

Egg Harbor Township Committee Meeting

Municipal Building, Bargaintown Road

Egg Harbor Township NJ 08234

Wednesday, May 12, 2010 – 5:00 p.m.

MINUTES

Mayor McCullough called the Meeting to Order at 5:06 p.m.

Deputy Township Clerk Perez read the opening statement pursuant to the Open Public Meetings Act.

Roll Call:	John Carman, Jr.	present
	Stanley Glassey	present
	Paul Hodson	present
	John Risley	present
	James J. McCullough	present

Also in attendance were Township Solicitor Friedman, Township Administrator Miller and Deputy Township Administrator Goodreau.

Chief Danz, EHT Volunteer Fire Department

- Chief Danz announced that he was advised by the Mayor that a decision has been made and that the Fire Inspections Division of Planning & Development has not been disbanded. They will continue their employment with Egg Harbor Township and their jobs are protected.

Dolly Dube, Bargaintown Volunteer Fire Company

- Ms. Dube asked if she could get a commitment from the Township Committee regarding the waiving of permit fees for the construction of the Bargaintown Volunteer Fire Company. As it is, the Fire Company is \$400,000 short and the Company has to solicit funds in order to complete construction and if a waiver of the fees would be granted, that would certainly be a financial relief.
- Committeeman Carman and Administrator Miller asked if Bargaintown Volunteer Fire Company would be able to wait until July 1 of this year. At that point, the Township would be in a position to assist with the waiving of the fees.

Closed Session

Number	Title
196A	Authorizing the Township Committee to convene into a Closed Executive Session to discuss matters which may involve litigation and/or personnel
Motion	Motion Hodson, second Risley to convene into closed executive session
Roll Call Vote	Carman - yes Glassey - yes Hodson - yes Risley - yes McCullough - yes

At 5:36 p.m. the Mayor called the meeting back to order.

Blaze Catania, Chief of Police

- Chief Catania presented the Township Committee with a Layoff Impact Report (incorporated herein and made a part hereof as Exhibit A) which outlined how the Police Department will be affected based upon the layoff notices. The Chief was complimented for his comprehensive report and his operating plan for the reduction in staff.

Meeting with Township Engineer Mott

- *West Atlantic City Gabion Mattress Construction Project.* Engineer Mott circulated a memorandum (incorporated herein and made a part hereof as Exhibit B) to the Township Committee on the grants totaling \$741,740.50. The Township would receive 75 percent of funding for the project with a 25 percent investment. The Township would have to bond for the entire amount and as payments go out, the Township would get reimbursed. The Township would have to include this in the capital improvement portion of the budget. The Township Committee members stated they would have to review before making any recommendation.

New Business

- *Ambulance Purchase.* Administrator Miller advised the Township Committee that on this evening's agenda is a resolution to award a contract for the purchase of an ambulance. This vehicle is one that was rear ended on the Atlantic City Expressway a few months prior. The insurance company is paying for the ambulance less the \$1,000 deductible. The Township's insurance will not be affected by this claim.

Mayor McCullough read for the public the New Jersey Statute dealing with a defeated school budget.

Deputy Township Clerk read the video broadcast/television statement at 6:03 p.m.

Mayor McCullough led the Pledge of Allegiance.

Deputy Township Clerk reaffirmed the roll call – all members present.

Mayor McCullough introduced the Budget Committee

School Board President Galvin called the School Board Meeting to Order at 6:05 p.m. Board Secretary Bechtel performed the roll call and advised that a quorum was reached.

Budget Committee Chairman Charles Bisciegia thanked the Township Committee and proceeded to provide the Township Committee, School Board and the public with the findings of the Budget Committee with school board budget background, facts, findings, recommendations and how to proceed. A copy of that report is incorporated herein by reference and made a part hereof as Exhibit C.

Deputy Mayor Glassey read the recommendations of the Township Committee. A copy of that recommendation is incorporated herein by reference and made a part hereof as Exhibit D.

Township Committee members and School President Galvin thanked the Budget Committee for their work on reviewing the school board budget. Chairman Bisciegia recommended that the School Board have an actuarial study done.

