

**EASTAMPTON TOWNSHIP COUNCIL
BUDGET WORKSHOP SESSION MINUTES
March 19, 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 published in the Burlington County Times on January 9, 2007 and transmitted to the Burlington County Times and Courier Post for information on March 2, 2007. Notice was posted on the Municipal Bulletin Board.

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

ABSENT: Township Clerk Linda Lovins

2007 Municipal Budget Workshop

Mayor Nagler stated that Manager Carew provided Council with a narrative of the budget and he would like to work off that without getting into the finite detail.

General Administration which includes the township manager and secretary salary and wages and operating expenses. This department shows a \$16,958.00 decrease from last year. \$21,735.00 and the \$2,000.00 car stipend that the township will not be spending for a deputy manager this year. Council will notice that \$4,835.00 was spent for the deputy manager position on salaries for this year.

The O & E was kept the same. The following represents the history:

2006 \$16,123
2005 \$12,472; and
2004 \$14,614.

Councilman Hartman asked about the 2007 salary for the deputy manager. Manager Carew explained that Ms. Howell worked a little bit in 2007 and was paid for time that was built up.

Manager Carew explained that the ASCME Contract required a 4% raise for all union members and Mr. Carew applied that to non-union members as well.

Councilman Renzulli asked about compensation time for the deputy manager. He had

thought that if compensation time was not used by the end of the year that it was forfeited. Manager Carew explained that Ms. Howell had unused sick time as well as vacation.

There was discussion relative to the league of municipalities line item for the November conference. The general consensus was that council will pay their own way but the reduced line will be left in the budget for the employees.

Council there is basically no change from last year. \$14,196 in salaries, \$1,700 in O & E. The following represents the history:

2006 \$1,700;
2005 \$1,745; and
2004 \$ 846.

Mayor Nagler asked what the \$1,700 goes to pay for. Manager Carew stated for seminars, materials, stationary, membership dues, etc.

Mayor Nagler opened to the public since this is a budget workshop and they may have questions as council moves along.

No one wished to speak, Mayor Nagler closed to the public.

Clerk salary is up 4% this year. Last year there was a deal with Linda that she forego the 4% increase last year receiving additional vacation days instead. The township would still be willing to do that again this year but she has decided on the increase this year. O & E went down \$2,900. The overall savings in the clerk line is \$1,220. The following represents the history:

2006 \$12,549
2005 \$14,697; and
2004 \$16,409

Councilman Renzulli asked how the additional election this year that Linda will have to cover will work. Manager Carew stated that elections is the smallest part of her operating budget.

Mayor Nagler opened to the public for their comments. There being no comments, Mayor Nagler closed to the public.

Financial Administration - most of the line items are straight forward. Salary increases are what they are and most of the O & E stayed level or went down. Mayor Nagler asked Chief Mingin when finance will be running solely on Edmunds. Chief Mingin indicated that they have to bring the Court on board and in order to do that they need a new server. They have received quotes for the server. They are not yet doing requisitions or POs or payroll on the new system. Payroll information has to be added. Edmunds will come in and add that information free of charge.

Mayor Nagler opened to the public. There being no questions, Mayor Nagler closed to the public.

Councilman Renzulli noted that the Chief Financial Officer's salary is \$153,000 annually. Manager Carew did a survey and on average townships are paying a CFO for two or three days around \$30,000 or \$35,000 annually.

Audit services - Manager Carew explained that this is the number that is in the contract with Holman and Frenia for the annual audit.

Mayor Nagler opened to the public. There being no comments, Mayor Nagler closed to the public.

Revenue Administration and Tax Collection the only increase is the tax collector salary increase. O & E was kept the same.

Chief Mingin explained that the printing of the tax bills is outsourced to Microsystems. Councilman Renzulli asked if we were doing joint purchasing with other Towns. Council asked if joint purchasing could be looked into.

Mayor Nagler opened to the public. There being no comments, Mayor Nagler closed to the public.

