

**WORK SESSION
MUNICIPAL BUILDING**

**February 25, 2014
DELRAN, NEW JERSEY**

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 December 26, 2013 and posted on the bulletin board on the same date.

ROLL CALL: Ms. Pangia, Mrs. Kolodi, Mr. Schwartz, Mr. Morrow and Mr. Catrambone were present.

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

BUDGET DISCUSSIONS

Mr. Hatcher reported that we reviewed the budget and there were a few items that he mentioned that may need to be adjusted, one area is snow removal. He also had proposal to fund three different trust fund item. With these items added to budget, there is no tax increase and no budget increase. We will be utilizing the same amount of surplus as we did last year. We have added \$10,000, to the streets and roads for the purchase of salt and sand. This has to be done because we have exceeded that amount that we anticipated. We also added an extra \$10,000 to the line item for reimbursement to the condominiums for snow removal.

Mr. Paris asked if there is enough funding in the budget for the necessary pothole repairs.

Mr. Hatcher stated that he believes we allocated a little extra.

Ms. Pangia stated that we allocated \$6,500 and last year we spent \$3,000.

Mr. Hatcher stated that it is up to Council if they want to increase that line item for road material.

Council agreed that they would like to increase that line item to \$10,000.

Mr. Hatcher stated that it will not have an impact on the budget.

Mr. Hatcher stated that the budget provides a \$40,000 appropriation to a trust fund for snow removal in the future. This is the first year we are in a position to add this and it will help if we have another difficult year.

Mr. Hatcher reported that we added a \$100,000 appropriation in a trust for funding accumulated absences. We have about a \$700,000 obligation but this is the first time we were in the position to add that appropriation. This will help in the future because right now when we lose an employee we cannot fill the position right away.

Mr. Hatcher reported that this budget also provides a \$100,000 appropriation for funding an obligation for medical insurance upon retirement.

At the end of 2013, our surplus is \$5,643,000. We generated \$500,000 in additional surplus. Some issues, which he mentioned previously, that we have to be concerned about is the down turn in the tax collection rate and tax appeals. We took some positive steps a few years ago and reassessed when the property values decreased. The budget as a total is lower than last year's budget. The tax levy to the residents decreased by \$42,725.69. Overall, the tax levy is \$126,954.00 lower than the previous year. We are using the same amount of surplus as the previous year.

Mr. Hatcher reported that with the sewer budget, we had \$2,300,000 in surplus at the end of 2013. We are looking at no rate increase. The budget is down from last year which is in large part due to the debt service.

Mr. Hatcher reported that with the capital budget, he provided Council with a summary of the projects. The first part are projects that currently have no funding attached to them. They total \$1,496,500. The next part are the funded projects, which include the following grants:

- Route 130 Sidewalks for \$250,000
- Tenby Chase Drive for \$205,000 (DOT Grant)
- Water Quality Improvements, \$130,000
- Delran Community Park, \$96,000
- Hazard Mitigation Grant, \$210,000

These grants total \$ 891,000.00. Essentially we will be provided with reimbursement for these grants but some carry the requirement for matching funds. Mr. Hatcher stated that he estimated the matching funds to be about \$85,000 but he rounded that number to \$100,000. When we add that \$100,000 to the other unfunded projects the total capital is at \$1,596,500.

Mr. Hatcher stated that the sewer capital does not impact the municipal budget. Currently we have no debt service in the sewer budget.

Mr. Hatcher stated that the first thing we look at when we authorize debt is whether or not we have capital improvement fund money remaining to cover the down payment. Coming into this year we had \$118,000 in that fund. Based on the \$1,496,500 amount, the down payment would be \$79,825. With the \$118,000 we had and the \$50,000 we budget for 2014, we have enough down payment money. The impact to the budget would be \$124,560 per year based on an eighteen year payback. For the first few years, we would most likely only be paying the interest on the notes until we went to permanent financing. That amount is equal about one penny to the tax rate. For each \$100,000 we add to the capital budget it is about \$7,800 in debt services.

Mr. Catrambone asked what affect the \$100,000 has to the resident.

Mr. Hatcher stated that each \$100,000 impacts the average tax payer about \$2.50 per year.

Mr. Hatcher stated that he would also like to add the Fifth Street Pump Station project to the capital budget for the Sewer Department. If Council has the intention on doing that project through the NJEIT loan, we need to have that on the plan. Council agreed.

Mr. Catrambone stated that we discussed last week adding an additional \$200,000 to the capital budget for the road program. We need to decide whether we want to add any additional funds for the Delran Community Park.

Ms. Pangia asked if we have a breakdown of the costs for the items included in Phase-2 of Delran Community Park.

Mr. Paris stated that he discussed this with Mr. Winckowski and the bathrooms/concession building was about \$500,000. The lights for each field, about \$150,000. He asked about parking lot lights and Mr. Winckowski felt that the project would fit into the \$96,000 grant.

Mr. Catrambone stated that he does not want this project to stop moving forward. We need to show the county that we are moving forward.

