

The minutes of the Special Meeting of the Township Council of the Township of Saddle Brook held on March 19, 2018 at 6:00 PM at the Municipal Building, 93 Market Street, Saddle Brook, NJ.

Council President Mazzer called the meeting to order.

The Township Clerk called the roll:

Councilman Cimiluca – absent until 6:06 PM
Councilwoman D’Arminio - present
Councilman Gierak – present
Councilman Accomando – present
Council President Mazzer - present

Mayor White – present
Mr. Wielkotz, Twp. Auditor - Present

Council President Mazzer asked everyone to please rise for the salute to the flag.

Council President Mazzer announced that adequate notice of this meeting has been sent to all Council members by police messenger 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 Mazzer asked for a motion to open the meeting to the public.

Motion: Councilwoman D’Arminio Second: Councilman Accomando

Councilman Cimiluca - yes
Councilwoman D’Arminio - yes
Councilman Gierak - yes
Councilman Accomando - yes
Council President Mazzer – yes

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

Motion: Councilwoman D’Arminio Second: Councilman Accomando

Councilman Cimiluca - yes
Councilwoman D’Arminio - yes
Councilman Gierak - yes
Councilman Accomando - yes
Council President Mazzer – yes

Review of 2018 Municipal Budget

Mr. Wielkotz distributed a one-page analysis of the reassessment information. He said the assessed value went up almost a hundred million dollars from \$2,157,000,000 to \$2,256,000,000 based on the re-assessment, and the appropriation side of the budget right now is a little over 4.5%. He noted the appropriations that were going up were salaries, communications, vehicles, and tax appeals because we have the first installment of the tax appeal refunding bond ordinance that we did last year for \$350,000. We got whacked in the pensions, and

debt service is going up as well because we borrowed the \$2 million last year in order to pay back the appeals. He said he reduced reserve for uncollected taxes by \$100,000 and is using \$800,000 from surplus. He said the good news is we got money. You probably had your best year ever last year. You generated \$1,668,000 in surplus.

Mr. Wielkotz said we did well on budget revenues. We did very well on tax collections. Miscellaneous revenues not anticipated is \$350,000, almost half a million dollars from the '16 reserves that lapsed into the surplus. So you're now in what I believe to be this continuum where you're going to continue to generate surplus because you've taken all the positive actions that need to be taken after we ran the \$800,000 deficit and had the issue with the tax appeals. That was three years ago. We can use more of the surplus because we have the surplus. We had \$1,859,000 at the end of last year, we used three. We have \$3.2 million this year, we're using eight hundred thousand. We still have plenty of money in the bank, plenty of surplus. I think the only wild card that's left is some trailing tax appeals that we haven't dealt with yet that we're still waiting to hear from our tax appeal attorney at some point this year as to what that number is going to be. On the tax side, the tax levy is going up 1.98%, and the tentative impact to the average homeowner because of the new reassessment is actually about a \$6.00 decrease in municipal taxes.

Mr. Wielkotz said using \$500,000 more surplus, reducing the reserve for uncollected by \$100,000, we have a budget capital surplus using \$100,000 of that is seven, so really that's offsetting a lot of the increase in appropriations. Everything remains the same, we shouldn't have much of anything hopefully catastrophic that happens this year that has an effect on next year. Again only the straggler tax appeals, I'm not sure exactly how much that will be, but I'm assuming we're in year 3 of the reassessment that the appeals stabilized a little bit. So we're in good shape for the shape we're in.

Councilman Accomando said a resident asked him how come the taxes went up and he said they didn't go up, they actually went down per household. He said the resident said from last year to this year his taxes went up \$1000 and he did not do anything to his house but put in wood floors. How is that possible?

Mr. Wielkotz suggested the resident make an appointment with the assessor and the re-assessment company. He explained items that might affect the resident's taxes.

Mr. Wielkotz said from our perspective we're in good shape. Building surplus, revenues are coming in better than expected. We've been in notes for a number of years for projects, and I know you plan to do some more projects. I just laid out the current outstanding debt, which is our bonded principal and interest. We have the NJEIT loan, which we're paying out of the current fund for capital projects, and we're making principal and interest payments on notes, and a lot of that has to do with the old tax appeal refunding which is done soon and the new tax appeal refunding. Last year, our debt service was 2.6. This year it's 3.2. We're dealing with the increase in debt service through using more surplus and some other things. The impact of the reassessment is next year we're level. We may go up a little bit the following year, and then there's a huge drop off because in 2020 we make the last payment of one of our long-term bond issues.

