

Approved: 2/19/13

MINUTES OF THE BUDGET MEETING OF
THE TEANECK TOWNSHIP COUNCIL
HELD IN THE MUNICIPAL BUILDING CHAMBERS ON
THURSDAY, JANUARY 31, 2013

Mayor Hameeduddin called the Open Session meeting of the Teaneck Township Council to order at 7:10 p.m. and asked all those present to rise for the Pledge of Allegiance.

ROLL CALL

Present: C. Parker (arrived at 7:50 p.m.), C. Stern, DM. Gussen, C. Pruitt, C. Schwartz (arrived at 7:12 p.m.), Mayor Hameeduddin.

Absent: C. Katz.

Also Present: W. Broughton, Township Manager; J. Evelina, RMC, Township Clerk; I. Abbasi, Executive Assistant; C. Loschiavo, Senior Clerk.

MAYOR'S ANNOUNCEMENT

Adequate notice of this meeting has been provided by Resolution 283-12, setting the 2013 meeting dates, sending a copy to THE RECORD and THE JEWISH STANDARD, filing a copy in the Township Clerk's Office and posting it on the Municipal Building bulletin board, and the Mayor hereby directs that this statement be included in the minutes.

Mayor Hameeduddin advised the public of upcoming Council Meetings, upcoming emergency preparedness meetings and how to sign up for alerts.

MEETING OPEN TO THE PUBLIC FOR GOOD AND WELFARE OR PUBLIC INPUT ON
ANY MATTERS ON THIS AGENDA

Mayor Hameeduddin inquired whether any member of the Council had any comments prior to opening the meeting to any comments from the public.

No member of Council commented.

Mayor Hameeduddin declared that any members of the public wishing to be heard at this time shall come forward and state their names for the record. Comments shall be limited to five minutes per person.

Alan Sohn – referenced attorney's budget presentation of January 24, 2013; raised his issues with the four-day work week; and spoke about a union-contractual Memorandum of Agreement, minutes, results of his OPRA Request, energy billings and a Subcommittee Report.

Charles Powers – raised issues with the budget process, percentages of sewer assessments, the timeframe of the attorney's contract; and suggested a 6-year capital plan.

There being no further persons wishing to speak at this time (or the time limit of one hour having expired), Mayor Hameeduddin declared that the public comment portion of the meeting was now closed.

Mayor Hameeduddin inquired whether any member of the Council or the Manager wished to respond to the public comments.

Manager Broughton advised Council that there exists some inconsistencies with current Ordinances insofar as the budget process, and as a result, he has asked the Township Attorney to review same to make the necessary adjustments to allow for consistency with State law. With respect to the 6-year plan will be provided to Council shortly.

C. Stern questioned how long the Ordinances have been in effect regarding the budget process.

Manager Broughton responded that the Ordinances have been in effect for many years.

Approved: 2/19/13

BUDGET DISCUSSION

1. Presentation – Auditor

Manager Broughton advised that the Auditor and Risk Manager are present to answer any questions that Council may have and requested that they speak about State Aid.

Paul Garbarini advised that on or about February 26, 2013, the Governor will propose his fiscal-year budget and at that time, state aid numbers will be revealed. He advised that the introduction and adoption dates with respect to the budget have been revised.

Manager Broughton requested that the Auditor clarify the relationship between the Corrective Action Plan and the Debt Management Plan.

Auditor Garbarini advised the Corrective Action Plan relates to some Ordinances that contained deficits, and these Ordinances were included in the Debt Management Plan. The corrective action has been taken by the Chief Financial Officer and is an integral part of the Debt Management Plan.

Manager Broughton questioned the status of the offering statement for the Plan.

Auditor Garbarini advised that the offering statement has been initiated. He advised that a brief history of Teaneck is being conducted. Once completed, the document will go to Wall Street, bonds will be offered to be bid on by Wall Street, and this is how bonds are sold.

Manager Broughton questioned the types of interest rates seen by the Auditor in his offerings.

Auditor Garbarini advised the Township is within two percent.

Manager Broughton asked the Auditor to compare Teaneck to other municipalities insofar as their budget process.

Auditor Garbarini advised that the budget process starts in late November, meaning Department Head Meetings, and referred to Teaneck as being “right on target”.

C. Pruitt referenced Council’s concerns with respect to the 2011 Audit and questioned the Auditor with respect to time frames for conducting annual audits. He addressed his concerns about receiving confirmation that corrective actions are being taken and/or completed.

