

BYRAM TOWNSHIP SPECIAL BUDGET WORKSHOP COUNCIL MEETING - JANUARY 30, 2018

EXECUTIVE SESSION – 6:30 P.M.

REGULAR SESSION – 7:00 P.M.

CALL MEETING TO ORDER

Mayor Rubenstein called the meeting to order at 6:30 p.m.

OPEN PUBLIC MEETING STATEMENT

Adequate notice of this meeting has been made in accordance with the Open Public Meetings Act, NJSA 10:4-6.

ROLL CALL

Councilman Gray, here; Councilwoman Kash, late 6:35 p.m.; Councilman Olson, here; Councilman Roseff, here; Mayor Rubenstein here. Also present was Township Manager Joe Sabatini, Attorney Tom Collins and Municipal Clerk Doris Flynn.

RESOLUTION

WHEREAS, the Open Public Meetings Act, P. L. 1975, Chapter 231 permits the exclusion of the public from a meeting in certain circumstances; and

WHEREAS, this public body is of the opinion that such circumstances presently exist.

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and Council of the Township of Byram, that the public shall be excluded from discussion of the following matters:

- a. Attorney Client Privilege Communication
– General
- b. Personnel – Professional Services
- c. Contract Negotiations – PBA, DPW and Clerical Labor Negotiations

BE IT FURTHER RESOLVED that Minutes will be kept on file in the Municipal Clerk’s office, and once the matter involving the confidentiality of the above no longer requires that confidentiality, then the minutes shall be made public.

BYRAM TOWNSHIP COUNCIL

Motion by Councilman Olson second by Councilman Gray to go into closed session and adopt the above resolution.

	Councilman Gray	Councilwoman Kash	Councilman Olson	Councilman Roseff	Mayor Rubenstein
Motion			x		
2nd	x				
Yes	x		x	x	x
No					
Abstain					
Absent		x			

Certification: I certify that the Byram Township Council adopted the above resolution on January 30, 2018.
Doris Flynn, Municipal Clerk

RETURN TO OPEN SESSION - Motion by Councilman Olson second by Councilwoman Kash to return to open session at 7:02 pm. All members were in favor. Motion Carried. Attorney Tom Collins was not present for the budget workshop.

CALL COUNCIL MEETING BACK TO ORDER

FLAG SALUTE AND MOMENT OF SILENCE

Township Manager Joseph Sabatini prepared a draft budget message for the Council. Mayor Rubenstein read through the memo, and the Council made comments throughout.

The 2018 Budget Process started with the initial submissions of the Departmental Budgets from each of the Township's Department Heads. The Department Heads were instructed to prepare budget requests with each sub-starting at zero and were to provide detailed justification of each sub-account request in lieu of pointing to prior years' allocations as the starting point. Individual meetings were held with Department Heads to review budget requests.

Current Budget Plan:

- *The current draft budget plan as presented is an increase of \$70602.93 or .8% of the amount to be raised through taxation.*
- *This budget plan presents an increase in the municipal tax levy of \$17.87 to the average assessed home of \$252,753.*
- *This budget plan anticipates no decrease in anticipated revenues from 2017.*

Salary and Wages:

- *Salary and Wages have been populated with contractual obligations (steps and longevity) and anticipated changes for staffing.*
- *Budget is presented with a 0% increase of Salary and Wages.*
 - *NOTE: The Current Budget Plan includes 'NO' funding to support increases to salary and wages in 2018. If contracts are settled during 2018 supporting a wage increase, transfers from accounts with unexpended funds will need to be made in November to support obligation. This means any 2018 and 2019 salary increases will need to be addressed in the 2019 Budget.*
- *All three Collective Bargaining Groups (Clerical, DPW and Police) are currently in contract negotiations.*
- *Applied contractually required salary increases for steps and changes of longevity for Police.*
 - *Police Officers (minimum increase \$21,500)*
 - ✓ *4 employees will receive increased longevity.*
 - ✓ *2 employees in steps.*
- *No change to overtime budgets for Police or DPW.*

Staff Changes:

