

TOWNSHIP OF LOPATCONG
SPECIAL COUNCIL MEETING
BUDGET WORKSHOP

March 11, 2014

The Special Budget Workshop Meeting of the Lopatcong Township Council was called to order at 7:00 pm by Mayor Steinhardt. The meeting was held in the Municipal Building located at 232 S. Third St., Phillipsburg, New Jersey 08865.

Mayor Steinhardt stated “adequate notice of this meeting has been provided indicating the time and place of the meeting in accordance with Chapter 231 of the Public Laws of 1975 by advertising a Notice in The Star Gazette and The Express-Times and by posting a copy on the bulletin board in the Municipal Building.”

A prayer was offered followed by the Oath of Allegiance.

Present: Mayor Steinhardt, Council President Ciesla, Councilman Belcaro, Councilwoman McCabe and Councilwoman Schneider. Also present were CFO Dobes, Tax Collector Edinger, Auditors Dave Evans and John Mooney.

Mayor Steinhardt – Folks, this is the first Budget Workshop that we’ve done but we felt it was a good idea in light of the fact that we have several new council members new in the last year or so, everybody but me. So to give everyone an opportunity to kind of really sink their teeth into what the budget was like and how it works and answer questions without the pressure of other business, we are going to do a Budget Workshop. Now, this also being a special meeting, we are going to follow a different schedule. We’ll take public comment on agenda items but there is only one so we are not going to get into too much detail until we get into the actual budget itself, but the way we are going to spell this out tonight is, from now until about 7:10-7:15, we are going to have Dave and John kind of give us a budget overview. From roughly 7:15 to 7:30, as time requires, we will hear from any of the various department heads or other folks that are here with specific budget requests. From roughly 7:30 to 8:00 open the floor to Council’s specific questions of Dave or anybody else, amongst each other or respective debate, and then from roughly 8:00 to 8:15, we’ll take any specific comments or questions based on the presentation that was done up to that point. It is my intention to go into Executive Session for a couple personnel items and things we carried over from last meeting, and when we go out, I don’t expect that there will be any other business. We are not going to take any votes tonight so we will be adjourning around 8:30. Okay. So that said, I’d like to open the floor up to Dave and John to kind of give us an overview of where we stand for our fiscal year 2014 Budget.

Auditor John Mooney – Good evening everyone. What you have before you is a packet of what your budget looks like at this point. Currently, you are under both what’s called the Tax Expenditure CAP and the Tax Levy CAP. You are right at the Tax Levy CAP though; there is really no wiggle room left there. As it stands, on this document, you will see a monthly increase of approximately \$9.49 on a house an average house assessed at \$230,000. For the past several years, you kept your local tax rate really low in comparison to your neighboring communities.

The State average for the local taxpayer is approximately \$2500.00 based on a 2012 survey that was done by the State. The County average with a police force in Warren County is approximately \$1800 for the local taxpayer per year. Your 2014 Budget, as it stands, is approximately \$1100. So you are coming in \$700 under that bench mark from 2012. If there are any items to reduce the amount of the local taxpayer share, it has to be done through expenditure cuts. You are very stretched on your review and you are stretched as far as what you can use for fund balance. So if you are to reduce that number, it should be done, it must be done through budget cuts.

Mayor Steinhardt – Let's back up. John let's go through some of the specific numbers. Let's talk about the levy, about what we need to raise by taxes and we have coming in by virtue of other revenue rather than a board brush overview. Let's talk about some of the more specifics.

Auditor John Mooney – Just to go back, the increase is approximately \$.049 cents so you are going from a local rate of \$.043 cents to \$.479 cents which is a \$.049 cent increase and to reduce that by one point, you have to reduce \$86,000 from expenditures. That's what you are looking at.

Mayor Steinhardt – So one point is \$86,000.

Council President Ciesla – So that's one cent.

Mayor Steinhardt – Yeah that's one cent. Let's talk specifically about the 2014 increases John. My understanding is its \$326,000 in increases in capital improvements, \$325,000 in daily operations. Does that sound correct?

Auditor John Mooney – Correct.

Mayor Steinhardt - Can you break those down into a little greater detail too?

Auditor John Mooney – Yes. You have approximately \$360,000 in capital improvement increases. The Capital Improvement Fund for DPW and EMS is approximately \$250,000.

Mayor Steinhardt – That reflects what? Do you understand or Betty if you can try to.

CFO Dobes – That is a Mason Dump Truck and (inaudible).

Council President Ciesla – A hundred is for the EMS.

CFO Dobes – The other way around.

Council President Ciesla – The other way around – a hundred for the Mason and \$150 for the ambulance.

Mayor Steinhardt – We had a 2.8 percent increase looks like in our respective insurances. Correct? \$48,000 and \$28,460 respectively.

