

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 and Larry Tatsch. Township Committee member Timothy Martin and Township Administrator Timothy Matheny were absent. Treasurer/CFO Jane Luhrs was 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 May 17, 2010. Notice of the meeting was published in the May 20, 2010 issue of the Hunterdon County Democrat. The purpose of this meeting was advertised to hold a public hearing and adoption of the 2010 Municipal Budget. For the record, the budget will not be adopted tonight because the state has not certified the budget.

The meeting opened with the Pledge of Allegiance to the flag.

#### **PUBLIC HEARING ON THE 2010 EAST AMWELL TOWNSHIP BUDGET**

As proof of publication, the Clerk provided the legal notice published in the May 6, 2010, issue of the Hunterdon County Democrat. The budget has been available to the public since introduction on April 26, 2010.

Mayor Kneski mentioned that the budget could not be adopted until June 10 because the state has not yet completed their review of the budget.

Motion by Mr. Tatsch, seconded by Deputy Mayor Lenox, and it was carried unanimously to open to the public for comments on the budget.

Richard Spiegel, 1 Mountain Road, suggested that the Township not hold a public hearing with an empty room and allow tax payers an opportunity to better review the budget. The fact that the state has delayed the budget could be cited.

Mayor Kneski noted that the budget could not be adopted tonight and the public hearing could be carried until June 10. There is also an amendment being offered this evening; the budget adopted on June 10 will include this amendment.

Mr. Spiegel objected to the word "other" in the budget document; Mrs. Luhrs explained that the budget document is provided (as a template) from the state. Mr. Spiegel asked for specific information in the budget document, e.g., costs for calcium; Mrs. Luhrs explained that details are available in the Excel spreadsheets prepared and distributed during the budget process and is not included in the final budget. Mr. Spiegel will contact the Clerk to get the detailed spreadsheets.

Mr. Spiegel mentioned that stone is obtained from the quarry now without contract, and he asked about winter grit and calcium figures in the budget. Mrs. Luhrs said that there was \$3,000 in the budget for calcium and nothing for cinders.

Tim Mathews, 72 Linvale Road, commented on the explanatory message on page 3B of the budget message, i.e., "the tax rate for municipal purposes, the only rate over which the Township Committee has control." He asked whether this was correct, based on the fact that the Township Committee ratified a change in the school budgets. Mr. Tatsch explained that the governing body can request an increase or make cuts in the school budget that has been voted down. The budget must be approved by the state, and the School Board can challenge any cuts. He concluded that the governing body can request a cut and work with the School Board, but it is not their decision if the cut stays in the budget. Mr. Tatsch noted that usually the school budgets do not go down, and this was an unusual year. Mr. Mathews suggested that this budget message be adjusted because the Township Committee's actions directly affected the taxes because of decisions made.

Mr. Mathews asked about the budget message wherein there was no increase for staff, and in fact, the Township Administrator's contract extended 3 additional months of severance if he is released without cause. Additionally, staff and the Administrator were receiving five additional days vacation, which he considered "accumulated wages." He felt that this information should

be included in the budget, mentioning private sector where benefits are listed as liabilities on the books.

Mayor Kneski explained that public and private sectors were different, and accountability cannot be compared between the two. He noted that the additional five days off were at no additional cost nor involved an increase in the tax rate. Mr. Mathews felt that staff working less hours were, in essence, receiving more dollars for the hours worked, which was a raise. Mr. Tatsch explained that the benefit was a "one time" recognition for the staff who received no raises in two years, which was a "small recompense for the quality work ... without an increase in salary for two years." Mr. Tatsch further explained that staff, including the Treasurer and Clerk, will work harder to get their work done because their job assignments must be completed, and no one will be hired to assist. Mr. Mathews said he was just asking for disclosure and not suggesting that the benefits be withheld, and some further comments were exchanged between Mr. Mathews and the governing body about how to do it.

Mr. Spiegel asked about the contract for the Township Administrator with the fact that he was given three additional months compensation if he is dismissed. He asked when this was discussed. It was explained that it was discussed in executive session during contract discussion (i.e., April 26, 2010), and the contract was listed on the regular meeting agenda for May 13.

