

Borough of Tenafly

MAYOR AND COUNCIL

BUDGET MEETING MINUTES

THURSDAY, MARCH 15, 2011

7:30 P.M. – 10:00 P.M.

The meeting was called to order at 7:38 P.M. with the reading of the Open Public Meetings Act statement by Mayor Rustin.

Present:	Mayor Peter S. Rustin
Council members:	Anthony Barzelatto (via telephone), Barry Honig, Martha Kerge, Nadia LaMastra, Michael Lattif, Jon Warmis
Borough Administrator:	Jewel Thompson-Chin
Chief Financial Officer:	Gene Vinci
Chief of Police:	Michael Bruno
Department of Public Works:	Bob Beutel
Absent:	None

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."

There was no public comment.

Police Commission Recommendations – Michael Bruno, Chief of Police

Mayor Rustin stated that the Police Commission had met to discuss the new hires. Mrs. Thompson-Chin provided a spreadsheet detailing the cost of salaries and fringes for the various staffing options for 2010, 2011, and 2012. Chief Bruno presented the table of organization as it had been with a full staffing level of 37 officers and how it stands with the current staffing level of 31 officers, showing that the Detective and Traffic Divisions are both understaffed. Chief Bruno explained the scheduling of the various divisions. He also advised that the Detective and Traffic Divisions supplement patrol as needed. He explained that his Records Sergeant had also been a floating supervisor and in order to avoid overtime, his schedule would vary as he would fill in when a supervisor was needed. He advised that he now has a traffic officer acting as the records sergeant.

C. LaMastra explained that the three scenarios that the Police Commission had discussed are the current scenario of 6 promotions and no hires, six promotions and three hires, and six promotions with the hiring of three police officers and one civilian in the Traffic Division. She explained that according to Mr. Vinci's spreadsheet, if the Council were not to authorize any hires, the budget would see a net decrease of \$258,000 for this year and a net increase of \$253,000 for next year.

C. Honig prepared a spreadsheet in which he projected the total cost of a hire over their lifetime and stated that the bottom line came out to be \$15.2 million, with free lifetime healthcare being a majority of this cost. Mr. Vinci advised that after a retiree turns 65, Medicare becomes the primary provider and as such, the rates in C. Honig's spreadsheet would not apply beyond 65 years of age. Chief Bruno also pointed out that healthcare is not free as the Borough only covers 64% of the healthcare costs after retirement. C. Warms added that there will be changes in the employee contributions to healthcare costs with discussion in the State of up to 30% of the premium charge.

C. LaMastra explained that by authorizing the new hires, it will allow Chief Bruno to fill in the Detective and Traffic Divisions and eliminate the need for additional overtime. Mayor Rustin advised that if we do not authorize any hires this year, we most likely will not be able to hire next year due to the 2% CAP. C. Kerge asked for a better understanding of the responsibilities of the Traffic Division. Chief Bruno explained the many responsibilities of the traffic division such as crash reconstruction, traffic engineering, traffic studies, and assessing and evaluating traffic patterns, parking issues, and vehicular safety issues.

Mrs. Thompson-Chin remarked that the Chief has provided his explanation and justification for these hires and she believes that three hires is a reasonable number. Mr. Vinci added that if no hires are authorized, it will cause this year to be a low base year and recommended the hiring of at least two officers. Chief Bruno explained that he desperately needs to replace some of the officers lost through attrition. He understands the economic times, but expressed his opinion that safety is what makes Tenaflly most attractive. He pointed out that his department is streamlined, overtime is low, and he receives a lot of cooperation from his officers when it comes to scheduling.

The consensus from the table was to authorize three additional hires and to allow Chief Bruno to decide how to fill those positions. C. Honig expressed that he is opposed to any hires. He believes that the department should manage at the current level for the next few months and monitor the effects on public safety. If hires are to be considered, he believes this conversation would need to be coupled with a conversation with the PBA about the elimination of retirement healthcare benefits, an immediate 30% contribution toward healthcare, and a lowering of the probationary rate for these new hires. Mrs. Thompson-Chin advised that the governing body would need to come to a consensus on the issues to be presented to the PBA and she would then set up a meeting. Council decided to schedule a Closed Session on March 22nd to decide whether to reopen the PBA contract and which specific issues the Council would like to discuss with them.

