

**TOWNSHIP OF SPRINGFIELD  
COUNCIL SPECIAL BUDGET WORK SESSION MEETING AGENDA  
6:30 PM  
MARCH 29, 2022**

1. Meeting called to order by the Mayor
2. Reading of the Sunshine Notice
3. Salute to the Flag
4. Roll Call: Mr. Eaton, Mr. Frank, Mr. Marinello, Mr. McDaniel, Mr. Sobotka
5. Resolutions
  - No. 2022-03-05 – Resolution Authorizing Transfers Between Budget Appropriations Reserves
  - No. 2022-03-06 – Resolution to Anticipate Miscellaneous Revenues in the 2022 Budget Using the Three-Year Average of Realized Revenues From the Prior Three Years.
6. Budget Discussion
7. Public Comment
8. Adjournment

**TOWNSHIP COUNCIL SPECIAL BUDGET WORK SESSION MEETING  
MARCH 29, 2022**

The meeting of the Springfield Township Council was called to order by Mayor Marinello with Council Members David Frank, Andrew Eaton, Mr. McDaniel and Peter Sobotka present. Also present were Manager Paul Keller, CFO Yolaika Gonzalez and Auditor Michael Cesaro.

The Sunshine Notice was read:

“Public notice of this meeting pursuant to the Open Public Meetings Act has been given by the Springfield Township Council in the following manner on March 21, 2022:

- a. Posting written notice on the official bulletin board at the Municipal Building, Jobstown, NJ
- b. Transmitting written notice to the Burlington County Times and the Trenton Times
- c. Filing written notice with the Clerk of Springfield Township
- d. Mailing written notice to each person who has requested copies of the regular meeting schedule and who has prepaid any charges fixed for such services.”

Mayor Marinello led the salute to the Flag.

**RESOLUTIONS**

Motion made by Mr. Sobotka and seconded by Mr. Frank to approve Resolution No. 2022-03-05. All were in favor. Motion carried.

**RESOLUTION 2022-03-05**

**A RESOLUTION AUTHORIZING TRANSFERS  
BETWEEN BUDGET APPROPRIATIONS RESERVES**

WHEREAS, transfers are permitted between budget appropriations reserves during the first three months of the fiscal year;

BE IT RESOLVED by the Township Council of the Township of Springfield, County of Burlington, State of New Jersey, that transfers between 2021 budget appropriations reserve be made as follows:

Account Description	From	To
Planning Board 1-01-21-180-000-219	\$ 2,400.00	
Vehicle Maintenance 1-01-26-315-000-001	\$ 3,000.00	
Police S&W 1-01-25-240-000-101		\$ 5,400.00
<b>TOTALS</b>	<b>\$ 5,400.00</b>	<b>\$ 5,400.00</b>

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Motion made by Mr. Sobotka and seconded by Mr. Frank to approve Resolution No. 2022-03-06. Mr. McDaniel asked if this assumes that the court revenues will be higher and Mr. Keller explained we are allowed to do this to anticipate more revenue in that line item than what was anticipated last year. Mr. Keller added if we don't use the average we will be \$34,000 over CAP. Mr. McDaniel asked if the Manager has had conversations about policing practices that will help with revenues due to increase fines and Mr. Keller responded that he cannot have that conversation. Mr. Frank is this a maneuver that can be done without any backing that revenues will increase. Mr. Cesaro responded that the Township can anticipate the revenue using the three year average and there is no way to predict the future revenue collection for this line item. Mr. Cesaro added that without this the Township is in the hole and this is a very difficult budget year. Mr. Frank if short do we have to make it up at the end of the year and Mr. Keller and Mr. Cesaro both responded that the revenue would not need to be made up this year but in next year's budget. Council discussed tabling the resolution but Mr. Keller advised this resolution will need to be adopted prior to introduction. Motion made by Mr. McDaniel and seconded by Frank to table the motion. Mr. Eaton asked if there have been any changes to police since 2018 and Mr. Keller responded no. All were in favor, except Mr. Eaton who opposed the motion to table. Motion carried.

**RESOLUTION 2022-03-06**

**RESOLUTION TO ANTICIPATE MISCELLANEOUS REVENUES IN THE 2022 BUDGET USING THE THREE-YEAR AVERAGE OF REALIZED REVENUES FROM THE PRIOR THREE YEARS**

Ms. Clayton asked Council to authorize payment of a bill for postage in the amount of \$1,000 to FP Mailing Solutions. Motion made by Mr. Sobotka and seconded by Mr. Frank to approve payment. All were in favor. Motion carried.

