The Meeting was called to order by President Andes at 9:03 a.m. The Salute to the Flag was recited, followed by the reading of the Open Public Meetings Act Statement by Township Clerk Donna Costello.

ROLL CALL: FITZPATRICK, GOLINSKI, KUSER, SHAW, SMITH, STECKY, ANDES
ALSO IN ATTENDANCE: ADMINISTRATOR GOBLE.

OPEN PUBLIC PORTION: No one wished to be heard.
CLOSE PUBLIC PORTION.

President Andes asked all in attendance to make a concerted effort to bring the microphones to within a foot of their mouths. He noted that the Deputy Clerk has a great deal of difficulty hearing the recording when transcribing the minutes.

President Andes advised that he and Mrs. Goble discussed the order of today’s meeting and decided that the most efficient way to proceed would be to look at the Water and Sewer, Capital and then the Operating Expenses and Revenue.

Mrs. Goble began by saying that she hopes everyone has had a chance to review their books for the utilities departments budgets and, if not, we can go over them now. She indicated the area in the budget book where the Council will find the Capital sheet for each utility department.

Water Budget.
Mrs. Goble advised that the Water budget reflects the intent to eventually put in the radio-read flex meters. She said that we have been putting money aside each year towards funding that project. Mrs. Goble noted that, at $100,000 each year, we now have $500,000 put aside for that. She advised that there is always money in the budget for meters because there is a change-out program to replace aging meters, as well as replacement or repair of tanks and equipment requested by the Director of DPW. She explained how the utility budgets are handled and that they are required to be fully funded.

Councilman Kuser asked what the anticipated costs for the radio-read meters is. Mrs. Goble replied that it is between 1.2 and 1.4 and there is a column allowing for authorized debt because we will have to authorize some of that debt.

Mr. Kuser asked if the Sensus people have provided the re-quote that the Council requested. Mrs. Goble replied that they are in the process of doing that. She said that they will bring it back with the cost study when it is completed.

Councilwoman Smith questioned the $35,000 for fixed base radio since it is normally $75,000. Mrs. Goble explained that the $35,000 is for the meters. Mrs. Smith said that Township Council
we usually do $75,000. Mrs. Goble replied that $75,000 carries us through two years but there is no money left over from last year. She said that she spoke with the department and they told her the number that they needed and she decided to put in $35,000 this year and $75,000 next year. There was a brief discussion concerning rate increases in water and garbage and it was noted that it was time to look at the water rates again.

Councilman Golinski commented that we can apply the same principle that we use when we raise utility rates to our general budget. He said that if we cut it too lean, year after year, one day it come back and hit us in the face. Mr. Golinski suggested that we make it a practice to look at water in odd years and garbage in even years.

Mrs. Goble noted that we are fortunate with the sewer utility in that, the sewer assessment money comes in every year. She said that the revenue from the assessments offsets the cost of the sewer operating budget and the water utility does not have that. Mrs. Smith agreed with Mr. Golinski that there should be a modest increase every year instead of a large one every ten or so years.

Mrs. Goble commented that she doesn't believe that, after 16 years, $60 per year, or $5 per month is an exorbitant increase in the garbage fee. Mrs. Goble advised that she is working on getting an ordinance to require business meters to be calibrated.

Mr. Kuser spoke about the savings that can be realized by new technology and said that, when we can go to the radio-read meters, we will also be able to give better service. He said that he feels that, if we go to the new system, we will save enough that it will pay for itself. Mrs. Goble replied that she was in favor of this system three years ago and that is why we started to put money aside for it. She noted that the new system would detect leaks which would avoid having residents receive a high water bill because a leak went undetected.

Mr. Stecky commented that if water usage is down, our revenues from water will decrease.

Mrs. Goble replied that eventually we wouldn't need as much in salaries, and our costs would go down.

The Administrator stated that the front of Section 6 shows how the revenue is being allocated to support the amount of budget. She explained the formula that is used based on the amount of the budget. Mrs. Goble noted that, in the State of New Jersey, we are not allowed to anticipate more revenue than we received in the prior year. She explained miscellaneous revenue and unanticipated revenue; that revenue that comes in for services that were not expected to be rendered and it goes right into the surplus fund. Mrs. Goble noted that an example would be interest received, but those rates are still low.

The Administrator went over Pgs. 6-2, 6-3 and 6-4 and explained each briefly.

