

SPECIAL WEST AMWELL TOWNSHIP COMMITTEE MEETING

April 18, 2011 – 7:30 p.m.

The West Amwell Township Committee met on the above date at 7:38 p.m. Present: Mayor Molnar, Committeemen Fisher and Rich. Also in attendance were CFO Tom Carro, Bond Counsel Andrea Kahn, reporter Linda Seida, Anna Lustenberg of Verizon and Patrolmen Vanselous and Skillman (8:30 p.m.)

In compliance with the Public Meetings Act, Mayor Molnar announced that this Special Meeting was called pursuant to the provisions of the Open Public Meetings Act with notices faxed to the Hunterdon County Democrat and the Trenton Times on April 11, 2011. A copy of this notice is and has been available to the public and is on file in the office of the Municipal Clerk.

Linda Seida led the assembled group in the pledge to the nation's flag.

The meeting was recorded via digital recording system and a copy of the CD is on file in the Office of the Municipal Clerk.

Public Hearing: 2011 Open Space Trust Fund

Mayor Molnar announced the public hearing and opened for comments.

2011 WEST AMWELL OPEN SPACE TRUST FUND

Purpose: as designated by N.J.S.A. 12-15.7, the tax may be used for acquisition of lands for recreation and conservation purposes, development of lands acquired for recreation and conservation purposes, maintenance of lands acquired for recreation and conservation purposes, acquisition of farmland for farmland preservation purposes, historic preservation of historic properties, structures, facilities, sites, areas or objects for historic preservation purposes, payment of debt service on indebtedness issued or incurred by a municipality for any of the purposes above. During the budget process each year, a public hearing is held on the allocation of funds raised by the open space tax.

The 2011 Open Space Trust Fund will be used for the following:

\$ 17,500.00	Maintenance of Open Space Properties
\$258,460.00	Payment of Bond Principal
\$224,040.00	Interest on Bonds

Mr. Fisher questioned soft cost money that was the subject of some recent e-mails. Mr. Carro stated that this will be appropriated separately by resolution and the money taken directly from surplus to be set aside for soft costs. It's not in the budget or in the \$500,000 that is the subject of the public hearing. The latter is just for debt service and cutting lawn and/or for some open space appropriate equipment.

Bond Counsel Andrea Kahn then spoke about the two outstanding bond issues—2003 and 2006. The first call date is February 2013 and the second is May of 2016. She explained that the long end bonds have a slightly higher rate than the short end ones. The question to be addressed is whether to call the first set of bonds on their first call date or wait and call in the long one. The math will tell which way would work out best. The CFO has informed her that the Committee may also have some other funds coming due and, if so, these might be able to be paid off. A brief discussion ensued over the impending auction; the status of the land being sold; the value thereof; the disposition of the funds; and the money received annually from the open space tax. Also discussed was what else may be under consideration for purchase, as Mr. Fisher advised that the open space program is not being shut down, although it's getting harder to find properties. The properties that the Township would be most interested in preserving have not had owner interest to do so.

Mrs. Kahn noted that the Township has really good rates on both existing bond issues and bond rates now for a 20 year issue would be higher. She advised that if the Committee thinks money will be needed to buy more properties, consideration could be given to outright purchase or, depending on the value of the property, at least reducing the amount to be borrowed. A decision will not be needed until the call dates are closer but 30 to 60 days written notice is required to the owners of the bonds. It also has to be remembered that there's a cost involved with borrowing. If there are other properties that could potentially come up, it may not

be good to exercise this option right away. However, if a portion of the money is being used to pay down debt now, over and above the amount being raised strictly for that purpose, it may be wise to call some of those bonds in when the first call date is reached--particularly the bonds on the long end.

As for the pre-payment of the Green Acres loan mentioned at the last meeting, Mr. Carro advised that the interest saved would only amount to \$20,000, so there's not a lot of savings to be had. The bonds are the big item to be considered. Mr. Fisher agreed that this would take away another option and would rather see the money sitting here and accessible, if needed.

It was suggested that a single spread sheet that includes principal and interest for each issue would be good for planning purposes. Columns for money raised in a fiscal year and aggregates would also be helpful as would a column for playing with different scenarios. This information is somewhat available as in-house number crunchers have been at work. The information will be shared with Mrs. Kahn.

