

# SPECIAL WEST AMWELL TOWNSHIP COMMITTEE MEETING

## March 31, 2011 – 6:00 p.m.

The West Amwell Township Committee met on the above date at 6:09 p.m. Present: Mayor Molnar, Committeemen Fisher and Rich, CFO Carro (6:15). Also in attendance were Allison Sommers-Sayre, Tom Holcombe, Hal Shute, and Sean Pfeiffer

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 March 14, 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.

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

The meeting opened with the Pledge of Allegiance led by Tom Holcombe.

### **BUDGET WORKSHOP:**

Mayor Molnar reviewed priority road projects for funding consideration. These included Wilson (complete rebuild of sides), Rocktown Hill North (overlay), Rocktown-Lamb. from bend to Rocktown (overlay), Rocktown-Lamb. from SHR to Lambertville (chip seal), Goat Hill, George Washington (major work) and Mill (edge repair). These were ranked by type of work needed as follows:

Chip Seal - Goat Hill, Rock Road East & West

Overlay - Rocktown Hill, Rocktown-Lamb. from bend to intersection

Drainage & overlay – Old York

Engineer Clerico previously submitted an estimate for the latter item and will be contacted for a cost estimate for the other roads mentioned.

Mr. Carro distributed updated papers on 1) a multiple purpose ordinance, 2) the bottom line summary, 3) a budget schedule, and 4) revised budget sheets. The first item listed identified projected capital projects. The list was reviewed and the following items were added: mower with brush hog (\$15,000) and truck radios (\$9,000). The cost of air bags for the fire company increased to \$8552. The ordinance has an estimated value of \$1 million. The CFO explained that there would be a \$50,000 down payment from the capital improvement fund. A one-year note is running 1.5% and can be renewed for several years before going for long term bonding. The \$750,000 figure for road work was questioned. However, estimated costs are needed prior to making a final decision. The \$35,000 entry for a heating system for the municipal building may be covered by the 2011 Direct Install grant. A brief exchange about police cars vs SUV noted that only the latter can be bonded and that these vehicles last longer. Also mentioned was the possibility of delaying a purchase until November; however, by the end of the year, there's nothing available.

The Township Committee's attention was directed to the revised budget sheets. It was noted that the amount to be anticipated from the reserve to pay open space debt service was reduced to \$482,500 from \$500,000 in line with the discussion at the last meeting. The appropriations sheets were reviewed in turn. Changes were made as follows:

Engineering Services OE – Increased to \$5000 due to required DEP inspections

Insurance – The Township is in the last year of a three year agreement with PAIC. Whether there would be a savings elsewhere was questioned with Mr. Carro stating that most municipalities have PAIC and that there's usually a dividend check received on workers comp.

Police S&W – The line was increased to \$578,000 as an anticipated retirement did not happen and the full salary had not been included.

Police OE – Due to new contract provisions, this line was increased to \$22,700.

Aid to Volunteer Fire Company – The request was for \$18,265. Another \$4,735 was added as a partial re-payment for the 2008 'loan' for a total of \$23,000.

Municipal Prosecutors Office – The \$15,000 entry does not include expenses. These charges may be subject to a transfer later.

Municipal Court OE – Bringing back a court security person at \$100/session will cut patrolman cost. \$1000 added.

Public Works OE – The line was increased to \$70,000 due to a need for tub grinding for the growing brush pile.

Solid Waste OE – This line, which covers garbage tipping fees, was reduced to \$50,000.

Unclassified – Celebration of Public Events - \$100 was added per request.

The remaining pages of the draft budget were overviewed with no further changes made. The total 2011 appropriations showed a \$74,274 increase over 2010, or 2.42%. The revenue side of the budget revealed State aid for the year as flat; the infusion of \$482,500 from the Open Space Trust Fund; local revenues of \$43,000 were anticipated; and, a one time deferment of \$300,000 in school payment. The amount to be raised by taxation increased \$31,273 over 2010 making the municipal portion of the tax rate \$.22. The budget as constituted should bring the surplus to around \$500,000, which the CFO deemed to be a good number. As for the effect on the Township's bonding rating, any change will take a couple of years to materialize but the direction being taken is a positive one.

Sean Pfeiffer, in a continuation of a conversation held last week about using open space trust money to pay the Calton debt, relayed that all members of the Open Space committee were alerted to this meeting but that only Allison and he were able to attend. Mr. Pfeiffer stated that he has reviewed the budget numbers and re-iterated his position that it is dangerous to portray that the \$4 million dollar debt was for open space. The Green Acres loan, however, should be coming out of the trust for debt service and that this loan has a 2% interest rate; has been invested in various laddered instruments, currently at .3%; and, perhaps consideration should be given to paying off the entire balance. He has no issue with using the open space trust for maintenance activities or payment of the Green Acres loan that is clearly linked to open space.

