

Township of Randolph
Municipal Building
Randolph, NJ
January 28, 2023

A. OPENING OF BUDGET MEETING

1. Call to Order

A budget meeting of the Randolph Township Council was called to order at 8:30 a.m. by Mayor Nisivoccia. This meeting is held pursuant to the New Jersey Open Public Meeting Act. Adequate notice of the meeting has been provided by posting written notice of the time, date, location and to the extent known, the agenda of the meeting in Randolph Township. This notice was posted on the bulletin board in Town Hall, it was filed with the Township Clerk, and it was provided to those persons or entities requesting notification. Notice was also provided to the Randolph Reporter and the Morris County Daily Record on December 15, 2022, by emailing them the annual resolution adopted by the Council on December 8, 2022. The annual resolution, which included this meeting date, was advertised in the Randolph Reporter and the Daily Record on December 22, 2022. Notice was also provided to TapInto Randolph, the official Township online digital publication, on December 21, 2022.

2. Roll Call

PRESENT: Councilmember Elbaum
Councilmember Forstenhausler
Councilmember Hathaway
Councilmember Potter
Councilmember Veech (via conference call)
Deputy Mayor Carey
Mayor Nisivoccia

Also present: CFO Debbie Bonanno, Park and Recreation Direction Russ Newman, DPW Superintendent Tom Sweeney and Engineering/W&S Administrator Wayne Corsey

3. Pledge of Allegiance

Mayor Nisivoccia led the Pledge of Allegiance.

B. OPEN TO THE PUBLIC

Seeing no one from the public, the public portion was closed.

C. DEPARTMENT BUDGET PRESENTATIONS

Manager Poff reviewed elements of the municipality's operating budget. He and Township Chief Financial Officer Debbie Bonanno have been taking time to review and examine the budget considerations. He anticipated providing information about revenue items at the next scheduled Council Budget Meeting session on Thursday, February 2, and presenting the Capital Improvement Program during the last budget meeting session on Thursday, March 2.

He explained that the budget is the single most significant policy statement adopted by the Township Council on an annual basis. He stated that the proposed 2023 Budget called for appropriations of \$34,353,264. This represents a 4.78% increase or \$1,566,276 from the adopted 2022 budget. The significant dollar increases are seen in appropriations such as capital improvements, statutory expenditures (pensions & social security), recycling, insurance, and solid waste collection.

COMPLIANCE WITH STATE BUDGET REGULATIONS

He explained that the township is required to comply with two budgetary limitations; the increase in appropriations or "the appropriations cap," and the property tax levy cap.

The appropriations cap law under N.J.S.A. 40A: 4-45.2 states, "municipalities and counties shall be prohibited from increasing their final appropriations by more than 2.5%...unless action is taken by the governing body to increase their final appropriations subject to the cap to the statutorily permitted three and a half percent (3.5%)." The property tax levy cap law (N.J.S.A. 40A:4-45.44 et seq.) establishes a formula that limits increases in the local unit (municipal, county, or fire district) amount to be raised by taxation (tax levy) for each local unit budget to 2% of the previous year's amount to be raised by taxation.

The Township Council will be provided with a subsequent report regarding the cap calculations after the conclusion of deliberations on the municipal budget.

APPROPRIATIONS

Manager Poff reviewed the following 2023 appropriations:

General Administration S/W

The Confidential Assistant to the Township Manager and Purchasing Coordinator have both indicated their intention to retire within the first quarter of 2024. Additional monies are being appropriated for both positions for succession planning. These monies will provide up to 60 days of job shadowing for each position allowing for a smooth transition. It must be noted that these positions represent 50% of the Township Manager's staff.

He proposed the reinstatement of the Assistant Township Manager's position. Given the complexity of managing the township's operations and the level of expectations from both the public and Township Council, he explained that it was prudent to consider restoring the position.

Municipal Clerk S/W

Funds are being requested to provide for a Public Information Officer to build upon the improvements recently made to the township's communication strategy.

Financial Administration S/W

Monies are required to meet contractual salary obligations for the Chief Financial Officer and Assistant Chief Financial Officer.

