

SPECIAL MEETING OF APRIL 16, 2012

Mayor Baratta called the meeting to order at 5:04 p.m.

In accordance with the Open Public Meetings Act, notice of this special meeting was published in "The Record" issue of April 11, 2012. 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. The notice identified the meeting location and the time of this special meeting.

PRESENT: Mayor Baratta, Deputy Mayors Cosgrove and Trawinski, Councilmembers Peluso and Swain.

ALSO PRESENT: Manager Metzler, Assistant Municipal Clerk Bojanowski and Attorney Mondello.

BUDGET WRAP UP

Manager Metzler stated that the budget numbers reflect the changes discussed at the last meeting. He explained some personnel changes. A clerk who worked in Fire and OEM was moved to OEM and the Health Department. The position of Fire Clerk is already established by ordinance. It was a stipend position for many years, and then it became a fulltime position. The Fire Clerk receives a stipend of \$2,500. Before the position was paid through the OEM budget but that is no longer occurring, so there will be a \$2,500 addition for the stipend for the Fire Clerk. The Fire Clerk is also working in Finance. She performs the Fire Clerk work after hours and attends the Fire Board meetings. CFO Palermo stated there will be a new line in the budget under Fire Salary and Wages.

Councilmember Swain asked why this change was being made. Manager Metzler explained that for many years the Fire Clerk was a stipend position and then became a fulltime position. It is now being returned to a stipend position. Deputy Mayor Cosgrove noted that when the position was fulltime the clerk worked for Fire Prevention and the Fire Department. Manager Metzler stated that the employee was moved to another department. The new clerk split her time between Fire and OEM, but now the time is being split between OEM and Health so there was a void in the Fire Department that has been filled with this stipend position, as opposed to a fulltime employee.

Manager Metzler recommended adding \$8,000 additional in the Capital budget for pagers, which are needed to comply with the Narrow Band regulations. Emergency Services was allowing for a one on one replacement. The Fire Department has had a surge of new members and was afraid they would not have enough pagers. The money will only be spent if recruitment numbers increase. Deputy Mayor Trawinski pointed out that the PESAP Trunk Radio already

complies with the narrow band requirements. The Bergen County Prosecutor has grant funding available through the forfeiture funds for the acquisition of mobile radios that comply with the trunk radio system, which could save them money.

Manager Metzler did not think there would be any objection if they could still be on the same frequency. He encouraged the Council to move forward with the Capital items while he reaches out to the Prosecutor to find out what is available. He understood that the trunking was narrow banded but the pagers that the Fire Department is utilizing are not. Deputy Mayor Trawinski stated that they could look into grant funding for the pagers. He suggested appropriating a sufficient amount anyway.

Mayor Baratta stated that the new budget sheet is completely different from the last sheet they had. Councilmember Swain agreed. CFO Palermo stated that there was a difference because the reassessment numbers came in, and the original budget was prepared with 2010 budget numbers. CFO Palermo explained that the 2011 budget numbers changed because of budget transfers in March. The grant amounts changed as well. Some of the grants require matching funds. She also made an adjustment for the fireworks.

Deputy Mayor Trawinski stated that he was concerned with the minimum Library tax. CFO Palermo stated that was the number given by the State. Deputy Mayor Trawinski asked if anything in excess of that amount was outside the cap. CFO Palermo stated that it is not reported as a Library tax; it is reported as a Municipal Government Tax. This is the amount they have to show on the tax bill, which is not an accurate reflection on the budgeted amount. Deputy Mayor Trawinski stated that they agreed on a Library appropriation of \$2,322,279.00. There has to be a way for them to show Fair Lawn residents that they are appropriating more than the minimum requirement to the Library. CFO Palermo stated that the State requires that they post the minimum amount on the tax bill. Mayor Baratta asked if they could post the actual amount contributed. CFO Palermo stated that she could check with the Tax Collector.

Deputy Mayor Trawinski stated that his calculations show from 2001 to 2012 they have "overfunded" the Library in excess of what the State required for a total of \$7.5 million. He was not suggesting they change that, but Fair Lawn residents should be aware that they are funding the Library over what the minimum requirement is. CFO Palermo reiterated that this is what the State required them to list on the tax form. Mayor Baratta suggested CFO Palermo find out if the State will allow them to print what the actual contribution was. Deputy Mayor Trawinski suggested using a different column such as "Supplemental Borough Funding". CFO Palermo stated that it was called the Minimum Library Tax. Deputy Mayor Trawinski stated that this was misleading to the residents. CFO Palermo stated that the Library funding is listed for the full amount in all the budget documents and on

the website. Deputy Mayor Trawinski reiterated that he would like to see the actual appropriation listed on their tax bill.

