

**MAYOR AND COUNCIL  
SPECIAL BUDGET MEETING  
February 17, 2015  
6:00 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 Special Meeting was sent to the New Jersey Herald and the Daily Record on February 11, 2015 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:

Councilman Romano – Present	Councilwoman Kuncken - Present
Councilwoman Zdichocki – Present	Councilman Depew – Present
Councilman Thornton – Present	Councilwoman Thistleton - Absent

Mayor Maio – Present

**COUNCIL DISCUSSION**

**2015 Municipal Budget**

Mayor Maio stated the Fire Department, DPW and Revenue along with special accounts and trust funds will be discussed this evening.

7-4 and 7-5 Fire Department – Councilwoman Kuncken stated that the Public Safety Committee met with the Fire Department to discuss their budget. The budget originally reflected a 5% increase. We reviewed the line items and there were three that were questioned. We expressed the need to reduce the budget down to 2%. \$700 was removed from Tools and Equipment. The Fire Department recommended that \$1,275 for flow tests be removed due to the fact the Fire Department has new air packs. By doing this the budget was reduced. These changes have resulted in a zero increase. The budget remains the same as last year.

8-1A DPW – No changes were made to the expenses. Mayor Maio stated Bill Storms, DPW Superintendent, clarified the reason for some of the line items which have funds budgeted for more than what was expended last year. The extra funds are for emergency situations that may occur.

Administrator McNeilly stated typically in winter 600-800 tons of salt is purchased. This winter the year's purchase of salt will over extend the temporary budget. Historically \$50,000 is an adequate budget amount. There are years when the snow trust must be used and this is one of those years. Administrator McNeilly stated the trust has \$119,184.47. These trust funds are regulated by the State. Once the entire road department budget is expended then the trust can be utilized for storm recovery. Councilman Romano asked if the trust can be used when the line item is 0 or when the entire DPW is 0. Ms. Mooney stated it can be used once specific line items are at 0. Mayor Maio asked if the State can question the amount or take it from the Borough if it is not used. Ms. Mooney stated the State cannot take these funds. Mayor Maio asked if any funds will be added to the trust. Ms. Mooney stated no funds will be added. Much discussion took place regarding the trust and how it has been utilized over the past few years.

Salary – Mayor Maio stated Administrator McNeilly made a presentation last week with regard to adding an employee to the DPW and promoting a current employee to the Supervisor position. Administrator McNeilly was asked to determine how this proposal would be funded. Administrator McNeilly stated he worked with Ms. Mooney to prepare the costs. The costs for adding a laborer and a supervisor would be spread across the three budgets. The increases for one full year, using the highest amounts for salary and benefits, would be as follows: current fund increase of \$15,439.46; water operating increase \$17,906.99; sewer operating increase \$17,906.99 for a total overall cost of \$51,253.43. Mayor Maio asked if the water and sewer revenues can handle this increase. Ms. Mooney is of the opinion that the rates for water and sewer are constant. Water is tight for regeneration of surplus. The current fund is difficult this year. This year the Borough was down \$80,000 of what was regenerated this year. Councilwoman Kuncken stated for this year the costs will not be for the entire year but going forward a determination has to be made to ensure the revenue can cover the costs. Mayor Maio stated there will be some onetime expenses this year which it is anticipated will come from the sale of the property. Ms. Mooney stated in future years this cost may be able to be absorbed. Mayor Maio stated a decision cannot be made until the revenue is reviewed.

Ms. Mooney stated she prepared two sets of revenue one with a 5 man crew and one with a 6 man crew for current fund. Ms. Mooney stated there had been a question as to whether so much should be paid down on the note principal. Ms. Mooney stated she increased that amount by \$20,000. Mayor Maio asked if that was for sewer. Ms. Mooney replied she also increased it for current fund as per the advice of the auditor. Mayor Maio stated this cannot be changed without the approval of the Governing Body. Ms. Mooney stated this could be reduced.

2A – Ms. Mooney reviewed the revenue with the 6 man DPW crew. The surplus last year was \$1,663,000. Ms. Mooney stated she used the figure of \$715,000 for this scenario, which is the same amount used last year. In addition \$100,000 of the sale of the property has been used for this proposal. Mayor Maio asked if this amount was used as revenue. Ms. Mooney stated the funds from the property must be used as revenue according to the auditor. Ms. Mooney stated she is not comfortable using more surplus and would prefer to use less. Ms. Mooney is concerned this will not regenerate that way it has been.

