

## BUDGET MEETING OF FEBRUARY 22, 2014

Mayor Cosgrove called the meeting to order at 8:30 a.m.

**PRESENT:** Mayor Cosgrove, Deputy Mayors Dunay and Lefkowitz, Councilmembers Peluso.

**ABSENT:** Councilmember Swain

**ALSO PRESENT:** Manager Van Kruijning, Municipal Clerk/Deputy Manager Kwasniewski, CFO Palermo and Attorney Mondello.

Municipal Clerk / Deputy Manager stated that Councilmember Swain had texted her that she was ill and asked if it would be possible that they hold off on any major budget decisions until she could weigh in. Municipal Clerk / Deputy Manager told her that she would relay the message to the Council. She also told her that a copy of the meeting disc would be made for her.

### **BUDGET REVIEW:**

Manager Van Kruijning distributed the updates and reviewed each change. These were items that the Council discussed and has either increased or decreased.

CFO Palermo said there was an increase in anticipated revenue. At the last meeting they discussed all of the revenues which are based on the final figures of 2013. They can not anticipate more than what they received in cash. The net effect on the Tax Rate was a decrease of \$264,500.

CFO Palermo advised that the State has now announced the Minimum Library Tax. She has now included the 2014 number from the State. They do in fact fund the Library over this minimum.

Councilmember Peluso wondered about the Third Party Billing. Manager Van Kruijning stated that on the average the amount will be between \$20,000 and \$40,000 a month. Medicare makes payments quarterly.

CFO Palermo spoke about the assessed evaluation which is also changed by \$1.4 million. Manager Van Kruijning said the average assessed home will have an annual increase of \$42.08.

Manager Van Kruijning reported that the DPW came in and opened up the parking lot and cleared the corners. He has brought in the DPW to work two nights in order to clear out the intersections. The Road Department came in last

night to do minor salting. The men will be given tonight off because they need breaks. They will pick up again in the next few days. That would give them five days to get the roads cleaned up in the most dangerous areas. They have also been trying to get the potholes repaired. He believed the contractor that was called in was able to fill the larger potholes. Currently they are working on a program where the road resurfacing contractor from 2013 is willing to give to the Borough an operator, a hot box, a paving machine and a roller. The DPW will coordinate with this contractor. Manager Van Kruijning explained that the DPW Superintendent informs the County of how bad the road is then have to wait 24 - 48 hours for a response, then the DPW will go out and do it themselves. That will come out of the \$200,000 which has been budgeted. The purchase of the asphalt will be the Borough's responsibility.

Deputy Mayor Lefkowitz thought there should be a legal agreement for using the equipment. Manager Van Kruijning said he will take care of it.

Health & Human Services Department - Health Officer Wagner was present. Manager Van Kruijning pointed out the increase under the salaries and wages which is for the hiring of a full time health inspector. There are two personnel changes. Mayor Cosgrove thought they did not need to go line by line with these departments. Councilmember Peluso asked about newsletter printing where in 2013 they budgeted over \$7,000 and now in 2014 they are only budgeting \$200.00. Health Officer Wagner said that the \$7,000 was donated to the Borough by Columbia Savings Bank. Manager Van Kruijning said that it comes out of an expense in the Health Department budget then Columbia Bank makes the donation back into the account. This is for the Borough calendar.

Deputy Mayor Dunay wondered if Columbia Bank were to not donate this calendar, would the intention be not to do a Borough calendar. Manager Van Kruijning said it would be the decision of the Council and that would be the cost they would be looking at.

Deputy Mayor Lefkowitz questioned what was in the line item labeled "Special". Health Officer Wagner explained that it is the blood screening that they do, but the Borough is reimbursed.

Mayor Cosgrove said that it seems like the Mini Bus does not function well because he gets calls about the absenteeism of the drivers. Health Officer Wagner stated it has been a problem because they don't have a good substitute back up list. The substitute drivers only get paid per diem when they come in and they have other jobs. Since they are not getting paid as well as their other jobs, they take the other jobs. Manager Van Kruijning said the rate the Borough pays ranges from \$11 to \$12. Mayor Cosgrove thought that would be something to look at in the near future. They will have to talk about

implementing the new program. Manager Van Kruijning said the bus has been ordered. Health Officer Wagner added that the Senior Citizens were not happy about a change.

Mayor Cosgrove spoke about the food pantry. Health Officer Wagner said that right after the holidays they are always well stocked. It tends to be a problem in the summer time when they struggle to get through. The Borough has a relationship with St. Anne's helping out whoever needs items in their pantry. CFO Palermo said that Health Officer Wagner not only brings in revenue but has no capital expenses.

Building & Zoning Department - Construction Code Official Bolan and Assistant Zoning Officer Peck were present.

