

The Budget Hearing of the Township Council of the Township of Franklin, County of Somerset, New Jersey, was called to order by the Mayor at 7:06 p.m.

Mayor Levine read the following statement: “In accordance with Section 5 of the Open Public Meetings Act, Chapter 231, Public Law 1975, be advised that adequate notice of this Budget Hearing of the Township Council of the Township of Franklin, County of Somerset was made by the posting on the bulletin board at the Municipal Complex and by faxing to the officially designated newspapers, a notice indicating that the Budget Hearing would take place in the Council Chambers of the Municipal Building at 7:00 p.m. on July 18, 2006.”

Everyone present participated in the Pledge of Allegiance.

The Deputy Township Clerk called the roll.

Present: Ms. Eberle, Mr. Levine, Mr. McKenzie, Mr. Regan, Ms. Ritchie (arrived at 7:13 p.m.), Mr. Sumter, Mr. Vassanella.

Absent: Ms. Ashley-Williams, Ms. Danile

Also present: Kenneth W. Daly, Township Manager, Virginia M. Woodbury, Deputy Township Clerk

#### **PUBLIC DISCUSSION**

Motion was made by Mr. McKenzie and seconded by Mr. Sumter to open the meeting for public discussion. Said motion carried unanimously upon voice vote.

No one from the public spoke.

There being no comments from the public, a motion was made by Mr. Sumter to close the meeting for public discussion. Said motion was seconded by Ms. Eberle and carried unanimously upon voice vote.

#### **RESOLUTION - CERTIFICATION OF REVIEW OF ANNUAL REPORT OF AUDIT – FY05**

**WHEREAS**, N.J.S.A. 40A: 5-4 requires the governing body of every local unit to have made an annual audit of its books, accounts and financial transactions; and

**WHEREAS**, the Annual Report of Audit for FY2005 has been filed by a Registered Municipal Accountant with the Municipal Clerk pursuant to N.J.S.A. 40A: 5-6, and a copy has been received by each member of the governing body; and

**WHEREAS, R.S. 52:27BB-34** authorizes the Local Finance Board of the State of New Jersey to prescribe reports pertaining to local fiscal affairs; and

**WHEREAS**, the Local Finance Board has promulgated N.J.A.C. 5:30-6.5, a regulation requiring that the governing body of each Municipality shall by resolution certify to the Local Finance Board of the State of New Jersey that all members of the governing body have reviewed, as a minimum, the sections of the Annual Audit entitled: “ Comments and Recommendations; and

**WHEREAS**, the members of the governing body have personally reviewed as a minimum, the Annual Report of Audit and specifically the sections of the Annual Audit entitled “Comments and Recommendations, as evidenced by the group affidavit form of the governing body attached hereto; and

**WHEREAS**, such resolution of certification shall be adopted by the governing body no later than forty-five (45) days after the receipt of the annual audit, pursuant to N.J.A.C. 5:30-6.5; and

**WHEREAS**, all members of the governing body have received and have familiarized themselves with, at least, the minimum requirements of the Local Finance Board of the State of New Jersey, as stated aforesaid and have subscribed to the affidavit, as provided by the Local Finance Board; and

**WHEREAS**, failure to comply with the regulations of the Local Finance Board of the State of New Jersey may subject the members of the local governing body to the penalty provisions of R.S. 52:27BB-52 - to wit:

**R.S. 52:27BB-52 - "A local officer or member of local governing body who, after a date fixed for compliance, fails or refuses to obey an order of the Director (Director of Local Government Services), under the provisions of this Article, shall be guilty of a misdemeanor and, upon conviction, may be fined not more than one thousand dollars (\$1,000.00) or imprisoned for not more than one year, or both, and in addition shall forfeit his office."**

**NOW, THEREFORE, BE IT RESOLVED** that the Township Council of the Township of Franklin, County of Somerset and State of New Jersey, hereby states that it has complied with N.J.A.C. 5:30-6.5 and does hereby submit a certified copy of this resolution and the required Affidavit to said Board to show evidence of said compliance.

