

Hopewell Township

Finance Advisory Committee Minutes

Municipal Building Conference Room
October 1, 2015

Chairman Tom Welsh called the meeting to order at 7:09 p.m.

Members Present: Welsh, Sauer, Downey, Robinson (Alternate)

Members Absent: Colina, Clawson, Guleria (Alternate)

Staff Present: Borges

HTC Liaisons Present: Lester

HTC Liaison Absent: Kuchinski

PROPER STATEMENT OF NOTICE – Chairman Tom Welsh called the meeting to order at 7:09 pm 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), in accordance with the Open Public Meetings Act, Chapter 231, P.L. 1975.

He then asked Secretary Downey to call the roll. Secretary Downey asked each FAC member present to state their name for the record so that those listening to the audio recording of the meeting could recognize the voices of the individual members of the FAC.

Prior Minutes

The FAC Secretary Downey explained that there was one difference relative to the audio tape of the September FAC meeting concerning the approval of the August 2015 minutes in the September FAC meeting. Per the audio of the August 2015 FAC meeting minutes were approved by three votes, with only two votes being from FAC members that were in attendance at the August 2015 FAC meeting and one vote coming from an FAC member that had not attended the August FAC meeting but had listened to the audio recording of the August FAC meeting that was posted to the Hopewell Township website.

Secretary Downey did not know during the September 3, 2015 FAC meeting whether a member could vote based on just listening to the audio recording of the meeting when they had not actually attended a particular FAC meeting. So she consulted with the Hopewell Township Administrator and the Hopewell Township Clerk to understand what the requirements were for approving minutes when there was not a quorum of members

present to approve the minutes that had also attended the previous meeting that the minutes covered. Secretary Downey handed out the e-mail that she had received from the Hopewell Township Administrator indicating that the FAC minutes could be approved by as few as one vote, as long as that FAC member had attended the previous meeting and there were no objections by any other FAC members that had also attended the meeting for which the minutes were up for approval. Thus in the audio recording of meeting, the minutes were approved by three votes, however, the vote from Vice Chairman Sauer was based on the fact that he had listened to the audio posted on the Hopewell Township website and had not actually attended the August 2015 FAC meeting. Thus Secretary Downey reported that she had revised the approval of the August meeting minutes to reflect approval based only on votes by FAC members that had attended the August FAC meeting. Thus the minutes of the September 2015 FAC meeting that are up for approval tonight reflect that they were approved only by 2 votes, those by Clawson and Robinson who attended the August 2015 FAC meeting. The September 2015 minutes being presented for approval show that Downey, Colina, and Sauer abstained from voting to approve the August 2015 minutes as they did not attend the August 2015 FAC meeting.

Chairman thanked Secretary Downey for investigating the parliamentary procedure on approving FAC minutes. Chairman Welsh asked for any discussion or other amendments on the draft September 2015 minutes. Hearing none, he asked for a motion to approve the minutes. The minutes were moved for approval by Downey and seconded by Sauer. They were approved by 3 votes, namely the votes of Downey, Sauer, and Robinson who attended the September FAC meeting. Chairman Tom Welsh abstained as he did not attend the August FAC meeting.

Draft Recommendation to the Hopewell Township Committee

Tom Welsh then proceeded to hand out copies of the draft of the FAC Recommendation to the Hopewell Township Committee to raise the fees charged for birth and death certificates. The draft that was handed out has been copied into the minutes below:

HOPEWELL TOWNSHIP FINANCE ADVISORY COMMITTEE (FAC)

Recommendation to Hopewell Township Committee
Regarding
Fees Charged for Birth and Death Certificates

Introduction

The majority of the fee revenue for HT falls within the Health Department for both Vital Records (certificates for birth, marriage, death, etc.) and Environmental Health (permits for sewage, wells, retail food, etc.). In 2014, over 35% of the Health Department's revenue and the overwhelming majority of the activity was attributable to Vital Records and Statistics. In view of the operating deficit that has existed within the Health Department, the FAC decided to review and compare the fees charged by HT for these services with the fees charged by other comparable townships.