6-2 Basically the same. $100,000 put in this year as opposed to $200,00 in 2009

6-3 Water Dept. budget broken down into two categories: Water Distribution, which includes all of the outside staff, DPW staff and the labor keeping Township Council
the water flow steady to the residents homes. Water Collection covers the staff that works in the Municipal Building. Some Administration staff and some of the Finance staff are charged to this budget as well.

6-5 There was some discussion regarding the number of authorized employees in the Water Department and it was explained that there are 5 full-time employees, plus employees who have part of their salary charged to the Department.

Councilman Kuser asked, on WD2, where the Administrative charges come in. Mrs. Goble replied that they are charged to Collection, not Distribution, which would be WC. The Administrator noted that our licensed water operator is on our payroll and his contract will end in June, at which time, she will meet with him to discuss a strategy. Mrs. Goble advised that, when his contract ends, we will not have a licensed operator for water or sewer; we are sending staff to school right now to acquire those licenses, but it doesn’t happen overnight. She stated that when the courses are completed we will have more than one staff member with that license in order to always have backup staff with the license.

Mr. Stecky asked when we will have another licensed operator. Mrs. Goble replied that it will be another year. She explained that a lot of classes are required and that is why we “bit the bullet” and are sending two employees for the water license and two for the sewer license this year. Mrs. Goble noted that it has come to light that there are no back-ups in any departments and they are in the process of trying to rectify that situation. She advised that she will be meeting with the licensed operator at the end of this month and will come back to the Council with the results of that meeting.

Councilman Stecky commented that he is acquainted with some retired licensed operators who would be glad to come in and talk to Mrs. Goble about the cost of filling in. Mrs. Goble replied that $15,000 for both licenses is not a bad deal and we will only be doing this for one more year, and a lot of aspects must be considered.

Mrs. Goble moved on to the WC-2 sheet - Water Collection.

Councilman Kuser asked if we are charging more for Administration and Finance Department to the salaries this year than we did last year. Mrs. Goble replied that it is a percentage that has been charged over quite a few years. Mr. Kuser inquired as to how many years that would be. Mrs. Goble said that 10% of a salary is charged to Water Collection and it has been for at least 5 years. There was a brief discussion concerning the rationale for allocating a portion of some salaries to the Water Dept. budget. The Administrator noted that the Water Collection staff performs three functions: collection of water, garbage and sewer fees, which is broken down into three columns on the budget sheet. Mrs. Goble stated that the budget sheet, WC-3 indicates what it costs to run that department.

Councilman Stecky asked about the total salary line in WD-2. He said the figure for 2009 is $553 but the figure for 2010 is $783; he asked for a reason for the increase. Mrs. Goble replied that it is the total of all of Water and Sewer, not just a reflection of Water Distribution.
Mr. Stecky said that he is not concerned with the distribution, he is concerned with the overall increase. Mrs. Goble explained about the allocation of funds and how it results in an actual reduction of total salary.

President Andes asked if anyone had any issues with the Water budget. No one responded.

Sewer Budget.
Mrs. Goble said that the same concept exists with Sewer as it does with Water. She noted that Capital sheet shows that $25,000 has been put in, as we do every year, in the event that repairs are needed at a pumping station. The Administrator noted that ½ for a backhoe is in here and ½ for Scott packs, and the other half of each cost is charged to Water. She said that the Sewer Capital is relatively small. Mrs. Goble advised that there is money in the Sewer Capital Improvement Fund so it is not necessary to put any money in that fund, since there are no ongoing projects at this time.

Mrs. Goble moved on to the revenue sheet. President Andes asked if perhaps she should just do the summary sheet. Mrs. Goble asked if he wants to skip revenue. Mr. Andes suggested that she cover the revenue and the preliminary, unless anyone has questions.

Mrs. Goble replied that it is the same concept as Water - Distribution and Collection. The Administrator noted that, on the preliminary sheet, there is a decrease of $77,445 from 2009 to 2010.

Councilwoman Smith called Mrs. Goble’s attention to a $25,000 item that was included twice. Mrs. Goble said that she will adjust that.

Mrs. Goble explained that unfunded ordinances are ordinances that we have adopted in the past to do certain things, never borrowed the money for them but used our own cash. She said that now we are paying ourselves back through this budget as a deferred charge.

