

TOWNSHIP OF VERNON

TOWNSHIP COUNCIL SPECIAL MEETING

PRE-APPROVAL OF THE 2009 MUNICIPAL BUDGET

December 3, 2008

The Special Meeting of the Township Council of the Township of Vernon was convened at 5:30 p.m. on Thursday, December 3, 2008 in the Vernon Municipal Center, 21 Church Street, Vernon, New Jersey with Mayor Austin Carew presiding.

STATEMENT OF COMPLIANCE

The Township Clerk advised that adequate notice of this meeting as required by the Open Public Meetings Act of 1975 was provided to the newspapers on November 21, 2008 and a copy was posted at the Municipal Building.

SALUTE TO THE FLAG

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

ROLL CALL OF MEMBERS

Present were Council Members Gary Grey, Glenn McLaughlin, Valerie Seufert and Mayor Austin Carew. Also present were Township Manager Melinda Carlton, Fiscal Analyst Kerrie Scott and Chief Finance Officer Robert Benecke.

CHIEF FINANCE OFFICER REPORT

Township Manager Melinda Carlton introduced Robert Benecke, Interim Chief Finance Officer, and invited him to present his report regarding the tax levy projections for 2009.

Mr. Benecke stated the proposed 2009 Township Budget is \$22,665,837, a 4.6% increase over the 2008 Adopted Budget. He reported the State of New Jersey has proposed deferring 2009 municipal contributions to the pension system. The 2008 pension contribution was \$887,000. Further, Mr. Benecke stated the index rate will be 3.5% and the tax levy rate is capped at 4% unless a cap waiver is granted by the state. He reported the Reserve for Uncollected Taxes increased 10% to ensure monies are available to pay the County and School District tax levy.

Mr. Benecke presented two scenarios in projecting the 2009 tax rate. The first scenario presumes a 2.5% County/School 2009 tax levy increase. The second scenario presumes a 4% County/School 2009 tax levy increase. The tax rate presented in both scenarios is based on the 2008 total property assessments of \$1,532,971,856. He cautioned the Council, however, that the total property assessment for the Township is subject to change based on market conditions impacting property value fluctuations. Mr. Benecke informed the Council revaluation numbers will be completed in 3-5 weeks and it is anticipated a large number of tax appeals will likely be filed in 2009. Looking forward, the Township would need to anticipate the impact to the 2010 Municipal Budget.

The 2008 Township equalized tax rate was \$1.954 per \$100 of equalized property value. Mr. Benecke projected the property tax impact on a typical residential property assessed at \$123,946 would be \$5,400 based on the 2.5% tax levy scenario and \$5,462 based on the 4% tax levy scenario. The equalized (true) value of a residential property is estimated at \$268,165.

Mr. Benecke stated Vernon Township's tax bill is less than many other municipalities of similar size in northern New Jersey and he stated in was his opinion that Vernon Township residents receive many more services. He further stated Vernon Township is doing very well in providing a \$22,665,837 budget for a municipality with a population of 25,000 + as compared to similar sized municipalities that he is aware of.

Council Member Valerie Seufert asked if it was premature to set the 2009 Municipal Budget without knowing the actual equalized value of taxable properties in Vernon Township. The Township Manager informed the Council that the Municipal Budget can be amended at any time in the fiscal year to reflect economic conditions and needs.

Mr. Benecke reported the Township can increase its Cash Surplus by (i) not spending all monies in the previous year's budget; (ii) increase tax collection revenues; (iii) collection of miscellaneous revenues not anticipated; and/or (iv) inter-fund transfers. \$600,000 in surplus is presented in the 2009 Budget. Mr. Benecke stated he prefers to keep an amount in the surplus account to cover at least one month of municipal expenditures.

Mayor Carew opened the meeting to the Public for any questions or comments regarding the Interim Chief Finance Officer's report.

PUBLIC COMMENT

Tom McClachrie, Vernon Township Taxpayers Association, thanked the Township Council and Township Manager for anticipating and preparing the 2009 Budget process at this time and not delaying until mid year 2009. He commented that the deferral of pension contributions may become troublesome for local government in the next few years and asked what would happen if local government does not comply. Mr. Benecke responded the state would simply not approve the Municipality's Budget. Mr. McClachrie reminded the Council and public that the county tax levy no longer should include the County's criminal justice system costs since the counties were rolled into the state criminal justice system as a whole. Mr. McClachrie agreed that Vernon Township has a low tax rate for a municipality its size; he stated the Township does not provide as many services as other similar-sized municipalities. Mr. Benecke disagreed saying Vernon Township is second to none in providing services to a municipality of 25,000 people and yet is still able to maintain the small town appeal.

Mayor Carew informed the public that the Council has reviewed and examined the proposed 2009 Budget line-by-line. Further cutting of money from the proposed budget would mean cutting of services. He said the Township must take a more fiscally conservative path and adopt a "pay as you go" fiscal policy.

