

**TOWNSHIP OF PARSIPPANY-TROY HILLS
TOWNSHIP COUNCIL SPECIAL MEETING**

March 14, 2009

Public Invited with Public Participation

MEETING CALLED TO ORDER by Council President Cesaro at 9:09 a.m.

Roll Call:	Barberio	-	Present
	dePierro	-	Present
	Fox	-	Present
	Grossi	-	Present
	Cesaro	-	Present

OTHERS PRESENT: Mayor Luther; J. Lim, Business Administrator; J. Silver, Township Clerk

FLAG SALUTE

PRESENT DURING PORTIONS OF THE MEETING:

M. Hardie, Purchasing Director; J. Jannarone, Jr., Maintenance Superintendent; R. Strechay, Director, Dept. of Municipal Utilities; K. Ryan, Water Superintendent; R. Malcolm, Chief Financial Officer; E. Hubner, Emergency Management Coordinator; M. D'Alessandro, Fire Prevention Specialist; B. Ievoli, Director, Dept. of Human Services; D. Bahn, Recreation Superintendent; J. Zitelli, Recreation Supervisor; J. Collins, Director, Dept. of Planning, Zoning and Construction Inspections

The agenda of this meeting, to the extent known, is as follows:

Review of the Mayor's 2009 Budget Recommendations

FORMAL ACTION MAY OR MAY NOT BE TAKEN.

Adequate notice of this meeting has been provided in accordance with the requirements of the Open Public Meetings Law by filing the notice in the Office of the Township Clerk and by posting the meeting notice on the bulletin board at the Municipal Building on March 3, 2009 where it has remained posted since that date. Copies of this notice were mailed by fax to The Daily Record, The Star Ledger and various other newspapers and local radio stations on March 3, 2009.

The Township Council commenced its review of the Mayor's 2009 budget recommendations. Council President Cesaro announced that, at the request of a citizen, the budget review meetings will be opened to the public for comment after each department/division presentation, with a two minute time limit per speaker.

DEPARTMENT OF PUBLIC WORKS/PUBLIC BUILDING MAINTENANCE (140)

Present for this portion of the budget review: M. Hardie, Purchasing Director; J. Jannarone, Jr., Maintenance Superintendent

Ms. Lim noted that the appropriation for Gasoline (323) was reduced; a revised page was provided to the Council. Council President Cesaro suggested that, due to the economic climate, each department/division cut its operating expenses by five percent (5%). Ms. Grossi agreed with Council President Cesaro's suggestion and asked Mr. Jannarone to work with the Council to indicate where cuts could be made. Ms. Lim advised that one of her concerns would be that this budget includes fixed costs and utilities. Mr. Jannarone indicated that he already cut his budget from last year's. Ms. Lim confirmed that, if the utility costs are removed, the remainder of this budget was probably already cut by 5%. She further explained to the Council that the Administration reviews all budgets line item by line item; Departments were asked to present budgets with a 5% reduction and most did, with the exception of appropriations for utilities. Council President Cesaro advised that a 5% cut in this Department would amount to \$58,805.70. Mr. Jannarone reviewed Building Maintenance (231). Mr. dePierro agreed with the intent expressed by the other Council Members, but noted that this effort was already done by the Administration. He asked the Council Members to be aware that these budgets have already been cut and not to cut on top of what has already been cut. Ms. Lim pointed out that Building Maintenance (231) has already been cut; Cleaning Service (246) is a contract, which cannot be cut; Computer System Maintenance (26) can probably be cut by 5%. Mr. Hardie noted that many of the line items are going up in price; the Township has no control over the cost. Some of the utility increases that were built-in may not be sufficient based on the information being received. Discussion ensued relative to the cost of gasoline. Mr. Hardie indicated that he would review the Gasoline (323) line item again. The cost of oil heat for Craftsman Farms, the Sheep Farm and Watnong House were also discussed. Mr. Jannarone indicated that the money appropriated may be able to be reduced as he is looking to convert the house on Smith Road to gas. Council President Cesaro asked that Mr. Hardie review the line item for gasoline and report back to the Council regarding a possible reduction. Both Mr. Jannarone and Mr. Hardie committed to review the other line items for possible additional cuts. Mr. Barberio cautioned that the numbers provided by Mr. Jannarone and Mr. Hardie should be real numbers; cuts shouldn't be made because they feel they have to cut.

STREET LIGHTING (455) – NOTED

Council President Cesaro opened the meeting to the public relative to this portion of the budget, noting a two-minute time limit per speaker, including questions and responses.

Seeing no one come forward to speak, Council President Cesaro closed the public hearing on this portion of the budget.

WATER UTILITY (600)

Present for this portion of the budget review: R. Strechay, Director, Department of Municipal Utilities; K. Ryan, Water Superintendent

Ms. Lim advised that one position was eliminated due to a transfer. Council President Cesaro noted that as a Utility, revenues equal expenses. He expressed no specific concerns with the Water Utility Budget. Mr. Strechay, in response to Mr. dePierro's inquiry, reviewed the status of the Radio Frequency Meter Installation. Mr. Ryan noted that three installers are out in the field every day; we are about halfway through the entire town with the changeover. The conversion, per Mr. Ryan, will be completed in 1½ to 2 years.

WATER UTILITY CAPITAL IMPROVEMENTS (625) – Mr. Ryan indicated that both the inside and outside of the Route 287 Pomeroy Road tank is to be painted. The actual cost is \$800,000; the capital request is for \$600,000. He explained that \$200,000 is available from previous capital funds.

