

**MOUNT LAUREL TOWNSHIP COUNCIL
WORK SESSION MEETING
JUNE 13, 2009**

A Work Session Meeting of the Mount Laurel Township Council was held on Saturday, June 13, 2009 in the Courtroom of the Mount Laurel Municipal Building. The meeting was called to order by Mayor Keenan at 8:30 a.m.

ROLL CALL

The members of Council present were Mayor Keenan, Deputy Mayor McCaffrey, Councilwomen Bobo and Riley and Councilman Smith. Also present were Acting Township Manager, Jennifer Blumenthal, Patricia Halbe, Municipal Clerk and Robert Marrone, Township Auditor

PUBLIC ANNOUNCEMENT

The Public Announcement, which is required by the "Open Public Meetings Act" of the State of New Jersey and read at every meeting of the Township Council was read by the Municipal Clerk.

2009 Budget

Acting Manager, Jennifer Blumenthal, stated that she has provided a memo that explains the three summary information sheets. It includes the original proposal previously submitted with the full school deferral and two new proposals which have no staff reductions. Proposal #2 includes using \$2.9 million of the School deferral and a 5.4-cent tax increase, which is the highest tax increase we can do without going to the Local Finance Board for a waiver.

Mr. Marrone stated that the State will not require you to defer the pension and they will address without that but are not very complimentary about applications that have come in without deferring pension. He had felt that the Local Finance Board would require the pension be deferred if applying for a waiver but they perhaps will not based on another town that is a client of his.

Ms. Blumenthal felt that if we went before the LFB, the State would be looking at significant decreases, more than we would be comfortable with. The 3rd option has a 4.9-cent tax increase and has no staff reductions but some salary/wage adjustments with a school fund deferral of \$3,079,000.

Councilwoman Bobo questioned the capital program. Ms. Blumenthal stated that all three scenarios cover the capital program. Mr. Marrone stated that \$65,000 in the capital improvement line would cover \$1.3 million in capital funding.

Councilman Smith questioned if all three scenarios have the same tax collection rate of 98.14%. Mr. Marrone indicated that they do.

Councilwoman Riley questioned the reduction of \$126,000 in salary and wages in both new options. Ms. Blumenthal replied that it was due to people being on workers comp, some of the open contracts we have and titles from people that have retired.

Deputy Mayor McCaffrey questioned if the surplus included the funds from the MUA. Ms. Blumenthal indicated that it does. He questioned if the Acting Manager was comfortable with a surplus of \$600,000. Ms. Blumenthal indicated that she is very uncomfortable with it but she is working with the department heads on initiatives to make this document financially stable but some things may not be recognized until 2010.

Councilwoman Riley asked what types of things Ms. Blumenthal could go back to department heads with since the department heads have indicated they are stretched as far as they can be. Ms. Blumenthal responded that most are ideas for generating new revenue, some of which can be implemented quickly and some in 2010.

Councilman Smith questioned how much cash is on hand in surplus. Mr. Marrone stated that in past years we have used 71% to 89% of your surplus and have had as much as

06-13-09

\$1,000,000 left over. My towns are in the same situation this year with not a lot of surplus. Ms. Blumenthal commented that it is particularly bad this year since we have a high amount of tax appeals.

Mayor Keenan questioned the tax collection rate being used and whether it was a safe number. Mr. Marrone commented that at the tax sale people would buy the liens and you will get your money paid by outside lien holders. If liens were not picked up, it would be cause for great concern but the good news is that the tax sale brings in revenue. An accelerated tax sale is also always an option.

Mayor Keenan stated that he understood that the reason that we have to have a reserve for uncollected fund is because we need to pay the other taxing entities 100% regardless of whether we collect that or not. Mr. Marrone indicated that was correct.

Mayor Keenan questioned what Ms. Blumenthal is doing to address overtime. Ms. Blumenthal responded that she has a freeze on overtime and has told the department heads that she will not be approving overtime beginning in August.

Deputy Mayor McCaffrey stated that the police department has lost 3-4 employees this year and asked if anything was being done to address that situation. Ms. Blumenthal stated that she is still using the budget that Chief Lehmann had provided before and it includes a CHRP grant for personnel. Deputy Mayor McCaffrey stated that he wanted to insure that the health and safety of the township residents is addressed.

Council members requested full copies of each scenario. Ms. Blumenthal will provide full copies from Mr. Marrone.

