

**CITY OF NORTHFIELD BUDGET WORK SESSION
JANUARY 31, 2019**

At 5:03pm, this meeting was called to order by Shannon Campbell, Deputy Municipal Clerk. This meeting has been properly advertised in the Press of Atlantic City on January 26, 2019, in accordance with Public Law 1975, Chapter 231.

FLAG SALUTE

The flag salute was led by Council President Lischin

ROLL CALL:

Present: Korngut, Madden, Perri, Smith, Lischin

Absent: Dewees*, O'Neill

Councilman Dewees arrived at 5:22pm.

Mayor Chau was absent.

CFO Dawn Stollenwerk and Municipal Clerk Canesi were also in attendance.

Council President Lischin welcomed everyone to the meeting and deferred to CFO Stollenwerk for a summary of the budget.

CFO Stollenwerk reported that we had a good operating year, we collected more in court fees, there was an increase in UCC fees because of the Gurwicz project, we were up on investments, our tax collection rate was up to 96.81% putting \$297,000.00 into our fund balance. Removing refunds we've made for tax appeals, our tax collection rate will be around 98%, the tax office is doing what they needed to do. We had \$130,000.00 in revenue we didn't anticipate and that came mostly from Community Champions and police details. She explained the uncertainty that we had in 2017 at budget time due to legal issues and COAH. They finished up more favorably than we anticipated so we rolled that money into our surplus. We generated 1.3 million dollars in operations in 2018, that also went into our surplus, it is now available to be appropriated in this year's budget. This preliminary budget based on what departments requested is at a zero-tax increase. CFO Stollenwerk touched on some of the onetime decreases that were reflected in this budget. We paid off our 2006 bond issue, that left some room. She explained the debt authorization left from the ACIA bond. Capital projects requested by some departments are in this capital budget including the Police

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WatchGuard video server. CFO Stollenwerk asked Chief Newman how long he had to retain the videos.

Chief Newman replied it depended on the video, some are 90 days and some are forever.

CFO Stollenwerk explained that we needed more storage. The firewalls on the municipal side also needed to be updated and our backups. Mayor Chau asked for some upgrades to the video and audio in the Council Chambers and to fix the dais. There are no additional employees added to this budget, we would need to appropriate for that and decide what to do about a tax increase. Also, included was a schedule for a police vehicle replacement plan.

Councilman Lischin asked for an explanation of the I-bank project.

CFO Stollenwerk would review when we talk about capital.

Councilman Lischin asked for comments from Council.

Councilman Smith did not have any questions. He met with CFO Stollenwerk last week, went through the details, felt we were at a good starting point. Still some things to discuss but zero was a good place to start.

Councilman Perri asked for explanation of the difference in \$55,000.00 in surplus this year.

CFO Stollenwerk explained that she used it to get to 0 increase; that left us with 1.39 million, a summary of surplus was provided to Council, we were using \$55,000.00 less this year, will not have deductions coming into 2020.

Councilman Perri asked if we would have any debt payment in 2019.

CFO Stollenwerk replied there is but the 2006 bond was paid off.

Councilwoman Madden and Councilwoman Korngut did not have any questions at the time.

Councilman Smith asked if tipping fees were anticipated.

CFO Stollenwerk replied yes.

Council President Lischin asked about flow rates.

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CFO Stollenwerk advised that the numbers were based on the meeting with the ACUA at the end of the year; they tell us what we are going to have to pay.

Council President Lischin asked with a zero increase now, how do we cover the debt service.

CFO Stollenwerk explained the structure of the debt service, a summary of debt was provided to Council. The principle payment was smaller in beginning years.

Council President Lischin was happy at zero, asked to go through the unfunded items; Mayor Chau asked for money for banners.

CFO Stollenwerk advised that there was money in a trust from other businesses, will fund with building and grounds money. She needed direction on fire fighters, police and Birch Grove.

Council President Lischin was waiting to meet with Chief Cummings.

Councilman Perri noted we've had a history of this, the department refused to hire part time, full time requires benefits.

Council President Lischin was not sure it was the Chief, the committee agreed to give them part timers, they wanted full time.

Councilman Perri asked who requested an additional fire fighter.

CFO Stollenwerk replied the request came from the Fire Chief.

Councilman Perri responded that our debt is down and revenue was up but he did not want a tax increase.

Council President Lischin asked all members present for their opinion on an additional fire fighter.

Councilwoman Madden asked how many full time and part time noting that other municipalities are going to part time, it's cheaper, we are a small town; we should supplement with part time. Felt five fire fighters were sufficient.

