

TOWNSHIP OF HAMILTON  
6101 THIRTEENTH STREET  
MAYS LANDING, NJ  
FEBRUARY 9, 2009

The Special Meeting of the Township Committee of the Township of Hamilton, Atlantic County, NJ was held on the above date with Mayor Nelson Gaskill presiding. Members present were Amy Gatto, Thomas Palmentieri, Charles Pritchard and Roger Silva. Also present were Edward M. Sasdelli, Township Administrator, Joan I. Anderson, Township Clerk, and Randolph Lafferty, Township Solicitor.

The meeting opened with the flag salute followed by the Township Clerk certifying compliance with the New Jersey Open Meeting Law by posting a notice on the bulletin board in the municipal building and by faxing a copy of the notice along with the agenda of this meeting to the Atlantic City Press, Atlantic County Record, Record Journal and Current newspapers and by publishing a legal notice in the Atlantic County Record and Atlantic City Press stating this meeting would take place in the municipal building, Mays Landing, NJ at 6:00 PM on Monday, February 9, 2009 for the purpose of a public budget work session.

Mayor Gaskill explained this was a budget work-session to review the budget. He said Mr. Sasdelli will make a presentation; the Committee would discuss and debate back and forth; and then public comment will be taken.

Hard copies of Mr. Sasdelli's power point presentation were distributed to the audience. He said he didn't have that many slides and would like to go through them and then go back and answer questions. Mr. Sasdelli said this is the third budget work-session. He said that at the December 15, 2008 budget preview the projected deficit was \$1.5 million. Mr. Sasdelli said it is easy to put in programs when you have a lot of money and ratables and people get used to them. He said at the end of the discussion and debate he hoped to have some consensus of from the Committee so that he and Mr. Tuthill could be authorized to prepare a budget for introduction. Mr. Sasdelli explained the projected deficit at the last meeting was \$450,000.00 but the auditor said \$500,000.00 of the surplus couldn't be used, even though the Township has it, because of the revaluation project. He explained the budget gap is now \$950,000.00 that because of the \$500,000.00 surplus can't be appropriated due to state regulations. He said he did not assume any cuts in state aid because DCA said to use the same amount as last year. Mr. Sasdelli said if nothing is changed this year there will be a \$2 million structural deficit in 2010. Mr. Sasdelli presented slides showing proposed sources of revenue to cover the gap: MUA contribution \$250,000.00; voluntary employee unpaid furloughs \$135,000.00; reduction of health insurance opt-out payments from 50% to 40% \$30,000.00; closing the Cove for swimming \$26,000.00; Hometown Celebration \$10,000.00; holiday decorations \$8,000.00; Recreation Fields line striping \$8,000.00; movies in the park \$8,000.00; a part-time van driver \$10,000.00 and school deferral of \$465,000.00. Mr. Sasdelli expressed his appreciation to the many employees who offered to take voluntary unpaid furloughs. He said the school deferral is about 10% of the amount allowed. Mr. Sasdelli said without the school deferral 12 employees will have to be laid off for 7 months; some employees will have to be reduced to a 4-day workweek; and the anticipated tax collection rate will have to be increased by .2%. He explained the lay off of 12 employees would not result in 7-months saving because of notification and severance pay requirements.

Mr. Silva asked what tax collection percentage rate was used. Mr. Sasdelli said 97.62%. Mr. Silva asked if that was prudent with the state of the economy. Mr. Sasdelli said it was because he lowered it from the 98.08% last year and even if the .2% was added back in the anticipated rate is about one-half a percent less than it was last year and ratable.

Mr. Sasdelli commended the Township Committee for doing all of this in public and said very few municipalities do that. Mr. Sasdelli commented on seeing employees and department heads in the audience and explained the lay-off options on the slide were his recommendations, not the Township Committee's. He said the biggest departments in the township are Police, Public Works, Municipal Court and Community Development and the slide reflects that is where the money is. Mr. Sasdelli said lay-offs of 1 special officer, 2 regular police officers, 2 police department civilian employees, 1 public works laborer, 1 public works driver, 1 public works division chief, 1 administrative clerk, 1 violations clerk, 1 TACO-a technical assistant in the Construction Department and 1 van driver would total \$350,000.00. He said that is a loss of 445 hours per week and that means some services may take longer; someone may get an answering machine instead of a person; they may have to wait 3 days for an inspection instead of 2 or wait a month for a pot hole to be fixed instead of 2 weeks. Mr. Sasdelli presented the slide showing reductions to a 4-day work week for 1 Electrical Inspector, 1 Building Inspector, 2 Fire Prevention Inspectors, 1 payroll clerk and, if they are not laid off, reducing 2 police civilian employees and 1 TACO to 4-days. He explained that is a loss of 56 hours per week and will impact the quality and quantity of services. Mr. Sasdelli said the Committee had to fill in amounts for the MUA contribution, the school deferral and the budget cuts and they had to total \$950,000.00.

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Mr. Silva questioned the maximum school deferral allowed. Mr. Sasdelli said the maximum is 50% of the school levy. He said that is about \$11 million and the Township is at \$7 million now.

Mr. Sasdelli said if the Committee can come to some consensus on the recommended options they can focus on how to get rid of the \$465,000.00 difference. He expressed hope that at the end of these discussions at least a majority of the Township Committee could give him and Mr. Tuthill direction as to what they want them to put in a budget for introduction. Mr. Sasdelli asked that some decision be made tonight regardless of what it is because there is angst at the MUA and Township personnel with everybody worrying about being lay-offs, reduced hours, or a combination. He explained the Committee has to wait 28 days from when the budget is introduced until they can have a public hearing and adoption. Mr. Sasdelli said the longer it goes on the more is being paid out.

Mayor Gaskill reported there was a meeting with some of the MUA members today and they are very receptive to making the contribution. He said he was happy that they are going to help the Township out in this crisis. The Mayor said the MUA is having a special meeting on Thursday to vote on it and it is pretty safe to assume that the Township will get that money. Mayor Gaskill said the Committee is glad to see many employees in the audience and expressed appreciation to all who have done the voluntary furlough. He said it comes to about 30% of the contractual raises for this year and is a significant give back to the citizens. Ms. Gatto said the total went up to \$135,000.00 since last Monday and it is very much appreciated.

Mr. Silva asked the Members to keep in mind as they deliberate tonight that 2010 presents an even larger challenge. He said if they don't prepare the ground work this year they could be looking at something more devastating in 2010 than they face tonight and the shortfall could be even greater.

Mayor Gaskill suggested the following options be taken: MUA contribution \$258,000.00; employee furloughs \$130,000.00. Mr. Sasdelli said he has \$135,000.00 in for that; reduced health insurance opt-outs from 50% to 40% \$30,000.00; canceling the contract with ACUA and doing the scrap metal collection in-house for a savings of \$20,000.00. He said the metal could be stockpiled at the public works yard and then taken and sold with the Township getting the revenue. Mr. Silva asked if the Township had a rack truck with a lift for the larger appliances. Mayor Gaskill said they do and that Mr. Morley assured him they have the capability to do it. Mr. Sasdelli said it takes about 1000 hours and if the Township doesn't do the field line striping they can use those hours for scrap metal pick up. Ms. Gatto asked how often curb side bulk pick-up was done. The Mayor said it was once a month. He said a program could be implemented for people to call in and leave their number and the Department would call them to give an approximate date when it would be scheduled for pick up. Mr. Silva said that figure could be less because a lot of appliance stores are taking them away now as an incentive to get people to buy. He said a large pile could accumulate at the public works yard unless it is taken to the salvage yard more frequently. Mr. Sasdelli said the public works would have to be relieved of the line striping to do it. Mayor Gaskill said there would be \$8,000.00 if movies in the park were done away with. He said it is nice to have but the Committee has to look at doing away with things that are not a necessity. The Mayor said the employees now doing line striping would do the metal pick up and take it to the salvage yard. He said it would be a trade off plus there would be possible revenue from the sale of the metal.