The Administrator explained that the sewer assessments cannot made until the entire project is completed. She noted that the contractor on the sewer project has not been reliable, is delaying the project which, in turn, delays our assessment process. Mrs. Goble advised that this is the type of thing that can result from accepting the low bid, which we are required to do. Mrs. Goble stated that we are fortunate in having a solvent sewer assessment fund from the prior project. She said that is helping us pay the debt for this project, even though we are not getting that money in through assessments.

Capital.
Administrator Goble noted that she and Mr. Andes had discussed this yesterday and would like to put this section of budget to rest and then start on the operating budget. She asked that, if anyone has any questions or discussion on the capital, that it be brought up today so the capital budget can be finished.
Councilwoman Smith asked if the Clark Street parking lot could be discussed. She said that she has seen the letter from one of our Police officers. Mrs. Goble explained that Mr. Andes had requested a report from the Police Department.

Mrs. Smith commented that she thinks the letter is quite telling. She said that the type of parking increases accidents. Mrs. Smith added that the amount of additional spaces we would obtain is less than was projected and the expense is unwarranted. She said that she would like to see this removed from the Capital budget.

Councilman Shaw stated that the ordinance is wrong and the time limit for parking there should be changed. He said that the existing parking spaces should be number the way the spaces are numbered in the lots. Mr. Shaw commented that the area should be re-designed so it can be put to better use than it is now. Mrs. Smith asked Mr. Shaw if he was saying that we should go with the angled parking and spend $20,000 for two parking spaces. Mr. Shaw replied in the affirmative and said that is what the spaces are worth.

Councilman Stecky stated that his goal is a net zero tax, and we need to find $230,000 to achieve that. He asked Mrs. Smith if she is saying it will cost $24,000 for a gain of only two spaces. Mrs. Goble replied that is incorrect; she said it would amount to the 5% down payment of $1,181.

President Andes posed the question, “If we add the angled parking, will anymore people park there than are parking now in the parallel parking?” He said that he is not seeing that happening.

Mr. Fitzpatrick agreed and added that it is right in his back yard and no parks there at all.

Mrs. Smith commented that it is not the money isn’t the biggest issue. She said that we have a report from an police officer and wondered why we would invest any money for two extra parking spaces. Mrs. Smith remarked that an overall assessment of the downtown area should be done. She recommended that the Clark Street parking lot be dropped.

Mr. Fitzpatrick asked Mrs. Goble if there is any other area in that vicinity where extra parking could be added. Mrs. Goble replied that she does not know of any. She said that she believes that this was brought up because of what is going on with regard to development of Clark Street. Mrs. Goble advised that she has not addressed the parking issue at all because she is not involved in parking, it is the Clerk’s department.

Clerk Costello advised that there is no potential for additional parking lots in Denville. She said that, if there were, the Traffic Division or the Traffic Safety Division would have made that recommendation. Mrs. Costello noted that there has been a Parking Committee and Traffic Safety Committee in place for the last fifteen years. She said that the only way to get more parking is to re-stripe the lots to make the spaces smaller.

There was additional discussion regarding the merchants use of the parking in front of the stores instead of purchasing permits and using the parking lots.

Councilman Shaw offered as a solution that the fines be escalated for multiple parking
violations. Mrs. Smith suggested that the Council discuss that at a work session. Mr. Fitzpatrick said that, based on all of that information, there is too much uncertainty and we should take this out. He commented that he agrees with Mr. Shaw that parking still has to be worked on but it is a little too expensive for two parking spots. Mr. Kuser stated that he would say no to this as well. He said that he does not think it is prudent to do it now, especially in light of the Planning Board issue. Mr. Kuser suggested that the Township try to lease the gas station on the point, stripe it and use it for parking. Mr. Kuser added that he would like to see our handicapped parking re-evaluated. Clerk Costello asked if he means that more spots should be added. Mr. Kuser replied that a video on You Tube brought to light a problem regarding handicapped parking in Denville. Mr. Andes commented that it is a legitimate issue, in that the curb cut-outs are not next to the handicapped spots. Mrs. Goble replied that she believes it would be the Economic Development Committee.

Councilwoman Smith reiterated that her vote is to take the Clark Street parking out of the budget.

Councilman Shaw voted to keep it in the budget.

Councilman Stecky said that he thinks this is a band-aid on a big problem and his vote is to take it out.

Councilman Golinski also voted to take Clark St. out.

President Andes voted to take it out and asked Mrs. Goble to remove it from the budget. Mrs. Goble asked if there were any other items that the Council wished to discuss or have removed from the Capital budget. No one responded.

