

**WORK SESSION OF THE TOWNSHIP COUNCIL**  
**TOWNSHIP OF FRANKLIN, COUNTY OF SOMERSET, NEW JERSEY**  
**JULY 01, 2003**

The Work Session of the Township Council of the Township of Franklin, County of Somerset, New Jersey, held at 475 DeMott Lane, Somerset, was called to order by the Mayor at 8:10 P.M.

The Clerk read a statement indicating all requirements of P.L. 1975, Chapter 231 (The Open Public Meeting Act) had been met.

**1. CALL TO ORDER**

The Acting Township Clerk called the roll.

Present: Mayor Sumter, Deputy Mayor Grippo, Ms. Barrier, Ms. Eberle, Mr. Chivukula, Mr. Levine, Mr. McKenzie, Mr. Mettler.

Absent: Mr. Mazzola

Also Present: Louis N. Rainone, Esq., Township Attorney, Kenneth W. Daly, Township Manager, Marc D. Dashield, Acting Township Clerk

**2. PUBLIC DISCUSSION**

Mr. Chivukula moved to open the meeting for public discussion on any item of interest. Mr. Grippo seconded the motion; motion was carried unanimously.

Sid Lentz – 22 Cornellius Way – Asked if someone on Council would ask Mr. Hobbs what happens to the judgements made at the County Tax Board when a tax appeal is won by a citizen and why the judgement is then reversed by the Assessor's Office the next year.

Mr. Mettler moved to close the meeting for public discussion. The motion was seconded by Mr. McKenzie; motion was carried unanimously.

**3. REVIEW PREPARED AGENDA FOR JULY 8, 2003 REGULAR MEETING**

Deputy Mayor Grippo questioned if the Commendation for Florence Van Pelt was presented at the June 26, 2003 Meeting. The Acting Township Clerk responded that the presentation at the June 26, 2003 meeting was from the Senior Advisory Committee, not from Township Council.

**4. COMMITTEE REPORTS**

**Financial Oversight Subcommittee:**

Mr. McKenzie reported that on June 17, 2003 the subcommittee reviewed and made recommendations on the allocations of Community Development Funds for 2004. Mr. McKenzie also informed the Council that the committee made recommendations on the preparation of the temporary budget for FY 2004.

**Youth Service Commission:**

Mr. Levine informed the Council that one issue that the commission was actively addressing was gang activity. Mr. Levin reported that the commission was looking at new innovative ideas in the area of prevention.

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### **Senior Citizen Advisory Committee:**

Ms. Eberle reported that the committee discussed the continuing computer training being provided to the seniors. Ms. Eberle also reported that the committee interviewed consultants for the study on senior housing. Finally, the committee discussed having Sunday bingo as a senior fund-raising activity

### **Sewerage Authority:**

Mr. Grippo reported that he had requested that the Authority look at a discount for senior citizens. The Authority indicated that they would review the issue and within 30 days respond to the Township Manager. Mr. Grippo informed Council of the pending storm-water regulations being imposed by the state of New Jersey and commented that these regulations would be costly to the Township. Mr. Grippo asked the Township Manager for his input on the cost to the Township. Mr. Daly responded by indicating that the first expense the Township will face is the preparation of a stormwater management plan. Mr. Daly further stated that the state of New Jersey would provide \$6,000.00 in grants for the preparation of this plan. However, the grant would not cover the cost of the study. Mr. Daly indicated that this would be an excellent project for intergovernmental cooperation through the use of an interlocal agreement. Mr. Daly indicated that he would pursue this approach.

### **Redevelopment Agency:**

Mayor Sumter reported that the redevelopment agency has reviewed the request for deletion of certain properties from the redevelopment area and supported the agency's decision.

### **Cable Television Advisory Committee:**

Mr. Grippo reported that the committee has not met this summer.

### **Historic Preservation Designation Study Committee:**

Mr. Mettler reported the committee has had some trouble getting the members together for a meeting to review the Historic Preservation Designation Ordinance. Mr. Mettler indicated that he is happy to report that the committee will be meeting on July 14<sup>th</sup> at 5:30 PM.

## **5. REDEVELOPMENT AGENCY RECOMMENDATION TO REMOVE CERTAIN PROPERTIES FROM THE REDEVELOPMENT PROGRAM**

The Township Manager reported that early this year Mr. Calerone of Hamilton Street had requested that Council remove his property from the redevelopment area. The Township Council referred his request to the redevelopment agency for comment. The resolution from the redevelopment agency is the result of the Agency's review. The Redevelopment Agency recommended the deletion of Mr. Calerone's property along with a number of other nearby properties whose owners have requested the deletion. The agency believes the deletion of these properties could be done because of one fundamental change in the area in question. In the redevelopment plan, the area in question was included for redevelopment to allow for the expansion of the Franklin Township High School. Now that there are no plans to expand the High School on that site, the rationale for including these properties no longer exists. Mr. Daly asked Council for direction. Council concurred with the recommendation of the Redevelopment Agency and authorized the preparation of an ordinance.

