

Work Session
Mayor and Council
May 12, 2011

A Work Session of the Mayor and Council was called to order at 7:40 p.m. by Mayor Barra who announced that the requirements of the Open Public Meetings Act were met by the required postings and notice to publications.

The following individuals answered roll call: Council members Bernstein, LaMonica, Strauch, White, Wilczynski and Mayor Barra. Mr. Schoepflin was absent. Mrs. McCarthy and Mr. Bole were also present.

Public Comments

Mr. John Dreyer of 6 Butternut Road said he was present to discuss the condition of the Crestwood Park playground. He said the playground is embarrassing and it is unfortunate that mostly private dollars have been used to rebuild it. When he moved to Allendale the playground was fantastic but now it has deteriorated and has caution signs and blockades around it. Many of his friends with children in the same age bracket are going to other towns to use their playgrounds. Crestwood is one of the major draws for families to move to Allendale. Mr. Dreyer said something should be done for the playground immediately.

Mr. Barra said the Council agreed with Mr. Dreyer and the situation at the playground has not gone unnoticed.

Mrs. Wilczynski said there are insurance regulations concerning the mulch at the playground which should be taken care of through a grant that Allendale will be receiving. It was noted in the master plan that Allendale does not have enough facilities for children who are two years of age and under, and that issue will be addressed. The current playground structure will be taken down and replaced.

Mr. Dreyer said asked if it would be profitable to have a group come in and make recommendations about how to proceed with making the playground area more appealing. He then asked how the money that was raised by Crestwood memberships is being used. Mr. Barra said it is put into general revenue.

Mrs. White explained that there are special regulations with regard to the use of Municipal money. Any revenue left over at the end of the calendar year is put into surplus and sometimes that surplus can be used for capital expenses.

Mr. Barra also noted that the figure mentioned regarding lake proceeds doesn't include the amount of money that is spent for the labor needed to maintain the lake.

Mr. Dreyer reiterated that he is interested in seeing improvements to the playground at Crestwood.

Mr. Barra responded that this year alone, approximately sixty to seventy thousand dollars is being spent on the Lake. The Council recognizes that the playground was previously improved in 2003 and it was thought those changes would last longer than they did.

Mr. Dreyer said the lake is Allendale's prime asset and keeping it in good shape is very important. There was further discussion about the condition of the tennis courts and how to repair them.

Mr. Barra asked Mr. Dreyer to get a group of people together who are interested in assessing the condition of the tennis courts and come up with viable options for how to correct the problems associated with them. The group can then discuss their findings with the Facilities Committee and go forward with their ideas.

Administration

Mr. Charles Ferraioli, Municipal Accountant, was present to discuss the budget which was being adopted this evening.

Mr. Ferraioli said this year's municipal budget offers a zero percent increase in the tax rate.

Mr. Barra commented that Allendale's CFO, Mrs. Mayer, had a lot to do with the outcome of the budget.

Mr. Ferraioli said the total net debt as of December 31, 2010 was \$14,434,652. In order to determine Allendale's percentage of debt, the total net debt must be divided by Allendale's average equalized value of the past three years. Those figures are:

2008	\$1,880,396,837
2009	\$1,815,809,338
2010	\$1,738,341,030
Average	\$1,811,515,735

Under New Jersey law, the net debt of \$14,434,652 is divided by \$1,811,515,735 and the resulting figure is 0.80% which means the net debt outstanding is less than last year and is under one percent. He hopes to see the debt reach 0.50%. The remaining borrowing capacity of the Borough is \$48,000,000.

Next Mr. Ferraioli then noted the Library line item is \$580,428 and it is a statutory item. The amount for Municipal Open Space is \$65,764.

Mr. Ferraioli has one other town with a zero percent municipal tax increase out of the fifty towns he works with.

Credit items were then reviewed. These items were the result of collecting more revenue than anticipated in 2010. The balance of the 2009 budget that wasn't spent brought \$329,653.38 into surplus. For the year, \$1,047,583.59 was generated in surplus. Surplus at the end of 2010 is

\$147,000 higher than last year. This gives the Borough more cash and also more dollars available for emergencies and future budgets. Most importantly it allows us to start building up a surplus in order to keep a higher credit rating.

Mr. Ferraioli said Allendale is under the CAP by \$881,456.59. The Borough is \$168,363 under the Governor's 2% CAP.

The tax levy points were kept the same as last year and that was able to be accomplished by using less from revenue from surplus than last year.

State aid stayed the same as last year and construction code fees increased.

The budget to be adopted this year is in the amount of \$12,257,505.08 and last year it was \$12,320,209.20. This year the budget is \$62,704 lower than last year or .5 of 1%.

Mr. Barra thanked Mrs. Mayer, Ms. LaMonica, Mrs. White and the Department Heads for all working together to stop deficit spending. The Borough is doing what has to be done to live in this fiscal environment.

On a motion from Mrs. White, seconded by Ms. LaMonica, the Council voted unanimously to adjourn to Regular Session.

Respectfully submitted,

Gwen McCarthy
Municipal Clerk