

The Reorganization Meeting of the Mount Olive Township Council was called to Order at 7:30 pm by Council President Perkins with the Pledge of Allegiance.

MOMENT OF REFLECTION in recognition of the men and women fighting terrorism and those who have lost their lives defending the freedom we all enjoy

OPEN PUBLIC MEETINGS ACT ANNOUNCEMENT

According to the Open Public Meetings Act, adequate notice of this meeting has been given to the Mount Olive Chronicle. Notice has been posted at the Municipal Building, 204 Flanders-Drakestown Road, Mount Olive Township, New Jersey and notices were sent to those requesting the same.

Roll Call of 2009 Council

Present: Mr. Tepper, Mr. Roman, Mr. Tobey, Mrs. Labow, Mr. Perkins, Mr. Rattner, Mr. Greenbaum

Absent: None

Also Present: David Scapicchio, Mayor; Bill Sohl, Business Administrator; John Dorsey, Township Attorney; Sherry Jenkins, CFO; Lisa Lashway, Township Clerk

Election of 2009 Council President

President Perkins: The first item on the Agenda is the election of the 2009 Council President. I open the floor to nominations. Mr. Tobey?

Mr. Tobey: Thank you. I'd like to nominate Mr. Tepper.

Mrs. Labow: Second.

President Perkins: I have a second. Do I have any other nominations on the floor? Seeing none, I close the nominations. I'll ask for a Roll Call.

ROLL CALL – Passed Unanimously

New Council President Takes Chair

President Tepper: I'd like to just take a moment and thank everyone up here for their support. It's greatly appreciated. I look forward to working with the Mayor and the Administration in 2009. On that note, can I take nominations for Vice President?

Election of 2009 Council Vice President

Mr. Rattner: I'd like to nominate Colleen Labow.

Mr. Perkins: I second that.

Mrs. Labow: Thank you.

President Tepper: Any other nominations? Seeing none, Roll Call.

ROLL CALL – Passed with the exception Mr. Tobey voted no

New Council Vice President Takes Chair

President Tepper: Congratulations.

Mrs. Labow: Thank you. Can I speak for a second, Russ?

President Tepper: Would you like to say something?

Mrs. Labow: I just want to thank my colleagues for their support and I appreciate the opportunity to work with

Mrs. Labow (cont'd): Mr. Tepper as Council President, and the Administration and the Mayor. Thank you very much.

President Tepper: Thank you. We'll now have the invocation. Rev. Stanley C. Barron, Pastor of St. Elizabeth Ann Seton Parish has graciously offered to do so.

Invocation – Rev. Stanley C. Barron, Pastor, St. Elizabeth Ann Seton Parish

Rev. Stanley C. Barron: Let us pray. Lord our God, we thank you for all of the blessings you have bestowed upon the people of Mount Olive Township over the years. Be with us and our Town Council and Mayor as we start another year. Fill the members of this Council with wisdom in their deliberation and compassion for the needs of our people. Help them to continue to make our community a place of justice, love and peace. Glory and praise to you forever, and ever, Amen.

President Tepper: Thank you. We'll now have the Mayor's State of the Township Address. Mr. Mayor?

