

**Borough of Palmyra
March 1, 2014
Minutes-Budget**

CALL TO ORDER

ROLL CALL:

Present: Mayor Scheffler, President Riener, Ms. Dobbs (arrived at 8:25), Mr. Nowicki, Mr. Bostock, Ms. Arnold, Mr. Norcross.
Absent: None.

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 February 6, 2014.
- B. Mailing written notice to the Burlington County Times, and the Courier Post Newspaper on February 6, 2014.
- C. Notice to All Council Members.

BUDGET WORKSESSON.

Bob Stewart thanked council for their support over the last several years and that he is enjoying his retirement. Mr. Stewart introduced Bob Nehila as the auditor from Bowman and Company. Mr. Gural reviewed that there is surplus available to use in the budget due to under spending in 2012. All departments heads have access to Edmunds software to review their budgets and able to check on their accounts. In October of last year the departments were given their budgets to review and showed their spending until that date for the year. He had met with the individual department heads to review their budget request. The worksheet list the spending through the entire year of 2013. Mr. Gural explained that some of the salary lines show the salaries split with the sewer department. Many of the employees also do work for the sewer department such as sewer billing, ordering, banking documents, etc. Council was also given the individual budget status for the departments and any special letters of request from that department. Mr. Gural explained that the Borough has to be cautious of the regulations regarding the Affordable Care Act. Currently there are 48.5 employees that are qualified under the Affordable Care Act as full time. The limit for a small business is 50 employees. The borough council and crossing guards are included in that figure. Mr. Gural explained that any compensation time given to part time employees is counted towards their hours of work and the state requires anyone who works 30 hours or more to be provided health benefits. Using the formula in the Affordable Care Act the Mayor and Council would count as 3.5 full time employees, the police department has 16 full time officers, 1 full time clerical employee, 1 part time clerical, 2 part Special Officers, and 11 crossing guards as well as substitute guards which would count as 4 full time employees, public works has 8 full time

employees, administration which includes admin, clerk, tax, court construction and finance has 9 full time employees, 3 part time employees. The miscellaneous inspector hours for the construction office would count as 1 full time employee for a total of 48.5 full time. Mr. Gural explained that he has placed a column for proposed figures and that there is in the one column a pay raise for all non-uniformed employees of 2% which would be a total of \$10,650. in the budget. The police contract regulates the raises for the officers and is included in the police budget. Mr. Gural discussed that employees hired in 2014 would not be given the raise of 2% as their 2014 salary was negotiated when they were hired. The ordinances need to be codified this year for an estimate of \$9,000 which can be spread over a five year period. There is \$2,000 included in this year's budget for codification. There is \$7500.00 set up in the budget for the Bridge newsletter and \$15,000 for a borough calendar if council decides to do the projects. Mr. Gural explained that part of some of the salaries and the auditors billing is charged off to the sewer budget which is reflected in this budget. Mr. Gural explained that he is requesting that additional personnel be added to the construction office. There is a need for a part time technical assistant and a fire inspector to help Tracy Kilmer who has been performing all the duties in the office since there were lay-offs in 2011. The other departments are now fully staffed. Mrs. Kilmer has 6 different job titles as well as housing official. Mr. Gural explained that he is proposing to move someone from the tax office to technical assistant for about 3 hours in the morning in the construction office, the administrator's assistant would be available to help out in the tax office in the morning when busy. The increase in the tax assessor's office is due to tax maps needing to be updated to reflect the revaluation findings. Legal labor costs are increase due to the police contract expiring at the end of 2014 and any negotiations needed for the police department. There are additional funds for legal work due to the continued interest in the cell tower that the Borough owns in back of borough hall. Engineering is increased due to the number of projects schedule for 2014. Mr. Gural discussed that the tax increase in the budget right now would 2.4% with using \$715,000 of surplus. The surplus is in good shape, but Senate President Sweeney would like to see the cap go to 0%, the borough may need the additional surplus in the next few years. The master plan reexamination is due in 2018, but there will be need to work on the amending some of the Land Use ordinances this year. President Riener inquired about the Land Use Board secretary salary. Mr. Gural replied that even if a meeting is cancelled there is still applications and prep work to do. A line item will be created in this budget for the rental property inspectors and fees. The line item would be charged against the revenue coming in from rental property fees. Mr. Gural is requesting a salary stipend of \$2,000 for Mrs. Kilmer as housing inspector. Mr. Gural also proposed having the deputy code enforcer work two days instead of the current one day a week. There is an increase in group insurance which includes the health cost. There are currently 31 full time employees eligible for health care and part of the health cost for the sewer employees would come from the sewer budget.