Mayor Cosgrove asked if the Council had any questions for either of them.

Deputy Mayor Lefkowitz questioned what the miscellaneous amount was. Construction Code Official Bolan explained that part of his license requirement was to go to classes. He was also hoping to apply to the committee rating system with FEMA so there will be some expenses that they will incur. Mayor Cosgrove wondered what that does for the Borough. Construction Code Official Bolan said there were a couple hundred houses in the flood zone. Those people in the flood zone will be getting a four to six time increase in their flood insurance. Some people will be getting a \$10,000 yearly bill. When they participate in the CRS program these residents will be getting a deduction in the amount of flood insurance they have to pay. He further explained that the majority of the items in that category are for attending conferences.

Deputy Mayor Dunay wondered about the shared service with Elmwood Park and how that was going. Construction Code Official Bolan felt it was going seamlessly. He can be reached or residents can visit him in either office. A bit of income has been generated from it. He goes to Elmwood Park either early in the morning or at lunch time. Manager Van Kruijning stated that his office has not received any complaints whatsoever. He felt it was working out very well.

Construction Code Official Bolan said in the shared service with Elmwood Park the only person they share is himself and he holds three positions in each municipality, the Construction Official, the Building Subcode and the Zoning Officer. In Elmwood Park he is the Zoning Officer and does all of the zoning. In Fair Lawn, Ann Peck is the Assistant Zoning Officer and does 99.9% of the zoning. Deputy Mayor Dunay wondered if in the future they would be an opportunity to try to expand that to become more of a full service instead of a shared service. Construction Code Official Bolan said he had prepared a proposal to do just that. Fair Lawn actually shares personnel who work in both municipalities although they are independently employed by each town. At some point it will

make economic sense to mesh the two together but to do that it would mean closing one of the offices.

Mayor Cosgrove said that one of the problems they have with large shared service is that it counts against the Fair Lawn cap. The State legislature should change if they want shared service promoted. CFO Palermo stated there was no budgetary advantage to it. Construction Code Official Bolan thought where they could make money would be the cost of them to buy his services which could be less than to provide it. If they were to do a true shared service the agreement would have to be such that Elmwood Park would be paying Fair Lawn to provide all of their services but that would be more than what it would cost to deliver those services. He does not know how the permit fees would be shared because Elmwood Park does \$7,000 regularly. Mayor Cosgrove wondered what Fair Lawn's permit total was. Construction Code Official Bolan said the fees totaled approximately \$1.1 million. There are a lot of projects still coming in. There are some things they should take into consideration such as when they take in a fee, it then obligates them to do a scope of work that may not come up for another six months. They receive the revenue one year and do the work the following year.

Zoning - Manager Van Kruijning said there was basically no change in the budget.

CFO Palermo said this department has no capital requests. Manager Van Kruijning stated there was a request for a copier and a computer however the computer was purchase out of the 2013 funding. As part of the copier upgrades the Building Department was able to obtain a copier as they evaluate and transfer out so they did not need to purchase a new copier.

Municipal Court - Court Administrator Cabibbo was present.

Manager Van Kruijning stated this was another department that did not have any capital requests.

Deputy Mayor Dunay questioned the wages line. CFO Palermo explained that she took out the Judges salary from regular salaries and put it into wages. Manager Van Kruijning said there is a line item for a Deputy Municipal Court Administrator. Manager Van Kruijning stated that Court Administrator Cabibbo and Assistant Purchasing Agent Tyls were working tirelessly to get this the debt collection process started.

Deputy Mayor Lefkowitz wondered if Court Administrator Cabibbo thought that e-ticking would save time and expenses. Court Administrator Cabibbo believed that it would save time. It would reduce the budget line item for the requirement of tickets. They would still need a supply but it would be at a minimum. Mayor

Cosgrove said that residents call with complaints of not being able to read their ticket. Court Administrator Cabibbo said that it is basically a hand held device and it automatically enters it into their database so that would save on data entry.

Tax Collector - Tax Collector Lee was present.

Mayor Cosgrove questioned the \$14,000 spent in Equipment Maintenance. CFO Palermo said they separated the Edmunds maintenance and software contracts. Manager Van Kruijning explained to Deputy Mayor Lefkowitz and Deputy Mayor Dunay that the Edmunds System is the tax collection, the water, payroll, purchasing and finance system.

Manager Van Kruijning said there was a request for a new mail machine for the Borough but it is purchased through the Tax Collection Department. He recommends moving forward with this purchase. The Borough now shares the mail machine with the Library.

Municipal Clerk - There are no capital projects for the office.