Councilman Kuser asked if President Andes is going to take a consensus on Capital expenditures right now. Mr. Andes replied in the affirmative. Mrs. Goble said that she would like to put this section of the budget to rest so that we can move on to the operating budget. She advised that it is a very small portion of the budget but it is a portion of our future debt.

Mr. Stecky asked what he would be committing to if he approves this.

Mrs. Goble replied that it would be $64,000 for the Capital Improvement Fund; $932,000 for Debt Authorization, which will change due to taking out Clark St.; $49,500 for cash projects. She added that the $64,000 and the $49,500 would be cash expenditures in this year’s budget. Mrs. Goble noted that the cash expenditures are small but are items that are necessary to the proper running of the town.

Councilwoman Smith suggested that, at some point, the Council should discuss the status of the Senior Center and what improvements may need to be made to the building and the parking lot.

Mrs. Goble replied that she will ask John Ciardi to provide a status report.

Councilman Fitzpatrick said that he is fine with this budget at this point, but he would like to be able to come back to it if, after looking at the operating budget, it should become necessary.
Councilwoman Smith briefly described some of the steps that the Administrator must follow to develop the Capital budget. She said that it would behoove the Council to approve this budget now. Mrs. Smith noted that preparing bond ordinances and such is very time-consuming and the operating budget needs to be addressed. She said that she really thinks that the Council needs to give a consensus now so that Mrs. Goble can start to move forward, get the best bond rates and prepare the necessary ordinances. Mrs. Goble added that there is also preliminary prep work that needs to be done for the roads and this really is a minimal amount.

Councilman Golinski said that he is fine with the Capital.

Councilman Shaw asked about Police cars and Mrs. Goble advised that they are not in the Capital budget. Mrs. Smith added that it is in the Police Department’s operating budget.

Mr. Shaw said that he sees a backhoe in here. Mrs. Goble replied that it is not until 2013. Mr. Shaw asked if the backhoe is being used in multiple departments. Mrs. Goble replied that we are as much as we can and that’s why we charge ½ to Water and ½ to Sewer.

Mr. Shaw approved of the Capital budget.

Councilman Stecky noted that the Fire Department originally asked for one ambulance and the Council offered two. He said that, should things become really tight, we can come back and pull one of those vehicles.

Mrs. Smith interjected that it is not a matter of pulling an item later. She said that the Council needs to go through all the items in the Capital Improvement Fund and decide now what they are going to approve.

Mr. Stecky stated that he understands the situation with the ambulances but wants to point out that the opportunity is there to meet the needs that they originally had, with one vehicle.

Mrs. Goble advised that she thinks she will need a vote on that because she really needs to have this bond ordinance introduced.

Mr. Golinski noted that the ambulance situation was presented to the Council and he thinks that the Council came up with the most prudent business way to handle it. He said that Mrs. Goble has a valid point and we can debate this is necessary, but let’s make a decision.

President Andes stated that the Fire Dept. was trying to live within their 10-year plan and be prudent in what they were asking for. He said that they have always been most cooperative if the Council pushed off a request until the next year. Mr. Andes added that the most important function that we supply to our citizens is their health and safety. He asked if there were any other comments.

Mr. Kuser stated that we already discussed the matter fully and agreed, by consensus, that two ambulances are good. Mr. Andes replied that we are going to take a consensus on the Capital in its entirety.

Mr. Golinski commented that it may be costly for one year but, in the long run, over the Township Council
life of the ambulances we will save money.
Mr. Stecky said that he understands that we agreed on it but he is just bringing it up, if we needed a deletion, it is here.
Mrs. Goble reminded everyone that we had a yes vote on that and she was authorized to do a bond ordinance already, so the Council would have to rescind its vote.
Mr. Stecky withdrew his suggestion.
President Andes asked if anyone wished to discuss any other item on the Capital sheet. No one responded.
Mr. Andes called for a consensus on the Capital Budget, as it is, minus the Clark Street parking.
Mr. Kuser questioned specific items in the budget noting particularly the computers for Police cars. He said that he believes in phasing in new computers. Mrs. Goble explained the difficulty in doing that with police cars.
Mr. Kuser noted that the budget will not be fixed by lowering any of this part of it.
CONSENSUS:
| Fitzpatrick | Yes | Kuser | Yes | Smith | Yes |
| Shaw        | Yes | Stecky | Yes | Golinski | Yes |
| Andes       | Yes |

President Andes called for a short break at 10:17 a.m.
The Meeting resumed at 10:30 a.m.

