

TOWNSHIP OF HAMILTON  
6101 THIRTEENTH STREET  
MAYS LANDING, NJ  
FEBRUARY 17, 2009

The regular 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, Randolph C. Lafferty, Township Solicitor, Edward Walberg, Township Engineer and Richard C. Tuthill, CFO.

The meeting opened with the flag salute followed by the Township Clerk certifying compliance with the New Jersey Open Public Meetings Law by posting a notice of this meeting on the bulletin board in the municipal building and by faxing a copy of said notice, along with the agenda of this meeting, to the Atlantic City Press, Atlantic County Record, Record Journal and Current newspapers stating this meeting would take place in the municipal building at 6:30 pm on Tuesday, February 17, 2009.

A moment of silence for private reflection was observed.

Ms. Gatto moved, seconded by Mr. Palmentieri, that the following resolution be adopted.

BE IT RESOLVED by the Township Committee of the Township of Hamilton that the following items be deleted from the agenda and no action be taken thereon tonight:

- 4.A Request of John & Deborah Pucci for Township Committee to reconsider the December 1, 2008 resolution denying an extension of time within which to comply with Condition E as referenced therein and rescinding prior approval of the Use Variance related to Block 1305, Lots 9.01 and 9.05. The request was withdrawn, in writing by their attorney, because Mr. & Mrs. Pucci filed legal action on the matter against the Township in Superior Court on January 14, 2009.
- 8.A Approval of February 2, 2009 minutes.

BE IT FURTHER RESOLVED that the following items be added to the agenda for consideration and action to be taken thereon:

- 7.A MAYOR'S APPOINTMENTS TO HISTORIC PRESERVATION COMMISSION - 4 year terms each expiring December 31, 2012:
  - (1) Reappoint Linda Benner - Class B
  - (2) Appoint Ronald McArthur - Class C (moving up from Alternate II)
  - (3) Sam Wells - Class C (new appointment)
- 6.A Insert names of businesses:
  - (1) Bears Head Farm Market - farm produce sales on Millville Road
  - (2) United Consulting Inc., d/b/a Wireless Distributors of America - retail communications equipment sales at Hamilton Mall
- 6.G Resolution of no objection to NJDOT approval and issuance of permit to Mays Landing Volunteer Fire Company for coin drops to be held at the Route 40/50 & Mill Street intersection on June 19 & 20, July 17 & 18, and August 28 & 29, 2009.

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

There were no executive session confirmations to be made.

Early Public Comment on agenda items

John Pucci said the ordinance listed under 4.B was on the April 7, 2008 agenda for introduction and there was discussion by the Township Committee that they didn't want to take away the right of the public and they wanted to keep the power to oversee the Zoning Board. He asked what the Committee's policy or philosophy change was since less than a year ago that it is on the agenda to take that right away and it was deleted. Mr. Pucci asked what the difference is between the two meetings that the Committee now wants to talk about it. Mayor Gaskill said it was a different Township Committee last year and someone on this year's Committee asked for it to be put on the agenda. Mr. Pucci asked if the one person who isn't on the Committee this year had it deleted last year. Mayor Gaskill said one person on this Committee asked for it to be on the agenda and it will be discussed when they get to that item.

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Mayor Gaskill asked Mr. Lafferty to explain why Item 4.A, the request of John and Deborah Pucci for the Township Committee to reconsider its December 1, 2008 denial of an extension of time within which to comply with Condition E of the resolution was deleted. Mr. Lafferty said Mr. & Mrs. Pucci instituted action in Superior Court by way of a Complaint In Lieu of Prerogative Writ. He said they are represented by Thomas Darcy, who contacted him and indicated that it was his opinion that the Township was divested of jurisdiction by the institution of that litigation and he concurred with that opinion. Mr. Lafferty said Mr. Darcy directed correspondence to the Township Committee withdrawing the request for reconsideration in light of that litigation.

Introduction of an Ordinance to amend Article I, Section 203.6 of the Hamilton Township Land Use Code to delete Subsection J in its entirety

Mr. Lafferty said that prior to Municipal Land Use Law (MLUL) the governing body was very active in review of all Planning Board and Zoning Board actions. He said that in 1976 the Township Ordinance parroted NJSA 55:D-17. He said the statute permitted appeals to the governing body on all Use Variances approvals and, if provided by Ordinance all final decisions of the Planning and the Zoning Boards. Mr. Lafferty said it was amended in 1979 and required appeals of all approved Use Variances to the governing body and still permitted if provided by ordinance appeals to the governing body of all final decisions of the Planning and Zoning Board. He said it was amended again in 1984 and restricted appeals to the governing body only of Use Variances granted by the Zoning Board of Adjustment and eliminated governing body review of all decisions of the Planning Board and all other decisions of the Board of Adjustment. Mr. Lafferty said it hasn't been amended since 1984. Mr. Lafferty explained that if permitted by ordinance appeals can be made to the governing body only of Board of Adjustment Decisions granting Use Variances. He said the statute and township ordinance still doesn't preclude review by the Superior Court as the Township is experience now with the Pucci matter. Mr. Lafferty said that according to all legal scholars, the evolution of the statutory scheme shows a deference by governing bodies and the legislature to Zoning and Planning Boards that have become professionalized. He said it is a deferral to their expertise. Mr. Lafferty said it is essentially a policy decision that governing bodies throughout the state make as to whether or not they want to permit those appeals to the governing body. Mr. Lafferty said the pros to that is the governing body would still retain some control in the limited instances where a Use Variance is granted and an appeal is brought before the governing body; the cons are that it is a time consuming and, at times, an expensive process; it requires the governing body to become experts in what the Zoning Board has been trained and acquired an ability to do over time; and it exposes the governing body to litigation as opposed as litigation involving the Zoning Board or other administrative bodies.

Ms. Gatto said she was the one who put this on the agenda. She said the bottom line is that over the last year the Committee has seen what a significant cost to the taxpayers this can be. Ms. Gatto said there are other avenues residents can pursue if they do have an appeal that allows their opinion to be heard but doesn't impact the Township's taxpayers. Ms. Gatto said she thought it was best for the Committee to make this policy decision.

Mr. Pritchard said he was basically going to say the same thing. He questioned the cost of the Township Committee hearing the appeal of the approval of Mr. Pucci's Use Variance. Mr. Sasdelli said it cost about \$10,000.00 but more importantly it was a huge investment of governing body time that could have been better used in other areas. He said the Township has a Zoning Board and no rights are being taken away from the residents because they still have the right to appeal, it is just before another body. He said that with all due respect to the governing body they are not trained in the Land Use Law and Zoning issues like those bodies are so it took an investment of a lot of time on their part to get up to speed to hear the case, take testimony, and read transcripts. Mr. Sasdelli said that he thought their time is better spent in other places. Mr. Pritchard said it wasn't just the Committee's time, a lot of the employees' time and Township professionals' time was spent on it as well and it is still going to court. He said there was no doubt in his mind it is better for the Committee to take it out of their hands.

Mr. Palmentieri said he thinks the Committee should approve it because (1) it is an antiquated process and that the Solicitor has pointed that out through his report; (2) Township Committee members are not necessarily certified Land Use Board Members as the Planning and Zoning Board Members are; (3) it is an unreasonable cost to the taxpayers in dollars and resources; (4) it opens the Township up to legal liabilities. He said all of those things had been discussed and he is totally in favor of doing it.

Mr. Silva said he agreed with everything said.

Mr. Lafferty explained that the Committee can introduce the ordinance but must refer it to the Planning Board for review and they have 45 days to review it and make a report back to the Township Committee. Ms. Gatto asked if it would have the same ordinance number as in 2008. Mrs. Anderson said it would not, it would have a whole new number (#1644-2009).

Ms. Gatto moved, seconded by Mr. Palmentieri, that the following resolution be adopted.

BE IT RESOLVED by the Township Committee of the Township of Hamilton that the following Ordinance be introduced and passed on first reading and forwarded to the Planning Board for review and recommendation pursuant to law.

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

Prior to the vote Mr. Lafferty asked to clarify that the Ordinance included retention of jurisdiction in any pending matters. He recommended it because the governing body has invested a tremendous amount of time on the Pucci matter. Mr. Lafferty said it is in Superior Court where the Assignment Judge will hear it and it could be remanded and he wouldn't want the Committee to divest itself of the remand. Mr. Pritchard said he thought the Committee would automatically still be involved if it comes back. Mr. Lafferty said he thought they would be but the provision makes it clear Ms. Gatto said she would include that in her motion and Mr. Palmentieri said he would include it in his second. Mrs. Anderson asked if that language was in the ordinance Mr. Lafferty drew up. Mr. Lafferty said it was and Mrs. Anderson said that is the one being used.

**TOWNSHIP OF HAMILTON  
ORDINANCE NO.: 1644-2009**

**ORDINANCE REPEALING CHAPTER 203-6J OF THE GENERAL  
CODE OF THE TOWNSHIP OF HAMILTON ENTITLED "APPEAL TO  
THE TOWNSHIP COMMITTEE" AND REPEALING ALL ORDINANCES  
HERETOFORE ADOPTED THE PROVISION OF WHICH ARE  
INCONSISTENT HEREWITH.**

**WHEREAS**, pursuant to N.J.S.A. 40:55D-17 the Township of Hamilton adopted Chapter 203-6J entitled "Appeal to the Township of Committee" which provided for, *inter alia*, appeals to the governing body of certain final decisions of the Zoning Board of Adjustment; and

**WHEREAS**, in the judgment of the Township Committee of the Township of Hamilton, it is in the public interest for this procedure to be abandoned and

**NOW, THEREFORE, BE IT ORDAINED** by the Township Committee of the Township of Hamilton, County of Atlantic and State of New Jersey, that:

**SECTION 1. Repealer.**

Chapter 203-6J of the General Code of the Township of Hamilton Shall be and is hereby repealed in its entirety.

**SECTION 2. Retention of Jurisdiction Over Previous and/or Pending Matters.**

To the extent otherwise permitted by law, the Township Committee of the Township of Hamilton hereby retains jurisdiction over matters previously brought before the Township Committee pursuant to Chapter 203-6J of the General Code of the Township of Hamilton and the repeal provided for herein shall have no force or effect regarding such matters.

**SECTION 3. Severability and Effectiveness Clause.**

(a) If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be unconstitutional, invalid, or unenforceable by a court of competent jurisdiction, such decision shall not affect the remaining portions of this Ordinance.

(b) Any Ordinance inconsistent with the terms of this Ordinance is hereby repealed to the extent of such inconsistency.

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**SECTION 4. Effective Date.**

This Ordinance shall take effect upon its final passage and publication as provided by law.

ROLL CALL: GATTO	"AYE"
PALMENTIERI	"AYE"
PRITCHARD	"AYE"
SILVA	"AYE"
GASKILL	"AYE"

ORDINANCE #1644-2009 INTRODUCED AND PASSED FIRST READING FEBRUARY 17, 2009.

Public Hearing/Adoption- Ordinance #1643-2009

There being no questions or comments on the Ordinance, Mr. Palmentieri moved, seconded by Mr. Pritchard, that the public hearing be closed.

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

Ms. Gatto moved, seconded by Mr. Palmentieri, that the following resolution be adopted.

WHEREAS, Ordinance #1643-2009 was introduced and passed first reading on February 2, 2009 and was duly advertised in the February 4, 2009 issue of the Atlantic County Record for a public hearing to be held in the municipal building at 6:30 pm on Tuesday, February 17, 2009;and

WHEREAS, the public hearing has been held as advertised and closed,

NOW, THEREFORE, BE IT RESOLVED by the Township Committee of the Township of Hamilton that Ordinance #1643-2009 be and is hereby adopted.

