

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, Charles Van Horn, and Peter Miller. 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 19, 2015 and amended on February 24, 2015. The purpose of this meeting is to discuss the 2015 budget. The Township Committee may enter executive session to discuss personnel

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

CFO Pasqua was present at this meeting.

Mayor Wang-Iverson reminded the governing body that they agreed to look at the budget figures presented on February 18, with the hope of adopting a budget on March 12. The intent was to give direction to CFO Pasqua. He wanted to make the meeting as efficient as possible and give the CFO clear direction. The Mayor mentioned a program he participated in, i.e., a conference with the Governor's Office regarding the state budget. The Governor agreed to make the full pension payment; there would be flat state aid to municipalities; the state budget would increase by 3.1%. Ms. Pasqua said that she did receive state figures today.

Mayor Wang-Iverson contacted the State about funding the unfit building ordinance, based on previous meetings. Attorney Cushing suggested that one way to fund would be through emergency appropriations since he believed that the ordinance "would be pretty rarely used." The money would have to be funded in the next year's budget. Some discussion took place on whether it could be a one year payback or extend over the following five years, although the state advised that it was to be refunded the following year.

In any event, the Mayor did not feel that an emergency appropriation would be the way to fund the ordinance, particularly since there was already indication which properties would be improved. The Mayor felt that there should be money in the budget. He also spoke with Tax Collector Hyland and Attorney Cushing, adding that Mr. Van Horn also spoke with the Tax Collector. The idea is that a tax lien (different than a judgment lien) would be assessed. The process is that the work is completed per the ordinance, the property owner is billed with a certain time period to pay; if it goes unpaid, a lien is placed on the property and sold at tax sale the following year. Whoever buys the tax certificate attempts to collect the delinquent payment. It was again stated that the lien does not go on the property tax bill, but it is a separate bill; if left unpaid, goes up for tax sale the following year. Tax liens are payable even before mortgages, while judgment liens are at the bottom of the refund schedule.

Mr. Mathews asked for clarification that the Township was not using the ordinance to force a property to go to tax sale. Mayor Wang-Iverson said that it would be just for that portion, i.e., if you don't pay the tax lien, the property would go up for tax sale for that portion of taxes only. Mr. Van Horn also reminded Mr. Mathews that a property owner could appeal the enforcement issue, but the safety and health welfare of the community is important. The Mayor also said that the bill could be paid prior to going to tax sale. Mr. Mathews felt that the ordinance was forcing property owner's hands. Mr. Van Horn spoke about coercing the property owner to make a repair and avoid wrecked credit. Deputy Mayor Sageser said most of the properties are not occupied or habitable; it is important to make sure that the owner understands the process and risks of going to tax lien.

Mr. Van Horn continued by saying that he had no sympathy for a property owner with a burned down house who received an insurance settlement and did nothing to the house. He stated that this was a health and safety issue, the ordinance would apply to this house, and he did not believe it would cost a lot to board it up. Deputy Mayor Sageser spoke about a safety problem and questioned if it could be occupied; he noted the difference between being a health and safety issue or whether it could be habitable. Mr. Van Horn referenced a property on Boss Road, where Police and Construction Officials were involved, and the property could not be occupied. The property was boarded up, and the intent of this ordinance is not to make a property habitable, but to address health and safety issues. The Clerk suggested turning the discussion to the budgetary issues of the ordinance.

Mr. Miller voiced concern about budgeting, asking if the intent was that the Township would recoup the money the following year through the tax sale. Mayor Wang-Iverson said yes, but money had to be budgeted to do the work or fund through an emergency appropriation. Ms. Pasqua added that the money would not be an anticipated revenue and could not be used for the following year's budget as an off-setting revenue. The budget would still have to go up by \$10,000 the following year.

Mayor Wang-Iverson spoke about the requested salary increase for DPW. (For the record, Joe Adamow and Dave Barrick did receive Rice Notices and wished discussions to be held in executive session.) The Mayor believed that the discussion was an equity issue, not a performance issue so discussions would be in open session.

The Mayor spoke to Attorney Cushing about cause for tenured statutory increases for the four employees, Clerk, Collector, Assessor, and CFO, reading from the legislation in question that any increase to all staff must be given to all four groups and these employees cannot have their salaries decreased for any reason (although some municipalities have tried to do this by reducing hours, but this was not allowed by courts). According to Mr. Cushing, although he wouldn't make a 100% determination, he did not believe it would apply to this situation of providing an increase to just two employees. He believed that the Township was in a safe position to offer the two employees an increase without worrying about the tenured employees.

