

## **BUDGET MEETING OF FEBRUARY 2, 2016**

Mayor Cosgrove called the meeting to order at 7:30 p.m.

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

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

### **BUDGET FINAL REVIEW**

Steve Wielkotz, Borough Auditor was present.

Manager Van Kruijning reviewed the items in the Capital Budget and the Manager's Capital Budget Request. He explained that some items from the Capital Budget were moved to the operating budget. He reviewed personnel requests.

### **MANAGER'S CAPITAL BUDGET**

#### **NAUGLE HOUSE GRANT MATCH**

This is the third and final phase of the matching grant from the County for historic preservation, which will be used for the long term renovations at the Naugle House. He explained the process and noted that they will not see the funding until the end of 2017, with the work taking place in 2018.

Mayor Cosgrove asked Manager Van Kruijning how the 2016 funding for the Naugle House will be used. Manager Van Kruijning explained that the preparation and construction documents have been approved and will be sent out in the spring. Once the documents are prepared they will go out to bid for the construction project, which includes immediate renovations to the home such as building up the foundations, the roof and the exterior. They have also been approved for short term interior renovations to the heating, plumbing and electrical. The Council will need to decide how the house will be used long term.

### **GOLF COURSE**

The total cost of the golf course is \$450,000. If they receive a \$100,000 grant from the County Municipal Park Open Space Improvement fund the cost will be reduced to \$350,000.

He is meeting with the Grant Writer to inquire about other recreational grants that might be available to cover the balance of the project. Councilmember Swain asked if the Manager thought the golf course would cost the full \$450,000. Manager Van Kruijning stated he did. He noted, though, that Paramus's golf course brings in up to \$250,000 in revenue each year. If they can bring in half that amount the project will pay for itself in three years.

Councilmember Swain asked about using Open Space funds. Manager Van Kruijning clarified that the funds he is referencing are from the County's Open Space and Recreation Funds. They cannot use their municipal open space funds. If they receive the grant the Borough will bond the \$350,000. Deputy Mayor Dunay asked that this be put on a Work Session agenda to review what the stipulations of the Open Space referendum were, an update on the open space inventory and the amount of funds left in the Open Space account.

Deputy Mayor Dunay would like to see analysis on the golf course, as he does not think they will achieve an annual revenue of \$100,000. Manager Van Kruijning stated that he will send the Council the statistics regarding Paramus' golf course. Councilmember Swain suggested they discuss it at the next Work Session. Manager Van Kruijning stated that the golf course will be open seven days a week from 12:00 p.m. to 10:00 p.m. during the summer hours, with reduced hours in the spring and fall. Mayor Cosgrove noted that since there are hundreds of kids at the Complex for sporting events the potential for customers is there.

Councilmember Swain asked if any other towns had golf courses. Manager Van Kruijning stated that Paramus was the only one. The golf course would provide a different leisure activity for children and families that did not participate in sports. If they receive County funding the course would have to be open to all County residents. He asked Municipal Clerk/Deputy Manager Kwasniewski to add this to a March Work Session agenda.

## **IT UPGRADES**

These are the continuous upgrades that are shared between the Borough, the Police Department and the outside satellite facilities of the Borough.

## **VARIOUS GRANT MATCHES**

This line is a place holder for items requiring a minimal match that come up during the year, such as a \$5,000 Sustainable Grant requiring a 20% match. In the past the funds would be pulled out of various accounts such as the Mayor and Council's budget. This will help to better define expenses.

**COMPUTER SOFTWARE UPGRADES**

This line pertains to the Microsoft licensing and software renewals for the entire Borough, which are expiring on December 31, 2016. This will allow all Borough Departments to upgrade to the same version of Word.

**CAPITAL BUDGET**

The long term Financial Planning Committee reviewed expenditures in the Capital Budget for items that could be moved into the operating budget and be paid off within the calendar year, instead of paying over several years through bonding. He reviewed the items with the Council and noted that CFO Palermo has moved \$99,200 in the Operating Budget to cover their cost.

