

**HOPEWELL TOWNSHIP COMMITTEE SPECIAL MEETING
VIA ZOOM VIDEO COMMUNICATIONS**

Monday, February 7, 2022 – 5:33 p.m.

PROPER STATEMENT OF NOTICE – Mayor Peters-Manning called the meeting to order stating that notice of the meeting had been posted on the municipal bulletin board and forwarded to the Hopewell Valley News, The Times, the Trentonian and the Hopewell Express (the official newspapers) on February 4, 2022, in accordance with the Open Public Meetings Act, Chapter 231, P.L. 1975.

ROLL CALL: Those answering the roll call of the Deputy Municipal Clerk:

COMMITTEE MEMBERS PRESENT: David Chait, Kevin Kuchinski, Uma Purandare,
Michael Ruger, Mayor Courtney Peters-Manning

ABSENT: None

STAFF PRESENT: Administrator/Public Works Director George Snyder, Deputy Municipal Clerk Katherine Fenton-Newman, CFO Julie Troutman, Director of Community Development/Engineer James Hutzelmann, Police Director Robert Karmazin

PLEDGE OF ALLEGIANCE TO THE FLAG – Mayor Peters-Manning led those in attendance in the Pledge of Allegiance to the flag.

2022 MUNICIPAL BUDGET DISCUSSION

Mayor Peters-Manning announced that during tonight’s budget discussion the Committee will discuss the general operating budget, specifically revenue, and then turned the meeting over to Committee Member Kuchinski, the Finance Department liaison.

Committee Member Kuchinski explained that he and Ms. Troutman will begin the process of working on the General Operating Budget; that there is still work to do on the Capital Budget which includes determining how much is able to be repurposed from prior year ordinances; that there are several different revenue sources which determine the levy that make up the municipal operating budget; and that the tax collection rate has rebounded in a positive direction this year.

Ms. Troutman explained that the actual collection rate in 2020 was 98.18; that in 2021 they utilized a 3-year average rate of 98.93; and in actuality the rate in 2021 was closer to 99.1. Committee Member Kuchinski explained that in the beginning, each revenue area will be reviewed. Ms. Troutman advised that the revenue budget rules that must be followed are: you cannot budget more than you realized the year before; and if you realize more revenue than what was budgeted, the excess funds become an immediate boost to the surplus.

Ms. Troutman was asked to explain surplus and fund balances to which she replied that the Township has assets and liabilities, which are funds that the Township owes out; that the liabilities and fund balanced together will equal the Township’s assets; and that it is also a balancing tool in addition to surplus, so there are multiple ways to look at the Township’s surplus.

Ms. Troutman shared a spreadsheet showing a multiple year breakdown of revenue, noting that the Township was permitted to only go back one year when looking to budget for 2022; that all figures are actual budget numbers, except for 2022; she explained that the PILOT agreements were consistent through the years; that beverage licensing realized a surplus in 2021; that fees and permits go into the budget in a lump sum; that they may be looked at independently but are budgeted together as a group; and noted that fee and permits have increased due to several factors such as additional recreation programs, more birth certificates, more inspections and the bulky waste program was reinstated. She

reviewed the surplus amounts in each department and whether or not those surpluses could be anticipated to continue into 2022; discussed issues which may have impacted revenue decreasing in the Court; made a recommendation for the Court budget for 2022; discussed interest and costs on taxes; explained that, due to the lower tax collection rate in 2020, the Township was able to collect and realize a higher amount of interest and costs on taxes; and that in 2021 there was a better collection rate; therefore, in 2022 the Township would not be able to realize the same surplus amount.

Ms. Troutman then advised that there has been a steady decline on investments on deposits in the bank; cited reasons for the decline being due to falling interest rates and less cash in the bank than in previous years; and made her recommendation for this line item in the 2022 budget.

Delinquent taxes were reviewed beginning with 2020. Ms. Troutman explained that the collection rate in 2021 was greater than 2020, which means that the collection rate in 2022 is anticipated to be lower than that of 2021, but above the historic norm. The formula for calculating delinquent taxes was also discussed. Part of that formula included tax exempt properties and unsold tax liens.

Ms. Troutman reviewed State Entitlements, also known as State Aid; explained that the Township's State Aid has been flat for many years with the exception of 2021 with an additional \$17,599 in Open Space Pilot funding; and that she anticipated budgeting the same amount in 2022 as budgeted in 2021.

She reviewed the Interlocal Service Agreements and stated that some agreements were on a 2-year cycle and that she needed to determine if they were to be renewed this year. Ms. Troutman then explained that as grants are received, there is an equal offsetting appropriation unless there is a match to the grant. Ms. Troutman reviewed each individual grant and the particular circumstances surrounding each grant.

Ms. Troutman explained that the Township receives franchise fees each year from Verizon and Comcast, which are fixed amounts; that SRECS are energy credits the Township receives for solar panels; that the Township is receiving payment for the cell tower on the Municipal Building site; that once antennas are placed on the cell tower, more funds will be forthcoming; that the Township is utilizing capital premium from a 2020 municipal bond sale to level out the debt on the appropriation side; that \$55,000 may be utilized from the Affordable Housing fund to offset debt service in the current fund; and that American Rescue Plan Fund money utilization is open for discussion.

Committee Member Kuchinski explained that the Township fund balance, or surplus, is money that the Township holds in reserve for two purposes: to utilize in case of unforeseen events, such as the Public Works fire; or in the event that County and School District payments need to be made when the Township does not receive full 3rd quarter tax payments. He displayed a slide showing that the Township's surplus remains well above the \$8 million+ target despite COVID-19 and successfully repurposed "surplus" surplus in 2017 to fund the direct purchase of capital, lowering debt. He explained that the reason that Hopewell Township continues to have strong financing ratings is because it continues to maintain a healthy surplus history; and that the Township needs to maintain its surplus, but not retain too much, and fine-tune it as we go forward.

PUBLIC SECTION

No comments from the public.

At 6:17 p.m., motion by Ruger, seconded by Kuchinski to adjourn the meeting.

MOTION UNANIMOUSLY CARRIED

The detailed public meeting may be viewed at www.hopewelltp.org in the video library.

KATHERINE FENTON-NEWMAN
DEPUTY MUNICIPAL CLERK