Ms. Pasqua mentioned two additional changes to the latest draft budget, provided to the governing body by email. The Planning Board has an additional \$5,000, and the Assessor advised that assessed values have gone down.

It was also noted that the Borough of Alpha has not addressed the Shared Services agreement for the CFO and will vote on it at the March 10th meeting, two days before the Township Committee meeting when the budget is to be introduced. Mr. Matheny was still optimistic about the opportunity. Some comments were exchanged about Alpha's position, e.g., were they considering another proposal, are they reconsidering their current arrangement, etc. The previous CFO is still helping in Alpha and their affairs are in order, although Mr. Matheny believed that the previous CFO's position is temporary.

Mayor Wang-Iverson said that CFO Pasqua is able to provide two proposed budget scenarios for the March 12th meeting, one with the shared service agreement and one without it. However, all other issues should be resolved. Mr. Mathews commented on the ability to change 10% of the introduced budget prior to adoption. Members were unclear if this was per line or cumulative. Mayor Wang-Iverson again stated that the CFO could put 95% of the budget together and after a decision is made by Alpha, complete the last 5% in time for the March 12th meeting.

Mr. Mathews asked about discussing the personnel issue for DPW increases. Mayor Wang-Iverson did not see these as a performance issue, that the salaries were out of line with comparable positions in other municipalities, and he felt that this was an equity based consideration and not subject to executive session. Mr. Matheny explained that the employees received Rice Notice in case there was a need to hold executive session. The Mayor said that the only question was whether to include the \$8,000 or a different amount in the budget, and it was not a performance issue, in his opinion. Deputy Mayor Sageser agreed, saying that these employees' skill sets were not recognized when they were initially hired and it is necessary to make further adjustments.

Mr. Mathews disagreed, believing that a general increase should be given. He would like to see a more formal process for why particular employees are recognized, e.g., a new job, performance related, create a new position to aspire to, be awarded a position if they have the qualifications, merit increases. Mayor Wang-Iverson spoke about equity adjustments, adding that some companies provide these. Sometimes employees fall behind relative to other employees in the same organization, and this is a mechanism to equalize employees with others. Mr. Mathews spoke about how employees at his company are addressed, i.e., look at their job descriptions with an analysis and a determination of what the market will bear. He had difficulty in seeing an equity adjustment for the two employees.

Deputy Mayor Sageser referred to DPW Superintendent Silverthorn's chart of comparables with other municipalities for justification. He also was involved when these two employees were hired, and their "tremendous" skills were not recognized when hired at a lower rate of pay. He was in favor of an adjustment. Mr. Matheny explained that the employees are at the bottom half

of the scale and there is no way to move along the scale unless individually addressed. Mr. Mathews commented on the existing scale.

Mr. Van Horn agreed that there was more talent in the Department, but he added that there are other employees that have value, e.g., a clerk's years of experience, continuing education, etc., receiving small increases through the years. He spoke about some employees being singled out because they have an advocate. He would like to see some structure in the future, e.g., increases based on acquiring a new skill set, etc. He was concerned about raising the pays of the second and third laborers and having the fourth and fifth men now having even lower salaries. Deputy Mayor Sageser stated that the two senior men have years of experience while the two other men have less experience. Mr. Van Horn felt that this would be a longevity issue. Deputy Mayor Sageser also said that there was a difference between labor and desk job people with the whole labor industry categorized and judged on experience. Further comments were exchanged between the governing body members with Mr. Mathews suggesting a term of a "senior roadman" and Mr. Van Horn in agreement. Mr. Mathews suggested titles with different ranges, such as grades of service years, certifications, etc. Mr. Matheny explained that this was different from private sector with not everyone able to be an assistant. Mr. Miller suggested including roles and skill sets still open for input from Mr. Silverthorn and Mr. Matheny on a laborer 1 or 2, and he liked the idea of overlapping scales where employees can move up. The Deputy Mayor reminded the governing body that the skills of these employees effected cost savings with road projects (including the Van Lieus Road repair) and capital equipment repairs, and hiring at the bottom of the ladder is a problem. Mr. Mathews spoke about having an Administrator to set up a system with Deputy Mayor Sageser stating that the governing body sets policy.

