

**MAYOR AND COUNCIL
SPECIAL MEETING
February 21, 2012
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 NJ Herald and the Daily Record on February 10, 2012 and 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 Kuncken - present
Councilman Depew - present
Councilwoman Thistleton – present

Councilman Murphy – present
Councilman Graham - present
Councilman Benson - present

Mayor Maio – present

COUNCIL DISCUSSION

2012 Municipal Budget

Mayor Maio invited Dana Mooney, CFO to begin the review of the proposed budget.

11-2 Environmental Commission – The CFO stated that the Environmental Commission budget has been decreased by \$250. Councilman Benson asked why there is a charge for secretarial services. The CFO stated that the secretary is only paid for the minutes that are received. Mayor Maio stated there is an ANJEC Grant available for \$5,000 which could be used to update the ERI. The Borough of Stanhope ERI was created in 1983 and needs to be updated. Mayor Maio reported that the Land Conservancy advised that they can update the ERI and write the grant for a cost of \$10,000. The Land Conservancy has existing maps from Open Space that can be used for the ERI. Councilman Graham stated that he scanned all of the 1983 information from the ERI and created a PDF document which has been forwarded to the Environmental Commission several times. Councilman Graham is of the opinion that the ERI is very close to being updated and does not believe that \$5,000 should be spent on the ERI. Omland Engineering has added information to the ERI that was collected during the Highlands project. Councilman Graham is of the opinion that the map updating can be done for a nominal cost. Mayor Maio stated that the amount estimated in the past to update the maps and to add new maps was \$5,000. Councilman Graham has spoken with Scott Olsen and his costs were considerably lower. Councilwoman Kuncken suggested that the ERI be reviewed as it is now and a determination made as to exactly what needs to be updated. Councilman Murphy stated that the Environmental Commission cannot handle updating the ERI and asked if it is necessary that this be done this year. Mayor Maio stated that the Master Plan needs to be rewritten in 2013 and the ERI has to be redone to be included in the revised Master Plan. Councilman Benson is of the opinion that going forward funds are shrinking so if there is room to put money in the budget for this year it should be done now. Councilman Graham stated that the ERI should wait until the Borough has made a decision regarding the Highlands. There is still grant money available which could be used for the Master Plan and perhaps a full grant can be obtained to include the ERI. The CFO stated that in 2010 an ERI Grant was awarded and matched and was included in the budget. The \$2,500 was put into reserve along with the \$5,000 and it is still there. It is listed as a Maps Grant. The grant money was not received because it is a reimbursed grant. Councilman Benson suggested that the ERI information that exists needs to be reviewed and a determination made as to what needs to be updated. Mayor Maio stated that Councilman Benson will head the committee for the review which is to include at least one member of the Environmental Commission. Mayor Maio asked the CFO to find out if the \$5,000 grant is still available.

12-1 Electricity & Street Lighting – The CFO reported that this budget is slightly reduced this year. The SEM has only been used for 6 months of the year for the electricity usage. There have been savings but due to the rising costs of petroleum it may influence future costs. Councilman Murphy stated that we are still paying for both sets of street lights. Much discussion took place regarding the removal of the Cobra lighting and what the cost savings might be and what the costs would be to retrofit the existing street lights. Mayor Maio instructed Administrator McNeilly to acquire the cost to retrofit the main street lights and the cost of the electricity usage for the lights.

12-1 Telephones – The CFO stated that the line item for telephone system maintenance for 10 months is \$1,895, adding \$1,195 to telephone system maintenance. The cost per month is \$189.50. The cost per month with the previous company was \$220. The original one year contract has ended. The bottom line figure for telephones is \$27,795. The CFO stated that the wire problem costs for the regular phones in the office are still going up because a plan needs to be put in place by Verizon for the long distance charges that the Borough is still facing due to the fact that the calls are dialing up to Sparta. Administrator McNeilly sees this as a difficult challenge. There are two wired lines left in the municipal building and both are relative to the Police Department. When the power was out for several days this past fall, these were the only lines that remained functioning. Calls could be received on the 4533 line however, if the call is not answered in Stanhope it is automatically redirected to Sparta on a long distance line. In turn, if the call comes from Sparta to Stanhope it is a long distance charge as well. The cost ranges from approximately \$116 - \$119 per month in long distance charges. The CFO has tried to schedule Verizon to meet with her to discuss the problem, answer questions and provide a solution. The Governing Body made a suggestion to contact a different carrier for long distance to see if they can provide a viable option. Councilman Benson suggested that the Technology Committee review what should be done with the phone system.