Discussions went back and forth regarding the 500 pink slips that were given out and the 70 people still layed off. Mayor McCullough stated that the report of the Budget Committee is not something that the School Board is bound by. The Board is only bound by the reduction.

Mayor McCullough ended the Budget Committee's portion/review, thanked them and asked that they take a hard look at the municipal budget and provide their recommendation by the 24th of May since the budget has to be introduced on May 26.

[From 6:51 through to 7:10 p.m. the Egg Harbor Township Board of Education continued their meeting by allowing the public to voice their concerns.]

At 7:22 p.m. the Mayor called the Egg Harbor Township Committee meeting back to order.

Public Hearings

Number	Title
12	An Ordinance to amend Chapter 190 of the Township Code entitled "Rotary Towing and Storage."
Purpose	The purpose of this Ordinance is the amend towing and storage fee schedule and to establish the fee that tow companies may charge when called to a site, but did not tow to Egg Harbor Township tow lot.
Public Comment	No one came forward.
Motion	Motion Carman, second Hodson to close the public hearing
Roll Call Vote	Carman-yes Glassey-yes Hodson-yes Risley-yes McCullough-yes
Motion	Motion Carman, second Hodson to adopt Ordinance 12 of 2010
Roll Call Vote	Carman-yes Glassey-yes Hodson-yes Risley-yes McCullough-yes
13	An Ordinance to rescind Ordinance 46 of 2000
Purpose	This ordinance deletes Subsection "L" of Chapter 94, Section 8, entitled "Buffers."
Public Comment	No one came forward.
Motion	Motion Risley, second Glassey to close the public hearing
Roll Call Vote	Carman-yes Glassey-yes Hodson-yes Risley-yes McCullough-yes
Motion	Motion Glassey, second Carman to adopt Ordinance 13 of 2010
Roll Call Vote	Carman-yes Glassey-yes Hodson-yes Risley-yes McCullough-yes

General Public Discussion

Ray Theriault, President, Mainland PBA 77. Mr. Theriault spoke on behalf of all employees, the Township and Police. He stated that every employee has given back and given generously, not just this year, but last year as well. He stated that with the cuts occurring in the Police Department, it will be difficult to be effective. He

asked that the Township Committee reconsider their decision to lay off nine police officers. He asked what kind of message is being sent to these people who have given back to the Township and are still being laid off.

Barbara Maples, 26 Sturbridge Court. Ms. Maples expressed extreme concern about the public safety with the reduction in the police force. She stated the Township continues to grow and the population continues to increase with less protection from our municipality. She stated there has to be another place to find the money that is needed.

Ralph (?), 14 Buckingham Drive. Mr. ? stated that with the elimination of nine police officers, the response time will increase. He stated that when he calls 9-1-1, he wants someone to be there. He asked that the Township get creative. He said that the police officers have done their part -- it's now time for the Committee to do their part.

Lynn Hire (Beaver Lakes Development). Ms. Hire stated her concern regarding the response time should she have occasion to call the police. When response time is increased, residents may take the law into their own hands.

Jim Freund. Mr. Freund believes that the police officers are not at the top of their game when asked to change shifts every six months. We have to think outside the box. The number of calls is up. Is the number of tickets up? The Township should make their priorities a little more about the community.

Danny Harper, Pleasantville Sergeant. Sergeant Harper advised the Township Committee that Pleasantville is losing seven of their own members. At one time, they were able to come to Egg Harbor Township's aid if they had calls in West Atlantic City. That may not be the case in the future as a result of the cuts. Response time will definitely be an issue.

Barbara Merk (renter in Egg Harbor Township). Ms. Merk asked if the Township could look elsewhere for the funds they need instead of cutting back on our police force. She stated she would be willing to pay to save officers jobs.

Tom Graham, 203 Mitchell Drive. Mr. Graham said they have supported the Township in the past and now ask that the Township support the saving of the public safety jobs.

Clear Constantino (former Egg Harbor Township Police Officer). Ms. Constantino spoke about the importance of response time.