**BUDGET DISCUSSION**

Mr. McDaniel asked if the 3 cent increase is the maximum we could have and Mr. Keller responded that the 3 cents is over the CAP and will need to go down by cutting another

\$17,000. Mr. McDaniel stated that we will be selling vehicles and asked if that will help and Mr. Keller responded it would not help this year but will help with revenue next year. Mr. Eaton asked if Mr. Keller could give an overall on budget and Mr. Keller responded that the email Council received identified key appropriations that have increased such as group health insurance, worker's compensation, road maintenance, trash collection, gasoline, PFRS, bonds, notes and interest on notes as well as the emergency that was done last year which needs to be fully funded in this year's budget. Mr. Keller added that we had to do a new contract for solid waste which was a negotiated price because the prices that came in on bidding were outrageous and Covid also impacted the solid waste bids because a lot of contractors would not bid on municipal work because they could not guarantee collection on time with work shortages. Mr. Eaton asked for an explanation of the increase to group insurance and Mr. Keller responded that the rate increases plus we hired a new officer with a family and we had one officer who went to family coverage. Mr. McDaniel asked how many retirees we have on the plan and Mr. Keller responded there are six retirees and three of those retirees have family coverage. Mr. Frank asked if we could shop for a new health insurance plan and Mr. Keller responded that we tried to do a JIF and they could not get anyone to do catastrophic coverage. Mr. Keller added we could go out to bid and Council thought that would be a good idea. Mr. Keller stated this is the first time we have had this kind of increase. Mr. Keller also stated that this is a negotiable benefit so it would need to be negotiated with union but added it might not be an issue if coverage stays the same. Mr. Sobotka asked when the budget would have to be introduced and Mr. Cesaro responded by the end of March or at the next meeting after that. Mr. Keller added we should get it done as quickly as possible. Mr. Frank stated that we are not going to be able to change health plan between now and then but we need to get it in the works. Mr. Eaton added if there is equal coverage we should be able to get it done easily. Mr. Keller stated that sometimes with private companies they will low ball you in the initial year and then increase at a greater rate than the State Health Benefits Program and once out we come out of that program we can't get back in. Mr. Eaton stated that when he was on the School Board they did this at the school and went to the South Jersey HIF and it reduced costs dramatically with no issues.

Mr. McDaniel stated that we can't do much about workers comp, gasoline or PFRS. Mr. McDaniel continued that he is concerned about the solid waste contract because the budget is based on the base amount of the contract and doesn't take into account the fuel surcharge. Mr. Keller stated they budgeted \$125,000 which is a full year at base rate under the new contract but the first two months of year we were billed on last year's rates which were lower so that leaves a little extra in that line item to compensate for and fuel adjustments. Mr. McDaniel explained how the fuel charge worked in response to a question by Mr. Frank. Ms. Gonzalez stated the price has not changed in the past two months. Mr. Keller explained that the contractor has not executed the new contract yet and he is currently working on some flaws in contract so we may be operating under the old contract for another month or so.

Mr. McDaniel question on page 6 of appropriations for bond principle/ interest that line item is up from last year but there is a line item for just bond interest that is down so that would mean debt service only went up \$29,000 instead of \$44,000 and Mr. Keller replied that is correct and added that he only highlighted the line items that increased but there are other line items that went down. Mr. McDaniel stated that he thought the Special Emergency was paid over 5 years and Mr. Keller responded that we did not qualify to pay over five years and had to account for the full amount in this year's budget. Mr. Cesaro added that the reason for not meeting the Statute requirements to pay over 3 or 5 years is because the special emergency for operating costs.

Mr. McDaniel confirmed that the road maintenance increase to \$207,000 does not include \$89,000 from the Special Emergency last year and Mr. Keller responded that is correct but we needed to increase this item because the contract rates had went up and we did not adjust for

