

BUDGET MEETING OF THE MAYOR AND COUNCIL  
HELD AT THE  
MUNICIPAL COURT /COUNCIL CHAMBERS  
10 LAWLOR DRIVE, OAKLAND, NEW JERSEY  
SATURDAY MARCH 23, 2019

MEETING CALLED TO ORDER: By Mayor Schwager at 8:08 am.

ROLL CALL: Mayor Schwager called the meeting to order and the Clerk called the roll. Present: Mayor Schwager, Councilmembers Biale, Knapp, Kulmala, Levy, Pignatelli, Talamini. Absent: None. Also Present: Lisa M. Duncan, Borough Clerk; Richard Kunze, Borough Administrator; David Young, Chief Financial Officer; Michael Carelli, Assistant to the Administrator.

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.

---

Mr. Kunze gave an overview of the draft budget. The Current Fund budget is projected to be \$19,974,334.35 including the Library. This is a 2.2% increase over 2018. Appropriations are up 2.76%. The biggest increases are debt service, Police salaries and wages, Pension and Social Security. There is a reduction in the Reserve for Tax Appeals and Accumulated Absence Trust. The OE budget is up 2.4% with Solid Waste and the Health Services contract being the biggest increases. Salaries & Wages is up overall by 2%.

Mr. Kunze explained that surplus use is compliant with the Surplus policy adopted by the Mayor and Council. State Aid is flat. Local revenues were strong last year so we were able to anticipate extra. The overall tax increase in this draft budget is up 2.4%. This would result in an increase of \$68 on the average assessed home.

Discussion ensued over debt service. Mr. Young advised that in future debt service, there will be significant funding increases beginning in 2021. Mr. Kunze explained that this analysis is based on the assumption of future spending. They are still doing an analysis of how grants will affect these numbers. Councilman Kulmala asked if the Patriot's Way Bridge was calculated in the projections. Mr. Kunze responded that the amount that has been appropriated so far has been calculated but it does not take into account grants. The projections do not account for additional appropriations if needed. Mr. Young explained that the Departments have done a good job with their capital requests and finding other ways of funding. The Governing Body can decide not to do projects already authorized but this currently affects debts service through 2023. Mr. Kunze advised that we sometimes cancel capital authorizations at the end of the year. Mr. Young advised that we can look at getting more grants in the future.

They reviewed the analysis of revenue. Councilman Pignatelli questioned the spike in 2017. Mr. Kunze explained that the grants for the purchase of the property by Breakneck had to be anticipated in the budget but were offset by the grant. Councilman Pignatelli asked if we have

received all the grant money. Mr. Kunze responded we have received all but \$25,000. Discussion turned to fund balance. Mayor Schwager commented that it seems more surplus is being used this year. Mr. Kunze responded that it is within the guidelines of the surplus policy. He advised that we regenerated \$200,000 less in 2018 than 2017 so it is going to be watched going forward. Councilman Levy asked if we are reducing the amount of revenue to use as surplus in the future. Mr. Young explained that surplus is regenerated two ways-by bringing in more revenue and by not spending all appropriations. He advised if we use more surplus now, it will not regenerate and we won't have more in the future. Mr. Kunze advised that the amount of surplus being used to support the budget has been consistent with other years. Councilman Biale asked if there is a best practices for surplus. Mr. Kunze advised it varies but the Borough's policy is that the fund balance should be between 15 and 20%. It ensures that we have an adequate amount for our needs and do not use too much.

There were questions about the fund balance for water and sewer utility. Mr. Kunze advised that the water and sewer utility have their own surplus. He explained that we do utilize fund balance for the water and sewer utility. Councilman Kulmala commented that last year, the auditor stated the surplus had grown to a level that we need to spend down. Mr. Kunze responded that the Borough's surplus states that at the end of the budget year, the surplus should be no less than 15% and no more than 20%. We make sure it is not over 20% as per the policy. He advised that different auditors have different opinions on the matter.

Councilman Knapp stated that surplus was used last year to not have a big tax increase. That has created a bigger increase this year. Mr. Kunze advised if there had been an increase last year, this year's amount would have been more consistent. Mayor Schwager does not want the residents to get hit with a big tax increase this year. Mr. Kunze explained that last year the tax levy was flat but assessments were down so people had an increase. This year it is the reverse. The overall assessed value is up. Councilman Kulmala asked what the recommendation is for fund balance for the next 2 to 3 years. Mr. Young advised that the fund balance will be down but we will still need to use to help fund the budget or taxes will go up.

