

**MINUTES
COUNCIL WORK SESSION
TOWNSHIP OF MONROE
FEBRUARY 11, 2013**

A.) OPENING CEREMONIES & ROLL CALL

The regular scheduled Work Session Meeting of the Monroe Township Council was called to order by **Council President, Daniel Teefy** at approximately **7:05 PM** in the Conference Room on the first floor of the Municipal Complex, located at 125 Virginia Avenue, Williamstown, New Jersey.

This meeting was advertised pursuant to the New Jersey Open Public Meetings Act (*NJSA 10:4-6 thru 10:4-21*). Notices were placed in the official publications for Monroe Township (i.e.: South Jersey Times, Courier Post and the Sentinel of Gloucester County). A copy of that notice has been posted on the bulletin board at the Municipal Complex.

SALUTE TO OUR FLAG – Cncl. Marvin Dilks led the Assembly in the Salute to Our Flag.

ROLL CALL OF PUBLIC OFFICIALS

Cncl. Walter Bryson	Present
Cncl. Frank Caligiuri	Present
Cncl. Marvin Dilks	Present
Cncl. Rich DiLucia	Present
Cncl. Ronald Garbowski	Excused
Cncl. William Sebastian	Present (Arrived 7:20PM)
Cncl. Pres., Daniel Teefy	Present
Mayor, Michael Gabbianelli	Present
Business Admin., Kevin Heydel	Present
Solicitor, Charles Fiore	Present (Arrived 7:25PM)
Engineer, Chris Rehmann	Present
Dir. of Finance, Jeff Coles	Present
Dir. of Public Safety, Jim Smart	Present (Arrived 7:20PM)
Dir. of Code Enforcement, George Reitz	Present
Dir. of Public Works, Bob Avis	Present
Municipal Clerk, Susan McCormick	Present

B.) MATTERS FOR DISCUSSION

- **R:53-2013** A Resolution Authorizing An Alternate Calculation Reserve for Uncollected Taxes 2013 Tax Collection Rate.

Cncl. Pres., Daniel Teefy noted that Auditor, Nick Petroni was in attendance to speak on the above referenced resolution scheduled for approval at the regular council meeting. **Auditor, Nick Petroni** explained to council members the need for this type of resolution as it relates to the budget preparation. He noted the municipality is responsible for collecting taxes for both the schools and the county as well as the local government. Because of that the municipality must put an appropriation in the budget which is based on your percentage of collections. The higher the percentage of collections means a lower

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B.) MATTERS FOR DISCUSSION (cont'd)

amount in your budget and it also ensures cash flow. He explained both the schools and the county are paid at 100%, with the municipality responsible to make up the difference if your collection rate is not at 100%. Mr. Petroni then continued explaining that the law states you must use last year's percentage of collections or an alternate calculation that being a three (3) year average. What happened last year, with the economy being what it is, the township's percentage of collection dropped quite significantly. It does not look bad when looking at it percentage wise but each .01% creates a larger appropriation. Now, the law has allowed this three (3) year averaging so you do not have to place so much money in your budget for your reserve. Mr. Petroni noted the danger in that would be, if in fact, this were to become a trend, if the percentage keeps going down it will affect your fund balance/surplus going forward. He explained that many towns, in this economy, have been using this alternate form (*averaging*), it is not mandatory put if you want to do it you must pass this resolution so that it goes on record with the state. **Director of Finance, Jeff Coles** then explained that the municipality will be utilizing a second alternate/version, which is to use the tax appeals subtracted by the tax levy and use the net levy divided by the cash collections instead of averaging. Mr. Petroni explained in using this *second* version when you have a lot of tax appeals, especially in years after re-evals it impacts your reserve. You can then do an alternate calculation where you subtract the tax appeals from the levy and figure your percentage of collections on that. He stressed this was actually a safer method than the three (3) year average he had explained prior. Mr. Coles then added that Mr. Heydel and he projected the budget for this year and the reserve for uncollected taxes using the lower tax collection rate would have been \$3.6 million, in using the second version/method it came out to \$2.7 million which is a significant dollar value in the budget.

