

Work Session –Friday, 2/1/13

Present: Commissioners Frias, Wiley, Vargas and Mayor Roque
Absent: Commissioner Rodriguez
Also Present: Town Attorney Gilberto Garcia, Town Clerk Carmela Riccie, Town Administrator Joseph DeMarco, CFO Marge Cherone

The meeting commenced at 10:17 a.m.

Town Clerk Carmela Riccie made the following announcement:

As presiding officer of this meeting I do hereby certify that the requirements of the Open Public Meetings Act pertaining to this meeting scheduled to be held this: Friday, February 1, 2013 at 11:00 a.m. (10:00 a.m. Work Session) in the Court Chambers, Municipal Building have been satisfied by the delivery of the 48 hour notice to each of the newspapers circulating in the Town of West New York (The Jersey Journal and the Bergen Record); by posting in the Municipal Building on the Municipal Bulletin Board; and by filing with the Clerk of the Municipality with copies to all persons desiring the same.

Copies are available to the public in accordance with the law.

Note: Town Clerk Carmela Riccie read aloud the titles of all items on the agenda.

Item No. 4:

Communications:

4A. Presentation by Chief Financial Officer regarding the Preliminary 2013 Budget Process

CFO Cherone presented a handout regarding her presentation (see attached to end of these Minutes). CFO referred to page 1 (tax levy) and explained the four (4) scenarios. She explained the Current Fund Revenue Analysis and advised that last year the Town received \$1 million for Formula I but this year we are only receiving \$300,000. She further advised that there is no problem with state aid for 2013 as we met the Best Practice Requirements in 2012. We are anticipating increased payments in lieu of taxes for 2013. She explained that there is a \$2.6 million increase in levy and the contractual increase for police takes effect 1/1/13. There was also a reduction in debt service and we will have to pay more in bond anticipation notes principal. In June 2013, a balloon debt payment of \$7.5 million is due and we will have to have a bond sale before the end of May. She further advised that she and Town Administrator met with the third party health administrator to reduce costs of health insurance for retirees. The Insurance Broker is continuing to review ways to reduce that cost. She further advised that there will be retirements of high ranking police officers this year and that the amount of \$400,000 has been built into the budget together with \$900,000 for salary increases for the Police Dept. She explained that overtime has been reduced by hiring part-time employees to work the extra hours that a full time employee would work creating overtime. Comm. Wiley inquired "Are part-time employees in DPW working to mitigate overtime?" CFO explained that part-time employees do the overtime hours beyond the eight (8) hour shifts. Comm. Wiley commented that persons who operate the sweeper must possess qualifications under civil service rules to do so. He inquired as to whether the part-time employees have those credentials to operate the sweeper and stated that he does not agree that having part-timers will solve the overtime problem. CFO indicated that inasmuch as she is not involved with the scheduling, she has no opinion on that issue. Mayor Roque advised that the Town has seen a reduction in overtime in DPW during the holiday season as a result of scheduling by Comm. Vargas and Silvio Acosta and congratulated them for implementing same. CFO explained that full time employees receive one and a half times their hourly rate for overtime but that part time personnel receive flat hourly rate. Mayor Roque requested that Comm. Wiley meet with Comm. Vargas to share his experience and knowledge about scheduling DPW employees,

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etc. Comm. Wiley indicated that he has been ready and willing to do so but it has not materialized. CFO advised that due to Hurricane Sandy, the State has extended the time to introduce the budget to March 13th and that we can introduce our budget at the March 20th regular meeting. She commented that a lot of work still needs to be done prior to finalizing budget. Comm. Wiley recommended that the third party administrator researches larger groups to decrease costs. CFO advised that our third party administrator researched the State plan and other plans and our plan was less costly. Town Administrator DeMarco added that Horizon's plan is substantially less than Aetna, etc. and that the administrative charge from Horizon has been reduced by \$600,000-900,000. There is a current proposal that is a better plan than Horizon offers for 65 yr. old retirees. Mayor Roque added that we are saving substantial amounts of money with this third party administrator. Town Administrator explained that the Town does not use Horizon for all coverage for example; we use Express Scripts for prescription coverage as they give us better pricing. Comm. Wiley inquired as to whether the employees will be paying higher deductibles. Town Administrator advised that there might be a reduction but on July 1, 2013, employees' contribution toward health insurance will be higher. He further advised that the only change would be for the 65 yr. old retirees who will be in a different plan, which is secondary coverage to Medicare. CFO referred to "Proposed Items" on one of the pages of her Presentation and explained that we intend to do park improvements, repairs/renovations to Town Hall, etc. with the proposed Bond monies. She explained that there is a 5% down payment to get the projects started and 95% is borrowed. Comm. Frias inquired about to whom down payment is made and CFO explained the bond law to her. CFO advised that in order to introduce proposed Bond Ordinance at February 20th meeting, she will need specifics as to what roads are in need of repair, etc. She advised that it is her intention to eliminate temporary borrowing and roll everything into permanent debt to realize a savings in this year's budget. She explained that there are remaining balances (\$2.3 million total) in some existing bond ordinances which should be re-appropriated. Conversation ensued between Comm. Wiley, CFO and Town Administrator regarding bolded material on one of the pages of handout. CFO indicated that a Special Commission meeting may be required sometime in between the February 20th and March 20th regular meetings.

Item No. R-1:

Resolution – Re: Approving a Professional Services agreement for services of Bond Counsel:

Town Clerk Carmela Riccio advised that at the request of Town Attorney, this Resolution is being pulled from the agenda.

Item No. O-1:

Re-Introduction of Ordinance #2/13 An Ordinance amending Chapter 338 of the Code of the Town of West New York (Signs):

Town Clerk Carmela Riccio announced that this Ordinance is being introduced and will be returnable for hearing/final adoption on February 20, 2013.

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Public Portion:

1. Former Mayor Silverio Vega, 6600 Blvd. East, WNY:

Former Mayor commended the CFO on her presentation being “clear and professional”. He commented that he understands the difficulty with preparing a budget and that the governing body has to be very prudent with the surplus or it can create major problems for the governing body and the municipality the next year.

Meeting ended at 10:56 a.m.

Commissioner FiorD’ Aliza Frias

ABSENT

Commissioner Caridad Rodriguez

Commissioner Ruben Vargas

Commissioner Count J. Wiley

Mayor Felix E. Roque
Board of Commissioners

Attest: _____
Carmela Riccio, RMC Town Clerk