Deputy Mayor Trawinski suggested CFO Palermo keep a list of all unfunded capital and operational State mandates, as these costs had a real impact on the residents of Fair Lawn.

Mayor Baratta stated that the Council has had a long time to review the budget and asked if there were any comments or changes. Deputy Mayor Cosgrove stated that he will have to recuse himself from the Fire Department portion since he was still an active member. Mayor Baratta wondered if there was a carve-out for fire fighters and asked Attorney Mondello to check into this further.

Mayor Baratta asked if the Council if they were ready for a consensus on the budget. Councilmember Swain stated that she was not ready for a consensus and wondered if they were set on the numbers. She asked if there would be more changes. Manager Metzler stated that if they had a meeting next week the numbers would change because it was a fluid document. These figures reflected the state of the Borough and the budget as it pertains to where they are today.

CFO Palermo stressed that this was a tight budget and did not allow for any emergencies. Five or six years ago there was more room in budgets but not anymore. Manager Metzler stated that things are tight. This is the new norm of municipal budgeting.

Mayor Baratta stated that residents think the Borough saved on salt and plowing because it has been a warm winter, but they are still paying for storm clean up from Hurricane Irene and the October snow storm. She felt it would be beneficial to have the storm related costs available. Manager Metzler stated that he had a comprehensive spread sheet on Hurricane Irene and he has the final numbers for the October storm as well.

Deputy Mayor Trawinski asked if they had done the best with the items that were under their control. Manager Metzler felt they did. He reiterated that whatever cuts they make to remedy the shortfall next year will be permanent. Quick fixes like furloughs will not work. The changes made by the prior Council helped, but things are going to get progressively worse.

Deputy Mayor Cosgrove asked what the median increase per household would be. Manager Metzler stated that it would be \$128.10, but that did not include County and School Board amounts.

Councilmember Peluso asked how much the Borough saved with furloughs. CFO Palermo stated the projected savings were \$35,000 per day. Manager Metzler

noted, however, that they did not realize that amount because of overtime costs. Councilmember Peluso stated that he would like to know what the actual savings were.

Deputy Mayor Trawinski asked when the introduction and adoption of the budget would occur. CFO Palermo stated that the budget introduction was scheduled for April 24th with adoption on May 22nd.

Mayor Baratta called for a consensus on the 2012 Budget. Councilmember Peluso felt they should review the figures regarding the furloughs as well as salary and wage information on Borough employees. Mayor Baratta asked if he was suggesting furloughs to help with the budget. Councilmember Peluso stated that that he was not suggesting furloughs before he reviewed the numbers. Mayor Baratta stated that she wished he had asked for this information earlier, but she wanted his questions to be answered.

CFO Palermo stated that she will provide the furlough information by the end of the week. The information on salaries was available now. Mayor Baratta asked if Councilmember Peluso was proposing reductions in salaries. Councilmember Peluso stated that he will let her know after he reviewed everything. Mayor Baratta stated they could not reduce salaries because of the contracts in place. Councilmember Peluso stated that he wanted a better understanding of where they were. Mayor Baratta asked how that information would change the budget. Councilmember Peluso stated that there may be some duplicate positions.

Councilmember Peluso thought it would be good idea to cut the Municipal tax increase in half. Mayor Baratta stated that she did not think the Council could go through the salary list as Councilmember Peluso suggested. Councilmember Peluso stated that certain titles had a higher pay than others.

Deputy Mayor Cosgrove stated they started the budget process a month ago. They were here tonight to get the budget done because the timing could not be delayed much further. He wondered about the impact of a delay. Councilmember Peluso stated that they were going to introduce the budget on April 24th. He suggested getting the new information and preparing one budget showing the possible cuts that could be implemented, along with the current budget.

Mayor Baratta stated that they have been working on this process since they adopted the last budget. She clarified his request to present two separate budgets. Councilmember Peluso clarified that it would not be two separate budgets. They would be making changes to this budget. He would review certain numbers that were going to be presented and insert those figures into the current

budget. Councilmember Swain explained that it would be similar to last year when they prepared a budget with furloughs and without.

Manager Metzler confirmed that Councilmember Peluso wanted to reduce the budget by \$1 million dollars. Councilmember Peluso stated he would like to see if it was feasible. He needed to review the numbers first. If \$1 million was too high perhaps they could reduce the budget by \$500,000. He felt the taxpayers would appreciate any reductions.

CFO Palermo stated that the value of a furlough day today would be less than the \$35,000 that it was in 2010 because their workforce has decreased. Deputy Mayor Trawinski stated that they also had to lay off four Police officers because they would not take voluntary furlough days. The Municipal workers' morale was devastated because they had to take 14 days and Library employees took 18 days. With a Police staff of 54, layoffs would not be an option this time.

