

BUDGET MEETING OF MARCH 25, 2000

Mayor Ganz called the meeting to order at 6:30 a.m. Municipal Clerk Kwasniewski read the statement of compliance with the Open Public Meetings Act.

PRESENT: Mayor Ganz, Deputy Mayor Adler, Councilmembers Amato, Dobrow and Etlar.

Also present: Municipal Clerk Kwasniewski and Chief Finance Officer Eccelston.

Mayor Ganz said this morning's meeting should be the final review of the budget. CFO Eccelston reviewed the changes to date. He indicated that the Police Fire Retirement System is over funded so the Borough's bill has been reduced by \$90,000. He added that \$95,000 of the Recycling Grant has been restored. The Manager has recommended that they defer the jitney service so he has cut \$10,000 from Other Expenses and \$10,000 from Salaries in Public Assistance. When they submitted the budget, it represented an increase of 3.94 tax points or \$75.91 per house. With the changes, the budget is now at 3.2 tax points which is \$60.52 for the average homeowner.

The school budget was discussed. Mayor Ganz asked that CFO Eccelston review the Board of Education budget and make recommendations for cuts. However, CFO Eccelston indicated that he had a conflict of interest since he was an employee of the Board of Education.

Councilmember Amato said that he would like to see a 2.90 point increase. Mayor Ganz asked for suggestions from CFO Eccelston for additional cuts without using any more surplus. CFO Eccelston advised that he would not have made any of the cuts that the Council made in Other Expenses. Last year they had a surplus of \$3.7 million. This year they had \$4.6 million. The Manager has recommended using \$3.15 out of \$4.6 million. CFO Eccelston had recommended using less surplus. They used 70 percent last year. This year the Manager is recommending using 72 percent. CFO Eccelston indicated that he would like to see surplus at \$5.4 million but that is a Council policy. He would like to be able to even things out so that the tax increases do not spike. If more surplus is used, the tax increase for next year will be higher.

The increase in the budget is generally because of salaries, fringe benefits and insurance. Manager Sacks wanted to add another \$15,000 in overtime for the Fair Lawn Day and the construction at Plaza Road and Morlot Avenue, but CFO Eccelston thought he could manage without adding it.

CFO Eccelston advised that in December of 2001 he will have a bond sale so the debt service will be in 2002. The lack of surplus and new revenue will contribute to a higher tax increase next year.

Councilmember Etlar wondered why overtime is so high. Mayor Ganz indicated that some of it is for emergencies. He thought the Council should consider setting a policy that overtime is to be reduced by 14 percent overall. CFO Eccelston advised that it could be cut, but he wanted them to know if a department runs out of funds, he will be back to the Council for an emergency appropriation. He added that almost half the overtime is manpower shortages and court. He gives the Council a monthly report on overtime. Councilmember Etlar concluded that too much is spent on overtime.

The consensus was to cut \$65,100 from overtime together with anything else the Council adds so that the tax increase is 2.9.

Since there was no legal basis for referring to tax points, the consensus was that all official or unofficial documents relating to the budget will be in actual dollars not tax points.

The consensus was that on introduction there will be some statement on the internet including a chart which CFO Eccelston will prepare.

The consensus was not to change how much surplus is used.

Charities - The Borough gives \$46,200 to several charities including the Mental Health Center, the Opportunity Center and the C. P. Center. Mayor Ganz thought the amounts given should remain the same as last year. The Council agreed. Municipal Clerk Kwasniewski will send letters to the organizations and advise them that they will receive the same sum as last year.

Fair Lawn Day - Manager Sacks asked the Council to authorize overtime for the Police Department and the Department of Public Works for Fair Lawn Day. Mayor Ganz noted that the Council has to decide whether to fund the overtime now to follow the budget schedule. Deputy Mayor Adler noted that originally the Chamber of Commerce wanted the Borough to cosponsor the event to give it more prestige. The immediate issue was insurance that they have resolved. The Chamber wants the Borough to provide the overtime for police protection and the clean up by the Department of Public Works. They cannot begin to plan unless they know that they have the security and clean up paid for by the Borough.

Mayor Ganz thought the Council should provide the overtime for the security and clean up but instead of giving any excess money to the charities, it should come back directly to the residents of Fair Lawn by going into surplus. Deputy Mayor Adler pointed out that if this event is going to work in September they have to start now. Since they have not done this before, they might not be able to determine how much revenue will be generated. Councilmember Etlar agreed that the money should come back directly to the Borough. Deputy Mayor Adler felt strongly that the Council should not be in an adversarial position but this event should be a cooperative venture. She commented that they cannot move forward unless they know they are going to have the security and clean up covered.

The consensus was that the Borough provide the police overtime.

The consensus was that the Borough will provide the clean up but each contract that the Chamber lets must have an estimated prorated share of the clean up costs.

The consensus was that as a condition of the Borough authorizing, assisting and allowing a leasehold at \$1 any surplus that comes from this event come back to surplus for the benefit of the people of Fair Lawn, with Deputy Mayor Adler dissenting.

Department of Public Works - CFO Eccelston advised that Superintendent Maslo has requested that the Council restore \$7,000 to the Sewer Department and make the cut in the Recycling Department. It would have no budgetary impact. The consensus was to make the change.

Special Improvement District - CFO Eccelston indicated that he wanted to introduce the budget for the Special Improvement District at the same meeting as the municipal budget. Normally, RRIC requests \$7500 and it is in the budget again this year. Mayor Ganz explained that their representation is that this is the last of the professional services they intend to ask for since this is the final portion of the the parking plan. Councilmember Etlar indicated that he had no knowledge of any money that the Council has to appropriate for them. Councilmember Amato noted that it was not clearly spelled out that they needed \$7500 from the Borough this year when they came before the Council. Deputy Mayor Adler thought it was part of the monies being used for the parking study. CFO Eccelston advised that RRIC can take it out of their budget as anticipated revenue. If the Council decides to give them the funds later, they can have it as unanticipated revenue. Mayor Ganz advised that he has requested a number of times that the Council receive the discs of the parking plan but they have not given them to the Council.

The consensus was to remove the \$7500 with Councilmember Dobrow dissenting. Councilmember Dobrow wanted clarification on the use of these funds.

Municipal Clerk Kwasniewski will notify Mr. Smartt that one member of the Council wants an explanation of the use of the \$7500 and another wants the disc.

Salary Increases - Mayor Ganz wondered if a salary increase for those not in the bargaining unit had been discussed.

CFO Eccelston advised that he and Municipal Clerk Kwasniewski received the same increase as the Department Heads. The Manager has not received a raise. Mayor Ganz proposed that the Manager receive a 3.25% increase retroactive to June 1, 1999 through December 31, 1999 and 3.25% increase retroactive to January 1, 2000. The Council concurred.

Municipal Clerk Kwasniewski was asked to notify Manager Sacks by memo of the salary increase.

ADJOURNMENT - Upon motion of Councilmember Etlar and a second by Councilmember Amato the meeting was adjourned at 10:50 a.m.

Respectfully submitted,

Joanne M. Kwasniewski, RMC/CMC/AAE
Municipal Clerk