Upon motion by Mr. Regan, seconded by Mr. McKenzie, the resolution was adopted as follows upon call of the roll:

<u>AYES</u>	<u>AYES</u>	<u>NAYS</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
Eberle	Regan			Ashley-Williams
Levine	Sumter			Danile
McKenzie	Vassanella			Ritchie

**RESOLUTION – SFY2005 AUDIT – CORRECTIVE ACTION PLAN – AUDITOR’S RECOMMENDATIONS**

**WHEREAS**, the Local Finance Notice No. 92-15 requires the Governing Body to adopt a Corrective Action Plan in relation to recommendations contained in a Municipality’s Audit; and;

**WHEREAS**, the Township’s SFY 2005 Audit included certain recommendations, which require the adoption of a Corrective Action Plan;

**NOW, THEREFORE, BE IT RESOLVED** that the following Corrective Action Plan be adopted by the Township Council of the Township of Franklin, County of Somerset and State of New Jersey; and

**CORRECTIVE ACTION PLAN FOR SFY-2005 AUDIT REPORT**

**BE IT FURTHER RESOLVED** that two (2) certified copies be forwarded to the Division of Local Government Services; and

**CORRECTIVE ACTION PLAN –SFY 2005 AUDIT  
AUDIT RECOMMENDATIONS**

**1. Findings:**

That the municipal court’s open bail list was not proved to the account balance on a monthly basis

**Recommendation:**

That Municipal Court Bail list be proved to the account balance on monthly basis

**Explanation and Comments:**

**Corrective Actions:**

The Municipal Court will conduct a monthly reconciliation of the open bail list.

**Implementation Schedule:**

Effective immediately.

**2. Findings:**

That, the appropriation reserves ledger was over expended prior to budget transfers.

**Recommendation:**

That the appropriation ledgers be maintained in accordance with the official actions of the governing body and that over expenditure prior to transfers be avoided.

**Explanation and Comments:**

The over expenditures noted occurred in salary and wage lines where the payroll projections were not adequate to avoid over expenditure prior to the council meeting date.

**Corrective Action:**

The Department will ensure that the over expenditures are avoided. To accomplish this payroll projections are now being performed using multiple source documents. A payroll analysis report is used along with other budget status reports provided by finance software. Further budget appropriations will be reviewed on a regular basis to ensure over expenditures don't occur prior to the official transfers.

**Implementation Schedule**

Immediately

**3. Findings:**

That the Public Works/Mini Dump and Recreation Department records each receipt individually in the cashbook

**Recommendation:**

That the Public Works/Mini Dump and Recreation Department records each receipt individually in the cashbook

**Explanation and Comments:**

The Public Works /Mini Dump has not been recording each receipts in the cashbook

**Corrective Action:**

The Public Works Mini Dump and Recreation will record each receipt in the cashbook

**Implementation Schedule**

Immediately

**4. Findings:**

That delays in submission of monthly reports by departments have created degraded finance's ability to make timely recording of revenues transactions

**Recommendation:**

That outside offices submits monthly reports to the finance department on a timely basis to ensure accurate and timely recording in the general ledger

**Explanation and Comments:**

Monthly reports are not provided to the finance office in a timely manner. For a number of departments these monthly reports are used make revenue allocations. For these department finance records the daily deposit as cash transaction but the revenue is

recorded in a holding account called unallocated receipts. When department provide their monthly reports these revenues are moved from unallocated receipts to the appropriate revenue account. Consequently, delay in submitting these reports prevents the finance office from posting these revenue account in a timely manner.

**Corrective Action:**

New procedures are being put into place that will require departments to prepare and submit their monthly reports by the 10<sup>th</sup> of each month. In addition, monthly reports have been standardized to ease the preparation of monthly report. Monthly allocation of revenue has been eliminated. The Finance office has developed transmittal forms that allow finance to daily post all revenue from outside offices. Further, transmittal form will assist in the preparation of monthly reports.

**Implementation Schedule**

Effective June 1, 2006 new transmittal forms are being used.

