

A special meeting of the East Amwell Township Committee came to order at 7:35 PM. Present were Mayor Larry Tatsch, Deputy Mayor Patricia Cregar, and Committee members Linda Lenox, Peter Kneski, and Tim Mathews. 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 January 25 and printed in the Hunterdon County Democrat issue of January 27, 2011. The purpose of this meeting is to introduce an ordinance for acquisition of an agricultural easement, to discuss the 2011 budget, and to pass a resolution to enter executive session to discuss personnel.

The public is invited to attend and comment at the open portion of the meeting. Action may or may not be taken.

Mayor Tatsch asked Mrs. Luhrs to provide a history on Township bonding. Mrs. Luhrs explained that early on, the Township paid outright for land preservation and was reimbursed to off-set the debt; it sometimes took two years to be reimbursed, and bonding was necessary. Now, the Township pays 20% along with County and State funding to acquire land/easements. The Township also bonded to meet COAH obligations, to renovate the municipal building in the past, and to acquire and develop Clawson Park. Mrs. Luhrs explained that it was more economical to go out for short-term notes for a period of time and eventually go for long term borrowing (15-20 years) with a number of notes. She commented that this was the philosophy of bonding since the 1990's, with Deputy Mayor Cregar adding that farmland began to be acquired in the 1980's.

Mayor Tatsch commented on collecting approximately \$315,000 in the Open Space Trust Fund (OSTF) each year, providing a scenario of not being able to pay \$1.5 million to preserve a large farm for many years. Mrs. Luhrs explained that the Township paid over \$1 million for the Kanach property and there was not enough cash; bonding was necessary. She also noted that the land is enjoyed over time by future residents and it is appropriate to extend the debt over a number of years by bonding. Bonding has been necessary for land, recreation, and COAH obligations; bonding has never been used for equipment purchase.

Mayor Tatsch commented on preserving a "critical mass" in the Valley, including Kanach, Totten, and Manners properties to encourage other land owners to participate as a viable program. State and County funding was also helpful, and those entities saw East Amwell had a good history for preservation and continued to support the municipality. Mrs. Luhrs commented that the bonding for the Kanach property took place in 2001, there was \$1.7 million in reimbursements, with the money being used to pay principal and stretching out the money as long as possible.

Mrs. Lenox arrived at 7:40 p.m. and was given a recap of discussions. Mayor Tatsch recognized Dick Ginman from the Farmland/Open Space Preservation Committee in the audience and said that he would be able to answer questions also.

Mrs. Luhrs continued by stating that the first bond was issued in 1993 as a 15 year bond. Mayor Tatsch and Mrs. Luhrs commented on the philosophy of preserving land early on with the intent to keep the Township open and not be subject to additional housing and school issues. Mayor Tatsch provided information on the cost of educating one student at the local school costing \$14,000 (and perhaps higher than that). He explained that 70% of the tax dollar goes to education, so a house with a \$10,000 tax bill would pay \$7,000 towards education. He commented on putting a burden on taxpayers with development, including a possible new addition to the school, infrastructure and road costs, COAH obligations, and police coverage (the latter of which would cost over \$1 million dollars). He concluded that preserving land provides future residents with a "beautiful heritage of open space and saves money in the long run."

Mr. Mathews commented on the trend of the cost of educating a student going up because there are smaller classes but the same fixed costs. Mayor Tatsch attributed this in part to a reduced population and vacant homes, which will be filled in the future, commenting on supporting agriculture/open space and stabilizing taxes unlike some neighboring communities.

Mr. Mathews commented on the OSTF collecting \$315,000 annually, asking where the money to pay the difference for preservation comes from; Mrs. Luhrs said \$500,000 for debt service is used each year from the general tax revenue. Mrs. Luhrs referred to a sheet which showed principal interest and total debt service to when the current debt is finished taking into consideration, assuming that there would be no borrowing after the proposed bond ordinance, finish debt by 2024. Mrs. Luhrs further explained on the sheet that short term notes can be rolled over for three years, and principal must be paid during the fourth year or else go into long term bonds. She commented on principal payments, the levy cap, the fact that paying debt (\$110,000) had a negative effect on the cap and the Township paid \$12,000 last year to get under the tax levy. State calculations on debt service have changed in 2011 to benefit municipalities, so \$110,000 can be used to pay down the debt (although the governing body will have to decide whether to pay the principal on these notes or go long term.

