

REGULAR MEETING
LAWRENCE TOWNSHIP COUNCIL
LAWRENCE TOWNSHIP MUNICIPAL BUILDING
COUNCIL MEETING ROOM – UPPER LEVEL

February 21, 2012

The following are the Minutes of a Regular Meeting of the Lawrence Township Council that was held on Tuesday, February 21, 2012, at 6:30 P.M.

The meeting was opened with the Pledge of Allegiance, led by the Municipal Clerk.

At the commencement of the meeting Mayor Kownacki read the following statement of proper notice:

STATEMENT OF PROPER NOTICE: “Adequate notice of this meeting of the Lawrence Township Council being held on Tuesday, February 21, 2012, has been provided through the posting of the annual meeting schedule of said Council in accordance with Section 13 of the Open Public Meetings Act”.

The roll was then called as follows:

Present: Councilmembers Lewis, Maffei, Powers, Puliti and Mayor Kownacki.

Absent: None.

Also, in attendance were Richard S. Krawczun, Municipal Manager, and David M. Roskos, Esq., Municipal Attorney.

Review and Revisions of Agenda

There were no revisions to the agenda.

Public Participation

S. Robert Filler, Executive Director, Ewing-Lawrence Sewerage Authority- Presentation of 2012 Budget for ELSA

Prior to public participation, Mayor Kownacki stated that Mr. Robert Filler, Executive Director, Ewing-Lawrence Sewage Authority, would be giving a presentation of the 2012 budget for ELSA, and because he is employed by ELSA he would be recusing himself from the meeting and turning it over to Councilman Puliti. Mr. Puliti then turned the floor over to Mr. Filler.

Mr. Filler greeted the Council and stated that the Ewing-Lawrence Sewerage Authority (ELSA) services both Ewing and Lawrence Townships and they have a ten and a half acre plant, far south off of Whitehead Road, along the Assunpink Creek. He advised that they have ten pump stations, seven in which are located in Ewing, and they also have a diversion chamber. He indicated Ewing has about 13,000 connections and Lawrence has about 11,000 connections and they process about five billion gallons of wastewater per year, so they are very fortunate to have the two customers – Ewing and Lawrence – and some portions of Hopewell by-way of the Ewing Township system.

Mr. Filler advised in early January he sent a letter to the Municipal Manager alerting him of the anticipated increase in the annual sewer charge for both Ewing and Lawrence based upon the amount of flow that each of the towns send to the sewerage authority that pays for their portion of the operating cost for ELSA. He stated that the letter he sent to Mr. Krawczun gave him an estimated increase of about 13 percent, which was his best estimate at that point an time and proceeded to discuss their operating budget increasing by .03 percent and Lawrence being able to relate to their situation as they are facing similar budgetary conditions.

Mr. Filler stated that last year their operating budget only increased by .08 percent and this year only by .03 percent while some of the municipalities operating cost has increased by 12 to 13 percent. He then proceeded to discuss in detail the annual sewer charge as it relates to ELSA's operating budget, the makeup of ELSA's Board members and their approval of the annual budget, as well as, their decline in fees and other sources of revenue that aided in making up some of their budget – such as connection fees for new properties, interest on investments and application/permit fees, which lead to the proposed rate increase.

Mr. Filler advised that other sources of revenue known as “other income” which they do seek from the Townships declined over the years. For example: sources of revenues were \$1 million in 2009, \$395,000 in 2010, and \$150,000 in 2011 and it is expected to be about \$286,000 for 2012. In addition, the Sewerage Authority also uses unrestricted assets or budget surplus funds as a source of revenue; but indicated that too has declined over the years, as it dropped from \$2.6 million in 2008 to an estimated amount of \$1 million for 2012, after which he

briefly discussed their 2012 budget, the \$1.5 million shortfall and their main source of revenue coming from the two towns they service.

