

FLORENCE TOWNSHIP COUNCIL EXECUTIVE SESSION

May 12, 2010

8:00PM

CALL TO ORDER & FLAG SALUTE

Council President O'Hara called the meeting to order and led the Salute to the Flag.

SUNSHINE STATEMENT

The Opening Statement was read: Notice of this meeting has been given in accordance with the Open Public Meetings Act. Notice was published in the Burlington County Times on January 10, 2010; given to the Register News for information; posted on the municipal bulletin board.

ROLL CALL

Present: Frank Baldorossi, Sean Ryan, Jerry Sandusky, David Woolston, Dennis O'Hara

Also Present: Mayor William Berry; Richard A. Brook, Township Administrator; Thomas Sahol, Assistant Municipal Administrator; William John Kearns, Jr., Township Solicitor; Joy M. Weiler, Township Clerk

PUBLIC COMMENT

Marilee Ryan, 13 Ticonderoga Drive, Bordentown, stated that she owns a home at 835 W. Third Street, Florence. She rents the property out and in the beginning of February she received a notice from the renters that there were critters in their ceiling that they thought were coming in from the adjoining house, whose gutter was falling apart and it appeared there was a hole that they were getting into. Ms. Ryan contacted that township and asked that it be inspected. She did not hear back after two (2) weeks and contacted that township again and was told it had not been inspected yet but thought they may get out to inspect in a few days. Ms. Ryan waited another two (2) weeks and came back but did not get any answers. Finally, she was told that they had inspected and that there is a problem and she would be notified as to what they are going to do. Ms. Ryan stated that she waited six (6) more weeks and did not hear anything. She contacted Council Member Sandusky, who made a few calls for her. Ms. Ryan thanked Council Member Sandusky. Ms. Ryan stated that they started to take action and sent a letter to the adjoining property. In the meantime there is a lot of damage to her side of the house, the renters have refused to pay the rent because the ceiling is falling down where the critter is chewing. Ms. Ryan believes it is a health issue. Administrator Brook acknowledged that the Construction Code Office did not respond in a timely matter and apologized for the slow response. Administrator Brook stated that once the property was inspected, a formal notice was sent to the property owner by regular and certified mail; the certified mail was not signed for but as far as they know the regular mail did get there. The Construction Code Official, Tom Layou, also followed up with an address in Bordentown. Administrator Brook believes they are very close to the date where they are able to issue a citation to court to the property owner. Administrator Brook apologized to Ms. Ryan for the delay. Administrator Brook explained that once a citation is issued there is an automatic appearance before the judge. The property owner will be required to hire an exterminator to be sure the animal is gone before boarding up the hole. Ms. Ryan stated that she did not receive a copy of the formal violation notice. Administrator Brook will fax a copy to her first thing in the morning. Ms. Ryan noted that the rain is now getting in the hole and has damaged some of the renter's property. She asked what could be done about that? Administrator Brook stated that when the citation is issued it will be noted for the judge that there has been damage to the property due to the adjacent property owner's inaction and ask the prosecutor (if he can) to incorporate that as part of the fine or restitution.

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All residents having an opportunity to be heard, MOTION by Baldorossi; seconded by Sandusky to close the public portion of the meeting. All ayes - motion carried.

ACTION

RESOLUTIONS

RESOLUTION NO. 2010-110

**RESOLUTION OF THE TOWNSHIP OF FLORENCE
MAKING APPLICATION TO THE LOCAL FINANCE BOARD
TAX LEVY WAIVER APPLICATION
PURSUANT TO N.J.S.A 40A:4-45.47**

RESOLUTION NO. 2010-111

INTRODUCE 2010 MUNICIPAL BUDGET

RESOLUTION NO. 2010-112

**RESOLUTION STATING REASONS WHY 2010 BUDGET
IS BEING INTRODUCED BEYOND MARCH 31, 2010**

Administrator Brook explained that the State of New Jersey has imposed a tax cap levy or a maximum amount that a municipality can raise by taxation. When the process began the amount he initially thought the township would have to raise by taxation was \$4.9 million. The amount the township actually raised last year was \$3,920,856. The state comes along and says the most Florence Township can raise, as far as the tax levy, is \$3,634,602, a difference of almost \$1.3 million, which is a massive amount, even with everything that was done with respect to cuts and the revenue. After numerous meetings with Township Council and the Township Auditor, we reached a point where we are tonight. Administrator Brook stated that after all that has been done as far as layoffs, eliminating the Patriotic Celebration, approaching all three (3) unions and receiving concessions willingly in many areas, not filling vacant positions and looking ahead to the year 2011, which leaves many in this business very worried, and figure out how to get through the rest of this year without more layoffs. Administrator Brook explained what is being introduced this evening is a proposed levy of \$4,208,437, the actual State imposed levy or the amount allowed to be raised from taxation was altered some and went up to \$3,711,017. The township will be requesting a waiver from the State in the amount of \$497,000. The difference in what the township raised last year and what they are proposing to raise this year is \$287,000. The approximate rate increase would be \$.0237.

