

January 31, 2012
Municipal Building
121 Evergreen Road
New Egypt, NJ 08533

The Budget Workshop Meeting was called to order by Mayor Leutwyler at 7:00 P.M.

STATEMENT: “This meeting is being held in compliance with the Open Public Meetings Act. It was presented for publication to in the Trenton Times and the Asbury Park Press and posted on the bulletin board”.

THOSE OFFICIALS PRESENT WERE:

COMMITTEEMAN WYSONG DEPUTY MAYOR SORCHIK MAYOR LEUTWYLER
COMMITTEEMAN MARINARI ADMINISTRATOR DANCER ATTORNEY FORAN
CFO MADDEN
MUNICIPAL CLERK HENDRICKSON

Committeeman Trotta arrived at the meeting at 7:12 PM.

Attorney Foran read Resolution No. 2012-100.

ON MOTION OF DEPUTY MAYOR SORCHIK, SECONDED BY COMMITTEEMAN WYSONG, RESOLUTION NO. 2012-100, A RESOLUTION OF THE TOWNSHIP OF PLUMSTED, COUNTY OF OCEAN, STATE OF NEW JERSEY AUTHORIZING THE CONVENING OF AN EXECUTIVE SESSION IN ACCORDANCE WITH THE OPEN PUBLIC MEETINGS ACT. ROLL CALL VOTE: ALL AYES.

The Committee adjourned from Executive Session and returned to open session to conduct a Budget Workshop Meeting.

Administrator Dancer explained this Budget Workshop was scheduled in order for the Committee to see where the Township is at year-end.

CFO Madden started with the revenue sheets. She explained that you cannot anticipate any more than was realized in the previous year. The amount to be raised by taxes increased from last year by 2% plus a little more. Madden said she had to go in and “tweak” the workbook, debt service changed a little bit, insurance went down a little bit, she didn’t anticipate that number going down, it may go up a little. The amount to be raised by taxation is \$1,597,052.00 this would be about a 15% increase the rate now is 13¢ this budgets tax rate would be approximately 15¢. Surplus anticipated for 2012 was \$299,350 and that is because the last page of that document, she stated that she put the Fund Balance of \$306,762.80, this is the exact amount based on the Annual Financial Statement. \$7,400.00 must be left because that is what the deferred charges are. Committeeman Wysong questioned \$754,000, which CFO Madden explained that in 2011, the Township had \$754,000 of surplus available to use and this year the Township only has \$306,762.80. Dancer said if the tax refunding was not done for the tax appeals that would be less \$208,000.00.

Regarding the local revenues, Madden reviewed and explained each amount for each category. Dancer said the Township had been conservative in revenues and explained why. He also said it was important not to create a deficit in revenues and wanted the Committee to know that it was their decision. It is sometimes good to leave a little cushion in some areas as you may misproject. Dancer also explained to the Committee that with respect to Grants, a CFO cannot put any grant in the budget until a certification that the grant has been awarded. If this happens during the year after the budget has been adopted, a Chapter 159, Budget Amendment, will be done. Dancer also wanted the Committee to know that there was permitted what is known as Revenue for the Sale of Municipal Assets, but the condition is that you must have the revenues in by the time it is inserted into the budget. He said that if the 29 Main Street Redevelopers Agreement is signed and there is a deposit and there is \$20,000.00 that could possibly go into the budget depending upon the timing.

CFO Madden went over the budget and stated that the changes from the last budget workshop were highlighted as a result of the last budget workshop. In order for the Committee to know that anything discussed at the last budget workshop the changes were made. She wanted the Committee to see the 2011 budget, the transfers made and the expended and encumbered as December 31, 2011 and the reserve amount left over from the 2011 budget to be used to cover any bills that come in during this year. It was noted that after a year, the amount from reserve column goes to fund balance. She then went over each line item and said if anyone had questions. The Municipal Clerk’s, Tax Collector’s, and Police Department’s Salaries & Wages

changed because of adding or increasing longevity. It was also noted that the increase in the Municipal Clerk's Salaries & Wages, which was discussed earlier, was Jennifer Witham assisting in the Clerk's Office.

