
TOWNSHIP OF WEST MILFORD, COUNTY OF PASSAIC, NEW JERSEY

Minutes of: Township Council Special Meeting
Date of Meeting: January 21, 2010
Time of Meeting: 7:00 P.M.
Minute Page No: Page 1 of 3

Mayor Bettina Bieri called the Special Meeting of the West Milford Township Council to order.

Adequate Notice Statement

Mayor Bieri read the following statement:

Please note that in accordance with Chapter 231, Public Laws of 1975 of New Jersey, adequate advance notice of this special meeting was transmitted to the Herald News on January 19, 2010; copies were provided to the Record, Star Ledger, Suburban Trends and Greenwood Lake News and posted continuously on the bulletin board in the main corridor of the Town Hall and on file in the Office of the Township Clerk.

Pledge of Allegiance

Mayor Bieri led all in attendance in a salute to the flag.

Roll Call

Present: Councilmembers Philip Weisbecker, Joseph Smolinski, Michael Ramaglia, Robert Nolan, Marilyn Lichtenberg, Daniel Jurkovic, Mayor Bettina Bieri.
Absent: None.
Also Present: Township Administrator Kevin Boyle, Township Clerk Antoinette Battaglia, Chief Financial Officer Arthur Magnotti.

Agenda No. II

Purpose

Review of the proposed 2010 Municipal Budget.

Mayor Bieri deferred to Administrator Boyle and CFO Magnotti.

Agenda No. III

Review of 2010 Municipal Budget

Mr. Boyle stated that he has taken an aggressive approach to this year's budget saying that the approach taken last year was cumbersome. The focus this year will be on the budget process and he has determined not to have smaller departments and volunteer groups appear at Council meetings. The primary departments such as engineering, police, finance, DPW, recreation and health will all make presentations and all capital requests will be addressed at the next meeting. He stated that he hopes to fund the capital down payment in February so that the 2010 capital appropriations can be expended in 2010. Tonight he and Mr. Magnotti have prepared a budget seminar for tonight to provide an overview of the process and discuss how the budget is put together.

Mr. Boyle advised that, in New Jersey, most municipality's function on a calendar year while the state operates on a fiscal year cycle. Each are required to have a balanced budget and the end number is the tax levy. Despite the schedule promulgated for introduction and adoption, municipalities need the state aid numbers before they can adopt a budget. In accordance with the guidelines for Faulkner Act communities, he held budget hearings in November with department heads and submitted the budget to the Council on January 15th in accordance with the law. The budget is introduced and adopted in a format dictated by the State of New Jersey. He advised that the revenue numbers have not been calculated as yet but expects the annual financial statement to be done tomorrow. Municipalities cannot utilize numbers that exceed last year's revenue figures when estimating the budget. Additionally, officials are working with two very limiting factors which are the appropriations growth CAP and the onerous tax levy growth CAP. In his opinion, this will eventually bankrupt municipalities in New Jersey. He reviewed the process and the need for budget transfers and also addressed chapter 159 appropriations which reflect grant monies received or unexpected items of revenue.

Mr. Boyle reviewed the budget CAP which limits increased appropriations based on the index rate known as COLA (cost of living adjustment). The numbers come from DCA and our budget is at 3.5%. He reviewed the CAP rate ordinance which allows the CAP to be raised to 3.5% allowing the municipality to bank that percentage for the next year. CAP exceptions are the library, pension costs, grants, capital, debt service, emergency appropriations and the reserve for uncollected taxes. Mr. Magnotti provided an overview as to how the CAP is calculated.

Mr. Boyle reviewed the levy CAP which was passed in 2007 and became effective in 2008. This CAP limits the tax levy increase to 4% and, he expressed concern that as the tax rate continues to shrink the future levy is affected. The end result will be an inability to have growth in the appropriations process. He stated that capital and debt service are exceptions to the CAP.

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Mr. Magnotti stated that the percentage of change in this budget is 2.7% and is based on lost revenue and estimates which calculated significant losses in State aid for 2010. He stated that the local finance board approved West Milford's request last week and stated that the statutory increases of 55.1% in this budget are primarily related to pension costs. He recommended trying to fund the pension entirely even if deferment is approved. Mr. Boyle reviewed contracts, salary increases and health benefit contributions. Councilman Nolan expressed an urgency to complete contract negotiations.