Council President Ciesla – Yeah, I verified that with Randy. That’s just a Statewide increase.

Mayor Steinhardt – An increase in insurance, excuse me not insurance, in engineering over last year. It is my understanding that’s related to the engineering for the Third Street Project.

Auditor John Mooney – You also have an item on here of \$40,000. These are for bills that have come in that we did not have any indication that they were for prior year not 13 but even going back to 12.

Mayor Steinhardt – My understanding is that cut out of the 2014 budget three things of substance; first \$58,000 for salary raises, correct?

CFO Dobes – Yes.

Mayor Steinhardt - \$248,000 for the sidewalk project that we put on hold and payout of some retirement time - \$55,000, correct.

CFO Dobes – Yes.

Mayor Steinhardt – Last year, going back to 2013, we had actually cut out \$200,000 out of the budget in salary raises again to the tune of \$100,000, \$30,000 in health premiums, two police cars to be carried over to this year, interlocal court, parks and playgrounds - \$50,000 for that. There is no inherent benefit to us of moving the two police cars to SUV’s; they come out of the CAP.

Auditor John Mooney – That’s correct. If you went with a specialized police vehicle you can move that outside of the CAP but you’d still have to come up with a way to fund it.

Auditor Dave Evans – This would be a great strategy if you had money in Capital. You would take money out of Capital but, unfortunately, you don’t have any money in Capital.

Auditor Dave Evans – You’ve been extremely aggressive over the last, at least a decade that I am aware of. You’ve been extraordinarily aggressive in keeping the local tax rate as small as possible. Unfortunately, as an end result, you have no money.

Mayor Steinhardt – (Inaudible). We’ve been doing some research into Hackettstown.

Council President Ciesla – M & M.

Mayor Steinhardt – You can finish going through your thing, we will go back to that so in case (inaudible). Anything else you can give us by way of highlights. So what are we raising specifically by Tax Levy?

Auditor John Mooney – Dollar wise?

Mayor Steinhardt – Yeah, exactly, dollar wise.

Auditor John Mooney – For the local taxpayer it's \$1100 dollars.

Mayor Steinhardt – No, no, no, no. How much is our total to be raised by Levy (inaudible).

Auditor John Mooney – Okay your total that you are raising by Levy is 3.1 million.

Auditor Dave Evans – You have a budget with Reserve for Uncollected Taxes is approximately seven millions dollars and you're

Mayor Steinhardt – Seven hundred thousand.

Auditor Dave Evans – Seven million.

Council President Ciesla – Seven million.

Auditor Dave Evans – In the 3.1, I miss spoke. 3.1 million is revenues other than those taxes. 4.1 million is (inaudible).

Council President Ciesla – Okay we are right under the CAP by like \$300 right?

Auditor Dave Evans – You are right at the maximum Tax Levy CAP. This year is a State examination year. They will be nitpicking everything that they can possibly find.

Mayor Steinhardt – Anything else you want to ask, questions?

Council President Ciesla – Would you like to explain the Mason Dump?

Superintendent Brian Weeks – (Inaudible).

Mayor Steinhardt – What are we doing with the one we have. You're going to keep using it? Nothing's going out of service right?

Superintendent Brian Weeks – (Inaudible).

Mayor Steinhardt – Which one is having the transmission problems?

Superintendent Brian Weeks – (Inaudible).

Council President Ciesla – I'm sure the general public doesn't realize how many problems you have, especially during snow and how you are constantly, yeah.

Mayor Steinhardt – The \$100 grand is the truck that you referred to us last time.

Council President Ciesla – No that's the EMS.

Mayor Steinhardt – Oh that’s the EMS.

Fire Chief LaFord – (Inaudible).

Mayor Steinhardt – Not yet, you’re going to have to kind of wait and see how the year goes, to be very candid.

Fire Chief LaFord – (Inaudible).

Council President Ciesla – That one only goes 30 mph.

Fire Chief LaFord – That one goes 30 mph, doesn’t start when we really need it so we would like to replace that this year.

Mayor Steinhardt – When we start going through item by item we cut a lot over the last ten years and not a lot of (inaudible) room left. That doesn’t mean there won’t be. Just, you know, isn’t presently.

Fire Chief LaFord – I believe, in the paperwork I gave you last week, there is an increase in my operating budget for the year. I’ve been operating for the last two years, that I have been in so far is well below where we should be at. Every year I cut something out that I probably shouldn’t cut out. We’re going to get burned one day but (inaudible).

Council President Ciesla- Is there any wiggle room in the price of the Mason Dump Truck and the ambulance. Is that overestimated?

Martin Olsen – Lopatcong Squad. We’re not looking for an ambulance that was the past chief.

Council President Ciesla – Oh okay.