Mrs. Luhrs referenced the bond history sheet she prepared. She explained a Green Trust 2% loan for \$500,000 which is paid back each year and will be paid off in 2024. There was also a grant for the project/property, which did not have to be paid back. Mayor Tatsch mentioned that if there was no further debt after the bond ordinance tonight, by 2023 all debt would be paid off in 12 years except for the Clawson loan. Mrs. Luhrs commented on the savings generated by locking in at a lower rate for the long term debt; the short term notes, borrowed in May 2010 at a 1.1% interest rate may also be reinvested at another low rate.

Mr. Mathews asked about any reimbursements coming back to the Township; Mrs. Luhrs and Mayor Tatsch commented on getting \$188,000 back on the Scibilia property this year, and the money will go into the OSTF and could be used for debt service, if necessary.

Mayor Tatsch asked about the Township's debt with respect to other municipalities. Mrs. Luhrs explained that the Township has \$5,895,000 of debt with a borrowing power of \$20,000,000 and is small in comparison to others. She commented on the philosophy of the governing body to raise the tax rate a penny or two each year to keep the tax rate stable and still accomplish what the Township wishes to do.

Mrs. Luhrs commented on the use of the OSTF because of levy caps, i.e., some operations costs were switched to the OSTF to keep below the cap.

Mr. Ginman, from the audience, commented on prospective development activities in the past, including a large planned development on the Van Marter farm (Van Lieu's Road). He commented on preserving the property and saving the municipality "from a housing crunch." He indicated that there is a potential for developers to continue to look for large farms in the area. Mayor Tatsch also commented on a previously considered development of the Drift property as a Hindu Temple and lodge.

Mr. Mathews asked about interest earned on the OSTF; Mrs. Luhrs explained it was only .20%, the current bank rate. She also explained arbitrage (i.e., making more interest than debt), which is frowned upon by the State.

Mayor Tatsch thanked Mrs. Luhrs for her presentation and asked that the Township Committee now discuss the proposed bond ordinance and options. Mrs. Luhrs explained two options, i.e., take all the money from the OSTF to pay outright or proceed with the bond. While the ordinance allows bonding up to \$310,000, no money will be borrowed until reimbursements on the Zuegner and Drift properties are known, and it can be determined how much really needs to be borrowed.

Mrs. Luhrs explained that Clawson Park and soccer field maintenance (\$25,000) come out of the OSTF, which was previously in the Road Operating budget but moved because of the levy cap; \$60,000 was also allocated from the fund for tennis court repairs. A storage unit at Hunterdon Storage housing historic materials, including the Quick Collection, is also funded out of the OSTF. The fund is not only used for land or easement acquisition, and in order to stretch the fund longer, the Township may opt to bond for the land, which qualifies for bonding. Mr. Kneski asked about an engineering study on flooding done last year at Clawson Park; payment was taken out of the OSTF and if the governing body agreed, the cost for drainage work could also be taken out of this fund.

Mrs. Luhrs mentioned other uses of the fund, e.g., paving costs at the park, salaries for mowing, etc. Mr. Mathews commented on people voting for a tax for "open space." Mrs. Luhrs read part of the purpose of the fund (SEE OSTF resolution below), noting that the public was aware of the purpose when it was voted upon, and it was appropriate to use the fund for these types of expenses.

Mayor Tatsch reiterated the need to use the fund to pay for these legitimate items, previously shown in the operations budget, to keep under the cap levy. He noted the intent of the bond ordinance to conserve the OSTF and provide some flexibility to the Township. He mentioned that even if the ordinance is approved, the amount to be borrowed is not really known at this time and won't be borrowed until 2012. Mrs. Luhrs also mentioned the possibility of adding the short term notes, due in May, into the bond in 2012.

Mr. Mathews noted that there was more than \$1,000,000 in the OSFT and questioned a reference previously made to depleting the account. Mrs. Luhrs commented on the possibility of depleting the account over time with added expenses being assessed to the account, including Clawson Park expenses. She mentioned that the park has some large expenses, which the Township did not have years ago (e.g., erosion, maintenance, replacement needs, etc.); using the OSTF may be necessary. She stated that notes have low rates, and it is prudent to move payment into the future since those future residents will continue to benefit from the park; philosophically and financially, Mrs. Luhrs felt it was wise to do, noting other towns also bond.