Mr. Hatcher stated that there are sixteen projects in Phase-2 and they include:

- Lighting for Field 4 - \$20,000
- Lighting for Field 3 - \$70,000
- Lighting for Field 1 - \$110,000
- Lighting for Field 2 - \$75,000
- Stone walls for tot lot area - \$90,000
- 42 inch safety fence for tot lot - \$26,400
- Concrete paver patio w/solider course – \$66,000
- 8 six foot park benches w/concrete footings - \$9600
- Tot Lot - \$75,000
- Safety Mulch - \$10,350
- Concession Building w/bathrooms - \$448,000
- Water Service for concession building - \$4,700
- Sanitary Sewer Service - \$75,000
- 35 entrance Lights - \$102,000
- 6 Additional Lights for parking lot - \$12,000
- 8 Bleachers - \$44,000

Mr. Paris stated that the most important items are the lights and the concession building. If we light one field, we need to install lights in the parking lot and entrance.

Mr. Catrambone recommended that we do one field, the parking lot and entrance.

Mr. Catrambone asked Council that before we continue to discuss the park if they all agree that we want to add the additional \$200,000 to the road program. Council agreed. Mr. Catrambone stated that it is on top of the other capital items that we have

approved.

Mr. Morrow stated that, in regards to the park, we need to start reaching out to major corporations for donations.

Mrs. Kolodi recommended that we come up with a list of the corporations and then formulate a letter to send them. Then maybe we could each follow up with two or three of the businesses. This is something she would like to do.

Mr. Hatcher recommended that if they are going to trade off rights for things such as signage, to please run it by him first because some of the bidding laws may need to be applied.

Larry O'Leary, 154 Oxford Road, asked if the Township has considered selling the naming rights to the field.

Mr. Paris stated that it is a possibility.

Mr. O'Leary stated that we could also look at naming the concession stand.

Mr. Catrambone stated that it appears that what we increase in this budget it will have an impact on future years. For each \$100,000 that we borrow, it impacts the average homeowners by \$3.00 per year. If we were to borrow \$1,000,000, that would be \$30.00. We have to decide what we want to do. We are waiting on money to reimburse the Open Space Fund, but most of the money has been committed for debt service. Do we want to add additional funding on top of the park grant.

Mrs. Kolodi asked if we are looking at additional debt service for next year.

Mr. Hatcher stated that this year we had a drop in debt service but it will increase a little next year and the year after that. At the same time, we will not have to make contributions for the long liabilities next year. Going into next year, we should be about where we are this year, holding all things equal. That is in exception to what we add tonight.

Mr. Catrambone stated that since we are introducing the budget next Tuesday, we need to come to some understanding as to what we are willing to accept for next year.

Mr. Hatcher stated that Council does not need to decide on what projects at this time they just need to agree on a budget amount.

Mr. Schwartz asked what the amount would be if we did all of Phase-2.

Mr. Hatcher stated that he believes that we would be around a one cent increase, which is about \$23.00 to the average household.

Mr. Paris stated that it does not include the other capital items we approved.

Ms. Pangia asked what that amount is equal too.

Mr. Hatcher stated that it is approximately \$125,000 per year, which is a little less than a penny. A penny is equal to about \$140,000, which is \$23.00 to the average household.

Mr. Catrambone stated that if we add the extra \$200,000 for the roads and \$150,000 for the park improvements we would be adding approximately \$9.00 per year for the average household.

Mr. Hatcher stated that the \$9.00 is on top of the \$21.00 impact for the other items in the capital budget this year. You will not see the impact all next year but that is the only number he can give Council at this point.

Mr. Morrow stated that he feels any additional money should be put to the road program.

Chief Parente recommended that if we install lights in the park we also look at security cameras.

Mr. Catrambone stated that he agrees that those projects should be done together. He recommended that we keep the number for the park improvements at \$150,000, on top of the \$96,000 from the County. That may get us the entrance/parking lot lights, lights for one field and possibly security cameras.

Mr. Hatcher stated that we are also waiting on \$550,000 in reimbursement from Green Acres.

Mr. Paris recommended that we also talk to the AA about which field would be the best field to have the lights.

Mr. Catrambone stated to remember that this is just a plan. Just because we budget \$150,000 does not mean we have to spend those funds.

After additional discussion, Council agreed to move ahead with \$200,000 increase for the road program and \$150,000 for improvements to Delran Community Park. Council will decide later on how to spend those funds for the park.

Mr. Catrambone asked if we need to address the sewer budget. We discussed the possibility of a onetime credit to the sewer bills. We indicate that on the bill that this is a onetime credit because of the current situation. Mr. Catrambone has recommended a \$50.00 credit per user. Mr. Catrambone reported that the Auditor said he never recommends a credit but if we were going to do it, this is the only possible year. The surplus is up to \$2,300,000 and we have no debt service due this year. The total cost would be \$300,000. In transparency, Mr. Hatcher has not supported this credit but this is the only time we can offer this credit. Mr. Catrambone asked Council to consider the request.