WATER UTILITY DEBT SERVICE (630) / DEFERRED CHARGES/STATUTORY EXPENSES (640) – No specific questions were posed by Council Members relative to these budgetary accounts.

Ms. Lim advised the Council that Mr. Ryan and his staff really scrambled to apply for Infrastructure Trust money under the Economic Stimulus Program. They did a great job getting the application together; hopefully, we will get the funding.

Council President Cesaro opened the meeting to the public relative to this portion of the budget, noting a two-minute time limit per speaker, including questions and responses.

Pat Petaccia, 182 Hawkins Avenue, questioned if the \$295,000 appropriated for the purchase of water is for the Jersey City water. Mr. Ryan explained that this line item also includes money for the Morris County MUA, which covers the Puddingstone area, and Southeast Morris, which handles the area by Route 10 and Johnson Road. Ms. Petaccia next questioned the amount of \$60,000 appropriated for telephones. Mr. Strechay indicated that this cost includes meter reading. Mr. Ryan explained that this line item is

not for phone use alone, it covers lease lines as well. The amount needed for meter reading will be dropping as the Township goes totally RF (radio frequency).

Seeing no one else come forward to speak, Council President Cesaro closed the public hearing on this portion of the budget.

DEPARTMENT OF FINANCE

Present for this portion of the budget review: R. Malcolm, Chief Financial Officer

ASSESSMENTS (060) – Mr. dePierro indicated that, some time in the future, he would like Mr. Cassese (Tax Assessor) to discuss with the Council when the right time would be to conduct a revaluation, noting that when the Township did its last revaluation, home prices had skyrocketed and commercial properties' revenue had not increased that much. The home owners, per Mr. dePierro, took over the bigger burden of property taxes at that point in time. Now that home values are going down, at some point the home values should cross over. Ms. Grossi indicated that property values went down between 10% and 20%; our property values are still above the assessed fair market value and the reason you don't want to do a revaluation is because home owners will get another increase on their property taxes. Additionally, Council President Cesaro pointed out the cost of conducting a revaluation which, per Mr. dePierro, is about one million dollars. Mr. dePierro agreed that, at some point, a revaluation may be appropriate; it would be beneficial for the Council to understand what is involved. Ms. Grossi felt that if property values drop 50%, then, perhaps, this should be discussed. Mr. Fox agreed with Mr. dePierro that it would be a good idea to hear from Mr. Cassese even if we don't take any action. Ms. Grossi explained that she is not saying we shouldn't invite Mr. Cassese to discuss the subject, but she is just relaying the facts. A revaluation right now would just hurt people. Mr. dePierro reiterated that he is not recommending a revaluation, just that it would be appropriate to hear what Mr. Cassese has to say. Consensus of the Council was to invite Mr. Cassese to attend a meeting. Ms. Malcolm will advise Mr. Cassese of the Council's request. Ms. Malcolm indicated that she had a conversation with Mr. Cassese yesterday about the same topic. He advised her that, at this time, nothing is moving; you are not going to find comparables that are being sold for less. He indicated to her that this is not the right time to conduct a revaluation, but he is monitoring the situation. In a year, once the sales start coming in, he will be in a better position as to whether or not to recommend a revaluation. Mayor Luther advised the Council that he has also spoken to Mr. Cassese about this; the bigger issue is that the commercial real estate may be going down faster than the residential real estate. You would wind up shifting the burden to the residents even more.

In connection with "other expenses," Ms. Lim noted that this portion of the budget has already been lowered by more than 5%. Council President Cesaro suggested that we work on an additional 5% reduction in the amount of \$2,722.50. Ms. Malcolm explained that Mayor Luther had instructed Department Heads to try to cut at least 5% from their respective budgets. Mr. Cassese was very conservative, noting, for example, that he requested the amount actually expended in 2008 for Appraisers and Consultants (209). This line item was lowered by \$10,000 from the amount budgeted in 2008. She questioned how much more could be cut from the other line items, which are very small amounts. Ms.

Lim pointed out the total amount appropriated in 2009 is lower than the total amount actually spent in 2008. Ms. Grossi reiterated her earlier comment that there are residents in the Township trying to sell their homes because they cannot afford to pay the taxes and now they are getting hit with the Corzine cuts. It's a "double whammy" for people. With the understanding that this is a small budget, she still questioned if additional cuts could be made.

A motion was made by Council President Cesaro, seconded by Ms. Grossi, to cut \$2,722.50 from Appraisers and Consultants (209). Mr. dePierro expressed his concern about not having the funding to fight tax appeals. Council President Cesaro stated that he is not asking for a significant cut, but he is simply echoing Ms. Grossi's sentiments. He felt that cuts must be made, although he respectfully understands Mr. dePierro's concern.

