

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

FEBRUARY 2, 2012

SPECIAL MEETING

A Special Meeting of the Mayor and Council was held in the Municipal Building on February 2, 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

Motion to open the time for public comment was made by Councilman Smith, seconded by Council President Kahwaty. Discussion – none. On voice vote all in favor motion approved.

No one from the public came forward.

Motion to close the time for public comment was made by Council President Kahwaty. Seconded by Councilwoman Lota. Discussion – none. On voice vote all in favor motion approved.

RESOLUTION FOR BUDGET TRANSFER

Resolution 33-12

BE IT RESOLVED, by the Mayor and Council of the Borough of Franklin Lakes that the following 2011 Budget Transfers be made for the following accounts:

<u>From</u>	<u>From</u>	<u>To</u>
General Administration S&W	\$5,700	
Municipal Clerk S&W	2,700	
Municipal Clerk OE	250	
To		
Uniform Construction Code OE		\$350
Board of Health OE		1,100
Recreation Services & Programs OE		700
Water		700
Electricity		5,000
Fire Department OE		800
	\$8,650	\$8,650

Resolution introduced by Councilwoman Lota, seconded by Council President Kahwaty. Discussion –None.

Roll Call Vote

Ayes: Councilmembers Kahwaty, Kelly, Lota, Pedone and Smith

Nays:
Abstain:
Absent: Councilwoman Ramsey
Motion Approved

DISCUSSION

- **2012 BUDGET DISCUSSION**

Mayor Bivona recalled that at the last meeting Mr. Hart had asked for Councilmembers to submit any questions they have relative to the budget. Mr. Hart acknowledged receipt of the questions from Mayor Bivona and added that he hadn't received questions from the other Councilmembers. Mr. Hart said that he obtained the Capital Budget requests from the Fire Department yesterday and an updated worksheet has been distributed. The objective at this time is to review the operating budget which will be submitted to the Auditor in order to prepare the budget document. The budget is scheduled to be introduced on February 21st and discussion on the capital budget can be delayed for future meetings. Mr. Hart noted that the worksheet is updated as additional information and reports are received.

Mr. Hart and Mr. Pike addressed Mayor Bivona's questions. Mr. Pike stated that the estimated surplus on 12/31/11 was \$2.1 to \$2.3 million. The current debt level is \$1,101,000 for bonds and \$3,355,000 for BAN notes. Mr. Pike said that the BAN note has been paid down in the amount of \$110,375 through the use of some Green Acres funding and other minimum required payments. Mr. Hart noted a reduction in debt of almost \$900,000. Mayor Bivona stressed the importance of the payment of the BAN note which will be achieved through spending less capital and spending capital from the operating budget.

Mr. Hart spoke about personnel and referred to an additional budget line for a back up dispatcher in the Police Department. Presently, there are four dispatchers and when one of the dispatchers is out, a policeman must fill the dispatch desk resulting in overtime charges. There is a line in the budget for \$8,500 to cover a back up dispatcher on a per diem basis. There are no other personnel changes contemplated in this budget.

Councilwoman Lota pointed out that the Fire Department has again requested clerical support. Mr. Hart stated that the Police Chief's administrative assistant had provided some support in the past; however, he will be taking over some of the administrative work of the captain. He said that \$5,000 has been added to the budget to provide this requested clerical support and the Personnel Committee is looking at various options for additional needs.

Mr. Hart spoke about the possibility of changing the dispatch system to become part of the Bergen County Central Dispatch in Mahwah. A proposal and the associated costs have been submitted and reviewed at this time; however, no decision has been reached. A small committee is looking at the technological issues as well as other issues that need to be thoroughly reviewed. Mayor Bivona commented that a change to Bergen County Central Dispatch does not appear to be a huge cost savings for the Borough based on the numbers that have been submitted. The primary motivation for change would be enhanced service and Mr. Hart expects to have a decision in the next couple of months.

