

A special meeting of the East Amwell Township Committee was called to order at 6:30 p.m. 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, Municipal Clerk Teresa R. Stahl announced that this is a special meeting, approved as part of the Township Committee Annual Meeting Notice, with a notice published in the Hunterdon County Democrat issue of January 14, 2016. A copy of the agenda for this meeting was forwarded to the Hunterdon County Democrat, Times of Trenton, Star Ledger, Courier News, posted on the bulletin board, and filed in the Clerk's Office on January 15, 2016. The purpose of this meeting is to discuss the 2016 budget. The public is invited. Action may or may not be taken.

CFO/Treasurer Margaret Pasqua was also in attendance. She had previously distributed a budget packet to the governing body members.

Mayor Wang-Iverson spoke about meeting two weeks ago with an almost \$40,000 gap in the budget, which Ms. Pasqua was working on eliminating.

Ms. Pasqua provided four documents to the governing body: the 1/28/16 Edmunds printout showing what was paid to date for last year's budget; a comparison summary of the last five budgets, including numbers being used for this year's budget; a sheet showing a reworked capital budget to include the roof repair at the SAFE house; a sheet showing all the cuts made to the budget so far (the top of the page showed cuts previously recommended and the second group showed cuts made after the January 14, 2016, budget meeting and included additional cuts suggested). The sheet also showed using additional open space funds for this year, which brought the budget right to cap. Ms. Pasqua would prefer the budget to be a little lower than cap.

Mr. Mathews asked if Ms. Pasqua could provide the actuals for the last two year's budgets; Ms. Pasqua agreed to get the figures.

Ms. Pasqua had two issues to resolve with the hope of introducing the budget in March. She asked about the line item for abandoned buildings showing \$5,000 at this time, but there was an estimate for work in the amount of \$12,500 (for removal of an open foundation). Ms. Pasqua also wanted to know about salary and wage. On a question from Deputy Mayor Sageser, Ms. Pasqua said that there was a figure for a 2 percent raise in the budget tonight.

Mayor Wang-Iverson asked about the total amount to be raised for taxes this year; Ms. Pasqua said \$1,317,000; last year it was \$1,233,000.

Deputy Mayor asked about the roof and skylight issue. Mr. Matheny said a lower quote was received in the amount of \$30,000 (i.e., reduced from \$50,000 at the last meeting), and the amount could come out of the capital account. Bill duFosse (a local contractor) repaired the skylight and indicated that the roof was in worse condition than originally thought, i.e., "brittle and shot." DPW Superintendent Silverthorn solicited a quote from Strober Roofing in the amount of \$30,000, prevailing wage. Deputy Mayor Sageser questioned how big the roof was to cost that amount of money and what type of repair was being suggested. Mr. Matheny confirmed that the dwelling is large; the work included taking off the underlay, putting down sheathing or tarpaper, and installing shingles with a 30-year warrantee. The roofing company will be getting the materials directly from manufacturers rather than other vendors to achieve the lower price. Some discussion took place between governing body members, with comments including the cost estimates based on how many squares or square feet coverage is needed; the fact that Strobers will get the job done in a few days rather than weeks; Deputy Mayor suggested getting a quote from Unlimited Builders.

Mr. Van Horn concluded that the roof decision could be dealt with when it comes up, and Ms. Pasqua confirmed that the repair could be covered by the capital fund. She cautioned, however, that the fund was very low. Mayor Wang-Iverson commented on taking a lot out this year and not having anything to put in because of down payments. Ms. Pasqua said that there were not many capital projects this year, but as a long-term goal, she would like to see the Township build up this fund. She also noted that there is enough for a down payment if anything happens with the salt barn.

Deputy Mayor Sageser asked about taking any more from surplus. Ms. Pasqua said that she took the same amount as last year, \$170,000. She is waiting for the auditors to complete the Annual Financial Statement, and she didn't know about surplus or current figures. She did not believe it was a hardship keeping the \$170,000 surplus in the budget.

Mr. Mathews asked about the CPI for a cost of living increase. Deputy Mayor Sageser said that COLA was a federal standard, and Mr. Mathews commented on there being different indexes. Deputy Mayor Sageser also said that Social Security showed a zero increase this year. Mr. Van Horn said that he would support a one percent increase, which equated to about \$8,000 in the budget. He also suggested leaving the other \$8,000 (which would have been used for the two percent increase) in the budget and using it to cover other items in the budget.

Mayor Wang-Iverson spoke about the memo on salary information, stating that many of the employees are not up to scale compared to other municipal employees in comparable positions. He originally wanted to address this and also advocate for a 2% increase for employees. Mr. Mathews thought it was important to have a rationale index, e.g., 1%, 1.25%, or .75%, as a guide. Mr. Van Horn said that the Social Security was done with an index from Congress. Deputy Mayor Sageser said the lower rate tied into the fuel costs.