Mr. Barberio commented that he is not sure that a 5% cut across the board is the right way to go. He knows this budget is lean. He asked Ms. Malcolm how much money the Township will have in surplus at the end of this budget. Ms. Malcolm replied that \$3.3 million in surplus is anticipated to be used to balance this budget, which leaves about \$2 million left. She indicated that last year \$4 million was anticipated to balance the budget, but we only got \$2.7 million back. We didn't replenish what was used. She advised the Council that she recommended to the Administration not to use more than \$3 million because we need a cushion; we can't be putting ourselves in the hole. The Administration decided to go to \$3.3 million, which, as stated before, leaves us with a little over \$2 million for next year. She expressed her concern that if we don't budget enough, we run the risk of a deficit in operations. An over expenditure becomes a deferred charge that must be raised the following year and it looks like really bad planning when you go to Moody's and Standard & Poor's for ratings. She reiterated her concern about over expending. She understands that the Council wants to give back to the taxpayers as much as possible, but by making the budget too tight, you run the risk of having a deficit in operations. You need a cushion because you don't know what the year will bring. Mr. Barberio pointed out that while this budget is just about equal to last year's budget, there is an increase in taxes due partly to ratables. Ms. Malcolm pointed out that this budget absorbed the contractual increases; it's a very conservative budget. She noted that the total 2009 budget is over \$500,000 less in the levy cap and over a million dollars under the appropriations cap. She reiterated that this is a very tight budget; the Administration really came down on Department Heads and forced them to decrease their budgets. They will have a difficult time operating if asked to cut an additional 5%. Mr. Barberio stated that he believes we must make cuts, but how much he does not know. Ms. Lim stated, once again, that cuts were already made by the Administration. Mr. Fox agreed that we all share concerns relative to the taxpayers, but he indicated to Council President Cesaro and Ms. Grossi that, in this instance, he does not know that \$2,700 in savings is worth the risk as far as our ratings are concerned and the potential problems down the road.

Ms. Lim asked that, if the Council makes reductions, that they do so in round numbers.

Council President Cesaro amended his motion, which was seconded by Ms. Grossi, to cut \$2,700 from Appraisers and Consultants (209).

Roll Call:	Barberio	-	No
	dePierro	-	No
	Fox	-	No
	Grossi	-	Yes
	Cesaro	-	Yes

Motion failed.

TREASURY (070) – Ms. Malcolm noted that she is down a part-timer. She had six people, four full-timers and two part-timers. She explained that there is a new audit requirement that the Township must have a calculation done by an actuary for post-retirement benefits. Ms. Lim explained that she believes this calculation is required every two years. Council President Cesaro addressed his concern for a 5% cut, rounded to \$1,000. Ms. Lim noted that without the extra expense in connection with the new requirement for the calculation of post-retirement benefit (the GASB 45 Study), this budget is actually down by \$2,000.

A motion was made by Council President Cesaro, seconded by Ms. Grossi, to cut expenses in this Division by \$1,000. Ms. Malcolm noted that there are line item costs not within her control, such as the requirement to advertise the budget.

Roll Call:	Barberio	-	No
	dePierro	-	No
	Fox	-	No
	Grossi	-	Yes
	Cesaro	-	Yes

Motion failed.

ANNUAL AUDIT (071) – Ms. Lim advised that the Audit cost approximately \$100,000 in total and the cost is spread between the Current Fund; the Water, Sewer and Golf Utilities; and the Construction Division.

COLLECTIONS (080) – Ms. Malcolm advised that there is a significant decrease in the 2009 budget from the 2008 budget; noting its down by \$17,000. Council President Cesaro suggested that, additionally, \$2,500 be cut.

A motion was made by Ms. Grossi, seconded by Council President Cesaro, to cut the operating expenses of the Division of Collection Budget by \$2,500. Mr. Barberio questioned if Computer Expenses (261) could be cut. Ms. Malcolm explained that the amount budgeted pays for the Edmunds system; the amount is contractual. Mr. Barberio asked if Education (300) could be cut. Ms. Malcolm noted that there are two certified tax collectors in the office; the money appropriated is for their continuing education. Council President Cesaro asked the Township Clerk to call for a vote.

Roll Call: **Barberio** - **No**
 dePierro - **No**
 Fox - **Yes**
 Grossi - **Yes**
 Cesaro - **Yes**

Motion passed.

CONTINGENT (520) – Ms. Malcolm explained the purpose of this account. It’s an arbitrary number which serves as a cushion to cover unforeseeable needs that are not covered by a specific line item. It was noted that this amount is very small relative to the size of the Township’s budget.

Council President Cesaro made a motion, seconded by Mr. Fox, to cut \$5,000 from the Contingent (520) Account.

Roll Call: **Barberio** - **Yes**
 dePierro - **Yes**
 Fox - **Yes**
 Grossi - **Yes**
 Cesaro - **Yes**

Motion passed.

Mr. Barberio asked how the rating companies look at the fact the Township used \$3.3 million to balance the budget. Ms. Malcolm explained that the rating companies prefer that the Township not use that much surplus; they are looking for 20% of the budget banked in surplus. Ms. Malcolm is to provide the Council with copies of the Financial Statement.

RESERVE FOR UNCOLLECTED TAXES (541) – Ms. Malcolm advised that relative to Reserve for Uncollected Taxes, she budgeted \$100,000 less than last year because our tax collection rate increased.

Council President Cesaro opened the meeting to the public relative to this portion of the budget, noting a two-minute time limit per speaker, including questions and responses.

Seeing no come forward to speak, Council President Cesaro closed the public hearing on this portion of the budget.

