

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

FEBRUARY 18, 2015

SPECIAL MEETING

A Special Meeting of the Mayor and Council was held in the Municipal Building on February 18, 2015.

Mayor Bivona opened the meeting at 8:00 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, Councilperson Kahwaty (via phone), Councilperson Kelly, Council President Lambrix, Councilperson Ramsey, and Councilperson Swist, Mayor Bivona, Borough Administrator Hart and Chief Financial Officer Pike. Councilperson Cadicina was absent this morning.

OPEN TIME FOR PUBLIC COMMENT

Motion to open the time for public comment was made by Councilperson Swist, seconded by Council President Lambrix, all ayes.

No one from the public came forward at this time and Council President Lambrix made a motion to close the time for public comment, seconded by Councilperson Swist, all ayes.

DISCUSSION

Mr. Pike commented that the worksheet is the same as has been used previously. The surplus anticipated is \$875,000. Miscellaneous anticipated revenues have increased by approximately \$25,000; and the reserve for payment of debt is \$185,000. Existing grants are \$24,456. Library return of excess funds is \$6,945, and receipt of delinquent taxes is \$560,000. The amount to be raised from taxation is \$11,619,934.

Mr. Pike reviewed appropriations including salary and wages which has increased by approximately 5%. Group insurance has decreased by 8%. The Borough is obligated to pay statutory pension payments. Expenses for individual departments and expenses that don't fit into a departmental category have increased by 3 ¾% this year. Garbage is down 8% partly due to recycling efforts. Mr. Pike has decreased the reserve for tax appeals for this budget. Mr. Pike stated that the \$600,000 is budgeted for capital improvements, and the amount in the reserve for uncollected taxes at \$885,000 remains the same as last year. He concluded by stating that the amount to be raised by taxes will increase by 1.65%.

Mr. Hart reviewed the budget and referred to the Discretionary Expenditures – Non-Capital, which include items not included in the budget. Some of these figures represent policy changes in personnel and allocations for the drug program, which are different from last year. Mr. Hart stated that there are some items in the operating budget that were considered capital expenditures in prior years. He noted that this worksheet consists of items both included, and not included in the present budget. He reiterated that these are discretionary items that are not included or contained in departmental requests that can be considered by the Mayor and Council for inclusion.

Mr. Hart spoke about salary review increases, which reflect adjustments recommended by Council President Lambrix. These are a result of a review of salaries for consistency internally and externally, and pertain to five different employees. The employee recognition program will continue. The non-contractual 2.5% increase is consistent with the AFSME contract. There is a request for administrative support in the Administrator's office. Council President Lambrix stated that the Construction Official requested another part time staff member for his office, which was approved recently. Mr. Hart explained

that the Construction Department is supposed to be self-sustaining, and can expend the money it brings in. There was a substantial increase in the money collected by the Construction Department in 2015, with an overall profit in excess of \$200,000. Mr. Hart continued his review noting additional temporary support in the Tax Office during tax times, as well as during the absence of one of the employees, who will be out for an extended period of time. The position of Drug Prevention Coordinator has been created and will be defined in the future. The governing body agreed to bring in a part time person with additional funding to achieve a goal of greater focus on drug prevention at a cost of approximately \$22,000. There is also a recommendation for a nominal stipend for the Mayor's Wellness Coordinator.

Council President Lambrix stated that these additions result in an increase in the salaries and wage line of 4.96%. He said that there are other items not included in the budget, which are personnel related and would increase this line even more.

Mr. Pike reviewed the personnel adjustments and reiterated that this budget has increased considerably due to the Drug Prevention Coordinator. The budget is up for the Clerk's Office, Tax Collector, and the Construction Department. The budget for the Police Department has increased by 7%, partially due to the PBA grievance filed over leave pay.

Mr. Hart reported that the Fire Department is again asking for stipends for its officers in the amount of \$15,500. Mr. Hart commented that there is nothing new or significantly different from prior requests. Mr. Hart stated that the Police Chief is asking for an additional police officer along with promotions for two different positions. This would be a personnel related discussion regarding specific personnel that should be scheduled and discussed in Closed Session at the next meeting.

