

March 5, 2001
Keyport, New Jersey

Minutes of a Special Meeting of the Mayor and Council, Borough of Keyport, held on the above date in the Keyport Senior Center, 110 Second Street, Keyport, N.J. pursuant to being called by Mayor Graham in accordance with the Open Public Meetings Act. Notices were faxed to the Courier, Asbury Park Press, Independent and Two River Times and posted on the Bulletin Boards.

Mayor Graham called the meeting to order at 7:40 P.M. and read the Sunshine Law Notice.

ROLL CALL

On Roll Call the following were present: Councilmembers Ashmore, Antonucci, Merla, Atkins, Bergen. Absent: Councilman Pedersen. Others present: Thomas Fallon, Chief Financial Officer.

DISCUSSION

1. **2001 Budget.** Mr. Bergen thanked Mrs. Poling and Mr. Fallon for all of their work on the budget; he and Mr. Fallon worked on the budget this past Saturday. Mr. Fallon reviewed the 2000 operation; \$880,000 in surplus, \$500,000 was used to balance the budget and \$450,000 regenerated revenue (not anticipated-interest, etc). There was \$830,000 ending in 2000 and is available in the 2001 budget. Mr. Bergen said that pages 4-11 covers revenues (anticipating a revenue i.e. licenses); 08-103 \$19,000 was anticipated and \$23,250 was collected (made \$4,000 which is in surplus). Revenues which exceed expectations and/or left over dollars in the budget from 1999 to 2000 - \$100,000. Money sits in budgets for two years and then lapses into surplus. Mr. Fallon said that the collection rate for 2000 was 95.33% which is the average over five years. Anything that was not collected in 2000 will be collected in 2001. The Water/Sewer budget is not a well (\$400,000 in surplus and \$250,000 at the end of the year); the Borough is only regenerating \$50,000 which is a net loss of \$240,000. An expenditure like the BRSA is not in the Borough's control. Of the anticipated \$830,000, \$567,000 was used and applied to the budget; the Borough can only anticipate what was realized in the prior year. Mr. Fallon said that \$32,700=1 cent; the Municipal Court lost 2 cents.

Mr. Merla asked why the revenue is less. Mr. Fallon said that there are less tickets and there is backlog; the Borough should look into accepting credit cards for payment. Sheet 5 of the budget is with regard to State Aid (\$48,000 more over last year), but \$85,000 has to be paid to the school. On page 28 the net aid is \$980,000 vs. \$1,300,000. Page 4a pertains to Senior Housing in lieu of taxes, page 5 pertains to State aid and page 6 may have some changes. Tom Fallon said that there net numbers for the Trust Account. Middletown Township was paid \$35,000 in 2000; the number is our 30% plus property maintenance and Code Enforcement Office fees. Page 9 pertains to Grants; if monies come in during the year, it is added by Chapter 159. Page 11 summarizes the first 10 sheets; there is an increase of 3.5 cents (85.6 to 89.1). Mr. Bergen said that delinquent taxes have to be anticipated and the monies raised. There will be a 3.5 cent tax increase per Mr. Bergen. Mr. Fallon said that O&E accounts were decreased by 5%. Mr. Merla asked if there was an increase in workers compensation; Mr. Bergen said that dividends have been received back (workers compensation premiums have been received). Mr. Merla asked about group health insurance. Mr. Merla asked if health costs were \$325,000; no, \$425,000. There was \$65,000 to cover run outs in 2000 (the rest was split between water/sewer and current). Mr. Bergen said that the Borough is looking at the State Plan (15 months of premiums). Experience dictates premiums paid to the reinsurer. On page 15-1 POLICE, Mr. Merla asked if a new position has been considered; partially. Page 15-2 shows \$2500 for First Aid cadets and page 15-3 pertains to Streets (look at Capital items) plus Mrs. Atkins said in buildings and grounds overtime is needed to purge files. Page 15-5 pertains to the Senior Center; the Borough cash match is up \$46,000-47,000 which has been moved outside CAP (page 24). With regard to solid waste, Mr. Bergen requested a copy of the recently enacted bill on apartments; \$250,000 is under CAP. Mrs. Atkins asked about fire and police pensions.

