Township of Randolph
Municipal Building
Randolph, NJ
January 29, 2022

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 Potter. This meeting is held pursuant to the New Jersey Open Public Meetings 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. The notice was posted on the Bulletin Board within 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 November 19, 2021, by e-mailing them the annual resolution adopted by the Council on November 18, 2021. The annual resolution, which included this meeting date, was advertised in the Randolph Reporter, the official newspaper of the Township of Randolph and the Daily Record on November 24, 2021.

2. Roll Call

PRESENT: Council Member Carey
Council Member Forstenhausler
Council Member Loveys
Council Member Tkacs
Council Member Veech
Deputy Mayor Nisivoccia
Mayor Potter

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 Potter led the Pledge of Allegiance.

Mayor Potter acknowledged the passing of Randolph resident Judith Stewart. She shared that Mrs. Stewart was a lifelong advocate and volunteer who often attended municipal meetings. She asked the council to share a few words in remembrance of Mrs. Stewart.

Council Member Carey stated that Mrs. Stewart would likely have been present at the current budget meeting if she were able. She stated that Mrs. Stewart was both the council's biggest critic and biggest supporter. She shared the story of how Mrs. Stewart decided to live in Randolph Township after seeing a Randolph High School art display at an airport. She stated that Mrs. Stewart was a great asset to the community and that she was glad that she lived a long healthy life.

Council Member Veech shared how Mrs. Stewart always appreciated that the township's budget meetings were held publicly and how she was a great supporter of the Faulkner Act. She acknowledged that Mrs. Stewart and her husband passed on the same day.

Council Member Loveys commented that he would always remember Mrs. Stewart introducing herself at each meeting. He stated that it was important for communities to have people like Mrs. Stewart involved and interested in municipal business.

Council Member Forstenhausler commented that Mrs. Stewart attended almost every public meeting in the township. He remembered that she would tell people her opinion when she thought improvements were needed and that she would complement efforts she believed were being done well. He stated that Mrs. Stewart felt that it was her place to proofread agendas, which she took very seriously. He commented that Mrs. Stewart and her husband would be missed.

Deputy Mayor Nisivoccia reminded the council that Mrs. Stewart had a mailbox at the Municipal Building.

Manager Mountain remembered that Mrs. Stewart would visit Mendham Township during his tenure there to share issues. He commented that it did not matter where the issues were, she would always use her voice as a member of the public to share her concerns.

B. OPEN TO THE PUBLIC

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

C. DEPARTMENT BUDGET PRESENTATIONS

Manager Mountain stated that he was pleased to present the 2022 proposed Municipal budget and Capital Program Book. This year's budget was prepared with the impacts of the COVID-19 pandemic still shadowing over the township's operations. He commented that the difference between where the township was this time last year and now was noticeable. He stated that the township has learned how to better cope with the challenges presented by the pandemic and could argue that the community is thriving despite the challenges.

The proposed budget reflects the positive position the township is in, despite the continuing challenges. It also reflects some of the negative impacts that are still being managed despite the township's positive position.

He and CFO Debbie Bonanno have done their best with the preparation of the proposed budget to account for the uncertain times while continuing their commitment to prudent fiscal management. The result of these efforts is a draft budget document that addresses the organization's major needs and achieves the parallel goal of maintaining a stable tax levy.

Manager Mountain commended Debbie Bonanno for her efforts and the efforts of Assistant CFO Angel Sabatini. He recognized the cooperation of township staff and their assistance with budget development and their fiscal discipline and creativity.

Manager Mountain explained that all expense line items have been reviewed with department heads, verified, and challenged and all revenue categories are based upon prior year actual collections with the exception of State Aid, which is a projection and assumed to be level; no change is anticipated.

Operating Budget

The Operating Budget calls for an appropriation of $33,417,052. Excluding State and Federal Grants total appropriations are up just over $600,000 from the adopted 2021 budget. As proposed, the draft budget is within the state levy cap limit.

This budget document, if ultimately adopted, will not require an increase in the municipal tax rate.

The budget as proposed again contains no service reductions, while continuing the township's commitment to critical investment in infrastructure. Staffing levels are also proposed to remain at the prior year's levels.

The township continues to build upon the strong financial position on which we ended 2021 due to among other factors, conservative council policies and continued strong property tax collections despite the pandemic.

Manager Mountain asked CFO Bonanno to review with the council the 2021 Statement of Operations.

Chief Financial Officer Bonanno reviewed with the council the 2021 Statement of Operations which tells the story of how the township closed 2021 and began this year's budget process.

Manager Mountain thanked CFO Bonanno and continued with his budget overview:

Appropriations

The proposed 2022 budget, excluding State and Federal grants, is up 1.91% from the prior year's adopted budget. This increase was kept minimal by continued efforts to manage personnel costs and keep operating and capital expenses at reasonable levels. The following is a summary of the primary cost drivers impacting appropriations in 2022:

- *Salary & Wages* – Salary and wages are the largest component of the annual budget, comprising approximately 30 percent of total expenditures. This year the cost center is decreasing slightly $44,134 or 0.43%. There are a number of reasons this cost center has been kept in check over the past several budgets, with the most notable being our disciplined approach to personnel management and conservative budgeting for the same.

- *Sanitation* – The sanitation budget is up 16.35% to cover the service cost increase in year one of the five year consolidated residential curbside solid waste-recycling contract that goes into effect in 2022. This increase reflects a variety of factors including rising fuel costs, increased personnel costs and expanded tonnage for both the solid waste and recycling materials.