Information Technology O/E

The expenses in the information technology budget account include the new expense for the deployment of Microsoft 365. As previously reported, the benefits of having implemented this platform include built-in security, enhanced accessibility, and more predictability and flexibility on the Microsoft platform. The township continues its efforts to comply with the Joint Insurance Fund's cybersecurity standards which will lead to greater reimbursement of deductibles should an incident occur.

Revenue Administration S/W

Supplemental monies are requested to fund the position of Assistant Treasurer. The tight labor market has made the hiring of skilled positions more challenging. The additional funds are intended to allow the township to hire the most qualified candidate for the position.

Code Enforcement S/W

As with the Division of Revenue Administration, the tight labor market has made the hiring of state-licensed positions more challenging. This is the case with both the Building Sub Code and Plumbing Sub Code Officials. The additional monies are intended to allow the Township to hire the most qualified candidate for the position.

Sanitation O/E

The township's bulk waste contract expired at the end of 2021, and the increase in sanitation represents the contractual obligation that must be paid to Blue Diamond Disposal.

Recycling O/E

The township, in consultation with the Morris County Municipal Utilities Authority, will realize a "negative" rebate for the disposal of paper and plastic this year. As a result, the appropriation needs to be increased to cover this expense.

Animal Control S/W

The township has relied heavily on its Animal Control Trust Fund. With revenues remaining relatively flat, it is prudent to shift some of the additional salary and wage expense into the general fund. The Health Department will be asked to review the trust fund revenues and make recommendations as to what the township might consider to increase those revenues.

Recreation Services S/W

The increase in Recreation Services salary and wage can be attributed to the director's request for additional monies to fund summer program staff. The department has found hiring seasonal summer staff a challenge, and this increase is targeted to make such summer employment more attractive. This appropriation increase is offset by a corresponding increase in revenues.

Recreation Services O/E

Other expenses are increased to cover youth programs, day camps, and teen camps. These include increased costs for trips (where the locations also have to pay their staff more), busing fees implemented by the BOE, and a greater number of youth programs.

Capital Outlay

There is a tremendous demand for a variety of projects and equipment that are classified as capital outlay. This is especially true for buildings and grounds, the rescue squad, fleets, parks, and the fire department. Adjustments were made to limit the overall impact of capital outlay projects on the budget.

Statutory Expenditures

The township has an obligation to fund its share of its employees' pension contribution. Pension obligations have increased this year at a blended rate of 10.5%.

Insurance

The township's participation in the Morris County Joint Insurance Fund continues to help the township in its employment practices and loss control programs. The township has benefitted from its participation in the North Jersey Municipal Employee Benefits Fund realizing an increase that is 16% lower than what was announced for the State Health Benefits Plan. The Morris County Joint Insurance Fund and the North Jersey Municipal Employee Benefits Fund have rate increases that must be funded.

Capital Improvements

Given the continued increase of cost of materials and goods, it is recommended additional funds be placed in the capital improvement fund.

Reserve for Uncollected Taxes

The Reserve for Uncollected Taxes is an appropriation required by New Jersey law to be included in the budget. This reserve covers any budget shortfall as the result of taxes not collected. He recommended a reduction, as the township's collection rate has been historically strong.

SUMMARY

The proposed budget calls for appropriations of \$34,353,264. This represents a 4.78% increase or \$1,566,276 from the 2022 budget. Salary and wages total \$10,820,801. This represents a 5.60% increase or \$573,765 compared to 2022 salary and wages. This includes monies for the

Assistant Township Manager, a Public Information Officer, and supplemental funds for Construction Subcode Officials and the Assistant Treasurer.

The most significant dollar increases in the proposed 2023 budget are seen in the following appropriations:

Capital Improvements	\$250,000
Statutory Expenditures	\$211,742
Recycling O/E	\$202,000
Insurance	\$121,710
<u>Solid Waste O/E</u>	<u>\$104,880</u>
Total	\$890,332

He thanked CFO Debbie Bonanno for her assistance in the preparation of the 2023 draft municipal budget.

