

**MOUNT LAUREL TOWNSHIP COUNCIL
WORK SESSION MEETING
MARCH 5, 2009**

A Work Session Meeting of the Mount Laurel Township Council was held on Thursday, March 5, 2009 in the Courtroom of the Mount Laurel Municipal Building. The meeting was called to order by Mayor Keenan at 6:30 p.m.

ROLL CALL

The members of Council present were Mayor Keenan, Councilwomen Bobo and Riley and Councilman Smith. Also present were Patricia Halbe, Municipal Clerk; Debra Fourre, Township Manager; and Christopher Norman, Esq., Township Solicitor. Deputy Mayor McCaffrey was absent. Township Auditor, Robert Marrone was also present.

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 Review

The Manager stated that she has distributed to Council a memo that summarizes where we are currently with the budget, the impacts of last years budget on what we are dealing with this year, and summarizes briefly what some of the recommendations she had provided to Council on February 23, 2009. It also discusses the debt service and what we are dealing with. There is also a memo that summarizes what she had provided to Council verbally on February 23, 2009 and discusses some of the unknowns and summarizes some of the assumptions that she has made. The unknowns have not really changed since the last time they talked.

The Manager reported that Mrs. Lewis had received a call from the County that they will be billing the township \$15,000 additional in tipping fees from the period of 2002-2008. Our budget is a planning document but there are things that hit us that we do not expect that we have to prepare for. She has also provided to Mr. Marrone additional employee-based appropriations deductions that she is giving Council a copy of. She is also recommending that the MUA provide a statutorily allowed amount to the township of 5% their unrestricted balance and would recommend that a letter be sent if Council wants to move forward with that. Council authorized the Manager to send a letter to the MUA.

Ms. Fourre indicated that the date we must introduce the budget is now March 28, 2009 and extraordinary aid requests are due by April 1, 2009.

The Manager reported that the third document she is providing is an analysis of the debt service for Mount Laurel as compared to some other municipalities. We did not authorize funding of the 2007 capital that was approved but used old capital funds to reallocate priorities and there were some projects that were not completed but we did meet the priorities as expressed. In 2008 we did not do a capital program either but were still able to continue to meet Council's priorities with the capital programs. We avoided spending \$1.1 million by not going out to the market in 2007 and not authorizing additional debt in 2008. If we do not have a capital program, we could start to run into problems because our equipment is aging and Council may want to look into this for this year.

Ms. Fourre stated that she also was providing a payroll register by department. Last year, Ms. Blumenthal had put together an extensive spreadsheet by employee. Council requested that the Manager provide a list as was provided last year so that they could look at the overtime numbers.

The Township Auditor, Bob Marrone, stated he was providing information on the debt service as well as budget information including the history. He indicated that the Township is well under the 3½% statutory amount allowed for debt service and that the current debt service rate is 1.28%. Mr. Marrone reviewed the schedule of debt and

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indicated that anything that says acquisition of real property affects the open space budget and anything else would impact the township budget, such as the Laurel Knoll obligation. There are several authorizations for the Pennsauken Creek Stream Cleaning that were not funded so if it was needed, it is in place to borrow the money. There was also \$7 million from the 2007 budget that was not borrowed so nothing is owed on it. The debt services numbers are real numbers that cannot be changed. Under deferred school taxes, the 2008 and 2007 numbers are end of year numbers. The maximum deferral that was permitted by law for 2007 was \$41,277,000. \$39,419,084 has been deferred as of 12/31/07. The amount deferred for 2008 was the same. It is a decision that needs to be made by Council as to whether they want to increase the deferral for 2009 and there is \$3.5 million that could be deferred.

Ms. Halbe indicated she is aware that the Mount Laurel School District is trying to come in with no tax increase for 2009.

Mr. Marrone stated that Ms. Fourre had provided him with 2009 budget appropriation numbers which were posted on February 23, 2009 and revenues were discussed at that time based on preliminary information since the Annual Financial Statement had not been completed. EMS fees of \$600,000 were estimated and added to that budget as well as an increase in the hotel tax of \$100,000. No change in State aid was assumed and a 98.1% tax collection rate was utilized for the computation of the reserve for uncollected taxes. The AFS has now been completed and resulted in the determination of a cash surplus of \$6,800,000. They had several discussions today and looked at last year's surplus and tried to look at leaving the same amount of cash surplus of \$1,500,000 as last year. Last year there was a surplus of \$11,000,000 which included an additional amount of school taxes that were deferred. The \$6,800,000 assumes no increase in the deferral. If you want to have the same amount of surplus as last year, you would need to defer \$4,200,000 and you do not have that amount in deferred school monies. The benefit of surplus is a way to hold down your rate in future years.

Mr. Marrone explained the law regarding the use of deferred school taxes in the budget. There is a \$4,200,000 shortfall in the fund balance. Mr. Marrone stated that in his opinion this was because the township has not raised taxes enough over the years and relied on deferred school taxes. It has been determined to use \$5.3 million of the \$6.8 million in surplus. Council would need to do a resolution to allow for use of \$1.7 million more of the deferred school monies. He is providing the total numbers but could provide the line-by-line items. After discussion with the Manager, we increased the surplus to \$7,000,000 which would be a deficiency that can be done by using deferred school funds. We also have inserted \$450,000 of anticipated funds from the MUA. Last year a cancellation of capital funds was done in the amount of \$1.4 million so there is a shortfall in revenues of \$1.4 million from last year. Mr. Marrone indicated that Mrs. Lewis and he believe they have found another \$347,000 in capital funds that can be cancelled. These amounts do not include any State grants so it is a little bit deceptive. It shows that you are down \$1.6 million but it is really \$762,000 that you are down. There is a total shortfall of \$2,650,000 that equates to a \$.0766 shortfall is what has to be made up.