Mr. Kneski commented on the Clawson House, which is on federal and state historic registers; there have been minimal repairs to date, but ultimately, major funds will be needed to restore the house. Mayor Tatsch also mentioned the Meszaros property, which is currently being investigated with a State grant of \$200,000 to evaluate contamination of the former dump. There are a few areas of concern, and another grant will be necessary for clean up; the Township will be required to put up 25% as a matching grant. Additionally, there are lien holders to be addressed, and using the OSTF may be an option.

Mayor Tatsch asked that the ordinance be read. The Clerk advised that prior to introduction of the ordinance, a public hearing amending the OSTF must be held; Mrs. Luhrs advised today that \$15,000 would be used for down payments from this fund. Additionally, an amendment to the temporary capital budget was necessary.

OPEN SPACE TRUST FUND AMENDMENT

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RESOLUTION #28-11

An Amendment to the 2011 Open Space Trust Hearing (2/01/11)

Purpose: as designated by N.J.S.A. 12-15.7, the tax may be used for acquisition of lands for recreation and conservation purposes, development of lands acquired for recreation and conservation purposes, maintenance of lands acquired for recreation and conservation purposes, acquisition of farmland for farmland preservation purposes, historic preservation of historic properties, structures, facilities, sites, areas or objects for historic preservation purposes, payment of debt service on indebtedness issued or incurred by a municipality for any of the purposes above. During the budget process each year, a public hearing is held on the allocation of funds raised by the open space tax.

The 2011 Open Space Trust Fund will be used for the following:

- Development of Lands for Recreation and Conservation:
 - Recreation Fields --
- \$ 36,000.00 Maintenance of Parks & Lands for Recreation and Conservation:
 - Clawson Park Maintenance \$25,000.00
 - Soccer Field Maintenance \$ 6,000.00
 - Recreation Fields Maintenance \$ 5,000.00

\$ 435,000.00	Acquisition of Farmland		
\$450,000.00	Down Payments	Adding	\$15,000.00
	Soft Costs		\$ 6,000.00
	Green Acre Acquisition		\$429,000.00
\$1,000.00	Historic Preservation		\$1,000.00
	Other Expenses		--
\$472,000.00	TOTAL TRUST FUND APPROPRIATIONS		
\$487,000.00			

By Order of the Township Committee,

C. Larry Tatsch, Mayor

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Motion by Mr. Kneski, seconded by Deputy Mayor Cregar, and it was carried unanimously to open to the public for comments. There being no comments from the public, motion by Deputy Mayor Cregar, seconded by Mr. Kneski, and it was carried unanimously to close to the public.

Motion by Mr. Kneski, seconded by Ms. Lenox, and it was carried unanimously by roll call vote to amend the 2011 Open Space Trust Fund: Mr. Mathews, yes; Mrs. Cregar, yes; Mr. Kneski, yes; Ms. Lenox, yes; Mr. Tatsch, yes.

2011 TEMPORARY CAPITAL BUDGET AMENDMENT

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RESOLUTION #29-11

WHEREAS, the Township of East Amwell desires to amend the 2011 temporary capital budget of said municipality by inserting therein the following appropriations for the Township of East Amwell;

NOW, THEREFORE, BE IT RESOLVED that the Township Committee of the Township of East Amwell as follows:

SECTION 1: The 2011 temporary capital budget of the Township of East Amwell is hereby amended by the adoption of a schedule to read as follows:

Temporary Capital Budget Amendment of the
Township of East Amwell
County of Hunterdon, New Jersey

Projects Schedule of 2011
Project

1. Open Space Project

Project	Estimated Cost	Method of Financing	
		Grant in Aid and Other Funds	Debt Authorized
Acquisition of Development Easements in Two Farms	\$310,000.00	\$ 15,000.00	\$295,000.00
TOTAL ALL PROJECTS			
From:	\$435,000.00	\$435,000.00	-0-
To:	\$745,000.00	\$450,000.00	\$295,000.00

SECTION 2: The Clerk be and is authorized and directed to file two certified copies of this resolution with the Division of Local Government Services Department of Community Affairs, State of New Jersey, within three days after the adoption of these projects for the 2011 Temporary Capital Budget to be included in the 2011 Permanent Capital Budget as adopted.