Administrator Brook explained that the township went through a voluntary reassessment. The township was not mandated to do one but was on the verge of being mandated to do a reassessment. He explained that in a reassessment the overall value of the town almost doubles which reduces the tax rate. It does not necessarily mean that a property owner will pay less in taxes; some will stay the same, some will go down and others will increase. This year the average assessment is \$229,500. For the public's knowledge, Administrator Brook explained that the township entered this year with a surplus of \$1,439,000; the township decided to use \$1,250,000 of that, which is a massive amount to use. There have been significant decreases all the way around and the township will apply for a

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tax cap waiver in the amount of \$497,000. On the waiver application the efforts Florence Township has taken to control costs have been outlined and quantified. Administrator Brook gave an overview of some of the cost saving actions the township has taken.

Administrator Brook explained that there are four (4) major factors that come into play that wreak havoc on municipal budgets everywhere: a significant drop in revenue, surplus is noticeably down, a massive reduction in the state aid and the tax cap levy. When all four (4) of those come together, even though Florence Township has reduced its overall spending by well in excess of \$1.0 million, it is still very difficult to balance the budget without some form of exceeding the cap waiver.

Administrator Brook stated that the budget is being introduced this evening so the township can take advantage of applying for a cap waiver tomorrow. When applying for a cap waiver the state requires the municipality to submit significant amount of financial data along with a detailed narrative of what everything the municipality has done to control its cost.

Administrator Brook thanked the employees and the unions for their willingness to step in and help.

Council President O'Hara stated that the Mayor and entire Council took this year's budget very seriously; everyone put a tremendous amount of time and effort to bring the budget to the point it is at today. He acknowledged the unions and staff for freezing wages and paying into their health benefits.

Mayor Berry echoed Council President O'Hara's comments that there was a lot of time and effort put into the budget by Administration and Council. He noted that there was a lot of heartache also. None of the decisions were taken lightly and he expressed his appreciation for the support of Council and Administrator Brook, who worked together in the best interests of Florence Township.

Council President O'Hara announced that the public hearing and adoption date for the 2010 Municipal Budget is set for June 16, 2010. Administrator Brook noted that the state advised him that there are well over 200 municipalities in the state that have not introduced their budgets. He stated that the state may be slow in reviewing the budgets and the state has indicated that there may be postponements in actual adoption dates; the public hearing can still be held on that date.

Council President O'Hara thanked, Jack Maley, Township Auditor, for his assistance in preparation of the budget.

It was on the MOTION of Sandusky, seconded by Baldorossi to approve Resolution No. 2010-110 through 2010-112.

On the Question

Nothing at this time.

Upon roll call Council voted as follows

YEAS: Baldorossi, Ryan, Sandusky, Woolston, O'Hara

NOES: None

ABSENT: None

Unanimous approval.

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APPLICATIONS

RAFFLE: Off Premise Awarding Merchandise, Parish of Sts. Francis & Clare, July 11, 2010, 4:00PM, McGrath Hall

It was on the MOTION of Sandusky, seconded by Ryan to approve the above application.

On the Question

Nothing at this time.

Upon roll call Council voted as follows

YEAS: Baldorossi, Ryan, Sandusky, Woolston

NOES: None

ABSENT: None

ABSTAINED: O'Hara Motion carries.

TOWNSHIP AUDITOR: 2009 AUDIT REVIEW & RECOMMENDATIONS

John J. Maley, Jr., Township Auditor, reviewed the 2009 Audit. He discussed the following:

- Assets of General Funds
- Liabilities of General Funds
- Fund Balance
- Revenues for the year
- Expenditures for the year
- Surplus
- Added Assessments
- Trust Fund
- General Capital Debt
- Water & Sewer Fund Balance
- Water & Sewer Revenues and Expenditures

Mr. Maley gave an overview of how surplus is generated.

Mr. Maley discussed his findings and recommendations. Council is required to approve a Resolution to be filed with the DCA indicating that they are familiar with the findings and recommendations. There was one finding, Third Party Payroll Disbursements:

Criteria: Internal controls should be adequate to assure payroll transactions are accurately and timely processed and disbursed to the proper agencies, all in accordance with N.J.A.C. 5:30-17.

