

**CITY OF NORTHFIELD BUDGET WORK SESSION  
FEBRUARY 1, 2018**

At 5:04pm, 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 27, 2018, in accordance with Public Law 1975, Chapter 231.

**FLAG SALUTE**

The flag salute was led by Council President Dewees.

**ROLL CALL:**

Present: Korngut, Murray, O'Neill, Perri, Travagline, Dewees

Absent: Lischin.

Mayor Chau was absent.

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

Councilman O'Neill asked if Cresson Avenue was going to be paved and if it was going to cost the City anything.

Councilman Murray replied that we will be holding off on the paving.

Council President Dewees advised that Engineer Nassar sent an email to Mr. Gurwicz in reply to his letter to Council.

Council President Dewees asked all to refer to their budget worksheet, and introduced Councilman Murray, Finance Chair.

Councilman Murray deferred to CFO Stollenwerk.

CFO Stollenwerk explained as a result of operations we earned \$900,000 last year; that was not enough to offset the budget. We are starting off \$300,000 in the hole. The budget needed to be adopted by April 20<sup>th</sup>. The loss of rateables was about \$16.8 million, and we are still at 101% equalized ratio. The market was still falling; the tax collection rate was down; we were however seeing the full impact of sewer fee increase. CFO Stollenwerk stated that we were at a 5 cent increase with the way the budget was now.

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Councilman Murray added that the tax collection rate is at 96.81%, which means that \$1.2 million in taxes have not been collected.

CFO Stollenwerk stated that there was a reserve for uncollected taxes; we still needed to pay the county and school, we need to raise 104% to make up for uncollected taxes.

Councilman Travagline asked if we do that every year.

CFO Stollenwerk replied yes. She also noted that she had made a correction to the added assessments.

Councilman O'Neill asked if we would see any anticipated revenue for the new development.

CFO Stollenwerk advised that we would not see that until the next year.

Councilman Perri reported that the finance committee met this morning and this was the hardest budget he had seen in years; the loss of revenue and surplus plays a big factor.

*At 5:12pm Councilman O'Neill left the room briefly.*

Councilman Perri noted it would be tough without letting people go.

Councilman Murray explained every penny is about \$89,000.00.

Councilman Travagline asked what was happening with Gurwicz and their sewer connection fees.

Clerk Canesi responded that we would not realize the impact of the sewer connection fees until possibly the end of phase one, and asked Councilman Perri to comment.

Councilman Perri did not think they had to pay until the CO was issued, he didn't believe the temporary CO required the fee.

Clerk Canesi added that based on the timeline for construction that may not be seen in 2018.

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Council President Dewees asked if it made sense for department heads to take another look at their numbers.

CFO Stollenwerk explained that the salary lines are almost to the penny. The Police Department went under budget with overtime. She could squeeze a few thousand if we nickel and dime, there was not much to cut.

Council President Dewees asked for suggestions from Council.

Councilman Travagline felt the City needed to look more at shared services, and said we should have done more in the past.

Councilman Dewees asked if he had any examples.

Councilman Travagline did not believe that sewer made us any money; if the systems deteriorate, we lose. He felt that we should not be in the sewer business and that we should privatize as many departments as we can.

Councilman Perri replied that the sewer department had the highest income in the budget.

Councilman O'Neill asked for an update on the land sale.

Council President Dewees replied we were still in the process of moving forward with it.

Clerk Canesi reminded Council that the land sale revenue would be unanticipated revenue.

CFO Stollenwerk stated that the salaries were down \$90,000 due to streamlining and changes made in various departments.

Councilman Perri asked if the change in surplus and loss in value have a factor in the budget.

CFO Stollenwerk replied yes, it was a huge impact and noted that page 3 of the package had a history of the surplus. She said we are over-assessing; we want to be at 100.

Discussion ensued regarding revaluation and equalized values.

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CFO Stollenwerk noted that the City truly has a revenue problem at this point. She made cuts everywhere she could; she may be able to cut a bit more.

Councilman O'Neill would reach out to his departments but didn't think he'll find more than a few thousand dollars. He felt as though each department was doing their best.

Council President Dewees questioned the sports organizations, noting that Little League was now paying for their own insurance.

Clerk Canesi added that the insurance cost is around \$13,000, the bulk of it being for FAN.

Councilman Travagline felt that the City paying \$13,000 for kids' sports was miniscule; they were doing a good job. Councilman Travagline advised that FAN had about \$30,000.00 in their account.

Councilman O'Neill felt that if one organization was paying the others could as well, FAN wanted to be self- supporting.

Councilman Travagline noted both are nonprofit, they were not making money, and all money was going to the kids. Council wanted them to be self- supporting, but he was not in favor of asking them to pay for it even though they do have the money.

