

A special meeting of the East Amwell Township Committee came to order at 6:35 PM. Present were Mayor Peter Kneski, Deputy Mayor Patricia Cregar, and Committee members Linda Lenox, Tim Mathews, and Dart Sageser. Township Administrator Timothy L. Matheny was also in attendance.

CFO/Treasurer Kathryn Monzo was present for this meeting.

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 24, 2012. The purpose of this meeting is to meet with the CFO/Treasurer and Township Administrator to discuss the 2012 budget.

The public is invited to attend and comment. Action may or may not be taken.

Mayor Kneski welcomed everyone to the first budget meeting of the year. He had previously asked Ms. Monzo to provide an overview of the budget process.

Ms. Monzo provided a handout including a budget overview, appropriations, revenues, tax rate, salary and wage, and detail sheets. She explained the process as listed on the first three pages, with the following highlights: departments make their requests based on past activities or foreseen needs; revenues are reviewed, i.e., there must be some revenue for each appropriation; there are two caps, the spending cap where appropriations must fall under within certain limits (established around 1976) and the cap on the tax levy by 2% per year.

Ms. Monzo further explained that the budget she prepared shows no tax increase from last year and is well below both caps. The governing body may want to contact individual departments to gather more information. The budget is introduced by resolution and a public hearing date set, and it is advertised. The budget can be amended up until the night of the public hearing, and depending on the amendment, it can either be adopted or readvertised with a new public hearing date for adoption. A budget timeline included an on-going review; an extended introduction date from the state from February 10 to March 9; a proposed introduction date of March 8 with advertisement on March 15; and a proposed public hearing and adoption on April 12, 2012. Ms. Monzo mentioned the "best practices checklist" from the State, and adopting on time is one of the categories; however, she felt that there was "no pressure" and the governing body could adopt when they liked.

A pie chart was prepared, showing that 71% of taxes goes to schools, the county receives 18%, the fire district has 1%, open space is 2%, and the municipality is only 8% of the tax dollar. Ms. Monzo stated that in actuality, any large changes to the budget had very little impact on individual tax bills.

Budget highlights included the following: the proposed budget was prepared with a freeze on the rate; state aid, which makes up 14% of the total revenues, is assumed at the same level as last year - this may be more or less once figures are released from the state; the budget included using more surplus (savings) to balance the budget. Ms. Monzo explained the "reserve for uncollected taxes" category as a non-spending appropriation required to make sure that the Township can cover 100% of all the taxes for all categories. The state allows municipalities to put a reserve away to cover what the Township does not collect 100%; the figure is set close to the actual tax collection rate "with a little cushion" as a safety net - the rate was set at 98.38% while the actual collection rate last year was 98.5%.

Mr. Mathews asked about trends in the tax collection rate; Ms. Monzo thought that it was pretty stable the last couple of years. She said that 99% is a good rate, and East Amwell has had consistent rates even in a weak economy.

A budget was prepared with a 2% increase in salary and wages with a calculation also shown with a 1% increase side by side for comparison. Additionally, the tax impact on an average assessed home of \$500,000 would be a municipal tax bill of \$751.00, based on the prepared budget. Mayor Kneski asked for a rate based on a home assessed at \$450,000 prepared side by side.

Mr. Sageser asked about the valuation figures. Ms. Monzo said that the Assessor would have that information, noting that the Assessor prepared a memo about her request for \$7,500 for a reassessment. The memo was distributed to the governing body, and Assessor Busher will be asked to attend the next meeting.

The next section of the handout prepared by Ms. Monzo included the appropriation summaries, which showed a comparison for the last two years and the requested budget with increases and decreases for 2012.

Mr. Mathews asked about the legal line, showing that the figure went down in 2011 and was set back at \$30,000 for 2012. Some discussion took place, and it was further explained that the 2010 figure was an actual figure, 2011 was encumbered but not through the end of the year. A reserve is set for 2011 bills that come in during 2012, and at the end of 2012, any of this reserved not used will roll into surplus. Comments were exchanged about the lag time for legal bills to come in (they have been encumbered through October 2011). Mayor Kneski commented on trying to get quicker billing; however, Ms. Monzo said that this is typical in all townships and it "isn't bad."