OFFICE OF EMERGENCY MANAGEMENT (330)

Present for this portion of the budget review: E. Hubner, Emergency Management Coordinator

Council President Cesaro suggested a 5% cut in operating expenses, rounded to \$1,800. Mr. Hubner advised the Council that this budget was submitted to Mayor Luther with a 6% reduction. Subsequently, the Mayor took another 10% out of the budget. This budget, per Mr. Hubner, is down 16% in real hard numbers. He informed the Council that Outsource Hazardous Materials Response Team (515) was eliminated based on several factors including an experience rating, not having had the need for this funding in the last three years, and due to the increase in Morris County and State DEP support. However, he noted the possibility that we are opening ourselves up to some liability for the mitigation of a spill or similar incident. Mr. Hubner responded to Council Members' questions relative to other line item expenses. Council President Cesaro noted that operating expenses in this budget are emergency and safety related. Mayor Luther noted that because the OEM was funded better in the past three years, new equipment does not need to be acquired yearly; as a result, we are getting the savings back in terms of reducing the overall operating costs.

Council President Cesaro opened the meeting to the public relative to this portion of the budget, noting a two-minute time limit per speaker, including questions and responses.

Pat Petaccia, 182 Hawkins Avenue, asked for an explanation of Shop Supplies (307), noting that the Explanatory Statement indicates "replacement for fire departments." Mr. Hubner explained that the funding is to replace supplies provided by Fire Departments when they are the first responders to the scene.

Seeing no one else come forward to speak, Council President Cesaro closed the public hearing on this portion of the budget.

FIRE PREVENTION BUREAU (296)

Present for this portion of the budget review: M. D'Alessandro, Fire Official

With respect to operating expenses, Council President Cesaro suggested a 5% cut, rounded to \$2,600. Ms. Lim noted that this budget was cut by \$37,000. Mr. D'Alessandro indicated that he is working on "bare bones" now, noting that expenses are escalating and programs, which he feels are essential to the Township, such as the provision of fire extinguisher training to the employees of commercial office complexes, are not being implemented. Additionally, the "give aways" to youngsters in connection with the Fire Safety Trailer are being eliminated due to the \$5,000 cut in Fire Prevention Materials (314). Mr. D'Alessandro advised the Council that his Division already has an unanticipated expense this year as a result of the State changing the fire code to the International Fire Code, at a cost of almost \$1,000. Council President Cesaro asked if there is any way that the Bureau could request donations from the corporate community to fund the "give aways" provided to the youngsters. Mr. D'Alessandro indicated that he could try this. Council President Cesaro offered the assistance of the Council. Additional line item expenses were reviewed.

Council President Cesaro opened the meeting to the public relative to this portion of the budget, noting a two-minute time limit per speaker, including questions and responses.

Seeing no come forward to speak, Council President Cesaro closed the public hearing on this portion of the budget.

DEPARTMENT OF HUMAN SERVICES

Present for this portion of the budget review: B. Ievoli, Director, Dept. of Human Services

OFFICE OF HEALTH (430) – In connection with “Salary and Wages,” Ms. Lim noted that revision pages were provided to the Council. Additionally, Ms. Ievoli indicated that the salary for Marianne Willis, Public Health Nurse, is being reduced to \$26,733 from \$29,702 as she is working two hours less per week. Regarding operating expenses, Council President Cesaro recommended a 5% cut, rounded to \$1,900. Ms. Ievoli indicated that many of the items included in this budget are contractual; they can’t be reduced. The only item in this “bare bones” budget that possibly could be reduced is the money appropriated for flu shots as less flu shots could be ordered. She noted, however, that the Township is reimbursed for this cost through Medicare. She reviewed other line item expenses, noting, specifically, that Clinic Publicity (201) was already reduced by \$1,000. Relative to Dues, Professional Journals & Conference (297), Ms. Ievoli indicated that there are six employees that need to maintain their continuing education credits and licenses. Council President Cesaro pointed out that there is a strong correlation between what is being spent in this division and the health of our residents. Ms. Ievoli noted that there will be the retirement of an omnibus driver in June; the position will not be filled at a savings in next year’s budget of \$52,000 in salary plus benefits.

OFFICE OF SOCIAL SERVICES (450) – It was noted that the Council was provided with a revised page relative to “Salary and Wages.” In connection with operating expenses, Mr. Cesaro advised that a 5% cut, rounded, amounts to \$8,800. He pointed out the increase in Electric (303) from \$75,000 budgeted in 2008 to \$88,000 budgeted this year. He asked Ms. Ievoli what can be cut. Ms. Ievoli explained that the increase in the amount appropriated for electric was at the suggestion of Mr. Hardie, noting the amount expended last year was \$75,355. Council President Cesaro pointed out that the operating expenses in this office are the “soft” issues, not directly affecting residents’ health. Ms. Ievoli reviewed various line items, noting which are contractual. Ms. Lim commented that she doesn’t think that the money budgeted for electricity should be reduced without conferring with Mr. Hardie. She noted that when Kumon moves out, she can cut back on the electricity at night somewhat. Ms. Grossi questioned what would be cut from Cultural Affairs Bus Trips Activities (462) if this line item is decreased by \$8,000. Ms. Ievoli indicated that she would decrease trips provided to all residents, reduce the number of individuals who could golf in the golf tournament, eliminate some of the paid speakers and senior dances, etc. Council President Cesaro suggested discussing the possibility of an

\$8,000 cut in the \$13,000 budgeted for electricity. Mayor Luther indicated that Mr. Hardie should also address Heating (327) in his review, noting that the amount budgeted for this line item was reduced by \$4,000 from last year's budget; Mr. Hardie might feel that heating costs may rise.

