

APPROVED AS AMENDED: June 14, 2010

WEST WINDSOR TOWNSHIP COUNCIL
BUDGET WORK SESSION #3
May 10, 2010

CALL TO ORDER: Vice President Geevers called the meeting to order at 7:05 p.m.

STATEMENT OF ADEQUATE NOTICE

This is to advise that the notice requirement provided for in the "Open Public Meetings Act" has been satisfied. Notice of this meeting was properly given and transmitted to The Times and Princeton Packet; filed with the Clerk of the Municipality; and posted in the West Windsor Township Municipal Building at North Post and Clarksville Roads on May 4, 2010.

ATTENDEES: President: Borek (arrived at 7:20 p.m.); Vice President: Geevers; Council: Ciccone, Khanna, Morgan (left at 11:20 p.m.); Business Administrator: Hary; Chief Financial Officer: Louth; Township Clerk: Young

SALUTE TO THE FLAG

Ms. Young led the salute to the flag.

PUBLIC COMMENT

None.

SALARY AND WAGES

Mr. Hary noted that there is a .43 percent increase in the salary and wage line item for 2010. He commented that there are a few open positions that will not be filled. Mr. Hary advised that the Township is in the second year of a two-year contract for the Blue and White Collar Unions and that he is in negotiations with the uniform personnel.

Ms. Geevers inquired about the \$500,000 used for overtime in 2009 and commented that if 10% would be cut, that would be a savings of \$50,000. She suggested wage freezes for 2010, payment of 1.5% for health benefits to start immediately, and to re-examine work hours and schedules to reduce overtime.

Ms. Ciccone suggested that overtime be eliminated altogether except for emergencies and snow removal. She requested that department heads be creative with their work hours, that wage freezes be considered, a 19 workday a month be examined, and reduce seasonal or part-time non-essential workers to avoid layoffs. She also suggested reducing outside consultant usage and to utilize flexible or flat fees for contracts.

Mr. Khanna noted that he has difficulty making these kinds of budget decisions without data to back it up.

Mr. Hary noted that most of the overtime is contractual and commented that Public Works is already behind on their leaf and brush pickup due to the recent storms. He advised that flex time could reduce overtime and noted that it will be discussed during Union negotiations.

Ms. Geevers suggested that evaluations should be done department by department to determine the need for each employee and for the usage of Professional Services Contracts to subcontract work.

Mr. Borek spoke about a change in legislation that would mandate the budget be adopted before the year begins.

Mr. Morgan inquired about what additional information Mr. Khanna needs because Council has been asking for data that to date they have not received.

Mr. Hary advised that Administration will not be gathering information that is time consuming unless there is a unanimous vote of Council.

Mr. Morgan asked what the target is to replenish the surplus and also noted his support for the elimination of non-emergency overtime, and the elimination of the Council and Mayor's salaries for 2010. He advised that a tougher stance must be taken when negotiating with the Unions.

REVENUES

Ms. Louth noted that several grants have been received along with a "take back" to one of the revenue lines and a line item for the inclusion of unemployment insurance was added. She briefly reviewed the revenues for 2010.

Mr. Morgan inquired about the \$4.4 million in the fund balance. He asked about the projected end of year numbers and the items that would drive that end of year fund balance number.

Ms. Louth explained that the fund balance is the cash on hand at the end of the year used to pay the beginning of the next year's expenses. She continued to discuss the usage of the fund balance and its replenishment. Ms. Louth noted that the Township is nearing full build-out and it will be difficult to replenish the fund balance because of the lack of new ratables. She explained that the finances need to be kept as stable as possible to maintain the services. Ms. Louth noted that 2007 to 2008 was the turning point for replenishment of the fund balance.

Mr. Morgan asked Administration about getting some of the answers to his questions and the assumptions he posed.

Ms. Ciccone noted that the budget is currently above the 2.5 percent hard cap that may be imposed for 2011. She commented on how much harder it will be next year to stay within cap and suggested using some of the fund balance to assist in achieving a zero increase budget for 2010.

Mr. Morgan asked for the Standard and Poor's percentage of 15% to be substituted for the 19% currently being used to see the effect it would have on the budget.

Mr. Hary advised that a reduction of \$1.64 million would be needed to reach a zero percent tax increase.

Mr. Borek noted that in November, the Township voters will have the opportunity to go to the polls and vote on the 2.5% hard cap. He commented that the community will already know how much the Township is suffering and how hard it would be on the community if that cap were to be adopted.

