

**READINGTON TOWNSHIP COMMITTEE
BUDGET MEETING – April 17, 2013**

Mayor Allen *calls the meeting to order at 8:30 a.m.* announcing that all laws governing the Open Public Meetings Act have been met and that this meeting has been duly advertised.

PRESENT: Mayor J. Allen, Deputy B. Muir, Mr. T. Auriemma, Mrs. B. Fort, Mr. F. Gatti

ALSO PRESENT: Administrator V. Mekovetz, Chief Financial Officer T. Carro,
Director of Public Works Scott Jesseman, Chief Sebastian Donaruma

ABSENT: None

Mayor Allen led those present in the *Salute to the Flag*.

PUBLIC COMMENT

There were none.

2013 BUDGET DISCUSSIONS

Mayor Allen stated that based on the budget projections for 2013 there is a serious revenue drop therefore in addition to a raise in the tax rate, there are plans to make cuts across the board to balance the expenses.

Administrator Mekovetz stated that there are some potential sources that have been identified but advised that some of these are considered *at risk revenues*. Administrator Mekovetz continued that several recommendations from Committee members were received regarding cuts in services and personnel areas. Administrator Mekovetz began with the Housing Trust, stating that there is a recommendation to put \$130,000 towards the revenue side; however, encouraged that these funds be replaced and in addition to a suggestion to take half of the \$60,000 balance in the Museum Trust fund. Administrator Mekovetz continued that on the initial budget proposal, the anticipated revenue from Construction Code was \$410,000, although it is permitted to meet the prior year's revenue of \$448,000 therefore recommended adjusting the revenue side to add an additional \$38,000. Mr. Gatti agreed that he is fairly confident that the Township should be able to generate the amount of revenue that was generated last year based on the activity around the Township.

Administrator Mekovetz relayed the suggestions from Committee members to cut hours or close the recycling center to reduce duplication of services, reflecting a savings of approximately \$10,000. Mayor Allen stated that one decision is whether or not the recycling should accept co-mingled. Director Jesseman stated that the four commodities at the recycling center provide redundancy of services to curb side pickup. The Committee requested additional information on the policy of Raritan Valley Disposal picking up cardboard. Mayor Allen articulated that there is an agreement among the Committee to also reduce the number of Saturdays that the Recycling Center is open. The Committee concurred on revising the schedule of the Recycling Center to the 1st and 3rd Saturdays of the month, with hours from 8:30-12:30.

Administrator Mekovetz continued that the item in the budget for road repair and maintenance was listed for \$100,000. Mayor Allen stated the Township needs to look at the cost of borrowing against the cost of other alternatives which involves a long term discussion and currently, it is important the money for the roads should remain.

Administrator Mekovetz reported that she was in discussion with the Director of Public Works, Scott Jesseman regarding the street sweeping. Director Jesseman advised that the street sweeping is a maintenance issue and advises that if this is not done, the buildup settles into the catch basins. Mrs. Muir stated that she was against street sweeping the entire township. Director Jesseman stated that it is mandated that street sweeping be done in commercial areas on a monthly basis.

A MOTION was made by Mr. Gatti to keep the street sweeping, seconded by Mr. Auriemma and on Roll Call vote the following was recorded:

Mr. Auriemma - Aye
Mrs. Fort - Aye
Mr. Gatti - Aye
Mrs. Muir - Nay
Mayor Allen - Aye

Administrator Mekovetz stated that in her discussion with the Chief of Police, there is an \$80,000 line item for vehicles and it was suggested to eliminate or reduce that number for this year only. Chief Donaruma reported that since the department was able to purchase a vehicle with DEA funds this past year, the department would be able to function without a new patrol vehicle this year; however, the following year would need to replace four (4) vehicles. A discussion took place on the replacement and life expectancy of police vehicles

A MOTION was made by Mrs. Fort to reduce the operating line item to \$25,000 for one (1) patrol vehicle, seconded by Mrs. Muir and on Roll Call vote the following was recorded:

Mr. Auriemma - Aye
Mrs. Fort - Aye
Mr. Gatti - Aye
Mrs. Muir - Aye
Mayor Allen - Aye

