

Work Meeting
March 10, 2014

A Work Meeting of the Mayor and Council of the Borough of Wanaque was held on Monday, March 10, 2014, at 7:05 P.M. in the Wanaque Municipal Building.

The Mayor called the meeting to order.

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

The Mayor read the following Sunshine Statement: This is a Work meeting of the Mayor and Council and adequate notice thereof has been given by advertising the date, time and place of the Work meetings in the Suburban Trends and the Herald News newspapers and was e-mailed to these papers on January 2, 2014, and a notice thereof has been posted on January 2, 2014 on the bulletin board in the Wanaque Municipal Building, 579 Ringwood Avenue, Wanaque, New Jersey and a copy thereof has been on file in the office of the Municipal Clerk.

MINUTES:

February 10, 2014 and Special Emergency Meeting March 2, 2014.

Councilman Cortellessa said there is a correction on page two the spelling of the last name. Regarding Ordinance #6-0-14 why do we continue to do this CAP bank ordinance.

The Borough Administrator said it does not affect the two percent on the tax levy. This is on the appropriation side.

Councilman Cortellessa asked if this goes against the 2% CAP.

The Borough Administrator said this does not affect the 2% CAP on the tax levy. This has to do with the appropriation bank.

Councilman Cortellessa asked what is the purpose of doing it.

The Borough Administrator said it is antiquated law but if we don't do it may this budget. It does not effect the tax rate. The two percent CAP is on the amount to be raised in taxes. The ordinance allows us to increase the appropriation size in the CAP bank. This was done before the tax levy CAP.

Councilman Cortellessa said by putting this amount aside in the CAP bank it will allow us to spend beyond on the tax side.

The Borough Administrator explained that we are eight hundred fifteen thousand dollars under the appropriation CAP. The tax levy CAP controls taxes.

The Mayor said voting for the ordinance is to put it aside in case it is necessary.

Councilman Cortellessa said there is an impact on taxes when you increase appropriation side. Next year we can decide to spend money. We are not cutting back taxes.

The Borough Administrator said the revenue side – 2014 two percent CAP on revenue. The amount to be raised controls how much we can raise in taxes.

Councilman Willse asked where does this fit between the "x's".

The Borough Administrator said this is an antiquated law put in by the State in 1977 to control on taxes. If the ordinance is not adopted it could cause problems in this years' budget looking at the two percent CAP.

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Councilman Cortellessa said the Ordinance states in statement one only increase spending point five percent. Line 2 states the Municipality can go to three and a half percent. There is confusion of spending more than the CAP. Not sure what impact it will have on this year's budget.

The Borough Administrator said if the Ordinance is not adopted the CAP from prior years would go away. 2012 and 2013 are available to us now - eight hundred fifteen thousand eight hundred twenty three dollars and forty three cents is the amount.

Councilman Cortellessa asked where would you get the money.

The Borough Administrator said go to the revenue side and you would have to come up with revenues to do that. The 2014 tax levy CAP is controlling this.

Councilman Cortellessa asked if we decide to spend additional money could we spend it.

The Borough Administrator said if it is an emergency you can spend the money. If it is a grant you have to do a Chapter 159 to be able to spend the money. If there is an emergency, the Council adopts a resolution which authorized the spending of funds for the particular purpose and is raised in the following year's budget.

Councilman Willse said the CAP bank has eight hundred thousand dollars. How can you spend it.

The Borough Administrator said that's why this is obsolete law. You can only raise taxes by the 2% tax levy CAP. If you don't adopt the Ordinance it can have a significant effect on next years' Budget. The process does not make sense. The budget is thirteen million two hundred fifty two thousand nine hundred thirty seven dollars and forty two cents. Water utility one million nine hundred fifty eight thousand six hundred twenty five dollars and Sewer is four million three hundred fifty three thousand four hundred dollars. It is a three percent increase and the average homeowner increase is sixty dollars. The covered costs are for snow removal, the salt storage is full, budgeted for tax appeals, salaries and it is constructed with the bond rating in mind. We hope to do permanent financing for debt late this year or early next year and are planning for a Moody's rating. We stayed fiscally conservative taking advantage of some retirements and this gives us sufficient funds to operate on a day to day basis.

The Mayor said it is under CAP.

The Borough Administrator said the budget is five hundred fifty eight thousand dollars under the tax levy CAP.

Councilman Cortellessa asked if the one hundred thirty two thousand dollars down payment for Borough Hall do we get that money back.

The Borough Administrator said it is five percent cash down payment for Borough Hall.

Councilman Cortellessa said ten percent of the surplus - 2.4 million dollars is nine hundred fifty thousand dollars.

The Borough Administrator said it is ten percent of the amount to be raised by taxes.

Councilman Cortellessa said I need to sit down and understand the significant percentages and increases. Some increases are twelve percent and the reserve for tax appeals.

The Borough Administrator said we approved two last month the Holiday Inn and Lakeland Health Care Center. Some revenue was one shot which enabled to increase surplus and pay off one time expenses.

Councilman Cortellessa said the telephone expense is going up sixty five percent for the new building.

