

**SPECIAL MEETING
MUNICIPAL BUILDING**

**February 18, 2014
DELRAN, NEW JERSEY**

SUNSHINE STATEMENT: Be advised that proper notice has been given by the Township Council in accordance with the Sunshine Law in the following manner. Notice advertised in the Burlington County Times on February 14, 2014 and posted on the bulletin board on the same date.

ROLL CALL: Ms. Pangia, Mrs. Kolodi, Mr. Schwartz, Mr. Morrow and Mr. Catrambone were present.

ALSO PRESENT: Mr. Paris, Mayor, Mr. Hatcher, Administrator and Ms. Eggers, Township Clerk.

BUDGET DISCUSSION

Mr. Hatcher stated that the overview on the budget has not changed much. We are still waiting for the revenue numbers from the Auditor, which we should have before the next work session.

Mr. Morrow stated that he does not feel we need to go line by line, he would like to spend time going over the capital requests from the department.

Mr. Catrambone stated that he has a few brief questions on the line items. Mr. Catrambone asked what is covered under the Municipal Clerk's line item for ballots and elections.

Ms. Eggers stated that it is for the Primary Election expenses.

Mr. Morrow asked that Mr. Catrambone let Council know what line and page he is referencing.

Mr. Catrambone stated that on line 135 under Planning, there is a line item for a court reporter, which has not been used. Since we have a recording, couldn't we just have that transcribed if necessary.

Mr. Hatcher stated that there may be instances that we may need a court reporter. It is easier for them to be in person, rather than using the tape.

Mrs. Kolodi asked for an explanation on line number line 179 for Uniform Construction Code equipment and maintenance.

Mr. Hatcher stated that this is a contract for the software program. The line item was cut because we move it to the contract line item under Administration. Most maintenance agreements are in that line item.

Mr. Catrambone asked which employees are covered on line 174 under Uniform

Construction Code.

Mr. Hatcher stated that it includes the Construction Code Official, Building Inspector, Fire Inspectors, Electrical Inspector, Plumbing Inspector, Zoning Officer and one clerical employee.

Mr. Catrambone asked why line item 229 for vehicle purchase is not part of the capital budget.

Mr. Hatcher stated that police vehicles do not have a five year useful life and therefore cannot be a capital item.

Mrs. Kolodi asked about line item 227 for shoe allowance under the Police Department.

Mr. Hatcher stated that it is part of the contract. The amount we budget is enough to cover the cost if each person received the maximum shoe allowance. The amount they see that was expended for 2013 will increase because they do not always submit for reimbursement until after year end.

Mr. Catrambone stated that on line 228 for salt, sand and calcium, Mr. Hatcher had reported that we were going to set up a trust. He asked if we spent all that was budgeted.

Mr. Hatcher stated that we are probably at the \$36,000 that is in the budget this year. More than likely, once we get the revenue number, this in one line we may need to adjust.

Mr. Catrambone asked if under Dog Regulations if this is a break even proposition.

Mr. Hatcher stated that in terms of licenses, probably not.

Mr. Catrambone asked if we do this because the state requires a license.

Mr. Hatcher stated that it is required by state law. Most of the money is used for the Animal Control Officer.

Mrs. Kolodi asked if the reason we see a difference between what was budgeted in 2013 and what was expended is because the bills have not come in yet, like on line item 281 for gas, oil, parts.

Mr. Hatcher stated that is correct, Riverside bills the Township for gas and they are very behind on billing.

Mr. Catrambone stated that moving forward to line 330, we have a special needs program and then special program. He asked what is covered in special program.

Mr. Hatcher stated that in special programs, it is the money for some of Ms. Pangia's activities and also other activities that come up throughout the year. We budgeted \$2500 in that line item but it is up to Council if they want to make an adjustment.

Mr. Catrambone asked Ms. Pangia what she feels she will need for the current programs.

Ms. Pangia stated that for the Farmers' Market, they would need approximately \$1700.

For the other programs, such as the mammogram van, house decorating and trunk-or-treat, she feels \$1400. If we want to add the Hall of Fame it would be an additional \$1500.

