

**SPECIAL BUDGET WORK SESSION
MUNICIPAL BUILDING**

**February 21, 2017
DELRAN, NJ**

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 and Camden Courier Post on February 16, 2017 and posted on the bulletin board on the same date.

ROLL CALL: Mr. Burrell, Mrs. Kolodi, Mr. O'Connell and Mr. Catrambone were present. Mr. Schwartz was absent.

ALSO PRESENT: Mayor Paris, Mr. Winckowski, Engineer, Mr. Hatcher, Administrator and Ms. Eggers, Municipal Clerk.

2017 BUDGET REVIEW AND DISCUSSION

Mr. Hatcher stated that the budget that has been prepared and submitted to Council for review falls within the spending and levy cap. We ended the year with approximately \$8,700,000 in surplus. As explained at the last meeting we have a few years coming up with a significant increase in debt surplus we have to be aware of. The surplus will help us bridge the gap in the increase and the debt that will come off the books in 2019. Over the last six years, the amount to be raised by taxation has only increased \$17,000. The most recent Moody's review has been excellent. The state revenues continue to decline. The unaudited tax collection rate for 2016 was 98.55%, which continues to remain strong. There are a few line items in the 2017 budget that have significant increases including an increase in Administration O & E of about \$10,000 for upgrades to our e-mail system and Township Solicitor line item due to some pending litigation. We are also recommending the hiring of a full time employee for the Finance Department. There is also a significant increase in PFRS, some due to retro payments.

At this time, Mr. Valesi and Mr. Harris of CME Associates, reviewed the sewer capital items. Mr. Valesi reported that there are four capital projects proposed for the 2017 budget. Of the four projects they recommend two projects be included in the 2017 capital budget, the Clay Street Pump Station and the Tank Weir Cleaning Improvements. They also recommend Council budget for the initial study and preliminary design for the Upgrade the Plant Recycle Wash Water System and Effluent Pump Station. The final project, Installation of Variable Frequency Drives for the Plant Blowers, could be a potential ESIP project and they recommend holding off on that project.

Mr. Harris reviewed with following projects:

Clay Street Pump Station Rehabilitation

Project Description: This existing wet well/dry well "can" type station is old, having last been upgraded in 1999. It has been determined to be the highest priority pump station for rehabilitation. It requires extensive safety procedures whenever the below ground dry well has to be entered by maintenance personnel. It is proposed to convert the existing station

to a submersible type station whereby new submersible sewage pumps will be installed in the existing wet well which will be rehabilitated. A hoist will be provided so that the new pumps can be lifted out of the wet well from above. All electrical equipment and controls will be located above ground. It is anticipated that a new emergency generator will be provided along with a new enclosure for the electrical components. A new comminutor, Bioxide system and level controls are also anticipated. The station rehab will also consider for flood damage mitigation improvements due its location in a Flood Hazard Area as depicted on the preliminary Flood Insurance Rate Maps recently issued by the FEMA. Total project cost \$1,200,000.

Tank Weir Cleaning Improvements

Project Description: The main three treatment tanks at the plant all have extensive overflow weir structures that utilize an automated brush system for cleaning the weirs so that uniform flow rates are maintained. The current system used for that purpose is past the end of its useful life and no longer operating effectively resulting in increased effort to manually clean the weirs. The existing weir cleaning system will be replaced by a new automated system such as the WeirWolf system or equivalent. Total project cost \$100,000.

Upgrade the Plant Recycle Wash Water System and Effluent Pump Station

Project Description: The existing plant recycle water system (used for wash-down of the various treatment units, the grit classifier, and other purposes) is antiquated and has been subject to a number of line breaks. In addition, the current configuration of the intake structure for the system pumps is such that water cannot be drawn into the pumps under low plant flow conditions. New water main piping and yard hydrants would be provided where required. In addition, new pumps would be installed and the intake structure modified such that the system can operate under any plant flow conditions. Some modification to the plant effluent pump station may be required to implement this change. Total project cost \$1,040,000.