- *Recycling* – Recycling is still an expense driver, but the good news is the projected expense is significantly lower than in the past several years. The market has showed signs of returning, with the town receiving recycling rebates (as opposed disposal charges) to close the year. Since this trend is very recent, and we are still evaluating whether it will continue into 2022, so we have maintained a conservative expense line item for recycling in this year's budget, but it is reduced by $73,200 from 2021.

- *Buildings & Grounds Contractual Services* – The increase in this area (9.76%) is driven by two factors. These are increases in the town's contracts for HVAC maintenance and janitorial services. The primary drivers behind these two contract costs increasing is rising labor and parts and material costs.

- *COVID-19* – This budget still contains expenses associated with our response to the pandemic. Fortunately the projected expenses will be covered through Federal or State grant funding, but since the funding must be fronted by the town, the expenses show in the expenditure side of the operating budget.

- *Accumulated Leave* – With a number of retirements anticipated for long time employees in the upcoming few years we have taken two actions in this year's budget to position the town strategically to absorb the accumulated leave costs these retirements will generate. These actions include the transfer of $300,000 from appropriation reserves to bolster the accumulated leave fund and the re-institution of the accumulated leave cost center. We have budgeted $30,000 in the 2022 accumulated leave line item that will be allocated to the accumulated leave fund.

- *Utilities* – The cost center for utility expenses in support of municipal facilities, vehicles and equipment has increased substantially in the past year and that increase is reflected in the utility line item in this year's budget. The line item is increasing by just under $22,000 in 2022, a 3.11% increase. This budget increase is being driven primarily by increases in gasoline and heating fuel costs.

- *Planning* – The cost center for Planning Board/Board of Adjustment is up by a little over $25,000 in this year's budget. This increase is being driven primarily by a funding set-aside for a planning consultant to develop a Township Environmental Master Plan.

- *Liability and Group Insurance* – Once again the insurance line items in the proposed budget remain effectively level. The primary driver behind the lower impact of this cost center in this year's budget continues to be health insurance. The gradual implementation of the employee health contribution program established by State legislation several years ago is now fully in effect, and the offset created by these employee contributions is the main factor in these costs being lower.

- *IT/MIS* – Our new IT coordinator has completed an assessment of the Township's IT infrastructure (hardware and software) and has recommended an aggressive multi-year plan to upgrade the infrastructure beginning in 2022. The proposed expenses associated with this plan are reflected in increased operating and capital expenditures proposed in this budget. The MIS operating cost center includes an increase of $57,000 or (56.89%). There are significant expenses proposed in the capital portion of the budget as well. The good news is the Federal government in the final rules governing the use of the American Rescue Plan Act (ARP) funds has included all technology infrastructure expenditures as eligible for reimbursement from the program. In light of this ruling we will be covering a hundred percent of the capital expenses proposed for IT in this budget with ARP funds and a portion of the operating expenses as well.

- *Statutory Charges* – Statutory Charges have increased 5.70%, which is driven by an 8.27% increase in the Township PERS employer obligation and a 6.64% increase in the PFRS obligation. The DCRP appropriation is increasing marginally (2.10%) in 2022. These increases were mandated by the State, which manages these programs.

- *Celebration of Public Events* – This cost center has been increased by a little over $30,000 in the 2022 budget. The line item has been increased in anticipation of enhancements to the town's large annual public events and an expansion of the overall number of events the Township will be hosting in 2022. The forecasted increases are expected to be driven by increased entertainment and security costs. The expenses proposed in this cost center are equally offset by increased revenue forecast in support of these events.

- Capital Improvement Fund –The funding for the capital program expenses is proposed to increase by 3.81% in 2022. A significant effort was made to again bring this cost center in at a reasonable level to enable the budget to be balanced without a tax increase. This being said, the capital requests included in the 2022 capital program reflect the continued goal of aggressively funding infrastructure improvements such as roads, retaining walls and facilities. The majority of these improvements are being funded in cash and some budgetary impact is being absorbed by the used of surplus and outside aid on these one-time expenditures.

<u>Revenue</u>

The township is dependent on five key sources of funding in support of the budget. Revenue overall in 2021 rebounded close to pre-pandemic levels in many areas. While it is anticipated that this revenue trend will continue in 2022, the township is maintaining a conservative approach to the application of revenue in this year's budget. This year, the township is also benefitting from outside aid through State Grants and Federal assistance. This funding will be enough to allow this budget to be constructed in a manner that avoids an increase in the municipal tax levy.

- State Aid
  Assistance from the state continues to be frozen at prior year's levels. Confirmation of the aid commitment has not yet been received for 2021, but the township is projecting it will not decline. As a result State Aid will remain a very small portion of the revenues supporting the budget in 2022 (5.53%).

- Local Fees, Permits & Interest
  Local revenue in 2021 in general is back to levels approaching pre-pandemic year end totals. However, not every area of local revenue has bounced back completely. In response, our 2022 budgeting for local revenue collection is still very conservative. Based upon township revenue collection experience in 2021 and early trend analysis for 2022, a conservative estimate of $3,074,402 is anticipated in miscellaneous local revenue collection for 2022 or 9.20% of the budget.

