
TOWNSHIP OF WEST MILFORD, COUNTY OF PASSAIC, NEW JERSEY

Minutes of: Township Council Special Meeting
Date of Meeting: May 14, 2015
Time of Meeting: 6:00 P.M.
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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 published in the Herald News on May 11, 2015; copies were provided to the Record, Star Ledger, Suburban Trends 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.

Please also make note of all fire and emergency exits – located to the left, right, and rear of this room - for use in case of an emergency. Thank you.

Pledge of Allegiance

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

Roll Call

Present: Councilmembers Ada Erik, Michael Hensley, Vivienne Erk, Michele Dale, Luciano Signorino, Marilyn Lichtenberg, Mayor Bettina Bieri.
Also Present: Township Administrator Kenneth Gabbert, Township Clerk Antoinette Battaglia

Agenda No. II

Purpose

Review of the proposed 2015 Municipal Budget.

Agenda No. III

Review of 2015 Municipal Budget

Library Funding – Auditor Chuck Ferraioli and Library Chairperson Dr. Joan Oberer and Library Treasurer Andy Gargano addressed the Council. Mr. Ferraioli advised that the library board proposes funding in the amount of \$4 million for the new library for which the board would need \$1.4 million in bonding for their share. Therefore, he said he estimates the need for a bond ordinance for \$4 million plus 5% for incidental expenses. Unused balances would be cancelled after project completion. He recommends that this bonding remain separate from the capital ordinance being proposed as part of the budget process. The library board is hoping to get the funding in place as soon as possible so that they can proceed to bid. He said he recommends to go with notes this year to take advantage of low rates. He noted that rates have climbed since January and he had a sale this week that came in at 2.5% which is still favorable. He said that the library has seen decreased funding in the past three years. He would seek an ordinance for \$4.2 million.

Mr. Gargano and Dr. Oberer addressed the Council saying that the library proposes to pay \$1.5 million toward the project and retain \$600,000 in reserves. The estimate to furnish their portion of the building is \$250,000. They hope to raise that money separately. Discussion ensued about decreasing revenues and the plans the library has to make payments despite that trend. Dr. Oberer noted that the Township will not know actual costs until the bids are opened. Mr. Gargano noted that the architect is estimating a construction cost of \$5 million. The library has spent almost \$1.2 million to get to this point. He is expecting that a lot of companies will bid but if the cost comes in above the \$4 million of approved funding, the bids may have to be rejected.

Councilman Hensley asked if the architectural plans are definitive and if changes can be made to the municipal spaces. In unison, members of the Council and library board replied that such changes, at this point, would require a change order. Councilman Signorino said the Township Administrator has not vetted these numbers. Councilwoman Dale said that the proposal is to bond for \$4.2 million, if bids come in at a higher amount, the entire project would have to be rejected at this time. Councilman Hensley said he would like to see a kitchen in one of the meeting rooms and Mr. Gargano replied that there is already plumbing so such an addition would likely be minor.

Dr. Oberer said there were extensive conversations at the library board about the \$4 million amount. The board decided to help this project to be as cost effective as possible. They said they can complete the project without a clerk of the works because they have the architect. They will fund raise for furniture. They estimate the town's furniture will cost about \$50,000. Councilman Signorino said he is so concerned because so many numbers have been circulated. The architect estimates the cost to be above \$5 million so he is concerned that we are shortchanging the project. Dr. Oberer said \$4 million is the

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highest number the library can handle. She referred to her notes from the presentation the architect made to Council. Councilman Signorino asked what the contingency is and Dr. Oberer said if the bids come in too high they will have to put the project on hold until they can fully fund it and pay the money.

Councilwoman Dale said she would like a commitment from the library to have surplus funds kept in reserve to ensure that the bills can be paid. Mayor Bieri said the library percentage of the bond would be \$1.4 million and of that they would have \$600,000 in reserve. Councilwoman Erik said the library gets their funding from the town and we would hold the payment up front. Discussion ensued about the funding, the amount being put down, the percentage rates and the perceived risks. Mr. Ferraioli suggested that the library board reserve one year of the highest bond service which would address the concerns and be a palatable number. Everyone agreed.

Mayor Bieri said we are here tonight because to move forward we need to have the funding in place. The board analyzed finances carefully and determined the maximum capacity they can afford. If Council agrees to \$4 million she supports Mr. Ferraioli's number for the reserve. The board has shown that they can work well with the town and they are fiscally conservative. We can put that in writing that the library will maintain their reserve at a percentage of the highest year's cost. The Council gave consensus to move forward. Mr. Ferraioli said he will work the details out with bond counsel tomorrow and have an ordinance ready for introduction at the next regularly scheduled meeting.

