

**BOROUGH OF MOUNT ARLINGTON
COUNCIL MEETING MINUTES
SEPTEMBER 15, 2008**

1. Call to Order

- 2. Adequate notice** of this meeting of the Mayor and Borough Council of the Borough of Mount Arlington was given as required by the Open Public Meetings Act as follows: Notice was published in the Daily Record on Friday, September 5, 2008 and the Roxbury Register on September 11, 2008; notice was posted on the bulletin board in the main hallway of the Municipal Building on September 4, 2008 and has been available to the public; notice of this meeting is on file in the office of the Borough Clerk.

In accordance with the Open Public Meetings Act (N.J.S.A. 10:4-1 et seq.). The Borough Council opens every public meeting for comments of the public. However, in accordance with N.J.S.A. 10:4-12 : “Nothing in this Act shall be construed to limit the discretion of a public body to permit, prohibit or regulate the active participation at any meeting,....”

Speakers at Borough meetings shall have five minutes (limited to three minutes this evening due to the amount of those wishing to speak), to present their comments to the Borough Council so as not to consume time that would otherwise be allotted to other persons who wish to speak. Speakers shall be courteous to the Council and other persons attending the meeting. Offensive remarks or unruly behavior will not be allowed and anyone who violates this policy will be barred from participating in the meeting.

3. Flag Salute

The Mayor asked for a moment of silence to remember our troops overseas and those residents of Texas and Louisiana who have suffered from the recent hurricane.

4. Roll Call

Council President Driscoll, Councilman Sorge, Councilwoman Galate Goodman, Councilwoman Mulligan, Councilwoman Cerasoli, Councilman Doran, Mayor Ondish, JoAnne Sendler, Borough Administrator, Matthew Giacobbe and Mitchell Jacobs, Borough Attorneys, Bud Jones, Borough Accountant, Joseph Kovalcik, Borough CFO, Daren Phil, Borough Engineer, Jack Marchione, Tax Assessor, and Carolyn Rinaldi, Finance Department, were also present.

5. Open to Public – Not Related to Public Hearing on Budget Introduction

Dick Schumm, 55 Ridgeview Lane:

- Mr. Schumm asked if the Borough paid for the snowplowing of Nolan's Ridge. The Mayor stated that when Kara went bankrupt and the residents had no way of clearing the roads, the Borough made arrangements to plow; however, the Borough never had to plow and no Borough funds were expended for snow removal.
- Mr. Schumm stated that the new sign does not meet the plans submitted. Daren Phil explained that he has the certified plans from the Land Use Board and will meet with Ridgeview to discuss any discrepancies.

6. Ordinances – Introduction

None.

7. Ordinances – Second Reading

- 11-08** An Ordinance of the Borough of Mount Arlington, County of Morris, State of New Jersey, To Exceed the Municipal Budget Appropriation Limits and To Establish A CAP Bank.

The Mayor opened the Hearing to the Public on Ordinance #11-08 and read the Ordinance by title.

Council President Driscoll stated, I move for adoption and final passage of Ordinance #11-08.

Second: Councilman Sorge.

Roll Call:

Ayes: Council President Driscoll, Sorge, Galate Goodman, Mulligan, Cerasoli, Doran.

The Mayor declared that Ordinance #11-08 is passed on second reading and directed the Clerk to publish the notice of adoption as required by law.

8. Resolutions

- 2008-113 Public Hearing** on the Resolution of the Mayor and Borough Council of the Borough of Mount Arlington, in the County of Morris, State of New Jersey, Introducing the 2008 Municipal Budget.

The Mayor gave a brief introduction prior to opening the Public Hearing. The Mayor stated that he took an oath to do his best, as did each and every Council member, to serve this Borough to best of their ability. The Mayor stated that as a leader, he has established a team and introduced all on the dais and the professionals in the room; even if those in a leadership position are not liked, they must be respected. The Mayor stated that we will cover all the questions residents have tonight and a list of questions received last week from a group of residents. The Mayor stated the budget has been created and crafted by professionals and after we review it, we accept it as a plan for the Borough; it is a good plan that not only works for this year but works for the future. There are a lot of circumstances beyond our control and the state has placed a lot of pressure on all municipalities in NJ. The Mayor stated he stands behind every decision Council makes; improvements on the infrastructure, equipment, buildings, sewer and water protect the assets of the Borough. The Mayor stated the Borough has really improved but with that comes more professionals and more services. The Mayor stated that even after this tax increase, Mount Arlington will be one of the three lowest taxed towns in Morris County. The Mayor stated one of the biggest problems was the announcement of a 43% increase in Mount Arlington, which is not true; it is a 43% increase of the municipal portion of the tax dollar, which is twenty-eight cents out of your tax dollar. The Mayor explained the delay between the budget introduction and the Public Hearing was due to problems with meeting with the state regarding our waiver.

