

**TOWNSHIP OF MIDDLE
TOWNSHIP COMMITTEE
WORKSESSION AGENDA
April 6, 2009 4:00 P.M. (prevailing time)**

CALL TO ORDER:

Mayor's announcement: I hereby declare that notice has been given to the Herald Times, the Atlantic City Press and posted on the bulletin board of the Middle Township Municipal Building, stating the time and place of the following meeting, as required in P.L. 1975, Chapter 231 of the State of New Jersey. (Sunshine Law). Notice of this meeting was properly given in Resolution No. 26-09 entitled "Establishing Work Session Meeting Nights" which was adopted by Township Committee of the Township of Middle on January 5, 2009

Members present are Mayor Doughty, Committeemember DeLanzo & Committeemember Barry.

Business Administrator Mark Mallett, Township Clerk Kimberly Tomkinson, Municipal Solicitor James Pickering, Municipal Engineer Vincent Orlando.

FLAG SALUTE:**DEPARTMENTAL REPORTS AND PROJECT UPDATES:****Administration/Finance:**

GovDeals

Mark Mallett: I just want to talk about what Gov Deals is. We've got some automobiles, old police cars and things like that that we want to auction off and this is an online auction similar to what EBAY is. Cape May County does it, I think they were the first in the State of New Jersey to do this.....Ocean City, Cape May, I talked with Ocean City and they said it has been very successful for them and they certainly recommend it and with some of the older automobiles and some of the other assets that we have, and want to dispose of, I recommend that we move forward in doing this online auction. I believe we wanted to have it open for discussion today and looking for a resolution for the next meeting.

Mayor Doughty: My opinion is the longer we can keep it closer to summer there might be a few more dollars flowing, whether it be somebody local or not.

Committeewoman DeLanzo: Does that work like minimum bid, in other words you put a price out there and then you have the right to refuse it, is that how that works?

Mark Mallett: Right. We can put a puller on the bid and the people bidding on it don't have to know what that is.

Committeewoman DeLanzo: Ok, but you can say I don't want to sell it then...and it can be on a rolling basis so whenever you have the inventory ...

Mark Mallett: Yes, we can just put them on so we don't have to do it all at once, it can be ongoing throughout the year as we have items.

Committeewoman DeLanzo: And then if someone far away buys it they have to obviously come here.

Mark Mallett: Yes, it is their responsibility to pick it up.

Committeewoman DeLanzo: And you mentioned something about being a third party pay thing, so we're not going to ...

Mark Mallett: Right, Gov Deals will do it where they will collect the money via PayPal and if it is over \$5,000 they will have to get a money transfer or money order and that will be a part of the whole transaction. They have certain limits on what they take as commission, I believe it is 2 1/2 or 3% if it is under \$100,000 and above that I believe it is 5%.

Mayor Doughty: And this is run by the State of New Jersey.

Mark Mallett: No it isn't, this is a private company that does it and they do this in 22 states within the US and 45 municipalities within New Jersey.

Mayor Doughty: And this is sanctioned by the State of New Jersey.

Mark Mallett: Yes it is, it is under State Contract.

Public Works & Engineering:

Reagan's Run- Tree Bond - Default

Jim Pickering: I had asked that this be put on the agenda Mr. Mayor. There is evidently a tree bond in affect for this street and they are supposed to plant some trees and it hasn't been done, Mr. Orlando and I have corresponded and spoken, it's been 3 years now....I was just going to bring it to the boards attention and ask that we declare the bond in default and plant the trees with the money that is there, it is about \$6,000, I think in overall bond so I wanted to put it on the agenda to declare it in default so that we can.....which might spur them to plant the trees themselves or allow us to do so.

Mayor Doughty: Ok, so this will go behind all the existing houses on.....

Vince Orlando: Mayor, remember when they were clear cutting, this is those trees that they agreed to plant. They did a tree planting plan and it mostly occurs on the sides of peoples properties. I would think that we have probably written to them 3 maybe 4 times inquiring about the status and we have received nothing.....no response.

Jim Pickering: Is the developer out of there at this point.

Vince Orlando: He is. The developer is still in the area, it is Ryan Homes, but they are out of that particular development. So at this point I think that there are 3 maybe 4 lots that have tree planting plans, roughly \$1500 a lot for tree plantings.

Jim Pickering: I will draft such a resolution, Kim and I will coordinate it.

Street Lights – Raleigh Avenue

Kim Tomkinson, Municipal Clerk: If you recall maybe about 2 work sessions ago it was presented that the residents of Raleigh Avenue are willing to pay for the installation of 3 street lights on that street.....they are asking that if they pay the installation cost, each with a 70W lamp, if the Township would be willing to incur the cost of the electric bill monthly, which I believe is \$5.19 per light per month, so you guys need to decide how you want to handle this.

Mayor Doughty: I think that this was one of the things that was left with Mr. Alexis and it didn't get quite finished.

Clerk Kim Tomkinson: I know Jim had started it originally and one of the street lights prior to them offering to pay for the 3, the Township was going to take over, this was last year and since then our budget for street lights has changed a little bit and the residents are willing to pay for the installation of the 3, but we would have to take on paying the monthly electrical charges, just like we would with any other street light.

Committeewoman DeLanzo: My only concern, we get requests all the time for street lights, it is like the number one thing in the Township that people would like to see and I haven't visited the street, just to be honest with you, to see what they are talking about and why it needs to be 3. Certainly my only concern would be going forward and starting a precedent...I am going to go look at this and see why there need to be 3, is it a long stretch, does anyone know.

Mayor Doughty: Yes, I am very familiar with it....it goes from basically up near Home Depot Route 9 all the way to Pennsylvania Avenue.....it is a pretty long stretch in there.

Vince Orlando: It is probably about 1000 feet, maybe a little bit longer....1200

Committeewoman DeLanzo: Are there lights on that street now?