**WATER BUDGET**

Two items were moved from the Water Capital into Water Operating: Trash Pumps, which pump water out of water main breaks and an End Scope that checks leaks in valves and water lines.

Councilmember Peluso asked Manager Van Kruijning and CFO Palermo to keep track of the items moved out of the Capital Budget so they could see how much the Borough saves. He asked if Manager Van Kruijning had explored leasing computers instead of purchasing them. He noted that more companies were going in that direction due to the quick turnover in technology. Manager Van Kruijning stated he has not but he will look into it. Councilmember Swain thought that option would end up being more expensive. Deputy Mayor Lefkowitz stated they needed to make sure they looked at security when computers are turned back in.

Councilmember Swain asked if any other items were considered. Manager Van Kruijning stated that after reviewing every item they asked for the Auditor's recommendation and they all agreed that \$100,000 was a good amount for this year. They will revisit this next year. CFO Palermo stated they did not change any items that were on three year plans.

**PERSONNEL****MUNICIPAL COURT**

There is a request for a promotion to Deputy Municipal Court Administrator. The clerk, who has State certification, is paid an additional hourly rate when the Court Administrator is absent. He stressed the continuity of Government. He

recommended making this advancement, which is not considered a promotion by the State. The effect on the 2016 budget is \$3,700.

The consensus was to approve the promotion.

## **DPW**

### **DPW ADMINISTRATION**

There is a request to promote an employee from Keyboarding 11 to Keyboarding 111, which requires the employee to be able to work with limited supervision and take on additional tasks within the Department, which has occurred. The effect on the 2016 budget is \$2,153.

The consensus was to approve the promotion.

### **DPW ROADS DIVISION**

There is a request to promote a Public Works Repairer to Senior Public Works Repairer. He conferred with the Department Head and recommends the promotion. The effect on the budget is \$2,793.

Deputy Mayor Dunay asked if the amounts being quoted will be close to the amount that is paid each year. Manager Van Kruiningen stated they were. The promotions are paid over a three year step so they will affect the 2016, 2017 and 2018 Budget.

The consensus was to approve the promotion.

## **RECREATION**

There is a request to promote a Keyboarding 11 to a Keyboarding 111. This person will oversee the online registration program. The effect on the budget is \$2,384.

The consensus was to approve the promotion.

## **PARKS DEPARTMENT**

There is a request to promote two Maintenance Worker Grounds I to Maintenance Worker Grounds II. Both employees have obtained additional certifications. The effect on the budget is \$2,700 per employee.

The consensus was to approve the promotion.

**FINANCE**

CFO Palermo has asked to move a part time clerk to fulltime Keyboarding I entry level starting in July. The effect on the budget in 2016 would be \$6,000. CFO Palermo stated that she is down three fulltime employees and has been working with part time staff for quite some time. She now has two excellent employees, one of whom would like to work fulltime.

Councilmember Swain thought they had already discussed this. Manager Van Kruijning explained that the Council approved two part time employees with the understanding that CFO Palermo would evaluate whether they would become fulltime. CFO Palermo explained that the probation period for fulltime employees was only three months, while there was more time with part timers because they are "at will" employees.

Manager Van Kruijning stated that CFO Palermo is requesting the other part time clerk be moved to part time Accounting Clerk, since she is handling all the accounting responsibilities within the Finance Department. The effect on the 2016 budget is \$2,500.

There was consensus to approve the fulltime Keyboarding 1 position and the promotion of the part time employee to part time Accounting Clerk.

**RECREATION DEPARTMENT**

There is a request to promote a Recreation Leader to Recreation Program Coordinator. The employee is now running all the programs. The effect on the budget is \$1,000.

He would like to move the Assistant Recreation Leader to Assistant Recreation Program Coordinator. The employee will assist with the coordination of Recreational programs. The effect on the budget is \$500.