Mr. Filler proceeded to discuss the history of the plant, upgrades that have been made over the years and the rising cost of doing business in the industry, to include the cost of chemicals, energy, insurance, labor, etc., and indicated even with the rising cost they are still providing the same 24/7 service and have managed to fine-tune their operations along the way, to include the hiring and replacement of personnel only when necessary. He stated he wishes he could come up with some magic that would get rid of the shortfall instead of asking the towns for the \$1.5 million; but, there is none, so their only recourse is to seek the money from the towns they serve and try their best not to seek any increase in 2013. He then opened the floor up for questions and comments.

Mr. Puliti asked Mr. Filler to give the Council a small snapshot of the Ewing-Lawrence Sewerage Authority debt service.

Mr. Filler advised that Lawrence is in a pretty good position, as they will be debt free in 2014; but he cannot say the same for Ewing Township, as they have 450 miles of lines, along with ten pump stations, and a major construction project going on through Ewing, which is bonded through a Trust and will be their sole obligation and responsibility over the next 14 years. He indicated that both towns principal will be reduced by one million dollars per year and that twenty-five percent of the loans are grants, principal and interest and that they were very, very, fortunate to be able to get the ranking they did in terms of environmental needs, after which he discussed the twenty-five percent they will be getting at zero interest and the fifty percent at market interest rate.

Mr. Filler proceeded to discuss the Sludge facility on Duck Island, where over \$40 million was invested and the project never moved forward; a project that is about 35 years old and will not be paid off until 2014 or 2015. He advised that ELSA has a share of that debt, of which, Ewing and Lawrence shares at a million dollar a year, and between 2014 and 2015 they will be able to put the money to lot better use, after which he discussed plans to do a facilities evaluation of the plant that is almost 60 years old and map out plans for the next 20 to 30 years relative to fiscal requirements and permit requirements by NJDEP.

An at length question, answer and comment period took place relative to declining interest rates, lack of connection fees, ELSA connecting with Hopewell and the benefit, Hopewell purchasing capacity as it relates to Ewing-Lawrence average sewer usage and the flow reserve, ELSA's debt service, ELSA's reduction of staff and the possible need for additional staff if they contract with Hopewell and seeking alternative energy as it relates to possible cost-savings. After the presentation, the Council thanked Mr. Filler for his in-depth budget report.

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**General Public Participation**

*Mr. Joseph Mislán, 4 Sunset Road*, stated that he has resided in Lawrence Township for 43 years and that prior to the meeting he sent a memo to members of Council regarding the budget and his disappointment with the budget presentation, as it seems nothing has changed over the last 42 years. He indicated what seems to be happening now with respect to tax increases is things are being separated out of the budget; but advised homeowners are still paying more... so it does not matter rather the Township call it a tax or separate the cost it is still paid for by the residents of Lawrence.

Mr. Mislán proceeded to review some of the suggestions listed in his memo with regards to bulk purchasing of goods/services, reducing governmental spending, combining government departments, attracting new rates, past/present economic situation, state laws and mandates as they relate to government institutions and government officials practicing financial proficiency.

Prior to closing public participation, Mayor Kownacki welcomed the journalist students, who were present from Rider University and thanked them for coming out. In addition, he thanked Mr. Filler from the Ewing-Lawrence Sewerage Authority for his 2012 budget report.

There being no one else who wished to address Council, Mayor Kownacki closed Public Participation.

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Adoption of Minutes

On a motion by Mr. Puliti, seconded by Mr. Powers, the Minutes of September 20, 2011 and October 4, 2011 were approved without corrections.

Same was carried on the following roll call vote:

Ayes: Councilmembers Lewis, Maffei, Powers, Puliti, Mayor Kownacki.  
Nays: None.

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Introduction of Ordinances

Mayor Kownacki read by title an ordinance entitled, "AN ORDINANCE APPOINTING SUSAN E. McCLOSKEY AS TAX COLLECTOR FOR THE TOWNSHIP OF LAWRENCE."