- Surplus
  Surplus is generated from several sources including:

  - Lapsing budget appropriation reserves (2020 budget)
  - Local income in excess of anticipated amounts
  - Reserve for uncollected taxes (2021 budget)
  - Ratable base growth in the form of added and omitted taxes collected
  - Cancellation of current year appropriations

  The 2022 budget calls for a use of $5,762,883 in support of the budget, which is up slightly from the prior year. The township's surplus balance increased $154,267 from 2021 a result of planned efforts to manage surplus at a reasonable level. Surplus accounts for 17.25% of the 2022 budget.

- Delinquent Taxes
  Revenue from delinquent taxes continues to remain low as a result of excellent collection experience. The budget anticipates $575,000 or 1.72% of the township's revenues from this category in 2022.

- American Recovery Plan (ARP) Act
  Randolph Township is earmarked to receive a total of $2,656,278.58 from the Federal Government's American Rescue Plan Act of 2021 to reduce the impacts of the Pandemic. The township has broken down its application of the allocated funding into the following categories:

  - Water Infrastructure Improvements ($500,000)
  - Affordable Housing Expenses ($200,000)

  - Stormwater Maintenance Infrastructure ($73,422.75)
  - Heating/Ventilation Retrofit of Municipal Buildings ($150,000)
  - Lost Revenue ($1,832,855.83)

  The initial tranche of this revenue ($1,328,139.29) was received in 2021 and has been placed in a local reserve. The second tranche of the same amount will be received in 2022.

- 2022 Municipal Taxes
  The balance of the budget, $21,318,599 or 63.79% of required revenue is anticipated from the 2022 municipal tax (including the library levy).

2022 Water and Sewer Budget

The township maintains separate accounts for the water and sewer funds. The water fund continues to benefit from the rate increase approved by the council in 2019 which stabilized the fund and ended a several-year decline in revenues.

The water fund ended 2021 with a fund balance of $538,476.
The 2022 budget allocates $3,666,265 for the operation of Randolph's public water system.

The 2022 sewer budget is proposed at $4,476,987. The sewer fund closed 2021 with a healthy fund balance of $10,430,591. As has been noted in previous years, this fund balance has been maintained at an intentionally high level to support the debt service associated with the Butterworth Improvement project, as well as hedging against the possible impact of an adverse outcome from the ongoing Jersey City-RVRSA litigation.

Manager Mountain concluded his budget overview and stated that there will be two additional work sessions scheduled on Thursday, February 3, and Saturday, February 26.

Council Member Loveys asked if Manager Mountain was indicating that the sewer surplus could be utilized for water. Manager Mountain clarified that he was referring to one of the methods the township used in the past to take some of the edge off of water rate increases.

Deputy Mayor Nisivoccia asked if the water infrastructure improvements being completed under American Recovery Rescue funds were for the township's water tower. Manager Mountain confirmed that he was correct.

Deputy Mayor Nisivoccia asked if the Sewer Master Plan update would be covered under the funds. Manager Mountain informed him that the project was funded through a prior year's budget. He explained that the Infrastructure Work Group would be meeting sometime in February to hear a presentation from the consultant on the project. The full report for the plan would likely be ready in March.

Deputy Mayor Nisivoccia asked to confirm that the township is not using art money for operating figures. Manager Mountain explained that he would provide further details on how a very small amount of art money would be used for the operating budget. Deputy Mayor Nisivoccia asked to be kept informed about the IT infrastructure updates.

Park and Recreation – Russ Newman

Heading into the 2021 budget year, COVID-19 had affected all areas of operation in 2020, and there was still uncertainty as to what would be allowed in the coming year. With loosening restrictions throughout the spring, the department resumed its full slate of spring, summer, and fall activities, with registration and revenue numbers showing that our residents were ready to return to “normal.”

Randolph Park Beach and our Recreation Summer Camps were in full operation for their normal seasons. While parks were full, the department’s indoor programs such as the Brundage Park Playhouse, and Artworks Studio, also resumed in-person camps, classes, and performances. The department continued to work with each program and with the Randolph Health Department to develop protocols to meet the guidelines established by the NJ Department of Health. Winter sports, including hockey, recreation basketball, travel basketball, and, wrestling resumed activities based upon the availability and guidelines of their indoor venues.

In addition, the department resumed special events such as the Freedom Festival, Country Fair, Trunk or Treat, and several sports tournaments, as well as providing Senior activities and utilizing our newest park, Veterans Community Park for the Community Garden end of season harvest dinner, the Halloween Riddle Run (130 participants) and the Holiday Tree Lighting.

With its 2022 budget proposal, the department is confident that it will continue to build upon the programming successes of 2021. This budget provides funding for all expenses associated with department activities.

The line for staff/program/facilities includes full-time professional staff, as well as staffing for programs and facilities such as the Brundage Park Playhouse, Artworks Studio, Randolph Park Beach, Randolph Rompers preschool, Day Camp, Teen Camp, Summer Clinics, Year-Round Clinics, and Dial-A-Ride drivers as well as youth and adult umpires, referees, and gym supervisors. The next line items are for the Parks Maintenance staff who are responsible for maintaining township parks and department facilities, trails, and other open space, as well as being on call for repairs, snow plowing, shoveling, day-to-day maintenance, and emergency situations.

Mr. Newman requested an increase in the funding levels in the 2022 Parks Maintenance budget. With the opening of Veterans Community Park as well as an aging parks infrastructure, staff responsibilities will increase to ensure the maintenance of high standards. Ongoing park improvements will be funded through a combination of operating expenses, capital outlay, as well as the capital improvement plan.