Mr. Kunze advised that the budget needs to be introduced March 27<sup>th</sup> to be compliant with the State requirements. We are introducing the cap bank ordinance as well. The public hearing will be held April 24<sup>th</sup> along with adoption unless there are amendments. Councilman Knapp advised that more time is needed to read through the budget. Councilman Kulmala advised it would have been nice to have the budget overview a week ago so that the Council could ask the Departments questions today. Mr. Kunze advised that introduction can be held off. However, it is a best practices question, we would have to answer no because we would not be compliant. Councilman Talamini asked when the Borough has not introduced the budget on time. Mr. Kunze could not think of a time. Councilman Talamini is comfortable introducing on March 27<sup>th</sup> and making adjustments. Councilman Kulmala and Councilman Biale concurred.

#### DPW:

Mayor Schwager complimented the DPW on plowing the streets and repairing potholes.

DPW Superintendent Anthony Marcucilli advised that there is a net reduction of \$3500 in the streets and roads budget. He advised that the line for street sweeping is reduced by \$ 5,000. However, he is requesting an additional \$ 1500 in Professional Development to ensure the "next" generation becomes licensed in water and wastewater. There are no changes to the stormwater budget. Councilman Biale questioned the impact of the new regulations. Mr. Marcucilli explained that the impact was felt years ago when the regulations first took effect. Now it has become part of the normal duties.

Mr. Marcucilli advised that the Garbage budget is increasing this year by \$10,000 due to the contract with the garbage hauler. The contract expires in December 2020. Councilman Talamini asked if it will increase again next year. Mr. Marcucilli advised it will increase but he does not have the figure. Mr. Marcucilli advised that Eugene MacMahon is retiring in October. He is the recycling coordinator with dual responsibilities with the compost facilities. He advised that discussions need to begin about hiring a replacement because Mr. MacMahon needs to train someone at the compost facility. He advised that the salary for the new hire will be lower than Mr. MacMahon's. Mr. Kunze advised that certification is required for the recycling coordinator. Councilman Kulmala asked if this can be a shared service. Mr. Kunze responded that we can have a shared service for the recycling coordinator but not the compost facility. He will have a discussion with neighboring towns.

Mr. Marcucilli advised that the snow budget will be fine to carry us through November and December. He explained that the Borough takes care of the County roads so we get reimbursed by the County. Councilman Biale commented that the brine has helped with the storms. Mr. Marcucilli responded that it has paid for itself. Mr. Marcucilli advised that there are no changes to Buildings and Grounds Maintenance O.E. There is a slight increase in Vehicle Maintenance due to the increased cost of tires. Some departments added vehicles so there are more vehicles that need tires.

Discussion turned to Capital. Mr. Marcucilli has requested two pick-up trucks to replace two 2001 Ford F-250's that have well over 100,000 miles and frame rot. Those trucks are not safe to be out on the road. Mr. Marcucilli is looking to replace a 1999 dump truck which has a drop in salt spreader. Councilman Pignatelli asked what is done to help the trucks from rotting. Mr. Marcucilli advised that the vehicles are washed after every storm. Mr. Marcucilli is requesting replacement of a 2001 landscape trailer which can't hold the weight of the mowers. The request for road repair is for next year's program. Councilman Kulmala asked if the roads took a beating this year because there are so many potholes. Mr. Marcucilli advised that the types of storms this year did do damage to the roads.

Mr. Kunze advised that also listed in Capital is a replacement air conditioner and a card reader system for DPW and Borough Hall. He is trying to figure out the annual amount to put aside for storm sewer repairs. There is an allocation for the Van Allen House and Stream House but there is a \$ 150,000 grant for the Van Allen House and the State grant money needs to be applied. Councilman Pignatelli asked if the grant money would replenish the Capital budget. Mr. Kunze responded that it would reduce the amount we need to borrow.

#### POLICE:

Captain Sanzari advised he will be recommending four promotions later in the year. The O.E. budget request is up \$6,700. The changes include \$ 1,000 for community outreach. An increase of \$ 6,600 in contracted services due to a new license fee for the ThinkGIS mapping software. Councilman Kulmala asked if that is a one-time fee. Captain Sanzari advised this is a combination of the license fee plus all increases in contracted services. There is an increase in uniforms for promotions and new hires. There is an increase in Equipment for active shooter first aid response kits. Medical services is up in order to cover testing for new employees as well as the new mandate to test officers. There is a reduction in electronic data processing and guns and ammunition. There is an increase in traffic safety because of the need to replace traffic vest and radar certification costs. Captain Sanzar advised that the Department is going to maintain accreditation to stay in compliance with new laws and policies from the County, State and Prosecutor. The Police Department will continue the community outreach program.