## **6. WATER CONNECTION PUBLIC HEARINGS**

The Township Manager referred Council to a draft letter that will be circulated to the residents concerning the expansion of the water system. Mr. Daly invited Council's comments on the letter by next Tuesday. The Township Manager then reviewed the schedule for Public Hearings. The Township Manager indicated that the letter inviting

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citizens' participation to be sent out to the residents in the July tax bills, with the first hearing being July 22, 2003.

Water Hearing – July 22, 2003 – 7:30 PM

Water Hearing – September 16, 2003 – 7:30 PM

Water Hearing – September 30, 2003 – 7:30 PM

The Township Manager suggested the following in reference to the water hearings:

The first hearing should be a general meeting focusing on the Township as a whole.

The September 16, 2003 Water Hearings should focus on the ground water contamination in the Franklin Park area. Mr. Daly also suggested that someone from the New Jersey Department of Environmental Protection (NJDEP) provide a presentation at this meeting. NJDEP involvement is important because the focus of this meeting will be on ground water contamination.

The Township Manager gave Council a brief update on the current investigation on the contamination in the Franklin Park area. New Jersey Department of Environmental Protection (NJDEP) has tested a number of wells in the area and found one well with contaminants at actionable levels. The BP gas station is paying for that homeowner's connection to the Township water lines. NJDEP is currently delineating more wells for testing to map out the extent of contamination.

Township Manager indicated that the major policy question is how the Township should be involved with this issue.

1. The Township can allow NJDEP to continue to pursue this matter and the Township continue to apply pressure on NJDEP to ensure actions are taken.
2. The Township can attempt to pursue this matter on its own.

The Health Department has indicated that NJDEP has the expertise and resources in this area and the Township should rely on NJDEP to pursue this matter with the Township monitoring the situation to ensure progress.

### 7. ANNUAL ASSESSMENTS

Mayor recognized Burham Hobbs, Franklin Township Tax Assessor. Mr Hobbs introduced William Lenville, Somerset County Tax Administrator who would provide some information on Somerset County's role in the assessment process. Burham Hobbs made the following presentation.

Mr. Hobbs began his presentation by providing an historical overview of the Franklin Township assessment program. The Township's assessment program prior to 1994 utilized the process of periodic revaluation to determine the assessed value of property. This process involved private contractors making evaluations on the properties in Franklin Township to determine "Market Value".

The Somerset County Board of Taxation ordered periodic revaluations in 1972 and 1981. Mr. Hobbs indicated that these revaluations created a number of problems.

The taxpayer had a negative reaction to the 1972 revaluation because of a tremendous increase in assessments and shifts in taxes from the prior revaluation. The Township had about 1,000 claims for tax appeals the year after the revaluation.

The 1981 revaluation was again negatively received by the taxpayers because of the large increase in values from the 1972 revaluation.

Consequently, when the Township was ordered by Somerset County to reevaluate in 1994 the Township decided to embark on a process of computer assisted annual revaluation to eliminate the problems faced in the 1972 and 1981 revaluations. At that time Somerset

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County was encouraging the use of computer assisted annual revaluation programs and supported the Township in its endeavors. The Township entered into a program of revaluation from that point forward.

Mr. Hobbs described the process of annual reassessment. The annual reassessment program develops values each year based on sales that occurred in each neighborhood. The Tax Assessor's Office has created 334 neighborhoods in Franklin Township to make this comparison of sales.

If there are few or no sales in a neighborhood then sales from other comparable neighborhoods are considered. The sales are reviewed in the field when possible to ensure the accuracy and reviewed to determine if renovations or alterations occurred prior to sale so accurate sales data can be obtained.

Mr. Hobbs presented to Council an analysis of 140 residential sales to be used to evaluate the assessment program. Mr. Hobbs reviewed what he believed to be the positive aspects of an annual reassessment program.