Dancer mentioned that Plumsted Township is facing a deficit and wanted to bring the Committee up to date. He said he sent a Letter of Intent required by the Local Finance Board, which was due by January 31st. On February 13th there is a mandatory meeting for municipalities that have not yet been in a transitional aid program for the Mayor and Chief Administrative Officer/Business Administrator scheduled by the Division to discuss the application. There is another required meeting on February 29th after the time of introduction at which time the Mayor, Business Administrator and Chief Financial Officer must attend via telephone conference call or in person to proceed through the transitional aid process. Committeeman Wysong questioned Levy Cap Referendum Costs. Dancer explained that he had the guidelines from the Local Finance Board and there was no guarantee that the Township would be approved as a municipality for transitional aid. In the event that the Township was not approved, the Local Finance Board wants the municipality to have in their introduced budget, an appropriation for a tax levy cap exemption for the cost of an election because the school may not be able to help bear the cost with the Township. It is mandatory that a budget must be introduced by February 29th in order to be eligible for transitional aid.

CFO Madden continued reviewing each line item and stated that most of the departments were lowered previously. There was also a question if the cost was added for the 3rd quarter estimated tax billing was included in Tax line item, this has not been done at this time and will be checked into. Dancer explained the process regarding estimated tax billing and that it should be a Committee decision if this should be done.

There was discussion on Main Streets line item and reducing it. It was explained that funds used from this are for such events as New Egypt Day, Memorial Day Parade, Christmas Tree Lighting, and Fall Harvest Fest. After some discussion, it was decided to check further to see if this amount could be reduced. Regarding the Rental Inspection line item, it was decided this amount could be reduced to \$12,000.00. Regarding the items in the Insurance line item, CFO Madden explained the highlighted adjusted amounts and said she wanted to keep a little cushion there. Regarding the Police Department line item, the salaries increased only on the \$500.00 for longevity and does not represent any increase for contractual. There was an increase for Police Accreditation, Committeeman Sorchik explained the reason for the increased amount. Vehicle repairs are up, Trust money is used for this. There was a lot of off duty work in 2011, which helped with overtime and saved the Township's overtime budget. The increase in

Emergency Management line was increased due to vehicle repairs and a new computer. Regarding the Recycling line item, it was reduced from \$7,000.00 to \$5,000.00 in Salaries and O/E was also reduced from \$4,000.00 to \$1,850.00 CFO Madden explained. Public Buildings and Grounds were reduced based on the fact that the two laborers are part time with no benefits.. The Board of Health line item, was reduced from \$6,000.00 to \$5,000.00. Environmental Commission's line item remained the same and they will leverage some of the grants. There was a lengthy discussion regarding Council for the Arts line item there was concern regarding salaries and scholarships. It was decided to change each to \$500.00 at this time. The Committee Liaisons will attend their meeting and explain the change.

Dancer wanted to remind the Committee that procedurally the budget needs to be introduced just before February 29th because the application deadline is due on the 29th. Since the budget address is February 21st, another budget workshop is needed in order to give the information to the auditor who prepares the final budget document format.

Recreation line item stayed the same but figures had been changed around as well as with the Trust Account, Committeeman Trotta explained. Regarding the Utilities line item, CFO Madden wanted to check the utilities a little more closely because transfers were done. The total dollar amount may stay the same but there may be adjustments. Under Statutory Expenditure line item, the DCRP (Defined Contribution Retirement Plan) is the new plan for retirement under Prudential for those employees who do not fit under the full time PERS or PFRS. She explained the increase was because of the two maintenance laborers. The Municipal Court line item was increased due to the changes made with the new part time Court Administrator and the Violations Clerk.

CFO Madden said the total Inside CAP of \$2,499,503.91 was okay because the 2011 number was more than that.

The Operations Outside CAP were reviewed. Under the Uniform Construction Salary and Wage line item, the amount was decreased to \$50,000.00 and O/E could possibly be reduced. Regarding Recycling Tax, there was no need to budget for this because the PMUA takes care of

that. Regarding Interlocal Services Agreement with the Board of Education for the School Resource Officer and Courtesy Bussing, the amounts stayed the same sometimes with shared services, there may be attorney review or something of that nature that would come from this line item. The Local Matching Funds Grants is money that in the event there are grants received requiring a match. The Municipal Alliance Drug Awareness and Safe & Secure Grants are in as a holding place, if a letter is received fine, otherwise they will be removed. The Supplemental Fire Services is an additional allotment that goes to the Fire District. There was a question regarding the Senior Center Grant of \$10,000.00 Dancer explained this was a different type of grant than what was done last year; it is a quarterly newsletter to let everyone know what they are doing and their events. Dancer said an approval letter would be forthcoming.

