RARITAN TOWNSHIP COMMITTEE SPECIAL MEETING
RARITAN TOWNSHIP MUNICIPAL BUILDING
TUESDAY, JANUARY 21, 2020

MEETING CALLED: Mayor Kuhl called the special meeting to order at 5:02 p.m.

ROLL CALL: The following were present: Mayor, Jeff Kuhl; Deputy Mayor, Karen Gilbert; Comm. Gary Hazard (arrived at 6:10 p.m.); Comm. Scott MacDade; Comm. Louis Reiner (arrived at 5:08 p.m.)

ALSO PRESENT: Administrator, Don Hutchins; Municipal Clerk, Lisa Fania; Chief Financial Officer, Bill Pandos

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MEETING NOTICED: Mayor Kuhl advised that the meeting was noticed in accordance with the Open Public Meetings Act, Chapter 231, P.L. 1975 January 10, 2020 to the Courier News, Hunterdon County Democrat, Star Ledger, Express Times, NJ.com and was posted on the municipal bulletin board and the Township website.

2020 BUDGET DISCUSSION #1

Administrator, Don Hutchins, presented an overview of the 2020 Municipal Budget that included the following highlights:

*.42 percent increase to tax rate

ADMINISTRATION

Salary and Wages (S/W) – $3,500.00 increase plus a $700.00 sick time buyout for Carol Barbati
Statutory increase for Mr. Hutchins, no sick time buyout

OE – slight increase due to budgeting for community day and the annual newsletter
Postage/photocopying - flat

TOWNSHIP COMMITTEE – decrease due to Mayor not taking his salary

TOWNSHIP CLERK

S/W - $3,000 increase for Lisa plus a $1,000.00 sick time buyout
2 1/4% increase for Deputy Clerk

OE – decrease as last year's budget included $14,500.00 for codification of the Township Code

At this time, Mr. Hutchins explained that employees have agreed to twelve days of sick time versus the fifteen that has been past practice. He continued that in lieu of the three extra sick days, employees would receive a one-time buyout. Mr. Hutchins further explained that non-union employees follow the bargaining unit contract that they are most closely associated with regarding benefits.

FINANCE

S/W – increases based on contract
OE – essentially flat, slight increase for Auditing due to the establishment of a Recreation Department

DATA PROCESSING

Mr. Hutchins explained that there are new expenses this year in the amount of $76,430.00 due to cyber security which includes a state requirement for the Police Department. Mr. Hutchins also advised Committee Members that the Township computers are being replaced in phases over a three to four-year period, as they all were originally purchased at the same time and the warranties are expiring. He continued that the warranties are almost as expensive as purchasing new computers.

Mr. Hutchins further explained that the plan is to offset the $76,430 cost with the $65,000.00 Comcast grant scheduled as follows: offset $30,000.00 this year; $20,000.00 next year; and $15,000.00 year three. He continued that the Township will not have to expend the full amount until year four. Mr. Hutchins added that this will not be implemented until receipt of the grant.

Committee Members raised questions and concerns regarding cyber liability protection and training for Committee Members. During the discussion Mr. Hutchins advised that the Township is required to have liability protection in addition to what the Joint Insurance Fund (JIF) provides and commented that employees receive cyber training on a regular basis from KnowB4. Mr. Hutchins to advise on Committee Member training for same. Mr. Hutchins also stated that the Finance Committee had forwarded information to Committee Member Hazard for review. Committee Member Hazard to advise.

TAX COLLECTOR

S/W- $600.00 increase above what is contractual for the Tax Collector
OE – no increase

TAX ASSESSOR

S/W – 2 ¼% increase plus sick time buyout

GENERAL LEGAL

Mr. Hutchins explained that the proposed budget is the same as 2019. He continued that the legal bills currently average approximately $4,000.00 per month versus past years at $10,000.00 to $14,000.00 per month. Mr. Hutchins further explained that OPRA litigation has driven up legal costs this year and advised that legal expenses for Affordable Housing and Open Space are expended from respective trust accounts.