Mike Fiedor (Scullville Fire Chief and resident). Mr. Fiedor spoke about the gentlemen in blue needing their jobs. On a personal note he spoke about the clerks and who would be replacing them once they are gone. Everyone is disappointed and feel as though they have been let down. Everyone is depending on Township Committee to give something.

William E Danz III, 4023 Fernwood Avenue. Mr. Danz stated his job is to put out a fire. If he goes to a scene and is threatened, he calls the police department. Mr. Danz insisted the Township Committee find the money.

Norman Meyers, 412 Gravel Bend Road (Shires). Mr. Meyers stated there have been times when police service has been needed at the Shires. Crime is going to occur. Just as this meeting will come to an end sometime tonight, crime is not going to get solved in this Township. The Township has an excellent arrest rate. If you

strip the bureau in half, are you going to solve the same number of crimes and continue to properly police the municipality.

Dolly Dube, 3 Hemlock. Ms. Dube spoke about the response time for the police as well as emergency medical services.

Wally Bakeley, 107 Genoa Avenue. Mr. Bakely asked what concessions are the Township Committee members personally making to save money.

John Labroli, 221 Central Avenue. Mr. Labroli insisted that the police officers not lose their jobs.

Kathy Fiedor, resident and employee. Ms. Fiedor spoke about the people here tonight in support of the Police Department. Ms. Fiedor said she heard what concessions the Board of Education were being asked to give up and wished that they would be offered the same.

Bryan Scrofani, Public Works Department Laborer. Mr. Scrofani spoke about the trash trucks we do not need. What we need are the people. Refuse collections is one of the top five deadliest jobs and we only have one person at times in the back of a trash truck.

Motion Carman, second Hodson to close the public portion of the meeting.

Mayor McCullough spoke about how difficult this all is. The Mayor stated that the PBA doesn't trust the Township because we keep coming back to them. He announced that the Township would not be able to introduce and pass a budget if they are over the cap. The Township cannot introduce a budget at 19 cents. We have to find more money. Mayor McCullough explained that there are two caps (one for spending and one for tax increases). He stated that the Township is under the spending cap, but has an income problem. The Township is \$1.3 million over the rate that is permissible by the State to tax its residents.

Administrator Miller commented on the concessions that employees have made. At present the Township's objective is to get to 12 cents. He advised that capital money cannot be used for operating expenses.

Mayor McCullough stated that the Township does not want to lose one more person and wants to bring back the police officers.

Committeeman Risley advised that his sentiments are the same as Mayor McCullough's. The Township has budget rules and cannot do whatever it feels like doing. The Township is making decisions it does not want to make. We all have to work together to resolve the Board of Education matter.

Mayor McCullough stated that what we are talking about now is nine police officers and clerks losing their jobs. This Township should have introduced our budget probably about a month ago. Every day beyond the 21st of May will result in a personal fine. Mayor McCullough explained how the utility companies do not pay taxes, but pay franchise fees in lieu thereof. The utility companies provide their franchise fees to the state, the state takes a cut and forwards the balance to the Township. If the state did not take their cut, then the municipality would not lose any employees and possibly be in a position to give back rebates. The Township will continue to work to find the answers.

Resolutions (Consent Calendar)

