

February 23, 2023
121 Evergreen Rd
New Egypt, NJ 08533

The Plumsted Township Committee Special Meeting Budget Workshop of February 23, 2023 was called to order by Mayor Bowen.

STATEMENT: "This meeting is being held in compliance with the Open Public Meetings Act." It was presented for publication to the Asbury Park Press and posted on the Bulletin Board.

THOSE OFFICIALS PRESENT:

COMMITTEEMAN CUOZZO COMMITTEEMAN GRILLETTO COMMITTEEMAN HAMMERSTONE
MAYOR BOWEN CLERK WITHAM CFO GOWER

Deputy Mayor Marinari was excused.

Mayor Bowen asked everyone to rise for the flag salute followed by a moment of silence.

This workshop is an update on the finance committee's work regarding the budget. We did add funding in the current budget for personnel: a part-time maintenance supervisor, part-time records clerk and part-time finance clerk. The Chief of Police requested a full-time officer which is not in the budget at this time. We were \$120,000 over but now we are \$11,500 over the cap. We are here to work with the committee.

CFO Gower went through the changes that were made to the budget inside CAP and then reviewed the rest of the budget. Cuozzo asked if this will result in a tax increase. Gower said that it is a little early to tell. Bowen said that this budget does include monies for additional personnel although not Chief's request for an additional officer.

Grilletto said that there are other options besides a full-time officer. Two part-time officers wouldn't increase our pension liability. It will help us maintain our credit rating. Gower said that we are at the max for inside CAP so if we were to add an officer, money would have to be cut from somewhere else. Bowen asked the chief about overtime. This new officer would primarily be for traffic duty. Chief thought we could reduce overtime from about \$80,000 to \$50,000 with a new officer. Cuozzo agreed with Grilletto's sentiments. This could be a savings for our town to have part-time officers. The PFRS amount will be rolling off, the pension system is two years behind. There were more officers with higher salaries back then so it will be reduced since newer officers have lower salaries.

Gower then reviewed revenues, debt service and the open space trust fund. Gower pointed out the Local Finance Notice she included that indicates we can move certain items to outside CAP; proposing \$80,000.

Witham asked about the cellphone agreements since Calabrese resigned and Hammerstone is using his own phone. We are locked in to a 2-year agreement. There is a hold on the accounts right now for \$10 per month but that doesn't go against the contract so once it is not paused, we have to complete full two years. One of the phones is \$10 per month on hold so it could be used if we wanted.

The discussion moved to ARPA funds; there are still some funds that are not allocated. Gower asked if the committee wanted to budget anything to utilize those funds. Bowen said that some of it has to be used; money for sewers/storm drain repair which we will continue to utilize. We still have 427k to allocate to this year's budget. There are about 17 storm drains to be repaired and on the engineer's list. Sewer and storm drains is about 100k to utilize this year.

Cedar St and Main St are hooked up to sewers. The rec building and municipal building are still not complete. There was further discussion regarding sewers and citations for those that haven't yet hooked up.

The next budget workshop was scheduled for March 17th at 5:30.

Mayor Bowen asked for public comment.

John Lombardo of 6 Gulfstream came forward. He asked about the revenue from the PILOT program and how is it allocated by the township. On an annual basis, the money taken in from the Lennar homes, how is it allocated? Grilletto and Gower advised it goes to debt service. Lombardo asked what the amount of the debt service was and when is it expected to be paid off? Bowen said 2050. What is the annual amount paid? Bowen said \$966,827 per year and Gower said the PILOT program brought in over 600k. Lombardo also asked about projections. Gower said we are looking for an updated projection from the financial planner. Lombardo asked if we would agree that it is going to be a lot more than 600k with homes going up? The latest projection was that we could take some money in 2025 or 2026, per Grilletto. We have to be sure that we are able to pay off our debt, should no other homes be built. This is the NJIB debt. Lombardo said it would be more money than last year. Grilletto agreed. Lombardo then asked about 175k that was used to offset; it's the sewer renewal and replacement fund (plant maintenance) which is required according to Gower. Grilletto commented about the reserve. Lombardo asked why the full amount was coming from those at Lennar and not the rest of the township? Gower explained it was in the financial agreement and redevelopment agreement, the PILOT revenue pays off of our debt and a small portion is required to be paid for the reserve fund. Lombardo said that Lennar never informed them of that.