Mayor Bivona questioned anticipated funding from Green Acres in 2012. Mr. Hart said that Green Acres paid the Borough \$2.3 million of their \$2.9 million commitment. They have also approved \$450,000 for 2012. The Borough has also applied for \$170,000 for reimbursement of costs incurred in the acquisition process but this request will not be processed until the full reimbursement of the acquisition has been processed. Mr. Hart expects to receive the \$450,000 during the first six months of 2012, and there are other applications exceeding \$300,000 pending.

Mayor Bivona questioned longevity which is a graduated payment scale common in many New Jersey municipalities. Mr. Hart explained that in Franklin Lakes, all employees hired after January 1, 1999, no longer have longevity; however, there are

many employees remaining at the Borough who were hired before that date receiving longevity pay. He added that longevity has been eliminated for the PBA and the salary ordinance does not reflect longevity.

Mr. Hart spoke about the Unused Sick Day Estimates and explained the Borough policy which calls for the compensation of employees for one half of their unused sick days. The employee can decide whether to be compensated for those days or take those days as personal days. This is a practice and not written policy and Mr. Hart said that the Council may want to reconsider this. Employees are only able to carry over five vacation days and these days must be used or they will be lost.

Mayor Bivona questioned the amount of money put aside for Housewives and Mr. Hart said that the amount is \$25,000. The ordinance requires \$1,500 per day as the amount to be charged for filming in the Borough. Franklin Lakes Police must also be hired for security for any outdoor filming.

Councilwoman Lota asked if the police overtime amount could be significantly reduced through the hiring of another officer. Mr. Hart said that the Police Department does an excellent job of managing overtime and the overtime number is low relative to other municipalities. Mr. Hart concluded that he did not feel it would be beneficial to hire an additional policeman. He will get a breakdown on overtime involving the municipal court.

Mayor Bivona noted insurance reimbursements of \$20,000 and Mr. Pike explained that this amount includes prior year reimbursements. Mr. Hart expects FEMA funding of \$20,000 for Hurricane Irene and he hasn't begun the process for the October snow storm and the chipping operations associated with that storm. He added that he would not advise adding FEMA monies to the budget because they are not anticipated or received on an annual basis.

Mr. Hart pointed out that the professional services line has been changed to \$38,100 which will include a study of the HVAC system in Borough Hall by a mechanical engineer. This line includes support for the Northwest Bergen Shared Services Group which can be reduced by \$2,000 since the facilitator position has been eliminated. The office equipment line item involves recommendations by the IT Consultant who is encouraging the purchase of a new file server. He also proposes the purchase of six new laptops which only means that money is being put in the budget to cover this cost but doesn't mean they will be acquired.

Mr. Hart said that there is a cost of \$6,000 involved with the printing and distribution of the newsletter and the calendar which is offset meaning that there is no cost to the Borough. There is nothing budgeted for the Environmental Committee who usually does a mailing once a year. This Committee has access to the Clean Communities funding in the amount of \$24,000 to cover their costs. Mr. Hart said that the schools reimburse the Borough for election costs relative to the salary of the Borough Clerk. There will be a discussion next week on an initiative to move the School Board Elections to November but there would be no cost savings to the Borough if this was done. Any decision to change these elections will require the preparation of a resolution by February 17th.

Mr. Pike explained the components of the miscellaneous audit of \$23,000. Mayor Bivona questioned whether it is necessary to budget for both estimated tax bills and Tax Anticipation Notes (TANS). He explained that the Borough collects taxes after the fact and falls short on collections on a regular basis. Funds are borrowed from the COAH fund every quarter; however, this fund could become unavailable in the future. Mr. Hart said that he doesn't see a need to budget for both and they could be merged into one line item. Mr. Pike recommended that a line of credit be established with the bank that would be available throughout the year to allow for money to be borrowed for each quarter throughout the year as needed which would be paid back as the tax revenues are received. This would eliminate the need for estimated tax bills as well as regular tax bills. Mayor Bivona agreed and Mr. Hart and Mr. Pike said that they would work towards this end.