Mr. Bergen recommended introducing the budget with a 3.5 cent increase. A cut in pension would lapse into surplus. Mr. Bergen said the Borough has to move on projects (Municipal Complex, fire trucks and the overlay of streets). Mr. Merla said that the school could be a 17 cent increase. Mr. Bergen said that "quick fixes" are not going to be done this year and the Borough should plan for 2004-2006. With regard to the water/sewer budget, the Borough should look into leasing it or getting out of the business. The BRSA cost the Borough \$830,000 5 years ago. Mr. Merla said that the Borough should not totally sell the water system, but it could be leased. Mr. Bergen said that the towers have to be painted and a new roof on the building; the Borough should look into a new metering system and a sewer jet. Mr. Merla suggested that the Borough talk with Union Beach regarding their sale. Mr. Bergen said that the budget is \$2.9 million (BRSA and Water); he does not agree with BRSA flows (their figures should be justified). \$8 million of the BRSA's budget is debt service. The Borough's budget will be reviewed by the State this year and scheduled for adoption on April 3rd. Mr. Bergen said that he received a memo from Mr. Merla, Mrs. Atkins and Mrs. Ashmore.

Mr. Bergen said that he does not agree with Mr. Merla, Mrs. Atkins and Mrs. Ashmore's recommendation that the Chief Financial Officer be an hourly employee rather than salaried. Mr. Fallon does more such as debt statement and financial statements which save the Borough \$12,000 in auditor fees. The Chief Financial Officer spends more than 8 hours at times and he does more on the budget. Mr. Fallon said that other towns charge \$5,000-7,000. It was suggested that the Borough Engineer be limited to what meetings he attends. Mr. Merla asked about a job description and hours. Mr. Fallon said that he prides himself on doing a good job. Mr. Bergen said if it was an hourly rate, it could cost more and that Mr. Fallon holds three licenses. There was discussion regarding not having the Engineer at one meeting and increasing the fees and permits. The Police Schedule has been addressed before; 21 shifts without overtime. The Police Committee can sit down and discuss this matter; there will always be a shift with overtime. Mr. Merla asked if this could be done on a trial basis.

It was asked where professional services (Bulkhead Engineering) are charged; RBIT? There will be a Bond Ordinance with a ballpark figure. Mr. Merla said that he does not agree with charging professional services to the RBIT account; Mr. Bergen did not agree. Gene Keller, DEP said that the Bulkhead Project was \$1.2 million capped at \$800,000. Mr. Bergen said that in 1998, 1900 feet cost \$2.1 million. There is 75% of allowable costs and if the County gives the Borough 10%, the Borough's share would be 15%.

Mr. Fallon said that the Capital Program is a just plan (Bulkhead-\$500,000, Acquisition of Property-\$100,000, fire truck \$275,000 plus sidewalk/street improvements). There is various equipment needed for Borough Hall, Cedar Street Lights, water tower painting. Mr. Merla asked if there is a 10 year life span on the Bulkhead? Mr. Fallon said that he will advise Bond Counsel that the material being used for the bulkhead is vinyl not wood. Mr. Fallon will combine Bond Ordinances and average 20 years. Mr. Merla said that there are lights broken in Theresa Street Park. Mr. Merla said that there will be \$500,000 funding through Senator Kyrillos for the new Municipal Complex.

RESOLUTION

1. Resolution #95-01, Closed Meeting - Personnel and Contract Negotiations

WHEREAS, the Mayor and Council of the Borough of Keyport propose to discuss the following subjects:

Personnel

1. Police Department
2. Public Works Department

Contract Negotiations

1. Interlocal/Construction Code Services

WHEREAS, the Governing Body has determined that within the provisions of the Open Public Meetings Law, the Public should be excluded from the discussion of said subjects;

NOW, THEREFORE, BE IT RESOLVED by the Governing Body that a meeting of the Mayor and Council shall be held forthwith from which the public shall be excluded in the Senior Citizen Center Meeting Room for the purpose of discussing the following subjects:

Personnel and Contract Negotiations

BE IT FURTHER RESOLVED that the discussions on Personnel and Contract Negotiations conducted at said closed session shall be disclosed when the matters discussed are resolved and this meeting shall continue in approximately 20 minutes.

Offered for adoption by Mr. Bergen, seconded by Mr. Merla

Roll Call Vote: Ayes: Councilmembers Ashmore, Antonucci, Merla
Atkins, Bergen

Absent: Councilman Pedersen

Council went into closed session at 9:20 P.M. and this meeting was reconvened at 10:00 P.M.

ADJOURNMENT

Motion to Adjourn moved by Mr. Merla, seconded by Mr. Antonucci with Ayes by all present.

Time of Adjournment: 10:00 P.M.

Respectfully submitted,

Judith L. Poling
Judith L. Poling, RMC/CMC
Borough Clerk/Administrator

Allyson M. Cinquegrana
per Allyson M. Cinquegrana, RMC
Deputy Borough Clerk

