

BUDGET MEETING OF THE MAYOR AND COUNCIL  
HELD AT THE  
MUNICIPAL COURT /COUNCIL CHAMBERS  
10 LAWLOR DRIVE, OAKLAND, NEW JERSEY  
TUESDAY APRIL 2, 2013

MEETING CALLED TO ORDER:

ROLL CALL: Mayor Schwager called the meeting to order and the Clerk called the roll. Present: Mayor Schwager, Councilmembers Coira, Jensen, Visconti. Absent: Councilmembers Marcalus, Pignatelli, Stagg. Also Present: Lisa M. Duncan, Borough Clerk; Richard Kunze, Borough Administrator; James Mangin, Chief Financial Officer.

SALUTE TO THE FLAG:

MOMENT OF SILENCE:

MEETING ANNOUNCEMENT: Mayor Schwager announced this meeting is being held in accordance with the Open Public Meetings Law duly announced and included in the schedule of regular meetings.

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EXCUSE ABSENCES

On motion of Councilman Visconti, seconded by Councilman Jensen, the absences of Councilmembers Marcalus and Stagg be excused.

ROLL CALL: Yeas, Councilmembers Coira, Jensen, Visconti.

FIRE DEPARTMENT BUDGET:

Councilman Visconti asked for a synopsis of the Fire Department budget. Fire Chief Warnet explained that the Fire Department is not increasing the budget. They looked at last year's expenditures and shifted money to different line items so as not to increase the budget this year. Last year, the bathrooms were renovated in Company #1 and starting a swiftwater training program. They are requesting money this year for further training. There will be an increase in certain items such as gear due to new members on the Department. Councilman Visconti asked about goals and objectives. Chief Warnet advised that the Department has plans to continue training at the Academy and in-house training by FDNY. Another goal is to keep equipment up to date and maintained. Councilman Visconti commented that he knows the Fire Department wants to be in compliance with NFPA and PEOSH. He commented that overall, the Fire Department's budget is flat.

Mayor Schwager thanked the Chief for being such a great Fire Department. When she meets with other Mayors, she hears about their lack of volunteers and feels we are lucky in Oakland to have a great group of volunteers. She asked if it is mandatory to replace the trucks after a certain amount of time. Chief Warnet advised it is a recommendation. According to the NFPA, first line vehicles should not be more than 20 years old. It is a recommendation to keep equipment up to date and provide safety for vehicles.

Councilman Visconti advised that the Fire Department requested the following in their Capital budget: new radios, gear, new hoses, pagers, swiftwater dry suits, a shed, backup generator and gear racks. The Fire Department is also requesting a pumper truck replacement as well as replacements for the Assistant Chief vehicles. Councilman Visconti asked if the life of those

vehicles could be extended. Chief Warnet advised that the Assistant Chief vehicles have 52,000 miles but they are hard miles. Those vehicles were not Emergency specification vehicles. The brakes get overheated. He explained that the Fire Department upgraded the electrical system. However, they need more heavy duty vehicles for the Assistant Chiefs.

Robert Knapp, ex-Fire Chief, advised that the Assistant Chief vehicles are constantly idling. They are ten-year old residential vehicles which are currently being overtaxed. They are not the right vehicles for the job.

Mr. Mangin questioned the pumper replacement. He asked when the Fire Department would be taking delivery of that truck in order to project cash flow needs. Chief Warnet advised that only minor changes need to be made to the specifications so they can work on that quickly. Mr. Mangin asked if delivery of the truck would be in 2013 or 2014. Chief Warnet responded it would be 2014. He explained that even the current engine that is being ordered will not be ready until 2014. Assistant Chief Hutsebaut explained that the vehicles are built from scratch once the manufacturer receives the order.

Chief Warnet thanked the Mayor and Council for the opportunity to come before them to discuss the Fire Department budget.

#### RECREATION COMMISSION:

Mike Guadagnino, Recreation Chairman, and Neil Malmud, Recreation Commmission Treasurer, were in attendance. Councilman Visconti commented that the Recreation Commission runs the children's and adult sports programs including summer and sports camps. Mr. Guadagnino explained that they also run the Recreation complex. Councilman Visconti advised that the Council recently adopted new fees for 2013. The fees are to cover costs plus a \$ 5 cap fee to put toward maintenance of the facility. Mr. Guadagnino explained he asked the Commissioners to come up with their bottom line numbers for the money coming in and money going out. Councilman Visconti explained that Recreation is pretty much self-funded. Mr. Guadagnino advised that the cap fee is used for emergency repairs not for big ticket items like the lighting. For example, the Trust fund was used to pay for the new lock system.

Councilman Visconti asked if there are any new programs that the Council should be aware of. Mr. Guadagnino responded that if the idea for the park at the Pleasureland property comes to fruition, it will include a skate park, a dog park, and a BMX bike park. The Mayor and Council just approved a new mountain bike program. Councilman Visconti asked about capital needs. He commented that the lighting project has been taking a couple of years. Mr. Kunze explained that the plan was to fund the lighting project over three years. This is year two. He is working on specifications. He explained we might do it in a two-year program. Mr. Gaudagnino asked if the original plan layout is being altered. Mr. Kunze responded he has not spoken with DPW about this yet.

Mr. Guadagnino mentioned the walking path that the Recreation Commission wishes to put in at the Recreation complex. The Sports Association raised \$30,000 towards that project. The Recreation Commission is looking to apply for County grants in August. He also explained that at this time of year, the trust fund builds so there will be money in the trust fund if needed to finish the project. Councilman Visconti advised that the field use fees were just updated. He commented that last year, Lori Dent was hired as an aide to the Recreation Commission and he understands she is doing a great job. Mr. Guadagnino explained she helped to get tennis badge money collected last year. Mr. Malmud explained that Lori is a big help with purchasing and working with the vendors. She is a big asset to the Commissioners.

