

Minutes

Regular Meeting of the Hazlet Township Committee held at 8:05 p.m.

Salute to the flag and moment of silent prayer called by Mayor.

Mayor's Statement – Open Public Meetings Act & Emergency Fire Exits.

In Compliance with the "Open Public Meetings Act" of the State of New Jersey, adequate notice of this meeting of the Township Committee was provided in the following manner:

- A. On January 3, 2012, advance written notice of this meeting was posted at: 1766 Union Avenue, Hazlet, New Jersey.
- B. On January 3, 2012, advance written notice of this meeting was forwarded to the Independent and published in the Asbury Park Press on January 6, 2012.
- C. On January 3, 2012 copies of advance written notice of this meeting were mailed to all persons who

requested and paid for such notices on or before January 1, 2012.

FIRE EXITS are located in the directions I am indicating:

Farther down at the end of the room, through the doors and down the stairs, directly out the front door.

To my right is the door, make a right down the hallway which leads to the stairs and directly out the rear of the building.

If you are alerted for fire, please move in a calm and orderly manner to the nearest exit. Thank you. I direct the Municipal Clerk to enter into the minutes of this meeting these announcements.

ROLL CALL PRESENT ABSENT

Committeeman Aagre X _____

Committeeman Belasco X _____

Committeeman Brady X _____

Deputy Mayor Sachs X _____

Mayor Tinker X _____

Approval of Minutes – Workshop and Regular Meeting, March 20, 2012.

Offered Mayor Tinker 2nd Committeeman Brady

Roll Call: Committeeman Aagre Abstain Committeeman Belasco Abstain

Committeeman Brady Yes Deputy Mayor Sachs Yes

Mayor Tinker Yes

Executive Session Amended Minutes – February 16, 2012.

Offered Mayor Tinker 2nd Committeeman Brady

Roll Call: Committeeman Aagre Abstain Committeeman Belasco Yes

Committeeman Brady Yes Deputy Mayor Sachs Yes

Mayor Tinker Yes

Proclamation – Proclaiming April 2012 as Donate Life Month

1. HEARING ON THE 2012 MUNICIPAL BUDGET

Introduced: March 6, 2012.

Published in the Asbury Park Press, issue of March 9, 2012. Proof on file.

Posted in Town Hall – March 7, 2012.

Hearing scheduled for April 3, 2012.

Hearing:

Bill Shewan- Referring to sheet 27, payment of bonds can you give me an explanation on the increase of \$279,000.00 to \$403,000.00?

Tom O'Hara, CFO- That is a payment of Bond Anticipation Notes that you are referring to?

Mr. Shewan- Yes, line number 2 45-925.

Tom O'Hara- When we issue notes for temporary financing on capital projects once they are issued they can be renewed for up to ten years and after the third year there is a required minimum payment on those

notes. In this case we are actually prepaying some additional amounts on those notes and paying down our principal.

Mr. Shewan- So the notes have not been paid down completely?

Tom O'Hara- No there are still approximately \$5 million dollars in notes.

Mr. Shewan- There is that much you have to do in one year from \$279,000.00 to \$403,000.00. That is a substantial increase.

Tom O'Hara- If you look at our interest on bonds 45-930 and Capital Lease obligations 45-941. Those amounts decreased from the prior year so we use that decrease to pay down additional Bond Anticipation Notes.

Mr. Shewan- On Sheet 26 can you explain the approach you are using this year on capital improvement giving the fact it goes from \$125,000.00 to \$672,000.00. Of course I favor Capital Improvement as a citizen I think we should of, but can you give an idea of why the substantial increase and the theory behind doing that?

Tom O'Hara- The \$672,000.00 primary amount of that total is \$500,000.00 that the Committee is putting aside potentially each year going forward for various road improvements. The \$500,000.00 in cash every year for roads and there are various other projects that we are funding over either 10 years or the useful life of the project whichever is shorter. Items include automated recycler for public works department that we hope to buy. Ongoing park improvements that we are hoping to address one park a year on a continuing basis. We are looking to get a Command SUV for the Office of Emergency Management, increase facility security through the use of video cameras and lightening protection. We had an issue with a lightning strike in 2011. Improvements to the park entrance at the intersection of Middle Road and Union Avenue. Purchase of a dump truck with plow and spreader and the purchase of an Asphalt Hot Box. Two police SUV's which have already been approved and improvements to the indoor gun range at the police station.