Martin Olsen – We have three operating ambulances right now. As long as preventative maintenance on them (inaudible).

Mayor Steinhardt – Where do you think you are going to be budget wise?

Martin Olsen - \$30 to \$40,000 area and that’s not including preventative maintenance throughout the year.

Council President Ciesla – The ambulance is \$150,000.

Mayor Steinhardt – I would leave it where it is.

Martin Olsen – That is not including preventative maintenance throughout the year. That is Capital expenditures, whatever we have in mind.

Mayor Steinhardt – For auditing purposes can we pull \$50 out of there and put it for the fire truck?

Auditor Dave Evans – Here's the thing, if you move it from Capital to Capital you are fine. If you want to move it from Capital to something other than Capital you can't do it because the Tax Levy Cap. So if you want to stay with, I think there's \$250,000 in the Capital Improvement Fund, just leave it and you can allocate differently.

Brian Weeks – The inspections on our big trucks, I'm not saying it now, but got to understand this, they're telling me I can't pull anything with them – that's how bad they are. I've been asked by Updyke's and all that, which is sales and service, which takes care of certain things to not pull any trailers with it – so now I'm down to one truck that we can do that with. They are saying the whole back is going to pull off and then it will drop the whole bed on the ground also. So, it's been there for so long that, you know that everything is starting to do its time. I guess I'm saying to you is we got to start getting part of that budget put in there to be able to replace them.

Councilman Belcaro – Lou are we the only ones in Lopatcong that have a Cascade in the south warren region?

Fire Chief Lou LaFord – Yeah besides Phillipsburg Emergency Squad, their rescue truck, they have a Cascade System on it so they can take care of their own people first and then they call us in when their system is depleted. Vice-versa, we use our truck first for calls in town and then Phillipsburg comes and assists us when our system is depleted. Other than us, Greenwich, Pohatcong, Alpha they don't have a Cascade System; Harmony does not have a Cascade System. The next closest would be Franklin, Washington and then Mansfield Township.

Councilman Belcaro – Just considering, if we can maybe reach out to these towns under shared services, maybe they'll help chip in. That would work, I don't know because I know they do call us for mutual aid when there is a need for a cascade truck. This is part of shared services if they can chip in for, say some towns can chip in \$10,000 a piece, you know, and then I think it would be fair to all of us. Just a suggestion; something to consider.

Fire Chief Lou LaFord – They have Cascade Systems at their fire house. The problem is transporting them back – transport bottles back to the station, get filled, go back when you really need them at the scene to perform your activities so that's the whole purpose of a mobile Cascade System.

Auditor Dave Evans – There is an inherent problem with multiple towns contributing towards equipment because it is an ownership issue. You can't bond for something you don't own then it becomes a real issue then who actually owns the vehicle and the equipment. So it becomes, well on the surface, it sounds like a wonderful idea to have three towns chip together and buy something, but in order to do that from a capital item, the three towns, the contributing municipalities have to all own a piece of it. It's a little crazy. They can donate, they can certainly donate but they can't with the Levy Cap the way it is; the only kind of wiggle room you have is in capital items. You can't put capital items in for stuff you don't own. Years ago, it did not matter.

Fire Chief Lou LaFord – Cascade truck only goes to calls to where we need our air bottles filled up. So not every call requires that. I'd be reluctant to ask every town to chip in. They have specialized equipment that we don't have; tankers.

Council President Ciesla – Yes, I know you guys all work well together.

Mayor Steinhardt – Any questions Council for the Fire, EMS or DPW?

Council President Ciesla – The only question I have now is we had, we had said we had \$150 for an ambulance which we don't need now and now he saying he needs like fifty?

Mayor Steinhardt – What they said, he suggested, is that we leave the whole \$250 in Capital and we can draw on it as we need it. If we don't need all of it or 2/3rds of it, it will carry over into next year to build up the accounts.

Council President Ciesla – And going back to the whole um the police cars being in the CAP or out of the CAP; does it make a difference since we are so close; we only have like leeway of \$300 if we pulled them out of the CAP.

Auditor Dave Evans – You can certainly reclassify expenses and buy a specialized vehicle but you are still going to end up at the same place with your local tax. And as far as banking versus not, it's not really going to help you.

Council President Ciesla – Okay

Mayor Steinhardt – Any other questions for these gentlemen. You are welcome to hang around, if not thank you for everything, appreciate it very much. So let's turn it over to Council for questions of Dave or John or Betty for that matter, you know, I guess we are all fair game for questions for that matter. Questions of one another. I was mentioning earlier, it seems to me Dave, John, the problem we have is inherently a revenue one. I'm looking at Hackettstown for instance, well I don't know how many of Council knows, and I think I asked Beth to give; did you give a copy of the Warren County Census information to everyone?