Number	Title
197	Resolution awarding contract for purchase of one ambulance for Egg Harbor Township Ambulance Service (Bay Head Investments Inc)
198	Resolution confirming sale at Auction of April 29, 2010 (Block 1703, Lots 83, 87, 91, 94, 95, 97, 99, 101 and 140) – David Mermelstein
199	Resolution confirming sale at Auction of April 29, 2010 (Block 1703, Lot 72) – David Mermelstein
200	Resolution confirming sale at Auction of April 29, 2010 (Block 8412, Lot 11) - Drummond
201	Resolution confirming sale at Auction of April 29, 2010 (Block 4004, Lot 6) - RADDEV LLC
202	Resolution supporting the Click It or Ticket mobilization of May 24 - June 6, 2010
203	Resolution granting First Telecom Services LLC permission to install fiber optic cable along the right-of-way on Heinz Court and Doughty Road in Egg Harbor Township
204	Resolution granting Bargaintown Volunteer Fire Company Charitable Roadway Solicitation Application (May 29 and 30, 2010)
205	Resolution authorizing Mayor to execute change order 1 to the contract awarded to Curbcon Inc for Pleasant Woods, Phase III
206	Resolution authorizing execution of maintenance contract with Wycom Corporation for check security/signing system located in the Finance Office
207	Resolution authorizing execution of software agreement with Spectorsoft Corporation for the Police Department
208	Resolution authorizing execution of one-year maintenance agreement/or 120,000 copies for Konica Minolta Copier
209	Resolution authorizing execution of software support agreement with the PERCS Index Inc for evidence manager located in the Police Department
210	Resolution authorizing the payment of sports accident insurance and general liability insurance (Maksin Group) National Union Fire Insurance Co of Pittsburgh PA - Period of June 30, 2010 through to June 30, 2011
211	Resolution authorizing refund of overpaid taxes (various)
212	Resolution authorizing execution of employment agreements with Police Chief and Captains (Catania, Morris and Fair)
213	Resolution granting military leave without pay to Katherine Miller
214	Resolution authorizing extension of FMLA leave without pay to Krista Libertore (May 15, 2010 - July 15, 2010)

Motion | Motion Glassey, second Hodson to adopt Consent Calendar Resolutions 197 through 214
Roll Call Vote | Carman-yes Glassey-yes Hodson-yes Risley-yes McCullough-yes

Resolution

215 | Authorizing payment of all bills pursuant to Exhibit A

Motion | Motion Carman, second Glassey to adopt Resolution 115

Roll Call Vote | Carman-yes Glassey-yes Hodson-yes Risley-yes McCullough-yes

Resolution

216 | Resolution reducing hours of work for Public Works and Clerical Staff commencing May 24, 2010

Motion | Motion Glassey, second Carman to adopt Resolution 216

Roll Call Vote | Carman-yes Glassey-yes Hodson-yes Risley-yes McCullough-yes

Administrator Miller provided a correction to the closed session discussions. Earlier it was announced that Foxmoor would be discussed and it was actually Reega Estates.

Reports

Township Committee:

Committeeman Hodson stated that we have to work together. We have tough decisions to make. He stated he wished it would be easy to put the police officers back on the force, but it is very difficult and complex. Committeeman Hodson stated he doesn't believe that things are better in the horizon.

Committeeman Glassey agreed with Committeeman Hodson.

Committeeman Carman agreed with Committeeman Hodson. Things are tough and we have a revenue problem. People are losing their homes, unemployed or underemployed. This Township is working hard to do what it can.

Committeeman Risley agreed with everything said by the other Committeemen. On a happier note, it is the Township's 300th Anniversary. No one is going to forget this year. The 300th Anniversary Committee is hosting a river cruise on the Great Egg Harbor River for \$25 per person. Please visit our website or phone 653-8371.

Mayor McCullough said there has been a lot of communicating this evening. He realizes the situation we are facing is extremely stressful to everyone. This Township will continue to work in the best interests of its taxpayers and provide the best service it can with the amount of money it has.

Approvals

Motion Glassey, second Hodson, to approve the Township Committee Executive Session Minutes of April 28, 2010 pursuant to Resolution No. 185 of 2010.

Roll Call Vote: Carman-yes Glassey-yes Hodson-yes Risley-yes McCullough-yes

Motion Glassey, second Hodson to approve the Payroll for the month of April 2010, in the amount of \$1,766,155.65

Vote: All members present voted yes.

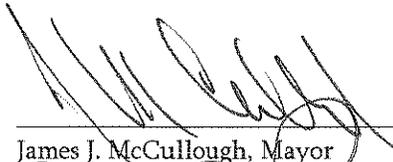
Motion Glassey, second Hodson to approve the Departmental Reports

Vote: All members present voted yes.

