

WORK SESSION OF DECEMBER 2, 2014

Mayor Cosgrove called the meeting to order at 7:30 p.m.

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

ALSO PRESENT: Municipal Clerk/Deputy Manager Kwasniewski and Attorney Mondello.

EMPLOYEE HEALTH BENEFITS REVIEW:

Frank Covelli, Risk Manager was present and distributed a packet consisting of a yearend review and a renewal proposal which he reviewed.

Three claimants exceeded the \$100,000 stop loss threshold. Reimbursements were approximately \$185,000. Five employees have the potential to exceed it.

He reviewed IDA's report on the fixed costs of the program, which were \$697,163. Claims costs were \$864,000 lower than projected.

Nationwide's contract is the same as last year with a premium of \$608,000. The total plan cost is increasing \$479,000, which included an estimated \$404,000 in increased claims. The administrative fees for AmeriHealth are \$12.50 per employee per month and CHN went up \$0.50 to \$5.50 per employee per month. IDA's Administration costs increased by \$1.05 to \$22.05 per employee, prescriptions went from \$3.15 to \$3.30 and Network Management fees went from \$4.20 to \$4.40.

The additional cost of the reinsurance, the network fees and the administrative fees amounts to a total fixed cost of \$773,000, an increase of \$75,000. The total estimated cost of the health care plan is \$5,482,900, an increase of \$479,973 over the current plan and the aggregate attachment point is increasing \$19,722 for a total cost of \$6,509,596.

Councilmember Swain asked for clarification about the overall increase in the plan. Risk Manager Covelli stated that the overall increase was 9.95%.

Deputy Mayor Dunay arrived at 7:50 p.m.

He discussed two items not included in the report. They saved \$6,000 in the cost of the post-65 Rx program by switching to Aetna, and avoided a \$70,000 increase that would have been incurred if they renewed with Humana for 2015. He also omitted the run out costs of the previous year, which were claims

incurred at the end of 2013 and paid in 2014. He will send a revised sheet to Manager Van Kruijning and Municipal Clerk/Deputy Manager Kwasniewski.

Risk Manager Covelli concluded by stating he believed this was a good renewal and that the plan was running reasonably well. Municipal Clerk/Deputy Manager Kwasniewski noted that our representative, Renee Gear, works very hard to fix mistakes and solve issues. She is one of the main reasons the program is working successfully.

Councilmember Swain expressed concern about rising prescription costs. Risk Manager Covelli stated that prescription costs are \$1.5 million, plus the \$300,000 they are paying to a commercial carrier to handle the post-65 members. They have switched from Express Scripts which may be helpful. Specialty drugs are the problem. These drugs can cost thousands of dollars. They are looking into another PBM and purchasing the drugs at a lower cost. Contract negotiations can require people to use generic prescriptions to reduce costs. They will continue their wellness efforts.

Municipal Clerk/Deputy Manager Kwasniewski asked about participation in the Wellness Bus program. Risk Manager Covelli stated that participation was less than the first time.

Deputy Mayor Dunay asked to see analysis as to why their prescription costs are higher than other municipalities. Risk Manager Covelli stated while their costs are still high they are making strides through audits, which ensure claimants are not abusing their prescription drugs, and education.

Municipal Clerk/Deputy Manager Kwasniewski stated Pay to Play information has been sent to IDA.

REVIEW OF TENTATIVE AGENDA:

Municipal Clerk/Deputy Manager Kwasniewski stated she is adding completed minutes for November meetings. Manager Van Kruijning asked to add "Authorizing the Execution of the PBA/SOA Contract". They are rescinding the Tree Planting bid, as the lowest bidder was unable to fulfill his obligation and re-awarding the contract to the second lowest bidder. She is also adding a refund of tax overpayment.

COUNCIL LIAISON REPORTS:

Councilmember Swain stated that the Green Team and Environmental Commission will be holding a joint meeting tomorrow night to plan the next Green Fair in March. She will be meeting with the RRIC on Thursday morning.

Councilmember Peluso stated that none of his committees have met recently. Next week he will be attending an EDC meeting and a BIC meeting.

Deputy Mayor Dunay apologized for being late due to an incident on the train. He noted that the Property Maintenance Committee will be presenting their beautification and poster contest awards on December 16th.

