

**MANSFIELD TOWNSHIP  
BURLINGTON COUNTY  
BUDGET WORKSHOP MEETING  
March 23, 2011  
4:30 pm**

A special budget workshop meeting of the Mansfield Township Committee was held on the above shown date with the following in attendance: **Mayor Arthur Puglia, Deputy Mayor Higgins, Committeeman Alfred W. Clark, Committeeman Sean Gable, Committeewoman Janice A. DiGiuseppe, Attorney Michael Magee, CFO/Treasurer Joseph P. Monzo and Municipal Clerk Linda Semus.**

**Mayor Puglia** called the special budget workshop meeting to order at 4:30 PM followed by the following opening statement, Flag Salute and Moment of Silence:

“Adequate Notice” has been provided for this Special Meeting and has been posted on the Official Bulletin Board of the Township of Mansfield, noticed to the Burlington County Times on March 14, 2011 and filed with the Municipal Clerk of the Township of Mansfield, notice of which contained the date, time, place, and purpose of this meeting stating that formal action may be taken on any and all subjects involving Mansfield Township, as so noted in NJSA 10:4.-8(d), Amended 1981, by including Section 10:4-18 which addresses Regular Meeting of a Public Body, which is addressed under “Annual Notice”.

A motion was offered by **Committeeman Clark** and second by **Committeewoman DiGiuseppe** to go into executive session by adoption of the following Resolution. Motion carried.

**RESOLUTION 2011-3-10A**

**RESOLUTION AUTHORIZING CLOSED EXECUTIVE SESSION**

**WHEREAS**, Section 7 of the Open Public Meetings Act, Chapter 213, P.L. 1975 [NJSA 10:4-12(B)] permits the exclusion of the public from a meeting in certain circumstances; and,

**WHEREAS**, this public body is of the opinion that such circumstances presently exists;

**NOW, THEREFORE, BE IT RESOLVED** by the Township Committee of the Township of Mansfield, County of Burlington and State of New Jersey as follows:

1. The public shall be excluded from discussion of, action on and reviewing the Minutes of the hereinafter specified matters.
2. The general nature of the subject matter to be discussed is as follows: Personnel Issues, potential litigation; contract negotiations.
3. It is anticipated at this time that the above subject matter will be made public when the matter has been resolved and approved for release by the Township Solicitor.

Motion was offered by **Deputy Mayor Higgins** and second by **Committeeman Gable** to come out of executive session. Motion Carried.

**Attorney Magee** explained that the purpose of the executive session was to discuss personnel issues, potential litigation and contract negotiations.

**REVIEW OF A PROPOSED BUDGET FOR 2011** as presented by **CFO/TREASURER JOSEPH P. MONZO**

**Mr. Monzo** stated that, several weeks ago, he had given, to the Governing Body, information pertaining to revenue and expenses based on his estimation in order to meet the requirement of the mandatory appropriations, i.e. debt services, pension obligations, salaries and other obligations. He had also given calculations on how the reserve for uncollected taxes are done. Discussion also took place on how to be within a 1.5% or 2% tax increase within the levy cap. There were some areas that were being considered, one being a reduction in hours for certain staff and the possibility of furloughing employees every Friday going forward, but there has been reconsideration on the drastic effect this would have on the operations of the Township and the impact it has on the employees and the public. Therefore, in light of these changes, Mr. Monzo has made some changes in the numbers and is presenting the following to the committee for consideration.

Some items that were amended are as follows:

- \$3,000.00 in conference and training for the Governing Body's budget;
- A reduction in employee's group insurance budget by \$43,000.00 (\$32,000.00 would be from those employees whose hours would be reduced, (if the Committee decides to do the reduction in hours), as those employees benefits would stop effective of July 1<sup>st</sup>. There would be a 6 month savings. In addition, the Township collects \$11,000.00, based on the current law that exists where the Township is to collect 1.5% of the employees' salaries to cover health benefits. At this point in time, this 1.5% is only being deducted from all non-union employees, as the union employees' contracts were settled prior to this law going into effect. The union employees will have the 1.5% deducted once their new contract takes effect.
- Snow removal was reduced by \$13,000.00. This year we spent \$52,000.00, which does not include Homestead or Four Seasons. We have applied to FEMA for some reimbursement for the December 26<sup>th</sup> and 27<sup>th</sup> storm, which we are hopeful to get, which these monies could be utilized for any snow we may get in November and December of this year. Mr. Monzo believed that the FEMA money would be about a \$15,000.00 savings for the Township. Although, due to the amount of snow we have had this season, our snow removal budget was a \$12,000.00 increase from last year. We spent \$40,000.00 in total last year.
- Celebration of Public Events did not use any of the monies budgeted last year so this year it was cut from the budget completely. (Mayor Puglia advised that he had already advised the Special Events Committee that they will not be receiving any budget monies. They have close to \$12,000.00 in their trust account that could be utilized).
- Under Salary and Wage Adjustments, there is a negative number. Once the actual Budget is introduced, Mr. Monzo will spread it out amongst the affected departments. It is a \$68,000.00 reduction in salary and wages. \$45,000.00 comes from the reduction in hours of the selected employees and a possible layoff and \$23,000.00 from the 15 furlough days from the non-union, full-time employees.
- A reduction in the landfill cost budget was reduced down to what was budgeted in 2010 of \$225,000.00.
- Under Debt Services: A Bond Sale is scheduled for March 30th, under an A+ rating from Standard & Poor's, which sale will encompass about \$5.8 million of improvements with a short term note. There are some estimated changes to the budget until the final numbers are given after the sale. Mr. Monzo advised that since Debt Service is excluded from the cap in terms of increases, it does not affect our overall ability to levy taxes.
- Mr. Monzo further advised that, upon Committeewoman DiGiuseppe's request, he had prepared a spreadsheet of the calculations by Department and by Employee, for those who may be affected by either a reduction in hours or layoff, showing Salary, FICA, Social Security, Health Benefits, excluding Pension Costs, because the salary for the current year, is not the current year pension costs. Our 2011 pension obligation is based upon 2009 salaries for public employees and 2008 salaries for police employees. The Budget will reflect a reduction in salaries for those being reduced in hours from 35 hours a week to 20 hours a week, beginning May 1<sup>st</sup>, which will be a savings of 435 hours for the remainder of the year. There would be a savings of \$45,000.00 for the hour reductions, \$32,000.00 for Health Benefits and \$25,000.00 from the furloughs. This was all calculated by separating those employees who are paid from the current fund budget and those who are paid by the dedicated construction budget trust fund. From the trust, we pay the salaries for all code officials, fire inspectors, Jef Jones and his clerical staff.

**Mr. Monzo** advised that he had constructed a budget that calls for a little less than a 2 cent tax increase that meets our levy cap obligation. If the Committee approves the Resolution on the regular meeting agenda this evening, we will be going to the public with a \$90,000.00 referendum to be voted on at the upcoming school board election on April 27<sup>th</sup> for the Ambulance Squad. \$40,000.00 of that \$90,000.00 is to pay for the emergency of last year for the squad, which has to be raised in this year's budget because it was an emergency. The other \$40,000.00 is to match this year's appropriations with last

year's appropriations and the remaining \$10,000.00 is to pay for the added costs associated with the extended hours of the election.

**Mr. Monzo** further advised that he will be meeting with both Homeowners Associations in Homestead and Four Seasons in the month of April and prior to the election, to explain to those residents the reason for the referendum.

If all goes well, we can introduce our budget at the first meeting in April, and if the referendum is passed, we would then be able to finally adopt the budget at the first meeting in May. If it fails, we are not held to reduce the Ambulance Squad's budget. Therefore, we will need to find \$90,000.00 somewhere else within the budget because we will not have the cap relief any longer.

With the increased amount of hours of this election, 7 am to 9 pm versus the usual hours of 2 pm to 8 pm, it is hoped that there would be more voters who could then vote and this Referendum would pass. Because the schools have short election hours, this may be one of the reasons that their budgets have been voted down so many times over the years. There are so many voters who work long hours or travel a distance to and from work that end up missing the voting.

**Committeewoman DiGiuseppe** asked how Mr. Monzo would like the Association to advertise his presentation. It was agreed that he would discuss the entire Municipal Budget and Referendum question for the Ambulance Squad.

**Mayor Puglia** advised that both he and Deputy Mayor Higgins met with the Police. If we do not layoff any police officers this year, they will concede to their holiday pay which amounts to \$34,000.00. **Attorney Magee** also advised that he has reduced his professional fees by \$10,000.00 as well.

With this \$44,000.00 savings, Mr. Monzo gave the Committee a few choices on what can be done with this money. We could save a layoff; it could save some of the furlough days; or reduction in hours; or we could use \$44,000.00 less of the surplus and have a better start for next year. It was unanimously agreed by the Committee to use less surplus this year to get a better start for 2012.

**Mayor Puglia** asked Attorney Magee to write a letter to the Patrolmen's Association so that whatever documents are needed to be signed can be done shortly. **Mr. Magee** said he will work everything out with Attorney Stewart Alterman.

**Deputy Mayor Higgins** questioned Mr. Monzo on any reductions in the current fund budget as a result of creating a separate Sewer Utility Budget. Mr. Monzo responded by stating a savings would be minimal, since prior operating cost had been charged against the capital fund, reserve from Centex. **Deputy Mayor Higgins** inquired as to why those expenditures were charged to that fund. Mr. Monzo stated that there was no other place to take the funds from. **Deputy Mayor Higgins** questioned him again and was still unsure why Mr. Monzo would take it from the capital fund. **Mr. Monzo** explained his reasoning and then explained that the first billings will include a six month billing with monies to be received by the Township by June 1<sup>st</sup> and thereafter be billed every three months. Mr. Monzo also advised that he has been speaking with the entity that may consider purchasing the sewer system and would keep us updated.