that last year. He added that if we don't have enough in this line item there will not be anywhere to transfer from and will need to do another Emergency which we don't want to do. Mr. Keller went on to explain that last year we had a disaster with summer storms and a tornado and the tree removal costs were enormous. Mr. Keller stated that there is really no room in the operating budget to make further cuts or we may not make it through the year. Mr. McDaniel stated that we could cut mowing along township roads to once a year and Mr. Keller responded we could do that but this only gets done twice a year now. Mr. Keller stated we could cut that out and let it overgrow but even with that it is not a big expense. Mr. Frank asked if we are being restrained about our mowing activities. Mr. McDaniel stated that he had pulled an old budget with previous contractor and we budgeted \$99,000 and he understands the rates with this contractor are higher but not double. Mr. Keller responded that the old contractor never raised his rates and that was a gift and you will not get that anymore. Mr. Frank stated that we need triage about what we actually do and Mr. Keller again responded we could cut expenses by not maintaining roads or mowing along the side of the road. Mr. Frank asked if we could cut costs but getting a tree person to do the tree removal through bidding and Mr. Keller explained that the majority of tree removal we experience is from down trees across the road that need to be removed immediately so Exotic is called out as an emergency and they are equipped to do such work. He added that when we do non-emergency tree removal we do get quotes for. Mr. Keller further added that we could do a bid for on-call emergency tree removal. Mr. McDaniel commented that pothole repairs should go down now that we have repaired a number of roads and Mr. Keller added that when Petticoat Bridge Rd. is finished that will cut a lot of the need for pothole repair. Mr. McDaniel asked if we could talk to the contractor and let him know the budget situation and see if he has any ideas of how to cut costs. Mr. Keller responded that the contractor does nothing without first talking to the Manager unless the police call for an emergency. Mr. Eaton asked when we switched over to the new contractor and Mr. Keller responded about 3 years ago. Mr. Frank stated that the contractor might have some ideas on savings.

Mr. Keller stated that we could cut aid to the fire companies and that would be least damaging to the operating budget. He added that the fire companies should be able to sustain themselves but he is aware this is not good from a public relations stand point. Mr. Marinello suggested calling the three companies to see if they will waive some of their contribution. Mr. Keller responded that Council is in control of the budget so he feels we can talk to them but not ask them because ultimately it is the Township's decision. Mr. Keller stated that it is not the roll of the Manager, CFO or Auditor to take away aid from these companies that is why he is leaving it to Council and he understands public relations side of this decision but any other cuts will impact services. Mr. Eaton asked if there is an annual request for their budgets. Mr. Eaton added that he is questioning their need not how they are spending tax payor money. Mr. Frank responded that these are volunteers that respond to fires and go to trainings and spend a lot of their lives doing this job as a volunteer and he does not feel it is okay to add the burden of justifying their budget. Mr. Eaton stated that understands that but he wondered where that number of \$25,000 comes from and is there justification for that number. He added that maybe it should be more. Mr. Keller stated the contribution is actually more than \$25,000 because the Township also buys their trucks and provides insurance. Ms. Gonzalez added that under Administration O&E we also pay for testing ladders and fire extinguishers. Mr. Sobotka mentioned that the contribution was increased a few years ago. Mr. McDaniel stated that this is a donation we don't audit it or account for and Mr. Keller added that most municipalities support these companies but this budget is something we haven't had before and the Township needs to make sure it can maintain the services to the residents as well. He added that last week we were \$140,000 over the CAP and cuts were made to everything to bring that amount down to \$16,000. Mr. Keller continued that if you cut this budget any further he can't guarantee we can provide services as in the past.

Mr. McDaniel asked if we could adopt as and Mr. Keller responded that we can't adopt as is there needs to be another cut of \$16,000 and Council needs to adopt the resolution averaging out court revenue. Mr. McDaniel asked if we do this what happens next year and Mr. Keller responded that right now his guess would be that the budget will be as bad if not worse with cost going up. Mr. Keller added that we are not kicking the bucket because there are really no other options. Mr. McDaniel at some point we may have to bite the bullet and Mr. Keller responded that we can only cut services at this point. Mr. Keller added that we could collect trash every other week instead of weekly and he has other ideas but the public will erupt.

Mr. McDaniel stated that we have an offer to buy land and Mr. Keller responded that we can't do this. Mr. McDaniel responded that we have an agreement of sale so we don't have a choice and Mr. Keller thought there was no commitment to spend funds. Mr. Keller stated that purchasing this property the Township will spend \$30,000 in cash to increase debt. Mr. Frank commented that he is surprised by Mr. Keller's statements and that he is not understanding why this is not addressed in the budget based on the agreement of sale Council authorized. Mr. Keller responded that the down payment of \$30,000 is in budget but he is surprised Council would proceed with this purchase after tonight's discussion. He added that there is only \$79,000 in COAH and the fees for all professional studies being done that money will be gone soon and we will not have money in the current budget for any of these costs. Mr. Frank asked why Mr. Keller feels this money will run out and Mr. Keller responded he is not for sure it will but he is very concerned because he has no input on these professionals and what caps are put on them because he has not been included in this process but he sees all the bills with meetings going on and a lot of phone calls and studies being done and the amount of the bills. He added his concern is for the Township and without being involved and knowing what the ultimate costs of all of this will be he can't guarantee that it will not impact services to the residents. Mr. Frank stated that there are various things that are going on that the Township did not elect to become a part of such as the Mt Laurel decision and a builder's remedy litigation but these things still have to be dealt with so this is what we are faced with. Mr. Keller doesn't want it to come back later if we continue to have these professionals operate without any oversight because he can't manage any of this because he is not included in the process but it is his responsibility to advise Council that there are expenses that are out of control. Mr. Frank and Mr. McDaniel can go over the bills with Mr. Keller because they are on the subcommittee and work on a budget and they have already started discussions with those professionals about this. Mr. McDaniel added that yes this is a big concern but there are going to be costs due to what the State is requiring us to do. Mr. Keller stated that he is trying to drive it home that Council hasn't faced this situation before and it will not get any better and by cutting spending wherever we can will only be a positive. Mr. Frank stated that our policy priorities have to be looked at carefully and ranked.

