

March 23, 2022

A Regular Meeting of the Borough Council of the Borough of Avalon was held on Wednesday, March 23, 2022 at 4:56 p.m. in the Meeting Room, 3100 Dune Drive, Avalon, New Jersey.

Attendance: Public - - - - - 2

Reporters - - - - - 0

The meeting was called to order by Council President Juzaitis.

<u>Roll call:</u>	Council President Juzaitis	Present
	Councilwoman Coskey	Present
	Councilman McCorristin	Present
	Councilman McDermott	Present
	Councilman Wierman	Present

Also present:

Mayor Martin L. Pagliughi  
Scott Wahl, Business Administrator  
James Waldron, Assistant Business Administrator  
Nicole Curio, Esquire, Borough Solicitor  
Thomas R. Thornton, P.E., Borough Engineer, Mott MacDonald  
Paul Short, Code Enforcement Official  
James Craft, Chief Financial Officer  
Joseph Clark, Qualified Purchasing Agent

Council President Juzaitis read the Open Public Meetings Act Announcement.

Notice of this Regular Meeting was included the annual Schedule of Meetings dated June 23, 2021. It was given to the news media and posted on the Official Bulletin Board as required by law.

Minutes:

Work Session, Regular Meeting, Closed Sessions – March 9, 2022

Motion made by Councilman Wierman, seconded by Council President Juzaitis that the minutes be approved as submitted.

<u>ROLL CALL VOTE:</u>	Councilwoman Coskey	Aye
	Councilman McCorristin	Abstain
	Councilman McDermott	Aye
	Councilman Wierman	Aye
	Council President Juzaitis	Aye

Public comments regarding Resolutions:

None.

Resolution No. 70-2022: A RESOLUTION REGARDING THE 2022 LOCAL MUNICIPAL BUDGET EXAMINATION

Resolution No. 71-2022: A RESOLUTION REGARDING 2022 LOCAL MUNICIPAL BUDGET  
READ BY TITLE ONLY AS PROVIDED BY N.J.S.A. 40A:40-8

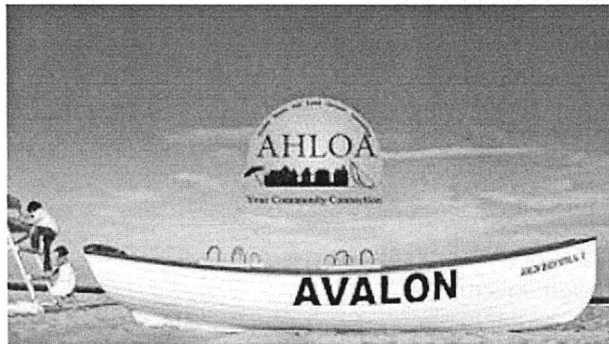
Motion made by Councilman McCorristin, seconded by Council President Juzaitis that the resolutions be adopted.

<u>ROLL CALL VOTE:</u>	Councilwoman Coskey	Aye
	Councilman McCorristin	Aye
	Councilman McDermott	Aye
	Councilman Wierman	Aye
	Council President Juzaitis	Aye

March 23, 2022

Scott Wahl, Mayor Pagliughi, and James Craft gave the following detailed presentation regarding the 2022 Local Municipal Budget:

# Avalon 2022 Budget Presentation



Presented by Chief Financial Officer James Craft, and Business Administrator  
Scott J. Wahl

March 23, 2022

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## Inflation highest in 40 years

**CHRISTOPHER RUGABER**  
Associated Press

WASHINGTON — Inflation soared over the past year at its highest rate in four decades, hammering American consumers, wiping out pay raises and reinforcing the Federal Reserve's decision to begin raising borrowing rates across the economy.

The Labor Department said Thursday that consumer prices jumped 7.5% last month compared with a year earlier, the steepest year-over-year increase since February 1982.

When measured from December to January, inflation was 0.6%, the same as the previous month and more than economists had expected. Prices rose 0.7% from October to November and 0.9% from September to October.

Shortages of supplies and workers, heavy doses of federal aid, ultra-low interest rates and robust consumer spending combined to send inflation leaping in the past year. And there are few signs that it will slow significantly anytime soon.

Wages are rising at the fastest pace in at least 20 years, which can pressure companies to raise prices to cover higher labor costs. Ports and warehouses are overwhelmed, with hundreds of workers at the ports of Los Angeles and Long Beach, the nation's busiest, out sick last month. Many products and parts remain in short supply as a result.