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

TOWNSHIP OF HAMILTON  
ORDINANCE NO. 1643-2009

AN ORDINANCE AUTHORIZING THE SALE OF BLOCK 880 LOT 6, AS SHOWN ON THE TAX MAP OF THE TOWNSHIP OF HAMILTON, AND GRANTING TO THE OWNER OR OWNERS OF SAID REAL PROPERTY CONTIGUOUS TO SAME THE RIGHT TO PRIOR REFUSAL TO PURCHASE SUCH LAND IN THE TOWNSHIP OF HAMILTON, COUNTY OF ATLANTIC, AND STATE OF NEW JERSEY.

BE IT ORDAINED by the Township Committee of the Township of Hamilton, County of Atlantic and State of New Jersey, that:

SECTION 1. The following described lot and block number on the Hamilton Township Tax Map is hereby determined to be less than the minimum size required for development in said Township under the existing Developmental Ordinance and further without any capital improvements thereon.

SECTION 2. Upon final adoption of this Ordinance, owners of real property contiguous to the subject lot may thereafter submit an offer to the Township Clerk, as designee of this Governing Body, in writing and on forms prepared by the Township for a period of twenty (20) days following advertisement of the finally adopted Ordinance pursuant to N.J.S.A. 40A:12-13. All offers shall be made in a sealed envelope. No offer less than the minimum value established herein below for said lot shall be considered by the Township Committee.

SECTION 3. In the event of bids being submitted by more than one (1) contiguous property owner with respect to said lot, the sale shall be made, if at all, to the highest bidder. The Township Committee reserves the right to reject any and all bids and to thereafter advertise the subject property for public sale pursuant to N.J.S.A. 40A:12-13(a).

SECTION 4. The following conditions of sale shall apply:

(a) The successful bidder shall submit a certified check made payable to the "Township of Hamilton" in the amount of twenty (20%) percent of the purchase price, which check shall be submitted in the sealed envelope at the time of submission of the bid. Persons bidding on behalf of a contiguous property owner shall be required to submit in writing satisfactory evidence of their authority. The balance of the purchase price plus FOUR HUNDRED, TWENTY-FIVE (\$425.00) DOLLARS to cover advertising, legal and recording fees shall be paid in cash or certified check within ten (10) days after the Township Committee accepting the bid and authorizing the sale to the high bidder.

(b) The Deed prepared by the Township Committee shall not be tendered until the full purchase price is paid.

(c) Title shall be conveyed by and through a Quitclaim Deed and shall convey only the right, title and interest of the Township of Hamilton to the land, as described herein. No warranties and covenants are or shall be made by the Township of Hamilton and in no event shall there be any liability on the part of the Township by reason thereof. The right, title and interest of the successful bidder, as purchaser, shall be subject to the following conditions, covenants, restrictions, easements and exceptions which shall run with the land and shall also become part of the Deed granted to the purchaser for the recording:

- (1) Easement of utility companies and of governmental agencies or bodies.
- (2) Any encroachments, prescriptions, easements or other state of facts pertaining to said lands which may be ascertained upon a visual examination and inspection of the land and the lands surrounding said land and any restrictions and covenants of record.
- (3) All existing federal, state, county and municipal laws, statutes, ordinances, rules and regulations including, by way of description and not by limitation, existing zoning, health and planning board rules and regulations.
- (4) No representation of any kind is made that the land in question, surface as well as subterranean portions, is suitable or adaptable for any particular use whatsoever.
- (5) No representation of any kind is made concerning gas or electric service to the land.

(d) In the event that the Township cannot convey good and marketable title, subject to the above, the purchaser will be entitled to the return of the deposit, without interest, and the Township will not be responsible or liable in any other manner and for any other amount

(e) In the event that the purchaser defaults in making payment to the Township, as set forth above, or if the purchaser cannot make settlement in accordance with the terms thereof, the deposit made by the successful bidder on account of the purchase will be retained by the Township as and for its liquidated damages and the land may be resold. This remedy shall be in addition to the Township's right to compel specific performance of the purchaser's obligation hereunder. Time is of the essence.

SECTION 5. The Township owned lots and minimum bid established therefore are as follows:

<u>Block/Lot(s)</u>	<u>Minimum Bid</u>	<u>Location</u>	<u>Zoning</u>	<u>Area Size</u>
880 / 6	\$7,800.00	Route 50	RD-5	3.12 acres

SECTION 6. SPECIAL CONDITIONS. This parcel shall be permanently deed restricted to prohibit its development as a residential property.

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SECTION 7. All Ordinances and parts of Ordinances of Hamilton Township heretofore adopted that are inconsistent with any of the terms and provisions of this Ordinance are hereby repealed to the extent of such inconsistency.

SECTION 8. If any section, paragraph, subsection, clause or provision of this Ordinance shall be declared by a court of competent jurisdiction to be invalid, such decision shall not affect the validity of this Ordinance as a whole or any part thereof.

SECTION 9. This Ordinance shall take effect immediately upon its publication after final passage as required by law.

ATTEST:	TOWNSHIP COMMITTEE OF THE TOWNSHIP OF HAMILTON, COUNTY OF ATLANTIC, NJ
JOAN I. ANDERSON, R.M.C. TOWNSHIP CLERK	NELSON GASKILL,                      MAYOR

ROLL CALL: GATTO	"AYE"
PALMENTIERI	"AYE"
PRITCHARD	"AYE"
SILVA	"AYE"
GASKILL	"AYE"

ORDINANCE #1643-2009 INTRODUCED AND PASSED FIRST READING ON FEBRUARY 2, 2009.  
ORDINANCE #1643-2009 ADOPTED FEBRUARY 17, 2009.

Ms. Gatto moved, seconded by Mr. Palmentieri, that the following resolution be adopted.

BE IT RESOLVED by the Township Committee of the Township of Hamilton that the following Business Registration Licenses are hereby approved:

- 1) Bears Head Farm Market - farm produce sales on Millville Road
- 2) United Consulting Inc. d/b/a Wireless Distributors of America - retail communications equipment sales at Hamilton Mall

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

Ms. Gatto moved, seconded by Mr. Palmentieri, that the following resolution be adopted.

BE IT RESOLVED by the Township Committee of the Township of Hamilton that renewal of the Vision Service Plan (VSP) Contract for employee vision insurance for a two (2) year period, March 1, 2009 through February 28, 2012, be and is hereby authorized at the same rates as charged in 2008.

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

Ms. Gatto moved, seconded by Mr. Palmentieri, that the following resolution be adopted.

BE IT RESOLVED by the Township Committee of the Township of Hamilton that renewal of the Delta Dental Contract for employee dental insurance be and is hereby authorized for a one (1) year period, March 1, 2008 through February 28, 2009 at the rate of \$8.25 per person.

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

Ms. Gatto moved, seconded by Mr. Palmentieri, that the following resolution be adopted.

BE IT RESOLVED by the Township Committee of the Township of Hamilton that the amendment to Cape Bank (formerly Boardwalk Bank) Irrevocable Letter of Credit #2007-06 reducing the amount of guarantee from \$68,922.90 to \$10,338.44 and changing the purpose of said letter of credit from a site improvement performance guarantee for Energy Enterprises, Inc. to a 2-year maintenance guarantee for Energy Enterprises, Inc. site improvements on Block 671, Lot 2.

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

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Ms. Gatto moved, seconded by Mr. Palmentieri, that the following resolution be adopted.

BE IT RESOLVED by the Township Committee of the Township of Hamilton that it has no objection to the N. J. Division of Alcoholic Beverages approval and issuance of a special permit to St. Vincent DePaul Home/School Association for a social affair to be held at the Parish Center from 7pm to 12 midnight on March 28, 2009 with beer only to be dispensed.

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

Ms. Gatto moved, seconded by Mr. Palmentieri, that the following resolution be adopted.

BE IT RESOLVED by the Township Committee of the Township of Hamilton that the list of Cologne Volunteer Fire Company members eligible for 2008 LOSAP Credit, as certified by its Chief, be and is hereby accepted:

Mike Aspinwall	141 points	Omar Merced	151 points
David Elkner	193 points	Anthony Paone, Jr.	165 points
Kristen Emonds	138 points	Anthony Paone, III	105 points
William Faust	100 points	Zack Pew	195 points
Paul Gramm	137 points	Mark Sciore	195 points
Anthony Hare	168 points	Sam Squires	100 points
Ryan Kohl	121 points	Christopher Taylor	101 points
Josh Kirby	132 points	Shawn Vallauri	180 points
Mark Martin	136 points	William Will	175 points
Sean Mabbitt	147 points		

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

Ms. Gatto moved, seconded by Mr. Palmentieri, that the following resolution be adopted.

BE IT RESOLVED by the Township Committee of the Township of Hamilton that the list of Reliance Hose Company No. 1/Mays Landing Volunteer Fire Department members eligible for 2008 LOSAP credit, as certified by its Chief, be and is hereby accepted:

Ken Badger, Jr.	197 points	Rich Arroyo	142 points
Dave Connelly	189 points	Chad Winterbottom	139 points
Mike Errickson	188 points	Joe Rogers	134 points
George Spera	182 points	Rob Debiaso	129 points
Mike Perri	179 points	Kevin Thelan	129 points
Mark Jenigen	178 points	Dave Paloff	123 points
Shawn Slocum	176 points	Jimmy Santilli	121 points
Greg Montalvo	170 points	Carl Pitale	111 points
Scot Lacy	169 points	John Valasek	107 points
Larry Birch	157 points	John Sauerwald	103 points
Jay Wyatt	149 points	Kyle McCausland	101 points

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

Ms. Gatto moved, seconded by Mr. Palmentieri, that the following resolution be adopted.

BE IT RESOLVED by the Township Committee of the Township of Hamilton that it has no objection to the approval and/or issuance of permits by the NJDOT and/or the County of Atlantic for coin drops to be held by the Mays Landing Volunteer Fire company at the Route 40/50 & Mill Street intersections on June 19 and 20, 2009, July 17 and 18, 2009 and August 28 and 29, 2009.

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

#### Historic Preservation Commission appointments

Mayor Gaskill reappointed Linda Benner a Class B regular member of the Hamilton Township Historic Preservation Commission for a four (4) year term expiring December 31, 2012.

Mayor Gaskill appointed former Historic Preservation Commission Alternate II Ronald McArthur a Class C regular member of the Hamilton Township Historic Preservation Commission for a four (4) year term expiring December 31, 2012.

Mayor Gaskill appointed Sam Wells a Class C regular member of the Hamilton Township Historic Preservation Commission for a four (4) year term expiring December 31, 2012.

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Mr. Palmentieri moved, seconded by Mr. Pritchard, that the following resolution be and is hereby adopted.

BE IT RESOLVED by the Township Committee of the Township of Hamilton that all properly executed and approved payrolls and bills are hereby ordered paid, the bill list total being \$1,772,163.50 as of February 12, 2009.

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

#### Reports

Administrator: none

Solicitor: none

Engineer: none

Mr. Pritchard reported the February 19, 2009 Planning Board meeting has been cancelled due there being no applications to come before it. He said that is the second time this month that the Planning Board meeting has been cancelled because of no applications.

