

MONTAGUE TOWNSHIP COMMITTEE BUDGET MEETING

April 19, 2010

MINUTES

Mayor Barbagallo called the session to order at 7:31 p.m. and indicated that adequate notice has been provided to the New Jersey Herald and The Sunday New Jersey Herald for publication in which notice was given of the date, time, place and general agenda of meetings in accordance with the Open Public Meetings Act, P. L. 1975, c. 231.

FLAG SALUTE: All present were asked to join in the Pledge of Allegiance.

ROLL CALL: Clerk DeFabiis was asked to call the roll.

Present were: Committeemen Brislin, Ponce, Teufert, Zitone and Mayor Barbagallo. Also present was Clerk DeFabiis

BUDGET DISCUSSION

Mayor Barbagallo asked Chief Financial Officer Gail Magura where the budget stands now what the repercussions are to the tax rate.

Ms. Magura replied that this budget is about ten points which includes everything including salaries that were given to her by the Clerk. It would be using 200,000.00 of the 424,000.00. The Township is not regenerating as much as in the past. \$251,000.00 was regenerated this past year. Reserve of uncollected taxes was figured at the same as last year. Ms. Magura spoke to Township Auditor Heidi Wohlleb who said to put a 4% increase which was the same as last year. Once it goes to the Auditor, and she receives some of the figures from the State that she needs, we will know more. Uncollected taxes is the same as last year 420,000.00. That is to cover so you have enough cash to pay all your bills. It is one of the numbers that ends up contributing to the amount we regenerate next year.. It all goes in as one lump figure, what goes into surplus. Part of what goes into surplus is the reserves from, not the prior year, but the year before for the budget. Also, the revenues received over budget, that goes in too. Again, we are not regenerating as much. Interest rates are down so we are not getting as much money on investments.

Mr. Zitone asked why the insurance is so high for employees.

The Chief Financial Officer replied because the State raised the rate. They also had to budget for employees that are have opted out from benefits in case those people were to leave and new people were hired that request the benefits. It is a big jump versus what we actually used last year, but you figure that is what is going to go to surplus for that line item.

Mr. Teufert asked about unemployment.

Ms. Magura replied that the last few years the Township has taken a big hit on unemployment. The Township is not generating enough, and she doesn't know why it was decided that it would

be self-pay. It works great if nobody goes out on unemployment, but in the last couple of years that is not the case. Ms. Magura is asking for \$10,000.00. There is some money still in the reserve account, but not a lot.

Mayor Barbagallo asked Ms. Magura to run through the figures in the Reserve and Capital accounts.

Ms. Magura replied that it is on the last page of the budget sheets, and that with written authorization balances of projects that are finished can be canceled and go back into reserves. She asked if the Beerskill Project is still pending.

Mayor Barbagallo replied yes, it is still pending.

Ms. Magura remarked that the rest of the projects, which come to about \$10,000.00, can be canceled and put back into Reserve which can be done by resolution.

Mr. Teufert asked if Coss Lane was finished and there was no reply. He also asked if the amount in capital for Fire Equipment can be used for something else?

Ms. Magura replied that if the Committee is going to have something where they spend less than the amount in capital for Fire Equipment, they could spend it against the amount if it does not say that it was for something 'specific' in the ordinance. Sometimes it is just easier to cancel it, put it back in reserve, and do another ordinance.

Mayor Barbagallo asked if the \$2,000.00 for the roof could come out too.

The Chief Financial Officer replied; yes, that was money that was left over.

Mr. Teufert asked if the Committee could have a resolution for the next meeting.

The Chief Financial Officer replied, yes.

Mayor Barbagallo recognized Matt Kansky, Fire Inspector.

Mr. Kansky remarked that they are currently looking for a software program for the Building Department and Fire Prevention which are two separate entities. There is money in the penalty account that would pay for their program, and the money that he requested in his budget for this can be taken out.

Mr. Teufert asked the Ms. Magura if there was enough money in the penalty account that they could pull the money for the software out of it.

