

SPECIAL WEST AMWELL TOWNSHIP COMMITTEE MEETING

April 7, 2009 – 4: 30 p.m.

The West Amwell Township Committee met on the above date at 4:35 p.m. Present: Mayor Corboy, Committeemen Masterson and Molnar and CFO Luhrs.

In compliance with the Public Meetings Act, Mayor Corboy announced that this Special Meeting was called pursuant to the provisions of the Open Public Meetings Act with notices faxed to the Lambertville Beacon, the Hunterdon County Democrat and the Trenton Times on March 27, 2009. A copy of this notice is and has been available to the public and is on file in the office of the Municipal Clerk.

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

BUDGET WORKSHOP:

The plan is to introduce the budget next week and a packet for both the operating and capital budgets was provided. However, it has recently been determined that unless extraordinary aid is applied for, the \$200,000 in extraordinary aid received last year cannot be used as a exclusion in this year's budget. Therefore, three scenarios were presented depicting the tax implication of an average house assessed at \$456,700.

The first column listed the current position with no extraordinary aid application. The only change was to minimize the Reserve for Uncollected Taxes. The auditor has always taken the conservative mid-point in the calculation for this journal entry but the Division wants this taken to the lower end of that calculation, which is a reduction of \$22,000. The tax implication is an additional \$172 on the average assessed house. By applying for extraordinary aid, the Division has indicated that the Township may receive \$50,000. They also advocate the use of additional surplus.

The second grouping showed the use of \$425,000 in surplus, up from the original \$375,000. The tax increase would drop to .0243 and would mean \$111 on the average assessed home. The final column assumed the receipt of \$50,000 in extraordinary aid. Here the tax rate was .0150 with a \$68.65 increase to the average assessed home.

All three scenarios produce a cap levy overage situation of \$115,000, \$65,000, and \$15,000, respectively. These reflect the amount of additional cuts that would be needed to the budget. However, the amount, if any, of extraordinary aid will not be known until July.

The auditor has recommended that the Township apply for extraordinary aid using the second example. If the decision is to introduce a budget with no extraordinary aid, \$155,000 in additional cuts would have to be found. The second option means an additional \$65,000 cut in operations which can only be achieved through staff reduction.

The decision was to go with the second option with the hope that it will evolve into the third scenario in July. If not, then more cuts will be needed. Because of this delay in budget adoption, estimate tax bills will once again be needed.

The Garbage bid was just received that will run about the same as last year. A decision was made to transfer \$2000 from solid waste into Legal.

Extraordinary aid applications must be submitted by April 15th with an introduced budget. Therefore a special meeting was set for April 13th at 7 p.m. In the meantime, the CFO and Clerk will pull together the extraordinary aid application. Emphasis will be placed on legal costs, the reduction in gross receipts revenue, township efforts to stabilize the budget by increasing fees for services such as garbage removal, soil witnessing, and fire prevention, the reduction in police overtime and the 10% time/salary reduction placed on non-contract employees.

A brief discussion ensued over the impact of the increased surplus on next year's budget; what is considered to be the proper amount of surplus to be maintained; and, how the philosophy of using surplus to maintain a zero tax rate has resulted in its depletion. The use of surplus can be charted over the past five years to show where it has gone and that surplus was used so as to not raise taxes.

The Capital budget was reviewed. \$40,000 was approved for 2009 for the capital improvement fund resulting in a balance of \$131,992. The 5% down payments for section 13 of the Rocktown-Lamb Road project and Perrine acquisition bond ordinances will come from this bucket. The capital surplus stands at \$16,135. Mrs. Luhrs explained that when old funding ordinances have balances that are cancelled, the money is returned to either capital improvement or capital surplus, depending on the nature of the original ordinance.

Other approved capital requests for 2009 include \$485,000 for Rocktown-Lamb. section 13, Rocktown Hill drainage at \$294,000 and \$199,500 for Perrine. Information on basement utilization was distributed and discussed. A Reserve for Preliminary Expenses in the amount of \$10,000 will be set up to obtain the services of an architect to spec out what is needed and to develop a layout plan for the basement. The heating unit should also be addressed as it is undersized. There may be grants available for solar or energy audits but the catch is that the Township needs money to implement.

The status of the firehouse work was raised. Water use is being metered monthly. With the upcoming dinner, the meter should be read separately to ascertain that particular event usage. Proposed perc and soil logs are still pending activities.

The 5-year capital plan was reviewed and allocations made as follows:

Road equipment - \$80,000 for 2010 & 2011 and \$50,000 for 2012 & 2013

Road improvements - \$250,000 each year

Office equipment - \$5,000 per year An IT survey of what is needed in the area of computers would be helpful. As SHR has an IT person on staff, perhaps the Township could make use of his expertise.

Lawsuit remediation - \$225,00 was inserted for 2009 to cover purchase and renovation work for Perrine. It was suggested that Tom Stover be contacted about the well and the possible use of 100 feet of casing.

Municipal building improvements - \$10,000 was allocated for 2009 and \$400,000 in 2011.

Purchase of fire truck - \$75,000 per year was projected.

Recreation improvements – A brief discussion over the use of Hewitt Park ensued. A letter should be forthcoming with a proposal from the Soccer League for field work. The budget received from Parks & Recreation listed \$3000 for maintenance and \$20,000 for capital projects, but no estimates were given. The decision was to use \$5000 from the Open Space Trust for park maintenance work. This will need to be made part of the Open Space hearing to be held in conjunction with budget introduction.

The next meeting will be April 13th at 7 p.m. Agenda items will include Budget Introduction, Open Space Trust Fund hearing, and approval of the Extraordinary Aid application.

OPEN TO THE PUBLIC:

ADJOURNMENT:

There being no further business, the meeting was unanimously adjourned at 5:55 p.m. on motion from Molnar, seconded by Masterson.

Respectfully submitted,

Lora L. Olsen, RMC
Township Clerk