Mr. Frank questioned the amount anticipated for the ground leases because we realized about \$50,000 more last year than we are anticipating this year. Mr. Keller responded that we are trying to build surplus because if we don't we could be in trouble with future budgets because we may not be able to defer school taxes. Mr. Keller added that he is hoping the ground lease will increase because one of the towers might have a co-user so the Township would get more revenue. Ms. Gonzalez added that we are using a lot of our surplus so by not raising the anticipated revenue to the amount realized last year it should help to build our surplus. Mr. McDaniel asked about the construction revenue being anticipated less than what was realized and Mr. Keller stated repeated the reason is to try and build surplus.

Mr. McDaniel asked why construction salaries are up over 10 percent. Mr. Keller responded that some employees are on salary and we have the shared service agreement with Mt. Holly but there is also an hourly rate and this is an estimate. Mr. Cesaro found the item in the budget provided and responded that the amount budgeted for 2021 and 2022 is actually the same. Mr. McDaniel feels we could cut this line item if needed. Mr. McDaniel asked why police

other expenses was raised \$15,000 even though less was spent last year. Mr. Keller responded that the police need to replace some equipment this year and that is why it was raised. Mr. Keller added we already cut out a leased vehicle.

Mr. Eaton did a historical look at roads from 2016 to now and it appears for most years besides 2019 it was increased but in 2016 we budgeted \$99,503 and by 2021 we are now anticipating 266,000 and that is a huge jump even with a new contractor. Mr. Keller responded that some of those years are based on storm activity and he added some years we got hit with a lot of storms even with the previous contractor we had one year with a lot of snow storms. Mr. Eaton questioned why \$100,000 more and Mr. Keller responded that last year we spent probably over \$100,000 on storms and we have never experienced anything like last year with storm activity. Mr. Eaton started to explain that this increase is not normal to someone looking at trends and numbers and Mr. Keller responded that these are not trends because it has to do with storms which are not predictable. Ms. Gonzalez added that this year we have already expended \$66,000 in roads because we had two snow storms in January so we are already over the average that we have budgeted for the first three months of the year. Mr. Eaton asked about reserves and Ms. Gonzalez responded that 2021 reserves will remain in reserves for 2 years so that if any invoices come in for the previous year they can be paid and after 2 years it goes into surplus. Mr. Eaton went back to the conversation regarding roads and stated that if you look at last 7 years for road maintenance we are over \$100,000 increase this year from the average increase from the other years and Mr. Frank responded that this is due to the storms from last year and the special emergency that was done last year to cover those costs and he added that this now needs to be accounted for in this year's budget. Mr. Keller stated that if Council wants to throw the dice we can cut that and see what happens. Mr. Eaton stated that if you cut the \$17,000 you would still have a budget of \$190,000, which is in line with the average increase for other budget years. Ms. Gonzalez cautioned that we don't want another emergency so that is why you want to make sure there is extra. Ms. Gonzalez stated that if the weather is perfect for the rest of the year we will most likely be okay but Mr. Keller added that if we get any storms we will be dealing with another emergency appropriation that will need to be provided for in the 2023 budget.

Mr. Keller stated that his recommendation for cuts would be to reduce the amount of aid to the fire companies but he will not make that decision because he understands the public relations issue it causes. Mr. Eaton would definitely see the Township look at the South Jersey HIF for health insurance and look at the road maintenance budget in addition he asked if we could have the fire companies give a presentation on their budget and where the money goes. Mr. Frank would like to see the fire companies' reports that have been submitted as to how they spend the stipend and it was discussed that if we are going to reach out to the fire companies it should be a Council member who does so.

