BOROUGH OF WATCHUNG MAYOR AND COUNCIL MINUTES SPECIAL BUDGET MEETING April 25, 2019 - 7:30 P.M.

OPENING STATEMENT: Mayor Keith S. Balla called the meeting to order at 7:30 PM and made the following statement: Under the provisions of N.J.S.A.10:4-6 et seq., notice of the time and place of this meeting was given by way of annual notice to the Courier News, Echoes Sentinel, and Star Ledger, and posted at Borough Hall.

SALUTE TO THE FLAG and MOMENT OF SILENCE FOR OUR SERVICE MEN AND WOMEN, SERVING HOME AND ABROAD.

ROLL CALL

Gibbs [P] Black [P] Nehls [P] Sopko [P] Goodloe [A] Eisenberg Knegten [P]

Also present were Administrator Tom Atkins; CFO Bill Hance; Clerk Michelle DeRocco; and Deputy Clerk MaryAnn Hance.

There were 3 members of the public present.

PUBLIC HEARING 2019 MUNICIPAL BUDGET

Councilman Sopko moved and read the following Resolution with a second by Council President Gibbs and upon roll call the vote was as follows: Gibbs, Black, Nehls, Sopko, Eisenberg Knegten, "aye."

R1:04/25/19SP Determining Budget to be Read by Title

Councilman Sopko moved a public hearing be held with a second by Council President Gibbs and upon roll the vote was as follows: Gibbs, Black, Nehls, Sopko, Eisenberg Knegten, "aye."

Discussion was open to the public.

With no one from the public wishing to be heard Councilman Sopko closed the public hearing and made the following statement.

As the Chair of the council Administration/Finance/Personnel Committee I move to approve the 2019 municipal budget in the amount of \$15,336,000. This budget presented many challenges but we are able to move forward without reducing any municipal services. Our public safety staffing levels in our Police Department will be continued which was a personal priority of mine and also of the Mayor and Council. Our capital improvement fund will have bonding capacity of roughly \$9 million which will be available as Capital Improvement budget decisions are finalized this year through funding ordinances. I am excited about moving forward on the library/community center opportunity as details become more readily available for decision making. Funding is there to do so once more specific determinations on this policy decision are made. The Council has also included an additional \$100,000 in the Capital Improvement Fund that will be earmarked for beautification improvements along roads entering Watchung and around our public buildings. I look forward to working with the Council, Public Works/Buildings and Grounds Committee, and T&B along with a few other Borough Committees to effectuate some of these beautification goals and priorities. Capital Improvement funding will also be available for roadway work. There are many roads to address so the Council Public Works Committee and professional staff will soon make their recommendations for implementation. Certainly, a lot will be accomplished. I was also pleased to find out that the Borough was awarded an NJDOT Trust Fund grant in the amount of \$322,000 which will be utilized this year. Major work was completed on High Tor in 2018 as we received \$496,000 in grant funds from NJDOT for this large project. We will always seek out grant funding to achieve some of our roadway improvement goals and objectives.

A final comment about the 2019 Municipal Budget ---our surplus (fund balance) is now at a level of over \$4 million which is viewed extremely favorably by the bond rating agencies like Standard and Poors (S&P). Another priority of this Council through the Administration/Finance/Personnel Committee has been to have our bond rating brought to the AAA level from our present rating of AA+ and we continue placing ourselves in a position to do that. This will translate into better interest rates when funds are borrowed for the capital improvement needs that we have. In closing I would like to thank Council President Rob Gibbs for all his work as former Chair of Admin/Finance and getting us to where we are now. His years of experience, input and guidance on the Admin/Finance Committee speaks to our current substantially stronger financial position in Watchung. The recommended budget presented by Borough Administrator Tom Atkins and CFO Bill Hance

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was sound and wise. They both have decades of experience with considerable knowledge that has always benefitted the Borough. My thanks to them and all of the appointed professional staff for their diligence in this regard.