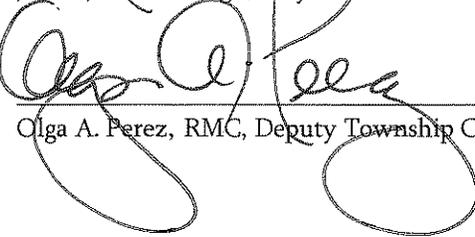
Adjournment

Motion Hodson, second Glassey to adjourn the meeting at 8:28 p.m.

Vote: All members present voted yes.



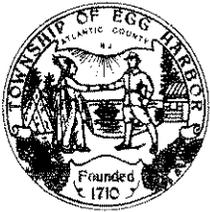
James J. McCullough, Mayor



Olga A. Perez, RMC, Deputy Township Clerk

for office use only

MINUTES APPROVED AT
MEETING OF MAY 26, 2010



Blaze Catania
Chief of Police

DEPARTMENT OF POLICE EGG HARBOR TOWNSHIP

3515 BARGAINTOWN ROAD
EGG HARBOR TOWNSHIP, NJ 08234-8321



(609) 926-4036
FAX: 926-4004

May 11, 2010

TO: Mayor and Township Committee
FROM: Blaze Catania, Chief of Police
SUBJECT: Layoff Impact Report

Due to the nine officers being laid off, all of which were assigned to the Patrol division, I have been forced to reallocate manpower within the police department. Four detectives and three members of the Traffic Safety Unit were reassigned to the Patrol Division. Even with this reallocation, two of the four patrol squads are one person shorter than they were prior. Additionally, five officers are out on injury leave, and one is in the military.

As a short term stop gap measure, Lieutenant Woods and Sergeant Gary were assigned to head the two patrol squads that did not have a Lieutenant assigned to them. We were already two Lieutenants down and had Lieutenants Druding and Tavarez covering both squads working 12 p.m. to 12 am. I cannot keep Lieutenant Woods and Sergeant Gray there for more than a few months due to their administrative work load. No one is available to take up their responsibilities. Much of this is liability related, implementing and documenting training, and reviewing reports such as Domestic, K-9, ERT and patrol use-of-force reports. A significant portion of the training is mandated by the Attorney General's Office. I will continue to make sure these issues get the proper attention but may incur overtime doing it.

Two of the detectives being reassigned are from the Juvenile and Community Services Unit (JCSU) which means that many of the programs run by that unit will end. My annual report which was recently sent to you, lists all of the programs that they run and participate in. The JCSU will no longer function. The remaining detective and detective sergeant have been reassigned to the Criminal Investigations Bureau. The two other detectives being reassigned to patrol are from the Criminal Investigations Bureau which will have a major impact on follow-up investigations, firearms applications, etc. Investigations will be prioritized by severity and aggravating factors. Many of the property crimes, thefts from vehicles and burglaries will be given a lower priority than the aggravated assaults and robberies. Depending upon the work load that week or month on aggravated/Indictable crimes, some may not get the attention they deserve.

We have a traffic issue in this Township of which I am sure you are aware. The Traffic Safety Unit spends a major portion of their resources addressing these concerns. They are responsible for placing our speed monitoring trailer and radar sign machines throughout the Township based on high accident areas and citizen complaints. They are then responsible for downloading the information, analyzing the data, and placing it in spread sheet format to identify and report when the problem is actually occurring. Finally, they coordinate with patrol to increase enforcement activity.

Exhibit A
May 12, 2010 Township Committee Meeting

Mayor and Township Committee
Layoff Impact Report
Page 2 of 3

Responding to and investigating fatal accidents is another vital function they perform. The reassignment of the three Traffic Safety Unit members to the Patrol Division means their first priority will be answering calls in patrol. When not involved in handling priority calls they will attempt to resume their accident reduction activities.

You have tasked me to run this department and I will continue to pour my heart and soul into it no matter what occurs. But I do want to put things in proper perspective for you. (Illustrated in table 1).

In August of 2007, the police department had a high of 102 officers, which included the airport. If you factor out those 6 that were solely dedicated to that mission, we had 96 that were dedicated to the rest of the Township serving an estimated 37,000 people. In 2007 our calls for service/activity was 65,152. At the end of 2009, we had 90 officers, handled 79,816 calls and served over 40,000 citizens.