Municipal Clerk / Deputy Manager Kwasniewski stated the budget was up a little but most of the big increases are out of her control. The Borough has to reimburse the County for Election costs so it is driven by the number of voters. They still have not been reimbursed for the Special Elections. The Borough had to submit the forms last year but then received an e-mail that most of the seventy towns had not submitted the forms correctly. She found that hard to believe. She thought it was another delay. Mayor Cosgrove wondered if they should pass a resolution in regard to this. Municipal Clerk / Deputy Manager Kwasniewski said that she could send a letter on behalf of the Council.

There was a unanimous consensus to authorize Municipal Clerk / Deputy Manager Kwasniewski to send a letter to the State legislators on behalf of the Council.

Municipal Clerk / Deputy Manager Kwasniewski said she had no control over codification or advertising both of which are driven by the number of ordinances adopted.

Deputy Mayor Dunay questioned the miscellaneous line item large jump in the amount. CFO Palermo said it was for the paperless agenda. She will put it in another line item. Manager Van Kruijning said he hoped by the end of the year to have the paperless meetings working.

Finance/Payroll - CFO Palermo said the big line item in her budget is Professional Services which is the Audit fee. The other large item is the Contractual Service and that is the software cost for Finance. It is the requisition and payroll systems.

Manager Van Kruijning stated that Finance has no capital requests.

Deputy Mayor Dunay questioned why the Contractual Services were bounced around and if it was due to the system change in 2012. CFO Palermo stated that the system was changed in 2012. Manager Van Kruijning explained that the old system along with the new system were operated to make sure everything went smoothly and that is why there is a heavy hit in that one year.

Mayor - Municipal Clerk / Deputy Manager Kwasniewski stated that she put the budget together based on experience. The biggest item is Professional Services because they do not know what will happen during the year.

Councilmember Peluso wondered if the Tax Attorney would be under Professional Service. Manager Van Kruijning explained that is under Tax Assessor. Municipal Clerk / Deputy Manager Kwasniewski said that certain projects come out of the Mayor and Council Professional Services. The Open Space professionals come out of that line item.

Manager / Purchasing / Cultural Affairs - Councilmember Peluso wondered if the increase in salaries is for the Deputy Manager. CFO Palermo explained that in 2013 they moved a person into the position of the Secretary to the Borough Manager because that was not a position that was funded in 2013.

Manager Van Kruijning noted the IT Contractual Services is for the entire Borough excluding the Police and underneath his department. The copiers were covered in this budget. Fair Lawn TV does not have a line item but the Assistant Purchasing Agent, Ms. Tyls, works with them and does a great job.

Manager Van Kruijning explained that the cellular service under his budget is for Borough wide use including the internet excluding the Police. However he does cover the cell phones that are assigned to the Police.

Manager Van Kruijning said his capital item was for the Open Space Grant \$20,000 match for the Columbia Heights former Rescue Building Passive Park request.

Manager Van Kruijning spoke about time reporting. His intention is to implement time card machines throughout the Borough which would mean scan in and scan out which will be downloadable in to the Payroll system for tracking. Mayor Cosgrove asked if it would be the new hand scan system. Manager Van Kruijning said there are many different types of systems. It will

be for every employee in every department. The system will be placed in the individual facilities. The employee will be able to scan in and scan out at any facility that they go to. CFO Palermo said that one of the things that were brought up about the finger scanning was the outdoor water employees would not be able to scan properly. Manager Van Kruijning stated that it was recommended to go with a key fob or a keycard system. It can be used both ways. Mayor Cosgrove said it would be better if it was indentified to that individual because they have all seen what happens.

Manager Van Kruijning said that the servers are a big expense item. He was looking at going to the cloud. They are working with the Police to work on the same scanner. The only issue the Police have is securing their data. There are more restrictions on their data. He said they will not be putting money in to hardware because everything will be saved to the cloud. Technology has gotten better with every year.

Manager Van Kruijning spoke about Building Security which will be tied into the time reporting system. The key card access system will allow a complete lockdown of the building in the event of an incident. He thought it would be good to start with the Municipal Building and the Community Center. He has begun speaking to a couple of vendors. Deputy Mayor Lefkowitz suggested they work with the schools. Manager Van Kruijning said that would be something they could bring up at their Shared Service meeting.

Councilmember Peluso wondered what the annual fee would be. Manager Van Kruijning stated that once they purchase the system, which would be the locking mechanism on each door and everything is internet based. Councilmember Peluso wondered if it would be on every door. Manager Van Kruijning said he would not put it on interior doors but any door that the public has access to.

Deputy Mayor Dunay stated he appreciated the need for security in this building and other Borough owned buildings. He wanted to hear Manager Van Kruijning say that this is where they should spend the money. Manager Van Kruijning understood it was expensive but they do not have to spend it all at once. They can do it on one building. Mayor Cosgrove suggested looking in to a shared service with the Board of Ed and coming back with a full plan. He thought maybe a security review by himself and the Chief of Police is necessary. Then come back next year with it under the capital budget.

