

November 27, 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 published in the Trenton Times and the Asbury Park Press and posted on the bulletin board.”

**THOSE OFFICIALS PRESENT WERE:**

COMMITTEEMAN TROTTA	COMMITTEEMAN WYSONG	MAYOR LEUTWYLER
COMMITTEEMAN MARINARI	DEPUTY MAYOR SORCHIK	CFO MADDEN
MUNICIPAL CLERK HENDRICKSON		

Mayor Leutwyler asked everyone to stand for the flag salute.

Before the Budget Workshop portion of the meeting, Mayor Leutwyler stated there was a resolution for adoption and bill list for approval.

**RESOLUTION:**

ON MOTION OF COMMITTEEMAN WYSONG, SECONDED BY COMMITTEEMAN MARINARI, RESOLUTION NO. 2012-297, A RESOLUTION OF THE TOWNSHIP OF PLUMSTED, COUNTY OF OCEAN, STATE OF NEW JERSEY, EMERGENCY ASSISTANCE AUTHORIZATION FOR PROTECTIVE SERVICES FOR TUCKERTON BOROUGH (OCEAN COUNTY) WAS ADOPTED. ROLL CALL VOTE: ALL AYES. This resolution was for police services for Tuckerton Borough.

**REPORTS OF DEPARTMENTS AND PROFESSIONALS:**

ON MOTION OF COMMITTEEMAN TROTTA, SECONDED BY DEPUTY MAYOR SORCHIK, THE BILL LIST OF NOVEMBER 27, 2012 WAS APPROVED AS SUBMITTED. ROLL CALL VOTE: ALL AYES

Mayor Leutwyler asked Chief Financial Officer June Madden to begin the workshop portion of the meeting. She briefly went over the information in their packets. 1) GFOA Conference information; 2) 2013 Budget Analysis dated as of November 8<sup>th</sup>; 3) a revised debt reduction from last year based on the fact that the Township needed to do some more BANS for Tax Anticipation Notes and a Special Emergency for Reassessment; 4) Revenue for 2013 which she anticipated to be at this time; 5) 2013 Budget Worksheet; 6) 2013 Salaries and Wages which includes changes; and 7) Update for Budget Account Status which shows what is left in each department’s operating budget and their salaries and wages for 2012; and 8) Budget Worksheets from all department budgets.

Madden said the first packet has highlighted information from the Council of New Jersey Grant Makers. It outlines spending and revenues for all levels of government and is a structural problem. Current services can’t be funded by the existing revenue system, we do not have the revenues to support the budgets, and there is a gap in the budget. It states that New Jersey needs a 21<sup>st</sup> Century Government to meet the 21<sup>st</sup> Century needs of its citizens. One item she wanted to discuss was “identifying creativity and change in purchasing operations.” There is something called a P-Card. It is a procurement card, which is like a credit card. You input on this card who has access to it and they would have a pin number. It would be for particular stores and there would be a designated amount of money encumbered for the particular store. This would eliminate a lot of purchase orders. This is an accepted practice and recommended practice of State Government. She said details on other items were located in the insert. She said municipalities, for the most part, are looking to save money, cutting budgets, and cutting programs. This is a problem and now we need to sit back and take a bigger look this because it is only going to get worse.

Madden said in regard to encumbrances, when you set aside money for a certain purpose, which is Technical Accounting Directive 23. This is one of the mandates that a CFO is supposed to have in place. She said sometimes it is not easy because it is not just the CFO doing it. There was an issue in our Audit that funds were not being encumbered; steps have been taken to correct it. She said before money is spent, a requisition must be done and it must go through the process and have all authorized signatures. Only then, a purchase order can be done with all the

paperwork in place. She said the encumbrance system must be adhered to and she needs cooperation from Department Heads and the Township Committee so this is done.

CFO started the preliminary Budget Summary by stating that she anticipated the revenues to be \$2,854,000.00. The projected appropriations based on paperwork from the Department Heads and increases were \$3,339,363.00 leaving a deficit of \$485,280.75 at this point and time. She noted there was a 2% increase from last year's amounts to be raised by taxes gives an additional \$31,941.00. The debt service, which is outside CAP automatically, goes directly into the budget without going to the taxpayers is \$112,290.00. The three major items, Pensions is increasing \$23,524.00, Health Insurance is increasing \$25,400.00, and Contractual Salaries and Wages are increasing by \$28,829.00. These three major items are an increase of \$77,753.00 and our 2% increase is only \$31,941.00. The figures may change once the State worksheets are done because some of the Health Insurance Costs may go outside of the CAP. She said things like that will make changes and will probably help us but at this point, we have not gotten that far. Administrator Dancer said there will possibly be some relief on the Pension and Health. He said when looking at what the 2% CAP Law allows, which is approximately \$32,000.00, these are fixed numbers. In looking at the Pension, Health and Police Contractual at \$77,000.00 the most that can be raised by 2% is \$31,000.00. Debt Service, which is outside the CAP but is used to pay the debt. June then listed the projected Fund Balance where she anticipated receiving some funds and carried those numbers into the revenues. She just wanted to give an idea where the Township stood at this time.