Mayor Wang-Iverson mentioned employees' increases in benefit costs. Ms. Pasqua said that the employees have brought these concerns to her, i.e., their increase in pension and health care contributions. On a question from Deputy Mayor Sageser, Ms. Pasqua said that the increases can be anywhere from \$10 to \$40 per employee, based on type of plan and coverage selection.

Deputy Mayor Sageser mentioned the employees' salary memo, saying that there were a lot of variables that were not resolved, such as the number of hours served elsewhere. Mayor Wang-Iverson agreed that it was not a comparison of "apples to apples," but he believed that the Township was not competitive with other townships in some areas, and he had hoped to be able to give employees a 2% raise and adjust a couple of the employees' salaries, as was done last year. He now believed that the equity adjustments were out of the question.

Mr. Van Horn also noted an issue with making adjustments in salaries of statutory employees, i.e., all employees in that category have to get the average increase, and one cannot selectively choose to increase one employee without the others. He mentioned the positions of Tax Assessor, Tax Collector, CFO, and Clerk, adding that if you adjust one salary, the other three would have to get the same average adjustment. Deputy Mayor Sageser asked about giving overtime as an alternative. Mr. Van Horn said that neither overtime nor compensatory time could be given, and there have been court cases about this topic. Mayor Wang-Iverson again mentioned how the Township stood against other municipalities such as West Amwell and Delaware Townships in paying their employees. The Mayor would like to give the employees 2%, but he agreed that this would have to be a committee decision. Mr. Van Horn said that he "could live with 2%."

Deputy Mayor Sageser asked about the memo from the Municipal Court Administrator and the budget requests. Ms. Pasqua said that the amount requested was in the proposed budget. Mayor Wang-Iverson asked for confirmation that the amount was being split with Delaware Township, and Mr. Matheny said yes.

Mr. Mathews said he would like to see an annualized view or report of how much is taken in and costs associated with the court, e.g., the Township pays \$15,000 for traffic enforcement coverage, and do the tickets show that the money is recouped. Mr. Matheny said that the Court Administrator has advised that this type of report would have to be done ticket by ticket. Deputy Mayor Sageser asked if this type of report could be made going forward as the tickets come in; Mr. Matheny said that it would be onerous, but it could probably be done.

Ms. Pasqua reviewed the budget and said that court fines for the year totaled \$37,000 and the interlocal Franklin Court fines were \$39,000. Mr. Matheny said the court operations do not just include fines, adding that there are court costs, with some money staying here, some going to the state, and some to the county. Ms. Pasqua said that the \$37,000 and \$39,000 was Township money. Mr. Van Horn equated this to an annualized report.

Mr. Mathews spoke about paying \$15,000 for West Amwell to write tickets, adding that some other things were done to control traffic, e.g., lowering speeds, signage, etc. He asked if it was reasonable to assume that the speeding was reduced. Mr. Van Horn believed it had no impact on speeding but coverage was worthwhile.

Mr. Mathews asked about how much law enforcement was necessary to stop the speeding problem. He asked about revenues versus the cost of the ticket. Deputy Mayor Sageser felt that it was difficult, but he suggested getting the number of tickets written and figure out how many were for speeding to see the amount generated. Mr. Mathews also asked about West Amwell tickets that were written in East Amwell if West Amwell was not under contract to assist. Mr. Matheny explained that when West Amwell writes tickets for East Amwell, they are on East Amwell tickets and becomes our revenue. If they followed a car into East Amwell without being under contract, the money would go to West Amwell. He added that money for State Police tickets go to the state, not the municipality.

Mr. Matheny reminded the governing body that running a court costs money, and like a construction department, the court is supposed to be revenue neutral. Mr. Matheny spoke about the efficiency of the local court with limited personnel and not being an expensive one.

Mr. Van Horn had no problem with having \$15,000 in the budget for the West Amwell Police. Deputy Mayor spoke about the perception that the tickets are covering the cost of the patrol. Mr. Van Horn said that he does not know if the enforcement patrol is helping since there is still speeding, but he believed that the community's perception is that the Township is trying to do something about the speeders. Mr. Miller spoke about diminishing returns. Mayor Wang-Iverson commented on wanting to have additional coverage of two hours per week at an added cost of \$7,500 per year, but removing the extra coverage because revenues could not be anticipated.

Deputy Mayor Sageser asked about the speed detector equipment that HART is using on Lindbergh Road and "generating a different sort of information from the sign." Mr. Matheny said that HART does the whole speed study process. Deputy Mayor Sageser felt that it would be useful to know what the average speed is on a road, adding that sometimes residents' perceptions of speeders may be not justified, e.g., they may think that a motorist is traveling a higher rate of speed than they really are. Deputy Mayor Sageser spoke about his perception of driving fast on Lindbergh Road, and Mr. Miller commented on his same perception of what he thought was speeding on Linvale while he was really only going 30 mph. Some comments about getting data from HART and the Township speed data were mentioned.

Mayor Wang-Iverson and Mr. Van Horn agreed to leave the 2% increase in the budget for salary and wage. Mr. Mathews would like to see 1%, which Ms. Pasqua equated to \$8,000.

