

Borough of Tenafly

MAYOR AND COUNCIL

BUDGET MEETING MINUTES

THURSDAY, MARCH 8, 2012

PRESENT: Mayor Peter Rustin and Council members Anthony Barzelatto (arrived at 7:38 p.m.), Barry Honig (arrived at 7:15 p.m.), Martha Kerge (arrived at 7:34 p.m.), Nadia LaMastra, Jon Warms, and Mark Zinna

ABSENT: None

ALSO PRESENT: Borough Administrator Jewel Thompson-Chin,
Chief Financial Officer Gene Vinci
Borough Auditor Paul Lerch
BID President Norman Dorf
BID Director Beth Lippman

At 7:06 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 budget meeting via the February 1, 2012 Sunshine Notice has been sent to the Record, Suburbanite, and Northern Valley News and posted on the bulletin board in the lobby of the Municipal Center."

PUBLIC COMMENT:

No one came forward

Borough Auditor

Gene Vinci, CFO, advised that the reserve for uncollected taxes has been increased from last year's budgeted amount and the reserve for tax appeals was kept the same. He explained that the collection rate has decreased from 98.6% to 98.2%. Paul Lerch, Borough Auditor, advised that by statute, the Borough is responsible to pay 100% to the schools and County and for this reason, the budget accounts for non-taxpayers. He stated that the Borough has the ability to budget right to the collection percentage, but it is prudent practice to budget a little below that number. Mr. Vinci added that revenue is always anticipated lower as it generates surplus. C. LaMastra commented that the 98.2% collection rate will most likely never get better. Mr. Lerch advised that this number could improve with the improving economy. He expressed his opinion that someone should be looking forward to 2013. He noted that he is not currently engaged to complete the 2013 forecast, but advised that it should be completed prior to adoption. Mr. Vinci commented that he will work on said forecast and consult with the Borough Auditor as necessary. Mr. Lerch expressed his opinion that the Borough is financially stable and in great shape with the reserve for tax appeals. Mr. Vinci stated that the overall increase is approximately 1% per home. Mr. Lerch encouraged the Council to continue to pass the COLA ordinance as it allows for flexibility.

Mr. Vinci reviewed the changes since the last budget meeting. He advised that he increased gasoline and natural gas by \$15,000 because of the current climate. As he received notification from the BCUA that there will be a rate increase, Mr. Vinci increased that line item by \$12,441 from what was initially budgeted. C. Warms asked that a discussion about the BCUA be placed onto a work session as he does not feel that there is enough representation from the municipalities.

Mr. Lerch expressed his opinion that Tenaflly is financially stable as reserves are adequate, providing fiscal stability, and nothing on the appropriations side is excessive. Council questioned the impact of cutting the municipal tax increase to 0%. Mr. Lerch advised that it would put pressure on next year. Mr. Vinci added that Council can introduce the budget with these numbers as they have the ability to amend if necessary.

Capital

Mr. Vinci stated that it is important that Council is comfortable with the Capital budget as presented. He advised that the Riverside Cooperative is ready to take on a project, presenting the need to pass a bond ordinance. He advised that they are planning to use \$125,000 from prior years.

C. Kerge questioned whether the money that had been bonded in 2007 for the Police Headquarters project and other general improvements had been completely expended. Mrs. Thompson-Chin responded that the Police Headquarters project is operating under 09-18 and the remaining projects were either completed or have been canceled. She explained that if a project had been canceled, the funds remain in Capital and are reallocated for similar projects to address current needs. C. Honig requested that a spreadsheet be prepared to show the money trail for the Police Headquarters project. Mrs. Thompson-Chin advised that a spreadsheet of that nature is provided to Council periodically, the last being distributed in January. C. Honig raised the idea of conducting a global refinance. He asked that Council be provided by Tuesday with the total debt, average rate, and what savings would be realized by refinancing. Mr. Vinci suggested waiting until after the budget is put into place. He advised that it will be very expensive to refinance and Mrs. Thompson-Chin agreed that the cost of refinancing is a factor. C. Kerge asked what would be affected should the increase be brought down to 0%. Mr. Vinci responded that there would have to be a reduction in staff or as was advised against by the Borough Auditor, surplus would be need to be appropriated.

Business Improvement District

Beth Lippman, BID Director, reviewed the BID budget. She advised that the organization has filed for 501(c)(3) status and has taken on a sign program that includes "Welcome to Tenaflly," way-finding, and trailblazing signs. She further advised that the company hired to put this program into place works with the DOT and can also generate street signs to match the other signs should the Borough be interested. C. LaMastra noted that the sign program is a comprehensive project for the entire community and it will come before the governing body for approval before it is implemented. C. Kerge questioned what the 2012 rate increase would be and Ms. Lippman advised that the rate is the same as the previous year. She explained that it is common for the rate to remain the same unless a revaluation is conducted. C. Zinna asked how the BID will measure its effectiveness going forward. Norman Dorf, BID President, responded that the goal is to have more business move into Tenaflly and remain in business. Ms. Lippman requested that the Borough not publish a detailed BID budget as it will allow for flexibility should there be the need to move monies around. In order to establish communication with the businesses, she explained that she has hired a marketing company to gather contact information and is planning to send out a

monthly newsletter. C. Honig questioned how the audit is completed. Ms. Lippman responded that the accountant conducts the audit and the Borough is provided with a copy that can be reviewed by the Borough Auditor. She advised that the accountant is someone with whom she has worked in other municipalities and has experience working with BIDs.

Budget Review for Introduction

Mr. Vinci advised that he has prepared a schedule of the cumulative changes made during the budget discussions, resulting in a net change of \$113,000 and an increase of approximately 1% in the municipal tax rate from last year.

ADJOURNMENT:

As there was no further business to come before the Council, on a motion by C. LaMastra, second by C. Kerge, and unanimously carried, to adjourn this meeting. The meeting was adjourned at 8:42 p.m.

Respectfully submitted,

Lissette Aportela-Hernandez, MPA, RMC
Borough Clerk