

TOWNSHIP OF MOORESTOWN
TOWNSHIP COUNCIL
SPECIAL MEETING
May 15, 2019

The Special Meeting of the Moorestown Township Council was called to order by Mayor Petriello, Town Hall, Council Chamber, 111 West Second Street, Moorestown, New Jersey at 7:07 p.m. Attendance was as follows:

Lisa Petriello, Mayor	Thomas Neff, Township Manager
Nicole Gillespie, Deputy Mayor	Patricia L. Hunt, Township Clerk
Brian Donnelly, Councilmember	Thomas J. Merchel, Deputy Township Manager/CFO
Michael Locatell, Councilmember	
Victoria Napolitano, Councilmember	

Also Present:

Anthony Zappasodi, Director, Community Development
Brian Slaugh, Affordable Housing Consultant

MAYOR'S STATEMENT: At 7:04 p.m., Mayor Petriello read the Open Public Meetings Act statement in full, as printed on the agenda.

"Notice of this meeting has been provided in accordance with the Open Public Meetings Act" by:

1. Posting a copy of the amended meeting notice and amended agenda on the bulletin board at the Municipal Complex.
 2. Filing a copy of the amended meeting notice and amended agenda in the office of the Township Clerk at the Municipal Complex.
 3. Forwarding a copy of the amended meeting notice and amended agenda to the Courier Post and Philadelphia Inquirer.
 4. Forwarding written notice to each person who has requested copies of the regular meeting schedule.
- All of the above posting, filing and mailing have taken place on the 7th day of May 2019.

CLOSED SESSION - Resolution No. CS 05 15 2019 Authorizing Closed Session - Matters Relating to Litigation, Negotiations and the Attorney-Client Privileges (Affordable Housing).

At 7:05 a.m., Mayor Petriello asked for a motion to adopt Resolution CS 05 15 2019 Authorizing Closed Session for purposes of discussing Matters Relating to Litigation, Negotiations and the Attorney-Client Privileges (Affordable Housing).

MOTIONED BY: Ms. Gillespie
SECONDED BY: Ms. Napolitano
VOTE: All in favor

**RESOLUTION NO. TCOA CS 05 15 2019
AUTHORIZING CLOSED SESSION**

WHEREAS, the Township Council of the Township of Moorestown is subject to certain requirements of the Open Public Meetings Act, N.J. S. A. 10:4-6, et seq., and

WHEREAS, the Open Public Meetings Act, N.J.S.A 10:4-12, provides that a Closed Session, not open to the public, may be held for certain specified purposes when authorized by Resolution, and

WHEREAS, it is necessary for the Township Council of the Township of Moorestown to discuss in a session not open to the public certain matters relating to the item or items authorized by N.J.S.A. 10:4-12b and designated below:

_____(1) *Matters Required by Law to be Confidential:* Any matter which, by express provision of Federal law or State statute or rule of court shall be rendered confidential or excluded from the provisions of the Open Public Meetings Act.

_____(2) *Matters Where the Release of Information Would Impair the Right to Receive Funds:* Any matter in which the release of information would impair a right to receive funds from the Government of the United States.

_____(3) *Matters Involving Individual Privacy:* Any material, the disclosure of which constitutes an unwarranted invasion of individual privacy such as any records, data, reports, recommendations, or other personal material of any educational, training, social service, medical, health, custodial, child protection, rehabilitation, legal defense, welfare, housing, relocation, insurance and similar program or institution operated by a public body pertaining to any specific individual admitted to or served by such institution or program, including but not limited to, information relative to the individual's personal and family circumstances, and any material pertaining to admission, discharge, treatment, progress or condition of any individual, unless the individual concerned (or, in the case of a minor or incompetent, his guardian) shall request in writing that the same be disclosed publicly.

_____(4) *Matters Relating to Collective Bargaining Agreements:* Any collective bargaining agreement, or the terms and conditions which are proposed for inclusion in any collective bargaining agreement, including the negotiation of the terms and conditions thereof with employees or representatives of employees of the public body.

_____(5) *Matters Relating to the Purchase, Lease of Acquisition of Real Property or the Investment of Public Funds:* Any matter involving the purchase, lease or acquisition of real property with public funds, the setting of banking rates or investment of public funds, where it could adversely affect the public interest if discussion of such matters were disclosed.

_____(6) *Matters Relating to Public Safety and Property:* Any tactics and techniques utilized in protecting the safety and property of the public, provided that their disclosure could impair such protection. Any investigations of violations or possible violations of the law.

