

Borough of Jamesburg
Special Council Meeting
January 25, 2006 - 6:00PM

CALL TO ORDER: Council President Jennings called the meeting to order and announced that the same is being held pursuant to the Open Public Meetings Act of 1974 and all provisions of the Act have been met. Any contracts awarded tonight or between tonight and the next meeting require the contractor to comply with N.J.S.A.10:5-31 et.seq. and N.J.A.C. 17:27. In the event of a fire and pursuant to the N.J. Uniform Fire Code, members of the audience were requested to take notice of the exits at the front and rear of the Council Chambers as well as in the main hallway.

FLAG SALUTE: Led by Council President Jennings

ROLL CALL: Those Present: Council President Kostbar
Council member Carpenter
Council member Jennings
Council member Longo
Council member Maloney
Denise Jawidzik, Business Administrator

Those Absent: Mayor LaMantia
Council member Morales

DISCUSSION:

The following presentation was given by Denise Jawidzik, Borough Finance Officer:

2006 Budget

This year's municipal budget is being introduced with an 18 cent increase. Most discretionary department Other Expense budgets have remained at the 2003 level, while some have been decreased. This does not account for Extraordinary Aid or any increase in Municipal Aid. These items will reduce the tax increase.

If we receive the same amount of Extraordinary Aid that we received in 2005, the tax increase will be reduced to 10.4 cents.

Appropriations without grants were \$4,362,115 in 2005 and are \$4,787,974.50 in 2006 – with a net increase of \$425,859.50. The largest increases are as follows:

* Capital Improvement Fund	\$110,000 see below
* Police Increase	100,500 standard increase
* Liability Insurance	27,000 moved from sewer budget
* Health Insurance	25,000 rate increase
* Trash Reimbursement	6,000 Mandatory
* Pension	57,593 Mandatory
* Library	18,997 Mandatory
* Gasoline	11,000 Economy
* Third Party Billing	20,409 Revenue Offset
* EDA Loan Paydown	39,272 Paydown Debt

The Capital Improvement Fund will finance \$150,000 for Underground Storage Tank Remediation mandated by the NJDEP. I have also included \$40,000 as half of the amount needed for the purchase of the DPW Backhoe. We will budget remaining \$40,000 in the 2007 budget.

Positive Outlook

The Borough has been aggressively paying down our outstanding debt. At the close of 2006, we will owe \$527,900. For a point of reference, in 1999, the Borough owed \$2,500,000. I expect to fully pay off in 2009.

**** Be advised that up until the date of Introduction of the Budget, revenues and appropriations will be adjusted by any new revenues from grants or other sources.**

Sheet 3b

We will have a CAP Bank this year to utilize in next years budget if necessary. It is extremely important to have a CAP Bank to use when the State keeps changing those items placed inside and outside CAP. This allows the Mayor and Council to make budgetary decisions instead of having the State dictate our budget.

Sheet 4

Increase in surplus generated by deferring the school tax. Although we deferred \$400,000 we only have an additional \$180,000 budgeted because we did not generate as much surplus in 2005. This is due to the fact that we have been reducing appropriations and increasing anticipated revenue over the last few years to keep the tax rate down. Even though we are reducing the appropriations, the cost of doing business has steadily increased thereby leaving less unexpended appropriations to lapse to surplus. When we increase the revenue anticipated we have less unanticipated revenue to turn over to surplus.

Our interest & costs on taxes revenue was short last year due to the aggressive collections resulting in more timely payments and less interest. We reached an all-time high percentage of collection at 98%. Last year was 97.77%. We hope to continue with that rate of collection this year and create more surplus.

Interest on investments has increased with the rising interest rates.

Sheet 5

Waiting for State figures. We will apply for Extraordinary Aid.

Sheet 7

The revenue generated from Helmetta Police Interlocal is less than we anticipated due to the fact that we must pay overtime to cover that shift if an officer takes time off. Payments from Helmetta were credited back to overtime at the time we spent it. However, we still realized \$27,000 in revenue that we never had before, from this agreement.

Sheet 8

Third Party Billing is based on prior year revenues, it has an offsetting appropriation.

Sheet 8

Fire Prevention – same as above

Sheets 12 – 28

See above comments regarding Appropriations.

Sheets 34 – 36

Due to the fact that we are not increasing the sewer rate and yet the costs continually rise, some appropriations from sewer have been moved to the current fund. See attached sheet for sewer rate survey.

Council discussed the need for sewer rehabilitation, which in turn, could reduce the infiltration that is causing higher surcharges from the Monroe Township Utilities Authority. Council member Maloney stated he would support an increase that was dedicated to sewer repairs as a precautionary measure. After further discussion, Council consensus was to increase the sewer rate, dedicating the funds realized by the increase for the purpose of sewer rehabilitation.

Council also discussed the mandatory increase to the library of 15%, which is set by statute. Under that law, the only way the Borough could eliminate said increase is to eliminate the library. At the current rate of increase, the library will soon cost the Borough more than refuse collection. Council agreed to pursue a change in this statute at the State level.

The Interlocal Agreement with Helmetta for third shift police coverage, as well as rising police costs, were also discussed. Council member Maloney suggested raising the charge to Helmetta consistent with inflation index costs.

Denise Jawidzik requested Council consensus regarding the budgeting for a new backhoe for the Department of Public Works. Council talked about the costs for renting equipment and also possible Interlocal agreements with other municipalities. General concurrence of Council was to split the costs of the backhoe between the 2006 and 2007 budget.

As there were no members of the public in attendance, no motion was made to open to public comment.

MOTION TO ADJOURN:

Proposed by: Longo

Seconded by: Kostbar

All In Favor: Carpenter, Jennings, Kostbar, Longo, Maloney.

Absent: Morales

TIME OF ADJOURNMENT:

6:47 pm