

Budget Meeting March 6, 2018

The Budget Meeting of the Mayor and Council of the Borough of North Caldwell was held on Tuesday, March 6, 2018 at the Borough Hall, Gould Avenue and began at 6:09pm.

Roll Call indicated the following present:

Mayor Alessi

Council Members: Council President Cynthia Santomauro, Councilman Frank Astorino, Councilman Chiaia, Councilman Robert Kessler, Councilman Joshua Raymond, Councilman Arthur Rees

Also, present were David M. Paris, Borough Attorney; Frank Zichelli, Borough Administrator; Richard Mondelli, Borough Chief Financial Officer; Mark Deuer, Police Chief; John D'Ascensio, Fire Chief; Bill Maranz, Recreation Director; and Tami Michelotti, Acting Borough Clerk.

Mayor Alessi called the meeting to order announcing that notice was provided in accordance with the requirements of Chapter, 231, P.L. 1975.

Mayor Alessi asked Fire Chief John D'Ascensio to lead those present in the salute to the American flag.

Citizens to Be Heard

Mayor Alessi opened the floor to the public. No one came forward.

Action to be Taken

Resolution R-51-18 A Resolution Authorizing the Acceptance of Award by New Jersey Economic Development Authority and New Jersey Department of Environmental Protection for Funding for the Environmental Assessment and Investigation of Walker's Pond was read. Motion was made by Councilman Raymond, seconded by Councilman Chiaia. Said motion was carried unanimously with six votes.

Resolution R-49-18 A Resolution Authorizing the Award of a Professional Services Contract Between the Borough of North Caldwell and Mott Macdonald was read. Motion was made by Councilman Raymond, seconded by Councilman Rees. Said motion was carried unanimously with six votes.

Executive Session

Mayor Alessi stated that Executive Session would be tabled until after the Fire Department and Recreation Department budget items were discussed so that Fire Chief D'Ascensio and Mr. Maranz, who were present, would not have to wait for Executive Session discussion.

2018 Budget Discussion

FIRE DEPARTMENT

The Fire Department Operating Budget was discussed. Chief D'Ascensio stated he would remove the request for speakers from the budget to eliminate an increase of \$69,000.

The Fire Department Capital Budget was discussed. Chief D'Ascensio stated that the fire department needs to replace their masks which have become cracked. The new models would allow for better amplification as well as fewer cracks. He noted that replacing the full masks is less expensive than getting replacement parts to attach to existing masks.

Chief D'Ascensio stated that the overhead doors on the fire station do not retract due to broken sensors, causing a safety issue. He noted that the doors cannot be repaired as they are old and rusted. He asked for the cost of replacement to be included in the budget.

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Chief D'Ascensio asked for funding for a new epoxy floor in the firehouse noting that the floor is slippery and has become a tripping hazard. He also requested an electronic message board for OEM use, i.e. street closures.

RECREATION DEPARTMENT:

Mr. Maranz clarified the parade expenditures as North Caldwell's contribution to the Memorial Day Parade in Caldwell and noted that the expenditure could be decreased as the allocation had not been completely spent in the past. Council President Santomauro suggested the expenditure be reduced to \$9,000 which was the actual expenditure in 2017.

Mr. Mondelli noted that the salary expenditures are lower than last year due to the higher pay rate of a former employee who was replaced with an employee at a lower salary.

Mr. Maranz stated that increases should be included in the budget for the Summer Fun instructors who are the backbone of the camp. He added that the Recreation Department received great feedback from parents at the end of last year's camp since the addition of Samantha O'Neill who acted as another instructor. Mr. Mondelli noted that Summer Fun revenues have decreased over the past two years. Mr. Maranz mentioned offering the program to non-residents however the camp is special and unique as it is just North Caldwell children. He added that Mrs. O'Neil is working to include more theme-days, improve marketing and adding more day trips and pool days to entice more families.

The Council decided to exclude convention expenses for the Recreation Directors and re-visit it for the following year.

Executive Session

Resolution R-50-18 A Resolution Authorizing the Mayor and Council of the Borough of North Caldwell to Hold a Closed Session Meeting for Certain Specified Purposes: Contract Negotiations – RPM was read. Motion was made by Council President Santomauro, seconded by Councilman Chiaia. Said motion was carried unanimously with six votes.

The Council entered into Executive Session at 6:42pm. The meeting was re-opened to the public at 6:54pm.

GENERAL CAPITAL REQUESTS

Fire Department / Emergency Management - The Council decided to include the expenditure for the new fire station doors in the 2018 Capital Budget but that the epoxy floors should wait. Council President Santomauro asked for clarification of the Fire Department clothing expenses. Chief D'Ascensio stated that replacement uniforms are needed for three volunteer firefighters whose uniforms were over ten (10) years old. He added that the masks currently used crack at high temperatures making the firefighters vulnerable to toxic gases. Chief D'Ascensio noted that they do not allow for clear radio transmissions as are available with the improved amplifiers on the new masks. He added that the mask amplifier adapters cost \$470 as compared to \$8,000 for 25 new masks for the entire department. The Council agreed to the clothing and gear expenditure as well as the overhead doors.

The Council discussed the need for the epoxy floors. Chief D'Ascensio stated that the floors are a safety concern because the concrete is worn and slippery. He stated that the epoxy cannot be done in house as the process requires stripping, grinding and layering the concrete with epoxy which would not be under warranty unless done by a professional. It was decided that this expenditure would be tabled as it was not essential to complete this year. Mr. Mondelli agreed that it could be possible to appropriate some funds this year toward the project for completion in the future. Chief D'Ascensio requested some funds for painting the interior of the firehouse in lieu of the flooring project. The Council agreed.

