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FINANCE AND CAPITAL PROJECTS COMMITTEE REGULAR COMMITTEE MEETING MEETING MINUTES

Thursday, September 23, 2021 - 10:00 AM
Virtual Webex Meeting

Call to Order and Roll Call

Trustee Hartshorn Hilton, Chair
Trustee Haskins
Trustee Zuckerman
Adam Loehner, Village Administrator
Ellen Malgieri, Tax Assessor
Irma Weir, Tax Collector- **Absent**
Chris Battaglia, Village CFO- **Absent**
Greg Bock, Village Treasurer- **Absent**
Howard Levison, Water Administrator
Joycelyn White, Recording Secretary

Approval of Minutes

Regular meeting held on June 17, 2021

All members present approved the regular meeting minutes held on June 17, 2021.

Public Comments

Chair opens the meeting for public comment.

Edmore Moore, South Orange Resident, asked how the approved capital budget and projects (such as the West Montrose Road project) would be affected by Tropical Storm Ida. Also, Mr. Moore asked if the village has a "rainy day" fund? In response to Mr. Moore, Mr. Loehner stated all the roads on the road repair list are being reevaluated due to the Village Engineer transition, as well as incorporating the storm damage. This will cause a change in the capital budget. As of now, all other projects will be moving forward. The Village does have a "rainy day" fund. The correct term is called the general surplus in the budget. Mr. Loehner further explained that our general surplus is extremely low for South Orange's size and is currently working on growing it.



New Business

Tropical Storm Ida Update

Mr. Loehner detailed the magnitude of damage the village sustained during the storm. The estimated total of damage is 6.8 million. Mostly factored into the total are roads and infrastructure. Village Engineer, Mr. Battaglia went out with a team of people to survey the damage within the neighborhoods. In the meantime, The Department of Public Works helped residents leave their homes due to not being able to get out of their driveways. DPW was able to bridge a gap in the road to make it drivable. The village will have to do emergency work on certain road systems and potentially do a bigger spring repaving. Mr. Loehner stated the DPW facility sustained extreme damage. The lower garage took in 5ft of water and the upper garage took in 2ft of water. The department reviewed their vehicle list and were able to move the majority of their equipment. However, DPW lost lot of equipment ,four trucks and the entire mechanic's shop (with supplies). Mr. Loehner and the DPW Director have been in contact with other towns to gather additional supplies and Enterprise to replace the damaged vehicles. Due to different chemicals and pesticides, the DPW site is hazardous. The administrator and the DPW director are currently working with DEP. The main concern for Mr. Loehner stated the village's insurance premium would be raised. The insurance company and FEMA require an increase to cover what was lost during the previous storm. Director and Mr. Loehner is currently discussing prevention efforts for any future storms. The South Orange Police Department lost 3-4 vehicles in the storm. The detective bureau is currently sharing one car with eight officers. Due to civilians not adhering to the DO NOT DRIVE warning, the department did 30-40 rescues but equipment was lost due to water damage. Lastly, Mr. Loehner stated that the South Orange Performing Arts Center sustained damage. Although the village doesn't manage the business, the building and infrastructure are the village's responsibility.

In response to Trustee Zuckerman, Mr. Loehner stated the SOPAC elevator repair, floor clean up , and first level of replacement drywall were included in the 6.8 million dollar estimate. Due to the severity of the damage to the stage, that cost is unknown right now.

In response to Trustee Hartshorn Hilton, Mr. Loehner shared the detailed Ida Storm Damage Master List (9-17-21) with the committee. The administration will submit this list to the village's insurance company. The insurance company will decide to cover or deny certain items on the list. Next, all damages that were denied by the insurance company will be submitted through FEMA. The FEMA reimbursement process takes about 2 years. Mr. Loehner further explained that



insurance does not cover roads (which is a substantial cost), parks & fields, and infrastructure. FEMA will cover the cost of a portion of the deductible, roads, fields, and labor. Mr. Loehner is waiting for rules on the amount of labor FEMA will cover. The 5 million dollar bond approved at the last BOT meeting will help start repairs that need to be taken care of immediately. On the finance side, a specific line item has been created for everything related to Ida. This will help keep the information in one location, track submissions to FEMA & Insurance, and proof of purchase.

In response to Trustee Hartshorn Hilton, Mr. Loehner confirmed that generally FEMA reimburses 75% of the cost. In response to Trustee Haskins, Mr. Loehner stated that the West End Road project will update the curb and sidewalk, and road, which will make significant improvements. However, even if the sewer system was upgraded on that road alone, the overall system wouldn't be able to handle it. Eventually, Mr. Loehner would like the Village Engineer to look into creating a plan for updating the infrastructure.

Water- Study @ Sale

Mr. Levison gave a brief overview of the evaluation draft from R.V.E. Mr. Levison further explained that RVE conducted a review of the system rather than the evaluation of the system and made recommendations. The financial portion hasn't been completed but the evaluation is about 19 million for the value of the system. Mr. Levison is waiting to review the financial side of the evaluation. In response to Trustee Zuckerman, Mr. Levison requested an updated draft copy and a follow-up with RVE. Trustee Haskins added that after reviewing the draft for the Public Works and Utilities committee, that it was a great evaluation but a very strong revaluation. Mr. Levison will keep the committee updated on this matter.