In connection with electricity costs, Ms. Lim advised the Council that the Township is having an energy audit conducted, through the BPU, at many of its facilities. Hopefully, maybe in 2011, we will start seeing decreases in usage.

CHILD CARE CENTER (451) – Ms. Ievoli noted that the appropriation is back down to \$60,000. Mr. dePierro stated that he thinks the Board plans to present its budget to the Council. Discussion relative to this account was tabled until the Center is notified. Mr. dePierro informed the Council that the Center is facing some challenges in its fund raising activities.

AMBULANCE SERVICES (452) – Ms. Ievoli noted the types of items included under Ambulance Supplies, Pagers, Uniforms (212). She advised, in response to an inquiry from the Council, that \$276,777 was generated in revenue last year. Council President Cesaro commented that it appears that the Ambulance Service paid for itself.

Council President Cesaro opened the meeting to the public relative to this portion of the budget, noting a two-minute time limit per speaker, including questions and responses.

Pat Petaccia, 182 Hawkins Avenue, in connection with the Office of Health, asked what licenses are being paid for (line item 297, Dues, Professional Journals & Conferences). Ms. Ievoli explained the need for continuing education credits. Ms. Petaccia also asked for an explanation of Drop In Center (283) in the Office of Social Services' budget. Ms. Ievoli advised that the money budgeted is for the coffee for the Senior Center.

Seeing no one else come forward to speak, Council President Cesaro closed the public hearing on this portion of the budget.

DIVISION OF RECREATION (180)

Present for this portion of the budget review: D. Bahn, Superintendent of Recreation; J. Zitelli, Recreation Supervisor

In connection with operating expenses, Council President Cesaro advised that he calculated a 5% cut, which rounded, amounts to \$5,300. Mr. Bahn indicated that, if it was up to him, he would start with cutting Special Events (426) because it affects overtime. Mayor Luther noted that the fireworks display has not been cut, but the entertainment at the fireworks has been eliminated. Mr. Bahn stated he would prefer these types of cuts

before we eliminate or cut activities that directly affect the youngsters, such as summer playground. Council Members concurred with Mr. Bahn's sentiments. Mayor Luther noted that some summer time activity fees were increased this year to cover the costs. Various line items were reviewed with explanations provided by Mr. Bahn for the amounts requested. Discussion ensued relative to the amount of money appropriated for P.A.L. Activities (407). Mr. Bahn explained that money has been in the Township's budget since the P.A.L. was initiated. Over the years we helped pay for equipment purchased by the P.A.L., as a service to Parsippany's youth. Mr. dePierro confirmed that this appropriation is an on-going commitment since the P.A.L. was constructed.

A motion was made by Ms. Grossi, seconded by Council President Cesaro, to reduce Line Item 407, P.A.L. Activities, by \$5,000. Mr. dePierro expressed his concern that P.A.L. did not have advanced warning of this cut, noting that it has probably already planned its activities and formulated its budget based on anticipated income. He suggested that P.A.L. be advised that this cut will be made next year so that it can plan accordingly. Mr. Fox expressed his opinion that the entire amount be cut next year; that P.A.L. should fund itself. Mayor Luther commented that P.A.L. is already in trouble financially, noting that its fund raising is down. Mr. Barberio indicated that he cannot vote for this cut as P.A.L. was not forewarned. He confirmed that the P.A.L. is already struggling with its budget; maybe this cut could be considered next year. Mayor Luther suggested that the Council may want to invite the P.A.L. President and Director to provide the Council with an overview of what the money is used for and how they rely on this funding. Mr. Fox agreed not to vote for a cut this year. **Ms. Grossi withdrew her motion based on the representations made by the Mayor and with respect to Mr. Barberio's comments as the Council Liaison to the P.A.L.** She doesn't think the Township can afford to subsidize the P.A.L. in perpetuity, especially in light of the economic situations we are all facing. P.A.L. is using these funds to repair equipment, activities are not impacted. She felt that P.A.L. should be forewarned that this appropriation will be cut in next year's budget. Council President Cesaro agreed with Ms. Grossi. Mayor Luther indicated that he will advise P.A.L. of the Council's comments at the next Board Meeting. He explained to the Council that the P.A.L. budget is down substantially, specifically noting that fund raising has declined while utility costs have increased. Mayor Luther will advise the P.A.L. Board President to contact the Township Clerk about scheduling a date to address the Council.

Mayor Luther asked the Council if it wants to consider suspending the fireworks display this year, advising that it is estimated that the bid for the fireworks will come in at about \$20,000. The total cost, including set-up, security and clean-up, amounts to approximately \$50,000. Ms. Grossi suggested that Parsippany join with other municipalities to put on a joint fireworks display. Mayor Luther indicated that Mr. Bahn had suggested that we share this event with Denville, pointing out that we get a lot of the same people at both shows. We could alternate years. Discussion ensued relative to a possible location for the event and parking. Ms. Lim will pursue this shared service idea with the Denville Administrator.

TOWNSHIP EVENTS (181) – Noting that there is already a 50% reduction, Council President Cesaro indicated that he is not inclined to decrease this budget any further. Mayor Luther reviewed the Fall Festival plans.

Council President Cesaro opened the meeting to the public relative to this portion of the budget, noting a two-minute time limit per speaker, including questions and responses.

