

TOWNSHIP OF WASHINGTON, WARREN COUNTY

Budget Meeting
January 19, 2008

The budget meeting of the Washington Township Committee was held this date in the Municipal/Police Building located at 33 Little Philadelphia Road. The meeting was called to order at 10:02 a.m. by Mayor David Dempski.

SUNSHINE LAW COMPLIANCE - The Mayor noted that this meeting was being held in compliance with the Open Public Meeting Law of 1975 in as much as a notice had been published in the Star Gazette, transmitted to the Express Times and posted at the Administration Building.

ROLL CALL: Dempski, present; Elbassiouny, present; Horensky, present; Mueller, present; Strunk, present. Mary Ann O'Neil, Township Clerk, Barbara Emery, CFO, Dave Evans and John Mooney, Auditors were also present.

The Mayor said there are two informal sessions for the Budget Meeting. Normally, there would be a hand out for the public, but since the CFO has only been on the job two days and there has been a delay in State Information, there is no hand out.

John Lombard, Asbury Anderson Road, said he wants to make sure that it is on record that he was at the meeting and there is no materials for him to look at. So, at this point the public has nothing to look at when they discuss the budget. The Clerk gave Lombard her 2008 Budget Book to use during the meeting. The Mayor reminded Lombard that the numbers are all proposals.

RESOLUTIONS

Horensky made a motion to approve Resolution 08-38, Authorize and Approve Salaries and Wages for Certain Employees (Donna Nancy Romanczu) and Resolution 08-39, Authorize and Approve Salaries and Wages for Certain Employees, (James Vergos), Elbassiouny seconded.

ROLL CALL: Horensky, yes; Elbassiouny, yes; Mueller, yes; Strunk, yes; Dempski, yes.

Horensky made a motion to approve Resolution 08-40, Authorize and Approve Salaries and Wages for Certain Employees (Thomas Cicerelle), Elbassiouny seconded.

Strunk asked if the Committee was allowed to appoint a Deputy Emergency Management Coordinator that was not a township resident. Elbassiouny said the Emergency Management Coordinator is allowed to name the deputy and there is no resident restrictions on the deputy.

ROLL CALL: Horensky, yes; Elbassiouny, yes; Mueller, yes; Strunk, yes; Dempski, yes.

BUDGET DISCUSSION

The Mayor said, usually one of the documents they have is the equalized ratables that is certified by the Tax Assessor. The Mayor said there is a temporary work number they can use, but it has not been officially processed by the County, as the Assessor resigned at the end of the year. The estimated number, which is new development, plus any added ratables, which is \$667,005,547.00.

The request for each department was reviewed. On Finance, it was determined that the Treasurer will not be reimbursed for any classes, because her position does not require recertification. When an employee works for other municipalities, the costs of seminars and license is split equally with them.

It was noted, on recycling, Fascenelli will still hold the position and be working with de Boer and working at his trailer. She had been reappointed in this position at the Reorganization Meeting. The salary is split between de Boer and Fascenelli.

de Boer said there had been bill list prepared for this meeting. There is a bill for power and light. It became apparent yesterday, at the new building, that power and light needed to do an installation of a new transformer electrical hookup. This is not in the contract, it is a transformer on the pole, a service upgrade. They will not do the work until they have the check, which is \$4,587.00. de Boer asked that this bill be approved. Fascenelli took the amount out of electric payment, which includes power usage, under miscellaneous column.

DISCUSSION/STREETS AND ROADS

Evans said, under the new CAP Levy law in place for 2008, the money set aside for road improvements will very well, by necessity, have to go through Capital Improvement Fund and that is a separate ordinance. The way the levy is calculated now is Capital Appropriations don't get adjusted by the CAP, the Capital Improvement Funds additions do. So at some point, they may have to, if the Township wants to fund the Street and Roads Program this year, take the extra step of putting in Capital Improvement Fund and taking it out by ordinance, unless the State changes the form.

The Mayor asked de Boer to prepare a prioritized list and list of minimum critically life and safety hazard things he wants to do. He would like to propose as an option to consider is a critical list that has to get done and take the extra to pay down bond debt. This could be done every other year. Strunk said they have to get back to a more

aggressive oil and chip program, because they have gotten out of the cycle.

Elbassiouny asked that the treasurer attend the next budget meeting. The Clerk will notify her. de Boer recommended to the the Committee to think about getting an above ground storage tank for the gas and diesel. If you want to save money, you have to spend money. Emery suggested they go to Sunoco, which would be under state contract, who would not charge tax on the gas and there would be a 3% savings. The Mayor said the Township should look into this. There was also the question of insurance, which would increase if they went with the storage tanks.

BUILDING AND GROUNDS/Pete de Boer

The Mayor said there would be a cost between \$300 and \$400 a month at the new building for elevator, which was not shown in request.

de Boer said his Building and Grounds Budget is never enough, due to maintenance at the park. Elbassiouny said a lot of out of town groups use the park and felt the fees are low. He said they need to adjust what they charge out of town groups using the park. The Mayor said you can only charge outside entities twice what your charge locals, because of Green Acres. There was discussion on charging for practice fields. The Mayor said that the Township is over stressing the fields and perhaps there should be a limit on times fields are used. There was discussion on increasing the fees for more aggressive sports and Mueller was asked to take this suggestion to the Recreation Commission.