Assistant Municipal Clerk Bojanowski stated that Borough employees have had to take furlough days and have not had any salary increases. The amount they contribute towards their health insurance has increased. Many of the Borough employees are Fair Lawn residents and taxpayers.

Councilmember Peluso stated that he works at a YMCA. When an employee leaves they cannot afford to hire a replacement. He is currently handling two fulltime positions plus a part time position. He has not had a raise and does not receive any compensation for the extra work he performs. He understands what the Borough employees are going through. It is unfortunate that they have such tough economic times; that is why many people are suffering. However, they cannot keep passing things on to the taxpayers. It is difficult for him to pay his property taxes. An extra \$128 in savings may not seem like much to some people but it does to him and many other residents.

Deputy Mayor Trawinski explained that last year there was no tax increase so part of what they are doing is making up for that zero tax increase. If they continue to be unwilling to increase taxes it will affect their bond rating at some point and ultimately cost the taxpayers more money.

Manager Metzler asked the Council if they wanted him to put together one plan which reduces the budget by \$500,000 and another plan reducing it by \$1 million. Deputy Mayor Cosgrove suggested giving Councilmember Peluso the information he requested and when they vote on the budget they can try to make amendments. He thought it was a good budget and that they should proceed. He would like to lower taxes by 50% but they must face reality that the budget is extremely tight as it is.

Mayor Baratta reminded them that layoffs mean a reduction in services. Manager Metzler stated that if the Council wants him to make the decision as to what services should be cut he will make that decision. If they have something they feel is wasteful they should let him know.

Deputy Mayor Cosgrove asked what happens if they do not reach a consensus. Manager Metzler stated that they will have to add 28 days to the date when consensus is reached. Deputy Mayor Cosgrove asked how that will affect operation. Manager Metzler explained that the Borough was operating under a temporary budget. Deputy Mayor Trawinski stated that if they do not reach a consensus the State will eventually come in and place a monitor in to take over the Borough's operations. Manager Metzler suggested they take a consensus vote as the budget was a fluid document and could be adjusted. They may even get input from the public.

Mayor Baratta asked if anyone needed any additional information. Councilmember Swain asked about the figures regarding self insurance. CFO Palermo stated that she would supply that information. Mayor Baratta asked if there were any additional cuts that she would like to impose. Councilmember Swain stated not right now. Deputy Mayor Trawinski stated if not now, when. Councilmember Swain thought they were voting on the budget next week. Mayor Baratta stated that they needed a consensus to move forward. Councilmember Swain suggested taking a vote to see if they had a consensus. Mayor Baratta stated she was trying to be sure that every Councilmember had the opportunity to get the information they wanted. Other Councilmembers may agree on suggested cuts. She did not want things to be a surprise. Councilmember Swain stated that she wanted to review the budget one more time.

A vote for consensus to introduce the Budget failed to pass, with Mayor Baratta and Deputy Mayor Cosgrove voting in favor, Councilmember Peluso and Councilmember Swain dissenting and Deputy Mayor Trawinski abstaining.

Deputy Mayor Trawinski suggested Manager Metzler speak to Councilmember Peluso to determine the targeted areas for proposed reductions and based upon that number, give the Council recommendations as to how he would make those cuts.

Mayor Baratta reminded the Council that Work Sessions are where they work things out. They put their ideas on the table and discuss them. Sometimes another Councilmember sees something someone else did not.

There was a consensus that Manager Metzler confer with Councilmember Peluso to determine the targeted dollar amount for proposed reductions and report back to the Council with his recommendations as to where those cuts should occur.

PUBLIC COMMENTS

Howard Mark, 12-23 Ferry Heights inquired how much was set aside for the overtime costs for the Fireworks. Manager Metzler stated that the cost of the contractor was \$17,500. They have \$10,000 that can be applied to overtime. Deputy Mayor Cosgrove stated that he will be putting together a committee to work on donations.

Deputy Mayor Trawinski stated that the BIC approved a contribution of \$300 for the Canoe Regatta and \$500 for the Fireworks. Councilmember Swain stated that RRIC approved a donation for the Canoe Regatta.

ADJOURNMENT

Upon motion by Deputy Mayor Trawinski and a second by Councilmember Swain, the Special Meeting was adjourned at 6:01 p.m.

Respectfully submitted,

Marilyn B. Bojanowski, RMC
Assistant Municipal Clerk

The undersigned have read and approve the foregoing minutes.

Mayor Jeanne Baratta

Deputy Mayor John Cosgrove

Councilman Kurt Peluso

Councilwoman Lisa Swain

Deputy Mayor Ed Trawinski