Ms. Gatto asked if the Mayor was eliminating the line striping. Mayor Gaskill said he was and that the organizations used to do it. He said he thinks the parents have to step up and do it at least for the next couple of years. Ms. Gatto asked that there be proactive conversations with those organizations if that is going to be done. She asked if the organizations would be given the option of paying overtime for Township employees to do it. Mr. Sasdelli said they already have that option. He explained meetings have already been held with the soccer, baseball and some of the groups to let them know this and they all will be met with. Mr. Sasdelli said Township will still provide them with barrels of paint, let them have the machine to use and train them on how to use it. He said they just have to provide the manpower and maybe those who volunteer for it could get a discount on their registration fees. Mayor Gaskill said he thinks several Township employees are members of those groups.

Mayor Gaskill proposed putting \$25,000.00 in for reduction of several positions to a 4-day week. He said he hated to lose something like Hometown Celebration but the Committee made a commitment to the public last year and told the citizens not to fund it this year. He said he thought the Committee had to honor that commitment. Mr. Pritchard agreed. Mayor Gaskill commented the cost for police and public works overtime. He said that took the shortfall down to \$456,000.00 and he proposed doing the school tax deferral for that. Mayor Gaskill said he didn't see any around it and that it may have to be done for two years. He said the Township could take up to \$4 million in deferral but he would never vote for that. The Mayor said it is an option many towns use and the Committee has to do the best they can for all of the citizens with all the money available to them. He said that money is available to the Township and it won't hurt the school system

at all. Mayor Gaskill said prior administrations did it and it was good that the Committee didn't have to do it in the past when Mr. Palmentieri was on Committee. Mayor Gaskill said that was because they found other ways to fund the programs but the Township is at a point now where they have no other choice.

Mr. Silva asked if the Mayor chose not to do anything with holiday decorations or the Cove where the Township loses money. Mayor Gaskill said that was correct. Mr. Silva said he thought those items should be talked about now and that he didn't see why the Committee couldn't do something with the holiday decorations.

Mr. Pritchard said he agreed with the Mayor because it is such a morale boost and doing away with it would be a depressionary move on the Committee's part. He said he was also sad to lose the Hometown Celebration. Mr. Pritchard said he didn't think he heard anything more complimentary last year than the gypsy moth program and lights in the park. He said these are difficult times and he thought the boost from the lights is needed. Mr. Pritchard said it is a minimal amount of money and there may be more money coming from more employee furloughs.

Mr. Silva asked if Mr. Pritchard was telling him that holiday decorations are such a morale booster that it can overcome some of the shortfall. He said the Committee has to start looking at this in a realistic way. Mr. Silva said people in the audience might say recreation is important too and the Township isn't giving them line striping. Mr. Silva said the Committee Members were (elected) to make some pretty hard decisions and there has to be more give and take along that line. He said if the Township doesn't have money to pay the electric bill the lights won't be on anyway. Mr. Silva said not having lights in the park wasn't going to make that much difference to him when people are taking back their TV boxes, giving up cable and home telephones. Mr. Silva said he goes to those celebrations and walks away with a warm, fuzzy feeling but he still considers them extravagant.

Mr. Pritchard said he respected Mr. Silva's opinion but he thinks there is also an economic benefit especially for the businesses down town because it attracts a lot of people to the area. Mayor Gaskill said he agreed with Mr. Pritchard and thought the social rewards far outweigh anything else to maintain something that has been a part of the community for so many years. He said that on the tax bill \$8,000.00 is so minimal that it doesn't make that much difference. Mr. Silva said it does and it isn't the big things that bite you, it is the accumulation of all the small things. He said the fact they want to hold onto it for tradition is their choice but he doesn't agree with it.

Mr. Sasdelli said he knows he works for the Township Committee but he is also the leader of the municipal work force. He said he went around and looked people in the eye and asked them to give up a week's pay so their friends wouldn't have to be laid off. Mr. Sasdelli said he thought the furlough money will go down, not up, if the employees gave up a week's pay and the Committee keeps lights in the park and subsidizing the Cove in the budget.

Mr. Palmentieri referred to a slide that showed a projected shortfall of \$2 million next year. He said the Township is half-a million dollars short this year with the cuts put up and asked if that assumed all the surplus is used. Mr. Sasdelli said \$2.2 million is being used and there is \$800,000.00 left. Mr. Palmentieri asked if next year's deficit assumes the \$800,000.00 will be increased to the amount being used this year. Mr. Sasdelli said only \$600,000.00 will have to be reserved next year. Mr. Palmentieri asked if Mr. Sasdelli was saying the surplus used and surplus regenerated would be a wash. Mr. Sasdelli said there was \$1.2 from the Garbage District and a half-million in contractual rates. He said the other \$300,000.00 was revenue that he does not think will be regenerated. Mr. Palmentieri said the \$300,000.00 will go down but \$200,000.00 will be freed up by the reval so the net difference is only \$100,000.00. He said the ball park deficit going into next year is \$2 million and that is a tremendous burden for the Township. Mr. Palmentieri said that according to his calculations the actual permanent reductions in spending this year that will benefit the Township going into next year is only \$76,000.00. He said that will leave the Committee with almost a \$2 million deficit next year. Mr. Palmentieri said he thinks the Committee has to look at how to make structural cuts this year so it is no where near \$2 million next year. He said doing virtually nothing this year about the huge problem that is 8-10 months away is a problem the Committee cannot ignore. He said he thinks the Committee really has to change a lot more in the fundamental structure of this year's budget. Mr. Palmentieri said his point is that the Committee is using a band-aid to get through the next couple of months and not solving the problem that grows by not being addressed now.

Mr. Sasdelli commented on both he and the Auditor having said at the previous meetings that the Township has to make itself smaller and everyone is aware of it. He said the Committee already addressed some of that by saying there will be a hiring freeze and people who resign or retire will not be replaced but he didn't know if that will make the Township smaller fast enough. He said schedule reductions, staff reductions through retirement or attrition and layoffs is how government gets smaller.

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Ms. Gatto commented on having talked to Mr. Sasdelli this week about talking about what the Township's strategy is going to be this year, very specific, to re-invigorate people coming into town for tax ratables, being able to build and things like that rather than talking about what has to be cut out. She said she mentioned to Mr. Sasdelli that the entire process for people coming into town has to be looked at and every step to make it more efficient and less burdensome in cost so the Township can generate the revenue and not have the shortfall. Ms. Gatto said it is kind of a converse way of looking at Mr. Palmentieri's point. She said she thinks the Committee has to have a very specific and planned out strategy. Mr. Palmentieri said that is a good idea long-term but the economy isn't going to turn around fast enough to help the Township 10 months from now. Ms. Gatto commented on looking at it to help the businesses that are here to stay in business or expand if they want to. She said she didn't want to lose those ratables. Mr. Palmentieri said that is worthwhile but it isn't going to help the budgets this year and next.

Mr. Silva said both Mr. Palmentieri and Ms. Gatto were right because it will take that long term planning. He said the other thing on the table is the Cove. He asked if people will have to be hired this year if the Committee continues with the Cove. Mr. Sasdelli said they would have to have lifeguards and beach badge checkers. Mr. Silva asked Mr. Sasdelli what the loss was last year. Mr. Sasdelli said it was about \$20,000.00. Mayor Gaskill said he was going to suggest doubling the fees and that should bring in enough revenue to break even on the Cove. The Mayor said he thought the facilities will be used more with so many people laid off not going on vacation or trips. He said he didn't know that he wanted to take away that option that has been there for years. Mr. Silva said that before governor put the CAP on the raising taxes, if there was a shortfall you just raised taxes. He commented on the Mayor suggesting doubling the Cove fee and maybe the loss will be covered but a lot of people don't have that money because of the economy. He said he thinks the Committee has to ask themselves what they can remove so they don't have go to the alternative of laying people off which he is sure nobody wants to see. Mr. Silva said he is in favor of cutting the lights in the park and closing the Cove. He said he would rather take that option than some of the other stuff.

Mr. Pritchard said Mr. Sasdelli made a good point about what the employees are sacrificing. He said other municipalities have special events organizations that raise funds for those kinds of things. Mr. Pritchard said Weymouth Township paid for their fireworks and other community events through that type organization. He said they had tremendous fireworks last year that cost one-third less than what this Township's did. Mr. Pritchard said all that is needed is a citizen group of some sort, like was done last year, to take over the function including the lights. He said Mr. Sasdelli made a good point and that he is flexible on them.