The Mayor asked de Boer is prepare a five year plan on replacement of his vehicles and look into getting information on storage tanks.

de Boer said he wanted to discuss the architect contract for \$25,500 and how it would be paid. He asked for approval to sign the contract. The Mayor said a resolution would have to be passed today for a temporary budget addition and the availability of funds to do so within the budget. Evans said, at a minimum, they would have to amend the temporary budget and put the figure in. The danger of that is that if you do not put in the adopted budget the State will want to know where the money comes from. If it is included in, it will have to stay that way.

The Mayor if this is not done, the construction will shut down and plans will have to be reviewed by the architect. Strunk said the long term of that is they have just increased the budget \$25,000 inside the Expenditure CAP.

The Mayor said he has a letter into Susan Jacobsen to put an item in the budget for the purchase of the building. They will know the number well before the budget is adopted. His game plan was to use this as a Capital Expense. Then, once the finishing quotes are out by the February meeting, there will be a solid expense for the various added items and change order costs, a solid number to either pay, via the budget as Capital Expense or issue a bond. Evans said the danger in doing this is that the Deputy Director will be making the decision. If there is a time line between the auction and closing and extends beyond the adoption of the budget, they are not going to allow the adoption of the budget. Evans said, if you have the auction and collect the money, just amend the capital ordinance to include the auction proceeds and leave the budget process out of it. The Mayor said he wants the least impact on the taxpayer's back as possible. Evans said, then they should adopt the budget without it in there, amend an existing ordinance to recognize the auction proceeds. This way you are not hampering the operations of the Township by doing so. Then you have some control over the expenditures from that ordinance if the building does not close.

de Boer said the architect will not do any work until the contract is signed and sent back to him. He said, realistically, to keep the project going, this is step one and needs to be done by Monday. He asked for a resolution to be done allowing him to sign the contract. Mueller made a motion to approve Resolution 08-41 stipulating payment to Alex Soffiantini and Associates Architectural Firm reflected letter dated January 10, 2008 to add a source of temporary revenue to fund his construction administration services for the new municipal building at a rate of \$10,000 to cover the period of January, February through March, Strunk seconded.

ROLL CALL: Mueller, yes; Strunk, yes; Elbassiouny, yes; Horensky, yes; Dempski,, yes.

Horensky made a motion to authorize de Boer to sign the amended contract, upon Soffiantini's acceptance of contract, to reflect the \$10,000, Dempski, seconded.

ROLL: Horensky, yes; Dempski, yes; Elbassiouny, Mueller, yes; Strunk, yes.

Elbassiouny said that last year he was liaison to the building and asked that it remain the same so there is no gap in information about the building. He asked if he could co-chair this with the Mayor. The Mayor said, in terms of the day to day operation, he would like to have the architect and Coopersmith work with de Boer. The Mayor said he and Elbassiouny will serve as the co-chair of the building in terms of liaison with those two professionals.

After discussion, it was determined that the first Thursday of each month, during February through August, at 7:00 p.m. will be a work shop meeting, the focus being on the building and other action will be taken as needed. Elbassiouny asked if Lavery needs to be present if they are passing resolutions, ordinances and taking action, Mayor said it was a good idea. CFO will be asked to attend on as needed basis. (de Boer left the meeting at 12:45 p.m.)

POLICE

The Committee went over the Police Budget submitted. There was discussion on possibly replacing vehicles and whether they would be purchased or leased. The Mayor asked the Chief to submit the actual credit courses of the officers to the Committee by February 9th.

The Mayor asked the Chief to prepare a list of the amount of fines that were brought in by having an officer at the DMV Building. The Chief said that Sgt Wolf is number two in the department of warrant arrests. The amount given by the State for the DMV will increase \$115,000 this year.

Strunk asked the Chief to provide a breakdown of what the \$17,000 for equipment consists of and he said he would provide a copy.

The Chief was to go back into records with CFO on history of leased cars to update line item in budget.

Horensky left the meeting at 1:25 p.m.

OTHER

The Mayor said the monitoring costs for 2008 for the Port Colden Well Monitoring will be \$11,150.00. Next year it is zero.

Chief Mc Donald presented a letter to the Committee on the resignation of Stacy Brown, Crossing Guard, which was given to Clerk.

OTHER

Elbassiouny said the Code and Construction is not included in budget, so there will probably have to be a line item put in budget. Elbassiouny suggested Emery review the Shared Services Contract with Mansfield Township. Elbassiouny said the contract states they pay us a flat rate of \$95,000 per year, but also in the contract, that rate may come down in 2008 due to the number of permits. It could fluctuate either way by \$5,000. Elbassiouny passed out a list of projected salaries according to last year for six months timed by two, which will run approximately \$134,000 in salaries. Elbassiouny said we are getting \$95,000 from Mansfield, so salary wise, it should only cost the Township about \$40,000 to operate. For next year, they need about \$10,000 in administration costs. Elbassiouny said the revenue from permits, up to December 12, 2007, was \$229,000. Elbassiouny said a percentage of the fees collected can go to the Township for fees. A separation must also be kept on vehicles, mileage, etc. Any costs associated with that department must be under its own bracket, must be self sustained.