Chief Donaruma reported that he discussed with the prosecutor's office the possibility of their assistance with detective work in Readington until the recent vacancy is filled. The Committee discussed the impact of shared services with the County. Chief Donaruma stated that he was fairly confident that the vacant position could be postponed until August if things remain status quo in the department. Chief Donaruma stressed the importance of filling the vacancy and also briefly explained the alternate route hiring process. Mrs. Muir countered that holding off until August would still effect the budget for this year, pointing out the significance of savings for six months. Chief Donaruma advised the Committee that the amount saved would be flat after the overtime has been paid out to a patrolman to take on the additional responsibility of the vacant detective position. Chief Donaruma provided that a trainee could be introduced at a lower salary. Administrator Mekovetz added that even if the hiring is delayed, the savings would equate to \$50,000 to \$60,000. Mayor Allen pointed out that the increase in police salaries collectively with no change in personnel based on the step system, raises the tax rate .005 cent, and although there always is a breakage in the salary when a new police officer is brought on, it is a short term benefit because it is absorbed so quickly by the raises through the step system.

Mr. Gatti reported that on average the Readington Township police salaries, overtime and operating budget are 5% lower than any other Township year after year, doing 20% more calls and cautioned on the effect on an overworked police department. Administrator Mekovetz added that in all departments, the requirements of additional paper has trickled down to the municipalities based on state mandates with no additional funding. Mrs. Fort offered a compromise of delaying the hiring of an officer until January 1st with the understanding that the vacancy will be filled. Mr. Gatti disagreed, reiterating that the savings do not outweigh the need at this point in time.

The Committee convened for a break at 10:25 a.m.

The meeting reconvened at 10:45 a.m.

Chief Donaruma expressed that it is more important for him to fill the vacant position as opposed to obtaining a new vehicle. Mr. Auriemma questioned whether the discussion had morphed from delaying the hiring process to eliminating the position. Mayor Allen stated that she wanted to make it clear that at this time that the discussion is merely to delay until August or January. Mrs. Muir wanted an approximation as to cost of the car versus the cost of the entire package, including benefits and pension, of a police officer's salary. Mr. Gatti reminded the Committee that health and pension benefits are now being paid therefore it is a tradeoff. Mayor Allen stated that as a whole part of the budget process, it is necessary to review multiple minor effects that will add up on the budget, pointing out that there are large numbers to deal with. Mr. Gatti responded that the large numbers that the Township is dealing with is due to debt service, representing the largest component (17%) of the budget, which is higher than other Township or the County.

Mr. Gatti further stated that with regard to the Police Department, we are dealing with an essential

service of safety and the Chief of Police has come forward willing to eliminate the one granted vehicle in lieu of a person to fill a vacancy to serve the Township. Mr. Gatti continued that delaying the hiring process would be such a small impact and although he wants the Committee to understand that looking to cut the rate, he is not at the point where he is ready to cut the rate, even though \$263,000 has been identified for this year, since whatever is not used would flow into the following years as surplus, creating a need to raise less in the future. Mr. Gatti maintained that trying to save this one year is the exact view that got the Township into trouble in 2011 since everything was done to achieve a zero increase in 2011, setting the Township on the path we are on today, in spite of the warnings. Mr. Gatti reiterated that the Chief has provided a solution, the health care cost and pension are a tradeoff to the point where it will most likely be less costly, there will be respite in time for at least a month, equating to savings at a higher rate and there is an opportunity to save \$10,000 which will be lost if we delay. Mrs. Muir stated that she would like to bring in more revenues into the Township and apply those revenues to the departments that serve the community the most. Mr. Gatti alerted the Committee that looking at next year's budget will already be a deficit of \$300,000 for FEMA money, therefore he sees no relief on debt service, interest rates are at risk and beyond that he does not see any relief with things we are faced with in 2015 resulting in a decision of impacting services in the police department. Mayor Allen stated that as a result of this serious situation, she is looking to make changes to generate savings this year and next. Mr. Auriemma replied that he was in agreement with Mayor Allen with making small changes; however, the impact of those changes varies --- saving \$10,000 by giving up recycling is fine but saving money which impacts safety of the residents is something different.