Ms. Gatto asked if the Committee was saying they don't have an overtime cost for the Halloween parade since they took 2 of her the most favorite celebrations way. Mr. Sasdelli said it is still in the budget and he didn't include it in recommended cuts because it seems to be the most popular. Mr. Silva said he thinks everything has to be put on the table. He asked what the cost was. Mr. Sasdelli said it is about the same as the Hometown Celebration. Mr. Silva commented on the Committee having agreed to do everything in the open and said he thought everything has to be put on the table. Ms. Gatto said if 2 events were going to be considered, all of them should be considered.

Mayor Gaskill said he didn't believe the Committee should gut the entire community of what it was built on for a short time when they have the ability to do it through the school tax deferral. He said he believed the Committee was overreacting and that they shouldn't be taking all those things away. The Mayor said those are some of the reasons people live here. Mayor Gaskill said he didn't see the Committee going completely with a hatchet and doing away with the town. Mr. Silva suggested supposing there was no school deferral. Mayor Gaskill said the Committee does have that ability and he doesn't want to say nothing is going to be done in Mays Landing. Mr. Silva said it is more than Mays Landing. He said there are lots of areas in the Township and many people from them do not come to those events. Mayor Gaskill said he means the entire township when he says Mays Landing. He said the Committee has the school tax deferral and he believes they should use it. He said the values that brought people here are what the Committee has to keep.

Ms. Gatto said the Committee looked at various Board budgets last year and asked if there was more. Mr. Sasdelli said he already took \$10,000.00 from the Planning Board and \$19,000.00 from the Industrial Commission. He said there is nothing in the Historical or Environmental budgets. Mr. Sasdelli said the operating expenses and debt service are flat.

Mayor Gaskill asked Mr. Sasdelli if the 4-day week recommendations were based on the work load. Mr. Sasdelli said he based it on what would have the least impact on the residents.

Mr. Palmentieri said next year the Committee will have a \$2 million hole and will only have \$76,000.00 of what they are talking about this year to go against it unless they start trimming operations in a permanent way. He said in the past things people wanted were funded through tax increases but that option is no longer

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available. Mr. Palmentieri said the rules have changed and the Committee is limited so tax increases can't fund government the way it did before. He said the average tax increase over the last 10 years was 6-cents in good and bad times. Mr. Palmentieri said the Township is in bad times now and will be next year too. He said he didn't think the CAP will allow the Committee to run government the way they are used to doing it. Mr. Palmentieri said he thinks they have to start looking at a 2-year spread sheet with a \$2 million short fall next year, look at a 1-time fix this year, and at a permanent fix for next year and beyond. Mr. Palmentieri said the Committee can probably find a way to get through this year.

Mr. Sasdelli explained a school tax deferral of \$456,000.00 buys the Committee time to do what Mr. Palmentieri said. He said the Committee has to sit down and decide what businesses they want township government to be in and what its core responsibilities are. Mr. Sasdelli said that will allow them to know what functions or employees they don't need. He said that if they decide not to pick up bulk trash that is \$45,000.00 but they can't just tell the public it is stopping next week. He said there are a lot of things like DARE and the School Resource Officer and the Committee has to decide if they want to be in those businesses. Mr. Palmentieri said the Committee has to look at the businesses they can't afford to be in anymore.

Mr. Silva commented on hearing the Auditor, CFO and Administrator's say that school deferral is smoke and mirrors and could jeopardize the town's bond rating. He said he doesn't know why the Committee can't take their advice. Mr. Silva said spending has to be cut and he thinks the Committee is using one-time or two-time gimmicks. Ms. Gatto asked Mr. Silva what he was for. Mr. Silva said he was for doing away with holiday decorations, the Halloween Parade and closing the Cove. He said employees offered to take furloughs believing the Committee was going to make cuts on its side. Mr. Silva said the Mayor touched on cutting work weeks. He said the Committee has to look at other options. Mr. Silva said several meetings ago the other Committee Members voted to hire a special officer that wasn't needed and now the Township has that expense because the person hasn't even gone to the academy.

Ms. Gatto said the Police Department and Public Works data supported their needs and she didn't see how the suggested personnel cuts could be made. She said this is the largest court in the County and she didn't see how any of them could be cut. Ms. Gatto asked how the Committee could question it if the data supports it. Mr. Silva said data can be made to support anything. Mr. Palmentieri said data doesn't matter if you don't have money to pay for it. He said data supports having to eat but if you have no money, you don't eat and you can't get any more fundamental than that. He said if the Township is \$2 million in the hole next year and doesn't have any money the cuts will be even bigger just to get started. Mr. Palmentieri said everything the Committee has done to get to this point is justified within practical reason. He said the Township has the police and employees it does now because it was a growing community, services were needed, and the Township could pay for them but they don't have the money for it now and the Committee has to make a choice because they are out of money, in the hole, and it is a matter of what they are going to cut, not if they are going to cut.

Mr. Pritchard said there is no other option and he hasn't seen any other solutions. Mr. Silva said that is assuming Mr. Pritchard is accepting what is up on the screen. He asked if the members thought New York City is happy about possibly laying off 23,000 police officers. Mr. Pritchard said times are bad and crime will certainly increase as a result of cutting manpower, especially in the Police Department.

Mayor Gaskill said the federal government is doing everything they can to create jobs and he doesn't think the Township should be laying people off because there is no work out there for them. He said he thinks the Township work force is down to the bare bones now. The Mayor said there are some services that the governing body must provide and he doesn't see why the Committee couldn't use tax deferral that isn't going to harm anyone and keep their employees. Ms. Gatto said she agreed with the Mayor. Mr. Pritchard said in the past \$7 million was used and no one has even mentioned it for the past 10 or 15 years.

Mr. Silva said two of the Committee Members may or may not be on the Committee next year but whoever is will have to deal with it. He said he won't support tax deferral because it is other people's money in his view and the Committee was told that it jeopardizes the bond rating the more they pull down on that. Mr. Silva said he was also concerned about running out of cash because school deferral didn't give an infusion of cash.

Mr. Sasdelli said doubling the Cove fee is a Committee policy decision but if the Committee chooses to open it they will have to budget all the money to operate it this year because they can't anticipate increased revenue they haven't collected.

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Ms. Gatto said she is in favor of the school deferral. She said she thinks holiday decorations; the Halloween parade and the Cove should be kept in the budget. Mr. Pritchard asked if it could be combined as special events and not specified as decorations and Halloween. Mr. Sasdelli said that in fairness to the staff the Committee has to let the Department heads know where they want their employees to work. Mr. Pritchard said he was trying to buy a little time for a couple of months. Ms. Gatto suggested cutting funding for both decorations & Halloween in half to \$4,000.00 each and committing less hours to them as a compromise. Mr. Sasdelli said \$4,000.00 is nothing when you're talking about a \$400,000.00 gap. Ms. Gatto said adding \$16,000.00 to the deferral is nothing and suggested they be added back into the budget and deferred. Mr. Pritchard said he was okay with that.

Mr. Palmentieri said next year is going to be much worse so the Committee is basically borrowing and using the money twice. Mr. Pritchard asked where else to get the \$456,000.00. Mr. Palmentieri said he thought that assignment should be given to Mr. Sasdelli. Mr. Pritchard said that was a cop-out. Mr. Sasdelli said he thought he did his job as Administrator and gave the Committee his recommendations.

Mr. Silva asked if the other members would go that route rather than address the hard line stuff now knowing that next year they would have to cut much more than anticipated and lay off a lot more people than they ever envisioned.