Mayor's State of the Township Address

Mayor Scapicchio: Good evening, Mr. President, members of the Township Council, distinguished guests and residents of Mount Olive Township; it is an honor to present to you the 2009 State of the Township Address. It has been a pleasure working with Councilman Ray Perkins as President this past year and I look forward to working with our new President Councilman Russ Tepper, in 2009. Over the past year we have seen a continuation of the Administration, Township Council, Township employees, and all the volunteers working together to make Mount Olive a better place to live and work. The Library Board of Trustees accepted the retirement of Director, Rita Hilbert; we hired a part time interim director while going through a search process to find a new full time director. I'm happy to report that the search process was successful and we now have a full time director. The Finance Department which includes finance, tax assessment and collection successfully defended 727 tax appeals filed at the County Board of Taxation, losing only 13 after the successful implementation of a revaluation of property values within the Township. We implemented an online credit and debit card payment system for taxes, water and sewer rents. We have reduced debt by over \$3 million which is a direct result of our aggressive policy of paying down debt. We ended the year with a 98.38% collection rate. We continue to maintain a financial environment that takes a conservative approach to both budgeting and revenue projections. The Planning Department received an initial grant of \$17,628 from the Highlands Council. We are in the process of conducting a preliminary analysis of the preservation area for basic plan conformance and consistency between the Highlands Regional Master Plan and the Township Master Plan and Land Use Ordinance. We are also evaluating the potential for conformance in the Planning Area and have already provided the Highlands Council with factual corrections of the Highlands Public Community Water System Map and the Domestic Sewerage Facilities map. We met with Eileen Swan, Executive Director of the Highlands and Ben Spinelli, Executive Director of the Office of Smart Growth last February in an effort to advance the process of changing the Planning Area 5 to Planning Area 2 in Budd Lake. Preliminary site plan approval was granted to Mt. Olive Center Associates for an active adult housing development on property located off Route 46. The development will consist of 218 age restricted townhouse units and 54 low and moderate income family units. We continue to have great success with open space. We completed the acquisition of Blue Atlas which is 32 acres and has a building and garage on site which is located on Flanders-Netcong Rd. The building and garage are being used by Parks, Building and Grounds and is also home to the Mt. Olive Historical Society. The purchase price of \$1,925,000 was funded by Green Acres and Morris County Open Space with the township contributing \$100,000 from our open space fund towards the purchase. A donation of 40 acres of property adjoining Turkey Brook Park by Seymour Baum was also completed this year. This will allow for a trail connection from the park out to Flanders-Drakestown and Corey Roads, connecting to the Silver Spring Manor which was purchased from Mr. Baum in 2006. Budd Lake has seen an increasing problem with invasive weeds. Working together with elected officials, Township staff, residents and professionals proved to be very productive. As a result, Princeton Hydro was hired as a consultant to come up with a program to control the weeds. This past spring an herbicide was applied with great success. Princeton Hydro is preparing another application on the Township's behalf for continued weed control in 2009. We have finally... demolished and removed the two old dilapidated DPW buildings at the beach. Our immediate plan is to put up a privacy fence to separate the beach and parking area from the business's that border the site, making it more attractive and giving beach user's some privacy which should increase its use. The Seward House has been stabilized. After years of being open to the elements, last month saw the completion of a new roof. Now that the building is protected, we will begin the process of seeking grants to fund interior and exterior renovations. A \$77,000 grant from Community Development has paid for a new roof and windows for the Budd Lake Fire Department building. This replaces a 27 year old leaking roof and inefficient 40 year old windows. The Recreation Department continues to serve the community. The 3rd annual Mt. Olive Carnival and Community Week continue to attract thousands of people. This year approximately 20,000 attended the

Mayor Scapicchio (cont'd): event over the five days, with the fireworks display on Saturday night attracting close to 10,000 people. The summer camp program served over 947 children during the six week program. Interest in the use of the Municipal Beach continues to grow with 858 Beach IDs being issued, and a total of 10,278 visitors. By partnering with local businesses, we've been able to produce a 4 color seasonal brochure that is in local stores. The business ads provide the funding, so there is no cost to the Township for the brochures which are issued 4 times a year. This year, the Communications Division of the Police Department undertook a project to update the radio system to include police compatibility for the Mt. Olive High School. An in-band repeater system was installed which allows police officers to speak directly with headquarters from anywhere within the school building using their handheld portable radios. This upgrade enables our school resource officers to communicate directly with other first responders, including police, fire, and EMS. This upgrade was critical to providing for the best police services for our high school community and students. In conjunction with that School safety initiative the police department also conducted several emergency drills at each of the district's School buildings. The drills train police officers and School staff to work cooperatively in lock-down and evacuation situations. Every police officer was trained at the Schools in entry, containment, and rescue skills. The police department continues to aggressively pursue criminal violators... and arrests were up again this year. In 2006, the department made 891 arrests, in 2007, 958 arrests and, 2008 1,100 arrests were made. Yet with the additional contact police had with citizens we again experienced a drop in Internal Affairs Demeanor Complaints. Demand for Senior Transportation services has increased by 33% with the newly constructed Mt. Olive Manor facility. The Building Department issued 1,226 permits compared to 1,147 issued in 2007. We closed out 1,318 permits and issued 19 certificates of occupancy for new businesses. The Municipal Court saw 12,638 cases and disposed of 12,661. Department of Public Works received the CO for the new DPW building. The building is in full operation and we're just waiting for final sign off from Morris County Soils. Surveying and planning has been completed for the interconnections of water systems which include, Morris Chase, Goldmine, Tinc, and Lynwood. Planning has been completed for the demolition of two water system well houses and construction of a new single well house including upgrades to the Indian Springs water system. We have combined the positions of the Engineering Aid and Zoning Officer for a salary savings while consolidating and reducing staffing levels. On a final note, in the present economic climate this country, State and Township are going through, it is important to remember that we will need to work a little harder with each other and continue to focus on how we can keep Mt. Olive an affordable place to live, and towards that end, I and everyone in my administration will continue to work cooperatively with the Township Council, employees, volunteers and all the professionals that represent Mt. Olive Township. Thank you, and Happy New Year to everybody.