Mr. Krawczun advised that Alice Fish, Lawrence Township Tax Collector, who has been employed with the Township about 25 years plans on retiring effective March 1, 2012 and that the Township Council is obligated to appoint someone to that position who holds the certification of a Certified Tax Collector. He indicated Susan McCloskey, Assistant Tax Collector, holds that certification along with the experience in the tax office and he is happy to report that Ms. McCloskey has passed all of the challenges and feels she is up to the task of serving as the new Tax Collector; so, he is very confident and enthused about recommending her for the appointment. Subsequently, Mr. Puliti stated that the Council has discussed the matter and they have decided to take the Manager's recommendation as opposed to going out and seeking another Tax Collector to fill the position.

The Ordinance was introduced and approved on the following roll call vote:

| COUNCIL        | AYE | NAY | PRESENT | ABSENT | ABSTAIN | MOVE | SECOND |
|----------------|-----|-----|---------|--------|---------|------|--------|
| Ms. Lewis      | X   |     |         |        |         |      |        |
| Dr. Maffei     | X   |     |         |        |         |      |        |
| Mr. Powers     | X   |     |         |        |         |      | X      |
| Mr. Puliti     | X   |     |         |        |         | X    |        |
| Mayor Kownacki | X   |     |         |        |         |      |        |

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Resolutions

Resolution Nos. 89-12 (8-A) thru 101-12 (8-EE) with the exception of Resolution No. 94-12 (8-F) were approved by the following roll call vote:

| COUNCIL        | AYE | NAY | PRESENT | ABSENT | ABSTAIN | MOVE | SECOND |
|----------------|-----|-----|---------|--------|---------|------|--------|
| Ms. Lewis      | X   |     |         |        |         |      | X      |
| Dr. Maffei     | X   |     |         |        |         |      |        |
| Mr. Powers     | X   |     |         |        |         |      |        |
| Mr. Puliti     | X   |     |         |        |         | X    |        |
| Mayor Kownacki | X   |     |         |        |         |      |        |

Cited Resolutions are spread in their entirety in Resolution Book Volume No. 2 of the Township of Lawrence.

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Councilman Puliti provided a brief summary of Resolution (8-F) – Authorizing Calling on the State Legislature and the Governor to Restore Municipal Energy Tax Receipts, as it relates to his longtime struggle in trying to get the Governor to restore the Energy Tax Receipts that would help alleviate the tax burden presently placed on the residents of the municipality. Afterwards, he asked Mayor Kownacki if he would kindly send a letter along with a copy of the Resolution to the Governor, State Legislators and members of the State Senate and Assembly requesting their assistance in getting the restoration of the energy tax receipts. Some discussion followed amongst the Council relative to the loss of revenue and the restoration of the tax receipts.

Resolution No. 94-12 (8-F) was approved by the following roll call vote:

COUNCIL	AYE	NAY	PRESENT	ABSENT	ABSTAIN	MOVE	SECOND
Ms. Lewis	X						
Dr. Maffei	X						
Mr. Powers	X						X
Mr. Puliti	X					X	
Mayor Kownacki	X						

Cited Resolution is spread in its entirety in Resolution Book Volume No. 2 of the Township of Lawrence.

Awarding or Rejecting of Bids

There were no bid awards.

Adoption of Ordinances

Mayor Kownacki read by title an ordinance entitled, “REFUNDING BOND ORDINANCE OF THE TOWNSHIP OF LAWRENCE, IN THE COUNTY OF MERCER, NEW JERSEY, PROVIDING FOR THE REFUNDING OF ALL OR A PORTION OF THE OUTSTANDING GENERAL IMPROVEMENT BONDS OF THE TOWNSHIP, DATED JUNE 15, 2004, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF \$12,000,000, APPROPRIATING \$5,250,000 THEREFOR AND AUTHORIZING THE ISSUANCE OF \$5,250,000 REFUNDING BONDS OF THE TOWNSHIP FOR FINANCING THE COST THEREOF.”

Mayor Kownacki asked for comments from the public.

Mr. Demetri Stylianou, 5 Oxford Court, inquired about the current interest rates and the cost of issuance on the bonds stipulated in the Ordinance.