Mr. Shewan- Is there a difference in the way you are funding it this time and the way it was done in previous years?

Tom O'Hara- Absolutely.

Mr. Shewan- What is the difference?

Tom O'Hara- The difference is we know how we are funding it. In the past and in a lot of municipalities when you do a bond ordinance you are required to put down as a minimum 5% in cash of the amount of bonds and notes that you authorize. We go beyond that and we implemented a plan that should reduce our need to borrow and should definitely reduce our need for long term borrowing.

Mr. Shewan- So you won't be using bonds anymore?

Tom O'Hara- We will have to use Bond Anticipation Notes which are one year obligations roll over from year to year to keep our cash flow going. If we stick to this plan it would reduce the need to go to bonds.

Mr. Shewan- On a one year bond do you have the same closing fees as on a long term bond?

Tom O'Hara- A one year is much shorter and right now the short term interest rates are much lower.

Mr. Shewan- Don't most bonds have a closing cost?

Attorney Gorman- On a ban on a note you are talking about \$100.00 as compared to sizable costs.

Mr. Shewan- Sheet 24, 41770-2 and 41720-2 has to do with enforcement of drunk driving why was that dropped?

Tom O'Hara- This is a grant page and depending on each year and depending on what grants we receive this is where they get recognized. The Drunk Driving Enforcement sometimes when that is awarded it comes during the year and if it is not available at the time the budget is adopted we do what is called a Chapter 159 Resolution which allows us to add it to the budget at a later date.

Mr. Shewan- Sheet 3C this has to do with gross days of accumulated absence. Have you done any forecast analysis on your time and age and number of years served to come up with an outlay in future years that you can plan budgets?

Tom O'Hara- While this number seems daunting, PBA payouts for sick and vacation time is capped at \$17,000.00 and non PBA is capped at \$10,000.00 so totals that you see includes some employees who have accumulated an amount significantly over what they are actually entitled to.

Mr. Shewan- Assuming that it is ten thousand have you done any forecasting based on retirement age and years serves. That is the basis for it in most cases and the probability of when the person would retire what the payout would be in future years.

Tom O'Hara- We do not have an analysis and we have always paid our obligations as they came due when someone retires.

Mr. Shewan- There is no way of doing a five year analysis so you can figure the budget for the future?

Tom O'Hara- As we are putting together a budget we generally know at that point who is considering retiring that year.

Mr. Shewan- Sheet 43, this is an analysis for the Open Space Appropriations. It would appear the balance is \$928,000.00 less \$190 but it is not stated. Is there a reason why it is not stated?

Tom O'Hara- It is the state format on the page it is just not a requirement on the page.

Mr. Shewan- It does not require it. Is the balance \$928,633.00 less \$193.42?

Tom O'Hara- As of December 31, 2011 the balance is \$742,425.92.

Mr. Shewan – Within the same page on account number 54-375-2 other expenses appropriated for the year 2012. What does \$100,000.00 represent?

Tom O'Hara- It represents the possibility of using Open Space Funds for maintaining Open Space rather than just strictly acquisition of Open Space.

Mr. Shewan- With regard to Revenue sheet 4 -100 Anticipated Revenues and General Revenues can you just give a quick synopsis of where these additional monies are coming from? Where it is increased from \$1,364,000.00 to \$1,986,000.00?

Tom O'Hara- This is our surplus funds our fund balance at the end of 2011. These funds come through any excess revenues we received during 2011 or from any unexpended appropriations from the budget two years prior. A budgets life span in New Jersey is two years. The 2010 budget would have finally ceased to exist at the end of 2011 and any unspent funds in there goes to the fund balance.

Mr. Shewan- Sheet 14, account number 23-220-2 it states Employee Group Insurance is that medical or group insurance?

Tom O'Hara-It is medical insurance.

Mr. Shewan- With regard to the Dedicated Sewer Budget is there any emergency appropriations being made?

Tom O'Hara- There are funds budgeted through our other expense line for any possible efforts that we may need in NATCO Park.

Mr. Shewan- That is what I am referring to but why doesn't it show it here?

Tom O'Hara- It shows it under other expenses. It is on sheet 35, account 55-502.

