
TOWNSHIP OF WEST MILFORD, COUNTY OF PASSAIC, NEW JERSEY

Minutes of: Township Council Special Meeting
Date of Meeting: April 20, 2009
Time of Meeting: 7:30 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 April 12, 2009; 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.

Agenda No. I

Roll Call

Present: Councilmembers Philip Weisbecker, Joseph Smolinski, Salvatore Schimmenti, Marilyn Lichtenberg (arrived @ 8:15 p.m.), Daniel Jurkovic, Mayor Bettina Bieri.
Absent: Councilman Robert Nolan.
Also Present: Township Administrator Kevin Boyle, Township Clerk Antoinette Battaglia.

Agenda No. II

Purpose

Mayor Bieri advised that the purpose of tonight's meeting is to continue a review of the 2009 municipal budget. She stated that the Township Auditor, Charles Ferraioli, is in attendance to address the Council and she welcomed Mr. Ferraioli to the meeting.

Agenda No. III

Review of 2009 Municipal Budget

Mr. Ferraioli advised the Council that, if they wish to avail of the pension deferral, they must introduce the budget by Wednesday evening. The State did not give advance notice of this looming deadline and he is hoping to receive sufficient direction from Council tonight to have a budget ready for introduction. He stated that the introduced budget can be amended and is only final upon adoption. He recommended to the Council that West Milford defer the pension because the Township is already over the CAP levy and there are few other options available. However, he stated, the Township does not have to take the 15-year payoff nor does a decision on that have to be made immediately. He explained the CAP levy and advised that the waiver is a one year waiver that does not get built into the base. This legislation, in his opinion, will require amendments because each year more municipalities will struggle with the provisions of this law. At this time it is not clear what the implications are for next years budget because the State has not provided any guidance as to the impact pension deferral will have on 2010 municipal finances.

Mr. Ferraioli distributed information to the Council that compared last years budget to this years proposed budget. He reviewed that data with the Council starting with a summary of the levy CAP calculation. Unless the law changes, the CAP levy overage will become an annual cycle for most municipalities with little or no relief in sight. The only option to avoid this cycle will be staff reductions and service reductions. The intent of this law is to force mergers and interlocals. In response to Councilman Jurkovic, Mr. Ferraioli explained that the Township will not get a CAP waiver if we do not take the pension deferral. He reviewed the history behind the current pension situation which started during the Whitman administration and has been a financial burden to municipalities for a number of years. Municipalities were compelled to five-year payoff plans and this was to be the last year for that payoff until the current pension deferral program. Pension bills have increased over 100% for the past eight years and the Township would have to reduce operating expenses by \$2.2 million in this budget if West Milford opted to not take the pension deferral. Without that \$2.2 million, there are no options because of the need for a CAP levy waiver.

Mr. Ferraioli stated that the bond anticipation note (BAN) sale was very successful and the interest payment due next year on \$17 million will be less than the payment made this year on \$6 million. In response to Council President Smolinski, Mr. Ferraioli explained the deferred school tax. He advised that surplus funds are being used in this budget. Deferred school tax payments will likely generate \$1 million and reserves for uncollected taxes will also generate about that amount. Current economic conditions will likely affect tax collection but the delinquent tax sale will result in investors buying those liens. At this time, the budget reflects an increase of \$185 on the average home. However, he stated, this budget is still subject to amendment.

The Council discussed stimulus funding with Mr. Ferraioli noting that there is still a lot of uncertainty about both funding and qualifying projects. Mr. Ferraioli advised that most municipalities are not taking the COPS funding which is a police grant, because when the grant cycle ends the municipalities must assume the full cost of these increases in personnel.