Joseph Kovalcik, CFO, stated that the 2008 budget delay is the result of the governor's reduction in state aid to municipalities, and also the fact that Mr. Kovalcik is new to the Borough. Mr. Kovalcik stated that the Borough is looking at 2008 and 2009 as well; we must look at the economy in order to prepare the budget accurately. Mr. Kovalcik explained that state law mandates that we cannot anticipate a revenue greater than what was realized the year before; the more money we take in, the more money we have in fund balance. The Borough is looking to find additional sources of revenue, and examining our services. State law mandates that the municipality is required to pay the county and school tax dollars prior to satisfying their own obligations; when taxpayers are delinquent, this interferes with the Borough's cash flow. Mr. Kovalcik spoke at length about the budget cap, the needs of the departments, and key areas of increases (police, dial-a-ride, insurance, utilities and condo costs, library, municipal sewer and water costs, pension costs, and legal services). Mr. Kovalcik stated that revenues have declined and in the past, the Council had utilized some of the reserves to keep the taxes in line. Mr. Kovalcik spoke at length about debt service and bond debt.

The Borough Attorney spoke about the Kelly Law which states that private condo association's pay for their own snowplowing, leaf removal, garbage pick up, etc.; since the condo residents are all taxpayers of the Borough, the Kelly Bill requires the Council to give back that portion of money spent each year to the condominium associations.

The Mayor introduced Assemblyman Merkt who had requested to speak. The Assemblyman stated the county is facing a tough budget year and a large part of the problem derives from the state budget; the state has cut both individual property tax relief and state aid to municipalities there are numerous state mandates dictated to municipalities. The Assemblyman stated that for two years the state has looked into the issue of consolidation, which can indeed save some money, but is not a panacea for property taxes.

The Mayor stated that each individual would have three minutes to speak.

Pete Laue, 1 Brookside Lane:

- Mr. Laue presented the Mayor with a petition, a symbol of residents' frustration and dissatisfaction with the current budget and those who are against the tax increase. Mr. Laue wanted to be sure that the residents could count on the Mayor and Council to be candid and transparent in answering their questions. Mr. Laue asked the Mayor if he would be responsive and responsible and willing to do what it takes to move along with this budget. The Mayor reiterated that he and all Council took an oath to serve the Borough to the best of their ability.

Gene Paradiso, 206 Howard Boulevard:

- Mr. Paradiso discussed the surplus account, expense items, and bonding; he was given permission by the Mayor to remain asking questions for the majority of the residents in the audience and the questions submitted to Council prior to the meeting. Mr. Paradiso stated that the budget was struck in March and even though we did not have the municipal aid numbers, the budget could have been presented to the public prior to today; it was not misinformation, the public had no information. The Mayor stated that in the last six years, very few attended our budget meetings and there were few if any questions. Mr. Paradiso questioned the budget items line-by-line items, focusing on surplus, amount of credit, landfill costs, condominium fees, the tax maps, bond debt, the Mayor's expenses, library budget, share grant, engineering costs, computers, open capital projects, dial a ride, the train station event and department expenditures. Mr. Kovalcik and Mr. Jones explained the budget cuts, the line items questioned and detailed the bond debt. Mr. Kovalcik stated that looking at the line items does not reflect all that is included in that line. Mr. Kovalcik stated that almost $\frac{3}{4}$ of the 2008 budget has been expended.

Steve Sadow, 124 Ondish Court:

- Mr. Sadow stated that the tax increase is due to expenses such as the expanded police force and unpaid expenses related to debt consolidation. Mr. Sadow said that there are more seniors moving in to the Borough which brings more responsibilities to the municipality such as fire trucks to reach 3-1/2 story buildings, safe roads, etc., , which all cost money. Mr. Sadow proposed Council resurrect the citizens financial advisory committee with the purpose to work together with the Council on budget issues.