A MOTION was made by Mr. Gatti to continue with the hiring process to replace the recent vacancy in hopes to identify the replacement and hire sometime after August 1st, seconded by Mr. Auriemma contingent upon no purchase of a patrol vehicle in 2013 and on Roll Call vote the following was recorded:

Mr. Auriemma	- Aye
Mrs. Fort	- Nay
Mr. Gatti	- Aye
Mrs. Muir	- Nay
Mayor Allen	- Nay

A MOTION was made by Mr. Gatti to allow the Chief to proceed with hiring a replacement for the recent vacancy scheduled to depart May 1st after December 31, 2013, seconded by Mrs. Fort and on Roll Call vote the following was recorded:

Mr. Auriemma	- Aye
Mrs. Fort	- Aye
Mr. Gatti	- Aye
Mrs. Muir	- Aye
Mayor Allen	- Aye

Administrator Mekovetz continued with the suggestion to reduce the operating budget of the Museums. Mr. Gatti informed that this has been one of the few sources where we have been able to draw monies from to balance the budget in November with certain lines item for transfers therefore recommended leaving the line item and the Committee was in agreement with leaving the line item as proposed.

Administrator Mekovetz discussed the operating budgets of emergency services. Mr. Gatti opined that the equal distribution of aid provided to emergency services was wrong and recommended that each company should be looked at individually. Mr. Auriemma agreed and relayed that certain companies are getting direct aid from our Township in addition to supplemental aid from other Townships. It was determined that this would be further reviewed in the coming months and at this time a recommended 2% cut would be made for all emergency services.

A MOTION was made by Mrs. Fort to cut the total emergency services budget by 2%, seconded by Mrs. Muir and on Roll Call vote the following was recorded:

Mr. Auriemma	- Nay
Mrs. Fort	- Aye

Administrator Mekovetz added that the Parade was another suggestion provided to her. Mayor Allen stated that the Township wants a parade but wondered if there was a way to adjust the expenditure number. Mr. Gatti stated although there is nothing to be done about it this year, it should be discussed for the future on how to increase the donations or possibly alternate the years.

Administrator Mekovetz reported that based on a brief conversation with Attorney Dragan there may be some complications to disposing of an affordable housing property and lastly, stated that the Auditor made a suggestion of increasing the sewer fees towards the end of the year.

EXECUTIVE SESSION:

Clerk read the following Resolution:

RESOLUTION
EXECUTIVE SESSION

WHEREAS, N.J.S.A. 10:4-6 *et seq.*, the Open Public Meetings Act, permits the exclusion of the public from a meeting in certain circumstances; and

WHEREAS, the Township Committee is of the opinion that such circumstances presently exist and desires to authorize the exclusion of the public from the portion of the meeting in accordance with the act;

NOW, THEREFORE, BE IT RESOLVED by the Township Committee of the Township of Readington, County of Hunterdon, State of New Jersey as follows:

1. The public shall be excluded from discussion of and action upon the specified subject matter as set forth in the following Exhibit "A":

EXHIBIT A

<u>Subject Matter</u>	<u>Basis of Public Exclusion</u>	<u>Date Anticipated When Disclosed to Public</u>
Personnel Matters.....	Personnel.....	Certain information at the discretion of the Township Committee tonight... Other information will remain confidential

It is anticipated at this time that the stated subject matter will be made public on or about the time set forth in Exhibit "A".

2. This Resolution shall take effect immediately.

A MOTION was made by Mrs. Muir to adopt this resolution, seconded by Mr. Auriemma with a vote of ayes all, nays none recorded.

The meeting went into Executive Session at 12:00 p.m.

The meeting reconvened at 12:15 p.m.

Deputy Mayor Muir announced that the following business was completed during Executive Session:

Personnel Matters/Personnel

Deputy Mayor Muir stated that this matter remains in Executive Session.

As there was no further business, ***A MOTION*** was made at 12:15 p.m. by Mrs. Fort to adjourn the

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meeting, seconded by Mr. Gatti with a vote of ayes all, nays none recorded.

Respectfully Submitted:

Vita Mekovetz, RMC/MMC/QPA
Administrator/Municipal Clerk