Mr. Shewan-So it is included in the \$3,965,000.00?

Tom O'Hara- Correct.

Mr. Shewan- What does that account read since I can't see it here?

Tom O'Hara-Other expenses.

Charles Hoffman- Last year you took approximately \$400,000.00 out of the sewer account and you also forwarded to the State unfunded capital program and repair and replacement of one or two sewer pumps. Now we have a NATCO Park fiasco and that is going to cost money and I presume that is going to be charged against the sewer account. I thought that sewer funding had to be completely separate from budgetary matters and that they could not be mixed.

Tom O'Hara- He was referencing the sewer budget sir.

Mr. Hoffman- Yes but from the way you were speaking you didn't say anything about how we are going to make up that \$440,000.00 is that part of this budget?

Tom O'Hara- You are referencing the 2010 budget and there is no monies to make up. That budget was submitted in accordance with State Laws and it was reviewed by the State.

Mr. Hoffman – We still have to repair pumps so where is the money going to come from?

Tom O'Hara- The sewer funds.

Mr. Hoffman- Now we have a fiasco in NATCO Park that is going to have to be funded. According the director of the BRSA his budget will reflect a 18% reduction and I am assuming now having to make up \$440,000.00 and the fiasco with NATCO Park that we will not get a pass for 18% we will probably be

lucky if we get 12%. This is what I don't like about all this money being mixed together I think it is inappropriate. The sewer money should be in its own account with a title on it.

Tom O'Hara- It does.

Mr. Hoffman- Have we ever gotten those two pumps replaced?

Tom O'Hara- I am not sure what pumps you are talking about? That money was never designated for pump repairs from the 2010 budget.

Mr. Hoffman- I was told that was what the money was going to be used for.

Tom O'Hara- I can't speak to what you were told sir.

Mr. Hoffman- I guess someone misrepresented the facts. O.K. I am sorry.

Kevin Lavan – I was listening to Mr. Hoffman about the money and I did not see anyone helping him out.

You misled him a little because he was asking about \$438,000.00 that was taken in 2010. You didn't mention the \$250,000.00 last year in salaries and the \$361,000.00 that was giving back to this township in February and now here we are with an 18% reduction and last meeting we didn't get the reduction yet.

We are talking \$800,000.00 in a period of three years that has come back to this town and has not been given back to tax payers. I asked and you said you were going to do something and I asked

Committeeman Belasco about it he said he asks about it and never gets a comment back. Now I see here the operating budget going from \$117,000.00 to \$164,000.00. I mean what if we have a major breakdown we are dropped off in review from \$800,000.00 to \$600,000.00. Where is this money going? Where is it being used?

Tom O'Hara- The surplus?

Mr. Lavan- Yes.

Tom O'Hara- There is \$685,883.00.

Mr. Lavan- It is down \$200,000.00 from last year and we got back over \$800,000.00 without the 18% reduction.

Tom O'Hara- I don't agree with your math.

Mr. Lavan- Where is it going?

Tom O'Hara-\$439,000.00 we have been over this numerous times. It was put back in the general budget in 2010. In 2011 we implemented a program to allocate proper costs to the sewer utility for personnel that do work associated with the sewer utility.

Mr. Lavan- I do not know the Rules and Regulations as far as using DPW workers against the utility. I can see OSHA Rules yes to protect Kenny Lind because he is probably the only licensed person in town outside of Jackie Brennan. When we tried to move them to the union we were told you can't do it, it is illegal. Now all of a sudden you can put four salaried DPW workers there.

Tom O'Hara- It is a fraction of three salaries.

Mr. Lavan- You need three men to work with one man? What is their title and job?

Tom O'Hara- I don't know specific titles.

Mr. Lavan- Committeeman Belasco can you get me a read out on this?

Committeeman Belasco-Yes we will get you a read out.

Mr. Lavan- What are their titles and what they are being paid for.

Committeeman Belasco-Yes.

Jim DiNardo- Tom you just said something to Kevin about associated costs for the sewerage authority.

What are you actually charging the sewer authority for your services per year?

Tom O'Hara- 20% of my time.

Mr. DiNardo- Which equates out to what each year?

Tom O'Hara- \$16,871.25.

Mr. DiNardo- That is a pretty significant amount of money don't you think?

Tom O'Hara-I think it is appropriate.