The budget for support of leagues encompasses youth sports activities such as baseball, soccer, football, hockey, lacrosse, softball, basketball, wrestling, cheerleading, cross country, and track and field.

Self-sustaining programs include preschool programs such as rompers, dance, music, seasonal arts and crafts classes; youth programs like tennis lessons, sports clinics, Artworks Studio, Randolph Park Beach and swim team, summer day and teens camps, and adult programs, which include the Community Garden, softball, basketball, and volleyball. Some of the department’s sponsored events that were previously included in this budget have been moved to the Celebration of Public Events budget. These events include the Holiday Tree Lighting and Trunk or Treat event.

As a result of COVID-19, these numbers are continued to show deviances from the norm. Due to the uncertainty regarding some programs, there were fees collected in 2020 for programs like hockey, where the league did not start until 2021, which made billing fall into the 2021 budget year. Other programs with winter seasons did not have full 2020-2021 seasons, so some expenses such as gym time, leagues, and tournaments, were not accounted for in spring 2021. With uncertainty, delays, and cancellations of these programs, including boys and girls basketball, hockey, and wrestling, a true accounting will most likely need to be viewed over a four-year window 2019-2022.

Looking forward to 2022, the department has traditionally budgeted to the highest anticipated participation levels, with the understanding that it is easier to cut costs within a program if revenue levels are not up to the budgeted amount than it is to add additional funding once the budget process has been completed.

Additional revenue areas for 2021 included limited rentals (fields, picnic pavilions, and the Community Center) training programs, senior programs, bus donations, and various permits. Through each of the various revenue streams, the department brought in $1,338,506. This represents a recovery of 59% of our overall budget based upon the estimated 2021 expenditures. In addition, the department waived $4,745 in program fees and beach memberships.

The Celebration of Public Events budget includes funding for special events such as the Freedom Festival, the Country Fair, Arts in the Park, Trunk or Treat, the Holiday Tree Lighting, etc. With a full-time program and events coordinator, as well as the availability of Veterans Community Park to host many of these events, the department is looking forward to providing many outdoor community activities. As with the department's self-sustaining programs, the funding requested will only be utilized at the maximum level if the revenue exists to support that program.

Anticipated revenue includes other community programs and classes sponsored by the department such as a new Fashion First class that brought in over $8,000 in revenue, as well as vendor spaces, food vendors, sponsorships, and the rental of Veterans Community Park to outside groups for events such as Food Truck Festivals.

This budget also includes funding to have a continued police presence at larger recreation events as well as program-level special events such as Little League Opening Day, sports tournaments, and Girls Softball Spring Fling.

In developing the Capital Spending program for 2022, the major factor has been continuing to implement the recommendations of the Parks Master Plan. In 2021, in addition to many smaller projects, the following tasks were completed:

- Complete renovation of the Randolph Lake Snack Stand
- Dedicated First Aid Room at Randolph Lake
- Replacement of Brundage Park Ballfield Lights
- Completion of Drainage Project at Freedom Park Baseball Field

- Installation of 8' Fencing on Heistein 1A
- Replacement of Retaining Wall between Heistein 1B and South Road
- Removal of traffic lines at Freedom Park Entrance
- Fencing at Brundage Park Playhouse and other Brundage locations
- Installation of Lacrosse bounce back wall at Freedom Park (funded by programs)

Council Member Veech asked about the 2022 Operating Minor Projects under $25,000. Mr. Newman informed her that the department is not looking to complete all the indicated projects this year; the projects will be prioritized. He explained that funding for some of the projects have either already been allocated previously, or would be completed through operating expenses.

Council Member Forstenhausler asked why the department budget for salaries went up 16% and why overtime salaries went up 96.08%. Manager Mountain explained that the change was due to the state minimum wage increase and examining the wages of part-time staff.

Council Member Forstenhausler stated that the state raised the minimum wage to $14 an hour. He asked if all the part-time employees had their wages increased. Manager Mountain explained that if the staff members were not already at that minimum wage requirement, their salaries had to be raised to meet it. The increase is offset by raising fees accordingly.

There was a brief discussion about the part-time and full-time staff within the Parks and Recreation Department. Manager Mountain explained how overtime salaries for park staff had to be adjusted for seasonal work.

<u>Capital Expenditures</u>

The Capital Expenditures include both planning and design elements of projects, reserving funding for future projects, as well as planned improvements scheduled through the 2021 CIP budget, and improvements scheduled to begin in 2022.

- Based upon requests of both Little League and Girls Softball, and a recommendation by the Parks Advisory Committee, the department would like to appropriate, from prior reserves, the amount needed complete funding for lights to the Freedom Park softball field to complete it as a priority project. The department has worked with both the Township Manager and the Finance Department to review existing reserve accounts to complete this project.

- The department will continue to reserve for lighting projects at Randolph Park and Brundage Sussex, but with slightly extended timelines.

- Based upon design and other costs, there are considerations for the Artworks Studio relocation that need to be further explored.

- The retaining wall replacement at Randolph Park is anticipated to begin and be completed prior to the 2022 beach season.

- Purchase of a Wibit System for Randolph Lake. With attendance at the lake continuing to increase, this investment is another way to generate revenue beyond memberships, daily fees, and concessions. With the same concept of our boat rentals, patrons would pay for a set block of time to utilize the play system. With the number of available blocks during the summer, it is anticipated that the system would pay for itself, as well as attendant staff within the first two years of use.