Police Department-Mr. Gural explained that the salary line item includes the 1.75% that was approved in the police contract. The two non-uniform employees in the police department are not included in that contract. Mr. Gural discussed that he is proposing that non-uniform employees receive a 2% raise effective April 1, 2014. Mrs. Condo explained that the outside work or side jobs for the officers should be separate in a dedication by rider. Mr. Gural explained that the overtime expected for Charles Street road project is around \$22,000. The project will start in the late spring when the school is out for summer vacation. Chief Pearlman discussed that he expects that the project will not be completed before the start of the school year, so he has placed the additional funds in the budget. Mr. Norcross inquired if this in the contract for outside work and why is the contractor not paying for the overtime. Chief Pearlman explained that the police detail is being conducted by the Borough to help the students and parents handle the traffic and also for safety. The contract was not sent out to bid with extra patrols and that it a request from the school to

have additional officers on site, which makes it the cost of the Borough for the overtime. Mr. Gural discussed that there would have been provisions in the bid document if the school had notified the Borough before the bids were accepted that they would like to have additional officers on site. The overtime would have been included in part of the bid. Ms. Condo informed council that the overtime could be charged to the road project funding. President Riener inquired if the officers could just be on site, when the children are going and leaving school. Chief Pearlman replied that he would not be able to schedule an officer for overtime with the breaks in between; the officers would be scheduled for the entire school day if needed. Chief Pearlman explained that the cost could be less depending on if the Class 11 officers were available to use. Mr. Gural explained that \$20,000 was for the coverage of Riverton when their department was shorthanded. The labor counsel line was increase due to this year being contract negotiations. The crossing guards also need annual physicals at a cost to the Borough.

Emergency Squad- There is no funding in this year's budget for the squad. Cinnaminson and Riverton are also not contributing towards the squad. The squad bills for their services and has paid employees as well as volunteers. President Riener discussed that the squad also charges the residents of the Borough.

Fire Department-The amount the fire department is requesting is \$20,900. The bond ordinance for the new firetruck was approved in 2013 and has been ordered. There was a state contract for the truck and some additional items that needed to be on the truck, but there is about \$9,000 worth of equipment that still needs to be purchase in regards to the truck. Chief Dreby explained that the maintenance line items are increased due to the age of the trucks and the required maintenance of the equipment. Chief Dreby explained that the additional \$9,000 is needed for the new truck before delivery; the truck has to be driven to the Borough by a certified driver for fire equipment. Mr. Gural informed council that they will receive money from the sale of the old truck, after the new truck arrives. The trucks belong to the borough. Ms. Arnold inquired about the \$9500. for uniforms. Mr. Gural explained that was the figure the fire department requested in their original budget submission. Ms. Condo discussed that the \$9,000 for the new truck expenses can be charged to the capital ordinance since it relates to the truck. Mr. Nehila agreed that if there are funds left, they should be used towards the truck expenses. Chief Dreby informed council that they could adjust with the \$20,500 in their budget.

Shade Tree- President Riener requested an increase in the budget submitted to help with cost of removing roots for residents. There is discussion about amending the sidewalk ordinance to have the owners be allowed to call the shade tree committee or public works for help in removing the roots that are lifting up the sidewalks. There are funds in the budget already for the grinding of the stumps. President Riener explained that she has been having conversations with Mrs. Kilmer about the need to get sidewalks repaired. The homeowners are complaining that the borough tree in front of their home is pushing up the sidewalk and why should they be responsible to repair it. President Riener explained that with additional funding the shade tree would be able to help cut back the roots of the trees that are pushing up the sidewalks. Mr. Gural explained that it would also require additional time from public works to do the work. President Riener replied that the work would be done by an outside contractor and that public works would just monitor the work. Mr. Gural explained that the additional funds request would not have a major impact on the budget. Mr. Ryan explained that there are a lot of sidewalks in the borough