Deputy Mayor Lefkowitz stated there is an Alliance for Substance Abuse Prevention meeting coming up. The Planning Board and Open Space meetings were cancelled.

Mayor Cosgrove reported that the Fire Department will be holding Chiefs' elections tomorrow night. The EDC Executive Committee met and selected Studio 5 in partnership with WFM to be project managers on the Radburn study.

OPEN SPACE COMMITTEE:

Municipal Clerk/Deputy Manager Kwasniewski stated that she and Manager Van Kruiningen met to discuss a property located off Broadway that the Open Space Committee listed for possible acquisition. She distributed a drawing. They were not sure how the property could be used.

Deputy Mayor Dunay explained that the Open Space Committee expressed interest in the property because they were afraid that it could be developed by a bank or Starbucks, creating traffic challenges. They asked Manager Van Kruiningen to determine if the possibility of development even existed; otherwise there was no need to pursue this property. His understanding was that there was no probability of this property being developed. Municipal Clerk/Deputy Manager Kwasniewski drove past the site and does not see a bank or any other type of building being developed on that site.

Mayor Cosgrove reported that a resident of Wyckoff Terrace voiced a concern to him that Manager Van Kruiningen passed along to Traffic Safety Officer Franco. Since traffic backs up to the light at Red Mill Road, residents would like signs stating "Do Not Block Intersection" so cars could get in and out of that block. Councilmember Swain felt problems could be alleviated if the timing of the left turn signal was increased to allow more cars to turn.

There was consensus that the property was not viable for development and should not be pursued for acquisition.

Deputy Mayor Dunay asked if there was any interest in pursuing acquisition of the Rys property, which is located across the street and is also depicted on the

drawing. Municipal Clerk/Deputy Manager Kwasniewski reminded them that the asking price was higher than the appraisal, which Green Acres will not allow. Attorney Mondello stated that the owner said no to their initial offer. After a month or so he came back with a reduced price, but the Council was no longer interested. Attorney Mondello advised them not to go back into discussion on this property unless they were 100% sure they wanted to purchase the property.

Deputy Mayor Dunay stated they have maintained eligibility for State matching grants by representing they were considering the acquisition of the Rys property. There is always the risk of losing that funding, which is a concern of the Committee. If the Council is not interested, he will advise the Committee to continue searching for a property that will have a real impact or add something interesting to the Borough.

Deputy Mayor Lefkowitz suggested they work off of their priority list. Mayor Cosgrove asked what other properties were included. Deputy Mayor Dunay stated that the highest priority acquisitions, such as the Vanderbeck House or Daly Field, are not currently available. They can try to extend the River Walk as properties become available but there are contamination problems. Mayor Cosgrove noted that Power Tech is available, but the property was polluted by the River as was the Dube house.

Councilmember Peluso asked if there was an update on the Dube property. Municipal Clerk/Deputy Manager Kwasniewski stated additional soil testing is needed, which is costing the Borough money. She will ask Engineer Garrison for an update. Councilmember Peluso asked if Open Space funds can be used to cover the cost of the soil testing or work at the Naugle House. Attorney Mondello stated that they will be reimbursed by Green Acres if the house passes inspection. If not, they are on their own.

Municipal Clerk/Deputy Manager Kwasniewski stated that former Councilmember Trawinski spoke heatedly about getting the DEP to relax their standards along the rivers, as it is counter-productive to say they want these properties to be undeveloped but not allow the towns to purchase them. Mayor Cosgrove stated that they raised the issue with Senator Gordon. Deputy Mayor Dunay suggested sending a strongly worded letter.

Mayor Cosgrove asked Deputy Mayor Dunay and Deputy Mayor Lefkowitz to come back to them with a list of potential properties from the Open Space Committee. Attorney Mondello reminded the Council that the Manager has stated they do not have the money for matching grants.

REQUEST FOR RESOLUTION SUPPORTING PASSAIC VALLEY WATER COMMISSION'S STAY OF ITS LT2 ADMINISTRATIVE CONSENT ORDER:

Mayor Cosgrove reported that a group of 30 mayors representing towns serviced by Passaic Valley Water Commission met under the leadership of Mayor Kazmark from Woodland Park. Mayor Kazmark sent him a letter stating that a stay has been granted with regards to the building of the water storage tanks until the EPA issues their ruling in 2016. He asked if the Council wanted to proceed with a resolution.

