

**SPECIAL MEETING
MUNICIPAL BUILDING**

**MARCH 3, 2015
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 27, 2015 and posted on the bulletin board on the same date.

ROLL CALL: Mr. O'Connell, Ms. Pangia, Mr. Schwartz, Mrs. Kolodi and Mr. Catrambone were present.

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

2015 BUDGET DISCUSSION

Mr. Catrambone updated Council on the different scenarios based on the discussions last week. Council will need to determine the amount of surplus they wish to use this year and that will determine the tax rate. Next year there are some difficulties we will face. The debt services will increase by \$300,000 as a result of the schedule. There is approximately \$6,000,000 in debt that has not been permanently financed and we are only making minimal payments. We can hold out on permanently financing that debt because what we are trying to do is wait for in 2019 where we pay off \$1,000,000 per year in debt service. The three areas that saw the biggest increase this year were out of our control. They were pension, health insurance and debt service. Mr. Hatcher stated that he made all the changes Council asked for and Council will need to set up this budget while looking ahead to next year.

Mr. Catrambone stated that we have always been proponents of stabilization. Because of our approach we are in a good position with surplus. In order to keep that position moving forward to next year, he recommends an increase of one or one and a half cents so we do not increase the amount of surplus we utilize. A one cent increase is approximately \$20 on the average assessed home of \$209,000. This would get us through until we can permanently bond that \$6,000,000 in debt.

Mr. Hatcher stated that if we used more surplus this year for no tax increase, we would be starting next years at a \$600,000 deficit. Moving forward, we need to be aware of capital projects moving forward. Mr. Hatcher cautioned that we also need to be prepared for a year where the collection rate drops. In 2014, our collection rate was 99% and that almost never happens.

Mr. Schwartz asked how the different tax increase scenarios will affect the surplus.

Mr. Hatcher stated that the Auditor provided three different options. The first one provides a two cent, and we would regain all the surplus. The second option, a one cent increase, we would end the year with approximately \$150,000 less than 2014. With a zero increase we end 2015 with approximately \$300,000 less than 2014 in surplus.

Mr. Catrambone stated that in the last three years we used 2.7 million in surplus to balance the budget. That was lower a percentage than prior year because of the amount of surplus.

Currently the surplus at the end of 2014 is \$6,800,000. He asked if we are in good shape with the surplus.

Mr. Hatcher stated that as of right now we are in good shape but if we utilize \$300,000 in additional surplus to offset the expenditures in the budget this year we are starting off next year down \$300,000. We already know there is a \$300,000 increase in debt services, so we are starting off with a \$600,000 deficit before we even begin. It becomes a spiral effect and once it starts going in the wrong direction it doesn't stop, especially when expenditures are going up.

Mr. Catrambone stated that he does not want to complicate things more but he spoke with Mr. Hatcher about the roof and it is definitely in need of replacement. At what point do we begin worrying about the new phone system, computers, records and emergency services.

Mr. Hatcher stated roof has been an issue and is coming to the end of its useful life. One of the biggest complaints from the old municipal building was that no money was put into the building. He understands that it is difficult for elected officials to put money into buildings. With the old building capital improvements on the building were denied and the building was left in disrepair. Mr. DeSanto is making sure that he is doing his due diligence and notifying Council that the roof is in bad shape. Can it make it another year, maybe but even if we approve it this year it most likely will not be done until next year. The Mayor does not cut out any capital requests. He brings them all to Council for their approval.

Mr. Catrambone stated that his concern is whatever fixes we need to make will be additional costs on top of the replacement of the roof.

Ms. Pangia stated that there are so many infrastructure issues throughout town and she does not feel she can justify a new roof.

Mrs. Kolodi stated that maybe we look at lowering the amount we spend on roads and look at other infrastructure projects.

After additional discussion, Council removed the roof from the capital budget for 2015.

Mr. Catrambone stated that we should run through the remainder of the capital item and agree whether they will remain on the list.

- Road Program – Council set the budget at \$800,000
- Community Park Bathroom/Concession – Council set budget at \$400,000
- Tax Assessor Monitor \$400 - Council agreed.
- Clerk Printer \$1,000 - Council agreed
- Tax Office counter reconstruction \$3,000 – Council removed this item.
- Police Department
 - Replace Car Video System \$21,000 - Council agreed
 - 32 Body Cameras \$16,500 - Council agreed
- Public Works
 - Municipal Building Roof \$1,200,000 – Council removed this item
 - New Dump Truck \$165,000 – Council agreed
 - 2 New Snow Plows \$17,000 – Council agreed

- Traffic Light repairs (Hartford & Fairview Blvd. and Fairview & Shop Rite Entrance) \$55,000 – Council agreed
- Park Equipment \$20,000 – Council removed this item
- 4 Basketball Courts \$ 70,700 – Council removed this item
- Construction Office 2 Computers \$2,800 – Council set the budget at \$2,000
- Finance 2 Copy Machines – Council agreed
- Roads & Public Grounds
 - Alden Avenue Check Valve \$10,000 – Council agreed
 - CDBG Grant \$75,000 – This is a reimbursement grant so we will need to budget the cost. This will be included as part of the Road Program.

Mr. Hatcher stated that next Council needs to choose a scenario to determine the tax rate impact.

After discussion, Council choose the scenario of a one cent tax increase. The impact will be \$5.00 per quarter or \$20.00 per year on the average assessed home.

Mr. Catrambone stated that he would like to discuss the issue we have discussed in the past of offering a one-time credit to sewer bills. He would like to propose a one-time reduction of \$50 on the first quarter of the 2016 sewer bill. The total cost to the budget would be \$300,000, which is manageable with the surplus.

Mr. Hatcher stated that since Council has been discussing this issue he anticipated this discussion and talked with the Auditor. He feels comfortable with the number as we added more than that to the surplus in 2014. There are some things Council will need to do in terms of ordinances and hearings which should take place in the fall to have this in place for the 2016 billing. If everyone is in agreement we can start looking at any possible legal issues. Council agreed to move forward.

PUBLIC PORTION

Mr. Schwartz made a motion open the meeting to the public. The motion was seconded by Ms. Pangia. All were in favor, motion approved.

There were no comments.

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

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

Respectfully submitted,

Jamey Eggers, Township Clerk