Vince Orlando: Not really, not on Raleigh. This is a new street that we recently built, newer homes. Typically those requests that you received prior were for the Township to install the street lights. I think this is somewhat of a de minimis request; the owners are willing to front the larger of the cost for each street light, which you know are approximately \$750 each, so they are willing to forgo and pick up that cost, they can't pay the electric fees because it is on our right of way, so that would be the only way for them to install it is for us to pay the monthly charge, and that is typically what we do with developers too, they pay the cost for the street light and then we pick up the electric cost and that is protocol. In this case, the Township actually built the improvements so that is why there are no street lights included in there.

Jim Pickering: Are street lights part of our ordinance.

Vince Orlando: They are.

Jim Pickering: So if a developer comes in and builds 1,000 foot road, is it based upon how many feet there are, linear feet, how many homes there are, or what.

Vince Orlando: They are usually spaced between 400 and 500 feet apart, so on this street 3 lights would seem to be justifiable in this case.

Jim Pickering: And we have requirements as to how high they are, the type of voltage, the type of light, anything like that.

Vince Orlando: We do. If you look at all the new subdivisions they are required to have kind of a Victorian, it is called a Traditionaire fixture, we don't use the Cobra head post anymore, all the new subdivisions have those type fixtures. I'm not sure, but I would assume that is what they are putting in.

Kim Tomkinson: It doesn't specify on this.

Vince Orlando: Then we would request that they put the new fixture in, they have been doing that now for 6 years, maybe 7.

Jim Pickering: Does that ordinance take into account like the least light pollution, use the least amount of electricity, the type of bulbs that are used that they cost the least, that kind of thing.

Vince Orlando: During the site plan approval process it does, and it is usually from recommendations from Atlantic Electric that we work hand in glove.

Mayor Doughty: They usually call the shots on these things.

Vince Orlando: Three 70W fixtures on that stretch of road is adequate and probably more than reasonable. If they are going to do that I would make sure that they are putting in the new fixtures because while the electric company will put anything you request, on all the new subdivisions in their site plans they are required to put the Traditionaire fixture, which has a little bit less light pollution and are a little bit more aesthetic.

Jim Pickering: How much is it a month?

Kim Tomkinson: It is \$5.19 per month, per light.

Mayor Doughty: I make a motion that we continue on with it.

Committeewoman DeLanzo: Yes.

Kim Tomkinson: I will put a resolution on the next agenda and then you can vote on it.

Mayor Doughty: OK

Legal:

Construction/Plan/Zoning:

Recreation:

Police:

RESOLUTIONS:

ORDINANCES:

(Proposed Ordinance 4/6/09)

Amending Chapter 131, entitled Emergency Medical Transport Services

Kim Tomkinson: If you remember, this was on another work session. Mark, you may want to elaborate.

Mark Mallett: This is part of the ambulance fees and we are proposing to increase from \$400 per run to \$550 per run. This is going to get us more in line with what some of the other municipalities in the area are charging. In addition to that, we are going to look at charging for load miles and that is actually the insurance company's will pay out insurance for load miles from when the patient is picked up until they are taken to the hospital or wherever their final destination is. There are several municipalities in the area that also charge load miles too, so it is just putting us in line a little bit more with what other folks are doing.

Committeewoman DeLanzo: And that is all that is changing? Previously people without insurance didn't have the ability to pay ...

Mark Mallett: Well with some of it, Medicare or Medicaid, insurance will pay a set amount....\$350 or so.

Sean McDevitt: Different insurances pay different amounts. Medicare will pay close to \$300 per month, and by law everybody has to be billed according to the Township's decision as to how we balance bill, like that and load miles are above and beyond what the insurance will pay and they all start to add up after a while.

Mark Mallett: I think Medicaid was like \$7, \$6.50 or \$7 per load mile, I always mix up Medicare and Medicaid, but I think it was like \$7 per load mile.

Sean McDevitt: Medicaid was like \$6.50 or \$7 per mile and Medicare will pay and some of the other insurances, car insurances pay pretty much the exact amount...

Mark Mallett: Right, and we are looking at \$8 per load mile.

SPECIAL PRESENTATIONS OR DISCUSSIONS:

Presentation by Mr. Smith regarding ATV's.

Mayor Doughty: I have been working with Mr. Smith on going over some locations with ATV's and I asked him to come in and discuss it with everyone.

Steve Smith: In the community we have a lot of people that ride motorcycles and ATV's and currently there is no place for people to ride these quads or motorcycles, which is a little hindrance on the police because they are called pretty frequently because people are riding on private property or they are riding down the street, which is not safe, they are not insured, they are not licensed or registered. The purpose of this park, which is proposed for Ft. Apache Campground, if you are familiar with that right next to Menz's Restaurant off of 47 in Rio Grande, and it is to provide a safe legal place for people and families to ride their ATV's and motorcycles. The community would also be involved, such as like if it is opened different groups like the Boy Scouts or Girl Scouts could be involved to like serve some sodas, cook some burgers or hotdogs to provide, that way they can get funds for activities that they want to plan for whatever they want. There are RTP funds available through the State that we can apply for at anytime during the year. We have proposed hours of operation, just a start, I guess this is a practice run to see how it goes, you know, to see if there is any decrease in the amount of people riding through the streets or riding through people's yards, or it is just going to provide a better place for people to go, it's going to be a structured environment, it's going to be policed. There are age requirements that we are going to start with, training....there is supposed to be a safety training course that they have to take, we will have like a discounted rate for students that have a C or above average, there will be certain rules that they have to follow, which I have some flyers I will pass out to people so they can look through it so I don't have to take up too much of people's time and that is about it. Any questions from anybody, I would love to get some questions.

Female: What does RTP mean.

Steve Smith: It is a recreational trails program that is provided through the State of New Jersey. There are motorized and non motorized trails funding that they provide for people that want a proposed area for them to get the funds from the State, so say it is a million dollar fund, 30% goes to motorized trails and the other monies are subdivided through whatever programs they want to start, so there might be 20 trails out there already that are getting funds for this so this would be just an added portion to it.

Madelyn Filipski: Yes, who did you say you were working with on this?