If the layoffs become permanent, we will go to 79 officers. The last time the department's manpower was in this range was in 1999 and 2000. In 1999 we had 74 officers and in 2000 we had 76, both of which predated our mandated growth. According to the 2000 Census, the Townships population was 30,726. At the end of 1999 our calls for service/activity was at 45,102 calls. At the end of 2000, our calls ended at 50,210. The last time we had this few amount of officers, our population was 30,726 and we handled roughly 48-50,000 calls.

If all of these layoffs go through, you are tasking me to effectively run a police department with roughly the same amount of officers as ten years ago but with a call volume that ended in 2009 at 79,816 calls and serve a population of over 40,000. (I think the 2010 census will reveal more like 42,000). That is 34,714 more activity from 1999 which is a 43.4% increase and 29,606 more activity from 2000 which is a 37% increase.

Additionally by no means is the police department fully staffed at 88 or 96 officers. This is more than my opinion. According to the Manpower Requirement Report, recognized by the International Association of Chiefs of Police and in 2000 by the NJ Department of Treasury as a valid manpower allocation formula, the Egg Harbor Township Patrol Division should have 78 officers for a total of 112 when you add in the command and support staff, i.e. detective's etc. Another statistic is from the Department of Justice which reported the average number of police to population as 2.5 per thousand. That would indicate we should have 100 officers based on 40,000.

An additional step that had to be taken in order to free up more manpower and avoid overtime was to reduce the minimum patrol staffing by not manning the police station after business hours. Depending on the availability, a citizen may have to wait 15, 30 minutes, or up to one hour to see an officer. This step helps slightly as the road officer has to be pulled off the street anyway when someone comes to the station to make a report. That is a frequent occurrence, especially since we maintain a tow lot and they are often here for vehicle releases.

Mayor and Township Committee
Layoff Impact Report
Page 3 of 3

I am also looking at better utilizing our online reporting system. I will never be known for or settle for this agency to be paired down to a call taking and call answering only Police Department.

We have stayed ahead on many fronts by being active and pro-active and pride ourselves on our ability to be so. I have shared with you only some of the positive feedback I get from our citizens. Solving these crimes takes more than a minimal effort, it takes hours of investigation, legwork and often involves more than one detective or officer. With a reduced staff and our call volume staying consistent or increasing, this will become that much more difficult.

I hope you share the same concerns and ask you give this agency the priority it requires and deserves.

Table1

Year-Ending	# of Ofc's	Calls for Service	Population Served
2009	90	79,816	40,000+
2010	*79	On track for same +79,000 calls	42,500** **Waiting on census
1999	74	45,102	30,000
2000	76	50,210	30,726
2007	95 (total 102 includes airport Ofc's)	65,152	37,000

*With layoff's

Sincerely,

Blaze Catania
Chief of Police

3122 Fire Road, Suite 201
Egg Harbor Township, NJ 08234
(609) 569-1551 Phone
(609) 569-1521 Fax

MOTT ASSOCIATES, LLC
CONSULTING ENGINEERS & PLANNERS

42 Waterway Road
Ocean City, NJ 08226
(609) 399-6767 Phone
e-mail: jim@mottassociates.net

REPLY TO: Egg Harbor Township Office
Ocean City Office

May 12, 2010

Mayor & Township Committee
Township of Egg Harbor
3515 Bargaintown Road
Egg Harbor Township, NJ 08234

Re: **West Atlantic City
Gabion Mattress Construction
Egg Harbor Township, Atlantic County
MA No. 1041**

Dear Mayor & Township Committee:

Mott Associates is pleased to provide this professional engineering cost proposal for the Design and Construction Management of the above referenced project. The is a breakdown of grant money awarded from FEMA and the NJDEP as well as the Township's responsibility for the construction of the gabion improvements, along with engineering fees.

