

MINUTES- May 14, 2010

BOROUGH OF PALMYRA

MINUTES-MAY 14, 2010

CALL TO ORDER

ROLL CALL:

Present: Mayor Gural, President Dobbs, Ms. Scheffler, Mr. Bostock, Mr. Norcross and Mr. Dorworth.

Absent: Mr. Scott.

SALUTE TO THE FLAG.

OPEN PUBLIC MEETINGS STATEMENT

Public Notice of this meeting pursuant to the Open Public Meetings Act has been given by the Borough Clerk in the following manner:

- A. Posting written notice on the official bulletin board at the Palmyra Borough Hall on May 11, 2010.
- B. Mailing written notice to the NewsWeekly, the Burlington County Times, and the Courier Post Newspaper on May 11, 2010.
- C. Notice to All Council Members.

BUDGET WORK SESSION

Mayor Gural reviewed the discussions with the school board. The original discussion was to lay off 9 teachers and 3 assistants, cut out all clubs and also 7th and 8th grade sports. Mayor Gural explained that the goal is to bring back all teachers and that they have been request to approve a wage freeze, the savings would be about \$350,000 and that it is still not enough to bring all teachers back but that 7 out of the 9 would be retained. Mayor Gural thanked Richard Dreby and Stan Ogozalek for working with the board and the teachers. A two year extension of the contract has been signed and passed by the teachers and staff of the school. There will be a wage freeze in the 2010-2011 year, and also the step guide will be frozen. 2011-2012 will be a 2.5% increase and 201202013 will be a 2.5% increase. There will be no contribution towards there health care and the buy out amount for the insurance will be reduced by 40%. Mr. Dorworth inquired if the maintenance workers have their own

contract? Mayor Gural explained that he has not been given a contract for the maintenance workers and that administration had received a 5% increase and also the custodians a 5% increase. There are some retirements in administration this year and they will not be fully replaced. The 7th and 8th grade sports will be cut this year. There will be no adult high school secretary next year. Mayor Gural explained that the teachers will not pay the 1.5% into the health care since they have extended their contract for two years. Ms. Scheffler discussed that the school budget will be in trouble again next year. Mayor Gural discussed that this contract is for 2010-2011 and only guarantees teachers positions for this year. Mr. Stewart explained that there is 5% built into the step guide and that the teachers have also frozen the step guide, they will get no increase. Mr. Dorworth discussed that the board cannot negotiation a no lay off contract. Mr. Norcross explained that several police departments are negotiating the same in their contract. Ms. Scheffler explained that she is fine with the teacher's part of the contract, but not with the administration and that there are too many administrators. Mayor Gural discussed that the county superintendent wants Palmyra to share the administrators with Beverly to help the test scores and the 8th graders who are coming into the high school. Council discussed the difference of a sending district and a regional district. Mayor Gural explained that Beverly pays tuition for each student and that Palmyra residents pay for the student's education plus all improvements to the schools. Mr. Dorworth discussed that it is time for administrators to be let go and that some positions need to be removed. Mr. Stewart advised council that it is a state law to have a superintendent and they must have a certification from the state. President Dobbs discussed that it does not matter what council cuts, the school board can do what they want as long as they cut that amount.

Borough Budget Work session.

Mr. Stewart-auditor advised council that the total budget is \$8,497,521.06 and that it is \$280,426.12 under cap. Mayor Gural discussed that the tax levy cap is low and that it is beneficial to take the appropriation to the highest cap for next years base. Mayor Gural discussed raising the appropriations by \$1531.23. Mr. Stewart discussed that the biggest concern is the amount of surplus being used and that there will be a problem with the budget next year. Mayor Gural discussed the teachers taking a pay freeze and that the Borough needs to cut also. Ms. Scheffler explained that the flip side is that the Borough employees took a pay freeze last year and have to pay the 1.5 % into health care. Mr. Dorworth explained that the police negotiations will start on June 1, 2010. Mr. Norcross discussed that the police already received their raises for 2010 in January according to contract. Mr. Stewart advised council that they are looking at a 14% tax increase. Ms. Scheffler inquired if this included the 2% for employees. Mayor Gural discussed that he is not in favor of giving

across the board raises and that there needs to be evaluation of employees before any raises are given. Ms. Scheffler discussed giving each department a set dollar amount and the amount could vary for each employee. Mr. Dorworth discussed that across the board raises is not correct and that an employee who does more deserves more of a raise than other employees. Mr. Bostock discussed that he would like to see an organizational chart and job descriptions with valuations. Mr. Norcross recommend leaving the 2% in the budget and that when the salary ordinances is approved it will be retroactive to January 1st. Mayor Gural agreed that as long as the money is built into the budget council can decide later how and when to give raises.

