The Meeting was called to order at 7:00 p.m. by Council President Fitzpatrick. The Salute to the Flag was recited, followed by the reading of the Open Public Meetings Act Statement by Deputy Clerk Kathy Costello.

ROLL CALL: GABEL, GOLINSKI (7:10), KUSER, LYDEN (7:04), SCOLLANS, SMITH, FITZPATRICK

ALSO IN ATTENDANCE: MAYOR ANDES, ADMINISTRATOR WARD, CFO GUARINO, FIRE CHIEF SHARPLES, TOWNSHIP ENGINEER RUSCHKE AND DPW SUPERINTENDENT EGBERT.

President Fitzpatrick advised that the Council will hear the presentation of budgets from the Fire Department, Engineering and DPW.

OPEN PUBLIC PORTION: No one wished to be heard.

CLOSE PUBLIC PORTION.

President Fitzpatrick explained that there is a Council Workshop meeting scheduled for Tuesday, February 12th at which the hotel overlay zone ordinance was to be discussed. He noted that the ordinance is not ready for discussion so there is nothing scheduled for that meeting. Mr. Fitzpatrick further noted that there is a Budget Workshop scheduled for Monday, February 11th and he asked the members to think about which meeting they would prefer to cancel. He said that when the two other Council members arrive, he will take a poll of the full Council to decide which meeting will be canceled.

President Fitzpatrick turned the meeting over to the Mayor and Administrator.

Mayor Andes noted that, as President Fitzpatrick stated, we will be looking at the capital items for the Fire Department, Engineering and DPW. He yielded the floor to Administrator Ward.

Administrator Ward advised that the budget for Engineering and all of the budgets under DPW have come in flat, equal to the appropriations of last year - or lower. He noted that all of the Fire Department lines are lower, with the exception of automotive expenses. Mr. Ward commented that, as the fleet of fire vehicles ages, the automotive expense line increases. He directed the Council to the General Capital tab of the budget book and advised that the ATV that was requested is being pushed off to future years.

FIRE DEPARTMENT

Chief Sharples explained that every year the Department requests seven (7) sets of firefighting gear for new members joining the Department, as well as to replace existing gear. He noted that the pagers were taken off the budget last year so they do need new ones this year to replace old pagers and provide pagers to new members.
The Chief advised that the Scott Packs listed on the budget are actually Scott Bottles. He said that they want to institute a replacement plan over the next several years. Chief Sharples addressed the replacement of the floors at Companies #1 and #2. He said that he does not know when they were last done, but they are showing signs of wear. The Chief explained that he has had two (2) companies come in to give him estimates and, since Valley View will have a new floor, it would be nice to have all three companies have the same flooring.

Chief Sharples spoke about the turnout washers that are being requested for Companies #1 and #2. He said that, over the years, the gear was sent out to be cleaned and repaired but the company that performed those services has gone out of business.

The Chief advised that the Department feels it would be better to do the washing themselves than to send it out to smaller vendors and there is already a dryer at Main Street that will handle four (4) sets of gear at a time. He said that a washer and dryer have already been ordered for Valleyview. Chief Sharples noted that, with each Company having their own washer and dryer they would be responsible for cleaning and maintaining their own gear.

The Council members had a few questions for Chief Sharples regarding the washers, pagers and floor replacement. Chief Sharples answered all questions to the Council's satisfaction.

Councilwoman Smith asked about bonding vs. paying cash for the relatively small amount of $20,000 for the turnout washer. CFO Guarino explained the financial rationale behind the decision to add the $20,000 to the bonding.

It was decided that, due to the impending storm, the DPW budget would be presented next to allow Supt. Egbert to get home and get some sleep.

Administrator Ward complimented Mr. Egbert on his effective budget management. He said that Mr. Egbert oversees five or six budgets, that the budgets he submitted were flat, and several even saw reductions over last year.