that need to be repair and if you start on one street, the residents on the other streets will be calling for the same service. Mr. Ryan requested that more funds be placed in the budget to cover this project. Mr. Ryan informed council that the JIF insurance is already monitoring sidewalks and repairs and have strict regulations for sidewalks. Mr. Ryan explained that Eastern Environmental charges \$65.00 an hour to remove roots and that if you walk around the town, there are a lot of sidewalks that need this service. Mrs. Kilmer explained that there are currently 30 violations regarding sidewalks. President Riener discussed that the work would be done within the budget figure. Mayor Scheffler discussed that the problem is only for the older trees as the new trees that have been planted will not cause root problems. Mr. Gural will add an additional \$2500. to the budget for a total of \$3,000 for tree maintenance.

Board of Health- Mr. Gural requested that the salary of \$200. be placed back in the budget for the employee who is doing the work.

Parks and Recreation- the budget amount reflects the new contract for the turf field maintenance. The community center program board is requesting \$15,000 donation this year. In last year's budget they were given \$5,000 due to not organizing till late fall.

Library Aid- Mr. Gural informed council that the Riverton Library had requested an increase to \$3,800. President Riener and Mr. Norcross both requested that it be left at the \$1,000.

Post Prom- Mr. Norcross discussed that it is a good program for the kids attending the prom. Most of the students go to the after prom program. The funds in the past have come from the Municipal Alliance program, but the last few years the borough has given them a donation. Mr. Norcross recommend giving the committee the \$2,000 that they requested.

YMCA- Mr. Gural informed council that the Borough is no longer eligible for the grant from the Juvenile Justice Program for the scholarships to allow residents to attend the YMCA camp for free. The program has a limit of three years of funding. The Borough has been able to provide camp scholarship in the amount of \$9,900 for residential children. The YMCA handles all of the processing for the scholarship along with the school nurse. The names are kept confidential. Mayor Scheffler discussed that this is an excellent program and a great benefit to the children. Council requested that the \$9,900 be left in the budget for the YMCA program.

Senior Program- The senior program committee is requesting \$6,000, but Mr. Gural is recommending the same donation as last year for \$5,000. Mr. Gural explained that many of the seniors are not from Palmyra and that the borough does not charge them rent of the center. Mr. Norcross discussed that the other organizations using Legion field and the community center are required to provide the number of residents involved in their program. Ms. Dobbs recommend giving them the \$5,000 and that they are incorporated as a non-profit, so they are not required to give a list of members to the borough.

War Memorial- Mr. Gural is recommending giving them the same \$5,000 as last year. They had requested \$4,950. because the borough had given them \$50. previously. Mr. Nowicki discussed that they requested the \$4,950 so that they did not go above the \$5,000 or they would have to go to another level with the non-profit status. Ms. Veitenheimer-member of the War Memorial explained that they need to stay under the \$5,000 so that they do not have to do additional paperwork at the cost of \$450.00. Ms. Veitenheimer explained that due to some additional electrically work needed the budget will be tight this year. Mr. Gural explained that the \$5,000 can stay in the budget line item and that the amount that

the War Memorial requests can be listed on the purchase order that they submit for payment. It does not matter what number is in the budget, the amount paid is the number on the purchase order as long as it is under the budget number.

PTA- Ms. Dobbs inquired about the PTA request for funds for Halloween. Mr. Gural replied that they did not request anything this year. Mr. Norcross explained that the Halloween Committee helped the PTA last year with their celebration cost.

Accumulated Sick Leave Compensation-Mr. Nehila discussed that for the last few years the borough has left \$30,000 in the budget. This line item is used if someone retires and is owed sick time that they have left on the books. Mr. Nehila recommends raising this amount to cover upcoming retirements. Mr. Gural explained that there are two (2) pending retirements for 2015 that he has been advised of, but also employees hired after 2007 do not acquire sick leave.

Halloween Committee- The committee is requesting the \$5,000 again this year.