The latest inflation data suggested to some economists that the Fed could raise its key rate in March by one-half a percentage point, rather than its typical quarter-point hike.

James Bullard, the president of the St. Louis Federal Reserve Bank, told Bloomberg News that he supported a sharp increase of a full percentage point in the benchmark short-term interest rate by July.

Over time, higher rates will raise the costs for a wide range of borrowing, from mortgages and credit cards to auto and business loans. That could cool spending and inflation, but for the Fed, the decision to steadily tighten credit could also trigger another recession.

Federal Reserve Chair Jerome Powell signaled two weeks ago that the central bank would likely raise its benchmark short-term rate multiple times this year.

Stock prices declined after the inflation report was released and fell further after Bullard's remarks. The broad S&P 500 index closed

Please see INFLATION, Page A11

Record high inflation impacts homes, businesses, and governments. Municipal governments experience these pressures as well relating to labor, fuel, equipment, projects, and materials.

The 2022 budget addresses primary needs while providing stability in the tax rate as households deal with extraordinary expenses.



## The Property Tax Bill Is Comprised of Five Different Factors



There are five taxes that comprise your property tax bill. They are municipal tax, school tax, open space tax, library tax, and county tax.

Your Avalon elected officials are responsible for only one of these taxes: Municipal Tax



## Recent History of Avalon Tax Rate

In 2015, Avalon raised the municipal tax rate by .002 cents. Each year since 2015, the Avalon municipal tax rate has either been reduced, or stayed the same, from the previous year. In 2021, the municipal tax rate was .199 cents, which resulted in \$18,555,000 from taxpayers supporting the municipal budget.

Avalon has maintained an AAA bond rating from Standard and Poor's while maintaining healthy surplus balances



## Avalon's 5 Priority Budget Items

- Maintain the tax rate to help seniors/fixed income have some relief from inflationary pressures
- Capital spending plan uses no long term debt to finance any projects
- \$14 million payment towards short term debt over two budget cycles
- Creation of an annual, \$600,000 budget line item for emergency dredging/beach projects
- Investments in public safety to sustain and recruit talented individuals for police, beach patrol, rescue



## 2022 Avalon Municipal Budget Changes

### BUDGET CHANGES

TOTAL BUDGET 2022	\$	32,601,562
TOTAL BUDGET 2021	\$	32,798,415
DECREASE IN BUDGET	\$	<u>(196,853)</u>
BOROUGH TAX LEVY 2022	\$	18,770,000
BOROUGH TAX LEVY 2021	\$	18,555,000
INCREASE IN TAX LEVY	\$	<u>215,000</u>
BOROUGH TAX RATE 2022		19.7 CENTS
BOROUGH TAX RATE 2021		19.9 CENTS
NET VALUATION TAXABLE 2022	\$	9,542,019,600
NET VALUATION TAXABLE 2021	\$	9,343,941,500
INCREASE IN RATABLES (NET)	\$	<u>198,078,100</u>

## 2022 Avalon Appropriation Changes

Change over last year's budget appropriations		<u>(\$196,853)</u>
Breakdown:		
Salary and Wage Increase		\$285,052
Other Expense - Change:		
Surplus Transfer to Beach	(\$466,085)	
Statutory Expenses – Pension	105,883	
Library Appropriation	282,411	
Change in Capital Improvement Fund	(890,000)	
Change in Cash for Capital Projects	1,009,000	
Change in Cash for Prior Capital Projects	(447,334)	
Debt Service	(226,550)	
Grants	875	
General Government	<u>149,894</u>	
		<u>(\$481,906)</u>
		<u>(\$196,853)</u>



# Appropriation Changes (Cont.)

Change in Revenue/Budget Appropriation	(\$196,853)
Library Tax Levy Increase	(282,411)
Increase in Grants with Offsetting Revenue/Appropriations	(875)
Real Spending Decrease	(\$480,139)
Revenues:	
Decrease in use of Surplus	(859,278)
Increase in Local Revenues/State Aid/Misc.	56,320
Increase in Transfer of Excess Library Surplus	681,853
Other Special Items	(399,035)
Change in Local Tax Levy	215,000
Change in Delinquent Tax Revenue	(175,000)
	(\$480,139)