Mr. Mathews asked about the increase in the Board of Adjustment's other expenses line; the details were available in that section of the handout, or individual departments can be invited to upcoming budget meetings to explain their requests. It was noted that in certain budgets, there are set amounts that cannot be changed, e.g., pensions, grants, etc.

Mr. Mathews asked where he would find information about payment to Rutgers Nursery for storm clean up; Ms. Monzo said that it would be in Roads under storm removal. She would be able to segregate specific figures, if need be. Mayor Kneski asked about applying for FEMA funding for storm related matters; Mr. Matheny said that OEM Coordinator Gary Myers has already submitted some paperwork. Reimbursement from FEMA often takes a long time, noting that the Township did previously receive over \$6,000 a year after an event. Mr. Sageser asked where the reimbursement would be used; Ms. Monzo explained that it can go into a reserve for items such as replacement equipment used during a storm or can be used to offset costs.

Mayor Kneski recommended that the governing body review the provided information and contact the Clerk if there were specific departments that members would like to meet with to discuss their budgets.

Ms. Monzo explained that revenues were very short, and all municipalities are facing this challenge. The budget showed a decrease of \$5,500 because of reduced interest and costs on taxes; she listed last year's aid until 2012 figures are available from the state. She further explained the restriction that you can only anticipate what you collected the previous year in your current budget.

Mr. Mathews asked about the \$30,000 under Municipal Court and what amount equated to the shared services for traffic enforcement. Mr. Matheny said that calculations would have to be done by hand, but the Court Administrator advised him it could be up to \$20,000.

The budget included grants, and if the Township acquires any new grants during the year, they can be included into the budget by adoption of a Chapter 159 resolution. The Clerk asked about the Clawson House grant and was advised that the figure was included in last year's budget with some money already spent.

Ms. Monzo outlined the special items, noting that the Reserve for Kanach and debt service are no longer in the budget, and the reserve for open space debt was increased to offset debt service. She explained under there are certain calculations that can be used in the budget, i.e., the receipt of delinquent taxes last year was \$231,799, and only a certain percent can be anticipated to be collected, i.e., she plugged in \$205,200. The 2012 budget is almost the same as last year's, and the tax rate does not change.

The tax rate calculation would be the municipal appropriations plus the reserve for uncollected taxes minus the total revenues for an amount to be raised by taxes of \$1,186,035.47. Dividing the total assessed value of \$789,451,235 into the amount to be raised is a rate of \$0.1502, the same as in 2011.

The salary and wage sheet showed what was budgeted in 2011 with a 2% increase and a 1% increase. Most employees are part time and hours were estimated. Some changes were suggested to names and rates; Mayor Kneski suggested just listing positions without names for future reports. Mr. Sageser asked about the number of hours utilized last year; Ms. Monzo will get this information. Mr. Sageser commented on applying a single rate of pay for Ms. Rosikiewicz, noting previous discussions on this matter.

The detail sheets of the budget (budget requests from each department) will be reviewed for further comment at the next meeting.

Individual comments from the Township Committee included the following:

- Ms. Lenox asked about legal bills for Brophy - this was for a zoning issue for Rutgers Nursery years ago; there was nothing listed for Meszaros legal bills in 2011.

- Mr. Mathews asked if there was a lawsuit expected in relation to solar issues; Mayor Kneski said that the Committee could ask department heads.

- On page 19 of the detail sheets, the title will be changed from Police Department to Police Shared Services.

- On page 21, Ambulance Service, representatives from the squad will be asked to present at the next meeting.

- Mr. Mathews asked about page 26 regarding building and grounds and whether the School's shared services costs are referenced. Mr. Matheny explained that items such as building repairs, e.g., fixing faucets, would come out of this budget. He explained that \$7,000 was taken out of a previous budget for janitorial services since the agreement has been in place. Mr. Mathews asked if this was net of the agreement; and Mr. Matheny said yes.

- On page 26, Mr. Sageser asked about remediation in that budget. Mr. Matheny explained that this involves the Handex work, which is on-going. Mr. Tatsch is still working on this, and the Township only has to monitor once a year rather than twice a year at a reduced cost to the municipality.