Superintendent Egbert stated that, before discussing his capital requests, he would like to advise the Council of some of the things that were done at DPW last year. Mr. Egbert noted that with a few changes in things like recycling, selling used oil, car and truck batteries and a revamping of overtime the Township generated $43,265.70.

Mr. Egbert then moved on to the capital requests:

1. 2001 International Roll-off. Mr. Egbert advised that he is not looking to get rid of this truck, but to make it a secondary for a bigger roll-off.

2. 1994 International dump truck. Mr. Egbert said that he would like to get a used cab and chassis, as has been done in previous years. He said that the only things that would be new on the truck would be a salter and a plow. Mr. Egbert is asking for $75,000 to purchase a used cab and chassis. Mrs. Smith expressed some concern over buying a used vehicle. Mr. Egbert explained that it will be in very good condition.
and last for 15 -20 years, whereas, a new truck at $131,000 would last only five years longer.

3. 1996 Dodge Pick-up that has been driven 115,026 miles. Mr. Egbert is asking for a new dump truck which will be charged to both the water and sewer utilities.

4. Mr. Egbert asked for a cab and chassis for a 1993 International with low mileage but severe damage to the firewall at a cost of $75,000. He stated that next year he will be looking for a used cab and chassis for a 1994 International in similar condition. Mr. Egbert added that, for an additional $5,000 he could replace both the 1993 and the 1994.

Mr. Ward clarified that, in checking on prices, Mr. Egbert found that he can obtain two (2) cabs and chassis for $80,000 that are in decent condition rather than one for $75,000 and that is the recommendation from Administration.

Administrator Ward summarized DPW’s requests as follows:

- Two (2) cab and chassis for Roads.
- One (1) Roll-off
- One (1) New Dump Truck for Water and sewer

The Council members unanimously supported Mr. Egbert’s budget and complimented him on his efficiency and prudent management of his fleet.

There was a question regarding a roof replacement under the Building and Grounds budget. Mr. Egbert explained that it is the roof on Building #8, which was built in 1987 and is literally rotting off.

Mr. Egbert credited his employees and Administration for the smooth operation of the DPW.

Administrator Ward commented that he can attest to the fact that Mr. Egbert always has an eye for turning a cost into a money-maker and for efficiency. He said that Mr. Egbert comes into Administration at least once a month with money-saving ideas.

Mayor Andes thanked Mr. Egbert for the fantastic job in getting 109 catch basins repaired in one year’s time.

Administrator Ward went over the Building and Grounds budget and explained that the $21,000 for Senior Center Improvements is matching funds for a grant to do the needed repairs. He said that the $20,000 item for Zeek Field is for the refurbishing of the bathrooms. Mr. Ward noted that the other item in that budget is more of an Administrative item. There were no questions regarding the Building and Grounds budget.

Parks and Recreation

Administrator Ward advised that Mr. Egbert is working with contractors to get quotes to replace the netting at Gardner Field. He explained that the O/S next to any item indicates that the funds will come from the Open Space Fund. Mr. Ward added that $75,000 is set aside for routine maintenance each year. It was noted that the quotes are coming in lower than expected. CFO Guarino added that, because the damage was caused by super-storm Sandy, we will be looking for reimbursement from FEMA.
Water & Sewer
Administrator Ward noted that, in the Water and Sewer budget, the capital items are listed as cash and any amount that is not used is re-appropriated the next year. He said that, historically, there has been a $75,000 appropriation for water meters and a $100,000 appropriation for water tanks, wells and mains. Mr. Ward noted that the purpose is to have the money available when DPW needs it. He said that the only item in the Water capital budget is the dump truck that was discussed and that is shared with the Sewer Utility.
Councilwoman Smith asked if, when all of the water meters are replaced, we will still need that $75,000 per year to maintain them. Mr. Egbert replied that we will because the life span is 10 - 15 years and we will start all over again replacing the ones that have been replaced and have worn out.
CFO Guarino explained that water tanks and meters have always been in the regular budget, so you get two years and then it lapses into a surplus item.
There was a discussion on how the $75,000 is used and what is done with it if it is not used.
There was also a discussion regarding the auto read water meters and it was suggested that the subject be discussed again. Mr. Ward agreed that it should be discussed again and noted that the auto meter reading system could also reduce meter reading costs.