Appointments:

President Tepper: Now we're going to go over the Mayor's appointments. Mr. Mayor, would you like to present your appointments?

Mayor Scapicchio: Sure. Thank you, Mr. President.

a. **Mayor's Appointments**

Morris County Community Development Revenue Sharing Committee Member

Kathy Murphy, Member, 1 year term expires 12/31/2009

Richard Escobar, Alternate, 1 year term expires 12/31/2009

Fred Detoro, Jr., Emergency Management Coordinator, 3 year term expires 12/31/2011

Planning Board

Earl Spino, Member Class IV, 4 year term expires 12/31/2012

John Mania, Member Class IV, 4 year term expires 12/31/2012

Scott VanNess, Member Class II, 1 year term expires 12/31/2009

Jim Staszak, Alt. II, Class IV, 2 year term expires 12/31/2010

Lisa Farley, Alt. I, Class IV, 2 year unexpired term expires 12/31/09

Environmental Committee

James Smith, 3 year term expires 12/31/2011

Dave Tomb, 3 year term expires 12/31/2011

Kay Serebrakian, Alt. I, 2 year term expires 12/31/2010

Open Space Committee

Laura Szwak, 3 year term expires 12/31/2011

Member from Planning Board, term to run with Planning Board term

Solid Waste Advisory Committee

Frank Wilpert, 1 year term expires 12/31/2009

Tim Quinn, 1 year term expires 12/31/2009

Hank Titone, Environmental Commission member, 1 year term expires 12/31/2009

Alvin Melveger, 2 year term expires 12/31/2010

b. **Mayor's Appointments with Advice & Consent of Council**

Mayor Scapicchio: Russ, should I continue?

President Tepper: You're on Solid Waste?

Mayor Scapicchio: No, I got through all of that. I'm at Mayor's Appointments with Advice & Consent.

President Tepper: I'll go through those, that's fine.

Mayor Scapicchio: Okay.

President Tepper: We're going to do these in two ways. Under the Mayor's Appointments with Advice & Consent of Council, we're going to do the Attorney, Prosecutor and Defender separately and then approve the Committees as one.

Township Attorney, John Dorsey, Esq., 1 year term expires 12/31/2009

Mr. Rattner: So moved.

Mr. Perkins: Second.

President Tepper: Roll Call, please.

ROLL CALL – Passed with the exception of Mr. Greenbaum who abstained

Prosecutor, Brian Mason, Esq., 1 year term expires 12/31/2009

Mrs. Labow: So moved.

Mr. Rattner: Second.

President Tepper: Roll Call, please.

ROLL CALL – Passed Unanimously

Public Defender, Anthony Abore, Esq., 1 year term expires 12/31/2009

Mrs. Labow: So moved.

Mr. Perkins: Second.

President Tepper: Roll Call, please.

ROLL CALL – Passed Unanimously

President Tepper: We now have the appointments of:

Economic Development Committee

Ralph DeVito, 3 year term expires 12/31/2011

Jeff Stadelman, 3 year term expires 12/31/2011

1 vacant 3 year term expires 12/31/2011

1 vacant 3 year unexpired term expires 12/31/2010

Recreation Advisory Committee

Don Verducci, 3 year term expires 12/31/2011

Ron Perry, 3 year term expires 12/31/2011

Mary Gallagher, 3 year term expires 12/31/2011

Library Board

Judith Hirky, 5 year term expires 12/31/2013

Pride Committee

Kathie DeFrancesco, 3 year term expires 12/31/2011

3 vacant 3 year terms expiring 12/31/2011

President Tepper: Would someone move those?

Mr. Perkins: So moved.

Mr. Greenbaum: Second.

