

A special meeting of the East Amwell Township Committee was called to order at 7:36 p.m. Present were Mayor C. Larry Tatsch, Deputy Mayor Patricia Cregar, and Committee members Linda Lenox and Tim Mathews. Committee member Peter Kneski was absent.

In compliance with the Open Public Meetings Act, Municipal Clerk Teresa R. Stahl announced that this is a special meeting, and a copy of the agenda for this meeting was forwarded to the Hunterdon County Democrat, Times of Trenton, and Star Ledger posted on the bulletin board, and filed in the Clerk's Office on March 16, 2011. The purpose of this meeting is to meet with the Township Administrator and the CFO/Treasurer to continue discussions on the 2011 budget. Action may or may not be taken, and the public is invited to attend and comment.

Mrs. Luhrs explained the information she provided this evening. New operating sheets were distributed by email dated February 25, 2011, and with changes made, there is a zero tax rate. A capital budget package was also prepared, and she explained the sheets, which included a page to fill in a five year plan as a planning tool (without being locked in). She provided the sample of last year's capital five-year plan as an explanation.

Mrs. Luhrs explained that she appropriated \$63,996 for capital expenses, which was all the requests she received. There is a \$180,000 grant in the budget for sidewalks, and there were also requests of \$630,000 for land/rights acquisition and \$40,000 for soft costs. There is a line of \$150,000 for contingencies if a purchase comes up unexpectedly, and there is a line for Green Acre funding in the amount of \$241,000.

The Clerk explained that Farmland/Open Space Preservation Committee (FOSPC) Administrator Judy Conard was called by Catherine Drake at Green Acres, and she advised that a new Recreation/Open Space Inventory (ROSI) was needed before Green Acres could release any funding. The new ROSI includes the Gutowski/Paulson property on Lindbergh Road only. A motion was requested to have the Mayor sign the form for submission. Motion by Deputy Mayor Cregar, seconded by Ms. Lenox, and it was carried unanimously to authorize the Mayor to sign the new ROSI for submission to Green Acres.

Comments were made about previous and the current budget requests for farmland/open space funding. It was noted that it usually takes a number of years to close on a property, and even if the governing body approves of the budget, FOSPC must come before the Township Committee with each project they endorse to get funding. If the Township Committee concurs this evening, \$630,000 will be set aside in the capital budget for 2011 funding; but nothing is "locked" without an ordinance. Compared with the 2010 budget, there was one large project (Higgins) which was planned but never authorized and removed from the 2011 budget.

Budget Discussion with Amwell Valley Ringoes Rescue Squad Members: President Bill Reiter, Vice President Margaret Case, and their accountant, John Seramba, were present. Treasurer Stephen Chmill could not be present tonight due to his work schedule.

The Squad's November letter requesting \$29,000 for operating expenses and assistance in paying Worker's Compensation Insurance was referenced. The Mayor asked about any changes in finances. Mr. Seramba said donations were down to about \$34,000 from \$78,000. The Squad won the lawsuit against Jason Read but had to pay \$60,000 of his attorney fees, the Squad's attorney fees, and the mediator fees at about \$100,000. The financial report will be available around the end of May; however, their savings are now under \$300,000, according to Ms. Case. Mr. Seramba also contacted Steve Kalafer about a donation of a chassis to the Squad, but there has been no answer yet. Mr. Seramba reminded the governing body about putting a notice in the tax bill mailing for donations to the Squad and Fire Company.

The Squad representatives provided the following information: the current building will be renovated on the existing footprint - they are looking for "pro bono" work on the blueprints to enlarge the meeting room, upgrade bathrooms (which will also include showers), and a washer & dryer may be installed; the 2011 fund drive will be late this year; a bequest of about \$400,000 will be received in increments; insurance costs are escalating and the Squad is reducing the Workers Comp coverage from 38 to 22 members, citing the insurance company's more flexible coverage. The insurance agent suggested that the Squad ask the Township for "wrap around" coverage as a quasi-governmental unit, i.e., incorporate the membership in the Township's insurance and the squad would pay premiums.