Effective July 30<sup>th</sup> written procedures will be provided to the departments

**5. Findings:**

That reconciliation between the outside offices monthly reports and the amounts recorded in the general ledger be performed on a monthly basis

**Recommendation:**

It is recommended that a reconciliation between the outside offices monthly reports and amounts recorded in the general ledger be performed on a monthly basis

**Explanation and Comments:**

The finance office has procedures in place and performs monthly reconciliations of outside offices. However, it is noted that during the audit period that in some instances the finance office posted revenues to miscellaneous revenue line while the department's monthly report recorded the revenue as particular fee type.

**Corrective Action:**

A standardized monthly report has been established to ensure ease of review and preparation of the monthly report – Implemented June 1, 2006

Each monthly report reconciled will be signed off by a supervisor to ensure accuracy

**6. Findings:**

That the finance office continues to monitor the progress of procedures established to maintain the general ledger and subsidiary ledger of the Developer's Escrow Fund

**Recommendation:**

That the finance office continues to monitor the progress of procedures established to maintain the general ledger and subsidiary ledger of the Developer's Escrow Fund

**Explanation and Comments:**

As part of the continuous efforts to improve the developers escrow accounting the finance office has complete for first stages of the improvement efforts by establishing and maintaining a general ledger and subsidiary ledger. Current efforts are now centered on reconciling the subsidiary ledger detail to the bank account detail

**Recommendation:**

**Corrective Action:**

The sub accounts within the bank account are being reconciled with subsidiary ledger. The goal is to duplicated the subsidiary ledger detail to that of bank accounts sub accounts

**Implementation Schedule**

Complete by September 2006

**7. Findings:**

That prior years grants receivable balances and unexpended grant reserve balances be reviewed for proper disposition

**Explanation and Comments:**

A number of old receivables going back to 1998 still remain on the books. Last fiscal year these receivable accounts were reconciled. The current efforts are now focused on the review these receivables to determine if they can be recovered. Those that cannot be recovered will be canceled

**Corrective Action:**

Old grant receivables are being reviewed an unrecoverable receivables will be cancelled

**Implementation Schedule**

Review of receivables completed by June 30<sup>th</sup>

Receivables will be canceled by August 30<sup>th</sup>

**Other Areas of Comment:****Area of Concern - Transaction Posting**

Audit Comment: The computer system allows for the back posting of transactions

Corrective Actions:

- A. Urge the finance software vendor, Edmunds & Associates to make modification their software to address this issue.

**Area of Comment – Surety Bonds**

Audit Comment The township should review the new recommended surety bond amount as indicated by N. J. A. C 5:30-8.3 and utilize these amounts for a higher degree of security of public funds.

Corrective Actions

- A. The recommended levels of surety bonds will be reviewed to determine if the Township should move to the higher surety bond amounts. Complete by July 1, 2006.

**Area of Comment – Finance Office Records**

1. Audit Comment Old account receivables remain on the books and should be reviewed and appropriate actions taken

Corrective Actions

- A. Each fund receivable is being reviewed to determine the current status of the receivable
- B. It is anticipated the some of these receivable will be canceled it is anticipated that a request to cancel

2. Audit Comment A large amount of accounts payable are recorded on the books and in the records of the finance office

Corrective Actions:

- A. A reconciliation of all accounts payables will be preformed
- B. Outstanding open obligations no longer need will be canceled  
 Completed June 30th

**BE IT FURTHER RESOLVED** that one (1) copy be filed with the Township Clerk.

Upon motion by Mr. Regan, seconded by Mr. Sumter, the resolution was adopted as follows upon call of the roll:

<u>AYES</u>	<u>AYES</u>	<u>NAYS</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
Eberle	Regan			Ashley-Williams
Levine	Sumter			Danile
McKenzie	Vassanella			Ritchie

Councilwoman Ritchie arrived at the meeting during the vote.

**BUDGET PRESENTATIONS**

**Grants**

Bonnie von Ohlen, Grants Coordinator, presented the Grants Budget.

Mr. Daly stated Bonnie von Ohlen is responsible for the increase in obtaining grants and the continued success with the Community Development Block Grant Program.