Mr. Boyle explained the process of funding the reserve for uncollected taxes advising that this is a required appropriation which increases the levy. The minimum appropriation is based on the prior year's tax collection rate and stated that excess appropriations build surplus which is critical. He reviewed the fund balance which is also called surplus. He opined that a municipality does not seek to build too much surplus but must balance that with utilizing too much surplus in any given year which would diminish the ability to regenerate those funds. He reviewed the manner by which surplus can be increased as well as the fund balance history from 2000 to 2008. This year, he is recommending that the Council utilize \$2.4 million from surplus toward this budget which, he stated, is the least amount used in many years. Mr. Magnotti explained that a tax point is represented by one penny and one tax point in West Milford is \$149,938 which is down this year due to a declining ratable base. To reduce the tax rate by one tax point, the Council must reduce expenses or increase revenue by \$149,938. He stated that the average residential assessment of \$134,000 one tax point is \$13.40.

Mr. Boyle reviewed the Township's insurance obligations and the process he used in preparing the budget. The proposed budget, he said, reflects less than a \$100 increase to the average house if the revenue numbers are close. He stated that a 3% salary increase for the bargaining units in negotiations would equate to one tax point. He advised that the new garbage contracts have resulted in savings with the overall increase to the municipal and garbage budgets combined being 3.5%.

Council President Smolinski asked if the Council is apprised of hiring practices, specifically of new hires. Mr. Boyle stated that, in this form of government, the Mayor controls that process. He stated that he has not met with all departments to discuss personnel issues. Mayor Bieri stated that the Township can only hire if it is within the confines of the budget approved by Council. She has not approved any new hires since taking office. Prior Mayors in West Milford have delegated that responsibility entirely to the Administrator. However, she has made it clear that she is to be involved in the process. In light of staffing issues in the health department, she will be reviewing State statutes, guidelines, civil service regulations, and various options. She will report back to Council regarding the various options and with a recommendation from the Administration to address the needs while being cost effective.

Councilman Nolan asked Mr. Magnotti if this budget contains provisions for the Newark tax appeal and the Hardin matter if the Township does not prevail in these matters. Mr. Boyle stated that he cannot discuss or disclose those provisions because of on-going litigation. He stated that the Township will have to find emergency funding in the year the Newark tax appeal is settled because there is no number to work with at this time. He advised that the presented budget does not contain a provision for salary increases in contract negotiations based on direction from Council. He stated that there is no calculation for the revaluation which would be a five-year special emergency appropriation of \$200,000 per year amortized over five years. The Council asked Mr. Magnotti to provide them with a list of unused capital funds prior to the next meeting. Discussion ensued about staffing levels and the Council agreed that salaries are too high. Councilman Jurkovic stated that he objects to longevity adding that the unions are leading their own people to their own demise.

The Council thanked Mr. Boyle and Mr. Magnotti for their hard work on the budget.

Agenda No. IV

Public Comments

Mayor Bieri opened the meeting to the public after advising that there is a five-minute limit for each speaker.

Gary Steele, North Glenwood Road, West Milford asked that copies of the budget binder be provided to the public. He asked Mayor Bieri if she has information about additional powers available to her to deal with the budget in a fiscal emergency. He stated that State unions have been forced to deal with furloughs and he asked that the next meeting agenda include discussion of additional powers. Mr. Steele read a statement which requested major changes in this year's budget and consideration of a four-day workweek and salary cuts for municipal employees. He stated that residents could pick up the slack by volunteering to perform the work. He stated that he has taken an interest in this budget and has experience. His intent is not to belittle the work of the Council but rather to convey his concern that he and others will be unable to stay in West Milford if taxes continue to rise.

There being no more comments from the public Councilman Nolan moved to close the public portion of the meeting.

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Moved: Nolan Seconded: Weisbecker
Voted Aye: Weisbecker, Smolinski, Ramaglia, Nolan, Lichtenberg, Jurkovic.
Voted Nay: None.
Motion carried.

Agenda No. V

Council Comments

None.

Agenda No. VI

Action Items

None.

Agenda No. VII

Adjournment

There being no further business to come before the Council, the Township Council adjourned the meeting.

Moved: Weisbecker Seconded: Nolan
Voted Aye: Weisbecker, Smolinski, Ramaglia, Nolan, Lichtenberg, Jurkovic.
Voted Nay: None.
Motion carried.

Approved: April 7, 2010

MAYOR BETTINA BIERI
PRESIDING OFFICER

ANTOINETTE BATTAGLIA
TOWNSHIP CLERK