Mary Cilurso, 7 Brookside Lane:

- Ms. Cilurso had recently submitted an OPRA request for budget session meeting minutes but was told the Borough does not hold, nor record, budget meetings. Ms. Cilurso suggested open meetings with department heads and Council to review their budgets line-by-line publicly. Ms. Cilurso also questioned a salary item which Mr. Kovalcik explained as a reallocation of funds, decreased from another line, not additional money.

Richard Schumm, 55 Ridgeview Lane:

- Mr. Schumm stated that the people living here are facing financial problems and we must get the budget in line, even if it means postponing jobs, not re-doing the town hall, etc.; we must cut cost with a surgical knife.

The Mayor introduced the Borough Tax Assessor, Jack Marchione. Mr. Marchione stated that there would be a presentation regarding property tax assistance programs on Monday October 6th at 4:00 at Borough Hall. Mr. Marchione said that there are state programs that offer assistance and gave some parameters of these programs.

Dick Ashton, 134 Ridgeview Lane:

- Mr. Ashton asked at what level of increase does the municipality have to show before going to the state; what is that percentage. Mr. Jones stated that If the increase is over 4% excluding reduction in state aid, increase capital or debt service, we need state approval. Mr. Jones stated we were looking for a waiver of \$342,000 but the state granted a waiver of \$200,000; the state does not comment on going forward, their only concern is 2008.

Irwin Hoffer, 128 Ridgeview Lane:

- Mr. Hoffer stated that the Mayor had stated that the attributes of a good leader is to pick a good team and complimented Joe Kovalcik. Mr. Hoffer said the Mayor should look at the group tonight and admit there is a problem. Mr. Hoffer suggested forming a financial committee and was impressed with the knowledge of the present resident finance committee.

Veronica Silkes, 668 Succasunna Road:

- Ms. Silkes questioned the August 2007 check register where a \$3.3 million check was paid as a deposit to our trust; was that for the \$3.1 million dollar bond. Mr. Kovalcik explained that was to pay back the bond anticipation note that we raised the debt for; we paid off the note, we brought the debt forward into the 2007 bond issue. Ms. Silkes asked when the Mayor realized that the fiscal crisis was here and the Mayor replied that a year ago March we knew all these expenses were coming up and that's when we proceeded with the police study because it is the biggest expense of the Borough. The Mayor stated we were in good shape until the state hit us with all these decreases, increases and numbers. Ms. Silkes asked how the Borough can cut back and the Mayor reiterated that we cannot cut any more from our budget.

Colleen DeGraw, 110 McGregor Avenue:

- Ms. DeGraw stated that she was part of the resident finance committee and there was nothing politically motivated by her involvement; it was just to obtain more information. Ms. DeGraw stated that the school budget was not adopted by 32 votes and members of the Council said that was a mandate which meant they had to make meaningful cuts to the budget; she compared that to the number of signatures on the petition and asked if that would qualify as a mandate. The Borough Attorney stated that law requires that if the school budget is defeated, the Mayor and Council and Board representatives must hold a hearing; the petition is simply a recommendation of signatures of residents who are unhappy with the budget. The Borough Attorney stated that there is legislation at the State right now addressing the possibility of making the school budget process akin to the municipal budget and possibly not having residents vote.

Lynne Song, 104 McGregor Avenue:

- Ms. Song complimented the Mayor and Council for their efforts but asked that after listening to residents for 2-3 hours, will the Mayor and Council be going back to the drawing board and incorporate some of the suggestions and comments made tonight.

Steve Sliasky, 3 Larson Lane:

- Mr. Sliasky stated he is sure the Mayor and Council have good intentions but they need to look at the budget very closely, as the residents are requesting.

Drew Cloud, 678 Reba Road:

- Mr. Cloud stated he has been in town for 20 years and never saw this type of increase; he said the increase will cause great hardship to the residents versus the hardships of Council making decisions to cut the budget. Mr. Cloud wants the Mayor and Council to be more receptive to suggestions and stated the continued capital projects and the train station event seem to be extravagant expenditures. Mr. Cloud asked what the residents can expect in the next budgetary year; will we see a fall back similar to past years or will this be a new baseline. Mr. Kovalcik stated that looking at projections and increases of this year, the Borough is looking at 20% increases again.

Karl Wehymeyer, 12 Berkshire Avenue:

- Mr. Wehymeyer stated he would like to have been notified earlier in the year that the taxes were going to be increased. Mr. Wehymeyer said that regarding services, there are volunteers available, such as the Cub Scouts and other volunteers that could easily clean up our Borough and make it a better place. Mr. Wehymeyer also requested water be provided for a crowd this size.

