

REGULAR MEETING OF JUNE 15, 2010

Mayor Tedeschi called the meeting to order at 7:34 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 issues of December 18, 2009. Notices were also posted on the bulletin board located on the first floor of the Municipal Building and the Maurice Pine Free Public Library. Copies were mailed to The Community News and posted on the Borough of Fair Lawn Website. The annual notice identified the times and locations of the Council meetings and work sessions.

PRESENT: Mayor Tedeschi, Deputy Mayor Swain, Deputy Mayor Weinstein, Councilmembers Baratta and Councilmember Trawinski.

ALSO PRESENT: Acting Manager Kwasniewski, Assistant Municipal Clerk Bojanowski and Attorney Rosenberg.

PRESENTATION: WESTMORELAND SCHOOL

Mayor Tedeschi read a letter of commendation to Westmoreland School. He stated that the students had stocked the shelves of the food pantry with cereal and soup for the community. Mayor Tedeschi thanked the students for all their hard work.

COUNCIL COMMENTS

Councilwoman Baratta congratulated Sean Kenny for making Eagle Scout and said that it is wonderful to see the scouts working for the good of the community.

Councilwoman Baratta reported that Fair Lawn is working on putting together a Community Garden where people from the Borough can have a small plot of land to cultivate. This suggestion was made by a resident about a year ago and Sampson Park was chosen for the location of the Community Garden. There will be a meeting this Thursday at 6:00 P.M. at Sampson Park for those who are interested or live in the area. A plot of land will be set aside as an area for donations meaning that anything harvested from this area will go to the food pantry.

Councilmember Baratta announced that the Farmer's Market will begin on July 7th and run through to October 20th at the New Song Church parking lot from 11 A.M. until 5 P.M., rain or shine. There are some new vendors this year selling dried fruits and nuts, roasted coffees and cookies.

Deputy Mayor Weinstein acknowledged several awards that have been given out now that the school year is coming to an end. He stated that he attended the Paper Mill Playhouse last week where Fair Lawn's production of Dirty, Rotten Scoundrels was in contention for an award lead by John Gerese, Director and orchestra leader Paul Kafer. Nick Cornwell won the Student Achievement Award along with a scholarship for lighting and sound. The award for Best Lighting Design went to John Lay. The night before Tom King, who will be a High School Senior next year, won Best

Supporting Actor. He reported that he attended the All Sports Awards last night where many students were awarded scholarships. He also congratulated Joe Peppitone and his team for a closely fought game.

Deputy Mayor Weinstein stated that there have been a number of pledges for the fireworks and recognized all who are supporting this event. He hoped to see everyone at the fireworks on June 30th.

Deputy Mayor Weinstein stated that there have been a number of residents calling Councilmembers regarding a resolution to support Israel's activities in the Middle East. He will put a resolution on next week's agenda that deals with defending Israel in accordance with international law.

Councilmember Trawinski said that there have been recent advertisements regarding a vaccination for meningococcal toxemia. He encouraged parents to have their children vaccinated because his daughter had to deal with this debilitating and deadly disease.

Deputy Mayor Swain commented that Fair Lawn residents are being recognized tonight and she said that she attended the luncheon for the Jewish War veterans this past weekend. She is happy to report that everyone who attended last year's luncheon was there again this year.

Deputy Mayor Swain spoke about Arlene Glassman, member of the Rent Leveling Board who was honored as Woman of the Year by Congregation Tovah on June 1st.

Deputy Mayor Swain recognized Fair Lawn High School Senior, Michelle Silverman, who has been holding a benefit concert to raise money for a different organization each year. Her event at the old Temple Emmanuel in Paterson, N.J. raised over \$1,000 for Sloan Kettering Cancer Center.

Deputy Mayor Swain mentioned that Alan Kushoff began the Adopt a Soldier Platoon and is being honored by the American Red Cross of Northern New Jersey as a hero during their annual Heroes Breakfast. Last year his non-profit group sent \$143,000 worth of personal items including video games and foods to soldiers in Iraq and Afghanistan. Anyone interested in joining Mr. Kushoff's group can get more information by contacting lswain@Fairlawn.org.