Council President Lischin gave her the numbers including the volunteers.

Councilwoman Korngut echoed Councilman Perri and Councilwoman Madden.

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Councilman Smith felt that unless the department demonstrated a need, he did not see a need for a full-time fire fighter.

Council President Lischin noted that the fire report suggested different options for us to take versus hiring, it's all about reducing the cost of the Fire Department.

Councilman Smith did not complete reading the report, asked if there was a study that included the volume of calls.

Council President Lischin replied that the study showed only the past couple of years, about \$2000 per call.

Councilman Perri noted that the study did not include all of the costs; capital, insurance, pension, benefits, a lot was not factored in, taking out EMS calls - rate will skyrocket.

CFO Stollenwerk confirmed that council was opposed to an additional fire fighter.

Council President Lischin moved to the next item, an additional police officer.

At 5:22pm Councilman Dewees entered the meeting.

Councilman Perri felt the department did a great job with what they have, he was willing to go with the overtime for now.

Councilwoman Madden did not think an additional officer was needed at this point and time.

Council President Lischin reminded all that this was not final, we need to find the money for unfunded items, benefits were around \$35,000.00 for a family.

Councilwoman Korngut was not in favor an additional officer.

Councilman Smith would like the Mayor's opinion, he hasn't looked at the overtime.

CFO Stollenwerk explained that \$42,000.00 was spent in overtime in 2018, \$115,000.00 was budgeted, it was well under the budget.

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Council President Lischin commended the Chief in keeping under the budget for overtime, court revenue was up this year, morale was better, Chief Newman was doing a great job, he would also like to hear the Mayor's thoughts.

Councilman Smith asked Chief Newman if he was concerned with the impact of the new construction.

Chief Newman replied it's unknown, we don't know the impact now, he explained the process to hire an officer.

Councilman Dewees was in support of an additional officer.

Councilman Lischin added that he was in support as well, in the past we've found money, if we can find cuts to fund it; the Gurwicz project may not come on line until the end of the year. Councilman Lischin suggested keeping this item on the agenda until the Mayor is at the meeting.

Councilman Smith asked how much would an additional officer offset the overtime.

CFO Stollenwerk responded that typically it doesn't change, most of the overtime was due to people calling out sick.

Councilman Perri didn't recall asking for an officer when new homes went into Sutton Woods, he did not think the crime rate would go up.

Councilman Smith asked how many officers were on then.

Councilman Perri recalled about 25 or 26.

CFO Stollenwerk advised that she would put in and fund it and see where we stand.

Council President Lischin moved to Birch Grove, was Council in favor of keeping the campground open and running?

CFO Stollenwerk explained the summary that was provided to Council, manhours for Public Works were not accounted for.

Councilman Dewees added that the snack bar runs at a loss, he would like to meet with Councilman Perri and Superintendent Vitale or his assistant to see how many

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hours they spend at the campgrounds; he was inclined to suggest getting out of the campground and snack bar business.

Councilman Perri was surprised to see they brought in \$30,000.00 (in camping) last year, not sure of the numbers in the past.

Councilman Dewees and CFO Stollenwerk explained that a public works employee cost more than \$30,000.00, we need to know how much time the public works employees spend out there.

Councilman Perri and Councilman Dewees would meet with Public Works in the next few days.

Councilwoman Korngut asked if there ever was a time when the snack bar was volunteers.

Councilman Perri advised that the city did look into outsourcing a few years ago; it was not worth it, insurance was high.

Councilwoman Madden asked for clarification on the summary. She suggested increasing the fees and hiring part-time employees or volunteers.

CFO Stollenwerk explained the summary. She didn't feel we would want volunteers handling money and taking credit card payments.

Councilwoman Korngut asked if campers were spending money in the snack bar, she felt we needed distinction; asked hours of the snack bar.

Clerk Canesi replied that the hours varied this year, they were open longer hours on the weekends, we couldn't have campers with no one there.

Councilwoman Korngut suggested raising the camping fees.

Councilman Perri felt that other places were nicer for the money, aesthetically for nature trails the park was fine.

Councilman Dewees felt that band aiding the bathhouses was a quick fix, one was closed, we had changed some fixtures, we would need to spend a lot of money, camping was not profitable, Birch Grove would be better suited as a nature park. He was still in favor of holding the fishing tournaments and hayrides.

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Councilwoman Korngut asked if the scouts could camp there.

Councilman Dewees would not want to cut them out.

Councilman Perri asked for an explanation on the cost of goods sold.

