

# Borough of Tenafly

MAYOR AND COUNCIL

SPECIAL COMMITTEE OF THE WHOLE MEETING

MINUTES

TUESDAY, OCTOBER 18, 2011

At 7:34 p.m. Mayor Rustin read the Open Public Meetings Act Statement: "In compliance with the Open Public Meetings Act P.L. 1975, chapter 231, the notice requirements have been satisfied. Meeting dates for the year are listed in the Annual Agenda; copies are sent to the Record, Suburbanite, and Northern Valley News and posted on the bulletin board in the lobby of the Municipal Center. The notice of this special meeting via resolution #11-327 has been sent to the Record, Suburbanite, and Northern Valley News and has been posted on the public bulleting board in the lobby of the Municipal Center".

Present: Mayor Peter S. Rustin

Council members: Barry Honig, Martha Kerge, Michael Lattif,  
Jon Warms

Borough Administrator: Jewel Thompson-Chin

Chief Financial Officer: Gene Vinci

Absent: Council members Anthony Barzelatto and Nadia LaMastra.

Mayor Rustin read the following statement:

Public Comments: A total of 15 minutes has been allocated for this purpose. Citizens are welcome to address the Mayor and Council on any governmental item of concern to them, whether or not it is scheduled on the agenda below. Citizens must give their names and addresses when recognized to speak. Large groups are urged to select someone to represent them. The public is advised that these meetings are recorded and are subject to the Open Public Records Act.

Mark Feldman – 133 Lylewood Drive – commented on the increase of assessments on homes due to revaluation and amount of "for sale" signs. He requested that any surplus from Police Headquarters project be allocate d to a debt service account for more short term alleviation of taxes and that a finance and budget committee should be reconsidered.

## **Budget Meeting Agenda Topics:**

### **Comparative Analyses 2011 – 2012 (Estimates)**

Mrs. Thompson-Chin advised Council that the estimates are not specific proposal for the 2012 budget. The purpose of the meeting is to provide an introductory session on status of 2011 and the status of issues that are both positive and negative as the 2012 budget is being prepared.

Mr. Vinci reviewed a 3 year comparison of municipal income and explained that he kept the projected State Aid for 2012 flat for projection purposes, since State Aid and surplus account for 60% of total revenue.

C. Lattif inquired on the usable balance from the Police Headquarters project. Mr. Vinci responded that there is currently a balance of \$1.2 million, but there are encumbrances and bills that have not paid yet. \$3.1 million has been allocated for construction but there are other components, such as the Clerk of the Works, temporary trailers, etc. Mrs. Thompson-Chin stated that she estimates a \$500,000 balance. Mr. Vinci explained that it is premature to make any projections since the project is in process. It needs to be closer to completion in order to make a determination.

C. Honig inquired about the surplus. Mr. Vinci explained that for 2012 he budgeted as what was appropriated in 2011, which is \$1.5 million. He stated that he always tries to be conservative to budget less than what is received or else the Borough will have difficulty generating new surplus.

C. Lattif inquired about the savings in the health insurance premium contributions due to recent legislation. Mr. Vinci stated that the Division of Local Government Services advised that municipalities are not allowed to anticipate the employee health insurance contribution as revenue. It has to be an offset to appropriations. In July 2012, the pension and health insurance reform will enter the next phase. As such, employee contributions will increase and that will roll into 2013.

Mr. Vinci explained that when developing a budget, the municipality need to look at actual figures. In order to determine changes in tax levy, one needs to compare the adopted budget of previous year to budget prepared for the new year. So far, the Borough looks like it will be in good shape in staying under the 2% CAP.

With regards to appropriations, Mr. Vinci stated that salaries and wages are always a large part. There is an increase in 2012 in police salaries due to current contract, which are driving the salary numbers. All other items went down due to staffing changes which are partial. 92% of the total budget is comprised of salary & wages, fringe benefits, allocation to the Library, debt service, liability insurance, utilities, sewer charges, garbage collection, and reserves.

C. Lattif noted that important to get serious on BCUA sewer project and anticipated cost savings. Mrs. Thompson-Chin responded that as of today, BCUA attorney has forwarded the agreement to Bill McClure for review and comment. This matter will be listed for the November 1<sup>st</sup> work session.

Mr. Vinci reported that the 2012 budget will reflect an increase in legal services due to Police contract negotiations. With regards to tax appeals the Borough may have some exposure, but we are waiting for final judgments. In the worst case scenario if number becomes unmanageable need to go to the Local Finance Board.

### **General 2012 Budget Issues**

Mr. Vinci explained if the open space tax deferral referendum passed, the average home owner will save \$78 per year of the deferral. The higher the assessment on a home, the deferral will yield a greater the savings. Currently, the open space trust fund has a balance of \$1.9 million.

Mr. Vinci reported that in past 2 years, certain costs of the Library have been allocated, such as fringe benefits, utilities, workers' compensation, and payroll administration. He has been in the process of having dental, life, and health insurance billed directly to the library. Under recent legislation, the property tax bill has separate line item for Library levy.

Mrs. Thompson-Chin advised that she spoke with Max Moehlen and Chief Bruno on the concept of billing insurance providers for ambulance services. Both TVAC and the Police are in favor of pursuing a billing process. They will research and provide more details, including the billing structure, policies, administrative workload and potential revenue.

With regards to shared services, Mrs. Thompson-Chin provided a summary on current services shared with the Borough of Cresskill and the Tenafly Board of Education. Mayor Rustin stated that a subcommittee will be formed after the election to determine what other services can be shared with Cresskill. C. Lattif requested information on the benefits of bagging leaves and cited Allendale's recent change.

Mrs. Thompson-Chin reported that there are 2 new proposals from the Riverside Co-Op. The first one is a joint bid for Flexible Savings Accounts. Due to new requirements under the health insurance benefits reform, municipalities must provide FSAs, which fall under competitive bidding requirements. The purpose of a joint bid is to save on administrative expenses. There is a joint bid for garbage collection services for 2012, but the Borough is not eligible for current cycle since garbage collection contract expires in 2013. New Milford and River Edge have a joint garbage contract, which is reported to be successful. DPW is reviewing possible shared service with Bergenfield on a tub grinder. The new Police Headquarters has the potential for shared services opportunities.

### **Budget Schedule**

#### **Internal – Administrator & CFO**

Mrs. Thompson-Chin reviewed the established timeline for the internal budget preparation process. Budget forms will be distributed to the department heads on November 10<sup>th</sup> and will be due by December 9<sup>th</sup>. She and Mr. Vinci conduct the departmental reviews between December 12<sup>th</sup> and 15<sup>th</sup>.

**Statutory – Governing Body**

Mrs. Thompson-Chin advised that the budget will be submitted to the Mayor and Council on January 15, 2012. The statutory deadline for Municipal Introduction is February 10, 2012 and for Municipal Adoption is March 20, 2012. Only the state can change introduction and adoption dates. Extensions were based on 1<sup>st</sup> year for 2% cap. At this time there is no indication of extensions in 2012.

**ADJOURNMENT**

As there was no further business to come before the Council, on a motion by C. Kerge, second by C. Honig , and unanimously carried, to adjourn this meeting. The meeting was adjourned at 9:14 p.m.

Respectfully submitted,

Lissette Aportela-Hernandez, MPA, RMC  
Borough Clerk