

SPECIAL WORK SESSION OF NOVEMBER 10, 2014

Mayor Cosgrove called the meeting to order at 6:30 p.m.

In accordance with the Open Public Meetings Act, annual notice of all meetings of the Borough of Fair Lawn was published in "The Record" issue of December 20, 2013. In addition, notice of this special meeting appeared in "The Record" issue of November 5, 2014. Notices were also posted on the bulletin board located on the first floor of the Municipal Building and posted on the Borough of Fair Lawn website. The notice identified the meeting location and the time of this Special Meeting.

PRESENT: Mayor Cosgrove, Deputy Mayors Dunay and Lefkowitz, Councilmembers Peluso and Swain.

ALSO PRESENT: Manager Van Kruijning and Municipal Clerk/Deputy Manager Kwasniewski.

LONG TERM FINANCIAL PLANNING

Manager Van Kruijning stated that he, CFO Palermo, Deputy Mayor Dunay and Councilmember Peluso had a very productive meeting. He noted that one of the items he is considering is the outsourcing of Animal Control. They are currently staffing Animal Control with part time employees. He presented an analysis of the current costs and the projected costs for 2015 and the projected costs if the Borough were to outsource this service. He noted that the Borough will have to make significant capital investments in 2015 to purchase a new vehicle at an estimated cost of \$70,000 and to undertake additional renovations to the facility at an estimated cost of \$100,000. Also, he noted that the Borough has not had a veterinarian sign off on the pound for the last three years.

Mayor Cosgrove noted that Manager Van Kruijning has projected a savings of over \$107,000. He asked how that would be achieved. Manager Van Kruijning advised that that he received proposals from Bergen County and Tyco. He believes that the County can provide better services than Tyco. Tyco's proposal included a fee of \$39,200 for Monday through Friday from 7:00 a.m. to 6:00 p.m. There is an additional charge of \$60 for every call on the weekends and after 6:00 p.m. The County will provide service 24 hours a day seven days a week through a shared service agreement at a cost of \$41,220.39. Manager Van Kruijning stated if there was no reason to operate the existing facility he would ask for it to be demolished, since it is in a flood zone and serves no purpose to the Borough. If another Borough agency requested to use it he would consider it. If they proceeded with the proposed renovations they would have to elevate the building and install ramps.

Dog and cat licensing would remain with the Borough and would not be assumed by the County. The County holds rabies vaccination days but they could also continue to hold vaccination dates in the Borough. There is no charge for any service regarding wildlife or domestic animals on public property, public grounds, public roadways or Borough owned property. The County will also pick up an animal on a State road.

Councilmember Swain asked how many employees are on staff at the County. Manager Van Kruijning stated that three Animal Control Officers work during the day, three work during the afternoons and one works the midnight shift. Should there be an emergency during the night there are Animal Control for references from three or four towns. Mayor Cosgrove suggested asking towns comparable in size to Fair Lawn.

Councilmember Swain asked what the County considered an emergency. Manager Van Kruijning stated that an emergency was defined as any rabid animal, an animal struck by a vehicle or an injured animal. Councilmember Swain asked if the Police could take an injured animal. Manager Van Kruijning stated the Police do not get involved due to liability issues. They would need to wait for an Animal Control Officer like they do now.

Councilmember Swain asked if there were any Shared Services options with other towns. Manager Van Kruijning stated there was not since 35 towns were using Bergen County and 18 were using Tyco.

Mayor Cosgrove suggested Manager Van Kruijning check references from a few towns and report back to the Council. Councilmember Peluso pointed out that Animal Control is different from other services provided by the Borough in that fees are involved. It cost his neighbor \$120 to trap some skunks and raccoons. The free trap provided by the County would be helpful to residents. As the State increases the mandates regarding running an animal shelter it will be more difficult and expensive for the Borough to continue doing it and more communities will be moving towards the County.

Councilmember Swain stated that she would like residents to see Borough fees and County fees so they are aware of the difference. Manager Van Kruijning stated that he will provide that information from the County, but Tyco did not include fees in their proposal.

Deputy Mayor Dunay agreed with Councilmember Peluso's comments. They need to do \$100,000 worth of renovations at the shelter at a bare minimum and it will be costly afterwards to continue operations. He felt it made sense to pursue outsourcing.

Municipal Clerk/Deputy Manager Kwasniewski stated that if they are going to proceed and discuss more than a concept they will need to Rice the employees. Manager Van Kruijning stated that he can obtain references but he will not be here for the December 2nd meeting. Mayor Cosgrove stated that if Manager Van Kruijning receives good references about the County he is prepared to consider it. Councilmember Peluso agreed, as long as the Manager was comfortable with the references. Deputy Mayor Dunay agreed. Deputy Mayor Lefkowitz also agreed. Councilmember Swain wanted to see the references.