CFO Palermo explained that the capital plan is not in the budget. All this does is authorizes the Council to let the State know that this is in the plan. It does not mean they have to follow this plan.

Manager Van Kruningen stated he was comfortable with decreasing the number and getting a security consultant to come in to do an evaluation to see what benefits the Borough best and what they should have. He thought that would be something to bring to the Shared Service meeting to show what the Borough would be doing. He felt they could reduce this amount to \$50,000. Mayor Cosgrove said he would personally like to see it that way because it seems like a great idea especially in light of the situation that exists. CFO Palermo said that a consultant would not be part of the capital budget.

Councilmember Peluso felt they should go with a consultant and that security should be installed in the schools first.

After further discussion, it was agreed that the Capital budget would be decreased by \$300,000. The Borough Manager would explore finding a consultant and this matter would be discussed with the Board of Education.

Tax Assessor - Tax Assessor Henderson was present.

Manager Van Kruningen said that the Tax Assessor's office did not have any capital requests.

Councilmember Peluso spoke about the contractual services. Tax Assessor Henderson explained the increase this year. What he has done is made cuts to the budget he has forfeited half of his contractual services and appraisal services. He has appeals dating back to 2009 where he still has money in the appraisal budget that he carried over because the appeals remain pending. He had the luxury of being able to give up a little bit of money. He has seen an increase in appeals in 2013.

Councilmember Peluso wondered if there were more commercial appeals. Tax Assessor Henderson agreed there were more commercial appeals.

Mayor Cosgrove wondered if the tax appeals on the residential's has gone down. Tax Assessor Henderson said that last year they had two hundred appeals but not many were successful. He was able to defend the numbers and going forward they will be able to continue that.

CFO Palermo talked about the department's line items that they have not discussed.

Community Service Act - CFO Palermo said it was a requirement of the State that they reimburse the condo associations for snow removal and garbage costs.

Mental Health Services - CFO Palermo stated that it is a contractual agreement for the employee assistance program. Councilmember Peluso wondered how many employees use that service. CFO Palermo said they do supply a report. Manager Van Kruijning said that he just received a report about an intervention. They report on the general amount. CFO Palermo stated there is also a contribution that is made to the veteran's service bureau. Municipal Clerk / Deputy Manager Kwasniewski questioned the donation to Care Plus that was always made. CFO Palermo said that they do make a donation to Care Plus and the other amount is for the EAP.

Animal Control - Manager Van Kruijning said the operating expenses come out of the Health budget. It is maintained by the Police Department. CFO Palermo said it has its own trust account and the revenue generated from the sale of the licenses all goes to offset running the pound. It is a trust established by the State and must be sustainable. Deputy Mayor Dunay wondered why the amount was going from \$103,000 to \$141,000. CFO Palermo said that once again it was an employee who was out and was coming back.

Postage - Manager Van Kruijning stated that postage has increased so there is an increase in that line item.

Unemployment Fund - CFO Palermo explained that the Borough is self funded and it is a set amount. It goes into the unemployment trust account.

Utilities - Councilmember Peluso questioned the cost of gasoline. Manager Van Kruijning explained that the rate of gasoline went up because it involved more usage because of the storms. Not only is there an increase in the cost of the gas but also the amount of gas used has increased.

Telephone and Equipment - Mayor Cosgrove questioned the increase in that line item. Manager Van Kruijning said that it is the specialty lines for the Police for communications. Mayor Cosgrove thought that it had something to do with the copper wire and the antenna replacement. Manager Van Kruijning explained that there are now dedicated lines that replaced the copper lines for Police radio communication. Mayor Cosgrove explained that they were having transmission problems on Police radios where they were cutting out. Funds were allocated to buy a new antenna but then they found out that the phone lines were old and made of copper which was the problem.

Garbage Trash - Manager Van Kruijning stated this is the new garbage contract. They will be picking up the Promenade units and they will have to anticipate that. Deputy Mayor Dunay wondered when this contract would be up for renewal. Manager Van Kruijning informed him that this contract was just done in 2014 for five years. Councilmember Peluso wondered if they could

negotiate it beyond the five years. Manager Van Kruijning advised him that the State regulations do not allow the Borough to do that.

Contingencies - CFO Palermo stated this line item allows the Council the ability to transfer into a contingent if they had enough money to support an unforeseen event.

Passaic Valley Sewer Commission - CFO Palermo stated this was the sewer bills for Passaic Valley Sewerage Commission. Mayor Cosgrove said he received a letter from the Mayor of Woodland Park, Keith Kazmark, about the Passaic Valley Sewerage Commission increasing fees and asking for support from towns that are involved

Mayor Cosgrove asked CFO Palermo to review what is in and outside of the cap. CFO Palermo said once they finish the budget she will address that.

