

TOWNSHIP OF LOPATCONG

COUNCIL MEETING

June 11, 2014

The Meeting of the Lopatcong Township Council was called to order at 7:30 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 and Attorney Campbell.

Resolution No. 14-78 - was passed to hold an Executive Session. Attorney Campbell stated that Council discussed contractual and personnel matters. Motion to go out of Executive Session by Council President Ciesla, seconded by Councilman Belcaro. All in favor.

Public Comment: - No comments on Agenda items.

Old Business:

Minutes – Approve meeting minutes for May 7, May 12, and May 16, 2014. Motion by Councilman Belcaro, seconded by Councilwoman Schneider. Roll call vote:

AYES: Councilwoman Schneider, Councilman Belcaro, Councilwoman McCabe, Council President Ciesla and Mayor Steinhardt.

NAYS: None

Ordinance No. 2014-04 – Second reading and public hearing of Bond Ordinance to refund payment amounts to various property owners due to tax appeal settlements in the amount of \$1,085.00. Auditor Dave Evans reported that approval was given from the Local Finance Board to adopt the ordinance today and we have a five year payback period. The average impact to the average homeowner in Lopatcong will be \$63 per year beginning in 2015. Mayor Steinhardt - Any questions for Mr. Evans? There being none, motion to hold a public hearing by Councilwoman Schneider, seconded by Councilwoman McCabe. No comments from the public. Motion to close the public hearing by Councilwoman Schneider, seconded by Councilwoman McCabe.

ORDINANCE NO. 2014-04

REFUNDING BOND ORDINANCE PROVIDING FOR PAYMENT OF AMOUNTS OWING TO OTHERS FOR TAXES LEVIED IN AND BY THE TOWNSHIP OF LOPATCONG, IN THE COUNTY OF WARREN, NEW JERSEY, APPROPRIATING \$1,085,000 THEREFOR AND AUTHORIZING THE ISSUANCE OF \$1,085,000 BONDS OR NOTES OF THE TOWNSHIP FOR FINANCING THE COST THEREOF.

BE IT ORDAINED BY THE TOWNSHIP COUNCIL OF THE TOWNSHIP OF LOPATCONG, IN THE COUNTY OF WARREN, NEW JERSEY (not less than two-thirds of all members thereof affirmatively concurring) AS FOLLOWS:

Section 1. The Township of Lopatcong, New Jersey (the "Township") is hereby authorized to pay an aggregate amount not exceeding \$1,070,624.31 for amounts owed by the Township to the owners of various properties for taxes levied in the Township, as set forth in a schedule on file with the Tax Collector (the "Schedule"), pursuant to the Local Bond Law of the State of New Jersey, constituting Chapter 2 of Title 40A of the New Jersey Statutes, as amended and supplemented (the "Local Bond Law").

Section 2. An aggregate amount not exceeding \$14,375.69 for items of expense listed in and permitted under N.J.S.A. 40A:2-51(b) has been included in the aggregate principal amount of refunding bonds authorized herein.

Section 3. In order to finance the cost of the project described in Section 1 hereof, negotiable refunding bonds are hereby authorized to be issued in the principal amount not exceeding \$1,085,000 pursuant to the Local Bond Law.

Section 4. In anticipation of the issuance of the refunding bonds, negotiable bond anticipation notes are hereby authorized to be issued pursuant to and within the limitations prescribed by the Local Bond Law. All refunding bond anticipation notes issued hereunder shall mature at such times as may be determined by the Chief Financial Officer, provided that no note shall mature later than one year from its date. The notes shall bear interest at such rate or rates and be in such form as may be determined by the Chief Financial Officer. The Chief Financial Officer shall determine all matters in connection with notes issued pursuant to this ordinance, and the Chief Financial Officer's signature upon the notes shall be conclusive evidence as to all such determinations.

All notes issued hereunder may be renewed from time to time, but all such notes including renewals shall mature and be paid no later than the fifth anniversary of the date of the original notes; provided, however, that no notes shall be renewed beyond the first or any succeeding anniversary date of the original notes unless an amount of such notes, at least equal to the first legally payable installment of the bonds in anticipation of which the notes are issued, determined in accordance with the maturity schedule for the bonds approved by the Local Finance Board, is paid and retired on or before such anniversary date; and provided, further, that the period during which the bond anticipation notes and any renewals thereof and any permanent bonds are outstanding, shall not exceed the period set for the maturity of the bonds by the Local Finance Board.

The Chief Financial Officer is hereby authorized to sell part or all of the notes from time to time at public or private sale and to deliver them to the purchasers thereof upon receipt of payment of the purchase price plus accrued interest from their dates to the date of delivery thereof. The Chief Financial Officer is directed to report in writing to the governing body at the meeting next succeeding the date when any sale or delivery of the notes pursuant to this ordinance is made. Such report must include the amount, the description, the interest rate and the maturity schedule of the notes sold, the price obtained and the name of the purchaser.

Section 5. The Supplemental Debt Statement required by the Local Bond Law has been duly prepared and filed in the office of the Clerk of the Township and a complete executed duplicate thereof has been filed in the office of the Director of the Division of Local Government Services. Such statement shows that the gross debt of the Township as defined in the Local Bond Law is increased by the authorization of the debt provided in this bond ordinance by \$1,085,000. The obligations authorized herein will be within all debt limitations prescribed by the Local Bond Law.

Section 6. A certified copy of this refunding bond ordinance as adopted on first reading has been filed with the Director of the Division of Local Government Services in the Department of Community Affairs of the State of New Jersey prior to final adoption, together with a complete statement in the form prescribed by the Director of the Division of Local Government Services and signed by the Chief Financial Officer of the Township as to the indebtedness to be financed by the issuance of the refunding bonds authorized herein.

Section 7. The full faith and credit of the Township are hereby pledged to the punctual payment of the principal of and interest on the obligations authorized by this bond ordinance. The obligations shall be direct, unlimited obligations of the Township, and the Township shall be obligated to levy ad valorem taxes upon all the taxable property within the Township for the payment of the obligations and the interest thereon without limitation of rate or amount.

Section 8. This bond ordinance constitutes a declaration of official intent under Treasury Regulation Section 1.150-2. The Township reasonably expects to pay expenditures with respect to the tax amounts owing as set forth on the Schedule prior to the date that Township incurs debt obligations under this bond ordinance. The Township reasonably expects to reimburse such expenditures with the proceeds of debt to be incurred by the Township under this Bond Ordinance. The maximum principal amount of debt expected to be issued for payment of the costs of tax amounts owing as set forth on the Schedule is \$1,085,000.

Section 9. This bond ordinance shall take effect 20 days after the first publication thereof after final adoption, as provided by the Local Bond Law, provided that the consent of the Local Finance Board has been endorsed upon a certified copy of this ordinance as finally adopted.

STATEMENT

The Bond Ordinance, the summary terms of which are included herein, has been finally adopted by the Township of Lopatcong, State of New Jersey on June 11, 2014 and the 20-day period of limitation within which a suit, action or proceeding questioning the validity of such Ordinance can be commenced, as provided in the Local Bond Law, has begun to run from the date of the first publication of this statement. Copies of the full ordinance are available at no cost and during regular business hours, at the Clerk's office for members of the general public who request the same. The summary of the terms of such bond ordinance follows:

Title: Refunding Bond Ordinance Providing For Payment Of Amounts Owing To Others For Taxes Levied In And By The Township Of Lopatcong, In The County Of Warren, New Jersey, Appropriating \$1,085,000 Therefor And Authorizing The Issuance Of \$1,085,000 Bonds Or Notes Of The Township For Financing The Cost Thereof.

Purpose(s): Payment of amounts owed by the Township to the owners of various properties for taxes levied in the Township, as set forth on the Schedule on file with the Tax Collector.

Appropriation: \$1,085,000

Bonds/Notes Authorized: \$1,085,000

Grants (if any) Appropriated: None

Section 20 Costs: \$14,375.69

Useful Life: N/A

M. BETH DILTS
CLERK

Mayor Steinhardt asked for a motion to adopt this Ordinance. Motion by Council President Ciesla, seconded by Councilwoman McCabe. Roll call vote:

AYES: Councilwoman Schneider, Councilman Belcaro, Councilwoman McCabe, Council President Ciesla and Mayor Steinhardt.

NAYS: None

2014 Municipal Budget – Motion to adopt by Councilwoman McCabe, seconded by Councilman Belcaro. Roll call vote:

AYES: Councilman Belcaro, Councilwoman McCabe and Mayor Steinhardt.

NAYS: Councilwoman Schneider and Council President Ciesla

Resolution No. 14-76 – Authorize Tax Payment Plan for resident of Block 20, Lot 11.

R 14-76

RESOLUTION OF THE TOWNSHIP OF LOPATCONG, COUNTY OF WARREN AND STATE OF NEW JERSEY
AUTHORIZING PROPERTY TO BE OMITTED FROM TAX SALE AND MAKE EQUAL MONTHLY INSTALLMENTS

WHEREAS, N.J.S.A.54:5-19 provides for the governing body to omit from Tax Sale those properties delinquent for taxes or other municipal liens, or parts thereof, on real property, upon which regular, equal monthly installment payments are being made, in pursuance to such agreement as may be authorized by resolution between the collector and owner of said property.

BE IT FURTHER RESOLVED that said property owner shall make 36 equal monthly installments to include all delinquent taxes, assessments and other municipal liens held by the municipality, due on the first of each month as set forth on the attached schedule. It shall further be conditioned that all installments of taxes for the current years in which such agreement is made, and all subsequent taxes, assessments and other municipal liens imposed or becoming a lien thereafter shall be promptly paid when due. When payment of the aforementioned exceeds 30 days after due date, then said agreement shall be void and the tax collector shall proceed to enforce such lien by selling in the manner set forth in N.J.S.A. 54:5-19.

NOW, THEREFORE, BE IT RESOLVED, that the Governing Body of the Township of Lopatcong, County of Warren, State of New Jersey, hereby authorizes the tax collector to accept said installments as provided on the attached schedule for Block 20 Lot 11, also known as 239 Aurora Street, Municipality of Lopatcong and assessed to Jamie A & Bertha Munoz.

BE IT FURTHER RESOLVED that a certified copy of this resolution with installment plan schedule is forwarded to the Tax Collector and the property owner.

CERTIFICATION

I, Margaret B. Dilts, Municipal Clerk of the Township of Lopatcong, County of Warren an State of New Jersey do hereby certify that this is a true and correct copy of a Resolution adopted by the Council of the Township of Lopatcong at a meeting held on Wednesday, June 11, 2014.

MARGARET B. DILTS, CMC

Resolution No. 14-77 – Authorize Tax Payment Plan for resident of Block 106, Lot 8.