Mrs. Goble stated that she would like to explain a little bit about revenue before going to the operating budget.
The Administrator directed the Council’s attention to tab#4 in their budget books; she said that it contains the revenue sheets as well as a summary of the fund balance from 2001. She advised that it shows the amount of the fund balance at the end of the year, the amount that was put into the next year’s budget, the amount that we regenerate and the balance at the end of the operating year.
Mrs. Goble explained that the State changed the name from “surplus” to “fund balance”.
Mrs. Goble went over the fund balance figures, noting that in 2008 or balance was $4,542,664; in our 2009 budget we used $2,427,852 and regenerated, through the fees that we said we were going to collect, $1,955,543 extra. Mrs. Goble noted that this is an unaudited figure because she still needs to go over it with the Auditor. She advised that, at the end of 2009, we had a $4 million surplus.
The Administrator stated that she is anticipating in the 2010 budget, that we reduce the amount that we funded last year by $100,000 which is almost ½ a tax point. She said that the anticipated surplus that we will generate in 2010 is $2.2 million, leaving the fund balance at $3.9 million. Mrs. Goble noted that she carried this through to the end of 2012 to illustrate the what she feels the trends will be and what we will be able to do in the future.
Mrs. Goble advised that the Township is in the process of foreclosing on some
properties and, in 2010 will be selling two buildable lots, which she feels will help us to generate the $2.2 million that is anticipated. She gave a detailed explanation about how the fund balance is regenerated and the need to do so.

Councilman Golinski asked how much Mrs. Goble is anticipating realizing from the sale of the two lots. The Administrator replied that it is between $200,000 and $300,000 in total. President Andes asked Mrs. Goble to provide the Block and Lot and address of the properties in question.

Councilwoman Smith commented that in years past, before she was on the Council, the Council decided to use surplus rather than have a tax increase and reduced the surplus to below $190,000. She said that was fine for that year but in the subsequent year there was a 10 point increase in taxes. Mrs. Smith added that if the Council wants to use the surplus to bring in a flat tax rate this year, the consequences will be felt in future years. She spoke about the history of the surplus and emphasized that if too much is used, it is a dangerous game. Mrs. Smith noted that the projected figure for 2012 is the lowest since 2001. Mrs. Smith said that, if Mrs. Goble and our auditor are comfortable with using $2.3, she is comfortable as well, especially in light of the income from the sale of the lots. Mrs. Goble advised that the amount being used was lower until she looked at the lots and feels sure there will be no difficulty in selling them.

Mr. Andes asked if the lots are in neighborhoods. Mrs. Goble replied that they are but some of the lots on the foreclosure list are contiguous to our open space and will be taken off the books and absorbed in the open space.

The Administrator explained how she allocates funds in a reserve account to accommodate retirement pay-outs which can be as much as a year’s salary. Mrs. Goble advised that the snow account took a major hit this year, starting at $300,000 and dropping to a current level of under $100,000. She said that there is still the possibility of more snow and she needs to build that reserve up from last year’s budget. Mrs. Goble reminded the Council that anything they do with the budget this year, will effect last year and next year.

Mrs. Smith commented that one use of surplus is to reduce the amount we have to raise by taxation, but the purpose of surplus is to be our rainy day fund. Mrs. Goble said that is not correct because we can’t go to that for anything that comes up. She said that it can only be used for certain emergent situations and then it could be taken from surplus next year.

Mrs. Goble further explained the dangers of using too much surplus. Councilman Golinski commented on the trend for decreasing surplus over the past several years and noted the Mrs. Goble’s anticipated balance for 2012 is based on many unknowns that may very well not work out to our advantage. Mrs. Goble replied that Mr. Golinski is absolutely correct, but she is basing her forecast on what she sees in the revenues. She said that she has under-anticipated in some areas and feels that we will be able to collect what we did in 2009. Mrs. Goble noted that this is pure speculation.

There was a brief discussion regarding the lack of State aid to municipalities.
President Andes asked if everyone is comfortable with the amount of fund balance being used. No one objected.

Mrs. Goble gave a detailed explanation of the revenue sheet and how the tax rate is arrived at. She noted that in the column for 2010 Requested, she kept it at almost the same level as 2009, which is the only way to regenerate and bring back the fund balance. Mrs. Goble advised that there are some grants, that we have not gotten the final word on as yet, that are not included here. She said that if we get the grants it will go in and offset the spending and the net will not change.