Conclusion

The FAC obtained comparable existing fee information from 16 nearby townships/boroughs including, Hopewell (Borough), Pennington, Ewing, Lawrence, Trenton, Robbinsville, Princeton, Montgomery, Plainsboro, West Windsor, Hamilton, East Windsor, Hightstown, East Amwell, West Amwell and Lambertville. The FAC also considered information on HT Health Department Fees and Activity from 2014 provided by Robert English, HT's Health Officer. Consequently, the FAC is making the 2 unanimous recommendations to increase fees in specific categories that the Committee believes are clearly justified by the comparable township data and the desire to cover costs to HT:

- 1) Increase the Birth Certificate Copy fee to \$25 from \$10, and maintain the existing \$10 fee for each additional copy. (8/6/2015 FAC Meeting)
- 2) Increase the Death Certificate Copy fee to \$25 from \$10. (9/3/2015 FAC Meeting)

Considerations

Birth Certificates:

- The current range of fees charged for birth certificates among the 16 comparable townships was \$10 - \$25.
- HT was among the lowest currently charging \$10 each.
- 4 (of 16) townships currently charge \$25.
- About 98% of the birth certificate activity in 2014 were issued to non-residents of HT.
- Based on 2014 activity, the recommended fee change would increase revenue attributable to birth certificates by \$17,685 (52%) to \$51,285.

Death Certificates:

- The current range of fees charged for death certificates among the 16 comparable townships was \$10 - \$25.
- HT was among the lowest currently charging \$10 each.
- 4 (of 16) townships currently charge \$25.
- Death certificate activity in HT is second only to birth certificate activity.
- Based on 2014 activity (1,635), the recommended fee change would increase revenue attributable to death certificates by \$24,525 (150%) to \$40,875.

Operating Costs:

- Based on information supplied by Mr. English, the estimated operating deficit in 2014 for Vital Records and Statistics was -\$36,870 using only direct operating costs.
- In 2014, birth and death certificate fees represented about 94% of the revenue attributable to Vital Records and Statistics.
- Assuming the fee recommendations were in place during 2014, revenues would improve by \$42,210 (\$17,685 + \$24,525) and generate a small surplus of approximately \$5,340 using only direct operating costs.
- If a reasonable estimate of indirect and overhead expenses (20% of direct costs or \$18,008) is added to total direct costs, the estimated surplus of +\$5,340 reverses to an estimated operating deficit of -\$12,668.

Tom Welsh verbally summarized these recommendations in the October FAC meeting and that increasing the fees for both the birth certificates and death certificates would reduce the operating deficit of the health department if the fees recommended here by the FAC had been implemented at the beginning of 2014.

Tom Welsh then thanked both Bob Sauer and Gale Downey for putting together the spreadsheets of fees of neighboring communities to provide input to the FAC. He then asked for comments and general discussion about the draft memo.

Mayor Harvey Lester then objected to the draft recommendation memo being presented to the FAC for review tonight as it was not on the published agenda for the October FAC meeting. Gale Downey then indicated that it was on the draft agenda that Vice-Chairman had put together on the Monday prior to the Thursday meeting. However, when it was learned that Tom Welsh had not flown back to the US from Spain as scheduled on Monday due to unforeseen circumstances, Secretary Downey deleted it from the draft agenda when she e-mailed it out on Wednesday evening when it was not clear that Tom Welsh had returned to the United States. However, it was clearly indicated in the September FAC minutes that Chairman Tom Welsh would be drafting a recommendation for review at the October FAC meeting. So the public has been noticed that the recommendation was going to be presented at the October FAC meeting.

Bob Miller stopped in at the October FAC meeting upon being invited by Elaine Borges to indicate that in his role of being the Hopewell Township liaison to a number of other Hopewell Township Boards and Committees, that it was accepted practice to add items to a published agenda upon mutual agreement by the members of the committee or boards. The members of the FAC that were in attendance at the October FAC meeting were in agreement that the Chairman's Welsh's recommendation memo could be considered at the October FAC meeting.

Chairman Tom Welsh then reviewed Steve Goodell's memo indicating that a municipality can recover its cost for a service. A lengthy discussion ensued about how to define the costs of issuing death certificates and birth certificates such that it would be clear that Hopewell Township in raising the fee for birth certificates and death certificates to \$25.00 would just be covering costs, which would be acceptable per Steve Goodell's memo providing legal guidance on what a municipalities fee can be charged for in order to recoup the municipalities expense in providing the service that the fee is charged for.