Mr. Wielkotz said projecting a \$10 million bundling of projects in 2020, you can see the impact on your debt service in 2019 and 2020. You're at \$3.4 million, even with selling \$10 million worth of new long-term debt. What that tells you is it really doesn't matter how much you guys end up doing in the next year and a half or two years, we'll be in great shape in 2020 to take it long term and have no negative impact on the debt service. We will have paid off all the tax appeal refundings. If we have to do one more based on appeals outstanding we'll figure out how to work it in. The beauty is we have surplus. He concluded that he thought we were in good shape.

Councilman Cimiluca said in 2020 we'll be able to say we're in great shape.

Mr. Wielkotz said quite frankly as long as we stay the course, I don't see any reason why we wouldn't.

Councilman Cimiluca asked about tax appeals.

Mr. Wielkotz said if you go to court and there is a judgment you have either 60 or 90 days to pay it without incurring any interest. A settlement, you negotiate with the attorneys. It really depends. The appeals we paid last year, over \$2 million, those were hanging around, the settlements allegedly on the table for years or more.

Councilman Cimiluca said it was in our budget last year, and Mr. Wielkotz said it will hit the budget this year. Our first installment of \$350 is in this year's budget. We've got six years to pay it off, which is actually very good. The last refunding was in '13. There's \$340 in this year's budget, and then there's two more years, '19 and '20, and that's gone. We're paying off almost \$300,000 through the budget in principal on the other notes because we keep rolling them over and making the minimum payment because you haven't had the ability with all the tax appeals and with all the other fiscal issues you had in the last three years to fit new long-term debt into the budget. This is what I believe is the right plan.

Councilman Gierek said I know we're in a rising interest rate environment. Mr. Wielkotz said that's the risk you take. Right now, the long-term tax-free rates have not moved a lot whereas the short-term tax-free rates have doubled and in some instances tripled over the last 18 months. He discussed interest rates.

Mr. Wielkotz said I don't think you have a choice right now. You're dealing with the '13 tax appeals, you're dealing with the '17 tax appeals. There may be one more tax appeal issue we're going to have to deal with this year, and hopefully all that stuff is behind you. To me, this is the best way to lay it out and allow you to continue to do capital budgets because you can't stop paving the roads, you can't stop buying the equipment. If you do, it will cost you three or four times what it would cost you if you did it according to your program.

Mayor White asked for clarification of the debt service information. Mr. Wielkotz explained the new long term debt and discussed the bond service that would be paid off in 2021.

Mr. Lo Dico asked Mr. Wielkotz through the chair one tax point is the equivalent of how much in spending? Mr. Wielkotz said \$225,647.00. Mr. Lo Dico said a tax point increase would be roughly...? Mr. Wielkotz said \$33.67. He said the plan is to introduce at the first meeting in April and then having the hearing and hopefully adopt on the 3rd of May, the first meeting in May. We're still within the state guidelines, and they just unveiled the state aid numbers. Mr. Lo Dico said the same. Mr. Wielkotz said the schools got money, the towns didn't.

Mr. Wielkotz said that's all I have. Get back to me with any changes you have to what we have right now.

Mr. Lo Dico said Mr. Wielkotz recommended leasing some vehicles for the Fire Prevention and Construction Code Officials, at 7% interest, so we found a place in the budget so we can buy them outright and not lease for the three years. Mr. Wielkotz said 7% is ridiculous.

Councilman Accomando asked what vehicles they were looking at. Mr. Lo Dico said four-wheel drive like the Fire Chief has. Councilman Accomando asked if we had to get Crown Vics or can we get hybrids? Mr. Lo Dico said yes, definitely four-wheel drive, not Crown Vics. We're looking for all-purpose. It's more like what the Fire Chief has or the hybrid like the police have.

Councilman Accomando recommended a Hyundai Elantra with front wheel drive. If it's inclement weather they shouldn't be out anyway. Mr. Lo Dico said the other cars lasted since 2002, but repairs were costly.

Mr. Lo Dico said we got a request from our water operator about a piece of equipment for water. Can we afford to put maybe \$60,000 in for that equipment as opposed to bonding? Councilwoman D'Arminio asked what they wanted, and Mr. Lo Dico said it was for water quality and he would get the information for her. Elmwood Park and Garfield have it, and it's recommended we get it.

