permitted. Mr. Lipsen asked if Mr. Butler had issued an opinion. The discussion continued and Ms. Hovan said again that the meeting was advertised for the budget. Mr. Lipsen said it was all part of the budget but would postpone further discussion until the next meeting.

Ms. Carolyn Murphy, 4 Glenwood Lane, asked if she could request a special meeting to discuss the PIR. Mayor Nemeth said that there is a regular meeting coming up on the second Monday in June. Ms. Murphy asked if the PIR would be discussed and Mayor Nemeth said that it depends on if it is completed. Ms. Hovan said that the first stop for the completed PIR is the Planning Board and that they conduct their own public hearings. After additional discussion, Ms. Hovan said that other dialogue could occur at the next meeting but this meeting was only advertised for the budget. Mr. Lipsen again asked if it could be confirmed that Council members could discuss the PIR. Ms. Hovan said that Mr. Butler was researching the recusal issue and if the rule of necessity applies.

Mr. Peter Folz, 5 Bridge Street, asked if we received money from the CARES Act. Ms. Hovan said that the Borough didn't have much in the way of reimbursable expenses and that the State hasn't yet issued the guidelines for the American Rescue Act and towns were awaiting that information.

Mr. Dennis Bertland, 22 Risler Street, asked if the fixed price for the PIR is included in the Planning Board budget. Ms. Hovan said again that she didn't have the information handy and that she believed it was funded by capital. Mr. Bertland pressed again for detail that wasn't at hand and Ms. Hovan said that she would provide. Mr. Bertland said he wanted it before the next meeting.

There being no additional discussion, the meeting was closed to the public on motion by Mr. Vandegrift, seconded by Mr. Messina and carried.

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Mayor Nemeth announced that the next meeting would be held on June 14, 2021 at 7 pm via Zoom and then the special meeting for the budget adoption on June 28, 2021, also at 7pm.

There being no further discussion, the meeting was adjourned at 7:53 pm on motion by Mr. Juncosa, seconded by Mr. Messina and carried.

Respectfully submitted,

Michele Hovan, RMC
Borough Clerk