Mr. Wysong asked about the total anticipated revenue line item if it included the MRNA that the surplus that is going to come over from 2 years ago. CFO Madden said yes, that was called Appropriation Reserves. Madden then explained the projected fund balance and how the Township gets their surplus. The Fund Balance at the beginning of the year, which was \$7,400.00 and Appropriation Reserves of 2011 left over money that was not spent which was \$228,000.00 and MRNA (Miscellaneous Revenue Not Anticipated) which is anticipated to be \$33,000.00 and a deficit of revenues. Court is not up to where they need to be. Investments is not where she expected and Construction is ahead and Rental is a little below. She expected a deficit of the Anticipated Revenues this year of \$16,000.00 and Tax Appeals excess \$24,849.00, which Madden explained how there was an excess. Because of doing a hybrid reassessment, there is a three-year payback. A certain amount of money must be left as deferred charges.

The Department Head budgets were discussed. The Municipal Clerk's Office Operating Expenses is \$23,950.00 and has a tight budget. Website Services were added. The total budget would then be \$28,950.00. Money was pulled from different departments to try to make up the \$5,000.00. As of now, the Clerk has a balance of \$2,787.00. It was explained that advertising and public notices has been combined as public notices. Clerk Hendrickson has been able to save money in that line item by using electronic means to download affidavits of publication. Regarding the Finance Office, CFO Madden said she cut \$500.00 to go to the Website and now has a balance of \$2,307.00. Some money may be used for transfers at this time of the year. She said if more cuts were needed, she did not have a problem. Going through this process will be cutting here and there. There will be a lot of different things that will have to be done. She said she would like to just deal with the Operating Expenses at this meeting with the Department Heads.

Regarding collection of Taxes, that budget was reduced by \$175.00, which went to the Website. She said the Collection of Taxes is a tight budget and as of now, there is \$901.00 in that budget. In Assessment of Taxes, there are comments written for Salary and Wages and her increased budget by \$175.00 and didn't know why. This was under Operating Expenses for office equipment and office supplies. There may be a reason that is not known at this time. As of now, the Assessor has a balance of \$2,771.00.

Committeeman Wysong had a question, which may be a duplicate in other departments. There is a line item for computer expense and office equipment. He wanted to know the spending difference. Administrator Dancer suggested what was permissible for IT and computers are to have it in the Capital Improvement Fund and anything computer related. That one area could be condensed. Madden said that would be a cost savings so it can be taken out of each department's budget line item and put it outside the CAP which would not enter into the 2% CAP. Madden said another good thing taken outside the CAP is a Capital Reserve Line Item. It is like putting money aside out of the taxpayer dollars for computer equipment and anything that is left over. It can be transferred to the Capital Account and then it would be set aside for other years. Everyone thought that would be a good idea.

Peter Ylvisaker lowered his Main Streets budget by \$1,000.00. He has a balance in his O/E budget of \$467.00. Committeeman Wysong said the \$1,000.00 he lowered was put into the Website.

Senior Outreach Services usually receives \$750.00 from the Township. George Lee was in attendance and said their Committee would forgo the \$750.00 for 2013 to help the town but asked if this money would be available next year if they needed it. It was decided to leave \$100.00 in that account. At this time, they have a balance of \$610.00 in their budget. Administrator Dancer said the SOS should be receiving the \$10,000.00 grant for 2013. The County usually wants to know if there is any kind of contribution from the local municipality. Mayor Leutwyler asked Mr. Lee to express the Township Committee's gratitude to the SOS Committee.

The Land Use Board budget increased \$600.00 for Legal Expenses. At this time they have a balance of \$471.00 in their budget. This increase may have been due to the Pinelands Ordinance for legal and engineering fees. Committeeman Wysong questioned dues and subscriptions. Kelly Creighton, Secretary to the Land Use Board, stated the transcription equipment is very old, has many problems with it and was not sure how long it will last; and there are no refurbished ones. Clerk Hendrickson said it has to be a two-sided tape, which needs a special transcriber. Administrator Dancer said that in the Capital Improvement Budget we could have an IT/Recording Equipment outside the CAP, and when this goes down, this would not be in the Current Fund Budget, but sitting in that Capital Reserve, it could be used for multi purposes.

