

**TOWNSHIP OF MAHWAH
BUDGET MEETING
THURSDAY, MARCH 24, 2016**

The meeting was called to order at 8:04PM by Council President Roth who read the Open Public Meetings Act Statement as prescribed by law. Notice was advertised in The Record on Monday, March 7, 2016 and notification was sent to The Ridgewood News on March 3, 2016 stating this meeting would be held in the Council Chambers of the Richard J. Martel Municipal Offices, 475 Corporate Drive, Mahwah, New Jersey on Thursday, March 24, 2016 at 8:00PM.

Notice of this Meeting is posted on the Municipal Bulletin Board. The Minutes of this Meeting shall be available in the Municipal Clerk's Office once they have been approved by the Township Council.

SALUTE TO THE FLAG

MOMENT OF SILENCE FOR VETERANS AND THOSE SERVING IN THE MILITARY

Moment of Silence was observed for those who are serving and those who served in the military both here in the United States and abroad. It is because of their valor and bravery that we can hold meeting such as these.

Present: Councilmembers Amoroso, Ariemma, DiGiulio, Hermansen, Sbarra, Wong and Roth.

Also present were Mayor William C. Laforet, Business Administrator Brian Campion and Clerk Assistant Carolyn George.

PUBLIC PORTION

On a motion by Hermansen, seconded by DiGiulio, the meeting was opened to the public at 8:07PM. All in favor. Motion carried.

On a motion by Wong, seconded by Amoroso, the meeting was closed to the public at 8:08PM. All in favor. Motion carried.

OFFICE OF EMERGENCY MANAGEMENT (OEM)

OEM Director, Raymond Roe was present.

OEM Director reported they have kept the Operating and Capital Budget as low as possible. Two areas that have a slight increase are the River Clean-Up, page 90, G01-244 and Equipment, page 89, G01-202.

Wong asked about the status of the Town Wide Radio Systems contained within the OEM's Capital Budget. OEM Director explained that they had received a proposal from Motorola on March 23, 2016. OEM will review and give to Administration in a week for their review. Wong asked if there is an estimated amount to be budgeted. OEM Director reported that the \$2.5 million proposal was an inflated rate from Motorola. OEM will need to make some additional changes with Motorola and then schedule a meeting with Administration. Roth stated that there are no details as of this date, there is a time restraint due to the Budget Introduction date fast approaching and many elements are still necessary to be resolved so this item may not be on this year's budget.

Hermansen stated it appears OEM is in the same place as last year. OEM Director explained they started this process late in 2015, it took approximately four to five months to complete which was longer than they anticipated. Motorola came in, surveyed all the departments and determined which radios are obsolete versus available items requiring the radios. OEM waited for details from the Fire and Ambulance before submitting their request. In addition, there are many detailed components within the departments to be considered. Roth stated the radio proposal must be finalized with the Mayor and Administrator for the next budget year and possibly be brought to the Council before next year's Budget Meetings. OEM Director agreed. In addition, he stated the challenges surround some models that may be out of production and the technology keeps updating the products. Motorola provides better discounts as the contract increases.

Amoroso asked if OEM had considered leasing radios. OEM Director indicated Motorola has explained that option as an alternative and agreed with the Business Administrator that it could be an alternative.

DiGiulio asked if OEM could look into receiving assistance through the County. Business Administrator explained the County dispatch uses the County Safety Facility in Mahwah but Mahwah continues to use our own dispatch. The County Radio System is possible. OEM has done some basic, preliminary tests with the County radios. There are three components the County would require coordination. The first is the infrastructure such as antenna and repeaters; second is the consoles; and third are the portable radios. County does have the infrastructure at no cost to Mahwah; however, that is one-third of the system. The Township has been doing testing with these radios. Consoles and radios would need to be purchased so there is more to review.

Wong asked if the \$15,000 radios would be compatible with the new ambulances. OEM Director indicated the radios are compatible and can be upgraded when applicable.

Wong also asked if there is a difference between pagers and radios. OEM Director further explained that a pager and charger cost approximately \$600. The pagers are being replaced due to technology and older pagers will not be compatible when switched over to the DPW frequency.

Wong asked if the SUV in the budget will replace or be used in a different department and what is the mileage on the vehicle. OEM Director explained the 2003 model has had trouble with the transmission and there is no plan to use the vehicle elsewhere due to its size. In addition, the vehicle has approximately 70,000 miles.

