

BOROUGH OF OAKLAND

Municipal Court/Council Chambers
10 Lawlor Drive
Oakland, N.J. 07436

BUDGET MEETING OF THE MAYOR AND COUNCIL

MONDAY MARCH 4, 2024

MEETING CALLED TO ORDER: By Mayor Kulmala 6:31 PM

ROLL CALL: Mayor Kulmala called the meeting to order and the Acting Clerk Wendi Seelin called the roll.

Present: Mayor Kulmala, Councilmembers Goffredo, Pignatelli, Saliani, Slasinski, Talamini

Absent: John McCann

Also Present: Wendi Seelin, Acting Borough Clerk; Richard Kunze, Borough Administrator; David Young, Chief Financial Officer

Motion by Councilman Pignatelli to Excuse John McCann, Second by Councilman Talamini

ALL IN FAVOR

SALUTE TO THE FLAG:

MEETING ANNOUNCEMENT Acting Borough Clerk Wendi Seelin announced this meeting is being held in accordance with the Open Public Meetings Law, duly announced, submitted to the newspaper and advertised more than 48 hours in advance of the meeting and notice posted in the Municipal Building and on the Borough website.

OPENED FOR PUBLIC COMMENT:

On motion of Councilman Pignatelli, seconded by Councilman Slasinski, this portion of the meeting be opened for public comment.

ROLL CALL: Councilmembers Goffredo, Pignatelli, Saliani, Slasinski, Talamini.

ALL IN FAVOR

No comments made.

CLOSED FOR PUBLIC COMMENT:

On motion of Councilman Pignatelli, seconded by Councilman Slasinski, this portion of the meeting be closed to public comment.

ROLL CALL: Councilmembers Goffredo, Pignatelli, Saliani Slasinski, Talamini.

ALL IN FAVOR

2024 Budget Introduction

This section provides an overview of the 2024 municipal budget for the Borough of Oakland. The budget is presented with funding for the Current Fund Budget, including the Library, at \$25,504,498.24. Additional appropriations of \$2,885,000 and \$534,400 are included for the Water and Sewer Utilities, respectively. (Funding for the Current Fund Budget, including the Library, is presented at \$25,504,498.24)

Key Points:

- The tax levy required to support the budget, including the Library, would be \$18,049,580, which is 2.66% higher than in 2023.
- The budget will be compliant with both the appropriation and levy caps.
- The budget will enable the continuation of present service levels to the public while slightly increasing the number of Recreation and Senior programs.
- The budget framework is designed to be sustainable in the long run, with one-time expenditures matched to one-time revenues, appropriate use of fund balance, and consistent impact of capital and debt expenditures year over year.

Assumptions and Explanations

- Certain assumptions regarding appropriations and operations had to be made based on available data, and circumstances and funding needs in some areas may change by budget adoption.
- Explanations for individual increases and decreases in both spending and revenue are noted in the budget document.
- The Finance Committee expresses gratitude to the Department Heads and volunteers for their work on developing reasonable and cost-conscious budget requests.
- The Finance Committee encourages the Mayor and Borough Council to take a long-term view of the financial needs of the organization and community, as budget decisions made this year will have effects in the years to come.

(Funding for the Current Fund Budget, including the Library, is presented at \$25,504,498.24)

2024 Tax Levy Distribution

This section provides a breakdown of the 2024 tax levy distribution:

- Municipal Levy: 23%
- Library: 1%
- Municipal Open Space: 0%
- County Levy: 11%

- Regional School: 20%
- Local School Levy: 45%

(The tax levy required to support the budget, including the Library, would be \$18,049,580, which is 2.66% higher than in 2023.)

2024 Statutory CAP Compliance

This section discusses the municipality's compliance with the State's Levy Cap and Appropriations Cap laws:

Levy Cap Compliance:

- The Municipal Levy is subject to the State's Levy Cap Laws, which allow for a 2% increase from the prior year's Levy, plus exceptions for increases in Debt, Capital, Pension, Insurance, and Shared Services.
- The municipality is also allowed to "bank" unused Levy Cap dollars for 3 years for use in future budgets.
- The 2024 Budget is compliant with the Levy Cap Law.

