

**BUDGET MEETING 10-15-18**

**434 Route 10**

**Present:**

**ACTION MEASURES:**

- Contact Silvio for tax / ratable information and get it over to Bill Schroeder.
- Give Mr. Schroeder our 'wish list' budget and tell him we also need to buy a new vehicle in there.

---

A Special meeting of the Board of Fire Commissioners of Fire District No. 2, Township of Hanover, was called to order by Chairman Shearer at 7:00 pm on the above date at the Whippany Firehouse at 434 Route 10, Whippany, New Jersey.

Commissioners Present: Woytas, Polo, Shearer, Kraley, Kitchell

ABSENT: None

Also Present: Chief Cortright & Bill Schroeder from Nisovaccia

Objective was to review the 2018 budget and set up the preliminary 2019 budget.

At this time the Chairman read the following:

Pursuant to statute made and provided, let the minutes show that notice of this meeting was transmitted to the following newspaper; the Daily Record, and filed with the Clerk of the Township of Hanover and the Clerk of this board at least 48 hours prior to the call to order of this meeting.

\*\*\*\*\*

Mr. Schroeder said that we can go up the 2% cap over the tax dollars. Then we decide how much fund balance to use.

He checked the State website and we have no unused cap levy left. Also, the State's budget information says we were at \$1,385,521 and our information shows \$1, 344, 963.

(Vince had made an adjustment but it doesn't look like the State ever received it)

We put back all of the capital reserve we used except \$24,000. So that was good.

So we can go up approximately \$27,500 over the tax dollars.

The budget gap is a big nut to make up.

Bill explained that usually the wish list goes to the auditor and he will work with it and then we decide how much fund balance to use.

He works with many districts and said that we are good – because we only work with what we have.

Melissa Ford at the State is the one who helped pull our numbers up. He wanted to see how we got to those numbers. They were provided at the last pages of the adopted budget.

Derrick said that we based our referendum on the hiring of 2 new people on January 1<sup>st</sup> but we actually didn't hire them till September.

Randy said that we might have to do another referendum this year too.

Derrick – In order to maintain those 2 people, we may have to do it again.

Schroeder – We were balancing our budget using only \$60,000 so we should be OK. We used \$67,678 to balance but didn't use the whole thing.

We only used \$24,000 of fund balance.

He said that in our General fund Balance we have \$178,000 and in our Capital Fund, we have \$309,000. But that money can go quickly if we buy a new truck or something like that.

The board then informed Mr. Schroeder that we were indeed, about to sign a Lease / Purchase agreement for a new apparatus. We are going in front of the Local finance Board in December.

Schroeder – That may be tricky. We have to make sure we put enough away for the payments.

Derrick – We're going to finance now.

Schroeder – The lease / purchase payments are OUTSIDE the tax levy calculation. The public's approval of that question is added to their taxes. It's in the budget, but not counted in the cap.

Randy – Before the end of this year, we will decide how much to put down.

We thought the referendum was to prepare us for 2 new hires and also looking ahead to our loan payment for the truck.

Schroeder - The referendum was to go over 2% for the regular operating expenses. In 2017 we were at 1.1 million. In 2018, you are at 1.385. Now you have a higher base.

You can go over \$1,385,000 plus \$27,500 plus debt service.

The town has to pay but they could vote it down if it's too high.

Capital Reserve - We put \$100,000 in there.

Bill mentioned that he needs our debt service information and the 2019 wish list. It should be fine as long as the budget doesn't go up more than 2-3%.

Mike Mihalko mentioned that we also need money for the new truck as well as moving expenses for the new building.

The new building was explained to Mr. Schroeder.

Derrick said we have to move things like the exhaust system, and outfit other items for our use.

Schroeder – said it would be a separate question and a separate capital ballot, or we absorb it into our budget. The well isn't endless.

Chief – we need to replace a car too.

Schroeder – If you can do it in the 2%, no problem. The separate question gets you outside the 2% cap and the voters get their say.

You can go with last year's number plus \$27,500 over that. Last year you used \$68,000 of the fund balance. Did you replenish that??

Expenses are going to go up too.

Give him the wish list and our numbers and he can turn it around in about 3 days.