Mr. Wielkotz said the water surplus is down but we have the surplus. We could use more surplus and add it in. Can we afford it? Yes. You raised the rates last year? Mr. Lo Dico said the beginning of the year. Mr. Wielkotz said the revenue came up short. We budgeted \$2.7 and came in \$2.671. The short answer is, you want to put it in, yes. One of the issues we've had in water in the last two years, we've had over expenditures, on the water purchases. I don't know why, but things just got messed up. Hopefully, one of the things I did this year in water is prior you had all the other expenses detailed, and then when the money was being spent it wasn't being applied correctly internally, which didn't help, so this year there's one other expense appropriation for \$2,235,000, which is the total of everything, the repairs, the hydrants, the bulk purchases, group insurance, everything. So that you can track it internally, but at least if it's one number in the budget document. Hopefully, it won't be to an over expenditure. So if we're done with that, and we don't have to raise that next year, then that will support the 60 grand.

Mr. Lo Dico said in case we get asked publicly we have the use of \$800,000 in surplus is conservative based on our surplus, and we're returning it to the taxpayer through applying it to the budget. Mr. Wielkotz said right. Two years ago we used zero. We had none. Last year we used \$300,000, and that got us to the point where we really had no municipal tax increase anyway because of the reassessment. Now we're using 800 because we need to fund the new refunding bond ordinance for the tax refunds and you've got some salary contractual obligations that hit, you've got some guys hitting steps which we have to absorb. That's what the surplus is for. Someone would say you should use \$2 million of it and reduce taxes, no. Having money is a good thing. Mr. Lo Dico said yes, we never had that before. And I'm not letting go of it.

Mr. Wielkotz said it's all about balancing the numbers. We're using 800. There's no way we won't regenerate 800 this year based on everything I see. Mr. Lo Dico said we also have revenue that goes into miscellaneous.

Mr. Wielkotz said he would prepare the budget for the April meeting and left at this time.

Council President Mazzer said it looks good to me. Councilwoman D'Arminio said the rolling reassessment really made a difference. Mr. Lo Dico said now that it's kicking in it's helped.

Councilman Accomando said they are doing commercial, it's obvious, it shows.

Mayor White then discussed highlights in the budget. He said we're getting drug free school maps. We're updating the zoning map. Mayor White said we established a bank for the sick time. Councilman Cimiluca asked if we could make it \$50,000 and Mr. Lo Dico said yes. He asked if everyone was in agreement to raise it by \$25,000. There were no objections.

Mayor White mentioned the two new vehicles, one for the construction code official and one for fire prevention and added we're getting one vehicle for police. We want to purchase them rather than lease them at 7% interest. We got the electronic speed signs, a part time position for property maintenance, which we had in the budget last year.

Councilman Gierak asked how much the speed signs are. Mr. Lo Dico said about \$3500 each and we have \$10,000 or \$15,000 in OE with DPW. Councilman Gierak said we can do three or four.

Councilman Cimiluca discussed the responsibilities of the code enforcement official and there was discussion of stipends and salary structure.

Mayor White asked what the budget was for the part time position and Mr. Lo Dico said \$15,000 but he did not know what the hourly rate was going to be. Councilman Accomando asked if that would be taken away from the salary and Mayor White said I don't think you can. Councilwoman D'Arminio said it's not a stipend.

Mr. Lo Dico suggested going into closed session to get into more detail. Councilman Cimiluca asked if the new person could be considered assistant property code enforcement or something like that. Mr. Lo Dico said we don't have a title for that position yet.

Councilman Cimiluca discussed property maintenance and Councilman Accomando said it improves the quality of the town. Councilman Cimiluca said if the town looks nice, this is real important, obviously. This is what makes us run. Most people aren't looking at the Xs and Os, they see taxes are relatively stable. If the place looks nice and you don't see a lot of garbage around, I know that's the problem. People look at that stuff. They see it.

Councilman Accomando asked if we could look into Carucci's because it's getting worse and worse and worse. Councilman Cimiluca said it's a blight. Somebody's got to summons the guy, but we can't force them to tear down the building. We can't force them to sell it. Councilman Accomando asked if it was a health issue at this point. Mr. Lo Dico said no. Councilman Accomando said even with all the mold? Mr. Lo Dico said no because it's not open, it's sealed. It's not open. Councilman Cimiluca said it's right in the middle of town. People think we have the ability to do that. They think we own it or that we can just tear it down. We can't require they put a Quick Check there. Mr. Lo Dico said the property was scheduled to go to sheriff's sale in June.