Stephen J. Lardiere, 45 Kadel Drive:

- Mr. Lardiere stated that he thought a citizens committee was a great idea in an effort to try to get more transparency in government. Mr. Lardiere said he would like a referendum if the Council has a large bond expenditure. Mr. Lardiere also asked that Council allow the public to obtain public information without OPRA requests as it would show good faith. The Mayor stated we are currently working to get everything on line; the OPRA request procedure is state mandated. Mr. Lardiere wanted to encourage the Council to consider not spending the money for items that were bonded; stop the projects and do not spend the money.

Scott Levitt, 137 Crestview Lane:

- Mr. Levitt asked which condo association was covered under the Kelley Law because if it was Nolan's Ridge, the project is not complete; the Borough Administrator will look into his question. Mr. Levitt asked how many taxable entities does the Borough have, both residential and business; Mr. Marchione stated approximately 2500 (line items). Mr. Levitt asked the number of attorneys the Borough currently employs; the Borough Attorney, Land Use Attorney, Bond Counsel, Prosecutor, Public Defender and Special Counsel and all are paid for their time by the hour, not retained by salary.

Paula Danchuk, 50 Elizabeth Way:

- Ms. Danchuk feels that the Mayor, Council and staff came to this meeting without an open mind; she said that when they were in Trenton last week, the State Local Board asked the Borough officials if knowing that we were having this meeting tonight, if anything would change and at that time the Mayor stated that no changes would be made to the budget. Ms. Danchuk said that she hoped the other Council members that did not attend the meeting in Trenton would step up and listen to the residents. Ms. Danchuk asked what the Council can do to offset the loss in state aid and why didn't the Borough apply for extraordinary aid. Mr. Kovalcik stated that extraordinary aid is for distressed cities; Mount Arlington could not qualify for extraordinary aid but we can try to make an application due to the 2008 budget. Mr. Jones stated that the budget has to be introduced in February, 2009 and the application has to be filed by the end of February. The Mayor confirmed that he did say that the budget would not change but will work with Council and the professionals to see if anything else can be done, but to bear in mind that cuts will be reflected as increases next year.

Sheila Studint, 88 Ridgeview Lane:

- Ms. Studint asked the tax rate if the budget stays as discussed tonight. Mr. Kovalcik stated that the overall tax rate estimated will be \$2.13 per hundred, which includes the total budget.

Henry Berkhardt, 80 Ridgeview Lane:

- Mr. Berkhardt stated we have been here 3 hours and one of the other speakers stated that the Mayor said no changes would be made despite what occurs at this meeting; hopefully there will be some kind of understanding as to what people have said and that Council won't vote on the budget tonight and confer with each other again to review what kind of changes can be made.

The Mayor stated that Council is not voting on the budget this evening.

John Meehan, 141 Orben Drive:

- Mr. Meehan stated that since the Council members are all residents and their taxes are going up just like everyone else's, Council should rethink the budget and rethink the whole process.

Mike Walraven, 150 McGregor Avenue:

- Mr. Walraven asked about the debt service and the fixed rate of the bond. Mr. Kovalcik stated the payments are for principle and interest. Mr. Jones stated that the bond is set, there is no revenue from the bond; the bond is permanent financing for projects, the proceeds for the bond are in the general capital fund, not revenue.

Bob O'Donnell, 33 Edgemere Avenue:

- Mr. O'Donnell stated that he understands the state cuts, increases, etc., but feels the Council has control over projects in town; in good times, the projects that have been done are great but in these times, we cannot pay for new projects. Mr. O'Donnell stated that even though the Borough is paying with grant money, we still have to come up with the balance; the majority of residents would vote against new projects right now.

Rich O'Connell, 30 Rogerene Way:

- Mr. O'Connell stated that he has supported the Council in the past election years but this increase is outrageous. Mr. O'Connell asked how the Borough would cut services because Lake Rogerene does not get any services. Mr. O'Connell stated that Council voted down the school budget but next year he will be looking at that more closely as well.

Kristine Perrette, 33 Richard Drive East:

- Ms. Perrette stated that she does not believe we are getting our insurance money back but rather it is going into surplus. Mr. Kovalcik stated it was for excess receipts of revenue; if you anticipate \$100,000 and you take in \$125,000, \$25,000 goes into the fund balance. Ms. Perrette asked what is being done to be sure that the 2009 budget does not have a similar increase; Mr. Kovalcik stated we are looking at possible shared services.