Mr. Krawczun stated about four, four and eight (4-4-8) on the interest rates and that the cost of issuance is dictated by the principal balance, verifications fees and underwriter fees set by the Bond Counsel. Some discussion followed relative to the interest cost savings for the Township.

Mayor Kownacki asked for comments from Council. There being no additional comments, public participation was closed.

Ordinance No. 2116-12

REFUNDING BOND ORDINANCE OF THE TOWNSHIP OF LAWRENCE, IN THE COUNTY OF MERCER, NEW JERSEY, PROVIDING FOR THE REFUNDING OF ALL OR A PORTION OF THE OUTSTANDING GENERAL IMPROVEMENT BONDS OF THE TOWNSHIP, DATED JUNE 15, 2004, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF \$12,000,000, APPROPRIATING 5,250,000 THEREFOR AND AUTHORIZING THE ISSUANCE OF \$5,250,000 REFUNDING BONDS OF THE TOWNSHIP FOR FINANCING THE COST THEREOF.

BE IT ORDAINED BY THE TOWNSHIP COUNCIL OF THE TOWNSHIP OF LAWRENCE, IN THE COUNTY OF MERCER, NEW JERSEY (not less than two-thirds of all members thereof affirmatively concurring) AS FOLLOWS:

Section 1. The Township of Lawrence, in the County of Mercer, New Jersey (the "Township") is hereby authorized to refund all or a portion of the outstanding General Improvement Bonds of the Township, dated June 15, 2004, issued in the original principal amount of \$12,000,000 (the "2004 Bonds"). The 2004 Bonds maturing on or after January 15, 2015 (the "Refunded Bonds") may be redeemed at the option of the Township in whole or in part on any date on or after January 15, 2014 (the "Redemption Date") at a redemption price equal to 100% of such Refunded Bonds, plus unpaid accrued interest, if any, to the Redemption Date.

Section 2. In order to finance the cost of the purpose described in Section 1 hereof, negotiable refunding bonds (the "Refunding Bonds") are hereby authorized to be issued in the aggregate principal amount not to exceed \$5,250,000 pursuant to the Local Bond Law of the State of New Jersey.

Section 3. An aggregate amount not exceeding \$100,000 for items of expense listed in and permitted under N.J.S.A. 40A:2-51(b) has been included in the aggregate principal amount of Refunding Bonds authorized herein.

Section 4. The supplemental debt statement required by the Local Bond Law has been duly prepared and filed in the office of the Clerk, and a complete executed duplicate thereof has been filed in the office of the Director of the Division of Local Government Services in the Department of Community Affairs of the State of New Jersey. Such statement shows that the gross debt of the Township as defined in the Local Bond Law is increased by the \$5,250,000 amount of the Refunding Bonds

authorized by this refunding bond ordinance and that an amount representing the \$5,000,000 principal amount of the bonds to be refunded will be deductible from gross debt. The obligations authorized herein will be within all debt limitations prescribed by the Local Bond Law.

Section 5. The purpose of the refunding is to effect an interest cost savings for the Township.

Section 6. A certified copy of this refunding bond ordinance as adopted on first reading has been filed with the Director of the Division of Local Government Services in the Department of Community Affairs of the State of New Jersey prior to final adoption, together with a complete statement in the form prescribed by the Director and signed by the Mayor or the Chief Financial Officer of the Township as to the indebtedness to be financed by the issuance of the Refunding Bonds authorized herein.

Section 7. The Mayor, the Chief Financial Officer, the Township Clerk and other appropriate representatives of the Township are hereby authorized to prepare such documents, to publish such notices and to take such other actions as are necessary or desirable to enable the Township to prepare for the sale and the issuance of the Refunding Bonds authorized herein and to provide for the redemption of the 2004 Bonds referred to in Section 1 hereof.

Section 8. This bond ordinance shall take effect 20 days after the first publication thereof after final adoption and endorsement of the consent of the Local Finance Board upon a certified copy of this ordinance as finally adopted.