Auditor Garbarini advised that the 2012 audit review process has not yet started and confirmed that the 2011 audit was conducted by December 31, 2012. He advised that an unaudited Financial Statement will soon be crafted by him and the Chief Financial Officer. Soon thereafter, the audit review process for 2012 will commence.

Manager Broughton requested that the Auditor provide statutory dates surrounding the audit process.

Auditor Garbarini advised that audit field work must be completed by June 30th of the following year.

C. Stern questioned the due date for the Audit Report.

Auditor Garbarini advised that the Report must be dated June 30th.

C. Stern questioned whether or not costs for bonding are included in the bonding.

Auditor Garbarini responded that common practice is to include the legal, engineering and accounting costs at the time when the authorization of the Ordinance is given. No costs are being added to the Debt Management Plan, as those costs are already included in the Ordinances.

Mayor Hameeduddin questioned the Auditor if there would be any reason why the State would not approve the Township’s budget.

Approved: 2/19/13

Auditor Garbarini responded, “no”. He advised that every three years, the State puts more of an emphasis on examining budgets, and this is the year when that would occur. Also, Teaneck is one of the “eligible” municipalities, as the Township has met certain requirements for said rotation.

D.M. Gussen questioned what was required for the Township to become “eligible”.

Auditor Garbarini advised that eligibility is based on meeting certain requirements, ie. not having a cash-deficit in a prior year and having sufficient surplus – all good things to get on “the good list”.

D.M. Gussen questioned how many municipalities are eligible.

Auditor Garbarini advised that one can be eligible on a consistent basis, and in the event of not meeting one element of criteria, eligibility is lost.

D.M. Gussen questioned how long the Township has maintained eligibility.

Manager Broughton responded that even if a municipality is ineligible, this does not mean that their budget would not be approved, and Auditor Garbarini confirmed the accuracy of Manager Broughton’s statements.

D.M. Gussen clarified that he wanted to confirm that this Council and prior Councils have something to be proud of insofar as “minding the financial house”, and Auditor Garbarini agreed with D.M. Gussen’s statements.

Wayne Dietz, D&H Alternative Risk Solutions expressed pride of the insurance program that Teaneck currently uses. He explained that the term “risk management” was more than traditional insurance. He advised that D&H is an expert in Title 59 which provides immunity to officials, insurance placement, property evaluations, workers compensation and employment practices. He reported on the risk management services provided to the Township in 2012. He advised that D&H are experts serving in public entity insurance, serving over 100 clients. He further advised that when speaking to these groups, Teaneck is the example he references as to how it can be done, as Teaneck is a success story of good management coming together with good risk management. He stated that Teaneck is “the model plan”.

Paul Messerschmidt advised that he provides claim review services and actively works with and strategizes with management and the attorney. He advised that the cooperation and communication levels of the manager, the department heads and legal counsel is better now than it has ever been before. Although the Township has lower deductibles, it is still managing and controlling its own claims.

Mayor Hameeduddin referenced the increase of \$103,000 for this year, less the \$18,000 for coverage and asked the risk managers for clarification.

Mr. Dietz responded that their fees have not changed, and advised that they are not the insurance company. He advised that increases are as a result of additional coverage being purchased and the increases in the valuations of buildings and equipment. He advised that the balances were increased by the insurance companies themselves, not having anything to do with the Township or risk management but as a result of the insurance companies covering losses.

C. Pruitt requested clarification as to when insurance pays a claim.

Mr. Dietz responded that the Township carries a deductible of \$25,000 on claims of third-parties or employees. After the deductible is met, the insurance pays on the claim. In the past, the Township did not have this in place and was responsible for all costs.

C. Pruitt questioned who defends the Township in the event of claims.

Approved: 2/19/13

Mr. Dietz responded that the insurance company defends matters once the insurance begins to pay out monies; however, the Township's attorney will protect the Township throughout the life of the deductible.

C. Pruitt questioned if it would be better if the insurance company's lawyers handle these matters from the start.

Mr. Dietz advised that from the start of any claim, the insurance company is advised of same and serves as the supervisors while the process is ongoing. He also advised that during the deductible stage, the Township monies are utilized. As such, the Township Attorney handles the claim during the deductible period. He advised that when Township dollars are being spent, the Township Attorney should be handling those matters.

Mr. Dietz also advised that every year in August, they look at the pricing of insurance companies. He informed at this time, all companies are suffering as a result of the cost of increasing faster than could be predicted. He further informed that joint insurance funds deal with average costs; however, the quotes received this year were higher than normal, possibly as a result of the Township being above the curve. He also advised that when shopping for insurance, one of the key factors that they look at is the company's financial position. He advised of the primary insurance carrier and other types of insurance covered by other insurance companies.

