
TOWNSHIP OF WEST MILFORD, COUNTY OF PASSAIC, NEW JERSEY

Minutes of: Township Council Special Meeting
Date of Meeting: May 8, 2006
Time of Meeting: 7:30 P.M.
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Council President Gervens called the Special Meeting of the West Milford Township Council to order.

Adequate Notice Statement

Council President Gervens 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 sent to the Herald News on May 4, 2006 and was advertised in the Herald News in its issue of May 7, 2006; 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

Council President Gervens led all in attendance in a salute to the flag.

Roll Call

Present: Councilmembers Philip Weisbecker, Joseph Smolinski, William Gervens
Robert Nolan, James Warden (arrived at 7:45 p.m.)

Absent: Mayor Joseph DiDonato, Councilman Carmelo Scangarello

Also Present: Township Administrator Richard Kunze, Township Clerk Antoinette Battaglia,
Township Chief Financial Officer Arthur Magnotti

Purpose

Council President Gervens noted that the purpose of this meeting is to review the 2006 municipal budget. He asked the Administrator for an update.

Budget Overview

Administrator Kunze referred the Council to his memo of 4/21/06 wherein he presented various budget scenarios indicating prospective cuts to limit the impact of the 2006 budget to \$25, \$50, \$75, and \$100 on the average home owner in town. He asked the Council how they would like to proceed. Councilman Smolinski suggested starting with scenario #1. Administrator Kunze advised that scenario #1 primarily cuts contingency amounts for services such as snow removal and energy and fuel usage reductions. The estimates for fuel were based on fuel prices in the fall. Although we have seen significant increases in fuel costs in recent weeks, the per gallon price is less now than it was when the estimates were obtained. Overall, in scenario 1, service cuts are minimal. Mr. Kunze stated that the cuts to the snow removal budget are based on the fact that we used less at the beginning of this year than we had at the same time last year. He expressed confidence that the projected costs are fair.

Councilman Nolan noted that, in scenario #1, there is a proposed cut to the Tourism budget of \$11,000. He asked how much remains in that line item after the proposed cuts. Administrator Kunze advised that there remains funding for incidentals, advertising and for the state grant program. In scenario 1, all new proposals, new programs, and new hires were taken off the table. Councilman Nolan stated that he may have chosen cuts other than those proposed by the Administrator. Administrator Kunze advised that the cuts were broad based and were primarily related to events that are further down the road. The Council questioned proposed cuts to the celebration of events budget which would impact events that affect a broad base of the population such as the tree lighting. Councilman Nolan stated that scenario #1 reflects an overall reduction of \$1.3 million; however \$500,000 is in cuts and \$779,000 is due to use of surplus funds. He noted that we are using more surplus than anticipated.

Councilman Warden arrived at the meeting at 7:45 p.m.

Administrator Kunze advised that, in scenario #3, there is a proposed \$2.1 million cut to get to the \$25 impact. The intent of the scenarios is to open up the discussion. Most items in scenario 1 were chosen in an effort to be mindful of maintaining services and the cuts were made to events that will happen late in this year or even next year. He provided a surplus projection and reviewed the available balance, surplus used to date in the 2006 budget, and projections to the end of 2006 anticipating the same rate of use of surplus funds. The numbers include the watershed aid and the surplus projections reflect the higher interest rates being earned. Councilman Gervens reminded the Council that, at the beginning of the budget process this year, the Township Auditor cautioned about tapping too much surplus because it can hurt us in future

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years. He also cautioned about overestimating anticipated revenues stating that he worries about the combination of overestimating revenue while tapping surplus.

Administrator Kunze advised that the original budget document did not have the final numbers for 2005. When those numbers became available, the Auditor recommended cutting the amount of surplus to be used by \$400,000. He explained the potential negative impacts of over utilizing surplus funds in any budget. Councilman Nolan noted that surplus has increased every year and stated that the intent of building surplus is to use it when it is needed. Knowing that we expect significant increases for the next few years for pension contributions, he stated that we should attempt to make budget cuts and rely less on surplus. He stated that we must downsize even though it will have minimal effects on this year's budget; the impact will be seen in future years. Administrator Kunze asked to defer discussion of personnel cuts until after the possibly affected employees have been notified. Councilman Warden expressed concern that the scenarios presented by the Administrator do not reflect cuts in attorney fees. He stated that we need to reduce the size of government and get attorney fees under control. Administrator Kunze advised that, under the personnel cut scenarios and subsidiary schedules, he laid out options for reducing department sizes, savings that can be realized both this year and next year, as well as the possible impact such cuts may have on services. He has also proposed a \$10,000 reduction in legal expenditures in addition to the \$7,500 reduction previously made to attorney fees. He advised that Council that our attorney fees now average about \$10,000 per month. He is proposing \$40,000 for the legal budget for the planning board.

