

TOWNSHIP OF HARDWICK  
WARREN COUNTY, NEW JERSEY

April 16, 2011(Saturday)  
Budget Work Meeting

The Budget work meeting of the Hardwick Township Committee was held on this date at the Municipal Building, 40 Spring Valley Road, Hardwick New Jersey. This meeting was called to order at 10:17AM by Township Clerk Judith Fisher. Mrs. Fisher noted that this meeting was being held in accordance with the "Open Public Meetings Act". Present were Mayor Kevin Duffy, Deputy Mayor Alfred Carrazzone, and Committeeman James Perry. Also present were CFO Amy Maronpot, Township Auditor Anthony Ardito and Township Clerk Judith Fisher.

Mayor Duffy gave an opening statement noting that the loss of State Aid over the years averages out to be about \$155,000. Discretionary items were discussed along with cuts, but the problem is that we are going to find ourselves in the same position next year asking the residents to approve going above the 2% levy cap. Mayor Duffy made reference to a letter that the Committee mailed out to all the residents in the Township explaining the situation. He also noted that the Governor's Representative was present at the last Mayor's meeting to answer any of their questions. At this meeting, there was a discussion on mergers, but the Representative noted that there are no guidelines or models to follow. Mr. Duffy reminded everyone that we are a very small population but a large land mass due to the 1997 merger of Pahaquarry Township with us.

Attached here is that letter:

From: The Hardwick Township Committee

Hardwick was established in 1749 and during that time our municipality has confronted difficult challenges. Few of these have been greater than the one we now face, a consequence of the recently enacted 2% cap on municipal tax increases.

In principle it is hard to argue against a cap on property tax increases. No one wants to pay higher taxes, especially in the state with the highest property taxes in the nation. The cap has largely been instituted to put an end to inefficient financial management and uncontrolled spending in larger towns and cities (and that is a good thing).

However, a consequence of the cap is that it can penalize small municipalities with limited revenue streams which historically have managed their finances efficiently, controlled spending, minimized annual increases in the municipal tax rate, and made it a practice to ask residents only for what was needed to provide essential services. The hard fact is that due to the cap and significant reductions in state aid, we find ourselves in the difficult position of needing to increase the Hardwick Municipal tax this year by 9.1 cents per \$100 of assessment. This represents an increase of 36.37% over last year's municipal rate. Because this amount exceeds the mandated cap, we must place the issue on public referendum and let the voters decide. That referendum will be held on April 27. In addition to the Public Question asking you to approve the Hardwick levy, there will also be Public Questions on the ballot for the North Warren Regional and Blirstown Elementary school levies. The polls will be open in Hardwick from 7:00am to 9:00pm

Table 1 illustrates the impact of the 9.1 cent municipal increase for an average Hardwick residential assessment of \$256,000 (without yet factoring in the 2011 North Warren Regional, Blirstown Elementary and Hardwick Open Space levies).

Assessed Value	Amount of Annual Increase	Monthly Impact	Weekly Impact
\$256,000	\$232.96	\$19.42	\$4.48

Note: If approved, the Hardwick municipal tax will account for approximately 10.9% of your total tax bill.

Table 2 provides an overview of the cumulative impact of the proposed levies for Hardwick, North Warren Regional and Blirstown Elementary School.

Levy Items as Percentage of Total Tax Bill	Amount of Levy Increase or Decrease for 2011	Impact on average \$256,000 home
Hardwick Municipal levy 10.9%	+ 9.1 cents per \$100 of assessed value	+ 232.96
Hardwick Open Space tax * .4%	- 2 cents	- \$51.20
North Warren Regional levy 24.2%	- 10.4 cents per \$100 of assessed value	- \$266
Elementary School levy 32.6%	+ 5.5 cents per \$100 of assessed value	+ \$140
<b>Overall Levy Impact</b>	<b>+ 2.2</b>	<b>+\$55.76</b>

Note: To offset the impact of the Municipal increase, the Hardwick Open Space tax for 2011 has been reduced from 3 cents to 1 cent for 2011. The Warren County portion of the overall tax bill is expected to be around 31.9%.

As seen in Table 2, even though the Elementary School and Hardwick proposed levies are up 5.5 cents and 9.1 cents respectively, the North Warren Regional School budget levy is going down by 10.4 cents for Hardwick and the Hardwick Open Space tax will be lowered by 2 cents. If the referendums are approved, the net overall impact will result in a total increase of + \$55.76 per year, or +2.2 cents overall on an average residential assessment of \$256,000.

If the referendum fails, the consequences for Hardwick are potentially severe. Specifically, to meet the cap we will have to cut approximately \$129,000 in expenses from the 2011 budget. Because the Hardwick Municipal budget is and has been very lean, there are only a few line items that fit the definition of discretionary.

Table 3 identifies the discretionary line items that will need to be eliminated if the Hardwick referendum fails.

<b>Discretionary Line Items</b>	<b>Amount</b>
Donation to Blairstown Volunteer Fire Dept	\$12,000
Donation to Blairstown Ambulance/EMS	\$ 6,500
Donation for Hardwick Day event	\$ 1,000
Donation to Blairstown Recreation	\$ 3,600
Donation to Hardwick Seniors	\$ 1,800
<b>Total Reduction</b>	<b>\$24,900</b>

Eliminating the above line items will still leave a shortfall of approximately \$104,000. In order to comply with the cap requirements we will have to reduce the salaries and work hours of Township staff, close the municipal building two to three days per week and further reduce the budget for the Township Road Department. No Hardwick municipal employee received a pay raise in 2010 and none will receive one in 2011.

