

February 27, 2013  
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	ADMINISTRATOR DANCER	CFO MADDEN
MUNICIPAL CLERK HENDRICKSON	ASSISTANT TREASURER PEACOCK	

Deputy Mayor Sorchik was in attendance via phone.

Mayor Leutwyler turned the meeting over to CFO Madden. Madden passed out worksheets for the Committee to review during the meeting. Madden reviewed the changes to the Budget since the January 30<sup>th</sup> Budget meeting. Revenues were reduced and appropriations have increased. Madden said the Tax Assessor reduced her budget by \$700; Deputy Mayor Sorchik attended a Worker’s Comp class, this will reduce the budget by \$250; Committeeman Marinari also attended a class for a reduction of an additional \$250. Group Health Insurance increased \$8,200.00 and legal was reduced by \$10,000.00. Police Salary and Wages increased \$26,216.00; Environmental Commission Budget was reduced \$160.00; Madden reduced the electricity and street lighting line items \$22,000.00, water was increased \$500.00. Courtesy bussing was increased \$69,280.00. The Ocean County Tourism Grant was added. School Resource Officer will be revenue neutral. The change in the amount to be raised by taxation is \$10,684.00. The new deficit figure is \$616,959.61.

Administrator Dancer said he spoke to Sean Gately, Business Administrator for the school and asked that he prepare a draft agreement for the School Resource Officer for the Committee to review. Gately prepared and forwarded to Dancer; Dancer gave copies to the Committee. The school took last year’s shared service agreement for the School Resource Officer and updated information. With respect to the amount of money, this is just for the period March 1<sup>st</sup> to June 30<sup>th</sup>. The School Board proposed that they would pay 100% of the cost of hiring two Class II Officers at \$12.00 per hour initially. There was a change. Mayor Leutwyler explained it would be the same rate but would be part time regular Police Officer. This was done because one of the candidate’s certification runs out sometime in April and hiring him as a Part Time Regular would automatically extend his certification for a year. For recertification, the fee would be \$200.00, which the school will be billed. Since he is an Ocean County Police Officer, Chief Petrecca hoped there would be no charge.

A question was asked if the school would be getting both the part time officers or one part time and one experienced officer. Mayor Leutwyler said it was his understanding that one of them would be an experienced officer and the school would be paying the cost of the two part time officers. Chief Petrecca felt that the new officers would be ready to be sworn in at the March 6<sup>th</sup> Township Committee Meeting, but it was felt there may not be enough time for the agreement to be executed. A special meeting may need to be scheduled. Administrator Dancer also mentioned the Township could not hire until the waiver is approved. A tentative meeting with the State is scheduled for sometime next week because it is important to be done before March 15<sup>th</sup> to be in a position to introduce the budget simultaneously with the application for Transitional Aid. The waiver form is needed for the two new officers; the State wants the agreement between the Township and the School that the School is in agreement and they will be paying all of the expenses so it is revenue neutral to the Township.

Dancer said in speaking with Sean Gately about using the one Special Officer in the school and Regular Officer, they will need to be rotated for training on the road. Dancer explained the State Statute limits the number of Specials any community can have. The Township had five Specials at that time but was grandfathered. Another limitation was on the number of Specials that could work full time which he read the exceptions. His point was that the one Special can work 40 hours, but the other Special would need approval from the Ocean County Prosecutor to exceed 20 hours, which is State Statute in an emergent situation, which was read to the Committee.

Mayor Leutwyler understood they were fully certified, but one needs to be recertified in April but if appointed as a Regular Part Time it would extend their certification for a year. The

school's only issue was that they were only responsible for two officers, 5 days a week, 8 hours per day and only reimburse the officers for the time that they were in the school. There was discussion regarding the agreement and financial issues regarding Township and School's responsibility for these School Resource Officers. There will further discussion at the March 6<sup>th</sup> Township Committee Meeting. Administrator Dancer felt it was important that during an interview for any new police officer that there are no misunderstandings regarding their employment due to part-time or limited basis.

Deputy Mayor Sorchik asked if CFO Madden heard from Emergency Management regarding the car. He asked Linda Salcfas about how many miles she operates a vehicle in a year because the cost of repairs to the Emergency Management Vehicle. He thought it may be more cost effective to pay her mileage. With respect to using one of the vehicles from the impound, he felt it would be in the best interest to Township and taxpayers if those cars were sold instead of transferring a title for one of them for Emergency Management. CFO Madden said she discussed this with Linda and she would be paid for mileage and thought her budget line item should be increased another \$1,000.00 making the total \$3,150.00.

