

**EASTAMPTON TOWNSHIP COUNCIL
SPECIAL SESSION MINUTES
BUDGET WORKSHOP
January 29, 2007
7:30 p.m.**

Call to Order

_____ Mayor Nagler called the meeting to order at 7:30 p.m.

Pledge to the Flag

_____ Everyone participated.

Opening Statement

Notice of this meeting was transmitted to the Burlington County Times and Courier Post on January 24, 2007. Notice was posted on the Municipal Bulletin Board and posted on the municipal website.

Roll Call

PRESENT: Mr. Maroccia, Mr. Renzulli, Mr. Hartman, Mr. Tafe and Mr. Nagler

ALSO PRESENT: Township Manager Scott Carew, Township Chief Financial Officer Gerald Mingin and Township Clerk Linda Lovins

2007 Municipal Budget Workshop

Manager Carew has asked the Chief to be here to explain the process... what has been done as well as what is left to do.

Gerry is still collecting information on the appropriation side of the budget. He will talk about CAP, surplus, revenues and the budget process.

Chief Mingin talked about budget introduction which is actually referred to as introduction/approval. The statutory date is February 10 but has been moved this year to March 12.

Chief Mingin discussed amendments and the temporary budget process.

Chief Mingin then discussed CAP what it is and how it is determined. Chief Mingin spoke relative to the Index Rate Ordinance. He explained that the township had a CAP bank of \$47,000 going into 2005.

The CAP Ordinance only allows you to increase your appropriations by 3.5% from the prior year. He stated that health insurance increase will be between 5-10%. There will be gasoline increases and contractual salary increases of \$100,000.

Chief Mingin advised that the State made this problem for all municipalities not just Eastampton. This is a CAP problem. This is not an over expenditure problem.

This township has to adopt budget, and has to be in CAP to adopt a budget. The COLA is at 5.5%. Operation and expenditures has to be kept flat. How do you do that with the above increases being part of the equation?

Chief Mingin explained that Debt Service is out of CAP.

The Chief has heard a lot of things about the township being in the red. The township is not in the red. The state mandated costs are going up and the CAP is only 3.5%. That is where the problem lies.

Manager Carew stated that they are going to be proactive to come in under CAP to build up cap bank in the next few years.

Trenton is now talking about a 4% limit on increase on taxes. This could make things even worse.

The CAP problem is not a part of frivolous spending on the Township. Townships that have a lot of fat to cut do not have a CAP problem because there is a lot of fat to cut. This township does not have any fat to cut.

Only three townships with fully functional police departments are spending less per resident than Eastampton in Burlington County. One of the Townships that is spending less with a police department has a great deal more commercial ratables than Eastampton.

There is now a new round of COAH that the State of New Jersey is mandating. Are they going to reimburse the township for paying a planner to accomplish this? No.

We are based on a cash basis accounting system which means revenues must equal appropriations. Thus, the township can't be in the red.

The following generates surplus:

- added assessments
- anticipated revenues
- receipts from delinquent taxes
- reserve for uncollected taxes

98.05% is this township's tax collection rate.

Chief Mingin went over deferred school taxes.

Councilman Tafe asked if you could reserve money for a special purpose. Chief Mingin stated that you cannot put surplus into reserve.

The Chief still needs information such as MACCS and health insurance numbers.

Talked about advertising for specs for renovations to the police department. The police officers want their own bathroom. The facilities are deplorable. They are asking for a bathroom and to freshen up the downstairs. There is no emergency lighting and they are an emergency services organization.

Manager Carew touched on the fact that the township does not have a large capital budget this year. There will be some mandatory safety equipment for the court that will need to be purchased..

Mayor Nagler asked if State Aid will remain flat. Chief Mingin hopes so.

Manager Carew believes the township should wait for final budget adoption until we have the sanitation numbers.

Councilman Maroccia stated that if a three cent increase is approved, the people are going to see it as their taxes going up again. He stated that it is easy for the CFO and Manager to state that it is only three cents. He stated that for council to “sock it to the people” . Councilman Maroccia sees the point of view also that it is already thin. He then asked but where do you cut. Councilman Maroccia stated that the reason he is sitting on council is because of that. He stated if they want him to say yes because it is only 3 cents---the reason he is sitting there is because it is three cents. Chief Mingin stated that if a council member chooses to say no to the proposed budget that they please follow up with a plan on what he should do. Councilman Maroccia acknowledged. Councilman Maroccia asked what would happen if taxes weren't increased by three cents. Chief Mingin stated that the three cent increased is based upon contractual obligation. You have to raise the taxes. The township can not not fulfill contractual obligations.

Councilman Maroccia stated that each of the council members were put there by the people to look at these increases.

Chief Mingin stated that you cannot go with no tax increase.

Councilman Tafe stated that he believes that what Councilman Maroccia is trying to say is that the budget placed in front of them will be scrutinized.

Councilman Maroccia asked when the taxing is going to stop. Chief Mingin stated that he has been CFO for 15 years. The average has been three cents a year. The increases are filtered down from the state.

Mayor Nagler stated that three cents is \$8.24 for an average household assessment in Eastampton Township of \$274,000.00. Councilman Maroccia asked what if services were cut. Chief Mingin stated that services could be cut but it would have to be the police department or public works.

Chief Mingin asked council what number he should worked toward. Chief Mingin is looking for guidance from council.

Councilman Tafe stated that he believed he was only here this evening for a budget briefing not what Walt Tafe thinks or Joe Maroccia thinks.

Mayor Nagler thinks three cents is a realistic number. Mayor Nagler does not want to deplete the cap bank.

Councilman Tafe stated that he would like the absolute minimum tax increase to make the township work.

Mayor Nagler asked about the open space tax cut.

Mayor Nagler asked for a week plus to review the budget.

Manager Carew will have his budget recommendations to council as soon as possible.

Resolution

Motion by Councilman Hartman seconded by Councilman Tafe to adopt Resolution 2007-30 Approval of Application for Raffle License for Mount Holly Rotary Club. All voted in the affirmative.

Adjournment

Motion by Councilman Tafe, seconded by Councilman Maroccia to adjourn at 9:41 p.m.

Respectfully submitted,

Linda M. Lovins, RMC
Township Clerk