

March 11, 2019
Budget Workshop Meeting

The Township Committee met on the above date with Mayor Romeu calling the meeting to order at 5:40 PM. The meeting opened with the flag salute and a moment of silence. Roll call was taken showing present: Mayor Rita Romeu, Deputy Mayor Denise-Koetas Dale, Committeemen Jeremy Liedtka (5:43) and Shreekant Dhopte and Committeewoman Andrea Katz. Also present were Police Chief/Township Administrator Kyle Wilson and CFO Wendy Wulstein.

The Open Public Meetings Act statement was read and compliance noted.

AGENDA MATTER(S) REQUIRING RECUSAL(S)

None

BUDGET DISCUSSION

On behalf of the Budget Advisory Committee (BAC), Joe Monzo stated they met 5 or 6 times. He summarized the BAC report of March 4, 2019. Also present from the BAC were Bill Boerth and Stacy D'Artagnan. He stated taxation levels are limited by 2% with exclusions for increased pension costs; and debt service, addition for the value of prior year construction and use of cap bank balance which was not used last year. The maximum taxes can be raised is \$145,386. Because of the spending limit, the Township needs Local Finance Board approval each year for a waiver. Surplus is drawn down each year because of the limitation to raise taxes. Surplus is regenerated by excess revenue, appropriations not spent (they are recommending appropriation reductions), deferred school tax, and lapsing of unused prior year budget appropriations. There are budget categories over the past few years that they feel have been consistently over budgeted. They recommend reductions to the following line items: Group Health Insurance, Gasoline, Police OT, Street Lights, Capital Improvement Fund (they feel CIF is sufficiently funded and additional appropriation is unnecessary), Community Association, Historical Society, Jr. Greyhounds & Unemployment.

The BAC is recommending a flat tax rate.

Mr. Wilson stated the proposed budget has an increase of \$45 to the average homeowner. Ms. Koetas-Dale asked why 1 percent and not flat. Ms. Wulstein stated the budget was prepared based on what the Township Committee asked for. The proposed budget is a little over a 1 cent increase. It maximizes the levy. We utilize the Capital Improvement Fund for more the just down payments. We have used in the past for purchase of mowers, and presently a police vehicle that was needed outside of the rotation schedule due to excessive repair costs.

Ms. Katz asked what was out of cap. Ms. Wulstein stated there is a cap on revenue and appropriations. The revenue cap is 2%, there is also the 1977 Appropriation cap which creates the waiver that we have done each year since we went from one police

officer per shift to two. The budget is above the appropriation cap because of the cap and that will continue until there is a referendum. Presently that amount out of cap is around \$748,000.

Mr. Dhopte would like a breakdown of the expenditures of the line items the BAC is recommending reduction. Ms. Wulstein stated the reasons the administration recommends they remain is because they are mostly unknowns. Group Health Insurance – we presently have some single employees or married without children and if their status changes we would be responsible for the additional costs; gasoline – no guarantee the rate will not go up; police OT – the officers have an option for comp time or OT. If they choose OT, this would all be spent. It would not be prudent to not budget; Street Lights – there have been added street lights each year and anticipation for additional again this year; CIF – this was discussed earlier; the Community Association, Historic Society and seniors have been reduced in half; the Jr. greyhounds are out completely and Unemployment – we are self-insured and have already discussed potentially eliminating this appropriation next year. Mr. Dhopte agreed the CIF is an appropriation makes sense since no need to bond small items. He asked for the justification for the gasoline. Mr. Monzo stated that it is not tied to any specific line item just some items where to make reductions to come up with the overall savings. Ms. D'Artagnan stated that historically these line items have had extra funds at the end of each year. Mr. Monzo stated the BAC just wanted to keep tax rate at the same level. He suggested looking at the use of fund balance or the reserve for uncollected taxes (RUT). Ms. Wulstein stated we do not want to have a huge spike in the tax rate as previously done and the Township Committee agreed after that to do slow and steady knowing sooner or later we will need to go to referendum.

There was discussion about the amount used for RUT and the BAC recommended lowering the RUT. Ms. Hoyer stated there are more tax delinquent notices going out.

Ms. Wulstein asked the committee where they want to be with a tax rate. She put together what was requested. Mr. Wilson stated that eventually, the rate that surplus is being regenerated is going to slow down. The public requested slow increases as opposed to a large increase all at once. Mr. Monzo stated it would have no impact on the tax rate with an additional \$88,000 from fund balance. Mr. Liedtka stated that was the practice years ago when additional surplus was used to keep the tax rate low. He does not want that to happen again. Mr. Boerth suggested reducing some of the line items.

Mr. Dhopte asked about the deferred school taxes. Ms. Wulstein stated she has already been talking with the Auditor about this and will have them come in and go over with the committee later this year.

Mr. Dhopte stated the Historic Society does a service for the Township and wants that appropriation to remain at \$4,000. Ms. Katz agreed that the amount is the insurance cost for the museum. Ms. Koetas-Dale clarified that it is just for the liability insurance for the when the buildings are open to the public.

There was discussion regarding the Community Association. Mr. Wilson stated it should be for something specific not just a blanket subsidy.

Mr. Liedtka suggested increasing the revenue in the budget by \$50,000 from a reserve set up for increased operation costs for the new building.

The Township Committee unanimously agreed to increase the revenue by \$50,000 from the reserve, after consultation with the Township Attorney, and keep the Historic Society at \$4,000, Community Association at \$8,000 and Keenagers at \$1,000. These are budgeted amounts only. The organizations will have to submit requests for funds. Requests must be justified to receive the full budgeted amount. The tax rate will increase by slightly more than 1 penny. Ms. Wulstein stated introduction will be March 14th, Local Finance Board Application is due March 20th, Local Finance Board meeting is April 10th and public hearing on the budget will be April 25th.

Hearing no public comments, Ms. Katz made a motion seconded by Mr. Dhopte to adjourn the meeting at 7:17 PM.

Respectfully Submitted,

Caryn M. Hoyer, RMC
Township Clerk