Committeeman Marinari asked if there was a timeline for Dr. Jones to make a decision regarding the School Resource Officers for the school year 2013/2014. He felt there should be some contact on a regular basis between the two entities.

Regarding the Grounds Maintenance Quotes, Committeemen Wysong & Trotta met with Ron Tabor and he agreed on the lower price of \$35,700.00 (\$30,000.00 for Parks and Recreation Fields and \$5,700.00 for Municipal). Regarding Scope of Services, the Township would supply the mulch and lime for the grass. It was also decided that one Maintenance person would attend a Recreation meeting every other month, not to exceed six meetings in a year.

Under Buildings and Grounds Other Expenses, it was noted an increase of \$4,000.00 plus the \$5,700.00 for the contract as mulch, lime and janitorial supplies are now coming from this line item, which would bring that line item total to \$30,100.00. It was noted that in checking with the school's janitorial supplier that the Township could save money.

Regarding the Open Space Trust Budget, it was noted that the Township is still unbalanced by \$15,000.00 because the assessments are down. Madden's only thought was the \$25,000.00 in reserve for Playground Equipment would help balance this or lower the Acquisition of Lands. Madden went over the list of expenses from the Open Space Trust Budget which should come from Development of Maintenance of Lands. Regarding the \$20,000.00 for Acquisition of Lands for Recreation & Conservation and Farmland, Administrator Dancer wanted to mention that the Township's requirement, as a municipality, is 5% of the total amount to be purchased. He explained the process. He said that the \$20,000.00 could be changed to \$5,000.00 and \$15,000.00 for other purposes that are authorized under the referendum plus the \$25,000.00 encumbered for Playground Equipment. Unlike the Current Fund Budget, the Division of Local Government Services will permit transfers any time during the year for Trust Fund Open Space Budget.

Regarding the Emergency Management Budget, it was decided to change it to \$3,150.00. Regarding Insurance, it was noted that the Committee needed to go online and complete the Employees Practices Liability to save \$1,000.00.

Regarding Snow Removal Trust Fund, CFO Madden noted there was a cancellation resolution on the agenda to cancel the balance of the money from Schedule C and Vernon Dancer and to transfer some of the money into the Snow Removal Trust Fund. If this is done every year, it will help the Township have a more sustainable budget for future years. It was decided to transfer \$15,000.00 into the Snow Removal Trust Fund and there would be \$30,000.00 for next year.

Regarding Group Health Insurance Update, a letter is being sent for the Committee to review before going to the employees with any changes.

Regarding the Vehicle Auction, there was discussion on the vehicles for auction and ones to be recycled. There were also two Motorcycles for auction. There will be separate resolutions for auctioned vehicles and the recycled vehicles. The auctioned vehicles are KIA, the two Yamaha Motorcycles, the 1996 DARE Jeep, 1993 Honda, and the 1984 Ford Pick Up. The recycled vehicles are the 1999 OEM Crown Vic and the three junk titles, 2002 Chrysler, 2000 Buick, and 1996 Jeep. Madden will check to see if the 2004, 2005, 2006 Crown Vic Fords can be auctioned or be recycled. The Auction will be through Alfred's Auction. Administrator Dancer said, with respect to Transitional Aid, there was a question regarding any employees who take a vehicle home. He asked if the Township still has a K9 Program since Fica is no longer a K9 dog and if the K9 vehicle is being used for personal transportation to and from home. Mayor Leutwyler said he would check with the Police.

Regarding Transitional Aid for Capital Budget Planning, CFO Madden explained that the 2012 Reserve Balances could be transferred by resolution from one Capital project to another Capital Project and explained the procedure. The total Reserve Balance as of December 31, 2012 was \$1,092,995.84 and so far, the 2013 Proposed Budget was \$44,999.00 of which \$10,000.00 was for Computer/Electric/Telephone Equipment and \$34,999.00 for a 4WD Police Vehicle, which the Committee was in agreement with. It was explained the Bond Ordinances have been approved but not funded. Township can borrow the money with approval from the State. It was noted that Kelly's computer crashed and there was discussion as to possibly doing a transfer.

The items for Transitional Aid Application and the COLA Ordinance, which is the 3.5% increase that is allowed, and the Deferred School Tax Resolution, are going to be used to balance the budget with the State's approval. Dancer noted that the School Deferred Tax Resolution must be done with the introduction of the budget. He felt it would be difficult to introduce a budget on March 6<sup>th</sup>. With the direction of a meeting with the State to help in finalizing the budget, then a Special Meeting can be scheduled between March 6<sup>th</sup> and the 15<sup>th</sup> for official action. At that time, the budget can be introduced and the resolutions for the School Deferred Taxes and submittal for Transitional Aid can be done.

