

**VERNON TOWNSHIP COUNCIL**  
**Budget Work Session**  
**May 8, 2008**

The Work Session of the Township Council of the Township of Vernon was convened at 4:10 p.m. in the Vernon Municipal Center, Church Street, Vernon, New Jersey, with Mayor Austin Carew presiding.

**STATEMENT OF COMPLIANCE**

Adequate notice of this meeting has been provided to the public and the press April 30, 2008 by delivering to the press and posting at the Municipal Building pursuant to the provisions of the Open Public Meetings Act. The purpose of this meeting is a budget work session.

**SALUTE TO THE FLAG**

The Mayor led the assemblage in the salute to the flag.

**ROLL CALL OF MEMBERS**

The roll call of members was called and Richard Carson, Valerie Seufert, and Austin Carew answered the call. Also present were Melinda Carlton, Township Manager, and Michael Witt, Township Attorney. Let it be noted that Neil Desmond arrived at 4:12 p.m. and Glenn McLaughlin arrived at 4:15 p.m.

Mayor Carew stated the purpose of this meeting is the budget work session with no participation from the public. Any public comments and/or questions can be raised at the regular Town Council meeting at 7 p.m.

**BUDGET DISCUSSION**

Township Manager Melinda Carlton introduced Monica Gosicki, Township CFO, Bud Jones, Auditor, and Robert Benecke, Economic Consultant, all of whom would be participating in the budget work session discussion. Ms. Carlton asked Monica Gosicki if she could explain the state budget process to the council as to where the township stands financially. Melinda Carlton stated the township would file a waiver, including the introduced budget, to the Local Finance Board to meet the Board's deadline date so the budget could be considered.

Monica Gosicki said the budget will be introduced at the Special Town Council meeting Monday evening, and then forwarded onto the State Local Finance Board for its review. In the budget, there are two separate appropriation caps, which are the expenditures and the 4% tax levy cap. The tax levy cap essentially allows the taxes to be raised up to 4%. There are increases/decreases in the capital improvement downpayment fund and debt service. The township is feeling the pinch from loss of state aid. All municipalities received an extension of the cap waiver this year. Rich Carson asked how much did the township lose from the 2008 state aid, and Monica Gosicki said \$249,000. This is the first year the township was given the 4% tax levy cap.

Bob Benecke said there are two sides to the cap issue—the budget cap, in which the appropriations and expenditures are restricted to the last year's 3.5% debt service, and the capital improvement fund. In order to make these two caps work, Melinda Carlton had to cut back spending. Mr. Benecke said that the state aid of \$240,000 was cut out, and so were the state and federal grants of \$460,000. The school levy rate was completed, and the township is looking at an increase rate of \$4.25 versus \$3.92 from a few years ago. The tax bill of \$4.25 is based on \$100,000 assessed value, which is based upon all other budgets including the county, county open space, and school budget. Mr. Benecke said the average tax bill the Vernon resident will pay this year will be \$5,313 based upon the assessed value of \$125,000, which has increased from \$5,150. Of that revenue, 60% will go to the school, 20% to the township, and 20% to the county. Mayor Carew asked if the tax levy effects the reval, and Bud Jones said no.

Neil Desmond asked if there are any departments not being downsized, and Melinda Carlton said yes and they are Township Manager, Police Department, Fire Safety, Finance, Tax Assessor, Personnel, Township Clerk, Municipal Court, and Recreation/Leisure. Mr. Desmond said the township's revenue has been relatively flat the last few years. If the township has to absorb the pain, he would rather see it done now in a "larger bite" to make it less painful for subsequent years. Melinda Carlton suggested that contracting out some services is possible; she would analyze some of the departments to determine if the township is overstaffed, and the health plan contract that expires after a 3-year term will go out for bid. She said Vernon has the richest health coverage that she has ever seen. The process for finding new health coverage will begin in June. In terms of layoffs it was necessary, Ms. Carlton said, but it does not mean that other employees will not be laid off in the future. Neil Desmond stated some of the old processes happened in a different economic environment. The township must focus on things in light of what is going on right now. He asked that Melinda Carlton review the departments that have not been downsized to minimize fixed costs. Mr. Desmond said that no department should get a "free pass." He said that Vernon Township needs to focus on how it can become financially independent if we cannot rely on Trenton.

