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Township Committee – Workshop Session June 25, 2007

Devinney, Hinkle, Templeton, Ouellette Fitzpatrick

Also Present: Steven Corcoran, Twp. Administrator, Janice Lohr, Municipal Clerk; Karen Zimmermann, Deputy Municipal Clerk

Hearing on proposed amendment to 2007 municipal budget under Resolution 2007-91

Open to the public: (started here)

McLaughlin, president of library board on behalf of the board and residents: Head librarian organized petition – 100 signatures of support. Documented – thousands of patrons who use the library. Residents can use the library remotely and the county library remotely. Library is community gathering place, internet access, community activities, and informal give and take; place for seniors, teens, and children. Open evenings and Saturdays on evenings and weekends. 80% books are Township library books. Without Township contribution, library would be diminished.

Resident of Ash Street: Library has limited amount of hours and people have trouble scheduling time there. Lived here 43 years. We've always had it. A good place for the children and for internet access. Meets the needs of the school by allowing computer use until 8:00 in the evening. Both of my children are dead set against losing it. They are there 100 hours a year.

Devinney: I think I can speak for all. The issue wasn't whether we wanted a library or not. State mandate for considerably more money. We had \$50,000 – mandate to \$126,000. Bone of contention was with our budget and how we wanted to handle it. After considerable amount of effort, a solution has been found. Mr. Templeton investigated it. Our library is an association library so requirement shouldn't apply.

Corcoran: Township Committee has been through heck and back dealing with this project. It tells you about everything that is wrong with state government. Started with state library association pressuring enforcement of a standing state law to fully fund the libraries. That wasn't the case here and now this committee needed to come up with \$126,000 which would mean further tax increases. There were two state agencies fighting a turf battle. Auditor resolved it adequately so that we were back where we started from. It's still very much in debate as Mr. Templeton found. They never did address whether we qualified. The state library said no, but the people who approve our budget said yes. We are pretty much back where we started. That's good news for everybody. It gives insight as to how things work up there even when well-intentioned. It can hurt some townships.

Resolution 2007-90 appointing municipal tax assessor (tabled from the June 18th meeting) Lawrence Vituscka appointed with four yes's and a no from Mr. Templeton.

Corcoran: Concern regarding heart issues. He expects to be back in about two weeks.

Ouelette: Glad to hear his health is better.

2007 Municipal Budget

Resolution 2007-91 to amend 2007 budget (aid to library)

Ouelette: Mr. Stewart, the auditor, worked out a compromise with Local Finance Board for the \$50,000 that was outside of cap can be inside of cap, but they also raised our cap, so it's a wash. We're able to continue to give money to the library without the stipulations that were placed on it before – no dollars or 1/3 of a mil which would have been the \$126,000 that would have been appropriated.

Open to the public:

Resident of Pennington Ct: Does it appear that it will remain under the cap from now on?

Ouelette: Unless the legislature in Trenton changes the rules.

Resident: It remains to be seen if the 1/3 mil applies?

Templeton: I talked to Ms. Rosch at state library. Municipal and joint free libraries get 1/3 mil. According to the state, we have an association library and it doesn't apply. Amazing to me that we are at the middle of June and this basic question and Trenton doesn't know what they are doing. They are playing a shell game here.

Resident: Can it be resolved by next year?

Fitzpatrick: Bill before assembly asking municipalities to take this out from under cap. Contact your legislators. Contacted freeholders – we paid county library \$58,000 for the county library. Asked if there was anything in the future to help Delanco. I looked at when they did branches in other towns. They aren't taking any more. More likely to close branches in smaller towns. Hopefully they will come back with some remedy. Burlington County Library Director Gail Sweet will be subsidizing Delanco's library in 2008.

McLaughlin: If status quo remains, will this raising of the cap be able to be done for other years, or just a one shot?

Ouelette: The cap will stay there.

Devinney: Probably an agency doesn't like to be told that they have done something wrong. I'm hoping that it will just go away and they will accept.

Templeton: Ms. Rosch said it was unintended that it was placed under cap. It wasn't what they wanted. They wanted support, but didn't want to break the backs of towns. It is supposed to be inside cap; it's not an exemption given to Delanco. It gave us a choice of zero dollars or going outside of cap.

Fitzpatrick: Have a copy of public library cap adjustment decision. I can copy for Katrina and have people write to legislators.