Mr. Marrone indicated that the appropriations were reduced by the Manager as much as she could. The cap for expenditure purposes can go up to \$26,000,000 and we are at \$24,700,000 so you are under cap by \$1.3 million so what it indicates is a large reduction in appropriations. It is merely a revenue issue. He indicated that he does not believe this budget has a lot of fat in it but you would need to go through with each department to see. The figures also show a deferral of the pension of \$906,131 so the total appropriations are at \$35,125,000 which was reduced by \$906,131 and for seeing how it would affect the budget, a two-week furlough of \$475,000 was figured.

Mayor Keenan stated that he attended a Governor's presentation on Saturday and the Governor indicated that \$427,000,000 is going to road construction to create jobs for small road projects in urban cities. The MUA had applied for some funding last year that may get funded. Mayor Keenan met with the NJDOT Director and her staff and provided her with our economic stimulus proposal. He was informed that the Route 38 & I295

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improvements are not on the State plans and not federally permitted. There is no intention to use stimulus money for a project like that. It was suggested by NJDOT that the township contact the DVRPC for funds. It does not appear that there is much money coming to the township.

Councilwoman Riley questioned if it would be more beneficial to amend our request to go in the direction that the State is appearing to go and since the County has not submitted anything yet for roads, ask the County to make a submission on behalf of Mount Laurel.

Mayor Keenan felt we could ask the County to dialogue with us regarding State roads in the township that we could get funding for. Councilwoman Riley felt that we should submit a list and then open up lines of communication to discuss it.

Mayor Keenan asked if Fran Pagurek has put in for Union Mill Road yet. Ms. Fourre indicated that he has not yet put in for it but she will be discussing it on Monday. He asked that she look at County and State Roads that could be repaired and the estimated number of jobs it could create.

Councilman Smith was concerned that these projects need to be shovel-ready in order to be funded.

Mr. Marrone stated that extraordinary aid for the State was \$15,000,000 last year and none was given to any Burlington County towns. Notification will not be received until June 30th for those towns receiving aid. He can make some inquiries to see if it is feasible for us to apply due to the extraordinary number of tax appeals expected but it is a one-time funding source.

The Manager indicated that she and Mr. Marrone had discussed using the fact that our reliance on businesses is greater than average and the extraordinary of number of tax appeals this year and also the use of deferred school monies.

Mayor Keenan questioned the furlough of two weeks that would generate \$475,000 in saving and questioned which employees would be affected. The Manager responded that it would be for every employee, in every department including the police and EMS. We may need to rely on mutual aid from other towns for EMS during that time. Mayor Keenan stated that the salary and wages in the budget are higher than the operating expenses. Council asked that the Manager ask the departments to look into any reductions that can be made in salary and wages.

Mayor Keenan reported that he has spoken with Mr. Wachter, Assistant Superintendent of the Mount Laurel Schools and the fees paid to them for sports are for custodial overtime. The Township may want to direct the teams to deal directly with the school board for gym use since we are not running the programs. Mayor Keenan also spoke to a board member of Lenape and was told that they would no longer charge us for school usage. He asked the Manager to send a letter to confirm that Lenape High School will no longer bill us for use of the high school facilities.

The Manager reported that she has been approached about the Township picking up trash curbside at Rodgers Walk and Tricia Meadows or becoming part of the MACCS program. She thought that if we could pick up those households, it could offset some of the operating revenues and limit other alternatives.

Ms. Fourre stated that Cherry Hill has contacted her to see if our construction office could do inspections until they build up their department again. Council members were concerned about the impact it would have on servicing our residents. The Manager did not feel it would affect our operation, as it is slow.

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Councilwoman Riley indicated that court operations were costing money and have been consolidated in other towns and the township may want to contact Moorestown to see if they want to enter into a shared services for court operations. Council was in agreement that the Mayor should reach out to the Moorestown Mayor to see if they have any interest.

Councilman Smith questioned if Mr. Holshue had any concerns about the workload in DCD if we assist Cherry Hill. Ms. Fourre stated that it is slow right now and Mr. Holshue is the only one licensed as a electric sub-code official so he is the only one who can do electrical plan review, but two of the inspectors are licensed as electrical inspectors so that they could switch off on going and he does not see it as a complete interruption. Mayor Keenan asked that Ms. Fourre provide by Monday night the feasibility and practicality of whether it can be done. Ms. Fourre reported that the State wants Cherry Hill to do appointment resolutions by Monday evening and a secondary resolution that would concern costs to be paid to Mount Laurel.

Mayor Keenan questioned the benefit to Mount Laurel and whether it would backlog some of the service to our residents. Ms. Fourre indicated that Mr. Holshue has indicated that it is slow right now and would not impact our permits.

Councilwoman Riley questioned if the forms were available online, could that help accommodate our residents. Ms. Fourre stated that the inspector does not inspect the forms, the sub code official and technical assistant does.

Mayor Keenan questioned whether DCD was over-staffed. Ms. Fourre indicated that the DCA did a staffing analysis last year and came back that we were appropriately staffed in 2008. She has not done an analysis for 2009 but this is traditionally a slow time. It was indicated by Council that we need to bill at the highest rate and for all related services.

Ms. Fourre will check with Mr. Norman as to whether we will need to pass a resolution. Mayor Keenan felt that all bases need to be covered and Mr. Holshue will need to sign off on it and then he could agree to it.

Public Comment

None

Adjournment

Motion to Adjourn by Councilwoman Riley and seconded by Councilwoman Bobo. All were in favor and the meeting was adjourned at 8:50 p.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.