Cncl. Richard DiLucia questioned if the anticipated drop in revenue was from the re-evals going on right now (*is that part of this calculation*). **Mr. Coles** responded *no* this is only from the appeals that occurred in 2012. **Cncl. DiLucia** then questioned if next year we would be faced with an even greater drop in revenue. **Mr. Coles** noted that would all depend on how many people file tax appeals. He then added the *Compliance Plan (plan conducted by the Office the County Tax Assessor for 2013)* is not going to affect the tax rate. He added this is because what the county assessor has advised the municipality is that we take last year's budget number and divide that by the new penny (*the old penny was equal to \$286,000.00 and it is now equal to \$271,000.00*) we divide that and get a tax rate. **Cncl. DiLucia** noted we would up the penny to make up for the shortfall of money. **Mr. Coles** noted that was correct but then there are the *appeals* which we don't get a break on, that is where we lose the revenue. **Cncl. DiLucia** stressed that when the committee met with representatives from the county tax assessor's office they indicated that the Compliance Plan would result (*and they had the numbers*) in a 4½% reduction in revenue from last year. **Business Administrator, Kevin Heydel** advised the \$130,000,000.00 (*figure indicated in Compliance Plan*) is worth 4½% and what is going to happen is the tax rate is going to increase that 4½%, and we will increase the penny. We are not losing revenue on the Compliance Plan. There was some discussion back and forth on this issue. **Auditor, Nick Petroni** then noted it is really a matter of adjusting the assessed value and the calculation of the rate and he continued to give an example on how this works. He further explained that the levy is what you set, you do not set the rate you set the levy. The rate is

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B.) MATTERS FOR DISCUSSION (cont'd)

set/based on what the values are which the county assessor determines. **Mr. Coles** noted the pure loss of revenue is coming from those tax appeals because we get no adjustment for that. And the revenue we lost, the schools and the county are also losing. **Mr. Heydel** advised that last year we had a loss of over \$900,000.00 in tax dollars from last year's appeals.

Auditor, Nick Petroni then spoke on the school budget explaining as long as their budget is within the cap whatever they set for the taxes they are going to get. How you raise it will be based on the assessments but the revenue they ask for is going to stay the same. The municipality must pay the school and the county and you have to take the hit for any reduction, that is where this reserve for uncollected tax comes in because that gap caused by not collecting is basically artificially raising the tax rate by that much to ensure you have the cash flow to pay for the people who don't pay. He continued on saying that you may get back some of that next year when the delinquencies come in, you don't share that with the school or county. **Mr. Coles** noted that is what makes us different from all the other states as this reserve for uncollected taxes prevents us from going into bankruptcy like so many other states. Various questions were posed by many council members on the alternate version used in the resolution. **Cncl. Pres., Teefy** questioned if the Compliance Plan the county conducted would minimize the appeals going on last year versus this year. **Mr. Coles** noted that if your property is included in the Compliance Plan you are not going to get an appeal, pretty much that is it. Unfortunately, the people whose properties are not in the Compliance Plan and who did not appeal, they are going to get hit pretty hard. Also, some of the people who appealed in the past with the Compliance Plan their taxes may have been lifted and they have gotten money in their pocket already, but their taxes will be going up. **Cncl. William Sebastian** indicated that he had received a letter in the mail from an assessment company stating that his house is assessed for more than its value. For a fee of \$157.00 they will do all the paperwork for the reassessment of the homes and if the county does not agree with the data they come up with you will be reimbursed your \$157.00. He felt there will be a lot of people who will spend the \$157.00 to save a \$1,000.00 or so in their tax bill. **Mr. Coles** then stated that is why we want the county to continue on with the Compliance Plan and get the next 30% or 40% of the people who were not part of the Plan the first time. This will abate the amount of money we have to give back. **Cncl. Walter Bryson** indicated he had received the letter in the mail but his question was who gave out that information. It was noted this information is public record. **Cncl. Bryson** questioned why with all the township representatives (*Business Administrator, CFO, etc.*) being in contact with the county personnel why is it that they did not request the county to do a full reassessment, which is what should have happened. **Director of Finance, Jeff Coles** replied that this would not happen, since the onset of the county takeover of the assessor duties, the whole plan was to go into residents homes one time, get a full thing and then from then on do a Compliance Plan to save on the expense of doing a costly full reassessment. The Mayor indicated that is what they will be doing in every municipality throughout the county. **Mr. Coles** explained with the implementation of the Compliance Plan there will never be a physical in-home inspection again. He spoke on the reevaluation done previously in the township (*cost of \$800,000*) where they came into the homes and did an actual physical inspection. There was continued discussion,

