

MARCH 1, 2012

**BUDGET MEETING OF MAYOR AND COUNCIL, MARCH 1, 2012 AT 6:08 P.M.
IN COUNCIL CHAMBERS OF BOROUGH HALL.**

Mayor Dempsey's statement re: Open Public Meetings Act of 1975 and that notice was given to the Coast Star and the Asbury Park Press on February 27, 2012.

ROLL CALL: Present: Council Members Bossone, Connolly, Donovan, Grasso, Mangan, and McCarthy

Absent: None

Also present was Allen Shechter, Borough Auditor and Joseph DeIorio Administrator/CMFO

FOLLOW UP ON BUDGET STATUS

Mr. DeIorio advised the council that they have a worksheet of a summary list of options to address regarding the reduction of appropriations and some deal with inclusion of additional revenues from other sources. He stated that the summary worksheet is a compilation of the Council's suggestions and those that he has put together. He advised that he would like council to go through each item and give him their thoughts as to the amount that is listed. He stated that with all these ideas in place, the total impact would be between \$179,000 to \$208,000 in reductions and appropriations with a grand total impact including other sources of revenue of \$229,000 to \$258,000. He stated that many of these are policy issues that need to be discussed individually.

Mr. DeIorio went over each of the items on the worksheet and answered questions from Council.

There was discussion on unemployment, percentage from the Library, and Opt-Out payments.

Mr. DeIorio went over the Anticipated Additional Surplus worksheet and there was discussion on this worksheet.

Mr. DeIorio went over the other concerns that he has that are listed on the worksheet. He stated that any funds available before the year end closes out he makes it a point to transfer funds to the Accumulated Leave Account and Unemployment Trust Account. He stated that as these budgets get tighter there is less of an ability to move monies to those trust accounts. He also went over Cancellation of Appropriations, Upcoming Contract Negotiations, Utility Costs, Gas Prices, Emergency Appropriations and Surplus position.

It was agreed that the Beach Summaries would be handled all at the same time.

Mr. DeIorio asked the Mayor if he could go over a few items that he believes might be ones that would be approved by all Council Members.

Legal – Other Expenses

\$5,000

Mr. DeIorio asked if council had any objections to this account being reduced.

Council Member Donovan wanted to know how much money was paid last year for labor counsel. He stated that he thought that the plan this year was to get a head start on the negotiations and a labor attorney was hired.

Mr. DeIorio stated that there was a transition of two (2) attorneys last year and there were ongoing labor issues with the bargaining unit and there was an ongoing legal issue that was resolved last year.

Council Member Donovan wanted to know if the total legal cost last year was \$71,941.15.

Mr. DeIorio stated that is correct.

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There was discussion on when arbitration would take place. It was explained that arbitration would fall in 2013 budget.

Mayor Dempsey asked each Council Member if they were in favor of this cut or not. All Council Members were in favor of cutting this line item by \$5,000.

Police Salary and Wages – Overtime	\$10,000.00
Police Salary and Wages – Chief Salary Projection	\$ 3,432.88

Mr. DeIorio stated that he discussed this cut with the Chief of Police and they both feel that with the 17 Police Officers there should be a reduction in overtime.

Council Member Donovan stated that he believes both the Police Salary and Wages Overtime and Chief Salary Projection could be reduced amounting to a reduction of \$13,432.88.

Mayor Dempsey asked each Council Member if they were in favor of this cut or not. All Council Members were in favor of cutting the two (2) line items by \$13,432.88

Police Other Expenses – Various	\$3,361
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Mr. DeIorio stated he discussed this line item with the Chief of Police and they both agreed that this amount could be reduced and they could still get through the year.

Mayor Dempsey asked each Council Member if they were in favor of this cut or not. All Council Members were in favor of cutting this line item by \$3,361.

Streets and Roads – Salary and Wages	\$10,000
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Mr. DeIorio stated that this line item was discussed with the Superintendent of Public Works Tom Nicastro and they both agree that this line item can be reduced. He advised that this is based on the weather and if there is another Christmas storm like the prior year then this line would go over. He stated that it is a gamble but this is one area that can be cut to fall within the CAP.

Mayor Dempsey asked each Council Member if they were in favor of this cut or not. All Council Members were in favor of cutting this line item by \$10,000 except Council Member Grasso he wanted the number lowered to \$7,500.

Streets and Roads – Other Expenses	\$2,700
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Mr. DeIorio stated that suggestions were made to cut various sub accounts and this is what is being brought forward after discussion with the Superintendent of Public Works.

There was discussion on the Snowplow sub account.

Council Member Bossone suggested looking at the bigger cuts and coming back to the smaller ones if needed.

Shade Tree – Other Expenses	\$11,000 (\$6,000)
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Council Member Connolly asked about the money that would be coming from FEMA.

Council Member McCarthy explained that the FEMA money is not specifically earmarked for Shade Tree. He stated that some of the concerns were that because of the storm a lot of the preventative maintenance was not accomplished due to budget restraints caused by the storm clean up.

Mr. DeIorio stated the Borough needs to front the money before they can be reimbursed.