#### Public Comment

Aline Dix said that the last meeting she urged the Committee to consider using the CDBG funding to pave a road. She that she got an e-mail today saying Mayor Gaskill and Mr. Pritchard met as a subcommittee and prefer to keep the money for housing rehabilitation. She questioned how much money is in housing rehabilitation funding right now that no one has applied for. Mayor Gaskill said he didn't know off the top of his head but did have a document with that information. Ms. Dix asked if the amount for the Senior Center that was in last year's award but isn't funded yet was \$10,000.00. Mr. Pritchard said the money hasn't been received yet. She said the Township got money in 2004 for ADA curb cuts and none have been put in yet. Ms. Dix commented on copying the numbers she has from a paper Mr. Sartorio has and said there is \$25,650.00 for curb cuts that is still unspent. She said the rest of the money awarded for curb cuts in 2004 was spent ultimately spent on other things like the Senior Citizen Van through amendment to the application. Ms. Dix said that \$50,000.00 is down to \$25,000.00 and 5 years later it still hasn't been spent. She said that as of February 3<sup>rd</sup> there is \$29,845.00 in housing rehab money from fiscal year 2006 that still hasn't been spent. Ms. Dix said there is \$85,602.00 from fiscal year 2007 and not a penny of it has been spent. She commented on \$71,000.00 of the grant the \$10,000.00 for the Senior Center came from went into the housing rehab pot. Ms. Dix said that adding the 2006, 2007 and 2008 numbers together there is \$187,000.00 was already sitting in the rehabilitation pot that isn't being used and the Township is going to lose that money at some point. She said the economic qualifications appear to be the problem. She sent referred someone there and they missed qualifying \$100 or \$200.00. Ms. Dix said the Committee has time to consider it between tonight and the next meeting because this year's application isn't due until March 4<sup>th</sup>. She asked why the Township Committee would want to put the next \$80,000.00 into it and have \$267,000.00 that may trickle out over the next year or two but won't get wiped out. She said her original point was the possibility of using the money to pave a road. Ms. Dix said that at some point, she didn't know when and didn't think anyone in the room knew when, the township will lose the curb cut money. She suggested the Committee add the unused \$25,650.00 curb cut money to this year's amount which may be about \$80,000.00 and go to their road priority list because she believes there is one that qualifies without having to do the door to door survey. Ms. Dix said if there isn't one that qualifies the Committee should look at the street in Harding Lakes that she spoke of before and knock on 10 or 12 doors because the survey is income and inhabitant based and one house has no income because it is an ARC house and they are on SSI. She said it would be a start if the Township could get that one street paved it that would be better than having the money pile up. Ms. Dix said with the problems in this town, state and country, she thought the right thing to do is put the money to the highest and best use before the Township doesn't have it anymore. She said that if the Committee has questions they need to ask them later this week so they digest the answers and either stand firm on putting the money in housing rehab and pushing it up over a quarter-million dollars on March 2<sup>nd</sup> or do something else and she suggests it be something else.

Mr. Pritchard said the subcommittee hashed this out considerable and considered all of the alternatives last Friday. Mr. Sasdelli the subcommittee hasn't reported back to the full Committee yet. He said Ms. Dix questions were premature because the Committee was preoccupied with the budget and three of the Members haven't even had a work session on it. He said he didn't mind being transparent but three of the members don't know what is being talked about. Mr. Pritchard explained that he, Mayor Gaskill, as the Liaisons met with Mr. Sartorio and Mr. Sasdelli to talk about the grant and when they

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talked about housing they feel strongly that most people were not notified and that is why they aren't applying. He said they are going to have a more concerted PR program to make sure people are aware the money is available. Mr. Pritchard said they feel that there may be more people in need of housing rehabilitation and ways of getting funds to do it in these economic times.

Ms. Dix said a critical point is whether there are boundaries to the rehab program because in the past there were times when it was restricted to certain neighborhoods. She said if there are restrictions people who need a new roof may not be able to get the money because they don't live in the right census tract. She commented on the Committee needing to know if is restricted as to the area it can be used in, what the income limits are, and what is being done to publicize the availability of the money. Ms. Dix said it income restricted money. Mayor Gaskill said wasn't aware of there being restricted zones and he never recalls hearing that is was restricted. Ms. Dix said her mother was one of the volunteers who went door to door through the township to do the survey when this was first started in about 1985. She said the federal government breaks the neighborhoods into census tracts and the money is restricted to certain census tracts. Ms. Dix said the census tracts with the low income were mostly in the west side of the Township. Ms. Gatto asked that this be on the next agenda for discussion. Ms. Dix said she didn't know if there were dollar limits per household but code violations are eligible for funding and they will also pay for new wells and septic systems if they have failed. Mayor Gaskill said their real concern during the discussions was that, in these economic times, there may be families who need a new roof or something like that. Ms. Dix said there are already \$187,000.00 sitting there and they have to do is apply for it. Mr. Pritchard said with the meeting being on television and the website there are opportunities to get the word out that weren't there in the past. Ms. Dix said not to count on the website because people with the hardest time probably don't have a computer or be scanning it for money. Mr. Pritchard suggested they might have friends or family that might see it and urge them to do it.

Wayne Choyce asked Mr. Pritchard what the consensus of the other Mayors on the Pinelands Municipal Mayors Pinelands Council was regarding Pinelands proposed zoning changes and what action they were taking. Mr. Pritchard said they were strongly opposed. He said the meeting was held about three weeks ago and the Executive Director and other representatives of the Pinelands Commission were at the Council meeting and tried to explain the rationale for the redistricting. He said there wasn't a lot of discussion after that among the Mayors and some mayors spoke but were not vocal in their opposition but you knew by side discussions that most of them are opposed. Mr. Pritchard said Buena Vista, Hamilton, Galloway Townships are most impacted and it is going to have a serious impact on our residents. Mr. Choyce asked if those that are opposed had any intention of putting something together and getting it back to the Pinelands. Mr. Pritchard said they have been contacting the Freeholders and other legislators. He said the Atlantic County Freeholders have a subcommittee that has actively working with the Council and trying to get the Commission to hold meetings in each municipality that is affected or to at least have one meeting with all of the Atlantic County Officials and municipal representatives. Mr. Pritchard said that as far as he knows they have been unsuccessful to date. Mr. Pritchard said there is a Pinelands Policy and Implementation Committee meeting tomorrow and a lot elected officials and other concerned people are going to it. He said there is a growing sentiment of opposition to what they are proposing. Mr. Sasdelli said Mr. Palmentieri asked him to prepare a resolution opposing it for the Committee's consideration giving the specific reasons why and detriment it will be to Hamilton Township. Mayor Gaskill said Mr. Sartorio will attend the meeting representing the Township. He said it will affect so many of residents especially where if is being changed to the Forest area. Mr. Pritchard said Mr. Sartorio has been in a constant letter writing campaign back and forth with the Commission officials that are involved in this and they have been pretty receptive. He said that he thought you have to try to negotiate and compromise with Pinelands even though you don't agree they do because they have the upper hand if you don't and haven't lost in court yet. Mr. Pritchard said you have to get as much as you can rather than throwing up your hands and saying "it is us against you". Mr. Choyce asked in any of the Committee Members were going to attend the meeting. Mr. Pritchard said he couldn't because of a work commitment. Mr. Choyce commented on reading in the paper that Galloway Township is sponsoring buses and trying to get people to go and voice their concerns but he didn't see anything about Hamilton Township's position. He commented on having seen Mr. Sartorio's letters and said they are well written and clearly describe to the Commission what the Township's concerns are but he doesn't think the Township has made enough noise publicly to stress its concerns because it deeply affects the township. Mr. Pritchard said he has been having conversations with the Township Representative on the Commission, Paul Galletta, and Mr. Sartorio also met with him for a couple of hours to express the Township's concerns. He said they are trying to line up support with members of the Commission to get them to see the Township's viewpoint. Mr. Pritchard said sometimes it is better to

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take a more subtle approach. Mr. Choyce said Mr. Pritchard worked with the Pinelands for many years and he trusts that his knowledge will help the Township. He asked how the changes will affect the Township's ability to meet its COAH requirements. Mr. Pritchard said it is interesting because it is two state agencies that are in direct conflict. He said that is another issue the Municipal Council took up because two meetings ago representatives from COAH came to talk about their plan and basically it isn't workable because it won't in Pinelands municipalities. Mr. Pritchard said that they have been trying to come up with a Memorandum of Understanding for months and haven't been able to do it to date. He said they said they are in direct conflict. Mr. Pritchard explained the municipality was supposed to have their plan done by December 31<sup>st</sup> and COAH said to get it done and when they conform to Pinelands the municipality can come in and redo their plans.

Sue Sandman read a prepared statement a complete copy of which is included in these minutes on a subsequent page. Mrs. Sandman said that she came before the previous Township Committee 2 years ago and urging them to take the lead of their professionals and set aside more surplus because the budget picture was pretty bleak at that time. She said statements were that it was a Jonestown budget and the residents would have to drink the Kool-Aid to survive the gloomy predictions. She asked if it was melodramatic or prophetic. She said our region is in very big trouble now with the collapse of the financial markets, job loss at an all time high and 2000 casino jobs lost. Mrs. Sandman said things must be tough in the Township since the Committee has taken the extraordinary steps of asking its employees to work for free and citing an obscure law to ask the MUA to give the Township \$250,000.00 from their ratepayers' surplus. She said the Committee did a good job of painting a bad economic situation in the Township and questioned what her local government was doing to reduce spending. Mrs. Sandman said she hears the gimmick of delaying school taxes and said if that is the case she isn't seeing her local government do too much. She said the Township has a \$900,000.00 deficit and the generous, hardworking employees have given up \$150,000.00 in income to save fellow workers' jobs. She said the MUA ran efficiently and competently over the years and generously agreed to give \$250,000.00 to bail out the township's deficit. Mrs. Sandman said the Township Committee will not be holding up their end if there isn't a reduction in spending. Mrs. Sandman said the Township will run out of money by the end of the year and have to issue tax anticipation notes if they borrow the school's money. She said the Township is allowed to borrow \$13 million from the schools and it is only at \$7.1 million and the Committee is considering taking \$500,000.00 more this year. Mrs. Sandman asked if the Committee was going to go back to the schools next year to borrow another \$2 million when they have the \$2 million shortfall their professionals are saying they will have. She said she believes that kind of borrowing is reckless since it perpetuates a structural deficit and the Township's professionals also think it is reckless. Mrs. Sandman why they weren't borrowing all of it if they were seriously considering this and; why there weren't telling the employees to keep their money because if they are borrowing \$500,000.00 what is another \$150,000.00; why they wouldn't borrow another \$250,000.00 from the school and not take the MUA's money. Mrs. Sandman said she thought it was terrible for the employees to give up their salaries in these tough economic times and the Committee is still talking about light Christmas trees. She urged the Committee to do the right thing and make the tough choices that have to be made because it will be worse next year if they don't. Mrs. Sandman said the Township shouldn't follow the federal and state government into insolvency. She said they should start listening to their professionals because next year they won't have \$1.2 million from the Garbage District and possible won't have money from the MUA. She said she didn't think the employees should give up a dime next year. Mrs. Sandman asked why the Committee didn't borrow all of the money if they didn't think borrowing the school money was such a big deal. She urged the Committee to lower the spending like everyone in the room has had to do. Mrs. Sandman said it will require some tough decisions and turning off the Christmas lights in bad times. She said they will a hard time from some people about closing the Cove but 65% of the people going there don't live in this Township residents. Mrs. Sandman said the County doesn't allow swimming on their side and it is forcing all of Atlantic County to come to the Township and the Township is footing the bill. Mrs. Sandman said drastic times require drastic actions and she isn't seeing that happen. Mr. Pritchard said Mrs. Sandman was absolutely right about the employees giving up time and money to help their fellow employees. He said he is trying to do what they did and make 12 to 16 of their fellow employees don't get laid off. Mrs. Sandman asked Mr. Pritchard how he thought those employees felt when they are giving up their salary and Committee won't cut Christmas decorations and all the small stuff. Mrs. Sandman commented on there being 2 hours discussions on what makes Mays Landing Mays Landing and not making those tough cuts and said the Committee has to start with that. that is the tail wagging the dog. Mayor Gaskill said that the Committee would still be \$250,000.00 short even if the Christmas lights and Halloween Parade out. Mrs. Sandman said government grows like there is no tomorrow when times are good and when there are developments inspectors are hired because they are needed.