Clerk Dilts – Yes.

Mayor Steinhardt - Lopatcong Township experienced the highest growth in the County in the last ten years between 2000 and 2010 but they actually take their population rates up to 2012. Lopatcong went from sixth in the county to 3rd a population increase from 5765 to 8068 – 30%. Previously we had been behind Washington Township, Washington Borough, Mansfield, Hackettstown and Phillipsburg. Phillipsburg actually experienced a decline, a decrease in its population. Our population increased by 39.1% - 8068 individuals, residents as of 2012. That is a 2012 estimate. Meaning that we've had exponential growth over the last roughly 13 years and during that period of time, worked hard to try to keep our budget from having to suffer the same type of increase, a 40% increase for instance when we couldn't do and remain cap compliant anyway but understand that, you know, an increase of 40% roughly 3,000 people, 2300 people in

population is a difficult strain on a towns budget and we can only increase our budget by 2% a year and still remain CAP compliant and we've done that but when you look at other towns, we spent sometime today looking at Hackettstown for instance. Hackettstown is 3/12 square mile versus Lopatcong's 7 square miles. They have 9,700 people to our 8100 people. They have a DPW of seven members and a supervisor. They actually have an entire Rec. Dept. too of a supervisor and three members which our DPW does with its three, four. They have 18 fulltime police officers to our roughly 13. They cover almost the same population and 1/2 of the area. So, you know, we are not without our challenges. They also have M & M Mars, a multi-billion dollar rateable for them that contribute almost 6% of their Tax Levy, \$350,000 a year from a single taxpayer within their township. We don't have any such taxpayer to keep the burden off of our residential taxpayers. So I mean that's just one illustration against which you can compare Lopatcong's financial position but I think it's one worth looking at cause they are so similar to us in terms of size, geographical makeup and services provided.

Council President Ciesla – We can go over the salaries too. If you look at theirs they have a Township Administrator/Clerk. They also have a Rec. Director and now, I just found out, have three Rec. employees. I'm not sure of their salaries but if you take the Rec. Director and the Clerk/Administrator, those two salaries together come to \$132 and if you take, I know the biggest grumbling out there has been Beth's salary but if you look at the salary she gets paid for Clerk and for Administrator, she's coming in at \$138 – only like a \$5 thousand dollar difference and that is not including the three people I just found out about today that work for recreation. I mean that's Beth and she does it for free and again you are talking population is almost the same and we have twice as much land as you do with four people compared to them. Again, maybe if we had M & M Mars and employees but if you look at overtime too, I mean the amount of things everybody does here for free, I think we totaled it; it came to like \$500,000 worth of salary that we are not paying because people have decided to take it on at no cost. Over the years we've cut out every single part-time position except for, I think the only one we have left is the person who helps the Tax Assessor. That is the only person who has a part-timer and I think it is definitely a testament to everybody who works here that you've managed to do this with a lot fewer people and we're coming up on Hackettstown and things continue to grow, like you know, the grumblings are, we could surpass them.

Councilwoman Schneider - (Inaudible)

Council President Ciesla – For instance Beth does, I read some of them off. She does Administrator part-time at a savings of about \$50,000; Registrar of Vital Statistics saves us \$2500, Qualified Purchasing Agent \$5,000, Recreation Program - \$25,000 – but just to note in Hackettstown the Director makes \$33,000 – I'm not sure about the other three. What else do we have – COAH Housing Liaison \$7,000, on-call 24/7 pump station \$80.00/hr., Custodian of Records \$1500.00, I mean, there is still even more. Like it just keeps going on and on and that's just Beth. We have the same thing with Betty, Phyllis and with Rachel. Every department and the savings is \$500,000. Like I said only the Tax Assessor's office still has a part-time helper.

Mayor Steinhardt – So this represents?

Council President Ciesla – If there is not an amount on the left hand side and there is an amount on the right hand side, that's what they are doing for free. It's just to compare again M & M Mars according to the Mayor of Hackettstown brings in \$350,000 in taxes. Maybe they're looking to set up an auxiliary factory. It's almost 6 percent of their tax base. And we're, you know, look at what, the budget going over all the years and like you said, we increased by 39% and our budget has not increased by 39%.

Mayor Steinhardt – I have some specific questions. Going through the various, going through the (inaudible) we have a code book update budgeted \$500 last year and you got \$5,000 this year. Are you doing anything special?

Clerk Dilts – I codify all the ordinances once a year and in years when we've been a little bit close with money, I'll wait to the next year and send it in.

Mayor Steinhardt – OE Engineering – it's my understanding that that's related to Third Street, anything else (inaudible) police salaries the O & E went up from \$88 (inaudible) Fire Inspector dropped. I'm looking at this.