Mayor Tedeschi wished everyone a safe summer. He thanked the Pilipino American Association for their donation and the Benhi Scholarship Fund who have donated close to 60 scholarships to Fair Lawn students

ORDINANCES ON SECOND READING:

Upon motion by Deputy Mayor Weinstein a second by Councilmember Trawinski, it was unanimously agreed to read the following ordinance by title and open the time for public comments.

ORDINANCE NO. 2184-2010**AN ORDINANCE TO AMEND CHAPTER 33 OF THE CODE OF THE BOROUGH OF FAIR LAWN 2000 ENTITLED, "POLICE DEPARTMENT", SPECIFICALLY ARTICLE 1, ESTABLISHMENT OF DEPARTMENT, SECTION 33-2.A.**

There being no comments by the public, upon motion by Councilmember Baratta and a second by Councilmember Trawinski, it was unanimously agreed to close the time for public hearing.

Acting Manager Kwasniewski explained that this ordinance allows the Borough to have four lieutenants instead of two in preparation for work on the accreditation and the possible promotion to lieutenant in 2011. Councilmember Trawinski stated that the Council voted unanimously in favor of authorizing the position.

There being no further discussion, upon motion by Deputy Mayor Weinstein and a second by Councilmember Trawinski, Resolution No. 207-2010 adopting Ordinance No. 2184-2010 was unanimously passed.

Upon motion by Deputy Mayor Weinstein and a second by Deputy Mayor Swain, it was unanimously agreed to read the following ordinance by title and open the time for public comments.

ORDINANCE NO 2185-2010**BOND ORDINANCE PROVIDING FOR THE ACQUISITION OF EQUIPMENT FOR USE BY THE FIRE DEPARTMENT OF THE BOROUGH OF FAIR LAWN, IN THE COUNTY OF BERGEN, NEW JERSEY, APPROPRIATING \$100,500 THEREFOR AND AUTHORIZING THE ISSUANCE OF \$12,218 BONDS OR NOTES OF THE BOROUGH FOR FINANCING SUCH APPROPRIATION.**

There being no comments by the public, upon motion by Councilmember Baratta and a second by Councilmember Trawinski, it was unanimously agreed to close the time for public hearing.

Upon motion by Councilmember Baratta and a second by Councilmember Trawinski, Resolution No. 208-2010 adopting Ordinance No. 2185-2010 was unanimously passed.

Acting Manager Kwasniewski explained that this is a bond ordinance providing funds for purchases by the Fire Department. The Fire Department has received a grant for emergency ingress and egress equipment and this bond will cover the Borough's matching funds.

Upon motion by Deputy Mayor Weinstein and a second by Deputy Mayor Swain, it was unanimously agreed to read the following ordinance by title and open the time for public comments.

ORDINANCE NO 2186-2010**AN ORDINANCE TO EXCEED THE MUNICIPAL BUDGET APPROPRIATION LIMITS AND TO ESTABLISH A CAP BANK FOR THE CALENDAR YEAR 2010 (N.J.S.A. 404A: 4-45.14).**

There being no comments by the public, upon motion by Councilmember Trawinski and a second by Deputy Mayor Swain, it was unanimously agreed to close the time for public hearing.

Councilmember Trawinski commented that this will be needed assuming that there will be a 2 ½% hard CAP next year. Acting Manager Kwasniewski explained that this allows the Borough to establish the CAP bank for the next two years. She stated that the CAP bank is a reserve that the Borough can use. This was not available this year and it is important to establish this bank for future use.

There being no further discussion, upon motion by Councilmember Trawinski and a second by Deputy Mayor Swain, Resolution No. 209-2010 adopting Ordinance No. 2186-2010 was unanimously passed.

PUBLIC COMMENTS ON CONSENT AGEND ITEMS ONLY

Upon motion by Deputy Mayor Weinstein, and a second by Councilmember Trawinski, the time for public comments on agenda items only was opened.