## 2022 Avalon Real Spending Decrease

REAL SPENDING DECREASE	
Change in Revenue/Budget Appropriation	(\$196,853)
Library Tax Levy Increase	(282,411)
Decrease in Grants with Offsetting Revenue/Approp.	(875)
Real Spending Increase	(\$480,139)
Salaries and Wages	\$285,052
Other Expenses	149,894
Increase in Statutory Expenses - Pension/Misc	105,883
Decrease in Transfer Surplus fr. Cur. Fund to Beach Fund	(466,085)
Capital Net/Debt Service	(554,884)
	(\$480,139)

## Necessary Amendment to Municipal Budget



- After budget adoption, Avalon will amend the municipal budget in the amount of \$380,000
- Additional funding is being judiciously reserved in the event of increased cost for solid waste and recycling collection
- Companies have been impacted significantly by rising fuel and labor costs and are working with municipalities to address means and methods to work towards the end of existing contracts and eventually place contracts out to bid to reflect true market conditions



## Here Are the Actual Numbers for 2022



- Avalon ended 2021 with \$8.76 million in surplus; will have \$4.494 million in surplus when the budget is adopted. We expect to end the year with close to 2021 surplus (\$8.76 million)
- \$14 million in short term debt eliminated in 2021 and 2022 budgets



## Avalon 2022 Beach Utility Fund

### AVALON BEACH PATROL



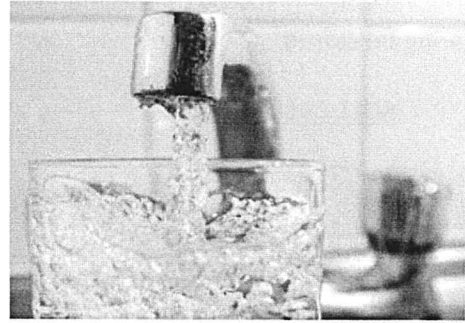
**NOW HIRING**  
**LIFEGUARDS & BEACH TAG INSPECTORS**

- \$2.189 million, decrease of 0.1% from 2021
- Beach tags: \$28 preseason, \$33 in season; weekly tag \$16, daily tag \$8
- Despite Stone Harbor having more expensive tags, reciprocity will still be in place in 2022
- Fund pays for lifeguard/tagger salaries, cleaning of beaches, necessary equipment. It does not pay for beach fill projects, and operates at a deficit annually



## 2022 Avalon Water Utility Fund

- \$7.577 million, representing a 1.67% decrease from 2021
- Cape May County MUA fees and charges represent about 50% of the total budget
- Slight increase in local rates is possible shall inflationary times continue
- Borough is currently out to bid for ten-year water system management contract



## 2022 Avalon Fiscal Policies and Initiatives



- Capital projects to be financed by the current fund, and with one-year bond anticipation notes (short term debt)
- State mandates a five percent down payment; Avalon's practice is a 20 percent down payment, which helps eliminate long term general obligation and short term debt
- Street and bulkhead work; permits/design to replacement of 23<sup>rd</sup> Street dock/pier; new water main for 22<sup>nd</sup> Street; sand backpassing project; firehouse project continues; permits/out to bid in 2022 for Bay Park Marina project.



## Additional Capital Improvement Projects



- Police Department: Town watch camera system, police radios
- Annual budget item for planting of new trees; improvements in irrigation
- Advancement of firehouse and Bay Park Marina projects
- Replace/rebuild various storm water inlets
- Pursuit of town-wide dredging permit
- Study on Dune Drive business district flooding



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Council President Juzaitis opened the meeting for public hearing on the 2022 Local Municipal Budget and asked if there were any questions or comments.

There were no questions or comments.

Motion made by Councilman Wierman, seconded by Councilwoman Coskey that the public hearing be closed.

<u>ROLL CALL VOTE:</u>	Councilwoman Coskey	Aye
	Councilman McCorristin	Aye
	Councilman McDermott	Aye
	Councilman Wierman	Aye
	Council President Juzaitis	Aye

Resolution No. 72-2022: A RESOLUTION TO AMEND THE 2022 BUDGET

Motion made by Councilman McCorristin, seconded by Council President Juzaitis that the resolution be adopted.

<u>ROLL CALL VOTE:</u>	Councilwoman Coskey	Aye
	Councilman McCorristin	Aye
	Councilman McDermott	Aye
	Councilman Wierman	Aye
	Council President Juzaitis	Aye

Resolution No. 73-2022: A RESOLUTION AUTHORIZING MOTT MACDONALD TO PROVIDE MONITORING, OVERSIGHT AND GUIDANCE OF COMMUNITY RATING SYSTEM (CRS) PROGRAM AND CYCLE VERIFICATION SERVICES IN AN AMOUNT NOT TO EXCEED OF SIXTY-FIVE THOUSAND DOLLARS (\$65,000.00)

Motion made by Councilwoman Coskey, seconded by Councilman McDermott that the resolution be adopted.