Mr. DiNardo- I think the accountant that we hire for BRSA gets about \$17,000.00 per year. I think our budget is probably three times the size of the sewer. I think we should start looking at that. Salaries and Wages and all three township contracts on page 3b. Don't we usually put some type or form of increases in the budget every year?

Tom O'Hara- This is a new page in the budget which is added to this year's budget. The State wants municipalities to point out items in their budget that might not be consistent from one year to the next.

Mr. DiNardo- Did you put anything in for this year's budget?

Tom O'Hara- For the 2012 budget absolutely.

Mr. DiNardo-How much did you put in, what percentage?

Tom O'Hara- The PBA got a 3.0% effective March 1, 2012 and the Blue and White got a 1.75% effective January 1, 2012. This sheet acknowledges the fact that for the 2013 budget we don't know what those raises are it is a unknown going forward.

Mr. DiNardo- The Municipal Court I see you are saying the township is saving a possible \$224,000.00 they are going to save on this for the three towns.

Tom O'Hara- That is what I put for our structural analysis.

Mr. DiNardo- The \$224,000.00 is that your numbers Tom?

Tom O'Hara- That is the number I came up with based on allocation of the expenses.

Mr. DiNardo- It seems this year the court had a good year. It looks like it is \$285,000.00 they brought in. We anticipated \$240,000.00. So you are talking over \$40,000.00 above what we originally came in.

Tom O'Hara- That is what the court processes as a result of what the tickets the police write. It is a function of the police work.

Mr. DiNardo- You are talking almost a \$50,000.00 increase in tickets which is a good thing. It is a revenue increase. I would like to see how you are going to fathom maybe a \$250,000.00 on top of this. How is the Township going to make \$250,000.00 on the court room. I brought this question to you several times. That number needs to be revisited because it is farfetched.

As far as what Kevin was speaking about with the Sewer Utility I saw that the surplus did go down \$200,000.00. For what reason?

Tom O'Hara- The overall budget has decreased in the sewer utility. We are anticipating our sewer rent collections and not to exhaust our fund balance. There is an ongoing discussion regarding the discussion of lowering the rates which would reduce sewer rents so I took a proactive approach in budgeting that.

Mr. DiNardo- So you are budgeting our decrease in sewer rates.

Tom O'Hara- I am budgeting less collections.

Mr. DiNardo- Is that anticipating the budget decrease a charge to the people of Hazlet?

Tom O'Hara- It allows for if there is a decrease that we already accounted for it.

Mr. DiNardo- If not where are we going with this money. I know you received a check for \$360,000.00 from Rent Reserve and I know this year with the 18% reduction this is over \$700,000.00. That is over \$1 million dollars less this town has to outlay. You say you are lowering down the anticipation of rates for the people but you are not sitting here saying you are going to give a rate reduction.

Tom O'Hara- That decision has not been made at this time.

Deputy Mayor Sachs- One of the problems is we haven't even signed a new contract with the BRSA so I haven't seen a reduction of anything.

Mr. DiNardo- You got a reduction as of January 1, 2012 Mike your rates are down about \$700,000.00 from last year. We adopted our budget in January and you are a little over \$700,000.00.

Attorney Gorman- There is a couple of things. One there has been a reduction in the BRSA rate which reduces their bills for this year.

Mr. DiNardo- It is over \$700,000.00 Mike and we did give you a check for \$361,000.00 for Rent Reserve.

Attorney Gorman- Rent Reserve is a function of our bill so because the anticipated bill for 2012 went down there was a refund of our money of \$361,000.00. The third thing that is factoring into it is that the BRSA Agreement expires in June. We have been negotiating with the BRSA (you are not here as a representative of the BRSA?)

Mr. DiNardo- No.

Attorney Gorman- We have been negotiating with the BRSA for months and there is a letter in your packet tonight saying they are going to get us a draft of the agreement and we are waiting on that. So until such time as that is finalized we do not know what we are dealing with in terms of after June 24, 2012.

Mr. DiNardo- We have an adopted budget it is all on line anyone can read it.

Attorney Gorman- That is all subject to the existing contract.

Mr. DiNardo- You say what you want Jim I am just telling what we went through with.

Tom I am coming in to see you because I have a lot of things highlighted. My closing statement is you guys increased your budget over \$1 million this year and I want to come in and see what the last two years budgets were.