C. Pruitt questioned if the Township gets into serious trouble what would happen if an insurance company would not cover the Township.

Mr. Dietz responded that their company does everything possible to avoid the Township from getting into serious trouble. He also added that insurance would always be available. He reported on proactive approaches used to avoid serious situations.

C. Pruitt questioned the costs associated with each insurance company while working with a broker and questioned if general coverage was provided directly to the Township if the costs of "the middle man" could be deducted.

Mr. Dietz advised that he did not know of any case where matters would be handled in that manner.

Mayor Hameeduddin explained what risk managers do as the "middle men".

C. Schwartz questioned the process when the Township was self-insured.

D.M. provided a brief history of the Township's experience when the Township was self insured and referred to same as a "loss experience".

2. Review – Library Budget

Michael McCue, Library Director advised that he met the Manager's mandate, and the budget was decreased by \$1,000, as the Township insures the outside of the Library, and the Library insures its contents. He reported on new software being utilized by all libraries and advised that same is causing implications and a working progress. He advised that changes to the website have caused confusion and resulted in higher call volume to provide individual assistance over the phone. He informed that there is a rise in e-book traffic, and this accounts for approximately one percent of their volume.

D.M. Gussen questioned the difference between e-books and library books.

Director McCue advised that e-books are forever, and libraries expect their materials returned. He also advised that there are ongoing negotiations with publishers and libraries regarding same. He spoke about the library having seen three generations of software and how he has taken measures to save the Township money by using other libraries as off-site storage facilities. He expressed that the Library evolves slowly but is always improving. He advised that their budget is always stable. He advised of other increases in the budget due to unforeseen circumstances, ie. being shut down due to software issues and the absence of employees.

Approved: 2/19/13

Mayor Hameeduddin questioned the costs associated with microfilming.

Director McCue advised that microfilming is no longer utilized, except for the Suburbanite. He also explained the reasons for rebinding costly books.

C. Stern commended Director McCue on a job well done.

3. Review – Council Budget

D.M. Gussen questioned if the Board of Education matches funding for Teaneck Comes Together.

Manager Broughton was not aware of any monies received from the Board of Education. Mayor Hameeduddin addressed the same question to C. Pruitt, and in response, C. Pruitt was not aware of any monies received. C. Parker expressed that she believed that the Board contributes funding.

C. Parker questioned if any funding was received for the website, and in response, Manager Broughton advised that the Township solely funds the website. C. Parker suggested that the Manager seek donations to assist with the funding of the website. Mayor Hameeduddin suggested the offering of advertisement in exchange for monies. Manager Broughton advised that he would have to consult with legal counsel prior to moving forward.

D.M. Gussen suggested that there are many opportunities to provide better service and at lower costs. He further suggested that the Township continue to research better methods. He will provide the Manager with the contact information for a professional for the purposes of ascertaining further options. Manager Broughton also suggested that data-driven assessments be conducted as to how each Department is operating.

4. Review – Township Manager's Budget

Mayor Hameeduddin questioned the costs for the software, and in response, Manager Broughton advised that these are two items for the Northern New Jersey Community Foundation. He advised that he has been collaborating with other municipalities to purchase solar panels and/or reducing energy costs. This money was in last year's budget, and at this stage, no expenses need to be paid.

Mayor Hameeduddin expressed that he was under the assumption that this project would be at no cost, and in response, Manager Broughton advised that monies would have to be available in advance. He explained that the money could be recovered; however, engineering and legal costs would have to be funded first.

C. Parker questioned if Teaneck Topics is no longer being funded, and in response, Manager Broughton advised that the Teaneck Times are now being used. C. Parker questioned the cost of sending each Teaneck Times, and in response, Manager Broughton advised that it costs five or six thousand dollars to mail approximately 12,000 copies. In response, C. Parker questioned if 2.5 Township-wide mailings could be sent out. He advised that there are remaining monies, as \$12,000 was budgeted and not all monies were used. C. Parker responded that Teaneck Topics was previously discussed, and it was the intention of the Council to resurrect the Teaneck Topics with mailings distributed on a quarterly basis. Manager Broughton advised that he was not aware that Council wished to do this, and as such, he did not reserve monies in the budget for same; however, at Council's direction, he would do so.

Council will further discuss Teaneck Topics at another time to ascertain the content and cost. Manager Broughton will price the item and report back to Council.

D.M. suggested a mail response card be sent to the public to reach residents, as many residents do not need a mailing. He further suggested that publication costs be decreased.