LOSAP - Manager Van Kruijning explained what LOSAP was. Out of 300 volunteers only about 125 qualify each year.

Library - CFO Palermo said they have already gone through the Library budget but pointed out the \$2,333 million that the Borough funds the Library and the State minimum is \$1,465 million.

Grants - CFO Palermo said there may be a change in this line item before the budget comes out if in fact she does get more grants prior to the introduction of the budget.

Capital Improvement Fund - CFO Palermo explained the State requires a 5% down payment for all the capital projects. As they increase or decrease the projects, this amount is subject to change.

Purchase of Vehicles - Manager Van Kruijning said he evaluated the entire fleet. He is trying to eliminate handing down Police cars to other departments because of the maintenance costs. He is now looking at three fuel efficient vehicles. He explained that these vehicles would be replacing one of the Building inspector cars, the Property Maintenance vehicle and Fire Prevention.

Debt Service - CFO Palermo stated this was the established payment of the bonds and the bonds that the Borough currently has on its books. Mayor Cosgrove said in Community Development they were able to refinance their bonds to get a lower rate.

Emergency Authorization - CFO Palermo explained the first one is reassessment which the State allows municipalities to pay over a five year period and this is payment number three. The other item is ordinance funding. This is cash spent

on ordinances that are longer bondable because they are more than five years old.

Reserve for uncollected taxes - CFO Palermo stated this is a State requirement that they have this line item. It is a form that she fills out and complete with the budget.

Cap Levy - CFO Palermo explained the exception to the cap rule which is excluded from the cap calculation.

CFO Palermo stated that an increase in health insurance costs which they experienced this year is an exception to the cap levy. As is the increase in the PERS, pension obligations. The recycling tax and the current special funding for the reassessment are all cap exceptions.

Salary & Wages - Manager Van Kruijning stated the positions have previously been discussed but he wanted to go through them again to answer any questions they may have.

Construction Code Official - he recommended \$22,500 for the next four consecutive years which is the length of the shared service agreement. Elmwood Park pays the Borough of Fair Lawn \$54,000 annually to share the Construction Code official.

There was a unanimous consensus to authorize a stipend in the amount of for the Construction Code Official.

Deputy Court Administrator - There was a unanimous consensus to authorize a stipend in the amount of \$5000 for year 2014 and \$5,113 in years 2015 and 2016.

Engineering - There was a unanimous consensus to authorize the Manager to hire a part-time, as needed Assistant Engineer at a salary of \$45.00 per hour.

Councilmember Peluso would like a report at the end of the year on how many times this person was used. Manager Van Kruijning agreed to supply a report.

He clarified that the \$20,000 was only budgeted to be used as needed, such as when there are increased inspections due to new construction projects.

Inspector - There was consensus to approve a line item of \$20,000 for a part time Inspector in the Building Department to be used on an "as needed" basis.

Finance - Manager Van Kruijning stated that this line item was put in the event that the current employee in Finance becomes the fulltime OEM Coordinator/Emergency Services Director. Mayor Cosgrove stated that he did

not see the need for a fulltime OEM Coordinator. Councilmember Peluso agreed. Deputy Mayor Dunay clarified that this transfer at an increased rate would allow the individual to spend 100% of her time in OEM and a new employee would have to be hired in Finance. CFO Palermo stated that was correct.

Deputy Mayor Lefkowitz asked if having a part time OEM Coordinator was working. Manager Van Kruijning stated that it was. Deputy Mayor Lefkowitz agreed that the position should remain part time.

There was consensus to keep the OEM Coordinator position part time.

CFO Palermo stated that since there will now be a \$45,000 reduction in the Budget, she would like to take \$15,000 and add it to the Council's Special Projects fund for the security consultant.

There was consensus to allow CFO Palermo to add \$15,000 to Special Projects.

Manager – Manager Van Kruijning stated that the Administrative Support Specialist stipend was eliminated in lieu of a Keyboarding II. The position of Assistant to the Manager will be responsible for handling special assignments. Municipal Clerk/Deputy Manager Kwasniewski handles issues regarding personnel, contracts and things of that nature that an assistant is not able to do. He expressed concern that a Keyboarding II title requires supervision. When he assigns special projects, the employee will be working on his own. A Keyboarding II employee will have to come back to him all the time which will slow down the day to day operations. This person will be working on the phone system, IT, the security system and scheduling special events. If the position is left at Keyboard II, they would not be able to make any decisions. He needs to count on the assistant to be able to make these decisions. He recommended reinstating the position of Assistant to the Manager. Mayor Cosgrove said this position was the one that Manager Van Kruijning used to have. Manager Van Kruijning said there was a temporary person in that position for six months but they are no longer here. Municipal Clerk / Deputy Manager Kwasniewski stated that she does not have the time to take over all of the projects. She did not envision doing every single project on top of what she is already doing as the Municipal Clerk. Mayor Cosgrove thought for \$7,600 they should be able to fund it this year.

