
TOWNSHIP OF WEST MILFORD, COUNTY OF PASSAIC, NEW JERSEY

Minutes of: Township Council Special Meeting
Date of Meeting: February 19, 2009
Time of Meeting: 7:30 P.M.
Minute Page No: Page 1 of 4

Mayor Bettina Bieri called the Special Meeting of the West Milford Township Council to order.

Adequate Notice Statement

Mayor Bieri read the following statement:

Please note that in accordance with Chapter 231, Public Laws of 1975 of New Jersey, adequate advance notice of this special meeting was transmitted to the Herald News on February 8, 2009; copies were provided to the Record, Star Ledger, Suburban Trends and Greenwood Lake News and posted continuously on the bulletin board in the main corridor of the Town Hall and on file in the Office of the Township Clerk.

Pledge of Allegiance

Mayor Bieri led all in attendance in a salute to the flag.

Roll Call

Present: Councilmembers Philip Weisbecker, Joseph Smolinski, Salvatore Schimmenti, Robert Nolan (arrived @ 7:45 p.m.), Marilyn Lichtenberg, Daniel Jurkovic, Mayor Bettina Bieri.
Absent: None.
Also Present: Township Administrator Kevin Boyle, Township Clerk Antoinette Battaglia, Chief Financial Officer Arthur Magnotti.

Agenda No. II

Purpose

Mayor Bieri advised that the purpose of this meeting is to continue reviewing the 2009 municipal budget. She deferred to the Chief Financial Officer, Arthur Magnotti, and the Health Officer, William Wallace.

Agenda No. III

Review of 2009 Municipal Budget

Mr. Wallace advised that he is anticipating that revenue will be level this year and he reviewed the revenue numbers for each division. With regard to operating expenses, Mr. Wallace advised that he is requesting a significant increase to the appropriations for the Building Standards Board. Currently, two properties have been identified as an imminent threat to public safety and they must be demolished. An additional three properties were subjected to arson last year and those will require boarding up. He explained that the cost to demolish or board up a building are borne by the Township, a subsequent lien is placed on the property and the funds are ultimately restored. Discussion ensued as to the process, the Township's obligations in such circumstances, the insurance process and the timeliness of insurance payouts. Councilman Schimmenti, the liaison to the Building Standards Board, shed light on some of these issues.

Mr. Wallace noted that, as with all departments, his budget reflects a new line item for stationary. In response to queries from Council, he explained that the internal accounting process has been reconfigured to apply expenditures to the appropriate accounts. He advised that a bi-annual dog census is required by the State of New Jersey and West Milford has not complied with this mandate since 1992. Additional part-time staff will be required to conduct the initial census and the Animal Control Officer will supervise and participate in the process. Discussion ensued about mainstreaming the application process, the steps being taken to make it more applicant-friendly, and the new inter-departmental computer program that will be used.

Mr. Wallace advised that the only increase being requested in vital statistics reflects the 4% increase in the interlocal contract with Bloomingdale for the provision of these services. He stated that the appropriations for animal control have remained flat. Councilman Jurkovic asked if the appropriations made for the animal shelter in 2009 could be reduced to help minimize the impact on taxpayers. He noted that the animal shelter submitted reports indicating that they have surplus funds. Mayor Bieri began answering these queries and Council President Smolinski suggested that it would be appropriate for her to recuse from this discussion. Mayor Bieri offered to recuse should the Council deem it appropriate to which Councilman Jurkovic replied that he simply wished to ascertain if the animal shelter could function without municipal funding this year. Discussion ensued about part-time employees in animal control and the appropriations and expenditures for overtime. Mr. Boyle commented that this is a service industry and callouts are common.

Councilman Nolan asked if the Health Officer had researched the potential for shared services agreements with other municipalities for health services. Mr. Wallace recalled that, during the interview

TOWNSHIP OF WEST MILFORD, COUNTY OF PASSAIC, NEW JERSEY

Minutes of: Township Council Special Meeting
Date of Meeting: February 19, 2009
Time of Meeting: 7:30 P.M.
Minute Page No: Page 2 of 4

process, he discussed this subject with the committee. At that time, it was determined that the Health Officer should spend one full year acclimating to West Milford, address existing issues in his department and then begin the process of seeking to be the lead agency in interlocal agreements with other municipalities. He intends to comply with this timeline and directive. Mr. Wallace advised that there are no capital requests in his budget. The Mayor and Council thanked him for his attendance this evening.