- In the past several years with the support of the Township Council, the department has continued to update its fleet of eleven vehicles, which includes one administrative vehicle, one bus, two dial-a-ride vans, five pick-ups trucks and two dump trucks. At this point, the fleet is in good repair, with one vehicle to be purchased with funds from the 2021 CIP.

- The department is focusing on the replacement of a heavily used utility vehicle as well as some additions that make our existing equipment more functional:
    - John Deere 4066 Compact Tractor
    - Sand Pro 5040
    - Toro 3280 Groundmaster
    - Ariens Snow Blower
    - Graco Line Striper

Council Member Forstenhausler asked why the utilities line item was lowered. Mr. Newman explained that it had to do in part with the LED lighting at Brundage Park and impacts in the 2021 budget by having energy run through a generator.

Council Member Forstenhausler asked how the issue at Brundage Park was resolved. Manager Mountain informed him that the project contractor worked with an engineering expert to determine how to convert utilities into the park. He had recently been informed by the contractor that there would be virtually no cost from the power company; the contractor is in the process of finalizing the cost for the work. It is estimated that by the spring season, the park will run off of a power grid, rather than a generator. There was a brief discussion about the lighting project components, cost, and generator use.

Council Member Veech asked if the figure in the events and fundraising line item was for security purposes. Mr. Newman explained that the line item was for programs that want to hold special events such as Little League Opening Day.

Council Member Carey inquired about the difference between the self-sustaining line item and support of the leagues line item. Mr. Newman explained that the support of leagues item was always separate; he added that at one point tax dollars did support the item by being divided out to each league program; this was phased out in 2008. He stated that all the sports programs are currently self-sustaining; however, it still falls under the category of supporting leagues.

Mr. Newman shared that the department's other self-sustaining programs include the Rompers Preschool Program, seasonal arts and craft classes, tennis lessons, sports clinics, the Randolph Park Beach, the Randolph swim team, the summer teen camps, and the Randolph Community. He explained that the department moved some of the fall special events to the Celebration of Public Events budget. There was a brief discussion on the budget and the Community Garden's self-sustaining operations.

Council Member Veech asked which self-sustaining program made the most money. Mr. Newman informed her that the Day Camps make the most in gross revenue, as well as the Randolph Park Beach.

Mayor Potter recalled that there were days at Randolph Park Beach where the capacity was full and people could not get in. She asked if there was a way for residents to know the beach is at capacity before arriving there and being turned away. Mr. Newman informed her that the information is always posted on the lake's social media pages. He added that the people who don't usually know are non-members and non-residents. He also informed her that the capacity limits relate to parking availability.

Council Member Veech commented that she was pleased with the department's planned events. She appreciated that township events were being communicated thoroughly via social media.

Council Member Carey asked if the winter holiday lighting celebration fell under the parks and recreation budget. Mr. Newman confirmed that she was correct; he added that the department's budget did not include the downtown lighting.

Council Member Loveys inquired about the Wibit System for Randolph Park Lake. Mr. Newman explained that the system is a design that would allow additional lake elements to be featured at the park. There was a brief discussion about how the Wibit System works.

Council Member Forstenhausler stated that the system would be self-sustaining within two years and beyond that it would be a revenue source. Mr. Newman confirmed that he was correct. Council Member Forstenhausler asked about the life span of the system. Mr. Newman informed him that if it is cared for well, the life span is typically five years.

Council Member Veech asked where the system would be stored. Mr. Newman informed her that there is storage space at the lake changing rooms.

Mayor Potter asked about the hourly cost to use the system. Mr. Newman informed her that the department estimates the hourly cost per person to be $5.00. There was further discussion about the module pieces of the Wibit System and the cost and logistics of the system. Manager Mountain informed the council that they are looking to go through the end of this year's beach season to make the investment; doing so would enable the purchase by working through revenue rather than off-setting funds.

Council Member Loveys asked if the system would require an additional lifeguard at the lake. Mr. Newman informed him that there are three lifeguard stands at the lake, with a typical lifeguard rotation of every half-hour. They would need at least one additional lifeguard.

There was a brief discussion on funding the lighting project at the Freedom Park softball field.

Mr. Newman thanked the council for their time and continued support.

D. BREAK – 10:00 am

The council took a five minute break.

E. DEPARTMENT BUDGET PRESENTATIONS

DPW – Tom Sweeney

Tom Sweeney explained the following:

- The department maintains 152 miles of roadway; approximately 619 roads.
- There are 19 employees.
- The department maintains the Recycling Center. There was a brief discussion about the agreement the township has with the Morris County MUA and rebate pricing.
- The department gained revenue from mulch sales.
- Though salt prices had increased this year, the department is in a good position to support snow removal efforts with this budget.
- They also have the Division of Fleet Maintenance which maintains all 225 vehicles in the Township. This division has a foreman and three mechanics.
- In 2018, the department:
    - Repaved approximately 24 roads; he felt that Randolph had a great road construction program.
    - Repaired approximately 170 catch basins; all were related to the road repaving.
    - In early 2019 the road sign replacement program will be completed; changing the street signs to the new regulatory 9” sign. All are done in-house.

Council Member Forstenhausler appreciated the department’s overtime reduction at 8%.

Deputy Mayor Nisivoccia reminded everyone that taking cardboard materials to the recycling center was positive for the township. The township loses money on recyclables when the cardboard is placed at the curb for pickup. There was a brief discussion on single-stream recycling and further educating the community on the benefits of dropping materials off at the recycling center.