The Administrator noted that the garbage user fee collection has been increased due to the increase that will be implemented this year. She added that when she sends this budget to the State she will have to justify that increase in anticipated revenue for garbage fees. Mrs. Goble reminded the Council that, if they did not increase the garbage fees, they would have had to put another $230,000 in the budget or raise the taxes by another tax point.

Mr. Kuser questioned the off-street parking budget. He noted that $60,000 was budgeted in 2009 and over $95,000 was received; in 2010, $60,000 is again being budgeted. Mr. Kuser asked if that is again a matter of Mrs. Goble being ultra-conservative. Mrs. Goble replied that it is a way to regenerate that anticipated $2.2 million.

Mrs. Smith noted that it is better to look at the bottom line, rather than at the details because the various lines may fluctuate.

Administrator Goble called the Council’s attention to the last page of this section and pointed out that the 2009 budget was $19,550,000 and we collected $21,489,000. She said that is how we got our fund balance. Mrs. Goble noted that this year’s budget is $19,693,000 and she hopes that we will collect what we did last year in order to replenish the fund balance.

Mrs. Smith commented that if there is anything at all to be pared down, is in the operating expenses. She said that if nothing can be found there then we need to accept this budget.

Mrs. Goble explained that this extra money constitutes our cash flow and, without that money in the bank, we would not be able to pay our bills.

Operating Budget.

Mrs. Goble said that they can cover this section in whatever way the Council wishes. Councilwoman Smith asked what the total is for salary. Mrs. Goble replied that she does not think that is broken down. Mrs. Smith said that she would like to see the Salary and Wage total and the Operating Expenses total. She commented that there needs to be some flexibility and wiggle room, in case of emergency, so that Marie can make transfers if she needs to.

Mrs. Goble explained that a line item budget, as defined by the State of New Jersey, means whatever we give them, line by line. She said that we cannot overextend a line
item; nothing can be charged to a line item that doesn’t belong there. Mrs. Goble advised that, starting in the month of December, the State of New Jersey will allow the municipality to transfer funds from one department to another. She noted that everyone must live within their budget through the month of November. Mrs. Goble explained that the State will allow a transfer in the first three months of the year for last year’s money, so she will be doing a transfer in March.

Councilwoman Smith asked if the Police Department could be the first item for discussion. Mrs. Smith noted that we have two retirements and we talked about replacing them. Mrs. Goble replied that the replacements will be for six months at the present amount of the contract. Mrs. Smith asked if the new hires could be put off until January. Mrs. Goble explained the impact of doing that on the cap base. She said that if we don’t put $2/3 their salary in this year, next year we will have to put 100% of their salary in. Mrs. Goble explained that if half goes in this year and a full salary next year, next year’s cap base will only be affected by half. Mrs. Goble also explained the impact on staffing and over-time and said that only one-quarter of a tax point is involved. Mrs. Smith replied that she is talking about $54,000 plus benefits. Mrs. Goble stated that it would only be three months worth of benefits because of the probationary period. Mr. Stecky asked what the ratio on benefits is. Mrs. Smith said that she will use 1.4 for the sake of argument. She used $50,000 as a round number and said that would become $70,000. Mrs. Smith commented that she knows the department is short-staffed but is just wondering if putting off the new hiring until January could be considered.

Mr. Kuser asked if it is correct that the current staff is being paid until mid-year. Mrs. Goble said that they will be paid until April. She explained that we will have staff at the highest rate of pay for the first four months and then the lowest rate staff will come in. Mrs. Goble added that we will lose another staff member at the end of this year, and she would hate to think that we are just going to keep on bringing on staff in January. She noted that, at least this way, we will have some of the new staff trained to the level that is necessary.

President Andes commented that the Chief has been working with the staff that he has because the two that are leaving have not been working. He said that, if we don’t replace these two people, he wonders if the Chief will come back to us and ask what services he should eliminate. Mr. Andes asked what would happen if the Chief wanted to eliminate DARE and the Junior Police Academy.

Councilman Stecky stated that he agrees with Mrs. Smith about deferring the two new hires. He also questioned the salary increases noting that people are getting between $11,000 and $13,000. Mrs. Goble reminded him that there are step grades in their negotiated contract and that is why this is based this way. She said that we are not offering those kinds of raises nor has anyone gotten that kind of raise. Mrs. Goble explained that it used to take 60 months to get to the top of the pay scale and now it takes 72 months. She said that it is being worked on in negotiation right now. She
explained that the figure is never what the negotiated contract reflects because things like steps, longevity and education come into play.

