

REGULAR MEETING
LAWRENCE TOWNSHIP COUNCIL
LAWRENCE TOWNSHIP MUNICIPAL BUILDING
COUNCIL MEETING ROOM – UPPER LEVEL

March 20, 2012

The following are the Minutes of a Regular Meeting of the Lawrence Township Council that was held on Tuesday, March 20, 2012, at 6:30 P.M.

The meeting was opened with the Pledge of Allegiance, led by the Municipal Clerk.

At the commencement of the meeting Mayor Kownacki read the following statement of proper notice:

STATEMENT OF PROPER NOTICE: “Adequate notice of this meeting of the Lawrence Township Council being held on Tuesday, March 20, 2012, has been provided through the posting of the annual meeting schedule of said Council in accordance with Section 13 of the Open Public Meetings Act”.

The roll was then called as follows:

Present: Councilmembers Lewis, Maffei, Puliti and Mayor Kownacki.
Absent: Councilman Powers (The Municipal Clerk advised that Mr. Powers is out of town on business.)

Also, in attendance were Richard S. Krawczun, Municipal Manager, and David M. Roskos, Esq., Municipal Attorney.

Review and Revisions of Agenda

There were no revisions to the agenda

Public Participation

Mr. Bert Steinmann, Mayor, Ewing Township, stated that he would like to comment on a couple of things that have transpired none of which is under the Township’s control but still needs to be brought to the Council’s attention. He indicated within the last two weeks he found out that the Lawrence Township Board of Education decided to purchase a building in Ewing Township for

\$875,000; a building that has been on Ewing's tax rolls for the last six or seven years and if purchased by the Lawrence Board Education Ewing Township stands to lose \$58,000 in tax revenue, which he feels is unacceptable being the taxpayers of Ewing should not be obligated to support the Lawrence Township Board of Education.

Mayor Steinmann stated that he does not think that the Lawrence Township Council would appreciate it very much if he came into Lawrence and started purchasing property, taking that property off the tax roll and he understands that it was not a decision made by the Township Council but he wanted to bring the matter to their attention. In addition, he thinks they should move forward together in approaching their State legislatures regarding the issue of tax-exempt properties and advised that their Township Attorney has already started the process of drafting legislation to be forwarded to the State Assembly and the Senate, and he hopes Lawrence will join in with them.

Mayor Steinmann advised that the proposed legislation basically prohibits any municipalities or Boards of Education from purchasing property in other municipalities unless they pay the full taxes. He indicated that both towns have properties that are tax-exempt through state or county owned property and that Ewing Township is 42-percent in that category; and, although, he does not know where Lawrence stands in that particular category he knows Ewing Township cannot stand to lose any more properties to exemptions, whether it be local, state or any other government agency. They need to keep all the ratables they possibly can.

Mayor Steinmann stated that he closed down their Public Works building and consolidated the department with the Ewing Township Board of Education and that consolidation of services saved the taxpayers of Ewing approximately \$110,000 per year, after which he suggested that perhaps Lawrence Township make an effort with the Board of Education to try and accomplish the same thing. He also stated that he is very surprised that the businesses in Lawrence are not upset about the Board of Education decision being Lawrence is a pretty nice sized town and he cannot believe that there is no space or warehousing available anywhere in the Township that could accommodate the needs of the Board of Education.

Mayor Steinmann advised that he provided the Municipal Clerk with a prepared statement that can be shared with the Council and he would also like the statement included in the Minutes as a testament to his presence this evening. He stated as the proposed legislation starts to move forward he hopes that the Lawrence Township Council, along with other municipalities, will join in with him to ensure that it gets passed. In addition, he is not denying or telling anybody not to purchase property in Ewing Township; but if they plan on purchasing property in the Township they should plan on paying their full share of taxes being that is what the taxpayers of Ewing deserve and it is a fair

solution to the matter, and he only hopes that the Board of Education perceives it that way, although, he does not have much hope for that. He then thanked the Council for their time and consideration and asked if there were any questions or comments.