Ms. Louth advised that if Council were to reduce the budget by one penny, it would be an approximate savings of \$5 per household. She noted that what Administration is proposing is a 2.7 penny increase to the average residential household.

CLOSED SESSION

Ms. Young read the closed session resolution into the record:

WHEREAS, N.J.S.A. 10:4-12 allows for a Public Body to go into closed session during a Public Meeting, and

WHEREAS, the Township Council of West Windsor has deemed it necessary to go into closed session to discuss certain matters which are exempted from the public; and

WHEREAS, the regular meeting of this Township Council will reconvene; and

WHEREAS, the below stated subject matter shall be made available at such time as the issues discussed therein are resolved and its disclosure would not subvert any particular exception for convening a closed session.

NOW, THEREFORE, BE IT RESOLVED that the Township Council of the Township of West Windsor will go into closed session for the following reason(s) as outlined in N.J.S.A. 10:4-12: For the purpose of discussions regarding Union contract negotiations, personnel and potential litigation.

Motion to go into closed session at 8:30 p.m.: Geevers

Second: Ciccone

VV: All ayes

MEETING RECONVENED

Council came out of closed session at 9:46 p.m. and requested a 5-minute break. The Budget Work Session reconvened at 9:50 p.m.

WRAP-UP DISCUSSIONS

Council and Administration discussed options and alternatives for reducing the Municipal Budget.

Some of Council's suggestions for reductions were:

- Elimination of all non-essential overtime
- One furlough day a month
- Elimination of all part-time non-essential personnel
- Elimination of travel allowances
- Negotiating Professional Services Agreements with either flexible rates or flat fees
- Eliminate outside contracts for land maintenance
- 5-10% reduction in each department's budget
- Elected officials wave their salaries for 2010

Motion to eliminate Council and Mayor salaries for 2010: Morgan

Second: Borek

RCV: NAY Ciccone

NAY Geevers

NAY Khanna

aye Morgan

NAY Borek

The motion did not pass.

Mr. Khanna advised that furlough days and the elimination of part-time employees could increase the overtime budget.

Mr. Borek also noted that there could be Union contract implications that Administration would need to review.

Mr. Morgan suggested the elimination of travel allowance.

Mr. Hary explained that the per mile mileage rate would cost the Township more than the contractual travel amount of \$250 per month.

Ms. Louth also noted that monthly travel costs are taxable income. Mr. Morgan disagreed with Ms. Louth's statement regarding travel costs.

Mr. Hary spoke of the opportunity to begin to review Professional Services Agreements to explore alternative billing rates.

Ms. Geevers suggested reducing the line item used to pay various attorneys for the Township.

Ms. Ciccone suggested eliminating all non-essential overtime, elimination or reduction of contracts for open space maintenance, all Professional Services Agreements should reflect revised retainer fees, and the remaining cost saving should be found by utilizing the balance fund.

Ms. Ciccone suggested the implementation of the following items to effect cost savings for 2011:

- One day a week trash pickup
- Continue the Energy Audits for the Municipal Buildings
- Solar Panels for the Municipal Buildings
- Increase Shared Services
- One-year wage freeze
- Increases thereafter would be equivalent to the increases in the economy
- Elimination of the right of first refusal for overtime
- One day a month furlough

Mr. Geevers offered the following suggestions to lower the 2010 budget numbers:

- Reduction in attorney fees by a specific amount
- Consolidate positions such as Administrative Assistants
- Elimination of all part-time non-essential employees
- 1.5% health benefits payment by all employees
- Freeze of salaries
- Eliminate all non-essential overtime
- One furlough day a month/one furlough day a week

Mr. Morgan suggested reducing the surplus from 19% to 15%. He asked for the numbers to be run to see the outcome of such a scenario.

Mr. Borek inquired about the Affordable Housing Liaison position.

Mr. Hary noted that it is currently vacant because it was a position he held last year prior to accepting the Business

Administrator's position. He advised that he will not be filling this position.

Mr. Borek inquired about seasonal help and asked if they could continue to work with Public Works to assist with the brush and leaf pickup, and the snow removal.

Mr. Hary again noted that Public Works may not have the equipment required for the seasonal employees but advised that he would consult with the Public Works Director.

Mr. Borek made a motion to use \$250,000 from the fund balance to assist in lowering the tax base.

No Council member offered a second to place the item on the floor for discussion so the motion did not pass.