Melinda Carlton expressed concern about the revenue being spent, and how the township overextended itself. A monthly budget report will be prepared and reviewed to determine how much revenue has been spent, and to examine possible adjustments. She said in reviewing the budget the township was off \$880,000, but now we are in the realm of policy making because some of the services will have to be cut. Mayor Carew said that the township manager did a great job with the budget and it is up to the council to cut services, as Melinda Carlton said.

Melinda Carlton introduced Kerrie Scott, Township Principal Financial Analyst. Ms. Carlton stated the township will start with a mission statement, goals/objectives, and provide costs and types of activities/programs each department possesses in June 2008. The operating budget is divided into two categories—salaries and benefits, and operating expenses. The council has never seen total operating costs for each department. A personnel title/working title section will be added to the budget to illustrate the different positions for each department, how long the position was in effect during the budget year, and what the position was in previous years. Currently, we are working on negotiations. Melinda Carlton asked if the council had any questions. The manager's budget included the Planner's salary, utility bill, contract with PAL, and expenses for medical exams for DPW employees. Ms. Carlton stated the manager's department is currently down two positions. Neil Desmond asked that an Assistant Manager not be added to the personnel list.

Mayor Carew stated with personnel and some services being cut back there is a concern about increased cost of lawsuits and fines, which are expensive. The council reviewed each section of the budget, discussed particular line items (education, memberships, and seminars), and offered comments.

Melinda Carlton stated police vehicles are to be retired when they reach 100,000 miles, as outlined in the PBA contract. She commented that policy was put into the contract years ago, and it will change because vehicles last much longer these days. The police department requested for four new patrol cars, and they were given only one new vehicle. During the winter season, the officers use whatever police vehicle is available to direct traffic down by the ski areas. The officers' additional time is funded by Mountain Creek. Ms. Carlton said there has been extreme idling of police vehicles. She said there is a State law, for both public sector and private individuals, that idling should be kept at a minimum. She found that leasing the two township vehicles is more beneficial than if they were purchased.

Rich Carson asked if there other alternatives in maintaining the same type of services that St. Claire's offers, and Melinda Carlton said quotes can be obtained.

Melinda Carlton stated that the Fire Department's budget has not changed. The Fire Association's budget was decreased to \$20,000; otherwise, all remain the same. Rich Carson asked if the money to the fire departments is the annual contribution, or is it for the equipment, and Melinda Carlton said it's from contributions. Tom Davis, Fire Prevention Official, resigned and his position will not be replaced. There are two part-time fire safety inspectors and a full-time secretary. The Department of Public Works potentially will have two layoffs. Valerie Seufert asked why the township hired seasonal help, and Melinda Carlton said the seasonal staff grooms all the parks and fills in when someone is on vacation.

Discussion followed to professional membership, journals, and publications that department heads receive, as well as attendance at conferences. Melinda Carlton stated all department heads belonging to professional organizations obtain valuable information, update their certifications, and attend conferences to keep their departments running efficiently.

Melinda Carlton discussed each department and indicated whether that office will/will not have a layoff. She stated some additional hours have been added to the Finance Department to avoid overtime. The department has one part-time Account Clerk and a part-time CFO. The Tax Collector's department potentially will have a layoff and eliminate one part-time employee. However, their budget is stable and there is no overtime as shown in the 2007 budget. Tax Assessor is stable. Ms. Carlton included \$25,000 for a classification and compensation study to be done by a professional for Personnel. There are non-union individuals that have not been the subject of a study over the years and look like a luxury, but are a necessity. There are three employees in Personnel, one of which is a financial person. Melinda Carlton stated she will review the Finance Department and do some reorganization where two employees would work in Personnel. Neil Desmond asked if the surveyor does more than survey work, and Melinda Carlton said yes, he does GIS work, updates tax maps, COAH, and attends meetings at the State as a liaison for the township. In the Department of Planning Development there were two terminations and two retirements, leaving a very tight staff. One person in the Building Department is slated for layoff. A six-month assistant engineer was added to the budget. Lou Kneip, Township Engineer, has taken over Community Development work and is swarming with work. He does not have the professional engineering staff to get the work done. Councilmember Valerie Seufert suggested a consultant can assist Lou Kneip with the bigger projects rather than be on staff.