CFO Stollenwerk replied we should double our money there.

Discussion ensued regarding vending machines and attractions that could be added to the park to bring visitors to the park and to the City. Ideas included bike trails, a frisbee golf course, a dog park and outdoor exercise equipment.

Councilwoman Korngut felt we could make better use of Birch Grove and wanted to get a group together to discuss options.

Councilman Perri noted the park had been running in the negative for a long time, asked about the Advisory Board and their opinion on bike trails.

Councilman Dewees advised that the Advisory Board was not opposed.

Council President Lischin stated that 2 years ago Council had the same discussion, we looked into subbing it out, he felt there must be a way to make money – we kept coming back to the same thing, we shouldn't be in the camping business, we needed to draw people there without having to provide manpower.

Further discussion ensued regarding the snack bar and camping. Eliminating both would not eliminate all of the expenses at the park, Public Works would still need to do repairs, cut trees, maintain the drainage etc. Electrical service would need to be upgraded.

Councilman Perri asked what would the savings be if we shut it down.

CFO Stollenwerk felt most of the costs would go away; the Superintendent spends several hours out there, he is there to take reservations and collect money.

All agreed to wait until the next meeting for a decision.

Councilman Smith asked if there were grants available for improvements.

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Clerk Canesi responded that we have applied for grants as they were available, we put in for bike trails, the ADA walkways and bridges were funded by grants.

Council President Lischin referred to the operating budget for police vehicles.

CFO Stollenwerk advised that the police vehicles comes up every year, a list of all vehicles and their information was provided to Council. She explained the difference in bonding through capital for SUV's and leasing for cars. She also explained the process for replacing vehicles over the next five years.

Councilmen Dewees and Smith agreed that the strategy made sense.

Councilman Smith asked Chief Newman about the status of the fleet.

Chief Newman explained the issues they have had with the 3 Chargers.

Councilman Lischin agreed that this was the smartest way to replace vehicles, we needed a plan and this gave us one.

At 6:06pm Councilman Dewees left the room.

Chief Newman explained that a full shift was comprised of 3 officers and a traffic officer, we can't run the same car all of the time. He explained the assignment of cars and why you would see one not being used.

CFO Stollenwerk explained how the lease works and future payments.

All members present were in favor of moving forward with the plan.

CFO Stollenwerk asked all to refer to page 19 of their packet; the capital plan.

At 6:11pm Councilman Dewees reentered the meeting.

CFO Stollenwerk reviewed the projects that were identified, she explained the I-bank, NJ Environmental Infrastructure Trust (NJEIT), Northfield qualifies for an asset management plan for the sewer which will give us a picture of the condition of the sewer system. We would take that plan along with another sewer pump station then they will give us principle forgiveness on the asset management plan. With the recommendation of the engineer we would do the asset management plan along with the vac truck for public works and the Zion Pump station. The I-

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Bank allows you to do your project and make draws from it, we only have to pay for what we use.

Councilman Perri explained why we needed a project to start this process, the sewer was a major asset to the city.

Councilman Smith asked about the vector truck.

Councilman Perri explained how the truck would be used and what the truck can be used for. The county has one, it was a more efficient way of operating the system.

Councilman Dewees explained the benefit, the DEP required us to clean basins, it would be easier with this new truck.

Councilman Smith asked the shelf life.

Councilman Dewees replied he was not sure, he would guess about 10-15 years maybe longer, it would only be used during warmer months since it holds water.

Councilman Lischin noted it had been on our capital list for several years and had been pushed off; manpower had been lowered this would help to keep the manpower down.

Council President Lischin asked about the 2019 ordinance and NJEIT.

CFO Stollenwerk replied it would cover the inspection camera and pole barn for the truck and road improvements. We have money available for roads and paving.

CFO Stollenwerk explained the funds available, have old capital money available for a Public Works truck that can be removed from the plan.

Councilman Perri added that the Public Works has a truck that may not be repairable, he would like one upgraded.

Council President Lischin felt if we had the money we should fund it. He suggested everyone take a look at the capital plan and make a decision at the next meeting. He asked for questions from Council.

All members present were in favor of the proposed capital portion of the budget.

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CFO Stollenwerk advised that she would get the resolutions in order for the I-Bank, probably in March.

PUBLIC SESSION/FIVE MINUTES PER SPEAKER

Council President Lischin opened the public session, seeing no one wishing to speak he closed the public session.

At 6:29pm on motions properly made and seconded, this meeting was adjourned.

Respectfully submitted,

Shannon Campbell, Deputy Municipal Clerk