Ms. von Ohlen reviewed the following:

**FRANKLIN TOWNSHIP GRANTS RECEIVED – 2001-2006**

<u>AGENCY</u>	<u>PROGRAM</u>	<u>2005-2006</u>	<u>2004-2005</u>	<u>2003-2004</u>	<u>2002-2003</u>	<u>2001-2001</u>
<b><u>PRIVATE</u></b>						
AT&T	Com. Fdn./Tech.			25,000		
B-M-Squibb	Sr Wellness Program					
Verizon	HSBCC Website	5,000	5,000	5,000		
<b>TOTAL</b>		<b>5,000</b>	<b>5,000</b>	<b>30,000</b>		
<b><u>STATE</u></b>						
JDDP	Juvenile Com. Service			52,500	75,000	93,684
NJAG	Domestic Prep. – Radios			25,000	125,000	
NJDCA	ADA Compliance	20,000		16,324		
NJDCA	Neighborhd Pres. Prog.	100,000	125,000			
NJDCA	REAP					488,191
NJDCA	PEER Recreation	10,000	10,000	10,000	12,000	10,000
NJDCA	Playground Safety					10,000
NJDCA	Library Exp/Renovation	20,000		75,000		
NJDEP	GC/CSIPs/ES/Trails		25,000	2,500	2,000	
NJDEP	Green Acres PIG/Dev.	600,000	753,625	600,000	450,000	750,000
NJDHHS	Family Plan/Pub Health		39,247	43,796		
NJDHHS	Child Safety/Drunk Driv			4,185	9,434	20,933
NJDOA	Farmland Pres. PIG		1,125,000	1,125,000	1,125,000	1,125,000
NJDOA	FarmFreshNJ Farmers Mkt.			400		500
NJDOH	Healthy Communities	2,500				
NJDOT	MA/CoP/Liv. Comm	325,000	100,000	325,000	100,000	250,000
NJHC	Middlebush Dist. Nom.				10,000	
NJL&PS	Safe & Secure Comms.	60,000	60,000	60,000	60,000	60,000
NJL&PS	NJ Body Armor	9,201	9,339	9,095	9,090	9,011
NJL&PS	OP/AD/DD	15,000			19,333	16,020
NJOEM	FEMA Flood Planning					22,000
NJOIT	9-1-1 Grant	52,295				
NJRA	Cyberdistrict Initiative					
NJT	FP Water/Substation	190,000	110,000			

NJT	Community Shuttle			20,000	30,000	94,000
<b>NJ TOTAL</b>		<b>1,403,000</b>	<b>2,357,211</b>	<b>2,368,800</b>	<b>2,026,857</b>	<b>2,949,339</b>
<b><u>COUNTY</u></b>						
SC	Planning Partnership	25,000	63,390	10,875	16,485	15,000
SC	YA & Rec. Program	30,000	15,000	15,000	15,000	15,000
SC	JAIBG		11,715	11,715		
SCCDBG	Neigh. Improvements					
SCDHS	Alliance Grant	45,379	45,379	37,500	35,558	35,699
SCEDIP	Eco. Dev. Projects	165,473	130,000	125,000	165,000	218,000
SCHP	Historic Pres.			10,000	100,000	
SCOSP	Open Space Acquisition	200,000	300,000	100,000	205,000	
<b>SC TOTAL</b>		<b>466,852</b>	<b>565,484</b>	<b>310,090</b>	<b>537,043</b>	<b>283,699</b>
<b><u>FEDERAL</u></b>						
USDOC	Census Grant					
USDOJ	BP Vests/COPS/TTC			90,000	150,000	150,000
USDOJ	LLEBG/JAG	13,635		22,989	31,357	31,130
USEPA	BHEEC Wetland Rest.					
USF&W/NRCS	Greenways Rest.		110,000			
USHUD	CDBG	364,845	388,000	388,000	288,000	
<b>US TOTAL</b>		<b>378,480</b>	<b>498,000</b>	<b>500,989</b>	<b>469,357</b>	<b>181,130</b>
<b>TOTAL</b>		<b>2,254,328</b>	<b>3,425,695</b>	<b>3,209,879</b>	<b>3,033,257</b>	<b>3,414,168</b>

A brief discussion ensued regarding the amount of grants received by the Township and the decrease in funding from State and Federal sources. Ms. von Ohlen also discussed the expenses of the Grants Department; housing improvements of almost \$500,000 on twenty-eight homes; and grants for Hamilton Street Improvements.