Mr. Pfeiffer noted that he has also been reviewing file information concerning the original purchase agreement and noted that at the settlement of the lawsuit on March 10, 2000, Calton Homes paid the Fulper family \$2,460,500.00 for the entire tract with the Township paying \$4 million to Calton Homes for a subset of same. He questioned how this would be justified to the public as a portion of the Calton debt; what the perspective of the tax payer would be, as they voted for the open space tax; if they would expect the money be used to pay off a developer, when only 12.5% of the per acre price paid can be attributed to open space; and, that the 105 acres purchased includes un-developable land. In addition, a local reporter raised a point at the last meeting concerning the easement areas that have been turned into lawns. Mr. Pfeiffer offered that he wants to be sure that public trust can be maintained in the open space program, although the fiscal situation of the Township was also acknowledged. An exchange over the amount of debt; its origins; the effect of the upcoming reassessment on revenues; and the inability to purchase a big property with the existing amount of open space money ensued.

Allison Sommers-Sayre added that the Committee is asking people to pay money every year for something that the residents believe is going to preserve the rural character of this township. To how say that this money is being directed towards legal settlements that happened a decade ago; gave very little open space value to the community; and, that the taxpayer is going to continue to pay for over the next 10+ years, isn't going to wash. She also offered that this action will make the open space tax vulnerable to a vote to stop the tax entirely. Paying into a tax of this kind is a trust...an investment in the future...and should never be in a situation where the money cannot go towards preserving the highest value land. Ms. Sommers-Sayre stated that money so designated should not be taken and used to fill a budget gap and questioned whether people would buy that this action is a legitimate use of the trust fund. She also advised that the Committee should consider long term implications; cautioned that the township will look very different if the resources are not available; and commented that the money is to protect the future not to pay for the mistakes of the past.

A lengthy exchange concerning the Calton lawsuit, settlement, and open space issues involved, including the value thereof, ensued.

Hal Shute offered that the Committee needs a justified amount and make a case for same so that when this becomes a public issue, there will be a rational explanation. He has looked at the proposed numbers and favors a 2/3rds-1/3 split instead of the even number included in the debt service portion of the budget. This sparked an exchange over the numbers and the overall effect on the open space budget as well as a continuation of discussion about per acre price value of the Calton land acquired.

Mr. Shute continued that controlling development is also on the minds of people that look at the open space program, nothing that there are two groups involved. Some want to see

the farms and the fields and the others just want to control development—and voted accordingly. He believes that this discussion falls into the latter category and a tough sell. However, the Finance committee would not have recommended this course of action if it wasn't do-able.

Mr. Fisher commented that if he were to tell people that there's almost 3 million dollars in a trust fund and that he was going to raise their taxes instead of using said trust money after 40% of the Township has been preserved, people would try to lynch him. The settlement clearly states there's land in Calton designated as open space. He favors not taxing the citizenry for open space, outside of the six cents, while leaving \$3 million in the trust, noting that there are several ways to explain what is being done.

To this end, Mr. Pfeiffer suggested that if the Committee gets questions from the public, the explanation be given that the settlement money paid was based on 4 houses/per acre zoning so that it is clear that the Township did not pay \$40,000/acre for land in Calton. He also noted that residents of the development are turning parts of the easements/open space areas into a continuation of their yards. This is because of insufficient markers and is a bad situation left to the Township by the developer. These areas are part of the 105 acres purchased by the Township.

The preceding discussion ended with the CFO requesting that final budget numbers be submitted by Monday. The budget will then be reviewed with the Auditor. A special meeting was scheduled for April 18<sup>th</sup> at 7:30 p.m. for budget introduction, the bond issue, the cap ordinance and the deferred school tax resolution. The Open Space public hearing will be held as well, as this is typically done when the budget is introduced.

Mr. Rich raised a concern about budget numbers not changing behaviors, like buying certain things in a better way. It was explained that the budget numbers are for basic services. Mr. Molnar inquired about the hiring of a new police officer but this has to wait until there's a contract, and budget, in place.

A brief discussion ensued over the mowing of the open space areas of Calton—whether this would be out-sourced or kept in-house. The Road Supervisor will be consulted but it takes four days for each mowing event, so time is an issue. Doing more with less and pushing employees harder for a lean operation was advanced by Mr. Rich. This was countered by Mr. Molnar who offered that this has been going on for three years and there are things that are not getting done. On a parting note, Mr. Rich noted that longevity for non-union employees has been re-instated and made part of the budget.

**OPEN TO THE PUBLIC:**

Mr. Pfeiffer inquired about the amount of anticipated surplus and noted that the governor has said that he wants municipalities to spend down their surpluses. Mr. Carro commented on the former that the hope is to bring this up to \$260,000 and to the latter that this was what was done to the schools and now they have nothing. The Township cannot operate on without a surplus. This was acknowledged by Mr. Pfeiffer but the concern was offered that the Open Space trust might be a safer spot for money as these funds are not being raided. His hope is that the Township won't wind up having the CMPTRA reduced by some corresponding amount in future years because of a surplus build up. With appreciation extended to the Committee for listening to their concerns this evening, Mr. Pfeiffer requested that if the Committee needs anything else from the Open Space committee to let them know. Also, should any questions come their way about the use of open space money for debt service, they'll refer them to the Township Committee.

**ADJOURNMENT:**

There being no further business, the meeting was unanimously adjourned at 8:46 p.m. on motion by Rich, seconded by Fisher.

Respectfully submitted,

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Lora L. Olsen, RMC  
Township Clerk