Council Member Forstenhausler asked where the salt materials came from. Mr. Sweeney informed him that some of the material is mined, but the majority comes from the Caribbean and is delivered via barges. On average, salt trucks deliver 25 tons of the material from ports. The township usually receives two or three salt truck deliveries at a time; currently, the department stores 3,000 tons of salt. Mr. Sweeney explained how the amount of salt used per storm varied on weather conditions.

Mayor Potter asked how the salary and wages line items were staying flat. Manager Mountain informed her that there was a retirement the previous year and that the line item included the salary wage for a higher expense senior person plus their leave payout. He stated that it is essentially the net between the payout coming out and the new supervisor coming in at a lower salary.

Capital Outlay Program 2022

- Snow Pusher for DPW Facility – Snow box unit will enable the department to clear snow at the DPW Facility efficiently during snow events. The unit attaches to any of the department's three wheel loaders. The unit is 3' wider than the current unit the department has. The purchase price is $11,000.00. The item will be acquired through state contract.

- Tailgate salt spreader attachment for Small Dump Truck – Electric/Hydraulic unit mounts on the back of small dump trucks. The attachment will add an additional salt truck to the township plowing routes during snow events. The purchase price is $6500.00. The item will acquired through state contract.

- Computer and Programs for Mechanic Shop – This item will diagnose all police vehicles first aid, and township smaller division trucks. Additionally it will allow mechanics to perform vehicle warranty updates in house to avoid bringing vehicles to the dealer for updates. The purchase price is $4,500.00, first year licensing fees are included in the estimate; after the first year licensing is $800.00 per year.

Mayor Potter asked about the life span of the snow pusher. Mr. Sweeney informed her that it was likely 30 years as long as it is maintained.

Council Member Loveys asked if the township purchased similar computer/programming in the past. Mr. Sweeney informed him that it was purchased two years ago for the larger trucks and loaders. This purchase would be for the small fleet vehicles and police vehicles. There was a discussion about the current warranty work on police vehicles and how the department can use the program to complete the work more efficiently.

Council Member Veech asked if the program could be used for Board of Education vehicle maintenance. Mr. Sweeney informed her that the BOE is a separate entity, even though they complete work at the mechanic shop, they conduct their own repairs. With the program, the DPW would be able to work on township, first aid and police vehicles.

Capital Improvement Program 2022

- Replace John Deere Loader # 932 – The department will remove loader #932 from mainline everyday use. The loader is 14 years old, with 10,377.9 hours of use and has 363,195 miles. The loader will be redirected to DPW recycle yard use. The department is also looking to trade in loader #931-B, which is 22 years old. The trade in value is estimated between $25-30k.

- New loader – 2022 Caterpillar Model # 926M – This new unit will be a high lift model to gain an additional 2 feet of loading height to load 40 yard containers for curbside leaf collection services. The new loader will increase curbside branch collection volume and Ash tree removal project branch and log volume. The loader will be acquired through ESCNJ CO-OP purchase.

Council Member Loveys asked if the department currently had three loaders and only one claw attachment for the leaf season. Mr. Sweeney explained that one was purchased two years ago, another was ordered last year and the last is an older style model.

Deputy Mayor Nisivoccia asked how long the lead time was for the new loader. Mr. Sweeney explained that it depended on the purchase order it could be about 8 weeks.

Deputy Mayor Nisivoccia thanked Mr. Sweeney and the DPW crews for doing a great job. Mayor Potter added that the township has consistently received great feedback on road maintenance.

Mr. Sweeney thanked the council for their continued support.

<u>Engineering/Water and Sewer – Wayne Corsey</u>

Engineering Operations and Capital

The Engineering Department has no major changes except as noted below. The budget is split between operations and capital.

Storm Water Basins:

- Developed an overall storm water basin map of all of the township's basins, the DPW staff has been working to investigate conditions of the existing the basins and conduct maintenance where possible.
- The department has developed a ratings system for the basins, similar to the road ratings system, to allow the development of a hierarchy of maintenance needs for all basins. The rating system will be implemented in 2022.
- Development on an Operation and Maintenance Manual and schedule is underway to enable DPW staff to manage all township storm water facilities.
- Work on permitting and future storm water discharge improvements to Shongum Lake continues.
- Money has allocated in Capital for 2022 budget for continuation of operation & maintenance of the storm water basins.

Retaining Wall Removal/Replacement:

- The township has been actively removing and replacing existing township owned retaining walls within the right-of-ways. Current replacement will be on Mountainside Drive with future walls located on Lawrence Road.

Tree Removal/Replacement:

- Township has been actively removing trees to address the Ash Borer issues and other dead trees in town. Trees removed in 2019: 38 trees, 2020: 45 trees, 2021: 441 (377 DPW/64 contractors).
- There are 572 (469 DPW/103 contractor) still to be removed in 2022-23.
- The department has replaced 82 shade trees on Bedminster, Viking, Farragut, Fernia, Georgian, and Tamari. Approximately 150 more shade trees need to be replaced in other neighborhoods in 2022-23. These trees were likely planted as part of the original subdivision, but are not surviving and need replacement
- Money allocated in both Capital and Operations sections of 2022 budget to cover the replacements.