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Council President Smolinski asked Mr. Boyle to provide the Council with a list of potential retirees from the Township and a breakdown of the affect those retirements may have on funding. Mr. Boyle stated that layoffs will not result in savings this year and would only have an impact next year. He stated that he and Mr. Magnotti spent about six hours reviewing operating line items in this budget and have found about \$600,000 in cuts. He stated that in his opinion, there is not much else that can be cut from this budget. He will review capital requests and is likely to recommend significant reductions in capital. Any other proposed cuts will impact personnel and services. He stated that the issues facing the Council today stem from prior budget decisions and are compounded by the State CAP levy. While he will be proposing significant cuts to the road projects, he urged the Council to strike a balance between making cuts this year and protecting the municipal infrastructure over the long haul. Councilman Weisbecker asked the Administrator to provide Council with a list of roads that are currently up to standards. Mr. Boyle stated that the cuts being proposed by himself and Mr. Magnotti will bring the tax increase to \$130 on the average home adding that one needs \$152,000 to cut a tax point which equates to \$13 on the average home. Councilman Jurkovic recommended cutting capital funding for the proposed dam project until the State funding is received. Council President Smolinski stated that, in light of these tough economic times, the Township must cut capital projects especially roadwork and defer those jobs until the economy improves. Our current road schedule is to improve ten miles per year and he recommends cutting that in half. Mr. Boyle stated that he and Mr. Magnotti went through the budget line by line making cuts to reduce the levy to \$130 practically decimating capital projects. He will review potential staff cuts this summer and make recommendations to Council at that time. Council President Smolinski asked Mayor Bieri if her gang have changed their minds about personnel cuts. Mayor Bieri replied that she does not have a gang but is surrounded by independent thinking people. She personally has never favored cutting staff but would prefer to see negotiations produce concessions from the labor contracts. She has repeatedly asked the Administrator to reopen negotiations to effectuate such concessions and, as she has often said, she would like to institute furloughs to effectuate savings. In order to realize savings in 2010 it is necessary to negotiate better and sooner with the respective labor organizations that represent municipal employees and she fully supports savings through attrition and employee contributions to benefits. Council President Smolinski stated that he does not support furloughs because the savings would be minimal and he stated that it is time to address pensions. Councilman Jurkovic recommended freezing salaries for all non-contractual employees. This, he said, will protect essential services and result in cutting from the top. He stated that it would be wise to research shared services opportunities and eliminate obsolete departments. Council President Smolinski stated that he would like to have employees in the Engineering and Health departments receive Rice notices so that the Council can review those departments. Councilwoman Lichtenberg stated that she would like a list of employees who have twenty-five years of service but are not yet fifty-five years of age. She would like to determine if it is possible to offer those persons a buyout package to effectuate savings. Councilman Weisbecker stated that he wants the employees in Engineering and Health to receive Rice notices. In response to Mayor Bieri's request that all departments be reviewed Councilman Weisbecker stated that he does not want to place undue stress on other personnel but he believes there are savings to be realized by looking at Engineering and Health. These two departments are directly affected by State legislation and the Highlands Act. Council President Smolinski likened this review to the successful restructuring of the Planning & Building departments.

Mayor Bieri commended Mr. Boyle and Mr. Magnotti for their hard work. Mr. Boyle reviewed the proposed cuts for the Council and Councilman Jurkovic expressed objections to the proposed \$30,000 in appropriations for the fire departments. These volunteer organizations do not receive sufficient funding to cover their liabilities and utilities despite their dedication to this town. Discussion ensued about existing funding levels for fire departments and the process by which their funds are released to them. The Council instructed the Administrator to restore the proposed \$30,000 cuts to fire departments.

Administrator Boyle discussed potential interlocal agreements for Health services noting that the Health Officer is researching this potential. He advised that most proposed cuts to the budget were made to capital requests and he commended the department heads for submitting conservative budget requests this year. Councilman Weisbecker and Council President Smolinski requested that Mr. Boyle provide them with comparisons of the West Milford Engineering & Health Departments to those departments in other municipalities, particularly towns in the Highlands region.

The Council consensus was to introduce a budget on Wednesday based on the cuts proposed by Mr. Boyle and Mr. Magnotti. Mayor Bieri thanked the Administrator and CFO for their hard work. Mr. Boyle advised that he will begin labor negotiations in June and committed to completion with signed contracts in place before the end of this year. He stated that his philosophy is that capital funds that are requested and approved are to be used for the purposes intended in a timely fashion.

Agenda No. IV

Public Comments

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