Councilwoman McCabe – What does the Fire Inspector do?

CFO Dobes – The Fire Inspector that's Kevin.

Councilwoman McCabe – He goes to the houses to check that they have the smoke alarms.

CFO Dobes – Smoke detectors, carbon monoxide, commercial inspections.

Mayor Steinhardt – Working my way down to senior citizens, (inaudible), that's back in,

CFO Dobes – That's back in right.

Mayor Steinhardt – Parks and Playgrounds salaries and wages that jumped down 60 to 80.

CFO Dobes – We didn't use, the weather last year was not conducive to swimming, we closed the pool a lot. So it's like the year before's salary.

Mayor Steinhardt – You went back to year 2012

Council President Ciesla – But our receipts will be up too.

CFO Dobes- Correct right, right.

Mayor Steinhardt – Miscellaneous-Other now I'm assuming that's

CFO Dobes – That's everything that goes on in the park.

Mayor Steinhardt – Recolt?

CFO Dobes – No not Recolt that is a separate trust, that's a Dedication by Ryder. We are talking about Community Day, Easter Egg Hunt, dances, supplies for the pool, maintenance of the grounds at the park.

Council President Ciesla – My budget is zero.

Councilwoman Schneider – (Inaudible) On the spreadsheet we got it said fire suppression and

CFO Dobes – Oh the increases.

Councilwoman Schneider – Field House, Snack Bar?

CFO Dobes – To be compliant with the Fire Inspector we have to have suppression system in two buildings in the park replaced.

Councilwoman Schneider – We don't have them right now?

CFO Dobes – We do, but they have to be updated.

Mayor Steinhardt – Our insurance increases are of like 2.8% across the board.

Council President Ciesla – That's just based on the rate that's up all over throughout the insurance industry.

CFO Dobes – 2.8 is a good rate isn't it.

Council President Ciesla – Yeah it's not based on our performance at all it's just the Statewide Fund has gone up 2.8% which I know I mean insurance companies are getting a lot more rate, it's a hard market. Can you explain to me what street lighting is?

CFO Dobes – The street lights – we have over 200 street lights which we pay for. Yes. Yes the electricity. The fire hydrants are a separate line item. The street lights are separate. I think there are 263.

Council President Ciesla – That's not a lot.

CFO Dobes – No it isn't.

Mayor Steinhardt – (Inaudible).

CFO Dobes – Correct.

Council President Ciesla – Which they will eventually right?

CFO Dobes – Right.

Council President Ciesla – And part of the fire hydrant also I know we've negotiated and the fire company negotiated and they fill our pool for free.

Mayor Steinhardt – How did we do through the winter?

CFO Dobes – As far as the rock salt goes? We used about 800 tons more of rock salt. It cost us I'd say \$45,000 more, okay, for the winter. I did not bring it with me but I have notes on that.

Council President Ciesla – Hopefully, maybe they'll come out with a grant.

CFO Dobes – Well that's what I was hoping.

Council President Ciesla - You can hope.

CFO Dobes – Right. You never know with the State.

Councilman Belcaro – On fire hydrants, the \$141,700 is that charged to the every town or is that based on how many hydrants you have.

CFO Dobes – It's based on how many fire hydrants you do have and it's high in every budget. It's usually questioned but that's what it is. It's just to have water available 24/7 in case of an emergency.

Council President Ciesla – Is that the only charge we get? Like, once they're used, do we get charged?

CFO Dobes – No it's just a consistent \$35,000 a quarter.

Council President Ciesla – Well, that's the main purpose of the government - public safety.

CFO Dobes – That's it yes. Number one.

Councilwoman Schneider – (Inaudible).

CFO Dobes – That's why the increase. Yeah for the South Third Street.

Council President Ciesla – Now what about the police increases. I know we put it in there for the salary but when will we actually know.

CFO Dobes – That depends on negotiations.

Councilwoman Schneider – (Inaudible).

CFO Dobes – Two percent I put in there.

Council President Ciesla – I have one more thing. I know computer services are always a concern and I did look at some of the things, and one of the biggest expenses is the MSI software and we had talked about and, you know, went over it with our computer consultant some time ago and it's just, unfortunately, it's a cost.

CFO Dobes – It is.

Council President Ciesla – Yeah, you're either paying for that software or you are gonna probably pay more for others. It looks like there's no way around it.

CFO Dobes – It's very comprehensive. I mean I have gone out to bid on, you know, gotten proposals from other vendors and found this one to be the most comprehensive all tied together. It's a centralized thing as far as the cash receipts and requisitions.

Council President Ciesla – Yeah it seems like it's all

CFO Dobes - When you have a limited staff to have that.

Council President Ciesla – Yeah right it's really, I mean, they're all costly.

