

Special Meeting
June 29, 2015

A Special Meeting of the Mayor and Council of the Borough of Wanaque was held on Monday, June 29, 2015 at 8:00 P.M. in the Wanaque Municipal Building.

The Mayor called the meeting to order with the flag salute.

ROLL CALL:

On roll call, the following Council Members responded: Balunis, Cortellessa, Leonard and Willse. Councilmen Pasquariello and Pettet were absent. The Borough Attorney was also present. The Mayor declared a quorum.

The Mayor read the following Sunshine Statement: Adequate notice of this meeting has been provided by the Mayor and Council by e-mailing notice of this meeting to the Suburban Trends and the Herald News newspapers on June 17, 2015 stating therein that this meeting would be held on Monday, June 29, 2015 at the time of 8:00 P.M., in the Wanaque Municipal Building, 579 Ringwood Avenue, Wanaque, New Jersey, and a copy of this notice was posted on the bulletin board in the Wanaque Municipal Building on June 17, 2015, and a copy is on file in the office of the Municipal Clerk.

RESOLUTION #105-0-15 – Award Bid – 2015 Road Resurfacing Program – Tilcon – \$293,000.55

On entertainment of the Mayor, Councilmen Cortellessa and Balunis moved that,

BE IT RESOLVED that a contract be awarded to Tilcon NY, 625 Mt. Hope Road, Wharton, NJ 07885 for the 2015 Road Resurfacing program, under contract #6 of the 2015 Morris County Cooperative Purchasing program, in an estimated amount of \$293,000.55, and

BE IT FURTHER RESOLVED that the Chief Financial Officer has certified that funds are available in bond ordinance 9-0-15.

On roll call, all voted yes, and the Mayor declared the motion carried.

ADOPTION OF 2015 CURRENT, WATER UTILITY AND SEWER UTILITY BUDGETS AS AMENDED - RESOLUTION #104-0-15

The Mayor opened the Public Discussion.

Jules Figula, 3202 Warrens Way, Wanaque said I would like to reinforce my concerns that the Borough remain financially stable. The residents are concerned and something needs to be done. We have spent countless hours looking at the Benecke report and we discussed this two weeks ago. No financial business reason exists to increase the budget limited to 2015. The report have any value to increase the surplus and it does not include 2015 to 2017. The three year forecast to plan ahead. 2014 it is two million seven hundred forty six thousand dollars in the Benecke report and 2014 it is two million one hundred thirty three thousand twenty seven dollars. My number is in the Annual Financial Statement. Where did he get the information. On our chart there is a zero increase in the levy and a tax increase due to the total assessed value. The zero tax rate increase with our numbers. The US Aluminum project does not address the

Special Meeting
June 29, 2015

income the Borough received in the first year and it does not address Mountain Lakes Estates. We applaud you for your mindset taking and the decision taking for the next three years. Should work with the County and the School to encourage new business in town and shared services to go beyond and should challenge change next year before the budget is introduced and vetted for any increase and thank you for hearing us.

Frank DePaolo, 2413 Warrens Way, Wanaque said I will speak about the demographics, the Benecke report and the Borough Council. The facts and figures are the median household income is eighty nine thousand dollars. Not all homes have more than one wage earner. Thirty five thousand dollars we used the figure from the Census and we are the highest in the nation in Wanaque with the real estate. Eighty percent of the housing is owner occupied and the mortgage payment is three thousand dollars or more for rent. Over 65 years old it is fifty one thousand dollars per household and thirty one percent are receiving social security. Increased ratables and a thirty three percent increase from 2005 to 2012 in tax rates. There is serious spending in the town. In the Benecke report the average is eight thousand seven hundred thirty seven dollars for the tax bill and eight thousand one hundred sixty one dollars in 2014 the resident paid. The median home value is two hundred ninety six thousand nine hundred seventy five dollars in Wanaque and three hundred fifty one thousand three hundred twenty one dollars in Ringwood which is fifty four thousand three hundred forty six dollars more than Wanaque. The taxes would be twelve thousand three hundred eighty four dollars and in Wanaque the tax rate is higher than Ringwood. Per capita is thirty five thousand dollars per year and twenty three percent capital income. Same tax bill sixteen percent. Wanaque residents pay 11.7 percent in 2014. Wyckoff residents pay one million twenty five thousand dollars and thirteen thousand six hundred fifty four dollars in taxes. In Wanaque the same condo cost thirty five thousand dollars in taxes. Information was omitted from Benecke report. It is flawed and can't make an informed decision. Other towns may be satisfied with their taxes. Wanaque is not a wealthy town. Council at the conclusion of this years' budget you should look at the present budget. The past should not repeat and dictate the future. Look to sharing with other towns. Think ahead and negotiate and have a plan. Wanaque is not a wealthy town and we have reached the limit. Council votes to increase the budget and allegiance to the residents or lie elsewhere and the Council is looking to seek re-election.