Steve Smith: I am working with Mayor Nate Doughty on it.

Madelyn Filipski: Ok, and you are like a resident and you have an organization?

Steve Smith: Yes, I am a resident. An organization, I wouldn't say it was an organization, we have taxpayers that buy these vehicles and there is nowhere for them to ride. It is going to cut down on all the malarkey that is going around. The only time you see things for ATV's or motorcycles is when it is a negative thing in the paper and it is really not all about negative things, there are a lot of positive things that can happen.

Madelyn Filipski: I can sympathize with that you need places but what I am concerned about is the money, how much is it going to cost us or whatever funding you said comes from the state?

Steve Smith: That is already allocated from the State, I don't have anything to do with that.

Madelyn Filipski: What I am saying, what is the bottom line figure?

Steve Smith: The bottom line figure, I am really unaware.

Jim Pickering: I can tell you, I spoke with Mr. Smith on the phone today, I looked at the materials that he has provided and there is money through the grant program that he has referenced and if the Township decides that it wants to go through with this it will have to apply, get the funds, that sort of thing. Township Committee would have to have further discussions and talk with Mr. Smith as to whether or not this is something that they want to pursue or not and the budget is certainly one issue of great significance. I was frankly concerned about liability issues and whether or not the Township would be facing an increase in insurance cost because of this. I was concerned about any number of issues that you can imagine that result from ATV and motorcycle use. We have all been here at meetings and people have raised their issues and concerns about the ATV use on public streets, on private property and other places like that and Mr. Smith proposes something that might help alleviate that problem. Other questions arise though as to whether or not to get to this facility people are using public streets and those sorts of things, so I think there are a lot of questions left to be answered from a legal perspective, from a budgetary perspective, and also whether this is a use to which Township Committee and our community wants to use the Ft Apache site or not, so there are a number of things out there.

Steve Smith: I still have more information if people would like to hear it. As far as cost, as you are well aware, Ft. Apache is owned by the Township, they already own it, but every individual that goes there that wants to be a member of the riding park, there will be a fee so all the fees will be delegated, it is a non profit thing, the only thing it will go back to the Township, it would actually help the Township, whether we put the monies in for taxes or property rebates or something, it is not up to me, it would just be helping, there really wouldn't be a cost.

Madelyn Filipski: In terms of, and almost nothing is not never a cost and as a member of an association that is trying to keep your taxes bearable, we would like to know a bottom line cost. Is it a million dollars, is it a hundred thousand dollars, is it twenty, and so

Steve Smith: Really it is not going to cost nothing but people's time cause it is already owned by the Township, it is not going to cost any more money than we are already paying for the property...

Madelyn Filipski: But I am thinking that you are going to have trails, maintaining trails, and you are suggesting that it is all going to be volunteer. I would like for you to have that, I need to say that, but I also in looking at the economic structure of our community and our country, we don't have money to spend. I guess I want to see what is the bottom line and I know you don't have it now so at some point....

Steve Smith: Ok, sure.

Dan Lockwood: I guess I am just confused, but are you just proposing that people just be allowed to ride on the park or will there be trails made, I think that might help answer the question. Does this permanently change the plans or

Steve Smith: It is just a stepping stone.....this is a stepping stone to see how the turn out is, how people treat the environment, how people get along with each other, how their safety is, we are not just going to go use any parcel of land, I mean this is already a place that exists, we are not going to tear any woods down or anything like that, we are just gonna use what is there already because as you well know it used to be a trailer park, so there is not going to be any electric, there is not going to be any water, we are just going to use what is there, so it is not going to cost any amount of money but volunteers.

Female: Wouldn't that put extra on the police officers?

Steve Smith: No, there will be a couple of people allocated to make sure that the rules are being followed....I'll stay out there, I'm all about it, I'll go out there as much as I possibly can to make sure that the rules are being followed and people are being respected and people are using the safety they are supposed to use. This would free up the police. Instead of them going around and chasing people on their 4 wheelers or having a call I got people back in this pit that nobody is supposed to go to because it is private property, then they got to stop what they are doing and go down there and check that out, it is going to take time away from what they are really supposed to be doing like crime and drugs or whatever. I think it would free up time for the police. Maybe it will cut down on all the calls that they have where they are complaining about 4 wheelers going down the street. It is probably always going to be there, but I think it will decrease it by a lot.

Vilma Pombo: Are you planning to use the whole park? I don't know how many acres are there but are you planning to use the whole thing and nothing else would be there but these ATV's.

Mayor Doughty: Vilma, when he is done, then I will describe what we've done, Mr. Smith and I, ok.

Vilma Pombo: But how many acres....

Mayor Doughty: I will describe that at the end, thank you.

Madelyn Filipski: Do you have any of your material that you said you had about a successful community doing this?

Steve Smith: Yes, we are doing..... whoever wants copies I will give them out to you. In Atlantic County, the Police Association, they started one a few years back, we are basically going to go off the model there, I am pretty sure it is a 30 acre parcel that they are using now and all the information is in there that you need as far as safety, the application fee for a waive of liability because they took a safety course, the expense of how much it cost for a person to become a member and that's about it. There's no other places in this area that offer that and there is a need and I am trying to come up with a solution for that need.

Madelyn Filipski: I don't see in here any accidents or liability cases and we had almost \$400,000 in legal fees last year in this community and this seems to me like it would add a big liability, did I miss it in here, like how many accidents in a place....

Steve Smith: I didn't really include that because there is no facilities in this area. Every year in Wildwood there is 2 races, it is right there in Wildwood, every year they have a race there, people go there, they register their vehicle, they pay their application fee, there might be one accident, but they take their own risk....they know there is a risk when they ride these things, so you are in control...it is like riding your car on the street, if you don't maintain control of your vehicle at all times and you smack into somebody, that is your fault. So, if you are riding on this trail and you accidentally run into somebody, then that is on you, so you can register and insure these vehicles, but you can't have a license for the vehicles, that is the whole issue. It would be like buying a car, you can register and insure it, but then you can't have anywhere to drive your vehicle.