West Atlantic City Gabion Improvements Grant Money Summary

Loan/Grant	Amount Granted	Description	Township Responsibility	Total
FEMA Flood Remediation Grant*	\$245,869.50	Dunes, fencing, plantings	\$81,956.50	\$327,826.00
FEMA Flood Mitigation Grant	\$295,771.00	Gabion mattresses, dunes, fencing, plantings	\$0.00	\$295,771.00
NJDEP Coastal Engineering Grant*	\$200,000.00	Gabion mattresses, dunes, fencing, plantings	\$67,000.00	\$267,000.00
Engineering Fees			\$106,500.00	\$106,500.00
Total	\$741,640.50		\$255,456.50	\$997,097.00

* 75/25 responsibility

The Township will be required to bond the entire amount and be reimbursed by FEMA and the NJDEP as work progresses.

If you should have any questions or require additional information, please feel free to call.

Very truly yours,

MOTT ASSOCIATES


James A. Mott, PE, PLS, PP
Township Engineer

Cc: Peter J. Miller, Township Administrator
Dale Goodreau, Deputy Administrator

To: Mayor McCullough
From: Budget Commission, Charles Bisciegia, Chairman
Date: May 12, 2010
Subject: 2010-2011 EHT School Budget

Benzhu 5/12/10

I. Background:

At the meeting held on April 26, 2010, Mayor McCullough appointed a Budget Commission to review both the school and municipal budgets. Commission members are: Charles Bisciegia, Chair, Jack Feinberg, Esq., Richard Squire, Christine Martin, James Foley, Karen Santoro and James Walsh. The commission received a presentation by Dr. McCartney and Peter Miller regarding their respective budgets.

The commission was given the following tasks:

- Reduce the tax rate
- Determine appropriate levels of service.

The commission decided to first review the school budget. Assignments were given to each member to review the following areas of the budget:

- Health Care Costs
- Wages
- Labor Contract Language
- High School Building Addition
- Staffing and Programs

On May 4, 2010, the commission had its second meeting to review the results of their assignments. Many hours were spent between the first and second meeting gathering information from various members of the school's administration.

II. Facts:

➤ Current school budget (defeated by public 2983-1865)	\$105,893,000
➤ State aid reductions- 2 Years	\$10,000,000
➤ Proposed tax rate increase (per \$100 assessed valuation)	\$.13546
➤ Average home assessment	\$150,000
➤ Average increase in taxes	\$203
➤ \$257,778 reduction in budget reduces the tax rate by one cent	
➤ Dollars to be raised by proposed tax rate increase	\$3,480,000

III. Findings:

A. EHTEA Items-Collective Bargaining

1.	Full wage freeze (1% reduction in negotiated wage increase \$550,000) (one quarter delay in negotiated wage increase \$625,000)	\$2,500,000
2.	One (1) day furlough (June 25, 2010- in-service)	\$270,000
3.	1.5% of wages contribution to health care costs	\$765,000
4.	10% of health care costs contribution	\$1,415,000

The above findings would require concessions by the EHTEA. These are collective bargaining issues.

B. EHTPSA Items-Collective Bargaining

1.	Full wage freeze	\$121,000
2.	One (1) day furlough (June 25, 2010)	\$13,000
3.	1.5% of wages contribution to health care costs	\$46,000
4.	10% of health care costs contribution	\$71,000

The above findings would require concession by the EHTPSA. These are collective bargaining issues.

C. Non Collective Bargaining Items

*	1.	Move all employees to the state health care plan (See attachment "A")	\$3,000,000
*	2.	10% reduction in the cost of non-teaching personnel (See attachment "B")	\$250,000
*	3.	Retirements after budget preparation	\$280,000
	4.	One (1) day furlough (June 25, 2010)	\$12,000
	5.	Full wage freeze	\$96,400
	6.	1.5% of wages contribution to health care costs	\$48,200
*	7.	10% of health care costs contribution	\$285,300
	8.	Elimination of freshman sports	\$77,000

D. Other Items

*	1.	Combine grounds services with the township	\$250,000
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|----|--|-----|
| 2. | Explore other combine services | \$? |
| 3. | Explore opportunities for out sourcing | \$? |
| 4. | Explore opportunities for revenue production | \$? |

IV. Recommendation:

Based on the commission's findings, it is our opinion that the school budget could be reduced by the full proposed tax rate increase of \$.13546, approximately \$3,480,000.