Councilman Jensen commented that it is outstanding they are expanding the core athletic program. Mr. Malmud advised that the first year, we started with 42 kids. This year it increased to 62 because first graders were included. Next year, the Recreation Commission anticipates participation of 85 to 100 kids. There is an outside trainer for this program and he is running four sessions on Saturday this year instead of two that were run last year. The main idea of the program is to get kids active. Councilman Jensen commented that the golf program increased. Mr. Guadagnino responded there was another session added. Mr. Malmud advised that last year there were two sessions of tennis and this year there are three. That is the children's tennis program not adults. The summer sports program has increased as well. The Recreation Commission would like to expand the summer sports program to include baseball if possible. Mayor Schwager commented that it is remarkable to think that all these programs are run by volunteers.

Mr. Mangin commented that we missed the mark on revenue last year. This year we are estimating the same amount of revenue. He is concerned about summer camp. He suggested that they could meet now to go over issues. Mr. Guadagnino advised that he asked Mr. Malmud to be the Summer camp Commissioner because he knows numbers. Mr. Mangin commented he still cannot grasp when there is some type of payment plan and he cannot reconcile his figures. Mr. Guadagnino advised that some people only go for a few weeks and not the whole time. The fourth of July week is shorter so the fees for that week will be less than other weeks. Mr. Malmud advised that he just went over the deposit forms for summer camp. Mr. Guadagnino commented that it is also confusing when parents pay for several kids with one check. Mr. Malmud advised that the younger kids get charged the cap fee but not the older kids because they are offsite.

Mr. Mangin explained there is a problem when there are returned checks. If he doesn't get the money, he has to deduct it from revenue. Councilman Visconti commented that it is a problem and we need to come up with a policy. Mr. Malmud advised that in the past with basketball, he would follow up with people and get cash. In the future, he asked Mr. Mangin to notify him and he will get cash from those people. Mr. Mangin advised there are some repeat offenders. Mr. Guadagnino responded that some people cannot afford the fees and they are too embarrassed to say so. There has to be better communication. Councilman Visconti advised that it is not a matter of actually collecting the money but rather balancing the revenue. Mr. Mangin advised that it is not a large amount, \$231, but there are a lot of returned checks. He explained the difficulty of trying to reconcile the number of participants with the fees coming in. Mayor Schwager asked who contacts the people for the \$231 that is not collected. Mr. Mangin responded that is a problem and he deducts the money from revenue. Mr. Guadagnino commented that we need a policy. Mayor Schwager advised that it is not legal for someone to be writing bad checks. Mr. Malmud responded if he gets the names of the repeat offenders, he will get cash from them.

Mr. Malmud commented that the Recreation Commission appreciates the assistance they get from the Mayor and Council. Mayor Schwager thanked the Commissioners for all the work and time they put in.

#### OPENED FOR PUBLIC DISCUSSION:

On motion of Councilman Jensen, seconded by Councilwoman Coira, this portion of the meeting be opened for public discussion.

ROLL CALL: All yeas, Councilmembers Coira, Jensen, Visconti.

Frank Di Pentima, 6 Mountain Lakes Rd, commented that he had a question about the health care budget. He thought when we moved to the BMED, there was a cap of \$300,000 for claims runout. Looking at the data, the claims runout is almost \$600,000. Mr. Kunze explained that the BMED originally covered \$295,000 of claims that was actually outside of the runout period. Therefore, we had to pay back the BMED for those claims outside of the runout period. Mr. Di Pentima commented that he found it puzzling that the appropriation remained flat this year because the BMED is less expensive. The Borough is no longer self-funded and there is no more traditional plan. The retirees are supposed to be paying toward premiums. The health benefits trust is in good shape. He asked what the logic is to keep the appropriation flat because he feels the line item could be reduced anywhere from \$120,000 to \$220,000. Mr. Kunze responded that the Borough does not have the risk of being self-insured any longer except for vision. There were savings with the switch to the BMED and the new plan design as well as the increased employee contribution. The idea was that if we flat fund the health benefits line, there will be some years that we do not have to pass a 10% increase on to the taxpayers. He also spoke about building the reserve for the retirements that will be occurring in the near future. Councilman Visconti advised that we do have a retirement situation. When we have retirements of people whose benefits are fully-funded by the Borough, it is a financial burden on the Borough. With the expected increase in retirements, we are trying to offset the burden. He agreed the health benefits budget could be cut, though. Mr. Di Pentima advised that investors look at that health benefits number and it may cost the Borough on lower interest rates if the investors cannot see premium increases. Councilman Visconti explained that some of the labor contracts call for full payment of retiree health care benefits until the retiree reaches age 65. The Borough could be carrying that burden for about ten years for some retirees. If we have five retirements, we have to pay the health benefits for those retirees as well as the benefits for the new employees. Mr. Kunze advised that there were provisions made in the law for people with a certain number of years in the pension system. Payments for health benefits are delayed. The amount that retirees will pay is based on their pension bracket.

**CLOSED FOR PUBLIC DISCUSSION:**

On motion of Councilman Jensen, seconded by Councilwoman Coira, this portion of the meeting be closed to public discussion.

ROLL CALL: All yeas, Councilmembers Coira, Jensen, Visconti.

**MEETING ADJOURNED:**

On motion of Councilman Visconti, seconded by Councilman Jensen, the meeting be adjourned at 7:50 pm.

ROLL CALL: All yeas, Councilmembers Coira, Jensen, Visconti.

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Lisa M. Duncan, Borough Clerk  
April 24, 2013

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Mayor Linda H. Schwager

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Date Approved