CFO Dobes – It's all State compliant.

Councilwoman McCabe – Since Victor isn't here I'm speaking for him. Our garbage and trash removal, are we getting our best rate.

CFO Dobes – Yes, Beth checks that every year. She does.

Clerk Dilts – Raritan Valley.

CFO Dobes – They've been coming in as the lowest.

Councilwoman McCabe – They've been coming in lower than LMR?

Council President Ciesla – LMR came in low for Cleanup Day right?

Councilwoman Schneider –The thing you have in here for the grants, it says, you know, Reserve for Homeland Security Grants. Is that, are they grants, did we apply for these grants and we are waiting?

CFO Dobes – This is probably from the previous years.

Auditor Dave Evans – When a grant says reserve it for means you received it the previous year and now it has to be legally appropriated to (inaudible).

CFO Dobes – Yes those are previous years.

Council President Ciesla – Some items we only received in certain years so there's zeroes.

Councilwoman Schneider – Is there any opportunities for any grants (inaudible) were we looking at grants or anything to (inaudible).

CFO Dobes – We always do.

Council President Ciesla – You just can't account for them.

CFO Dobes – We should be getting the Safe and Secure Communities Grant which runs about \$30,000. We usually get that every year \$23 to \$30,000 which is not in this budget but we should be getting it later this year so we can add it to the budget and it helps pay for police salaries.

Mayor Steinhardt – I'll leave you guys with this thought literally, figuratively and literally. When you look at your revenues, you look at your revenue sheet, we bring in roughly 3.1 million, \$3,104,271 in proposed revenues other than current taxes, that's in the package that you have, there's a breakdown for all that, um, the bulk of which \$948,000 in Energy Receipt Taxes and then it goes down dramatically from there fund balances exedra down to the smallest item was like \$12,000 for the sale of our SRECS, I take that back, return on investments. So the other 4.1 million dollars that we have to raise here John and Dave eluded to before is the amount that's raised by the Tax Levy and, the fact that the matter is, we can dispute, all of us here can have our different opinions on the merits of things like the asphalt plant or any of these other businesses but the burden that you guys are going to face long after I'm gone, is that until you find businesses to take some of the pressure off the residential taxpayers, when you sit down and go through this budget you find that there is no fluff in it, we are not hiding money any place, not over paying people, we don't have extra employees, we don't have a bunch of part-time employees doing work, there is very little that you can cut and you just heard the fire company, the emergency squad, and the road department talk about the conditions of some of their vehicles. While we put off last year buying some police cars to put them into this year's budget, until you guys find businesses to take some of the pressure off the residents who live here, you're taxes are just going to go up year after year after year. So I would encourage you to do what we tried to do and be a little more aggressive in finding businesses, otherwise, you are just going to continue to price residents out of this Township because they are not going to be able to afford to live here. There's only so much you can cut out of this budget and continue to function until you start finding businesses to bear some of the burden. I don't think this community has done well by trying to do that and certain factions of this community have not done well by trying to do that and it's to the detriment of the rest of residents here, at least financial, so I would encourage this Council to be aggressive in trying to attract and assist businesses in finding roots within the Township to take some of that burden off everybody. You're not going to find a lot you're going to be able to cut from this budget and in years going forward to make affordable for everyone. It's just not going to happen and you can only get so many grants, you know, and can't borrow in order to pay current debts so you need to go find businesses and that's the challenge I think that you guys are all going to face and I hope you can find a way to do it.

Council President Ciesla - The only other thing I'd like to say to is the formation of the EDAC. We're already being pretty aggressive and, also, one of the things, we are concerned here with is the local tax, however, the school tax is a huge part of every taxpayer's bill- it's right now 55%. So EDAC is trying to help them get rid of Delaware Park School to get that off the school budget because they have to keep it with water and it's not a rateable for us so. Those are the things that I think we also have to be aggressive with. Like you have to get the businesses in here and you have to look at everything. You have to, maybe we have to head up to Belvidere and we need to be at the County meetings too advocating for lower county taxes as well because, again, that's more than our portion too.

Mayor Steinhardt – We have demolition underway at the old Mallinckrodt Baker that should be started, I believe they'll be making their application to the Planning or Zoning Board over the next couple months.

Council President Ciesla – They'll have construction fees.

Mayor Steinhardt – Last, I heard there were several people looking at Ingersoll-Rand. Lori participated in a phone call with me earlier today that they anticipated a contract, hopefully, any day so maybe that would give you guys some added revenues.

Councilwoman Schneider – (inaudible).

Mayor Steinhardt – We're told now there's four or five. What I was told was that, that's the last, that there's no property left of that size in the Lehigh Valley Industrial Park. The last 300 acre tract and other people are looking. I don't know if that's good or bad, I just know that what I was told that it went from one or two suitors to four or five suitors.