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especially as it pertained to those individuals who have never filed an appeal or been included in the Compliance Plan and the tremendous affect it will have on those residents. **Cncl. DiLucia** noted they did not have to do this Compliance Plan now; they (*county*) made a bigger mess out of doing this plan now, they should have just let it run its course. **Mr. Coles** then stressed if that was the case we would have no surplus left. **Cncl. DiLucia** then advised that last year 900 people filed an appeal. With this Compliance Plan they (*county*) just unilaterally took 4700 appeals and granted them. **Mr. Heydel** advised our surplus went from \$3.2 million down to \$1.8 million.

Cncl. Richard DiLucia then questioned just how you were not going to have a lot of appeals when people are going to get hit with a minimum 6% increase in their taxes this year, when they know the value of their houses have decreased and now this information is out there to the public. He felt we will be deluged with tax appeals. **Mr. Heydel** noted yes, you are going to get the tax appeals, then next year they will grant the tax appeals and do a Compliance Plan on the other half of the township and then this will be over, it will take a two year process. **Cncl. DiLucia** noted it is not going to be over because the market will come back again, then what will they do. **Cncl. Pres., Teefy** noted if you look at this historically, in the mid-2000's people with a home that was assessed in '99 (*his home for example*) for an approximate figure of \$200,000 have paid less taxes due to their home being assessed at that time. If that trend continues now with the Compliance Plan we are always going to catch-up to those people. **Mr. Heydel** indicated with a reassessment 1/3 goes up, 1/3 goes down and 1/3 stays the same. **Cncl. DiLucia** posed one more question, when it comes time to set the value of a penny and let's say the county statistics are accurate, and we experienced a 4½% drop in revenue from what it was last year, what is the process. **Auditor, Nick Petroni** responded indicating you are going to do your budget and say this is what is needed to run the community. Here is the revenue we have and whatever is left must be raised by taxation. That number cannot be more than, with adjustments, 2% as there is a 2% cap on the levy. He went on to explain that things like debt service and capital are the two main things that do not affect the levy. The value of a penny itself, is based on the valuation that the county finally comes up with. However, the tax amount is based on what council decides is needed. **Mr. Petroni** explained how much a penny is worth is based upon the assessed values of the properties throughout the town. The mechanics involved are when you are setting your budget and you receive data stating a penny will cost X amount of dollars on an average home, if you don't think this is the thing to do then you have to look at the structure of your budget. You then would make structural changes to the types of service you are providing. This is where the rubber meets the road. **Director of Finance, Jeff Coles** then noted you then have, as of a couple of years ago, something called the levy cap, and this is on the amount that can be raised by taxes. He noted he was advised by a representative from the county that the Compliance Plan works much the same way as a revaluation; where we will be able to increase our taxes to make up for the loss in revenue. **Mr. Petroni and Mr. Coles** then spoke on various items associated with the levy cap, with Mr. Petroni indicating that as far as he knew the levy cap calculation is the same as it was last year.