Manager Van Kruijning explained there are five part time Animal Control Officers, including three Officers who cover the majority of the hours. All must be Riced and a plan must be submitted to Civil Service. There is a 45 day turnaround. He needs direction to start the process. He will be away for the December 2nd meeting so a special Work Session will have to be held at the conclusion of the December 16th Regular Meeting. The employees can choose to hold the meeting in open instead of closed session.

There was consensus to issue a Rice Notice to the five part time Animal Control Officers.

Councilmember Swain pointed out that they were in open session right now. Municipal Clerk/Deputy Manager Kwasniewski stated that they were not discussing employees; they were discussing a concept. Moving forward they would need to Rice the employees.

Manager Van Kruijning stated that he will compile a list of references and obtain Tyco's fees for distribution to the Council.

Deputy Mayor Lefkowitz wondered if the County was handling mostly smaller towns. Manager Van Kruijning will ask for references from larger towns such as Teaneck. Councilmember Swain felt it must be challenging for the County Animal Control to get to get to areas all over the County with only three employees.

Manager Van Kruijning reported that the Financial Committee discussed the changes to the Mini Bus Schedule and the pilot program with scheduled pickups that began in June. The program is run with part time drivers from 9:00 a.m. until approximately 3:00 p.m. Monday through Friday. On Saturdays the driver does a four hour drive through town with picks up off the route. He asked the Council if they were satisfied with running the program with part time drivers.

Mayor Cosgrove stated that the feedback from riders using the bus is very good. Ridership has increased significantly and there are 50 to 70 pickups and drop offs each week. This is another situation that will require notification. Manager Van

Kruiningen stated that he will add this to the December 16th agenda. Municipal Clerk/Deputy Manager Kwasniewski will Rice the fulltime employee.

Councilmember Swain asked for clarification on the employees. Manager Van Kruiningen explained that the fulltime driver is out on disability and four part time drivers are covering the schedule.

Councilmember Swain asked about the trips to the mall. Manager Van Kruiningen stated that he will be getting a report from the Health Department. He expected ridership to pick up during the holidays. The bus goes to three malls, including Paramus Park and Garden State Plaza so residents can choose where they want to go. Mayor Cosgrove stated that picking up residents at their home has made a big difference to the program. Councilmember Swain agreed. It is helpful to disabled residents who cannot walk to a bus stop and a good service to our seniors who no longer drive.

The Finance Committee began discussing Recycling and asked him and CFO Palermo to look into other options. The Committee needs to meet again to discuss the numbers prepared by CFO Palermo.

CFO Palermo stated that they have reviewed the budget with all departments except the Fire Department. The Water Utility has a \$500,000 shortage, so the rents are less than what they anticipate their expenses to be. In 2014 they utilized \$375,000 from Water Utility surplus, but she sees that being regenerated.

Deputy Mayor Dunay wondered if they might regenerate more than \$375,000. CFO Palermo did not think they would regenerate more than \$400,000, which is why she wanted to present rate increases. It is not good financial stability to constantly take from the surplus. In 2010 they had a \$1.00 increase. If they did smaller increases such as 10 cents annually it would cost the average home \$8.00 but would generate \$95,000 more in water rents. If they utilize the \$375,000 surplus from last year and have a water increase of 10 cents it would be a start. A 25 cent increase would cost of \$20 per household and generate \$237,000.

Deputy Mayor Lefkowitz asked about rate increases prior to 2010. Manager Van Kruiningen noted past increases: 2006 - \$0.37, 2007 - \$0.37, 2008 - \$0.28, 2009 - no increase, 2010 - \$1.00. The increase for 2011, 2012, 2013 and 2014 has remained at five cents. Municipal Clerk/Deputy Manager Kwasniewski recalled that residents were not happy about the large increase in 2010.

Mayor Cosgrove noted that if they do a 10 cents rate there will still be a shortage in the budget. He asked if CFO Palermo wanted to raise the \$125,000 needed after utilizing the \$375,000 surplus. CFO Palermo confirmed that. If the Council feels the 10 cents increase is palatable to the residents, then she will take the

\$25,000 from surplus. Manager Van Kruijning stated that if they went with a 10 cents increase for 2015, they could also do a 10 cent increase for the next five years.

