

**BOROUGH OF LAVALLETTE (minutes)**  
**BUDGET MEETING OF THE MAYOR AND COUNCIL**  
**LAVALLETTE MUNICIPAL BUILDING – COUNCIL CHAMBERS**  
**Wednesday, March 18, 2009 – 4:05 pm**

**CALL TO ORDER:** Mayor Walter LaCicero, presiding

**ROLL CALL:** Council Members Wenzel, Zalom, Stogdill and Filippone  
Councilman Horan and Lamb were not present

Also present: Christopher F. Parlow, Borough Administrator/Municipal Clerk  
Donnelly Amico, Deputy Municipal Clerk  
Michele Burk, Chief Financial Officer

**READING OF THE OPEN PUBLIC MEETINGS ACT STATEMENT:** Notice of this meeting complies with the Open Public Meetings Act. Public Notice was given to the Asbury Park Press and the Ocean Star. Notice was posted on the Municipal bulletin board and the Municipal Website.

Water Utility

Mr. Parlow explained the revenue side of the water utility. The anticipated revenue amounts are limited to what was collected in the prior year.

The rents collected in 2008 were \$707,452 and are anticipated to be \$700,000 in 2009. The current fund pays the water utility \$22,050 for fire hydrant service. The water surplus from the prior years is \$183,000 of which \$122,000 will be used to balance the 2009 budget, which will leave a total of \$63,000. Fortunately, there are surplus balances in the water utility fund, if not a rate increase would have been needed.

Councilman Lamb arrived at 4:12 pm.

Mayor LaCicero questioned if the surplus was built up from rates.

Michele Burk stated that it was from excess of anticipated revenue.

Mayor LaCicero questioned if the Borough was required to pay for the hydrant service.

Michele Burk stated that per our ordinance we are required to pay approximately \$250.00 per hydrant.

Mr. Parlow stated that the salaries and wages increased from \$235,000 last year to \$243,500 for 2009. The overtime in 2008 that was spent was \$30,815.67 and \$38,000 was budgeted. This year we are looking budget the same amount. The sewer overtime spent in 2008 was just over \$8,000 and \$8,200 was budgeted. Other expenses went from \$202,500 in 2008 to \$219,000 in

2009. The biggest increase is the cost of health benefits. \$25,000 is budget for meter purchases in the Capital Outlay section.

Mr. Parlow discussed the Debt Service Section of the Water Utility budget. He stated that the next two years will be difficult for the utility based on the level of debt service payment requirements but should drop off in years three and four.

Mayor LaCicero questioned whether we should anticipate a possible rate increase in the next year or so.

Mr. Parlow stated that we are going to have to monitor the next year. Next year is looking a little tight.

Mr. Parlow reported that the utility share of the PERS bill has increased from \$11,400 in 2008 to \$14,900 in 2009.

### Sewer Utility

Mr. Parlow reported that the sewer surplus is \$79,923.12 of which \$48,000 will be used to balance this budget.

Mr. Parlow reported that the operating budget is \$1,398,000 and the utility needs to raise \$100,000 to balance the budget. The will be raised by the sewer rate increase. He reported that the OCUA charges was the largest increase in costs for the utility. \$554,000 was budgeted in 2008 to and \$583,500 is needed in 2009. The Debt Service will see no relief in the next forty years mostly because of the overlapping debt associated with the USDA and the Wastewater Treatment Load Program. Unfortunately, there is no real way to save money with this utility. Hopefully, the infiltration study will help us out. Most of our infiltration problems come from laterals, sump pumps and the infiltration on the ocean blocks.

Mayor LaCicero questioned how much to survey the laterals again.

Mr. Parlow stated that that the cost of that project was between \$17,000 and \$20,000 and the USDA funded the project through grant funds.

Councilwoman Wenzel stated that she would look into surveying the laterals again.

### Electric Utility

Mr. Parlow stated that based on the results of the new managed purchasing contract approved last year the utility is in good position this year. The overall budget went from 3,200,000 last year to \$3,067,000 this year. The power purchased was \$2, 532,000 in 2008 to \$2,342,000 in 2009 which is a large decrease. The overtime spent was \$3,958.07 and of a budget of \$10,500.

Councilwoman Wenzel stated that we have been working a lot on that department. They have been maintaining their equipment and would prefer to do their job within their work hours and simply do not want the overtime.

She stated that she had a conversation with the Supervisor and he is very interested in installing the automated meter system and it will save us money in salaries and wages.

Mr. Parlow stated that has included the metering system with applying for the stimulus money. The Superintendent has also requested this in his Capital Items in the amount of \$250,000

Councilwoman Wenzel stated that the utility linemen have stated that they can do all of the work need to install the meters in house.

Mr. Parlow stated that we have been putting new meters in every time there is a new construction or a problem with a meter. He stated that an analysis is maintained that compares the energy purchased to the energy metered and has found no significant drop off in that ratio. He reported that there is an expected line loss in the system.

Mr. Parlow stated that some of the capital projects are improvements to Bond Avenue, an ordinance for improvements to boardwalk and an air conditioning unit for \$6,500 from buildings & grounds. The Beach Patrol has asked for a Public Address System. Mr. Parlow suggested that this item be place in the to be funded in future years section. The Fire Department has asked for a ventilation system due to the vehicles fume problems.

Michele Burk stated that she thinks that it is a mandatory situation that has just kept being put off.