Police Budget-Chief Pearlman discussed that he had a revision for the police budget. Chief Pearlman discussed that the salary amounts are correct for the officers and the additional money for the college degrees. Chief Pearlman would like to see one of the police secretaries receive a large raise; she is under paid by county standards and does the majority of the work. Chief Pearlman explained that other police departments in the county call her for advice. Mayor Gural inquired if the employee was worth a \$3815. raise. Chief Pearlman explained that he is respectful of the current budget restraints and that she has not asked for the raise, but it is a sign of good faith from the Borough to keep her here. Chief Pearlman explained that he lowered the overtime by covering the vacation time ahead of time. A Sgt. will be out on maternity leave soon and another patrolman is retiring. The shifts will be short starting in September and that he is attempting to adjust the schedules. Mr. Norcross discussed that the police secretary has been here for about ten years and knows her job duties very well and that the Borough hired a deputy clerk for the court at a higher salary. Mayor Gural explained that he has no issues with the police budget and that council will address all concerns. Mr. Bostock explained that it is important to have a key person that has the knowledge.

Sewer Budget- Mrs. Lewis informed council that Ms. Jackson had come up with a worksheet to show the overtime for the sewer department including the week end calls. Mr. Norcross inquired if they are guaranteed a certain amount of hours for a call in? Mr. Lavenberg explained that he was informed when he started that it was three hours for a call out. Mr. McCleary explained that it is a two hour call out for public works. Mr. Bobstock inquired about contracting out the week end. Mr. McCleary explained that it was about \$150.00 a day the last time that it was reviewed. Mayor Gural inquired as to why they are not paid for actually hours worked. Mr. Norcross explained that an emergency call is usually a two hour call in. Mrs. Sheipe informed council that they could include the call in amount on the salary ordinance. Mr. Lavenberg discussed that the overtime has dropped a lot in the last few years because of preventive maintenance.

EMS Squad- Mrs. Lewis informed council that she had reached out to Cinnaminson for a contract and did not receive a call back. There are a lot of different carriers for the gasoline. Some departments go to Cinnaminson and some use individual gas stations. Council was given a spreadsheet with the breakdown of the gasoline cost. Mayor Gural discussed that Palmyra should only be paying for 28% of the gas since that is the percentage of the calls. The Palmyra residents should not be paying for calls in other towns. Mr. Dorworth discussed the squad is billing for services and being paid from insurance carriers. They should not get additional gas money from the Borough for those calls. Ms. Scheffler inquired about monitoring the calls that are reimbursed by insurance companies and those that are charged to the Borough for gas. Mayor Gural discussed that they cannot double bill and to inform them that we are not paying for reimbursement of gas that is already covered by insurance. Mrs. Lewis discussed that the squads vendor for billing should be able to generate a list of the Palmyra calls and what is reimbursed. Mayor Gural discussed that only 28% of the bill for the entire year should be paid and that the Borough is only paying for the calls in Palmyra. Mrs. Lewis will request a monthly report from the squad and pay for Palmyra calls on the report upto 28%. Mr. Dorworth suggested having the squad attends the next council meeting so that they can have a discussion with council about the billing and the gas issues. Council agreed to have the squad attend the June 7th meeting for a discussion.

Capital Budget- Mr. Stewart discussed the capital budget and that there is \$50,000 in the line item for a down payment. Mrs. Lewis explained that the capital budget is really a three year wish list and that council just needs to identify projects that they would like to do. Mayor Gural expressed that the Boroughs needs a time clock and to be able to furnish the community center. There also needs to be funds for road projects. Mr. Norcross explained that the police department needs a 4 wheel vehicle.

Mr. Stewart informed council that the budget stands at a 14 percent increase and a balance in surplus of about \$217,000.00 for next year. The council is using \$1,367,000.00 in this budget. Mayor Gural discussed that this is not good news for the Borough but it is a solid budget.

Resolution 2010-98 Resolution To Introduce The 2010 Municipal Budget. Mr. Norcross made a motion to approve the resolution, Mr. Bostock second the motion. At the call of the roll, the vote was:

AYES: President Dobbs, Ms. Scheffler, Mr. Bostock, Mr. Norcross and Mr. Dorworth.

NAYES: None.

