

Minutes of a Special Meeting of the Mayor and Council, held on the above date in the Council Chambers, Municipal Complex, 70 West Front Street, Keyport, N.J. pursuant to being called by the Mayor and Borough Council, notice on file with the Borough Clerk, forwarded to the Asbury Park Press, Independent, the Newark Star Ledger and Two River Times, and posted on the Bulletin Board in accordance with the Open Public Meetings Act, P.L. 1975, Ch. 231

Mayor called the meeting to order at 6:00 P.M. and Borough Clerk read the Sunshine Law Notice. The Pledge of Allegiance was said and there was a moment of silence.

ROLL CALL

On Roll Call the following were present: Councilmembers Bolte, Sefcik, Chamberlain, Sheridan, Ambrose, Toglia and Mayor McLeod. Others Present: Borough Administrator Ms. Wright and CFO Thomas Fallon

PLEDGE OF ALLEGIANCE/MOMENT OF SILENCE

BUDGET WORKSHOP

Mayor McLeod deferred to Borough Administrator Lorene Wright and Chief Financial Officer Tom Fallon.

Administrator Wright spoke of a draft budget which shows 2007-2011

CFO Fallon stated that we are currently under the state imposed levy cap by \$10,000 and 3½% appropriation cap by \$550,000. He anticipates a 10% increase in prescription health insurance line item (by \$20,000) by July. He went over a few changes in the numbers and high-lighted items that have drastic changes. On the appropriation side, two pension payments have increased. PFRS has increased by 28% and PERS has increased by \$35,000. Those two items increased by \$123,000 or two cents on the tax rate.

CFO Fallon also reported a decline of \$60,000 in court fine revenue. That will have an impact on what can be anticipated this year.

Administrator Wright said that this budget does not anticipate any layoffs. This was put together to see if any layoffs were necessary. Governor Christie announced today that state aid would remain the same as last year. We are facing large increases in health benefit costs and pension costs.

Councilman Toglia spoke of Health Reimbursement Account (HRA) where part of the deductible is refunded. The Finance Committee will look at what the savings may be, however, CFO stated that any potential savings have not been anticipated in this budget.

CFO reported that \$218,000 is anticipated in surplus.

Councilman Chamberlain says radios in town need to be replaced; going to a narrower band. All radios older than ten years may need to be replaced. Repeater box alone is \$4,500. Fire Department pagers need to be replaced. Councilman Sheridan spoke of Police Department computers that need to be replaced.

Administrator said the Chief's car was cut out of the budget.

CFO spoke of possibility of bonding for communication equipment. He said the con of doing that would be issuing long term debts for items that will become obsolete.

Councilman Sheridan says all narrow band radios must be in place by 2013. The Administrator says an inventory is needed to determine what the needs of the Police and Fire Department are. Councilman Chamberlain would like to set up a meeting with Kenny Krohe.

Administrator reported that there are items in the building that need to be fixed but that money will come off of the building settlement monies.

Councilwoman Bolte spoke of the total cost of a police car being \$30,000 (\$23,000 plus in order to make it a police car) Councilman Sheridan would like to list the cost of a new police vehicle as \$29,000, rather than \$30,000, in order to purchase new crossing guard jackets.

Councilman Chamberlain spoke of Liberty Hose's pumper truck and asked if we could bond for one. Administrator responded that the Borough currently has six pumper trucks. A discussion ensued about coming up with a plan for the purchase of fire trucks. Administrator Wright would like to look at what the existing debt for fire equipment is.

Chief Ray Kilroy, Keyport Fire Dept., The life of a fire truck is twenty years. The law requires a ladder truck for each high rise and we are really one truck short.

CFO Fallon stated that police cars cannot be bonded because their useful life is only five years. He spoke of our current bond debt for water/sewer utility and general; permanent bonds and bond anticipation notes. We have been paying down those notes rather than going to permanent financing. CFO went over projects and items that were bonded. Some temporary financing is necessary because grant money is not received until the project is closed out.

Councilman Sheridan concurred that a radio inventory needs to be done.

Administrator added that the purchase of a police vehicle is a new line item. Regarding \$20,000 for turn out gear, is that being measured against the need for radios? Administrator Wright stated that she is getting some estimates on a list of capital improvements.

Councilman Sheridan asked about the old municipal building.

Administrator Wright stated that the leak there has been secured and the electricity has been shut off.

She reported that in 2011, the Borough will receive a grant for Division and Osborn Streets. Regarding the West First Street Project, we will be receiving \$185,000 in grant money. The cost for that project is substantially more. A decision will have to be made as to whether or not to move ahead with that project.

Councilwoman Bolte asked for DOT grant numbers. CFO added that the grant is anticipated as a funding source in the budget. The tax rate on this has not yet been determined but this budget represents a 2.4 cent increase or \$66.00 a year increase on the average residential assessment. This budget would be introduced March 1st; it must be introduced before March 10th. Administrator Wright stated that the only thing that still needs to be looked at are the capital items.

Councilwoman Bolte would like to look into why court costs were down \$60,000. Administrator Wright mentioned that some personnel changes have been made.

CFO explained that the library is based on equalized value figures and must meet the minimum amount under the law.

Administrator Wright stated that she must have capital requests available prior to the end of the week in order to introduce by Tuesday.

PUBLIC COMMENT PORTION

At 7:20PM Councilwoman Bolte made the motion to open the meeting to the public, carried by Councilman Sheridan with ayes by all present.

Sam Minor asked the Council if they have considered consolidating fire department. He thinks that should be considered prior to purchasing another fire truck.

Councilman Chamberlain responded that the problem is that we don't have any place to build a new fire house.

Councilman Sheridan said that he has requested a twenty year plan from the Fire Department.

Bob Ludwig, 50 Beers St., asked Councilman Sheridan what he was going to say about 50 Beers Street.

Councilman Sheridan responded that the Fire Department is often called to 50 Beers Street due to cooking fires and that the Fire Department has always responded quickly.

Bob Ludwig feels that the building is solid and nearly fireproof.

At 7:33 motion was made by Councilman Sheridan, carried by Councilwoman Bolte, with ayes by all present to close the public portion of the meeting.

ADJOURNMENT

At 7:33 Motion to Adjourn was made by Councilman Sheridan and carried by Councilman Chamberlain with ayes by all present.