Motion to eliminate all non-emergency overtime: Ciccone

Second: Geevers

RCV: aye Ciccone

aye Geevers

aye Khanna

aye Morgan

aye Borek

Motion to eliminate all non-essential part-time employees:

Geevers

Second: Morgan

RCV: Ciccone - abstained

aye Geevers

aye Khanna

aye Morgan

aye Borek

Motion to begin using flat rates for all Professional Services Agreements as of July 1st, 2010 and reduce the line item for consultants: Geevers

Second: Ciccone

RCV: aye Ciccone

aye Geevers

aye Khanna

NAY Morgan

aye Borek

Mr. Morgan made a motion for a zero percent increase to the Municipal Budget for 2010.

No Council member offered a second to place the item on the floor for discussion so the motion did not pass.

Motion to propose one furlough day a month for all non-emergency personnel: Ciccone

Second: Geevers

RCV: aye Ciccone

aye Geevers

aye Khanna

NAY Morgan

NAY Borek

Motion to move the clock 15 minutes until 11:15 p.m.: Ciccone

Second: Borek

RCV: aye Ciccone

aye Geevers

aye Khanna

NAY Morgan

aye Borek

Motion to have all non-contractual employees pay 1.5% for health benefits and negotiate now with other Unions to have their members also pay the 1.5% for health benefits: Geevers

Second: Ciccone

RCV: aye Ciccone

aye Geevers

aye Khanna

aye Morgan

NAY Borek

Ms. Louth explained the necessity to add a line item to the budget for unemployment insurance.

Motion to add a line to the 2010 Municipal Budget for unemployment insurance and to add \$100 to the line item: Geevers

Second: Ciccone

RCV: aye Ciccone

aye Geevers

aye Khanna

aye Morgan

aye Borek

Mr. Borek made a motion to use \$200,000 from the fund balance account to lower the tax rate.

No Council member offered a second to place the item on the floor for discussion so the motion did not pass.

Ms. Ciccone made a motion to use \$500,000 from the fund balance account in addition to the other recommendations to lower the tax rate.

No Council member offered a second to place the item on the floor for discussion so the motion did not pass.

Mr. Borek would like Administration to provide numbers for Council to understand how much the recommended reductions have reduced the budget.

Mr. Hary noted that he would be able to provide the numbers to Council before the next meeting. He cautioned Council from using money from the fund balance to reduce the budget. Mr. Hary advised that there needs to be a strategy otherwise it is a one-time benefit that will cause problems in long term financing.

Motion to move the clock 15 minutes until 11:30 p.m.: Morgan

Second: Khanna

RCV: aye Ciccone

aye Geevers

aye Khanna

aye Morgan

aye Borek

Mr. Morgan requested that his assumptions with regard to reducing the amount of dollars going back into the fund balance from 19% to 15% be answered.

Ms. Louth noted that the reduction would cause a reduction in revenue trend. She advised that the Township would not be able to replenish the fund balance.

Discussion ensued on how to reduce the Municipal Budget.

Mr. Borek asked what would happen if a budget was not adopted by June 30th.

Ms. Louth noted that the Township would have to work with another temporary budget approval. She also advised that the Department of Community Affairs would step in to assist with the process.

Ms. Ciccone inquired if Administration could get the budget down to a 4 percent increase.

Mr. Hary advised that Administration would have to work diligently, but that a 4 percent budget increase was a realistic goal. He noted that it is a potentially achievable number.

Mr. Borek made a motion to give Administration directive to work toward a 4 percent increase versus the 5 percent increase that was presented to Council.

No Council member offered a second to place the item on the floor for discussion so the motion did not pass.

Motion to move the clock until 11:40 p.m.: Borek

Second: Ciccone

RCV: aye Ciccone

aye Geevers

aye Khanna

Morgan - left at 11:20 p.m.

aye Borek

Discussions continued on how to get the Municipal Budget to below a 4 percent increase.

Mr. Hary urged Council members to express their views to the Mayor too. He noted that Administration gave Council a "responsible" budget.

PUBLIC COMMENT

Mr. Bob Akens, 32 Windsor Drive, spoke of the Mayor making a prediction a year ago that the economy would be worse in 2010. He asked what was done to prepare for this prediction. Mr. Akens suggested cutting Capital projects, and to begin to make those difficult decisions now.

ADJOURNMENT

Motion to adjourn: Ciccone
Second: Khanna
VV: All approved - Morgan absent

The meeting was adjourned at 11:37 p.m.

Sharon L. Young
Township Clerk
West Windsor Township