Pat Petaccia, 182 Hawkins Avenue, with regard to the P.A.L., expressed her understanding that Mr. Plescia’s contract included fund-raising. Mayor Luther explained that Mr. Plescia has no contract, but he has job duties. He further explained that the Township pays him, but he reports to the P.A.L. Board of Trustees. One of his duties at the P.A.L. is to fund raise. Ms. Petaccia felt that the Council is right to consider removing this line item completely from the budget. She wished they would have made the cut this year. Council President Cesaro offered to assist P.A.L. with fund raising events.

Seeing no one else come forward to speak, Council President Cesaro closed the public hearing on this portion of the budget.

DEPARTMENT OF PLANNING, ZONING AND CONSTRUCTION

Present for this portion of the budget review: J. Collins, Director, Dept. of Planning, Zoning and Construction Inspections

BOARD OF ADJUSTMENT (280) – Council President Cesaro suggested a 5% cut in operating expenses, rounded to \$1,600. Ms. Collins stated that all of the divisions within her department are operating at a bare minimum, noting that the costs for microfilming, office supplies, and continuing education courses have been increasing. Ms. Lim pointed out that the appropriation for Legal Other Expenses (357) has increased; Ms. Collins has no control over this appropriation. Ms. Collins noted that, over the last two years, the litigation relative to the Board has almost tripled and additional litigation is anticipated. The budgetary increase, hopefully, will cover both the pending and anticipated legal expenses. Ms. Collins also explained the need for the increase in the amount budgeted for Microfilming of Files (375).

Council President Cesaro made a motion, seconded by Ms. Grossi, to cut Microfilming of Files (375) by \$1,000.

Roll Call:	Barberio	-	Yes
	dePierro	-	No
	Fox	-	Yes
	Grossi	-	Yes
	Cesaro	-	Yes

Motion passed.

Relative to Dues, Professional Journals Conferences (297), Ms. Collins explained that the membership renewals for the planning officials and the memberships to the associations have already been paid. A cut in this line item would eliminate some of the Board of Adjustment members from attending the League of Municipalities’ Convention. She explained that they all don’t attend now, noting that the number has been decreased in the past. Ms. Collins pointed out that the classes offered at the Convention are beneficial. Mr.

dePierro felt that all the Board members should be able to attend, noting that the members of both the Board of Adjustment and the Planning Board are volunteers. This training enables them to do their jobs better which, in turn, makes the Township look better. Council President Cesaro indicated that, while he agrees with Mr. dePierro's view, he doesn't want to burden the taxpayers with a tax increase.

Council President Cesaro made a motion, seconded by Ms. Grossi, to cut \$600 from Dues, Professional Journals Conferences (297). Mr. Fox commented that he agrees with Mr. dePierro, noting that he thinks it is important that these board members attend seminars, noting that the knowledge they acquire may help avoid future litigation. He advised that he will vote against the motion. Mr. Barberio also agreed with Mr. dePierro and Mr. Fox. Ms. Collins indicated that, if \$600 is cut, one, or possibly two, of the members won't be able to attend the Convention. **Council President Cesaro withdrew his motion and made a new motion, seconded by Ms. Grossi, to reduce this line item by \$450 (which is the cost estimate for an individual to attend the Convention).** Ms. Grossi commented that she wished that all of the Board of Adjustment and Planning Board Members could attend the Convention so that they could take advantage of the classes offered, but she reiterated that people are really hurting as a result of the economic situation and this concern is driving her decision to support this motion.

Roll Call:

Barberio	-	Yes , noting that he will forfeit his trip to the Convention; if a Board Member wants to utilize his funding, he or she can.
dePierro	-	No
Fox	-	No , pointing out that he pays his own expenses when attending the League Convention
Grossi	-	Yes
Cesaro	-	Yes

Motion passed.

PLANNING BOARD (285) – Based on the amount spent over the past few years, **Council President Cesaro made a motion to decrease Consultants (270) by \$7,500.** Ms. Collins explained that, in the past, the Township employed a licensed planner. When he left, the Township no longer had a planner on board to address requests and/or concerns from employees and residents and to review applications. A few years ago, the Township contracted with Burgis Associates to provide a consultant on board who, in the past, worked two days a week from approximately 2:00 p.m. until 5:00 p.m. Last year, the amount of time was reduced to one day a week. The budgetary increase, however, is due to the fact that the Township now has a traffic engineering services consultant, noting that Mr. Pucilowski, former Township Engineer, had performed these services prior to his retirement. This line item now includes the planner as well as the traffic consultant. Ms. Grossi noted that Mr. Pucilowski used to attend Planning Board Meetings; the new engineer doesn't provide this service. She questioned why our new engineer isn't providing this same service. Mayor Luther explained that this was due to the negotiations with the new engineer when he accepted the position. Mayor Luther noted, however, that by having the consultant for commercial applications, the Township does not have to absorb the salary. The applicant pays the consultant through the escrow process with no cost or subsidation by the taxpayers. Additionally, Mayor Luther indicated that Wilbur

Downing (with the Engineering Division) did a lot of this review and he is now retired as well. It is unlikely, per Mayor Luther, that Mr. Downing's position will be filled, now that we have a consultant available. However, some restructuring of the Division will be required. The long term plan is to pass the cost from the Engineering Division to the Planning Board through the escrows. **No second to the motion was offered.**

Council President Cesaro indicated that he is looking to cut 5%, rounded to \$3,000. Ms. Collins reviewed Legal Retainer (360), noting that if this line item was cut, some of the Board meetings would need to be eliminated. Ms. Grossi commented that the Planning Board cannot do without the experts. Ms. Collins reviewed additional line item requests.