Installation of Variable Frequency Drives for the Plant Blowers

Project Description: The existing aeration blowers for the treatment plant are constant speed blowers (i.e. they are either on or off) that were installed as part of the plant upgrade in the mid-1990s. Since that time oxygen sensors have been developed which can be used to control the speed of the blowers with variable frequency drives (VFDs) to match their output to the volume of air required in the treatment process. It is anticipated that addition of VFDs and oxygen sensors will result in significant energy savings at the plant. Total project cost \$450,000.

Mr. Catrambone asked for an update on the Adirondack project.

Mr. Valesi reported that we have reviewed information regarding that project. Basically what they sell is a power conditioning device that takes peaks and valleys from electrical currents and from that there are savings in electrical costs. We were a little skeptical at first but after meeting with them, they have shown and even guarantee the cost savings. Their recommendation is that Council considers implementation of this type of project.

Mr. Catrambone stated that that if we move forward with this project, we would have to put it out to bid

Mr. Schwartz questioned whether Adirondack could potentially be included as an ESIP project.

Mr. Valesi stated that is a question that should be asked of the consultant. We could include both the Adirondack project and the Installation of Variable Frequency Drives for the Plant Blowers in the sewer capital budget and then discuss with the consultant to determine if those projects could potentially qualification under ESIP.

Mr. Williams stated that he is meeting with the consultant and he can provide him the information from Adirondack. Council agreed that they would like to have the consultant look at all potential projects.

There were no further questions on the Sewer Capital projects.

At this time, Council began review of the budget line items as presented. Only one adjustment was made:

- Dog Regulation – Reduced by \$5,000 to \$16,000 from \$21,000

Mr. Hatcher noted that debt service is increasing quite a bit this year. We will be looking into possibility buying down some of the temporary notes prior to moving to permanent financing next year. Mr. Hatcher will report back to Council prior to introducing the budget. The reserve for uncollected taxes will be updated once we have all the information from the School, Fire District and County.

Council continued review of the line items in the 2017 Sewer Budget. No changes were made to the line items.

Mrs. Kolodi asked if we have enough employees in the Finance Department and whether three days a week is sufficient for the CFO to work.

Mr. Hatcher stated that is the reason we want to bring in a full time person. That employee will help the Finance Department and also take on the human resource duties that we are lacking.

Mrs. Kolodi asked about the request from the Tax Collector regarding the barrier to protect the department. She asked if that item was included in the capital budget.

Mr. Hatcher stated it was not, if they want to move forward that will need to be added.

Mrs. Kolodi stated that she feels it may be something we want to look into.

Mr. Hatcher stated that he will get an estimate on the cost to make improvements to the window. The only option we will most likely have is to install bullet proof glass are require all doors to be locked.

Mr. Catrambone suggested that we look into the installation of additional emergency buttons.

Mr. Schwartz questioned whether it's necessary to have the Tax Office open at night four times per year for collection.

Mr. Hatcher stated that he does not feel it is necessary anymore.

Council moved onto review of the capital budget.

Mr. Hatcher reminded Council that although this is only a plan, 5% of the cost for the capital items must be put into the budget for down payment purposes. Although not completely accurate, approximately every \$1,000,000 in capital items adds about \$85,000 to the capital budget.

Police Department Capital request:

- Purchase of Handguns, Lights and Holsters - \$25,000
- Detective Interview Room Recording System - \$15,500
- 11 Mobile Video Recorder (Car Cameras) - \$14,500

Council agreed to include all items in the capital budget.

Public Works Capital request:

- Leaf Truck - \$255,000 This purchase will help free up two additional employees four months of the year during leaf season.

Mr. Schwartz asked if Mr. Hatcher could provide the difference between the cost of hiring temporary employees and purchasing the truck.