Mrs. Kolodi feels that the Hall of Fame program should be handled by the school.

Ms. Pangia stated that she also looked into having movies in the park and that was very expensive.

Mr. Catrambone stated that it appears \$3100 is what we would be looking at. That would increase the line item from \$2500 to \$3100. He asked if she feels we could get by with the \$2500.

Ms. Pangia stated that she feels \$2500 would be okay for this year.

Mr. Schwartz stated that he wanted to ask a question about the summer program. The students are there for community service and they are not notifying the school that they are being paid.

Mrs. Kolodi stated that it came to someone's attention that the students were going back to the school and telling them that they did community service over the summer. Every junior in the High School needs fifteen hours of community service but they cannot be paid. The head of the camp was signing off that they work.

Mr. Hatcher stated that each student needed working papers so someone at the school should have been aware.

Mrs. Kolodi asked if that is just to work the camp.

Mr. Hatcher stated that it is specifically for the camp. We have to sign the papers and then the police perform a background check.

Mrs. Kolodi stated that it is probably not being coordinated. We could notify the community service department that the camp is not available for community service. They could also be confusing this with the camps at Holy Name and the Methodist Church where the student could be working and receiving community service credit. If they are receiving community service for the Township Summer Camp, then next year we could send the list of students working the camp to the community service office to notify them that they will be paid and cannot receive credit.

Mr. Catrambone asked if we could not pay the students and allow them to get credit.

Mr. Hatcher stated that when the camp was set up they were trying to give the students a chance to show responsibility and make a little money. There are a number of students involved, so they are not being paid that much.

Ms. Pangia asked if the Director was always paid that much.

Mr. Hatcher stated that yes, he cannot remember it being increased. The Director makes approximately \$1,000. There is a lot of prep work leading up to the camp. They have to order all the supplies for the crafts and coordinate all the working papers for the students.

Mr. Schwartz stated that the residents that work the Farmers' Market all volunteer numerous hours of their time. Can we look at having volunteers run the Summer Camp.

Mr. Hatcher stated that it is up to Council. It works out to be about \$10.00 per hour for the Director. The students receive minimum wage.

Mrs. Kolodi stated that she feels we need a paid Director. She asked if Mr. Schwartz is concerned about the community service aspect.

Mr. Schwartz stated that it is part of it. He would like to see the students volunteer and get their community service hours.

Mrs. Kolodi stated that in working with students, kids are looking for jobs because there are not many available.

Mr. Schwartz asked if we should then pay everyone that is working the Farmers' Market or other events. We do not pay individuals serving on the Zoning Board, they are all volunteering their time.

Mr. Catrambone stated that if paying them was in place because they needed the kids, then we should keep it that way. If there are a number of students looking for community service then maybe we look at changing that policy.

Mrs. Kolodi stated that the students heading into their junior year are not thinking about community service in the summer. It would not help the juniors heading into their senior year because they are already done with their requirement.

Ms. Pangia stated that we may lose some of the integrity of the students if we do not pay.

Mr. Catrambone stated that because these students are watching children, then maybe we should keep them paid.

Ms. Pangia stated that either that or we cut the program if we are worried about the money issue.

Mr. Morrow stated that it is not that, he just wants to make sure each year we are looking at what the priority is for that year. This year the biggest priority he sees, are the roads. He is okay with the number for the summer camp this year.

Mr. Hatcher stated that this a policy decision for Council but this is the only program we have that pays children anything.

Mr. Schwartz stated that based on the discussion he is agreeable to keep this program the way it is. Council agreed.

Ms. Pangia recommended that we add a line item for the Farmers' Market and budget the \$1700 just for that event.

Mr. Hatcher stated that we can do that and then the remaining \$800.00 will stay in special programs.

Mrs. Kolodi recommended that we increase the \$800.00 for special programs to \$1,000.00 just to be safe. Council agreed.

Mr. Catrambone asked if the \$50,000 on line item 389 for capital improvements is separate from the capital budget.

Mr. Hatcher stated that the \$50,000 in the capital improvement fund is the down payment money for the capital improvement. The \$50,000 allows for approximately \$1,000,000 in capital improvements.