The current Construction Code budget has \$3,987.00. Money has already been encumbered for mileage. Since Mr. Riccardi was not in attendance, the Committee went over each line item. There were items, which he would have to respond. Madden said regarding Codification, this comes from the Clerk's Office as well as Construction and no money has been encumbered for this year. This will reduce his budget another \$1,000.00.

Regarding the Office of Emergency Management, Linda Salcfas was in attendance for the OEM budget. Mayor Leutwyler questioned a new vehicle. She stated that OEM has never had vehicle. There was a school bus from the Fire Company, which cost \$2.00, and now she has the K9 Vehicle. She stated there was a vehicle in the Police Impound Lot, 2007 SUV Kia or Hyundai, which may serve OEM's purpose and also save money on gas. She was told it was in good shape and the price is right. She has not used it during the storm, as it was not reliable. Regarding dues, she dropped the Emergency Management Association dues. The Ocean County Emergency Management \$50.00 dues were kept. She received a new laptop computer but was having a problem with the printer and it was going to be sent back. Regarding postage, she said the \$500.00 could be taken out because she has not used it. CFO Madden said Linda reduced her budget by \$2,500.00. The only thing was if OEM did not get a different vehicle, there was a concern regarding vehicle repairs. The Committee thanked her and said it was a good suggestion regarding the car. CFO Madden said OEM has \$499.00 left in her budget but had concerns about the budget being too low and the possibility of increasing it from \$500.00 to \$1,000.00.

Committeeman Wysong spoke about Recycling. There was an addition of \$350.00 for Shared Services to Jackson Township for Certified Recycling Coordinator. He felt the amount for seminars and education could be reduced to \$50.00. He also felt Grounds Maintenance could be reduced to \$200.00. The \$1,250.00 in previous years was used for the Leaf and Branch Site at the Recycling Center Lease and was then was changed and taken out of the Grant, which was why it was no longer there. It was decided to keep \$200 as the Leaf and Branch Site is moving and funds may be needed for signage or a gate. Container service has been lowered from \$500.00 to \$200.00 since moving to Waste Management and \$300.00 has been moved to the Website line item in the Clerk's budget. The Miscellaneous line item is being reduced from \$200.00 to \$100.00. That \$100.00 is also going to the Website. CFO Madden said there is a balance of \$1,746.00 in the Recycling Budget.

CFO Madden said Public Buildings and Grounds was always a tight budget. It will be left the same, which will be tight. Bob Ball was in attendance and said the vehicles are aging and vehicle maintenance is going up. Two of the vehicles are the snowplow trucks. Janitorial supplies have gone up from \$1,100 to \$1,773.00. Mr. Ball said they changed supply companies as the other company stopped having products the Township was using. Mayor Leutwyler said the Township was trying to save money and did not want to go over. CFO Madden said there is a balance of \$1,694.00 and there are two requisitions pending which will just make it through. Committeeman Wysong questioned Building Maintenance funds, which CFO Madden explained. There was a question regarding having trouble with the New Holland Tractor. Committeeman Wysong thought that would need a good tune-up, which will be an additional expense. It was stated that routine maintenance saves money in the long run and it was recommended to increase vehicle repairs if possible. Administrator Dancer asked Mr. Ball if there was a need for three Maintenance Vehicles and he explained that it was not safe driving with a plow on the front just doing regular maintenance work. He felt the third truck was a

necessity and the other concern was Construction had thought about borrowing one of the trucks to use for inspections in an official Township Vehicle instead of a private vehicle.

William Lewis, Chairman of the Environmental Commission was in attendance to discuss the Commission's budget. Their request was for \$1,455.00. Committeeman Wysong questioned the Clean Communities Grant issue, which Mr. Lewis said it all worked out in the end; it came from another grant. Regarding office supplies, he said they have not done any updating of the materials they have been giving out as he has been taking trips to DEP in Trenton for pamphlets, art materials, etc. Regarding 7 hrs Education, this was not used this year or last year, but ANJEC provides training for Environmental Commissioners, which four Commissioners have not attended but would like to. This is a one-day workshop and costs \$45.00 to \$55.00. Regarding maps, this project is a Green Pathways within Plumsted Township. The maps that they used for the Watershed Sign downtown were pro bono from Threatened and Endangered Species GIS Map specialist. Miscellaneous increased \$50.00, he explained that there are certain categories that do not fall under a traditional category for different events that they host, i.e. Natural Holiday Wreath Workshop and the Rain Barrel Workshop.

Lewis explained he and others donate funds and they have also been doing well with some of their fundraising which goes into their dedicated Trust Fund. CFO Madden said there is a balance of \$135.00 in the Environmental Commissions Budget. He said they started a youth led nature club this year and the Commissioners allocated a portion of their budget of \$500.00 to that club. He said they have plans to apply for grants in the future, but there is no line item within the Township. CFO Madden said there was a dedicated Trust Fund, which has money going into it for Green Technology, and money was raised by the Green Tech Committee through rebates and different small projects and they received money which went into that account.

