JANUARY 12, 2013

BUDGET MEETING OF MAYOR AND COUNCIL, JANUARY 12, 2013 AT 9:05 A.M. IN COUNCIL CHAMBERS OF BOROUGH HALL.

Mayor Dempsey's statement re: Open Public Meetings Act of 1975 and that notice was given to the Coast Star and the Asbury Park Press on December 4, 2012.

ROLL CALL: Present: Council Members Bossone, Sinneck, Donovan, Mangan, Olivera, and McCarthy

Absent: None

Also present was Municipal Administrator Joseph DeIorio, Auditor Allen Shechter, and Robyn Palughi, Tax Assessor.

Council Member Mangan made an introduction to the budget process and he stated how hard everyone is working to get the budget process going and that the storm has hit the budget hard.

Mr. DeIorio stated that this meeting will give the frame work in which everyone has to work with during the budget process this year. He stated that he has been meeting with the departments to discuss their budgets individually and due to the impact of Sandy things have been delayed a little bit. He stated that the storm has affected the loss in ratables. He stated that the loss in ratables from Super Storm Sandy started from the State and County issuing the borough some directive to address damaged properties.

Borough Tax Assessor Robyn Palughi stated that normally the homeowner's are responsible to notify each assessor if something has happened to their property. She stated that she was directed by Monmouth County to be proactive and to go and look at these properties and make adjustments for them until they are repaired or restored. She stated that she originally anticipated 1600 properties were affected and that she had help from the County and primarily the reductions are for flooded homes and structurally unsound homes. The homes that had wind damage, tree damage, things that are repaired are not necessarily affecting the value because they will be repaired. She stated that there were 1409 properties that received the reductions and the reductions were from 5% to 100%. She stated that the reduction is for properties that will not be repaired by the end of this month. She reported that she received 500 to 600 notices via e-mail, regular mail, and phone calls. She reported that 57 properties received 5%, 64 properties received 10%, 229 properties received 15%, 955 properties received 30%, and these percentages are for the home not contents. She reported that there are various forms of structural with minimal damage, 10 properties received 5%, 35 properties received 20%, 31 properties received 60%, 15 properties received a 90%, and 9 properties were 100% reduction. She stated that at the County level when the postcards go out in February there will be notification on there that if the home is repaired by March 1 you can opt out and have the assessment restored so that the homeowner will not get the added assessment later. She advised that the assessment is taken off the tax roll, the first and second quarters remain the same, which is always half of what the prior year was, the adjustment is made in the third quarter, but any properties that are repaired going forward would get an added assessment for the amount of months, so if they are back in by June 1st they will get an added assessment in October that is due in November with the 4th quarter for the seven months going forward. She stated that she will not know the impact of the storm right away it will be a long process before these houses are re-built. She advised that the State mandated these percentage guidelines.

Mr. DeIorio stated that the way the percentages changes are the borough stands to be in a stronger position because the tax boards at the county level have given an indication that they are going to stay with these percentages because they created the guidelines. He stated that if the homeowner is taking the reduction then the borough has the ability to go back into the home to see if the changes had occurred and if there were more renovations done then the borough will add a larger assessment and the homeowner might want to appeal that part.

Ms. Palughi stated that the added assessment appeals occur in December.

Mr. DeIorio stated that the homeowner does not have to take the reduction on the assessment and if they do not take it there will not be an inspection.

There was discussion on the reductions, percentages, permits and how will residents be notified. There was discussion on the revaluation for the borough.

Mr. DeIorio stated that the estimated loss is 4.8% of total value. He stated that the total of assessed value in 2012 was 1.6 billion.

Ms. Palughi stated that she had the most appeals in 2012 then she had for the past 6 years and Manasquan's values are pretty steady. She also stated that if Verizon services less than 51% of the landlines that the borough is supposed to remove the personal property tax and this is still in litigation.

There was discussion on where the money would go in the budget when the homes start being re-built and they are back on track with taxes.

Ms. Palughi stated that the tax notices should be out by February 15, 2013 and the normal date is usually February 1, 2013. She advised that homeowners have until April 1, 2013 to file an appeal if they choose to.

Ms. Palughi was excused from the meeting.

Council Member Mangan stated that if nothing changes there will be 5% less which should be the framework to look at all future discussions.

Borough Auditor Allen Shechter advised how the rate is struck.

Mr. DeIorio went over the collection rate and how it is figured out. He stated that at the end of the month when the tax collector closes her books he will have a more precise collection rate and he went over tax receivables. He stated that the prediction is 98.2 % collection rate with the impact of the storm.

Allen Shechter stated that the collection rate is based on when it is collected by the year, for example if someone came in on January 3 and paid the previous year's taxes it would not affect the collection rate. He stated that they will be able to anticipate more delinquent taxes from that receivable in next years. He stated that the collection rate is what is generated for the reserve for uncollected taxes which the state mandates be put in which means that you can not spend more than what is collected the year before. He stated that decrease does affect the amount that will be put in as appropriation by $70,000 which will impact the tax rate directly. He stated that it might be collected the following year but it does not matter for the current year as you must abide by the rate.

Mr. DeIorio stated that the $70,000 additional reserve for uncollected taxes is within the 2% cap. He stated that he believes that since this is a result of Super Storm Sandy that provision should be made to exclude that from the 2% cap.

There was discussion on the $70,000 additional reserve for uncollected taxes.

Mr. DeIorio went over the special emergencies that were a result of Super Storm Sandy. He stated that the resolutions that were adopted in 2012 amounted to $4.4 million and most of this amount is the debris removal and monitoring. He stated that special emergencies are outside the 2% cap levy. He stated that the Borough will receive most of this amount from FEMA as reimbursable. He went over his discussion with the state and how the municipality will deal with this in the budget.

Mr. Shechter stated that the State is allowing the municipality to put a revenue line item in the 2013 budget to make the special emergency amount so it would not have any tax affect on raising that amount. He stated that the net amount would be raised over a 4 year not a 5 year period.

There was discussion on the special emergency amount and the budget.

Mr. DeIorio went over what has been submitted to FEMA and what still needs to be submitted to determine the amount of reimbursement the Borough will receive.

There was discussion on surplus and what has been submitted for reimbursement to FEMA.

Mr. DeIorio stated that there will be a separate discussion on the revenue side of the budget. He stated that in February he will have the balance for 2012 and will be able to give the council a better picture of what the 12/31 balance is. He stated that the surplus balances can only be used to offset taxes. He went over some changes of the health care and that this would affect the budget as the Borough will not be receiving a dividend this year. He advised that the Borough will not be receiving the rental from the Sea Watch Restaurant and he went over the increases to the budget. He went over how to determine the impact to the tax rate.

There was discussion on the revaluation and the process that is being used currently for the borough due to the storm.

AUDIENCE PARTICIPATION

Council Member McCarthy made a motion to open the meeting up to the public, seconded by Council Member Bossone. Motion carried unanimously.

There being no comment from the audience, Council Member Donovan made a motion to close the public portion, seconded by Council Member Mangan. Motion carried unanimously.

Council Member Donovan made a motion to adjourn the meeting at 10:26 a.m., seconded by Council Member McCarthy. Motion carried unanimously.

Respectfully submitted,

B. Ilaria

Barbara Ilaria
Municipal Clerk

DATE APPROVED 4-8-13