He shared that the Township Council has three scheduled budget meetings, Saturday, January 28, Thursday, February 2, and Thursday, March 2. The following items will be reviewed at each of the budget meetings;

- January 28 - Parks & Recreation, Engineering, Water & Sewer, and Public Works
- February 2 - Police, Health Services, Code Enforcement, Library, and Revenues
- March 2 - Capital Improvement Program, Trust Funds, and Finalizing Budget

The state has established a municipal budget calendar with the expectation that municipal governments will comply. The revised statutory date for the budget transmission to the governing body is Monday, February 27. Municipal introduction and approval of the budget is scheduled to take place on or about Thursday, March 16 and public hearing and adoption on Thursday, April 20.

Park and Recreation Director – Russ Newman

Russ Newman reviewed his proposed operating budget and capital outlay requests for 2023.

He reported that the department resumed its full activity schedule, participation stats, and revenue figures, surpassing the pre-Covid data of 2019.

He explained that the Recreation and Community Services budget provided funding for all expenses associated with these activities. He discussed the following budget elements with the council:

- Parks & Recreation Salary and Wages – professional staff, park maintenance staff, program and facilities staff.

- Operating Expenses – printing/publicity, professional development, office costs/supplies, senior programming, online registration, processing fees, and utilities.
- Support League Budget – encompasses youth sports such as baseball, soccer, football, hockey, lacrosse, softball, basketball, wrestling, cheerleading, cross country, and track and field.
- Self-Sustaining Programs – preschool programs, dance, music, seasonal arts and crafts classes, youth programs, sports clinics, Artworks Studio, Randolph Park Beach, summer and teens camps, adult programs, and non-traditional programs such as workshops.
- Budget for maintaining Parks and Recreation facilities, trails, and other open space, as well as snow plowing, shoveling, and other day-to-day and emergency situations and repairs.
- Budget for celebrations of public events.
- Revenue areas from 2022 – rentals of fields, picnic pavilions, and the Community Center, training, senior programs, bus donations, and various permits.

He reviewed the two capital outlay projects the department is seeking to complete in 2023. The capital outlay funds would support the Wubit for Randolph Lake which was purchased in 2022 and the installment of a shed and electrical improvements at the north end of the lake. The Township Council and Parks and Recreation Director Russ Newman engaged in a Q&A session.

D. BREAK – 10:30 am

The council took a five-minute break.

DPW Public Works Director - Tom Sweeney

Tom Sweeney reviewed his proposed operating budget and capital outlay requests for 2023. He discussed the following budget elements with the council:

- Ash Tree Removal Project
- Street and Road operations
- Material cost and material management
- Snow Removal Operating Budget
- DPW maintenance budget, expenses, and budget requests.
- In-house maintenance of fleet vehicles
- Vehicle and equipment replacements

Mr. Sweeney explained that the department's Capital Outlay request for 2023 was to fund the purchase of an attachment mount unit for a skip loader tractor. The attachment clips on the front of the tractor and assists with grinding out potholes, and digging. He explained that it was the biggest season for potholes, and this piece of equipment could provide assistance with pavement management, filling potholes correctly, and improving efficiency. There was a brief discussion on pothole filling and the life expectancy of the piece of equipment. There was discussion on the possibility of having a portal placed on the township website that residents could utilize to report

potholes and other related concerns. Manager Poff confirmed that the township was working towards the development of that portal during the website redesign.

The Township Council and DPW Director Tom Sweeney engaged in a Q&A session.

Engineering/Water and Sewer Administrator – Wayne Corsey

Wayne Corsey reviewed the Engineering/Water and Sewer Department’s proposed operating budget and capital outlay requests for 2023.

Mr. Corsey provided a general overview of the Engineering Department operations. He discussed the following budget elements with the council:

- Salaries and Wages
- Stormwater Management operations – increase in budget to comply with increasing NJDEP fees.
- Tree Removal and Root and Stump Removal Program
- Water and Sewer Department operations – increase to meet the state’s MS4 program permit fees. Increased operational costs, equipment maintenance, clothing allowance, and continuing education.
- The anticipated increase in the cost of various contractual services the township has with the Morris County MUA.
- Various statutory expenditures charged for Water & Sewer, in terms of pension and social security.

Mr. Corsey explained that the department’s Capital Outlay request for 2023 was to fund Water Meter and MIU replacements. He explained that the request for this capital project was typically for \$2.5K, however, upgrades to software programs have revealed some deficiencies. The meters will be replaced and upgraded so that they will provide more efficient readings and capture more water that is potentially not being accounted for. There was a discussion on the amount of water the meters capture, Morris County MUA charges, and the data collection of old meters and other reading equipment.