R 14-77

RESOLUTION OF THE TOWNSHIP OF LOPATCONG, COUNTY OF WARREN AND STATE OF NEW JERSEY
AUTHORIZING PROPERTY TO BE OMITTED FROM TAX SALE AND MAKE EQUAL MONTHLY INSTALLMENTS

WHEREAS, N.J.S.A.54:5-19 provides for the governing body to omit from Tax Sale those properties delinquent for taxes or other municipal liens, or parts thereof, on real property, upon which regular, equal monthly installment payments are being made, in pursuance to such agreement as may be authorized by resolution between the collector and owner of said property.

BE IT FURTHER RESOLVED that said property owner shall make 36 equal monthly installments to include all delinquent taxes, assessments and other municipal liens held by the municipality, due on the first of each month as set forth on the attached schedule. It shall further be conditioned that all installments of taxes for the current years in which such agreement is made, and all subsequent taxes, assessments and other municipal liens imposed or becoming a lien thereafter shall be promptly paid when due. When payment of the aforementioned exceeds 30 days after due date, then said agreement shall be void and the tax collector shall proceed to enforce such lien by selling in the manner set forth in N.J.S.A. 54:5-19.

NOW, THEREFORE, BE IT RESOLVED, that the Governing Body of the Township of Lopatcong, County of Warren, State of New Jersey, hereby authorizes the tax collector to accept said installments as provided on the attached schedule for Block 106 Lot 8, also known as 35 Wexford Court, Municipality of Lopatcong and assessed to Olan F. Jackson.

BE IT FURTHER RESOLVED that a certified copy of this resolution with installment plan schedule is forwarded to the Tax Collector and the property owner.

CERTIFICATION

I, Margaret B. Dilts, Municipal Clerk of the Township of Lopatcong, County of Warren an State of New Jersey do hereby certify that this is a true and correct copy of a Resolution adopted by the Council of the Township of Lopatcong at a meeting held on Wednesday, June 11, 2014.

MARGARET B. DILTS, CMC

Mayor Steinhardt asked for a motion to adopt these Resolutions. Motion by Councilwoman Schneider, seconded by Councilwoman McCabe. Roll call vote:

AYES: Councilwoman Schneider, Councilman Belcaro, Councilwoman McCabe, Council President Ciesla and Mayor Steinhardt.

NAYS: None

Resolution No. 14-79 – Imposing lien for municipal services.

R 14-79

RESOLUTION OF THE TOWNSHIP OF LOPATCONG, COUNTY OF WARREN AND
STATE OF NEW JERSEY IMPOSING A LIEN FOR MUNICIPAL SERVICES

WHEREAS, the property owner of Block 64, Lot 2 is in foreclosure; and

WHEREAS, there are unpaid charges in the amount of \$207.87 outstanding on said Block and Lot representing the costs incurred by the Township of Lopatcong to remedy violations occurring on said property which the Township Council has examined and found to be proper.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Township of Lopatcong, County of Warren and State of New Jersey that it does hereby place a lien on the premises listed

in the amount listed for the purpose of collecting unpaid charges due to the Township of Lopatcong.

CERTIFICATION

I, Margaret B. Dilts, Municipal Clerk of the Township of Lopatcong, County of Warren an State of New Jersey do hereby certify that this is a true and correct copy of a Resolution adopted by the Council of the Township of Lopatcong at a meeting held on Wednesday, June 11, 2014.

MARGARET B. DILTS, CMC

Resolution No. 14-80 – Authorizing refund of sewer tax overpayment on Block 68, Lot 12 to outside lienholder in the amount of \$153.39.

R 14-80

RESOLUTION OF THE TOWNSHIP OF LOPATCONG, COUNTY OF WARREN AND STATE OF NEW JERSEY AUTHORIZING TO REFUND SEWER TAX OVERPAYMENT ON BLOCK 68, LOT 12 FOR YEAR 2014

WHEREAS, the Mayor and Council of the Township of Lopatcong, County of Warren and State of New Jersey that warrants be drawn to the property owners listed below in the designated amounts representing sewer tax overpayments due to outside lienholder and property owner posting payments.

<u>Block & Lot</u>	<u>Name of Payee</u>	<u>Amount</u>
68 12	US Bank Cust/Crestar Capital LLC	\$153.39

NOW, THEREFORE, BE IT RESOLVED that the Mayor and Council of the Township of Lopatcong, County of Warren and State of New Jersey have approved the refunds made rather than applying these payments to the 2014 sewer tax due.

CERTIFICATION

I, Margaret B. Dilts, Municipal Clerk of the Township of Lopatcong, County of Warren an State of New Jersey do hereby certify that this is a true and correct copy of a Resolution adopted by the Council of the Township of Lopatcong at a meeting held on Wednesday, June 11, 2014.

MARGARET B. DILTS, CMC

Mayor Steinhardt asked for a motion to adopt these Resolutions. Motion by Council President Ciesla, seconded by Councilwoman McCabe. Roll call vote:

AYES: Councilwoman Schneider, Councilman Belcaro, Councilwoman McCabe, Council President Ciesla and Mayor Steinhardt.

NAYS: None

ROM Study – Gary VanVliet introduced George Ritter our Planner to review the ROM Study. Planner Ritter – Should I do a brief overview for the Council? Basically, what you have before you is the results of a study that was requested several months ago that is part of the ongoing study for the Highlands Center Designation. This is a portion of what will become a study that goes toward developing recommendations for the regulations that will take effect and will be applied to development within the Highlands Center in the Township. This study itself looked primarily at the Industrial District, the ROM District in town and tried to identify what characteristics the district has had through time, the current intensity of development and the mix of uses that are currently in the district. And it looked at, basically, the three Industrial Districts; the three ROM Districts, we refer to them as the North District, the West District and, obviously, the larger District South of the railroad tracks. And, really, what this study shows is that, essentially, there is still a fairly large amount of developable land being retained in the ROM South District that the ROM North District has, essentially, been filled out.

Mayor Steinhardt – For the sake of verification, can you identify either on the map or by reference, particularly, north and west, I think everybody is familiar with the one south of Rt. 57.

Planner Ritter – Pointed out, at the map and stated, essentially, we are talking about the ROM District South is, essentially, the area surrounding Strykers Road and south of the railroad tracks. Strykers Road, Lopatcong Creek and it also involves ground on both sides of Rt. 22. The ROM Zone North is located just off of Belview Road; it's about 40 acres. It represents a very old district that has been in existence quite a long time. Essentially, there is a farm that over the years has been converted to various types of commercial and office uses in this area. The remainder of the district was, actually, the subject of a Use Variance that was never developed. It is also dependent on septic. The ROM West District is located, really, around the chemical plant on Lower Belvidere Road and that's about a 40-acre tract of ground in that area and the primary use there is the chemical plant. There are several vacant parcels there, some (inaudible). Those are the general three areas. I think what the report showed, is that the other thing that came out of the report is the valuation of the building coverage and total impervious coverage in these various districts and interestingly enough, what it does show, is that on average the design standards for the ROM District in terms of building coverage and impervious surface, in most cases, has not been met. In other words, the districts are being developed at intensities of building coverage and impervious surface that for the most part, is well below the ordinance standard. That's not to say, there aren't a few exceptions. For example, there is a chart in the report on Page 5 of the Report, that, essentially, shows the different zoning standards that are in effect, going back through 59 to 2013 and, as you can see, the regulations over the years, have been, basically, been increasing the amount of permitted impervious coverage in the districts. The study, basically, shows that almost all the applicants in all the development that has occurred, between times, really has not been developed at that intensity at all. So, it really shows that the Industrial Districts are remaining more open than originally perceived and that the amount of building coverage and intensity of use is well below that which the ordinances permit. The other aspect of the report is that it did, we did find a clear difference between the ROM North and the remaining of the Industrial Districts. The ROM North District is really an anomaly in the Township zoning in that it is primarily an office/commercial use and it is really has very little opportunity to develop for industrial purposes in the future because it is totally dependent on onsite septic disposal. We also found in conversations with the owner of the property that at least when we had the discussions with him at that time, he was favoring the continued development of his property primarily for office/commercial type activities. He was not really pursuing any or believes he had much opportunity for industrial development. So, out of the three districts, that's the one that is probably the least oriented towards industrial activity and may be something that eventually discussions with the Planning Board, and maybe one that you might want to think of considering for a different zoning designation, to better fit what is in the area and also assure that because of its proximity towards residential use is, that you don't get the use in there that's in direct conflict with the size and location of the site. I think it's more a collection of history and of what's been going on in the district. There are no specific recommendations in the report for zoning amendments. At this time, this report will be incorporated into the larger center area study that will include recommendations, possible recommendations for rezoning or changing of design standards as well as a package of ordinances for regulations of development within the center and that the package of ordinances will be developed and reviewed by the Planning Board and, obviously, forwarded to Council for their consideration. We are in the process of working with the Highlands Council who is in the process of developing guidelines for those regulations. I think that is a very quick summary of the report and will be glad to answer any questions.

Mayor Steinhardt – Council, questions of Mr. Ritter?

Council President Ciesla – So, you have this report, and the Planning Board has seen this, and now the next step is to go over all our existing ordinances?

Planner Ritter – The next step of this, this will become part of study that we just discussed at the last Planning Board meeting. The next step in the Highlands Certification process is to have the town consider and adopt the regulations that will pertain to future development in the Highlands Center and this will be incorporated into that study which will also look at residential zoning in the center. It will look more closely at the design standards and then with working with the Planning Board, out of that should come recommendations for the Council's consideration of any

amendments or we might find that we like it the way it is, but the point is, that's the next step and come up with formal recommendations and then match our thoughts with where the Highlands in developing their own guidelines to these regulations, so, see if we have any input, we want to put there.

Council President Ciesla – I know the prevailing feeling throughout the town is we don't want to be over industrial, and what we'd like to do though, we know we need to stay in accordance with our ordinances and stay in accordance with our Master Plan but going to the Highlands, do you think there would be the opportunity to change the usage, particularly, of the ROM Zones?

Planner Ritter – We'll, I think, clearly, the usage question is one for the Town's decision, not the Highlands. The Township, through its Planning Board, will review and make recommendations as to what uses they believe are appropriate and what locations in the town and that would be incorporated in the study. It, it's not really, the Highlands, is more interested in the overall regulations and how they relate, but the specifics as to how the town would like to use the land and regulate it, is really a call they will leave up to the Planning Board. Obviously, subject to their review, but it's, essentially, our responsibility to figure out what we think is appropriate.

Mayor Steinhardt – Any questions?

Councilwoman Schneider – I just have a question, Mayor. The Master Plan, is that something that can be amended. When was the Master Plan created and is it something we have to live by or you know.