Mayor Bivona questioned the cost of tax appraisal services. Mr. Hart said that he met with Mr. Lustgarten, Borough Attorney; and Mike Leposky, Assessor; to review the tax appeals for budgetary purposes. There is no clear policy as to when appraisals should be ordered. There are 42 pending appeals in State Tax Court with April 1st being the final date for the filing of 2012 appeals. An appraisal has been requested for one of the twelve commercial properties and \$20,000 has been budgeted for appraisals of these commercial properties. There are 30 residential appeals with \$9,000 being budgeted for those appraisals. It appears that an appraisal will be needed for the Medco appeal with \$20,000 budgeted for that purpose. The total budget for the combined appraisals is \$56,000. Mr. Hart estimates that \$20,000 will be needed for legal counsel for the Medco tax appeal. He explained that services such as legal, appraisal, engineering, auditing, etc. are all contractual services that will be discussed on February 7th. He distributed a spread sheet noting the rates paid for these professional services in recent years and reviewed the amounts anticipated for 2012.

Mr. Hart said that the police have outlined a list of contracts in their itemized budget proposal. The Police Chief is requesting two cars and Mayor Bivona asked about the possibility of hybrid cars. Mr. Hart indicated that he would look into this. He stated that the police department is hoping to purchase a new computer server. There was some discussion regarding the cost of uniforms for Ambulance Corps members and other related items. Councilmembers commented on the reoccurring issue of Borough funding for the Fireman's Convention. There was also a discussion relative to safety equipment in the amount of \$30,000 and a question on why the \$15,000 budgeted for physicals last year for the Fire Department was not used.

Mr. Hart will investigate why the DPW budget has increased by \$20,000 for temporary and seasonal staff. There was very little overtime in this department over the course of the year with the exception of the snow storm. The lack of snow this year should significantly lower expenses and the number will be adjusted prior to adoption if appropriate. Mr. Hart stated that there are new federal requirements for radios and back up information is attached to the DPW budget request relative to upgraded radios.

Mayor Bivona questioned whether the Recreation Department should reconsider their fees. Mr. Hart said that there is a recommendation to increase the fees and he will send it to the committee. There will be a discussion on a revised fee ordinance scheduled for the February 7th Council Meeting. Mr. Hart confirmed that utility costs have increased and include a spike in water costs that may be due to a water leak.

Councilwoman Lota questioned several items connected to the Ambulance Corp budget including vehicle maintenance relative to car washing. She wondered about the request for a computer when she has never seen anyone use a computer in the Ambulance Corp building and Mr. Hart will look into this further. Mr. Hart said that the Ambulance Corp has indicated that the stipend amount needs to be increased and he is waiting for the proposed amount. He added that there are several new members in the organization.

Councilman Kelly asked whether gas and electric prices could be reduced through membership in an energy consortium. Mr. Hart explained that the Borough does belong to Sustainable Energy consortium which is a group of over 100 municipalities who competitively bid on electric and natural gas supply. It is difficult to determine whether the rates are good or not because a fixed rate contract is being locked in for two years compared to the fact that utilities use a variable rate system.

- **FEBRUARY 21 MAYOR AND COUNCIL MEETING DATE**

Councilmembers discussed whether they will be available to attend the meeting scheduled for February 21st which falls during Presidents Week. The only option for rescheduling of the meeting would be to the week of February 27th. Councilmembers decided to keep the scheduled meeting date of February 21st.

ADJOURNMENT

Motion by Councilman Pedone to adjourn the meeting at 10:00 A.M. Councilman Smith seconded the motion.

Roll Call Vote

Ayes: Councilmembers Kahwaty, Kelly, Lota, Pedone and Smith

Nays:

Abstain:

Absent: Councilwoman Ramsey

Motion Approved

Respectfully submitted,

A large black rectangular redaction box covering the signature of the official.

Sally P. Becker, Borough Clerk