

Approved 8/19/08

March 13, 2008
Keyport, New Jersey

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, Courier, 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

Council President Sheridan called the meeting to order at 6:35 P.M. and Borough Clerk read the Sunshine Law Notice.

ROLL CALL

On Roll Call the following were present: Councilmembers Kovacs, Sheridan, Hill, Bolte, Ortman, Walling. Others present: Mayor Bergen (arrived 8:08 P.M.), Mr. Ebner, Borough Attorney, Mr. Fallon, CFO and Borough Administrator Valesi.

RESOLUTION

1. Closed Session Meeting

- Personnel - Police Department

Offered for adoption by Mr. Walling, second by Mr. Ortman

Roll Call Vote: Ayes: Councilmembers Kovacs, Sheridan, Hill, Bolte, Ortman, Walling

Nays: None

Abstain: None

Absent: None

Council President Sheridan called the meeting to order at 8:07 P.M. and Borough Clerk read the Sunshine Law Notice.

Mayor Bergen took his seat on the dais at 8:08 P.M.

ROLL CALL

On Roll Call the following were present: Councilmembers Kovacs, Sheridan, Hill, Bolte, Ortman, Walling. Others present: Mayor Bergen, Mr. Ebner, Borough Attorney, Mr. Fallon, CFO and Borough Administrator Valesi.

PLEDGE OF ALLEGIANCE/MOMENT OF SILENCE

DISCUSSION

1. Discussion of Municipal Budget

Mayor presented the budget. Governor said can't look to do more with less with Government; government will have to do less.

State aid cut by \$368,000. Permanent cut because we are a municipality under population of 10,000. Total State Aid cut of \$468,000 when you include \$100,000 cut in extraordinary aid. About 14 cents on the tax rate. About \$115,000 increase in Police/Fire Pension, \$33,781 increase in Public Employee pension.

Health care costs have gone up and we are looking to keep increase at only \$46,500. Employees will be asked to accept changes.

Reductions in value of commercial properties have caused Borough to lose ratables. This budget calls for a 12.8 cent tax increase when we have lost 14 cents in state aid. Costs we fund under the present budget going down by \$186,000. Taxes would have been cut by 1 ¼ cents should state aid not have been taken away. Budget is cut to the bone. Calls for a wage freeze although all contracts were up in December 2007.

Foodtown Shopping Center - lost 2 million in value over last two years.

Senior Housing - Property values will shift even more unfairly to residential properties as commercial properties lose value.

Mayor asks Mr. Fallon to go through budget numbers. Had a deficit in Construction Code fees of about \$70,000. Can only anticipate what was realized the prior year.

Grant for Therese St/Beach Park was appropriated in 2007 - still available. Had \$170,000 left from last year's budget? Actual collection rate was 96.1/4 %. Mr. Fallon asked Mr. Valesi to go through appropriations.

Expended 2007 budget is as of December although remains open for another year. We will hire an auditor for School Budget if it gets defeated. Clerks budget down 20%. Codification is one of the easiest things to cut out. Have not had a full codification in many years.

Legal services have been cut. A portion of the \$28,750 reserve has been spent on settlements. Engineering budgeted \$20,000; only used about \$7,000. Amount appropriated for 2008 has been cut to \$15000.

Planning/Zoning - presently have three (3) lawsuits of applications that were denied being appealed in court.

Police - almost no discretionary overtime built into this budget. Will not be buying a new police car this year; cuts \$24,000.

Fire Department - foregoing training trip to save money on the budget.

DPW - elimination of some part-time salaries. Garbage contract will be ending in November will have a significant increase in costs next year. A lot has to do with increased cost of gas.

Mayor said we will be doing something about collection of garbage in the downtown. Borough can no longer afford to do it.

Administrator, small increase in animal control services.

Bayshore Youth Services cut. Used to offer counseling service to low income families in distress. Recreation salaries have been cut, season has been shortened.