By Order of the Township Committee,

C. Larry Tatsch, Mayor

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Motion by Mr. Kneski, seconded by Ms. Lenox, and it was carried unanimously by roll call vote: Mr. Mathews, yes; Mrs. Cregar, yes; Mr. Kneski, yes; Ms. Lenox, yes; Mr. Tatsch, yes.

INTRODUCTION OF ORDINANCE 11-04

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ORDINANCE #11-04

BOND ORDINANCE PROVIDING FOR THE TOWNSHIP'S SHARE OF THE ACQUISITION OF DEVELOPMENT EASEMENTS IN TWO FARMS LOCATED WITHIN THE TOWNSHIP FOR AND BY THE TOWNSHIP OF EAST AMWELL, IN THE COUNTY OF HUNTERDON, NEW JERSEY, APPROPRIATING \$310,000 THEREFOR AND AUTHORIZING THE ISSUANCE OF \$295,000 BONDS OR NOTES OF THE TOWNSHIP TO FINANCE PART OF THE COST THEREOF.

BE IT ORDAINED BY THE TOWNSHIP COMMITTEE OF THE TOWNSHIP OF EAST AMWELL, IN THE COUNTY OF HUNTERDON, NEW JERSEY (not less than two-thirds of all members thereof affirmatively concurring) AS FOLLOWS:

Section 1. The improvement or purpose described in Section 3(a) of this bond ordinance is hereby authorized to be undertaken by the Township of East Amwell, in the County of Hunterdon, New Jersey (the "Township") as a general improvement. For the improvement or purpose described in Section 3(a), there is hereby appropriated the sum of \$310,000, including the sum of \$15,000 as the down payment required by the Local Bond Law. The down payment is now available from the Open Space Reserve.

Section 2. In order to finance the cost of the improvement or purpose not covered by application of the down payment, negotiable bonds are hereby authorized to be issued in the principal amount of \$295,000 pursuant to the Local Bond Law. In anticipation of the issuance of the bonds, negotiable bond anticipation notes are hereby authorized to be issued pursuant to and within the limitations prescribed by the Local Bond Law.

Section 3. (a) The improvement hereby authorized and the purpose for the financing of which the bonds are to be issued is the Township's share of the acquisition of development easements in two farms located within the Township for the preservation of farm land and open space. The acquisition of the development rights in a farm known as the Drift Farm consisting of approximately 54.1 acres and described on the Township tax map as Block 27, Lot 33 will be undertaken in accordance with a funding program assembled by the Hunterdon Land Trust Alliance involving proposed funding from the Federal Farm and Ranchland Program in the amount of \$157,429.90, the Duke Foundation (via Conservation Resources, Inc.) in the amount of \$72,681.60 and the Township in the amount of \$69,888.50 for a purchase price of \$300,000, all in accordance with an agreement with the Township. The acquisition of the development rights in a farm known as the Zeugner Farm consisting of approximately 77.5 acres and described on the Township tax map as Block 17, Lot 34 will be undertaken with funding in the approximate amount of \$604,500 from the State Agricultural Development Committee, \$201,500 from the County of Hunterdon and \$201,500 from the Township of East Amwell, for a purchase price of \$1,007,500, all in accordance with an agreement with the Township. The agreements

will ensure the preservation of the open space and farmland in perpetuity for the benefit of the Township and its inhabitants.

(b) The estimated maximum amount of bonds or notes to be issued for the improvement or purpose is as stated in Section 2 hereof.

(c) The estimated cost of the improvement or purpose is equal to the amount of the appropriation herein made therefor.

Section 4. All bond anticipation notes issued hereunder shall mature at such times as may be determined by the chief financial officer; provided that no note shall mature later than one year from its date. The notes shall bear interest at such rate or rates and be in such form as may be determined by the chief financial officer. The chief financial officer shall determine all matters in connection with notes issued pursuant to this ordinance, and the chief financial officer's signature upon the notes shall be conclusive evidence as to all such determinations. All notes issued hereunder may be renewed from time to time subject to the provisions of the Local Bond Law. The chief financial officer is hereby authorized to sell part or all of the notes from time to time at public or private sale and to deliver them to the purchasers thereof upon receipt of payment of the purchase price plus accrued interest from their dates to the date of delivery thereof. The chief financial officer is directed to report in writing to the governing body at the meeting next succeeding the date when any sale or delivery of the notes pursuant to this ordinance is made. Such report must include the amount, the description, the interest rate and the maturity schedule of the notes sold, the price obtained and the name of the purchaser.