Alfred Soliman, 22 Mulberry Lane:

- Mr. Soliman asked how many Council members attended the budget meetings and how many agree on the budget. The Borough Attorney stated that Council introduced the budget on July 14th and explained the process of introduction, Public Hearings and voting on the budget. Councilwoman Mulligan stated that Council did not receive a hard copy of the budget until the night of the July 14, 2008 Council Meeting; she has continually asked for the budget summary and worksheets and has received nothing to date and was not privy to any budget meetings prior to receiving the hard copy. Councilwoman Galate Goodman stated that she had questions as well and when she received the hard copy, she made an appointment with the Administrator and reviewed it line-by-line; she had ample time to review the budget, along with the audit and did her due diligence in being prepared. Mr. Soliman felt that the Council is not prepared and should have come up with a better budget; the tax increase is outrageous and Council should be working on lowering taxes not increasing them.

Eric Stone, 582 Audrey Road:

- Mr. Stone stated he understands the task of the budget for the Council and the school administration is also faced with the same task. Mr. Stone asked what the two administrations can do collectively since the two budgets equal almost all the taxpayer dollars; how can we work more closely together to minimize the impact on the community. The Mayor stated we share services with the school and we have always offered to help the school; we should work together but feels animosity between the two boards and stated there should be citizens from both boards on the resident finance committee. Mr. Stone stated that he recognizes there are some old buildings (assets) that the town owns, sitting vacant, and asked if there was thought in selling those assets rather than holding them. The Mayor stated that both buildings are so far in disrepair that the Borough cannot spend the money on renovations; the Mayor would rather look at sustainable cuts that will last forever. Councilwoman Galate Goodman stated that we were looking into a committee to work on increasing revenues; putting a committee together not just for the budget but to address other problems and increase revenue with something sustainable that will bring in revenue every year.

The Mayor closed the Public Hearing on Resolution #2008-113.

2008-139 Resolution of the Mayor and Borough Council of the Borough of Mount Arlington, in the County of Morris, State of New Jersey, Amending the Introduced Budget.

Motion to Approve: Councilman Sorge.

Second: Councilwoman Cerasoli.

The amendment represents a reduction in the budget by \$142,716.77.

Roll Call:

Ayes: Council President Driscoll, Sorge, Galate Goodman, Mulligan, Cerasoli.

Nays: Doran.

Motion Approved.

The Clerk read the resolution into the record.

The Borough Attorney explained that due to the cuts made by the State on Wednesday, the budget had to be amended to comply with those cuts. This amendment merely acknowledges the state cuts and will be heard at a Public Hearing according to law. Councilwoman Mulligan stated she was under the impression that there were two more meetings for work to be done on the budget. Mr. Paradiso expressed that Council should make more cuts and pass one amended budget but the Borough Attorney again reiterated the process. Councilman Doran stated that he had no intention of passing this budget as is and asked to table this amendment, have meetings during the week and then vote on the final budget. Mr. Jones stated that the budget must be at the state and county by September 29, 2008 and the advertisement for a Public Hearing must be published three days prior to the hearing.

Motion to Amend Resolution # 2008-139 to hold the Public Hearing on the Amendment #2008-139 on Sunday, September 21, 2008 at 10:00 a.m. at MAPS School; Final Adoption will be Friday, September 26, 2008 at 6:30 p.m. at MAPS: Council President Driscoll.

Second: Councilman Doran.

Roll Call:

Ayes: Council President Driscoll, Galate Goodman, Mulligan, Cerasoli, Doran.

Absent: Sorge (left meeting)

Motion Approved.

9. Motions**1. Raffle License Application:**

- Application for Raffles License, Lake Hopatcong Elks #782, for January 17, 2009; off-premise raffle to be drawn at 201 Howard Boulevard, Mount Arlington. Mount Arlington.

Motion to Approve: Councilman Doran.

Second: Councilwoman Galate Goodman.

Roll Call:

Ayes: Council President Driscoll, Galate Goodman, Mulligan, Cerasoli, Doran.

Absent: Sorge (left meeting)

Motion Approved.

10. Adjourn

Motion to Adjourn: Councilwoman Galate Goodman.

Second: Councilman Doran.

All in Favor – Aye, None Opposed.

Motion Approved.

Linda DeSantis, RMC
Borough Clerk

Minutes, with typographical correction, approved at Council Meeting of October 13, 2008