PAYMENT OF BILLS

Mueller made a motion to pay the bills, Horensky seconded.

ROLL CALL: Mueller, yes; Horensky, yes; Elbassiouny, abstain; Strunk, yes to the ones he signed; Dempki, yes.

PUBLIC QUESTIONS & CONCERNS

John Lombard, Asbury Anderson Road, said he just wanted to make a note that one of the Committee Members was not here for the public comments. He said that this was something that happened a lot last year too, so it was a perception issue.

He said he had three major things to talk about and wanted to make sure it was on the record. He does know about budgets, because he operates a \$55,000,000 budget annually. He found this meeting useful and thanked the Clerk for access to her book. He would like to know, based on the next meeting, will they have final expenditures for 2007? Right now, they are proposing a budget and he doesn't know, nor does the public know exactly what was spent in 2007. He had a problem with that. That should be noted when they were having a meeting like this, when you don't know what your bottom line is and you are proposing to put together a budget when they don't know exactly how much they actually need. His concern was they are going to come back and ask for more money.

Lombard asked, on the new building, will they be going through a new bond process or will it be circumvented. The Mayor said there are two ways to do this. They have to get more information from the auditor about amending an ordinance, which would have first and second reading. There would be a public hearing at the adoption stage. Lombard said the other option, the public will not have a say in it, they can charge another \$1 million dollars to the tax payer to finish the building. He wanted to make sure this was noted, because that is the

process they are talking about. Evans said, in either case, there is a public hearing before the document can be adopted, whether the ordinance is amended, there will be a public hearing on that or if it is included in the 2008 municipal budget, there is also a hearing. Lombard said he understood that, that is why he wanted to know whether or not if they go to option two if the public will be part of it. This Committee is saying right now the public will, so he wants to make sure this is a public announcement and not say, they will meet that need. The Mayor said either option is not meant to exclude the public and result in an impact to the tax payer. They are trying to find the best way to take proceeds from an auction and use it for two things - complete the building and pay down the other debt generated. Neither one will be held from the public's eyes, neither of them will circumvent anything, the Mayor was trying to find a way of not creating more debt. Lombard said he understood that, his concern was the funds raised from the auction will not pay off the building. He wanted to make that point.

Elbassiouny said they have listened to Lombard's concerns and they are all pretty much always the same. He assured him, under no circumstances does the Governing Body make any decisions, make any financial decisions at all - they do not even have the power to do that. Elbassiouny said every time Lombard speaks he always seems to think they are covering their eyes and this is 100% false. Bombard said - if you believe it. Elbassiouny said he believed it, he is one of them. Bombard said he disagrees with that. He has been at the meetings and has seen it. He disagrees with this and this is a public meeting and he has more to say.

Bombard said to make sure that it is noted here, between 2005 and 2006, it looks like the budget went up 14%. That is a concern of his, because 1/4 of that money was due to paying the debt. That debt is just going to keep increasing, based on the proposals on increasing the size of the township, municipal services and the like. That is a point he wants to make clear. The other one is personnel, hiring and the like, 50% of the 14% is due to those items. The debt does concern him, because it was interesting they brought up the \$100,000, he calculated that a bond of \$1 million dollars on top of the debt would amount of \$100,000 per year just to pay debt - or next bond on building. He just wanted to make sure that is known. He wanted to make sure the Committee understood that is the cost to the Township for that building, the real cost. He wanted to make it clear here that they are dealing with someone that can look at the numbers. This is a fact he wants to put on the table. They are talking about debt, at this point, in 3 or 4 years, will be over \$9 million dollars and they are still proposing to increase more. Those are facts and the Committee needs to understand this, because they think they have a safety net. The Mayor said they are trying to pay down the debt with the auction proceeds. They are looking to the professionals to give them a game plan to move to permanent funding to get it under control.

Bombard said nobody has even brought up what the State issues will be. The funding is going to be cut. More demands will be made on the Township to pay for schools. He was concerned and appreciated the time given to him. He just wanted to make the point clear, they are looking at a bad situation coming and he is not a pessimist, so he is just asking them to be careful on what they propose for the future of the Township, because they will not be able to pay it. He wanted to be clear on this point, he is concerned and would appreciate if the Township would look into this and before they make a decision, realize the implications are about the decision three or four years down the road. They will not be part of the Committee, but the people living the Township will be paying for it.

The Mayor said the next meeting will be February 7th for the workshop meeting. Strunk said he will not be at this meeting.

Elbassiouny made a motion to adjourn at 12:50 p.m., Mueller seconded. All were in favor.

Respectfully submitted,

Mary Ann O'Neil MMC
Township Clerk