HOUSING (292) – Council President Cesaro questioned the proposed salary increase of one of the employees. Ms. Lim advised that this was corrected; a revised page was provided to the Council. Ms. Grossi asked the amount of fees generated by the Housing Division. Ms. Collins will provide this information to the Council. Ms. Grossi indicated that it was her impression that the Division is basically paying for itself with the fees collected from the inspections. She would like to confirm if this is still the case. A list of all revenue, including fines, generated by the Housing Division will be provided to the Council. Ms. Lim noted that a full-time inspector was replaced with a part-time inspector saving the Township not only more than half of a salary, but also the cost of benefits. Ms. Grossi also questioned the number of units cited with overcrowding. Ms. Collins will provide this data to the Council as well.

Council President Cesaro noted that a 5% cut amounts to \$1,000. Ms. Collins reviewed the individual line items. Council President Cesaro stated that he would like to see a cut in Education (300) based on what has been expended in this line item since 2006. Ms. Lim pointed out that employees have already attended important seminars.

Council President Cesaro made a motion, seconded by Ms. Grossi, to cut \$500 from Education (300).

Roll Call:	Barberio	-	No
	dePierro	-	No
	Fox	-	No
	Grossi	-	Yes
	Cesaro	-	Yes

Motion failed.

Council President Cesaro made a motion, seconded by Ms. Grossi, to cut \$500 from Cell Phone Expense (536).

Roll Call:	Barberio	-	Yes
	dePierro	-	Mr. dePierro questioned how this cut would affect the operation of this office. Council President Cesaro indicated that he made the motion because he didn't see any money expended in the last couple of years. Ms. Collins explained that there was a change in the cell phone set-up and that the amount budgeted is the actual cost this year to cover the employees. If the

amount is reduced, she would have to eliminate one employee's cell phone. Mr. dePierro voted **No**.

Fox	-	Yes
Grossi	-	No
Cesaro	-	Yes

Motion passed.

Council President Cesaro questioned the \$5,000 appropriated every year for Uninhabitable Building Demolition (510). Mayor Luther explained the need for this line item.

ZONING (293) – Council President Cesaro noted that a 5% cut, rounded, amounts to \$300. Ms. Collins noted that she already cut \$1,500 from operating expenses. She reviewed the various line items. She pointed out that even though the fees have increased over the years, operating expenses have not increased.

Council President Cesaro made a motion, seconded by Ms. Grossi, to cut \$300 from Microfilming of Files (375).

Roll Call:	Barberio	-	No
	dePierro	-	No
	Fox	-	No
	Grossi	-	Yes
	Cesaro	-	Yes

Motion failed.

Council President Cesaro opened the meeting to the public relative to this portion of the budget, noting a two-minute time limit per speaker, including questions and responses.

Pat Petaccia, 182 Hawkins Avenue, noted she was concerned about the expense of sending Board of Adjustment and Planning Board members to the Convention. She would like the Township to consider only sending two or three individuals; those individuals, in turn, could bring back materials and information to share with other individuals, as mentioned earlier by the Council. Ms. Collins confirmed that only four of the nine Board of Adjustment members and only two or three members of the Planning Board will be attending this year.

Seeing no one else come forward to speak, Council President Cesaro closed the public hearing on this portion of the budget.

Brief Recess Taken

DEFERRED CHARGES / STATUTORY EXPENDITURES (540) – Ms. Lim noted that the Township is not taking the pension deferral. She pointed out that the legislation, which will probably be enacted, doesn't allow taking a pension deferral unless paying the full pension places the entity into a levy cap problem.

ADMINISTRATIVE AND EXECUTIVE (020) – In connection with operating expenses, Council President Cesaro advised that a 5% cut, rounded, amounts to \$2,700. Ms. Lim advised that \$8,000 has already been cut, noting that she went line by line and almost consistently, across the board, made cuts. Additionally, she indicated that, even last year, she instructed her staff to be very careful about spending money on anything that is not absolutely necessary. Mr. Fox questioned what line item includes expenses for the "Parsippany Perspective." Ms. Lim explained that the cost gets spread throughout several departments. Mr. Fox asked that the Council Members' names, email addresses and telephone numbers be included in this newsletter. Mr. Barberio requested that the names, email addresses, and telephone numbers of the Council Members also be included on the Township's website. Mr. Barberio indicated that governing body members in other municipalities have their own municipal email addresses. Mayor Luther indicated that this is doable. Ms. Lim will follow-up with the Township's Systems Analyst. Council President Cesaro questioned if Public Information (266) could be cut based on the amounts actually expended in the past three years. Ms. Lim explained that \$25,000 is for Video On The Go; \$5,000 is for major website changes or upgrades to the camera. Mr. Barberio asked if \$500 could be cut from Advertising (201); \$500 from Office Supplies and Expenses (399); and \$1,000 from Public Information (266). Ms. Lim stated that she could live with these cuts.

A formal motion was made by Mr. Barberio, seconded by Mr. Cesaro, to make the following cuts: \$500 from Advertising (201); \$500 from Office Supplies and Expenses (399); and \$1,000 from Public Information (266).

Roll Call:

Barberio	-	Yes
dePierro	-	Yes
Fox	-	Yes
Grossi	-	Yes
Cesaro	-	Yes

Motion passed.

