

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

**FEBRUARY 18, 2014**

**SPECIAL MEETING**

A Special Meeting of the Mayor and Council was held in the Municipal Building on February 18, 2014.

Mayor Bivona opened the meeting at 6:00 P.M. and Borough Clerk, Sally Bleeker, read the Sunshine Law Statement.

**ROLL CALL**

The following Council Members and Professional Staff were present: Mayor Bivona, Councilperson Cadicina, Councilperson Kelly, Councilperson Kahwaty (by phone), Councilperson Lambrix, Council President Ramsey, Councilperson Swist, Borough Administrator Hart and Chief Financial Officer Pike.

**REVIEW PRELIMINARY BUDGET AND LEVY CAP FORECASH WORKSHEET**

Councilperson Lambrix outlined the procedure for the budget discussions and commented that due to the budget structure there is little room for flexibility meaning that hard choices will have to be made. Mr. Hart stated that the budget will be introduced on March 4<sup>th</sup> and will be adopted at the first meeting in April. The next budget meeting is scheduled for Thursday evening at 7 P.M. An overview of the budget in its current form will be part of tonight's presentation. Mr. Hart asked anyone with questions on the information that was distributed this evening to contact either himself or Mr. Pike. An additional meeting with the Borough Auditor, Dieter Lerch, is planned for the following week.

Mr. Pike reviewed the budget worksheet and noted that the surplus is the same as last year. The end of year fund balance is expected to increase and the goal is to increase the use of surplus which had been noted in the surplus policy. Mayor Bivona pointed out that there is approximately \$1 million of funds available to pay down debt but this would not affect the operating budget. This money is not reflected in the budget and Councilmembers felt that it should be factored into the budget to allow for more flexibility. Mr. Pike noted grant money and the Library's return of excess funds that reduces the overall tax burden.

Regarding appropriations, Mr. Pike stated that the amount is down from last year as a result of retirements in the Police Department. This takes into consideration the increases for the two unions and the 2% increases for non-contractual employees. There have been some changes within the group health insurance due to the fact that there are several employees who have elected not to take health insurance. In addition, employee contributions to health insurance are now \$170,000. Mr. Pike explained that "other expenses" encompasses all of the other departmental line item budgets within the municipality. Other expenses are projected to be up 3.84%. Mr. Hart noted that the plowing and salt costs have increased and will have to be increased by another \$30,000 in light of recent storms. Vehicle maintenance (\$27,500) went up significantly as well as legal services (\$32,000) which was the result of under budgeting. Mayor Bivona stressed the importance of financing all capital needs out of operating expenses rather than through borrowing money. Mr. Pike stated that the surplus use remains the same as the prior year and is projected to regenerate in 2014. He noted that the amount to be raised by taxes is the guiding number and the Borough has succeeded in getting that number either below or under the 2% cap in all expenditures.

Mayor Bivona commented that the trend line over the past few years relative to surplus, debt and the raising of taxes has been good. He pointed out that the debt has been reduced from \$17 million in 2008 to \$13 million today. There have been unexpected expenditures in 2013 such as failed infrastructure, drainage issues, etc. and the Finance Committee has recommended capping capital expenditures at \$1 million. Mr. Hart recommended that they look at the capital expenditures in March.

Mr. Hart spoke about non-capital discretionary expenditures. The Council will review pay increases at the meeting on Thursday. He said that the Finance Committee has decided against an assistant in the Recreation Department and a hosted email exchange for the cloud. There will not be a consultant hired for the Tax Assessors Department. Some money will be budgeted for additional file storage in the Construction Department. The police had requested two new vehicles before the recent accident in which a police car was lost. An insurance payment of \$8,000 was received for the loss of the car and an additional \$29,000 will be needed to replace that car, therefore the Finance Committee is not recommending the purchase of two new vehicles. The Fire Department's request for money to attend seminars and trade shows has been denied. The Budget Committee is also recommending against forcible entry training and prop as well as new software. The Committee felt that the request for a maintenance contract for fire apparatus should be commensurate with a reduction in the Fire Department budget and will be considered further.

The DPW is requesting the replacement of motors on the deteriorating sanders and this appears to be a necessary expenditure. Mr. Hart stated that there are no parts available and the sanders can't be fixed. Mayor Bivona said that the \$30,000 in additional plowing and salting costs will come from the capital budget but \$20,000 for new sanders will have to come from somewhere else. The DPW requested lawn maintenance services for fertilization of the fields. This work must be done by someone with a license and there will be training available for a DPW employee.

Fire Chief Ryan asked if the Council would be willing to fund a portion of the cost of the software and vehicle maintenance. Mayor Bivona said that more information is needed. He suggested that Chief Ryan and Mr. Hart identify the most important items and then reduce the Fire Department budget in some way.

Mayor Bivona asked that everyone try to resolve any open issues with Mr. Hart or Mr. Pike in time for the meeting on Thursday. If there are no comments the budget will be based on the worksheet that was discussed tonight.

Mayor Bivona stated that there are two contracts for renewal due in 2015 for the Police Department and ASCME workers. The budget includes a 2% increase for all non-contractual employees which has been done for the past three years. Mr. Hart explained that the PBA receives a 1% salary increase plus the step increases and the ASCME workers receive 1.75% plus step increases all of which usually tends to be approximately 2%. Mayor Bivona stated that any salary increases above the 2% are not included in the budget at this time and would significantly impact the budget.

## **PUBLIC COMMENT**

Councilperson Kelly made a motion to open the time for public comment. Councilperson Lambrix seconded the motion, all ayes. Discussion – None.

No one from the public came forward to comment and a motion was made and seconded to close the public comment portion of the meeting.

## **ADJOURNMENT**

Motion by Councilperson Cadicina to adjourn the meeting at 7:15 P.M. Councilperson Kahwaty seconded the motion.

Roll Call Vote

Ayes: Councilmembers Cadicina, Kahwaty, Kelly, Lambrix, Ramsey and Swist

Nays:

Abstain:

Absent:

Motion Approved

Respectfully submitted,

A handwritten signature in black ink that reads "Sally T. Bleeker". The signature is written in a cursive, flowing style.

Sally T. Bleeker, Borough Clerk