

**MAY 13, 2010**

Mayor Cooperhouse called the meeting to order at 7:02PM and read the Presiding Officer's Statement. Present were Council Members Burden, DeNofa, Dodge, Keegan, Menapace and Murphy. Also present were Borough Administrator Thomas Seaman and Borough Attorney Martin Barger.

**Salute to Flag**

Mayor Cooperhouse led the Salute to the Flag.

Mayor Cooperhouse explained the purpose of the workshop meeting. It is specifically set up for the Council to discuss the proposed 2010 Budget as a whole for the first time. He stated the Council would allow the public to ask any questions they had at that time, but it was not a hearing. He indicated that Council was hoping to introduce the budget on Monday and hold a public hearing at the end of June.

Councilman Murphy addressed the public and advised that Council was proposing a 3 cent tax increase for the municipal portion. He recognized that these are tough times economically and over the past two years revenue has been down. With the loss of state aid and low interest rates the Borough is losing \$317,000 this year. In addition the Borough also has a revenue shortfall of \$180,000 and a surplus shortfall of \$600,000. Mr. Murphy advised the Council that the Financial Committee was again proposing a deferred school tax to help the current situation. The committee was also able to cut \$231,000 through various line items and freezing capital improvement projects for the second year in a row, with a few exceptions. Exceptions have a life expectancy of 10+ years and/or are ongoing projects that are already funded. Murphy informed the public that the Borough was able to save money by joining the State Insurance Plan and out sourcing recycling collection which will be a savings of \$330,000 over the next three years. The major increases this year have been pensions, social security, and unemployment insurance which is hard to control. He reassured the public that the Borough is doing what they can to ease the tax burden on the residents. Councilman Murphy stated the current budget is \$6,272,737 with a 3 cent increase even through the document says 3.1 cents. Mr. Seaman informed the Council that they had found an additional savings of \$4,600 which brought the tax rate down to three cents.

Councilman Menapace inquired if the Borough had the projected tax figures from the Shrewsbury Borough School. To which Mr. Seaman responded that he anticipates that the Red Bank Regional budget will be fine with the current changes which would result in a 3 cent increase and the Shrewsbury Borough School has a 2.6 cents increase which overall will be about 10 cents.

Mayor Cooperhouse stated that this was the second year that the Borough has deferred the school tax and that Council was reassured by the Borough Engineer that the capital improvement projects that are being put on hold are not an emergency at this time. Mr. Seaman responded that there was some question concerning minor repairs on Patterson Avenue, but deferred the work until after the K. Hovnanian project due to the wear it will place on the road. He cautioned that the road may need work earlier if it becomes an emergency. Councilman Murphy stated Council should not lose sight

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that there is a list of capital improvement projects that have been postponed already and need attention. He questioned why this road is more important than other projects already placed on hold. Councilman Menapace stated that the 120 yards East of Shrewsbury Avenue is in pretty bad shape and the repair estimate is around \$20,000 just to make the road more drivable. Major repair work will be needed in the future with possible funding from K. Hovnanian. Mayor Cooperhouse pointed out that K. Hovnanian has not yet been approved by the Planning Board.

Mayor Cooperhouse stated that the Finance Committee has met with various departments numerous times and asked Council if there was anything that the departments believed that they would need before the end of 2010. Mr. Seaman noted that the Borough cut most budgets by 20% and that the Department of Public Works was fine with their budget. The Mayor informed Council that the Police Department had planned on purchasing two new cars but will not be buying any now. Councilmen Burden commented that Council had to put more money in the repair fund for the Police Department as a result. Councilmen Keegan informed the Council that the Recreation Committee is for the most part a self funded budget, but they reduced their budget by more than 20% without raising fees. Councilmen Burden stated that the Shade Tree and Environmental commissions are okay with the budget. Councilman DeNofa stated that the First Aid was fine with their budget.

