

## **FLORENCE TOWNSHIP COUNCIL EXECUTIVE SESSION**

**August 8, 2012**

**8:00PM**

### **CALL TO ORDER & FLAG SALUTE**

Council President Sandusky called the meeting to order and led the Salute to the Flag.

Council President Sandusky asked that everyone remain standing for a moment of silence for former Superintendent of Schools George Murphy who passed away.

### **SUNSHINE STATEMENT**

The Opening Statement was read by the Township Clerk: Notice was sent to the Register News for information on 1-5-12; posted on the municipal bulletin board on 1-5-12 & placed on the web-site; sent on 12-21-11 to the Burlington Co. Times for publication on 1-8-12, but due to the newspaper's error, the notice was not published until 1-11-12.

### **ROLL CALL**

Present: Frank Baldorossi, Ted Lovenduski, David Woolston, Jerry Sandusky

Absent: Paul Ostrander (on vacation)

Also present: Mayor Craig H. Wilkie; Richard A. Brook, Township Administrator; Thomas A. Sahol, Assistant Administrator; Anthony Drollas, Jr., Township Solicitor; Joy M. Weiler, Township Clerk

### **PUBLIC COMMENTS**

Council President Sandusky opened the meeting to the public. Seeing no one wishing to be heard, it was on the MOTION of Woolston, seconded by Lovenduski to close the public portion. Roll call vote - all ayes. Motion carried.

### **Joint Insurance Renewal: Presentation and Discussion**

Administrator Brook introduced Paul Forlenza, the Deputy Executive Director of the Burlington County Joint Insurance Fund (JIF). He is Florence Township's primary contact with the Insurance Fund. Administrator Brook said Florence has been a member since 1991. He asked that Mr. Forlenza provide an overview so that everyone understands how the program works. He said the JIF is always on the cutting edge and looking toward the future. It is constantly pushing training, education and working as a group and he stated Florence has seen the benefits in Florence Township over the years.

Mr. Forlenza thanked Mayor and Council for inviting him. He said the JIF has been around for twenty-one years. He said there have been a lot of changes in elected officials and board members and there have been a lot of retirements during those years. Those familiar with the system are no longer there. As a result, the JIF has made an effort to visit municipalities to discuss what the JIF does and how it works. He referred to a handout given to Mayor and Council. First, he noted, a JIF is not a for profit company.

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Legislation was created authorizing two or more municipalities to join together to self-insure their interests for worker's compensation, casualty and liability coverage. He said the JIF is regulated by the State of New Jersey, much like the municipality. What makes it different than a regular insurance company is that Florence Township owns a portion of the JIF. He said the results speak for themselves. He said the joint insurance movement has saved the taxpayers of New Jersey more than \$800,000,000 since the mid-1980's; it is a good track record. He noted that right now there are twenty-four county municipalities in the program. The makeup of these municipalities is very diverse. He said Mr. Brook attends the JIF meetings where the trends, losses, and state of the fund are discussed. He said the JIF is reviewed and fund representatives have the opportunity to discuss any problems or changes. The professionals are local so if there is a problem, the township can immediately receive the services it needs. He realizes the municipality is trying to do a lot with limited resources and there are training programs in place to help make the township's job easier. He said the JIF tries to help municipalities stay in compliance with ever changing statutes and regulations.

Mr. Forlenza continued by discussing special programs offered through the JIF. He said the JIF is a member of the New Jersey Municipal Excess Liability Joint Insurance Fund (MEL) made up of nineteen JIFs from all over the state. They cover an excess of four hundred municipalities and eighty-five utility authorities. The MEL provides a program called the MEL Safety Institute (MSI) that offers courses across the state of New Jersey. There are courses on a variety of topics. There are also technology advancements available for tracking required training. There is also a safety budget and safety incentive program that provides a cash award at the end of the year for following safe practices. There is a helpline for employment law and there is training for managers and supervisors. There are also training programs for elected officials and specialized training for police officers.

Mr. Forlenza said the coverage is very strong and it is interpreted to benefit the members. He said the limits are high and are structured to protect the integrity of the JIF. He said claims are reviewed by peers and are used as lessons to learn.