SCHOOL BUDGET

Mr. Norcross and Mr. Bostock resuce their selves due to a conflict. Mayor Gural explained that since the last council meeting he had a meeting with the teachers and also the board of education. The board of education has ratified a contract with the teachers and the teachers association did a great job. Everyone put the students first and residents had a say in the decision. Mr. Ozalis explained that the board had met with the education association and that the contract had been extend for two years. It will give the residents some tax relief and the budgets bottom line item is reduced. The supply line item was reduced, professional development was reduced, technology was reduced, and the administration support staff will be reduced due to retirements. Mr. Ozalis explained that maintenance personnel and custodians have been reduced as well as athletic programs for 7th and 8th graders. All non-athletic clubs have been put back into the budget. The stipend for the current director of the adult high school was already reduced in original budget. There will be a freeze in the district for teachers which are a savings of about \$450,000 creating a \$71,529 tax relief. Mayor Gural questioned the numbers on the information sheet that was handed out and that it did not calculate correctly. Mr. Ozalis explained that each column from left to right is a different scenario. Mayor Gural inquired if Mr. Stewart could explain the figures from the school. Mr. Dorworth discussed that he feels that Mr. Stewart has a conflict of interest since he is the borough's auditor and the school's auditor. Mrs. Moore discussed that the figures are correct and that the decrease in the second area is for the teachers salary freeze. Mayor Gural inquired if this was a new proposal. Mayor Gural discussed that they had started the meeting with information to council about the teacher's proposal and that council had express comments that administration has to be reduced. Mr. Ozalis discussed that he believes that there is bad information out in the public about administrations of the schools. Ms. Scheffler inquired how the board can say there is not enough administrators when they want to do share services with Beverly. If there is enough time to help Beverly, then the administrators do not have enough to do in Palmyra. Superintendent Perry explained that the proposal to Beverly does not look like it is going to happen and that there is a statewide movement to do share services. Ms. Scheffler expressed her concerns about meeting the board of education and the county superintendent on confidential matters and then reading it in the paper the next day. Mr. Ozalis explained that the board was not interested in sharing the administration staff, but were told to get it done and that he does not feel that it is good for Palmyra. Superintendent Perry discussed that it was present that sharing a superintendent and business administrator would be a good choice for the school system and that if Palmyra took the 8th graders from Beverly, it would help with test scores in their freshman year. Superintendent Perry explained that an additional stipend would be given from Beverly. Ms. Scheffler explained that they would still be using part of their day for Beverly, so Palmyra

must not need anyone full time. Mr. Ozalis explained that it is not a done deal unless the county superintendent states so. Mayor Gural explained that the conversation is that Beverly and Riverton pay tuition based on educational cost and that it does not include the cost of improvements or debt service, but yet the students share in the same benefits of the programs. The other costs are paid for by residents of Palmyra. Mr. Ozalis discussed that as far as the board is concern the proposal is off the table. The board feels that the superintendent and business administrator would have been stretched to cover Beverly as well. Mr. Dorworth inquired if the maintenance workers are covered by contract? Mr. Ozalis replied they have no contract. Mr. Dorworth inquired about the administrative staff that was helping with the adult high school? Superintendent Perry explained that they are not affect by this agreement with the teachers since they come from other districts. Mr. Dorworth explained that it is great that the teachers accepted a pay freeze and other items. The cutting of the teachers attracted more residents to the school budget issues, but the board still needs to cut administration cuts. Mr. Dorworth discussed that in a few years regionalization will be proposed with Cinnaminson. Mr. Rosenberg discussed that he cannot understand how the cuts equal the numbers in the original budget. Mr. Stewart explained that he is the auditor for the school but does not help prepare their budget or have an involvement in their budget process. President Dobbs expressed that Mr. Stewart should participate since council is just asking him for numbers and figures. Mr. Rosenberg explained that the council has to certify by resolution the line items to be cut in the school budget and that it has to show where the savings have occur and what line items have been changed. Mr. Stewart discussed that council has to set a number to reduce the tax levy and that it will not impact the education of the children. Mayor Gural discussed that earlier in the meeting council had discussed the need to make some cuts in administration. President Dobbs explained that private companies are doing more with less people and that it is a hard time to tell residents that their taxes are being raised. Mayor Gural explained that the Borough did not give out increases last year except for police which was contracted and that the school should not give 5% raises to administration and cut teachers. Mr. Ozalis inquired if council was just looking for an amount to be cut from administration or employees. Mrs. Moore, business administrator expressed her concerns about her staffing being target for cuts and that it was unfair. Mrs. Moore explained that a payroll clerk works 30 hours a week and also does human resources, retirement plans and insurance. Another person in the office does the transportation issues and is billing coordinator, another person is full time and handles registration, someone else in the office handles the substitutes and use of facilities. Mr. Dorworth inquired as to what the duties of the business administrator are. Mrs. Moore explained that she monitors the budget and oversees the accounting as well as oversees the

maintenance workers, cafeteria and transportation, but does have an assistant to do account payables purchase orders and bank statements. Mrs. Moore also does the state reporting for the student database. Ms. Scheffler discussed that the last meeting they were told there was only three administrators and the list is getting longer. Mrs. Moore advised council that the employees in her office are not administrators they are listed as staff. Mayor Gural discussed that the schools business office is top heavy and inquired as to who is covered by the administrator's contract. Superintendent Perry replied that five employees are paid out of the administration line items. Mayor Gural explained that the schools website shows that there are 11 administration positions and that it does not state that they are supervisors and that educating the public and council is important for the budget process. Mr. Ozalis explained that the original budget that was proposed is lower than the approved budget two years ago. Superintendent Perry discussed that the state is pushing consolidation and that the small school districts can not keep taking financial hits.