Mayor Cooperhouse asked the Finance Committee if it was a unanimous decision to bring the budget to the council for approval. The Committee members stated that they agreed to present to the Council tonight. Mr. Seaman informed the Council that they can introduce the budget it presently is on Monday and make an amendment before it is adopted if the Borough finds other ways to cut costs.

### **Open Meeting to the Public**

A motion was made by Councilman Murphy, seconded by Councilman Menapace to open the meeting to the public.

Carol Clark, 203 Garden Road requested the Mayor and Council realize that the residents of Shrewsbury have been hit hard by the recession. She inquired if the Council had polled the residents for their opinion on what expenses they would like to see cut from the budget. Ms. Clark offered some suggestions including closing borough hall once a week and/or a wage freeze for non-union employees. She stated that she has a problem with Borough employees receiving a check to opt out of the health insurance coverage and would like to see employees contribute to their benefits. Ms. Clark recommended that Little Silver should agree to participate in a shared service for a wash station before the Borough pays the engineer to come up with plans. She asked for the Borough to look for other ways to reduce the tax burden for the public.

Mayor Cooperhouse informed Ms. Clark that non-union employees will not get raises this year. Councilman Murphy stated that according to the state mandate that as of May 21<sup>st</sup> all employees not under contract have to contribute 1.5% to healthcare and that the Borough will be enforcing this as of June 1<sup>st</sup>. He stated that a few Borough employees already contribute and that the mandate can not be enforced on union employees until after their contract expires.

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Councilman Murphy informed Ms. Clark that they are doing everything they can to reduce the tax burden on the residents. Mayor Cooperhouse reinsured Ms. Clark that the Council has done everything that it could to get the public's involvement short of going door to door.

Ms. Clark stated that an extra \$500 in taxes would be very rough on the Borough's residents and asked for a 0% increase of taxes. She again suggested shutting down the Borough for a day to reduce taxes and asked to Mayor and Council to rethink their decision.

Paul Kimmins, 130 Elm Lane asked if the total of 10 cents is a normal yearly increase for taxes.

Mr. Seaman responded that 10 cents is the average, sometimes it is more others times a little less.

Mr. Kimmins asked if the Borough was working on shared services with other municipalities.

Mayor Cooperhouse stated that they were taking every opportunity they can to enter into shared service agreements and that the Borough just entered into an agreement with Eatontown for brush disposal. He stated that the Borough has gotten burned in the past on shared service agreements. Mayor Cooperhouse noted that the Borough was currently working with Monmouth County on collective purchasing.

#### **Close Meeting to the Public**

A motion was made by Councilman Murphy, seconded by Councilman Menapace to close the meeting to the public. The Motion was approved by roll call vote with all members present voting yes.

Mayor Cooperhouse advised the public that the Budget would be introduced on Monday night.

#### **ADJOURNED TO EXECUTIVE SESSION**

A motion was made by Councilman Menopace, seconded by Councilman DeNofa, to enter into executive session at 7:38PM. The motion was approved by roll call vote with all members present voting yes.

#### **RESOLUTION #2010-46 (Executive Session)**

Mayor Cooperhouse read Resolution #2010-46 to enter into executive session.

#### **Reconvene Regular Meeting**

Mayor Cooperhouse reconvened the public meeting at 9:15PM. Present were Councilmembers Burden, DeNofa, Dodge, Menapace, and Murphy. Also present were Borough Administrator Thomas Seaman and Borough Attorney Martin Barger.

#### **ADJOURNMENT**

A motion was made by Councilman Burden, seconded by Councilman Menapace, to adjourn at 9:17PM. The motion was approved by roll call vote with all members present voting yes.

**BOROUGH OF SHREWSBURY  
MUNICIPAL CENTER  
MAYOR AND COUNCIL  
BUDGET WORKSHOP MEETING**

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Attest: \_\_\_\_\_  
Bonnie Brookes, Deputy Municipal Clerk

Approve: \_\_\_\_\_  
Terel Cooperhouse, Mayor