Public Events- Mr. Gural explained that this line item went over budget last year by \$3,000 due to the way it was broken out. He is recommending that this line item be for \$8,000 this year. Some of the increase is due to Palmyra Day returning and additional expenses for it. Mr. Norcross agreed that the budget was tight last year and unable to do concerts. There are many events that he would like to see the committee do including more movie nights. Ms. Arnold inquired about the additional cost for downtown day in the amount of \$3,000 and that the council had voted not to have Palmyra Day this year due to the short notice so that it could be brought back next year. Mr. Norcross also discussed that at the last meeting council had agreed that Palmyra Day would not be held and that the Chief would hold a public safety day instead for the police and fire department. Chief Pearlman discussed that he had met with Tim Howard and Lt. Campbell and that it looks like it would be an entire week end of activities, they are looking at holding a 5k run and an art show on that week end. Borough Council would have to vote on allowing the 5k run as required with previous runs due to traffic and public safety. Ms. Arnold recommends leaving the \$3,000 in the budget but that it was not to be marked for Palmyra Day. Mayor Scheffler discussed that at the last meeting the council was clear that Palmyra Day would not be held this year, due to the shortage of time to organize and plan it. Mr. Gural informed council that he had met with Mrs. Tait and that Mr. Fratto and Mr. Tomarchio have funds left from the previous years to help with the event. Ms. Arnold discussed that the business committee was supposed to be involved in the meetings as well as the public events committee. Chief Pearlman discussed that the issue of having Palmyra Day needs to be resolved so that he can plan ahead for his department. Mayor Scheffler responded that the council had already discussed it at the last meeting and agreed not to hold Palmyra Day this year. Ms. Arnold discussed sticking with the plan of holding it next year and getting the organization of the day started earlier. President Riener discussed that Palmyra Day has strayed from the original intention and that she appreciates all the hard work that goes into the day. Mayor Scheffler agreed that Palmyra Day should be held off till next year.

Gasoline-Mr. Gural explained that the Borough does a shared service with Cinnaminson Township for the diesel and gasoline. The diesel that the Borough is getting from Cinnaminson is causing fuel problems with the borough vehicles. There seems to be a water leakage into the fuel. The Borough also pays them a surcharge on every gallon of gas purchase through them. The Borough has an open account with Sunoco for gas and that public works will begin sending their diesel vehicles there instead of Cinnaminson. The

long term solution is for the Borough to have their tanks at the public works garage. There are funds placed in the capital budget to start this process. Mr. Nowicki discussed that it would have to be an above ground tank. Mr. Gural explained that everyone would be given a keycard for the pump that would show what vehicle, the amount taken and what time it was used. Mr. Bostock recommended checking with the clean energy fund for the grants and funding.

Landfill Fees- the line item is increase due to additional cost per the county, but the borough fees have actually decreased due to the new trash carts and the amount of trash taken to the landfill.

Court- Mr. Gural explained that the court budget is approved before given to borough council by the AOC. This is standard procedure for court budgets. The deputy court administrator was added this year full time as recommend by the county. The rest of the budget is standard and has approval from the county and the Judge.

Capital Budget-the capital budget included a \$50,000 down payment that would be needed for the down payment on a bond or to use to purchase something directly within the capital budget.

Mr. Nehila informed council that the budget as now stands would be for a 2 cent increase of \$29.06 for the average homeowner and there would be \$558,000 remaining in surplus. Mr. Gural explained that the surplus was from under spending in the 2012 budget and that the 2013 budget should also be underspent for additional surplus next year. Mr. Nehila explained that the amount of surplus affects the Boroughs Moody Bond rating. Mayor Scheffler inquired about the 2% raises for the employees and how that impacted the budget. Mr. Nowicki inquired if the funds could be taken from surplus so that it balances cost out. Mayor Scheffler discussed that council needs to keep in mind that the state could say 0% cap increase for next year and that the surplus will be needed. Mr. Nehila discussed that the borough has additional funds in their cap bank that can be used. The levy cap is different than the tax rate cap. Mr. Bostock inquired if the raises for the employees were in the budget or were they taken out. Mr. Bostock also discussed that the borough needs to be concern about the 2% cap being eliminated for salary contracts. Mr. Nehila explained that council can use some of the \$139,000 from the cap bank.

Borough Council took a ten minute break at 11:44am. Council return to public session at 11:55am.