Mayor Doughty: Mr. Smith and I rode to Ft. Apache, all the way back to the very end where the trees and the roads were when it was a campground. We are probably looking at 10 to 15 acres, possibly 20 at the most all the way at the very back, Vilma that would be the only area that would be taken up if we proceed with this. There are roads back there where the old campground was and there is dirt existing for the hills and valleys, what have you, this is in its very infancy. He has stayed on top of this with me and we are going to look into it more. This gentlemen has a business in the Villas with these, correct?

Steve Smith: Yes

Mayor Doughty: He is a very responsible individual and we are looking into it. Thank you very much.

Mark Mallett: What I wanted to do was just a brief presentation and hopefully if some of you have questions, you had a chance to look over the budget this past week or so. When putting together the whole budget, we worked very closely with Township Committee and the Department Heads. Budget has been checked to make sure it is in compliance. There are 3 major sections; Tax Rates, Revenues and Expenses. First is Tax Rate – is there a tax increase? Yes, 1.2 cents. How does this increase compare with last year?

Here is a chart that is showing what the taxes were in 2007, 2008 and the proposed 2009 budget. In 2006 we had the reval so we are only looking at 2007 as our base line. In 2008 the tax increase was 2.2 cents, 32 cents or 7.4%. This year we are looking at a 1.2 cent increase, which is about 3.8%, so we really did look at a lot of opportunities for savings. So, how much are my taxes increasing....the average set value for a home in Middle Township is \$299,026, so basically \$300,000. The 1.2 cent tax rate would be \$12 per hundred thousand dollars....it will be averaging around \$36.00 for each property in Middle Township....some will be a little less, some will be a little more, but that is just an overall average. Is the 1.2% increase at the 4% levy cap? No, we are \$183,000 under the levy cap. If you take a look at in 2008 we were \$164,000 under the levy cap. How have revenues been impacted by the economy? For some of these next charts we are going to show increases and decreases and these increases and decreases are as compared to the 2008 budget. When you take a look at where we see about a \$600,000 decrease in revenue, it's in a number of areas, it's in surplus and as our budgets get tighter and tighter, the amount of money is declining. C&E has been reduced to a total of \$171,000. There are 2 components to this, there is \$102,000, which was a reduction in the energy receipts tax and we also lost \$70,000 in Homeland Security. When you take a look at construction fees, we saw a decrease....the actual realized revenues that we saw in construction fees, interest on investments and the hotel/motel tax also declined as compare to our 2008 budget and when we are looking at budgeting this year, we are estimating those dollars that we take in will be comparable to what we realized in 2008. So, for the 2009 budget we are looking at \$200,000 in construction fees, \$260,000 on interest from investment, and around \$20,000 to \$30,000 on the hotel/motel taxes. That is what we are budgeting. Are there any increases in revenue? Yes, and this is a number of areas...some are just bits and pieces. The largest increase is when you are looking at ambulance fees and we are budgeting \$525,000 in 2009. The budget in 2008 was around \$400,000 and in the actual realized dollars that we received was around \$250,000. We believe it is more in line with actual numbers of what we did the prior year. There are 2 items on here which are new; Gypsy Moth reimbursement of \$25,000 and rents for Dennis Courts, Dennis Township now holds court here. So those are 2 new budget items. As we take a look at some of the others, they are relatively small amounts, but there are some bits and pieces that we are anticipating picking up as we look at what we actually realized in 2008. Expenses: Actually when you take a look at 2009 we are very close to controlling our costs such as labor, overtime and operating expenses. Then I guess our next question is what are we increasing? Again, these are the net numbers as compared with the prior year's budget. Let's take a look at salaries and wages, that has gone up \$200,000 and the biggest reason for this is the increases due to contractual obligations, union contracts with police, dispatch and public works. Also we have the employer retirement is going up \$128,000, we are not going to be deferring pensions, we talked about that in prior meetings. This should stabilize in 2010...we are still making up deferrals from the Whitman and McGreavy administrations. Utilities are going up, gas costs..... Let me take a look at where we decrease expenses. About \$300,000 is where we focused on really decreasing expenses and if you take a look at the line by line items, on operating expenses, we are looking at a production of about \$122,000 and this is where we are meeting with department heads and trying to see where we can tighten our belts. There are only a couple of places where we did see an increase in operating expenses and they were public works, legal and building and grounds. Public Works because we are going to start paying for some items such as mulch, soil, dirt and those kind of items and in the past there is the Host Community Benefit and as we talked at the last meeting, we are going out to bid for the items we take to Class B facilities and the items we purchase from Class B facilities. As we take a look at some of these other items, uncollected tax reserve, actually we are taking a look at that where we are budgeting 97.8% collection rate verses 97.97, which is what we actually realized in 2008, so we are going to be seeing decreases in those expenses. Insurance is down, general liability and group health insurance, there are some smaller amounts and for Capital Improvements there are some specific projects from 2008 which I believe its based on the Whitesboro School, which is not going to be reoccurring in 2009. These are just totals that we reviewed. As you take a look at summarizing these prior tables, we are down \$326,000 in revenues and we are experiencing a \$165,000 increase in expenses. This results in a \$491,000 that needs to be raised through the 1.2 cent tax increase. This is just a quick overview of the budget.

Mayor Doughty: Mark, what I think you might want to do is explain to the people the levy cap, what we are under with the State here so they understand.

Mark Mallett: The State has put a cap on...we are limited on the ability on how much we are going to be able to increase our taxes and that is 4% of our....

Glen Ortman: 4% of your prior year amount to be raised by taxation with certain exclusions, the exclusions being debt service, whenever debt service goes up you can increase taxes from whatever debt service goes up, Capital Improvement Fund, any loss in State Aid, so the \$101,000 in energy receipts tax that you talked about, you can increase taxes to make up for that loss. You can also increase taxes to make up for that loss. You can also increase taxes to make up for new construction, the assessed value of new construction multiplied by the local purpose tax rate gives you a cap add on that allows you to increase the levy cap. So, your levy cap, you could have gone to \$11,034,000 in tax levy and the proposed budget is \$10,851,000.