Mayor Hameeduddin suggested that the Fire Department and/or Community Policing circulate flyers in an effort to reach the residents. Mayor Hameeduddin explained that he and D.M. Gussen are suggesting that residents will not read the Teaneck Topics.

Approved: 2/19/13

Manager Broughton expressed that residents need to take some responsibility themselves and read the material.

C. Parker suggested that it be kept in mind that a reasonable person would not anticipate an emergency meeting notification to be inserted into another mailing from the Township.

C. Pruitt suggested using the suburbanite for insertions of notices.

C. Parker suggested that Council members are “all political beings” and spoke about reminder mailing for residents.

C. Pruitt spoke about emergency preparedness manual mailings, previously discussed, and Manager Broughton confirmed that these monies have been included in the budget.

5. Review – Township Clerk’s Budget

C. Stern mentioned that \$60,000 was removed from the Elections Budget and requested an explanation from Clerk Evelina.

Clerk Evelina advised that costs for elections have decreased for the year 2013, as no Municipal Election is scheduled for 2013, resulting in the savings.

C. Stern suggested that the Clerk leave half of that money in each year in an effort to flatten out the budget.

Manager Broughton advised that in that case, the funds could only be used as anticipated in surplus.

D.M. Gussen mentioned that anticipated budget items are included in the budget only if these items will be paid for during that year, CFO Brown confirmed this.

C. Parker referenced the monies reserved last year for the Clerk’s proposed software and mentioned that the monies were not spent. She requested a status.

Manager Broughton responded that he and the Clerk are in communication with the vendor and currently undergoing a free trial. He is again requesting these monies be included in the budget this year to allow for the purchase of tablets for the Council and to launch the software.

C. Parker expressed that when the software was presented last year, she did not support the software; however, she questioned why the software was not used in 2012.

Manager Broughton advised that the Clerk has been in communication with the vendor regarding various elements required for the software, and the Clerk will be administering training to each registered user. As the Clerk was handling more pressing matters, the launch is pending but was not the highest priority item for 2012.

C. Parker then supported the software, and suggested that the software should be a high-priority item, as she believes the utilization of same would assist the Clerk with allowing the public access to information quicker, such as, minutes.

D.M. Gussen questioned the timeline for the project, and in response, Manager Broughton advised that upon the 2013 Budget being adopted, tablets could then be purchased, and the Clerk would be able to move forward with launching the software.

C. Parker requested a status, as the project moves forward.

Mayor Hameeduddin questioned how long after the budget adoption would the project move forward, and in response, Manager Broughton advised that he is anticipating a month after adoption; however, the launch may happen sooner.

Approved: 2/19/13

7. Review – Various Budget Accounts

Mayor Hameeduddin questioned if Council is comfortable with moving forward with the Budget.

Manager Broughton advised that he distributed documentation in Council's packets for review.

D.M. Gussen requested a list of flagged items from discussions, and in response, Manager Broughton advised that he has notes taken and will distribute something to Council.

C. Parker questioned when budget minutes would be made available, and in response, Clerk Evelina advised that staff is actively working on the budget meeting minutes. Clerk Evelina offered to provide a report to Council after the meeting. D.M. Gussen requested a specific date. Clerk Evelina advised Council that the additional meetings from November, December and January has resulted in a heavier work load, and her Department is working as expeditiously as possible to deliver the minutes to Council. She reminded Council that minutes are to be submitted to Council within 10 days from meetings. D.M. Gussen suggested that the budget minutes be provided to Council first so as to provide a form of reference prior to the budget introduction.

D.M. Gussen requested the dates for introduction of the budget, and in response, the Manager advised that the Council will not be introducing the budget until March. He also advised that he planned to submit a summary of all discussed items to Council.

C. Pruitt expressed concern as no revenue items have been included.

D.M. Gussen responded that this is the nature of the beast, specifically, when revenue numbers come in, modifications are made.

C. Stern questioned when Council can expect a tax rate number on the municipal side.

Manager Broughton deferred to CFO Brown.

CFO Brown advised that she will need approximately three weeks to issue information which she is currently compiling. She advised that she is experiencing delays as a result of the prior system which has resulted in a significant amount of issues. She also explained that she has a million priorities and acknowledged that the budget is the most important matter. She thanked Council for their patience during the process.

Manager Broughton responded that CFO Brown will concentrate on this data during the month of February.

Mayor Hameeduddin requested the budget minutes from Clerk Evelina by February 11, 2013, and the Clerk assured that she will deliver same by February 11, 2013, as requested by Council.

ADJOURNMENT

On a motion made, seconded and unanimously carried, the meeting was adjourned at 8:36 p.m.