Resolution 2007-91 passed unanimously

Ouelette: Got cap waiver for the budget for public works and police department and was granted. Now we're taking a look at other line items, but it doesn't appear that we can't do much with them.

Corcoran: 2 ½% or by ordinance to 3 ½% so that something would be done regarding raising property taxes. In communities that are built out, you can probably do it. Increasingly difficult to meet those requirements in a town like Delanco with double digit

growth each year. Cap waiver doesn't necessarily correlate to taxes; does relate to using surplus.

Budget – this Township Committee has been faced with difficult situation and critical decisions. Budget doesn't necessarily reflect increase in expenses, but does reflect loss in income. Critical areas of income are off – reserves. Last year, the Committee is always debating how much of the surplus to use to offset the property taxes. Unfortunately, \$500,000 was used last year and not replaced this year. State laws mandate a tremendous amount of what you do with a budget. To achieve a budget under cap, significant impact on major operating departments. In order to balance properly, close public works or decrease by 2/3 the police department. Community is growing and needs more services – more people and sidewalks. I've challenged Committee to find a service that can be decreased or eliminated and they don't go over well. There isn't a strong desire to eliminate services. Since we're in June, for every dollar we need to take out for 2007, we have to come up with two. We need to come up with about \$600,000. Nobody wants to face this kind of thing. We started this budget right after Labor Day.

Hinkle: This is my seventh budget. We could have started sooner. We got Sewerage Authority to waive a fee. I can't vote in favor of it.

Devinney: Agree ...I don't care for this budget. Increase \$240 for an average house. I've looked at the numbers for a considerable amount of time. We made some serious cuts to get to where we stand now. We're pretty close to getting out what could be gotten out. I feel that my best option to vote for the budget with the departments directed to scrimp and save so we can build our surplus. In previous year, we could have voted 18 cent increase and we voted for 9 cents. Now we have to take up the slack. I don't think this is a great thing, but we all put in a lot of effort. I think this is a realistic budget unless we cut services. This budget needs to be seen in the light of next year's budget in terms of budgetary amounts. If we trim everything and go into the bone, next year we have to face the situation that that affects the base from which we can increase for next year. If the citizens feel that we should make lay-offs for next year, they should so state.

Hinkle: That \$240 is only for \$100,000

Fitzpatrick: No, it's for the average house

Corcoran: Average \$240,000

Hinkle: For every hundred thousand, the budget increases...

Corcoran: For the average home, \$240

Fitzpatrick: Can't vote for this budget. Made suggestions to bring in each department. It worked in the past sometimes. Township is in a difficult time; we have a responsibility. We did get \$12,000 out of Rec. When you ask each department, it does add up. Township employee raises could have been lower. We could have done a better job.

Templeton: My first time through the process. As a new committee person, I'm asking a lot of questions. Very difficult – many department heads have been extremely helpful regarding their requirements and state mandates. In some cases, it's been very difficult to get answers. I still haven't gotten information I've asked about – simple things like a rental property and large things like where the PILOT money goes – that's \$300,000. As

Mr. Deviney says, this budget isn't a stand alone object. It comes from what has been done in the past. There is a significant amount of debt. You can understand what went on to sign on for that debt looking at new housing. You think you can pay for it, but the costs of growth far outrun what growth generates. In talking to departments and looking at three or four communities to see how they handled things, we found more things that we owed money on. Sewerage loan payment was due in March \$78,000. Deferred sewer line from 2002 is there too. It's amazing that things have gone on like this. It's been hard to get information – simple things. Some folks on the Committee have a set of numbers that have been provided; other members don't. This budget is ugly. It's unfortunate for this community. This community has reached deep to pay for the sewer and the mansion and it benefits the region, but gotten no help from the county. We are legally in a corner at this third week of June. Guidance from Mr. Stewart "If we don't approve a budget, state will force us to adopt this budget" - \$240 for average house. Local Finance Board, which is not local, will disapprove waiver and may force us to an additional 16 cent forcing an increase of over \$500 per average house. Disappointing. I would have thought that some folks that have been through this before would have been more help. Some of us like to make decisions with the best possible knowledge and haven't been given information.