Planner Ritter – Well the Master Plan goes through, well, first of all, do you have to live by it. The answer is, is that the town does have a current Master Plan, the most recent amendments dealt with incorporating the Highlands Regulations into our Master Plan. The Master Plan is a working document. In other words, it is not frozen in time. The state requires that we review the Master Plan at least every ten years but there is no requirement that says you can't review it much more frequently. There is a process that we would have to follow to go through it and review the Master Plan and amendments and then out of those amendments to the Master Plan, would really support any proposed changes to the Township Zoning Ordinance and the Zoning Regulations would then flow out of the process. So, again, there is really no time-table. There's no fixed data. The current Master Plan is relatively new, shall we say, in terms of the process but that's not to say that amendments can't be considered at any time at the wish of the Planning Board or the Township Council if they felt it was appropriate to look at the various issues.

Councilwoman Schneider – When was the original Master Plan, do you know, when it was created?

Planner Ritter – I probably should, but I don't recall. First, it was back in the 70's.

Councilwoman Schneider - Was it 76, I think, I read?

Planner Ritter – And, also, the review process does not have to involve a full blown review of the entire Master Plan. The Municipal Land Use Law provides options to the town to do Re-examination Reports which are smaller versions of that which can be used effectively to review specific items rather than remaking the whole Master Plan and then the Re-Examination Plan becomes a part of the Master Plan.

Councilwoman Schneider – And then prior to the Highlands amendment in there, or change, do you know when the one before that was?

Planner Ritter – Well, 2004 was, let's see, 2004 was the last full re-examination. There was one more re-examination after that when we looked at the data center. I just can't remember the date.

Attorney Campbell – I was just going to offer, if you go on the town's website, the decision from the recent litigation that was posted on there, the judge goes through the first Master Plan, the first time, and he just lists every change in the Master Plan.

Councilwoman Schneider – Okay, yeah, was it, so everything was in there from the 2004 change Katrina? Everything from the 2004?

Attorney Campbell- Yeah, they start, I think they went back to the 55.

Planner Ritter – They, well, it starts back in the 50's, but there are, then, several Master Plans that have been generated since then and then multiple re-examinations on specific land use issues that have come up.

Councilwoman McCabe – I just have one quick one. Um, so, we as a town were to, specifically, exclude any certain business. Would we be opening the town up to litigation?

Planner Ritter – No, I'm not quite sure what you mean by that question, but no, New Jersey doesn't have this that a district must, a town must permit every use. Uh, if you are going to exclude something, there ought to be a reason why you've chosen to exclude it, at least in a general sense. Uh, but no, there is no requirement that the town permit every use.

Councilwoman McCabe – So, it's a use, that's maybe already in there and then we pull it out.

Planner Ritter – In a sense, if we did that, and we made it non-conforming through zoning, then it would become a non-conforming use. It could continue, but obviously, expansions would bring up various issues.

Councilwoman McCabe – Right, okay.

Council President Ciesla – I mean because, essentially, that is what we are looking to do.

Attorney Campbell- Just to clarify, because you said if we get sued, we'd have to make a distinction that there is pending litigation so that changes the analysis as to whether you get sued you have to look at it in light of (inaudible).

Planner Ritter- We're talking about a specific, I'm sorry, I'm talking in general, not in terms of a specific issue.

Attorney Campbell - If you were to make changes to the Master Plan on this specific area, you would look to the study that you have and if something's been permitted, change the analysis.

Councilwoman McCabe – Right. It's sort of a legal question.

Council President Ciesla – I mean, I know, we have pending litigation all around us. Changing the ordinance isn't going to stop anybody from coming and submitting another application, so that effectively, is a misconception that, that would happen but as far as going forward with the town, we are looking to maybe bring in a certain type of business as opposed to others and not burden the town with heavy industry, so, I don't know if that's something that goes back to the Planning Board.

Planner Ritter – Well, I think those types of questions can be raised by Council with the recommendation that the Planning Board consider it and then the Planning Board can give their, weigh in with their opinion, one way or another, on the subject or it can originate at the Planning Board if there's specific issues. It can come from either body for consideration, and in terms of what uses are permitted, there's nothing in the Municipal Land Use code that can't, that says that you can't look at your definition of uses and what types of uses in certain areas and districts.

Mayor Steinhardt – Thanks George. Anybody else have any questions? I'm going to move nine and ten in the opposite order. Do we have copies back yet? Can somebody check? Ms. Schneider has given us her analysis. Would you please go through what you did? Now, that you've had a chance to look at your numbers and the numbers that were given to us from Councilwoman Schneider can you explain the distinctions, and then, also, let's address the issues of whether the pool's losing money or not losing money, and we'll go from there. Please take your time and let's work our way through.

CFO Dobes - The first thing that I noticed, there is only two years of numbers actually do an analysis and before that, when analysis is done, it can be done by three or four different people, it will be done different ways.

Mayor Steinhardt – Well, let's start with this, let me back up. Last meeting, you drew a distinction between the General Ledger and a

CFO Dobes – A monthly budget report that I did for Council.

Mayor Steinhardt – And, you indicated last time that it was BTB something Trial Balance.

CFO Dobes - Budget Trail Balance.

Mayor Steinhardt – What is a Budget Trial Balance.

CFO Dobes – It is a monthly report which shows how your budget is doing, how much is left in the line items and how much revenue you've taken in.

Mayor Steinhardt – And what is the origin of that report?

CFO Dobes – The origin of that report is it is included in the General Ledger but it does not include all the detail.

Mayor Steinhardt – And how is that reported, by whom is that report created?

CFO Dobes – That report is created by MSI, I helped them create that report years ago. They pick up numbers from the General Ledger but they don't pick up all the numbers, they don't pick up – show - exactly general journal entries, disbursements, and cash receipts, it just shows one number.

Mayor Steinhardt – Okay, and, um, the Budget General Ledger therefore, is what?

CFO Dobes – That is a permanent financial record and that shows all entries, shows all cash receipts, cash disbursements, and your general journal adjustment entries.

Mayor Steinhardt – The analysis that you did as it relates to the financial operations of the pool was based on which one of those two documents, the Budget Trial Balance or the General Ledger.

CFO Dobes – General Ledger.

Mayor Steinhardt – And let me back up and ask one more question. Between the Budget, the General Ledger and the Budget Trial Balance, which in your opinion, which is the truest indication of the Township's finances?

CFO Dobes – The General Ledger that is what the audit is done on.

Mayor Steinhardt – The General Ledger. The Township's audit is done on the General Ledger.

CFO Dobes – Yes.

Mayor Steinhardt – Is it fair to say that the Budget Trial Balance is a creation of yours that was offered to Council by way of providing snapshots in time.

CFO Dobes – Yes.

Mayor Steinhardt – Okay. And the General Ledger is a ledger that is required of the Township to keep and maintain.

CFO Dobes – Yes.

Mayor Steinhardt – Okay. The Budget Trial Balance, however, is not, is that correct?

CFO Dobes – Correct.

Mayor Steinhardt – There's no requirements that a balance, Trial Balance be created or maintained or used for any purpose?

CFO Dobes – Correct.

Mayor Steinhardt – Okay. So, moving forward, your figures, the figures that you use and, therefore, the figures that the Township used to post it's number, for instance, on Council Corner, or make it's representation as related to the financial viability of the pool, were based on which document the General Ledger or the Budget Trial Balance?

CFO Dobes – The, uh, I base my numbers on the General Ledger.

Mayor Steinhardt – Okay, and the analysis that has been publicized, if you will, by Councilwoman Schneider's relates to the pool, as well as the analysis that she gave to us today, was based on which document, the General Ledger or the Budget Trial Balance?

CFO Dobes – The Budget Trial Balance.

Mayor Steinhardt – Okay, so can you pick up from there and then tell us where you're finding there's numbers missing.

CFO Dobes – Okay. In 2011 is missing entirely and in 2012.

Mayor Steinhardt – And in 2011, can you give us an overview of your analysis 2011.

CFO Dobes - Yes, the total revenues for 2011, there \$166,693.92. Also, we have an insurance check for a couple years and also SREC's were generated which we received revenue on that you would not find in the Budget Trial Balance. You wouldn't know about it, unless you knew the operations. So, 2011 we had receipts of \$166,693.92 and expenses of \$125,037.19 leaving a net of \$41,656.72.

Mayor Steinhardt – Do those figures include things, I remember hearing in passing at one point, Ms. Schneider asked about water to fill the pool, etcetera, those numbers are all included in your analysis?

CFO Dobes – Yes, it includes water, it includes electricity, it includes, one thing I noticed that, um, social security, unemployment and state disability which is 8.65 percent of the salary line items was not included on Councilwoman Schneider's analysis.

Mayor Steinhardt – Okay, so now let's move ahead to 2012.

CFO Dobes – 2012 we had receipts of \$162,580.

Mayor Steinhardt – This is 2012?

CFO Dobes – 2012.

Mayor Steinhardt - This says \$127,000. This is Ms. Schneider's report or am I missing something?

(Inaudible).

CFO Dobes - \$127

Mayor Steinhardt – But the actual number is what?

CFO Dobes - \$162,850. I mean 580, I transposed that.

Mayor Steinhardt – Sorry, okay, can you continue then please.

CFO Dobes – And on 2013's revenues, are \$147,086 and (inaudible) show up here at \$97,000.

Mayor Steinhardt – Okay, moving on then, please.

CFO Dobes – Okay, 2012 we had.

Mayor Steinhardt – Let's stick to 2012 so we don't have to jump back and forth, if you will.

CFO Dobes – Okay.

Mayor Steinhardt – Please.

CFO Dobes – 2012 we have revenues

Mayor Steinhardt – So there's a distinction of revenues of \$45,000.

CFO Dobes – Right, and I was just saying, most of it was the Snack Bar Receipts. Um, we took in \$22,000. Councilwoman's Schneider's was \$16,000. Um, the Gate took in \$45,386, not \$42,000. Pool memberships were \$44,170 not \$24,170.

Mayor Steinhardt – Okay and

CFO Dobes – And Expenses too. Of course Social Security.

Mayor Steinhardt – Expenses?

CFO Dobes – Expenses \$64,000, expenses were more than what was reported.

Mayor Steinhardt – Can you clarify that for me again? The expenses from the General Ledger

CFO Dobes – From the General Ledger \$64,941 and Councilwoman Schneider's were \$58,000 if you add the pool water (inaudible) \$58,000.

Mayor Steinhardt – What number was indicated on here as that, without, so it's just the number that I read from Ms. Schneider's report said, oh if you add the two together \$4,753 yeah, okay.