Mark Mallett: We are at 1.2 cents and the total amount, potentially, could have been 1.9 cents. Township Committee felt it was very important to try minimize the tax increase, the tax burden on the residents and hopefully this will show you where some of the increases and decreases were.

Eileen Fausey: I just have a couple of real quick questions so I can clear it up in my mind. In the Interlocal Revenue, does that include the animal control or...I know that we do a number of different places.

Glen Ortman: That goes into Miscellaneous Revenue.

Eileen Fausey: And the Dennis Courts, I know that is \$100,000, does that cover any expense we might incur?

Mark Mallett: No, no, we are getting \$10,000.

Eileen Fausey: Does that cover any expenses that we might incur by doing this?

Mark Mallett: On top of that we will collect operating expenses....

Tracey Taverner: Yes, a portion of the operating expenses based on the ratio of Middle tickets or Middle complaints to Dennis complaints. They are also reimbursing us for police presence in their court, any overtime incurred for call outs for off duty for court administrator.

Eileen Fausey: Ok, then the public works, you mentioned something that we were buying mulch and things like that and I wasn't really understanding how the Host Community Benefit ties into that.

Mark Mallett: Well, I think in the past, and Mr. Pickering if you want to chime in or Steve, we would bring in materials, recyclables materials such as leaves, branches, sticks and things like that and then we would also purchase items from Albrecht & Heun, so these were recyclable materials that had value and at the end of the year, quarter year, it is my understanding that it was an offset.

Jim Pickering: It was a running account as I understand it essentially, where whatever Host Community was incurred or due to the Township, it would be offset by what was taken to the Host Community recycling facility for what was purchased. As we went through, at length, at the last meeting, that was written up in the audit last year and we have taken steps to correct that. So that the community has spoken pretty loud and clear was that they want those things shown in the budget and that is what we have done so before those things were all off the budget because it was just a running account. This year we are bringing it all into the budget and Mr. Mallett and everyone has to show it in the budget.

Eileen Fausey: Well I just want to be clear in my mind that we got as much back from them as they owed us on the Host Community Benefits.....

Jim Pickering: That is a different issue, that is the issue that is under litigation, how much do they owe us, and starting this year, which is what we discussed at length at the last meeting, is starting this year we are doing this as our auditor tells us we are supposed to, being on the books and they are separate items.

Eileen Fausey: Speaking of legal, how come our legal expenses are increasing, because that is one of the items that were increasing?

Mark Mallett: Right, it is one of the items that are increasing. Let's take a look at what we spent last year which is approximately \$379,000....

Tracey Taverner: Based on the expenditures of last year and also with the contracts awarded already for this year, that is what we needed to budget.

Mark Mallett: Yes, not to exceed.

Madelyn Filipski: First of all I don't see the adding the mulch in as an added expense. I see recording the Host Community Benefits as giving us more money because we went from owing \$58,000 to a minimum of \$180,000 owed us, so it seems to me by recording it correctly we would be taking more of an income not expending. Where does surplus come from?

Mark Mallett: Surplus is excess unspent funds from the prior years.

Glen Ortman: That is partly true. Surplus comes from, if you budgeted revenues last year of X and you brought in over X, that is extra so it is surplus. If it is monies that you did anticipate in the budget as a revenue, such as Interlocal Agreements that we were talking about earlier or animal control that goes into miscellaneous revenue, not anticipated, which goes directly into surplus. We also have unexpended funds from the 2007 budget that lasts by Statute at the end of the following year, that money goes into surplus because it was never spent. In past years you had land sales added to the surplus so that is why you had a high surplus.

Madelyn Filipski: The land sale that we had for \$6,000,000 and we have chiseled away that \$6,000,000 down to \$250,000.

Glen Ortman: No, the past years, not these last several years it hasn't gone into surplus, up to 3 years ago the land sale money went into surplus. Starting last year or the year before it went into a reserve for sale of municipal assets, which is a separate item on the budget each year, specifically added and identified.

Madelyn Filipski: Ok, you have that the interest is going up on taxes, so does that mean that you are expecting there to be more delinquent taxes?

Mark Mallett: Yes, when you take a look at 08 vs 07, actually our collection rate went down slightly, it was 98.3% in 07 and 97.97% in 08.

Madelyn Filipski: So it might be logical to assume that there are some people who are having difficulty paying their taxes from that figure?

Mark Mallett: Yes.

Madelyn Filipski: Alright, ok. On the utility bills, I don't ever hear anyone say anything about what they are doing to reduce them and I am just noting that. I appreciate the generic comment that the departments are sharing their bill tightening and I wonder if you could do more to make that public, it would soothe a lot of people to know what cuts you are making, what you are doing to reduce utility usage, be specific rather than general engineering. I wouldn't put the 2007 tax increase either on there, it was 34%, so that we only went up 2% last year and 1% this year is nice, or actually I wish it had gone down and I hope you will reconsider some of your budgetary items and make it go down. In the budget specifically itself, we received a grant last year from the County and I believe the amount was \$129,000 and it was to be applied to a project within the community and I don't see that listed in the....

Mark Mallett: You mean for the hockey rink?

Madelyn Filipski: Yes

Mark Mallett: I believe that is from 08 so it is not in the.....

Madelyn Filipski: It is not in the 08 budget at all, where would it be?

Glen Ortman: It is part of a Bond Ordinance.

Madelyn Filipski: I think page 40A is not in here and that is a narrative for Capital Improvement Program and I am concerned, first of all I don't think we should be doing the hockey rink at all, we don't have this money to spend at this point and time and we don't have the money to spend with a company that we are in litigation with, so I wish it would not go forward with that, but if I look at page 40B, I see an open ended \$900,000 to be funded in future years, no expenditure of a hockey rink fund, I have problems with the way that was reported and I am still pursuing that, but I am on page 40B, I see the Davies Complex and Ft Apache for \$900,000 and where I see other Capital Expenditures involved they are very specific, we want police in-car video systems, we want curbs and sidewalks and then I see this just open ended, almost a million dollars, with nothing said, and you have a sheet that is missing that could contain a narrative that made it more specific as to where you are spending that money.