Mayor Wang-Iverson concluded that this was an equity adjustment, not a promotion, and adding layers of titles in a small organization is counterproductive. Mr. Mathews was agreeable to putting the money in the budget but not acting until a formal process was developed that met expectations. Further comments were exchanged by the governing body, with these highlights: Mr. Silverthorn did provide comparative information regarding other municipalities and their pay scales; Mr. Matheny noted that some of those municipalities have unions, adding that past governing bodies wished to keep budgets low and that equity adjustments were brought forth by department heads; Mr. Van Horn thought that this type of increase was a more "personal relationship" increase between employees and supervisors; etc. Mayor Wang-Iverson concluded that the money would be left in the budget at this time.

Mayor Wang-Iverson asked Committee members to offer their proposed changes to the budget. Mr. Van Horn had none at this time.

Mr. Miller said he reviewed the budget and there were some areas that stood out. He asked about the consideration of a joint Planning and Zoning Board. He researched this option in other communities where there is a Land Use Board instead of two individual committees, with the combined efforts reducing costs. Mr. Miller was not suggesting this as an immediate action, but to consider it, based on looking at costs for attorneys (overbudgeted \$2,000 for the Planning Board and \$5,000 for the Board of Adjustment). He spoke about combining the boards as a good savings for the Township, particularly in light of looking for money for the unfit building ordinance.

Mr. Miller also spoke about the unspent \$2,000 for the stormwater permit and \$4,000 for Solid Waste Enhancement, which he believed could go to other goals. Mr. Miller also spoke about the operating budgets for the East Amwell Court and the Franklin Court with \$3,000 and \$5,000 left over. He suggested not totaling them to zero but he saw a potential to keep the budget flat and fund the unfit building ordinance line item with taking perhaps \$3,000 from these unutilized lines.

Mr. Matheny explained the use of the stormwater budget, i.e., money is set aside if the engineer has to do any work that reaches the stormwater management criteria. The Township cannot escrow for this work, so the money is placed in the budget to cover expenses. Additionally, the engineer is required to prepare an annual Stormwater Management report each year, and he advised that the cost is \$2,000 to prepare the report. Some comments were made about where the engineer may have been paid from last year, i.e., perhaps the general engineer line item.

Deputy Mayor Sageser said that he was interested in the Land Use Board suggestion, but not as a money saving option. He added that it is hard to control the legal line item for these boards and it is driven by applications to the boards. Specific applications before the Planning Board and

Board of Adjustment were mentioned, and it was noted that these boards do require escrow accounts be set up for expenses.

Mr. Miller spoke about his simplistic method of looking at items that might be adjusted because of unexpended lines; he suggested that the CFO might also be able to look further at the budget in a similar manner.

Mayor Wang-Iverson felt that this would be an action item, i.e., further looking at Board of Adjustment and Planning Board legal lines along with the Stormwater Permit and Solid Waste Recycling Enhancement lines. Ms. Pasqua spoke about items inside the cap and those outside the cap in terms of adjustments. Mr. Miller spoke about adjusting the \$4,000 and \$5,000 that he found, adding that the Township Committee should consider these reductions to cause less of a burden on tax payers.

Deputy Mayor Sageser asked whether Franklin Court expenses could be adjusted; Mr. Matheny said that the Court Administrator usually handles her own budget and splits the costs with Delaware Township. He further explained the joint court arrangement with Delaware Township and the shared court with Franklin and Stockton. The Court Administrator also just increased the Salary and Wage line to cover more hours for the Violations Clerk, with Mr. Matheny noting that this position is a new, lower rate of pay position than an Deputy Court Administrator. Mr. Miller again said that the OE lines for the courts were \$3,930 and \$5,150 unutilized, and he would suggest taking some funds from each to reduce taxes. He was also told that such year end balances do get utilized by going into surplus; Ms. Pasqua used some of this surplus to adjust the budget figures.

Mr. Mathews said that he looked at the budget in a similar fashion to address reductions. He said that his paperwork revealed a modest reduction of \$36,750, which he agreed to share with the CFO. Mr. Mathews asked about the revenue from summer playground. He was told that this money goes into the recreation trust account and does not show up in the budget as revenue, and the money is used to pay for summer playground expenses.

Mr. Mathews felt that the budget could be reduced by \$15,000, and a flat tax was do-able. As one example, he suggested a reduction of \$5,000 in general administration, including miscellaneous OE and codification of ordinances. Mr. Mathews again said that he would share his notes with the CFO.