Regarding the Council of the Arts Budget, Rebecca Nowalski was in attendance but could not stay. Their budget is zeroed out and the total of \$1,000.00 for Salary and Wages is in Operating Expenses.

There is \$2,661.00 remaining in Christine Ward's Operating and Expense Budget for Municipal Court. She lowered her Salary and Wage Budget \$800.00. Committeeman Wysong questioned the Transcription Line Item, which she explained that if there was an appeal and a town ordinance violation and the defendant had a public defender, the Township would have to pay for the transcript. There was a question regarding computers. She stated that all of her computers are State computers and do not require maintenance; it is all through the State. There was discussion regarding the Professional Services reduction of \$1,000.00 and if she was sure this amount was OK because they didn't want to get caught short.

Harry Miller was unable to attend but Recreation is requesting the same amount, \$15,940.00, as last year. They have a balance of \$7,297.00 now and last year they closed out with \$10,900.00. Committeeman Wysong said the amount could possibly be lowered next year if they have a balance left.

Police Chief Matt Petrecca was unable to attend. Since there was a lot of information, the Committee wanted to wait to discuss the police budget with Chief Petrecca. There was discussion regarding a possible shared service with another municipality for the enforce system in the Police Department which would be an anticipated revenue. CFO said the revenues for the towing look like they would be close to \$10,000.00. She said we could not yet by law do a Dedication by Rider, but she did receive permission from DLGS that the Township can list that as anticipated revenue because it was tracked this past year. The difference between Anticipated Revenue as opposed to a Dedicated Trust is with the Dedicated Trust you can pay related expenses.

CFO Madden said there were seven Department Heads that could not make the meeting, so she will coordinate the next meeting with those Department Heads who were not able to make it.

Christine Ward, Court Administrator, said there was a lot of money in time payments. She said she would send out letters but said the CFO or Business Administrator could sign with a collection agency, and they receive a commission of 22% on the money collected over and above what is owed. She said there was \$66,000.00 that it outstanding and \$25,000.00 is the Courts. Christine explained how the system worked with reaching out to individuals who owed money. Committeeman Wysong questioned when that money is collected, where it is deposited. CFO Madden explained it would an excess of Court Revenues, which goes into Surplus.

There was no further business from the Committee.

Mayor Leutwyler asked for comments from the public.

William Lewis asked about the Recreation Budget Surplus. One portion of the Recreation Field is not paved on the softball side. That section could use more safety precautions and possible paving in the future.

Resident Luisa Erich-Carr questioned CFO Madden regarding the Anticipated Revenues for 2012, which she stated was \$3,147,486.00 and the 2013 Revenues is \$2,854,083.00. She questioned why it dropped. Administrator Dancer said that \$300,000.00 was the State's Transitional Grant Aid. She questioned the Website going up \$5,000.00. Committeeman Wysong said there was no Line for Website. We were paying for web services from Miscellaneous from different departments and now have combined it into one Line Item. She questioned about a new company to do the Website. Committeeman Wysong said this was still under Committee review.

Ms. Erich-Carr questioned setting up Capital Improvement Line Item for Computers and asked if there any idea of the minimum amount would be for that account. Administrator Dancer said it was his suggestion for the Committee to consider what is in the budget now to move that into a Capital Account outside the Current Fund. It would not be new money for increased spending; It just takes it from the various departments and puts it into separate category in the Capital. Her question was about the use of an IT person, and CFO Madden said that was a good question and she would have to think about that. Administrator Dancer said at the meeting with the School, it was brought up again about the possibility of IT Shared Service but they don't have anyone.

Erich-Carr had a question regarding the employees paying a percentage of their health insurance. CFO Madden explained there was a formula and it is a combination of their salary, the type of plan and the premium. Then there is a percentage based on all those things and the percentage then is charged against the premium and that is what they pay. Luisa questioned the new \$25,400.00 increase which Madden said she has already been take care of and also explained that this has to be done every six months because it changes. She questioned the IRS mileage of 55 1/2 cents being checked periodically to see if there is a change. She thanked the Committee.

Ms. Erich-Carr questioned the trees hanging over the road, on Holmes Road. Committeeman Wysong said he had Construction Code Official check it out and he said he did not see that there was an obstruction in those areas. Because of the storm, Committeeman Marinari also stated there are areas where children are going out into the street because of the debris on the sidewalks. He felt that at some point, the residents should be contacted. Some residents have been notified of issues, but since the storm, more may need to be notified. It was suggested that the Maintenance Department and Police notify the Township Committee of any these issues.

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

Respectfully submitted,

Dorothy J. Hendrickson, RMC  
Municipal Clerk