

Township of Randolph
Municipal Building
Randolph, NJ
February 2, 2023

A. OPENING OF BUDGET MEETING

1. Call to Order

A budget meeting of the Randolph Township Council was called to order at 5:00 p.m. by Mayor Nisivoccia. This meeting 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 or entries 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 on December 21, 2022.

2. Roll Call

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

Also present: CFO Debbie Bonanno, Chief of Police William Harzula and Heath Officer Mark Caputo

3. Pledge of Allegiance

Mayor Nisivoccia led the Pledge of Allegiance.

B. OPEN TO THE PUBLIC

Deepak Das of 8 Devonshire Drive requested that the council consider setting aside a budget to update the IT infrastructure the municipality uses. He asked that a digitizing process be considered to discontinue the township's use of outdated technology. He stated that this should start with an assessment of current infrastructure and a study of what the cost would be for such an upgrade.

Mayor Nisivoccia explained that a study was conducted two years ago to evaluate the townships IT infrastructure. Over the past two years, the township has been upgrading technology such as email services and hardware. He added that the budget also accounts for further upgrades.

Seeing and hearing no one further, the public portion was closed.

C. BUDGET PRESENTATION

Police Department – Chief of Police William Harzula

Chief of Police William Harzula reviewed with Council the Police Department's operating budget and capital outlay requests for 2023. He discussed the following budget elements:

- Dues and Licensing – reduced by 23% due to the consolidated IT budget.
- Film and Video – increased by 43% mostly due to OPRA requests and transitions into high-definition videos.
- Contractual General Services and Contracts – increased by 57%. Servicing warranty charges and POSE scheduling system renewal.
- Security Systems and Maintenance – reduced by 50%. Items are usually rolled into the main township/clerk budget.
- Replacement Uniforms – increased by 25% for cost and shipping of uniforms.
- School Guard Uniforms – decreased by 23% - low personnel.
- Officer Uniforms – decreased by 26%
- Communications/Repair and Maintenance – decreased by 40% - Item is rolled into the township's IT budget.
- Portable Radios and Batteries – increased by 35% to keep up with spare part and equipment needs.

Chief Harzula reviewed the capital outlay projects the department is seeking to complete in 2023:

- \$125k for Police vehicle replacement – needed to be conducted on a yearly basis.
- \$20k for new breathalyzer tests – the new tests will likely be available for purchase in the late fall or early winter.
- \$21k for promotional exams – monies depended on the number of retirements in 2023.
- Funding for FBI-LEEDA Training for senior staff members.
- Accreditation renewal – ensures that the department adheres to the highest standards and policies.

There was a brief question and answer between the Chief and the council.

The council thanked the Chief for his presentation.

Health Department – Mark Caputo, Health Officer

Health Officer Mark Caputo reviewed with Council the Health Department's operating budget and capital outlay requests for 2023. He discussed the following budget elements:

- Spatial Data Logic Local Health Module – training and field tablets.
- State Law for Municipal Lead Inspection – field inspections, registration, and certificate of habitability.
- Recycling –The department is anticipating negative rebates on paper and plastic in 2023.
- Solid Waste Contracts

There was a brief question and answer period between the Health Officer and the council regarding the recycling operations, communication, tipping fees, brush and leaf grinding, and the Recycling Tonnage Grant.

The council thanked the Health Officer for his presentation.

D. REVIEW OF OTHER BUDGET CONSIDERATIONS

1. LIBRARY FUNDING

Manager Poff explained that initial research shows that N.J.S.A. 40:54-8 Library tax is the controlling statute regarding library funding, and states in part:

“Within every municipality governed by this article there shall annually be raised by taxation a sum equal to one-third of a mill on every dollar of assessable property within such municipality based on the equalized valuation of such property as certified by the Director of the Division of Taxation in the Department of the Treasury in accordance with the provisions of R.S.54:4-49. The amount shall be assessed, levied and collected in the same manner and at the same time as other municipal purposes taxes are assessed, levied and collected therein and shall be paid from the disbursing officer to the treasurer of the free public library on a quarterly basis”.

There is no mechanism for a municipality to raise a lesser amount. If the Township did not pay the library the full 1/3 mill the library would be ineligible to receive State Aid. There may also be other ramifications of this course of action from the Division of Local Government Services, including withholding its approval of the municipal budget.

2. REVENUE

Manager Poff reviewed with the Council the revenues and municipal taxes for the 2023 Budget:

REVENUES IN SUPPORT OF THE BUDGET

Revenues are derived from several sources including fund balance (sometimes referred to as “surplus”), miscellaneous revenues generated by operations, “state aid”, receipts from delinquent taxes, and local property tax levy for municipal and library purposes.

Fund balance is made up of several components including lapsing of appropriation reserves, revenue in excess of budgeted amounts, and miscellaneous revenues not anticipated. The

Township’s fund balance as of December 31, 2022, was \$8,461,183. The amount of fund balance anticipated in the 2023 budget is \$5,952,883.

Miscellaneous revenues generated by operations comprise many different items including licenses, various fees (including recreation), permits, municipal court fines, interest on investments and deposits, and cable franchise fees. Miscellaneous revenues anticipated in the 2023 budget total \$3,555,700.