Senior Center - non- Keyport residents will have to pay some of the costs for the facility.

We will increase all fees that exist in the Borough. Liquor license fee has already been raised. Borough's quarterly newsletter is not being done this year. Information will be posted on website.

Mr. Kovacs asked about the new street lights. What will the increase in cost be? Administrator Valesi answered that it is not much more. Mayor mentioned this is one more reason to charge a fee (in the new Ordinance) for Cedar Street lighting.

Library is no longer being funded at the State Statutory rate. We will defer their Third Street Improvement loan and library bathroom improvements. Was \$11,000 loan over 10 years. Deferring that for two years. Put \$20,000 in our capital improvement fund last year - will forego that this year. Budgeted debt service going down this year.

Mayor said there was a significant increase in State Aid to the schools. Hoping that will reflect in their budget. Extraordinary aid is still there. It has not yet been eliminated. We will apply for that. Council should get together with CFO and/or Administrator to go over any budget questions.

Mr. Sheridan asked what will we be saying we will do with extraordinary aid? Mr. Fallon says they are tossing that around. Arguments can be made that we have been hit harder than some other municipalities of the same size. We were in the top percentage amounts of loss of state aid.

Mayor stated we will look at privatizing garbage collection but can't do that until contract is up this year. We will be looking at shared services.

Administrator Valesi said funding calculation hit us very hard - will be a major part of our extraordinary aid plea. Mayor stated formulas do not always work fairly.

PUBLIC PARTICIPATION

The meeting is opened to the public for comments or questions at 9:05 P.M. Barbara Hassmiller, 12 Green Grove Ave - part-time employees were laid off in DPW will other part-time people be laid off? Mayor says may just cut back hours, but all are subject to lay off.

John Kennedy, Were professional services hired at same rate if employees salaries are being frozen? Mayor said yes they are hired at the same salary. John asked if apply for extraordinary aid and get it, will budget be amended? Do any part-time employees get health benefits? No.

Mike Lane complimented those who worked on the budget during these tough times. Wants to know how pension and health benefit formulas work for those retired. Mr. Fallon explained. Mayor would like property rebate money reduced and given directly to the municipality to lower taxes.

Mike Lane concerned about forcing rentals to pay for garbage pick up. On loss of assessed values, can we get it back from new commercial properties? Mayor stated it may keep us pretty much leveled. Tax base upon which we raise money is reduced by 1.6 million.

Mike Lane does not understand how that can be when there are so many new units in town like Hovnanian. Mayor replied that's why new development is good, will help make up what we lost. Would have to file a reverse tax appeal; cannot spot assess in order to make up for other properties.

Mike Lane asked about accumulated sick time. Mayor responded that yes, sick days can be rolled over but we have a cap of \$13,500. Municipal employees here get: 15 sick days, 16 holidays, and 6 personal days. Mike Lane, says \$13,500 cap is a least better than none. Mayor one thing we don't have here is paying health benefits to retired employees. Mr. Lane feels change in health benefit plan is in line with what's going on. Mr. Lane urges Mayor to put together a team to go over merging possibilities.

John Kennedy, is there any interlocal with school? Mayor replied yes, we have shared custodian.

Terry Mussen, 51 East Front Street, understands why Attorney is present for closed session but what is the reason for the attorney to be at work discussion meeting? Mayor required to be here by law and is paid on retainer, not hourly for attending meetings.

Barbara Hassmiller asks why we can't go back to the State Health benefits plan. Mayor explained that then we could not charge for health coverage. Ms. Hassmiller stated many employees here do not take the health plan. Mayor said that is correct and they are paid a third of what cost could be.

There being no further comments or questions the meeting was closed to the public at 9:30 P.M.

ADJOURNMENT

Motion to Adjourn moved by Mr. Sheridan, second to Mr. Hill with Ayes by all present.

Time of Adjournment: 9:30 P.M.