

**MINUTES OF THE MEETING OF THE MAYOR AND COMMITTEE OF THE
TOWNSHIP OF WANTAGE, HELD AT THE WANTAGE TOWNSHIP MUNICIPAL
BUILDING, 888 STATE HIGHWAY 23, WANTAGE, N.J. ON FEBRUARY 15, 2013**

Mayor Bassani called the meeting of the Mayor and Committee of the Township of Wantage to order, and requested the Clerk to call the roll. Upon roll call, the following members of the governing body were present: Mayor Bassani, Committeemen Gaechter, DeBoer. The following member was absent: None.

Also present: CFO Michelle La Starza

Mayor Bassani led those present in the Salute to the Flag.

Mayor Bassani stated, "This meeting is being held in compliance with the provisions of the Open Public Meetings Act, Public Laws 1975, Chapter 231. It has been properly noticed and posted to the public, and certified by the Clerk."

BUDGET

The members of the governing body reviewed a draft policy for Budget Fund Balance, prepared for consideration by Mr. Doherty and Ms. La Starza.

After general review and consideration, Mr. Gaechter moved to adopt the following Fund Balance Policy for Wantage Township:

FUND BALANCE POLICY

The term "fund balance" is often misunderstood. Some common misconceptions are that fund balance is a savings account, or an amount of extra cash, or in less kind terms, a slush fund. In fact, fund balance is nothing more than an accounting construct. It is the difference between a municipality's current assets—cash, short-term investments, inventories, receivables, and other assets expected to be available to finance operations in the immediate future—and its current liabilities. A positive difference of current assets over current liabilities gives an indication of the resources immediately available to finance ongoing operations. Any fund balance which is not appropriated in the following year's budget for specific expenditures and which is not designated or reserved for specific purposes serves as a general operating reserve for the governmental entity. Determining an adequate level of unreserved general fund balance is one of the more difficult questions policy makers and finance professionals confront. Various rules of thumb are used to evaluate the adequacy of a local government's unreserved, undesignated balance. A common standard is five per cent (5.0%) of annual operating expenditures. Others argue that the standard should be anywhere from one month's operating expenditures (roughly 8.3% of budgeted operating expenditures) to three months' expenditures (about 25%).

To secure and maintain investment grade credit ratings, meet seasonal shortfalls in cash flow, and reduce susceptibility to emergency expenditures or to revenue shortfalls, the Mayor and Committee of Wantage Township shall strive to adopt budgets that provide for unreserved undesignated fund balance of not less than five (5.0%) nor more than fifteen (15.0%) percent of municipal operating expenditures, identified as Municipal Appropriations both in and out of cap, excluding the Reserve For Uncollected Taxes. The Target goal in any year, designed to balance the needs of tax burden control with the need for acceptable fund balance, shall be eight (8.0%) percent of municipal operating expenditures, identified as Municipal Appropriations both in and out of cap, excluding the Reserve For Uncollected Taxes. If at the end of a fiscal year, the fund balance falls below 5.0%, the Municipal Administrator shall prepare and submit a plan for expenditure reductions and/or revenue increases to the governing body which will re-establish the fund balance policy compliance. The governing body shall take action necessary to restore the unreserved, undesignated fund balance to acceptable levels within one year.

The motion was seconded by Mr. DeBoer. Upon roll call,

Ayes: Bassani, DeBoer, Gaechter **Nays:** None **Absent:** None **Abstain:** None

The members of the governing body then conducted a line item review of the proposed 2013 municipal budget with the Administrator and Chief Finance Officer.

Mayor Bassani requested the Administrator and CFO update the budget spreadsheet to reflect the actual amount of money spent on LOSAP in the past several years. Mr. Doherty said he and Ms. La Starza shall do so.

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OPEN PUBLIC SESSION

Mayor Bassani opened the meeting to the public for any questions or comments.

William Gettler, Gemmer Road, expressed his views on the snow removal budget, requesting that this line item be reduced, and inquired regarding the need to budget for Reassessment costs. Mr. Doherty responded to the question regarding Reassessment costs.

Ann Smulewicz, Route 23, expressed her belief that the full time Secretary of the Land Use Board ought to be reduced to a part time position, and entered into a discussion with the members of the governing body regarding the criteria used to select individuals who serve on municipal boards. Ms. Smulewicz requested consideration for the appointment of more females. Ms. Smulewicz also suggested that attendance at Land Use Board meetings by the engineer and attorney was often unnecessary.

Mayor Bassani offered a response to this observation, indicating that based on his observations, the attendance and participation of the Land Use Engineer and Attorney was necessary at every meeting that he has attended, in terms of being able to properly address the issues presented to the Board for consideration. The members of the governing body also pointed out that the overall budget of the Land Use and Construction Departments had been reduced considerably over the past several years, and that the full time Land Use Board Secretary is currently a multi-purpose employee being utilized in other departments to assist with their workload needs, which avoids the need to increase staffing in those departments.

As there was no one else from the public who wished to address the Committee, Mayor Bassani closed the meeting to the public.

Mr. Gaechter moved to enter into closed executive session, as follows:

WHEREAS, the Open Public Meetings Act, P. L. 1975, Chapter 231 permits the exclusion of the public from a meeting in certain circumstances; and

WHEREAS, this public body is of the opinion that such circumstances presently exist;

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and Committee of the Township of Wantage, that the public shall be excluded from discussion of the negotiation of the terms and conditions of employment for the Chief Finance Officer.

BE IT FURTHER RESOLVED, that Minutes will be kept on file in the municipal clerk's office, and once the matter involving the confidentiality of the above no longer requires that confidentiality, then the minutes shall be made public.

The motion was seconded by Mr. DeBoer. Upon roll call,

Ayes: Bassani, DeBoer, Gaechter **Nays:** None **Absent:** None **Abstain:** None

After meeting in closed Executive Session, Mayor Bassani declared the meeting to be reconvened in regular open session, and the members of the governing body continued with the regular order of business.

As there was no further business to discuss, Mr. Gaechter moved to adjourn the meeting.

Mr. DeBoer seconded the motion. Upon roll call,

Ayes: Bassani, DeBoer, Gaechter **Nays:** None **Absent:** None **Abstain:** None

Mayor Bassani declared this meeting to be adjourned.

James R. Doherty, Administrator/Clerk