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B.) MATTERS FOR DISCUSSION (cont'd)

- **O:02-2013** Calendar Year 2013 Ordinance To Exceed The Municipal Budget Appropriation Limits And To Establish A Cap Bank (*NJSA 40A:4-45.14*)

Auditor, Nick Petroni explained there are two (2) caps, the levy cap established in 2010 and in 1977 an appropriations cap was passed; you have a cap on what you are allowed to spend and a cap on what you are allowed to raise by taxation (*2 calculations*). In the past, the appropriations cap was very difficult to reach. However, in the last few years this has not been a problem because if the ordinance (*as referenced above*) is passed you are allowed to bank two years worth of appropriation caps. Monroe Township was under the cap last year on the spending side (*appx. \$996,000.00*) therefore you did not spend to the levy you could have spent. He has been recommending to all his municipal clients, pass the ordinance, put the money in the cap bank and it will be there in case you need additional funds next year. He stressed it does not automatically raise your taxes. What raises your taxes is what you do within the overall budget minus the revenues. This is for a time-period of two years, if you don't use it in the first year the earliest year comes off. This (*ordinance*) acts like sort of a very low cost insurance policy (*cost of advertising*). He went on to explain further, this figure doesn't go into the tax rate and it has never been raised by taxation. For example, you receive a windfall of money and you don't have to raise taxes, you would like to spend it but you can't as your are limited (*cap*) unless you have this ordinance in place. He stressed this overall concept is quite confusing.

- **R:54-2013** A Resolution Of The Township Council Of The Township Of Monroe, County Of Gloucester, State Of New Jersey Opposing Senate Bill 2511 Which Proposes Amendments To The Open Public Meetings Act.

Cncl. Pres., Daniel Teefy indicated that in looking over this proposed bill one example of how it may slow down the government process as it would somewhat limit our committee meetings, in that they would need to be advertised, increasing those costs. It also increases the workload on the Clerk's Office with many small items included within the Bill. **Cncl. Walter Bryson** noted this is one-half of what our legislators are doing, this is the Senate half of the Bill with another Bill out of the legislature which will have virtually the same affect. The Clerk explained this Bill is due to voted upon this Thursday, as this is timely the Clerk's Association along with the League of Municipalities have urged the Clerks to get behind this. Mrs. McCormick noted that are some good points included in this legislation. We here in Monroe Township have already met some criteria that will benefit us in the long run. However, there are some items, especially dealing with agenda timeframes that are just almost impossible to comply with also a number of small housekeeping items that are truly unreasonable. **Cncl. Walter Bryson** spoke on the legislation, that it was an attack on local government, saying that local governments are corrupt, don't give their constituents a chance to speak and they ignore what the people want. In reading through the proposed legislation the one entity it **does not** affect is the state legislature themselves, which in his estimation are the most corrupt, they ignore their constituents, they do not let the people speak, they don't even respond to your

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notes/inquiries. If the legislature was included in this Bill perhaps it may be fair, but it does not therefore it is just another reason to oppose this legislation.

C.) PUBLIC PORTION

Cncl. Marvin Dilks made a motion to open the Public Portion. The motion was seconded by **Cncl. William Sebastian** and unanimously approved by all members of Council in attendance.