Tax Assessor - Manager Carew stated that there is a slight change from the information that was given to Council last week. Mr. Carew met with George Hueber and Eileen at Maple Shade. Eastampton will not be paying Harry Renwick or Linda Rogers a direct salary. Checks will be written quarterly to Maple Shade and they will pay all the bills for that department. The previous recommendation was \$41,151, however at this time Mr. Carew would like to recommend to council that we spend \$43,042. The change is in the assistant tax assessor. Linda was earning \$13.00 an hour last year which is less than a couple of other part-time people in the Township and as council knows she does a vast majority of the work in that office. Maple Shade was scheduled to pay her \$15.00 an hour. That would allow Maple Shade to pay her \$15.00 an hour across the board. She deserves it.

Chief Mingin advised council that the \$41,151 has been pulled out of CAP. He also stated that the township should not be paying pension costs on this salary. Manager Carew and Chief Mingin will make another trip to Maple Shade. Shared services as a whole were discussed.

Councilman Tafe asked if the reason for entering into this Shared Services Agreement was for relief from CAP. Chief Mingin stated that is correct.

Mayor Nagler asked if the O & E is paying for CEUs as well as attendance to the conference. Councilman Renzulli stated that she is down there for the whole week which is paid for by Maple Shade. Mayor Nagler asked why the O & E is so high. Chief Mingin stated that they have a mass mailing and post cards and general office supplies. Mayor Nagler stated that he thinks that there is a \$5,800 savings to be realized out of that line. Chief Mingin stated that we usually transfer out of that line anyway. Councilman Maroccia stated that with sharing services the township could cut that down a little bit or something. Councilman Maroccia does understand what is being said that it is coming out of their CAP not ours. Chief Mingin stated that both townships are getting CAP relief. Manager Carew stated that

Keith and Joe have a good point and that there may be a reduction in the operating expenses. Councilman Maroccia asked why the township is going through the hassle if we are not going to see a significant savings. Manager Carew reminded Councilman Maroccia that the township has already cut \$100,000 from in-cap spending and is still \$18,000 over CAP.

Chief Mingin further explained that they have taken out the deputy manager salary of \$45,000, they have gotten rid of the fire prevention bureau which was an offset of \$5,000. We took the squad out and are not raising \$5,000 this year. We took out Judy's salary when she retires and with all of that we are still \$18,000 over CAP.

Mayor Nagler opened to the public. There being no comments, Mayor Nagler closed to the public.

Councilman Hartman asked that we open to the public at the end of the discussion.

Legal - Manager Carew stated that this line is a little bit more difficult as historical spending does not tell the whole story. Emergencies happen and other things happen which require the advice or action of the solicitor. The following represents the history:

2006 \$42,710
2005 \$39,369; and
2004 \$37,709

There is a lot that we are not billed for. We have talked about going after some properties that we hold tax liens on, we have talked about doing some land use work and there is always the possibility of a law suit.

Mayor Nagler asked if this amount covers the drafting of resolutions. Manager Carew brought that up in 2005 and was advised that when Ms. Fahey started working for the Township her hourly wage was brought down and it was made up through being paid for all resolutions.

Councilman Hartman stated it was a contractual item. Manager Carew stated that like the Mayor he also questioned some of the repetitive resolutions. Councilman Hartman stated that all that is done to them is the date is changed. Councilman Renzulli asked what Solicitor Fahey's hourly rate is. Manager Carew did not have that information.

Mayor Nagler stated that his research shows that we are collecting \$30.00 for a raffle license and paying \$125.00 for a resolution for a raffle. Councilman Renzulli stated that if Scott is correct and she has negotiated down her hourly rate the question is "Are we paying below market value on the hourly rate and what is the total package compensation?"

Mayor Nagler asked if Linda could do the raffle resolutions to save money and Eileen can do all of the other resolutions because it is costing money. Manager Carew stated the only way to save money on this particular line is to cut down the budget and tell Eileen that she has to live within those means. And that means that we may just get cut off at a certain point.

Dispatching of professionals and priorities were discussed. Mayor Nagler asked if with Edmunds Council will be able to see a running total. Chief Mingin stated absolutely there will be a purchase order for everything except for the professionals.

Councilman Hartman stated that when Tom Czerniecki was here he started looking into doing our own resolutions and asked if Chief Mingin recalled that. Chief Mingin stated that he did and he didn't want to pay the money either. He believes it is cheaper for an attorney to review than to do. Chief Mingin reminded council that if anything does go wrong or anything is challenged the attorney has to defend the action and if he or she did not write it there could be a problem. Councilman Renzulli asked if the township could charge actual costs. Manager Carew stated that the township would have to change their ordinance.

