

A special meeting of the East Amwell Township Committee came to order at 6:30 PM. Present were Mayor David Wang-Iverson, Deputy Mayor Dart Sageser, and Committee members Tim Mathews, Peter Miller, and Charles Van Horn. Township Administrator Timothy Matheny 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 February 13, 2015. The purpose of this meeting is to meet with the CFO to discuss the 2015 budget.

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

CFO/Treasurer Margaret Pasqua was present at this time. She previously provided the governing body with copies of the 2015 Budget Proposal Workbook (dated 2/18/15).

Ms. Pasqua spoke about the need to adopt a temporary emergency appropriations resolution, adding that the auditor's staff provided advice on adopting the resolution to cover the Department of Public Works overtime and provide money for salt, both of which were depleted because of winter storms. The resolution will allow funding through the adoption of the budget. Some comments were exchanged between Mr. Mathews, Deputy Mayor Sageser, Mr. Matheny, and Ms. Pasqua about seeing the amount in the full budget packet, the increase in overtime this winter, the increase in salt costs (going up to \$17.00 per ton), and the delay in getting salt last year. Mr. Mathews asked for clarification that the only emergency budget was for overtime and salt costs; this was affirmative. Mr. Mathews also commented on "rationalizing itemization of budget items," adding that items such as fire company and ambulance aid were not discussed.

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RESOLUTION # 38-15

RESOLUTION TO ADOPT TEMPORARY EMERGENCY APPROPRIATIONS #1

WHEREAS, N.J.S.A. 40A: 4-20 provides that an addition to temporary appropriations necessary for the period prior to the adoption of the budget and regular appropriations, the Governing Body may, by resolution adopted by 2/3 vote of the full membership thereof, make emergency temporary appropriations for any purpose for which the appropriations may lawfully be made for the period between the beginning of the current fiscal year and the date of the adoption of the budget for said year.

WHEREAS, the total emergency temporary resolutions adopted in the year 2015 pursuant to the provisions of Chapter 96, P.L. 1951 (N.J.S.A. 40A: 4-20) including this resolution total \$291,492.00

NOW THEREFORE BE IT RESOLVED by the Governing Body of the Township of East Amwell, that in accordance with the provisions of N.J.S.A. 40A: 4-20, the Chief Financial Officer be authorized to make the following emergency temporary budget appropriations in the 2015 current fund temporary budget and that said amounts be included under the correct headings in the municipal budget as adopted.

BE IT FURTHER RESOLVED that one certified copy of this resolution be filed with the Director of the Division of Local Government Services and one certified copy with the Chief Financial Officer.

<u>DEPARTMENT</u>	<u>S&W</u>	<u>OE</u>
GENERAL ADMINISTRATION - S&W	\$ 12,300.00	
GENERAL ADMINISTRATION - OE		\$ 4,800.00
MAYOR & COMMITTEE - S&W	\$ 2,800.00	
MAYOR & COMMITTEE - OE		\$ 35.00
MUNICIPAL CLERK - S&W	\$ 12,500.00	
MUNICIPAL CLERK - OE		\$ 2,000.00
FINANCIAL ADMINISTRATION - S&W	\$ 13,500.00	
FINANCIAL ADMINISTRATION - OE		\$ 4500.00