Mayor Bert Steinmann's Statement

Honorable Mayor and members of Lawrence council, as a member of the Ewing Township council for Ten years and now serving as mayor for the past year I never once felt the need to come to your meeting until now. It is the intention of Lawrence Board of Education to purchase a warehouse in Ewing valued at 875,000 dollars. This purchase than would effectively remove this property from our tax role and thus taking away approximately 58,000 dollars tax revenue. So than why am I here, and not the Lawrence Board of Education the answer is simple the very same thing can happen here. I could decide tomorrow to buy a building in Lawrence for Ewing Township Business and remove it from your tax role. I am sure your tax payers would not appreciate that very much. I believe that every local Government and Boards of Education has a moral obligation to stay in its borders and not burdening other towns. I have reached out to my state Legislatures to ask that any local Municipality or Board of Education purchasing outside its borders must still pay full property tax obligations to that municipality

Councilman Puliti echoed Mayor Steinmann's comments with respect to the need for State legislatures to take a general look at non-profit organizations that are tax exempt because the taxpayers basically subsidized non-profits. He indicated that non-profit organizations are a great thing, but times are changing and the municipalities are being held within a certain "cap" and other regulations; therefore, the time has now come where State legislatures need to start assessing the exempt status of non-profit organizations so that the municipalities can start assessing "fees" to the non-profits. So, he very well understands Mayor Steinmann's comments with regards to non-profits not paying taxes and the need for legislative change.

Councilwoman Lewis thanked Mayor Steinmann for coming out and sharing his concerns and stated that he is absolutely correct with respect to exemption of non-profits being a problem that plagues towns throughout New Jersey and questioned whether or not he received any response back from the letters that were sent out regarding the matter.

Mayor Steinmann stated that he has not received a response back from any Legislator, as of yet; but the Lawrence Board of Education Business Administrator did reach out to the Ewing Township Business Administrator about a week ago and the result of that conversation is that the deal was basically done with no explanation; and, as for the letter that was sent to the president of the Board of Education via email and regular mail he has not received any response back from that correspondence yet.

In closing, Mayor Steinmann thanked the Council again for their time and consideration and reiterated his understanding that the Town Council cannot do anything regarding the matter and he more or less just wanting to bring the matter to their attention, as well as request their support on the important matter.

Mayor Kownacki thanked Mayor Steinmann for coming out and requested that he forward any information related to the discussion to the Municipal Manager and Township Attorney.

Ms. Carol Harle, 117 Review Avenue, stated she would like to first thank the Municipal Manager and the employees of the Township, who were very gracious in helping her get all the pieces of information she requested and needed in a timely manner so that she can better understand what the problems are and how the Township came to its current position. She indicated that it does not mean she agrees with the information she received, but she does have a better understanding as to how the Administration came up with the numbers and by them providing her with a copy of the of the Edmunds budget she was able to compare line by line with the regular budget that gave her further insight regarding the Township's budgetary problems and the problems of the taxpayers because at the end they are the ones that will have to bear the burden.

Ms. Harle continued to discuss her displeasure with the Council for not re-opening public participation at the last Council meeting to allow the taxpayers of Lawrence an opportunity to speak out on the budget. In addition, she discussed her dismay with the process and some of the methods the Township is using to get the citizens to talk about the budget and the proposed tax hike – such as the elimination of the Recreation Department, EMS services and garbage pickup, and indicated in her opinion it could have been handled in a different way instead of using those alternatives; because if they had presented viable solutions first then explained the budget situation it would not have caused such an uproar with the residents of Lawrence. Further, she is not in favor of the proposed municipal tax hike, the Ordinance being introduced to exceed the “cap bank” or the 15% sewerage increase sought by ELSA, and questioned whether or not the increase was justified by the Council.

Afterwards, Ms. Harle proceeded to read a long list of cost-saving ideas for Council's consideration, to help offset the \$2.2 million needed to preserve some of the available surplus funds, expand revenues and alleviate the tax burden in Lawrence, which included the Mayor and Council giving up or reducing their salaries until the financial crisis is over, the Municipal Manager and the Department Heads freezing their salaries or taking a pay cut, cutting employees to a four-day work week, merging more departments and eliminating positions over \$80,000, billing taxes monthly instead of quarterly, placing exempt properties on the tax rolls, enacting renter fees and fees for students who attend educational institutes and use municipal services, merging the Recreation and Office on Aging Departments and transferring the Health Department over to the County Health Department.

In closing, Ms. Harle stated she feels there is a lot of room for reduction and that the Township is going to have to try and come up with additional revenue even if it is a one-time shot being it is better than nothing, and taking away the garbage service is not going to solve their problem. She indicated that they are going to have to try and get things more under control this year so that they do not have a bigger budgetary problem next year. She then thanked the Council for their time and consideration.

