Finance Committee Minutes – 11/19/14

Present: Hamtil, Little, Malek, Beaumont, Shute, Rich
Absent: Hoyer, Bergenfeld

Minutes of 10/15/14: Approved

Shared Services:
Police: $15K contract with E. Amwell will renew in Jan.
Construction Office: E. Amwell will use our Construction Office, approximately doubling the workload and fees collected there.

Township Debt Service:
Shute distributed a revised debt schedule running from 2014 to 2026. Schedule includes the 2013 and 2014 refinancing, the new school tax referral issue and the accelerated payoff of the fire truck. Total reduction in debt service payments is about $1,725,000 even after including the $650,000 school tax deferral issue. The $1,900,000 in down-payments from the Open Space trust account for most of this improvement, but there were also large interest savings in the 2013 issue.

School RegionalizationTax:
Beaumont led a discussion of the WAT estimated cost share of the regional HS next year using the recently released state figures for 2014 equalized valuation by municipality. The state ratio for WAT is 94.34 which equates to a higher equalized value that the 98.75 ratio he arrived at by analyzing recent home sales vs assessed values. The county also calculates an equalized valuation and their ratio for WAT is 98.01, much closer to his estimate. The estimated school tax savings for WAT taxpayers using the higher ratio would be about $77,000.

According to regulations, an appeal of a state defined ratio must be submitted within 45 days of Oct 1. Dave appeared at the TC meeting on Nov. 10 to present the case for an appeal and the application in pending, although the deadline for the appeal may have been missed by now.

JCP&L WAT substation upgrade:
Rich reported that according to the League of Municipalities there will be no increase in state funding for WAT as a result of the project under current rules.

Proposed Penn East Pipeline:
Hamtil led a discussion of possible alternate routes for the pipeline and why the current proposed route may have been selected. He will try to find out if the Transco pumping station in WAT will be utilized by the Penneast pipeline.

Township Property Use (SHREC):
Rich reported that the project is again on indefinite hold pending resolution of an undefined "snag" which involves other Solops project(s).

Insurance:
Rich outlined efforts to procure competitive bids for the WAT master insurance policy.

Cost of Municipal Government Report:
A recent report out of Rutgers investigated the cost of municipal governments in New Jersey and concluded that, on average, smaller rural governments are just as efficient in delivering services as their larger counterparts. Large cities were the least efficient. The conclusion concurs with the study done by WAT in 2012. Beaumont distributed a table comparing WAT costs to other Hunterdon County municipalities. WAT municipal tax is currently 13.5% of the total tax bill vs.

the county average of 16.3%. Total property tax on a home assessed at $100,000 is currently $2,287 for WAT vs. the county average of $2,590, indicating that despite our small relative population WAT is very competitive with other Hunterdon County municipalities.

Next meeting: December 17

Submitted by Hal Shute 11/20/14