- 2 Grass Cutters - \$20,000
- Dump Truck - \$120,000
- Transmission on 1990 Case Loader - \$20,000
- AC Unit Repairs - \$35,000
- Repair Roof at Fairview Street Property - \$24,000
- New Roof Municipal Building - \$1,400,000
- Conrow Park Playground Equipment – Replace Swings \$12,200, Replace Track ride, see saw snake and spring riders with Inclusive spinner, drangon fly totter and 4 section rock wall \$15,753, Replace Castle Structure \$98,000 and Replace Fort Structure \$63,000.
- Basketball Court Upgrades – \$22,500 Brown Street, \$21,000 Ohio State Park, \$21,000 Mulberry Street, \$19,000 Stewart Avenue. Mayor recommended Brown Street and Ohio State Park, Council agreed.
- Fire Hydrants Municipal Building - \$30,000 Repair 2 and Abandoned 2

Council agreed to include all items in the capital budget.

Mr. Hatcher will provide Council with updated information on the sealer machine that was rented last year.

Other capital items:

Mr. Hatcher stated that we will also have to budget the funds for the CDBG Grant and the Route 130 Sidewalk Grant.

Sewer Capital: Council also agreed to include the Clay Street Pump Station Rehabilitation, upgrades to the Plant Recycle Wash Water System and Effluent Pump Station and installation of Variable Frequency Drives for the Plant Blowers in the 2017 sewer capital budget. Council will also include the cost for the initial study and preliminary design for the Upgrade the Plant Recycle Wash Water System and Effluent Pump Station. In regards to the Sand Filter project, we will discuss recommendation at a future meeting regarding the need for additional funds for the project.

Additional Sewer Capital Items:

- Option 1 - 2 Ford F350 with plow and salt spreader - \$49,000 each, Option 2- 2 Ford F150 - \$25,000 each

Council agreed to include the 2 Ford F350 with plow and salt spreader

- Acoustic Inspection Tool - \$30,000.

Council agreed to include the acoustic tool as part of the sewer capital budget.

Mrs. Kolodi asked when Council should discuss the request from Tom Tartaglia to purchase a net and install water service at Leon Avenue Field.

Mr. Hatcher stated that we would recommend that if you were going to install irrigation or a water spigot at Leon Avenue Field, you connect to NJAW. Also, we looked at the field and we are not sure where they would install the net or what it was going to accomplish.

Mrs. Kolodi stated that they would like to add two ten foot poles to the existing fence and the net would go across the poles. The approximate cost for the net is \$2,500.

Mr. Hatcher stated that would not be a capital item and would have to be added to the budget. Mr. Hatcher will look into the cost for water service at the field. Council also discussed adding a water fountain. Council will continue discuss at the next work session.

PUBLIC PORTION

Mr. Burrell made a motion to open the meeting to the public. The motion was seconded by Mr. O'Connell. All were in favor, motion approved.

Greg O'Lear, 7 Teaberry Lane, asked if there is anything in the budget for surveillance at Community Park.

Mr. Paris stated that cameras have been installed.

Mr. O'Lear asked if there is anything in the budget to fund the remainder of Jake's Place.

Mr. Catrambone stated there is not.

Mr. O'Lear asked if there is a projection on what the surplus will be at the end of 2017.

Mr. Hatcher stated we will not have a projection until we complete the budget process.

Mr. O'Lear asked if we expect that the tax collection rate used in the budget will be below the actual rate.

Mr. Hatcher stated that we expect the rate to be higher than what is anticipated in the budget. The spread will be determined once we finish the budget process.

Mr. O'Lear asked if Council is considering any adjustments to the sewer rates since there will be no credit.

Mr. Catrambone stated that Council has not considered an adjustment to the sewer rates. Our intention is to continue to maintain the current rate and continue to use the surplus to help pay for capital improvements.

Mr. Schwartz made a motion to end the public portion of the meeting. The motion was seconded by Mr. O'Connell. All were in favor, motion approved.

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

Respectfully submitted,

Jamey Eggers, Township Clerk