Mayor Bieri introduced the Township Auditor, Chuck Ferraioli, and invited him to address the Council. Mr. Ferraioli advised that many municipalities throughout the State are realizing decreases in revenue and equalized value. Between 2007 and 2008, true real estate values increased but the market is experiencing a significant decline at this time with all indications that this will continue possibly into next year. This will have an impact on the Township's debt and he is concerned that decreasing real estate values will affect the Township's bond rating. Other municipalities are already feeling the brunt of being down rated and Moody's has clearly stated that they anticipate down rating a number of New Jersey municipalities. The Township may wish to accelerate capital projects to qualify for stimulus funding but should recommend only proceeding with those projects that have grant funds attached. Mr. Ferraioli reviewed bond ordinances advising that if a municipality borrows more than \$10 million in one year, banks are precluded from bidding. However, as part of the stimulus bill, that amount has now been raised to \$30 million. The more notes sold in a given year, the greater the impact on the succeeding years' budgets. He recognized that the Council had previously questioned why West Milford did not seek funding through the Passaic County Improvement Authority (PVIA). He advised that he serves as Auditor for Haledon and Ringwood and, as such, he sought funding for those agencies through the PVIA knowing that both those towns were being downgraded by Moodys. He does not recommend that West Milford seek PVIA funding because of the related costs. It worked for the other two municipalities because it resulted in them not being downgraded and the timing was right. If West Milford were to seek funding through the PVIA, the Township's debt service will increase. He stated that he recommends that West Milford sell a note in April and include all capital needs in that sale. The selling of notes does not impact the credit rating and the Township can sell bonds in the future. Mr. Boyle interjected that the Township has a \$6 million note coming due in April and, as such, as no choice but to sell at that time. Mr. Magnotti explained that a host of events in 2008 resulted in the Township not selling bond notes last year. He advised that the notes coming due in April are considered an annual rollover. The current environment is favorable for notes. Mr. Ferraioli stated that his recommendation would be that the Township roll the note over in April and restructure the Township's debt with the intent to bond for this debt in 2011. With this strategy, principal payments will not be due for a few years and there will be no increase in debt service. Bonding now will drastically increase debt service next year. He stated that the Township has been aggressive in capital bonding over the past few years and the time is coming to pay off that debt. He explained the process for selling notes saying that this allows for annual borrowing for three years with a statutory principal payment due in the third year. By the fifth month of the tenth year, the debt must be fully funded.

Mr. Ferraioli reviewed surplus funding and advised that deferred school taxes were historically the greatest contributing factor to surplus funds. However, the BOE now has a statutory budget CAP which has had an impact. Councilman Nolan remarked that there is a significant sum in unexpended balances and he stated that the Township should not ask taxpayers to fund appropriations that are not needed. Mr. Ferraioli stated that it is not wise to create a budget that is too tight. A municipality can only spend within the appropriations and provisions must be made for unseen expenses. He stated that it is not likely that the Township will regenerate surplus funds at the same rate seen in the past. Most municipalities will be seeking the tax levy CAP waiver and it is a requirement that a municipality avail of the pension deferrel to be considered for the waiver.

Mr. Ferraioli reviewed revenue numbers and advised that he does not anticipate a reduction in watershed moratorium aid. However, it is expected that other State aid will be cut and many municipalities are struggling with decreased revenue. He will revisit the revenue numbers in April or May to have a more accurate accounting for the Governing Body. He reviewed grants and interfund capital. The Council thanked Mr. Ferraioli for attending tonight's meeting.

Agenda No. IV

Public Comments

Mayor Bieri opened the meeting to the public after advising that there is a five-minute limit for each speaker.

James Novack, Larchmont Drive, West Milford stated that time is running out for Council to review the garbage and recycling contracts.

There being no more comments from the public Councilman Weisbecker moved to close the public portion of the meeting.