Council President Ciesla – Which is good for the seller.

Mayor Steinhardt – I don't know what, it is currently zoned for like a retail center so anything short of a retail center is going to require them to go and ask, if that's not what somebody brings in or proposes, it's going to require them to go to the board for a zone change. I only know of the one company that was looking before but I have no idea of who Ingersoll-Rand is entertaining at this point.

Councilwoman Schneider - (Inaudible).

Mayor Steinhardt – It may be in the mix but no one told me (inaudible).

Council President Ciesla – I mean I know that real estate professionals, especially like I know trying to get Wegman's in here and they just don't feel they can support more retail at this point so I don't know (inaudible) I don't know. Until that mall gets up and running it's going to be tough but see what they have.

Mayor Steinhardt – Anybody else from Council have any specific like line item questions? If not we'll open it up to the public.

Councilwoman McCabe – I just want to get back to the Fire Inspector thing and this is just in the future probably; not for this year. I was talking to, I think it's the person that goes out to the houses to make sure they have the fire, smoke alarms. Some towns just have the sellers of property fill out a form and send it to Trenton. Now, I don't know what those same towns do about commercial. So I believe, they, I don't, and I'll have to look into it. We have someone on staff to do this so (inaudible).

(Inaudible)

Councilwoman McCabe – I'll have to find out.

(Inaudible)

Councilwoman McCabe – Right.

Councilwoman Ciesla – What hours does he work?

Councilwoman McCabe – Um, he's

(Inaudible)

CFO Dobes – Five hours a week.

(Inaudible)

Council President Ciesla – I know, the one thing I was talking about construction fees because of the down turn in the economy, those have been way down too. That's another piece of revenue that you don't realize coming in here but that was a source of revenue.

(Inaudible)

Council President Ciesla – Right. And now what did we have. Construction code fees.

(Inaudible)

Council President Ciesla – Okay that's not bad. And of course there's the interest on investments which is horrible. I mean in 2009, the interest on investments was \$89,000. Last year it was \$2,400. That's pain being felt everywhere throughout the economy

Mayor Steinhardt – (Inaudible)

Councilwoman Schneider – (Inaudible)

Mayor Steinhardt – (Inaudible) unless there's not something on the agenda. There are certain months when there's (inaudible).

Councilwoman Schneider – (Inaudible)

Mayor Steinhardt – A set salary. Because it's more than just going to the meetings and I'm not a Planning Board or Zoning Board Secretary but there's an application that the Planning Board Secretary has to take in the application. They provide the, they double check the property list; they double check the certified mailing to make sure they are all in order. They have to process the application make sure it is all together (inaudible). Phyllis does zoning. Obviously, they preside over the administrative part of (inaudible). Again, you have to understand, the Planning Board members are all volunteers too so they're not (inaudible). Someone has to do the day to day administration as applications (inaudible). A fair amount involved (inaudible).

Council President Ciesla – The transcribing alone takes hours.

Mayor Steinhardt – They're responsible for the minutes

Council President Ciesla – It's verbatim. Yes. The only other question I had was on the South Third Street Project. We have to put out money for that as well and, if I am correct, I think you told me that if we decide not to do that it is actually held against us at the State yeah.

Mayor Steinhardt – In my opinion, you guys, you can't start with not making infrastructure improvements for two reasons. One, it is not going to get better by next year and it's not going to be cheaper. You have to keep it in the budget and you got to, you're doing the minimum now. There are other significant improvements that should be undertaken, but until you have the revenue streams you are not going to be in the position to do them. Fortunately, we are getting some money to defray the costs but you have to keep those items in the budget in order to stay on top of our roadways among other things.

Council President Ciesla – I, I was told too that you, if you apply for these grants and you get them, and then you turn them down, it's kind of held against you when you try to go for another one.

Mayor Steinhardt – Exactly. Questions, comments?

Brian Weeks – I hear you talking about roads. Is there any plans on Red School Lane? We've thought about or looked at, it's getting there – bad.

Council President Ciesla – Another road that's on my radar.

Brian Weeks – Yeah that's your main.

CFO Dobes – (Inaudible).

Brian Weeks – (Inaudible).

Council President Ciesla – Reservoir Road too. I was up there picking asphalt off and there's nothing underneath.

Council President Ciesla- Any other questions?

Martin Swim – A couple of questions for my own education really. One similar to Brian's for infrastructure budgeting, is that under the Capital, is that a property tax; is it subject to a CAP?

Mayor Steinhardt – Capital improvements fall within the CAP.

Martin Swim – So it's within the CAP. All right. I had the same questions about pot hole repair (inaudible) it has been particularly a bad year.

