

SPECIAL WEST AMWELL TOWNSHIP COMMITTEE MEETING

April 6, 2016 – 5:00 p.m.

The West Amwell Township Committee met on the above date and the meeting called to order at 5:09 p.m. by Mayor Zach Rich. Present: Mayor Rich, Committeemen Dale and Bergenfeld, CFO Tom Carro, Auditor Anthony Ardito and Clerk Lora Olsen. Also in attendance was Hal Shute.

In compliance with the Public Meetings Act, Mayor Rich 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 28, 2016. 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.

BUDGET WORKSHOP:

CFO Carro relayed that the proposed budget stands at \$3.7 million, up \$200,000 over last year. Auditor Ardito was requested to check the appropriations cap and agreed that it's \$8000.00 under what is allowed. The revenue side balances through the use of open space funds and surplus, and shows a rate of \$.27, or a penny increase in the tax rate. This works out to approximately \$40.00 per household on a \$400,000 home. A spreadsheet showing major differences between the 2015 and 2016 budgets was presented for review. Mr. Carro noted that several of the 'other expenses' listed cannot be touched and of the other ones, an explanation was given as to why there were increases to the line items.

Auditor Ardito expressed concern over the surplus level, commenting that the use of \$250,000 to balance the budget means that eventually it will go away as only approximately \$100,000 is regenerated in a year. The need to raise other revenues was noted. In general, the budget is under the levy cap and there is some built up 'cap' banking from previous years, although this is only good for three years. He cautioned about getting into a situation where taxes have to jump.

Mayor Rich expounded on the tax situation at length and where he would like to see appropriation and surplus levels. The former in the \$3.6 million range and the latter adjusted so as to not go below \$300,000. The projected \$488,830 surplus gained through borrowing the remainder of the funds approved on the school tax loan was seen as debt and not a solution to the problem. Mr. Carro inquired as to whether a lesser amount would meet approval and the response was in the affirmative. The surplus figure is to remain at \$300,000. Mr. Carro relayed that he has difficulty paying bills due to a cash flow problem caused by the lack of surplus. Payments to the school are delayed and it is a struggle to meet payroll between tax collection times.

Discussion continued over the \$200,000 shortfall; the \$100,000 needed for a roads program; and, possibly reducing the open space tax by a penny. However, the existing ordinances need to be looked at to ascertain whether the latter can be done. The need for a revenue source was noted as the one shot deals used for previous budgets have been exhausted. Auditor Ardito spoke to the Township debt and revenue situations—right size on the former; insufficient revenue to cover on the latter.

The mayor overviewed various possibilities to cut costs but is looking for a long term fix. With no stable revenue source and zero growth, services may have to be sacrificed. He's looking for a \$3.6 million total, which is \$100,000 less than currently projected, and the removal of \$180,000 in borrowed funds in order to keep surplus at \$300,000. Mr. Bergenfeld suggested cutting here and there but he too did not favor borrowing. Mr. Rich summarized as follows: \$200,000 shortfall this year; raise taxes by a penny; use \$110,000 from open space; and, get to \$300,000 by the end of the year. For 2017, a penny increase, solar lease money, drop open space tax to \$.04 and use the \$.02 saved for roads. No fire truck. A budget introduction date is still anticipated for April 20th.

A temporary recess was called at 6:06 p.m. The meeting resumed at 6:36 p.m.

The schedule of appropriations and department requests began but the decision made that the Committee would review this on their own to see where cuts could be made.

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OPEN TO THE PUBLIC:

No one came forward.

ADJOURNMENT:

There being no further business, the meeting was unanimously adjourned at 7:28 p.m. on motion by Rich, seconded by Bergenfeld.

Respectfully submitted,

Lora L. Olsen, RMC
Township Clerk

APPROVED: April 20, 2016