A question was asked about previous donations to the new building campaign. The Squad members explained that they were not required to return the funds, although they did send letters to the large donors, explaining tax implications if the money was refunded. The Squad will use the collected funds for the renovation. On a question from Mr. Mathews regarding the separate funds for the building campaign, Squad members explained that core members did not want to build anew but were provided with erroneous information on putting up an addition on their existing building in proximity to an on-site creek. The intent is now to stay on the existing footprint and renovate to attract new members; there is also a new screening process for accepting members. Mr. Reiter spoke about enhancing membership by offering LOSAP, which the Squad is "pushing" this year; some comments were exchanged between the Squad members and the governing body, and it was noted that the question would have to be on a general ballot. Mr. Seramba recommended that Mr. Matheny speak with the Raritan Township Administrator for more information.

The Squad owns their own building, and some discussion was held on using the site as a emergency shelter. Mr. Reiter provided information on research done over twenty years ago, which indicated that the East Amwell Township School would be the best shelter location (i.e., cafeteria, showers, etc.) Further comments were made about funding the renovations, purchasing a generator, emergency management needs, and other items.

Mr. Reiter thanked the Township Committee for listening to their concerns and for the recent work on the parking lot. Representatives left the meeting at this time.

Discussion took place on the Squad's budget, including the \$29,000 in operations. An explanation was given on LOSAP, which would come out of the Township budget, noting that the Fire Company's program used to come out of this budget until the fire tax was developed several years ago. Mrs. Luhrs commended (former Township Committee and Fire Company member) Jack Balint for his work on this, explaining that the voters would have to approve the funds.

Mr. Mathews asked about the \$29,000 for the operating budget. Mayor Tatsch provided detailed information on this annual allocation, along with past allocations of \$28,000 for capital expenses and an extra \$30,000 provided in the past for their building campaign. Due to the municipal cap restrictions, the \$28,000 for capital was eliminated, no further contributions were made to the building fund, and the operating budget has been funded each year. The November 2010 request from Margaret Case was for the \$29,000 and assistance with Workers' Compensation costs (i.e., through the municipality with the Squad paying premiums). Mr. Matheny commented on information he received from the Municipal Managers Association on this, including the fact that fire companies can assist with rescue work. A suggestion was made to get further information on the proposal, if not for this year, then for consideration next year. Some further comments were made about the Squad's financials.

Farmland/Open Space Preservation Committee 2011 Budget: Discussion continued on the capital requests. Mr. Mathews asked about the \$150,000 in the Farmland/Open Space Preservation Committee (FOSPC) budget for fast negotiations. Mayor Tatsch detailed the preservation process, including county ranking, obtaining a certified appraisal, the possibility of offering an owner on occasion a higher value than the appraised value, and the length of time for the process; in some instances, the Township may consider advancing funds for purchase and getting county/state reimbursements. Certified values are currently in the \$12,000-13,000 per acre range. Mr. Mathews questioned putting this amount in the budget, asking if it was necessary. The Committee exchanged comments at length, with particular note that this is only a planning tool and no money is allocated until an ordinance is in place. Mayor Tatsch asked for a show of hands on leaving \$630,000 in the FOSPC budget for capital expenses; Deputy Mayor Cregar, yes; Ms. Lenox, yes; Mayor Tatsch, yes; Mr. Mathews, no.

Department of Public Works 2011 Budget: The five year capital budget was revised, and the first four items were being considered: 1) Dutch Lane edges and overlay (\$292,700), funded in part by NJ Department of Transportation (DOT) grant funding and money already allocated in the budget; 2) Rocktown Road between Losey and Linvale reclamation and paving (\$121,880); 3) Lindbergh Road from Ridge Road to the DOT section edges and overlay (\$56,000); and Safe

House Driveway reclamation and paving (\$13,500). There is a 15% contingency built into the improvements program.