Manager Van Kruijning explained that it would be an additional \$7,600 for that position of Keyboarding II. CFO Palermo said the salary would be about \$60,000. She pointed out that in her experience here, if duties are given to someone above their title, there is a desk audit. Municipal Clerk / Deputy Manager Kwasniewski said because of the furloughs and lack of promotion, the employees have used a desk audit. Civil Service gives the Borough the option

to take away the duties but what they have found over the years is if the duties are taken away, someone else still has to do them.

There was a consensus to authorize the Manager to proceed with hiring an Assistant Support Specialist.

Manager Van Kruijning said the promotion from Keyboarding I to Keyboarding II was for his secretary. It is a well deserve promotion.

There was a unanimous consensus to authorize the Manager to move forward with the promotion from Keyboarding I to Keyboarding II.

Municipal Clerk - Municipal Clerk / Deputy Manager Kwasniewski stated that this employee has been in her department for six years, is one of the few Keyboarding I left and consistently performs the duties of Keyboarding II.

There was a unanimous consensus to authorize the Manager to promote the Keyboarding I person to Keyboarding II in the Municipal Clerk's office.

Parks Department - Manager Van Kruijning recommended the promotion from a Laborer to Maintenance Worker Grounds I for an individual who has been with the Borough four to five years. He only hears good thing about this person. This person works well and beyond his duties and it is well deserve.

There was a unanimous consensus to move forward with the Maintenance Grounds I promotion in the Parks Department.

Sewer - Manager Van Kruijning stated this is for the Assistant Supervisor to perform the duties of the Supervisor in his absence. The Sewer Department currently does not have an Assistant because the Assistant Supervisor in the Sewer Department became the DPW Superintendent. It is his recommendation to promote someone within the department to fill the Assistant Supervisor position.

There was a unanimous consensus to move forward with the Assistant Supervisor promotion in the Sewer Department.

Shade Tree - Manager Van Kruijning said they brought before him two promotions but he was not comfortable with one of them therefore he denied that one. The other one the person has stepped up above and beyond and is actually doing duties outside of the Shade Tree. The individual is shared among Shade Tree, Roads, Water and Parks.

There was a unanimous consensus to move forward with the promotion in the Shade Tree department.

Capital Budget - Manager Van Kruijning reviewed each of the Capital requests. There was a unanimous consensus for each of the following items.

Ambulance: Luca machine; Tablets for mobile charting, Defibrillators and Uniforms.

DPW: Replacement of a pick-up truck, Vehicle #937; Sewer Pump Station Rehabilitation; Improvements to the lines, valves and pumps to the Sewer infrastructure, Installation of trees for streets and parks; the purchase of three new recycling containers; Recycling stair replacement; Recycling dumpster painting; and the purchase and installation of street signs.

Engineering: Sanitary sewer improvements; Storm Drain Improvements; Open Space Park Improvement which is the match to the Berdan Grove Inclusionary Park; and Open Space park holder placement in the amount of \$70,000. ????

Fire Department: Mayor Cosgrove stated that he would be abstaining from all of the Fire Department items. Municipal Clerk / Deputy Manager Kwasniewski wondered if a separate bond ordinance would have to be prepared for the Fire Department items. CFO Palermo said she would find out. Mayor Cosgrove stated that according to Attorney Mondello he does not have to abstain because he does not benefit personally from it. Municipal Clerk / Deputy Manager Kwasniewski stated that he could not abstain from the budget because of that one thing. Mayor Cosgrove said that he chooses to abstain because of a comment that was made. Attorney Mondello had given him a ruling that it was alright for him to vote on Fire Department matters.

Mayor Cosgrove abstained voting on the replacement of gear; replacement of one Chief's vehicle; defibrillator and replacement of three gas meters.

Library: Replacement of the bathrooms and the carpeting.

Administration: Open Space Match for the Columbia Heights Park; Time Clock Recording and IT Upgrades Server or Cloud.

OEM: Vehicle and Mask Fit Machine

Rescue Squad: The back in safety guidance for Ambulance Building, Fire Department and Rescue Squad; upgrade to extrication equipment; replacement of personal protective outdated gear; Gas Monitors and support vehicle.

Parks and Recreation: The Parks Department roof repair; fitness equipment; upgrade controls to the HVAC system; replacement of carpeting in the theater

and card room; online registration software for Recreational programs; and upgrade to the arcade games at the Community Center.

Planning Board: Master Plan payment.