Ms. Pasqua reminded the Township Committee that the budget was based on department requests. Deputy Mayor Sageser spoke about some lines going over, such as computer technology (budgeted \$1,000 but \$4,000 spent). He spoke about policy decisions and also about not being short sighted in preparing an underfunded budget. Mr. Mathews did not plan on micro-managing, but he felt that it was a policy decision not to increase taxes. Mayor Wang-Iverson said at the last meeting, it was felt that cutting \$18,000 from the budget would equate to a flat tax; Ms. Pasqua advised that based on the assessment reduction from the Assessor, it will now take \$23,000 to reach a flat tax. Ms. Pasqua said that she was not an advocate for a flat tax in the first place, but coupled with reduced assessments, the Township would fall further and further behind. She said that it was possible to have a flat tax this year, but next year will be difficult, based on an \$20,000 bond payment increase, the potential for an emergency appropriation for the unfit building ordinance if not put in the budget this year, and BAN payments of \$40,000 for the next few years. She also spoke about reduced costs for insurance this year, but this may change next year and health insurance, pension costs, and salary increases will also be probable.

Ms. Pasqua said that the Township used 95% of their operating fund in 2014. She spoke about long term capital planning as an important item, adding that there should be some funds available from current each year to deferred charges to cover a capital ordinance, e.g., putting away \$25,000 each year to pay for a piece of equipment, such as a backhoe. She would recommend this going forth rather than bonding for equipment. Ms. Pasqua stated again that she could get the budget to a flat one, but she was concerned with the impact next year and in the future. Further comments were made about the capital budget, with a notation that \$1,000,000 was left in Open Space for a large project. Mayor Wang-Iverson said that this was for the Higgins property in case it came through. Mr. Mathews asked about the capital sheets; Ms. Pasqua said that they didn't affect the operating budget but are part of the capital plan. Mr. Mathews asked about the salt barn project; some comments were made about having an ordinance to do the work and attempts to get the insulation installed, perhaps this year.

Mayor Wang-Iverson suggested reviewing the capital projects at some point. Mr. Mathews agreed to give his tabulated budget sheets to Ms. Pasqua to make cuts. The Mayor also suggested checking with Planning and Zoning about their legal bills from last year. Comments were made about the Township Attorney's legal bills which was increased. Last year the amount was \$35,000, but there were late bills from 2014 just received. Mr. Van Horn commented on getting information from the Tax Collector on the tax liens and having Mr. Cushing also contact her for the same information. Mr. Mathews mentioned the change in the agenda this year, while in the past the first hour was to be for Township Attorney matters so that he could be released earlier. Further comments were made about watching the budget for the attorney and trying to limit use of this resource. Mr. Mathews commented on legal bills being like mileage vouchers being turned in late or at the end of the year – he felt that these were hard to audit.

Deputy Mayor Sageser had no changes to offer. Mr. Van Horn agreed that he would like to see a flat tax rate. Mayor Wang-Iverson agreed that it was possible, but he too was concerned with the flat rate, decreasing revenues, and decreasing assessments. The reduced assessment of a pipeline and an appeal by the golf course, two high taxpayers, was mentioned. Mr. Mathews agreed that the pipeline settlement was difficult, but the appeal process is in place. Committee members did agree that they would like to know before the fact if there are any more large tax settlements made. Mr. Miller spoke about the Assessor's assistance in advising the officials about ratable changes and appeals.

Mr. Miller liked the idea of a combined Planning and Zoning Board, and he also looked forward to the CFO providing strategic input. Ms. Pasqua said that even with a flat tax, there would be a penny tax increase if revenues and ratables are flat.

Mr. Mathews spoke about \$980,000 in the Open Space Trust Fund. Mayor Wang-Iverson explained that about 90% of the bonds are/were for open space acquisition; he cautioned about utilizing too much of the fund and exhausting it before the bonds are paid off and being in default. Mr. Mathews said that in 2018 the payment amount for bonds steps down; the Mayor cautioned that last year \$380,000 of the fund was used for the budget and that was not a sustainable figure. The fund takes in \$265,000 per year, thereby losing \$100,000 each year with that usage.

Ms. Pasqua will prepare an up to date graph showing usage of the funds for debt over the next several years. She added that the Township will have to get a \$500,000 bond in 2017, because many of the BANS will reach their 10 year limit. On a question, Ms. Pasqua thought there was about \$4,000-5,000 interest made last year on the fund. Mr. Mathews thought that there was not a lot of interest in preservation now, with Mr. Gardner previously advising that \$700,000 would probably acquire all remaining open space where residents have expressed interest.

