

BUDGET WORKSHOP MINUTES

March 20, 2018

A regular meeting of the Mayor and Council of the Borough of Bradley Beach was held in the Meeting Room, 701 Main Street, Bradley Beach, New Jersey on the above date.

CALL TO ORDER

Mayor Gary Engelstad opened the meeting with a salute to the flag.

Sunshine Law

The meeting has been noticed publicly according to the Open Public Meetings Act requirement for the “Annual Notice”, and posted on the official bulletin board.

ROLL CALL 6:00 pm

Present: Council: Bonnell, Goldfarb
Mayor Engelstad
Gerard Stankewicz, Municipal Auditor
Municipal Clerk/Administrator Kelly Barrett
Chief Financial Officer, Gail Krzyzczuk
Deputy Municipal Clerk Erica Kostyz

Mr. Stankewicz, Municipal Auditor provided an overview of the 2018 budget: the average residential unit in 2017 was valued at \$519K and using the tax rate of .57 was assessed \$2,960. annually. The borough is in a very unusual situation this year as revenue assumptions project a potential penny drop in taxes, however, the ratable base went up by 40 million raising the average residential unit assessment from \$519K to \$546K which will increase the average unit's taxes by \$110. The draft budget shows a drop in the amount to be raised by taxation which will keep the average residential unit's municipal taxes the same for 2018 as 2017. The borough's taxes will remain flat but we anticipate an increase in the county taxes. Mayor Engelstad commented that in order for the governing body to keep the municipal taxes flat would require use of a portion of the surplus and would still continue to maintain a healthy surplus.

Questions in reference to the 2018 budget:

Q. An increase from \$75K to \$100K in the “Utilization of Banked Time”?

Ms. Krzyzczuk responded that the line was increased as a cushion to accommodate for employees who are close to retirement.

Q. A decrease in the “Election” line from \$10K to \$8K?

Ms. Krzyzczuk responded that the line was decreased after speaking with the Clerk and she was comfortable with the line reduction.

Q. An increase from \$1,000. to \$2,500 in the “Auditor Miscellaneous” line?

Mr. Stankewicz responded that this is to cover the state requiring additional audits of construction and code.

Q. Why was there no money spent out of the Audit Financial Debt Statement line?

Mr. Stankewicz responded that the borough has not been billed as the audit is conducted in 2018 for 2017.

Q. Decrease in “Record Management Retention” line.

Ms. Barrett responded that the county offers storage of permanent documents after proper preparation of the documents.

Q. Increase from \$20K to \$30 K in the “Borough Engineer” line?

Ms. Krzyzczuk responded that the line was increased to cover the master plan revisions.

Q. Councilman Bonnell questioned what was billed against the “Other Professional Services” line?

Ms. Krzyzczuk responded that any and all professional services, architect, etc. may be charged against that line.

Q. Mayor Engelstad questioned the increase from \$50K to \$60K in police department “Overtime: line?

The Chief responded that a police officer has been called to active duty for approx. one year and to cover bail reform.

Q. Mayor Engelstad questioned the \$13,600K in the “Public Defender” line?

Ms. Krzyzczuk responded that line is to cover additional public defender services regarding bail reform.

Ms. Krzyzczuk stated that the Borough had a yearly savings of \$106,825.00 for in-house trash/recycling collection.

Q. Mayor Engelstad questioned the increase from \$35K to \$49K in “Building Maintenance” line?

Ms. Krzyzczuk responded that increase reflects replacement of the floor in the police department and improvements securing the front foyer of borough hall.

Q. Mayor Engelstad questioned the decrease of \$136K to \$44K in the “Capital Improvement” line?

Ms. Krzyzczuk responded that \$44K will cover down payments on future bonds. The \$136K in 2017 was a place holder for a bond payment due in 2018 for the refinanced bonds listed under “Payment of Bond Principal Refund 2015”.