Deputy Mayor Sageser referenced Ms. Pasqua's earlier comment about hovering at the 2% cap limit, and he was uncomfortable with cutting the capital fund so close. He would prefer cutting the raise from 2% to 1% and increasing capital. Mayor Wang-Iverson said that this would not change the tight budget.

Ms. Pasqua asked about leaving \$5,000 in the budget for unfit and abandoned buildings or increasing it to \$12,500. Mayor Wang-Iverson said that Luster Excavating gave a quote of \$12,500 to demolish the foundation, and the Mayor would like to take care of this. He said that the foundation has been sitting for a long time, and he would like to continue to make progress in the village.

Deputy Mayor Sageser spoke about paying \$12,500 for the demolition and putting a tax lien on the property. Mr. Van Horn said that the lien would not be in place this year. It was also noted that the Tax Collector thought that the bank, who owns the property, would pay quickly, and Deputy Mayor Sageser asked if the bank paid in July or September, would the money go to the general account. Mr. Matheny asked Ms. Pasqua if the money came in the same year, would it go directly to the line item. Ms. Pasqua asked how the money was coming in; Mayor Wang-Iverson said as a tax lien, and the money would go to the Tax Collector. Ms. Pasqua believed that it would be considered tax revenue.

Mr. Miller understood the intent and interest in progressing, but there may not be any money this year. He asked if the \$5,000 could stay in this year's budget with the intent of adding another \$5,000 next year and then having enough to do the work. Ms. Pasqua said that the money could not be held and carried over next year, but perhaps the Township could do something preliminarily or do the work in pieces. Deputy Mayor Sageser asked about sharing the quote with Wells Fargo, the owner. Mayor Wang-Iverson asked if the notification process in the ordinance was complete and that the Construction Office had made sure that Wells Fargo was aware of what had to be done before the Township did the work. Mr. Van Horn said that Leslie

(from West Amwell Construction Office) has indicated that the attorney for Wells Fargo told her to have the Township do the work, and the bank would pay thereafter; Mr. Van Horn would like to see this in writing before going ahead.

Deputy Mayor Sageser wanted to leave the \$12,500 in the budget for the work; he was told that there was only \$5,000 in the line item. A suggestion was made to take the amount out of the 2% raise figure, but the Mayor did not want to do this. Ms. Pasqua concluded that she may be able to find a few thousand dollars. She commented on not having the final number for surplus from the auditor although she has revenue figures. She wanted input from the auditor, and she may be able to find the rest of the money for the abandoned/unfit building line item to increase it to \$12,500.

Mr. Mathews asked about the summary budget page for 2015 year amount at the end of January. He asked how much more of the balance of \$111,000 would be used. Ms. Pasqua said that she has not yet received the December 2015 legal bills, which she estimated at \$2,000. She commented on using \$170,000 from surplus and only putting back \$100,000.

Mr. Mathews asked about keeping budgets flat this year. Ms. Pasqua reminded the governing body that they already went through each department budget, and if boards were not using their funds, cuts were made, e.g., Board of Adjustment legal line was cut dramatically. Ms. Pasqua also mentioned cutting \$4,000 from building maintenance because money was found in a grant.

Mayor Wang-Iverson concluded that the abandoned building line would be increased to \$12,500 in the budget after Ms. Pasqua looked at the Annual Financial Statement. He would like to see the work done this year. Mayor Wang-Iverson also said that the salary line item would remain with the 2% increase.

Mr. Mathews added the statement, "pending more communication and guidance."

Mayor Wang-Iverson said that all procedures were followed. Mr. Van Horn suggested that the Construction Officer ask that the attorney provide a statement in writing that they will reimburse the Township, although this is not part of the procedure. Mr. Matheny suggested sending the quote to the attorney for the bank and see if they would send a check to cover the demolition. Mr. Van Horn agreed that the Construction Office should do this, adding that perhaps the bank would not want to have a lien on the property.

Mayor Wang-Iverson said that Tax Collector Hyland said that the bank may want to avoid a lien and may pay when they hear about the cost for the work. Mr. Matheny also mentioned that the Collector spoke about legal fees beyond the lien for municipal charges; the Mayor believed that this only pertained to foreclosures, but Mr. Matheny said that is not what the Tax Collector learned at a seminar, i.e., legal fees would be associated with liens.

Ms. Pasqua said that she has the answers she wanted from the governing body, and she would prepare the budget for introduction in March and adoption in April.

Deputy Mayor Sageser asked for confirmation that what the school and county do with their budgets had no effect on the Township's 2% cap; Ms. Pasqua said no.

Ms. Pasqua will scan copies of the 2013 and 2014 budget figures that Mr. Mathews requested tonight and send them to the Township Committee.

The meeting was open to the public for comment. There were no questions from the one resident in the audience, and the meeting was closed to the public.

Motion by Mr. Van Horn, seconded by Mr. Miller, and carried unanimously to adjourn the meeting at 7:10 p.m.

Teresa R. Stahl, RMC/CMC
Municipal Clerk