Patrick McDevitt – Environmental Commission member spoke to council with regard to **Resolution R:56-2013** *Resolution Supporting Participation In The Sustainable Jersey Municipal Certification Program In The Township of Monroe, County of Gloucester, State of New Jersey*. Mr. McDevitt explained he recently became aware of this program and for the last six months, he has been networking and lobbying the support of the community. He noted that this is a voluntary state program that is budget neutral, it helps the town to have some community outreach activities to schools, businesses and different areas of the town. He expressed his interest to the Environmental Commission that he would like our town to register for the program as of now 359 towns out of 566 are registered, 10 towns in Gloucester County are registered and one of them, Glassboro is certified. Mr. McDevitt went on to speak on activities currently going on in town and you collect so many points for these activities. It takes a total of 150 points to become certified, so without even taking much action we now have approximately 100 points. He noted along with the actions a resolution must be passed indicating that we (*the town*) support registering for this program. He requested council to review the information and urged them to pass this resolution. Mr. McDevitt then spoke on the merits of the certification program and elaborated on some green companies located in town, one being the solar store at the Amish market. He also spoke of being in touch with the Rowan Environmental Club who is interested in working with us. We have great programs through the schools but we are somewhat limited in the funding. This will give us the ability to apply for grants, expand on our projects and really do a lot of community outreach. This is also a good opportunity for mayor and council to receive some good press and be recognized within the state. It was noted that the Council would take action on the resolution at the regular council meeting.

Cncl. Walter Bryson made a motion to close the Public Portion. The motion was seconded by **Cncl. Richard DiLucia** and unanimously approved by all members of Council in attendance.

D.) NEW BUSINESS

Cncl. Pres., Daniel Teefy advised of a new running group that has been established in town, known as the "*Badgers*". The group organizer, Jerry Marino, contacted Cncl. Teefy and advised the group utilizes the bike path quite often. While running they noticed tree limbs, etc along the route and his group wished to clean-up and repair some things along the bike path. **Cncl. Pres., Teefy** will keep mayor and council abreast of what is taking place.

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E.) **OLD BUSINESS** - None

F.) **COMMITTEE REPORTS**

No Committee Reports were made on at this time.

G.) **QUESTIONS REGARDING RESOLUTIONS SCHEDULED** – None

H.) **QUESTIONS REGARDING ORDINANCES SCHEDULED** – None

Engineer, Chris Rehmann then reported his firm met with the bonding company with regard to Marissa Estates and they indicated this is going to be a fairly easy project for them. They will have the agreement done within sixty (60) days and expect to be ready to put the final pavement elevations in and clean out the basins and do the miscellaneous concrete work that has to be done.

Solicitor, Charles Fiore reported that the Federal Hill development is being taken over by Beazer Homes and the closing on that is scheduled to take place sometime around the end of March. Also, the paving in Amberleigh has been done and they are waiting to do the landscaping along with finishing the street lighting. There is also some basin work to be done. He also advised that a meeting with regard to Serenity Woods would be taking place next week.

Mr. Rehmann then advised there has been a South Jersey Gas street opening permit generated for a part of the new paving work at Amberleigh. It was noted this is still private property therefore; they (*bonding company*) will be on the hook to make it right.

COMMITTEE REPORTS – At this time, Committee reports were heard.

Cncl. Walter Bryson reported that the Redevelopment Committee met with both Stuart Wainberg (*Williamstown Square*) and the Mayor. He noted both the township and the developer have a lot invested in this project (*Black Horse Pike*) and many things were discussed, particularly just exactly where we are with the status of this project. Basically, the retailers are still reluctant to make a commitment to new construction which is just part of the economy as most of the bigger chain stores have construction on hold. Cncl. Bryson advised one of the suggestions made and one that the previous committee had been working on was to expand/extend the redevelopment area all the way down to Whitehall Road. However, at the meeting it was discussed not to go down all the way to Whitehall Road to extend it to Malaga Road and in doing that we would be creating a corridor. Another thing was to clean up the eyesores along the corridor to give a better image to any retailers looking to come here. **Cncl. William Sebastian** then noted that Mr. Wainberg

