

BUDGET MEETING OF THE MAYOR AND COUNCIL  
HELD AT THE  
MUNICIPAL COURT /COUNCIL CHAMBERS  
10 LAWLOR DRIVE, OAKLAND, NEW JERSEY  
TUESDAY APRIL 2, 2019

MEETING CALLED TO ORDER: By Mayor Schwager at 7:03 pm.

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.

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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Mr. Kunze explained he was asked to come up with scenarios to reduce the tax levy increase. He presented two scenarios. Scenario #1 reduces the increase to 1.99% on the total levy. Scenario #2 reduces the increase to 1.75% on the total levy.

He advised that scenario #1 could be done without affecting operating departments. He spoke about cuts in appropriations from Health benefits and Police S &W. He spoke about an increase in interest on investments. Councilman Kulmala asked where the additional \$ 15,000 came from. Mr. Young advised it is interest from the bank. Councilman Knapp asked how interest can be adjusted. Mr. Kunze stated that the 2018 anticipated interest was \$ 40,000. That number has been historically low. The actual amount realized was \$194,000. So the amount for this year was increased. He explained that if that number repeats this year, it can be increased in the budget again next year. Mr. Young thinks it will be ok this year. However, he advised that we are spending more in Capital so we won't realize as much interest next year.

Councilman Knapp asked what the health benefits are for in scenario #1. Mr. Kunze responded that it is what is used to pay for health expenses for active employees and retirees including medical, dental, prescription, vision and retiree reimbursements. He advised he put a little extra in that budget to account for employees who got married or have a family.

Mr. Kunze explained that the scenario #2 adjustments are meant to get the increase down to 1.75%. There are cuts in various departments including Administration, General Services, Police O.E., Fire O.E., Streets and Roads O.E., Health O.E., Senior Center, O.E., Electricity, Street Lighting and the Library supplemental. Councilman Kulmala asked how street lighting is calculated. Mr. Kunze explained we pay a flat rate per light. He explained that we are paying the BPU rate for supply. He explained that the amount we pay each year differs. Councilman Kulmala asked if the BPU is setting the rate and if they set it each year. Mayor Schwager stated that someone should call Rockland Electric and get an answer.

Mr. Kunze advised that scenario #2 involves taking away \$ 5,000 from the Library's supplemental appropriation. This affects surplus anticipated. Mayor Schwager asked how much the Library's 1/3 mil appropriation is. Mr. Kunze responded that it is \$826,000. He gave background on why the supplemental appropriation was given. Councilman Kulmala advised that the Library Director has been cutting back by only hiring part-time personnel. The cost of the building has increased. The decrease will really hurt the Library. Councilman Pignatelli does not want to see the Library cut.

Councilman Biale asked how much a 1.75% tax increase will cost the average household. He responded \$ 49. Mayor Schwager felt that was reasonable. Councilman Pignatelli agreed with the 1.75%. Councilman Kulmala is ok with 1.75% but he does not want the Library to get cut \$5,000.

Councilman Knapp advised that former Councilman Frank DiPentima came up with scenario #3 which would get to the 1.75% without affecting departments like Police, Fire, Senior Center. Councilman Levy questioned if an services would be deprived by using scenarios #1 and #2. Mr. Kunze responded that the Seniors might have less money for refreshments. The consensus, except for Councilman Levy, was to go with 1.75%. Councilman Kulmala wants to see the library funding restored to \$ 45,000.

Motion:

On motion of Councilman Kulmala, seconded by Councilman Pignatelli, the Library supplemental appropriation be restored to \$45,000.

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

Councilman Talamini questioned what the impact would be to use scenario #3 without cutting the Library. Mr. Kunze responded it would be 1.8%. Councilman Knapp asked about leaving the Library appropriation at \$45,000 and cutting \$20,000 from Health benefits. Mr. Kunze advised that would be the second year reducing health benefits and we are running out of wiggle room in that line. Councilman Kulmala asked how much is in the Accumulated Absence trust. Mr. Kunze responded there is \$100,000 but he needs to do a detailed analysis.

Discussion ensued over which scenario to use. The suggestion was to use scenario #3, leave the Library appropriation at \$45,000 and take an extra \$ 10,000 out of health benefits. Councilman Levy asked how this affects in the long term. Mr. Kunze responded it does not have an effect for this year but we will need to talk about the future. There may be a time that the health benefits appropriation needs to be increased again. Councilman Pignatelli is not in favor of scenario #3 so he will vote no for introduction. Mr. Kunze spoke of surplus policy and the amount to use according to the policy. Councilman Kulmala commented on the amount of debt. Mr. Young advised he has been looking at decreasing debt.

MOVE TO EXECUTIVE SESSION:

On motion of Councilman Biale, seconded by Councilman Levy, the following resolution be introduced, adopted and duly passed on roll call vote:

WHEREAS, Section 8 of the Open Public Meetings Act, Chapter 231, P.L. 1975, (N.J.S.A. 10:4-12) permits the exclusion of the public from a meeting in certain circumstances; and

WHEREAS, this public body is of the opinion that such circumstances presently exist,

NOW THEREFORE BE IT RESOLVED, by the Mayor and Council of the Borough of Oakland, County of Bergen, State of New Jersey, as follows:

1. The public shall be excluded from discussion of action upon the hereinafter specified subject matter.
2. The general nature of the subject matter to be discussed is as follows:  
Cyber Security incident
3. The Mayor and Council shall release and disclose to the general public the discussion and actions taken on the subject matter of the above mentioned closed session once the Mayor and Council has arrived at a final decision on the specified subject matter.

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

Mr. Kunze updated the Council on the cyber security incident and protocol.

CLOSE EXECUTIVE SESSION:

On motion of Councilman Knapp, seconded by Councilman Talamini, the Executive Session be closed.

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

BUDGET MEETING RECONVENED:

On motion of Councilman Biale, seconded by Councilman Levy, the budget meeting be reconvened.

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

MEETING ADJOURNED:

On motion of Councilman Biale, seconded by Councilman Levy, the meeting be adjourned at 8:12 pm.

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

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Lisa M. Duncan, Borough Clerk

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Mayor Linda H. Schwager

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Date Approved