President Tepper: Roll Call, please.

ROLL CALL – Passed Unanimously

c. **Council Appointments**

All Subcommittees of the Township Council previously created are extended through 2009:

Library Board Liaison, Phil Tobey, 1 year term expires 12/31/2009

Board of Adjustment Liaison, Ray Perkins, 1 year term expires 12/31/2009

Recreation Board Liaison, Alex Roman, 1 year term expires 12/31/2009

Board of Education Liaison, Alex Roman, 1 year term expires 12/31/2009 (Steve Rattner Alt.)

Safety Committee Liaison, Ray Perkins, 1 year term expires 12/31/2009

Pride Committee Liaison, Colleen Labow, 1 year term expires 12/31/2009

Legislative Committee, Ray Perkins, 1 year term expires 12/31/2009

Committee RE: Lake/Environment Issues, Steve Rattner, 1 year term expires 12/31/2009

Community Development Revenue Sharing Committee, Steve Rattner, 1 year term expires 12/31/2009

Economic Development Committee Liaison, Steve Rattner, 1 year term expires 12/31/2009

Planning Board, Rob Greenbaum, Councilmember, Class III, 1 year term expires 12/31/2009

Board of Health Chairman, Ray Perkins, 2 year unexpired term expires 12/31/2009

Senior Citizen Liaison, Colleen Labow, 1 year term expires 12/31/2009

Auditor, Gary Higgins, 2 year term expires 12/31/2010

Solid Waste Advisory Committee

Ray Perkins, Councilmember, 1 year term expires 12/31/2009

Daniel Amianda, 2 year term expires 12/31/2010

Nelson Russell, 2 year term expires 12/31/2010

Phil Tobey, 2 year term expires 12/31/2010

Jeff Bauman, 2 year term expires 12/31/2010

Board of Health

Charles Wallack, 3 year term expires 12/31/2011

Ethics Committee

Mari Dean, 5 year term expires 12/31/2013

Marion Fleischner (unaffiliated), 5 year term expires 12/31/2013

Board of Adjustment

John Cavanaugh, 4 year term expires 12/31/2012

Michael Laracuenta, 4 year term expires 12/31/2012

Joseph Fleischner, Alt II, 2 year term expires 12/31/2010

Mrs. Labow: Mr. President? Mr. Tepper?

President Tepper: Yes?

Mrs. Labow: We don't have the Open Space Committee Liaison on here.

President Tepper: And I believe that is you?

Mrs. Labow: Yes.

President Tepper: Mrs. Labow is the Open Space Committee Liaison. I apologize for excluding that.

Open Space Committee

Colleen Labow, Councilmember, 2 year term expires 12/31/2011

President Tepper: Can I have a motion approving those, please?

Mrs. Labow: So moved.

Mr. Perkins: Second.

ROLL CALL – Passed Unanimously

President Tepper: I don't believe we have Correspondence included. I don't believe there is any, no Correspondence to review. Next, we have Consent Resolutions.

RESOLUTIONS

Consent Resolutions Agenda:

Resolutions on Consent Agenda List are considered to be routine and non-controversial by the Township Council and will be approved by one motion (one vote). There will be no separate discussion or debate on each of these resolutions except for the possibility of brief clarifying statements which may be offered. If one or more council members requests, any individual resolution on the consent agenda may be removed from the Consent Agenda List and acted on separately.

1. Resolution of the Township Council of the Township of Mount Olive Designating the Official Newspapers of the Municipality for the Purpose of Publication of Legal Notices.
2. Resolution of the Township Council of the Township of Mount Olive Establishing the Annual Schedule of Meetings and Other Requirements Pursuant to the Open Public Meetings Act.
3. Resolution of the Township Council of the Township of Mount Olive Establishing a Temporary Budget for 2009 for the Current, Water, Sewer and Sanitation Budgets.
4. Resolution of the Township of Mount Olive Authorizing a Cash Management Plan for the Township of Mount Olive for the Year 2009.
5. Resolution of the Township Council of the Township of Mount Olive Retaining Professional Services Under the Non-Fair and Open Contract in Accordance with the Pay to Play Law.
6. Resolution of the Township Council of the Township of Mount Olive Appointing Steven W. Rattner as Council Representative to the Community Development Revenue Sharing Committee.
7. Resolution of the Township Council of the Township of Mount Olive Authorizing Participation in the State of New Jersey Cooperative Purchasing Program for the Year 2009.
8. Resolution of the Township Council of the Township of Mount Olive Fixing the Rate of Interest to be Charged on Delinquent Taxes or Assessments.
9. Resolution of the Township Council of the Township of Mount Olive Authorizing the Purchase of Necessary Goods and Services Under Any Contract Competitively Bid by the Morris County Cooperative Pricing Council.
10. Resolution of the Township Council of the Township of Mount Olive Authorizing the Tax Assessor and/or the Township Attorney to File and Tax Appeals/Rollbacks.
11. Resolution of the Township Council of the Township of Mount Olive Establishing Various Change Funds for the Year 2009.