Deputy Mayor Dunay felt they should come up with a program that ties the rate increase to whatever the rate expense is going to be. Residents will then see a smooth increase. He wondered if 10 cents a year increase was the right amount. Mayor Cosgrove stated they should try to keep the increase at 10 cents so they do not keep dipping into surplus. Deputy Mayor Lefkowitz asked if they know what the rate level will be to follow Deputy Mayor Dunay's suggestion. CFO Palermo can project what will be generated based on today's usage.

Councilmember Swain noted that usage has changed. People used to use water freely, but now people are cutting back. Even though it's a good thing, reduced usage makes the cost of water rise. Mayor Cosgrove expressed concern that the proposed Passaic Valley Water project would also cause an increase.

Manager Van Kruijning stated they will be starting the water meter replacement program in 2015, which will be a \$300,000 investment in the first year alone. They are beginning with the biggest water users in the Borough. This will cause a debt increase in the water utility so they need to establish a schedule of increases. Mayor Cosgrove felt a 10 cents increase was more palatable.

Municipal Clerk/Deputy Manager Kwasniewski asked if they wanted to do the ordinance for one year or three years. Councilmember Swain supported a three year ordinance. Deputy Mayor Dunay agreed. He asked if 10 cents was the best increase based on the trajectory. Manager Van Kruijning stated that a 15 cent increase would cover the expenses. Councilmember Swain worried about seniors and residents on fixed income. This is only one small piece of the budget. The School, County and State share adds up.

Mayor Cosgrove suggested doing a progressive increase of 10 cents, 12 cents and 15 cents. Deputy Mayor Dunay stated that a 10 cent increase will reduce the \$125,000 shortfall to \$30,000. He felt it was reasonable to do a 10 cent increase each year for the next three years. Manager Van Kruijning clarified that the rates would increase to \$5.60 in 2015, \$5.70 in 2016 and \$5.80 in 2018.

Councilmember Peluso stated that he supported a ten cent increase in 2015, but he would like the Finance Committee to research the vendor fees further so the Committee can look into a four year plan and report back to the Council. Manager Van Kruijning recommended doing a ten cent increase for 2015 only. This would give them time to get together and review everything. Mayor Cosgrove suggested moving forward with the increase and revisiting this matter next year.

There was consensus to increase water utility fees by 10 cents and revisit this issue again next year.

Municipal Clerk/Deputy Manager Kwasniewski advised them that the ordinance can be introduced at the Reorganization meeting.

Councilmember Peluso met the County Health Officer, Nancy Mangieri, who expressed interest in attending a Finance Committee meeting to explain ways to partner with the County to save money on Health services. Manager Van Kruningen read a list of services that the County provides, such as health officers, school immunization and adult health consultations.

Municipal Clerk/Deputy Manager noted that they had determined which professional services were going out for RFQ's. She wondered if the other professionals would be automatically reappointed or would they be discussed further at the December 2nd meeting. Mayor Cosgrove felt they should be discussed. Municipal Clerk/Deputy Manager Kwasniewski stated that she has requested proposals as usual and sent out play to play packets. Manager Van Kruningen stated that Ms. Bergailo advised him that her new job as Planner for Public Service presents a conflict, so she will not be submitting an RFQ for either Planner or Open Space Planner. She can finish her present commitments through the end of the year.

Councilmember Peluso asked if each Councilmember would receive their own packet of RFQs. Municipal Clerk/Deputy Manager Kwasniewski stated that interested parties were asked to submit seven copies by November 24th. A synopsis report will be distributed to the Council with the Wednesday agenda packet.

MISCELLANEOUS PUBLIC COMMENTS

There were no comments from the public.

ADJOURNMENT

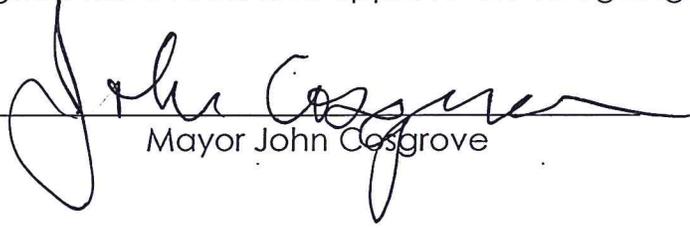
Upon motion by Deputy Mayor Lefkowitz and a second by Councilmember Swain, the Special Meeting was adjourned to the Work Session at 7:30 p.m.

Respectfully submitted,



Joanne M. Kwasniewski, RMC/CMC/MMC
Municipal Clerk / Deputy Manager

The undersigned have read and approve the foregoing minutes.



Mayor John Cosgrove



Deputy Mayor Amy E. Lefkowitz



Councilmember Kurt Peluso



Deputy Mayor Daniel Dunay



Councilmember Lisa Swain

