

## SPECIAL WEST AMWELL TOWNSHIP COMMITTEE MEETING March 12, 2011 – 9:30 a.m.

The West Amwell Township Committee met on the above date at 9:37 a.m. Present: Mayor Molnar, Committeemen Fisher and Rich, and CFO Tom Carro. Also in attendance were Hal Shute and Jim Hamtil (11:25)

In compliance with the Public Meetings Act, Mayor Molnar announced that this Special Meeting was called pursuant to the provisions of the Open Public Meetings Act with notices faxed to the Hunterdon County Democrat and the Trenton Times on March 8, 2011. A copy of this notice is and has been available to the public and is on file in the office of the Municipal Clerk.

The meeting was recorded via digital recording system and a copy of the CD is on file in the Office of the Municipal Clerk.

### **BUDGET WORKSHOP:**

A binder providing budget overview information and preliminary budget sheets were distributed by Mr. Carro. The former included the following:

1. A listing of known items for the capital budget. These are bondable items which will require a 5% down payment. A multi-purpose bond ordinance is recommended to include cars, roads and garage improvements to save bond counsel costs involved with multiple ordinances. Close monitoring of the individual expenditures will be required, but bonding spreads out the debt. Notes are currently running around 1%. With a tight budget situation and the caps involved, it is necessary to push as much as possible into the capital budget.

It was also relayed that the aim is to get the surplus up to \$400,000 to help with the bond rating but not to spend or anticipate every available cent.

2. A worksheet depicting a bottom line scenario was reviewed. This showed 2010 adopted appropriations and revenues vs projected ones for 2011, together with a preliminary tax rate and proposed household tax. It was noted that there's not a lot of breathing room to fund operations.
3. In reviewing the Levy Cap Calculation sheet, which is formula driven, Mr. Carro relayed that the 2006 truck will be paid off this year; that the 2% cap increase amounts to \$23,075; and that pensions costs are up. On the positive side, the assessor's work brought in over \$5000 in new ratable adjustments to the levy.
4. Revenues of \$1,184,020 are available for 2011. This maintains a local rate of 22 cents, with a penny being worth \$53,000. Debt service remains level. \$500,000 of open space money is projected and should leave enough to pay off the bonds if no other purchases are anticipated. However, caution was given that the trust fund not be depleted. It was also relayed that purchases will have to be ranked and reviewed but that 5200 acres have been preserved to date.

Mr. Shute offered the opinion that \$500,000 is high and will clean out the trust fund. The Finance committee had mentioned \$480,000. The decision was keep \$500,000 number but sparked a brief conversation over the 6 cent debt coverage and the duration of the current bond schedule. Mr. Carro relayed that the current debt is completed in 2026 but that the 6 cent tax will still bring in revenue. A decision on the fate of the latter will be decided after that time.

5. A budget of \$3,138,774.00 (or a 2.4% increase over 2010) is projected. Mr. Carro explained briefly about inside/outside cap items and that an ordinance to exceed the 2.5% appropriations cap to 3.5% to provide for banking of any unused portion will be introduced at the same time as the 2011 budget. This item is separate from the 2% budget cap that can only be increased by referendum.

Concern over the increase in the school budget was noted by Mr. Rich. Mr. Fisher added that West Amwell's population at South is up 5%, which, together with assessed values, will impact taxes...even with the schools receiving more State aid this year. The fact that the Township's budget is two-thirds dependant on money from the State was another concern noted. A brief discussion about the ability to defer up to 15% of school payments and how this device would help increase Township surplus ensued. It was explained that this is a paper accounting method only; does not affect payments to the school; and, would bring Township surplus to around \$600,000. However, before employing this tactic, Auditor Case would be consulted.

6. A cap calculation sheet from the Division of Local Government Services showed the amount of cap banking available for the 2011 budget. This balance will expire if not utilized in the 2011 budget.

7. Other pieces of information provided included the State Aid Certification for 2011, the ordinance to be adopted to establish a cap bank, the annual certification by the Assessor, the County's municipal grant program 10% allocation to the township, bond principal and interest due and appropriation summary.

Mr. Fisher requested \$1000 be reserved in the operating budget for website work. The goal is to be able to upload directly from the municipal offices and provide training of in-house staff for same. Mr. Fisher will continue to spear head this endeavor.

Updating the current tax maps is also a priority. This will be accomplished through a special emergency appropriation paid back over five years. Quotes would have to be obtained and the work awarded through a professional services contract.

Mr. Carro called attention to sheet 15E of the preliminary budget that showed a total of \$34,923 for overall budget increases. As for anticipating the rent for the solar installation, this will not be included in this year's budget.

As for the capital portion of the budget, the number and type of police vehicles, light bars and a new radar system was discussed. Quotes have been received for two SUV's but cannot be acted upon as no funding ordinance is in place. A lift for the DPW and work on the roads is also desired. A multi-purpose bond for \$1 million with a \$50,000 down payment to fund roads, police and equipment is under consideration as these big ticket items cannot be funded in the operating budget. The bond costs would be around \$90,000 per year for 5 years. The possibility of getting more grant money for road work was questioned. However, this avenue appears to be closing. As the roads need work, and with chip sealing being expensive but not a capital expense, a grind/re-pave option was suggested. A prioritized list of roads has to be drawn up. Mr. Molnar will contact the Road Supervisor and set up a road tour.

Next steps involve coming up with a capital budget, finalizing the operating budget and meeting with department heads. A meeting with the latter will be held on March 23<sup>rd</sup> at 5 p.m. The Committee was instructed to add numbers to the operating sheets and come up with a list of capital projects. A meeting with the CFO to finalize the budget will be held on March 31<sup>st</sup> at 6 p.m. An April budget introduction is anticipated.

**OPEN TO THE PUBLIC:**

Mr. Shute commented on the proposed accounting deferral of \$300,000, stating that 18% would be needed, as well as how much of the Calton debt would be covered by open space funds going forward.

A question concerning police uniform allowance was raised. Mr. Carro indicated that uniforms could be purchased and reimbursed upon presentation of a receipt. Any allowance would not accrue to a subsequent year.

The matter of ESC was mentioned as an ongoing concern. Mr. Rich will contact Dennis Cox as the situation is out of control.

**ADJOURNMENT:**

There being no further business, the meeting was unanimously adjourned at 11:28 a.m. on motion by Fisher, seconded by Molnar.

Respectfully submitted,

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Lora L. Olsen, RMC  
Township Clerk