Vince Lombardo, 2303 Warrens Way, Wanaque said what is a vote mean to us.

The Mayor said 2014 to keep level at zero tax increase vote yes to keep it where it is now.

Jay Cohen, 2319 Warrens Way, Wanaque said what if the vote is no.

The Mayor said we have to vote again on it.

Jay Cohen said does it have to be done by July 1st.

The Borough Administrator said it would revert to the budget again.

Jay Cohen said is that legal.

The Borough Attorney said yes if that is the budget.

Jay Cohen said who approved the pensions – you did.

The Mayor said in years past when it was former Governor Christie Whitman in April 2000 there was a tech bubble burst and they had to balance the budget from it being overfunded and balance the State budget and it happened again in 2002 and it happened and took pension

Special Meeting

June 29, 2015

money fund and now towns have to pay.

The Borough Administrator said in 2006 there was a five year phase in and matched cost for pension added ratables and the expenses are going up. The tax rate didn't go up we are using money from Wanaque Reserve and in 2008 tax increase was 19% and the revenue dried up.

Jay Cohen said Wanaque would have gone bankrupt if not for Wanaque Reserve. The contracts are approve by you.

The Borough Administrator said the money was used.

The Mayor said the town can go through binding arbitration and negotiated with our officers and have a good contract and would have lost more going through binding arbitration. 24% of the tax bill we control and the County is 22% and the schools are 55% control of the tax bill. 2% CAP and pensions as the budget is presented is keeping control of the budget.

Jay Cohen said you capped what you could cap.

The Mayor said it is zero piece and the County is at 5%.

Jay Cohen said you have to start somewhere. West Milford also started at zero and you should go to the Schools and the County also.

Councilman Cortellessa said being vocal and see symbolically from the Council not to raise rates and we need to have the County and Schools see that also. Speak about the impact on the seniors, families and businesses that are empty and for the Council to provide quality services and leadership role that the Council are going to take. Financial health for the town is dependent on residents and busineses deteriorates dramatically. Zero tax rate for 2015, 2016 and 2017 and focus on looking at the budget every two months with the Finance Committee. Good job and five year budget and going through the budget. Maintain a low tax base and talk to the schools and the County what their expenses are. We are concerned about the tax base and a flat rate budget is due to the Mayors' leadership.

Jay Cohen said they have to cut the school budget and I would like to thank the Mayor and Council for your attention.

Councilman Leonard said can you explain the pension reform.

The Borough Administrator said the pension reform the State has not paid full into the system. The Police, Fire and Employees we are local required by State law to be in the pension. Since 2005 paying a fair share. Police and Fire funded thru 2055. The local side enough for retirees and a problem with the State for their side of employees and teachers. The State should run out of money in 2024. The Governor appointed a commission and I sit on the committee. All employees reduce health benefits and take savings. State paid teachers pay by local Board of Education. Change in health benefits to cover entire cost. Know local take care of school board and not enough to take care of pensions. Not appear Governor proposal going through no one is talking to anyone in Trenton. Fear is cost shift local Board of Education hundreds of dollars to municipality. Three hundred to eight hundred dollar increase to municipality what Governor is proposing. Pension issue did not pay for seven to eight years but in 2000 had to start paying again. 8% of the budget is pension costs, health is 15% of budget and no control over pension cost. Health, binding arbitration and have to deal with in government. Ringwood police made twenty thousand dollars more than our officers and Ringwood arbitration last time. Health benefits to police for cost for life. Cap on retirees we have and putting budget together. Insurance going to make sure costs are under control, shared services and doing thing to benefit town and we have downsized and have less employees. Share services have to work for both towns, cooperative purchasing. Used surplus in 2008-2009 reduced police and employees and have gone through this twice already. Out in five hundred thousand dollars and take out eight

Special Meeting
June 29, 2015

hundred thousand dollars. We are all concerned about taxes. One hundred to one hundred fifty dollars for everyone taxes to go up. Come back to be detrimental lay off police or reduce staff or cut back services and we've done it before and we've seen it and that's my caution. Last year took one to two percent and now it is going to. I have seen it twice in Wanaque overusing surplus and see significant tax increase and have to reduce expenses and it would be in personnel.