TOWNSHIP OF WEST MILFORD, COUNTY OF PASSAIC, NEW JERSEY

Minutes of: Township Council Special Meeting
Date of Meeting: February 19, 2009
Time of Meeting: 7:30 P.M.
Minute Page No: Page 3 of 4

Moved: Weisbecker Seconded: Lichtenberg
Voted Aye: Weisbecker, Smolinski, Schimmenti, Nolan, Lichtenberg, Jurkovic.
Voted Nay: None.
Motion carried.

Agenda No. VI

Executive Session

~ Resolution 2009-107 ~

MOTION FOR EXECUTIVE SESSION

BE IT RESOLVED by the Township Council of the Township of West Milford on the 19th day of February, 2009 that:

1. Prior to the conclusion of this **Special Meeting**, the Township Council shall meet in Executive Session, from which the public shall be excluded, to discuss matters as permitted pursuant to N.J.S.A. 10:4-12, sub-section (s):
 - () b. (1) Confidential or excluded matters, by express provision of Federal law or State statute or rule of court.
 - () b. (2) A matter in which the release of information would impair a right to receive funds from the Government of the United States.
 - () b. (3) Material the disclosure of which constitutes an unwarranted invasion of individual privacy.
 - () b. (4) A collective bargaining agreement including negotiations.
 - () b. (5) Purchase, lease or acquisition of real property, setting of banking rates or investment of public funds, where it could adversely affect the public interest if disclosed.
 - (X) b. (6) Tactics and techniques utilized in protecting the safety and property of the public, if disclosure could impair such protection. Investigation of violations of the law.
 - Possible violations of the law.
 - (X) b. (7) Pending or anticipated litigation or contract negotiations other than in subsection b. (4) herein or matters falling within the attorney-client privilege.
 - Contract Negotiations – Hillcrest Lease
 - () b. (8) Personnel matters.
 - () b. (9) Deliberations after a public hearing that may result in penalties.
2. The time when the matter(s) discussed pursuant to Paragraph 1 hereof can be disclosed to the public is as soon as practicable after final resolution of the aforesaid matter(s).

Adopted: February 19, 2009

Discussion: Council President Smolinski asked that the discussion on Hillcrest be held in the public forum. Mayor Bieri advised that, because the Council may discuss fair market value, the Township Attorney has recommended an executive session discussion of this matter.

Moved: Nolan Seconded: Lichtenberg
Voted Aye: Weisbecker, Smolinski, Schimmenti, Nolan, Lichtenberg, Jurkovic.
Voted Nay: None.
Motion carried.

The Council convened in Executive Session at 9:40 p.m.

The Council returned to the public at 11:30 p.m. with all present as before. Mr. Semrau advised that the Mayor and Council discussed a proposal to be made to the BOE for a long-term lease of the Hillcrest property. The BOE has indicated that they will reply promptly to the proposal when they receive it from the Township. The proposal will compensate the BOE at a rate of \$3 per square foot for 20,000 square feet of space at the Hillcrest school which equates to \$60,000 per year. Utilities would be shared on a pro-rata basis. The BOE would be responsible for maintenance of the facility and the Township will be responsible for custodial duties and maintenance of the boilers. The BOE would be responsible for capital improvements. The lease would be for a term of 25 years and the Township would be responsible for obtaining tenant insurance. When custodial and boiler maintenance costs are added to the proposed \$3 per square foot cost, the agreement effectively means that the Township would be paying \$8 per

TOWNSHIP OF WEST MILFORD, COUNTY OF PASSAIC, NEW JERSEY

Minutes of: Township Council Special Meeting
Date of Meeting: February 19, 2009
Time of Meeting: 7:30 P.M.
Minute Page No: Page 4 of 4

square foot for the lease of Hillcrest. The proposal will be sent to the BOE tomorrow with a request for a response by Friday February 27th.

Adjournment

Agenda No. VII

There being no further business to come before the Council, the Township Council adjourned the meeting at 11:33 p.m.

Moved: Weisbecker Seconded: Nolan
Voted Aye: Weisbecker, Smolinski, Schimmenti, Nolan, Lichtenberg, Jurkovic.
Voted Nay: None.
Motion carried.

Approved: May 27, 2009

MAYOR BETTINA BIERI
PRESIDING OFFICER

ANTOINETTE BATTAGLIA
TOWNSHIP CLERK