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REVENUE ADMINISTRATION - S&W	\$ 6,300.00	
REVENUE ADMINISTRATION - OE		\$ 2,000.00
TAX ASSESSMENT ADMINISTRATION - S&W	\$ 5,500.00	
TAX ASSESSMENT ADMINISTRATION - OE		\$ 2,000.00
LEGAL SERVICES - OE		\$ 10,000.00
ENGINEERING SERVICES - OE		\$ 1,000.00
HISTORIC SITES COMMITTEE - S&W	\$ 200.00	
HISTORIC SITES COMMITTEE - OE		\$ 200.00
AGRICULTURAL ADVISORY COMM - S&W	\$ 200.00	
AGRICULTURAL ADVISORY COMM - OE		\$ 24.00
PLANNING BOARD - S&W	\$ 3,100.00	
PLANNING BOARD - OE		\$ 2,000.00
ZONING BOARD - S&W	\$ 5,000.00	
ZONING BOARD - OE		\$ 2,000.00
AFFORDABLE HOUSING AGENCY - S&W	\$ 760.00	
AFFORDABLE HOUSING AGENCY - OE		\$ 50.00
Public Officials Surety Bonds		\$ 5,000.00
EMPLOYEES GROUP INSURANCE		\$ 44,650.00
PUBLIC SAFETY		\$ 4,000.00
OFF OF EMERGENCY MANAGEMENT - OE		\$ 200.00
Aid To Volunteer Ambulance - OE		\$ 7,000.00
FIRE PREVENTION BUREAU - OE		\$ 570.00
MUNICIPAL PROSECUTOR - S&W	\$ 2,725.00	
STREETS & ROADS MAINTENANCE - S&W	\$ 50,400.00	
STREETS & ROADS MAINTENANCE - OE		\$ 31,100.00
SOLID WASTE COLLECTION - S&W	\$ 360.00	
SOLID WASTE COLLECTION - OE		\$ 850.00
BUILDINGS & GROUNDS - OE		\$ 6,000.00
VEHICLE MAINTENANCE - OE		\$ 4,000.00
PUBLIC HEALTH SERVICES - S&W	\$ 2,924.00	
PUBLIC HEALTH SERVICES - OE		\$ 4,000.00
ENVIRONMENTAL COMMISSION - S&W	\$ 312.00	
ENVIRONMENTAL COMMISSION - OE		\$ 100.00
ADMIN OF PUBLIC ASSISTANCE - S&W	\$ 630.00	
ADMIN OF PUBLIC ASSISTANCE - OE		\$ 100.00
RECREATION SERVICES & PROG - S&W	\$ 700.00	
RECREATION SERVICES & PROG - OE		\$ 1,230.00
Electricity		\$ 3,000.00
Street Lighting		\$ 800.00
Telephone		\$ 1,800.00
Heating Oil/Gas		\$ 2,000.00
Gasoline & Diesel		\$ 4,000.00
Contingent		\$ 125.00
Social Security/Medicare		\$ 10,000.00
Defined Contribution Retirement Plan		\$ 100.00
Contribution To Deferred Comp Plan		\$ 320.00
MUNICIPAL COURT - S&W	\$ 6,500.00	
MUNICIPAL COURT - OE		\$ 2,550.00
PUBLIC DEFENDER - S&W	\$ 290.00	

\$ 387.00

\$ 127,001.00 \$ 164,491.00

Grand Total \$291.492.00

By Order of the Township Committee,

David Wang-Iverson, Mayor

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Motion by Mr. Van Horn, seconded by Deputy Mayor Sageser, and carried unanimously by roll call vote: Mr. Van Horn, yes; Mr. Miller, yes; Mr. Sageser, yes; Mr. Mathews, yes; Mr. Wang-Iverson, yes.

Mayor Wang-Iverson thanked Ms. Pasqua for her work on the budget, adding that if state numbers were received, the budget would be introduced three months earlier than last year and two months earlier from the year before. The Mayor suggested a higher level of review than last year, adding that Ms. Pasqua provided summaries in the front of the budget package.

Ms. Pasqua explained that the budget was based on department requests, reviewed by her, the Mayor and the Administrator. If there was a question about the request, the department was contacted. Page 1 was a year-by-year category review. She spoke about the intent to have a flat tax, adding that she did not agree with a flat tax when assessments were going down and costs were going up. She mentioned inclusion of \$15,000 to fund the unfit building ordinance. Mayor Wang-Iverson spoke about reduced assessments by \$3,000,000 due in part to the pipeline appeal and Peacock's fire, adding that without any other changes, the rate increase would be from 1.84 cents to 1.86 cents alone. Ms. Pasqua said that based on the ratables and values with no changes, taxes would increase \$13.00 per year per property as an average. She referred to the anticipated revenues sheet with significant changes. She did not want to use capital surplus to supplement the budget, adding that there have been some capital projects and it was almost at zero. The Open Space Trust Fund had a good balance, taking in about \$250,000 per year but by using \$300,000 – 400,000 each year, the fund was dropping.

Ms. Pasqua highlighted other portions of the budget as follows: state aid figures are usually the same each year and will be available soon; she was not sure what would be received from Clean Communities, adding that she received a check in December last year; she showed an increase in taxes in the amount of \$18,000 over last year in the amount of \$1,255,132.50; liability insurance went down by \$20,000 but it could go up next year; debt went down this year but will go up by \$20,000 next year, i.e., percentage is down but payment schedule is higher; a 2% increase for staff was included in the budget.

