

**BOROUGH OF INTERLAKEN
WORKSHOP MINUTES
MARCH 6, 2018
7:00 P.M. BOROUGH HALL**

The workshop meeting of the Borough of Interlaken was called to order at 7:07 p.m., by Mayor Nohilly. Sunshine Statement was read by Borough Clerk Reibrich. "The notice of the requirements of the Open Public Meetings Act has been satisfied by forwarding notice to the Coaster and Asbury Park Press. A copy of the notice is posted on the Borough bulletin board and is on file in the Borough Clerk's office."

Present: Mayor Nohilly, Council President White, Council members: Fama, Maloney, Watson

Absent: Councilman Butler

Late Arrival: Councilwoman Horowitz 7:22pm

Also Present: Borough Attorney Richard Shaklee, Borough CFO/Tax Collector Gallagher and Borough Clerk/Administrator Lori Reibrich

1. **2019 MUNICIPAL BUDGET DISCUSSION** – *Full Council Discussion: CFO Stephen Gallagher present*

Borough CFO/Tax Collector Gallagher stated that, as it was discussed at the Committee meeting for 2019, appropriations of \$2,474,586.47 are being proposed. The total budget is \$2,474,585.47. That compares with 2018 appropriations of \$2,394,161.00. This is about an \$80,424.00 increase over last year. Of course, the Borough has revenues to balance with the appropriations, so they are up \$80,424.00, as well.

CFO Gallagher stated that the tax levy from 2018 to 2019 is increasing by \$56,545.76. The \$56,545.76 is due to a couple of factors most being the debt service. For 2019 the principal payment for debt service is going to be \$1,140,015.00 and that is up from \$1,124,508.00 from 2018. The interest costs are higher, as well. It is \$177,818.00 versus \$162,043 from last year. Overall, the increase from last year is \$36,297, so \$36,297 of the \$56,000 is the increase in debt service.

CFO Gallagher stated that he talked about the subject of this increase last year. The Borough will have this increase in debt service, because some big projects have been done and now the Borough is starting to do the debt service on those. There was a 2017 bond ordinance for \$275,500. There were road improvements and some other special projects that were done. Some of which were also funded by DOT grants for the Borough road projects.

Borough CFO/Tax Collector Gallagher explained the inner workings of Bond Ordinances. This year the Borough will do a bond ordinance for 2019 projects then in 2020 the Borough will borrow against that bond ordinance. In 202, the money comes due and that is when the Borough starts paying on the bond. That is what happened. This explains the debt service increase to the Borough for this year. The Borough borrowed \$275,000 in 2017, this April the Borough is going to have to pay some of that down. That explains roughly \$36,000 of the \$56,000 increase.

CFO Gallagher explained his view regarding debt service. By law, the Borough is allowed to take out temporary finance or bond anticipation notes. The Borough can do that for a period of ten years. After ten years, if it is not paid off, then it must go to permanent financing, or the Borough has to raise it all on the budget. The Borough does not want to raise it all on the budget. The Borough takes advantage of the ten years. The CFO takes one tenth of that principal balance and pays the bond down each year, so that by the time it gets to the tenth year, it is fully paid off.

Borough CFO/Tax Collector Gallagher noted that the funding for the Police contract was the second most notable increase.

CFO Gallagher stated that the police services went from \$621,000 last year to \$646,000 this year. It is an increase of \$25,000.

Borough Clerk/Administrator Reibrich noted that Council has secured a 2% increase cap to the yearly contract for the Deal Police contract for the remainder of the contract through 2030.

Councilwoman Horowitz joined 7:22pm.

CFO Gallagher explained the two larger increase in appropriations as well as some adjustments to the construction and code officials' salaries. The department had been running on small stipends and the Committee recommended appropriate increases this year.

Mayor Nohilly noted that construction fees have not been raised in nine years.

Borough Clerk/Administrator Reibrich stated that the officials in the department now are quality employees, and she feels the department needs to be funded properly. Administrator Reibrich is currently interviewing for a new Zoning Officer with a need to figure out the dynamic of what type of hours can be provided within the budgeted salary.

Borough Clerk/Administrator Reibrich stated that the construction fees need to be increased. These fees have not been increased in nine years. The State wants municipalities to run the Construction Department costs to a close wash between the fees collected and the costs to run the department. The Borough's current fee schedule rates are well below all surrounding smaller towns. Any increases made to the Construction Department Budget will be offset by increasing the fees.