- On page 26, the reduction in the maintenance of building line from \$21,000 to \$12,000 is in relationship to the shared services agreement.

- On page 26, the \$7,500 for the NJ DEP invoice is a payment to the state for administrative costs that they never billed previously for the municipal building remediation item.

- On page 29, Public Health Services, the Hunterdon County Contractual line is for payment to the County Health Department for inspections, such as food, well, and septic. On a question from Mr. Mathews about the animal control officer payment to Hunterdon Humane, Ms. Monzo and Mr. Matheny explained that the funding comes from a trust specifically set up with approval from the state, using fees collected through dog licensing. Trusts will not show up in the budget. The dog trust also covers costs associated with the rabies clinic. Trusts have to be approved by the state and appear in the annual audits.

- Bond interest went down in 2012, but principal payments are up. Increased note principal is also being paid.

- Electricity bills are down because of energy conservation efforts provided by Direct Install.

- The Affordable Housing Officer salary is noted on a separate page in the budget on page 14.

Mayor Kneski asked if there were any questions for Ms. Monzo or Mr. Matheny. He also asked that the governing body review the budget and call the Clerk if there was a particular department

representative that they would want to invite to the next meeting. The Tax Assessor and a representative from the rescue squad will be invited to the next budget meeting on February 7th; a suggestion was made to allow 15-20 minutes for the Assessor and 1/2 hour for the squad. The Mayor will recuse himself from the squad discussion. Mr. Matheny suggested that if any department is asked to appear, they be given particular questions in advance to be prepared.

Mr. Mathews asked when the budget information would be available for the public. Ms. Monzo reminded the Committee that it was a working document. Mayor Kneski recommended holding off from distributing it to the public until more information is obtained, e.g., state revenue figures, additional information from boards, etc.

Mr. Sageser asked about the Department of Public Works budget. Mr. Matheny agreed that Superintendent Kadezabek would be called in to discuss capital budgets. He further explained that Mr. Kadezabek is working with him and the engineer on M & R bids. Mayor Kneski also recommended that Mr. Kadezabek work on a maintenance program for equipment, similar to the 5 year capital road project program. He felt that it was a good idea for this Committee and future Committees to have a long-term tool for projected expenses for equipment replacement.

The meeting was open to the public for comments.

Alan George and Chuck Bacon, representing the Amwell Valley Little Baseball League, asked about funding for capital projects, including maintenance items, such as damaged fences here and at the fire house, roofs on the dug out, shed roofs, general maintenance and repairs for weather damage and vandalism. They were advised that these items related to the capital budget, that they had to have a life span of at least five years, and that items must only relate to municipal property (not the firehouse) to utilize the Open Space Trust Fund for any expenses. Mr. George and Mr. Bacon will provide Mr. Matheny or the Clerk with a list of requested items and approximate costs for consideration at a future meeting. A suggestion was also made to reach out to local merchants. The League representatives spoke about 99% local team membership and the fact that many merchants are asked over and over again for assistance. They also noted that Spectrum Energy did donate batting cages at the school fields at a value of about \$10,000.

Nancy Cunningham, 14 Wertsville Road, is a member of the Board of Adjustment and could answer the question about the increased line item for legal bills. The Board of Adjustment sets their budget to include fees to cover potential lawsuits that may occur because of decisions reached by that board and depending on the applications that may come before them. They are looking forward to a potential issue that may be coming before the Board, but this may or may not occur.

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

Deputy Mayor Cregar spoke about page 34 of the budget under Recreation Services and Programs, asking about the line item of \$4,000 for seniors. Ms. Monzo said that the Recreation Committee submitted that figure. Deputy Mayor Cregar had a phone call from a senior citizen recommending that the group had a big treasury and should not be given any funding since there would be no trips or meetings this year. The Committee agreed that Deputy Mayor Cregar should call the group's President to investigate. Some comments were exchanged about whether or not the group has a place to meet next year.

The next meeting will be on February 7th at 6:30 p.m., and pizza will again be available.

The Committee thanked Ms. Monzo for a great presentation.

There being no further business, motion by Ms. Lenox, seconded by Mr. Sageser, and it was carried unanimously to adjourn the meeting at 8:00 p.m.

