

BUDGET MEETING OF FEBRUARY 10, 2015

Mayor Cosgrove called the meeting to order at 7:00 p.m.

In accordance with the Open Public Meetings Act, notice of this Budget meeting of the Borough of Fair Lawn was published in "The Record" issue of February 6, 2015. Notices were also posted on the bulletin board located on the first floor of the Municipal Building; copies were mailed to The Community News and posted on the Borough of Fair Lawn website.

PRESENT: Mayor Cosgrove, Deputy Mayor Dunay (Late), Deputy Mayor Lefkowitz, Councilmembers Peluso and Swain.

ALSO PRESENT: Manager Van Kruijningen, Municipal Clerk/Deputy Manager Kwasniewski and CFO Palermo.

BUDGET OVERVIEW:

Auditor Steven Wielkotz was present.

Manager Van Kruijningen advised that they had hired temporary people in the Finance Department, but one of them resigned from the position in January. They would like to offer the part timer a full time seasonal position for six months with no benefits. After 90 days this person will be evaluated. This position is budgeted for the entire year.

There was a unanimous consensus to hire the part time person as a full time seasonal employee for six months with no benefits and to be reviewed after 90 days.

Manager Van Kruijningen stated that in the last six or seven weeks it has been a pleasure working with Auditor Steve Wielkotz. He not only knows the employees but knows the town as well.

Auditor Wielkotz stated they have had a number of meetings about the budget. They were able to get the Municipal Tax Increase down from \$34 to \$28 for a savings of \$7 per quarter to the average homeowner. Based on the economy and other municipalities, getting under the cap without triple digit increases in municipal taxes is good news for everyone.

The water utility is self sufficient, self liquidating and generated surplus last year so that budget is balanced.

They are continuing to regenerate surplus which is why it was increased from \$3

million to \$3.5 million this year.

There is short term debt which they need to go out to market and make long term. Surplus will help the Borough's rating.

Auditor Wielkotz stated that Fair Lawn would be the first of the municipalities that he serves to introduce a budget this year. He felt there is stability in the Administration and the Finance Department where people are allowed to do their jobs and allowed to do what they need to do. The result is that Fair Lawn has a structurally balanced budget. Everything that needs to be funded is funded. They have not done anything that would cause fiscal stress in later years

Councilmember Swain stated that Auditor Wielkotz mentioned that in 2014 they generated over \$4 million in surplus. She wondered what they could generate in 2015. Auditor Wielkotz stated he did not see anything that will be a onetime generator. Fair Lawn has a great Tax Collection rate which is 99.15%. They keep the reserve for uncollected taxes at a sufficient level which helps to regenerate the surplus so that using the \$3 to \$3.5 million in the budget will not cause a catastrophe the following year.

Deputy Mayor Dunay stated looking at the budget where it says the tax rate change is only \$16 per assessed valuation. Auditor Wielkotz explained that figure did not include the Library tax. He explained that a State formula was used and they will have to go back and look at it.

A brief discussion took place about the budget form that was used. Last year was a pilot form that Fair Lawn used. Manager Van Kruijning explained it was a working document and is not official. Auditor Wielkotz said that CFO Palermo would have to tweak the budget before it gets adopted. He was not sure where the disconnect was but felt they could thank the Division of Community Affairs for all of the confusion.

Councilmember Swain stated that she had some questions and called the Auditor who got right back to her.

Manager Van Kruijning advised that Auditor Wielkotz felt that if the Council was moving forward with the introduction of the budget by title tonight, he will stay for that portion of the meeting to answer any questions that may arise.

Mayor Cosgrove stated that the introduction of the budget was on the agenda tonight and wondered if the rest of the Council was satisfied.

There was a unanimous consensus to introduce the budget by title tonight.

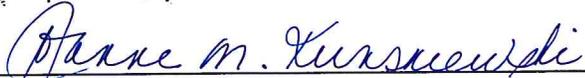
MISCELLANEOUS PUBLIC COMMENTS:

No one wished to be heard.

ADJOURNMENT:

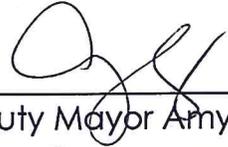
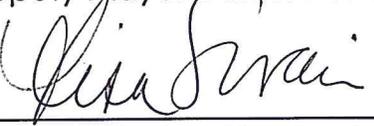
Upon motion by Councilmember Peluso and a second by Councilmember Swain, the Budget Meeting was adjourned at 7: 25 p.m.

Respectfully submitted,



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

The undersigned have read and approve the foregoing minutes.

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|  _____ Deputy Mayor Amy E. Lefkowitz |  _____ Mayor John Cosgrove |
|  _____ Councilmember Kurt Peluso |  _____ Deputy Mayor Daniel Dunay |
| |  _____ Councilmember Lisa Swain |

