

The minutes of the Special Meeting of the Township Council of the Township of Saddle Brook held on March 20, 2017 at 6:30 PM at the Municipal Building, 93 Market Street, Saddle Brook, NJ.

Council President D'Arminio called the meeting to order.

The Township Clerk called the roll:

Councilman Cimiluca – absent until 6:34 PM
Councilwoman Mazzer – absent due to illness
Councilman Camilleri - present
Councilman Accomando – present
Council President D'Arminio – present

Mayor White – present
Mr. Wielkocz – Twp. Auditor – present
Mr. Carnevale – CFO/Treasurer - present

Council President D'Arminio asked everyone to please rise for the salute to the flag.

Council President D'Arminio announced that adequate notice of this meeting has been sent to all Council members by police messenger on March 10, 2017 and to all legal newspapers in accordance with the provisions of the Open Public Meetings Act, Chapter 231, P.L. 1975.

The Township Clerk announced that the public is hereby advised that any statements made during the meeting of the Township Council of the Township of Saddle Brook may not be privileged or protected and that persons or entities who take issue with such comments or are offended by same, may, and have in the past, sought legal redress through the courts.

Any member of the public who addresses the Council speaks for themselves and not for the Council.

Council President D'Arminio asked for a motion to open the meeting to the public.

Motion: Councilman Accomando Second: Councilman Camilleri

Councilman Cimiluca - yes
Councilwoman Mazzer - absent
Councilman Camilleri - yes
Councilman Accomando - yes
Council President D'Arminio – yes

Hearing no one, Council President D'Arminio asked for a motion to close the meeting to the public.

Motion: Councilman Camilleri Second: Councilman Accomando

Councilman Cimiluca - yes
Councilwoman Mazzer - absent
Councilman Camilleri - yes
Councilman Accomando - yes
Council President D'Arminio – yes

2017 MUNICIPAL BUDGET

Council President D'Arminio asked Mr. Wielkocz to discuss the budget. Mr. Wielkocz said unlike last year where we had a multitude of things happen that caused us to run a deficit at the end of 2015 which caused us to raise that deficit in last year's budget which caused us to not have any surplus or fund balance, the situation changed about 180 degrees.

Mr. Wielkotz explained that we ended 2016 with a healthy surplus of \$1.8 million. We started the year with four hundred thousand, which was frozen because we had the deficit. We couldn't use any in last year's budget to help offset the tax levy. We generated \$1.4 million in surplus last year through operations, a bunch of that coming from tax collections because our percentage of collection went from not good in 2015 because of that huge tax appeal that got paid, we collected 98.82% in 2016 - a marked difference, and that was with \$200,000 plus thousands of cancelled taxes due to tax appeals in the current year.

He went on to say we still have tax appeal issues. The budget that has been put together for 2017 for consideration tonight has a proposed tax increase of \$34.43 to the average residential homeowner with a new residential value based on the re-assessment that was done of \$328,547 for the average residential unit. The budget appropriations are up 1%. The deficit goes away, reserve for uncollected taxes goes down a little bit, but I kept it at a healthy level because we do have tax appeals we have to deal with this year. The budget also contains, for the first time, an appropriation to pay tax appeals, \$250,000, which is a start. It's a small amount considering what we're looking at in terms of total dollars, but it's also a narrative that will play well for us at the Local Finance Board when we go down and ask them to spread out our obligation over a number of years.

Mr. Wielkotz said he thought we were on the right direction, but there are going to be challenges because we have tax appeals. He said he thought the implementation of the rolling reassessment was going to go a long way to at least stop a lot of the appeals beginning with 2017. This is the vehicle to make sure, at least over the next few years, everybody remains equal, so it makes it harder for a lot of these huge commercial properties. There could be a bad sale or something that happens to throw a little wrench in it, but we're well on our way to being healthy and staying healthy.