Mayor Scheffler discussed that the budget is at .022 and would be an increase of \$31.99 for the average homeowner. The new tax rate would be 1.165 per 100 for an increase of 1.89%.

Capital Budget-Mr. Gural explained that the capital budget improvements is similar to a wish list, everything that is listed on the capital budget does not guarantee that the project will be completed. The fire department has CO meter, Holmatro Rescue Equipment for new truck, misc. firetruck expenses, the police dept. has a 4 wheel drive SUV vehicle, three line speed monitor matrix board, automatic license plate reader, conductive energy devices(Tasers), automated fingerprint system and Charles Street School overtime, the sewer department has a mid-size dump truck, small dump truck, small front-end loader and under general administration has security camera upgrade at Legion Field/Concession stand, miscellaneous road projects, accordion wall at community center and gas/diesel tank for a total of \$629,000.00.

Sewer Department- A discussion was held about the sewer budget and the fees necessary for the budget. There will be an increase in next year's fees due to the improvements and

paying down of the debt. A discussion was held if the fee should be reduced for just this year and raised the following year or keep the fees the same this year. Mr. Gural informed council that he is still working on the changing over to the water usage fees, but that the sewer department budget is in good shape. The total budget for the sewer this year is \$1,623,720 compared to last year's spending of \$1,292,940.25 in the budget.

ORDINANCE ON FIRST READING. (public hearing on March 17, 2014).

A. **Ordinance 2014-2, An Ordinance To Exceed The Municipal Budget Appropriation Limits And To Establish A CAP Bank.**(N.J.S.A. 40A: 4-45.14).

Mr. Norcross made a motion to adopt the ordinance on first reading, Mr. Bostock second the motion. At the call of the roll, the vote was:

AYES: President Riener, Ms. Dobbs, Mr. Nowicki, Mr. Bostock, Ms. Arnold, Mr. Norcross.

NAYES: None. The ordinance was adopted on first reading and will be heard on second and final reading after a public hearing on March 17, 2014 at 7pm.

RESOLUTIONS.

A. **Resolution 2014-75, Resolution Introducing The Budget Of The Borough Of Palmyra.** President Riener made a motion to approve the resolution, Mr. Norcross second the motion. At the call of the roll, the vote was:

AYES: President Riener, Ms. Dobbs, Mr. Nowicki, Mr. Bostock, Ms. Arnold, Mr. Norcross.

NAYES: None.

MATTERS TO BE PRESENTED BY THE PUBLIC. Mr. Norcross made a motion to open the meeting to the public, Mr. Nowicki seconded the motion. All members present voted in favor of the motion.

Ms. Veitenheimer inquired about the salary for the Board of Health and that she was taken out of that position to save the borough money on the salary. Ms. Veitenheimer discussed that if the employee is already working during the day for the Borough, why does she need additional salary to do the Board of Health work. Mayor Scheffler explained that in 2011 the Borough did a series of layoffs and is now in the position to reinstate some of the positions. Mr. Gural discussed that the construction official does additional duties and draws a stipend for various positions in addition to the salary. Mr. Gural explained that when a part time person is required to work additional hours they receive compensation time in addition to their salary. Ms. Dobbs discussed that the employee does work for the JIF wellness program also in addition to the Board of Health work. Ms. Veitenheimer explained that the position only requires the management of the rabies clinic and reviewing the county board of health reports, since there are no longer monthly meetings. Mayor Scheffler explained that the Borough has saved money on the salaries by making the CFO position part time. Ms. Veitenheimer discussed that the Borough can save money by having part time employees. Mayor Scheffler replied that with the Affordable Care Act the part time employee's hours can add up to a full time employee. Ms. Veitenheimer inquired if every town does capital improvements in their debt service. Mayor Scheffler explained that to purchase large items capital budgets are needed so that the debt is spread out over a number of years. Ms. Veitenheimer

inquired if the town's capital expenses will increase in the next several years. Mayor Scheffler replied that the council still has control over the funds and it depends on what is awarded over the years.

No one else from the public wishing to be heard, Ms. Dobbs made a motion to close the public portion, Mr. Norcross second the motion. All members present voted in favor of the motion.

ADJOURNMENT. Ms. Dobbs made a motion to adjourn, President Riener second the motion. All members present voted in favor of the motion.