Councilman Cortellessa said we should focus in on the budget monthly and finance committee should meet every two months and offer different opportunities about bringing in business. There is a three year period to reduce expenses and to generate revenue.

The Borough Administrator we have been doing that.

Jim Weintraub, 2317 Warrens Way, Wanaque said for ratables what is to occur to bring in ratables.

The Mayor said there is property in town they are trying to sell and we have spoken to them. The redevelopment zone done by Union Court. Wanted to build a second hotel and people couldn't reach an agreement to sell the houses and build. There is a thirty acre tract across from Holiday Inn and we need to have someone come in and build. The price is on the high side and we want commercial development.

Jim Weintraub said no ratable or increase to have

The Mayor said the US Aluminum project is being worked on and can't count on Mountain Lakes Estates development.

The Borough Administrator said the other issue is the Highlands law which restricts development in the community. There is a build and no build line down Ringwood Avenue and it puts some constraints and we have land that is environmentally challenged with wetlands. The Department of Environment Protection is making the developer do a study to meet the environment regulations and the constraints on Union Avenue also. There is not much land left to do development for ratables and growth.

Jim Weintraub said should cast the future budget and constraints against that.

Bernie Kerwin, 23 Burnside Place, Haskell said I lived through times when there was no increase to an increase. What are you going to do. Some Council got bullied and should represent all the people in Wanaque. Want things in town have to pay for it. Think about in three years and think about it you have an Election coming up in November and you can't cut the budget to nothing.

Councilman Cortellessa said we have to look at the budget better.

Denise Winston, 2217 Warrens Way, Wanaque said what is the status of the Pilgrim Pipeline.

The Mayor said we have taken a position against it.

Denise Winston said should be proactive not reactive.

The Mayor said both Houses of the Legislature passed Resolutions also.

Nick Ruhle, 63 Fredericks Street said the zero budget where are you getting it from.

The Borough Administrator said from surplus.

Nick Ruhle said once the surplus is gone the budget will go up.

Councilman Cortellessa said surplus is like a bank account and should focus on revenue.

Special Meeting
June 29, 2015

Nick Ruhle said the money being received from Lakeland Regional High School is that keeping the budget flat.

The Borough Administrator said that is not in our budget. For the Lakeland Regional High School tax rate for one hundred ninety six thousand dollars that's coming back to the taxpayers.

Councilman Pettet said we understand as a Council we are a team and we do vote for Wanaque and the taxpayers of Wanaque. If you take from surplus and give a zero budget it will not destroy us. We kept a view and can we be better we can always be better. I am disheartened by what is going on in the Country and I thought we would never go through this. The ratables should generate ratables. I have been around to see employees go and have been negotiating with the police and I am proud to live in this town. Don't let it be thought our votes are to stick it to the people. There is a small amount of surplus and there are catastrophies happening all around us and the whole Council is for the people and not to spend money or hurt people and it is a better way to go through and for the betterment of Wanaque.

The Mayor said we generated five hundred twenty five thousand dollars in surplus last year and used eight hundred eighty five thousand dollars and used a similar amount the previous years and it concerns me.

Councilman Willse said what is the right dollar amount in surplus. Not growing surplus year after year.

The Mayor said where did the surplus go over the years.

Councilman Willse said there is a line in there for tax appeals and why are we constantly adding to the savings account.

Councilman Cortellessa said we need to do a five year plan and to focus on it.

Councilman Willse said we should do it in January and February not in June.

Councilman Cortellessa said we should be operating like a Corporation.

On entertainment of the Mayor, Councilmen Cortellessa and Leonard moved a motion to approve the aforementioned Resolution.

On roll call, all voted yes, except Councilmen Pasquariello and Pettet who voted no, and the Mayor declared the motion carried.

ADJOURNMENT:

On entertainment of the Mayor, Councilmen Cortellessa and Balunis moved a motion to adjourn the meeting.

On roll call, all voted yes, and the Mayor declared the motion carried; meeting adjourned at 9:20 P.M.

Katherine J. Falone, RMC, CMC
Municipal Clerk

Special Meeting
June 29, 2015