

A special meeting of the East Amwell Township Committee came to order at 7:30 PM. Present were Mayor Peter Kneski, Deputy Mayor Linda F. Lenox, and Committee members Patricia Cregar, Timothy Martin, Larry Tatsch. Township Administrator Timothy Matheny and Treasurer/CFO Jane Luhrs were also in attendance.

In compliance with the Open Public Meetings Act, a copy of notice of this meeting was filed in the Clerk's Office, posted on the bulletin board, and sent to the Hunterdon County Democrat, Times of Trenton, and Star Ledger on April 12, 2010. The purpose of this meeting is to meet with the Township Administrator and the Treasurer/CFO to discuss the 2010 budget. The public is invited to attend and comment at the open session. Action may or may not be taken.

The meeting opened with the Pledge of Allegiance.

Mr. Tatsch provided an update on long time volunteer Toni Robbi's medical condition, noting his move to a rehab center in Princeton and continued progress.

Mrs. Luhrs presented the governing body with new information, including the following: an appropriation summary dated 4/15/10 with accompanying worksheet data information; a budget and revenue sheet; salaries/other expenses breakdown by department; proposed capital budget; and open space trust hearing information. She explained that the tax rate in 2009 was .1491 cents and the 2010 tax rate will be .1506, or a 1.07% increase; the Township was exactly at the levy cap with the amount to be raised by taxes at \$1,186,317.

Mrs. Luhrs further explained that revenues went down, i.e., \$1,677,835 in 2009 and anticipated \$1,480,317 with a loss of \$197,000 due to loss of state aid, reduced revenues, and lack of surplus. In order to prepare the budget, \$182,000 had to be cut, including \$65,000 out for salaries and \$90,958 from operating to keep under the cap. Mayor Kneski spoke about the request of Governor Christie to keep within a 2.5% cap, and the Township was less than half that amount. Mrs. Luhrs explained that if municipalities get under the levy cap, they will keep under the 2.5%. Mayor Kneski explained that the 2.5% cap may go to a constitutional amendment vote and may have an effect on future state aid. Mrs. Luhrs also explained the current cap of 3.5% and ability to bank, which will be the same with the Governor's cap request.

Mr. Tatsch asked how East Amwell's budget looked in relationship to other municipalities. Mrs. Luhrs said that all budgets "are disastrous," with many municipalities looking at shared services, lay-offs, salary cuts, etc. She stated, "Considering no layoffs...no salary increases for two years in a row, ... we are more fortunate than others I work for."

The Committee asked Mrs. Luhrs to provide an overview. Mrs. Luhrs explained that she provided information to the governing body tonight for their review. She has made more cuts, including taking 10% from each department, reducing the lines to what departments spent last year. She removed \$12,000 from Roads and put into open space for mowing on fields and Clawson Park. The Board of Health salary line was reduced because of a reduction in staff hours. The Construction Department line item was based on one half a year salary, but revenues were also based on a one-half year figure "as a wash." The Deputy Clerk position was cut by \$10,000 because of a reduction in hours. The operating budget had \$10,000 for police (traffic enforcement). Employee health benefits increased, i.e., health benefits by 16-18 percent and pension went up 17-18 percent; there was some reduction in expenses since two of the employees' children went off the policy, but the total increase was \$10,000. There were some added appropriations for Roads, and there is a debt service matter to resolve, i.e., some notes are coming due. Mrs. Luhrs concluded that the budget is "lean."

Mr. Tatsch asked how next year's budget will look. Mrs. Luhrs explained that it would depend on state aid, tax collection rate (down slightly this year) and reserve for uncollected taxes, the number of tax appeals, and other variables. She noted that there are no places to cut next year, that there has been no salary increase for two years, no new employees were hired, and unless there is a new source of revenue for next year, it will be a difficult year. She noted that surplus has been down for three years, and "there is no rainy day fund." She cautioned that with reduced revenues and use of surplus, the budget is "very lean." Mr. Martin commented on being optimistic with the Governor's new mandate.

Mr. Tatsch commended Mrs. Luhrs and Mayor Kneski for their great work. Mayor Kneski commended all boards, commissions, and employees for their understanding and for working together.

Mrs. Luhrs will send boards and departments copies of their proposed budgets to make them aware of their reduced figures.

Mrs. Luhrs referred to the five-year capital budget, taking figures from last year and "tweaking" them. Highlights for 2010 include \$6,000 for signs; \$1,000 for the revision of the 5 year capital plan, funding for Back Brook Road, including \$139,000 in grants, an ordinance for leveling/subgrade reconstruction in the amount of \$60,000 and purchase of various road equipment and an F350 truck (with three capital ordinances already introduced). The Open Space Trust Fund shows \$28,100 for soft costs for acquisition. Clawson Park, soccer field, and recreation fields maintenance will come out of the Open Space Trust fund with budget amounts of \$25,000, \$6,000, and \$5,000 respectively.