Section 5. The Township hereby certifies that it has adopted a capital budget or a temporary capital budget, as applicable. The capital or temporary capital budget of the Township is hereby amended to conform with the provisions of this ordinance to the extent of any inconsistency herewith. To the extent that the purposes authorized herein are inconsistent with the adopted capital or temporary capital budget, a revised capital or temporary capital budget has been filed with the Division of Local Government Services.

Section 6. The following additional matters are hereby determined, declared, recited and stated:

(a) The improvement or purpose described in Section 3(a) of this bond ordinance is not a current expense. It is an improvement or purpose that the Township may lawfully undertake as a general improvement, and no part of the cost thereof has been or shall be specially assessed on property specially benefitted thereby.

(b) The period of usefulness of the improvement or purpose within the limitations of the Local Bond Law, according to the reasonable life thereof computed from the date of the bonds authorized by this ordinance, is 20 years.

(c) The Supplemental Debt Statement required by the Local Bond Law has been duly prepared and filed in the office of the Clerk, and a complete executed duplicate thereof has been filed in the office of the Director of the Division of Local Government Services in the Department of Community Affairs of the State of New Jersey. Such statement shows that the gross debt of the Township as defined in the Local Bond Law is increased by the authorization of the bonds and notes provided in this bond ordinance by \$295,000, and the obligations authorized herein will be within all debt limitations prescribed by that Law.

(d) An aggregate amount not exceeding \$20,000 for items of expense listed in and permitted under N.J.S.A. 40A:2-20 is included in the estimated cost indicated herein for the purpose or improvement.

(e) The Mayor, the Chief Financial Officer, the Township Attorney and other appropriate representatives of the Township (the "Township Representatives") are hereby authorized to participate in the acquisition of the easements as described more fully in Section 3 hereof on behalf of the Township and jointly with the Federal Farm and Ranchland Program, the Duke Foundation (via Conservation Resources, Inc.), the State Agricultural Development Committee and the County of Hunterdon. The Mayor of the Township is further authorized to execute the agreements and related documents and agreements, including documents and

agreements necessary to receive the grant necessary for the purposes described in Section 3(a), and the Township Clerk is authorized to attest such execution in forms recommended by the Township Attorney. The signatures thereon shall provide conclusive evidence that the forms of the contracts have been so approved. The Township Representatives are authorized to do all things necessary and to execute any such documents as may be reasonably necessary to implement the agreements.

Section 7. The Township hereby makes the following covenants and declarations with respect to obligations determined to be issued by the Chief Financial Officer on a tax-exempt basis. The Township hereby covenants that it will comply with any conditions subsequent imposed by the Internal Revenue Code of 1986, as amended (the "Code"), in order to preserve the exemption from taxation of interest on the obligations, including, if necessary, the requirement to rebate all net investment earnings on the gross proceeds above the yield on the obligations. The Chief Financial Officer is hereby authorized to act on behalf of the Township to deem the obligations authorized herein as bank qualified for the purposes of Section 265 of the Code, when appropriate. The Township hereby declares the intent of the Township to issue bonds or bond anticipation notes in the amount authorized in Section 2 of this bond ordinance and to use the proceeds to pay or reimburse expenditures for the costs of the purposes described in Section 3 of this bond ordinance. This Section 7 is a declaration of intent within the meaning and for purposes of Treasury Regulations §1.150-2 or any successor provisions of federal income tax law.

Section 8. Any grant moneys received for the purpose described in Section 3 hereof shall be applied either to direct payment of the cost of the improvement or to payment of the obligations issued pursuant to this ordinance. The amount of obligations authorized but not issued hereunder shall be reduced to the extent that such funds are so used.

Section 9. The chief financial officer of the Township is hereby authorized to prepare and to update from time to time as necessary a financial disclosure document to be distributed in connection with the sale of obligations of the Township and to execute such disclosure document on behalf of the Township. The chief financial officer is further authorized to enter into the appropriate undertaking to provide secondary market disclosure on behalf of the Township pursuant to Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") for the benefit of holders and beneficial owners of obligations of the Township and to amend such undertaking from time to time in connection with any change in law, or interpretation thereof, provided such undertaking is and continues to be, in the opinion of a nationally recognized bond counsel, consistent with the requirements of the Rule. In the event that the Township fails to comply with its undertaking, the Township shall not be liable for any monetary damages, and the remedy shall be limited to specific performance of the undertaking.