Ms. Pangia asked about the Municipal Alcohol Rehabilitation line item.

Mr. Hatcher stated that it money that comes in from the court on Drunk Driving cases and then the state gives us some money back in the form of a grant.

Mr. Catrambone asked what Safe and Secure Communities is for.

Mr. Hatcher stated that this is a grant and those funds are used for police salaries.

Mrs. Kolodi asked about line item 308.

Mr. Hatcher stated that it is the salary for one of the secretaries in the Clerk's Office.

Mr. Morrow asked about line item 416 for the Clean Communities Grant. He talked about opening the Public Works Department on a Saturday each month for the residents. He asked if we could use that grant to pay for the expenses.

Mr. Hatcher stated that those funds can only be used for litter clean-up. Mr. Hatcher stated that from 404 to the end of the grants we are waiting on the exact amount, these amounts were based on last year's number.

Mrs. Kolodi asked about the line item for LOSAP.

Mr. Hatcher stated that this program was adopted by Council. It pays the volunteer members of the Emergency Squad based on the certain criteria such as the number of calls. They certify the information at the end of the year and turn it into Township.

Mr. Schwartz stated it is his understanding that the Emergency Squad is making money based on the insurance billing. He asked if this program is something we still want to participate in with the volunteers.

Mr. Hatcher stated that at this point we do not have a choice. This is generated in the tax bill. He does not know if we can reverse this program. He will check to see if this was done by a referendum.

Mr. Hatcher stated that from the information he received from the revenue side he feels Council will have some options with the budget. It appears we have generated more surplus than the previous year end. It will depend on what Council wants to do in certain areas and with capital items. One of the items we pointed out was that we have an increase on debt service next year so if you were going to cut we could have a big

increase next year. We want to try and smooth that out. Mr. Hatcher stated that from looking at the numbers from the Auditor we should be around \$5,300,000 in surplus.

Mr. Catrambone stated that we want to balance that surplus not use it for a tax relief because that money will not be regenerated.

Mrs. Kolodi asked that with the conditions of the roads will we ever have to raise taxes to handle the infrastructure of the town.

Mr. Catrambone stated that we will, unless we receive grants. We will never be able to catch up on the road repair.

Mr. Hatcher stated for every \$1,000,000 that we bond, we increase the budget by \$80,000. That \$80,000 represents about a half a penny to the tax rate. For the last few years, we have been budgeting about \$800,000 just for roads. Unless we are willing to have a significant tax increase, then we will never catch up.

Mr. Catrambone stated that Council needs to decide whether we want to increase the road program. Do we want to increase the number from \$800,000 to \$900,000. We need to look at where we are on the revenue side and see if we are able to do that with no impact to the residents.

Mr. Hatcher stated that the other reason we need to maintain the surplus is for cash flow. We collect about \$37,000,000 for other entities. Those amounts are due before we have collected all the money and if we don't have enough to pay them, we would have to do tax anticipation notes to pay those entities.

Mr. Morrow asked what we are anticipating for state aid.

Mr. Hatcher stated that we are anticipating the same. Something else we have to be aware of is that at any time the tax collection rate can drop. If our collection rate drops 2%, we just lost \$1,000,000. The other issue is the NJ American Water tax appeal, if they were to win that case it would be a great loss to the surplus.

Ms. Pangia stated that Mr. Morrow has discussed purchasing mobile speed bumps. She asked where we would charge those fund if we decided to move forward.

Mr. Hatcher stated that he will look and see if they have a five year useful life, if they do that they can purchase through the capital budget.

Council moved onto the review of the sewer portion of the budget.

Ms. Pangia asked about the electricity line item.

Mr. Hatcher stated that last year we decreased this line item a little and we increase it again this year. We feel comfortable at this number.

Ms. Pangia asked about the telephone line item for \$16,000. She asked if we can do anything to cut this number.

Mr. Hatcher stated that this is mostly for the alarms at the pump station. The department only has three cell phones.

Mr. Schwartz asked if there is newer technology we could look at for maybe next year.