Mr. Spiegel asked how the contract could be amended without amending the Township Administrator's ordinance, which allows for only three months compensation. He stated that he brought the Administrator position "to the table" in 2005 for governing body consideration. Thereafter, Mr. Carter and Ms. Machnik volunteered to research the position in other towns. Mr. Spiegel further referenced an opinion from the League of Municipalities about providing a raise to the Board of Health Administrative Officer and state statutes about the Township Administrator's position.

Mayor Kneski reminded Mr. Spiegel that the public hearing tonight was for the 2010 budget. Mr. Spiegel felt that the issue pertained to the budget because it was an expenditure without ordinance. Mr. Spiegel referenced the state statutes for the Township Administrator regarding the removal from office by resolution adopted by 2/3 of the governing body with the provision of three months salary if the Administrator leaves immediately. He also referenced attorney advice received from Mr. Cushing in April, when the Township Committee considered six months compensation, and Mr. Cushing advised that the governing body could not supercede the state law. Mr. Spiegel also provided information on how the original Township Administrator's contract changed from three years to one year. Mayor Kneski explained that the state statutes are minimum standards, that all contracts, including engineering contracts, are subject to changes when negotiated, and the intent of the law is not to go below the three months. Attorney Cushing will be contacted for his opinion on this. Mayor Kneski stated that no decision would be made tonight, but he appreciated Mr. Spiegel's comments.

Mr. Mathews stated that "there was a disconnect" between the Township Administrator's ordinance and the contract.

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

Mr. Tatsch commented that the governing body will review the matter and consider whether to change the ordinance accordingly or return to the three month level.

Mayor Kneski appreciated the comments tonight and agreed that the attorney should review the matter.

Mr. Tatsch reiterated to the public that the governing body is looking for ways to retain a quality employee. Mr. Matheny is a manager, and generally, in the corporate field, managers are given incentives not found in the public sector. The Township Committee looked at ways to minimize the impact, yet provide a benefit to the staff; they believed that providing the additional days in lieu of salary was a small benefit and showed their appreciation for the jobs being done. The Township also wanted to reward Mr. Matheny in the beginning of his fifth year at the

Township, and they felt that it was appropriate to offer this benefit after four years of exemplary service, which was only utilized if the Administrator is terminated without cause.

AN AMENDMENT TO THE 2010 BUDGET

Mrs. Luhrs explained that the Auditor provided the resolution for an amendment to the 2010 budget, which will put the pension both inside and outside the cap. She explained that \$11,124.00 will now be outside the cap; pension will now show on two lines within the budget, but the dollar amount has not changed. The auditor provided updated budget pages to amend the budget, i.e., pages 19, 20, 25, 28, and 29, which were made available to the public.

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

Tim Mathews, 72 Linvale Road, asked about the differences in itemization, noting that there was no change in the dollar amount. Mrs. Luhrs explained that there are two areas of the budget in the appropriation portion, inside and outside the cap. The amendment only affects how the figures are being recorded.

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

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**RESOLUTION #87-10**

A RESOLUTION TO AMEND THE 2010 BUDGET

WHEREAS, the local municipal budget for the year 2010 was approved on the 26<sup>th</sup> of April 2010; and

WHEREAS, the public hearing on said budget has been held as advertised; and

WHEREAS, it is the desire that said approved budget be amended;

NOW, THEREFORE, BE IT RESOLVED by the Township Committee of the Township of East Amwell, County of Hunterdon, State of New Jersey, that the following amendments to the amended budget of 2010 be made:

	<b>FROM</b>	<b>TO</b>
8. General Appropriations		
(E) Deferred Charges and Statutory Expenditures		
- Municipal Within "CAPS"		
(2) Statutory Expenditures:		
Contribution to Public Employee Retirement System	56,966.00	45,842.00
Total Deferred Charges and Statutory Expenditures – Municipal Within "CAPS"	111,237.67	100,113.67
(H-1) Total General Appropriations for Municipal Purposes Within "CAPS"	1,367,868.67	1,356,744.67
(A) Operations – Excluded from "CAPS"		
Statutory Expenditures:		
Contribution to:		
Public Employees Retirement System	--	11,124.00
Total Other Operations – Excluded from "CAPS"	17,651.00	28,775.00
Total Operations – Excluded from "CAPS"	78,366.18	89,490.18
Detail:		
Other Expenses	70,046.18	81,170.18
(H-2) Total General Appropriations for Municipal Purposes Excluded from "CAPS"	1,021,699.18	1,032,823.18
(O) Total General Appropriations – Excluded from "CAPS"	1,021,699.18	1,032,823.18

By Order of the Township Committee,

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Peter Kneski, Mayor

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Motion by Mr. Tatsch, seconded by Deputy Mayor Lenox, and it was carried unanimously to approve the resolution by roll call vote: Mr. Tatsch, yes; Mrs. Cregar, yes; Ms. Lenox, yes; Mr. Kneski, yes.