Councilman Perri suggested a service charge for insurance during registration.

Councilman Travagline noted that they raised fees because of insurance and equipment. If council wants to weed them off the City, do it \$1,000 at a time.

Discussion ensued between Councilman O'Neill and Councilman Travagline regarding the insurance and savings to the city.

Councilman Murray didn't want to cut them cold-turkey, and suggested making a schedule. We needed to clarify if this was for expenses or insurance.

Councilman Travagline was ok with cutting back the amount paid toward expenses and once the City pays nothing toward miscellaneous items the City can look at insurance.

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Clerk Canesi believed that when FAN took over they were supposed to become self-sufficient noting it was very clear in the beginning that this was their intention.

Councilman O'Neill asked CFO Stollenwerk to go over the numbers one more time and asked if the legal funds for the Fair Share Housing Plan could be brought down.

CFO Stollenwerk replied that what was left was Policy decision by the governing body, she could not do that on her own. She had decreased where she could. We have two EPL claims that will incur a deductible and coinsurance. We would have to see where the Fair Share Housing Plan goes. There are some unfunded requests in the budget; the request for police officers came from the Mayor. The unfunded requests were not factored in. We saved over \$100,000 on sewer flows; they were down, the improvements made were paying off.

Council President Dewees suggested putting the February 15<sup>th</sup> meeting back on the agenda.

Clerk Canesi advised that Mayor Chau asked to cancel it; he could not make it.

A straw poll was taken, all present agreed to put the February 15<sup>th</sup> budget meeting back on at 5pm in Council Chambers.

Councilman Travagline asked for clarification on the sewer salary.

CFO Stollenwerk explained that since the interlocal was not in effect the salaries went into one account.

Councilman Perri questioned the library revenue noting the net worth causes library funding to go down.

CFO Stollenwerk believed their contract expires in 2018, she would check into it, she had been keeping an eye on their audits, not much to get from there. Council needed to see where they would be happy and if they were comfortable using surplus, Council needed to find efficiencies in 2018 to benefit 2019.

Councilman O'Neill asked what was the anticipated revenue for the new complex.

CFO Stollenwerk said she would have to check with Mark, she did not know the values. For every \$1 million of assessed value we get \$9,240 to the City based on

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this projected tax rate. We have been losing between \$11 and \$16 million per year.

Councilman Travagline asked for anticipated numbers of tax appeals for 2018.

Clerk Canesi replied the appeals are already coming in.

Councilman Perri stated that privatizing certain positions wouldn't be realized in 2018, our collection contracts are almost \$500,000; we needed to provide services. This was a major cost expense.

Clerk Canesi added that we went to yard waste collections every other week several years ago to save money; residents still complaint about that.

Councilman Travagline questioned health care costs.

CFO Stollenwerk stated that our health costs have not gone up, she explained Medicare and advantage care and the blended rate, we were seeing a trend of people moving to the spouse's coverage.

Council President Dewees said we are at 5 cents, and again asked where everyone wanted to go.

Councilman Perri stated this was not easy, he did not see where we could make any changes without changing services or people.

Councilman Travagline questioned the salary in the Fire Department, thought we'd save more without the Captain.

CFO Stollenwerk noted that she removed the part timers and fire overtime was down.

Council President Dewees suggested going back to departments and reconvene the 15<sup>th</sup>.

CFO Stollenwerk asked if anyone wanted her to take another look and cut where she could.

Clerk Canesi asked if there were any engineering projects that we don't love.

CFO Stollenwerk explained that most were in capital, small projects come out of the operating budget.

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Councilwoman Korngut asked how much retainer we pay for the engineer.

CFO Stollenwerk replied we pay \$2,500 for his retainer, for attendance at Council meetings.

**PUBLIC SESSION/FIVE MINUTES PER SPEAKER**

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

Councilman O'Neill thanked the Police Department and mentioned a letter forwarded by the Mayor.

Chief Newman replied that a resident thanked an officer for helping a neighbor in an emergency.

Councilman Perri asked if anyone heard about street light upgrading.

Councilman O'Neill was aware of Mr. Schlachter of Mazza Drive asking about it.

Councilman Dewees added that a publication mentioned Northfield; a new light would be installed on Mazza Drive, the resident complained that existing lights are dull.

Chief Newman would drive by and take a look at the lights in the mentioned area. Clerk Canesi advised that Atlantic City was paying a large portion of upgrading to LED for that town, and suggested that the resident contact Atlantic Electric regarding the lumens on the pole.

Council President Dewees read meeting notices including the addition of the February 15<sup>th</sup> budget meeting.

At 6:00pm on motions properly made and seconded, this meeting was adjourned.

Respectfully submitted,

Shannon Campbell, Deputy Municipal Clerk