Mr. Martin commended the DPW, stating that numbers of residents recognize the great work they do, i.e., "doing so much with so little." He recognized the fact that they get a lot done with very little equipment. Mayor Kneski commented on the amount of square miles and work done by four men, stating that "they do an outstanding job." Mr. Tatsch spoke about a recent email he sent about the "amazing job" they did in rebuilding a section of Stony Brook Road; Mr. Matheny shared the email with the DPW and they were pleased with the recognition. Mrs. Cregar asked if salary adjustments were provided to the DPW members; she was reminded that no adjustments or increases were provided this year.

A question was raised about Clawson Park expenses; Mrs. Cregar mentioned that a neighbor wants a buffer, and Mrs. Luhrs had already included this request in the budget. Engineering costs for the drainage is also already in the budget.

Mrs. Luhrs projected the next four years in the capital budget as assumptions, adding the same amount in each of the subsequent year's budget as a planning tool.

Mr. Martin commented on the \$8,500 in postage, asking if a reduction in postage and paper has been seen yet with the advent of sending material electronically. He also sent an article to the Clerk about reducing fonts to save money on ink and paper. The Clerk will send an email to all boards asking them to provide information to their members electronically rather than by paper and mail; the fact that there is only two scanners in the office is an issue.

Mrs. Luhrs explained that there were \$1,000,000 bond anticipation notes maturing on May 21, 2010 for the purchase of various farms a few years ago; all but one (Rynearson) has closed. She explained that it was not economically feasible to go long term for a small amount (i.e., up to \$25,000 in costs to go long term). She further explained that in the fourth year, a principal payment is due, and she was recommending paying \$110,000 and borrowing \$890,000 with the intent to pay off the debt over 10 years. Last year's interest rate was 1.69%; Mrs. Luhrs noted that she is not making that much interest on investments. She was looking for authorization to hold a bond anticipation note sale of \$890,000 in May and pay off the \$110,000. Mr. Tatsch asked about paying off a bond last year; Mrs. Luhrs explained that this was a reimbursement, reimbursements are put back into the open space trust fund, and using money from that fund is not an exception to the cap, which hurts the municipality. Some specifics were discussed about funds to be collected from the Scibilia property and the use of the open space trust fund for debt.

Motion by Mr. Martin, seconded by Mrs. Cregar, and it was carried unanimously by roll call vote to authorize the bond anticipation note sale of \$890,000 and pay down the \$110,000 from the 2010 Open Space Trust Fund budget: Mr. Martin, yes; Mr. Tatsch, yes; Mrs. Cregar, yes; Ms. Lenox, yes; Mr. Kneski, yes.

The governing body discussed the introduction of the budget, which will be held on April 26, 2010, at a special meeting. At that time, they will decide on the date for a special meeting in May for the public hearing and adoption of the budget. Mrs. Cregar will not be available for the April 26 meeting.

The Open Space Trust Fund Amendment hearing will also take place on 4/26, which is usually held the same time as the budget introduction.

Motion by Mrs. Cregar, seconded by Mr. Tatsch, and it was carried unanimously to open to the public for comments.

Bill Reiter, 12 Dutch Lane, wanted to discuss the rescue squad budget. Mayor Kneski explained recent legislation about elected officials who are associated with rescue and fire companies, and he recused himself from the discussion. Deputy Mayor Lenox took over at this time.

Mr. Reiter continued that past rescue budgets included \$29,000 for operations and \$28,000 for capital. Last year, \$28,000 was cut from capital and \$30,000 was given to Clawson Park. This year he sees nothing in capital again for the squad and \$40,000 for the Park, adding his personal opinion on what he believed should be done with the Park. He noted the need to purchase equipment for the squad, which will fail inspections. He also mentioned the lawsuit, which may settle soon, but has been costly to the squad.

Mrs. Luhrs explained that she spoke with Margaret Case, who was designated to provide rescue squad information. She came to a past Township Committee meeting, provided some information, and was asked to provide specific capital budget information. Miss Case was again called and asked to present information in writing for the March 29 meeting; no word was received. Miss Case was also advised that the DPW will be able to help the squad by repairing potholes when they are fixing their driveway. Mr. Reiter said that no one told him about this.