12. Resolution of the Township Council of the Township of Mount Olive, County of Morris, State of New Jersey, Creating and Continuing the Mount Olive Municipal Alliance Committee.
13. Resolution of the Township of Mount Olive Authorizing the Cancellation of Water, Sewer, Sewer Assessment and Tax Receivable Overpayments and Balances \$1.00 or Less.
14. Resolution of the Township Council of the Township of Mount Olive Establishing a Petty Cash Fund for 2009.

President Tepper: Does anyone have any Consent Resolutions that they would like moved to Non Consent? Seeing none, can I have a motion?

Mrs. Labow: So moved.

President Tepper: Is there a second?

Mr. Tobey: Second.

President Tepper: Roll Call, please.

ROLL CALL – Passed Unanimously

COUNCIL COMMENTS/STATEMENTS ON CONSENT RESOLUTIONS AGENDA - NONE

PUBLIC PORTION ON CONSENT RESOLUTIONS - NONE

PUBLIC PORTION - NONE

CLOSING COUNCIL COMMENTS

President Tepper: I now open it up to the public for any comments on the Consent Resolutions. Seeing none, we'll close it to the public. On Motions there is no Bill List. I now open it up to the public for any statements that the public may have. Does anyone have anything that they'd like to present? Seeing none, we'll close it to the public. Closing Council Comments. Mr. Greenbaum?

Mr. Greenbaum: I thought Dave did an excellent job in terms of presenting the State of the Township Address.

Mayor Scapicchio: Thanks, Rob.

President Tepper: Mr. Perkins?

Mr. Perkins: Thank you, Mr. Tepper. Happy new year to everyone. I look forward to working together this year with everyone. It's a tough economic time as the Mayor has pointed out. I applaud him on an excellent State of the Township Address that he's given this year, keeping us informed and the rest of the residents of where we're progressing forward. I look forward to working together with him on his continued energy plan. Thank you.

President Tepper: Mr. Roman?

Mr. Roman: None at this time.

President Tepper: Mr. Tobey?

Mr. Tobey: I'd like to wish everyone a happy and healthy new year. Thank you.

President Tepper: Yes, Mr. Rattner.

Mr. Rattner: Thank you, Mr. President. You know, when the President makes a speech each week there's always the opposition or somebody else taking their view. I don't think with this one anybody has any disagreement with what the Mayor said. I think it's really good to hear all at once instead of how we got there, because sometimes it isn't pretty, but just listing all of the accomplishments and the things that went well, what

Mr. Rattner (cont'd): we got done. With that, I think that's nice about Reorganization. You're putting everything together and you're looking for what went right rather than discussing the nuts and bolts of the stuff. As I said, it's going to be a rough year and we're going to need the help of the public. I mean, we know that the economy is bad. Revenues, we don't know what we're going to get from the State. We've still got to maintain services. We're not sure where we're going. The State is going to delay for probably a couple of extra months. We've already heard from the Governor how much aid we're probably getting. So it's not going to be an easy year, but as we do every year regardless of how it is, regardless of seven different opinions from the Council, a different opinion from the Administration, we get the budget done and the Mayor's able to operate the Town successfully. I have no doubt that's going to happen again this year. Again, for the few people that weathered the storm and came out to be with us at the Reorganization, wishing you the best for the new year and hope to see you more often during the year. Thank you, Mr. President.

President Tepper: Mrs. Labow?

Mrs. Labow: I made my comments already before, thank you.