 X (7) *Matters Relating to Litigation, Negotiations and the Attorney-Client Privileges:* Any pending or anticipated litigation or contract negotiation in which the public body is, or may

become, a party. Any matters falling within the attorney-client privilege, to the extent that confidentiality is required in order for the attorney to exercise his ethical duties as a lawyer.

_____ (8) *Matters Relating to the Employment Relationship:* Any matter involving the employment, appointment, termination of employment, terms and conditions of employment, evaluation of the performance of promotion or disciplining of any specific prospective public officer or employee or current public officer or employee employed or appointed by the public body, unless all the individual employees or appointees whose rights could be adversely affected request in writing that such matter or matters be discussed at a public meeting.

_____ (9) *Matters Relating to Potential Imposition of a Penalty:* Any deliberations of a public body occurring after a public hearing that may result in the imposition of a specific civil penalty upon the responding party or the suspension or loss of a license or permit belonging to the responding party bears responsibility.

NOW, THEREFORE, BE IT RESOLVED by the Township Council of the Township of Moorestown, County of Burlington, State of New Jersey, assembled in public session, that a Closed Session closed to the public shall be held in the Town Hall, 111 West Second Street, Moorestown, New Jersey, for the discussion of matters relating to the specific items designated above.

It is anticipated that the deliberations conducted in closed session may be disclosed to the public upon the determination of the Township Council that the public interest will no longer be served by such confidentiality.

At 7:15 a.m., Council entered into closed session.

At 8:00 p.m., Council returned to the public meeting. Due to the sensitivity of the matters, Council had nothing to report.

DISCUSSION ON 2019 BUDGET:

Mr. Merchel reviewed the changes. He advised that based on the changes, the proposed budget stands at \$26,055,000 which represents an overall increase of \$463,000 or 1.81% over 2018 appropriations. The tax rate has dropped from the proposed amount of \$0.424 to \$0.414. The rate at \$0.414 represents an increase of 1.0 cents or 2.48% over 2018's rate. The average assessed home of \$454,032 would pay \$1,879.69 in total local purpose taxes, which represents an increase of \$45.40 over 2018 taxes of \$1,834.29. To eliminate a tax increase for 2019, the council would have to have a combination of appropriation cuts and/or revenue increases of an additional \$400,000 to bring the tax rate down to 2018's rate of \$0.404 - every \$40,000 represents one-tenth of one cent or a 0.248% tax rate increase.

Mayor Petriello asked if \$80,000 is half cent and Mr. Merchel responded yes.

Mr. Neff said that he recommended two changes on capital plan. He added that it is not appropriated money. They must have bond ordinance. This is placeholder that sets expectations of where we are headed. There is a recommendation for softball to move forward with significant improvements to the softball field, not the \$700,000 for the entire project they want.

Mr. Locatell asked where Ms. Miller, the Recreation Director, is. Mr. Neff said she was not scheduled for tonight. She was here twice. Ms. Gillespie added that she was here with Department of Public Works. Mr. Neff advised when Ms. Miller was in attendance and what was reviewed in her budget. Mayor Petriello stated that she knew Ms. Miller started her general budget. Mr. Neff said that Ms. Miller stated that her budget was basically flat and Mr. Neff said there are salary increases for some part time employees. Mr. Locatell said what we said was, we will see you on the 15th. Ms. Napolitano stated that was her understanding as well.

Mr. Locatell would like to see what Ms. Miller is spending in her budget. He doesn't understand how a process like that could be skipped. Mayor Petriello said that they didn't skip it. She said Ms. Miller said it was flat and we did the capital the same night she came. Discussion continued. Mr. Locatell said how is the budget flat if she is increasing salaries? He asked if there was an organization chart for the staff in the Recreation Department and Mr. Neff responded that he would get Mr. Locatell one. Mr. Locatell asked if they could get a detail on the salary increases. Mr. Merchel said that they can give it to Council but it is confidential because they are in other negotiations but they can give the percentages.

Mayor Petriello said that she received a letter from the MBA. She had asked for funds for Main Street enhancements. She had a conversation with the MBA. Mayor Petriello read the letter aloud. The MBA has agreed to make a donation for Main Street enhancements up to \$25,000 or fifty percent of the total project costs to be used by the end of the year. Mayor Petriello said that the Appearance Committee presented a plan two years ago and it is the same plan today. Mayor Petriello named the improvements. Mayor Locatell said one issue was to address the ADA parking on Main Street. Mayor Petriello said that was not part of the plan. Mr. Locatell stated that was something Council wanted done. He believes that it is something that should be looked at because it is a need. Ms. Gillespie agrees but that is not an Appearance Committee matter. Mr. Locatell said no but it should be part of the plan so that there are no conflicts. Discussion continued. Ms. Napolitano said she was glad to see the commitment from the MBA. She asked if this is something that is going to be done in 2019 since there is a time limit on the MBA commitment. Mayor Petriello said engineering would be required for the planters to be removed and for ADA parking. She stated that the estimates are below the bid threshold. Mr. Locatell asked if Mayor Petriello thought that the MBA would extend beyond 2020. Mayor Petriello said she believes that the MBA is eager to move forward.

