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 28, 2008; 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, Salvatore Schimmenti (arrived @ 7:43 p.m.), Marilyn Lichtenberg, Robert Nolan, Carmelo Scangarello (arrived @ 7:36 p.m.). Mayor Bettina Bieri.
Absent: None.
Also Present: Township Administrator Richard Kunze, Township Clerk Antoinette Battaglia, Chief Financial Officer Arthur Magnotti.

Purpose

Mayor Bieri advised that the purpose of this meeting is to review the proposed 2008 Municipal Budget and she deferred to Richard Kunze, Township Administrator.

Administrator Kunze reviewed the process for tonight's meeting and distributed copies of the schedule for budget meetings. He advised that the Council will receive additional information from both himself and the Auditor before the February 11th meeting. Councilman Weisbecker advised that he will not be in attendance on February 28th and March 1st. Administrator Kunze advised that he scheduled the March 1st meeting as a wrap up session to allow Council to direct him in preparing the final budget.

Administrator Kunze directed the Council to his narrative in their budget folder. He advised that there are actually two budgets, the municipal budget and the solid waste budget. The current fund, as presented, reflects an increase and the solid waste budget is up 3.9%. In the current fund the amount reflected in grants is minimal as is common at this time of year. If grants are isolated, the budget is up by 5.6%. This increase is primarily due to pension, debt service, health insurance, fuel, and the WMP. This is the final year that the Township is mandated to phase in the police pension. PERS phase in will be finalized in 2009 which means that the 2010 pension increases will not be as large as they have been in recent years. Councilman Nolan clarified that the pension increases will not disappear but will level off.

Administrator Kunze advised that he plans to review the long-term capital planning with the CFO. He advised that the Township has realized a reduction in health care costs due to the recent change to the plans being offered to employees. If the PBA negotiations result in similar changes to health benefits that number will be reduced even more. He stated that fuel costs reflect an increase of $50,000 which is based on market conditions. This equates to a 15.6% increase. He has appropriated funding for re-drafting the wastewater management plan (WMP). This cost is estimated and, at this time, it is believed that municipalities will be responsible for these costs. The rules promulgated by the state call for county governments to act as the lead agency for the WMP but Passaic County has advised the state that they are not equipped to handle this task. Mayor Bieri instructed the Administrator to confirm that this is a municipal responsibility. Administrator Kunze advised that there is an expectation that the state will make grant money available also.

Administrator Kunze advised that without those five items, the overall increase to the budget is 2.3%. He advised that staff is consistently looking for ways to save money and cuts have been made from last year. The recent change to the Morris JIF has effectuated a savings. The finance department budget reflects a savings because Lakeland Bank has assumed the Township's payroll costs. Additionally, the fixed asset inventory budgeted last year has been completed. A number of departments requested funding for additional staff particularly DPW and police but the budget being presented to Council does not reflect funding for additional personnel. Operations in this budget have been cut by about $28,000.

The preliminary budget reflects conservative numbers for surplus. However, the exact numbers will not be available until the annual financial statement (AFS) has been completed. This is tied to the deferred school tax. Construction revenue has dropped as have added assessments. Interest is projected downward by $75,000 and the expectation is that the Township will not see an increase to state aid.

Administrator Kunze advised that an appropriation CAP has existed in New Jersey since 1977 and every year the state promulgates a cost of living adjustment. The appropriation CAP is 2.5% plus the value of banked CAP. Certain items are outside the CAP including pension increases during the phase-in periods. The municipality can, by ordinance, increase the CAP to 3.5%. The auditor will address this when he speaks before Council. This year municipalities also have a 4.5% property tax CAP. Items that are excluded include the pension during phase-in, capital, debt service, and health care cost increases over 4%. At this time, West Milford is CAP compliant and library expenditures will not negatively affect the Township this year. The state allows municipalities to apply for certain waivers which are not annual recurring expenditures. Although the budget increase is above 4.5%, the amount is within the limits of the law.

Administration
Administrator Kunze advised that the Administration budget has been held steady this year. Fees for services is used for consulting services and for contingencies. He gave examples of how these funds were used in 2007. Mayor Bieri questioned the appropriation of $47,000 when the actual expenditure in 2007 was $35,000. Administrator Kunze advised that he does not expect to expend more in 2008 but noted that these funds are used for unforeseen projects. Mayor Bieri recommended appropriating $36,000 and Councilman Nolan stated that, knowing what these funds are used for, he believes the $47,000 appropriation is warranted. In response to Councilman Nolan, the CFO was instructed to research the overtime appropriation in this budget. In response to Mayor Bieri, Administrator Kunze advised that school for employees is used for employee training and he noted that his administrative staff serve as deputy and alternate registrar, titles which require attendance at specific mandated courses.