### Police Department

Police Department Budget presentation – Police Chief Craig Novick, Deputy Chief Roberts and Lieutenant Vornlocker.

Mr. Daly reviewed the proposed increase in police officers, increase in overtime and the major changes in the other expenses portion of the Police budget. He noted the decrease in school crossing guards as a result in the new bussing routes used by the schools. He stated there is a request for an additional clerical person as a result of falling behind in clerical functions. He noted that three (3) clerical positions have been previously eliminated. He stated the original request was for three (3) and he is recommending only one (1.))

Chief Novick reviewed the growth of the Township and the correlation of growth of the police department, which includes many transfers from other municipalities of officers who feel that “Franklin Township is the place to be”. Chief Novick noted that the diversity of the community, the success of the programs and initiatives of the department have impressed new officers to come to the Township to be a part of the innovative police program.

Chief Novick reviewed the 2005 crime statistics. Chief Novick reported that the total number of arrests in 2005 was 1,688.

Mr. Vassanella questioned Chief Novick about the nature of crimes that are on the rise. Chief Novick replied that drug activity and other crimes that support it, break-ins, robberies, etc., are increasing.

Mr. Regan asked Chief Novick to speak on the subject of gang activity. Chief Novick explained that the department is doing well in that area, but he would like to see better results.

Ms. Eberle asked if the department is still using bike patrols. Chief Novick answered that instead of bike patrols, there is an increase in foot patrols in certain areas of the Township, which increases police presence.

Mr. Sumter questioned Chief Novick about the area of Parkside and what the department is doing to implement more presence in that area. Chief Novick replied that this is one of the areas where the increase in foot patrol is being utilized to improve police/citizen relations.

Mr. Vassanella noted that the increase in arrests seems to be connected to an increase in staff. Chief Novick agreed that the increase in personnel allows the department to handle more service calls more efficiently; if seven officers are out, patrol is reduced and officers are utilized to answer calls.

Mayor Levine asked Chief Novick if foot patrol is on a regular basis. Chief Novick answered with the "Park/Walk/Talk" slogan that is used to describe that method of policing. Chief Novick explained that 46% of officers have Associate degrees or more; the department makes excellent use of scholarships and available breaks on tuition to educate officers in areas useful in dealing with the public and incidents.

Chief Novick noted that the use of "black & whites" has created the old fashioned feel of police presence; the use of modern technology has resulted in high morale and more effective policing. Chief Novick cited the use of cameras in patrol cars that allows every movement of officers and subjects to be monitored, thus removing 99% of liability of officers accused of mistreatment of subjects.

Ms. Ritchie questioned Chief Novick regarding his date of appointment as Chief of the Township Police Department. Chief Novick answered that he was appointed in 2000 and Council noted that the crime rate in the Township began to decline in that year, to Chief Novick's credit.

A question and answer period regarding the Police Department's budget reports and their 2005 Report ensued between Council and Chief Novick and his staff. At the conclusion of Council's questions, Council gave their support to the Police Department.

### **Fire Prevention Bureau**

John Hauss made a presentation of the Fire Prevention Bureau's accomplishments during FY06 and a view of the future outlook of the department.

Township Manager Daly noted that he proposed a cut of two part-time personnel.

Mr. Hauss presented updated statistics that included June of 2006. The statistics included the incidents of investigation of illegal apartments, house numbers, and bars on windows. Mr. Hauss explained that certificates were not held up for these violations, but noted in the review so that new tenant will remove violations.

Mr. Daly explained the situation regarding the Fire Prevention department personnel, who are all volunteer fire fighters who are being allowed to answer fire calls during working hours, which has an impact on productivity in the office.