Auditor Remarks & Questions – Jim Cerullo

Jim Cerullo, acting Borough Auditor, explained that the 2% tax levy CAP is much different than last year as there were many more exceptions with the 4% CAP last year. There are still exceptions such as increases in debt service, pension cost in excess of 2%, health benefits in excess of 2%, debt capital, and deferred charges. He explained that there is also an add-on of an additional \$384,000 for exclusions as well as an add-on for the increase in valuations which amounts to approximately \$145,000. He stated that he has reviewed the numbers to ensure that they are compliant and advised that there is less than a 1% tax levy increase. He also explained that municipalities are permitted to bank money that can be added back in to become part of the permanent base within a three year period. Because of this ability to add this money into the budget next year, C. Honig commented that the dire scenario presented during the Police discussion is not accurate. Mrs. Thompson-Chin warned that there are a lot of other drivers in the budget and it is very limited to think of the bank as solely being for the Police hires. She gave examples of costs that are not within the Borough's control such as the reserve for uncollected taxes, reserve for terminal leave, and the reserve for tax appeals. Mr. Vinci commented that the add backs to which Mr. Cerullo referred, such as new ratables, also cannot be anticipated.

Mr. Cerullo advised that the reserve for uncollected taxes would need to be \$60,000 higher in order to be in compliance and advised that the amount under the tax levy CAP would be reduced to \$709,450. Mrs. Thompson-Chin advised that Mr. Vinci is aware of this recommendation.

Mr. Cerullo discussed the State guidelines for budget introduction and adoption. He explained that if a change in spending needs to be made between budget introduction and adoption, the budget can be amended. However, if the change in spending is in excess of 10% percent, there would need to be a separate public hearing to approve said change.

Mr. Cerullo then explained that there are also many exceptions to the spending CAP such as capital, debt service, reserve for uncollected taxes, library appropriations, and utility costs for sewer storage and disposal. He advised that we are \$1.7 million under the spending CAP and asked Council to consider passing an ordinance that allows any unused amount to be banked for a two-year period which would amount to an additional \$287,000 to be added to the CAP bank. He advised that the Borough has not had to use any banked money to date.

C. LaMastra questioned whether the revaluation would help with the reserve for uncollected taxes. Mr. Cerullo responded that although he does not believe that the revaluation will make a difference, he believes that the revaluation may help with the number of appeals.

Review of Preliminary Budget Revisions – Jewel Thompson-Chin & Gene Vinci

Mrs. Thompson-Chin advised that this portion of the meeting can be consolidated at the end of the meeting.

Capital Budget – Bob Beutel, Jewel Thompson-Chin, & Gene Vinci

Mr. Vinci advised that the requested amount for capital improvements for all of the departments totaled \$3.3 million, but the amount was able to be reduced \$800,000 through reducing the requests and using unexpended ordinances to offset these costs. The down payment required for these requests would be \$40,000.

Bob Beutel, DPW Director, discussed the various capital improvements requested within his department such as the municipal center window replacement, HVAC system that was addressed in 2010, and masonry repairs to the outside building wall. He also discussed the road improvements and advised that Tenafly Road is in desperate need of repaving. He advised that the road cannot be repaved as of now due to sewer repairs that need to be made first. Council decided that they would make Tenafly Road a priority in applying for a DOT grant this year. In the meantime, the DPW will patch Tenafly Road as best they can until the sewer repairs are completed.

Mr. Beutel advised that he has made a request in the amount of \$1.5 million for facility improvements. C. Lattif remarked that Council needs to come to a decision to deal with this issue as he feels there is potential liability to the Borough if something is not done. Mayor Rustin agreed that Council needs to determine how to complete these improvements in a year or two by spreading out the costs. He asked that Mrs. Thompson-Chin and Mr. Vinci develop a plan to present to Council.

Mr. Beutel advised that he has made a capital request to replace his garbage trucks as they are approximately 20 years old and maintenance costs are increasing. Mr. Vinci advised that there is one garbage truck replacement authorized in the budget. Mayor Rustin questioned whether there is any value for the truck being replaced to which Mr. Beutel responded that it is his belief that they may be able to receive a \$10,000 trade-in offer or the vehicle could be auctioned for possibly more. C. Honig questioned whether they could purchase a gently-used garbage truck and Mrs. Thompson-Chin advised that she would check with the Riverside Coop to see if they have any vehicles up for auction.