<u>ROLL CALL VOTE:</u>	Councilwoman Coskey	Aye
	Councilman McCorristin	Aye
	Councilman McDermott	Aye
	Councilman Wierman	Aye
	Council President Juzaitis	Aye

Resolution No. 74-2022: A RESOLUTION APPROVING A REVISED FORM OF NON-CONVERSION AGREEMENT PURSUANT TO ORDINANCE 834-2022 FOR USE IN CONNECTION WITH ALL MATTERS ARISING UNDER OR PERTAINING TO SAID ORDINANCE

Motion made by Councilman Wierman, seconded by Councilman McDermott that the resolution be adopted.

<u>ROLL CALL VOTE:</u>	Councilwoman Coskey	Aye
	Councilman McCorristin	Aye
	Councilman McDermott	Aye
	Councilman Wierman	Aye
	Council President Juzaitis	Aye



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Resolution No. 75-2022:

A RESOLUTION REJECTING ALL BIDS RECEIVED FOR THE PROJECT KNOWN AS CONTRACT 22-01, CUSTODIAL & CLEANING SERVICES FOR ALL BOROUGH BUILDINGS

Motion made by Councilman Wierman, seconded by Councilman McDermott that the resolution be adopted.

ROLL CALL VOTE:

Councilwoman Coskey	Aye
Councilman McCorristin	Aye
Councilman McDermott	Aye
Councilman Wierman	Aye
Council President Juzaitis	Aye

Resolution No. 76-2022:

A RESOLUTION AUTHORIZING PAYMENT OF BILLS

Motion made by Councilman McCorristin, seconded by Council President Juzaitis that the resolution be adopted.

ROLL CALL VOTE:

Councilwoman Coskey	Aye
Councilman McCorristin	Aye
Councilman McDermott	Aye
Councilman Wierman	Aye
Council President Juzaitis	Aye

Second reading, public hearing and final action on Ordinance No. 835-2022:

Motion made by Councilman Wierman, seconded by Councilman McDermott that Ordinance No. 835-2022 be brought on for second reading, public hearing and final action.

ROLL CALL VOTE:

Councilwoman Coskey	Aye
Councilman McCorristin	Aye
Councilman McDermott	Aye
Councilman Wierman	Aye
Council President Juzaitis	Aye

Borough Clerk read aloud Ordinance No. 835-2022:

Ordinance No. 835-2022:

AN ORDINANCE AMENDING AND SUPPLEMENTING CHAPTER 14 OF THE AVALON BOROUGH CODE (WATER AND SEWER) SECTION 14-4.1 PERTAINING TO EMERGENCY TURN OFFS OF WATER SERVICE AND ESTABLISHING THE FEE TO BE CHARGED PROPERTY OWNERS IN SUCH CIRCUMSTANCES

Council President Juzaitis opened the meeting for public hearing on Ordinance No. 835-2022 and asked if there were any questions or comments.

There were no questions or comments.

Motion made by Councilman Wierman, seconded by Council McDermott that the public hearing be closed.

ROLL CALL VOTE:

Councilwoman Coskey	Aye
Councilman McCorristin	Aye
Councilman McDermott	Aye
Councilman Wierman	Aye
Council President Juzaitis	Aye

Motion made by Councilman Wierman, seconded by Councilman McDermott that Ordinance No. 835-2022 be finally adopted, submitted to the Mayor for approval and advertised according to law.

ROLL CALL VOTE:

Councilwoman Coskey	Aye
Councilman McCorristin	Aye
Councilman McDermott	Aye
Councilman Wierman	Aye
Council President Juzaitis	Aye

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Reports and Recommendations by Mayor and Officials:

Reports of Officials:

None.

Monthly Reports:

Month of February 2022

Borough Clerk and Registrar's Report submitted by C. Danielle Nollett.

Bureau of Fire Prevention, Bureau of Licensing, Miscellaneous Construction Collection, Construction Water and Sewer, Uniform Construction Code & Taxicab Reports submitted by R. Edward Dean.

Code Enforcement Report submitted by Paul E. Short, Sr.

Municipal Court Report submitted by Wendy Torroni.

Municipal Engineering Report submitted by Thomas Thornton.