Councilmember Peluso asked what the employees' salaries were. Manager Van Kruijning stated they were \$76,295 and \$74,454. Councilmember Peluso felt the salaries were high. Manager Van Kruijning stated that is why he decided on a smaller increase. The employees were entitled to file a desk audit for working out of title. He is trying to make sure employees are classified correctly for the work they are doing. They can make the change without a salary increase. Councilmember Swain felt they should do that.

The consensus was to approve the title change without a salary increase.

Councilmember Swain asked what the salaries were for Keyboarding 11 and Keyboarding 111. Manager Van Kruiningen stated that the Keyboarding 11 clerks are paid \$65,708 and Keyboarding 111 would be \$2,153 additional. These titles already exist in the Ordinance. He reminded the Council that there are no salary increases for Blue and White color employees for the next three years so these salaries remain flat.

### **BUILDING DEPARTMENT**

The Construction Official has requested that the Plumbing Inspector, who has all the required certifications, be given the title of Assistant Construction Official/Plumbing Inspector. The employee will be able to perform the functions of the Construction Official in his absence. This is a flat increase of \$5,000 for all three years for the dual title.

The consensus was to approve the promotion.

### **WATER DEPARTMENT**

There is a request to promote a Keyboarding I Clerk to Keyboarding II. The effect on the water budget is \$3,522.

There is a request to promote a Public Works Repairer to Senior Public Works Repairer as a result of an opening due to retirement. The effect on the budget is \$2,816.

There is a request to move two entry level Laborers to Public Works Repairer. The employees are doing above and beyond and have taken on more Public Works repair work. He explained that Laborers start at a low salary, so the effect on the budget is higher at \$7,963 for each employee.

The consensus was to approve the promotions.

### **NEW HIRES**

There is a request for a part time employee to assist the Zoning Board. The total annual salary would be \$12,500.

Councilmember Swain asked what has been occurring to warrant a new position. Manager Van Kruiningen stated that the Department is backlogged and they are struggling. There is an Assistant Zoning Officer and another employee who receives a stipend to assist with the Zoning Board meetings and minutes. The new employee would assist the Assistant Zoning Board officer on a day to day basis.

There is a part time employee helping with Zoning and Building Department work, but both Departments are busy. The new employee would work strictly in the Zoning Department with the Zoning Officer.

The Fire Department Clerk, who receives a stipend of \$3,100 to handle the administrative duties of the Department, is resigning. The Department would like to hire a part time clerk to work one eight hour day per week or two four hour days per week year round. The cost would be \$7,500 per year, an increase of \$4,400. Mayor Cosgrove noted that years ago the Fire Department had a fulltime clerk.

The consensus was to approve the hiring of a part time employee in the Building Department and a part time Fire Clerk.

### **MUNICIPAL COURT JUDGE**

The Municipal Court Judge has requested that his salary be increased from \$25,000 to \$29,000, an increase of \$4,000. The Manager provided salaries for five other Bergen County towns: Ridgewood - \$27,200, Paramus - \$30,000, Westwood - \$43,000, Mahwah - \$49,000, Teaneck - \$70,000.

Deputy Mayor Lefkowitz stated that the promotion increases totaled \$65,000. Manager Van Kruijning stated that the total is \$69,000 with the Judge. The total of all requests for promotions, new hires and advancements totaled \$244,000. Even with the proposed promotions, there was a \$368,000 reduction in 2016 Salary and Wages. Deputy Mayor Dunay noted they were now paying a Recycling Contractor. Mayor Cosgrove stated several long time Police personnel retired and were replaced with younger officers at a lower salary. Councilmember Swain asked how many employees worked for the Borough. Manager Van Kruijning stated there are 270 fulltime employees, including the Library. This is 94 less employees from 2009 or 2010.

Councilmember Swain noted that she has previously expressed her thoughts on the Municipal Judge.

The consensus was to increase the Judge's salary to \$27,000, with Councilmember Peluso and Councilmember Swain dissenting.