Mr. Lo Dico said the Mayor and Council received the financial statement and the debt statement. He asked Mr. Wielkotz to comment. Mr. Wielkotz said we did good. We're not a heavily indebted community. We had debt at the end of last year of a little over \$27 million, 1.17%, and the ceiling is 3.5% of the average equalized value. Our debt service going forward is pretty steady. One of the things about putting that appropriation in the budget this year, the tax appeals, when we have to go and fund some of these things, we can leverage that in terms of maybe reducing that amount in the budget when we have to increase debt service to pay the refunding bonds over a period of years to help minimize the impact on the tax levy. Having generated a surplus, and this proposed budget is utilizing \$300,000 of it, so we leave ourselves a healthy number in the bank, a healthy number for cash flow and a healthy number for the future in order to keep what, hopefully, is the first year of stabilizing the municipal taxes.

Councilman Cimiluca arrived at this time. He said we will have, inevitably, people coming here to say what's been said for the last umpteen years, that we cannot borrow any more money. Obviously the 1.17% as opposed to 3.5% - we're one third of what we can borrow. In terms of the numbers, not that we would ever, ever do it, but how much more would we be able to borrow in dollars? Mr. Wielkotz said he couldn't quantify that off the top of his head but suggested looking at the debt service and said you had to look at what you have to do, such as paving roads, etc. He said putting off improvements can end up costing five or six times as much in the future.

Councilman Cimiluca said we're going to get somebody who is going to say that we have expended and we can't spend one more cent on debt when it's obviously wrong.

To bankrupt the town, Mr. Wielkotz said you'd have to go out and borrow an additional \$50 million, and it's never going to bankrupt the town because even under the 2% tax levy cap you can raise taxes for debt service, so you could raise taxes through the ceiling if you wanted to in order to do capital projects.

Councilman Cimiluca said we get the same statement every year. Mr. Wielkotz said so you're used to it. He said he would have to do a little more research on the

debt service but explained his philosophy was to keep it as level as we can because if that piece of the budget stays pretty steady, that's one of the big factors that goes out the window in terms of having an issue and having to raise taxes.

Mr. Lo Dico asked through the chair about the possibility of replacing some water mains. Mr. Wielkocz said the water utility is self-liquidating. You've got \$5 million worth of debt, and water utility still generates an excess of revenue, so none of that \$5 million is in your net debt. He said he would have to look at the debt service to see what we can afford to do, but if we need to do things in order to keep the system up to standard, sometimes you have to bite the bullet too. That gets paid by the rate payers, not by the taxpayers unless the utility runs an operating deficit and has to be subsidized by a regular budget. Here it's got some surplus. He concluded that he believed we probably have enough flexibility to do what we need to do.

Mr. Lo Dico mentioned adopting the water rate ordinance, and Mr. Wielkocz said with water rates there's always a struggle as to when to raise them and how to raise them. He said he and Mr. Lo Dico had talked about where we could go and not tremendously hurt the average person, especially the seniors. He said he thought what they proposed was fair. Some people may not think it's fair because nobody likes to see things go up, but again you need to do the water mains, you need to do some work. You can't let the system go to hell in a hand basket otherwise – you could be like some of the other towns where every other day there's a water main break and the road collapses, and all of a sudden now you're not replacing, you're doing damage control with Band-Aids, and that never works either.

Councilman Cimiluca said the township is not in the business of subsidizing the water to residents, so if our costs go up, just like anything, it gets passed along. He said he wasn't entirely sold on the theory of somebody who uses X amount of water getting charged a different rate than someone else. He asked if Mr. Wielkocz had experienced that before, and if the theory was that they cause more damage to the system or more maintenance because they're using more water. Mr. Wielkocz said you don't have a meter charge, you don't have a service charge, and you don't have a minimum charge. A lot of municipalities that have utilities – especially water utilities, have a minimum that for the privilege of getting water, and you've got a pipe this size this is the minimum charge. That comes with a set amount of water, and as you use more, you pay by the rate. There's tiered rates, and water in this town is cheap based on other municipalities.