Mr. Krawczun stated prior to addressing Ms. Harle's questions he would like to clarify his recommendation regarding the referendum and the proposed 9-cent increase to offset the Township's inability, in 2013, to regenerate the same amount of surplus they would in the 2012 budget if they were to adopt a budget without going to a referendum. He indicated if they stay within the "cap" and use the \$4.8 million of surplus as a source of revenue for 2012 they will wipe out most of the available surplus funds of \$5 million, leaving \$154,000; and, because they will not be able to regenerate that amount of money to be included as a source of revenue in the 2013 budget he proposed a referendum to the Council as a way to make up for the shortfall, and if the referendum were to be defeated he prepared a list of alternatives that included a fee charged for trash pickup to residential property owners.

Mr. Krawczun further stated that he was asked by the Council to present information with regards to what they needed to do to reduce appropriations in order to accomplish the same \$2.3 million in savings and advised that is where the list for multiple cuts came from, as it was a response to their request. He indicated the issue that everyone will be presented with regarding the referendum, is a question that will be asked "yes" to exceed the cap on the tax levy or "no" to raise the municipal rate an additional 9 cents, and if the referendum fails how do they make up that revenue, and one way is through a user fee for trash collection which he recommended as one of the alternatives and everything else will remain seamless except for the way they pay for trash services.

Mr. Krawczun advised that he will discuss the "cap bank" ordinance when it is introduced by the Town Council and that he will address the following comments or questions that were presented during public participation regarding the budget, referendum and the proposed tax increase:

- **Lack of Planning** – Stated that the comments raised relative to the financial situation and the Administration's lack of planning is contrary to his beliefs, as they have been proactive in taking action in 2012 to prevent a much more disastrous problem in 2013. Further, if they do not take action now they will not only need the referendum, but they will need to cut services in 2013, as well.
- **Employment** – Stated that no new positions have been created in 2012 budget except for one part-time Plumbing Inspector, as they only have

Sub-code Officials working in fire, plumbing and electrical, and they are performing both inspection and plan reviews which is problematic for the businesses in town, as it delays the permit process tremendously.

- **Furloughs** – Advised that furloughs are negotiable items with the employees' unions and in the past when they reviewed furloughs as an option they recognized that out of the 190 or so employees about half of the employees would be exempt from furloughs because of their positions as public safety responders or employees that are prohibited from furloughs – such as the police, firefighters, EMT's, emergency management personnel, etc.
- **Merging/Shared Services** – Advised that Lawrence shares over 30 types of services and program with other municipalities and non-profits, after which he discussed the advantages and disadvantages related to sharing services with other communities in exchange for revenue, and it sometime being problematic to their own operation given the reduction of the Township's workforce, especially, in the Public Works department.
- **Seasonal Employees/ Privatization** – Advised that the Township does not have any seasonal employees being they were eliminated from the budget over the last several years. In addition, they privatized grass cutting and custodial services when they eliminated the positions so those services are no longer performed by Township employees.
- **Recreational Ball Fields** – Stated "hats off" to the Lawrence Township Baseball Association who have taken over a lot of the responsibilities for maintenance and operations of the ball fields; a job that used to have two full-time employees assisting in that area has now been reduced down to one person, who works one or two days a week even at the height of the season. Additionally, they will explore the option of corporate adoption of the fields, which was a good suggestion.
- **Community Service/Adopt a Highway/Park Program** – Stated in recent years (2009 or 2010) they implemented an Adopt-a-Park Program and there was not much interest, therefore, the program never got off the ground. And, as for community services, that service requires supervision, in addition, to the fact that some of the workers might have DUI's and are unable to drive so they cannot get to work or the Township has to move the employee from place-to-place to do a job. So, although, there might be some savings it is very time consuming to implement the program.
- **Revenues** – Stated that there were remarks made relative to revenues being underestimated and indicated that he distributed a chart regarding the regeneration of surplus and the decline over the last several years, which he proceeded to review and discuss in detail.
- **Grants** – Advised on Sheet 3A of the Budget document are budget appropriations added by N.J.S. 40A:4-87 also known as the "Chapter 159" that are new grants adopted that are included in the budget after the budget has been formally adopted, and on Sheet 30 of the same budget document the revenues that total over \$1 million are grants that

they are actively seeking even for capital programs that do not always show up through the operating budget.