Mr. Hatcher stated that in talking to the Auditor, the credit would take place on the second quarter bill. We would also need to reissue bills to show the credit.

Mrs. Kolodi asked if it will impact the office.

Mr. Hatcher stated that yes, they will have to reissue bills.

Mr. Schwartz asked if it is possible to include a letter with the bills.

Mr. Hatcher stated that we still need to adopt a resolution to indicate that this is what we are doing. This would have needed to be done in November, to be indicated on the bill.

Mr. Paris stated that the residents will be confused getting another bill for the second quarter.

Mr. Catrambone asked if we could do this for the fourth quarter, that way it would be at the end of the year.

Mrs. Kolodi asked if we could approve this and then have it on the bill for next year.

Mr. Catrambone stated that we could but we have said we were going to do this and every time we talk about it, it is too late.

Mr. Paris stated that if it messes up the billing it is not worth it.

Mr. Catrambone asked if we could just do this for the fourth quarter this year.

Mr. Schwartz asked what happens if a resident pays their bill for the entire year.

Mr. Hatcher stated that it will show as a \$50.00 credit on the account.

Mr. Paris stated that he feels the easiest way to do this is to announce it this year and have it affect the first quarter next year. That way the credit is printed on the bills.

Mr. Catrambone stated that since we do not have to make a decision tonight, he recommended that we think about this and find the best way to handle it.

NON-UNION SALARY DISCUSSION

Mr. Morrow stated that he requested to talk about this issue. He recommended that we approve a 2% increase for the non-union employees for 2014. Council agreed.

Ms. Pangia asked if we should do this before the budget is adopted.

Mr. Hatcher recommended that we wait until it is adopted.

Ms. Pangia asked what the unions are receiving.

Mr. Hatcher stated that we have only settled with the police but they are receiving a 2% increase.

REPORTS

Chief Parente – No report.

Ms. Eggers – No report.

Mr. Hatcher – No report.

Mrs. Kolodi – Mrs. Kolodi reported that she talked to Glen Kitley at the School Board and the presentation will be on March 10th in the auditorium. He was not sure of whether the time was 7:00 P.M. or 7:30 but he will let her know. He asked what they would like in the program and she told him to put Mayor and members of Council. She told him that she will say something on Council and that the Mayor will read one proclamation. We will also be first on the agenda.

Ms. Pangia – Ms. Pangia reported that the mammogram van will be back in April and May.

Mr. Paris – Mr. Paris reminded everyone of the JIF event that is on March 12th at 6:00 P.M.

Mr. Catrambone stated that he will not be able to attend the event.

PUBLIC PORTION

Mr. Morrow made a motion to open the meeting to the public for comments, seconded by Mr. Schwartz. All were in favor, motion approved.

Gina Reed, 157 Oxford Road, stated that her questions were answered in regards to the water quality improvements at the Swim Club.

Larry O’Leary, 154 Oxford Road, discussed with Council the condition of Oxford Road and presented pictures. He understands that they are not a major road but it is in bad shape.

Mr. Paris stated that Oxford Road is high on the list of roads. We also have an issue with the intersections coming into Haines Mill Road from Hunter Drive to Conrow Road. The way that they designed the road to connect to those side roads, did not allow for any overlap. Now we have those intersections, on top of the other intersections.

Mr. Morrow stated that after this winter we will need to re-evaluate the roads.

Mr. Hatcher stated that if the weather clears, we can get that done pretty quickly.

Mr. Catrambone stated that we need to talk to the Engineer and Jerry DeSanto, Public Works Superintendent to explain the list of hot spot areas. We need to figure out if we want to spend the \$1,000,000 in the road program on just intersections and maybe one road.

Mr. Morrow stated that unfortunately some of these roads will need base repair and that is what drives the cost up.

Mr. Hatcher stated that on that side of the highway, with the clay soil, roads do not last as long.

Mr. Catrambone stated that we need to continue to be aggressive with grants.

Mr. Morrow stated that we need to look at the federal level. There is money in the 2009 Recovery Act that is still sitting out there. Maybe we need to have the Engineer reach out to see if those funds are available.

Mr. Hatcher stated that he will get Council an updated list on the roads.

Mr. O'Leary stated that the Swim Club has a major issue with water and they are hoping that the swail will help correct that issue. Once that is done they will be looking to redoing the parking lot. He asked if there is a way for the Swim Club to pay for the project but include it with a project that the Township is doing.

Mr. Hatcher stated that with all the regulations that we have to go through, we may not get a better rate but he will look into this to see if it is possible.

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

Mr. Morrow made a motion, seconded by Mrs. Kolodi to enter into closed session to Litigation- NJ American Water Company Tax Appeal. All were in favor, motion approved.

Mr. Schwartz made a motion to end closed session and reopen the meeting to the public. The motion was seconded by Mrs. Kolodi. All were in favor, motion approved.

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

Respectfully submitted,

Jamey Eggers, Township Clerk