Mayor Petriello asked at what point are we 2.28 percent over 2018 rate. We are almost down half from the original proposed budget. Where does that number stand and how do we move forward. Ms. Gillespie said that 2.5 percent is better than 5 percent. She thinks that maybe we could shave down some more. She suggested that Council start with potential appropriation decreases provided to the. Mayor Petriello agreed with Ms. Gillespie.

Mr. Neff said that he circulated some options for appropriation and revenue. He said that they are policy choices, not necessarily recommended. Mr. Neff reviewed each one.

1. \$20,000 additional transfer from utility to support general fund. He said that he doesn't know that we would recommend this because the surplus has been declining and capital projects are out there. Ms. Gillespie asked about when the debt service for plants will show up. Mr. Merchel stated that there is no money now for long term finance, when he does do short term finance, the utility will go up over \$200,000. Ms. Gillespie said are we are looking at utility increases then. Mr. Merchel said not now, but yes. Ms. Gillespie said that will exasperate the surplus declining. Discussion was held on the interest rates. Mr. Locatell asked what the savings is if we get a bulk rate from New Jersey American Water. Mr. Merchel said about \$1 million. There was not a consensus among Council.
2. Mr. Neff said another option is doubling parking fees. He doesn't recommend that right now but maybe in future. Maybe October, November or December. We bring in about \$5,000 a month. We have free parking in December. Mr. Neff intends to end the free parking in December. That would reap an additional \$5,000. He will be meeting with MBA to discuss parking issues in town. Ms. Napolitano would like you to discuss the December parking with MBA. She said we never intended to make profit from meters. She doesn't agree with the increase. Ms. Gillespie agrees with parking rates and is open to dropping the free parking in December. Mr. Locatell agrees. Mr. Donnelly agrees but wants input from MBA first.
3. Mr. Neff said another option is using surplus. He thinks that they must protect the bond rating of town. If you use the surplus, this could have negative effect on the bond rating. Mr. Locatell asked what the anticipated surplus is. Mr. Merchel said that he has not done a projection. We are getting to a point, whatever the number is, that becomes the new normal. We have been able to support the budget. We are getting one time refund this year from FEMA, but that is one time. We can sustain the level we are at now for a couple of years. 2 to 2.3 percent a year is comfortable because you can replenish that. Mr. Locatell asked when does the mall appeals drop off. Mr. Merchel said they will all be off in 2024. Mr. Locatell asked if he included another liquor license. Mr. Merchel said not until the 2020 census numbers are received. Mr. Locatell said we can sell package goods license like Wegmans has and that would be \$800,000 to \$1 million. He asked if Mr. Merchel thought that they could do two licenses. He also asked if Mr. Merchel would dig into surplus if he knew that money was coming. Mr. Merchel said if he knew that was coming in yes. But you need to be able to replenish that money every year. The sale would be a one time influx. Ms. Gillespie said we currently have \$2.6 in surplus. There are other ways we can replenish the surplus. Mr. Locatell said he has some staffing questions. We are adding quite a bit of staffing at the Department of Public Works. Then there are two new zoning officers. Mr. Locatell wants to dig into that. Mr. Neff said that they are listed under appropriation cuts. Mr. Neff stated that they continually used non-recurring to fund recurring events. Over time it becomes very hard to fill the hole from one time revenues. Mr. Locatell said the recurring ends in 2023 which is the Mall tax appeal. Ms. Napolitano said that she agrees with that. People want to reduce tax rate but would not want to use more surplus to use hard fixed costs because

that will be in budget forever. We know result of tax appeal will not be forever. Surplus has been going up every year. Ms. Napolitano asked what is a comfortable surplus to maintain a high rating? Mr. Merchel said it should not fall below \$5 million. He added that \$6 million would be comfortable; we are at \$8 million now. Discussion was held. Mayor Petriello said you say every year is not sustainable. She is inclined to be more cautious with surplus. You have reserve for capital improvement fund. That in essence is a surplus. Can you take from there and leave surplus alone. Mr. Merchel advised of the amount. Mayor Petriello thought it was higher than that. Mr. Merchel said things come up; bids come in higher and there are projects you didn't plan on. You want to have that down payment money. Ms. Gillespie said you have down payment for \$6 million in projects and that is if we did everything in capital budget. Mayor Petriello said in the surplus; if you can look at to fund a need, like the Community Development software. Mr. Merchel said we budgeted \$70,000 and next year it will drop to \$40 some thousand. Mr. Locatell said then you will be dropping the current software license. He said that they need to look at the average of the contract over 3 years. Mr. Merchel said that the biggest issue is the \$850,000 in tax appeal. If Council is wanting to use surplus to finance that gap is that what you are saying we will use surplus for. Mr. Donnelly said what happens when they appeal in 2023. Mr. Merchel said by that time you may do another revaluation that will cost \$600-\$800,000. Discussion on the tax settlement with the mall. Sears is still out there.