CFO Gallagher stated that the cost of the increase to the Construction Department will, in time, be covered by the increased fees that will be collected. However, for budgeting purposes, the State of New Jersey does not allow the Borough to anticipate more than has been received in fees the prior year. That means that the Borough will not see the fees catch up to the salaries until the 2020 budget.

CFO Gallagher stated that the budget increase \$56,000 increase translates to about \$12 a month to the average assessed homeowner.

CFO Gallagher acknowledged that there was a recent article in the Asbury Park Press stating that the Borough had a 15% increase. The municipal portion of the levy did not increase.

Mayor Nohilly stated that, apart from last year's 2.3% increase, the average municipal budget increase for the last several years has been .81%. The school tax levy went down dramatically from 2016 to 2017 then went back up in 2018. The total tax levy did go down 15% then go up 15%. A look at the detail shows that it was the school tax levy that went up. For any resident asking, Council can only speak to the municipal portion, which is the only thing Council controls. Council cannot speak for the County or the Board of Education.

CFO Gallagher noted that the Borough gets the pleasure of collecting the money for the County and the Board of Education and the pleasure of paying them 100% tax levy. One of the items in the budget is for uncollected taxes. The Borough does not always collect 100% of the taxes but still must pay the County and the school taxes. Therefore, there is this reserve so that the payment can still be paid.

Council President White stated that it is a small Borough and is operating at as minimally as possible. The Borough never has any major increase. One year there was a zero-budget increase.

Council President White noted that the new hire in DPW, replacing a retiring worker at a lower salary will be recognized next year. Borough Clerk/Administrator Reibrich noted that the insurance costs will be lower for the new employee as well. Borough CFO/Tax Collector Gallagher noted that State Health Benefits had a minimal increase this year.

Council President White noted that the Shade Tree Commission is budgeted for \$8,000, down from \$13,000 last year, which what the budget has been in the past. Councilman Fama noted that he spoke to Ms. Heinz, Shade Tree Commission Chair. An \$8,000 budget will cut back on the ability to cut trees.

Mayor Nohilly stated that the budget for the Shade Tree Commission was increased 130% and the commission ran out of budget. As a previous Chairman of that commission for a decade, Mayor Nohilly suggested that the Commission leaned too heavily on the planting side, which did not leave enough funding for maintenance. The increase that year was done for a specific reason. The mayor loves trees as much as everyone else, but Council must be frugal and pull back even though Council does support the Commission and everyone on it.

CFO Gallagher stated that an analysis of 2018 surplus shows \$161,000 in appropriations that were not spent in 2017 and that all went into surplus. There is currently \$113,000 that is left unexpended in the 2018, so the Borough already has about \$50,000 less in money that will go back to regenerating surplus in 2019. The Borough has not yet gotten the excess flows from TOSA yet, which is going to be another dollar amount against that 2018 budget. The Borough is looking at winding up some place near \$90,000 in appropriations or less, which is going to mean that there will be about \$70,000 less going to regenerating surplus. The budget is very lean and does not have a lot of fat in there. The Borough does not have any more wiggle room to cut.

Council President White stated that it is not a large increase compared to other municipalities. The residents will not only see the new beautiful street signs, they have seen the road projects that have been done. They are also seeing improvements being maintained in this town.

Mayor Nohilly asked Council if there is anything in the budget that was discussed as a possible reduction and noted that CFO Gallagher and Council President White/Chairman of Finance Committee did not see any other possible reductions. The increases have been very minimal over the years.

Councilwoman Maloney agreed that increases have been small and so is this year's budget.

Borough Clerk/Administrator noted that the taxes being paid now are lower than those being paid in 2014.

CFO Gallagher noted that this was the first year that the Borough was over the tax levy amount of 2010. It has been nine years that the Borough municipal tax levy has been under the 2010 tax levy.

Council President White noted that the Borough will always have debt service. There are some principal balances that are relatively small and will be paid off. The Borough has added a capital improvement project every year since 2011. In 2012 and 2013 these projects were extensive. There are only a couple of streets projects left. The streets have been done and it had been the same minimal or no tax increases. CFO Gallagher stated that the decision to go with the North/South streets that the DOT would give grants for was worth the increase.

Borough Clerk/Administrator Reibrich said the residents can see the continuous improvements to the infrastructure and beautification.

CFO Gallagher asked Council about a Capital plan to be included in the budget.

Councilman Watson stated that prior to his joining, Council decided to redo the Borough infrastructure. There are four streets left. Each year there is an application for a grant. Historically the grant requests funding for east to west streets with grants received every third to fourth year. The proposal was to not add too much to the debt service and to redo half of Scarba Street from Bendermere Avenue to Bridlemere Avenue. The curbs are eroded down to brick. The plan would be to do half in this year's budget and half in the following year.

