

BOROUGH OF WATCHUNG

MINUTES

SPECIAL MEETING MARCH 21, 2019 BUDGET WORKSHOP

5:30 PM

MAYOR'S STATEMENT: Mayor Keith S. Balla called the meeting to order at 5:35 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 Special meeting was given by way of special notice to the Courier News, Echoes Sentinel, and Star Ledger, and posted at Borough Hall.

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

ROLL CALL

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

Also present were Administrator Tom Atkins, CFO Bill Hance, and Clerk Michelle DeRocco. Although not present at Roll Call, Councilwoman Goodloe arrived at 5:50 P.M. and Council President Gibbs arrived at 6:15 P.M.

There was one member of the Public present.

DISCUSSION

Proposed 2019 Municipal Budget

Administrator Atkins spoke in detail of the factors that went into putting this budget together, beginning with the Capital Fund and explaining that these projects usually kick-in around May, June & July as bond ordinances have to be adopted. These projects are the road resurfacing program, and possibly the re-dredging of Watchung Lake. He said this list consists of projects we'd like to do, or need to do, however this list does not 'bind' us to these projects at this time.

He explained that the budget covers salary increases for the union workers, of which we are bound to by contract (Police & Dispatchers), and the non-union employees will be reviewed before increases are implemented. He said the full complement to the Police Department consists of 30 members, and this was a policy decision made by the governing body years back. He said the Public Works Department is asking for an additional employee, as the workload always increases, never decreases. Mr. Atkins said he is still negotiating with the County of Somerset in regard to the Office of Emergency Management. He spoke about revenues, noting that with the redevelopment of the Sears properties, construction revenues were up, however, this is not something we can count on every year. He said the Municipal Court fines were slightly lower this year than was anticipated, and the State Aid was again certified at \$700,000.

He said surplus comes from 5 sources: unexpended balances (from 2017); amount of anticipated revenues over what you anticipate; miscellaneous revenue not anticipated (cable franchise fees, police extra duty); taxes; and delinquent taxes. He said the surplus was lower in 2018, and not as strong going into 2019, but the Borough will be fine. Councilman Gibbs said the surplus is \$3.6 million, and it was the Council's decision last year to adopt surplus policy as recommended by the bonding company, which ultimately helps our bond rating. Mr. Atkins added that our tax collection rate is 99.56%, which is outstanding.

Mayor Balla asked if we need to anticipate any increases for additional or future sewer costs, and Mr. Atkins responded that the town is almost entirely sewerred, with 95% of capacity going to PARSA (Plainfield Area Regional Sewerage Authority and treated at Middlesex County Sewerage Authority) and about 5% of the capacity being treated by Berkeley Heights, who has their own treatment plant.

Mr. Atkins said the value of an average house in Watchung is \$714,810. and the impact per household will be 3.2% or \$134.40.

Councilman Black asked about the current total debt amount which CFO Bill Hance responded that it is \$21 million, and in 2019 we will be about to retire about \$2 million of that.

The Council then asked questions in regard to specific line items, and Mr. Hance and Mr. Atkins responded.

Councilman Nehls said he has been discussing with Councilman Sopko and Council President Gibbs, the need to put together a beautification program, and said they are recommending that \$250,000. be taken from surplus over the next three years to be used specifically for projects such as street signs, improvements to Camp Endeavor, landscaping in front of Borough Hall and on Somerset Street, etc.

Councilwoman Goodloe said she attended a very good joint meeting of the Traffic & Beautification Committee, the Environmental Commission, and the Historical Committee on Monday evening, and much of this was discussed, particularly the Welcome to Watchung signs.

Mr. Hance explained the Cap Bank Ordinance that should be adopted before the budget is adopted, and said the State allows municipalities that adopt this Ordinance to establish a “cap bank” when the CO-LA (Cost of Living Allowance) is equal to or less than 2.5 percent. He said monies in this bank cannot be accessed until the following year.

Mr. Atkins reminded the governing body that the budget must be introduced before March 29th, and it was the consensus of the Council to instruct the Clerk to plan and advertise a “Special Meeting” on March 27th – for the purpose of introducing the budget.

Administration and Finance Chair Councilman Sopko said this is a great budget and thanked Mr. Atkins and Mr. Hance and said the staff should be commended. He said he is happy to hear home values are up, and this is a result of the work that has been done over the past 5 years.

RESOLUTIONS

None

PUBLIC PORTION

No one from the Public desired to be heard.

ADJOURNMENT

There being no further business to come before the Council, the meeting was adjourned to the Call of the Chair and to the next meeting scheduled on March 21, 2019 at 7:30 P.M.

Respectfully submitted,

Michelle DeRocco, RMC
Clerk