Mayor Gaskill said laying off eight people would make a difference of \$18.63 in the average tax bill and he didn't believe the Committee wanted to start putting people on the street for \$18.63. He said 100 people would probably have to be laid off to get to the \$400,000.00. The Mayor said lay-offs lead to families fighting, divorces, losing homes, and affect the children. Mr. Palmentieri said no one was saying people were going to be laid off to reduce taxes by \$18.00. He said there is a maximum tax increase permitted by current law and the question is how to live within that cap limit not arguing about whether or not to increase taxes. Mr. Palmentieri said it is a foregone conclusion but the increase is limited and that is what caused the shortfall. He said in the past if a 7-cent increase was needed instead of 5-cents the Committee raised the taxes 7 cents and the work force and services were maintained. Mr. Palmentieri said the increase averaged \$5 a quarter for the average house in the past and everyone was happy. He said the Township doesn't have the luxury of that safety valve this year. Mr. Palmentieri said that what isn't cut this year compounds next year along with the normal increase in big ticket items. Mr. Palmentieri said there will be a huge deficit that will be almost catastrophic and the Committee needs to address at least a portion of it this year to minimize it next year. He said what has been done so far only reduced next year's \$2 million deficit by \$76,000.00.

Mayor Gaskill said he didn't see where the \$400,000.00 would come from. He said he didn't believe finding it was Mr. Sadelli's responsibility. He asked where the cuts could be made. Mr. Pritchard said they are on page 6 of the handout. Mr. Silva said that if the Committee wasn't going to go with those numbers they have to do some other things. He said he was for cutting the decorations, the Cove and Halloween. Mayor Gaskill said he would support the deferral and, for the little difference it made, he thought the holiday decorations, Cove and Halloween celebration should be left in. He said those are things people know the town by and it doesn't make that much difference whether you defer \$454,000.00 or \$464,000.00.

Mr. Silva said Webster Dictionary defines deferral as putting off or to procrastinate and the Committee is procrastinating on making decisions that will impact them even greater in 2010. Mr. Silva said the Committee has an obligation to the community. He said that, as the Mayor said before, any decision the Committee makes, any contract they award and any Board appointment they make has to be made with the best interest of the public in mind. Mr. Silva commented on the Mayor having strong feelings in some areas said that he admired him for but the Committee has address the real problem.

Mr. Sasdelli said he realized he was on thin ice but he had the following comment on reduced work-weeks; he will be calling 5 to 8 employees into his office and telling them they are getting a 20% pay reduction and the Committee is going to leave holiday decorations and the Halloween parade in the budget. Mr. Palmentieri said the Committee can't do that. He said he would rather see the workers get paid. Mayor Gaskill said he thought the reduction was based on work load. Mr. Sasdelli said it is. Ms. Gatto said that partially addresses the structural issue. Mr. Palmentieri asked Mr. Sasdelli if he was proposing a permanent reduced work-week. Mr. Sasdelli explained the Committee only has a one-year budget so reduced work-weeks would have to be revisited again next year along with the voluntary furloughs and school deferral. Mr. Palmentieri said furloughs are usually a periodic thing and not a restructuring of the job. Mr. Sasdelli said that was correct but he thinks the voluntary furlough figure \$135,000.00 depended on what the Committee did here. Mr. Palmentieri said the Committee could be losing it as they speak.

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Mayor Gaskill asked Mr. Sasdelli if he was saying the work week wouldn't have to be reduced to 4 days if the Cove was done away with. Mr. Sasdelli said that is one of the ways to least impact the residents. He said if he had a choice he would rather have the people because he can find other things for them to do. Mr. Pritchard said he would rather have the employees than keep the Cove open. Mr. Sasdelli referred to reducing the Electrical and Building Inspector's work week and explained there was one work load when the Township had \$564,000.00 in new construction and UCC fees but it was only \$420,000.00 last year so there is less inspection work to be done but he would use those employees to do Code Enforcement and look for violations. Mayor Gaskill said he was looking at it from the taxpayer's view of employees not being productive but it is different if they would be gainfully employed. Ms. Gatto, Mr. Pritchard and the Mayor agreed to taking the Cove out and not reducing the work week.

Mr. Sasdelli said a full \$456,000.00 will have to be deferred.

Mr. Palmentieri said the Committee can't forget the \$2 million. Ms. Gatto said the Committee wasn't going to solve the \$2 million here now. Mr. Palmentieri said they have to start because if they wait until next year there won't be enough time to do it and the cuts will be devastating. Ms. Gatto said that is why she said the Committee has to get past this year first. Mr. Palmentieri said they can't get through this year without impacting next year. He said the Committee has basically done nothing so it leaves \$2 million plus whatever revenues fall off this year because of a bad economy that will probably get worse before it gets better. Mr. Palmentieri asked Mr. Sasdelli how he would cut \$2 million next year if the shortfall is \$2 million instead of a half-million. Mr. Sasdelli said they would have to lay a lot of people off. He said 12 layoffs equaled \$465,000.00 so it would be double that to get a million. Mr. Palmentieri said it would have to be 60. Mr. Pritchard asked Mr. Palmentieri what other solution there was and what he was advocating. Mr. Palmentieri said the Committee should chip away at it this year. He said he thought people were forgetting that if they take the \$456,000.00 deferral this year they have to make it up plus \$2 million next year. Mr. Silva said they also have to make up the quarter million from the MUA. Mr. Sasdelli said the MUA would have to give the Township the same amount next year. Mr. Palmentieri said the hole would be so big the Committee would run out of one-trick ponies before the made a dent in the \$2.5 million.

Ms. Gatto said another thing she would put on the table was the \$10,000.00 item for non-essential runs for the Senior Citizens. Mr. Sasdelli explained that would be the part-time van driver salary.

Mr. Silva said if you add up the layoffs for 7 months which is 350,000.00, reducing some work weeks for another \$30,000.00 and the tax collection rate .2% to \$85,000.00 that is \$465,000.00 so you get the same amount of money and that is the other equation. Mr. Sasdelli said all 12 employees would have to be laid off. Mr. Silva said that is the balance then. He said Mr. Palmentieri made a good point about how many have to be laid off next year. Mr. Silva said he the Committee would not only be looking at the \$456,000.00 shortfall but they would have to quadruple the number of people they would have to separate from employment. Mr. Silva said maybe the \$2 million won't be there but based on the economy he thought the Committee is heading for a tough year next year and it would be prudent for them to face it now as a body. He said he knows how painful it is to hear what nobody here wants to hear, "you lost your job" and asked what the other option is without having to double, triple or quadruple the school deferral. Mr. Silva asked how the shortfall in deferral would ever be made up.

Mr. Pritchard said there is another option that he isn't advocating for this year but if there is a desperate situation next year the Committee could go to a referendum. He said it was done in 1990 and it passed overwhelmingly. Mr. Silva asked Mr. Pritchard how many people he thought would vote to increase their taxes. Mr. Pritchard said those who don't want their services cut would vote for it. He said he wasn't advocating it but is saying there is another course of action available.

Mr. Palmentieri said that between changes in attitudes towards local taxation and more people will be in worse financial shape, he doesn't think a large number of people would vote to increase their taxes. Mr. Pritchard said Mr. Palmentieri would be surprised how people react if they are told their children's recreation opportunities are gone, senior services are cut, essential services like fire and rescue are cut. He agreed with Mr. Palmentieri about hard economic times and said it would be a hard sell but he is laying it on the table as another option.

Mr. Silva commented on college enrollments falling off because people can't afford to send their kids because of the economy. He said there will be shrinkage in every area because people are tightening their belts.

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Ms. Gatto said she couldn't see cutting any police officers. Mr. Silva said it is a choice and a way of looking at things. He said you find people do things differently in communities. He said police departments react differently and set their manpower differently and commented on police departments in surrounding communities changing their work schedules. He said that he was sure that with the professionalism in the Township's police department they wouldn't let things fall if it comes to layoffs.

Mr. Sasdelli said the Committee can "safely" defer school taxes if they have a plan to wean themselves off of it. He said if the Township used \$4.something million they can say they are going to pay \$400,000.00 a year for 5 years and this is the plan: they know the \$200,000.00 a year reserve for the reval will fall off in 5 years; they know people will retire in the police, public works, and administration offices and as they leave the Committee can't replace them and as that happens the Committee has to wean itself off the school deferral. Mr. Sasdelli said it is part of the structural change and if a van driver retires some seniors won't get transported. Mr. Sasdelli said Eavesham was at \$1.6 million and weaned themselves off as people retired. He said the Township can look at the employee roster and see when people will be eligible to retire. Mr. Sasdelli said it will take discipline because if 5 police officers retire there will be 5 less police officers but if the Committee chooses that strategy they have to stick to it. Mr. Pritchard said he thinks the police department is already under-manned. Mr. Sasdelli said he just picked the Police Department as an example but he could have picked any department. He said that a van driver may not be important to the Committee and Administrator but it is a big deal to the one senior who gets a trip to the grocery store once a week. Mr. Sasdelli explained the Committee can wean itself off deferral if they commit themselves to a plan to do it structurally. Mr. Sasdelli said it is hard to stick to that plan in municipal government because of how its make up changes. He said the Committee has to get off of the deferral because eventually it will run out.