Police Department Report submitted by Chief Jeffrey Christopher.

Public Works Department Report submitted by William McCormick.

Recreation Revenue Report submitted by Chuck McDonnell.

Tax Collector & Water Sewer Control Account Reports submitted by Eleanor Cifaloglio.

Zoning Report submitted by Amanda Seltzer.

Motion made by Councilman Wierman, seconded by Councilman McCorristin that the reports be approved.

ROLL CALL VOTE:

Councilwoman Coskey	Aye
Councilman McCorristin	Aye
Councilman McDermott	Aye
Councilman Wierman	Aye
Council President Juzaitis	Aye

Pending business.

None.

New business

None.

Public Comments:

None.

Resolution No. 77-2022:

A RESOLUTION TO CONDUCT A CLOSED SESSION PURSUANT TO N.J.S.A. 10:4-12.b OF THE OPEN PUBLIC MEETINGS ACT PERTAINING TO CONTRACT NEGOTIATIONS CONCERNING CONTRACTS 18-01 AND 18-02 PERTAINING TO COLLECTION OF SOLID WASTE AND RECYCLING MATERIALS

Motion made by Council President Juzaitis, seconded by Councilman McDermott that the resolution be adopted.

ROLL CALL VOTE:

Councilwoman Coskey	Aye
Councilman McCorristin	Aye
Councilman McDermott	Aye
Councilman Wierman	Aye
Council President Juzaitis	Aye

Motion made by Council President Juzaitis, seconded by Councilman McDermott to recess the public portion of the Regular Meeting and go into Closed Session.

ROLL CALL VOTE:

Councilwoman Coskey	Aye
Councilman McCorristin	Aye
Councilman McDermott	Aye
Councilman Wierman	Aye
Council President Juzaitis	Aye

March 23, 2022

Council President Juzaitis announced official action will not be taken after the Closed Session.

Public portion of Regular Meeting recessed at 5:24 p.m.

Public Portion of Regular Meeting reconvened at 5:54 p.m.

Present:

Council President Juzaitis  
Councilwoman Coskey  
Councilman McCorristin  
Councilman McDermott  
Councilman Wierman  
Mayor Pagliughi  
James A. Waldron, Assistant Business Administrator  
Scott Wahl, Business Administrator  
Nicole Curio, Esquire, Gruccio, Pepper, DeSanto & Ruth, P.A

Resolution No. 78-2022: A RESOLUTION TO CONDUCT A CLOSED SESSION PURSUANT TO N.J.S.A. 10:4-12.b OF THE OPEN PUBLIC MEETINGS ACT PERTAINING TO CONTRACT NEGOTIATIONS CONCERNING SPECIAL ENGINEERING PROJECTS

Motion made by Councilman Wierman, seconded by Councilman McDermott that the resolution be adopted.

<u>ROLL CALL VOTE:</u>	Councilwoman Coskey	Aye
	Councilman McCorristin	Aye
	Councilman McDermott	Aye
	Councilman Wierman	Aye
	Council President Juzaitis	Aye

Motion made by Councilman McCorristin, seconded by Councilwoman Coskey to recess the public portion of the Regular Meeting and go into Closed Session.

<u>ROLL CALL VOTE:</u>	Councilwoman Coskey	Aye
	Councilman McCorristin	Aye
	Councilman McDermott	Aye
	Councilman Wierman	Aye
	Council President Juzaitis	Aye

Council President Juzaitis announced official action will not be taken after the Closed Session.

Public portion of Regular Meeting recessed at 5:55 p.m.

Public Portion of Regular Meeting reconvened at 6:03 p.m.

Present:

Council President Juzaitis  
Councilwoman Coskey  
Councilman McCorristin  
Councilman McDermott  
Councilman Wierman  
Mayor Pagliughi  
James A. Waldron, Assistant Business Administrator  
Scott Wahl, Business Administrator  
Nicole Curio, Esquire, Gruccio, Pepper, DeSanto & Ruth, P.A

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Motion made by Councilman Wierman, seconded by Councilman McDermott to adjourn the Regular Meeting.

<u>ROLL CALL VOTE:</u>	Councilwoman Coskey	Aye
	Councilman McCorristin	Aye
	Councilman McDermott	Aye
	Councilman Wierman	Aye
	Council President Juzaitis	Aye

Regular Meeting adjourned at 6:03 p.m.

Respectfully submitted,

  
C. Danielle Nollett, Borough Clerk

  
Barbara L. Juzaitis, Council President