

**BUDGET MEETING
MUNICIPAL BUILDING**

**FEBRUARY 26, 2008
DELRAN, NJ**

ROLL CALL: Mr. Macey, Mr. Ogozalek, Sr., Mr. Paris, Mr. Hermansky and Mr. Chinnici.

ALSO, PRESENT: Mr. Hatcher, Administrator and Ms. Eggers, Municipal Clerk

2008 BUDGET

Mr. Hatcher reported that he has provided everyone with new budget sheets. Last meeting Council cut 5,000 from Contracted Legal Services, Planner and the Master Plan. We reduced \$25,000 from Health Insurance and \$10,000 from Prescription. Public Relations was cut by \$4,000. Zoning miscellaneous was cut by \$1100.

Mr. Chinnici asked what the total cuts were.

Mr. Hatcher stated that he wanted to discuss the debt service. There is an appropriation on page eleven for \$48,500. We have a statutory duty to start paying on debt after five years. If we go the permanent financing next year, we can eliminate the \$48,500 in note principal. He provided Council with two options. One is a conforming schedule. If we go with a conforming schedule, we will have a 2 cent increase in taxes before we start the budget next year. The non-conforming we will pay less for the first couple of years. It also allows us to even out the debt payment on the 4.2 million. We would have to apply to the Division of Local of Services for the nonconforming schedule. If we use the nonconforming schedule, we would only have two tenths of one cent increase in the first couple of years.

Mr. Hermansky asked if there is an additional cost to use nonconforming schedule.

Mr. Hatcher stated that just the interest.

Council agreed to use the nonconforming schedule and eliminate the \$48,500 from the budget.

Mr. Hatcher reported that at this time the tax increase is 4.5 cent increase, which to the average homeowner would be \$86 per year. We are \$63,747 over the new tax levy CAP. We can meet the cap by using \$63,747 from the fund balance. We are estimating that next year we will return about 2.9 million which is what we got back this year.

Mr. Hatcher stated that if we use the money from we may be has low as a 4.2 cent increase but he would have to recalculation on the reserve.

Mr. Chinnici asked if we are including the money that we get from the Sewer Authority. Mr. Hatcher stated yes.

Mr. Chinnici stated that under Construction Code there is \$3,000 for Board up and Demo which he did not touch last year. Council decided to cut the \$3,000.

Mr. Hermansky asked if we received an explanation on the \$4,000 miscellaneous line item under Construction.

Mr. Hatcher stated that he put the money in case he had any issue come up.

Mr. Paris recommended that we set the 2008 miscellaneous line items at a 4% increase over what was expended if it was less than budgeted or 4% over the budgeted if it was less than what was expended in 2007.

Mr. Hermansky stated that we should take the time to look at each line item to see why the money was or was not spent.

Mr. Hermansky asked if everyone was okay with cutting the construction miscellaneous down to \$500. Council agreed.

Mr. Paris stated that he would like to give them, either a 4% increase over what was budgeted last year, if it was less than what was expended or a 4% increase over what was expended last year, if it was less than the budgeted amount in 2007.

Mr. Ogozalek, Sr. asked if we take all the money out of demolition and an issue comes up how we pay for it. Mr. Hatcher stated that we would have to do an emergency.

Council agreed to go with Mr. Paris' recommendation of the 4% increase over what was budgeted last year, if it was less than what was expended or a 4% increase over what was expended last year, if it was less than the budgeted amount for 2007.

Mr. Macey asked that Mr. Hatcher provide Council with the cuts after the miscellaneous line items are cut.

Mr. Paris asked if we are reassessing the service contract on the copiers since Stewart Business Systems is selling. Mr. Hatcher stated that we are looking at getting a new copier.

Mr. Paris asked if we are contractually obligated to pay for the certifications. Mr. Hatcher stated no. Mr. Paris asked if we are not obligated why we are doing it. Mr. Hatcher stated that it has been a policy. Mr. Paris stated that mandates rate

increases. Mr. Hatcher stated no, we have only seen a rate increase when a desk audit is performed by the Department of Personnel.

Mr. Paris stated that we have talked about our energy policy and it was mentioned that the building was ten years old and the boiler was forty years old. Mr. Paris asked if we are reassessing our energy situation. Mr. Hatcher stated that we certainly can although it would take a major capital expense. Mr. Hatcher at the time when this building was purchase Council did not include upgrades to the HVAC. Mr. Paris asked if we could have a study performed to see, what the savings would be compared to the cost. Mr. Hatcher stated that we do not have the expertise in house but we could ask PSE&G.

Donna Ibbetson, CFO asked that they make an exception for Recreation. Mr. Paris stated that that should 4% on top of the \$900 budget for 2007.

Mr. Hatcher stated that need direction on the Capital Budget. One item that they did not discuss at the last meeting was the EMS Floor repairs. The cost will be \$8400. Mr. Paris asked if that would go out to bid. Mr. Hatcher stated that they would get quotes.

Mr. Macey stated that on Capital we decided to bond \$750,000. Mr. Hatcher will prepare the list.

PUBLIC PORTION

Gina Reed, 157 Oxford Road, stated that the township should consider solar power. Gina also asked about the EAA budget. Mr. Macey stated that we did not cut that budget.

John Moran, 54 Dartmouth Drive, asked about the reimbursement for Tenby Towne and Hunters Glen for there trash. He asked if the township negotiates that cost. Mr. Hatcher stated that Hunter's Glen puts all of their complexes out to bid. Mr. Hatcher stated that we pay about 66% percentage of their collection because they collect more often then the township offers. Mr. Moran asked who pays for employee health care. Mr. Hatcher stated that the tax payers pay the healthcare. Mr. Moran asked if we reevaluate the carrier. Mr. Hatcher stated that the broker goes to different carriers. Mr. Moran asked if a broker was the easiest way to go. Mr. Hatcher stated that we were in the state health benefits plan about ten years ago. In the first three since leaving the state health benefits plan we saved about \$170, 000, since then the gap has gotten smaller. We have to negotiate that with the unions. Mr. Moran asked if the health benefits are a year to year contract. Mr. Hatcher stated yes.

Keith Pogoda, 36 Harper Blvd, asked if we have a staff member that runs our technology. Mr. Hatcher stated that we to not have an employee who runs technology we have contracts for the different equipment. Mr. Pogoda asked

what the cost is for the contract. Donna Ibbetson stated that it is \$600 a month and they share the cost with the Sewer Authority. Mr. Pogoda asked the telephone system. Mr. Hatcher stated that are phone service goes about to bid every year. Mr. Pogoda asked how many phones the township has. Mr. Hatcher stated that we have to get him that information. Mr. Pogoda asked about desk tops and lap tops. He asked if we use similar models throughout the township or if it depends on what the department needs. Mr. Hatcher stated that all of the police equipment is proprietary. The only lap tops are in the police departments and they are bought off of a state contract.

Mr. Hermansky stated that with all the cuts we made we the average tax payer approximately \$4 per year.

John Friel, 7 Woodrush Court, stated that he noticed on the budget that the township is paying for service calls, asked why the township is paying service if we have contracts. Mr. Hatcher stated that the contract is for software maintenance. He stated that the contract for the copiers may not be there soon. Mr. Friel stated he has a problem with the tax payers paying for certifications.

Mr. Hatcher asked Council if they wanted to introduce that budget next Wednesday. Council all agreed to introduce on Wednesday.

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

Submitted,

Jamey Eggers
Municipal Clerk