Mayor Steinhardt – We have money in the Department of Public Works for general road repairs.

Martin Swim – A related question was year to year 12 through 2013 I know we cut drastically in Capital Improvements. My question was how well did we hold the line. How'd we do on saying we wouldn't spend (inaudible). Did we do a good job there?

Council President Ciesla – We actually came in, I think \$40,000 under. Did we, from 2013.

Martin Swim – Capital Improvements.

Council President Ciesla - Well Capital Improvements, what did we budget \$10,000. Did we spend that?

CFO Dobes – (Inaudible).

Martin Swim – We did hold the line there, that's good.

Council President Ciesla – Just about. Betty says no to everything.

Auditor Dave Evans – If I may, what's important there is that they didn't incur any new debt. So while they cut Capital, they didn't go out and borrow the money and continue to spend. So when they say they cut Capital, they really cut Capital.

Martin Swim – My other question is also educational I understand exactly what you were talking about there is apparently a budget line for Police O & E related to a police car and I didn't understand the whole discussion.

Council President Ciesla – About having the police cars as opposed to an SUV.

Mayor Steinhardt – SUV's are considered (inaudible) outside the CAP (Inaudible) it frees up money. (Inaudible) try to move it outside the CAP. We can do that, but we don't have to. Honestly, I was angling for an advantage somewhere like if we could pull it out of the CAP. The problem is whether it is in or out of the CAP, it's still part of the overall budget. We still need to

raise it, so it doesn't really matter where it comes from. Kind of matters where you put it. Let's assume for argument sake there was something else we needed to do budget wise and it's another \$10,000. What's a car? \$70

Council President Ciesla – No two together.

Mayor Steinhardt – So let's say we needed \$70,000, we were outside the CAP by \$70,000. We wanted to find \$70,000 to buy another dump truck or do something that money could have been moved, we could have moved it out of the CAP and put it, you know, put it in the CAP, move it out of the CAP to free up \$70,000 to do more within the CAP to add something else in that we didn't presently have in the budget but to do that we would have added almost another penny to the tax (inaudible).

Martin Swim – Understood that part. I was referring to a reference you made when you were going over the police expenditures, you said this amount in O & E oh that's for a police car.

Council President Ciesla – That also includes

Mayor Steinhardt – A lot of other things.

Council President Ciesla – Like ammunition, office supplies.

Martin Swim – (Inaudible)

Mayor Steinhardt – It was actually two. We took them out of the budget last year. The feeling was not to take them out of the budget this year.

Martin Swim – For my own education, how many cars do we have and (inaudible)?

Mayor Steinhardt – Two SUV's and I want to say four cars; two of them are extremely old. We are at the point where the cost of repairs exceeds the cost of buying them.

Martin Swim – Those are the two targeted (inaudible) thanks.

Council President Ciesla – We held them off last year.

Mayor Steinhardt – Any other questions tonight anybody? We are going to go into Executive Session but there will not be any action taken when we're done.

Council President Ciesla – Personnel yeah.

Mayor Steinhardt – Personnel, personnel and a potential contract but we are not going to be voting on anything so you are welcome to stick around but we'll probably be done in 15 minutes and then we'll be out of here ourselves. Motion to go into Executive Session.

Councilwoman McCabe – Motion.

Council President Ciesla – Second.

Resolution No. 14-49 - was passed to hold an Executive Session.

R 14-49

RESOLUTION OF THE TOWNSHIP OF LOPATCONG, COUNTY OF WARREN AND THE
STATE OF NEW JERSEY AUTHORIZING AN EXECUTIVE SESSION

WHEREAS, there are presently pending matters to be considered in Executive Session concerning possible matters listed:

Personnel matter – Rachel Edinger and Todd Picht, Reservoir Road road improvements and
Swim team Membership Application

NOW, THEREFORE, BE IT RESOLVED by the Council of the Township of Lopatcong, County of Warren and the State of New Jersey that the Council is authorized to hold an Executive Session.

BE IT FURTHER RESOLVED that the Council of the Township of Lopatcong will make said matters public within approximately 30 days of said meeting or until such a time as confidentiality of the matters is no longer required.

CERTIFICATION

I, Margaret B. Dilts, Municipal Clerk of the Township of Lopatcong, County of Warren and State of New Jersey do hereby certify the foregoing to be a true and correct copy of a Resolution adopted by Council at a Meeting held on Tuesday, March 11, 2014.

Margaret B. Dilts, CMC

Mayor Steinhardt and Council discussed the above noted matters.

Mayor Steinhardt asked for a motion to go out of Executive Session. Motion by Council President Ciesla, seconded by Councilwoman Schneider. All in favor.

Respectfully submitted,

Margaret B. Dilts
Clerk/Administrator

Douglas J. Steinhardt
Mayor