Councilman Weisbecker stated that, if we use all the cuts in scenarios 1, 2, and 3 and use \$300,000 of surplus, we can get a \$100 reduction. We would have to look hard at the proposed cuts and perhaps look more closely at planning and personnel. In response to a question posed by Councilman Warden, Administrator Kunze advised that he has proposed cutting \$45,000 in down payment funds for road work. This equates to a reduction of approximately \$900,000 of road work and cuts the annual road program almost in half. He noted that the impact of these cuts will be felt most severely next year. He cautioned that there will be continued pressures next year on the pension, healthcare, and fuel costs. The downsizing initiatives will be felt next year because they will provide a full years impact and the revenue shortfall will be less next year. Councilman Warden suggested using scenario #4 but eliminating the planning department rather than garbage collection. He noted that, the longer we wait to make a decision, the less the impact will be. Council President Gervens suggested that we look at the way we handle recycling and Councilman Weisbecker stated we should close the recycling center. Administrator Kunze advised that he will look at those numbers and report back to the Council.

Councilman Warden stated that a 0% increase is not possible, \$25 is not likely, and he recommended that we focus on trying for a \$50 increase. Councilman Smolinski recommended that we not cut transportation as recommended in scenario #3 and Councilman Warden recommended a larger cut in legal fees. The Council briefly discussed the judge's salary, library, prospective certificate of habitability program, fire departments, and part-time snow plowing contractors. The Council instructed that the budget should contain funds for the annual tree lighting. Councilman Nolan asked if personnel turnover is factored into the budget and the Administrator answered in the affirmative. Council President Gervens commended the Administrator and Treasurer for the time and effort they invested in creating the scenarios as requested by Council.

Administrator Kunze stated that next Tuesday's meeting will be used to discuss personnel and possible shared services. He asked the Council to consider introducing the budget on Wednesday night and establish the public hearing date. He advised that changes can be made after introduction and a hearing must be held on the changes also. The Council agreed to introduce the budget with a \$100 tax increase for the average homeowner noting that the ultimate goal will be to reduce that number to \$50. They further agreed that the introduction will be scheduled for May 16th to afford the Council to speak with the personnel who may be affected by possible layoffs.

Public Comments

Mayor Di Donato opened the meeting to the public.

Martin O'Shea, 22 Greenwood Drive, West Milford noted that, he just witnessed two Democrats on a Republican Governing Body arguing for smaller government. He recommended that the Council research the planning board attorney fees indicating that this may be an area where savings can be realized. He advised that the planning board attorney is paid at a higher hourly rate than any other attorney working for West Milford. He gets \$160 per hour while the BOE attorney gets \$120. He also advised that the planning board attorney generally sends a stand-in to most meetings and opined that this may be a strategy the Council should look at. He advised that the zoning board received three applications this year from attorneys who were interested in

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being hired. However, these applicants were never interviewed and Mr. O'Shea asked why. He noted that there is always an engineer present at the planning and zoning board meetings and he asked if the Township incurs a cost for those services. He asked why the Township needs a deputy tax collector and if we had received the bikeway grant funds from the State. He stated that we could replace every municipal judge in this State with a clerk.

Jim Novack, Mount Laurel, West Milford stated that we should charge everyone who uses the recycling center. He stated that two Township employees were paid to work on beautification day and that we do not need to have paid staff at such events because the volunteers do all the work anyway. He advised that the State is proposing a \$3 per ton surcharge on every ton of garbage produced. He suggested taking beautification grant money to hire someone part-time to inspect homes to insure that residents are recycling. If we're paying for curbside recycling pickup the Town should consider prohibiting residents from dropping off those materials at the recycling center.

Councilman Weisbecker made a motion to close the public portion of the meeting.

Moved: Weisbecker Seconded: Nolan
Voted Aye: Weisbecker, Smolinski, Gervens, Warden, Nolan.
Voted Nay: None.
Motion carried.

Councilman Nolan stated that he believes that the engineer who attends planning and zoning board meetings is compensated through applicant's escrow accounts. Councilman Weisbecker requested that the Administrator provide Council with the foreclosure list and advise when the next sale will be. Councilman Nolan commended the Administrator and Treasurer for their work on the budget documents.

Adjournment

There being no further business to come before the Council, the Township Council adjourned the meeting at 9:18 P.M.

Moved: Weisbecker Seconded: Nolan
Voted Aye: Weisbecker, Smolinski, Gervens, Warden, Nolan.
Voted Nay: None.
Motion carried.

Approved: May 24, 2006

COUNCIL PRESIDENT WILLIAM GERVENS
PRESIDING OFFICER

ANTOINETTE BATTAGLIA
TOWNSHIP CLERK