- **Hybrid/Replacement Vehicles** – Stated that they are purchasing hybrids as part of their cost saving measure to replace some of the passenger vehicles in the Township's fleet and that a question was raised about how many vehicles they purchase annually. He advised that they do one to two passenger vehicles per year depending on what is allotted above and beyond what they do for the police and proceeded to discuss them rotating and recycling police vehicles that have over 100,000 miles of use.
- **Reduction of the Capital Expenditure in the 2012 Budget** – Advised that the Appropriation for the Capital Improvement Fund is \$150,000 and that the amount goes to down payments on improvements and proceeded to discuss the amount of debt authorized versus the pay down of the debt which totaled \$6.8 million, more than what was authorized for new expenditures.
- **Reserve for Uncollected Taxes** – Stated that the Reserve for Uncollected Taxes is a statutory obligation and an appropriation that appears in the municipal budget to close the gap in what they anticipate in collecting for taxes and 100-percent of the town's tax collection and that the amount is fully reflected in the municipal budget. He then proceeded to discuss the amount of money paid out in Tax Appeals as it relates to the Township lobbying for legislative change so that the money can be refunded back to the municipalities.
- **Transfer of Emergency Appropriations** – Advised that the Township did not have any emergency authorizations, except in the case of true emergencies, and that the emergency authorization reflected in the 2012 budget started out at a much higher amount as it reflected the cost associated with Hurricane Irene for road repairs, personnel time and removal of trash from the curb. He indicated, as a CFO, he is not in favor of transfers but they are necessary because a lot of their appropriations are cut so close. In addition, the Township's Transfers of Appropriations are anticipated versus covering over expenditures so they are not over spending their budget then covering it with transfers, which would be problematic.
- **Cell Phones** – Stated that they have re-negotiated over the last two years the Township's cell phone contracts so that the employees that have cell phones do not lose minutes or incur an extra cost when they exceed the allotted time.
- **Seasonal Bus Transportation** – Stated that the Township does not provide any seasonal bus transportation except in the case of Parks and Recreation programs or the teen travel camp and that both of those programs pay for themselves being the fees are paid by the participants.
- **Fees** – Advised that the majority of the "fees" are set as high as they can be and that they want to be careful that they are within their constitutional restrictions so that they are not using public money to

compete with the private sector and that the fees are covering the cost of the service. Further, they did increase a number of fees by way of Ordinance, which caused a lot of conversation regarding the increase and balance of construction fees.

- **Debt Services** – Stated that a comment was made about debt services being done at a faster rate is inaccurate; because they are not accelerating the repayment of debt they are paying down debt and reallocating the principal and interest pay downs toward capital purchases or to the pay downs of notes in a way that gets them off of the list of long-term debt, which is more cost effective.
- **Reduction of the Open Space Tax** – Advised that all 3-cents of the Open Space Tax is dedicated to a purpose, as \$.02 cents is used toward the repayment of debt services for money that was borrowed for park improvements or land acquisition of open space, which they are still paying debt services on, and the other \$.01 cent is used toward the maintenance of parks, recreation and historic facilities.
- **No Cash Refunds** – Stated he is unsure what was meant by that comment; but if it is in terms of the Tax Appeals they are obligated to refund that money rather it's ordered by the Court or County Board of Taxation the disbursement of funds is mandatory.
- **Refunds for Overpayment of Fees** – Stated with respect to the Recreation Department depending on when the applicant canceled or withdrew from the program full refunds are restricted to cover the administrative cost of cutting the checks.
- **Police Contracts for Quaker Bridge Mall** – Advised that the contract with the mall pays for the full cost of a Sergeant, which includes the Officer's salary and benefits. Further, any police officers that are seen working during seasonal times or on weekends are hired as off-duty police officers and they are paid by the mall in a supplemental payment through the Off-Duty Program that goes into a special Trust Account.
- **State Health Benefit Plan Verification** – Stated in mid-2011 the Township did a verification of employees on the State Health Benefit Plan and that no employee in Lawrence can receive benefits whose spouse qualifies for the plan, and if an employee is on the State Health Benefit Plan and their spouse is too they are not eligible for a waiver. Further, the Labor Agreements in Lawrence Township had requirements if you waive your health insurance an employee can receive 50% of the single coverage even if the employee was eligible for family coverage and that is no longer applicable.
- **New Hires/ Internships** – Stated generally speaking new hires usually start at the bottom of the salary range; because in order for a new hire to start above that level requires approval from the unions. And, as for internships, they do have some interns through the Health Department to help out at the health clinics and indicated sometimes it is just a matter of the effectiveness of their participation.