The acquisition of an electronic message board was discussed. Chief Deuer stated that the Borough can borrow one from Essex County when needed.

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Police Department - Chief Deuer stated that expenditures on a security camera system could be tabled until after the turf field is completed.

Municipal Court - Mr. Zichelli stated that listening devices to assist the hearing impaired during Court hearings are required. He suggested sharing the \$1,500 cost with Essex Fells. The Council agreed.

Turf Field - Mr. Zichelli stated that the \$1.35 million estimate for the design of the turf field is higher than originally budgeted. He added that due to alternate bid items, the estimate is now at \$1.69 million. The project is still scheduled for ground-breaking in late summer after the completion of the Summer Fun camp.

Public Works - Mr. Zichelli stated that roadway and catch basin repairs were needed for Coney Road, Cypress Avenue and Stoney Brook Drive which are next in the rotation as assessed each year. He noted plow and tractor expenses. Buildings and grounds expenses include removal of an underground storage tank at 137 Gould Avenue and the upgrade of electric and air conditioning service for Borough Hall and the Fireman's Community Center.

Water Capital – Mr. Zichelli stated that the valve maintenance system needs attention every five (5) years as it operates every valve in the system but is fully funded from savings over the last few years.

OPERATING BUDGET

Mr. Zichelli stated that Mr. Mondelli prepared good ideas to reduce the budget. Mr. Mondelli presented a timeline for the preparation of next year's budget to help the Borough stay within the timeline set by the State.

Pool Fund – Mr. Mondelli stated that the Pool Fund had a good year with \$37,000 in excess of anticipated revenue. He noted the fund balance is increasing and suggested using some of the excess to pay down pool debt.

Zero Entry Pool – Mr. Zichelli stated that the Borough's budget of \$150,000 for the zero entry pool project was communicated to the design consultant but an estimate of \$227,000 was received for the work. The consultant's proposal acknowledges the Borough's budget and a new estimate will be prepared for possibly a smaller pool. He stated that the borrowing of additional funds would not be necessary as funds could be reallocated. He noted that plan alterations may involve reducing the size from 34 feet in diameter to 30 feet and/or giving up the ability to add pool features in the future. Mr. Zichelli stated that once the estimate is completed, he will put the project out to bid.

Water Utility – Mr. Mondelli stated that the Water Utility surpassed expected revenue by \$119,000 attributed to \$100,000 in water purchase savings and the repair of a water leak.

Mr. Mondelli added that the Borough's debt service is down as a result of a \$10,000 decrease of bonds. He noted that the Borough will see an increase in retirement benefits expenses for Mel Levine and Jake Armstrong. Mr. Zichelli noted that the retirement benefit expenses do not affect the tax rate.

Mr. Mondelli stated that with the strong fund balance, the Borough can use \$100,000 from the Capital Improvement Fund to buy needed equipment without incurring debt. He noted that if no changes were made to the proposed budget, the Borough would see a 6 point tax increase which translates to a \$40.26 increase on the average home assessment. However, with the removal of \$77,000 in proposed expenditures, the Borough tax rate would be flat for 2018.

Mr. Mondelli noted a savings in salaries for the part-time administrative assistants who were not hired for the first three months of the year for a savings of \$8,000 to \$9,000. He added that Tax Assessment legal fees were higher than anticipated in 2017 due to a pending settlement

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agreement. The Council decided to keep allocation for legal fees the same for 2018. Mr. Mondelli noted that health insurance expenses are down due to employees who waive insurance benefits.

Employee salaries were discussed for Mr. Zichelli, Mr. Mondelli and Mrs. Michelotti who were granted increases at the end of 2017 for additional duties assumed upon the retirement of the former Borough Administrator. It was decided that these employees would not be given the 2% annual increase for 2018. Mr. Kessler noted the need for an Assistant Borough Engineer for which funding should be allocated. Mr. Zichelli stated that he has no exit date in mind for retirement so that the addition of an Assistant Engineer can wait until next year's budget. Mr. Mondelli noted the savings of \$5,000 in dispatcher salaries due to a new hire being paid at a lower rate. Also, DPW salaries would decrease due to the anticipated retirement of one employee in July affecting both salary and health benefits expenses.

Chief Deuer stated the need to lease two marked patrol vehicles at \$15,000 per year for three years. The Council approved the expenditure.

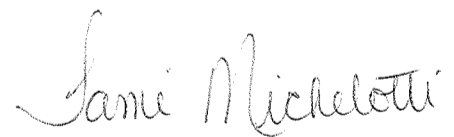
Mr. Zichelli stated that solid waste collection expenses for both garbage and recycling would be dependent on new bids anticipated in the upcoming weeks. He added that costs for watering the Borough fields and grounds would increase as well as for the Right to Know consultant whom the Borough hires for mandatory reporting to the New Jersey Department of Health.

Council President Santomauro stated that revenue is anticipated from the rental of 137 Gould Avenue. Chief Deuer stated that he anticipates an increase in Municipal Court revenues.

Mr. Mondelli stated that he would put together a memo summarizing the changes that the Council discussed.

There being no other matters to be addressed by the Governing Body at this time, a motion was made by Councilman Chiaia, seconded by Councilman Raymond that this meeting be adjourned at 8:35p.m. This motion was unanimously carried.

Respectfully submitted,



Tami Michelotti
Acting Borough Clerk