Councilman Levy commented that the budget is tight and asked if new hires can be put off to next year. Captain Sanzari explained he is trying to get a school resource officer for Valley Middle School so he needs enough manpower. Even though the school is going to fund the officer, they still need to replace the manpower. Mr. Kunze advised he provided a cost estimate to Dr. Coffaro for next school year so they are going to put that amount in their budget provided it is approved. Councilman Talamini asked if we need to hire an officer to meet the needs of the Department and another to be a school officer. Captain Sanzari would put a seasoned officer at the schools and a new officer for the Police Department. He doesn't want to put a squad to minimum in order to put an officer at the school. Councilman Kulmala asked about overtime and spoke of the differential in salaries with the new officers. Captain Sanzari advised the salaries are lower this year since the new officers came in with entry level salaries. Mr. Kunze advised that the overtime spent in 2018 is less than 2016 and 2017. Hopefully, this number will continue to decrease due to the hiring of per-diem dispatchers. He explained that the head count is up at the Police Department so it does have an effect on the budget.

Councilman Biale questioned the dispatcher situation. Captain Sanzari advised that changing to an 8-hour shift helped. He explained they are having problems finding viable per-diem dispatchers. They are in the process of training two more per-diem dispatchers. All have prior dispatch experience. Councilman Talamini asked if having a dedicated IT employee has been beneficial. Captain Sanzari advised that Mr. Dies played a critical role in the radio project. There are more projects for him to work on. He is an asset to the Police Department.

Discussion turned to Capital. Captain Sanzari spoke about renovations to the dispatch area. The area needs to be remodeled due to the new radio equipment. Mr. Dies advised that we have done a tremendous amount of work ourselves. Councilman Knapp asked if the desk is bulletproof. Captain Sanzari would need to look at the cost. Mayor Schwager spoke to Congressman Gottheimer who advised there is furniture available. Councilman Biale suggested looking into Homeland Security funding for desk area improvements to secure the dispatch area.

Captain Sanzari advised that he needs to replace two vehicles and outfit them. Councilman Levy asked how old the vehicles are that are being replaced. Captain Sanzari advised that vehicle #107 has 80,000 miles. He explained these vehicles are being used 24/7. Mayor Schwager asked if our cars have dash cams. Captain Sanzari responded that we do. Officer Docwra advised that the price for the vehicles does not include dash cams. It is \$ 50,000 for six cars and a server to maintain the videos.

Captain Sanzari is requesting funding to redo the computer network. He is requesting funding to upgrade the low band. Mr. Dies explained that Emergency Services needs to hear the Police. The equipment is 30 years old and needs to be upgraded. Councilman Kulmala stated that money was appropriated last year. He questioned what the \$11,000 is for. Mr. Dies responded it is for radio equipment. Officer Docwra responded it is for the desk and at Spear Street. The Police Department needs to replace the security camera server which is over five years old. They are requesting funding to replace the in-car video system. Councilman Kulmala asked how many units need to be replaced. Officer Docwra responded there are six plus the server. Captain Sanzari explained that two radar units that are seven years old need to be replaced. These are newer models. He explained they are trying to do an incremental replacement so it is not a large amount all at one time. Councilman Pignatelli asked who the radar training officer is. Captain Sanzari responded it is Sgt. Broek. Councilman Pignatelli wants to ensure he is actually training the officers and maintaining reports. Lt. Keenean advised that Sgt. Broek keeps copies of all training records and Lt. Keenean signs off on the final sheets.

Captain Sanzari wants to purchase two pedestrian crossing signs for the downtown because it brings attention to the drivers. It is good to have for liability purposes. Councilman Kulmala asked if the County would pay for them since it is on Route 202. Captain Sanzari responded that these are not required he would like them for extra safety. Councilman Knapp commented that the speed signs changed on Route 202 and he asked if our ordinance changed. Captain Sanzari advised that the County put up the signs. Mr. Kunze advised that Council had discussion about the issue after receiving a request from the DOT to change the speed limit but the Council did not enact the changes. Councilman Knapp thinks it is strange they put up the signs since they don't match the Borough's ordinance.

Captain Sanzari is requesting funding for two solar-powered crossing signs for Route 202 by Lawlor Drive. He is requesting supplemental funding for the Alcotest replacement. He is requesting funding for active shooter simulation equipment. Captain Sanzari explained that there are guns that shoot training projectiles. This takes training to the next level. Captain Sanzari is requesting funding for an automatic license plate reader. This will be added to an existing vehicle that doesn't have a reader. This is expensive technology but the Department uses it a lot. Captain Sanzari is looking to replace a paper shredder because they need to shred a lot of confidential documents. Mr. Kunze advised this is not a household shredder.