There was consensus to approve a resolution supporting Passaic Valley Water Commission's stay of its LT2 Administrative Consent Order.

Municipal Clerk/Deputy Manager Kwasniewski will add the resolution to the December 16th agenda.

MUNICIPAL RESOLUTION SUPPORTING ALLOWING THE DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT TO PERMIT VETERANS AND OTHER GROUPS TO APPLY FOR UI BENEFITS ONLINE:

Councilmember Swain discussed the sample resolution distributed to the Council, which supports allowing veterans in New Jersey to complete their application for unemployment benefits online and mail in their request.

There was consensus to approve a resolution in support of allowing veterans to apply for UI benefits online.

REVIEW OF RFQ'S SUBMITTED:

Municipal Clerk / Deputy Manager Kwasniewski stated she sent home the box of RFQ's along with a report on the most common denominators. Attorney Mondello asked to be excused from all of them except Special Counsel/Conflict Counsel.

Auditor - Mayor Cosgrove personally felt they have had the same auditing firm for the past three years and thought it would be good to change firms. He spoke with CFO Palermo. He noted that Ferraioli, Wielkotz, Cerullo & Cuva firm did not send in a price sheet but did send it to Municipal Clerk / Deputy Manager Kwasniewski today. Municipal Clerk / Deputy Manager Kwasniewski explained the fees for auditing will be \$51,940, for the debt statement and financial statements would be an hourly rate not to exceed \$5,600 and his hourly rate ranges from \$55 to \$175 depending on whom was actually doing the work. His hourly rate is less than the others. Mayor Cosgrove stated based on those facts, he would like to go back to Ferraioli, Wielkotz, Cerullo & Cuva P.A..

There was a unanimous consensus to appoint Ferraioli, Wielkotz, Cerullo & Cuva, P.A. as the Auditor.

Bond Counsel - Mayor Cosgrove stated that the Municipal Clerk, CFO Palermo and the Manager are happy with Hawkins, Delafield & Wood, LLP. Based on their hourly rates he did not see a reason to change the firm.

There was a unanimous consensus to appoint Hawkins, Delafield & Wood, LLP as Bond Counsel.

Borough Planner - Municipal Clerk / Deputy Manager Kwasniewski stated that the staff was extremely disappointed that Cheryl Bergailo was no longer able to represent the Borough. Mayor Cosgrove asked Deputy Mayor Dunay to comment about Matrix New World. Deputy Mayor Dunay said this is the planner for the Zoning Board. He has a good rapport with the Zoning Board. Cheryl Bergailo has recommended him. He felt comfortable appointing him as the Borough Planner.

There was a unanimous consensus to appoint Matrix New World Planning as the Borough Planner.

Environmental Consultant - Mayor Cosgrove explained that two people submitted RFQ's. Arcadis U.S., Inc. was formerly Malcolm Pirnie. He spoke to Borough Engineer Garrison who felt they do an outstanding job for the Borough. Engineer Garrison's recommendation is to stay with Arcadis U.S., Inc.

Councilmember Swain stated she had spoken to Borough Engineer Garrison as well. There were no references for the other ones. Municipal Clerk / Deputy Manager Kwasniewski stated that Engineer Garrison has worked particularly well with this firm, particularly in the water end. A number of projects have been done with that firm. With no references to check on the other ones it is difficult to check on the other firm.

There was a unanimous consensus to appoint Arcadis U.S., Inc. as the Environmental Consultant.

Planner for Green Acres - Mayor Cosgrove stated that the Borough has worked with H2M in the past and they are currently working on the Naugle House.

Deputy Mayor Lefkowitz thought that they could have two companies. Matrix was less expensive for the regular planner but for Open Space Planner H2M came in less. She felt that both companies were new to them and they should see how it works out. Attorney Mondello advised that was a good idea. Now they have a Planner that works for the Zoning Board and the Borough which is fine but if there is a conflict the other firm can step in. Mayor Cosgrove said their rates are the lowest.

Mayor Cosgrove spoke about the billing problem with Hakim and how he billed them for conversations with the Mayor that did not occur. Councilmember Swain stated that Hakim really knows Fair Lawn very well and aside from that one issue he did an excellent job. She thought they should consider giving him another try. She thought that part of the problem was they also had people on the Open Space Committee that were freewheeling in terms of what they wanted. The liaisons weren't always on top of what was going on which also prompted some new rules about what volunteers can do. She thought they shouldn't entirely blame him. He really did a great job when it came to the flooding issues.