Administrator Dancer explained the process of introducing the budget without knowing how much the Township will need to request for use of School Deferred Tax money and how much Transitional Aid the Township may receive. There was discussion regarding the ratable base loss of just under \$4 million with the record number of appeals. It was also noted that there would be a notable increase in County Taxes due to the loss at the shore. Mayor Leutwyler asked how the Township would sustain the budget. CFO Madden said they would want to know what actions the Township would take if not approved for Transitional Aid. There was discussion regarding the use of School Deferred Taxes and if the State changed all municipalities to a fiscal year. Since Plumsted is on a calendar year, if this happens, that money would have to be paid back as it is School Tax Money not Township money.

There was discussion regarding how long the Township would be sustainable. CFO Madden said the Courtesy Bussing would reduce by \$35,000.00. A big concern was the drop in Court revenues and she has checked into the possibility of a third party collection agency to collect outstanding payments, which amounts to approximately \$25,000.00. She said the Hotel Motel Occupancy Tax would help generate revenue. She felt there wasn't any place where the Township's revenues would increase. Construction Code has been good but the Uniform Construction Code Report requires that you break even and they had a profit of \$15,000.00. This will come to an end as there is not enough construction as in the past.

Administrator Dancer read last year's explanation for the need for Transitional Aid. It was stated that since 2008, the declining property values and successful tax appeals resulted in Township total ratable base loss in excess of \$35 million; now it is nearly \$400 million and more than \$535,000 in tax revenues. The State said the Township had a total of \$667,000 last year and this year for tax refunds, credits, and they allowed Plumsted to borrow the money so there would be no year-end deficits for 2011 and 2012. 75% of the \$667,000 was money that was received and needs to be paid back over three years. The Township had to absorb 25%, which is \$167,000. The loss of \$535,000 in tax revenues from tax appeal judgments negatively impacted the Township surplus funds with payments made to the school, county and fire district. To avoid a year-end cash deficit in 2011, the Local Finance Board approved Plumsted's request for tax appeal bond refunding notes in the amount of \$218,000, surplus remaining and Fund Balance with the introduction of the 2012 budget in the amount of \$7,400.00.

To minimize tax appeals and maximize tax revenues, Plumsted has authorized for reassessment of all properties to be completed in 2012 and will be effective in 2013. There were over 200 appeals, \$364,000 in refunds and credits last year, which far exceeded the year before. This will help in the Transitional Aid narrative. The last thing was there is constrained ability to raise sufficient revenues to the relatively low ratable base, which was worse than last year. With raising one cent on the rate of \$105,000.00 from \$1,055,000,000.00 and this year, it is approximately \$78,300 with one cent on the rate. This year the Township will be able to show the State the constrain ability to raise revenues. Mayor Leutwyler's concern was showing sustainability to the State, which showed Plumsted's 40 shared service agreements, enhanced revenues from new development are very limited, unlikely with the success of the preservation program, which nearly 50% of lands in Fort Dix Military Reservation.

Administrator Dancer explained the measures enacted to limit Transitional Aid requests to Townships: 1) Reassessment in 2012 to be effective in 2013 - This was the Township's game plan but was hit with an unprecedented number of appeals. 2) Debt Service payment - Amortization schedule which reduces the annual debt payments by 3 cents on the tax rate. It was 3 cents then because it \$105,000.00 which would pick up the \$300,000 deficit. Extra debt

was added in the amount of \$85,000.00 for the hybrid reassessment and took on borrowing for Tax Appeal Refunding Notes (TARNS), which amounted to approximately \$400,000 between the two years. The thought was as long as you exercise financial discipline, the debt service amortization schedule reduces the annual debt service payments by 3 cents on the rate in 2014, which is approximately \$300,000.00. This was without the additional debt and the Township could be in a position to lower the debt service payments. The tax rate will remain for the amount of taxes raised for that debt service unless the Legislature changes it. The tax rate does not have to be reduced due to the fact that the debt has been paid off. 3) The tax rate in the 2012 budget increases 2 cents, from 15 cents to be projected to 17 cents for 2013. This is no longer because to raise the same amount of money we have to raise the tax rate.