The Ordinance 2116-12 was adopted on the following roll call vote:

COUNCIL	AYE	NAY	PRESENT	ABSENT	ABSTAIN	MOVE	SECOND
Ms. Lewis	X					X	
Dr. Maffei	X						X
Mr. Powers	X						
Mr. Puliti	X						
Mayor Kownacki	X						

Mr. Krawczun advised that Resolution 10A-1 approves the form and content details, of the refunding of the June 2004 bond issuance, which has to be adopted in accordance with the Ordinance.

Resolution No. 102-12 (10A-1) was approved by the following roll call vote:

COUNCIL	AYE	NAY	PRESENT	ABSENT	ABSTAIN	MOVE	SECOND
Ms. Lewis	X						
Dr. Maffei	X						X
Mr. Powers	X						
Mr. Puliti	X					X	
Mayor Kownacki	X						

Cited Resolution is spread in its entirety in Resolution Book Volume No. 2 of the Township of Lawrence.

Manager's Report –

A. Discussion of 2012 Municipal Budget

Mr. Krawczun stated at the February 7 meeting Councilman Puliti asked him to present alternatives to the referendum in terms of what they need to do to accomplish the same amount of savings, by changing the municipal budget, as they would with the referendum or the way they currently pay for trash collection. He indicated that they have taken a quick look at some of the details in the proposed 2012 budget and that they have come up with a recommendation in response to the Council's request; but he wants to make "unequivocally" clear that the proposed layoffs is made in response to Council's request for information and are not "hard and fast" recommendations for implementation.

Mr. Krawczun stated that the items he would be reviewing are fixed budget costs and that some of the programs they have looked at, in terms of elimination, are the recreation and senior center, medical emergency services, staff reductions and accelerated tax sales that have not been previously discussed. He indicated that they took a quick look at the proposed \$42.3 million budget for 2012 and the appropriations that they could not immediately touch, as there are a number of appropriations not included on the list that would require a more detailed analysis; because if they stay in operation as a municipality there are statutory appropriations and positions that must be included in the municipal budget – such as the positions of Tax Collector, Municipal Clerk, Chief Financial Officer and the Certified Tax Assessor.

Mr. Krawczun continued to discuss the statutory appropriations that the Township is not allowed to touch by law – such as the Reserved Collected Taxes, Fire Hydrant Service, Pensions and Debt Services, Net Change of Emergency Appropriations, Solid Waste and Landfill, Complex Trash Reimbursement, Red-Light Camera Program, Social Security & Medicare, Utilities - Street Lights, Additional Fire Hydrant Charges, Water, Fuel, Heating and Air Conditioning Cost, Recycling Tax, LOSAP Program, Grants, Liability Insurance, Workers Compensation, Unemployment Contributions and the fee for Audit Services, which the Township is obligated to conduct under the Fiscal Affairs Law each fiscal year within six months of the closure of the fiscal year.

Mr. Krawczun advised that the fixed cost amounts to \$21 million of the \$42 million recommended budget prior to any change by the referendum, so that will leave them with about half of the proposed budget for consideration. He then proceeded with an in-depth review of some of the alternatives to the referendum or change in trash services, which included the elimination of the Recreation Department programming and shifting the Superintendent of Recreation and one employee to run special events over to the Lawrence Township Senior Center -

current operating cost \$436,000 deficit after cutbacks \$232,000, elimination of the 24/7 Emergency Medical Services - deficit of \$335,000 to operate present services, layoff of 36 positions - cost savings of \$2.2 million, the acceleration of taxes by calling in all the past-due 2011 property taxes; a proposition he is not recommending as an option being it is a one-shot revenue source and it will not help regenerate the surplus. In addition, he discussed the three entities of government being separate as it relates to the budget – Lawrence Township, Lawrence Board of Education and the County of Mercer.

An at length comment, question, and answer period took place relative to the proposed elimination of the Recreation Department, Emergency Medical Services, the need for the 36 employees being recommended for layoffs, the acceleration of tax sales on past due property taxes, shared services, reduction of staff, privatization of grass cutting/janitorial services, bidding of services - such as electric, telephone, etc., energy audits, a freeze on certain expenditures and reduction of capital expenditures, possible elimination of trash services, flat state aid, the 2-percent cap imposed by the State as it relates to the need for the referendum and the wipeout of the surplus and the need for the restoration of energy tax receipts to alleviate the tax burden.