Municipal Budget

Mr. Ferraioli distributed handouts. He reviewed the 2014 statement of operations and the surplus. He noted that the Township ended the year with surplus of \$3,795,741.57 which is \$877,588 higher than last year. That was affected by the insurance refund which will not likely be as high again. The Township cancelled \$197,000 in bonds and that will likely be 0 in 2015. He said the school levy is coming in at about half of last year which benefits taxpayers but will negatively impact surplus next year. The Township will generate less surplus this year. The introduced budget is using \$2.6 million and that will result in decreased surplus of \$428,109. The \$600,000 in surplus this year made the budget easier but the projections will make it more difficult next year. He explained how the deferred tax affects the municipal budget. He reviewed the introduced budget numbers. Between the school & town, without county, the increase is 1.80%. If you cut one tax point the levy drops to 1.52%. If you cut two points, the levy increase is 1.24%. However, if you do that it may be an issue next year.

Councilman Hensley said that if we are successful in the Newark tax appeal it will increase revenue. Mr. Ferraioli said if the Township prevails, we have to pay county & school. If we lose, the Township must pay all. He said he felt that the budget presented to Council was conservative. Mayor Bieri agreed. Mr. Ferraioli said that the credit rating increased because of surplus. He does not anticipate any change in our rating. The Township will go to the market for the library and probably part of the note coming due in November to reduce payments. He said that tomorrow we will probably discuss the \$800,000 redevelopment funds. He will recommend using that to offset capital costs this year. He will use part of that to make the down payment for the library project. Mayor Bieri said we have to use those before they are taken from us. She agreed it makes sense to use them to reduce debt. Councilman Signorino said he would like to open discussion about what we will do with municipal buildings. We must know how to fund all those things. Mr. Ferraioli said he foresees seeking to only do projects in 2015 that we can get done. He said that he and Administrator Gabbert will work to develop a real capital plan going forward. He will start with a three-year plan and redefine it every year from there. Councilwoman Dale agreed that future forecasting is pivotal. Mr. Ferraioli said it will help our credit rating. Councilwoman Dale said we have not invested in DPW equipment for so long that the situation is now dire. A capital plan can forestall that.

Administrator Gabbert said we are paying LOSAP one year behind and he would rather get us current with this. He is paring that down but putting 25% toward getting us current. He is reducing the bond sale restructure by \$70,000. That would be a total of \$437,250 of cuts. He said that Council took certain personnel positions out of police department. Agreement was reached with the bargaining units and we are on the right path. The savings this year will be \$15,000. There is an upcoming health department retirement which will result in a savings which becomes significant in 2016. There is talk about increasing a part time position to full time in that department. He recommends we leave animal control alone in 2015 but immediately begin discussing this for next year. He is proposing cuts in the assessor's office. He recommends that tax assessor's office be reduced to 1.5 people by January 2016. The savings compound in 2016 and going forward. Councilman Signorino asked where that work would go to and he said he thought Council rejected this concept. Administrator Gabbert said he believes that with 1.5 staff and support from others in finance the work can be accomplished. Councilman Signorino said it sounds as if the Administrator is saying the staff is not working and Administrator Gabbert said that is not so. He gave the reduction in DPW & recreation as examples as to how work can be accomplished with reduced staffing. Councilman Signorino said this is a dramatic cut; a 50% reduction is dramatic. Administrator

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Gabbert said employees are working hard and diligently. But by prioritizing and achieving efficiencies cuts can be made. He said advances were made in police & health. He said there has been no response from the finance department staff other than to say there should be no changes. Councilman Signorino said he would like to hear a plan. Council President Erk said that the assessor's office is our revenue generator so she is concerned. We have the Newark watershed appeal and the assessor's office is pivotal to that. Administrator Gabbert said the governing body charged him with getting the budget under control. It is ultimately the Council's decision. Councilman Signorino asked Administrator Gabbert if he is saying we don't need 3 people in this department and Administrator Gabbert replied in the affirmative. Councilwoman Lichtenberg said we did not even look at tax collector's office. They have 3 people plus part timers too. Councilwoman Erik said she does not agree with the proposed cuts. Discussion ensued. The Council agreed that before making any decision, they would like Administrator Gabbert to present them with justifications for the cuts. Councilwoman Dale asked about placing GPS tracking devices on vehicles saying employees may welcome that because they can justify their time. Councilman Hensley agreed and said there should be time cards too. Mayor Bieri said that she has been trying for years now to get an updated time card system in place. Our current system is extremely antiquated. She recommends hiring ADP and automating it. It will take an initial investment. Councilwoman Dale said department heads must take a good hard look at efficiencies. If there are other areas that can be improved then they should be looked at. That is good management. Mayor Bieri said she has advocated cross training for many years very specifically in the finance department. That should be done in every department. Councilwoman Dale said she doesn't know if 1.5 is the number or if 3 is the number. But there should be an honest assessment with detailed analyses so that the Council can make an educated decision.