CFO Dobes – I tried to put the numbers in

Mayor Steinhardt – Yeah, I see \$64,941 in the margin, okay. So, what was the final, what did you come up with, therefore, this indicated that there was a loss of \$12,842.00. Was there a loss?

CFO Dobes – No is was a net of \$12,586.96.

Mayor Steinhardt - \$12,596 and 96 cents.

CFO Dobes – Right, correct.

Mayor Steinhardt – Any other comments on 12? For you?

CFO Dobes – We'll let's see and insurance check of \$1,350.

Mayor Steinhardt – Is that part of the \$12,589.96?

CFO Dobes – Yes.

Mayor Steinhart – Okay.

CFO Dobes – And \$4048.00.

Mayor Steinhardt – Can you go to 2013?

CFO Dobes – 2013 Park/Pavilion Rental is not included in that at all. We've included that as part of the pool analysis, historically, and Movies at the Pool were not included and, um, we had revenues of Movies at the Pool in 2013 of

Mayor Steinhardt – Well, let's start with, I'm sorry, I interrupted you.

CFO Dobes – Okay, well Movies at the Pool was not included at all so that was what we consider part of the pool, revenues 2011 were \$1575.00, in 2012 \$1250.00, 2013 \$2350.00.

Mayor Steinhardt – So, 2013 of the total revenues that you report reflects from what?

CFO Dobes – It reflects the numbers that I have given.

Mayor Steinhardt – Which was what, what is the total?

CFO Dobes – 2011, \$166,693.

Mayor Steinhardt – 13, 2013.

CFO Dobes - \$147,086.22 as opposed.

Mayor Steinhardt – Okay, yep, as opposed to what?

CFO Dobes – As opposed to \$97.

Mayor Steinhardt – I'm having a hard time, in fact, I'm not sure that the mike is working but we're getting yah. Um, okay, and so expenses in that year?

CFO Dobes – In 2013, right?

Mayor Steinhardt – Yes, please.

CFO Dobes - \$141,725.27 so the net went down considerably to \$5,360.95.

Mayor Steinhardt – Not a loss?

CFO Dobes – Not a loss. No, each year, we've been, Beth and I do one each year. She does one, I do one and we compare it and it has not cost the taxpayer.

Mayor Steinhardt – Can you point to a number, can you point to a year, uh, from your service year from 2013 prior where you recall the pool having lost money?

CFO Dobes – I can't recall, no.

Mayor Steinhardt – Okay, you can't recall a year or you can't recall at all?

CFO Dobes – I can't recall a year, it always has made money. If we look, we do, we go halfway through the summer season and if we are running a little short, we'll cut, make adjustments, so it doesn't cost.

Mayor Steinhardt – Okay. 2014 to the extent it matters, I mean, we're only in 2014 but you have an analysis based on what you anticipate revenues to be versus expenses?

CFO Dobes – No.

Mayor Steinhardt – No, okay.

CFO Dobes – No.

Mayor Steinhardt – Um, any other comments on the work that you did in comparing the two, the two worksheets?

CFO Dobes – The items in red are the items that don't compare – the Capital (inaudible) um, that's about it.

Mayor Steinhardt – Okay. I apologize but I have to leave early. Ms. Ciesla will have to take over. Um, I don't know if there is anything else you need to do or I need to do. Um, I can stick it out for a few more minutes. So, anything else you want to add?

CFO Dobes – No that's it.

Councilwoman McCabe – So bottom line is the pool's been making money for the past three years.

CFO Dobes – Yes.

Councilwoman McCabe – Okay.

Mayor Steinhardt – We're in the process of making copies of Ms. Dobes analysis, Ms. Schneider left one up there but, uh, Ms. Dobes has all the finances and the backup from the General Ledger for each item to which she's previously made reference. It will be made available for all of you as soon as there done making copies in the other room, um, to take with you so that you may have them to go through them.

Councilwoman Schneider – Can you tell me from the summary that you provided last week, to the summary you provided this week, um, why the numbers changed?

CFO Dobes – Why the numbers were different. We just went over it with a fine tooth comb.

Councilwoman Schneider – So, you didn't go over it with a fine tooth comb when you gave it last time?

CFO Dobes – No, I didn't.

Councilwoman Schneider – Okay that's fine. Okay.

CFO Dobes – I mean (inaudible).

Councilwoman Schneider – That's fine because I have some changes too based on the numbers that you, um,

Mayor Steinhardt – It's just the normal obnoxiousness Betty.

Council President Ciesla – Yeah, because her numbers obviously weren't (inaudible).

Councilwoman Schneider – No, I just wanted to make sure because I have changes, a couple on mine because of the information you provided, um, which were some of the expenditures I did not included into the analysis. So I did change a few, it's not much, um, it looks different than the last time but it's (inaudible) except for your expenditures.

Council President Ciesla – Did you include the revenue that you didn't have the \$20,000 for 2012 and some of the other adjustments to Snack Bar.

Councilwoman Schneider – Well, I yeah, I can go over where that.

Council President Ciesla – You know, I mean, I think that.

CFO Dobes – I have the General Ledger so you can see (inaudible).

Mayor Steinhardt – Donna thank you for doing this, I mean, obviously you spent some time going through it.

Councilwoman Schneider – Yeah, I um, I just; I must have a couple of things because I didn't write it down. When you were talking about things that are not included in the Trial Balance,

um, what were those things that were not included in the Budget Trial Balance that you said, that you said it does not pick up?

CFO Dobes – It does not show detail, if you look at, if you have a General Ledger sheet that you have there, it will not show a detail (inaudible) what each entry is. The General Ledger is everything.

Councilwoman Schneider – Right, okay, okay. We're you saying other things like it wasn't picking up, um.

CFO Dobes – The Capital.

Councilwoman Schneider – That's what I was asking, right.

CFO Dobes – SREC's, you wouldn't know about the SRECs and you wouldn't know about the insurance check, um, and the Social Security that's.

Councilwoman Schneider – I added that, yeah, cause.

Mayor Steinhardt – Gary can you leave that door open please, we can't.

Councilwoman Schneider – I did have that expense, yeah I do have that expense. Um, I would like to go over mine if there's no more questions for Betty.

Council President Ciesla – I have more, not questions for Betty, but I know, um, that your, your Budget Trial Balance is a report that you give to the benefit of Council as an extra. It's basically representative of what is in that bucket at that point, at that point in time. It's doesn't reflect if any money had been transferred out of that bucket for any reason so that's why it's important. First of all, the General Ledger is our official record. This is just a report, again, a picture in time, kind of like, if I had say \$50,000 in my son's college account and yet I took \$25,000 out to take care of something over here, when I go to get my balance, it's going to show it's \$25,000 and then my husband's going to go what did you do with the other \$25, but in effect, it's just over here and it's just been, so the General Ledger shows. The reasons, the difference between the \$25,000 in revenue that was missing from her report, since she used the Trial Balance compared to yours, is because the General Ledger shows all the money coming in and it also shows it going out. Where the Trial Balance is just going to show the net of that. Okay.

Councilman Belcaro – In the future, um, looking forward maybe next year, is it possible, so we don't have a reoccurrence, I think of, you know, maybe misunderstanding and the numbers being, not showing what they really are as far as the ledger, right - no, no, I'm saying the ledger shows all the numbers, right, correct?

CFO Dobes – The General Ledger shows all the numbers.

Councilman Belcaro – Yes, right, so I just think in the future, uh, you know, maybe if we could just show all of that, this way, we won't have that kind of, what we've just been having, you know questions yeah, if we could in the future, that' all.

Council President Ciesla – Maybe stop the, stop printing the Budget Trial Balance so we don't have any confusion since, I mean, you know, we're just using it as a guidance tool but I mean, I think a big part of it is to, is this is, it's a new process for all of us, the only person that's been here a while is Doug and you're trained in this, whereas none of us are, at the same time, you know, there is a lot to it and I think, you can look at, you can look at numbers five different times, add them up and come up with five different numbers because I might make a mistake here and there but again there is also the analysis of the numbers and if you don't understand what they are, you are going to mis-analyze them and I think that's what happened here. And, I know, um, I know part of that's why at the end of the year, there's usually a seasonal analysis done that goes through all the General Ledgers and the Receipts and that's all put together so we can get an accurate picture and, I know, that's been done for years now. I don't know if that should be shared with everyone. Maybe that will help.

Mayor Steinhardt – I do want to do this before I bow out on not having reoccurrences. I do want to apologize to Council and to the folks that were here last meeting, um, I suppose that maintaining order and decorum for the meetings begins with me and, uh, to the extent the last meeting got out of hand, I'll take responsibility for that. That said, I will not, however, um, let misstatements to go uncorrected or inaccuracies go uncorrected for that matter but I will be mindful of my tone and tenor and make a conscious effort not to speak over anybody else when they're speaking, as I think we all should. We've got in the habit of interrupting one another on occasion; things get heated and (inaudible) respect and just finish our thoughts and conversations. The one point that I was trying to make last meeting, that got lost in the shouting, the translation, was that, uh, a statement had been made back in March that we're \$150,000 heavy in our budget, um, and since March, we've still been waiting to find out what the line items were, that, that \$150,000 and I assume that was based on some sort of documentation and the not having gotten any and I think the point in which comments were made that there was paperwork missing, uh, that hadn't been provided, that was where I was getting confused because I assume that the number was based on some documents that somebody received at some point and I was just waiting for somebody to tell me what the \$150,000 was but going forward, I'll be mindful of the way that the meetings go so that something like that doesn't happen again and we should all be mindful of each other's right to speak freely and not to cut each other off so, uh, I'll be the first one to do that going forward and apologize for letting it, having it got out of hand at the last meeting, it won't happen again. On that note, there is a ten and eleven year little league old world series finishing up at 5:15 and they're both Lopat teams and it is one and one and my son is one of the kids playing, so, I'm going to go watch him finish off the season and bid you guys adio for tonight.

Council President Ciesla – Okay, thanks.

Councilwoman McCabe – Thanks. And I just want to say thank you Betty for taking the time out to do all that research, pull out all those line items, I know, that is a cumbersome process. Thank you for, you know, proving what we've been saying all along that the pool is making money and I appreciate all your work on that, thank you.

Council President Ciesla - Is there anything else on the pool analysis?

Councilwoman Schneider - Yeah, I want to go through mine please.

Council President Ciesla – Well, we can go through, I mean,

Councilwoman Schneider – No, I would like to go through mine, we went through Betty's. I prepared it, um, Doug asked me to, um, bring numbers to the table and I have my numbers, so I'd like to go over them right.

Council President Ciesla - That's good, cause I already found some.