- **Rental of Municipal Buildings** – Advised that the Administration has gotten away from renting facilities in the Township such as the firehouse because of unruly crowds and past problems; but, they have taken a look at the use of the community room in the Police and Court building, as there are many organizations who are supporters of Lawrence programs that use the room, as well as, the various Homeowner Associations. Further, for the small amount of money that the Township would receive he would rather have the Lawrence Lightning Football Program continue to prosper and help young children than to collect \$200 or \$300 per year for rent, which is more counterproductive than charging a fee.
- **Renter's Fees** – Advised that Lawrence Township currently has a Landlord Registration fee that is imposed on landlords who rent single family units that are not owner-occupied, in addition, to an annual inspection fee.
- **Council on Affordable Housing (COAH)** – Stated COAH is the tax difference between the unit assessed at its limit versus the full market pricing in the same complex and he agrees with the comments made earlier with regards to the Township being compensated; but indicated it is state mandated and the taxpayers in the community are absorbing those costs because of the lower assessments, therefore, the matter should be directed toward COAH and the State legislatures, as the Council on Affordable Housing has been reinstated by the Court and they are in the process of reorganizing.
- **Tax Amnesty Program/ Tax Exemptions** – Stated a point was raised earlier relative to the Township losing interest on uncollected taxes, which is true; but indicated Lawrence has been very fortunate in that their tax receivable collection is usually at a very high rate being they started the year with \$1.507 million from the prior year and collected \$1.460 million this year and that the loss of revenue could be from those protected by bankruptcy or another matter where the Township does not have the authority to collect taxes. He indicated as a whole they do collect a high portion of the delinquent collection and he would be remiss if he did not recognize the Township Council efforts and their aggression in seeking fees from The Lawrenceville School and Rider University for the level of municipal services that is enjoyed by their students and staff, after which he proceeded to discuss a Resolution that the Council sent to the League of Municipalities seeking their support and meetings they have had with the two organizations soliciting their financial support.

In closing, Mr. Krawczun stated he hopes that he addressed many if not all of the public concerns and he would like to address one other issue of a personal nature with regards to him taking a wage freeze or a pay cut. He indicated that he understands the resident's frustration on that particular issue, but he would like to point out as the Township Manager his base salary is lower than his predecessor, who left in July 2005, he serves as the Chief Financial Officer but does not collect

a full salary, as he only receives a portion of that salary, he fills in as the Community Development Director; a position that would be compensated at the Department Directors level and he does not take health benefits... so in turn that saves the taxpayers money.

Mr. Krawczun advised if the Township had three full-time positions all receiving benefits the cost would easily be a few hundred thousand dollars or more and he can provide them those numbers, if needed. Further, he understands that there is a lot of emotion; but he also thinks there should be a bit of fairness and he wants everyone to understand that he wears three hats in the Township and that he dedicates himself both professionally and personally to each of those positions, as he takes his job very seriously and tries to fill all three of those positions to the best of his ability.

Ms. Cindy McBride, 195 Lawrenceville-Pennington Road, stated that she appreciates all the remarks from the Municipal Manager and his thorough overview of the municipal budget, and advised that she is a taxpayer of Lawrence who has never attended a meeting, nothing personal she just thought the Township Council was doing their job until the present situation arose... and now she is not so sure. She indicated that there are a couple of items in the budget that she feels is not been addressed such as the Reserve for Uncollected Taxes, which is around \$900,000 or more and questioned whether or not the Council has considered an accelerated tax sale so that the burden is not spread across to the taxpayers.

Ms. McBride advised that that her concern regarding an accelerated tax sale is so that the Township can grant those funds from the Reserve of Uncollectible to help ease the tax burden, as she understands how the process works and she also understands that assessed property values have all dropped, something that is happening all over the state and country being a lot of good people are losing their jobs, their hours and taking a pay cut; but, yet, she still sees towns holding out their hands to the taxpayers and not really looking at any real options. So, although, she can appreciate the Municipal Manager wearing three hats and being very dedicated to his job there are also a lot of good people who have lost their jobs that may have worn three hats and were just as dedicated... so the matter at hand has nothing to do with personal values.

Ms. McBride stated that the proposed trash fee is absurd and kind of ridiculous because it just pushes another tax onto the taxpayers, and if the Township is asking the taxpayers to be self-sustaining with the trash then they need to spread that philosophy throughout all of the programs, to include the recreation and all the other departments. She then proceeded to discuss the hiring of the part-time plumber versus shared services, shared services as they relate to full-time positions, the continuation of tax appeals being they do not know where the bottom is on the housing market and the Tax Assessor working on property assessments in 2012 to help reduce the amount of appeals in 2013.