ENGINEERING

S/W - increases based on contract
OE - slight $2,000.00 increase for photographic, copier supplies. Mr. Pandos advised that this amount was already accounted for in the budget and will be removed.

LOCAL HISTORIANS

Mr. Hutchins explained that this committee received a $200.00 donation and that the amount needs to be reflected in the budget in order to be utilized.

Deputy Mayor Gilbert asked if the funds could be used for something other than the bus trip/luncheon. Mr. Hutchins advised yes and clarified that the funds must be used in the current year, they cannot be banked.

PLANNING

S/W – statutory increases
OE – slight increase due to data processing costs; $4,000.00 for farmland preservation (this amount to be confirmed)

ZONING

S/W – increases based on contract
OE – $22,000.00 increase due to potential litigation for WAWA. Mr. Hutchins also explained that $9,000.00 has been included for the Township's portion of the $45,000.00 contract award to Jessica Caldwell for review of the zoning ordinances of which $36,000.00 is being offset from the County grant.

CONSTRUCTION

Mr. Hutchins explained that the Construction Code Official has requested promoting Tina Hansford to full-time status. He continued that implementing this change would result in a total annual increase of $3,000 including a reduction in overtime. Mr. Hutchins commented that the Finance Committee is okay with said request.

Mr. Hutchins further explained that OE is down in this department because all of the vehicle leases have been paid off. Mr. Hutchins advised that for future budgets, the Committee consider replacing vehicles around the seventh year one at a time to avoid a financial burden of replacing them all at once.

A brief discussion was held regarding vehicle replacement including mileage, overall condition and use by other departments. Mr. Hutchins commented that the Code Official requested a four-wheel drive vehicle and the Finance Committee denied the request at this time.

WORKER'S COMPENSATION

Mr. Hutchins commented on general liability insurance rates; lack of a rebate this year; healthcare waivers to employees of no more than $5,000.00 per year; and healthcare budget of $3.1 million. Mr. Hutchins explained that $2.7 million has been budgeted with an additional $350,000.00 in Chapter 78 reimbursement from active employee contributions plus $200,000 to the Healthcare Trust from Surplus. He continued to comment that, "this is one of the areas if we should have any additional revenue, I would recommend that we up that budget and keep money in the Trust. It is volatile, we don't know what is going to happen and you want to make sure you are protected. That will give us about $377,000.00 in the Healthcare Trust, if we don't spend any of it this year." Mr. Hutchins further commented, "I worry about the Snow Trust and this trust, they are volatile and unknown. If you take money from Surplus this year to pay a bill, you have to account for that in next year's budget right off the bat. If we find additional revenues, we would like to put money back into those trusts. It is about maintaining a nice steady budget every year. We have been at .46, .24, .009, and .42 or less this year. We were .009 last year because of Open Space, we don't have that this year. It is a comfortable budget. You don't want zero than two percent the following year. Plan ahead for pitfalls. Surplus is outstanding but we took surplus last year and this year; you are going to see a slight reduction in surplus because of this."

Committee Member Reiner suggested a $1,500.00 salary reduction for Township Committee members. Mr. Hutchins advised that a reduction in that amount would not make a difference. Deputy Mayor Gilbert expressed the opinion in opposition to such change but that if an individual request is made for a reduction that is fine.

Mr. Hutchins advised that at .42 the impact to the average home is approximately $8.65.

Committee Member Reiner also raised the possibility of reduced insurance premiums. Mr. Hutchins explained that the JIF is comprised of multiple entities; that the rates are established for all; and that the Township already receives a discounted rate.

POLICE DEPARTMENT

S/W – increase due to one additional officer and Corporal position. Mr. Hutchins commented that there are no increases this year due to sick time buyout.