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She said the Planning Board meeting being cancelled again which means nothing is happening and questioned how the Committee could not look at the Building Office. She questioned whether they were doing their jobs if they didn't look at it. Mrs. Sandman asked if the Township looked at shifting people or, in the worst case scenario, temporary layoffs when Court fines go down from \$3 million to \$2.5 million. She said it has to be on the table and that government can't just keep growing. Mr. Pritchard said he understood Mrs. Sandman calling the school deferral a gimmick and said if the Committee really wanted to use a gimmick they could do exactly what she said, borrow millions more and have a tax decrease instead of an increase and everybody would love them but they are just trying to patch a few leaks. Mrs. Sandman said once the choice is made to use a gimmick, unless it is tied to a very specific item that wears out over a period of time like a couple hundred thousand for the reval that will be paid in 5 years, but once the door is open, what is the difference whether it is \$500,000.00 or \$700,000. Mr. Pritchard said part of the plan is how they will pay off the deferral. He commented on the \$200,000.00 a year to pay the reval and said his proposal is that the Committee put that \$200,000.00 in each to pay the deferral back. Mr. Silva asked where the revenue money would come from and where it would be taken from next year. He said the school deferral is a gimmick with consequences and the Township Committee has to be aware of them. Mrs. Sandman said it is one thing to patch a leaky boat but she didn't think the Committee should look for any magic next year and that they should be prepared for it. Mayor Gaskill said the Committee is looking for ways to keep its people working. He commented on the federal government looking for ways to create jobs and said he didn't think putting people on the street is the answer. The Mayor said the deferral is legal; it has been done here before; it is done in a lot of towns; and it will get the Township over the hump this year. He said hopefully next year more money will be coming in and the economy will turn around. The Mayor said the Tax Office put together lists of Township-owned land that can be sold and hopefully there will be land sales in the Business Park that will help. Mayor Gaskill said that even if 8 people were laid off it is only \$18.00 on the tax bill and he doesn't believe the citizens want to put people on the street for \$18.00 a year. Mrs. Sandman questioned the difference between borrowing \$500,000.00 and \$800,000.00 using that rationale. Ms. Gatto said the difference is how they could pay it back. Mrs. Sandman said they are paying it back on maybe things will be better next year, maybe there will be land sales, maybe, maybe, maybe. She said maybe the tax collection rate won't be as good and maybe there will be more in-rem foreclosures.

John Pucci said the discussion on introduction of the Ordinance tonight was very good and that very good points were brought up for why appeals of Zoning Board decisions should be left up to the courts. Mr. Pucci said the cost for the applicant to go the Zoning Board wasn't brought up and it is an extra expense when the applicant has to have a 7-0 unanimous vote of the Zoning Board looked at by the Township Committee who isn't qualified in certified Zoning as the Zoning Board is and it ended up in superior Court anyway. He said applauded the Committee for their decision to introduce the Ordinance to take that appeal section out of the Zoning Land Use Code.

Mr. Pucci expressed his thanks for whoever put out the pamphlets regarding the up-coming revaluation. He said it is another way of the Township being transparent to the public.

John Kurtz said he was representing the Mays Landing Merchants' Association and that they understood the need for some of the deep cuts that have to be made this year to meet the budget restrictions. He said there was talk of cutting the Christmas lights, Hometown Celebration and Halloween Parade and the Association would like to see the door left open for the groups that put them on to come up with some alternative planning to see if the events can continue. Mr. Kurtz said it took three years to get the County to close Main Street for Hometown Celebration and if the Township issues an order or agreement that it isn't going to fund it that would close the door and the County wouldn't open the street for the Association if they were able to put the event on which is what they plan to do. He said the Association believes it is a vital part of the community, its residents and the kids and that it is an important thing to continue. Mr. Kurtz said they understand most of the cost was for the police, security and public works and he thinks the Township can get around some of those issues. He said he was involved with the Egg Harbor City celebration and the 4-H Fair in Laureldale. He said Egg Harbor City has 10-12 Sheriff's officers walking around and 2 cars placed during their 2-day event. He said there is a larger contingency of Sheriff's people at the 4-H Fair. Mr. Kurtz said he will continue to talk with the Sheriff and hoped that with Mays Landing being the County Seat the Sheriff would look favorably on providing cars and personnel to alleviate the manpower needs of Township Police Department. He said he was sure something could be worked out with the Public Works to drop of trash receptacles at a given spot and the Association Members would see that they were put out and collected. Mr. Kurtz said it is in the Association's interest to reduce costs

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too but they don't want the door closed so that they don't have the opportunity to look for other solutions to the problem. He said the Halloween Parade is a big event and he is sure the Association could work something out with the Sheriff for cars and manpower if needed and he will really pursue it. Mr. Kurtz said maybe clowns and bands aren't a bad idea with the economic turn down and morale. He said the financial restrictions are there but the Association needs the opportunity to see it through. Mr. Kurtz asked the Committee to consider that in their deliberations so the Association doesn't lose the ability to close Main Street when they feel they can provide the necessary funding. Mr. Kurtz said the Merchants' Association initiated a new fund raising effort with an advertising booklet and believes that with additional funds the Association can provide the portable toilets and things that were the Township expense before. Mr. Pritchard thanked Mr. Kurtz and the Association for understanding the Township Committee's plight. He said Weymouth Township and a number of other communities have a Special Events Committee that work to put those type activities on each year and they fund the fireworks and other activities during the year. He said that may be something the Association could pursue to raise funds for those events. He said he would hate to see them go away because he thinks they are a vital part of the community. Mr. Pritchard said he will be happy to work with the Association to start that kind of Committee for fund raising and actively trying to get sponsorships for them. He said he thought that requiring sponsorships for anything like this was the direction the town was going in. Mr. Kurtz said Egg Harbor City has a combined events committee where all organizations meet every couple of months to discuss how it affects all the groups in town, not just one. He said he thought that was one way to pursue fund raising and additional volunteer help. Ms. Gatto said the Merchants are an asset to the community. She said they, the Rotary and Kiwanis should be applauded for what they do. Ms. Gatto said she didn't know where any of those things will end up but she hopes it will be this Township Committee's opinion to partner with them to keep any doors open that are needed to enable the groups to do what they want to do.

Russell Bongiovanni, Sr., said he had 30 years experience in the corporate businesses and most of that time he was responsible for putting budgets together. He said that he went through down-sizing with 3 different corporations and survived because his attitude was that if he was responsible for 50 units he would take on 60, 70 and 80 units. He said the Township's employees are probably the greatest, nicest, most professional people he has ever met but they have to participate in the economy too the next time the Township goes into negotiations. Mr. Bongiovanni commented on people being laid off, foreclosures, and the majority of our economy being from the casinos. He said the Township has to tie salaries into the Philadelphia CPI. Mr. Bongiovanni said there is a 100% increase in the Township salaries every 7.8 years and that he never had that experience in the corporate world. Mr. Bongiovanni suggested that in the future the employees be asked if they want a 4% pay increase, not have the increase, or to be out of work. He said that isn't being done and it wasn't built into the equation. Mr. Bongiovanni questioned why 10 or 20 people had to give up their salary so another 17 or 18 could keep their jobs. He said he gave a lot of credit to those who were willing to sacrifice their incomes. Mr. Bongiovanni said a 4% increase wouldn't bankrupt them but he would rather see 100% participation in not taking the raise this year or maybe next year. He said government is a business but it isn't run like a business. Mr. Bongiovanni commented on the need to look at what the greatest expenses are and how to go after those numbers. He said he is really behind the employees but thinks there has to be 100% participation.

Ed Pugh said he agreed with Mr. Bongiovanni that the Township has to be run like a business. He commented on looking at some of the budget figures and over \$2 million for health insurance for 180 employees and said that is about \$12,000.00 per person. Mr. Pugh said he is in the private sector and his insurance costs him about \$6,000.00 a year. He said he was surprised to hear the (Township Committee Members) receive health insurance. Mr. Pugh said he didn't know how it works but the Township could cut a lot of money by cutting health benefits. He said he wasn't saying to take it away because the employees deserve it. Mr. Pugh asked if the employees pay part of it and what percentage. Mr. Gaskill said they pay 1% of their salary. Mr. Sasdelli said a \$40,000.00 a year employee pays \$400.00. Mr. Pugh said he pays one third of the cost for his benefits. He suggested the employees may be willing to pay \$60.00 a week for their benefits rather than have people laid off and it would probably save \$1 million.

Mr. Pugh asked how much the theater pays a year for the police to be there and if they paid the officers direct. Mr. Sasdelli said the officers work 40 hours a week that the taxpayers pay for and if they are assigned to the theater that is in addition to their 40-hour week and the theatre pays whatever it costs for them to be there. Mr. Pugh asked if it was for traffic control like at construction sites. Mr. Sasdelli said it was to provide security for the taxpayers. Mr. Sasdelli said he didn't have the figure with

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him but could get it. He said the theater pays the amount of officer's salary plus an added percentage for administrative costs.

Mr. Pugh said the lights at the recreation field that he complained about before are still on and asked why they were still on when the Committee is talking about cutting out Christmas lights. He said they are on a timer but you can push a button at 4p.m. and they stay on until 11p.m. Mayor Gaskill said it would be addressed this week. Mr. Pugh said there are a lot more people playing there now.

There being no further questions or comments from the public Mr. Pritchard moved, seconded by Mr. Palmentieri, that the public comment portion be closed.

Mr. Silva asked if the public would be allowed to talk again during the budget work session because a lot of issues were talked about and the Committee had talked about keeping everything in front of the public. He asked that it be opened up again for comment when the Committee is done as long as it is constructive and not antagonistic.

Ms. Gatto said she would be open to doing the presentation and then allowing more public comment. Mayor Gaskill said there would be another public hearing on whatever is decided, if anything.

There being no further questions or comments on the motion Mayor Gaskill called the vote. MOTION CARRIED WITH ALL MEMBERS VOTING "AYE", NO "NAY", NO "ABSTAIN"

A recess was taken at approximately 7:40 p.m. to 7:55 p.m.

Prior to starting the budget work session, Mayor Gaskill announced that at 11 a.m. on February 23rd the County is going to dedicate the entrance road to Lenape Park as Young's Way in honor of the late Ed Young. He said Mr. Young was a great member of the community and urged anyone who had the opportunity to attend to do so and said the family would appreciate it.

#### 2009 BUDGET WORK SESSION #4

The budget work session was video taped and will be included with the regular meeting on the website and on Channel 2. Mr. Sasdelli said his power point presentation will be on the website and handouts of it were distributed to the audience. He said there were budget work sessions on December 1, 2008, February 2, 2009, February 9, 2009 and this is the 4<sup>th</sup> one. He said he didn't have many slides tonight because there wasn't much new information. Mr. Sasdelli explained the budget calendar dates are set by law and recommended the budget be introduced at one of the two March meetings. He explained the budget shortfall and possible cuts that were not yet decided on. Mr. Sasdelli said he had plugged in the \$258,000.00 from the MUA because the executive director notified him that they will be passing a resolution for it; employee furloughs went up to \$150,000.00 in the past week; \$15,000.00 was plugged in because a gentleman's agreement was reached on the way metal collection will be done; there was no agreement on the other items on the slide that he left blank; and the shortfall is \$527,000.00. Mr. Sasdelli said the items not decided are: opt-out \$30,000.00, closing the Cove \$26,000.00, Hometown Celebration, holiday decorations, line striping, and movies in the park, a part-time van driver, and the Halloween Parade at an estimated \$8,000.00 for public works and police overtime. He said the total of those items was about \$108,000.00. Mr. Sasdelli said it has also been learned that there will be a structural deficit of about \$2 million 2010 because there will not be \$1.2 million revenue from the Garbage District; there will be a \$500,000.00 increase in salaries and wages if the contracts are paid as they are currently written and don't get changed in 2009; an estimated \$300,000.00 for health insurance and pension increases and maybe some decrease in revenue; not anticipating another \$258,000.00 from the MUA; and any school tax deferral is not recurring revenue so that has to be added in again or there has to be a deferral again in 2010. He said a 4-day work week, excluding police and dispatch, would save \$850,000.00 per year. Mr. Sasdelli said there were other ways the police and dispatch could participate. He said the priority on the capital program and a plan to get off the deferral, if it is done, were also brought up. Mr. Sasdelli said a 4-day week saves \$70,000.00 a month. He said it is doable but the Township has to negotiate the details, show the need and give adequate notice. Mr. Sasdelli said how contractual things like how it affects vacation time, holidays, personal days, overtime if you didn't work a full week, etc., would be handled would have to be worked out. He said the Township has the managerial prerogative to cease operations for one day a week. Mr. Sasdelli said the negatives to doing that are that decreases services to the customers and the per-hour labor cost for performing a task actually goes up because the cost of health insurance doesn't change and it is spread over fewer hours per year.