Mr. Hauss agreed that that is the case, but to not have fire prevention personnel answer fire calls during the daylight hours when volunteers are scarce might create the need for paid fire fighters.

Ms. Ritchie asked if it were possible to limit the number of calls that the department personnel answer, and also how many false alarms are currently happening. Mr. Hauss replied that, at present, most personnel answer fire calls and he is suggesting that it be changed to have only one from the department answer a call. The rate of false alarms is high and Mr. Hauss said that he has been asked by the Chief's Association to get the rate down.

Mr. Sumter questioned the fee for false alarms. Mr. Hauss gave the following schedule of fees: first is excused; second gets a warning; third gets a warning; fourth is a fine of \$200; fifth is a fine of \$500.00. If a business owner or resident takes steps to correct, Mr. Hauss said the department does not impose fines.

Mr. Hauss explained that the incidents are measured in any twelve month period, not necessarily from January to December, with hotels and senior housing having the greatest number of false alarms, usually due to burnt food, steam from showers, etc.

Mr. Vassanella suggested that there could be some benefit derived from education for senior residents. Mr. Hauss agreed and added that the thousands of hotel rooms within the Township are a constant source of false alarm situations.

A discussion followed regarding the details of the department's proposed budget.

### Recreation, Community Celebrations & Park Administration

Alice Osipowitz, Director of Recreation, Community Celebrations & Park Administration Department presented the departmental budget.

Ms. Osipowitz noted the need for an Administrative Aide to perform the financial and clerical duties that are now the responsibility of four Recreation Administrators who have sacrificed considerable time needed to administer the many programs for seniors and youth.

The minimum wage has increased and Ms. Osipowitz explained that, in order to staff the seasonal/temporary positions with qualified personnel, the Township needs to address the increase. Ms. Osipowitz also requested an increase in overtime allowance for all full-time salaried employees.

Ms. Osipowitz answered questions raised by Mr. Regan regarding the program of computer training for seniors and other residents and also questions raised by Mr. McKenzie and other councilmembers regarding senior transportation.

Discussion ensued regarding the department proposed budget for 2007.

### Community Resources

Diane Leach-Thompson presented the budget for Community Resource Department.

Ms. Leach-Thompson noted that the department is in need of a part-time Social Worker to work with at-risk youth and the screening of candidates for eligibility for financial assistance that is now being performed by clerical personnel.

Mr. Vassanella questioned Ms. Leach-Thompson regarding the programs offered by the department. Ms. Leach-Thompson replied that the programs are doing well: during Summer 2006 there were thirty-five to thirty-eight persons hired ranging in age from fourteen to twenty-one and Black History Month was very successful with an increase with community involvement. Ms. Leach-Thompson said hopefully there would be more summer employment in the future.

Mr. Regan left the meeting at this point – 10:10 pm.

A discussion followed regarding the Community Services budget.

### Health Department

Walter Galanowsky, Director of Health, presented the proposed budget.

Mr. Galanowsky noted that the Department of Health of Franklin Township consists of the administration, nurses, Environmental Health Specialists and the staff of the Animal Control department.

Mr. Galanowsky answered questions from Mr. Vassanella regarding items in his budget that are mandated by the State.

Mayor Levine asked if the Township Health Department partnered with area hospitals. Mr. Galanowsky replied that the Township recently had St. Peter's Hospital cardio-vascular presentation at the Community/Senior Center. Mr. Galanowsky also mentioned a reduction in allowance for "flu program". The number of residents who request flu shots cannot be predicted, the price has skyrocketed and shortages can occur, Mr. Galanowsky said. Several councilmembers asked additional questions regarding the flu shots. Additional subjects discussed were well testing, Animal Control issues, and the need for a new vehicle for use by Health Department personnel.

Mr. Galanowsky continued to discuss the proposed FY2007 budget with Councilmembers.

### **ADJOURNMENT**

Upon a motion made by Ms. Ritchie, seconded by Mr. McKenzie and unanimously approved, meeting was adjourned at 10:50 p.m.

Respectfully submitted,

Virginia M. Woodbury  
Deputy Township Clerk