12-2 Petroleum – The CFO is of the opinion that the budget for petroleum should be increased from \$76,000 to \$80,000. Councilman Benson requested that petroleum usage be reported monthly. Administrator McNeilly stated that the pumps need to be replaced which will be a capital expense. Electronic pumps will send the usage data directly to a PC which will generate a monthly report. This would be a key operated system and it will also track maintenance and mileage. Mr. Storms is researching the costs associated with changing the pumps. Administrator McNeilly will arrange to have a petroleum report submitted monthly from the DPW. Administrator McNeilly asked if the price for the co-op has been determined for the year. The CFO stated that it is not done that way. It is always a variable and it is a percentage below. Fuel prices are predicted to be \$5.00 per gallon by July which will be a 25% increase. The Governing Body approved an increase in the amount of \$15,000 for this line item. This makes the line item total for petroleum to be \$91,000. Councilman Murphy suggested that Petro Mechanical, located in Lafayette, be contacted for the costs associated with changing over to electronic pumps.

13-1 Condo Services – The CFO stated that there will definitely be an increase. Last year's costs have not been settled. Councilwoman Kuncken asked Administrator McNeilly if he has been able to get the Highpoint Condominiums to comply with the Kelly Act. Administrator McNeilly stated that he has not been given an answer to date. He will follow-up and report back to the Governing Body. The CFO stated that the amount budgeted last year was \$58,000. The actual amount charged for 2011 is approximately \$55,500. The Highpoint Condominiums line item is being changed to \$56,000. The CFO stated that Stonegate's actual expenses were \$18,707. This amount is right in line with the budgeted amount. This will stay at \$20,000. With the reduction of \$7,000 this brings the total amount of this line item to \$99,000.

13-1a PERS, PFRS and FICA – There are no changes to this section.

13-2 Municipal Court – The CFO asked if this was going to remain as is. Councilman Benson stated that this item is contractual. This is a 4 year contract with a percent increase each year. Mayor Maio stated that there is a discussion outstanding about the fact that Hopatcong is looking for additional money. It was determined that the increase in activity is a result of the Hopatcong Court and there has actually been a reduction in activity for the Stanhope Court from the time that the contract was signed. This information has been forwarded to Hopatcong. Mayor Maio stated that the Hopatcong Administrator has not replied back. The Governing Body determined that this item shall remain as is. Mayor Maio asked why money is not included under public defender. The CFO stated there is enough money in the public defender trust to cover costs.

14-1 Capital Improvement Fund - The CFO stated there is \$25,000 budgeted for road repairs. Councilwoman Kuncken asked if the funds to repave the municipal parking lot are included in this amount. Mayor Maio stated that the amount for the parking lot is a capital item and is not budgeted under road repairs.

14-2 Grant Expenditures - The CFO stated there is one grant in, which is an offset to the revenue.

Mayor Maio stated that the Fire Department budget needs to be reviewed. Administrator McNeilly will contact Chief Card to set up a meeting date.

COAH Legal Line Item - Mayor Maio stated there are still charges being submitted for COAH. The most recent one was received in December. Administrator McNeilly reported that the affordable homes project at 14 Mountain Avenue is coded under COAH. The Borough was reimbursed for the closing costs only. Mayor Maio stated there will also be billing for the fire that occurred on Ridge Road. Mayor Maio stated that it appears that the COAH issues are going to be ongoing. The CFO stated that this line item is listed under legal and is classified as COAH. There is a separate line item for COAH that the Governing Body decided to put zero dollars into at the previous budget meeting. The legal COAH line item will remain at \$4,000.