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Mr. Silva asked if the pension cost goes down if the salary goes down. Mr. Sasdelli said it does but the health insurance cost doesn't because it is a fixed cost of about \$12,000.00 no matter how many hours the employee works. He said there is savings on the pension and salaries. Mayor Gaskill said the Township would get less in employee contributions for insurance if they made less salary.

Mr. Sasdelli said there is a lot of confusion on the school deferral and that he heard it said many times that the Township is borrowing the money. He said the Township is not borrowing any money. He said it is a paperwork exercise; it doesn't hurt the schools; the schools get all of the money they are supposed to get when they are supposed to get it. He explained it is an accounting exercise on what column it goes into because the schools are on a fiscal year and the Township is on a calendar year. Mr. Sasdelli said the Township did deferrals in 1991, '92, '93 and '94 totaling \$7.2 million. He said whoever was on the Committee at that time had no choice because Governor Florio ordered it so property taxes would be lowered. He said the Township stopped doing it in 1994 because Governor Florio's term ended that year. Mr. Sasdelli explained it was about 20% of whatever the budget was at that time and the Township is still carrying that \$7.2 million on its books. He explained up to 50% of the school tax can be deferred and doesn't have to be paid back in the foreseeable future as long as the Township pays the schools what it owed to them. Mr. Sasdelli said under the law the Township can defer another \$4 million. Mr. Sasdelli explained the major disadvantage is to the Township because it is non-recurring revenue. He said sooner or later the Township would hit the 50% maximum deferral allowed and when it does, they won't be able to do it any more. Mr. Sasdelli said school deferrals were not uncommon in other towns and that a lot of them did it to keep their local tax rate low but now they have no deferral available. He said this Township was fortunate to have \$4 million left to use to bridge the gap and transition to a new structure to get out of a structural deficit.

Mr. Silva asked if the Township would eventually run out of cash if they utilize school deferral. Mr. Sasdelli said it could because they are using artificial revenue. He said this is just a transition thing and it isn't a mechanism the Township would want to live on. Mr. Silva said if you use the 50% it will impact the bond rating. Mr. Sasdelli said it impacted the bond rating because the more deferral there is the less Moody likes it. Mayor Gaskill said you won't run out of money unless you go all the way up to the \$13 million maximum. Mr. Sasdelli said the Township won't run out of money because the Township can borrow money from the bank, they just have to put a line item in the budget to pay the interest. He explained that when the school bills, county taxes,, payroll, or a vendor bill comes in the Township has to pay it and if Mr. Tuthill doesn't have cash to pay them the Committee will have to authorize tax anticipation notes. Mr. Silva asked how utilizing the school deferral strengthened the structural deficit. Mr. Sasdelli said it doesn't. He said the Township has a structural deficit because its revenues don't support its operating expenses so they are grasping at other revenue options to fund them. Mr. Sasdelli said they are receiving money from the MUA and deferring school taxes. He said they are one-time revenue injections to support those expenses. Mr. Sasdelli said that the Committee ultimately has to get ongoing, recurring revenue sources or lower expenses or a little of both. Mr. Sasdelli this can help the Committee do that and it is okay to defer if the Committee has a plan to do that. Mr. Silva questioned whether the Township Committee was reaching the point of pay me now or pay me later. Mr. Sasdelli said the Committee has to move to a budget where revenues support expenses. He said it is the governing body's choice on how fast they want to move to that.

Mr. Palmentieri said an operational budget equilibrium has to be created between revenue and expenses and you can't keep using one-time injections of funds to balance each year's budget. He said the problem is that most of the things Mr. Sasdelli listed are almost \$2.25 million one-time revenue vehicles that will be totally missing next year. Mr. Palmentieri said they are a one-time fix that will leave the Township high and dry next year. Mr. Sasdelli said part of the problem is revenues didn't go up the way everyone thought they would so there is a shortfall. He said the township has to get smaller whether it is in 1, 2, 5 years and there will be some services the Township won't be able to provide anymore. He said the expense side has to go down whether it is through attrition, retirements, resignations, 4-day work weeks, layoffs, not providing some services, or privatization. Mr. Sasdelli said the Committee can use this money to get through this year but they need a plan that will get them structurally sound. Mr. Palmentieri said he estimates there will be a \$2¼ million shortfall next year and the Committee has no plan right now to achieve a reduction in it plus they will have the \$469,000.00 school deferral to deal with. He said that if school deferral is used to get through the following year the remaining couple of million dollars will quickly be used up before the Committee gets to reducing expenses because they aren't touching that part of the equation. Mr. Palmentieri said they need to have a combination this year that increases

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going into next year with an equal amount of reduced expenses and tax deferral for the schools. He said if they don't have both of them they are building a bigger problem for next year and beyond.

Mr. Silva asked if it affected the surplus and if it put the Township in a vulnerable position. Mr. Sasdelli said it does affect the surplus and that they don't have a lot of surplus.

Mayor Gaskill said he didn't see how the Committee would get to the total equilibrium Mr. Palmentieri talked about. The Mayor agreed there is a structural problem and said the deferral was a tool that had to be used this year. Mayor Gaskill said a subcommittee needed to be put together to start working and looking at those things. He said he has hopes the revenue will start coming back in 2010. Mr. Palmentieri said not to bank on it. Mayor Gaskill said budgets were made before based on possible land sales and he thought that has to be looked at that this year. Mayor Gaskill asked the Committee what services they were going to cut and what was going to be cut to get to \$450,000.00. Mr. Palmentieri said that is part of what the Committee has to start discussing this year because whatever they don't do this year will make next year worse.

Mr. Pritchard said if the Members weren't in favor of Plan A they have to look at Plan B which comes down to laying off a sizeable portion of the work force. Mr. Silva said they hadn't gotten through all of the possibilities. Ms. Gatto said she was waiting until she has all the facts.

Mr. Sasdelli said a question was asked about the Capital Program and explained money has to be put in the Operating Budget for the required 5% down payment on the Capital Program. He said the budget includes the normal \$75,000.00 down payment that would allow a \$1.5 million Capital Program which is normally the road program, building upgrading, equipment and vehicle replacement. He said there is an extra \$50,000.00 to borrow \$1 million for fire apparatus per the fire study. Mr. Palmentieri asked what the total increase in debt service would be for a sum beyond the self-imposed CAP imposed by the Committee when Mr. Sasdelli was here the first time. Mr. Sasdelli said it would be the extra \$1 million over 10 years with interest or about \$105,000.00 per year. Mr. Palmentieri said there would be an additional recurring expense of over \$100,000.00 for debt service in addition to the \$50,000.00 this year in excess of the \$1.5 million that has held to up until now. Mr. Sasdelli said some debt falls off each year. Mr. Palmentieri said the Committee may have look at reducing the total package to reduce the increased debt service which will affect the budgets next year and the year after which are the years the Township is going to be deeply in the hole. Mr. Sasdelli said to have a negligible effect the Committee has to stay just with the \$75,000.00. Mr. Palmentieri said the Committee can mix up what makes up the \$1.5 million. Mr. Sasdelli said there is a certain service life on fire trucks and they have to be replaced at some point in time whether it is 2009 or 2010. Mr. Pritchard commented on not having seen the capital items that would be purchased it is hard to make a decision on how important some of the items are. He said the road program could be shaved back for a year. He said he assumes the building upgrades include public works. Mr. Sasdelli said he didn't have a capital program yet but the Committee can put all the money the down payment money they want in the budget with 3 votes but they can't spend it unless they get 4 yes votes for a bond ordinance. Mr. Pritchard said if the \$50,000.00 was merged somehow into the \$75,000.00 there would be \$50,000.00 less to defer. Mr. Palmentieri said they could just have \$1.5 million in the Capital Program to include \$1 million for fire apparatus and the rest for typical capital projects. Mr. Sasdelli said he picked \$1 million for fire trucks because the Fire Study said the Township needs a ladder truck and pumper but they may have to buy just a ladder truck one year and the pumper another year.

Mr. Sasdelli explained what could be done to get of the school deferral and said it left a \$481,000.00 shortfall. He said it could be a hiring freeze through attrition or early retirement not replacing those people. He said all of the fees in the Township Code need to be reviewed and adjusted because some haven't been changed for years. Mr. Sasdelli said he thought the Township has to start charging user fees for groups using its facilities because they get a lot of use and wear and the taxpayers may not want to carry that burden anymore. He said he thought the Township has to meet with labor and discuss getting relief from the agreements that are in place. He said he didn't see how the Township could fund half-million dollars in salary increases next year. Mr. Sasdelli said a reduced work week is another option that was talked about. He said it is a significant amount of money and if they don't get cooperation from labor the Committee may want to exercise its managerial prerogative and close the building one day a week. He said the Township has land and buildings and assets that they can sell and he thinks whatever isn't needed for government purposes should be sold to the highest bidder. He said the Township has an Industrial Commission, 5 Fire Departments and an MUA, and the benefits of consolidation should continue to be

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evaluated to see what the pros and cons are and whether it helps or hurts. He said services provided need to be evaluated to see if some can be phased out because there may be some that the Township can't do anymore; maybe there are services people can get from the County that the Township is duplicating. Mr. Sasdelli said there seemed to be agreement on metal collection, taking out movies in the Park, line striping. He said there was not agreement on taking out Hometown Celebration, holiday decorations the Cove and Halloween parade. Mr. Sasdelli said that left a \$487,000.00 shortfall.

Mr. Pritchard said he would be agreeable to eliminating those things from the budget but asked it could be done in such a way that it instead of saying they are cancelled say that it is a matter of finding alternate means of funding similar to what was done last year when the Committee decided not to fund the fireworks last year but didn't say they wouldn't have them, just that someone else had to pay for it. Mr. Sasdelli said the Township Committee didn't say they weren't going to have gypsy moth spraying or fireworks, they just said government wasn't going to tax the taxpayers to pay for them but there was still a mechanism for doing it.

Mayor Gaskill asked Mr. Sasdelli to fill in the figures on his slide for Hometown Celebration, holiday decorations, Cove and the Halloween Parade.

Ms. Gatto asked if her opt-out change was included in the opt-out line item. Mr. Sasdelli said it was. Ms. Gatto explained that she has health insurance from her employer and said that she gave back her health insurance opt-out money last year and is committed to doing that for the rest of her term. She said she will not take her opt-out money for the next two years. Mayor Gaskill said his position remains the same, whatever his insurance costs him is what he will take.