In closing, Ms. McBride advised that her remarks were more of an overview because the budget was just introduced this evening and she has not had an opportunity to review it; but she does understand that budgets are anticipated spending and now that the Council has her attention she will start requesting information to see how the money is being spent in Lawrence.

Mr. Krawczun replied when they reviewed the use of an accelerated tax sale there was a lot of thought that it would help the Township immediately; but not in the long-term because of the negative impact it would have on the regeneration of surplus in 2012, and if not in 2012, sometime in 2013 or 2014.

Thereafter, an at length discussion took place relative to the 2012 budget surplus, anticipated revenues and the regeneration of the surplus as it relates to the accelerated tax sale reducing the surplus in the 2012 and 2013 budgets, the Reserve for Uncollected Taxes, the 9-cent tax increase versus the user fee for trash collection, the proposed 9-cent tax increase as it relates to employee layoffs, the recreation and senior programs expenditures and regeneration of revenue to support the programs, the elimination of the recreation program in its entirety and the transfer of staff over to the Senior Center to operate special events, the proposed tax increase and referendum being the best route to avoid the dismantlement of departments and programs and the Tax Assessor not being able to do maintenance on tax appeals in 2012 due to the mandatory 75% threshold.

Mr. Max Ramos, 4 Woodlane Road, stated he has two questions; the first is regarding the public question on the referendum not having anything printed about user fees in the language being the question only asks whether or not they approve an increase on the tax levy over the allowable property tax levy "cap". And, the second question is regarding the salary and wage section of the budget, as he added up all of the increases from 2011 to 2012 totaling \$584,000, and the decreases totaling \$80,000, which according to his calculation is about a 6 to 1 ratio and inquired as to why salaries and wages increased by almost \$600,000 and decreased by only \$80,000 if they only hired one part-time plumber.

Mr. Puliti advised that the Council forwarded a Resolution to the Division of Local Government Services with clear language so that that the voters would know what they are voting for and that the Division rejected their language and instructed the Township how they would like the language to read. He further advised that they went as far as contacting a representative at the State House to see if that person could help them get approval from the Commissioner of the Division of Community Affairs, who oversees the Division of Local Government Services, to get the language changed and the answer they received back was "no", the language could not be changed... end of story. So, the Council did try really hard to have the question changed as they believe in government transparency; but the Division that oversees them would not give them approval. A short discussion followed relative to a public hearing being scheduled to discuss the proposed user fees and the budget.

Mr. Krawczun stated with respect to salaries and wages the Township has to budget for 26.1 pays and there is probably a half of pay period that was left in the 2012 budget that was charged off in January, as the first payroll in January overlaps. In addition, there are labor contracts in place that adjust employees' salaries whether it be a cost of living wage or a step adjustment based on the salary guide and the labor agreements that are currently in existence for that union. Also, in 2010, during the 4 year contract span no employee received a raise as they all took a wage freeze; so, one is the excess or overlap between payroll periods and how it gets started off through the Appropriation Reserve and the second is the requirement to increase salaries based on labor agreements, after which he gave an overview of the payroll process, civilian and employee concessions and employees healthcare contributions. A brief discussion followed relative to Mr. Krawczun's review.

Ms. Christina Leona, 107 Carter Road, stated that her father is a retired Certified Public Account (CPA) and every year they have the same conversation about her brother who owns a much bigger and nicer home in Delaware and pays approximately \$3000 per year in taxes and her in living in Lawrence paying over a \$11,000 per year in taxes for her home, which is depressing because they are only discussing one-half of the picture and not the school taxes which accounts for over half of the taxpayers burden. She then questioned why the municipal and school budgets are discussed separately.

Mr. Krawczun stated he understands her point of view with respect to 55-percent of her tax dollars allocated to support the schools function, but indicated the schools local unit of government created as a creature of the State is separate and distinct from municipal government and they do not have jurisdiction. He advised that they have worked with the School Board in the past on shared services, where they use the school facilities to run their recreation programs or grass cutting when the Township had a larger Public Works crew, in addition, they have had some very good discussions with the School Board but her frustrations are equally shared by the Township.

Mr. Krawczun stated he would like to elaborate on her first question with regards to her family member that lives in Delaware and pays less property taxes versus her living here in New Jersey, and indicated that he and the Mayor had a meeting involving a family member helping another family member that is a senior citizen, who has worked for a very long time and has longevity in the community but whose dignity was stripped because of the way New Jersey assessed property taxes that does not produce any income. For example: If a property on Carter Road was assessed at \$300,000 that assessed value does not produce the person residing there one dollar of income; but if that same person had a \$300,000 stock portfolio the State would not tax the person on the \$300,000 they would only tax the person on that dividend or capital gain and that is where the problem lies.