The Borough Administrator said the cost for outside departments came in higher than I anticipated and under estimated the amount.

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Councilman Cortellessa said I need to discuss this with you.
The Borough Administrator said sure.

ORDINANCES:

Public Hearing of Ord. #3-0-14:

Re: Amend Chapter 91, "Sewers" to amend the Connection Fee

Public Hearing of Ord. #4-0-14:

Re: Amend 2014 Salary Ordinance

Public Hearing of Ord. #5-0-14:

Re: Amend Re-Development Plan – Block 435, Lots 5 and 5.01

Introduction of Ord. #6-0-14:

Re: CAP Index Rate

INTRODUCTION OF THE 2014 CURRENT AND WATER UTILITY BUDGETS -
Resolution #64-0-14 and Resolution #65-0-14 – Deferred School Taxes and other
Budgetary Resolutions:

The Borough Administrator gave a presentation on the budget.

Resolution #65-0-14:

Re: Deferred School Taxes

Councilman Balunis:

Councilman Balunis reported the First Aid Squad had one hundred calls last month and the Blood Borne Pathogen training was done last week. With regard to Recreation basketball is done and they got through the security issues and they introduced the budget and it passed and there is no increase over the last year.

Councilman Cortellessa:

Councilman Cortellessa said I would like to commend the Road and Water departments on the tremendous job with the weather and salt issue.

Councilman Leonard:

Councilman Leonard said reported the PTA Tricky Tray is April 12th and the Education Foundation is going to have a scrapbooking for the day on March 29th at the Golden Age Club.

Councilman Pasquariello:

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Councilman Pasquariello reported on the February report, read the police report and they participating in AWARE and the cadet graduated from the academy.

Councilman Cortellessa said did the statistics increase due to the weather.

Councilman Pasquariello said they are about average.

Councilman Pettet:

Councilman Pettet reported Lakeland Regional High School has a new principal and they are doing share services for the phone system between Ringwood and Wanaque. Also Mr. Riscia is happy with the police being in Lakeland Regional High School.

Councilman Willse:

Councilman Willse reported the Fire department had sixteen alarms, four drills, three meetings, fifty one events, one thousand one hundred thirty one man hours and there are two membership applications on the agenda.

Councilman Cortellessa said what is the mother lot for the resolution.

The Borough Administrator said the original lot. There was a computer error and the software company is aware of it. There was another one done prior for the same thing.

Councilman Balunis said what is de-watering.

The Borough Administrator said to pump the basement out.

Councilman Cortellessa said what is Resolution #65-0-14.

The Borough Administrator said the Borough holds funds for Lakeland Regional High School and pay them and collect the money for them.

The Borough Attorney said it is a sophisticated court case for hotels. You can just tax on the land value and we looked at the revenue stream coming in and the Tax Appraiser analyzed the actual discounts coming in and they were lower so there was a settlement.

The Mayor said there is a new law fairly recent for appraising hotels.

The Borough Attorney said we have to go by the new law and the Appraiser looked at it and agreed to settle it.

The Mayor said the town would have to pay if they won the appeal.

The Borough Attorney said the Assessor can re-evaluate it after a period of time.

Engineer:

The Borough Engineer said they took borings from Westbrook Road and working on the design for the guardrail and have to get it to the Department of Transportation.

Councilman Cortellessa said will they level the road out.

The Borough Engineer said they will level the road out and will not touch the reservoir property.

Administrator:

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The Borough Administrator reported we have a floor which they poured today and by the end of the week the studs and walls should be going up. We had a meeting a couple of weeks ago with the electrician and everyone is on the same page.

Councilman Leonard said what is the status of the vehicles on the property at the Borough garage.

The Borough Administrator said we are selling those and taking the rest for scrap metal.

Councilman Leonard said the salt prices are going up and is there a way to do a study cost to expand the depth of the salt supply and increase the size of the back to fit more salt and validate the cost increase of the salt.

The Borough Administrator said most storms the salt is still there. This is the first time since 1996 the salt has been emptied. I'll take a look at it and there are Department of Environmental Protection regulations.

Attorney:

The Borough Attorney said I have no report.

PUBLIC DISCUSSION:

The Mayor opened the Public Discussion.

Marv Lieman, 4312 Warrens Way, Wanaque said the budget is a three percent increase based on the two percent increase do all the homeowners get an increase.

The Mayor said there is a two percent CAP and pension and health benefits are outside the CAP.

The Borough Administrator said tax appeals add up to two hundred thousand dollars if not more and spread it out over five years it would affect the next five years budgets.

The Mayor said the revenue offset revenues.

Marv Lieman said the revaluation how much do we save.

The Borough Administrator said it goes back years.

Marv Lieman said have you seen decreases.

The Borough Administrator said every three years people can appeal.

Marv Lieman said how many appeals are there.

The Borough Administrator said not a lot. Less appeals there are few reductions given.

Jules Figula, 3202 Warrens Way, Wanaque said you are introducing the budget tonight and in April you will have the hearing and in May you will adopt the budget.

The Mayor said no we are introducing the budget tonight and in April will be the public hearing and adoption of the budget.