Councilman Knapp questioned why the Police Department requests were not all distributed so the Council could decide what they need. Mr. Kunze explained that most of the requests that were deferred were longer term building upgrades like the records room renovation. There is a lot this year that exceeded the Capital budget. What Mr. Kunze tried to do was to utilize the proposed funding in the capital improvement fund and capital outlay. Councilman Knapp thinks the Council should see everything the Departments are requesting. Councilman Talamini stated that it is the job of the Borough Administrator and CFO to review the Department's requests and make recommendations.

Councilman Kulmala asked how many cars are in the fleet. Captain Sanzari advised there are 16 vehicles. There are four to six primary vehicles, the detective bureau has three, some vehicles are secondary and some are used only in traffic details. Councilman Kulmala advised that if a vehicle needs to come out of service, we should auction it to get something for it. He asked how long it takes to get a new vehicle on the road. Captain Sanzari advised it took 30 days for each Tahoe to get on the road.

#### FIRE DEPARTMENT:

Chief Dies advised that in 2018, the Fire Department responded to 445 calls for 19735 volunteer hours. He advised that all junior members have become full members. He is going to make a push at the high schools to attract more junior members. Chief Dies advised he applied for two grants last year for a fire truck. Those grants will be finalized this year. He also did a Scott Pack grant. Chief Dies spoke of the problem with day time coverage. If there is a working fire, there needs to be a second call for mutual aid. He advised that other Fire Chiefs are dealing with the same dilemma. Assistant Chief Walker advised that they lost six members from Company 2 over the last year.

Chief Dies advised that there are no changes in the O.E. budget from last year. Discussion moved to Capital. Chief Dies advised that the mobile radios are not able to be repaired any longer and must be replaced. He is requesting funding to replace seven radios. Chief Dies is requesting funding to replace twelve Scott bottles. He explained that the Scott bottles must be replaced at fifteen years. He did put in a grant application so he is waiting to hear about the grant before

purchasing. Councilman Pignatelli asked how many bottles there are total. Chief Dies responded there are 105. There are two bottles required per pack and there are 50 packs. Councilman Levy asked if we can purchase the packs and just reimburse when we get the grant. Mr. Kunze explained the grant is for different packs and bottles than we currently have. Chief Dies explained that there are safety requirements on the packs. It is expensive but we have to replace all the packs on a truck at once.

Chief Dies is requesting to purchase twelve turn out gear replacements. The gear is good for ten years and includes the mask, helmet, boots and gloves. He advised that once the gear is ten years old, it is no longer good. Councilman Levy asked if the mask is part of the Scott Pack. Chief Dies responded it is but it is not purchased with the Scott pack.

There is funding for the Fire Truck in Capital. Chief Dies explained that the ladder truck is out of service more than it is in service. By April 1<sup>st</sup>, we will have the vendor and start the apparatus build process. Mayor Schwager asked the price of the truck. Chief Dies responded it will be \$ 1.2 million. He explained that we have joined the Houston Galveston Buying Consortium which will take some money off the price of the truck. Mr. Kunze advised that there is \$ 1 million already set aside. This year's allotment will give us \$1.2 million. If we get a grant, we can apply the money to future Fire Department vehicle purchases. Mayor Schwager asked if we could put away \$100,000 per year instead of \$ 200,000. Mr. Kunze responded that we would need to look at the vehicle replacement schedule. Councilman Talamini asked what is done when the ladder truck is out of service. Chief Dies advised that he calls Franklin Lakes or Wyckoff. Councilman Pignatelli asked if we can sell the truck. Chief Dies responded that we can and the current street value is \$ 100,000. Councilman Levy advised that we put in the grant application that we would donate the truck as an enticement. Councilman Talamini asked why we don't share a ladder truck if the mutual aid is working. Chief Dies explained that our ISO rating is based on the equipment we have. He explained that in 2000, the Borough hired someone to spec the apparatus and that is why the Fire Department has the apparatus it does. Councilman Pignatelli asked if the cost could be lowered but not getting options. Chief Dies responded that the pump is an option that is needed. They also need the option for a foam induction tank because of the accidents along the highway. Councilman Levy asked if Wyckoff and Franklin Lakes would stop doing mutual aid if we elected not to replace the ladder truck. Chief Dies responded that the ladder truck was down six months last year. He believes the County has a program to borrow a truck. Councilman Pignatelli asked if the ladder truck goes out all the time. Chief Dies advised that the ladder truck responds to every call. He explained that there is specialized equipment on the ladder truck that may be used even if the ladder is not used. Councilman Kulmala asked how we can get the ISO rating looked at based on today's standards. Chief Dies responded that we get audited every two years regarding the ISO rating.