Appropriations Cap Compliance:

- The budget is also subject to the State's Appropriations Cap law, with about 75% of the Budget Appropriations subject to the Cap.
- Items not subject to the Cap include LOSAP, Library funding, Stormwater Management expenses, Grants, Capital funding, and Debt service.
- The Cap is based on the prior year's Inside CAP budget plus a 3.5% Cost of Living Adjustment plus New Construction.
- Unused Appropriations Cap can be "banked" for 2 years.
- The 2024 Budget is compliant with the Appropriations Cap Law.

(The budget will be compliant with both the appropriation and levy caps.)

Appropriations Overview

This section provides an overview of the 2024 appropriations compared to the 2023 amended budget:

Inside CAP Expenses Summary:

- Salaries & Wages: \$7,947,899 (up 1.76%)
- Other Expenses: \$10,498,660 (up 1.29%)
- Total CAP Summary: \$18,446,559 (up 1.50%)

Outside-CAP Expenses Summary:

- Salaries & Wages: \$796,898 (up 20.72%)
- Other Expenses: \$4,579,685 (up 2.12%)
- Total Outside CAP Summary: \$5,376,583 (up 4.50%)

Grants: \$196,357 (down 56.21%)

Oakland Public Library: \$1,105,853 (down 0.97%)

Reserve for Uncollected Taxes: \$485,000 (up 2.11%)

Total Budget: \$24,504,498 (up 1.08%)

Explanations:

- This budget will maintain existing service levels and provide a slight increase in funding for capital investments and redevelopment planning activities.
- The Borough is seeing significant year-over-year increases in solid waste (recycling) and property/casualty costs.
- Detailed explanations are included for significant budget increases in the summary sheets for Salary & Wages, Operating Expenses, Miscellaneous Expenses, and Surplus.
- Excluding the impact of Grants and Shared Services that have offsetting Revenues, the budget for 2024 is up \$755k or 3.3% over 2023, with Solid Waste & Insurance representing \$330k of the increase.

(Excluding the impact of Grants and Shared Services that have offsetting Revenues, the budget for 2024 is up \$755k or 3.3% over 2023.)

2024 Salary and Wage Budgets

This section provides a detailed breakdown of the 2024 salary and wage budgets compared to the 2023 amended budget:

General Government:

- Administration: Up 10.3% (\$27,900)
- Mayor and Council: Up 2.2% (\$1,245)
- Clerk: Down 6.3% (\$8,200)
- Finance: Down 7.8% (\$19,500), offset by \$36,750 increase in Shared Services

Land Use:

- Code Enforcement: Up 15.7% (\$46,835)

Public Safety:

- Police: Up 2.6% (\$119,996), plus \$116,000 increase for SLEO III
- Fire Department: No change

Department of Public Works:

- Streets and Roads: Up 1.6% (\$9,700)
- Solid Waste and Recycling: Up 560.1% (\$91,300)

Recreation and Senior Services:

- Recreation: Down 76.9% (\$139,600)
- Senior Services: Up 11.7% (\$11,200)

Overall, the Current Fund S&W budgets, including the Library, are projected to increase by 3.24%.

(Current Fund S&W budgets, including the Library, are projected to increase overall by 3.24%)

Other Expenses

This section provides a detailed breakdown of the 2024 other expense budgets compared to the 2023 amended budget:

General Government:

- Mayor & Council: Up 48.39% (\$15,000), includes grant writing services
- Finance Shared Services: Up 98.17% (\$14,235), offset by revenue increase

Land Use:

- Construction Code: Down 74.34% (\$25,350), eliminated shared service with Bloomingdale

Public Safety:

- Police: Up 13.06% (\$23,500), includes IT costs
- SLEO III: Down 76% (\$34,200), reduction offset by revenue decrease

Public Works:

- Streets & Roads: Down 21.80% (\$23,950), budget moved to Stormwater Management
- Stormwater Management: Up 196.43% (\$55,000), includes street sweeping and Forrester contract
- Solid Waste: Up 8.92% (\$193,000), includes \$95k for recycling disposal

Recreation:

- Down 85.96% (\$336,700), Recreation program moved to Trust

Excluding Solid Waste, the Department OE budgets are up 3.07% year-over-year.