Councilman Renzulli stated right now the township is losing money on raffle applications. Councilman Hartman stated that the resolutions that could be done in-house went beyond the raffle resolutions. Chief Mingin gave examples. Chief Mingin cautioned council on the liability issues.

Councilman Hartman stated that he believes that is what happened last time Mr. Czerniecki listened to Chief Mingin and that is why the attorney continued to do them. Chief Mingin suggested asking for a lower fee for something that is repetitive. Councilman Hartman stated he agreed especially if it is just changing the date on a document.

Municipal Court - Deputy Court Administrator is out of CAP expenses. Part time court assistance went down and that covers clerical help for court sessions and pay for certified court administrator to be there when Teresa is sick or on vacation. The history of the O & E is \$11,000 last year and a little over that the two prior years. Councilman Renzulli asked if there would be potential cost savings to consolidate with neighboring towns? Manager Carew has reached out to a few towns and will be getting together with a couple of them to discuss that as well as construction.

Chief Mingin asked Council to keep in mind that the police will be journeying to that location for various things if that is done.

Engineering Services - this line was kept the same as last year. Two things that the township was able to do in 2006 to keep the cost of this line item down.

Chief Mingin explained that if there is any money left in Section 20 expenses you can use it to finance a project. You cannot use project money to finance Section 20 expenses.

Councilman Renzulli stated that three or four years ago when they started this their plan was to put money away each year because effectively ever single road in Eastampton needs to be repaved.

Manager Carew stated that is the idea to have every road paved or repaired over a 15-year period.

Manager Carew asked to save the capital budget for another day.

Councilman Renzulli talked about the capital portion of the recreation money.

Manager Carew stated one of the reasons we are doing so well with Engineering is that Clerk Lovins has been doing a good job in the last 12 to 18 months with keeping the escrows replenished and the professional fees paid out of those escrows with respect to Land Use.

Manager Carew spoke about the land use review fee that used to be charged for the manager's review of a developer's plan. Chief Mingin stated that they have been doing that in the past charging for time spent review for the Manager and even for the Administrative Officer.

Councilman Hartman stated that he believed it is a good source of revenue and efficient. Councilman Hartman suggested charging a fee for the chiefs review as well. Councilman Renzulli suggested speaking to the Land Use Solicitor to see if they are billable charges.

Planning Board has gone down \$5,000 with the implementation of the new solicitor. Councilman Hartman asked if the planner just gets paid for work done? He then asked if there was a retainer. Manager Carew stated that Barbara did a lot of work last year.

COAH obligations and expenses were discussed as it relates to State mandates.

Insurance as it was explained by Chief Mingin is for unemployment disability, worker's compensation, paid quarterly billed by the state. This line was cut by \$500.00 from the previous year.

Police - Manager Carew stated that the chief's salary as well as the lieutenant' are not dictated by the police contract.

Councilman Tafe asked why Patrolman Coppola's salary was substantially higher than the other patrolmen as well as higher than the contract. Chief Mingin stated that he was promoted a couple years ago to sergeant, however, his designation of patrolman was not removed.

Chief Mingin explained the steps with regard to the police department as well as fringe benefits payable in salary and overtime. Patrolman get increases twice a year. Patrolmen are hired at \$38,000, they used to be hired at \$47,000 and during the last contract negotiations a new lower entry level. The overtime estimated for this year is \$76,000. Chief Mingin gave the following historical spending for overtime:

2002	\$90,000
2003	a little over \$90,000
2004	\$89,000
2005	\$76,000
2006	\$76,000

Chief Mingin explained that overtime is generally necessary when an officer is on vacation or calls out sick.

Councilman Tafe stated that traditionally \$76,000.00 is not that much. Chief Mingin agreed.

Councilman Renzulli asked what dollar figure would be appropriate to hire another figure. Councilman Tafe stated that then the township would have to pay health benefits, etc. Chief Mingin then advised that you cannot change an officer's work schedule to avoid paying overtime by law.

Chief Mingin stated that there is a list of what they will pay overtime for i.e. sick, vacation, training, court time, and special assignments.

