

**MINUTES OF THE SUPPLEMENTARY MEETING
OF THE MAYOR AND COUNCIL**

JANUARY 25, 2012

SPECIAL MEETING

A Special Meeting of the Mayor and Council was held in the Municipal Building on January 25, 2012.

Mayor Bivona opened the meeting at 8:30 A.M. and Borough Clerk, Sally Bleeker, read the Sunshine Law Statement.

ROLL CALL

The following Council Members and Professional Staff were present: Mayor Bivona, Council President Kahwaty, Councilman Kelly, Councilwoman Lota, Councilman Pedone, Councilman Smith, Borough Administrator Hart and Chief Financial Officer Pike. Councilwoman Ramsey was absent.

PUBLIC'S OPPORTUNITY TO SPEAK

Mayor Bivona said that no one from the public was in attendance to speak this morning.

DISCUSSION

• **2012 BUDGET DISCUSSION**

Mr. Hart referred to the Budget Cap Levy Worksheet which had been distributed to Councilmembers. This will provide an overview of the budget process and Mr. Hart hopes to introduce the budget at the Regular Meeting in February. Budgets from the various departments have been obtained and reviewed by Mr. Hart and Mr. Pike. The Budget Status Year End Report is also available and notes the revenues received in 2011 as well as the appropriations. Mr. Hart summarized his Budget Status memo which included the Abbreviated Summary Budget Status Report. The amount budgeted for Municipal Fines and Costs was higher than the amount collected as well as interest for costs on taxes. Mr. Pike explained that this was a result of one property being in bankruptcy which accounts for this amount being under budget. Construction fees collected were higher than the budgeted amount due to increased activity throughout the year. This would indicate some recovery in the Borough but the numbers are not quite where they had been before the recession.

Mr. Pike explained the 2011 Miscellaneous Revenue Analysis which reflects the amount of \$121,784.71. The bulk of this amount came from various FEMA assistance for the snowstorm of 12/26/10 and Hurricane Irene. Mr. Hart explained that the advertising revenue for the Borough calendar and Resident Handbook could not be anticipated because it didn't exist in the prior year. There is off-setting revenue that can't be applied against the budget line item and revenues and costs are a wash. He added that the Resident Handbook will be published once every three years.

Mayor Bivona said that the goal is to maintain surplus annually and to ensure that this budget does not deplete surplus. Mr. Hart agreed that surplus will remain flat and Mayor Bivona added that the Borough wants to continue to lower debt. The Borough continues to successfully cease the net use of surplus. Mayor Bivona said that the goal is to fund recurring capital expenditures through operating expenses rather than bonding. Mr. Hart said that they should continue to prepare a multi-year surplus projection which shows some stabilization after years of decline.

Mayor Bivona stated that Borough intends to remain within the 2% nominal CAP this year and the amount to be raised by taxation is anticipated at 1.82%. Mr. Hart noted that the Funds Budgeted line in the Appropriations Report reflects an unused balance meaning that the Borough has spent 99% of what was budgeted. There were a number of

unanticipated expenses in 2011 such as a difficult snow season, Hurricane Irene, multiple vehicle breakdowns and building repairs and the Borough is still operating at 99% within budget.

Mr. Pike reviewed the figures on the Preliminary Budget and Levy CAP Forecast Worksheet dated 1/23/12. He pointed out that the surplus anticipated is subject to change as they go through the budget process. There will be an analysis of the anticipated revenue available for the next budget meeting; however, it is not expected to be significantly different. Mr. Hart noted the decrease in salaries from 2011 to 2012 which is due to the retirement of a Lieutenant and a Director. The Director and the new officer cancel out each other and there is a savings of \$138,000 with the elimination of the Lieutenant's salary. The other significant saving is the departure of a senior DPW member who was replaced by a first year employee resulting in a savings of \$25,000. There is an assumed aggregate 2% salary increase for all employees for budgetary purposes.

Mr. Hart stated that the budget amount for the Library has decreased and is based on a budgetary formula involving the equalized assessed value of the town. These funds will not affect this year's budget or tax rate. The Library audit has to be submitted to the State in April and there should be surplus money returned to the taxpayers of the Borough shortly after that.

Mr. Hart spoke about other expenses and pointed out that this line has increased significantly. This number includes \$23,000 for the architect for the Alternative Analysis of the Police Department building and two firehouses. Also included is various computer equipment, including new servers at the Borough Hall and Police Department as well as several laptops. There are other costs such as the Borough Calendar, an upgraded laser fische system, the use of the Ramapo High School video production facility, appraisals included in the Assessor's Budget, anticipated legal fees for the Labor Attorney, engineering costs for the Northwest Bergen Sewer project, two new police vehicles including additional equipment for existing vehicles, funding for the Fire Department Convention and increased stipends, vehicle maintenance for the aging fleet, and increased utility costs. These items total approximately \$300,000.

Mayor Bivona suggested reviewing individual line items at the next meeting and he noted that some policy decisions will be necessary. A large percentage of these costs involve personnel which will be reviewed by the Personnel Committee. The Council agreed to schedule the next meeting for February 2nd at 8:30 A.M. Dieter Lerch, the auditor, is tentatively scheduled to attend the meeting following the February 2nd meeting. Mr. Hart stated that the Finance Committee met with the Mayor, Mr. Pike and himself and this approach reflects those discussions and recommendations.

RESOLUTION FOR CLOSED SESSION

BE IT RESOLVED, by the Mayor and Council of the Borough of Franklin Lakes, County of Bergen and State of New Jersey that a Closed Meeting be held on Wednesday, January 25, 2012 which begins at 8:30 AM, in the Conference Room at the Municipal Building to discuss the following:

Closed meeting issues:

- Personnel – Police Chief
- Collective Bargaining – PBA and AFSCME

BE IT FURTHER RESOLVED, that the discussion conducted in closed session shall be disclosed to the public once the matter involving the confidentiality of the above no longer requires that confidentiality, then the minutes can be made public.

NOW, THEREFORE BE IT RESOLVED, that the public be excluded from this meeting.

Motion to go into closed session at 9:30 AM was made by Councilwoman Lota, seconded by Council President Kahwaty.

Roll Call Vote

Ayes: Councilmembers Kahwaty, Kelly, Lota, Pedone and Smith
Nays: None
Abstain: None
Absent: Councilwoman Ramsey
Motion Approved

Councilman Pedone left the meeting at 9:30 A.M.

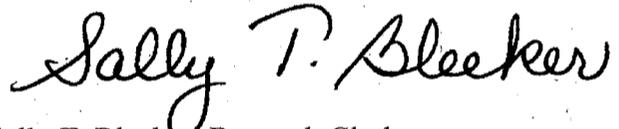
ADJOURNMENT

Motion by Council President Kahwaty to adjourn the meeting at 10:10 A.M. Councilman Kelly seconded the motion.

Roll Call Vote

Ayes: Councilmembers Kahwaty, Kelly, Lota, and Smith
Nays:
Abstain:
Absent: Councilmembers Ramsey and Pedone
Motion Approved

Respectfully submitted,



Sally T. Bleeker, Borough Clerk