Sewer
Administrator Ward asked Mr. Egbert to give a brief explanation of the need to replace the Forest Trail pumps.
Mr. Egbert advised that during Hurricane Irene and super-storm Sandy there were issues with the Forest Trail pumps, which service all of Indian Lake. He said that they had to by-pass the pumps at that time. Mr. Egbert noted that the pumps need to be replaced.
Councilman Golinski questioned the line for fuel in the Utilities budget. Mr. Ward replied that it looks like the bill for December has not yet been received.

Administrator Ward suggested that, before discussing road re-surfacing, the Council discuss some miscellaneous Engineering items.

Engineering
President Fitzpatrick agreed and asked the Council to jot down any questions regarding Mr. Ruschke’s presentation of the budget and they will be answered at the end of Mr. Ruschke’s comments.
Mr. Ruschke reported that the Cook’s Pond Dam is a regulated structure and we will be hearing from the DEP to require us to update that dam to provide overflow protection. He noted that the $10,000 in the budget is to cover minor in-house repairs prior to creating a design for the full repair of the spillway.
Engineer Ruschke addressed the line item for repair of the East Shore Rd. wall in Indian Lake. He said that the $35,000 is about one-third of the cost of the overall project. Mr. Ruschke noted that the wall is an integral part of the roadway so there is some responsibility on the part of the Township to maintain that wall. He said that the project will be done over a three-year period and parts of the wall will be targeted according to the level of repair that is needed. Mr. Ruschke advised that they will be working with the DEP and the DPW and will try to do as much as possible in-house, in order to make the project as cost effective as possible.

Mr. Ruschke addressed Flood Mitigation and the budget proposals for that item.
1. Removal of Morris Canal piers. $50,000 Bond $2,500 Down payment
2. Two New Flood Gates 60,000 Bond 3,000 Down payment
3. Mitigation Study - Phase II 25,000 Cash
4. Digital Tax Mapping 31,000 Bond 1,550 Down payment

Engineer Ruschke went over the details of each of the budget requests, answered the Council’s questions and addressed suggestions that were brought by the public or Council. Administrator Ward advised that the Digital Tax Mapping will be a shared service with the County of Morris and their GIS Dept. of Engineering. He said that it will benefit many departments.

Road Re-surfacing.
President Fitzpatrick asked Administrator Ward to give the Council the overall recommendation from the list that was provided to the Council in January. A copy of that list is attached to these minutes.

Administrator Ward noted that the first category is “Pending NJDOT Grant Applications”:
1. Franklin Road Resurfacing
2. Broadway Streetscape Improvements
3. Bloomfield Streetscape Improvements

Councilman Gabel asked about a grant that included a portion of Diamond Spring Rd. Mr. Ward explained that, when applying for a DOT grant, two roads are put on the application, a primary and a secondary. He said that Diamond Spring was the secondary and, if the grant is awarded for Franklin this year, Diamond Spring will become the primary next year. Mr. Ruschke noted that all three of the grants are separate programs.

President Fitzpatrick commented that he believes that everyone is in agreement with Category B - Multi-Year Schedules and there will not be any questions.

Category C - New Roads for Consideration.
President Fitzpatrick polled the Council to see if anyone feels strongly that there is something on there that shouldn’t be or something is not on there that should be. Councilman Scollans said that he is familiar with all the roads on the list and concurs.
with the choices. Councilman Golinski commented that he agrees with the choices and likes the way the roads were chosen this year. He asked if there is a contingency if the State does not fund Franklin Road. Administrator Ward replied that the road list will not be finalized until they are individually listed in the bond ordinance. He added that the bond ordinance will likely be introduced in May after the budget has been adopted. Mr. Ward advised that the decision to hold Franklin over until next year or remove other roads and fund Franklin this year, will be made before the bond ordinance is introduced. He said that the third option would be to add additional funding to do Franklin this year. Councilwoman Lyden stated that she is on board with the roads but would like to know the cost for re-surfacing Franklin Road. Mr. Ward replied that the overall cost is $250,000.