- *Tax Collection:*
 - *CMFO was appointed Tax Collector.*
 - *Budgeted for Part-time position in Tax Collection Department.*
- *DPW:*
 - *In process of hiring a new laborer to start immediately that will replace an employee that had provided notification of his retirement effective May 1, 2018.*
 - *DPW has taken over ALL management of parks, fields and trails. Tamarack Park was added in 2017. More parks and trails, more responsibilities to the parks division. Adding new staff member (laborer) will give more flexibility during storms - Superintendent can more supervise and not needed for route, can pull mechanic off road if needed for repairs. This budget plan includes using the balance of the funds from only hiring a PT Recreation Director and adding another laborer. Overall this budget is not requiring a net salary increase from 2017 to add this position.*
- *Recreation:*
 - *Advertising for a Part-time recreation director not to exceed 28 hours per week.*
- *Planning:*
 - *The position of Township Planner was eliminated when the Township's Planner passed away in 2010. The 2017 Municipal Budget included \$25,000 to appoint a program facilitator to own the implementation of the Township's Sustainable Economic Development Plan. The Mayor and Council need to discuss the need for resources to support the Township's goals and objectives for economic development and future planning. This budget plan includes \$25,000 for the Program Facilitator.*

David Gray is not in support of hiring a facilitator. It has not been on our radar and we've been carried this for the past few years. Scott explained that the thought was to hire a firm and not an employee. David thought this could be something we could handle in house through volunteers on an Economic Development Committee. Scott disagreed because there is a lot of work to be done as outlined in matrix that can be found in the plan, which would be way beyond what a volunteer could accomplish. David would like to exhaust the measures to try to make it work through volunteers before hiring someone. This money could be used in other ways, such as mailings, marketing, etc. Alex and Scott are in favor in leaving it in the budget. David stated that we are collecting money from tax payers that we are not using. Harvey Roseff is in favor of taking it out. Nisha has not yet taken a position on this.

- *Environmental Committee:*
 - *Included \$1,000 in budget plan for an annual stipend to appoint member of the EC as secretary. This will remove the need to use staff to support committee.*

Joe Sabatini stated that now a part-time employee is the secretary, and compensatory time is given for attendance of meetings. We then have lost office time when the employee uses the comp time. David Gray questioned if \$1,000 stipend (= \$83/meeting) would be sufficient, since it would require prepping an agenda, preparing minutes, circulating materials, etc. If a member would agree to also be the secretary, it would be a good way to get better utilization from our staff.

- *QPA:*
 - *The Township does not have a Qualified Purchasing Agent (QPA) and as a result the Township's bid threshold is \$17,500 which includes aggregation. If the Township had a QPA the Mayor and Council could establish a bid threshold as high as \$40,000. The Township supports a decentralized purchasing model with the Department Heads accountable to ensure procurement is compliant with the Local Public Contracts Law. The Manager ensures requests for purchases of goods and services are supported by the budget plan, and together with the Township's CMFO ensure compliance with Local Public Contracts Law. The CMFO certifies funds. If the Mayor and Council's goals and objectives want to centralize purchasing and establish a more aggressive approach with public bidding, then consideration toward appointing a QPA should be considered. A QPA is someone that hold a license issued by the Division of Local Government Services. This budget plan does not include funding for a QPA.*

Alex asked what the cost would be. Joe stated that it would cost about \$20,000 to hire the services of a QPA. Bringing on a QPA would allow a Township to be more aggressive in procurement. Alex would like to look into shared services or ad hoc QPA's. Joe stated we could look at other towns or if there is an individual available for hire.

Comments on Appropriations:

- *Department Operating Expenses:*
 - *General Administration:*
 - ✓ *Budget has been amended for new contract of service to support MS Office 365. This includes the Police Department.*
 - ✓ *Included \$36,000 for a grant writer based on a proposal received from Bruno Associates. The Mayor and Council need to discuss and define plan for grant writer. If this is a one-time expense (2018 only) the Mayor and Council can consider offsetting with an increase in Fund Balance.*
 - ✓ *Included \$50,000 for research and development for a new building solution. This is being treated as a one-time expense (2018 only). Moved \$30,000 from purchase of DPW vehicles with the balance of \$20,000 covered by using Fund Balance to offset the expense. In 2019, we will move the \$30,000 back to purchase of DPW vehicles to help offset the cost of a new backhoe.*

General Administration – Grants – Harvey stated that we could benefit from a grant writer. His concern was whether we would be ready to utilize a grant writer fully. Harvey said he would like to hear from

administration if we were ready to move forward. Joe suggested coming up with a scope of service for a grant writer and analyzing the benefits. Joe stated that the Council would have to determine a policy for how they would utilize a grant writer. Alex feels that the Council doesn't have enough information on what a grant writer could do for Bram. Alex is in favor of keeping the \$36,000 in the budget because it does not affect the levy, it is out of surplus. He would like to bring in 2 grant writers for interviews and then we could analyze what is presented.