Sbarra asked if the \$100,000 for the River Clean Up is part of a grant. Business Administrator explained there are two \$50,000 grants, one for the Ramapo River and one for the Mahwah River. The Mosquito Commission began their portion of the process last fall and will continue this spring at no cost. The Township may have to hire private contractors to get trees out of the riverbanks. In addition, the removal of debris from the rivers brings large trucking costs. OEM Director explained the Mahwah River project has been completed. The Mosquito Commission's equipment is in Mahwah so they can begin when they are ready. Business Administrator added the grant money is still available. The project budgeted \$100,000 for 2015 and did not use the money so it lapsed into surplus because the project did not begin until the end of last year. OEM Director stated the tree trunks and debris has been stock piled, and the DPW took the debris away with the County's help to clean the Mahwah River. Amoroso asked if there is a deadline in regards to money. OEM Director said OEM has received an extension of the Grant.

DiGiulio asked what radios are included in Line 214 Rental Maintenance for Radios. OEM Director explained that Line Item is for the annual maintenance of the existing system now at the Police desk, car radios or truck radios.

DiGiulio asked how the volunteers are doing and how many current, active members are in the OEM. OEM Director stated there are 50 active members. They are all trained and ready to work.

DiGiulio asked if the radios talk to other departments. OEM Director stated the Police are hooked into schools. OEM can talk to any department by switching a channel.

Amoroso thanked the OEM Director for everyone's dedication and hard work. Amoroso asked how OEM handles the recent fake bomb threats. OEM Director explained that OEM is called in for these calls.

Ariemma thanked the OEM Director and his volunteers. Ariemma asked why the OEM does not switch from pagers to cell phones. OEM Director replied they use the pagers as a backup. It is more secure with both. Fire and EMS also have both. Pagers can monitor the status and conversations. Text messages are not as reliable in some cases and areas of Mahwah.

Roth asked about the 2015 Actual Repairs and Maintenance, Line Item G01-203. OEM Director explained that the \$40,000 incurred last year was because of a motor vehicle accident where the repeater in the OEM vehicle was destroyed. As a result, OEM received money from the person's insurance company.

CAPITAL BUDGET

Roth opened this portion of the meeting with some new information that was just provided to him from the Fire Chief concerning the options of refurbishing versus buying the Air Truck. The rough refurbishment estimate is approximately \$100,000. However, this truck could experience suspension problems in the future. This retrofit is to fill air bottles on site rather than the need to

return to the fire station for filling. The current vehicle has 1,700 hours and the refurbishment may extend its life to three to four additional years. A new vehicle will last approximately 15 years.

Business Administrator explained the Capital Budget for the DPW. DiGiulio was concerned about the repair of the Skate Park. Business Administrator stated there is some money in the Operating Budget to fix the Hockey Rink with repairs in Parks and Playground, page 48, Line Item C04-203.

Wong asked where the roof repair was located since he did not see it in the Capital Building and Grounds area for the Department of Public Works. Business Administrator pointed out the roof repair is located in the Operating Budget, Line Item C03-203.

Hermansen explained he believes the Ambulance Repair money should be moved from Operating to Capital due to the life of a refurbished vehicle may only extend its life two to three years.

Sbarra asked if an auction would be beneficial for the older vehicle. Business Administrator indicated there would not be much benefit from an auction. Mayor added the purchase of a new vehicle would free up the budget this year and spread out the cost in Capital over subsequent years. In addition, there would not be any maintenance issues with a new vehicle. The \$55,000 may not be limited to \$55,000 due to the possibility of the Cummings Diesel engine needing replacement.

Business Administrator explained how the budget could be adapted for the purchase of the ambulance as opposed with the refurbishing. Line Item C06-219, Motor Pool has \$55,000 that would be decreased to zero. Line Item X01-701, Capital Improvement Fund for Down Payment, would be increased by \$13,000 from \$140,000 to \$153,000. This would be increased with the purchase of new ambulance.

Ariemma suggested some savings should be used to lower the budget and give back to the residents.

Business Administration clarified Line Item C04-203, pages 48-49, includes \$37,700 for various maintenance items and improvements including the Skate Park and \$12,000 for Hockey.

Roth explained, referring to the Fire Department's information provided earlier, the refurbishment of the Air Truck does not make sense and he agreed to a new Air Truck is more advantageous. Wong suggested using the \$100,000 placeholder from OEM and using it to purchase the mini-pump and save \$25,000.

Ariemma asked why the RS2 Mini Pumper was originally placed as zero in the budget. Business Administrator explained the Fire Chief explained the truck's usefulness at the end of the year Budget Meetings in 2015.

On a motion by Hermansen to remove the \$100,000 from Radio Capital and purchase RS2 mini-pump for \$75,000, seconded by Wong. Roll call vote: Amoroso, yes; Ariemma, no; DiGiulio, yes; Hermansen, yes; Sbarra, yes; Wong, yes; Roth, yes. Motion carried.