His point is that 100% of the money coming from the PILOT program is going to pay the debt for the sewer plant. Gower/Grilletto confirmed. How much is coming from the rest of the township residents for the sewer debt; also confirmed. Lombardo asked if we thought that was fair. Gower said that we have other fees that come in from Lennar. There are two separate fees; PILOT revenue and CO/permit fees. Bowen said that the residents at Lennar are not paying more than other township residents. All of the budget for police, fire, staff is being paid for by other residents' Lennar isn't paying anything for that. Lombardo said it is a major advantage to the township getting 95% of their revenues to pay for the sewer plant. As time goes on, what benefit do the Lennar people get from the situation? The township will be getting a lot of revenues, what benefit are they getting, besides the first five years?

Lombardo said we borrowed 23 million; Grilletto said that it is 34 million basically. What happened to the 9 million that Lennar gave the township from their affiliate for those homes that are closed on? Gower asked what he was referring to. Lombardo said Lennar donated 9 million to the township. The CFO and committee said they hadn't heard of it. Lombardo spoke about money given to the township, indicated in the special meeting in 2017. Two-thirds of it were non-interest bonds according to what he read. Where is the 9 million dollars donated to

the township from Lennar? Bowen said that he didn't have an answer so would have to get back to him. It's the first the township is hearing it. Lombardo said it was in 2017 minutes from a special meeting.

Anthony Lucchese of 4 Emerald, came forward. He spoke about everyone in Plumsted getting the tax deductions: Anchor, veterans, senior freeze, etc. Why can't they change the PILOT program to be able to get those tax breaks? He was at the firehouse for the vote, 80% of those that voted were seniors and most on the tax freeze. Can the township at least do that for us? Since he has moved in, his taxes went up \$600. He loves the township and said that at the supermarket, they had to increase hours and stock because of the new Lennar development. On a productive note, maybe if the township could appease the situation and give them tax breaks. They are also paying \$210/quarter for sewers. He wasn't prepared to speak tonight but considering this, there are only 200 homes tonight but in a couple of years, there will be another 200. His third point is who regulates how business is being done in the township? They have documents from Lennar that say tax abatements? How do we allow them to use those terms if they are not entirely true? When you say he has a tax abatement, anybody would hear that and say it is a tax abatement. It doesn't say Plumsted is in debt for 20 some million. They were bamboozled. How is Plumsted letting it happen? With that being said, is the township prepared to help remedy the situation since they will be 40% of the population. Bowen asked about the tax increase. Lucchese said it was based on the tax rate. Gower said that Lennar was attributing the wrong tax rate in the beginning. What we billed was correct, but what the residents were notified may have been incorrect. For the municipality, taxes went up about \$19 on the average house per Bowen. None of the residents in Lennar are paying less than a \$470+ increase. The first quarter is pro-rated based on when you move in as Gower explained. It depends when someone moves in. The first quarter could be half or a third.

Bowen said that according to Sauckie's office, the contract language, if it is a closing contract, then it would come under DCA. If you did your mortgage through Lennar, it would go through department of banking and insurance. Lucchese said they were closing documents. He continued that it was another sale by Lennar about a breezeway to town. This is all information he just got. Bowen said the contract language would be under state jurisdiction, DCA. Bowen will take a thumb drive of the documents and give it to the Assemblyman's office and he will take it to the state. Lucchese asked if there was a chamber of commerce. Bowen said that the contract would be state. Who's jurisdiction is the notary? The committee answered it was the county. Bowen asked him to drop it off in the clerk's office. Cuzzo said that he has yet to receive a response from Lennar; he will continue to pressure them. Cuzzo isn't going to be quiet; he will escalate it.

Lucchese said that going forward, he would look into Lennar removing that sign saying tax abatement and explaining what it actually is. Grilletto asked about the tax abatement. It is the first five years, 55%, locked in the day he closed. There was some discussion about the money coming in to the tax collector but couldn't be passed on to the finance office. Bowen explained they were electronic transfers and already into an account electronically, it cannot be transferred. It wasn't that a check came in and the tax office didn't want to walk one door down. Lucchese said that before 70 people come into this room, there are going to be a lot of closings in the development. He was told it was a tax abatement for five years. He understood that. He was under the impression it would be the same tax rate for five years. He continued that the streets were busted up and his car bumps around, there is no good lighting, there wouldn't be a response from an ambulance for 40 minutes unless you vote yes. Bowen said that he didn't hear the 40 minutes. Lucchese said that it was said at the meeting by Heller if it was an