Borough Clerk/Administrator Reibrich stated that DPW had no requests for capital project funding.

Council President White proposed hiring a web consultant. Council had a brief discussion regarding the current website, suggested changes and content.

CFO Gallagher stated that that service costs another place he works roughly \$6,000. Council discussed making changes to the current website, rather than adding the additional expense to the budget.

Borough CFO/Tax Collector Gallagher was pleased that there were not many Capital plan requirements and had the goal to keep the amount to \$175,000 until costs of some of the past items have been paid down.

Borough CFO/Tax Collector Gallagher stated that the capital portion of the budget will be prepared and the budget will be introduced at the March 20, 2019 meeting.

2. **NEW BUSINESS** – None

3. **PUBLIC COMMENT:** Mayor Nohilly noted opened the floor for public comment.

Janet Cassini-Pepe, 731 Raymere Avenue, voiced concerns regarding speeding within the Borough especially at Westra Street and Bridlemere Avenue along with Bendermere Avenue and asked that a crosswalk be installed at that intersection.

Ms. Cassini-Pepe also relayed an interaction with a Deal Police officer who Ms. Casini-Pepe felt was speeding and very rude.

Mayor Nohilly advised Ms. Cassini-Pepe that the Borough does not get involved in police business. Any time something that happens, it should be documented and brought to the police or brought to Borough Clerk/Administrator Reibrich, who speaks to the Chief of Police daily.

Mayor addressed Ms. Casini-Pepe's concerns regarding speeding throughout the Borough advising her that the Borough did speed studies over a period of time. The data time and time again shows that the cars are not going as fast as people think. There have been people who have said that cars are going 40 or 50mph and the data does not back that up. The speeding will continue to be monitored and action will be taken if the data shows there is a problem.

Councilman Watson noted that the last studies were done on Grassmere Avenue and Westra Street.

Councilman White stated that after the studies have been done the officer who conducts it has come to Council to relay the findings.

Borough Clerk/Administrator Reibrich stated that Grassmere Avenue at that intersection is a County road, maintained by the County. Borough Clerk/Administrator Reibrich will reach out to the County Engineer about the public comment made at this meeting.

Ms. Jody Heinz, 512 Bridlemere Avenue, stated that the Shade Tree Commission did a tree inventory. The arborist identified trees that were dangerous, some in need of pruning and some that are dying.

Ms. Heinz stated that that was three years ago. Several trees were taken down including many ash trees. There are still a couple being monitored. The arborist also provided a list of properties that had vacancies for trees between the curb and sidewalk. Those residents were contacted and asked to water the trees. At the time there was no response, but now there is a list of 12 people requesting trees.

Ms. Heinz knows Council wants to be prudent, but these are things that are going to be happening. Ms. Heinz also noted that there is also a need for some sort of newsletter and it is really expensive to send. Ms. Heinz suggested using social media to get the word out. Mayor Nohilly noted that the Borough will be doing a spring newsletter that the Shade Tree Commission will have a place for communication.

Mayor Nohilly noted that the content of the newsletter will be discussed on an April workshop. Departments should be contacted for content.

Ms. Heinz noted that instead of sidewalks being installed straight where the root is cut into, residents can have sidewalks to go around and gently slope which helps the trees. The State forestry is pushing for this. Mayor Nohilly noted that Borough ordinances dictate sidewalks. Councilman Fama proposed that the ordinance be revisited. Mayor Nohilly asked that Councilman Fama get together with the Shade Tree Committee to see if it makes sense to bring an ordinance change back to Council.

Ms. Heinz noted that there is an issue with visibility at the corner of Bridlemere Avenue and Westra Street, making the intersection dangerous. Ms. Heinz personally discussed the matter with the homeowner, who stated that they liked to be shielded from the road. Mayor Nohilly stated that a resident's property would not be discussed, but Borough Administrator Reibrich will follow up. There are ordinances in place protecting line of site and safety.

With no further public comment, Mayor Nohilly closed the floor.

4. **ADJOURNMENT:** With no further comments from the Governing Body, Councilwoman Horowitz made a motion to adjourn, seconded by Councilman Watson and unanimously carried.

	Mayor Nohilly	Council President White	Councilwoman Horowitz	Councilman Butler	Councilman Watson	Councilwoman Maloney	Councilman Fama
Motion to Approve			X				
Motion to Second					X		
Approved		X	X		X	X	X
Opposed							
Abstain/ Recuse							
Absent/ Excused				X			

Lori Reibrich, RMC
Borough Clerk/Administrator