Mr. Hart stated that there is a proposal from the architect to do a review of the upgrade of the dais in the Council Chambers at a cost of \$1,700. The architect has given a price to redesign the entrance to the Borough Clerk's office and the Tax Collector/Finance office in order to provide more security. Laserfiche has to be updated in order to allow other departments outside the Borough Hall, such as the DPW, to scan documents into this system. There are issues with the sound system and improvements to this system are included in the budget. An update of the fixed asset inventory is recommended every four or five years and is due in 2016. This is important for insurance purposes. A new and more efficient lateral filing system is recommended for the Construction Department, which will allow 24 cabinets to be replaced with 6 cabinets. This will be paid for by the Construction Department.

Mr. Hart spoke about the Police Department and stated that one vehicle is needed which may come in the form of a donation. Subscription based software for a crash reporting system is included in the budget. The budget for the Drug Prevention Program is listed. Rental equipment for the crack sealing machine, which will extend the life of the roads, is included as well as additional asphalt if the new equipment is approved. Software system for the tank monitoring system and \$10,000 for miscellaneous improvements at the Express Scripts property is noted.

Mr. Hart referred to items not included in the budget which include professional expense relative to a layout study for improvements to Veterans Plaza. There is a proposal for a cloud based host exchange for Borough email, which would eliminate the upgrade of the servers. Mr. Hart explained that this is an annual charge, and he would like to review this proposal with the Administration and Finance Committee. This service would replace some very significant one-time expenses, and is subscription based. Mr. Hart suggested that the Mayor and Council take a critical look at the Mitchell Humphreys modules, and he suggested that the Construction Official make a presentation to the Mayor and Council relative to the benefits.

Mr. Hart stated that the Fire Department has submitted a budget proposal, which exceeds any proposals made during the prior years. These are additional amounts that are not contained in their proposed budget, and as an example Mr. Hart stated that new fire apparatus has been approved, however, they are not equipped. The equipment for each fire apparatus is \$30,000.00 and would come out of the safety equipment line item of

\$134,369. The Fire Department would be able to use some existing equipment, but they will still require \$60,000. Mr. Hart said that some guidance and recommendations are needed from the Council Committee regarding the Fire Department requests. Council President Lambrix said that Council Committees need to come back with recommendations regarding these requests.

Council President Lambrix referred to the summary sheet of the budget regarding the surplus anticipated of \$875,000. This is to be used as revenue, with the expectation that this money will be regenerated and added back to the surplus. He said that the revenue raised from taxes may be higher than it needs to be because surplus continues to be added. The policy question would be could the surplus number of \$875,000 be raised with the full knowledge that this amount will be regenerated. If the answer is yes, taxes may not have to be increased in the amount of 1.65%. Council President Lambrix said that the Borough is in a much stronger financial position than in the past. This could be an opportunity to lower debt service and increase the capital plan even more due to the large surplus amount. The debt service line would decrease long term if the overall debt is lowered, and he suggested focusing on this issue at the next meeting.

Mayor Bivona said that the Council needs to review details of the budget. His initial reaction is that items need to be removed from the budget. This is the time for discipline. There was a goal to increase surplus, which has been achieved through conservative budgeting. Every year the revenues must equal what is spent. Over generating surplus is a result of too much taxation, and any difference should be used to pay down debt or it should be returned to the taxpayers. Mayor Bivona stressed the importance of following the capital plan. He would like surplus to be 20% of the appropriations, and anything in excess should be used to pay off the debt rather than bonding recurring capital items. Mayor Bivona asked if they want to continue to generate surplus. If the answer is no, taxes could be lowered. If the answer is yes, the surplus generated can be used to pay down the debt.

Mr. Hart said that at least one more meeting is necessary to be in a position to give numbers to the auditor. After some discussion, the Council agreed to another meeting on February 25th at 8:00 A.M. followed tentatively by a meeting with the auditor on March 3rd at 8:00 A.M. Mr. Hart asked everyone to be prepared to make final decisions at the next meeting.

ADJOURNMENT

Motion by Council President Lambrix to adjourn the meeting at 9:20 A.M. Councilperson Swist seconded the motion, all ayes.

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