Councilman Cimiluca said he was not 100% sold on the tiered rates. Mr. Wielkocz said if there's more water going through your pipes and your meter, then your pipes and your meter are working more than someone who uses less water. That seems like common sense. Some towns have different charges for commercial versus residential. You go by bedrooms or people, that's pretty minute in terms of how you charge the residents.

Councilman Cimiluca said we go by consumption. Mr. Wielkocz said he'd seen it a million different ways and didn't think any of them were wrong. You could turn around and do away with what you're doing and have a meter charge or an initial service charge which comes with 200 or 300 cubic feet or whatever the number needs to be.

Councilman Cimiluca mentioned the \$200 water meter charge whenever a house is sold in Saddle Brook. Mr. Wielkocz said everybody has got different tiers.

Mr. Lo Dico said some of the surrounding towns have a tier system, and a lot of towns do have a sewer fee. Mr. Wielkocz said there are surrounding towns that have a commercial sewer charge where anybody that uses over X number of cubic feet or gallons, they're paying a separate charge on top of the water charge.

Mr. Lo Dico said Lodi charges a residential sewer fee. Mayor White said Clifton does too. Mr. Lo Dico said we don't do that, we have no other fees. Mr. Wielkocz said the average homeowner can count themselves lucky.

Council President D'Arminio said we are going to have down the road retirements with large payouts and asked if money could be put aside. Mr. Wielkocz said yes. You're allowed to do that for deferred compensated absences. You can start appropriating money and move it to a dedicated trust. You're allowed to do it for snow removal as well. The state set up the snow removal trust a couple of years ago, but again if you're putting money in the budget, it's coming from somewhere, either from taxes or from some additional revenue. Councilman Cimiluca said cuts, and Mr. Wielkocz said sure it can come from cuts if you can figure out where to cut.

Mr. Lo Dico asked if the state allowed that. Mr. Wielkocz said yes, to set it up in a trust. The other option is a five-year special emergency much like a reval, tax map or codification of ordinances and pay it off over a five-year period. Certainly starting to squirrel some money away, that's never a bad thing, but you have to have the room in the budget.

Mr. Lo Dico asked if we could do that at the end of the year if we have money left over. Mr. Wielkocz said the problem is if you don't have an appropriation in the budget, technically you can't transfer it into something where you didn't have an appropriation. Mr. Lo Dico said so put a dollar in the budget in a line item. Mr. Wielkocz said that was a possibility. He said assuming a significant amount of that was for police, you could transfer it into police salaries and then pass the dedication by rider resolution to set up the dedicated trust fund, then move the money from the current into the trust.

Mr. Carnevale asked if we could put that in the line item for retirement pay, and Mr. Wielkocz said yes.

Councilman Camilleri said we do get new revenue now and then and asked if we picked up more from the Crowne Plaza when that opened. He said we also have the self-storage on Midland. We will definitely have additional revenue there. Mr. Wielkocz said anything is possible. Mayor White said it's a good idea to plan for it.

Mr. Wielkocz said we have made a remarkable turnaround in 12 months. Council President D'Arminio asked if Mr. Wielkocz liked the rolling reassessment now because he had been ambivalent about it. He said he had been, then the more that he heard and now that he sees what it did, for here it makes sense. Maybe if a year ago he'd had that information he might have been a little bit more tender with Mr. McNerney and the appraisal guys.

Mr. Lo Dico said we have the ordinance, the budget is within cap. Mr. Wielkocz said the local finance notice set the date as - the first public meeting after the March date. Mr. Wielkocz said we would be complying with what the state wants us to do, and that's a question on the best practices check list.

Councilman Cimiluca questioned a budget line item, and Mr. Lo Dico said this reflects what the departments are requesting; it doesn't reflect the budget which has been the same pretty much year after here. This is their wish list, what they would like to see, not necessarily what they're getting.

