

**TOWNSHIP OF BLAIRSTOWN  
TOWNSHIP COMMITTEE  
BUDGET WORKSHOP MEETING  
Wednesday, February 27, 2019  
M I N U T E S**

Budget Workshop Meeting began at 5:30 p.m.

**OPENING: ROLL CALL**

The meeting was called to order by Mayor Lance at 5:30 pm. Those present were Mr. Moorhead, Mr. Sikkes, Mrs. Van Valkenburg, and Mayor Lance. Mrs. Waldron was absent. Also present was Clerk Leidner.

The **FLAG SALUTE** was conducted.

**SUNSHINE STATEMENT**

Mayor Lance read the following statement: Notice of this meeting has been sent to two newspapers of general circulation in which notice was given of the date, time, place and general agenda in accordance with the Open Public Meetings Act. This agenda is subject to change by order of the Blairstown Township Committee before and/or during this scheduled meeting.

**MEETING PURPOSE** - The purpose of this meeting is the budget discussion.

**BUDGET RECOMMENDATIONS** Blairstown CFO, Christine Rolef, had a sub-committee meeting to discuss the budget with Mayor Lance and Deputy Mayor Van Valkenburg on February 22.

Resultant from the sub-committee meeting were recommendations to address the overage in the budget. There is a 3.5% cap over last year's expenditures. We are roughly \$54,000.00 over the cap.

The recommendations and ensuing discussions are as follows to the budget:

1. **2% increase in Salary and Wages** - All S&W lines (excluding Police).
  - a. Mayor Lance expounded that 2% is the standard increase.
  
2. **Increase in Unemployment \$15,000.** Mrs. Rolef detailed the following areas in which the Township has been responsible for paying unemployment:
  - a. **Temporary Seasonal Employees:** Part time seasonal employees filed for unemployment costing the Township \$23,000.00 over and above their salaries for summer employment from April to December 2018 that amounted to \$27,000.00 for lawn mowing. The CFO recommends we seek out high school students and/or go out for proposal with outside vendors. Lawn mowing services does not have to be at prevailing wage. The vendor will need to hold a NJ Business Registration Certificate and provide proof of insurance.

- b. **Crossing Guards:** The crossing guards have been submitting for unemployment during the summer and whenever school is not in session. To mitigate this issue, it is recommended that this position be eliminated by the Township and be picked up by the Elementary School.
- c. **Former employees:** The Township currently has one former employee receiving unemployment that after leaving Blairstown they got another job, but Blairstown is still responsible to pay unemployment.

3. **Elimination of Paid Deputy OEM Position ( Effective 4/01)**

- a. The three other Deputy OEM positions are volunteer.
- b. Cost savings will be \$3,100 for this year

Mayor Lance noted that these are recommendations to help reduce the budget, they are not set in stone.

Christine Rolef, CFO went on to explain the **Tax Levy Cap**

There is a calculation from the State where you take your total appropriations from the prior year and you less out reserve for uncollected taxes, any grants, deferred charges, capital improvements, and debt. Once they are removed, you come out with a number. The State allows you to increase your budget 3.5%. That 3.5% is final. You can petition with the State of NJ if you would like to exceed it but according to our auditors we would not be granted a waiver. Anything that increases in one area in our operating budget, must be decreased in another area of the operating budget.

Anything in the operating we are at 100% maximum, if there are any changes to these recommendations there needs to be something to offset that change.

Mrs. Rolef also explained that budgeting for salt affects the budget. Included in the salt budget is the \$25,000.00 for private road reimbursement for snow removal. This usually ranges from \$35,000 to \$40,000. We have had Reserve for Snow Trust where she can offset some of that cost. After the 2018 snow season that Trust was depleted. If this year the cost for reimbursement to private roads is over the \$25,000.00 the remaining amount will come out of Street and Roads O/E which would affect what the road department can do in the spring or an emergency will have to be declared which will need to be paid back in next year's budget.

Mayor Lance explained that in the past we were under the opinion that the Township was required to do this reimbursement for private road snow plowing. Our present counsel disagrees and says we are not responsible. Mayor Lance said that we cannot just remove the benefit to the private roads but should phase it out. He canvassed other towns and found out that we are the only town that is providing this service to private roads. The Township Committee all agreed that Mayor Lance that this is not something that should be sprung on the residents on private roads but done as a phase out. Mayor Lance is of the opinion that we should cap the reimbursement at \$25,000.00 this year.

Mrs. Van Valkenburg noted that if the Township Committee will be phasing out the reimbursement to private roads for snow removal communicating the phase out to the homeowners on private roads is the key.

**4. Increase OEM Operating Budget \$2,000 and \$15,000 within Capital Section**

OEM back in March of 2018, submitted a list of wants and needs. The main object was the generator, which we should have by the end of this year. The new top items are above ground fuel tanks. Nick Mohr explained that we need to have at least 500-1,000 gallons of diesel, and 250-300 gallons of gasoline as a buffer before we have to go on to anything else. We need to supply four ambulances, a rescue truck, seven fire trucks, the DPW fleet, and Police Department with fuel. In March we can add loaders, chippers and chainsaws to the need.

