

BOROUGH OF WATCHUNG

SPECIAL MEETING OF MAY 28, 2015

8:00 AM

MAYOR'S STATEMENT: Mayor Pote called the meeting to order at 8:02 AM and made the following statement: Under the provisions of N.J.S.A 10:4-6 et seq., notice of the time and place of this meeting was given by way of annual notice to the Courier News, Echoes Sentinel, and Star Ledger, and posted at Borough Hall.

SALUTE TO THE FLAG and a MOMENT OF SILENCE FOR OUR SERVICE MEN AND WOMEN, SERVING HOME AND ABROAD.

ROLL CALL

Nehls [P] Black [P] Franklin [P] Joren [P] Gibbs [P] Beck-Clemens [P]

Also present were Administrator Tom Atkins, CFO Bill Hance, Clerk Michelle DeRocco, and Deputy Clerk MaryAnn Hance.

There was 1 member of the public present.

PUBLIC PORTION/AGENDA ITEMS ONLY

No one from the public wished to speak

CONSENT AGENDA RESOLUTIONS:

Council President Nehls moved the following resolution with a second by Councilwoman Beck-Clemens and upon roll call the vote was as follows: Nehls, Black, Franklin, Joren, Gibbs, Beck-Clemens, "aye."

R1:05/28/15 Appeal to DLGS for Extension of Time – 2015 Municipal Budget

NON-CONSENT AGENDA RESOLUTIONS:

Administrator Tom Atkins said after speaking with Mr. Hance it was their thought that if the Council wishes to discuss resolution R3 it should be done prior to the introduction of Ordinance OR:15/07 and voting on R2. Mr. Atkins explained if there are any changes made to the budget they could possibly affect the Ordinance. All members of the Council were in agreement with this suggestion.

Council President Nehls then said he has reviewed the cuts Mr. Atkins and Mr. Hance had given to the Council Thursday evening. He said the proposed cuts include the movement of one police vehicle from the operations and expense portion of the budget to the capital portion which is not a cut. Mr. Nehls proposes leaving this \$35,000 in the operations and expense portion. He said he submitted a list of cuts he has proposed and these combined with the cuts Mr. Hance and Mr. Atkins submitted it meets the \$100,000 cut agreed to by the Council. Council President Nehls requested the Council approve the cuts submitted by Mr. Atkins and the additional cuts he has proposed. Councilwoman Joren said Council President Nehls' proposed reductions are reasonable and Councilman Black also said Council should go with the reductions. Councilman Gibbs said he has no issue with the goal of reaching additional cuts but he does question, as did the Borough Administrator, the legality of using Bond Ordinance monies for certain items and he cannot support additional cuts until Bond Counsel gives an answer on the use of bond monies.

Council President Nehls said the use of Bond Ordinance monies has been used for repairs to buildings in the past and he does not believe there is anything improper being done. Councilwoman Beck-Clemens said the motion was to come in with a minimum deductions of \$100,000. She said deductions should be made for photo copying, computer expenses and postage. There were questions regarding training expenses and Ms. DeRocco explained this is for two employees attending Clerk courses. Mr. Atkins strongly recommended leaving that money in the budget. Mayor Pote said it is good the Council is taking time to review the budget thoroughly. He also noted the Council is concerned about the Moody ratings, but said that when the ratings are determined they look at revenues and surplus and we will be reducing our opportunity for additional revenues by going below the 2% cap. Councilman Black we would not be regenerating surplus and he hopes nothing negative comes out because of these reductions. Councilman Franklin said cutbacks may or may not be helpful and by cutting the levy and not surplus is giving away reserves each year and not doing anything to replenish the surplus and therefore the Borough will be back on the negative side. Councilman Franklin said he is all for relieving the tax burden to residents but at the same time he worries about the solvency of the Borough. Councilwoman Beck-Clemens said we must balance the budget and the Borough has the cap bank to fall back on. Councilman Franklin said this would be a problem if Council makes a practice of doing this year after year and will eventually necessitate cutting services to residents. Council President Nehls said this is only for this year. Councilman Gibbs said the concept of getting rid of waste is a good thing and the Borough will have to see how this works out. Councilman Franklin said there is no room for revenue growth. Prior to the vote he also requested his comments be included in the minutes. Councilman Gibbs requested getting clarification from Bond Counsel to understand the wording of the bond for future use of bond monies. Council President Nehls said this can be discussed later since Bond Counsel prepares the Bond Ordinances and the wording is correct. Councilman Franklin agreed with Councilman Gibbs that the Borough does not have the potential for growth and therefore the potential for additional revenues.

Council President Nehls moved to accept the cuts Mr. Atkins and Mr. Hance outlined in the documents they provided to Council last Thursday evening, with the exception of the police vehicle which will stay in operations and expenses. Council President Nehls also said this would also include the cuts he proposed last night, except the \$5,000 reduction in buildings and grounds line item 155-266 which will remain at \$13,000 and the \$500 reduction in recreation line item 245-283 which will remain at \$500., and the additional reductions Councilwoman Beck-Clemens requested. /Councilwoman Beck-Clemens seconded the motion and upon roll call the vote was as follows: Nehls, Black, Franklin, Joren, Gibbs, Beck-Clemens, “aye.”

Proposed Ordinance OR:15/07: “ORDINANCE TO EXCEED THE MUNICIPAL BUDGET COST OF LIVING ALLOWANCE AND TO ESTABLISH A CAP BANK WHEN THE COLA IS EQUAL TO OR LESS THAN 2.5 PERCENT (N.J.S.A. 40a4-45.14)” Councilwoman Joren moved the ordinance be adopted on first reading and directed the Clerk to publish the ordinance and notice of Public Hearing.

Councilwoman Joren moved the following resolution with a second by Council President Nehls and upon roll call the vote was as follows: Nehls, Black, Franklin, Joren, Gibbs, Beck-Clemens, “aye.” Public Hearing to be held on July 9, 2015 at 7:00 P.M.

R2:05/28/15 Introduction of OR:15/07 – To Establish a Cap Bank

Councilman Franklin moved the following resolution with a second by Councilwoman Beck-Clemens and upon roll call the vote was as follows: Nehls, Black, Franklin, Joren, Gibbs, Beck-Clemens, “aye.”

R3: Introduction of 2015 Municipal Budget as amended

Councilman Franklin moved the following resolution with a second by Councilwoman Beck-Clemens and upon roll call the vote was as follows: Nehls, Black, Franklin, Joren, Gibbs, Beck-Clemens, “aye.”

R4: Authorizing Self-Exam – 2015 Municipal Budget

PUBLIC PORTION

No one from the public wished to speak

ADJOURNMENT

There being no further business to come before the Council, the meeting was adjourned at 8:55 A.M. to the call of the Chair and to the next scheduled Council meeting on Thursday, June 4, 2015 at 7:30 P.M.

Respectfully submitted,

MaryAnn Hance

Deputy Clerk