Chief Mingin talked about programs for which the department receives donations. Gang resistance training was discussed as it relates to Eastampton. Councilman Tafe asked that as gang presence is noticed will that create a need for an additional patrolman. Chief Mingin stated that he thought the department will be okay without hiring another patrolman. Chief Mingin went over some formulas that are used when determining need for officers.

Office of Emergency Management was cut drastically based upon what was spent the last few years. Manager Carew will be meeting with Ed Kensler later this week. The township received a report card from the county office that was less than stellar. Manager Carew has not received a letter of this sort in previous years. Possibly the letter was sent directly to the previous director Barry Borman. Manager Carew and Ed will be meeting to see what they can do to get the grade up. Manager Carew explained that Ed has some ideas for obtaining grant money for equipment. Manager Carew touched briefly on command central and the generator that was bought to house at the school for emergency purposes.

Township Prosecutor was cut \$500 based on past spending.

Fire Marshall is gone. The fire district is taking over. There was budgeted \$1,000 based upon what the township has spent thus far this year. Mayor Nagler asked if the vehicles have been removed from the township's insurance. Manager Carew will look into it.

Environmental Commission line was kept at \$600. Manager Carew explained that money goes toward beautification for landscaping, etc.

Public Works has increased. The salary increases are relative to the ASCME Contract. Manager Carew stated that O & E only went up \$2,000 which makes him a little bit nervous because of the uncertainty of how much supply will be necessary as it relates to weather conditions.

Vehicle Maintenance was decreased slightly based upon the fact that we have newer vehicles. Public Works has one truck that is almost 11 years old. Manager Carew and Mr. Parks are looking at options of either fixing or replacing that vehicle. A resident asked about doing shared services for vehicle maintenance. Manager Carew stated that he is looking into that.

Councilman Hartman asked if the township is doing any other shared services with respect to public works. Councilman Renzulli stated that the public works departments themselves help each other with borrowing and loaning equipment.

Solid Waste Management hopes to realize great savings especially if the township goes

with one of the alternate pickups. Manager Carew is meeting with Rob Willis tomorrow for a pre-bid meeting. Councilman Tafe asked Mr. Carew what the \$62,000 increase on. Manager Carew stated that the \$180,000 was based on the prior contract. The \$242,000 is based upon the township's current spending

Building and Grounds salary and wages covers the part-time custodian. According to historical spending the township spent the following:

2006:	\$4,573
2005:	\$4,300
2004:	\$4,177

Recreation salary line shows a large decrease. This was the other half of the deputy manager's salary. Councilman Renzulli stated that the amount that is budgeted does not cover the whole summer park program - it is usually supplemented from the recreation trust fund account.

Utilities were based upon what the township is spending currently.

Electricity

2006	\$23,600
2005	\$20,100
2004	\$19,200

Street Lighting

2006	\$69,500
2005	\$65,200
2004	\$62,300

Telephone

2006	\$29,000
2005	\$30,200
2004	\$30,300

Mayor Nagler noticed that the bills are extraordinarily high. The township pays more for this small municipality than Mayor Nagler's company pays in three years. They have 200 incoming lines. Mayor Nagler asked that the township look at this line. Mayor Nagler suggested looking at voice over internet protocol.

Gasoline

2006	\$50,620
2005	\$46,300
2004	\$32,443

Gasoline is still rising.

Sewer has gone down

2006 \$409

Water has gone down by \$800.

Landfill and Solid Waste line was recommended by Mr. Willis. Chief Mingin explained that there is a formula that is used as well. Once the Sharbell homes go in there may be an increase in the tonnage. Councilman Tafe asked Manager Carew if he is still exploring the option of the township picking up the grass clippings. Manager Carew will investigate. Councilman Renzulli stated that the township is now asking public works to pick up trash on the private roads and doesn't believe that they are staffed enough to add additional tasks.

Construction salary for Roz and Steve both went up. The DCO inspector has been lowered based on actual spending. Electrical inspector has been kept the same and O & E has dropped based on past spending.

