

**TOWNSHIP OF UPPER
SPECIAL BUDGET WORKSHOP MEETING
JANUARY 31, 2011, 7:00 P.M.**

In preparation of the 2011 Municipal Budget the first budget workshop meeting was called to order on Monday, January 31st at 7:00 P.M. The second budget workshop meeting will be held on Monday February 14, 2011 at 6:30 PM. The regular business meeting scheduled for that date will begin at 7:30 PM.

The following were present for the meeting tonight:

Frank E. Conrad	Present
Curtis Corson	Present
Kristine Gabor	Present
John "Jay" Newman	Present
Richard Palombo	Present

Also present were Municipal Clerk Wanda Gaglione, Finance Officer Barbara Spiegel, Municipal Attorney Daniel Young and Municipal Engineer Paul Dietrich. The Municipal Auditor, Leon Costello was also present.

Mr. Costello began by stating that his analysis showed that the Township would be facing a local purpose tax this year. It was discussed that the fund balance has been decreasing over the past 10 years and it is expected that state aid figures would be frozen or lower than last year. He commented that the Township has delayed a tax increase (local purpose tax) for as long as possible (more than 57 years). Since 2001 the Township's fund balance has been dwindling. Up to a few years ago the Township traditionally gave the Board of Education \$2 million a year; that decreased and finally had to be discontinued.

Mr. Conrad stated that State aid through the years has also diminished and although State aid figures have not been received as yet the state legislature could pass a law allowing the aid to go even lower this year. Last year the Township received \$6.1 million for hosting the B.L. England power plant, which has steadily been decreasing.

Other factors that have affected the Township fund balance now and could affect it in the future is low return on investments; another factor is the proposal from the state to eliminate open space funding that provides funds for lands the Township sets aside from development. Mr. Costello commented that officials in Trenton have indicated that shortfalls in the states budget would be made up from under-funding the state pension system and state aid to schools.

The preliminary work sheets showed a \$5.3 million deficit, and if left unchanged that would mean a 23.8 cents tax rate for every \$100 of assessed value. It was discussed that on a \$300,000 tax assessment that would equate to another \$715 in taxes. The Committee reviewed the worksheet and discussed budget cuts, which brought the tax rate down to 12.3 cents. The budget cuts included some of the following items:

- all funding of capital projects cut--\$2.2 million
- new computer server cut --\$14,000

- two part time positions cut--\$22,000
- Beach survey costs cut by--\$10,000
- Beach patrol budget cut by-\$1000

It was discussed that larger necessary capital projects could be done through bonding. In the past the Township has been able to pay cash for infrastructure improvements. Mr. Costello commented on the Township's ample borrowing capacity and stated that capital items would be possible through bond ordinances rather than as a budget line item. Mr. Corson stated that it might be necessary for the Township to bond for a new trash truck very shortly because the purchase has been put off for two years. He discussed that part time workers that are hired during the spring and summer would be necessary this year to fill in for 2 full time employees that left, and 2 that are scheduled to retire this year. Automated trash trucks were briefly discussed in that that expenditure is not viable at this time and that it would only be possible with 10 or more employee layoffs. It was added that the recent snowstorms have shown that the Township would have been short handed and would have needed to hire private contractors to handle the storm.

Mr. Costello stated that although the state is requesting budget introduction by March 11th, an introduction at the March 14th meeting would be acceptable.

Not having the state aid figures as yet makes it difficult to discuss the budget. Mayor Palombo stated that the Committee would continue to look for spending cuts, to look for more ways to operate more efficiently so that we can offer the same services that we have in the past. It was discussed that a local purpose tax was unavoidable however the 12.3 cents arrived at this evening could be adjusted even more.

There was no further discussion for this evening and the meeting was adjourned at 9:30 PM. Next budget workshop meeting scheduled for Monday, February 14, 2011 at 6:30 PM.

Wanda Gaglione
Municipal Clerk