Discussion took place about specific roads, with the following highlights: Mr. Mathews did not feel the Rocktown Road project was a priority since there are only three houses on the road; the work would not be on the unpaved portion of the road; drainage issues were a concern, although the DPW already installed a culvert and pipe on one section; temporary patching does not help. The intent is to have the same contractor do the work on the Safe House driveway (a 400 foot stretch with curves which is being torn up by large trucks) while completing the Rocktown Road project. Funding for the driveway comes out of the Housing Trust Fund. Lindbergh Road was previously paved in sections using a DOT grant; other portions of the road are deteriorating and in bad shape beyond where the previous repair was made. There is also \$67,000 earmarked for sub-grade repairs and reconstruction (last year there was \$60,000 put into this capital project and there is some left over). The total requested capital road program budget would be \$205,000 (for road repairs) and \$67,000 for subgrade work for a total of \$272,000.

Mayor Tatsch asked how much was in the capital budget now; Mrs. Luhrs said \$228,323 as of December 31, 2010. She explained that if all projects were funded this year, the capital funds would be "wiped out" unless more was funded in the operating budget, and this will affect the tax rate. She further explained that the Township Committee funded \$110,000 last year, but did reduce it to get under cap.

The DPW is also requesting a plow for a utility truck at a cost of \$4,000. The plow will be used for smaller operations and will be cost effective by eliminating the need to buy so many edges, which get worn (i.e., replacing one instead of two on a bigger plow).

The DPW "wish-list" included a salt barn for the grit yard at a cost of \$160,000. The Township Committee discussed this at length, with the following highlights: the current grit-yard facility has been modified to protect the salt from elements but the barn is older with a leaking roof and construction design does not allow for maximum use of the facility; the current salt application program was explained by Mayor Tatsch, i.e., not for use on all roads but for specifically identified "glacier" spots or upon observation of the DPW or complaints from residents or school bus drivers; the size of the facility is adequate at this time; the County has a storage location in West Amwell, but it is not convenient for the DPW, especially in trying to cover the entire township during a snow storm and driving the additional distance back and forth to West Amwell. The governing body agreed that this would not be funded this year, but may be part of the planning tool for the next five years.

Mrs. Luhrs cautioned about funding the entire 2011 road project budget since it would deplete the capital account; if it was depleted by \$200,000, that amount would have to be raised by taxes next year. The four capital projects on the five year plan were again reviewed: Dutch Lane (already funded) Rocktown Road, Lindbergh Road, and Safe House driveway. The subgrade reconstruction plan was also a concern. A lengthy discussion took place on how to fund the DPW capital program, with the following highlights: road maintenance is a real concern, and "cold patch" in bad locations is a short term fix; there is \$24,000 left over from the sub-grade program last year, and a suggestion was made to reduce the \$67,000 for this year - however, specific road locations were mentioned (Bowne Station, Wagner, Garboski, Van Lieus) and it was difficult to foresee what other roads would require work (e.g., Welisewitz is degrading); the cost for blacktop last year was \$54.00 per ton, and the cost this year is estimated at \$65.00 per ton.

Mayor Tatsch asked how the Township Committee wanted to proceed. Mr. Mathews questioned the work on Rocktown Road and also suggested stopping the plow purchase, noting that sub-grade reconstruction was more of an issue. Further comments were made about Rocktown Road (e.g., liability issues, terrain, drainage, etc.). The 5-year plan was also reviewed, and various comments were made about the projects on the list, including the likelihood of further DOT funding for some projects. Deputy Mayor Cregar felt that the plow should remain in the budget. A suggestion was made to readjust the 5-year plan; Mrs. Luhrs explained that the engineer is paid to prepare the document each year (working with the DPW Superintendent on locations), and costs are escalating annually. Some comments were made about adhering to the plan and doing Rocktown and Lindbergh Roads. The possibility of having more money in sub-grading was mentioned; however, this line item goes to the purchase of material for DPW

installation, and with only four crew members, this controls the amount of work that can be done.

The Township Committee and Mrs. Luhrs exchanged comments on what would be an appropriate number to aim for in the 2011 budget. Specific figures on costs were discussed, and Mrs. Luhrs suggested not going lower than \$100,000 in the capital account. Different scenarios were presented with the 5-year capital project, with specifics mentioned about dangerous conditions on Lindbergh Road and road deterioration on Rocktown Road. Keeping the road capital program to about \$150,000 this year should be the goal.

Mayor Tatsch opened the meeting to the public for comments.

Les Hamilton, 6 Losey Road, provided his opinion on Rocktown Road conditions, i.e., he concluded that it is dangerous but he liked it because it produced less traffic volume.