Mayor Gaskill said he thought it was agreed last year that the Township would not fund Hometown Celebration this year which is about \$10,000.00 for Hometown Celebration and they will take out \$8,000.00 for holiday decorations and \$26,000.00 for the Cove. Mr. Sasdelli said that left a \$429,000.00 shortfall. He said it pained him, just as it did the Mayor, to say the Committee could take also something out of the Capital item. Mayor Gaskill commented on the problems when you let a road go down and said he would hate to see the Road Program go down when the Committee just got it back up. Mayor Gaskill said there was no question in his mind that the fire trucks are needed. He commented on work being needed to bring Town Hall up to par.

Mr. Palmentieri said that in the past the Committee could always easily spend \$1.5 million a year in the past but they don't have it this year and that is where the tough choices come in.

Ms. Gatto said she would be in favor of holding the fire apparatus in the Capital and keeping it at \$75,000.00 and dealing with that bridge when they get there. She said she the practice not to exceed \$1.5 million was a responsible one and that she thought the Committee should continue it. Mr. Palmentieri said that was one of the things that got the Township bond rating increased 7 or 8 years ago. He said he would hate to see the deferral combined with the capital getting out of control reduce the bond rating significantly. Mayor Gaskill said he didn't want to see the roads deteriorating so much that the Township is over-paying in the future. He said he would agree with what was said. Mr. Sasdelli asked if the Mayor didn't think the Township would get stimulus money for the roads. Mayor Gaskill explained the Township responded to a letter from Senator Whelan asking for a list of "shovel ready projects" and put in for the roads, the Township's share of Lake Lenape Dam and the Liepe Tract. Mr. Palmentieri asked if anyone had figures on the cost for the Dam. Mr. Sasdelli explained the Township is only responsible for half the cost and said there are some estimates from the county and the Township had put aside some money from the last couple of years. Mr. Palmentieri said he thought \$300,000.00 was put in the budget in 2006. Mr. Sasdelli said the Township put \$100,000.00 in last year the Township. He said it is a big project, over \$1 million, because a coffer dam and repair the whole structure. Mr. Sasdelli said they are also trying to get the owner of the Wheaton property to contribute because they own part of the dam but the Township is also trying to get them to build 180 high-end condominiums there.

Mr. Silva asked what impact the request for a cap reduction for the revaluation project and a reduction in State Aid if that happens would have. Mr. Sasdelli said it will add to the \$379,000.00 because no reduction in State Aid was assumed in his numbers. He said the Aid was cut by \$254,000.00 last year but the Local Finance Board said to use the same numbers figures as last year. He said that since the State ordered the reval it is being assumed that they will approve the waiver to pay for it but if they don't another \$200,000.00 will have to be added to the shortfall.

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Mr. Pritchard moved that for discussion purposes the budget as shown on the screen be introduced. Ms. Gatto said she would second but the Committee committed to take additional public comment. Mr. Silva asked if Mr. Pritchard's motion included the amount shown for school deferral. Mr. Pritchard said it did. Mr. Pritchard withdrew the motion until after the public was heard.

Mr. Pritchard moved, seconded by Ms. Gatto, that public comment be taken.

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

Aline Dix asked what the borrowing capacities of the municipality and school district are. Mr. Tuthill said the municipality is 3½% of the ratable base and the school is 3%. Ms. Dix asked how much of the 3½ % was used right now. Mr. Sasdelli said about half of the 3½% is being used and that is one of the areas where the Township is in decent shape. Mr. Tuthill said less than 1% is being used. Ms. Dix said she heard school deferral impacts the bond rating. Ms. Gatto said it has a potential of impacting the rate but there is no certainty that it will. Ms. Dix and asked if the Township has any factual information from the rating agencies. Mr. Silva said they only have what the auditor handed out at his presentation that it did affect the rating in some communities where they used the deferral to the maximum. Mr. Sasdelli said when the official statement is done to sell bonds Moody looks at your cash position and your ability to support the expense side of your budget and if you use a lot of one-revenue sources they will give you a lower rating which means it will cost more. Ms. Dix asked what it will cost the taxpayers if the school taxes are deferred, affecting the bond rating, when the local school goes to borrow money to build a school. Mr. Sasdelli said he would have to defer to the auditor on that didn't know how the school borrowing money would affect the Township. Ms. Dix said that in her opinion what happens at the Township level transposes to the school because if the school needs more money than their borrowing capacity allows they can take some to the Township's 3½ %capacity. Ms. Gatto said she didn't see adding another \$379,000.00 affecting the schools because they haven't had a problem borrowing money even with the present \$7.2 million deferral. Ms. Dix said the Township deferral was in 1991 and the \$40 million bond referendum closed in December 1992 which was before the deferral got to that number so she didn't think it was an issue. She said that to her best recollection the school hasn't borrowed any money since the 1992 closing but they had refinanced it. She urged the Committee to use extreme caution in the decisions they are making. Ms. Gatto said that is why the Township has to be talking to the school and communicating with them regularly to understand if they need to borrow money and what their plans are so everyone can be working together and not costing the taxpayers more money as a whole. Ms. Dix said the schools don't control the decisions the Committee makes. Ms. Gatto agreed. Mr. Silva said Ms. Dix's point was well made. He said he thought the schools were advised by the Commissioner of Education to cut their expenses. Mr. Silva said it is easy to become addicted to the deferral system. Mr. Silva said the deferral in 1991 through 1994 averaged 18% and even if it didn't have to be paid back it had to come from somewhere. He said it is the people's money and he thinks it is wrong to balance the Township budget with other people's money. Ms. Dix said that it is like the reserve for uncollected taxes, it is not a bank account with a couple million dollars in it, it is a paper number and but the difference is the Township collected 4 quarters of taxes from the people and only paid 2. She said that is the cash reserve Mr. Tuthill has been using so he didn't have to go to tax anticipation notes. Mr. Silva said he is against thinking about or utilizing anticipated revenue because from everything you hear this economic problem will go on beyond 2010.

Mr. Pritchard asked if there was a formula for how much will be deferred for each school and if it had to be equal Mr. Tuthill said it doesn't matter as long as it doesn't go over 50% of their levies because the districts get all of the money they are entitled to when they are entitled to it. Mr. Pritchard asked if the Township could defer one school and not the other. Mr. Tuthill said the Committee can do that but it doesn't make any difference. Mayor Gaskill said that when the school sends the levy the Township pays it. Mr. Tuthill said that is correct.

Ms. Dix asked what the total amount that the Township could defer was. Mr. Tuthill said the total amount that can be deferred is \$11 million; the prior deferral total is \$7 million; and another \$4 million can be deferred. Mr. Silva asked Mr. Tuthill what the \$11 million is based on. Mr. Sasdelli said it is generally 50% of the total tax levy but the exact formula for it is in the Annual Financial Statement. Mr. Silva asked if the \$11 million would increase if their budget goes up. Mr. Tuthill said it would and explained that as their budget goes up the 50% gets bigger.

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Mr. Palmentieri commented on the school budgets being much larger than the Township's budget and said that as their budgets go up the 50% limit may never be reached but the Township will be borrowing money to meet their obligations in a cash flow sense if they continue to increase the deferral without ever hitting 50%. He said the difference is the Township will become more short of cash quicker. Mr. Tuthill said they would if they defer year after year.

Mayor Gaskill said he didn't think anyone was advocating deferring year after year. He said he thought what was being advocated was just to get the Township through this tough economic time. He commended Mr. Palmentieri on the previous administration not having to do the deferral because they used the Township's surplus. The Mayor said that worked but the Township doesn't have that surplus anymore.

Mr. Pugh asked how much went to fire services every year; what the governing body position on fire districts is; and if it had ever been considered. Mr. Sasdelli said it was \$300,000.00 to \$400,000.00 on the operating side. He explained the Township doesn't spend much on the operating side because it is an all volunteer fire department and that most of the money is in debt service for fire apparatus. Mr. Pugh said having a fire district would take \$400,000.00 off the table. Ms. Gatto said a fire district is just another whole tax. Mayor Gaskill said the Township would have less control over it. Mr. Pugh said the Committee has a \$2 million shortfall and a fire tax basically runs along the line of a library tax, a little higher than a library tax, but it is something to look at. He said it is another taxing entity but taxes are never going to go down. Mr. Pugh said he thinks fire districts are allowed to tax up to 2% of the ratables and it would take that weight off the Committee's table. Mr. Pritchard said it wouldn't because it would have to come off the other end and the CAP would have to be adjusted based on the amount taken off the regular budget. Mr. Palmentieri said he thought Mr. Pritchard was saying that if there is another taxing entity the money gets transferred from the Township to them. He said it is the same half-million dollars, it's just moved to another taxing entity. Mr. Pritchard said it wouldn't help with the Township's CAP because that amount would be taken off of it. Mayor Gaskill said it (creating a fire district) would have to go to a referendum. Mr. Sasdelli said the State is not very big on creating additional taxing entities right now. He said the township is trying to consolidate entities and to push the 5 fire departments to consolidate and have one unit. Mr. Sasdelli said Mr. Morley lives in town not much bigger than this one they have a fire district and asked Mr. Morley how much their budget is. Mr. Morley said it is \$7 million. Mr. Sasdelli said they have about 50,000 people and Hamilton Township has about 30,000 and they spend \$7 million while this Township spends about \$400,000.00. He said their elections are in February and while it takes it out of the Township budget it is still taxing the same residents just through another pocket. Mr. Pugh said the mall would support most of the fire district. Mr. Sasdelli said there are pros and cons on fire districts. He said that in the town Mr. Morley lives in they pay \$7 million and have 3 fire houses and Hamilton Township has 5. Mr. Sasdelli said it would cost a lot of money to provide 24/7 fire protection to 113 square miles with 5 fire houses. Mr. Sasdelli asked who would be their business administrator, their chief and who would do their payroll. Mr. Pugh said he wasn't talking about paid firemen and there are no employees in a fire district, they are volunteers. Mr. Sasdelli said that they would need a purchasing agent. Mr. Pugh said he served as a Fire Commissioner in Lower Township for 5 years and knows you don't need all of that. He said there would be 5 Member Board and they would raise enough money to support the \$400,000.00.