Even if we do make the above cuts in 2011, doing so will only provide a temporary solution as we will most likely find ourselves in the same financial position next year. The amount of the increase is intended to make up for the loss in state revenues as Hardwick's state aid has been reduced by \$155,246 over the past 5 years. Approval of the referendum will provide the Township with sufficient revenue and reserve base to sustain municipal services going forward.

You may have heard that the state is using the 2% cap to reduce the overall number of municipalities in New Jersey and force municipal consolidations. Introduction of the cap in combination with reduced aid to municipalities places a great burden on small budget towns with very limited means of raising additional revenue. If this referendum fails and we do have to reduce municipal services, Hardwick will be that much closer to having to consider merging with a neighbouring municipality within the next 2 - 3 years. The reality is that unless we raise the tax rate to match the decline in revenues, Hardwick will face an uncertain future as an independent municipality.

We know that asking residents to pay more in taxes at any time is not a message that will be well received. As residents of Hardwick, we have all chosen to make our homes and raise our families here while enjoying the quality of life that this area offers. We all appreciate the unique rural character of the Township, its natural beauty, abundant wildlife and low crime rate. Hardwick is truly a special place in New Jersey, the most densely populated state in the nation. It is our hope that even in these difficult times you will see value in investing in the quality of life that we enjoy along with our legacy of independence and consider the added expense a worthwhile investment in your family's future. Because the outcome of this referendum is so crucial to the future of our town, the Township Committee has scheduled two public meetings to provide you with opportunities to discuss the matter and to ask questions. The meetings will be held at the Municipal Building on the following dates:

- Saturday, April 16, from 10:00am - 12:00pm
- Wednesday, April 20, from 7:00pm - 9:00pm

We believe that approval of this referendum will put the Township in a strong financial position and able to comply with the 2% cap requirement in the future with no reduction in Municipal services. Please make every effort to attend one of these meetings. If you cannot participate, we encourage you to contact the Committee members at their home numbers to ask questions and share your comments.

At this time, Mayor Duffy set the ground rules for opening this meeting to the residents for questions.

Mr. Erwin Nauman, 8 Tara Court asked about the surplus and if the referendum fails how will the Township meet the 2% levy cap. Mr. Perry noted that the Township's surplus was down and the \$103,000 was used in the budget as revenue. There is nothing left this year. Next year we will be in the same if not worse position. The cuts that the Township will have to make will make it almost in possible to get it back for next year.

Mr. Anthony Catani, 14 Slabtown Creek Road told the Committee that the letter was hard to understand and asked that they explain.

Mr. Gary Grewal, 122 Millbrook Road noted that the letter was misleading. He asked if the 9.1 Cent would be in place forever.

Ms. Cindy Caffrey, 9 Meadow Lake Road thanked the Committee for having this meeting, but asked what happens for the referendum question fails.

Ms. Liz Barrow, 46 Millbrook-Stillwater Road commented on the letter and asked about a merger.

Ms. Elaine Koplow, 21 Millbrook-Stillwater Road asked about the budget and letter being on the web site. She also commented that a merger would not be bad.

Mr. Peter Paul, 41 Millbrook-Stillwater Road asked if the 9.1cent will replace the surplus.

Ms. Terry Crisman, 46 Stillwater Road asked about the \$45,000 check that the Township received from the Blirstown BOE. She wanted to know if this was the first of three payments and if it was going to be put in surplus. She also asked about the Building Department.

Mr. John Satta, 176 Stillwater Road asked if the referendum passes then what about next year for another referendum.

Mr. Charles Vitale, 23 Millbrook-Stillwater Road talked about the total tax rate and municipal rate noting that the township should be pro-active.

Mr. Gary Leaman, 2 Ahlers Lane asked if the Committee had a Plan "B".

Ms. Mary Bennett, 10 Hardwick Road thanked the Committee for having this meeting.

At this time, seeing that there were no other comments, Mr. Perry moved to close this portion of the meeting to the public, second by Mr. Carrazzone. Motion carried and a voice vote was unanimous. The Committee took a short break.

At 12:40PM the Committee was back in session to continue budget discussions with the Auditor and CFO. The Committee's primary goal now is to have an amended budget ready to go incase the Referendum question should not pass. The Auditor noted that the collection rate was maxed out at 96.4% also maxed out was the delinquent tax revenues at \$123,900. Looking at this now, the budget is still \$41,000 over cap. Various options were discussed from cutting hours that the building is opened to cutting line items. The following item will be cut:

Roads, Recreation to Blirstown, Hardwick Seniors and Hardwick Day

The following donations will be made to Fire and Rescue:

Blirstown Fire Company: \$ 8,000

Stillwater Fire Company: \$ 1,500

Blirstown Ambulance: \$ 6,000

The Committee talked about the cell tower leases that they are looking at. There have been inquiries from several companies asking if the Township would be interested in selling these leases to them. The Township Attorney is presently looking into this to see if it can be done.

At the next meeting, Mayor Duffy hopes to have handouts available and also a power point presentation on the same. The CFO noted that a few salary lines need to be corrected and this will be reflected in the amended budget. Again, the Committee stressed that there will again be a "zero" salary increase this year for all employees.

This meeting adjourned at 1:45PM on a motion made by Mr. Perry and second by Mr. Carrazzone. Motion carried and a voice vote was unanimous.

Respectfully submitted, Judith M. Fisher, RMC, Township Clerk