President Tepper: Okay, only comment I have again is to thank the Mayor for his address. I think it was a positive statement of things that we were able to accomplish. I also believe, economically, it's going to be a very difficult year, but that working together I think we'll be able to make things work as well as possible, and help the citizens and maintain the quality of life that we've had here in Town. I would like to thank Mr. Perkins for his efforts as President last year. Before we go into the benediction, I would like to announce that it will be followed by an Executive Session. There will be an Administrative matter, a brief discussion by the Administration following that on the 2009 Budget. We anticipate no further action will be taken and then move into adjournment. We'll end the public session before the executive piece with the benediction right now.

Benediction - Rev. Stanley C. Barron, Pastor, St. Elizabeth Ann Seton Parish

Rev. Stanley C. Barron: Let's bow our heads and ask for God's blessing. May the Lord bless and keep us. May the Lord let his face shine upon us and be gracious to us. May the Lord look upon us with kindness and give us peace, Amen.

Mayor Scapicchio: Thanks, Father.

Mrs. Labow: Thank you.

President Tepper: We're going to move into Executive Session. I'm going to ask Ray to do that. Afterwards, we're going to take a five minute break before starting the executive session and discuss things with some people.

Mr. Perkins: In accordance with Sections 7 & 8 of the Open Public Meetings Act, I make a motion that we move into Executive Session for Dattolo Litigation.

Mrs. Labow: Second.

Mrs. Lashway: All in favor?

AYE

The meeting moved into Executive Session at 7:56 pm.

Executive Session – Dattolo Litigation

The meeting moved out of Executive Session at 8:18 pm.

Administrative Matters – 2009 Budget Discussion

Mrs. Maniscalco: Do you want me to start or do you want to wait a minute?

President Tepper: I think I'll wait until Lisa comes back and then we can begin. Okay, thank you.

Mrs. Maniscalco: I'm going to try to keep this brief. I know some of you have had some discussions, but if you can just hear me out and everything I have to say, and at the end if you can ask whatever questions or whatnot that you have. I submitted my year end report today. You should have a copy of it in your box. We

Mrs. Maniscalco (cont'd): actually wound up doing really well in terms of 2008. We ended with a surplus level of \$4,119,000 which was about \$600,000 or \$700,000 more than we expected because of our tax collection rate. Our tax collection rate actually increased from 2007 over 2008. It ended at 98.39%. Obviously, we have been working on the Mayor's budget for a number of months now and we're here tonight to specifically talk about the property tax levy cap. Now, keep in mind that there's two types of caps. There's the spending cap which is a limit in terms of what your overall budget can go up, and then there's the property tax levy cap, which is a limit in terms of the amount that you raise in taxation can go up. We're speaking about the property tax levy cap. There was legislation that was adopted last year. A number of towns were affected by it. We, fortunately, were not affected by it in 2008. We will, however, be affected by it in 2009. Looking at a projection of the 2009 budget, I foresee that we will be about \$700,000 short in terms of the property tax levy cap. If you remember, a tax point is now 400,000. So we're just under two tax points in terms of the levy cap. Again, even though we did good in terms of our overall operations there is the levy cap, and we are required to adhere to that cap. So right now we're looking at about a \$700,000 difference. The main reason for that is because of the amount of surplus that we're recommending to use in next year's budget. We didn't wind up with the surplus figures and the tax collection figures that we wound up with because we had no foresight. We didn't have a process in place. At least since I've been here, it's been almost nine years, we have been conservative. We have a conservative approach. We always look at what we're going to replenish in surplus before we decide what we're going to use. That's key, always key. To that end, our debt rating has actually been affected by that. Our last Moody's report specifically comments on the fact that we have a conservative financial approach, and it specifically talked about maintaining certain levels of surplus. So they recognize it and our rating has gone up because of that. Obviously, the rating impacts future debt costs. It's important. Gary, Bill and I actually had a meeting yesterday regarding the property tax levy cap. We also called the Division of Local Government Services regarding the cap. We have great concern over their requirement to use basically everything that we have in order to meet this cap. Property tax relief is a great thing, but you know, I certainly don't recommend violating the policy that we've maintained which has done well for us, and using everything that we have in the coffers to basically get down to this, you know, new legislative requirement that they have. Interestingly enough, we spoke to Tina Zappichi at the Division who actually was very happy that we were looking at the possibility of going for a cap waiver, because they themselves see the limitations in terms of the legislation. They themselves have been proponents for being conservative in terms of budgeting, revenue estimates, whatever it may be. So we were very happy to hear that. No one of course has taken on that stance to this point. Again, this is a new process. It just took affect last year. Basically what we're looking to do is to potentially look at getting a waiver of this additional requirement to either bring our budget down \$700,000 which isn't going to be possible unless we do layoffs. I can tell you that right now. Our departmental budgets have been cut, and I just don't see any other way to cut \$700,000 out of the operating budget without, you know, completing layoffs. So our alternatives would then be to use additional surplus or adjust our reserve fund collected taxes, which will basically have the same impact for us at the end of 2009. If we increase the utilization of our surplus to the levels that they want us to, we would end up being in the hole \$500,000 moving into the 2010 budget. We're presenting this to you tonight because we would like to move forward with the levy cap waiver. There is a meeting in February. We don't necessarily need to go to that meeting. We could wait until March. We would like to get the process moving. We do think it's something that we should apply for. We feel that the legislation is in violation of the policies that we followed, and again, the conservative approach that we have. Does anybody have any questions?