There was discussion on the budget amount and the process that would be used to use the agreed upon amount and the purchase of trees for Main Street.

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Council Member Donovan stated that decreasing the Shade Tree budget by \$11,000 is a lot to take from this budget because he believes they have a lot of work to catch up on what they did not get to do last year.

There was discussion on what portion of the tree trimming that can be done by the Department of Public Works and what would need to be done by a tree service company.

Council Member Connolly suggested cutting \$6,000 instead of the \$11,000 from the Shade Tree Budget.

Mayor Dempsey asked each Council Member if they were in favor of this cut or not. All Council Members were in favor of cutting this line item by \$6,000.

Vehicle Maintenance and Repairs –Other Expenses \$3,000

Mr. DeIorio stated that this line item figure has been reduced to the same amount as last years budget amount. He went over the actual for last year and the budget amount for last year.

Mayor Dempsey asked each Council Member if they were in favor of this cut or not. All Council Members were in favor of cutting this line item by \$3,000.

Parks and Playgrounds – Other Expenses \$3,400 (\$2,000)

Council Member Donovan stated that the logic for the picnic tables (Acct 065) was that there would be a rotational policy that would pull two (2) tables out that were falling a part and needed to be replaced every year. He advised that this program would be a continuing program so that all of the picnic tables are up to standards.

There was discussion on the picnic table account.

It was agreed that the picnic tables would be left in the budget.

Mr. DeIorio asked what the council would like to do with the Curtis Park Outlets/Garden Club (Acct 132).

Council Member Mangan suggested cutting this line item.

It was suggested that the total reduction would be \$2,000 instead of \$3,400.

Mayor Dempsey asked each Council Member if they were in favor of this cut or not. All Council Members were in favor of cutting this line item by \$2,000.

Waterways – Other Expenses \$800(\$0.00)

Council Member Bossone stated some money should be left there just in case it is needed.

There was discussion on the purchase of dirty stone and the total budget.

It was agreed to leave the \$800 in the budget.

Senior Citizen Transportation \$500

There was discussion on the SCAT contract and the difference between the programs that the Borough is using now compared to the SCAT contract.

Mayor Dempsey asked each Council Member if they were in favor of this cut or not. All Council Members were in favor of cutting this line item by \$500.

Eliminate Unemployment Insurance Trust Appropriation \$50(\$0.00)

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Mr. DeIorio recommended not reducing this account by the \$50 but to create a line for the Beach. He stated he still needs to keep the account open for the current budget.

Mr. Shechter stated that in order to be able to transfer to that line item there needs to have a dollar amount in it.

Construction Code – Other Expenses

\$2,000

Mr. DeIorio stated that this would be eliminating CPM Course for the Construction Official.

Council Member Donovan stated that he doesn't even know if the State is even going to offer this program this year.

Mayor Dempsey asked each Council Member if they were in favor of this cut or not. All Council Members were in favor of cutting this line item by \$2,000.

Purchase of Police SUV and Purchase of one Police Vehicle

\$50,167

Council Member Bossone asked if there are three (3) cars to purchase, two (2) that are being replaced because one (1) is gone already and asked where those two (2) cars are allotted to go.

Mayor Dempsey stated that all three (3) are in the current budget.

Council Member Bossone asked where the two (2) cars that are being discontinued are the allotted to go.

Mr. DeIorio advised that his recommendation is to have the Construction Department get one of the better of the three (3).

Council Member Bossone asked if there is only two (2) because one (1) was involved in an accident.

Mr. DeIorio stated that there are three (3) cars being requested; \$30,000 of the total will be paid from the Beach Utility.

It was agreed that there are two vehicles to dispose of and then the car that was involved in an accident.

Council Member Bossone asked if those two (2) cars are scheduled to go to auction or to another department.

Mr. DeIorio advised that one of his recommendations would be to have one of the vehicles go to the Construction Department.

There was discussion on the cars that will be auctioned and where the new vehicles would be charged. There was discussion on lease purchase program for police vehicles and what type of vehicle should be purchased instead of the SUV. There was also discussion on what should be placed in Capital.

Council Member Connolly stated that she believes one (1) vehicle, perhaps an SUV, would be sufficient instead of three (3).

There was discussion on the price of new vehicles and repairs to the vehicles that the Police Department has already.

Mr. DeIorio stated that there is a Law Enforcement Trust Account which are funds that are set aside that can be used for the purchase or costs associated with the Police. He stated that the Municipality does not have the right to use it as they see fit, they have to have the County Prosecutor's Office grant permission for the use of those funds. He advised that the Chief of Police contacted the County Prosecutor's Office and he was advised that the Borough would be able to use \$6,000 towards the purchase of a vehicle.

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Mayor Dempsey suggested buying one (1) Explorer out of the Beach Utility (\$30,000), take the Escape and the other Explorer and buy them on the lease program out of the current.

Council Member Donovan asked why wouldn't the Explorers come from the lease program and take the \$30,000 from the Beach Utility towards the total purchase of all three (3) vehicles.

There was discussion on how the vehicles should be purchased and the goal of bringing the fleet back so one (1) vehicle could be purchased a year.