Chief Dies is requesting funding for a backup generator at Company 2. He received a quotation from the company that did the Spear Street tank. Chief Dies is also requesting funding for a new floor in the hallway and meeting room in Company 1.

Mayor Schwager thanked the Fire Department for their service to the town.

#### LIBRARY:

Library Director Peter Havel explained that the Library still needs additional funding besides their 1/3 mil allocation. He explained that the Library needs the supplemental \$45,000 to continue to provide the services that the residents expect.

Mr. Havel explained that he is saving money by hiring more part-time personnel rather than full-time. He explained that gas and electric expenses are higher because this is the first year operating the entire building. He is not sure if the amount allocated in the budget request will be enough.

Mr. Havel explained that the 89% of the General Fund line is the fixed expense of running the building before any materials can be bought or services provided. He is just asking for the additional money to stay at the same level of service. Mayor Schwager asked what the New Friends of the Library give money for. Mr. Havel responded that they pay for programming that costs \$12,000 per year and for the museum passes. The Library pays for books and materials with the \$45,000 supplemental payment. He advised if the Library gives up Sunday hours, then that savings could be used for materials.

Councilman Pignatelli questioned the sewer smell in the Library. Mr. Havel explained that the septic pit is in the room with the HVAC system. The HVAC spreads the smell. Councilman Kulmala advised that we have worked with the contractor to mitigate the smell. Councilman Biale asked if there is anything that can be done to incorporate a nice smell in the HVAC system. Mr. Havel does not know if there is anything. Councilman Talamini asked if there was intake air coming from the outside. Mr. Havel advised that there are fresh air intakes that are automated. They weren't checked for 11 years and no one knew how to use them. Mr. Havel is now trained and is training other staff members. He is not sure the old units are working properly however. He spoke of building maintenance costs now that the entire Library building is open.

Councilman Levy asked Mr. Havel what was cut out of the Library budget. Mr. Havel explained that he has not reduced his request for \$45,000 supplemental funding because all other costs increased and he needs to continue offering services. If the Library does not receive the supplemental funding, they will have to cut hours and cut services and not buy new materials. Councilman Talamini asked if Oakland gets charged if a resident uses the BCCLS system. Mr. Havel responded that the Library gets billed each year for the use of BCCLS. This year's bill was \$37,000 compared to last year's bill of \$23,000. He explained that there is a new billing formula that takes into account population, 1/3 mil, building size and amount of materials. BCCLS is instituting a new in-house delivery system which will cost \$ 9,000 per member Library.

Mr. Havel stated that he understands this is a difficult year but his 1/3 mil budget is down and costs are up. He stated that the Library has been delivering better services each year. Councilman Knapp asked what percentage of residents use the Library. Mr. Havel responded that 60% of residents are card holders. He can't say how much those card holders use the Library. Some people use the space the Library offers even if they don't have a Library card. Mr. Havel advised that the Library's ability to serve the residents now includes offering meeting space.

Mr. Havel reiterated that it is costing 1/3 more this year to operate the building because it is a larger facility. Mr. Kunze advised that the Library 1/3 mil appropriation is down this year. He explained that the Library's budget is structured differently than other departments. Most of the OE budget costs for the Library wouldn't be in the other Department's OE budgets. For instance, utilities for other departments are charged to separate utility budgets.

Councilman Levy asked if Mr. Havel is reducing staff. Mr. Havel responded that he needed to give more hours to the custodian due to the size of the building. He advised that the Library Board is doing everything it can to be fiscally responsible. The decrease of the 1/3 mil appropriation was a shock. Mr. Kunze explained that the 1/3 mil is based on the average of the

last three years assessed value. Councilman Kulmala advised that the Library is a service organization. It is more of a community center now because it also offers meeting spaces.

Councilman Talamini commented that the Council will introduce the budget on Wednesday and look to make changes before adoption. Mr. Kunze suggested picking a date in early April to have a discussion on the changes to be made. The consensus was to meet on April 2<sup>nd</sup> at 7:00 pm.

MEETING ADJOURNED:

On motion of Councilman Pignatelli, seconded by Councilman Kulmala, the meeting be adjourned at 12:43 pm.

ROLL CALL: All yeas, Councilmembers Biale, Knapp, Kulmala, Levy, Pignatelli, Talamini.

---

Lisa M. Duncan, Borough Clerk

---

Mayor Linda H. Schwager

---

Date Approved