

**MAYOR AND COUNCIL
SPECIAL BUDGET MEETING
February 6, 2014
7:00 P.M.**

MAYOR'S STATEMENT AS TO COMPLIANCE WITH P.L. 1975

Adequate Notice of this Meeting has been provided according to the Open Public Meetings Act, Assembly Bill 1030. Notice of this Meeting was sent to the New Jersey Herald and the Daily Record on February 3, 2014 and was placed on the Official Bulletin Board in the Municipal Building.

In the event the Mayor and Council have not addressed all items on this Agenda by 11:00 PM and they are of the opinion that they cannot complete the Agenda in a reasonable time period, the Mayor and Council may exercise their option to continue this meeting at an agreed to date, time and place within ten (10) days of this meeting. Please turn off all cell phones for the duration of this Meeting.

ROLL CALL

Council Members:

Councilwoman Zdichocki – Present
Councilman Thornton – Absent
Councilwoman Kuncken – Present

Councilman Depew – Present
Councilwoman Thistleton – Present
Councilman Benson – Present

Mayor Maio – Present

COUNCIL DISCUSSION

2014 Municipal Budget - Mayor Maio noted the presence of Dana Mooney, CFO and stated the purpose of this meeting is to continue discussion on the 2014 Municipal Budget. Mayor Maio, Administrator McNeilly and Ms. Mooney met earlier today to review the revisions and to assure that all changes requested at the last meeting were made. The green sheets reflecting the changes discussed were provided by the CFO. Mayor Maio noted that all the requested changes were made and, therefore, there is no need to review those items. The meeting will concentrate on areas where there was a change that was not made. Mayor Maio asked Administrator McNeilly to address those items.

Section 4.4 (Computer Services) – Administrator McNeilly noted there was a question about the Cablevision grant relative to the two new computers and about how Nixle was being presented in the budget. The CFO has correctly apportioned the cost of Nixle between water, sewer and current budgets. Ms. Mooney noted the Cablevision grant and she distributed yellow sheets that reflect the most recent changes made. Ms. Mooney reduced the amount for new software and this budget now shows a 0% increase. Ms. Mooney stated Cablevision increased their charges for internet in the police department and administrative offices which is why that line item was increased.

Section 8-16 (Fire Department) – Administrator McNeilly noted the Governing Body asked that the budget be reduced to no more than a 2% increase. The Fire Department reduced their budget and the increase is now 2%. Mayor Maio noted the reduction was made in fire prevention.

Section 9-5 (Solid Waste) – Administrator McNeilly stated the line item for flow control costs now shows a budget of \$10,000.

Section 11-1 (Recreation) – Administrator McNeilly noted the Governing Body had requested additional information relative to Family Fun Day and Other Events. The CFO provided a breakdown of expenses. Mayor Maio stated the Recreation Commission must be asked to reduce their budget by \$374. Councilwoman Zdichocki spoke about the increased activities and attendance at recent events sponsored by the Recreation Commission as well as donations received that are not reflected in the budget. Ms. Mooney stated she prepared a summary of Family Fun Day expenses and bus trip expenses. The borough has a Recreation Trust for which she created sub-accounts for specific items, i.e. Family Fun Day. Ms. Mooney noted that the bulk of expenses for Family Fun Day were paid from donations. There was a lengthy discussion about the events sponsored by the Recreation Commission and the need to continue the events while staying within the budget. The Governing Body discussed line items that cannot be reduced. The sports reimbursements cannot be reduced because they are funds that support other organizations; the amount for secretarial services is set by ordinance; the summer recreation program needs to remain at \$4,000 so there are funds available if the program does not remain a three-town program and the Borough must fund the entire program. Ms. Mooney noted the bus trips sponsored by the Recreation Commission pay for themselves in their entirety. The Governing Body asked Ms. Mooney to convey to the Recreation Commission, in writing, the amount by which the budget must be reduced and the line items that they cannot reduce.

Section 13-1 (Condo Services) – Administrator McNeilly stated the CFO is in the process of finalizing the cash transfer for prior years. Administrator McNeilly noted recent weather conditions and the amount of salt used and overtime paid. He recommended the line item be increased from \$13,000 to \$15,000 for Highpoint Condominium and from \$9,000 to \$12,000 for Stonegate Village. The CFO provided the amount paid from 2008 through 2012 and the average amount for both condominiums. Mayor Maio noted the Administrator is recommending an increase that is higher than the average. After a brief discussion, Council agreed to budget \$15,000 for Highpoint Condominium and \$9,000 for Stonegate Village.

Section 13-8 (Municipal Court) – Administrator McNeilly stated the CFO has moved \$25,000 back into the revenue side of the budget.

Section 14-7 (Debt Service) – Ms. Mooney stated this sheet reflects the total expenditure budget.

Ms. Mooney directed the Governing Body to Section 2-1: Current Fund Budget – Revenues. The Borough has generated \$100,000 in surplus from last year; of which \$60,000 is from FEMA money received after the year funds were expended and the other \$40,000 was payroll money that was carried from year to year and left in that account in case something came up. The yellow sheet reflects a revised surplus amount of \$1,652,000 which is \$101,000 more than they started with in 2013. Ms. Mooney noted they regenerated what was used. Ms. Mooney stated she took \$40,000 from surplus and put it into the reserve for the snow removal trust. She spoke to Ray Sarinelli and he recommended taking the extra \$60,000 generated and reserve it in capital. Ms. Mooney expressed her opinion that the type of road projects and associated costs would not necessitate the extra \$60,000 and she suggested using the funds to make a larger debt payment. Mayor Maio suggested splitting the \$60,000 and use \$30,000 to pay down the debt and apply \$30,000 towards the budget. Mayor Maio noted they will be selling two pieces of Borough owned property this year and the money received from the sale will be put into surplus. Administrator McNeilly stated the budget shows an average increase of \$30 per household. Ms. Mooney said if \$30,000 is added to the budget, the average increase per household would be \$10.40 with a levy increase of .23%. Administrator McNeilly noted the 2% cap that has been in place for a number of years and he cautioned reducing the average increase too much by putting money into the budget. He reminded the Governing Body that they must also give thought to their future budgets and the effect their actions may have. The Governing Body discussed how much, if any, money should be put into the budget. Mayor Maio conducted a straw poll of Council on whether they were in favor of putting \$30,000 into the budget. Councilwoman Kuncken was in favor of putting some money into the budget, but not \$30,000. She would rather the amount be between \$15,000 and \$20,000. Councilman Benson preferred putting no money into the budget, but would be agreeable to \$15,000. He was not in favor of \$30,000. Councilwoman Zdichocki agreed that the amount of \$30,000 was too high. Councilman Depew was not in favor of \$30,000 but would be agreeable to \$15,000. Council agreed to include \$15,000 in the budget. Ms. Mooney recalculated the budget to include the \$15,000. The levy increase will now be .70% and the average homeowner will have a \$20.17 increase. The Governing Body was agreeable to the amount. Mayor Maio stated the water/sewer budget will be discussed at the February 11, 2014 meeting.

CITIZENS TO BE HEARD

Mayor Maio opened the meeting to the public. Seeing no one from the public wishing to speak, Mayor Maio closed the public portion of the meeting.

ADJOURNMENT

On a motion by Councilwoman Zdichocki, seconded by Councilwoman Kuncken, and unanimously carried by voice vote the meeting was adjourned at 8:15 P.M.

Approved:

Ellen Horak, RMC
Borough Clerk