Mr. McDaniel asked if the Township was able to apply for FEMA Grants for any of last year's storms and Mr. Keller responded that the County did not qualify overall for FEMA funding so the Township was not eligible.

Mr. Marinello asked if we could use the insurance funds that were received for the annex building damage for any other purpose or does it have to be used on that structure. Mr. Keller responded that he could see if we can use the insurance money on another facility or if it has to be used specifically for the annex building. Mr. McDaniel asked where that money is sitting and Mr. Keller responded it is in a reserve account. Mr. Frank asked what are the areas we are allowed to spend those insurance funds and Mr. Cesaro responded that he would have to defer Council to the solicitor but he can say for sure that it can't be used for road repair or police vehicles.

Mr. McDaniel asked if the only way to save services is to exceed the CAP how would we go about that and Mr. Cesaro stated that the Township would need to go to referendum and the Township would pay for the special election whether the referendum passes and not He added that if the vote is no the Township would be in worse shape. Mr. Cesaro went on to say that from his experience the success rate for these types of referendums is been notoriously poor. Mr. McDaniel asked if could do this at a regular election and Mr. Cesaro responded that due to the timing it would be a special election and those time frames are established by Statute. Mr. Cesaro added that if we survive the 2022 budget and we know we are going to be in the same situation in 2023 we can keep that in the our sights and prepare for a referendum. Mr. McDaniel asked if we can phrase the questions to say the residents can choose to raise taxes and keep services as they are or they can choose no increase and lose services. Mr. Cesaro responded that there is special worded language similar to that which is used. Mr. Cesaro will send the LFN regarding referendum election to the Clerk, CFO and Manager for review.

Mr. Sobotka thanked Mr. Keller, Ms. Gonzalez and Mr. Cesaro for the work they did on this budget and he added that hopefully we can resolve the issues without cutting services.

Mr. McDaniel asked if our land purchase goes through we will need \$550,000 to purchase land and is there anything Council needs to know. Mr. Cesaro responded that Council will need to do a Bond Ordinance and some temporary financing should be done sooner rather than later since interest rates are on the rise. Mr. Cesaro stated that he was on a call today with a financial advisor for another client and projections are that interest rates could go up to 6 percent but this could change if the economy rebounds. Mr. Frank stated that we need to think hard about locking into long term financing because the rate is increasing rapidly on short term borrowing Mr. Cesaro responded that the unique thing for a municipality the debt services is outside of CAP so could do this with a tax increase without worry of the CAP. Mr. Cesaro added that Council will need to have conversations with bond counsel, Ms. Gonzalez, Mr. Keller and a financial advisor to discuss best option. Mr. Keller stated that if Council is committed to spending the \$550,000 for the purchase of the property and asked if Council has any other capital improvements they are considering. Mr. Frank stated that if we incur debt now and turn it into long term debt that may be a decent move. Mr. Cesaro added that that Township has a fall off of debt service in 2025 so if you want to go to long term financing in 2024 it will level off debt services. Mr. Keller will move forward with that in mind and see what has to be done and what the impact will be. Mr. Frank wants to make sure we are making an effort to enter into long term financing if interest rates continue to rise. Mr. Keller asked what other capital improvements Council wants to consider and he added the only thing he has is a vehicle for police and Paddock Rd will need additional funding. Mr. McDaniel stated that he spoke to Mr. Noll and the cost could be as much as a million to address the issues on Paddock Rd. Mr. Keller stated that if we do a financial analysis that will cost money. Mr. Keller added that we could do the bond Ordinance for a half million and put everything in place and then decide whether to spend the money when the time comes. Mr. Keller added that we can't introduce the Bond Ordinance until the budget is adopted because you need the down payment. It was discussed that we could do the Bond Ordinance introduction on the same agenda as the budget adoption as long as the budget is adopted and the Ordinance is acted on after budget adoption. Mr. Keller asked where Council wanted to cut the \$17,000 and Council agreed to cut that amount from road maintenance. Mr. Cesaro stated that he would have the budget ready to introduce at the April 13, 2022 meeting and it would be a 2.9 cent increase and under the CAP with this cut being made.

#### **PUBLIC COMMENT**

Motion made by Mr. Frank seconded by Mr. Sobotka to open public comment. All in favor. Motion carried.

Hearing no comments, Mr. McDaniel made a motion seconded by Mr. Frank to close public comment. All were in favor. Motion carried.

Mr. Sobotka made a motion seconded by Mr. Frank to adjourn the meeting. The meeting was adjourned at 8:48 PM. All were in favor.

Respectfully submitted,

Patricia A. Clayton  
Township Clerk