There was a discussion regarding the effectiveness of sending letters to our State legislators seeking support for our grant applications. Councilwoman Smith asked what part of Franklin Road is scheduled to be done. Mr. Ruschke replied that it is from Route 46 to the railroad trestle. Mrs. Smith noted that there was an Excel file that contained information on the longevity of the paved roads. She suggested that it be incorporated with the road list. Mr. Ruschke replied that he has that list, has expanded on it and is using it for crack sealing. Councilman Kuser noted that there is a grant application for a streetscape but we do not have a conceptual plan. Mr. Ruschke replied that a lot of work has been done on the light fixtures that will be used but Broadway is not going to be completely revamped and the curb line is not going to be drastically changed. There was an extended discussion on streetscapes, the hiring of a landscape architect or city planner and developing a conceptual plan. Councilman Gabel stated that he is satisfied with the road resurfacing list. He asked if any damaged catch basins or curbs are identified before the paving and are they then repaired by DPW. Mr. Ruschke replied that all the roads are checked and the prep work is done before paving. Administrator Ward advised that there will be two employees dedicated to crack sealing all of this year. Mr. Gabel asked if Cook’s Pond has actually ever overflowed. Mr. Ruschke replied that it probably has not but the DEP will not take that as an argument for not repairing the spillway. President Fitzpatrick asked if the total for roads, which is $462,000, is higher than usual. Administrator Ward replied that we typically budget around $500,000 or a little less.

Overall Budget

President Fitzpatrick asked for some visibility on how the budget looks for the future. He asked Mr. Guarino to explain the bonding process.

Township Council
Administrator Ward explained that the bond that we get for general capital will be a multi-purpose bond ordinance. He called the Council’s attention to the bond total and cash total at the bottom of the budget page. Mr. Ward noted that they try to pay for the smaller items with cash and bond for the larger ones but, in the long run, with the exception of the life expectancy and how long the payback period is for the overall bond, it really doesn’t make a lot of difference. He said that it is a matter of striking a balance as to the total we are borrowing and how that impacts our future debt service schedule.

CFO Guarino gave a detailed explanation of debt service, bonding and noted that the Council must decide whether to increase the tax rate to facilitate more cash items or pay less interest down the road.

President Fitzpatrick asked what Mr. Guarino’s professional opinion is on the amount that we are borrowing.

Mr. Guarino replied that in the Annual Debt Statement, which must be submitted each year to the State, we are at 2.3% of what we can borrow as a municipality. He said that is relatively low and the Township is in a very good position. Mr. Guarino explained that, if the Township continued to borrow $1 million a year, it would escalate to levels that could not be maintained. He said that his own personal philosophy is to pay down as much as you can, when you can.

Administrator Ward gave a brief explanation of Bond Anticipation Notes (BANS) and how they affect our bonding.

President Fitzpatrick asked the Council if they have any general budget questions. Councilman Gabel had no questions. Councilman Kuser had no questions. Councilwoman Smith commented that she believes it would be helpful to receive charts from Finance on the bonding and the debt. She asked if Mr. Guarino would see if any of the low-end items can be included in a cash payment without effecting the tax rate.

Mr. Guarino advised Mrs. Smith that they try to leave $50,000 to $70,000 in the capital improvement fund for emergencies. Mrs. Smith pressed for more cash payments. Mr. Guarino replied that perhaps he can pull some cash from the Open Space Fund for some low-end items.