Research and Development - \$50,000 for research and development for a new building solution. Harvey wanted to know what we have spent looking at a building so far. We will get the number on how much has been spent so far from the middle of 2015. It was the consensus of the Council something needed to be done.

- *Finance:*
 - ✓ *Added \$20,000 to budget for a contract of service - coverage for CFO when on maternity leave (12 weeks). This Budget Plan is using and increase of \$20,00 in Fund Balance to offset this one-time no recurring expense.*
- *Tax Assessment/Planning Board:*
 - ✓ *Net change of zero in Salary and Wage for shifting of staff responsibilities from Tax Assessment to Planning Board.*
- *Police Department:*
 - ✓ *The Police Department's initial budget request supported an increase of \$8,500 or 8.63% of the department's operating budget.*
 - ✓ *There are contractual requirements which include tuition reimbursement. The presented plan for 2018 does not include many officers taking college classes and presents room within the budget. The budget has been presented with minimal increase from 2017.*
- *Fire Department:*
 - ✓ *The Fire Departments initial budget request supported an increase of \$5,455 or 8.59% of the department's operating budget.*
 - ✓ *It was decided to charge the cost of the data plans for the modems 4gLTE Service (Verizon) to Radio & Communication 911.*
 - ✓ *You would not budget for the purchase of additional modems and tablets in 2018. It was agreed to see how the devices are utilized over 2018 and possibly plan for 2019 to equip the remaining apparatus.*
- *Youth Guidance:*
 - ✓ *With the decision to repeal Section 3:52 entitled 'The Youth Guidance Council', moved \$1,300 to Celebration of Public Events.*
- *Senior Citizen Donation - Seniors requested an increase of \$500 in the annual donation. Adjusted annual donation to \$8,500.*
- *Shared Service Agreements:*
 - *Andover Joint Municipal Court – increased assessment 2% or \$2,550.*
 - *Agreement with Mt. Olive for Animal Control Officer was extended through December 31, 2018 with no increases.*
 - *New Agreement for Sparta Fire Prevention Services through December 31, 2020 with increased impact on budget of \$4,800.*
 - *New Agreement with the County for dispatch services effective January 1, 2018:*
 - ✓ *The new agreement supports a reduction of \$58,284 for 2018 compared to the 2017 contract amount with Sparta.*
 - ✓ *2022 contract amount with County = \$133,336 – the budget plan assumes this amount for 2018. Will not need to budget for the 2% budget increases next four years.*
 - ✓ *This line includes communication requirements for Police and Fire Departments. Included \$5,000 for possible move to a Nixle communications system.*
 - ✓ *Net Savings for this account = \$37,000*

David stated that we have to keep Court on our radar. Our contract with Andover ends 12/31/2019. We will need to speak to Andover at the start of 2019 to see if they are willing to renegotiate the contract.

- *Insurance Changes:*
 - *December 31, 2017 was the end of our three-year policy with Statewide Joint Insurance Fund (JIF). The Township completed its due diligence and evaluated our options for coverage and pricing from other JIF's. This resulted in a new three-year policy with the Statewide JIF with coverage and pricing as follows:*
 - ✓ *General Liability (GL) Assessment is \$144,00 or a reduction of \$55,000*
 - ✓ *Workers' Compensation (WC) Assessment is \$122,500 or an increase of \$18,979.*
 - ✓ *This budget plan moves the difference (\$36,000) between the 2018 and 2017 WC and GL assessments to the Capital Improvement Fund (CIF) to fund capital items in 2018. If assessment increase in 2019 and 2020 can pull back from CIF to cover increases.*
 - *Group Insurance:*
 - ✓ *Updated employee census, applied 2018 rates (Medical/RX Increase, Dental, Life, LTD and AD&D), and waivers.*
 - ✓ *In 2018, the Township now has 12 active employees that waive health benefits.*
 - ✓ *Total change to Group Insurance is an increase of \$21,918 with a reduction of \$16,532.60 in Health Benefit Waivers.*
 - ✓ *The Township remains liable to provide health benefits if the employee becomes ineligible for coverage from the independent source.*
 - ✓ *Moved \$100,000 to DPW Equipment and \$120,000 to Improvements to Streets and Roads. This will reduce the unexpended balances for the 2018 reserve by \$220,000.*
- *Pensions/FICA:*
 - *Public Employees' Retirement System (PERS) - 2018 Assessment = \$167,946 a decrease of \$8,448 or 4.79%.*
 - *Police and Firemen's Retirement System (PFRS) - 2018 Assessment = \$425,074 an increase of \$17,684.53 or 4.34%.*
 - *DCRP - Adjusted to reflect FT and PT workers that are eligible for DCRP and not PERS.*
- *Debt Service:*
 - *The 10 Year Debt Cycle (Average Permanent Debt issue is \$1.9 million) requires an estimated \$550,000 which covers Bond Anticipation Notes (P&I) and General Obligation Bond(s) (P&I).*
 - *Since the Township is at the start of a new 10-year cycle (2016), the balance of Debt Service was moved into Capital Improvement Fund to support funding Capital Projects.*
 - *The Township's planning in the 2017 Budget included the first payment on the Bond Anticipation Note issued in 2016. This payment has allowed the Township to push out it's 10 Year Debt Cycle by one (1) year.*
 - *Remaining Amount is Balance of Debt Service - \$260,000.*
- *Other Notes:*
 - *Utilities – no changes.*
 - *Garbage and Recycling (Collection, Disposal and Tipping Fees) – Contractual Increase of \$51,000 based on bid received October 11, 2017. This has a budget impact of \$16,000 after completing tonnage analysis with Byram Township paying the tipping fee directly to SCMUA.*
 - *2018 Total Estimated Salary & Wages = \$3,667,650. Budgeted \$280,575 for FICA which is a factor of Salary & Wages multiplied by the FICA rate of .0765%.*
 - *Reserve for Uncollected Taxes – No Change.*
 - *This budget plan is inclusive of starting a program of leasing police cars with a schedule of leasing four police cars every three years.*