Out of this extensive discussion it was agreed that Gale Downey and Bob Sauer would put together a calculation based on the salary of the Registrar plus all of the detailed specific costs like paper, etc. that can be attributed to issuing death certificates and birth certificates. Elaine would provide pension and insurance costs to go along with the cost information in Bob English's memo. By taking the total cost and then subtracting the revenue from other fees that would not be raised, an estimate would be developed of what it cost in 2014 to issue birth certificates and death certificates. This information would be brought to the November 2015 FAC meeting and Tom Welsh welcomed any other suggestions or revisions that Downey or Sauer would like to make to his draft recommendation and also to present these at the November 2015 FAC meeting.

The question was raised by Chairman Welsh as to whether the FAC should revisit setting fees for bulky waste collection. After extensive discussion, it was agreed that until the Hopewell Township Committee reinstated bulky waste collection and the FAC knew the form that it was going to take, i.e. either a repeat of the previous approach or some new approach, it was not appropriate for the FAC to take up this issue. Hopewell Township is still in the process of reconstituting its public works vehicle fleet after the

fire in the public works building earlier in the year. Until that process is complete, it is unlikely that the Hopewell Township Committee will take up the issue of bulky waste collection.

Robinson asked if there was a date scheduled for discussion of debt with the Hopewell Township Committee and the FAC. Borges replied that a date for this had not been scheduled yet.

Next Meeting

The next meeting of the Finance Advisory Committee is scheduled for November 5th at 7:00 pm. Chairman Welsh asked the members about their availability for the November 5th meeting. Most members indicated that at this point in time they were available.

Public Session

Chairman Welsh opened the meeting to the public. Vanessa Sandom thanked the members of the FAC for their hard work on the current topic of raising the fees that Hopewell Township charges for birth certificates and death certificates. She commented that in 2015 there was a 5.28% increase* in the municipal tax rate and a 17.42% increase* in the total budget. Thus Vanessa Sandom appreciated the efforts of the FAC to investigate ways to reduce the burden on tax payers. Sandom also indicated that she understood the legal information that Steve Goodell has supplied about raising fees and the need to insure that they do not exceed the cost of the service that the municipality is providing. She also asked who requested this opinion. Downey replied that when Paul Pogorzelski received the memo from the Health Officer indicating that the fees for birth certificates should be raised, he raised the issue of whether the fee had to be justified by the cost. This issue was raised in August. However, Steve Goodell did not get his opinion back to Hopewell Township until September.

Sandom again raised the question of when there would be a debt discussion with the FAC and the Hopewell Township Committee. Mayor Lester indicated that the date for this discussion has not yet been scheduled. She also asked about when road repairs were going to be made. Mayor Lester indicated that that the Paul Pogorzelski had indicated that there was \$800,000 available for pre winter road repairs. Then she asked when these repairs would start. Mayor Lester indicated that Paul Pogorzelski was conferring with the Director of Public Works and would report back to the Hopewell Township committee on this issue.

Sandom also raised the issue of whether the FAC was looking at other fees. Downey replied that the FAC had yet to look at the other fees that the Hopewell Township health department charges for other services like septic system inspections, well certification, etc. Borges replied that the health department has the greatest revenue stream from fees that are in the municipal budget, with the exception of court fees and those are set by statute. Borges also indicated that Hopewell Township is considering repeat offender fees for those who repeat the same violation over and over again and end up in court repeatedly. Sandom asked about MOC fees. Borges indicated that these are trust fund fees and are outside the municipal budget discussion which the FAC has been focused on to date.

Seeing no additional members of the public in attendance that wished to speak, Chairman Welsh closed the public session of the meeting.

Adjournment

Chairman Welsh indicated that there was no further business for the FAC to consider, asked for a motion for adjournment, which was made by Downey and seconded by Sauer. Then it was unanimously approved. The meeting was adjourned at 8:35 pm.

*At the 10/1/2015 FAC meeting, Vanessa Sandom had said that there was a 9% increase in the municipal tax levy. At the 3/21/2016 FAC meeting when the minutes from the 10/1/2015 FAC meeting were approved, it was noted that the 9% figure was incorrect. CEO Borges was then asked to provide accurate information for the final approved version of the 10/1/2015 FAC minutes. CEO Borges supplied the corrected percentage increases in a 3/22/2016 email. These correct percentage increases are incorporated herein and are marked with an asterisk.

Respectfully submitted,

Gale Downey
Secretary
Finance Advisory Committee.