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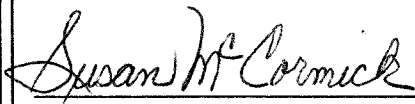
indicated he was looking to develop the properties (*along corridor*) and in order to do that it requires an extension of the redevelopment zone to get grants, etc that go along with a redevelopment zone and also lessens the use problems that already exist in the corridor. He explained as a commercial use only certain businesses can go in without him going through the Board of Adjustments for a mixed-use variance. Cncl. Sebastian noted what Mr. Wainberg alluded to was that the other sites are not compatible for retail right now because of the economy. In order to build a flow within the corridor Mr. Wainberg would like to put some other types of business for example: an entertainment type business like Sahara Sam or Chuckie Cheese or miniature golf. Another type business discussed was a health care facility and Mr. Wainberg suggested that perhaps you could entice Shop Rite to come down into his area (*anchor corridor*). **Cncl. Sebastian** added that Mr. Wainberg was looking to basically increase the flow within the corridor and make it more viable for retail. There was a great deal of discussion back and forth concerning ownership of land along the corridor, pilot programs, improvements that have never been made, etc. **Cncl. Richard DiLucia** felt Mr. Wainberg should be more motivated than us as he owns much of the property, it is costing him money. The township has nothing invested other than we receive no revenue from ground where we could have real estate placed there. Cncl. DiLucia noted he saw no downside of extending the redevelopment zone, with the hope that the economy will turn around. **Cncl. Frank Caligiuri** spoke of the tax concessions. **Cncl. DiLucia** noted if we don't do anything, we don't get any revenue anyway. He added he could only make a decision based on the sincerity of Mr. Wainberg. He is a businessperson and he felt businessmen are motivated by revenue. He has ground (*lots of it*) located in the vicinity that is costing him money to own. **Cncl. DiLucia** felt he is more motivated then we are and he says he wants to do something and he needs this concession (*extension of redevelopment zone*) to try to go out there and see what we could bring in. **Cncl. DiLucia** again reiterated he saw no downside, if there is a downside then he was there to listen. **Cncl. William Sebastian** noted this matter should be discussed at an Ordinance Committee meeting as it involves an ordinance. **Cncl. Frank Caligiuri** then noted there would be tax concessions, if it is a redevelopment zone. Again, there was discussion on the Pilot Program put into place approximately three (3) years ago and since then nothing has happened. **Cncl. Walter Bryson** noted that Mr. Wainberg's comment to the committee was work along with us to try to bring in people to attract businesses to the corridor. The Mayor commented what struck him funny was, he (*Wainberg*) was asking us for help however he owns the property. He said Applebee's won't deal with him. Now, we don't have Applebee's because they do not want to deal with him. The mayor explained that Applebee's wants to go in that corridor somewhere close to Peter's Diner, as far away as they can get from the other Applebee locations. There was much discussion, back and forth on the extension of the redevelopment area and what Mr. Wainberg felt was needed. The Mayor emphasized that he (*Wainberg*) has done nothing for the last eight years, he has not put one shovel in the ground, we have cooperated, we have bent over backwards. Monroe Township is the lead on the intersection/project so it goes through the NJDOT faster, instead of the process being held up. It was decided this matter would be better served being discussed at the Ordinance Committee meeting, it will be placed on the upcoming agenda.

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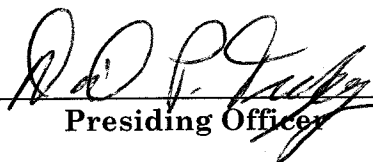
I.) ADJOURNMENT

With nothing further for discussion, **Cncl. Richard DiLucia** made a motion to adjourn the Council Work Session of February 11, 2013. The motion was seconded by **Cncl. Marvin Dilks** and was unanimously approved by all members of Council in attendance.

Respectfully submitted,



Susan McCormick, RMC
Municipal Clerk



Presiding Officer

These minutes were prepared from the tape-recorded proceedings and the hand written notes of the Council Work Session of February 11, 2013 and serves only as a synopsis of the proceedings. Portions of the official tape may be heard in the Office of the Township Clerk upon proper notification pursuant to the Open Public Records Law.

Approved as submitted *ANU* Date *2/25/13*
Approved as corrected _____ Date _____