

**MAYOR AND COUNCIL  
SPECIAL BUDGET MEETING  
January 30, 2024  
6:30 P.M.**

**CALL TO ORDER**

**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 January 24, 2024 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 10:00PM 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 then (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 Simpson – present
Councilman Riccardi – present	Councilman Thornton – present
Councilman Romano – present	Councilman Wachterhauser – present
Mayor Wronko – present	

**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 exists;

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

1. The general nature of the subject matter(s) to be discussed is as follows:
  - 1 – Attorney-Client Annual Operations & Ethics
2. 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.
3. This resolution shall take effect immediately.

On motion by Councilman Romano, seconded by Councilman Thornton, and unanimously carried by voice vote, the foregoing resolution was adopted.

The Mayor and Council went into Closed Session at 6:31 P.M.

**RETURN TO OPEN SESSION**

At the conclusion of the Closed Session, the Mayor and Council reconvened the public meeting at 7:42 P.M. with all present.

**COUNCIL DISCUSSION**

**2024 Municipal Budget**

Angelica Sabatini, CFO, came forward to begin the budget discussion.

**6A Construction** – Ms. Sabatini stated she spoke with the Construction Department, as requested by the governing body, and was told by the Construction Department that the request for office supplies is increased due to the fact they are running low on the DCA subcode applications and folders. Every time these supplies are ordered, the price seems to increase. No changes were made.

6B Zoning Officer – Ms. Sabatini stated she spoke with the Zoning Officer, as requested by the governing body, and he indicated the office supply request is increased due to the fact he is having issues with the printer and has budgeted extra funds to replace the printer. Councilman Wachterhauser stated last year's office supply budget was \$600 and only \$168.31 was charged to the account. After some discussion regarding the cost of printers, the governing body decided to keep the office supply budget at \$600.00, not the \$750.00 which was requested.

7A Police Department – Ms. Sabatini stated she spoke with the Police Chief, as requested by the governing body, and he stated Line 10524035 Contracts/Permits/Licenses includes the E-Ticket Cost and the yearly fee is \$1,685.80. These are not one-time startup costs. The cost of \$1,750.00 for moving over to Google Vault is also included. No changes were made.

11A Utilities – Ms. Sabatini stated the final bills for December 2023 have been received. The billed amount for the year was very close to the budgeted amount. Therefore, the budgeted amount for 2024 has been increased. The Borough was not being billed for the new streetscape lights due to the fact the account had credits. Those credits have been used and now bills are being received for the lighting. Administrator McNeilly stated the elementary school covers the cost of the lighting on the trail from the school to the condominiums. The Borough covers the cost of the lights on the trail to the high school, the crosswalks, the speed signs and the street lighting. Councilman Romano asked if the phone system is still being nursed along. Administrator McNeilly stated there will be a capital request in 2025 for the telephone system barring any emergency. Councilman Wachterhauser asked if Borough Hall will be converted over to natural gas when the opportunity arises. Administrator McNeilly stated the Borough Hall is run with electric heat pumps and the generator runs on diesel. Heating oil is only used for the Records Room and some of the well buildings. Councilman Thornton asked if there would be a cost savings to convert Borough Hall from electric to natural gas. Administrator McNeilly stated in his opinion there would be no cost savings at this time. The only benefit might be if a renovation was done or the equipment was at its end of life. Part of the DPW building is heated with oil. Councilman Thornton stated in 2022 and 2023 the consumer costs of gasoline were fluctuating between \$3.00 and slightly over \$4.00. The Borough never exceeded the budgeted amounts and as such Councilman Thornton is of the opinion the gasoline budget for 2024 does not need to be increased to \$35,000.00. Councilman Riccardi agreed. Ms. Sabatini stated there is a daily price for gasoline which is under contract. Administrator McNeilly stated the Borough does get gasoline at a discounted rate and we are exempt from the tax. Any funds not used will go into surplus at the end of the year. In the 2022 budget the actual amount billed was only \$1,300 shy of the budgeted amount and in the 2023 budget the actual amount was within \$700 of the budgeted amount. Councilman Thornton stated it is a Presidential year and he is of the opinion the gasoline budget should not be increased. Councilman Wachterhauser stated the Police Department will be using the cars more for the natural gas line installations. Ms. Sabatini stated the cost for that fuel usage is reimbursed by NJ Natural Gas. Councilman Riccardi suggested reducing the amount to \$30,000. Administrator McNeilly disagreed. Councilman Romano stated it is not a good idea to nickel and dime the budget. Not that \$5,000 is a small amount of money, but in this case, it is. We are in a good place right now because we have allowed funds to go to surplus. If we have no surplus three years from now we will be in a worse position. Councilman Thornton stated he respectfully disagrees. Administrator McNeilly stated the recommendation has been made and it is up to the governing body to make the decision. If the entire line is expended, then an adjustment will have to be made by the governing body on November 1<sup>st</sup>. Mayor Wronko asked Ms. Sabatini what the justification was for increasing the gasoline budget by \$5,000. Ms. Sabatini stated the current amount expended for this year is not finalized as yet and the amount is very close to the budgeted amount. After much discussion took place regarding the average costs, no changes were made.