Further comments were exchanged about the use of the fund, and it was suggested that the residents might be asked about increasing the open space tax. The amount is currently 4 cents, and based on current assessments and other conditions, it would take a tax of 9 cents to sustain the fund for debt. The Clerk will provide information about getting a question on the ballot. Mr. Mathews spoke about possible language in the question to allow the Township Committee to annually adjust the amount of the tax rather than having it at a set amount. Mr. Miller agreed that it was important to hear what the people want in terms of the tax, adding that it may not be forever. Mayor Wang-Iverson noted that current bonds are 90-95% for open space, while Deputy Mayor Sageser added that a bond of \$1.7 Million would be needed for the road repairs that were previously considered.

Discussion turned to surplus, with Ms. Pasqua stating that there was a lot last year when revenues were better. She said that \$170,000 from surplus was returned in 2013 and \$130,000 in 2014. She did use more surplus in the budget this year, but she would like to see it go higher next year.

Mr. Mathews asked how much would be used to fund the unfit building ordinance, adding that he felt \$15,000 was too high. He was concerned that there were already targets in place, and he did not see the process going forth "unless we step on the gas." Deputy Mayor Sageser believed that the Township was ready to act and would be successful, adding that this was part of the Village Study, that it allowed for flexibility, and it was not a "vigilante" process. Mayor Wang-Iverson said that if the ordinance was not funded, then it was a wasted effort to prepare and adopt it. He felt that \$10,000, as a minimum, would be an appropriate budget figure. Mr. Mathews asked to see the original responses to the village questionnaire. The originals may be with the Planner, but the Mayor has scanned copies, which he will forward to Mr. Mathews.

Further comments were made, including the following: Mr. Van Horn said that the ordinance did not only pertain to the village, citing the burned out house on Route 31; Mayor Wang-Iverson stated that the village study drove the concept for the ordinance; Mr. Mathews reminded the governing body that the original concern was the problem with Canadian Thistle near Mr. Kanach's house, which was not even addressed in this ordinance; Deputy Mayor Sageser mentioned residents' concerns for years that have been brought up; Mr. Miller said that the ordinance was a good tool but was not sure about the need for funding, that residents could make their own repairs, and the ordinance may not even be used this year. Mr. Mathews brought up the tree harvesting ordinance as anecdotal information. Mr. Miller suggested that funding might be sufficient at \$5,000 or \$10,000; Mr. Mathews suggested \$5,000 for this year and use emergency funding if additional funds were necessary. Mr. Van Horn also noted that in some cases just the knowledge of the ordinance and its punitive measures may be enough to enact response from property owners.

OPEN TO THE PUBLIC

Frances Gavigan, 123 Wertsville Road, asked if the bonds were for buying development rights or for trails and parks; Mayor Wang-Iverson said both. Ms. Gavigan felt that the public should be aware of the full picture of the use of the trust fund, including purchasing undeveloped open space that comes off the tax rolls and having those tax payers remaining "carrying the load." Mayor Wang-Iverson said that taxpayers are aware of the use of the fund by way of the annual tax bill mailing with enclosed farmland/open space summary and map. Ms. Gavigan also suggested outreach through the VIP and other avenues to "economically inform the taxpayers whose property values and next eggs are going down."

Deputy Mayor Sageser spoke about remarks made by a resident about the Pearson property, part of the Ridge Road Assemblage, concerning property coming off the tax rolls. Ms. Gavigan also suggested some workshops to inform residents about the proposed question. She also noted that large landowners did not attend the farmland preservation forum; Deputy Mayor Sageser explained that there are discussions going on with landowners outside. Ms. Gavigan suggested providing detailed information on the website and educating the public since it will have an impact on citizens who have mortgage expenses.

Ms. Gavigan commented on the unfit building ordinance and the perception that residents can complain and have neighbors' properties fixed or torn down. Mayor Wang-Iverson explained that the Construction Official, using the UCC, has control, not the neighbors. Ms. Gavigan spoke about reality and hearsay, the fact that some residents will be disappointed if the fix is not what they expected, and "it will blow up." She recommended that the Mayor prepare an article in the VIP on what the ordinance does and does not do.

Motion by Mr. Van Horn, seconded by Mr. Miller, and carried to close to the public.

ADJOURNMENT

There being no further business, motion by Mr. Van Horn, seconded by Mr. Mathews, and carried unanimously to adjourn the meeting at 8:35 p.m.

Teresa R. Stahl, RMC/CMC
Municipal Clerk