Mayor Cosgrove felt the only problem he had with Mr. Hakim was that he claimed that he had a six hour conversation with him which was untrue.

Deputy Mayor Dunay agreed with the logic of not going with Matrix for this position. He did not deal with Mr. Hakim but knows that he does have a good reputation. Municipal Clerk / Deputy Manager Kwasniewski stated towards the end of the agreement, Mr. Hakim was asked to submit detailed bills which he did not do for two months but then finally did and that is when it became obvious that perhaps the bills were not quite what they should have been. Mayor Cosgrove stated they had a lot of aggravation with him and the invoices he submitted.

Councilmember Peluso offered to speak to the Historical Committee about H2M. Deputy Mayor Lefkowitz agreed with that. Municipal Clerk / Deputy Manager Kwasniewski said they could put this back on the first Work Session agenda in January.

Risk Manager/Broker of Medical and Dental - Mayor Cosgrove said that he personally thought that Mr. Covelli has done a good job for the Borough.

There was a unanimous consensus to appoint Professional Insurance Associates, Inc. as the Risk Manager / Broker of Medical and Dental.

Special Counsel/Conflict Counsel - Mayor Cosgrove stated he did not know any of the attorneys that submitted an RFQ. They had reached out to Richard Lustgarten asking if he would consider staying on through March. He agreed to do that. Currently he is still working on two cases for the Borough.

Attorney Mondello said he went through the RFQ's and noted that their hourly rates were \$150 per hour. The Borough's rate is \$100 per hour. He thought it would make more sense for him to talk to some local attorneys. Municipal Clerk / Deputy Manager Kwasniewski stated that when David Ganz was Mayor they had a pool of attorneys. Attorney Mondello thought that would be perfect.

Mayor Cosgrove said for years there was a special counsel because of the ongoing litigation that Mr. Lustgarten was handling.

Deputy Mayor Lefkowitz thought if they could have a pool to pick from that would be great.

There was a unanimous consensus to appoint Richard Lustgarten as the Special Counsel / Conflict Counsel for the period of January through the end of March.

INTERLOCAL SERVICES AGREEMENT FOR HEALTH SERVICES:

Municipal Clerk / Deputy Manager Kwasniewski stated as they all know the Borough has agreements with Ho-Ho-Kus and Ridgewood for providing Health Services to them. Health Officer Wagner suggested keeping Ho-Ho-Kus the same rate of \$6,250 annually since it is sufficient to cover the cost of her services.

There was a unanimous consensus to proceed with providing Health Services to Ho-H-Kus in the same amount as in 2014.

Ridgewood - Municipal Clerk / Deputy Manager Kwasniewski stated since it was a larger town, Health Officer Wagner suggested that they increase it by \$85.00 which is about a one percent increase. Last year the amount was \$8,550 this year she thought the amount should be \$8,635.

There was a unanimous consensus to provide the Health Services to the Village of Ridgewood in the amount of \$8,635.

ENDORSEMENT OF CDBG APPLICATION - CAREPLUS NJ INC.:

Municipal Clerk / Deputy Manager Kwasniewski stated that this is the standard application for CarePlus who provide children's services in the Borough and will be applying for a grant in the amount of \$101,000. It will not cost the Borough any money.

There was a unanimous consensus to approve the endorsement of the CDBG application for CarePlus New Jersey Inc.

2015 ITEMS:

Date of Reorganization Meeting/January Meeting Dates - Municipal Clerk / Deputy Manager Kwasniewski stated that the first Tuesday fell within the guidelines set by the State. They usually start it at 7:00 p.m. The reason she was discussing the January meeting because there are four Tuesdays that month. She suggested that the 6th be the Reorganization, the 13th would be the Work

Session, the 20th would be a regular meeting and another Work Session on the 27th.

There was a unanimous consensus approving the Reorganization Meeting and January meeting dates.

Invocation, Benediction and Honor Guard/Vocal Performance - the Mayor will work on those details.

Town Crier - there was a unanimous consensus to have the Town Crier at the Reorganization meeting.