outside vendor. He is living in Bordentown, got his retirement from Bordentown, now he comes in to New Egypt and says we need another ambulance. Grilletto said that in all due respect, that would be if we had to use a private vendor, it may be that amount of time. Lucchese said that these are business practices and things that are told to them as citizens; he is brand new in New Jersey and he believes what he is told by the authorities. Grilletto asked about the lighting. If they put a sign there, would it be easier to spot? Like a sign at the corner. Lucchese said not at night. Lights at his house are brighter than the street light. Grilletto said the light is across the street at an angle. All he is saying is that they should at least get a light or pave the street. Witham said the road will be done which is in the agreement. They have to maintain it but cannot pave it because of all of the trucks. Witham said that she contacts Lennar when the road needs attention and when they do, she receives a picture of the work that was done.

Bowen asked if there was anything else. Lombardo said that the assessments, when are they going to get assessed? The property assessment will be done with the reval in the next couple of years, 2025. The last reval was 13-14 years per Cuozzo. It has to do with a certain percentage, not the number of properties.

Frank of 54 Belmont Rd. He just had a suggestion. Instead of a light, possibly a reflective sign. He has bad eyesight but the reflective sign, the Provinceline Rd sign he can see, as well as the intersection sign earlier. Perhaps a larger reflective sign would be helpful. The issue is finding the road to turn on. Grilletto said that he has the same issue with his own driveway.

Dolores Jenkins of 4 Gulfstream said that she did her taxes. She specifically saw what she paid for being here 9 months. It was \$2900 but her current bill says \$3100. She doesn't know why it's different. The last two weeks she has put on the Lennar website that she made progress. She has notified the Monmouth County Road department. As of Tuesday, she is referring to the potholes. Lennar has the right until the development is done to maintain the road. As far as the state mandate, it is adopted by the counties regarding reassessments.

There was no other public comment. Cuozzo said that he can speak to some of the things Anthony asked. He did take steps to look into it with Lenny and Sharon. They spoke with the bond professional and give him a week so he expects to hear back from him to give some numbers to see what our options would be. The PILOT program is based on your tax assessment rate so you would be paying 100% of the tax assessment rate whether it was a tax or PILOT. The difference is where the money goes. It goes to the redevelopment plan. If there was no sewer, there would be no Lennar. We had permission from the state to not put the PILOT into other accounts but in the township so that we could pay off the debt for the sewers. It's not more or less, it's whatever the tax rate it. We get 95% to take on the giant capital project.


Lombardo asked if the township could freeze the 55%. Cuozzo said that they are looking at everything. We don't run any tax rebate programs, that is the state. We are going to try and get the program at or slightly less if you were able to apply for those rebates. He's one in five but that's what he is looking at with our professionals. Giving the rebates for taxes gets paid back by the state. What we are talking about is decreasing the amount we are getting. We don't want to be unfair to those that cannot apply for the discounts. The whole board is working on it. Lombardo said that they are senior citizens on a fixed income. If you increase taxes to 100% five years from now, how are the people in Lennar going to afford the payment if incomes aren't going up. What benefit are they getting, zero. They pay HOA fees, how is a senior citizen without a right to freeze taxes at 65 in a recession economy, there will be a lot of people that are going to

sell. It will be more of a problem then if you don't act and listen to them to what they are begging the township to do.

Cuozzo and Bowen thanked them for their comments. Grilletto said that if it is done, you either pay at the back end or front end, that means the township will get less money and then we won't be able to reduce taxes as a whole. Lombardo continued but Bowen said that public comment is closed.

ON MOTION OF COMMITTEEMAN CUOZZO, SECONDED BY COMMITTEEMAN GRILLETTO, THE FEBRUARY 23, 2023 MEETING WAS ADJOURNED. ROLL CALL VOTE: ALL AYES.

Respectfully Submitted,



Jennifer Witham, RMC, CMR
Municipal Clerk

****Please- be advised that these minutes are adopted pursuant to the Open Public Meetings Act N.J.S.A. 10:4-14. They are not intended to be a verbatim record of the meeting. There is a verbatim recording of the meeting a copy of which may be requested through the Plumsted Township Clerk's Office.***