Police Department: Replace work stations in the Detective Bureau; Communications Center Work Stations; Driver feedback sign; computers; laptop computers for the Police cars; Communications Center battery backup; the lockbox for the individual Police cars and E-ticketing for fourteen Police cars.

Tax Collector: The mail machine.

Roadway Improvements - Roadway and parking lot improvements.

Water Capital:

Water Utilities - Replacement of the backhoe

Engineering: Well and Pump Station Rehabilitation; the water system improvements; and the well house and pump station renovations.

Water Utility Budget Recap:

Deputy Mayor Dunay wondered if there were any employees that were employed directly with the Water Department. Manager Van Kruningen replied yes. Deputy Mayor Dunay stated that some of the salaries and wages are the Water Utility employees and some of it is allocation from salaries and wages. CFO Palermo explained that under Municipal Budget Recap there is the salary allocation. There is a new employee in the Water Generation.

Water Utility Budget - Manager Van Kruningen stated that there has been no increase in the water rate since 2010. He projected the revenue if there was an increase of .10 cents from \$5.50 to \$5.60 then an increase from \$5.50 to \$5.75. Deputy Mayor Dunay stated that one of the lessons he took from the parking situation is that there is a strong preference among residents for gradual increases of two to three percent over a long period of time rather than rather large increases periodically. Perhaps they as a Council should try to get in a habit of increasing the rate slightly every year rather than raising it in larger amounts.

CFO Palermo concurred. Mayor Cosgrove commented that they are working with a deficit in the amount of \$91,000 on the Water Utility. CFO Palermo stated that the slight increase would bring in \$94,000. Mayor Cosgrove spoke about how the increases would affect the budget. Manager Van Kruningen stated if they have a rainy summer the water use would be down. Municipal Clerk /

Deputy Manager Kwasniewski said residents came in during the drought and wondered why they needed an increase because they were not using that much water. CFO Palermo said it operates on an annual basis so if there is a deficit within the year she would cancel water purchases. The surplus would not be able to be used. This is a carefully watched budget, especially in December. They cannot operate the water utility in a deficit and use any fund balance in surplus.

Deputy Mayor Lefkowitz spoke about the average water usage is \$440 a year. She stated if the .10 cent increase were to take place that would add to the annual bill approximately \$6.40.

Mayor Cosgrove asked that Municipal Clerk / Deputy Manager Kwasniewski put this matter on a future Work Session. There is no doubt that they will be operating in a deficit if they don't discuss.

Municipal Clerk / Deputy Manager Kwasniewski said they need to do this sooner than later. It has to be done by ordinance. The longer they wait the less revenue would be brought in. Mayor Cosgrove put it on the next Work Session.

Manager Van Kruijning stated they would proceed as was proposed using the surplus for the Water Utility.

CFO Palermo said the only change she was making was the decrease to the salary and wages in the amount of \$45,000 for the position and the increase to the Mayor and Council budget for the Security Consultant in the amount of \$15,000.

Deputy Mayor Lefkowitz thanked them for the eloquent budget presentation. Keeping in mind that any dollar amount increase affects the residents, she wondered if there was anything else that could be modified in any way. Manager Van Kruijning stated no. Mayor Cosgrove stated that based on what the original requests were and where they are now, Manager Van Kruijning has cut over a million dollars. Manager Van Kruijning said in the Operating Budget the requests were \$1.1 million and the promotion requests, salaries and additional personnel were reduced significantly. The Capital Budget requests were also reduced.

Deputy Mayor Dunay stated this was his first budget process. He was pleased to see that they operate quite conservatively. He worries that every year they scrape by. He realized that they will never be in a position to do anything creative or interesting or reinvest in a big way through the operating budget. He knows that Councilmember Swain wanted them to look at big saving opportunities that could be there. He re-emphasized that as soon as they get through this budget process that they need a presentation from Manager Van

Kruiningen and CFO Palermo at a Work Session on possible ways to save in long term capital expenditures.

The principal that they are paying off this year is now going to reissue a new debt per this capital budget. Over the long term as long as they are paying off long term debt and issuing a similar amount each year they are not increasing the debt over a long time.

He is concerned about the major infrastructure needs that are going to be creeping up at the same time they have a number of buildings and grounds that need to be repaired and he knows they have a lot of recreational facilities that need upgrades. He mentioned the Library that has not seen an update in decades. There are a lot of technologic needs that they should think about upgrading in the Library, Community Center, the Senior Center and the pool. If they are looking at improvements to the pool, they will need to find some debt capacity somehow. The only thing he could suggest was if they could come up with some way to start thinking about what the long term capital outlook was going to be so that they can put guiderails in so that they know that in a certain year they would have to be allocating a certain amount of dollars for various projects. He thought it would be helpful to look at what the long term capital needs will be and the long term debt. He thought with the low interest rates it may be the time to reinvest in the Borough in a large way that has not been done in awhile.