CFO Madden said she listed some things that could be added for ways to reduce the future need for aid. Lower Medical Insurance costs as employees will be contributing more and more, employees will be given more options, and plans to choose from that are more cost effective. With possible retirements from the Police Department, this could help bridge the deficit due to being on a higher pay scale and hire at entry level. If officers are going to be replaced, how does the Township sustain that as they go through the scale when there is not enough money to give the other employees any raises. CFO Madden's recommendation was Police Department attrition with retirement, either not replaced or replaced with a part time officer. Other reductions are the Snow Removal Trust starting in 2014 to reduce the Current Fund Budget, Courtesy Bussing reduced to \$70,000 in 2014, gradual reduction in debt service and continuing to look for additional revenues. Regarding the third party collection agency, she felt it was a one-time thing and the State did not want to know about those kinds of things because they are not sustainable. The amount needed in order to balance the budget for Transitional Aid is \$627,409.51 but for budget purposes, the amount is \$255,000.00. It was noted that the application should be for the exact amount needed and not round up the amount.

There was discussion regarding the Transitional Aid narrative. With the attrition for the Police, Administrator Dancer wanted real numbers. His concern was when the State sees the plan, if the Township is putting together a sustainable budget, the Township could meet the contractual obligations with the Police Department with step increases. He also noted that there should be discussion regarding raises for the non-contractual employees as well. Deputy Mayor Sorchik questioned the debt service that would be satisfied and how that would figure in to the funding if the Township was able to anticipate using those funds this year but next year or the year after when the debt is satisfied. Dancer said it would be part of the debt service as it was last year, and he explained the debt reduction over the next five years in order to be sustainable. Also noted was Energy Aggregation and Shared Service for a Professional Recycling Coordinator needed to be added in the application.

Administrator Dancer prepared a list of road issues for a meeting with the Ocean County Road Department and asked the Committee for their comments. Committeeman Trotta said High Bridge Road (County Road) was falling apart. Danielle Peacock questioned if speed bumps could be placed in the area of the Recreation Field on Brynmore Road to slow the traffic down. Since this is a Township Road, Administrator Dancer suggested asking the people who plow the snow be contacted. If the type and style does not create a safety hazard it may be worth looking into. It was noted that there are ones that are removable that could be taken down when the busy season slows down.

Administrator Dancer said he, Mayor Leutwyler and Deputy Mayor Sorchik met with some members of the Fire Commission regarding the Fire Budget since it was voted down. The section of the budget where it says Unrestricted Surplus and Restricted Surplus, the Unrestricted Fund Balance shows \$40,000.00 for use of surplus to balance that budget. However, the balance after using the \$40,000.00 is \$115,892.00. It is very important in reviewing the budget information that you have all of the information. He wanted to point out that while there is \$115,892.00 remaining in the Unrestricted Surplus, there is no requirement in the statute to keep a certain minimum. However, it is good practice to keep a certain minimum. All of the information is very important. What is not included was the results of operation for 2012 which he asked their auditor because this surplus amount reflected is from an audit figure that came from the audit of the year 2011, not 2012. Their auditor said that would be done and ready by Friday, March 1<sup>st</sup> and the Township Committee is March 6<sup>th</sup>. If \$60,000.00 of the \$115,892.00 was being used to increase surplus to reduce the amount of taxes to be raised, it would still leave about \$55,000.00 in surplus. If \$40,000.00 was used to balance the budget plus whatever the results of operations are from the year 2012, this will enhance the amount of surplus available January 1, 2013. This was some additional financial information that the Township requested before Wednesday night's meeting.

Committeeman Wysong asked if there were any concessions by the Fire Department. He was told no. They were adverse to using more of their surplus. With respect to cuts, they felt they were at their bare minimum with the budget base. They felt their budget was sustainable

because if they were able to hire two paid EMTs for evening hours they could bill and it would bring in revenue to the fire department. This is due to volunteers being short staffed. It was also noted that the Township would provide checks monthly to the Fire Commission instead of on a quarterly basis. Administrator Dancer advised the Committee that it was not just for Plumsted Township. It is also North Hanover, New Hanover and Upper Freehold Townships. There was discussion regarding balance billing for residents of Plumsted Township and how they are only supposed to accept what the Insurance pays.

Committeeman Trotta distributed paperwork from the Playground Committee. The money available is \$42,643.86 for playground equipment. The total net price with discount is \$57,558.00. The company has a State Contract and does a lease/purchase agreement which covers the equipment, installation, etc. He noted that in order to save money, the Boy Scouts were going to help with benches; and with respect to garbage and recycling containers, they were going to ask Waste Management if they would donate them. The wood mulch is \$9,543.00 per the contract but the Committee was going to see if they could get a better price elsewhere. Regarding the construction area, they can have the installed at a cost of \$18,170.00. There was discussion regarding the community build option, which would have a savings, but after discussion regarding liability and other issues, it was recommended to have it installed. There was discussion regarding the land and preparing it for the installation.