President Tepper: Sherry...?

Mrs. Maniscalco: Russ.

President Tepper: If I understand correctly, though, I mean one of the things about our debt rating is the fact that we have had a conservative approach with the surplus. Eliminating the surplus would certainly adversely affect the debt rating, and thus cost us additional monies in the future for our borrowings...

Mrs. Maniscalco: That's what we feel, yes.

President Tepper: ...and applying for the cap doesn't say that we're obligated to utilize it at this point. It just gives us the option of having it, of exceeding it. It doesn't say that we can't make a decision to make budget cuts, etc. moving forward.

Mrs. Maniscalco: I agree. I believe that that's correct.

President Tepper: So, it's more a matter of erring on the conservative side if I understand this correctly. It gives us another option, and we can make a decision as we review the budget and have the departmental budget hearings in February.

Mrs. Maniscalco: Yes.

President Tepper: Mr. Tobey?

Mr. Tobey: Sherry, is this a one year one shot cap, or is this something that we would be faced with year after year?

Mrs. Maniscalco: There are towns, Phil, that Gary has that have to go back every year for this because they're all in the same boat. They were made last year to completely deplete their surplus, completely adjust their reserve for uncollected taxes, and now they're in a position where they're probably going to have to go back every year for it. Like I said, we were fortunate enough that last year we didn't have the problem, but we will this year. As I said, I mean, overall, I can speak for some other towns out there. We're actually in better shape than a number of other towns. Again, that's because there's a process that we follow. There's a policy that we have in place. While it's not written, it is informal, we always look at what we're going to have before we decide what we're going to use.

Mr. Tobey: It's amazing. I don't understand it quite frankly.

Mrs. Maniscalco: Yes, and again, property tax relief is a good thing but if using everything that we have is such a great thing, then why haven't we been doing it for years? Why haven't other towns been doing it for years?

President Tepper: I think we all saw what happened with the School Board when they used anticipated surplus and how they've complained on their financials. So I think being conservative or having the option is certainly favorable. Mr. Perkins?

Mr. Perkins: Thank you, Mr. President. Sherry, obviously we're going to apply for the exceeding of the cap. The question is that I know the Governor has put off his budget introduction. I'm assuming that we haven't gotten any good word or bad about municipal aid for this year.

Mrs. Maniscalco: I think everything that I've been hearing and I'm sure everything that you've been hearing is that it's going to be cut. We've received one cut in terms of aid. It's about \$32,000 right now. We get money from the Garden State Trust for certain properties. We did get that already for use in '09. That's gone down, as I said, about \$32,000. I do expect that there's going to be other cuts, though.

Mr. Perkins: Last year we took almost a 50% cut.

Mrs. Maniscalco: \$242,000 last year in State aid.

Mr. Perkins: Right, which was about 50% of what we historically had been getting. Is that balance included in your \$700,000?

Mrs. Maniscalco: No, I have no adjustments for State aid. I will tell you, though, that the decrease in State aid is on the adjustments they will give you in terms of the property tax levy cap. They sort of pick and choose what they allow you to go up over 4%. One of them is debt service. One of them is loss of certain types of revenue. We're using less money in the Open Space Trust, or from the Open Space Trust. That's one of them. If there is a decrease in State aid, that is one of the things that they will allow as an adjustment to that 4% levy cap. We still have an issue in terms of having to raise the taxes. So, you know, it's not only a one sided affect. While we may be okay or a little bit less in terms of the property tax levy cap, it's still going to be money that we have to raise in taxes.