Mayor LaCicero stated that he does not believe it is a mandatory situation and suggested maybe the county would like to help out with that being that they hold their nutrition program there.

Council President Zalom arrives at 4:45 pm.

Mr. Parlow stated that OSHA did an inspection of the premises in November and that was not on their list of hazards.

Council President Zalom stated that she will look into any grants that might help them out.

Mr. Parlow stated that the capital list for the Police consists of a fingerprint machine, a new CAD System, new police radios, new air conditioning for the police department and building renovations. The Borough has put in a request for funding of the police equipment through the Homeland Security stimulus monies.

Mr. Parlow stated that we are fewer news racks being placed on Grand Central Avenue. He suggested that the purchase of Borough owned news racks be put off for at least this year. He stated that there is no reason for the Borough to commit to the newsracks if there is no going to be enough newspaper vendors out there to purchase them.

Mr. Parlow stated that there was a request from the Superintendent to refurbish the water supply.

Councilwoman Wenzel stated that the Superintendent would like to eventually upgrade the Skada System. This is a computer system that tallies the water usage. The Borough has been told that this system can also be used to monitor alternative energy such as windmills. This might work out to all fit into one package.

Mr. Parlow stated that the electric department has requested a new bucket truck as well as the new meters with the ERT system. There is also a carry over project from last year for the purchase of solar powered street lights.

### Current Fund

Mr. Parlow went of the revenue section of the current fund budget. He stated that there are various types of revenues. The amount anticipated in this year's budget is limited to the amount received in 2008.

He stated that the surplus balance in 2007 was \$821,000 and \$460,000 of that was used to balance the 2008 budget and the balance in 2008 ended up at \$811,000, a difference of \$10,000.

Mayor LaCicero questioned what we are lapsing in 2008 for 2010?

Michele Burk stated that there is \$118,108 of unanticipated revenue that was surplus from 2008. We were able to cancel some salaries in Public Works so there is still \$82,000 waiting to be lapsed. The appropriation reserve is \$211,000 and the encumbrances are \$195,000, which leaves \$16,000 as unexpended.

Mr. Parlow stated that with the new ordinance increasing the fees we should have some surplus for next year to use.

Mayor LaCicero stated that if we possibly needed to use that money we could use some of it now.

Mr. Parlow stated that the State has reduced the Energy Receipt Tax by \$9,000. The League of Municipalities has reported that they are set to fight this reduction but no action has been taken thus far.

### Administration

Mr. Parlow stated that the Salaries and Wages allocations for certain members of the administrative office have been modified to charge the Construction Department Trust. There is no request for additional staffing requested and the overall budget for the Administrative Offices has decreased by \$4,420.

Mr. Parlow reported that the engineering budget has been reduced by \$18,000. This is due to the preparation of last year's IP for beach and dune maintenance.

Mr. Parlow stated that the salary allocation for the Planning Board Secretary has been moved to the Construction Trust so there were some Current Fund savings.

Mr. Parlow reported that the tax levy stands at 5.06% over last year's levy, which is 1% over the cap levy limit.

Mayor LaCicero suggested that we not do any adjustments today. He would like all Council Members to discuss possible areas of adjustments in their departments.

Mr. Parlow stated that all costs associated with the Construction Department are charged to the Construction Trust Fund.

The Fire Department has requested an increase of \$14,500 in their budget. There are basically no changes in Municipal Court. The recreation budget was decreased by \$4,000 to go towards the acquisition of the bus. The Beach Budget has to fund one additional week for the summer season this year but we have kept their budget flat as well.

Mr. Parlow stated that the Natural Gas rates have much doubled over the course of two year, so we need to increase that line item to \$15,000. The Police pension payment has gone from \$99,183 in 2008 to \$135,930 in 2009 so that is a big chunk in our budget. We do have the ability to defer the payment by 50% of the costs but he would not recommend it.

Mr. Parlow stated that PERS has increased from \$126,000 in 2008 to \$159,000. Mr. Parlow reported that this should be the last year of large increase. We have the new Interlocal with Seaside Park for website services and an Interlocal with Seaside Heights for their Senior Bus Services. Our grants have no affect on our budget; they are anticipated as revenue with an offset in appropriations.

Michele Burk stated that this year the budget must be reviewed and approved by the Department of Community Affairs so there is much more paperwork that needs to be submitted.

Mr. Parlow stated that the Reserve for Uncollected Taxes has increased due to the increase in delinquent taxes from 2008. We have also realized a greater amount as a revenue amount as collected from delinquent taxes.

Therefore, the total budget for 2009 is \$7,080.462, which is over \$400,000 greater than 2008.

Mayor LaCicero stated that the Council needs to go back to their department heads and see what adjustments can be made.

**ADJOURNMENT:**

A Motion was made by Councilman Stogdill to Adjourn the Meeting. The Motion was seconded by Councilwoman Wenzel. All were in Favor. The Motion passed. The Meeting was adjourned at 6:23 pm.

**CERTIFICATION**

I, Christopher F. Parlow, Municipal Clerk of the Borough of Lavallette, County of Ocean, State of New Jersey do hereby attest these to be a true copy of the minutes of the Regular Meeting of the Mayor and Council held on the **18<sup>th</sup>** day of **March 2009**.

---

**Christopher F. Parlow**  
**Municipal Clerk**