Eric Usinowicz suggested that it be kept in the old recycle yard with shelter provided. Mr. Mohr said that the only alternative is to provide a fleet card that can be used at multiple gas stations, or, as the County urged, a purchase card.

Mayor Lance questioned what the cost of the above ground fuel tanks would be as well as environmental regulations. Mr. Mohr said that he understands there are exemptions for anything under 1,000 gallons but is not sure of the details at this point.

The construction of a shelter would be incorporated within the \$15,000.00 budget.

**5. Contribution to EMS decreased to Zero**

- a. This was the final phase out year for EMS. Several years ago they came to us and said that with the way they run the paid squad, that each year we would reduce our contribution to them. Last year the contribution was \$13,000.00 and this year we took the final step and it was a complete reduction.

**6. Elimination of Fire Officer Salaries**

- a. Two paid Custodians of Fire Houses remain budgeted. They handle building maintenance, the maintenance of fire trucks, etc. The total salary amount is \$2,900.00

**7. Decrease in Contribution to Fire Department Other Expense to \$20,000**

- a. \$6,000 was added in the Capital Section - Reserve for Purchase of Fire Department Equipment
- b. Mayor Lance asked if this amount included the air packs. Mrs. Rolef explained that the air packs are a capital item and so they are not included in this.

**8. Elimination of Crossing Guards Position (effective 6/30)**

- a. According to Mayor Lance, Police Chief Johnsen is against eliminating both crossing guard positions. He wants to keep the crossing guard position on

Stillwater Road. The position is \$17,000.00 plus unemployment for both. Overall the cost would be about \$23,000.00.

- b. Statutorily we are not required to keep crossing guards through the Police Department. Mrs. Van Valkenburg suggested we send a letter to the Elementary School telling them that they need to fund this as they are working on their budget now.

## 9. Capital

- a. Mrs. Rolef stated that the DPW budget is set at \$160,000.00. We know that \$60,000 is going towards salt alone. That leaves \$100,000.00 for potholes, cold patch and all . It is a very tight budget and over half of that is spent already. Mrs. Van Valkenburg expressed concerned that there is enough of funding to cover overtime expenses that may be incurred in November/December 2019.

We had \$40,000 incorporated into the budget for DPW overtime. We are currently at \$23,000. Mrs. Rolef expressed that she feels that we will be okay. If something did come up, we could declare an emergency.

- b. Included within the Capital Portion of the Budget:
  - i. Capital Improvement Fund - \$80,000.00
    - 1. \$30,000 raised in this year's budget, \$50,000 offset by General Capital Receivable. The Capital Improvement Fund is where our Capital Ordinances come from. A 5% down payment is due by law. This comes from State Aid, reserve, or most commonly through the Capital Ordinance Fund. When you cancel an ordinance, lingering money goes into a capital fund balance. You are supposed to fund your ordinances through Capital Improvement Funds.
  - ii. Reserve for Fire Equipment - \$6,000.00
    - 1. To start building up the fund for future fire equipment.
  - iii. Repairs to Salt Shed - \$5,000.00
    - 1. Last year one of the corners bent out and was fixed. However, the pressure affected another area of the shed and now the structure is compromised.
  - iv. Improvements to Various Roads – \$150,000.00
    - 1. DPW Acting Supervisor, Eric Usinowicz, feels we can cover four roads with oil and stone with 1" leveling for this amount.
  - v. OEM Equipment: Fuel Tanks and Portable Generators – \$15,000.00

## 10. Land-Use

- a. The Land Use budget is \$9,000.00. Mrs. Van Valkenburg asked if the Master Plan was included in the budget. Mrs. Rolef spoke to Chairman, Jim Sikkes, who said that the Master Plan could be revised rather than a new one being created. This was under the advice of their attorney, Roger Thomas.

## **11. Pension**

- a. PFRS – Police Fire Retirement System. The numbers shown are based on 2017 wages, meaning that next year they will increase significantly.
- b. PERS – Everyone else beside the Police Department are included in this. Because the State did not make their share, the Township has to make up their share. The employees are making contributions to this.

## **12. Municipal Court**

- a. We do not know at this time how much money should be paid here but are basing our amount on past year's payments.

## **13. Attorney Fees**

- a. Mrs. Van Valkenburg stated that we have saved a lot of money in attorney fees by switching attorneys last year.

## **14. Zoning**

- a. Zoning is charging higher fees for signs, permits which will bring in more money.
- b. Vacant and Abandoned Property registrations continue to bring in revenue.
- c. We are putting roughly 10 properties out for sale and 3 properties for sale in Green Acres.
- d. We are at a 98.42% collection rate. There were 223K delinquents and roughly \$80k so far of the \$223k has been collected.