Councilwoman Riley asked Mr. Marrone if the Township was being fiscally stable in these three scenarios. Mr. Marrone stated that it is a tough question. We may have problems in future years replenishing the surplus and future challenges to the budget. He believes that we can fiscally and responsibly operate at least for this year. Next year you will have to look at some of the changes that Jennifer was mentioning. You never really had the issue of replenishment before because the deferral was there but it is no longer an option. You are joining the ranks of a lot of other municipalities and it is the trend that has been throughout the State.

Mayor Keenan confirmed with Ms. Blumenthal that after introduction of this budget she would begin dialoging immediately with the unions regarding our condition and planning for next year. Anything that can benefit this year would carry over to a future year.

Mayor Keenan questioned the \$65,000 for capital. Mr. Marrone stated that the \$65,000 would be the down-payment for approximately \$1.3 million in capital projects. Mayor Keenan asked if the Acting Manager had started working on the capital plan. Ms. Blumenthal responded that the last sheet she has provided has a capital plan compiled for the most emergent projects.

Mayor Keenan stated they are looking to get through this year and then immediately begin planning for next year. In the future he would like to have less reliance on the school deferral usage. He feels we are in risky territory.

Mr. Marrone stated that if we introduced on June 15th, we could advertise on July 2nd or July 9th and adopt on July 20th. We are not under the Division of Local Government review this year so we would need State approval first to adopt the budget. You will be a little late with getting out the tax bills and you may want to look at estimated tax bills.

Mayor Keenan questioned what changes to the budget after introduction would be a problem. Mr. Marrone responded that if you change an appropriation by more than 10% you need to advertise, if you put in a new item of appropriation that is more than 1% of the budget it also requires an advertisement. If you change your amount to be raised by taxation or your reserve for uncollected by more than 5%, it requires an advertisement.

06-13-09

The public hearing would be held on the budget that was introduced and then immediately make an adjustment after the hearing is done.

Mayor Keenan questioned whether Council was ready to introduce the budget this Monday. Councilwoman Riley stated she would like to review the information on Monday before the introduction of the budget so that she can determine which option she is more comfortable with. Councilwoman Bobo felt time was of the essence in adopting the budget.

Mayor Keenan stated he would go with the recommendation the \$2.9 million deferral and with a 5.4-cent increase with the comment that the Acting Manager will work with the unions. Ms. Blumenthal responded that she will be discussing temporary reductions for 2009 and she is looking at everything.

Mayor Keenan, Deputy Mayor McCaffrey, Councilwoman Bobo and Councilman Smith were all in agreement to go with option #2. Mayor Keenan commended Ms. Blumenthal on her hard work on the budget.

Ms. Blumenthal stated that since Chief Lehmann is retiring but using time first, he will be appointing an Acting chief while he is off.

Public Comments

Judy Metzger – Marlton, NJ -Stated that she wanted clarification on overtime as she gets calls in the middle of the night. Ms. Blumenthal stated that she has spoken with The Court Administrator on the matter. Mayor Keenan responded that they were referring to unnecessary overtime at the Manager's discretion since they will be asking her for justification.

Fred Braun- 104 Haines Road – Questioned if the township had any more “hidden money” put away. Mayor Keenan explained that the monies were unexpended capital funds. Mr. Marrone stated that the funds can be re-appropriated as allowed by law for other capital purposes or must be used to pay down the debt. The only other thing you can borrow for is for tax anticipation notes.

Mr. Braun asked if the township is anticipating replacement of the underdrain system in the capital budget. Mayor Keenan responded that it is not in the budget at this time. Mr. Braun stated that the Township should not allow underdrains in homes because they don't work. The Township has to address underdrain repairs.

Patty Bohinski – 41 Broadacre Drive – Asked about when budget will be available on the website. Mayor Keenan stated that it will be put on after it is adopted and is available for review in the Municipal Clerk's Office.

Ms. Bohinski also asked about the Spring Valley walkways progress. Mayor Keenan stated that the Solicitor will review the Planning Board plans and will report back to Council. Ms. Blumenthal stated that he is compiling all the information.

06-13-09

Adjournment

A motion was made by Councilman Smith and seconded by Councilwoman Bobo to adjourn the meeting. All were in favor and the meeting was adjourned at 9:38 a.m.

Respectfully submitted,

Patricia Halbe, RMC
Municipal Clerk

Transcribed by
Patricia Halbe

The minutes of this meeting are summary minutes. A copy of the tape recording of this meeting will be available in the office of the Municipal Clerk for four years.