Mr. Krawczun stated there is an inequity there and residents can start addressing the issue tomorrow at the meeting with State Legislators, because the Legislators are the ones who have to help fix the problem being taxpayers of the State who create jobs are being chased out and indicated he is just as concerned about the woman he spoke about tonight who volunteered her time to make Lawrence the community that people speak about and they cannot even help the person with her problem, which is wrong.

Mr. Krawczun proceeded to discuss the importance of people stepping up to the plate and helping to change some of the tax laws related to how properties are assessed in New Jersey, as some of the laws have been on the books for a very long time and if they are reformed they will start to see some change regarding property taxes. A short discussion followed relative to the tax burden and the Council examining the best way to create relief for the taxpayers of Lawrence.

Mayor Kownacki thanked everyone for the coming out and sharing their comments and concerns with the Council and stated he hopes that everyone's questions were answered this evening. He indicated that it not easy for the Council to make the tough decisions that they have had to make for the Township; but they are elected officials, who are elected by the voters to serve the Township as a whole and to come up with the best possible budget with the least amount of impact to the taxpayers of Lawrence. Further, it was very hard for him to hear Mr. Krawczun speak about a resident who has given to Lawrence most of her life and they could not help her being that hit home for him because that situation could have easily happened to him or one of his family members and it made him realize all the tough decisions that lies ahead for the Council.

In closing, Mayor Kownacki thanked the Municipal Manager for all that he has done to get the Council to this point and to his colleagues on Council for not just sitting back... but for asking the hard questions and demanding the hard answers.

There being no one else who wished to address Council, Mayor Kownacki closed Public Participation.

Adoption of Minutes

On a motion by Ms. Lewis, seconded by Mr. Puliti, the Regular Minutes of **October 18, 2011** were approved without corrections.

Same was carried on the following roll call vote:

Ayes: Councilmembers Lewis, Maffei, Powers, Puliti, Mayor Kownacki.
 Nays: None.

Introduction of Ordinances

Mayor Kownacki read by title an ordinance entitled, "ORDINANCE TO EXCEED THE MUNICIPAL APPOINTING BUDGET APPROPRIATION LIMITS AND TO ESTABLISH A CAP BANK FOR THE TOWNSHIP OF LAWRENCE, COUNTY OF MERCER."

Mr. Krawczun stated within the Local Budget Law there is a Local "CAP" Law which limits certain items of appropriation in the municipal budget to increase no more than 2.5% or the Cost of Living Adjustment or whichever is less. The Governing Body, under the same law, is authorized to adopt a "CAP Bank" Ordinance which allows an increase not to exceed 3.5% over the previous year appropriations and allows any additional amount to be banked and used for the current budget year or one of the two succeeding budget years. He then proceeded with a review of the Township's current "CAP Bank" budget and the authorization that would create a new "bank" of \$278,462.66.

The Ordinance was introduced and approved on the following roll call vote:

COUNCIL	AYE	NAY	PRESENT	ABSENT	ABSTAIN	MOVE	SECOND
Ms. Lewis	X						
Dr. Maffei	X					X	
Mr. Powers	X						
Mr. Puliti	X						X
Mayor Kownacki	X						

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Mayor Kownacki read by title an ordinance entitled, "AN ORDINANCE AMENDING ORDINANCES NOS. 2002-09, 1976-08 AND 1876-06 ESTABLISHING RATES FOR SEWER SERVICE."

Under the advisement of the Township Attorney, Mayor Kownacki, who is an employee of the Ewing-Lawrence Sewage Authority, recused himself from the meeting during the discussion and approval of the sewer ordinance.