Section 10. The full faith and credit of the Township are hereby pledged to the punctual payment of the principal of and the interest on the obligations authorized by this bond ordinance. The obligations shall be direct, unlimited obligations of the Township, and the Township shall be obligated to levy *ad valorem* taxes upon all the taxable real property within the Township for the payment of the obligations and the interest thereon without limitation of rate or amount.

Section 11. This ordinance supersedes and repeals ordinances #10-17 of the Township finally adopted September 27, 2010, and all actions taken or expenditures made pursuant to ordinance #10-17 will be deemed to be taken and expended pursuant to this ordinance.

Section 12. This bond ordinance shall take effect 20 days after the first publication thereof after final adoption, as provided by the Local Bond Law.

By Order of the Township Committee,

C. Larry Tatsch, Mayor

Introduced:

Adopted:

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Motion by Mr. Kneski, seconded by Deputy Mayor Cregar, and it was carried with one no vote: Mr. Mathews, no; Mrs. Cregar, yes; Mr. Kneski, yes; Ms. Lenox, yes; Mr. Tatsch, yes.

The ordinance, in summary form, will be published in the February 8, 2011, issue of the Hunterdon County Democrat. The public hearing will be set at a special meeting to be held on Thursday, February 24, 2011, at 7:30 p.m. at the municipal building.

Mayor Tatsch also stated that the 2011 budget will be discussed at the February 24 meeting.

2011 BUDGET DISCUSSIONS

Banking Proposals: As part of the budget process, Mrs. Luhrs requested proposals from TD Bank, Hopewell Valley Community Bank, PNC, and Skylands Community Bank as previously discussed and permitted by the Township Committee. TD Bank, where funds are currently deposited, notified the Township that they were discontinuing paying for armored car service and payroll service. Two banks submitted proposals, TD Bank and Hopewell Valley Community Bank, and Mrs. Luhrs provided a spreadsheet. She explained that the proposals were different since TD bank uses the "Libor" to determine interest rates and Hopewell Valley Community Bank uses T bills at 91 days. TD Bank agreed to pay for armored car services two days a week, but the libor rate was too high and would probably result in no interest for the Township. Hopewell Valley Community Bank submitted two options: T bills 91 days with a .45 basis point with a guaranteed .60% interest until December 2012, which would result in \$36,000 revenue from interest. There will be neither armored car nor payroll service. A second option was a minimum of .50% interest with \$5,000 towards payroll, also providing a source of revenue from guaranteed interest.

Deputy Mayor Cregar asked about the armored car service, and Mrs. Luhrs explained that since 2011 TD Bank has arranged the service three times a week rather than having an employee drive to Flemington and risk liability. Mrs. Luhrs reminded the governing body that she went out for banking proposals two years ago, and TD Bank was the best option at that time. Prior to investing with TD Bank (which was formerly Commerce Bank), the Township used Flemington National Bank in Ringoes. Hopewell Valley Community Bank is located in Ringoes and would require cash deposits to be brought there; there is a possibility of remotely scanning checks, keeping them at the municipal building, and depositing over the internet. East Amwell Township School is using Hopewell Valley Community Bank, and Mrs. Luhrs anticipated receiving higher interest on accounts at that bank, e.g., State Cash Fund is only at .20%.

Deputy Mayor Cregar asked about payroll service. Mrs. Luhrs explained that it is funded through the operating budget, indicating that there are 26 pays per year at an approximate cost of \$250 per payroll to process through ADP. The payroll service assumes liability for any employee tax issues and provides the checks for employees at a cost of approximately \$8,000. Mrs. Luhrs will contact ADP to see if they will reduce their rates, and she has the name of another payroll service to contact as competition.

Mrs. Luhrs reminded the Township Committee that as of March 1, TD Bank will change their services and a decision should be made quickly. Some discussion took place about the two options from Hopewell Valley Community Bank.

Motion by Deputy Mayor Cregar and seconded by Ms. Lenox to authorize the Treasurer to proceed with Option 1 with Hopewell Valley Community Bank. Mr. Mathews felt that Option 2 would be better for the Township since the bank will provide \$5,000 towards payroll services and still guarantee a minimum of .50% interest; Mayor Tatsch commented on this.