There were no comments from the public, and upon motion by Councilmember Trawinski and a second by Deputy Mayor Weinstein, the time for public comments was unanimously closed.

RESOLUTION BY CONSENT #14-2010

Upon motion by Councilmember Trawinski and second by Councilmember Baratta, Consent Agenda 14-2010 containing the following items was unanimously passed.

- a. Resol. #210-2010 –Approval of Minutes:
Work Session 3/2/10
Closed Session 3/2/10
- b. Resol. #211-2010 – Award of Bid: Maintenance and Cleaning Service
- c. Resol. #212-2010 – Interlocal Agreement with the Borough of Elmwood Park for the Use of Memorial Pool
- d. Resol. #213-2010 – Recreational Opportunities for Individuals with Disabilities Grant Application
- e. Resol. #214-2010 – Authorizing Refund of Overpayment of Taxes
- f. Resol. #215-2010 – Renewal of Liquor Licenses 2010-2011
- g. Resol. #216-2010 – FEMA Grant Application to Provide for the Purchase of a Fire Pumper

- h. Resol. #217-2010 – FEMA Grant Application to Provide for the Purchase of CAD Equipment and Software
- i. Resol. #218-2010 – Appointments to Community Development

Resolution No. 219-2010- Professional Nursing Services – Valley Nursing Services

Upon a motion by Deputy Mayor Weinstein and seconded by Councilmember Baratta, Resolution No. 219-2010 was discussed.

Councilmember Trawinski stated that he received an e-mail from George Brouca on behalf of his wife who is the part time nurse stating that this service would be more cost effective if it was kept in-house. He suggested that this issue be tabled to the next work session for discussion and explanation by Acting Manager Kwasniewski.

Acting Manager Kwasniewski stated that this had been discussed at length numerous times and it appears on the agenda only because it should have been done in March. During discussions, she indicated that there was a lot of additional work involved as a result of H1N1. She said that the fees being charged appear cheaper when you look at the individual's hourly rate but when benefits are added it is not.

Councilmember Trawinski suggested that an analysis of the proposal contained in the e-mail be prepared by the CFO which could be discussed next week. Acting Manager Kwasniewski said that Valley Nursing Services was told in March that they have a contract for a year and they have been providing the services since January.

Upon motion by Councilmember Trawinski and seconded by Deputy Mayor Weinstein, the resolution was tabled for one week with Mayor Tedeschi abstaining.

Resolution No. 114-2010 – Authorizing Execution of Agreement with Insurance Design Administrators

Upon motion by Deputy Mayor Weinstein and a second by Mayor Tedeschi Resolution No. 114-2010 was removed from the table with Councilmember Trawinski and Councilmember Baratta dissenting.

Upon motion by Deputy Mayor Weinstein and a second by Councilmember Baratta Resolution #114-2010 was discussed.

Deputy Mayor Weinstein said that he voted to table this issue in February because they still needed to investigate options and to understand the full impact of self insurance versus the traditional type of insurance the Borough has had for many years. He spoke to and visited IDA and their network along with a number of administrators of medical groups in the area and he believes that they are getting comparable coverage if not better. In looking at the plan and the savings, he believes that it would be irresponsible not to proceed with the options available where they could realize potential savings of close to \$1 million. He noted that last

year the premium for Blue Cross/Blue Shield increased by 34% and it is likely to go up again.

Deputy Mayor Weinstein pointed out that the Borough already has self insurance in place with worker's comp. The Council will budget exactly the same amount this year as they would have if they kept Blue Cross/Blue Shield and in the worst case scenario they would be equal. If not, Blue Cross keeps the money, however, in the self insurance scenario, the Borough will save the money. Next year the Council will budget for the worst case scenario but they may not have to add extra dollars or the Council could take that money and use it in other areas.

Deputy Mayor Weinstein said that if they don't take advantage of this opportunity and put new ideas in place they will not have enough money to operate the Borough efficiently resulting in more layoffs, furloughs and cuts in services. This change in direction could be the solution to this problem in 2011 and 2012. He stated that they must move forward with this alternative for both the employees and residents of Fair Lawn. They cannot afford to turn away from this opportunity in these economic times and this is why he is voting in favor of this resolution.