After the discussion, it was the consensus of the Council to seek the voters' approval through a referendum for the 9-cent property tax rate increase in addition to the 5-cent property tax increase proposed in the 2012 budget, as opposed to layoff of employees or closing down departments. Mayor Kownacki thanked Mr. Krawczun on behalf of Council for his presentation and for his and his staff's hard work on the budget.

Mr. Krawczun stated that a summary of property locations and amounts for individual reduction of tax assessments from Tax Appeals will be available on the Township website tomorrow. He advised that the County Board adjustments along with other reductions total approximately \$41 million and that his presentation displayed a net decrease of \$38 million being there was a change to added assessments for new construction that reduced the amount of money originally reported.

Attorney's Report –

Mr. Roskos stated that he has a couple of proceeding matters so there is nothing to report; but he should have something to report next month.

Clerk's Report –

There was no Clerk's report.

Council Initiatives/Liaison Reports –

Councilmember Lewis' report:

- Advised that she attended a portion of the Growth & Redevelopment meeting, as it was scheduled right before their last Council meeting, and they discussed plans to reach out to new and existing businesses in the Township.
- Stated she attended the Greenway Committee meeting where they discussed extending the Trail by the Shabakunk Creek and that she had discussions with the Municipal Manager as to how they might be able to move forward with that project prior to the New Year.

Councilmember Maffei's report:

- No report.

Councilmember Powers' report:

- Stated that he attended an unofficial meeting of the Green Team, who was seeking guidance about the consolidation of some of the Boards and Committees because of the duplicate roles they were providing for the Committees.
- Advised that they have a couple of new members on the Human Relations Committee and that one of the young men on the committee just graduated from Drew University. In addition, they are in the process of making plans for May 6, Diversity Day, and that Dr. Crystal Lovell, Superintendent of Schools, will be the keynote speaker. So, they are gathering up folks and creating the groups to participate and he will update the Council as they get closer to the date.

Councilmember Puliti's report:

- No Report.

Mayor Kownacki's report:

- Advised that he attended the meetings of the Affordable Housing Board, Municipal Alliance on Drug and Alcohol Abuse and the Health Advisory Board and everything is the same, so there is nothing to report.

Written Communications –

There was no written communication.

Old Business –

Mayor Kownacki stated several meetings ago he suggested to members of Council that they think about combining some of the Boards and Committees being they do not have enough people applying to fill the slots.

Mr. Puliti stated that he did have an opportunity to discuss the matter with the Municipal Manager and they talked about the possibility of combining the Greenway and Open Space Committees and the Environmental Resources and the Green Team Committees.

Ms. Lewis stated that she concurs with Mr. Puliti's suggestion being she has also spoken with the Municipal Manager about combining the Greenway and Open Space Committees.

Mr. Powers stated during the unofficial meeting of the Green Team there was some discussion about the Environmental Resources Committee losing funding from ANJEC if they were to combine with the Green Team. He indicated that they discussed the possibility of forming a subcommittee to do the Planning Board reviews so that the Environmental Resources Committee can still be eligible to receive grant money from ANJEC; because, as of now, the Environmental Resources Committee does the Site Plan reviews and commentate and the Green Team has a different function with regards to helping the Growth & Redevelopment Committee. Some discussion followed as to how they should proceed with combining the committees; but not risking the loss of grant monies. After a brief discussion, it was the consensus of the Council to research the matter and discuss it at the next Council meeting.

New Business –

Mr. Powers advised that the ribbon cutting ceremony for the grand Re-opening of the Colonial Bowling Lanes is taking place on Friday, February 24.

There being no further business to come before this Council, the meeting adjourned.

8:30 p.m.

Respectfully submitted by,

Kathleen S. Norcia, Municipal Clerk

Attest:

James S. Kownacki, Mayor