Mayor Cosgrove thought they should put this matter on a future Work Session and he thought that the Manager, the CFO, Municipal Clerk./ Deputy Manager along with Councilmember Peluso and Deputy Mayor Dunay should try to work on a long term plan. It is a work in progress. Manager Van Kruiningen agreed with Deputy Mayor Dunay and Mayor Cosgrove's statements. He felt it was very important. Councilmember Peluso stated that they found there is not much wiggle room in the budget. Fortunately they were able to find two sustainable sources of revenue. Mayor Cosgrove said this is something they definitely have to discuss further.

#### **BUDGET RECAP:**

Mayor Cosgrove suggested giving Councilmember Swain a disk of the meeting to listen to and she can weigh in via email. Manager Van Kruiningen stated that he would like to introduce the Budget on March 11th. Deputy Mayor Dunay suggested addressing any outstanding Budget issues at the March 4th Work Session. Manager Van Kruiningen stated that he will respond quickly should Councilmember Swain submit any questions via email.

There was consensus to introduce the Budget on March 11th.

Deputy Mayor Dunay asked what their risk was if the estimates for self insurance were off. He asked CFO Palermo if she felt comfortable with what was budgeted. CFO Palermo stated that they have two back up supplemental insurance policies that would be used in the event of a catastrophic case.

CFO Palermo stated that she will prepare the Capital Budget and submit it with the Budget as required. She recommended proceeding only with the road resurfacing ordinance at this point because of the timing. She asked if there were any reservations with her proceeding with the other items. Mayor Cosgrove felt they should proceed with everything. Deputy Mayor Dunay asked if they were only authorizing a down payment. CFO Palermo confirmed that.

There was consensus for CFO Palermo to prepare Bond Ordinances for all the Capital items approved.

#### **MISCELLANEOUS PUBLIC COMMENTS:**

Rich Siebel, 33-07 Halsey Road, complimented everyone for a great job on the budget. He questioned the substitute bus driver for the mini bus. CFO Palermo said that they had a .10% decrease in all salaries so she could amend the salary ordinance. Mayor Cosgrove said that he receives many calls about the mini bus not working. Manager Van Kruijning stated that the Board of Ed pays more for the drivers. He will come back with a recommendation. Councilmember Peluso thought if they could find a Veteran with a CDL that maybe they could raise funds through one of the organizations.

Mr. Siebel questioned the number of calls the Ambulance Corps makes per year. On average they handle five calls per day. Mayor Cosgrove said that the Fire Department responded to 900 calls a year. Manager Van Kruijning said there have been times the Ambulance Corps has had 14 calls in eight hours.

Mr. Siebel spoke about the condition of the roads. There are so many potholes. Manager Van Kruijning stated that five years ago the amount of money spent on road paving went three times further. Mayor Cosgrove stated that the other night they allocated \$200,000 for snow plowing and repair of potholes. Manager Van Kruijning said they could take the \$300,000 to eliminate in the capital budget and put it in to roadway improvement fund.

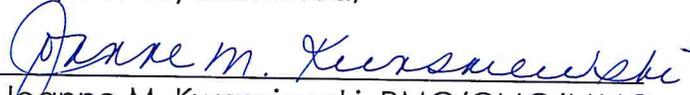
The consensus was to reallocate the \$300,000 in the roadway improvement fund.

Craig Miller, 5 Ramapo Terrace, thought the County should reimburse the Borough for pothole repairs and that the Police Department could do the security analysis. Manager Van Kruijning disagreed indicating a professional would give a better analysis.

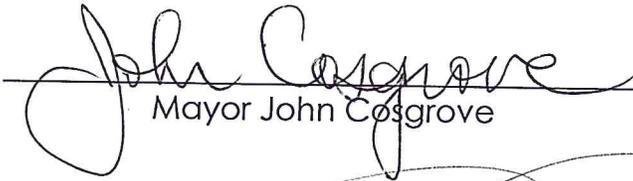
**ADJOURNMENT:**

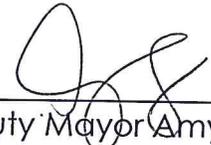
Upon motion by Councilmember Peluso and a second by Deputy Mayor Dunay, the Budget Meeting was adjourned at 12:10 p.m.

Respectfully submitted,

  
Joanne M. Kwasniewski, RMC/CMC/MMC  
Municipal Clerk/Deputy Manager

The undersigned have read and approve the foregoing minutes.

  
Mayor John Cosgrove

  
Deputy Mayor Amy E. Lefkowitz

  
Deputy Mayor Daniel Dunay

  
Councilmember Kurt Peluso

Absent  
Councilmember Lisa Swain