Mr. Silva asked Mr. Sasdelli what happens to government in good times. Mr. Sasdelli said when the township got \$2 million in rateables they ballooned up to match the demand for services but it didn't go down when demand for services in some areas went down. He said in the private sector if sales go down, they shrink their work force and if it goes up they increase it but government gets big and stays big. Mr. Sasdelli said the Township has more houses that need trash pick up, there are more calls for police services and more calls for seniors. He said the Township is only talking about \$400,000.00. Mr. Silva said it is the community's money and the Committee has a sacred obligation to protect it.

Mayor Gaskill said no one can predict what the future is going to be but he hopes the stimulus coming out will bring in more jobs and more tax revenue to the town. He said Mr. Silva is right that the economy is bad now but he doesn't think it was going to remain bad and he doesn't think the Committee could make assumptions either way. The Mayor said he didn't want to assume it will stay the way it is now forever and he hoped the whole economy was going to turn around for everyone in a couple of years. Mr. Palmentieri said a couple of years was reasonable but it won't be this year or the beginning of next year. Mr. Sasdelli said if the Committee defers \$456,000.00 this year, they will have either a huge layoff or increase in deferral and asked which they want. Mr. Palmentieri said it is a one-time infusion of money that will leave a deficit again the following year. Mr. Sasdelli said he didn't expect a mass exodus of employees but the Township has over a hundred employees and it can be assumed that some will retire. He said there could be a couple from the police department, the public works or administration.

Ms. Gatto asked if the Township can offer early retirement. Mr. Sasdelli said they can but it has to be approved by the DCA. He said there could be conversations with employees of retirement age who have the required number of years in the retirement system to find out what they would want and what it would take. Mr. Silva asked Mr. Sasdelli if he saw people rushing to retire in this economy. Mr. Sasdelli said he didn't. Mr. Palmentieri said anyone who has a job is holding on to it for dear life because there is nothing out there.

Mr. Sasdelli said he thought the Committee can only do the deferral if they seriously commit to how they are going to wean themselves off of it. He said increased rateables, wages freezes, and maybe doing away with some businesses the Township doesn't want to be in any more are some of the ways to do that. He said people affected have to be told that in the middle of the year not January 1, 2010.

Mr. Pritchard said Millville and Vineland have very successful tax abatement plans and that may be something the Township wants to look at over the next couple of months. Mr. Silva asked if Mr. Pritchard read the whole article and that everybody is asking for them now. Mr. Pritchard said he was not in favor of them in the past because of their relative unfairness but the Township is in a climate now where the Committee has start pulling out all the stops.

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Mr. Sasdelli said it appears to be unfair but he is a big fan of them because if there is a piece of property that Township is only collecting vacant land tax on and some one comes in with a project and wants an 80-60-40-20% abatement plan, the Township will collect more in 5 years than they will if it remains vacant. He said it increases, not decreases, revenue. Mr. Sasdelli said if the Township had them some of the parcels in the Industrial Park would have rateables on them now. Mr. Pritchard said the Township would also have the land sale value. Mayor Gaskill said the Township is at a tremendous disadvantage with Millville, Vineland and Egg Harbor Township offering abatements. The Mayor said he thinks it is something the Committee has to seriously consider. Mr. Palmentieri said it was proposed three years ago but didn't get through the Township Committee.

Mr. Sasdelli said a public comment portion was needed now and, if there is a consensus, he and the Finance Officer would like to know what the Committee would like them to prepare for introduction.

#### Public Comment

Aline Dix said she watched a fence being put up at the Cove today to keep people from ice skating after the ice was melting and said what bothered her was the Township police and County going there every 10 minutes telling people to get off the ice. Ms. Dix said the Sandmans stepped off their own bulkhead with their grandson and were told by the County to get off the ice but a row boat was allowed on the lake today even though there is ice on it. Ms. Dix said the Township can't close the Cove and forget it is there. She talked about her experience dragging the lake for bodies when she was a teenager and said someone will have to be there 10-6 every day to keep people out because the Township can't have the neighbors or passersby calling the cops every 5 minutes on hot days. Ms. Dix said she asked Mr. Sasdelli last year why so many people were working there; why there are 5 lifeguards and 3 lifeguard stands and the guards are all sitting together on the ground in the middle of the beach; and why there is a salary ordinance where the salary range for lifeguards escalates every year; why the Township can't pay them a flat fee like the condominiums do. She suggested pulling the rope in so the picnic area is open, the swim area is shorter and have 2 lifeguards on duty. Ms. Dix said the losses at the Cove can be cut in many ways. She suggested talking to the County to see if they would donate the yard-barn type building they don't use to the Township, move it to where the water/sewer line is between the boat house and the street, and have the Beach Badge Checkers sit in it selling hotdogs, ice cream soda and the beach tags, rather than sunbathing. Ms. Gatto said she thought Ms. Dix also discussed different hours of operation last year and said she agreed with it. Ms. Dix said she thought the Cove could be closed at 5p.m. in August and if it is beastly hot the lifeguards could be told that they have to stay until 6 or 6:30. Ms. Dix said thought has to be given to the hourly rates paid for 7 people to sit at the Cove in the rain because they are guaranteed a certain number of hours. She suggested a daily head count be taken and marked on a calendar along with the temperature to create a data base to use for scheduling. Ms. Dix said Wednesday may be the slowest day and if it is that would be the lightest scheduling day. She said she ran the refreshment stand at the Cove for the Mays Landing Boating and Special Events Committee and they made money to run the boat races. Ms. Dix said to let her know if there was any other information she could help the Committee with.

Ralph Curtain said the reason the there aren't any applications before the Planning Board is that there is no work. Mr. Curtain said he had to close his business, lay off ten employees and he is currently unemployed for the first time in 30 years. He agreed with Mr. Silva that the Committee Members were elected to make the hardest decisions for all the residents. Mr. Curtain said the taxpayers don't even want to pay a 5-cent tax increase. He said Mr. Gaskill is very sensitive about the Township employees and he understands that but Township government has to get smaller. Mr. Curtain said most construction businesses he knows of are laying people off or have cut the number of employees 20-25% and then put the rest on a 4-day work week across the board. He said the proposal to put some employees, except special services like police, on a 4-day week seemed short sighted. Mr. Curtain said the Committee may have to take everybody down to a 4-day work week after they make some extreme cuts. He commented on the State of California just ordering all non-essential services to go to 4-day weeks. He said the Committee is going to have to lay people off and do it on a large scale. Mr. Curtain said Mr. Gaskill can't socially engineer the municipality by what it is going to do to families. He said the Committee's responsibility is to run essential services efficiently. Mr. Curtain said picking up someone's refrigerator isn't the Township's job and if people have a sofa to throw out they need to hire a trash company to do it. He said he was personally offended by the conversation about keeping Christmas lights and holiday decorations alive when the rest of the people don't have jobs. Mr. Curtain said he appreciated Ms. Dix comments about the Cove and that he couldn't say how essential it is but the Committee has to cut back on recreation and cut back to a point where the tax structure is what people can pay. Mr. Curtain said the Committee can't continue to assume they can continue operating the way they did in the past and maybe it will be taken care of next year. He said the reality is here now. Mr. Curtain said his house is up for sale and is looking for work all over the world because of his qualifications but there is no work. Mr. Curtain said it is absurd for the Committee to talk about keeping Christmas lights. He said they have

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to cut everything. Mr. Curtain said every business owner is doing that now. He said he agreed with Mr. Palmentieri that the Committee has to cut its staff except for essentials. He said secretarial help may have to double up between departments, people may have to file their own papers or type their own documents. He said the building department isn't going to process more permits because there is no work coming. Mr. Curtain said it should all be cut out and if work comes back in a year or two the Committee will add people back on the payroll but they have to get to an efficient level with the revenue available right now. He said the Committee has to get beyond the petty discussion about Christmas lights, the Cove and things like that. Mr. Curtain said they have to balance the budget by moving money a little here or there and keep taxes down. He said people can't afford tax increases for the sake of keeping staff.