The Municipal Court Prosecutor slightly increased his rate. Melinda Carlton stated Recreation and Leisure needs to be reviewed more closely. She wants to understand the Director's responsibilities, what is being expended, and programs being provided. Rich Carson asked what the duties are for the "Park Help" position, and Kerrie Scott said there was an Assistant to the Recreation Director who left earlier this year, and has not been replaced. The township's thought was to replace the "Park Help" person, but an exact title has not been decided on. Discussion continued with regard to grooming of park grounds in the town and parks in general. The township has a service contract with Sussex County Transit to transport senior citizens and non-drivers to their destination within the township. The cost for this service is \$53,000.

The Health Department is another department slated for layoffs. There were two retirements from the Health Department, which showed a reduction in salaries. Depending on the council's decision, there could be a cost savings for 2009 from that department. The Animal Control Department is slated for four layoffs, three of which are part-time. Melinda Carlton stated this is one department she wants to closely look into. Rich Carson asked if she could look into the statistical aspect for needs of calls and services besides the excellent work performed at the shelter. This department needs to be taken into consideration before a decision is made. Animal Control responds to telephone calls from the public as well as the police department on household pets and wildlife. Mayor Carew said it is unclear what their overtime factor actually is for bears, rabies clinics, etc. Rich Carson said the Animal Control Officers do respond to emergency calls during off-hours and weekends. Neil Desmond stated the council has discussed shared services and there might be other towns wanting to share services with Vernon. He asked which other municipalities might like to come onboard with Vernon and have Vernon

operate their Animal Control. Rich Carson said this could be an excellent source of revenue for the town. Melinda Carlton said there is another option—privatizing. Mayor Carew stated there are over 5,000 dog licenses issued annually in Vernon.

Melinda Carlton stated the sewer utility will be paid by Mountain Creek, but we need to be responsible to how it's spent.

The Planning Board legal fees are higher due to redevelopment. Mayor Carew asked if the money would be reimbursed by the developers, and Melinda Carlton said yes. She said the increase in the budget is not all that extraordinary considering the increase in the insurance. For Economic Development, an amount of \$4,500 will be put into their account for marketing expenses.

Melinda Carlton stated she is not accustomed to revenues not being approved by the governing body before the initial budget. In 2009, the Manager's office will provide projected revenues and ask the council to conditionally approve the revenue numbers. She said the "key to the whole budget is constant monitoring; and secondly, if something seems to be getting out of whack, we have to act on it." Neil Desmond stated the manager did her job and now we need to "drill down" a few more levels.

Melinda Carlton stated the township has ongoing old capital improvement projects, some of which will be cancelled. It is uncertain when the township had to put \$250,000 in the operating budget for bonding. With the capital request, some of the projects will be moved over to 2009. The remainder was put into 2008 capital fund. Ms. Carlton would like to implement a new procedure, which will assist the town council to track the projects. No new capital projects will begin unless the council gives prior approval. Mayor Carew suggested shared services be discussed with neighboring towns to benefit both governing agencies.

The budget will be introduced Monday night with a short resolution. Rich Carson thanked Melinda Carlton, Kerrie Scott, and Monica Gosicki for putting together the budget, which he said has not been clearly explained in the past.

## **ADJOURNMENT**

There being no further items of business on the agenda, a motion was made by Rich Carson to adjourn the meeting and the motion was seconded by Valerie Seufert. All in favor.

The Special Meeting of the Township Council of the Township of Vernon was adjourned at 6:21 p.m.

Respectfully submitted,

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Dennis G. Murray  
Acting Municipal Clerk

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Presiding Officer