Ouelette: Some good news – we covered \$1.6 million saving town \$65,000 in interest. Cash flow is good. We still have to cover the \$1.6 since the mansion didn't sell. When it does, it will help. Without those dollars, we needed to use the surplus which was depleted to \$200,000. So we don't have the surplus dollars to put toward the budget for the rest of this year. We need to try to build up those reserves. We don't have the developments and businesses building those reserves. Costs come back to taxpayers. 21 cent increase for this coming year. Last year we were looking at 18 cents. We took money out of reserve last year and started with that 9 cents and the state added 1 cent for the pension. The other 12 cents were what we have to cover here. Ms. Fitzpatrick talked about salaries. Our people work hard; they are an investment when they are trained. If they leave and we hire new employees, it costs you more. We have to pay for training and we lose the expertise. Looking at 2008, we will be ready to have our budget in place. We won't be sitting in a place where we have already got 6 months of expenses in place. It's been a struggle; I'm sure other members of the committee have lost sleep over this. We need to go forward with the budget. That's where I stand.

Open to the public:

Closed to the public:

Ouelette to Corcoran: Do we need to contact Mr. Stewart tomorrow?

Corcoran: State would like to know an answer tomorrow. You have explained to the public that failure to adopt will throw us into the Department of Community Affairs and they will take any action they see fit. I can't see a worse case than going to the same people who just put you through hell over the library to determine what would be an appropriate budget for Delanco. If you don't approve, I guess we'll be packing our bags for two or three days in Trenton. I haven't been through it and don't know anyone who has. You don't want to be there.

Lohr: Amendment re library funding goes to Trenton

If you approve budget tonight, to Trenton then to county for tax levy. If not, DCA [NJ Department of Community Affairs/Local Finance Board – Ed. Note.] will adopt one. Stewart said we could make amendments, but only on cap waiver items. You would need input from Steve as to impact on salary and wages.

Corcoran: That action would have to be taken this evening.

Lohr: Right. If you fail to achieve votes to adopt the budget, DCA will decide for us and certify tax levy to the county.

Corcoran: They (DCA) aren't required to adopt budget in front of them, but they could and have adopted the previous year's budget and that would be chaos .

Lohr: If you want to amend budget, you have to take it from those items on cap waiver page 20 or adopt the budget. If the state does it, they could rescind the cap waiver. It's not a good place.

Hinkle: Do you get a chance to work with them?

Corcoran: Seriously, it depends on their mood. We haven't done anything to embarrass them or to be punished for. We've been honest and put it on the table. Rules up there are based on averages. They don't take growth into consideration. I'd like to believe that if the worst cast scenario happened, we would be able to fight or finesse our way out of it, but it does take it out of local control and put it in the hands of Trenton. They are the ones who are bankrupt. Handling of affairs in Trenton isn't something to be proud of. No one has been through it. I assume we could go up there and negotiate, but I don't know.

Devinney: I read Stewart's email and found myself very reluctant to enter into a process like that.

Corcoran: Each of you had to face reality that we are state mandated more and more. Stormwater Management will cost \$150,000 per year. We have to go out to bid, but they can demand we purchase an item from one supplier (ex. DUI testing equipment.)

Insurance and court have always been exempt from cap; now they are under cap.

Challenge on growing community incomprehensible. Literally stuck in no win situation. State wants a permanent fix on cap. Needs a referendum to the voters to raise cap permanently. Local Finance doesn't want to see us regarding cap waivers. We will face problems with all of our services. This will need to be done early next year. Need to explain to residents need to vote for \$500-600,000. Doesn't necessarily affect your taxes. Beverly wanted to close their police department and use state police because they couldn't fund it. Extremely difficult to have voters pass such a referendum. That's what the DCA and Local Finance Board wants. Operating costs of the mansion are in this budget – it contributes to the problem. We hope the proposal before the Committee now will work. Each unit of growth costs 15% more than what it contributes financially.

Devinney: Having heard the discussion of our colleagues and having pretty bad feelings about what would happen if this budget goes to DCA, I would like to make a resolution to approve the budget as amended.

Lohr: No change in appropriations, just library item from outside to inside cap.

Resolution 2007-92 adopting the budget.

Yes – Templeton, Devinney, Ouelette

No – Hinkle, Fitzpatrick

Corcoran: Disappointed that perhaps there hasn't been clear communication from department. I would like to suggest that committee consider forming subcommittee on 2008 budget and start it right after Labor Day. You need to have the good part of the year behind you to see how things unfold.

Ouelette: Great suggestion.

Open to public

Closed to public

Submitted by Maureen Barrett