V. How:

All findings marked with an astric (*) should be implemented immediately. While this represents potential savings of \$4,065,300, the commission does not recommend reducing the school budget beyond the amount of the tax rate increase.

COMMITTEE RECOMMENDATION

RE: EGG HARBOR TOWNSHIP BOARD OF EDUCATION BUDGET

The Board of Education employees are currently enrolled in Blue Cross and Blue Shield Traditional and Direct Access Plans. The cost of providing substantially similar coverage through the New Jersey State Health Plan would be much lower. There may be some reduction of benefits in switching to the New Jersey State Plan and the shortfall can be eliminated by providing a supplemental fund in which the covered employees can apply for reimbursement for any uncovered expenses, increased deductibles and co-pays which would have been covered under the current plans. Therefore there would be a net zero gain/loss to the employees as they would receive the same coverage and benefits as they currently receive. This would similarly apply to any employees who were grandfathered in under the traditional plan and the only difference would be that the benefits being paid by the supplemental fund would be somewhat greater.

The contract entered into between the Board and the Egg Harbor Teachers Association for the period of time 2006-2009 did not mandate the insurance company to be utilized by the Board of Education in providing insurance benefits and similarly there is no such requirement under the proposed language of the new contract. Consultation with the law offices of Parker and McCay the attorneys who had represented the Board in these negotiations confirmed that the choice of insurance carriers is generally left to the prerogative of the Board of Education.

It is the opinion of the Committee that the providing of medical insurance which is the same or substantially similar to the existing plan would not be a breach of the agreement which had been entered into between the Board of Education and the Teachers Union.

It is therefore recommended that the Board of Education switch all employees who currently have health coverage to the New Jersey State Plan and that a qualified actuary be hired to determine the amount of the supplemental fund which should be set aside by the Board in order to cover all employees for any medical benefit which would not be covered under the new plan but were covered under currently existing plans.

It is the Committee's understanding from the Board of Education Business Administrator that this should result in a savings of approximately \$3 million to the Board of Education.

REVIEW OF NON-TEACHING POSITIONS INCLUDING CENTRAL OFFICE
PERSONNEL AND STAFF, SUPERVISORS, PRINCIPALS and VICE PRINCIPALS

The Committee's review of the non-teaching staff in the school district resulted in an opinion by the Committee that a reduction of 10% of the cost of such personnel could be made without negatively impacting the delivery of educational services.

It is therefore recommended that a 10% reduction in the cost of non-teaching personnel, including but not limited to, central office staff, support staff, supervisors, principals and vice principals, be made.

Paul Hodson and I served on the Township Committee Defeated School Budget Review Committee. Our review of the budget indicated that approximately 82% of the school budget is dedicated to salaries and wages. The balance is for educational programming. In looking at budget reductions we chose to follow a logical approach which would not affect the children.

It is our recommendation to the Township Committee that they advise the Board of Education of the following actions to be taken in respect to the 2010-2011 defeated school budget. The recommendations are as follows:

1. A total wage freeze for all school district employees for school year 2010-2011. This would be a savings of approximately \$2.5 million.
2. All teachers would take a furlough day on June 25, 2010. This is the teachers last day in school. It is an in-service day and no children would be affected by their day off. The savings for this would be \$270,000.
3. The school district should switch to the state health benefit plan effective July 1, 2010. This change in health benefits would save \$3 million. The total savings would be an excess of \$4 million, but there is a requirement for the plan to be substantially equal to the existing one and the additional \$1 million would be set aside to cover any medical service which may not be covered to the same extent by state health benefits.

These savings total \$5,770,000. This would reduce the tax rate by \$22.4 cents. That is approximately 9 cents greater than the proposed tax rate increase presented to the voters of Egg Harbor Township. The additional nine cents (if the above recommendations are followed) would allow teachers to be rehired and restore programs which have been eliminated.

It is the recommendation of our subcommittee that these recommendations are in the best interest of the school district and the tax payers of Egg Harbor Township.