Mr. Corsey reviewed the department’s additional Capital Outlay request to purchase and install an emergency natural gas generator at the Water and Sewer Building.

Manager Poff explained that if the township is asked to undertake significant water and sewer projects such as repair rehabilitation and service extension, the council would be asked to consider a rate increase as the existing budget does not have sufficient capacity to carry out additional projects. He stated that the budget request included monies to undertake a rate study in 2023 to provide detailed analysis and recommendations to the council. There was a brief discussion on balancing rate increases. Councilmember Veech asked whether the budget considered installing more fire hydrants and getting water to more places. Manager Poff shared that Mr. Corsey and his department were evaluating the feasibility.

General Government and Land Use Administration

Manager Poff reviewed the following Planning and Zoning Department budget elements with the Township Council:

- Contractual Salary increases
- Increase in Budget for legal advertisement and increased retainer fees for the Planning Board Attorney and the Board of Adjustment Attorney.

There was a brief discussion on the funds allocated for litigation. Manager Poff explained how funds are appropriated, allocated, reserved, fund-balanced, etc.

There was a discussion about digitizing Planning Board Agendas, Documents, and Minutes. Clerk Luciani explained that a new township website was in development. It was suggested that the cost and operational effort for the digitizing process, and the potential user counts be examined. Manager Poff stated that it could be looked into. He explained that the current website has accumulated an inordinate number of pages and published information over time; the new website would be slimmed down to feature reasonable information within recent years.

He reviewed General Administration Budget elements:

- Increase in the budget for six months of salary for the Assistant Township Manager, and additional two months' salaries for the Administrative Assistant to the Township Manager, and the Purchasing Coordinator for succession planning.
- Budget adjustments were made for merit increases and vehicle allowance costs.
- Increase to "other" expenses for onboarding Assistant Township Manager.
- Mayor & Council \$2,000 wage increase.
- Salary and wage expense for the Public Information Officer, and salary increase for a staff member who obtained state certification.
- Additional funds for covering the cost of election ballots, which the county bills municipalities for.
- Increase proposed to Finance Department "other" expenses, covering costs for payroll, time, and attendance system to allow tracking benefit/leave time electronically.
- Increase for computerized data processing systems and hardware. The increase will cover the cost of Microsoft 365 and allows municipal offices to move away from outdated copiers and use four leased machines instead.
- Additional funds for the Assistant Treasure position - no appreciable increase in "other" expenses.
- No significant changes to the Tax Assessment Department.
- A modest increase to cover the agreements the township has entered into with its various legal professionals.

The council asked additional questions regarding the Revenue Administration and Assistant Treasurer position. CFO Bonanno explained that the department was seeking a qualified full-time hire to meet financial reporting and water and sewer billing duties. Manager Poff suggested that the council should be mindful of the expectations for part-time and full-time positions. There was a brief discussion on the part-time communication coordinator position. Manager Poff

explained the challenges associated with part-time and full-time communication roles, and other solutions municipalities have used to meet communication needs. The council discussed the need to understand the cost impact to better evaluate the position. Manager Poff explained that the increase in the budget is somewhat immaterial as the costs are mostly contractual obligations that will eventually be absorbed. He explained that the significant percentage is the increase in the amount to be raised by taxes. He explained that the tax rate would be discussed during the next budget session.

F. OPEN TO THE PUBLIC

Seeing no one from the public, the public portion was closed.

G. COUNCIL QUESTIONS/DISCUSSION

Mayor Nisivoccia asked the council if they had any additional questions. The council stated that they were very pleased with the presentations.

Manager Poff stated that the next budget meeting would be held on Thursday, February 2 at 5:00 p.m. The budget presentations will feature the Police Department and Health Department.

H. ADJOURNMENT

Councilmember Potter made a motion to adjourn the meeting at 1:23 p.m. Councilmember Forstenhausler seconded the motion, and the following roll call vote was taken:

AYES:	Councilmember Elbaum
	Councilmember Forstenhausler
	Councilmember Hathaway
	Councilmember Potter
	Councilmember Veech
	Deputy Mayor Carey
	Mayor Nisivoccia
NAYS:	None