Robert Campbell Sr. asked Mr. Sasdelli when a 4-day week would start and how long it would take to make up the \$400,000.00. Mr. Sasdelli said it would save \$70,000.00 a month and would depend on when it started. He said it would take 6 to 7 months to pay it back but it would take more than \$400,000.00 because if people are put on a 4-day week you can't count the \$150,000.00 from voluntary furloughs. Mr. Campbell said the Township would have over \$400,000.00 by the end of this year then. Mr. Silva said that is this year and asked what would happen next year. Mayor Gaskill said he thought the labor unions would probably get an injunction against the Township so it couldn't be started until after the judge heard and ruled on that. He said it would also be asking the employees to take a 20% pay cut. Mr. Campbell said he was positive that if the employees would do it if they were faced with layoffs of 20 to 25 people and the Township asked them to go to a 4-day week for 6 months rather than face permanent layoffs next year. Mr. Campbell said he didn't believe there would be an injunction or that any judge would uphold anything that would be detrimental to the Township Committee's ability to govern the community in a financially expeditious way. He talked about it being necessary for the township to lay off 7 or 8 policemen many years ago and that the majority of the Township Committee voted for it. Mr. Campbell said most of them were eventually brought back. He said he is sure the deficit would be made up by a 4-day week for all except

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emergency services, and the Township could get out of this without deferring the school taxes. Mr. Campbell said he would be very much against using the school deferral method again to help fund this budget. He said it is most important to look at the other options and reducing the budget accordingly. Mr. Campbell said a spirit of cooperation is needed and he was sure that if the 4-day week option was taken to the unions they would take it. He said and the taxpayers are going to pay more money this year no matter what and he doubts the economic condition will improve in the next year. Mr. Campbell said he thinks the Township Committee will face a huge problem next year and he wouldn't want to see the Township go into the school deferral again next year or lay 20 to 25 people off. Mayor Gaskill said he believed that if one employee requested their union to file an unfair labor charge a judge would grant an injunction. He said only one employee would have to do it. The Mayor said he agreed that the Township has to talk to its employees. Mr. Campbell said he thought the Township's budget tool was far more favorable for the Township for a lawsuit if one employee tried to hold the Township up. He said he didn't think any hard working union worker would do that but there might be an odd person who wants to fight that would. He said he thought the basic union person would take a 4-day week if the Township asked them if they would rather see 20 of their brothers laid off next year or take a 4-day week for 5 or 6 months. He said they would still have their benefits and everything except a pay cut for a few months. Mr. Campbell said he thought the Committee should look into it. Mr. Pritchard asked Mr. Campbell how asking the employees to make up the school deferral by taking a 4-day week would affect possible layoffs next year. Mr. Campbell said if there was a deficit next year it would be half of what it would be if they spend the money this year and have to spend it again next. He said it is a matter of how the Committee wants to fund this situation. Mr. Campbell said he didn't think the Township Committee wants to put this problem on the backs of the employees. Mr. Campbell said the governor of California talking about putting 20,000 people on 4-day weeks; surrounding communities are doing the same thing; businesses are laying off people by droves; people are losing their jobs in Atlantic City; and everybody is worried to death about their jobs. He said he thought the Committee has to do everything it can to protect the employees but he thinks the employees should be given the option of giving up 1 day a week for 4, 5 or 6 months to help the Township out of a huge problem and see how they feel. Mayor Gaskill said he is not in favor of and isn't going to ask the employees to take a 20% pay cut. He said he hasn't anything where these other cuts should come from so that it is off the employees' backs. Mr. Campbell asked what other businesses are doing. Mayor Gaskill said some are doing layoffs. He said he didn't think the Township should be adding to the unemployment rolls. The Mayor said he is against layoffs because of what it does to people and how it hurts families. He said he didn't think the goal of the Community is to put more people on the street and then they can't pay their mortgages or car payments or put food on the table. Mayor Gaskill said that is what a 20% pay cut will do. Mr. Campbell said that isn't putting them on the street they would still have all of their benefits and not one person was being fired. He said it is a no-brainer and he was just trying to give the Committee another option. Mr. Campbell said he thought there were other things the Committee could and suggested they could close the buildings in certain areas down once a week. He said the Township didn't have Hometown Celebration and fireworks a few years ago and the Veterans' Board came to the rescue and raised \$15,000.00 to pay for the fireworks. Mr. Campbell said he thought the Veterans' Board would be glad to get involved with all the business men do some things and try to get them paid for. He said he hoped the Committee would let those projects go on.

Rob Kealey said that being involved in an industry that suffered huge personnel dislocations he has a personal budget crisis and they have to make some really hard decisions now. He said he didn't think the Committee was making the hard budget decisions that they need to make budget-wise. Mr. Kealey said probably should have been made a couple of years ago. He said it sounded like next year and possibly the following year will be worse. Mr. Kealey said he would like to see the Committee get the costs right so the residents don't have to feel the pain so much next year.

Russell Bongiovanni, Sr. said looking at government as a business, the Township Committee members could be the Board of Directors. He asked how many of them are employed by or retired from a government agency. The Mayor said this isn't an inquisition. Mr. Bongiovanni said he was trying to find out how many people work for government, whether they bring experience to the Board. Mayor Gaskill said he is a retired federal employee and a citizen of Hamilton Township. Mr. Bongiovanni said the Township's customers are the taxpayers not the employees and it sounded like the Committee is reluctant or resistant to make hard decisions. Ms. Gatto said the Township can't serve its customers without employees. Mr. Bongiovanni said he didn't say a 100% layoff. He said there are 2 problems that the 5 Committee Members have resisted doing anything about as long as he has known them. He said he sent them an article about 770 families in the Township living in poverty and that equates to 2000 or 3000 people. Mr. Bongiovanni said two of the Committee Members adopted a

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residential rental housing ordinance in 2005 and he tried to get substance and enforceability into it and they refused to do it. Mr. Sasdelli asked Mr. Bongiovanni's if his comment was on the budget. Mr. Bongiovanni said there are 770 families demanding services because the Township has over-occupancy in the rental units that are probable run-down older units. Mayor Gaskill said the Committee didn't know where that documentation came from it was a newspaper article. Mr. Bongiovanni said if the Committee put substance and enforceability into that ordinance and enforced it there would be 100 fewer kids in the school system and from and would save \$1 million. He said the Committee doesn't want to do anything because of sensitivity. Mr. Bongiovanni said he is sensitive to his tax bill and all he hears is shuffling money. He said if the staff has to be reduced the Township has to stay lean even if things get better. Mr. Bongiovanni said if they start today it will affect the Township next year but if the Committee does nothing about it they are bypassing the saving of \$2 million to \$3 million.

Harvey Kesselman asked what the Township bond rating was; how much debt service it pays each year; how many bonds there are and what the interest rates are. Mr. Tuthill said the debt service is about \$2 million; there are 3 bonds and that he didn't have the interest rates with him. Mr. Kesselman said the Committee may want to look at how much they are borrowing and how much they already have borrowed. He said now may not be a good time to float bonds but the Township may be able to save \$500,000.-\$600,000.00 a year in interest if they did a bond issue. Mr. Kesselman said he thought it was about \$3.8 million which would represent 14% to 15% of the overall budget. Mr. Tuthill said they are already looking into it. Mr. Kesselman asked how much economic stimulus money was requested. Mayor Gaskill said the Township could ask for \$500,000.00 and only get \$200,000.00. Ms. Gatto said there were 6 or 7 big projects. Mr. Kesselman said asked if any of them were already budgeted for in the capital budget and if the Committee had seen the Capital Budget yet. Ms. Gatto and the Mayor said they hadn't seen it yet. Mr. Kesselman asked if there was any particular reason the Committee hadn't seen it yet. Mr. Sasdelli said the Capital Budget isn't put together until the Committee decides how much they want to go out for. He said there are \$3 million to \$4 million in department requests and the Committee has to narrow it down. Mr. Palmentieri said \$400,000.00 was allocated over 2 prior years for the dam that hopefully would be replaced by stimulus money. Mr. Sasdelli said that if it funded something that was already bonded the Committee could cancel that bond ordinance and move that money to something else. Mr. Kesselman said the Committee might want to pursue stimulus money for cooperative partnerships with the schools on certain projects delineated for stimulus funding. He suggested the Committee look into partnering with the school districts on things like the celebrations because they have staff that knows how to do those things and it could be promoted at relatively no cost to the taxpayer. He commented on how difficult putting budgets together is and said it is much easier when you have surpluses to spend than it is to talk about how you are going to cut money. Mr. Kesselman said the debt service is huge and asked if there was any way to whittle it down. Mr. Kesselman said it is almost impossible to do a budget like this. He said it has to be part of an overall strategic plan and suggested the Committee lay out 3 or 4 priorities that everybody in town can agree on. Mr. Kesselman said it lets everyone know what the priorities are and where the resources and energy will be dedicated. He said that makes it easier to make the kinds of cuts that need to be made. Mr. Kesselman commented on the Governor wanting wage freezes next year or there will be layoffs.

Jim Link said he shared the concerns about borrowing and spending. He said it doesn't pay off and will make 2010 exponentially more difficult to take care of. He said it will be unmanageable next year if it isn't planned for now and it will be on the five Committee Members if they pursue that philosophy. Mr. Pritchard said that using all of the Township's surplus for a couple of years didn't help the Committee now.

Mr. Link said he was speaking as an advocate for the Rotary Club. He said they make a lot of contributions to the Township that are unseen. Mr. Link said they sponsor the Halloween Parade and it is a major fund raiser for them. He asked the Committee to seriously consider not even taking that off the table. Mr. Link said he thought it was a travesty that the Committee didn't talk to the Merchants' Association and Rotary before they put cutting the parade and Hometown Celebration on the table. Mr. Link said they are all business people in town who have to think out of the box every day because of the economic climate. He suggested the Committee talk to the Merchants' Association and Rotary starting tomorrow before cutting any of that stuff and continue a dialog until they all have a chance to put their ideas on the table. Mr. Silva asked Mr. Link to keep in mind that there have been 4 budget meetings where the budget was discussed. He said it was the will of the Committee to have all their deliberations before the public so nothing was done behind anyone's back. Mr. Link said that everything was transparent and that wasn't the problem. He said somebody or everybody on the dais put out the idea to get rid of things but if they had given a little more thought

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about getting rid of Hometown Celebration and Halloween Parade that put Hamilton Township on the map they would have gone to the people most for doing them. Mr. Link said it is the Rotary Club Halloween Parade and the Merchants' Association Hometown Celebration. He said he knows they appreciate the support and help they get from the Township but he thought it was bad judgment to put that (cutting them) out in public before talking to those folks. Mr. Pritchard said that he didn't think cutting those events was a done deal at the last meeting. He said it happened as a result of the discussions. Mr. Pritchard said he supported keeping the funding in until someone made a good point about how could the Committee ask the employees to take furloughs and sacrifice money and have those celebrations. He said he thought a fair compromise was talked about tonight where the Township isn't on the hook for funding them but they support keeping the activities and it is a matter of finding a different way privately through the different clubs, organizations and sponsors to keep them intact. Mr. Pritchard said he didn't see how the Committee could justify spending taxpayers' dollars at this point and taking money from the employees in order to fund those activities. He suggested some kind of association be formed with representatives from all the groups and work together. Ms. Gatto said Committee Members, Mrs. Giberson and Mr. Sasdelli have met with the Merchant's Association so it isn't that they weren't having those conversations. Mayor Gaskill said it wasn't easy for him to accept those things go away but its concessions that were made to get to this point.

Steve Blankenship, Executive Director of the MUA, said the Committee talked about the benefits of consolidation and the MUA is listed. He said a lot of their employees are concerned about it and asked what the process involved. He said he thought it has to be a win-win benefit, not a one-way benefit. Mr. Blankenship said he needs information so he can tell the MUA employees what kind of criteria will be looked at. He said the MUA voted to make the contribution allowed under the Statute. Mr. Blankenship said last meeting there was talk about working cooperatively to try to come up with solutions to the difficult they all face. He commented on the MUA Board having a lot of experience and asked if they could sit down with the Committee to come up with criteria. Mayor Gaskill said the MUA is an issue that will probably be looked at but the Committee doesn't know if that is the direction they will go. The Mayor said there were a lot of things on that slide and some of the Committee is saying the Township needs the school tax deferral to get over the hump this year and to look at the whole big picture to try to come up with a solution. Mr. Blankenship said that with what the Committee has come up with they may have a set up for this fiscal year but at the last meeting how to buy some time to look at the structural deficit was talked about. He said he thought the unknown is when the process starts and that is a concern to the MUA employees and rate-payers. Mr. Blankenship asked when next year and the year after would start to be looked at. Ms. Gatto said that if the budget is introduced, that would start tomorrow. She said it should have started years ago. Mr. Blankenship said he expected that the Township would start through the Administrator to come to the MUA and ask for information because the MUA has some questions because of some of the things that have been said. Ms. Gatto said she advocates cooperation and communication among all the government entities including the MUA.