Tom O'Hara- All our budgets are on line.

Mr. DiNardo- I am having a hard time getting that budget. You are increasing the budget over \$1 million this year and I do not know what you increased it last year. Since you guys took control you have had a significant whatever you want to call it some type of layoffs you forced retirements. On the conservative time I anticipate there was a \$1.5 million dollars in salary reductions not benefits. I think before you go forward with this budget you should defer and go over this because with that type of savings we should see a tax reduction.

Motion to close hearing:

Offered Mayor Tinker 2nd Deputy Mayor Sachs

Voice vote: Yes

Action of Committee: (Adopt X)

Offered Mayor Tinker 2nd Deputy Mayor Sachs

Roll Call: Committeeman Aagre Yes Committeeman Belasco Yes

Committeeman Brady Yes Deputy Mayor Sachs Yes

Mayor Tinker Yes

Reports:

POLICE DEPARTMENT – 2011 Annual Report – 16,215 police activities reported.

DEPARTMENT OF PUBLIC WORKS – February 2012–Received and read.

TAX COLLECTOR – 2011 Annual Tax Collectors Report – Received and read.

Resolutions, Motions and Appointments:

Resolutions #81 through #90 are by Consent Agenda. All matters listed under Consent Agenda are considered to be routine by the Township Committee and will be enacted by one motion. There will be no separate discussions of these items. If discussion is desired by the Mayor or any member of the Township Committee, that item will be removed and will be considered separately. Advance copies of each resolution have been given to each Committee Member. The original resolutions are with the Municipal Clerk for inspection as listed below.

81. Refund of the overpayment of taxes for Block 194.02, Lot 9.

82. Waiver of construction permit fees for the Faith Reformed Church.

83. Issuance of Raffle License RL-3033 to Rocket Launchers Association.

84. Release of the performance guarantee for New York SMSA Limited Partnership, Verizon Wireless, Block 120, Lots 64 and 64.01.

85. Asking for the immediate restoration of funding diverted from Energy Taxes.

86. Release of the Hazlet Sewer Utility performance bond for Florence Avenue Partners, LLC (River Bend Subdivision), Block 61, Lots 8 and 13.

87. Refund of the overpayment of taxes made by Corelogic.

88. Refund of the overpayment of taxes made by Bank of America.

89. Refund of the overpayment of taxes for Block 166.09, Lot 12.02.

90. Refund of the overpayment of taxes made by TD Bank, NA.

Offered--- Committeeman Belasco 2nd Deputy Mayor Sachs

Roll Call: Committeeman Aagre Yes Committeeman Belasco Yes

Committeeman Brady Yes Deputy Mayor Sachs Yes

Mayor Tinker Yes

91. Authorizing T&M Associates to perform engineering services for Sycamore Drive.

Offered--- Deputy Mayor Sachs 2nd Committeeman Aagre

Roll Call: Committeeman Aagre Yes Committeeman Belasco Yes

Committeeman Brady Yes Deputy Mayor Sachs Yes

Mayor Tinker Yes

92. This resolution was pulled from agenda.

93. Authorizing the Clerk to advertise for the receipt of bids for a dump truck.

Offered--- Deputy Mayor Sachs 2nd Committeeman Belasco

Committeeman Belasco- I was out there on Sunday Mr. Scanlon invited me over and we looked at the lines. Where the water runs in is a mess it is like a dumping ground. I am not an engineer but if that was cleared a little bit maybe it will relieve a little bit.

Mayor Tinker- They ran the cameras and said the pipe is clear.

Mr. McFarland- There has been a lot of criminal activity over on Sycamore Drive numerous hit and runs and people are finding marijuana bags on their front lawn. It is getting crazy. I hope this can be addressed.

Charles Hoffman- You have a total police report for the year what are the statistics behind that?

Evelyn Grandi- I have the report if you would like to look at it.

Mr. Hoffman- The reason I ask is because there has been a lot of talk about merging police departments in different towns. I think it is coming but sooner or later it will happen.

Motion to close hearing:

Offered Deputy Mayor Sachs 2nd Committeeman Belasco

Voice vote: Yes

Motion to adjourn:

Offered Deputy Mayor Sachs 2nd Committeeman Belasco

Voice vote: Yes

Time: 9:00 PM