Administrator Dancer suggested that the Risk Management and Joint Insurance Fund be contacted with respect volunteers and company oversight with this project to help in saving money. After adding everything, the cost is \$93,767.00, which does not include a fencing and security. There was discussion regarding having a fundraiser for fencing. Regarding State approval, Administrator Dancer said there was approval for \$25,000.00 out of last year's Open Space and there was also discussion regarding cancelling some items from the Capital Fund and have a line item out of the Capital Improvement section of the budget for monies set aside for Capital purposes. Committeeman Trotta said they have a fundraiser kickoff scheduled for April 6<sup>th</sup> selling T Shirts. Committeeman Marinari said he had concerns regarding liability with respect to the clearing of land and using chain saws and noted that he would check with a couple of people in that field. It was also noted that Sam LeNoble and his coworker checked out the site and were willing to do a free site plan for the Township. The Committee was interested in moving this forward.

Administrator Dancer had an issue with respect to budgeting. There was discussion regarding Glenn Riccardi requesting more time of Joan into the Construction Office. Ideally, he would like to have her full-time with benefits, which would be a decision for the Committee and the State. There was discussion with Mayor Leutwyler and Municipal Clerk Dorothy Hendrickson about giving Joan another day in the Construction Office and ask Jen, who is taking Municipal Clerk Classes, to work an additional day in the Clerk's Office. If the Committee was in agreement, the Construction budget would need to be increased. With the introduction of the budget and discussions with the State, he wanted to try getting the figures as close as possible.

Committeeman Marinari asked that on March 6<sup>th</sup>, he would like to come in at 7PM but leave to go to the school at 7:30PM, as they are going to have some discussion about the new Principal. He has been asked to speak for that individual who comes within the district and felt it was important that he did this. The Committee was in agreement.

Mayor Leutwyler asked for public comment.

Resident Luisa Erich-Carr had questions regarding the Fire District Budget, the Township Budget and the Revaluation in the Township. She had concerns about the School, Township and Fire District Meetings being on the same date and time.

Regarding the Fire District, she had a good meeting with Steve Morgan. She suggested having a video on their website to let the public know what they were doing. She wanted to know why they bought a new truck that he was driving instead of getting one that was 2 years old. She questioned why Plumsted went to Hope Fire Company to help get a horse out of the lake and why isn't the owner of the horse charged for this?

Regarding the Township Budget with respect to reducing the revenue by \$23,000.00 for the SRO, was there any amount put in for the revenue from the school? Mayor Leutwyler explained that will be revenue neutral, that the Township won't make money but we won't be spending money; it will become a wash. Regarding the two new SRO's being outside the CAP, Administrator Dancer explained that entering into a shared service agreement, they permit them as far as the appropriation being outside the spending CAP. Regarding courtesy bussing, she asked about the \$105,000.00 which she thought it was \$70,000.00. Mayor Leutwyler explained that the Township was in arrears for \$35,000.00 from last year's payment. This was due to the Township being on a calendar year and the school being on a fiscal year. She asked

about money coming from the Curb and Sidewalk Fund, which was explained that it was a one-time thing due to the defeated School Budget, which Administrator Dancer explained.

Regarding the cost of \$85,000.00 for the revaluation, she wanted to know the breakdown. It was explained that part of it went to Maureen, the Tax Assessor, and part went to a field inspector. It was explained that Maureen's salary was not just for the nine office hours; she also works outside doing field inspections. She wanted to know the addresses of all of the homes Maureen and the field inspector inspected and the ones they were unable, because they did not come to her house. She mentioned she was not happy with her revaluation and was not appealing it at this time. She just wanted to bring something to the Committee's attention. She asked if the Committee realized that 80% of the homes in Plumsted are under 2,200 square feet and are overstated in their value and the ones overstated are understated. She felt that the value of larger homes are too low and the smaller home values are too high. Business Administrator Dancer mentioned there are property records for each residence and they are public records. She reached out to the County and they referred her back to Maureen. She wanted to know and understand how the value for her home and other homes were calculated. Mayor Leutwyler said he would reach out to Maureen and ask her to contact her.

There was no further business from the Committee.

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

Respectfully submitted,

Dorothy J. Hendrickson, RMC  
Municipal Clerk