

BOROUGH of GARWOOD
Special Budget Meeting
MINUTES of the
SPECIAL COUNCIL MEETING
March 12, 2015

The Special Meeting of the Mayor and Council was held in Council Chambers and called to order at 7:09 p.m. by Mayor Lombardo. He asked all present to participate in a moment of silence, followed by a salute to the flag.

Adequate notice of this meeting was provided to the Cranford Chronicle, advertised on March 6, 2015, notification was sent to the Star Ledger and prominently posted on the municipal public bulletin board and filed in the office of the municipal clerk informing the Public of the time and place according to the Provisions of the Open Public Meeting Law (Chapter 231, P.L. 1975).

ROLL CALL:

Present: Mayor Lombardo (Not voting), Councilman Martin, Councilman Mathieu, Councilman Petruzzelli, Councilwoman Tarantino, Councilwoman Todisco and Council President Nierstedt.

Also Present: Borough Administrator/Clerk Christina Ariemma, Borough Chief Financial Officer/Treasurer Sandy Bruns, Warren Korecky & Bill Swisher, Auditors from Suplee Clooney.

Mayor Lombardo announced the purpose of this meeting is to discuss the 2015 Municipal Budget.

The Finance Committee presented the 2015 Municipal Budget.

Councilman Petruzzelli read the following statement:

I'd like to welcome the Mayor, my fellow Council people, and the residents to the first presentation of the 2015 municipal budget. I would like to thank the other members of my committee, Councilwoman Todisco and Councilman Martin, as well as our professional staff of the Borough Administrator, CFO, and auditors, for all the long hours and hard work spent on this budget at our meetings.

As the Council is well aware, we faced a few big-ticket items this year that we must fund. One is the 16% increase in our payment to the Rahway Valley Sewage Authority, which totals about \$86,000. That alone equals an increase of about \$45 on the average home. Also, due to last year's major roof issue here at Borough Hall, we needed to do a special emergency appropriation. We are required to budget the full amount in this year's budget, which equals about \$37,000.

Most areas of the budget stayed flat, or slightly increased or decreased based on Borough needs. We carefully reviewed each and every line as we do every year to ensure we are presenting the Council with a tight budget to review. For instance, we would have liked to reduce Buildings and Grounds more than we did, but we are limited as we have spent about \$12,000 out of that already in 2015 for the heating system here at Borough Hall. There was a request by administration to increase it to \$100,000, but we decided to scale this department back to the \$91,500 you see before you tonight. The Police Department has an increase of \$45,000 in salaries in wages, which equals an increase of almost \$25 per household. The Police other expenses rose in part due to rising costs, but also because we budgeted \$7500 for street signs. This amount was recommended by the Chief in the event that the Council decides to move forward with the permit parking ordinance, which has been discussed a prior meetings. Also, the pension payment for the Borough's public employees increased a total of \$17,480, which is almost \$10 per household.

As you can see, we faced many increases this year and they certainly add up quick. We did the best we could to combat this by cutting wherever possible, but still in responsible manner. For example, we made cuts, from the large to the small, in areas such as administrative and executive, streets and roads, utilities, gas, contingent, and more. Important to note, we did this without reducing any services that residents have come to expect and deserve.

In keeping with our policy of transparency, we separated the sports and recreation complex out in this budget. Right now, we are projecting \$19,516 in complex-specific operational costs. However, it is VERY important to make note that many of these expenses **already existed** at the previous complex, such as electric, gas, water, cleaning service, fire protection, telephone, and pest extermination. At least half of our complex related bills were previously paid out of other parts of the budget, like Buildings and Grounds. We anticipate this complex to generate revenue as multiple organizations have already submitted applications to pay for use of the complex.

Computerized Data Processing has been centralized to one section of the budget rather than be scattered throughout various departments. Those departments have been reduced accordingly. Therefore, that new line is not really new at all and is not really an increase either as it existed previously.

The Finance Committee recommends an increase to the LOSAP award for volunteer firefighters and EMS in line with the COLA of 1.6%, which equates to about \$600 total.

As of tonight, the Finance Committee has a recommendation for non-union raises of 1.75% for the 4 protected workers and 1% for the non-protected workers, for a total amount of \$8,300. We look forward to discussing this with the rest of the Council to see how everyone else feels about this matter.

We would also like to discuss the Council's intention when it comes to tree maintenance. We've increased the line by \$6,000, which met the recommendation of the Administrator halfway as the Borough is still about a year and a half behind in tree work. We would like to know if the rest of the Council would like to leave the \$6,000 in or reduce it back to last year's total of \$18,000.

We initially looked at an increase of \$223 with our starting administrative budget, but we continued to cut and use an appropriate amount of fund balance. In fact, the committee requested for it to be scaled back to the exact level it was left at last year in light of the upcoming bond sale and need for a fund balance in order to function as a town and the auditors and CFO recommended no more should be used. We did all that to get it to where it is tonight, which is \$96 on the average home assessed at \$100,000. Although I don't want to announce an increase at all, never mind a \$96 one, I want everyone to realize that if we did not have this huge increase from the RVSA and if we did not have to do the emergency appropriation for the roof, we would be looking at just \$31 per home, which is a much more manageable increase. Also, if we separated sewer out of the tax bill as many of our neighboring communities do, the tax increase this year would be \$51 per home. As you can see, separating the sewer bill is basically a trick to make taxes appear lower and I would not recommend it as the taxpayers would not be able to write it off if it were not included in the tax bill. Again, although I do not like to announce \$96, it really should be looked at for the full story rather than a simply snapshot.

The council discussed the budget at length. Suggested cuts to the budget totaled \$21,000 that the committee accepted.

The council discussed capital which was determined it would be discussed further at the second budget meeting, next Thursday.

MINUTES: NONE.

COMMUNICATIONS: NONE

ORDINANCES: NONE

COMMITTEE REPORTS: NONE

OFFICER'S REPORTS: NONE

PUBLIC COMMENT:

Brian Trisdal of 240 Second Avenue asked what the adjusted budget amount is and the auditors responded.

UNFINISHED BUSINESS: NONE

RESOLUTIONS DELETED FROM THE CONSENT AGENDA: NONE

NEW BUSINESS: NONE

PAYMENT OF CLAIMS: NONE

ADJOURNMENT:

A Budget Workshop Meeting of the Mayor and Council will be held on Thursday, March 19, 2015, in Council Chambers at 7:00 p.m.

The Regular Meeting of the Mayor and Council will be held on, **TUESDAY, MARCH 24, 2015**, in Council Chambers at 7:15 p.m. Workshop Session to start at 7:00 p.m.

At 9:33 p.m., a motion was made by Council President Nierstedt, seconded by Councilwoman Todisco to adjourn the Workshop Session.

CHRISTINA M. ARIEMMA, Municipal Clerk
Borough of Garwood