Mr. Tatsch provided detailed information on budget mechanics, including the Open Space Trust Fund based on a 4 cent per \$100 tax for specific items and the operating budget. The operating budget must stay under the levy cap, it is calculated by the state, and the Township must adhere to regulations. The operating budget for the municipality is tight, there has been no salary increases for staff, and every board is bare-boned. Clawson Park can be funded by the Open Space Trust Fund (earmarked for farmland, historic, and recreation), and the fund cannot be used for any other purpose. Mr. Tatsch also mentioned conversations with Miss Case, who provided information to the governing body at a previous meeting. She was aware of the offer of DPW assistance, which may equate to a \$5,000 savings to the squad, for help with the driveway, i.e., to repair potholes only.

Mr. Reiter said that the lowest bid for the driveway was \$25,000. He appreciated the Township's offer, reiterating that he was unaware of any of these discussions, commenting on possible reasons why Miss Case did not relay the message. Mr. Tatsch concluded that the Township wished that they could assist more, but there is no money available. Mr. Reiter commented on the lawsuit and a new Judge involved; the Committee hoped that funds tied up in litigation (as mentioned by Miss Case previously) will be freed.

Mr. Reiter commented on working with the State Police, who assist on rescue calls. He questioned why the Township would be working with Raritan Township for police services. He was advised that it would be for traffic enforcement only, for four hours a week at locations where speeders frequent, and it would be a source of revenue for the municipality. Mr. Reiter cautioned the governing body about the presence of Raritan Township police in the municipality, commenting on the public's perception of the police tactics, and he stated that the residents would not stand for it. He suggested that the Township Committee "be careful with what you are getting into" and felt that there were other ways to save money. Mr. Martin stated that the Raritan Police are under contract, which is subject to review; he also noted that most speeders are from out of state. Mrs. Cregar mentioned specific areas where the Police will be situated, and some further comments were exchanged.

Mr. Reiter concluded that people are "tightening their belts"; he appreciated the \$29,000; squad members are also forced to reduce their hours because of their own financial situations; and he asked for more financial assistance if the Township could help.

Mayor Kneski returned to the dais.

Frances Gavigan, 123 Wertsville Road, asked questions and commented about the following items:

- Increased liability rates in correlation to the McGee litigation: Mrs. Luhrs stated that rates increased everywhere, even in West Amwell, because of participation in a joint insurance fund. The fund is has a three year cycle, which will be over at the end of 2011. On a question about expenses for the employee litigation, \$20,000 has been paid to date as a deductible, and the rest of the expenses have been covered by the insurance company.

- COAH salary: this is a part time position, which is state mandated. Fees used to come from the Housing Trust, but there are no more administrative fees in the trust fund, and the \$8,300 salary is now budgeted.

- Construction Code Salary: the budget is for one-half year, and she asked about a decision. Mr. Matheny reported that the decision to go with the Department of Community Affairs has been tabled, and the Township is looking at shared services with neighboring municipalities within this year. Discussions about contracts are taking place in executive session, and no information can be given at this time.

- Insurance, Payroll, and Pension Benefits: Ms. Gavigan mentioned attending a County meeting and provided information about changes in state regulations. She believed that the Township should consider working with a County agent to administer the work for all 26 municipalities as a cost savings. She will find out further information about the County's interest in offering the service to municipalities. She also suggested that any money saved by the Township (i.e., emailing minutes, saving postage, etc.) should go to a fund for the rescue squad. Mr. Tatsch agreed that sharing services is a good idea; however, two past efforts to share County services (Animal Control Officer and Recycling Coordinator) did not materialize. Mr. Tatsch provided details about the Recycling Coordinator position being based on tonnage results (i.e., higher costs for the more a municipality recycled as a negative incentive to participate). The Township pays about \$3,700 per year to Raritan Valley Disposal for trash and recycling, according to the Treasurer's records.

- Rescue Squad: Ms. Gavigan felt that the squad should have fees waived for using Clawson Park for a fundraiser. She elaborated on a possible event either at the park or at the fairgrounds and possibly sponsored by the Recreation Committee or Township. The only fee for Clawson Park is a \$500 refundable deposit, which is returned if the participant obeys the ordinance and removes their trash/recycling. The Committee stated that consideration of a fee for the use of the Park might be a possible revenue source.

John Seramba, 111 John Ringo Road, is the accountant for the squad, noting that the squad's legal problems have devastated them. He asked if the Township would be able to include a note in the tax bill mailing asking the residents for charitable donations to the squad and/or others, and provide mailing addresses. He also suggested putting information on the Township's website. The Clerk will check with the attorney about this.