Judy Link said when she lived in Bluebell, Pennsylvania everyone there had to have a private contractor and paid for their own trash pick up. Mrs. Link questioned how much the Township pays for trash pick up. Mr. Sasdelli said it is \$1.7 million. He said everyone has their own trash collector in Galloway Township because the township doesn't provide the service and they pay about \$90.00 a quarter for it. He said he looked at that with Mr. Morley. Mrs. Link suggested the Committee might want to hire a company that would be willing to hire the lifeguards, other employees, and set up the snack bar at the Cove. She said it would be a subcontract and the Township would get revenue from it. Ms. Gatto asked Mrs. Link if Bluebell had a mechanism to make the residents sign up with a contractor and kept tabs on everyone doing it. Mrs. Link said they did. She commented on some people having a lot more trash than others and said it isn't fair to other taxpayers.

Mr. Silva asked Ms. Dix who watched the old Lenape Park to keep people from going in there. Ms. Dix said the County put up orange snow fence and they are in and out all day and speak from the other side of the lake with bullhorns. Mrs. Link said the Park Rangers are in the business office there and they watch it. She said it is a shame that it isn't being used. Mrs. Link commented on many people coming up to her about Lake Lenape not being able to use for recreation. Mr. Silva said he couldn't agree with Mr. Curtain more about tough decisions having to be made. He said it is unfortunate that everyone is torn because there are a lot of emotions going into it. Mr. Silva said Mr. Curtain was right in his assessment and it is unfortunate that he is out of work.

Robert Campbell, Sr., said having to lay anybody off is a disaster. He asked many 4-day weeks it would take to make up the \$465,000.00 deficit if the entire workforce except police and dispatch went to a 4-day week and no one was laid off. He said they would still have their jobs and benefits. Mr. Silva said the furlough amount on the slide would have to be taken out then. Mr. Campbell said if one man in the Road Department was told that he was being laid him off it is a disaster but if they told him that if he took one day a week off for a couple of months it would save his job and everybody else's job. Mr. Sasdelli said the same thing could be said about pay raises; if nobody took pay raises the township would save \$471,000.00. He said the problem with that and Mr. Campbell's suggestion is that the Township has existing labor contracts that tie them into a Monday through Friday 8:30-4:30 work week. Mr. Sasdelli explained what was suggested couldn't unilaterally be done because there would be unfair labor practice suits. Mr. Campbell asked if labor and everyone had been talked and they said "no". Mr. Sasdelli said he talked to them and that is why there is \$135,000.00 in voluntary furloughs but they were not unilaterally ordered to take unpaid leave. Mr. Campbell said the township had to lay off 7 police officers when he was on Township Committee in the middle-70's to make up a budget shortfall. He said it was a 3 to 2 vote and a disaster. He said doesn't understand why the Township can't say that because of the budget they are giving everyone a 4-day week for 2 months. Mr. Silva said next year it will be 4 to 5 times more and go from 4-days to a 3-day week and then 2-days. Mr. Campbell said that isn't necessarily so. Mr. Silva asked how the \$2 million plus would be made up. Mr. Campbell said the \$400,000.00 this year would be made up by reductions and suggested that instead of laying employees off have everybody work 4 days for whatever amount of time it takes. Mr. Sasdelli said he isn't opposed to that and one of the things he advised the Committee if they were going to do the tax deferral was to sit down and draw up a plan for withdrawal from it. He said the things Mr. Campbell suggested are some of the ways to do that. Mr. Sasdelli said the Township will have to sit with the unions and tell them that they can't give them that 3.9% raise on January 1, 2010 or 11 people will have to be laid off and ask them if they want the raises or the lay offs. He said they will have to tell the unions they may have to go to a 4-day work week of a certain number of people will have to be laid off. Mr. Sasdelli said that has to be done 2009 for 2010 but he doesn't think there is time to do that between now and the budget introduction. He said those were good points but the Township has to negotiate them. Mr. Sasdelli said the Township doesn't have the management right to do it unilaterally. Mr. Campbell said Mr. Silva and Mr. Palmentieri brought up the need to structurally remove the \$400,000.00 and if it could be removed by the Township Committee voting on a period of time for it to be done. He asked if Mr. Sasdelli knew how much time it would take. Mr. Sasdelli said he didn't because he would have to go through the entire payroll and pull out police, dispatch and the

Administrator. Mr. Campbell said there are 174 employees so it is 174 working days every week and that might be able to make up the shortfall in one month. Ms. Gatto said Mr. Campbell was talking about a mandatory furlough. Mr. Campbell said 1 day a week for 4 weeks would make up the shortfall and the Committee wouldn't have to go to the school deferral. He said he was sure the employees say they wanted their jobs if they were told it is that way or the highway. Mr. Campbell said he thought Governor Schwarzenegger was doing the right thing because it was across the board and he isn't laying anybody off. Mr. Palmentieri said he thought it would take a minimum of 17 days depending on how many are excluded.

Mr. Sasdelli reviewed his previous comments on how to make government smaller: it would start with a hiring freeze; move to a work week reduction; then move to attrition; and then layoffs. He said he wanted to talk to the Township Solicitor and Labor Counsel before committing to it. Mr. Sasdelli said it does have an impact on services. He said it would be inconvenient to someone who took off work to a back deck project came to the Construction Office and it was closed.

Mayor Gaskill said the union has to be talked to because he is concerned that the Township would end up with unfair labor practices charges.

Mr. Silva asked if it was possible for Mr. Sasdelli to get all of that information ready for the next meeting since the Committee can't make closure on anything tonight.

David Pugh commented going to the hockey courts at least a dozen times during the past year at different times and finding the lights on when the courts were vacant or there were only 2-5 people playing on one field and the other one was empty with the lights on. Mr. Pugh said anybody can walk up and turn the lights on. He commented on asking the CFO how much it cost for lights at the hockey courts and it is \$600.00 or more a month, probably more in the summer. Mr. Pugh said that is \$7,000.00-\$10,000.00 a year and the Committee is talking about doing away with Christmas lights for \$8,000.00. Mr. Pugh said it is somewhere else to look. Mayor Gaskill said Public Works will be asked to look into it tomorrow. He said he knows there are locks on the switches at other fields. The Mayor said the general public can't go to the football and baseball fields and turn the lights on. Mr. Pugh said the lights being on for 1 or 2 kids is abuse.

Mr. Pugh asked if the movie theater at Hamilton Commons paid for the police being there on weekends. Mr. Sasdelli said they do. Mr. Pugh questioned why the theater doesn't hire its own security people and why the township paid its police officers to go there. Mr. Sasdelli explained the township doesn't pay them, the theater does. Mr. Pugh asked if they pay dollar for dollar. He referred to comments about being short on police officers and said if they were pulled out of the movie theater there would have 2 to 4 more officers. Mr. Pritchard explained that isn't part of their regular shift. Mr. Pugh said he understood that but questioned why they weren't pulled back into the community to work. Mr. Pritchard explained if it is above and beyond their regular shift and the theater is paying for it. He said if they worked that time for the township, they would have to be paid overtime.

Mr. Pugh asked what the biggest expense for parades is. Ms. Gatto said over time for police and public works. Mr. Pugh asked if there was any way for volunteers to do it. He said that in Cape May County Rotary, Lions and other organizations have parades and they all had volunteers to do that stuff. Mr. Pugh said the police have families that enjoy that stuff and asked why they don't volunteer. He said the Sheriff's Department volunteered in Cape May County. Mr. Pugh said volunteerism goes a long way and commented on the Township having 5 volunteer fire companies. He said he has seen some of the equipment and it needs upgrading. Mr. Sasdelli asked Mr. Pugh what proposal he heard tonight to cut the fire department. Mr. Pugh said there was none, it was nothing specific, police, fire and rescue were generalized.