There was no other public comment. The public hearing was unanimously closed. Fisher motioned to approve as presented and Rich seconded. Roll Call: Rich-aye, Fisher-aye, Molnar-aye

With appreciation extended for the information presented, Mrs. Kahn departed the meeting.

Introduction: Ordinance 8, 2011

**ORDINANCE TO EXCEED THE MUNICIPAL BUDGET APPROPRIATION LIMITS
AND TO ESTABLISH A CAP BANK
(N.J.S.A. 40A: 4-45.14)**

WHEREAS, the Local Government Cap Law, N.J.S. 40A: 4-45.1 et seq., provides that in the preparation of its annual budget, a municipality shall limit any increase in said budget up to 2% unless authorized by ordinance to increase it to 3.5% over the previous year's final appropriations, subject to certain exceptions; and,

WHEREAS, N.J.S.A. 40A: 4-45.15a provides that a municipality may, when authorized by ordinance, appropriate the difference between the amount of its actual final appropriation and the 3.5% percentage rate as an exception to its final appropriations in either of the next two succeeding years; and,

WHEREAS, the Township Committee of the Township of West Amwell in the County of Hunterdon finds it advisable and necessary to increase its CY 2011 budget by up to 3.5% over the previous year's final appropriations, in the interest of promoting the health, safety and welfare of the citizens; and,

WHEREAS, the Township Committee hereby determines that a 3.5% increase in the budget for said year, amounting to \$70,053.14 in excess of the increase in final appropriations otherwise permitted by the Local Government Cap Law, is advisable and necessary; and,

WHEREAS, the Township Committee hereby determines that any amount authorized hereinabove that is not appropriated as part of the final budget shall be retained as an exception to final appropriation in either of the next two succeeding years.

NOW THEREFORE BE IT ORDAINED, by the Township Committee of the Township of West Amwell, in the County of Hunterdon, a majority of the full authorized membership of this governing body affirmatively concurring, that, in the CY 2011 budget year, the final appropriations of the Township of West Amwell shall, in accordance with this ordinance and N.J.S.A. 40A: 4-45.14, be increased by 3.5%, amounting to \$2,148,492.87, and that the CY 2011 municipal budget for the Township of West Amwell be approved and adopted in accordance with this ordinance; and,

BE IT FURTHER ORDAINED, that any that any amount authorized hereinabove that is not appropriated as part of the final budget shall be retained as an exception to final appropriation in either of the next two succeeding years; and,

BE IT FURTHER ORDAINED, that a certified copy of this ordinance as introduced be filed with the Director of the Division of Local Government Services within 5 days of introduction; and,

BE IT FURTHER ORDAINED, that a certified copy of this ordinance upon adoption, with the recorded vote included thereon, be filed with said Director within 5 days after such adoption.

The Ordinance was unanimously approved on first reading on motion from Fisher, seconded by Rich. The public hearing will be held at the May 25th regular meeting.

The purpose of this ordinance was explained by Mr. Carro. Basically, the more important part is the cap bank. This means that whatever is not used this year can be brought into 2012. This does not mean that the appropriations will rise 3.5%, although it provides security should the need arise.

Beacon reporter, Linda Seida, questioned if there would be an effect on the budget being introduced this evening. She was advised that it does not and that the local tax rate remains flat at 22 cents. The cap bank is for the future.

Introduction: 2011 Budget

Mr. Fisher raised some questions concerning various items throughout the budget sheets presented and explanations were given by the CFO. Mr. Molnar expressed appreciation to Mr. Carro for holding the line on the budget.

RESOLUTION #64-2011
MUNICIPAL BUDGET NOTICE

Municipal Budget of the Township of West Amwell, County of Hunterdon for the Fiscal Year 2011

Be It Resolved, that the following statements of revenues and appropriations shall constitute the Municipal Budget for the year 2011;

Be It Further Resolved, that said Budget be published in the Hunterdon County Democrat in the issue of April 21, 2011

The Governing Body of the Township of West Amwell does hereby approve the following as the Budget for the year 2011:

A Hearing on the Budget and Tax Resolution will be held at the Municipal Building, on the 25th of May, 2011 at 7:00 p.m. at which time and place objections to said Budget and Tax Resolution for the 2011 may be presented by taxpayers or other interested persons.