Mr. Perkins: In taxes, that's right. Okay, thank you, Mr. President.

President Tepper: Any other comments or questions? Mr. Rattner?

Mr. Rattner: I was told that we have to make this application by the 21st or 22nd of January?

Mrs. Maniscalco: No, Steve, what I was saying is that we have a meeting in February that we would like to go to, so in order to do that we need to submit it by the 21st.

Mr. Rattner: Oh, okay.

Mrs. Maniscalco: I mean, the Local Finance Board has a meeting every month. So we could wait until March.

We would like to get it moving if we could and get on the Agenda.

Mr. Rattner: Well, one of the things that happened when Russ called me today, and the first thing, why are we already doing the cap? I said we've been putting money in our bank, too. Let's use some of that money because we've been way below.

Mrs. Maniscalco: That's the appropriation cap, though.

Mr. Rattner: One of the things, yes, one of the things that happened is because there are two different caps we have. One, on how much we can increase the budget, which is less than the 4%. The other is how much to tax the levy. This is where it gets dicey, especially not knowing what's going to come from the State. We can have the exact same budget as we had last year, spend exactly the same, the \$26 million, the \$13 million, or the \$16 million that was in cap. Because of different funds coming in, our other fees, State aid, who knows what they may do to take away if the Governor's going to cut \$2.5 billion that he says, and we can still have a tax levy increase even when we don't have any other expenses. It just becomes a public relations nightmare. That's what we're going to have to spend some time explaining to the public. This doesn't mean that we're spending any more money. It doesn't have anything to do with that. It's just funding the things that we want to do. I think I have to agree with everybody else in that \$700,000 out of the budget, I think we can do it. No, I haven't seen the budget. That's where we start with the budget every year. We can do it until we actually start going through it, but you don't know. If we don't have the flexibility and we decide that we can't cut certain services, we want to do these different things because we have to. We don't want to lose the opportunity to be able to do it, and I think we heard tonight that just because we pass it, it doesn't mean we have to go with it. We know the tax levy is going to go up. We know the budget is not going up by as much as the tax levy, and we really don't, you know, to keep the flexibility so we can at least operate the government, we have to go with it.

Mrs. Maniscalco: I mean, the difference, as I said, in terms of why we are where we are, really as Steve said at least as he referred to, it's not the expense side. We're recommending to use less surplus in 2009 than we used in the prior year by \$600,000. So that's \$600,000 of the \$700,000. It's really that. I mean, simple, I can't make it any more simple. It is that.

President Tepper: Mr. Greenbaum?

Mr. Greenbaum: Can we just put it on for the 20th, put a resolution on to allow them...

President Tepper: Yes, that is the intention to put a resolution on for the 20th providing there is general support at this time.

Mrs. Maniscalco: We will be presenting the budget that night as well. So we'll get into more specifics at that time.

Mr. Perkins: Let's hang on and wait for the Governor to give his.

President Tepper: We'll have an overview...

Mr. Rattner: Right, we're going to have the overview to explain what we're doing and how we can keep the budget the same, because we weren't spending any more money.

Mrs. Maniscalco: Yes, exactly.

Mr. Rattner: Since we don't know, we're not getting the other revenue side from the State for another couple of months. They're usually late anyway. We just have to do this so in case they don't give us any money, then that's maybe the way we have to present it, a lot less that we don't have to start cutting wholesale programs. That, I think, nobody's going to consider.

Mrs. Maniscalco: I think it's a great thing. I think we're cutting edge and we'll be the first Town that'll do this. They recognize there's a shortfall in the legislation. It needs to be addressed. It just does.

Mr. Perkins: Go for it.

President Tepper: Thank you, Sherry.

Mrs. Maniscalco: Thank you.

President Tepper: Appreciate it. Any other comments or questions on this matter? If not, I'll take a motion for adjournment.

ADJOURNMENT

Motion was made and seconded, all in favor and none opposed, the meeting was adjourned at 8:31 pm.

Russell J. Tepper, Council President

I, Lisa M. Lashway, Township Clerk of the Township of Mount Olive do hereby certify that the foregoing Minutes is a true and correct copy of the Minutes approved at a legally convened meeting of the Mount Olive Township Council duly held on January 20, 2009.

Lisa Lashway, Township Clerk

jr