11B Condo Services & Statutory Expenditures – Ms. Sabatini stated the condominium associations contract for solid waste on their own and a portion of those costs are reimbursed. The Borough's cost for solid waste is averaged out per residence and when the condo associations submit a bill showing what they paid for the year, the Borough reimburses them per unit based on the Borough's average per residence. Administrator McNeilly stated the Kelly Act line item covers reimbursement for street lighting, street cleaning/sweeping, leaf removal, and snow plowing which is based on a specific calculation. Administrator McNeilly stated one of the condo associations has stated they would like to discuss some issues and he has asked them to submit their request in writing. To date, they have not responded. No changes were made.

12A Stormwater Management & Municipal Court – Administrator McNeilly stated the Engineering costs are for the state mandated inspections of the detention basins which must be done after a certain amount of rainfall. There 2 basins by the school, 1 in Lenape Woods, 2 in Towpath, and 2 in Sagamore. Administrator McNeilly stated the joint court is with Andover Township, no longer Hopatcong, and

this change has resulted in a cost savings. Councilman Wachterhauser asked what the income was from the court fines. Ms. Sabatini stated that amount is listed under the revenue section. The amount listed on page 2B is approximately \$35,000, which does not include the amounts for December. No changes were made.

13A Capital, RUT, & Debt Service – Interest has increased on the notes. No changes were made.

13B Grant Expenditures – Ms. Sabatini stated the grant amounts cannot be placed into the budget until the funds are received. No changes were made.

14A Water Revenue Budget – Ms. Sabatini stated in order to balance this item she had to take funds from the fund balance. If there is a rate increase, and the ordinance is adopted prior to introducing the budget, those revenues can be included in the budget. If that is not the case, the amounts cannot be anticipated to be included in the budget. The figures for the sewer side are worse than on the water side. Administrator McNeilly stated the water and sewer bills have not been changed in twenty plus years. Ms. Sabatini stated the last few times the rates were changed, the base rate always remained the same. The funds were just moved from sewer to water. The sewer amount decreased by \$10, then the water increased by \$10. Leaving the base rate the same. Administrator McNeilly stated during that time, in 2011 the MSA bonds dropped out and the sewer rate was lowered and the water rate was increased. All the water improvements that took place were done so with a twenty-year bond. Ms. Sabatini stated she does not have the proposed rates from the Borough Auditor. The changes would be made to the base rate and the cost per gallonage. In order to include the figures in the budget, the ordinance has to be introduced by the end of February. Administrator McNeilly stated the figures will be obtained from the Auditor and this subject can be discussed at the February work session meeting in order for the ordinance to be introduced at the February 27<sup>th</sup> meeting. Councilman Thornton asked if the increases would be spread out over the course of a few years. Councilman Romano stated the increase to the sewer side would be 10 percent the first year and 7.5 percent in the following years. Councilman Thornton stated at 10 percent this would equate to \$26.00 per household per quarter. Mayor Wronko stated he is of the opinion this is not unreasonable due to the fact the rates have remained steady for so long. Councilman Romano stated there would be a 3 percent increase in water with a 2 percent increase in the following three years. Councilman Riccardi stated this would be a total increase of 31 percent over four years. Councilman Thornton asked how will this be explained to the residents. Much discussion took place on how to notice the public. Mayor Wronko stated a letter can be sent out in advance somehow to inform the residents. Administrator McNeilly stated the letter can be included with the water/sewer bills. Councilman Wachterhauser and Councilman Thornton would like the changes, once adopted, placed on the website and Facebook page, in advance of the bills being sent out. Ms. Sabatini asked Attorney Leo if the ordinance can be written to include the increases for all the years or does an ordinance have to be done annually? Attorney Leo stated one ordinance can be adopted to cover the multiple years. Councilman Thornton asked if the ordinance should be done annually in case the increase does not have to be as much as it is currently anticipated to be. Councilman Romano stated in his opinion the sewer rate may only get worse. Administrator McNeilly stated if the surplus does end up getting to high, the ordinance can be changed. Much discussion took place regarding how PFAS may affect the water and sewer costs and the MSA. Administrator McNeilly stated it is possible that the Borough will have to budget for the twenty percent of the \$3.3 million water tower in 2025, which is \$660,000. Administrator McNeilly stated information will be sent out to the residents letting them know about the changes once they are adopted. Discussion took place about the negative effects of what would occur if the water/sewer system was sold to an outside entity. This subject will be discussed further at the Work Session meeting.