Councilmember Trawinski said that he will be voting against this resolution for many reasons. He stated that the Council was supposed to receive notification from the Labor lawyer that this change would be effective for retirees, however, this letter has never been received. The Council has received significant concessions from all the labor unions which were important for long term savings on health insurance costs. The Council will no longer have these concessions if this change is made. These concessions included changes to the co-pay for prescription drugs; changing the administrator for the prescription program and increasing the co-pay for the doctor visits. The unions gave this concession to the Borough in return for staying with Horizon. The reality is that in this day and age these kinds of changes can't be dictated to labor unions. The Council needs to recognize that these changes are made as part of the collective bargaining process.

Councilmember Trawinski said he is also voting against this because there is no positive effect in this year's budget. The risk pool is too small and the risk pool for self insurance is not like the self insurance that ran the Joint Insurance Fund (JIF). The risk pool is Borough existing employees or retired employees. There had been discussion of exploring other risk pools that might be available such as a Health Insurance Fund (HIF) where the risk is spread among a greater pool to achieve greater savings.

Councilmember Trawinski stated that the projected savings outlined by Deputy Mayor Weinstein were based upon an eighteen month projection for IDA but this contract is only a twelve month contract and the projected savings are not guaranteed. He vehemently disagrees with Deputy Mayor Weinstein's statement that the Council could take money from a self insurance plan and use it for other purposes. They are in trouble at the moment because previous Councils took money from the self insurance fund and used it for other purposes. If this is passed, the

Council should promise never to raid this self insurance plan for any other purpose and only to keep those funds for this self insurance fund.

Councilmember Trawinski asked CFO Palermo if his statement regarding the fiscal responsibility of raiding the self insurance fund was correct; as well as whether or not the savings projections were based on a 12 month contract. He also asked if he was accurate in stating that this change would have no effect on this year's budget. CFO Palermo confirmed that all of these statements were correct. Councilmember Trawinski pointed out another intangible effect on the morale of Borough employees who believed the Council when they were told that no changes were going to be made. Councilmembers have lost all credibility with Borough employees because the Council went ahead with the change and the adverse affect of this change on morale will carry a hidden cost.

Deputy Mayor Weinstein pointed out that it never was or is it his intention to raid the fund. He agreed that the concessions by the employees was a tremendous step, however, it wasn't going to result in the greatest savings. He wondered if the employees would be able to make these concessions again next year when the premium goes up again in light of furloughs.

Deputy Mayor Weinstein noted that after a recent review it was found that the lasering wasn't as significant as claimed by Qual Care. The situation is better than first thought and they need to take the opportunity of saving \$900,000 and giving the employees an equal plan while saving money for the taxpayers of Fair Lawn.

Deputy Mayor Swain stated that this is one of the most difficult decisions she has had to make as a Councilmember. She has tried to look at it from the employee's perspective and she recognizes the fact that no one likes to change a health plan but she also must consider the taxpayers. The name of the health care provider will change but the employees are still going to have the same kind of coverage they need.

Deputy Mayor Swain pointed out that some of the taxpayers don't have health insurance and others are paying large co-pays and contributions every month to pay for health insurance. This new plan will save taxpayer money and the Council must move forward and think about 2011 and the savings they can count on rather than additional furloughs and layoffs. She stated that no one on the Council has any intention of raiding the self insurance fund and the Council can come up with a plan to ensure that the plan is funded appropriately. The Council has been discussing this since January and this is the best plan where the employees will realize adequate health care while tax dollars will be saved for the residents.

Councilmember Baratta indicated that she agrees with everything stated by Councilmember Trawinski. She pointed out that many of the employees are tax payers and Fair Lawn residents. She said that she felt that the rug was being pulled out from underneath Borough employees because they had been assured that the Borough would continue with Horizon Health Care, however, a few weeks later,

employees were told something completely different. This was also happening at the time as Borough employees were being forced to take furlough days or even facing layoffs in some instances. Councilmember Baratta recalled that the vote had been to continue the present contract, finish the budget and look for a better plan after that.