Miscellaneous In-Cap Operating - Chief Mingin explained that the township is responsible for all delinquent sewer bills due in July. Right now there is \$100,000 outstanding but we only budget \$3,500 based on past need. Notices will go out and most of the delinquents will be collected. Sewer bill's as it relates to condominiums were discussed. Mayor Nagler asked that Chief Mingin send a follow-up letter to Eastampton Mews. Insurance was touched on briefly. Councilman Maroccia asked if there was any way to lower that number or find another carrier. Chief Mingin stated that the JIF is very good. Councilman Maroccia asked if they were just dictating. Chief Mingin said that it was because of the exposure, there is a risk involved in trash pickup. Mayor Nagler stated that the amount has come down.

Mayor Nagler asked Manager Carew if he has received proof of worker's compensation from the squad and fire department. Manager Carew stated that he has not.

Health Insurance - when Councilman Maroccia asked if there was a way to lower that number or find another carrier he was referring to health insurance. The line is up \$50,000. Councilman Maroccia asked if there is any way to lower this number. Chief Mingin stated that it is State mandated. The state sets the rates. Chief Mingin explained last year the bill was \$28,000+ and this year is \$30,000+. Chief Mingin advised that this has been out of CAP but this year the State put it back in thinking it would level off.

Pensions - this number is set. Chief Mingin explained that employees did not have to contribute but they are now contributing and hopefully the amount will level off next year.

MACCS - The chief cut this number back to \$56,000. This is the Inter-local Services with Maple Shade the does the collection of the apartment buildings. The last couple of years we spent \$58,000. This year the Chief got a quote for \$54,000 but is worried because it is lower.

Drunk Driving Enforcement - Chief Mingin explained that this is a grant that the township receives and is offset by that revenue. Manager Carew explained the next three items are grants and offset by revenue.

Down payment on Improvements -Chief Mingin is asking for \$15,000. There is only a couple thousand dollars left in the capital budget. Councilman Renzulli asked what kind of things the capital improvement is for. Chief Mingin stated it is for bond issue for new trucks, etc.

Debt Service is payment of all bonds in making principal and interest. The consolidated bond which was for the acquisition of the open space. The township owes \$8,600,000. We initially borrowed \$9,300,000. Then the township rolled into that about \$663,000 in other debt.

Chief Mingin advised that there are notes maturing this year. Next year there will be a small note the township will be paying off.

Special Emergency Appropriation - Chief Mingin explained that this is the re-assessment program.

Total Revenues last year including reserves \$4,317,120 this year including the reserve \$4,923,000.

Councilman Renzulli asked if they were going to talk about the open space tax. Chief Mingin decreased it by a penny.

Chief Mingin did the reserve for uncollected taxes and came up with a tax increase of 2.1 cents. Chief Mingin is hoping for added assessments this year from commercial building such as Aquatic Gardens. Chief Mingin explained that added assessments goes towards surplus. Chief Mingin touched on the other new ratables. Chief Mingin is hoping for \$100,000 in added assessments in 2007. In 2006 the township realized \$40,000 in added assessments. Chief Mingin discussed revenues.

Chief Mingin discussed accelerated tax sale. He explained that right now the township has tax sales in December of each year. The tax sales in December of 2006 are for the taxes that became delinquent in December of 2005. An accelerated tax sale is for the current year. All monies collected from an accelerated tax sale goes into surplus. The problem is the township would lose two revenue sources- receipt for delinquent taxes and interest and cost on taxes. Councilman Hartman asked Chief Mingin what the accountant's position was on an accelerated tax sale. Chief Mingin has not discussed it with him but it is not favorable among other CFOs.

Chief Mingin does not want to create a problem for the future. He looked at the rates over the past 10 years. The average is 3.3 cents.

The surplus at the end of the year was \$931,000. If the township utilizes \$650,000 in 2007, that leaves a balance of \$281,031.

Chief Mingin stated that the tax increase is at 2.1 cents right now. Councilman Renzulli stated the open space tax is down a penny. The net result is 1.5 cents. That results in the average increase of \$40.00 a year.

Comments

Councilman Renzulli thinks that Manager Carew and Chief Mingin did a good job and he is okay with where the budget stands now.

Councilman Hartman also thinks that they did a good job.

Manager Carew stated that they had a difficult year to deal with and what they don't want a disastrous year one or two years down the road.

Adjournment

Motion by Councilman Hartman seconded by Councilman Tafe to adjourn at 11:00 p.m .

Respectfully submitted,

Linda M. Lovins, Township Clerk