Committee Member Reiner inquired about the status of overtime. Mr. Hutchins advised that overtime expenses were within last year's budget of $20,000.00 and this year $15,000.00 has been budgeted. He explained that there might be $4,000.00 or $5,000.00 in additional overtime expense, as there are about five officers that will reach the 720-hour cap, not be able to accrue additional compensatory time, and have to be paid overtime. Mr. Hutchins commented, "you are better off paying them now then twenty years later at a much higher rate. Any new officer hired is only going to be able to accrue 480 hours of compensatory time. So, overtime will slightly increase over the years as they integrate in and hit their marks. You are better off with that in the long run."

OE - Mr. Hutchins explained that the Police Chief is requesting one additional vehicle and has reduced his capital request for cameras to $125,000.00. He further explained that the vehicle request is due to transport for the Class III officers.

Mr. Hutchins added that there is an additional $10,000.00 increase in OE due to uniform cleaning expenses. He continued that Tirpok Cleaners did not bill the Township for over a year and a half and, therefore, that amount had not been included in last year's budget.

EMERGENCY MANAGEMENT

S/W – essentially flat
OE – slight increase of $900.00 for advertising and vehicle repairs

Mr. Hutchins advised of Capital requests including Nixle system and portable radios and chargers. A brief discussion was held and it was the consensus to remove $5,000.00 for the Nixle system but keep funding for the radios and chargers.

STORMWATER MANAGEMENT PLAN

Mr. Hutchins commented that no money is being used from the Stormwater Trust this year.

FLEMINGTON RARITAN FIRST AID AND RESCUE SQUAD

Mr. Hutchins advised that he had reached out to the Rescue Squad requesting that they respond if requests are different from last year. He commented that no response has been received.

FIRE COMPANY

Mr. Hutchins advised the Committee that the fire company budget is the same as last year, as representatives will be in attendance at the next budget meeting. He also advised that the Township is current with the Length of Service Awards Program (LOSAP) payments.

Five-year plan – Mr. Hutchins explained that he had advised Fire Chief, Keith Paradiso, that before any further discussions take place with the Township, he needs to inform the organization's membership of the proposal he has presented to the Township Committee. Mr. Hutchins continued that Chief Paradiso advised of doing so at the fire company's February meeting.

At this time, Committee Member Reiner suggested the possibility of budgeting annually for the purchase of a new ambulance for the Rescue Squad. Deputy Mayor Gilbert advised that the cycle for ambulance purchases has rotated between the Borough and the Township and that it is the Borough's turn. Deputy Mayor Gilbert also suggested having a discussion with the Rescue Squad about the funding and the Squad's future plans. Deputy Mayor Gilbert commented that the organization is expecting its allotment for 2020 as received in past practice and that a discussion should take place prior to any amendments.

During the discussion, Mayor Kuhl added that a new ambulance is purchased about every ten years and suggested $35,000.00 annually for future budgets.

FIRE HYDRANTS

Mr. Hutchins explained that he had researched the rates and reported that the Board of Public Utilities (BPU) establishes said rates; they are the same statewide; they will not be reduced; and that there is no intent for an increase. He further explained that he is exploring grant opportunities.

FIRE OFFICIAL

Mr. Hutchins advised that there are no changes. He further commented that Kingwood is not reflected and any funds received would be anticipated revenue.

PROSECUTOR

Mr. Hutchins advised of a slight increase due to an increase in the hourly rate to $900.00/hour which was authorized by the Township Committee in December.

[COMMITTEE MEMBER HAZARD ARRIVED AT THIS POINT]

DEPARTMENT OF PUBLIC WORKS

ROAD REPAIR MAINTENANCE

S/W – increases per contract. Mr. Hutchins explained that Public Works Superintendent has requested two new personnel, which has been denied.

OE – slight increase due to tree removal and asphalt

PEOSHA – flat

SNOW REMOVAL

S/W - kept same as for 2019; $89,000.00 expended in 2019

Mr. Hutchins commented on the importance of funding the Snow Trust. He explained that there are only two ways to fund the Snow Trust through FEMA and Surplus.