Attorney Mondello stated that there was some discussion about meeting dates for 2015. He was not sure the Council wanted to continue with every single Tuesday or they should adopt something. Municipal Clerk / Deputy Manager Kwasniewski stated that she was publishing the dates as they usually do.

Mayor Cosgrove suggested discussing the meeting dates in a January Work Session. They would have a better idea at that time. Municipal Clerk / Deputy Manager Kwasniewski stated that there have been a number of times when it is difficult to have four meetings in a month. Attorney Mondello stated that he has spoken individually to everyone and there seems to be some positive interest in perhaps reviewing the meeting schedule.

SPECIAL MEETING:

Upon motion by Councilmember Peluso and a second by Deputy Mayor Lefkowitz, the Work Session was adjourned to Special Meeting at 8:45 p.m.

Mayor Cosgrove reconvened the Work Session at 8:50 p.m.

MISCELLANEOUS PUBLIC COMMENTS:

Craig Miller, 5 Ramapo Terrace, inquired if the Borough knew how long the Fair Lawn Avenue ramp off of Route 208 will be closed during the day. Mayor Cosgrove informed him that the the DOT has been paving that area. Municipal Clerk / Deputy Manager Kwasniewski will check will Traffic Safety Officer Franco.

Mr. Miller spoke about Plaza Road where the bend is by Daly Field, wondering if lines could be painted there because they are nonexistent. Mayor Cosgrove stated that is scheduled to be paved next year. They stopped at Romaine Street. He asked Municipal Clerk / Deputy Manager Kwasniewski to look into it. Municipal Clerk / Deputy Manager Kwasniewski stated she would talk to Engineering.

Mr. Miller mentioned the Fire House on Plaza Road where lines should be painted "Do Not Block Intersection" because of the Fair Lawn Avenue Bridge being closed which may cause more traffic. Mayor Cosgrove said that is another traffic safety issue. There is a sign at Elmary Place with a line painted across for do not block intersection. He does not know if it fits the criteria.

CLOSED SESSION RESOLUTION:

Upon motion by Councilmember Swain and a second by Deputy Mayor Lefkowitz, the following closed session resolution was unanimously adopted at 9:00 p.m.

WHEREAS; the Open Public Meeting act of the State of New Jersey permits the public to be excluded from certain matters to be discussed by the Governing Body; and

WHEREAS; the Mayor and Council of the Borough of Fair Lawn desire to discuss Personnel - Appointment of Professionals, Appointments to Various Boards, Commissions and Committees, and Pending Litigation - Friedman vs. JP Morgan Chase Bank vs Borough of Fair Lawn ; and

WHEREAS; these matters are ones which permit the exclusion of the public from such discussions; and

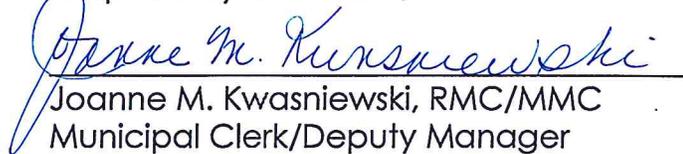
WHEREAS; minutes will be taken during this closed session and once the need for confidentiality no longer exists the minutes will be available to the public.

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and Council of the Borough of Fair Lawn that the public be excluded since these matters as set forth above are ones which permit the exclusion of the public from such discussions.

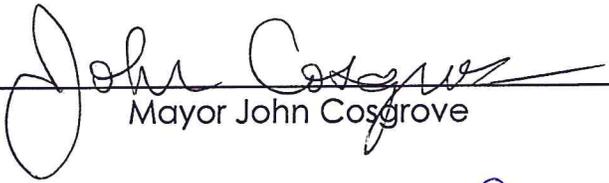
ADJOURNMENT:

Upon motion by Councilmember Swain and a second by Deputy Mayor Dunay , the Work Session was adjourned at 10:00 p.m.

Respectfully submitted,


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

The undersigned have read and approve the foregoing minutes.



Mayor John Cosgrove



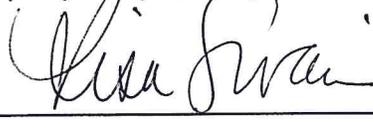
Deputy Mayor Daniel Dunay



Deputy Mayor Amy E. Lefkowitz



Councilmember Kurt Peluso



Councilmember Lisa Swain