Mark Mallett: Well, when you take a look at this and this is where you take a look at \$900,000 and it is really looking at this long range capital plan for around 2014 and what we have talked about in past meetings, totally Ft Apache is where we see an opportunity to expand and grow the recreation department and we don't anticipate really spending any dollars until 2010, possibly. It is hard to say where we are going to be going in the future, but in work sessions we have talked about Ft Apache and the opportunities, we are maxed out at Goshen when you take a look at the fields. Maybe we can expand some fields down there for activities for the kids, but we are looking at spending these dollars down the road, 2010, this is just kind of framing it up of how we are looking towards the future, could that change in 6 months, 12 months, 24 months, yes, absolutely. We are trying to take a look in the crystal ball right now and just trying to lay out long range plans.

Madelyn Filipski: But the question is, if there is a narrative page that is on there, why is that not expressed that we are looking at developing this for and possibly these reasons?

Mark Mallett: We have talked about this at a number of meetings.....

Madelyn Filipski: Yes, I know, but it is an actual page in the budget that you can go to in other communities budgets that give a narrative....it says "narrative-these are the things we are doing for Capital Improvements" and we don't have one, I would like us to have one. And again, we are talking about the hockey rink, it is not on this budget.

Tracey Taverner: It was done as a bond ordinance last year, this is a projected 6 year plan starting with 2009, that was a 2008 project, it will not be on here.

Madelyn Filipski: But we are spending the dollars from back in 08?

Tracey Taverner: The funding was done in 2008 so it is not going to show up in the 2009, 2010, 2011, 2012, 2013, 2014....

Madelyn Filipski: Ok, thank you incidentally for returning my call and the 3 of us would like to take you up on your offer. I don't see any vehicle insurance on here, I see lots of insurances but I don't see any vehicle insurances in the budget, where are....

Tracey Taverner: They are built into the general liability...

Madelyn Filipski: Is that in general liability, and is that with that's company that is that overall....

Steve Barry: JIF

Madelyn Filipski: That JIF place, OK. I see that the planning board changed its method of accounting. It went from Salaries and Wages to Smart Growth Expenses....

Tracey Taverner: That has been Smart Growth for a number of years.

Madelyn Filipski: Yes, for a number of years, but I just noticed it this year. So, I am asking you, do you have any input on that? What is that?

Mark Mallett: When you take a look at what we are extending....

Madelyn Filipski: I am not looking at the money so much as I am looking at the change of designation going through Salaries and Wages to Smart Growth Expenses and I am just curious about that, I don't have any ...

Tracey Taverner: We ended up having a non existing line anymore when our planning board attorney retired, he no longer was a salaried employee, so there was no need for a salary and wage line when we needed to put the Smart Growth into the budget it kind of fell into our plan, so that is where we put it.

Madelyn Filipski: Is that salary and wages then of other people working on it or

Tracey Taverner: No, it's under other expenses.

Madelyn Filipski: Oh, alright, I see how you have categorized it, you've done other expenses and then miscellaneous other...alright then, that makes a little more sense. If we are going designate Host Community Benefits, we need to do this for the MUA also, and I don't see an MUA in and an MUA out on this and maybe I just missed it, so when we take materials to the MUA, we get a bill from the MUA and then we get money back for the MUA in the form of Host Community Benefits...now that is reconciled on one sheet that you get. I think budgetarily, and particularly given the problems that we are having with Host Community Benefits, that we need to show the actual bottom line cost of the recycling to the MUA and the actual figure that they give us in Host Community Benefits. Now, if that is on here, I didn't see that.

Mark Mallett: No, it is not on there.

Madelyn Filipski: Would you do that because I would save a lot of heartache 10 years down the line when people are looking for these Host Community Benefits. I also see the accounting has changed for street lighting, what is going on here, it used to be a lot and now it is a little bit.

Mark Mallett: Yes, that was a -----decision, people getting street lighting, where are we at....

Tracey Taverner: A thousand. We always allotted a little bit of money to try to accommodate certain areas that may have needed additional street lights added....we just felt this year that with our budgetary constraints that it was a number that we needed to reduce and really take a look at where we are at putting street lights.

Madelyn Filipski: Ok, so that was kind of counting....makes sense, thank you. Ok, supplemental energy receipts,

Tracey Taverner and Mark Mallett: All part of the State Aid..

Madelyn Filipski: Ok, that is part of the State Aid. The municipal debt service, that's the money that.....

Jim Pickering: That is not really State Aid, let me make it clear with that. There used to be a line item in the budget that was called Gross Receipts and Franchise Taxes, which is what utilities would pay to municipalities. During the Whitman administration they took that out of...they reverted it so that now the State skims some of that money off the top. So, where as it all used to go to municipalities, now the State takes a portion of it and then the municipalities get it and it now just goes by a different name, but it used to be called Gross Receipts and Franchise Taxes is what utilities such as the electric company, your gas company, your phone company, they pay for the infrastructure that is in your municipalities, so, it is not State Aid technically, it is money that we are entitled to because certain municipalities take on a greater burden of that infrastructure than other municipalities.

Madelyn Filipski: OK. By municipal debt service, does that mean that we owe \$1,337,000 in interest on our borrowing for next year, is that what that is?

Glen Ortman: No, that is the total debt service...you owe \$920,000 in Bond Principal, \$319,000 in interest on Bonds, \$4,000 in interest on notes and Green Acres loans of \$74,000. In addition you have an Environmental Infrastructure loan of \$13,000 in principal and \$7300 in interest.

Madelyn Filipski: May I ask what page we are on and what that adds up to?

Glen Ortman: Sheet 27.

Madelyn Filipski: What does that add up to, how much interest.....

Tracey Taverner: It is totaled at the bottom.