14C Water Expenditures – Line 60550026 Tree Trimming/Maintenance has a 30% increase due to tree maintenance which will continue to increase. Administrator McNeilly explained the Borough has a number of trees which we are responsible for and on the sewer side there are trees in the sewer easements, pump stations, and Port Morris. Line 60550036 Computer Software/Hardware has an increase of 47% due to upgrades to the system. No changes were made.

14D Water Expenditures Continued – Line 60550070 Audit Services has increased 53% due to the additional costs for the Auditor to conduct the work for the rate study. No changes were made.

14E Water Expenditure Budget – Ms. Sabatini explained the notes are all rolled into one lump sum when we go out to sale. The interest is based on the amount of dollars we have in each fund in principal. No changes were made.

14G Sewer Expenditures – Councilman Thornton questioned the budget for 62550013 Administrative Salaries. Ms. Sabatini stated salaries still need to be discussed but this line item contains portions of

employee salaries that are charged to water and sewer such as the CFO, Administrator, Water/Sewer Collector. These salaries are split 20-20-60. The DPW employee's salaries are split into thirds over the DPW budget, water budget and sewer budget. There are 7 full-time DPW employees. The part-time recycling employee and the employee who cleans the municipal building also fall under the DPW budget. No changes were made.

14H Sewer Expenditure Budget – No changes were made.

14I Sewer Expenditures Continued – Councilman Thornton asked if the additional costs to this year's line item 62550083 Audit Services is a one-time charge. Ms. Sabatini confirmed the increase is a one-time charge. No changes were made.

15A & 15B Capital Plan 2024–2027 – The Police Department Video Replacement covers the cameras in the cars, body cameras, and interview room cameras. Councilwoman Kuncken asked how much grant funding was received for the Fire Department and did any of that cover the cost of the air bottles and hose line. Administrator McNeilly stated there was a \$39,000 grant received for 2023 which covered the capital items for 2023. The Fire Department has applied for another grant but that grant award announcement has not been made to date. The mason dump truck for the DPW will be replacing the largest truck we currently have which is a CDL truck. We are dropping down to a truck with hydraulic brakes.

Section 1 Salaries – Councilman Wachterhauser asked what the Protected Positions include. Ms. Sabatini stated the CFO, Tax Collector, Borough Clerk and Tax Assessor are the protected positions by law and as such they are guaranteed the highest salary increase. Administrator McNeilly stated for the Borough there are three employees in the protected positions. The Police Department is covered by contract. The Police Chief is covered by a service agreement. The DPW is covered by contract. The unrepresented number of employees is very small. Ms. Sabatini stated last year the increase was 3%. Councilman Wachterhauser stated contract discussions will take place this year and the DPW may be asking for large salary increases if they find that other municipalities salaries are higher. Attorney Leo stated with the contracts it is not just based on salaries. There are other items negotiated such as uniform allowance, seniority etc. This is apples to oranges in union versus non-union employees. Mayor Wronko asked what the increase would be to the average household if a 3% increase is given. Administrator McNeilly replied with the \$5 million budget the amount is very little. Ms. Sabatini explained that the unrepresented employees receive whatever increase is decided on by the governing body. They are not guaranteed an increase. The protected positions will receive the highest percentage of increase whether that is the contracts amount or the non-union amount. Councilwoman Kuncken stated the contracts for the unions are good until the end of 2024 and therefore those percentages will not be changed until 2025. Administrator McNeilly stated the current percentage, for this quarter, for the Police and the DPW is at 2.25%. Mayor Wronko stated the difference between 2% and 3% is a quarter per household. However, the percentage makes a big difference in the ability to retain our employees and to take care of our staff. Councilman Riccardi stated this is true especially due to the fact that the cost of living over the past few years has been at 7%. Administrator McNeilly confirmed this and stated collectively we have all fallen behind. The unrepresented employees are those that work part-time, the Police Department Secretary and the municipal office staff. Mayor Wronko stated with a 3% increase, the cost per household, per year would equate to approximately \$9.36.

Mayor Wronko took a straw poll for approval to set the salary increase at 3%. The results are as follows: Councilwoman Kuncken – yes; Councilman Wachterhauser – yes; Councilman Thornton - yes; Councilman Riccardi – yes; Councilman Simpson – yes; Councilman Romano - yes

### **CITIZEN'S TO BE HEARD**

Mayor Wronko opened the meeting to the public after advising attendees that there is a five (5) minute time limit for each speaker. Seeing no one from the public wishing to speak, Mayor Wronko closed the public portion of the meeting.

### **ADJOURNMENT**

On motion by Councilman Romano, seconded by Councilwoman Kuncken, and unanimously carried by voice vote the meeting was adjourned at 8:55 P.M.

Approved:

Linda Chirip  
Deputy Clerk for  
Ellen Horak, RMC  
Borough Clerk