Councilwoman Schneider - Okay, thank you. Okay, for the folks out there, um, that picked up any copies up front, some of those copies have backup paperwork to them, some of them do not because I ran out of paper so if you don't have one with backup and you'd like that, when, feel free to, I think there's more up here. So, the backup work corresponds with the letters on my power point presentation that I prepared. I'm not going to go over all of the backup information because we would be here forever, so, I'm just going to focus on my report and I may touch here and there for some examples on my backup. Um, when going over this, um, you want to go to Township Pool Profitability the numbers that I came up with were \$21,000 loss in 2012 and a \$2,300 loss in 2013. Um, on Council Corner it did say that the pool netted \$25,000, um, that's factually inaccurate, it did not net \$25,000 um, according to Betty's new numbers it netted \$3,000. What were the new numbers?

CFO Dobes – For 2013 \$5,300.

Councilwoman Schneider - \$5,300 so, um, that's not \$25,000. Um, I did find out where the \$25,000 number came from. It came from the budget numbers, the anticipated budget numbers. If you take the anticipated revenue and anticipated expenses, that nets to \$25,000. So, those numbers were taken from the budget.

CFO Dobes – Budget Trial Balance?

Councilwoman Schneider – No, the budget worksheet.

CFO Dobes – Oh, the anticipated revenues (inaudible).

Councilwoman Schneider – Yep, so, that's where the \$25,000 profit number came from, so, if we're only looking at General Ledger, I'm not understanding why we went to the budget, the big budget which is called the Municipal Data Sheet correct? The Municipal Data Sheet, the big budget.

CFO Dobes- A state form.

Council President Ciesla – We're making an assumption on that though. We'll have to find out where we got the numbers from.

Councilwoman Schneider – Okay. It doesn't seem to be from the General Ledger because according to Betty's report, right here, we made \$5,000 and she went through it with a fine tooth comb and we used the General Ledger.

Council President Ciesla – Right. We also did maintenance and Capital Improvements back in August.

Councilwoman Schneider – In 2013. Okay, um, it's a little tricky to do the work that I did do on this, um, mostly because when you look at the budget, the pool does not have its own lines. It's under Parks and Playgrounds, so, sometimes it hard to distinguish between the numbers but, excuse me, but for the most part, the pool is the majority of Parks and Playgrounds Revenues and Expenses. Okay, so we're going to go to the Township Pool Revenue Analysis.

(Inaudible)

Councilwoman Schneider – We're on number two on the power point presentation. So when trying to figure out the pool revenues it was hard because the three documents that we do receive which is the Trial Balance, the analysis that we just got and the Municipal Budget Sheets which is the state form, all three had a different revenue numbers. Um, I know where the revenue number came from for the \$97,000; it came from the Trial Balance, not from the General Ledger. Came from the Trial Balance.

CFO Dobes – Right.

Councilwoman Schneider – Right, um, so, that's where that revenue came from. Then, the analysis said it was \$132,000 and then on the state form it said \$124,000. So, none of the numbers actually match up, it was kind of hard to figure out which one but I did figure out what I think is the right answer, um, and it's close to what the analysis was for last week, it was \$132,064 and I came to that because I did identify a \$35,000 number that mis-posted into the, um, revenue, so actually when that was adjusted the number should be \$132, um, not \$124 on the Municipal Budget Sheet, so how it got to

CFO Dobes - (Inaudible).

Councilwoman Schneider – Oh, sure. Actually, can I just finish thanks. Um, so the one, so to get to \$124, um, we, it was, you took the \$97,000 from the Trial Balance and, actually, from what I can see, \$27,715 of MRNA revenue was added to the pool revenue. For people that don't know what MRNA means, MRNA is Municipal Revenue Not Anticipated. So MRNA is something you cannot budget for, it's, it's cash that was realized, um, for example, the DPW sold scrap metal that year, we didn't anticipate those monies but they did come in and um, they should be on the budget as a line item of MRNA but they're not and everything else that I've tied to, that's the only one that I can't seem to find and it matches the \$124 number. Um, I don't think MRNA should be put into the pool revenue; it's kind of inflating or um, uh, sustaining the notion that the pool does have a profit. Um, I think the \$27,000 there are other ways we can use that \$27,000. Um, for the 2012 revenue, I didn't see any errors but the \$25,000 discrepancy we have in the pool memberships, looking at the Trial Balance, that's where I got my number, it was at the end

of the year 12/31, um, I'm not sure why the number would have been higher when at the end of the year, it's December 31st, the number wouldn't reflect just the revenues because the pool closed in September, they should have already been there. Um, you know, it's, it's hard to, um, reconcile 2012 because I couldn't get to the numbers. I believe there's MRNA money, also, there too, but because it's not, there is no line item on the budget, on the budget, from the state that shows MRNA, but I'm still off by about \$17,000, so, I can't reconcile the pool revenues for that year. If we go to Page 3, we are going to go to the expenditures. So, um, with the expenditures, it was hard to get a number because, again, all three documents have three different numbers on them. Um, and also, within the Trial Balance, there is miscellaneous postings with no explanation next to them. I'm not sure what they are, um, they could be a misclassification because the \$35,000 error I found was also located in that same spot and there are a multiple amount of those, I don't know what they are, um, I'm sure Betty can explain those. I don't know if they're errors or they should actually be in there but it's causing problems because some years we use those postings for the number and other years, we don't use those postings. So, it's creating inconsistencies throughout the expense categories. So, it is, actually, artificially reducing our expenses. So, um, to say that we use the General Ledger, this goes back to my baseline for 2014, we carried over the anticipated revenue of \$124,000. If we use that number, the pool loss for 2014 is \$26,000 and if you use the State Budget Sheet, the overall loss on there says \$41,000. Um, but because we are using the wrong number, the \$124 is the \$97,000 Trial Balance number that was moved forward with the \$27,000 worth of MRNA in it. Um, so the actual revenue should be higher than what we have listed there. For instance, uh, the, it, you know, if we take \$135, let's round it out to \$135, we'll lose \$15,000 not \$26 or not \$41 like the budget says. Um, on some of the expenditures, I just want to flip back once. On some of the expenditures, the inconsistencies are also in all of the, um, expense categories. They are reported improperly, we have for 2012 pool chemicals, we recorded expenditures in 2012 of \$20.00 and in 2013, we recorded expenses of \$21,000 and that goes through Snack Bar Food Supplies, I'm sorry, Gate Office supplies \$22,000 was expended in 2012 and only \$57.00 was expended in 2013. So, there are some inconsistencies which brings me to the baseline versus zero-based budgeting, if you, instead of taking that big number on the top and carrying forward year after year, if you went down to the sublines, you'd be able to see some of these errors and you'd be able to fix them, instead, we carry over a number with the errors on them. So, this is what I'm talking about when I talk about baseline versus zero base. Um, this pool analysis, um, is a representation of all of the errors I was talking about and um, they are throughout just the pool part of this, the three months that the pool is open. I find it hard to believe that these errors would not be in the remaining part of the budget that is the other 300 days of the year. Um, for the pool, I don't want the pool to close; I think people love the pool. I think it is a good place for the kids to go, I think it's a good place for families that don't have pools. Um, what I want is just for the right numbers to be displayed and I may be off on some of these numbers, but I'm not way off, um, and, unfortunately, we need to do something else, we need to find a better way to manage the pool whether it be outsourcing, whether it be curbing our expenditures, whether it be reporting in a different way because maybe we do have errors within that, as I found, um, I just think there is a better way to do it and as for the MRNA money it really should be recorded in its own category and not buried into Parks and Playgrounds. Um, and I do think that there is other ways to use that MRNA money. Um, I do suggest that we do change that Council Corner post because we did not net \$25,000 last year and I would hope that looking at the December minutes, it did say a resident asked if the number was not \$25,000, would the post be removed and I know the Mayor is not here, but he said I guess so I'm hoping that he might honor that and I'll guess I'll have to ask him.

Um, and I just want to comment on the 2014 operating budget, quickly. Um, in the packet I handed out there is a memo prepared. I was, I was trying to prepare to get it in, um, for the 2014 budget review for us, um, as I have said before, it was extremely hard to get all the information that I did need, um, and I was trying to hold out for that information but I didn't get it which, uh, I didn't feel it was right to send that into Council, not knowing if those cuts would be prudent, so I did not send it in, but I do have it here to show you that I did do my homework, I do have the numbers and the proposed cuts there not something that I, I'm saying we should do, I'm saying that there proposed. Um, they may not be right, they may be wrong but, um, they also do not include any Capital cuts nor Salary and Wage cuts. Um, I did try and my goal was to cut two cents off of the budget, um, when I did get some of my information, I got down to one and a half cents, so I was close, um, with the proposal but I do think there's more in Capital and in Salary and Wages that we could try and curtail.

So, for 2015, um, I would like to champion some changes for the budget process, some improvements. I would like to research alternative budgeting methods, communicate and involve the entire Council. Um, acceptance and buying would be required by our new leadership, with full Council support. Involvement and accountability with departments within the process is a must, um, we need some training and education for employees and residents to understand the process and how it would work and I would hope that there would be a budget worksheet binder, so, if, um, a resident wants to come in and know what the expenditures, what there predicted, we have a binder that we can show this is the worksheet that, we're predicting that we need to spend so there's no transparency problems with that. Um, I have not lost site that the budget is an estimate. We can't get perfection, it's never going to happen, that's not realistic. I'm not saying the budget should be, the numbers should always work, but what I'm saying is, if you do a different method, if you did zero based budgeting, you'd be able to get a better picture and clean up the Trial Balance and get some of these number corrected that need to be corrected. I know it is a working document but I think there is room for improvement and I am champion that for 2015 and, um, if anyone has any questions on anything that I talked about, if you want me to go over numbers, if you want me to do any of that, I would be happy to meet you in the building, for coffee, your home, it doesn't matter, I'm more than willing to share the information that I did receive. Um, and on my last note, if the numbers where not, if Trial Balance is just a trial, as I've said before, I don't know why we're using those numbers to prepare the budget. Um, and that's it, thank you for your time.

Council President Ciesla- All right, Betty do you want to go first?

CFO Dobes – Um, yes. There are more numbers than using just the Trial Balance, there's history of numbers in the past (inaudible) you look at expenses and revenue. You also have surplus strategy, your budget is a plan and in that is you can't anticipate in revenue any more than what you received. If you anticipate less, and you know you rare going to receive more, than you know you will be building up surplus and that's the target for Lopatcong right now. The MRNA is miscellaneous revenue not anticipated and it's not a line item on the budget and if you would pick up the municipal budget book from the Rutgers, that explains the municipal budget you would see that, or maybe you should actually take the course because you really have such an interest in the finance end of it, take the courses. You keep saying errors, inconsistency not recorded improperly; I don't know what inconsistencies (Inaudible).

Councilwoman Schneider – I can give you that.