The Chief Financial Officer replied, yes.

Mr. Kansky also commented that the State is asking for copies of his forms, and if the

Committee plans to approve the software program purchase he will send the program forms. He does not want to buy more forms which he is currently using at this time. He informed the Committee that he feels this is urgent in order to submit the forms to the State..

Mr. Kansky took his seat.

Mr. Zitone commented that legal services is \$20,000.00 higher than last year, and the Committee can cut that back to \$80,000.00.

Mayor Barbagallo remarked that most of the legal services should be straightened out by the end of the month in regard to property liens.

Mr. Zitone asked if for the 2009 that was charged for attorneys it includes the bills that haven't been paid.

Ms. Magura replied no.

Mr. Zitone responded that it will have to stay at \$100,000.00. He also stated that the Land Use Board is up \$8,000.00, but that is because of the Tax Map and Master Plan. The Construction Officials is up \$7,000.00, but that could be cut a little bit. The next big item is the insurance, \$27,000.00 higher.

The Chief Financial Officer remarked that the group insurance is actually \$5,000.00 more than what was originally budgeted. In November they transferred out money that was left over. They budgeted for the employees that they might have to cover. There are some employees that opt out of insurance, but you plan on if that person left and somebody else comes in wanting insurance.

Mr Teufert asked if cutting that dollar amount has nothing to do with that, it is just going to reduce what comes back the following year?

Ms. Magura replied, yes.

Mr. Zitone asked if there was anything in there for Constables.

Ms. Magura replied that she hasn't received anything on that.

Mr. Zitone remarked that they will have to figure about \$4,000.00 for that.

The Committee agreed to cut the following from the 2010 Budget:

Fire Department Budget by \$40,000.00.

Fire Prevention Budget by \$3,000.00.

Streets & Roads - Road Equipment from \$153,028.00 to \$75,000.00

Mr. Zitone asked if the Historical Society needs \$4,000.00 this year.

Mayor Barbagallo replied that they need it to pay their insurance.

Ms. Magura remarked that what she did not put in the budget is public buildings and grounds O & E.

Mayor Barbagallo asked if what the Clean Communities Grant cost to the town is \$6,800.00.

Ms. Magura replied that under the revenue you have to include the revenue for your grant and then you have to appropriate it so it is a wash. It is not costing anything, but you have to show it in your budget. Under your revenue side you will see the same amount. All the grants, whatever you see under appropriations, when you look at your revenue side you will see the same amount.

Mayor Barbagallo asked why we are increasing the tonnage grant.

Ms. Magura replied because that is what we actually received in, and that is what the Township can spend this year. Whatever you get in the prior year with grant money you can use in the following budget, and you can use it towards those programs. Whatever we bring in, the following year we budget the revenue. If it is not spent in the current year it goes into the reserve and can be spent the next year.

Mr. Zitone asked what special emergency authorizations are.

Ms. Magura replied it is what they call the five-year special emergency for the tax maps so you are not paying it all in one budget. She also remarked that there are two line-items being paid off. We are paying deferred charges for unfunded ordinances which is \$20,000.00, and the loan repayments for principal & Interest which is to pay the bonds.

Mr. Teufert asked where the money for unfunded ordinances actually goes.

Ms. Magura replied that it actually is a journal entry. Years ago we actually wrote a check and paid for it, and then what happened is it was setup as an improvement authorization unfunded. I didn't show you all the line items in the Capital, I just showed you the ones that had to do with the reserves.

Mr. Zitone remarked that the two biggest numbers are \$20,000.00 more for the attorneys legal, and \$35,000.00 more for DPW.

After further discussion the Committee agreed to cut the following from the 2010 budget.

Legal Costs from \$100,000.00 to \$80,000.00

Recreation from \$9,500.00 to 9,000.00

Construction Official - O & E from 12,000.00 to \$6,000.00

Mr. Brislin remarked that one place the Committee could cut is the Health Benefits.