A suggestion was made to hold another budget meeting to meet with the DPW Superintendent and the engineer to review the 5-year capital plan. Mrs. Luhrs noted that the budget would have to get to the auditor the last week of March in preparation of introduction at the April 14 meeting. Mr. Mathews was not sure if Mr. Kadezabek would convince him to change his mind and did not think another meeting was necessary.

Mayor Tatsch agreed that there was a lot of reconstruction necessary this year, and to keep the budget at about \$170,000, one of the road projects would need to be dropped in order to benefit the Township and keep another of other roads open. He recommended taking Rocktown Road off the list and leaving other items on the list and increasing sub-grade reconstruction. There was a consensus of agreement by the Township Committee that \$145,000 be left in this budget and allow the DPW some leeway in dividing up funding to increase a section on Lindbergh Road and/or increase the amount of sub-grade reconstruction.

The \$180,000 DOT grant for the pedestrian sidewalks in Ringoes was mentioned; it was unclear at this time how this project will progress.

Clawson Park and Barn: Mayor Tatsch explained that Kat Cannelongo and the Historic Preservation Committee have been working very hard on obtaining a \$100,000 grant (from the County). Estimates have been obtained from builders for the work, including hardi-plank siding, windows, roofing, etc. There is a possibility that the exterior work could be done within the grant amount. Another suggestion was to make it a "tv show" restoration. The funding could be taken out of the Open Space Trust Fund to "button up" the house to prevent further deterioration and make it "look nice." The disadvantage is that there is a risk that no future funding would be received, but the house would be stabilized and protect from leaks and vandals. The alternative is to see if a grant is received. Additionally, Ms. Cannelongo is trying to get assistance from the Rockefeller Trust Fund, noting that the Rockefellers may have owned the property at one point.

Mr. Mathews supported searching for a grant. Mayor Tatsch explained that the \$100,000 was "a placeholder" and would not be committed unless an ordinance was written. Deputy Mayor Cregar suggested putting \$50,000 in that line. Some further comments were exchanged, noting that \$50,000 could come from open space, if necessary at some point.

There is \$55,000 earmarked for a barn at Clawson Park, and by adding another \$30,000, this may be sufficient funding to build. Mayor Tatsch highlighted the need for a barn to store service equipment. Mr. Matheny explained that the original barn ordinance was adopted in 2005 and amended in 2007; by adding \$30,000 to make it \$85,000, a barn could be built. Specifics about State Historic Preservation Office approval and the size of the barn were mentioned. Canceling the \$55,000 back into Open Space and deciding in the future how to proceed was another possibility. There was a consensus to leave the ordinance in place and do nothing at this time.

A recap of capital expenses included fully funding Open Space and in the Road budget, funding Lindbergh, Safe House, subgrade reconstruction, and purchase of a plow.

The five-year capital plan was mentioned; this is a planning tool showing what the Township projects one year at a time.

The Rescue Squad funding request was noted, acknowledging that they received a bequest to assist them. There was a consensus that the Squad be given \$29,000 in operating only, finding out about Workers' Compensation coverage through the Township at a reduced cost, and possibly supporting the fund drives through the tax bill mailing. Having specific information on their capital requests would have been preferred.

In order to keep a flat tax rate, Mrs. Luhrs was instructed at the last meeting to go through the budget to find a way to do so. She took \$23,300 from the Open Space Trust Fund rather than cut budget lines. Mayor Tatsch thought that this was "an appropriate use" of the fund, and Mr. Mathews asked that more money be taken out to reduce taxes.

Mrs. Luhrs noted that the governing body did not discuss the \$10,000 in the budget for salary adjustments; this figure would allow for a 2% increase. Township Committee salaries were also included. Mayor Tatsch explained that employees have not received a raise in two years, and he "would very much like to give it to them"; Deputy Mayor Cregar agreed. Comments included the following: DPW employees were brought in at low salaries; the new Deputy Clerk received a commendation from Glorianne Robbi and was also given an increase in salary; the two recently hired employees (Deputy Clerk and Board of Health Secretary) would also be given 2% raises; the governing body agreed to a raise for all employees.

