

## BUDGET MEETING

Mayor Robert Patten called the meeting to order at 6:30 p.m. and read the Open Public Meetings Act statement which stated that adequate notice and posting of the meeting had taken place in accordance with the requirements of P.L. 1975, Chapter 231.

The flag salute was followed by the roll call.

### ROLL CALL

	PRESENT	ABSENT
<i>Mayor Patten</i>	✓	
<i>Councilmember Laudenberger</i>	✓	
<i>Councilmember Quattrone</i>	✓	
<i>Councilmember Schneider</i>	✓	
<i>Councilmember Sikorski</i>	✓	
<i>Councilmember Thompson</i>		✓

Also in attendance: Candace Gallagher, Borough Clerk/Administrator; George Lang, Chief Financial Officer; and Police Chief James Eufemia.

### APPROVAL OF AGENDA

Upon motion by Councilman Sikorski, seconded by Councilman Quattrone, the agenda was unanimously approved as submitted.

### PUBLIC COMMENT

There were no members of the public present at this meeting, thus no public comment session was held.

### BUDGET DISCUSSION

#### ***Overview, including surplus and debt service***

Ms. Gallagher provided summary sheets<sup>1</sup> as well as detailed information regarding the Borough's proposed 2005 budget. She stressed that this is merely a starting point, and that additional work will be needed prior to the budget's introduction. In this preliminary draft, she said, the proposed tax increase is 22 cents. If the Borough were to receive Extraordinary Aid and Municipal Homeland Security Assistance Aid at the same level as last year (\$300,000), the increase would be eight cents rather than 22 cents. Numbers included in this budget, she said, are subject to change as additional information is gained.

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<sup>1</sup> Included at the end of these 2/15/04 minutes.

Ms. Gallagher noted that available current surplus for 2005 is \$307,000, \$300,000 of which is included in this budget. Mr. Lang provided information about how that surplus was generated, noting that nearly half of that amount (\$148,200) results from unexpended appropriations in the 2003 budget. Other components include excess revenues in the 2004 budget (\$92,800) and miscellaneous revenues not anticipated in the 2004 budget (\$58,900). Mr. Lang also reviewed the Borough's debt service figures for 2005, which include a \$17,000 appropriation to fund some very old, unfunded ordinances as recommended by the auditors in the 2003 audit. A similar appropriation will be included in the 2006 budget, after which these amounts will be cleared.

Mr. Lang noted that it may be to the Borough's benefit to issue bonds soon to permanently finance some of the Borough's debt. He will be looking into this over the next few months.

Ms. Gallagher noted that some of the items contributing to the tax increase are: a \$61,000 shortfall in current surplus (last year's available surplus was \$361,000); the fact that we may not anticipate the \$300,000 in tax relief aid provided by the State for 2004; salary increases calculated at \$106,000, including the reserve for accumulated sick and vacation time and the second year of the Borough's five-year adjustment back to the current budget of public works salaries previously charged to the water-sewer budget; an increase of over \$51,000 in statutory expenditures (pension funds, the Borough's contribution to which is being phased in over a five-year period, and social security); an increase in municipal debt service of nearly \$50,000 (including the \$17,000 noted above); and the need to add to our capital improvement fund, which was not funded in 2004. She noted that departmental operating budgets, as presented in this preliminary draft, increased by only \$13,893 over 2004, a percentage increase of just 2.2%.

Ms. Gallagher also noted that certain work done by Council during 2004 has resulted in significant savings in this 2005 budget, including: a reduction in tipping fees of \$27,500, the direct result of a change in the Borough's grass collection procedures as well as the institution of greater controls by the Borough over the tipping process; a reduction in street lighting costs of \$8,500 as a result of the gradual conversion of street lighting to "conversion rates" with JCP&L; and a one-time revenue of \$151,000 which is expected to be received in March as a result of the Borough's agreement with AT&T to accept an advance payment on their lease of space on the Borough's water tower. In the meantime, another lease has been entered into with Sprint that will replace the monthly revenues from AT&T. In addition, one component of the available surplus was \$17,000 in revenue provided by the negotiated "buyout" by the Municipal Excess Liability Insurance Fund of their liability for certain outstanding legal claims. Together, these items total \$204,000, representing a savings of nearly ten cents on the tax rate.

Ms. Gallagher and Mr. Lang recommended that Council adopt an ordinance (to be introduced at the Borough's February 22 Council meeting) to exceed the cap limitation. While adopting the ordinance does not commit the Borough to exceeding the 2.5% cap, it provides the option to do so, and more importantly, preserves our ability to utilize cap banking if needed. Mr. Lang explained this in some detail, and Council was agreeable to introducing the Ordinance.

#### ***Police Department budget***

Police Chief James Eufemia was present and provided a detailed review of items included in his 2005 budget requests for the police department and dispatchers. The Chief's capital budget requests included a speed trailer with message board, digital upgrade of the Dictaphone equipment and video recording equipment as mandated by the Attorney General's office. Ms. Gallagher noted that the Municipal Court has requested the purchase of a video conferencing system for arraignments, which would save the Borough money in police salaries, and Chief Eufemia expressed his strong support for that purchase.

#### ***Better Beginnings, Community Action Service Center and East Windsor PAL***

Council discussed the appropriations for Better Beginnings, the Community Action Service Center and the East Windsor P.A.L. It was generally agreed that representatives will be asked to attend the February 28 budget meeting to review their requests.

Ms. Gallagher noted that the budget must be adopted by March 10, prior to submitting the application for Extraordinary Aid. She recommended that introduction take place at the regular Council meeting scheduled for March 7.

At this time, adjournment was moved by Councilwoman Laudenberger, seconded by Councilman Sikorski and unanimously approved. The meeting was adjourned at 9:22 p.m.

Respectfully submitted,

Candace B. Gallagher, RMC  
Borough Clerk