Councilman Cimiluca said the guy is going to have to study the code book and go there. Mr. Lo Dico said we sent DPW in and we put a lien on it.

Mayor White said some of the sidewalks are terrible. There's a lot out there especially if you're looking, you're going to find it. Mr. Lo Dico said trees are a concern. We don't have an arborist, but sometimes you can see trees leaning way over.

Councilman Cimiluca said that tree we were told was going to fall over – that amateur arborist who shows up at our meetings, the one on Saddle River Road where they cut the tree in half, it hasn't fallen over, has it? Mr. Lo Dico said no.

Councilman Accomando mentioned a concern with the hotel on Pehle and the owner of the property across the street complaining.

Councilman Cimiluca said property maintenance 100%, that's one of my things I wanted to make sure we have.

Mayor White said we also have another full time police dispatcher. We want to have four on the 12-hour shift; it will be much more efficient than what we're doing now. We have the \$5,000 stipend for the Deputy Emergency Management Coordinator and also an increase of \$1,000 for the reactivation of the CERT team. A new line item, special events, has been budgeted \$10,000 for holiday lighting and other holiday events as needed. We are probably going to need more money. Also an increase in line item for the Senior Center for \$1,000; salary for the prosecutor increase from \$9,000 to \$11,000. It's still pathetically low. Councilman Cimiluca said it's more in keeping with some of the things. Our public defender makes \$2,000, \$3,000 – I don't know why anybody in the world would want to do that, it's literally \$80 a week or something like that.

Councilman Gierak asked how many hours that is a week, and Councilman Cimiluca said a couple of hours. The prosecutor is here for longer; the public defender only has to deal with the case they have, then they can leave. Discussion of the duties of the public defender followed.

Mayor White said finally we're keeping the \$1,500 reserve for the Access for All Committee. He said he had items to discuss in closed session regarding personnel.

Councilman Accomando asked about the generator. Mr. Lo Dico said they are doing an inspection tomorrow. Councilman Accomando asked if we were still waiting for permits, and Mr. Lo Dico said no. It's PSE&G.

Councilman Accomando asked about the ASPCA person who called Mr. Lo Dico. He said they passed a new law. Mr. Lo Dico said there was a hearing. Evidentially the law changed when they revamped the ASPCA last year, and each municipality has to appoint, I assume, it would be a police officer to be an animal control or liaison or something. The objection is that it's state mandate, no pay. We haven't budgeted for this. He said he was trying to get more information on it.

Councilman Accomando said his understanding was the ASPCA officers, police, are going to lose their jobs. Mr. Lo Dico said they made a lot of changes where they're not enforcing like they were. They actually had police powers, and there has been controversy over the years. That's changing.

Councilman Cimiluca said I think what the intention is they take away their power, so now if there is an animal cruelty complaint our local department is supposed to inquire, investigate and if necessary issue a summons, and it will be heard locally. Mr. Lo Dico said he was still trying to get more information.

Council President Mazzer asked for a motion to go into closed session at 6:32 PM.

RESOLUTIONS

TOWNSHIP OF SADDLE BROOK RESOLUTION

CR# 318-69

WHEREAS, the Township Council of the Township of Saddle Brook desires to meet for the purpose of a closed session to discuss personnel; 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 19, 2018 at 6:00 PM or as soon thereafter as the matter can be reached at the Municipal Building be closed to the public or 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 them in closed session no longer exist.

Motion: Councilman Cimiluca

Second: Councilman Accomando

Roll Call:

Councilman Cimiluca - yes

Councilwoman D'Arminio - yes

Councilman Gierak - absent

Councilman Accomando - yes

Council President Mazzer - yes

Council President Mazzer asked for a motion come out of closed session at 7:17 PM.

Motion: Councilman Cimiluca

Second: Councilman Accomando

Roll Call:

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

Council President Mazzer asked for a motion to adjourn.

Motion: Councilman Accomando

Second: Councilwoman D'Arminio

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

Meeting adjourned at 7:17 PM.

Respectfully submitted,

Approved:

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

Florence Mazzer,
Council President

Approved: April 5, 2018