Mrs. Smith asked for an analysis of how the Open Space money is being utilized. Councilwoman Lyden asked for clarification regarding the impact on the tax rate between cash payments and bonding. Mr. Guarino explained. Councilman Golinski had a question regarding the cost of gas and diesel fuel. Administrator Ward explained that, due to sky-rocketing fuel costs in 2011, there was a huge deficit in the DPW fuel budget because they had to share their fuel with Fire and First Aid. He said that precipitated the decision to pull the fuel line out of all individual budgets and create an overall fuel budget.

Mr. Golinski asked for an explanation in the difference in the fuel figures on different pages of the budget. Mr. Guarino replied that he believes the figures do not include the December bills for 2011.

Township Council
Councilman Scollans asked about the length of time for our bonds. Mr. Guarino replied that one bond runs until 2026 and the other is until 2023. President Fitzpatrick commented that Administration, Finance and the Mayor have done a great job on this budget. He said that he hopes there is someplace that can be cut a little bit more and asked them to look a little harder for additional reductions. Mr. Fitzpatrick noted that he is curious about how the Council feels about the budget as it is now. He asked the Mayor if he has any comment before Mr. Fitzpatrick asks for the Council’s opinion of the budget.

Mayor Andes stated, for the record, that many cuts have already been made to this budget. He said that, with every step, it gets harder and harder to find things to pull out. The Mayor advised that, although they are comfortable with this budget, he and Administrator Ward will present a couple of areas next week. He said that if the Council wants to make additional cuts, Administration will recommend that the cuts be in those areas.

President Fitzpatrick asked the Council individually for their feelings about this budget. Councilman Scollans replied that, in general, he feels that they did a great job, the detail is great and he supports the budget. Councilman Golinski said that he thinks they did a great job but he would still like to have a better understanding of the numbers. He asked for a “remedial” explanation of the surplus anticipated. Mr. Golinski commented that he likes the budget but would like an explanation of a couple of line items.

Councilwoman Lyden noted that she supports the overall budget and thinks that a $40 increase is very responsible. Councilwoman Smith commented that if the budget is too tight there will be nothing available for emergency spending. She said that her philosophy is that we need to raise the tax rate a little bit each year. Councilman Kuser said that he wants to hear what Finance has to say next week about areas that could withstand cuts. He noted that $40 is a reasonable increase but he wants to hear the whole budget.

Councilman Gabel stated that he is satisfied with the detail in the budget book and has his own list of areas that he thinks should be examined. He asked how much would have to be cut to attain a $1 reduction in the tax rate. Mr. Guarino replied that it would be $7,331.00. Mr. Gabel noted that he thinks it is a well-prepared budget and he looks to support it after hearing next weeks presentation.

President Fitzpatrick said that he is generally o.k. with the budget but would love to cut a little more. Councilwoman Smith suggested that Councilman Gabel sit down with CFO Guarino and go over the budget in detail.

President Fitzpatrick advised Mrs. Lyden and Mr. Golinski that the workshop for Tuesday, February 12th was supposed to deal with hotel overlay, but that topic will not be ready for that meeting. He said that the Tuesday meeting is therefore not needed.
Mr. Fitzpatrick added that, since there is a budget meeting scheduled on Monday, we can eliminate one of those meetings. He asked Mr. Golinski and Mrs. Lyden for their preference, Monday at 7:00 p.m. or Tuesday at 7:30 p.m.
It was decided that Tuesday, February 7th at 7:30 p.m. would be best for most of the Council. President Fitzpatrick noted that the Monday night budget meeting will be canceled and the Tuesday night meeting will be a budget meeting.
President Fitzpatrick thanked the Mayor, Administrator, CFO and Township Engineer.

MOTION TO ADJOURN: MOVED BY MEMBER SMITH, SECONDED BY MEMBER GOLINSKI
AYES: UNANIMOUS

MEETING ADJOURNED AT 9:51 P.M.

Respectfully submitted by:

Kathleen A. Costello
Deputy Township Clerk