The 6.5 cent increase for the high school tax was briefly discussed. The impact can be deferred by paying a percentage this year and then again next; however, there was no way to calculate the "hit" next year, and a policy decision will have to be made on how to pay the assessment. Mayor Tatsch agreed to attend the March 23 meeting at Hunterdon Central, and Mr. Mathews will attend instead if he does not have to coach baseball.

Mr. Matheny spoke about an additional increase to the DPW employees, noting that they came in at low salaries, received no increase in the past two years, lost 1.5% in pay for health benefits, and are well deserving of an additional increase. Mr. Mathews asked about manager allocation of salary increases, tying into merit; Mr. Matheny did not believe that would work. Some comments were exchanged, including other employees' perception if the DPW employees (not the Superintendent) received additional compensation (Mr. Matheny felt that this would be supported); drawbacks of tying raises into merit evaluations; a request last year to increase DPW employees and the Office Assistant salaries; among other items.

There was a consensus that the employees receive a 2% increase in salary and the DPW employees would get an extra \$1.00 in addition to the 2%; this would equate to about \$14,000, with \$4,000 being taken from Open Space to cover the additional raises.

Discussion returned to Mr. Mathews suggestion to take an additional \$23,300 out of the budget to drop the tax rate below last year's rate. Comments included the following: Mrs. Luhrs commented on state budget regulations which now allow the use of open space funding without penalty, which was not the case in the past; she asked the Committee to tell her what tax rate they were looking for and she would decide what to cut; the current scenario shows \$348,300 being used from the Open Space Trust Fund, and only \$315,000 will be coming in - comments were made about depleting the fund over time, also noting that the tax is based on assessments, and if assessments go down, so will the amount of funds collected; the Open Space Trust Fund is also being utilized more now (e.g., mowing recreation fields and the park, field lighting, etc.); there was a caution made that lowering the tax rate below last year's figure of \$15.02 would affect future budgets since the municipality cannot increase its rate over 2% each year and doing so would penalize the Township in the future; it was noted that the high school tax assessment is not the fault of the Township Committee, but due to the high school itself; a push at the state for shared services to control expenses was referenced. Mayor Tatsch and Deputy Mayor Cregar felt that keeping the tax rate flat was appropriate; Ms. Lenox also agreed. Mr. Mathews still felt that a reduction should be made, and further discussion took place with possible scenarios.

Mayor Tatsch opened to the public for comments.

Nancy Cunningham, 14 Wertsville Road, felt that it was a "slippery slope" taking funding from the Open Space Trust Fund, e.g., \$23,300 for the tax reduction, \$4,000 for salaries, etc. She felt

that in light of the small increase in the school tax, it was not a good reason to continue to take from this fund.

Les Hamilton, 6 Losey Road, commented on difficulties in future years in light of the cap and other issues. He felt that cutting money now "will haunt you." The money in the Open Space Trust Fund was dedicated for preserving open space and farmland, and the population issue at the school may not be an issue next year as class sizes change. He felt that having a zero rate increase was "tremendous, and residents know what you've done."

Mrs. Luhrs commented on the public vote on the Open Space Trust Fund tax, and it was for open space, preserved farms, along with Historic Preservation and recreation needs. Mr. Hamilton replied that residents voted for farms and open space.

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

Mr. Mathews asked about the Township Administrator contract. Mr. Matheny is hired as an employee with a separate labor contract. It was also noted that the salary and wage ordinance shows a salary range with a separate resolution showing the exact compensation for each employee.

Mayor Tatsch asked for a determination on keeping a flat tax rate; three members were in favor of doing so, and Mr. Mathews was opposed.

Mrs. Luhrs was directed to prepare the budget with a flat tax rate, taking \$4,000 or whatever was necessary from the Open Space Trust Fund to achieve the salary raises discussed this evening. Additionally, \$23,300 will be taken from the fund to achieve the flat tax rate.

Adjournment: There being no further business, a motion was made by Ms. Lennox, seconded by Deputy Mayor Cregar, and it was carried unanimously to adjourn the meeting at 10:35 p.m.

Teresa R. Stahl, RMC/CMC
Municipal Clerk