Mr. Shechter stated that if the Borough is going to buy SUVs it could all be put in a Capital ordinance and pay the ordinance off over three (3) years and not bear any interest costs like there is for the leasing program.

Mr. DeIorio stated that the decision that needs to be made by Council is if they want to go with three (3) vehicles then the best arrangement will be worked up.

Mayor Dempsey asked what this would do to the current budget right now.

Mr. DeIorio went over the figures and advised that \$50,167 would be taken out of the current budget for the vehicles to go into Capital.

Mayor Dempsey asked each Council Member if they were in favor of this cut or not. All Council Members except Council Member Connolly were in favor of cutting this line item by \$50,167 and putting it into Capital through an Ordinance.

Mr. DeIorio stated that any additional reductions will be that much less from the Borough's Levy Cap calculations. He advised that the Borough has already met the Levy Cap.

Decrease one full time court position to part time **\$14,899.33(0.00)**

Mr. DeIorio stated that this would reduce a full time position to part-time.

Council Member Donovan stated he believes that it can not be done and that Judge Lawson oversees the Courts.

There was discussion on what Judge Lawson oversees and his authority.

It was recommended to leave this amount in the budget.

Police – Salary and Wages **\$36,512.66(0.00)**

Mr. DeIorio stated that this is a reduction of police clerical from two (2) full time employees to one (1) full time and one (1) part time employee.

There was discussion on this position in the Police Department.

Mayor Dempsey asked each Council Member if they were in favor of this cut or not. Council Members McCarthy, Mangan, Donovan and Bossone were not in favor of cutting this line item. Council Members Grasso and Connolly were in favor of cutting this line item.

Beach Utility – Share of Police and Specials **\$20,000(\$15,000)**

Council Member Bossone suggested cutting this line item by \$10,000, \$5,000 to the Police and \$5,000 to the Specials extra to what they get now.

Council Member McCarthy stated that he would be more comfortable with cutting \$15,000. Council Member Connolly agreed.

Mayor Dempsey asked who would be in favor of the \$10,000 cut instead of the \$20,000. Council Members McCarthy, Mangan, Grasso, and Connolly were not in

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favor of reducing the \$20,000. Council Members Donovan and Bossone were in favor of reducing the \$20,000 to \$10,000.

Council Member McCarthy suggested reducing the \$20,000 to \$15,000. Council Members McCarthy, Mangan, Grasso, Connolly and Bossone were in favor of reducing the amount to \$15,000. Council Member Donovan was not in favor of the \$15,000 reduction.

Transfer Portion of FA Contribution from Current to Beach \$ 5,000(0.00)

Council Member McCarthy suggested doing nothing with the First Aid Squad and whatever dollar amounts the Borough does deal with the police line item.

Mayor Dempsey asked each Council Member if they were in favor of this cut or not. All Council Members, except Council Member Connolly were in favor of not cutting the First Aid Contribution by \$5,000.

Contribution to Library	\$15,000(\$10,000)
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Council Member Connolly suggested leaving the Library budget at \$137,000.

There was discussion on all the cuts that need to be made in order to meet the Cap Levy and the amount of money that the Library receives.

Mayor Dempsey asked if the council would be in favor of the Library budget at \$137,000 as suggested by Council Member Connolly. Council Members McCarthy, Mangan, Grasso, Donovan and Bossone were not in favor of this amount. Council Member Connolly was in favor of this amount.

There was discussion on the amount of money that is allocated to the County Library and how much money the Manasquan Library has in surplus.

Council Member Mangan proposed a \$10,000 cut from this line item.

Mayor Dempsey asked if council would be in favor of a \$10,000 cut instead of the \$15,000. All Council Members were in favor, except Council Member Connolly to cut this line item by \$10,000.

Mr. DeIorio stated that the total amount of cuts amounts to \$120,460.88.

Mr. DeIorio stated that there will be a meeting for the Capital Budget List. He stated that Mr. Shechter will take the cuts that were proposed and he will work up the tax impact.

Mr. Shechter stated that the tax increase would be 1.6 cents or \$80 a year with the cuts that the Council just made. He stated that this would be using \$1 million in surplus.

AUDIENCE PARTICIPATION

Council Member Donovan made a motion to open the meeting up to the public, seconded by Council Member McCarthy. Motion carried unanimously.

Lou Cocozza, 45 N. Potter Avenue wanted to know if there is any reason for the determinations of not reducing opt out or will that be considered at a later time.

Council Member Donovan stated that it will be discussed at a later time.

Council Member Bossone made a motion to close the public portion, seconded by Council Member McCarthy. Motion carried unanimously.

Mr. DeIorio advised the Council that they need to pick a date for the next meeting to discuss the Capital Budget list.

Council agreed to meet at 6 p.m. on Monday, March 5, 2012 before the work and regular meeting.

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Council Member Donovan made a motion to adjourn the meeting at 8:32 p.m., seconded by Council Member McCarthy. Motion carried unanimously.

Respectfully submitted,

B. Ilaria

Barbara Ilaria
Municipal Clerk

DATE APPROVED 6-18-12