Mayor Maio stated in terms of onetime expenses there is \$10,000 from the Land Use Board, \$7,500 for Police Training, \$4,000 increase to Legal Fees. This totals approximately \$25,000. Mayor Maio stated in her opinion these onetime expenses should be funded from the \$200,000. At this time \$75,000 of those funds is being used in this budget. The levy right now is .29. Different scenarios were calculated. Mayor Maio stated the average reserve that the Borough has is what we have been carrying. If we use \$75,000 out of the \$200,000 from the sale of the property and remove the \$20,000 for the additional pay down, there is a .45% increase, which is \$7.46 per average household. Councilwoman Kuncken stated this scenario will cover the costs this year for the 6 man crew but will the funds be available in the future. Mayor Maio stated other onetime costs will not be an issue next year. Mayor Maio asked the Governing Body if they are comfortable with this scenario. There were no objections.

Mayor Maio asked Administrator McNeilly what the next steps are to implement the addition of these positions. Administrator McNeilly stated he will meet with Bill Storms and the civil service process will be followed.

Water – Administrator McNeilly stated \$5,000 was removed from O&E for water main breaks and repairs. Mayor Maio stated the fuel for well 2 was corrected. The correct amount is \$1,000. Administrator McNeilly stated the budgeted amount for trees will decrease next year. Mayor Maio stated \$5,000 has been budgeted for Tree King for one day to chip all the trees. Ms. Mooney stated BAN's and capital notes were reduced to \$75,000. Much discussion took place regarding the NJEIT costs. Councilwoman Kuncken asked for a final reconciliation when it becomes available. Administrator McNeilly stated in the future the rents for sewer and water may need to be adjusted.

Sewer – Administrator McNeilly stated the van payoff was changed to \$80,000. Ms. Mooney stated the surplus at the beginning of last year was \$347,208, the surplus from the year before was \$374,000 and we now have \$481,973.82. Ms. Mooney stated she has no problem anticipating there will be more surplus than last year. Much discussion took place regarding the adjustment for the sewer and water rents. It was agreed that the rates should be adjusted. Mayor Maio asked the Clerk to add this item to the agenda for council discussion at the next Mayor and Council Meeting.

Mayor Maio stated aside from formalizing salaries, which are currently at 1.75%, there is a .5% increase in the municipal levy and a \$7.45 increase per household. This is using \$75,000 from the sale of the property on Route 206 and reducing the pay down by \$20,000. Mayor Maio asked the Governing Body if they were in agreement. There were no objections. Mayor Maio stated at the next meeting salaries can be finalized and capital can be discussed. Mayor Maio asked Ms. Mooney to provide the capital information prior to the meeting. The meeting will start at 6:30 with a closed session. Mayor Maio asked Ms. Mooney to attend the meeting at 7:00PM.

Councilwoman Kuncken asked Mayor Maio and Administrator McNeilly if they are available Saturday morning to meet with the Ambulance Squad to discuss their budget. Councilwoman Kuncken will advise when the meeting is scheduled.

Non-Budgetary Items/Reserves – A review of the reserves for the current fund, general capital, water capital and sewer capital was done. Mayor Maio asked Ms. Mooney to find out if the funds in the Canal Rehabilitation can be used for something else. Ms. Mooney stated the reserves for the water and sewer capitals are for emergency issues. Mayor Maio asked Ms. Mooney to find out what these funds can be used for.

Post-Closing Trial Balance Trust Funds – Mayor Maio stated the Animal Control Fund contains \$13,000 and asked if there are sufficient funds to conduct the census this year. Ms. Mooney stated the funds will be regenerated. Administrator McNeilly stated 100% of the revenue from the cat licenses stays in the Borough.

Other Trust Funds – The various trust funds were reviewed. Ms. Mooney stated there are some escrow deposits (\$29,000) for which she has no record of ownership. Councilman Romano asked if there are time limitations on escrow. Much discussion took place regarding the escrow accounts. Mayor Maio asked Ms. Mooney to compile a breakdown list of the escrow fees. Mayor Maio asked if the \$25,000 in the Recreation Trust can be used for any purpose. Administrator McNeilly confirmed the funds can be used for the parks. Mayor Maio asked if the \$200 from Family Fun Day listed in the trust is available for the Recreation Commission to use. Ms. Mooney confirmed those funds can be used by Recreation. Mayor Maio stated the \$2,000 in the Canal Restoration was a donation from the Morris County Sportsmen’s Federation. Mayor Maio asked if these funds could be used to install fencing along the canal.

Mayor Maio asked Ms. Mooney to include the Non-Budgetary Items/Reserves and Trust Fund details as part of the budget year.

Mayor Maio asked the Governing Body if there were any additional comments regarding the budget. There were none.

**CITIZENS TO BE HEARD**

Mayor Maio opened the meeting to the public after advising attendees that there is a five (5) minute time limit for each speaker.

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

**ADJOURNMENT**

On a motion by Councilman Romano, seconded by Councilwoman Zdichocki, and unanimously carried by voice vote the meeting was adjourned at 7:43 P.M.

Approved:

Linda Chirip  
Deputy Clerk for  
Ellen Horak, RMC  
Borough Clerk