Mr. Pugh asked if the employees pay for their health benefits. Mayor Gaskill said they pay a percentage of their salary towards the premium. Mr. Pugh said he works in the private sector and pays one-third of his premiums, \$60.00 a week. He said it's something else to look at. Mr. Pugh said he thought if the employees were asked if they would rather pay \$60.00 a week or lose their job, they would pay it.

John J. Percy III asked if the prior school deferral was repaid. Mr. Sasdelli said it wasn't. Mr. Palmentieri asked when it was done. Mr. Sasdelli said it was done in the early 1990s, from 1990 to 1993, and the amount was \$7.1 million. Mr. Percy said he was on the Committee when it was done and there was a plan to pay it back. He questioned why the plan was never executed. Mr. Percy said if this Committee uses the deferral they best get a plan to pay it back. Mr. Palmentieri asked if the old deferral had to be paid back before they can do this one. Mr. Sasdelli explained the township doesn't have to pay it back because they are allowed to carry up to 50% of the school tax levy. He said he thinks the Committee has to get off this deferral first and then they can worry about paying back a deferral that is 18 years old. Mr. Sasdelli said he would like to get the budget to a point where deferral wasn't needed to balance it. He said when they get to that point the Committee can go back to address something a previous Committee did.

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Mr. Silva said Mr. Costello pointed out it will affect the township's bond rating as they use more deferral as an option. He said it will cost the township more if they have to go out to bonding. Mr. Silva asked why the township didn't pay its obligations and said that is something they should always do.

Mr. Percy asked if anything was done about the possible dissolution of the MUA. He said if the Township went to the Local Finance Board and got permission to dissolve it they would have their surplus. Mr. Silva said that wasn't necessarily true because the MUA have financial obligations, bonds and ongoing expenses. He said that before the Committee does that they have to look at the positives and negatives. Mr. Silva said you have to be very careful about taking a body that has been financially responsible for all these years out of existence and bringing them into the township. He commented on having been on the MUA for seven years and said it is a very well run authority. Mr. Percy asked if Mr. Silva was saying it wouldn't be well run if it was brought into the municipality. Mr. Silva said he wasn't that, he was saying that the positives and negatives have to be looked at and it is not a cash cow. Mr. Silva said it is an alternative for consideration along with other alternatives. He said the MUA has been there for 45 years and has a good track record. Mr. Percy said the Committee should at least look at it.

Mr. Percy referred to the question raised about using volunteers and said the municipality doesn't care to use volunteers for events and it is something the Committee can look at. Mayor Gaskill said the Township is made up of volunteers that do the fire and rescue services. Mr. Percy said he wasn't talking about those organizations he was talking about ancillary things. Ms. Gatto said she thought Mr. Percy was right, the Township could do better. Mr. Percy cited the Coast Guard Auxiliary as an example and said they put in hundreds of hours so to relieve the regular Coast Guardsmen to perform their duties.

Mr. Percy said Mr. Pritchard and Mr. Palmentieri were on Township Committee in 2002 when their salary was increased and he thinks Mr. Pritchard voted against it. He said the salary was \$3,500.00 when he was on Committee and it is now nearly \$12,000.00. Mr. Percy said he doesn't think the hours the Members put in on the job is worth \$12,000.00 plus increments every year and a health insurance buy-out. Mr. Percy said in some cases that adds up \$17,000.00 or \$18,000.00 a year. He said he had no doubt the Members were worth everything they are paid in their regular vocation but he doesn't believe what they do on Township Committee is worth \$12,000.00. Mr. Percy said he didn't understand the health insurance buy-out and asked if the members could explain getting paid for not taking something. Ms. Gatto said it is half the premium and, because she is single, hers is about \$5,000.00. She said the percentage was reduced to 40% now. Mr. Percy said it is unfair and that he feels it is unjust enrichment. He said he had no problem with a Committee Member taking the benefit if they need it but if they have other insurance and can't collect on two policies, it is unconscionable to take taxpayer money for not taking it. Mr. Pritchard said the rationale for the opt-out 7 or 8 years ago was that most people were taking two insurances and if they opted out of the township insurance the township saved half the premium. Mr. Percy said he didn't understand the concept because what the Committee does is not their vocation; they are there because they want to serve the community. Mr. Pritchard said he was talking about the entire work force. Mr. Sasdelli said the opt-out program is a huge success because a lot of employees have coverage under their spouses but are entitled to it by their union contract or the salary ordinance and the opt-out saves the Township \$120,000.00 a year. Mr. Pritchard said the way it coincided with the entire work force was that some Committee Members took the insurance but some didn't need it and felt a reasonable fairness would be to allow them to take the opt-out the same as the other employees. Mr. Percy said the Committee Members are elected officials, not employees. He said he personally wouldn't take it. Mr. Palmentieri said you have to have proof of other insurance in order to participate so there is no option to not take it unless you are already insured. Mr. Percy said the Committee Members are there to serve the people, not themselves. He said he didn't realize this was happening until a couple of months ago.

Steve Blankenship, Executive Director of the MUA, said the MUA met with Township Officials today. He commented on the economic challenges facing government and the private sector today and said the MUA's mission is to work with the Township so they both can deliver the services in the most cost efficient manner. Mr. Blankenship said MUA is willing to do that. He said the MUA delivers water and has to deliver a quality product every day. Mr. Blankenship referred to a comment made about how to bring business into the township and said a while back the MUA ran out of water capacity because they didn't have enough wells to meet DEP criteria. He said one of the things they did was build a new well that cost of \$3 million and they paid cash for it. Mr. Blankenship said the MUA didn't have to borrow money that would have to be paid back by the consumers because they put money aside when times were good. He said by doing that they were able to pay \$3 million in cash for the well, \$2 million for the water main project and \$1 million to upgrade the pump station. Mr. Blankenship said the MUA was formed in 1962 and the Water Department existed before that. He said they have pipes in some places that are from the turn of the century that haven't been replaced yet and that all costs money. Mr. Blankenship said if you take a reactive approach you run into catastrophic problems but one of the things the MUA did was to take a proactive

approach. He said the MUA has a limited amount of money and, like the Township Committee, they have to wrestle with how to get the most they can for it. Mr. Blankenship commented on someone talking about all the money there. Mr. Blankenship said the MUA has bonds and restricted funds that has to be used for certain things. He said the money that isn't restricted by bond covenants is designated and in their last budget they had \$101,000.00 that wasn't restricted or designated. He said the Township by law is allowed to ask for up to 5% which is the \$258,000.00. Mr. Blankenship said the MUA Board and employees had to look at what their capital projects and equipment purchases were. He commented on being in extraordinary economic times and having to step back to look at what could be deferred to make up the \$258,000.00. Mr. Blankenship said last year they looked at the Township's water and sewer service bills and reduced some of them based on usage. He said a couple of years ago the Township paid about \$30,000.00 for fire hydrant services and if the MUA was a private utility company the Township would have to pay for it. Mr. Blankenship said the MUA wasn't asked to waive those fees but their Board decided to do it. He said they did the same for some private developments. He said they and the Township have good employees and if they listen to their ideas and if the Committee and MUA work cooperatively and smarter they can come up with ways to save money. Mr. Blankenship said it is possible another well will be needed if the economy picks up and they have to put that money away. He said they have to get water allocations from the state and it isn't easy to get new allocations from them. Mr. Blankenship said a lot of their service area has started to age so they have to use the technology they have, their GIS and asset management systems and continue to work cooperatively with the Township. He said he believes that is what the ratepayers expect from them and that is the challenge. Mr. Blankenship said the MUA has a meeting scheduled on Thursday to discuss the \$258,000.00 request and he is confident it will go forward.

Mr. Curtain said he knows how many hours the Committee Members spend and that they are worth \$12,000.00. He said that since the Committee really is looking at options, they can't lose site of the fact they are still \$2 million in the hole going forward. Mr. Curtain asked the Committee to pass a motion have the Administrator examine a layoff package for this year. Mr. Silva said the other option was to give the Administrator an opportunity to put together some numbers that could possibly off-set some of the deferral and other considerations. He said all of the members, even though they may disagree on different things, they all realize they have to put every option on the table. Mr. Silva said he is in favor of doing that and even considering some of the things brought up tonight before closing the door on everything else.