Glen Ortman: Total Debt Service \$1,337,000,

Madelyn Filipski: Well, that is what I said....

Glen Ortman: No, but that includes principal also....

Madelyn Filipski: Oh, I am sorry, I stand corrected.....

Glen Ortman: The interest included is \$319,000, interest on Bonds, plus \$4,000 interest on Notes and then there is \$7300 interest on Infrastructure Loans.

Madelyn Filipski: Alright, I see where that is now, thank you. Now, last year we wrote out checks to the Wildwood Catholic After Prom, the AARP, the Puerto Rican Action Committee, People for Missions, ARC, Habitat for Humanity and 5 various ????? (someone coughed).....I don't know where they would fit into this budget and I wonder if you would tell me.

Tracey Taverner: We actually reviewed this and went over this line by line and unfortunately you weren't here that night. There were different answers for different ...

Madelyn Filipski: Then why don't I see you and we can....

Tracey Taverner: Beautiful

Mark Mallett: Give me a ring, Ms. Filipski.

Madelyn Filipski: OK and I think that is about it.

Miles Truesdell: On page 16 there is one question on the Uniform Construction Code, you've got a tremendous increase in salaries and a tremendous increase in other expenses, and I just wondered what that might do to cause that

Tracey Taverner: That was the reallocation; we no longer have an Interlocal with Dennis Township. Originally the construction official was paid by Dennis Township so it became an operating expense to us, we paid it over to them. We no longer have that so our construction official has now moved up to the salary and wage line.

Miles Truesdell: Then the other expenses went way down if that's....

Tracey Taverner: Yes, because prior our portion of the construction official with Dennis Township was budgeted in other expenses.

Steve Barry: It was 80% of the cost of that so the staffing decreased by 80% of a person.

Peggy Mathis: The Capital Improvement, I don't have a copy of the budget so I am going to wing this....the Capital Improvement Fund, OK, the monies that you show there are not....they are monies that you would like to have, right, so you would have to go out to Bond on that?

Mark Mallett: We are proposing on bonding ...

Glen Ortman: What page are you talking about?

Peggy Mathis: The Capital Improvement one, you know, like where the firehouse, you know, the \$1.2 million for that... Capital Budget 40B...so these estimated monies, that is how much you are anticipating and you will have to go out to bond for that, right?

Tracey Taverner: Some of it we were intending on using....

Mark Mallett: We were intending on doing bonds, others we were looking at getting.....

Tracey Taverner: Capital Ordinance and utilizing funds that we have.

Peggy Mathis: OK, my question is, several years ago we had a land sale and if I remember right, some of the monies from that land sale were going to go acquisition of the firehouse \$1.2 million was supposedly to have been set aside and now we are going out and bond on that?

Tracey Taverner: This is just a projected plan.

Peggy Mathis: Yes, I know that, but I am just saying that now I hear that you are going to go out for bond issue on that, where is....I thought there was money set aside for the acquisition of the firehouse.

Glen Ortman: You have in the Capital Fund as of December 31, \$1,938,700 set aside from the prior land sales. In addition, this budget is taking \$987,000....that will add to that, so if the Township wishes to, they certainly can pay cash for it by doing an ordinance at that time. It just depends on how it fits in with the other needs and the other projects that are going on. So there is money set aside.

Peggy Mathis: So we really don't have to go and float a bond for \$1.2 million just for the firehouse because....

Glen Ortman: You don't have to, but they may consider doing that. One of the ideas with debt planning for the future is to maintain a stable debt service and not have debt service going down and then when an infrastructure comes in, that debt service spikes up the following year, so the idea is to try and keep it stable and in that vane they have to look at all of the projects that are going on and time them so that they can see which projects they want to bond and which ones they want to pay cash for.

Peggy Mathis: OK, that answered some of my questions, but on the acquisition of that land, it was supposed to be paid off in 3 years or so, I was wondering if that has been done, have we gotten all the money from that land sale?

Jim Pickering: All the money has not come in, in fact the purchaser did not make the last payment, we actually filed an action against them and they paid almost another half a million dollars in interest to extend that pay out, so the taxpayers actually realized about a half a million dollars because of that litigation because they didn't make the payment, so, while a payment in full hasn't been made, we continue to collect the interest and it is sizeable.

Peggy Mathis: Yes, I know it is sizeable, but what is the intent of the purchaser to pay that or are we going to foreclose.

Jim Pickering: If we have to foreclose we will. I can tell you that when we filed suite against them they paid almost half a million dollars, it was \$470,000 in interest, I believe for the year, where up to that time it was delinquent. For the coming year it would be another....I am not certain of the amount but I believe it is another \$470,000....

Steve Barry: It is a little less, like \$430,000 or something.

Jim Pickering: But, it was again sizeable and point that we did was to force them to make payments sizeable enough that they are invested in the project until they make the full payment.

Peggy Mathis: Because I know they have started the project, they have cut a road in, a 50' swath through the woods, but it looks like everything has stopped.³

Jim Pickering: Everything has stopped, it is, that project as with many other projects, is pending the outcome of the Plan Endorsement approvals from the State for the Township.

Peggy Mathis: OK, another question is the, I believe the County of Cape May gave us grant money for a bike path and that it had went out to bid but based on the economy, will that bid have to be redone?

Jim Pickering: The bid, whether it will need to be redone will be up to the Township Committee as to whether it feels it wants to rebid it and also whether the contractor who was awarded the bid will honor the contract or not. It has been a sizeable period of time since it was awarded.

Peggy Mathis: I didn't know if there was a time restraint by the County or....

Jim Pickering: They would like for us to move as quickly as possible and we are. We had some positive indications from Atlantic City Electric, which resulted in them sending us another application to fill out, which I am in the process of doing with the assistance of Mr. Mallett.

Peggy Mathis: Another thing is in years past the budget was always presented at a regular meeting, not a work session. Is the budget going to be presented to the people at the 6:00 meeting or is this the meeting.