He needs the NVT – Net Valuation Taxables from the municipality and the CNC3 form. That gave us an extra \$1300 last year.

The State should implement a fast budget system soon. It will have the same rules. 2% on taxes only.

If you don't go up the 2%, you strangle your base.

Dates:

Introduce budget at November meeting.

December – 2<sup>nd</sup> reading of budget

February – Election

Lease / Purchase

We need to establish the lease / purchase amount. We should get the bids in by the end of the week. We need Local Finance Board approval by the end of THIS YEAR.

As far as the monthly payments on the new truck, we pay after delivery. Will probably be Fall of 2019.

The State will ask the Local finance Board approval information.

That's outside the levy cap.

Bids are due Thursday so we should have the numbers soon.

We also need expenses for the new building.

Schroeder said you can't do transfers in later. You have to live with what you budgeted. That limits you in maneuverability so leave the budget high.

Schroeder said he would put the lease/purchase payments in for the whole year and not even put it in the budget numbers.

Randy – We need the number. Based on how much we put down, say its 5 or 7 years and we put \$150k down / \$67,000 per year. If we start the clock on Jan. 1<sup>st</sup> 2019, when the lease runs out, can we take that money to use somewhere else? We3 get it from Joe taxpayer.

Mike Mihalko – Is there an ending date? If it spills into year 6, do you put it in that year also? The State wants s to see the whole year. Even if it goes into 6 years, they may not split hairs.

Derrick – You can't change line items. We set aside \$75,000 and Oh yeah, we spent it somewhere else. That's not good.

Mihalko – Let's say it's a 5 year note. Can we hit it for 75 per year?

Polo – We would know what it costs. This is what the note is. Is it a 5 year or in months? We have to break it down by year and nail down the correct amount.

We need to spell out the exact amount for each year.

Mihalko – And still keep hitting another 100,

Derrick – That gives us leeway for a new vehicle.

Mike – It's a smaller gun to our head knowing the lease payment is outside the cap.

Mike said they were talking at the town meetings and the 2% is set to sunset. A new law would continue it. For now, we have to deal with it.

---

At this time, a line by line budget discussion took place.

Changes made:

**Increases:**

Fire Chief / Official	79,000	to	81,370
Fire Inspectors	377,000	to	388,310
Overtime / Stipend	33,500	to	36,320
Employee Benefits	270,000	to	280,000
Purchase of Assets	60,000	to	77,000
Insurance premiums	108,000	to	134,200
Membership Dues	5,000	to	5,500
Oper. Materials / Suplies	55,000	to	60,000
Utilities	35,000	to	40,000

**Decreases:**

Maintenance / repairs	44,021	to	44,000
-----------------------	--------	----	--------

Budget would go from

\$1,344,863.00	\$1,425,042.00
----------------	----------------

Let's give this to Schroeder and see what he can do. Also mentioning the need for a new vehicle and moving costs. The new budget would be \$80,179 over last year. The cap allows us \$27,000. We'd be \$53,179 over that. Do we have to vote this year to spend next year on the new vehicle?

We also have to start working on another truck in a few years also. Stick to that schedule of replacement every couple of years. There will be money in the budget for a lease that we won't need till the end of the year.

Mike Mihalko - Send this all to Bill and ask him:  
Do we take \$71,000 out of our savings?

Do we run a special election?

Tell him this is a bare bones budget.

If we're nowhere close – and we have to go out for a vote then we ramp the numbers up. It would be another referendum.

We would add to the existing numbers – 2 Hurst tools instead of 1 - Three Fans, not 2. If we have to do it, hit it.

Mike thinks the Salary number is really tight. He thinks it should be \$5000 more.

Referendum – It would be \$42,000 to rent office trailer for the year and Chief thinks we would need 2. The new vehicle and outfitting our operational costs. We could operate the offices out of the bays until the building is done – and save the costs of the trailers.

Those cubes can be picked up and moved.

It could come out of Capital outlays but that was for the truck.

Mike will follow up with Silvio and get the tax information requested.

---

On Another note: County attorney Jessup is not getting back to Braslow. Mike will talk to Giorgio and see what he can do.

Meeting adjourned at 9:30

Respectfully submitted:

Janet Gant-Hammond / Board Secretary