### POSITIVE ASPECTS OF THE ANNUAL ASSESSMENT PROGRAM

Municipalities that reassess annually are not subject to the same constraints as those that do not annually reassess. Some of these constraints are as follows:

- The Chapter 123 ratio does not force municipalities doing annual reassessment to be subject to the assessment ratios set up by this law during tax appeals. The law takes the average statewide ratio of sales to assessment and sets up upper and lower limits within which assessments must fall. If an assessment is above the average assessment ratio, the assessment is lowered to the average. If the assessment ratio is below the average, the assessment should be moved to the average, however, County Tax Boards rarely increase assessments up to the average.
- The Freeze Act does not affect municipalities that reassess annually. If the Township did not reassess annually the Assessor would be prevented from changing the assessment on a property for two years after a property owner won a tax appeal. The significance of this assessment freeze is that the municipality would not be able to assess property fairly. Mr. Hobbs gave the example of two condos of the same type next to each other which could be assessed differently only because one of the owners won a tax appeal.
- The process of annual reassessment minimizes tax shifts by constantly adjusting values to the market value. During the course of time, tax shifts occur by property classes and neighborhoods. Periodic revaluation achieves the equitable distribution of taxes for only a short period. Market stability is usually short lived, consequently annually reassessment allows for adjusting of values to correspond with market shifts.
- Mr. Hobbs informed Council that because the Township reassesses annually the Township realizes a saving in County taxes. He estimates that the Township saved \$4,424,125.70 in County taxes between 1994 and present. The saving occurs because the equalization process adjusts the assessment of each of the 21 municipalities in Somerset County to market value (100%). Franklin on the other hand is able to use the Page 8 formula to adjust its total assessed value to market value.
- The annual reassessment allows for the continued distribution of the tax burden. Since the real estate market does not remain stable, values establish at the time of a revaluation are short lived. The equity created at the time of revaluation is quickly lost.

Mr. Hobbs summarized his presentation by indicating that the primary goal of the reassessment process is the equitable distribution of taxes and, since taxes are distributed based on property value, the most equitable way to ensure equity is to ensure all properties are assessed at "Market Value". The most effective way to determine market value is to annually assess property to take into consideration shifts in market value.

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The Township Council had numerous questions throughout Mr. Hobbs presentation. The most significant of them being:

Why don't other towns reassess annually?

Isn't the County tax saving only the result that other towns do not reassess and if more towns reassessed annually no savings would be achieved?

How does annual assessment affect the shift of tax burden from commercial to residential?

8. **APPOINTMENT OF COMMITTEE – ANNUAL EVALUATION TOWNSHIP MANAGER**

Mayor Sumter appointed Mr. McKenzie, Ms. Eberle, Mr. Mettler and Mr. Levine to a committee to conduct an annual evaluation of the Township Manager and report back to Township Council.

9. **RESOLUTION - MEETING NOT OPEN TO PUBLIC - NEW JERSEY OPEN PUBLIC MEETINGS ACT, NJSA 10:4-12**

**Read by Acting Township Clerk Dashield**

**WHEREAS**, the Township Council of the Township of Franklin in the County of Somerset, State of New Jersey is subject to certain requirements of the **Open Public Meetings Act, NJSA 10:4-6, et seq.**; and

**WHEREAS, Open Public Meetings Act, NJSA 10:12**, provides that an Executive Session, not open to the public, may be held for certain specified purposes when authorized by resolution; and

**WHEREAS**, it is necessary for the Township Council of the Township of Franklin to discuss in a session not open to the public certain matters relating to the item or items authorized by **NJSA 10:4-12b** and designated below:

**Property Acquisition**

**Matters Relating to the Purchase, Lease or Acquisition of Real Property or the Investment of Public Funds:** Any matter involving the purchase, lease or acquisition of real property with public funds, the setting of banking rates or investment of public funds, where it could adversely affect the public interest if discussion of such matters were disclosed.

**Potential Litigation**

**Matters Relating to Litigation, Negotiations and the Attorney-Client Privilege:** Any pending or anticipated litigation or contract negotiation in which the public body is, or may become a party. Any matters falling within the attorney-client privilege, to the extent that confidentiality is required in order for the attorney to exercise his ethical duties as a lawyer.

**NOW, THEREFORE, BE IT RESOLVED** by the Township Council of the Township of Franklin, assembled in public session on this 1<sup>TH</sup> day of July, 2003, that an Executive Session closed to the public shall be held on July 1, 2003, at 10:30 pm in the Franklin Township Municipal Complex, 475 DeMott Lane Somerset, New Jersey for the discussion of matters relating to the specific items designated above.

It is anticipated at this time that the above-stated subject matter will be made public with respect to acquisition of property at such time as the property is acquired or the acquisition is abandoned.

This Resolution shall take effect immediately.

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Motion was made by Mr. Grippo and seconded by Ms Eberle; motion was carried unanimously to adjourn to Executive Session. Council adjourned to Executive Session at 10:30 P.M. Meeting resumed at 10:50 P.M. and was immediately adjourned.

Respectfully submitted,

Marc D. Dashield  
Acting Township Clerk