President Andes stressed caution in this discussion because negotiations with the Police Department are ongoing.

Mr. Stecky asked if the 2010 figure for annual salary is some kind of forecast. Councilwoman Smith interjected that she thinks that contract negotiations should be discussed in closed session.

Mr. Stecky asked if the 2010 annual salary number is what he is being asked to approve. Mrs. Goble said that is correct, as of right now. She noted that if the Council would like, they could have a closed session on negotiations at the beginning of the next meeting. Mrs. Goble advised that there are certain things that the Council needs to know about the budget that she will not discuss in open session. She told Mr. Stecky that she would be glad to speak with him one on one.

President Andes suggested that the Council needs to be up-dated on negotiations in order to help bring the budget into focus. There was a discussion regarding a closed session and it was decided that there will be a session on negotiations as soon after Mrs. Goble’s negotiation meeting as possible.

Councilwoman Smith noted that, although she understands all of the points brought up by Mrs. Goble, she would like to recommend that the two new hires be put off until January 1, or at least until October.

Councilman Golinski stated that he thinks the whole discussion is premature until we know what the bottom line is.

Mrs. Goble commented that she does not think salaries should be looked at right now. President Andes agreed with Mr. Golinski and asked that the discussion be held for the closed session on negotiations.

Mrs. Smith went to the line item for purchase of vehicles. She suggested that two new vehicles be purchased, not the three that have been put in the budget.

Mr. Stecky agreed that it should be two.

Councilman Shaw stated that he would hope that the new cars would have computers in them. Mrs. Goble advised that they do not come with computers but can be transferred from the old cars to the new ones. It was noted that as much equipment as possible is transferred.

President Andes asked for a consensus on purchasing two new police vehicles:

<table>
<thead>
<tr>
<th></th>
<th>Shaw</th>
<th>Yes</th>
<th>Stecky</th>
<th>Yes</th>
<th>Golinski</th>
<th>Yes</th>
<th>Smith</th>
<th>Yes</th>
<th>Kuser</th>
<th>No</th>
<th>Fitzpatrick</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andes</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Mrs. Smith asked what the necessary amount is for the Junior Police since it shows the final budget is $4,000 and the projected expense was $4,000 for 2009, but we have $2,000 in for this year. Mrs. Goble replied that we received donations so we were able to do it for $2,000.

Councilman Kuser asked how the salaries are allocated to different departments. He noted that a large percentage of the Facilities Manager’s salary goes to the Water and
the Sewer budgets. He asked if that is a usual practice that has been going on for some time. Mrs. Goble replied that it is 20% of his salary and she noted some of the services he renders in those departments. Mr. Kuser asked how long that has been the norm. Mrs. Smith interjected that it is a relatively new position. Mrs. Goble replied that there was a Buildings and Ground position and we’ve always used the same percentage. There was a discussion regarding using this method of allocating salaries as a means of lowering the budget. Mrs. Goble said that it was started years ago and continued.

Mrs. Smith gave additional history about how the allocation of salaries first began. Mr. Kuser said that his question was simply to ask if an additional percentage is being increased in 2010 versus 2009. Mrs. Goble replied that she did nothing that is not straightforward and open, nor is she increasing any percentages in allocating salaries. Councilman Stecky commented that he agrees with the concept of allocations and asked if there are State controls on them. Mrs. Goble replied that there are not, but she would have to justify the allocation should the State inquire.

Mr. Kuser asked for a print-out on the Open Space Fund for past years. He asked if the same two individual’s salaries have always been taken out of Open Space. Mrs. Goble replied that they have been since the process was started. Councilman Golinski asked for clarification of the Construction Official’s budget. Mrs. Goble noted that there was one thing that she did adjust. She explained that prior to the decline in construction, Mr. Denzler was hired to be our Zoning Officer, at a rate of $65 per hour, two days a week. Mrs. Goble advised that, when the construction decline occurred, we made one of the Construction employees our Zoning Officer with Mr. Denzler as a consultant, as needed. She said that allocated one person in that department to help with the paperwork from Mr. Ciardi. Mrs. Goble noted that there are a lot of inspectors who are part-time but are charged to that department. She advised that, although the fees have decreased, there is still work going on in homes that must be inspected. The Administrator said that the fees for those jobs may be small, but the inspections must be made and the inspectors must be paid. She commented that she will supply Mr. Golinski with the report he requested by e-mail today.