Administrator Brook stated the fireworks are an example of something covered by the JIF. He said a contract is sent to the JIF for review to be sure that it protects the township from liability if something happens. Mr. Forlenza said there was a horrible accident with fireworks at another town and a lawsuit ensued. The JIF learned that any language in a contract would have to hold the contractor responsible. He said risk management is a big piece. The contract review is a service to the municipality to be sure everything is worded the right way and that all the right documents are in place. He stated there is a strong oversight program in place. There is a good structured set of subcommittees. All decisions are made by municipal representatives to the JIF. He noted that the JIF will also work with communities that are not going in the right direction and try to guide them.

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Mr. Forlenza said in 2011 there was barely an increase in the budget and in 2012 there was no increase. He said the loss funding for 2013 is going up 2.3%. When you consider the fact that a great deal of the budget is for loss funding that is used to pay worker's compensation and these costs are driven by health insurance costs, it says that everyone is doing a really good job.

He presented a case study of Springfield Township demonstrating the savings the municipality realized while members of JIF. He said the JIF will not always be the cheapest. The goal is coverage stability and pricing stability over the long haul. He said it is not good to be in the hard and soft market of insurance, it really makes a mess of municipal budgets.

Mr. Forlenza explained that the JIF returned almost five million dollars back to the members. That is money that would have been insurance company profits. He said Florence Township has received \$686,469 back from the JIF since it became a member. He said the JIF is financially stable. It has about eleven million dollars on hand and about 4.8 million dollars in surplus. He said it has been returning surplus since 1995. He said all of this is a result of the members doing a good job. He noted that there are other JIFs, but over the long term they will not get you money back. He said the township is doing a great job and he referred to the 2012 member update that shows the township standing. He advised that Florence Township is doing very well and he said the assessment for the township will probably be reduced.

Mayor Wilkie asked what the township's liability coverage amount was? Mr. Forlenza said it is automatically five million dollars. Mayor Wilkie said he remembers that before the JIF Florence could not get a million dollars in coverage. He said that was many years ago but it was unheard of.

Administrator Brook said that Florence Township was one of the first ten municipalities to join the JIF. He said it worked out extremely well and Joseph McHugh actually encouraged the township to join. Mr. McHugh saw the way insurance was going for municipalities.

### **Township Auditor: Review 2011 Audit**

John J. Maley, Township Auditor, said the township will be required to pass a Resolution regarding the Audit Report. He referred Mayor and Council to the balance sheet of the general fund. It shows the total assets of the township as of December 31, 2011 as \$6,605,464.92. The next page shows the liabilities payable against those assets totaling \$4,336,646.96. He said the biggest part of that is the tax anticipation notes payable for \$3,500,000.00. This was a note issued in 2011 to help with cash flow needs which were paid off in early 2012. He said when you remove the liabilities from the cash and other assets, there is a surplus of \$1,415,792.34. That is what is available for the subsequent year's budget. He said in 2012, \$1,050,000.00 was used in the budget. He stated it is a sizeable amount that might lead to some challenges for 2013. He reviewed the statement of operations and the total revenues and expenditures. He said the excess is \$1,215,311.03 but it includes surplus that was budgeted as revenue. He recommended the members review the detailed budget statement that has line items. This is what Administrator Brook uses to start the budget process for the year.

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Mr. Maley then discussed the Water & Sewer Utility financial statement. He said it is separate from the general fund statements. The operating fund showed a balance of \$1,217,371.71. He said the liabilities were \$591,784.77 leaving a surplus balance of \$644,896.43. He said just about half of that was used to balance the 2012 budget. Mr. Maley said it could present challenges for 2013 budget.

The Township Auditor advised that the numbers he just reviewed were the important ones and were what Mayor and Council needed to know going forward. It appears looking at the numbers that 2013 could be a difficult year.

He said a municipal audit is comprised of more than just looking at the numbers. He said there are compliance requirements. Mr. Maley noted there are laws that must be followed and these are tested to be sure the township is in compliance. He said there were no problems with compliance issues and there was one finding that needed to be addressed. He explained that there was an over expenditure in a budget line item. He said the recommendation is that this should be avoided. Mr. Maley explained that the township will need to create and implement a corrective action plan. He said the overage was in debt service in the Water and Sewer fund. The Township Auditor noted that it was not a major finding and it has been corrected but it had to be mentioned. He said only one finding is very good, and the financial end is running smoothly. He advised Mayor and Council that the budget is the most important document.

Administrator Brook explained the process of the audit in the Municipal Offices and how the auditors perform the annual audit.