Council President Gibbs congratulated Councilwoman Goodloe and her husband Jim on the birth of their child. He then commented that this budget is a 3.2% increase which includes both in and out of CAP, and an increase of \$134.00 for an averaged assessed home of \$714,000. This is a good budget and he said when residents ask for something, such as the library, this should be considered. He also agreed with Councilman Sopko that the Borough should continue to pursue the triple A rating. The Borough must continue to be competitive with the surrounding towns in a tax perspective. This budget helps maintain services and also additional services. Council President Gibbs congratulated the Admin/Finance Committee and the entire Administrative Professionals for help in getting this budget in place.

Councilman Nehls congratulated Councilwoman Goodloe on the birth of her child. He then thanked the Administration/Finance Committee, Administrator Tom Atkins, and CFO Mr. Hance for all their work. This is a good budget and he could not find anything he might have changed or cut out. He does believe the Borough must continue to look at taxes. Councilman Nehls also agrees the Boroughs' rating is important since the better your rating the lower interest rates will be and we need to look at this for the Bonding Agencies. He again thanked Bill Hance for the great job he has always done.

Councilwoman Eisenberg Knegten thanked the Admin/Finance Committee and Councilmen Gibbs and Sopko, Administrator Atkins, and CFO Bill Hance with their help explaining the budget process to her, Councilwoman Goodloe and Mayor Balla. She said she hopes to have this transparency carried forward to the public as well.

Councilman Black congratulated Councilwoman Goodloe on the birth of her daughter. He then suggested expanding the newsletter that goes out to include information about the budget for a better understanding of this really represents.

Mayor Balla also wished to congratulate Councilwoman Goodloe on the birth of her child and wishes the family much happiness and love. Mayor Balla then commended the Admin/Finance Committee for the great they did in putting this budget together. He said being an accountant he knows how hard to work with the numbers, there are many details to work with and evaluating what the Borough needs and weighing the desires and wants of the community and continue to be fiscally responsible. He commended the Administrator and Chief Financial Officer for being prudent and fiscally responsible with going through the entire budget and all the activities of the Borough.

Councilman Sopko moved the following resolution with a second by Council President Gibbs and upon roll call the vote was as follows: Gibbs, Black, Nehls, Sopko, Eisenberg Knegten, "aye."

R2:04/25/19SP Adoption of 2019 Municipal Budget

PUBLIC PORTION

Ray Barratt, Valley Road, asked about the grants the Borough received, around seven to eight hundred thousand and wanted to know how that compared to the last 3-4 years, asking if that is typical? Councilman Sopko said that figure was for the last two years. Councilman Nehls said it depends – there were several years that State did not award us any grants. He said last year was a great year because the Borough received the full grant request which took care of the entire High Tor project; this year we received a partial amount but still a good portion of the request. Mr. Barratt asked if we have any idea of the amount we might receive next year and both Mr. Atkins and Councilman Nehls said no we do not. Councilman Nehls said it depends on the project we apply for on the grant application. He said Mr. Herits does a great job by applying for as many grants as possible.

Mr. Barratt then asked if we know how we compare to our neighboring towns in regards to our ratings. Mr. Atkins responded that we are AA but we want the AAA rating. Mr. Barratt asked if any other towns are AAA and Mr. Atkins, and Council President Gibbs said Warren is. Councilman Nehls explained that Warren has it because of the potential for development. Watchung does not have the potential for development so we must look to other ways to get this rating. Council President Gibbs explained the rating agencies look for written policies on cash management, surplus percentage which have been put in place over the last few years. He said the target for the percent for surplus was 18% and we are at 21%. Mr. Barratt asked what the time frame would be for possibly attaining the triple A rating and both Mr. Atkins and Council President responded 12-24 months.

With no other public wishing to speak the public portion was closed.

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ADJOURNMENT

There being no further business to come before the Council the meeting was adjourned at 7:55 P.M. to the Call of the Chair and to the next scheduled Council meeting Thursday, May 2, 2019 at 7:30 P.M.

Respectfully Submitted,

MaryAnn Hance Deputy Clerk