TOWNSHIP COUNCIL (021)/TOWNSHIP CLERK (020) – Discussion ensued relative to the anticipated retirement of the Township Clerk, who explained that, due to the economic climate, she may not be retiring this year. Consensus of the Council was not to revise this portion of the budget. In connection with operating expenses, Council President Cesaro indicated that a 5% cut, rounded, amounts to \$2,800. Individual line items were reviewed. Ms. Lim noted that the Township Clerk's Budget has always been very tight. The Council discussed the possibility of cutting the amount budgeted for Special Studies

(435). Council President Cesaro asked if this line item could be cut by \$1,000. Mr. dePierro commented that this money is discretionary at the Council's disposal, noting that the amount has already been cut in half. Council President Cesaro indicated that, as far back as 2006, not more than \$3,000 per year was expended under this line item. Ms. Grossi stated that she thinks the Council may have to review the Board of Education's Budget this year and, if that is the case, it would be wise to employ a professional. She is not sure that even the \$5,000 budgeted would be sufficient to hire an expert. She explained that she is ill-equipped to review the Board of Education's Budget. She can't do what she is mandated to do if she does not know what she is looking at; an expert is required, noting that other towns have hired experts and, as a result, were able to cut significant amounts of money out of these budgets. Ms. Lim offered to check to see what this may cost and report back to the Council. Relative to Dues, Professional Journals, Conferences (297), the Township Clerk noted that Mr. Barberio indicated that one of the Board of Adjustment members could use the money budgeted for his attendance at the League of Municipalities' Convention. Mr. Fox indicated that the money budgeted for his attendance at the Convention could also be eliminated as he pays directly for the hotel and reimburses the Township for the registration fee. Mayor Luther explained that the money budgeted for the registration fee cannot be eliminated as the money will be spent and then reimbursed.

A motion was made by Council President Cesaro, seconded by Mr. Barberio, to cut \$800 from Dues, Professional Journals and Conferences.

Roll Call:

Barberio	-	Yes
dePierro	-	Yes
Fox	-	Yes
Grossi	-	Yes
Cesaro	-	Yes

Motion passed.

A motion was then made by Mr. dePierro, seconded by Mr. Fox, to restore \$450 to Dues, Professional Journals Conferences (297) under the Board of Adjustment.

Roll Call:

Barberio	-	Yes
dePierro	-	Yes
Fox	-	Yes
Grossi	-	Yes
Cesaro	-	Yes

Motion passed.

COMMITTEES (025) – Council President Cesaro noted what was spent by the Municipal Alliance Committee (MAC) in 2006, 2007 and 2008. Ms. Lim indicated her belief that MAC spent its entire appropriation in 2008. Mr. dePierro explained that a lot of MAC's money is committed to matching grant funds. Ms. Lim is to confirm the amount committed to matching funds and the total amount expended/encumbered in 2008. Council President Cesaro stated that it appears, over the years, that the Miscellaneous Expense for Committees (390) has never been used. The purpose of this line item was discussed. Ms. Grossi indicated that she does not have a problem eliminating this line item. The Council will wait for additional input.

LEGAL EXPENSES (090) – Mr. Barberio asked if there is any way \$25,000 could be cut. Ms. Lim advised that she would not recommend this cut. She noted, however, that the Township Attorney has agreed to reduce the Legal Retainer (360) by \$3,500 due to the reduction in the number of Council Meetings. Ms. Lim indicated that, based on what was expended in 2008, the only place where there is room to cut is Attorney for Tax Appeals (447), but the Tax Assessor strongly recommended the amount currently budgeted. She pointed out that this line was cut from the year before.

INSURANCE (110) – Ms. Lim responded to questions relative to budgeting for Liability Insurance. In connection with Employee Health and Group Life Insurance, Ms. Lim noted that the largest increase is in prescription costs. Ms. Grossi commented that it seems to her that the Township didn't save any money this year or last year. Mayor Luther indicated that these costs should be compared to the State Health Benefits Plan to see the difference. Ms. Lim will review the numbers, but noted that we may still be under the dollar amount spent in 2006 for health insurance. Ms. Grossi stated that she is glad that the Council and the Administration were able to work together to create a savings.

Council President Cesaro opened the meeting to the public relative to this portion of the budget, noting a two-minute time limit per speaker, including questions and responses.

Pat Petaccia, 182 Hawkins Avenue, relative to the line item captioned "In Lieu of Health," felt it is totally ridiculous to pay employees not to take health coverage when they have an option of being covered under a spouse's policy. Mayor Luther pointed out that these employees could have double coverage. The benefit cannot be denied. Ms. Lim explained that, by paying employees 35% if they opt out, the Township benefits by saving the 65%. Ms. Petaccia reiterated her feeling that this is wrong. Additionally, regarding tax appeals, she questioned whether most of these appeals are businesses. Ms. Lim confirmed this.

Seeing no one else come forward to speak, Council President Cesaro closed the public hearing on this portion of the budget.

**MOTION TO ADJOURN: Council President Cesaro
SECONDED BY: Mr. Fox**

Special Meeting/Budget Review – March 14, 2009

Roll Call:	Barberio	-	Yes
	dePierro	-	Yes
	Fox	-	Yes
	Grossi	-	Yes
	Cesaro	-	Yes

MEETING ADJOURNED: 1:40 p.m.

Minutes approved: April 28, 2009