Judy Link said officers of the Rotary were present with her. She said the Halloween Parade has existed for 60 years. Mrs. Link said there is a solution and it just has to be found. She said the Merchants' Association members are the Township ratables. She said a home isn't really a ratable. Mrs. Link said there are 1000 merchants in the Township and questioned why it only cost \$15.00 to be a merchant in the Township. She said that is a possible revenue. Mayor Gaskill said that one of the avenues being looked at. Mrs. Link said closing the Cove was very upsetting to her. She said she has been speaking to Mr. Palmentieri about getting an outside enterprise to come in and run that facility, pay rent and make a profit from it. Mrs. Link said they know how to run food concessions, etc., and it could be a money stream instead of a deficit. She said she would like permission to pursue that to see if there is anyone who would consider it and to negotiate something of that nature. Ms. Gatto said it was like the other activities if a way can be found to do it they will but they can't keep operating in the negative. Mrs. Link said it costs \$60,000.00 and the Township took in \$30,000.00. She asked what the badges cost. Mr. Pritchard said he didn't know how much negotiating could be done ahead of time but the Township would have to go through a formal bid process and had to be very careful as far as circumventing the legal way of doing it. Mr. Palmentieri said he thought Mrs. Link meant only meant seeing if certain people are interested and not actually negotiating terms. Mrs. Link said there are a lot of businesses in the area that might want to bid for it. She said they do it for all the Township celebrations. Mayor Gaskill said the Committee has to get through tonight. He said they are all good ideas but the ideas have to come back and merge together. Mrs. Link said she knows laying people off is a very cruel thing to do but there are 20,000 people in the area that enjoy those things.

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There being no further questions or comments from the public Ms. Gatto moved, seconded by Mr. Pritchard, that the public comment portion on the budget be closed.

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

Mr. Silva thanked everyone for their input. He said the Committee tried to keep every thing open and he heard pluses and minuses tonight. Mr. Silva said the impact of the statements made by a man at last week's meeting about losing his business; having to lay off all his employees; having to sell his home; traveling around the country and not being able to find a job hit home. He said three quarters of the people in the audience had some member of their family heavily impacted by the economic down turn. Mr. Silva said the decisions for them are just as hard as they are for the Committee. He said there are differences on the Committee but ultimately it has to put together a budget that really aligns spending with revenue. He said he has difficulty seeing that happening at this point.

Mr. Pritchard moved, seconded by Ms. Gatto, that the budget be introduced as shows on the screen.

#### Discussion on motion

Mr. Palmentieri said he calculates that the budget as moved to be introduced has \$2,119,000.00 of one-time revenue to balance the budget which will be hole of \$2,119,000.00 next year plus \$500,000.00 in contract raises, \$200,000.00 increase in added liability and health insurance costs, possible reduction in State Aid, reduced fee income, tax payment shortfalls and a couple of other income reductions which he calculates would produce a minimum shortfall of \$819,000.00. He estimated the CAP increase to be about \$600,000.00 increased revenue with the tax increase proposed and according to his calculations there is \$113,000.00 structural reoccurring savings on the list bringing the deficit next year to \$2,106,000.00. Mr. Palmentieri said the Committee would be introducing a budget that will produce that shortfall with no plan to address it next year or to reduce it through efforts that could be taken this year. Ms. Gatto said her rational for her motion is to get past this so a plan can be put together for next year. Mr. Palmentieri said that is what happened last year, a budget was adopted the same way and without looking into the next year. He said that is what put the Township in this hole and getting through this budget is putting them in nearly a \$2 million dollar hole next year. Mr. Palmentieri said he thought the Committee has to take a week or two and actually try to produce savings that will help next year. He said that even if they do the school tax deferral they will be almost at their limit quickly and still have the reoccurring structural deficit the following year. He said they can only do the deferral for about 2 more years and then half the town gets laid off. Mr. Palmentieri said he doesn't want to see anyone laid off especially a large amount because the Committee failed to make some significant or meaningful cuts this year. He said he didn't think the Committee was ready to introduce a budget until the Committee has some plan to reduce the structural deficit this year to minimize the hole they will be in next year.

Mr. Pritchard said Mr. Sasdelli put together scenario A and scenario B. He said this is scenario A. He said referred to Mr. Palmentieri says he doesn't want to lay people off but it was made very clear that the only to do the budget under Plan B is to lay off a significant number of people. He said that even with that figure it won't solve next year's problem. Mr. Pritchard said it doesn't have to be done as part of the budget but, as Ms. Gatto said, the Committee has to sit down and come up with a plan that will help with will be a very drastic situation next year. He said he didn't see the proposed amount of school deferral as being that catastrophic. Mr. Pritchard said the percentage in the '90s was 18%-20% and this deferral is about 1¼%.

Mr. Palmentieri said Mr. Pritchard may be right on that but it would make the hole deeper next year and nobody is attempting to come up with a way to get out of a hole that will be over \$2 million. He asked what they will do next year if the hole is that big next year and a lot of one-time gimmicks are used this year the Garbage District to dissolve. Mr. Palmentieri said that if there is an unwillingness to actually get expenses in line with revenue and another \$2 million is dumped into deferred school taxes, the Committee can only use that trick one more time and then they will be out of money and face a bigger deficit with no way out of it.

Mr. Pritchard said he only moved to introduce because the Committee has State mandated deadlines to do it.

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Mr. Silva said that it would kill them to do what Mr. Palmentieri asked for a week or two. Mayor Gaskill said the Committee talked about having something ready for tonight last week and no one has come up with any other suggestions on how to make any other cuts. The Mayor said that there is Plan A or Plan B as Mr. Pritchard alluded to. He said the Committee can't keep putting it off. Mr. Silva said there was Plan C that talked about the 4-day work week. He said that brings up some difficulties in trying to through it and it requires time. Mr. Silva said what bothers him more than anything about the school deferral is where the money to pay it back would come from if the revenue isn't coming in whether the Committee has a plan to pay it back now or later. He said the plan to pay it back doesn't produce revenue. Mr. Palmentieri said there can't be a plan to pay the school deferral back because the expenses are greater than the income. He said the Township will have to continue to borrow money through smoke and mirrors that they are allowed to do to make up the amount being spent that is greater than the revenue. Mr. Palmentieri said that makes him grind to a halt and say this is a bad budget that is going to kill the Township next year. Mr. Palmentieri he doesn't want to put it out there again this year like it was last year make it build to a total catastrophe. He said it is already at crisis level and there will be no way around it next year.

Mr. Pritchard said he was trying to avoid going back in history but he will stand by the fact that a couple of years ago and for a couple of years the Committee anticipated huge land sales that never happened and used they raided the surplus to keep the tax increase down. He said not having surplus has come back to haunt the Committee. Mr. Palmentieri said that wasn't true because three things were different back when they did that. He said ratables were still coming in at a level that replenished the surplus without those sales and in 2006 all of the money they used plus \$14,000.00 was regenerated through the typical mechanisms in those economic times. He said times have changed in the past two years and the biggest thing is the second CAP on the revenue levy. Mr. Palmentieri said that is what is forcing the Committee into a situation that won't let them continue the old expenses with the new limit on how much you can tax people, how much revenue you can generate, how much you can spend if you have the revenue; and how much you can tax if you don't have the revenue. He said the two caps are designed to force the municipality to cut the size of government. Mr. Palmentieri said Committee used to be able to make up the difference between revenue and expenses with taxes if the expenses were justified but that avenue isn't there now. Mr. Palmentieri said the equation will never be balanced unless the size of government is reduced or you have an endless supply of one-time revenue. He said he thought the Committee was almost out of them. Mr. Pritchard said they will have to agree to disagree that the lack of surplus has come back to haunt the Committee over the years haunted. He said there are enough issues that have to be dealt with the present budget. Mr. Pritchard said some land sales that were anticipated are still on the table but they can't be anticipated as revenue. He said there is a strong possibility of land sales this year that might will help the Township out of this situation next year. Mr. Palmentieri said it only prolongs the tough decisions because once those land is sold it is gone and you don't have revenues to cover the expenses. Mr. Pritchard said Mr. Sasdelli made a good point that over the years people will not be through attrition and over the course of a couple of years that may be a sizeable figure.

Mr. Silva asked Mr. Sasdelli if there was something about a van driver on the list of cuts. Ms. Gatto said it was transport for non-essential appointments. Mr. Sasdelli said it was one of the options he put up there. He said it is not an essential service. He said everything heard tonight was heard before. Mr. Sasdelli said no matter what line item you go to, someone is upset. He said everything there provides a service to somebody; it may be 5 people or 500 and that is the issue. Mr. Sasdelli said some seniors get services by the part-time van driver who won't get it but they are things that are for convenience, not doctor appointments. Mr. Palmentieri asked if it was done for the entire town. Mr. Sasdelli said they call in and the township does it if they accommodate them. Mayor Gaskill commented on it affecting the senior citizens who are the most vulnerable and said if the Committee is talking about school deferral of \$379,000.00 he didn't see that another \$10,000.00 on the deferral would amount to a hill of beans. Mr. Sasdelli said the Committee has to decide what kind of businesses they want to be in. He said the Committee has to make a list its core competencies are and once that list is made that is what the money will be spent on and the other stuff is if they have extra. Mayor Gaskill asked Mrs. Giberson to look into county services for seniors. He commented on the things that were cut and said he couldn't see cutting the seniors citizens and would like to keep the \$10,000.00 in.

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Mr. Sasdelli explained Mr. Pritchard's motion should be to authorize Mr. Tuthill and him to prepare the budget for introduction 2 weeks from now. Mr. Pritchard said it won't be the final version because there will still be public hearings on it. Mr. Sasdelli said he has never before seen a budget process as open as this one was. He said it was unprecedented to have public comment on the budget when it wasn't even introduced yet. Mr. Sasdelli said the Committee haven't agreed on anything and they had 4 public hearings on it. Mr. Pritchard said a lot of towns haven't even begun the process yet. Mr. Palmentieri questioned when the Township would know about the State Aid. Mr. Sasdelli said the State has taken all but \$133,000.00 away. Mr. Palmentieri said he thinks municipalities will be going back to the days when they didn't have State Aid.

Mr. Pritchard moved, seconded by Ms. Gatto that the CFO and Administrator be and are hereby authorized to prepare the budget as shown for introduction at the March 2, 2009 meeting.

MOTION CARRIED WITH MEMBERS GATTO, PALMENTIERI, PRITCHARD AND GASKILL VOTING "AYE", MR. SILVA VOTING "NAY", NO "ABSTAIN"

Comments made as votes were cast: Mr. Palmentieri said he voted yes to move the process along with the condition that he hoped the Committee would start tomorrow working on addressing the big deficit for next year to see if anything comes out that exercise that can be implemented this year. Mr. Pritchard said he would vote yes and thanked Mr. Palmentieri for his comments. Mr. Silva said he voted no because he didn't believe the Committee could wean itself off of the deferral. He said he thought the Committee is addicted to it and it is financially irresponsible because he doesn't think it addresses the structural deficit. He said to only way to bring spending in line with revenue is to make hard decisions. Mayor Gaskill said he would vote yes because the Committee has talked about it quite a bit. He said he is satisfied with moving forward and that he appreciated Mr. Palmentieri's comments. He said the Committee has start looking at next year but they have to move ahead this year.

The budget will be based on the following revenue sources/budget cuts:

MUA Contribution:	\$258,000.00
School Tax Deferral:	\$379,000.00
Budget cuts through voluntary furloughs:	\$150,000.00
Health insurance opt-out % reduction:	\$ 30,000.00
Metal collection:	\$ 15,000.00
Movies in the park:	\$ 8,000.00
Line striping of recreation fields:	\$ 8,000.00
Hometown Celebration:	\$ 10,000.00
Holiday decorations:	\$ 8,000.00
Cove (closed to swimming):	\$ 26,000.00
Halloween Parade:	\$ 8,000.00
Capital budget reduction:	\$ 50,000.00

There being no further business to come before the Committee for consideration or action to be taken thereon, Ms. Gatto moved, seconded by Mr. Silva, that this meeting be and is hereby 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