Mr. Hatcher stated that the last time we reviewed this there was not but he will look at it again.

Ms. Pangia asked about the lab fees in the amount of \$42,000.

Mr. Hatcher stated that we need to do some additional testing required by the state for PCB's and that was the estimate for those tests.

Ms. Pangia asked if the agreement with Riverside was increasing that much.

Mr. Hatcher stated yes, it has not increased in almost fifteen years.

Ms. Pangia asked what is included in the three line items for Office Supplies, Office Equipment and Administrative Miscellaneous.

Mr. Hatcher stated that Office Supplies includes the sewer stamp, cartridges for the printers, maintenance agreement for the computers, envelopes, cost of sewer bills and delinquent notices. In miscellaneous, there were charges for CDL drug testing and the tax sale notice. Mr. Hatcher stated that most of the number in the sewer budget have either gone down or were held flat.

Mr. Morrow asked how the surplus is looking in the sewer budget.

Mr. Hatcher stated that it is not as good as the municipal budget but it is starting to recover. We feel the surplus will be around \$2,300,000 and at year end 2012 it was \$1,800,000.

Mr. Catrambone stated that we expended about \$500,000 in the debt service last year we anticipate the debt service to be \$125,000 for this year.

Mr. Hatcher stated that the number will probably be less, we may not need any debt service money for this year. If that is the case, he will make the adjustment.

Mr. Catrambone stated that before we leave the sewer budget, he wanted to discuss the possibility of giving some sewer relief to the residents. When we took over the Sewer Authority, we were forced to raise the rates and we told the residents that we would make an adjustment when it was possible. He asked Council to consider a one time rebate. He does not want to lower the rates. He discussed a \$50.00 rebate on the fourth quarter bill for 2013.

Mrs. Kolodi asked if we have the money.

Mr. Catrambone stated that we do but Council needs to decide if we want to do this. We will be acquiring additional debt over the next few years. The \$50.00 would be about \$300,000 total and would be taken from the surplus.

Ms. Pangia asked Mr. Hatcher what the surplus number is that he would like to see in surplus.

Mr. Hatcher stated that he had a discussion with Tim Kiel, one of our Auditors about this issue. At one point, the Sewer Authority had over \$3,000,000 in surplus and he asked Mr. Kiel why we would want to give relief if we are not back to that number. Mr. Kiel stated that the Sewer Authority was required to keep a reserve for debt service but that he felt a safe surplus number would be about \$2,300,000-\$2,400,000. That is about where we are this year. Mr. Hatcher stated that he is pretty conservative with surplus, we like to try and manage the surplus so that we don't face a large increase.

Mr. Catrambone stated that if the debt service is going down to \$125,000, wouldn't we raise additional surplus at year end this year.

Mr. Hatcher stated that we should gain surplus at the end of 2014.

Mr. Catrambone stated that in his mind, this is the opportunity to do something.

Mr. Morrow stated that one of the concerns that he has is the Fifth Street Pump Station. That is not in the capital budget but is a major concern.

Mr. Catrambone does not feel that one affects the other, we could do both now.

Mr. Morrow stated that he does not have a problem as long as we make sure we take care of the Fifth Street Pump Station.

Mr. Hatcher stated that if Council is comfortable with these two operating budgets, then the only thing left to review is the capital budget.

Mr. Catrambone asked how Mr. Hatcher came up with the \$1,850,000 for the Delran Community Park.

Mr. Hatcher stated that he wanted to make it clear that these capital requests are not recommendations by the Mayor these are requests from the Department Heads and other projects that have been discussed. The \$1,800,000 for Delran Community Park is the Engineer's estimate if we did all of Phase-2. Most of the open space fund at this point is dedicated to the payment of debt service. We would either need to bond for the improvement out of the municipal budget or fund this with the park grant. We are also waiting for \$400,000 from Green Acres as reimbursement from the purchase of the Myers Tract and also between \$100,000 and \$150,000 reimbursement for the TAR property.

Mr. Morrow stated that we all knew there would be an issue with funding as this project moved forward. There was no timeframe on when the entire project would be completed. He stated that he would like to discuss at a future work session reaching out to corporations for donations.