Mr. Golinski replied that it will not be necessary because he is satisfied with her explanation and can see that the revenue is close to the expenses in the department. President Andes asked if the part-time employees’ hours are set or do they vary as the workload fluctuates. Mrs. Goble replied that the Plumbing Inspector has set hours but the other inspectors vary depending on the position, so they can be set or hourly. Mr. Kuser commented that they must also review plans. Councilman Fitzpatrick stated that he thinks that Mrs. Goble did an awesome job with the Capital. Mr. Fitzpatrick said that overall everyone has been trying to make cuts, even talking about furloughs. He noted that he is not really into that. Mr. Fitzpatrick commented that, as a business man he can say that, in the private sector the revenues are not there. Mr. Fitzpatrick added that in 2009 there was something like .09 deflation
for the year. He noted that he knows there are negotiations going on but he thinks that right now increases for employees are hard to do. Mr. Fitzpatrick stated that he doesn’t want to lay people off and he doesn’t even think there should be furloughs. Mrs. Goble interjected that we will discuss that in executive session and bring the Council up-to-date on that.

President Andes asked Mrs. Goble if the Mayor had given her any suggestions. Mrs. Goble replied that he only mentioned the two pieces of equipment that he had spoken about to the Council.

Councilman Shaw noted that Mr. Fitzpatrick sent the Council members a memo that he thoroughly agrees with. He said that the taxpayers must be made aware of the garbage fee increase in more ways than just the website. Mrs. Goble replied that Administration is well aware of what must be done. She said there have been other occasions when the public needed to be informed and she mentioned numerous methods that are used to reach the general public in order to be certain that they get the information that they need. Mrs. Goble advised that she has asked Councilman Fitzpatrick to work with her on this and let the public know that 16 years is a long time to go without an increase. She added that she feels that we should never do that to them again.

There was a brief discussion regarding how the increase should be presented to the public and the need to let them know the reasons that precipitated the increase. President Andes commented that, with any increase in fees, we need to learn from the new Municipal Building. He said that a rendering of this building was on the front page of the Citizen, yet people commented that they knew nothing about it. Mr. Andes noted that the way to stabilize our solid waste fees is through recycling. He emphasized the fact that recycling has gone down. Mrs. Goble noted that many newspapers have gone out of business because of internet access and that could be a contributing factor to the reduction of recycling material.

Mr. Andes stated that he thinks the best and safest way to get the word out is by sending an official letter to each household explaining the reasons for the increase. Councilwoman Smith asked if we are gathering e-mail addresses to communicate with our residents. Mrs. Goble replied that we are doing that.

Mr. Stecky commented that money can be saved by electronic communication rather than by mailing paper. Mrs. Goble advised that the Township is doing that in many ways right now and will continue to build up that use as much as possible.

President Andes noted that Tuesday evening there will be a budget session at 6:30 p.m., the McCloskey family will be in at 7:30 p.m. for the resolution dedicating Field #7 to Jim McCloskey, and E.I. Associates will give an overview on the Police station. Mrs. Goble advised that the 5% down payment for any course of action that the Council may want to take with regard to the Police Dept. has already been put into the Capital Improvement Fund and will not impact this budget at all.

President Andes noted that Mrs. Goble will be having a negotiation meeting on Thursday and there will be no meeting on Saturday due to the St. Patrick’s Day Parade.
suggested that the budget could be wrapped up by having a budget session before the Council meeting on March 16th. Mrs. Goble said that she will be ready. Mr. Andes asked that the meeting begin at 6:30 p.m. with a closed session, followed by the regular meeting at 7:30 p.m. He asked Clerk Costello to notice it that way. Mrs. Goble noted that the budget would then be introduced at the first meeting in April and be adopted at the first meeting in May. She said that at the time of adoption of the budget, she will have the bond ordinance for capital items ready for introduction to be adopted in June.

MOTION TO ADJOURN: MOVED BY MEMBER SMITH, SECONDED BY MEMBER KUSER
AYES: SMITH, KUSER, FITZPATRICK, SHAW, STECKY, GOLINSKI, ANDES

MEETING ADJOURNED AT 11:49 A.M.

Respectfully submitted by:

Kathleen A. Costello
Deputy Township Clerk