

CHESTERFIELD TOWNSHIP BUDGET WORKSHOP SESSION
FEBRUARY 23, 2023

The Township Committee met on the above date in the Municipal Complex, 295 Bordentown-Chesterfield Road, Chesterfield, New Jersey. The meeting was called to order by Mayor Koetas-Dale at 6:00 p.m.

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

ROLL CALL OF MEMBERS

Present: Belinda Blazic (remote), Jeremy Liedtka, Matthew Litt, Shreekant Dhopte and Denise Koetas-Dale

Also present: Thomas A. Sahol, Township Administrator; Caryn M. Hoyer, Township Clerk; Troy Ulshafer, Public Works Manager, Michael Davison, Police Chief; Wendy A. Wulstein, CFO; Robert Marrone, Auditor; and Mike Craigen, CPA Bowman & Company

AGENDA MATTER(S) REQUIRING RECUSAL(S) - NONE

BUDGET DISCUSSION

Ms. Koetas-Dale stated this will be very informal and the Budget Advisory Committee (BAC) can add to the discussion.

Ms. Wulstein stated there has been a net decrease of \$142,900 in the proposed budget. She stated that the Township Committee has taken a lot of the recommendations by the BAC. She stated that the computer line item in the Construction budget has been eliminated and reduced by \$24,000 as the new legislation requiring the upgrade may not go into effect this year. She stated the majority could be capitalized. The Stormwater from Tier B to Tier A, there is a grant that will be available in the amount of \$75,000 and \$100,000 will be removed from the budget. The Reserve for Uncollected Taxes is in the budget for \$400,000 and will not be finalized until after the Annual Financial Statement is completed.

Mr. Dhopte asked the auditor about the process to present a 10 year forecast. How do you arrive at the numbers? Mr. Marrone stated the assumptions are overstated. He stated that he did not make any of the assumptions. They were made by management. He stated they followed the budget projections based on the budgetary rules as per the state. The analysis/forecast is good for the day it is prepared. This year approximately \$350,000 coming back into surplus from 2021. Ms. Wulstein stated that one of the concerns of the BAC was to tighten the budget, but doing that also lowers the return to surplus each year. Mr. Craigen stated the amount returning to surplus is very difficult as things change during the year. Ms. Wulstein stated that MRNA is unpredictable since it is not anticipated.

Mr. Dhopte stated that since the numbers were conservative in the projection we should be in better shape. Mr. Marrone stated yes but only good for the day and assumptions taken.

Vibor Batra – 5 Saddle Way – He asked about using multiple scenarios. Mr. Marrone stated yes that could be done but depends on the other scenarios. Mr. Batra hopes this will be projected yearly and include the actual. Mr. Dhopte agrees it should be compared yearly. Mr. Marrone stated that at the last Local Finance Board meeting, the Division is asking for information on when the township feels when most of the surplus is gone and have to go to referendum. Wendy has previously discussed this with the Division. Referendum is projected to be in 2026. Mr. Litt asked Mr. Dhopte if he is looking to change anything with the assumptions or comfortable and monitor going forward. Mr. Dhopte stated he would like to see what changed over the assumptions and if that is a permanent change and do this internally each year. Ms. Wulstein stated that the auditor did the job they were asked to do. They could have prepared it anyway we had requested. Mr. Marrone stated that you can compare the budget this year to the projections as a tool.

Brett Anderson - 62 Brookdale Way – now up to 260,000 in reductions and brings down to 6.2 million budget. One of the assumptions, note 6 there is a reference to future debt which can be permanently financed and how that would impact the figures. Ms. Wulstein explained that bond ordinances authorize borrowing. We have not gone to bond for anything since building this building. We do not borrow each year. Mr. Craigen stated it looks like it is it goes up in 2026 but not sure of a tax impact. Mr. Craigen stated that would be over and above the CAP as debt does not impact a referendum. Mr. Anderson had a question about community net valuation included on the website. Ms. Wulstein stated they are independent and not included in the auditor forecast. She stated the tax impact from a referendum would be all included in one year. It does not get spread out.

Mr. Dhopte asked about any advice on how to manage surplus. The Township Committee receives this information from Ms. Wulstein however since Mr. Marrone represents many towns he asked his opinion. Mr. Marrone stated you already have in place the forecast. This is what best practices suggests. Mr. Marrone stated Chesterfield is ahead of other towns in this regard. You will either reduce expenditures and increase revenue and be less reliant on surplus. You are using surplus because Chesterfield is over the CAP. Mr. Craigen stated most municipalities don't look this far in advance. Ms. Wulstein gave some history on the surplus and ever since the spike 10 years ago and subsequent reduction. Ever since that time there has been a 10 year projecting to monitor to try to get out of reliance on surplus.

Mr. Anderson asked about the EMT figures. Ms. Wulstein stated is not changed in the budget projection.

Ms. Wulstein stated we received bids for the landscaping however it will not reduce the line item.

Ms. Wulstein asked about the legal line item. Mr. Litt stated he is comfortable with \$70,000 for the legal line item in anticipation of a lower rate and historic data. Everyone agreed. Mr. Liedtka stated the average has been at \$67,000 over the last 4 years even at the higher rate. Mr. Litt asked about the effect of leaving \$5,000 in legal labor. There is no negative effect. Ms. Wulstein stated that under the appropriation line items there are subaccounts. You cannot over encumber the appropriation line item total. This is the amount that will lapse to appropriation reserve in 2 years or you could cancel the appropriation by the end of the year if it was a larger number. Mr. Dhopte stated such as Stormwater if we budgeted the \$100,000 and didn't use it. Ms. Wulstein agreed.

Ms. Wulstein doesn't see a lot of choices. There are no new ratables. She believes the Township will need to consider a referendum for the levy cap in 2025 or 2026. If you choose not to use the cap bank, when you reach the levy cap question, you will add the burden of not using the cap bank as well as the referendum. She does not believe the state will allow anything in the bank since we are within 3 years of a referendum. Mr. Dhopte does not want to be at the highest amount. Ms. Wulstein stated the budget has been lowered tonight. The BAC meets on March 2nd. She stated the budget is set to be introduced no later than March 15th and heard at the Local Finance Board in April. The committee decided to have a special meeting on Monday March 6th at 6:00 PM for the budget workshop and interviews for solicitor.

Close the budget workshop the meeting at 7:10 PM. All were in favor.

Respectfully submitted,

Caryn M. Hoyer, RMC
Township Clerk