Mayor Tedeschi said that there are savings in the budget because they have budgeted the full amount of the health care with the anticipated savings flowing to surplus during this year because six of the eighteen months of projected savings are in 2010. He stated that a 501(c)9 could be created so that the funding for health care cannot be used for anything else. With the self insurance, the employees will save \$360,000 over the next 12 months because they will not have to pay increased co-pays and drug co-pays.

CFO Palermo stated that there are other savings that could be included in the contract for this year. Councilmember Trawinski said that the information is listed on page 20 of the contract which he will be reviewing. CFO Palermo referred to Schedule D and stated that the enrollment form for life insurance differs from the contract.

Councilmember Trawinski noted the Borough Manager has asked for a 60 day delay via a letter dated May 28th, on behalf of the PBA. He is asking that this resolution be tabled in order to grant this request.

Upon motion by Councilmember Trawinski and seconded by Councilmember Baratta to table Resolution No. 114-2010 for 60 days failed with Deputy Mayor Swain, Deputy Mayor Weinstein and Mayor Tedeschi dissenting.

Councilmember Trawinski indicated he did not believe that everything will remain the same. This is not equal or better coverage and they have not taken into consideration the cost to the Borough of defending the litigation that will likely ensue.

Upon motion by Councilmember Trawinski and seconded by Councilmember Baratta to table Resolution No. 114-2010 failed with Deputy Mayor Swain, Deputy Mayor Weinstein and Mayor Tedeschi dissenting.

Councilmember Trawinski proposed amending the resolution and the contract to provide for an eighteen month term. The savings calculations are based on an 18 month period and this is a 12 month contract, therefore, they can't be assured of any savings unless it is amended to 18 months.

Mayor Tedeschi stated that he wouldn't support that proposal because in the calculations of the 18 months there were assumptions assigned to increases for both IDA and for Blue Cross Blue Shield. The contract refers to total savings based on estimated increases.

Upon motion by Councilmember Trawinski and seconded by Councilmember Baratta to amend the contract to 18 months failed with Deputy Mayor Swain, Deputy Mayor Weinstein and Mayor Tedeschi dissenting.

Councilmember Trawinski commented that it is apparent that a majority of Councilmembers are determined to jam this through. Mayor Tedeschi said that the majority of the Council is satisfied that it has gone through a process and can make a reasonable judgment. Deputy Mayor Weinstein said that because this process began in November 2009 it could not be described as being "jammed through".

There being no further discussion, Resolution No. 114-2010 was adopted with Councilmember Baratta and Councilmember Trawinski dissenting.

**Resolution No. 115-2010 – Professional Services: Insurance Design
Administrator**

Upon motion by Deputy Mayor Weinstein and a second by Deputy Mayor Swain Resolution No. 115-2010 was removed from the table with Councilmember Baratta and Councilmember Trawinski dissenting.

Upon motion by Deputy Mayor Weinstein and seconded by Councilmember Baratta Resolution No. 115-2010 was discussed.

Councilmember Trawinski proposed an amending Schedule A as follows:

1. Notices should be sent to the attention of the Borough Manager because the Mayor changes. Mayor Tedeschi suggested that notices be sent to both the Mayor and the Borough Manager.
2. The ending date of the agreement should be set as January 30th, 2012. This would make this an 18 month agreement and would give the Council the opportunity to realize the anticipated savings.
3. Changing of Schedule C to have the appropriate figures for husband and wife and parent and child. Mayor Tedeschi said that this is confusing and requires clarification. Councilmember Trawinski proposed that this issue should be discussed and resolved by the Manager and the CFO and if it needs to be revised to make it clear that it is husband and wife and parent child this will be inserted and, if not, it can be left the way it is. Acting Manager Kwasniewski recommended adding the parent child and the husband and wife.

Deputy Mayor Weinstein commented that they need to keep their options open and stick with the twelve month period. Mayor Tedeschi said that by going with the self insurance they have preserved the tax payer's right, as well as their own, to decide who the carrier is going to be and they don't have to agree to any of the labor contract agreements.