Deputy Mayor Cregar amended her motion to have the Treasurer use her judgment in determining which option to chose and proceed with Hopewell Valley Community Bank, and Ms. Lenox seconded the amendment motion, which was carried by unanimous vote.

The Committee commended Mrs. Luhrs on her "nice work."

OPEN TO THE PUBLIC

Mayor Tatsch explained that he wished to go into executive session at this time to discuss the personnel issue, and he opened the meeting to the public for comments.

Nancy Cunningham, 14 Wertsville, Road, asked about the grant for sidewalks in Ringoes to be awarded and whether it included Wertsville Road. Mr. Kneski believed it did extend to the parking lot on Wertsville Road; however, it would be on the opposite side of the street where she lived. Mrs. Cregar quipped about "shoveling the walk within an hour of snow!"

Dick Ginman, 125 Mountain Road, commented on Mr. Seramba's earlier remark this evening about "failing to address the Valley in preserving open space." Mr. Ginman asked to clarify the remark by stating that every year, landowners are solicited for participation, whether on "this side or that side" of the road. He mentioned specific properties on the west side of Route 202, as follows: the Scibilia property; the Rosenborg property, which was voluntarily donated; the Gorduek property, which went through the Planning Board and some land was preserved while some was developed - there were family discussions at that time on whether to preserve the entire parcel, but an agreement could not be reached; the Helen Rynearson property will be preserved in a couple of months; Chris Stahl has been solicited for years and D & R Greenways was also trying to work with him; Fred Rynearson had a plan for development, and the Township met with him and worked with the State Agriculture Development Committee for preservation at which time Mr. Rynearson indicated that he already had a contract to develop; there have been many discussions with Bob and John Perehynys for preservation of their land, but they are not ready to do so; and Ginny Perkovich was also solicited for preservation of property. Mr. Ginman stated that saying the Township hasn't tried to get landowner interest in the Valley "is a disservice to the Farmland/Open Space Preservation Committee...the Committee is aware of land issues....and they have not been 'slacking.'" He concluded that some landowners are holding out for more money.

Motion by Mr. Kneski, seconded by Ms. Lenox, and it was carried unanimously to close to the public.

(FOR THE RECORD, Rice Notices were given to two employees for the executive session, as announced during executive session.)

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RESOLUTION # 30-11

WHEREAS, the Open Public Meetings Act, P.L. 1975, Chapter 231 permits the exclusion of the public from a meeting in certain circumstances; and

WHEREAS, East Amwell Township Committee is of the opinion that circumstances presently exist; and

WHEREAS, the governing body of the Township of East Amwell wishes to discuss personnel; and

WHEREAS, minutes will be kept and once the matter involving the confidentiality of the above no longer requires that confidentiality, then minutes can be made public;

NOW, THEREFORE, BE IT RESOLVED that the public be excluded from this meeting.

By Order of the Township Committee,

C. Larry Tatsch, Mayor

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Motion by Mr. Kneski, seconded by Deputy Mayor Cregar, and it was carried unanimously.

Executive session began at 8:40 p.m.

The regular meeting resumed at 9:12 p.m.

Mayor Tatsch asked the governing body to look at the full packet of budget sheets for the February 24 meeting. Additional information will be obtained from the Planning Board and Board of Adjustment about their requests, and the Recreation Committee may be contacted. Mrs. Luhrs said that she should have revenue numbers by that time and commented on a better tax collection rate (i.e., up from 98.1 to 98.38% last year), which would drop the amount to be collected as a reserve.

The two "Riced" employees were present at this time. Mayor Tatsch stated that an option of restructuring the positions in the office is being considered, but no action has been taken yet. He stated that he would like any comments they have before action is taken.

Mr. Matheny provided background information on the vacancy of the Board of Health/Deputy Clerk position and advertising of the position as a 20 hour per week position for both. If the position is restructured to eliminate the Office Assistant position, the Township would hire a Deputy Clerk for 30 hours per week and include a vast majority of the tasks of the Office Assistant in that job description. A Board of Health secretary could be hired for 6 hours a week (one day) and meeting hours with a potential to build in more hours for heavy work load. Mayor Tatsch commented on eliminating half a position "and trying to make it work," acknowledging that "at times this can't happen and ... getting some assistance." He explained that this is "a very tight budget year." This change in office routine will produce an \$11,000 savings.