Council Member Loveys asked how many trees were remaining. Mr. Corsey informed him that in total 572 trees are remaining that the township currently knows of. Manager Mountain briefly explained the cost breakdown of the program and how Tree King expenses were offset.

Council Member Forstenhausler asked if the township-owned a tree grinder or would have to rent one. Manager Mountain informed him that Tree King grinds the stumps as part of a co-op agreement.

Council Member Carey asked how the areas for tree replacement were identified. Manager Mountain explained that they examined areas where tree removal work was completed and focused on trees that were planted purposely as opposed to naturally occurring. Planning and Zoning Administrator Darren Carney came up with a plan to feather in trees to maintain the neighborhood design without the cost of one-for-one tree replacement.

Council Member Veech asked how future developments would respond to tree placements. Manager Mountain explained that the majority of developers today do not purpose street trees and would rather just pay into the township's tree fund.

Council Member Forstenhausler asked if developers were supposed to pay a certain amount of money to remove trees. Manager Mountain confirmed that he was correct. There was a brief discussion on how the tree fund is replenished and spent.

Council Member Loveys asked if right-of-way trees were being maintained. Manager Mountain explained that the township was not doing regular maintenance often because of the man-hours that would be required. He stated that there was a lot of work going on for the right-of-ways as there are a large number of tree removals being completed.

Council Member Forstenhausler wanted to confirm for the record that ash trees in the right of way are to be cut down by the township, and that ash trees or any tree that breaks and falls into the road or in the right-of-way will be removed by the township. He explained that if a tree landed on a resident's house, the removal is the property owner's responsibility. Manager Mountain added that that was especially so if the tree was on the resident's property. He explained that if a right-of-way tree fell on house, a claim would likely be filled through township insurance. He stated that to his knowledge this has not happened recently.

Park Avenue Road Improvements:

- Applied to the NJDOT for the Road Improvement Grant for Park Avenue. This will be done in two phases to extend from Sussex Turnpike to Pleasant Hill Road.
- NJDOT provided grants of $261,700 for Phase 1 and $220,000 for Phase 2.

Road Repaving Program:

- The township continues annual road milling & paving program slated with $950,000 which includes federal funding.
- Determining which streets need to be milled and/or paved is determined through the road ratings system; this is a collaborative effort between Engineering, DPW, and the Manager's office.

Council Member Forstenhausler asked for an overview of the Park Avenue Road improvements. Mr. Corsey briefly explained that the work included milling and paving the road, stormwater management, and fixing and maintaining the basins. Manager Mountain explained that the NJDOT money and a small portion of the American Recovery Act funding would be used for the project.

Manager Mountain explained how it was the township's responsibility to cover the run-off and the residents' responsibility to cover the lake dredging.

Council Member Loveys asked if the stormwater basin easements have always been set up as township maintenance. Manager Mountain confirmed he was correct. There was a brief discussion on the permitting and easement process.

Council Member Loveys inquired about how the department will maintain the cataloged stormwater basins. Mr. Corsey informed him that the work will be based on a rating system; the worst-rated basins would be addressed first. Manager Mountain informed Council Member Loveys that the identified basins have been maintained regularly, but they have faced challenges with keeping up the progress when finding additional basins every year. He added that the township could always hire contractors to complete the maintenance work, but since the town has the resources, he would prefer to avoid incurring the cost.

Mr. Corsey and Manager Mountain explained that the department might be able to work on a small detention basin project near the Shongum Lake playground. Manager Mountain commented that larger basin projects require a big-time commitment. Mr. Corsey explained that having the township's DPW staff complete the work in-house allowed the basin projects to be completed under the guise of maintenance and avoid having to obtain permits. His main goal was to make sure the basins are functional.

Council Member Forstenhausler asked if the small basin near Shongum Lake playground belonged to the Shongum Lake Association or the town. Manager Mountain confirmed that the basin belongs to the township as there is an easement on the property. Mr. Corsey informed

Council Member Forstenhausler that the basin is a sediment basin. There was a brief discussion about the location of the basin.

Council Member Veech asked about the type of basins that made up the 88 stormwater basins in the township. Mr. Corsey explained that 88 basins are predominantly made up of detention/retention basins that are intended to retain water during storm events and filter it out over time. He explained that the sediment basins are only found at Shongum Lake.

Council Member Nisivoccia asked how frequently the sediment basins are cleaned. Mr. Corsey explained that it depends on the frequency of sediments being collected by the basin. He explained how the Jet Vac enables the department to complete the work in-house.

Capital Improvements

- Pump Station - Comminuter Blade Replacement: Arrowgate, Den Brook & Knights Bridge need new blades for Comminuters (sewage grinders). These blades reduce loading on sewer pumps.

- Water and Sewer Service Vehicles: Replacement of vehicles #783 & 787 as current vehicles are older (2011 and 2015 Ford F-350s). Both trucks with utility bodies have high mileage and high wear/tear.

- Water & Sewer – Emergent Repairs: funding needed to address emergent repairs to the sanitary sewer system. Current remaining water emergent repair balances should be able to cover potential for emergent repairs to the water system.

- Water – Hydrant Replacement: Seeking to purchase additional water fire hydrants to institute a fire hydrant replacement program (approximately 10 hydrants a year). Currently have approximately 2,200 hydrants.

- Dogwood Pump Station Upgrades: Dogwood Pump Station was built in 1990 and requires various equipment replacements and site improvements. Previously allocated funding had to be used for emergency rehab to Meadowbrook Pump Station.