Human Resources
Administrator Kunze advised that the salary increase in human resources is contractual. He has increased the proposed appropriation for advertising in 2008 because he expects a number of employees to retire this year which will necessitate advertising for those positions. He advised that the fees for service in this budget includes a new item this year. He and his staff are researching background check screening. Councilman Schimmenti noted that it is not uncommon to ask prospective employees to pay for background checks. Administrator Kunze will research that and report back to Council when he has a draft ordinance to present. The Council discussed background checks further. These discussions centered on who would be subjected to such checks, the frequency of checks, and the companies that provide such services.

Mayor & Council
Administrator Kunze advised that there are no proposed changes to the Mayor and Council budget.

Information Technology
Administrator Kunze advised that the information technology budget has been reduced by about 10%. The fee for services line item in this budget covers software licensing and maintenance costs. It also includes the maintenance of the Township's website. Councilman Nolan asked for a listing of the major components of the fee for services line item for IT.

Legal
Administrator Kunze reviewed the legal budget. He advised that the special counsel line item is for all other attorneys except the Township attorney and bond counsel. The overall amount has been reduced by $5,000 although the special counsel account exceeded appropriations in 2007. Councilman Nolan noted that some major legal matters including Eagle Ridge and Valley Ridge are almost concluded and there are only two bargaining units in negotiations this year. He questioned if the overall appropriation for legal fees is too high. Administrator Kunze stated that the Township received a notice of tort claim from the UGL POA and the PBA is generally the most expensive contract negotiations. He stated that he is reticent to recommend cuts to this budget. Mayor Bieri questioned the appropriation for legal settlements. Administrator Kunze advised that this is a contingency account and advised that the settlement made in 2005 was to pay Mr. O'Shea.

General Services
Administrator Kunze advised that the general services account covers office supplies for the entire municipality, with the exception of certain specific supplies that are reflected in individual budgets. The salary and wages line item pays for temporary personnel who provide support to various departments on an as-needed basis. Postage is being held steady. Councilman Nolan asked if there are control measures in place for use of the postage meter. Ms. Battaglia advised that her staff mans the postage meter for most mailings. On occasion, when the receptionist is out and there is a large mailing, staff from the tax department will run the mail through the machine. However, on those occasions, a member of the Clerk's office sets the machine up and verifies that it is used for municipal business. Councilwoman Lichtenberg asked if the Township expects to rent equipment this year. Administrator Kunze advised that he expects to use some of this funding to have a shredding company come in to destroy records as part of the on-going records management program. Councilman Nolan asked if the Township had initiated any controls over the use of gas. Administrator Kunze advised that this budget contains a capital request for such equipment. The fees for service line item in general services covers maintenance contracts, ASCAP, software, computer emergencies and website updates.

Insurance
Administrator Kunze advised that the property and liability insurance budget is net of library chargebacks. Councilman Nolan stated that there is a trending of high increases in insurance and he asked if this budget reflects a build-in amount for possible assessments from the NJIF. Administrator Kunze advised that he does not expect such assessments in 2008. In response to Councilman Nolan, he advised that the employee handbook which is required under the Morris JIF will be in place within six months as required. He is reviewing the draft and cross-referencing it with union contracts to determine if any negotiations are required. The first aid squad insurance line item covers buildings and ambulances and he asked the CFO to check those figures. Mayor Bieri noted that only certain squads receive this coverage and she asked if the other squads should be receiving additional funds to make up for the disparity. Administrator Kunze advised that there is direct aid to Upper Greenwood Lake and the West Milford first aid squads. State regulations control how much can be donated to each squad. If the Township owns equipment, Township personnel repair that equipment. It is expected that UGL will request a new ambulance from the Township within the next couple of years.

The group insurance budget covers employee health benefits and the main expense is dental premiums. There is a line item for retiree health benefits and he will review those totals for 2008. There is also a self-funding vision plan that pays for eyeglasses that are medically necessary. Mayor Bieri asked why the appropriation for Medicare reimbursement is up this year. Administrator Kunze replied that this item is under-funded and the overall increase to insurance is 6.3%. He advised that individual line items can be exceeded in this budget and directed the Council to the control totals. Discussion ensued about coverage for retirees and when Medicare becomes the primary coverage. The actual expenditure for retiree health benefits in 2007 was $665,000. Administrator Kunze advised that West Milford is a chapter 88 community which requires the payment of health benefits to qualifying employees in retirement. Health care costs equate to 8 or 9% of the total budget. The Council instructed Mr. Kunze to research if the Township can mandate that married couples in the Township's employ must be covered under either one of the other's plan with no reimbursement.

Heritage Committee
Administrator Kunze advised that the Council appropriated funds last year for the Heritage Committee. He will check with Ms. Cubby to ascertain why the funds have not been encumbered. He advised that they have approximately $50,000 in a trust fund that they use to meet their expenses. He noted that the museum is a municipal facility. Mayor Bieri asked if the Council agrees that this funding should be cut. Councilman Nolan stated that he is not in favor of cutting the funding. He would rather use more surplus in the budget than nickel and dime these accounts because the money not spent from these accounts go back into surplus at the end of the year. In response to Councilman Scangarello, Administrator Kunze advised that the Heritage Committee has used trust funds to purchase a new sign, new supplies, exhibits and some facility improvements.