On a motion by Hermansen to purchase a new ambulance as opposed to refurbishing, seconded by Wong. Roll call vote: Amoroso, yes; Ariemma, no; DiGiulio, yes; Hermansen, yes; Sbarra, yes; Wong, yes; Roth, yes. Motion carried.

Business Administrator explained the changes to the Capital Budget as adding \$250,000 for the Ambulance, adding \$75,000 for the Mini-pumper and Radio Equipment Project goes to zero, the changes to the Operating Account, Line Item C06-219, decreases from \$55,000 to zero and Line Item X01-701, gets increased to \$153,000 from \$140,000.

Wong asked for clarification of the F350 vehicles for the Water and Sewer in the Capital Budget. Business Administrator explained the vehicles are being paid out of current funds. The Water Department requested one F350 Truck and the Sewer Department requested one F350 Truck. In addition, each Department requested purchasing a F350 to be shared equally between the two departments. This appears as a half truck; however, this option was declined and will not be purchased.

Hermansen asked about the Building and Grounds repair of the DPW building. The Mayor said the DPW building is beyond repair.

Roth distributed a four-page document, "2016 Budget Proposed Revisions" outlining some Operating Budget suggestions. Roth first reviewed the proposal and suggested the Council provide their input afterwards. He explained the Line Items and columns on Page 1 and 2. Overall, if these revisions are acceptable, the current budget Tax Rate of 1.8% could be reduced to 0.79%.

Roth further reviewed the Water Sewer Utility Operating P&L and Projected Surplus, Page 3, suggesting that approximately \$100,000 could be transferred from Sewer to Operating Revenue. However, Roth explained an alternative to that transfer would be to adjust the water rates as outlined on Page 4. This adjustment would be applicable only to Tier 3 Water users. Tier 3 users are designated by their usage, approximately 261,000 gallons per quarter. Some examples of Tier 3 Users are the Stock Exchange, Ramapo College, and Stryker. Therefore, the resident rates will not be affected. This increase would be effective by July 1 for Tier 3 users only and it would generate approximately \$45,000 in Revenue for the Water Department that could be transferred to the Operating Budget. Roth also suggested a similar increase for the Sewer Department; therefore, replenishing the revenue. Business Administrator explained that these changes would not affect this year's budget.

Business Administrator reviewed some debatable Line Item Revisions from Page 1. The Planning/Zoning Professional Services, B50-204, is budgeted at \$175,000, which may be a conservative estimate. This is due to Affordable Housing Litigation and paying fees for the Court Master. Business Administrator expects this Line Item to be an extraordinary high year. As a result, Roth withdrew that Line Item. The River Clean Up, GO1-244, is another item that may incur an increase in expenses. Lastly, Court Professional Services, TO1-204, are mandated by State law

and the Township must pay for psychiatric experts in the event the Court orders such tests. This Line Item is not controlled by the Township. The more indigent defendants requiring help the more money the Township must pay.

On a motion by Hermansen, seconded by Wong, Savings Column for Court Professional Services will be reduced to \$5,000 from \$10,000. Roll call vote: Amoroso, yes; Ariemma, no; DiGiulio, no; Hermansen, yes; Sbarra, yes; Wong, yes; Roth, yes.

Roth reviewed Planning and Zoning Professional Services on page 1 and withdrew the reduction so the Line Item remains at \$175,000.

Business Administrator explained that the Water and Sewer Budgets could not be transferred to Capital or Operating. The money stays in the Water and Sewer Budget. Surplus can be transferred but not line items. Roth explained if it eliminates Social Security Line Item 303-219 for Water and Sewer (\$10,000), that amount would be added to Projected Sewer Surplus increasing it from \$100,000 to \$110,000. Business Administrator stated that if this page is adopted with the changes, the top part of the page is referring to Reductions proposed of \$113,000 instead of \$133,000. The lower part of the page refers to Revenue and the increase in revenue total savings would be \$223,000.

Hermansen reviewed the Police Department request of two Ford Explorers and one Ford Expedition totaling \$88,700. Sbarra asked what was already budgeted. Hermansen stated that one vehicle for \$40,000 was budgeted. Hermansen would like to look at the budget and try to find money for two additional vehicles. Roth suggested that Option C from Captain Stu Blank for three Explorers be considered. Each vehicle totals \$28,952 so three vehicles equals \$86,856. There has been \$40,000 budgeted so \$46,856 would remain.