Upon motion by Councilmember Trawinski and seconded by Deputy Mayor Weinstein it was unanimously agreed to amend Schedule A to incorporate Councilmember Trawinski's proposed changes 1 and 3.

Upon motion by Mayor Tedeschi and seconded by Councilmember Baratta to amend Schedule A to have the agreement end January 31, 2012 failed with Deputy Mayor Swain, Deputy Mayor Weinstein and Mayor Tedeschi dissenting.

PUBLIC COMMENTS

Upon motion by Deputy Mayor Weinstein and a second by Councilmember Trawinski, it was unanimously agreed to open the time for public comments.

Arlene Glassman, 14-15 Chandler Drive, from the Fair Lawn Tenant's Association regarding the Community Garden stated that the tenants think the Community Garden is a wonderful idea, however, there are a few tenants that are unhappy because they feel that everyone wasn't given the same opportunity for input prior to the Council's approval of the project. Some of the tenants do not agree with the location of the garden and Ms. Glassman asked about the possibility of finding another location although she realizes that there will never be a location that is satisfactory to everyone.

Ms. Glassman said that there are so many positive aspects of this plan especially the fact that some of the produce will go to food banks. Even if another location can't be found she asked that all the parties be kept informed.

Deputy Mayor Swain asked if most of the tenants were happy with the location and Ms. Glassman confirmed that this was correct, however, she said that some didn't know anything about it until they saw preliminary work being done in the area. Ms. Glassman stated that everyone should have been informed about this idea when it was first proposed. Deputy Mayor Swain said that no one wants to be surprised by something happening but now that these tenants have more information they agree that this could be an asset to Fair Lawn. Ms. Glassman indicated that some of the tenants were upset because they like the idea of the privacy that this park area provides and they should have been informed.

Jane Spindel, 3-95 Plaza Road, indicated that she has discussed the matter with Ms. Glassman. Ms. Spindel said that information on the Community Garden was in the Community News, on the Borough website and the bulletin board but people don't read. They advertised for members and have approximately 12 people at this time. Ms. Spindel explained that Sampson Park was chosen as the location for the Community Garden because it is next to the garden apartments which give people easy access to an area that they can cultivate. There is an acre of land with full sun that can be utilized which is a win-win situation for everybody. Ms. Spindel said that the soil has been tested and it is fine and organic soil is also being donated. There are no parking issues, no flood lights and no music. The park is underutilized. She hasn't seen anyone sitting in the park for the last several days. Ms. Spindel

concluded that someone would always be unhappy with the location of the Community Garden no matter where it is located.

Councilmember Baratta said that the meeting on Thursday will be informative and all the tenants should have received the letter. A special e-mail address for questions and correspondence regarding the Community Garden has been created. The point of the meeting on Thursday is to get input and share ideas to make the garden better for everybody.

Mary Jacob, 12-45 George Street, representing residents on George Street regarding the cell phone tower expressed concerned about the health risks posed to elementary students as well as her own child. On May 11th, the area of the Municipal Building was rezoned to accommodate a commercial antenna, however, when she inquired about this with the Zoning Board, they were not aware of this. Ms. Jacob asked if other areas had been looked at for the cell tower.

Acting Manager Kwasniewski confirmed that the ordinance has been introduced and adopted and the Borough Attorney is working on the specifications because it has to go through the bidding process. She said that she thought Ms. Jacob was referring to an application in front of the Zoning Board. She explained that the Zoning Board is a quasi judicial board and the Council can't tell them what to do. She added that the application in front of the Zoning Board and the rezoning are not connected.

Craig Miller, 5 Ramapo Terrace, recalled that several weeks ago during a meeting the Council said they would not go to self insurance. Deputy Mayor Weinstein said that self insurance was discussed in Closed Session and because of that he couldn't comment on it. Mayor Tedeschi stated that the fact that the town is facing a huge tax increase this year and a larger increase next year needs to be factored into the equation. He stated that for the sake of the taxpayers they had to look at every opportunity for better value.

