

FREEHOLD TOWNSHIP BUDGET REVIEW MINUTES

MARCH 28, 2015

8:30 AM

At 8:30 am the Township Committee met in Room 214 in the Municipal Building.

Mayor Cook read the Open Public Meetings Act:

“In accordance with the Open Public Meetings Law, (c. 231 P.L. 1975), this Meeting was announced on January 5, 2015 by: 1.) posting a notice on the bulletin board in the Municipal Building reserved for that purpose, 2.) by mailing such notice to the offices of the official newspapers of the Township and 3.) by filing such notice with the Township Clerk.”

Roll Call

In Attendance: Mr. Ammiano, Mr. Preston, Mrs. McMorrow, Mr. Salkin
And Mayor Cook

Absent: None

Also in attendance: Peter Valesi, Township Administrator, Catherine Campbell, CFO, Theresa Patino, Deputy Clerk and Teresa Warner, Township Clerk

Review of 2015 Municipal Budget

Mr. Valesi gave a power point presentation.

2015 Budget Highlights.

Employment rolls are steady.

Six more full time employees over last year.

197 in 2011, 184 in 2012, 181 in 2013, 185 in 2014, 191 in 2015

Vacated positions filled with part time staff when possible.

We are the lead agency on many shared services agreements with neighboring and local towns. Estimated Shared Services Revenue - \$750,000. Approximately 26 full time employees provide services.

Healthcare cost sharing grows – Employee contributions are 100% in effect. Contributions for 2015 are approximately \$965,000.

Self-Insurance for Group Healthcare initiated and stabilized. Township is self-insured for medical and prescription coverage. 2013 savings = \$410,000; 2014 savings = \$830,000; 2015 – unknown

Healthcare costs should stabilize as healthcare reserve fund grows by utilizing excess funds to provide safety barrier.

Mr. Valesi then reviewed the 2015 Budget structure.

Useable Fund Balance remains steady; 2015 amount to be raised by taxation is \$522,558 below the allowable levy. State Aid is flat again for third year. \$3,135,512 shortfall still remains which equates to \$199.64 each year in municipal taxes to average assessed home.

Township's 2015 amount to be raised by taxation is \$522,558 below the allowable levy cap.

Debt service continues to be in line with expectations as we aggressively retire debt to keep pace with infrastructure needs.

Salary and wages budget line items combined, have grown only 1.89% in 2015 as a result of our 5-year labor agreements, our supplementing full-time positions with flexible part-time positions, and our allocation of salaries to shared services and reimbursable/trust accounts.

2015 Major Added Costs

Payment of Bond Anticipation Note Principal - \$500,000
Police – Vehicle Purchase – O&E - \$70,000
Information Technology – O&E - \$53,000
Police – S&W - \$53,000
Human Resources – S&W - \$53,000
Snow Removal – S&W - \$50,000
Buildings & Grounds – S&W - \$40,000
Snow Removal – Other Expenses - \$35,000
Recycling – S&W - \$34,000
Equipment Maintenance – S&W - \$24,000

A discussion ensued regarding various items on the list: the Lease Program for police vehicles with the MCIA and we won't be using that program any more. The IT Department is replacing with cloud based technology our Citiview software. For snow removal we don't use contractors anymore and we are switching more of our trucks to Peterbilts.

Cost Reductions & Decreases in Expenses

Group Insurance for Employees – (\$224,204)
Interest on Bonds - (\$ 96,989)
Police – Vehicles MCIA Lease (\$ 76,217)
W/C Insurance Spec. Assessment (\$ 65,134)
UCC – S&W (\$ 37,000)
Sick Leave Trust (\$ 35,000)
Parks/Recreation Services – S&W (\$ 23,000)
Code Enforcement – S&W (\$ 10,000)
Streets & Roads – O&E *** (\$ 188,500)

The Township Committee requested that a better job needs to be done with the detention basins.

Mr. Valesi said the contract is up for renewal and he will look into it. A discussion ensued on how the detention basins are designed and what needs to be done.

Debt Service and Capital Management

Continuing to pay down debt 2009 to 2014

Total new debt incurred - \$17,140,000
Total principal paid off - \$23,170,000

Reduction in debt - \$6,030,000

Capital Program Highlights

He reviewed several major projects that are planned for long term infrastructure stability:

2015 Road overlay
Complete DPW Fuel Storage Tank Project
DPW Facility Improvements/Building Construction
Road Repair Project
Willowbrook Rd. & Burlington Rd
Phase II – Single Axel Dump Truck Replacement
Phase II – Stonehurst Blvd. Area Culvert
Vehicle Camera System for Police Vehicles

New Monmouth County Tax Assessment Program

Mr. Valesi reviewed how the first year of the new Monmouth County program worked in Freehold Township. He said the first year was very difficult, but it is unlikely after 2015 to see large swing in annual taxes like you would in the typical Revaluation/Reassessment done once every 10 years.

The numbers and how they affected Freehold Township were reviewed.

2% Levy Cap

The Freehold Township's municipal budget is \$522,558 under the State mandated 2% levy cap.

The exemptions were reviewed and the total new levy used is \$666,888.

Municipal Budget Annual Comparison

The slide showed figures of 2014 and 2015 and the percent of change between them.

Impact on a Homeowner

Mr. Valesi showed a chart comparing Freehold Township to surrounding towns.

The average assessment on a home in Freehold Township is \$375,987, with the new tax rate the monthly increase would be \$4.42 for a total yearly increase of \$53.00.

Mr. Valesi then showed two more slides of Municipal Revenue Breakdown by Category and Municipal Expense Breakdown by Category.

Mayor Cook asked for comments or questions from the public.

There being none, he asked for comments from the Committee.

The Committee discussed the pot holes on various roads and how hard this winter has been on the roads. Brush pick up timing was discussed. It was decided that next year

it will start later. The Committee asked for a copy of the roads that are on the overlay program. Mr. Valesi will get them a list.

Meeting adjourned at 9:40 am.

Teresa Warner, Township Clerk