Discussion was held on when the Budget must be adopted. Mr. Neff said that we are beyond our extension date of April 29. The State will eventually send a letter that asks you to introduce the budget or they will fine you individually. They just want a date; not likely to fine you. As you go later and later, rating agencies take note of that.

Mayor Petriello said do we want to schedule another date and then circulate through Mr. Locatell. How about May 22, 2019 at 7 p.m.

PUBLIC COMMENT: Mayor Petriello opened the meeting to the public.

Pamela Richards, 304 Colonial Ave., thinks Mr. Donnelly and Mr. Locatell should be here for the workshop. She feels like you are throwing baby out with bath water. There are a lot of residents who get confused that you are not handling the Board of Education budget. You are putting in amount of work you should. Ms. Gillespie and Mayor Petriello have been an incredible asset to the town. There are people confused. Please do not throw baby out with bath water. Do listen to Mr. Merchel about the surplus. He knows what he is talking about. You should have an organizational chart. We spend way too much money on consultants. The Department of Public Works and the Finance function is lot of expense and we should support them. The Mall settlement is big issue; listen to Mr. Merchel and Mr. Neff. You shouldn't count on revenues in future for budget today. You can do a better job at – what are other towns doing – let us know what they are doing. Thank you.

Bob Riley, 9 Gladwyn Terrace, has heard that there is \$400,000 for a softball field. Mr. Neff said that the budget does not appropriate the money; it is a planning document; it is a plug number. It would have to be done by a bond ordinance. Mr. Riley said so I should not infer the

field will be \$400,000. Ms. Gillespie said it does not limit us. Mr. Neff heard Council say we want to move forward with something – whether it’s a new field or improve the existing field. Mr. Riley said if that meant field without lights that would be a field that could be used only two days a week. Mr. Neff said ultimately after budget is adopted this would have to be vetted out. Then a bond ordinance would be introduced. Mr. Riley asks where does the Recreation Department play in this? Do they have to put a number in their budget? Ms. Gillespie said no and they have been clear that they support the field at recent meeting. Mr. Neff said he can organize a meeting with you, Recreation and the Township Engineer so that we can discuss it. Mayor Petriello said that she thinks that is a necessary next step. Mr. Neff said then he will have to advise the Engineer what we want to build. Mr. Neff told Mr. Riley to reach out to him to schedule a meeting. He will try to have the Engineer available. Mr. Riley said thank you.

Edwin Begg, 209 Parry Drive, private sports clubs per kid fee, dog park fee, significant investment on solar panels are all revenues. I take umbrage that dogs have a park and I don’t as a resident and as a tax payer - 1 High Street. Former Mayor Aberrant was start of the process of a garage at 1 High Street that was demolished. For multiple years, they pumped chemicals in the ground. He doesn’t know what process is. When can that process be stopped and 1 High Street be turned into Percheron Park. Mr. Neff said the responsible party is to clean the property up and it is taking long. Mr. Neff thinks that they have a meeting with them next week. He added that we have threatened them with litigation to try and push them. Mr. Neff can share more after that meeting. Mr. Begg stated at the last budget meeting, it was stated that boys have 11 fields and girls have 0. There’s got to be some way with 11 fields that the girls can have access to one if not more. This is a business you are running. Operating expense of town is government, water and sewer. Like \$35,000,000. That is significant amount of money. Balance on capital is in \$55,000,000 range. Lawyer up. In the future if there is any agreement, put it in writing so there is no confusion in later years. We have GPS system for Department of Public Works vehicles. We have system planned to monitor water and sewer lines. We do not know as a business what we own. Recommend the township go thru and develop an inventory as to what we own. In future any advisory committee that says here is our recommendation it should be in writing with something on how they are going to raise money.

ADJOURNMENT: At 9:37 p.m., there being no further business, a motion was made to adjourn.

MOTIONED BY: Ms. Gillespie
SECONDED BY: Mr. Donnelly
VOTE: All in favor

VICKI M. GOUGH
Deputy Township Clerk