Administrator Gabbert said there are no cuts to fire and EMS. Additional funding will be needed for holidays in 2016 if the town does the fireworks display. He said that there is a \$2,500 inherent increase in the Bloomfield contract. Councilwoman Erik said that we could do away with the contract and take a year to find a health officer and the Council agreed. Administrator Gabbert asked for clarification and the Council said do away with the Bloomfield agreement. Administrator Gabbert said he will schedule that topic for executive session discussion at the next meeting. Administrator Gabbert said he has appropriated funding for a wellness campaign. The HIF is looking at 4 towns where they would fund an employee incentive of up to \$250 per year to take certain health and wellness steps. He is asking for \$65,000 to fund this.

Administrator Gabbert said the appropriations for the Senior Olympics have been increased because West Milford is hosting this year. Expenses for PAL have been pared down and he will be prepared to discuss that in executive session on Wednesday. The appropriations for banners has been increased to \$7,500 and there is a shortage in the snow budget this year. The DPW has requested \$100,000 for materials to do the preparation work for road construction projects. Overall there will be a savings because it costs \$500,000 to contract that work out. He said he is requesting an increase of \$2,000 in the payroll process because there are additional regulatory requirements as a result of the affordable health care act. He said an additional \$3,500 is needed for the zoning board planner and he needs to fund costs associated with the impending retirement of the maintenance person. Funding for fire departments has remained level.

Administrator Gabbert said his proposed cuts would reflect a \$437,000 reduction in the budget. However, Council is not in favor of all those reductions and he asked for direction. Councilwoman Dale said she does not favor the wellness campaign. Councilman Hensley said he favors wellness plans because surveys show that those who receive incentives are generally more productive employees. Administrator Gabbert said the HIF will support this campaign on a declining scale from year to year.

Administrator Gabbert said the Township's cost to ADP is paid through our banking relationship. That is based on the amount of money kept in our bank accounts. He said the number is sizeable. He said he is concerned about how much we are spending on payroll processing. Councilman Hensley asked if Administrator Gabbert has ideas he would like to see for the tax assessor's office. Administrator Gabbert said there are three experts in that department. He spoke with CFO & then tax assessor. He has done this for 20 years. Generally there is a response with some concessions or thoughts as to how to be more efficient. Administrator Gabbert suggested that there could be cross use of employees. He got no feedback like that from anyone. Regardless of the monitoring of activity we will find all the time dedicated to the Township can be accounted for. That will not have the desired result. If you calculate the time off taken, it amounts to 1/6th of a person. That percent of time is not on task. Councilwoman Dale said we need increasing revenues. Councilwoman Erik said we now have to have sustainable fixes not band-aids. Councilwoman Dale said if she is paying these taxes she wants the services. Services have been cut and it is evident. Administrator Gabbert said there are noticeable changes in productivity and customer service in many departments. There are a lot of gaps to fill. He said DPW, at a level of 40, was not efficient. We are trying to get back to efficiency and productivity. Mayor Bieri said that has been

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evident in many departments. Staff has been reduced and more is being done with less. Management is a key component.

Administrator Gabbert asked if an overall increase of under 4% is reasonable. Councilman Signorino said he wants to stay under 4%. Mayor Bieri said the goal is to keep level of services up. She said we could save about \$60,000 if we had escrow accounts for septic inspections. Administrator Gabbert said that when the software that tracks the septic pumping is running properly we will still be a long way from compliance. Discussion ensued about the septic pumping ordinance. The consensus was to stay under 4%.

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.

Brian Townsend, 1872 Macopin Road, West Milford said that no decision was made about the assessor's office. He asked if it is still on the table and are they subject to another Rice notice. Administrator Gabbert said Council has asked for a plan and if additional discussion is asked for people will receive notice. Mr. Townsend asked to be included in the process.

Bob Nicholson, 20 Hyde Road, Stockholm said it would appear that we will lose personnel. He would rather the focus be on frivolous expenses. At ALF there are high expenses with police, DPW & recreation. Fire works will be expensive. He would rather see us retain employees. Cut the fat not the personnel.

Joann May, Health Department said they have a busy office. She is there by herself at the end of each day except for volunteers. She works late often. It is a busy office and they do need extra help. She does not have time to do more than she is doing now. The part timer is a hard worker. She would love to see her made full time.

There being no more comments from the public, Councilwoman Erik moved to close the public portion of the meeting.

Moved: Erik Seconded: Lichtenberg
Voted Aye: Unanimous voice vote.
Voted Nay: None.
Motion carried.

Agenda No. V

Adjournment

There being no further business to come before the Council, the Township Council adjourned the meeting at 8:28 p.m.

Moved: Erik Seconded: Lichtenberg
Voted Aye: Unanimous voice vote.
Voted Nay: None.
Motion carried.

Approved: August 12, 2015

MAYOR BETTINA BIERI
PRESIDING OFFICER

ANTOINETTE BATTAGLIA
TOWNSHIP CLERK