Mr. Mathews asked about a decrease in the recreation line item; Ms. Pasqua said that the Recreation Trust fund will be used now to help funding, i.e., there is \$3800 in it now and will be replenished this year. Some comments were exchanged about the amount charged for summer playground now. Mr. Matheny explained that payments were made to the trust fund but salary and wage was not paid out of the fund last year. The intent is make payments out of the trust fund this year. The Township's payment from US Sports will also go into this fund.

The dog trust fund was also mentioned, adding that the Deputy Clerk's salary for working on licensing comes out of this fund.

Discussion turned to funding the unfit building ordinance, with Mr. Mathews recalling that it could be funded with a line item or as an emergency. Mr. Van Horn outlined the process with a notice of violation, an appeal process, the likelihood of owners making the repairs, sending the DPW to do the work, etc. Mayor Wang-Iverson would like to see money in the budget, adding that no activity would probably take place until the summer. Mr. Matheny commented on making sure that if there is work that was beyond the scope of the DPW, e.g., boarding up an unsafe second floor, there should be a company that is insured who is involved with this work.

Comments were made about where to have this line shown in the budget, adding that it would be good to track the spending; a suggestion was made to include it as a miscellaneous line in the DPW budget with the Mayor adding that it would not be spent without action by the governing

body. Mr. Mathews felt that unless there were targets, the Township was a year away from spending the money, and he suggested an emergency appropriation. Deputy Mayor Sageser spoke about one property, 65 John Ringo Road, which has been a problem for years with one violation issued by Raritan Township and no action taken. Mayor Wang-Iverson said that the next step will be a letter from the Construction Official; he did not see the process taking a full year, and he believed that line should be funded. Ms. Pasqua suggested perhaps cutting the line in half. The Mayor added that this particular property owner has an open permit and the intent is just to secure the property. While the owner received a violation from Raritan Township, there was no action taken, and with the ordinance the Township could proceed with securing the property for safety reasons. Deputy Mayor Sageser said that he would be comfortable with some funding and the \$15,000 figure was just a possibility; the Mayor explained that he would like to see the minimum to cover fencing for this property and including funding for boarding up a burned out property on Route 31 to secure it against unauthorized entry.

Mr. Miller asked when liability for the township shifted to personal property. Mayor Wang-Iverson said that they Township wasn't liable but they should do something about this as an obligation. The ordinance provides for a lien so that money will be recouped. Further comments were exchanged about the costs for renting fences, the intent to have property owners see the lien as part of the tax bill, and the fact that the village residents would like to see visible improvements and security. Mayor Wang-Iverson did not believe \$15,000 would impact the budget significantly.

Mr. Van Horn asked about the effect of having this amount included in the budget. Ms. Pasqua said that the budget was well below the 2% cap and there would be a 1.8 percent change.

Mr. Mathews asked what if the permit was kept open and the owner was "doing something." Mayor Wang-Iverson reiterated that a violation was issued by Raritan. Mr. Van Horn spoke about liens on the taxes and on a deed. Further comments were exchanged, and it was agreed to get further information on the process from the attorney and Tax Collector; it was also noted that taxes are current on these properties. Mr. Van Horn agreed that perhaps a reduction to \$10,000 would be suitable. Ms. Pasqua agreed to put this as a separate item in the DPW budget. The Mayor suggested waiting to have further discussion on the amount to put into this category.

Mr. Mathews asked about recycling costs for the depot and funding, i.e., does it break even; Ms. Pasqua said that charges are about \$700 a month and charged to Clean Communities, which comes in around \$11,000-12,000 per year.

Mr. Matheny spoke about a request for salary increase for two DPW members, Joe Adamow and Dave Barrick. The cost to the Township would be \$8,000, and the DPW Superintendent submitted a memo explaining the reasoning. Mr. Van Horn asked if this was a raise and whether other staff members would request them. Mr. Matheny explained that there was a statutory requirement for some employees to get the same raise, but this was a request for an adjustment because of merit and equity, which was allowed. Mr. Van Horn recalled recently speaking about merit increases and was told that there couldn't be a selective merit increase; Mr. Matheny explained that there had to be a merit process.