Overtime- Police & Fire Departments

Trustee Hartshorn Hilton explained that overtime affects three departments in the village; Police, Fire and DPW. In response to Trustee Hartshorn Hilton, Mr. Loehner stated that overtime should be discussed in the committee meeting. Starting with the Dept. of Public Works, Mr. Loehner explained that it has the typical standard overtime and, due to the expansion of weekend duties, though limited, it has been budgeted. What fluctuates the overtime numbers are storm related events and snow years. For the Police Department and Fire Department, the high overtime use is directly related to not having enough personnel. Though the village is at the minimum to respond to a call, if someone is on vacation or out sick. Another person must be called in to cover and paid for overtime. Mr. Loehner further explained that last year the BOT approved for both departments



to hire and hired a good round of employees. Unfortunately, this year's civil service round hasn't produced good candidates. Mr. Loehner discussed the Village's vetting process for candidates and stated that hiring in these two departments is a commitment because employees stay in their position for 25-30 years. For Police Dept., the state is recognizing the hardship towns are having hiring viable candidates and are discussing creating an alternative list. This would include individuals who work at the shore or in a volunteer capacity or attend the academy on their own. The individual would be able to apply and get preferential treatment for a higher ranking on the list due to their experience. Opposed to someone who tested well but doesn't have training. Compounded with the issues previously mentioned, Mr. Loehner explained that because COVID-19 and travel restrictions, employees weren't able to use their vacation. As an organization, the village has allowed all employees to carry 50% of their 2020 vacation time over to 2021. Another smaller issue contributing to overtime are dispatch and crossing guard positions. Mr. Loehner detailed the difficulty of hiring these positions and has been discussing outsourcing crossing guards and dispatch. Currently, officers are in training to learn the dispatch positions.

In response to Trustee Haskins, Mr. Loehner stated that all the overtime issues are attributed to staffing. Even being at the minimum required staffing numbers, we still have employees who take vacation or out sick. Trustee Haskins stated that when it comes to controlling overtime use, it isn't an administrative task but more of a policy task.

Discussion ensued regarding the civil service hiring process for the Police Department, minimum staffing requirements and changes to be made at the state level. Mr. Loehner stated that he believes that the creation of the alternative list would be helpful in hiring viable candidates.

Old Business

Department Updates:

- **Finance Department**
- **Tax Collector**
- **Water Department**
- **Tax Assessor/QPA**

Finance Department- In the absence of the CFO, Mr. Battaglia and Treasurer, Mr. Bock the Finance department will have a full report at the next committee meeting. In response to Trustee Hartshorn Hilton, Mr. Loehner stated pushing the



budget calendar forward allows the village to collect more money to make it easier on the tax payer for the difference of the 5 million. On behalf of the Finance Dept., Mr. Loehner suggested starting the budget process in November. Dissusion ensued regard state budget timeline. Mr. Loehner would like to introduce the budget by March or April of next year. Trustee Hartshorn Hilton expressed how helpful the budget hearings were last year and would like to have them scheduled for January. The committee briefly discussed the Parking Authority budget. Lastly, Mr. Loehner detailed certain budget lines that were over budget.

Tax Collector- In the absence of Mrs. Wier, the Tax Collector will report at the next meeting. Ms. Magieri stated that the tax sale was successful and the fourth quarter bills are out and on track.

Water Department- Mr. Levison discussed working with the CFO on a bond for half a million dollars for the Annual RRCI requirements .This includes replacement or repair of valves and hydrants during the year. The Water Administrator submitted his quarterly report to the DEP ,which includes repair of the crest drive water tank and newstead sphere. Mr. Levison stated that the budget is in good shape but the receivables are down. Which is due to changes in water consumption and payment hardships. Payment plans have been offered to customers to pay off their debt in a timely manner. In response to Trustee Hartshorn Hilton, Mr. Levison stated that the long term receivables are not as high as the short term receivables. Mr. Levison detailed a ransomware attack that affected the NJ American Water system and has requested an audit report once they are in normal operation. Delinquencies are in the \$600k range, but some of them are short term (30-60 days, which are corrected) and the long term is not high. Mr. Levison further explained that some of the village departments' outstanding bills. In response to Mr. Levison, Mr. Loehner stated that any bill that the village receives will be or has been paid.

Tax Assessor/QPA- Ms.Malgieri stated everything is status quo and is currently doing added assessments based on renovations. At this time, Ms. Malgieri doesn't know how Ida will affect the assessments. Previously mentioned at last month's meeting, Mrs. Malgieri stated that there would be a re-assessment, and would be going out to bid with Maplewood. This bid will come out in 2022, the work will be done at the end of 2022-2023 and be on the books in 2024. Mrs. Malgieri believes the county will order the towns to do this but it would be in the best interest of the village to plan to move forward without being ordered to do so. The Tax Assessor will further discuss the logistics with Maplewood and bring updates back to the committee. Discussion ensued regarding the total cost of a re-assessment process.



FY'21 Operation Budget

There was no report.

FY'21 Capital Budget

There was no report.

Next Meeting Date

October 21, 2021; 11:00 AM

Adjournment