Condition: The third party disbursing agent for payroll taxes filed for bankruptcy during 2009 and criminal charges were filed against the owners for alleged theft of client payroll funds. Florence Township is at risk for unpaid payroll taxes amounting to \$76,089. The township entered into an installment agreement with the IRS to pay all unpaid taxes.

Effect: Payroll taxes were not paid timely resulting in an assessment of payroll tax penalties and a potential loss of payroll taxes amounting to \$76,089. It is expected that the IRS will accept the township's offer and compromise to eliminate penalties and interest.

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Cause: Non-compliance with the provisions of N.J.A.C. 5:30-17, addressing internal controls of the third party payroll disbursements. Council President O'Hara asked what the controls could be implemented over a third party? Mr. Maley suggested that, after each payroll, the CFO go online and check with each agency that is due a payment to be sure their payment was received. Administrator Brook indicated that the internal policy has been implemented in writing and is being performed after each payroll.

Recommendation: Internal controls of the third party payroll disbursements should be assessed and established to assure that the payroll transactions are accurately and timely disbursed to proper agencies.

Management Response: Responsible officials are in agreement with the finding and indicated that internal controls have been reviewed and approved to avoid a similar situation. Mr. Maley is confident a problem like this will not occur again.

Administrator Brook explained to the public that this is a company called Ameripay that has bilked municipalities out of millions of dollars. The state issued a bulletin giving municipalities advice on what to do.

Council President O'Hara questioned the time frame between the completion of payroll and the time the third party is supposed to pay the individual agencies? Mr. Maley stated it is generally three (3) days.

Mr. Maley noted that there were no findings in the Municipal Court Office.

The governing body thanked Mr. Maley.

TOWNSHIP WATER AND SEWER ENGINEER

Belt Filter Press

Russell Trice, Township Water and Sewer Engineer, stated that the Belt Filter Press Pre-Construction meeting was held. It is a 210-day contract, which makes November 18th the contract completion date. He received the shop drawings for the belt filter press and conveyor. It is moving along quickly and there are no problems to report.

TOWNSHIP ENGINEER

Library Door Quotes Reviewed

Dan Guzzi, Township Engineer, explained that the Community Development Block Grant (CDBG) was broken up into two (2) projects. The first project is the replacement of the library doors to accessible automatic doors and related work around the doors. Mr. Guzzi explained that the project is a quote project because it is under the bid threshold. Mr. Guzzi recommends the lowest bidder, Levy Construction, which came in under the estimate. A Resolution will be prepared for next week's meeting.

Sidewalk Ramps Project Bids Reviewed

Mr. Guzzi stated that the second part of the CDBG project is the sidewalk ramp project (replace sidewalk and curbing at intersections to create barrier free sidewalk ramps). Mr. Guzzi recommends

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the low bidder, Earle Asphalt Company, which also came in under the estimate. Assistant Administrator Sahol stated that there is approximately \$26,000 left and recommends additional barrier free removals. He noted that they do not have much time and barrier free removals have the fastest approval process. A Resolution will be prepared for next week's meeting.

ASSISTANT MUNICIPAL ADMINISTRATOR

Softball Facilities Policy

Assistant Administrator Sahol stated that all of the interested parties met and resolved the outstanding issues.

Council President O'Hara stated that when he arrived this evening, there was no game taking place but they were doing field maintenance with all of the lights on. He asked that it be reinforced that they only use one (1) set of lights when doing field maintenance. Assistant Administrator Sahol did notice that and will contact the league again.

Council Vice President Baldorossi stated that there is a Baseball Association meeting this coming Sunday and will pass on Council's concern regarding use of the lights.

Griffin Pipe: Redevelopment Investigation

Assistant Administrator Sahol provided a map detailing the area that is being investigated as an area in need of redevelopment that the county prepared for the township. Council President O'Hara questioned the Craft Stewart project property. Assistant Administrator Sahol stated that property is excluded from the Redevelopment Plan, which is a good decision since it will ultimately have an end use.

Administrator Brook stated that the County believes the entire Griffin Pipe property is eligible to be designated as an area in need of redevelopment under the statutes. If a developer were interested in developing the site, Council would have full control over the zoning, establishment and buffer; there would be no interpretation as to what it could be. The next step is to go to the county and ask them to send the full plan to the governing body; come in before the governing body and the Planning Board; then move forward with the statutory requirements for adoption. It requires notices being sent out to the public and a formal public hearing; it also has to be sent to the Planning Board for their recommendation. Council Members are in agreement to move forward.