CFO Madden reviewed each Debt Service line item and then the interest due for each item. Dancer said he personally recommended to the Committee not to lower this because the Township has to show the Local Finance Board that the Township is on the path to self-sustainability. This will be shown on the Debt Service Amortization schedule; it will show that as the Township reduces the debt and increases the tax rate by 2 cents a year, the Township will be in a position, as the debt is paid off, that the total amount of debt to be paid is going to be significantly less. What that does is the Township doesn't have to reduce the amount of money it budgeted. It is built in the tax rate right now and once the debt is paid off, they still permit you to leave your tax rate at whatever was needed to raise that debt service. The whole key to being self-sustainable is having financial discipline and not incurring more debt. If the Township can get by in the next few years without increasing their debt, they will be able to show the Finance Board that the Township has a projection of the debt payments going down and be able to have self-sustainability for the current operating expenses. If the Township can control their debt by getting the tax rate up now to pay off debt, they will be able to show the Local Finance Board that the Township can be self-sustainable in a couple of years.

CFO Madden explained the Special Emergency Authorizations of \$7,400.00, which she already explained this is the final year for that payment. There are no more Special Emergency Authorizations until the one is done for the reassessment, this will be a 5-year pay back. The Reserve for Uncollected Taxes is the same now once the Annual Financial Statement is done it will give what the Township is allowed to put in that line item as this is a formula directed number, is a best guest estimate right now. On the Capital Budget, the reserve balances in the accounts were updated as of December 31, 2011. In the 2012 proposed Capital Budget, there is an amount of \$10,000.00 for Municipal Buildings/First Aid Building and \$34,999.00 for a Police Vehicle, which totals \$44,999.00. In the Open Space Trust Account, the Revenue estimated amount changed from \$16,000 to \$24,571.30 as of December 31, 2011 and the Open Space Taxes of \$210,000.00, which is lower from last year because of the ratable base going down. Regarding the Appropriations, the amount was increased under the Development of Lands from \$8,000.00 to \$12,571.00. The breakdown for the salary was increased because of the increase in laborers salary, which totaled \$69,200.00. The Recreation Utilities (ballfield lighting/gas/water) was increased to \$11,699.77. The Acquisition of Land was also increased \$4,000.00 to \$25,000.00.

Dancer said with respect to fees, they must be done by ordinance. For Recreation and Ballfield Lighting, this is a Green Acres Park. He spoke to Kathleen Croes of Green Acres who transmitted him the regulations regarding fees for use on funded parkland and recreation and conservation facilities. Per the regulations, fees can be established but shall not be so excessive as to discourage reasonable public access. With respect to "Section 3, local government unit resident or non-resident: However the fee charged to a non-resident who lives in the State shall not be greater than two times of the fee charged to a local government unit resident." Regarding the discussion at the Recreation Committee Meeting for the use and charges of the lights at the ballfield, he wanted to bring attention to how much can be charged for nonresident verses residents. Committeeman Trotta said the Recreation Committee was discussing just charging those who did not fall under the recreation banner. CFO Madden stated that part of their Recreation's budget is paying for the utility lighting. It was also noted that under the regulations, "the local government unit shall establish a separate account to serve as a repository for the fees, if permitted to do so by law." Dancer said that whatever the Committee determines the fee should be in the ordinance to recover some of the expenses that before adopting the ordinance approval is needed from Green Acres. There was discussion regarding this it would be checked into further.

Committeeman Wysong said he wanted to go back to Municipal Court and the amount of \$6,365.00 regarding Other Expenses. It was suggested to have Judge Murray look at their budget. It is required to have approval of the Administrative Office of the Courts.

Mayor Leutwyler was concerned that only one line item was cut and wanted to go back and make a few additional reductions. There was discussion reducing the Main Streets Program O/E line item. It was decided to speak with Mr. Ylvisaker first before making any reduction.

There was discussion on reducing Rental Housing Inspections \$2,000.00 it was decided to reduce the line item from \$14,820.00 to \$12,000.00. Regarding Uniform Construction O/E line item of \$11,200.00, it was decided to speak with Construction Code Official Glenn Riccardi to see if this line item could be reduced to 10,000.00 or \$9,000.00.

There was no further business from the Committee.

There were no comments from the public.

ON MOTION OF COMMITTEEMAN MARINARI, SECONDED BY COMMITTEEMAN SORCHIK, THE MEETING WAS ADJOURNED. ROLL CALL VOTE: ALL AYES.

Respectfully submitted,

Dorothy J. Hendrickson, RMC
Municipal Clerk