Ms. Magura again explained that under the benefit insurance the township must budget for all employees eligible whether they take it or not. Five people have opted out of health benefits, but if they were to leave and new employees come in who want the benefits, you have to budget for that possibility. The Committee can budget whatever they want, but if you don't budget for this then you would have to do a special emergency in that situation.

Mr. Teufert commented that if we keep dipping into the reserves, and we don't take the tax increase that the State says we can take, next year we are all of a sudden going to need six points and we are not going to be able to get them because we already cut everything out.

Mayor Barbagallo responded that there is a lot more you can do with that.

After a brief discussion among Committee Members they agreed to take \$5,000.00 out of Garbage and Trash Removal and move it to the DPW Streets and Roads - Various Roads.

The Committee set June 12 and 13, 2010 for the Spring Clean-up with all members in favor.

Mayor Barbagallo asked where furniture is taken out of.

The Chief Financial Officer replied that it comes out of individual line items. Air conditioning comes out of the Building Improvements.

Borough Clerk DeFabiis informed the Committee Members that all employees received a Rice Notice regarding the Draft Salary Ordinance, and if they plan on talking about the following individuals the Committee must go into Executive Session: Joan Clauberg, John DeJager, Desrie Piccinich and Joseph Zarinsky.

After further discussion the Committee agreed to the following salaries in the Draft Salary Ordinance:

Mayor - \$3,014.00

Mayor - Marriage Ceremony Fees \$50 to \$100

Township Committee Members - \$2,691.00

Township Clerk - \$55,000.00

Mr. Brislin made a motion to exclude any compensation for extra meetings from the Salary Ordinance, second by Mr. Zitone, and on a roll call with Mr. Brislin and Mr. Zitone in favor and Mr. Ponce, Mr. Teufert and Mayor Barbagallo against, the motion was defeated.

Township Clerk - Extra Meetings - \$100.00

Registrar - \$341.00

Chief Financial Officer \$17,449.00

Tax Collector - \$33,685.00

Finance Clerk \$14.74 per hour

Tax Assessor - \$17,340.00

Tax Assessment Clerk - \$16.37 per hour

Department of Public Works

Road Foreman - \$27.36 per hour

Driver/Laborer/Accardo - \$19.24 per hour

Driver/Laborer/Brace - \$16.60 per hour

Driver/Laborer/Ledonne - \$16.00 per hour

DPW Mechanic - Vitz - \$18.50 per hour

Part-time Snow Plow - \$18.00 per hour

Mr. Zitone motioned to leave the Recycling Coordinator salary at \$3,000.00, second by Mr. Teufert, and on a roll call vote with all members voting in favor the motion passed.

Recycling Coordinator - \$3,000.00

Construction Department

Construction Official - \$20,000.00
Fire Subcode Official - \$5,401.50
Plumbing Subcode Official - \$8,759.20
Electrical Inspector - \$9,366.00
Code Enforcement Officer - \$14,862.50
Clerical - Construction - \$29,682.00

Public Safety

Constable - \$2,207.00 with the addition of monthly reports
Emergency Management Coordinator - \$4,132.00
Emergency Mgmt Deputy Coordinator - \$4,000.00
NIMS Coordinator - \$1,000.00
Flood Mitigation Director - \$5,550.00

Mr. Brislin remarked about the lack of reports from Public Safety personnel.

Mr. Zitone agreed with Mr. Brislin that quarterly reports should be given to the Committee.

Fire Marshall/Official - \$4,908.00
Fire Prevention Official - per inspection - \$35.00

Clerical

Clerical Administration - Clauberg - \$13.11 per hour
Clerical Administration - Benson - 12.24 pre hour

Building Maintenance

Janitor - Zarinsky - \$16.10 per hour

Mileage - per mile - 0.48

Mr. Teufert suggested finishing the Draft Salary Ordinance at the next meeting.

With no further business to come before the Committee, on a motion by Mr. Brislin, second by Mr. Teufert, the meeting was adjourned at 6:20 p.m.

Respectfully submitted,

Eileen DeFabiis, RMC
Municipal Clerk