Discussion took place with the employees about the change in positions. Mayor Tatsch stated that no action would be taken tonight and Mr. Matheny is working on a process to be fair to everyone and advertising if appropriate. He commented that the Township Committee was very pleased with the work done in the absence of the Clerk and the previous Deputy Clerk and Board of Health secretary. It will be up to Mr. Matheny on how to proceed with advertising.

It was explained that the way that the position was advertised (less hours) would have equated to a \$5,000 savings and the restructuring of the office would equate to an additional \$11,000 savings. Mr. Kneski commented on savings for the Township while understanding employee concerns; he spoke about budget savings to protect employees from layoffs or furloughs, although he did not have enough information to decide which way to proceed. He asked for time to consider the proposal. Mrs. Luhrs commented on using 400 tons of salt and the purchase of 300 tons more with using \$20,000 for this purchase. She explained that this is a hard winter and overtime costs for the Road Department will exceed what is budgeted. Mr. Matheny commented on receiving 17 applications and the process. Mrs. Luhrs mentioned being \$54,000 in the red, revenues not being in, and state aid not being locked in (with a possibility of receiving 15% less), and the need to cut back.

Deputy Mayor Cregar made a motion to go with the new proposal to restructure the office. There was no second, and she rescinded her motion.

Mr. Mathews felt that the proposed solution was "attractive," and asked about current employees having the "first shot" in filling positions. Mr. Matheny spoke about following policy, which was the basis of a lawsuit in the past. The possibility of posting the position, rather than advertising, was mentioned; this is allowed in the policy book.

Mrs. Luhrs explained that the governing body will be looking to cut an additional \$50,000 in operations from the budget at their February 24 meeting; the numbers do not reflect the proposal on the floor tonight. She also noted that many numbers from the originally distributed 1/13/11 packet have changed, and the Township is "lean." Mr. Mathews asked both employees if they had any paralegal experience, which they did not.

Further discussion took place, with the following highlights: the budget must be addressed and the problem will not disappear; the Board of Health position would have to be posted under the new proposal; Mr. Matheny commented on having "an empty seat" with the new proposal and office coverage would be minimized.

Mayor Tatsch commented on a "tough budget and not everyone being happy." He felt that it was necessary to "minimize the hurt as efficiently and cheaply as possible." While the Deputy Clerk would take on the Office Assistant's responsibilities, a position would be eliminated and would save money and eliminate the need for furloughs; he felt that the new proposal was prudent with the budget constraints and asked for a motion to proceed.

Mr. Kneski commented on the proposal to restructure, the effect it would have in eliminating the need for furloughs, on making tough decisions, just as other municipalities are doing.

Mr. Kneski made the motion to accept the new proposal as structured by the Administrator, and the motion was seconded by Ms. Lenox. Mayor Tatsch thanked the governing body for their deliberations on this serious matter, and the motion was carried unanimously.

Mr. Matheny will work out the details, and the two employees were thanked for coming to the meeting tonight.

Mayor Tatsch said that they would review appropriations at the next budget meeting and also look at the capital budget. He suggested getting answers to specific department requests, such as the Planning Board and Board of Adjustment before the next meeting or invite the Chairs of the boards/committees to appear. The rescue squad budget was mentioned, noting that they asked for their \$29,000 operating appropriation but not the \$28,000 for capital. Mayor Tatsch noted that a few years ago, they were also given an additional \$30,000 for their campaign. It was noted that the squad received a substantial donation and it would be beneficial for the Township to know about it. Mrs. Luhrs stated that the squad was also looking towards the municipality to pay for their insurance premiums; information from the President of the squad should be provided by them and also a copy of their year-end financial report would be helpful.

Mr. Mathews asked whether the same information would be required from the fire company; Mrs. Luhrs said that they have a fire tax, Mayor Tatsch said that they are a separate fire district, and Mr. Kneski said that they are self sufficient, having their budget approved by voters in February.

ADJOURNMENT

There being no further business, motion by Mr. Kneski, seconded by Deputy Mayor Cregar, and it was carried unanimously to adjourn the meeting at 9:50 p.m.

Teresa R. Stahl, RMC/CMC
Municipal Clerk