Mr. Miller said that the Council has lost credibility because they say one thing and do another. Employee morale is headed down and this is also disheartening to residents who cannot trust people they vote for. Mayor Tedeschi said that decisions made by the Council are not based on how people are going to vote in the next election. These are serious times and they are looking at systemic changes that must be made.

Mr. Miller suggested that Borough employees should vote on the different options and not be blindsided by what is discussed in Closed Session. Mayor Tedeschi said that he wouldn't argue with that if the employees are willing to pay for the option they choose. He continued that the contract with Blue Cross/Blue Shield ends in six months and when they were asked about the upcoming rate increases they said they didn't know what the rates were going to be. Research by the Kaiser Group indicates that health costs are going to rise by 9% which the Borough will pay under a self insurance program, however, the Borough will not have to pay the broker's

commission of \$230,000. Mayor Tedeschi admitted that he may have misspoke when talking about health insurance previously but he is working for the taxpayers.

Pam Coles, 13-34 George Street, referred to the comment that there were four tiers relative to the health insurance. CFO Karen Palermo explained that this means there could be further cost savings. Ms. Coles questioned the inconsistencies in the contract and CFO Palermo said she had reported these to the Acting Manager. She did not want to comment on the inconsistencies because she is neither a legal nor an insurance specialist. Ms. Coles asked why the Council is signing a contract that has inconsistencies. Councilmember Trawinski said that the contract has been amended and the benefits were not impacted. Deputy Mayor Weinstein added that the contract was reviewed by Special Counsel.

Ms. Coles recalled someone saying that the agreement is based on twelve months but savings are calculated on eighteen months. If this is the case, six months are missing and Mayor Tedeschi explained that assumptions have to be done to calculate the six months. With IDA, the rate is for twelve months and the estimate is only added for the next six months. Mayor Tedeschi read from a comparison done by the CFO which calculates a savings of approximately \$9 million. Ms. Coles asked why employees are being laid off or furloughed if the Borough is going to save all of this money. Mayor Tedeschi said that these are projected savings that will take effect next year.

Ms. Coles referred to a previous meeting which included employees where a presentation was made by Blue Cross/Blue Shield. Deputy Mayor Weinstein said that this was a meeting with Stu Migdon where he reviewed various options for consideration by employees. The employees chose Option 7 and even though Option 8 would have resulted in greater savings to the Borough. Ms. Coles asked if self insurance was one of the options and Deputy Mayor Weinstein said it was not. She asked how the employees feel about this.

Mayor Tedeschi said that they would have to ask the employees and the employees will have to see how the plan works. The employees will see that the Council has successfully negotiated many things that they are not responsible to pay for.

Ms. Coles asked if IDA is involved in Pay to Play or are they part of a special interest group. Councilmember Baratta stated that they have filled out disclosure forms which are required by everyone doing business with the Borough. Mayor Tedeschi explained that the Borough cannot afford to do business the way it was done before.

Ms. Coles asked if there were any updates on the Naugle House. Attorney Rosenberg said that they are meeting next week with the County on the grant.

Ms. Coles indicated that she would also be attending the Zoning Board meeting regarding the cell tower on George Street. Mayor Tedeschi commented that no one is happy about it.

Tim Franco, 0-17 Fair Lawn Parkway, stated that the employees are concerned about the providers in IDA's network most of which are located in Bergen County. He pointed out that many employees do not live in Bergen County and may have to go out of network which will be costly. He asked if Horizon's providers could be used with IDA. Mayor Tedeschi said that this is not an option and he referred to an analysis that was done which concluded that IDA's disruption rate was 87%. Mr. Franco asked again why they couldn't use Horizon's providers. Acting Manager Kwasniewski explained that employees can't use Horizon's providers because they are not within the Borough's network.

Deputy Mayor Swain said that employees can continue to use the doctors they have used in Horizon during the first four months of the switch to the new plan. IDA will pay the bills submitted by those doctors and they will try to persuade those doctors to switch so that employees do not have to switch doctors.