### **RECAP**

Manager Van Kruijning stated that Tax Assessor Henderson will have the official numbers tomorrow morning, but the evaluation is expected to be slightly higher. The Council will be apprised once the new figures are received.

Councilmember Swain asked about the surplus. Mr. Wielkotz stated that at the end of the year it was \$11.5 million, although at one point it was \$15 million. There was strong tax and revenue collection in 2015, which will help when they sell bonds later this year and their bond rating is reaffirmed. He was hopeful that their rating would move from stable to positive, which would affect their interest rate. They have strong finances, structurally balanced budgets and strong ratable base. The agencies look for between 15% and 20% in surplus for a budget of \$50 million, so their surplus amount will be a positive factor.

Mayor Cosgrove asked if Mr. Wielkotz thought the surplus was at an acceptable level. Mr. Wielkotz stated that although it could be better, the Borough has been able to rebuild while other municipalities have been struggling. The Borough has continued on a path of fiscal stability and fiscal strength with incremental increases in the Municipal Tax Rate and the impact of taxes on the average homeowner, while remaining under the 2% cap. They are the fiscal envy of many surrounding towns.

Councilmember Peluso asked Mr. Wielkotz if there was anything he felt they should be doing differently. Mr. Wielkotz stated there was not. They are being conservative in their revenue projections and in how they appropriate money.

Councilmember Swain asked about revenue from shared services. CFO Palermo explained that the \$20,000 revenue is listed under Miscellaneous Revenue. Manager Van Kruiningen pointed out the smaller town coming to a larger town benefits most from shared services. There is no large revenue benefit to the Borough. Glen Rock would like to share the Borough's fuel system at the DPW Complex and have them perform maintenance on their fire apparatus. Saddle Brook would like to use the Borough's licensed sewer operator. Mayor Cosgrove stated that they have asked the State legislators to remove shared services items from the 2% cap.

Councilmember Swain asked about parking fee revenue for the train station. Mr. Wielkotz stated that they budgeted \$350,000 but actually collected \$474,000.

Deputy Mayor Dunay stated that he was comfortable with the budget. If the assessed evaluation number increases significantly, he felt they should take a second look at the budget to decide if they should still spend \$3.7 million of the surplus instead of letting it build up a little more. Mayor Cosgrove stated they can decide once they see the figures.

Councilmember Swain suggested including the budget pie chart online so the residents can see how money is generated. Manager Van Kruiningen confirmed that the chart will be posted online. He will give a preliminary chart to the Council.

Councilmember Swain stated that she found a Capital Budget information sheet from 2010 that included descriptions of the items they wanted to purchase, which was a useful guideline as to the projected costs for the next five years. Mayor Cosgrove asked Manager Van Kruijningen to provide a description sheet in the future and a copy of the 2010 sheet Councilmember Swain discussed so the Council could see the form.

Mayor Cosgrove thanked Manager Van Kruijningen and CFO Palermo for the great job and hard work on the budget. He thanked Auditor Wielkotz for coming. Manager Van Kruijningen asked if the Council would like a brief recap at the next Work Session to discuss the updated figures from the Assessor. Mayor Cosgrove felt that would be a good idea.

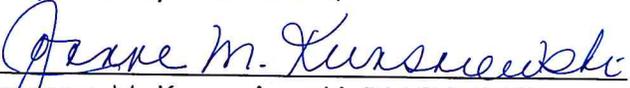
**MISCELLANEOUS PUBLIC COMMENTS**

There were no public comments.

**ADJOURNMENT**

Upon motion by Councilmember Swain and a second by Deputy Mayor Dunay, the Budget meeting was adjourned at 8:55 p.m.

Respectfully submitted,

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

The undersigned have read and approve the foregoing minutes.

  
Mayor John Cosgrove

  
Deputy Mayor Daniel Dunay

  
Deputy Mayor Amy E. Lefkowitz

  
Councilmember Kurt Peluso

  
Councilmember Lisa Swain