Mayor Gaskill said it was important and in fairness to the Administrator, the Committee gave the Administrator direction and this is what he produced at their direction. He said if the Committee wants Mr. Sasdelli to make further cuts, they have to give him direction as to where they want them to come from.

Mr. Pritchard moved, seconded by Mr. Silva, that the public comment portion be closed.

MOTION ADOPTED WITH ALL MEMBERS VOTING "AYE", NO "NAY", NO "ABSTAIN"

Mr. Silva asked that the Administrator be asked to prepare a report of what a 4-day work week would look like and how long it would have to be in effect to achieve some of the savings that will be needed. Mr. Sasdelli said he was directed to bring the Committee all options and the reason he didn't bring that up as an option is because he isn't sure it is an option. Mr. Silva asked if Mr. Sasdelli thought it would be an exercise in futility. Mr. Sasdelli said doing the numbers would be easy but he isn't sure the Township can unilaterally tell organized union employees who have contracts that say they work Monday through Friday, 8:30 to 4:30, that starting March 1<sup>st</sup> they are only working 4 days a week. Mr. Silva asked how Egg Harbor Township did it. Mr. Sasdelli explained they went to a 10-hour 4-day week and didn't cut their hours but here the employees would be getting a 20% pay cut and he didn't know if the Township can do that. Mr. Silva asked Mr. Sasdelli if he believed he could put numbers together, although they may not be any real interpretation of them because of collective bargaining constraints.

Mr. Palmentieri said he thought Mr. Sasdelli has to find out what the Committee legally has the right to do; what they need to have some voluntarily agreement to do; and what the dollar amounts of those options are.

Mayor Gaskill said there is already \$135,000.00 in voluntary furloughs. Mr. Sasdelli said if the Committee goes to the 4-day week they will have to make that \$135,000.00 up too. Mr. Sasdelli said he thinks it will take more time to do what Mr. Palmentieri wants and he didn't know how long the Committee wanted to leave the budget open.

Ms. Gatto asked if the Township could advertise for proposals for a private company to run the Cove if the Committee decides to close it. Mr. Sasdelli said he hadn't thought of that but didn't see a problem with it off the top of his head. He said a scope of work would have to be prepared and that person would take fees. He

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said he is not a proponent of going into the food business or competing with the private sector and he doesn't believe the Township should be in the food business. Mr. Sasdelli said it has a lot of problems and he isn't in favor of competing with the local merchants. Mayor Gaskill it wouldn't only be taking over the refreshment stand, they would be taking over the facility and he didn't know if they would want the liability of the lifeguards and people swimming there. Ms. Gatto said the Township has that liability with it closed. Mr. Silva said it exists 9 months out of the year and is a year-round exposure whether it is warm weather with swimmers or cold weather without them. Mr. Pritchard said it is a much more attractive nuisance in warm weather when people would attempt to go into the water. Mr. Silva commented on everyone having grown up around lakes and having different levels of parental responsibility. Mr. Pritchard said liability is far more prevalent now.

Ms. Gatto said her only other question was how the other members felt about the trash collection idea. Mr. Pritchard said it is putting another tax on the people at \$360.00 a year if it is \$90.00 a quarter. Mr. Silva asked if it could be done this year because there is still a contract. Mr. Sasdelli said the contract can be terminated but the contractor would have to be given ample notice. Mr. Silva said he paid for his own trash removal in Edison in the '70s and it was about \$30.00 a quarter then. He said with tipping fees now it is considerably more.

Mr. Sasdelli said he was going back to what he said to Mr. Palmentieri, the Committee can use the school deferral only to buy time to look at things like trash collection, bulk collection, and reduced work schedules. He said the time may come when those kinds of decisions have to be made.

Mayor Gaskill said he thought trash collection should be put back in the budget because it is cheaper for the taxpayer if the Township does it. Ms. Gatto said the cost would be good to know if the Committee does the deferral and gets a plan because she has maybe 1 bag every two weeks while a family of 4 would have several bags so, if it is paid by tonnage, she would certainly pay less. Mayor Gaskill said they don't individually weigh it. Mr. Palmentieri said it is a set fee. Mr. Sasdelli said it is only cheaper when the Township does it because the cost is spread out over all the ratables, even those where the township doesn't pick up their trash. He said there are people paying that fee but the Township doesn't pick up their trash. Mr. Pritchard said it is not just trash but also the bulk pickup. He said the Township has 116 miles, a lot of which is vacant, and it would become the landfill capital of the world if trash and bulk pickup was suddenly halted. Ms. Gatto said that is why she asked Mrs. Link if Bluebell mandated it and in some way kept tabs on making sure each household got a vendor.

Mr. Sasdelli said that as it stands now the budget still has to be prepared for introduction, introduced at a meeting, wait 28 days, advertise it and have a public hearing before it can be adopted. He said even if the budget was introduced tomorrow the Committee is still a month away from adopting a budget. Mr. Sasdelli commented on the MUA, other agencies, employees and citizens being present and said he thinks the Committee should try to get done whatever is doing to be done expeditiously.

Mr. Palmentieri asked when the cuts would begin assuming the budget was passed. Mr. Sasdelli said people are already taking furloughs and that the 4-day week was taken out. He explained that there are things that need to be worked on now for the Cove and Hometown Celebration like getting donations, vendors, etc., and said they wouldn't want to do those things if the Cove and Hometown Celebration aren't going to be done. Mr. Sasdelli said they don't want to do lifeguard interviews, etc. if the Cove isn't going to be open.

Ms. Gatto asked if the proposed budget cut out 4 police cars. Mr. Sasdelli said they use about 1.2 million miles and kill 8 cars a year. He said the original proposal was for 8 cars and 4 were taken out.

Mr. Silva said he realizes it is hard to bite the some of tough bullets and that he thought the Committee should have all the figures on the table even if it takes a week to do it. Mr. Sasdelli asked what figures Mr. Silva was talking about. Mr. Silva said he was talking about what the savings would be with a 4-day work week categorized as non-essential and essential workers.

Mayor Gaskill said he would like Mr. Sasdelli to look at a plan to pay back the school deferral. Mr. Silvia said without revenue coming in or budget cuts there won't be much of a nest egg to pay it back with.

Mr. Sasdelli summarized what figures he was to get (1) how much money would be saved by going to a 4-day work week if he gets a legal opinion that the Township has the authority to do that legally and (2) a plan to pay back the \$456,000.00 deferral. Mr. Palmentieri asked about the previous deferral payback. Mr. Silva questioned whether or not the Committee decided on the \$456,000.00. Mayor Gaskill said the Township doesn't know what happened to the plan of the previous administration. Ms. Gatto said it would be interesting to see it to see if any of it would be applicable today. Mr. Silva and Mr. Pritchard said they don't remember it ever coming up at a meeting. Ms. Gatto commented on Ms. Dix not remembering it

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either. Mayor Gaskill said there was a lot of surplus through the years so maybe it was used for that. Mr. Silva said it is hindsight now. He said it looked like it would be another week before the Committee got to the bottom line.

The Mayor asked Mr. Sasdelli if he could have it ready for the next meeting. Mr. Sasdelli said he would do his best. He said a budget workshop could be held after the regular meeting. The Mayor said he would rather do it afterward time-wise. Mr. Pritchard said he thought the one item the Committee had expected to have on the agenda is being removed. Mayor Gaskill agreed and said he didn't believe it will be a very long meeting.

Ms. Gatto moved, seconded by Mr. Silva, that the next budget workshop be held following the regular meeting on February 17, 2009 and listed on the regular agenda for discussion.

MOTION CARRIED WITH ALL MEMBERS VOTING "AYE", NO "NAY", NO "ABSTAIN"

Ms. Gatto moved, seconded by Mr. Palmentieri, that this meeting be adjourned.

MOTION CARRIED WITH ALL MEMBERS VOTING "AYE", NO "NAY", NO "ABSTAIN"

ATTEST:

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JOAN I. ANDERSON, R.M.C.      TOWNSHIP CLERK