In 2023 the Township will receive \$1,942,489 from the state in the form of consolidated municipal property tax relief, total energy tax receipts distribution, watershed aid, and garden state trust; altogether referred to as “state aid.”

“State aid” is actually two revenue replacement programs originally collected by local government up until the early 1980s. As defined by the State of New Jersey, the energy tax receipts distribution is based upon the ratio of the utilities’ total length of lines or mains located in, on, or over any street, highway, road, or other public place.

The consolidated municipal property tax relief is made up of a number of taxes including the financial business tax, the insurance franchise tax, and the corporation business tax just to name a few.

Receipts from delinquent taxes, as defined by N.J.S.A. 40A:4-29, consist of taxes levied for prior years unpaid and owing to the Township, and in the case of a municipality, also the lien value of tax titles to real estate standing in the name of the Township. The amount of receipts for delinquent taxes anticipated in the 2023 budget is \$557,000.

The state adopted the municipal library tax levy law in 2011 that required a municipality to list a dedicated line item on the property tax bill to fund municipal free public libraries. The law did not result in any increased taxes but changed the way the minimum library appropriation is displayed to the public. The Township is required by law to budget a minimum of 1/3 mill of equalized value in a budget appropriation for the operation of the library. The 2023 minimum library appropriation is \$1,659,047.

In New Jersey, the property tax levy is locally assessed and collected for the support of municipal and county governments and local school districts. No part of it directly supports the State government, but a large part of it supports functions that the State has imposed on local units. The amount of the tax is annually determined each year to provide sufficient revenues to meet the budgeted expenditures of the Township, minus revenue available from other sources. The proposed 2023 amount to be raised by taxes for the support of the municipal budget is \$20,686,145.

	Revenues as a percentage of the budget				
Year	2019	2020	2021	2022	2023
Fund balance	17.5%	17.1%	17.3%	17.6%	17.3%
Miscellaneous revenues	10.2%	10.5%	9.5%	10.0%	10.4%
State aid	5.7%	5.7%	5.7%	5.6%	5.7%
Receipts from delinquent taxes	1.8%	1.7%	1.7%	1.8%	1.6%

Municipal library tax	4.6%	4.7%	4.7%	4.7%	4.8%
Municipal purpose tax	60.2%	60.3%	61.1%	60.3%	60.2%

The township fund balance showed an increase at the end of 2022. The \$8,461,183 fund balance is in a strong position, which is why this budget calls for using an additional \$190,000 to lessen the increase on the municipal property tax levy.

PROPOSED 2023 MUNICIPAL TAXES

The proposed 2023 budget calls for appropriations of \$34,353,264. This represents a 4.78% increase or \$1,566,276 from the adopted 2022 budget. The levy for the municipal library is proposed to increase by \$126,479 or 8.25% pursuant to the state requirement to raise a minimum of 1/3 mill of equalized value in a budget appropriation for the operation of the library. The rate for the open space/recreation tax is proposed to remain at the same level as in 2022.

The three components of the local tax rate are noted below:

<u>Property Tax Rate</u>	<u>2023</u>	<u>2022</u>	<u>Increase/(Decrease)</u>
Municipal purpose	\$ 0.472	\$ 0.452	\$ 0.020
Open Space/Recreation	\$ 0.021	\$ 0.021	\$ -
Library	\$ <u>0.038</u>	\$ <u>0.035</u>	\$ <u>0.003</u>
Total	\$ 0.531	\$ 0.508	\$ 0.023

The 2023 municipal budget calls for a rate increase of \$.023.

The decision to increase taxes is carefully considered in the context of the Township’s long-term fiscal integrity and the increase in a number of non-discretionary expense items. The proposed rate increase of 4.52% represents an annual increase of \$93.57 (or \$7.80 per month) for the average assessed home of \$490,367.

E. OPEN TO THE PUBLIC

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

F. 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 and the introduction of the budget would be held on Thursday, March 2 at 5:00 p.m.

G. EXECUTIVE SESSION

WHEREAS, Section 8 of the Open Public Meetings Act, Chapter 231, P.L. 1975 (N.J.S.A. 10:4-12) permits the exclusion of the public from a meeting under certain circumstances; and

WHEREAS, this public body is of the opinion that such circumstances presently exist.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Township of Randolph, in the County of Morris, and State of New Jersey, as follows:

- 1. The public shall be excluded from the Executive portion of the meeting.
- 2. The general nature of the subject matter to be discussed is as follows:

- a. Agreement Negotiation: Attorney-Client Privilege – Shongum Lake POA**
- b. Personnel**

- 3. As nearly as now can be ascertained, the matter or matters to be discussed at this time will be disclosed to the public at such time and under such circumstances as are prescribed by law.
- 4. At the conclusion of the Executive Session, the Council may or may not reconvene in public session for the purpose of taking formal action.

Councilmember Forstenhausler made a motion to move into Executive Session at 7:40 p.m. Councilmember Veech 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 Not Present for Vote
 Mayor Nisivoccia

NAYS: None

Councilmember Forstenhausler made a motion to close Executive Session at 7:40 p.m. Councilmember Veech 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 Not Present for Vote
 Mayor Nisivoccia

NAYS: None

H. ADJOURNMENT

Councilmember Hathaway made a motion to adjourn the meeting at 8:35 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	Not Present for Vote
	Mayor Nisivoccia	
NAYS:	None	