Mr. Catrambone stated that we have also had discussions with the Soccer Club and they are very happy to continue that discussion on the area at Delran Community Park that will eventually be a soccer field. Maybe they would be willing to pay to level that field and

have it seeded.

Ms. Pangia asked if the grant from the County needs to be used for Phase-2 or could we possibly use those funds on the area that will be used for soccer.

Mr. Hatcher stated that he believes we could use those funds for anything in Phase-2 but he would need to get clarification if it could be used for other projects.

Mr. Catrambone stated that we should also consider bathroom facilities.

Mr. Hatcher stated that bathroom facilities were part of Phase-2.

Mr. Catrambone stated that the other thing to remember is that we believed the County would be helping us every year and they have not followed through. The second and third year of the grant they gave us nothing and this year they are giving us approximately \$90,000.00.

The next item in the capital budget is the Swedes Lake Improvements.

Mr. Morrow stated that he would like to move forward with this.

Mr. Hatcher stated that he will clarify the number but believes the estimate is \$115,000.00.

We also have three grants and they are:

Route 130 Sidewalks for \$250,000

Tenby Chase Drive for \$205,000 (DOT Grant)

Water Quality Improvements, \$130,000.

Council agreed to move forward with those projects for the amounts that can fit into the grant amounts.

The next item that Council discussed in the capital budget is the Road Program. Council agreed to up the capital budget to \$1,000,000 for road construction.

Council discussed the possibility of doing an intersection project instead of full road reconstructions.

Mr. Catrambone asked if we are going to have enough money to fix the potholes that have developed.

Mr. Hatcher stated that we will do the best we can.

Mr. Catrambone recommended placing something on the website for residents to report potholes.

Mr. Hatcher stated that he will put something together.

Mr. Catrambone recommended that we increase the road program budget to \$1,000,000 for 2014. Council agreed.

The other items in the capital budget include:

Police Department – Finger Printing System, \$39,500

Public Works – New Sign \$60,000

Boiler Improvement \$50,000

Municipal Sidewalk Improvement, \$12,000

2 New Dump Trucks, \$410,000

Sewer Capital – Haloptic Camera, \$17,100

Camera Truck Upgrades, \$35,969

Mr. Catrambone recommended that we look into whether it is possible to purchase a camera that can handle both sanitary sewers and storm sewers.

Mr. Morrow stated that he feels the Public Works Department needs the new trucks. These are the trucks with the arms, so it is a good investment.

Mr. Hatcher stated that towns that have switched to these trucks are very happy. The man power can be cut in half during leaf collection. The vehicles we are replacing are old and pretty beat up.

Mr. Morrow asked if it is feasible to do anything with the request for two additional employees in Public Works.

Mr. Hatcher stated that with the levy cap it is almost impossible to change the number of employees in a department.

Mr. Hatcher stated that we feel we will see about a \$35,000 reduction in overtime with Public Works next year once we move to those trucks.

Ms. Pangia asked if it is necessary to purchase the finger printing system this year.

Mr. Hatcher stated that it is necessary, to update the old system does not make sense.

Mr. Hatcher stated that the \$60,000 in the capital budget for signs will be for the new street signs, we decided against purchasing a machine. Also, there are several improvements that need to be made to the boiler.

Ms. Pangia asked how much we spent last year for capital improvement.

Mr. Hatcher stated that he believes we spent approximately \$1,000,000 total. We did not have a lot of capital requests so most of the money was spent on roads. Most of the items in this capital budget request need to be done because they are mandated.

Mr. Hatcher stated that he will update the number and get Council the total for the capital improvements.

Mr. Catrambone stated that he knows this was a long meeting but he thanked everyone for their hard work.

Mr. Hatcher stated that he will get the information together that was discussed tonight and he hopes that we have revenue figures for the work session next week.

Mr. Schwartz made a motion to adjourn the meeting, seconded by Mr. Morrow. All were in favor, the meeting was adjourned.

Respectfully submitted,

Jamey Eggers, Township Clerk