Tracey Taverner: We introduce at a regular meeting and this was just an added, we were just trying to give a summary. Mark wanted to lay the numbers out....we are still having our public hearing...

Mark Mallett: Another thing, we really wanted to have an opportunity to have public comment because we have 28 days until the public hearing and we thought it would be a good idea for after folks had a chance to review it to ask questions so we could respond to them.

Vilma Pombo: Last year we had presented a list of things that we thought could have been cut from the budget and when the committee reviewed it they could have cut about \$100,000, but they decided not to do it because it wouldn't be worth it. One of those items was bulk pickup. Middle Township is the only community that accepts bulk stuff every week. Most communities pick it up twice a year, one community will not pick it up at all except for metal, those people have to take it directly to the transfer station and I was just wondering perhaps if maybe you could cut some of the money out of the budget by doing that.

Mark Mallett: That is something we are looking at. We are getting bid specs together for trash removal right now and that is one of the options that came up, that is something that is being discussed.

Madelyn Filipski: I have several process questions. As I understand it, you and the committee make up the budget and then Mr. Ortman reviews it to see that it complies with....

Mark Mallett: That is correct.

Madelyn Filipski: Do you have a format for each department head to do their budget, is there a single format?

Tracey Taverner: Generally yes, but there are certain departments that are so different, for example motor pool, the lines there going to list their numbers on are totally different from say my lines. So, for the most part yes, but there are some adjustments such as public buildings and grounds are set up just a little bit differently.

Mark Mallett: There are major expense categories and depending on the department we got postage, computer supplies, building materials....I mean everything is broken out and ...

Madelyn Filipski: Last question, I think. If somebody wants to order is there a purchasing agent, say a department head wants to order say an air conditioner...

Tracey Taverner: We do not have a purchasing agent, we do not have a purchasing department per say. Every department is responsible for researching and reviewing their own items cost wise, however, my department does monitor that for quote thresholds, bid thresholds, state contracts. We very often kick things back to a department head saying we need quotes, so while we don't actually have a strict purchasing department or a purchasing agent, we still monitor all of that.

Madelyn Filipski: So if a department headed wanted say an air conditioner, they would be responsible for getting several bids or quotes...

Tracey Taverner: We have a lower quote threshold that we have applied in house ourselves; the state is actually a lot higher. We actually are forced to get quotes for anything over \$1,000 and the state is like \$3,150, but we have it at \$1,000 unless it is state contract and then you don't need quotes.

Madelyn Filipski: Ok, do you suggest vendors? I mean if you found somebody that sells air conditioners and they are really cheap and they are serviced well, do you say this is a good guy to go to or.....

Tracey Taverner: No

Jim Pickering: I don't think you would be allowed to do that, you need to go out for quotes and the people that respond are the ones that they are required to accept from.

Peggy Mathis: On sheet 9, Anticipated on the Small Cities Grant, you got \$400,000, do you anticipate any at this time?

Mark Mallett: That was for the Whitesboro School renovation, as grants come in we will add them, right now we really can't anticipate anything...

Tracey Taverner: We haven't been awarded anything that I can put in the budget. During the course of the year as grants come in you will see the committee approving Chapter 159, which then adds to the budget. As or right now we do not have any Small City Awards.

Peggy Mathis: Ok, or any other grants that would offset our 1.2%

Tracey Taverner: No, grants would not offset that at all because for every grant there is a corresponding expenditure that same amount.

Steve Barry: They are just pass throughs.

Peggy Mathis: Ok, or matching funds, whatever.

Dan Lockwood: Starting in November you are allowed to sweep money out of accounts that have access revenues to accounts that maybe need money. Were adjustments made this year to reflect the ending balances of funds that may have been reduced because they weren't used vs funds that maybe needed higher balances because...

Tracey Taverner: Total as modified by transfer sheet.

Dan Lockwood: What page is it?

Tracey Taverner: It's on every page of the appropriation. Look at legal, ok. We budgeted \$290,000....I made transfers into that line that brought that total up to \$371,000.

Dan Lockwood: Right, and that is a reflection of last year's budget total?

Tracey Taverner: Yes

Dan Lockwood: For amendments made to this year's budget to increase legal, reduce where that came from across the board, or did you just.....

Tracey Taverner: No, every year is individual.

Dan Lockwood: Well, I understand that, but if you didn't need money last year and you were able to take it and put it into the legal fund from say, I know we did an emergency appropriation for fuel and then you guys ended up not using it, I think you reduced it...

Tracey Taverner: We used most of it.

Dan Lockwood: I understand that, but fuel is down now.

Tracey Taverner: And Mark did state earlier that with the exception of 3 operating budgets, every departments operating budget was cut, which is where I came up with that \$371,000. You are asking me if the police department had an extra \$10,000 and I took it and transferred it to legal, did I reduce the police department this year by that ten grand?

Dan Lockwood: In essence, yes.

Tracey Taverner: In essence, yes, exact numbers that that happened, no, but just about every operating expense line was reduced.

Dan Lockwood: That is basically what I was asking because I saw the 08 but I didn't see.....great.

Bernice Brunson: When you don't have the sale of a property, does the land just sit there until you put it back up for sale again?

Jim Pickering: We have a program that if someone wants to buy land there is a form I believe, I know I created one a few years ago that is in our Tax Assessor's office, that if someone wants to buy land they can go there and fill out that form and then Township Committee can consider whether or not they want to put it up for auction. There are 2 types of land sales, one is a public auction where it is done in a public auction obviously and the other is if you own land, if the Township owns land, which is less than a buildable lot, it can be sold via a private sale if there is only one person contiguous, one other landowner contiguous to that undersized parcel, it can be sold directly to them or if there are more than one other landowners then it is done through a private auction and only those 2 or 3 people

participate in the auction. We have done both here in the past couple of years that we have had both public auctions and private auctions.

Meeting adjourned 5:30 PM

MOTION TO ADJOURN THE MEETING:

Kimberly Tomkinson, Twp. Clerk

Minutes prepared by D. Stimmel, Deputy Clerk