CFO Dobes – And, the sub accounting, with the line item, is done for all of your help, so you can see, so we can do analysis, we are not a private corporation we don't do P & L Statements.

Councilwoman Schneider – Right, right.

CFO Dobes – And, you look at the whole picture, Parks and Playgrounds and the Pool are just a small part of the full picture. So, sometimes, you know, I put those, the inconsistencies, you call them, for instance in the health insurance, so you can see how much has been collected from the employees to offset the expenses. Now, this \$35,000 you keep referring to is somebody picked up the wrong account number that was filling in for me and the auditors picked it up and it was corrected.

Councilwoman Schneider – I picked it up, not the auditors. I picked that up.

CFO Dobes – I know, but they picked it up before your did.

Councilwoman Schneider – No, because he said he never saw a Trial Balance before.

CFO Dobes – He didn't see a Trial Balance, he never does. John comes in and he does the receipts and disbursements and it goes on there and that's where they get the numbers, from the General Ledger and you can see it in the General Ledger.

Councilwoman Schneider – Well, that number, well, you know, I just (inaudible).

CFO Dobes – You keep referring to information that you did not receive. What information did you not receive?

Councilwoman Schneider – I sent you an email asking, because you told me I couldn't come in for five days because I took up too much of your time, um, I sent you an email and I said, okay, let me know when I can come in and in the meantime, here is the list of my things I'd like information on. Please let me know.

CFO Dobes – You're right. A lot has transpired since then, so if you can let me know the date or resend it to me. My office is quite busy. The state is very strict with their budgeting laws and, as far as what you have planned for the future, your new CFO will instruct you.

Councilwoman Schneider – There is also, when I was in the workshop with Ms. McCabe, I asked about longevity pay and we were checking on another item, which right now I can't recall, but I didn't get back any information from that either.

Council President Ciesla – We can't take money away from them. We're not increasing it or giving it to anyone else.

CFO Dobes – What about the \$150,000 you were going to bring it to the meeting.

Councilwoman Schneider – You didn't tell me to bring it to the meeting; it was a budget workshop for me to ask questions and we both.

CFO Dobes – It was to make changes and adjustments to the budget that was what the meeting was for and you kept referring to \$150,000 that you wanted to adjust in the budget and you said it was at home.

Councilwoman Schneider – No, right, because I didn't plan on bringing it as we both agreed.

CFO Dobes – The meeting was for making adjustments to the budget (inaudible).

Councilwoman Schneider – That's not what the meeting was.

CFO Dobes – (Inaudible).

Councilwoman Schneider – Okay, um, I just want to respond to a few of those things. The \$35,000 misclassification was posted in the same exact manner as these credits that are listed here.

CFO Dobes – The spreadsheet and I told you what they were at the time.

Councilwoman Schneider – Not these credits that are on the Trial Balance.

CFO Dobes – (Inaudible). I just went through all those credits in the Trial Balance.

Councilwoman Schneider – No, not all of them we didn't.

Council President Ciesla – Did you give them to her so she could look at them? I don't think this is the place.

Councilwoman Schneider – Yeah, in Parks and Playgrounds for 20

CFO Dobes – I take offense to it.

Councilwoman Schneider – Sorry you take offense to it.

CFO Dobes – I do because it is audited. It is audited and the state has very strict guidelines and they could be in here in a moment's notice.

Councilwoman Schneider – Okay, to when we talk about these credits, one year you used the, you off set the credit and in one year you did not.

CFO Dobes – (Inaudible)

Council President Ciesla – Okay, Donna, I don't think it is fair for her if she hasn't seen it, so she could look at it.

Councilwoman Schneider – But I gave you a packet.

Council President Ciesla – We are in the middle of a meeting, I don't know how well she's looking at it, if we could just give her a little bit, with respect to look at it.

Councilwoman Schneider – It's Page 1. Um, and, um, C, Page 1, there's a cut and paste of 2012's Trial Balance and 2013's Trial Balance.

CFO Dobes – So, what are we looking at?

Councilwoman Schneider – So, do you see the credits up at the top. There's, uh, there's a credit.

CFO Dobes – (Inaudible).

Councilwoman Schneider – Well, we have in 2013 there's an \$8,000 credit up top, um.

Council President Ciesla – We might be looking at the wrong sheet.

CFO Dobes – We should have went over this beforehand.

Council President Ciesla – No, yeah, this isn't the place to do it.

CFO Dobes – She's making an exhibition out of it.

Councilwoman Schneider – Well, I'm not making an exhibition, I was asked to give numbers and that's what I'm providing. If you need some time to look at it, that's fine.

CFO Dobes - (Inaudible).

Councilwoman Schneider – In some of these cases, you carried over the number and you used the credit and sometimes you didn't use the credit.

Council President Ciesla – I think this is something that should be taken off line, she should have the ability to look at it. We can't even find it ourselves right now.

Councilwoman Schneider – Sure, that's fine.

Council President Ciesla – I don't know what package you are in so.

Councilwoman Schneider – I'm in C, Page 1.

Councilwoman McCabe – Where on Page 1.

Councilwoman Schneider – On the Trial Balance.

Council President Ciesla – Oh, so Page 1 is not Page 1 - which credits. Again, I'll stick to what I said; we'll take this off line.

CFO Dobes – (Inaudible).

Councilwoman Schneider – This General, 2012 and 2013.

CFO Dobes – This is what I mean; everybody can do an analysis and have it three different ways.

Councilwoman Schneider – Right, but if you are taking numbers from here and putting them into the budget, then this must be the official documents.

CFO Dobes – Mine is approved by the state. That's where I get my license from and that is why I do these books the way I do them. It is approved by the state and it is audited.

(Inaudible)

Attorney Campbell – (Inaudible) You should set up a meeting and she can show in the General Ledger (inaudible) you guys can sit down and talk about it.

Councilwoman Schneider – It would have been nice three months ago when I wanted to talk about this stuff.

Council President Ciesla – Donna, let's take it off-line.

Councilwoman Schneider – No, excuse me, what did we just say about interrupting.

Council President Ciesla – As I, I'm running the meeting now.

Councilwoman Schneider – So you don't agree to have a meeting without interruptions (inaudible).

Council President Ciesla – No, no, you and Betty should meet to go over these numbers, okay. She's already agreed to do it, doing it here isn't going to do anybody good. We're going to be here all night and we have to get out of here by seven because there is another meeting, so.

Attorney Campbell – You can come back.

Council President Ciesla – Yes, you can do it next meeting.

Councilwoman Schneider – My point being, if I had had access when I asked for the information, this, we wouldn't be here. If I had received the information I'd asked for. If I had of been given time to come in and ask for more. This is the first time I'm seeing this budget. I've not been here before. I'm brand new to it. Am I going to ask for a lot of information, of course?

CFO Dobes – I got you the book.

Councilwoman Schneider – The book is not going to help me with the numbers you record.

CFO Dobes – It will help you understand it.

Councilwoman Schneider – No, not when there's misclassification. So, would it of helped me understand the \$35,000 misclassification.

CFO Dobes – It will help you understand it.

Councilwoman Schneider – I think I found a lot of these things without reading the book. My

Attorney Campbell – (Inaudible) you weren't provided with everything and I think the disconnect is that you didn't go to Betty and say Betty these are the misclassifications I think you have and give her an opportunity to explain them and that's what I am recommending you do now cause we have a lot of stuff to go through.

Councilwoman Schneider – Yeah, I, I understand that but what I'm asking for, I'm not asking for the misclassifications, I'm asking for all the other things within the entire budget that I was trying to get information on that I was told I couldn't come in and I was blocked from the information. That's what I'm getting at; this all could have been avoided. This all could have been avoided had I been able to come in here and get the proper information.

CFO Dobes – You were never blocked.

Councilwoman Schneider – Then, why wasn't I allowed to come in and when I asked you in the email, can you set up some time for me, you never responded.

CFO Dobes – I didn't see it.

Attorney Campbell – (Inaudible) please let me know so there's a record of it, if you are not getting it. I would ask that you ask for it one more time and if you're not getting it, I will do everything I can.

Councilwoman Schneider – You guys adopted the budget tonight. What's the sense in getting my information now, you've adopted the budget.

Attorney Campbell – If I remember, that was information for 2012, it wasn't for 13.

Councilwoman Schneider – No, it wasn't, it was a combo. I didn't even go to 2012 until just recently.

Attorney Campbell – (Inaudible).

Councilwoman Schneider – I just want to point out too that you did agree with Doug to have me OPRA the information when not one thing on there was budget related. So, one minute you tell me I have to OPRA it and then, now you're saying you would get it for me in your email. I don't understand which way as I'm supposed to do.

Council President Ciesla – That is not what she said. That's not what she said. She said she would make sure you got it.

Attorney Campbell- I didn't say take it out of the building with confidential information. You could come in and review it and ask for copies (Inaudible). I would just ask that you set up a meeting and if you still feel you are not getting these things, send an email to the Mayor or myself and we will do everything we can to make sure you get it or explain why or what the process is, just going forward.

Council President Ciesla – Does anyone else have any more questions on Councilwoman Schneider's analysis, not the public, sorry. Anyone on Council.

Councilwoman McCabe – No, but you just, yes, she just mentioned earlier that she would go around with these numbers and I would hope that you wouldn't go around with these numbers because they are incorrect based on what we received tonight. So, I would appreciate if you would not misinform the Township, the members, the residents of the Township stating that things, the pool is not making money when it is. Now, yes, there is an issue as to how much it is making. It seems to be making money, so please don't go around to people's homes with a power point presentation that's incorrect.

Councilwoman Schneider – Maureen.

Councilwoman McCabe – And, I'm sorry, I didn't finish yet. I did also want to know if you have an accounting background. Do you have an accounting degree?

Councilwoman Schneider – Do you really want to go there?

Councilwoman McCabe – It's just a yes or no question, that's all.

Councilwoman Schneider – Okay, um, I did take accounting, yes.

Councilwoman McCabe – 101, we all took that but are you an accountant by (Inaudible).

Councilwoman Schneider – Uh, no I didn't take accounting 101. Do you know my record? Do you want my transcripts? Um, second of all, this power point presentation was prepared yesterday by me so for you to make a misstatement like that.

Councilwoman McCabe – What misstatement?

Councilwoman Schneider – Excuse me, I'm still talking.

Council President Ciesla – Donna, Donna,

Councilwoman Schneider – I’m talking, I’m talking, and I didn’t interrupt you.

Councilwoman McCabe – What misstatement?

Councilwoman Schneider – I didn’t finish my comment.

Councilwoman McCabe – And, I’m interrupting, what misstatement did I just make?

Council President Ciesla - Why don’t we let Maureen finish and then you can rebut her rebuttal, okay. Let her finish and then you could go.