Q. Mayor Engelstad questioned the decrease revenues in “Interest & Cost on Taxes” line from \$40K to \$34K.

Mr. Stankewicz stated that the outstanding taxes were higher than last years, the CFO tried to keep the revenue assumptions the same or lower using a 97% collection in this budget. It is not recommended to increase the plateau of collection because it is hard to go backwards.

Councilman Bonnell expressed concerns regarding the 2017 actuals not being current figures and requested more up to date figures. Ms. Krzyzczuk stated that the worksheets were run in November and the actuals reflect the date the sheets were created. The Edmunds system requires you to create a new spreadsheet every time you update figures.

Councilman Bonnell questioned if the borough had prepared a five year capital plan.

Ms. Krzyzczuk responded we started working on a ten year plan but have not entered all of the figures.

Sewer Budget:

Ms. Barrett stated that there is a serious issue with the sewer lines located on Brinley Avenue between Main Street and east of the railroad tracks which need immediate repair. The Borough Engineer has advised that the borough should budget for \$50K to replace the sewer pipes and laterals at Brinley Avenue. Mr. Stankewicz stated that a Capital Ordinance may be prepared to replace the sewer line on Brinley Avenue. He continued, the CFO may draw from Sewer Capital Find for Infrastructure Improvement and adopting the ordinance will alleviate the borough accruing any debt.

Ms. Barrett stated that the retired sewer pump station located on Ocean Park and Ocean Avenue has tested positive for lead paint. The borough plans on utilizing the structure for the Special Police Officers and janitor storage in the summer months. The lead abatement procedure and improvements to the building are estimated at \$27K.

Beach Budget:

Ms. Krzyzczuk stated that the beach budget has been reduced by \$44,500. Mr. Stankewicz stated that the borough has \$25K surplus remaining in the beach budget. He continued that this is not abnormal in the beach fund and we are locked in with revenue assumptions based on last years.

Ms. Barrett requested for consideration for an amendment to the Riley Park Improvement Bond to allow for the purchase of pavers in the amount of \$35K. The pavers will be installed by the DPW around the fountain, fire department bell and walkways leading to the center of the park.

PUBLIC COMMENT

William Psiuk, 110 Fifth Avenue, stated that it was his understanding that tourism was funded by the tourism fee in C/O's, and questioned why \$5K was budgeted in the tourism line. He had a question as to how much was collected and spent last year by tourism. Ms. Krzyzczuk responded that the \$5K is a cushion in the event tourism falls short in collections. The tourism collected \$52K and spent a total of \$61K in 2017.

Thomas Coan, 612 Third Avenue, expressed questions/concerns: the borough running into the same problem next year with assessments going up resulting in property tax increases, was lead paint present in the bathrooms at the beach front and the digitizing of the borough tax maps. Ms. Barrett commented that the bathrooms at the beachfront are free of lead. He questioned the separation of line items for the planning and zoning boards as there is one secretary. Ms. Krzyzczuk stated that the borough tax maps are digitized. Mr. Coan suggested that when a sub-division is approved by the planning board the applicant be responsible for the revisions on the tax map reflecting the sub-division. He suggested that the borough create a tree program to assist with trimming of the boroughs trees.

ON MOTION by Engelstad/Goldfarb to introduce the 2018 current fund budget at the meeting of March 27th.

ROLL CALL AYES: Goldfarb, Bonnell, Engelstad
NAYS: None
ABSENT: Weber, Goldfarb
ABSTAIN: None

ON MOTION by Engelstad/Goldfarb to introduce the 2018 sewer budget at the meeting of March 27th.

ROLL CALL AYES: Goldfarb, Bonnell, Engelstad
NAYS: None
ABSENT: Weber, Goldfarb
ABSTAIN: None

ON MOTION by Engelstad/Bonnell to introduce the 2018 beach budget at the meeting of March 27th.

ROLL CALL AYES: Goldfarb, Bonnell, Engelstad
NAYS: None
ABSENT: Weber, Goldfarb
ABSTAIN: None

ON MOTION by Engelstad/Goldfarb moved to adjourn

ADJOURN 7:30 PM

KELLY BARRETT
Municipal Clerk/Administrator