Mayor Wang-Iverson believed that the request was an equity adjustment, based on experience and comparable rates at other municipalities. Mr. Van Horn spoke about all employees locked into the same raise – two percent increase each year and may have fallen behind. Deputy Mayor Sageser spoke about Mr. Adamow and Mr. Barrick, who based on their experience, are underpaid. He spoke about the number of years that they have worked here, their skill sets and extraordinary efforts; he asked if the range is appropriately set and are they being paid fairly. He added that while an Assistant DPW Supervisor title doesn't exist, Mr. Adamow fills this role.

Mr. Mathews said that it is more performance than merit, and he suggested creating a different grade to promote into a different job title. He recommended leaving the money in the budget earmarked for salaries, but specifically earmarked for these men. The Mayor and Mr. Van Horn also agreed that the money should be left in the budget. Mayor Wang-Iverson spoke about the level of experience of these two men; Mr. Matheny agreed that the men took the job at a salary that was too low. He explained that the memo from Mr. Silverthorn was not a public document regarding performance, but the matter was brought forth since it would have a budget impact.

Mr. Van Horn spoke about different classes in the department as a promotion to another level, adding that the problem the Township faces now is no increase beyond percentage. Mayor

Wang-Iverson said that developing this system would take some time, and the Township needed to act on these two employees now. Mr. Van Horn also mentioned longevity. Deputy Mayor Sageser commented on not previously filling an Assistant Superintendent position; on the skill sets of these employees with many qualifications while others may not have them; on having this same discussion during the appointment of the Assistant Treasurer, i.e., paying at a lower rate or paying a reasonable amount for skill sets.

Mayor Wang-Iverson suggested leaving the money in the budget and discuss how to proceed at the March meeting, including providing Rice Notices to the two employees. Mr. Miller asked about broader implications if only two employees receive increases. He was in favor of a long term strategy including a scale, not longevity, e.g., assessing a value for new equipment use, etc. He suggested that the DPW Superintendent be asked for justification for promotions without performance implications. Mr. Mathews agreed, adding that a matrix be defined of desired positions and experience for each one. Mr. Matheny spoke about this being a complicated area, adding that longevity was not a factor. He spoke about difficulties in creating a matrix, such as CDL, pesticide licensing, etc., and deciding which employee gets to pursue licensing. He realized that not everyone could get promoted and felt that some logic should be involved in decisions. He said that in the past individuals were recommended for larger increases by their Chairs or committees. Looking at salaries, the DPW Superintendent was recommending the increase based on their low salaries as an equity issue. He said that it could be argued for increases for all employees, but these were the highest priority.

A recommendation was made to leave the \$8,000 in the budget and have this as an agenda item on the March 12th agenda when the DPW Superintendent was present.

Mayor Wang-Iverson asked Ms. Pasqua for any highlights in the budget. She mentioned only \$10,000 in the capital improvement fund with a lot of projects being projected.

Mr. Mathews asked about the potential tax assessment appeals. Ms. Pasqua said that under the Tax Assessor's line, there was \$14,000 for this year; the figure was in there twice (one for a full appraisal of The Ridge at \$14,500), with one line being removed. Mr. Van Horn referred to the Tax Assessor's page with a line reading \$15,800 for appeals.

Deputy Mayor Sageser asked about the engineering services line item being set at \$10,000 this year. There may be some need for engineering services for the Ringoes traffic concerns; some of this may be included in a capital project. Mayor Wang-Iverson noted that the line was under-budgeted last year and transfers were made, adding that it would be difficult to project if something comes up. Deputy Mayor Sageser mentioned traffic calming measures on county roads, asking if the Township Engineer would be involved.

There was \$350,000 for roads in the capital budget, with Ms. Pasqua saying that this was the same amount as last year. There was a \$75,000 ordinance approved last year. The Deputy Mayor spoke about doing a lot of work last year with what the DPW had, asking if the engineer line item was enough if he had to be involved with road projects. Mayor Wang-Iverson said that there would be some soft costs for engineering services in a \$1.7 Million bond ordinance, if it was pursued.

Comments were made about the NJ DOT grant application, with Mr. Matheny explaining that the State program is defunct and funding is going towards bridges and state roads. If the state pursues another tax, the program may resume.