We are going to start leasing police cars. Alex stated that it isn't a true lease, it really is a finance tool. We will be financing for 3 years at a very low interest rate, and buy the car at the end of the 3 years for \$1.00.

Harvey asked what defines a car to being replaced, and Joe said mileage and age. Harvey said that we should be extending the miles on cars to 120,000 so that we are not replacing as often. The Chief said that we replace the cars when the maintenance costs increase significantly and it is not worth putting money into them. Alex stated that we can have a discussion at another time about the length of time we keep a car, etc.

Alex and Scott stated that they were good with the budget plan for police cars.

Summary of Estimated Revenues:

- *Miscellaneous Revenues:*
 - *In accordance with the Local Budget Law (40A:4-26. – no miscellaneous revenues from any source shall be included as anticipated revenue in the budget in an amount more than the amount realized in case from the same source during the next preceding fiscal year.)*
 - *NO changes to miscellaneous revenues and anticipated the same revenue amounts from the adopted 2017 Municipal Budget.*
 - *Assuming same level of State Aid. Local Finance Notice 2017-26: After the state budget is proposed, the Division will notify municipalities as to the amount of Consolidated Municipal Property Tax Relief Aid (CMPTRA) and Energy Tax Receipts aid that can be anticipated in their budgets. For budget planning purposes, 2017 aid amounts may be used in the 2018 budget.*
- *Fund Balance (Surplus) – See Attached for the Township’s Fund Balance Policy:*
 - *The Township’s Fund Balance Policy ensures adequate Fund Balance reserve levels are maintained to provide a stable financial environment for the Township’s operations.*
 - *The general guidelines for maintaining an adequate Fund Balance are subjective and some proposed benchmarks include: one month of payroll costs, one month of budgeted expenses, and one month of the total levy. Another common standard is five percent of annual operating expenses or anywhere from one month’s operating expenditures to three month’s expenditures. Using these general guidelines, the Township should maintain a Fund Balance reserve of a minimum of \$460,471 to a maximum of \$2,302,355 (Base of 2017 Budget & Activity Expenditures)*
 - *For 2017, the amount of Fund Balance committed to the 2017 budget totaled \$1,370,102. This left a Fund Balance reserve of \$961,091. Which is less than half of the average minimum and maximum guidelines for Fund Balance reserve.*
 - *In order for the Township to ensure it maintains adequate fund balance reserve levels, it needs to regenerate the fund balance committed to each year’s budget.*
 - *Fund balance is accumulated from budget revenues more than anticipated amounts, miscellaneous revenues not anticipated, excess receipts of delinquent taxes, cancelling of appropriation reserves (unexpended balances) and added and omitted taxes collected for when construction improvements are deemed completed by the Tax Assessor.*
 - *At the end of 2017, we will be cancelling the 2016 appropriation reserve year. We have estimated these unexpended balances will exceed one million which positions the Township well for the regeneration of the Fund Balance committed to the 2017 budget. The final amount of Fund Balance regenerated will be reassessed after the completion of the Annual Financial Statement.*
 - *We have completed analysis of the 2017 appropriations reserve year. It is expected several accounts will be paid against reducing the amount of unexpended balance by the end of year 2018. Based on decisions made for the 2017 budget, it was expected we would have significantly less unexpended balance for the 2017 appropriation reserve year. Current estimate is about \$200,000 less compared to the 2016 appropriation reserve year which is consistent with the decisions made for the 2017 budget.*
 - *It is the recommendation of staff not to use Fund Balance to offset the costs of ongoing operations. This budget plan does include a slight increase of Fund Balance for onetime expenses.*
 - *The Amount of Fund Balance committed to current 2018 budget plan totals \$1,410,102 which includes an increase of \$40,000 to offset the increase of the budget appropriations for two onetime expenses that are not expected to reoccur in subsequent budgets.*