- CCM Pump Station Upgrades: Station was built in 1977 and requires full replacement. Original budget was $800,000, but requesting additional $200,000 to cover anticipated increased material and labor costs. CCM Pump Station NJDEP permits have been filed and full replacement of the Pump Station is slated for summer 2022.

Council Member Forstenhausler asked what happens in terms of price increases when waiting a whole year to purchase vehicles. Mr. Corsey informed him that the purchase will be completed through the co-op; the vehicle pricing would be held at the co-op's prices.

Council Member Loveys asked if work for the pump stations was anticipated to begin this year or if the request was just for funding. Mr. Corsey explained that they were looking to begin the Dogwood Pump Station work by the end of the year because it does not require a major overhaul. He explained that the CCM Pump station upgrades would be complete by the spring or summer.

Council Member Loveys asked how many pump stations the township has in total. Mr. Corsey informed him that there are 10 pump stations. There was a brief discussion on the status of the various pump stations.

Water & Sewer Operations

- Pump Stations/Sanitary Sewer System: There are ten pump stations in town. Meadowbrook is currently under emergency construction; however, material availability is delaying the rehabilitation project, which should be completed by end of March 2022. Preliminary work has been completed on the Meadowbrook Pump Station to allow for protection of system until full the rehab is completed. The department is looking to institute a monthly & annual maintenance for all pump stations to minimize emergent conditions.

- Water System: The department will continue to monitor Water Tank, Pressure Reducing Valves, Leak Detection and water system. Compliance with NJDEP WQAA (Assessment Plan, Maintenance of Existing Facilities, Yearly Reporting)

Council Member Forstenhausler inquired about the service contract line item; he asked if it included warranties. Manager Mountain informed him that he would double-check. Clerk Luciani added that the township generators are serviced once a quarter. Mr. Corsey added that it was a separate contract; he commented that service contracts also include monitoring services.

Deputy Mayor Nisivoccia inquired about the department’s expenditure line item. Mr. Corsey explained that the department’s field crew equipment had undergone some upgrades.

Deputy Mayor Nisivoccia asked about leak protection and if any leaks had been found. Mr. Corsey informed him that the leak protection program is completed annually. He stated that the township is at 95% water accountability and has done a tremendous job recapturing water.

Council Member Forstenhausler asked if there were valves throughout the system that could be shut off in the event of a water main break to stop the water and enable fixing the break. Mr. Corsey informed him that ideally that is how the system would work; shut-off valves would isolate the break. Sometimes the valves do not hold. One area the department is looking to improve is Hugg Road and John Court near Seneca Trail; he stated that new valves were needed in the area.

Deputy Mayor Nisivoccia inquired about the standard life of a residential water meter. Mr. Corsey informed him that the standard life span of a water meter is 20 years. He commented that as a part of the meter replacement program, the department would be addressing the replacement of old meters.

Mayor Potter asked if the department would be creating a meter assessment plan. Mr. Corsey informed her that there were no plans for that. Manager Mountain explained that there is future capital for a new meter system down the road; currently, it is a repair and maintenance process.

Deputy Mayor Nisivoccia asked if, in the event of water main breaks, information was being shared through Swift 911. Manager Mountain confirmed that information was being shared. Clerk Luciani explained how the Swift 911 messages were sent out.

Water and Sewer Capital Outlay

- Water – Meter Replacement: Seeking to purchase additional water meters to allow the replacement of older meters currently in use.

Council Member Loveys referred to the Sewer Master Plan and asked when it would be ready for review. Manager Mountain informed him that the Infrastructure Work Group would be reviewing the plan in February; presuming all questions have been addressed, the plan would be presented to the council sometime in March. Council Member Loveys assumed that the plan would address some of the older infrastructure items in the township. Manager Mountain confirmed that old and new items would be addressed.

Council Member Loveys asked if the township has done a Water Master Plan in the past. Manager Mountain stated that one was completed in 2015. Mr. Corsey explained how the plan related to budget and addressed items discussed in the past such as remote meter readings. Manager Mountain stated that the water budget does not have a huge surplus. The budget covers operating expenses and project debt service. He explained how projects and rate increases are incorporated into the budget.

Council Member Tkacs asked why East Logan Road has no gas or water. Manager Mountain informed him that he could provide information on the point person to contact. He explained that if the neighborhood shows solidarity and there was enough of a cost return for the gas company to cover extension costs, the gas company might extend its services.

Council Member Forstenhausler explained that water services cannot be extended until affordable housing units have been built. There was a brief discussion on NJ Natural Gas services. Mr. Corsey stated that he would check with his contact at the company to see if they will be expanding services to East Logan Road.

Council Member Veech asked if the council would receive a final version of the budget. Manager Mountain informed her that the council would receive a final version with adjusted pages inserted.

F. OPEN TO THE PUBLIC

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

G. COUNCIL QUESTIONS/DISCUSSION

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

Manager Mountain stated that the next budget meeting would be held on Thursday, February 3 at 5:00 p.m. The budget presentations will feature the Police Department and Health Department.

H. ADJOURNMENT

Council Member Forstenhausler made a motion to adjourn the meeting at 10:37 a.m. Council Member Loveys seconded the motion, and the following roll call vote was taken:

AYES:	Council Member Carey
	Council Member Forstenhausler
	Council Member Loveys
	Council Member Tkacs
	Council Member Veech
	Deputy Mayor Nisivoccia
	Mayor Potter
NAYS:	None