Mr. Benecke left the Special Meeting at 6:24 p.m.

Charlie Blessing, Vernon Township resident, questioned how the Planning Board attorney is paid for his services. He informed the Council that the Planning Board had 24 scheduled meetings in 2008, however, 10 meetings were cancelled. The Township Manager responded the Planning Board attorney is paid a flat retainer fee plus a fee for services. Mayor Carew commented the Land Use Board was created with cost savings in mind. Compensating the Land Use Board attorney on an hourly basis for services rendered will be evaluated for additional cost savings.

Seeing and hearing no one else from the public wishing to speak, Mayor Carew closed this Public Comment portion of the meeting.

COUNCIL DISCUSSION – PRE-APPROVAL OF THE 2009 MUNICIPAL BUDGET

The Township Manager stated performance measures currently being tracked by all municipal departments will help the Township identify what services are being provided and where additional cost savings might be considered. Ms. Carlton advised the Council that revisions have been made to the Recreation and Leisure Department and Public Works Department budgets, and corrections have been made to the Personnel Schedule. She reported the Budget Committee reviewed the proposed budget line-by-line, questioning where cuts could be made.

The Council questioned whether \$70,000 could be cut from the Recreation and Leisure Department's budget. The Township Manager reported Dedicated Funds identified on the proposed budget could only be used for designated purposes and could not be used to offset shortages in other line items. She stated there was a misunderstanding on how Dedicated Funds could be used. Dedicated Funds were mistaken for Trust Funds. Ms. Carlton invited Pat Seger, Director of Recreation and Leisure, to discuss her department's budget and answer the Council's questions. The Township Manager distributed a revised department budget prepared by Ms. Seger which details expenditures and programs.

Ms. Seger reported an additional \$32,316 was identified in grant funding revenues. The Council reviewed the recreation budget with the Township Manager and Ms. Seger. Additional cuts totaling \$21,300 in the recreation budget were identified as follows: Earth Fest: \$3,800 (moved to Economic Development Committee budget); PAL Contract: \$5,000; Recording Secretary: \$500; Recreation Programs \$6,000; Senior Programs \$2,000; Materials/Supplies \$4,500. Pat Seger thanked the members of the Township Council for allowing her the opportunity to work with them in adjusting the 2009 Recreation and Leisure Department Budget. The total adjustment to the recreation budget resulted in a reduction of approximately \$54,000.

Mayor Carew and the members of the Township Council thanked Pat Seger for her efforts and applauded her public service to the Vernon Township community.

Mayor Carew further stated that he was impressed by the budget presentations prepared by all department heads. The members of the Township Council thanked all municipal department heads for their cooperation and professionalism.

Mayor Carew opened the meeting to the Public for comments concerning the proposed 2009 Municipal Budget.

PUBLIC COMMENT- PRE-APPROVAL OF THE 2009 MUNICIPAL BUDGET

Gary Martinsen, Vernon Township, commented that the Council did not make many cuts to the recreation budget and questioned why numbers in the proposed budget were changed and revised at each Budget Meeting. The Township Manager advised that the budget process is a work in progress until the time the Budget is adopted. Mr. Martinsen asked that the Township support local businesses and suggested services such as day care and transportation programs might be opportunities which may benefit local businesses instead of taxpayers paying for local and county government to provide those services. He also suggested that the budget process approach should be to cut everything now and amend the budget to include what is needed as it is needed.

Seeing and hearing no one else from the public wishing to speak, Mayor Carew closed this Public Comment portion of the meeting.

RESOLUTION TO GO INTO EXECUTIVE SESSION

At 7:20 p.m., Council Member Valerie Seufert made a motion to close the meeting to the public and enter into executive session. Motion seconded by Council Member Glenn McLaughlin, with all members voting in favor. Motion carried.

The Municipal Clerk read the following resolution to go into executive session:

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

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

NOW, THEREFORE, BE IT RESOLVED by the Township Council of the Township of Vernon 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 a personnel matter concerning staffing levels for the 2009 Budget. Release of the executive session minutes will not be made available to the public record.
3. This resolution shall take effect immediately.

Mayor Carew reopened the meeting to the public at 7:30 p.m. Present were Council Members Gary Grey, Glenn McLaughlin, Valerie Seufert and Mayor Austin Carew. Also present was Township Manager Melinda Carlton.

ADJOURNMENT

There being no further items of business to be conducted on the agenda, a motion for Adjournment was made by Council Member Glenn McLaughlin, seconded by Council Member Valerie Seufert, with all members voting in favor.

The Special Meeting of the Township Council of the Township of Vernon was adjourned at 7:30p.m.

Respectfully submitted,

Robin R. Kline

Robin R, Kline, MAS, RMC
Municipal Clerk

Minutes approved: 01/08/2009