Harvey stated that he wanted to go through the budget line by line because he saw many ways we could cut. Over the past 3 years we have not expended several of the line items, such as legal fees and utilities. He stated that we do not need to keep fund balance so high.

Joe stated that the Council should figure out what balance they want for the Unassigned Fund Balance.

Scott stated he is comfortable with the fund balance the way it is. It has allowed us to move money around. He is not in favor of going line by line. But if the majority of the Council wanted to use more fund balance, he would agree to increase the usage of fund balance by \$50,000-70,000. Nisha stated that she appreciated Harvey's comments but agreed with Scott. Dave stated that Joe and the Department Heads have done a great job in managing the budget. He does feel there could be movement, but he looks to our professionals for guidance. Dave is in favor of going through the budget line items to see if there are lines that are very high and could be trimmed.

Alex stated that reducing the fund balance could affect the town's credit rating. David would like to be guided by the professionals as to the amount they would recommend to reduce fund balance. Alex would like to get Ray's professional advice and continue discussions on February 6.

There was further discussion on Staff Changes – Harvey, Nisha, and David were in favor of cutting the facilitator. Scott was not in favor of cutting it, but stated that if we did, he would reallocate the money for additional part-time staff in the office. David agrees with Scott that we need more staff at town hall.

Scott stated for the record that it was a huge mistake to throw the Economic Development plan to the side. A tremendous amount of work went into the plan and ordinance changes were done early in the year as an outcome to the plan.

Motion by Councilman Olson, seconded by Councilman Gray, to open to the public. All members in favor. Motion carried.

Bela Jaros, 460 Stanhope Road, he had a question about grant writers. He asked if any of them worked on percentages. He commented on fund balance. He asked if we could follow the state's model, and have a homestead rebate.

Helen Jaros, 460 Stanhope Road, commented on the fund balance and stated that we should not raise taxes and use fund balance to pay the increase.

Joann Smith, 57 Lake Drive, stated that the BBOA meeting was on Monday, February 5 at 7 p.m. at Stonewood at February 5. Nisha and Alex will attend.

Joann Smith asked what is the amount of fund balance that you need to maintain a AAA rating. With regards to the budget, she would want to see a 0% increase. Joanne feels the Council should go through the budget line by line.

Todd Rudloff, 9 Whitehall Hill Road, stated that if the Township is going to go line by line through the budget, the department heads should be at the table. His budget has not been raised in years. He stated that 47 volunteers work for free for the Township.

Joe stated that the operating budgets can't be reduced any further. The line items that were discussed tonight were for legal fees, utilities, but not operating budgets.

Todd stated that a \$17 proposed increase is so small. He stated that it is the schools' budgets that need to be exposed.

Joanne Smith asked a few questions about the Fire Department budget.

Alex encouraged the public to go to the Board of Education meetings and express their concerns.

Pete Zabita, Chief of Police, stated that the PD has 14 employees, and his operating budget has only increased \$2225 from 2009. Pete says that he operates patrol cars without videos. Their shotguns are 20 years old. He would like another officer, but can't get one. Can't get new technology because the money is not there. He would like license plate readers. Ammunition costs have drastically increased, and they had to take money from another line item to pay for it.

Luann Byrne, Richmond Road, stated one way to lower taxes is to get businesses to come to town. Luann feels the town has been extremely frugal.

Motion by Councilman Olson, second by Councilwoman Kash to close to public at 10:15 p.m. All members were in favor. Motion carried.

The budget subcommittee, which consists of Alex, Harvey, Ashleigh and Joe will meet at 11 a.m. on Wednesday to look into the budget further. The Council will continue discussions at the February 6 meeting.

Motion by Councilman Gray, second by Councilwoman Kash, to adjourn the meeting at 10:17 p.m. All members in favor. Motion carried.

Doris Flynn, Municipal Clerk

Alexander Rubenstein, Mayor