Councilwoman Schneider - Oh my gosh.

Council President Ciesla – Donna.

Councilwoman Schneider - Go, go ahead.

Councilwoman McCabe – What misstatement did I just make?

Councilwoman Schneider – If you had of let me finish, I would have told you the misstatement. The misstatement is you said I went around with this power point document to people’s homes. You are 100% incorrect. Let me finish.

Councilwoman McCabe - Don’t continue that is not what I said.

Councilwoman Schneider - Let me finish. I am not done.

Councilwoman McCabe - Don’t continue that is not what I said.

Councilwoman Schneider - Excuse me. You know, I’m not entertaining you, Maureen, any more.

Council President Ciesla – Enough.

Councilwoman Schneider – I’m not entertaining you anymore.

Councilwoman McCabe - I’m not either, because you are incorrect. That is not what I said.

Councilwoman Schneider – Right, okay. Let’s read the transcript.

Councilwoman McCabe - You made a comment that I would, I would be happy to go to your homes and review numbers, and my comments was, don’t go to homes with these numbers, they’re incorrect. That’s what I said.

Councilwoman Schneider - Okay.

Council President Ciesla - Yeah, let me, I’ll end this right here. As far as, I mean, we know that the numbers are not correct.

Councilwoman Schneider - Whose numbers are not correct?

Councilwoman McCabe - Yours.

Councilwoman Schneider - You have not proven that. You have not proven that.

Council President Ciesla - I think we should prove it because you haven’t proven there correct either, so, I would recommend, I would like to make a motion that we get an independent auditor in here to audit the pool numbers.

Councilwoman McCabe – I make that motion and we put this to rest.

Councilwoman Schneider – Second.

Roll call vote:

AYES: Councilwoman Schneider, Councilman Belcaro, Councilwoman McCabe and Council President Ciesla.

NAYS:

Council President Ciesla – The only other thing I do want to say is that in some of the documents, the spreadsheet that was used for your budget analysis is the old one. So, again, those numbers are not correct either.

Councilwoman Schneider - In what, I'm sorry.

Council President Ciesla - You have your budget numbers in one of these, these packets, where you're showing all your cuts but those numbers have been updated multiple times, so, again, I would ask that you don't.

Councilwoman Schneider – I didn't get the update copy.

Council President Ciesla – Well, I'm telling you that it is not updated, so, and it doesn't match the budgets either.

Councilwoman Schneider – I would like to get an update copy when changes are made

Council President Ciesla - Okay, all right.

Municipal Pool Operation Analysis – Due to the differences in numbers presented by the CFO and Councilwoman Schneider Council President Ciesla asked for a motion to approve and audit of the pool operation. Motion by Councilwoman McCabe, seconded by Councilwoman Schneider. Roll call vote:

AYES: Councilwoman Schneider, Councilman Belcaro, Councilwoman McCabe and Council President Ciesla.

NAYS: None

Resolution No. 14-81 – Establish pay rates for Pool Manager and Assistant Pool Manager.

R 14-81

RESOLUTION OF THE TOWNSHIP OF LOPATCONG, COUNTY OF WARREN AN
STATE OF NEW JERSEY ESTABLISHING POOL RATES FOR POOL MANAGER AND
ASSISTANT POOL MANAGER

WHEREAS, the Mayor and Council of the Township of Lopatcong, County of Warren and State of New Jersey have reviewed the pay rates for the Pool Manager and Assistant Pool Manager; and

WHEREAS, it has been determined that the rates shall be increased to:

Pool Manager - \$15.00/ Hr.

Assistant Pool Manager - \$12.00/Hr.

NOW, THEREFORE BE IT RESOLVED by the Mayor and Council of the Township of Lopatcong, County of Warren and State of New Jersey that the pay rates for the Pool Manager and Assistant Pool Manager be increased.

CERTIFICATION

I, Margaret B. Dilts, Municipal Clerk of the Township of Lopatcong, County of Warren an State of New Jersey do hereby certify that this is a true and correct copy of a Resolution adopted by the Council of the Township of Lopatcong at a meeting held on Wednesday, June 11, 2014.

MARGARET B. DILTS, CMC

Council President Ciesla - asked for a motion to adopt this Resolution.

AYES: Councilman Belcaro, Councilwoman McCabe, Council President Ciesla and Mayor Steinhardt.

NAYS: Councilwoman Schneider

Payment of Bills – Motion by Councilwoman Schneider, seconded by Councilwoman McCabe.
Roll call vote:

AYES: Councilwoman Schneider, Councilman Belcaro, Councilwoman McCabe and Council President Ciesla.

NAYS: None

Resolution No. 14-78 – Authorizing Executive Session to discuss contracts and personnel matters.

R 14-78

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:

DPW Contract, Police Negotiations, Brad Decker and CFO Position

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 Wednesday, June 11, 2014.

Margaret B. Dilts, CMC

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

Attorney Campbell – Council was in Executive Session for approximately 15 minutes. The topics of discussion were contractual regarding DPW and Police, personnel and shared services and tax appeals regarding Larken. Meeting minutes from Executive Session will be available at such time as the need for confidentiality will no longer exist.

Council President Ciesla – Okay, we're going to take action on the items that we discussed in Executive Session first and then go in for public comment and then finish up the meeting. Um, if somebody could make a motion to approve the change of Brad Decker's title in his role in the DPW to an administration role and changing his rate of pay to go along with that. Motion by Councilwoman McCabe, seconded by Councilwoman Schneider. Roll call vote:

AYES: Councilwoman Schneider, Councilman Belcaro, Councilwoman McCabe, Council President Ciesla.

NAYS:

Council President Ciesla – If someone could make a motion to give the tax assessor the authority to file appeals for all of the Larken County judgments for 2014. Motion by Councilwoman Schneider, seconded by Councilwoman McCabe. Roll call vote:

AYES: Councilwoman Schneider, Councilman Belcaro, Councilwoman McCabe, Council President Ciesla.

NAYS:

Attorney Campbell – Just for the record, we are seeking increases.

Council President Ciesla – And the last one, we would like to officially, although some of you know, announce the retirement of our CFO and for that, would like someone to make a motion for us to post her position. Motion by Councilman Belcaro, seconded by Councilwoman McCabe. All in favor.

Council President Ciesla – We need to make a motion to continue to explore the shared services for CFO and Tax Assessor. Councilman Belcaro, seconded by Councilwoman McCabe. Roll call:

AYES: Councilwoman Schneider, Councilman Belcaro, Councilwoman McCabe and Council President Ciesla.

NAYS: None

Public Comment:

Martin Swim – A quick point about meetings I've observed for the past few months. Martin Swim, Byron Drive. I believe the Municipal Clerk is charged with enforcing the fact that Robert's Rules of Order govern this meeting or at least informing you all that Robert's Rules of Order to cover this meeting and I would like that in the same way you have people come up to the micro-phone. So I don't hear things like that's enough, I want to hear point of order and I have the floor and the same way why'll I appreciate comments like let's keep order here. I would like to hear it from the rest of Council, because you all have the ability to signal point of order. Thanks.

Lee Rozycki – 56 Puddingstone. I don't know if you are going to be able to answer this question, Mr. Ritter not being here. He mentioned in his report regarding the next step with the ROM Study, um, that having part of the Highlands Certification process, have the town consider and adopt ordinances or regulations pertaining to, and he used the term "Highlands Center". Um, can you define what that means, Highlands Center?

Council President Ciesla – Either Lou or Maureen.

Councilwoman McCabe – I'm going to leave it to him because, yeah, no.

Clerk Dilts – The ROM designation came by way of the Highlands and it is south of the railroad.

Attorney Campbell – Those are all Planning Board things, so (inaudible).

Gary VanVliet – The Highlands Center designation is from the Highlands Council and is what we requested them to do (inaudible).

Attorney Campbell – Could you come up to the microphone so everyone can hear you?

Gary VanVliet – The Highlands Center designations are designated by the Highlands Council as I said. They encompass either residential, it allows you to continue explanation of the sewer system and water systems associated with those areas within that designation that's the primary reason that we wanted to get involved with the Highlands Council to begin with. Um, they also have the Center designation for the industrial area. That's our ROM areas and they've included the one south of the railroad, the southern ROM area and along with the highway businesses along Route 22 and the Ingersoll property and the Ingersoll property is designated as redevelopment property so that's where the Center designations come from.

Lee Rozycki – And could you indicate the, um, your Executive Session approval on the administrator roll. What percentage is the salary increase? That you voted in on. Is there a salary increase or decrease?

Council President Ciesla – On his current salary.

Lee Rozycki – Oh, Brad, yeah.

Clerk Dilts – He’s reverting back to what he was getting prior to his transfer to the Department of Public Works.

Lee Rozycki - So is that a gain? Increase, decrease from last year’s budget. It’s a decrease.

(Inaudible)

Clerk Dilts – 2009 salary.

(Inaudible)

Lee Rozycki – To clarify from last year’s budget to, it’s a decrease in dollar amount.

Attorney Campbell – A different line item.

Lee Rozycki – I understand, but just overall. Okay. And, um, if you could briefly explain in the budget here, this one, Surplus Anticipated, how do you achieve or what does that number represent - \$62,525, 2013 to \$290,000 for 2014. How do you.

Attorney Campbell – I would just recommend if Council can answer it quickly otherwise, (inaudible).

Council President Ciesla – Yeah, cause I don’t think if we’ll be able to. We’ll have to get the full answer from Dave and Betty to explain how they are arriving at, there is an anticipated surplus that I believe has to do with what they are anticipating for, for revenues over their expenditures, but I’m not quite sure how they completely formulate that number, so I don’t want to give the wrong information.

Lee Rozycki - Oh okay. And I’m just curious. That’s it. Thank you.

Joe Imhoff – 240 Aurora Street. I might find the information in one of these packets which I’ll pick up but I didn’t hear it given so I’ll ask it. If I were to rent the pavilion for a corporate outing next month, one day. Does that go into pool income?

Council President Ciesla – Mmmhmm.

Joe Imhoff – What if I were to rent the pavilion in October, when the pool is closed, would that still go into pool income.

Council President Ciesla - Because the expense for the pavilion are also included in the pool expenses; meaning, supplies, electricity, maintenance.

Jo Imhoff – Well, it would be included in parks, fields and recreation.

Council President Ciesla – Is that, yeah.

Clerk Dilts – The history of the pavilion it’s always been included with the pool and that’s how we received it from the Board of Recreation Commissioners back in early 2000.

Joe Imhoff – Even though the pavilion has absolutely nothing to do with water and diving boards.

Clerk Dilts – People renting the pavilion has the ability to use the pool.