OE – Mr. Hutchins explained that the request was for $150,000.00 but $140,000.00 has been budgeted. He continued that $130,000.00 was utilized last year without touching the Snow Trust.

BUILDINGS AND GROUNDS

Mr. Hutchins advised that the request for one additional employee has been denied.

Mr. Hutchins explained the rationale for the denial of additional personnel is due to the fact that the Department did not have its full complement of twenty-two employees until November 2019. He advised that the Department is in a good place with current staffing.

OE - flat

EQUIPMENT/VEHICLE MAINTENANCE

Mr. Hutchins advised of utilization of $30,000.00 from the recycling tonnage grant.

PARK MAINTENANCE

S/W – increases per contract offset through Clean Communities Grant.

RECYCLING

S/W – Mr. Hutchins explained that salary and wages are offset with the Recycling Trust in the amount of $52,000.00 and $20,000.00 for overtime for a total of $72,000.00. Mr. Hutchins advised against offsetting this budget any further with the tonnage grant, as it is unknown whether the new amount will remain at $137,000.00.

OE – all comes from the tonnage grant

MUNICIPAL SERVICES ACT – no change

BOARD OF HEALTH

S/W – increase per contract

PARKS AND RECREATION

Mr. Hutchins commented, "that is one that will not hurt you in future years if you want to look to reduce your budget further. If we get certification from the Auditor that we get $50,000.00 or $60,000.00 and Mr. Pandos certifies those funds, it can then be used as anticipated revenue. However, funds expended to date this year will need to be deducted from that amount."

ACCUMULATED SICK LEAVE

Mr. Hutchins advised of a $50,000.00 increase. Mr. Pandos explained that $50,000.00 remains and that he was budgeting $100,000.00 for 2020, however, a payment of $40,000.00 is to be made in another week. He also advised that he knows of no further sick time payouts for 2020 at this time. Mr. Hutchins commented that his sick time payout will be approximately $35,000.00 in 2021.

COMMUNITY GARDEN

$500.00

UTILITIES

Mr. Hutchins advised of a slight increase due to receipt of 2019 bills in the first quarter of 2020.

SOLID WASTE - flat

RECYCLING TAX

Mr. Hutchins advised of a slight increase due to the volume now collected

MUNICIPAL COURT

S/W - statutory increases
OE - down

RETIREMENT SYSTEM

PFRS over $1 million
Everyone else is $538,000.00

DEFINED CONTRIBUTION

Mr. Hutchins explained that this relates to employees who earn over $135,000.00 per year.

At this time, Mr. Hutchins advised of a $2,000.00 increase plus sick time buyout for Kristi Gano due to her increased responsibilities in the HR department.

Mr. Hutchins summarized that the budget has been reduced by $11,000.00 and will be reflected in the documents at the next budget meeting.

CAPITAL BUDGET – Mr. Hutchins referred to his memo and commented that discussion will take place at the next budget meeting.

Mr. Hutchins advised Committee Members that he and Mr. Pandos are recommending the purchase in full for the fire truck versus financing over a period of time. He continued, "we are going to refinance this year…if you spread out the payments $2.9 million this year, $2.9 million year two, that is two years at almost $3 million without reducing debt. You will automatically be making principal payments and paying down debt as a result of purchasing outright and the refinancing."

Next meeting February 4, 2020 at 5:00 p.m.

PRIVILEGE OF THE FLOOR

There was no public in attendance.

ADJOURNMENT

Mayor Kuhl asked for a motion to adjourn the meeting.
Motion by Mayor Kuhl, seconded by Reiner
MOTION UNANIMOUSLY CARRIED

Meeting adjourned at 6:35 p.m.

Respectfully submitted,

Lisa Fania

Lisa Fania, RMC
Township Clerk