Mr. Seramba commented further on the problems with the squad with the costs for the litigation, noting that he does the audit for the squad, and their finances are bad. He advised Mr. Reiter in the audience that he contacted Steve Kalafer about donating free vehicle repairs, and Mr. Reiter should be hearing from Mr. Kalafer.

Mary Anne Reiter, 12 Dutch Lane, asked for clarification about recent articles in the VIP about a Financial Administrator and whether this position was funded in the budget. She was advised that it is covered in the salary portion of the budget. Mr. Tatsch provided information on the position, with the following highlights: in 2005 the governing body agreed to look at the position of a Township Administrator, and a subcommittee was formed. At the time, there was an Office Administrator already in existence. Other municipalities were researched to determine the functions of a Township Administrator, including staff administration and management, grant writing, shared services investigations, etc. The Township Committee reviewed the report of the subcommittee and thereafter voted on an ordinance to create the position. A search took place in February 2006, and within a few months, the Township appointed Mr. Matheny. Mr. Tatsch felt that Mr. Matheny's work has paid for his salary, providing the following as some specifics: the best DPW in Mr. Tatsch's history, due to Mr. Matheny's administration and ability to hire good staff; designing to renovate the offices, which if an architect was involved, would have cost several thousand dollars; work on a shared services agreement with East Amwell

Township School; negotiations for traffic enforcement services at an "outstandingly low cost"; work with other municipalities on shared services with a varying degree of success, due to the nature of the government; becoming a certified purchasing agent to increase the bid threshold and saving money in doing so by eliminating the need and cost to go out for bid for lower threshold purchases; doing an "outstanding job with the office staff ... which is very harmonious"; enabling the cut of a full person by staff reallocation. Mr. Tatsch concluded that all of the savings from the above "have paid for" the Administrator.

On a question about sharing services with the School, Mr. Matheny explained that the Township is still actively working on this, noting his involvement in negotiations and presentations at the School. He believed that School representatives will continue to work on this item, once the budget issues have been resolved, and a contract between the two parties will be pursued.

Ms. Reiter spoke about the line item for street lighting in the budget and commented about the "enormous" light pollution from the school; she asked about enforcement. A lengthy discussion took place on school lighting for both the soccer fields and parking lots, with the following highlights: schools come under the jurisdiction of the DCA in terms of construction and improvements; Ms. Reiter felt that the recreation leagues have been reasonable about the field lights, but she was concerned about the parking lots being on even when school is not in session – she was in favor of "the rural flavor" of the community; Mr. Tatsch provided information about Jersey Central Power & Light (JCP&L) providing photo-electronic lights which operate from dusk to dawn at a reduced rate, noting that the municipality has such this type of installation in the parking lot; Mr. Reiter commented on the local requirement for shielded lights, commenting on neighbors' complaints in the vicinity of the school and on deed restrictions he wanted in place when the school purchased property from in for the soccer fields.

Mr. Reiter commented on the possibility of a defeated school budget at the up-coming elections, noting that the Township Committee will be asked to look at the budgets for reductions. He offered his services in finding money hidden in the school budgets, noting his experience on the school board years ago and giving specifics about school administration appointments.

John Seramba commented on Mr. Matheny, personally thanking him for his work, agreeing that he has "done a great job," providing a friendlier atmosphere and protecting taxpayer's files and making sure that they are not going out of the building, such as was done with Planning Board members, which he was familiar with in 2003. He thanked Mr. Matheny for secure files.

Mr. Seramba asked about interest rates for bonds; the amount is 1.69%, and he agreed that re-financing was not warranted. He also spoke about his experience in preparing financial records for school boards, giving specific details, and he agreed that the school budgets could be reduced. He offered his assistance to the Township Committee in reviewing the budgets if asked, and he concluded that there were too many principals at Hunterdon Central High School.

Mr. Seramba concluded that he was tired of the attacks on Mr. Matheny, adding that he was worth every penny in his book, and he has provided leadership in the office, which should be "run by the warden and not the inmates."

Frances Gavigan echoed the sentiment, noting her attendance at meetings and seeing highly irregular activities prior to Mr. Matheny's arrival, including targeting citizens. She commented on receiving executive minutes from a litigant in the employee case for specific reasons. She would like to see Mr. Matheny provided predictable office hours, including on Tuesday nights. She concluded that Mr. Matheny is doing a good job.

Motion by Mr. Martin, seconded by Deputy Mayor Lenox, and it was carried unanimously to close to the public.

There being no further business, motion by Mr. Martin, seconded by Mr. Tatsch, and it was carried unanimously to adjourn the meeting at 9:00 p.m.

Teresa R. Stahl, RMC/CMC
Municipal Clerk