Water & Sewer Budgets - The CFO distributed revised water and sewer budgets. There were changes made to the computer purchase which affected both of these budgets. The payoff of the debt for the sewer has been increased to \$90,000 and next year the last payment will be \$74,000. Prior to this change the original pay down of the sewer debt was \$65,000 which would have put the Borough into a three year pay down instead of a two year. The true excess rents, which are important because 5 quarters were collected last year for water and sewer, include \$20,000 more in water than there was last year and there was an excess of \$50,000 in sewer. In order to balance the budget this year only \$5,000 from the sewer surplus would need to be spent which is a tremendous decrease. This is due to the decrease in the debt service. The debt this year for water is \$70,000. Total debt right now prior to any payments in water is \$237,500. That leaves \$167,000 which can be divided in half for the next two years. Councilwoman Kuncken asked if Mr. Sarinelli is comfortable with the water surplus balance. The CFO stated that Mr. Sarinelli has not seen the proposed budget but she is of the opinion that he will be pleased.

Current Fund - The CFO stated that the surplus at the end of the year was \$1,584,764. This budget uses \$700,000 at this point in time. The reserve for uncollected is \$650,000 which is actually quite a bit higher than is necessary. Councilman Benson asked for the actual percentage. The CFO stated that the percentage is 93.98. This is much lower than the percentage that is usually used. Much discussion took place with regard to last year's budget figures as compared to this year. The changes that have been made to the budget and the items that have not been addressed yet will affect these figures. Councilwoman Kuncken asked the CFO to provide an update in paragraph form of all the changes that have been made to the budget so far. Mayor Maio stated that the Fire Department budget should be settled next week. The CFO asked if the \$2,500 should be included for the grant for the ERI. The Governing Body agreed to include the \$2,500 at this time. It can be removed later if necessary. Discussion took place with regard to the tipping fees and the creation of a garbage utility. Mayor Maio stated that it appears that the tipping fees will be stable for this year and possibly for next year. This project will remain on the table to be addressed but it is not necessary to do so at this time.

Mayor Maio stated that the budget will be readdressed at the regularly scheduled meeting of the Mayor & Council on Tuesday, March 13, 2012.

OPEN TO THE PUBLIC

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

Don Drake, Stanhope Fire Department, asked when the Fire Department budget meeting is scheduled to be held. Administrator McNeilly stated he will contact Chief Card to set up the meeting.

Alan Bookspan, 2nd Assistant Chief Stanhope Fire Department, stated that all the council members have been added into the "I Am Responding" program with the exception of Councilwoman Thistleton and Councilman Murphy. Administrator McNeilly will contact Mr. Bookspan with the information to add the remaining two council members.

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

CLOSED SESSION

WHEREAS, Section 8 of the Open Public Meetings Act, Chapter 231 P.L. 1975 permits the exclusion of the public from a meeting in certain circumstances; and

WHEREAS, this public body is of the opinion that such circumstances presently exist.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Borough of Stanhope, County of Sussex, New Jersey as follows:

1. The public shall be excluded from discussion of and action upon the hereinafter-specified subject matter(s).
2. The general nature of the subject matter(s) to be discussed is as follows:

1 Personnel

3. It is anticipated at this time that the above stated subject matter(s) will be made public at the conclusion of each individual specified subject matter.
4. This resolution shall take effect immediately.

On motion by Councilman Benson, seconded by Councilwoman Kuncken, and carried by unanimous voice vote, the foregoing resolution was adopted.

Mayor and Council went into Closed Session at 8:27 P.M.

At the conclusion of the Closed Session, Mayor and Council reconvened the public meeting at 8:35 P.M. with all present.

ADJOURNMENT

On motion by Councilman Murphy, seconded by Councilman Benson, and unanimously carried by voice vote the meeting was adjourned at 8:35 P.M.

Approved:

Linda Chirip,
Deputy Clerk for
Ellen Horak, RMC
Borough Clerk