Bob Kneer, an employee of the Borough for 37 years advised that he is confused by the earlier discussion which indicated that the \$1 million in savings for insurance can't be used for anything else. Mayor Tedeschi said that the discussion centered on the question of how to protect surpluses in the self-insurance fund from being used for other purposes. He referred to a 501(c)9 where funds are put into a restricted account and are used to cover health benefits only.

Mr. Kneer said that he read that Governor Christie has freed up any surplus funds which can be used, however, Mayor Tedeschi stated that this refers to Governor Christie ordering the Perth Amboy Board of Education to use their surplus. Mr. Kneer said that in a fiscal crisis it is difficult to accept that existing money cannot be used to fund something else so that Borough employees would not have to take furloughs or face lay offs. Mayor Tedeschi pointed out that the Board of Education faced a reduction in State Aid of over \$4 million and has laid off 33 full time employees, 50 part time employees and are in the process of changing their health plan.

Deputy Mayor Weinstein asked CFO Palermo how much of surplus from the prior year was used in this budget. CFO Palermo said that \$5 million was used. Deputy Mayor Weinstein said that it is necessary to accumulate some amount of surplus for the following year.

Mr. Kneer said that he has discussed IDA Insurance with Paramus Health Care who has indicated that they may not be able to cover Mr. Kneer and his colleagues any longer. Even though the vote has been taken, Mr. Kneer said that the Council should reconsider because there are many employees that are going to be affected. Mayor Tedeschi asked Mr. Kneer to give the information to Acting Manager Kwasniewski who will ask IDA to work at getting these doctors included in the network.

Mr. Kneer stated that there has been a 13 man rotation in the patrol department since he joined the police department in 1973 even though the crime rate has risen considerably. He understands that the Borough is facing a fiscal crisis but he doesn't think every possibility has been examined. Four police officers are being laid off and

if these officers find another job it will not be possible to get them back. They should not put a price on safety and the town will have to pay more in the long run when hiring new officers.

Michele Coles, 9-13 Campbell Road, said that she spoke with Deputy Mayor Swain recently and thanked her for her time. She stated that, at this time, she is still a Borough employee. She indicated that many employees believed that furloughs would save jobs. She feels it was cost effective for the Borough to keep the "little guy" like herself. She asked the Council to keep her on as an employee because she is multi trained and would be an asset in other Borough offices. It doesn't seem right that that so many different entities are making donations for the fireworks while she may lose her job. Ms. Coles pointed out that the Council changed their minds on the insurance and she hopes they will keep her on as a Borough employee.

There being no further comments from the public, upon motion by Councilmember Baratta and a second by Deputy Mayor Swain, the time for public comments was unanimously closed.

Mayor Tedeschi stated that the municipal tax increase is approximately \$283 for the average homeowner. The school tax increase is approximately \$256; the water rate has risen by \$80; and, the County tax increase is \$20. This adds up to a \$639 increase in total for senior citizens who haven't received a cost of living increase and for many residents who are unemployed or under employed. Mayor Tedeschi said that Councilmembers don't enjoy having to explain why the Library or Walsh Pool has to close, why employees have to take furlough days or why police officers are being laid off. It isn't easy and the Councilmembers are not walking out on this job.

CLOSED SESSION

Upon motion by Deputy Mayor Weinstein, and a second by Deputy Mayor Swain, the following Closed Session resolution was adopted at 9:40 P.M. , with Councilmember Trawinski dissenting.

WHEREAS; the Open Public Meetings 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 Contract Negotiations; Health Benefits; and, the Borough Manager;

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 a motion by Councilmember Baratta and a second by Deputy Mayor Swain, the meeting was adjourned at 10:15 P.M.

Respectfully submitted,

Marilyn B. Bojanowski, RMC
Assistant Municipal Clerk

The undersigned have read and approved the foregoing minutes.

Mayor Joseph Tedeschi

Councilmember Jeanne Baratta

Deputy Mayor Lisa Swain

Councilmember Ed Trawinski

Deputy Mayor Weinstein