Some discussion took place about the continuation of the public hearing and the date for adoption of the 2010 budget. Mrs. Luhrs explained that the State reviews the budget every third year, and she mentioned having 100 budgets at the state at this time for review. The State will contact the municipality when they have completed their review, and the budget cannot be adopted until the state approves it. Mayor Kneski did not want to prolong the hearing date (i.e., setting it for June 10 and then not having state review by that time). Mrs. Luhrs noted the importance of adopting the budget in order to pay all obligations and to have a tax bill as early as possible. On a question from the governing body, she added that the Township’s adoption of their budget is not contingent on the State’s adopting their budget.

A motion was made by Deputy Mayor Lenox, seconded by Mr. Tatsch, and carried unanimously to continue the public hearing and adopt the budget on June 10, subject to state review and approval or to carry the public hearing and adoption at a special meeting if the state does not act by June 10.

OPEN TO THE PUBLIC

Tim Mathews, 72 Linvale Road, expressed interest in Mr. Tatsch’s comments on the Township Administrator’s “reward for great work” and extending severance for it. Mr. Tatsch acknowledged that Mr. Matheny is doing a great job and severance only falls into effect if he is terminated (without cause); he commented on annual decisions, and that the reward has no value or negative effect on the tax dollars unless there is a termination. Mr. Mathews did not see a value with this benefit, i.e., he did not believe Mr. Matheny should receive a benefit of added compensation if he is terminated (e.g., the Township sees no value by giving Mr. Matheny additional compensation). Mr. Tatsch and Mayor Kneski commented on Mr. Matheny’s service to the Township. Mayor Kneski added that Mr. Matheny goes “above and beyond” what he sees a full time Administrator doing in the town where he works. Mr. Mathews commented on public perception that the position is generous, that he accepts the governing body’s opinion about Mr. Matheny’s performance, but from a taxpayer’s perspective, adding to severance is an “odd way” to reward the employee. Mr. Mathews and the governing body debated this issue, with the following highlights: the benefit will only go into effect if Mr. Matheny is asked to leave without cause; Mr. Mathews felt that one of the reasons for the elimination of the job would be due to the cost for the position, and now the Township has increased the cost to let him go; Mr. Tatsch gave another possible reason for the elimination of the position, e.g., a change in the governing body; Deputy Mayor Lenox also commented in changes she has seen in administration where jobs were eliminated, and she agreed that the Township Administrator benefit “was worth it.” The conclusion of the governing body was that the Township Administrator’s contract can be negotiated again with future governing bodies, that Mr. Matheny is a manager with a greater level of skill in management, that an exhaustive search was done for the position with not many qualified people, and that only one person from the municipality applied for the position but did not meet the qualifications, among other items.

Mr. Spiegel recalled the interview process for the Township Administrator’s position, interviewing five candidates with one other one who was “close.” He stated that he was well aware of the ordinance and stood by it. Mr. Spiegel noted that there were differences between the construction industry and politics, commenting on the bid process. He mentioned the effect on tax payers because a contract is up, and he commented on the Township Administrator doing his job. Mr. Spiegel said that the ordinance is in place, and the ordinance is text and “not a living ordinance.” He also commented on progressive politics and the perception of “getting rid of the constitution.”

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

Mayor Kneski explained that ordinances change with the times and for purposes, stating his familiarity with the structure of ordinances. Mr. Tatsch commented on federal constitution changes to allow prohibition, which was then repealed.

**ADJOURNMENT**

There being no further business, a motion was made by Mr. Tatsch, seconded by Mrs. Cregar, and it was carried unanimously to adjourn the meeting at 8:36 p.m.

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Teresa R. Stahl, RMC/CMC  
Municipal Clerk