(Excluding Solid Waste and Rec, the Department OE budgets are up 3.07% year-over-year.)

Miscellaneous Expenses

This section provides an overview of the miscellaneous expense budgets:

- Information Technology: Up 16% (\$23,000)
- Legal: Up 5% (\$10,000)
- Insurance (Property/Liability, Workers' Comp): Up 14% (\$78,360)
- Insurance (Group Health): Up 3% (\$57,000)
- Pension budgets: Up 1.8% (\$31,000)
- Capital Improvement Fund: Up

Budget Process Overview

- The budget process begins in September when budget packages are sent out to all agencies, boards, commissions, and departments.
- David and the administrator meet with these groups later in the fall to review their budget proposals and make any necessary adjustments.
- The budget document presented is a collaborative effort between the departments, the administrator, and the finance committee.
- The current fund budget, including the library, is presented at \$25,544,198, which complies with the appropriation and levy caps.
- This would require a tax levy, including the library, of \$8,495,180, which is a 2.66% increase over 2023. Appropriations Breakdown
- The municipality, including the library and open space, accounts for 24-25% of the total tax levy.
- The budget is compliant with the 2% tax levy cap and the 3.5% appropriation cap.
- The average impact on the municipal portion of the average homeowner's tax bill is a 2.1% increase, or \$675.
- Significant budget challenges include:
 - 15%+ increase in property, casualty, and workers' compensation insurance

- Significant increase in solid waste and recycling costs, with recycling costs now exceeding garbage disposal costs
- Salaries and wages inside the cap are increasing by 1.75%, and other expenses are up about 1.3%, for a total inside cap increase of about 1.5%.
- Outside the cap, the increase is largely due to shared service agreements with the K-8 district and Hillsdale for CFO services.
- The public library's tax levy is set by state formula and decreased by about \$111,000.
- The reserve for uncollected taxes is up 2.1% to account for any shortfalls in tax collections.

Revenue Overview

- Surplus is projected to increase by about \$105,000, staying within the 15-20% policy range.
- Miscellaneous revenue is down slightly, and delinquent tax receipts are budgeted at \$10,000.
- The municipal tax levy increase is 2.87%, but the average residential tax bill increase is 2.1%.
- The surplus policy of maintaining 15-20% of the prior year's appropriations is important for maintaining financial stability and avoiding drastic actions in the future.

Water and Sewer Budgets

- The water utility budget is up 3.8%, largely due to the impact of installing the PFAS treatment units.
- The sewer budget is flat, with no increase in rates, as the borough prepares for the decommissioning of the sewage treatment plant in 2025.

Library Budget Presentation

This section covers the library's budget, operations, and the various services and resources it provides to the community. The library director, Peter Havel, provides an overview of the library's funding, physical infrastructure, staff, and the different programs and offerings available to residents.

- The library's funding fluctuates based on the equalized valuation, with revenues increasing as the valuation rises and decreasing as it falls.
- The library's budget has been increasing over the past 9 years, allowing it to expand its services.

- The library building is old, with some maintenance challenges like the slate roof, septic system, and HVAC issues.
- The cost of materials and services has been increasing, so the budget increases don't necessarily translate to more purchasing power.
- The library's primary focus is on providing services to the community, including physical and digital materials, a "library of things" for residents to borrow, and a museum pass program.
- The library serves as a free public art gallery, rotating in new artists regularly.
- The library is also a meeting space available for residents and nonprofit organizations to use free of charge.
- The library offers quiet and collaborative workspaces, as well as a computer lab for those who need access to PCs.
- The library has seen an increase in digital media usage, with ebooks, downloadable audiobooks, streaming TV/movies, and digital comics being popular offerings.
- Some of the library's digital resources include Hoopla, Libby, LinkedIn Learning, Brainfuse, Mango Languages, and ProQuest.
- The library is part of the Bucks County Library System (BCLS), which provides additional resources and services to members.
- The library offers a variety of programming for children, young adults, and adults throughout the year, with a particular focus on the summer months.
- The library is looking to expand its maker space and offer more advanced technology-focused programs and resources, such as better 3D printing capabilities and computer classes.
- The library has been successful in securing some grants, but has also faced challenges in obtaining funding for certain technology-focused initiatives.
- The library's delivery system, which was improved during the pandemic, is now more efficient than the state-run system, allowing for faster book delivery.