Draft Fee Ordinance

Assistant Administrator Sahol provided a copy of the Draft Fee Ordinance. He asked that introduction of the Ordinance be placed on the Agenda for next week's meeting. Council Vice President Baldorossi asked if the increase in the recreation fees should take effect with the next sports registration? After discussing, Council Members are in agreement to keep the effective date 12/31/10.

ABC LICENSE RENEWALS: REVIEW

Joy Weiler, Township Clerk, stated that she contacted the two (2) license owners that Council wanted to meet with. They will attend next week's Closed Session at 7:00PM. Clerk Weiler also confirmed in writing with the license owners.

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Clerk Weiler provided an overview of the fees and the state requirements for ABC Licenses. Florence Township's fees are somewhat lower than the state allows. The last time the fees were reviewed was in 2004 and they were reduced at that time.

Council Member Sandusky discussed active licenses versus inactive and pocket licenses. Since the active license holder is working hard to make a living and the inactive and pocket license holders are holding licenses for an investment, he feels the fee should be higher for them. Solicitor Kearns stated the state sets a maximum and the municipality cannot go over it. He will call the State ABC, but does not believe the municipality can charge a higher fee for an inactive and/or pocket license. Council President O'Hara agrees with Council Member Sandusky. Council Member Sandusky asked Clerk Weiler to contact four (4) or five (5) municipalities in the area to see how many inactive and pocket licenses they are holding and their license fees for a comparison.

Solicitor Kearns explained that Florence Township has more ABC licenses than statutorily allowed, so once a license is forfeited the township cannot get it back.

Clerk Weiler explained that there is new legislation stating that licenses that have expired in the past five (5) years can be reinstated after paying the fees. Florence Township does not have any that fall into that category.

In response to Council Vice President Baldorossi, Clerk Weiler provided the number of licenses in Florence Township for each license type:

- Distribution 4
- Consumption 10
- Club 5

Discussion followed regarding the tough economic times the inactive and pocket license holders are facing; some have Planning Board approval but are having a difficult time obtaining financing.

RECESS

9:20PM MOTION by Sandusky, seconded by Baldorossi to adjourn to Closed Session. Roll call vote - all ayes.

REGULAR SESSION RESUMED

10:15PM MOTION by Ryan, seconded by Sandusky to resume Regular Session. Roll call vote – all ayes.

FLORENCE TOWNSHIP SCHOOL BOARD BUDGET

Council Member Ryan reported that the School Board touched on a couple different areas where they are considering making modifications; they are offering \$.01. The School Board indicated that if Council was willing to consider a \$.01 cut, they would get back to Council with the specific line items they will be reducing.

Mayor Berry stressed not to make suggestions on cuts that would go over a limit that would impact the "Thorough & Efficient Education", where the school board can appeal the suggested cuts or dollar amounts to the Department of Education and have that appeal upheld. Since the appeal would

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come at a later time, it may put the township in a situation where the amount of the tax rate that was cut would have to be doubled in the following year to make up for it.

Mayor Berry gave an overview of where the School Board is looking at making cuts:

- Will not defer water and sewer payments (previously considered)
- Adjustment in Workers Compensation
- All middle school sports
- Co-curriculum clubs in the high school (would keep National Honor Society, Yearbook Advisor, Student Council and Class Advisors)
- One (1) teaching position is being eliminated, which is TV & Film (already included in budget that the public voted on)
- Eliminating use of school property other than school related functions
- Looking at outsourcing bussing and janitorial services

Council Member Ryan noted that the School Board is purchasing three (3) busses this year. Mayor Berry explained that, by state statute, once a bus is twelve (12) years old, the school must purchase new.

Council President O'Hara asked why not an administrative position? Mayor Berry explained that if they were to cut an administrative position it would be the Assistant Principal at the Riverfront School, which is a necessary position. Council Member Ryan believes the public is going to voice their concern over the lack of administrative cuts.

Council Member Sandusky asked how much the School Board has in surplus? Mayor Berry explained that \$790,000 was cut in this current budget year. It was taken by the state cutting the school's state aid and telling the school to take the remaining money they need out of their surplus. The State has also cut \$1.4 million going into next year. Mayor Berry also explained that they do not know a definite surplus figure until the end of June; they can only make a projection.

Discussion followed regarding Thorough & Efficient Education. The School Board can accept a dollar amount from Township Council but they do not have to accept the line item Township Council recommends. In the School Board Budget \$.01 comes to \$234,500.

Council Member Sandusky would like to ask the School Board to find more than a \$.01 cut.

10:35PM MOTION by Woolston, seconded by Sandusky to adjourn meeting. Roll call vote – all ayes.

ADJOURNMENT

10:35PM: Meeting adjourned.

Respectfully submitted,

JOY M. WEILER, RMC/MMC
Township Clerk

/mab