### **Water & Sewer Engineer**

Nothing at this time.

### **Township Engineer**

#### **2011 CDBG: Ocean Excavating, Current Estimate No. 2; Change Order No. 1**

Assistant Administrator Sahol explained this is an order for the work that has been completed to date. He said the work was for sidewalks throughout the community. The work was done well and there has been positive feedback.

#### **K. Hovnanian, Estates at Crossroads: Release Maintenance Bond for Sign**

Administrator Brook said that this request is for a sign that was installed at Crossroads. A Resolution is on the agenda for the regular session tonight.

#### **K. Hovnanian, Estates at Crossroads: Deny Release of Performance Bond**

Administrator Brook said that the report from Engineer Dan Guzzi indicated the builder is not near being ready for the township to release the bond.

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### **Renewable Energy: Code Recommendations**

Administrator Brook explained that Barbara Fegley, the Township Planner, is working on drafting regulations and standards. He said there should be something to review and consider at a meeting in September.

### **ABC Transfer (Review): Sandor's to Day**

Clerk Weiler explained that it is going to be put on HOLD for this evening. The background check was completed and the required fees were paid but there is no Tax Clearance Certificate at this time. The applicant understands that the certificate is required for the transfer to be approved. The matter will be on the September 5<sup>th</sup> Agenda.

### **Chapter 41 of the Code: Animals**

Administrator Brook explained that there is a dispute that is growing and it needs to be confronted and worked out. He said the issue is the curbing of cats and dogs in the public right-of-way. He said normally if someone walks their dog and it relieves itself in the area between the curb and sidewalk the owner would dispose of it. He said there is a particular area where there are neighbor disputes. One side of the argument is that a person has the right to walk their dog in the public right-of-way and clean up after the dog, if the need arises. The other side of the argument is saying that you do not have the right to walk your dog between the curb and the sidewalk, you can't cross that area, and your dog can only relieve itself on your property. The Administrator read the Municipal Code in question. The issues to be decided are if someone has the right to walk the dog on the sidewalk and can the dog be walked on the area between the sidewalk and the curb? He said his opinion is that it is permissible. The next issue is do you need to force someone to walk in the street to "curb" the dog? He said he feels this does not make sense because it is dangerous. Administrator Brook asked if council was in agreement that an animal can use the grass area as long as the owner picks up after it?

Solicitor Drollas said he doesn't think the intent of the code is to walk dogs in the street. He interprets it to mean the real issue is that owners need to clean up after the animal.

Discussion was made on the issue and all were in agreement that as long as people are cleaning up after their pets, walking them on the sidewalk is permitted.

Administrator Brook said there is another problem with animals regarding livestock. He said the ordinance dealing with livestock is outdated. He said it regulates animals that are allowed on certain size properties. He said the definition of units is different for the type of animals, for instance one unit of sheep is five sheep, and a unit of chickens is twenty chickens. He said he is finding animals that would not normally be seen at a regular residence but because of the acreage it is permissible. Administrator Brook attributes it to different cultures and customs. He advised that the code can be updated or it can remain the same. The Administrator asked that Mayor and Council review it at a later date.

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Solicitor Drollas advised that there should be buffers between those with a large number of animals and a residential area.

Assistant Administrator Sahol explained that the ordinance was created before there was any real build out in the area known as the "country." He said at that time the ordinance worked well. He stated now that there are subdivisions with large properties, the ordinance does not work. He suggested revisiting the definition of units.

Administrator Brook said there was a property that has an offensive odor because of the animals. He said the code needs to be changed to be more rational.

Council President Sandusky asked if the Board of Health could assist? Administrator Brook explained that if the Board of Health has to keep visiting the same property, they can seize the animals.

It was agreed that a draft will be prepared for review.

Assistant Administrator Sahol said he wanted to add something to the Resolution for the auction. He said there has been a problem with children playing behind the bushes in front of the former Dufy School. He would like to add the bushes to the auction with the stipulation that the purchaser must remove them. It was agreed that the bushes would be added to the Resolution for approval tonight at the meeting to follow.

A Motion was made by Baldorossi; seconded by Woolston to adjourn. Roll call vote - all ayes. Motion carried.

### **ADJOURNMENT**

9:07 PM: Meeting adjourned.

Respectfully submitted,

JOY M. WEILER, RMC/MMC  
Township Clerk

/aek