Ms. Scheffler made a motion to open the school budget to the public for questions, President Dobbs second the motion. All members present voted in favor of the motion.

Mrs. Robinson-Leconey-thanked the teachers for their contract amendments and also thank council for not making a quick decision at the last meeting and also for keeping the public inform. Mrs. Robinson inquired if the tax rate was still at 2.31 and that she shouldn't it be lower but needs the right information so that decisions can be made. Mayor Gural explained that 31,000 is a penny on the tax rate. Mrs. Moore explained that the rate is 2.29 for the general with the new rate being 2.167 cents. Mayor Gural explained that the figures are not adding up correctly. Mrs. Moore explained that the budget was reduced by \$71,529. and that the tax rate should be 2.47 unless the spreadsheets are wrong. Mrs. Robinson discussed that if the public was given the correct information on the budget it probably would of passed. The information on the school website was not helpful and that there were unfair cuts to the teachers.

Ms. Cenio-thanked the teachers and also the council for saving the teachers job. The children can go back to school without worry about losing a teacher.

Mr. Dorworth made a motion to close the public portion on the school budget, President Dobbs second the motion. All members present voted in favor of the motion.

Mayor Gural discussed that council is supporting that a cut be made from the business administrator office. Mayor Gural thanked Stan Ozalis, Richard Dreby, Wendy, Geneva Moore and Dr. Perry for their work on the budget. Mr. Austin was unable to attend the meeting today but he also worked on the budget. Mayor Gural discussed that the clubs need to be maintained as heard by the students and that they are an additional edge on college applications.

Resolution 2010-97, Resolution Certifying General Fund Tax Levy For the Base Budget of the Palmyra School District For The 2010-11 School Year. President Dobbs made a motion to approve the resolution, Ms. Scheffler second the motion. At the call of the roll, the vote was:

AYES: President Dobbs, Ms. Scheffler, Mr. Dorworth.

NAYES: None.

ABSTAIN: Mr. Bostock and Mr. Norcross did not participate in the vote due to conflict of interest.

Whereas, the general fund tax levy for the base budget of the Palmyra Borough School District for 2010-11 school year ("general fund tax levy") of \$7,251,345,00 was defeated at the annual school election; and

Whereas, the Palmyra Board of Education ("Board") presented an official copy of its 2010-11 budget and required supported documentation to the governing body; and

Whereas, the governing body through the Mayor and Councilperson Karen Scheffler met with representatives of the Board and the School District; and

Whereas, it is the responsibility of the governing body to certify the amount of the tax levy to the County Board of Taxation; and

Whereas, pursuant to N.J.S.A. 18A:7F-5, the minimum tax levy may be no less than \$6,798,373.

NOW BE IT RESOLVED by the governing body of the Borough of Palmyra, in the County of Burlington, and State of New Jersey as follows:

1. The original general fund tax levy of the Palmyra Borough School District for the 2010-11 school year of \$7,251,345.00 (base budget) was defeated at the annual school election.
2. The general fund tax levy for base budget is hereby reduced in the amount of \$100,000.
3. The amount of the general fund tax levy in the sum of \$7,151,345.00 is hereby certified by the governing body.
4. The following specific line items shall be reduced:
 - A. Administrative - \$ 100,000.

5. The following specific line items shall be increased:

A. none.

6. The supporting rationale for each line item reduction is as follows:

A. There are presently five individuals who are listed as administrators pursuant to the budget category. The Governing Body heard testimony as to the duties of the various administrators. There appears to be a duplication of function as well as an overlap of job titles. At least one and one-half of the positions can be consolidated which should yield a reduction of \$28,471 in the budget in addition to the cuts recommend and negotiation by the Board of Education in the amount of \$71,529. for a total of \$100,000.

7. The supporting rationale for each line item increase is as follows:

A. N/A

8. The revised budget that has been herein certified is sufficient to provide a thorough and efficient education for the school children of Palmyra.

PUBLIC COMMENT

Ms. Scheffler made a motion to open the public comment, President Dobbs second the motion. All members present voted in favor of the motion. No one from the public wishing to be heard, President Dobbs made a motion to close the public portion, Ms. Scheffler second the motion. All members present voted in favor of the motion.

Mayor Gural announced the food network will be coming to Palmyra to introduce a new menu at Villari's Restaurant and to redo the inside of the restaurant. The staff will be at Borough Hall on Monday from the show to do a taste test.

ADOURNMENT

Mr. Dorworth made a motion to adjourn at 12:30 pm, Ms. Scheffler second the motion. All members present voted in favor of the motion.