Mrs. Thompson-Chin then addressed TVAC's request for an emergency first responder and advised that the request at \$70,000 cannot be supported, but the request for the EMS special operations hauler should be accommodated. She advised that she had spoken to Chief Bruno regarding vehicles that could be turned over to TVAC and the only vehicle is an older sedan. C. Honig expressed his objection to the request to add three vehicles in the Police budget. Mr. Vinci advised that there is \$56,000 allocated to the purchase of two new vehicles in the operating budget. C. Kerge also objected to the request for an SUV in the capital budget. Council agreed to deny the Police vehicle requests in both the operating and capital budgets.

C. Kerge questioned Administration's request for the GIS system as she feels it is not a necessity. Mrs. Thompson-Chin advised that the system would make the work effort more efficient and productive. She expressed her opinion that the Borough is way behind other communities. C. LaMastra questioned the difference between this system and the Mitchell-Humphrey system that is used in the Building Department. Mrs. Thompson-Chin responded that although Police and Fire

do minimally use the system, it is mainly used by the Building Department and it is not a Borough-wide GIS system. Council asked that Mrs. Thompson-Chin get more information about surrounding towns of similar size to see if they have said system in place and get feedback on their experience.

C. Kerge questioned Fire's request for the command vehicle replacement. C. Lattif expressed his concern over the Fire Chief's vehicle not having any markings to identify it as a Tenaflly emergency vehicle. He explained that Council had previously requested that graphics be placed onto the vehicle, and to date, it still has not been done. As such, he stated that he is not inclined to agree to this purchase.

Mrs. Thompson-Chin reminded Council that nothing in the capital budget can be purchased automatically. Mr. Vinci added that these numbers are only estimates and the finished items will become part of the bond ordinance. He stated that Council needs to decide whether they are comfortable with \$40,000 in the Capital Improvement line.

C. LaMastra questioned the requests for a metal detector in the Court and large document scanner in the Building Department. She asked whether the scanner is a piece of equipment or whether it is a fee to have documents scanned. Mr. Vinci stated he believes it is a fee but will get clarification. Mayor Rustin asked whether the metal detectors are mandated and Mrs. Thompson-Chin advised that they are highly recommended by the Superior Court, but they cannot be mandated. Council discussed various issues such as personnel to man the detector, logistics such as the various entrances to the building, and liability to the Borough should they opt not to install metal detectors. Council decided to remove this item from the capital budget.

Council requested that next year Department Heads be given hour time slots and their Capital requests should be discussed at that time.

Confirm Revisions for March 22nd Introduction – Jewel Thompson-Chin & Gene Vinci

Mr. Vinci advised that due to the various changes made during the budget discussions, the tax levy is approximately \$190,000 less than the number appearing in the budget books. Mrs. Thompson-Chin added that they have estimated the Code Enforcement budget line to decrease by approximately \$75,000 due to the proposed staffing changes. She advised that there will be a Closed Session scheduled for 7:00 p.m. on March 22nd to finalize the restructuring of the Department of Code Enforcement. She informed Council that the Borough Attorney would be preparing RICE notices for the affected employees. Council decided that the Closed Session to discuss Code Enforcement would be scheduled for 7:00 p.m. to 8:00 p.m., the Work Session 8:00 p.m. to 9:00 p.m., the Public Meeting 9:00 p.m. to 10:30, and a second Closed Session to discuss the PBA contract would be scheduled from 10:30 p.m. to 11:00 p.m. Mrs. Thompson-Chin advised that there would be an ordinance setting forth the proposed changes to Code Enforcement scheduled for introduction at the March 22nd Public Meeting. Council also decided to change the start time of the special meeting on March 29th to 8:00 p.m.

ADJOURNMENT

As there was no further business to come before the Council, on a motion by C. Honig, second by C. LaMastra, and unanimously carried, the meeting was adjourned at 11:09 p.m.

Respectfully submitted,

Jewel Thompson-Chin
Acting Borough Clerk