Hermansen proposed purchasing three vehicles by applying the following changes:

1. Page 55, DPW Motor Pool Repairs and Maintenance for Police Cars, 6-01-CO6-236, can save \$5,000 in repairs and decrease from \$90,000 to \$85,000.
2. Page 82, Police Permanent Full-Time, FO4-101, can save \$3,300 in salary and decrease from \$212,600 to \$209,300. The fulltime dispatcher will not be hired until approximately April 1 and the per diem Dispatchers created a reduction.
3. Page 81, Police Patrol-Overtime, FO3-105, can be reduced by \$10,000 from \$390,000 to \$380,000. Hermansen indicated that the Police Chief agreed to limit the Patrol Overtime as long as the savings would be available for a car at the previous Budget Meeting.
4. Page 77, Police Equipment, F01-202, can be reduced by \$9,500 from \$51,200 to \$41,700. Savings incurred because newer vehicles being purchased are equipped with upgraded radios.

This plan details a savings of \$27,800 that would be sufficient to purchase the additional vehicles.

Business Administrator reviewed the additional reductions as follows:

1. Page 55, Motor Pool, Miscellaneous-Repairs to Ambulance Rig, CO6-219, can be reduced by \$55,000 from \$55,000 to zero because of the purchase of a new Ambulance and not refurbishing.
2. Page 86, Police, Miscellaneous Police Cars, F30-219, can be increased by \$48,000 from \$40,000 to \$88,000. Business Administrator concluded these changes provide enough to purchase three explorers for Patrolmen.

DiGiulio asked how much it would cost to add an additional DPW worker. Business Administrator indicated the worker would be hired in July so one half year of salary and benefits would need to be budgeted, which equals \$35,000.

On a motion by DiGiulio, seconded by Hermansen to hire one DPW worker beginning on July 1. Roll call vote: Amoroso, yes; Ariemma, no; DiGiulio, yes; Hermansen, yes; Sbarra, yes; Wong, yes; Roth, yes.

On a motion by Roth, seconded by Amoroso, to approve Page 1 with the following changes: Planning Zoning Professional Services, B50-204, revision is eliminated retaining the \$175,000; Court Professional Services, TO1-204, savings reduced from \$10,000 to \$5,000; Water and Sewer, Social Security, 303-219, is removed increasing Operating Revenue Transfer from Sewer from \$100,000 to \$110,000 and reduce the Total Savings amount \$16,000 from \$223,000 to \$207,500, All in favor. Motion carried.

Business Administrator asked to review his notes pertaining to the Line Items to be changed in the General Budget as follows:

1. Fire Department has two items with adjusted numbers: Professional Services, G02-204, down \$5,000, and Pagers, GO2-247 up \$5,000.
2. DPW accounts moved cars. One Line Item went down and one Line Item went up so there were offsetting numbers.
3. Roth's List of Revisions that are all reductions include Miscellaneous Employee Life Insurance, B15-219, final number is \$40,000; Emergency Service River Cleanup, GO1-244, final number is \$90,000; General Police Guest Wi-Fi, O093-236, final number is zero; General Social Security, RO3-219, final number is \$525,000; Court Professional Service, TO1-204, final number is \$20,000; LOSAP, 401-129, final number is \$240,000; DPW Snow Removal Overtime, CO7-105, final number is \$200,000. Lastly, the Revenue increase of \$110,000 from Sewer Surplus.
4. Miscellaneous, CO6-219, Ambulance Refurbishing \$55,000 to zero.
5. Capital Improvement Fund, XO1-701, increases \$13,000 from \$140,000 to \$153,000 reflecting down payments on items that were added.
6. Miscellaneous Police Cars, F30-219 increases from \$40,000 to \$88,000.
7. Repairs and Maintenance – Police, CO6-236, reduced \$5,000 from \$90,000 to \$85,000.
8. Permanent Full-Time, FO4-101, reduces \$3,300 from \$212,600 to \$209,300.
9. Patrol Overtime, FO3-105, reduces from \$390,000 to \$380,000.
10. Equipment, FO1-202, reduces \$9,500 from \$51,200 to \$41,700.
11. DPW adds \$35,000 for the addition of an employee beginning in July.

Roth asked to have Sewer and Water rates discussion. Business Administrator agreed a conversation is necessary concerning the water rates. Roth's numbers are conservative because it did not contain the Stock Exchange.

Wong asked if our water rates are competitive. Business Administrator agreed that for the average customer the rates are very reasonable. DiGiulio asked if additional information could be provided for Tier 3 users. Business Administrator explained that the Operating Budget would not be affected by the water rate change. Roth explained that they would put on this topic on a future agenda.

On a motion by Wong, seconded by DiGiulio, the meeting was adjourned at 11:13PM. All in favor. Motion carried.

Respectfully submitted,



Kathrine G. Coviello, RMC/CMC/MMC
Municipal Clerk