SUMMARY OF CURRENT FUND SECTION OF APPROVED BUDGET

General Appropriations For:

1. Appropriations within "CAPS"	
(a) Municipal Purposes	\$2,209,535.00
2. Appropriations excluded from "CAPS"	
(a) Municipal Purposes	\$2,949,816.13
Total General Appropriations excluded from "CAPS"	\$2,949,816.13
3. Reserve for Uncollected Taxes	\$ 210,000.00
4. Total General Appropriations	\$3,159,816.13
5. Less: Anticipated Revenues Other Than Current Property Tax	\$1,957,254.00
6. Difference: Amount to be Raised by Taxes for Support of Municipal Budget	
(a) Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	\$1,202,562.13

The Resolution was unanimously approved on motion by Fisher, seconded by Rich. Fisher motioned to introduce the 2011 Budget and Rich seconded. Roll Call: Rich-aye, Fisher-aye, Molnar-aye. The public hearing will be held at the May 25th regular meeting.

Resolution Constituting the 2011 Temporary Capital Budget of the Township of West Amwell: Item held.

Introduction: Ordinance 9, 2011 – Multi-Purpose Bond Ordinance. Item held.

Deferred School Tax Resolution:

Mr. Carro explained that the purpose of this action is to create surplus; is a cash management tool to get the bond rating up; and, was recommended by S&P. The school will still get their money.

RESOLUTION #65- 2011
TOWNSHIP OF WEST AMWELL

DEFERRED LOCAL SCHOOL DISTRICT TAX RESOLUTION

WHEREAS, the Local School District Tax for the year July 1, 2010 to June 30, 2011 was raised in the 2010 Tax Levy in the sum of \$ 3,721,264.00; and

WHEREAS, the statutes permit the deferral of the cash liability of such School Tax up to 50% of the School Tax Levy equal to \$ 1,860,632.00 and that an amount of \$ 648,294.00 had been previously deferred and it is the desire of the Township of West Amwell to defer an additional \$ 300,000.00; now therefore

BE IT RESOLVED, by the Mayor and Township Committee of the Township of West Amwell, in the County of Hunterdon, that the Deferred School Tax for the Local School District be increased from the sum of \$ 648,294.00 to the sum of \$ 948,294.00; and

BE IT FURTHER RESOLVED, that two certified copies of this resolution be filed with the Director of the Division of Local Government Services.

RECORD OF TWP COMMITTEE VOTE:

	<u>YES</u>	<u>NO</u>	<u>ABSENT</u>
Mayor Molnar	<u>X</u>		
Committeeman Fisher	<u>X</u>		
Committeeman Rich	<u>X</u>		

Rich motioned to approve the Resolution and Fisher seconded. Roll Call: Rich-aye, Fisher-aye, Molnar-aye

Mr. Carro left the meeting. Anna Lustenberg, a former council person in another town but now the area external affairs person for Verizon, approached the Committee. She left some information on the market competition legislation to counter that of the League as well as a brochure on Thinkfinity.org.—an organization supported by the Verizon Foundation and concerns ‘endless opportunities for learning.’ She then left the meeting.

Resolution to Enter Closed Session:

RESOLUTION #66-2011

WHEREAS, Section 8 of the Open Public Meetings Act, Chapter 231, P.L. 1975, permits the exclusion of the public from a meeting in certain circumstances, and

WHEREAS, this public body is of the opinion that such circumstances presently exist,

NOW, THEREFORE, BE IT RESOLVED by the Committee of West Amwell Township, County of Hunterdon, State of New Jersey, as follows:

1. The public shall be excluded from discussion of and action upon the hereinafter specified subject matter.
2. The general nature of the subject matter to be discussed is as follows:
CONTRACT NEGOTIATIONS
3. It is anticipated at this time that the above stated subject matter will be made public Open to the Public when the matter has been resolved.
4. This Resolution shall take effect immediately.

The Resolution was unanimously approved on motion by Fisher, seconded by Rich.

The Township Committee entered Closed Session at 8:20 p.m., returning to Open Session at 8:55 p.m. with the following result: Fisher motioned to authorize the mayor to sign the police contract pending review by Attorney Faherty. Rich seconded. Motion carried unanimously.

OPEN TO THE PUBLIC:

No public in attendance at this point in the meeting.

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ADJOURNMENT:

There being no further business, the meeting was unanimously adjourned at 9:00 p.m. on motion by Fisher, seconded by Rich.

Respectfully submitted,

Lora L. Olsen, RMC
Township Clerk