**Committeewoman DiGiuseppe** asks Mr. Monzo to confirm the dollar amount needed if the referendum does not pass. It was confirmed at \$90,000.00.

**Deputy Mayor Higgins** asks Mr. Monzo to confirm that, if we adopt this budget, we are starting our surplus with approximately \$175,000.00. **Deputy Mayor Higgins** stated that, in looking at the Annual Financial Statement, it looked like the unexpended appropriation reserves from 2009 that increased the fund balance was \$60,000.00 which was confirmed by Mr. Monzo. The Deputy Mayor further advised that we have an appropriation reserve of about \$215,000. Mr. Monzo explains that the appropriation reserves are the balance from the 2010 budget that we did not spend and that, as of today,

it is at \$180,000.00. **Deputy Mayor Higgins** asks Mr. Monzo if he felt that we will be able to get the invoices through there or did he believe there will be more. Mr. Monzo thought we were done. Mr. Higgins felt that we may get another \$150,000.00 this year. Mr. Higgins also asks if the assessments for Lynnwood Farms are in the Sewer Utility Assessment Trust fund as there are pages missing from the Annual Financial Statement and he is unable to locate it. Mr. Monzo confirmed. Mr. Higgins estimates about \$10,000.00 in principal payments. Mr. Monzo stated it will be on the debt services schedule for the new bond and Mr. Monzo believed that principal and interest is about \$13,000.00 so that would mean we will be less than \$350,000.00 in fund balances next year. Mr. Monzo built in some surplus generation from the tax rate anticipation. Mr. Higgins asks whether the Construction Trust Fund will run out of money this year and Mr. Monzo stated no, that he felt at least another year should be fine.

**Committeeman Gable** asks whether the budget included summer help for Public Works. Mr. Monzo will include about \$10,000.00 for that. He felt there will be some kind of a savings in the solid waste budget due to an employee being out on worker's comp. We are paying a lesser salary rate and we are collecting 70% or 80% of that individual's salary. Mr. Monzo advised that he will put something in the budget for seasonal help.

**Mayor Puglia** advised Mr. Monzo that he felt Jef Jones will not be furloughed and that he will work. The Mayor's concern was if should someone get hurt on the job, he wanted a Supervisor there. Mr. Jones was furloughed last year, but he still came around to check on his men. Mr. Monzo said for insurance purposes he is not permitted to do that. Mr. Higgins stated that if Mr. Jones gets furloughed, it does not save any money for the Township as his salary, or a major part of his salary, is paid through the Construction Trust Fund.

**Deputy Mayor Higgins** expressed a concern that the documents Mr. Monzo presented for their review, under account 0120120145, salary and wages, under Tax Collector there are no salaries posted. Mr. Monzo will look at his figures and get back to the Committee as to whether the balance reflected the amount but the actual entry was just inadvertently omitted on these sheets. Mr. Higgins also pointed out that the same thing was done in the Courts as well. Mr. Monzo believed that the amounts are in the totals but he will double check it before the we begin our regular meeting later this evening.

**Committeeman Clark** stated that we got the approval from DEP to build our sewer plant and wanted to know if we were ready to move forward. Mr. Monzo stated that we have the appropriation as we did a bond a few years ago for \$5.2 million and we have not spent anything against. We have the funding but have not borrowed against it yet because we have not needed it. Mr. Magee stated that we are also looking into selling that to someone as well and have them build it.

#### **PUBLIC COMMENT:**

**Richard Archer, Mansfield Township Ambulance Squad** –asks Mr. Monzo if he or someone from the squad would be needed to go to either of the two meetings with Homestead or Four Seasons, Mr. Monzo did not believe that anyone needed to attend either meeting.

#### **MAYOR/COMMITTEE COMMENT:**

**Deputy Mayor Higgins** asks Mr. Monzo to please reiterate to those residents that they should not consider this referendum in lieu of donations.

**Committeeman Gable** asks if they could go to the Public Work/Sanitation unions and ask them to make a concession as the Police did and as the non-union employees are doing through furloughs and layoffs? Mayor Puglia said he wasn't sure from where they would make concessions, the trash men work 4 days a week as it is, they can not be furloughed. Once their contract comes up for negotiation, they will be contributing the

1.5% just like the non-union employees. **Mr. Gable** asked can we ask them if we could start taking the 1.5% from them starting now.

**Mr. Monzo** asks if it is the consensus of the Committee that his suggestions with the reduction of hours and layoffs are what the Committee would like to implement. It was agreed by the Committee that that is correct. **Mayor Puglia** stated that the next step is to discuss which positions would be layoff and which would have reductions in hours during Executive Session later on this evening.

Motion was offered by **Deputy Mayor Higgins** and second by **Committeewoman DiGiuseppe** to adjourn the meeting. Motion carried.

**RESPECTFULLY SUBMITTED:**

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**LINDA SEMUS, RMC, CMR**  
**Municipal Clerk**

Approved: July 27, 2011