Discussion of line items in the police budget followed, including rotation and replacement of police vehicles and the DPW budget including drainage and sewer work.

Councilman Cimiluca mentioned the prosecutor's budget of \$150 per session and said he felt that was too low. He suggested considering paying a more reasonable rate, at least \$200 a session, though he still felt that was low. He explained prosecutors put a lot of extra time in beyond the hours spent at the sessions.

Council President D'Arminio asked for a motion to increase the prosecutor's salary to \$200 per session/ \$9,000 per year.

Motion: Councilman Camilleri

Second: Councilman Cimiluca

Councilman Cimiluca - yes
Councilwoman Mazzer - absent
Councilman Camilleri - yes
Councilman Accomando - yes
Council President D'Arminio – yes

Councilman Cimiluca asked if money could be put into Access for All, and Mr. Lo Dico said that was under Administration at \$1500.

ORDINANCES

1. ORDINANCE #1624-17 – FIRST READING AN ORDINANCE TO EXCEED THE MUNICIPAL BUDGET APPROPRIATION LIMITS AND TO ESTABLISH A CAP BANK (N.J.S.A. 40A:4-45:14)

The Council President announced that the next order of business is the introduction of **AN ORDINANCE TO EXCEED THE MUNICIPAL BUDGET APPROPRIATION LIMITS AND TO ESTABLISH A CAP BANK (N.J.S.A. 40A:4-45:14)**

The Council President directed the Township Clerk to read the resolution regarding passage and adoption on first reading.

Motion: Councilman Camilleri

Second: Councilman Accomando

Councilman Cimiluca – yes
Councilwoman Mazzer – absent
Councilman Camilleri - yes
Councilman Accomando – yes
Council President D'Arminio - yes

CR# 317-75

AN ORDINANCE TO EXCEED THE MUNICIPAL BUDGET APPROPRIATION LIMITS AND TO ESTABLISH A CAP BANK (N.J.S.A. 40A:4-45:14)

by the Township Council of the Township of Saddle Brook that heretofore passed on first reading, be further considered for final passage at a meeting to be held on the 6th day of April, 2017 at 7:00 PM, or as soon thereafter as the matter can be reached at the Municipal Building, 93 Market Street and that at such time and place all persons interested be given an opportunity to be heard concerning said ordinance according to law, with a notice of its introduction and passage on first reading and of a time and place when and where said ordinance will be further considered for final passage.

Motion: Councilman Accomando

Second: Councilman Camilleri

Councilman Cimiluca – yes
Councilwoman Mazzer – absent
Councilman Camilleri - yes
Councilman Accomando – yes
Council President D'Arminio – yes

Council President D'Arminio asked for a motion to go into closed session at 7:24 PM.

**TOWNSHIP OF SADDLE BROOK
RESOLUTION**

CR# 317-76

WHEREAS, the Township Council of the Township of Saddle Brook desires to meet for the purpose of a closed session to discuss tax appeals and negotiations; and

WHEREAS, the Open Public Meetings Act does make an exception and allows a public body to hold a closed session to discuss these items,

NOW THEREFORE BE IT RESOLVED by the Township Council of the Township of Saddle Brook that the closed session to take place on March 20, 2017 at 6:30 PM or as soon thereafter as the matter can be reached at the Municipal Building be closed to the public and the press and that the results of the discussion at the closed session will be released to the public when the reasons for discussing and acting on it in closed session no longer exist.

Motion: Councilman Cimiluca

Second: Councilman Camilleri

Councilman Cimiluca - yes
Councilwoman Mazzer - absent
Councilman Camilleri - yes
Councilman Accomando - yes
Council President D'Arminio – yes

Council President D'Arminio asked for a motion to come out of closed session at 8:33 PM.