Clerk
Ms. Battaglia asked the Council for authorization to subscribe to the Herald News for delivery of the Sunday edition to an employee's home. She noted that affidavits have increased in cost and, if she can receive the paper regularly, she can save some money by producing affidavits in-house. The Council gave consensus to proceed. Councilman Weisbecker asked why there is an appropriation for office supplies in this budget. Ms. Battaglia advised that she has a need for specialized office supplies to have permanent records maintained in the proper format. She anticipates this need will exist for a few years until her office has completed this work for a backlog of records. Councilman Nolan asked for an overview of the appropriation for codification. Ms. Battaglia advised that not all 2007 encumbrances are reflected in the document before the Council. There is an appropriation of $5,000 for 2008 which is an estimate. The Council had no more questions on the Clerk's budget.

Elections
Ms. Battaglia advised Council that the state has committed to reimbursing the municipality for all election expenses associated with the Presidential Primary election in February on a first-come/first-serve basis. The PCANJ has agreed to a self-imposed deadline to submit all municipal expenses to the county by February 29th. The county will submit these expenses to the state. Therefore, the municipality must budget a sufficient amount to cover the expenses and all reimbursements that come from the state will be deposited to offset any expenditures. Councilman Nolan questioned the appropriation for salaries. Ms. Battaglia advised the CFO that the county now pays poll workers so that line item can be reduced. Because of the Presidential Primary, she recommended that an appropriation be made to cover that election.

Treasurer
Mr. Magnotti advised that salary increases are contractual. There was also one promotion and increases to longevity. The new employee in this department is taking courses related to her functions. He stated that the fees for services line item reflects a zero appropriation this year because Lakeland Bank now pays for payroll and the fixed asset inventory has been completed. Auditing fees are flat. In response to Mayor Bieri, Administrator Kunze advised that the overtime appropriation was calculated based on historical spending.

Tax Collection
Mr. Magnotti commended the Tax Collector for the substantial reduction in salaries in this budget. She is working with fewer people. The appropriation for technical supplies is used to purchase cartridges for printers and a new employee is taking work-related courses. The printing appropriation is primarily used to generate estimated tax bills and the need for these funds is linked to the timing of the budget. This appropriation may be necessary in 2008 because the state is coping with the new CAP laws and it is expected that this may delay the adoption of municipal budgets statewide. In response to councilwoman Lichtenberg, Mr. Magnotti advised that this critical department has a significant need to budget for overtime. Administrator Kunze reviewed the state process and the potential impact the new CAP laws may have on municipalities' ability to adopt budgets in a timely fashion in 2008. Councilman Nolan added that the governor promulgates a proposed budget in February and the legislature has until June 30th to adopt the state budget. However, it is anticipated that the governor's budget address may be late this year which may delay the state budget. A municipality can introduce their budget and hold the public hearing but they cannot adopt until all the state numbers are in.

Tax Assessment
Mr. Magnotti advised that there are no proposed changes to this budget. Mayor Bieri noted that the Tax Collector is running a very busy office with 2.5 people while there are three full time assessors and a full time clerk in the Tax Assessors office. Administrator Kunze stated that he will speak with the Tax Assessor about the need to staff this office at this level noting that the Township may soon be conducting a revaluation. The municipality would have to adhere to the state layoff process through civil service if the Township wanted to remove one person. Mayor Bieri stated that the Tax Assessor works for other towns and earns a full time salary in West Milford. Administrator Kunze advised that Mr. Townsend works for other municipalities outside of regular work hours. Councilman Nolan stated that he agrees with Mayor Bieri and does not see the need for this level of staffing in this department. He asked that the Administrator arrange a meeting to evaluate this department. He cautioned the Council to consider the domino effect of their actions on future years and future councils. The Tax Collector, he said, is working with fewer staff members while the Tax Assessor's office appears to be overstaffed. Administrator Kunze advised that the Collector's office has peaks and lows that the Assessor's office does not. Councilman Weisbecker cautioned delving too far into this topic without properly noticing employees that may be affected by such discussions. He asked that Mr. Kunze speak with the Attorney and that this subject be broached at a future workshop meeting.

Public Comments

There being no person wishing to be heard, Councilman Weisbecker made a motion to close the public portion of the meeting.

Moved: Weisbecker Seconded: Scangarello
Voted Aye: Weisbecker, Smolinski, Schimmenti, Nolan, Lichtenberg, Scangarello.
Voted Nay: None.
Motion carried.

Adjournment

There being no further business to come before the Council, the Township Council adjourned the meeting at 8:50 p.m.

Moved: Weisbecker Seconded: Nolan
Voted Aye: Weisbecker, Smolinski, Schimmenti, Nolan, Lichtenberg, Scangarello.
Voted Nay: None.
Motion carried.

Approved: February 27, 2008

MAYOR BETTINA BIERI
PRESIDING OFFICER

ANTOINETTE BATTAGLIA
TOWNSHIP CLERK