## **15. Taxes**

- a. ACH - The online tax payment program is going well. We are up to \$40k-\$50k taxes, we do not accept credit cards.

## **16. Fire Department Air Packs**

- a. Mr. Sikkes expressed concern that the \$6,000.00 budgeted to the Fire Department will not be enough. Mrs. Van Valkenburg said that we cannot just spend whatever we want when there are other towns that are using our Fire Department. Mayor Lance stated that there are several non-profits that he understands are going to be making donations.

Mrs. Van Valkenburg asked how many air packs go into the fire. Fire Chief Cal Inscho explained that rationale does not apply as there are NFPA Standards which state that 29 air packs are required by law. The Fire Department is actually only requesting 21 air packs. Mayor Lance stated that we have to buy the air packs and they will be funded by a Capital Ordinance.

## **17. Revenues**

- a. Deferred School Taxes – Schools are on a fiscal year of July 1 – June 30. Municipalities are on a calendar year of January 1 – December 31. So there is always a lapse in the school's levy and what is payable by the Township. We are collecting money in advance to anticipate the money in our budget. Every time the school tax increases, it is like money in the bank for us. There is no money exchanged, but rather our fund balance is increased.

We had approximately \$1.2M and in 2017 we opted to use \$65k. Last year we brought over \$149,755. This year nothing is proposed yet, it is done by resolution.

To date, the un-audited fund balance is \$864k and change, this year is projected to be \$815k. It is about a \$50k decrease in fund balance. Mrs. Rolef stated that right now we are using more surplus than we actually have. Mayor Lance suggests taking at least \$200k out of school tax deferral.

- 18. Open Space Mrs. Rolef asked if we could increase tax** because we use a lot of maintenance cost via Open Space. Recreation uses Open Space. There is roughly \$40k unallocated. Everything we are committed to is in the balance. Total Blairstown assessments are in the area of \$700M. If you were to reduce that overall tax bill, you would have to get \$70M in new construction.

There is currently \$145k committed to Belcher Road. Original plans included extensive drainage work and widening the corner. The Mayor stated that he would be satisfied at present with just an overlay from the S-curve down to Cedar Lake Road. Mrs. Rolef suggested to do a fully funded Capital Ordinance for 10/15 to go along with the DOT grant.

Heller Hill Road, Phase 1, there is an application pending. We should know in March or April from the DOT when they start releasing the grants. This part of the project is from Edgehill to Union Brick. Mrs. Van Valkenburg wanted to know if we are going to do a 3.5 cent tax for roads. Mr. Moorhead asked if we found out if we can make a dedicated tax for roads. Mayor Lance replied that we cannot.

Mr. Moorhead recommended that we do one major road a year rather than attempting to do all the roads at one time. Mrs. Van Valkenburg said that we could bond and pay back a portion of the money each year. Mr. Usinowicz stated that we have to also maintain the roads that have been done.

Software to back up FACEBOOK:

- a. Captain Johnsen was made aware of software that costs \$2,400/year for a service that backs up the Township Facebook page, this includes the Police Department's page. This purchase will be considered at a later date.

**19. SwiftReach**

- a. Due to the rising costs and limitations of Nixle, Chief Johnsen would like to migrate to tip411 from CitizenObserver, LLC. We have about 1700 mobile users on Nixle and 935 get e-mails from Nixle. Tip411 can allow for reporting of potholes and anonymous reporting. The cost for Nixle is currently \$3,200/year, whilst the cost of tip411 is \$4,800 for two years with a contract.

- b. According to Mr. Mohr, we have not had a paid Nixle account for several years, and actually had migrated to SwiftReach due to Nixle's rising costs. SwiftReach is available to us on the County level, however it is limited and Chief Johnsen has chosen to go with tip411.
- c. Mrs. Van Valkenburg suggested that we have a large, neon, message board such as what she has seen in Morris County, for communicating emergencies.

### **Public Comment**

**Fred Cook** – 4 Corners Road, Blairstown - asked when the proposed tax increase would take place.

Mayor Lance replied that it would likely be in 2020.

Mrs. Van Valkenburg said that the Township would have a 3.5 cents tax to pay back the bond that will be specifically used for the roads, and the remaining would be for general appropriations and the surplus.

Mr. Cook asked how much we could get from that tax in 2019. Mayor Lance said that we are looking at about raising about \$250k in 2019 for road improvements. Mr. Cook expressed that he would like to see a final decision in April on whether we are or are not having a tax.

**Calvin Inscho** asked what would be changed in the Fire Capital Budget. Mrs. Rolef said that there will be \$20k in the Operating Budget, and \$6k for the Capital Reserve.

### **ADJOURNMENT**

As there were no further comments from the public, Mr. Moorhead made a motion to adjourn the meeting, which was seconded by Mr. Sikkes. All members voted in favor. The meeting was adjourned at 7:23 pm.

Submitted by:

Lori Nienstedt  
Deputy Clerk