Motion: Councilman Cimiluca

Second: Councilman Camilleri

Councilman Cimiluca - yes
Councilwoman Mazzer - absent
Councilman Camilleri - yes
Councilman Accomando - yes
Council President D'Arminio – yes

**TOWNSHIP OF SADDLE BROOK
RESOLUTION**

CR# 317-77

BE IT RESOLVED that the following statements of revenues and appropriations shall constitute the Municipal Budget for the Calendar Year 2017; and

BE IT FURTHER RESOLVED, that said Budget be published in “The Record” in the issue of March 28, 2017.

(a)	\$17,276,073.00	(Item 2 below) for municipal purposes, and
(b)	-	(Item 3 below) for school purposes in Type I School Districts only (N.J.S. 18A:9-2) to be raised by taxation and,
(c)	-	(Item 4 below) to be added to the certificate of amount to be raised by taxation for local school purposes in Type II School Districts only (N.J.S. 18A:9-3) and certification to the County Board of Taxation of the following summary of general revenues and appropriations
(d)	\$766,106.00	(Item 5 below) Minimum Library Tax

SUMMARY OF REVENUES

1. General Revenues		
Surplus Anticipated	08-100	
Miscellaneous Revenues Anticipated	40004-10	3,097,734.77
Receipts From Delinquent Taxes	15-499	400,000.00
2. AMOUNT TO BE RAISED BY TAXATION FOR MUNICIPAL PURPOSES (Item 6(a), Sheet 11)	07-190	17,276,073.00
3. AMOUNT TO BE RAISED BY TAXATION FOR SCHOOLS IN TYPE 1 SCHOOL DISTRICTS ONLY: Item 6, Sheet 42	07-195	-
Item 6 (b), sheet 13 (N.J.S. 40A:4-14)	07-191	-
Item 6 (c), sheet 11 Minimum Library Tax		766,106.00
Total amount to be raised by Taxation for Schools in Type I School Districts Only		-
4. To be added TO THE CERTIFICATION AMOUNT TO BE RAISED BY TAXATION FOR SCHOOLS IN TYPE II SCHOOL DISTRICTS ONLY:		
Item 6(b), Sheet 13 (N.J.S. 40A:4-14)	07-191	-
Total revenues	40000-10	21,839,913.77

SUMMARY OF APPROPRIATIONS

5. GENERAL APPROPRIATIONS		
Within "CAPS"		
(a&b) Operations including Contingent		14,158,232.00
(e) Deferred Charges and Statutory Expenditures – Municipal		1,701,380.00
(g) Cash Deficit		0
Excluded from "CAPS"		
(a) Operations – Total Operations Excluded from "CAPS"		2,067,009.77
(c) Capital Improvements		65,000.00
(d) Municipal Debt Service		2,663,292.00
(e) Deferred Charges – Municipal		50,000.00
(f) Judgments		-
(n) Transferred to Board of Education for Use of Local Schools (N.J.S. 40:48-17.1 & 17.3)		-
(g) Cash deficit		-
(k) For Local School Purposes		-
(m) Reserve for Uncollected Taxes (Include Other Reserves if any)		1,100,000.00
6. SCHOOL APPROPRIATIONS – TYPE I SCHOOL DISTRICTS ONLY (N.J.S. 40A:4-13)		
Total Appropriations		21,839,913.77

Motion: Councilman Cimiluca

Second: Councilman Accomando

Roll Call:

- Councilman Cimiluca - yes
- Councilwoman Mazzer - absent
- Councilman Camilleri - yes
- Councilman Accomando - yes
- Council President D'Arminio - yes

Council President D'Arminio asked for a motion to adjourn.

Motion: Councilman Cimiluca

Second: Councilman Accomando

Councilman Cimiluca - yes
Councilwoman Mazzer - absent
Councilman Camilleri - yes
Councilman Accomando - yes
Council President D'Arminio – yes

Meeting adjourned at 8:37 PM

Respectfully submitted,

Peter Lo Dico, R.M.C. CMC
Township Clerk

Approved: April 6, 2017

Karen D'Arminio
Council President