Notes on Recreation Committee Budget and Programs

- The library provides a variety of physical and digital materials, as well as meeting spaces, programs, and other services to the community.
- The library actively seeks grants to supplement its budget, but has faced some challenges in securing certain technology-focused grants.

Recreation Budget Presentation

- The recreation department offers a wide range of youth and adult programs, including sports, camps, and other activities.
- Recreation committee runs youth and adult recreational activities for the town
- They partner with other towns to offer programs like roller hockey
- Adult programs include softball, volleyball, street hockey, basketball, and mountain biking
- Youth programs are very popular and expanding, especially the wrestling program
- Brought in a new wrestling commissioner, Austin Wall, who has revamped the program and grown participation from 72-75 to 125 kids
- Needed to buy more equipment and upgrade the wrestling room to accommodate the growth
- The recreation commission is mostly new members, many of whom are small business owners and entrepreneurs
- They are very proactive with fundraising, such as banner sponsorships and tournaments, to support the programs
- Budget has grown from \$450,000 to \$750,000 to cover increased costs and capital projects
- Planning to replace the 10-12 year old playground with a new, colorful one and apply for a grant to cover some of the costs
- Redoing fields 5, 9, and 8, as well as the tennis courts, using co-op contracts to avoid the bidding process
- Partnering with the Chamber of Commerce to have them purchase uniforms for baseball and softball, allowing them to reduce fees
- Looking to expand this partnership to other sports like soccer
- Considering adding an after-summer camp program to provide continued care for kids
- Summer camp program had a nearly 100 kid increase from last year, requiring them to hire 22 more counselors

- Minimum wage increase has significantly impacted summer camp costs, leading to a fee increase, but it's still a great deal
- Volunteer-based program with great parental involvement, from coaching to becoming directors and commissioners
- New high school AD and football coach are helping to improve the relationship and bring more kids into the programs
- Sharing facilities and fields with Indian Hills High School works well
- Budget process and timeline discussed, with another meeting scheduled for Wednesday to cover DPW, police, and fire department budgets
- Emphasize that the recreation budget is zero-based, meaning they can only spend what they collect, and inflation has significantly impacted costs
- Requesting trust funds for tennis court and field light projects
- Meeting schedule and budget introduction/adoption timeline reviewed
- The budget has increased from around \$450,000 to \$750,000 in recent years due to program growth and increased participation.
- Significant increases in the budget are due to rising minimum wage costs for summer camp counselors and the need to hire additional staff.
- The recreation department partners with the school district, Chamber of Commerce, and other organizations to provide and fund programs.
- The department relies heavily on fundraising, grants, and the recreation trust to supplement its budget and keep program fees affordable for residents.
- The budget introduction is scheduled for the second council meeting in March, with a public hearing and adoption targeted for the second meeting in April.
- Council members are encouraged to reach out with any additional questions or requests for further meetings prior to the introduction.
- The next budget presentation will be on Wednesday, March 6th at 6:30 PM, featuring the DPW, police, and fire departments.

Close of session:

Discussion of Process next meeting will introduce 2nd meeting March 26 and adopt at the 2nd meeting in April after public open.

Next Session: March 6, 2024 DPW, PD, FD

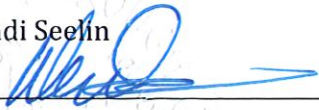
On motion of Councilman Pignatelli, seconded by Councilman, the meeting be adjourned:

ROLL CALL: Councilmembers Goffredo, Pignatelli, Salianni, Slasinski, Talamini

ALL IN FAVOR

MEETING ADJOURNED: 8:20 pm.

Wendi Seelin



Wendi Seelin, Acting Borough Clerk

March 4, 2024

Eric Kulmala



Mayor Eric Kulmala

Date Approved 4/30/24