Jules Figula said how do I ask questions before the adoption.

The Mayor said you can ask the Administrator.

Jules Figula said I have looked at the budget and I will have other questions.

Frank DiPaolo, 2413 Warrens Way, Wanaque said what was the surplus now it is two and a half million and what was last years' surplus.

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The Borough Administrator said last year it was three hundred thousand dollars and the Candle factory revenues were higher and came in higher than anticipated.

Frank DiPaolo said nothing is earmarked that we will have to pay for in the surplus.

The Borough Administrator said seven hundred thousand dollars. The policy is for the surplus to maintain ten percent.

Frank DiPaolo said nothing is earmarked for development.

The Borough Administrator said no.

Frank DiPaolo said permanent financing how much.

The Borough Administrator said fourteen million or nine million.

Frank DiPaolo said the interest rates are going up why wait.

The Borough Administrator said the arbitrage law you have to wait.

Frank DiPaolo said you can't do anything sooner than that.

The Borough Administrator said no.

Frank DiPaolo said what is the long term rate going to be.

The Borough Administrator said three and a half percent to four percent.

Frank DiPaolo said it would be four or five percent not three and a half to four percent.

The Borough Administrator said we are tied to the arbitrage law and have to wait to the end of the year.

Frank DiPaolo said three hundred sixty thousand dollars interest alone on nine percent and twenty five years to pay it off.

The Borough Administrator said it is up to the Bond Counsel – explain to Moodys and upgrade the Municipal bond rating and we are tied when we can go out for it.

Frank DiPaolo said eight hundred thousand dollars payment to pay down nine percent where is that money going to come from. You must have an idea where the money is going to come from.

The Borough Administrator said that goes into our budget.

Frank DiPaolo said New Jersey is the highest taxed State and Wanaque Reserve residents are going to lose out.

The Borough Administrator said we probably will not be doing principal payment. The financial people will sit down and go over the numbers. Structure the debt payment to not go out for taxes.

Frank DiPaolo said go out for thirty to forty years and it still has to be paid. Piling on fourteen million dollars in debt and you people have to realize there are people in town living below the poverty level. When have taxes gone down and they keep going up.

The Borough Administrator said we can have this conversation when I have the information.

Frank DiPaolo said okay. Thank you.

Joan White, 3 Second Avenue, Haskell said for the Ordinance on redevelopment what will happen with the soil contamination on the property.

The Mayor said it will be cleaned up per the Department of Environmental Protection.

Joan White said is the sewer enough to handle the units.

The Borough Administrator said there is enough capacity.

Joan White said the traffic will be horrendous.

The Borough Attorney said there will be a Planning Board meeting and they will address any items and concerns then.

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The Mayor closed the Public Discussion.

CONSENT AGENDA:

Resolution #60-0-14:

Re: Redemption of Tax Sale Certificate #12-00023 for Block 461, Lot 4 in the amount of \$2,654.92 for the Certificate and \$2,700.00 for the premium

Resolution #61-0-14:

Re: Refund of overpayment for Block 432, Lot 38 for the 1st Quarter of 2014 in the amount of \$29,779.65

Resolution #62-0-14:

Re: Credit for a Water over billing at 34 Rockridge Road due to a software error

Resolution #63-0-14:

Re: Budgetary Transfers

None.

Payment to State of New Jersey, Division of Pensions and Benefits:

Re: Annual Employer Appropriation – PFRS in the amount of \$627,260.00

Payment to State of New Jersey, Division of Pensions and Benefits:

Re: Annual Employer Appropriation – PERS in the amount of \$257,177.00

Two (2) Membership Applications from the Fire Department:

Re: 1) Kyle Lindenthaler and Raymond Cifelli – Company #2 effective immediately

Resolution #66-0-14:

Re: Amend 2014 Salary Resolution

Application for Raffle License:

Re: Wanaque First Aid Squad Auxiliary – RA:866

Application for Taxicab License:

Re: Thomas Struck, 11 Park Avenue, Haskell

Resolution #68-0-14:

Re: Change Order #4 – UniMak LLC – Borough Hall Construction in the amount of \$15,373 – De-Watering

Resolution #69-0-14:

Re: Approve progress payment #8 – UniMak LLC – Borough Hall Construction in the amount of \$32,707.50

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REGULAR REPORTS - PROFESSIONAL REPORTS:

1. Clerk's Receipts for February 2014 -
2. Police Department Report for February 2014 -
3. Tax Collector's Report for February 2014 -
4. Municipal Court Report for February 2014 -

COMMUNICATIONS: None.

NEW BUSINESS:

Closed Session:

Re: Litigation/Negotiation/Personnel

UNFINISHED BUSINESS: None.

RESOLUTIONS:

Resolution #67-0-14:

Re: Appoint Herb Bachmann as Laborer - DPW

FINANCE REPORT:

ADJOURNMENT:

On entertainment of the Mayor, Councilmen Pasquariello and Willse moved a motion to adjourn the meeting.

On roll call, all voted yes, and the Mayor declared the motion carried; meeting adjourned at 8:30 P.M.

Katherine J. Falone, RMC, CMC
Municipal Clerk