Mr. Miller spoke about the first page of department requests and a request for \$2,000 for the part time Open Space Preservation Administrator. It was noted that most of this line item was not used last year since there was no Administrator for part of the year, and Volunteer Glorianne Robbi and in-house staff were doing the work. Ms. Pasqua also noted that previously there were two separate lines for a secretary and an administrator, which are now combined.

The legal line was discussed, budgeting \$44,000 last year and having bills paid in the amount of \$25,300 by year's end (encumbered by January 15). Ms. Pasqua said that November and December bills are just coming in around \$10,000. Some discussion took place, with the following highlights: comments were made about late billing by many professionals; Mr. Van Horn suggested being careful in having Mr. Cushing look at all types of issues; Mayor Wang-Iverson mentioned a lot of work on the unfit building ordinance and the need for the bank owned property ordinance recommended by the state – he was reluctant at reducing the budget amount

this year; Deputy Mayor Sageser added that there are some appeals that the attorney will be working on also.

The Mayor asked how much to fund the unfit building ordinance line and asked if the governing body agreed with the amount in engineering. Mr. Mathews wanted to make sure that the budget was flat. Ms. Pasqua reminded the Township Committee that they wanted to have their budget prepared before introduction on March 12, adding that even a little change would mean changing in numerous sections of the budget document itself.

Mr. Van Horn agreed that he would only want to do the budget once so that the governing body should be in agreement. Mr. Van Horn commended Ms. Pasqua for "her tremendous work" on the budget and had no problem with the budget presented. He was not concerned with a shift of a dollar here to find the \$15,000, as long as the cuts were not significant. Mr. Mathews was in favor of another working meeting. Mayor Wang-Iverson didn't feel another meeting was necessary if the budget was going to remain the same and slight adjustments made; however, if the intent was not to raise taxes, another meeting would be necessary. He was not in favor of a flat rate since the rate has not increased in four or five years and costs do increase. He felt that it was prudent to increase revenues, e.g., if insurance rates go up next year, the township would be in a better position with increased revenues.

Deputy Mayor Sageser spoke about treating the DPW workers more appropriately, enforcement of the new ordinance, and a salary increase for staff. He felt that another work session might be necessary, and he suggested preparing Rice Notices for the DPW members and having Mr. Silverthorn present. Mayor Wang-Iverson said that the intent is to introduce the budget on March 12, and deciding on how to allocate the \$8,000 was not necessary right now. Mr. Van Horn had no problem with the 2% increase in salary for staff. He also asked about the tax appeal challenges, and the Mayor agreed further information was necessary.

Deputy Mayor Sageser suggested keeping \$10,000 in the budget for the unfit building enforcement and adding \$5,000 more to the engineer's line item. Mr. Miller wanted input from Mr. Silverthorn at the next meeting when the attorney was present. He would prefer a flat tax, especially for the elderly and the farming community, adding that there wasn't a great revenue source in the municipality. He would like to hear more from the community on the unfit building ordinance and would like to keep taxes as flat as they can.

The governing body asked that \$18,000 be trimmed from the budget to equate a flat tax. Ms. Pasqua asked for direction from the governing body on where to trim the budget.

Mr. Mathews asked about the increase in the capital budget by \$10,000; Ms. Pasqua explained that this was for future acquisitions for equipment that was falling apart. Mayor Wang-Iverson cited a depleting capital improvement fund and reduced surplus. Reference was made to more revenues last year than were anticipated; Mr. Mathews felt that this was a good indicator to keep taxes flat. Mayor Wang-Iverson disagreed, citing a dip into surplus, putting off capital projects, and increased budget items, along with an assessment valuation drop of \$3,000,000.

A decision was made to hold another budget meeting on February 26, 2015, at 6:30 p.m. Committee members were asked to find ways to cut \$18,000 from the budget to be presented that evening.

The meeting was open to the public for comments; none being made, motion by Mr. Van Horn, seconded by Deputy Mayor Sageser to close to the public.

There being no further business, motion by Mr. Van Horn, seconded by Mr. Miller, and carried unanimously to adjourn the meeting at 8:10 p.m.

Teresa R. Stahl, RMC/CMC
Municipal Clerk

