

March 24, 2009
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 6:36 P.M. and Borough Clerk read the Sunshine Law Notice. The Pledge of Allegiance was said and there was a moment of silence.

ROLL CALL

On Roll Call the following were present: Councilmembers Bolte, Sefcik, Hill, Kovacs, Sheridan, Walling, Mayor Bergen (arrived 6:40PM). Others present: Borough Administrator Ms. Wright.

PRESENTATION

Preliminary Presentation of the 2009 Municipal Budget

Sent out a preliminary draft budget - 6.6 per hundred tax increase proposed. Must increase revenues and/or reduce appropriations. Department budgets have been cut.

Suggestions for revenue increases:

- Senior Center - charge a fee to out of town seniors \$50 annually = \$1,250
- Landlord registration - per unit instead of per dwelling \$67,000

Mayor arrived at 6:40 PM

- Fire Department submitted a revised reduced budget - eliminating purchase of vehicles
- Police Department - \$86,325, represents one police car and request for radios
- Public Works - same except for reduction in salary
- OEM - increase to \$1,500 - 27% increase
- Engineer - increase of 40% due to loss of municipal engineer
- Cost of insurance - 12% increase
- Administration department represents reduction in office supplies.

May consider capping cost of heating fire department buildings - not significant but helpful in future budgets

Mayor talked about construction of salt dome (close to \$25,000) had to be designed and certified was done by in-house engineer. Mayor spoke about differences in sides of police arbitration and cost of defending arbitration, reserves for tax appeals, existing cases on commercial properties. Property owners have been successful.

Joe Sheridan suggested going over line by line item. At \$136,000 over cap budget cannot even be introduced.

Mayor talked about pension deferral bill, which accrues with interest. Part of our problem has been the past pension deferral. Administrator Wright stated taking the pension deferral would bring us under cap. Mayor stated we would not be able to apply for extraordinary aid unless we take the pension deferral. Not sure that it would bring us

under cap to take the deferral but he feels we should avoid taking it at all costs.

Administrator stated we are currently at the top of our bonding limits. Mayor said we are not near our borrowing cap. This budget includes the state funding level. Mayor stated the only way to get the \$136,000 would be to cut personnel. Mayor is concerned about taking on debt that is not for a permanent improvement.

Mayor and Council make the following suggestions:

- Take out one police car, would get you \$20,000
- Legal Services - \$110,000 for 2009 - Councilman Sheridan would like to reduce by \$10,000 - \$20,000
- Engineering Expenses - went from \$15,000 to \$25,000; Mayor stated \$25,000 was the number going back to before Pete Valesi came
- Employee Health Insurance - must be negotiated; Mayor stated we are asking for increases in co-pays for doctors and prescriptions. Mayor also spoke of the risks of self-funding.

Ms. Sefcik asked to speak about potential revenue ideas; Senior Center - \$50.00 per out-of town would be \$1,250 for 250 members; any new line items must get approval from DLGS.

Ms. Bolte asked about salary freezes for non-union; Mayor asked we discuss in closed session.

Ms. Sefcik pointed out fuel appropriation down from what we spent in 2008; Administrator anticipates this year to be a flat cost

Mr. Sheridan questioned Open Space Tax - 2.5 cents a hundred assessments went up; Mayor said not included as revenue on this budget.

Mr. Sheridan asked to look at water/sewer budget; Mayor explains that some DPW salaries come out of that.

Ms. Wright stated regarding Ms. Sefcik's question on Police Grant monies that is not included, can't anticipate grant monies that are given in one year into the next year's budget.

Mr. Kovacs asked about the NPP Coordinator salary; Ms. Bolte explained it is a matching grant.

Mayor expressed that there is more work to do on the budget but he feels there is only one solution. Feels the power shift on the Police Department is a cost we cannot afford. Furloughs are cumbersome and require negotiation. Feels there must be a lay-off for two patrol officers and then apply for a grant to rehire them. Would save \$120,000 plus \$40,000 in insurance costs.

Ms. Wright - \$28,600 savings for a furlough without police. Challenges would be negotiating with union representatives and presidents. Currently short-staffed in Administration and Public Works. Mr. Kovacs mentioned that there is no reduction in Mayor and Council salaries. He realizes it isn't much but it would show the public that they were willing to take a cut as well.

COMMUNICATIONS AND PETITION

1. Letter from Clean Ocean Action requesting permission to perform spring and fall volunteer cleanups in the Borough at the Broad Street boat ramp on Saturday, April 25, 2009 and Saturday, October 24, 2009 from 9AM to 12:30PM

Motion to approve moved by Mr. Sheridan, second by Ms. Sefcik with ayes by all present.

PUBLIC PARTICIPATION

The Meeting was opened to the public for comments or questions at 7:36PM

John Olsen asked about the 6.6% increase, states if property value tripled that is an 18% increase. Mr. Olsen also asked about the Open Space tax.

Mike Lane, 51 First Street, spoke about the Open Space Tax, every resident is looking at 3.5 cent increase from the Borough. Mr. Lane asked the Mayor and Council to be sensitive to the total tax increase. Urges the Council to take Mayor's advise and not take the pension deferral. Mr. Lane gave an update regarding the reval; saw tax assessor and numbers have been certified. Assessor still had no explanation on how the waterfront properties assessments were set.

Kishore Chigurupati, 22 First Street, suggests that layoffs in police not happen May thru September since we are a shore town. He asked about having a four-day work week. Mayor explained the problem is structure of our building does not allow us to save a significant cost because we cannot shut down the building.

Motion to close Public Portion at 7:56PM was made by Mr. Sheridan, second by Ms. Bolte with ayes present.

Mr. Kovacs spoke about merging with Union Beach for washing Borough vehicles.

Motion to go into closed session at 8:01PM was made by Mr. Sheridan and seconded by Ms. Sefcik with ayes by all present.

At 8:52 PM Councilman Sheridan moved to reconvene the meeting, carried by Councilman Sheridan with ayes by all present.

Councilman Sheridan made a motion, carried by Councilwoman Sefcik to Authorize the Borough Administrator to do a Lay-off Plan.

Roll Call Vote: Ayes: Councilmembers Bolte, Sefcik, Hill, Sheridan,
Kovacs
Nays: Councilman Walling
Absent:
Abstain:

At 8:53 PM Motion to adjourn was made and carried with ayes by all present.