Joe Imhoff – Okay, and also is there a breakdown of, there’s got to be an amount that the town pays for liability insurance for the athletic fields and everything. Is there a breakdown as what percentage of that is specifically pool related?

Clerk Dilts – No, I think it's a blanket number that our insurance company provides.

Joe Imhoff – So, so when, when we're itemizing expenditures, you can't, you don't break out specifically for the pool.

Clerk Dilts – No, not for insurance.

Council President Ciesla – No, yeah, that's blanket and, I mean, that would cover us if your just up there and you trip in the park, regardless if you are at the pool, the pavilion or you're playing a game and none of that is also, it's the town's insurance.

Joe Imhoff – I would think the, you know, it's like workman's comp. insurance, you pay more for a roofer, a contractor than you do for an office worker.

Clerk Dilts – They do break it out that way but they don't break it out for parts of the town, ball fields, versus the pool.

Councilman Belcaro - I guess it's a general liability that covers all.

Council President Ciesla – Yeah.

Councilman Belcaro – It's like an umbrella.

Joe Imhoff – So, I guess the way to find out was to say, if we close the pool, how much will we save on our liability.

Clerk Dilts – Well every year our carrier, Statewide, does an analysis every year and it's a pool of boards of Ed's and other municipalities and they come up with the numbers and they do the analysis every year.

Joe Imhoff – Is there a way to say what's the pool costing us?

Council President Ciesla – We could, but we could also say what the fields are, but again, if we open the door to the pool, then we are going to have open the door for the athletic fields as well. I mean, we can't single out one part of town, one cost and not say, okay, well if we didn't have any kids playing sports, what would our insurance be.

Attorney Campbell – Well, we can ask the risk manager for this year, if we didn't have the pool, would we of gotten, what would have been the difference. But I'm going to caution you that he may say it's based upon everyone who bids at that time and what all of their things, so they may adjust the whole line but I think that's a fair question for Betty to reach out to the risk manager. I just want to crux that by saying don't expect an absolute answer because they may say it depends on what everyone wants when we go out to bid and then, you know, so if you change one, it's changes everything.

Council President Ciesla – And it's still a liability, yeah.

Joe Imhoff – Well. if your risk manager comes back and says, you know, you'll save about twenty percent of your total insurance bill without a pool, that's what I was trying to get specifically an expenditure for the pool.

Councilman Belcaro – Well, that makes sense. Right, I mean, if you have a pool at your house, your insurance is going to go up and if you have no pool, it's going to be cheaper.

Attorney Campbell – But when the pool is open versus when the pool is (inaudible) and you fill it in are two different things. They're still going to give you that number if the pool is there and it's just closed as opposed to if it's open and running, um, (inaudible).

Councilwoman Schneider – You could do a hypothetical and say, um, we are closing our pool and we're filling it up, um, what is it going to save us now.

Council President Ciesla – Yeah, cause you'd have to do that, you would either have to sell the pool or you'd have to completely close it up because otherwise your insurance liability might even be higher because you closed up the pool and you desert it.

Attorney Campbell – I forget you work for an insurance company.

Council President Ciesla – Yeah, that's right, anything else?

Martin Swim – Just a question on the pool thing. I don't know if Betty has to answer it or not but there was included in the budget numbers, insurance payments, I think it was Sandy related.

Clerk Dilts – That wasn't Sandy related. Back in 2012, in the middle of August, we had a storm, a thunderstorm and the Pump House got hit by lightning. Um, so, we had a lot of damage and we sent in our numbers, you know, less a thousand dollar deductible and we received the insurance payment, um, then when it came to the spring, and we started to reopen the pool, we realized that we had more damage that was under the surface and had to reopen our claim to the tune of \$8,000.

Martin Swim – \$8,000 right. The previous year was \$1500, was some small claim. That's what that is, it covers damage.

Clerk Dilts – Yes.

Martin Swim – So out of our \$5,000 profit, \$8,000 was insurance.

Council President Ciesla – No, we did Capital Improvements too.

Martin Swim – Capital Improvements too, okay. The other question is and it's kind of related is SREC's was \$4,000 allocated to the pool, is that because the pool uses.

Council President Ciesla – The pool has solar panels. So it generates, yeah, it has solar panels on the, the building.

Clerk Dilts – Five of our buildings have solar panels.

Council President Ciesla – Betty figured it out by how many panels were in the town and to the percentage of how many, I think it was like 18% so she took 18% of the money.

Martin Swim - And, uh, just a general budget question. Process wise, when I look at some of the categories, I'm just curious where the, how the numbers are compiled. I know Betty does a lot of work and people ask things like can I have something, a dump truck or whatever, in terms of negotiations with the police, uh, I think the change this year was a \$25,000 for three year leases instead of something else but there is a \$75,000 Other Expenses category, does that come in a written to the Township from the Police Department or how is that number conveyed.

Clerk Dilts - Are you asking for the cars?

Martin Swim – The cars and other expenses.

Council President Ciesla - Cars and other expenses which I guess also includes all the maintenance.

Clerk Dilts - Yeah right. (Inaudible) he knows what's going to have to be replaced. So whether or not we are going to get it this year or get it in the budget for next year, you know,

Martin Swim - So it's like everything else, it's a conversation, not a

Clerk Dilts - It's a conversation or, or, you know, or meeting, sit down with the different departments to ask them what they are going to be needing in the coming years, maybe not just next year, the coming years, looking a little bit in the future.

Councilwoman Schneider - In other words, nothing is documented Marty. There's not a worksheet that is on file that shows the needs and wants of a particular department.

Clerk Dilts - We do have capital inventory for every department and use that as a projection for our needs because we don't have wants.

Council President Ciesla - That includes their clothing allowance also their training, any new equipment they need beyond, you know, beyond. cause they have a lot of things downstairs, the fingerprints, the cameras, anything

Clerk Dilts - A lot of that is mandated through the state.

Martin Swim - Thanks.

Lee Rozycki – 56 Puddingstone Way. Thank you for all the copies of the budget and Donna, I appreciate your effort in your public material on the pool and your synopsis and your analysis and your hard work on that.

Councilwoman Schneider - Thank you.

Lee Rozycki - Um, and um, from all this, I understand your explanation of your no vote to the budget. Lori, I just would like to understand what did you see in the budget that promoted you to say no.

Council President Ciesla – Council (inaudible) Well I had submitted my changes, and they were, when I first started out, I had, once we got down to the final numbers, I had about \$150,000 worth of changes and then, going, when I sat down with Betty and talked to some of the other people, you know, they explained to me why some of the things were, how they were and how I couldn't cut that at this point. However, we got it down to, I think about \$83 and I voted no because I felt that they should have stayed in there, the changes. I mean, it was nothing monumental, one of them happened to be the police, um.

Councilwoman Schneider - Did anybody get your changes, copies of your changes? Did other Councilmembers get copies of your changes?

Council President Ciesla – I don't know if they did. I sent them to Betty.

Councilwoman Schneider – Did you know of Lori's changes? Do you know her copy; did you see her changes or her proposed changes?

Councilman Belcaro - (Inaudible) I didn't have a copy.

Council President Ciesla – I didn't send them to you, yeah, that was just because I felt a little bit would help, you know.

Lee Rozycki – Okay, thank you.

Council President Ciesla – Anyone else?

Orchefski – Highlands Way. With what you just said, I would just wonder why our fiscal, responsible, sensible man, and I think you ran under keeping taxes, if we can say, why did you guys not agree on saving even if a little bit helps?

Councilman Belcaro- I'll make myself clear that there is a need here for equipment, okay, because the number one priority is keep this town safe. We need equipment for the Department of Public Works, the rescue needs equipment, and the Fire Department needs equipment. Those are the Capital expenses and I support that we need to start building the surplus.

Orchefski – Okay.

Councilman Belcaro – Okay, and that was one of my main reasons. Does that answer your question Pete?

Orchefski - No. I would hope that Lori does not cut anything which would sacrifice the safety of the Town. You just said you have not even seen her changes or her proposed cuts

Councilman Belcaro - We talked about that, but there's nothing in writing.

Orchefski – So, if you have not seen the cuts.

Councilman Belcaro - There was nothing in writing, if that's what you're asking.

Council President Ciesla - It didn't, it didn't, I submitted my cuts and

Orchefski - So you didn't propose anything that would sacrifice the safety of the Town right?

Council President Ciesla - I didn't (inaudible)

Orchefski - I'm wondering why our responsible fiscal conservatives are not

Councilman Belcaro - I just said that Pete, what part don't you understand? I said I support (inaudible) you understand that part.

Orchefski - Yes.

Councilman Belcaro - Do you understand we have a need (inaudible)

Orchefski - No

Councilman Belcaro - Equipment wise, do you understand that.

Orchefski - No.

Councilman Belcaro - Than I can't help you. Brian, do you want to tell him what kind of truck you need. Perhaps someone from the Fire Department can explain to you what we need and, also, from the rescue. This way in the case of an emergency Pete

Orchefski - Yes.

Councilman Belcaro - If you having any emergency with your family, you have a fire,

Orchefski – Yes.

Councilman Belcaro - We can come and help you (inaudible) okay.

Orchefski - As I just said,

Councilman Belcaro - And (inaudible) show because it's a volunteer organization.

Orchefski – Okay.

Councilman Belcaro - Remember that.

Council President Ciesla - I'll, I'll explain my changes were minimal on each line, however, like I said, the CFO wants to build a surplus and did not agree

Orchefski - Okay.

Council President Ciesla - It might even because, because, again, it's all anticipated. She was worried that it might cut into, not only cut into the surplus but we might end up with no surplus if things come up that we have not prepared for.

Orchefski - All right so I understand we have two people who are in favor of building up that surplus and two are not. Is that a correct statement?

Councilwoman Schneider – No.

Council President Ciesla - I'm in favor of building it up. I didn't want to build it up as much. I mean, I think everybody has their own. What I did, I submitted my changes and they didn't get past the point where they were put in, so I voted no.

Councilwoman Schneider - Lou's, your changes were not in the Capital section of the budget, so, we're talking about Lori's cuts, were non-Capital which wouldn't affect anything of buying a truck, or a fire truck or

Council President Ciesla - If you want to keep, he wants to build a surplus up. Lou wants to build the surplus up, there's where I was looking, like if we take it from there, maybe it might cut into but and that's just a differing of opinions.

Orchefski - Ms. McCabe?

Councilwoman McCabe - I have no comment for you Peter.

Orchefski - Thank you.

Council President Ciesla - Anyone else? Motion to adjourn by Councilwoman McCabe, seconded by Councilwoman Schneider. All in favor.

Respectfully submitted,

Margaret B. Dilts
Clerk/Administrator

Douglas J. Steinhardt
Mayor