The Ordinance was introduced and approved on the following roll call vote:

| COUNCIL        | AYE | NAY | PRESENT | ABSENT | ABSTAIN | MOVE | SECOND |
|----------------|-----|-----|---------|--------|---------|------|--------|
| Ms. Lewis      | X   |     |         |        |         |      | X      |
| Dr. Maffei     | X   |     |         |        |         | X    |        |
| Mr. Powers     | X   |     |         |        |         |      |        |
| Mr. Puliti     | X   |     |         |        |         |      |        |
| Mayor Kownacki |     |     |         | X      |         |      |        |

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Resolutions

The Municipal Manager advised that Resolution (8-K) - Authorizing a Closed Session of Council Immediately Following the Regular Meeting is litigation dealing with the matter of John Glenn v. Lawrence Township Police Department; Resolution (8-B) - Authorizing the Appointment of Mark Boyd as an Armed Court Attendant will pay the Attendant an hourly rate and provide for the redeployment of the police officer from Municipal Court duties, and Resolution (8-E) - Authorizing the Use of Internet Auctioneering Services for the Sale of Surplus will bring miscellaneous revenue not anticipated back into the budget. He indicated that the short list of items covers grants and better utilization of employees and given the context discussed earlier he thought he would bring it to the Council's attention.

Resolution Nos. 118-12 (8-A) thru 127-12 (8-K) was approved by the following roll call vote:

| COUNCIL        | AYE | NAY | PRESENT | ABSENT | ABSTAIN | MOVE | SECOND |
|----------------|-----|-----|---------|--------|---------|------|--------|
| Ms. Lewis      | X   |     |         |        |         |      | X      |
| Dr. Maffei     | X   |     |         |        |         |      |        |
| Mr. Powers     |     |     |         | X      |         |      |        |
| Mr. Puliti     | X   |     |         |        |         | X    |        |
| Mayor Kownacki | X   |     |         |        |         |      |        |

Cited Resolutions are spread in their entirety in Resolution Book Volume No. 2 of the Township of Lawrence.

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Awarding or Rejecting of Bids

There were no bid awards.

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Adoption of Ordinances

There was no adoption of ordinances.

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**Manager's Report –**

Mr. Krawczun reported that the Rutgers Blumstein's School is heading up a Sustainable Raritan River Initiative and they are seeking different towns who are within the Watershed area to participate, and he did speak with the Project Director who felt it would be a resource for the municipality to participate in items of planning for those areas of the town that are in the Raritan Watershed or other resources for water quality; and, although, it does not affect Lawrence as much as other towns that are near or adjacent to the river such as New Brunswick he thought it would be good to share their Resolution with the Council so if they have any interest they could put it on future Agenda.

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**Attorney's Report –**

Mr. Roskos stated that he has a number of litigation matters but none worth reporting on at the present time. But, he would like to report that the Rent Stabilization Board will be meeting on March 29 and they may be recommending some changes to the Rent Control Ordinance, and he is not sure whether or not the recommendations will be formed at that time but certainly by the following week the Council can anticipate some recommendations being brought forth from that meeting. A brief discussion followed relative to the Ordinance not really providing a formula and all the members of the Board wanting to make improvements to the Ordinance.

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**Clerk's Report –**

There was no Clerk's report.

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**Council Initiatives/Liaison Reports –**

Councilmember Lewis' report:

- Stated that the Open Space Committee, Greenways Committee and the Environmental Resources Committee are all having discussions concerning the best ways they can work together and she will have a report sometime in the future as they continue to collaborate on the matter.



- Advised that the Growth & Redevelopment Committee met and set a number of objectives for the year - such as the Route 1 Redevelopment Project, down in the southern end of town, where there are various projects they can move forward on.

Councilmember Maffei's report:

- Stated with respect to the Cable Telecommunication Committee he has nothing to report except that the Comcast negotiations are going according to plan.

Councilmember Powers' report:

- No Report (Absent)

Councilmember Puliti's report:

- Stated there is nothing notable to report for the Public Safety Committee, and as for the Recreation Committee they will be reviewing the Year-end Report as they gear up to try and sign everyone up for the summer programs.

Mayor Kownacki's report:

- Advised that the Municipal Alliance on Drug and Alcohol Abuse and the Health Advisory Board both had a meeting but there is nothing to report at the present time.

**Written Communications –**

There was no written communication.

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**Old Business –**

A short discussion took place relative to Kraft Cleaners, an abandoned property that was finally approved for demolition. The Municipal Clerk kindly thanked the Council for the approval to act on such a longstanding eyesore in her neighborhood.

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**New Business –**

Mayor Kownacki advised that the second meeting in April will take place on Wednesday, April 18<sup>th</sup> at 6:30 p.m. instead of Tuesday, April 17<sup>th</sup> due to the School Board Election.

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There being no further business to come before this Council, the meeting adjourned.

8:47 p.m.

Respectfully submitted by,

\_\_\_\_\_  
Kathleen S. Norcia, Municipal Clerk

Attest:

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James S. Kownacki, Mayor